INTERPUMP GROUP

RESULTS 2012

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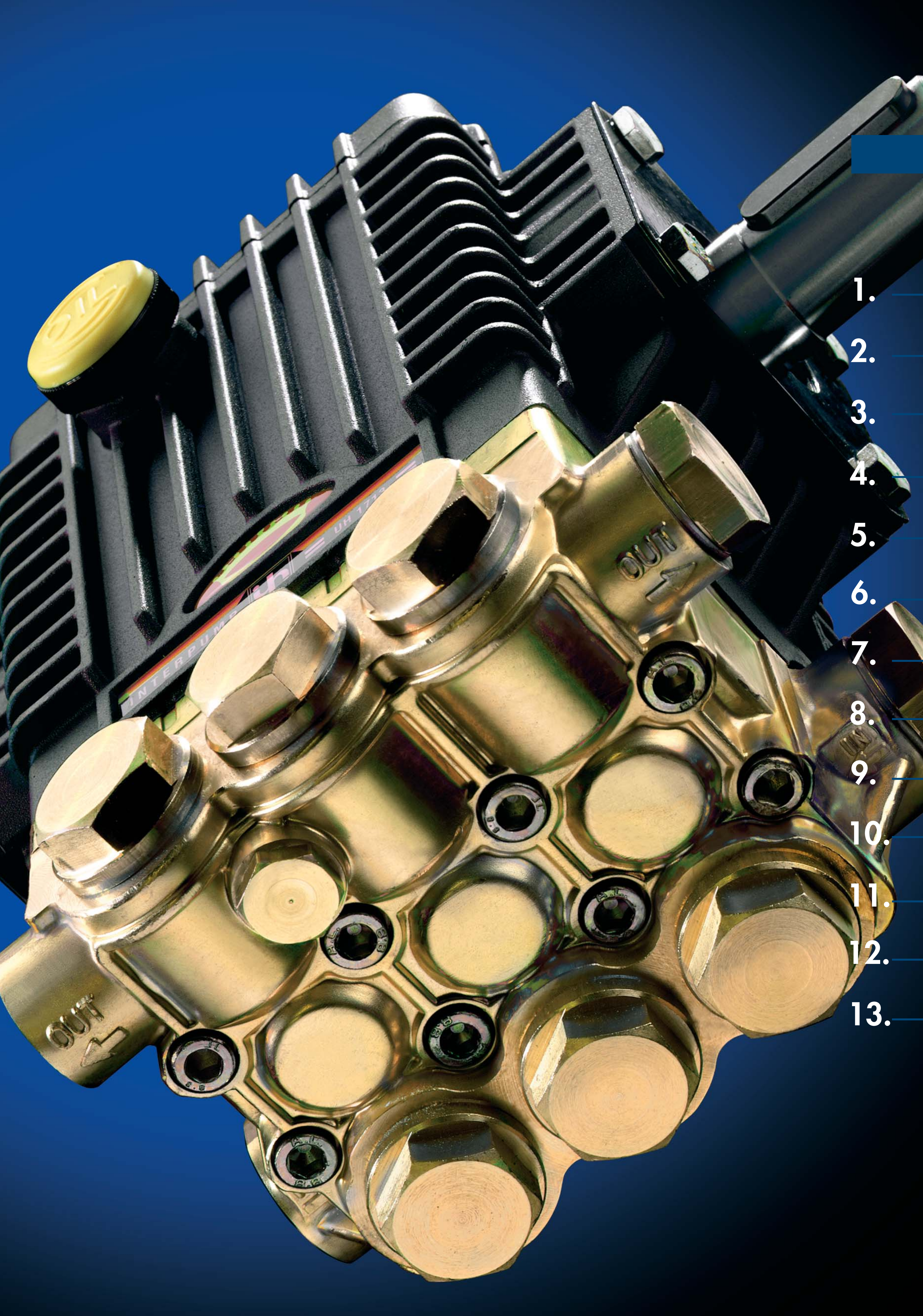
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Board of Directors

Chairman	Giovanni Cavallini
Deputy Chairman and Executive Director	Fulvio Montipò
Executive Director	Paolo Marinsek
Independent Director	Salvatore Bragantini (c)
Independent Director	Franco Cattaneo (a), (b), (c)
Non-executive Director	Sergio Erede
Non-executive Director	Giuseppe Ferrero
Non-executive Director	Giancarlo Mocchi (a)
Independent Director	Marco Reboa (a), (b), (c)
Non-executive Director	Giovanni Tamburi (b)

Board of Statutory Auditors

Chairman	Enrico Cervellera
Statutory Auditor	Achille Delmonte
Statutory Audito	Paolo Scarioni

Independent Auditors

PricewaterhouseCoopers S.p.A.

(a) Member of the Audit and Risks Committee
(b) Member of the Remuneration Committee
(c) Member of the Related Party Transactions Committee

Interpump Group S.p.A.
Head Office: 42049 Sant'Ilario d'Enza (RE) - Via E. Fermi, 25
Share Capital: Euro 56,617,232.88 wolly paid up - Court of Reggio Emilia
Companies Register R.E.- Tax Code 11666900151
Vat Number IT 01682900350

RESULTS 2012

Dear Shareholders,

2012 brought an 11.8% rise in sales compared to 2011. At the start of 2012 Interpump Group acquired Galtech S.p.A., Takarada Industria e Comercio Ltda (Brazil), and M.T.C. S.r.l.; the basis of consolidation also includes full twelve-month data for American Mobile Power Inc. (USA), which was acquired in April 2011 and which was therefore consolidated for only nine months in 2011. On a like for like basis the increase was 6.1%. A breakdown by business sector shows the **Hydraulic Sector** growing by 12.4% (+0.6% on a like for like basis) and 11.2% growth of the **Water Jetting Sector** (ex Industrial Sector).
The breakdown by geographical area displays differentiated growth figures: North America showed the most consistent growth (+21.0% and +18.7% like for like) followed by the Pacific Area and the Rest of the World, which overall grew by 16.6% (+6.9% like for like) as a consequence of rising GDP in the Countries in question. In contrast, Italy saw a 5.9% drop in sales (-13.0% like for like) due to the difficulties afflicting the domestic economy, while the rest of Europe grew by 7.4% (+1.5% like for like).

Interpump Group achieved the following consolidated results in 2012:
- sales rose by 11.8% to reach € 527.2 million versus the € 471.6 million of 2011;
- **EBITDA** reached € 104.6 million (19.8% of sales) in a **record result** for the second year running for the Interpump Group, compared to the figure of € 95.0 million recorded in 2011 (20.1% of sales), reflecting growth of 10.6%; EBITDA adjusted for non-recurring expenses was € 105.6 million (20.0% of sales);
- EBIT totalled € 82.8 million, equivalent to 15.7% of sales (€ 75.6 million in 2011 or 16.0% of sales); after adjustment for non-recurring costs EBIT was € 84.8 million (16.1% of sales);
- net profit rose by 22.9% to reach € 52.3 million, compared to the € 42.6 million of 2011;
- earnings per share were € 0.546 versus € 0.439 for 2011 (+24.4%);
- ROCE reached 16.6% versus the 16.4% of 2011 and ROE, influenced by the share capital increase, was 13.2% compared to the 13.5% of 2011;
- Net financial indebtedness, including debts for the acquisition of minority interests of subsidiaries (equivalent to € 28.0 million); this figure was € 102.3 million at 31 December 2012 (€ 127.0 million at 31 December 2011).

Free cash flow totalled € 38.6 million, up by 24.9% on 2011 when the figure was € 30.9 million.

Performance by business sector

Sales of the **Hydraulic Sector** totalled € 257.7 million compared to the € 229.9 million for 2011 and were therefore up by 12.4% (+0.6% on a like for like basis). EBITDA of the Hydraulic Sector stood at € 36.7 million or 14.2% of sales (€ 32.8 million in 2011, which accounted for 14.3% of sales), reflecting 11.8% growth.

Sales of the **Water Jetting Sector** were up by 11.2% at € 269.4 million compared to the € 242.4 million of 2011. EBITDA of the Water Jetting Sector totalled € 67.9 million (25.1 % of sales) compared to the figure of € 60.7 million recorded in 2011 (25.0% of sales), reflecting growth of 12.0%.

External growth

External growth proceeded in 2012 with the acquisition of Galtech, MTC and Takarada in relation to which we have already informed you in last year's Letter to the shareholders and the relative information is provided in the financial statements, published on our website www.interpumpgroup.it. The operations of Galtech, MTC and Takarada are highly synergistic with respect to the business of the Interpump Group's Hydraulic Sector. In this context, note that Interpump Hydraulics S.p.A., a 100% owned subsidiary of Interpump Group S.p.A, is world leader in power take-offs for industrial vehicles and through the acquisitions of Galtech and MTC it will strengthen its market position by broadening its product offering. With the acquisition of Takarada, Interpump lays the basis for strong growth of the Hydraulic Sector in Brazil, a Country that is expected to embark on high levels of infrastructure spending in the next few years, also because it has been selected to host the world's top sporting events (World Soccer Championship and the Olympics).

External growth has been a hallmark of the development of Interpump Group from the time of its stock market listing in 1996 and even earlier. It is the Group's intention to continue with this policy in the drive to generate value within the Company for our Shareholders.

Share capital increase

In June 2012 a total of 4,712,160 warrants were exercised, with the consequent subscription of 2,896,015 new ordinary shares for total value of € 14,477,178.89 of which € 1,505,927.8 by way of share capital and € 12,971,251.18 by way of a premium. At October 2012 a further 13,528,608 warrants were exercised with the relative subscription of 8,314,457 new ordinary shares for a total value of € 42,403,730.70 of which € 4,323,517.64 by way of share capital and € 38,080,213.06 by way of premium. The new share capital is therefore composed of 108,879,294 ordinary shares with a unit face value of € 0.52 for the total amount of € 56,617,232.88.

The success of the capital increase following exercise of the warrants both confirms the confidence of our shareholders at a time of great uncertainty in terms of macroeconomic developments and has also boosted the Interpump Group's equity strength, with positive effects on the economic rating, further making it possible to access new financial resources that can be used to speed up the Group's growth and development process.

Treasury stock

In 2012 the Group acquired 2,703,940 treasury shares at an average price of € 5.8544; the shares can be used for the acquisition of equity investments or to service stock option plans. In the same period 300,831 treasury shares were sold for € 1.6 million for the payment of investments, and 537,700 for the exercise of stock options. At 31 December 2012 Interpump Group held 7,349,239 treasury shares, equivalent to 6.75% of the share capital, with an average unit cost of € 4.9626.

Dividends

The Board of Directors proposed a dividend of 17 euro cents per share to the Shareholders' Meeting, 41.7% higher than the 12 euro cents paid in 2012. If approved, the dividend will be distributed as from 16 May with coupon clipping date of 13 May.
From the share listing date (16 December 1996) to 15 February 2013 (share reference price of € 6.00), the total return for shareholders has been 10% annually for more than 16 consecutive years, considering the increase in share value, the dividends, the purchase of treasury stock and the capital increase.

Strategy for 2013 and future years

For 2013 and future years the Interpump Group will focus significant resources on development in Countries with fast-growing economies. Interpump Group considers, in fact, that structured growth in the future will be achieved above all through a significant increase of business in emerging economies. In this regard we draw your attention to the initiatives that the Group has undertaken in recent years, namely the incorporation of subsidiaries in China and India and the acquisition of Takarada in Brazil.
With regard to western Countries the Group plans to consolidate its competitive positions and improve them wherever possible.

