



STAR Conference 2011 Milan

March 22, 2011



Company overview



Emak is one of the top European players in the manufacture and distribution of outdoor power equipment for **gardening, forestry, agriculture and construction** such as **brush cutters, lawnmowers, chainsaws, motor hoes and power cutters.**



Chainsaws/
electric saws



brushcutters



lawnmowers



Power cutters



blowers



gardentractors



rotary tillers



flail mowers



rotary cultivators



cutterbar mowers



transporters

Emak operates worldwide with the brands **Oleo-Mac, Efco, Bertolini and Nibbi**.

The Group offers 23 product families and over 240 models.

Emak has four plants located 2 in Italy and 2 in China and commercial branches in Spain, Great Britain, Benelux, Germany, France, Poland, USA and China. Over 80% of the turnover is made abroad through a worldwide network of nearly 20,000 dealers in more than 80 countries in all five continents.

The Group has around 1,000 employees



Production plants

Emak S.p.A.

Hand held products for premium segment, rotary cultivators, cutterbar mowers and transporters

Comag S.r.l.

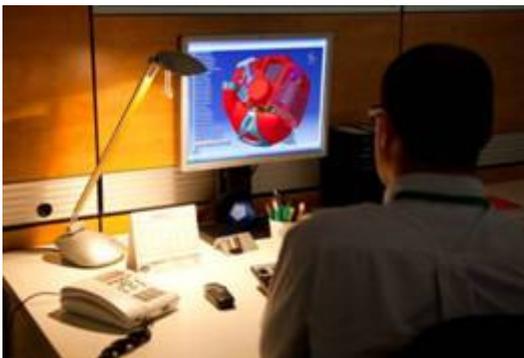
Lawnmowers and Tillers Production

Jiangmen Emak

Hand held and electric products for price sensitive markets

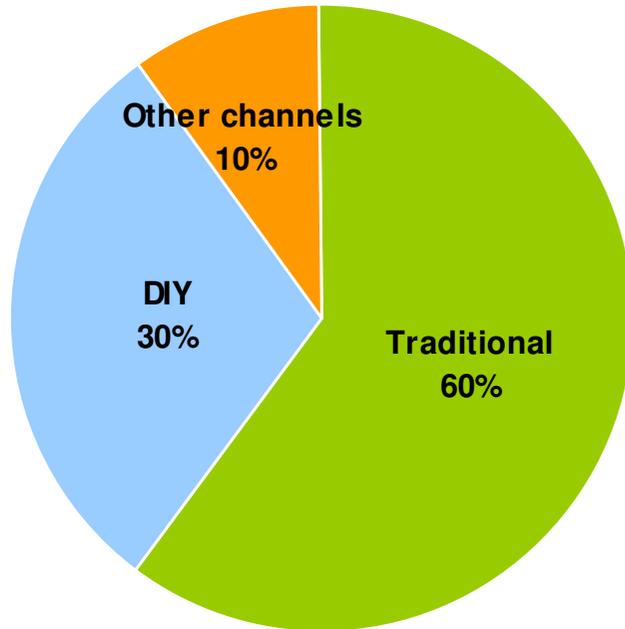
Tailong (Zhuhai)

