Elica S.p.A.

Interim Report

at December 31, 2014

Contents

Corporate boards

Members of the Board of Directors

Francesco Casoli
Executive Chairman,
born in Senigallia (AN) on 5/6/1961, appointed by resolution of 27/4/2012.

Giuseppe Perucchetti
Chief Executive Officer, born in Varese (VA) on 30/10/1958, appointed a Director on 27/4/2012 and an Executive Director on 13/9/2012.

Gianna Pieralisi
Executive Director, born in Monsano (AN) on 12/12/1934, appointed by resolution of 27/4/2012.

Gennaro Pieralisi
Director, born in Monsano (AN) on 14/2/1938, appointed by resolution of 27/4/2012.

Stefano Romiti
Independent Director and Lead Independent Director, born in Rome (RM) on 17/11/1957, appointed by resolution of 27/4/2012.

Andrea Sasso
Director, born in Rome on 24/8/1965, appointed by resolution of 27/4/2012.

Elena Magri
Independent Director, born in Brescia (BS) on 19/7/1946, appointed by resolution of 27/4/2012.

Evasio Novarese
Independent Director, born in Omegna (VB) on 25/08/1947, appointed by the Shareholders' Meeting of 24/04/2013 (deed of 7/5/2013).

Members of the Board of Statutory Auditors

Corrado Mariotti
Chairman, born in Numana (AN) on 29/2/1944, appointed by resolution of 27/4/2012.

Stefano Marasca
Statutory Auditor, born in Osimo (AN) on 9/8/1960, appointed by resolution of 27/4/2012.

Gilberto Casali
Statutory Auditor, born in Jesi (AN) on 14/1/1954, appointed by resolution of 27/4/2012.

Franco Borioni
Alternate Auditor, born in Jesi (AN) on 23/6/1945, appointed by resolution of 27/4/2012.

Daniele Capecci
Alternate Auditor, born in Jesi (AN) on 3/4/1972, appointed by resolution of 27/4/2012.

Internal control & risk management Cmte.

Stefano Romiti
Gennaro Pieralisi
Elena Magri

Appointments and Remuneration Committee

Stefano Romiti
Gennaro Pieralisi
Elena Magri

Independent Audit Firm
Deloitte & Touche S.p.A.

Registered office and Company Data
Elica S.p.A.
Registered office: Via Casoli, 2 – 60044 Fabriano (AN)
Share capital: Euro 12,664,560.00
Tax Code and Companies' Register Number: 00096570429
Ancona REA No. 63006 – VAT Number 00096570429

Investor Relations Manager
Laura Giovanetti
e-mail: l.giovanetti@elica.com Telephone: +39 0732 610727

Directors' Report at December 31, 2014

Financial and operating review

In Euro thousands	FY 14	% revenues	FY 13	% revenues	14 Vs 13 %
Revenues	391,901		391,849		0.0%
EBITDA before restructuring charges	30,770	7.9%	28,853	7.4%	6.6%
EBITDA	27,923	7.1%	22,857	5.8%	22.2%
EBIT	11,251	2.9%	6,869	1.8%	63.8%
Financial income/(charges)	(4,360)	-1.1%	(4,455)	(1.1%)	(2.1%)
Income taxes	(3,405)	-0.9%	(988)	(0.3%)	244.6%
Net profit from continuing operations	3,486	0.9%	1,426	0.4%	144.5%
Net profit from continuing operations and discontinued operations	**3,486**	**0.9%**	**1,426**	**0.4%**	**144.5%**
Group Net Profit	2,592	0.7%	1,357	0.3%	91.0%
Basic earnings per share on continuing operations and discontinued operations (Euro/cents)	4.1800		2.1870		91.1%
Diluted earnings per share on continuing operations and discontinued operations (Euro/cents)	4.1800		2.1870		91.1%

The earnings per share for 2014 and 2013 were calculated by dividing the Group net result from continuing and discontinued operations by the number of outstanding shares at the respective reporting dates.

In Euro thousands	Q4 14	% revenues	Q4 13	% revenues	14 Vs 13 %
Revenues	98,822		101,274		-2.4%
EBITDA before restructuring charges	9,766	9.9%	9,102	9.0%	7.3%
EBITDA	8,795	8.9%	4,500	4.4%	95.4%
EBIT	4,652	4.7%	492	0.5%	845.5%
Financial income/(charges)	(1,320)	(1.3%)	(1,012)	(1.0%)	30.4%
Income taxes	(1,797)	(1.8%)	558	0.6%	-422.0%
Net profit from continuing operations	1,535	1.6%	38	0.0%	3939.5%
Net profit from continuing operations and discontinued operations	**1,535**	**1.6%**	**38**	**0.0%**	**3939.5%**
Group Net Profit	1,367	1.4%	(55)	(0.1%)	2585.5%
Basic earnings per share on continuing operations and discontinued operations (Euro/cents)	2.20		(0.09)		2585.5%
Diluted earnings per share on continuing operations and discontinued operations (Euro/cents)	2.20		(0.09)		2585.5%

The earnings per share for Q4 2014 and 2013 were calculated by dividing the Group 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 any write-downs of goodwill for losses in value. EBIT is the operating profit as reported in the consolidated income statement.

