

PRESS RELEASE

**BOARD OF DIRECTORS OF ELICA S.P.A.
APPROVES INTERIM QUARTERLY REPORT AT 30 SEPTEMBER 2008**

Consolidated results¹ for Q3 2008 (July-September 2008)

- **Revenues: Euro 93.2 million (Euro 101.8 million in the same period of 2007);**
- **EBITDA: Euro 6.3 million (Euro 10.6 million in the same period of 2007);**
- **EBIT: Euro 2.3 million (Euro 6.0 million in the same period of 2007);**
- **Net Profit: Euro 2.1 million (Euro 2.8 million in the same period of 2007);**
- **Net Debt: Euro 18.6 million – compared to Net Funds of Euro 6.3 million at 30 September 2007, after the Buy-Back plan of Euro 17.6 million.**

Fabriano, 14 November 2008 – 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 30 September 2008**, prepared in accordance with IFRS.

Consolidated revenues² for Q3 2008

In the third quarter of 2008, Group **consolidated revenues** amounted to **Euro 93.2 million**, a **decrease of 8.4%** on the same period of the previous year. The range hood Business Unit recorded a reduction in sales of 10.8%. Own brands saw a 15.5% decrease, principally due to the exceptional increase in revenues related to the supply of Home Depot in the third quarter of 2007. However, the good performance of the **Elica Collection, recording a 2.0% increase** on the same period of 2007 and **against the market trend**, was noteworthy. The motors Business Unit recorded growth in revenues of 4.5% on the same period of the previous year.

In relation to the geographic areas, **Europe³** recorded a **decrease in revenues of 8.8%** on the third quarter of 2007, while the **Americas⁴** recorded a **slight US Dollars revenue decrease of 1.8%** (in Euro the decline would have been 10.0%) on the same period of 2007 - **against the negative trend of the US market⁵**. The **other geographic areas** recorded a **total revenue growth of 8.3% in US Dollar terms** compared to the same period of 2007 (in Euro, a small decrease of 0.8%).

¹ All amounts relating to the years 2008 and 2007 exclude the business unit “ACEM” which is no longer included in the 2008 consolidation scope.

² See Note 1.

³ Includes the countries belonging to the Commonwealth of Independent States (CIS).

⁴ Includes North, Central and South America.

⁵ Group estimate on market data.

Profit margins Q3 2008⁶

EBITDA amounted to **Euro 6.3 million** compared to Euro 10.6 million in the third quarter of 2007 (-40.5%).

The **EBIT** was **Euro 2.3 million**, compared to Euro 6.0 million in the same period of 2007 – a decrease of 61.3%. The margin in the quarter was strongly impacted by the current market conditions, resulting in contraction of volumes and a consequent reduced absorption of overhead costs.

Net financial income, deriving from foreign exchange hedging activities, **contributed Euro 0.4 million to profits**.

The **Net Profit for the quarter** was **Euro 2.1 million, a decrease of 24.2%** on the third quarter of 2007.

	Q3 08	revenue margin	Q3 07 (*)	revenue margin	08 Vs 07 %
<i>In Euro thousands</i>					
Revenues	93,172		101,759		(8.4%)
EBITDA from continuing operations	6,288	6.7%	10,577	10.4%	(40.5%)
EBIT from continuing operations	2,327	2.5%	6,019	5.9%	(61.3%)
Financial income/(costs)	363	0.4%	(901)	(0.9%)	(140.3%)
Income taxes	(596)	(0.6%)	(2,355)	(2.3%)	(74.7%)
Net profit from continuing operations	2,094	2.2%	2,762	2.7%	(24.2%)
Basic earnings per share on continuing operations**	3.43		4.27		(19.8%)
Diluted earnings per share on continuing operations**	3.43		4.27		(19.8%)

(*) with ACEM discontinued

(**) The earnings per share for Q3 2008 and 2007 was calculated by dividing the Group net profit from continuing operations by the number of outstanding shares at the respective reporting dates.

