

2004 HALF-YEAR COMPANY RESULTS



October 6th, 2004





Emak
European leader
in
Design, Engineering,
Manufacturing and Marketing
of
outdoor power equipment





DATA

Euro 153 million of sales in 2003
(over 80% in Europe)
573 employees

BRANDS

Oleo-Mac and **Efco**
for dealer network
Dynamac/private labels
for retail chains

POSITION

Among top five
in Europe

CORE BUSINESS

Focused on
gardening, landscaping and forestry
equipment

PRODUCTS

17 families and over 110 models
for each brand

Wide range and well balanced
product mix

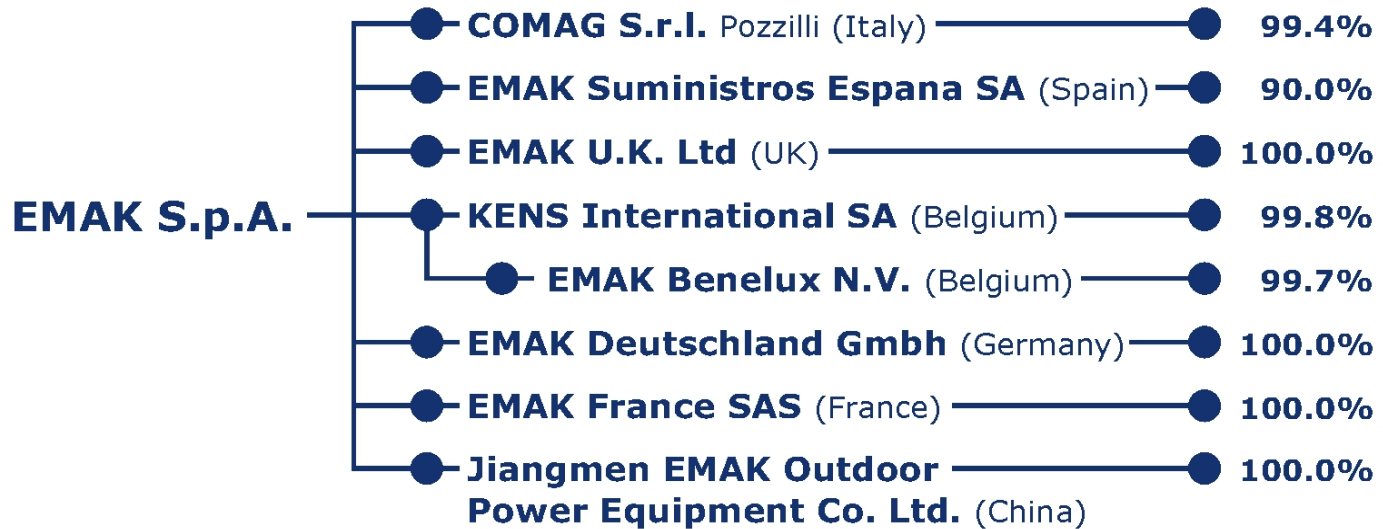
STRUCTURE

2 facilities in Italy and 1 in China
5 commercial branches in Europe
120 distributors in 70 countries
17,000 dealers



