

STAR Conference 2009 London

October 8th, 2009



Emak[®]

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

Company overview

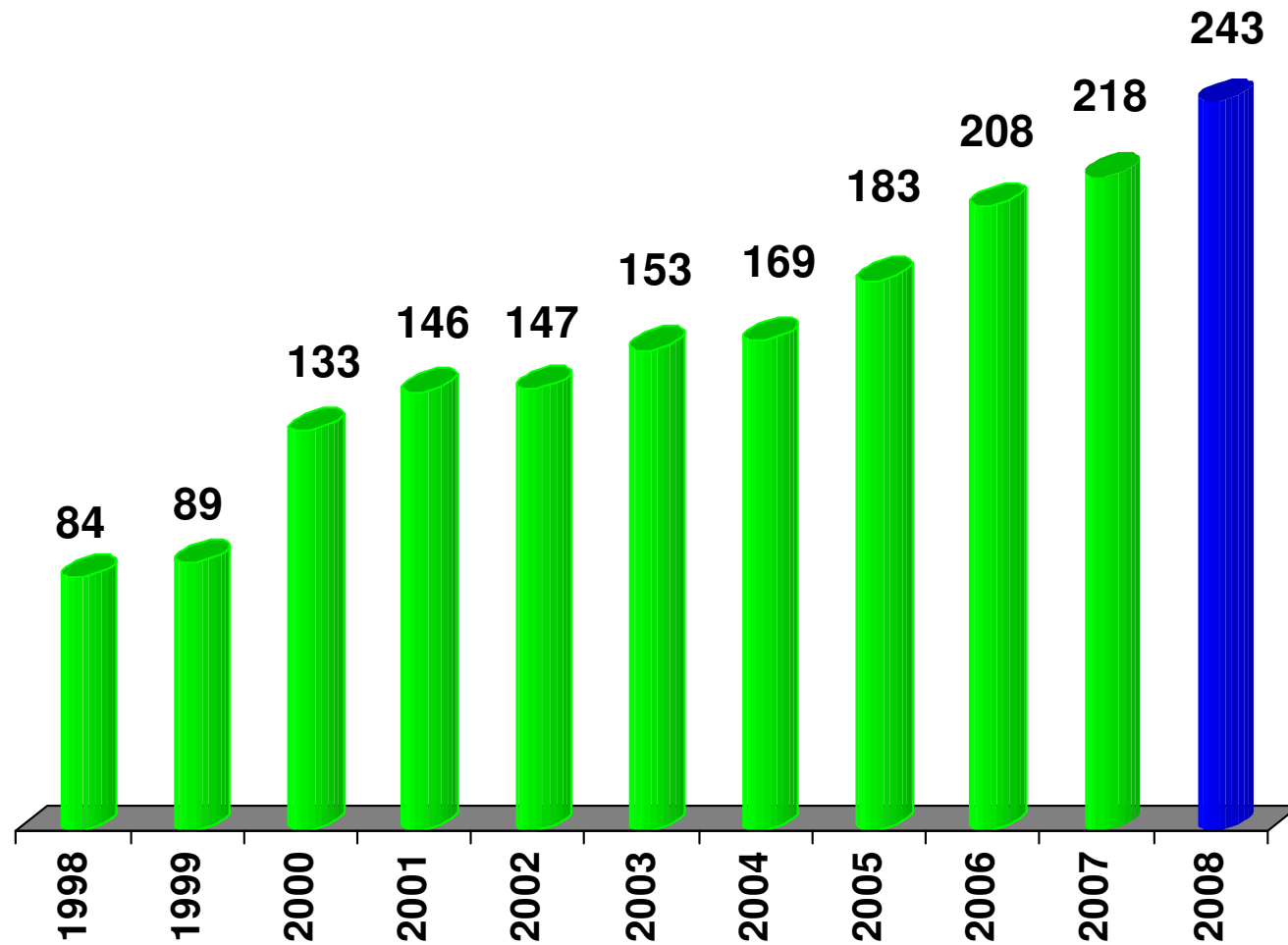


EMAK GROUP HIGHLIGHTS



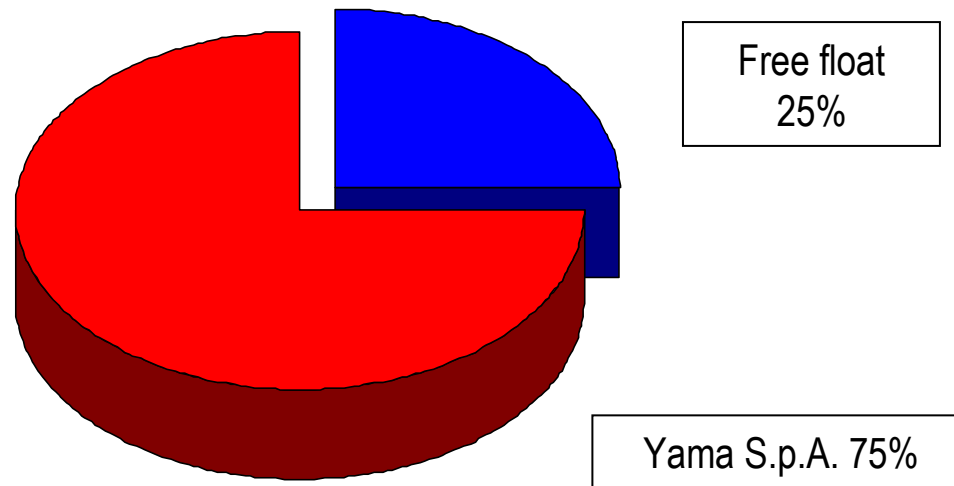
- **3rd largest European manufacturer** of chainsaws and brushcutters
- **€ 243.4 mln turnover** in 2008
- **1 million machines per year**
