

## PRESS RELEASE

### BOARD OF DIRECTORS OF ELICA S.P.A. APPROVE INTERIM QUARTERLY REPORT AT MARCH 31, 2010

#### Consolidated results Q1 2010 (January-March 2010)

- **Revenues:** Euro 88.1 million (Euro 82.3 million in 2009), an increase of 7%;
- **EBITDA:** Euro 6.4 million (Euro 4.4 million in 2009), an increase of 48%;
- **EBIT:** Euro 2.3 million (Euro 0.2 million in 2009);
- **Group net profit:** Euro 1.5 million (Euro 2.0 million in 2009);
- **Net Debt: Euro 24.6 million**, compared to Euro 22.9 million at December 31, 2009 and Euro 36.8 million at March 31, 2009.

**Fabriano, May 13, 2010** – The Board of Directors of **Elica S.p.A.**, the parent company of a Group that is the leading manufacturer of kitchen range hoods, has approved the **Interim Report at March 31, 2010**, prepared in accordance with IFRS.

#### **Consolidated revenues – Q1 2010**

In the first quarter of 2010, the Elica Group **consolidated revenues** amounted to **Euro 88.1 million, an increase of 7.0%** on the same period of the previous year. Revenues outperformed the world range-hood market recovery, with growth of 4,9%<sup>1</sup> as was the case for the home appliances sector. Sales volumes were the principal revenue growth driver for the two Business Units and the various geographic regions.

**The range hood Business Unit recorded an increase in sales of 6.0%**. In particular **brand revenues recorded an excellent performance, increasing by 15.4%**, although the Elica Group continues the rationalisation of the client portfolio with unsatisfactory credit ratings. **The high-end segment recorded strong growth of approx. 9.6%** on the same period of 2009.

**The motors Business Unit recorded revenue growth of 12.8%** on the previous year – thanks to the recovery in the "heating" segment.

In relation to the geographic areas, **Europe recorded total revenue growth of 5.6%** on Q1 2009, a **very strong performance in a market which contracted by over 1%**. The **Americas<sup>2</sup> recorded a significant increase of 19.7%**, and revenues also in the **other geographic areas recorded an increase of 9.4%**, both performances beating the market which however recorded growth.

#### **Profitability –Q1 2010**

**EBITDA** amounted to **Euro 6.4 million** compared to Euro 4.4 million in 2009 - **7.3% of revenues**. The strong margin growth, **+48% on the same period of the previous year**, confirms the trend

<sup>1</sup> Company estimates, volume data.

<sup>2</sup> Includes North, Central and South America.

established now for three quarterly periods<sup>3</sup>, of a consolidation of the positive effects on margins from the industrial reorganisation put in place by the Elica Group in 2008 and the gradual reduction of fixed costs programme.

**EBIT** amounted to **Euro 2.3 million** compared to Euro 0.2 million in 2009 - **2.6% of revenues**.

**The Group Net Profit was Euro 1.5 million (1.7% of revenues)** compared to Euro 2.0 million in the same period of 2009, which however included non-recurring deferred tax income of Euro 1.7 million.

<i>In Euro thousands</i>	Q1 10	revenue margin	Q1 09	revenue margin	10 Vs 09 %
Revenues	88,103		82,332		7.0%
EBITDA	6,442	7.3%	4,352	5.3%	48.0%
EBIT	2,315	2.6%	206	0.3%	1,023.8%
Net financial income	276	0.3%	188	0.2%	46.8%
Income taxes	(985)	(1.1%)	1,739	2.1%	(156.6%)
Net profit from continuing operations and discontinuing operations	1,606	1.8%	2,133	2.6%	(24.7%)
<b>Group net profit</b>	<b>1,458</b>	<b>1.7%</b>	<b>1,977</b>	<b>2.4%</b>	<b>(26.3%)</b>
Basic earnings per share on continuing operations and discontinuing operations*	2.56		3.47		(26.3%)
Diluted earnings per share on continuing operations and discontinuing operations*	2.56		3.47		(26.3%)

The earnings per share for Q1 2010 and Q1 2009 were calculated by dividing the Group net result from continuing and discontinued operations by the number of outstanding shares at the respective reporting dates.

## Balance sheet

The **Net Debt** at March 31, 2010 amounted to **Euro 24.6 million** compared to Euro 22.9 million at December 31, 2009, due to the expansionary policies implemented by the Group which required the use of financial resources. The Net Debt **improved strongly by Euro 12.2 million however on March 31, 2009 (Euro 36.8 million)**.