Special attention will be devoted to controlling costs and to finance management, in order to maximize the generation of free cash flow to be allocated to internal and external growth and the remuneration of shareholders; attention will be also focused on keeping rein of financial indebtedness.

I thank you for the confidence you have placed in Interpump Group S.p.A.. With the efforts of all our personnel and my own personal commitment, it is my conviction that the Group will continue to generate adequate resources for growth and to increase its value for the benefit of all our Shareholders.

Yours sincereley

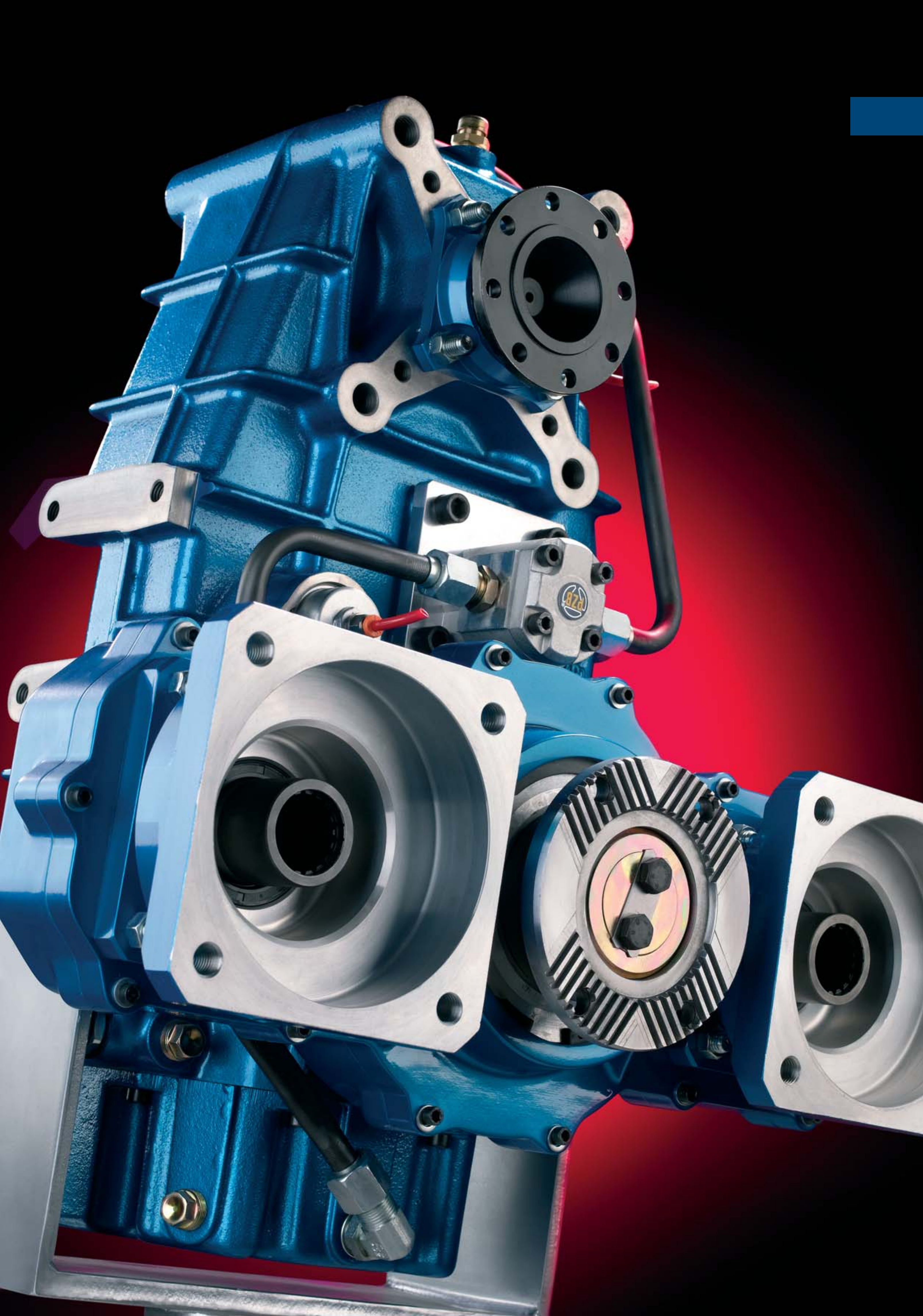
Sant'Ilario d'Enza (RE), 19 March 2013

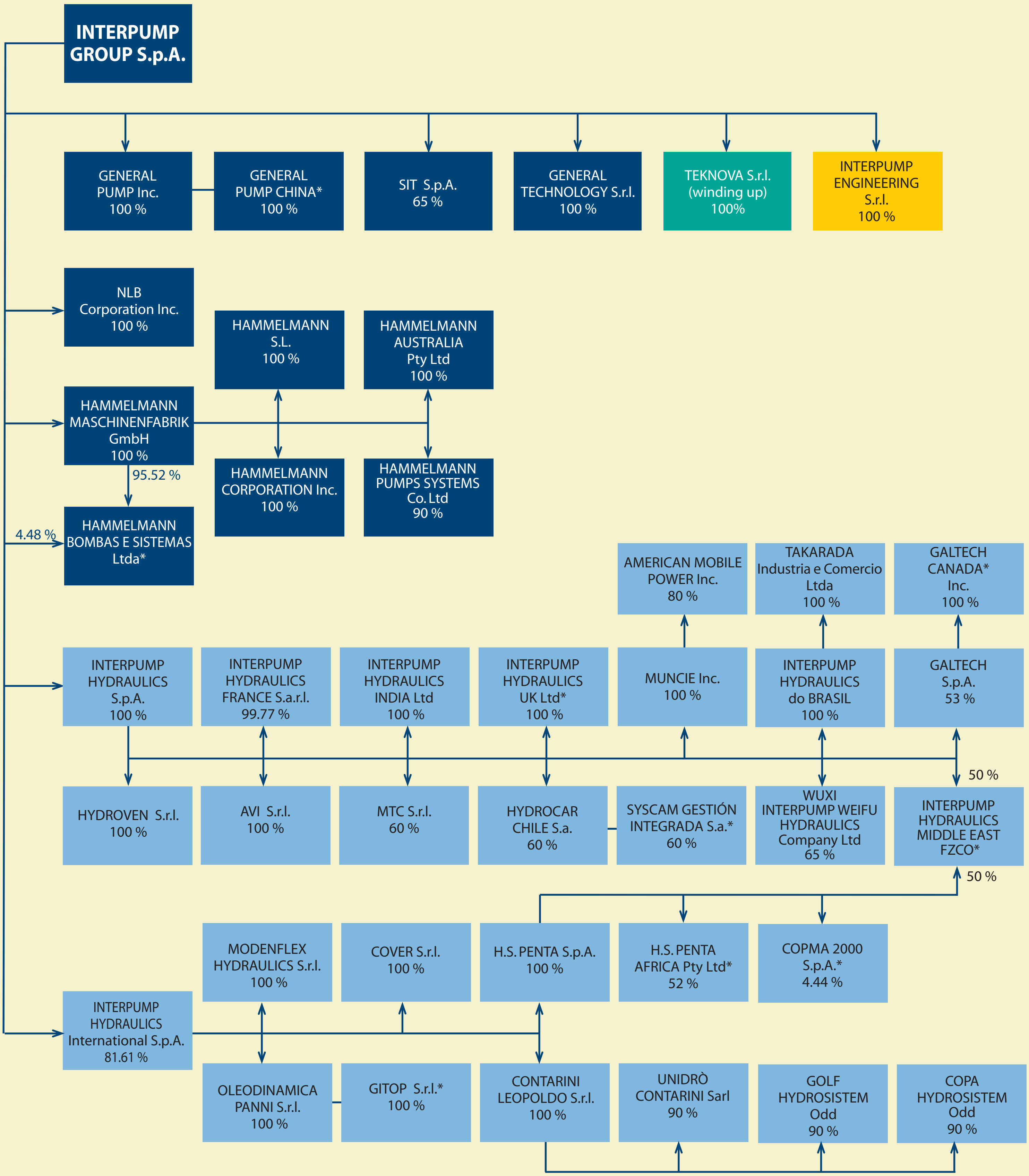
Fulvio Montipò
Chief Executive Officer

The manager responsible for drafting company accounting documents, Carlo Banci, declares, pursuant to the terms of section 2 article 154(2) of the Consolidated Finance Act, that the accounting disclosures in the present document correspond to the contents of documents, the account books and the accounting entries.

Sant'Ilario d'Enza (RE), 19 March 2013

Carlo Banci
Manager responsible for drafting
company accounting documents





* Non consolidated Companies

WATER JETTING SECTOR

RESEARCH AND DEVELOPMENT SECTOR (OTHER SECTOR)

HYDRAULIC SECTOR

OTHER SECTOR

Main events of the year

2012 saw the first consolidation of newly acquired companies Galtech S.p.A., Takarada Industria e Comercio Ltda (Brazil), M.T.C. S.r.l., brought into the Group at the start of 2012; the basis of consolidation also includes full twelve-month data for American Mobile Power Inc. (USA), which was acquired in April 2011 and which was therefore consolidated for only nine months in 2011.

For greater clarity in the definition of the specific activities, the Group has decided to designate the Industrial Sector as the **Water Jetting Sector**.

2012 was characterised by an 11.8% rise in sales with respect to continuing operations in 2011 (excluding the Electric Motors Sector, which was divested in September 2011 and without the investment in Hydrocar Roma, divested in July 2012). On a like for like basis the increase was 6.1%. A breakdown by business sector shows the Hydraulic Sector growing by 12.4% (+0.6% on a like for like basis) and a rise of 11.2% for the Water Jetting Sector.

The breakdown by geographical area displays differentiated growth figures: North America showed the most consistent growth (+21.0% and +18.7% like for like) followed by the Pacific Area and the Rest of the World, which overall grew by 16.6% (+6.9% like for like) as a consequence of rising GDP in the Countries in question. In contrast, Italy saw a 5.9% drop in sales (-13.0% like for like) due to the difficulties afflicting the domestic economy, while the rest of Europe grew by 7.4% (+1.5% like for like).

EBITDA reached € 104.6 million (19.8% of sales) versus € 94.6 million in 2011 (20.1% of sales) thus up by 10.6% and establishing the best result in absolute value of the Interpump Group for the second year running. EBITDA adjusted for non-recurring expenses was € 105.6 million (20.0% of sales), with an increase of 11.6%.

Net profit totalled € 52.3 million, 22.9% higher than the figure of € 42.6 million recorded for 2011.

In June 2012 a total of 4,712,160 warrants were exercised, with the consequent subscription of 2,896,015 new ordinary shares for total value of € 14,477,178.89 of which € 1,505,927.8 by way of share capital and € 12,971,251.18 by way of a premium. At October 2012 a further 13,528,608 warrants were exercised with the relative subscription of 8,314,457 new ordinary shares for a total value of € 42,403,730.70 of which € 4,323,517.64 by way of share capital and € 38,080,213.06 by way of premium. The new share capital is therefore composed of 108,879,294 ordinary shares with a unit face value of € 0.52 for the total amount of € 56,617,232.88.

The success of the capital increase following exercise of the warrants both confirms the confidence of our shareholders at a time of great uncertainty in terms of macroeconomic developments and has also boosted the Interpump Group's equity strength, with positive effects on the rating, further making it possible to access new financial resources that can be used to speed up the Group's growth and development process.

The Group intensified its initiatives for external growth during the period.

