



INTERPUMP GROUP

PRESS RELEASE

INTERPUMP GROUP APPROVES RESULTS FOR THE FIRST QUARTER OF 2015

NET SALES: €222.6 million (+39.0%) - €160.2 million in the first quarter of 2014

EBITDA: €43.5 million (+35.8%), equal to 19.5% of sales – €32.0 million in the first quarter of 2014, equal to 20.0% of sales

EBIT: €33.6 million (+35.4%), equal to 15.1% of sales - €24.8 million in the first quarter of 2014, equal to 15.5% of sales

Consolidated NET PROFIT: €29.2 million (+149.8%) -€13.6 million in the first quarter of 2014

FREE CASH FLOW: €14.5 million – negative free cashflow of €7.8 million in the first quarter of 2014

NET DEBT: €246.6 million after acquisitions of Walvoil Group and Inoxihp in the first quarter of 2015 for a total of €93.5 million and purchase of treasury shares for €18.9 million (€152.0 million at 31 December 2014)

Sant'Ilario d'Enza, 13 May 2015 – The Board of Directors of Interpump Group met today and approved the results for the **first quarter of 2015**. As of the first quarter of 2015, both the Walvoil Group (Hydraulic Sector) and Inoxihp (Water Jetting Sector), acquired in the first quarter of 2015, are fully consolidated.

NET SALES FOR THE FIRST QUARTER OF 2015

Net sales for the first quarter of 2015 totaled **222.6 million** euros, an increase of 39.0% over the 160.2 million euros in the corresponding period of 2014 (+13.7% on a like for like basis and +4.6% with unchanged exchange rates).

Sales by business sector and geographical area were as follows:

<i>1st quarter 2015</i>	<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>
(€/000)						
Hydraulic Sector	26,489	50,997	39,070	10,043	19,043	145,642
Water Jetting Sector	<u>7,175</u>	<u>20,362</u>	<u>35,112</u>	<u>9,873</u>	<u>4,461</u>	<u>76,983</u>
Total	<u>33,664</u>	<u>71,359</u>	<u>74,182</u>	<u>19,916</u>	<u>23,504</u>	<u>222,625</u>
<i>1st quarter 2014</i>						
Hydraulic Sector	18,948	37,506	22,376	5,344	14,809	98,983
Water Jetting Sector	<u>4,146</u>	<u>18,185</u>	<u>28,677</u>	<u>6,594</u>	<u>3,624</u>	<u>61,226</u>
Total	<u>23,094</u>	<u>55,691</u>	<u>51,053</u>	<u>11,938</u>	<u>18,433</u>	<u>160,209</u>



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(€/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>
Percentage changes 2015/201						
Hydraulic Sector	+39.8%	+36.0%	+74.6%	+87.9%	+28.6%	+47.1%
Water Jetting Sector	+73.1%	+12.0%	+22.4%	+49.7%	+23.1%	+25.7%
Total	+45.8%	+28.1%	+45.3%	+66.8%	+27.5%	+39.0%

With an unchanged consolidation scope, 2015/2014 changes were as follows:

Hydraulic Sector	+3.1%	-2.5%	+33.8%	-3.4%	+9.5%	+8.5%
Water Jetting Sector	+40.9%	+10.5%	+22.3%	+41.3%	+20.4%	+22.0%
Total	+9.9%	+1.8%	+27.3%	+21.3%	+11.7%	+13.7%

Sales in the Hydraulic Sector increased by 1.0% and in the Water Jetting Sector by 10.3% on a like for like basis and with unchanged exchange rate.

PROFITABILITY

EBITDA amounted to **43.5 million** euros (19.5% of sales) compared to 32.0 million euros in the first quarter of 2014 (20.0% of sales), an increase of 35.8%. On a like for like basis, EBITDA increased by 14.4% and reached 36.6 million euros (20.1% of sales) and increased the margin by 0.1%. With an unchanged exchange rate, EBITDA would have increased by 2.8%.

