

A man wearing a white polo shirt, green safety pants, yellow gloves, and a headlamp is using a red chainsaw to cut a large log. He is standing in a grassy area with a stone building and a large tree in the background. The scene is outdoors and well-lit.

# Investor Presentation

## October 2011



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## Speakers

- ➔ Fausto Bellamico – Chairman and CEO
- ➔ Aimone Burani – Deputy Chairman and CFO
- ➔ Andrea La Fata – Investor Relator

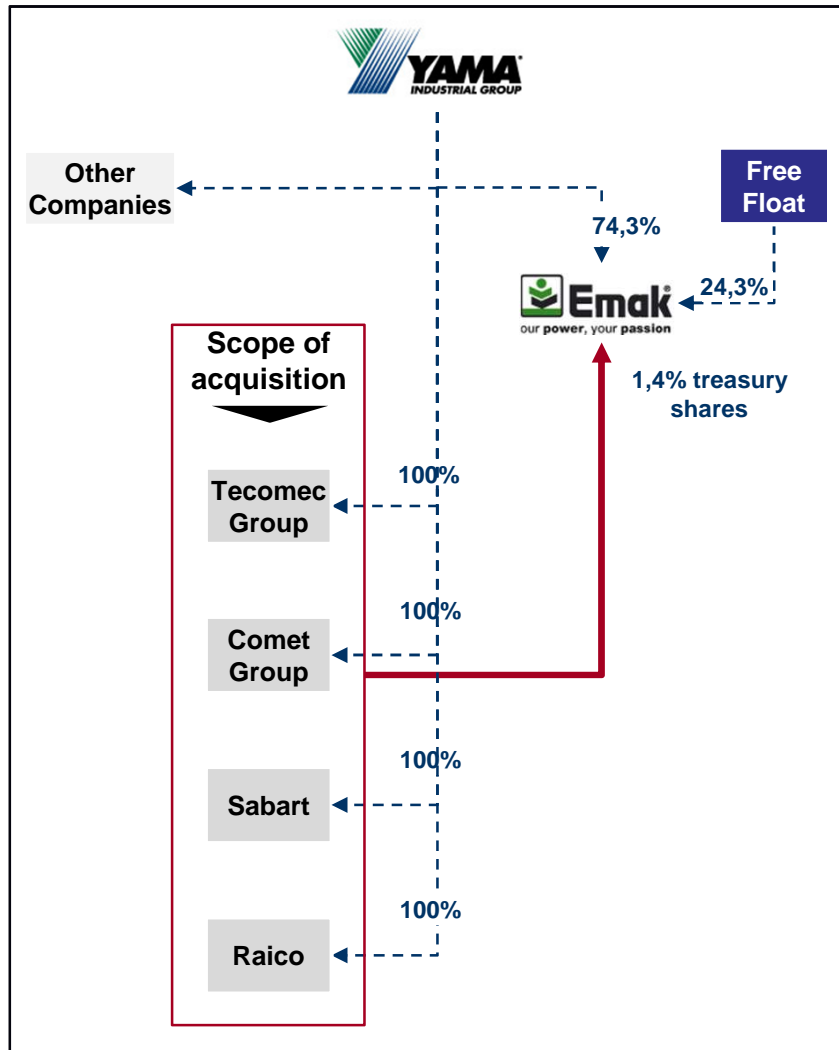






The  
combined  
entity

## Yama S.p.A. - Group structure



• In 1989 a number of entrepreneurs decided to merge their respective companies operating in the complementary segments of the gardening, forestry, agriculture and industry into Yama

• Over the years, Yama has promoted the development of the major businesses specialists in the production and distribution of accessories, spare parts and components

• Tecomec Group, Comet Group, Sabart and Raico are today among the leaders in some of their reference market segments...

...but could improve their competitive position in terms of efficiency, product innovation and international development



## Acquisition of Tecomec, Comet, Sabart and Raico (jointly, “Greenfield”)

### Transaction Structure

- **Acquisition of 100% of the Tecomec Group, the Comet Group, Sabart <sup>(1)</sup> and Raico (jointly, “Greenfield”) for a total equity consideration of €82.7 million <sup>(2)</sup>:**

- € 67.7 m paid in cash at closing
- the remaining € 15.0 m in the form of a deferred non interest-bearing payment due within 24 months

### Acquisition Financing

- **Rights Issue to subscribe for ordinary shares up to €58 m**

- Yama has undertaken to subscribe for its share of pre-emptive rights
- The remaining portion of the capital increase will be supported by a guarantee promoted, coordinated and led by Mediobanca

- **Financial debt up to €9.7 m**

- **Deferred non interest-bearing payment of €15 m (due within 24 months)**

Note:

(1) The Sabart business will be acquired through a NewCo.

(2) subject to a possible downward price adjustment depending upon the consolidated Net financial position of the target companies as at 31 December 2011.

