PRESS RELEASE

BOARD OF DIRECTORS OF ELICA S.p.A.
APPROVES 2013 CONSOLIDATED FINANCIAL STATEMENTS

REVENUES UP 4.2%
AT LIKE-FOR-LIKE EXCHANGE RATES AND 1.8% EXCLUDING EXCHANGE RATE EFFECT

2013 Consolidated Results

- **Revenues: Euro 391.8 million (Euro 384.9 million in 2012), +4.2% at like-for-like exchange rates and +1.8% including the exchange rate effect;**
- **EBITDA before restructuring charges: Euro 28.9 million (Euro 27.0 million in 2012), growth of 7.0%;**
- **EBITDA: Euro 22.9 million (Euro 27.0 million in 2012);**
- **EBIT: Euro 6.9 million (Euro 12.1 million in 2012);**
- **Group Net Profit: Euro 1.4 million (Euro 5.0 million in 2012), reducing due to restructuring charges;**
- **Net Debt: Euro 56.7 million,** reducing on Euro 62.3 million at December 31, 2012**, thanks to the strong cash generation from operating activities.**

Motion on dividend distribution

- **The Board of Directors have proposed the distribution of a dividend of Euro 0.0269 per share (before withholding taxes), allocated from the available and distributable reserves and excluding the distribution of a dividend for treasury shares on May 26, 2014, date of dividend coupon No. 6, with record date of May 28, 2014. The proposed dividend payment date is May 29, 2014.**

2013 Performance Objectives achieved

Appointment of the new members of the Supervisory Board with three-year mandate

Verification of independence

Corporate Governance and Ownership Structure Report and Remuneration Report approved

Directors' Report concerning the purchase and utilisation of treasury shares proposal approved

Fabriano, March 21, 2014 – 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 today approved the **2013 Consolidated Financial Statements** and the **2013 Separate Financial Statements of Elica S.p.A.,** prepared in accordance with IFRS.

2013 Consolidated Revenues

In 2013 Elica Group **consolidated revenues totaled Euro 391.8 million - an increase of 4.2% at like-for-like exchange rates** and of **1.8% excluding the exchange rate effect** on the previous year.
The **Cooking segment** reported a **1.5% revenue increase**, driven by **own brand product sales (+4.5%)**. In 2013, Global range hood demand improved 3.3%[1], returning to growth after the contraction of 2012 - driven principally by the recovery of the Chinese market. **The Motors Segment** in 2013 reported **a 3.6% revenue increase**, due principally to improved heating and ventilation segment sales.
Analysing revenues from sales on the principal markets[2], **the Americas[3]** contributed significantly to revenue growth **(+14.7%** on 2012). **Asian revenues improved 2.7% - however significantly impacted by unfavourable exchanges**, principally concerning the **average exchange rate** of the Japanese Yen and the Indian Rupee compared to the previous year. At like-for-like exchange rates Asian sales increased 15.9%. **European sales were substantially stable (-0.6%) following the recovery** in the second half of the year.

For completeness, the breakdown of consolidated revenues by geographic location of the Group companies is reported below.

	Europe		**America**		**Asia and the Rest of the World**		**Unallocated and eliminations**		**Consolidated**	
	2013	**2012 rest**	**2013**	**2012 rest**	**2013**	**2012 rest**	**2013**	**2012 rest**	**2013**	**2012 rest**
Segment revenues:										
third party	292,598	295,405	53,541	45,592	45,710	43,895		-	391,849	384,892
inter-segment	14,738	11,882	4	12	362	10	(15,105)	(11,905)	-	-
Total revenues	**307,336**	**307,287**	**53,545**	**45,604**	**46,072**	**43,905**	**(15,105)**	**(11,905)**	**391,849**	**384,892**

2013 Earnings

EBITDA before restructuring charges of Euro 28.9 million (7.4% margin) improved 7.0% on Euro 27.0 million in 2012. The significant **increase in the operating margin is due to the improved sales mix, the industrial and overhead costs streamlining programmes** from the beginning of the year and the **reduction in the principal raw material costs, which more than offset the unfavourable currency movements**.
EBITDA in 2013 of Euro 22.9 million was significantly impacted by the **provisioning of restructuring charges related to the Workforce Restructuring Plan both in Italy and at the Chinese subsidiary (Euro 6.0 million).**

The reduction in **EBIT to Euro 6.9 million** from Euro 12.1 million in 2012 entirely concerns the significant impact of restructuring charges (Euro 6.0 million).