On 18 January 2012 the Group acquired M.T.C., a Company engaged in the production and sale of directional control valves and a range of other hydraulic valves based in the north Italian province of Reggio Emilia. In 2011 M.T.C. recorded sales of € 5.7 million (€ 5.3 million in 2012) and booked EBITDA of €1.4 million or 23.9% of sales (€ 1.0 million in 2012, equivalent to 19.3% of sales). At 31 December 2011 the Company's net cash position was € 0.6 million (€ 0.8 million on 31 December 2012). A total cash price of € 3.0 million was disbursed to acquire 60% of MTC's capital stock. The sellers are entitled to dispose of the remaining 40% from the date of approval of the 2014 financial statements until the date of approval of the 2025 financial statements.

On 31 January 2012 the Group acquired Galtech, a Reggio Emilia based Company operating in the production and sale of gear pumps and motors, directional control valves, hydraulic accessories and components in general. In 2011 the Company recorded € 15.0 million of sales (€ 15.0 million also in 2012), while adjusted EBITDA was negative in the amount of € 0.3 million (a positive figure of € 0.5 million was booked in 2012). At 31 December 2011 the Company's financial debt was € 1.7 million (€ 0.8 million at 31 December 2012). The acquisition of 53% of Galtech's share capital was achieved for a total price of € 3.3 million, paid half in cash and half with no. 300,831 Interpump Group S.p.A. treasury shares. The sellers are entitled to divest the remaining 47% from the date of approval of the 2014 financial statements until the date of approval of the 2025 financial statements.

The operations of Galtech and MTC are highly synergic with respect to the business of the Interpump Group's Hydraulic Sector. In this context, it should be noted that Interpump Hydraulics S.p.A., a 100% owned subsidiary of Interpump Group S.p.A., is world leader in power take-offs for industrial vehicles and through the acquisitions of Galtech and MTC, it has strengthened its market position, broadening its product offering.

Takarada, a leading manufacturer and vendor of power take-offs and related hydraulic components for industrial vehicles based in Caxias do Sul (Brazil – the State of Rio Grande do Sul) was acquired on 15 February 2012. In 2011 the Company's sales totalled 17.9 million reais (€ 8.0 million), versus the figure of 15.8 million reais in 2012 (€ 6.3 million), with EBITDA of 3.3 million reais (€ 1.5 million), equivalent to 18.6% of sales in 2011, while EBITDA for 2012 was 2.1 million reais (€ 0.8 million) or 13.4% of sales. A total of 29.0 million reais (€ 12.9 million) was paid in cash for 100% of Takarada's capital, inclusive of the Company's financial debt. Takarada business is highly synergic with respect to the activities of the Interpump Group's Hydraulic Sector. With the acquisition of Takarada, the Interpump Group lays the basis for strong growth of the Hydraulic Sector in Brazil, a Country that is expected to engage in high levels of spending on infrastructure in the next few years, also because it has been selected to host two of the absolute top international sports events (World Soccer Championship and the Olympics).

24 July 2012 saw the acquisition of GITOP S.r.l., the Company used by our subsidiary Oleodinamica Panni S.r.l. to handle peak production demands and to manufacture smaller lots of cylinders. In 2012 GITOP recorded sales of € 1.2 million and EBITDA of € 0.2 million, equivalent to 17.5% of sales. At 30 June 2012 the Company had a net cash position of € 348 thousand. 100% of GITOP's stock was purchased for the price of € 600 thousand. Due to its minimal significance, GITOP was not consolidated in 2012. As from 1 January 2013 GITOP was merged with and embodied in Oleodinamica Panni S.r.l..

Also on 24 July 2012 we completed the sale of our interest in Hydrocar Roma S.r.l. for € 370 thousand to be collected in three instalments, the first of which for € 150 thousand at the time of signing of the notary's deed, while the second and third instalments of € 110 thousand each are due within 12 and 24 months of the foregoing contract signing date. The payment is secured by an adequate guarantee.

Interpump Hydraulics UK Ltd, a distribution Company based in Birmingham, was incorporated on 10 September 2012 with the aim of ensuring the Group's direct presence on the important UK market.

Consolidated net revenues

Foreign sales

EBITDA (Earnings before interest, tax, depreciation and amortization)

EBITDA %

Consolidated operating profit

Operating profit %

Consolidated net profit

Cash flow from operations

Net financial indebtedness

Consolidated shareholders'equity

Debt/Equity ratio

Net capital expenditure for the year in tangible and intangible fixed assets

Average number of employees

ROE

ROCE

EPS - €

Dividend per share - €

The results of the tables refer to the consolidated financial statements prepared in accordance with international reporting standards (IFRS) for the years ending 31/12/2004 up to and including 31/12/2012, while figures for the other years are based on consolidated accounts prepared according to Italian reporting standards.

31/12/2012 €/000	31/12/2011[a] €/000	31/12/2010 €/000	31/12/2009 €/000	31/12/2008 €/000	31/12/2007 €/000	31/12/2006 €/000	31/12/2005[a] €/000	31/12/2004 €/000	31/12/2003 €/000
527,176	471,619	424,925	342,924	424,513	432,195	364,876	331,608	531,745	501,721
86%	84%	80%	79%	80%	79%	76%	74%	76%	79%
104,632	94,614	74,100	46,856	86,986	94,255	79,144	67,985	77,329	75,267
19.8%	20.1%	17.4%	13.7%	20.5%	21.8%	21.7%	20.5%	14.5%	15.0%
82,805	75,650	54,689	29,194	75,666	82,231	69,715	57,384	60,488	59,181
15.7 %	16.0 %	12.9 %	8.5 %	17.8 %	19.0%	19.1%	17.3%	11.4%	11.8%
52,325	42,585	27,381	13,980	40,161	42,913	41,592	27,074	19,726	14,253
53,288	40,750	64,749	69,594	38,088	44,698	37,876	31,705	17,493	35,474
102,552 (b)	145,975 (b)	147,759 (b)	201,833 (b)	228,264 (b)	186,173	137,464	127,701	211,633	205,616
396,876	315,160	291,459	242,796	177,951	147,131	155,888	156,679	179,855	173,797
0.26	0.46	0.51	0.83	1.28	1.38	0.88	0.82	1.18	1.18
23,196	18,759	12,167	12,484	18,793	13,831	13,066	8,100	18,008	19,527
2,685	2,436	2,492	2,427	2,036	1,882	1,617	1,589	2,360	2,363
13.2%	13.5%	9.4%	5.8%	22.6%	29.2%	26.6%	17.3%	11.0%	15.7%
16.6%	16.4%	12.5%	6.6%	18.6%	23.5%	23.8%	20.2%	15.4%	17.1%
0.546	0.439	0.284	0.187	0.545	0.567	0.542	0.363	0.322	0.315
0.170	0.120	0.110	-	-	0.430**	0.180	0.840*	0.130	0.120

ROE: (Net profit + amortization, depreciation and write-downs of goodwill + minority interests) / Consolidated net equity. Adjustments to net profit were made exclusively to statements prepared in accordance with Italian accounting standards. For ROE measurement purposes, the net profit value for 2005 is net of capital gains on discontinued operations.

ROCE: Operating profit / (Consolidated shareholder's equity + Financial indebtedness – Treasury stock). In 2007 the denominators also included the payment of an extraordinary dividend for € /000 16,594. Adjustments of treasury stock were made exclusively to financial statements prepared in accordance with Italian accounting standards.

EPS:(Earnings per share adjusted for amortization and write-down of goodwill). Adjustments to amortization and write-downs of goodwill are applied exclusively to financial statements prepared in accordance with Italian accounting standards.

Dividends refer to the year of formation of the distributed profit.

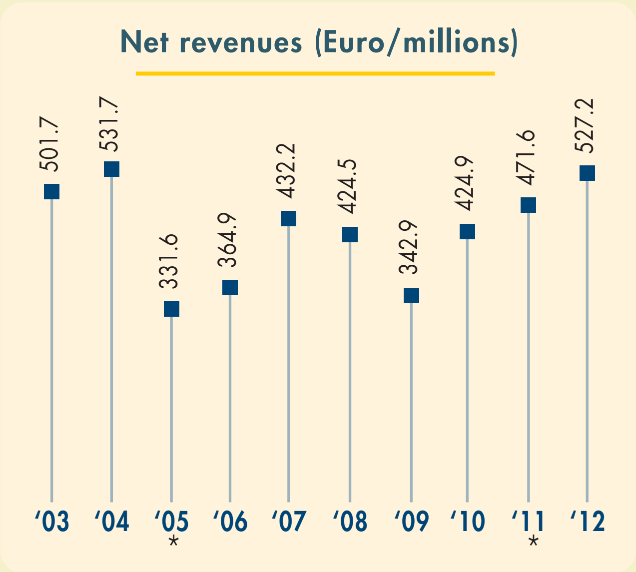
* 0.690 of which extraordinary

** 0,230 of which extraordinary

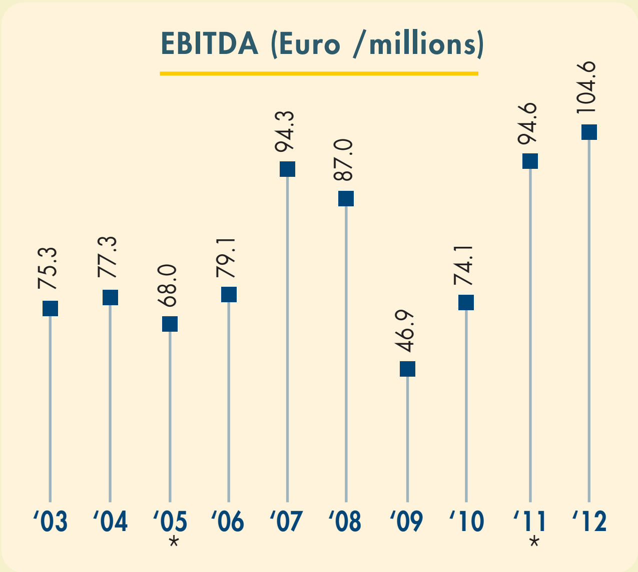
(a) Continuing operations

(b) Inclusive of the debt related to the acquisition of investments.

