



Investor Presentation March 2012



✓ EMAK AT A GLANCE



Emak S.p.A.

Headquarter: Bagnolo in Piano, Reggio Emilia, Italy

Emak is one of the main global players in the production and distribution of machines, components and accessories for gardening, agriculture, forestry and industry such as chainsaws, brushcutters, lawnmowers, garden tractors, motor hoes and power cutters.

Business sectors

Gardening

Agriculture & Forestry

Construction&Industry

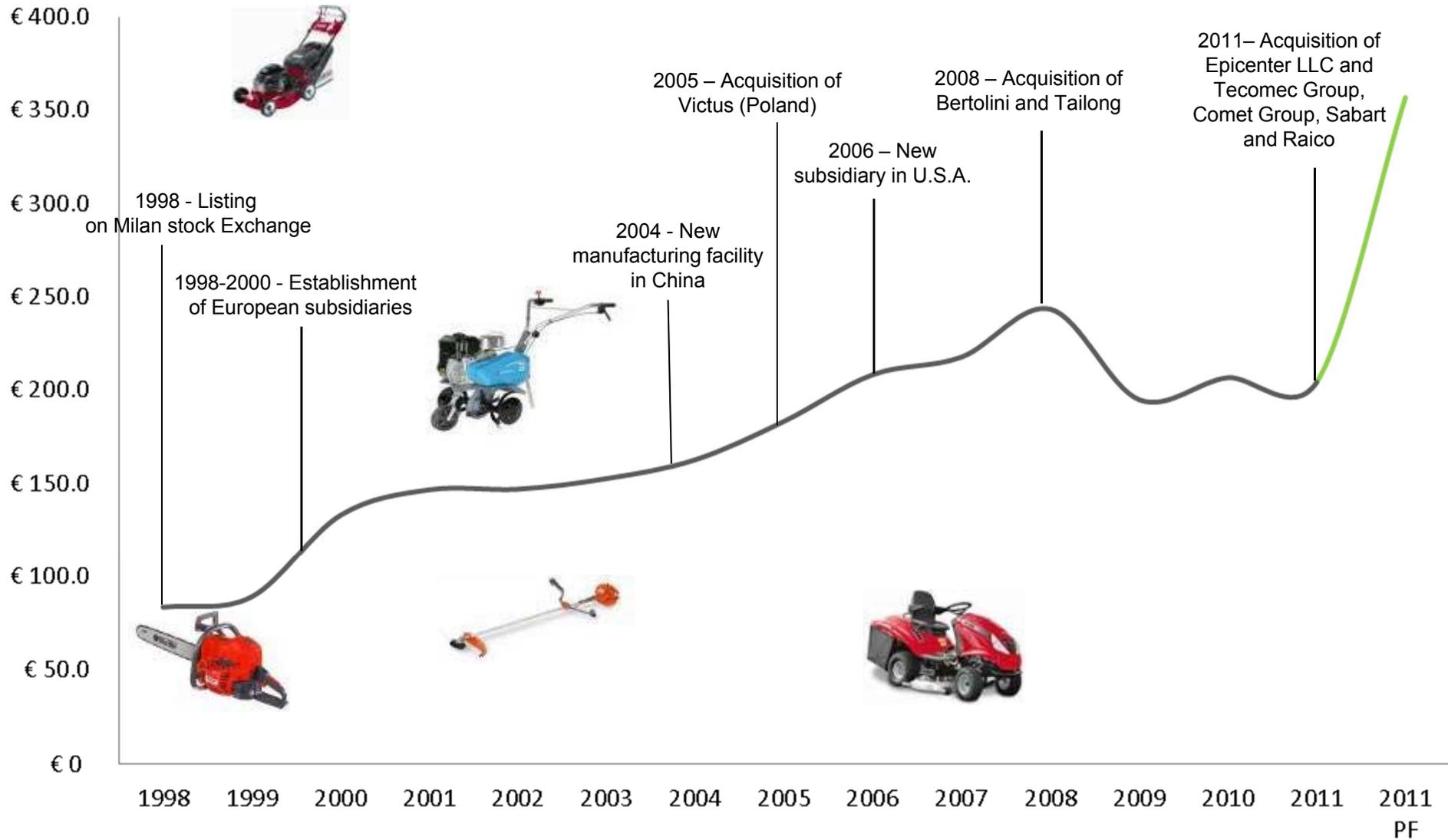
Products

Brushcutters
Lawn mowers
Garden tractors
Blowers

Chain saws
Tillers
Transporters

Power cutters
High pressure washers





Strategic rationale of 2011 main acquisitions

From the listing to 2008 Emak has grown at an average rate of 11.3%. In the last few years, the economic crisis has determined a stagnation in the market and brought to a consolidation of the players.

