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

Quarterly report at 30.09.2012

Emak S.p.A. Member of the Yama Group • Via Fermi, 4 • 42011 Bagnolo in Piano (Reggio Emilia) ITALY
Tel. +39 0522 956611 • Fax +39 0522 951555 - info@emak.it • www.emak.it
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Main economic and financial figures for the Group

For a better understanding, please note the following regarding the published comparative figures:

-Full year 2011: the figures shown relating to equity and of a financial nature take account of all the acquisitions made during the financial year 2011; economic results do not consider costs and revenues of the companies acquired in the operation Greenfield (1);

- 9 months 2011 – 3° quarter 2011: the figures show n relating to equity and of a financial nature and the economic results take account of all the companies included in the scope of consolidation as of 30 September 2011 (reguarding Epicenter LLC, acquired on 30 September 2011, only the figures relating to equity and of a financial nature are included). Therefore do not include all the companies acquired in the operation Greenfield and Valley LLP.

Income statement (€/000)

Year 2011		3Q 2012	3Q 2011	9 months 2012	9 Months 2011
204,359	Net sales	70,557	42,663	282,440	167,185
17,517	EBITDA (2)	4,186	3,077	27,519	19,616
10,400	EBIT	1,054	1,288	18,321	14,286
5,767	Net profit	(744)	1,557	8,684	8,550

Investment and free cash flow (€/000)

Year 2011		3Q 2012	3Q 2011	9 months 2012	9 Months 2011
3,967	Investment in property, plant and equipment (3)	1,973	873	5,489	2,486
1,058	Investment in intangible assets (3)	242	321	1,042	779
12,884	Free cash flow from operations (4)	2,388	3,346	17,882	13,880

Balance sheet (€/000)

31.12.2011		30.09.12	30.09.11
237,439	Net capital employed	242,983	155,055
(97,298)	Net debt	(97,277)	(36,809)
140,141	Total equity	145,706	118,246

Other statistics

Year 2011		3Q 2012	3Q 2011	Nove mesi 2012	Nove mesi 2011
8.6%	EBITDA / Net sales (%)	5.9%	7.2%	9.7%	11.7%
5.1%	EBIT/ Net sales (%)	1.5%	3.0%	6.5%	8.5%
2.8%	Net profit / Net sales (%)	-1.1%	3.6%	3.1%	5.1%
4.4%	EBIT / Net capital employed (%)			7.5%	9.2%
0.69	Debt / Equity			0.67	0.31
1,576	Number of employees at period end			1,558	928

Share information

Year 2011		9 months 2012	9 Months 2011 (*)	9 Months 2011
0.035	Earnings per share (€)	0.052	0.052	0.312
163,934,835	Number of shares comprising share capital	163,934,835	163,934,835	27,653,500
163,537,602	Average number of oustanding shares	163,537,602	163,537,602	27,256,267

(1) For more information about the operation "Greenfield" please refer to the prospectus published on 18 November 2011 and to what already described in the 2011 financial report
(2) "Ebit" plus "Amortization, depreciation and impairment losses"
(3) The comparative figure at 31 December 2011 doesn't include investments of the companies acquired during the year
(4) "Net Profit" plus "Amortization, depreciation and impairment losses"

(*)The data in this section have been adjusted for a more accurate representation after the capital increase concluded in 2011.

Consolidated financial statements

Income statement

FY 2011	€/000	3 Q 2012	3 Q 2011	9 months 2012	9 months 2011
204,359	Sales	70,557	42,663	282,440	167,185
1,485	Other operating incomes	396	281	1,579	918
(1,230)	Change in inventories	(3,918)	(2,116)	(11,386)	(1,645)
(116,257)	Raw and consumable materials and goods	(35,870)	(22,993)	(149,222)	(94,515)
(32,288)	Salaries and employee benefits	(13,587)	(7,171)	(46,141)	(24,866)
(38,552)	Other operating costs	(13,392)	(7,587)	(49,751)	(27,461)
(7,117)	Amortization, depreciation and impairment losses	(3,132)	(1,789)	(9,198)	(5,330)
10,400	**Ebit**	**1,054**	**1,288**	**18,321**	**14,286**
791	Financial income	353	121	581	420
(1,777)	Financial expenses	(1,361)	(492)	(3,884)	(1,343)
(370)	Exchange gains and losses	(321)	1,459	(463)	(588)
9,044	**EBT**	**(275)**	**2,376**	**14,555**	**12,775**
(3,277)	Income taxes	(469)	(819)	(5,871)	(4,225)
5,767	**Net profit**	**(744)**	**1,557**	**8,684**	**8,550**
(12)	**(Profit)/loss attributable to minority interests**	(16)	(3)	(214)	(40)
5,755	**Net profit attributable to the group**	**(760)**	**1,554**	**8,470**	**8,510**
0.035	**Basic earnings per share**	**(0.005)**	**0.010**	**0.052**	**0.052**
0.035	**Diluted earnings per share**	**(0.005)**	**0.010**	**0.052**	**0.052**