In Euro thousands	Dec 31, 14	Sep 30, 14	Dec 31, 13
Trade receivables	63,456	68,233	74,497
Inventories	57,609	60,931	52,327
Trade payables	(88,238)	(90,434)	(85,520)
Managerial Working Capital	**32,827**	**38,730**	**41,304**
as a % of annualised revenues	*8.4%*	*9.9%*	*10.5%*
Other net receivables/payables	(11,854)	(15,145)	(13,237)
Net Working Capital	**20,973**	**23,585**	**28,067**

In Euro thousands	Dec 31, 14	Sep 30, 14	Dec 31, 13
Cash and cash equivalents	**35,241**	**30,154**	**27,664**
Finance leases and other lenders	(12)	(12)	(14)
Bank loans and mortgages	(29,277)	(29,097)	(37,757)
Long-term debt	**(29,289)**	**(29,109)**	**(37,771)**
Finance leases and other lenders	(12)	(2)	(14)
Bank loans and mortgages	(57,364)	(58,773)	(46,554)
Short-term debt	**(57,376)**	**(58,775)**	**(46,568)**
Net Debt	**(51,424)**	**(57,730)**	**(56,675)**

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 Q4 2014

In the fourth quarter of 2014, Elica Group consolidated revenues amounted to Euro 98.8 million - contracting 2.4% - particularly owing to the slowdown on the Japanese and Russian markets, which have been impacted by specific economic conditions. The Group in the quarter performed in line with the general global market (-2.8%[1] in Q4 2014), impacted principally by Asia[2] (-5.2%). The European market overall lost just 0.5%, although based on opposing trends in western Europe (+0.1%) and eastern Europe (-1.4%), with the latter significantly impacted by the Russian market. The Americas also reports divergent trends, with North America growing strongly (+5.0%) and Latin America contracting 2.5%.

The Cooking Segment reported a revenue contraction of 2.6% on Q4 2013, with a reduction both in third party brand sales and own brand product sales - although with the Elica brand performing very strongly (+5.8%) following investments on both the consolidated markets and those with room for significant market share growth.
The Motors segment in Q4 2014 saw revenues contract 1.5%, mainly due to the heating sector.
Analysing revenues by the principal markets[3], the Americas contracted 9.2% following a temporary remix of the client portfolio. Asian revenues[4] reduced 2.7%, particularly as a result of the Japanese recession - with the other areas reporting significant sales growth. European revenues contracted slightly (-0.3%) at like-for-like exchange rates, although excluding the Russian market contraction (prompted by geo-political considerations owing to the tensions between the Ukraine and Russia) remained substantially in line.

[1]Global range hood market volumes.
[2]Concerning "Other Countries" demand - principally the Asian markets.
[3]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.
[4]Concerning revenues in "Other Countries" - principally the Asian markets.

EBITDA before restructuring charges in Q4 2014 of Euro 9.8 million (9.9% margin on net revenues) increased 7.3% on Q4 2013, based on the combined effect of the reduction of overhead costs and efficiencies generated by improved value chain integration. These effects were in part offset by a negative exchange effect. EBITDA net of restructuring charges totalled Euro 8.8 million - up 95.4% on the fourth quarter of the previous year, which reported particularly elevated restructuring charges (Euro 4.6 million).

EBIT before restructuring charges of Euro 5.6 million improved 10.4% on Euro 5.1 million in Q4 2013. EBIT net of restructuring charges totalled Euro 4.7 million, improving significantly on Euro 0.5 million in Q4 2013.

Financial charges as a percentage of revenues in the fourth quarter slightly increased from -1.0% in the fourth quarter of 2013 to -1.3% in the fourth quarter of 2014, due to the negative currency management effect.

The Group Net Profit of Euro 1.5 million improved significantly compared to substantial break-even in Q4 2013.

The Managerial Working Capital on annualised revenues of 8.4% is lower than 10.5% at December 31, 2013 and a continual improvement also on 9.9% at September 30, 2014, thanks to the positive contribution of all components due to Elica´s constant focus on optimising the allocation of resources.

The Net Debt at December 31, 2014 totalled Euro 51.4 million, reducing on Euro 56.7 million at December 31, 2013, principally thanks to improved cash generation from operating activities.

In 2014, the Euro average exchange rate strengthened against all currencies to which the Group is exposed, with the exception of UK Sterling and the Polish Zloty.

	Average 2014	**Average 2013**	**%**	**Dec 31, 14**	**Dec 31, 13**	**%**
USD	1.33	1.33	0.1%	1.21	1.38	-12.3%
JPY	140.31	129.66	8.2%	145.23	139.21	4.3%
PLN	4.18	4.20	-0.4%	4.27	4.15	2.9%
MXN	17.66	16.96	4.1%	17.87	18.07	-1.1%
INR	81.04	77.93	4.0%	76.72	85.37	-10.1%
CNY	8.19	8.16	0.3%	7.54	8.35	-9.7%
RUB	50.95	42.34	20.3%	72.34	45.32	59.6%
GBP	0.81	0.85	-4.7%	0.78	0.83	-6.0%

Significant events in Q4 2014

On October 2, 2014, Elica S.p.A. participated at STAR Conference 2014, organised in London by Borsa Italiana, through presentations and meetings with the financial community and investors.

The Board of Directors meeting of Elica S.p.A. on November 13, 2014 in Fabriano approved the 2014 Third Quarter Report, prepared in accordance with IFRS accounting standards.

On the same date, the Board of Directors assigned the Internal Audit, until December 31, 2017, to Protiviti S.r.l., a management consultancy firm. Previously this duty was carried out directly by the executive responsible Mr. Cristiano Babbo, who leaves the role.

