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

HALF YEAR REPORT AT 30.06.2013

our power, your passion

Index

The Emak Group

Emak S.p.A. company bodies

On 23 April 2013 the Ordinary General Meeting of the Shareholders of the Parent Company, Emak S.p.A., resolved to appoint the Board of Directors for the financial years 2013-2015; in the same meeting the Board of Auditors was appointed for the same duration.

Board of Directors	
Chairman and Chief Executive Officer	Fausto Bellamico
Deputy Chairman	Aimone Burani
Executive Directors	Stefano Slanzi
	Ivano Accorsi
Independent Directors	Alessandra Lanza
	Massimo Livatino
	Francesca Baldi
	Ariello Bartoli
	Luigi Bartoli
Directors	Paola Becchi
	Giuliano Ferrari
	Vilmo Spaggiari
	Guerrino Zambelli
Audit Committee and Remuneration Committee	
Chairman	Ivano Accorsi
	Alessandra Lanza
	Massimo Livatino
Board of Statutory Auditors	
Chairman	Paolo Caselli
Acting auditors	Gianluca Bartoli
	Francesca Benassi
Alternate auditors	Maria Cristina Mescoli
	Eugenio Poletti
Independent Auditors	Fidital Revisione S.r.l.
Financial Reporting Officer	Aimone Burani
Supervisory Body as per Legislative Decree 231/01	
Chairman	Sara Mandelli
Acting members	Roberto Bertuzzi
	Guido Ghinazzi

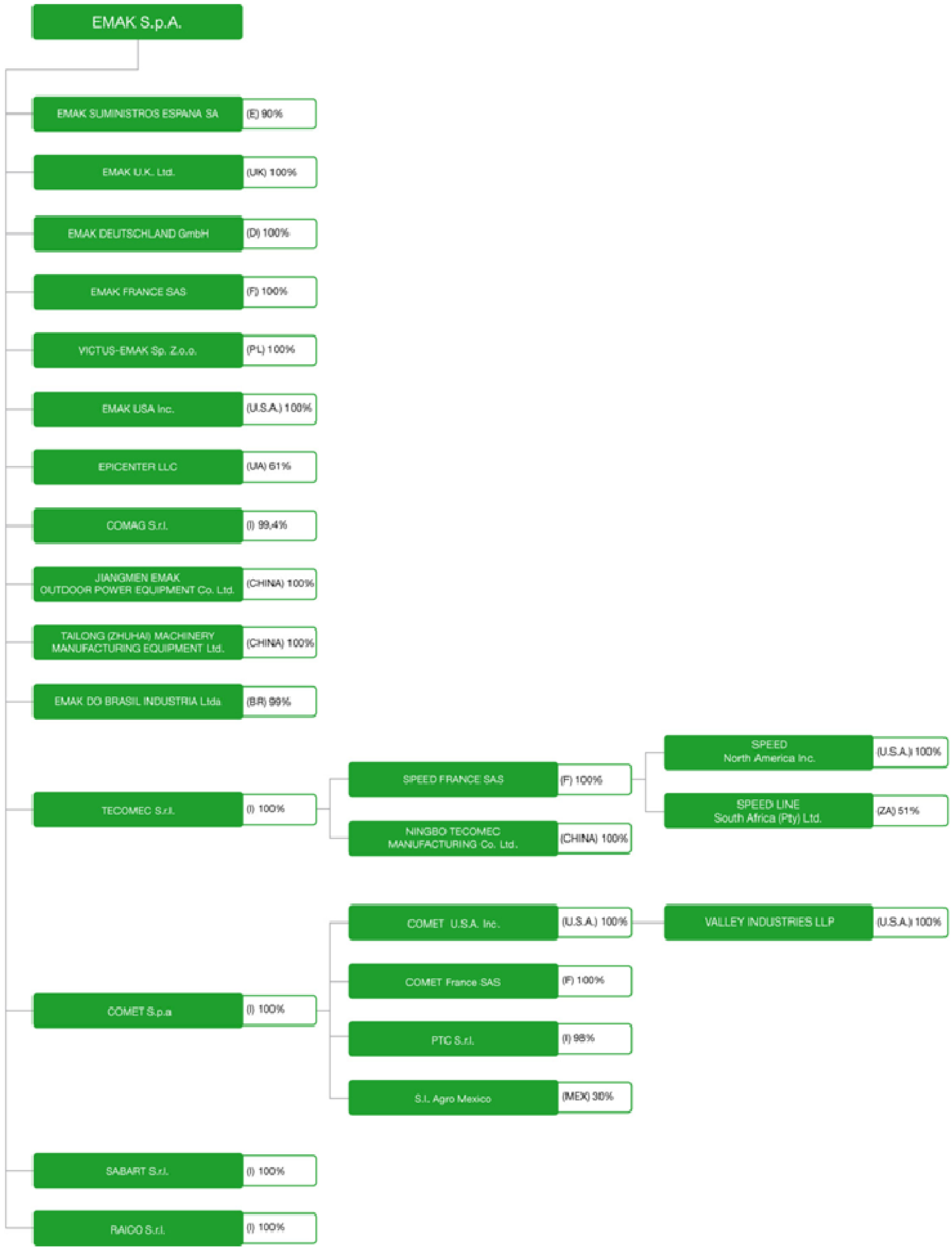
Emak Group structure

Emak Group is a leading player in the global production and distribution of machines, parts and accessories for gardening, forestry, agriculture and industry.

The Group operates worldwide, offering a wide and complete range of products with recognized brands: Oleo-Mac, Efco, Bertolini, Nibbi, Staub (the latter only for the French market), Tecomec, Geoline, Mecline, Comet and HPP.
Regarding the products, the gardening industry includes lawnmowers, brush cutters, garden tractors and components and accessories, such as heads and nylon thread.
The main products of the forestry sector are represented by machines such as chiansaws, blowers and accessories related to the process of sharpening.
The most significant products of agriculture sector are the tillers and cultivators, the diaphgram pumps and also accessories and miscellaneous parts for machines for spraying machines and weeding control and spare parts for agriculture tractors.
Finally, in the industrial sector the Group is present with power cutters, piston pumps and high pressure washers and a wide range of accessories and components for pressure washers and high pressure washing machines.
The Group currently manages the distributions in the Italian market and in other 10 markets: the U.S.A., France, Germany, UK, Spain, Poland, Ukraine, China, South Africa and Brazil – through its subsidiaries.
In Italy and in the European countries in which it operates with commercial branches, the Group sells products directly, through a network of specialized dealers, who also provide technical support after the sale.
In countries where the Group does not have a direct presence, it uses distributors that operate on the basis of an exclusive relationship.
Depending on the type and characteristics of the products, the Group addresses costumers made up of private and professional users and manufacturers of technical equipment.

The production structure of the Group consists of the following plants:

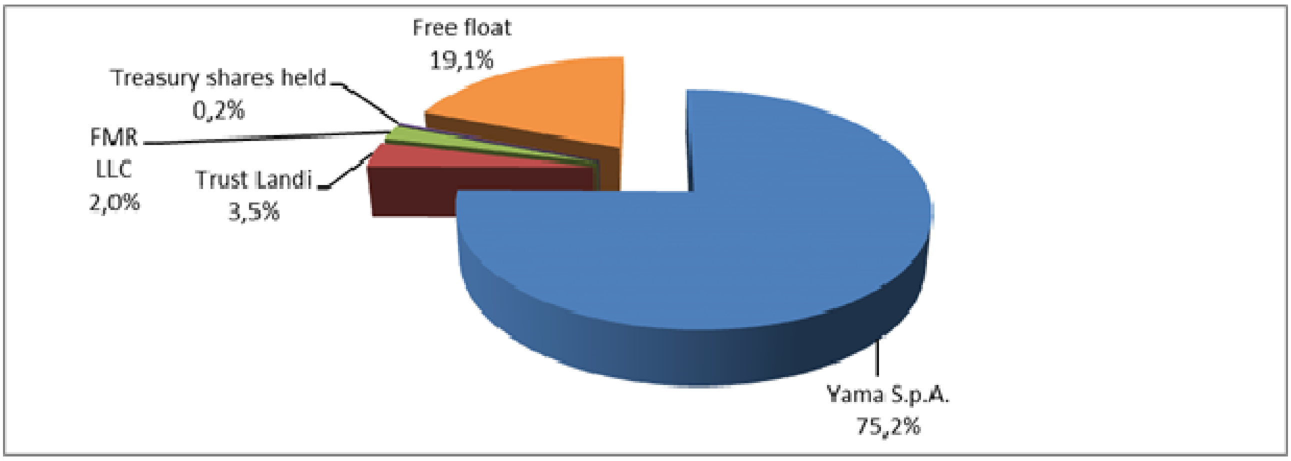
Company	Registered production factory	Output
Emak	Bagnolo in Piano (RE) – Italia	Chaisaws, brushcutters, power cutters, cultivators, flailmowers, transporters
Comag	Pozzilli (IS) – Italia	Lawnmowers and rotary tillers
Emak Tailong	Zhuhai – Cina	Cylinders
Emak Jiangmen	Jiangmen – Cina	Chainsaws, bruscutters for price sensitive segment
Tecomec	Reggio Emilia – Italia	Accessories for agricultural machinery for spraying and weeding and accessories and components for pressure washers
Speed France	Arnas – Francia	Nylon line and heads for brushcutters
Speed North America	Wooster, Ohio – USA	Nylon line for brushcutters
Speed Line South Africa	Pietermaritzburg - Sud Africa	Nylon line for brushcutters
Ningbo Tecomec	Ningbo – Cina	Production of accessories and components for high pressure washing and chain saws and brushcutters
Comet	Reggio Emilia – Italia	Pumps, motor pumps and control units for agriculture and industry and pressure washers for the cleaning sector
PTC	Genova – Italia	Systems and technological applications high-pressure water
Valley	Paynesville - Minnesota – Usa	Components and accessories for industry and agriculture sectors


EMAK S.p.A.
EMAK SUMINISTROS ESPANA SA
(E) 90%
EMAK U.K. Ltd.
(UK) 100%
EMAK DEUTSCHLAND GmbH
(D) 100%
EMAK FRANCE SAS
(F) 100%
VICTUS-EMAK Sp. Z.o.o.
(PL) 100%
EMAK USA Inc.
(U.S.A.) 100%
EPICENTER LLC
(UA) 61%
COMAG S.r.l.
(I) 99,4%
JIANGMEN EMAK OUTDOOR POWER EQUIPMENT Co. Ltd.
(CHINA) 100%
TAILONG (ZHUHAI) MACHINERY MANUFACTURING EQUIPMENT Ltd.
(CHINA) 100%
EMAK DO BRASIL INDUSTRIA Ltda
(BR) 99%
TECOMEC S.r.l.
(I) 100%
SPEED FRANCE SAS
(F) 100%
SPEED North America Inc.
(U.S.A.) 100%
SPEED LINE South Africa (Pty) Ltd.
(ZA) 51%
NINGBO TECOMEC MANUFACTURING Co. Ltd.
(CHINA) 100%
COMET S.p.a
(I) 100%
COMET U.S.A. Inc.
(U.S.A.) 100%
VALLEY INDUSTRIES LLP
(U.S.A.) 100%
COMET France SAS
(F) 100%
PTC S.r.l.
(I) 98%
S.I. Agro Mexico
(MEX) 30%
SABART S.r.l.
(I) 100%
RAICO S.r.l.
(I) 100%

Main shareholders of Emak S.p.A.