Emak Group structure

as of June 30, 2004



Turnover breakdown

Sales distribution by geographical area

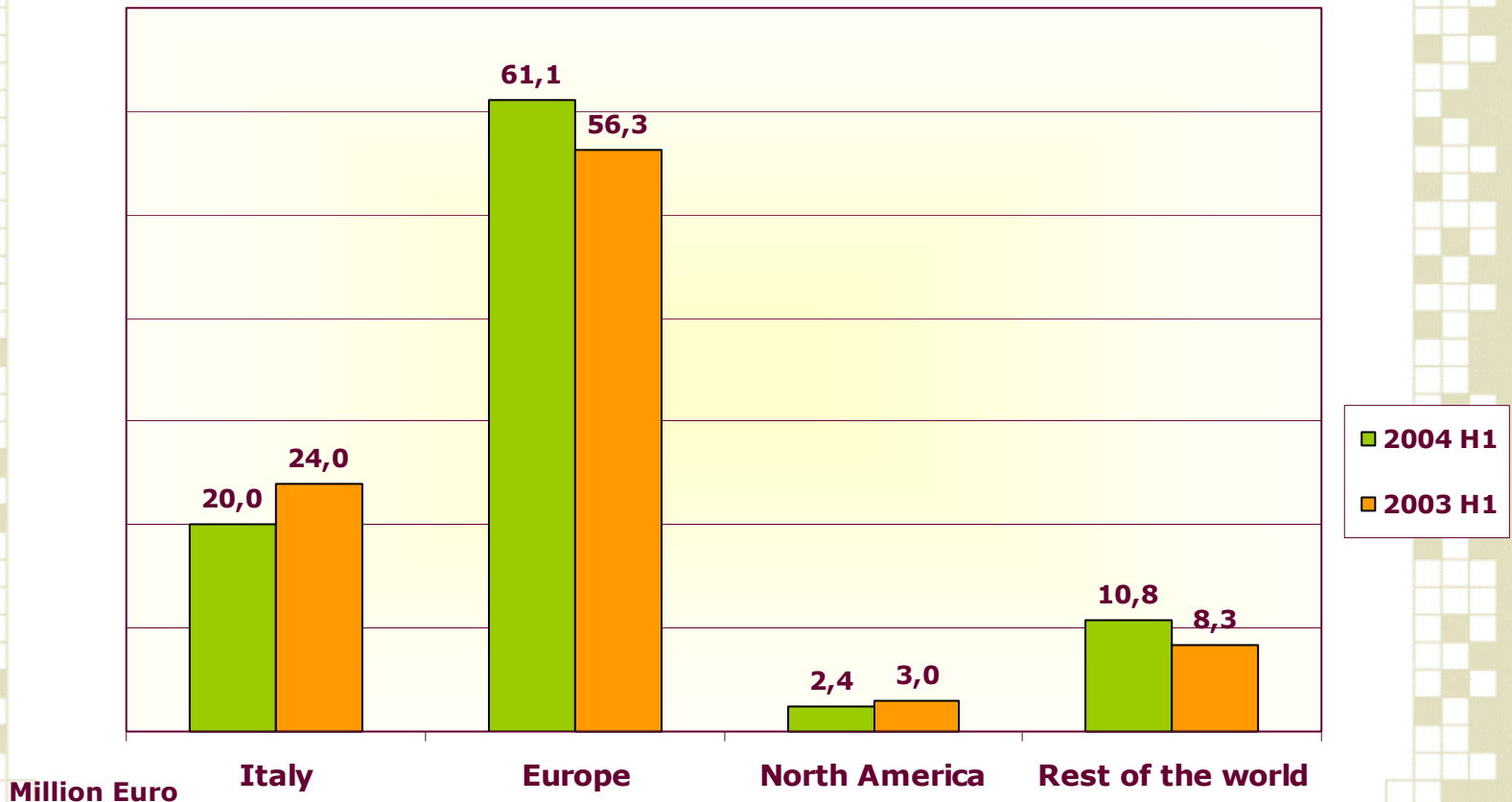
Area	2004H1	%	2003H1	%
Italy	20,0	21,2%	24,0	26,2%
Europe	61,1	64,8%	56,3	61,4%
- Western Europe	45,2	47,9%	42,0	45,9%
- Other European Countries	15,9	16,9%	14,3	15,5%
North America	2,4	2,5%	3,0	3,3%
Rest of the world	10,8	11,5%	8,3	9,1%
- South America	4,0	4,2%	3,1	3,4%
- Far East	1,1	1,2%	0,8	0,9%
- Others	5,7	6,0%	4,4	4,8%
Total	94,3	100%	91,6	100%