# Strategic rationale and development guidelines of the 2011-13 business plan

The project will allow the new group to generate significant value creation potential by:

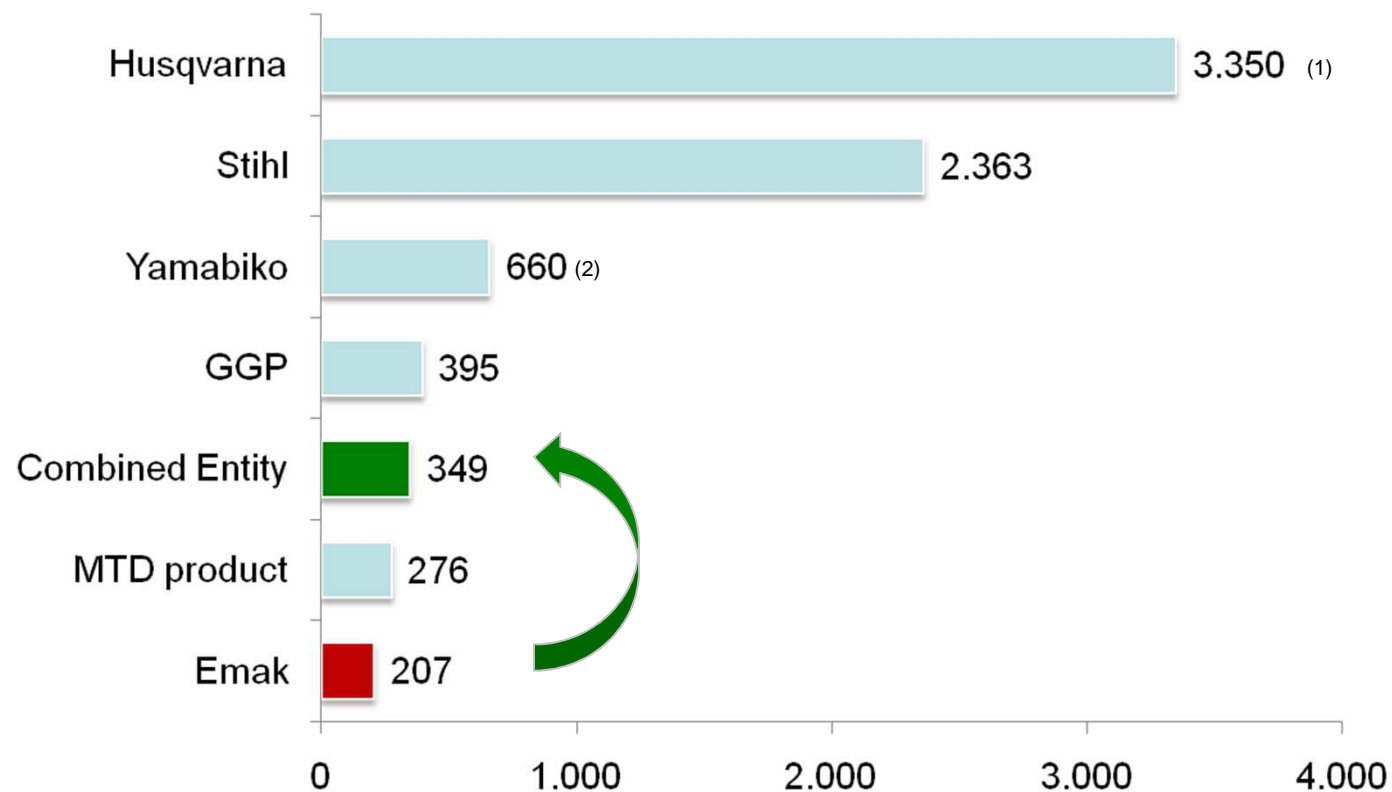
- 1** **Increase in the group's size**, *a critical success factor to compete on the international markets*
- 2** **Widening of the product/service offering** *in the equipment, accessories and components for gardening, forestry, agriculture and industry with, a high competitive positioning in specific segments*
- 3** **Significant benefits deriving from cross-selling opportunities** *on the network and customers, leveraging on the integrated group's distribution coverage in international markets*
- 4** **Integration of each company's technological, productive and managerial resources**, *with limited risk from the integration and a positive effect on operative efficiency*
- 5** **Higher financial flexibility at group level**, *supporting growth, organic and by acquisitions, in segments with high business appeal and margins*



## Emak Group competitive arena

“Increasing the group’s size”

