



**INTERPUMP  
GROUP**

**PRESS RELEASE**

**THE BOARD OF DIRECTORS  
APPROVES THE 2012 CONSOLIDATED FINANCIAL STATEMENTS**

**PROPOSAL TO SHAREHOLDERS' MEETING:**

- **DIVIDEND OF 0.17 EURO IS PROPOSED (+41,7% COMPARED TO 0,12 IN 2011)**
- **AUTHORISATION TO BUY TREASURY SHARES**
- **APPROVAL A THREE YEAR INCENTIVE PLAN FOR THE GROUP'S TOP MANAGEMENT**

**Net sales: €527.2 million compared to €471.6 million in 2011: +11.8%**

**Adjusted EBITDA: €105.6 million (20.0% of sales) - the best result of the Interpump Group in absolute terms for the second consecutive year compared to €94.6 million in 2011: +11.6%**

**EBIT: €82.2 million - 15.7% of sales - compared to 75.7 million in 2011: +9.5%**

**Consolidated net profit: €52.3 million, a record for the Interpump Group (9.9% of sales) compared to €42.6 million in 2011: +22.9%**

**Earnings per share: €0.546 compared to €0.439 in 2011: +24.4%**

**Free cash flow: €38.6 million compared to €30.9 million in 2011: +24.9%**

**Net debt at 31 December 2012 down to €74.5 million from €127.0 million at year-end 2011**

*Milan, 19 March 2013* –The Board of Directors of Interpump Group S.p.A., which met today in Milan, **approved the 2012 results**. At the same time, the Board of Directors decided to propose to shareholders the distribution **of a dividend of 0.17 euro (+41,7% compared to a dividend of 0,12 in 2011)**. If approved, the dividend will be put into payment on 16 May and shares will go ex-dividend on 13 May .

**CONSOLIDATED RESULTS FOR 2012**

**Net sales** in 2012 amounted to €527.2 million euros, up 11.8% on sales from continuing operations in 2011 (€471.6 million). Growth was 6.1% on a like for like basis.



# INTERPUMP GROUP

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

(€000)	<u>Italy</u>	<u>Rest of Europe</u>	<u>North America</u>	<u>Pacific Area</u>	<u>Rest of World</u>	<u>Total</u>
<i>2012</i>						
Hydraulic Sector	52,358	65,195	77,027	12,170	50,986	257,736
Water Jetting Sector	<u>19,185</u>	<u>78,284</u>	<u>110,448</u>	<u>42,612</u>	<u>18,911</u>	<u>269,440</u>
Total	<u>71,543</u>	<u>143,479</u>	<u>187,475</u>	<u>54,782</u>	<u>69,897</u>	<u>527,176</u>
<i>2011</i>						
Hydraulic Sector	56,363	60,161	62,979	10,592	39,150	229,245
Water Jetting Sector	<u>19,692</u>	<u>73,445</u>	<u>92,007</u>	<u>41,901</u>	<u>15,329</u>	<u>242,374</u>
Total continuing operations	<u>76,055</u>	<u>133,606</u>	<u>154,986</u>	<u>52,493</u>	<u>54,479</u>	<u>471,619</u>

### Percentage changes 2012/2011

Hydraulic Sector	-7.1%	+8.4%	+22.3%	+14.9%	+30.2%	+12.4%
Water Jetting Sector	-2.6%	+6.6%	+20.0%	+1.7%	+23.4%	+11.2%
Total	-5.9%	+7.4%	+21.0%	+4.4%	+28.3%	+11.8%
Total changes on a like for like basis	-13.0%	+1.5%	+18.7%	-1.3%	+14.9%	+6.1%

Sales in the Hydraulic Sector increased by 0.6% on a like for like basis.

Operating income (**EBIT**) reached €2.8 million (15.7% of sales) compared to €7.7 million in 2011 (16.0% of sales), a rise of 9.5%. **EBIT adjusted** for non-recurring costs amounted to €4.8 million (16.1% of sales) compared to €7.6 million in 2011, an increase of 12.1%.

