

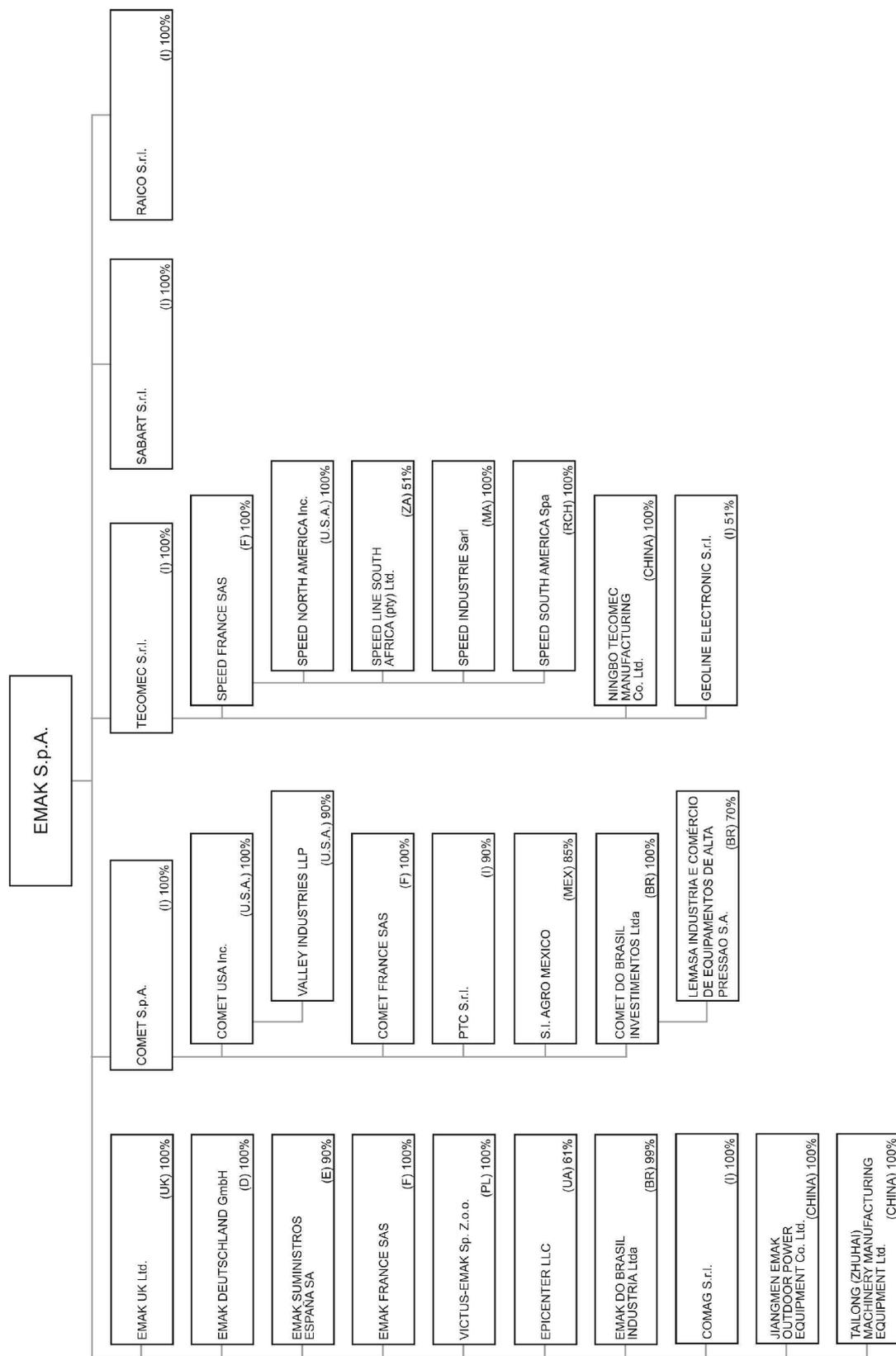


our **power**, your **passion**



Quarterly report at 30.09.2015

Emak Group structure



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

Composition of corporate bodies

The Ordinary General Meeting of the Shareholders of the Parent Company, Emak S.p.A. on 23 April 2013 appointed the Board of Directors and the Board of Auditors for the financial years 2013-2015.

