



INTERPUMP GROUP

RESULTS FOR THE FOURTH QUARTER OF 2013

Net sales: €139.0 million (€121.7 million in the fourth quarter of 2012): +14.3%
EBITDA: €25.5 million (18.4% of sales – 19.5% on alike for like basis and excluding non-recurring costs),
(€21.4 million in the fourth quarter of 2012): +193%
EBIT: €18.8 million (13.5% of sales – 15.1% on a like for like basis and excluding non-recurring costs),
(€15.0 million in the fourth quarter of 2012): +253%
Consolidated net profit: €9.1 million (€10.6 million in the fourth quarter of 2012, which included non-
recurring tax benefits of €2.4 million)
Free cash flow: €15.2 million (11.1 million in the fourth quarter of 2012): +37.6%

PRELIMINARY RESULTS FOR 2013

Net sales: €556.5 million (€527.2 million in 2012):+ 5.6%
EBITDA: €105.2 million (18.9% of sales; 19.6% on alike for like basis and excluding non-recurring
costs), (€105.9 million in 2012)
The exchange effect penalized sales by €10.2 million and EBITDA by €2.4 million
EBIT: €79.3 million (14.3% of sales; 15.5% on a like for like basis and excluding non-recurring costs),
(€84.0 million in 2012): -5.6%
Consolidated net profit: €44.1 million (€47.8 million in 2012, net of non-recurring tax benefits of €54
million)
Free cash flow: €34.3 million (€38.6 million in 2012) after net capex of € 29.8 million (€ 15.9 million in
2012)
Net debt: €88.7 million (€74.5 million at 31 December 2012) after payments for €45.2 million made for
acquisitions and purchases of treasury stock

Sant'Ilario d'Enza (RE), 14 February 2014 – Interpump Group announces its **consolidated results for the fourth quarter and its preliminary figures for 2013**, as approved by today's Board of Directors meeting. Comparative figures for 2012 have improved over those originally approved due to an amendment to IAS 19 which requires the actuarial component of defined benefit plans to be recognized in an equity reserve rather than in profit or loss, as was the case until 2012. As required, the effect of this amendment has been recognized retrospectively and accordingly net profit for 2012 has increased by 0.9 million euros. In addition the figures for 2013 include the results of Hydrocontrol for 8 months; this company was acquired in May 2013 and its results were clearly not consolidated in 2012.



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RESULTS FOR THE FOURTH QUARTER OF 2013

Net sales

Net sales for the fourth quarter of 2013 totaled 139.0 million euros, an increase of 14.3% over the corresponding period in 2012 (121.7 million euros). There was a rise of 2.9% on a like for like basis (+5.9% if unchanged exchange rates are also used). This is the first time in 2013 that sales for a quarter rose on a like for like basis, indicating the first signs of a pick-up in the markets.

Net sales for the fourth quarter may be analyzed by business sector and geographical area as follows:

(€/000)	<u>Italy</u>	<u>Rest of Europe</u>	<u>North America</u>	<u>Pacific Area</u>	<u>Rest of the World</u>	<u>Total</u>
<i>4th quarter 2013</i>						
Hydraulic Sector	16,131	24,207	20,365	4,085	12,354	77,142
Water Jetting Sector	<u>4,668</u>	<u>18,572</u>	<u>23,575</u>	<u>7,605</u>	<u>7,458</u>	<u>61,878</u>
Total	<u>20,799</u>	<u>42,779</u>	<u>43,940</u>	<u>11,690</u>	<u>19,812</u>	<u>139,020</u>
<i>4th quarter 2012</i>						
Hydraulic Sector	11,970	15,542	16,852	2,622	12,388	59,374
Water Jetting Sector	<u>4,520</u>	<u>18,735</u>	<u>26,328</u>	<u>7,907</u>	<u>4,805</u>	<u>62,295</u>
Total	<u>16,490</u>	<u>34,277</u>	<u>43,180</u>	<u>10,529</u>	<u>17,193</u>	<u>121,669</u>
Percentage changes 2013/2012						
Hydraulic Sector	+34.8%	+55.8%	+20.8%	+55.8%	-0.3%	+29.9%
Water Jetting Sector	+3.3%	-0.9%	-10.5%	-3.8%	+55.2%	-0.7%
Total	+26.1%	+24.8%	+1.8%	+11.0%	+15.2%	+14.3%
Total changes on a like for like basis						
	+9.2%	+7.4%	-2.8%	-3.3%	+6.1%	+2.9%

On a like for like basis the Hydraulic Sector grew by 0.4%.

