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

MANAGEMENT SYSTEM CERTIFICATION DNV·GL ISO 9001=ISO 14001

SOCIAL ACCOUNTABILITY SYSTEM CERTIFICATION DNV·GL SA 8000

HALF YEAR REPORT AT 30 JUNE 2017

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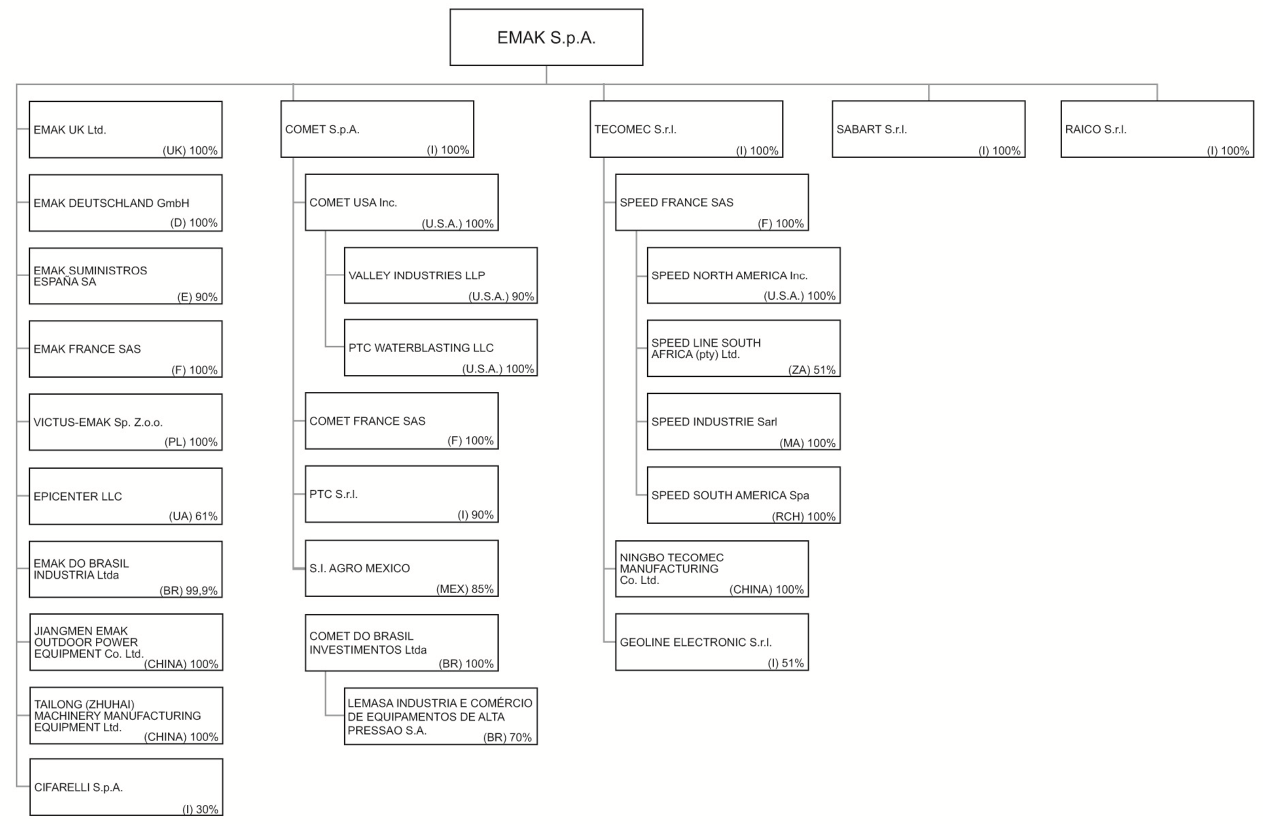
Group chart of Emak Group as at 30 June 2017



Valley Industries LLP is consolidated at 100% as a results of the "Put and Call Option Agreement" that governs the purchase of the 10% remaining.
Lemasa is consolidated at 100% as a results of the "Put and Call Option Agreement" that governs the purchase of the 30% remaining.
P.T.C. S.r.l. is consolidated at 100% as a results of the "Put and Call Option Agreement" that governs the purchase of the 10% remaining.
Comet do Brasil Investimentos Ltda is owned for 99.63% by Comet S.p.A .and 0.37% by P.T.C. S.r.l.

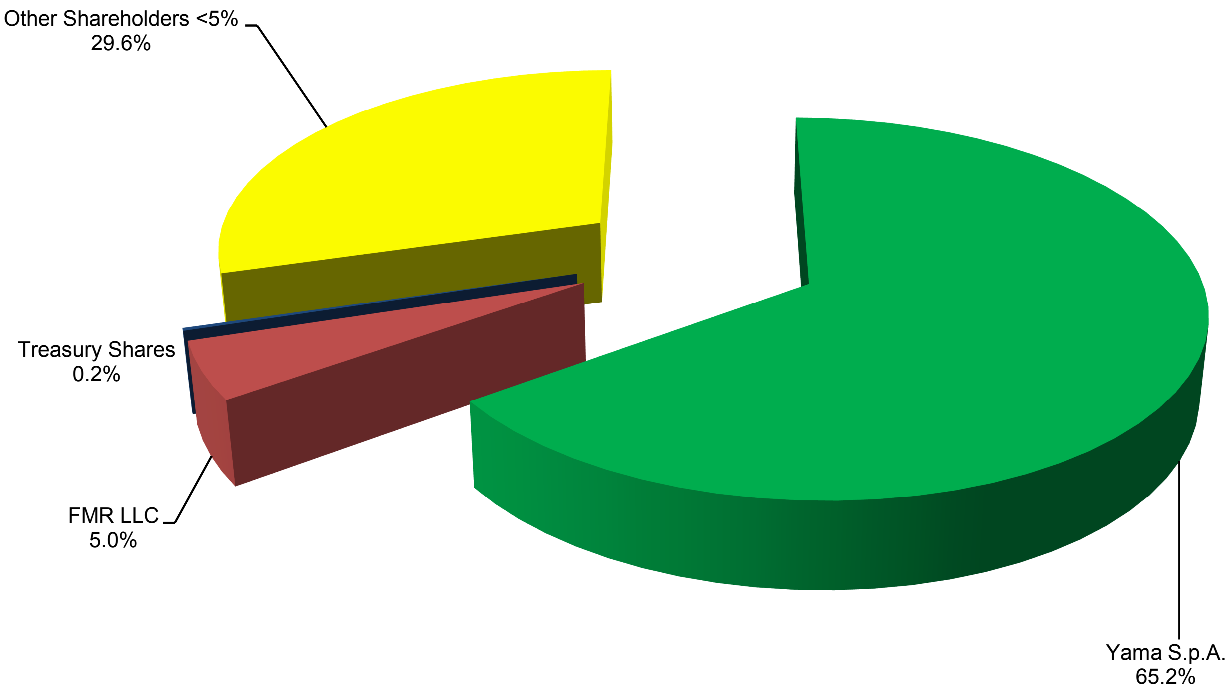
Main shareholders of Emak S.p.A.

The share capital of Emak S.p.A. consists of 163,934,835 shares with a par value of 0.26 euros per share.

The Company has been listed on the Milan Stock Exchange since June 25, 1998. Since September 2001 the stock has been included in the Segment of Equities with High Requirements (STAR).

On May 23, 2017, the majority shareholder Yama S.p.A., through an accelerated bookbuilding procedure, completed the placement of a stake of approximately 10% of Emak S.p.A.'s share capital. Following completion of the transaction, Yama holds the 65.185% of Emak's share capital.

Below is summarized the composition of the shareholders of Company as at June 30 2017.



Corporate Bodies of Emak S.p.A.

The Ordinary General Meeting of the Shareholders of the Parent Company, Emak S.p.A. on 22 April 2016 appointed the Board of Directors and the Board of Statutory Auditors for the financial years 2016-2018 and conferred also the engagement for the independent audit for the financial years 2016-2024.

Board of Directors	
Chairman and Chief Executive Officer	Fausto Bellamico
Deputy Chairman	Aimone Burani
Executive Director	Stefano Slanzi
Lead Independent Director	Massimo Livatino
Independent Directors	Alessandra Lanza
	Elena Iotti
Directors	Francesca Baldi
	Ariello Bartoli
	Luigi Bartoli
	Paola Becchi
	Giuliano Ferrari
	Vilmo Spaggiari
	Guerrino Zambelli
	Marzia Salsapariglia
Audit Committee and Remuneration Committee	
Chairman	Massimo Livatino
Components	Alessandra Lanza
	Elena Iotti
Board of Statutory Auditors	
Chairman	Paolo Caselli
Acting auditors	Gianluca Bartoli
	Francesca Benassi
Alternate auditor	Maria Cristina Mescoli
	Federico Cattini
Independent Auditor	Deloitte & Touche S.p.A.
Financial Reporting Officer	Aimone Burani
Supervisory Body as per Legislative Decree 231/01	
Chairman	Sara Mandelli
Acting member	Roberto Bertuzzi

Emak Group profile at 30 June 2017

The Emak Group consists of 29 companies active in the development, production and marketing of a wide range of products for three business segments: Emak S.p.A. and its commercial and production subsidiaries (10 companies in total) in the Outdoor Power Equipment segment; Comet S.p.A. and its productive and commercial subsidiaries (9 companies in total) in the segment Pumps and High Pressure Water Jetting; Tecomec S.r.l. and its production and commercial subsidiaries (8 companies in total), Sabart S.r.l. and Raico S.r.l. in the segment Components and Accessories.

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 and Nibbi 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 135 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 <u>pumps for agriculture</u> 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 <u>high pressure water jetting</u> 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**, includes the development, manufacture and marketing of products 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.

The Group's business is affected by seasonal demand. Gardening machines and components, which represent the majority of the Group's sales, follow the purchase model of the end user. Most of the products are in fact sold in the spring and summer, seasons in which are concentrated the maintenance of the green. Whereas the principal Group's markets are in the northern hemisphere, sales are concentrated in the first and second quarters, in order to supply the network of specialized dealers in time to meet the demands of the end customer at the beginning of season. The demand for products aimed forest activity is usually higher in the second half. Demand for the products of the line Pumps and High Pressure Water Jetting sees a higher concentration in the first half given the more pronounced seasonality of sales of pumps for agriculture, while the product water jetting (industrial pumps, pressure washers and hydrodynamic units) are overall homogeneously distributed during the year.

Production structure

The production model is flexible and focused on high value added engineering, industrialisation and assembly phases. The production plant are directed towards "lean manufacturing", with the involvement of the supply chain according to the extended factory model.
With specific reference to the *Outdoor Power Equipment* segment, in the hand-held products (such as brush-cutters and chain saws) the motor is integrated in the machine and is conceived and designed entirely by the Group. The components are then made by external suppliers and finally assembled internally. With regards to wheel-based products (lawnmowers, mini-tractors, rotary tillers and rotary cultivators), the motor is acquired from leading producers and the machine is then assembled internally. With reference to lawnmowers, the Group produces the shells for its own products internally with a vertical process that goes from the processing of the sheet metal to coating and final assembly.
With relation products in the *Pumps and High Pressure Water Jetting* segment, the pumps for agriculture and for industry are entirely designed in the Group's Research and Development structure. The components are made externally by selected suppliers and then assembled internally. The pumps constitute the core of the high-pressure cleaning and hydrodynamic units, while the motor, other mechanical components and the frame are acquired externally and then assembled internally.
With regards to the *Components and Accessories* segment, the production model varies according to the product. The wire for brush-cutters follows an entirely vertical process, from the acquisition of the raw material to the processing and packaging of the finished product. The heads for brush-cutters and the pistols for hydro-cleaners involves are in part made internally, with regards to the moulding of the plastic, and then the mechanical components acquired from external suppliers are assembled. For the precision-farming line, the design of the electronic parts and the development of the software, which represent the added value part of the products, are carried out internally, as is the final assembly. The most significant products in the forestry line are designed and developed by the Group, which assembles the components made externally. Other products, considering the type of processing required, making internal production inefficient, are made and assembled by specific suppliers on the basis of the designs developed by the Group's R&D structure.
Production volumes can be easily modified to adapt to fluctuations in demand through flexible management so that seasonal peaks in demand can be met through overtime or additional shifts, without the 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 m^2.

Company	Location	Output
Emak	Bagnolo in Piano (RE) - Italy Pozzilli (IS) - Italy	Chainsaws, brushcutters, power cutters, cultivators, cutter bar mowers, transporters 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	Providencia, 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
P.T.C.	Rubiera (RE) - Italy	Hydrodynamic units
Lemasa	Indaiatuba - Brazil	High pressure pumps

Strategy

The main goal of the Emak Group is the creation of value for its stakeholders.

In order to achieve this objective, the Group focuses on:

1. Innovation, with continuous investments in research and development, focused on new technologies, safety, comfort and emission control, in order to create new products that meet customer needs;
2. Distribution, to consolidate the Group's position in the market where it has a direct presence and to further expand distribution by entering new markets with high growth potential;
3. Efficiency, by implementing the lean manufacturing approach in its plants, exploiting synergies with the supply chain;
4. Acquisitions, with the aim of entering new markets, improving its competitive position, completing the product range and accessing strategic technologies that take a long time for internal development.

Main risks and uncertainties

The Group believes that effective risk management is a key factor for maintaining value over time: for this reason, in the conduct of its business, the Group through its governance structure and Internal Control System, defines its strategic and operative objectives and monitors, as well as manages, the risks that could compromise the achievement.

The effective management of risks is a key factor in the creation of the Group's value over time, especially in the light of the difficult macro-economic situation, and is a support to management in defining the most appropriate competitive strategies.

As part of its industrial activity, Emak Group is exposed to a series of risks, the identification, assessment and management of which are assigned to Managing Directors, also in the role of Executives Directors appointed pursuant to the self-regulatory Code of *Borsa Italiana S.p.A.*, to business area managers and the Audit Committee, which is responsible of supporting the Board of Directors on issues relating to internal control and risk management.

In order to prevent and manage the most significant risks, the Group uses a risk classification model, dividing risks according to the business function from which they may derive or through which they can be managed. Risk assessment is carried out on the basis of an estimate of the financial impact and the probability of occurrence.

The Directors responsible for the internal control system oversee the risk management process by implementing the guidelines defined by the Board of Directors in relation to risk management and by verifying their adequacy.

Internal Audit's task is to control the efficiency and effective functioning of the internal control and risk management system through risk assessment activities and the management of the results of this analysis, with particular attention to the continuous improvement of management policies.

As part of this process, different types of risk are classified on the basis of the assessment of their impact on the achievement of the strategic objectives, that is to say, on the basis of the consequences that the occurrence of the risk may have in terms of compromised operating or financial performance, or of compliance with laws and/or regulations.

The main strategic-operating risks to which the Emak Group is subject are:

Competition and market trends
The Group operates on a global scale, in a sector characterized by a high level of competition and in which sales are concentrated mainly in mature markets with moderate or low rates of growth in demand.
Performances are closely correlated to factors such as the level of prices, product quality, trademarks and technology, which define the competitive positioning of operators on the market. The competitive position of the Group. which compares with global players that often have greater financial resources as well as greater diversification in terms of geography, makes particularly significant the exposure to risks typically associated with market competitiveness.