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

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

Subsidiaries at December 31, 2014

o Elica Group Polska Sp.zo.o – Wroclaw – (Poland) (in short Elica Group Polska). This wholly-owned 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;
o Elicamex S.A. de C.V. – Queretaro (Mexico) (in short Elicamex). The company was incorporated at the beginning of 2006 (The Parent Company owns 98% directly and 2% through Elica Group Polska). 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;
o Leonardo Services S.A. de C.V. – Queretaro (Mexico) (in short Leonardo). 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;
o Ariafina CO., LTD – Sagamihara-Shi (Japan) (in short Ariafina). Incorporated in September 2002 as an equal Joint Venture with Fuji Industrial of Tokyo, the Japanese range hood market leader, Elica S.p.A. acquired control in May 2006 (51% holding) to provide further impetus to the development of the important Japanese market, where high-quality products are sold;
o Airforce S.p.A. – Fabriano (AN-Italy) (in short Airforce). This company operates in a special segment of the production and sale of hoods sector. The holding of Elica S.p.A. is 60%;
o Airforce Germany Hochleigstungs-Dunstabzugssysteme GmbH – Stuttgart (Germany) (in short Airforce Germany). Airforce S.p.A. owns 95% of Airforce Germany G.m.b.h., a company that sells hoods in Germany through so-called "kitchen studios";
o Elica Inc – Chicago, Illinois (United States), offices in Bellevue, Washington (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.;
o Exklusiv Hauben Gutmann GmbH – Mulacker (Germany) (in short Gutmann) - a German company entirely held by Elica S.p.A. and the German leader in the high-end kitchen range hood market, specialised in tailor made and high performance hoods.
o Elica PB India Private Ltd. - Pune (India) (in short Elica India); in June 2010 Elica S.p.A. signed a joint venture agreement subscribing 51% of the share capital of the newly-incorporated Indian company. Elica PB India Private Ltd. is involved in the production and sale of Group products.
o Zhejiang Elica Putian Electric CO.,LTD. – Shengzhou (China) (in short Putian), a Chinese company held 66.76% and operating under the Puti brand, a leader in the Chinese home appliances sector, producing and marketing range hoods, gas hobs and kitchenware sterilisers. Putian is one of the main players in the Chinese range hood market and the principal company developing western style range hoods. The production site is located in Shengzhou, a major Chinese industrial district for the production of kitchen home appliances.
o Elica Trading LLC – St. Petersberg (Russian Federation) (in short Elica Trading), a Russian company held 100%, incorporated on June 28, 2011.
o Elica France S.A.S. - Paris (France) (in short Elica France), a wholly-owned French company incorporated in 2014.

Associates

o I.S.M. S.r.l. – Cerreto d'Esi (AN-Italy). The company, of which Elica S.p.A. holds 49.385% of the Share Capital, operates within the real estate sector.

Changes in the consolidation scope

During 2014, the French subsidiary was incorporated and the subsidiary I.S.M. Poland was acquired through the subsidiary Elica Group Polska. During the quarter this company was merged with Elica Group Polska. There were no other changes in the consolidation scope compared to December 31, 2013.

Elica Group Inter-company and other related-party transactions

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

Subsequent events and outlook

The Group carries out an ongoing and extensive monitoring of demand dynamics, which in 2014 weakened globally compared to the previous year - particularly in Asia and Latin America. Strong performances were however reported in North America.

In view of the fourth quarter 2014 preliminary results, Elica, at like-for-like exchange rates, substantially achieved the 2014 Guidance performance objectives, announced to the market on February 14, 2014, which estimated revenue growth of between 1% and 3% and an improvement in consolidated EBITDA, before restructuring charges, of between 4% and 7% on 2013, and a Net Debt of not greater than Euro 52 million at the end of 2014.
Against the results expected from the ongoing implementation of the 5 long-term Group strategy pillars, Elica estimates an increase in Consolidated revenues of between 1% and 3% for 2015 and an increase in consolidated EBITDA of between 7% and 14% on 2014, while targeting also a maintenance of the current Net Debt level.

On January 27, 2015, 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 2015.

Compliance pursuant to Section VI of the regulation implementing legislative decree No. 58 of 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.

Obligations in accordance with Article 70, paragraph 8 and Article 71, paragraph 1-*bis* of the "Issuers' Regulation"

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

Interim Report at December 31, 2014

Consolidated Income Statement - Q4 & FY 2014

In Euro thousands	***Note***	**Q4 2014**	**Q4 2013**	**FY 2014**	**FY 2013**
Revenues	**1.**	98,822	101,274	391,901	391,849
Other operating revenues	**2.**	846	2,241	5,417	4,221
Changes in inventories of finished and semi-finished goods	**3.**	(784)	(725)	3,442	2,281
Increase in internal work capitalised		1,289	1,269	4,984	3,642
Raw materials and consumables	**3.**	(53,191)	(54,529)	(217,439)	(216,809)
Services	**4.**	(17,292)	(18,296)	(66,258)	(69,332)
Labour costs	**5.**	(19,130)	(19,384)	(81,263)	(78,386)
Amortisation & Depreciation		(4,143)	(4,008)	(16,672)	(15,988)
Other operating expenses and provisions		(794)	(2,748)	(10,014)	(8,613)
Restructuring charges	**6.**	(971)	(4,602)	(2,847)	(5,996)
EBIT		**4,652**	**492**	**11,251**	**6,869**
Share of profit/(loss) from associates		(4)	8	(17)	(10)
Financial income	**7.**	38	50	247	207
Financial charges	**7.**	(1,052)	(1,066)	(4,287)	(4,120)
Exchange gains/(losses)	**7.**	(302)	(4)	(303)	(532)
Profit/(loss) before taxes		**3,332**	**(520)**	**6,891**	**2,414**
Income taxes		(1,797)	558	(3,405)	(988)
Net profit from continuing operations		**1,535**	**38**	**3,486**	**1,426**
Net profit from discontinued operations		-	-	-	-
Net profit for the period		**1,535**	**38**	**3,486**	**1,426**
of which:					
Minority interests share		168	93	894	69
Group Net Profit/loss)		1,367	(55)	2,592	1,357
Basic earnings per Share (Euro/cents)		**2.2100**	**(0.1050)**	**4.1800**	**2.2200**
Diluted earnings per Share (Euro/cents)		**2.2100**	**(0.1008)**	**4.1800**	**2.2200**