Board of Directors

Chairman and Chief Executive Officer

Fausto Bellamico

Deputy Chairman

Aimone Burani

Executive Directors

Stefano Slanzi

Independent Directors

Ivano Accorsi

Alessandra Lanza

Massimo Livatino

Directors

Francesca Baldi

Ariello Bartoli

Luigi Bartoli

Paola Becchi

Giuliano Ferrari

Vilmo Spaggiari

Guerrino Zambelli

Audit Committee and Remuneration Committee

Chairman

Ivano Accorsi

Members

Alessandra Lanza

Massimo Livatino

Board of Statutory Auditors

Chairman

Paolo Caselli

Acting auditors

Gianluca Bartoli

Francesca Benassi

Alternate auditors

Maria Cristina Mescoli

Eugenio Poletti

Independent Auditors

Fidital Revisione S.r.l.

Financial Reporting Officer

Aimone Burani

Supervisory Body as per Legislative Decree 231/01

Chairman

Sara Mandelli

Acting members

Roberto Bertuzzi

Guido Ghinazzi

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, Efco, Bertolini Nibbi and 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 independent 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** for the above-indicated areas, 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.



Production organization

The production model is flexible, focused on high value-added phases of engineering, industrialization and assembly. The group's production facilities are oriented towards lean manufacturing, with the involvement of the supply chain on the basis of the extended factory model. With particular reference to the *Outdoor Power Equipment* segment, the engine of hand-held products (such as trimmers and chainsaws) is integrated in the machine and is entirely engineered and designed by the Group. For lawnmowers, lawn tractors, tillers and cultivators, the engine is acquired from primary manufacturers.

Production volumes can be easily modified according to fluctuations in demand through flexible management so that seasonal peaks in demand can be satisfied through overtime or additional shifts, with no need for additional investments.

Each plant has specific characteristics that vary according to the products manufactured. The group manufactures its products in 16 different facilities that have a combined surface area of around 160,000 m².

Company	Location	Output
Emak	Bagnolo in Piano (RE) - Italy	Chainsaws, brushcutters, power cutters, cultivators, cutter bar mowers, transporters
Comag	Pozzilli (IS) - Italy	Lawnmowers and rotary tillers
Emak Tailong	Zhuhai - China	Cylinders for combustion engines
Emak Jiangmen	Jiangmen - China	Chainsaws and brushcutters intended for the price sensitive segment
Tecomec	Reggio Emilia - Italy	Accessories for agricultural machinery for spraying and weeding and accessories and components for pressure washers
Speed France	Arnas - France	Nylon line and heads for brushcutters
Speed North America	Wooster, Ohio - USA	Nylon line for brushcutters
Speed Line South Africa	Pietermaritzburg - South Africa	Nylon line for brushcutters
Speed Industrie	Mohammedia - Marocco	Nylon line for brushcutters
Speed South America	Santiago - Chile	Nylon line for brushcutters
Ningbo	Ningbo - China	Accessories and components for high pressure washing and chain saws and brushcutters
Geoline Electronic	Poggio Rusco (MN) - Italy	Computers, control units and electronic control systems for agricultural machines for spraying and weeding
Comet	Reggio Emilia - Italy	Pumps, motor pumps and control units for agriculture and industry and pressure washers for the cleaning sector
Valley	Paynesville, Minnesota - Usa	Components and accessories for industry and agriculture sectors
PTC	Genova - Italy Rubiera (RE) - Italy	Hydrodynamic units
Lemasa	Indaiatuba - Brasil	High pressure pumps

Emak Group financial highlights

Income statement (€/000)

Year 2014		3 Q 2015	3 Q 2014	9 months 2015	9 months 2014
354,757	Net sales	74,410	71,698	302,182	284,169
33,130	EBITDA ADJ (1)	5,527	4,828	34,203	32,240
31,456	EBITDA (2)	5,162	4,858	32,593	32,270
19,983	EBIT	2,123	2,022	23,609	23,918
10,185	Net profit	(3,691)	1,466	7,850	14,329

Investment and free cash flow (€/000)

Year 2014		3 Q 2015	3 Q 2014	9 months 2015	9 months 2014
9,464	Investment in property, plant and equipment	2,150	2,383	6,749	6,325
2,086	Investment in intangible assets	418	706	1,440	1,515
21,658	Free cash flow from operations (3)	(652)	4,302	16,834	22,681

Balance sheet (€/000)

31.12.2014		30.09.15	30.09.14
239,142	Net capital employed	272,145	247,306
(79,043)	Net debt	(104,781)	(83,639)
160,099	Total equity	167,364	163,667