Sales in North America were penalized by the difference in the average Euro/USD rate which was used in 2013 (1.36) compared to that used in 2012 (1.30). With an unchanged exchange rate and an unchanged consolidation scope sales in North America rose by 2.1% (+ 14.7% in the Hydraulic Sector and -5.9% in the Water Jetting Sector).

Profitability

Gross operating income (EBITDA) amounted to 25.5 million euros (18.4% of sales) compared to 21.4 million euros in the fourth quarter of 2012 when it represented 17.6% of sales, an increase of 19.3%. The following table sets out EBITDA by business sector:



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	<i>4th quarter</i> <i>2013</i> <u>€/000</u>	<i>% of</i> <i>total</i> <i>sales*</i>	<i>4th quarter</i> <i>2013</i> <u>€/000</u>	<i>% of</i> <i>total</i> <i>sales*</i>	<i>Change</i>
Hydraulic Sector	10,265	13.3%	6,668	11.2%	+53.9%
Water Jetting Sector	15,260	24.5%	14,805	23.7%	+3.1%
Other Sectors	<u>14</u>	N/A	<u>(72)</u>	N/A	N/A
Total	<u>25,539</u>	18.4%	<u>21,401</u>	17.6%	+19.3%

* = Total sales also include those made to other companies in the consolidation scope while the sales analyzed above refer only to those made outside the Group. Thus, for consistency, percentages are calculated as a proportion of total sales instead of as a proportion of those shown above.

On a like for like basis and excluding non-recurring costs relating to the rationalization of the Hydraulic Sector, EBITDA represented 19.5% of sales.

Operating income (EBIT) amounted to 18.8 million euros (13.5% of sales) compared to 15.0 million euros in the fourth quarter of 2012 (12.3% of sales), an increase of 25.3%. On a like for like basis and excluding non-recurring costs, EBIT represented 15.1% of sales.

The fourth quarter ended with consolidated net profit of 9.1 million euros, or 6.6% of sales (10.6 million euros in the fourth quarter of 2012, which included non-recurring tax benefits of €2.4 million). The decrease can be explained by the receipt of a one-off tax benefit in 2012.

Basic earnings per share amounted to 0.085 euros (0.109 euros in the fourth quarter of 2012).

Free cash flow reached 15.2 million euros (11.1 million euros in the fourth quarter of 2012) representing an increase of 37.6%.

PRELIMINARY RESULTS FOR 2013

Net sales

Net sales for 2013 amounted to 556.5 million euros, an increase of 5.6% over sales for the corresponding period in 2012 when they totaled 527.2 million euros (-1.3% on a like for like basis, +0.7% if unchanged exchange rates are also used).

Net sales may be analyzed by business sector and geographical area as follows:

(€/000)	<u>Italy</u>	<u>Rest of Europe</u>	<u>North America</u>	<u>Pacific Area</u>	<u>Rest of the World</u>	<u>Total</u>
<i>Full year 2013</i>						
Hydraulic Sector	58,089	85,617	82,282	15,876	52,234	294,098
Water Jetting Sector	<u>19,759</u>	<u>79,057</u>	<u>107,969</u>	<u>35,685</u>	<u>19,945</u>	<u>262,415</u>
Total	<u>77,848</u>	<u>164,674</u>	<u>190,251</u>	<u>51,561</u>	<u>72,179</u>	<u>556,513</u>
<i>Full year 2012</i>						
Hydraulic Sector	52,358	65,195	77,027	12,170	50,986	257,736
Water Jetting Sector	<u>19,185</u>	<u>77,707</u>	<u>110,419</u>	<u>42,612</u>	<u>19,517</u>	<u>269,440</u>
Total	<u>71,543</u>	<u>142,902</u>	<u>187,446</u>	<u>54,782</u>	<u>70,503</u>	<u>527,176</u>



