

# 2006 Half Year EMAK Company Results



 **Emak**<sup>®</sup>

Milan, October 9th 2006

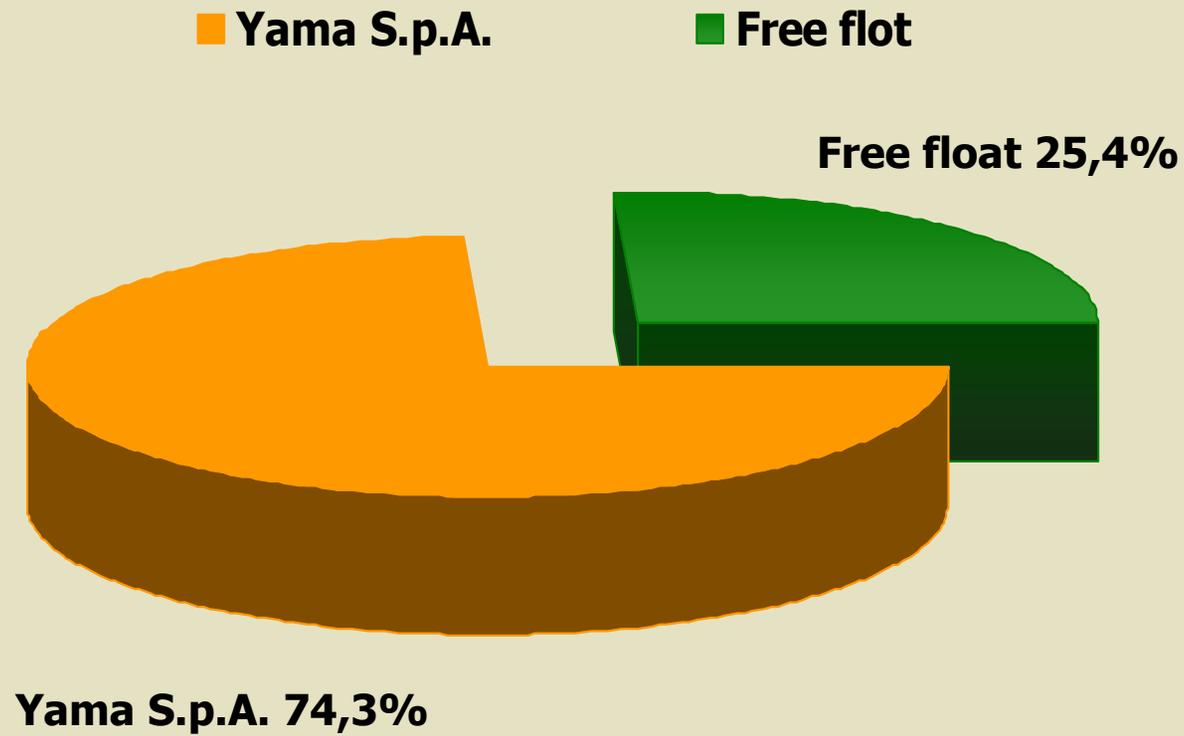


**Emak:**  
one of the top five  
European manufacturers  
of outdoor power equipment





## Major Shareholders



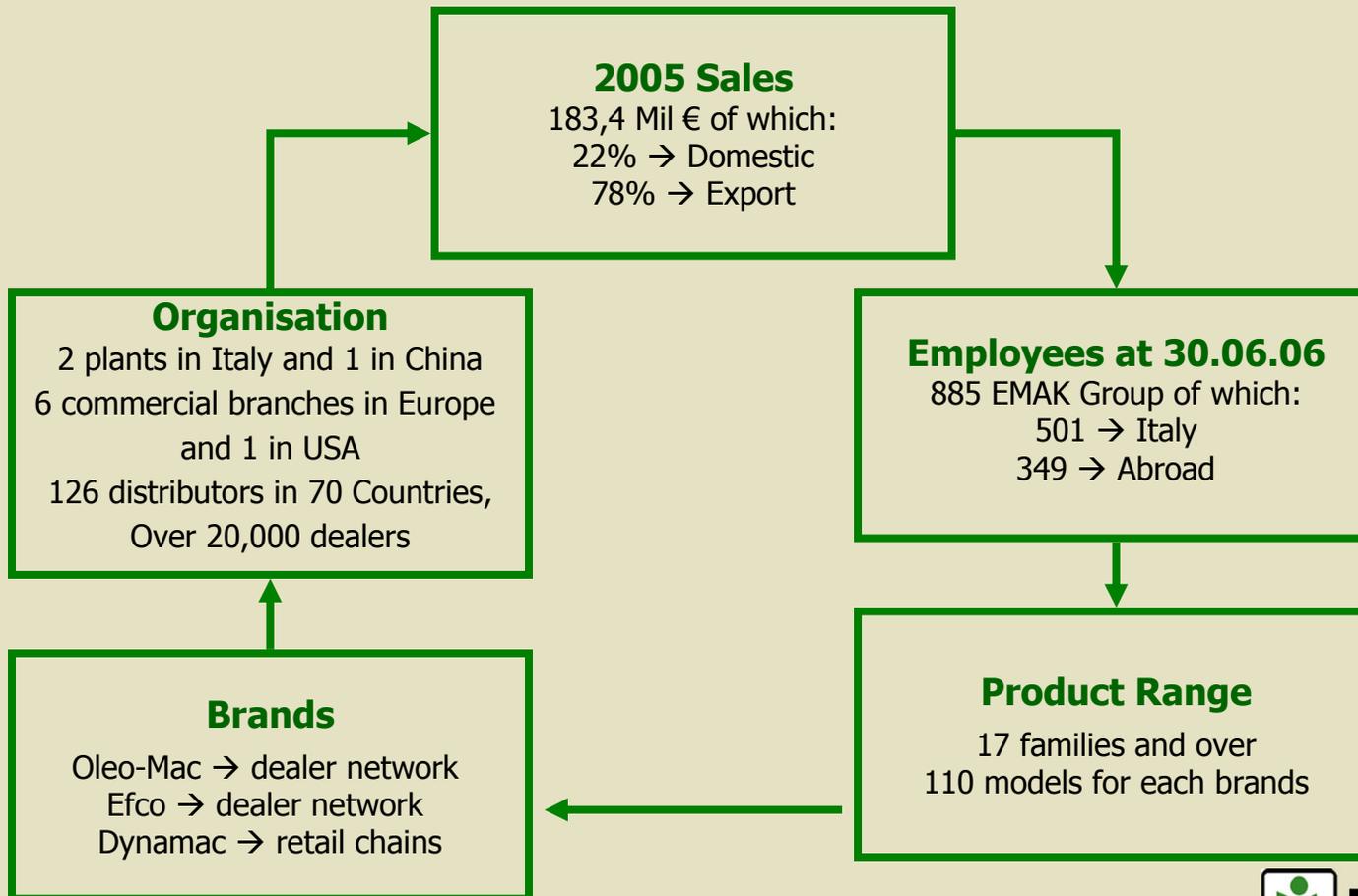


## Emak Group Structure as at 30th September, 2006





## CORE BUSINESS: gardening, landscaping and forestry equipment





# 2006 Half Year Turnover Breakdown

## Sales Distribution by Geographical Area

Area	2006H1	%	2005H1	%
Italy	22,1	17,5%	22,7	21,1%
Europe	85,9	68,3%	72,9	68,0%
ROW	17,9	14,2%	11,7	10,9%
<b>Total</b>	<b>125,9</b>	<b>100,0%</b>	<b>107,3</b>	<b>100,0%</b>

Mil €



## 2006 Half Year Turnover Breakdown

### Sales Breakdown by Geographical Area

Area	2006H1	2005H1	Change
<b>Italy</b>	<b>22,1</b>	<b>22,7</b>	-2,8%
<b>Europe</b>	<b>85,9</b>	<b>72,9</b>	17,8%
- Western Europe	51,6	53,9	-4,4%
- Other European Countries	34,3	19,0	81,5%
<b>North America</b>	<b>2,9</b>	<b>2,2</b>	32,3%
