our **power**, your **passion**

HALF YEAR REPORT AT 30 JUNE 2009

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EMAK GROUP

Corporate officers of Emak S.p.A.

Board of Directors	
Chairman	Giacomo Ferretti
Deputy Chairman	Aimone Burani
Chief Executive Officer	Fausto Bellamico
Executive Director	Stefano Slanzi
Independent Directors	Ivano Accorsi
	Andrea Barilli
	Gian Luigi Basini
Directors	Carlo Baldi
	Paola Becchi
	Giuliano Ferrari
	Vilmo Spaggiali
	Guerrino Zambelli
	Luigi Bartoli
Audit Committee and Remuneration Committee	
Chairman	Andrea Barilli
	Ivano Accorsi
	Gian Luigi Basini
Board of Statutory Auditors	
Chairman	Marco Montanari
Acting auditors	Claudia Catellani
	Martino Masini
Alternate auditors	Mario Venezia
	Eugenio Poletti
Independent Auditors	Fidital Revisione e Organizzazione Contabile S.r.l.
Financial Reporting Officer	Aimone Burani
Supervisory Body as per Legislative Decree 231/01	
Chairman	Francesca Baldi
Acting members	Roberto Bertuzzi
	Guido Ghinazzi

Emak Group structure

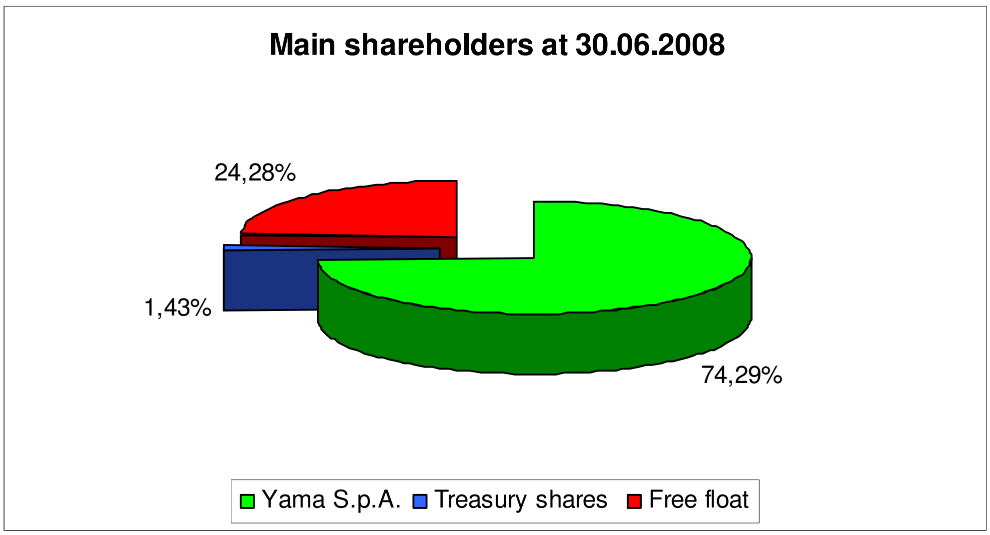
The Emak Group is structured as follows at 30 June 2009:

- **EMAK S.p.A.**
  - **COMAG S.r.l.** (I) 99,4%
  - **EMAK SUMINISTROS ESPANA SA** (E) 90%
  - **EMAK U.K. LTD** (UK)100%
  - **EMAK BENELUX N.V.** (B) 99,8%
  - **EMAK DEUTSCHLAND GmbH** (D) 100%
  - **EMAK FRANCE SAS** (F) 100%
  - **JIANGMEN EMAK OUTDOOR POWER EQUIPMENT Co. Ltd.** (CHINA) 100% (1)
  - **VICTUS-EMAK Sp. z o.o.** (PL) 100%
  - **EMAK USA Inc.** (USA) 100%
  - **TAILONG (ZHUHAI) MACHINERY MANUFACTURING EQUIPMENT Ltd.** (CHINA) 100%

(1) The group's interest in Jiangmen Emak Outdoor Power Equipment Co. Ltd. includes the 49% interest held by Simest S.p.A.. Under the contract signed in December 2004 and subsequent additions thereto, the interest held by Simest S.p.A. is the subject of a binding agreement for repurchase by Emak S.p.A. on 30 June 2013.

Main shareholders of Emak S.p.A.

Main shareholders at 30.06.2008	Shares	%
Yama S.p.A.	20,542,500	74.29
Treasury shares held	394,183	1.43
Free float	6,716,817	24.28
Total number of shares	27,653,500	100.00



Emak Group financial highlights

Income statement (€/000)

Y 2008		I H 2009	I H 2008
243,449	Net sales	119,734	151,107
31,657	EBITDA (1)	15,912	24,149
24,913	EBIT	12,379	21,048
14,866	Net profit	7,474	14,743

Investment and free cash flow (€/000)

Y 2008		I H 2009	I H 2008
14,201	Investment in property, plant and equipment	4,778	5,017
958	Investment in intangible assets	249	370
21,610	Free cash flow from operations (2)	11,007	17,844

Balance sheet (€/000)

31.12.2008		30.06.09	30.06.08
161,213	Net capital employed	164,309	141,166
(61,806)	Net debt	(62,107)	(40,818)
99,407	Total equity	102,202	100,348

Other statistics

Y 2008		I H 2009	I H 2008
13.0%	EBITDA / Net sales (%)	13.3%	16.0%
10.2%	EBIT/ Net sales (%)	10.3%	13.9%
6.1%	Net profit / Net sales (%)	6.2%	9.8%
15.5%	EBIT / Net capital employed (%)	7.5%	14.9%
0.62	Debt / Equity	0.61	0.41
1,049	Number of employees at period end	937	901

Share information and prices

31.12.2008		30.06.09	30.06.08
0.543	Earnings per share (€)	0.272	0.538
3.65	Equity per share (€) (3)	3.73	3.65
3.96	Official price (€)	3.42	4.50
5.30	Maximum share price in period (€)	3.64	5.30
3.50	Minimum share price in period (€)	3.32	4.33
109	Stockmarket capitalization (€ / million)	95	125
27,312,193	Average number of outstanding shares	27,264,225	27,331,027
27,653,500	Number of shares comprising share capital	27,653,500	27,653,500
0.79	Cash flow per share: net profit + amortization/depreciation (€) (4)	0.40	0.65
0.150	Dividend per share (€)	-	-

(1) "Ebit" plus "Amortization, depreciation and impairment losses"
(2) "Net Profit" plus "Amortization, depreciation and impairment losses"
(3) "Group equity" divided by "Number of outstanding shares at period end"
(4) "Group Net Profit + Amortization/depreciation" divided by "Average number of outstanding shares"

INTERMEDIATE DIRECTORS' REPORT AT 30 JUNE 2009

1. Economic situation

The world economy was characterized by a sharp fall in economic activity in emerging countries in the last quarter of 2008 and in the first quarter of 2009.
The financial crisis caused a widespread conversion of investments into cash, a significant loss of economic wealth throughout the world, a tightening of credit and a general increase in uncertainty. This situation led to an increase in prudent saving and a consequent global fall in investments, production, commercial transactions and GDP during the fourth quarter of 2008 and the first quarter of 2009. The biggest contraction occurred in countries specializing in durable goods and in those which were already economically vulnerable. The stabilization and even recovery of the financial markets, the modest improvements in exports in certain countries, a slight recovery in demand and the expected effects of measures to stimulate demand are some of the factors that point to the beginning of a recovery, although many signals still indicate continued fragility in the world economy. Unemployment continues to increase throughout the world, house prices in many countries continue to fall and bank accounts are still vulnerable. The result is that the timing and extent of a possible recovery of the global economy remain very uncertain.
In this scenario, a fall in GDP of 1.4% is forecast for 2009, with a potential recovery no earlier than the second half of 2010.
The GDP of the economies of emerging countries will increase by around 1.5%, driven by China (+7.5%) and India (+5.4%) but will slow down in Russia (-6.5%) and in Eastern European countries (-5%). The economies of the advanced countries, on the other hand, will experience an overall fall in GDP in 2009 of 3.8%, with forecasts for the United States of -2.6% and for the Euro area of -4.6%.