International expansion
The Group adopts international expansion strategy, and this exposes it to a number of risks related to economic conditions and local policies of individual countries and by fluctuations in exchange rates. These risks may impact on consumption trends in the different markets and may be relevant in emerging economies, characterized by greater socio- political volatility and instability than mature economies.
Investments made in a number of countries, therefore, could be influenced by substantial changes in the local macro-economic context, which could generate changes in the economic conditions that were present at the time of making the investment. The Group's performances are therefore more heavily influenced by this type of risk than in the past. The Group coordinates all the M&A activity profiles for the purpose of mitigating the risks. In addition, the Group has set up constant monitoring in order be able to intercept possible socio-political or economic changes in such countries so as to minimize any consequent impact.

Weather conditions
Weather conditions may impact on the sales of certain product families. Generally, weather conditions characterized by drought can cause contractions in the sale of gardening products such as lawnmowers and garden tractors, while winters with mild climate adversely affect sales of chainsaws.

Product innovation
The Group operates in an industry where product development in terms of quality and functionality is an important driver for the maintenance and growth of its market share.
The Group responds to this risk with continuous investment in research and development in order to continue to offer innovative and competitive products compared to those of its main competitors in terms of price, quality, functionality.

Environment, Health and Safety
The Group is exposed to risks associated with health and safety at work and the environment, which could involve the occurrence work-related accidents and illness, environmental pollution phenomena or the failed compliance of specific legal regulations. The risks associated with such phenomena may lead to penal or administrative sanctions against the Group. The Group manages these types of risks through a system of procedures aimed the systematic control of risk factors as well as to their reduction within acceptable limits. All this is organized by implementing different management systems required by the standards of different countries and international standards of reference.

Customers
The Group's results are influenced by the actions of a number of large customers, with which there are no agreements involving minimum purchase quantities. As a result, the demand of such customers for fixed volumes of products cannot be guaranteed and it is impossible to rule out that a loss of important customers or the reduction of orders made by them could have negative effects on the Group's economic and financial results.

Raw material components
The Group's economic results are influenced by the trend in the price of raw materials and components. The main raw materials used are copper, steel, aluminum and plastic materials. Their prices can fluctuate significantly during the year since they are linked to official commodity prices on the reference markets.

Liability to customers and third parties
The Group is exposed to potential liability risks towards customers or third parties in relation to product liability due to possible design and/or manufacturing defects in the Group's products, also attributable to third

parties such as suppliers and assemblers. Moreover, in the event that products are defective or do not meet technical and legal specifications, the Group, also by order of control authorities, could be obliged to withdraw such products from the market. In order to manage and reduce these risks, the Group has entered into a master group insurance coverage.

Financial risks
In the ordinary performance of its operating activities, the Emak Group is exposed to various risks of a financial nature. For detailed analysis, reference should be made to the appropriate section of the Notes to Annual Financial Statements in which the disclosures as per IFRS no. 7 are set out.

Impacts resulting from Brexit
The Group is present in the UK market through its own sales subsidiary for the distribution of products of the Outdoor Power Equipment segment, and independent distributors for the other segments. The turnover of the Emak Group on the British market represents less than 3% of consolidated revenues. The main risk for the Group is represented by the potential loss of profitability due to the fluctuation in the exchange rate of the British pound against the Euro. The Group manages this eventuality through hedging contracts in exchange rates and the adaptation of the commercial conditions applied to customers.

Risk management process
With the aim of reducing the financial impact of any harmful event, Emak has arranged to transfer residual risks to the insurance market, when insurable.
In this sense, Emak, as part of its risk management, has taken steps to customize insurance coverage in order to significantly reduce exposure, particularly with regard to possible damages arising from the manufacturing and marketing of products.
All companies of the Emak Group are today insured against major risks considered as strategic, such as: product liability and product recall, general civil liability and property all risks. Other insurance coverage has been taken out at the local level in order to respond to regulatory requirements or specific regulations.
The analysis and insurance transfer of the risks to which the Group is exposed is carried out in collaboration with an insurance broker who, through an international network, is also able to assess the adequacy of the management of the Group's insurance programs on a global scale.

Intermediate Directors Report at 30 June 2017

1. Main economic and financial figures for the Group

Income statement (€/000)

Y 2016		2 Q 2017	2 Q 2016	I H 2017	I H 2016
391,879	Revenues from sales	114,869	115,679	234,073	229,950
40,479	EBITDA before non ordinary expenses (*)	15,538	14,683	32,829	30,426
39,469	EBITDA (*)	15,208	14,484	32,499	30,227
21,869	EBIT	12,146	10,990	26,387	23,732
17,683	Net profit	6,914	8,470	16,164	15,792

Investment and free cash flow (€/000)

Y 2016		2 Q 2017	2 Q 2016	I H 2017	I H 2016
12,159	Investment in property, plant and equipment	2,828	3,106	6,306	6,016
2,386	Investment in intangible assets	379	525	1,053	1,000
35,283	Free cash flow from operations (*)	9,976	11,964	22,276	22,287

Statement of financial position (€/000)

31.12.2016		30.06.2017	30.06.2016
261,751	Net capital employed	274,784	284,553
(80,083)	Net debt	(86,225)	(106,011)
181,668	Total equity	188,559	178,542

Other statistics

Y 2016		2 Q 2017	2 Q 2016	I H 2017	I H 2016
10.1%	EBITDA / Revenues from sales (%)	13.2%	12.5%	13.9%	13.1%
5.6%	EBIT/ Revenues from sales (%)	10.6%	9.5%	11.3%	10.3%
4.5%	Net profit / Revenues from sales (%)	6.0%	7.3%	6.9%	6.9%
8.4%	EBIT / Net capital employed (%)			9.6%	8.3%
0.44	Debt / Equity			0.46	0.59
1,686	Number of employees at period end			1,718	1,691

Share information and prices

31.12.2016		30.06.2017	30.06.2016
0.108	Earnings per share (€)	0.098	0.096
1.10	Equity per share (€) (*)	1.14	1.08
0.91	Official price (€)	1.65	0.70
0.91	Maximum share price in period (€)	1.94	0.82
0.60	Minimum share price in period (€)	0.90	0.61
149	Stockmarket capitalization (€ / million)	270	115
163,537,602	Average number of outstanding shares	163,537,602	163,537,602
163,934,835	Number of shares comprising share capital	163,934,835	163,934,835
0.216	Cash flow per share: net profit + amortization/depreciation (€) (*)	0.136	0.097
0.035	Dividend per share (€)	-	-

(*) See section "definitions of alternative performance indicators"

2. Economic and financial results of Emak Group

Summary of economic results

Revenues from sales

In the first semester 2017 Emak Group achieved a consolidated turnover of € 234,073 thousand, compared to € 229,950 thousand of last year, an increase of 1.8%. The improvement is due to organic growth for 1.1% and positive currency effect for 0.7%.

EBITDA

EBITDA for the first half of 2017 amounted to € 32,499 thousand (13.9% of revenues) compared to € 30,227 thousand (13.1% of revenues) in the corresponding period of the previous year, up 7.5% .
Personnel costs were in line with the same period of the previous year. The average number of employees in the workforce of the Group was 1,895 compared to 1,863 in the first half of 2016.
EBITDA for the first half 2017 includes non-ordinary revenues amounting to € 150 thousand and non-ordinary costs for € 480 thousand (€ 199 thousand in the same period 2016). Net of these revenues and costs, EBITDA would amount to € 32,829 thousand (equivalent to 14% of turnover) compared to € 30,426 thousand (equal to 13.2% of sales) in the same period of 2016.

EBIT

EBIT for the first half 2017 is € 26,387 thousand, as a percentage of sales stands at 11.3%, compared to € 23,732 (10.3% of sales) thousand for the same period of last year.

Depreciation and amortization are € 6,112 thousand, compared to € 6,495 thousand in the same period of the previous year.

Non-annualized EBIT as a percentage of net invested capital is 9.6%, compared to 8.3% of the same period of the previous year.

Net profit

Net income for the first six months of 2017 was 16,164 thousand Euros, compared to 15,792 thousand Euros in the same period of the previous year, up 2.4%.
Financial management is improving mainly due to lower Group debt than in the same period of the previous year. In the first six months of 2016, higher fees were booked for € 360 thousand relating to the price adjustment for the acquisition of S.I.Agro Mexico.

Currency management for the first half of 2017 was negative for € 2,715 thousand, against a positive balance of € 2,005 thousand of the same period of last year.

Currency management in the second quarter of 2017 recorded a negative balance of € 2,344 thousand, mainly due to the devaluation of the US dollar against the Euro, which resulted in a negative assessment of currency positions of the Group at period end exchange rates. The positive balance recorded in the same period of 2016 had benefited from the strengthening of the Brazilian currency against the Euro.

The tax rate amounted to 27.6%, decreased compared to 31.4% in the same period last year, influenced by the reduction to 24% of the IRES tax rate for Italian companies, in force from 2017.

Balance sheet and financial position analysis

31.12.2016	€/000	30.06.2017	30.06.2016
116,128	Net non-current assets (*)	115,668	115,219
145,623	Net working capital (*)	159,116	169,334
261,751	**Total net capital employed**	**274,784**	**284,553**
180,173	Equity attributable to the Group	186,964	177,037
1,495	Equity attributable to non controlling interests	1,595	1,505
(80,083)	Net debt	(86,225)	(106,011)

(*) See section "Definitions of alternative performance indicators"

Net non-current assets

During first half 2017 Emak Group invested € 7,359 thousand in property, plant and equipment and intangible assets, as follows:

- € 1,817 thousand for product innovation;
- € 2,440 thousand for adjustment of production capacity and for process innovation;
- € 1,115 thousand for upgrading the computer network system and ongoing activities for implementation of the new ERP management system;
- € 1,791 thousand for ongoing works for the construction of the new parent company's R&D center and modernization of industrial buildings;
- € 196 thousand for other investments in operating activities.

Investments broken down by geographical area are as follows:

- € 4,854 thousand in Italy;
- € 968 thousand in Europe;
- € 826 thousand in the Americas;
- € 711 thousand in the Rest of the World.

Net working capital

Net working capital at 30 June 2017 amounted to € 159,116 thousand, compared to € 145,623 thousand at 31 December 2016 and € 169,334 thousand at 30 June 2016.

The following table shows the change in net working capital in the first half 2017 compared with the previous year:

€/000	1H 2017	1H 2016
Net working capital at 01 January	**145,623**	**154,508**
Increase/(decrease) in inventories	519	(5,408)
Increase/(decrease) in trade receivables	19,134	20,870
(Increase)/decrease in trade payables	(2,736)	5,464
Change in scope of consolidation (acquisition)	58	140
Other changes	(3,482)	(6,240)
Net working capital at 30 June	**159,116**	**169,334**

The increase in net working capital at the end of last year is related to the seasonality of the Group's sales, which produces on average 60% of annual turnover in the first half.
Compared to the same period last year there was a decrease mainly due to a more efficient management of inventories.

Net financial position

Net negative financial position was € 86,225 thousand at 30 June 2017, compared to the € 106,011 thousand at 30 June 2016 and € 80,083 thousand at 31 December 2016.
The following table shows the movements in the net financial position of the first half:

€/000	1H 2017	1H 2016
Opening NFP	**(80,083)**	**(99,383)**
Ebitda	32,499	30,227
Financial income and expenses	(1,439)	(2,717)
Income from/(expenses on) equity investment	101	0
Exchange gains and losses	(2,715)	2,005
Income taxes	(6,170)	(7,228)
Cash flow from operations, excluding changes in operating assets and liabilities	**22,276**	**22,287**
Changes in operating assets and liabilities	(15,902)	(12,983)
Cash flow from operations	**6,374**	**9,304**
Changes in tangible and intangible assets	**(6,815)**	**(6,882)**
Other equity changes	**(5,815)**	**(4,149)**
Changes from exchange rates and translation reserve	**1,987**	**(4,389)**
Change in scope of consolidation	**(1,873)**	**(512)**
Closing NFP	**(86,225)**	**(106,011)**

Cash flow from operations, net of taxes, amounted to € 22,276 thousand is in line with the same period last year. The result is mainly due to negative currency management from valuation at the end of the period.

The net financial position is made up as follows:

	Net financial position	30/06/2017	31/12/2016	30/06/2016
A.	Cash and cash equivalents	39,870	32,545	37,598
B.	Other cash at bank and on hand (held-to-maturity investments)	-	-	-
C.	Financial instruments held for trading	-	-	-
D.	**Liquidity funds (A+B+C)**	**39,870**	**32,545**	**37,598**
E.	**Current financial receivables**	**8,893**	**545**	**819**
F.	Current payables to bank	(27,539)	(11,833)	(20,617)
G.	Current portion of non current indebtedness	(28,021)	(32,862)	(38,977)
H.	Other current financial debts	(8,167)	(2,469)	(2,644)
I.	**Current financial indebtness (F+G+H)**	**(63,727)**	**(47,164)**	**(62,238)**
J.	**Current financial indebtness, net (I+E+D)**	**(14,964)**	**(14,074)**	**(23,821)**
K.	Non-current payables to banks	(64,349)	(63,249)	(74,105)
L.	Bonds issued	-	-	-
M.	Other non-current financial debts	(7,665)	(12,858)	(17,552)
N.	**Non-current financial indebtness (K+L+M)**	**(72,014)**	**(76,107)**	**(91,657)**
O.	**Net indebtness (J+N)**	**(86,978)**	**(90,181)**	**(115,478)**
P.	Non current financial receivables	753	10,098	9,467
Q.	**Net financial position (O+P)**	**(86,225)**	**(80,083)**	**(106,011)**

Net Financial Positions (short term and medium-long term) includes liabilities in the amount of € 13,194 thousand for the purchase of the remaining minority shares and for the regulation of acquisition operations with deferred price subject to contractual constraints related to the following companies:
- Lemasa for € 11,461 thousand.
- Valley LLP for € 1,440 thousand;
- P.T.C S.r.l for € 205 thousand;
- Branches of A1 Mist Sprayers Resources for an amount of € 88 thousand.

Long-term portions of debt for the purchase of the remaining minority shares amounts to € 6,419 thousand

Short-term debt mainly includes:
- Bank overdrafts;
- Mortgage repayments due by June 30, 2018;
- Debts to other financial institutions due by June 30, 2018;
- Payables for acquisition of investments in the amount of € 6,775 thousand.

As a guarantee of current and future payables for the purchase of equity investments, have been deposited in the Escrow Accounts € 8,005 thousand, of which € 7,739 thousand are recorded under current financial receivables.

Equity

Consolidated equity at 30 June 2017 is € 188,559 thousand against € 181,668 thousand at December 31, 2016.

Comments on operating results per operating segment

	OUTDOOR POWER EQUIPMENT		PUMPS AND HIGH PRESSURE WATER JETTING		COMPONENTS AND ACCESSORIES		Other not allocated / Netting		Consolidated	
€/000	**30.06.2017**	**30.06.2016**	**30.06.2017**	**30.06.2016**	**30.06.2017**	**30.06.2016**	**30.06.2017**	**30.06.2016**	**30.06.2017**	**30.06.2016**
Sales to third parties	102,749	106,758	61,813	58,747	69,511	64,445			**234,073**	**229,950**
Intersegment sales	808	956	978	969	4,623	3,991				
Revenues from sales	103,557	107,714	62,791	59,716	74,134	68,436	- 6,409	- 5,916	**234,073**	**229,950**
Ebitda	9,134	10,523	10,304	9,543	14,301	11,802	- 1,240	- 1,641	**32,499**	**30,227**
Ebitda/Total Revenues %	*8.8%*	*9.8%*	*16.4%*	*16.0%*	*19.3%*	*17.2%*			***13.9%***	***13.1%***
Operating profit	6,335	7,214	8,804	8,157	12,488	10,002	- 1,240	- 1,641	**26,387**	**23,732**
Operating profit/Total Revenues %	*6.1%*	*6.7%*	*14.0%*	*13.7%*	*16.8%*	*14.6%*			***11.3%***	***10.3%***
Net financial expenses									**- 1,439**	**- 2,717**
Profit befor tax									**22,334**	**23,020**

Note: Starting with the 2016 Annual Financial Report, the Group reports its results by analyzing data by business area. In order to make the comparison with the previous year homogeneous, revenues were reclassified on the basis of individual operating sectors.

