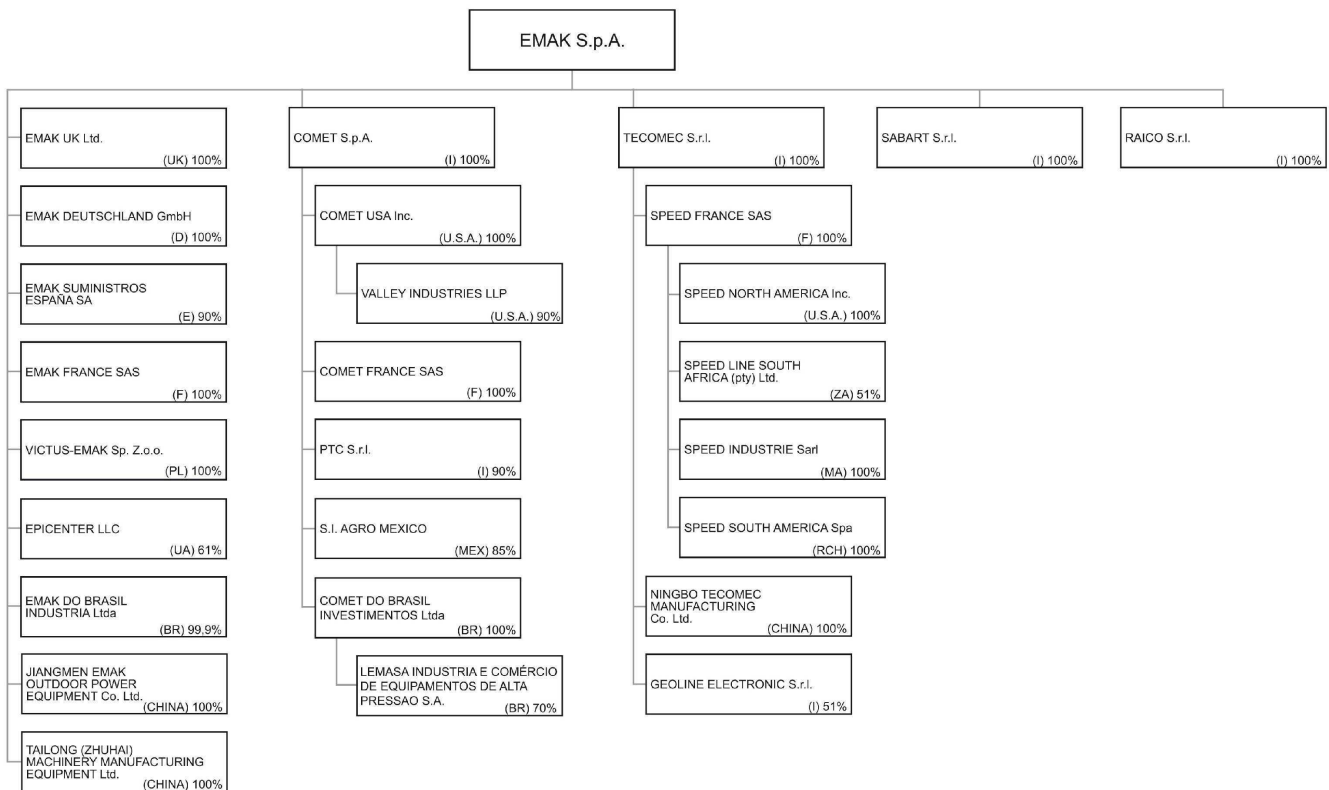


Quarterly report at 31.03.2016

Organizational chart of Emak Group



Valley Industries LLP is consolidated at 100% as a results of the "Put and Call Option Agreement" that governs the purchase of the remaining 10%.

Lemasa is consolidated at 100% as a results of the "Put and Call Option Agreement" that governs the purchase of the remaining 30%.

P.T.C. S.r.l. is consolidated at 100% as a results of the "Put and Call Option Agreement" that governs the purchase of the remaining 10%.

Comet do Brasil Investimentos Ltda is owned for 99% by Comet S.p.A. and 1% by P.T.C. S.r.l.

Corporate bodies of Emak SpA

The Ordinary General Meeting of the Shareholders of the Parent Company, Emak S.p.A. on 22 April 2016 appointed the Board of Directors and the Board of Statutory Auditors for the financial years 2016-2018 and also conferred the engagement for the independent audit for the financial years 2016-2024.