In order to keep on growing and to successfully compete Emak needed to

Increase in the Group's size

Widen the product/service offering

Develop the distribution network worldwide

Greenfield acquisition



Greenfield acquisition - Companies' overview

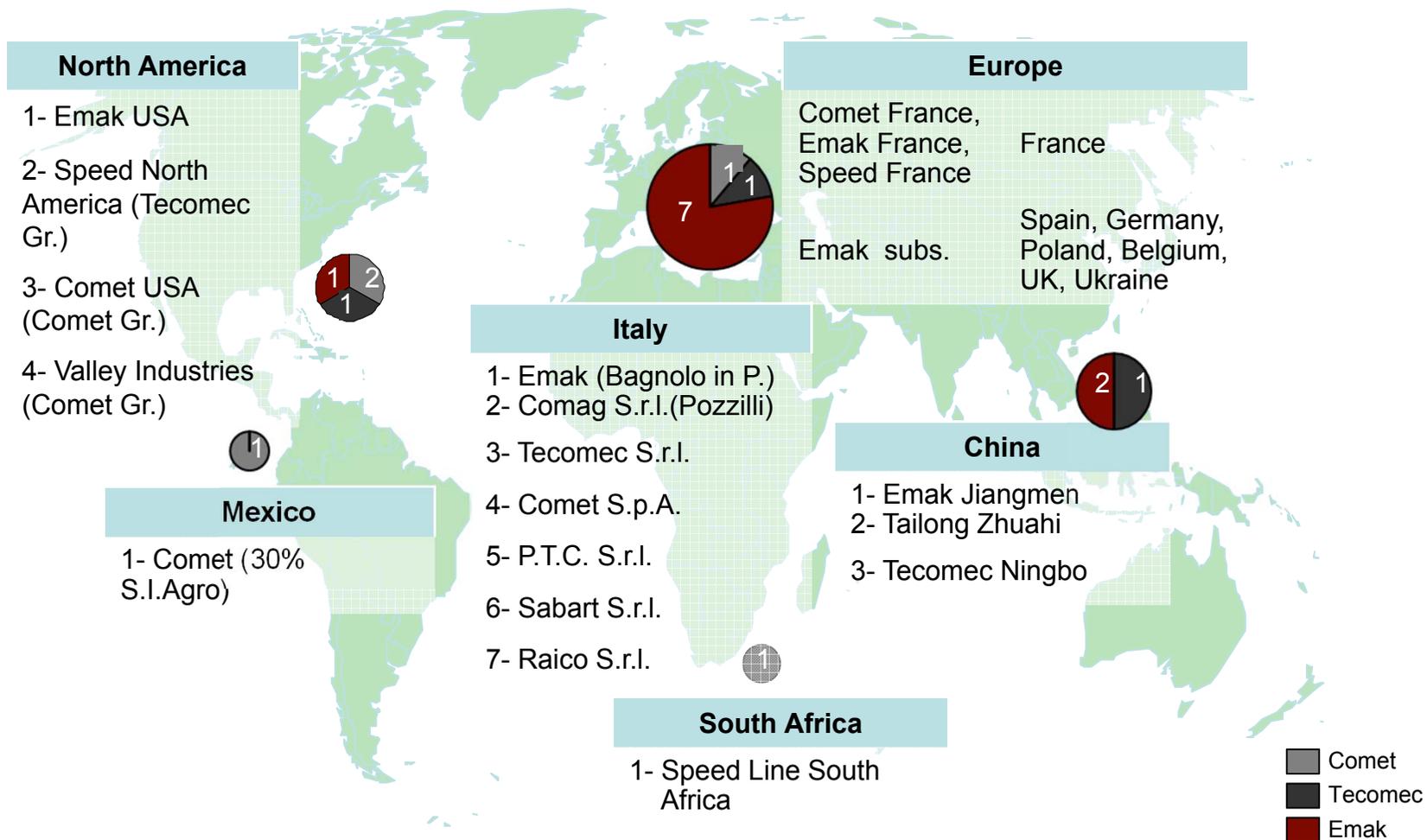
Tecomec, is one of the market leaders in the production and sale of accessories for gardening & forestry, agriculture and cleaning industry (high pressure washers).