The following table shows an analysis of sales reported for first half 2017, broken down by business 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		
	1H 2017	**1H 2016**	**Var. %**	**1H 2017**	**1H 2016**	**Var. %**	**1H 2017**	**1H 2016**	**Var. %**	**1H 2017**	**1H 2016**	**Var. %**
Europe	86,606	89,809	(3.6)	26,942	26,157	3.0	47,484	43,349	9.5	161,032	159,315	1.1
Americas	4,695	4,055	15.8	29,131	26,766	8.8	15,088	14,749	2.3	48,914	45,570	7.3
Asia, Africa and Oceania	11,448	12,894	(11.2)	5,740	5,824	(1.4)	6,939	6,347	9.3	24,127	25,065	(3.7)
Total	**102,749**	**106,758**	**(3.8)**	**61,813**	**58,747**	**5.2**	**69,511**	**64,445**	**7.9**	**234,073**	**229,950**	**1.8**

Outdoor Power Equipment

Sales of the Outdoor Power Equipment segment decreased overall by 3.8%, mainly due to the slowdown recorded in the Western European markets during the second quarter. Positive, however, the trend of sales in Eastern European countries. Positive trend in the markets of Latin America continues. The result of the period in Asia, Africa and Oceania is affected by lower sales recorded in the first quarter.

The EBITDA of the segment was down compared to the same period, mainly due to lower sales volumes and, especially in the first quarter, the unfavorable product-market mix.

Pumps and High Pressure Water Jetting

The turnover of the Pump and High Pressure Water Jetting segment grew by 5.2% overall. The increase in sales in Europe was mainly determined by the markets of Western Europe. In the Americas region, sales in the Latin American countries continued to improve and there was a significant improvement in the second quarter of the North American market. Sales in Asia, Africa and Oceania were basically in line with the same period.

The Ebitda in the segment improved compared to the same period last year mainly due to the operating leverage generated by the increase in revenues and favorable product mix. The result includes part of the costs incurred for the acquisition of the Lavorwash Group for an amount of € 371 thousand.

Components and Accessories

Component and Accessories business revenue grew by 7.9%. In Europe, growth was driven by the markets of Western Europe. Sales in the Americas region are growing overall in the first half thanks to the positive contribution of Latin America that compensates for a steady trend in the markets of North America. In the Asia, Africa and Oceania regions, growth is mainly due to the positive performance of the second quarter, with good results especially in Far East and South Africa.

The EBITDA of the segment increased compared to the same period of the year due to the operating leverage resulting from the increase in turnover.

3. Dealings with related parties

Emak S.p.A. is controlled by Yama S.p.A., which holds 65.2% of its share capital and which, as a non-operating holding company, is at the head of a larger group of companies operating mainly in the production of machinery and equipment for agriculture and gardening and of components for motors, and in real estate. The Emak Group has limited supply and industrial service dealings with such companies, as well as dealings of a financial nature deriving from the equity investment of a number of companies in the Emak Group in the tax consolidation headed by Yama S.p.A..
Professional services of legal and fiscal nature, provided by entities subject to significant influence of certain directors, are another type of related party transactions.

The majority of the above dealings carried out in the period by the Emak Group with related parties are of a normal and recurring nature, falling within the ordinary exercise of industrial activity. The above transactions are all regulated under current market conditions, in compliance with framework resolutions approved periodically by the Board of Directors. Reference can be made to the notes to the accounts at paragraph 35.

During the year, no extraordinary operations with related parties have not been carried out. If transactions of this nature had taken place, enforcement procedures approved by the Board of Directors in implementation to art. 4, Reg. Consob. 17221/2010, published on the company website at http://www.emak.it/wps/portal/emakit/it/Iinvestor-relations/documentazione-societaria/corporate-governance, would be applied.

* * * * * * *

The determination of the remuneration of Directors and Auditors and Managers with strategic responsibility in the Parent company occurs as part of the governance framework illustrated to the Shareholders and to the public through the report as per art. 123-ter of Leg. Dec. 58/98, available on the site www.emak. The remuneration of Directors and Auditors and Managers with strategic responsibility in the parent company is also regulated by suitable protection procedures that provide for the Parent Company to perform control and harmonization activities.

4. Plan to purchase Emak S.p.A. shares

At December 31, 2016, the Company held 397,233 treasury shares in portfolio for an equivalent value of € 2,029 thousand.

On April 28, 2017, the Shareholders' Meeting renewed the authorization to purchase and dispose of treasury shares for the purposes laid down by it. During the first half of 2017 there were no purchases or sales of own shares, leaving the balances at beginning of year unchanged.
Even after the end of the period and until the date of approval by the Board of Directors, of this report are no changes in the consistency of the portfolio of treasury shares.

5. Disputes

There were no disputes in progress that might lead to liabilities in the financial statements other than those already described in notes 30 and 32 of the consolidated half year statements, to which reference is made.

6. Business outlook

The first half of the year closed with overall positive results despite the slowdown in demand for gardening products in the second quarter due to extremely unfavorable weather conditions. To date the order book for the second half of the year, however, allows the Group to look with cautious optimism to the rest of the year and confirm the growth targets. In the second half of the year, the Group will be engaged in the integration of Lavorwash Group with the aim to start realizing the expected synergies.

7. Significant events occurring during the period and positions or transactions arising from atypical and unusual transactions, significant and non-recurring

The significant events that occurred during the period and positions or transactions arising from atypical and unusual transactions, significant and non recurring are set out in notes 5 and 7 of half year financial statements.

8. Subsequent events and other informations

Acquisition of the 83.1% of Lavorwash Group

On July 3, 2017 the controlled company Comet S.p.A. finalized the closing of the acquisition of the 83.1% of the Lavorwash Group headquartered in Pegognaga (MN), active in the design, production and marketing of a wide range of both hobby and professional machines for the cleaning sector. Lavorwash Group has manufacturing facilities in Italy, China and Brazil, and distributing subsidiaries in Spain, France, Great Britain, Poland and China.

The provisional price paid by Emak amounts to € 54.8 million, and will be corrected on the basis of the results achieved on June 30, 2017. A further 14.7% stake is ruled by a *Put&Call* option agreement to be exercised in 2020, at a price calculated on the basis of the results obtained in the period 2018-2019

Lavorwash's offer is a perfect complement to the Emak Group's activities in the Pump and High Pressure Water Jetting segment. In particular, with the acquisition of Lavorwash, Emak enriches its product line for cleaning sector, ranking among the first players in the industry.

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 4/5/1999 and subsequent modifications and integrations.

9. Reconciliation between shareholders' equity and net profit of the parent company Emak and consolidated equity and the results

In accordance with the Consob Communication dated July 28 2006, the following table provides a reconciliation between net income for first half 2017 and shareholders' equity at 30 June 2017 of the Group (Group share), with the corresponding values of the parent company Emak S.p.A.

€/000	Equity at 30.06.2017	Result for the year ending 30.06.2017	Equity at 30.06.2016	Result for the year ending 30.06.2016
Equity and result of Emak S.p.A.	**154,040**	**6,163**	**153,565**	**6,912**
Equity and result of consolidated subsidiaries	200,656	15,986	186,388	13,877
Effect of the elimination of the accounting value of shareholdings	(164,880)	-	(160,250)	-
Elimination of dividends	-	(5,904)	-	(5,178)
Elimination of other intergroup items and profits	(1,503)	(122)	(1,161)	181
Evaluation of equity investment in associated	246	41	-	-
Total consolidated amount	**188,559**	**16,164**	**178,542**	**15,792**
Non controlling interest	**(1,595)**	**(218)**	**(1,505)**	**(121)**
Equity and result attributable to the Group	**186,964**	**15,946**	**177,037**	**15,671**

Bagnolo in Piano (RE), August 4, 2017

On behalf of the Board of Directors.

The Chairman

Fausto Bellamico

DEFINITIONS OF ALTERNATIVE PERFORMANCE INDICATORS

The chart below shows, in accordance with recommendation CESR/05-178b published on November 3, 2005, the criteria used for the construction of key performance indicators that management considers necessary to the monitoring the Group performance.

EBITDA before non ordinary expanses: is obtained by deducting at EBITDA the impact of charges for litigation, expenses related to M&A transaction, and revenue for government grants and restructuring charges.

EBITDA: calculated by adding the items "Net profit" plus "Amortization, depreciation and impairment losses".

FREE CASH FLOW FROM OPERATIONS: calculated by adding the items "Net profit" plus "Amortization, depreciation and impairment losses".

EQUITY PER SHARE: is obtained dividing the item "Group equity" by number of outstanding shares at period end.

CASH FLOW PER SHARE: is obtained dividing the sum of the items "Group Net Profit" + "Amortization/depreciation" by the average number of outstanding shares in the period.

NET WORKING CAPITAL: include items "Trade receivables", "Inventories", current non financial "other receivables" net of "Trade payables" and current non financial "other payables".

NET NON-CURRENT ASSETS: include non-financial "Non current assets" net of non-financial "Non-current liabilities"

Emak Group – Consolidated financial statements at 30 June 2017

Consolidated financial statements

Consolidated Income Statement

Thousand of Euro

Year 2016	CONSOLIDATED INCOME STATEMENT	Notes	1H 2017	of which to related parties	1H 2016	of which to related parties
391,879	**Revenues from sales**	**9**	**234,073**	**940**	**229,950**	**1,233**
2,589	Other operating incomes	9	1,417		1,146	
(12,116)	Change in inventories		2,651		(5,229)	
(198,172)	Raw materials, consumables and goods	10	(125,677)	(2,410)	(117,092)	(1,913)
(73,039)	Personnel expenses	11	(39,309)		(39,164)	
(71,672)	Other operating costs and provisions	12	(40,656)	(1,608)	(39,384)	(1,138)
(17,600)	Amortization, depreciation and impairment losses	13	(6,112)		(6,495)	
21,869	**Operating profit**		**26,387**		**23,732**	
7,105	Financial income	14	899	6	657	6
(6,056)	Financial expenses	14	(2,338)		(3,374)	
3,407	Exchange gains and losses	14	(2,715)		2,005	
205	Income from/(expeses on) equity investment	14	101		0	
26,530	**Profit before taxes**		**22,334**		**23,020**	
(8,847)	Income taxes	15	(6,170)		(7,228)	
17,683	**Net profit (A)**		**16,164**		**15,792**	
(88)	(Profit)/loss attributable to non controlling interests		(218)		(121)	
17,595	**Net profit attributable to the Group**		**15,946**		**15,671**	
0.108	**Basic earnings per share**	**16**	**0.098**		**0.096**	
0.108	**Diluted earnings per share**	**16**	**0.098**		**0.096**	

Year 2016	CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME	Notes	1H 2017	1H 2016
17,683	**Net profit (A)**		**16,164**	**15,792**
(190)	Profits/(losses) deriving from the conversion of foreign company accounts		(3,458)	(1,589)
(137)	Profits/(losses) deriving from defined benefit plans (*)		-	-
1	Income taxes on OCI (*)		-	-
(326)	**Total other components to be included in the comprehensive income statement (B)**		**(3,458)**	**(1,589)**
17,357	**Total comprehensive income for the period (A)+(B)**		**12,706**	**14,203**
(88)	Comprehensive net profit attributable to non controlling interests		(191)	(97)
17,269	Comprehensive net profit attributable to the Group		12,515	14,106

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

In accordance with the CONSOB resolution no. 15519 of July 27 2006, the effects of transactions with related parties on the consolidated income statement are shown in the scheme and are further described and discussed in note 35

Statement of consolidated financial position

Thousand of Euro

31.12.2016	ASSETS	Notes	30.06.2017	of which to related parties	30.06.2016	of which to related parties
	Non-current assets					
61,651	Property, plant and equipment	17	61,760		60,751	
8,380	Intangible assets	18	8,083		8,250	
52,241	Goodwill	19	51,493	14,693	56,143	14,826
230	Equity investments in other companies		230		230	
3,955	Equity investments in associates	20	3,996		0	
7,370	Deferred tax assets	28	7,280		7,142	
10,098	Other financial assets	21	753	297	9,467	334
63	Other assets	23	61		65	
143,988	**Total non-current assets**		**133,656**	**14,990**	**142,048**	**15,160**
	Current assets					
127,362	Inventories	24	127,976		133,235	
96,940	Trade and other receivables	23	117,854	1,766	119,286	1,405
4,791	Current tax receivables	28	4,270		3,538	
468	Other financial assets	21	8,782	486	536	487
77	Derivative financial instruments	22	111		283	
32,545	Cash and cash equivalents		39,870		37,598	
262,183	**Total current assets**		**298,863**	**2,252**	**294,476**	**1,892**
406,171	**TOTAL ASSETS**		**432,519**	**17,242**	**436,524**	**17,052**

31.12.2016	SHAREHOLDERS' EQUITY AND LIABILITIES	Notes	30.06.2017	of which to related parties	30.06.2016	of which to related parties
	Shareholders' Equity					
180,173	Shareholders' Equity of the Group	25	186,964		177,037	
1,495	Non-controlling interests		1,595		1,505	
181,668	**Total shareholders' Equity**		**188,559**		**178,542**	
	Non-current liabilities					
76,107	Loans and borrowings due to banks and others lenders	27	72,014		91,657	
6,391	Deferred tax liabilities	28	6,099		5,944	
9,137	Employee benefits	29	8,875		9,005	
1,566	Provisions for risks and charges	30	1,633		1,627	
668	Other non-current liabilities	31	628		786	
93,869	**Total non-current liabilities**		**89,249**		**109,019**	
	Current liabilities					
77,849	Trade and other payables	26	84,518	5,990	79,066	4,340
4,184	Current tax liabilities	28	5,615		5,958	
46,770	Loans and borrowings due to banks and others lenders	27	63,139		61,751	
394	Derivative financial instruments	22	588		487	
1,437	Provisions for risks and charges	30	851		1,701	
130,634	**Total current liabilities**		**154,711**	**5,990**	**148,963**	**4,340**
406,171	**TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES**		**432,519**	**5,990**	**436,524**	**4,340**

In accordance with the CONSOB resolution no. 15519 of July 27 2006, the effects of transactions with related parties on the consolidated income statement are shown in the scheme and are further described and discussed in note 35

Statement of changes in consolidated equity for the Emak Group at 31.12.2016 and at 30.06.2017

