

PRESS RELEASE

ELICA S.P.A.:

CLOSING OF THE ACQUISITION OF THE 15% HOLDING IN ZHEJIANG PUTIAN ELECTRIC CO. LTD

Fabriano, April 29, 2011 – **Elica S.p.A.**, the parent company of a Group that is the leading manufacturer of kitchen range hoods, communicates the completion today of a further 15% holding in the Chinese company Zhejiang Putian Electric Co. Ltd following fulfilment of all of the conditions outlined in the April 14, 2011 press release.

Information regarding the operation

Description of the company subject to the acquisition

Putian was incorporated on November 19, 1996 as a Chinese limited liability company, with registered office at Putian Avenue, Shengzhou City, in the province of Zhejiang in China.

Zhejiang Putian Electric Co. Ltd (hereafter Putian) produces and markets range hoods, gas hobs and kitchenware sterilisers under the “Puti” brand, a leader in the Chinese home appliances sector.

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.

Recognised for the quality of its products, designed and developed internally, Putian’s wide range spans the medium-high end of the market.

The tradition and the know-how developed over the years by the company and its 300 employees established Putian in the Chinese market, achieving high visibility through presence at a large number of dedicated sales points in partnership with leading distributors and an extensive network of agents serving the largest Chinese provinces.

On July 16, 2010, Elica signed with Messrs. Renyao Du and Dong Wenhua, holders of the entire share capital of Putian, contracts concerning the acquisition by Elica of a 55% holding in Putian. Following the granting of the necessary authorisations, Putian was converted into a joint venture with foreign participation.

In accordance with the joint venture agreement, Putian is managed by a Board of Directors comprising 5 members, the majority of whom appointed by Elica, while the remaining members are appointed by the minority shareholders.

Since January 1, 2011, the position of General Manager of Putian has been held by a representative of Elica; in addition, the top managers of the company were selected by Elica.

Manner and conditions of the operation

On March 19, 2011 Elica S.p.A. signed, among other agreements, an equity transfer agreement with the Putian minority shareholders, Renyao Du and Dong Wenhua, which modifies and supplements the equity transfer agreement signed with the same parties in July 2010. In particular, in accordance with the new equity transfer agreement, the Company is committed to acquire a further 15% holding of Putian, for consideration of Renminbi 278,312,573, which at the official EUR/CNY exchange rate¹ published by the People’s Bank of China today corresponds to Euro 28.9 million. In establishing the relative consideration, the Company took as a base the EBITDA of Putian for 2010, considering also the net debt.

Under the equity transfer agreement signed on March 19, 2011, the acquisition of the 15% remained subject to the fulfilment of certain conditions including the granting by the relevant Chinese authorities

¹ The official exchange rate at April 29 2011 is 9.6348

of the necessary authorisations, the establishment of guarantees in favour of Elica and substantial fulfilment of the conditions.

The consideration must be paid by Elica within 30 days from granting of authorisation from the relevant Chinese authorities, which occurred on April 7, 2011 from the Shaoxing Municipal Bureau of Commerce and on April 12, 2011 with the granting of the Business Licence by the Shaoxing Municipal Administration of Industry and Commerce.

The payment of consideration amounting to Renminbi 278,312,573 will be entirely financed through dedicated credit lines with duration of seven years, issued by Unicredit SpA, as the principal organising bank and by Banca dell'Adriatico SpA of the Intesa Sanpaolo Group also acting as an organising bank; the credit lines are 50% guaranteed by SACE SpA.

The loan contract, in addition to establishing covenants in line with market practices, limits the dividend distribution of Elica S.p.A. of more than 50% of the consolidated Shareholders' Equity at December 31, 2010.

Purposes of the operation

The increase in the holding in Putian following the completion of the above-stated operation strengthens Elica's control of the Chinese subsidiary and increases Elica's involvement in the future development of the company.

The acquisition of a further holding in Putian is part of the strategic internationalisation project of the Elica Group.

The acquisition of the first shareholding in Putian in 2010 allowed Elica to increase market share in the Chinese People's Republic, through a well established brand in the country, which holds between 1% and 2% of the entire market, with a high level of brand awareness and a strong position in the distribution network.

The Elica Group consolidates its position as a global player in the range hoods sector through entering the Chinese market, which continues to be one of the most dynamic global markets, with the Group now established in Europe, The Americas, India and China and also creates the opportunity to serve the OEM client base with local production.