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	<u>Italy</u>	<u>Rest of Europe</u>	<u>North America</u>	<u>Pacific Area</u>	<u>Rest of the World</u>	<u>Total</u>
<i>Percentage changes 2013/2012</i>						
Hydraulic Sector	+10.9%	+31.3%	+6.8%	+30.5%	+2.4%	+14.1%
Water Jetting Sector	+3.0%	+1.7%	-2.2%	-16.3%	+2.2%	-2.6%
Total	+8.8%	+15.2%	+1.5%	-5.9%	+2.4%	+5.6%
Total changes on a like for like basis	-0.3%	+4.2%	-1.3%	-15.0%	-2.7%	-1.3%

On a like for like basis sales in the Hydraulic Sector remained essentially at the same level.

Sales in North America were penalized by the difference in the average Euro/USD rate which was used in 2013 (1.33) compared to that used 2012 (1.28). With an unchanged exchange rate sales in North America rose by 2.0% (+ 3.4% in the Hydraulic Sector and +1.0% in the Water Jetting Sector).

Profitability

Gross operating income (EBITDA) totaled 105.2 million euros (18.9% of sales) compared to 105.9 million euros in 2012 when it represented 20.1% of sales. On a like for like basis and excluding non-recurring costs, EBITDA represented 19.6% of sales. The following table sets out EBITDA by business sector:

	<i>Whole year 2013 €/000</i>	<i>% of total sales*</i>	<i>Whole year 2012 €/000</i>	<i>% of total sales*</i>	<i>Increase/ decrease</i>
Hydraulic Sector	41,387	14.1%	37,396	14.5%	+10,7%
Water Jetting Sector	63,747	24.2%	68,425	25.3%	-6,8%
Other Sectors	39	N/A	46	N/A	N/A
Total	<u>105,173</u>	<u>18.9%</u>	<u>105,867</u>	<u>20.1%</u>	<u>-0,7%</u>

* = Total sales also include those made to other companies in the consolidation scope while the sales analyzed above refer only to those made outside the Group. Thus, for consistency, percentages are calculated as a proportion of total sales instead of as a proportion of those shown above.

Operating income (EBIT) amounted to 79.3 million euros (14.3% of sales) compared to 84.0 million euros in 2012 (15.9% of sales). On a like for like basis and excluding non-recurring costs, EBIT represented 15.1% of sales.

Net profit amounted to 44.1 million euros (53.2 million euros in 2012, which included non-recurring tax benefits of 5.4 million euros). Basic earnings per share were 0.413 euros (0.556 euros in 2012).

Capital employed rose from 499.4 million euros at 31 December 2012 to 554.3 million euros at 31 December 2013. The rise is due to the acquisition of Hydrocontrol which led to an increase of 56.3 million euros in capital employed. ROCE amounted to 14.3% (16.8% in 2012), with the decrease being due to the fact that consolidated EBIT includes only eight months results for Hydrocontrol while this figure is being compared with the whole of the capital employed for the acquisition of the company. Excluding the above, ROCE would have been 15.6%. ROE amounted to 10.2% (13.4% in 2012); this too was affected by the acquisition of Hydrocontrol since a capital increase of 30.1 million euros was carried out as the consequence of the transfer of 4,500,000 treasury



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shares for the purchase, while the results of Hydrocontrol were consolidated for only eight months. Excluding the above ROE would have been 11.2%.

Financial situation

Net debt amounted to 88.7 million euros at 31 December 2013 (74.5 million euros at 31 December 2012) following payments of 23.8 million euros for acquisitions and purchases of treasury stock of 21.4 million euros. In addition, the Group has binding commitments to acquire minority interests in subsidiaries for 32.7 million euros (28.0 million euros 31 December 2012).