Comet Group, manufactures and sells diaphragm pumps for agriculture, piston pumps for industrial and high pressure washers for professional and hobby users.

Sabart, is an Italian distributor of spare parts and accessories for agriculture, forestry and gardening equipment.

Raico is an Italian distributor of technical spare parts and components for tractors and agriculture equipment





Valley Industries

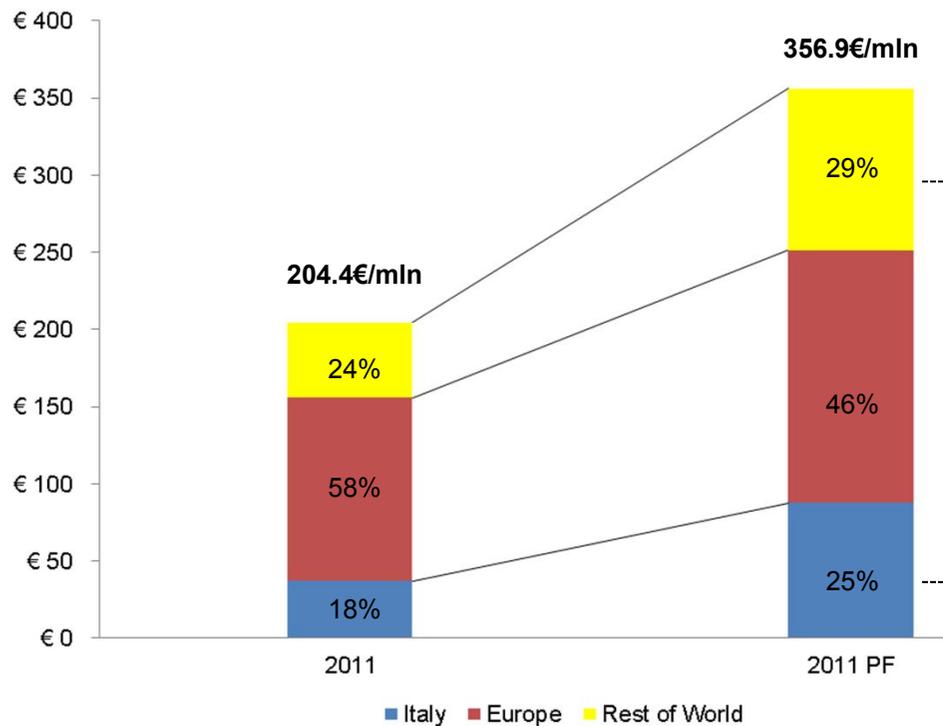
On 7 February 2012 Comet U.S.A finalized the acquisition of the 90% of the share capital of Valley Industries, for a consideration price of \$ 15 million.

Valley Industries distributes a wide range of products, components and accessories for Industrial and Agriculture sectors, including Comet's diaphragm pumps, with a widespread distribution network in the entire area of North America.

Valley Industries closed the financial year 2011 with a turnover of around \$ 19 million, an EBITDA of around \$ 2.9 and a net financial position of around \$1.9 million.

Valley will help Emak pursuing its global strategy through an acceleration in the development of the North American business via the achievement of operating and commercial synergies.