Comprehensive income statement

FY 2011	€/000	3 Q 2012	3 Q 2011	9 months 2012	9 months 2011
349	**Net profit (A)**	**(744)**	**1,557**	**8,684**	**8,550**
0	Profits/(losses) deriving from the conversion of foreign company accounts	**(592)**	**445**	**823**	**(730)**
0	**Total other components to be included in the comprehensive income statement (B):**	**(592)**	**445**	**823**	**(730)**
349	**Comprehensive net profit (A)+(B)**	**(1,336)**	**2,002**	**9,507**	**7,820**
6,072	**Comprehensive net profit attributable to minority interests**	**(16)**	**(3)**	**(214)**	**(40)**
6,421	**Comprehensive net profit attributable to the group**	**(1,352)**	**1,999**	**9,293**	**7,780**

Schedule showing consolidated assets-liabilities-financial situation

ASSETS

31.12.2011	€/000	30.09.2012	30.09.2011
	Non-current assets		
62,526	Property, plant and equipment	60,191	47,908
5,108	Intangible assets other than goodwill	4,958	3,457
20,492	Goodwill	31,008	10,134
231	Equity investments	233	224
18	Equity investments in related company	18	0
7,151	Deferred tax assets	7,926	3,217
136	Other non current financial assets	110	0
907	Other receivables	904	907
96,569	**Total**	**105,348**	**65,847**
	Current assets		
125,474	Inventories	118,448	70,719
103,521	Trade and other receivables	99,915	65,292
4,140	Current tax assets	1,678	1,552
1	Other financial assets	1	0
174	Derivative financial instruments	20	384
10,901	Cash and cash equivalents	27,927	7,852
244,211	**Total**	**247,989**	**145,799**
-	**Non-current assets classified as held for sale**	**677**	**-**
340,780	**TOTAL ASSETS**	**354,014**	**211,646**

EQUITY AND LIABILITIES

31.12.2011	€/000	30.09.2012	30.09.2011
	Capital and reserves		
138,408	Total Group	143,871	116,894
1,733	Non-controlling interest	1,835	1,352
140,141	**Total equity**	**145,706**	**118,246**
	Non-current liabilities		
41,398	Loans and borrowings	49,104	15,678
4,514	Deferred tax liabilities	4,276	3,252
8,856	Provisions for employee benefits	9,021	4,827
1,836	Provisions	1,835	667
90	Derivative financial instruments	-	90
1,288	Other non-current liabilities	1,262	1,345
57,982	**Total**	**65,498**	**25,859**
	Current liabilities		
70,780	Trade and other payables	60,091	33,837
2,845	Current tax liabilities	3,799	3,674
65,866	Loans and borrowings	74,632	28,965
1,156	Derivative financial instruments	1,404	312
2,010	Provisions	2,269	753
142,657	**Total**	**142,195**	**67,541**
-	**Liabilities related to the non-current assets classified as held for sale**	**615**	**-**
340,780	**TOTAL EQUITY AND LIABILITIES**	**354,014**	**211,646**

Consolidated net financial position

(€/000)	30.09.2012	30.06.2012	31.12.2011	30.09.2011
Cash and banks	27,942	19,972	10,901	7,852
Securities and derivative financial instruments	20	52	174	384
Other financial assets	1	1	1	0
Financial liabilities	(74,722)	(79,609)	(65,866)	(28,965)
Derivative financial instruments	(1,404)	(1,293)	(1,156)	(312)
Short-term net debt	**(48,163)**	**(60,877)**	**(55,946)**	**(21,041)**
Other financial assets	110	124	136	0
Financial liabilities	(49,224)	(45,990)	(41,398)	(15,678)
Derivative financial instruments	0	(90)	(90)	(90)
Long-term net debt	**(49,114)**	**(45,956)**	**(41,352)**	**(15,768)**
Cash and banks	27,942	19,972	10,901	7,852
Securities and derivative financial instruments	20	52	174	384
Other financial assets	111	125	137	0
Financial liabilities	(123,946)	(125,599)	(107,264)	(44,643)
Derivative financial instruments	(1,404)	(1,383)	(1,246)	(402)
Total net debt	**(97,277)**	**(106,833)**	**(97,298)**	**(36,809)**