### 2010 Sales (€m)

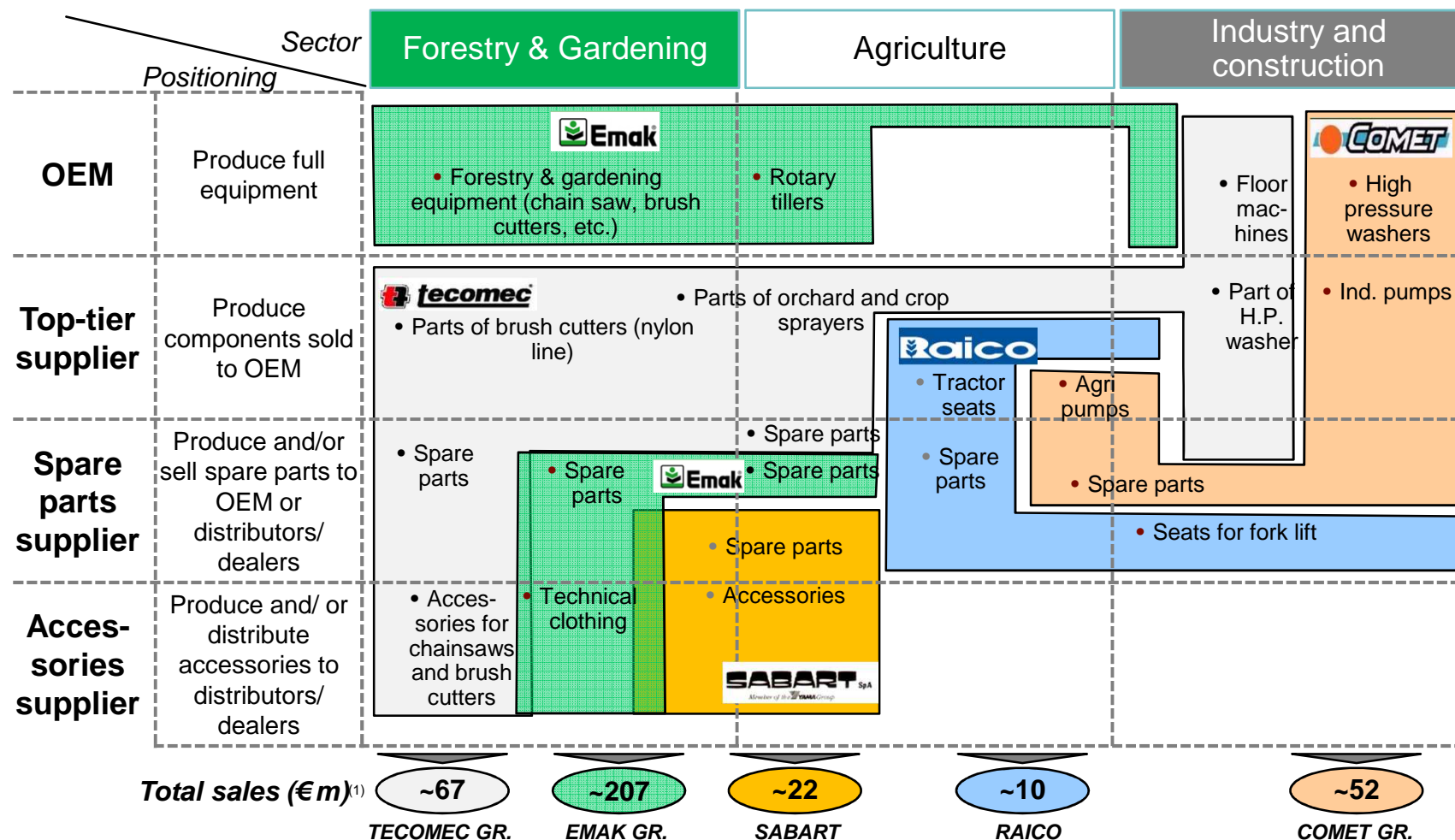




## Combined business portfolio by sectors

*“Widening product and service”*

The new group will provide complementary offerings in three main sectors



## The new group's commercial presence by geography

*"Exploiting potential benefits from cross-selling"*

The New Group can rely on 17 international affiliates, distributed in 11 geographies outside Italy

### Greenfield distribution platform

≈6.000 dealers served through:

5 foreign branches

≈70 salesmen

≈1200 distributors

#### North America

- 1- Emak USA
- 2- Speed North America (Tecomec Gr.)
- 3- Comet USA Inc. (Comet Gr.)

#### Mexico

- 1- Comet (30% S.I.Agro)

#### Italy

- 1- Emak (Bagnolo in P.)
- 2- Comag S.r.l. (Pozzilli)
- 3- Tecomec S.r.l.
- 4- Comet S.p.A.
- 5- Sabart
- 6- Raico S.r.l.