<b>Rest of the World</b>	<b>15,0</b>	<b>9,5</b>	58,3%
- South America	5,0	3,0	67,1%
- Far East	0,9	0,5	81,5%
- Others	9,1	6,0	51,9%
<b>Total</b>	<b>125,9</b>	<b>107,3</b>	<b>17,4%</b>

Mil €



## 2006 Half Year Turnover Breakdown

### Sales Distribution by Product Line

Product Family	2006H1	2005H1	Change
Brushcutters	26,7	20,7	29,0%
Chainsaws	16,1	15,7	2,5%
Lawn mowers	25,2	21,4	17,6%
Garden Tractors	12,1	10,2	19,0%
Others (pumps, blowers, hedge trimmers, electric products, diamond tools)	33,6	28,3	18,9%
Spare parts and accessories	12,2	11,0	10,9%
<b>Total</b>	<b>125,9</b>	<b>107,3</b>	<b>17,4%</b>

Mil €



## 2006 Half Year Economic and Financial Data

### Consolidated P&L Accounts

2005Y	%		2006H1	%	2005H1	%
183,4	100%	<b>Turnover</b>	125,9	100%	107,3	100%
22,3	12,1%	<b>Ebitda</b>	18,1	14,3%	16,4	15,2%
17,0	9,3%	<b>Ebit</b>	15,4	12,3%	13,9	12,9%
<b>9,5</b>	<b>5,2%</b>	<b>Group Net Profit</b>	<b>9,0</b>	<b>7,1%</b>	<b>7,9</b>	<b>7,4%</b>
Mil €						
<b>0,345</b>		<b>EPS</b>	<b>0,323</b>		<b>0,284</b>	