2. Industry performance

The gardening and forestry machines market is subdivided as follows: 49% in the United States, 38% in Europe and 13% in the Rest of the World.
The demand for gardening products is affected by the general economic context, by pro-capita income, by the proportion of income dedicated to leisure activities, and more generally by the trend towards a "green culture". The demand for gardening and forestry machines in general is also influenced by climatic conditions.
The market experienced a downturn from the end of 2008 as a result of the global economic crisis. During the first six months of the year the fall in global demand affected all sectors and in all geographic areas in which the Group operates. In the Agriculture and Forestry segment, products for working the land suffered from the macroeconomic situation to a lesser extent than other products. The Constructions and Industry segment has been heavily affected by the building industry crisis since last year.

3. Significant events occurring during the period.

During the first half there have been no significant events.

4. Research and development activities

During the first half-year of 2009, Research and Development activities continued in line with the Business Plan, which sees production innovation as the main driving force for the Group's growth. The severe slowdown in the world economy has for the moment had no impact on development plans, which have been confirmed after careful analysis.

The multi-year Plan anticipates the launch of 20 new products in 2009: in the first six months of the current year 13 new products have been introduced, relating to various product families.

Research and Development continues to be especially concentrated on the launch of new product families, equipped with motorisations conforming to legislative regulations on emissions, which provided for transition to the Euro 2 phase and the replacement or renewal of existing motorisations.

Despite the rather unfavourable global economic situation, interest caused by the launch of the MULTIMATE range has remained strong. It's a new product family for gardening characterised by a single power unit to which five different applications can be easily attached.

Considerable resources have been allocated to the development of new technologies aimed at the reduction of energy consumption, the protection of the environment and improved ergonomics, through significant reductions in acoustic emissions and in vibrations.

5.Human resources

The following table shows the break down of personnel by country

Workforce	30.06.2009	31.12.2008
Italy	500	514
France	44	44
Belgium	4	4
UK	15	15
Spain	21	21
Germany	19	19
Poland	56	58
China	270	367
USA	8	7
Total	**937**	**1.049**

The number of dependent employees at the end of the first half-year of 2009 was 937, against 1,049 at 31 December 2008.

Following the reduction in volumes of production as a result of the current fall in demand, the Company has decided to stop staff turnover and to discontinue fixed-term employment contracts.
The decrease in the number of employees in Italy and China is a consequence of these decisions.
Suspension and reductions in working hours have taken place in the Group's production sites in different forms, also effecting structures not directly involved in production. Temporary lay-off was applied by the workers for 80 hours in March and April.
800 hours of specialised training were provided in Emak in the first half-year of 2009.

6. Atypical and unusual, significant and non-recurring operations

Please refer to notes n° 5 and 6.

7. Emak Group – Overview of results

Highlights from the consolidated income statement

Highlights from the consolidated income statement for the first half of 2009 (1H 2009) are summarized below:

FY 2008	%	€/000	1H 2009	%	1H 2008	%	% Ch.
243,449	100	Net sales	119,734	100	151,107	100	-20.8
31,657	13.0	Ebitda	15,912	13.3	24,149	16.0	-34.1
24,913	10.2	Ebit	12,379	10.3	21,048	13.9	-41.2
20,905	8.6	Profit before taxes	10,537	8.8	19,853	13.1	-46.9
14.866	6.1	Net profit	7,474	6.2	14,743	9.8	-49.3

Analysis of turnover trend

During the first half-year of 2009 the Emak Group achieved a consolidated turnover of €119.734 thousand, a decrease of 20.8% compared to the same period of the previous year.

Sales reduced by 21.3% for the same scope of consolidation.

Consolidated turnover in the second quarter 2009 was € 60,885 thousand against € 79,734 thousand in the same period in the previous financial year, a reduction of 23.6%.

The table below shows sales in the first half-year of 2009, broken down by segment, compared with the first half-year of the previous financial year.

€/000	1H 2009	%	1H 2008	%	% Ch.
Agricolture and Forestry	31,450	26.3	41,075	27.2	-23.4
Construction and Industry	2,121	1.8	3,557	2.3	-40.4
Lawn & Garden	69,481	58.0	91,106	60.3	-23.7
Spare parts & Accessories	16,682	13.9	15,369	10.2	8.5
Total	**119,734**	**100.0**	**151,107**	**100.0**	**-20.8**

Sales in all segments were lower than in the previous year, as a consequence of the economic crisis, with the exception of *Spare Parts and Accessories,* for which consumption is linked to use of the machines rather than to the sale of new models.
Specifically, the *Construction&Industry* segment was heavily affected by the collapse of the building sector.
The *Agriculture&Forestry* segment was hit by the fall in sales in the chain saw family of machines, while products for working the land suffered less the negative economic context.
The reduction in sales in the *Gardening* sector is largely due to the unfavourable economic climate.

The geographical breakdown of sales is shown in the following table:

€/000	1H 2009	%	1H 2008	%	% Ch.
Italy	25,657	21.4	27,762	18.4	-7.6
Europe	77,577	64.8	105,482	69.8	-26.5
Rest of the World	16,500	13.8	17,863	11.8	-7.6
Total	**119,734**	**100.0**	**151,107**	**100.0**	**-20.8**

Sales in the Italian market and in the Rest of the World were characterized by a negative first quarter and by a slight recovery in the second quarter, obtaining results in line with, or slightly below those of the previous year. The European market was particularly influenced by the negative trend in Eastern European countries, especially in Russia.
In some areas Group sales to the distribution network suffered from the redressing of the excess inventories built up at the end of last year.

Profits' analysis

-EBITDA

In the second quarter of 2009, Ebitda amounted to € 7,253 thousand against € 13,363 thousand in the corresponding quarter in the last financial year, decreasing by 45.7%.

In the specific, the following factors had a negative effect on the figure:
- lower sales volumes;
- the foreign currencies trend.

In the first half of 2009, Ebitda amounted to € 15,912 thousand against € 24,149 thousand in the corresponding period in the last financial year, a decrease of 34.1%.

The figure of the period was positively affected by:
- an increase in sales prices;
- the containment in operating costs, especially with reference to external work, transportation and the rationalization of the commercial and promotional activities;
- the reduction of the personnel costs due to the reorganization of the company processes and the decrease of production volumes. The Group's average number of employees and temporary workers in the first half of 2009 was 1,092 (995 under the same scope of consolidation), while it was 1,118 in the first half of 2008.

On the other side, the following factors had a negative effect on the figure:
- lower sales volumes;
- product mix;
- the foreign currencies trend.

Ebitda as a percentage of revenues has moved from 16% at 30 June 2008, to 13.3% (13.1% under the same scope of consolidation) at 30 June 2009.

-EBIT

In the second quarter of 2009, Ebit amounted to € 5,553 thousand against € 11,771 thousand in the corresponding quarter in the last financial year, a decrease of 52.8%.

In the first half-year of 2009, Ebit amounted to € 12,379 thousand against € 21,048 thousand in the corresponding period of last year, a decrease of 41.2%.

Amortization and depreciation provisions have moved from € 3,101 thousand in the first half-year 2008 to € 3,533 thousand in the first half year 2009, bringing Ebit as a percentage of sales from 13.9% at 30 June 2008, to 10.3% (10.4% under the same scope of consolidation) at 30 June 2009.
Non annualized Ebit as a percentage of net invested capital has moved from 14.9% at 30 June 2008, to 7.5% (7.8% under the same scope of consolidation) at 30 June 2009.

-Net profit

Net profit in the second quarter 2009 amounted to € 3,572 thousand against € 8,670 thousand for the corresponding quarter in the last financial year, decreasing by 58.8%.

Net profit for the first six months of 2009 amounted to € 7,474 thousand against € 14,743 thousand for the same period of last year, a decrease of 49.3%.

The financial result is positively affected by the decrease of interest rates, despite the increase of the net debt compared to the same period of last year, while it's negatively affected by the foreign currencies trend.

The tax rate in the first half-year of 2009 was 29.1%, higher that the 25.7% for the same period in the previous financial year, due to an unfavourable distribution of the profit among the countries in which the Group operates.