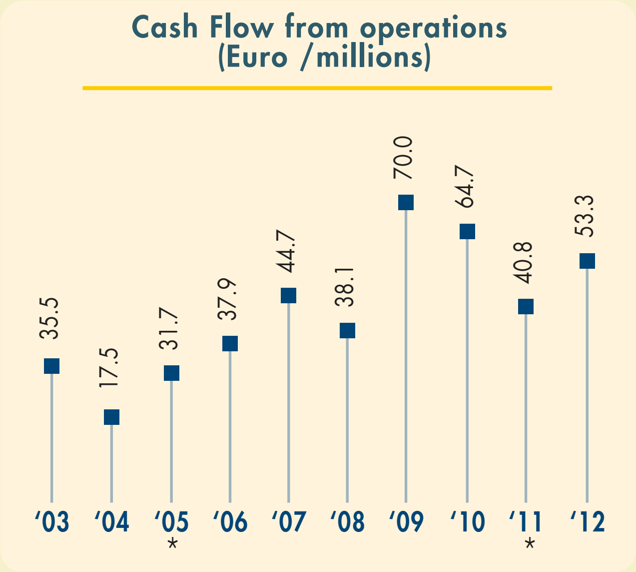
RESULTS 2012



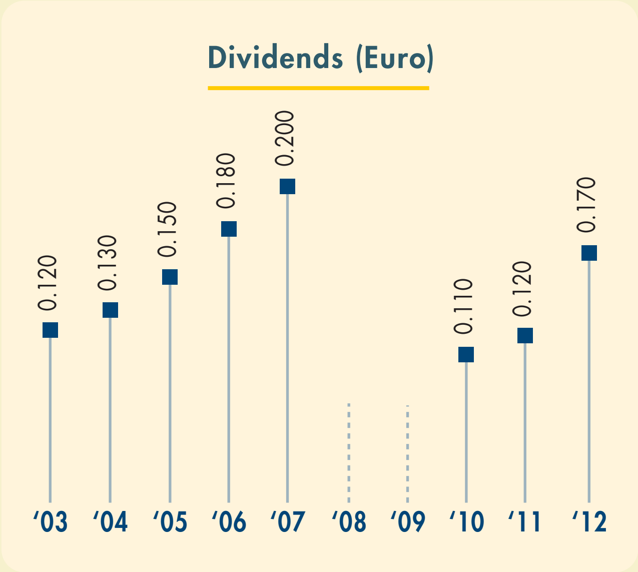
* Continuing operations



* Continuing operations



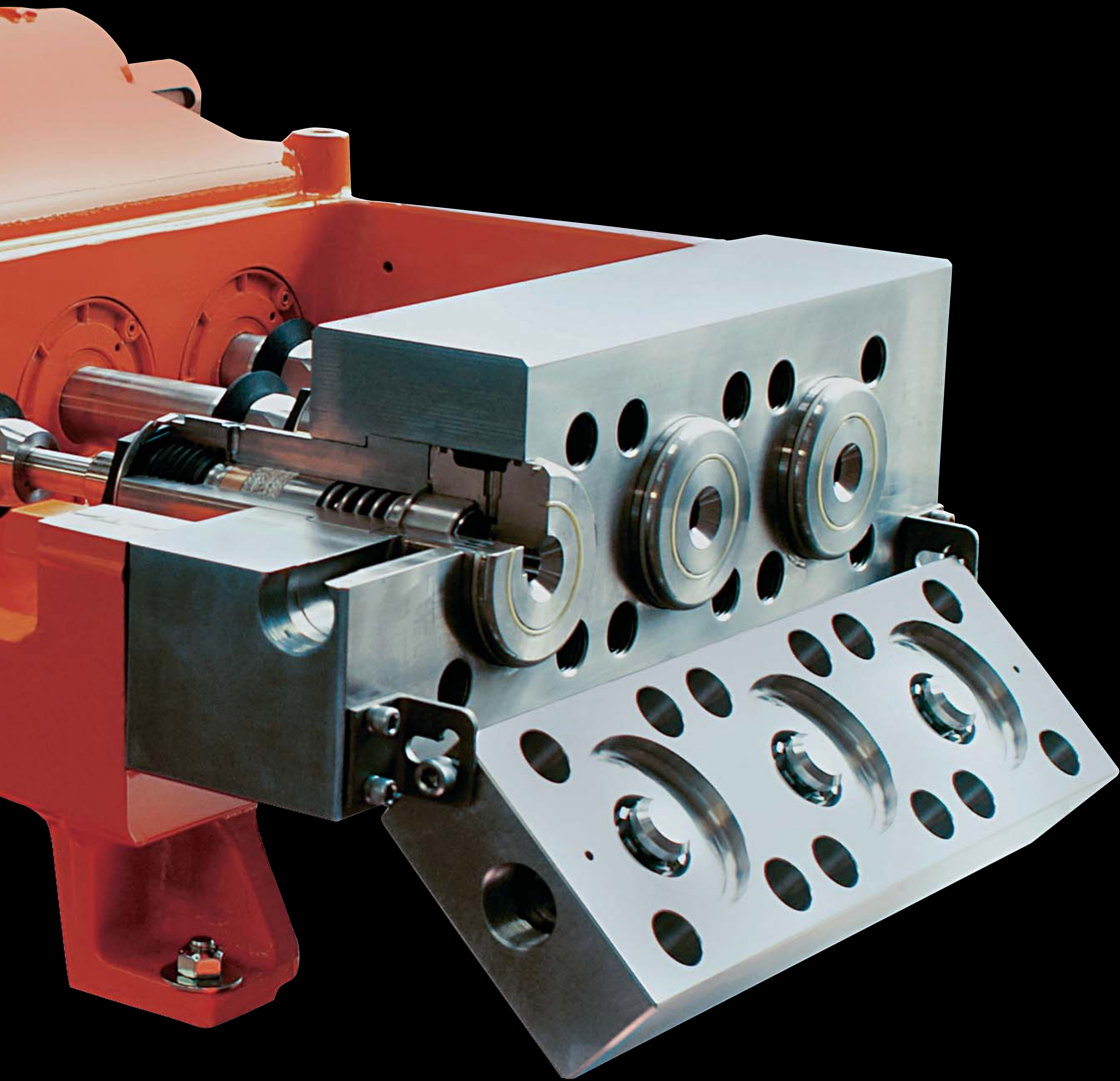
* Continuing operations



The graphic shows only the ordinary dividends.
In addiction the company has distributed special dividends:
0.690 Euro in 2005, 0.230 Euro in 2007.

(€/000)

ASSETS	31/12/2012	31/12/2011
Current assets		
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 held for sale	2,121	2,123
Other current assets	6,675	8,754
Total current assets	**358,939**	**337,303**
Non-current assets		
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
Total non-current assets	**382,914**	**360,727**
Total assets	***741,853***	***698,030***
LIABILITIES		
Current liabilities		
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
Total current liabilities	**190,960**	**216,776**
Non-current liabilities		
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 taxes payable	17	-
Other non-current liabilities	27,496	20,439
Provisions for risks and charges	1,339	1,720
Total non-current liabilities	**154,017**	**166,094**
Total liabilities	**344,977**	**382,870**
SHAREHOLDERS’ EQUITY		
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 provision	(8,243)	(2,908)
Other reserves	231,152	190,879
Shareholders' equity for the Group	**391,043**	**309,697**
Minority interests	5,833	5,463
Total shareholders' equity	**396,876**	**315,160**
Total shareholders' equity and liabilities	***741,853***	***698,030***



(€/000)	2012	2011
Net sales	**527,176**	**471,619**
Cost of sales	(327,571)	(294,378)
Gross industrial margin	**199,605**	**177,241**
Other net revenues	8,775	7,559
Distribution costs	(53,448)	(45,802)
General and administrative expenses	(69,375)	(60,320)
Other operating costs	(2,752)	(3,028)
Ordinary profit before financial charges	**82,805**	**75,650**
Financial income	4,905	6,365
Financial charges	(12,756)	(15,032)
Adjustment of the value of investments held at equity	(147)	(367)
Profit for the period before taxes	**74,807**	**66,616**
Income taxes	(22,494)	(22,998)
Consolidated profit of continuing operations for the period	**52,313**	**43,618**
Result of discontinued operations	12	(1,033)
Net profit for the period	**52,325**	**42,585**
Due to:		
Parent company shareholders	51,418	41,232
Subsidiaries' minority shareholders	907	1,353
Consolidated profit for the period	**52,325**	**42,585**
Continuing operations basic earnings per share	0.546	0.451
Discontinued operations basic earnings per share	-	(0.012)
Basic earnings per share	0.546	0.439
Continuing operations diluted earnings per share	0.539	0.446
Discontinued operations diluted earnings per share	-	(0.012)
Diluted earnings per share	0.539	0.434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ITALY 03/12
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A
B
B
04/12
A1
U1
PN 350
A2
U2

(€/000)	2012	2011
Consolidated profit for the year (A)	**52,325**	**42,585**
Recognition of derivative financial instruments to hedge the interest rate risk recorded in accordance with the cash flow hedging method:		
Profit (Loss) on derivative financial instruments for the period	-	-
Minus: Adjustment for reclassification of profits (losses) to the income statement	-	-
Minus: Adjustment for recognition of fair value of reserves	623	1,283
Total	*623*	*1,283*
Recognition of derivative financial instruments to hedge the exchange rate risk recorded in accordance with the cash flow hedging method:		
Profit (Loss) on derivative financial instruments for the period	91	(367)
Minus: Adjustment for reclassification of profits (losses) to the income statement	367	(67)
Minus: Adjustment for recognition of fair value of reserves	-	-
Total	*458*	*(434)*
Profits (Losses) arising from the conversion to euro of the financial statements of foreign companies	*(5,277)*	*5,344*
Profits (Losses) of companies carried at equity	*27*	*18*
Related taxes	*(328)*	*(206)*
Profits (losses) recorded directly in equity in the year (B)	**(4,497)**	**6,005**
Comprehensive consolidated profit for the year (A) + (B)	**47,828**	**48,590**
Due to:		
Parent company shareholders	46,836	47,164
Subsidiaries' minority shareholders	992	1,426
Consolidated profit for the period	**47,828**	**48,590**

8.

(€/000)	2012	2011
Cash flow from operating activities		
Earnings before taxes and the result of discontinued operations	74,807	66,616
Adjustments for non-cash items:		
Capital losses (Capital gains) from the sale of fixed assets	(1,958)	(1,922)
Capital losses (Capital gains) from the sale of investments	(155)	-
Amortization and depreciation, loss and reinstatement of the value of assets	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
Losses (Profit) on investments	147	367
Net change of risk reserves and allocations to provisions for employee benefits	1,626	598
Outlays for tangible fixed assets destined for hire	(4,413)	(3,700)
Proceeds from the sale of fixed assets granted for hire	4,703	2,250
Change in medium-/long-term tax receivables	(1,881)	-
Net financial charges	7,851	8,667
Other	(23)	180
	101,719	92,081
(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 realized	(632)	(264)
Taxes paid	(27,463)	(22,670)
Net liquidity generated by operating activities	**53,288**	**40,750**
Cash flows from investing activities		
Outlay for the acquisition of investments, net of received cash and gross of treasury shares transferred	(19,216)	(9,102)
Disposal of investments including transferred cash	1,378	1,551
Capital expenditure in property, plant and equipment	(16,860)	(10,642)
Proceeds from sales of tangible fixed assets	3,342	1,584
Increase in intangible fixed assets	(2,321)	(2,763)
Proceeds from the sale of financial assets	1,634	-
Received financial income	1,973	2,896
Other	(321)	137
Net liquidity used in investing activities	**(30,391)**	**(16,339)**

(€/000)	2012	2011
Cash flow of financing activities		
Disbursals (repayments) of loans	(49,010)	(28,956)
Dividends paid	(11,731)	(10,768)
Outlays for purchase of treasury stock	(15,827)	(16,489)
Sale of treasury stock for the acquisition of equity investments.	1,704	4,309
Proceeds from sale of treasury stock to beneficiaries of stock options	2,025	188
Capital increase following exercise of warrants	56,881	31
Loans repaid (granted) by/to non-consolidated subsidiaries	(90)	7
Disbursal (repayment) of loans from (to) shareholders	-	346
Payment of finance leasing instalments (principal portion)	(2,490)	(2,379)
Net liquidity obtained through (utilized in) financing activities	**(18,538)**	**(53,711)**
Net increase (decrease) of cash and cash equivalents	**4,359**	**(29,300)**
Increase (decrease) of cash from discontinued operations	20	(2,110)
Exchange differences from the translation of cash of companies in areas outside the EU	(230)	746
Cash and cash equivalents at the beginning of the period	100,306	130,970
Cash and cash equivalents at the end of the period	**104,455**	**100,306**

9.