The **Group Net Profit totaled Euro 1.4 million** compared to Euro 5.0 million in the previous year, **following the allocations to the Workforce Restructuring Plan.**

1 Global range hood market volumes
2 Data concerns sales revenues by geographic area and therefore does not refer to the breakdown by operating segment according to the various Group company locations.
3 Includes North, Central and South America.

In Euro thousands	2013	revenue margin	2012 restated	revenue margin	13 Vs 12 %
Revenues	391,849		384,892		1.8%
EBITDA before restructuring charges	28,853	7.4%	26,962	7.0%	7.0%
EBITDA	22,857	5.8%	26,962	7.0%	(15.2%)
EBIT	6,869	1.8%	12,062	3.1%	(43.1%)
Financial income/(charges)	(4,455)	-1.1%	(4,206)	-1.1%	5.9%
Income taxes	(988)	-0.3%	(2,794)	-0.7%	(64.6%)
Net profit from normal operations	1,426	0.4%	5,062	1.3%	(71.8%)
Net profit from continuing operations and discontinuing operations	1,426	0.4%	5,062	1.3%	(71.8%)
Group Net Profit	**1,357**	**0.3%**	**5,011**	**1.3%**	**(72.9%)**
Basic earnings per share on continuing operations and discontinuing operations (Euro/cents)	2.19		8.33		(73.7%)
Diluted earnings per share on continuing operations and discontinuing operations (Euro/cents)	2.19		8.30		(73.7%)

The earnings per share for 2013 and 2012 were calculated by dividing the Group net result from continuing and discontinued operations by the number of outstanding shares at the respective reporting dates.

Consolidated Balance Sheet

The Net Debt at December 31, 2013 totaled Euro 56.7 million, reducing on Euro 62.3 million at December 31, 2012**, thanks to the strong cash generation from operating activities.**

In Euro thousands	Dec 31, 13	Sep 30, 13	Dec 31, 12 restated
Cash and cash equivalents	**27,664**	**25,585**	**29,551**
Finance leases and other lenders	(14)	(15)	(333)
Bank loans and mortgages	(37,757)	(41,497)	(46,343)
Long-term debt	**(37,771)**	**(41,512)**	**(46,676)**
Finance leases and other lenders	(14)	(13)	(40)
Bank loans and mortgages	(46,554)	(46,370)	(45,165)
Short-term debt	**(46,568)**	**(46,383)**	**(45,205)**
Net Debt	**(56,675)**	**(62,310)**	**(62,330)**

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The Managerial Working Capital on annualised revenues of **10.5% was slightly above the 10.0% level of December 31, 2012**, due to the increase in inventories following an improved demand mix.

In Euro thousands	Dec 31, 13	Sep 30, 13	Dec 31, 12 restated
Trade receivables	74,497	77,616	77,465
Inventories	52,327	54,518	49,597
Trade payables	(85,520)	(90,450)	(88,716)
Managerial Working Capital	**41,304**	**41,684**	**38,346**
as a % of annualised revenues	*10.5%*	*10.8%*	*10.0%*
Other net receivables/payables	(13,237)	(6,416)	(761)
Net Working Capital	**28,067**	**35,268**	**37,585**
as a % of annualised revenues	*7.2%*	*9.1%*	*9.8%*

2013 Financial Statements of Elica S.p.A.

In 2013, **revenues grew by 0.9%** on the previous year (+10.9% from related parties, -1.0% from third parties). The reduction in third party revenues principally relates to the Business to Business sector.

