Elica S.p.A.

Interim Report

as at March 31, 2010

Contents

Corporate boards

Members of the Board of Directors

Francesco Casoli
Executive Chairman,
born in Senigallia (AN) on 5/6/1961, appointed a director by resolution dated 27/04/2009.

Andrea Sasso
Chief Executive Officer, born in Rome on 24/8/1965, appointed by resolution dated 27/04/2009.

Gianna Pieralisi
Executive Director, born in Monsano (AN) on 12/12/1934, appointed a director by resolution dated 27/04/2009.

Gennaro Pieralisi
Director, born in Monsano (AN) on 14/02/1938, appointed a director by resolution dated 27/04/2009.

Stefano Romiti
Independent Director and Lead Independent Director, born in Rome (RM) on 17/11/1957, appointed a director by resolution dated 27/04/2009.

Fiorenzo Busso
Independent Director, born in Milan (MI) on 11/9/1942, appointed a director by resolution dated 27/04/2009

Giovanni Frezzotti
Independent Director, born in Jesi (AN) on 22/02/1944, appointed by resolution dated 27/04/2009.

Members of the Board of Statutory Auditors

Corrado Mariotti
Chairman, born in Numana (AN) on 29/2/1944, appointed by resolution dated 27/4/2009.

Stefano Marasca
Statutory Auditor, born in Osimo (AN) on 9/8/1960, appointed by resolution dated 27/4/2009.

Gilberto Casali
Statutory Auditor, born in Jesi (AN) on 14/1/1954, appointed by resolution dated 27/04/2009.

Franco Borioni
Alternate Auditor, born in Jesi (AN) on 23/06/1945, appointed by resolution dated 27/4/2009.

Daniele Capecci
Alternate Auditor, born in Jesi (AN) on 03/04/1972, appointed by resolution dated 27/4/2009.

Internal Control Committee
Stefano Romiti
Gennaro Pieralisi
Giovanni Frezzotti

Remuneration Committee
Stefano Romiti
Gennaro Pieralisi
Giovanni Frezzotti

Independent Auditors
Deloitte & Touche S.p.A.

Registered office and Company Data
Elica S.p.A.
Registered office: Via Dante, 288 – 60044 Fabriano (AN)
Share capital: Euro 12,664,560.00
Tax Code and Companies' Register Number: 00096570429
Ancona REA No. 63006 – VAT Number 00096570429

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Directors' Report on Q1 2010

Financial and operating review

In Euro thousands	Q1 2010	revenue margin	Q1 2009	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%
Financial income/(costs)	276	0.3%	188	0.2%	46.8%
Income taxes	(985)	(1.1%)	1,739	2.1%	(156.6%)
Net profit from continuing operations	1,606	1.8%	2,133	2.6%	(24.7%)
Net profit from continuing operations and discontinuing operations	1,606	1.8%	2,133	2.6%	(24.7%)
Group net profit	**1,458**	**1.7%**	**1,977**	**2.4%**	**(26.3%)**
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. EBITDA is the operating profit (EBIT) plus amortisation and depreciation and write-downs of goodwill for losses in value. EBIT is the operating profit as reported in the consolidated income statement.

In Euro thousands	March 31, 2010	Dec. 31, 2009	March 31, 2009
Trade receivable	88,196	85,589	84,595
Inventories	40,118	41,451	46,697
Trade payables	(79,947)	(86,806)	(78,131)
Managerial Working Capital	**48,367**	**40,234**	**53,161**
as a % of annualised revenues	13.7%	12.0%	16.1%
Other net receivables/payables	(7,711)	(6,963)	(5,424)
Net Working Capital	**40,656**	**33,271**	**47,737**
as a % of annualised revenues	11.5%	9.9%	14.5%

In Euro thousands	March 31, 2010	Dec. 31, 2009	March 31, 2009
Cash and cash equivalents	**17,999**	**19,235**	**8,199**
Finance leases and other lenders	(91)	(2,430)	(2,895)
Bank loans and mortgages	(13,707)	(14,780)	(4,435)
Long-term debt	**(13,798)**	**(17,210)**	**(7,330)**
Finance leases and other lenders	(3,388)	(1,903)	(1,789)
Bank loans and mortgages	(25,404)	(23,058)	(35,921)
Short-term debt	**(28,792)**	**(24,961)**	**(37,710)**
Net Debt	**(24,591)**	**(22,936)**	**(36,841)**

Net Debt is the sum of cash and cash equivalents less amounts due under finance leases and other borrowings (current and non-current), plus bank loans and mortgages (current and non-current), as reported in the balance sheet.