Highlights from the consolidated balance sheet

31.12.2008	€/000	30.06.2009	30.06.2008
58.014	Net non-current assets	59.400	48.213
103.199	Net working capital	104.909	92.953
161.213	**Total net capital employed**	**164.309**	**141.166**
99.407	Equity	102.202	100.348
(61.806)	Net financial position	(62.107)	(40.818)

- Net non-current assets

During 1H 2009 Emak Group invested €5,027 thousand in property, plant and equipment and intangible assets, as follows:

- € 838 thousand for product innovation;
- € 363 thousand for adjustment of production capacity and for process innovation;
- € 347 thousand for upgrading the computer network system;
- € 3,390 for the construction of new industrial buildings;
- € 89 thousand for other managerial working investments.

Investments broken down by geographical area are as follows:

- € 3,135 thousand in Italy;
- € 160 thousand in Europe;
- € 1,732 thousand in the Rest of the World.

- Net working capital

Net working capital was € 1,710 thousand higher than at the end of December 2008, moving from € 103,199 thousand to € 104,909 thousand.

The chart below shows changes in net working capital in the first six months of 2009 and in the corresponding period of the previous year:

€/000	1H 2009	1H 2008
Net working capital at 01 January	**103,199**	**81,071**
increase/(decrease) in inventories	(19,544)	8,221
increase/(decrease) in trade receivables	2,788	23,823
(Increase)/decrease in trade payables	21,156	(14,627)
Other changes	(2,690)	(5,535)
Net working capital at 30 June	**104,909**	**92,953**

The decrease in the value of inventories and in trade payables is attributable to the reduction of the inventories of finished products, components and to the slowdown in production.

- Equity

Total equity amounts to € 102,202 thousand compared with 99,407 thousand at 31 December 2008. Earnings per share at 30 June 2009 are € 0.273, against € 0.538 for the same period of last year.

- Net financial position

Net debt increases from € 61,806 thousand at 31 December 2008 to € 62,107 thousand at 30 June 2009.

Free cash flow from operations was € 11,007 thousand after tax, compared with € 17,844 thousand in the same period of last year.

The net financial position is made up as follows:

31.12.2008	€/000	30.06.2009	30.06.2008
4,306	Cash and banks	9,885	14,323
317	Securities and derivative financial instruments	5	0
24	Other financial assets	5	2
(66,314)	Financial liabilities	(71,676)	(54,929)
(139)	Derivative financial instruments	(326)	(214)
(61,806)	**Total net debt**	**(62,107)**	**(40,818)**

The net financial position does not include balances with related parties.

8.Dealings with related parties

Please refer to note n.32.

9.Buy back of Emak S.p.A. shares

Emak S.p.A. held 382,163 treasury shares at 31 December 2008, worth € 1,979thousand.
During the first half 2009 Emak S.p.A. purchased 12,020 treasury shares worth € 39 thousand. As a result at 30 June 2009 the company held in portfolio 394,183 treasury shares, worth € 2,019 thousand.

10.Outstanding disputes

There are no outstanding disputes as discussed in note n. 29.

11.Forecast operating trends, main risks and uncertainties.

The first half of the year has been characterized by the protraction of the crises that started in the last quarter of 2008.
Despite the signals of stabilization of the scenario and of weak recovery in consumer's confidence, a real upturn in consumption will take place only during next year.
In this scenario, the Group is carrying on its actions of cost reduction, optimization of processes and control of the inventories' level, in order not to compromise its financial and economic balance.
it is presumable that the distribution network will focus on maintaining inventories at low levels waiting for the consumers' demand recovery. Other external factor that could have an impact on the Group's results, beside the economic scenario, can be identified in the trend of: exchange rate, raw material prices and meteorological conditions.
Due to the continuing of the crisis beyond the forecasts of the beginning of the year and the uncertainty of its evolution, we consider consistent to review our 2009 outlook with an estimate of sales' decrease between 15% and 20% compared to the previous forecast of a decrease between 10% and 15%.

12. Subsequent events

There are no significant subsequent events.

13. Other information

Emak meets the requirements for belonging to the STAR segment.

The company has its own Ethical Code and has set up an Organisation, Management and Control Model in accordance with art. 6 of Legislative Decree 231/01. It constantly updates the Model, with regards to the evolution of its corporate structure, to changes in the way the company carries out its activities and to legislative changes that occur from time to time.
The Supervisory Body, which reports on its activity to the Board of Directors on a periodic basis, has set up a project for the continuous training and instruction of all employees with reference to the Model and to the operating procedures established for single management areas.

Bagnolo in Piano (RE), 7 August 2009

On behalf of the Board of Directors

The Chairman

Giacomo Ferretti

Emak Group– Consolidated financial statements and explanatory notes at 30 June 2009

Consolidated income statement

Y 2008	€/000	Notes	I H 2009	I H 2008
243,449	Sales	8	119,734	151,107
2,391	Other operating incomes	8	1,029	928
13,169	Change in inventories		(19,780)	(866)
(151,434)	Raw and consumable materials and goods		(51,645)	(86,595)
(34,001)	Salaries and employee benefits	9	(15,656)	(18,094)
(41,917)	Other operating costs	10	(17,770)	(22,331)
(6,744)	Amortization, depreciation and impairment losses	11	(3,533)	(3,101)
24,913	**Ebit**		**12,379**	**21,048**
588	Financial income	12	243	215
(3,941)	Financial expenses	12	(1,642)	(1,878)
(655)	Exchange gains and losses		(443)	468
20,905	**EBT**		**10,537**	**19,853**
(6,039)	Income taxes	13	(3,063)	(5,110)
14,866	**Net profit**		**7,474**	**14,743**
(44)	**(Profit)/loss attributable to minority interests**		**(36)**	**(31)**
14,822	**Net profit attributable to the group**		**7,438**	**14,712**
0.543	**Basic earnings per share**	14	**0.273**	**0.538**
0.543	**Diluted earnings per share**	14	**0.273**	**0.538**

Comprehensive income statement

Y 2008	Figures in thousands of euros	Notes	I H 2009	I H 2008
14,866	**Net profit (A)**		**7,474**	**14,743**
(343)	Profits/(losses) deriving from the conversion of foreign company accounts		**(519)**	**535**
(343)	**Total other components to be included in the comprehensive income statement (B):**		**(519)**	**535**
14,523	**Comprehensive net profit (A)+(B)**		**6,955**	**15,278**
(44)	**Comprehensive net profit attributable to minority interests**		**(36)**	**(31)**
14,479	**Comprehensive net profit attributable to the group**		**6,919**	**15,247**

Consolidated balance sheet

ASSETS

31.12.2008	€/000	Notes	30.06.2009	30.06.2008
	Non-current assets			
50,991	Property, plant and equipment	15	52,602	42,286
3,318	Intangible assets	17	3,093	2,788
10,101	Goodwill	18	9,709	9,330
136	Investment property	16	117	155
224	Equity investments		224	224
3,320	Deferred tax assets	25	3,229	3,456
0	Other financial assets		4	1
852	Other receivables	20	924	859
68,942	**Total**		**69,902**	**59,099**
	Non-current assets held for sale			
	Current assets			
89,258	Inventories	21	69,715	74,654
72,897	Trade and other receivables	20	74,894	87,852
3,440	Current tax assets		1,038	1,234
24	Other financial assets		1	1
317	Derivative financial instruments		5	0
0	Marketable securities at fair value		0	0
4,306	Cash and cash equivalents		9,885	14,323
170,242	**Total**		**155,538**	**178,064**
239,184	**TOTAL ASSETS**		**225,440**	**237,163**

