

Full year results 2007

STAR Conference - Milan

March 5th and 6th, 2008





Economic and Financial Data

CONSOLIDATED P&L ACCOUNTS

€/mln	Full Year 2007	Full Year 2006	Change%
Turnover	217.8	208.4	4.5%
Ebitda	30.2	25.1	20.3%
<i>Margin %</i>	<i>13.9%</i>	<i>12.0%</i>	
Ebit	24.7	19.8	24.7%
<i>Margin %</i>	<i>11.3%</i>	<i>9.5%</i>	
Group Net Profit	15.3	11.3	35.4%
<i>Margin %</i>	<i>7.0%</i>	<i>5.4%</i>	
EPS (€)	0.554	0.407	36.1%

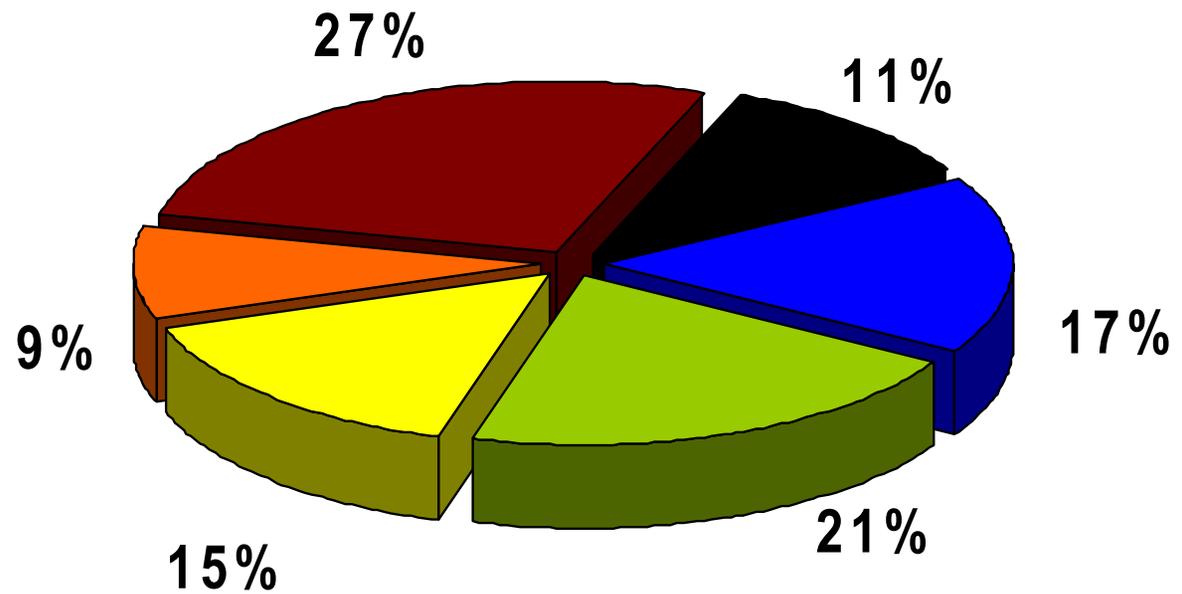
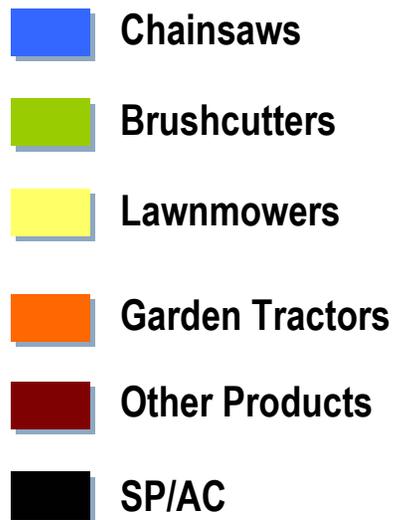
- Improvement in product mix;
- Improvement in production efficiency.

TURNOVER BREAKDOWN BY PRODUCT LINE

€/mIn	Full Year 2007	Full Year 2006	Change%
Brushcutters	45.4	39.9	13.6%
Chainsaws	36.6	38.6	-5.2%
Lawnmowers	33.6	33.1	1.6%
Garden tractors	19.3	16.9	13.6%
Other products	59.2	57.3	3.4%
Spare parts/accessories	23.7	22.5	5.5%
Total	217.8	208.4	4.5%

- Launch and consolidation on the market of new products;
- All grass-cutting products benefited from favourable weather conditions;
- Decrease in sales of chainsaws as a result of cyclic trends in the sector and of unfavourable weather conditions.