The following table sets out EBITDA by business sector:

	<i>1st quarter 2015</i>	<i>% of total</i>	<i>1st quarter 2014</i>	<i>% of total</i>	<i>Change</i>
	<u>€/000</u>	<u>sales*</u>	<u>€/000</u>	<u>sales*</u>	
Hydraulic Sector	24,984	17.1%	17,322	17.5%	+44.2%
Water Jetting Sector	18,489	23.9%	14,723	23.9%	+25.6%
Other Sectors	<u>3</u>	<u>n.s.</u>	<u>(42)</u>	<u>n.s.</u>	<u>n.s.</u>
Total	<u>43,476</u>	<u>19.5%</u>	<u>32,003</u>	<u>20.0%</u>	<u>+35.8%</u>

* = Total sales also include those made to other Group companies, whereas the sales analyzed previously were only those made outside the Group. Thus, for consistency, percentages are calculated on total sales instead of those shown previously.

EBITDA in the Hydraulic Sector increased by 7.1% (17.3% of net sales) with an unchanged consolidation scope. EBITDA in the Water Jetting Sector increased by 22.6% (24.0% of net sales) with an unchanged consolidation scope.

Operating income (EBIT) amounted to **33.6 million** euros (15.1% of sales) compared to 24.8 million euros in the first quarter of 2014 (15.5% of sales), an increase of 35.4%. With an unchanged consolidation scope, EBIT increased by 14.4% and reached 28.4 million euros (15.6% of sales) and increased the margin by 0.1%.

The financial management showed **net income of 8.9 million** euros (2.4 million euros of interest expenses in the first quarter of 2014). In the first quarter of 2015 there were proceeds from the adjustment of estimated debt for commitments to purchase residual shares of subsidiaries for 6.2 million euros pursuant to subsequent agreements with counterparties, and profits on net exchanges for 4.9 million euros following appreciation of



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almost all foreign currencies (especially the US\$) to the euro. These items were irrelevant in the first quarter of 2014.

Net profit was **29.2 million** euros, more than double the net profit of 13.6 million in the first quarter of 2014. **Basic earnings per share** followed a similar trend, increasing from 0.126 euro in the first quarter of 2014 to **0.275** euro in the first quarter of 2015.

Net cash flow generated from operating activities was **39.0 million** euros (26.8 million in the first quarter of 2014), an increase of 45.4%. There was a significant increase in **free cash flow** (+**14.5 million** euros in the first quarter of 2015, compared to -7.8 million euros in the first quarter of 2014).

Net debt was 246.6 million euros (152.0 million euros at 31 December 2014) due to the acquisitions of Walvoil Group and Inoxihp in the first quarter of 2015 for a total of 93.5 million euros and purchase of treasury shares for 18.9 million euros. The amount does not include 99.1 million euros for put options in subsidiaries (74.1 million euros at 31 December 2014).

Capital employed increased from 692.6 million euros at 31 December 2014 to 900.9 million euros at 31 March 2015, due mainly to consolidation of Walvoil Group and Inoxihp, which involved an increase of 173.5 million euros, and to the appreciation of foreign currencies to the euro, which involved an increase of 30.6 million euros. Non-annualized **ROCE** was 3.7% (3.9% in the first quarter of 2014). Non-annualized ROE was 5.3% (3.0% in the first quarter of 2014).

At 31 March 2015, Interpump Group S.p.A. had 2,419,616 shares in its portfolio, equal to 2.22% of capital, purchased at an average cost of €10.9203.

Pursuant to Article 65-bis, paragraph 2 and Article 82 of Consob Deliberation 11971/1999 as modified and supplemented, we report that the **Interim Report at 31 March 2015 is available to the public** at the Group's registered office and at Borsa Italiana S.p.A., and may be also be consulted on the "Financial Statements and Reports" page in the "Investor relations" section of the Group's website www.interpumpgroup.it, as well on the www.computershare.it storage mechanism.