Changes in consolidated equity

The following table reports changes in consolidated equity between 31st December 2010 and 30th September 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 31.12.2010	**5,161**	**21,047**	**1,438**	**1,138**	**1,602**	**27,733**	**43,786**	**11,570**	**113,475**	**555**	**114,030**
Share capital increase	35,433	22,504							**57,937**		**57,937**
Charges for capital increase		(1,097)							**(1,097)**		**(1,097)**
Change in treasury shares									**0**		**0**
Profit reclassification							7,209	(11,570)	**(4,361)**	(35)	**(4,396)**
Other changes									**0**	1,169	**1,169**
Change in scope of consolidation as for Opi 1							(33,618)		**(33,618)**		**(33,618)**
Net profit for the period					317			5,755	**6,072**	44	**6,116**
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							258		**258**	(13)	**245**
Net profit					823			8,470	**9,293**	214	**9,507**
Balance at 30.09.2012	**40,594**	**42,454**	**1,700**	**1,138**	**2,742**	**27,733**	**19,040**	**8,470**	**143,871**	**1,835**	**145,706**

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

Comments on the financial statements

This quarterly consolidated report has been prepared in accordance with International Financial Reporting Standards (IFRS) and in compliance with article 154-*ter* ("Financial Reports") of the Consolidated Finance Act, introduced by legislative decree 195/2007.

The accounting standards and policies adopted by the group for preparing the quarterly consolidated financial statements are the same as those used for the consolidated financial statements at 31 December 2011.

It should be noted that:

- when it has not been possible to obtain invoices from suppliers for the provision of consulting and other services, a reasonable estimate of these costs has been made on the basis of the stage of completion of the work;
- current and deferred taxes have been calculated using the tax rates applied in the current year in the individual countries of operation;
- the quarterly report is not subject to audit;
- all amounts are expressed in thousands of euros, unless otherwise specified.

Scope of consolidation

Compared to 31st December 2011, Valley LLP (USA) has been included in the scope of consolidation; its assets and liabilities, and the connected economic effects, have then been included in the present report starting from 1st January 2012. Details of the operation are described in the following paragraph. Compared to 30th September 2011 the companies acquired in the operation "Greenfield" (Raico Srl, Sabart Srl, Gruppo Comet, Gruppo Tecomec). Moreover, starting from the present quarterly report the company newly formed Emak do Brasil Industria Ltda have been included in scope of consolidation of the Group.

Significant, non-recurring transactions or atypical, unusual transactions

Acquisition of LE.MA S.r.l

On 27th January 2012 the controlled company Raico S.r.l. signed the deed for the acquisition of the business activity of LE.MA S.r.l., with registered office in Siena (Italy), commercializes agricultural spare parts, accessories and tools. In 2011 the company realized a sales turnover of € 623 thousand.

The consideration for the operation, determined at the signing of the minute of delivery, has been fixed in € 228 thousand.

This acquisition determined, in a preliminary allocation phase of the cost of the acquisition, the recognition in the consolidated financial statement of intangible assets with finite useful life for €87 thousand.

The transaction is part of the Emak Group's growth strategy, since this acquisition will allow Raico toincrease it's direct presence in the area.

Acquisition of Valley Industries LLP

On February 3, 2012 Comet USA, American subsidiary of Comet S.p.A., in turn controlled by Emak S.p.A., has signed an agreement to acquire a 90% share in Valley Industries LLP. The transaction was completed on February 7, 2012.

Founded in 2003 and based in Minnesota (USA), Valley Industries distributes a wide range of products, components and accessories for Industry and Agriculture sectors, including membrane pumps Comet, with a sales network throughout North America. Valley Industries has ended the year 2011 with a turnover of around $ 19 million, an EBITDA of around $ 2.9 million and a net debt of $ 1.9 million.

The transaction is part of the growth strategy of the Emak Group, as this acquisition will accelerate the development of business in the North American market due to the realization of operational and trade synergies not only with regard to Comet, but also for other Emak product lines marketed by the Group as a whole.

The value of Valley Industries has been contractually agreed on $ 16.7 million. Therefore, the price of 90% of the target company has been determined and paid for about $ 14.8 million.
The remaining 10% remains in possession of the General Director and co-founder of the company. The closing of operation occurred on February 7, 2012.