(€/000)

Balances as at 1 January 2011
Allocation of 2010 residual profit
Recording in the income statement of the fair value of the stock options assigned and exercisable
Purchase of treasury stock
Sale of treasury stock to the beneficiaries of stock options
Sale of treasury stock for payment of equity investments
Capital increase following exercise of warrants
Dividends paid
Acquisition of additional 49% of AVI
Disposal of investment in Unielectric
Comprehensive Profit (loss) for 2011
Balances at 31 December 2011
Recording in the income statement of the fair value of the stock options assigned and exercisable
Purchase of treasury stock
Sale of treasury stock to the beneficiaries of stock options
Sale of treasury stock for payment of equity investments
Capital increase following exercise of warrants
Dividends paid
Disposal of investment in Hydrocar Roma
Comprehensive Profit (loss) for 2012
Balances at 31 December2012

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

9.

Share capital	Legal reseve	Share premium reserve	Reserve for valuation of hedging derivatives at fair value	Translation provision	Other reserves	Group shareholders' equity	Minority interests	Total
49,193	*10,064*	*74,427*	*(1,730)*	*(8,196)*	*160,524*	*284,282*	*7,177*	*291,459*
-	93	-	-	-	(93)	-	-	-
-	-	996	-	-	-	996	-	996
(1,845)	-	(14,644)	-	-	-	(16,489)	-	(16,489)
26	-	162	-	-	-	188	-	188
559	-	3,750	-	-	-	4,309	-	4,309
3	-	28	-	-	-	31	-	31
-	-	-	-	-	(10,412)	(10,412)	(356)	(10,768)
-	-	-	-	-	(372)	(372)	(899)	(1,271)
-	-	-	-	-	-	-	(1,885)	(1,885)
-	-	-	644	5,288	41,232	47,164	1,426	48,590
47,936	*10,157*	*64,719*	*(1,086)*	*(2,908)*	*190,879*	*309,697*	*5,463*	*315,160*
-	-	872	-	-	-	872	-	872
(1,406)	-	(14,421)	-	-	-	(15,827)	-	(15,827)
280	-	1,745	-	-	-	2,025	-	2,025
157	-	1,547	-	-	-	1,704	-	1,704
5,829	-	51,052	-	-	-	56,881	-	56,881
-	-	-	-	-	(11,145)	(11,145)	(426)	(11,571)
-	-	-	-	-	-	-	(196)	(196)
-	-	-	753	(5,335)	51,418	46,836	992	47,828
52,796	*10,157*	*105,514*	*(333)*	*(8,243)*	*231,152*	*391,043*	*5,833*	*396,876*

NET SALES

Net sales in 2012 totalled € 527.2 million, up by 11.8% with respect to sales of continuing operations in 2011 (€ 471.6 million). Like for like growth was 6.1%.

The breakdown of sales by business sector and geographical area is as follows:

(€/000)	Italy	Rest of Europe	North America	Pacific Area	Rest of the World	Total
31/12/2012						
Hydraulic Sector	52,358	65,195	77,027	12,170	50,986	257,736
Water Jetting Sector	19,185	78,284	110,448	42,612	18,911	269,440
Total	**71,543**	**143,479**	**187,475**	**54,782**	**69,897**	**527,176**
31/12/2011						
Hydraulic Sector	56,363	60,161	62,979	10,592	39,150	229,245
Water Jetting Sector	19,692	73,445	92,007	41,901	15,329	242,374
Total continuing operations	**76,055**	**133,606**	**154,986**	**52,493**	**54,479**	**471,619**
2012/2011 percentage change						
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%**

The Hydraulic Sector grew by 0.6 % like for like.

PROFITABILITY

In 2012 non-recurring expenses were booked for € 1 million in respect of costs related to the termination of the office of the Chairman, which will occur at the time of the next shareholders' meeting for approval of the financial statements, and for € 1 million relative to the allocation of Group Companies restructuring costs. The first item exerted a negative effect on EBITDA and EBIT while the second item only affected EBIT.

The cost of sales accounted for 62.1% of turnover (62.4% in 2011). Production costs, which stood at € 121.2 million (€ 102.2 million in 2011, which however did not include the three Companies acquired successively and which included only a portion of American Mobile's costs), accounted for 23.0% of sales (21.7% in 2011). Like for like production costs rose by 8.7% (+6.3% net of exchange differences). The purchase costs of raw materials and commercial components, including changes in inventories, totalled € 206.4 million (€ 192.1 million in 2011, which however did not include the three Companies acquired successively and which included only a portion of American Mobile's costs). Like for like purchases increased by 2.2% (while when considered like for like and net of exchange differences they were 2.4% lower than purchases for the prior year). The incidence of purchase costs, including the change in inventories, was 39.2% compared to the 40.7% of 2011, reflecting a 1.5 percentage point improvement (1.5 percentage points also on a like for like basis).

Like for like distribution costs were 11.5% higher (+7.2% net of exchange differences) than in 2011, with an 0.5 percentage point increase of the incidence on sales.

With respect to 2011 general and administrative expenses rose by 8.8% like for like (+6.0% net of exchange differences) while the relative incidence on sales increased by 0.3 percentage points. € 1 million of non-recurring costs were booked in 2012, as described earlier. Net of these one-off components general and administrative expenses were up by 7.2%.

10.

Total payroll costs were € 121.8 million (€ 106.6 million in 2011). Like for like payroll costs rose by 7.7% due to a 5.9% increase in per capita cost and an increase of 41 in the average headcount. The total number of Group employees in 2012 was 2,685 (2,477 like for like) compared to 2,436 in 2011. The like for like increase in the average headcount can be broken down as follows: -32 in Europe, +41 in the US and +32 in the Rest of the World (China, India, Chile and Australia).

EBIT stood at € 82.8 million (15.7% of sales) compared to the € 75.7 million of 2011 (16.0% of sales), reflecting an increase of 9.5%.

EBITDA totalled € 104.6 million (19.8% of sales) compared to the € 94.6 million of 2011, which accounted for 20.1% of sales (+10.6%). The following table shows EBITDA for each business sector:

	31/12/2012 €/000	% On total sales*	31/12/2011 €/000	% On total sales*	Growth/ Contraction
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 Revenues Sector	(12)	n.s.	1,132	n.s.	n.s.
Total	***104,632***	***19.8%***	***94,614***	***20.1%***	***+10.6%***

* = Total sales also include sales to other Group Companies, while the sales analysed previously are exclusively those external to the Group. Therefore, for the purposes of comparability the percentage is calculated on total sales rather than the sales shown earlier.

Like for EBITDA of the Hydraulic Sector was € 33.9 million (14.7% of sales), reflecting an upturn of 3.3%.

The tax rate for the period was 30.1% (34.5% in 2011). The reduced rate was due to lower taxes in the amount of € 5.4 million, of which € 2.7 million relative to the deductibility of the tax loss resulting from the sale of Unielectric in 2011 booked in 2012 following completion of the relative procedure, and in the amount of € 0.4 million for deferred tax assets relative to another possible similar event, and finally for € 2.3 million relative to tax rebates for the deductibility of IRAP on employee salaries relative to prior years. Net of this phenomenon the 2012 tax rate would have been 37.3%. The adjusted tax rate of 2011, when deferred tax assets were booked further to legislative changes in Italy concerning the facility to carry forward prior tax losses, was 36.6%.

Net profit totalled € 52.3 million (€ 42.6 million in 2011), reflecting growth of 22.9%. The result of discontinued operations in 2012 refers to the data of Hydrocar Roma and the reversal of the provision for contingent liabilities associated with the disposal of Unielectric net of the cost recorded following adjustment of the selling price of the investment.

Basic earnings per share were € 0.546 (€ 0.439 in 2011), reflecting an increase of 24.4%.

In compliance with CONSOB Communication no. 6064293 of 28 July 2006 we draw your attention to the fact that no atypical and/or unusual transactions were carried out in the period.

CASH FLOW

The change in net debt can be analysed as follows:

	2012 €/000	2011 €/000
Opening net financial position	**(126,963)**	**(126,122)**
Cash flow from operations	65,572	60,445
Liquidity generated (absorbed) by the management of commercial working capital	(14,797)	(21,482)
Liquidity generated (absorbed) by other current assets and liabilities	2,513	1,787
Capital expenditure in tangible fixed assets	(16,860)	(10,642)
Proceeds from sales of tangible fixed assets	3,342	1,584
Increase in other intangible fixed assets	(2,321)	(2,763)
Received financial income	1,973	2,896
Other	(824)	(915)
Free cash flow of continuing operations	***38,598***	***30,910***
Acquisition of investments, including debt received and net of treasury stock assigned	(20,430)	(4,824)
Sale of investments, including transferred financial debt	1,378	1,551
Dividends paid	(11,731)	(10,768)
Outlays for purchase of treasury stock	(15,827)	(16,489)
Proceeds from sale of treasury stock to beneficiaries of stock options	2,025	188
Capital increase following exercise of warrants	56,881	31
Proceeds from sale of financial assets	1,634	-
Loans granted to (repayments from) non-consolidated subsidiaries	(90)	7
Net liquidity generated (used) by continuing operations	***52,438***	***606***
Net liquidity generated (used) by discontinued operations	20	(2,110)
Exchange rate differences	(44)	663
Net financial position at end of period	**(74,549)**	**(126,963)**

Net liquidity generated by operations was € 65.6 million (€ 60.4 million in 2011), reflecting an increase of 8.5 %. Free cash flow stood at € 38.6 million, up by 24.9% on 2011 when the figure was € 30.9 million. € 14.8 million of commercial working capital was absorbed in 2012 due to the sustained growth recorded over the period (€ 21.5 million in 2011). Commercial working capital grew by 9.1% compared to 31/12/2011 on a like for like basis.

At 31 December 2012 all financial covenants had been amply complied with.


KNAACK TELELIFT

The sale of investments in 2012 refers to the disposal of 5% of Mega Pacific Pty Ltd, the disposal of 70% of Hydrocar Roma S.r.l. and to the collection of the second instalment of the 70% disposal of Unielectric S.p.A., while in 2011 this item refers to the disposal of 20% of Wuxi Weifu China-Italy Gear Company Ltd and collection of the first instalment for the disposal of 70% of Unielectric S.p.A., net of cash transferred.

The net cash position breaks down as follows:

	31/12/2012 €/000	31/12/2011 €/000	01/01/2011 €/000
Cash and cash equivalents	115,069	109,068	138,721
Payables to banks	(10,614)	(8,762)	(7,751)
Interest-bearing financial payables (current portion)	(87,303)	(113,700)	(125,374)
Interest-bearing financial payables (non-current portion)	(91,701)	(113,569)	(131,718)
Total	**(74,549)**	**(126,963)**	**(126,122)**

The Group also has binding contractual commitments for the purchase of residual interests in subsidiaries for € 28.0 million (€ 19.0 million at 31/12/2011). In target Company acquisition processes it is Group strategy to purchase majority packages, signing purchase commitments for the residual stakes the price of which is set in accordance with the results that the Company is able to achieve in the subsequent years, thus guaranteeing on the one hand the continuation in the Company of the historic management and on the other hand maximizing the goal of increasing profitability.

	31/12/2012 €/000	31/12/2011 €/000
Debt for acquisition of residual stakes in Hydroven	-	210
Debts for deferred payments of AVI instalments	766	1,006
Payables for the acquisition of 20% of American Mobile	2,410	2,315
Commitments to exercise the options to sell on Galtech and MTC shares	10,239	-
Commitment to exercise options to sell on the shares of Interpump Hydraulics International S.p.A.	14,588	15,481
Total	**28,003**	**19,012**

The residual debt of € 210 thousand for the purchase of holdings in Hydroven was paid in 2012.

