

PRESS RELEASE

ELICA S.p.A.

BOARD OF DIRECTORS APPROVES HALF-YEAR REPORT AT JUNE 30, 2012

H1 2012 Consolidated results (January-June 2012)

- **Revenues: Euro 191.6 million (Euro 192.5 million in 2011) - substantially stable;**
- **EBITDA: Euro 11.5 million (Euro 13.7 million in 2011) - reduction of 16.1%;**
- **EBIT: Euro 4.1 million (Euro 5.5 million in 2011);**
- **Group Net Profit: Euro 1.0 million (Euro 2.4 million in 2011);**
- **Net debt: Euro 66.9 million - from Euro 68.8 million at December 31, 2011 and Euro 70.3 million at June 30, 2011.**

Fabriano, August 28, 2012 – The Board of Directors of **Elica S.p.A.**, the parent company of a Group that is the leading manufacturer of kitchen range hoods, meeting today in Fabriano approved the **Half-Year Report at June 30, 2012**, prepared in accordance with IFRS.

Consolidated revenues H1 2012

The **consolidated revenues** of the Elica Group in the first half of 2012 **totalled Euro 191.6 million, substantially in line** with the first half of 2011 (-0.5%), significantly outperforming global demand levels which dropped 7.1%¹ in the first six months of 2012, increasing considerably the Group domestic use range hood market share.

Growth was driven by the Cooking segment which increased Revenues by 2.1% in H1 2012, with sales increasing both for own brand products (+2.5%) and third party products (+1.9%).

The **Motors segment** in the first half of 2012 reports a **contraction in revenues of 13.7%**, with the differing sectors serviced affected to varying degrees **with the exception of products for kitchen hoods.**

For the principal geographic markets², revenues in the **Americas and in Asia** (the major component of the "Other geographic areas" category) were particularly strong thanks to respective growth of 30.7% and 9.8% compared to 2011, while **difficulties in Europe relate principally to the slowdown in consumption**, stemming from the current economic conditions with a **5.6%** decrease in revenues on the same period of the previous year.

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

¹ Global range hood 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.

In Euro thousands	Europe		The Americas		Asia		Unallocated and eliminations		Consolidated	
	H1 12	H1 11 (*)	H1 12	H1 11 (*)	H1 12	H1 11 (*)	H1 12	H1 11 (*)	H1 12	H1 11 (*)
Segment revenue:										
third parties	151,247	158,920	21,620	16,391	18,737	17,176	(55)	20	191,550	192,505
Inter-segment	5,591	4,390	5	2	6	955	(5,602)	(5,347)	-	-
Total revenues	156,838	163,310	21,625	16,394	18,743	18,131	(5,657)	(5,328)	191,550	192,505

(*) The data relating to 2011 was re-stated for comparability with June 30, 2012.

Profitability - H1 2012

EBITDA in the first half of 2012 of Euro 11.5 million (a 6% revenue margin) contracted by 16.1% on the first half of 2011, **significantly impacted by the sales mix, principally in the third party brand product segment which was only partially offset by an improvement in raw material cost levels and exchange gains.**

The **EBIT of Euro 4.1 million** compared to Euro 5.5 million in H1 2011 (a margin of 2.2%) was impacted by the issues identified above.

The **impact of financial charges in the first half of 2012** increased slightly (1.0% on revenues), due to the higher level of average debt in the half year, although **with a positive contribution from currency management.**

The **Group Net Profit** amounted to **Euro 1.0 million, 0.5% of revenues**, contracting on Euro 2.4 million on H1 2011, which benefitted however from non-recurring tax incentives.