- **1,000 employees**
- **8 distribution branches** (6 in Europe, 1 in USA, 1 in China)
- **More than 20,000 dealers in 85 countries**
- **4 production plants** (2 in Italy and 2 in China)

HISTORICAL TURNOVER



EMAK GROUP HIGHLIGHTS

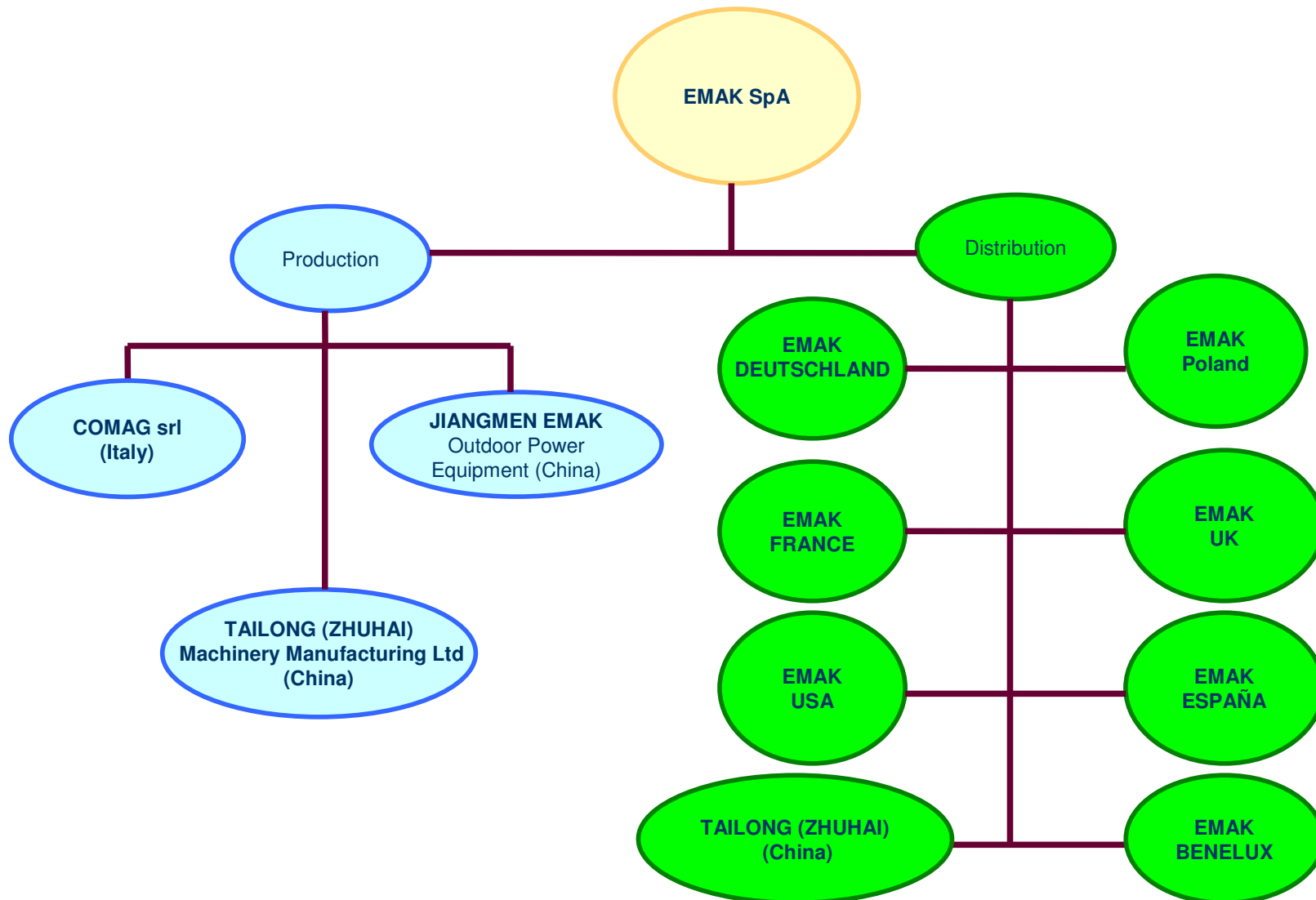
- **Listed at the Milan Stock Exchange (1998).** “STAR” segment for high performing shares