<i>In Euro thousands</i>	Mar 31, 10	Dec 31, 09	Mar 31, 09
<b>Cash and cash equivalents</b>	<b>17,999</b>	<b>19,235</b>	<b>8,199</b>
Finance leases and other lenders	(91)	(2,430)	(2,895)
Bank loans and mortgages	(13,707)	(14,780)	(4,435)

<sup>3</sup> EBITDA before non-recurring restructuring charges.

<b>Long-term debt</b>	<b>(13,798)</b>	<b>(17,210)</b>	<b>(7,330)</b>
Finance leases and other lenders	(3,388)	(1,903)	(1,789)
Bank loans and mortgages	(25,404)	(23,058)	(35,921)
<b>Short-term debt</b>	<b>(28,792)</b>	<b>(24,961)</b>	<b>(37,710)</b>
<b>Net Debt</b>	<b>(24,591)</b>	<b>(22,936)</b>	<b>(36,841)</b>

The percentage of **Managerial Working Capital** on **net annualised revenues** increased from **12% at December 31, 2009 to 13.7% at March 31, 2010**. This is a **seasonal effect** relating to lower purchase volumes in Q1 2010 compared to the final quarter of 2009. **The positive trend, established now for three consecutive quarters, concerning the reduction of the level of inventories, both in absolute and relative terms, continued** while trade receivables remained in line with the growth of revenues.

<i>In Euro thousands</i>	<b>Mar 31, 10</b>	<b>Dec 31, 09</b>	<b>Mar 31, 09</b>
Trade receivables	88,196	85,589	84,595
Inventories	40,118	41,451	46,697
Trade payables	(79,947)	(86,806)	(78,131)
<b>Managerial Working Capital</b>	<b>48,367</b>	<b>40,234</b>	<b>53,161</b>
as a % of annualised revenues	13.7%	12.0%	16.1%
Other net receivables/payables	(7,711)	(6,963)	(5,424)
<b>Net Working Capital</b>	<b>40,656</b>	<b>33,271</b>	<b>47,737</b>
as a % of annualised revenues	11.5%	9.9%	14.5%

The Elica Group confirms its outlook for 2010 which estimates an increase in Consolidated Revenues of between 3% and 5% on 2009, EBITDA growth of between 20% and 30% and the stability in Net Working Capital on consolidated revenues.

The ongoing focus on innovation continues, as does the efficiency operations which have enabled the Elica Group to strengthen further its leadership position in the sector.

### Significant events in the first quarter of 2010 and subsequent events after March 31, 2010

The Board of Directors met on March 30, 2010 and approved the Consolidated Financial Statements and the proposal of the Individual Financial Statements of Elica S.p.A., as well as the proposal for the Individual Financial Statements of Fime S.p.A., a company merged with Elica S.p.A, from January 1, 2010.

On April 26, 2010, the Shareholders' AGM of Elica S.p.A. approved the Individual Financial Statements of Fime S.p.A., the Individual Financial Statements of Elica S.p.A. and a stock grant plan, called the "2010 Stock Grant Plan", for employees, including senior management, advisors and executive directors of the Company and of its subsidiaries considered "key managers" for the achievement of the business growth and development objectives of the Company, as well as the consequent extension to utilise treasury shares acquired by the Company under Shareholders' Meeting resolution of August 3, 2007.

The Shareholders' AGM of Elica S.p.A. attributed to the Board of Directors, with faculty to delegate, all powers necessary and/or considered opportune to implement the 2010 Stock Grant Plan. In execution of this shareholders' meeting resolution, the Board of Directors of the Elica S.p.A. on April 26, 2010 approved the 2010 Stock Grant Plan Regulation, defined the 2010 performance objectives and identified some of the Plan beneficiaries.

On February 1, 2010, the associated company I.S.M. Srl sold the entire holding in "Sider S.r.l.", following the conferment of the "productive-industrial" business unit on December 14, 2009.

At the 49<sup>th</sup> International Furniture Trade Show in Milan from April 14, 2010, the Elica Group presented its new products at "Eurocucina 2010" with an updating of 30% of the catalogue, confirming the strong focus on ongoing innovation.

On May 3, 2010, Elica S.p.A. signed a Joint Venture agreement with Mr. Bhutada and several senior managers. The above-stated joint venture agreement establishes that the Elica Group subscribes, expected by the end of June, to a share capital increase of a newly incorporated Indian company (called Elica PB India Private Ltd.) for a 51% stake; the remainder of the share capital will be subscribed by Pralhad Bhutada and senior managers of the company.