TURNOVER BREAKDOWN BY PRODUCT LINE

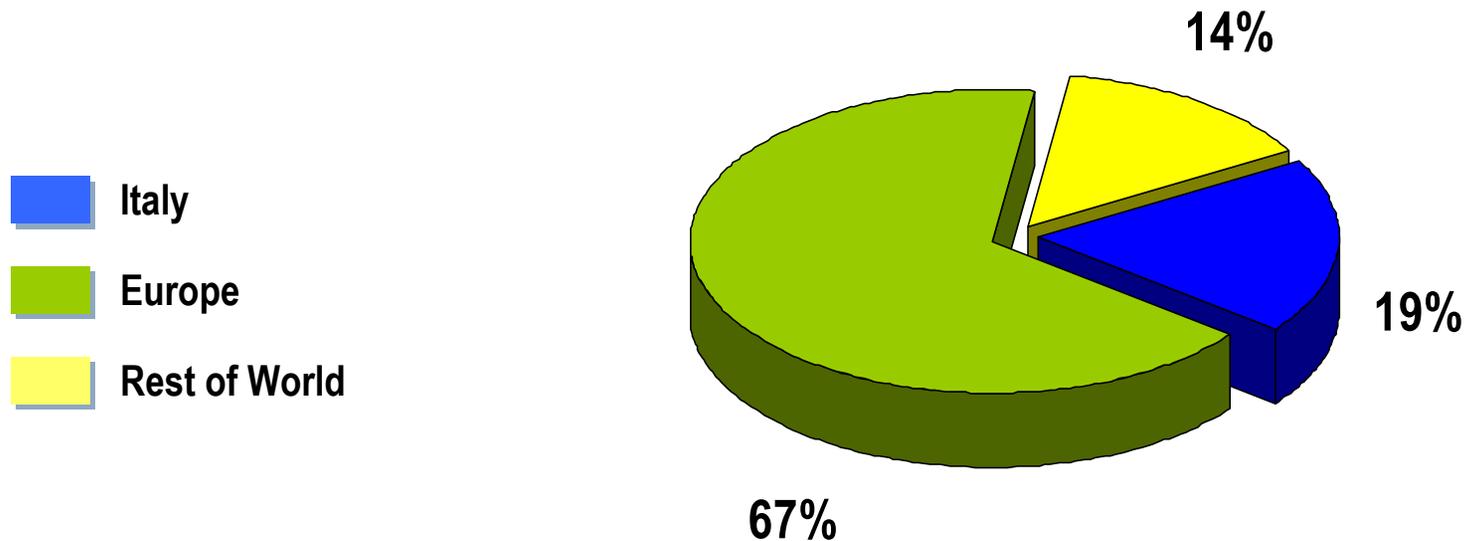


TURNOVER BREAKDOWN BY GEOGRAPHICAL AREA

€/000	Full Year 2007	Full Year 2006	Ch.%
Italy	41.1	40.8	0.5%
Europe	145.2	134.7	7.8%
Rest of world	31.5	32.8	-3.7%
Total	217.8	208.4	4.5%

- Growth driven by sales in the European market, particularly in East Europe countries;
- Italian market affected by a serious macroeconomic situation;
- In the Rest of the World the growth in Latin America did not compensate the decrease in sales in the Middle East.