## 2006 Half Year Economic and Financial Data

### Consolidated Assets and Liabilities

2005Y	Emak Group	2006H1	2005H1
34,8	Net fixed assets	34,7	27,1
66,4	Net current assets	74,8	64,9
<b>101,2</b>	<b>Net capital employed</b>	<b>109,5</b>	<b>92,0</b>
74,9	Net equity	79,0	73,2
0,5	Minority interests	0,5	0,5
25,8	Net financial debt	30,0	18,3
<b>0,34</b>	<b>Debt/Equity</b>	<b>0,38</b>	<b>0,25</b>

Mil €



## Economic and Financial Data

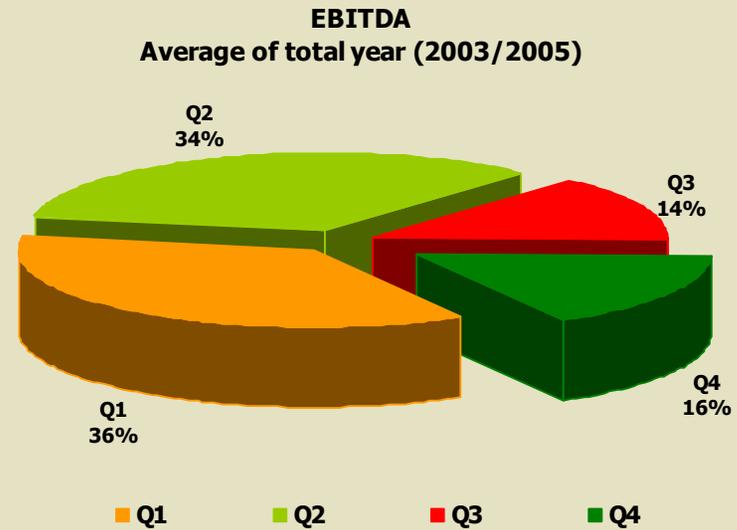
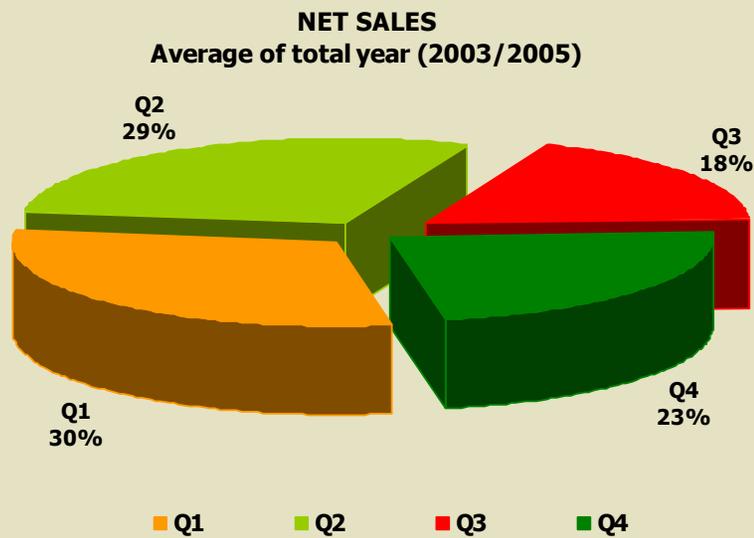
### History of Profitable Growth

CAGR 1999/2005	
Sales	12,8%
Ebitda	9,8%
Ebit	13,3%
Net profit	16,0%
Cash flow	9,5%



# Seasonality

First half normally represents approx. 59% of sales and 70% of Ebitda





## 2006 Half Year Scenario

### Market Demand

- **Good Sell-in during the first Quarter (pre-seasonal sales)**
- **Unfavourable weather conditions during season: sell out slow down**
- **Expected balance of sell in / sell out cycle in the last quarter**



## 2006 Half Year Scenario

### Market Conditions

#### Margins Under Pressure:

- Price increase of raw material
- Extremely competitive price situation



## 2006 Half Year Results

**Sales: + 17,4%**

- **Strengthening of Distribution Network**
- **Improved Competitiveness**
- **Product Innovation**



## 2006 Half Year Results

**EBITDA (change): + 10,4%**

**EBITDA MARGIN (change): - 0,9%**

- **Increase in raw material cost**
- **Product / Market Mix**



## **Actions to Support the Growth**

- **Product Innovation**
- **Competitiveness**
- **Operative Cost Leverage from Sale Growth**
- **Investment on Distribution Network**

# 2006 Half Year EMAK Company Results

