

## PRESS RELEASE

**ELICA S.P.A.:**

### **BOARD OF DIRECTORS APPROVES HALF-YEAR REPORT AT JUNE 30, 2010**

#### Consolidated results for H1 2010 (January-June 2010)

- **Revenues: Euro 179.5 million (Euro 164.0 million in 2009), an increase of 9.4%;**
- **EBITDA: Euro 13.2 million (Euro 8.6 million in 2009, + 53.5%);**
- **EBIT: Euro 5.0 million (Euro 0.3 million in 2009);**
- **Group net profit: Euro 2.4 million (Euro 0.3 million in 2009);**
- **Net Debt: Euro 24.2 million**, compared to Euro 22.9 million at December 31, 2009 and Euro 32.0 million at June 30, 2009.

#### Resolution concerning the 2010 Stock Grant Plan

**Fabriano, August 6, 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, today approved the **Half-Year Report at June 30, 2010**, prepared in accordance with IFRS.

#### **Consolidated revenues H1 2010**

In the first half of 2010, Elica Group **consolidated revenues** amounted to **Euro 179.5 million, an increase of 9.4%** on the same period of the previous year. Revenues in the period followed the recovery in the global range hood market<sup>1</sup> (+5.3%) already established in Q1 2010 (approx. +2%). The growth in volumes acted as the principal driver of revenue growth, achieved in both the Business Units and across the various geographic areas.

**The range hood Business Unit recorded a sales increase of 7.5%. The high-end segment - as is customary - saw the most significant growth (+10.1% on H1 2009).** In particular **brand revenues recorded an excellent performance, increasing by 11.6%** although the Elica Group continues the rationalisation of the client portfolio with unsatisfactory credit ratings.

**The motors Business Unit recorded revenue growth of 22.0%** on the previous year – thanks to the recovery in the "heating" segment and also as a result of seasonal factors.

In relation to the geographic areas, **Europe recorded total revenue growth of 5.2%** on H1 2009, a **very strong performance in a stagnant overall market (+0.3%)**. The Americas<sup>2</sup> recorded significant revenue growth of **26.4%**, with revenues in the other geographic areas also progressing significantly (+40.6%) - both well ahead of overall market trends which however were also positive..

#### **Profitability – H1 2010**

**EBITDA** amounted to **Euro 13.2 million** compared to Euro 8.6 million in 2009 - **7.4% of revenues**. The margin grew strongly **(+53.5%) on the same period of the previous year, confirming a margin trend now established for four consecutive quarters<sup>3</sup>** following the industrial

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

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

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

reorganisation begun by the Elica Group in 2008 and also as a result of the policy regarding the gradual reduction of overhead costs.

**EBIT** amounted to **Euro 5.0 million** compared to Euro 0.3 million in 2009 - **2.8% of revenues**.

The **Group Net Profit** was **Euro 2.4 million (1.3% of revenues)** compared to Euro 0.3 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>	<b>H1 2010</b>	<b>revenue margin</b>	<b>H1 2009</b>	<b>revenue margin</b>	<b>10 Vs 09 %</b>
Revenues	179,455		163,984		9.4%
EBITDA	13,242	7.4%	8,624	5.3%	53.5%
EBIT	5,040	2.8%	304	0.2%	1.557.9%
Financial income/(charges)	(666)	(0.4%)	(727)	(0.4%)	(8.4%)
Income taxes	(1,657)	(0.9%)	1,005	0.6%	(264.9%)
Net profit from continuing operations	2,717	1.5%	582	0.4%	366.8%
Net profit from continuing operations and discontinuing operations	2,717	1.5%	582	0.4%	366.8%
<b>Group net profit</b>	<b>2,413</b>	<b>1.3%</b>	<b>320</b>	<b>0.2%</b>	<b>654.1%</b>
Basic earnings per share on continuing operations and discontinuing operations	4.23		0.56		654.1%
Diluted earnings per share on continuing operations and discontinuing operations	4.23		0.56		654.1%

\*The earnings per share for H1 2010 and 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 June 30, 2010** amounted to Euro 24.2 million, from Euro 22.9 million at December 31, 2009, including also the **payment of the earn out relating to the acquisition of the German company Gutmann for Euro 6.4 million**. The Net Debt improved strongly (by Euro 7.8 million) on June 30, 2009 (Euro 32.0 million).

