

A man wearing a white polo shirt with 'Lucca' and 'EMAK' logos, green safety pants, yellow gloves, and a headlamp is using a red chainsaw to cut a large log. He is standing in a grassy area with a stone building and a large tree in the background. The scene is brightly lit, suggesting a sunny day.

1H 2010 results presentation

STAR Conference 2010

London October 6, 2010

The logo consists of a green square containing a stylized white and green icon of a person with arms raised, symbolizing power or passion.

Emak[®]
our power, your passion

Company overview



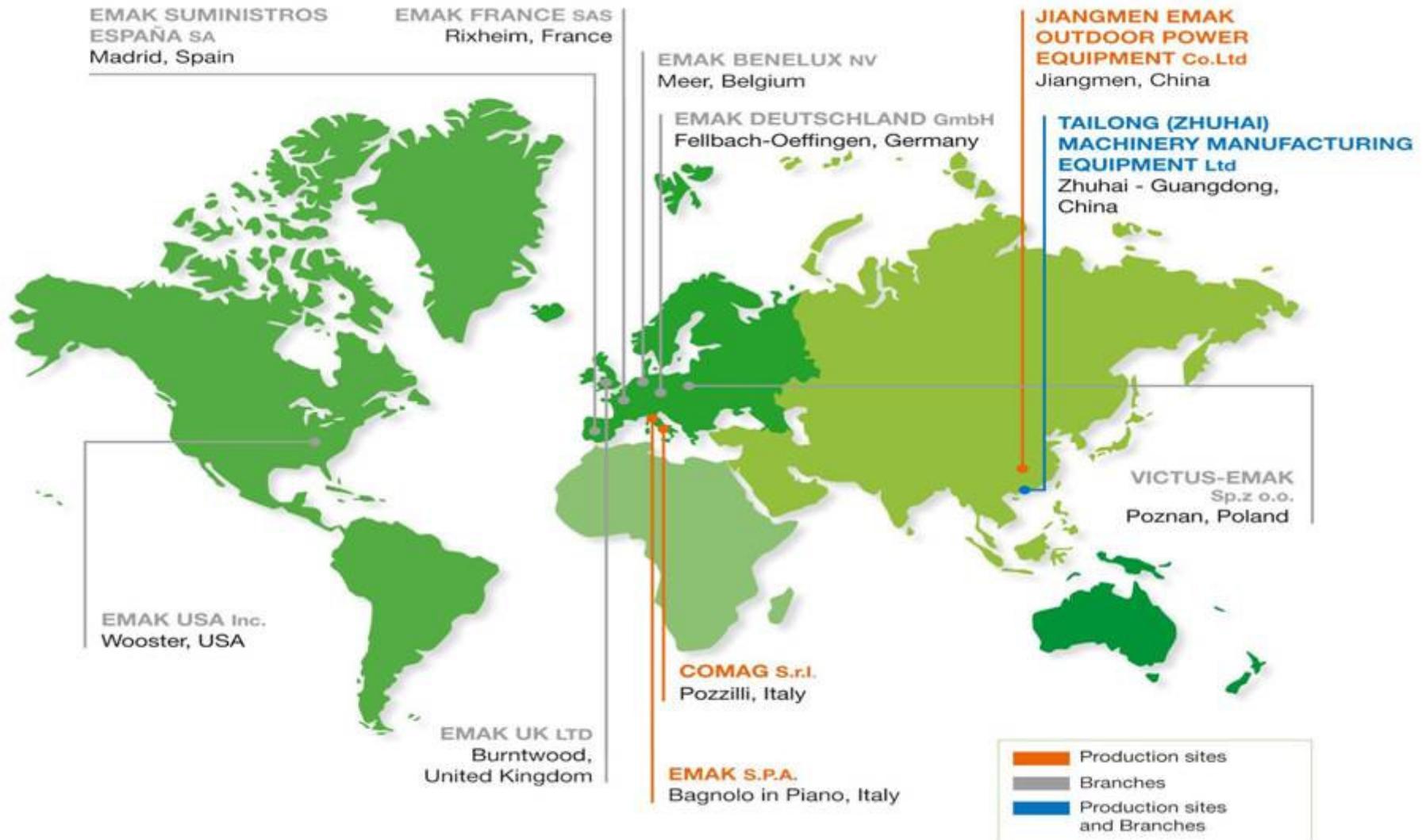
- **1972** Establishment of **Oleo-Mac**
- **1978** Establishment of **Efco**
- **1992** Establishment of **Emak**: merger of Oleo-Mac and Efco
- **1997** Establishment of **Comag**, production plant in southern Italy
- **1998** **Listing** on the Milan Stock Exchange
- **1998-1999** Establishment of **European subsidiaries**
- **2004** Establishment of **Emak Jiangmen**, production plant in China
- **2005** Acquisition of **Victus**, polish subsidiary
- **2006** Establishment of **Emak U.S.A.**
- **2008** Acquisition of **Bertolini**, small agriculture machines, and **Tailong**, Chinese cylinders manufacturer