Cylinders for small internal combustion engines

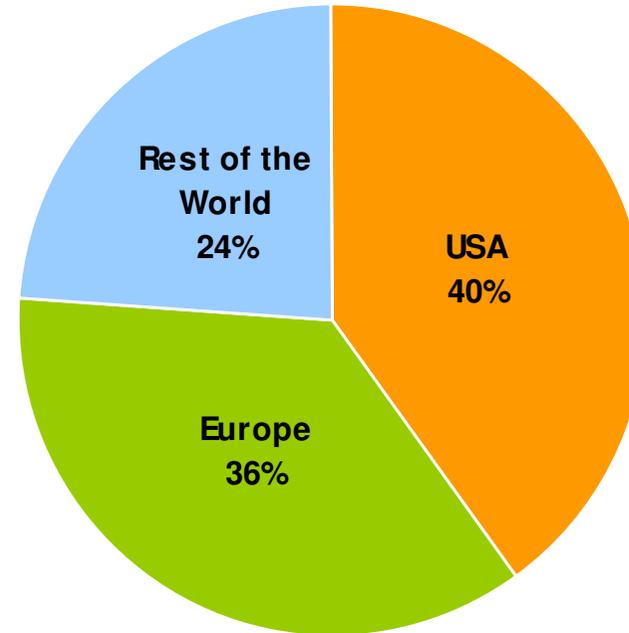


Market breakdown

By Channel



By Geography

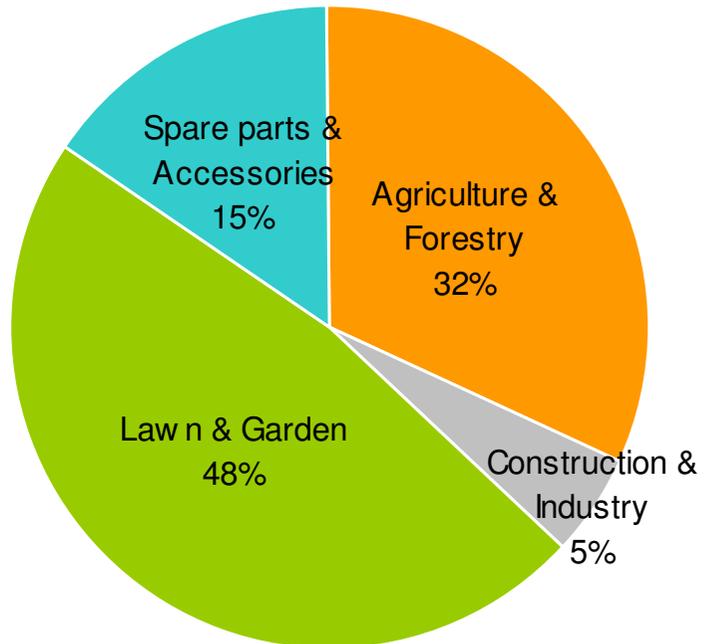


- Global market value (sell-in): €12-14 billion
- Traditional channel market value: € 7-8 billion
- Emak market share (traditional channel):
 - Global ~ 3%;
 - Europe ~ 6%.

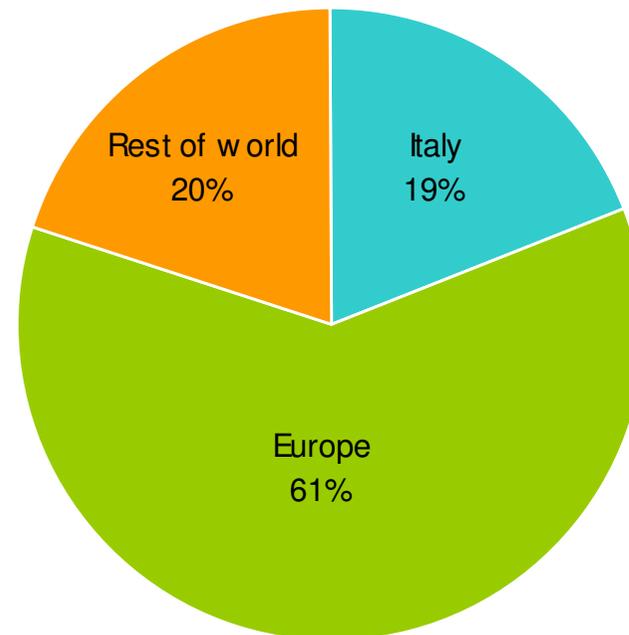
Source: Company estimates

Sales breakdown

By Product segment



By Geography



Products

investments on innovation: lower gas emissions and fuel consumption, improved ergonomics (almost 10 new products per year);

