



**INTERPUMP
GROUP**

PRESS RELEASE

**INTERPUMP GROUP APPROVES
CONSOLIDATED RESULTS AS AT 30/06/2018**

Chairman Fulvio Montipò: “After the impressive growth of the first quarter, Interpump further accelerates in Q2, achieving record results in both divisions. Our business model proves its strong flexibility and adaptability to various market conditions.”

H1 2018 RESULTS:

NET SALES: € 643.4 million (+15.2% compared to H1 2017)

EBITDA: € 146.8 million (+12.3%)

EBITDA/SALES: 22.8% (23.4% in H1 2017)

CONSOLIDATED NET PROFIT: € 94.3 million (+42.3%)

FREE CASH FLOW: € 35.8 million (€ 36.1 million in H1 2017)

**NET DEBT: € 296.0 million (€ 273.5 million at 31/12/2017)
after €10.4 million disbursements for acquisitions, € 22.5 million paid in dividends and 27.5 million
in purchases of own shares**

Q2 2018 RESULTS:

NET SALES: € 331.1 million (+15.8% compared to Q2 2017)

EBITDA: € 77.2 million (+13.7%)

EBITDA/SALES: 23.3% (23.7% in Q2 2017)

CONSOLIDATED NET PROFIT: € 42.7 million (+26.6%)

Sant’Ilario d’Enza, 3 August 2018 – The Board of Directors of Interpump Group S.p.A. met today and approved the results for the **second quarter and first half of 2018**.



H1 2018 RESULTS

Net Sales in the first half of 2018 totaled 643.4 million euro, an increase of 15.2% over the 558.8 million euro in the corresponding period of 2017.

Sales by business sector and geographical area were 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>H1 2018</i>						
Hydraulics	89,968	162,001	90,579	40,941	44,448	427,937
Water-Jetting	<u>20,876</u>	<u>75,050</u>	<u>72,055</u>	<u>31,410</u>	<u>16,100</u>	<u>215,491</u>
Total	<u>110,844</u>	<u>237,051</u>	<u>162,634</u>	<u>72,351</u>	<u>60,548</u>	<u>643,428</u>
<i>H1 2017</i>						
Hydraulics	79,090	123,629	85,714	32,043	35,368	355,844
Water-Jetting	<u>17,348</u>	<u>70,745</u>	<u>71,488</u>	<u>25,449</u>	<u>17,877</u>	<u>202,907</u>
Total	<u>96,438</u>	<u>194,374</u>	<u>157,202</u>	<u>57,492</u>	<u>53,245</u>	<u>558,751</u>
Change, 2018/2017						
Hydraulics	+13.8%	+31.0%	+5.7%	+27.8%	+25.7%	+20.3%
Water-Jetting	+20.3%	+6.1%	+0.8%	+23.4%	-9.9%	+6.2%
Total	+14.9%	+22.0%	+3.5%	+25.8%	+13.7%	+15.2%

Organic growth, at unchanged perimeter and before the currency exchange, was 15.7% for Hydraulics, 7.9% for Water-Jetting, and 12.9% for the whole Group.

Please note that the currency exchange had a very noticeable negative effect on turnover, worth €27.1 million: as a consequence the growth in sales, at unchanged perimeter but after the conversion in Euro, was +11.3% for Hydraulics, +2.2% for Water-Jetting, and +8.0% on total sales.

EBITDA amounted to 146.8 million euro (22.8% of sales) compared to 130.8 million euro in the first half of 2017 (23.4% of sales), an increase of 12.3%. The following table sets out EBITDA by business sector:

	<i>H1 2018</i>	<i>% on</i>	<i>H1 2017</i>	<i>% on</i>	<i>Change</i>
	<u>€/000</u>	<u>sales</u>	<u>€/000</u>	<u>sales</u>	
Hydraulics	88,411	20.6%	76,353	21.4%	+15.8%
Water-Jetting	<u>58,402</u>	27.0%	<u>54,410</u>	26.7%	+7.3%
Total	<u>146,813</u>	22.8%	<u>130,763</u>	23.4%	+12.3%

It should be noted that, at unchanged perimeter, EBITDA was 23.9% on sales, with a 0.5 percentage points improvement over the same period of 2017. EBITDA was also negatively affected (€ -8.7 million) by the currency exchange.