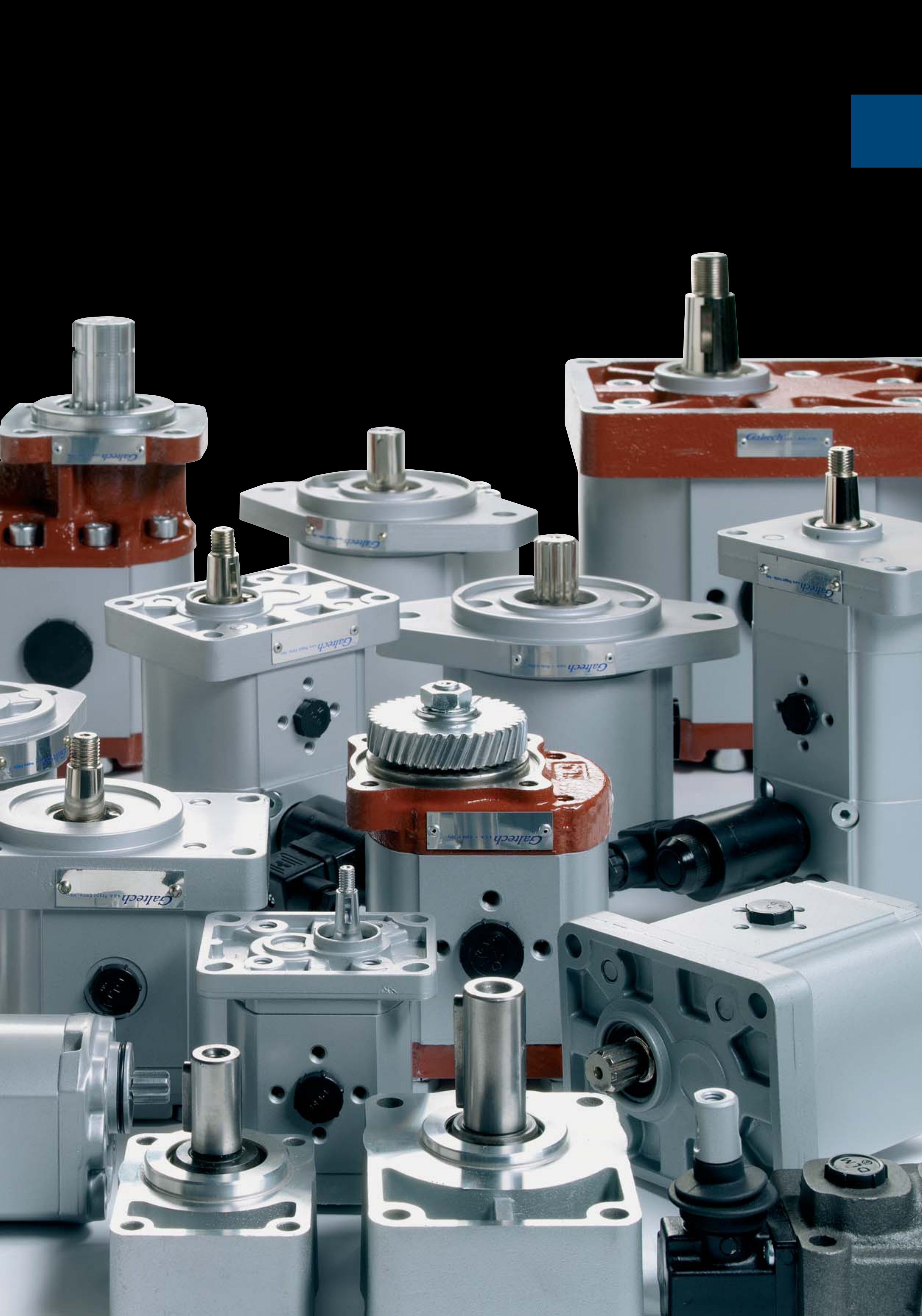
On 2 November 2011 the Group acquired the remaining 49% of subsidiary AVI S.r.l. for € 1,350 thousand, of which € 270 thousand paid at the same time as the acquisition of the holdings with the remainder to be settled in four annual instalments of € 270 thousand each.

The contract for the acquisition of an 80% stake in American Mobile envisages the purchase of the remaining 20% in April of 2016 on the basis of the results achieved by the Company in the two preceding years. We therefore proceeded to estimate the expected debt on the basis of a business plan.

Commitments for the purchase of shares of Interpump Hydraulics International S.p.A. refer to the valuation of the put options recognized for minority shareholders of the Company, which allow them to sell their holdings to Interpump Hydraulics S.p.A. on the basis of a price that will depend on the results achieved in the two years prior to the sale. We therefore proceeded to measure this commitment on the basis of a business plan.

Commitments for the purchase of shares of Galtech S.p.A. and MTC S.r.l. refer to the valuation of put options awarded to minority shareholders of the Companies, which allow them to sell their holdings to Interpump Hydraulics S.p.A. on the basis of a price that will depend on the results achieved in the two years prior to the sale. We therefore proceeded to measure this commitment on the basis of a business plan.

Debts for the acquisition of investments were discounted to current value taking into account the time factor.


Galtech

DIRECTORS' REMARKS ON PERFORMANCE IN 2012 10.

CAPITAL EXPENDITURE

Expenditure on property, plant and machinery stood at € 30.3 million, of which € 9.4 million through the acquisition of investments (€ 16.5 million in 2011, of which € 0.6 million through the acquisition of investments). Note that the Companies belonging to the very-high pressure Pumps Division record machinery manufactured and hired out to customers under tangible fixed assets (€ 4.4 million at 31/12/2012 and € 3.7 million at 31/12/2011). Net of these latter amounts and expenditure related to the acquisition of equity investments, actual capital expenditure stood at € 16.4 million in 2012 (€ 11.9 million at 31/12/2011) and refers to the normal renewal and modernization of plant, machinery and equipment. The difference with respect to the expenditure recorded in the cash flow statement is due to the dynamics of payments.

Intangible fixed assets increased by € 2.8 million, of which € 0.5 million through the acquisition of investments (€ 3.8 million in 2011, of which € 1 million through the acquisition of investments) and refer mainly to expenditure dedicated to developing new products.

RESEARCH AND DEVELOPMENT

The Research and Design Centre (Interpump Engineering S.r.l.), set up to centralize design and development of new products in high pressure pumps, hydraulic pumps and hydraulic components, completed projects for two new families of high pressure pumps and developed four new evolutions in terms of performance or applications of existing pumps, in addition to seven new valves. There are also several projects currently underway for new high and very-high pressure pumps, valves for the Water Jetting Sector and hydraulic pumps in addition research and development was conducted primarily within Interpump Hydraulics for the Hydraulic Sector and in Hammelmann for very high pressure Pumps Division.

Group strategy over the next few years is to continue with high levels of expenditure in the area of research and development in order to assure renewed impetus to structured growth. Research costs have been capitalized in accordance with their multi-annual usefulness. The development costs capitalized in 2012 amount to € /000 1,908 (€ /000 2,434 in 2011), while costs were charged to the income statement for € /000 8,581 (€ /000 6,846 in 2011).

Milan, 19 March 2013

For the Board of Directors
Mr. Giovanni Cavallini
Chairman

At 31 December 2012 the Interpump Group was composed of a structure headed by Interpump Group S.p.A., which has direct and indirect controlling stakes in the capital of 41 Companies (of which one winding up) operating in the two business sectors (denominated the Hydraulic Sector and the Water Jetting Sector).

The Parent Company, with registered offices in Sant'Ilario d'Enza, produces high and very-high pressure piston pumps for water and high pressure cleaners, which are classified in the Water Jetting Sector.

The main data of the consolidated subsidiaries are summarised in the table below, whereas for the Parent Company the data are provided in the financial report.

Fully consolidated Companies

	Share capital €/000	Percent stake	Registered office
Hammelmann Maschinenfabrik GmbH	25	100%	Oelde - Germany
Muncie Power Products Inc.	784	100%	Muncie - USA
NLB Corporation Inc.	12	100%	Detroit - USA
Interpump Hydraulics S.p.A.	2,632	100%	Nonantola (MO)
General Pump Companies Inc.	1,854	100%	Minneapolis - USA
HS Penta S.p.A.	4,244	100%	Faenza - (RA)
Oleodinamica Panni S.r.l.	2,000	100%	Tezze sul Brenta - (VI)
Hammelmann Corporation Inc.	39	100%	Dayton - USA
Contarini Leopoldo S.r.l.	47	100%	Lugo - (RA)
Wuxi Interpump Weifu Hydraulics Company Limited	2,095	65%	Wuxi - China
Galtech S.p.A.	2,000	53%	Reggio Emilia
Hammelmann Australia Pty Ltd	472	100%	Melbourne - Australia
Hydrocar Chile S.A.	37	60%	Santiago - Chile
Hydroven S.r.l.	200	100%	Tezze sul Brenta (VI)
American Mobile Inc.	3,410	80%	Fairmont - USA
Cover S.r.l.	41	100%	Gazzo Veronese - (VR)
Modenflex Hydraulics S.r.l.	10	100%	Modena
Takarada Industria e Comercio Ltda	2,892	100%	Caxia do Sul - Brazil
Interpump Hydraulics India Private Ltd	330	100%	Hosur - India
Hammelmann Pump System Co. Ltd	871	90%	Tianjin - China
A.V.I. S.r.l.	10	100%	Varedo (MI)
MTC S.r.l.	80	60%	Bagnolo in Piano (RE)
General Technology S.r.l.	100	100%	Reggio Emilia
Interpump Hydraulics France S.a.r.l.	76	99.77%	Peltre-Metz - France
Sit S.p.A.	105	65%	Sant'Ilario d'Enza (RE)
Unidro S.a.r.l.	8	90%	Barby - France
Interpump Engineering S.r.l.	76	100%	Reggio Emilia
Copa Hydrosystem Odd	3	90%	Trojan - Bulgaria
Golf Hydrosystem Odd	3	90%	Sofia - Bulgaria
Hammelmann S.L.	738	100%	Zaragoza - Spain
Interpump Hydraulics International S.p.A.	14,162	81.61%	Nonantola - (MO)
Interpump Hydraulics do Brasil Partecipacoes Ltda	12,308	100%	San Paolo - Brazil
Teknova S.r.l. (winding up)	362	100%	Reggio Emilia

* = revenues for 9 months in 2011 - acquired on 15/04/2011; **= average headcount over nine months in 2011.