by Geography

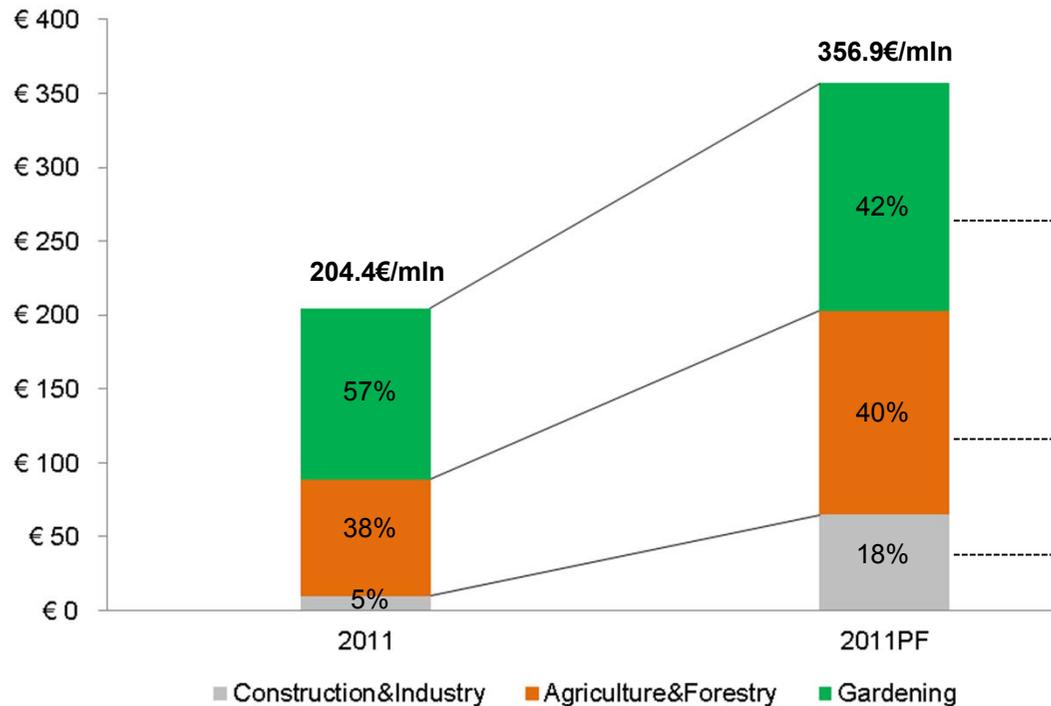


2011 PF revenues include Tecomec Group, Comet Group, Sabart and Raico as if acquired January 1, 2011

- Higher penetration in the overseas markets

- Reinforcement of the distribution network on the domestic market

by Product line



2011 PF revenues include Tecomec Group, Comet Group, Sabart and Raico as if acquired January 1, 2011

- Lower incidence of Gardening

- Higher contribution of Forestry&Agriculture and Industry, more stable businesses

Lower risks deriving from weather conditions and macro economic uncertainty

2011 consolidated and pro forma income statement

€/mln	2011	2010	Δ	2011 PF (1)	2010 PF (1)	Δ
Sales	204.4	206,8	-1.2%	356.9	348.9	2.3%
EBITDA adjusted (2)	19.6	21.3	-8.0%	37,8	37,4	1.1%
<i>% on sales</i>	9.6%	10.3%		10.6%	10.7%	
EBITDA	17.5	23.5	-25.5%	35.7	39.6	-9.7%
<i>% on sales</i>	8.6%	11.4%		10.0%	11.4%	
Net profit adjusted (2)	7.2	10.1	-28.8%	14.5	16.4	-11.4%
Net profit	5.8	11.6	-50.4%	13	18.2	-28.3%

(1) Pro forma figures include Tecomec Group, Comet Group, Sabart and Raico as if acquired January 1

(2) Adjustments regard for 2011 M&A costs amounting to € 2.1 million and for 2010 the capital gain from the sale of property amounting to € 2.2 million.

Consolidated assets and liabilities

€/mln	31.12.2011	31.12.2010
Net fixed assets	79.9	57.7
Net working capital	157.5	83.7
Net capital employed	237.4	141.4
Net equity	140.1	114.0
Net financial debt	97.3	27.4
Debt/Equity	0.69	0.24

✓ **Net working capital**

The trend in NWC reflects the economic cycle of the company's business. The increase was influenced by the new scope of consolidation

✓ **Net equity**

The figure was influenced by the application of the accounting principle OPI 1, regarding the "accounting treatment of business combination of entities under common control" (see appendix #20). The figure includes minority interests for €1.7mln in 2011 and €0.5mln in 2010.

✓ **Net debt**

The companies acquired in 2011 contributed for € 34.5mln.
The figure includes discounted deferred payment for €13.8mln.



