



INTERPUMP GROUP

PRESS RELEASE

CONSOLIDATED RESULTS FOR THE FIRST HALF OF 2014

NET SALES: €341.2 million (+21.6%) vs. €280.5 million in the first half of 2013

EBITDA: €71.0 million (+33.1%) for a margin on sales of 20.8% vs. €53.4 million in the first half of 2013 for a margin of 19.0%

EBIT: €56.2 million (+35.3%) for a margin on sales of 16.5% vs. €41.5 million in the first half of 2013 (a margin of 14.8%)

NET PROFIT: €33.1 million (+30.7%) vs. €25.3 million in the first half of 2013

NET FINANCIAL POSITION: €154.4 million following the acquisition of investments for more than 41 million euro

CONSOLIDATED RESULTS FOR THE SECOND QUARTER OF 2014

NET SALES: €181.0 million (+22.1%) vs. €148.3 million in the second quarter of 2013

EBITDA: €39.0 million (+39.6%) for a margin on sales of 21.5% vs. €27.9 million in the second quarter of 2013 for a margin of 18.9%

EBIT: €31.4 million (+48.4%) for a margin on sales of 17.3% vs. €21.2 million in the second quarter of 2013 (a margin of 14.3%)

NET PROFIT: €19.5 million (+55.5%) vs. €12.5 million in the second quarter of 2013

Sant'Ilario d'Enza (RE), 6 August 2014 – In a meeting held today, the Board of Directors of Interpump Group S.p.A. approved the financials for the **second quarter of 2014 and the first half of 2014**. It is also important to note that, as of the first half of 2014, both the Hydrocontrol Group, acquired on 6 May 2013, and the IMM Hydraulics Group, acquired on 8 January 2014, are wholly consolidated companies, both of which are included in the Hydraulic Sector. During the first half of 2013, the Hydrocontrol Group was a consolidated company for just two months.

RESULTS FOR THE FIRST HALF OF 2014

Net sales for the first half of 2014 amounted to 341.2 million euros, an increase of 21.6% over the corresponding period in 2013 when they totalled 280.5 million euros (+3.1% on a like for like basis and +5.8% adjusting also for currency conversion). Therefore, currency effects penalised consolidated sales by 7.5 million euros.

Details of sales by business sector and geographical area are as follows:



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1st half 2014

(€/000)	<u>Italy</u>	<u>Rest of Europe</u>	<u>North America</u>	<u>Far East & Oceania</u>	<u>Rest of the World</u>	<u>Total</u>
Hydraulic Sector	38,641	77,568	47,037	11,567	30,563	205,376
Water Jetting Sector	<u>9,522</u>	<u>41,189</u>	<u>60,123</u>	<u>15,658</u>	<u>9,378</u>	<u>135,870</u>
Total	<u>48,163</u>	<u>118,757</u>	<u>107,160</u>	<u>27,225</u>	<u>39,941</u>	<u>341,246</u>

1st half 2013

Hydraulic Sector	28,527	40,020	39,629	7,615	27,727	143,518
Water Jetting Sector	<u>11,059</u>	<u>40,679</u>	<u>59,642</u>	<u>17,982</u>	<u>7,641</u>	<u>137,003</u>
Total	<u>39,586</u>	<u>80,699</u>	<u>99,271</u>	<u>25,597</u>	<u>35,368</u>	<u>280,521</u>

Percentage changes 2014/2013

Hydraulic Sector	+35.5%	+93.8%	+18.7%	+51.9%	+10.2%	+43.1%
Water Jetting Sector	-13.9%	+1.3%	+0.8%	-12.9%	+22.7%	-0.8%
Total	+21.7%	+47.2%	+7.9%	+6.4%	+12.9%	+21.6%

On a like for like basis, the changes for 2014/2013 were as follows:

Hydraulic Sector	+5.9%	+11.0%	+10.9%	+6.3%	-4.2%	+6.8%
Total	+0.4%	+6.1%	+4.8%	-7.2%	+1.6%	+3.1%

On a like for like basis and currency conversion, the Hydraulic Sector posted growth of 9.7%.