Board of Directors

<u>Chairman and Chief Executive Officer</u>	<u>Fausto Bellamico</u>
<u>Deputy Chairman</u>	<u>Aimone Burani</u>
<u>Executive Director</u>	<u>Stefano Slanzi</u>
Independent Director	Massimo Livatino
	Alessandra Lanza
	Elena Iotti
Directors	Francesca Baldi
	Ariello Bartoli
	Luigi Bartoli
	Paola Becchi
	Giuliano Ferrari
	Vilmo Spaggiari
	Guerrino Zambelli
	Marzia Salsapariglia

Audit Committee and Remuneration Committee

<u>Chairman</u>	<u>Massimo Livatino</u>
Components	Alessandra Lanza
	Elena Iotti

Board of Statutory Auditors

<u>Chairman</u>	<u>Paolo Caselli</u>
Acting auditors	Gianluca Bartoli
	Francesca Benassi
Alternate auditor	Maria Cristina Mescoli
	Federico Cattini

Independent Auditor	Deloitte & Touche S.p.A.
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Financial Reporting Officer	Aimone Burani
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Supervisory Body as per Legislative Decree 231/01

<u>Chairman</u>	Sara Mandelli
Acting member	Roberto Bertuzzi

Emak Group profile

The Emak Group develops, manufactures and distributes a wide range of products in three business areas complementary to each other: Outdoor Power Equipment (OPE); Pumps and High Pressure Water Jetting (PWJ); Components and Accessories (C&A).

- I. **Outdoor Power Equipment**, includes the development, manufacture and marketing of products for gardening, forestry and small agricultural equipment, such as brush cutters, lawnmowers, garden tractors, chainsaws, tillers and motor cultivators. The Group distributes its products under its main brands Oleo-Mac, Efcò, Bertolini and Nibbi Staub (the latter only to the French market). The Group's product range is intended for professional and high demanding private users. The Group operates mainly in the specialized dealer channel, distributing its products through its commercial subsidiaries and, where it hasn't a direct presence, through a network of 135 distributors; it is estimated to serve around the world over 22,000 specialty dealers.



The reference market of the Group (considered to be the specialized dealer channel, excluding large-scale distribution) has an estimated value of 7-8 billion Euros. In mature markets such as North America and Western Europe, demand is mainly for replacement: the main driver is represented by economic and gardening trends. Weather conditions are a factor affecting the level of demand for some product families such as brush cutters, lawnmowers and garden tractors in the spring-summer and chainsaws in the autumn-winter. In emerging markets, such as the Far East, Eastern Europe and South America, demand is mainly for "first purchase": the main driver in these areas is economic growth, the evolution of agricultural mechanization and relative support policies. Another factor that influences the demand is the price of commodities: the trend in oil prices can affect the demand for alternative energy sources, such as wood for heating and consequently the demand for chain saws; the trend in the price of agricultural commodities influences investments in agricultural equipment.

- II. **Pumps and High Pressure Water Jetting**, this category brings together the development, manufacture and marketing of diaphragm pumps intended for agriculture (spraying and weeding), piston pumps for the industrial sector, of professional pressure washers and hydrodynamic units and machines for urban cleaning. The Group distributes its products under the Comet, HPP, PTC and Master Fluid brands. Group customers are: manufacturers of machines for spraying and weeding with regard to agriculture pumps; builders of hydrodynamic units and pressure washers in relation to industrial pumps; specialized dealers and contractors respectively for pressure washers and hydrodynamic units.



The market has a value globally estimated at between 2.5 and 3.4 billion Euros.

The pumps for agriculture market consists mainly of Italian operators. The demand is strongly linked to economic cycles, population growth and the resulting increase in demand for agricultural production; in developing countries demand is linked to the evolution of the mechanization of agriculture and relative support policies.

The market for high pressure water jetting is constantly evolving, given the different fields of application of pumps and systems. There are several drivers of market demand, depending on the type of product:

- a) *Industrial pumps*: demand is related to market performance of hydrodynamic units and pressure washers.
- b) *Professional pressure washers*: economic trends; increase in hygiene standards (especially in developing countries).
- c) *Hydrodynamic units*: demand is linked to the performance of sectors / fields of application such as: hydro demolition; hydro cleaning and ship repair; refineries; mines and quarries; oil industry; hydro cleaning underwater; iron and steel; foundries; chemical processes; energy production; paper mills; transport; municipalities; food; automotive and motor Industry.
- d) *Urban cleaning*: the economic policies of local governments.