#### South Africa




- 1- Speed Line South Africa (51% owned by Tecomec)

#### Europe

- France: Comet, Emak, Speed F.
- Spain, Germany, Poland, Belgium, UK, Ukraine: Emak

#### China

- 1- Emak Jiangmen. <sup>(1)</sup>
- 2- Tailong Zhuahi <sup>(1)</sup>
- 3- Tecomec Ningbo Manufacutring Ltd. <sup>(1)</sup>

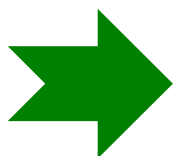
 Comet  
 Tecomec  
 Emak

All companies have considerable scope to take advantage of growing international markets  
Brazil, India and Russia are the most interesting areas

## Estimated synergies of the combined entity

		Forestry & Gardening	Agriculture	Industry and construction
<b>Top line growth</b>	Italy	Cross-selling of Sabart offering	Cross-selling of Raico offering	Cross-selling of Comet products
	Foreign Branches	Cross-selling of Tecomec products	Cross-selling of Tecomec products	Cross-selling of Comet and Tecomec products
	Row independent distributors	Strengthening relationships with customers shared with Tecomec		Strengthening relationships with customers shared with Comet
	OEM		Developing OEM businesses Tecomec (Geoline / Mecline) Comet (agri pumps / hpp pumps)	
<b>+€20m of revenues</b>  <b>+ €6m of EBITDA</b>  (full capacity by 2013)				

<b>Cost optimization</b>	
<b>+ €3m of EBITDA</b> (full capacity by 2013)	<ul style="list-style-type: none"> <li>• <b>Procurement:</b> volume consolidation of common purchase and economies of scale (in 2010 the combined entity's consumptions reached approx. € 190 m)</li> <li>• <b>Logistic:</b> logistic structure to be consolidated and transport costs rationalized</li> </ul>



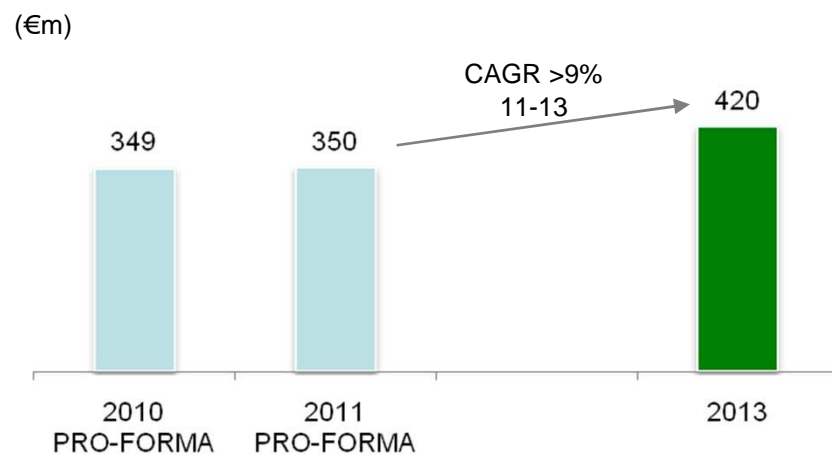
**Approx. €9m (≈ 15% of new group 2013 EBITDA)**  
**Yearly estimated top-line & cost synergies (full capacity by 2013)**



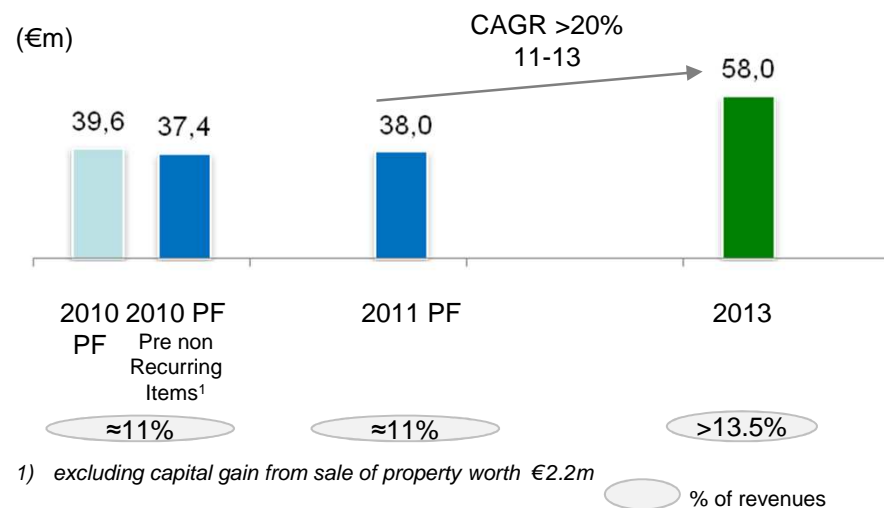
## Combined entity Business Plan 2011-2013

The new group will create value from top-line growth, efficiency and Expertise sharing

### Revenues target 2013 (€m) – incl. synergies



### EBITDA target 2013 (€m) – incl. synergies



### CAPEX 2011-2013

**Capex 2011-2013:** yearly spending for approx. 3.5% of combined entity revenues

### Pay-out %

**Pay-out ratio 2012-2013:** yearly dividend for approx. 40% of combined entity net income

## Financial flexibility

- **Financial flexibility:** the transaction structure would preserve low risk profile and business fundamentals at group level supporting growth plans to be achieved internally and by acquisitions
- **Acquisitions rationale:** high-margins businesses / widening of the product offering / integration of new technologies (battery, robotics, electronics) / expansion the new group's distribution platform in high potential growth Countries
- **Long Term NFP/EBITDA (including the effect of potential acquisitions): 3.0x**