Thousand of Euro	SHARE CAPITAL	SHARE PREMIUM	OTHER RESERVES					RETAINED EARNINGS		TOTAL GROUP	EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	TOTAL
			Legal reserve	Revaluation reserve	Cumulative translation adjustment	Reserve IAS 19	Other reserves	Retained earnings	Net profit of the period			
Balance at 31.12.2015	**42,519**	**40,529**	**2,361**	**1,138**	**6,882**	**(832)**	**30,900**	**34,649**	**8,846**	**166,992**	**1,496**	**168,488**
Profit reclassification			348					4,410	(8,846)	**(4,088)**	(89)	**(4,177)**
Net profit for the period					(190)	(136)			17,595	**17,269**	88	**17,357**
Balance at 31.12.2016	**42,519**	**40,529**	**2,709**	**1,138**	**6,692**	**(968)**	**30,900**	**39,059**	**17,595**	**180,173**	**1,495**	**181,668**
Profit reclassification			351					11,520	(17,595)	**(5,724)**	(91)	**(5,815)**
Net profit for the period					(3,431)				15,946	**12,515**	191	**12,706**
Balance at 30.06.2017	**42,519**	**40,529**	**3,060**	**1,138**	**3,261**	**(968)**	**30,900**	**50,579**	**15,946**	**186,964**	**1,595**	**188,559**

The share capital is show n net of the nominal value of treasury shares in the portfolio amounted to € 104 thousand
The share premium reserve is stated net of the premium value of treasury shares amounting to € 1,925 thousand

Statement of changes in consolidated equity for the Emak Group at 30.06.2016

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 IAS 19	Other reserves	Retained earnings	Net profit of the period			
Balance at 31.12.2015	**42,519**	**40,529**	**2,361**	**1,138**	**6,882**	**(832)**	**30,900**	**34,649**	**8,846**	**166,992**	**1,496**	**168,488**
Profit reclassification			348					4,410	(8,846)	**(4,088)**	(88)	**(4,176)**
Other changes								27		**27**		**27**
Net profit for the period					(1,565)				15,671	**14,106**	97	**14,203**
Balance at 30.06.2016	**42,519**	**40,529**	**2,709**	**1,138**	**5,317**	**(832)**	**30,900**	**39,086**	**15,671**	**177,037**	**1,505**	**178,542**

The share capital is show n net of the nominal value of treasury shares in the portfolio amounted to € 104 thousand
The share premium reserve is stated net of the premium value of treasury shares amounting to € 1,925 thousand

Consolidated Cash Flow Statement

2016 (1)	(€/000)	Notes	1 H 2017	1 H 2016 (1)
	Cash flow from operations			
17,683	**Net profit for the period**		**16,164**	**15,792**
17,600	Amortization, depreciation and impairment losses	**13**	6,112	6,495
2,023	Financial expenses from discounting of debts	**14**	827	956
(205)	Income from equity investment	**14**	(101)	0
(5,115)	Financial income from adjustment of estimated liabilities for outstanding commitment associates' shares		-	-
(115)	Capital (gains)/losses on disposal of property, plant and equipment		(142)	(30)
2,903	Decreases/(increases) in trade and other receivables		(21,152)	(18,425)
12,127	Decreases/(increases) in inventories		(2,605)	5,211
(2,871)	(Decreases)/increases in trade and other payables		8,773	218
168	Change in employee benefits		(262)	36
(320)	(Decreases)/increases in provisions for risks and charges		(514)	8
(102)	Change in derivative financial instruments		172	(212)
43,776	**Cash flow from operations**		**7,272**	**10,049**
	Cash flow from investing activities			
(13,816)	Change in property, plant and equipment and intangible assets		(6,918)	(6,913)
(4,145)	(Increases) and decreases in financial assets		249	(242)
115	Proceeds from disposal of property, plant and equipment		142	30
(443)	Change in scope of consolidation		(1,780)	(248)
(18,289)	**Cash flow from investing activities**		**(8,307)**	**(7,373)**
	Cash flow from financing activities			
(136)	Change in equity		-	27
(26,970)	Change in short and long-term loans and borrowings		1,262	(7,450)
(26)	Change in finance leases		-	(13)
(4,177)	Dividends paid		(5,815)	(4,177)
(31,309)	**Cash flow from financing activities**		**(4,553)**	**(11,613)**
(5,822)	**Total cash flow from operations, investing and financing activities**		**(5,588)**	**(8,937)**
(2,172)	**Net exchange differences**		**408**	**(2,336)**
(7,994)	**INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS**		**(5,180)**	**(11,273)**
35,014	**OPENING CASH AND CASH EQUIVALENTS**		**27,020**	**35,014**
27,020	**CLOSING CASH AND CASH EQUIVALENTS**		**21,840**	**23,741**

ADDITIONAL INFORMATION ON THE CASH FLOW STATEMENT

31.12.2016 (1)	(€/000)	1 H 2017	1 H 2016 (1)
	RECONCILIATION OF CASH AND CASH EQUIVALENTS		
35,014	**Opening cash and cash equivalents, detailed as follows:**	**27,020**	**35,014**
42,518	Cash and cash equivalents	32,545	42,518
(7,504)	Overdrafts	(5,525)	(7,504)
27,020	**Closing cash and cash equivalents, detailed as follows:**	**21,840**	**23,741**
32,545	Cash and cash equivalents	39,870	37,598
(5,525)	Overdrafts	(18,030)	(13,857)
	Other information:		
254	Change in related party receivables and service transactions	(85)	(30)
158	Change in related party payables and service transactions	2,565	(198)
38	Change in related party financial assets	-	-
-	Change in related party financial loans and borrowings	-	-

(1) Some items have been reclassified to make them comparable to June 30, 2017

In accordance with the CONSOB resolution no. 15519 of July 27 2006, the effects of transactions with related parties on the consolidated income statement are shown in the section Other information.

Explanatory notes to the consolidated financial statements of Emak Group

Contents

1. General Information

Emak S.p.A. (hereinafter "Emak" or the "Parent Company") is a public company, with registered offices in Via Fermi, 4 in Bagnolo in Piano (RE). It is listed on the Italian stock market (MTA) on the the STAR segment.

Emak S.p.A. is controlled by Yama S.p.A., an industrial holding company, which holds the majority of its capital and appoints, in accordance with law and statute, the majority of the members of its governing bodies. Emak S.p.A., nonetheless, is not subject to management or coordination on the part of Yama, and its Board of Directors makes its own strategic and operating choices in complete autonomy.

Values shown in these notes are in thousands of Euros, unless otherwise stated.

The half year report at 30 June 2017 is subject to a limited audit by Deloitte & Touche S.p.A. This audit is significantly less extensive than that of a complete audit carried out according to established auditing standards.

2. Summary of principal accounting policies

The principal accounting policies used for preparing the abbreviated consolidated financial statements for the half-year are in line, except as specified below, with those applied for the annual consolidated financial statements at 31 December 2016 and are briefly discussed below.

2.1 General methods of preparation

The abbreviated consolidated half-year report of the Emak Group at 30 June 2017 has been drawn-up in compliance with the IFRS's issued by the International Accounting Standards Board and adopted by the European Union and has been prepared in accordance with the IAS 34 accounting standard (Interim Financial Reporting), with art. 154-*ter* (financial reports) of the Consolidated Finance Act and with Consob regulations and resolutions in force. The same accounting principles used in preparing the consolidated financial statements at 31 December 2016 were applied."IFRS" also includes all valid International Accounting Standards ("IAS") still in force, as well as all interpretations of the International Financial Reporting Standards Interpretations Committee (IFRS IC, formerly "IFRIC"), previously known as the Standing Interpretations Committee ("SIC"). For this purpose, the financial statements of consolidated subsidiaries were reclassified and adjusted.

There are also the explanatory notes according to the disclosures required by IAS 34 with the supplementary information considered useful for a clearer understanding of the abbreviated interim financial statements. The interim financial statements at June 30, 2017 should be read in conjunction with the annual financial statements at 31 December 2016.
In accordance with IAS 1, the Directors confirm that, given the economic outlook, the capital and the Group's financial position, it operates as a going concern.

As partial exception to the provisions of IAS 34, these interim financial statements provide detailed as opposed to summary schedules in order to provide a better and clearer view of the economic-financial and financial dynamics during the period.
The financial statements used at June 30, 2017 are consistent with those in place for the annual financial statements at December 31, 2016.

The consolidated half-year report includes the balance sheet, the consolidated income statement, the statement of consolidated comprehensive income, the statement of changes in consolidated equity, the statement of cash flows and notes to the accounts, in accordance with the requirements provided for by IFRS.

The half year financial report presents annual data for comparative purposes in the previous year in order to provide adequate information in consideration of the seasonality of the business of the company. Indeed, the Group carries out an activity that is affected by the non perfect homogeneity of the flow of revenues and expenses during the year, showing a concentration of revenues mainly in the first half of each year.

The preparation of financial statements in conformity with IFRS requires the use of estimates by the directors. The areas involving a higher degree of judgment or complexity and areas where assumptions and estimates could have a significant impact on the consolidated financial statements are discussed in note 4.

It is also to be noted that some valuation procedures, in particular the more complex such as the determination of any impairment of non-current assets, are generally carried out only in the preparation of annual financial statements, when all necessary information are available, except in cases where there are indications that an immediate assessment of any impairment is required. Even the actuarial valuations for the calculation of provisions for employee benefits are normally processed on the occasion of the annual financial statement. Current and deferred tax is recognized based on tax rates in force at the date of the half year report.

2.2 Methods of consolidation

Subsidiaries
The consolidated financial statements include the financial statements of Emak S.p.A. and the Italian and foreign companies over which Emak exercises direct or indirect control by governing their financial and operating policies and receiving the related benefits, according to the criteria established by IFRS 10.

The acquisition of subsidiaries is accounted for using the purchase method (“Acquisition method”), except for those acquired in 2011 from Yama Group. The cost of acquisition initially corresponds to the fair value of the assets acquired, the financial instruments issued and the liabilities at the date of acquisition, ignoring any minority interests. The excess of the cost of acquisition over the group's share of the fair value of the net assets acquired is recognized as goodwill.

If the cost of acquisition is lower, the difference is directly expensed to income. The financial statements of subsidiaries are included in the consolidated accounts starting from the date of taking control to when such control ceases to exist. Minority interests and the amount of profit or loss for the period attributable to minorities are shown separately in the consolidated statement of financial position and income statement.

Subsidiaries are consolidated line-by-line from the date that the Group obtains control.

It is noted that:
- The subsidiary Valley LLP, owned by Comet Usa Inc with a share of 90%, is consolidated at 100% as a result of the "Put and Call Option Agreement" which regulates the acquisition of the remaining 10% held by a company linked to the trust Savage Investments LLC;
- The subsidiary Lemasa, owned by Comet do Brasil LTDA with a share of 70%, is consolidated at 100% as a result of the "Put and Call Option Agreement" which regulates the acquisition of the remaining 30%;
- The subsidiary P.T.C. S.r.l., owned by Comet S.p.A. with a share of 90%, is consolidated at 100% as a result of the "Put and Call Option Agreement" which regulates the acquisition of the remaining 10%.

Intercompany transactions
Transactions, balances and unrealized profits relating to operations between Group companies are eliminated. Unrealized losses are similarly eliminated, unless the operation involves a loss in value of the asset transferred. The financial statements of the enterprises included in the scope of consolidation have been suitably adjusted, where necessary, to align them with the accounting principles adopted by the Group.

Associated companies
Associated companies are companies in which the Group exercises significant influence, as defined by IAS 28 - *Investments in Associates and joint venture*, but not control over financial and operating policies. Investments in associated companies are accounted for with the equity method starting from the date the significant influence begins, up to when such influence ceases to exist.

Scope of consolidation

Compared to 31 December 2016 there were no changes scope of consolidation

Compared to June 30, 2016 consolidated financial statements include the economic and financial figures of PTC Waterblasting LLC.

More details of the transactions are described in section 2 of the Half Year Report.

The scope of consolidation at June 30 2017 includes the following companies:

Name	Head office	Share capitale	Currency	% consolidated	Held by	% of equity investment
Parent Company						
Emak S.p.A.	Bagnolo in Piano - RE (I)	42,623,057	€			
Italy						
Comet S.p.A.	Reggio Emilia (I)	2,600,000	€	100.00	Emak S.p.A.	100.000
PTC S.r.l. (1)	Rubiera - RE (I)	55,556	€	100.00	Comet S.p.A.	90.000
Raico S.r.l.	Reggio Emilia (I)	20,000	€	100.00	Emak S.p.A.	100.000
Sabart S.r.l.	Reggio Emilia (I)	1,900,000	€	100.00	Emak S.p.A.	100.000
Tecomec S.r.l.	Reggio Emilia (I)	1,580,000	€	100.00	Emak S.p.A.	100.000
Geoline Electronic S.r.l.	Poggio Rusco - MN (I)	100,000	€	51.00	Tecomec S.r.l.	51.00
Europe						
Emak Suministros Espana SA	Getafe - Madrid (E)	270,459	€	90.00	Emak S.p.A.	90.000
Comet France SAS	Wolfisheim (F)	320,000	€	100.00	Comet S.p.A.	100.000
Emak Deutschland Gmbh	Fellbach - Oeffingen (D)	553,218	€	100.00	Emak S.p.A.	100.000
Emak France SAS	Rixheim (F)	2,000,000	€	100.00	Emak S.p.A.	100.000
Emak U.K. Ltd	Burntwood (UK)	342,090	GBP	100.00	Emak S.p.A.	100.000
Epicenter LLC	Kiev (UA)	19,026,200	UAH	61.00	Emak S.p.A.	61.000
Speed France SAS	Arnax (F)	300,000	€	100.00	Tecomec S.r.l.	100.000
Victus-Emak Sp. Z o.o.	Poznan (PL)	10,168,000	PLN	100.00	Emak S.p.A.	100.000
America						
Comet Usa Inc	Burnsville - Minnesota (USA)	231,090	USD	100.00	Comet S.p.A.	100.000
Comet do Brasil Investimentos LTDA	Indaiatuba (BR)	51,777,052	BRL	99.63	Comet S.p.A.	100.000
				0.37	PTC S.r.l.	
Emak do Brasil Industria LTDA	Curitiba (BR)	8,518,200	BRL	99.98	Emak S.p.A.	99.980
Lemasa industria e comércio de equipamentos de alta pressao S.A. (2)	Indaiatuba (BR)	14,040,000	BRL	100.00	Comet do Brasil LTDA	70.000
PTC Waterblasting LLC	Burnsville - Minnesota (USA)	285,000	USD	100.00	Comet Usa Inc	100.000
S.I. Agro Mexico	Guadalajara (MEX)	1,000,000	MXM	85.00	Comet S.p.A.	85.000
Speed South America S.p.A.	Providencia - Santiago (RCH)	444,850,860	CLP	100.00	Speed France SAS	100.000
Valley Industries LLP (3)	Paynesville - Minnesota (USA)	-	USD	100.00	Comet Usa Inc	90.000
Speed North America Inc.	Wooster - Ohio (USA)	10	USD	100.00	Speed France SAS	100.000
Rest of the World						
Jiangmen Emak Outdoor Power Equipment Co.Ltd	Jiangmen (RPC)	25,532,493	RMB	100.00	Emak S.p.A.	100.000
Ningbo Tecomec Manufacturing Co. Ltd	Ningbo City (RPC)	8,029,494	RMB	100.00	Tecomec S.r.l.	100.000
Speed Industrie Sarl	Mohammedia (MA)	1,445,000	MAD	100.00	Speed France SAS	100.000
Tai Long (Zhuhai) Machinery Manufacturing Ltd	Zhuhai (RPC)	16,353,001	RMB	100.00	Emak S.p.A.	100.000
Speed Line South Africa Ltd	Pietermaritzburg (ZA)	100	ZAR	51.00	Speed France SAS	51.000

(1) P.T.C. S.r.l. is consolidated at 100% as a result of the "Put and Call Option Agreement" which regulates the acquisition of the remaining 10%.
(2) Lemasa is consolidated at 100% as a result of the "Put and Call Option Agreement" which regulates the acquisition of the remaining 30%.
(3) Valley Industries LLP is consolidated at 100% as a result of the "Put and Call Option Agreement" which regulates the acquisition of the remaining 10%.