Million Euro



Turnover breakdown

Sales distribution by geographical area



Turnover breakdown

Sales distribution by product line

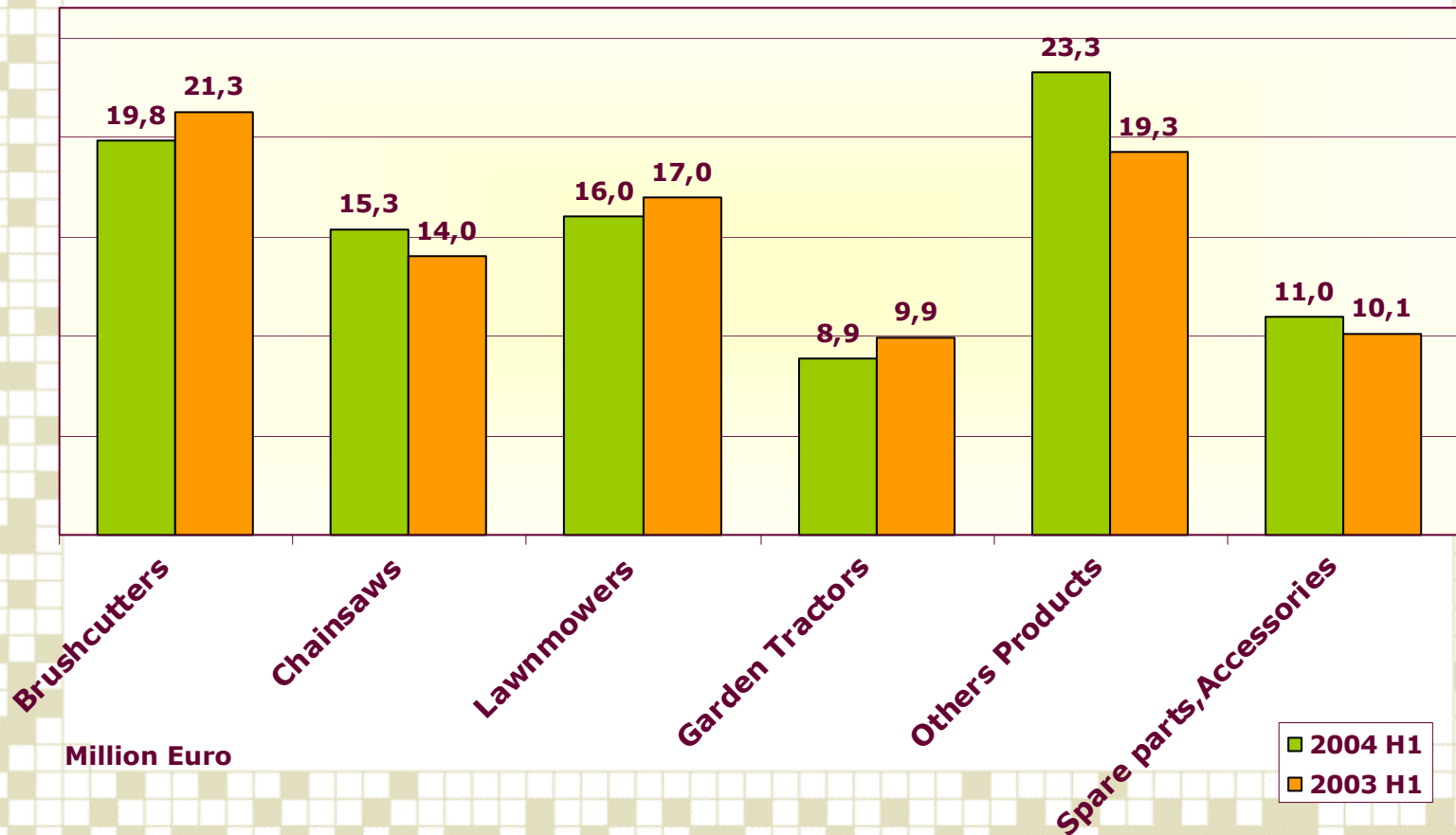
Product	2004H1	%	2003H1	%
Brushcutters	19,8	21,0%	21,3	23,3%
Chainsaws	15,3	16,2%	14,0	15,3%
Lawnmowers	16,0	17,0%	17,0	18,6%
Garden Tractors	8,9	9,4%	9,9	10,8%
Others (pumps, blowers, hedge trimmers, electric products)	23,3	24,7%	19,3	21,1%
Spare parts and accessories	11,0	11,7%	10,1	11,0%
Total	94,3	100%	91,6	100%