Sales for the Water Jetting Sector grew by 1.7% adjusted for currency conversion.

Gross operating income (EBITDA) amounted to 71.0 million euros (20.8% of sales) compared to 53.4 million euros in the first half of 2013 when it represented 19.0% of sales, for growth of 33.1%. On a like for like basis, EBITDA increased by 15.7% to reach 61.8 million euros, a margin on sales of 21.4% and an increase in margin of 2.4 percentage points.

Adjusting for currency conversion, EBITDA would have been 72.8 million euros (20.9% of sales); therefore, currency effects penalised consolidated EBITDA by 1.8 million euros. The following table sets out EBITDA by business sector:

	<i>1st half 2014</i>	<i>% of total sales*</i>	<i>1st half 2013</i>	<i>% of total sales*</i>	<i>Increase/decrease</i>
	<u>€/000</u>		<u>€/000</u>		
Hydraulic Sector	37,273	18.1%	20,797	14.5%	+79.2%
Water Jetting Sector	33,771	24.8%	32,546	23.7%	+3.8%
Other Sectors	<u>(29)</u>	n.s.	<u>15</u>	n.s.	n.s.
Total	<u>71,015</u>	20.8%	<u>53,358</u>	19.0%	+33.1%

* = Total sales also include sales to other companies in the consolidation scope while the analysis provided above reflects only sales 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, EBITDA for the Hydraulic Sector grew by 34.7% (a margin on net sales of 18.3%).



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Operating income (EBIT) amounted to 56.2 million euros (16.5% of sales) compared to 41.5 million euros in the first half of 2013 (14.8% of sales), for growth of 35.3%. On a like for like basis, EBIT increased by 19.5% to reach 49.6 million euros, a margin on sales of 17.2% and an increase in margin of 2.4 percentage points.

Net profit came to 33.1 million euros (25.3 million euros in the first half of 2013) for growth of 30.7%. Basic earnings per share amounted to €0.307 (€0.240 in the first half of 2013) for an increase of 27.9%.

Capital employed has grown from 554.3 million euros at 31 December 2013 to 662.5 million euros at 30 June 2014. This increase was due primarily to the consolidation of IMM Hydraulics. Non-annualised return on capital employed (ROCE) came to 8.5% (7.2% for the first half of 2013), which shows that the acquisitions have not had a dilutive effect. Non-annualised return on equity (ROE) came to 7.5% (5.8% for the first half of 2013).

Net financial position as at 30 June 2014 amounted to 154.4 million euros, as compared to 88.7 million euros as at 31 December 2013, due to outlays for the acquisition of equity interests in the amount of 41.7 million euros and the purchase of treasury shares in the amount of 15.2 million euros, as well as to the payment of dividends in the amount of 18.1 million euros. The amount does not include commitments to acquire additional interests (through put options) in existing subsidiaries in the amount of 65.2 million euros (32.7 million euros as at 31 December 2013). Net cash flows from operations came to 56.8 million euros (37.3 million euros in the first half of 2013) for an increase of 52.2%. Free cash flow came to 5.0 million euros (7.2 million euros in the first half of 2013).

As at 30 June 2014, the Company held 3,279,541 treasury shares, equal to an interest of 3.01%, which were purchased at an average cost of €8.1954 per share

RESULTS FOR THE SECOND QUARTER OF 2014

Net sales for the second quarter of 2014 amounted to 181.0 million euros, an increase of 22.1% over the corresponding period in 2013 (148.3 million euros). On a like for like basis, growth was 7.4% (or +10.3% also adjusted for currency conversion rates).