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The Interim Report at March 31, 2010 will be filed and made available at the Company headquarters, as well as Borsa Italiana S.p.A. and on the internet site [www.elicagroup.com](http://www.elicagroup.com) in the Investor Relations section, within the terms and manner established by law.

#### **Declaration pursuant to art. 154-bis, paragraph two, of the Consolidated Finance Act**

The Chief Executive Officer, Mr. Andrea Sasso and the Executive responsible for the preparation of corporate accounting documents, Mr. Vincenzo Maragliano, declare, pursuant to section 2 of article 154 bis of the Consolidated Finance Act, that the present press release corresponds to the underlying accounting documents, records and accounting entries.

The **Elica Group** has been present in the cooker hood market since the 1970s and is today world leader in terms of units sold. It is also a European leader in the design, manufacture and sale of motors for central heating boilers for domestic use. With over 2,300 employees and an annual output of approx. 16 million units of kitchen hoods and motors, the Elica Group has 8 plants - of these, five are in Italy, one is in Poland, one in Mexico and one in Germany.

With many years' experience in the sector, Elica has combined meticulous care in design, judicious choice of material and cutting edge technology guaranteeing maximum efficiency and reducing consumption making Elica the prominent market figure it is today. The company has revolutionized the traditional image of the kitchen cooker hood: it is no longer seen as simple accessory but as a design object which improves the quality of life.

**For further information:**

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## ATTACHMENT A

### Consolidated income statement – Q1 2010 (in Euro thousands)

<i>In Euro thousands</i>	<b>Q1 10</b>	<b>Q1 09</b>
Revenues	88,103	82,332
Other operating revenues	521	435
Changes in inventories of finished and semi-finished goods	(431)	(657)
Increase in internal work capitalised	648	689
Raw materials and consumables	(44,452)	(43,127)
Services	(17,656)	(16,797)
Labour costs	(18,161)	(16,587)
Amortisation and Depreciation	(4,127)	(4,146)
Other operating expenses and provisions	(2,130)	(1,936)
Write-down of Goodwill for loss of value	-	-
<b>EBIT</b>	<b>2,315</b>	<b>206</b>
Share of profit/(loss) from associates	(267)	-
Financial income	1,266	611
Financial charges	(893)	(832)
Exchange gains/(losses)	170	409
<b>Profit before taxes</b>	<b>2,591</b>	<b>394</b>
Income taxes	(985)	1,739
<b>Net profit from continuing operations</b>	<b>1,606</b>	<b>2,133</b>
<b>Net profit from discontinued operations</b>	-	-
<b>Net profit for the period</b>	<b>1,606</b>	<b>2,133</b>
of which:		
Minority interests share	148	156
Group net profit	1,458	1,977
<b>Basic earnings per share</b>		
From continuing and discontinued operations (Euro/cents)	2.56	3.47
From continuing operations (Euro/cents)	2.56	3.47
<b>Diluted earnings per share</b>		
From continuing and discontinued operations (Euro/cents)	2.56	3.47
From continuing operations (Euro/cents)	2.56	3.47

## ATTACHMENT B

### Comprehensive consolidated income statement – Q1 2010

<i>In Euro thousands</i>	<b>Q1 10</b>	<b>Q1 09</b>
<b>Net profit</b>	<b>1,606</b>	<b>2,133</b>
<b>Other comprehensive income statement items:</b>		
Exchange differences on the conversion of foreign financial statements	4,406	(2,328)
Net change in cash flow hedge and Stock Option reserves	548	-
Income taxes on other comprehensive income statement items	(119)	-
<b>Total other comprehensive income statement items, net of tax effects:</b>	<b>4,835</b>	<b>(2,328)</b>
<b>Total comprehensive result</b>	<b>6,441</b>	<b>(195)</b>
of which:		
Minority interests share	208	116
Group comprehensive net profit/(loss)	6,233	(311)