Operating review Q1 2010

During the first quarter of 2010 Group consolidated revenue grew by 7% on the same period of the previous year - a performance ahead of the general market. Revenue growth is due for 80% to the Range Hoods BU which was driven by the growth in Group brand sales. The Motors BU also reported a significant turnaround, recording strong growth of 12.8% on the same period of the previous year. All geographic regions recorded growth, in particular the Americas with growth close to 20%, partly due to the strengthening of the US Dollar on the Euro. Sales volumes was the principal revenue growth driver for the 2 Business Units and the various geographic regions.

The above-mentioned effects relating to exchange rate movements and volumes, which benefitted revenues, resulted in EBITDA growth of 48% on the same period of the previous year, improving the EBITDA revenue margin to 7.3%. The completion of the industrial reorganisation operations and the fall in raw material prices further improved operational profits, although there are clear signs of cost increases for raw materials in the near future.
The effects of the renewal of the labour contract and the return of a merit-based remuneration policy, founded on profitability objectives, increased the cost of labour compared to the same period of the previous year.

In Q1 2010, the Euro showed signs of weakness against nearly all of the currencies in which the Group operates, with the exception of the US Dollar which remained stable.

	Average 10	**Average 09**	**%**	**March 31, 2010**	**March 31, 2009**	**%**
USD	1.38	1.30	6.1%	1.35	1.33	1.3%
GBP	0.89	0.91	-2.3%	0.89	0.93	-4.4%
JPY	125.48	122.04	2.8%	125.93	131.17	-4.0%
PLN	3.99	4.50	-11.4%	3.87	4.69	-17.5%
MXN	17.66	18.73	-5.7%	16.66	18.76	-11.2%

These exchange rate movements contributed to the growth of the EBITDA.

The percentage of Managerial Working Capital on net annualised revenues increased from 12% in December 2009 to 13.7% in March 2010. This is a seasonal effect relating to lower purchase volumes in Q1 2010 compared to Q1 2009. The positive trend concerning the reduction of the percentage of inventories continued while trade receivables maintained in line with the growth of revenues.

The expansionary policies carried out by the Group require the use of financial resources increasing the Net Financial Position by 7%, from a net debt of Euro 22.9 million at December 31, 2009 to a net debt of Euro 24.6 million at March 31, 2010. The Net Debt improved strongly by Euro 12.2 million on March 31, 2009.

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 Spa from January 1, 2010.

On April 26, 2010, the Shareholders' AGM of Elica S.p.A. approved the Financial Statements of Fime S.p.A. and 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 Shareholder 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 Plan.
In execution of the above-stated shareholders' meeting resolution, the Board of Directors of the Company 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.". This holding arose from the conferment to "Sider S.r.l." of the "productive-industrial" business unit on December 14, 2009.

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 (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.

Elica Group structure and consolidation scope

The Elica Group is currently the world's largest manufacturer of kitchen range hoods for domestic use and is leader in Europe in the sector of motors for boilers used in home heating systems.

Parent Company

- Elica S.p.A, - Fabriano (AN) is the parent company of the Group.

Subsidiaries at the publication date of the Interim Report

- Elica Group Polska Sp.zo.o. – Wroclaw – (Poland). This company has been operational since September 2005 in the production and sale of electric motors and from December 2006 in the production and sale of exhaust range hoods for domestic use;

- ELICAMEX S.A. de C.V. – Queretaro (Mexico). The company was incorporated at the beginning of 2006 and is held 100%. Through this company, the Group intends to concentrate the production of products for the American markets in Mexico and reap the benefits deriving from optimisation of operational and logistical activities;

- Leonardo Services S.A. de C.V. – Queretaro (Mexico). This wholly owned subsidiary was incorporated in January 2006 (the Parent Company owns 98% directly and 2% indirectly through Elica Group Polska Sp.zo.o.). Leonardo Services S.A. de C.V. manages all Mexican staff, providing services to ELICAMEX S.A. de C.V.;