The share capital of Emak consists of 163.934.835 shares with a par value of 0.26 euros per share.
The Company is listed on the Milan Stock Exchange since June 25 1998. Since September 2011 the stock has been a member of the Securities Segment High Requirements.

The table below summarizes the composition of the Company as at June 30 2013.



Summary of main economic and financial figures for the Group

Income statement (€/000)

Y 2012		2 Q 2013	2 Q 2012	I H 2013	I H 2012
354,780	Net sales	105,833	105,439	208,487	211,883
28,807	EBITDA (1)	14,402	11,925	26,928	23,333
16,647	EBIT	11,421	8,858	21,159	17,267
8,640	Net profit	6,435	5,508	12,936	9,428

Investment and free cash flow (€/000)

Y 2012		2 Q 2013	2 Q 2012	I H 2013	I H 2012
7,769	Investment in property, plant and equipment (3)	1,330	1,506	2,850	3,516
1,481	Investment in intangible assets (3)	471	445	840	800
20,800	Free cash flow from operations (2)	9,416	8,575	18,705	15,494

Balance sheet (€/000)

31.12.2012		30.06.13	30.06.12
244,907	Net capital employed	250,170	253,892
(99,866)	Net debt	(95,487)	(106,833)
145,041	Total equity	154,683	147,059

Other statistics

Y 2012		2 Q 2013	2 Q 2012	I H 2013	I H 2012
8.1%	EBITDA / Net sales (%)	13.6%	11.3%	12.9%	11.0%
4.7%	EBIT/ Net sales (%)	10.8%	8.4%	10.1%	8.1%
2.4%	Net profit / Net sales (%)	6.1%	5.2%	6.2%	4.4%
6.8%	EBIT / Net capital employed (%)			8.5%	6.8%
0.69	Debt / Equity			0.62	0.73
1,576	Number of employees at period end			1,544	1,568

Share information and prices

31.12.2012		30.06.2013	30.06.2012
0.051	Earnings per share (€)	0.078	0.056
0.88	Equity per share (€) (5)	0.93	0.89
0.54	Official price (€)	0.67	0.53
0.64	Maximum share price in period (€)	0.79	0.64
0.47	Minimum share price in period (€)	0.53	0.47
89	Stockmarket capitalization (€ / million)	110	87
163,537,602	Average number of outstanding shares	163,537,602	163,537,602
163,934,835	Number of shares comprising share capital	163,934,835	163,934,835
0.127	Cash flow per share: net profit + amortization/depreciation (€) (6)	0.114	0.095
0.020	Dividend per share (€)	-	-

(1)"Net profit" 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 2013

1. Economic situation

During the first six months of the year, the global economy registered a slight increase, although lower than expected. Emerging economies have recorded growth rates lower than expected mainly due to a weaker foreign demand, lower raw material prices, concerns about financial stability and lack political support. The recession in the euro area turned out to be deeper than expected, while the U.S. economy has recorded a slight expansion.
There are many factors of uncertainty that influence the development of the international economy. Among the most significant stand the persistence of high levels of private debt in the major developed economies, together with adverse conditions in the labor market.

2. Significant events occurring in the period and balances or transactions arising from atypical and unusual, significant and non recurring operations.

During the first half of 2013 there were no this type of transaction.

4. Emak Group – Overview of results

Summary of economic results

Summary figures from the consolidated income statement for the first half-year of 2012 are shown below:

FY 2012	%	€/000	1H 2013	%	1H 2012	%	Change %
354,780	100	Net sales	208,487	100	211,883	100	-
28,808	8.1	EBITDA reported	26,928	12.9	23,333	11.0	1.9
31,731	8.9	EBITDA adjusted (*)	26,928	12.9	26,176	12.4	0.5
16,647	4.7	EBIT	21,159	10.1	17,267	8.1	2.0
12,056	3.4	Profit before taxes	19,423	9.3	14,830	7.0	2.3
8,640	2.4	Net profit	12,936	6.2	9,428	4.4	1.8

(*) Adjusted Ebitda of year 2012 and first half 2012 ware calculated purging it of the costs which are both significant and non-recurring items related to

- costs of consulting for the operations of M&A amounting to € 322 thousand for 2012 and € 207 thousand for first half 2012.
- the economic effect of the reversal of intercompany margins resulting from enlargement of the scope of consolidation compared to the same period of 2011, fully expensed in the year 2012, amounting to €2,602 thousand for 2012 and €2,636 thousand for first half 2012.

Analysis of sale trends

During the first half of 2013 the Emak Group realized a consolidated turnover of € 208,487 thousand compared to € 211,883 thousand in the same period last year, decrease of 1.6%

The revenue of the second quarter of 2013 amounted to € 105,833 thousand compared with € 105,439 thousand in the same period last year, increase of 0.4%.

The following table shows an analysis of sales reported for first half of 2013, broken down by line, compared with the sales of the same period of the previous year:

€/000	30.06.2013	%	30.06.2012	%	Var. %
Agriculture & Forestry	80,434	38.6%	83,887	39.6%	-4.1%
Construction & Industry	34,490	16.5%	35,820	16.9%	-3.7%
Lawn & Garden	93,563	44.9%	92,175	43.5%	1.5%
Total	**208,487**	**100%**	**211,883**	**100%**	**-1.6%**

Sales in the first six months of 2013 of the products for the segment "Agriculture & Forestry" have been penalized by the late start to the season. The segment "Lawn & Garden", despite being penalized in the first quarter by adverse weather conditions, recorded higher sales than the same period of last year due to the good performance achieved in the second quarter of the year.
Sales in the segment "Construction & Industry" were hit by the slowdown in demand from some customers during the second quarter which led to a lower result compared to the same period last year.

The following table shows the distribution of sales by geographical areas registered in the first half of 2013 compared with those of same period of the previous year.

€/000	30.06.2013	%	30.06.2012	%	Var. %
Europe	150,471	72.2%	145,625	68.7%	3.3%
Americas	36,640	17.6%	37,593	17.7%	-2.5%
Asia, Africa and Oceania	21,376	10.3%	28,665	13.5%	-25.4%
Total	**208,487**	**100%**	**211,883**	**100%**	**-1.6%**

Sales in Europe, after a first quarter adversely affected by unfavorable weather conditions, have registered a good performance in the last months of the period. In particular, it should be noted that sales on the Italian market have benefited from the commercial initiatives undertaken by the Group from the beginning of the year.

In the "Americas" area the good performance registered in some Latin American countries, particularly Brazil and Mexico, has only partially offset the decline record in the North American market.

In the "Asia, Africa and Oceania" the decline in sales is mostly due to the decrease in shipments to Turkey, tied to a moment of weakness of the local market.

Analysis of results

EBITDA

In the second quarter of 2013, Ebitda amounted to € 14,402 thousand against € 11,925 thousand in the corresponding quarter in the last financial year, with an increase of 20.8%.

In the second half of 2013, Ebitda amounted to € 26,928 thousand against € 23,333 thousand in the same period last, with a increase of 15.4%.

On the result for the first half of 2012 were negatively impacted two non-recurring items for a total amount of € 2,843 thousand: the economic effect of the reversal of intercompany margins of the widening of consolidation in the amount of € 2,636 thousand and advisory fees for M & A transactions for the amount of € 207 thousand.

Adjusting the data for these effects, EBITDA in the first half of 2013 would have increased by 2.9% compared to the same period last year, consequently to a improved product mix and the policy of rationalization of costs undertaken by the Group, which more than offset the negative effect due to the decrease in sales.

The Group’s average number of employees and temporary workers in the first half of 2013 was 1,733, while it was 1,731 in the first half of 2012. During the half year has been used to social security benefits.

Ebitda as a percentage of revenues has moved from 11% at 30 June 2012 to 12.9% at 30 June 2013 (from 12.4% to 12.9% excluding non-recurring items).

EBIT

In the second quarter of 2013, Ebit amounted to € 11,421 thousand against € 8,858 thousand in the corresponding quarter in the last financial year.

In the first half-year of 2013, Ebit amounted to € 21,159 thousand against € 17,267 thousand in the corresponding period of last year.

Amortization and depreciation provisions amount to € 5,769 thousand, compared to € 6,066 thousand in the same period of 2012.

Ebit as a percentage of sales moves from 8.1% of 30 June 2012, to 10.1% of 30 June 2013.

Non-annualized Ebit as a percentage of net invested capital has moved from 6.8% at 30 June 2012, to 8.5% at 30 June 2013.

Net profit

Net profit for the second quarter 2013 is € 6,436 thousand, against € 5,508 thousand for the same quarter of the previous year.