Gross operating income (**EBITDA**) amounted to €104.6 million, thereby **setting a record** in absolute terms for the Interpump Group for the second consecutive year (19.8% of sales), compared to €94.6 million in 2011, representing 20.1% of sales (+10.6%). The following table sets out EBITDA by business sector:

	<u>2012</u>	<u>% of total sales*</u>	<u>2011</u>	<u>% of total sales*</u>	<u>Increase/Decrease</u>
	<u>€/000</u>		<u>€/000</u>		
Hydraulic Sector	36,699	14.2%	32,818	14.3%	+11.8%
Water Jetting Sector	67,945	25.1%	60,664	25.0%	+12.0%
Other	<u>(12)</u>	N/A	<u>1,132</u>	N/A	N/A
<b>Total</b>	<b><u>104,632</u></b>	<b>19.8%</b>	<b><u>94,614</u></b>	<b>20.1%</b>	<b>+10.6%</b>

\* = Total sales include intercompany sales while the analysis provided above reflects only sales made outside the Group. Thus, for consistency, figures are calculated as a percentage of the total instead of a percentage of those shown before.

**EBITDA adjusted** for non-recurring costs amounted to €105.6 million (20.0% of sales), a rise of 11.6%.

EBITDA in the Hydraulic Sector amounted to €3.9 million on a like for like basis (14.7% of sales), an increase of 3.3%.



## INTERPUMP GROUP

**Net profit** amounted to €2.3 million (€2.6 million in 2011), a rise of 22.9%.

Basic earnings per share amounted to 0.546 euros (0.439 in 2011), an increase of 24.4%.

**Capital employed** rose from €61.1 million at 31 December 2011 to €99.4 million at 31 December 2012. This increase is mainly due to the acquisitions of Takarada, Galtech and MTC made in 2012. ROCE was 16.6% (16.4% in 2011). ROE was 13.2% (13.5% in 2011) and was affected by the capital increase resulting from the exercising of the warrants.

**Net cash** arising from operating activities amounted to €5.6 million (€0.4 million in 2011), an increase of 8.5%. **Free cash flow** totalled €38.6 million, up 24.9% on €30.9 million for 2011.

**Net debt** fell to €74.5 million from €127.0 million at 31 December 2011, due also to the capital increase of €6.9 million resulting from the exercising of the warrants. This amount does not include commitments to acquire additional interests (put options) in subsidiaries for €28.0 million (€19.0 million at 31 December 2011).

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### RESULTS OF THE PARENT COMPANY INTERPUMP GROUP S.p.A.

Interpump Group S.p.A. earned **net sales** of €70.0 million (€73.5 million in 2011).

**EBITDA** (gross operating income) amounted to €10.5 million, 15.1% of sales compared to €12.5 million in 2011, 17.0% of sales. EBITDA adjusted for non-recurring costs amounted to €1.6 million, 16.5% of sales.

The year ended 31 December 2012 closed with a **net profit** of €16.8 million (€8.0 million in 2011). The difference is mainly due to the different dividend distributions resolved by subsidiaries.

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### SHAREHOLDERS' MEETING

The Board of Directors has called a general shareholders' meeting to approve the 2012 financial statements for **30 April 2013** in single call at the headquarters of Interpump Group in Sant'Ilario d'Enza.

### AUTHORISATION TO PURCHASE TREASURY SHARES

Shareholders will additionally be called to adopt a resolution in general meeting to renew their authorisation to purchase and dispose of treasury shares. The proposal is to extend the authorisation to the purchase and disposal of treasury shares taking place until October 2014. At 31 December 2012 the Company held 7,349,239 treasury shares, being 6.75% of share capital.