III. Components and Accessories, includes the development, manufacture and marketing of products the most representative of which are wire and heads for brushcutters; chainsaw accessories (eg. sharpeners); guns, valves and nozzles for pressure washers and agricultural applications; precision farming (sensors and computers); seats and technical parts for tractors. In this sector, the Group operates partly through its brands Tecomec, Geoline, Geoline Electronic, Mecline, Sabart, Raico, and partly by distributing products with third party brands. The Group's main customers are manufacturers of outdoor power equipment, machines for spraying and weeding, pressure washers and hydrodynamic units (high pressure washing systems) and specialized dealers. The demand for components and accessories is related to the economic cycle (OEM business) and the intensity of use of the machines (aftermarket). For products intended for the agricultural sector, demand is strongly linked to economic growth, population growth and the resulting increase in demand for agricultural production.

The high pressure water jetting sector is tied to the economic cycle and to investments in market sectors for applications and hydrodynamic units



Emak Group Financial Highlights

Income statement (€/000)

Year 2015		1Q 2016	1Q 2015
381,579	Net sales	114,271	109,843
37,495	EBITDA ADJ (1)	15,743	15,085
35,814	EBITDA (2)	15,743	14,253
23,286	EBIT	12,742	11,389
8,992	Net profit	7,322	6,849

Investment and free cash flow (€/000)

Year 2015		1Q 2016	1Q 2015
10,291	Investment in property, plant and equipment	2,910	2,379
1,926	Investment in intangible assets	475	379
21,520	Free cash flow from operations (3)	10,323	9,713

Balance sheet (€/000)

31.12.2015		31.03.2016	31.03.2015
267,871	Net capital employed	298,952	280,045
(99,383)	Net debt	(125,081)	(107,749)
168,488	Total equity	173,871	172,296

Other statistics

Year 2015		1Q 2016	1Q 2015
9.4%	EBITDA / Net sales (%)	13.8%	13.0%
6.1%	EBIT / Net sales (%)	11.2%	10.4%
2.4%	Net profit / Net sales (%)	6.4%	6.2%
8.7%	EBIT / Net capital employed (%)	4.3%	4.1%
0.59	Debt / Equity	0.72	0.63
1,693	Number of employees at period end	1,694	1,588

Share information

Year 2015		1Q 2016	1Q 2015
0.054	Earnings per share (€)	0.045	0.042
163,934,835	Number of shares comprising share capital	163,934,835	163,934,835
163,537,602	Average number of outstanding shares	163,537,602	163,537,602

(1) EBITDA calculated excluding the impact of charges for litigation, expenses related to M&A and restructuring charges

(2) "EBIT" plus "Amortization, depreciation and impairment losses"

(3) "Net profit" plus "Amortization, depreciation and impairment losses"

DIRECTORS' REPORT

Comments on economic figures

Summary of economic results

Summary figures from the consolidated income statement for the first quarter 2016 are shown below:

FY 2015	%	Thousand of Euro	3 months 2016	%	3 months 2015	%	Change %
381,579	100	Net sales	114,271	100	109,843	100	4.0
37,495	9.8	Ebitda Adj (*)	15,743	13.8	15,085	13.7	4.4
35,814	9.4	Ebitda	15,743	13.8	14,253	13.0	10.5
23,286	6.1	Ebit	12,742	11.2	11,389	10.4	11.9
15,092	4.0	Profit before taxes	10,761	9.4	10,942	10.0	(1.7)
8,992	2.4	Net profit	7,322	6.4	6,849	6.2	6.9

(*) EBITDA calculated excluding the impact of charges for litigation, expenses related to M&A, revenues from contributions and restructuring charges

Sales

Emak Group achieved a consolidated turnover of € 114,271 thousand, compared to € 109,843 thousand of last year, an increase of 4%. The improvement is due to organic growth for 3%, change in scope of consolidation for 1.5% and negative currency effect for 0.5%.

The following table shows an analysis of sales reported for the first quarter 2016, broken down by business and geographic area, compared with the sales of the same period of the previous year:

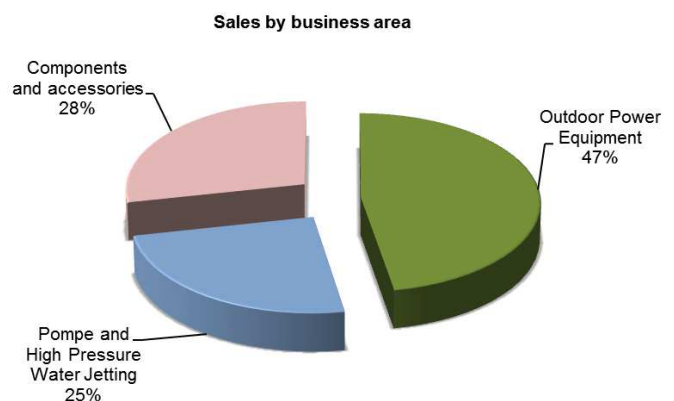
€/000	OUTDOOR POWER EQUIPMENT			PUMPS AND HIGH PRESSURE WATER JETTING			COMPONENTS AND ACCESSORIES			TOTAL		
	1Q 2016	1Q 2015	Var. %	1Q 2016	1Q 2015	Var. %	1Q 2016	1Q 2015	Var. %	1Q 2016	1Q 2015	Var. %
Europe	44,435	43,261	2.7%	12,819	12,835	-0.1%	20,652	21,567	-4.2%	77,906	77,663	0.3%
Americas	3,015	3,884	-22.4%	12,521	10,833	15.6%	7,772	6,608	17.6%	23,308	21,325	9.3%
Asia, Africa and Oceania	6,574	5,202	26.4%	2,579	2,722	-5.3%	3,904	2,931	33.2%	13,057	10,855	20.3%
Total	54,024	52,347	3.2%	27,919	26,390	5.8%	32,328	31,106	3.9%	114,271	109,843	4.0%

Outdoor Power Equipment

The growth of sales on the European market was driven by Western European markets, especially Italy and the Mediterranean countries, which more than offset the decline recorded in the countries of Eastern Europe. The result recorded in the Americas is in line with the previous year excluding a special operation carried out in the first quarter of 2015. The increase in sales recorded in Asia, Africa and Oceania was determined by positive results achieved in the Middle East market.

Pumps and High Pressure Water Jetting

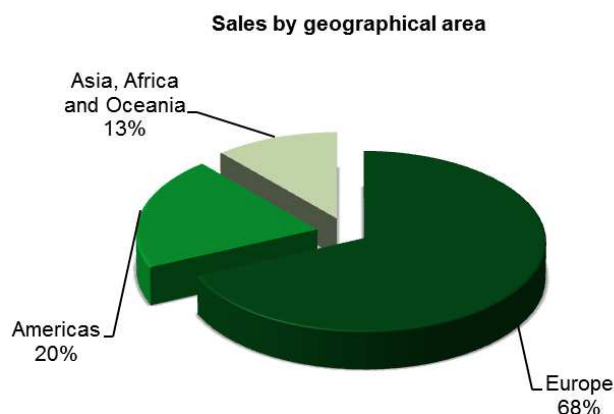
Sales in Europe were almost stable compared to the same period last year: the decline on the Italian market and some countries of Eastern Europe was offset by growth in Western European markets. The Americas area has benefited from Lemasa's sales, not included in the first quarter 2015, for € 1,684 thousand. Excluding this contribution, the area turnover is in line with the same period last year.



Sales in Asia, Africa and Oceania were affected by the slowdown in Asian markets, only partially offset by the growth achieved in the countries of North Africa.

Components and Accessories

The decline in the European market sales was mainly due to the slowdown in the Italian market. The sales in the other European markets were broadly in line with last year, with an uneven performance across countries. In the Americas, sales were driven by the US market, where the Group continues to benefit from positive results that the new line of accessories for brushcutters (in particular of nylon line for brushcutter). The positive performance in Asia, Africa and Oceania was mainly due to growth in the Far East and the Middle East markets.



EBITDA

EBITDA for the first quarter 2016 amounts to € 15,743 thousand, compared to € 14,253 thousand for the corresponding quarter of the previous year, increasing by 10.5%.

EBITDA for the first quarter of 2015 was negatively impacted by some non-recurring items for a total amount of € 832 thousand: without considering the costs the increase of the EBITDA of the first quarter 2016 compared to the same period last year would be equal to 4.4%.

The percentage incidence of EBITDA on the revenues amounts to 13.8% against 13% (13.7% excluding the charges described above) in the corresponding period 2015.

The increase in absolute value of the EBITDA of the first quarter of 2016 is due to the increase in sales volumes for organic growth and the inclusion of the company Lemasa in the scope of consolidation.

The increase in personnel costs is related to the change in the scope of consolidation, to the increase of temporary workers and to the lower recourse to social welfare compared to the previous year. The average number of employees in the workforce, including temporary workers, increased amounting to 1,888 against the 1,756 in the same period of the previous year.