# Appendix



## Fairness Opinion

TARGET	Fairness opinion – Range of values		Purchase Price
	MIN	MAX	
TECOMEC GROUP	€ 27.5m	€ 37.0m	€ 28.0m
COMET GROUP	€ 20.0m	€ 28.5m	€ 27.8m
SABART	€ 19.0m	€ 22.8m	€ 21.3m
RAICO	€ 5.0m	€ 6.2m	€ 5.6m

### Greenfield - Fairness Opinion Range

€ 71.5m  
MIN

€ 94.5m  
MAX

**“GREENFIELD”**

TECOMEC GR. COMET  
GR. SABART, RAICO

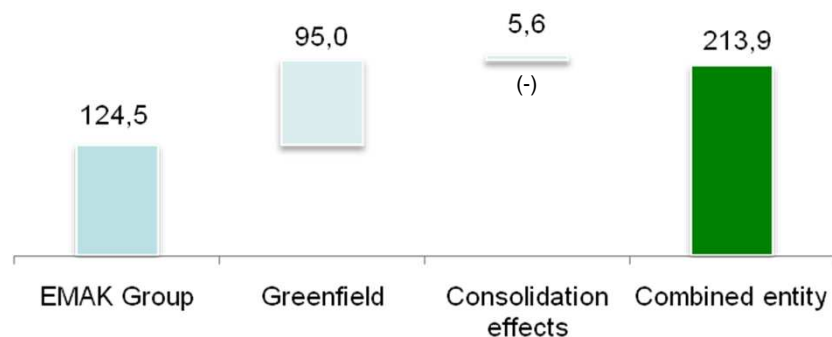
€ 82.7m

Total purchase price

## PRO-FORMA DATA

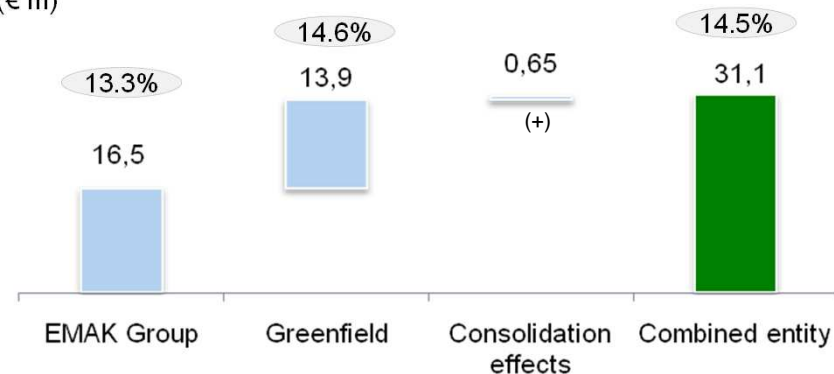
### Revenues H12011 (€m) PRO-FORMA

(€ m)



### EBITDA H12011 (€m) PRO-FORMA

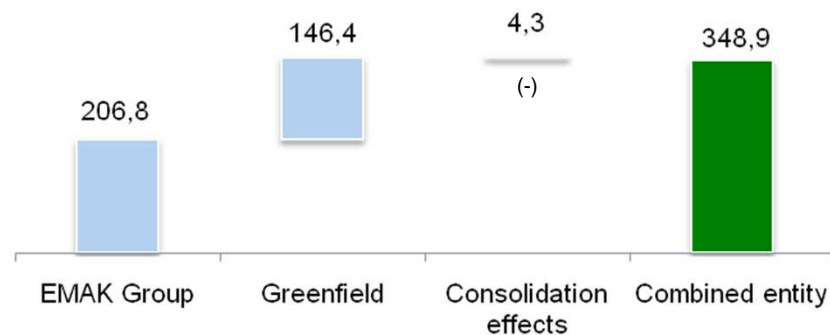
(€ m)



○ % of revenues

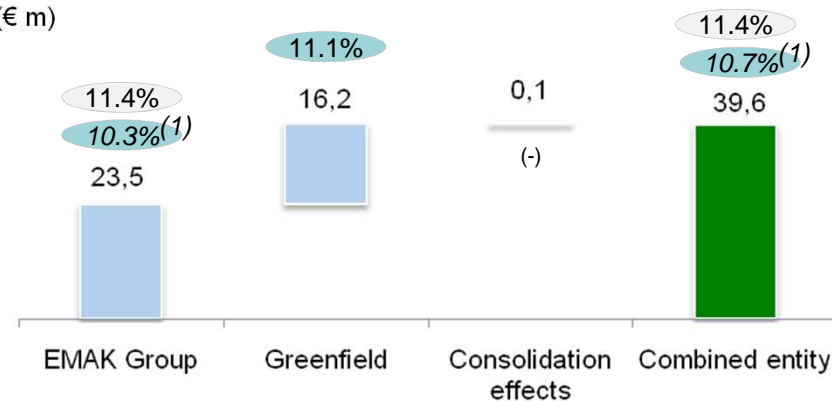
### Revenues 2010 (€m) PRO-FORMA

(€ m)