# INTERPUMP GROUP

## *INCENTIVE PLAN*

The proposal for the adoption of a new incentive plan entitled the “Interpump 2013 / 2015 Incentive Plan” which was reviewed by the Board of Directors today has the objective of creating loyalty and providing incentives to those persons considered strategic for the Company’s growth.

## **REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURES AND REMUNERATION POLICY**

Pursuant to articles 123(*bis*) and 123(*ter*) of the Financial Services Act (TUF) it is hereby stated that the Company has published the Report on Corporate Governance and Ownership Structures and Remuneration Policy for 2012 on its website at the address [www.interpumpgroup.it](http://www.interpumpgroup.it)

Milan, 19 March 2013

On behalf of the Board of Directors  
The Chairman  
Giovanni Cavallini

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.

Milan, 19 March 2013

Manager responsible for drafting  
company accounting documents  
Carlo Banci

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## Financial statements

### Consolidated balance sheet

(€000)	<u>31/12/2012</u>	<u>31/12/2011</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	115,069	109,068
Trade receivables	96,371	95,912
Inventories	131,692	117,021
Tax receivables	6,705	4,425
Derivative financial instruments	306	-
Assets available for sale	2,121	2,123
Other current assets	6,675	8,754
<b>Total current assets</b>	<b><u>358,939</u></b>	<b><u>337,303</u></b>
<b>Non current assets</b>		
Property, plant and equipment	112,527	102,777
Goodwill	225,921	213,400
Other intangible assets	22,146	23,562
Other financial assets	1,840	3,424
Tax receivables	2,802	1,017
Deferred tax assets	16,707	15,057
Other non-current assets	971	1,490
<b>Total non-current assets</b>	<b><u>382,914</u></b>	<b><u>360,727</u></b>
<b>Total assets</b>	<b><u>741,853</u></b>	<b><u>698,030</u></b>

(€000)	<u>31/12/2012</u>	<u>31/12/2011</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade payables	53,612	57,962
Payables to banks	10,614	8,762
Interest bearing financial payables (current portion)	87,303	113,700
Derivative financial instruments	781	2,006
Taxes payable	6,655	8,552
Other current liabilities	27,342	22,943
Provisions for risks and charges	4,653	2,851
<b>Total current liabilities</b>	<b><u>190,960</u></b>	<b><u>216,776</u></b>
<b>Non-current liabilities</b>		
Interest bearing financial payables	91,701	113,569
Liabilities for employee benefits	11,008	9,698
Deferred tax liabilities	22,456	20,668
Non current tax liabilities	17	-
Other non-current liabilities	27,496	20,439
Provisions for risks and charges	1,339	1,720
<b>Total non-current liabilities</b>	<b><u>154,017</u></b>	<b><u>166,094</u></b>
<b>Total liabilities</b>	<b><u>344,977</u></b>	<b><u>382,870</u></b>
<b>SHAREHOLDERS' EQUITY</b>		
Share Capital	52,796	47,936
Legal reserve	10,157	10,157
Share premium reserve	105,514	64,719
Reserve for valuation of hedging derivatives at fair value	(333)	(1,086)
Translation reserve	(8,243)	(2,908)
Other reserves	231,152	190,879
<b>Shareholders' equity for the Group</b>	<b><u>391,043</u></b>	<b><u>309,697</u></b>
Minority interests	5,833	5,463
<b>Total shareholders' equity</b>	<b><u>396,876</u></b>	<b><u>315,160</u></b>
<b>Total shareholders' equity and liabilities</b>	<b><u>741,853</u></b>	<b><u>698,030</u></b>