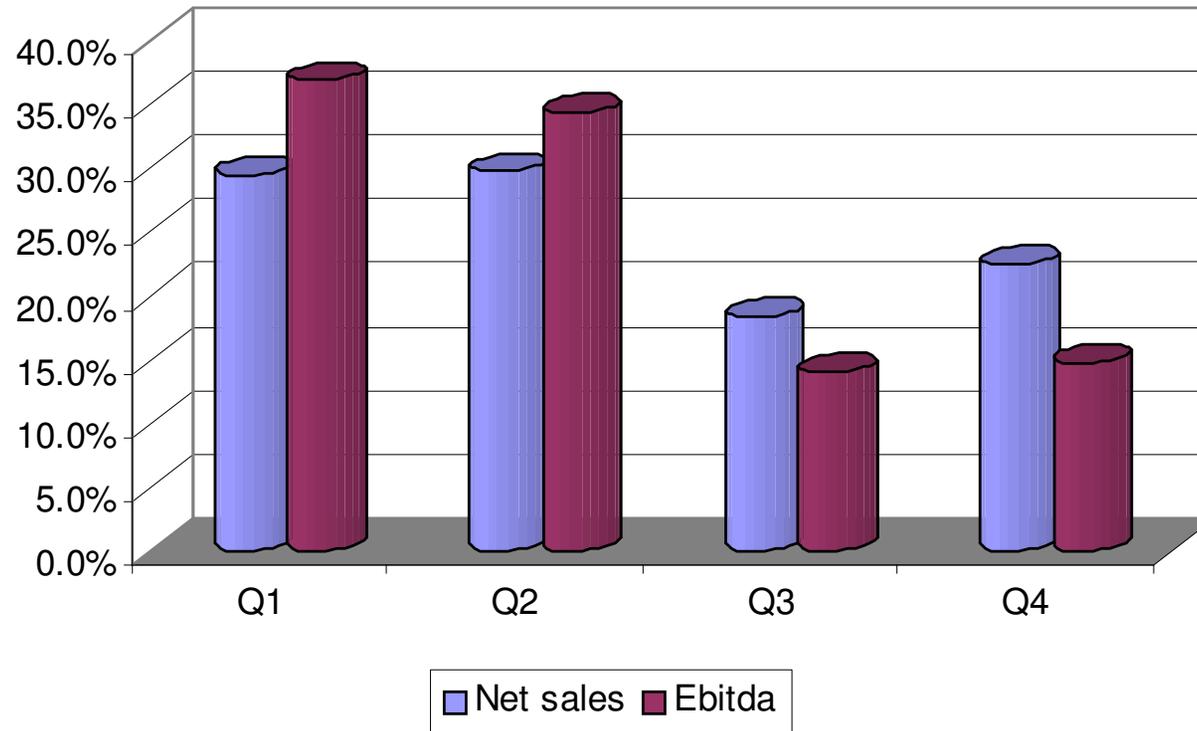
TURNOVER BREAKDOWN BY GEOGRAPHICAL AREA



80 Countries – 20.000 Dealers

SEASONALITY

First half normally represents approx. 60% of sales, 70% of Ebitda



CONSOLIDATED ASSETS AND LIABILITIES

€/mln	31.12.2007	31.12.2006
Net fixed assets	42.6	38.0
Net current assets	80	81.7
Net capital employed	122.6	119.7
Net Equity	91.1	81.3
Minority interests	0.5	0.5
Net financial debt	31.0	37.9
Debt/Equity	0.34	0.46

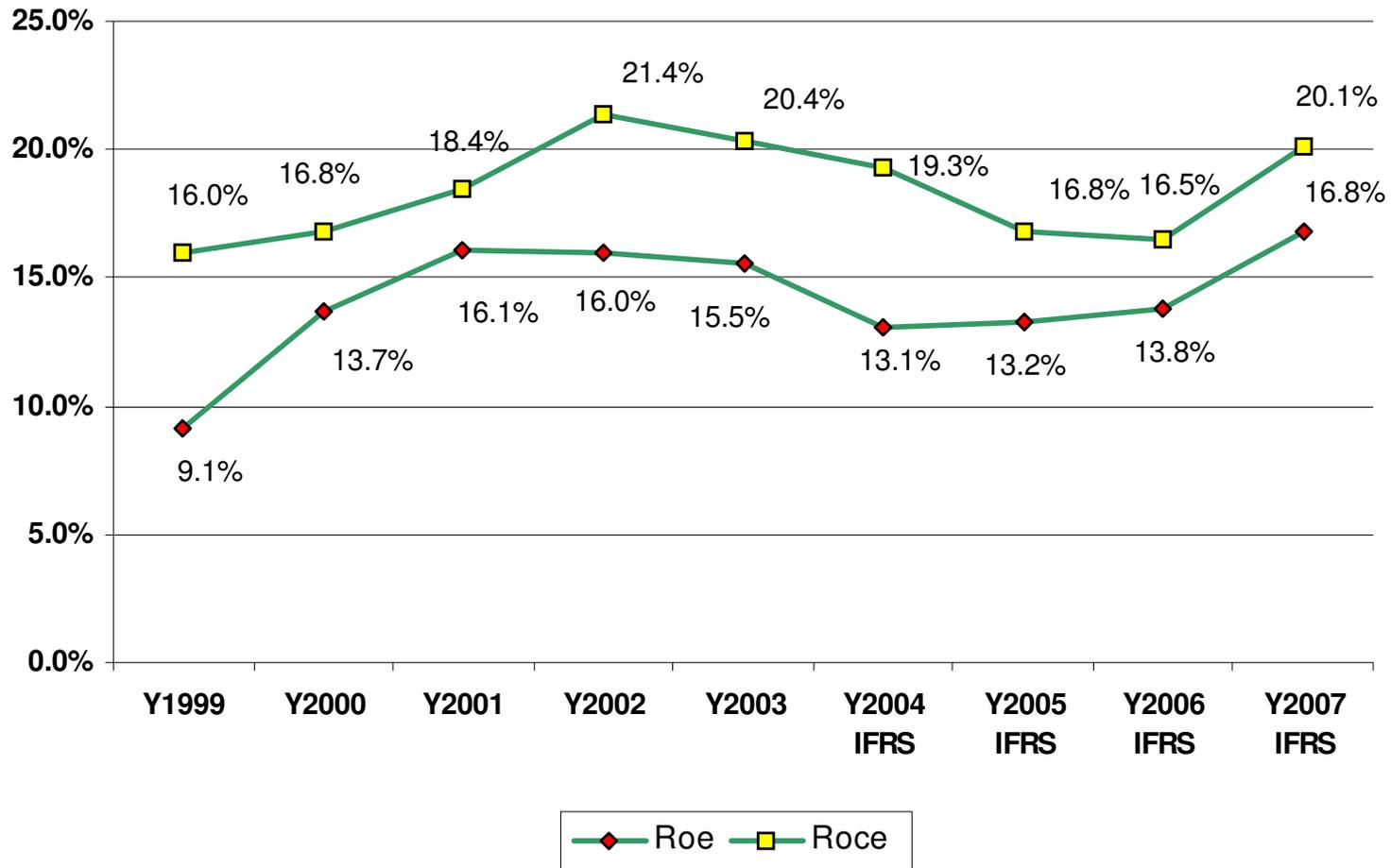
- Decrease in **net current assets**: reduction in inventories;
- Improvement in **net debt**: lower working capital requirements.