Net profit for the first half of 2013 amounted to € 12,936 thousand against € 9,428 thousand for the same period of last year.

Financial management is affected by the decrease of the net negative financial position, of the interest rates and by the valuation "mark to market" of hedging instruments for interest rate risks.

Foreign exchange management is positive for € 27 thousand compared to a negative result for € 142 thousand for the same period in the previous year.

The tax rate for the first half of 2013 of 33.4% has decreased compared to 36.4% for the same period in the previous financial year, in relation to the composition of the income earned by the Group in the various countries in which it operates.

Highlights from the consolidated balance sheet

31.12.2012	€/000	30.06.2013	30.06.2012
88,985	Net non-current assets	87,247	90,394
155,922	Net working capital	162,923	163,499
244,907	**Total net capital employed**	**250,170**	**253,893**
145,041	Equity	154,683	147,060
(99,866)	Net financial position	(95,487)	(106,833)

Net non-current assets

During the first half of 2013 Emak Group invested € 3,690 thousand in property, plant and equipment and intangible assets, as follows:

- € 860 thousand for product innovation;
- € 1,103 thousand for adjustment of production capacity and for process innovation;
- € 496 thousand for upgrading the computer network system;
- € 403 thousand for modernization of industrial buildings;
- € 828 thousand for other managerial working investments.

Investments broken down by geographical area are as follows:

- € 2,623 thousand in Italy;
- € 572 thousand in Europe;
- € 495 thousand in the Rest of the World.

Net working capital

The net working capital, compared to December 31 2012, increased of € 7,001 thousand, passing from € 155,922 thousand to € 162,923 thousand.

€/000	HY 2013	HY 2012
Net working capital at 01 January 2013	**155,922**	**157,500**
Increase/(decrease) in inventories	(4,031)	(6,877)
Increase/(decrease) in trade receivables	23,767	22,804
(Increase)/decrease in trade payables	(6,698)	(7,600)
Change in scope of consolidation (acquisition)	-	4,078
Variation for acquisition line of business LE.MA.	-	147
Other changes	(6,037)	(6,553)
Net working capital at 30 June 2013	**162,923**	**163,499**

The trend in net working capital in the first half is mainly due to the sales seasonality.

Equity

Consolidated net equity at 30 June 2013 stands at € 154,683 thousand, compared to €145,041 thousand of 30 June 2012. Earnings per share at 30 June 2013 are € 0.078 compared to € 0.056 for the same period of the previous year.

Net financial position

Net debt decreased from € 99,866 thousand at 31.12.2012 to € 95,487 thousand at 30.06.2013.

It should be noted that in the early months of 2013 the Group concluded operations to reschedule the long-term deadlines of its loans in order to achieve a better financial balance: impact of medium-long term debt position of the total net financial position in fact amounted to 55.6% compared to 34% at 31 December 2012 and 43% in the same period of last year.

Free cash flow from operations was € 18,705 thousand after tax, compared with € 15,494 thousand in the same period of last year.

The net financial position is made up as follows:

€/000	30.06.2013	31.12.2012	30.06.2012
Cash and banks	21,183	16,229	19,972
Securities and derivative financial instruments	102	61	52
Other financial assets	3	2	1
Financial liabilities	(62,762)	(80,822)	(79,609)
Derivative financial instruments	(926)	(1,330)	(1,293)
Short-term net debt	**(42,400)**	**(65,860)**	**(60,877)**
Other financial assets	213	320	124
Financial liabilities	(53,300)	(34,326)	(45,990)
Derivative financial instruments	0	0	(90)
Long-term net debt	**(53,087)**	**(34,006)**	**(45,956)**
Cash and banks	21,183	16,229	19,972
Securities and derivative financial instruments	102	61	52
Other financial assets	216	322	125
Financial liabilities	(116,062)	(115,148)	(125,599)
Derivative financial instruments	(926)	(1,330)	(1,383)
Total net debt	**(95,487)**	**(99,866)**	**(106,833)**

At June 30 2013 the net financial position includes the actualized debt to the parent Yama S.p.A. for an amount of € 9,820 thousand, to the related company Sabart S.p.A. for an amount of € 2,455 thousand due to the deferral of the price of Operation Greenfield, and other financial debts for € 1,081 thousand to other related parties.

Long-term financial payables include not only the non-current portion of loan principal repayments but also the portion of finance leases falling due after more than 12 months.

Short-term financial payables mainly consist of:
- overdrafts;
- loan repayments falling due by 30.06.2014;
- amounts due to other providers of finance falling due by 30.06.2014.

The following table shows the movements in the net financial position of the first half of 2013:

€/000	1Q 2013	1Q 2012
Opening NFP	**(99,866)**	**(97,298)**
Cash flow from operations, excl. changes in operating assets and liabilities	18,705	15,494
Changes in operating assets and liabilities	(7,252)	(2,265)
Cash flow from operations	**11,453**	**13,229**
Cash flow from investments and disinvestments	**(3,779)**	**(5,677)**
Other equity changes	**(3,295)**	**(2,510)**
Change in consolidation area	-	**(14,577)**
Closing NFP	**(95,487)**	**(106,833)**

The lower cash flow from operations, compared to the same period of the previous year is attributable to sales made in the last part of the semester.

4. Dealings with related parties

The transactions carried out in the period from Emak Group with related parties as defined according to IAS 24 ("Related party transactions"), concern primarily three different types of relationships with the parent Yama S.p.A. and with some Company contolled by Yama S.p.A.. All are characterized by being performed in the interests of the Emak Group companies

It is in the first place exchange of goods and provision of services, which included in the ordinary exercise of industrial activity and that are regulated under normal conditions of the market. The conduct of these operations, corresponding to a strict logic and an industrial and commercial purpose, is governed by specific and analytical procedures and planning documents approved by the Board of Directors, with the assistance and approval of the Independent Directors, meeting in the Audit Committee and Risks.

Other correlations of a financial nature and usual nature arise from participation of the subsidiaries Comet S.p.A., Tecomec S.r.l., Sabart S.r.l. and Raico S.r.l. at the tax consolidation as for Articles. 117 et seq., TUIR, running from these company and Yama spa (parent company Emak). The criteria and procedures for the settlement of such relationships are established and formalized in agreements of consolidation, based on equal treatment of participants.

A third type of correlated relationships exist between Emak SpA on one hand and Yama S.p.A. and Sabart S.p.A. on the other. These relationships concern the deferred financial regulation of the residual part of the purchase price of enterely owned investments in the companies Comet S.p.A., Tecomec S.r.l., Sabart S.r.l. and Raico S.r.l. made by Emak S.p.A. on 22/12/2011. It should be noted that this operation has been widely shown to the market through the prospectus required by. 71-bis, then in force, in Consob Resolution 11971/99, in the body of the following periodic financial reports, as well as in the prospectus filed at Consob on 18/11/2011, available at http://www.emak.it and finally through numerous press releases issued by the Parent Company starting from August 5, 2011. According to the acquisition agreements, the portion of the price to balance will be adjusted in deferred and fruitless way until December 16, 2013.

* * * * * * *

Directors, Auditors, General manager and the managers with strategic responsibilities annually declare the conclusion of deals with Emak S.p.A. and its controlled companies, also if conducted through a third person or by subjects referable to them as prescribed by IAS 24 and the internal procedure called “Procedures regarding operations with related parties”, which was approved by the Board of Directors on 12.11.2010 and is available on the Company website http://www.emak.it in the section Corporate Governance.
The subsidiaries, according to a methodology from time to time appropriately proportioned, have similar procedures.

* * * * * * *

The determination of the remuneration of Directors, Statutory Auditors, General Managers and Executives with strategic responsibilities is also governed by proper procedures, and, as for the parent company, is shown to shareholders and to the public with the report under Art. 123-ter of Legislative Decree 58/98, available at www.emak.it.

5. Plan to purchase shares Emak S.p.A.

At December 31, 2012, the Company held 397,233 treasury shares in portfolio number to a value of € 2,029 thousand.

Dated April 23, 2013, the Shareholders' Meeting renewed the authorization to purchase and dispose of treasury shares for the purposes laid down by it. During the first half of 2013 there were no changes in either purchase nor sale of own shares without affecting the balances at beginning of year.

6. Outstanding disputes

There were no disputes in progress that might lead to liabilities in the financial statements other than those already described in note 26 of the consolidated financial statements.

7. Forecast operating trends, main risks and uncertainties

The second quarter saw a slight recovery in sales of the Group compared to what recorded in the first months of the year. The macroeconomic scenario still presents strong signs of uncertainty that make it difficult predicting the future. Based on the backlog and sales forecasts for the coming months, it is estimated that during the second half of the year, the Group will develop higher sales than over the same period of last year. The Group will continue to focus its efforts on cost control and working capital management in order to improve margins and return on invested capital.

8. Subsequent events and other information

On 12 July 2013, the subsidiary Tecomec S.r.l. has signed an agreement with Dinamica Generale S.p.A., based in Poggio Rusco (MN), aimed at the setting up, within the year, a joint venture to develop electronic control systems for the Agriculture sector where Tecomec already operates with the mark Geoline.

Geoline is the division within Tecomec S.r.l. whose activity includes the design, production and the sale of accessories and components for agricultural machinery for weeding and spraying.
The project, which is the evolution of the supply relationship between the two companies for over a year, will enable Tecomec to strengthen its commercial offering with electronic control systems so far purchased from outside suppliers to the Group and now realizable and developable internally.