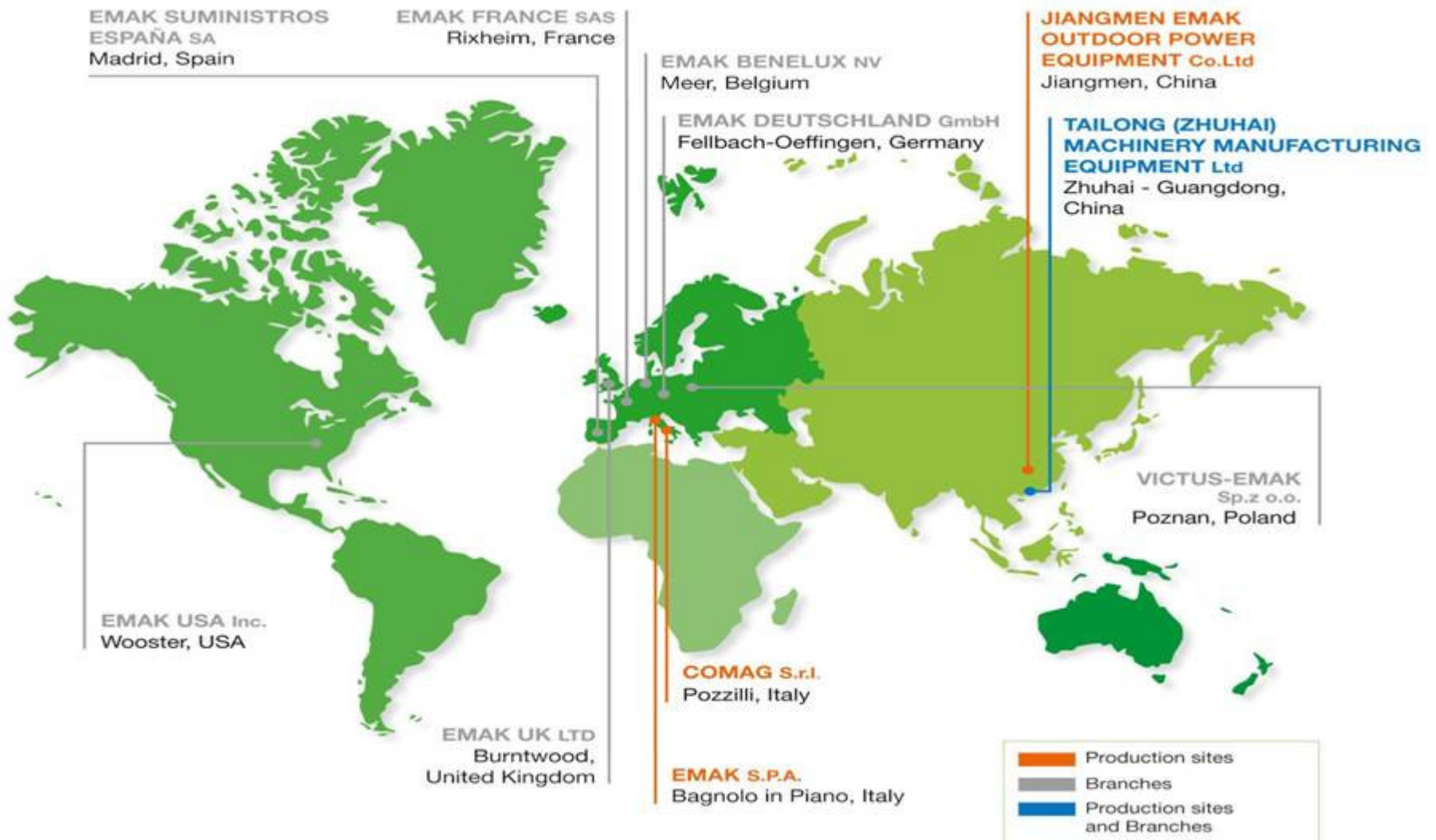


- **YAMA S.p.A.**

- Yama S.p.A. is an Italian industrial holding including more than 30 companies involved in agriculture, forestry and gardening business
- Turnover: € 450 mln (consolidated 2008)
- 2,000 employees

EMAK GROUP STRUCTURE







23 PRODUCT FAMILIES – 240 MODELS



chainsaws



brushcutters



lawnmowers



hedgecutters



blowers



pressure
cleaners



mistblowers



sprayers



waterpumps



tillers



tree-shakers



earth-borers



garden tractors



shredders



Scarifiers



transporters



Power cutters





rotary tillers



rotary cultivators



transporters



flail mowers



cutterbar mowers



EMAK GROUP PRODUCTION PLANTS

Emak S.p.A.

Hand held products for premium segment

Comag S.r.l.

Lawnmowers and Tillers Production

Jiangmen Emak

Hand held and electric products for price sensitive markets
Management, Engineering and Quality Control by Emak Staff