Free cash flow was 34.3 million euros (38.6 million euros in 2012). It should be noted that additional capital expenditure, net of disposals, of 13.9 million euros was incurred in 2013 compared to 2012, of which 6.5 million euros regards the construction of the new Hammelmann factory. Working capital of 0.9 million euros was used in 2013 (14.8 million euros in 2012).

Net capital expenditures of 29.8 million euros were made in tangible and intangible assets in 2013 (15.9 million euros in 2012). Interpump Group held 3,103,503 of its own shares at 31 December 2013, equivalent to 2.85% of its capital, purchased at an average price of 6.79458 euros each.

Sant'Ilario d'Enza (RE), 14 February 2014

On behalf of the Board of Directors
The Chairman
Fulvio Montipò

The manager responsible for drafting company accounting documents, Carlo Banci, declares pursuant to the terms of section 2, article 154(2) of the Financial Services Act that the accounting disclosures in the present release correspond to the contents of the underlying documents, the accounting books and the accounting entries.

Sant'Ilario d'Enza (RE), 14 February 2014

Manager responsible for drafting
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Consolidated statement of financial position

	<u>31/12/2013</u>	<u>31/12/2012*</u>
ASSETS		
Current assets		
Cash and cash equivalents	105,312	115,069
Trade receivables	113,726	96,371
Inventories	145,994	131,692
Tax receivables	5,840	6,705
Derivative financial instruments	42	306
Other current assets	5,661	6,675
Total current assets	<u>376,575</u>	<u>356,818</u>
Non-current assets		
Property, plant and equipment	150,668	112,527
Goodwill	234,792	225,921
Other intangible assets	23,755	22,146
Other financial assets	2,072	1,840
Tax receivables	3,071	2,802
Deferred tax assets	19,525	16,707
Other non-current assets	565	971
Total non-current assets	<u>434,448</u>	<u>382,914</u>
Assets held for sale	-	2,121
Total assets	<u>811,023</u>	<u>741,853</u>

* = As required by IAS 1, following the application of the amendment to IAS 19 retrospectively from 1 January 2013, the figures in the income statement and cash flow statement for the year ended 31 December 2012 and for the fourth quarter of 2012, and those in the statement of financial position at 31 December 2012, which are presented for comparative purposes, have been restated.

	<u>31/12/2013</u>	<u>31/12/2012*</u>
LIABILITIES		
Current liabilities		
Trade payables	69,985	53,612
Payables to banks	20,932	10,614
Interest bearing financial payables (current portion)	61,371	87,303
Derivative financial instruments	279	781
Taxes payable	5,613	6,655
Other current liabilities	45,524	27,342
Provisions for risks and charges	3,972	4,653
Total current liabilities	207,676	190,960
Non-current liabilities		
Interest bearing financial payables	111,693	91,701
Liabilities for employee benefits	11,942	11,008
Deferred tax liabilities	26,458	22,456
Non-current tax payables	-	17
Other non-current liabilities	18,774	27,496
Provisions for risks and charges	1,531	1,339
Total non-current liabilities	170,398	154,017
Total liabilities	378,074	344,977
SHAREHOLDERS' EQUITY		
Share capital	55,004	52,796
Legal reserve	11,323	10,157
Share premium reserve	125,039	105,514
Reserve for valuation of hedging derivatives at fair value	(27)	(333)
Remeasurement reserve for defined benefit plans	(3,396)	(2,850)
Translation reserve	(19,084)	(8,243)
Other reserves	257,827	234,002
Group shareholders' equity	426,686	391,043
Non-controlling interests	6,263	5,833
Total shareholders' equity	432,949	396,876
Total shareholders' equity and liability	811,023	741,853

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Consolidated income statement for the fourth quarter*