## Consolidated income statements

(€000)	<u>2012</u>	<u>2011</u>
<b>Net sales</b>	<b>527,176</b>	<b>471,619</b>
Cost of sales	<u>(327,571)</u>	<u>(294,378)</u>
<b>Gross industrial margin</b>	<b>199,605</b>	<b>177,241</b>
Other net revenues	8,775	7,559
Distribution costs	(53,448)	(45,802)
General and administrative expenses	(69,375)	(60,320)
Other operating costs	<u>(2,752)</u>	<u>(3,028)</u>
<b>Ordinary profit before financial charges</b>	<b>82,805</b>	<b>75,650</b>
Financial income	4,905	6,365
Financial charges	(12,756)	(15,032)
Adjustment of investments according to the equity method	<u>(147)</u>	<u>(367)</u>
<b>Profit for the period before taxes</b>	<b>74,807</b>	<b>66,616</b>
Income taxes	<u>(22,494)</u>	<u>(22,998)</u>
<b>Consolidated net profit for the period of continuing operations</b>	<b>52,313</b>	<b>43,618</b>
Result of discontinued operations and assets held for sale	<u>12</u>	<u>(1,033)</u>
<b>Consolidated profit for the period</b>	<b><u>52,325</u></b>	<b><u>42,585</u></b>
<b>Due to:</b>		
Parent company shareholders	51,418	41,232
Minority interests	<u>907</u>	<u>1,353</u>
<b>Consolidated profit for the period</b>	<b><u>52,325</u></b>	<b><u>42,585</u></b>
Basic earnings per share from continuing operations	0.546	0.451
Basic earnings per share from discontinuing operations	<u>-</u>	<u>(0.012)</u>
Basic earnings per share	<u>0.546</u>	<u>0.439</u>
Diluted earnings per share from continuing operations	0.539	0.446
Diluted earnings per share from discontinuing operations	<u>-</u>	<u>(0.012)</u>
Diluted earnings per share	<u>0.539</u>	<u>0.434</u>

## Statements of consolidated comprehensive income for the year

(€000)	<u>2012</u>	<u>2011</u>
<b>Consolidated profit (A)</b>	<b>52,325</b>	<b>42,585</b>
<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	623	1,283
<i>Total</i>	<u>623</u>	<u>1,283</u>
<i>Cash flow hedge accounting for derivatives hedging currency risk</i>		
- Gains (losses) on derivatives for the period	91	(367)
- Less: Adjustment for gains (losses) reclassified to the income statement	367	(67)
- Less: Adjustment for the recognition of fair value in equity	-	-
<i>Total</i>	<u>458</u>	<u>(434)</u>
<i>Gain (losses) on translating the financial statements of foreign entities</i>	(5,277)	5,344
<i>Gain (losses) from companies accounted for under the equity method</i>	27	18
<i>Related taxation</i>	<u>(328)</u>	<u>(206)</u>
<b>Gains (losses) recognized directly in equity (B)</b>	<b><u>(4,497)</u></b>	<b><u>6,005</u></b>
<b>Consolidated comprehensive income for the period (A) + (B)</b>	<b><u>47,828</u></b>	<b><u>48,590</u></b>
<b>Attributable to:</b>		
Parent company shareholders	46,836	47,164
Minority interests	992	1,426
<b>Consolidated income for the period</b>	<b><u>47,828</u></b>	<b><u>48,590</u></b>