EBIT

EBIT for the first quarter 2016 is € 12,742 thousand, compared to € 11,389 thousand for the same quarter of last year.

EBIT as a percentage of sales stands at 11.2% compared to 10.4% of the first quarter 2015.

Non-annualized EBIT as a percentage of net invested capital is 4.3%, compared to 4.1% of the same period of the previous year.

Depreciation and amortization are € 3,001 thousand, compared to € 2,864 thousand in the same period of the previous year.

Net profit

Net profit for the first quarter 2016 is € 7,322 thousand, against € 6,849 thousand for the same quarter of the previous year.

The financial management result was affected by the following effects:

- the increase in net financial debt compared with the same period last year, mainly linked to the financing of the acquisition of Lemasa;
- inscription in financial expenses for the year that include € 434 thousand related to the discounting of the payable to the sellers of Lemasa participation;
- inscription of the greatest amounts paid to the adjustment of relative prices to the acquisition of S.I.Agro Mexico in the amount of € 360 thousand.

Currency management in the first quarter 2016 was negative for € 363 thousand, compared to a positive balance of € 296 thousand for the same period.

The tax rate amounted to 32%, decreased compared to 37.4% in the same period last year, influenced by the different distribution of taxable income among the countries where the Group operates.

Balance sheet and financial position

31.12.2015	Thousand of Euro	31.03.2016	31.03.2015
113,363	Net non-current assets	113,418	93,416
154,508	Net working capital	185,534	186,629
267,871	Total net capital employed	298,952	280,045
166,992	Equity attributable to the Group	172,490	170,775
1,496	Equity attributable to the minority interests	1,381	1,521
(99,383)	Net debt	(125,081)	(107,749)

Net non-current assets

During first quarter 2016 Emak Group invested € 3,385 thousand in property, plant and equipment and intangible assets, as follows:

- € 1,013 thousand for product innovation;
- € 880 thousand for adjustment of production capacity and for process innovation;
- € 465 thousand for upgrading the computer network system;
- € 720 thousand for acquisition of an industrial building;
- € 162 thousand for modernization of industrial buildings;
- € 145 thousand for other investments in operating activities.

Investments broken down by geographical area are as follows:

- € 2,541 thousand in Italy;
- € 397 thousand in Europe;
- € 190 thousand in the Americas;
- € 257 thousand in the Rest of the World.

Compared to the first quarter 2015, the net non-current assets includes the effects of consolidation arising from the investment in Lemasa society.

Net working capital

Net working capital moved from € 154,508 thousand at December 31, 2015 to € 185,534 thousand, an increase of € 31,026 thousand.

The following table reports the change in net working capital in 2016 compared with the previous year:

€/000	3M 2016	3M 2015
Net working capital at 01 January 2016	154,508	148,575
increase/(decrease) in inventories	6,492	14,055
increase/(decrease) in trade receivables	33,393	40,081
(increase)/decrease in trade payables	(6,110)	(15,610)
other changes	(2,749)	(472)
Net working capital at 31 March 2016	185,534	186,629

The trend in net working capital compared to December 31, 2015, is related to sales seasonality. There was a reduction in net working capital compared to the same period last year due to greater operating efficiency achieved.

Net financial position

(€/000)	31.03.2016	31.12.2015	31.03.2015	31.12.2014
Cash and banks	22,050	42,518	25,553	13,238
Securities and derivative financial instruments	153	88	265	241
Other financial assets	658	452	7	7
Financial liabilities	(65,796)	(55,936)	(71,405)	(40,823)
Derivative financial instruments	(800)	(501)	(1,108)	(859)
Short-term net debt	(43,735)	(13,379)	(46,688)	(28,196)
Other financial assets	8,063	7,836	144	158
Financial liabilities	(89,409)	(93,840)	(61,205)	(51,005)
Long-term net debt	(81,346)	(86,004)	(61,061)	(50,847)
Cash and banks	22,050	42,518	25,553	13,238
Securities and derivative financial instruments	153	88	265	241
Other financial assets	8,721	8,288	151	165
Financial liabilities	(155,205)	(149,776)	(132,610)	(91,828)
Derivative financial instruments	(800)	(501)	(1,108)	(859)
Total net debt	(125,081)	(99,383)	(107,749)	(79,043)

Net negative financial position at 31.03.2016 amounts to € 125,081 thousand, against € 99,383 thousand at 31.12.2015.