<i>In Euro thousands</i>	<b>June 30, 2010</b>	<b>Dec 31, 2009</b>	<b>June 30, 2009</b>
<b>Cash and cash equivalents</b>	<b>22,411</b>	<b>19,235</b>	<b>20,902</b>
Finance leases and other lenders			
	(88)	(2,430)	(2,744)
Bank loans and mortgages	(18,056)	(14,780)	(4,044)
<b>Long-term debt</b>	<b>(18,144)</b>	<b>(17,210)</b>	<b>(6,788)</b>
Finance leases and other lenders			
	(3,243)	(1,903)	(1,589)
Bank loans and mortgages	(25,214)	(23,058)	(44,501)
<b>Short-term debt</b>	<b>(28,457)</b>	<b>(24,961)</b>	<b>(46,090)</b>
<b>Net Debt</b>	<b>(24,190)</b>	<b>(22,936)</b>	<b>(31,976)</b>

**Managerial Working Capital** on annualised net revenues **decreased from 15.3% at June 30, 2009 to 12.5% at June 30, 2010.**

**This confirms the ongoing reduction of the inventory level percentage of revenues, while trade receivables are developing substantially in line with revenue growth.**

<i>In Euro thousands</i>	<b>June 30, 2010</b>	<b>Dec 31, 2009</b>	<b>June 30, 2009</b>
Trade receivables	94,192	85,589	84,831
Inventories	42,576	41,451	41,408
Trade payables	(91,817)	(86,806)	(76,138)
<b>Managerial Working Capital</b>	<b>44,951</b>	<b>40,234</b>	<b>50,101</b>
as a % of annualised revenues	12.5%	12.0%	15.3%
Other net receivables/payables	(4,771)	(6,963)	(9,054)
<b>Net Working Capital</b>	<b>40,180</b>	<b>33,271</b>	<b>41,047</b>
as a % of annualised revenues	11.2%	9.9%	12.5%

The Elica Group **confirms the new Guidance 2010 indicators** announced to the market on July 16, 2010 on the acquisition of the Chinese company Putian<sup>4</sup> which forecast an increase in **Consolidated Revenues<sup>5</sup> of between 5% and 7% on 2009** (previously between 3% and 5%), **EBITDA growth of between 25% and 35% on 2009** (previously between 20% and 30%) and **stability in the Net Working Capital percentage of 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 half of 2010 and subsequent events after June 30, 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.

<sup>4</sup> Zhejiang Putian Electric Co. Ltd

<sup>5</sup> Estimate based on the official ECB Euro/Renminbi exchange rate at July 7, 2010.

On February 1, 2010, the associated company I.S.M. S.r.l. 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 regarding the shares of a newly-incorporated Indian company called Elica PB India Private Ltd. Under the agreement, Elica S.p.A. acquired 51% of the share capital of the above-stated Indian company.

On July 16, 2010, the Elica Group signed an equity transfer agreement and a joint venture agreement with the Chinese shareholders Mr. Renyao Du and his wife Ms. Dong Wenhua which provides for the acquisition by Elica S.p.A. of a majority holding of 55% in the Chinese company Zhejiang Putian Electric Co. Ltd, which operates under the “Putian” brand, a leader in the Chinese home appliance sector producing and marketing range hoods, gas hobs and kitchenware sterilisers. The consideration paid was approximately Euro 13.8 million.

The agreements also establish that Elica will consolidate its control of Putian in 2011 through the acquisition of a further 15% stake.

The contract remains subject to suspensive conditions, including the release by the Chinese public authorities of the necessary authorisations for the completion of the operation.

The Group has therefore entered the Chinese market - the second largest range hood market – with a product line boasting a high level of brand awareness, a central position in the distribution network and a solid, high quality production base with strong potential for future development.

With this acquisition the Elica Group consolidates its position as a global player in the range hoods sector through entering the Chinese market, with the Group already established in Europe, The Americas and India (with consistently increasing market shares) and also creates the opportunity to serve the OEM client base with local production and increases purchasing from Low Cost Countries.

### **Resolutions concerning the 2010 Stock Grant Plan**

The Board of Directors of Elica S.p.A., on the proposal of the Remuneration Committee, resolved to include in the Stock Grant Plan 2010 a total of 14 beneficiaries, chosen from among the Group’s key managers, in place of the 12 beneficiaries already identified by the Information Document of March 30, 2010, assigning to them 140,000 Company shares and consequently updated the Information Document which will be made available to the public on the internet site [www.elicagroup.com](http://www.elicagroup.com), Investor Relations section, and also filed at the registered offices of the company and at Borsa Italiana, in accordance with law.