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Operating income (**EBIT**) amounted to 121.7 million euro (18.9% of sales) compared to 106.0 million euro in the first half of 2017 (19.0% of sales), an increase of 14.8%.

Net Profit for the half-year was 94.3 million euro (66.3 million euro in H1 2017), up 42.3%. Please note that H118 net profit includes € 11.6 million one-off earnings resulting from the GS-Hydro acquisition.

Basic earnings per share rose from 0.614 euro in the first half of 2017 to 0.875 euro in the first half of 2018.

Net cash flow from operating activities was 113.7 million euro (95.4 million euro in H1 2017), with a 19.1% increase. **Free cash flow** amounted to 35.8 million euro (36.1 million euro in H1 2017).

Net debt at the end of the period was 296.0 million euro (273.5 million euro at 31 December 2017), after 10.4 million euro spent in acquisitions, 22.5 million euro paid in dividends, and 27.5 million euro in purchases of own shares. Additionally, the Group has commitments for the acquisition of stakes in subsidiaries for a total of 44.1 million euro (46.8 million euro at 31/12/2017).

Capital employed increased from 1,085.1 million euro at 31 December 2017 to 1,153.1 million euro at 30 June 2018, mainly due to the GS-Hydro acquisition and the increase in net working capital, a seasonal phenomenon emphasized by the strong organic growth. Non-annualized **ROCE** was 10.6% (9.8% in H1 2017). Non-annualized **ROE** was 11.6% (9.4% in H1 2017).

At 30 June 2018 Interpump Group S.p.A. had 2,401,296 **treasury shares** in its portfolio, representing 2.2055% of total share capital, purchased at an average cost of € 18.7752.

Q2 2018 RESULTS

Net Sales for the second quarter of 2018 totaled 331.1 million euro, an increase of 15.8% over the 286.0 million euro in the corresponding period of 2017.

Sales by business sector and geographical area were 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>Q2 2018</i>						
Hydraulics	46,355	83,825	45,901	22,500	22,687	221,268
Water-Jetting	<u>11,080</u>	<u>38,488</u>	<u>36,980</u>	<u>16,033</u>	<u>7,283</u>	<u>109,864</u>
Total	<u>57,435</u>	<u>122,313</u>	<u>82,881</u>	<u>38,533</u>	<u>29,970</u>	<u>331,132</u>
<i>Q2 2017</i>						
Hydraulics	41,058	62,343	42,875	17,310	17,270	180,856
Water-Jetting	<u>9,118</u>	<u>39,519</u>	<u>36,086</u>	<u>11,940</u>	<u>8,491</u>	<u>105,154</u>
Total	<u>50,176</u>	<u>101,862</u>	<u>78,961</u>	<u>29,250</u>	<u>25,761</u>	<u>286,010</u>
Change, 2018/2017						
Hydraulics	+12.9%	+34.5%	+7.1%	+30.0%	+31.4%	+22.3%
Water-Jetting	+21.5%	-2.6%	+2.5%	+34.3%	-14.2%	+4.5%



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Total +14.5% +20.1% +5.0% +31.7% +16.3% +15.8%

Organic growth, at unchanged perimeter and before the currency exchange, was 16.7% for Hydraulics, 7.4% for Water-Jetting, and 13.3% for the whole Group.

Please note that turnover was negatively affected by the exchange rates for €10.5 million: as a consequence the growth in sales, at unchanged perimeter but after the conversion in Euro, was +13.3% for Hydraulics, +3.3% for Water-Jetting, and +9.6% on total sales.

EBITDA amounted to 77.2 million euro (23.3% of sales) compared to 67.9 million euro in the second quarter of 2017 (23.7% of sales), an increase of 13.7%. It should be noted that, at unchanged perimeter, EBITDA was 24.3% on sales, with a 0.6 pp improvement over the same period of 2017. EBITDA was also negatively affected (€ -3.6 million) by the currency exchange.