Details of net sales for the second quarter by business sector and geographical area are analysed as follows:



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(€/000)	<u>Italy</u>	<u>Rest of Europe</u>	<u>North America</u>	<u>Far East & Oceania</u>	<u>Rest of the World</u>	<u>Total</u>
<i>2nd quarter 2014</i>						
Hydraulic Sector	19,693	40,062	24,661	6,223	15,754	106,393
Water Jetting Sector	<u>5,376</u>	<u>23,004</u>	<u>31,446</u>	<u>9,064</u>	<u>5,754</u>	<u>74,644</u>
Total	<u>25,069</u>	<u>63,066</u>	<u>56,107</u>	<u>15,287</u>	<u>21,508</u>	<u>181,037</u>

2nd quarter 2013

Hydraulic Sector	15,488	22,899	20,662	5,222	14,274	78,545
Water Jetting Sector	<u>6,092</u>	<u>20,484</u>	<u>30,230</u>	<u>8,695</u>	<u>4,211</u>	<u>69,712</u>
Total continuing operations	<u>21,580</u>	<u>43,383</u>	<u>50,892</u>	<u>13,917</u>	<u>18,485</u>	<u>148,257</u>

Percentage changes 2014/2013

Hydraulic Sector	+27.2%	+75.0%	+19.3%	+19.2%	+10.4%	+35.5%
Water Jetting Sector	-11.8%	+12.3%	+4.0%	+4.2%	+36.6%	+7.1%
Total	+16.2%	+45.4%	+10.2%	+9.8%	+16.4%	+22.1%

On a like for like basis, the changes for 2014/2013 were as follows:

Hydraulic Sector	+5.3%	+11.7%	+16.0%	-5.1%	-3.3%	+7.7%
Total	+0.5%	+12.0%	+8.9%	+0.7%	+5.8%	+7.4%

On a like for like basis and currency conversion, the Hydraulic Sector posted growth of 10.6%.

Sales for the Water Jetting Sector grew by 9.9% adjusted for currency conversion.

Gross operating income (EBITDA) amounted to 39.0 million euros (21.5% of sales) compared to 27.9 million euros in the second quarter of 2013 when it represented 18.9% of sales, for growth of 39.6%. Therefore, margins for the second quarter increased by 2.6 percentage points. On a like for like basis, EBITDA increased by 25.8% to reach 35.1 million euros, a margin on sales of 22.1% and an increase in margin of 3.2 percentage points. The following table sets out EBITDA by business sector:

	<i>2nd Quarter 2014</i>	<i>% of total sales*</i>	<i>2nd quarter 2013</i>	<i>% of total sales*</i>	<i>of Increase/decrease</i>
	<i>€/000</i>		<i>€/000</i>		
Hydraulic Sector	19,951	18.7%	11,313	14.4%	+76.4%
Water Jetting Sector	19,048	25.4%	16,645	23.8%	+14.4%
Other Sectors	<u>13</u>	n.s.	<u>(11)</u>	n.s.	n.s.
Total	<u>39,012</u>	21.5%	<u>27,947</u>	18.9%	+39.6%

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



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On a like for like basis, EBITDA for the Hydraulic Sector grew by 42.2% (a margin on sales of 19.0%).

Operating income (EBIT) amounted to 31.4 million euros (17.3% of sales) compared to 21.2 million euros in the second quarter of 2013 (14.3% of sales), for growth of 48.4%. On a like for like basis, EBIT increased by 34.8% to reach 28.5 million euros, a margin on sales of 17.9% and an increase in margin of 3.6 percentage points.

The increase in margins confirms and builds upon the results achieved through the rationalisation of the Hydraulic Sector in 2012 and 2013, as was already seen in the first quarter of 2014.

Net profit came to 19.5 million euros (12.5 million euros in the second quarter of 2013) for growth of 55.5%. Basic earnings per share amounted to €0.181 (€0.117 in the second quarter of 2013) for an increase of 54.7%.

* * *

In accordance with Article 65-bis, paragraph 2, and Article 82 of CONSOB resolution no. 11971/1999 as amended, we hereby report that the **Interim Report on Operations as at 30 June 2014** is **available to the public** at the offices of Borsa Italiana S.p.A. as well as on the Company's web site (www.interpumpgroup.it) in the section "Investor Relations" ("Financial Statements & Reports").

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Sant'Ilario d'Enza (RE), 6 August 2014

For the Board of Directors
Fulvio Montipò
Chairman of the Board of Directors

The manager responsible for drafting company accounting documents, Carlo Banci, hereby declares, pursuant to the terms of section 2, Article 154-bis, of the Financial Services Act, that the accounting disclosures in this press release correspond to the contents of the underlying documents, the accounting books, and the accounting entries.

