

PRESS RELEASE

BOARD OF DIRECTORS OF ELICA S.P.A. APPROVES 2010 PRELIMINARY RESULTS

Consolidated preliminary results¹ for 2010 (January-December 2010)

- **Revenues: Euro 368.3 million (Euro 335.1 million in 2009) – growth of 9.9%;**
- **EBITDA: Euro 26.7 million (Euro 20.1 million in 2009) – growth of 33.1%;**
- **EBIT: Euro 11.1 million (Euro 0.7 million in 2009);**
- **Group net profit: Euro 4.6 million (Euro 0.2 million in 2009);**
- **Net Debt: Euro 34.9 million compared to Euro 22.9 million at December 31, 2009, following investments in India² and China³.**

In Q4 2010 consolidated revenues⁴ grew 14.7%, with EBITDA up 34%

Fabriano, February 14, 2011 – 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 December 31, 2010**, prepared in accordance with IFRS.

Consolidated preliminary revenues⁵ 2010

In 2010, Elica Group **consolidated revenues** amounted to **Euro 368.3 million, an increase of 9.9%** on the previous year.

The growth in volumes acted as the principal driver of revenue growth in both the Business Units – Range Hoods and Motors. The recovery of the global range hood⁶ market in 2010 (+4.4%) led the revenue growth along with the consolidation of revenues of Euro 4.6 million from the Indian company Elica PB India Private Ltd and Euro 7.9 million from the Chinese company Zhejiang Putian Electric Co..

The Range Hoods Business Unit recorded revenues of Euro 313.1 million, an increase of 8.7% with the high-end segment reporting even greater growth of 9.8% on the previous year. In particular **brand revenues recorded an excellent performance, increasing by 18.1%** - thanks also to sales from the Chinese and Indian companies⁷ - although the Elica Group continues the rationalisation of the client portfolio with unsatisfactory credit ratings.

The Motors Business Unit with revenues of Euro 55.2 million recorded growth of 16.8% on the previous year – thanks to the recovery in the "heating" segment and strong performances across all segments.

¹ The 2010 figures include the consolidation of the Indian company Elica PB India Private Ltd. and the Chinese Zhejiang Putian Electric Co.

² Elica PB India Private Ltd.

³ Zhejiang Putian Electric Co. Ltd.

⁴ See Note 1.

⁵ See Note 1.

⁶ Company estimates, in volumes.

⁷ The revenues of the company Zhejiang Putian Electric Co. Ltd. were consolidated from October 2010, while the revenues of Elica PB India Private Ltd. were consolidated from July 2010.

In relation to the geographic areas, **Europe** recorded **revenue growth of 3.4%** on 2009 **within a stabile overall market (+0.6%)**. The Americas⁸ experienced **strong revenue growth of 20.3%** within a market which suffered a slowdown in the second half of the year, with revenues in the **other geographic areas also progressing significantly (72.6%)**, due principally to the consolidation of the Indian and Chinese companies.

2010 Earnings

EBITDA amounted to **Euro 26.7 million (7.3% of revenues)** compared to Euro 20.1 million in 2009. The significant margin growth **(+33.1%)** on the previous year is due to the industrial re-organisation, the implementation of production efficiency programmes and the introduction of a programme focussed on a gradual reduction of fixed costs. Restructuring charges of Euro 1.2 million were incurred in the year.

EBIT amounted to **Euro 11.1 million** compared to Euro 0.7 million in 2009.

The **Group Net Profit** was **Euro 4.6 million (1.2% of revenues)** compared to Euro 0.2 million in 2009, which however included non-recurring tax benefits of Euro 1.7 million.

<i>In Euro thousands</i>	FY 10	revenue margin	FY 09	revenue margin	10 Vs 09 %
Revenues	368,265		335,135		9.9%
EBITDA	26,700	7.3%	20,059	6.0%	33.1%
EBIT	11,059	3.0%	732	0.2%	1,410.8%
Financial income/(charges)	(1,573)	(0.4%)	(1,972)	(0.6%)	(20.2%)
Income taxes	(3,542)	(1.0%)	2,022	0.6%	(275.2%)
Net profit from continuing operations	5,944	1.6%	782	0.2%	660.1%
Net profit from continuing operations and discontinuing operations	5,944	1.6%	782	0.2%	660.1%
Group net profit	4,580	1.2%	231	0.1%	1,882.7%
Basic earnings per share on continuing operations and discontinuing operations	8.04		0.41		1,882.7%
Diluted earnings per share on continuing operations and discontinuing operations	8.04		0.41		1,882.7%

The earnings per share for 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.