- ARIAFINA CO., LTD – Sagamihara-Shi (Japan). Established in September 2002 as a 50/50 joint venture with Tokyo-based Fuji Industrial and leader in Japan with over 70% of the range hood market. Elica S.p.A. acquired control of this joint venture in May 2006 to provide further impetus to the development of the important Japanese market, where high-quality products are sold;

- Airforce S.p.A. – Fabriano (AN). This company operates in a special segment of the production and sale of hoods sector. The holding of Elica S.p.A. is 60%;

- Airforce Germany GmbH – Stuttgart (Germany). Airforce S.p.A. owns 95% of Air Force Germany G.m.b.h., a company that sells hoods in Germany through so-called "kitchen studios".

- Elica Inc. – Chicago, Illinois (United States). The company aims to develop the Group's brands in the US market by carrying out marketing and trade marketing with resident staff. The company is a wholly owned subsidiary of ELICAMEX S.A. de C.V.;

- Elica International S.à.r.l. – Luxembourg, 100% held by Elica S.p.A;

- Elica Finance Limited – Dublin (Ireland), 100% held by Elica International S.à.r.l.;

- Exklusiv Hauben Gutmann GmbH – Mulacker (Germany) - a German company entirely held by Elica International S.à.r.l. and the German leader in the high-end kitchen range hood market, specialised in "tailor made" and high performance hoods.

Associated companies

- I.S.M. Srl – Cerreto d'Esi (AN). The company manufactures semi-finished products for the hood production cycle. Elica S.p.A. has a 49.385% equity interest in this company.

Changes in the consolidation scope

In the first quarter of 2010, there were no significant changes to the consolidation scope from December 31, 2009.

Elica Group Inter-company and other related-party transactions

During the first quarter of 2010, transactions were entered into with subsidiaries, associated companies and other related parties. All transactions were conducted on an arm's length basis in the ordinary course of business.

Subsequent events and business outlook

The ongoing demand analysis activity by Management continues. At the beginning of 2010, the principal markets in which the Group carries out its trading activities improved slightly; demand visibility remains limited however.

The Elica Group presented its new products at "Eurocucina 2010" at the 49th International Furniture Trade Show in Milan from April 14, 2010.

Compliance pursuant to Section VI of the regulation implementing legislative decree No. 58 of 24 February 1998 concerning market regulations ("Market Regulations")

Elica S.p.A. confirms compliance with the conditions for listing pursuant to articles 36 and 37 of Consob's Market Regulations. In particular, having control, directly or indirectly, over some companies registered in countries outside of the European Union, the financial statements of the above-mentioned companies, prepared for the purposes of the Elica Group Consolidated Financial Statements, were made available in accordance with the provisions required by the current regulations enacted on March 30, 2009.

Consolidated financial statements at March 31, 2010

Consolidated Income Statement – Q1 2010 (in Euro thousands)

In Euro thousands	**Q1 2010**	**Q1 2009**
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 & Depreciation	(4,127)	(4,146)
Other operating expenses and provisions	(2,130)	(1,936)
Write-down of Goodwill for loss of value	-	-
EBIT	**2,315**	**206**
Share of profit/(loss) from associates	(267)	-
Financial income	1,266	611
Financial charges	(893)	(832)
Exchange gains/(losses)	170	409
Profit before taxes	**2,591**	**394**
Income taxes	(985)	1,739
Net profit from continuing operations	**1,606**	**2,133**
Net profit from discontinued operations	-	-
Net profit for the period	**1,606**	**2,133**
of which:		
Minority interests share	148	156
Group net profit	1.458	1.977
Basic earnings per share		
From continuing and discontinued operations (Euro/cents)	2.56	3.47
From continuing operations (Euro/cents)	2.56	3.47
Diluted earnings per share		
From continuing and discontinued operations (Euro/cents)	2.56	3.47
From continuing operations (Euro/cents)	2.56	3.47

Comprehensive Consolidated Income Statement – Q1 2010

In Euro thousands	Q1 2010	Q1 2009
Net profit	**1,606**	**2,133**
Other comprehensive income statement items:		
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)	-
Total other comprehensive income statement items, net of tax effects:	**4,835**	**(2,328)**
Total comprehensive result	**6,441**	**(195)**
of which:		
Minority interests share	208	116
Group comprehensive result	6,233	(311)