Sant'Ilario d'Enza (RE), 6 August 2014

Carlo Banci
Manager responsible for drafting company accounting documents

For further information, please contact:

Moccagatta Associati

Tel. 02 8645.1695 - segreteria@moccagatta.it - www.interpumpgroup.it

Financial statements

Consolidated balance sheet

(€/000)	<u>30/06/2014</u>	<u>31/12/2013</u>
ASSETS		
<i>Current assets</i>		
Cash and cash equivalents	62,457	105,312
Trade receivables	153,011	113,726
Inventories	172,589	145,994
Tax receivables	8,587	6,079
Derivative financial instruments	-	42
Other current assets	7,635	5,582
Total current assets	<u>404,279</u>	<u>376,685</u>
Non-current assets		
Property, plant and equipment	199,591	150,668
Goodwill	257,859	234,792
Other intangible assets	25,748	23,755
Other financial assets	2,650	2,072
Tax receivables	3,102	3,071
Deferred tax assets	20,802	19,525
Other non-current assets	692	565
Total non-current assets	<u>510,444</u>	<u>434,448</u>
Total assets	<u>914,723</u>	<u>811,133</u>

(€/000)	<u>30/06/2014</u>	<u>31/12/2013</u>
LIABILITIES		
Current liabilities		
Trade payables	87,273	69,985
Payables to banks	33,124	20,932
Interest-bearing financial payables (current portion)	65,825	61,371
Derivative financial instruments	178	279
Taxes payable	11,981	5,723
Other current liabilities	55,933	45,524
Provisions for risks and charges	4,243	3,972
Total current liabilities	<u>258,557</u>	<u>207,786</u>
Non-current liabilities		
Interest-bearing financial payables	117,935	111,693
Liabilities for employee benefits	12,635	11,942
Deferred tax liabilities	31,384	26,458
Other non-current liabilities	49,451	18,774
Provisions for risks and charges	1,852	1,531
Total non-current liabilities	<u>213,257</u>	<u>170,398</u>
Total liabilities	<u>471,814</u>	<u>378,184</u>
 SHAREHOLDERS' EQUITY		
Share capital	54,911	55,003
Legal reserve	11,323	11,323
Share premium reserve	134,295	125,039
Reserve for valuation of hedging derivatives at fair value	-	(27)
Reserve for the remeasurement of defined-benefit plans	(3,396)	(3,396)
Translation reserve	(16,627)	(19,084)
Other reserves	257,276	257,828
Group shareholders' equity	<u>437,782</u>	<u>426,686</u>
Minority interests	5,127	6,263
Total shareholders' equity	<u>442,909</u>	<u>432,949</u>
Total shareholders' equity and liabilities	<u>914,723</u>	<u>811,133</u>

Consolidated income statement for the first half

(€/000)	<u>2014</u>	<u>2013</u>
Net sales	341,246	280,521
Cost of sales	(215,336)	(176,752)
Gross industrial margin	125,910	103,769
<i>% of net sales</i>	<i>36.9%</i>	<i>37.0%</i>
Other operating income	5,732	4,202
Distribution expenses	(33,976)	(29,350)
General and administrative expenses	(39,700)	(35,368)
Other operating costs	(1,755)	(1,720)
EBIT	56,211	41,533
<i>% of net sales</i>	<i>16.5%</i>	<i>14.8%</i>
Financial income	2,285	4,195
Financial charges	(6,172)	(6,019)
Adjustment of investments accounted for using the equity method	(50)	(102)
Profit for the period before taxes	52,274	39,607
Income taxes	(19,186)	(14,291)
Consolidated profit for the period	33,088	25,316
<i>% of net sales</i>	<i>9.7%</i>	<i>9.0%</i>
Attributable to:		
Owners of the parent	32,575	24,716
Minority interests of subsidiaries	513	600
Consolidated profit for the period	33,088	25,316
EBITDA	71,015	53,358
<i>% of net sales</i>	<i>20.8%</i>	<i>19.0%</i>
Shareholders' equity	442,909	434,356
Net debt	154,427	106,449
Debt for the purchase of equity investments	65,188	32,920
Capital employed	662,524	573,725
Non-annualised ROCE	8.5%	7.2%
Non-annualised ROE	7.5%	5.8%
Basic earnings per share	0.307	0.240

EBITDA* = EBIT + Depreciation + Amortisation + Accruals

ROCE = EBIT / Capital employed

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

* = Because 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.