Main activity	Sales €/million 31/12/2012	Sales €/million 31/12/2011	Average number of employees 2012	Average number of employees 2011
High pressure systems and pumps (Water Jetting Sector)	86.9	74.5	291	275
Power take-offs and hydraulic pumps (Hydraulic Sector)	72.7	63.7	280	266
High pressure systems and pumps (Water Jetting Sector)	67.4	54.6	217	202
Power take-offs and hydraulic pumps (Hydraulic Sector)	46.6	51.6	299	309
Distributor of high pressure pumps (Water Jetting Sector)	37.7	32.8	56	57
Production and sale of hydraulic cylinders (Hydraulic Sector)	25.1	22.9	101	145
Production and sale of hydraulic cylinders (Hydraulic Sector)	20.2	20.4	116	115
Sale of high pressure systems and pumps (Water Jetting Sector)	18.8	14.3	25	24
Production and sale of hydraulic cylinders (Hydraulic Sector)	18.6	19.7	96	99
Sale of hydraulic pumps and power take-offs and valves (Hydraulic Sector)	16.4	14.8	105	93
Production and sale of hydraulic valves and directional controls (Hydraulic Sector)	15.0	-	87	-
Sale of high pressure systems and pumps (Water Jetting Sector)	14.0	13.3	17	15
Sale of hydraulic pumps and power take-offs (Hydraulic Sector)	12.0	11.2	63	52
Sale of ancillary products for industrial vehicles, hydraulic pumps and power takeoffs (Hydraulic Sector)	9.5	10.2	38	38
Production and sale of hydraulic cylinders (Hydraulic Sector)	9.1	5.5*	57	38**
Production and sale of hydraulic cylinders (Hydraulic Sector)	8.9	10.5	51	50
Production and sale of hydraulic cylinders (Hydraulic Sector)	6.3	6.2	29	29
Power take-offs and hydraulic pumps (Hydraulic Sector)	6.3	-	81	-
Production and sale of power take-offs and hydraulic pumps (Hydraulic Sector)	6.2	7.5	77	74
Sale of very high pressure systems and pumps (Water Jetting Sector)	5.4	4.1	15	14
Sale of ancillary products for industrial vehicles, hydraulic pumps and power take-offs (Hydraulic Sector)	5.3	5.8	14	14
Production and sale of hydraulic valves and directional controls (Hydraulic Sector)	5.3	-	29	-
Accessories for high-pressure pumps and pressure washers (Water Jetting Sector)	5.0	5.2	21	21
Sale of hydraulic pumps and power take-offs (Hydraulic Sector)	4.4	5.0	22	21
Sheet metal drawing, shearing and pressing (Water Jetting Sector)	3.9	3.5	25	25
Production and sale of hydraulic cylinders (Hydraulic Sector)	3.4	3.3	10	9
Research and development (Other Revenues Sector)	2.9	2.9	14	16
Production and sale of hydraulic cylinders (Hydraulic Sector)	2.2	2.1	46	44
Production and sale of hydraulic cylinders (Hydraulic Sector)	2.1	2.0	30	29
Sale of very high pressure systems and pumps (Water Jetting Sector)	1.7	1.7	5	5
Cylinders Pole Holdings (Hydraulic Sector)	-	-	-	-
Holding of Takarada Industria e Comercio Ltda (Hydraulic Sector)	-	-	-	-
Inoperative (Other Revenues Sector)	-	-	-	-

Companies not fully consolidated

	Share capital €/000	Percentage stake of capital	Registered office
General Pump China	111	100%	Ningbo - China
Hammelmann Bombas e Sistemas Ltda	232	100%	San Paolo - Brazil
HS Penta Africa Pty Ltd	351	52%	Johannesburg - South Africa
Syscam Gestión Integrada S.A.	27	60%	Conchalì - Chile
Interpump Hydraulics Middle East FZCO	209	100%	Dubai - U.A.E.
Galtech Canada Inc.	76	100%	Terrebonne Quebec - Canada
GITOP S.r.l.	30	100%	Tezze sul Brenta (VI)
Interpump Hydraulics UK Ltd	13	100%	Birmingham - U.K.

Main activity
Resale of components (Water Jetting Sector)
Sale of very high pressure systems and pumps (Water Jetting Sector)
Production and sale of hydraulic cylinders (Hydraulic Sector)
Sale of hydraulic pumps and power take-offs (Hydraulic Sector)
Sale of hydraulic cylinders and hydraulic pumps (Hydraulic Sector)
Sale of hydraulic valves and directional controls (Hydraulic Sector)
Production and sale of hydraulic cylinders (Hydraulic Sector)
Sale of hydraulic pumps and power take-offs (Hydraulic Sector)

Business sector information is provided with reference to the business sectors. We also present the information required by IFRS by geographical area. Information on business sectors reflects the Group internal reporting structure.

In 2012 the Group decided to change the designation of its business sectors: the Industrial Sector therefore became the Water Jetting Sector.

The value of components and products transferred between sectors is generally the effective sales price between Group Companies and corresponds to the best customer selling prices.

Sector information includes directly attributable costs and costs allocated on the basis of reasonable estimates. The holding costs (remuneration of directors, auditors and functions of the Group's financial management, control and internal auditing, and also consultancy costs and other related costs) were ascribed to the sectors on the basis of sales.

The Group is composed of the following business sectors:

Water Jetting Sector (previously called the Industrial Sector)

Mainly composed of high and very high-pressure pumps and pumping systems used in a wide range of industrial sectors for the conveyance of fluids. High-pressure piston pumps are the main component of professional high-pressure washers. These pumps are also utilized for a broad range of industrial applications including car wash installations, forced lubrication systems for machine tools, and inverse osmosis systems for water desalination plants. Very high-pressure pumps and systems are used for cleaning surfaces, ships, various types of pipes, and also for removing machining burr, cutting and removing cement, asphalt, and paint coatings from stone, cement and metal surfaces, and for cutting solid materials. Marginally, this sector also includes operations of drawing, shearing and pressing sheet metal and the manufacture and sale of cleaning machinery.

Hydraulic Sector

Includes the production and sale of power take-offs, hydraulic cylinders, pumps, and other hydraulic components. Power take-offs are mechanical devices designed to transmit drive from an industrial vehicle engine or transmission to power a range of ancillary services through hydraulic components. These products, combined with other hydraulic components (directional control valves, controls, etc.) allow the execution of special functions such as lifting tipping bodies, moving truck-mounted cranes, operating mixer truck drums, and so forth. Hydraulic cylinders are components of the hydraulic system of various vehicle types, utilized in a wide range of applications depending on the type. Front-end and underbody cylinders (single acting) are utilized mainly on industrial vehicles in the construction sector, while double acting cylinders are utilized in a range of applications: earthmoving machinery, agricultural machinery, cranes and truck cranes, waste compactors, etc.

12.

Interpump Group sector information
(amounts shown in €/000)

Progressive accounts at 31 December (twelve months)

	Hydraulic Sector 2012	Hydraulic Sector 2011
Net sales external to the Group	257,736	229,245
Sales between sectors	15	16
Total net sales	**257,751**	**229,261**
Cost of sales	(172,586)	(154,244)
Gross industrial margin	**85,165**	**75,017**
% on net sales	*33.0%*	*32.7%*
Other net revenues	5,524	3,937
Distribution costs	(25,968)	(21,766)
General and administrative expenses	(38,799)	(33,166)
Other operating costs	(2,313)	(1,848)
Ordinary profit before financial charges	**23,609**	**22,174**
% on net sales	*9.2%*	*9.7%*
Financial income	892	911
Financial charges	(4,913)	(4,323)
Dividends	-	-
Adjustment of the value of investments carried at equity	69	(41)
Profit for the period before taxes	**19,657**	**18,721**
Income taxes	(8,380)	(7,335)
Consolidated profit of continuing operations for the period	**11,277**	**11,386**
Result of discontinued operations	-	-
Consolidated profit for the period	**11,277**	**11,386**
Due to:		
Parent company shareholders	10,454	10,172
Subsidiaries' minority shareholders	823	1,214
Consolidated profit for the period	**11,277**	**11,386**
Further information required by IFRS 8		
Amortization, depreciation and write-downs	11,896	10,198
Other non-monetary costs	2,598	2,358

Water Jetting Sector		Other		Elimination entries		Interpump Group	
2012	2011	2012	2011	2012	2011	2012	2011
269,440	242,374	-	-	-	-	527,176	471,619
836	620	2,922	2,856	(3,773)	(3,492)	-	-
270,276	**242,994**	**2,922**	**2,856**	**(3,773)**	**(3,492)**	**527,176**	**471,619**
(155,865)	(141,023)	(1,837)	(2,041)	2,717	2,930	(327,571)	(294,378)
114,411	**101,971**	**1,085**	**815**	**(1,056)**	**(562)**	**199,605**	**177,241**
42.3%	*42.0%*	*n.s.*	*n.s.*			*37.9%*	*37.6%*
3,538	2,755	42	1,207	(329)	(340)	8,775	7,559
(27,480)	(24,036)	-	-	-	-	(53,448)	(45,802)
(30,812)	(27,164)	(1,149)	(892)	1,385	902	(69,375)	(60,320)
(439)	(1,180)	-	-	-	-	(2,752)	(3,028)
59,218	**52,346**	**(22)**	**1,130**	-	-	**82,805**	**75,650**
21.9%	*21.5%*	*n.s.*	*n.s.*			*15.7%*	*16.0%*
5,092	5,896	13	16	(1,092)	(458)	4,905	6,365
(8,922)	(11,156)	(13)	(11)	1,092	458	(12,756)	(15,032)
3,000	3,000	-	-	(3,000)	(3,000)	-	-
(216)	(326)	-	-	-	-	(147)	(367)
58,172	**49,760**	**(22)**	**1,135**	**(3,000)**	**(3,000)**	**74,807**	**66,616**
(14,043)	(15,151)	(71)	(512)	-	-	(22,494)	(22,998)
44,129	**34,609**	**(93)**	**623**	**(3,000)**	**(3,000)**	**52,313**	**43,618**
-	-	-	-	-	-	12	(1,033)
44,129	**34,609**	**(93)**	**623**	**(3,000)**	**(3,000)**	**52,325**	**42,585**
44,045	34,565	(93)	623	(3,000)	(3,000)	51,418	41,232
84	44	-	-	-	-	907	1,353
44,129	**34,609**	**(93)**	**623**	**(3,000)**	**(3,000)**	**52,325**	**42,585**
8,227	7,863	9	2	-	-	20,132	18,063
1,968	2,565	-	-	-	-	4,566	4,923

12.

Balance sheet at 31 December
(amounts shown in €/000)

	Hydraulic Sector	
	2012	**2011**
Assets by sector	**323,798**	**292,889**
Non-current assets held for sale	**-**	**-**
Subtotal of assets of the sector (A)	**323,798**	**292,889**
Cash and cash equivalents		
Total assets		
Subtotal of liabilities of the sector (B)	**102,187**	**94,672**
Payables for payment of investments		
Payables to banks		
Interest-bearing financial payables		
Total liabilities		
Total assets, net (A-B)	**221,611**	**198,217**
Further information required by IFRS 8		
Investments carried at equity	1,307	457
Non-current assets other than financial assets and deferred tax assets	181,056	161,208

Water Jetting Sector		Other		Elimination entries		Interpump Group	
2012	2011	2012	2011	2012	2011	2012	2011
337,331	**319,151**	**1,758**	**4,759**	**(38,224)**	**(29,960)**	**624,663**	**586,839**
2,121	**2,123**	**-**	**-**	**-**	**-**	**2,121**	**2,123**
339,452	**321,274**	**1,758**	**4,759**	**(38,224)**	**(29,960)**	**626,784**	**588,962**
						115,069	109,068
						741,853	**698,030**
61,686	**61,215**	**1,707**	**1,900**	**(38,224)**	**(29,960)**	**127,356**	**127,827**
						28,003	19,012
						10,614	8,762
						179,004	227,269
						344,977	**382,870**
277,766	**260,059**	**51**	**2,859**		**-**	**499,428**	**461,135**
205	171	-	-	-	-	1,512	628
183,156	180,896	155	142	-	-	364,367	342,246

12.