## Consolidated cash flow statements

(€000)	<u>2012</u>	<u>2011</u>
<b>Cash flow from operating activities</b>		
Profit before taxes and loss from discontinued operations	74,807	66,616
<i>Adjustments for non-cash items:</i>		
Losses (capital gains) from the sale of fixed assets	(1,958)	(1,922)
Losses (capital gains) from disposals of investments	(155)	-
Amortisation and depreciation	20,143	18,063
Costs ascribed to the income statement relative to stock options that do not involve monetary outflows for the Group	872	962
Loss (profit) from investments	147	367
Net change of risk funds and allocations to liabilities for benefits for employees	1,626	598
Disbursements for tangible assets to be leased	(4,413)	(3,700)
Proceeds from leased tangible assets	4,703	2,250
Variation of medium-long term tax credit	(1,881)	-
Net financial charges	7,851	8,667
Other	(23)	180
	<u>101,719</u>	<u>92,081</u>
(Increase) decrease in trade receivables and other current assets	2,608	(14,491)
(Increase) decrease in inventories	(9,882)	(11,118)
Increase (decrease) in trade payables and other current liabilities	(5,010)	5,914
Interest paid	(8,052)	(8,702)
Currency exchange gains	(632)	(264)
Taxes paid	(27,463)	(22,670)
<b>Net liquidity generated by operating activities</b>	<u><b>53,288</b></u>	<u><b>40,750</b></u>
<b>Cash flow from investing activities</b>		
Payment for the purchase of investments net of cash received and gross of treasury shares given as consideration	(19,216)	(9,102)
Sales of equity interests inclusive of liquidity sold	1,378	1,551
Capital expenditure	(16,860)	(10,642)
Proceeds from the sale of tangible fixed assets	3,342	1,584
Increase in intangible assets	(2,321)	(2,763)
Cash in from proceeds of financial assets	1,634	-
Financial income collected	1,973	2,896
Other	(321)	137
<b>Net liquidity utilised in investing activities</b>	<u><b>(30,391)</b></u>	<u><b>(16,339)</b></u>

(€000)	<u>2012</u>	<u>2011</u>
<b>Cash flow of financing activities</b>		
Disbursement (reimbursement) of financing	(49,010)	(28,956)
Dividends paid	(11,731)	(10,768)
Disbursement for purchase of treasury shares	(15,827)	(16,489)
Sale of treasury shares for acquisition of subsidiaries	1,704	4,309
Proceeds from the sale of treasury shares to stock option beneficiaries	2,025	188
Capital increase following the warrants' exercise	56,881	31
Disbursement of a loan to an unconsolidated subsidiary	(90)	7
Disbursement (reimbursement) of shareholders' financing	-	346
Payment of finance lease instalments (capital portion)	(2,490)	(2,379)
<b>Net liquidity obtained through (utilised in) financing activities</b>	<u>(18,538)</u>	<u>(53,711)</u>
<b>Net increase (decrease) of cash and cash equivalents</b>	<u>4,359</u>	<u>(29,300)</u>
<b>Net increase (decrease) of cash and cash equivalents</b>		
Increase (decrease) of liquidity from discontinued operations	20	(2,110)
Exchange differences on conversion of the liquidity of companies in areas outside the EU	(230)	746
Cash and cash equivalents at the beginning of the period	<u>100,306</u>	<u>130,970</u>
Cash and cash equivalents at the end of the period	<u>104,455</u>	<u>100,306</u>

## Changes in shareholders' equity

(€/000)

	Share capital	Legal reserve	Share premium reserve	Reserve for the fair value of hedging derivatives	Translation reserve	Other reserves	Shareholders' equity for the Group	Minority interests	Total
<i>Balances as at 1 January 2011</i>	49,193	10,064	74,427	(1,730)	(8,196)	160,524	284,282	7,177	291,459
Allocation of 2010 profit	-	93	-	-	-	(93)	-	-	-
Recording in the income statement of the fair value of the stock options assigned and exercisable	-	-	996	-	-	-	996	-	996
Purchase of treasury shares	(1,845)	-	(14,644)	-	-	-	(16,489)	-	(16,489)
Sale of treasury shares to stock option beneficiaries	26	-	162	-	-	-	188	-	188
Sale of treasury shares as part of the purchase of investments	559	-	3,750	-	-	-	4,309	-	4,309
Capital increase following exercise of warrant	3	-	28	-	-	-	31	-	31
Dividends distributed	-	-	-	-	-	(10,412)	(10,412)	(356)	(10,768)
Acquisition of the remaining 49% of AVI	-	-	-	-	-	(372)	(372)	(899)	(1,271)
Effect on equity of the sale of Unielectric	-	-	-	-	-	-	-	(1,885)	(1,885)
Comprehensive profit (loss) for the year 2011	-	-	-	644	5,288	41,232	47,164	1,426	48,590
<i>Balances as at 31 December 2011</i>	47,936	10,157	64,719	(1,086)	(2,908)	190,879	309,697	5,463	315,160
Recording in the income statement of the fair value of the stock options assigned and exercisable	-	-	872	-	-	-	872	-	872
Purchase of treasury shares	(1,406)	-	(14,421)	-	-	-	(15,827)	-	(15,827)
Sale of treasury shares to stock option beneficiaries	280	-	1,745	-	-	-	2,025	-	2,025
Sale of treasury shares for payment of investments	157	-	1,547	-	-	-	1,704	-	1,704
Capital increase following exercise of warrants	5,829	-	51,052	-	-	-	56,881	-	56,881
Dividends distributed	-	-	-	-	-	(11,145)	(11,145)	(426)	(11,571)
Sale of Hydrocar Roma	-	-	-	-	-	-	-	(196)	(196)
Comprehensive profit (loss) for the year 2012	-	-	-	753	(5,335)	51,418	46,836	992	47,828
<i>Balances as at 31 December 2012</i>	52,796	10,157	105,514	(333)	(8,243)	231,152	391,043	5,833	396,876