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

In Euro thousands	March 2010	Dec. 31, 2009	March 31, 2009
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
Total non-current assets	**137,296**	**136,436**	**135,873**
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
Current assets	**160,153**	**160,549**	**155,934**
Total assets	**297,449**	**296,985**	**291,807**
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	-	-	-
Non-current liabilities	**37,107**	**40,283**	**30,654**
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
Current liabilities	**129,929**	**132,545**	**137,452**
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
Group shareholders' equity	**128,403**	**122,045**	**121,941**
Capital and reserves of minority interests	1,862	1,561	1,604
Minority interest profit	148	551	156
Minority interest equity	**2,010**	**2,112**	**1,760**
Consolidated shareholders’ equity	**130,413**	**124,157**	**123,701**
Total liabilities and shareholders’ equity	**297,449**	**296,985**	**291,807**

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

In Euro thousands		**March 2010**	**March 2009**
Opening cash and cash equivalents		**19,235**	**14,968**
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)
Cash flow from operating activity		**(402)**	**1,949**
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	-
Cash flow from investments		**(2,526)**	**(3,434)**
Increase (decrease) financial payables		419	(4,875)
Net changes in other financial assets/liabilities		4	(53)
Interest (paid)/received		445	(81)
Cash flow from financing activity		**868**	**(5,010)**
Change in cash and cash equivalents		**(2,060)**	**(6,494)**
Effect of exchange rate change on liquidity		**824**	**(275)**
Closing cash and cash equivalents		**17,999**	**8,199**

Notes to the Interim Report at March 31, 2010

Group structure and brief description of its activities

The Group operates in the following operating segments:

- "Range Hoods": production and sale of range hoods and accessories;
- "Motors": production and sale of electric motors.

The Group's activities are carried out in Italy, Poland, Mexico, Germany and Japan and the revenues are prevalently sourced from America, Europe and the Commonwealth of Independent States.

The Euro is the functional and reporting currency for Elica S.p.A and all consolidated companies, except for such foreign subsidiaries as Elica Group Polska Sp.zo.o, ELICAMEX S.A. de C.V., Leonardo S.A. de C.V. and ARIAFINA CO., LTD, which prepare their accounts in Polish Zloty, Mexican Pesos and Japanese Yen, respectively.

The exchange rates used for the translation to Euro of the financial statements of companies consolidated in a currency other than the consolidation currency, compared with those used in the previous periods, are shown in the table below:

	Average 10	Average 09	%	March 31, 2010	March 31, 2009	%
USD	1.38	1.30	6.1%	1.35	1.33	1.3%
GBP	0.89	0.91	-2.3%	0.89	0.93	-4.4%
JPY	125.48	122.04	2.8%	125.93	131.17	-4.0%
PLN	3.99	4.50	-11.4%	3.87	4.69	-17.5%
MXN	17.66	18.73	-5.7%	16.66	18.76	-11.2%

Criteria for the preparation of the Interim Report

The Interim report on operations at March 31, 2010 was prepared in accordance with article 154 ter, paragraph 5 of the Consolidated Finance Act ("CFA") introduced by Legislative Decree 195/2007 enacting EU Directive 109/2004 ("Transparency Directive").
The report was approved by the Board of Directors of Elica S.p.A. on May 13, 2010 and on the same date the board authorised its publication.

Accounting principles adopted

The accounting principles utilised for the preparation of the financial statements as at March 31, 2010 are the IAS/IFRS issued by the IASB and approved by the European Union at the date of the Report. IAS/IFRS refers to the International Accounting Standards (IAS), the International Financial Reporting Standards (IFRS) and all the interpretive documents issued by the IFRIC (formally the Standing Interpretations Committee). In their preparation, the same accounting principles were adopted as in the preparation of the Consolidated Financial Statements as at December 31, 2009.
The interim report was prepared on the basis of the historical cost principle, except for some financial instruments which are recognised at fair value. The financial statement accounts have been measured in accordance with the general criteria of prudence and accruals and on a going concern basis, and also take into consideration the economic function of the assets and liabilities.
The preparation of interim financial statements requires the use of estimates and assumptions based on the best evaluations of management.

If in the future these estimates and assumptions should be different from the actual circumstances, they will obviously be modified appropriately in the period in which the circumstances change.
In particular, with reference to the determination of any loss in value of non-current assets, tests are generally made on a complete basis on the preparation of the annual accounts, when all the necessary information is available, except where there are specific indications of impairment which require an immediate valuation of any loss in value or when facts arise requiring an impairment test.