EQUITY AND LIABILITIES

31.12.2008	€/000	Notes	30.06.2009	30.06.2008
	Capital and reserves			
7,190	Share capital		7,190	7,190
21,047	Share premium		21,047	21,047
(1,979)	Treasury shares		(2,019)	(1,836)
30,054	Other reserves		29,657	30,932
42,569	Retained earnings		45,796	42,513
98,881	**Total Group**	**22**	**101,671**	**99,846**
526	**Minority interests**		**531**	**502**
99,407	**Total equity**		**102,202**	**100,348**
	Non-current liabilities			
26,728	Loans and borrowings	24	34,494	21,993
3,044	Deferred tax liabilities	25	2,806	2,670
5,017	Post-employment benefits	26	5,042	5,091
638	Provisions	27	668	628
2,228	Other non-current liabilities	28	1,981	2,495
37,655	**Total**		**44,991**	**32,877**
	Current liabilities			
59,902	Trade and other payables	23	37,531	64,904
2,167	Current tax liabilities		2,884	5,388
39,586	Loans and borrowings	24	37,182	32,937
139	Derivative financial instruments	19	326	214
328	Provisions	27	324	495
102,122	**Total**		**78,247**	**103,938**
239,184	**TOTAL EQUITY AND LIABILITIES**		**225,440**	**237,163**

Statement of changes in consolidated equity at 30.06.2008

€/000	Share capital	Share premium	Treasury shares	OTHER RESERVES				RETAINED EARNINGS		TOTAL GROUP	EQUITY ATTRIBUTABLE TO MINORITY INTERESTS	TOTAL
				Legal reserve	Revaluation reserve	Cumulative translation adjustment	Other reserves	Retained earnings	Net profit for the period			
Balance at 31.12.2007	**7,190**	**21,047**	**(1,516)**	**1,438**	**1,138**	**210**	**27,611**	**18,625**	**15,181**	**90,924**	**515**	**91,439**
Change in treasury shares			(320)							**(320)**		**(320)**
Payment of dividends								9,173	(15,181)	**(6,008)**	(44)	**(6,052)**
Other changes								3		**3**		**3**
Comprehensive net profit for the period						535			14,712	**15,247**	31	**15,278**
Balance at 30.06.2008	**7,190**	**21,047**	**(1,836)**	**1,438**	**1,138**	**745**	**27,611**	**27,801**	**14,712**	**99,846**	**502**	**100,348**

Statement of changes in consolidated equity at 31.12.2008 and at 30.06.2009

€/000	Share capital	Share premium	Treasury shares	OTHER RESERVES				RETAINED EARNINGS		TOTAL GROUP	EQUITY ATTRIBUTABLE TO MINORITY INTERESTS	TOTAL
				Legal reserve	Revaluation reserve	Cumulative translation adjustment	Other reserves	Retained earnings	Net profit of the period			
Balance at 31.12.2007	**7,190**	**21,047**	**(1,516)**	**1,438**	**1,138**	**210**	**27,611**	**18,625**	**15,181**	**90,924**	**515**	**91,439**
Change in treasury shares			(463)							**(463)**		**(463)**
Payment of dividends								9,173	(15,181)	**(6,008)**	(44)	**(6,052)**
Other changes								(51)		**(51)**	11	**(40)**
Comprehensive net profit for 2008						(343)			14,822	**14,479**	44	**14,523**
Balance at 31.12.2008	**7,190**	**21,047**	**(1,979)**	**1,438**	**1,138**	**(133)**	**27,611**	**27,747**	**14,822**	**98,881**	**526**	**99,407**
Change in treasury shares			(40)							**(40)**		**(40)**
Profit reclassification								10,733	(14,822)	**(4,089)**	(31)	**(4,120)**
Other changes							122	(122)		**0**		**0**
Comprehensive net profit						(519)			7,438	**6,919**	36	**6,955**
Balance at 30.06.2009	**7,190**	**21,047**	**(2,019)**	**1,438**	**1,138**	**(652)**	**27,733**	**38,358**	**7,438**	**101,671**	**531**	**102,202**

Consolidated cash flow statement

2008	(€/000)	Notes	30.06.2009	30.06.2008
	Cash flow from operations			
14,866	**Net profit for the period**		**7,474**	**14,743**
6,744	Amortization, depreciation and impairment losses	11	3,533	3,101
(670)	(Capital gains)/losses on disposal of property, plant and equipment		(216)	(12)
(1,086)	Decreases/increases in trade and other receivables		424	(15,497)
(13,298)	Decreases/increases in inventories		19,543	857
1,910	Decreases/increases in trade and other payables		(22,139)	12,873
(194)	Change in post-employment benefits		25	(120)
(75)	Decreases/increases in provisions for liabilities	27	26	81
(281)	Decreases/increases in derivative financial instruments		498	110
7,916	**Net cash generated by operations**		**9,168**	**16,136**
	Cash flow from investment activities			
(15,264)	Increases in property, plant and equipment and intangible assets		(4,605)	(5,676)
(16)	Increases and decreases in financial assets		21	7
702	Proceeds from disposal of property, plant and equipment		312	12
(6,533)	Bertolini merger (1)		0	0
(2,550)	Tailong acquisition (2)		(4,272)	(6,536)
(21,111)	**Net cash absorbed by investment activities**		**(4,272)**	**(5,657)**
	Cash flow from financial activities			
(502)	Change in equity		(40)	(317)
10,291	Change in short and long-term loans and borrowings		3,434	8,198
(465)	Change in finance leases		246	(231)
(6,052)	Dividends paid		(4,120)	(6,052)
(343)	Change in translation reserve		(519)	535
2,929	**Net cash absorbed by financial activities**		**(999)**	**2,133**
(10,266)	**NET INCREASE IN CASH AND CASH EQUIVALENTS**		**3,897**	**12,612**
(2,516)	**OPENING CASH AND CASH EQUIVALENTS**		**(15,332)**	**(2,516)**
(15,332)	**CLOSING CASH AND CASH EQUIVALENTS**		**(11,435)**	**3,560**

ADDITIONAL INFORMATION ON THE CASH FLOW STATEMENT

2008	(€/000)	30.06.2009	30.06.2008
	RECONCILIATION OF CASH AND CASH EQUIVALENTS		
(2,516)	**Opening cash and cash equivalents, detailed as follows:**	**(15,332)**	**(2,516)**
6,036	Cash and cash equivalents	4,306	6,036
(8,552)	Overdrafts	(19,638)	(8,552)
(15,332)	**Closing cash and cash equivalents, detailed as follows:**	**(11,435)**	**3,560**
4,306	Cash and cash equivalents	9,885	14,323
(19,638)	Overdrafts	(21,320)	(10,763)
	Other information:		
198	Change in related party receivables and service transactions	(196)	536
(2,088)	Change in related party payables and service transactions	(1,399)	(594)

Explanatory notes to the consolidated financial statements of the Emak Group.

Notes to the consolidated financial statements - Contents

1. General information

The Board of Directors approved the consolidated financial statements of Emak S.p.A. for at 30 June 2009 on 7 August 2009 and authorized their immediate publication in a press release of the same date.

The Emak Group is one of Europe's leading producers of gardening, forestry and small-scale agricultural machinery, such as chainsaws, brushcutters, lawnmowers, trimmers and a vast assortment of accessories.

The parent company is a public limited company, whose shares are listed on the Italian stock exchange. Its registered office is in Via Fermi 4, Bagnolo in Piano (Reggio Emilia), Italy.

The group has around 950 employees.

EMAK is controlled by YAMA S.p.A., which holds the majority of its share capital on a permanent basis and, in accordance with the law and with the articles of association, appoints the most of its corporate Bodies.
EMAK S.p.A.'s Board of Directors, however, makes its own strategic decisions and operates autonomously.

EMAK S.p.A. has set up specific procedures for regulating decisions that place certain Directors in positions of conflict of interest and for the carrying out of related party transactions. The aim in all cases is to protect the company and its assets in the best way possible.

The figures presented in the notes are expressed in thousands of euro, unless otherwise stated.

2. Summary of principal accounting policies

The principal accounting policies used for preparing these consolidated financial statements are discussed below, and unless otherwise indicated, have been uniformly applied to all years presented.