### EBITDA FY2010 (€m) PRO-FORMA

(€ m)



○ % of revenues

Note: EBITDA calculated as operating income before D&A

1) excluding capital gain from sale of property worth €2.2m

## PRO-FORMA DATA

### PRO FORMA PROFIT-AND- LOSS DATA FOR THE COMBINED ENTITY

FULL YEAR 2010  
FIRST HALF 2011

#### Profit & loss account

€m
<b>Revenues</b>
<b>EBITDA</b>
<i>% of revenues</i>
<b>Group Net Income</b>
<i>% of revenues</i>

#### First half 2011

H1 2011 Emak Group	H1 2011 Combined Entity PRO FORMA
124.5	213.9
16.5	31.1
13.3%	14.5%
7.0	14.3
5.6%	6.7%

#### Full year 2010

2010 Emak Group	2010 Combined Entity PRO FORMA
206.8	348.9
23.5	39.6
11.4%	11.4%
11.6	18.1
5.6%	5.2%

### PRO FORMA BALANCE- SHEET DATA OF THE COMBINED ENTITY

FIRST HALF 2011

#### Balance sheet

€m
<b>Net Invested capital</b>
-Net assets
-Net Working capital
<b>Net Financial Position</b>
<b>Shareholders' equity</b>

#### First half 2011

H1 2011 Emak Group	H1 2011 Combined Entity PRO FORMA
156.6	242.7
55.9	79.9
100.8	162.8
41.2	108.0 <sup>(1)(2)</sup>
115.5	134.7

#### Seasonality of revenues, EBITDA and NFP

First Half represents  
≈60% of revenues and  
≈80% of EBITDA

Operating cash flow  
strongly recovering in the  
second half, due to the  
seasonality effects in NWC

#### Note

(1) Including NPV of deferred non interest-bearing payment equal to € 13.7m (€15m due within 24 months)

(2) Excluding the potentialpro-forma downward price adjustment equal to € 4.5m (depending upon the consolidated net financial position of the target companies at closing date)



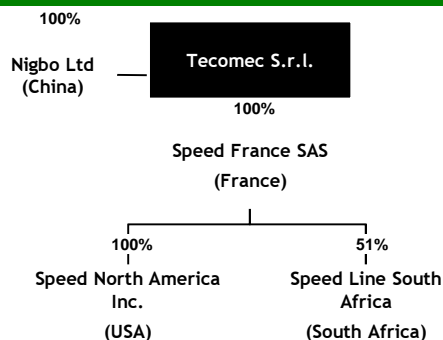
# Greenfield Business Overview



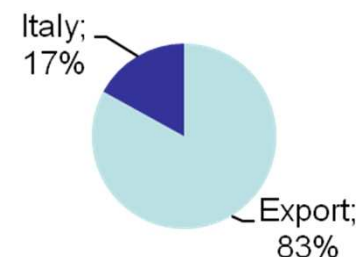


# Tecomec Group

## Group Structure



## 2010 revenues breakdown by area (€m)<sup>1</sup>







## Overview

- Tecomec Group, established in 1985, is active in the manufacturing and sale of:
  - accessories and components for chainsaws (Tecomec brand) and brushcutters (mainly Speed France) for forestry and gardening
  - accessories for orchard and crop sprayers (Geoline brand) for agriculture
  - accessories for high pressure washing and cleaning (Mecline brand)
- Tecomec is a leader in the production and sale of accessories for gardening & forestry<sup>2</sup>

## Key Financials 2009-10

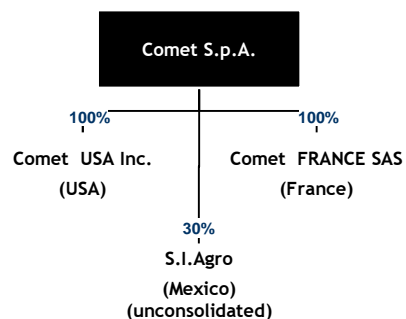
€m	2009	2010
<b>Profit &amp; loss account</b>		
Revenues	62.0	66.6
EBITDA	6.2	7.9
% of revenues	10.0%	11.9%
Net Income	( 0.1)	0.6
% of revenues	-0.2%	0.8%
<b>Balance sheet</b>		
Net Invested capital	45.3	38.5
-Fixed assets	22.0	14.4
-Net Working capital	26.3	25.4
-Pension obl. & other provisions	( 3.0)	( 1.3)
Net Financial Position	30.7	23.4
Shareholders' equity	14.6	15.1
NFP/EBITDA (x)	5.0 x	3.0 x

