



Press Release

**INTERPUMP BOARD OF DIRECTORS
APPROVES NEW STOCK OPTION PLAN SUBJECT TO
THE OBJECTIVE OF DOUBLING THE COMPANY'S MARKET
CAPITALIZATION IN THE NEXT THREE YEARS**

The Board of Directors of Interpump Group, the company of Sant'Ilario d'Enza listed at the Milan Stock Exchange, has approved yesterday the new Stock Option Plan for the management of the Group.

The options will be awarded to the management only if certain predetermined share price levels, leading to the doubling of Interpump Group's market capitalization, are reached.

The stock option plan can be served by either newly issued shares or by the treasury shares. Interpump Group has in fact in place a *buyback* plan for a maximum of 8,140,000 shares, of which 4,613,000 already purchased as of 31/10/1999. The General Shareholders meeting for the approval of the stock option plan should take place on December 20, 1999.

*"The best indicator of value creation is our share price", said Giovanni Cavallini, CEO of Interpump Group
"With the new stock option plan the incentives for management are tied with the Group ambitious target of doubling our market capitalization in the next three years"*

*Interpump Group, since the year of listing (1996), has more than doubled its net profit while turnover has increased by more than 42%. For the first semester of 1999 earnings before taxes were up **39%** to **49.5 billion Lira** while turnover has increased by **23%** to **321 billion** over the same period of 1998.*

Interpump Group last week has reached the agreement to acquire Muncie Power Products, one of the U.S. leaders in the hydraulic sector. With Muncie Interpump Group will double its turnover in the Hydraulic Sector and will establish a direct presence in the largest market worldwide