CASH FLOW STATEMENT

€/mln	31.12.2007	31.12.2006
Opening financial debt	-37.9	-25.8
Cash flow from operations	19.1	16.3
Change in operating assets and liabilities	1	-15.4
Net capital expenditure in tangible and intangible fixed assets	-7.6	-8.2
Dividend and others equity changes	-5.6	-4.8
Net financial debt at the end of the period	-31	-37.9

€/mln	31.12.2007	31.12.2006
Inventories	2	-8.4
Receivables	-0.5	-2.4
Payables	-0.1	-5.2
Others	-0.4	0.6
Detail of change in operating assets and liabilities	1	-15.4

ROE AND ROCE EVOLUTION



CAGR 1999-2007

CAGR 1999-2007	
Turnover	11.8%
Ebitda	11.4%
Ebit	15.0%
Net Profit	18.6%
Cash flow	11.7%

SHAREHOLDERS VALUE CREATION

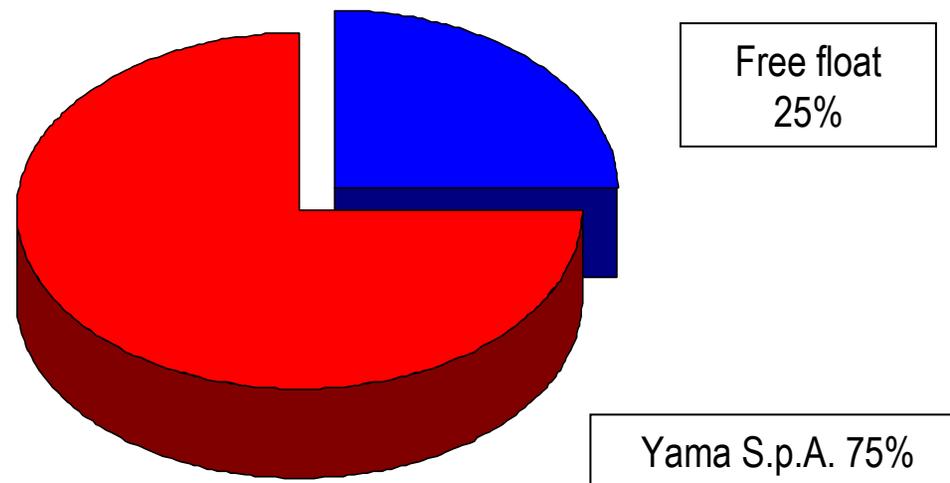
Total Return to Shareholders									
Year	1999	2000	2001	2002	2003	2004	2005	2006	2007
Price at 31.12 (€)	1.790	2.041	2.350	2.380	3.220	3.818	4.773	4.844	5.3
Share Performance Y/Y		13.3%	15.1%	1.3%	35.3%	18.6%	25.3%	1.5%	9.4%
Distributed dividend (€ mln)		2.1	2.9	3.6	3.9	4.0	4.0	4.1	4.8
Dividend (€)		0.077	0.103	0.130	0.140	0.145	0.145	0.150	0.175
Yield Y/Y (%)		4.3%	5.0%	5.5%	6.0%	4.5%	3.8%	3.1%	3.6%
Pay out policy		55%	45%	44%	43%	42%	46%	44%	43%



2008-2010 Plan

EMAK GROUP HIGHLIGHTS

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



•YAMA S.p.A.