## Business portfolio

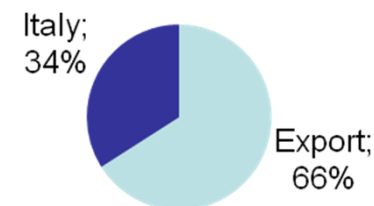
Segment	Product Line / Brand	Products	Clients
Forestry & Gardening	<b>Tecomec</b>	<ul style="list-style-type: none"> <li>▪ <b>Accessories for chain saws</b> (e.g. manual and electronic grinders, maintenance products etc.)</li> <li>▪ <b>Accessories for brush cutters</b></li> </ul> 	<ul style="list-style-type: none"> <li>▪ <b>Producers (OEM)</b> of gardening and forestry equipment</li> <li>▪ <b>Distributors, importers and wholesalers</b> in the gardening, forestry and agriculture sectors</li> </ul>
	<b>Speed France</b>	<ul style="list-style-type: none"> <li>▪ <b>Nylon thread and trim heads for brush cutters.</b></li> </ul> 	<ul style="list-style-type: none"> <li>▪ <b>Major producers (OEM)</b> of brush cutters</li> <li>▪ <b>Distributors and importers</b> for gardening accessories</li> </ul>
Agriculture	<b>Geoline</b>	<ul style="list-style-type: none"> <li>▪ <b>Accessories for orchard and crop sprayers</b> e.g. control units, filter and ball valves, tank accessories etc.</li> </ul> 	<ul style="list-style-type: none"> <li>▪ <b>Producers (OEM)</b> for agricultural spray machines</li> <li>▪ <b>Distributors, importers and wholesalers</b> in the agricultural machines sector</li> </ul>
H.P. Washers	<b>Mecline</b>	<ul style="list-style-type: none"> <li>▪ <b>Accessories for high pressure washing and cleaning</b> e.g. Spray guns, extensions, safety valves, regulation valves etc</li> </ul> 	<ul style="list-style-type: none"> <li>▪ <b>Producers (OEM)</b> of washing equipment</li> <li>▪ <b>Distributors and importers</b> in the H.P. washing equipment</li> </ul>

# Comet Group

## Group Structure



## 2010 revenues breakdown by area (€m)<sup>1</sup>



## Overview




•Comet Group, established in 1959, manufactures and sells of diaphragm pumps for agriculture manufacturers and dealers, piston pumps for industrial manufacturers, and high pressure washers for professional and hobby users

•Comet is a leader in the production of diaphragm pumps for agriculture, with a 30% market share<sup>2</sup>

## Key Financials 2009-10






€m	2009	2010
<b>Profit &amp; loss account</b>		
Revenues	41.5	51.8
EBITDA	3.3	5.3
% of revenues	7.9%	10.1%
Net Income	0.4	1.7
% of revenues	0.9%	3.3%
<b>Balance sheet</b>		
Net Invested capital	23.6	25.6
-Fixed assets	8.4	10.2
-Net Working capital	18.6	18.8
-Pension obl. & other provisions	( 3.4)	( 3.4)
Net Financial Position	10.3	10.6
Shareholders' equity	13.3	15.0
NFP/EBITDA (x)	3.2 x	2.0 x

## Business portfolio

Sector	Products	Clients	Main use
Agriculture	<ul style="list-style-type: none"> <li>▪ <b>Pumps (diaphragm and piston)</b></li> <li>▪ Control assemblies</li> <li>▪ Motor pumps units</li> <li>▪ Trolleys and wheelbarrows</li> <li>▪ Hose Reels</li> <li>▪ Accessories</li> </ul> 	<ul style="list-style-type: none"> <li>▪ <b>Manufacturers</b> of agriculture machineries and complex systems for mobile or fixed equipments</li> <li>▪ <b>Dealers</b> for aftermarket</li> </ul>	<ul style="list-style-type: none"> <li>▪ Agriculture: for <b>spraying treatments</b> and for the <b>distribution of liquid fertilisers</b> in solution. Suitable for tractor or trailer mounted atomisers, sprayers or boom system applications</li> <li>▪ Gardening, domestic use: <b>spraying</b> and <b>insect control</b> treatments. Suitable for small boom systems, and specific equipment applications</li> </ul>
	Industrial		
Industrial	<ul style="list-style-type: none"> <li>▪ <b>Pumps</b></li> <li>▪ Hose reels</li> <li>▪ Motor pump units</li> <li>▪ Accessories</li> </ul> 	<ul style="list-style-type: none"> <li>▪ <b>Manufacturers</b> of cleaning tools and high pressure water washing equipment</li> </ul>	<ul style="list-style-type: none"> <li>▪ For <b>washing industrial systems</b>, drains and sewerage systems and for fire fighting systems. Suitable for fixed equipments, self-propelled equipment or motor pump unit applications</li> <li>▪ High-pressure <b>water washing</b></li> </ul>
	Cleaning		
Cleaning	<ul style="list-style-type: none"> <li>▪ <b>H.P. washers</b></li> <li>▪ Hose reels for H.P. washers</li> <li>▪ Vacuum Cleaners</li> </ul> 	<ul style="list-style-type: none"> <li>▪ <b>Importers, distributors and wholesalers</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Professional and hobby users</b></li> </ul>