The agreement also provides the stipulation of a “Put and Call Option Agreement” that will allow the selling shareholder to exercise an option for the sale of his 10% to Comet U.S.A. at a determined price at the end of the 5th year following the closing. If the abovementioned option won’t be exercised there would be a Call option for Comet U.S.A. at the same conditions.

The inclusion of the target company in the scope of consolidation took effect starting from the date of acquisition of control by a percentage equal to 100%, due to the conclusion of the "Put and Call Option Agreement" that led to the recognition of a discounted liability toward the selling shareholder for a value of approximately $ 1.3 million.

Constitution of a commercial subsidiary in Brazil

In June 2012 the parent company Emak S.p.A. established Emak do Brasil Industria Ltda, with registered office in Curitiba in the state of Paranà, with register share capital of 200,000 Reais and participation share of 99%; the company will be in charge of the distribution on the Brazilian market of the Emak Group’s product branded Oleo-Mac. Moreover, the branch will also commercialize the products of Comet and Tecomec, the companies entered in the Group by the end of 2011. The figures of the subsidiary are included from this interim report.

Disposal of the controlled company Emak Benelux N.V.

On September 20th 2012 the parent company Emak S.p.A. signed an agreement for the sale of the stake in Emak Benelux NV, a Belgian company based in Meer, which deals with the distribution of Emak products on the Belgian and Dutch market.

The company closed the financial year 2011 with a turnover of around € 2,125 thousand and a net profit of € 2 thousand. The sale price of the shares was set at € 50 thousand.

Buyers are Herman Kesters, general manager of the company, and Björn Kesters.
The closing of the transaction, with settlement of payment, occurred on October 1st, 2012. In the same time a distribution agreement for Emak products in the same areas previously served was signed with the company.

The transaction will allow Emak to maintain the same distribution model in the area, ensuring greater efficiency considering the size of the business.

The economic effects of the first nine months of 2012 and the balance sheet at 30 September 2012 of the company are included in the consolidation.

Treasury shares

At 31.12.2011 Emak S.p.A. held 397,233 treasury shares, worth € 2,029 thousand.

From 01.01.2012 to 30.09.2012 no treasury shares were purchased or sold by Emak S.p.A., and therefore its total holding and the relative value are unchanged compared to 31 December 2011.

DIRECTORS' REPORT

1. Summery of economic results

Summary figures from the consolidated income statement for the first nine months of 2012 are shown below:

€/000	9 months 2012	%	9 months 2011	%
Net sales	282,440	100	167,185	100
EBITDA adjusted (*)	30,058	10.6	20,682	12.4
EBITDA reported	27,519	9.7	19,616	11.7
EBIT	18,321	6.1	14,286	8.5
Profit before taxes	14,555	5.3	12,775	7.6
Net profit	8,684	3.1	8,550	5.1

(*) Adjusted Ebitda was 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 € 1,066 thousand for 2011 and 208 thousand for 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 first half of 2012, amounting to €2,331 thousand

2. Sales

Consolidated turnover in the third quarter of 2012 was € 70,557 thousand compared to € 42,663 thousand in the same period in the previous financial year.

During the first nine months of 2012 the Emak Group achieved a consolidated turnover of €282,440 thousand compared to € 167,185 thousand in the same period in the previous financial year.
The contribution, in terms of sales, of the companies entered in the scope of consolidation amounts to €133,445 thousand. Therefore, under the same scope of consolidation the turnover would have decreased by 10.9%.

In order to give a better representation of the sales performance, considering the significant dimension of the operation Greenfield, the present paragraph states the comparison between the turnover of the first nine months of 2012 and the adjusted turnover of the same period 2011.

The adjusted turnover represents consolidated net sales that the Group would have achieved in the first nine months 2011 if the operation Greenfield would have been concluded starting from 1st January 2011.
Sales of the companies Ptc Srl, Valley LLP and Epicenter LLC were not included in the adjusted 2011 figure, while for the first nine months 2012 their contribution to the consolidated turnover amounts to € 21,365 thousand.

The following table shows the breakdown by product line of the sales in the first nine months 2012, compared to the turnover adjusted and in the same period of the previous year.

€/000	30.09.2012	%	30.09.2011 adjusted	%	Var. %	30.09.2011	%
Agriculture & Forestry	116,469	41.2%	113,401	39.6%	2.7%	62,906	38%
Construction & Industry	44,889	15.9%	44,530	15.5%	0.8%	7,897	4.7%
Lawn & Garden	121,082	42.9%	128,609	44.9%	-5.9%	96,382	57.6%
Total	**211,883**	**100%**	**213,907**	**100%**	**-0.9%**	**124,522**	**100%**

In order to give a more appropriate representation of sales analysis the product line “Spare parts and accessories” has been reclassified in the other lines.