Change of accounting principles, change of estimates and reclassifications

The financial statements utilised are the same as those used for the preparation of the consolidated financial statements at December 31, 2009, with the exception of those amendments and interpretations applied from January 1, 2010.

The standards which may apply to the Group are summarised below.

IFRS3 - Business Combinations and IAS 27R - Consolidated and Separate Financial Statements
The principal changes to IFRS 3 relate to the elimination of the obligation to value the individual assets and liabilities of a subsidiary at fair value for each successive acquisition, in the case of several acquisitions in an investment. The goodwill will only be determined in the acquisition phase and will be the difference between the value of the investments immediately before the payment for the transaction and the value of the net assets acquired. In addition, where the company does not acquire 100% of the investment, the minority interest share of net equity may be valued at fair value or utilising the method already contained previously in IFRS 3. The revised version of the standard provides for the allocation to the income statement of all the costs relating to the business combination and recognition at the acquisition date of the liabilities for payments subject to conditions.
In the amendment to IAS 27, the IASB has established that the modifications in shareholdings which do not constitute a loss of control must be treated as an equity transaction and therefore recorded under equity. In addition, it is established that when a parent company loses control of an investment but still has a holding, the investment must be valued at fair value with recording of any gains or losses deriving from the loss of control in the income statement. Finally, the amendment to IAS 27 requires that all the losses attributable to minority shareholders are allocated to the minority shareholders net equity, even when this exceeds their holding in the investment.

IFRS 8 – Operating segments
This amendment requires that companies provide the value of all assets for each sector subject to disclosure, if this value is provided periodically at the highest operating level. This information was required previously without this condition.

Composition and main changes in the Income Statement and Balance Sheet

1 Revenues

In Euro thousands	Q1 2010	Q1 2009	Changes
Revenues from product sales	88,094	82,325	5,769
Service revenues	9	7	2
Total revenues	**88,103**	**82,332**	**5,771**

For the comments relating to the changes in revenues, reference should be made to the paragraph "Operating review Q1 2010".

The table below provides an analysis of sales by geographic area, regardless of the origin of the goods and services. Sales information by sector is reported in note 9.

In Euro thousands	The Americas	Europe + CIS	Other countries	Consolidated
First Quarter 2010	7,745	73,650	6,708	**88,103**
First Quarter 2009	6,472	69,728	6,132	**82,332**

2. Raw materials and consumables

In Euro thousands	Q1 2010	Q1 2009	Changes
Purchase of raw materials	(37,843)	(35,622)	(2,221)
Shipping expenses on purchases	(469)	(425)	(44)
Purchases of consumable materials	(346)	(355)	9
Packaging	(2,018)	(2,227)	209
Purchases of supplies	(170)	(98)	(72)
Purchases of semi-finished materials	(1,268)	(31)	(1,237)
Purchase of finished products	(711)	(749)	38
Other purchases	(84)	(82)	(2)
Change in inventory of raw materials, consumables and goods for re-sale	(1,543)	(3,540)	1,997
Total	**(44,452)**	**(43,127)**	**(1,325)**

Raw materials and consumables increased by Euro 1,325 thousand due to the increase in production volumes.

The percentage of revenues improved from 52% in Q1 2009 to 50% in Q1 2010. This positive effect was due to the changes introduced to the purchases and logistical policy.

3. Services

In Euro thousands	Q1 2010	Q1 2009	Changes
Outsourcing expenses	(7,614)	(6,519)	(1,095)
Transport	(1,876)	(1,975)	99
Finished goods inventories	(953)	(955)	2
Consulting	(1,370)	(1,366)	(4)
Other professional services	(1,536)	(1,761)	225
Maintenance	(563)	(774)	211
Utilities	(1,154)	(1,085)	(69)
Commissions	(595)	(567)	(28)
Travel expenses	(534)	(580)	46
Advertising	(326)	(257)	(69)
Insurance premiums	(347)	(372)	25
Directors & Statutory Auditor fees	(275)	(226)	(49)
Trade fairs and promotional events	(272)	(99)	(173)
Industrial services	(149)	(185)	36
Banking commissions and charges	(92)	(74)	(18)
Total Services	**(17,656)**	**(16,797)**	**(859)**

The increase in the account principally relates to "outsourcing expenses" following the higher production volumes in the period.