Q4 2010 Consolidated revenues

In the fourth quarter of 2010, Elica Group **consolidated revenues** amounted to **Euro 101.0 million, an increase of 14.7%** on the same period of the previous year. The growth in volumes also in the fourth quarter acted as the principal driver of revenue growth in addition to the positive price/mix effect. **The Range Hoods and Motors Business Units recorded growth in revenues respectively of 15.4% and 10.8%** on the same period of the previous year.

⁸ Includes North, Central and South America.

Q4 2010 Earnings

EBITDA amounted to **Euro 6.5 million** compared to Euro 4.8 million in 2009 – **an increase of 34%**. The revenue margin before restructuring charges (Euro 1.4 million in the quarter) was in line with the trend established over the preceding six quarters at 7.6%.

The EBIT reported a profit of **Euro 3.0 million** compared to a loss of Euro 2.2 million in Q4 2009.

The Group net profit amounted to **Euro 0.7 million** compared to a loss of Euro 0.9 million in the same period of 2009.

<i>In Euro thousands</i>	Q4 10	revenue margin	Q4 09	revenue margin	10 Vs 09 %
Revenues	100,963		88,026		14.7%
EBITDA	6,496	6.4%	4,848	5.5%	34.0%
EBIT	3,018	3.0%	(2,160)	(2.5%)	n.s.
Financial income/(charges)	(574)	(0.6%)	(226)	(0.3%)	154.0%
Income taxes	(620)	(0.6%)	1,606	1.8%	(138.6%)
Net profit/(loss) from continuing operations	1,824	1.8%	(780)	(0.9%)	n.s.
Net profit/(loss) from continuing operations and discontinuing operations	1,824	1.8%	(780)	(0.9%)	n.s.
Group net profit/(loss)	652	0.6%	(900)	(1.0%)	n.s.
Basic earnings per share on continuing operations and discontinuing operations	1.14		(1.58)		n.s.
Diluted earnings per share on continuing operations and discontinuing operations	1.14		(1.58)		n.s.

Balance sheet

The **Net Debt** at December 31, 2010 amounted to **Euro 34.9 million** compared to Euro 22.9 million at December 31, 2009 following the investments in India and China. **The Euro 13.4 million payment for 55% of Zhejiang Putian Electric Co. Ltd. and the earn-out concerning the acquisition of the German company Gutmann⁹ contributed to this increase. On like-for-like consolidation scope the Net Debt amounts to Euro 23.3 million** compared to Euro 22.9 million at December 31, 2009.

<i>In Euro thousands</i>	Dec 31, 10	Sep 30, 10	Dec 31, 09	Sep 30, 09
Cash and cash equivalents	25,102	25,061	19,235	22,459
Finance leases and other lenders	(76)	(82)	(2,430)	(2,588)
Bank loans and mortgages	(30,457)	(21,638)	(14,780)	(9,247)
Long-term debt	(30,533)	(21,720)	(17,210)	(11,835)

⁹ Exklusiv-Hauben Gutmann GmbH.

Finance leases and other lenders

	(23)	(3,098)	(1,903)	(1,423)
Bank loans and mortgages	(29,426)	(39,344)	(23,058)	(32,944)
Short-term debt	(29,449)	(42,442)	(24,961)	(34,367)

Net Debt	(34,880)	(39,101)	(22,936)	(23,743)
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Managerial Working Capital on annualised net revenues decreased from 12.0% at December 31, 2009 to 11.7% at December 31, 2010. The reduction is directly related to the successful implementation of the efficiency and working capital control plans by the Group, which resulted in a reduction of inventory levels and of receivable collection times.

<i>In Euro thousands</i>	Dec 31, 10	Sep 30, 10	Dec 31, 09	Sep 30, 09
Trade receivables	89,145	96,463	85,589	87,800
Inventories	42,671	48,374	41,451	41,539
Trade payables	(88,749)	(90,663)	(86,806)	(84,971)
Managerial Working Capital	43,067	54,174	40,234	44,368
as a % of annualised revenues	11.7%	15.2%	12.0%	13.5%
Other net receivables/payables	(4,985)	(4,422)	(6,963)	(8,701)
as a % of annualised revenues	-1.4%	-1.2%	-2.1%	-2.6%
Net Working Capital	38,082	49,752	33,271	35,667
as a % of annualised revenues	10.3%	14.0%	9.9%	10.8%

2010 Guidance

The Elica Group **exceeded 2010 Guidance** announced to the market on July 16, 2010 on the acquisition of the Chinese company Putian¹⁰, reporting:

- **consolidated revenue growth of 9.9% (estimated at 5-7%)**
- **EBITDA growth of 33% (estimated at 25-35%)**
- **Net Working Capital on consolidated revenues substantially stabile at 10.3% (estimated as stabile on 2009).**

The Chief Executive Officer of Elica S.p.A. **Andrea Sasso stated:** "In 2011 we expect demand in Europe and North America to remain stable, with growth in South America and very strong performances in India and China. On the publication of the Q1 2011 results we will provide information on 2011 Guidance".