EMAK GROUP HIGHLIGHTS

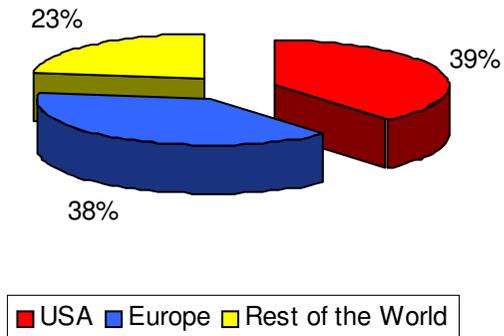


- **3rd largest European manufacturer** of chainsaws and brushcutters
- **€ 195 mln turnover** in 2009
- **~ 1,000 employees**
- **8 distribution branches** (6 in Europe, 1 in USA, 1 in China)
- **More than 20,000 dealers in 85 countries**
- **4 production plants** (2 in Italy and 2 in China)

EMAK GROUP INTERNATIONAL PRESENCE

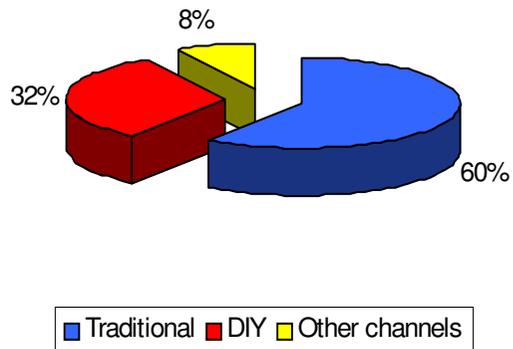


**Breakdown by area
Value**



- Global market value (sell-in): €11-13 billion
- Traditional channel market value: € 6-7 billion
- Emak market share (traditional channel):
 - Global ~ 3%;
 - Europe ~ 8%.

**Breakdown by distribution channel
Value**



Source: Company estimates



Chainsaws/
electric saws



brushcutters



lawnmowers



Power cutters



blowers



gardentractors



rotary tillers



flail mowers



rotary cultivators



cutterbar mowers



transporters



Products

investments on innovation (almost 10 new products per year);

Distribution network

development plans in the most important areas (BRIC countries);