Sant'Ilario d'Enza (RE), 13 May 2015

On behalf of the Board of Directors
Fulvio Montipò, Chairman

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), 13 May 2015

Carlo Banci
Manager responsible for drafting
company accounting documents

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Accounting schedules

Consolidated balance sheet

	<u>31/03/2015</u>	<u>31/12/2014</u>
ASSETS		
Current assets		
Cash and cash equivalents	119,120	87,159
Trade receivables	188,925	135,634
Inventories	250,829	182,463
Tax receivables	16,159	10,477
Other current assets	10,076	6,855
Total current assets	585,109	422,588
Non-current assets		
Property, plant and equipment	285,715	209,073
Goodwill	343,194	279,373
Other intangible assets	36,038	24,649
Other financial assets	876	994
Tax receivables	2,457	2,456
Deferred tax assets	27,530	22,035
Other non-current assets	1,187	1,380
Total non-current assets	696,997	539,960
Assets held for sale	-	615
Total assets	1,282,106	963,163

	<u>31/03/2015</u>	<u>31/12/2014</u>
LIABILITIES		
Current liabilities		
Trade payables	106,876	80,273
Payables to banks	30,919	27,770
Interest bearing financial payables (current portion)	88,747	64,298
Derivative financial instruments	415	169
Taxes payable	20,325	11,665
Other current liabilities	69,449	38,123
Provisions for risks and charges	4,403	4,162
Total current liabilities	321,134	226,460
Non-current liabilities		
Interest bearing financial payables	246,039	147,060
Liabilities for employee benefits	19,823	14,940
Deferred tax liabilities	52,086	33,436
Other non-current liabilities	85,653	72,605
Provisions for risks and charges	2,167	1,949
Total non-current liabilities	405,768	269,990
Liabilities held for sale	-	163
Total liabilities	726,902	496,613
SHAREHOLDERS' EQUITY		
Share capital	55,757	53,871
Legal reserve	11,323	11,323
Share premium reserve	130,727	101,237
Reserve for valuation of hedging derivatives at fair value	-	(19)
Remeasurement reserve for defined benefit plans	(5,273)	(5,273)
Translation reserve	32,119	3,809
Other reserves	324,950	295,747
Group shareholders' equity	549,603	460,695
Non-controlling interests	5,601	5,855
Total shareholders' equity	555,204	466,550
Total shareholders' equity and liability	1,282,106	963,163

Consolidated income statement for the first quarter

(€/000)	<i>2015</i>	<i>2014</i>
Net sales	222,625	160,209
Cost of sales	(144,287)	(102,170)
Gross industrial margin	78,338	58,039
% of net sales	35.2%	36.2%
Other operating income	3,214	2,995
Distribution expenses	(20,823)	(16,241)
General and administrative expenses	(26,526)	(19,588)
Other operating costs	(593)	(390)
EBIT	33,610	24,815
% of net sales	15.1%	15.5%
Financial income	13,846	1,142
Financial charges	(4,978)	(3,493)
Adjustment for investments accounted for using the equity method	(72)	(159)
Profit for the period before taxes	42,406	22,305
Income taxes	(13,179)	(8,710)
Consolidated profit for the period	29,227	13,595
% of net sales	13.1%	8.5%
Attributable to:		
Shareholders of Parent	29,203	13,394
Minority shareholders of subsidiaries	24	201
Consolidated profit for the period	29,227	13,595
EBITDA*	43,476	32,003
% of net sales	19.5%	20.0%
Shareholders' equity	555,204	446,469
Net debt	246,585	127,345
Payables for purchase of shareholdings	99,103	69,433
Invested capital	900,892	643,247
Non-annualized ROCE	3.7%	3.9%
Non-annualized ROE	5.3%	3.0%
Basic earnings per share	0.275	0.126

EBITDA = EBIT + Amortizations + Allocations

ROCE = EBIT/ Employed capital

ROE = Consolidated profit for period / Consolidated shareholders equity

* Because EBITDA is not identified as an accounting measure in Italian accounting standards or in IAS/IFRS, the criteria used to calculate same may not be unique. Management uses EBITDA as a measure to monitor and evaluate the Company's performance trend. Management believes that EBITDA is an important parameter for measuring the Company's performance because it is not influenced by various criteria for the calculation of taxable revenues, of the amount and characteristics of employed capital, and of related amortization policies. The criteria applied by the Company to calculate EBITDA may not be in line with that used by other companies/groups, and therefore its value may not be comparable with the value calculated by same.