## Financial statements of the parent company Interpump Group S.p.A.

### Consolidated balance sheet

Euro	<u>31/12/2012</u>	<u>31/12/2011</u>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	70,485,382	68,231,937
Trade receivables	10,013,342	10,788,069
Inventories	9,748,010	10,533,931
Tax receivables	2,225,419	1,013,785
Derivative financial instruments	272,118	-
Assets available for sale	2,121,484	2,121,484
Other current assets	1,736,553	4,433,107
<b>Total current assets</b>	<b><u>96,602,308</u></b>	<b><u>97,122,313</u></b>
<b>Non-current assets</b>		
Property, plant and equipment	15,133,896	13,397,870
Goodwill	32,505,900	32,505,900
Other intangible assets	4,353,153	3,967,840
Investments in subsidiaries	191,879,790	191,768,276
Other financial assets	38,573,440	34,368,961
Tax receivables	1,391,084	450,624
Deferred tax assets	1,861,059	1,658,451
Other non-current assets	464,381	1,119,060
<b>Total non-current assets</b>	<b><u>286,162,703</u></b>	<b><u>279,236,982</u></b>
<b>Total assets</b>	<b><u>382,765,011</u></b>	<b><u>376,359,295</u></b>

Euro	<u>31/12/2012</u>	<u>31/12/2011</u>
<b>LIABILITIES</b>		
Current liabilities		
Trade payables	10,927,202	10,034,121
Payables to banks	50,708	2,359,796
Interest bearing financial payables (current portion)	51,435,266	79,941,231
Derivative financial instruments	781,359	1,659,351
Taxes payable	628,568	660,489
Other current liabilities	5,059,646	4,802,477
<b>Total current liabilities</b>	<b><u>68,882,749</u></b>	<b><u>99,457,465</u></b>
Non-current liabilities		
Interest bearing financial payables	75,540,736	90,139,961
Liabilities for employee benefits	3,528,789	3,268,929
Deferred tax liabilities	905,779	1,004,575
Provisions for risks and charges	5,254	303,515
<b>Total non-current liabilities</b>	<b><u>79,980,558</u></b>	<b><u>94,716,980</u></b>
<b>Total liabilities</b>	<b><u>148,863,307</u></b>	<b><u>194,174,445</u></b>
<b>SHAREHOLDERS' EQUITY</b>		
Share Capital	52,795,629	47,935,962
Legal reserve	10,157,558	10,156,890
Share premium reserve	104,677,337	63,887,046
Reserve for valuation of hedging derivatives at fair value	(250,121)	(649,457)
Other reserves	66,521,301	60,854,409
<b>Total shareholders' equity</b>	<b><u>233,901,704</u></b>	<b><u>182,184,850</u></b>
<b>Total shareholders' equity and liabilities</b>	<b><u>382,765,011</u></b>	<b><u>376,359,295</u></b>