Other statistics

Year 2014		3 Q 2015	3 Q 2014	9 months 2015	9 months 2014
8.9%	EBITDA / Net sales (%)	6.9%	6.8%	10.8%	11.4%
5.6%	EBIT / Net sales (%)	2.9%	2.8%	7.8%	8.4%
2.9%	Net profit / Net sales (%)	-5.0%	2.0%	2.6%	5.0%
8.4%	EBIT / Net capital employed (%)			8.7%	9.7%
0.49	Debt / Equity			0.63	0.51
1,576	Number of employees at period end			1,652	1,594

Share information and prices

31.12.2014		30.09.2015	30.09.2014
0.064	Earnings per share (€)	0.047	0.088
163,934,835	Number of shares comprising share capital	163,934,835	163,934,835
163,537,602	Average number of outstanding share	163,537,602	163,537,602

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

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

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

Consolidated financial statements

Thousand of Euro

Year 2014	CONSOLIDATED INCOME STATEMENT	3 Q 2015	3 Q 2014	9 months 2015	9 months 2014
354,757	Sales	74,410	71,698	302,182	284,169
3,045	Other operating incomes	569	1,190	1,452	2,301
6,144	Change in inventories	1,646	(176)	781	2,999
(198,608)	Raw and consumable materials and goods	(40,491)	(37,871)	(162,505)	(156,126)
(65,035)	Salaries and employee benefits	(15,838)	(14,395)	(53,040)	(48,557)
(68,847)	Other operating costs	(15,134)	(15,588)	(56,277)	(52,516)
(11,473)	Amortization, depreciation and impairment losses	(3,039)	(2,836)	(8,984)	(8,352)
19,983	EBIT	2,123	2,022	23,609	23,918
683	Financial income	455	175	948	504
(3,860)	Financial expenses	(1,828)	(824)	(4,405)	(2,838)
357	Exchange gains and losses	(4,930)	1,211	(4,991)	761
17,163	EBT	(4,180)	2,584	15,161	22,345
(6,978)	Income taxes	489	(1,118)	(7,311)	(8,016)
10,185	Net profit (A)	(3,691)	1,466	7,850	14,329
282	(Profit)/loss attributable to minority interests	10	1	(120)	97
10,467	Net profit attributable to the group	(3,681)	1,467	7,730	14,426
0.064	Basic earnings per share	(0.023)	0.009	0.047	0.088
0.064	Diluted earnings per share	(0.023)	0.009	0.047	0.088

Year 2014	COMPREHENSIVE INCOME STATEMENT	9 months 2015	9 months 2014
10,185	Net profit (A)	7,850	14,329
2,537	Profits/(losses) deriving from the conversion of foreign company accounts	2,577	2,053
(46)	Profits/(losses) deriving from the transfer of treasury shares in portfolio (*)	-	-
52	Tax effect relating to other components (*)	-	-
2,543	Total other components to be included in the comprehensive income statement (B)	2,577	2,053
12,728	Comprehensive net profit (A)+(B)	10,427	16,382
656	Comprehensive net profit attributable to minority interests	(1)	396
13,384	Comprehensive net profit attributable to the Group	10,426	16,778

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

Consolidated net financial position

(€/000)	30.09.2015	30.06.2015	31.12.2014	30.09.2014
Cash and banks	32,541	16,416	13,238	12,248
Securities and derivative financial instruments	70	70	241	251
Other financial assets	871	826	7	3
Financial liabilities	(51,954)	(53,849)	(40,823)	(43,884)
Derivative financial instruments	(595)	(615)	(859)	(669)
Short-term net debt	(19,067)	(37,152)	(28,196)	(32,051)
Other financial assets	7,397	9,493	158	169
Financial assets	(93,111)	(94,942)	(51,005)	(51,757)
Long-term net debt	(85,714)	(85,449)	(50,847)	(51,588)
Cash and banks	32,541	16,416	13,238	12,248
Securities and derivative financial instruments	70	70	241	251
Other financial assets	8,268	10,319	165	172
Financial liabilities	(145,065)	(148,791)	(91,828)	(95,641)
Derivative financial instruments	(595)	(615)	(859)	(669)
Total net debt	(104,781)	(122,601)	(79,043)	(83,639)

Long-term financial payables include not only the non-current portion of loan principal repayments but also the portion of finance leases falling due after more than 12 months and debt for commitments of the purchase of the remaining shares held by minority shareholders of the companies Valley, P.T.C. and Lemasa in the amount of € 13,050 thousand.

Short-term financial payables consist of:

- account payables and account advances;
- loan repayments falling due by 30.09.2016;
- amounts due to other providers of finance falling due by 30.09.2016;
- debt for equity investments in the amount of € 600 thousand.