Comprehensive Consolidated Income Statement – Q4 2014 and FY 2014

In Euro thousands	**Q4 2014**	**Q4 2013**	**FY 2014**	**FY 2013**
Net Profit	**1,535**	**38**	**3,486**	**1,426**
Other comprehensive profits/(losses) which may not be subsequently reclassified to net profit/(loss) for the period:				
Actuarial gains/(losses) of employee defined plans	(534)	316	(1,755)	867
Tax effect concerning the Other profits/(losses) which may not be subsequently reclassified to the net profit/(loss) for the period	41	7	385	(199)
Total other comprehensive profits/(losses) which may not be subsequently reclassified to net profit/(loss) for the period, net of the tax effect	**(494)**	**323**	**(1,370)**	**668**
Other comprehensive profits/(losses) which may be subsequently reclassified to net profit/(loss) for the period:				
Exchange differences on the conversion of foreign financial statements	(2,946)	(496)	(9)	(3,639)
Net change in cash flow hedges	(183)	195	(751)	306
Tax effect concerning the Other profits/(losses) which may be subsequently be reclassified to the net profit/(loss) for the period	53	(50)	207	(84)
Total other comprehensive profits/(losses) which may be subsequently reclassified to net profit/(loss) for the period, net of the tax effect	**(3,076)**	**(351)**	**(553)**	**(3,417)**
Total other comprehensive income statement items, net of the tax effect:	**(3,569)**	**(28)**	**(1,923)**	**(2,749)**
Total comprehensive profit/(loss)	**(2,034)**	**10**	**1,563**	**(1,323)**
of which:				
Minority interests share	92	(76)	1,255	(669)
Group comprehensive profit/(loss)	(2,129)	86	308	(654)

Consolidated Balance Sheet at December 31, 2014

In Euro thousands	***Note***	**Dec 31, 14**	**Dec 31, 13**
Property, plant & equipment	**8.**	88,014	81,932
Goodwill	**9.**	44,911	41,584
Other intangible assets	**10.**	26,660	25,336
Investments in associated companies		1,437	1,383
Other receivables		182	190
Tax receivables		5	6
Deferred tax assets		15,265	13,608
AFS financial assets		156	156
Derivative financial instruments		1	1
Total non-current assets		**176,631**	**164,196**
Trade and financial receivables	**11.**	63,456	74,497
Inventories	**12.**	57,609	52,327
Other receivables		6,935	6,306
Tax receivables		7,330	7,747
Derivative financial instruments		146	519
Cash and cash equivalents		35,241	27,664
Current assets		**170,717**	**169,060**
Assets of discontinued operations		**-**	**2,395**
Total Assets		**347,348**	**335,651**
Liabilities for post-employment benefits		12,752	11,230
Provisions for risks and charges	**13.**	5,441	3,333
Deferred tax liabilities		4,910	5,117
Finance leases and other lenders		12	14
Bank loans and mortgages		29,277	37,757
Other payables		4.786	987
Tax liabilities		568	677
Derivative financial instruments		146	166
Non-current liabilities		**57,892**	**59,281**
Provisions for risks and charges	**13.**	3,006	4,172
Finance leases and other lenders		12	14
Bank loans and mortgages		57,364	46,554
Trade payables	**11.**	88,238	85,520
Other payables		16,394	15,801
Tax payables		6,719	7,317
Derivative financial instruments		2,113	251
Current liabilities		**173,846**	**159,629**
Share capital		12,665	12,665
Capital reserves		71,123	71,123
Hedging, translation and stock option reserve		(9,585)	(8,525)
Reserve for actuarial gains/losses		(3,188)	(1,898)
Treasury shares		(3,551)	(3,551)
Retained earnings		39,894	40,294
Group Profit		2,592	1,357
Group shareholders' equity		**109,950**	**111,465**
Capital and reserves of minority interests		4,766	5,207
Minority interest profit		894	69
Minority interest equity		**5,660**	**5,276**
Consolidated shareholders' equity		**115,610**	**116,741**
Total liabilities and shareholders' equity		**347,348**	**335,651**

Consolidated Cash Flow Statement at December 31, 2014

In Euro thousands	***Note***	**Dec 31, 14**	**Dec 31, 13**
Opening cash and cash equivalents		**27,664**	**29,551**
EBIT - Operating profit		11,251	6,869
Amortisation, depreciation and write-downs		16,672	15,988
EBITDA		27,923	22,857
Trade working capital		7,820	(3,131)
Other working capital accounts		(2,595)	9,394
Income taxes paid		(5,786)	(4,835)
Change in provisions		281	2,376
Other changes		(2,854)	(3,218)
Cash flow from operating activity		**24,787**	**23,443**
Net increases		(15,293)	(14,034)
Intangible assets		(6,523)	(5,146)
Property, plant & equipment		(8,770)	(8,888)
Equity investments and other financial assets		-	-
Acquisition/Sale of investments	**.15**	44	-
Cash flow from investments		**(15,248)**	**(14,034)**
(Acquisition)/Sale of treasury shares		-	1,928
Other movements in share capital		-	-
Dividends		(2,413)	(700)
Increase (decrease) financial payables		1,893	(7,024)
Net changes in other financial assets/liabilities		2,095	(896)
Interest paid		(3,649)	(3,575)
Cash flow from financing activity		**(2,073)**	**(10,267)**
Change in cash and cash equivalents		**7,465**	**(858)**
Effect of exchange rate change on liquidity		**112**	**(1,029)**
Closing cash and cash equivalents		**35,241**	**27,664**

Notes to the Interim Report at December 31, 2014

Group structure and brief description of its activities

The operational segments are as follows:

- "Europe": production and sale of range hoods, accessories and electric motors developed by the Group companies based in Europe, i.e. the Italian companies Elica S.p.A. and Airforce S.p.A., the German companies Exklusiv Hauben Gutmann GmbH and Airforce Germany GmbH, the Polish company Elica Group Polska Sp.zo.o, the Russian company Elica Trading LLC and the French company Elica France S.A.S.;

- "America": production and sale of range hoods and accessories, developed by the Group companies based in America, i.e. the Mexican companies Elicamex S.A. de C.V. and Leonardo S.A. de C.V. and the US company Elica Inc;

- "Asia and the Rest of the World": production and sale of range hoods, accessories and other products, developed by the Group companies located in Asia, i.e. the Chinese company Zhejiang Elica Putian Electric Co. Ltd., the Indian company Elica PB India Private Ltd. and the Japanese company Ariafina CO., LTD.