2.1 General methods of preparation

The Emak Group's consolidated financial statements at 30 June 2008 have been prepared in accordance with IAS 34 (Interim Financial Reports), and currently applicable CONSOB regulations and resolutions.
The consolidated financial statements have been prepared in accordance with the IFRS issued by the International Accounting Standards Board and adopted by the European Union at the date of preparing this report. The term IFRS also refers to all revised international accounting standards (IAS) and all interpretations by the International Financial Reporting Interpretations Committee (IFRIC), previously named the Standing Interpretations Committee (SIC).
The consolidated financial statements have been prepared under the historical cost method, except for those financial assets and liabilities (including derivative instruments) measured at fair value.
The group has adopted the following formats for its financial statements as required by IAS 1:
-Balance sheet: based on the distinction between current and non-current assets and current and non-current liabilities;
-Income statement: based on a classification of items of income and expense according to their nature.
- Cash flow statement: movements in liquid funds prepared according to the indirect method.

The preparation of financial statements under IFRS requires management to make use of accounting estimates. The matters involving a high degree of judgement or complexity and the areas in which the assumptions and estimates could have a significant impact on the consolidated financial statements are discussed in note 4.

2.2 Methods of consolidation

The consolidated financial statements include the financial statements of Emak S.p.A. and the Italian and foreign companies over which Emak exercises direct or indirect control by governing their financial and operating policies and receiving the related benefits. The subsidiary Jiangmen Emak Outdoor Power Equipment Co. Ltd. has been consolidated as a wholly-owned subsidiary in view of the commitment to buy back the 49% interest held by Simest S.p.A.. Subsidiaries are consolidated line-by-line from the date that the group obtains control.
The acquisition of subsidiaries is accounted for using the purchase method. The purchase method initially corresponds to the fair value of the assets acquired, the financial instruments issued and the liabilities at the date of acquisition, as increased for any directly attributable acquisition costs, and ignoring any minority interests. The excess of the cost of acquisition over the group's share of the fair value of the net assets acquired is recognized as goodwill. If the cost of acquisition is lower, the difference is directly expensed to income.
Intragroup balances, transactions and unrealized gains are eliminated. Unrealized losses are also eliminated unless the cost of the asset transferred reports an impairment loss. The financial statements of consolidated companies are duly amended, where necessary, to make them consistent with the group's accounting policies.

The scope of consolidation at 30 June 2009 is unchanged compared to 31 December 2008, while it includes the company Tai Long (Zhuhai) machinery Manufacturing Ltd.

The scope of consolidation at 30 June 2009 therefore includes the following companies:

Name	Head office	Share capital	Currency	% consolidated	Held by	% interest held
Emak S.p.A.	Bagnolo in Piano - RE (I)	7.189.910	€			
Emak Suministros Espana SA	Getafe-Madrid (E)	270.459	€	90,000	Emak S.p.A.	90,000
Comag S.r.l.	Pozzilli - IS (I)	1.850.000	€	99,442	Emak S.p.A.	99,442
Emak U.K. Ltd	Lichfield (UK)	17.350	GBP	100,000	Emak S.p.A.	100,000
Emak Deutschland Gmbh	Fellbach-Oeffingen (D)	553.218	€	100,000	Emak S.p.A.	100,000
Emak Benelux NV	Meer (B)	130.000	€	99,999	Emak S.p.A. Comag S.r.l.	99,800 0,200
Emak France SAS	Rixheim (F)	2.000.000	€	100,000	Emak S.p.A.	100,000
Jiangmen Emak Outdoor Power Equipment Co.Ltd (*)	Jiangmen (RPC)	18.171.788	RMB	100,000	Emak S.p.A.	100,000
Victus-Emak Sp. Z o.o.	Poznan (PL)	10.168.000	PLN	100,000	Emak S.p.A.	100,000
Emak USA Inc.	Wooster-Ohio (USA)	50.000	USD	100,000	Emak S.p.A.	100,000
Tai Long (Zhuhai) machinery Manufacturing Ltd.	Zhuhai (RPC)	16.353.001	RMB	100,000	Emak S.p.A.	100,000

(*) The group's interest includes the 49% holding by Simest S.p.A.. Under the contract signed in December 2004 and subsequent additions thereto, the interest held by Simest S.p.A. is the subject of a binding agreement for repurchase by Emak S.p.A. on 30 June 2013.

2.3 Criteria for defining business segments

IFRS 8, replacing IAS 14 and applied by the Group from 1 January 2008, provides for information to be given for certain items in the financial statements on the basis of the operational segments of the company.

An operating segment is a component of a company:

(a) that carries on business activities generating costs and revenues;
(b) whose operating results are reviewed on a periodic basis at the highest executive levels for the purpose of taking decisions about resources to be allocated to the sector and for the evaluation of results; and
(c) for which separate reporting information is available.

IFRS 8 is based on the so-called “management approach”, which defines sectors exclusively on the basis of the internal organisational and reporting structure used to assess performance and allocate resources.

On the basis of the new criteria for the definition of the operating segments introduced by IFRS 8, the Group identified, following the “management approach” a single segment of activity: production and distribution of agriculture, forestry and gardening machinery.

2.4 Translation differences

(a) Functional currency and presentation currency
Transactions included in the financial statements of each group company are recorded using the currency of the primary economic environment in which the company operates (functional currency). The consolidated financial statements are presented in euro, the functional and presentation currency of the parent company.

(b) Transactions and balances
A foreign currency transaction is translated using the rate of exchange at the date of the transaction. Exchange gains and losses arising upon receipt and payment of the foreign currency amounts and upon translation at closing rates of monetary items denominated in a foreign currency are reported in profit or loss for the period. Gains and losses realized on cash flow hedges whose hedged items are still unrealized are deferred in equity.

(c) Group companies
The financial statements of all group companies whose functional currency differs to the presentation currency of the consolidated financial statements are translated as follows:
(i) assets and liabilities are translated at the closing rate on the balance sheet date;
(ii) income and expenses are translated at the average rate for the period;
(iii) all translation differences are recognized as a separate reserve under equity ("cumulative translation adjustment").

The exchange rates used to translate these financial statements are as follows:

Amount of currency corresponding to €1	**1H 2009 average**	**30.06.2009**	**FY 2008 average**	**31.12.2008**
Pounds sterling (GB)	0,89	0,85	0,80	0,95
Renminbi (China)	9,10	9,64	10,22	9,66
Zloty (Poland)	4,48	4,45	3,51	4,15
Dollars (Usa)	1,33	1,41	1,47	1,39

2.5 Description of accounting policies applied to individual items

Details of the accounting policies applied to individual items within the financial statements can be found in sections 2.5 to 2.27 of the explanatory notes to the consolidated financial statements at 31 December 2008.

2.6. New accounting principles

The following changes in IAS/IFRA standards, approved by the IASB and by the IFRIC and applicable for the first time from 1 January 2009, have been adopted in this half-year report:

- IAS 1 "Presentation of Financial Statements": a non-substantial revision involving a change in the name of certain schedules making up the financial statements. It introduces the obligation to present, in a unique schedule (called the "statement of comprehensive income") or in two separate schedules (income statement and statement of comprehensive income), the components making up the profit or loss for the period and the income and charges relating directly to equity for operations other than those undertaken with shareholders. Transactions with shareholders are instead shown in the statement of changes in equity, a mandatory schedule. With reference to the statement of comprehensive income, the Group has opted for the presentation of two separate schedules.

- IAS 23 "Borrowing costs": changes eliminating the option making it possible to show borrowing costs attributable to the acquisition, construction or production of an asset directly in the income statement, and instead requires their capitalisation as part of the cost of the asset. The Group has consequently modified its accounting policy.

As permitted by the standard, the amendment to the standard has been adopted as from the effective date. As a result, borrowing costs have been capitalised to increase the cost of qualifying assets as from 1

January 2009. No changes have been made with regards to borrowing costs regularly recorded as cost previous to the aforementioned date.

The IFRS 8 standard relating to operating segments, introduced through EC regulation no. 1358/2007 has, on the other hand, been adopted by the Group in advance, during 2008.

Other IAS/IFRS changes approved by the IASB and by the IFRIC, and applicable for the first time from 1 January 2009, have had no impact on this report.

3. Capital and financial risk management

Details can be found in the explanatory notes to the consolidated financial statements at 31 December 2008.

4. Key accounting estimates and assumptions

The preparation of the financial statements and the related notes under IFRS has required management to make estimates and assumptions affecting the value of reported assets and liabilities and the disclosures relating to potential assets and liabilities at the balance sheet date. Actual results could differ from these estimates. Estimates are used for recording provisions for doubtful accounts and inventory obsolescence, amortization and depreciation, writedowns to assets, employee benefits, taxes and other provisions. Estimates and assumptions are reviewed periodically and the effects of any change are immediately reflected in the income statement.