Net Profit for the second quarter was 42.7 million euro (33.7 million euro in Q2 2017), up 26.6%.

Basic earnings per share rose from 0.313 euro in Q2 2017 to 0.396 euro in Q2 2018.

Pursuant to Article 65-bis, paragraph 2 and Article 82 of Consob Deliberation 11971/1999 as modified and supplemented, the **Interim Report at 30 June 2018 is available to the public** at the Group's registered office 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.emarketstorage.com repository.

S. Ilario d'Enza (RE), 3 August 2018

On behalf of the Board of Directors
Fulvio Montipò, Chairman

Carlo Banci, the manager responsible for drafting the company's accounting documents, declares - pursuant to the terms Article 154-bis, paragraph 2 of the Consolidated 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), 3 August 2018

Carlo Banci
Manager responsible for drafting
the company's accounting documents

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Consolidated Statement of financial position

(€/000)	<u>30/06/2018</u>	<u>31/12/2017</u>
ASSETS		
<i>Current assets</i>		
Cash and cash equivalents	125,465	144,938
Trade receivables	287,961	236,761
Inventories	340,381	291,701
Tax receivables	19,937	15,410
Other current assets	16,484	8,302
Total current assets	<u>790,228</u>	<u>697,112</u>
Non-current assets		
Property, plant and equipment	334,140	321,833
Goodwill*	426,548	425,991
Other intangible assets	36,701	38,096
Other financial assets	2,328	1,145
Tax receivables	1,715	1,770
Deferred tax assets	26,006	24,909
Other non-current assets	2,266	2,582
Total non-current assets	<u>829,704</u>	<u>816,326</u>
Assets available for sale	-	785
Total assets	<u>1,619,932</u>	<u>1,514,223</u>

*2017 data revised in 2018 as per IFRS3.



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(€/000)	<u>30/06/2018</u>	<u>31/12/2017</u>
LIABILITIES		
Current liabilities		
Trade payables	176,776	142,975
Payables to banks	15,703	8,955
Interest bearing financial payables (current portion)	184,989	166,465
Taxes payable	26,519	18,541
Other current liabilities	74,885	54,038
Provisions for risks and charges	3,967	3,610
Total current liabilities	<u>482,839</u>	<u>394,584</u>
Non-current liabilities		
Interest bearing financial payables	220,813	243,060
Liabilities for employee benefits	20,083	20,044
Deferred tax liabilities	41,657	41,504
Other non-current liabilities*	38,444	46,946
Provisions for risks and charges	3,197	3,156
Total non-current liabilities	<u>324,194</u>	<u>354,710</u>
Liabilities available for sale	-	200
Total liabilities	<u>807,033</u>	<u>749,494</u>
SHAREHOLDERS' EQUITY		
Share capital	55,368	55,805
Legal reserve	11,323	11,323
Share premium reserve	97,431	121,228
Remeasurement reserve for defined benefit plans	(5,722)	(5,722)
Translation reserve	505	(2,475)
Other reserves	649,320	579,006
Group shareholders' equity	<u>808,225</u>	<u>759,165</u>
Minority interests	4,674	5,564
Total shareholders' equity	<u>812,899</u>	<u>764,729</u>
Total shareholders' equity and liabilities	<u>1,619,932</u>	<u>1,514,223</u>

*2017 data revised in 2018 as per IFRS3.