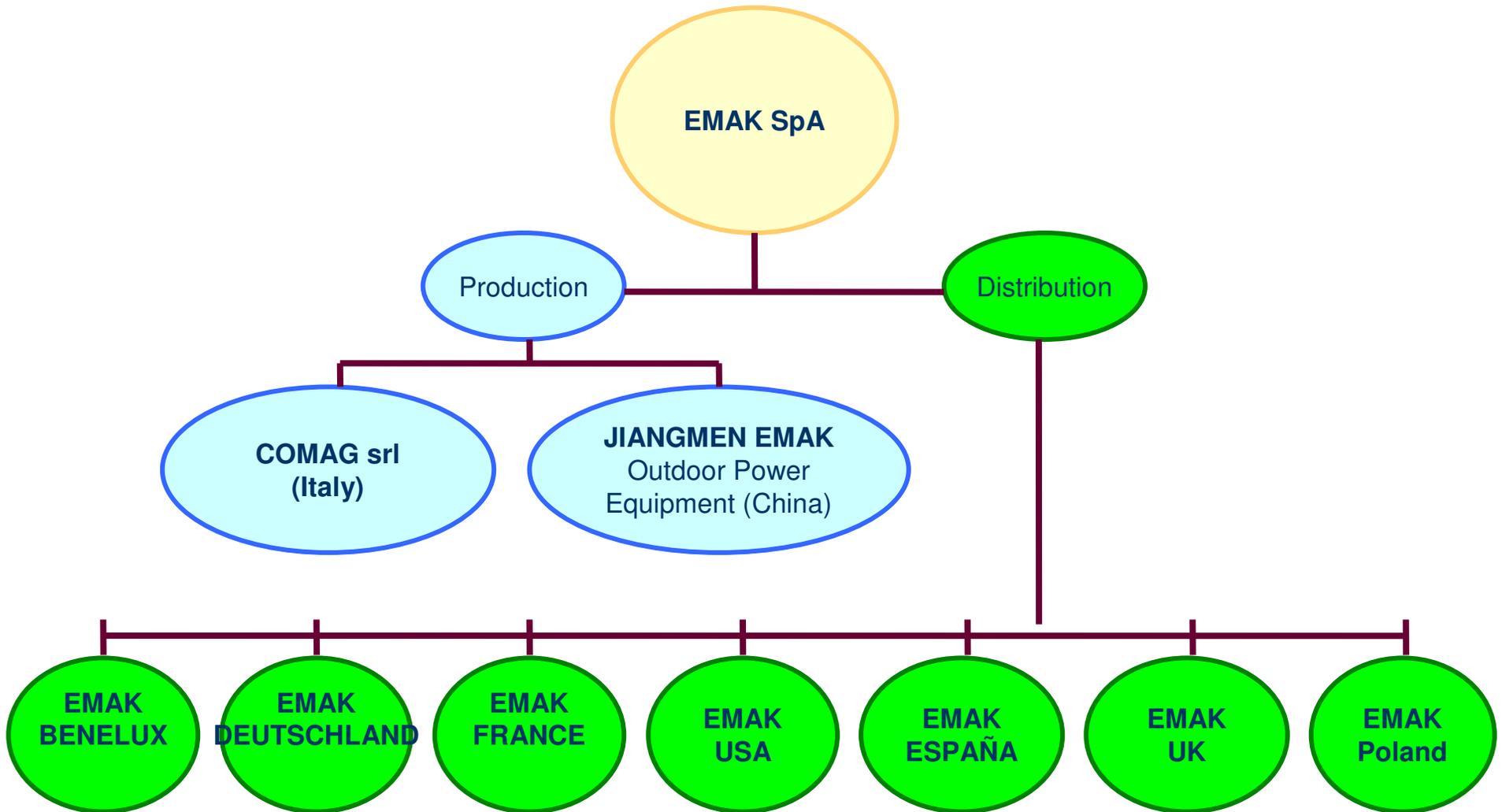
- Yama S.p.A. is an Italian industrial holding including more than 30 companies involved in agriculture, forestry and gardening business
- Turnover: € 405 mln (consolidated 2006)
- 2.000 employees

EMAK GROUP HIGHLIGHTS



- **3rd largest european manufacturer** of chainsaws and brushcutters
- **€ 218 mln turnover** in 2007
- **1 million machines per year**
- **1.000 employees**
- **7 distribution branches** (6 in Europe and 1 in USA)
- **3 production plants** (2 in Italy and 1 in China)