Logistic

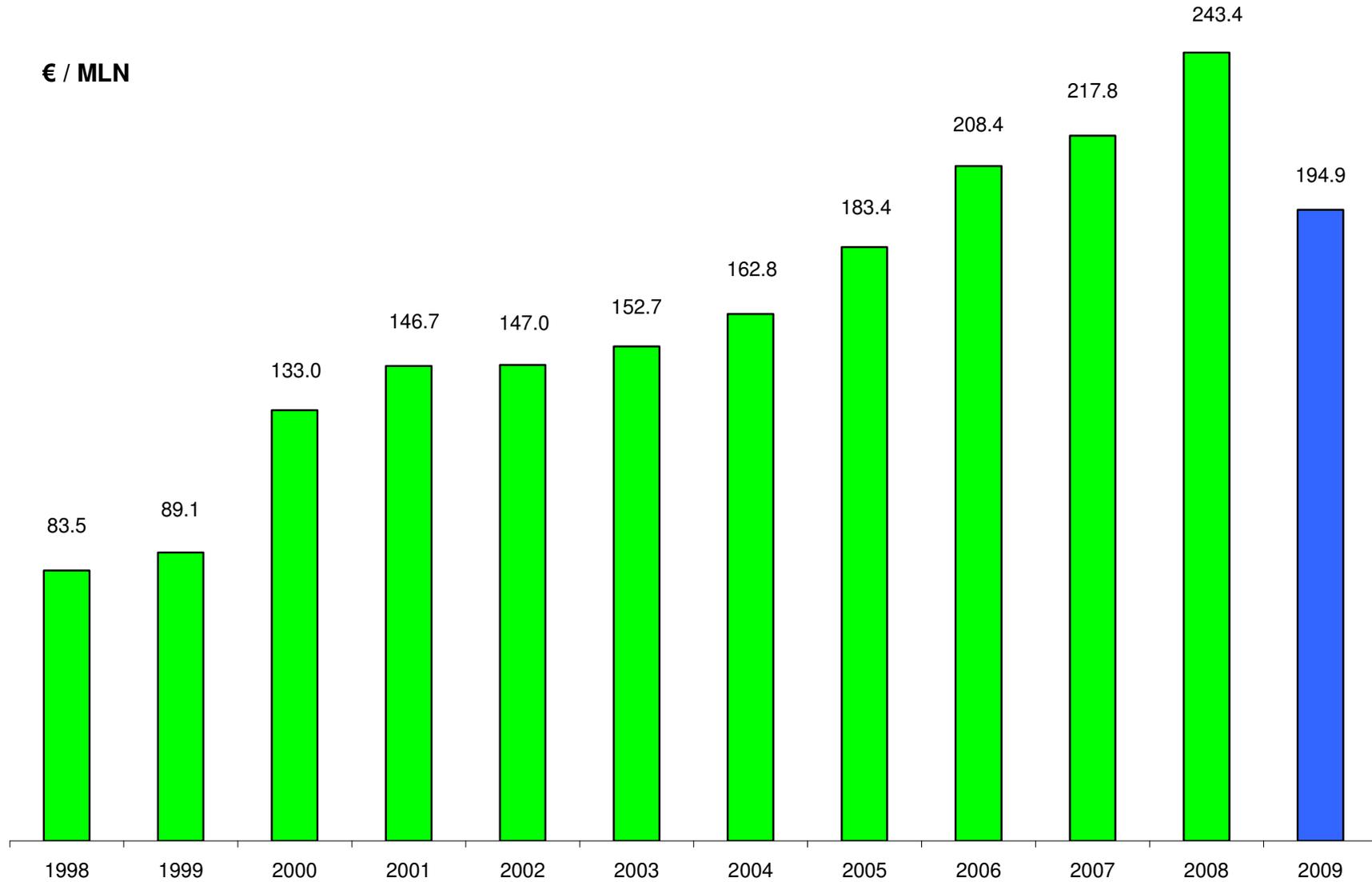
efficiency in Europe through the European branches; new spare parts logistic center;