✓ Target 2013



Top line growth

- Distribution network development in the most important markets
- Full consolidation of new acquisitions (Epicenter , Valley and P.T.C.)
- Launch of several new and innovative products
- Commercial synergies

Cost optimization

- Lean production project to drive efficiency
- Cost reduction deriving from synergies

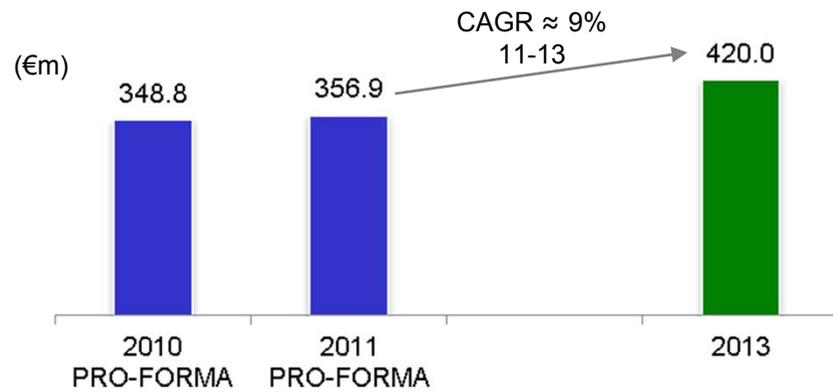
Capex

- Yearly spending for approx. 3.5% of revenues

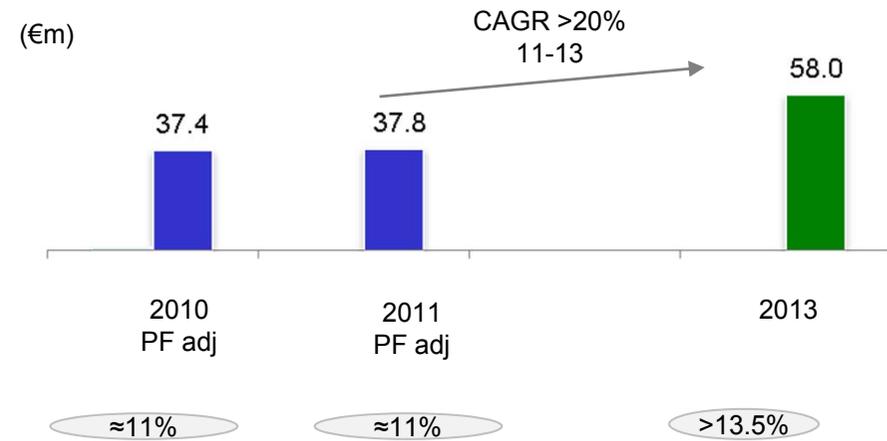
Pay-out

- Dividend for approx. 40% of consolidated net income

Revenues target 2013 (€m)



EBITDA target 2013 (€m)