The item "Other financial assets" is as follows:

- € 6,793 thousand, recorded under medium / long term financial assets, related to the amount paid by Comet do Brasil, through a contract escrow account, for the acquisition of the shareholdings of the company Lemasa;
- a credit of € 1,237 thousand, of which € 371 thousand in the medium / long term and € 866 thousand in the short term, to the parent company Yama S.p.A. arising from compensation recognized by it on the basis of guarantees provided in favor of Emak S.p.A. in the contract of the so called "Operation Greenfield".

Changes in consolidated equity

The following table reports changes in consolidated equity between 31st December 2013 and 31st September 2015.

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 las 19	Other reserves	Retained earnings	Net profit of the period			
Balance at 31.12.2013	40,594	42,454	1,924	1,138	1,176	(782)	27,733	24,478	10,326	149,041	1,753	150,794
Profit reclassification			136					6,101	(10,326)	(4,089)	(119)	(4,208)
Other changes								75	75	75	710	785
Net profit for the period					2,911	6			10,467	13,384	(656)	12,728
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							1,237	(138)	1,099	1,099	(156)	943
Net profit for the period					2,696				7,730	10,426	1	10,427
Balance at 30.09.2015	40,594	42,454	2,361	1,138	6,783	(776)	28,970	36,594	7,730	165,848	1,516	167,364

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

Comments on the financial statements

This quarterly consolidated report has been prepared in accordance with International Financial Reporting Standards (IFRS) and in compliance with article 154-*ter* ("Financial Reports") of the Consolidated Finance Act, introduced by legislative decree 195/2007.

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 2014.

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.

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:

31.12.2014	Ammontare di valuta estera per 1 Euro	Average 9 M 2015	30.09.2015	Average 9 M 2014	30.09.2014
0.78	GB Pounds (UK)	0.73	0.74	0.81	0.78
7.54	Renminbi (Cina)	6.96	7.12	8.35	7.73
4.27	Zloty (Poland)	4.16	4.24	4.18	4.18
1.21	Dollar (Usa)	1.11	1.12	1.35	1.26
14.04	Zar (South Africa)	13.70	15.50	14.54	14.26
19.21	Uah (Ukraine)	24.00	23.81	15.15	16.30
3.22	Real (Brazil)	3.53	4.48	3.10	3.08
10.98	Dirham (Morocco)	10.82	10.88	11.21	11.03
17.86	Mexican Pesos (Mexico)	17.37	18.98	17.77	17.00
-	Chilean Pesos (Chile)	713.67	783.24	-	-

Scope of consolidation

Compared to 31 December 2014, entered in the scope of consolidation the companies Comet do Brasil Investimentos LTDA and Lemasa Industria e Comércio de equipamentos de alta pressao S.A., whose assets and liabilities and related economic effects are therefore included in this interim report. The details of the transactions are described in the next paragraph.

Compared to 30 September 2014, the balance includes:

- the economic and financial data of the company South America Speed S.p.A., incorporated during the month of October 2014 by the company Speed France SAS and became operational from the first quarter of 2015;
- the data of the company Master Fluid S.r.l. included in the consolidated financial statements as of 1 July 2014. Master Fluid S.r.l., was acquired by PTC S.r.l. on 5 June 2014 and merged into the same with effect from 1 September 2014;
- the economic and financial data of the company Comet do Brasil Investimentos LTDA;
- the economic (from 1 April 2015) and financial data of the company Lemasa.

The details of the operations are described in the next paragraph.

Significant, non-recurring transactions or atypical, unusual transactions

Comet do Brasil Investimentos LTDA

On March 2, 2015 was subscribed and fully paid the share capital of 10 thousand Reais of Comet do Brasil Investimentos LTDA located in Induiatuba (Brazil) whose equity is held 99% by the subsidiary Comet S.p.A. and 1% by the subsidiary P.T.C. S.r.l.

On 31 March 2015, with no change in equity interests, it has been subscribed and paid a capital increase amounting to 18,990 thousand Reais, for an equivalent of € 5,445 thousand, bringing the share capital of 19,000 thousand Reais. On 30 March 2015 Comet S.p.A. also granted a loan of € 9,240 thousand, equal to about 32,000 thousand Reais in order to provide the Company with the necessary financial resources for the acquisition of 70% of Lemasa.

Acquisition of Lemasa industria e comércio de equipamentos de alta pressao S.A. (hereinafter Lemasa)

On 1 April 2015 was completed the closing of the acquisition of 70% of the share capital of the Brazilian company Lemasa LTDA, a leading producer in South America of pumps and systems for high and very high pressure.