EBITDA in 2013 of Euro 3.0 million compared to Euro 8.8 million in 2012 was significantly impacted by the provisioning of restructuring charges related to the Workforce Restructuring Plan in Italy (Euro 5.3 million). **EBITDA before restructuring charges in fact contracted slightly on 2012 to Euro 8.3 million.**

In the fourth quarter of 2013 the Reconversion Project of the production area of Serra San Quirico (Ancona) and the gradual transfer of the workforce to the Mergo (Ancona) production site began. The Project stems from the need to ensure the competitivity of the Italian production structure and includes, parallel to investments, a proportionate and gradual resizing of the workforce over a period of approximately 24 months.

The project utilises the ETLO[4] and Mobility schemes in support of the programme.

Net interest expense, including the financial component of IAS 19, **reduced on 2012 (Euro 3.3 million in 2013 compared to Euro 3.5 million in 2012)**, following both the reduction in the average debt and in the cost of debt.

The Managerial Working Capital of 5.5% of revenues reduced significantly on December 2012, following the major restructuring of the client portfolio and of trade payables.

The Net Debt reduced from Euro 67.1 million at December 31, 2012 to Euro 66.7 million at December 31, 2013, principally due to the strong generation of cash from operating activities.

4 Extraordinary Temporary Lay-Off Scheme

Significant events in 2013 and after the year-end

On **January 16, 2013**, Elica S.p.A., in accordance with Article 70, paragraph 8 and Article 71, paragraph 1-*bis* of the Consob Issuers' Regulation, announced that it would employ the exemption from publication of the required disclosure documents concerning significant merger, spin-off, share capital increase through conferment of assets in kind, acquisition and sales operations.

The Board of Directors of Elica S.p.A. on **February 14, 2013** approved the 2012 Fourth Quarter Report, prepared in accordance with IFRS accounting standards.

On **March 15, 2013** the Board of Directors of Elica S.p.A approved the Consolidated Financial Statements at December 31, 2012 and the Separate Financial Statements at December 31, 2012 of Elica S.p.A, prepared in accordance with IFRS.

On **March 28, 2013**, the Board of Directors decided to propose May 20, 2013 as the coupon No. 5 date, record date of May 22, 2013 and dividend payment date of May 23, 2013.

On **April 24, 2013**, the Shareholders' Meeting of Elica S.p.A., meeting in Ordinary and Extraordinary session, approved the Financial Statements at December 31, 2012 of Elica S.p.A., the distribution of a dividend of Euro 0.0237 per share, excluding the distribution of a dividend for treasury shares held at May 20, 2013. On the same date, the Shareholders' Meeting approved the Remuneration Report, authorised the purchase of treasury shares and the utilisation of such shares, approved the amendments to the By-laws and an increase in the number of Board members from 7 to 8, appointing Evasio Novarese as Director, born in Omegna (VB) on 25/08/1947 and resident in Comerio (VA).

The Board of Directors of Elica S.p.A. on **May 14, 2013** approved the 2013 First Quarter Report, prepared in accordance with IFRS accounting standards.
The Board of Directors also approved at the meeting the conversion Project of the production area of Serra San Quirico (Ancona) into a logistical hub and the gradual transfer of the workforce to the nearby Mergo (Ancona) production site. The Project stems from the need to ensure the competitivity of the Italian production structure and includes, parallel to investments in the region, a proportionate and gradual resizing of the workforce over a period of approximately 24 months from the fourth quarter of 2013.

On **May 14, 2013**, the Board of Directors noted that on April 24, 2013 the Vesting Period of the 2010 Stock Grant Plan concluded and verified the achievement of the Retention and Performance Objectives established by the plan, allocating overall 203,976 Elica S.p.A. shares to the Beneficiaries.

On **May 14, 2013**, Elica S.p.A. undertook a convertible loan of Euro 5 million, issued by the Indian subsidiary Elica PB India Private Ltd, investing in the development of the business on the Indian market.
The bond loan, issued by Elica PB India Private Ltd. and fully subscribed by Elica S.p.A., has a duration of 9 years and will mature interest annually at a fixed rate of 3.5%; on maturity of this 9 year period or, based on the economic-financial results of the Indian company also before this maturity, the bond loan will be fully converted into shares in Elica PB India Private Ltd., for a nominal value equal to the capital amount of the bond loan.