Statement of consolidated comprehensive income for the first half

(€/000)	2014	2013
Consolidated profit for the half year (A)	33.088	25.316
Other consolidated income which will subsequently be reclassified 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>50</u>	<u>330</u>
<i>Total</i>	<u>50</u>	<u>330</u>
<i>Cash flow hedge accounting for derivatives hedging currency risk:</i>		
- Gains (losses) on derivatives for the period	-	43
- Less: Adjustment for gains (losses) reclassified to the income statement	(14)	(91)
- Less: Adjustment for the recognition of fair value in equity in the previous period	<u>-</u>	<u>-</u>
<i>Total</i>	<u>(14)</u>	<u>(48)</u>
<i>Gains (losses) on translating the financial statements of foreign companies</i>	2,358	(392)
<i>Gains (losses) from companies accounted for using the equity method</i>	18	(59)
<i>Related taxation</i>	<u>(9)</u>	<u>(74)</u>
Total other consolidated income which will subsequently be reclassified to consolidated profit for the period, net of the tax effect (B)	<u>2,403</u>	<u>(243)</u>
Consolidated comprehensive income for the first half year (A) + (B)	<u>35,491</u>	<u>25,073</u>
Attributable to:		
Owners of the parent	35,059	24,505
Non-controlling interests of subsidiaries	<u>432</u>	<u>568</u>
Consolidated comprehensive income for the period	<u>35,491</u>	<u>25,073</u>

Consolidated income statement for the second quarter

(€/000)	<u>2014</u>	<u>2013</u>
Net sales	181,037	148,257
Cost of sales	(113,167)	(94,372)
Gross industrial margin	67,870	53,885
<i>% of net sales</i>	<i>37,5%</i>	<i>36,3%</i>
Other operating income	2,737	2,340
Distribution expenses	(17,735)	(15,278)
General and administrative expenses	(20,111)	(18,425)
Other operating costs	(1,365)	(1,371)
EBIT	31,396	21,151
<i>% of net sales</i>	<i>17.3%</i>	<i>14.3%</i>
Financial income	1,143	2,126
Financial charges	(2,679)	(3,555)
Adjustment of investments accounted for using the equity method	109	(73)
Profit for the period before taxes	29,969	19,649
Income taxes	(10,476)	(7,117)
Consolidated profit for the period	19,493	12,532
<i>% of net sales</i>	<i>10.8%</i>	<i>8.5%</i>
Attributable to:		
Owners of the parent	19,181	12,283
Minority interests of subsidiaries	312	249
Consolidated profit for the period	19,493	12,532
EBITDA	39,012	27,947
<i>% of net sales</i>	<i>21.5%</i>	<i>18.9%</i>
Shareholders' equity	442,909	434,356
Net debt	154,427	106,449
Debt for the purchase of equity investments	65,188	32,920
Capital employed	662,524	573,725
Non-annualised ROCE	4.7%	3.7%
Non-annualised ROE	4.4%	2.9%
Basic earnings per share	0.181	0.117

EBITDA* = EBIT + Depreciation + Amortisation + Accruals

ROCE = EBIT / Capital employed

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

* = Because 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.