The operation was carried out by the newly established company Comet do Brasil Investimentos LTDA.

Based on the agreements, Comet do Brasil investimentos LTDA has paid 45.9 million Reais of the total price originally agreed of 75.6 million Reais. The remaining part was filed in an escrow account as security for all contractual commitments and for price adjustments quantified on the basis of economic and financial parameters provided in the contract.

The financial resources used by the company Comet do Brasil LTDA for the acquisition of 70% of Lemasa were obtained in the following ways:

- for 19 million Reais through the subscription of share capital by the parent Comet S.p.A. and P.T.C. S.r.l.;
- about 32 million Reais by granting a loan by the parent company Comet S.p.A.;
- for 25 million Reais by turning of a bank loan signed on local currency on 1 April 2015.

The business and technology of Lemasa LTDA are highly complementary to those of the subsidiary Comet S.p.A., a world leader in the field of pumps for agriculture and high pressure water jetting. With this acquisition Comet S.p.A. strengthen its competitive position by exploiting the synergies manufacturing and distribution that will result from the operation.

The value of the acquisition is subject to price adjustments quantified on the basis of future economic and financial parameters provided in the contract. The value of the acquired share registered in the financial statement represent the best estimates made by the management on the basis of the financial plans today conceivable and refers to:

- the 70% shareholding of the company, acquired on April 1, 2015, for an amount of 66.9 million Reais, corresponding to around € 20.8 million;
- the residual 30% shareholding of the company subject to a "Put and Call" agreement to be exercised by the Group starting from 2020 for an amount of 26.8 million Reais, corresponding to € 7.9 million.

The fair value of assets and liabilities subject to business combination with effect from 1 April 2015, the price paid and the financial cost are detailed below:

€/000	Book values	Fair Value adjustments	Fair value of acquired assets
Non-current assets			
Property, plant and equipment	1,156	-	1,156
Other intangible fixed assets	35	-	35
Current assets			
Inventories	2,673	-	2,673
Trade and other receivables	1,937	-	1,937
Cash and cash equivalents	417	-	417
Non-current liabilities			
Loans and borrowings	(108)	-	(108)
Provisions	(81)	-	(81)
Current liabilities			
Trade and other liabilities	(942)	-	(942)
Current tax liabilities	(181)	-	(181)
Provisions	(283)	-	(283)
Total net assets acquired	4,624	-	4,624
% interest held			100%
Net equity acquired			4,624
Goodwill			24,032
Value of equity investment registered in financial statement			28,656
Purchase price paid			14,598
Deferred price			14,058
Cash and cash equivalents			417
Net cash outflow			14,181

The resulting difference between the acquisition price and the fair value of assets, liabilities and contingent liabilities acquired was provisionally recorded as goodwill.

At the date of 30 September 2015 it was necessary to account for the business combination on a provisional basis since it was not possible to definitively determine the fair value to be assigned to the acquired assets and liabilities.

The adjustments to the values temporary used will be recorded in the terms and provisions of paragraph 62 of IFRS 3.

Increase in share capital South America S.p.A.

During the first quarter of 2015 the company Speed France SAS has fully subscribed and paid a capital increase of subsidiary Speed South America S.p.A. for € 120 thousand.

Dealings with related parties

Over the first nine months of 2015, the company Tecomec S.r.l. claimed charges as a result of disputes that arose at time when control over it was exercised by Yama S.p.A. On the basis of the contractual agreements for the sale of these companies to Emak, signed in August 2011 under the called "Operation Greenfield", the Group has recognized the right, based on the patrimonial guarantees at the time agreed, to receive by Yama S.p.A. the capital reintegration of those liabilities. It amounts to € 1,237 thousand and is derived from the definition:

- of tax disputes for € 825 thousand and
- of legal disputes for € 412 thousand.

The effects of this recast were accounted for directly attributable to the equity reserves.

Merger of Comag S.r.l. in Emak S.p.A.

On 11 September 2015 has been approved the merger by incorporation of Comag S.r.l. in Emak S.p.A. The merger, which is part of the aim of improving the efficiency of the Group through operational savings, will be finalized expiration of the legal deadline, probably by the end of this year.

On 16 September 2015 Emak bought by the parent company Yama S.p.A. the residual amount of the share capital of Comag, corresponding to 0.56% of the total, thus consolidating in their hands the entire stake the merged company.