EMAK GROUP STRUCTURE



BRANDS



17 PRODUCT FAMILIES – 130 MODELS

					
chainsaws	brushcutters	lawnmowers	hedgecutters	blowers	pressure cleaners

					
mistblowers	sprayers	waterpumps	tillers	tree-shakers	earth-borers

				
garden tractors	shredders	Scarifiers	transporters	Power cutters

EMAK GROUP PRODUCTION PLANTS



Emak SpA

ITALY (*Bagnolo in Piano - Reggio Emilia*)



Comag Srl

ITALY (*Pozzilli - Isernia*)



Jiangmen Emak Outdoor Power Equipment Co. Ltd

CHINA (*Jiangmen City*)

EMAK GROUP PRODUCTION PLANTS

Emak Spa

- Hand held products for premium segment

Comag Srl

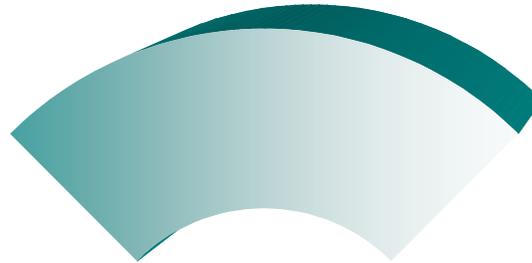
- Lawnmowers Production

Jiangmen Emak Outdoor Power Equipment Co. Ltd

- Hand held and electric products for consumer segment
- Unit Controlled 100% by Emak
- Engineering and Quality Control Managed by Emak Staff

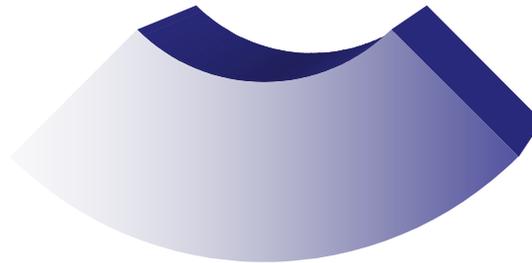
MISSION

“Leading edge solutions providing the best value for the Customer”