In addition, direct presence in the Chinese market allows Elica to increase purchases from Low Cost Countries.

Elica will continue the actions already taken in 2010 and in the first months of 2011 towards adaptation of the productive, administrative and commercial structure of Putian to the standards and models of the Elica Group.

Currently, no extraordinary restructuring or reorganisation operations are scheduled for Putian as Elica intends to achieve further growth and development of the company in an organic manner.

Documents available to the market

Putian has been included in the consolidation scope of the Elica Group since the acquisition of the first shareholding in the company; the financial data of Putian was therefore included in the 2010 Elica Group Consolidated Financial Statements (revenues and costs of Putian have been consolidated since October 1, 2010).

In accordance with Article 36 of the Regulation adopted with Consob regulation No. 16191 of October 29, 2007, Elica has made available to the public, together with the Consolidated Financial Statements, a summary Balance Sheet and Income Statement of Putian at December 31, 2010.

The above stated documents are available at the registered office of Elica as well as on the internet site of the Company (www.elicagroup.com, Investor Relations section, respectively in the subsections "Financial Data/Budgets and Reports" and "Notices - Documents").

In relation to the acquisition of a further holding in Putian, in accordance with Attachment 3B, paragraph I.A of the Regulation adopted with Consob resolution No. 11971 of May 14, 1999 (Issuers'

Regulation), Elica has requested exemption from Consob from the preparation of a disclosure document as per Article 71 of the Issuers' Regulation.

On April 22, 2011, Consob communicated to Elica its acceptance of this request in consideration of the information already made available to the public as outlined above, as well as the commitment of Elica to provide in the present press release certain information required in accordance with Table 3 of Attachment 3B of the Issuers' Regulations.

Significant effects of the operation

The operation allows the Group to consolidate control of the Chinese company Putian which achieved excellent results in 2010. The acquisition of this further holding will not have significant effects on the structure or on the operation of the business or on the productive and commercial activity compared to the situation at December 31, 2010.

The effects of the acquisition on the income statement and balance sheet of Elica S.p.A.

Introduction

The pro-forma consolidated Balance Sheet and Income Statement of the Elica Group at December 31, 2010 (hereafter also the Pro-Forma Consolidated Financial Statements) are reported below.

The Pro-Forma Consolidated Financial Statements have been prepared in order to reflect, utilising accounting principles in line with the historic data and regulations in force, the effects of the acquisition of a further shareholding of 15% in the Chinese company Zhejiang Putian Electric Co. Ltd. As a result of this investment, Elica has increased its holding to 70% of Putian.

In order to provide investors with pro-forma financial statement data which represents the effects of the acquisition of a further holding in Putian, as if the acquisition had taken place in 2010 (as required by point 5.1.1 of Table 3 of Attachment 3B of the Issuers' Regulations), it is considered appropriate in relation to the income statement data to presuppose the acquisition of the 55% holding also with effect from January 1, 2010. Therefore the pro-forma balance sheet reflects an acquisition of a 15% holding at December 31, 2010, while the pro-forma Income Statement reflects the acquisition of two holdings, as required by the indications of the Issuers' Regulations, with effect from January 1, 2010.

It is pointed out that if the operation was actually carried out on the presupposed date, the same operational results would not necessarily have been achieved. The following pro-forma data was not subject to control by the audit firm.

Basic assumptions and accounting principles

In line with the preparation methodology of the pro-forma data governed by Consob Communication No. DEM/1052803 of July 5, 2001, the Pro-Forma Consolidated Financial Statements were prepared adjusting the historic data from the Consolidated Financial Statements included in the annual report at December 31, 2010 of the Elica Group in order to represent the balance sheet, financial position and income statement effects which may derive from the operation. It is highlighted that the information in the Pro-Forma Consolidated Financial Statements are a simulation, as previously indicated, provided only for illustrative purposes of the possible effects which may derive from the operation. In particular, as the Pro-Forma Consolidated Financial Statements were drawn up to retrospectively reflect the effects of subsequent operations, despite compliance with the commonly accepted rules and the use of reasonable assumptions, limits apply to the full integrity of such pro-forma data. In consideration of the differing purposes of the Pro-Forma Consolidated Financial Statements compared to the historic financial statement data and the various calculation methods of the accounting effects in relation to the pro-forma consolidated Balance Sheet and the Income Statement, these latter documents are read and interpreted without implying any continuity between them.