On **July 15, 2013**, Elica S.p.A., following the authorisation on June 19, 2013 of the Board of Directors to utilise treasury shares, announced the sale of 1,700,000 shares, comprising 2.68% of the Share Capital, to INVESCO PERPETUAL, an investment fund with a division dedicated to shareholdings in small-mid cap European companies, at a price of Euro 1.134 per share. Following this operation, Elica S.p.A. holds 1,275,498 treasury shares.

On **August 27, 2013** the Alternate Auditor Franco Borioni purchased 5,000 Elica S.p.A. shares.

On **August 28, 2013**, the Board of Directors of Elica S.p.A. approved the 2013 Half-Year Report, prepared in accordance with IFRS accounting standards.
The Board of Directors of Elica S.p.A. on the same date also approved the updated Organisational, management and control model as per Legislative Decree 231/01 of Elica S.p.A., approved on March 27, 2008, following the new offenses included in the decree and judgments concerning the responsibility of entities.

The Board of Directors of Elica S.p.A. on **November 14, 2013** approved the 2013 Third Quarter Report, prepared in accordance with IFRS accounting standards. Following its drafting in the first six months of the year and in line with Borsa Italiana notice No. 8342 of May 6, 2013 and Article 6.P.2 of the Self-Governance Code, the Board of Directors of Elica S.p.A. approved on the same date the setting up of the Long Term Incentive Plan, delegating the Chief Executing Officer with the preparation of the Regulation, based on the parameters approved by the Board. The Board of Directors of Elica S.p.A. also approved at the meeting the new version of the Regulation for the handling of corporate information and the governance of the Insider Register.

On **January 23, 2014**, in accordance with Article 2.6.2, paragraph 1, letter b) of the Regulations of the Markets organised and managed by Borsa Italiana S.p.A., Elica S.p.A. published the financial calendar for the year 2014.

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The Annual Report, comprising the Financial Statements of Elica S.p.A. for the year ended December 31, 2013, the Consolidated Financial Statements for the year ended December 31, 2013, the declaration pursuant to Article 154-*bis* of the CFA and the Directors' Report, the Report of the Board of Statutory Auditors' and the Independent Auditors' Report, will be made available to the public, at the Company's registered office, Borsa Italina S.p.A. and the Company website www.elicagroup.com in accordance with the provisions of law.

Motion on dividend distribution

The Board of Directors have proposed the distribution of a dividend of **Euro 0.0269 per share** (before withholding taxes), allocated from the available and distributable reserves and excluding the distribution of a dividend for treasury shares on **May 26, 2014, date of dividend coupon No. 6, with record date of May 28, 2014. The proposed dividend payment date is May 29, 2014.**

2013 Performance Objectives

The Elica Group fully achieved the performance objectives announced to the market on May 14, 2013, reporting for 2013 consolidated revenue growth of 1.8% (forecast at between 1 and 3%), EBITDA before restructuring charges of Euro 28.9 million, growth of 7.0% (forecast at between 2 and 7%) and a Net Debt of Euro 56.7 million (forecast not to exceed Euro 57 million).

Appointment of the new members of the Supervisory Board with three-year mandate

The **Board of Directors of Elica S.p.A.** today, with conclusion of the three-year mandate conferred to the Supervisory Board, appointed the following new members: Massinissa Magini Paolo and Cruciani Marco, while confirming the appointment of Babbo Cristiano. The mandate is of three-year duration.

Verification of independence

In addition, it is reported that today the **Board of Directors**, on the annual verification of members, **confirmed the independence of the Independent Directors Stefano Romiti, Elena Magri and Evasio Novarese** in accordance with Article 148, paragraph 3 of the CFA (also as per Article 147-*ter*, paragraph 4 of the CFA) and Article 3.C.1 of the Self-Governance Code for listed companies.