Customer satisfaction

Value creation



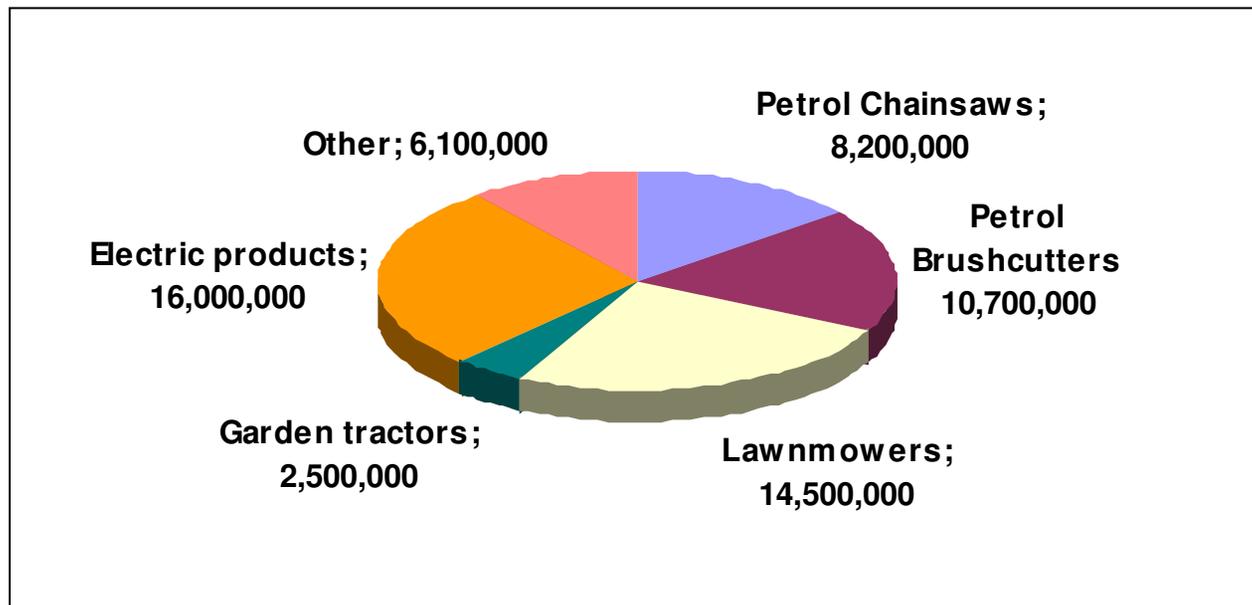
STRATEGY



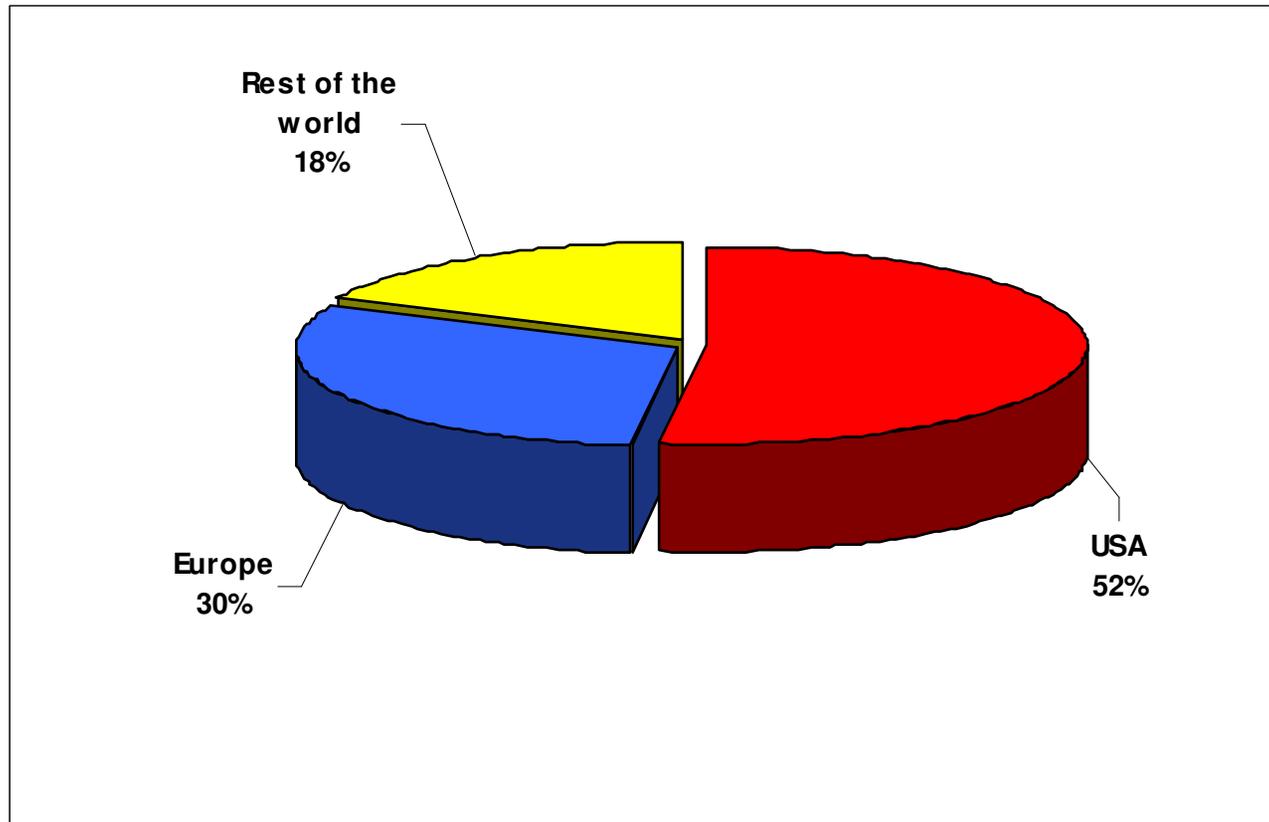
OUR NEW PAY OFF



MARKET – volume estimate Breakdown by product line



MARKET – volume estimate Breakdown by area



MARKET

Breakdown by distribution channel

	<i>Traditional</i>	<i>DIY</i>	<i>Other channels</i>
Chainsaws	58%	32%	10%
Brushcutters	45%	48%	7%
Lawnmowers	33%	58%	9%
Garden tractors	41%	53%	6%
Electric products	19%	67%	14%
Other	68%	20%	12%
Total quantity	39%	51%	10%
Total value	50%	38%	12%

EMAK MARKET SHARE (traditional channel)

Areas	<i>Chainsaws</i>	<i>Brushcutters</i>	<i>Lawnmowers</i>
Italy	14%	20%	13%
Europe (incl. Italy)	7,8%	12,1%	5,6%
North America	0,1%	0%	0%
Rest of the World	4,2%	2,6%	2,4%
Global	4,7%	4,6%	2,8%

STRENGTH & OPPORTUNITIES

- Technological know how in engine development
- Production capacity (3 plants) and localization: flexibility and competitiveness to support demand increase
- One of the most complete product range in the sector
- Direct control of the dealer network in 8 strategic markets (70% of global demand and 60% of Emak turnover)
- Business development plans in the most important areas (North America, Brasil, India, China)
- The financial structure (debt/equity ratio 0.34) and the cash flow give the company a wide margin of action in terms of internal and external growth

GROWTH DRIVERS

Investments strategy:

1. **Products**
2. **Distribution network**
3. **Logistic**
4. **Acquisitions**

INVESTMENTS ON PRODUCTS

- 30 new products scheduled for the next 3 years, 10 of which in 2008;
- Restyling of existing products;
- Development of solutions to meet the new emission regulations
- Products “fit for the use”.