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H1 2018 Consolidated Income Statement

(€/000)	<u>2018</u>	<u>2017</u>
Net sales	643,428	558,751
Cost of goods sold	(402,922)	(343,842)
Gross industrial margin	240,506	214,909
<i>% of net sales</i>	<i>37.4%</i>	<i>38.5%</i>
Other operating income	9,474	8,113
Distribution expenses	(58,894)	(52,558)
General and administrative expenses	(67,868)	(63,099)
Other operating costs	(1,557)	(1,372)
EBIT	121,661	105,993
<i>% of net sales</i>	<i>18.9%</i>	<i>19.0%</i>
Financial income	5,631	6,286
Financial charges	(8,732)	(11,651)
Recognition of negative goodwill	11,623	-
Equity method contribution	(158)	35
Profit for the period before taxes	130,025	100,663
Income taxes	(35,766)	(34,403)
Consolidated profit for the period	94,259	66,260
<i>% of net sales</i>	<i>14.6%</i>	<i>11.9%</i>
Attributable to:		
Shareholders of Parent	93,815	65,624
Minority shareholders of subsidiaries	444	636
Consolidated profit for the period	94,259	66,260
EBITDA	146,813	130,763
<i>% of net sales</i>	<i>22.8%</i>	<i>23.4%</i>
Shareholders' equity	812,899	708,634
Net debt	296,040	319,109
Payables for purchase of shareholdings	44,122	57,862
Capital employed	<u>1,153,061</u>	<u>1,085,605</u>
Non-annualized ROCE	10.6%	9.8%
Non-annualized ROE	11.6%	9.4%
Basic earnings per share	0.875	0.614



H1 2018 Consolidated statement of comprehensive income

(€/000)	<u>2018</u>	<u>2017</u>
Consolidated profit for the first half-year (A)	94,259	66,260
Other comprehensive income which will subsequently be reclassified to consolidated profit or loss		
<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	-	-
- Less: Adjustment for the recognition of fair value in equity in the previous period	=	<u>33</u>
<i>Total</i>	-	<u>33</u>
<i>Gains (losses) on translating the financial statements of foreign companies</i>	2,952	(22,349)
<i>Gains (losses) from companies accounted for using the equity method</i>	6	(27)
<i>Applicable taxes</i>	-	(9)
Total other consolidated income (losses) which will subsequently be reclassified to consolidated profit for the period, net of the tax effect (B)	<u>2,958</u>	<u>(22,352)</u>
Total other comprehensive income which will not subsequently be reclassified to consolidated profit or loss		
<i>Gains (losses) on the remeasurement of defined benefit plans</i>	-	-
<i>Relative taxation</i>	=	=
Total other comprehensive income which will not subsequently be reclassified to consolidated profit or loss (C)	-	-
Consolidated comprehensive income for the first half-year (A)+(B)+(C)	<u>97,217</u>	<u>43,908</u>
Attributable to:		
Shareholders of Parent	96,795	43,582
Minority shareholders of subsidiaries	422	326
Consolidated comprehensive income for the first half-year	<u>97,217</u>	<u>43,908</u>



Q2 2018 Consolidated Income Statement

(€/000)	<u>2018</u>	<u>2017</u>
Net sales	331,132	286,010
Cost of goods sold	(206,261)	(175,541)
Gross industrial margin	124,871	110,469
<i>% of net sales</i>	<i>37.7%</i>	<i>38.6%</i>
Other operating income	4,885	4,260
Distribution expenses	(30,316)	(26,894)
General and administrative expenses	(33,990)	(31,844)
Other operating costs	(1,054)	(811)
EBIT	64,396	55,180
<i>% of net sales</i>	<i>19.4%</i>	<i>19.3%</i>
Financial income	3,056	3,011
Financial charges	(4,109)	(7,156)
Recognition of negative goodwill	(1,107)	-
Equity method contribution	(85)	-
Profit for the period before taxes	62,151	51,035
Income taxes	(19,464)	(17,311)
Consolidated profit for the period	42,687	33,724
<i>% of net sales</i>	<i>12.9%</i>	<i>11.8%</i>
Attributable to:		
Shareholders of Parent	42,429	33,492
Minority shareholders of subsidiaries	258	232
Consolidated profit for the period	42,687	33,724
EBITDA	77,228	67,927
<i>% of net sales</i>	<i>23.3%</i>	<i>23.7%</i>
Shareholders' equity	812,899	708,634
Net debt	296,040	319,109
Payables for purchase of shareholdings	44,122	57,862
Capital employed	1,153,061	1,085,605
Non-annualized ROCE	5.6%	5.1%
Non-annualized ROE	5.3%	4.8%
Basic earnings per share	0.396	0.313