The activities are based in the same geographic areas and therefore in Europe, specifically in Italy, Poland, Germany, Russia and France, in America, i.e. in Mexico and in the United States, and in Asia, respectively in China, India and Japan.

Segment revenues are determined based on the geographic area to which the respective companies belong. 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 geographic area.

The Euro is the functional and reporting currency for Elica and all consolidated companies, except for such foreign subsidiaries as Elica Group Polska Sp.zo.o, Elicamex S.A. de C.V., Leonardo Services S.A. de. C.V., Ariafina CO., LTD, Elica Inc., Elica PB India Private Ltd., Zhejiang Elica Putian Electric Co. Ltd. and Elica Trading LLC, which prepare their financial statements in the Polish Zloty (Elica Group Polska Sp.zo.o), the Mexican Peso (Elicamex S.A. de C.V. and Leonardo Services S.A. de C.V.), Japanese Yen, US Dollar, Indian Rupee, Chinese Renminbi and Russian Ruble 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 2014	Average 2013	%	Dec 31, 14	Dec 31, 13	%
USD	1.33	1.33	0.1%	1.21	1.38	-12.3%
JPY	140.31	129.66	8.2%	145.23	139.21	4.3%
PLN	4.18	4.20	-0.4%	4.27	4.15	2.9%
MXN	17.66	16.96	4.1%	17.87	18.07	-1.1%
INR	81.04	77.93	4.0%	76.72	85.37	-10.1%
CNY	8.19	8.16	0.3%	7.54	8.35	-9.7%
RUB	50.95	42.34	20.3%	72.34	45.32	59.6%

Criteria for the preparation of the Interim Report

The Interim Report at December 31, 2014 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 February 12, 2015 and the board authorised its publication on the same date.

Accounting principles, consolidation criteria and estimate changes

The accounting principles utilised for the preparation of the financial statements as at December 31, 2014 are the IAS/IFRS issued by the IASB and approved by the European Union at the date of the Report. IAS/IFRS 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, 2013.
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.
The current interim report is presented in Euro and all the amounts are rounded to the nearest thousand, unless otherwise specified.

Changes in accounting principles

The financial statements utilised are the same as those used for the preparation of the consolidated financial statements at December 31, 2013. No new accounting principles with impact on the current report were adopted in the period.
Specifically, the new IFRS or amendments with efficacy from January 1, 2014 applicable by the Group are the following.
On May 12, 2011, the IASB issued IFRS 10 – Consolidated Financial Statements which replaces SIC-12 Consolidation – Special Purpose Entities and parts of IAS 27 – Consolidated and Separate Financial Statements (which was renamed Separate Financial Statements) and governs the inclusion of investments in the separate financial statements. The new standard builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included in the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess.
On June 28, 2012, the IASB also issued the document "Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests and Other Entities: Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12). The document clarifies the transition rules of IFRS 10 - Consolidated financial statements, IFRS 11 - Joint Arrangements and IFRS 12 - Disclosure of Interests in Other Entities. The standard is effective retrospectively from January 1, 2014.
The adoption of this new standard had no effects on the Group consolidation scope.
On May 12, 2011, the IASB issued IFRS 11 – Joint arrangements which replaces IAS 31 – Interests in Joint Ventures and SIC-13 – Jointly controlled entities – non monetary contributions by ventures. The new standard establishes the criteria for the classification of joint arrangements based on the rights and obligations of the agreement rather than on the legal form and establishes the equity method as the only method to be applied to holdings in joint ventures in the consolidated financial statements. Following the

issue of IAS 28 – Investments in Associates, IFRS 11 was amended to include in its application, from the date of efficacy of the standard, also holdings in joint ventures. The adoption of this standard did not have any effects on the disclosure provided in the present Report.
On May 12, 2011, the IASB issued IFRS 12 – Disclosure of interests in other entities which is a new and complete standard on additional information to be provided on all types of investments, including those in subsidiaries, joint arrangements, associated companies, special purpose entities and other non-consolidated vehicle companies.
On December 16, 2011, the IASB issued certain amendments to IAS 32 – Financial Instruments: presentation, to clarify the application of a number of criteria for the off-setting of financial assets and liabilities present in IAS 32. The amendments are applicable in retrospective manner from the periods beginning January 1, 2014. Their adoption did not have any impact.
On May 29, 2013, the IASB issued an amendment to IAS 36 – Disclosure on recoverable amount of non-financial assets, which governs the disclosure on the recoverable value of impaired assets, if this amount is based on the fair value net of costs to sell. The amendments are applied retrospectively from periods beginning from January from 1, 2014. The adoption of the amendment did not have any impact on disclosure.
On June 27, 2013, the IASB issued some minor amendments to IAS 39 – Financial Instruments: recognition and measurement, entitled "Novations of derivatives and continuity of Hedge Accounting". The amendments permit continuation of hedge accounting in the case in which a derivative financial instrument, designated as a hedge instrument, is replaced following the application of law or regulations in order to replace the original counterparty so as to guarantee the fulfilment of the obligation assumed and where certain conditions are satisfied. The same amendment will also be included in IFRS 9 – Financial instruments. These amendments are applied retrospectively from periods beginning from January 1, 2014. The adoption of these amendments has had no effect.