Bagnolo in Piano (RE), August 7 2013

On behalf of the Board of Directors

The Chairman

Fausto Bellamico

Emak Group – Consolidated financial statements and explanatory notes at 30 June 2013

Consolidated Financial Statements

Consolidated Income Statement

Y 2012	€/000	Notes	I H 2013	of which related parties	I H 2012	of which related parties
354,780	Sales	8	208,487	1,136	211,883	2,156
3,506	Other operating incomes	8	906		1,183	
(8,410)	Change in inventories		(3,886)		(7,468)	
(193,035)	Raw and consumable materials and goods		(109,712)	(1,469)	(113,352)	(2,260)
(61,196)	Salaries and employee benefits	9	(32,968)		(32,554)	
(66,838)	Other operating costs	10	(35,899)	(1,021)	(36,359)	(944)
(12,160)	Amortization, depreciation and impairment losses	11	(5,769)		(6,066)	
16,647	**Ebit**		**21,159**		**17,267**	
882	Financial income	12	587		228	
(5,086)	Financial expenses	12	(2,350)	(304)	(2,523)	(344)
(387)	Exchange gains and losses		27		(142)	
12,056	**EBT**		**19,423**		**14,830**	
(3,416)	Income taxes	13	(6,487)		(5,402)	
8,640	**Net profit (A)**		**12,936**		**9,428**	
(219)	**(Profit)/loss attributable to minority interests**		**(165)**		**(197)**	
8,421	**Net profit attributable to the group**		**12,771**		**9,231**	
0.051	**Basic earnings per share**	14	**0.078**		**0.056**	
0.051	**Diluted earnings per share**	14	**0.078**		**0.056**	

Comprehensive income statement

Y 2012	Figures in thousands of euros	Notes	I H 2013	I H 2012
8,640	**Net profit (A)**		**12,936**	**9,428**
154	Profits/(losses) deriving from the conversion of foreign company accounts		**(17)**	**1,415**
(295)	Profits/(losses) deriving from the transfer of treasury shares in portfolio		**0**	**0**
81	Tax effect relating to other components		**0**	**0**
(60)	**Total other components to be included in the comprehensive income statement (B):**		**(17)**	**1,415**
8,580	**Comprehensive net profit (A)+(B)**		**12,919**	**10,843**
(181)	**Comprehensive net profit attributable to minority interests**		**(123)**	**(197)**
8,399	**Comprehensive net profit attributable to the group**		**12,796**	**10,646**

Schedule showing consolidated assets-liabilities-financial situation

ASSETS

31.12.2012	€/000	Notes	30.06.2013	of which related parties	30.06.2012	of which related parties
	Non-current assets					
59,155	Property, plant and equipment	15	57,163		61,385	
4,823	Intangible assets other than goodwill	16	5,044		5,221	
30,809	Goodwill	17	30,615	14,947	31,215	15,008
232	Equity investments		233		310	
18	Equity investments in related company		18		18	
7,543	Deferred tax assets	24	7,339		7,753	
320	Other non current financial assets		213		131	
2,503	Other receivables	19	2,522		903	
105,403	**Total**		**103,147**	**14,947**	**106,936**	**15,008**
	Current assets					
120,958	Inventories	20	116,927		123,213	
102,825	Trade and other receivables	19	127,899	630	129,315	1,545
6,023	Current tax assets	24	4,313		2,354	
2	Other financial assets		3		1	
61	Derivative financial instruments	18	102		52	
16,229	Cash and cash equivalents		21,183		19,972	
246,098	**Total**		**270,427**	**630**	**274,907**	**1,545**
351,501	**TOTAL ASSETS**		**373,574**	**15,577**	**381,843**	**16,553**

EQUITY AND LIABILITIES

31.12.2012	€/000	Notes	30.06.2013		30.06.2012	
	Capital and reserves					
143,226	Total Group	21	152,752		145,204	
1,815	Minority interests		1,931		1,855	
145,041	**Total equity**		**154,683**		**147,059**	
	Non-current liabilities					
34,326	Loans and borrowings	23	53,300	1,077	45,990	12,745
0	Derivative financial instruments	18	0		90	
4,182	Deferred tax liabilities	24	3,987		4,337	
9,071	Provisions for employee benefits		8,883		9,012	
1,696	Provisions	26	1,722		1,808	
1,150	Other non-current liabilities	27	1,095		1,262	
50,425	**Total**		**68,987**	**1,077**	**62,499**	**12,745**
	Current liabilities					
69,111	Trade and other payables	22	79,895	1,026	84,004	1,399
3,488	Current tax liabilities	24	5,061		4,929	
80,822	Loans and borrowings	23	62,762	12,279	79,608	2,444
1,330	Derivative financial instruments	18	926		1,293	
1,284	Provisions	26	1,260		2,451	
156,035	**Total**		**149,904**	**13,305**	**172,285**	**3,843**
351,501	**TOTAL EQUITY AND LIABILITIES**		**373,574**	**14,382**	**381,843**	**16,588**

Statement of changes in consolidated equity at 30.06.2012

€/000	Share capital	Share premium	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 31.12.2011	**40,594**	**42,454**	**1,438**	**1,138**	**1,919**	**27,733**	**17,377**	**5,755**	**138,408**	**1,733**	**140,141**
Change in treasury shares									**0**		**0**
Profit reclassification			262				1,405	(5,755)	**(4,088)**	(99)	**(4,187)**
Other changes							238		**238**	24	**262**
Net profit for the period					1,415			9,231	**10,646**	197	**10,843**
Balance at 30.06.2012	**40,594**	**42,454**	**1,700**	**1,138**	**3,334**	**27,733**	**19,020**	**9,231**	**145,204**	**1,855**	**147,059**

*the share capital at 30.06.12 of € 42,623 is show n net of treasury shares of a value of € 2,029 thousand

Statement of changes in consolidated equity at 31.12.2012 and at 30.06.2013

€/000	Share capital	Share premium	OTHER RESERVES					RETAINED EARNINGS		TOTAL GROUP	EQUITY ATTRIBUTABLE TO MINORITY INTERESTS	TOTAL
			Legal reserve	Revaluation reserve	Cumulative translation adjustment	Reserve Ias 19	Other reserves	Retained earnings	Net profit of the period			
Balance at 31.12.2011	**40,594**	**42,454**	**1,438**	**1,138**	**1,919**	**0**	**27,733**	**17,377**	**5,755**	**138,408**	**1,733**	**140,141**
Change in treasury shares										**0**		**0**
Profit reclassification			262					1,405	(5,755)	**(4,088)**	(99)	**(4,187)**
Other changes								507		**507**		**507**
Net profit for the period					192	(214)			8,421	**8,399**	181	**8,580**
Balance at 31.12.2012	**40,594**	**42,454**	**1,700**	**1,138**	**2,111**	**(214)**	**27,733**	**19,289**	**8,421**	**143,226**	**1,815**	**145,041**
Change in treasury shares										**0**		**0**
Profit reclassification			224					4,927	(8,421)	**(3,270)**	(7)	**(3,277)**
Other changes										**0**		**0**
Net profit for the period					25				12,771	**12,796**	123	**12,919**
Balance at 30.06.2013	**40,594**	**42,454**	**1,924**	**1,138**	**2,136**	**(214)**	**27,733**	**24,216**	**12,771**	**152,752**	**1,931**	**154,683**

*the share capital at 31.12.12 of € 42,623 is shown net of treasury shares of a value of € 2,029 thousand

Consolidated cash flow statement

31.12.2012 (€/000)		Notes	30.06.2013	30.06.2012
	Cash flow from operations			
8,640	**Net profit for the period**		**12,936**	**9,428**
12,160	Amortization, depreciation and impairment losses	**11**	5,769	6,066
103	Capital (gains)/losses on disposal of property, plant and equipment		(26)	8
(1,577)	Decreases/(increases) in trade and other receivables		(23,179)	(22,523)
8,748	Decreases/(increases) in inventories		4,031	6,663
(3,569)	(Decreases)/increases in trade and other payables		12,108	12,843
195	Change in provision for employee benefits		(188)	136
(866)	Decreases/increases in provisions for liabilities	**26**	2	413
198	Decreases/increases in derivative financial instruments		(445)	259
24,032	**Net cash generated by operations**		**11,008**	**13,293**
	Cash flow from investment activities			
(8,485)	Increases in property, plant and equipment and intangible assets		(3,805)	(5,396)
(187)	(Increases) and decreases in financial assets		105	(67)
(90)	Proceeds from disposal of property, plant and equipment		26	(8)
(11,609)	Change in scope of consolidation Valley LLP		0	(12,875)
(228)	Variation in acquisition of business branch Le.Ma.		0	(228)
35	Change in scope of consolidation Emak Benelux		0	0
(20,564)	**Net cash absorbed by investment activities**		**(3,674)**	**(18,574)**
	Cash flow from financial activities			
293	Change in equity		0	227
0	Share capital increase		0	0
14,196	Change in short and long-term loans and borrowings		(4,960)	22,544
(479)	Change in finance leases		(307)	(169)
(4,187)	Dividends paid		(3,277)	(4,187)
154	Change in translation reserve		(17)	1,451
9,977	**Net cash absorbed by financial activities**		**(8,561)**	**19,866**
13,445	**NET INCREASE IN CASH AND CASH EQUIVALENTS**		**(1,227)**	**14,585**
(3,873)	**OPENING CASH AND CASH EQUIVALENTS**		**9,572**	**(3,873)**
9,572	**CLOSING CASH AND CASH EQUIVALENTS**		**8,345**	**10,712**

ADDITIONAL INFORMATION ON THE CASH FLOW STATEMENT

31.12.2012 (€/000)		30.06.2013	30.06.2012
	RECONCILIATION OF CASH AND CASH EQUIVALENTS		
(3,874)	**Opening cash and cash equivalents, detailed as follows:**	**9,572**	**(3,874)**
10,901	Cash and cash equivalents	16,229	10,901
(14,775)	Overdrafts	(6,657)	(14,775)
9,572	**Closing cash and cash equivalents, detailed as follows:**	**8,345**	**10,712**
16,229	Cash and cash equivalents	21,183	19,972
(6,657)	Overdrafts	(12,838)	(9,260)
	Other information:		
1,070	Change in related party receivables and service transactions	34	192
(1,108)	Change in related party payables and service transactions	(31)	(770)
1,725	Change in related party financial liabilities	(2,168)	1,390

Explanatory notes to the consolidated financial statement of the Emak Group at 30.06.2013

Notes to the consolidated financial statements - Contents

1. General information

The Board of Directors of Emak S.p.A. approved the consolidated financial statements at 30 June 2013 on 7 August 2013, ordered its publication in accordance with law and regulation, as well as the immediate deployment of the highlights in a press release..