Tailong (Zhuhai)

Cylinders for small internal combustion engines
Management, Engineering and Quality Control by Emak Staff

Investments strategy:

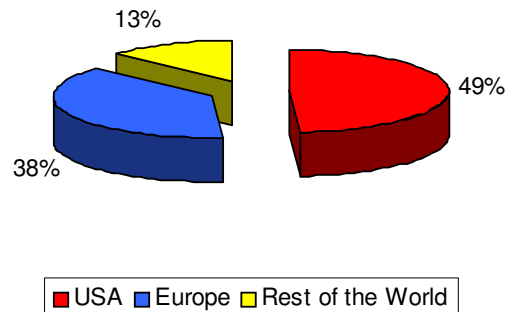
1. **Products:** investments on innovation (almost 10 new products per year);
2. **Distribution network:** development plans in the most important areas (BRIC countries); new sales organization in China from 2008;
3. **Logistic:** efficiency in Europe through the European branches; new spare parts logistic center;
4. **Acquisitions:** focus on product or distribution synergies.

The market



MARKET

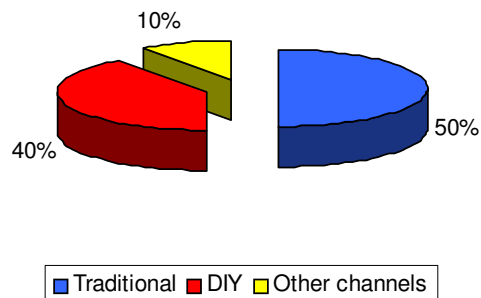
Breakdown by area
Value



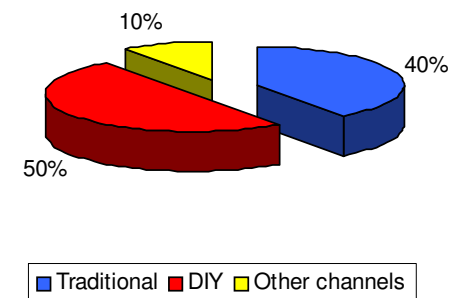
Global market value (sell-in): €16-17 billion
 Traditional channel market value: € 7-8 billion
 Emak market share (traditional channel):

- Global ~ 3%;
- Europe (85% of total turnover) ~ 8%.