Utilisation of estimates

In the preparation of the present report, the Group's management made accounting estimates and assumptions which have an effect on the values of the assets and liabilities and disclosures. The actual results may differ from these estimates. The estimates and assumptions are revised periodically and the effects of any change are promptly reflected in the financial statements.

In this context it is reported that the situation caused by the current economic and financial crisis resulted in the need to make assumptions on a future outlook characterised by significant uncertainty, for which it cannot be excluded that results in the coming years will be different from such estimates and which therefore could require adjustment, currently not possible to estimate or forecast, which may even be significant, to the book value of the relative items.

The account items principally concerned by uncertainty are: goodwill, the doubtful debt and inventory obsolescence provisions, non-current assets (tangible and intangible), pension funds and other post-employment benefits, provisions for risks and charges and deferred tax assets and liabilities.

Reference is made to the previous year annual accounts and the notes to the present condensed half-year financial statements for the details relating to the estimates stated above.

Composition and main changes in the Income Statement and Balance Sheet

1. Revenues

In Euro thousands	FY 14	FY 13	Changes
Revenues	391,901	391,849	52
Total revenues	**391,901**	**391,849**	**52**

For the comments relating to the changes in revenues, reference should be made to the paragraph *"Operating review Q4 2014"*. Sales information by sector is reported in note 14.

2. Other operating revenues

(in Euro thousands)	FY 14	FY 13	Changes
Rental income	2	43	(41)
Operating grants	1,098	1,095	3
Ordinary gains on disposal	3,402	537	2,865
Claims and insurance payouts	330	834	(504)
Other revenue and income	585	1,711	(1,126)
Total	**5,417**	**4,220**	**1,197**

The account increased by Euro 1,197 thousand. This principally concerned Ordinary Gains on disposal, mainly relating to the sale to third parties of the warehouse of Serra San Quirico (AN), previously classified as an Asset held-for-sale until December 2013.

3. Raw materials and consumables and change of finished and semi-finished product inventories

In Euro thousands	FY 14	FY 13	Changes
Purchase of raw materials	(187,591)	(185,462)	(2,129)
Shipping expenses on purchases	(4,763)	(4,267)	(496)
Purchases of consumable materials	(2,988)	(2,116)	(872)
Packaging	(2,469)	(4,256)	1,787
Purchases of supplies	(634)	(770)	136
Purchases of semi-finished materials	(15,276)	(14,488)	(788)
Purchase of finished products	(5,898)	(6,417)	519
Other purchases	(814)	(689)	(125)
Change in inventory of raw materials, consumables and good for re-sale	2,994	1,656	1,338
Raw materials and consumables	**(217,439)**	**(216,809)**	**(630)**
Changes in inventories of finished and semi-finished goods	**3,442**	**2,281**	**1,161**
Total	**(213,997)**	**(214,528)**	**531**

The account reduced to 54.6% of revenues (vs. 54.7%).

4. Services

In Euro thousands	FY 14	FY 13	Changes
Outsourcing expenses	(20,573)	(23,885)	3,312
Transport	(8,633)	(8,404)	(229)
Finished goods inventories	(4,312)	(3,672)	(640)
Consulting	(4,654)	(4,888)	234
Other professional services	(8,916)	(8,815)	(100)
Maintenance	(2,295)	(2,189)	(106)
Utilities	(4,717)	(5,017)	300
Commissions	(2,036)	(2,136)	100
Travel expenses	(2,640)	(3,090)	450
Advertising	(2,833)	(2,807)	(26)
Insurance	(1,137)	(1,238)	101
Directors & Statutory Auditor fees	(1,681)	(1,591)	(90)
Trade fairs and promotional events	(891)	(753)	(138)
Industrial services	(491)	(490)	(1)
Banking commissions and charges	(449)	(357)	(92)
Total Services	**(66,257)**	**(69,332)**	**3,075**

The account decreased by approx. Euro 3 million. Service expenses as a percentage of revenues decreased from 17.7% in 2013 to 16.9% in 2014. This is as a result of the introduction of the cost reduction plan by the Group and the organisational change following the acquisition of I.S.M. Poland, the largest of the Group's sub-contractors.

5. Labour costs

Labour costs incurred by the Group were as follows:

In Euro thousands	FY 14	FY 13	Changes
Wages and salaries	(59,030)	(56,515)	(2,515)
Social security	(15,769)	(15,286)	(483)
Post-employment benefits	(2,791)	(3,044)	253
Other costs	(3,673)	(3,541)	(132)
Total labour costs	**(81,263)**	**(78,386)**	**(2,876)**

The increase in the account relates to the items Wages and Salaries and Social security charges and is principally due to the change to the consolidation scope, with the inclusion of I.S.M. Poland. As a percentage of revenues these costs increased from 20.0% in 2013 to 20.7% in 2014.

6. Restructuring charges

Restructuring charges concern corporate restructuring in the period. These actions concerned the reduction of the workforce over a 24-month period from Q4 2013 and the collective transfer of the workforce from the Serra San Quirico hub, following the Board of Directors decision of Elica S.p.A. to reconvert it from a productive hub to a logistical hub.

7. Net financial charges

In Euro thousands	FY 14	FY 13	Changes
Financial income	247	207	40
Financial charges	(4,287)	(4,120)	(167)
Exchange gains/(losses)	(303)	(532)	229
Total net financial charges	**(4,343)**	**(4,445)**	**102**

The reduction in total net financial charges principally reflects exchange rate movements.