Emak S.p.A. (hereinafter "Emak" or the "Parent Company") is a public company, listed on the STAR segment of the Italian stock market, with registered offices in Via Fermi, 4 to Bagnolo in Piano (RE). It is one of the leading player worldwide in the production and distribution of machines, components and accessories for gardening, forestry, agriculture and industry.

Emak S.p.A. is controlled by Yama S.p.A., an industrial holding company, which firmly holds the majority of its capital and designate, in accordance with law and statute, the majority of the members of its governing bodies. Nonetheless, Emak S.p.A. is not subject to management or coordination on the part of Yama S.p.A. and its Board of Directors makes its own strategic and operating choices in complete autonomy.

Values shown in these notes are in thousands of Euros, unless otherwise stated.

The half year report at 30 June 2013 approved by the the Board of Directors of Emak S.p.A. at its meeting of August 7, 2013, is subject to a limited audit by Fidital Revisione S.r.l. This audit is significantly less extensive than that of a complete audit carried out according to established auditing standards.

2. Summary of principal accounting policies

The principal accounting policies used for preparing the abbreviated consolidated financial statements for the half-year are in line, except as specified below, with those applied for the annual consolidated financial statements at 31 December 2012 and are briefly discussed below.

2.1 General methods of preparation

The abbreviated consolidated half-year report of the Emak Group at 30 June 2013 has been prepared in accordance with the IAS 34 accounting standard (Interim Financial Reporting), with art. 154-*ter* (financial reports) of the Consolidated Finance Act and with Consob regulations and resolutions in force.
Specifically, the half-year report at 30 June 2013 has been prepared in abbreviated form and does not contain all the information and notes required for annual consolidated financial statements and must therefore be read with reference to the annual consolidated financial statements at 31 December 2012.
The consolidated half-year report includes the balance sheet, the consolidated income statement, the statement of consolidated comprehensive income, the statement of changes in consolidated equity, the statement of cash flows and notes to the accounts, in accordance with the requirements provided for by IFRS.

The abbreviated consolidated half-year report has been drawn-up in compliance with the IFRS's 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 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.

It is also to be noted that some valuation procedures, in particular the more complex such as the determination of any impairment of non-current assets, are generally carried out only in the preparation of annual financial statements, when all necessary information are available, except in cases where there are indications that an immediate assessment of any impairment is required. Even the actuarial valuations for the calculation of provisions for employee benefits are normally processed on the occasion of the annual financial statement. Income tax is recognized based on the best estimate of the weighted average rate forecasted for the entire year.

2.2 Methods of consolidation

Subsidiaries

The consolidated financial statements of the Emak Group 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 subsidiary Valley LLP is consolidated at 100% as a result of the "Put and Call Option Agreement" which regulates the acquisition of the remaining 10% held by the current Managing Director of the company.

The acquisition of subsidiaries is accounted for using the purchase method, except for those acquired in 2011 from Yama Group for which you can refer in the introduction of the present paragraph. The cost of acquisition 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.

If the cost of acquisition is lower, the difference is recognized directly in the income statement. The financial statements of subsidiaries are included in the consolidated accounts starting from the date of taking control to when such control ceases to exist. Minority interests and the amount of profit or loss for the period attributable to minorities are shown separately in the consolidated balance sheet and income statement.

The transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are eliminated in the same way, unless the operation detects a loss of the asset transferred. The financial statements of companies included in the scope of consolidation have been adjusted, where necessary, to align the accounting policies adopted by the Group.

Associated companies

Associated companies are companies in which the Group exercises significant influence, as defined by IAS 28 - *Investments in Associates,* but not control lover financial and operating policies. Investments in associated companies are accounted for with the equity method starting from the date the significant influence begins, up to when such influence ceases to exist.

Scope of consolidation

Compared to the scope of consolidation at 30 June 2012, the newly incorporated company Emak do Brasil Industria Ltda became part of the Group since 1 July 2012, and from October 1, 2012 is deconsolidated the company Emak Benelux NV.
There were no changes in the scope of consolidation compared with 31 December 2012.

The scope of consolidation at June 30 2013 includes the following companies:

Name	Head office	Share capital	Currency	% consolidated	Held by	% of participation
Emak S.p.A.	Bagnolo in Piano - RE (I)	42,623,057	€			
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)	342,090	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 France SAS	Rixheim (F)	2,000,000	€	100.000	Emak S.p.A.	100.000
Jiangmen Emak Outdoor Power Equipment Co.Ltd (1)	Jiangmen (RPC)	25,532,493	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
Epicenter LLC	Kiev(UA)	19,026,200	UAH	61.000	Emak S.p.A.	61.000
Raico S.r.l.	Reggio Emilia (I)	20,000	€	100.000	Emak S.p.A.	100.000
Sabart S.r.l.	Reggio Emilia (I)	1,900,000	€	100.000	Emak S.p.A.	100.000
Tecomec S.r.l.	Reggio Emilia (I)	1,580,000	€	100.000	Emak S.p.A.	100.000
Speed France SAS	Arnax (F)	300,000	€	100.000	Tecomec S.r.l.	100.000
Speed North America Inc.	Wooster-Ohio (USA)	10	USD	100.000	Speed France SAS	100.000
Speed Line South Africa Ltd	Pietermaritzbury (ZA)	100	ZAR	51.000	Speed France SAS	51.000
Ningbo Tecomec Manufacturing Co. Ltd	Ningbo City (PRC)	8,029,494	RMB	100.000	Tecomec S.r.l.	100.000
Comet S.p.A.	Reggio Emilia (I)	2,600,000	€	100.000	Emak S.p.A.	100.000
Comet France SAS	Wolfisheim (F)	320,000	€	100.000	Comet S.p.A.	100.000
Comet Usa Inc	Burnsville-Minnesota (USA)	181,090	USD	100.000	Comet S.p.A.	100.000
Ptc S.r.l.	Genova (I)	50,000	€	98.000	Comet S.p.A.	98.000
Valley Industries LLP (2)	Paynesville Minnesota	0	USD	100.000	Comet Usa Inc	100.000
Emak do Brasil Industria LTDA	Curitiba (Brasile)	200,000	Real	99.000	Emak S.p.A.	99.000

(1) The share in Jiangmen Emak Outdoor Power Equipment Co. Ltd. for the Group's holding comprises Simest S.p.A., equal to 49%. Under the contract signed in December 2004 and subsequent amendments, the interest owned by Simest S.p.A. is subject to mandatory repurchase by Emak S.p.A. as of June 30, 2013. At the date of approval of this report is currently formalizing the consensual deferment of the relegation of participation in the June 30, 2014, aimed to facilitate the proper implementation by the Chinese authorities.

(2) The share in Valley Industries LLP is equal to 100% as a result of the "Put and Call Option Agreement" which regulates the acquisition of the remaining 10% held by the current Managing Director of the company.

2.3 Segmental reporting criteria

IFRS 8 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;
(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
Transactions in foreign currencies are translated using the exchange rates at the dates of the transactions. Gains and losses arising from foreign exchange receipts and payments in foreign currency and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in income. 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 main exchange rates used to translate in Euro these financial statements are as follows:

Amount of foreign currency for 1 Euro	Average 1H 2013	30.06.2013	Average 1H 2012	30.06.2012
GB Pound (UK)	0.85	0.86	0.82	0.81
Renminbi (China)	8.13	8.05	8.19	7.87
Zloty (Poland)	4.18	4.34	4.25	4.25
Dollar (Usa)	1.31	1.31	1.30	1.26
Zar (South Africa)	12.11	13.07	10.29	10.37
Uah (Ucraine)	10.62	10.56	10.40	10.17
Real (Brasil)	2.67	2.89	-	-

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 2.26 of the explanatory notes to the consolidated financial statements at 31 December 2012.

2.6. New accounting standards

With reference to the description of recently issued accounting standards, this report adopts the following changes to IAS / IFRS approved by the IASB, applied for the first time since January 1, 2013:

- *Amendments to IAS 19 Employee Benefits.* The amendment is retrospectively effective from the year beginning on 1 January 2013, but earlier application is allowed. The Group has exercised this option in the preparation of the annual financial report 2012. It should be noted that were not represented retroactive effects of the application on a voluntary basis of IAS 19 revised as the impact on the data of the previous year is not significant.
- *Amendments to IAS 1 Presentation of Financial Statements* (grouping of items presented in the comprehensive income - OCI or Other Comprehensive Income). The adoption of this amendment did not have any effect on the valuation of assets and liabilities and the disclosure of this report.

- *IFRS 13 Fair Value Measurement.* The principle is applied prospectively from 1 January 2013 and had no impact on the valuation of balance sheet items included in this Report.
- Amendments to IFRS 7 *Financial Instruments: Disclosures - Offsetting financial assets and liabilities,* the adoption of this standard shall be provided retroactively. The application has had no significant impact on the Group's financial statements.
- Amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards (IFRS) - *Government Loans.* The principle is to be applied prospectively from 1 January 2013 and is not relevant to the Group.
- *Improvements IAS / IFRS Improvements to the 2009-2011* cycle that are applicable retrospectively from January 1, 2013, the adoption of these amendments did not have any effect on the valuation of assets and liabilities and disclosures.

In addition, the IASB issued the following standards, applicable from 1 January 2014, though it is allowed earlier adoption, the Group has not exercised the option and, consequently, the new standards and/or amendments stated below have not been reflected in this report:

- *IFRS 10 Consolidated Financial Statements.*
- *IFRS 11 Agreements to joint control*.
- *IFRS 12 Disclosure of investments in other companies.*
- *IAS 27R Consolidated and Separate Financial Statement.*
- *IAS 28R Investments in associated companies and joint ventures.*

The interpretations approved by IFRIC and applied for the first time since January 1, 2013 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 2012.

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.

In this context, it should be noted that the situation caused by the persistent difficulties of the economic and financial scenario, in particular in the Euro zone, has implied the need to make assumptions regarding the future outlook which is characterised by uncertainty. As a result, it cannot be excluded that the actual results obtained will be different from the forecasts, and therefore adjustments, even of significant amounts (which obviously cannot today be estimated or foreseeable) to the book value of the relative items may be necessary.