The **associated company** Cifarelli S.p.A., based in Voghera (Italy) with a share capital of € 374,400, is owned at 30% by Emak S.p.A. and consolidated since 1 October 2016 with the equity method.

2.3 Translation differences

Functional currency and presentation currency
Transactions included in the financial statements of each group company are recorded using the currency of the primary economic environment in which the company operates (functional currency). The consolidated financial statements are presented in Euro, the functional and presentation currency of the Parent Company.

Transactions and balances
Transactions in foreign currencies are translated the exchange rates at the dates of the transactions. Gains and losses arising from foreign exchange receipts and payments in foreign currency and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in income. Gains and losses realized on cash flow hedges whose hedged items are still unrealized are posted to the comprehensive income statement.

Consolidation of foreign companies financial statements
The financial statements of all Group companies with functional currency different from the presentation currency of the consolidated financial statements are translated as follows:
(i) assets and liabilities are translated at the closing rate on the statement of financial position date;
(ii) income and expenses are translated at the average rate for the period;
(iii) all translation differences are recognized as a separate reserve under equity ("cumulative translation adjustment").

The main exchange rates used to translate in Euro these financial statements are as follows:

31.12.2016	Amount of foreign for 1 Euro	Average 1H 2017	30.06.2017	Average 1H 2016	30.06.2016
0.86	GB Pounds (UK)	0.86	0.88	0.78	0.83
7.32	Renminbi (Cina)	7.44	7.74	7.30	7.38
4.41	Zloty (Poland)	4.27	4.23	4.37	4.44
1.05	Dollar (Usa)	1.08	1.14	1.12	1.11
14.46	Zar (South Africa)	14.31	14.92	17.20	16.45
28.74	Uah (Ukraine)	28.97	29.74	28.42	27.56
3.43	Real (Brazil)	3.44	3.76	4.13	3.59
10.66	Dirham (Morocco)	10.78	11.01	10.87	10.87
21.77	Mexican Pesos (Mexico)	21.04	20.58	20.17	20.63
704.95	Chilean Pesos (Chile)	714.89	758.21	769.13	735.50

2.4 Description of accounting policies applied to individual items

Details of the accounting policies applied to individual items within the financial statements can be found in sections 2.4 to 2.25 of the explanatory notes to the consolidated financial statements at 31 December 2016.

2.5 Changes in accounting standards and new accounting standards

IFRS ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS APPLICABLE SINCE 1 JANUARY 2017

Since new IFRS accounting standards, amendments and interpretations have not entered into force since 1 January 2017, the Group has prepared the half-yearly report using the same accounting principles adopted for the consolidated financial statements as of and for the year ended December 31, 2016.

IFRS AND IFRIC ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS APPROVED BY THE EUROPEAN UNION BUT NOT YET MANDATORY APPLICABLE AND NOT EARLY ADOPTED BY THE GROUP AS AT 30 JUNE 2017

- IFRS 15 – *Revenue from Contracts with Customers* (issued on 28 May 2014 and supplemented with additional clarifications on 12 April 2016) bound to replace IAS 18 – *Revenue* and IAS 11 – *Construction Contracts*, as well as the interpretations IFRIC 13 – *Customer Loyalty Programmes*, IFRIC 15 – *Agreements for the Construction of Real Estate*, IFRIC 18 – *Transfers of Assets from Customers* and SIC 31 – *Revenues-Barter Transactions Involving Advertising Services*. The standard provides for a new revenue recognition model, which will be applicable to all agreements made with customers, with the exception of those falling under the scope of application of other IFRSs, such as leases, insurance contracts and financial instruments. The main steps for revenue recognition according to the new model are:
    - identifying the agreement in place with the customer;
    - identifying the performance obligations under the agreement;
    - defining the transaction price;
    - price allocation to the performance obligations under the agreement;
    - revenue recognition criteria when the entity satisfies each performance obligation.

  This standard is applicable as from 1 January 2018. The amendments to IFRS 15, *Clarifications to IFRS 15 – Revenue from Contracts with Customers*, published by IASB on 12 April 2016, have not yet been endorsed by the European Union.

- Final version of IFRS 9 – *Financial instruments* (issued on 24 July 2014). The standard includes the results of IASB project pending the replacement of IAS 39:
    - it introduces new criteria to classify and measure financial assets and liabilities;
    - with reference to the impairment model, the new standard requires the losses on receivables to be estimated based on the expected losses model (instead of the incurred losses model of IAS 39) using information that can be evidenced, available free of charge or without unreasonable effort and including historic, current and forecast data;
    - a new hedge accounting model is introduced (additional types of transactions can be designated for hedge accounting, different accounting method for forward contracts and options when they are included in a hedge accounting transaction, changes to effectiveness test).

  The new standard must be applied to reporting period beginning on 1 January 2018 and thereafter.

IFRS ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET ENDORSED BY THE EUROPEAN UNION

The European Union has not yet completed its endorsement process for the standards and amendments below reported at the date of these Financial Statements.

- ***IFRS 16 – Leases*** (issued on 13 January 2016) is to replace IAS 17 – *Leases*, as well as IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases—Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The new standard provides a new definition of lease and introduces a criterion based on the control (right of use) of an asset to differentiate between lease and service agreements according to: asset identification, right to replacement of the asset, right to obtain all economic benefits arising out of use of the asset and right to control the use of the asset underlying the agreement.
  The standard introduces a single lessee accounting model for recognising and measuring lease agreements, which provides for the underlying asset – including assets underlying operating leases – to be recognised in the statement of financial position as assets and leas financial liability. Lessees may elect to not recognise agreements for low-value assets or with a term of up to 12 within the scope of this standard. No significant changes are introduced for lessor accounting.
  The standard applies for reporting period beginning on or after 1 January 2019. Early application is only allowed for early adopters of IFRS 15 – Revenue from Contracts with Customers.

- On 18 May 2017 IASB issued the new principle ***IFRS 17 – Insurance Contracts*** that will replace IFRS 4 – Insurance Contracts. The objective of the Standard is to ensure that an entity provides relevant information that faithfully represents rights and obligations from insurance contracts it issues. The IASB developed the Standard to eliminate inconsistencies and weaknesses in existing accounting practices by providing a single principle based framework to account for all types of insurance contracts, including reinsurance contracts that an insurer holds. The Standard is applicable for annual reporting periods beginning on or after 1 January 2021. Early application is permitted for entities that apply IFRS 9 – Financial Instruments and IFRS 15 – Revenue from Contracts with Customers.
- Document ***Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts*** (issued on 12 September 2016). The amendment provides entities meeting a criterion for engaging in predominantly insurance activities with the option to continue current IFRS accounting and to defer the application of IFRS 9 (from 1 January 2018) to financial activities, before the IASB replaces current IFRS 4 with the new standard currently being prepared, based on which financial liabilities are assessed.
- Amendment to **IAS 12 - *Recognition of Deferred Tax Assets for Unrealised Losses*** (published on 19 January 2016). This document provides clarifications on the recognition of deferred tax assets for unrealised losses under certain circumstances and on the estimation of taxable income for future periods. The amendments issued in January 2016 and applicable from 1 January 2017 have not yet endorsed by European Union and as at 30 June 2017, therefore have not been applied for the preparation of consolidated financial statements as at 30 June 2017.
- Amendments to **IAS 7 - *Disclosure Initiative*** issued on 29 January 2016. The document provides some clarifications to improve information on financial liabilities. Specifically, the amendments require such disclosures as to allow the recipients of the financial statements to understand changes in liabilities generated by financing operations. The amendments issued in January 2016 and applicable from 1 January 2017 have not yet endorsed by European Union and as at 30 June 2017, therefore have not been applied for the preparation of consolidated financial statements as at 30 June 2017.
- Amendments to **IFRS 2 - *Classification and measurement of share-based payment transactions*** (issued on 20 June 2016). This document provides clarifications on how to account for the effects of vesting conditions in cash-settled share-based payments, how to classify share-based payments that include net settlement features and how to account for changes to the terms and conditions of a share-based payment that turn cash-settled share-based payment to equity-settled share-based payment. The amendments apply as from 1 January 2018, though early adoption is allowed.
- Document ***Annual Improvements to IFRSs: 2014-2016 Cycle***, issued on 8 December 2016 (including IFRS 1 *First-Time Adoption of International Financial Reporting Standards* - Deletion of short-term exemptions for first-time adopters, IAS 28 *Investments in Associates* and Joint Ventures – Measuring investees at fair value through profit or loss: an investment-by-investment choice or a consistent policy choice, IFRS 12 *Disclosure of Interests in Other Entities* – Clarification of the scope of the Standard) partially supplements existing standards.
- **IFRIC 22 - *Foreign Currency Transactions and Advance Consideration*** (issued on 8 December 2016). This interpretation provides guidelines on foreign currency transactions when non-monetary advance consideration paid or received is recognised before recognition of the relating asset, expense or income. This document clarifies how an entity has to determine the date of the transaction and consequently the spot exchange rate to be used for foreign currency transactions whose consideration is paid or received in advance. IFRIC 22 applies as from 1 January 2018, though early adoption is allowed.
- Amendments to **IAS 40 - *Transfers of Investment Property*** (issued on 8 December 2016). These amendments provide clarifications on the transfer of properties to, or from, investment properties. Specifically, an entity should only reclassify a property asset to or from investment property when there is evidence of a change in use of that asset. Such change in use must be supported by a specific event occurred in the past. A change in intention by the entity’s management alone is not sufficient. These amendments apply as from 1 January 2018, though early adoption is allowed.
- **IFRIC 23 - *Uncertainty over Income Tax Treatments*** (issued on 7 June 2017). This interpretation provides guidelines how to determine the accounting tax position when there is uncertainty over income tax treatments. The interpretation requires that the uncertainty on the determination of liabilities or asset for income taxes should be recognized in the financial statements when it is probable that entity will pay or receive the amount in question. Therefore, the interpretation does not

provide any new mandatory disclosure; however, the entity should assess whether is necessary to provide disclosures on the management consideration done in relation to the uncertainty inherent to the recognition of the income taxes, in accordance with IAS 1. This interpretation apply as from 1 January 2019, though early adoption is allowed.

- Amendments to **IFRS 10 and IAS 28 - Sales or Contribution of Assets between an Investor and its Associate or Joint Venture** (issued on 11 September 2014). The purpose of these amendments was to resolve the conflict between IAS 28 and IFRS 10 concerning the measurement of profit or loss arising from transfers or assignments of a non-monetary asset to a joint venture or associate in return for its shares. The IASB has suspended the application of these amendments for the time being.

With reference to IFRS 9, IFRS 15 and IFRS 16 above, the Group is assessing the implementation criteria and impacts on the consolidated financial statements. However, it is not possible to provide an estimate of the effects until the Group has completed a detailed analysis, while referring to other detailed principles and interpretations, it is not expected that adoption will have significant impacts In assessing the Group's assets, liabilities, costs and revenues.

3. Capital and financial risk management

Details can be found in the explanatory notes to the consolidated financial statements at 31 December 2016.

4. Key accounting estimates and assumptions and disclosure of contingent assets and liabilities

The preparation of the financial statements and the related notes under IFRS has required management to make estimates and assumptions affecting the value of reported assets and liabilities and the disclosures relating to potential assets and liabilities at the balance sheet date. Actual results could differ from these estimates. Estimates are used for recording provisions for doubtful accounts and inventory obsolescence, amortization and depreciation, write-downs to assets, employee benefits, taxes and other provisions. Estimates and assumptions are reviewed periodically and the effects of any change are immediately reflected in the income statement.

5. Significant non-recurring events and transactions

<u>Acquisition of A1 Mist Sprayers Resoursces Inc. activities</u>

On January 27, the US subsidiary Valley Industries LLP (segment Pumps and High Pressure Water Jetting) acquired assets, brand and client portfolio of A1 Mist Sprayers Resources for a consideration of $ 2 million.

The acquired business generated in 2016 about $ 3 million in revenue with an EBITDA of around 20%.
The expected contribution of the new business will be lower on the Group's revenues, considering the fact that Valley was already a major supplier of A1 Mist Sprayers Resources. Most significant will be the estimated intake on profitability.

With this transaction, Valley will expand its product offering with a new range of sprayers to apply to quad, and pick up the third point of small tractors. The company will also expand its distribution network from a territorial point of view and distribution channels as well as its technical expertise on the use of the sprayer.

The fair value of assets and liabilities subject to business combination with effect of 27 January 2017, the price paid and the financial cost are detailed below:

€/000	Book values	Fair Value adjustments	Fair value of acquired assets
Non-current assets			
Tangible fixed assets	334	-	334
Intangible fixed assets	10	-	10
Current assets			
Inventories	94	-	94
Current liabilities			
Trade and other payables	(36)	-	(36)
Total net assets acquired	**402**	**-**	**402**
% interest held			**100%**
Net assets acquired			**402**
Goodwill			**1,472**
Post closing acquisition price			**1,873**
Purchase price paid			**1,780**
Deferred price			**93**

Based on the provisions of IFRS 3, the difference between the price paid and the corresponding share of equity has been allocated as goodwill given the coincidence between the fair value and book value of the merged company.

P.T.C. Waterblasting LLC capital increase

During the first half of 2017, Comet USA fully paid the share capital of the subsidiary P.T.C. Waterblasting LLC, also through conversion of intercompany loan, for $ 285 thousand, equal to about € 250 thousand.

New R&D centre

Works for the construction of the new R&D centre started in July 2016 go on, at the Parent Company Emak S.p.A., as already referred in the annual report.
As at June 30, 2017, the portion of the investment already recorded under fixed assets amounted to approximately € 1,200 thousand, compared to a total investment of € 5,500 thousand.

ERP Trasformation project

Concerning the project for the implementation of the new ERP Microsoft Dynamics 365 system in some Group's companies, it has to be highlighted that activities are proceeding according to the forecasted plans with the aim to get to "go live" within end 2018. Overall forecasted investment for the ongoing projects will amount to €2,000 thousand.

Sale of Emak S.p.A.'s shares by Yama S.p.A

As already specified in the paragraph "Main shareholders of Emak", of the Directors' report, on May 23, 2017, the major shareholder Yama S.p.A. has completed the placement of a stake of approximately 10% of Emak S.p.A.'s share capital, thus coming to hold 65.185% of Emak's share capital.

6. Segment information

IFRS 8 provides for information to be given for certain items in the financial statements on the basis of the operational segments of the company.

An operating segment is a component of a company:

a) that carries on business activities generating costs and revenues;
b) whose operating results are reviewed on a periodic basis at the highest executive levels for the purpose of taking decisions about resources to be allocated to the sector and for the evaluation of results;
c) for which separate reporting information is available.

IFRS 8 is based on the so-called "Management approach", which defines sectors exclusively on the basis of the internal organizational and reporting structure used to assess performance and allocate resources.

On the basis of the reporting and planning models adopted by the Group Management, the Group identified according to logic of the "management approach" the three operating segments, with which develops, manufactures and distributes its range of products:

- Outdoor Power Equipment (products for gardening, forestry and small agricultural equipment, such as brushcutters, lawnmowers, garden tractors, chainsaws, tillers and walking tractors);
- Pumps and High Pressure Water Jetting (diaphragm pumps intended for the agricultural sector [spraying and weeding], piston pumps for the industrial sector, professional high pressure washers and hydrodynamic units and machines for the urban cleaning);
- Components and Accessories (line and heads for brushcutters, chainsaw accessories, guns, nozzles and valves for high pressure washers and agricultural applications, precision farming such as sensors and computers, technical seats and spare parts for tractors).