In Euro thousands	H1 12	% revenues	H1 11	% revenues	12 Vs 11 %
Revenues	191,550		192,505		(0.5%)
EBITDA	11,527	6.0%	13,732	7.1%	(16.1%)
EBIT	4,141	2.2%	5,530	2.9%	(25.1%)
Financial income/(charges)	(1,887)	(1.0%)	(1,577)	(0.8%)	19.7%
Income taxes	(1,131)	(0.6%)	(1,439)	(0.7%)	(21.4%)
Net profit from continuing operations	1,123	0.6%	2,514	1.3%	(55.3%)
Net profit from continuing operations and discontinuing operations	1,123	0.6%	2,514	1.3%	(55.3%)
Group Net Profit	966	0.5%	2,381	1.2%	(59.4%)
Basic earnings per share on continuing operations and discontinuing operations	1.61		4.04		(60.3%)
Diluted earnings per share on continuing operations and discontinuing operations	1.54		4.04		(61.8%)

The earnings per share for H1 2012 and 2011 were calculated by dividing the Group net result from continuing and discontinued operations by the number of outstanding shares at the respective reporting dates.

Balance sheet

The **Net Debt of June 30, 2012** of Euro 66.9 million reduced significantly on Euro 70.3 million at June 30, 2011 due to the strong generation of cash, **particularly from operations**, due to ongoing and stringent monitoring of financial cash flows. **The Net Debt decreased also compared to December 31, 2011** (Euro 68.8 million).

<i>In Euro thousands</i>	June 30, 12	Dec 31, 11	June 30, 11
Cash and cash equivalents	22,489	20,026	27,588
Finance leases and other lenders	(393)	(56)	(64)
Bank loans and mortgages	(39,727)	(45,105)	(34,178)
Long-term debt	(40,120)	(45,161)	(34,242)
Finance leases and other lenders	(36)	(25)	(24)
Bank loans and mortgages	(49,211)	(43,640)	(63,670)
Short-term debt	(49,247)	(43,665)	(63,694)
Net Debt	(66,878)	(68,800)	(70,348)

The **Managerial Working Capital** on annualised net revenues at June 30, 2012 of **11.9%** improved by **50 basis points** on the corresponding period of 2011 and slightly increased on December 31, 2011 due to seasonal issues.

<i>In Euro thousands</i>	June 30, 12	Dec 31, 11	June 30, 11
Trade receivables	87,714	82,207	90,551
Inventories	50,801	50,598	51,983
Trade payables	(92,944)	(89,806)	(95,048)
Managerial Working Capital	45,571	42,999	47,486
as a % of annualised revenues	11.9%	11.4%	12.3%
Other net receivables/payables	(2,234)	(2,929)	(1,948)
Net Working Capital	43,337	40,070	45,538

Significant events in the first half of 2012 and subsequent events after June 30, 2012

On **January 9, 2012**, the Board of Directors of Elica S.p.A. accepted the resignation of Mr. Vincenzo Maragliano from his role as CFO and Executive Responsible for the preparation of corporate accounting documents of Elica S.p.A. and consequently appointed Alberto Romagnoli in the role of Executive Responsible of Elica S.p.A..

On **February 9, 2012**, Mr. Francesco Casoli acquired 64,000 ordinary shares of Elica S.p.A.

The Board of Directors of Elica S.p.A. on **February 14, 2012** approved the 2011 Fourth Quarter Report, prepared in accordance with IFRS accounting standards.

On **March 21, 2012**, the Board of Directors of Elica S.p.A., the parent company of a Group that is the leading manufacturer of kitchen range hoods, approved the 2011 Consolidated Financial Statements and the Separate Financial Statements of Elica S.p.A., prepared in accordance with IFRS, in addition to establishing the 2012 performance objective concerning the 2010 Stock Grant Plan.

On **April 27, 2012**, the Shareholders' Meeting of Elica S.p.A. approved the 2011 Annual Accounts of Elica S.p.A. and noted the results of the 2011 Consolidated Annual Accounts, in addition to appointing the members of the Board of Directors and the Board of Statutory Auditors who will remain in office until the Shareholders' Meeting called for the approval of the 2014 annual accounts. The Shareholders'

Meeting also approved the authorisation to purchase and utilise treasury shares, pursuant to article 2357 and 2357 ter of the Civil Code, in order to provide the company with an important instrument of strategic and operative flexibility. On the same date, the Board of Directors of Elica S.p.A. confirmed the appointment of Mr. Cristiano Babbo as Internal Audit Manager and Internal Control Manager.