Consolidated statement of comprehensive income for the first quarter

(€/000)	<u>2015</u>	<u>2014</u>
Consolidated profit for the first quarter (A)	29,227	13,595
Other consolidated income (losses) 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>27</u>	<u>31</u>
<i>Total</i>	<u>27</u>	<u>31</u>
<i>Cash flow hedge accounting for derivatives hedging currency risk:</i>		
- Gains (losses) on derivatives for the period	-	-
- Less: Adjustment for gains (losses) reclassified to the income statement	-	(14)
- Less: Adjustment for the recognition of fair value in equity in the previous period	<u>-</u>	<u>-</u>
<i>Total</i>	<u>-</u>	<u>(14)</u>
<i>Gains (losses) on translating the financial statements of foreign companies</i>	28,819	17
<i>Gains (losses) from companies accounted for using the equity method</i>	3	-
<i>Related taxation</i>	<u>(8)</u>	<u>(6)</u>
Total other consolidated income (losses) which will be reclassified subsequently to consolidated profit for the period, net of the tax effect (B)	<u>28,841</u>	<u>28</u>
Consolidated comprehensive income for the first quarter (A) + (B)	<u>58,068</u>	<u>13,623</u>
Attributable to:		
Shareholders of Parent	57,532	13,538
Minority shareholders of subsidiaries	<u>536</u>	<u>85</u>
Consolidated comprehensive income for the first quarter	<u>58,068</u>	<u>13,623</u>

Consolidated cash flow statement for the first quarter

(€/000)	<u>2015</u>	<u>2014</u>
Cash flows from operating activities		
Profit before taxes	42,406	22,305
Adjustments for non-cash items:		
Losses (gains) on the sale of fixed assets	(1,043)	(389)
Losses (gains) on the sale of investments and branches	-	(495)
Amortization and depreciation	9,632	6,859
Costs recognized in the income statement relative to stock options that do not involve monetary outflows for the Group	337	337
Payments for tangible assets granted in leasing	(2,326)	(1,181)
Revenue from sales of tangible assets granted in leasing	2,000	1,055
Losses (profits) from investments	72	159
Net change in risk provisions and allocations to employee benefit provisions	(54)	(34)
Net financial charges	(8,868)	2,351
Other	-	-
	42,156	30,967
(Increase) decrease in trade receivables and other current assets	(12,111)	(13,006)
(Increase) decrease in inventories	(7,798)	(11,781)
Increase (decrease) in trade payables and other current liabilities	3,470	908
Interest paid	(1,514)	(1,389)
Realized exchange differences	1,493	(194)
Taxes paid	(3,128)	(2,555)
Net cash from operating activities	<u>22,568</u>	<u>2,950</u>
Cash flows from investing activities		
Payment for the purchase of investments net of cash received and gross of treasury shares transferred	(113,725)	(20,539)
Sale of equity interests and branches inclusive of cash transferred	746	650
Capital expenditure on property, plant and equipment	(7,795)	(9,916)
Proceeds from the sale of tangible assets	816	159
Increase in intangible assets	(685)	(1,020)
Financial income received	147	173
Other	(122)	414
Net cash (used in) investing activities	<u>(120,618)</u>	<u>(30,079)</u>
Cash flows from financing activities		
Disbursement (repayment) of loans	93,981	(7,239)
Payment for the purchase of treasury shares	(18,943)	(3,762)
Disposal of treasury shares to acquire investments	49,177	2,561
Proceeds from the sale of treasury shares to stock option beneficiaries	805	3,106
Dividends paid to minority shareholders of subsidiaries	(874)	-
Disbursement (repayment) of loans to unconsolidated subsidiaries	-	22
Disbursement (repayment) of shareholder loans	(61)	(62)
Change in other financial assets	(16)	-
Payment of finance lease installments (principal)	(806)	(2,530)
Net cash generated by (used in) financing activities	<u>123,263</u>	<u>(7,904)</u>
Net increase (decrease) in cash and cash equivalents	<u>25,213</u>	<u>(35,033)</u>