Distribution network

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

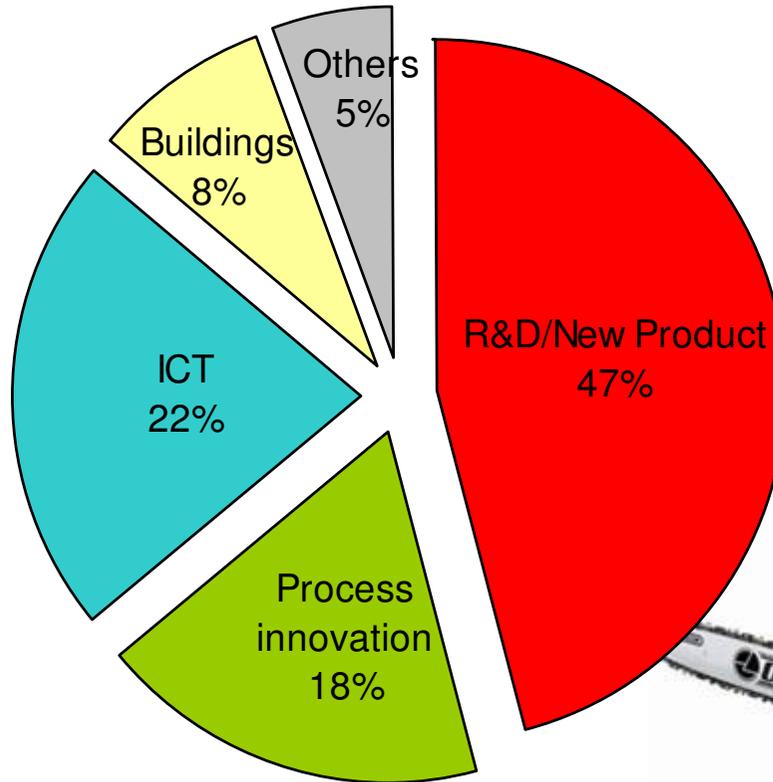
Supply chain reorganization

lean approach for quality and delivery performance improvement; cost reduction; manufacturing footprint optimization;

Acquisitions

focus on product and/or distribution synergies in order to widen the product range, control the distribution network in high potential growth Countries

Investments



Total investments amounted to € 4.1 mln

Last acquisition – Epicenter Ltd (Ukraine)

- On 23 December 2010 Emak signed an agreement for the transfer of 61% of the shares of Epicenter Ltd
- Epicenter LTD has been the distributor of Oleo-Mac trademark products in the Ukrainian market since 2000 and closed the 2009 financial year with a turnover of around € 5 million and a net profit of around € 0.2 million
- Purchase price of between € 1.4 and € 1.7 million (subject to adjustments) calculated with the market multiples method
- Call option for the acquisition of a further stake of 14% to be exercised by 2013
- Operation in line with the Group's strategy for development through external means in markets with high potential for growth

Economic and Financial Results



- higher sales and production volumes
- favourable product mix
- price increase to offset higher costs for raw materials
- positive activities on exchange rates related to hedging policies
- lower interest rates due to the decrease in the net debt



Consolidated P&L

€/mIn	FY 2010	FY 2009	Δ %
Turnover	206.8	194.9	6.1%
Ebitda	23.5	21.7	8.6%
<i>Margin %</i>	11.4%	11.1%	
Ebit	16.1	14.9	8.6%
<i>Margin %</i>	7.8%	7.6%	
Group Net Profit	11.6	9.4	23.3%
<i>Margin %</i>	5.6%	4.8%	