8. Property, plant & equipment

The breakdown of property, plant and equipment December 31, 2014 and December 31, 2013 is detailed below.

In Euro thousands	Dec 31, 14	Dec 31, 13	Changes
Land, land usage rights and buildings	47,576	45,497	2,079
Plant and machinery	21,455	20,002	1,453
Commercial and industrial equipment	15,273	12,632	2,641
Other assets	3,382	3,150	232
Assets in progress and advances	328	651	(323)
Total property, plant and equipment	**88,014**	**81,932**	**6,082**

Property, plant and equipment increased from Euro 81,932 thousand at December 31, 2013 to Euro 88,014 thousand at December 31, 2014, an increase of Euro 6,082 thousand as a result of the sales, purchases and of depreciation recorded in the income statement of Euro 11,355 thousand. The acquisition of I.S.M. Poland had an impact of Euro 3.9 million.

9. Goodwill

In Euro thousands	Dec 31, 14	Dec 31, 13	Changes
Goodwill recorded by subsidiaries	44,911	41,584	3,327
Total goodwill	**44,911**	**41,584**	**3,327**

The account increased Euro 2.6 million following the acquisition of I.S.M. Poland. The residual change relates to exchange rate movements.

10. Other intangible assets

The breakdown of the "Other intangible assets" at December 31, 2014 and December 31, 2013 is shown below.

In Euro thousands	Dec 31, 14	Dec 31, 13	Changes
Development Costs	8,184	6,714	1,470
Industrial patents and intellectual property rights	10,206	8,249	1,957
Concessions, licenses, trademarks & similar rights	1,557	1,619	(62)
Assets in progress and advances	2,856	4,275	(1,419)
Other intangible assets	3,857	4,479	(622)
Total other intangible fixed assets	**26,660**	**25,336**	**1,324**

Other intangible assets increased from Euro 25,336 thousand at December 31, 2013 to Euro 26,660 thousand at December 31, 2014, with an increase of Euro 1,324 thousand as a result of the purchases, sales and amortisation recorded to the income statement of Euro 5,316 thousand.
"Assets in progress and advances" refer in part to advances and the development of projects for the implementation of new IT platforms and the design, development and creation of new software applications, and also the development of new products.
The account "Other intangible assets" relates principally to the recording both of technologies developed and the client portfolio of the German subsidiary Exklusiv Hauben Gutmann GmbH.

11. Trade receivables and payables

Trade receivables and trade payables were as follows:

(in Euro thousands)	**Dec 31, 14**	**Dec 31, 13**	**Changes**
Trade receivables	63,456	74,497	(11,041)
Trade payables	(88,238)	(85,520)	(2,718)
Total	**(24,782)**	**(11,023)**	**(13,759)**

Receivables are recorded net of the doubtful debt provision based on an analysis of the credit risk on receivables and on the basis of historical data on credit losses, considering that a substantial portion of the receivables are insured by primary international insurance companies. Management considers that the value approximates the fair value of the receivables.

12. Inventories

In Euro thousands	**Dec 31, 14**	**Dec 31, 13**	**Changes**
Raw material, ancillary and consumables	23,685	21,502	2,183
Products in work-in-progress and semi-finished	12,994	11,671	1,323
Finished products and goods	20,925	19,137	1,788
Advances	6	17	(11)
Total	**57,610**	**52,327**	**5,283**

The account increased from Euro 52,327 thousand at December 31, 2013 to Euro 57,610 thousand December 31, 2014.
They are stated net of the obsolescence provisions in order to take into consideration the effect of waste, obsolete and slow moving items and the risk estimates of the use of some categories of raw and semi-finished materials based on assumptions made by management.

13. Provisions for risks and charges

The details are shown below.

(in Euro thousands)	**Dec 31, 14**	**Dec 31, 13**	**Changes**
Supplementary agent termination benefits	514	418	96
Product warranty provisions	1,550	1,519	31
Provisions for risks	1,973	1,426	547
Restructuring provision	-	750	(750)
Personnel Fund	1,489	1,903	(414)
LTI provision	2,875	1,399	1,476
Other Provisions	47	90	(43)
Total	**8,447**	**7,505**	**942**
of which			
Non-current	5,441	3,333	2,108
Current	3,006	4,172	(1,166)

Total	**8,447**	**7,505**	**942**

The Supplementary agent termination benefits are intended to cover possible charges upon termination of relations with agents and sales representatives.

Product warranty provisions represent an estimate of the costs likely to be incurred to repair or replace items sold to customers. These provisions reflect the average warranty costs historically incurred by the Group as a percentage of sales still covered by warranty.

The legal and other risks provision relates to likely costs and charges to be incurred as a result of ongoing legal disputes. The provisions have been determined based on the best possible estimates, considering the available information.

The restructuring provision was utilised for the reduction of the workforce over a 24-month period from Q4 2013 and the collective transfer of the workforce from the Serra San Quirico hub, following the Board of Directors decision of Elica S.p.A. to reconvert it from a productive hub to a logistical hub.

The Personnel Fund includes the higher cost estimated by the company for contractual indemnity and for employee bonuses. This provision decreased following the payment of the higher costs related to the previous year and increased following the provision made for this cost for the current period.

The Long Term Incentive Plan provision is based on estimates made by the actuaries Tower&Watson concerning 2013 and 2014 in relation to the plan.