On a like for like basis the comparison of the Hydraulic Sector is as follows:

(amounts shown in € /000)	2012	2011
Net sales external to the Group	230,646	229,245
Sales between sectors	15	16
Total net sales	**230,661**	**229,261**
Cost of sales	(152,386)	(154,244)
Gross industrial margin	**78,275**	**75,017**
% on net sales	*33.9%*	*32.7%*
Other net revenues	5,143	3,937
Distribution costs	(23,577)	(21,766)
General and administrative expenses	(34,990)	(33,166)
Other operating costs	(2,283)	(1,848)
Ordinary profit before financial charges	**22,568**	**22,174**
% on net sales	*9.8%*	*9.7%*
Financial income	1,096	911
Financial charges	(4,176)	(4,323)
Adjustment of the value of investments carried at equity	(171)	(41)
Profit for the period before taxes	**19,317**	**18,721**
Income taxes	(8,135)	(7,335)
Consolidated profit for the period	**11,182**	**11,386**
Due to:		
Parent company shareholders	10,359	10,172
Subsidiaries' minority shareholders	823	1,214
Consolidated profit for the period	**11,182**	**11,386**

Cash flows by business sector are as follows (only continuing operations for 2011):

(€/000)	Hydraulic Sector		Water Jetting Sector		Other		Total	
Cash flows from:	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**
Operating activities	18,583	20,210	34,515	20,842	190	(302)	53,288	40,750
Investing activities	(25,921)	(15,292)	(4,608)	(927)	138	(120)	(30,391)	(16,339)
Financing activities	5,521	(7,763)	(24,059)	(45,948)	-	-	(18,538)	(53,711)
Total	**(1,817)**	**(2,845)**	**5,848**	**(26,033)**	**328**	**(422)**	**4,359**	**(29,300)**

2012 investing activities of the Hydraulic Sector include € /000 19,216 relative to the acquisition of equity investments (€ /000 9,067 in 2011), and € /000 421 relative to the disposal of equity investments (€ /000 441 in 2011). Cash flows of Water Jetting Sector investing activities include outlays for the acquisition of equity investments in the amount of € /000 170 (€ /000 35 in 2011) and € /000 957 of receipts for the sale of equity investments (€ /000 1,110 in 2011).
Financing activities for 2012 include intercompany loans from the Water Jetting Sector to the Hydraulic Sector in the amount of € /000 7,204 to finance new acquisitions (€ /000 15,109 in 2011). Moreover, cash flows of the Water Jetting Sector financing activity in 2012 include outlays for the purchase of treasury shares in the amount of € /000 15,827 (€ /000 16,489 in 2011) and proceeds from the sale of treasury shares to the beneficiaries of stock options in the amount of € /000 2,025 (€ /000 188 in 2011), the value of treasury shares transferred for the acquisition of Galtech in the amount of € /000 1,704 (€ /000 4,309 in 2011 for the acquisition of 11% of Interpump Hydraulics International), and receipts deriving from the share capital increase further to the exercise of warrants for € /000 56,881 (€ /000 31 in 2011) in addition to dividends paid by the Parent Company, which operates in this sector, in the amount of € /000 11,174 (€ /000 10,412 in 2011).

Geographical sector

The Group's sector-based operations are divided into five geographical areas, even though management is conducted on a global level.

A breakdown of sales of continuing operations by geographical area is provided below:

	2012 €/000	%	2011 €/000	%	Growth
Italy	71,543	14	76,055	16	-5.9%
Rest of Europe	143,479	27	133,606	28	+7.4%
North America	187,475	36	154,986	33	+21.0%
Pacific Area	54,782	10	52,493	11	+4.4%
Rest of the World	69,897	13	54,479	12	+28.3%
Total	**527,176**	**100**	**471,619**	**100**	**+11.8%**

Data by geographical sector on the basis of the location of non-current assets other than financial assets and deferred tax assets are as follows:

	31/12/2012 €/000	31/12/2011 €/000
Italy	214,526	194,401
Rest of Europe	76,395	76,219
North America	65,518	66,170
Pacific Area	3,068	2,781
Rest of the World	4,860	2,675
Total	**364,367**	**342,246**

The geographical areas to which assets are assigned depend on the nationality of the Company that holds them. No Companies have assets in more than one area.

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AUDITORS' REPORT IN ACCORDANCE WITH ARTICLE 14 AND 16 OF LEGISLATIVE DECREE NR 39 OF JANUARY 27 2010

To the Shareholders of
Interpump Group SpA

1. We have audited the consolidated financial statements of Interpump Group SpA and its subsidiaries (hereinafter "Interpump Group") as at 31 December 2012 which comprise the statement of financial position, the comprehensive income statement, the statement of changes in shareholder's equity, the cash flows statement and the related explanatory notes. The directors of Interpump Group SpA are responsible for the preparation of these financial statements in compliance with the International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/2005. Our responsibility is to express an opinion on these consolidated financial statements based on our audit

2. We conducted our audit in accordance with the auditing standards and criteria recommended by CONSOB, the Italian Commission for listed Companies and the Stock Exchange. Those standards and criteria require that we plan and perform the audit to obtain the necessary assurance about whether the consolidated financial statements are free of material misstatement and, taken as a whole, are presented fairly. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors. We believe that our audit provides a reasonable basis for our opinion.

   For the opinion on the consolidated financial statements of the prior period, which are presented for comparative purposes, reference is made to our report dated 20 March 2012.

3. In our opinion, the consolidated financial statements of the Interpump Group as at 31 December 2012 comply with the International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/2005; accordingly, they have been prepared clearly and give a true and fair view of the financial position, result of operations and cash flows of the Interpump Group for the period then ended.

4. The directors of Interpump Group SpA are responsible for the preparation of a report on operations and a report on corporate governance and ownership structure published in the "Investor Relations" section of the website of Interpump Group SpA in compliance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the report on operations and of the information referred to in paragraph 1, letters c), d), f), l), m), and paragraph 2, letter b), of article 123-bis of Legislative Decree No. 58/98 presented in the report on corporate governance and ownership structure, with the financial statements, as required by law. For this purpose, we have performed the procedures required under Italian

PricewaterhouseCoopers SpA

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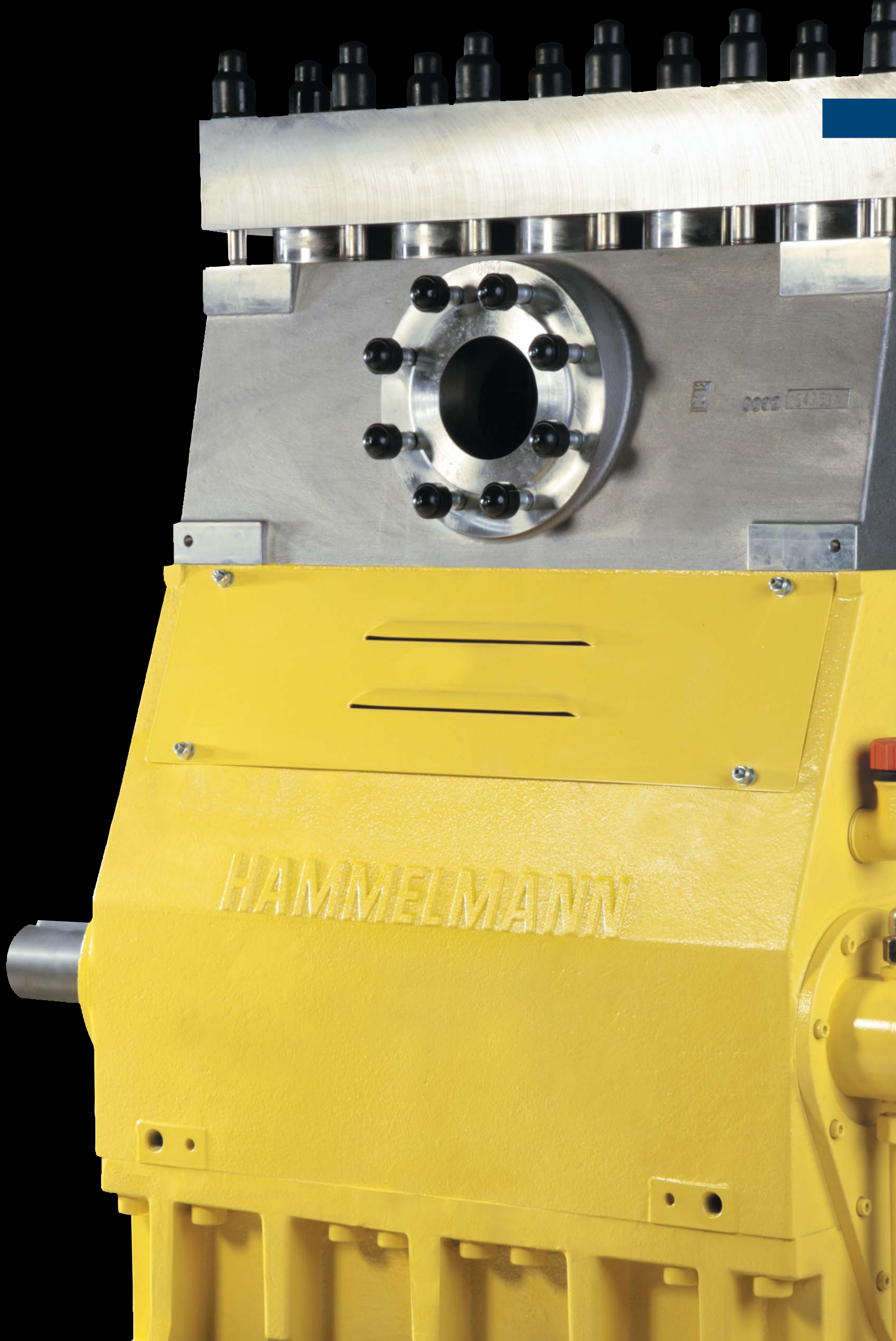
Auditing Standard No. 001 issued by the Italian Accounting Profession (Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili) and recommended by the CONSOB. In our opinion, the report on operations and the information referred to in paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b), of article 123-bis of Legislative Decree No. 58/98 presented in the report on corporate governance and ownership structure are consistent with the consolidated financial statements of Interpump Group SpA as at 31 December 2012.

Parma, 25 March 2013

PricewaterhouseCoopers SpA

Massimo Rota
(Partner)

(This report has been translated into the English language from the original, which was issued in Italian, solely for the convenience of international readers.)


HAMMELMANN

Attestation of the consolidated financial statements pursuant to art. 81-(3) of Consob regulation no. 11971 (which refers to art. 154-(2) para. 5 of the Consolidated Finance Act) of 14 May 1999 as amended

1. The undersigned Paolo Marinsek and Carlo Banci, respectively Executive Director and Manager responsible for the drafting of company accounting documents of Interpump Group S.p.A., taking account also of the provisions of art. 154-(2), paras. 3 and 4 of decree D.Lgs 24 February 1998 no. 58 state:
   - the adequacy in relation to the characteristics of the business and
   - the effective application

   of the administrative and accounting procedures for the formation of the consolidated financial statements during 2012.

2. In addition, it is confirmed that the consolidated financial statements of Interpump Group S.p.A. and its subsidiaries for the year ended 31 December 2012, which show consolidated total assets of € 741,853 thousand, consolidated net profit of € 52,325 thousand and consolidated shareholder's equity of € 396,876 thousand:
   a) correspond to the results of the company books and accounting entries;
   b) were prepared in compliance with the international accounting standards approved by the European Commission further to the enforcement of Ruling (CE) no. 1606/2002 of the European Parliament and the European Council of 19 July 2002, and the provisions issued in implementation of art. 9 of decree D. Lgs. 38/2005 and the contents are suitable for providing a truthful and fair representation of the equity, economic and financial situation of the company and the group of companies included in the scope of consolidation;
   c) the Board of Directors' report contains a reliable analysis of performance and results and the situation of the issuer and the companies included in the consolidation together with a description of the main risks and uncertainties to which they are exposed.

Milan, 19 March 2013

Paolo Marinsek	Carlo Banci
Executive Director	Manager responsible for drafting company accounting documents

The information herein reported have
been extracted from the Annual Financial Report 2012
which can be downloaded from the website
www.interpumpgroup.it or requested to

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