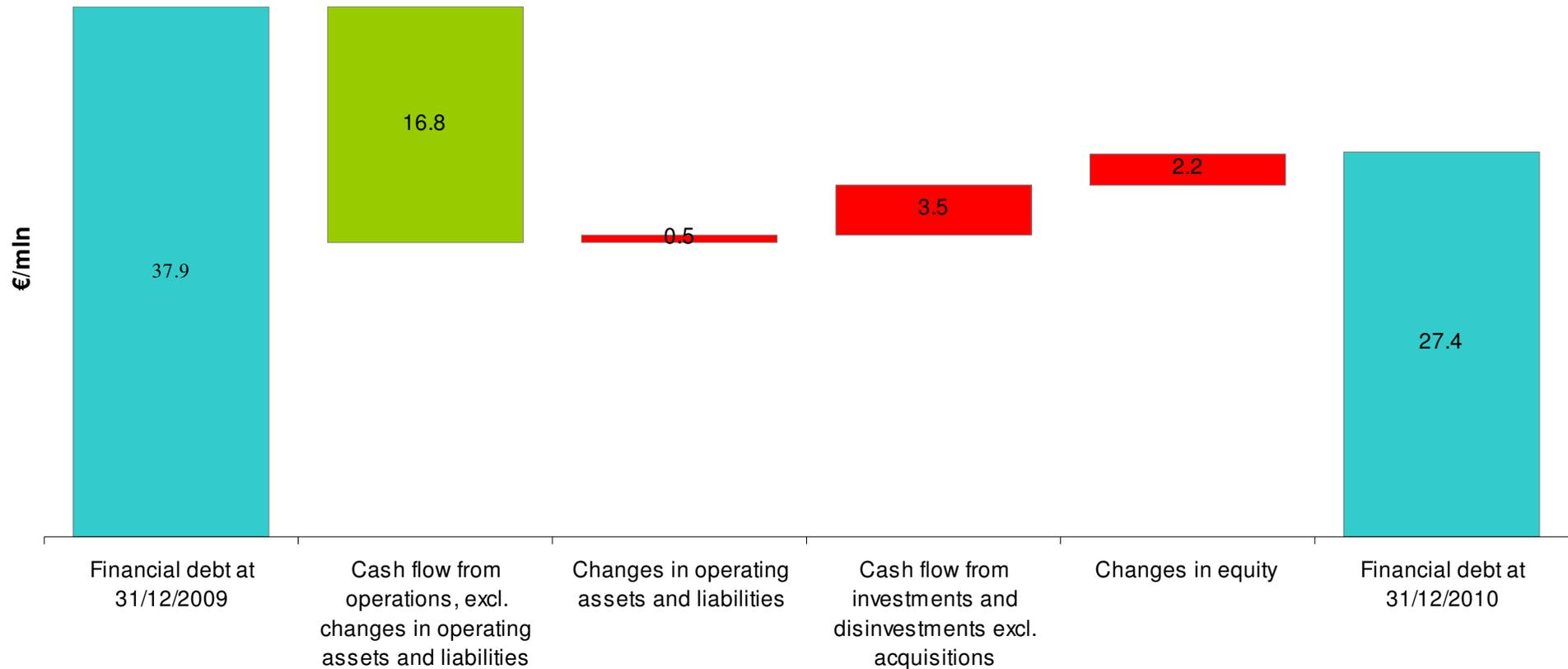


Consolidated assets and liabilities

€/mln	31.12.2010	31.12.2009
Net fixed assets	57.7	59.7
Net working capital	83.7	82.9
Net capital employed	141.4	142.6
Net equity	113.5	104.1
Minority interests	0.6	0.5
Net financial debt	27.4	38.0
Debt/Equity	0.24	0.36



Cash flow statement





2011 Outlook



- ✓ Demand recovery in Europe and North America
- ✓ Higher sales volumes
- ✓ Price increases to compensate raw material costs
- ✓ Launch of new products in 2011
- ✓ Sales growth around 5%.



Several new products for 2011

New trimmer developed in 2 configurations both for consumer and commercial applications

Featuring best power to weight ratio, compact dimension and ease of use



Restyle of steel deck lawnmower with significant upgrade in design, comfort and functionality



New professional chainsaw for emerging markets.

Featuring high reliability and performance for severe working conditions.



New chainsaw for demanding consumers and farmers.

Equipped with state-of-the-art worldwide exclusive "E-jet" technology:

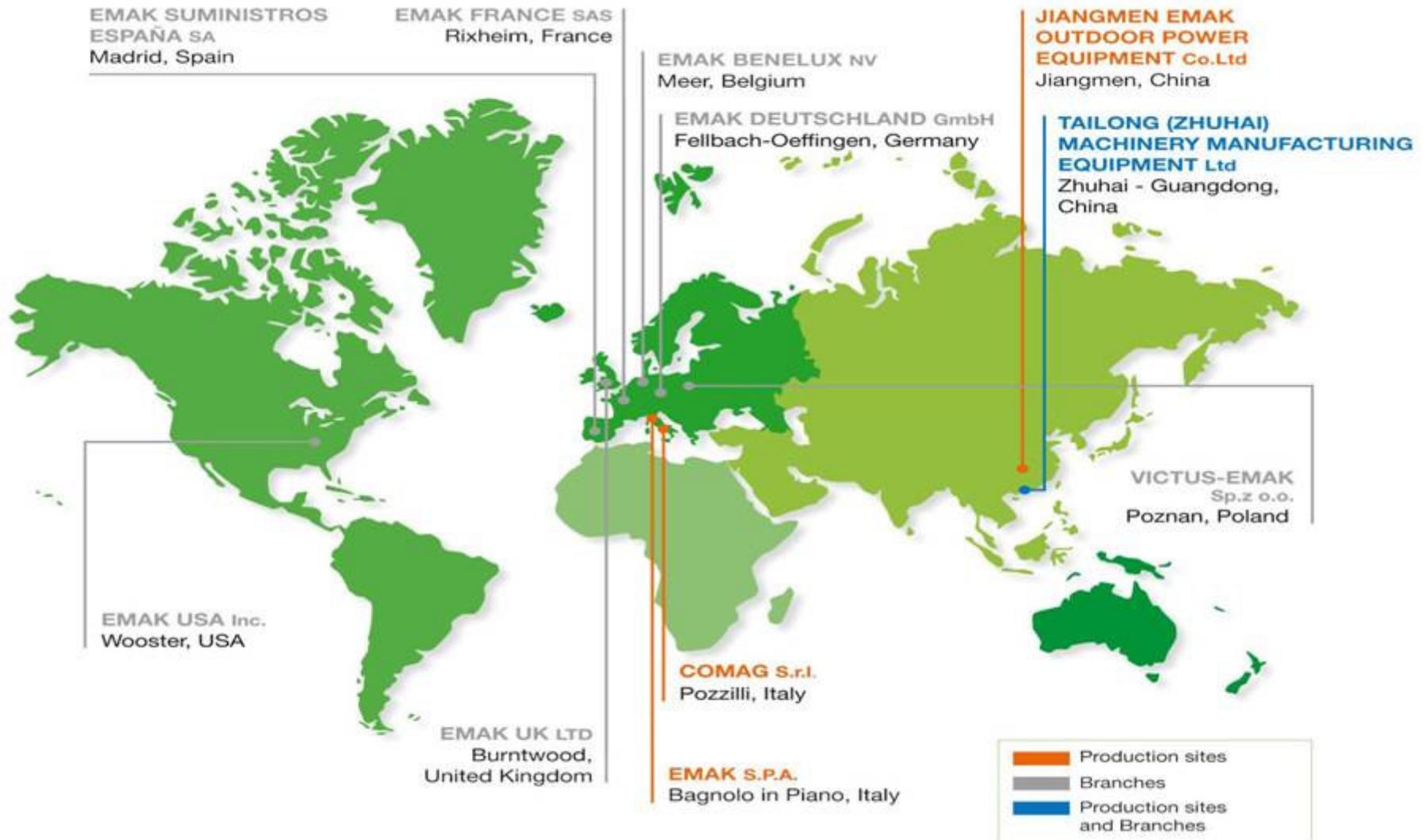
- Fuel consumption -40%
- Gas emission -75%