DIRECTORS' REPORT

Economic and financial results for Emak Group

Summary of economic results

Summary figures from the consolidated income statement for the first nine months of 2015 are shown below:

FY 2014	%	€000	9 months 2015	%	9 months 2014	%	Change %
354,757	100	Net sales	302,182	100	284,169	100	6.3
33,130	11.7	Ebitda Adj (*)	34,203	11.3	32,240	11.3	6.1
31,456	8.9	Ebitda	32,593	10.8	32,270	11.4	1.0
19,983	5.6	Ebit	23,609	7.8	23,918	8.4	(1.3)
17,163	4.8	Profit before taxes	15,161	5.0	22,345	7.9	(32.2)
10,185	2.9	Net profit	7,850	2.6	14,329	5.0	(45.2)

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

Sales

Emak Group realized a consolidated turnover of € 302,182 thousand compared to € 284,169 thousand in the same period in the previous financial year, an increase of 6.3%, of which 2.1% for organic growth, 2.6% for the change in scope and 1.6% for exchange rate effects.

The following table shows an analysis of sales reported for nine months of 2015, broken down by business sector 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		
	9M 2015	9M 2014	Var. %	9M 2015	9M 2014	Var. %	9M 2015	9M 2014	Var. %	9M 2015	9M 2014	Var. %
Europe	115,805	123,421	-6.2%	34,118	31,233	9.2%	55,694	55,795	-0.2%	205,617	210,449	-2.3%
Americas	9,664	7,447	29.8%	35,579	23,741	49.9%	18,536	15,778	17.5%	63,779	46,966	35.8%
Asia, Africa and Oceania	16,359	10,318	58.5%	8,083	9,331	-13.4%	8,344	7,105	17.4%	32,786	26,754	22.5%
Total	141,828	141,186	0.5%	77,780	64,305	21.0%	82,574	78,678	5.0%	302,182	284,169	6.3%

Outdoor Power Equipment

Business sales are in line with the figure reported in the same period of last year. On the European market, despite unfavorable weather conditions for gardening products, the Group recorded sales growth in the countries in which it has a direct presence. He continues to be felt the decline in Eastern European markets, in particular Russia and Ukraine.

Sales in the Americas were driven by the positive results achieved in some markets of Latin America, especially in Mexico.

The positive performance marked in Asia, Africa and Oceania was achieved mainly in the Far East, all of China, and the Middle East, particularly Turkey.

Pumps & High pressure water jetting

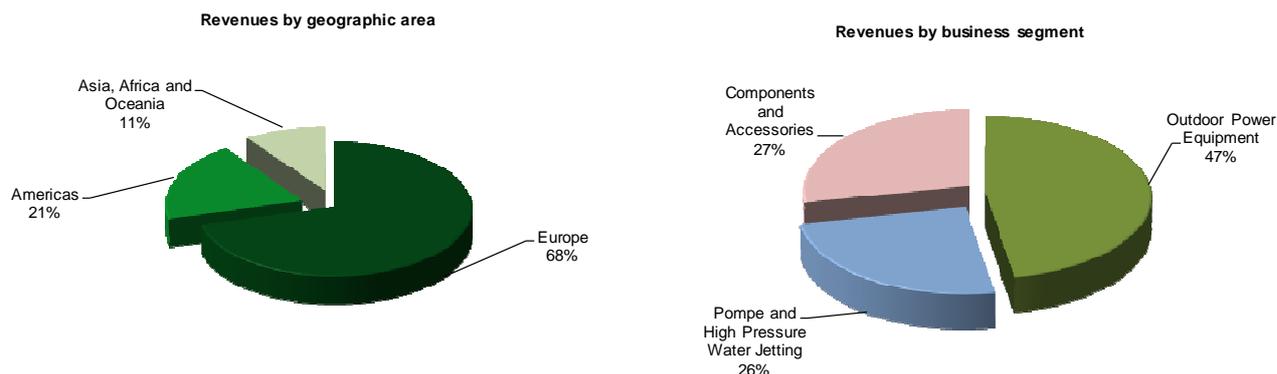
Sales in Europe were driven by the good results obtained in the Italian market, thanks to the full consolidation of Master Fluid, acquired in June 2014. On other markets of the continent sales were essentially in line with the same

period. In the Americas it was consolidated sales growth on the North American market and in some Latin American countries, above all Mexico. An important contribution to the result of the area has provided the company Lemasa, entered the scope of consolidation from April of this year. In the Asia, Africa and Oceania it remains constant the gap compared to the same period caused by lower sales in the Far East.

Components and Accessories

Sales in Europe were broadly in line with the same period last year, driven by growth in the first six months of the year.

The growth in the Americas is due to a good performance on the North American market. The growth in Asia, Africa and Oceania was driven by the good performance achieved in the Far East, particularly in China.