5. Significant non-recurring events and transactions

During the first half-year 2009 there have been no significant non-recurring events and transactions.

6. Balances or transactions arising from atypical and unusual operations

No atypical or unusual transactions took place in the first half of 2009.

7. Net financial position

Details of the net financial position are summarized in the following table:

€/000	30.06.2009	31.12.2008	30.06.2008
Cash and banks	9,885	4,306	14,323
Securities and derivative financial instruments	5	317	0
Other financial assets	1	24	1
Financial liabilities	(37,182)	(39,586)	(32,936)
Derivative financial instruments	(326)	(139)	(214)
Short-term net debt	**(27,617)**	**(35,078)**	**(18,826)**
Other financial assets	4	0	1
Financial liabilities	(34,494)	(26,728)	(21,993)
Long-term net debt	**(34,490)**	**(26,728)**	**(21,992)**
Cash and banks	9,885	4,306	14,323
Securities and derivative financial instruments	5	317	0
Other financial assets	5	24	2
Financial liabilities	(71,676)	(66,314)	(54,929)
Derivative financial instruments	(326)	(139)	(214)
Total net debt	**(62,107)**	**(61,806)**	**(40,818)**

The net financial position does not include balances with related parties

8. Sales and other operating income

Details of sales are as follows:

€/000	1H 2009	1H 2008
Net sales revenues (net of discounts and rebates)	118,827	150,278
Revenues from recharged transport costs	1,090	1,023
Returns	(183)	(194)
Total	**119,734**	**151,107**

Other operating income is analyzed as follows:

€/000	1H 2009	1H 2008
Capital gains on disposal of property, plant and equipment	223	20
Government grants	68	67
Other operating income	306	257
Total	432	584
Capital gains on disposal of property, plant and equipment	**1,029**	**928**

9. Salaries and employee benefits

Details of these costs are as follows:

€/000	1H 2009	1H 2008
Wages and salaries	10,995	11,988
Social security charges	3,169	3,564
Employee terminationn indemnities	513	619
Other costs	368	438
Directors' emoluments	145	647
Temporary staff	466	838
Total payroll costs	**15,656**	**18,094**

10. Other operating costs

Details of these costs are as follows:

€/000	1H 2009	1H 2008
Subcontract work	2,171	3,038
Maintenance	976	929
Transportation	4,675	6,702
Advertising and promotions	1,612	2,371
Commissions	1,552	1,696
Travel	437	678
Consulting fees	827	1,141
Other services	2,630	3,369
Services	**14,880**	**19,924**
Leases and rentals	**1,779**	**1,078**
Increases in provisions (note 27)	**30**	**145**
Other costs	**1,081**	**1,184**
Total	**17,770**	**22,331**

The most significant decreases refer to “Subcontract work” and “Transportation” due to the lower volumes moved and to “Advertising and Promotion” due to the rationalization of the commercial activities. The increase of “Leases and Rentals” is attributable to the outsourcing of the distribution logistic.

11. Amortization, depreciation and impairment losses

Details of these costs are as follows:

€/000	1H 2009	1H 2008
Amortization of intagible assets (note 17)	463	496
Depreciation of property, plant and equipment (note 15)	3,052	2,587
Depreciation of investment property (note 16)	18	18
Total	**3,533**	**3,101**

12. Finance income and expenses

Details are as follows:

€/000	1H 2009	1H 2008
Interest on trade receivables	180	98
IInterest on bank and post office accounts	36	102
Other financial income	27	14
Financial income	**243**	**215**

€/000	1H 2009	1H 2008
Interest on long-term bank loans and borrowings	525	530
Interest on short-term bank loans and borrowings	590	877
Interest expense and discounts given	157	210
Financial charges from valuing employee termination indemnities (note 26)	106	113
Other financial costs	264	148
Financial expenses	**1,642**	**1,878**

13. Taxes on income

The estimated charge for current tax and changes in deferred tax assets and liabilities in the first half of 2009 is € 3,063 thousand (€5,110 thousand in the corresponding prior year period).

The tax rate in the first half-year of 2009 was 29.1%, higher than the 25.7% for the same period in the previous financial year by 3.4 percentage points.

The increase is mainly due to the unfavourable distribution of the profits between the countries in which the Group operates.

14. Earnings per share

“Basic" earnings per share are calculated by dividing the net profit for the period attributable to the parent company's shareholders by the weighted average number of ordinary shares outstanding during the period, excluding the average number of ordinary shares purchased or held by the parent company as treasury shares. The parent company has only ordinary shares outstanding.

€/000	1H 2009	1H 2008
Net profit attributable to ordinary shareholders in the parent company (€/000)	7,438	14,712
Weighted average number of ordinary shares outstanding	27,264,225	27,331,027
Basic earnings per share (€)	**0.273**	**0.538**

L’utile per azione diluito coincide con l’utile per azione base.

15. Property, plant and equipment

Changes in property, plant and equipment are shown below:

€/000	31.12.2008	Increases	Decreases	Other changes	Exchange difference	30.06.2009
Land and buildings	34,518	1,365	-	8	3	35,894
Accumulated depreciation	(7,569)	(475)	-	-	3	(8,041)
Land and buildings	**26,949**	**890**	**-**	**8**	**6**	**27,853**
Plant and machinery	18,291	312	(205)	-	13	18,411
Accumulated depreciation	(10,037)	(760)	183	-	6	(10,608)
Plant and machinery	**8,254**	**(448)**	**(22)**	**-**	**19**	**7,803**
Other assets	52,814	902	(138)	77	(14)	53,641
Accumulated depreciation	(42,116)	(1,817)	97	-	30	(43,806)
Other assets	**10,698**	**(915)**	**(41)**	**77**	**16**	**9,835**
Advances	**5,090**	**2,199**	**(33)**	**(145)**	**-**	**7,111**
Net book value	**50,991**	**1,726**	**(96)**	**(60)**	**41**	**52,602**

The increase in land and buildings refers mainly to the progress of work for the construction of:
- a new spare parts logistical centre situated in Bagnolo in Piano (Re)
- a production plant in Jiangmen (China).

The increase in plant and machinery refers to investments carried out in order to improve the efficiency of the production processes in the plants of the Group.

The increase in other fixed assets mostly relates to the purchase of dies, with the remaining part relating to various equipment.

The breakdown of tangible fixed assets by geographical area is as follows:

- Italy	€ 37,230 thousand;
- Europe	€ 4,028 thousand;
- Rest of the World	€ 11,344 thousand;
Total	**€ 52,602 thousand**.

16. Investment property

This refers to a building leased to a company in the Yama Group. Its gross value at period end is unchanged since 31 December 2008 at € 1,257 thousand, while the associated accumulated depreciation amounts to € 1,140 thousand (€ 1,121 thousand at the end of 2008).

17. Intangible assets

Intangible assets report the following changes:

€/000	31.12.2008	Increases	Other changes	Exchange difference	30.06.2009
Development costs	1,301				1,301
Accumulated amortization	(828)	(27)			(855)
Development costs	**473**	**(27)**			**446**
Patents and intellectual property rights	5,546	161	67	-6	5,768
Accumulated amortization	(4,280)	(332)		9	(4,603)
Patents	**1,266**	**(171)**	**67**	**3**	**1,165**
Concessions, licences and trademarks	676	3		(40)	639
Accumulated amortization	(392)	(59)		24	(427)
Concessions, licences and trademarks	**284**	**(56)**		**(16)**	**212**
Other intangible assets	2,916	17			2,933
Accumulated amortization	(1,961)	(45)		2	(2,004)
Other intangible assets	**955**	**(28)**		**2**	**929**
Advances	**340**	**68**		**(67)**	**341**
Net book value	**3,318**	**(214)**		**(11)**	**3,093**

The increase in patents and intellectual property rights refers to the purchase of new software programmes.

All the intangible assets have a finite residual life.