The directors separately observe the results by business sector in order to make decisions about resource allocation and performance verification.

The performance of the sectors is evaluated on the basis of the measured result that is consistent with the result of the consolidated financial statements.

Below are the main economic and financial data broken down by operating segment:

	OUTDOOR POWER EQUIPMENT		PUMPS AND HIGH PRESSURE WATER JETTING		COMPONENTS AND ACCESSORIES		Other not allocated / Netting		Consolidated	
€/000	**30.06.2017**	**30.06.2016**	**30.06.2017**	**30.06.2016**	**30.06.2017**	**30.06.2016**	**30.06.2017**	**30.06.2016**	**30.06.2017**	**30.06.2016**
Sales to third parties	102,749	106,758	61,813	58,747	69,511	64,445			**234,073**	**229,950**
Intersegment sales	808	956	978	969	4,623	3,991				
Revenues from sales	103,557	107,714	62,791	59,716	74,134	68,436	- 6,409	- 5,916	**234,073**	**229,950**
Ebitda	9,134	10,523	10,304	9,543	14,301	11,802	- 1,240	- 1,641	**32,499**	**30,227**
Ebitda/Total Revenues %	*8.8%*	*9.8%*	*16.4%*	*16.0%*	*19.3%*	*17.2%*			***13.9%***	***13.1%***
Operating profit	6,335	7,214	8,804	8,157	12,488	10,002	- 1,240	- 1,641	**26,387**	**23,732**
Operating profit/Total Revenues %	*6.1%*	*6.7%*	*14.0%*	*13.7%*	*16.8%*	*14.6%*			***11.3%***	***10.3%***
Net financial expenses									**- 1,439**	**- 2,717**
Profit befor tax									**22,334**	**23,020**
Income taxes									**6,170**	**7,228**
Net profit									**16,164**	**15,792**
Net profit/Total Revenues%									***6.9%***	***6.9%***

STATEMENT OF FINANCIAL POSITION

Net debt	25,423	32,100	48,970	56,129	12,635	18,625	- 803	- 843	**86,225**	**106,011**
Shareholders' Equity	180,785	182,054	41,363	36,322	49,061	42,646	- 82,650	- 82,480	**188,559**	**178,542**
Total Shareholders' Equity and Net debt	206,208	214,154	90,333	92,451	61,696	61,271	- 83,453	- 83,323	**274,784**	**284,553**
Net non-current assets (*)	133,394	129,066	44,311	48,666	19,361	18,821	- 81,398	- 81,334	**115,668**	**115,219**
Net working capital	72,814	85,088	46,022	43,785	42,335	42,450	- 2,055	- 1,989	**159,116**	**169,334**
Total net capital employed	206,208	214,154	90,333	92,451	61,696	61,271	- 83,453	- 83,323	**274,784**	**284,553**

(*) The net non-current assets of the Outdoor Power Equipment area includes the amount of Equity investments for 81,150 thousand Euro

OTHER STATISTICS

Number of employees at period end	812	803	390	385	508	496	8	7	**1,718**	**1,691**

OTHER INFORMATIONS

Amortization, depreciation and impairment losses	2,799	3,309	1,500	1,386	1,813	1,800			**6,112**	**6,495**
Investment in property, plant and equipment and in intangible assets	3,078	3,032	1,969	2,235	2,312	1,749			**7,359**	**7,016**

For the comments of the economic part, reference should be made to chapter 2 of the Directors Report.

7. Balances or transactions arising from atypical and unusual operations

In the first half of 2017, there were no atypical and unusual transactions.

8. Net financial position

It is shown in the table below details of the net financial position, which includes the net financial debt determined according to ESMA criteria (based on the format required by Consob communication no. 6064293 of 28 July 2006):

	Net financial position	30/06/2017	31/12/2016	30/06/2016
A.	Cash and cash equivalents	39,870	32,545	37,598
B.	Other cash at bank and on hand (held-to-maturity investments)	-	-	-
C.	Financial instruments held for trading	-	-	-
D.	**Liquidity funds (A+B+C)**	**39,870**	**32,545**	**37,598**
E.	**Current financial receivables**	**8,893**	**545**	**819**
F.	Current payables to bank	(27,539)	(11,833)	(20,617)
G.	Current portion of non current indebtedness	(28,021)	(32,862)	(38,977)
H.	Other current financial debts	(8,167)	(2,469)	(2,644)
I.	**Current financial indebtness (F+G+H)**	**(63,727)**	**(47,164)**	**(62,238)**
J.	**Current financial indebtness, net (I+E+D)**	**(14,964)**	**(14,074)**	**(23,821)**
K.	Non-current payables to banks	(64,349)	(63,249)	(74,105)
L.	Bonds issued	-	-	-
M.	Other non-current financial debts	(7,665)	(12,858)	(17,552)
N.	**Non-current financial indebtness (K+L+M)**	**(72,014)**	**(76,107)**	**(91,657)**
O.	**Net indebtness (J+N)**	**(86,978)**	**(90,181)**	**(115,478)**
P.	Non current financial receivables	753	10,098	9,467
Q.	**Net financial position (O+P)**	**(86,225)**	**(80,083)**	**(106,011)**

Financial debts at 30 June 2017 include commitments for the purchase of the remaining shares held by minorities amounting to € 13,194 thousand, of which € 6,419 thousand are short-term. To guarantee current and future liabilities for the acquisition of equity interests, € 8,005 thousand have been deposited in Escrow Account of which € 7,739 thousand are included among current financial receivables.

At 30 June 2017, net financial debts include amounts receivable from related parties for the amount of € 783 thousand, of which € 486 thousand are short-term, attributable to the receivable from Yama S.p.A. for the guarantees included in the contract in favor of Emak S.p.A. as part of the so-called “Operazione Greenfield” through which Emak S.p.A. acquired in 2011 the companies Comet S.p.A., Tecomec S.r.l., Sabart S.r.l. and Raico S.r.l.

9. Revenues from sales and other operating income

Details of revenues from sales are as follows:

€/000	1 H 2017	1 H 2016
Net sales revenues (net of discounts and rebates)	232,197	227,990
Revenues from recharged transport costs	2,491	2,596
Returns	(615)	(636)
Total	**234,073**	**229,950**

Regarding the performance of the item "net sales revenues", please refer to the comments in the Directors’ report in the section on economic data analysis.

Other operating income is analyzed as follows:

€/000	1 H 2017	1 H 2016
Capital gains on property, plant and equipment	193	86
Government grants	132	66
Advertising reimbursement	189	280
Insurance refunds	152	38
Recovery of other funds	227	214
Revenues for rents	228	0
Other operative income	296	462
Total	**1,417**	**1,146**

The "Revenues for rent" refers to income from the rents of the production building located in Jiangmen (China), leased during the 2016 financial year.

10.Cost of raw materials, consumable and goods

The cost of raw materials, semi-finished products and goods is analyzed as follows:

€/000	1 H 2017	1 H 2016
Raw materials, semi-finished products and goods	123,993	114,409
Other purchases	1,684	2,683
Total	**125,677**	**117,092**

The increase in raw material costs is related to the higher turnover realized by the Group over the same period

11.Personnel expenses

Details of these costs are as follows:

€/000	1H 2017	1H 2016
Wage and salaries	26,551	26,274
Social security charges	7,937	7,689
Employee termination indemnities	1,168	1,145
Other costs	872	685
Directors' emoluments	671	880
Temporary staff	2,110	2,491
Total	**39,309**	**39,164**

12. Other operating costs and provisions

Details of these costs are as follows:

€/000	1H 2017	1H 2016
Subcontract work	6,220	6,765
Maintenance	1,875	2,024
Trasportation	9,940	9,256
Advertising and promotion	2,304	2,059
Commissions	3,323	3,209
Travel	1,727	1,533
Consulting fees	2,584	1,896
Other services	7,284	7,092
Services	**35,257**	**33,834**
Rents, rentals and the enjoyment of third party assets	**3,706**	**3,811**
Increases in provisions (note 30)	**138**	**128**
Other expanses	**1,555**	**1,611**
Total	**40,656**	**39,384**

The increase in the item "Consulting fees" relates to the costs incurred in connection with the acquisition of 83.1% of the Lavorwash Group (Paragraph 8 of Directors' report).

13. Amortization and depreciation

Details of these amounts are as follows:

€/000	1H 2017	1H 2016
Amortization of intangible assets (note 18)	1,134	1,240
Depreciaton of property, plant and equipment (note 17)	4,978	5,255
Total	**6,112**	**6,495**

The item "Depreciation of tangible assets" included in the first half of 2016 the effect of a reduction in the residual useful lives of certain buildings due to the construction of the "New R&D Center" and subsequent recognition of higher amortization

14. Financial income and expenses, exchange gain and losses

"**Financial income**" is analyzed as follows:

€/000	1H 2017	1H 2016
Income from adjustment to fair value and fixing of derived instruments for hedging interest rate risk	155	91
Interest on bank and postal current accounts	96	77
Interest on other financial assets	481	365
Other financial income	167	124
Financial income	**899**	**657**

"Other financial income" refers to interest income accrued on the escrow account with the escrow account contract part of the acquisition of company Lemasa.

"Financial expenses" are analyzed as follows:

€/000	1H 2017	1H 2016
Interest on medium-term bank loans and borrowings	872	1,332
Interest on short-term bank loans and borrowings	227	196
Costs from adjustment to fair value and fixing of derived instruments for hedging interest rate risk	99	327
Financial charges from valuing employee termination indemnities	54	77
Financial expenses from discounting debts	827	956
Other financial costs	259	486
Financial expenses	**2,338**	**3,374**

Financial expenses from discounting debts refer to charges due to the discounting on liabilities for the acquisition of equity investments.

In the first half of the previous year, the item "Other financial costs" included € 360 thousand for the amount paid in settlement of the pro-rata price for the purchase of the investment in the subsidiary S.I.Agro Mexico, following the best results achieved by it in the course of 2015.

The breakdown of "**exchange gains and losses**" is as follows:

€/000	1H 2017	1H 2016
Profit / (Loss) on exchange differences on trade transactions	(1,690)	(433)
Profit / (Loss) on exchange differences on financial transactions	(1,025)	2,438
Exchange gains and losses	**(2,715)**	**2,005**

The item "**Profit / (Loss) on exchange differences on financial transactions**" in the first half of the previous year included gains on unrealized foreign exchange gains of € 1,593 thousand arising from the conversion to the end of period of the loan granted in Euro by Comet S.p.A. to Comet do Brasil. This loan, amounted to € 9,240 thousand, was converted into share capital during the year 2016.

"Income from investments revaluation in associated companies" amounting to € 101 thousand, refers to the result of the equity valuation of the associated company Cifarelli S.p.A.

15. Income taxes

The estimated charge for current tax and changes in deferred tax assets and liabilities in the first half of 2017 is € 6,170 thousand (€ 7,228 thousand in the corresponding prior year period) equal to a taxation of 27.6%, decreased compared to the 31.4% for the same period in the previous financial year.

The fiscal incidence of the half-year, compared with the first half of the previous year, is affected by the 24% reduction in the IRES tax rate for Italian companies. On the tax rate for the period, however, had a negative impact non-recognition of deferred tax assets on tax loss of about 0.8% effect.

Income taxes include a gain of € 750 thousand, recorded following the successful completion of an advance tax ruling that allowed the recognition of previous ACE tax benefits related to previous fiscal years.

16. Earnings per share

"Basic" earnings per share are calculated by dividing the net profit for the period attributable to the Parent company's shareholders by the weighted average number of ordinary shares outstanding during the period, excluding the average number of ordinary shares purchased or held by the Parent company as treasury shares. The Parent company has only ordinary shares outstanding.

	1H 2017	1H 2016
Net profit attributable to ordinary shareholders in the parent company (€/1.000)	15,946	15,671
Weighted average number of ordinary shares outstanding	163,537,602	163,537,602
Basic earnings per share (€)	**0.098**	**0.096**

Diluted earnings per share are the same as basic earnings per share.

17. Property, plant and equipment

Changes in property, plant and equipment are shown below:

€/000	31.12.2016	Change in scope of consolidation	Increase	Decrease	Reclassification	Exchange difference	30.06.2017
Land and buildings	46,018	232	181		400	(569)	46,262
Accumulated depreciation	(17,437)		(611)			141	(17,907)
Land and buildings	**28,581**	**232**	**(430)**	**0**	**400**	**(428)**	**28,355**
Plant and machinery	85,007	96	2,274	(1,382)	1,336	(1,382)	85,949
Accumulated depreciation	(65,856)		(2,223)	909		886	(66,284)
Plant and machinery	**19,151**	**96**	**51**	**(473)**	**1,336**	**(496)**	**19,665**
Other assets	97,035	6	1,645	(473)	348	(636)	97,925
Accumulated depreciation	(85,865)		(2,144)	473	30	528	(86,978)
Other assets	**11,170**	**6**	**(499)**	**0**	**378**	**(108)**	**10,947**
Advances and fixed assets in progress	**2,749**		**2,206**	**0**	**(2,114)**	**(48)**	**2,793**
Cost	**230,809**	**334**	**6,306**	**(1,855)**	**(30)**	**(2,635)**	**232,929**
Accumulated depreciation (note 13)	**(169,158)**	**0**	**(4,978)**	**1,382**	**30**	**1,555**	**(171,169)**
Net book value	**61,651**	**334**	**1,328**	**(473)**	**0**	**(1,080)**	**61,760**

18. Intangible assets

Intangible assets report the following changes:

€/000	31.12.2016	Change in scope of consolidation	Increases	Amortizations	Reclassification	Exchange difference	30.06.2017
Development costs	554	0	11	(134)	25	0	456
Patents and intellectual property rights	2,744	0	450	(565)	11	(8)	2,632
Concessions, licences and trademarks	841	0	6	(10)	0	(69)	768
Other intangible assets	3,507	10	29	(425)	0	(149)	2,972
Advances and fixed assets in progress	734	0	557	0	(36)	0	1,255
Net book value (note 13)	8,380	10	1,053	(1,134)	0	(226)	8,083

19.Goodwill

The goodwill of € 51,493 thousand reported at June 30, 2017 is detailed below:

€/000	31.12.2016	Change in scope of consolidation	Exchance difference	30.06.2017
Goodwill from the acquisition of Victus-Emak Sp. z o.o.	845	-	37	882
Goodwill from the acquisition of the company branch Victus IT	4,673	-	204	4,877
Goodwill of Bertolini S.p.A.	2,074	-	-	2,074
Goodwill from the acquisition of Tailong Machinery Ltd.	2,859	-	(154)	2,705
Goodwill from the acquisition of Tecomec Group	2,807	-	-	2,807
Goodwill from the acquisition of Comet Group	2,279	-	-	2,279
Goodwill from the acquisition of Speed France	2,854	-	-	2,854
Goodwill of HPP S.r.l.	1,974	-	-	1,974
Goodwill from transfer of the business PTC	360	-	-	360
Goodwill from the acquisition of Master Fluid	523	-	-	523
Goodwill from the acquisition of Valley LLP	12,333	-	(941)	11,392
Goodwill from the acquisition of Geoline Eletctronic S.r.l.	2,088	-	-	2,088
Goodwill from the acquisition of S.I.Agro Mexico	634	-	-	634
Goodwill from the acquisition of Lemasa Ltda	15,585	-	(1,272)	14,313
Goodwill from the acquisition of Acquatecnica S.r.l.	353	-	-	353
Goodwill from the acquisition of A1	-	1,472	(95)	1,377
Total	**52,241**	**1,472**	**(2,220)**	**51,493**

- Goodwill on the purchase of Victus-Emak Sp. Z.o.o. for € 882 thousand relates to the difference between the acquisition price for 100% of the company regulated by Polish law, Victus-Emak Sp. Z.o.o., and its equity at the date of acquisition, while an amount of € 4,877 thousand relates to the acquisition of the company branch of Victus International Trading SA. Both acquisitions were finalized in 2005.