Acquisitions

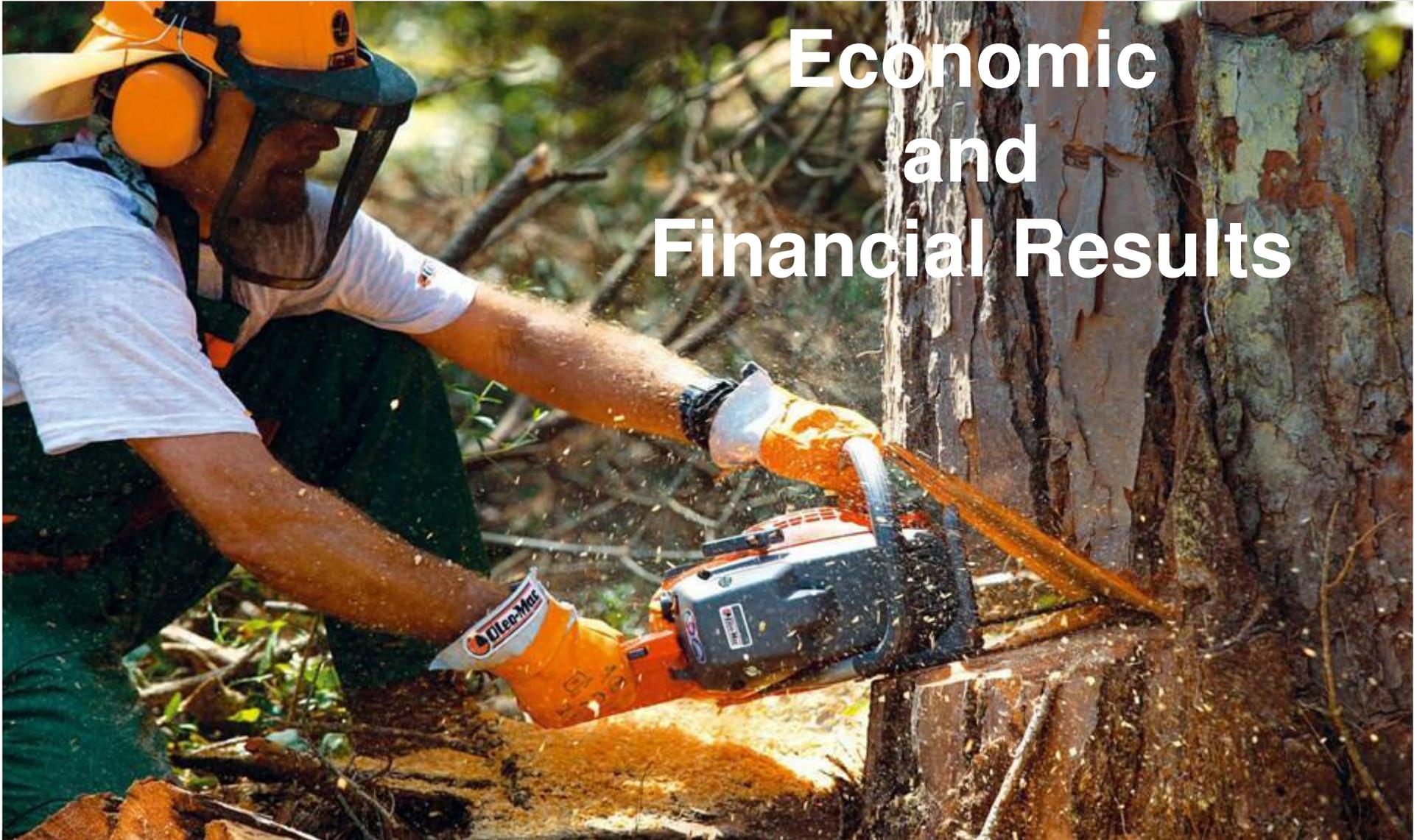
focus on product or distribution synergies.

HISTORICAL TURNOVER

€ / MLN



Economic and Financial Results



FINANCIAL HIGHLIGHTS

FY 2009	€/mln	1H 2010	1H 2009	Δ %
194.9	Turnover	126.2	119.7	5.4%
21.7	Ebitda	20.1	15.9	26.5%
11.1%	<i>Margin %</i>	15.9%	13.3%	
14.9	Ebit	16.5	12.4	33.0%
7.6%	<i>Margin %</i>	13.1%	10.3%	
9.4	Group Net Profit	12.4	7.5	65.4%
4.8%	<i>Margin %</i>	9.8%	6.2%	



SALES BY PRODUCT LINE

€/mln	1H 2010	%	1H 2009	%	Δ %
Agriculture & Forestry	35.8	28.4%	31.4	26.3%	13.6%
Construction & Industry	6.2	4.9%	2.1	1.8%	191.7%
Lawn & Garden	67.9	53.8%	69.5	58.0%	-2.2%
Spare parts & Accessories	16.3	12.9%	16.7	13.9%	-2.2%
Total	126.2	100%	119.7	100%	5.4%