18. Goodwill

The goodwill of € 9,709 thousand reported at 30 June 2009 can be separated into two parts as follows:

€/000	31.12.2008	Increases	Exchange difference	30.06.2009
Goodwill on the purchase of Victus Eco Sp. Z.o.o.	898	-	(61)	837
Goodwill on the purchase of the Victus IT business	4,962	-	(332)	4,630
Goodwill from the merger of Bertolini S.p.A. (note 7)	2,074	-	-	2,074
Goodwill from the acq. of Tailong Machinery Ltd. (note 7)	2,167	-	1	2,168
Total	**10,101**	**-**	**392**	**9,709**

- goodwill on the purchase of Victus Emak Sp.z.o.o., amounting to € 837 thousand, refers to the difference between the purchase price for 100% of Victus Emak Sp. z.o.o. and its equity at the date of acquisition, while the amount of € 4,630 thousand refers to the purchase of the business of Victus International Trading SA.

- the amount of € 2,074 thousand relates to the positive difference emerged from the merger through incorporation of the company Bertolini S.p.A. in Emak S.p.A.;

- the amount of € 2,167 thousand relates to the difference between refers to the difference between the purchase price for 100% of Tailong (Zhuai) Ltd and its equity at the date of acquisition.

Considering the situation of economic crisis and the downturn of the Group's sales, we checked the recoverability of goodwill doing the impairment tests with the Discountes Cash Flows..

From the tests made on future plans, revised considering the particular circumstances due to the economic crisis, no indications arised suggesting the need for further check to the amounts reported in the financial statements.

19. Derivative financial instruments

The financial statements values relate to changes in the fair value of financial instruments for:
-hedging purchases in foreign currency;
-hedging the risk of changes in interest rates.

At 30 June 2008 there were outstanding forward currency agreements for the purchase of:

- € 540 thousand expiring by August 2009 at an average exchange rate of 0.84 Pounds Sterling (regarding hedging operations carried out by the U.K. subsidiary Emak U.K. Ltd.);
- € 1,600 thousand expiring by August 2009 at an average exchange rate of 9.34 Renmimbi (regarding hedging operations carried out by the Chinese subsidiary Jiangmen Emak Outdoor Power Equipment Co. Ltd.)
- JPY 37,590 thousand maturing by end of October 2009 at an average exchange rate of € 130.6 (relating to hedges taken out by the parent company Emak S.p.A. and the French subsidiary Emak France SAS);
- USD 1,281 thousand maturing by end of November 2009 at an average exchange rate of €1.380 (relating to hedges taken out by the parent company Emak S.p.A. and the French subsidiary Emak France SAS);

At 30 June 2009 there are also contracts of purchase's options of foreign currency underwritten by the parent company Emak S.p.A. for a total amount of € 300 thousand at an average exchange rate of € 1.37, maturing by end of September 2009.

The Parent company, Emak S.p.A., has also underwritten a number of IRS contracts and options on interest rate, with the objective of hedging the risk of changes in interest rates for a notional amount of € 25,597 thousand, at an average interest rate of 3.2%.

These contracts will close in 2014 and are valued at fair value represented by the "market to market" price provided by the Bank.

All the contracts, while having the purpose and characteristics of hedging operations, do not formally comply with the rules for being accounted for as such. For this reason all the changes in fair value have been recorded in the income statement in the relevant financial period on the accruals basis.

20. Trade and other receivables

€/000	30.06.2009	31.12.2008
Trade receivables	71,187	68,518
Provision for doubtful accounts	(1,660)	(1,585)
Net trade receivables	**69,527**	**66,933**
Receivables from related parties (Note 32)	1,814	1,618
Other receivables	2,917	3,832
Prepaid expenxses and accrued income	636	514
Total current portion	**74,894**	**72,897**
Other non current receivables	921	852
Prepaid expenses and accrued income	3	0
Total non-current portion	**924**	**852**

All non-current receivables fall due within 5 years.

21. Inventories

Inventories are detailed as follows:

€/000	30.06.2009	31.12.2008
Raw, ancillary and consumable materials	27,054	38,050
Work in progress and semifinished products	8,222	10,734
Finished products and goods for resale	34,439	40,474
Total	**69,715**	**89,258**

Inventories are stated net of a provision of € 1,442 thousand at 30 June 2009 (€ 1,683 thousand at 31 December 2008). The purpose of this provision is to write down obsolete and slow-moving items to their estimated realizable value.

22. Equity

Share capital
Share capital is fully paid up at 30 June 2009 and amounts to €7.190 thousand and consists of 27.653.500 ordinary shares of par value €0,26 each.
All shares are fully paid.

Treasury shares
The adjustment of € 2,019 thousand to equity for the purchase of treasury shares represents the overall consideration paid on the market by Emak S.p.A. to buy the treasury shares held on 30 June 2009
With regards to the sale and purchase of treasury shares carried out during the period, reference should be made to the appropriate section in the Directors' Report.

Dividends
On 16.04.09 the Shareholders' Meeting resolved the distribution of dividends relating to the 2008 financial year for a total of € 4,089 thousand. These dividends have been fully paid

Profits (losses) accounted for directly in Equity
No proceeds or charges were directly accounted for in equity during the period from 31 December 2008 to 30 June 2009.

Share premium reserve
The share premium reserve, which consists of the premium paid on newly-issued shares, is € 21.047 thousand at 30 June 2009, remaining unchanged since the end of 2008.

Other reserves:

- At 30 June 2008 the legal reserve is at € 1,438 thousand, staying unchanged since the end of last year.

-The revaluation reserve at 30 June 2009 includes the reserves arising from revaluations under Law 72/83 for €371 thousand and under Law 413/91 for € 767 thousand. od

-The extraordinary reserve amounts to € 27,210 thousand at 30 June 2009, inclusive of all allocations of earnings in prior years.

- At 30 June 2009, the untaxed reserves refer to € 129 thousand in tax-related provisions for grants and donations and € 394 thousand in merger surplus reserves. All these reserves have remained the same as at the end of 2007.

-The cumulative translation adjustment amounts to € 652 thousand at 30 June 2009. It is entirely due to differences arising on the translation of financial statements into the Group's functional currency.

23. Trade and other payables

€/000	30.06.2009	31.12.2008
Trade payables	28,912	48,932
Payables due to related parties (note 34)	1,984	3,120
Payables due to staff and social security institutions	4,741	4,467
Other payables	1,894	3,383
Total	**37,531**	**59,902**

24. Financial liabilities

Details of **short-term** loans and borrowings are as follows:

€/000	30.06.2009	31.12.2008
Overdrafts	21,320	19,638
Bank loans	14,099	19,277
Lease finance	959	469
Financial accrued expenses and deferred income	72	189
Other loans	732	13
Total	**37,182**	**39,586**

The carrying amount of short-term loans and lease finance approximates their fair value.

Details of **long-term** loans and borrowings are as follows:

€/000	30.06.2009	31.12.2008
Bank loans	31,870	23,865
Lease finance	1,728	1,967
Other loans	896	896
Total	**34,494**	**26,728**

All the loans fall due within 5 years.

25. Tax assets and liabilities

Deferred tax assets are detailed below:

€/000	30.06.2009	31.12.2008
Provisions for inventory obsolescence and reversal of unrealized intercompany gains	1,715	1,768
Deferred tax assets on carryforward tax losses	601	593
Deferred taxes on credit devaluation	41	42
Other deferred tax assets	872	907
Total	**3,229**	**2,845**

There is no time limit on the use of carryforward tax losses.

Deferred tax liabilities are detailed below:

€/000	30.06.2009	31.12.2008
Leased assets under IAS 17	1,570	1,542
Valuation of provision for employee termination indemnities under IAS 19	235	235
Other deferred tax liabilities	1,001	1,267
Total	**2,806**	**3,044**

Tax assets amount to € 1,038 thousand at 30 June 2009, against € 3,440 thousand at 31 December 2008. The variation is due both to lower amounts of prepaid tax and to lower VAT credits.

Tax liabilities amount to € 2,884 thousand at 30 June 2009, against € 2,167 at 31 December 2008. The increase is due both to liabilities for direct taxes arising in the period and to higher VAT liabilities.