Breakdown by distribution channel
Value



Breakdown by distribution channel
Quantity



Economic and Financial Results



CONSOLIDATED P&L ACCOUNTS

€/mln	1H 2009	1H 2008	Δ %	FY 2008
Turnover	119.7	151.1	-20.8%	243.4
Ebitda	15.9	24.1	-34.1%	31.7
<i>Margin %</i>	13.3%	16.0%		13.0%
Ebit	12.4	21.0	-41.2%	24.9
<i>Margin %</i>	10.3%	13.9%		10.2%
Group Net Profit	7.5	14.7	-49.3%	14.9
<i>Margin %</i>	6.2%	9.8%		6.1%

SALES TURNOVER

€/mln	1H 2009	1H 2008	Δ %	FY 2008
Turnover	119.7	151.1	-20.8%	243.4

Construction&Industry segment was heavily affected by the collapse of the building sector;

Agriculture&Forestry: fall in sales of forestry machines;

Lawn&Garden: decrease largely due to the unfavourable economic climate;

Spare Parts and Accessories: good performance: the consumption is linked to the use of the machines rather than to the sale of new models.

Italy: negative first quarter and by a slight recovery in the second quarter

Europe: particularly influenced by the negative trend in Eastern European countries, especially in Russia.

Rest of the World: negative first quarter and by a slight recovery in the second quarter

EBITDA

€/mln	1H 2009	1H 2008	Δ %	FY 2008
Ebitda	15.9	24.1	-34.1%	31.7
<i>Margin %</i>	13.3%	16.0%		13.0%

EBITDA 1H 2008	16.0%
Δ Gross Margin	-1.8
Δ Personnel expenses	-1.1
Δ Operative costs	0.2
EBITDA 1H 2009	13.3%

Positive factors:

- increase in sales prices;
- containment in operating costs;
- reduction of the personnel costs.

Negative factors

- lower sales volumes;
- product mix;
- the foreign currencies trend.

EBIT

€/mln	1H 2009	1H 2008	Δ %	FY 2008
Ebit	12.4	21.0	-41.2%	24.9
<i>Margin %</i>	10.3%	13.9%		10.2%

Higher amortization:

- Investments to improve production processes' efficiency;
- Higher investments in the production plants;
- Tailong acquisition.

NET PROFIT

€/mln	1H 2009	1H 2008	Δ %	FY 2008
Group Net Profit	7.5	14.7	-49.3%	14.9
<i>Margin %</i>	6.2%	9.8%		6.1%

Positive effects

- lower interest rates

Negative effects:

- higher debt;
- exchange rates.

The tax rate in the first half-year of **2009** was **29.1%**, higher than the 25.7% due to an unfavourable distribution of the profit among the countries in which the Group operates.

CONSOLIDATED ASSETS AND LIABILITIES

€/000	30.06.2009	31.12.2008	30.06.2008
Net fixed assets	59.4	58.0	41.4
Net working capital	104.9	103.2	93.0
Net capital employed	164.3	161.2	141.2
Net equity	101.7	99.4	99.8
Minority interests	0.53	0.53	0.50
Net financial debt	62.1	61.8	40.8
Debt/Equity	0.61	0.62	0.41

CASH FLOW STATEMENT

€/mln	30.06.2009	30.06.2008	31.12.2008
Opening financial debt	-61.8	-31.0	-31.0
Cash flow from operations	11.0	17.8	21.6
Change in net working capital	-1.7	-11.9	-22.1
- Inventories	19.5	-8.2	-22.8
- Receivables	-2.8	-23.8	-9.9
- Payables	-21.2	14.6	11.8
- Others	2.7	5.5	-1.2
Net capital expenditure	-5.0	-9.2	-23.4
Dividend and other equity changes	-4.6	-6.5	-6.9
Net financial debt at the end of the period	-62.1	-40.8	-61.8

KEY RATIOS

FY 2008		1H 2009 *	1H 2008 *
15.5%	ROI	7.5%	14.9%
10.0%	ROE	7.3%	14.7%
11.7%	ROCE	5.7%	11.3%
42.4%	Nwc / Sales	87.6%	61.5%
0.62	Debt / Equity	0.61	0.41
1.95	Debt / Ebitda	3.90	1.69
10.1	Ebitda / interest paid	13.6	16.1

* non annualized data

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