Significant events during the fourth quarter of 2010 and events after December 31, 2010

On October 4, 2010 Elica S.p.A. sold the residual 10% holding in the company Acem S.r.l. to Nikel, a stake which was previously held by Fime S.p.A..

On October 26, 2010 the company exercised the purchase option on the leased property on which the Mergo factory is located.

¹⁰ Zhejiang Putian Electric Co. Ltd

On November 11, 2010, the Board of Directors of the Company, in accordance with the powers attributed by article 19 of the by-laws, approved modifications to the by-laws necessary to comply with Legs. Decree 27/2010 and Legs. Decree 39/2010. At the same time the Board also adopted, with prior approval of the independent directors, the new Procedure for Transactions with related parties as per article 2391 bis of the civil code and article 4 of the Consob Regulation concerning related parties approved through resolution No. 17221 of March 12, 2010 and subsequent amendments. The amended By-Laws and the procedure are available on the Company's internet site www.elicagroup.com, in the Investor Relations section.

In January 2011, following the issue of "radiation" certificates at the end of 2010, the companies Elica Finance and Elica International were liquidated.

On January 31, 2011 the period for the share capital increase as per article 2439, paragraph 2 of the civil code approved by the Board of Directors on June 27, 2007, based on the delegation of power by the Shareholders' Meeting of April 12, 2006, elapsed without any subscriptions. The subscribed and paid-in share capital therefore remains unchanged at Euro 12,664,560

The Interim Report at December 31, 2010 was filed today 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, Investor Relations section.

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

The Chief Executive Officer of Elica S.p.A., 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 approx. 2,800 employees and an annual output of approx. 16 million units of kitchen hoods and motors, the Elica Group has 9 plants - of these, four 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.

For further information:

Elica S.p.A.

Laura Giovanetti

Investor Relations

Tel: +39 (0)732 610727

E-mail: investor-relations@elica.com

Lea Ricciardi

Press Office

Tel: +39 (0)732 610315 Mob: +39 335 6672892

E-mail: ufficiostampa@elica.com

Image Building

Simona Raffaelli,

Tel: +39 (0)2 89011300

E-mail: elica@imagebuilding.it

Consolidated Income Statement at December 31, 2010 (in Euro thousands)

<i>In Euro thousands</i>	<i>Note</i>	Q4 10	Q4 09 (*)	FY 10	FY 09
Revenues	1	100,963	88,026	368,265	335,135
Other operating revenues		215	1,540	2,371	2,831
Changes in inventories of finished and semi-finished goods		(2,308)	2,844	3,838	4,720
Increase in internal work capitalised		1,068	679	2,633	2,937
Raw materials and consumables	2	(52,737)	(48,740)	(193,689)	(180,198)
Services	3	(19,192)	(17,390)	(73,864)	(66,676)
Labour costs	4	(18,028)	(17,242)	(72,397)	(66,854)
Amortisation and Depreciation		(3,478)	(4,237)	(15,641)	(16,556)
Other operating expenses and provisions		(2,749)	(2,978)	(9,721)	(9,896)
Restructuring charges		(736)	(1,891)	(736)	(1,940)
Write-down of Goodwill for loss of value		-	(2,771)	-	(2,771)
EBIT		3,018	(2,160)	11,059	732
Share of profit/(loss) from associates		(6)	81	(592)	107
Impairment of available-for-sale financial assets		40	-	-	-
Financial income	5	55	524	1,383	1,197
Financial charges	5	(738)	(923)	(2,677)	(3,069)
Exchange gains/(losses)	5	75	92	313	(207)
Other non-operating income		-	-	-	-
Profit/(loss) before taxes		2,444	(2,386)	9,486	(1,240)
Income taxes		(620)	1,606	(3,542)	2,022
Net profit/(loss) from continuing operations		1,824	(780)	5,944	782
Net profit from discontinued operations		-	-	-	-
Net profit/(loss) for the period		1,824	(780)	5,944	782
of which:					
Minority interests share		1,172	120	1,364	551
Group net profit/(loss)		652	(900)	4,580	231
<i>Basic earnings per share</i>					
From continuing and discontinued operations (Euro/cents)		1.14	(1.58)	8.04	0.41
From continuing operations (Euro/cents)		1.14	(1.58)	8.04	0.41
<i>Diluted earnings per share</i>					
From continuing and discontinued operations (Euro/cents)		1.14	(1.58)	8.04	0.41
From continuing operations (Euro/cents)		1.14	(1.58)	8.04	0.41