Agriculture&Forestry: continued growth in the sales of products associated with forestry activities and a constant increase in demand for those products used for working the land;

Construction&Industry: sales continued to benefit from the new line of products and a slight recovery in the building sector;

Lawn&Garden: after a good start to the year the segment was heavily penalized by the late start to the spring season;

Spare Parts and Accessories: sales were affected at the late start of the season, although they registered a recovery in the second quarter..

SALES BY GEOGRAPHICAL AREA

€/mln	1H 2010	%	1H 2009	%	Δ %
Italy	23.0	18.2%	25.6	21.4%	-10.4%
Europe	80.3	63.7%	77.6	64.8%	3.5%
Rest of world	22.9	18.1%	16.5	13.8%	38.6%
Total	126.2	100%	119.7	100%	5.4%

Italy: the core business remained at the same levels as in 2009, the decrease was caused by the disposal of a product line relating to an OEM business

Europe: The increase in turnover in the European market was driven by the recovery of sales in Russia and in Germany;

Rest of the World: the good performance in the Turkish market continued.

Improved EBITDA margin

Positive effects

- higher sales and production volumes
- favourable product mix
- extraordinary items (capital gain of €2.2 million for the sale of an industrial building)

Negative effects

- increase in staff costs, due to the different geographical distribution of the most used production plants and the wage trend
- increase in operating costs associated with higher sales and production volumes

Better financial results

- activities on exchange rates related to hedging policies
- decrease in the net debt
- lower interest rates.



CONSOLIDATED ASSETS AND LIABILITIES

€/mln	30.06.2010	31.12.2009	30.06.2009
Net fixed assets	59.5	59.7	59.4
Net working capital	88.6	82.9	104.9
Net capital employed	148.1	142.6	164.3
Net equity	115.0	104.1	101.7
Minority interests	0.5	0.5	0.5
Net financial debt	32.5	37.9	62.1
Debt/Equity	0.3	0.4	0.6

The change of the **net working capital** is consistent with the seasonality of the sales. It has to be pointed out, at 30 June 2010, the further reduction in inventories for € 3,479 compared to 31 December 2009, after the significant cut of € 19,544 thousand in the first half 2009.