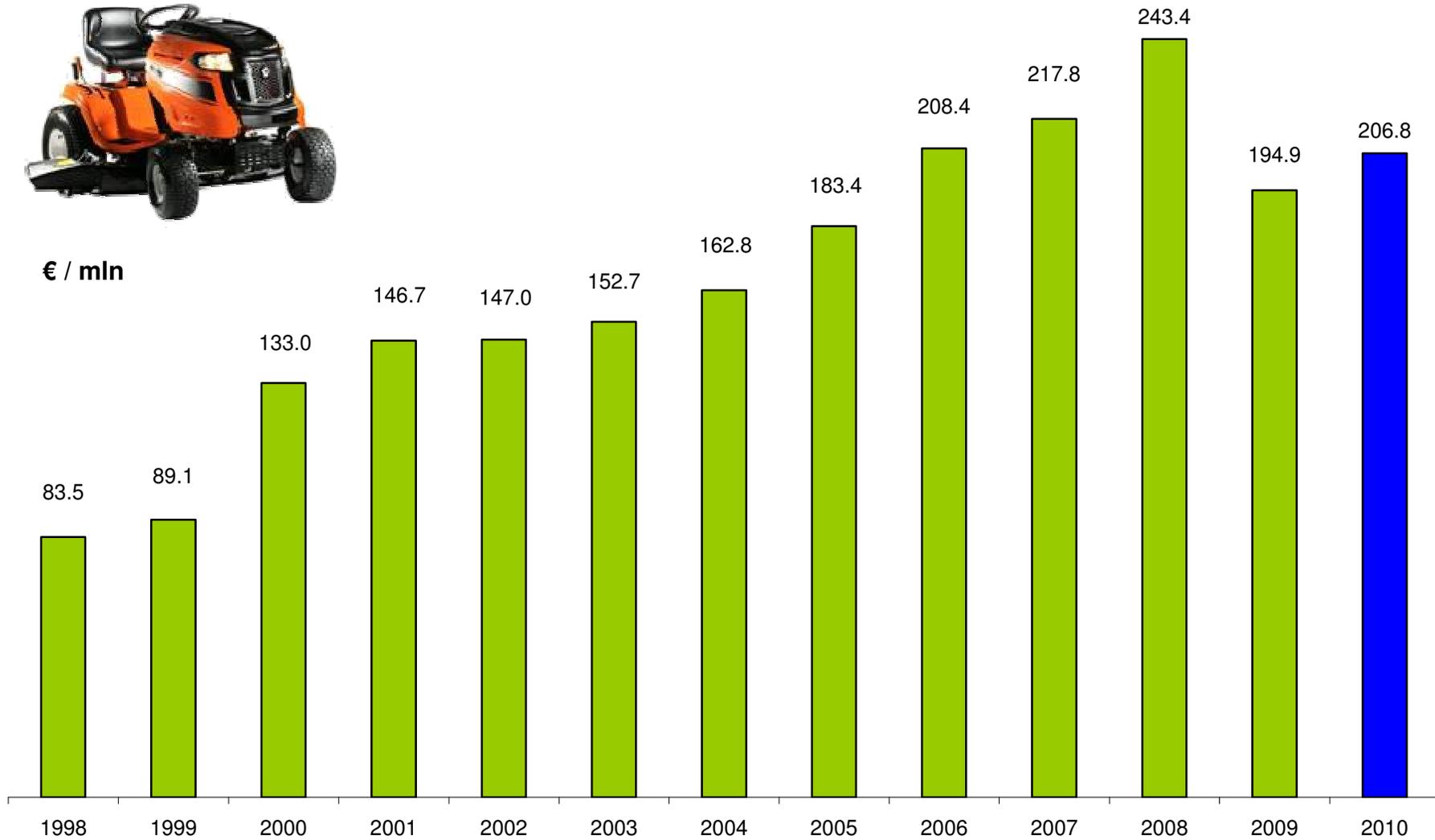


- **1972** Establishment of **Oleo-Mac**
- **1978** Establishment of **Efco**
- **1992** Establishment of **Emak**: merger of Oleo-Mac and Efco
- **1997** Establishment of **Comag**, production plant in southern Italy
- **1998** **Listing** on the Milan Stock Exchange
- **1998-1999** Establishment of **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