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The Half year report at June 30, 2010 was today filed and made available to whomever making such request at the registered offices of the Company, and at Borsa Italiana S.p.A. and on the internet site [www.elicagroup.com](http://www.elicagroup.com), Investor Relations section. The Audit Company Report will be made public in the same manner in accordance with 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.

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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 2,700 employees and an annual output of approx. 16 million units of kitchen hoods and motors, the Elica Group has 10 plants - of these, five are in Italy, one is in Poland, one in Mexico, one in Germany, one in India and one in China. 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 the Elica Group the prominent market figure it is today. The Group has revolutionised 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.

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**ATTACHMENT A**
**Consolidated Income Statement at June 30, 2010 (in Euro thousands)**

<i>In Euro thousands</i>	<i>Note</i>	<b>Q2 10</b> <b>(*)</b>	<b>Q2 09</b> <b>(*)</b>	<b>H1 10</b>	<b>H1 09</b>
Revenues	<b>1</b>	91,352	81,652	179,455	163,984
Other operating revenues	<b>2</b>	1,481	483	2,002	918
Changes in inventories of finished and semi-finished goods		1,671	(853)	1,240	(1,510)
Increase in internal work capitalised		330	986	978	1,675
Raw materials and consumables	<b>3</b>	(47,543)	(41,977)	(91,995)	(85,104)
Services	<b>4</b>	(19,032)	(16,617)	(36,688)	(33,414)
Labour costs	<b>5</b>	(18,754)	(17,174)	(36,915)	(33,761)
Amortisation and Depreciation		(4,075)	(4,174)	(8,202)	(8,320)
Other operating expenses and provisions		(2,705)	(2,228)	(4,835)	(4,164)
<b>EBIT</b>		<b>2,725</b>	<b>98</b>	<b>5,040</b>	<b>304</b>
Share of profit/(loss) from associates	<b>10</b>	(340)	37	(607)	37
Financial income	<b>6</b>	53	29	1,319	640
Financial charges	<b>6</b>	(491)	(728)	(1,384)	(1,560)
Exchange gains/(losses)	<b>6</b>	(164)	(253)	6	156
<b>Profit/(loss) before taxes</b>		<b>1,783</b>	<b>(817)</b>	<b>4,374</b>	<b>(423)</b>
Income taxes		(672)	(734)	(1,657)	1,005
<b>Net profit/(loss) for the period</b>		<b>1,111</b>	<b>(1,551)</b>	<b>2,717</b>	<b>582</b>
of which:					
Minority interests share		156	106	304	262
Group net profit/(loss)		955	(1,657)	2,413	320
<b><i>Basic earnings per share</i></b>					
From continuing operations (Euro/cents)		1.68	(2.91)	4.23	0.56
<b><i>Diluted earnings per share</i></b>					
From continuing operations (Euro/cents)		1.68	(2.91)	4.23	0.56

(\*) Data not audited

## ATTACHMENT B

### Comprehensive Consolidated Income Statement at June 30, 2010

<i>In Euro thousands</i>	<b>Q 2 10</b> (*)	<b>Q2 09</b> (*)	<b>H1 10</b>	<b>H1 09</b>
<b>Net profit/(loss)</b>	<b>1,111</b>	<b>(1,551)</b>	<b>2,717</b>	<b>582</b>
<b>Other comprehensive income statement items:</b>				
Exchange differences on the conversion of foreign financial statements	(337)	1,305	4,069	(1,023)
Net change in cash flow hedge and Stock Option reserves	(6)	(10)	3	(10)
Actuarial profits/(losses) of the defined benefit plans				
Income taxes on other comprehensive income statement items	2	2	(1)	2
<b>Total other comprehensive income statement items, net of tax effects:</b>	<b>(341)</b>	<b>1,297</b>	<b>4,071</b>	<b>(1,031)</b>
<b>Total comprehensive profit/(loss)</b>	<b>770</b>	<b>(254)</b>	<b>6,788</b>	<b>(449)</b>
of which:				
Minority interests share	768	50	554	166
<b>Group comprehensive net profit/(loss)</b>	<b>2</b>	<b>(304)</b>	<b>6,234</b>	<b>(615)</b>