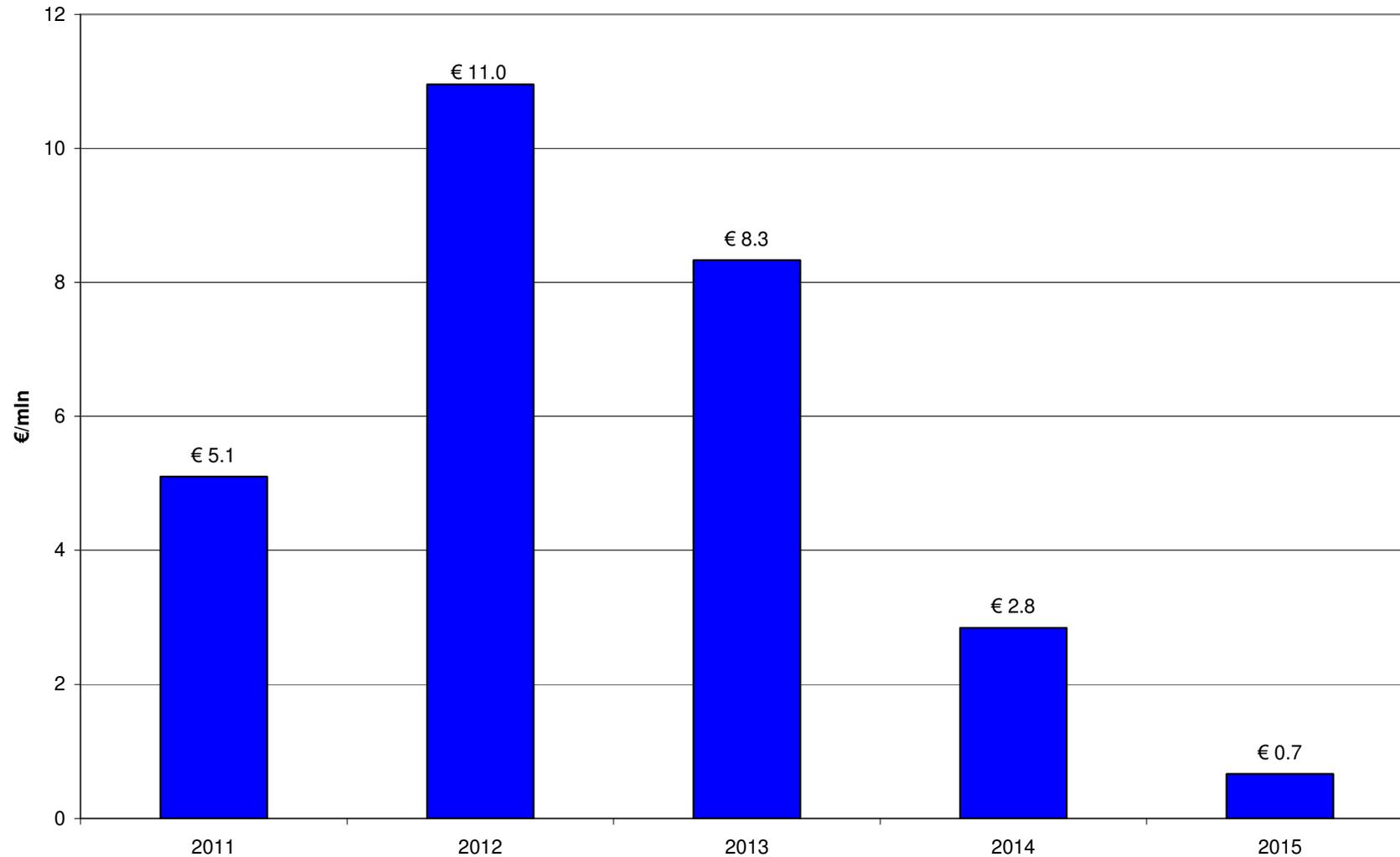
The reduction of the **net financial debt** is mainly due to the good cash flow generated during the first half