Please note that the change in the scope of consolidation has determined a significant variation in the weight of product lines in which Group sales are divided, mitigating the risks deriving from the seasonality and the cyclicity. Especially, the incidence of the lines “Agriculture&Forestry” and “Construction&Industry” has increased.

Sales for all product lines, excluding the "Gardening", show an increase compare to the adjusted figures of the same period of last year.

The inclusion of Valley LLP and Ptc Srl in the scope of consolidation contributed to the sales increase for "Construction&Industry" and "Agriculture&Forestry", despite the decline registered, especially by the latter, in the third quarter.

The decrease in sales of Gardening products was determined by the unfavourable macro economic scenario and weather conditions.

The following table shows the breakdown by geographic area of the sales in the first half 2012, compared to the turnover adjusted and in the same period of the previous year.

€/000	30.09.2012	%	30.09.2011 adjusted	%	Var. %	30.09.2011	%
Europe	195,762	69.3%	206,470	72.1%	-5.2%	127,240	76.1%
Americas	49,872	17.7%	34,428	12.0%	44.9%	11,420	6.8%
Asia, Africa and Oceania	36,806	13.0%	45,642	15.9%	-19.4%	28,525	17.1%
Total	**282,440**	**100%**	**286,540**	**100%**	**-1.4%**	**167,185**	**100%**

In order to give a more appropriate representation of sales analysis by area the Group adopted a new segmentation compared to the previous reports.

Please note that the inclusion in the scope of consolidation of the companies acquired in the operation Greenfield has determined a significant variation in the weight of the markets in which the Group operates. Especially the entering in the scope of consolidation of Comet Group and Tecomec Group determined a sales increase in the North American market.

In the nine months continued the trend registered since the beginning year with a decline in sales in Europe and in Asia, Africa and Oceania, and an increase in America, the latter mainly due to the new scope of consolidation and the good results achieved in South America.

It has to be noted that during the third quarter Group sales in Europe, compared to the "adjusted" figure in the same period of last year, were higher due to the good performance in some countries such as France, Germany, Ukraine and the Czech Republic, which more than offset the decline in other markets, especially the Italian one.

3. EBITDA

Ebitda in the third quarter 2012 amounts to € 4,186 thousand, compared to € 3,077 thousand in the corresponding quarter of last year.

In the first nine months of 2012 Ebitda amounts to € 27,519 thousand, against € 19,616 thousand in the corresponding period of last year. The contribution deriving from the change in the scope of consolidation amounts to € 15,482 thousand.

Note that the income statement of the first nine months 2012 is negatively affected by the reversal of intercompany margins resulting from enlargement of the scope of consolidation compared to the same period of 2011, amounting to €2,331 thousand. Moreover, at 30 September 2012 costs were incurred for consulting M&A amounting to €208 thousand (€1,066 thousand at 30 September 2011). Therefore, excluding significant and non-recurring items, Ebitda would have increased from €20,682 thousand to € 30,058 thousand.

Ebitda as a percentage of revenues has moved from 11.7% for 2011 to 9.7% for 2012 (from 12.4% to 10.6% excluding non-recurring items).

The Group's average number of employees and temporary workers in the first nine months of 2012 was 1,558, while it was 1,057 in the same period of 2011, mostly due to the change in the scope of consolidation.

4. EBIT

In the third quarter of 2012, Ebit amounts to € 1,054 thousand, against € 1,288 thousand in the corresponding quarter of the previous year.

In the first nine months of 2012, Ebit amounted to € 18,321 thousand against € 14,286 thousand in the corresponding period of last year. The contribution deriving from the change in scope of consolidation amounts to € 11,934 thousand.

Ebit as a percentage of sales moves from 8.5% at 30 September 2011, to 6.5% at 30 September 2012.

Amortization and depreciation provisions amount to € 9,198 thousand, compared to € 5,330 thousand for the same period 2011. The increase is due to the change in the scope of consolidation for € 3,548 thousand.

5. Net propfit

Third quarter 2012 registered a net loss of € 744 thousand, compared to a net profit of € 1,557 thousand in the corresponding period of last year.

In the first nine months the Group registered a net profit of € 8,684 thousand against € 8,550 thousand for the same period 2011. The contribution deriving from the change in the scope of consolidation amounts to € 6,245.