- Goodwill of € 2,074 thousand refers to the positive difference arising from the acquisition from the parent company Yama S.p.A. and further to the absorption of the company Bertolini S.p.A into Emak S.p.A. in 2008.

- The amount of € 2,705 thousand refers to the greater value emerging from the acquisition, from the Yama Group, of 100% of the company regulated by Chinese law, Tailong (Zhuhai) Machinery Manufacturing Equipment Ltd., made in 2008.

- Goodwill relating to the acquisition of the Tecomec Group, the Comet Group and of the Speed France Group on the part of Tecomec S.r.l respectively for € 2,807 thousand, € 2,279 thousand and € 2,854 thousand arise from the Greenfield Operation (for details on the operation, reference should be made to to note 20 in the Explanatory Notes to the annual financial report 2011).

- The amount of € 1,974 thousand relates to the positive difference emerged following the acquisition and subsequent merger by incorporation of the company HPP in Comet S.p.A.

- The amount of € 360 thousand relates to the goodwill of a business unit contributed by non controlling interests in PTC S.r.l., a Comet Group company.

- The amount of € 523 thousand refers to the positive difference emerged following the acquisition by P.T.C. Srl, a company controlled by the subsidiary Comet S.p.A., of 80.5% of Master Fluid S.r.l company

- The amount of € 11,392 thousand relates to the positive difference arising on the acquisition of Valley LLP, a company belonging to Comet Group.

- The amount of € 2,088 thousand relates to the positive difference emerged following the acquisition by Tecomec Group of 51% of Geoline Electronic S.r.l.

- The amount of € 634 thousand relates to the positive difference emerged following the acquisition of S.I. Agro Mexico, company in which Comet Group increased its shareholding from 30% to 85% of share capital during the year 2014.

- The amount of € 14,313 thousand refers to the goodwill recorded with relation to the acquisition of Lemasa. At 31 December 2016 the impairment procedure revealed a partial loss of value of goodwill for € 4,811 thousand. The original value of goodwill was determined on the basis of an acquisition price of the company that will vary based on its economic and financial results.

- The amount of € 353 thousand relates to the positive difference emerged following the acquisition and subsequent merger by incorporation of the company Acquatecnica S.r.l. in P.T.C. S.r.l., finalized in the 2016.

- The amount of € 1,377 thousand refers to the goodwill arising from the acquisition of the A1 Mist Sprayers Resources Inc business unit in the first months of 2017.

Since there were no particular elements arising during the half-year which may imply the non-recoverability of the recorded values, no impairment tests were carried out at 30 June 2017.

20.Investments in associates

"Investments in associates" amounting to € 3,996 thousand, refers to the proportionate interest in the value of the Group in the company Cifarelli S.p.A., obtained by applying the equity method. The associate is included in the scope of consolidation as of October 1, 2016. Respect 31 December 2016, the value of acquisition was adjusted to to € 101 thousand, recorded under the Income Statement "Income from equity investments revaluation in associated companies", net of dividends received by the same for € 60 thousand.

21. Other financial assets

Other financial assets amount to € 753 thousand, which is non-current portion, and € 8,782 thousand as current portion and refer mainly to:

- a total of € 8,005 thousand, of which € 266 thousand as non-current portion, corresponding to the sum paid by Comet do Brasil LTDA, through an escrow account, as part of the purchase of the company's equity investments Lemasa. The current portion, amounting to € 7,739 thousand, is deposited for the payment of deferred acquisition price; the non-current portion, equivalent to 1 million Reais, is to guarantee any potential liabilities that would arise after the deferred price payment. During the first half of 2017, the escrow account was released to Comet do Brasil for a value of 3,000 thousand Reais in compliance with the agreements governing the operation.

- an amount of € 783 thousand, of which € 297 thousand as non-current portion and € 486 thousand as current portion, of the receivable due from the parent company, Yama S.p.A., by way of the reinstatement of equity recognized by Yama to the Group in relation to costs sustained by a number of companies and relating to the period in which Yama S.p.A. exercised control over them. The right emerges from agreements and guarantees issued upon the transfer of the affiliated companies and led to the recognition of an overall equity reinstatement of € 1,237 thousand, of which € 474 thousand have already be settled.
- -An amount of € 532 thousand, entered under current financial assets, relating to temporary liquidity investments.

22. Derivative financial instruments

The financial statements values relate to changes in the fair value of financial instruments for:
- hedging purchases in foreign currency;
- hedging the risk of changes in interest rates on loans.

All derivative financial instruments belonging to this heading are valued at fair value at the second hierarchical level, that is, the estimate of their fair value has been carried out using variables other than prices quoted in active markets and which are observable (on the market) either directly (prices) or indirectly (derived from prices).

In the case in point, the fair value recorded is equal to the “market to market” estimation provided by independent sources, which represents the current market value of each contract calculated at the date at the closing date of the Financial Statements.

Accounting for the underexposed instruments is at fair value. According to the IFRS principles these effects were accounted in the income statement of the current year.
The current value of these contracts at June 30, 2017 is shown as follows:

€/000	**30.06.2017**	**31.12.2016**
Positive *fair value* assesment exchange rate hedge	96	77
Positive *fair value* assesment IRS and interest rate options	15	-
Total derivative financial instrument	**111**	**77**
Negative *fair value* assesment exchange rate hedge	334	91
Negative *fair value* assesment exchange options contracts	78	-
Negative fair value assesment IRS and interest rate options	176	303
Total derivative financial instrument liabilities	**588**	**394**

At June 30, 2017 appear outstanding purchases/sales of foreign currencies with forward contracts for:

Currencies	Company	Currency	Nominal value (€/000)	Exchange rate (average)	Due to (*)
Forward contrats for foreign currencies purchases					
Cnh/Euro	Emak S.p.A.	Cnh	31,000	7.63	22/09/2017
Euro/Gbp	Emak UK Ltd.	€	1,200	0.85	29/12/2017
Euro/Pln	Victus-Emak S.p. Z.o.o.	€	2,750	4.31	04/10/2017
Usd/Pln	Victus-Emak S.p. Z.o.o.	Usd	150	3.97	28/08/2017
Usd/Euro	Sabart S.r.l.	Usd	2,883	1.10	29/12/2017
Usd/Euro	Emak France Sas	Usd	700	1.09	30/09/2017
Yen/Euro	Emak France Sas	Yen	20,000	120.08	31/12/2017
Euro/Mxn	S.I. Agro Mexico	€	1,949	21.62	31/05/2018
Euro/Usd	Comet USA Inc	€	1,200	1.09	22/12/2017
Forward contrats for foreign currencies sales					
Pln/Euro	Emak S.p.A.	Pln	2,000	4.29	30/11/2017
Options for foreign currencies purchases					
Cnh/Euro	Emak S.p.A.	Cnh	30,000	7.77	11/12/2017

(*) The expiry date is indicative of the last contract

Finally, on June 30, 2017 IRS contracts and options on interest rates are also in force, with the aim of covering the risk of variability of interest rates on loans.

The Parent company Emak S.p.A. and the subsidiaries Tecomec S.r.l., Comet S.p.A. and Comet USA Inc. have signed IRS contracts and options on interest rates for a total notional value of € 27,532 thousand; the expiration of the instruments is so detailed:

Bank	Company	Notional Euro (€/000)	Date of the operation	Due to
Banca Popolare di Verona	Emak S.p.A.	280	28/03/2013	30/09/2017
UniCredit	Emak S.p.A.	750	22/05/2013	31/03/2018
Banca Popolare Comm. Industria	Emak S.p.A.	2,500	30/06/2015	31/12/2019
Carisbo	Emak S.p.A.	1,667	24/09/2015	12/06/2020
Mediobanca	Emak S.p.A.	4,375	24/09/2015	31/12/2020
Banca Monte dei Paschi di Siena	Emak S.p.A.	2,625	24/09/2015	31/12/2020
UniCredit	Comet S.p.A.	900	22/05/2013	29/03/2018
UniCredit	Comet S.p.A.	4,533	06/08/2015	20/03/2020
Banca Nazionale del Lavoro	Comet S.p.A.	2,133	06/08/2015	20/03/2020
Carisbo	Comet S.p.A.	1,667	24/09/2015	12/06/2020
UniCredit	Tecomec S.r.l.	136	11/04/2012	31/07/2017
Carisbo	Tecomec S.r.l.	1,667	24/09/2015	12/06/2020
MPS	Tecomec S.r.l.	1,750	24/09/2015	31/12/2020
Intesa San Paolo	Comet USA Inc	2,549	27/02/2013	19/02/2019
Total		**27,532**		

The average interest rate resulting from the instruments is equal to 0.39%.

All contracts, although having the purpose and characteristics of a hedging strategy, do not respect the rules to be formally recognized as such, so all changes in fair value are expensed in the income statement of the period.

Derivative contracts on interest rate and currency stipulated to hedge future cash flows associated with investments and which meet the requirements of IAS 39 are recognized according to the criteria of "hedge accounting".

23. Trade and other receivables

€/000	30.06.2017	31.12.2016
Trade receivables	116,089	96,728
Provision for doubtful accounts	(4,860)	(4,676)
Net trade receivables	**111,229**	**92,052**
Trade receivables from related parties (note 35)	584	628
Prepaid expenses and accrued income	1,922	1,132
Other receivables	4,119	3,128
Total current portion	**117,854**	**96,940**
Other non current receivables	61	63
Total non current portion	**61**	**63**

The item "**Other short-term receivables**" includes an amount of € 1,182 thousand, € 1,053 thousand at 31 December 2016, for receivables of certain the Parent company and some Group companies towards the controlling company Yama S.p.A., emerging from the relationships that govern the tax consolidation in which they participate, of which € 456 thousand relating to tax reimbursements accrued by some group companies in 2012 in order to obtain the tax benefit associated with the deductibility of IRAP relating to personnel costs, for employees and other workers, from taxable IRES, as per Article 2, paragraph 1-c of the Decree-law no. 201/2011, and of which € 726 thousand relating to the tax benefits accrued by a Emak S.p.A. and transferred as part of the consolidation contract.

All non-current receivables mature within five years.

24. Inventories

Inventories are detailed as follows:

€/000	30.06.2017	31.12.2016
Raw, ancillary and consumable materials	35,613	35,566
Work in progress and semi-finished products	20,604	21,232
Finished products and goods	71,759	70,564
Total	**127,976**	**127,362**

Inventories at June 30 2017 are stated net of provisions amounting to € 6,950 thousand (€ 6,578 thousand at December 31 2016) intended to align the obsolete and slow moving items to their estimated realizable value. The inventories provision is an estimate of the loss in value expected by the Group, calculated on the basis of past experience, historic trends and market expectations.

25. Equity

Share capital
Share capital is fully paid up at 30 June 2017 and amounts to € 42,623 thousand, remaining unchanged during the year under examination, and it consists of 163,934,835 ordinary shares of par value € 0.26 each.
The value of the share capital shown net of the value of treasury shares amounts to € 42,519 thousand.
All shares have been fully paid.

Treasury shares
The adjustment of the share capital for purchase of treasury shares, equal to € 104 thousand, represents the nominal value of treasury shares held at June 30, 2017.
As for the sale and purchase of shares made during the period, please refer to the appropriate section of the Directors' Report.

Dividends
On 28 April 2017 the Shareholders' Meeting resolved the distribution of dividends relating to the 2016 financial year for a total of € 5,724 thousand, these dividends have been fully paid in June 2017.

The total dividends distributed by the Emak Group for € 5,815 thousand include the dividends of the minority shareholders of the subsidiaries (Spain and South Africa).

Share premium reserve
At 30 June 2017, the share premium reserve amounts to € 40,529 thousand, and consists of premiums on newly issued shares, net of share premium treasury shares held at June 30, 2017 amounted to € 1,925 thousand. The reserve is shown net of charges related to the capital increase amounted to € 1,598 thousand and adjusted for the related tax effect of € 501 thousand.

Legal reserve
The legal reserve at June 30 2017 of € 3,060 thousand (€2,709 thousand at December 31 2016).

Revaluation reserve
At 30 June 2017 the revaluation reserve includes the reserves deriving from the revaluation as per Law 72/83 for € 371 thousand and as per Law 413/91 for € 767 thousand. No changes occurred during the period.

Reserve for translation differences
At 30 June 2017 the reserve for translation differences for a positive amount of € 3,261 thousand is entirely attributable to the differences generated from the translation of balances into the Group's reporting currency

Reserve IAS 19
At 30 June 2017 the IAS 19 reserve is equal a negative amount of € 968 thousand, for the actuarial valuation difference of post-employment benefits to employees.

Other reserves
At 30 June 2017 Other reserves include:
- the extraordinary reserve, amounts to € 27,088 thousand, inclusive of all allocations of earnings in prior years;
- the reserves qualifying for tax relief refer to tax provisions for grants and donations for € 129 thousand;
- the reserves for merger surpluses for € 3,561 thousand;
- the reserves from capital grants deriving from the merger of Bertolini S.p.A. for € 122 thousand.

26. Trade and other payables

€/000	30.06.2017	31.12.2016
Trade payables	62,272	59,720
Payables due to related parties (note 35)	1,774	1,553
Payables due to staff and social security institution	12,113	9,779
Advances from customers	2,579	2,741
Accrued expense and deffered income	310	225
Other payables	5,470	3,831
Total	**84,518**	**77,849**

The increase of the item "**Payables due to staff and social security institution**" is linked to the time effect of the thirteenth salary and holidays accrued but not taken.

The item "**Other payables**" includes € 4,216 thousand, compared with € 1,872 thousand at 31 December 2016, for current IRES tax liabilities recorded by some companies of the Group towards the parent company Yama S.p.A. and arising from the relationships that govern the consolidated tax return, according to art. 117 and following of the Presidential Decree n. 917/1986, to which the same participating.

27. Loans and borrowings

Details of **short-term loans and borrowings** are as follows:

€/000	30.06.2017	31.12.2016
Bank loans	37,295	38,841
Overdrafts	18,030	5,525
Liabilities for purchase of equity investments	6,775	1,559
Financial accrued expense and deffered income	236	329
Other loans	803	516
Total current portion	**63,139**	**46,770**

The carrying amount of short-term loans approximates their current value.

The item “**Liabilities for purchase of equity investments**” refers to:

- € 5,247 thousand, corresponding to approximately 19,731 thousand Reais, related to the discounted deferred price for the purchase of 70% of the company Lemasa to be payed to the selling shareholder of Lemasa. This debt represents the best estimate of the future outflow of the deferred price that may be subject to changes on the basis of the performance of certain economic and financial parameters set in the purchase agreement.
- € 1,440 thousand, to the residual discounted debt to the shareholder of the transferor company Valley Industries LLP following the agreement of "Put and Call Option Agreement" to purchase the remaining 10%. The exercise of this option was concurrently extended to 2018 as compared to the original 2017 expiry date.
- € 88 thousand to the residual debt value for the purchase of the A1 Mist Sprayers Resources Inc business unit.