14. Segment information

The operational segments are as follows:

- "Europe": production and sale of range hoods, accessories and electric motors developed by the Group companies based in Europe, i.e. the Italian companies Elica S.p.A. and Airforce S.p.A., the German companies Exklusiv Hauben Gutmann GmbH and Airforce Germany GmbH, the Polish company Elica Group Polska Sp.zo.o, the Russian company Elica Trading LLC and the French company Elica France S.A.S.;

- "America": production and sale of range hoods and accessories, developed by the Group companies based in America, i.e. the Mexican companies Elicamex S.A. de C.V. and Leonardo S.A. de C.V. and the US company Elica Inc;

- "Asia and the Rest of the World": production and sale of range hoods, accessories and other products, developed by the Group companies located in Asia, i.e. the Chinese company Zhejiang Elica Putian Electric Co. Ltd., the Indian company Elica PB India Private Ltd. and the Japanese company Ariafina CO., LTD.

The activities are based in the same geographic areas and therefore in Europe, specifically in Italy, Poland, Germany, Russia and France, in America, i.e. in Mexico and in the United States, and in Asia, respectively in China, India and Japan.

The following tables contain segment information by business segment as defined above:

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

INCOME STATEMENT	Europe		America		Asia and the Rest of World		Unallocated and eliminations		Consolidated	
	FY 14	FY 13	FY 14	FY 13	FY 14	FY 13	FY 14	FY 13	FY 14	FY 13
Segment revenue:										
Third parties	291,698	292,598	54,210	53,541	45,992	45,710	-	-	391,901	391,849
Inter-segment	13,378	14,738	11	4	1,660	362	(15,048)	(15,105)	-	-
Total revenues	**305,076**	**307,336**	**54,221**	**53,545**	**47,652**	**46,072**	**(15,048)**	**(15,105)**	**391,901**	**391,849**
Segment result:	**22,060**	**23,061**	**7,936**	**7,426**	**1,975**	**147**	**-**	**-**	**31,971**	**30,635**
Unallocated overheads									**(20,720)**	**(23,766)**
EBIT									**11,251**	**6,869**
Share of profit/(loss) from associates							(17)	(10)	(17)	(10)
Financial income							247	207	247	207
Financial charges							(4,287)	(4,120)	(4,287)	(4,120)
Exchange gains/(losses)							(303)	(532)	(303)	(532)
Profit before taxes							**6,891**	**2,414**	**6,891**	**2,414**
Income taxes							(3,405)	(988)	(3,405)	(988)
Net profit from normal operations							**3,486**	**1,426**	**3,486**	**1,426**
Net profit from discontinued operations									**-**	**-**
Net Profit									**3,486**	**1,426**

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

BALANCE SHEET	Europe		America		Asia and the Rest of World		Unallocated and eliminations		Consolidated	
	Dec 2014	Dec 2013	Dec 2014	Dec 2013	Dec 2014	Dec 2013	Dec 2014	Dec 2013	Dec 2014	Dec 2013
Assets:										
Segment assets:	228,115	230,073	34,168	33,879	44,079	37,163	(11,184)	(13,518)	295,178	287,597
Investments							1,438	1,383	1,437	1,383
Unallocated assets							50,733	44,275	50,733	44,275
Total operational assets	**228,115**	**230,073**	**34,168**	**33,879**	**44,079**	**37,163**	**40,987**	**32,140**	**347,348**	**333,255**
Total assets of discount. operations		**2,395**	**-**	**-**			**-**	**-**	**-**	**2,395**
Total Assets	**228,115**	**232,468**	**34,168**	**33,879**	**44,079**	**37,163**	**40,987**	**32,140**	**347,348**	**335,650**
Liabilities										
Segment liabilities	(123,872)	(112,034)	(12,875)	(13,746)	(19,466)	(17,514)	11,140	8,723	(145,348)	(134,571)
Unallocated liabilities							(86,665)	(84,338)	(86,665)	(84,338)
Shareholders' Equity							(115,610)	(116,732)	(115,610)	(116,741)
Total operational liabilities	**(123,872)**	**(112,034)**	**(12,875)**	**(13,746)**	**(19,466)**	**(17,514)**	**(191,135)**	**(192,348)**	**(347,348)**	**(335,650)**
Total liabilities of discontinued operations			-	-	-	-				
Total liabilities	**(123,872)**	**(112,034)**	**(12,875)**	**(13,746)**	**(19,466)**	**(17,514)**	**(191,135)**	**(192,348)**	**(347,348)**	**(335,650)**

15. Acquisitions

In 2014 the subsidiary Elica Group Polska Elica acquired 100% of the Polish company I.S.M. Poland located in Wroclaw (Poland). This company therefore entered the consolidation scope. During Q4 this company was therefore merged with Elica Group Polska. The effects of the operation at the date of acquisition of control are summarised in the following table:

(in Euro thousands)	**Carrying value based on Group principles**	**Fair value adjustments**	**Fair value**
Property, plant & equipment	2,809	1,144	3,953
Other intangible assets	1		1
Trade receivables	764		764
Inventories	1		1
Other receivables	108		108
Deferred tax assets	26		26
Cash and cash equivalents	44		44
Deferred tax liabilities	(40)		(40)
Trade payables	(610)		(610)
Other payables	(1,509)		(1,509)
Provisions for risks and charges	(45)		(45)
Tax liabilities	(136)		(136)
Total Shareholders' Equity	**1,413**	**1,144**	**2,557**
Share acquired (100%)			**2,557**
Goodwill			2,553
Total acquisition cost			**5,111**
Payable to former shareholder			(5,111)
Cash and cash equivalents acquired			44
Net cash flow from the acquisition			**44**

These figures are still provisional as valuations are ongoing.

Fabriano, February 12, 2015

The Chairman
Francesco Casoli

Declaration of the executive responsible for the preparation of the corporate accounting documents in accordance with Article 154 *bis*, paragraph 5 of Legislative Decree 58/1998

The undersigned Giuseppe Perucchetti as Chief Executive Officer and Alberto Romagnoli 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, February 12, 2015

The Chief Executive Officer
Giuseppe Perucchetti

Executive responsible for the preparation
of corporate accounting documents
Alberto Romagnoli