Million Euro



Turnover breakdown

Sales distribution by product line



Economic and financial data

Consolidated P&L Accounts

2003Y	%		2004H1	%	2003H1	%
152,7	100%	Turnover	94,3	100%	91,6	100%
23,9	15,7%	Ebitda	15,4	16,4%	16,5	18,0%
17,5	11,5%	Ebit	12,5	13,3%	13,6	14,8%
16,4	10,7%	Income before taxes	12,0	12,7%	12,9	14,0%

Million Euro



Economic and financial data

Consolidated assets and liabilities

31.12.03	Emak Group	2004H1	2003H1
Million Euro			
92,9	Total invested capital	92,5	89,1
26,0	Net fixed assets	27,3	24,3
66,9*	Net current assets	65,2*	64,8*
92,9	Net capital employed	92,5	89,1
71,2*	Net Equity	72,4*	67,7*
0,6*	Minority interests	0,4*	0,6*
21,1	Net financial debt	19,7	20,8
0,29	Debt/Equity	0,27	0,30

* Gross of taxes



2004 Half-year scenario

Western Europe

- weak demand due to economy stagnation
- high inventory in the pipeline (due to hot and dry weather during summer 2003) affected 1st Q sell-in. In 2nd Q sell-in/sell out again balanced.

Eastern Europe

- increasing demand for first buy (enter level products)

USA

- strong demand mainly for replacement products driven by GDP growth

Worldwide

- strong competition due to USD weakness vs €

2004 Half-year scenario

Products

- growth in demand for chain saws
- lower sell-in for lawn and garden equipment
- new emission regulations in Europe since August 2004
- strong competition for entry level products from China



2004 Half-year Results

Comments

- Increase of total sales by 2,9%
- Decrease of domestic sales mainly due to high inventory in the pipeline (sell-in lower than sell-out)
- Increase of European sales by 8,5% in a flat market
- Operating income adversely affected by:
 - increased investments in development of new product
 - marketing activities for build up of brand awareness
 - costs for start up of China plant