(€/000)	<u>2013</u>	<u>2012*</u>
Net sales	139,020	121,669
Cost of sales	(89,868)	(76,257)
Gross industrial margin	49,152	45,412
<i>% of net sales</i>	<i>35.4%</i>	<i>37.3%</i>
Other operating income	2,456	2,578
Distribution expenses	(14,614)	(12,813)
General and administrative expenses	(17,520)	(18,402)
Other operating costs	(674)	(1,775)
EBIT	18,800	15,000
<i>% of net sales</i>	<i>13.5%</i>	<i>12.3%</i>
Financial income	(457)	638
Financial charges	(2,819)	(2,677)
Adjustment for investments accounted for using the equity method	(51)	(77)
Profit for the period before taxes	15,473	12,884
Income taxes	(6,329)	(2,265)
Consolidated profit for the period	9,144	10,619
<i>% of net sales</i>	<i>6.6%</i>	<i>8.7%</i>
Attributable to:		
Owners of the parent	8,990	10,643
Non-controlling interests of subsidiaries	154	(24)
Consolidated profit for the period	9,144	10,619
EBITDA**	25,539	21,410
<i>% of net sales</i>	<i>18.4%</i>	<i>17.6%</i>
Shareholders' equity	432,949	396,876
Net debt	88,684	74,549
Debt for the purchase of investments	32,700	28,003
Capital employed	554,333	499,428
Non-annualized ROCE	3.4%	3.0%
Non-annualized ROE	2.1%	2.7%
Basic earnings per share	0.085	0.109

EBITDA* = EBIT + Depreciation + Amortization + Accruals

ROCE = EBIT / Capital employed

ROE = Consolidated profit for the period / Consolidated shareholders' equity

** = Since EBITDA is not an accounting measure either as part of Italian accounting principles or as part of international accounting standards (IAS/IFRS), the calculation of this item may vary. EBITDA is a measure used by the company's management to monitor and assess its operating performance. Management believes that EBITDA is an important parameter for measuring the company's operating performance as it is not affected by the various criteria that may be used to determine taxable income, the amount and characteristics of capital employed and the relative depreciation and amortisation policies. The criteria used by the company to determine EBITDA may not be consistent with that used by other companies/groups and the amount obtained may not be comparable with that calculated by them.

* = As required by IAS 1, following the application of the amendment to IAS 19 retrospectively from 1 January 2013, the figures in the income statement and cash flow statement for the year ended 31 December 2012 and for the fourth quarter of 2012, and those in the statement of financial position at 31 December 2012, which are presented for comparative purposes, have been restated.

Consolidated statement of comprehensive income for the fourth quarter

(€/000)	<u>2013</u>	<u>2012*</u>
Consolidated profit for the fourth quarter (A)	9,144	10,619
Other consolidated income which will be reclassified subsequently to consolidated profit for the period		
<i>Cash flow hedge accounting for derivatives hedging interest rate risk:</i>		
- Gains (losses) on derivatives for the period	-	-
- Less: Adjustment for gains (losses) reclassified to the income statement	-	-
- Less: Adjustment for the recognition of fair value in equity in the previous period	<u>66</u>	<u>212</u>
<i>Total</i>	<u>66</u>	<u>212</u>
<i>Cash flow hedge accounting for derivatives hedging currency risk:</i>		
- Gains (losses) on derivatives for the period	13	(36)
- Less: Adjustment for gains (losses) reclassified to the income statement	-	-
- Less: Adjustment for the recognition of fair value in equity in the previous period	<u>-</u>	<u>-</u>
<i>Total</i>	<u>13</u>	<u>(36)</u>
<i>Gains (losses) on translating the financial statements of foreign companies</i>	<u>(4,464)</u>	<u>(4,119)</u>
<i>Gains (losses) from companies accounted for using the equity method</i>	<u>(47)</u>	<u>(24)</u>
<i>Related taxation</i>	<u>(23)</u>	<u>(47)</u>
Total other consolidated income which will be reclassified subsequently to consolidated profit for the period, net of the tax effect (B)	<u>(4,455)</u>	<u>(4,014)</u>
Other consolidated income which will not be reclassified subsequently to consolidated profit for the period		
<i>Gains (losses) from remeasuring defined benefit plans</i>	<u>(774)</u>	<u>(1,244)</u>
<i>Related taxation</i>	<u>212</u>	<u>343</u>
Total other consolidated income which will not be reclassified subsequently to consolidated profit for the period, net of the tax effect (C)	<u>(562)</u>	<u>(901)</u>
Consolidated comprehensive income for the fourth quarter (A) + (B) + (C)	<u>4,127</u>	<u>5,704</u>
Attributable to:		
Owners of the parent	4,118	5,863
Non-controlling interests of subsidiaries	<u>9</u>	<u>(159)</u>
Consolidated comprehensive income for the fourth quarter	<u>4,127</u>	<u>5,704</u>