	YTD 08	revenue margin	YTD 07 (*)	revenue margin	08 Vs 07 %
<i>In Euro thousands</i>					
Revenues	299,638		317,020		(5.5%)
EBITDA from continuing operations	19,511	6.5%	30,960	9.8%	(37.0%)
EBIT from continuing operations	7,021	2.3%	18,240	5.8%	(61.5%)
Financial income/(costs)	1,390	0.5%	(1,752)	(0.6%)	(179.3%)
Income taxes	(773)	(0.3%)	(8,605)	(2.7%)	(91.0%)
Net profit from continuing operations	7,638	2.5%	7,883	2.5%	(3.1%)
Basic earnings per share on continuing operations**	12.76		12.18		4.7%
Diluted earnings per share on continuing operations**	12.76		12.18		4.7%

⁶ See Note 1.

(*) with ACEM discontinued

(**) The earnings per share was calculated by dividing the Group net profit from continuing operations by the number of outstanding shares at the respective reporting dates.

Total revenues in the first nine months of 2008 decreased by 5.5% on the same period of the previous year - in line with the home appliances sector. Revenues in the motor Business Unit grew by 3.7%, while within the range hood Business Unit the performance of Elica Collection was particularly noteworthy, recording growth of 17.1% and consolidating its position as the largest growth segment.

The Net Profit for the nine months was Euro 7.6 million, substantially in line with 2007.

Balance sheet

The **Net Debt** at **30 September 2008** was **Euro 18.6 million** compared to Net Funds of Euro 6.3 million at 30 September 2007, principally relating to the **Buy-Back plan for Euro 17.6 million**.

<i>In Euro thousands</i>	30 Sep 08	30 June 08	31 Dec 07	30 Sep 07 (*)
Cash and cash equivalents	14,250	18,364	21,948	23,515
Finance leases and other lenders	(4,346)	(4,583)	(4,614)	(6,248)
Bank loans and mortgages	(4,934)	(5,292)	(6,705)	(7,283)
Long-term debt	(9,280)	(9,875)	(11,319)	(13,531)
Finance leases and other lenders	(556)	(563)	(1,170)	(2,680)
Bank loans and mortgages	(23,046)	(25,986)	(6,206)	(1,005)
Short-term debt	(23,602)	(26,549)	(7,376)	(3,685)
Net funds / (debt)	(18,632)	(18,060)	3,253	6,299

* with ACEM discontinued

Net Working Capital increased as a percentage of annualised revenues from 12.0% at 30 September 2007 to 14.5% at 30 September 2008; the increase in the 12 month period is primarily due to temporary increase in trade payables, following the careful management of inventories in the third quarter of 2008. The trade receivable collection days has decreased.

<i>In Euro thousands</i>	30 Sep 08	30 June 08	31 Dec 07	30 Sep 07 (*)
Trade receivables	101,927	111,392	108,457	109,918
Inventories	57,645	65,995	56,408	62,704
Trade payables	(96,632)	(116,783)	(112,503)	(110,453)
Managerial Working Capital	62,940	60,604	52,362	62,169
as a % of annualised revenues	15.8%	14.7%	12.3%	14.7%
Other receivables/payables	(4,848)	(5,503)	(5,719)	(11,626)
Net Working Capital	58,092	55,101	46,643	50,543
as a % of annualised revenues	14.5%	13.3%	10.9%	12.0%

* with ACEM discontinued

The Elica Group continues the actions set out to achieve the objectives of the 2008-2010 strategic plan:

- acceleration of the production outsourcing (23% of volumes in Low Cost Countries in the third quarter of 2008),
- acceleration of the purchasing process in the Low Cost Countries,
- reduction in industrial costs;
- implementation of the Capex reduction plan on non-core activities,
- the continual improvement of the financial structure.