Labour costs

Labour costs incurred by the Group were as follows:

In Euro thousands	**Q1 2010**	**Q1 2009**	**Changes**
Salaries and wages	(12,529)	(12,194)	(335)
Social security expenses	(3,870)	(3,716)	(154)
Employee leaving indemnity	(599)	(160)	(439)
Other costs	(1,163)	(516)	(647)
Total labour costs	**(18,161)**	**(16,587)**	**(1,574)**

The account "other costs" includes Euro 423 thousand relating to the recording of the "2010 Stock Grant Plan" as illustrated in the paragraph "Significant events in Q1 2010 and subsequent events to the period".

5. Net Financial income/(charges)

In Euro thousands	**Q1 2010**	**Q1 2009**	**Changes**
Financial income	1,266	611	655
Financial charges	(893)	(832)	(61)
Exchange gains/(losses)	170	409	(239)
Total net financial income/(charges)	**543**	**188**	**355**

The change in "net financial income/(charges)" is due for Euro 239 thousand to the exchange movements in the period, as described in the "Operating review Q1 2010".

"Financial income" includes Euro 945 thousand related to the fee from Whirlpool for the acquisition of 1,899,684 shares of the Company in accordance with the Second Modifying Agreement of the Share Option Agreement of June 15, 2009 and the Supplementary Agreement of March 8, 2010. These agreements concern, among other issues, the purchase of shares of the Company by Whirlpool until February 23, 2010 and subject to the payment of Euro 0.50 on each share purchased. Further information on the modifying agreement is contained in the Annual Corporate Governance and Shareholder Report available on the website www.elicagroup.com.

6. Property, plant & equipment

The breakdown of property, plant and equipment at March 31, 2010 and December 31, 2009 is detailed below.

In Euro thousands	**March 31, 2010**	**Dec. 31, 2009**	**Changes**
Land and buildings	41,237	38,789	2,448
Plant and machinery	16,605	16,866	(261)
Commercial and industrial equipment	8,199	8,596	(397)
Other assets	2,298	1,989	309
Assets in progress and advances	1,862	2,860	(998)
Total property, plant & equipment	**70,201**	**69,100**	**1,101**

Property, plant and equipment increased from Euro 69,100 thousand at December 31, 2009 to Euro 70,201 thousand at March 31, 2010, an increase of Euro 1,101 thousand as a result of the sales, purchases and of depreciation recorded in the income statement of Euro 3,004 thousand. The change includes exchange gains of Euro 2,255 thousand.

7. Other intangible assets

The breakdown of the "Other intangible assets" at March 31, 2010 and December 31, 2009 is shown below.

In Euro thousands	**March 31, 2010**	**Dec. 31, 2009**	**Changes**
Development Costs	2,478	2,544	(66)
Industrial patents and intellectual property rights	8,613	8,047	566
Concessions, licenses, trade marks & similar rights	2,054	2,090	(36)
Assets in progress and advances	151	582	(431)
Other intangible assets	7,625	7,830	(205)
Total other intangible fixed assets	**20,921**	**21,093**	**(172)**

The other intangible assets decreased from Euro 21,093 thousand at December 31, 2009 to Euro 20,921 thousand at March 31, 2010, a reduction of Euro 172 thousand as a result of the purchases, sales and amortisation recorded to the income statement of Euro 1,123 thousand. The change includes exchange gains of Euro 225 thousand.
The account "Assets in progress and advances" includes the advance relating to the implementation of software projects, principally referring to the design and development of a new and innovative electronic platform and the related IT project.

8. Inventories

In Euro thousands	**March 31, 2010**	**Dec. 31, 2009**	**Changes**
Raw material, ancillary and consumables	17,329	15,160	2,169
Raw materials obsolescence provision	(840)	(903)	63
Total	16,489	14,257	2,232
Products under construction and semi-finished	11,858	13,733	(1,875)
Work-in–progress obsolescence provision	(841)	(870)	29
Total	11,017	12,863	(1,846)
Finished products and goods for resale	13,427	14,769	(1,342)
Finished products obsolescence provision	(838)	(708)	(130)
Total	12,589	14,061	(1,472)
Payments on account	23	270	(247)
Total inventories	**40,118**	**41,451**	**(1,333)**

The account recorded a 3.2% reduction of Euro 1,333 thousand, principally due to the reorganisation of the productive facilities. The change includes exchange gains of Euro 893 thousand.