The Pro-Forma Consolidated Financial Statements reported below do not in any way represent a forecast of future results of the Elica Group and must not therefore be used for such purposes.

The accounting standards adopted for the preparation of the Pro-Forma Consolidated Financial Statements are the same as those used for the preparation of the Consolidated Financial Statements for 2010 of the Elica Group - the International Financial Reporting Standards adopted by the European Union.

Pro-Forma Consolidated Balance Sheet at December 31, 2010 of the Elica Group

<i>In Euro thousands</i>	Dec 31, 10	Pro-forma adjustments	Pro-forma Dec 31, 2010
Property, plant and equipment	83,680		83,680
Goodwill	41,168		41,168
Other intangible assets	23,868		23,868
Investments in associated companies	1,717		1,717
Other financial assets	30		30
Other receivables	1,920		1,920
Tax receivables	6		6
Deferred tax assets	9,357		9,357
Financial assets available-for-sale	614		614
Derivative financial instruments	189		189
Total non-current assets	162,549		162,549
Trade and financial receivables	89,276		89,276
Inventories	42,671		42,671
Other receivables	4,281		4,281
Tax receivables	7,589		7,589
Derivative financial instruments	649		649
Cash and cash equivalents	25,102		25,102
Current assets	169,568		169,568
Total assets	332,117		332,117
Liabilities for post-employment benefits	9,182		9,182
Provisions for risks and charges	8,254		8,254
Deferred tax liabilities	7,890		7,890
Finance leases and other lenders	76		76
Bank loans and mortgages	30,457	25,606	56,063
Other payables	1,510		1,510
Tax liabilities	978		978
Non-current liabilities	58,347	25,606	83,953
Provisions for risks and charges	953		953

Finance leases and other lenders	23		23
Bank loans and mortgages	29,426	4,256	54,784
Trade payables	88,742		88,742
Other payables	9,022		9,022
Tax liabilities	5,764		5,764
Derivative financial instruments	310		310
Current liabilities	134,240	4,256	138,496
Share Capital	12,665		12,665
Capital reserves	71,123		71,123
Hedging, translation and stock option reserve	(3,411)		(3,411)
Treasury shares	(17,629)		(17,629)
Retained earnings	64,210	(27,841)	36,369
Group profit	4,262		4,262
Group shareholders' equity	131,220	(27,841)	103,380
Capital and reserves of minority interests	6,995	(2,021)	4,974
Minority interest profit (loss)	1,315		1,315
Minority interest equity	8,310	(2,021)	6,289
Consolidated shareholders' equity	139,530	(29,862)	109,669
Total liabilities and equity	332,117	(0)	332,117

Consolidated Balance Sheet of the Elica Group

The column includes the consolidated Balance Sheet at December 31, 2010 of the Elica Group, extracted from the Consolidated Financial Statements at December 31, 2010, approved by the Board of Directors of the issuer on March 22, 2011 and audited by the audit firm Deloitte & Touche S.p.A., who issued their auditors' report without noting any exceptions on April 6, 2011.

Pro forma adjustments

The column includes principally the effects of the simulation of the acquisition of the 15% shareholding at December 31, 2010.

The adjustment of the account Bank payables and mortgages amounts in total to Euro 29,862 thousand and for Euro 29,784 thousand relates to the estimate of the value of the loan granted for the payment of the 15% share. The residual amount of Euro 78 thousand relates to the application of the pro-forma method as described in the Consob document No. DEM/1052803 of July 5, 2001, based on which the difference between the net equity at the two reference dates may be allocated to medium-long term financial liabilities.

The change in Minority Interest Equity is due to the simulation of the consolidation of a further 15% of Putian. Following which the minority interest share reduced from 45% to 30%.

The reduction in retained earnings of Euro 27.8 million is due to the inclusion of the 15% holding as an operation between shareholders, in line with IAS 27.

Pro-Forma Consolidated Balance Sheet of the Elica Group

The column includes the consolidated Balance Sheet at December 31, 2010 of the Elica Group, upon which pro-forma adjustments are applied, described in the previous paragraph.