✓ Appendix

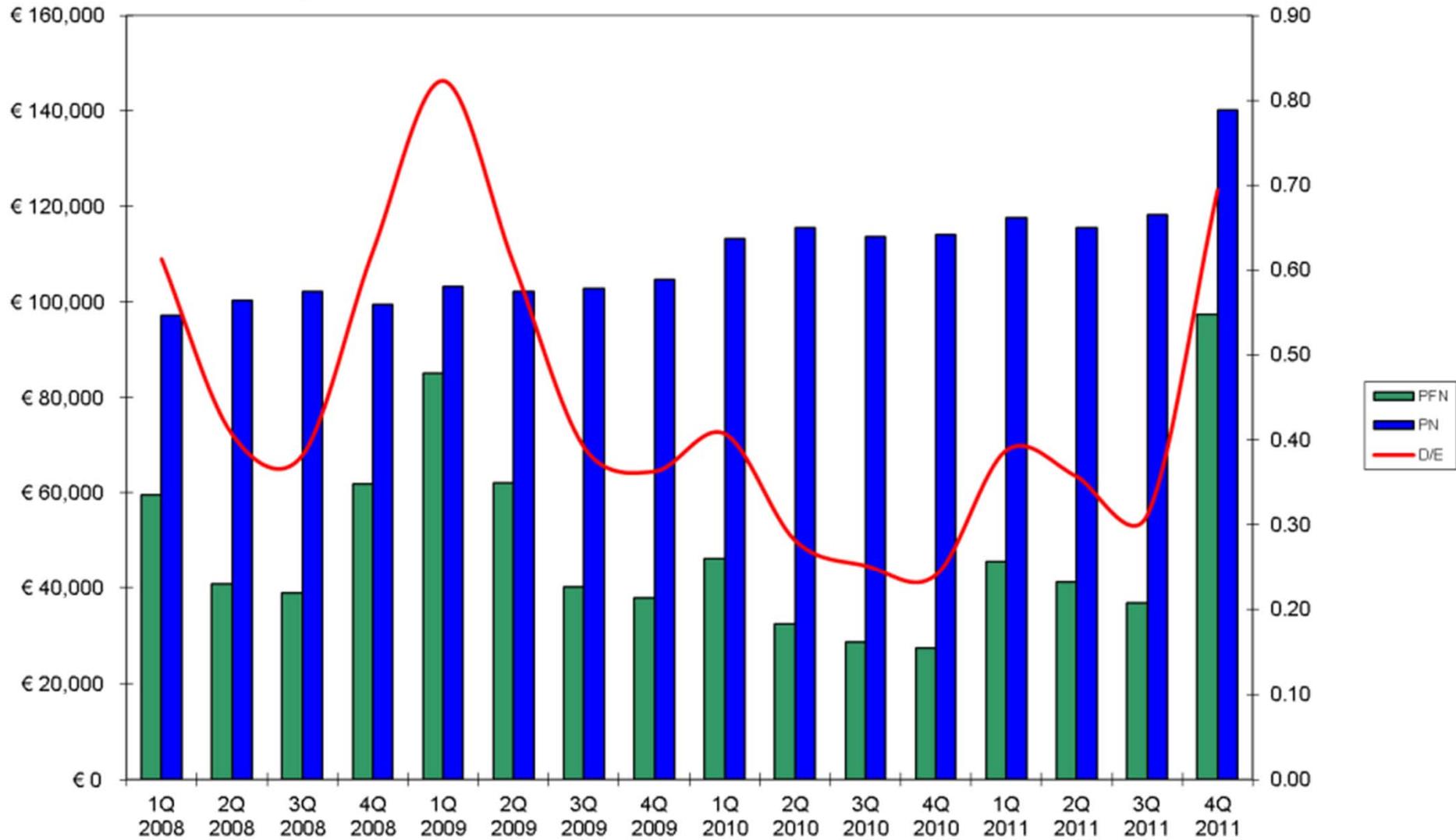
2011 Income statement

€/000	2011	2010
Sales	204,359	206,785
Other operating income	1,485	3,765
Change in inventories	(1,230)	227
Raw and consumable materials and finished goods	(116,257)	(117,926)
Salaries and employee benefits	(32,288)	(32,467)
Other operating costs	(38,552)	(36,875)
EBITDA	17,517	23,509
Amortization, depreciation and impairment losses	(7,117)	(7,378)
EBIT	10,400	16,131
Financial income	791	535
Financial expenses	(1,777)	(1,756)
Exchange gains and losses	(370)	1,648
EBT	9,044	16,558
Income taxes	(3,277)	(4,939)
Net profit	5,767	11,619

€/000	31.12.2011	31.12.2010
Non current assets	95,569	68,222
Inventories	125,474	70,665
Trade and other receivables	103,521	58,210
Cash and cash equivalents	10,901	7,339
Other current assets	4,315	2,557
Total assets	340,780	206,993
Total equity	140,141	114,030
Long term borrowings	41,398	22,741
Other non current liabilities	16,584	10,545
Short term borrowings	65,866	12,330
Trade and other payables	70,780	44,269
Other current liabilities	6,011	3,078
Total equity and liabilities	340,780	206,993

€/000	31.12.2011	31.12.2010
Opening net financial position	(27,395)	(37,950)
<i>Cash flow from operations, excl. changes in operating assets and liabilities</i>	14,952	16,786
<i>Changes in operating assets and liabilities</i>	(15,381)	(529)
Cash flow from operations	(429)	16,257
Cash flow from investments and disinvestments excl. acquisitions	(4,976)	(3,482)
Other equity changes	(3,257)	(2,220)
Adjusted net financial position (excl. Greenfield)	(36,057)	(27,395)
Extraordinary M&A costs	(2,069)	-
Capital increase	56,840	-
Net debt deriving from the Greenfield companies	(34,557)	-
Cash flow for Greenfield acquisition	(67,700)	-
Discounted Greenfiled deferred payment	(13,755)	-
Closing net financial position	(97,298)	(27,395)

€/000	
Net equity at 31/12/2010	114,030
Capital increase	56,840
Other equity changes	(2,878)
Acquisitions in 2011	(82,805)
Goodwill	10,390
Net equity from acquisitions	38,797
Net profit of the period	5,767
Net equity at 31/12/2011	140,141





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