The value shown at 31 March 2016 includes:

- an amount for € 7,552 thousand in the medium term for the sum deposited by Comet do Brasil, through a escrow account, as part of the operation for the acquisition of shares of the company, Lemasa;
- a credit of € 821 thousand, of which € 486 thousand falling due in short term, to Yama S.p.A. arising from guarantees in favor of Emak S.p.A. provided in the contract under the so called "Operation Greenfield".

Financial liabilities at March 31, 2016 include debt, translated at the closing exchange rates, for the purchase of the remaining minority shares in the amount of € 15,711 thousand related to the following companies:

- Valley LLP for an amount of € 1,396 thousand;
- P.T.C S.r.l. in the amount of € 195 thousand;
- Lemasa for an amount of € 13,510 thousand;
- Acquatecnica S.r.l. for an amount of € 250 thousand;
- S.I.Agro Mexico in the amount of € 360 thousand.

Among the medium / long term financial liabilities, in addition to the principal amounts of loans, are included the portion due after 12 months of financial leasing.

Short-term financial payables consist of:

- account payables and account advances;
- loan repayments falling due by 31.03.2017;
- amounts due to other providers of finance falling due by 31.03.2017.

The following table shows the movements in net debt in the first quarter of 2016 compared with the same period last year:

€/000	1Q 2016	1Q 2015
Opening NFP	(99,383)	(79,043)
Ebitda	15,743	14,253
Financial income and expenses	(1,618)	(746)
Exchange gains and losses	(363)	296
Income taxes	(3,439)	(4,093)
Cash flow from operations, excl. changes in operating assets and liabilities	10,323	9,710
Changes in operating assets and liabilities	(30,560)	(37,183)
Cash flow from operations	(20,237)	(27,473)
Changes in tangible and intangible assets	(3,521)	(6,582)
Other equity changes	(1,940)	5,349
Closing NFP	(125,081)	(107,749)

Cash flow from operations net of taxes amounted to € 10,323 thousand in the quarter, an increase compared to € 9,710 thousand for the same period last year.

Cash flows from operating activities, consequently the seasonality of sales and their impact on working capital, is usually negative in the first quarter.

It is noted that the balance of the net financial position at March 31, 2015 did not include the impact of the acquisition of Lemasa, consolidated company starting from the second quarter of 2015.

Equity

Equity at December is € 173,871 thousand against € 168,488 thousand at December 31, 2105. Earnings per share at 31 March 2016 amounted to € 0.045 compared to € 0.042 thousand in the previous year.

At December 31, 2015 the Company held 397,233 treasury shares in portfolio for the equivalent value of € 2,029 thousand.

From 1 January 2016 to 31 March 2016 Emak S.p.A. does not buy or sell treasury shares, with the result that the stock and value are unchanged compared to December 31, 2015.

Business outlook

The pressure on commodity prices is not conducive to investment in agriculture and in some industrial sectors, with impact on the demand of the business areas in which the Group operates. The global context and the geopolitical situation still remains uncertain and subject to high volatility. The Group believes to achieve the growth targets set earlier this year, also in the light of the positive results of the first quarter, despite the late start to the season for gardening products.

Subsequent events

There were no significant events.

Other informationSignificant operations: derogation from disclosure obligations

The Company has resolved to make use, with effect from 31 January 2013, of the right to derogate from the obligation to publish the informative documents prescribed in the event of significant merger, demerger, share capital increase through the transfer of goods in kind, acquisition and disposal operations, pursuant to art. 70, paragraph 8, and art. 71, paragraph 1-bis of Consob Issuers Regulations, approved with resolution no. 11971 of 4/5/1999 and subsequent modifications and integrations.