Significant events in the third quarter of 2008 and events after 30 September 2008

On 28 August 2008, the Chairman of the Board of Statutory Auditors of Elica S.p.A., Mr. Giovanni Frezzotti, due to exceeding the limits regarding the accumulation of offices held pursuant to article 144.3 of the Issuers' Regulations, resigned from office with immediate effect. Pursuant to article 2401 of the civil code and until the next Shareholders' Meeting, the alternative statutory auditor Mr. Gilberto Casali replaced the resigning member; the standing member Mr. Corrado Mariotti assumed the chair of the Board of Statutory Auditors.

On 11 November, **the Elica Group acquired 100% of the German company Gutmann** (Exklusiv – Hauben Gutmann GmbH), leader in the German high-end kitchen range hood market specialised in the production of high performing “customised” range hoods. In 2007, Gutmann recorded **net revenues of Euro 22.2 million**, an **EBIT of Euro 2.0 million** and **Net Debt of Euro 0.4 million**.

In the three years 2005/2007, revenues of the German company grew at a CAGR⁷ of approx. 18%.

The acquisition of Gutmann by the Elica Group is an opportunity to strengthen its position at the high-end of the range hood market and increase revenues thanks to the highly complementary nature of the product ranges of the two companies: the Elica Collection range being set apart by its innovative design, with “tailor made” being a central aspect of Gutmann's production - while both companies operate at high performance levels. Thanks to this acquisition, the Elica Group will also consolidate its presence in Germany and in other European markets due to the highly complementary markets in which the two companies are present.

The Interim Report at 30 September was filed today and will be available on the Internet at www.elica.com 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 Interim Report at 30 September 2008 corresponds to the underlying accounting documents, records and accounting entries.

⁷ Compound Average Growth Rate

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 over 5 million units, the Elica Group has nine plants specialising by type of process and product; of these, seven are in Italy, one is in Poland and one in Mexico.

With over thirty years' experience in the sector, Elica has combined meticulous care in design, judicious choice of material and cutting edge technology to become 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.

For further information:

Image Building

Simona Raffaelli, Valentina Burlando

Tel: +39 02 89011300

E-mail: elica@imagebuilding.it

Elica S.p.A.

Laura Giovanetti

Investor Relations

Tel: +39 0732 610727

E-mail: investor-relations@elica.com

ATTACHMENT A

Consolidated income statement for Q3 and YTD 2008 (in Euro thousands)

<i>In Euro thousands</i>	Q3 08	Q3 07	YTD 08	YTD 07
Revenues	93,172	103,539	299,638	322,728
Other operating revenues	879	1,924	4,369	4,542
Changes in inventories of finished and semi-finished goods	(2,401)	(765)	1,068	5,625
Increase in internal work capitalised	360	457	1,103	1,382
Raw materials and consumables	(48,564)	(52,584)	(160,731)	(167,537)
Services	(18,575)	(22,581)	(64,392)	(72,825)
Labour costs	(16,174)	(17,337)	(53,023)	(55,771)
Amortisation & depreciation	(3,961)	(4,667)	(12,490)	(13,069)
Other operating expenses and provisions	(2,259)	(1,937)	(6,307)	(6,716)
Restructuring charges	(150)	-	(2,214)	-
EBIT	2,327	6,049	7,021	18,359
Share of profit/(loss) from associates	52	17	(13)	(99)
Impairment of available-for-sale financial assets	-	-	-	-
Financial income	77	372	945	789
Financial charges	(931)	(241)	(2,381)	(1,179)
Foreign exchange gains/(losses)	1,165	(1,049)	2,839	(1,263)
Other non-operating income	-	-	-	-
Pre-tax profit	2,690	5,148	8,411	16,607
Income taxes	(596)	(2,374)	(773)	(8,678)
Net profit from continuing operations	2,094	2,774	7,638	7,929
Net profit from discontinued operations	-	-	63	-
Net profit	2,094	2,774	7,701	7,929
of which:				
Minority interests share	141	76	368	225
Group profit	1,953	2,698	7,333	7,704
Basic earnings per share				
From continuing and discontinued operations (Euro/cents)	3.41	4.27	12.51	12.17
From continuing operations (Euro/cents)	3.41	4.27	12.40	12.17
Diluted earnings per share				
From continuing and discontinued operations (Euro/cents)	3.41	4.27	12.51	12.17
From continuing operations (Euro/cents)	3.41	4.27	12.40	12.17