(*) in line with the 2009 Consolidated Financial Statements

Comprehensive Consolidated Income Statement at December 31, 2010

<i>In Euro thousands</i>	Q4 10	Q4 09(*)	FY 10	FY 09
Net profit/(loss)	1,824	(780)	5,944	782
Other comprehensive income statement items:				
Exchange differences on the conversion of foreign financial statements	1,582	1,538	3,918	467
Net change in cash flow hedges	73	14	93	4
Income taxes on other comprehensive income statement items	(16)	(3)	(20)	(1)
Total other comprehensive income statement items, net of tax effects:	1,639	1,549	3,991	470
Total comprehensive profit	3,463	769	9,935	1,252
of which:				
Minority interests share	1,453	114	1,626	448
Group comprehensive net profit	2,010	655	8,309	804

(*) in line with the 2009 Consolidated Financial Statements

Consolidated Balance Sheet at December 31, 2010 (in thousands of Euro)

<i>In Euro thousands</i>	<i>Notes</i>	Dec 31, 10	Dec 31, 09
Property, plant & equipment	6	83,096	69,100
Goodwill	7	41,168	33,818
Other intangible assets	8	23,868	21,093
Investments in associated companies		1,717	2,309
Other financial assets		219	30
Other receivables		1,920	200
Tax receivables		6	6
Deferred tax assets	10	8,838	9,200
Financial assets available-for-sale		776	680
Total non-current assets		161,608	136,436
Trade and financial receivables	9	89,145	85,589
Inventories		42,671	41,451
Other receivables		4,865	3,841
Tax receivables		9,375	9,663
Derivative financial instruments		649	770
Cash and cash equivalents		25,102	19,235
Current assets		171,807	160,549
Total assets		333,415	296,985
Liabilities for post-employment benefits		9,182	9,554
Provisions for risks and charges		5,689	5,752
Deferred tax liabilities	10	7,897	5,328
Finance leases and other lenders		76	2,430
Bank loans and mortgages		30,457	14,780
Other payables		1,510	1,381
Tax payables		978	1,058
Derivative financial instruments		-	-
Non-current liabilities		55,789	40,283
Provisions for risks and charges		953	1,082
Finance leases and other lenders		23	1,903
Bank loans and mortgages		29,426	23,058
Trade payables		88,749	86,806
Other payables		11,104	14,686
Tax payables		7,168	4,699
Derivative financial instruments		310	311
Current liabilities		137,733	132,545
Share Capital		12,665	12,665
Capital reserves		71,123	71,123
Hedging, translation and stock option reserve		(3,415)	(8,431)
Treasury shares		(17,629)	(17,629)
Profit reserves		64,210	64,086
Group profit		4,580	231
Group shareholders' equity		131,534	122,045
Capital and reserves of minority interests		6,995	1,561
Minority interest profit		1,364	551
Minority interest equity		8,359	2,112
Consolidated shareholders' equity		139,893	124,157
Total liabilities and equity		333,415	296,985

Consolidated Cash Flow Statement at December 31, 2010 *(in thousands of Euro)*

	Dec 31, 10	Dec 31, 09
<i>In Euro thousands</i>		
Opening cash and cash equivalents	19,235	14,968
EBIT- Operating profit	11,059	732
Amortisation, depreciation and write-downs	15,641	16,556
Write-down of Goodwill for loss of value	0	2,771
EBITDA	26,700	20,059
Trade working capital	5,811	16,001
Other working capital accounts	4,163	(3,633)
Exchange rate effect	0	99
Income taxes paid	(2,007)	(2,122)
Change in provisions	(1,128)	355
Other changes	626	(7)
Cash flow from operating activity	34,166	30,752
Net increases	(23,376)	(16,243)
Intangible assets	(6,559)	(4,792)
Property, plant & equipment	(10,442)	(11,748)
Equity investments and other financial assets	(6,375)	(64)
Exchange rate effect	0	361
Divestment of Business Unit	0	0
Purchase of equity investments	(10,127)	0
Cash flow from investments	(33,503)	(16,243)
Acquisition of treasury shares	0	0
Other movements in share capital	120	0
Dividends	0	(1,066)
Increase (decrease) financial payables	6,627	(7,744)
Net changes in other financial assets/liabilities	(2,715)	(181)
Interest paid	104	(1,188)
Cash flow from financing activity	4,136	(10,179)
Change in cash and cash equivalents	4,799	4,330
Effect of exchange rate change on liquidity	1,068	(63)
Closing cash and cash equivalents	25,102	19,235