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Consolidated income statement for the year

(€/000)	<u>2013</u>	<u>2012*</u>
Net sales	556,513	527,176
Cost of sales	(353,753)	(326,833)
Gross industrial margin	202,760	200,343
<i>% of net sales</i>	<i>36.4%</i>	<i>38.0%</i>
Other operating income	8,765	8,775
Distribution expenses	(58,107)	(53,233)
General and administrative expenses	(70,441)	(69,084)
Other operating costs	(3,643)	(2,752)
EBIT	79,334	84,049
<i>% of net sales</i>	<i>14.3%</i>	<i>15.9%</i>
Financial income	4,941	4,905
Financial charges	(12,865)	(12,756)
Adjustment for investments accounted for using the equity method	(338)	(147)
Profit for the year before taxes	71,072	76,051
Income taxes	(26,985)	(22,837)
Consolidated profit for the year from continuing operations	44,087	53,214
<i>% of net sales</i>	<i>7.9%</i>	<i>10.1%</i>
Profit from assets held for sale and discontinued operations	-	12
Consolidated profit for the year	44,087	53,226
Attributable to:		
Owners of the parent	43,201	52,303
Non-controlling interests of subsidiaries	886	923
Consolidated profit for the year	44,087	53,226
EBITDA**	105,173	105,876
<i>% of net sales</i>	<i>18.9%</i>	<i>20.1%</i>
Shareholders' equity	432,949	396,876
Net debt	88,684	74,549
Debt for the purchase of investments	32,700	28,003
Capital employed	554,333	499,428
ROCE	14.3%	16.8%
ROE	10.2%	13.4%
Basic earnings per share	0.413	0.556

EBITDA* = EBIT + Depreciation + Amortization + Accruals

ROCE = EBIT/ Capital employed

ROE = Consolidated profit for the period / Consolidated shareholders' equity

** = Since EBITDA is not an accounting measure either as part of Italian accounting principles or as part of international accounting standards (IAS/IFRS), the calculation of this item may vary. EBITDA is a measure used by the company's management to monitor and assess its operating performance. Management believes that EBITDA is an important parameter for measuring the company's operating performance as it is not affected by the various criteria that may be used to determine taxable income, the amount and characteristics of capital employed and the relative depreciation and amortisation policies. The criteria used by the company to determine EBITDA may not be consistent with that used by other companies/groups and the amount obtained may not be comparable with that calculated by them.

* = As required by IAS 1, following the application of the amendment to IAS 19 retrospectively from 1 January 2013, the figures in the income statement and cash flow statement for the year ended 31 December 2012 and for the fourth quarter of 2012, and those in the statement of financial position at 31 December 2012, which are presented for comparative purposes, have been restated.