Statement of consolidated comprehensive income for the second quarter

(€/000)	<u>2014</u>	<u>2013</u>
Consolidated profit for the second quarter (A)	19,493	12,532
Other consolidated income which will subsequently be reclassified 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>19</u>	<u>130</u>
<i>Total</i>	<i>19</i>	<i>130</i>
<i>Cash flow hedge accounting for derivatives hedging currency risk:</i>		
- Gains (losses) on derivatives for the period	-	158
- Less: Adjustment for gains (losses) reclassified to the income statement	-	(2)
- Less: Adjustment for the recognition of fair value in equity in the previous period	-	<u>4</u>
<i>Total</i>	<i>-</i>	<i>160</i>
<i>Gains (losses) on translating the financial statements of foreign companies</i>	<i>2,341</i>	<i>(6,125)</i>
<i>Gains (losses) from companies accounted for using the equity method</i>	<i>18</i>	<i>(29)</i>
<i>Related taxation</i>	<i>(3)</i>	<i>(84)</i>
Total other consolidated income which will subsequently be reclassified to consolidated profit for the period, net of the tax effect (B)	<u>2,375</u>	<u>(5,948)</u>
Consolidated comprehensive income for the second quarter (A) + (B)	<u>21,868</u>	<u>6,584</u>
Attributable to:		
Owners of the parent	21,521	6,563
Minority interests of subsidiaries	<u>347</u>	<u>21</u>
Consolidated comprehensive income for the period	<u>21,868</u>	<u>6,584</u>

Consolidated cash flow statement for the first half

(€/000)	<u>2014</u>	<u>2013</u>
Cash flows from operating activities		
Profit before taxes	52,274	39,607
Adjustments for non-cash items:		
Losses (gains) on the sale of fixed assets	(671)	(630)
Losses (gains) on the sale of business units and equity investments	(423)	-
Depreciation, amortisation, impairment and write-backs	13,976	10,733
Costs recognised in the income statement relative to stock options that do not involve monetary outflows for the Group	680	552
Losses (profits) from equity investments	50	102
Net change in risk provisions and allocations to employee benefit provisions	246	(67)
Expenditures for tangible assets to be leased	(2,655)	(2,946)
Proceeds from the disposal of leased tangible assets	1,640	1,206
Net financial charges	3,887	1,824
Other	-	7
	<u>69,004</u>	<u>50,388</u>
(Increase) decrease in trade receivables and other current assets	(27,721)	(20,002)
(Increase) decrease in inventories	(12,191)	(6,549)
Increase (decrease) in trade payables and other current liabilities	8,076	12,590
Interest paid	(3,079)	(2,790)
Realised exchange differences	151	385
Taxes paid	(9,264)	(10,661)
Net cash from operating activities	<u>24,976</u>	<u>23,361</u>
Cash flows from investing activities		
Payments for the purchase of investments net of cash received and gross of treasury shares transferred	(34,624)	(40,545)
Net proceeds from the Hydrocontrol concentration operation	-	1,400
Disposals of the Hydrometal business unit	650	-
Capital expenditure on property, plant and equipment	(19,376)	(15,427)
Proceeds from the sale of tangible assets	875	258
Increase in intangible assets	(1,465)	(1,371)
Proceeds from the disposal of non-current financial assets	-	970
Financial income received	363	1,047
Other	208	161
Net cash used in investing activities	<u>(53,369)</u>	<u>(53,507)</u>
Cash flows from financing activities		
Disbursement (repayment) of loans	570	(6,179)
Dividends paid	(18,108)	(18,464)
Payment for the purchase of treasury shares	(15,240)	(1,672)
Disposal of treasury shares to acquire equity investments	5,445	30,132
Proceeds from the sale of treasury shares to stock option beneficiaries	3,826	1,483
Disbursement (repayment) of shareholder financing	(141)	-
Repayment (disbursement) of loans to unconsolidated subsidiaries	24	(88)
Payment of finance lease instalments (principal)	(3,170)	(1,296)
Net cash from (used in) financing activities	<u>(26,794)</u>	<u>3,916</u>
Net increase (decrease) in cash and cash equivalents	<u>(55,187)</u>	<u>(26,230)</u>

(€/000)	<i>2014</i>	<i>2013</i>
Net increase (decrease) in cash and cash equivalents	(55,187)	(26,230)
Translation differences for cash held by non-EU companies	99	92
Opening cash and cash equivalents of companies consolidated on a line-by-line basis for the first time	41	231
Cash and cash equivalents at the beginning of the period	84,380	104,455
Cash and cash equivalents at the end of the period	29,333	78,548