CASH FLOW STATEMENT

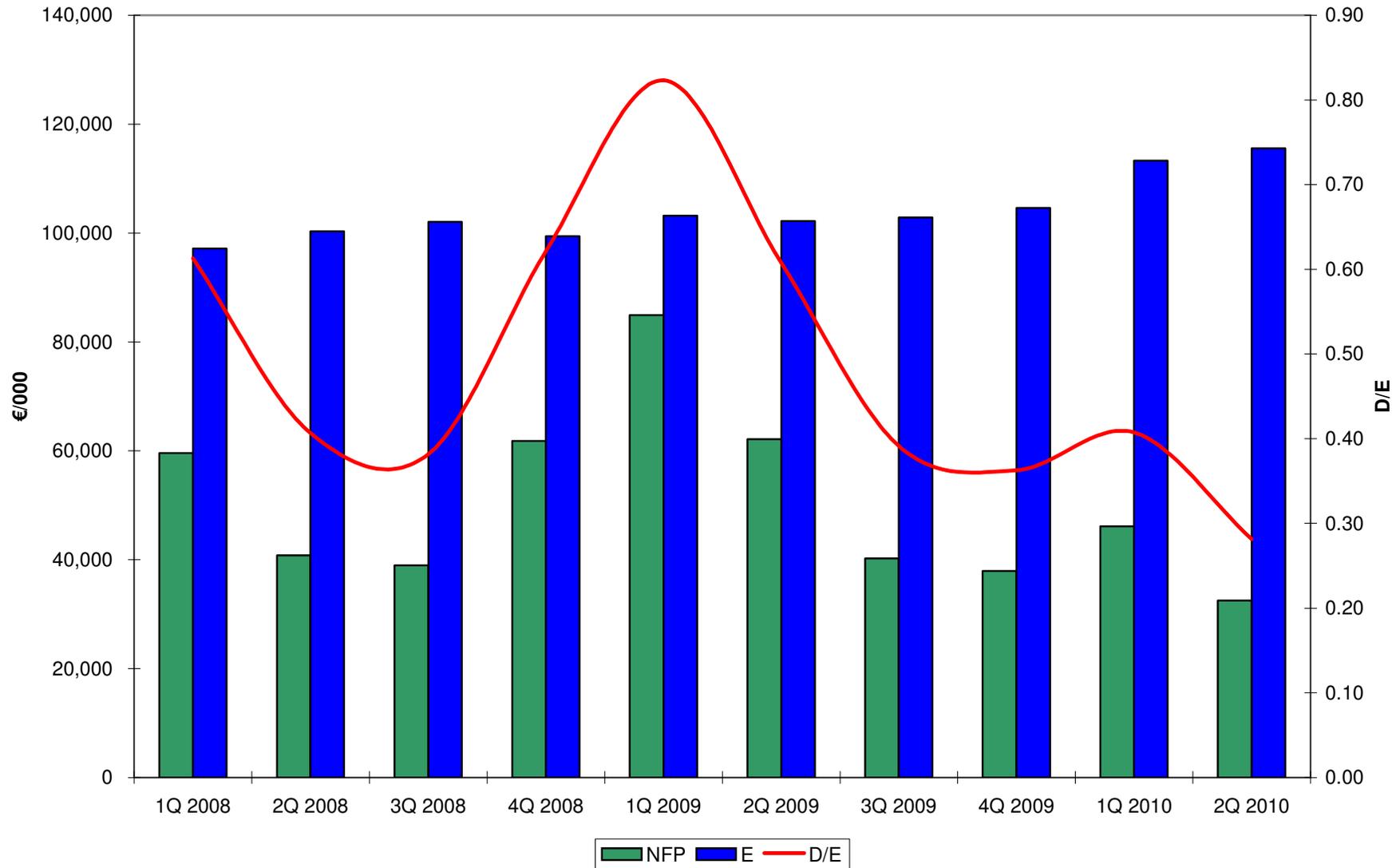
31.12.2009	€/mln	30.06.2010	30.06.2009
-61.8	Opening financial debt	-37.9	-61.8
16.2	Cash flow from operations	14.5	11.0
20.3	Change in net working capital	-5.7	-1.7
19.9	- Inventories	3.5	19.6
13.4	- Receivables	-16.5	-2.8
-14.0	- Payables	4.6	-21.2
1.1	- Others	2.8	2.7
-8.4	Net capital expenditure	-1.6	-5.0
-	Net capital gain	1.5	-
-4.2	Equity and other changes	-3.3	-4.6
-37.9	Net financial debt at the end of the period	-32.5	-62.1

Funding maturity structure, June 2010

At 30 June 2010 long-term loans and borrowings amount to € 28 million.