International presence



Historical turnover



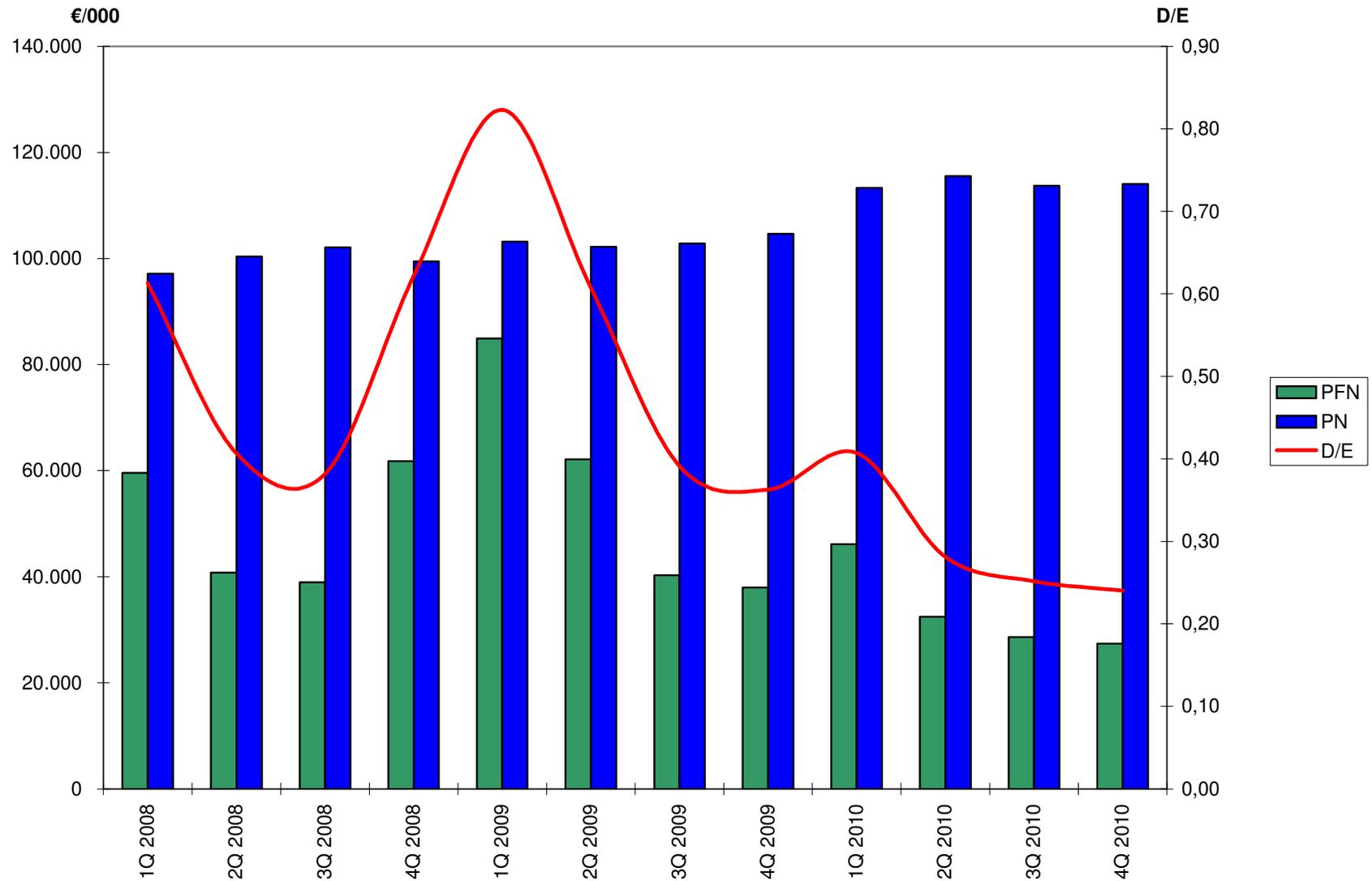
Income statement

€/000	FY 2010	FY 2009
Sales	206,785	194,925
Other operating incomes	3,765	1,934
Change in inventories	227	(19,997)
Raw and consumable materials and goods	(117,926)	(93,457)
Salaries and employee benefits	(32,467)	(29,790)
Other operating costs	(36,875)	(31,960)
EBITDA	23,509	21,655
Amortization, depreciation and impairment losses	(7,378)	(6,800)
Ebit	16,131	14,855
Financial income	535	499
Financial expenses	(1,756)	(2,739)
Exchange gains and losses	1,648	151
EBT	16,558	12,766
Income taxes	(4,939)	(3,340)
Net profit	11,619	9,426