5. Significant non-recurring events and transactions

There were no significant transactions of this nature.

6. Balances or transactions arising from atypical and unusual operations

No atypical or unusual transactions took place in the first half of 2013.

7 Net financial position

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

Net financial debt	30/06/2013	31/12/2012	30/06/2012
A. Cash and banks	21,182	16,229	19,972
B. Other cash	0	0	0
C. Assets for trading	0	0	0
D. Liquidity (A+B+C)	**21,182**	**16,229**	**19,972**
E. Current financial receivables	**105**	**62**	**52**
F. Current bank loans	(30,032)	(49,924)	(68,631)
G. Current portion if current loans	(18,921)	(14,461)	(5,903)
H. Other financial debts	(14,735)	(17,767)	(6,367)
I. Current financial debts (F+G+H)	**(63,688)**	**(82,152)**	**(80,901)**
J. Net current financial debts (I+E+D)	**(42,401)**	**(65,861)**	**(60,877)**
Z. Non current financial receivables	**213**	**320**	**124**
K. Non current bank loans	(51,930)	(32,958)	(32,872)
L. Bonds issued	0	0	0
M. Other non current financial debts	(1,369)	(1,367)	(13,208)
N. Non current financial debts (K+L+M+Z)	**(53,086)**	**(34,005)**	**(45,956)**
O. Net current financial debts (J+N)	**(95,487)**	**(99,866)**	**(106,833)**

At June 30 2013 the net financial position includes the debt to the parent Yama S.p.A. for an amount of € 9,820 thousand and with the related company Sabart S.p.A. for an amount of € 2,455 thousand as a result of the postponement of price of Operation Greenfield, besides € 1.081 thousand from other related parties (note 31).

8. Sales and other operating income

Details of sales are as follows:

€/000	1H 2013	1H 2013
Net sales revenues (net of discounts and rebates)	207,969	210,694
Revenues from recharged transport costs	1,746	1,664
Returns	(1,228)	(475)
Total	**208,487**	**211,883**

Other operating income is analyzed as follows:

€/000	1H 2013	1H 2013
Capital gains on disposal of property, plant and equip	29	21
Government grants	119	99
Advertising reimbursement	172	172
Assurance reimbursement	11	107
Other costs reimbursement	209	132
Other operating income	366	652
Totale	**906**	**1,183**

9. Salaries and employee benefits

Details of these costs are as follows:

€/000	1H 2013	1H 2013
Wages and salaries	22,765	23,032
Social security charges	6,821	6,791
Employee termination indemnities	985	1,098
Other costs	969	563
Directors' emoluments	713	409
Temporary staff	715	661
Total payroll costs	**32,968**	**32,554**

10. Other operating costs

Details of these costs are as follows:

€/000	1H 2013	1H 2013
Subcontract work	7,480	7,572
Maintenance	1,401	1,779
Transportation	7,831	7,668
Advertising and promotions	1,789	1,704
Commissions	3,158	3,011
Travel	1,132	1,119
Consulting fees	1,764	1,681
Other services	6,124	6,285
Services	**30,679**	**30,819**
Rents, rentals and the enjoyment of third party assets	**3,499**	**3,357**
Increases in provisions (note 26)	**142**	**565**
Other costs	**1,579**	**1,618**
Total	**35,899**	**36,359**

11. Amortization and depreciation

Details of these amounts are as follows:

€/000	1H 2013	1H 2013
Amortization of intagible assets (note 16)	924	873
Depreciation of property, plant and equipment (note 15)	4,845	5,193
Total	**5,769**	**6,066**

12. Finance income and expenses, Exchange gain and losses

Details are as follows:

€/000	1H 2013	1H 2013
Proceeds from adjustment to fair value of derived instruments for hedging interest rate risk	443	83
Interest on bank and postal current accounts	54	40
Other financial income	90	105
Financial income	**587**	**228**

€/000	1H 2013	1H 2013
Interest on medium/long-term bank loans and borrowings	1,030	778
Interest on short-term bank loans and borrowings	465	812
Costs from adjustment to fair value and fixing of derived instruments for hedging interest rate risk	275	375
Financial charges from valuing employee termination indemnities	110	132
Financial charges to related parties (nota 31)	304	344
Other financial costs	166	82
Financial expenses	**2,350**	**2,523**

13. Taxes on income

The estimated charge for current tax and changes in deferred tax assets and liabilities in the first half of 2013 is € 6,487 thousand (€ 5,402 thousand in the corresponding prior year period).

The tax rate in the first half of 2013 was 33.4%, lower than the 36.4% for the same period in the previous financial year, due to a more favorable distribution of taxable income 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.

	1H 2013	1H 2013
Net profit attributable to ordinary shareholders in the parent company (€/000)	12,771	9,041
Weighted average number of ordinary shares outstanding	163,537,602	163,537,602
Basic earnings per share (€)	**0.078**	**0.055**

Diluted earnings per share are the same as basic earnings per share.

15. Property, plant and equipment

Changes in property, plant and equipment are shown below:

€/000	31.12.2012	Incr.	Decr.	Recl.	Exchange difference	Other changes	30.06.2013
Land and buildings	43,079	49	(26)	0	285	0	43,387
Accumulated depreciation	(12,082)	(620)	1	0	(39)	0	(12,740)
Land and buildings	**30,997**	**(571)**	**(25)**	**0**	**246**	**0**	**30,647**
Plant and machinery	65,708	869	(255)	419	160	9	66,910
Accumulated depreciation	(49,693)	(2,118)	228	0	(93)	0	(51,676)
Plant and machinery	**16,015**	**(1,249)**	**(27)**	**419**	**67**	**9**	**15,234**
Other assets	82,766	1,247	(165)	53	168	61	84,130
Accumulated depreciation	(71,886)	(2,107)	126	0	(132)	0	(73,999)
Other assets	**10,880**	**(860)**	**(39)**	**53**	**36**	**61**	**10,131**
Advances and fixed assets in progress	**1,263**	**685**	**0**	**(472)**	**18**	**(343)**	**1,151**
Cost	**192,816**	**2,850**	**(446)**	**0**	**631**	**(273)**	**195,578**
Accumulated depreciation (nota 11)	**(133,661)**	**(4,845)**	**355**	**0**	**(264)**	**0**	**(138,415)**
Net book value	**59,155**	**(1,995)**	**(91)**	**0**	**367**	**(273)**	**57,163**

16. Intangible assets

Intangible assets report the following changes:

€/000	31.12.2012	Increase.	Decrease	Reclassification	Other changes	Exchange difference	30.06.2013
Development costs	2,152	21		23		4	2,200
Accumulated amortization	(1,402)	(134)		1		(3)	(1,538)
Development costs	**750**	**(113)**	**0**	**24**	**0**	**1**	**662**
Patents and intellectual property rights	11,872	301	(3)	276		14	12,460
Accumulated amortization	(10,019)	(510)	3	(39)		(10)	(10,575)
Patents and intellectual property rights	**1,853**	**(209)**	**0**	**237**	**0**	**4**	**1,885**
Concessions, licences and trademarks	2,066	4		(57)		(36)	1,977
Accumulated amortization	(1,473)	(112)		42		37	(1,506)
Concessions, licences and trademarks	**593**	**(108)**	**0**	**(15)**	**0**	**1**	**471**
Other intangible assets	2,791	283		18	37	42	3,171
Accumulated amortization	(1,574)	(168)		4		(16)	(1,754)
Other intangible assets	**1,217**	**115**	**0**	**22**	**37**	**26**	**1,417**
Advances and fixed assets in progress	**410**	**231**	**0**	**(268)**	**236**	**0**	**609**
Cost	**19,291**	**840**	**(3)**	**(8)**	**273**	**24**	**20,417**
Accumulated amortization (nota 11)	**(14,468)**	**(924)**	**3**	**8**	**0**	**8**	**(15,373)**
Net book value	**4,823**	**(84)**	**0**	**0**	**273**	**32**	**5,044**

All the intangible assets have a finite residual life and are amortized on a straight-line basis over the remaining useful life.

17. Goodwill

The goodwill of € 30,615 thousand reported at 30 June 2013 is shown below:

	31.12.2012	Ch. In scope of consolidation	Exchance difference	30.06.2013
Goodwill from the acquisition of Victus-Emak Sp. z o.o.	**915**	**-**	**-56**	**859**
Goodwill from the acquisition of the company branch Victus IT	5059	-	(308)	4,751
Goodwill of Bertolini S.p.A.	2,074	-	-	2,074
Goodwill from the acquisition of Tailong Machinery Ltd.	2,516	-	83	2,599
Goodwill from the acquisition of Epicenter LLC	118	-	1	119
Goodwill from the acquisition of Tecomec Group	2,807	-	-	2,807
Goodwill from the acquisition of Comet Group	2,279	-	-	2,279
Goodwill from the acquisition of Speed France	2,854	-	-	2,854
Goodwill of HPP	1,974	-	-	1,974
Goodwill from transfer of the business PTC	360	-	-	360
Goodwill from the acquisition of Valley LLP	9,853	-	86	9,939
Total	**30,809**	**0**	**(194)**	**30,615**

- goodwill for the acquisition of Victus Emak Sp. z.o.o. for € 859 thousand refers to the difference between the acquisition price for 100% of the company regulated by Polish law, Victus Emak Sp. z.o.o., and its net worth at the date of acquisition. € 4,751 thousand, on the other hand, refers to the acquisition of the company branch of Victus International Trading SA; both acquisition go back 2005.