Hobby



Farmers



Professional

TECHNOLOGY FOR THE FUTURE

- Emak is ready to meet emission regulations imposed by
European Community (EURO 2)
USA (EPA 2)
- Emak solution is named BURN RIGHT
- The Emak technology will ensure:
 - Improvement of performance
 - drastic reduction of emissions (-80%)
 - drastic reduction of consumptions (-40%)



PRIZE FOR MOST INNOVATIVE PRODUCT – GERMANY



INVESTMENTS ON DISTRIBUTION NETWORK

- **Increase of marketing investments in Italy and in the foreign branches;**
- **More marketing investments in strategic area such as Russia and Turkey;**
- **Specific plans for overseas markets**
 - ✓ Brazil
 - ✓ China
 - ✓ India
- **Launch of new Victus line for alternative distribution channels**

INVESTMENTS ON LOGISTIC

- **New advanced Spare Parts center**
- **Cooperation with premium logistic provider**

ACQUISITION OF BERTOLINI

In January 2008 Emak acquired Bertolini for € 6.5 mln (equity value).

- FY 2007 turnover: € 21.4 mln

- Products:

- ✓ Motorhoes
- ✓ Tillers
- ✓ Transporters
- ✓ Power mowers

- Markets:

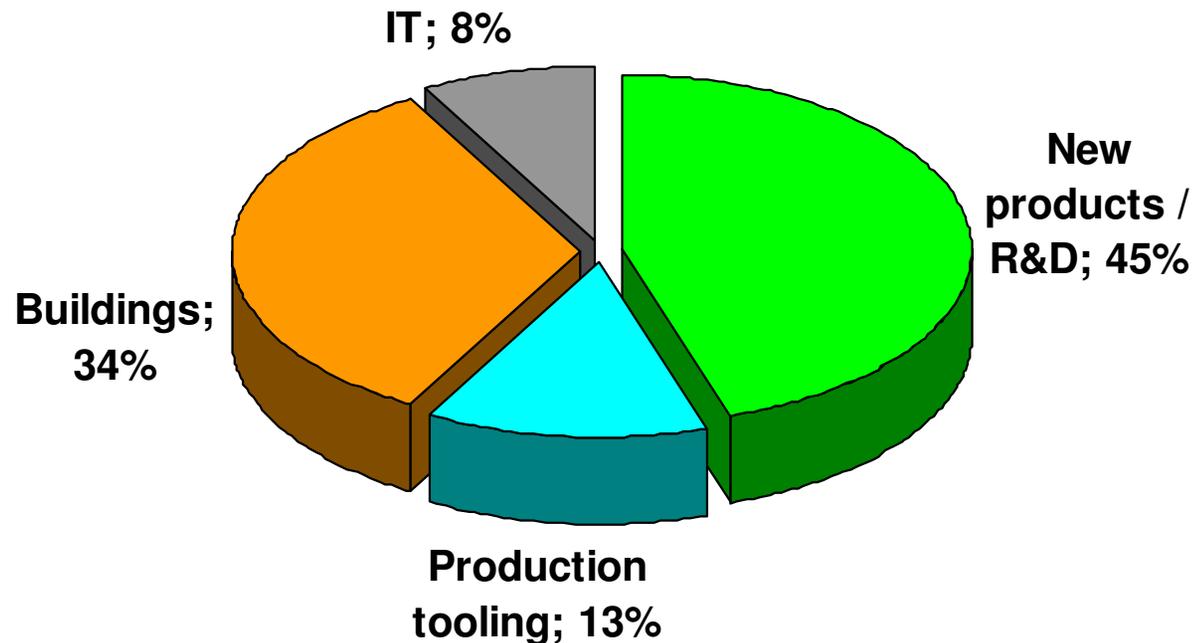
- ✓ 45% of sales in Italy
- ✓ 45% of sales in Europe
- ✓ 10% of sales in the Rest of the World

- Synergies:

- ✓ product;
- ✓ production;
- ✓ distribution



TOTAL INVESTMENTS 2008 - 2010: €37 mln
YEARLY CAPEX ON SALES: 4.6%



45% of total company investments
addressed to new product development

ESTIMATED GROWTH PROJECTIONS 2008 - 2010

CAGR 2008-2010	
Turnover	12.0%
Ebitda	20.0%
Ebit	20.0%

CONTACTS

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