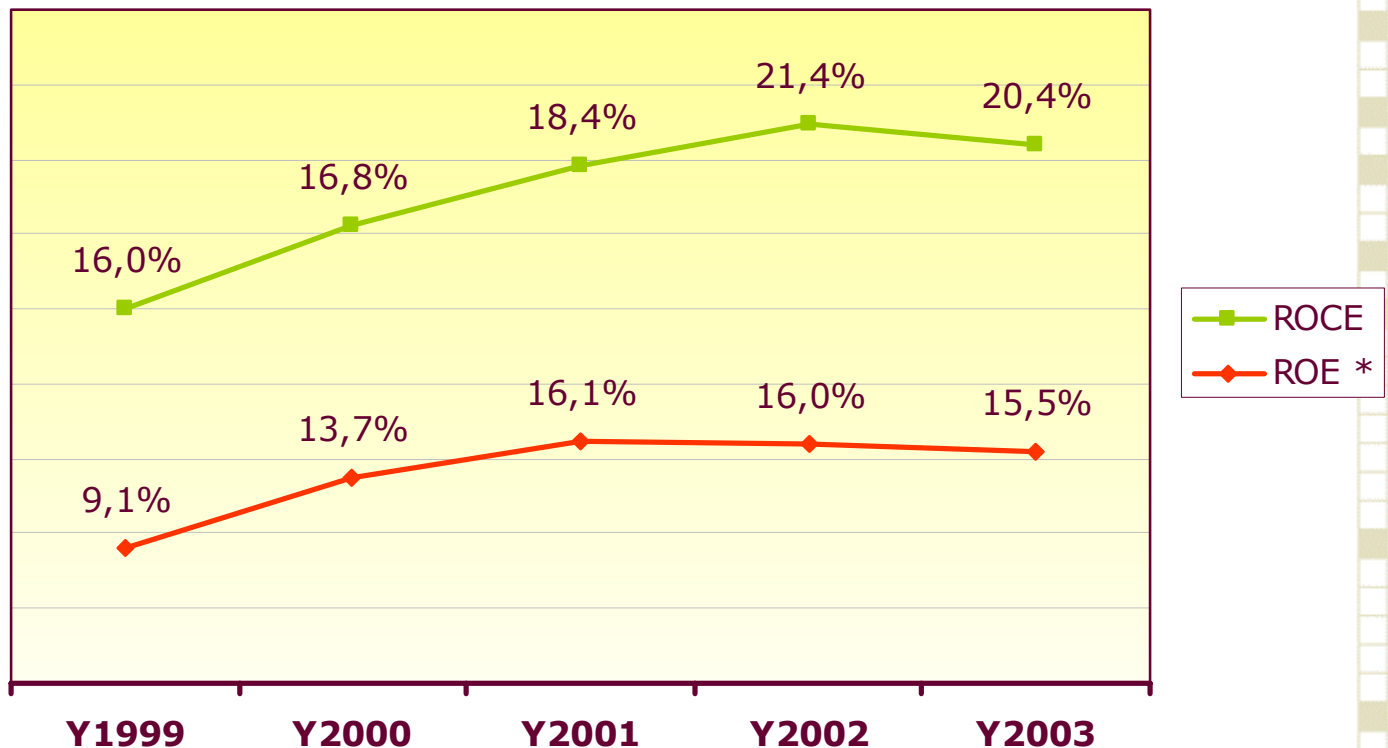
2004 Full year scenario

Outlook

- estimated sales increase in line with 1st half
- operating income in line with 2003
- increase of costs for raw materials and components partly off set by:
 - internal efficiency
 - cost savings
 - outsourcing in countries with lower base cost

Economic and financial data

Roe and Roce Evolution



* ROE = Net Profit / Equity medium



Shareholders value creation

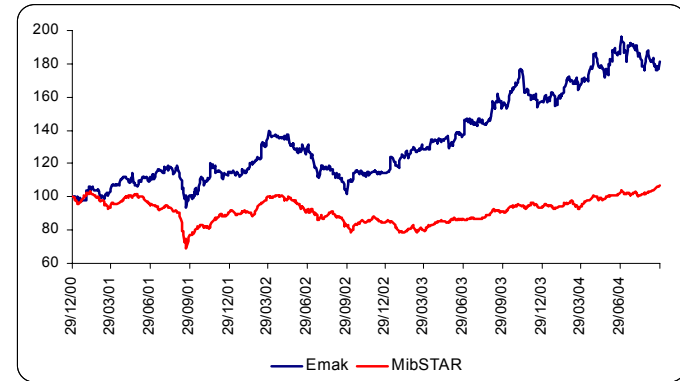
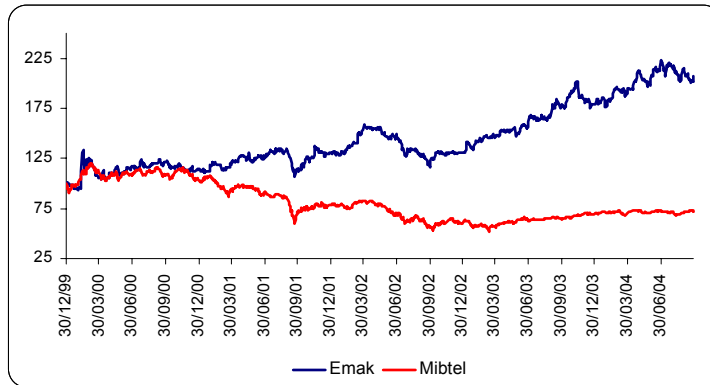
Total Return to Shareholders					
Year	2000	2001	2002	2003	2004
Share Performance Y/Y	13,3%	15,1%	1,3%	35,3%	14,3%
Dividends					
Distributed dividend (€ ml.)	2,1	2,9	3,6	3,9	4,0
Earnings per share (€)	0,077	0,103	0,130	0,140	0,145
Total Dividend distributed (2000-2004)	16,5 € mil				
Yield Y/Y (%)	4,3%	5,0%	5,5%	6,0%	4,5%

Share price as of 15 Sept, 2004: 3,68 €



Shareholders value creation

Consistency of results over last five years



Among top shares according to the newsmagazine "Il Mondo"

+104,33%






Share price as 15 Sept, 2004, € 3,68



Economic and financial data

Historical growth and profitability

CAGR 1999 - 2003

SALES		14,4%
EBITDA		17,1%
EBIT		21,5%
NET PROFIT		25,0%
CASH FLOW		16,8%

Average



TECNOLOGIA PER IL VERDE

Member of the STAR segment