Consolidated financial statements

CONSOLIDATED INCOME STATEMENT

Thousand of Euro

FY 2015	CONSOLIDATED INCOME STATEMENT	1 Q 2016	1 Q 2015
381,579	Sales	114,271	109,843
2,451	Other operating incomes	600	434
8,004	Change in inventories	7,579	11,739
(211,493)	Raw and consumable materials and goods	(67,670)	(68,987)
(70,460)	Salaries and employee benefits	(19,401)	(18,237)
(74,267)	Other operating costs	(19,636)	(20,539)
(12,528)	Amortization, depreciation and impairment losses	(3,001)	(2,864)
23,286	EBIT	12,742	11,389
1,255	Financial income	342	95
(5,799)	Financial expenses	(1,960)	(838)
(3,650)	Exchange gains and losses	(363)	296
15,092	EBT	10,761	10,942
(6,100)	Income taxes	(3,439)	(4,093)
8,992	Net profit (A)	7,322	6,849
(146)	(Profit)/loss attributable to minority interests	(13)	94
8,846	Net profit attributable to the group	7,309	6,943
0.054	Basic earnings per share	0.045	0.042
0.054	Diluted earnings per share	0.045	0.042
FY 2015	COMPREHENSIVE INCOME STATEMENT	1 Q 2016	1 Q 2015
8,992	Net profit (A)	7,322	6,849
2,583	Profits/(losses) deriving from the conversion of foreign company accounts	(1,877)	5,270
(81)	Profits/(losses) deriving from defined benefit plans (*)	0	0
25	Tax effect relating to other components (*)	0	0
2,527	Total other components to be included in the comprehensive income statement (B)	(1,877)	5,270
11,519	Comprehensive net profit (A)+(B)	5,445	12,119
66	Comprehensive net profit attributable to minority interests	47	167
11,585	Comprehensive net profit attributable to the group	5,492	12,286

(*) Items will not be classified in the income statement

SCHEDULE SHOWING CONSOLIDATED ASSETS-LIABILITIES-FINANCIAL SITUATION

Thousand of Euro

31.12.2015	ASSETS	31.03.2016	31.03.2015
	Non-current assets		
60,236	Property, plant and equipment	60,128	58,453
8,118	Intangible assets other than goodwill	8,142	6,272
53,132	Goodwill	53,248	36,770
230	Equity investments in other companies	730	230
9,053	Deferred tax assets	8,203	8,317
7,836	Other non current financial assets	8,063	144
69	Other receivables	72	306
138,674	Total non-current assets	138,586	110,492
	Current assets		
138,359	Inventories	144,852	141,720
97,006	Trade and other receivables	131,885	137,906
5,324	Current tax assets	4,103	5,763
452	Other financial assets	658	7
88	Derivative financial instruments	153	265
42,518	Cash and cash equivalents	22,050	25,553
283,747	Total current assets	303,701	311,214
422,421	TOTAL ASSETS	442,287	421,706
31.12.2015	EQUITY AND LIABILITIES	31.03.2016	31.03.2015
	Capital and reserves		
166,992	Total Group	172,490	170,775
1,496	Minorities interest	1,381	1,521
168,488	Total equity	173,871	172,296
	Non-current liabilities		
93,840	Loans and borrowings	89,409	61,205
6,049	Deferred tax liabilities	5,639	5,397
8,932	Provisions for employee benefits	8,944	8,962
1,659	Provisions	1,612	1,661
835	Other non-current liabilities	912	912
111,315	Total non-current liabilities	106,516	78,137
	Current liabilities		
80,848	Trade and other payables	87,948	91,308
3,682	Current tax liabilities	5,704	5,339
55,936	Loans and borrowings	65,796	71,405
501	Derivative financial instruments	800	1,108
1,651	Provisions	1,652	2,113
142,618	Total current liabilities	161,900	171,273
422,421	TOTAL EQUITY AND LIABILITIES	442,287	421,706

Change in consolidated net equity

The following table reports changes in consolidated equity between 31st December 2014 and 31st March 2016.

Thousand of Euro	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 31.12.2014	40,594	42,454	2,060	1,138	4,087	(776)	27,733	30,654	10,467	158,411	1,688	160,099
Profit reclassification			301					6,078	(10,467)	(4,088)	(17)	(4,105)
Other changes							3,167	(2,083)		1,084	(109)	975
Net profit for the period					2,795	(56)			8,846	11,585	(66)	11,519
Balance at 31.12.2015	40,594	42,454	2,361	1,138	6,882	(832)	30,900	34,649	8,846	166,992	1,496	168,488
Profit reclassification								8,846	(8,846)	0	(68)	(68)
Other changes								6		6		6
Net profit for the period					(1,817)				7,309	5,492	(47)	5,445
Balance at 31.03.2016	40,594	42,454	2,361	1,138	5,065	(832)	30,900	43,501	7,309	172,490	1,381	173,871

The share capital is shown net of treasury shares of a value of € 2,029 thousand

Comments on the financial statements

The income statement, balance sheet and consolidated financial results of the three month period ended March 31, 2016 are discussed in the previous part of this report

This quarterly consolidated report has been prepared in compliance with article 154-ter ("Financial Reports") of the Consolidated Finance Act, legislative decree 58/98. In relation to the membership of EMAK to the STAR segment of the MTA, are observed the requirements of Article. 2.2.3., Paragraph 3, letter a) of the Rules of the Markets organized and managed by Borsa Italian S.p.A., keeping the traditional informational reporting scheme of the quarter, according to standards of continuity with the past.