On **May 14, 2012**, the Board of Directors of Elica S.p.A. approved the Interim Report at March 31, 2012. On the same day Elica S.p.A. signed an agreement for the sale to Fuji Industrial Co., Ltd. (Fuji Industrial) of 3.24% of the Chinese subsidiary Zhejiang Putian Electric Co. Ltd. (Putian). Under the equity transfer agreement Elica sold to Fuji a 3.24% holding in Putian for consideration of approx. Euro 2 million, equal pro-quota therefore to the consideration paid by Elica for the 70% holding in Putian which, following the sale, was therefore reduced to 66.76%.

The sale of the holding in Putian was subject to the necessary authorisations from the relative Chinese authorities, which were obtained on June 21, 2012.

The disposal operation concluded on June 25, 2012 following the payment of consideration to Elica S.p.A..

The Half-Year report at June 30, 2012 was today filed and made available to whomever making such request at the registered offices of the Company and on the Group internet site www.elicagroup.com, section Investor Relations/Financial Data/Budgets and reports, at the following link <http://www.elicagroup.com/info.php?page=998&lng=en>. The Financial Presentation concerning the first Half of 2012 will be made available on the Group internet site at the following link <http://www.elicagroup.com/info.php?page=1000&lng=en>.

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

The Chief Executive Officer, Mr. Andrea Sasso and the Executive responsible for the preparation of corporate accounting documents, Mr. Alberto Romagnoli, declare, pursuant to section 2 of Article 154 bis of the Consolidated Finance Act, that the present press release corresponds to the underlying accounting documents, records and accounting entries.

The **Elica Group** has been present in the cooker hood market since the 1970s, is chaired by Francesco Casoli and led by Andrea Sasso 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 approx. 3,000 employees and an annual output of over 18 million units, the Elica Group has 9 plants - of these, four are in Italy, one is in Poland, one in Mexico, one in Germany, one in India and one in China. With many years' experience in the sector, Elica has combined meticulous care in design, judicious choice of material and cutting edge technology guaranteeing maximum efficiency and reducing consumption making the Elica Group the prominent market figure it is today. The Group has revolutionised the traditional image of the kitchen cooker hood: it is no longer seen as simple accessory but as a design object which improves the quality of life.

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H1 2012 Consolidated Income Statement

	Q2 12 (*)	Q2 11 (*)	H1 2012	H1 2011
<i>In Euro thousands</i>				
Revenues	96,826	99,496	191,550	192,505
Other operating revenues	1,373	1,794	1,844	3,284
Changes in inventories of finished and semi-finished goods	640	1,405	3,171	9,419
Increase in internal work capitalised	914	461	1,592	1,250
Raw materials and consumables	(54,797)	(54,891)	(109,329)	(111,709)
Services	(17,637)	(18,115)	(35,460)	(36,790)
Labour costs	(18,539)	(19,803)	(38,074)	(40,057)
Amortisation & Depreciation	(3,673)	(4,067)	(7,386)	(8,202)
Other operating expenses and provisions	(2,304)	(2,849)	(3,767)	(4,170)
Restructuring charges	-	-	-	-
Write-down of Goodwill for loss of value	-	-	-	-
EBIT	2,803	3,431	4,141	5,530
Share of associates	(20)	(21)	(19)	(36)
Financial income	35	21	51	172
Financial charges	(1,133)	(1,021)	(2,219)	(1,722)
Exchange gains/(losses)	(865)	290	300	9
Profit before taxes	820	2,700	2,254	3,953
Income taxes	(424)	(1,222)	(1,131)	(1,439)
Net profit from continuing operations	396	1,478	1,123	2,514
Net profit from discontinued operations	-	-	-	-
Net profit for the period	396	1,478	1,123	2,514
of which:				
Minority interests share	120	151	157	133
Group net profit	276	1,327	966	2,381
Basic earnings per share	0.46	2.26	1.61	4.08
Diluted earnings per share	0.45	2.26	1.54	4.08