- the amount of € 2,074 thousand refers to the positive difference arising from the acquisition from the parent company Yama S.p.A. and further to the absorption of the company Bertolini S.p.A into Emak S.p.A. in 2008;

- the amount of € 2,599 thousand refers to the higher value arising, in favour of the Yama Group, from the acquisition of 100% of the company regulated by Chinese law, Tailong (Zhuhai) Machinery Manufacturing Equipment Ltd. finalized in 2008;

- the amount of € 119 thousand relates to the acquisition of the company Epicenter LLC by Emak S.p.A., which is the resulting difference between the purchase price of 61% of Ukrainian law firm Epicenter LLC and its shareholders' equity at acquisition date (30 September 2011);

- goodwill relating to the acquisition of the Tecomec Group, the Comet Group and of the Speed France Group on the part of Tecomec S.r.l respectively for € 2,807 thousand, € 2,279 thousand and € 2,854 thousand arise from the Greenfield Operation (for details on the operation, reference should be made to note 20 of the Notes to the Accounts to the annual financial statements 2012);

- the amount of € 1,974 thousand relates to the positive difference emerged following the acquisition and subsequent merger by incorporation of the company HPP in Comet S.p.A.;

- the amount of € 360 thousand relates to the goodwill of a business unit contributed by minority shareholders in PTC S.r.l., a Comet Group company;

- the amount of € 9,939 thousand relates to the positive difference emerged following the acquisition of Valley LLP, a Comet Group company.

Since there were no particular elements arising during the half-year which may imply the non-recoverability of the recorded values, no impairment tests were carried out at 30 June.

18. Derivative financial instruments

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

All derivative financial instruments belonging to this heading are valued at fair value at the second hierarchical level, that is, the estimate of their fair value has been carried out using variables other than prices quoted in active markets and which are observable (on the market) either directly (prices) or indirectly (derived from prices).

In the case in point, the fair value recorded is equal to the "market to market" estimation provided by the bank, which represents the current market value of each contract calculated at the date at the closing date of the Financial Statements.

Accounting for the instruments presented below is at *fair value*. According with the relevant accounting standards such effects have been accounted in the income statement in the current year.
The current value of these contracts as at 30 June 2013 is represented as follows:

€/000	**30.06.2013**	**31.12.12**
Net profits on derivative instruments used to hedge against exchange risks	56	61
Net losses on derivative instruments used to hedge against exchange risks	(34)	(41)
Net profits on derivative instruments used to hedge against interest rate risks	46	-
Net losses on derivative instruments used to hedge against interest rate risks	(802)	(1,199)

At 30 June 2013 appear outstanding purchases / sales of foreign currencies with forward contracts for

	Company		Notional value (€/000)	Term exchange rate (avg)	Term date
Forward currency purchase					
Euro/Zloty	Victus-Emak Sp. Zo.o.	€	825	4.17	26/08/2013
Gbp/Zloty	Victus-Emak Sp.Zo.o	Gbp	137	4.94	25/09/2013
USD/Zloty	Victus-Emak Sp.Zo.o	Usd	245	3.18	26/08/2013
USD/Euro	Sabart S.r.l.	Usd	1,096	1.32	31/03/2014
USD/Euro	Emak France SAS	Usd	19	1.32	31/10/2013
Yen/Euro	Emak France SAS	Yen	11,740	111.67	15/09/2013
Euro/USD	Comet U.S.A. Inc.	€	2,140	1.31	18/04/2014
Forward currency sale					
USD/Euro	Comet S.p.A.	Usd	10	1.30	29/07/2013

Finally, on 30 June 2013 result also outstanding IRS contracts and options on interest rates with the aim of covering the risk of variability of interest rates on loans.
The Parent Emak S.p.A. and the subsidiaries Tecomec S.r.l., Comet S.p.A. and Comet USA Inc. have signed IRS contracts and options on interest rates for a total notional value of € 56,175 thousand; the expiration of the instruments is so detailed:

Bank	Company	Notional value (€/000)	Operation date	Term date
Carisbo	Emak S.p.A.	3,000	11/05/2009	07/11/2013
Banca Popolare di Verona	Emak S.p.A.	1,601	10/02/2009	31/03/2014
Banca Popolare di Verona	Emak S.p.A.	3,626	28/03/2013	30/09/2017
Carisbo	Emak S.p.A.	2,400	19/07/2011	15/06/2016
Banca Popolare dell'Emilia Romagna	Emak S.p.A.	1,166	20/01/2010	31/12/2016
Banca Nazionale del Lavoro	Emak S.p.A.	3,750	03/05/2012	20/04/2016
Banca Nazionale del Lavoro	Emak S.p.A.	3,125	27/06/2012	20/04/2016
UniCredit	Emak S.p.A.	4,000	22/05/2013	31/03/2018
Banca Popolare Comm. Industria	Comet S.p.A.	2,000	23/10/2009	31/10/2014
Banca Popolare di Verona	Comet S.p.A.	1,000	22/09/2010	24/09/2015
Banca Popolare Comm. Industria	Comet S.p.A.	2,000	10/10/2011	12/10/2016
Banca Popolare Comm. Industria	Comet S.p.A.	2,000	09/05/2012	28/04/2017
UniCredit	Comet S.p.A.	4,800	22/05/2013	29/03/2018
Banca Popolare di Verona	Tecomec S.r.l.	5,000	30/07/2009	30/07/2014
Banca Nazionale del Lavoro	Tecomec S.r.l.	5,000	04/08/2009	06/08/2014
Banca Popolare di Verona	Tecomec S.r.l.	3,000	11/05/2010	11/05/2015
UniCredit	Tecomec S.r.l.	2,591	11/04/2012	31/07/2017
Intesa San Paolo	Comet USA	6,116	27/02/2013	19/02/2019
Total		**56,175**		

The average interest rate resulting from the instruments is equal to 2.1%.

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.

Were also recorded long term derivative financial instruments for € 90 thousand related to higher interest expense resulting from the reimbursement of the participation share of Simest in the company Jiangmen Emak Outdoor Power Equipment Co. Ltd.

19. Trade and other receivables

€/000	30.06.2013	31.12.2012
Trade receivables	126,440	102,473
Provision for doubtful accounts	(3,385)	(3,219)
Net trade receivables	**123,055**	**99,254**
Receivables from related parties (Note 31)	630	664
Prepaid expenxses and accrued income	1,555	895
Other receivables	2,659	2,012
Total current portion	**127,899**	**102,825**
Other non current receivables	2,522	2,503
Total non-current portion	**2,522**	**2,503**

All non-current receivables fall due within 5 years.

20. Inventories

Inventories are detailed as follows:

€/000	30.06.2013	31.12.2012
Raw, ancillary and consumable materials	33,996	37,941
Work in progress and semifinished products	18,762	17,218
Finished products and goods for resale	64,169	65,799
Total	**116,927**	**120,958**

Inventories at 30 June 2013 are stated net of provisions amounting to € 4,999 thousand (€ 4,670 thousand at 31 December 2012) intended to align the obsolete and slow moving items to their estimated realizable value.

21. Equity

Share capital
Share capital is fully paid up at 30 June 2013 and amounts to € 42,623 thousand and consists of 163,934,835 ordinary shares of par value € 0.26 each.
All shares are fully paid.

Treasury shares
The adjustment of € 2,029 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 2013. The nominal value of these treasury shares is € 104 thousand.

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 23.04.13 the Shareholders' Meeting resolved the distribution of dividends relating to the 2012 financial year for a total of € 3,270 thousand. These dividends have been fully paid.

Share premium reserve
At 30 June 2013 the share premium reserve is € 42,454 thousand, consists of the premiums on newly issued shares. The reserve is shown net of legal costs for the increase in capital, realized in 2011, of € 1,598 thousand and net of the relative tax effect of € 501 thousand.

Legal reserve
The legal reserve is at June 30 2013 of € 1,924 thousand (€ 1,700 thousand was at December 31 2012).

Revaluation reserve
At 30 June 2013, the revaluation reserve includes reserves deriving from the revaluation pursuant to former L. 72/83 to € 371 thousand and ex L. 413/91 for € 767 thousand.

Other reserves:
The extraordinary reserve, amounts to € 27,088 thousand at 30 June 2013, inclusive of all allocations of earnings in prior years.

At June 30 2013, reserves qualifying for tax relief refer to tax provisions for grants and donations for € 129 thousand, to reserves for merger surpluses for € 394 thousand and to reserves from capital grants deriving from the merger of Bertolini S.p.A. for € 122 thousand.
These reserves remained unchanged from the previous year.

At June 30 2013 the reserve for conversion differences for a positive amount of € 2,136 thousand is entirely attributable to the differences generated from the translation of balances into the Group's reporting currency.

€/000	30.06.2013	31.12.2012
Trade payables	63,920	57,191
Payables due to related parties (note 31)	1,026	1,057
Payables due to staff and social security institutions	9,538	8,136
Accruals and payables	506	328
Other payables	4,905	2,399
Total	**79,895**	**69,111**

22. Trade and other payables

23. Financial liabilities

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

€/000	30.06.2013	31.12.2012
Overdrafts	12,838	6,657
Bank loans	35,965	57,412
Lease finance	268	544
Loans from related parties (note 31)	12,279	14,480
Financial accrued expenses and deferred income	154	471
Other loans	1,258	1,258
Total current	**62,762**	**80,822**

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	30.06.2013	31.12.2012
Bank loans	51,930	32,959
Finance leases	103	133
Loans from related parties (note 31)	1,077	1,044
Other loans	190	190
Total current	**53,300**	**34,326**

The loans that fall beyond 5 years amount to € 4,390 thousand.

During the first half, the Group concluded operations to reschedule the long-term deadlines of its loans in order to achieve a better financial balance.

Some medium-long term loans are subject to financial Covenants, based on the ratio NFP/EBITDA and NFP/Equity consolidated at the end of the year.

24. Tax assets and liabilities

Deferred tax assets are detailed below:

€/000	30.06.2013	31.12.2012
Deferred tax on impairment of assets	1,073	1,165
Reversal of unrealized intercompany gains	1,847	1,530
Provision for inventory obsolescence	1,104	1,042
Losses in past financial periods	836	1,092
Provisions for bad debts	186	192
Other deferred tax assets	2,293	2,522
Total	**7,339**	**7,543**

The utilisation of losses in past financial periods has no time restriction except for the subsidiary Emak Usa Inc., for which the benefits deriving from the tax credit will start to be lost from the financial year 2026.