Cash and cash equivalents may be analysed as follows:

	30/06/2014	31/12/2013
	€/000	€/000
Cash and cash equivalents as per the balance sheet	62,457	105,312
Payables to banks (for overdrafts and advances subject to collection)	<u>(33,124)</u>	<u>(20,932)</u>
Cash and cash equivalents as per the cash flow statement	<u>29,333</u>	<u>84,380</u>

Statement of changes in shareholders' equity

	Share capital	Legal reserve	Share premium reserve	Reserve for valuation of hedging derivatives at fair value	Reserve for revaluation of defined-benefit plans	Translation reserve	Other reserves	Group shareholders' equity	Minority interests	Total
<i>Balance on 1 January 2013</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	-	-	552	-	-	-	-	552	-	552
Purchase of treasury shares	(137)	-	(1,535)	-	-	-	-	(1,672)	-	(1,672)
Transfer of treasury shares to stock option beneficiaries	152	-	1,331	-	-	-	-	1,483	-	1,483
Transfer of treasury shares as payment for equity investments	2,340	-	27,792	-	-	-	-	30,132	-	30,132
Purchase of an additional interest in Penta Africa	-	-	-	-	-	-	(193)	(193)	-	(193)
Purchase of Hydrocontrol	-	-	-	-	-	-	-	-	569	569
Dividends distributed	-	-	-	-	-	-	(18,029)	(18,029)	(435)	(18,464)
Allocation of residual 2012 profits	-	1,166	-	-	-	-	(1,166)	-	-	-
Comprehensive income for the first half of 2013	-	-	-	208	-	(419)	24,716	24,505	568	25,073
<i>Balance on 30 June 2013</i>	55,151	11,323	133,654	(125)	(2,850)	(8,662)	239,330	427,821	6,535	434,356
Recognition in the income statement of the fair value of the stock options granted and exercisable	-	-	495	-	-	-	-	495	-	495
Purchase of treasury shares	(1,305)	-	(18,465)	-	-	-	-	(19,770)	-	(19,770)
Transfer of treasury shares to stock option beneficiaries	1,157	-	9,355	-	-	-	-	10,512	-	10,512
Dividends distributed	-	-	-	-	-	-	-	-	(60)	(60)
Purchase of residual interest in Golf	-	-	-	-	-	-	12	12	(102)	(90)
Purchase of Hydrocontrol	-	-	-	-	-	-	-	-	(78)	(78)
Comprehensive income for the second half of 2013	-	-	-	98	(546)	(10,422)	18,486	7,616	(32)	7,584
<i>Balance on 31 December 2013</i>	55,003	11,323	125,039	(27)	(3,396)	(19,084)	257,828	426,686	6,263	432,949
Recognition in the income statement of the fair value of the stock options granted and exercisable	-	-	680	-	-	-	-	680	-	680
Purchase of treasury shares	(787)	-	-	-	-	-	(14,453)	(15,240)	-	(15,240)
Sale of treasury shares to stock option beneficiaries	399	-	3,427	-	-	-	-	3,826	-	3,826
Transfer of treasury shares as payment for investments	296	-	5,149	-	-	-	-	5,445	-	5,445
Purchase of additional interest in Hydrocar Chile	-	-	-	-	-	-	(542)	(542)	(1,870)	(2,412)
Dividends distributed	-	-	-	-	-	-	(18,108)	(18,108)	-	(18,108)
Effect of Hydrocar Chile-Syscam combination	-	-	-	-	-	-	(82)	(82)	289	207
Effect of Copa-Golf merger	-	-	-	-	-	-	58	58	(58)	-
Purchase of IMM	-	-	-	-	-	-	-	-	71	71
Comprehensive income for the first half of 2014	-	-	-	27	-	2,457	32,575	35,059	432	35,491
<i>Balance on 30 June 2014</i>	54,911	11,323	134,295	-	(3,396)	(16,627)	257,276	437,782	5,127	442,909