(*) Data not subject to limited audit

H1 2012 Comprehensive Consolidated Income Statement

<i>In Euro thousands</i>	Q2 12 (*)	Q2 11 (*)	H1 2012	H1 2011
Net Profit	396	1,478	1,123	2,514
Other comprehensive income statement items:				
Exchange differences on the conversion of foreign financial statements	1,085	116	3,064	(2,125)
Net change in cash flow hedges	(91)	(85)	(145)	91
Income taxes on other comprehensive income statement items	20	18	32	(20)
Total other comprehensive income statement items, net of tax effects:	1,014	49	2,951	(2,054)
Total comprehensive profit	1,410	1,527	4,074	460
of which:				
Minority interests share	599	252	282	(186)
Group comprehensive profit	811	1,275	3,792	646

(*) Data not subject to limited audit

Consolidated Balance Sheet at June 30, 2012

	June 30, 2012	Dec 31, 2011
<i>In Euro thousands</i>		
Property, plant and equipment	86,721	85,165
Goodwill	41,922	41,765
Other intangible assets	24,138	24,424
Investments in associated companies	1,358	1,377
Other receivables	288	276
Tax receivables	6	6
Deferred tax assets	10,047	10,032
AFS financial assets	159	672
Derivative financial instruments	29	29
Total non-current assets	164,668	163,746
Trade and financial receivables	87,714	82,207
Inventories	50,801	50,598
Other receivables	7,305	6,036
Tax receivables	12,739	5,943
Derivative financial instruments	945	813
Cash and cash equivalents	22,489	20,026
Current assets	181,993	165,623
Assets of discontinued operations	-	1,065
Total Assets	346,661	330,434
Liabilities for post-employment benefits	8,725	8,907
Provisions for liabilities and charges	2,276	2,505
Deferred tax liabilities	6,739	6,772
Finance leases and other lenders	393	56
Bank loans and mortgages	39,727	45,105
Other payables	1,243	1,859
Tax payables	849	888
Derivative financial instruments	67	60
Non-current liabilities	60,019	66,152
Provisions for liabilities and charges	2,076	1,882
Finance leases and other lenders	36	25
Bank loans and mortgages	49,211	43,640
Trade payables	92,944	89,806
Other payables	13,271	10,211
Tax payables	6,931	2,814
Derivative financial instruments	1,188	1,004
Current liabilities	165,657	149,382
Share capital	12,665	12,665
Capital reserves	71,123	71,123
Hedging, translation and stock option reserve	(2,231)	(5,668)
Treasury shares	(8,815)	(8,815)
Retained earnings	40,285	34,684
Group profit	966	4,162
Group shareholders' equity	113,993	108,151
Capital and reserves of minority interests	6,835	6,794
Minority interest profit/(loss)	157	(46)
Minority interest equity	6,992	6,748
Consolidated shareholders' equity	120,985	114,899
Total liabilities and equity	346,661	330,434

Consolidated Cash Flow Statement at June 30, 2012

June 30, 2012 June 30, 2011

In Euro thousands

Opening cash and cash equivalents	20,026	25,102
EBIT- Operating profit	4,141	5,530
Amortisation, depreciation and write-downs	7,386	8,202
EBITDA	11,527	13,732
Trade working capital	(1,805)	(4,479)
Other working capital accounts	339	(1,894)
Income taxes paid	(2,061)	(1,881)
Change in provisions	(447)	(3,507)
Other changes	(372)	1,204
Cash flow from operating activity	7,181	3,175
Net increases	(5,117)	(10,282)
Intangible assets	(1,849)	(2,386)
Property, plant & equipment	(3,900)	(8,012)
Equity investments and other financial assets	632	116
Acquisition/sale of investments	1,998	(29,785)
Cash flow from investments	(3,119)	(40,067)
(Acquisition)/Sale of treasury shares	0	3,115
Other movements in share capital	0	0
Dividends	0	(1,478)
Increase (decrease) financial payables	579	38,155
Net changes in other financial assets/liabilities	(561)	1,419
Interest paid	(2,008)	(1,289)
Cash flow from financing activity	(1,990)	39,922
Change in cash and cash equivalents	2,072	3,031
Effect of exchange rate change on liquidity	391	(545)
Closing cash and cash equivalents	22,489	27,588