9. Segment information

The Group operates in the following sectors:

- "Range Hoods": production and sale of range hoods and accessories;
- "Motors": production and sale of electric motors.

Segment revenues are determined in accordance with the classification of the products sold in a business sector. Segment results are determined by taking into account all the costs that can be allocated directly to sales in a specific segment. Costs not allocated to the segments include all costs not directly attributable to the area, including manufacturing, sales, general, administrative costs, as well as financial income and charges and taxes.
Inter-segment revenues include revenues between Group segments that are consolidated on a line-by-line basis in relation to sales made to other segments.
Assets, liabilities and investments are allocated directly on the basis of their classification in a specific sector.
The following tables contain segment information by business segment as defined above:

Income statement data by segment *(in thousands of Euro)*

INCOME STATEMENT	**Hoods**		**Electric motors**		**Not allocated and eliminations**		**Consolidated**	
	Q1 10	**Q1 09**	**Q1 10**	**Q1 09**	**Q1 10**	**Q1 09**	**Q1 10**	**Q1 09**
Segment revenue:								
customers	74,557	70,321	13,546	12,011			88,103	82,332
Inter-segment	77	82	4,244	4,581	(4,321)	(4,664)	0	0
Total revenues	**74,635**	**70,403**	**17,789**	**16,593**	**(4,321)**	**(4,664)**	**88,103**	**82,332**
Segment result:	**15,009**	**8,235**	**2,126**	**1,562**			**17,135**	**9,797**
Overheads not allocated							**(14,819)**	**(9,591)**
EBIT							**2,315**	**206**
Share of profit/(loss) from associates					(267)	0	(267)	0
Financial income					1,266	611	1,266	611
Financial charges					(893)	(832)	(893)	(832)
Exchange gains/(losses)					170	409	170	409
Profit before taxes					**2,591**	**394**	**2,591**	**394**
Income taxes					(985)	1,739	(985)	1,739
Net profit from continued operations					**1,606**	**2,133**	**1,606**	**2,133**
Net profit/(loss) from discontinued operations					0	0	0	0
Net profit for the period					**1,606**	**2,133**	**1,606**	**2,133**

Balance sheet data by segment *(in thousands of Euro)*

Balance Sheet	Hoods		Electric motors		Not allocated and eliminations		Consolidated	
	March 10	Dec. 09	Mar. 10	Dec. 09	March 10	Dec. 09	March 10	Dec. 09
Assets:								
Segment assets	190,353	188,474	67,085	66,946	(4,185)	(4, 369)	253,253	251,051
Investments in ass. companies					2,041	2,309	2,041	2,309
Assets not allocated					42,155	43,625	42,155	43,625
Total operational assets							**297,449**	**296,985**
Total assets of discontinued operations							**0**	**0**
Total assets							**297,449**	**296,985**
Liabilities								
Segment liabilities	(62,297)	(78,241)	(31,248)	(22,490)	4,185	4,371	(89,360)	(96,360)
Liabilities not allocated					(77,676)	(76,468)	(77,676)	(76,468)
Net Equity					(130,413)	(124,157)	(130,413)	(124,157)
Total operational liabilities							**(297,449)**	**(296,985)**
Total liabilities of discontinued operations							**0**	**0**
Total liabilities							**(297,449)**	**(296,985)**

Fabriano, May 13, 2010

The Chairman

Francesco Casoli

Declaration of the executive responsible for the preparation of the corporate accounting documents in accordance with article 154 bis, paragraph 2 of Legislative Decree 58/1998

The undersigned Andrea Sasso as Chief Executive Officer and Vincenzo Maragliano as Executive responsible for the preparation of the corporate accounting documents of Elica S.p.A., declares in accordance with article 154 bis, paragraph 2, of the Consolidated Finance Act, that the accounting and corporate information corresponds to the underlying accounting documents, records and accounting entries.

Fabriano, May 13, 2010

The Chief Executive Officer
Andrea Sasso

Executive responsible for the preparation
of corporate accounting documents
Vincenzo Maragliano