Consolidated balance sheet

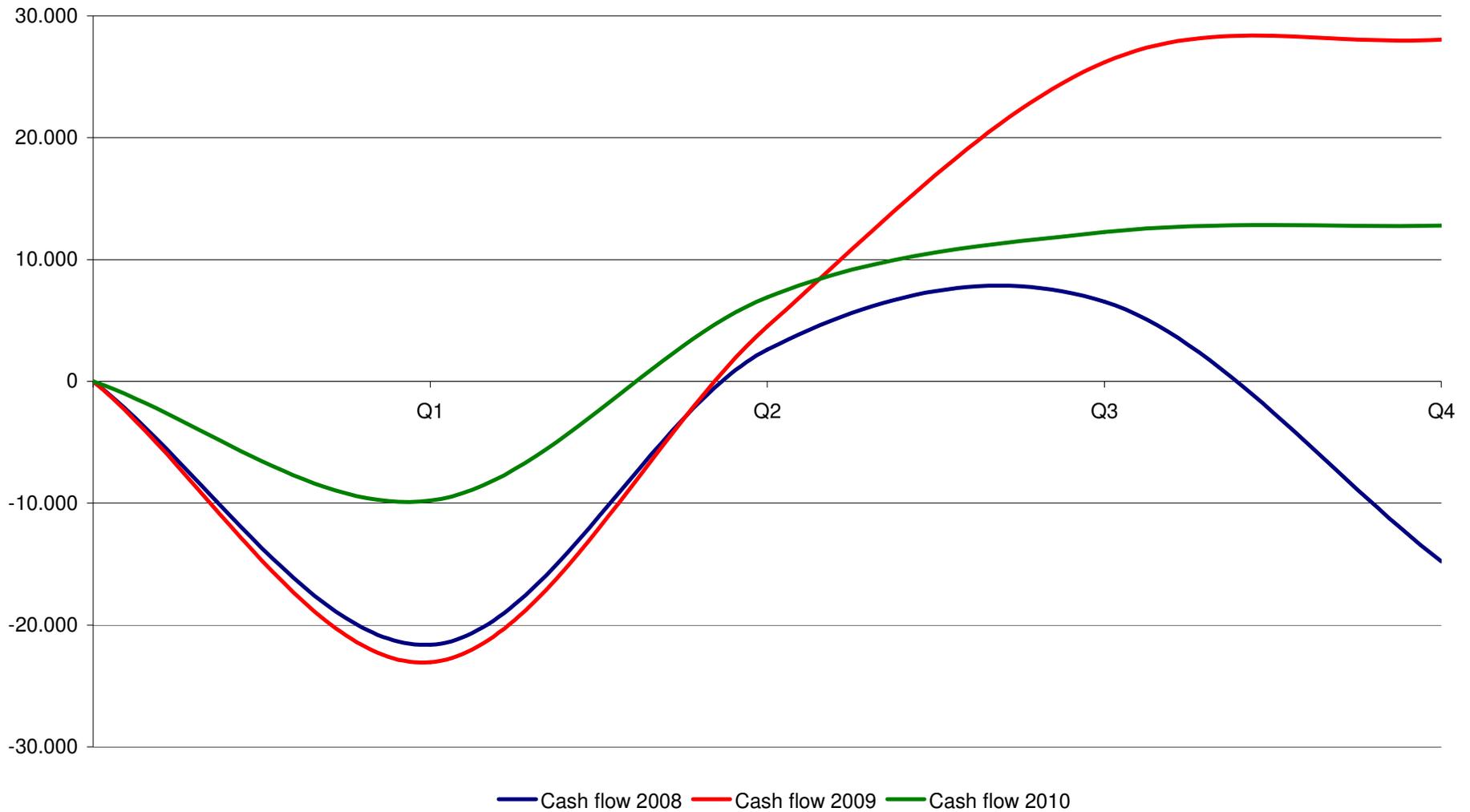
€/000	31.12.2010	31.12.2009
Non current assets	68.222	69.997
Inventories	70.665	69.389
Trade and other receivables	58.210	57.710
Cash and cash equivalents	7.339	7.331
Other current assets	2.557	3.374
Total assets	206.993	207.801
Total equity	114.030	104.631
Long term borrowings	22.741	31.432
Other non current liabilities	10.545	10.298
Short term borrowings	12.330	13.754
Trade and other payables	44.269	44.991
Other current liabilities	3.078	2.695
Total equity and liabilities	206.993	207.801

Net debt and equity



Cash flow

Cash flow from operations, excl. Payments for acquisitions



Key figures

	FY 2010	FY 2009
Ebitda margin	11.4%	11.1%
Ebit margin	7.8%	7.6%
Return on equity	10.2%	9.0%
Return on capital employed	11.4%	10.4%
Net working capital / sales	40.5%	42.5%
Tax rate	29.8%	26.2%
Debt / Equity	0.24	0.36
Average number of employees	1,057	1,048



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