## ATTACHMENT C

### Consolidated Balance Sheet at March 31, 2010

<i>In Euro thousands</i>	<b>Mar 31, 10</b>	<b>Dec 31, 09</b>	<b>Mar 31, 09</b>
Property, plant & equipment	70,201	69,100	69,587
Goodwill	33,818	33,818	35,898
Other intangible assets	20,921	21,093	18,852
Investments in associated companies	2,042	2,309	2,639
Other financial assets	30	30	30
Other receivables	195	200	178
Tax receivables	6	6	6
Deferred tax assets	9,336	9,200	8,492
Financial assets available-for-sale	747	680	191
<b>Total non-current assets</b>	<b>137,296</b>	<b>136,436</b>	<b>135,873</b>
Trade and financial receivables	88,196	85,589	84,595
Inventories	40,118	41,451	46,697
Other receivables	5,706	3,841	7,256
Tax receivables	7,306	9,663	7,757
Derivative financial instruments	828	770	1,430
Cash and cash equivalents	17,999	19,235	8,199
<b>Current assets</b>	<b>160,153</b>	<b>160,549</b>	<b>155,934</b>
<b>Total assets</b>	<b>297,449</b>	<b>296,985</b>	<b>291,807</b>
Liabilities for post-employment benefits	9,414	9,554	10,392
Provisions for risks and charges	6,153	5,752	2,794
Deferred tax liabilities	5,313	5,328	7,342
Finance leases and other lenders	91	2,430	2,895
Bank loans and mortgages	13,707	14,780	4,435
Other payables	1,373	1,381	1,315
Tax payables	1,056	1,058	1,481
Derivative financial instruments	-	-	-
<b>Non-current liabilities</b>	<b>37,107</b>	<b>40,283</b>	<b>30,654</b>
Provisions for risks and charges	857	1,082	1,082
Finance leases and other lenders	3,388	1,903	1,789
Bank loans and mortgages	25,404	23,058	35,921
Trade payables	79,947	86,806	78,131
Other payables	16,111	14,686	15,676
Tax payables	3,755	4,699	3,679
Derivative financial instruments	467	311	1,174
<b>Current liabilities</b>	<b>129,929</b>	<b>132,545</b>	<b>137,452</b>
Share Capital	12,665	12,665	12,665
Capital reserves	71,123	71,123	71,123
Hedging, translation and stock option reserve	(3,735)	(8,431)	(11,292)
Treasury shares	(17,629)	(17,629)	(17,629)
Retained earnings	64,521	64,086	65,097
Group profit	1,458	231	1,977
<b>Group shareholders' equity</b>	<b>128,403</b>	<b>122,045</b>	<b>121,941</b>
Capital and reserves of minority interests	1,862	1,561	1,604



Minority interest profit	148	551	156
<b>Minority interest equity</b>	<b>2,010</b>	<b>2,112</b>	<b>1,760</b>
<b>Consolidated shareholders' equity</b>	<b>130,413</b>	<b>124,157</b>	<b>123,701</b>
<b>Total liabilities and shareholders' equity</b>	<b>297,449</b>	<b>296,985</b>	<b>291,807</b>

## ATTACHMENT D

### Consolidated cash flow statement at March 31, 2010

<i>In Euro thousands</i>	<b>Mar 31, 10</b>	<b>Mar 31, 09</b>
<b>Opening cash and cash equivalents</b>	<b>19,235</b>	<b>14,968</b>
EBIT- Operating profit	2,315	206
Amortisation, depreciation and write-downs	4,127	4,146
Write-down of Goodwill for loss of value	-	-
EBITDA	6,442	4,352
Changes in Working Capital	(7,870)	(10)
trade working capital	(8,133)	2,386
other working capital accounts	263	(2,396)
Exchange rate effect	1,020	-
Income taxes paid	-	-
Change in provisions	(119)	(1,335)
Other changes	125	(1,058)
<b>Cash flow from operating activity</b>	<b>(402)</b>	<b>1,949</b>
Net increases	(2,526)	(3,434)
Intangible assets	(951)	528
Property, plant & equipment	(4,105)	(3,867)
Equity investments and other financial assets	0	(95)
Exchange rate effect	2,530	-
<b>Cash flow from investments</b>	<b>(2,526)</b>	<b>(3,434)</b>
Increase (decrease) financial payables	419	(4,875)
Net changes in other financial assets/liabilities	4	(53)
Interest (paid)/received	445	(81)
<b>Cash flow from financing activity</b>	<b>868</b>	<b>(5,010)</b>
<b>Change in cash and cash equivalents</b>	<b>(2,060)</b>	<b>(6,494)</b>
<b>Effect of exchange rate change on liquidity</b>	<b>824</b>	<b>(275)</b>
<b>Closing cash and cash equivalents</b>	<b>17,999</b>	<b>8,199</b>