Translation differences for cash held by non-EU companies	3,164	(124)
Initial cash and cash equivalents of companies consolidated for the first time with the integral method	435	(43)
Cash and cash equivalents at the beginning of the period	59,389	84,380
Cash and cash equivalents at the end of the period	88,201	49,180

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 shareholders' equity	Non- controlling interests	Total
<i>At 1 January 2014</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	-	-	337	-	-	-	-	337	-	337
Purchase of treasury shares	(199)	-	(3,563)	-	-	-	-	(3,762)	-	(3,762)
Transfer of treasury shares to stock option beneficiaries	310	-	2,796	-	-	-	-	3,106	-	3,106
Transfer of treasury shares as payment for investments	144	-	2,417	-	-	-	-	2,561	-	2,561
Effect of Copa-Golf merger	-	-	-	-	-	-	58	58	(58)	-
Acquisition of IMM Hydraulics	-	-	-	-	-	-	-	-	67	67
Purchase of additional shares of Hydrocar Chile	-	-	-	-	-	-	(542)	(542)	(1,870)	(2,412)
Comprehensive income (loss) for the first quarter of 2014	-	-	-	11	-	133	13,394	13,538	85	13,623
<i>At 31 March 2014</i>	<u>55,258</u>	<u>11,323</u>	<u>127,026</u>	<u>(16)</u>	<u>(3,396)</u>	<u>(18,951)</u>	<u>270,738</u>	<u>441,982</u>	<u>4,487</u>	<u>446,469</u>
Recognition in the income statement of the fair value of the stock options granted and exercisable	-	-	1,033	-	-	-	-	1,033	-	1,033
Purchase of treasury shares	(1,787)	-	(32,407)	-	-	-	(343)	(34,537)	-	(34,537)
Transfer of treasury shares to stock option beneficiaries	172	-	1,348	-	-	-	-	1,520	-	1,520
Transfer of treasury shares as payment for investments	228	-	4,237	-	-	-	-	4,465	-	4,465
Dividends distributed	-	-	-	-	-	-	(18,108)	(18,108)	(58)	(18,166)
Effect of purchase of non-controlling interest in HC Hydraulics Technologies (P) Ltd	-	-	-	-	-	-	-	-	(1)	(1)
Effect of Hydrocar Chile-Syscam aggregation	-	-	-	-	-	-	(82)	(82)	289	207
Acquisition of IMM Hydraulics	-	-	-	-	-	-	-	-	4	4
Comprehensive income (loss) April-December 2014	-	-	-	(3)	(1,877)	22,760	43,542	64,422	1,134	65,556
<i>At 31 December 2014</i>	<u>53,871</u>	<u>11,323</u>	<u>101,237</u>	<u>(19)</u>	<u>(5,273)</u>	<u>3,809</u>	<u>295,747</u>	<u>460,695</u>	<u>5,855</u>	<u>466,550</u>
Recognition in the income statement of the fair value of the stock options granted and exercisable	-	-	337	-	-	-	-	337	-	337
Purchase of treasury shares	(763)	-	(18,180)	-	-	-	-	(18,943)	-	(18,943)
Transfer of treasury shares to stock option beneficiaries	181	-	624	-	-	-	-	805	-	805
Transfer of treasury shares as payment for investments	2,468	-	46,709	-	-	-	-	49,177	-	49,177
Dividends distributed	-	-	-	-	-	-	-	-	(790)	(790)
Comprehensive income (loss) for the first quarter of 2015	-	-	-	19	-	28,310	29,203	57,532	536	58,068
<i>At 31 March 2015</i>	<u>55,757</u>	<u>11,323</u>	<u>130,727</u>	<u>-</u>	<u>(5,273)</u>	<u>32,119</u>	<u>324,950</u>	<u>549,603</u>	<u>5,601</u>	<u>555,204</u>