EBITDA

EBITDA in the third quarter 2015 amounts to € 5,162 thousand, compared to €4,858 thousand in the corresponding quarter of last year.

EBITDA in the first nine months of 2015 amounts to € 32,593 thousand, against €32,270 thousand in the corresponding period of last year, with an increase of 1%.

The percentage incidence of EBITDA on the revenues, in nine month, amounts to 10.8% in 2015 against 11.4% in the corresponding period 2014.

Compared to the first nine months of last year, the figure has benefited from a positive revenues mix, despite an unfavorable trend of some foreign currencies.

The increase in personnel costs is related to the change in the scope of consolidation, to the increase of temporary workers to deal with higher production volumes 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 1,808 against the 1,763 in the same period of the previous year. The figure was also affected by costs incurred for the reorganization of the personnel for a total of € 344 thousand.

Operating expenses were higher than last year mainly due to the enlargement of the scope of consolidation, for expanses related to M&A in the amount of € 651 thousand and expenses for litigation amounting to € 615 thousand.

EBITDA, excluding charges for litigation, expanses related to M&A and reorganization costs, would amount to € 34,203 thousand, with an increase of 6% over the previous year and with a margin of 11.3%.

EBIT

Ebit for the third quarter of 2015 amounts to € 2,123 thousand compared to € 2,022 thousand in the corresponding quarter in the last financial year.

Ebit for the first nine months 2015 amounts to € 23,609 thousand against € 23,918 thousand in the corresponding period of last year.

Amortization and depreciation provisions amount to € 8,984 thousand, compared to € 8,352 thousand at September 30, 2014.

Ebit as a percentage of sales, in 9 months, is 7.8% (8.3% excluding the amounts previously described) compared to 8.4% of 30 September 2014.

Non-annualized Ebit as a percentage of net invested capital is 8.7% (9.3% excluding the amounts previously described) against 9.7% at 30 September 2014.

Net profit

Net profit for the third quarter 2015 is negative for € 3,691 thousand, against a net loss of € 1,466 thousand for the same quarter of the previous year.

Net profit for the first nine months of 2015 amounts to € 7,850 thousand compared to € 14,329 thousand the same period of last year.

Financial management was impacted by the higher net financial position compared to the same period last year mainly related to the financing of the acquisition of the company Lemasa. Financial charges of the period include € 951 thousand related to the actualization of the debt toward the sellers of Lemasa shareholding, part relating to the deferred price and partly linked to the valorization of the Put&Call options.

The result arising from the figure "**Exchange gains and losses**" has a negative balance amounting to € 4,991 thousand, against a positive balance of € 761 thousand for the same period last year.

The effect has matured during the third quarter mainly due to the strong devaluation of the Brazilian currency against the Euro and the Dollar. The result includes the valuation at the exchange rates at 30 September, as well as of commercial items, also of following intercompany loans:

- 9,240 thousand Euros principal amount provided by Comet S.p.A. to the subsidiary Comet do Brasil, for the acquisition of Lemasa;
- 2,090 thousand Dollars principal amount granted by the parent company Emak S.p.A. to the subsidiary Emak do Brasil.

The valuation at the exchange rate on 30 September of these loans determined a negative difference of about € 3,300 thousand.

Both loans were granted with the aim of ensuring the necessary financial resources in long term and therefore the related exchange rate differences, having valuation purposes, could be subject to further changes, both positive and negative, depending on developments that will record exchange rates in the future.

The estimated tax charge for the first nine months of 2015 of current and deferred taxes amounts to € 7,311 thousand (€ 8,016 thousand in the same period last year) corresponding to a tax rate of 48.2%, increasing compared to the tax rate of 35.9% of the same period last year.

The increase in the tax rate is mainly due to the recognition of expenses from tax disputes of € 845 thousand (of which € 408 thousand recorded as write-off of tax deferred) and the non-registration, for prudential purposes, of deferred tax assets on losses in the amount of about € 970 thousand, net of these two latter effects the tax rate would have been 36.4%.

It has to be noted that part of the charges resulting from tax disputes, amounting to € 825 thousand, are recognized by the parent company Yama S.p.A. to the Group as reinstatement capital, in accordance to the contractual guarantees provided upon the sale of the subsidiaries that have been reported previously.