Corporate Governance and Ownership Structure Report and Remuneration Report approved

The Board of Directors of Elica S.p.A. today approved the 2013 Corporate Governance and Ownership Structure Report and the Remuneration Report, which will be made available to the public at the registered offices of the Company, Borsa Italiana S.p.A. and on the website www.elicagroup.com**,** in accordance with the applicable regulation.

Directors' Report concerning the purchase and utilisation of treasury shares proposal approved

The Board of Directors today also approved the Directors' Report to the Shareholders' Meeting on the proposal concerning the authorisation of the purchase and utilisation of treasury shares.

The Shareholders' Meeting will be requested to authorise the purchase and utilisation of treasury shares in order to provide the Company with an important operational and strategic instrument, establishing the possibility to: a) execute any future share-based incentive plans which may be authorised in favour of Directors and/or employees and/or business partners of the company and/or its subsidiaries, in accordance with applicable legal and regulatory provisions; and/or b) undertake agreements with individual Directors, employees and/or business partners of the company or companies controlled by it, not falling under the scrip issue plans governed by Article 144-*bis* of the CFA; and/or c) act, where necessary, and in compliance with applicable provisions (including those serving market practices), directly or through authorised intermediaries, with the objective to contain irregular share price movements of the company and/or to enable fluid trading; and/or d) invest in treasury shares within the pursuit of Company policies (e.g. utilising such as remuneration, including securities exchange, for the acquisition of investments or as part of acquisition operations of other companies), or where market conditions render such operations advantageous; and/or e) utilise treasury shares for operations such as the sale, conferment, allocation, exchange or any other disposal act within agreements with strategic partners, or to serve any extraordinary financial operations (e.g. convertible loans); and/or f) utilise treasury shares in guarantee of loans.

The proposal drawn up by the Board of Directors concerns the purchase of ordinary shares by the Company within a maximum limit of 20% of the share capital, i.e. 12,664,560 ordinary shares.

The authorisation for the purchase of ordinary treasury shares is requested for a period of 18 months from the date on which the Shareholders' Meeting adopts the relative resolution.

The Board of Directors proposes that the purchase price per ordinary share is fixed as: (a) not below a minimum of 95% of the official price recorded of the share in the trading session before each operation (b) not above a maximum (i) Euro 5 and (ii) 105% of the official price of the share in the trading session before each operation. It is expected that the purchases will be carried out at price conditions in line with that established by Article 5 of Regulation (EC) No. 2273/2003 of December 22, 2003, and however in compliance with the applicable regulations and conditions and the limits fixed by Consob in relation to accepted industry guidelines, where applicable.

The Board of Directors in concluding the individual treasury share buy-back operations must comply with the operational conditions established by the market concerning the purchase of treasury shares of Consob in accordance with Article 180, paragraph 1, letter c) of the CFA with resolution No. 16839 of March 19, 2009, in addition to the applicable legal and regulatory provisions, including the Regulations as per Directive (EC) 2003/6 and the relative EU and national executing regulations, and in particular in compliance with Article 132 of the CFA, Article 144-*bis* first paragraph, letter b) of the Issuers' Regulations and Regulation (EC) 2273/2003, in order to ensure equal treatment among shareholders.

The Company today holds 1,275,498 ordinary treasury shares, comprising 2.01% of the share capital.

The approval of the proposal is subject to revocation of the authorisation granted on April 24, 2013, for that part not utilised.

The Directors' Report concerning the proposal to purchase and utilise treasury shares will be made available to the public at the registered offices, Borsa Italiana S.p.A. and on the website www.elicagroup.com in accordance with the applicable regulation.

Declaration pursuant to Article 154-*bis*, paragraph two, of the Consolidated Finance Act

The Chief Executive Officer, Mr. Giuseppe Perucchetti and the Executive responsible for the preparation of corporate accounting documents, Mr. Alberto Romagnoli, declare, pursuant to Article 154-*bis*, second paragraph of Legs. Decree No. 58/98, 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, is chaired by Francesco Casoli and led by Giuseppe Perucchetti and today is the 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. With approximately 3,200 employees and an annual output of over 18 million units, the Elica Group has eight plants, including in Italy, Poland, Mexico, Germany, India and 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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