Consolidated statement of comprehensive income for the year

(€/000)	<u>2013</u>	<u>2012*</u>
Consolidated profit for the year (A)	44,087	53,226
Other consolidated income which will be reclassified subsequently to consolidated profit for the period		
<i>Cash flow hedge accounting for derivatives hedging interest rate risk:</i>		
- Gains (losses) on derivatives for the year	-	-
- Less: Adjustment for gains (losses) reclassified to the income statement	-	-
- Less: Adjustment for the recognition of fair value in equity in the previous year	<u>495</u>	<u>623</u>
<i>Total</i>	<u>495</u>	<u>623</u>
<i>Cash flow hedge accounting for derivatives hedging currency risk:</i>		
- Gains (losses) on derivatives for the year	14	91
- Less: Adjustment for gains (losses) reclassified to the income statement	(91)	367
- Less: Adjustment for the recognition of fair value in equity in the previous year	<u>-</u>	<u>-</u>
<i>Total</i>	<u>(77)</u>	<u>458</u>
<i>Gains (losses) on translating the financial statements of foreign companies</i>	<i>(11,049)</i>	<i>(5,277)</i>
<i>Gains (losses) from companies accounted for using the equity method</i>	<i>(126)</i>	<i>27</i>
<i>Related taxation</i>	<i><u>(112)</u></i>	<i><u>(328)</u></i>
Total other consolidated income which will be reclassified subsequently to consolidated profit for the period, net of the tax effect (B)	<u>(10,869)</u>	<u>(4,497)</u>
Total other consolidated income which will not be reclassified subsequently to consolidated profit for the period		
<i>Gains (losses) from remeasuring defined benefit plans</i>	<i>(774)</i>	<i>(1,244)</i>
<i>Related taxation</i>	<i><u>212</u></i>	<i><u>343</u></i>
Total other consolidated income which will not be reclassified subsequently to consolidated profit for the period, net of the tax effect (C)	(562)	(901)
Consolidated comprehensive income for the year (A) + (B) + (C)	<u>32,656</u>	<u>47,828</u>
Attributable to:		
Owners of the parent	32,120	46,836
Non-controlling interests of subsidiaries	<u>536</u>	<u>992</u>
Consolidated comprehensive income for the year	<u>32,656</u>	<u>47,828</u>

* = As required by IAS 1, following the application of the amendment to IAS 19 retrospectively from 1 January 2013, the figures in the income statement and cash flow statement for the year ended 31 December 2012 and for the fourth quarter of 2012, and those in the statement of financial position at 31 December 2012, which are presented for comparative purposes, have been restated.

Consolidated cash flow statement for the year

(€/000)	<u>2013</u>	<u>2012*</u>
Cash flows from operating activities		
Profit before taxes	71,072	76,051
Adjustments for non-cash items:		
Losses (gains) on the sale of fixed assets	(1,543)	(1,958)
Losses (gains) on the sale of investments	-	(155)
Amortisation and depreciation	23,719	20,143
Costs recognized in the income statement relative to stock options that do not involve monetary outflows for the Group	1,047	872
Losses (profits) from investments	338	147
Net change in risk provisions and allocations to employee benefit provisions	(1,902)	382
Expenditures for tangible assets to be leased	(6,413)	(4,413)
Proceeds from the disposal of leased tangible assets	3,354	4,703
Change in long-term tax receivables	-	(1,881)
Net financial charges	7,924	7,851
Other	(47)	(23)
	<u>97,549</u>	<u>101,719</u>
(Increase) decrease in trade receivables and other current assets	(6,254)	2,608
(Increase) decrease in inventories	(3,112)	(9,882)
Increase (decrease) in trade payables and other current liabilities	8,243	(5,010)
Interest paid	(5,697)	(8,052)
Realised exchange differences	(50)	(632)
Taxes paid	(27,135)	(27,463)
Net cash from operating activities	<u>63,544</u>	<u>53,288</u>
Cash flows from investing activities		
Payments for the purchase of investments net of cash received and gross of treasury shares transferred	(41,225)	(19,216)
Sale of equity interests	1,277	1,378
Net proceeds from the Hydrocontrol concentration operation	1,720	-
Capital expenditure on property, plant and equipment	(27,321)	(16,860)
Proceeds from the sale of tangible assets	708	3,342
Increase in intangible assets	(2,665)	(2,321)
Proceeds from the disposal of financial fixed assets	919	1,634
Financial income received	1,502	1,973
Other	(118)	(321)
Net cash (used in) investing activities	<u>(65,203)</u>	<u>(30,391)</u>