Details of **long-term loans and borrowings** are as follows:

€/000	**30.06.2017**	**31.12.2016**
Bank loans	64,349	63,250
Liabilities for purchase of equity investments	6,419	11,976
Other loans	1,246	881
Total non current portion	**72,014**	**76,107**

The items "**Liabilities for purchase of equity investments**" includes:

- € 6,214 thousand, corresponding to approximately 23,364 thousand Reais on the remaining debt actualized to the selling shareholder of company Lemasa following the "Put and Call Option Agreement" for purchase the remaining 30% of the company to be exercised by 2020. Also this debt may also be subject to changes on the basis of certain economic and financial parameters set forth in the Put and Call Option contract;
- € 205 thousand relating to the residual debt actualized to the selling shareholder of the company PTC S.r.l. following the agreement of "Put and Call Option Agreement" to purchase the remaining 10% of the company to be exercised in 2019.

The item “**Other loans**” includes € 1,231 thousand, refers to the granting at the parent company Emak S.p.A. of a subsidized loan on the part of Simest S.p.A. in accordance with Law 133/08, through which, the Italian companies, are assisted in their internationalization process through loans at preferential interest rates.

There are no outstanding loans for over 5 years at June 30, 2017.

Some medium-long term loans are subject to financial covenants, on the basis of the debt/EBITDA and debt/Equity ratios consolidated at year-end; no constraint of compliance with financial covenant applies to 30 June 2017.

28. Tax assets and liabilities

Deferred tax assets are detailed below:

€/000	30.06.2017	31.12.2016
Deffered tax on impairment of assets	398	432
Reversal of unrealized intercompany gains	2,046	1,994
Provision for inventory obsolescence	1,444	1,365
Losses in past financial periods	770	988
Provisions for bad debts	356	359
Other deferred tax assets	2,266	2,232
Total	**7,280**	**7,370**

The exploitation of residual past tax losses is of limited duration.

Deferred tax liabilities are detailed below:

€/000	30.06.2017	31.12.2016
Deffered tax on property IAS 17	1,185	1,199
Deffered tax on depreciations	3,224	3,385
Other deferred tax liabilities	1,690	1,807
Total	**6,099**	**6,391**

Other deferred tax liabilities refers mainly to revenues that will be fiscally recognized in future financial periods.

"**Current tax assets**" amount to € 4,270 thousand at June 30 2017, compared with € 4,791 thousand at 31 December 2016, and they refer to VAT credits, surplus payments on account of direct tax and other tax assets. The item also includes an amount of € 855 thousand as tax assets -ex Law 201/2011 and ex Legal Decree 185/2009- requested for reimbursement by Emak S.p.A. and Comag S.r.l. in previous years and an amount of € 346 thousand as receivables for "ACE" reimbursements for the three-year period 2011-2013 required at the end of the 2016 financial year.

"**Current tax liabilities**" amount to € 5,615 thousand at 30 June 2017 compared with € 4,184 at 31 December 2016, and refer to payables for direct tax for the period, to VAT liabilities and withholding taxes.

A number of Group companies participate in the tax consolidation submitted by the parent company, Yama S.p.A., as per arts. 117 and following of Presidential Decree no. 917/1986: current IRES taxes payable by these companies are accounted for in the heading "Other payables".

29. Employee benefits

Liabilities refer mainly to amounts payable for employment termination indemnity falling due at the end of employees' working life, equal to € 8,254 thousand.
The valuation of the indemnity leaving fund (TFR) at the closing date, carried out according to the nominal debt method in force would be € 8,002 thousand.

The principal economic and financial assumptions used to calculate the fund are the same as those used at the close of the 2016 financial year.

30. Provisions for risks and charges

Movements in these provisions are detailed below:

€/000	31.12.2016	Increase	Decrease	Exchange differences	30.06.2017
Provisions for agents' termination indemnity	1,468	74			1,542
Other provisions	98			(7)	91
Total non current portion	**1,566**	**74**	**0**	**(7)**	**1,633**
Provisions for products warranties	480	23		2	505
Other provisions	957	48	(659)	0	346
Total current portion	**1,437**	**71**	**(659)**	**2**	**851**

The provision for agents' termination indemnity is calculated on the basis of agency relationships in force at the close of the financial year. It refers to the probable indemnity accrued to agents at 30 June 2017.

Other non-current provisions are related to:
- € 25 thousand in legal costs to be incurred in respect of a tax dispute for IRES, IRAP and VAT relating to the 1999 to 2006 financial years. On the basis of the favorable outcome of the previous grades, it is foreseen that the dispute will be concluded without any disbursement for the Group.
- € 66 thousand against possible liabilities impending on society Lemasa.

The "Other provisions", for the current part, refers to the best possible estimation of probable liabilities, details of which are given below:

- some objections concerning various disputes and future charges for about € 173 thousand;
- charges related to administrative penalties that may be charged to the Group for about € 81 thousand;
- costs of € 67 thousand for defense costs set aside for tax audits, of which € 34 thousand estimated in face of a tax audit, concluded in May 2017 at Comet S.p.A., regarding direct and indirect taxes for the years 2014-2015. The outcome of the audits resulted only issues concerning the transfer prices applied to sales of products to foreign subsidiaries Comet USA Inc. and Comet France S.A.S.. The total disputed tax amounts for the two years, about € 1.1 million, corresponding to higher IRES and IRAP taxes for a total amount of € 359 thousand plus interest. No sanctions are foreseen in any measure, pursuant to art. 1, paragraph 2-ter, Legislative Decree 471/97, which applies to the present case and which determines the so-called "penalty protection" for Comet. At the current state it has been issued against Comet Verbal Process Statement (PVC) containing the illustrated pads. The Company, which is under review, has reaffirmed and justified its correct operation and will assert its arguments against the evaluations provided by verifiers at all appropriate locations;
- reimbursement of deductibles on claims for product liability for € 17 thousand.
- Provisions for € 8 thousand for the higher IRES that may be due to a tax litigation against Comet S.p.A., emerging from a revision of the Tax Authorities concluded in 2012 for the 2010 tax period. The contested appeals concern IRES and IRAP for approximately 70 thousand Euros, in addition to interest. The company is waiting for the definition on appeal after seeing accommodate the partial action for some of the reliefs.

The reduction of the item "Other Funds", amounting to € 571 thousand, results from the definition of a tax dispute arising against the Parent Company, as a result of the Tax Authorities on years 2008, 2009 and 2010 based on disputes in Transfer pricing theme.
The dispute closed with judicial conciliation, to which EMAK admitted, while fully convinced of the correctness of its action, for a contest of considerations concerning:
- the offer of reduction of the tax claim, in respect of those reliefs which appeared to the weakly motivated also to the Authority;
- the opportunity for Emak to close a passive position anyhow problematic, expensive, and uncertain to define;
- the prospect for Emak to obtain repayment of large tax credits, pacificly due and blocked by the Authority under law, due to the recurrence of unspecified disputes on transfer pricing.

The reconciliation led to the recognition of higher taxes already accrued in previous years for € 571 thousand and interest for € 136 thousand. The payment, which took place in March 2017, was carried out net of what was already provisionally paid, amounting to € 326 thousand, while awaiting for judgement.

31. Other non-current liabilities

The entire amount of € 628 thousand, € 668 thousand at 31 December 2016, refers to the deferred income relating to capital grants received pursuant to Law 488/92 by Comag S.r.l. and allocated to subsequent financial periods. The part of the grant receivable within a year is recorded in current liabilities under accrued expenses and deferred income and amounts to € 88 thousand.

32. Potential liabilities

The Company does not have further litigation on 30 June 2017 with respect to those already mentioned in these notes.

33.Information on financial risks

The Group is exposed to a variety of financial risks associated with its business activities:
- credit risk, regarding both normal commercial relations and to financing activities;
- liquidity risk, with particular reference to the availability of financial resources and to access to the credit market;
- market risks, with particular reference to exchange and interest rates, since the Group operates at an international level in different currencies and uses financial instruments that generate interest.

The Emak Group constantly monitors the financial risks to which it is exposed, so as to minimize potential negative effects on financial results.

The Group's exposure to financial risks, also considering the change in the scope of consolidation, has not undergone significant changes compared to 31 December 2016.

34. Commitments

Fixed asset purchases

The Group has no significant commitments for the purchase of fixed assets except for the ongoing investments for the new parent company's R & D center and the implementation of the new ERP system in some Group companies (for further details please refer to the note 5).

Purchases of additional shares of equity

Please note that with respect to shares held directly or indirectly by the Parent Company Emak S.p.A. the following contractual agreements are in force:
- a Put and Call option is contained in the contract for the acquisition of the subsidiary, Valley Industries LLP, for the remaining 10% of the share capital in favor of the trust Savage Investments. The exercise of this option was concurrently extended to 2018 as compared to the original 2017 expiry date;
- the subsidiary, Comet S.p.A., as part of the contract for the acquisition of the Maxican company, S.I.Agro Mexico, has entered into a supplementary agreement that provides for a call option in favor of Comet for the acquisition of the remaining 15% of the share capital, to be exercised in 2019;
- in the contract to acquire the subsidiary Lemasa LTDA, owned by Comet do Brasil with a share of 70%, there is an agreement of "Put and Call Option" that regulates the purchase of the remaining 30% to be exercised between April 1 2020 and April 1, 2021;
- the subsidiary Comet S.p.A. has in place an agreement providing for a put and call option to purchase the remaining 10% of PTC S.r.l. to be exercised in 2020.

35. Related party transactions

The transactions entered into with related parties by the Emak Group in the first half of 2017 mainly relate to two different types of usual nature relations, within the ordinary course of business, adjusted to market conditions and with the parent Yama S.p.A. and certain subsidiary companies.

It is in first place for the exchange of goods and provision of services of industrial and real estate activities. Among the companies under the direct control of Yama, some have provided during the first half 2017 to the Emak Group components, materials of production, as well as the leasing of industrial surfaces. On the other hand, certain companies of Yama Group bought from Emak Group products for the completion of their respective range of commercial offer. The conduct of these operations is responding to a compelling logic and industrial and commercial purposes.

Secondly, financial and usual correlations arise from the participation of Emak S.p.A. and of the subsidiaries Comet S.p.A., Tecomec S.r.l., Sabart S.r.l. and Raico S.r.l. to the tax consolidation under Articles. 117 et seq., Tax Code, which involves Yama, as consolidating company. The criteria and procedures for the settlement of such transactions are established and formalized in agreements of consolidation, based on the principle of equal treatment between participants.

A further area of relationships with "other related parties" is derived from the performance of professional services for legal and fiscal nature, provided by entities subject to significant influence of certain directors.

The nature and extent of the usual and commercial operations described above is shown in the following two tables.

Related parties (€/000)	Revenues from sales	Trade receivables	Other receivables for tax consolidation	Total trade and other receivables	Financial revenues	Current financial assets	Non current financial assets
SG Agro D.o.o.	366	163	0	**163**	0	0	0
Euro Reflex D.o.o.	316	314	0	**314**	0	0	0
Garmec S.p.A.	83	68	0	**68**	0	0	0
Mac Sardegna S.r.l.	124	28	0	**28**	0	0	0
Selettra S.r.l.	1	1	0	**1**	0	0	0
Yama S.p.A.	0	6	1,182	**1,188**	6	486	297
Cifarelli S.p.A.	50	4	0	**4**	0	0	0
Total	**940**	**584**	**1,182**	**1,766**	**6**	**486**	**297**

Related parties (€/000)	Purchase of raw materials and finished products	Other costs	Trade payables	Other payables for tax consolidation	Total trade and other payables
SG Agro D.o.o.	9	0	0	0	**0**
Cofima S.r.l.	460	368	606	0	**606**
Euro Reflex D.o.o.	903	20	402	0	**402**
Garmec S.p.A.	4	16	16	0	**16**
Mac Sardegna S.r.l.	0	2	2	0	**2**
Selettra S.r.l.	214	0	160	0	**160**
Yama Immobiliare S.r.l.	0	914	1	0	**1**
Yama S.p.A.	0	0	0	4,216	**4,216**
Cifarelli S.p.A.	820	0	447	0	**447**
Other related parties	0	288	140	0	**140**
Total	**2,410**	**1,608**	**1,774**	**4,216**	**5,990**

The amount of outstanding balances with related parties relating to the fiscal consolidation are exposed to notes 23 and 26.

As regards relations with the parent company's corporate bodies, is summarized the following economic reports at 30 June 2017:
- Board of Directors for € 218 thousand (included in personnel costs);
- Statutory Auditors for € 36 thousand (included in Cost of services).

36. Subsequent events

For the description of subsequent events please refer to the paragraph 8 of the Directors’ report.

Declaration on the half year report in accordance whit Article 154-bis, paragraph 2 of Legislative Decree no. 58/1998 (Testo Unico della Finanza)

1. We, the undersigned, Fausto Bellamico, as President and Chief Executive Officer, and Aimone Burani, the latter also in his position as Financial Reporting Officer of the company Emak S.p.A. affirm, taking account of the provisions of art. 154-bis, paragraphs 3 and 4, of legislative decree 24 February 1998, n. 58:

- the suitability, with reference to the nature of the company, and
- the effective application,

of administrative and accounting procedures for the preparation of the individual financial statements and the consolidated financial statements for the financial period 1 January 2017 - 30 June 2017.

No significant elements have emerged with reference to point 1 above.

2. It is hereby declared, moreover, that:

2.1 The abbreviated half-year accounts:

a) have been drawn up in compliance with applicable international accounting principles recognized by the European Community in accordance with (EC) regulation no. 1606/2002 issued by the European Parliament and Council on 19 July 2002;

b) correspond to the accounting records and entries;

c) are appropriate for giving a true and fair view of the assets, liabilities, economic and financial situation of the issuer and of the companies included in the consolidation.

2.2 The intermediate directors' report contains references to significant events that have occurred in the first six months of the financial period and their effect on the abbreviated half-year accounts, together with a description of the main risks and uncertainties for the remaining six months of the financial period.
The intermediate directors' report contains, as well, information regarding significant operations with related parties.

Date: 4 August 2017

President and Chief Executive Officer

Fausto Bellamico

The executive in charge of preparing the accounting statements

Aimone Burani

Deloitte.

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REPORT ON REVIEW OF THE HALF-YEARLY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of
Emak S.p.A.

Introduction

We have reviewed the accompanying half-yearly condensed consolidated financial statements of EMAK S.p.A. and subsidiaries (the "EMAK Group"), which comprise the statement of financial position as of June 30, 2017 and the income statement, statement of comprehensive income, statement of changes in equity and cash flow statement for the six month period then ended, and a summary of significant accounting policies and other explanatory notes. The Directors are responsible for the preparation of the half-yearly condensed consolidated financial statements in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on the half-yearly condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with the criteria recommended by the Italian Regulatory Commission for Companies and the Stock Exchange ("Consob") for the review of the half-yearly financial statements under Resolution n° 10867 of July 31, 1997. A review of half-yearly condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying half-yearly condensed consolidated financial statements of the EMAK Group as at June 30, 2017 are not prepared, in all material respects, in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as adopted by the European Union.

DELOITTE & TOUCHE S.p.A.

Signed by
Domenico Farioli
Partner

Parma, Italy
August 4, 2017

This report has been translated into the English language solely for the convenience of international readers.