26. Post-employment benefits

These amounts payable refer mainly to the discounted liability for employment termination indemnity (TFR) to be paid at the end of an employee's working life, equal to € 4,913 thousand.
The valuation of the TFR carried out according to the nominal liability method in force at the closing date would be equal to € 5,770 thousand.

The principal economic and financial assumptions used are the same as those adopted at 31 December 2008.

27. Provisions for liabilities and charges

Movements in these provisions are detailed below:

€/000	31.12.2008	Increases	Decreases	Exchange difference	30.06.2009
Provision for agents' termination indemnity	638	30			668
Total non-current portion	**638**	**30**	**-**		**668**
Provision for product warranties	290			(4)	286
Other provisions	38				38
Total current portion	**328**	**-**	**-**	**(4)**	**324**

The provision for agents' termination indemnity is calculated with reference to the agency contracts in existence at period end and refers to the indemnity that is likely to be paid to agents.

The provision for product warranties refers to the future costs of repairing products under warranty that were sold in the period; this provision is calculated using estimates based on historical trends.

28. Other non-current liabilities

€/000	30.06.2009	31.12.2008
Deferred income - Law 488 grants	1,960	2,197
Social security payables	21	31
Total	**1,981**	**2,228**

The deferred income refers to the capital grant received by Comag under Law 488/92 which is being recognized over future years. The portion of the grant recognizable this year is classified under current liabilities as other payables (note 23) and amounts to € 350 thousand.

29. Potential liabilities

At the date of 30 June 2009 the group does not have any disputes that could give rise to future liabilities that have not already been reflected in the balance sheet.

30. Information on financial risks

The group is exposed to a variety of financial risks associated with its operations:

- credit risk, in relation to both normal trade balances and to financing activities;
- liquidity risk, with particular reference to the availability of financial resources and access to the credit market;
- market risks, with particular reference to exchange rates and interest rates, since the group operates internationally in different currency areas and uses financial instruments that generate interest.

Emak Group constantly monitors the financial risks to which it is exposed, in order to minimise the potential negative effects on the financial results.

The Group’s exposure to financial risks has not undergone significant changes since 31 December 2008.

31. Commitments and guarantees given

Fixed asset purchases

The Group has commitments for fixed assets acquisitions, not included in the accounts at 30 June 2009 for € 1,350 thousand (€ 4,734 thousand at 31 December 2008).

Guarantees given

At 30 June 2009 the Group has granted surety ships to third parties for € 659 thousand (€ 934 thousand at 31 December 2008).

32. Usual dealings with related parties

The effects on the balance sheet and income statement at 30 June 2009 of transactions with related parties are shown below.
The Emak Group is part of a larger group of companies that belong to Yama S.p.A., parent company of Emak S.p.A.

The related parties, with whom there have been significant relations, mainly are: the ultimate parent company of Emak S.p.A., such as Yama S.p.A., and the companies belonging to the Yama Group, affiliated of Emak S.p.A..
The Yama Group mainly operates in the sectors of machinery and equipment for agriculture and gardening, engines' components and in the real estate.
A number of the companies belonging to the Yama Group supply the Emak Group with parts and materials, exploiting synergies associated with technological research. These are mostly strategically important parts, for which the purchasing policy is based on factors of quality and cost.

Criteria and conditions of usual transactions with related parties are ruled by specific procedures formalized in programmatic documents - regularly updated under the approval of the Board of Directors – for the protection of the financial integrity and value creation of the Emak Group.
In the definition of the documents, an active role is played by the independent directors, within the Audit Committee.

All dealings with related parties are carried out under normal market conditions.

During the first six months of the year, no transactions were conducted with related parties of an atypical or unusual nature.

The main transactions with these companies and the debit and credit balance are reported below:

Sale of goods and services and receivables

Companies controlled by Yama S.p.A. (€/000)	**Net sales**	**Other revenues**	**Total revenues**	**Receivables**
Mac Sardegna Industriale S.r.l.	496	5	**501**	**575**
Sabart S.p.A.	110	7	**117**	**100**
Tecomec S.p.A.	5	74	**79**	**3**
Unigreen S.p.A.	26	84	**110**	**84**
Garmec S.p.A.	271	-	**271**	**209**
Comet S.p.A.	2,402	14	**2,416**	**655**
Agro D.o.o.	66	1	**67**	**96**
Tecnol S.p.A.	-	1	**1**	**2**
Ningbo Tecomec Manufactoring Co. Ltd.	467	-	**467**	**84**
Selettra S.r.l.	-	5	**5**	**6**
Total (nota 20)	**3,843**	**191**	**4,034**	**1,814**

Purchase of goods and services and payables:

Companies belonging to the Yama Group S.p.A. (€/000)	**Purchase of raw materials and finished products**	**Other costs**	**Total costs**	**Payables**
Selettra S.r.l.	395	12	**407**	**390**
Tecomec S.p.A.	436	2	**438**	**271**
Sabart S.p.A.	104	-	**104**	**60**
Comet S.p.A.	788	-	**788**	**442**
Garmec S.p.A.	3	2	**5**	**1**
Euro Reflex D.o.o.	250	-	**250**	**89**
Unigreen S.p.A.	37	-	**37**	**22**
Tecnol S.p.A.	455	3	**458**	**323**
Speed France S.A.S.	465	-	**465**	**184**
Comet France S.A.S.	16	-	**16**	**12**
Cofima S.r.l.	160	59	**219**	**190**
Yama Immobiliare S.r.l.	-	123	**123**	**-**
Mac Sardegna Industriale S.r.l.	-	1	**1**	**-**
Total (nota 23)	**3,109**	**202**	**3,311**	**1,984**

33. Subsequent events

Please refer to what described in paragraph 12 of the Directors' Report.

34. Reconciliation between equity and net profit of the parent company Emak S.p.A. and consolidated equity and net profit

€/000	**Equity at 30.06.09**	**Results for 30.06.09**	**Equity at 31.12.08**	**Results for 31.12.08**
Equity and results of Emak S.p.A.	79,923	4,349	79,702	8,384
Equity and results of consolidated subsidiaries	46,693	3,594	43,928	7,440
Total	**126,616**	**7,943**	**123,630**	**15,824**
Effect of eliminating book value of equity investments	(20,937)	-	(20,937)	-
Elimination of dividends		(277)	-	(398)
Elimination of intercompany balances and gains	(3,477)	(192)	(3,286)	(560)
Total as per consolidated financial statements	**102,202**	**7,474**	**99,407**	**14,866**
Minority interests	**(531)**	**(36)**	**(526)**	**(44)**
Equity and results attributable to the group	**101,671**	**7,438**	**98,881**	**14,822**

Declaration on the abbreviated half-year Accounts in accordance with art. 154 bis of Legislative Decree 58/98

1. We, the undersigned, Giacomo Ferretti, Fausto Bellamico and Aimone Burani, the latter also in his position as Financial Reporting Officer of the company, Emak S.p.A. affirm, taking account of the provisions of art. 154-bis, paragraphs 3 and 4, of legislative decree 24 February 1998, n. 58:

   - the suitability, with reference to the nature of the company, and

   - the effective application

of administrative and accounting procedures for the preparation of the individual financial statements and the consolidated financial statements for the financial period ending 30 June 2009.

2. No significant elements have emerged with reference to point 1 above.

3. It is hereby declared, moreover, that:

3.1 the abbreviated half-year accounts:

a) have been drawn up in compliance with applicable international accounting principles recognised by the European Community in accordance with (EC) regulation no. 1606/2002 issued by the European Parliament and Council on 19 July 2002;

b) correspond to the accounting records and entries;

c) are appropriate for giving a true and fair view of the assets, liabilities, economic and financial situation of the issuer and of the companies included in the consolidation;

3.2 the intermediate directors' report contains references to significant events that have occurred in the first six months of the financial period and their effect on the abbreviated half-year accounts, together with a description of the main risks and uncertainties for the remaining six months of the financial period.

the intermediate directors' report contains, as well, information regarding significant operations with related parties.

Date: 7 August 2009

The Financial Reporting Officer:

Aimone Burani

Delegated officers of the administrative bodies:

Giacomo Ferretti

Fausto Bellamico