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(€/000)	<u>2013</u>	<u>2012*</u>
Cash flows from financing activities		
Disbursement (repayment) of loans	(17,043)	(49,010)
Dividends paid	(18,524)	(11,731)
Payment for the purchase of treasury shares	(21,441)	(15,827)
Disposal of treasury shares to acquire investments	30,132	1,704
Proceeds from the sale of treasury shares to stock option beneficiaries	11,995	2,025
Increase in capital following the exercising of warrants	-	56,881
Disbursement (repayment) of loans to unconsolidated subsidiaries	(41)	(90)
Disbursement (repayment) of shareholder loans	(172)	-
Payment of finance lease instalments (principal)	(2,503)	(2,490)
Net cash (used in) financing activities	<u>(17,597)</u>	<u>(18,538)</u>
Net increase (decrease) in cash and cash equivalents	<u>(19,256)</u>	<u>4,359</u>
Cash and cash equivalents of GITOP, a company merged into Oleodinamica Panni and therefore consolidated on a line-by-line basis for the first time	231	-
Increase (decrease) in cash from discontinued operations	-	20
Translation differences for cash held by non-EU companies	(1,050)	(230)
Cash and cash equivalents at the beginning of the year	<u>104,455</u>	<u>100,306</u>
Cash and cash equivalents at the end of the year	<u>84,380</u>	<u>104,455</u>

Cash and cash equivalents may be analysed as follows:

	31/12/2013	31/12/2012
	€/000	€/000
Cash and cash equivalents as per the balance sheet	105,312	115,069
Payables to banks (for overdrafts and advances subject to collection)	<u>(20,932)</u>	<u>(10,614)</u>
Cash and cash equivalents as per the cash flow statement	<u>84,380</u>	<u>104,455</u>

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Consolidated statement of changes in shareholders' equity

	Share capital	Legal reserve	Share premium reserve	Reserve for valuation of hedging derivatives at fair value	Remeasure- ment reserve for defined benefit plans	Translation reserve	Other reserves	Group shareholde rs' equity	Non- controlling interests	Total
<i>At 31 December 2011</i>	47,936	10,157	64,719	(1,086)	(1,965)	(2,908)	192,844	309,697	5,463	315,160
Recognition in the income statement of the fair value of the stock options granted and exercisable	-	-	872	-	-	-	-	872	-	872
Purchase of treasury shares	(1,406)	-	(14,421)	-	-	-	-	(15,827)	-	(15,827)
Transfer of treasury shares to stock option beneficiaries	280	-	1,745	-	-	-	-	2,025	-	2,025
Transfer of treasury shares as payment for investments	157	-	1,547	-	-	-	-	1,704	-	1,704
Increase in capital following the exercising of warrants	5,829	-	51,052	-	-	-	-	56,881	-	56,881
Dividends distributed	-	-	-	-	-	-	(11,145)	(11,145)	(426)	(11,571)
Sale of investment in Hydrocar Roma	-	-	-	-	-	-	-	-	(196)	(196)
Comprehensive income for 2012	-	-	-	753	(885)	(5,335)	52,303	46,836	992	47,828
<i>At 31 December 2012</i>	52,796	10,157	105,514	(333)	(2,850)	(8,243)	234,002	391,043	5,833	396,876
Recognition in the income statement of the fair value of the stock options granted and exercisable	-	-	1,047	-	-	-	-	1,047	-	1,047
Purchase of treasury shares	(1,441)	-	(20,000)	-	-	-	-	(21,441)	-	(21,441)
Transfer of treasury shares to stock option beneficiaries	1,309	-	10,686	-	-	-	-	11,995	-	11,995
Transfer of treasury shares as payment for investments	2,340	-	27,792	-	-	-	-	30,132	-	30,132
Dividends distributed	-	-	-	-	-	-	(18,029)	(18,029)	(495)	(18,524)
Allocation of residual 2012 profits	-	1,166	-	-	-	-	(1,166)	-	-	-
Purchase of an additional interest in Penta Africa	-	-	-	-	-	-	(193)	(193)	-	(193)
Purchase of the residual interest in Golf	-	-	-	-	-	-	12	12	(102)	(90)
Purchase of Hydrocontrol	-	-	-	-	-	-	-	-	491	491
Comprehensive income for 2013	-	-	-	306	(546)	(10,841)	43,201	32,120	536	32,656
<i>At 31 December 2013</i>	55,004	11,323	125,039	(27)	(3,396)	(19,084)	257,827	426,686	6,263	432,949