Q2 2018 Consolidated statement of comprehensive income

(€/000)	<u>2018</u>	<u>2017</u>
Consolidated profit for the second quarter (A)	42,687	33,724
Other comprehensive income which will subsequently be reclassified to consolidated profit or loss		
<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	-	(3)
- Less: Adjustment for the recognition of fair value in equity in the previous period	=	<u>11</u>
<i>Total</i>	-	8
<i>Gains (losses) on translating the financial statements of foreign companies</i>	11,605	(22,067)
<i>Gains (losses) from companies accounted for using the equity method</i>	8	(26)
<i>Applicable taxes</i>	=	<u>(2)</u>
Total other consolidated income (losses) which will subsequently be reclassified to consolidated profit for the period, net of the tax effect (B)	<u>11,613</u>	<u>(22,087)</u>
Total other comprehensive income which will not subsequently be reclassified to consolidated profit or loss		
<i>Gains (losses) on the remeasurement of defined benefit plans</i>	-	-
<i>Relative taxation</i>	=	=
Total other comprehensive income which will not subsequently be reclassified to consolidated profit or loss (C)	<u>-</u>	<u>-</u>
Consolidated comprehensive income for the second quarter (A)+(B)+(C)	<u>54,300</u>	<u>11,637</u>
Attributable to:		
Shareholders of Parent	54,060	11,719
Minority shareholders of subsidiaries	240	(82)
Consolidated comprehensive income for the second quarter	<u>54,300</u>	<u>11,637</u>



H1 2018 Consolidated cash flow statement

(€/000)	<u>2018</u>	<u>2017</u>
Cash flows from operating activities		
Profit before taxes	130,025	100,663
Adjustments for non-cash items:		
Losses (gains) on the sale of fixed assets	(1,694)	(1,906)
Amortization and depreciation	24,180	23,869
Costs recognized in the income statement relative to stock options that do not involve monetary outflows for the Group	933	869
Losses (profits) from investments	158	(35)
Net change in risk provisions and allocations to employee benefit provisions	249	368
Expenditures for tangible assets to be leased	(3,885)	(3,508)
Proceeds from the disposal of leased tangible assets	5,020	4,509
Net financial charges (revenues)	(8,522)	5,365
	146,464	130,194
(Increase) decrease in trade receivables and other current assets	(51,283)	(50,231)
(Increase) decrease in inventories	(37,752)	(22,455)
Increase (decrease) in trade payables and other current liabilities	36,532	33,700
Interest paid	(1,601)	(1,782)
Realized exchange differences	(772)	(992)
Taxes paid	(30,415)	(31,983)
Net cash from operating activities	61,173	56,451
Cash flows from investing activities		
Payments for the purchase of investments net of cash received	(10,213)	(66,696)
Capital expenditure on property, plant and equipment	(24,227)	(18,519)
Proceeds from the sale of tangible fixed assets	616	425
Proceeds from the sale of available-for-sale assets	785	865
Increase in intangible assets	(2,044)	(1,716)
Financial income received	216	240
Other	474	(165)
Net cash (used in) investing activities	(34,393)	(85,566)
Cash flows from financing activities		
Disbursements (repayments) of loans	(2,769)	(19,918)
Dividends paid	(22,526)	(21,276)
Payments for the purchase of treasury shares	(27,469)	-
Proceeds from the sale of treasury shares to stock option beneficiaries	539	2,115
Disbursements (repayments) of shareholder loans	-	(51)
Reimbursement (granting) of loans to non-consolidated subsidiaries	(200)	-
Change in other financial assets	12	88
Payment of finance lease installments (principal)	(935)	(1,095)
Net cash generated by (used in) financing activities	(53,348)	(40,137)
Net increase (decrease) in cash and cash equivalents	(26,568)	(69,252)