(\*) Data not audited

**ATTACHMENT C**  
**Consolidated Balance Sheet at June 30, 2010**

<i>In Euro thousands</i>	<i>Note</i>	<b>June 30, 2010</b>	<b>Dec 31, 2009</b>
Property, plant & equipment	<b>7</b>	69,822	69,100
Goodwill	<b>8</b>	33,818	33,818
Other intangible assets	<b>9</b>	21,015	21,093
Investments in associated companies	<b>10</b>	1,701	2,309
Other financial assets		30	30
Other receivables		944	200
Tax receivables		6	6
Deferred tax assets	<b>11</b>	9,462	9,200
Financial assets available-for-sale		779	680
<b>Total non-current assets</b>		<b>137,577</b>	<b>136,436</b>
Trade and financial receivables	<b>12</b>	94,192	85,589
Inventories	<b>13</b>	42,576	41,451
Other receivables		5,426	3,841
Tax receivables		8,472	9,663
Derivative financial instruments		457	770
Cash and cash equivalents		22,411	19,235
<b>Current assets</b>		<b>173,534</b>	<b>160,549</b>
<b>Total assets</b>		<b>311,111</b>	<b>296,985</b>
Liabilities for post-employment benefits		9,898	9,554
Provisions for risks and charges	<b>14</b>	4,758	5,752
Deferred tax liabilities	<b>11</b>	5,254	5,328
Finance leases and other lenders	<b>17</b>	88	2,430
Bank loans and mortgages	<b>17</b>	18,056	14,780
Other payables		1,353	1,381
Tax payables		1,040	1,058
Derivative financial instruments		-	-
<b>Non-current liabilities</b>		<b>40,447</b>	<b>40,283</b>
Provisions for risks and charges	<b>14</b>	852	1,082
Finance leases and other lenders	<b>17</b>	3,243	1,903
Bank loans and mortgages	<b>17</b>	25,214	23,058
Trade payables	<b>15</b>	91,817	86,806
Other payables		12,706	14,686
Tax payables		5,111	4,699
Derivative financial instruments		409	311
<b>Current liabilities</b>		<b>139,352</b>	<b>132,545</b>
Share Capital		12,665	12,665
Capital reserves		71,123	71,123
Hedging, translation and stock option reserve		(3,843)	(8,431)
Treasury shares		(17,629)	(17,629)
Profit reserves		64,206	64,086
Group profit		2,413	231
<b>Group shareholders' equity</b>		<b>128,935</b>	<b>122,045</b>
Capital and reserves of minority interests		2,073	1,561
Minority interest profit		304	551
<b>Minority interest equity</b>		<b>2,377</b>	<b>2,112</b>
<b>Consolidated shareholders' equity</b>	<b>16</b>	<b>131,312</b>	<b>124,157</b>
<b>Total liabilities and shareholders' equity</b>		<b>311,111</b>	<b>296,985</b>



**ATTACHMENT D**  
**Consolidated cash flow statement at June 30, 2010**

<i>In Euro thousands</i>	<b>June 30, 2010</b>	<b>Dec 31, 2009</b>
<b>Opening cash and cash equivalents</b>	<b>19,235</b>	<b>14,968</b>
EBIT- Operating profit	5,040	304
Amortisation, depreciation and write-downs	8,202	8,320
Write-down of Goodwill for loss of value	0	0
EBITDA	13,242	8,624
Trade working capital	(4,451)	5,773
Other working capital accounts	3,826	861
Income taxes paid	(709)	(1,223)
Change in provisions	(1,180)	(1,697)
Other changes	347	(328)
<b>Cash flow from operating activity</b>	<b>11,075</b>	<b>12,011</b>
Net increases	(12,906)	(6,931)
Intangible assets	(1,931)	(2,328)
Property, plant & equipment	(4,606)	(4,603)
Equity investments and other financial assets	(6,339)	0
<b>Cash flow from investments</b>	<b>(12,906)</b>	<b>(6,931)</b>
Dividends	0	(1,066)
Increase (decrease) financial payables	4,430	2,963
Net changes in other financial assets/liabilities	(523)	(186)
Interest paid	102	(638)
<b>Cash flow from financing activity</b>	<b>4,009</b>	<b>1,073</b>
<b>Change in cash and cash equivalents</b>	<b>2,178</b>	<b>6,153</b>
<b>Effect of exchange rate change on liquidity</b>	<b>998</b>	<b>(219)</b>
<b>Closing cash and cash equivalents</b>	<b>22,411</b>	<b>20,902</b>