The balance of "other deferred tax assets" refers primarily to the tax effect of provisions for risks and charges.

Details of **deferred tax liabilities** are as follows:

€/000	30.06.2013	31.12.2012
Deferred tax on property (IAS 17)	1,279	1,475
Valuation of provision for employee termination indemnities under IAS 19	227	259
Taxation on capital gains	151	276
Other deferred tax liabilities	2,331	2,172
Total	**3,988**	**4,182**

Other deferred tax liabilities refers mainly to revenues that will be fiscally recognised in future financial periods.

The tax credits amount at 30 June 2013 to € 4,313 thousand, against € 6,023 thousand at December 31 2012, refer to VAT credits, surplus payments on account of direct tax and other tax credits.

Tax liabilities amount to € 5,061 thousand at 30 June 2013 compared with € 3,488 at 31 December 2012, and refer to payables for direct tax for the period, to VAT liabilities and withholding taxes.

25. Long-term post-employment benefits

Liabilities refer mainly to amounts payable for employment termination indemnity falling due at the end of employees' working life, equal to € 8,573 thousand.
The valuation of the indemnity leaving fund (TFR) at the closing date, carried out according to the nominal debt method in force would be € 9,552 thousand.

The principal economic and financial assumptions used to calculate the fund are the same as those used at the close of the 2012 financial year.

26. Provisions for liabilities and charges

Movements in these provisions are detailed below:

€/000	31.12.2012	Incr.	Decr.	Exchange difference	30.06.2013
Provision for agents' termination indemnity	1,673	75	(49)	0	1,699
Other provisions	23	0	0	0	23
Total non-current	**1,696**	**75**	**(49)**	**0**	**1,722**
Provision for product warranties	449	0	0	3	446
Other provisions	835	67	(88)	0	814
Total current	**1,284**	**67**	**(88)**	**3**	**1,260**

The provision for agents' termination indemnity is calculated on the basis of agency relationships in force at the close of the financial year. It refers to the probable indemnity which will have to be paid to the agents.

Other non-current provisions relate to future costs to be incurred, equal to € 23 thousand, have been allocated in respect of a dispute for IRES, IRAP and VAT taxes for the financial years 1999-2006, for a total disputed amount of € 376 thousand all-inclusive (including taxes, interests and sanctions). The disputes are currently at different stages of legal proceedings, currently suspended waiting for the Supreme Court to rule at least once, with effect of invalidating all pending proceedings.
All the sentences so far passed by the relevant Tax Commissions have been in favour of Emak and it is expected that the out come of the proceedings will be favourable also in the last resort.
It is confirmed the provision already allocated in case the Judge, whilst recognising the company's right, orders compensation for costs.

The product warranty provision refers to future costs for repairs on warranty which will be incurred for products sold covered by the legal and/or contractual warranty period; the al location is based on estimates extrapolated from the historic trend

The "Other current provisions" heading refers to the best possible estimation of probable liabilities taking into consideration:

- charges for tax defense amounting to € 60 thousand have been allocated during the year related to a general tax audit at Emak S.p.A., whose outcome has led to some findings, not yet resulted in tax assessments, concerning the transfer prices of industrial supplies from Emak Jiangmen (China). With reference to the years 2008-2010, the office has recorded higher taxable for about € 4 million, of which correspond taxes of € 1.1 million, plus interest. However, there are no ascertainable sanctions at any extent, given the provisions of Art. 1, paragraph 2-ter of Legislative Decree 471/97. Already in the course of the audit, the Company has expressed its disagreement with the evaluations carried out by the inspectors reiterated its proper operation and announced its intention to oppose all possible future disputes in the appropriate accertative and litigation. Convinced of his good reasons, Emak considers appropriate and consistent with the principles and allocated to the risk provision of only the estimated costs in the face of future defense in any degree of judgment;
- a number of claims relating to disputes arising during the previous financial year for around € 181 thousand;
- costs related to penalties that could be charged to the Group in the future for around € 81 thousand
- the reimbursement of excess amounts on civil liability accidents for € 85 thousand;
- adjustments of the value of capital grants ex law 488/92 accounted for in previous financial years, for around € 388 thousand;
- other miscellaneous charges for € 19 thousand.

27. Other non-current liabilities

The amount reported on 30 June 2013 equal to € 1,095 thousand, compared to €1,150 thousand at 31 December 2012 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 22) and amounts to € 124 thousand.

28. Potential liabilities

Are shown below more contentious tax positions that relate to certain Group companies, acquired by Emak on December 22, 2011.
Liabilities that in the event were to ensue are in any case intended not to burden on the economy of the Group, due to the exercise of a warranty clause that in such a case would be exercised by Emak towards the seller Company Yama S.p.A. (parent company Emak S.p.A.).
In this context, are pending against Tecomec Srl notices of assessment, notified on 8 March 2013, relating to IRES and IRAP related to the years 2008, 2009 and 2010 for a total disputed amount of about € 525 thousand, all inclusive (taxes, interest and penalties). Is currently being checked the subsistence of acceptable conditions of defining in membership.
Against the same Tecomec S.r.l. are some ongoing tax disputes concerning the years 2002, 2003, 2004 and 2005 involving a total potential burden equal to € 435 thousand, including taxes, interest and penalties. The Company's claims were accepted in all levels of courts so far carried out; the appeal proceedings following the appeals Revenue Agency are pending.
Against Comet, following an audit Revenue Agency ended October 12, 2012, are still pending two tax assessments totaling € 87 thousand and all-encompassing. The Company is preparing its defense.

29. Information on financial risks

The Group is exposed to a variety of financial risks associated with its business activities:
- credit risk, regarding both normal commercial relations and financing activities;
- liquidity risk, with particular reference to the availability of financial resources and to access to the credit market;
- market risks, with particular reference to exchange and interest rates, since the Group operates at an international level in different currencies and uses financial instruments that generate interest.

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

The Group’s exposure to financial risks, also considering the change in the scope of consolidation, has not undergone significant changes compared to 31 December 2012.

30. Commitments and guarantees given

Fixed asset purchases

The Group has no commitments to purchase property, which involve significant financial outlays in the short term.

Purchases of additional shares of equity

Please note that with respect to shares held directly or indirectly by the Parent Company Emak S.p.A. are in place the following contractual agreements:
- The contract for the purchase of the subsidiary Epicenter LLC was fixed in favor of Emak a call option to purchase an additional share of 14% to be exercised within June 30 2014, with the possibility, therefore, to bring its shareholding to 75% ;

- Under the acquisition agreement of the subsidiary PTC S.r.l. the subsidiary Comet S.p.A. has obliged itself to proceed with the purchase of the entire interest held by Italian PTC in PTC Ltd. The sale price is already agreed between the parties for a total of € 60 thousand;
- In the contract of acquisition of the subsidiary Valley Industries LLP has been defined Put and Call option for the remaining 10% interest in favor of the General Manager of the company to be exercised by 2017;
- The subsidiary Comet S.p.A. under the contract of acquisition of Mexican SIAgro Mexico has established a provision for the purchase of a further share of control exercisable by 31 December 2013.

31. Related party transactions

Emak S.p.A. is controller by Yama S.p.A. whichhas a stable holding of 75.185% of its share capital and which is the parent company of a larger group of companies, engaged principally in the areas of machinery and equipment for agriculture and gardening, components for engines and for real estate.

Among the companies under the direct control of YAMA S.p.A., few have provided to Emak Group components and materials during the first half 2013. By contrast certain companies of the Yama Group have purchased from Emak products for the completion of their respective range of commercial offer

All the transactions fall within the ordinary management of the company, are regulated under market conditions, thus the same conditions that would be applied between independent parties, and in the interest of the companies of the Emak Group.

The amounts of commercial and other nature transactions with related parties for the first half 2011 are shown below. The nature of most relavant transactions are shown as well.

Related parties (€/000)	**Net sales**	**Receivables**
Agro D.o.o.	202	77
Cofima S.r.l.	-	2
Euro Reflex D.o.o.	109	110
Garmec S.p.A.	69	31
Mac Sardegna S.r.l.	368	405
Selettra S.r.l.	4	5
Total Yama Group	**752**	**630**
Other related parties	**384**	**-**
Total	**1,136**	**630**

Companies belonging to the Yama Group (€/000)	Purchase of raw materials and finished products	Other costs	Commercial and other Payables	financial charges	Current financial liabilities	Non-current financial liabilities
Agro D.o.o.	19	-	10	-	-	-
Cofima S.r.l.	396	165	459	-	-	-
Euro Reflex D.o.o.	716	4	184	-	-	-
Garmec S.p.A.	60	-	35	-	-	-
Mac Sardegna S.r.l.	-	1	0.5	-	-	-
Sabart S.p.A	-	112	-	61	2,455	-
Selettra S.r.l.	259	-	169	-	-	-
Yama Immobiliare S.r.l.	-	717	-	-	-	-
Yama S.p.A.	-	-	156	243	9,820	-
Total Yama Group	**1,450**	**999**	**1,014**	**304**	**12,275**	**0**
Other related parties	**19**	**22**	**12**	**-**	**4**	**1,077**
Total	**1,469**	**1,021**	**1,026**	**304**	**12,279**	**1,077**

Non-current financial liabilities are the only transactions of an extraordinary nature shown here; they correspond to the discounted residual debt of the acquisitions of 22 December 2011 (the "Greenfield" acquisition).
The "Trade payables and other current liabilities" includes, in addition, liabilities arising from the relationship of tax consolidation in place between the parent Yama SpA and its subsidiaries Tecomec Srl, Comet SpA, Sabart Srl and Raico S.r.l. ("Consolidated taxation").

32. Subsequent events

Please refer to what described in paragraph 10 of the Directors' Report.

Declaration on the abbreviated half-year Accounts in accordance with art. 154 bis comma 5 of Legislative Decree 58/98

1. We, the undersigned, Fausto Bellamico, as President and Chief Executive Officer, 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 1 January 2013 - 30 June 2013.

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 2012

President and Chief Executive Officer:

Fausto Bellamico

The Financial Reporting Officer:

Aimone Burani