ATTACHMENT B

Consolidated balance sheet at 30 September 2008 (in Euro thousands)

<i>In Euro thousands</i>	30 Sep 08	31 Dec 07
Assets		
Property, plant and equipment	74,531	78,091
Goodwill	29,798	29,798
Other intangible assets	6,971	5,515
Investments in associated companies	1,949	2,363
Other financial assets	30	31
Other receivables	213	1,318
Tax receivables	9	9
Deferred tax assets	6,222	6,607
Available-for-sale financial assets	815	26
Total non-current assets	120,538	123,758
Trade receivables and loans	101,927	108,457
Inventories	57,645	56,408
Other receivables	6,416	6,141
Tax receivables	3,954	5,249
Derivative financial instruments	828	544
Cash and cash equivalents	14,250	21,948
Current assets	185,020	198,747
Assets of discontinued operations	-	3,258
Total assets	305,558	325,763
Liabilities		
Liabilities for post-employment benefits	11,925	12,349
Provisions for risks and charges	4,640	3,322
Deferred tax liabilities	5,152	9,381
Finance leases and other lenders	4,346	4,614
Bank loans and mortgages	4,934	6,705
Other payables	1,150	4,016
Tax payables	1,289	4,004
Derivative financial instruments	-	-
Non-current liabilities	33,436	44,391
Provisions for risks and charges	621	612
Finance leases and other lenders	556	1,170
Bank loans and mortgages	23,046	6,206
Trade payables	96,632	112,503
Other payables	12,948	13,144
Tax payables	1,649	3,353
Derivative financial instruments	914	422
Current liabilities	136,366	137,410
Liabilities of discontinued operations	-	1,905
Share capital	12,665	12,665
Capital reserves	71,123	71,123
Hedging, translation & stock option reserve	(1,123)	(803)
Treasury shares	(17,629)	(6,671)
Retained earnings	61,896	55,341
Group profit for the period	7,333	9,252
Group shareholders' equity	134,265	140,907

Capital and reserves of minority interests	1,123	823
Minority interest profit for the period	368	327
Minority interest equity	1,491	1,150
Consolidated shareholders' equity	135,756	142,057
Total liabilities and equity	305,558	325,763

ATTACHMENT C

Consolidated cash flow statement at 30 September 2008 (in thousands of Euro)

<i>In Euro thousands</i>	30 Sep 08	30 Sep 07
Opening Funds/(Debt)	3,253	(2,290)
EBIT	7,021	18,359
Amortisation, depreciation and write-downs	12,490	13,069
EBITDA	19,511	31,428
Changes in Working Capital	(12,490)	(3,883)
Trade working capital	(10,578)	(2,003)
Other working capital accounts	(1,912)	(1,880)
Income taxes paid	(4,057)	(5,821)
Change in provisions	398	122
Other changes	(229)	(735)
Gains from earthquake payable write-offs	(4,084)	0
Cash flow from operating activity	(950)	21,111
Net increases	(10,301)	(8,645)
Intangible assets	(3,243)	(2,279)
Property, plant & equipment	(7,142)	(9,999)
Financial assets	84	3,633
Divestment of business unit	944	0
Cash flow from investments	(9,357)	(8,645)
Increase in share capital	0	0
Acquisition of treasury shares	(10,958)	(1,542)
Other movements in share capital	0	269
Dividends	(2,817)	(2,533)
Net changes in other financial assets/liabilities	864	(2)
Financial charges and income	1,334	(1,653)
Change in Funds/Debt	(21,885)	7,005
Closing Funds/(Debt)	(18,632)	4,715