## Income statements

Euro	<u>2012</u>	<u>2011</u>
<b>Net sales</b>	<b>70,038,135</b>	<b>73.513.979</b>
Cost of sales	(45,923,468)	(49.133.228)
<b>Gross industrial margin</b>	<b>24,114,667</b>	<b>24.380.751</b>
Other net revenues	1,392,849	1.435.455
Distribution costs	(3,863,560)	(3.415.560)
General and administrative expenses	(13,673,782)	(12.257.006)
Impairment of assets	(99,053)	(662.926)
Other operating costs	(65,000)	(49.000)
Dividends	10,041,131	5.905.710
<b>Ordinary profit before financial charges</b>	<b>17,847,252</b>	<b>15.337.424</b>
Financial income	4,236,269	5.323.094
Financial charges	(6,538,063)	(9.012.508)
<b>Profit for the period before taxes</b>	<b>15,545,458</b>	<b>11.648.010</b>
Income taxes	1,168,342	(2.882.316)
<b>Profit for the period after taxes but before gains from discontinued operations</b>	<b>16,713,800</b>	<b>8.765.694</b>
Results from discontinued operations	98,563	(797.749)
<b>Net profit for the period</b>	<b>16,812,363</b>	<b>7.967.945</b>
Basic earnings per share from continuing operations	0.178	0.093
Basic earnings per share from non continuing operations	0.001	(0.008)
Basic earnings per share	<u>0.179</u>	<u>0.085</u>
Diluted earnings per share from continuing operations	0.175	0.092
Diluted earnings per share from discontinuing operations	0.001	(0.008)
Diluted earnings per share	<u>0.176</u>	<u>0.084</u>

## Statement of comprehensive income

(€000)	<u>2012</u>	<u>2011</u>
<b>Net profit (A)</b>	<b>16,812</b>	<b>7,968</b>
<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	356	969
<i>Total</i>	<u>356</u>	<u>969</u>
<i>Cash flow hedge accounting for derivatives hedging currency risk</i>		
- Gains (losses) on derivatives for the period	84	(123)
- Less: Adjustment for gains (losses) reclassified to the income statement	123	(126)
- Less: Adjustment for the recognition of fair value in equity in the previous period	-	-
<i>Total</i>	<u>207</u>	<u>(249)</u>
<i>Related taxation</i>	<u>(163)</u>	<u>(188)</u>
<b>Gains (losses) recognized directly in equity (B)</b>	<b><u>400</u></b>	<b><u>532</u></b>
<b>Comprehensive net profit (A) + (B)</b>	<b><u>17,212</u></b>	<b><u>8,500</u></b>

## Cash flow statements

(€000)	<u>2012</u>	<u>2011</u>
<b>Cash flow from operating activities</b>		
Profit before taxes and loss from discontinued operations	15,545	11,648
<i>Adjustments for non-cash items:</i>		
Gains from disposals of assets	(13)	(4)
Depreciation and amortisation of tangible and intangible assets	2,777	3,066
Costs ascribed to the income statement relative to stock options that do not involve monetary outflows for the Group	742	845
Impairment (restoration of value) of assets	13	12
Net change of risk funds and allocations to liabilities for benefits for employees	249	(118)
Change in medium-long term tax credits	(941)	-
Dividends to the profit and loss account	(10,041)	(5,906)
Net financial charges	2,302	3,689
	<u>10,633</u>	<u>13,232</u>
(Increase) decrease in trade receivables and other current assets	(747)	(1,071)
(Increase) decrease in inventories	786	1,054
Increase (decrease) in trade payables and other current liabilities	2,535	(326)
Taxes paid	(806)	(5,486)
Interest paid	(4,413)	(6,832)
Currency exchange gains (losses) realized	(156)	91
<b>Net liquidity generated by operating activities</b>	<u><b>7,832</b></u>	<u><b>662</b></u>
<b>Cash flow from investing activities</b>		
Proceeds from sale of Unielectric, net of ancillary expenses paid	957	1,128
Payments for the acquisition of treasury stock	(15,827)	(16,489)
Proceeds from the sale of treasury shares to stock option beneficiaries	2,025	188
Treasury stock transfer as part of the acquisition of companies	1,704	4,309
Investment in property, plant and equipment	(3,331)	(1,882)
Proceeds from the sale of tangible fixed assets	2,863	710
Increase in intangible assets	(1,338)	(1,489)
Financial income collected	1,314	2,932
Other	(4)	(77)
<b>Net liquidity generated (utilised in) by investing activities</b>	<u><b>(11,637)</b></u>	<u><b>(10,670)</b></u>