2010 Pro-Forma Consolidated Income Statement of the Elica Group

<i>In Euro thousands</i>	Elica Group 2010	Pro-forma adjustments	Elica Group Pro-forma 2010
Revenues	368,265	11,172	379,437
Other operating revenues	2,371	(570)	1,801
Changes in inventories of finished and semi-finished goods	3,838	(8)	3,830
Increase in internal work capitalised	2,633	62	2,695
Raw materials and consumables	(193,686)	(5,798)	(199,484)
Services	(73,873)	(795)	(74,668)
Personnel costs	(72,397)	(855)	(73,252)
Amortisation and depreciation	(15,641)	(632)	(16,273)
Other operating expenses and provisions	(10,221)	827	(9,394)
Restructuring charges	(736)	-	(736)
Write-down of Goodwill for loss of value	-	-	-
EBIT	10,553	3,403	13,956
Share of profit/(loss) from associates	(592)	-	(592)
Financial income	1,383	164	1,547
Financial charges	(2,678)	(2,045)	(4,723)
Exchange gains/(losses)	313	(3)	310
Profit before taxes	8,979	1,519	10,498
Income taxes	(3,402)	(658)	(4,060)
Net profit from continuing operations	5,577	861	6,438
Net profit from discontinued operations	-	-	-
Net profit for the year	5,577	951	6,443
of which:			
Minority interests share	1,315	167	1,482
Group net profit	4,262	694	4,956

Consolidated Income Statement of the Elica Group

The column includes the 2010 Consolidated Income Statement of the Elica Group, extracted from the Consolidated Financial Statements at December 31, 2010, approved by the Board of Directors of the issuer on March 22, 2011 and audited by the audit firm Deloitte & Touche S.p.A., who issued their auditors' report without noting any exceptions on April 6, 2011.

Pro forma adjustments

The column principally includes the effects of the following operations:

- deconsolidation of the income statement of Putian, held 55% by the Group, from the acquisition date to December 31, 2010. The impact in Revenue terms amounted to Euro 7,398 thousand, in Ebit terms of Euro 3,359 thousand and in net profit terms of Euro 2,736 thousand;

- consolidation of the income statement of Putian for the entire 12 months from January 1, 2010 to December 31, 2010, considering a Group holding of 70%. The impact in revenue terms was Euro 18,759 thousand, in Ebit terms of Euro 6,963 thousand and in net profit terms of Euro 4,960 thousand;
- deconsolidation of the loan interest of the Company in 2010, for the acquisition of a 55% holding, amounting to Euro 52 thousand and the relative tax effect equal to Euro 12 thousand - matured from the date of acquisition of control to December 31, 2010;
- recording of the estimate of the net tax effect of interest for the 12 months of Euro 1,251 thousand on the loan considered necessary to purchase the entire 70%.

Consolidated Pro-Forma Income Statement of the Elica Group

The column includes the 2010 Consolidated Income Statement of the Elica Group, upon which pro-forma adjustments are applied, described in the previous paragraph.

Pro-forma indicators per share of the Issuing company

	2010	Pro-forma 2010
Earnings per Share (Euro/cents)	7.48	8.71
Cash flow per share (**) (Euro/cents)	23.06	22.58
Number of shares	56,990,520 (*)	56,990,520 (*)

(*) Number of shares net of treasury shares of Elica S.p.A. at December 31, 2010

(**) Operating cash flow per share, calculated as the difference between the Net Financial Position compared to 2009, net of the outflows for investments in shareholdings and financial interest paid.

The increase in the earnings per share is due to the fact that the Group share of the result increases following the adjustments described above, while the number of shares at December 31, 2010 does not change, given that the operation does not include shares of the issuer.

The Cash flow per share does not significantly change as the operating cash flow does not undergo substantial changes.

Outlook for the Issuer and the Group

In relation to the Group performance since December 31, 2010 to the present date and the forecasts for the current year, reference should be made to the publication of results for the first quarter of 2011 scheduled for May 12, 2011 (as per the Financial calendar published on January 30, 2011). 2011 Guidance will also be published on that date, as announced on March 22, 2011 by the Chief Executive Officer of Elica S.p.A. Andrea Sasso.

The **Elica Group** has been present in the cooker hood market since the 1970s and is today world leader in terms of units sold. It is also a European leader in the design, manufacture and sale of motors for central heating boilers for domestic use. With approx. 2,800 employees and an annual output of approx. 17 million units of kitchen hoods and motors, 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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