Balance sheet and financial position

31.12.2014	€/000	30.09.2015	30.09.2014
90,567	Net non-current assets	110,807	89,344
148,575	Net working capital	161,338	157,962
239,142	Total net capital employed	272,145	247,306
158,411	Equity attributable to the Group	165,848	161,721
1,688	Equity attributable to the minority interests	1,516	1,946
(79,043)	Net debt	(104,781)	(83,639)

Net non-current assets

During the first nine months 2015 Emak Group invested € 8,189 thousand in property, plant and equipment and intangible assets, as follows:

- € 3,512 thousand for product innovation;
- € 2,453 thousand for adjustment of production capacity and for process innovation;
- € 1,132 thousand for upgrading the computer network;
- € 523 thousand for adjustment of industrial buildings;
- € 568 thousand for other managerial working investments.

Investments broken down by geographical area are as follows:

- € 5,098 thousand in Italy;
- € 1,068 thousand in Europe;
- € 1.163 thousand in Americas;
- € 860 thousand in the Rest of the World.

Net working capital

The net working capital, compared to 31 December 2014, increased of € 12,763 thousand, going from € 148,575 thousand to € 161,338 thousand. The following movements are shown in detail below:

€/000	9M 2015	9M 2014
Net working capital at 01 January 2015	148,575	142,212
Increase/(decrease) in inventories	207	4,259
Increase/(decrease) in trade receivables	(2,410)	(3,467)
(Increase)/decrease in trade payables	13,192	18,873
Change in scope of consolidation (acquisition)	3,487	642
Other changes	(1,713)	(4,557)
Net working capital at 30 September 2015	161,338	157,962

The seasonality of sales and the enlargement of the consolidation area determined an increase in net working capital respect 31 December 2014.

Equity

Consolidated net equity stands at € 167,364 thousand, compared to € 160,099 thousand of 31 December 2014. Earnings per share at 30 September 2015 are € 0.047 compared to € 0.088 of the same period of the previous year.

Net financial position

Net negative financial position at 30.09.2015 amounts to € 104,781 thousand, against € 79,043 thousand at 31.12.2014.

The following table shows the movements in the net financial position of the first nine months of 2015:

€/000	9 months 2015	9 months 2014
Opening NFP	(79,043)	(76,381)
Ebtida	32,593	32,270
Financial income and expenses	(3,457)	(2,334)
Exchange gains and losses	(4,991)	761
Income taxes	(7,311)	(8,016)
Cash flow from operations, excl. changes in operating assets and liabilities	16,834	22,681
Changes in operating assets and liabilities	(9,130)	(13,295)
Cash flow from operations	7,704	9,386
Change in tangible and intangible assets	(4,228)	(9,495)
Other equity changes	(585)	(2,157)
Change in scope of consolidation	(28,629)	(4,992)
Closing NFP	(104,781)	(83,639)

The cash flow generated from operations (EBITDA) is substantially in line with the previous year.

The item "Income and financial charges" includes the recording of the charges for the actualization of debt to the transferor of participation Lemasa amounting to € 951 thousand. The trend of the currency management led to the recognition of foreign exchange losses mainly due to the adjustment of foreign currency outstanding at the end of the period. Consequently, isolating the dynamics of currency management in the two comparative periods, the cash flow from operations for the first nine months of 2015, net of tax, would have been in line with the same period of the previous year.

Operational management absorbs financial resources due to the seasonal working capital. Investments arising from the change in consolidation area account for € 28.6 million.

Business outlook

The increase of 6.3% in turnover in the first nine months of the year is the result of a combination of the organic growth and of the contribution of recent acquisitions. The profitability in the period benefited from the increase in sales but was affected by the unfavorable evolution of some important currencies. From the point of view strictly related to the business, there are positive signs on the evolution of the demand. The major uncertainties over the short and medium term concern the volatility in exchange rates. Considering the results obtained and the information currently available, it is conceivable that the Group closes the year with a turnover between € 375 and 378 million and Ebitda margin at around 10% of sales.

Subsequent events and other information

There were no subsequent events realized after the end of the quarter.

Significant 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 14/5/1999 and subsequent modifications and integrations.

Bagnolo in Piano (RE), 13 November 2015

On behalf of the Board of Directors

The Chairman

Fausto Bellamico

STATEMENT

Subject: Quarterly report at 30 September 2015.

I, the undersigned, Aimone Burani,
the executive in charge of preparing the accounting statements of EMAK S.p.A.,
hereby

CERTIFY

in accordance with the second paragraph of Art. 154-bis, of Italian Legislative Decree No. 58 of 24 February 1998,
that, to the best of my knowledge, the Quarterly Report at 30 September 2015, 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), 13 November 2015

Aimone Burani
Executive in charge
of preparing the accounting statements