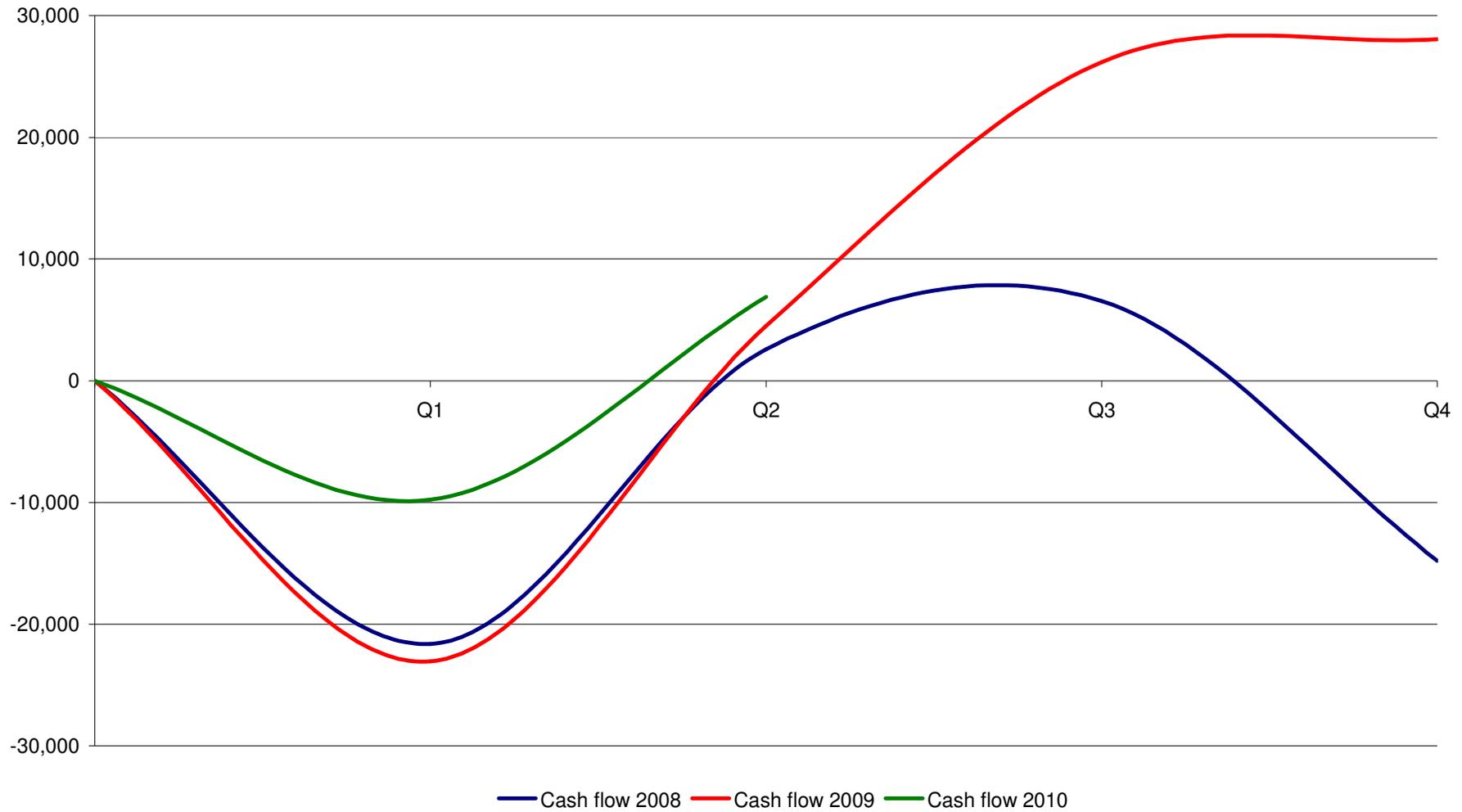


NET DEBT AND EQUITY



CASH FLOW

From operations and investments, excl. payments for acquisitions



KEY RATIOS

FY 2009		1H 2010	1H 2009
10.4%	ROI*	11.1%	7.5%
9.0%	ROE*	10.7%	7.3%
42.5%	Nwc / Sales**	44.0%	49.5%
0.36	Debt / Equity *	0.28	0.61
1.75	Debt / Ebitda*	1.61	3.90

* non annualized data

** annualized sales: 12 months rolling





Outlook

- The late start to the spring season penalised sales in the first half
- Dealers continue to keep stock levels low due to uncertainty on the macro economic scenario
- Overall the Group confirms its forecast for an improvement in turnover of 3-5% in 2010.

The main risks that could influence the achievement of the expected results are: the uncertainty on how long it will take to recover from the economic crisis, the increase in the costs of raw materials and currency trends.

- ➔ Fausto Bellamico – Chairman and CEO

- ➔ Aimone Burani – Vice President and CFO

- ➔ Andrea La Fata – IR
alafata@emak.it
0039-0522.956.332
www.emak.it