(€000)	<u>2012</u>	<u>2011</u>
<b>Cash flow of financing activities</b>		
Dividends cashed	10,096	5,906
Dividends paid	(11,145)	(10,412)
(Disbursal) repayment of intergroup loans	(4,204)	(9,859)
Capital increase	56,881	31
Disbursal (repayment) of loans	(43,261)	1,534
<b>Net cash from (used in) financing activities</b>	<u><b>8,367</b></u>	<u><b>(12,800)</b></u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u><b>4,562</b></u>	<u><b>(22,808)</b></u>
Cash and cash equivalents at the start of the period	<u><b>65,872</b></u>	<u><b>88,680</b></u>
Cash and cash equivalents at the end of the period	<u><b>70,434</b></u>	<u><b>65,872</b></u>

## Changes in shareholders' equity

	<i>Share capital</i>	<i>Legal reserve</i>	<i>Share premium reserve</i>	<i>Reserve for valuations at fair value of hedging derivatives</i>	<i>Other reserves</i>	<i>Total shareholder's equity</i>
<i>Balances as at 1 January 2011</i>	49,193	10,064	73,622	(1,182)	63,392	195,089
Allocation of 2010 profit	-	93	-	-	(93)	-
Dividends distributed	-	-	-	-	(10,412)	(10,412)
Recording in the income statement of the fair value of the stock options assigned and exercisable to employees of Interpump Group S.p.A.	-	-	845	-	-	845
Recording in the income statement of the fair value of the stock options assigned and exercisable to employees of subsidiaries	-	-	124	-	-	124
Capital increase following the exercising of warrants	3	-	28	-	-	31
Purchase of treasury shares	(1,845)	-	(14,644)	-	-	(16,489)
Sale of treasury shares to stock option beneficiaries	26	-	162	-	-	188
Sale of treasury shares as part of the purchase of investments	559	-	3,750	-	-	4,309
Comprehensive net profit for the year	-	-	-	532	7,968	8,500
<i>Balances as at 31 December 2011</i>	47,936	10,157	63,887	(650)	60,855	182,185
Allocation of 2011 profit	-	1	-	-	(1)	-
Dividends distributed	-	-	-	-	(11,145)	(11,145)
Recording in the income statement of the fair value of the stock options assigned and exercisable to employees of Interpump Group S.p.A.	-	-	742	-	-	742
Recording in the income statement of the fair value of the stock options assigned and exercisable to employees of subsidiaries	-	-	125	-	-	125
Capital increase following the exercising of warrants	5,829	-	51,052	-	-	56,881
Purchase of treasury shares	(1,406)	-	(14,421)	-	-	(15,827)
Sale of treasury shares to stock option beneficiaries	280	-	1,745	-	-	2,025
Sale of treasury shares as part of the purchase of investments	157	-	1,547	-	-	1,704
Comprehensive net profit for the year	-	-	-	400	16,812	17,212
<i>Balances as at 31 December 2012</i>	52,796	10,158	104,677	(250)	66,521	233,902