## Business Portfolio

Business Segments	Products	Clients
<b>Agriculture</b>	<ul style="list-style-type: none"> <li>Spare parts for agriculture machines</li> </ul>  	<ul style="list-style-type: none"> <li>Dealers</li> <li>Manufacturers of small agriculture equipment</li> </ul>
<b>Forestry</b>	<ul style="list-style-type: none"> <li>Spare parts for chainsaws with focus on chains and bars</li> </ul>  	<ul style="list-style-type: none"> <li>Dealers</li> <li>Modern Trade</li> </ul>
<b>Gardening</b>	<ul style="list-style-type: none"> <li>Spare parts for gardening equipments</li> <li>Small gardening equipments</li> </ul> 	<ul style="list-style-type: none"> <li>Modern Trade</li> <li>Dealers</li> <li>Manufacturers of small gardening equipment</li> </ul>







## Overview

- Sabart, set up in 1968, is an Italian distributor of spare parts and accessories for agriculture, forestry and gardening equipment
- For over 40 years, Sabart has been the Italian distributor of the **Oregon** brand for forestry (chains and bars for chainsaws)

## Key Financials 2009-10 <sup>(1)</sup>

€m	2009	2010
<b>Profit &amp; loss account</b>		
<b>Revenues</b>	22.3	22.2
<b>EBITDA</b>	3.3	3.0
<i>% of revenues</i>	14.6%	13.5%
<b>Net Income</b>	2.0	1.7
<i>% of revenues</i>	9.2%	7.5%
<b>Balance sheet</b>		
<b>Net Invested capital</b>	<b>8.2</b>	<b>7.2</b>
-Fixed assets	2.9	2.8
-Net Working capital	7.0	6.2
-Pension obl. & other provisions	( 1.7)	( 1.8)
<b>Net Financial Position</b>	<b>0.0</b>	<b>0.3</b>
<b>Shareholders' equity</b>	<b>8.2</b>	<b>6.9</b>

## Business Portfolio

Product categories	Main products	Clients	Product examples
Spare parts	<ul style="list-style-type: none"> <li>Spare parts for tractors</li> </ul>	<ul style="list-style-type: none"> <li>Dealers of spare parts for tractors</li> <li>Small OEMs</li> </ul>	 
Seats	<ul style="list-style-type: none"> <li>High end seats for tractors and excavating equipment</li> </ul>	<ul style="list-style-type: none"> <li>OEMs</li> <li>Dealers of seats</li> </ul>	 
Batteries & electronic equipment	<ul style="list-style-type: none"> <li>High-performance batteries for selected industrial equipment</li> <li>Electronic controls for tractors performance improvement</li> </ul>	<ul style="list-style-type: none"> <li>Small industrial equipment producer</li> <li>Industrial maintenance operators</li> <li>Dealers of spare parts</li> </ul>	 

## Overview

•Raico, established in 1989, is an Italian distributor of technical spare parts, seats (Grammer & Kab seating brand) and high-end batteries (Optima brand) aimed mainly at the tractor maintenance sector

•Raico is headquartered in Reggio Emilia and operates with four directly warehouses based in Venezia, Brescia, Mantova and Perugia, plus a network of sales managers covering the entire Italian territory

## Key Financials 2009-10 <sup>(1)</sup>

€m	2009	2010
<b>Profit &amp; loss account</b>		
Revenues	9.0	10.0
EBITDA	0.7	0.9
% of revenues	7.7%	8.9%
Net Income	0.3	0.6
% of revenues	3.5%	5.6%
<b>Balance sheet</b>		
Net Invested capital	2.9	3.6
-Fixed assets	0.2	0.3
-Net Working capital	3.1	3.8
-Pension obl. & other provisions	( 0.5)	( 0.5)
Net Financial Position	1.8	2.0
Shareholders' equity	1.1	1.7
NFP/EBITDA (x)	2.6 x	2.2 x

## Closing and indicative timetable

### 5 Aug. 11

- I. Acquisition approved and EGM called by Emak BoD
- II. Share purchase agreements with Yama Group signed
- III. Transaction announced

### Beginning of November

- I. BoD meeting to approve quarterly report at 30 Sept. 2011;
- II. Start of rights issue <sup>(1)</sup>

August

September

October

November

December

### 20 Sept. 11

Emak EGM authorizing BoD to implement rights issue

### By end-December

Expected Closing of rights issue offering and M&A transaction