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

Currency management of the third quarter is negative for € 321 thousand compared to positive result of € 1,459 thousand for the same period in the previous year.
Currency management of the first nine months is negative for € 463 thousand, while it was negative for € 588 thousand in the same period of the previous year.

The tax rate of 40.3% has increased compared to 33.1% for the same period in the previous financial year, due to the unfavourable distribution of taxable income between Group companies and the higher incidence of taxable IRAP.

It should be noted that the Group at 30 September 2012 has not recorded a credit of approximately 950 thousand relating to the deductibility for IRES of the IRAP paid on the cost of labor in previous years (Article 4, paragraph 12 of Law Decree of 2 March 2012 n. 16, converted into Law no. 44 of 26 April 2012).

Balance sheet and financial position

1. Net non-current assets

During the first nine months of 2012 the Emak Group invested € 6,531 thousand in property, plant and equipment and intangible assets as follows:

- € 1,999 thousand for product innovation;
- € 2,464 thousand for adjustment of production capacity and for process innovation;
- € 1,143 thousand for upgrading the computer network system;
- € 184 thousand for adjustment of industrial buildings;
- € 741 thousand for other managerial working investments.

Investments broken down by geographical area are as follows:
- € 4,821 thousand in Italy;
- € 710 thousand in Europe;
- € 1,000 thousand in the Rest of the World.

2. Net working capital

The net working capital, compared to December 31, 2011, decreases by € 3,372 thousand, from €157,500 thousand to € 154,128thousand. The following movements are shown in detail below:

€/000	9 months 2012
Net working capital at 01 January 2012	**157,500**
increase/(decrease) in inventories	(11,258)
increase/(decrease) in trade receivables	(6,418)
(increase)/decrease in trade payables	13,587
change in scope of consolidation	4,078
variation for acquisition line of business	147
other changes	(3,508)
Net working capital at 30 September 2012	**154,128**

The trend in net working capital at September 30, 2012 is related to the seasonality of sales and changes in the scope of consolidation

3. Equity

Consolidated net equity stands at € 145,706 million, compared to €140,141 million as of 31st December 2011. Earnings per share as of 30 September 2012 are € 0.052, in line with the same period of the previous year (recalculated in a manner consistent with the number of shares outstanding at 30 September 2012)

4. Net financial position

Net negative financial position moves from € 97,298 thousand at 31.12.2011 to € 97,277 thousand at 30 September 2012. The cash flow generated by operating activities mainly funded the acquisition of Valley LLP and other investments.

The following table shows the movements in the net financial position of the first nine months of 2012:

€/000	
Opening NFP at 1/1/2012	**(97,298)**
Cash flow from operations, excl. changes in operating assets and liabilities	17,882
Changes in operating assets and liabilities	6,698
Cash flow from operations	**24,580**
Cash flow from investments and disinvestments	**(6,894)**
Other equity changes	**(3,118)**
Change in the scope of consolidation	**(14,319)**
Acquisition of business unit Le.Ma	**(228)**
Closing NFP at 30/09/12	**(97,277)**

In the first nine months 2012 free cash flow from operations after tax was € 17,882 thousand, compared with € 13,880 thousand in the same period of last year. In the third quarter, the figure amounts to € 2,388 thousand compared with € 3,346 thousand in the same period of the previous year

Long/medium-term financial payables include both principal amounts of outstanding loans and 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 30th September 2013;
- amounts due to other providers of finance falling due by 30th September 2013.

Business outlook

The difficult macroeconomic situation has affected the performance of the Group during the year. Considering the results obtained to date, the Group's management estimates a closure of sales for 2012 in line with the pro forma result of 2011, which was approximately € 357 million.

Subsequent events

There are no significant events.

Bagnolo in Piano (RE), 14 November 2012

On behalf of the Board of Directors

The Chairman

Fausto Bellamico

STATEMENT

Subject: Quarterly report at 30th September 2012

I, the undersigned, Aimone Burani, the executive in charge of preparing the accounting statements of EMAK S.p.A. hereby

CERTIFY

in accordance with the second paragraph of Art. 154-bis, of Italian Legislative Decree No. 58 of 24 February 1998,

that to the best of my knowledge, the Quarterly Report at 30th September 2012, examined and approved today by the Board of Directors of the company, corresponds with the accounting documents, ledgers and records,

Faithfully

Bagnolo in Piano (RE), 14 November 2012

Aimone Burani
Executive in charge
of preparing the accounting statements