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(€/000)	<u>2018</u>	<u>2017</u>
Net increase (decrease) in cash and cash equivalents	<u>(26,568)</u>	<u>(69,252)</u>
Translation differences for cash held by non-EU companies	354	(2,687)
Opening cash and cash equivalents of companies consolidated on a line-by-line basis for the first time	(7)	-
Cash and cash equivalents at the beginning of the period	<u>135,983</u>	<u>195,495</u>
Cash and cash equivalents at the end of the period	<u>109,762</u>	<u>123,556</u>

Cash and cash equivalents consist of the following:

	<u>30/06/2018</u>	<u>31/12/2017</u>
	€/000	€/000
Cash and cash equivalents as per the consolidated statement of financial position	125,465	144,938
Bank payables (overdrafts and subject to collection advances)	<u>(15,703)</u>	<u>(8,955)</u>
Cash and cash equivalents as per the consolidated cash flow statement	<u>109,762</u>	<u>135,983</u>



Statement of changes in consolidated shareholders' equity

	Share capital	Legal reserve	Share premium reserve	Reserve for valuation of hedging derivatives at fair value	Remeasurement reserve for defined benefit plans	Translation reserve	Other reserves	Group shareholders' equity	Non-controlling interests	Total
<i>At 1 January 2017</i>	55,431	11,323	112,386	(24)	(5,022)	33,497	466,153	673,744	3,794	677,538
Recognition in the income statement of the fair value of stock options granted and exercisable	-	-	869	-	-	-	-	869	-	869
Sale of treasury shares to stock option beneficiaries	78	-	2,037	-	-	-	-	2,115	-	2,115
Transfer of treasury shares as payment for equity investments	187	-	3,498	-	-	-	-	3,685	-	3,685
Purchase of Inoxpa group	-	-	-	-	-	-	-	-	2,463	2,463
Dividends distributed	-	-	-	-	-	-	(21,276)	(21,276)	-	(21,276)
Dividends approved	-	-	-	-	-	-	(80)	(80)	(588)	(668)
Comprehensive income for the first half of 2017	-	-	-	24	-	(22,066)	65,624	43,582	326	43,908
<i>At 30 June 2017</i>	55,696	11,323	118,790	-	(5,022)	11,431	510,421	702,639	5,995	708,634
Recognition in the income statement of the fair value of stock options granted and exercisable	-	-	912	-	-	-	-	912	-	912
Sale of treasury shares to stock option beneficiaries	218	-	1,339	-	-	-	(296)	1,261	-	1,261
Transfer of treasury shares as payment for equity investments	(109)	-	187	-	-	-	(78)	-	-	-
Purchase of residual interests in subsidiaries	-	-	-	-	-	-	141	141	(699)	(558)
Dividends distributed	-	-	-	-	-	-	-	-	(338)	(338)
Comprehensive income for the second half of 2017	-	-	-	-	(700)	(13,906)	68,818	54,212	606	54,818
<i>At 31 December 2017</i>	55,805	11,323	121,228	-	(5,722)	(2,475)	579,006	759,165	5,564	764,729
Recognition in the income statement of the fair value of stock options granted and exercisable	-	-	933	-	-	-	-	933	-	933
Purchase of treasury shares	(516)	-	(26,953)	-	-	-	-	(27,469)	-	(27,469)
Sale of treasury shares to stock option beneficiaries	47	-	492	-	-	-	-	539	-	539
Transfer of treasury shares as payment for equity investments	32	-	1,731	-	-	-	-	1,763	-	1,763
Purchase of residual interests in subsidiaries	-	-	-	-	-	-	(869)	(869)	(894)	(1,763)
Merger of Russian Inoxpa subsidiaries	-	-	-	-	-	-	(100)	(100)	100	-
Dividends distributed	-	-	-	-	-	-	(22,526)	(22,526)	-	(22,526)
Dividends approved	-	-	-	-	-	-	(6)	(6)	(518)	(524)
Comprehensive income for the first half of 2018	-	-	-	-	-	2,980	93,815	96,795	422	97,217
<i>At 30 June 2018</i>	55,368	11,323	97,431	-	(5,722)	505	649,320	808,225	4,674	812,899