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 2015.

In this interim report IAS 19 is not applied as far as the quantification of changes in actuarial gains accrued in the period is concerned. In addition, in the context of disclosure of synthetic and essential character, are not observed all the detailed requirements of IAS 34, whenever it is assessed that its application does not bring meaningful information.

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.

Exchange rates used to translate in Euro the financial statements in foreign currencies:

31.12.2015	Amount of foreign for 1 Euro	Average 3 M 2016	31.03.2016	Average 3 M 2015	31.03.2015
0.73	GB Pounds (UK)	0.77	0.79	0.74	0.73
7.06	Renminbi (Cina)	7.21	7.35	7.02	6.67
4.26	Zloty (Poland)	4.37	4.26	4.19	4.09
1.09	Dollar (Usa)	1.10	1.14	1.13	1.07
16.95	Zar (South Africa)	17.46	16.79	13.23	13.13
26.16	Uah (Ukraine)	28.35	29.84	23.93	25.25
4.31	Real (Brazil)	4.30	4.12	3.22	3.50
10.79	Dirham (Morocco)	10.82	10.96	10.81	10.69
18.91	Mexican Pesos (Mexico)	19.90	19.59	16.83	16.51
772.71	Chilean Pesos (Chile)	773.17	763.86	703.49	676.53

Scope of consolidation

Compared to 31 December 2015 there were no changes in the scope of consolidation.

Compared to March 31, 2015 the consolidated financial statements include the financial figures of Lemasa company, acquired on April 1, 2015.

Significant, non-recurring transactions or atypical, unusual transactions

Acquisition of Acquatecnica S.r.l.

On January 28, 2016, the subsidiary P.T.C. Srl signed the act of purchasing a stake of 100% of the share capital of Acquatecnica Srl, based in Cremosano (CR), a company active in the production of applications for the "Water Jetting", for an amount of € 500 thousand, of which € 250 thousand paid at closing and the remainder to be paid the 280 days following the closing. This price balance can vary in relation to the realization of potential contingencies, as determined in the preliminary agreement of purchase shares, signed on 25 November 2015.

In order to accelerate as much as possible the process of integration of the two companies, on 19 January 2016, the respective boards of directors have approved the merger by incorporation of Acquatecnica Srl in P.T.C. Srl, subjecting the construction to completion of the acquisition of 100% of Acquatecnica srl by P.T.C. Srl, which took place on January 28, 2016, simultaneously the shareholders of the two companies approved the merger by incorporation of Acquatecnica Srl in P.T.C. Srl.

On March 4, 2016 was signed the merger act, which provides for the effect for accounting and fiscal effects of the transaction from January 1, 2016 and those civil law from April 1, 2016.

The revenues of the company acquired during the year 2015 amounted to € 500 thousand, while shareholders' equity at December 31 amounted to € 94 thousand.

Through this operation, P.T.C. can reinforce its presence in the hydrodynamic unit sector and in general the Group will extend its range in the Pumps and High Pressure Water Jetting sector.

The results of the acquired company are not included in the interim management report because at this time can not be determined and fusion procedures are being finalized.

Price adjustment of S.I.Agro Mexico

Pursuant to the agreement signed on January 9, 2014 by Comet S.p.A., for the acquisition of 55% share of company S.I.Agro Mexico (by which the shareholding was increased from 30% to 85%), it is noted that following the results achieved in the year 2015 it was given an additional consideration of € 360 thousand, in settlement of the price per share already paid in 2014, which amounted to € 694 thousand.

In the consolidated financial statements at March 31, 2016, in accordance with IFRS 3, this amount was recorded under financial expenses.

Bagnolo in Piano (RE), May 13, 2016

On behalf of the Board of Directors

Chairman

Fausto Bellamico

Declaration of the executive in charge of preparing the accounting statements pursuant to the rules of Article 154-bis, paragraph 2 of Legislative Decree no. 58/1998

The executive in charge of preparing corporate accounting statements of EMAK S.p.A. Aimone Burani, based on their own knowledge,

certify,

in accordance with the second paragraph of Art. 154-bis, of Italian Legislative Decree No. 58 of 24 February 1998, that the accounting information contained in the Quarterly Report at 31 March 2016, examined and approved today by the Board of Directors of the company, corresponds with the accounting documents, ledgers and records.

Yours faithfully,
Bagnolo in Piano (RE), May 13, 2016

Aimone Burani
Executive in charge
of preparing the accounting statements