Elica S.p.A.

Half-Year Report

at June 30, 2011

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.

Luca Pacces
Independent Director, born in Rome on 16/02/1940, appointed by resolution dated 28/04/2011.

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
Luca Pacces

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 first half 2011

Financial and operating review

In Euro thousands	**H1 2011**	**revenue margin**	**H1 2010**	**revenue margin**	**11 Vs 10 %**
Revenues	192,505		179,455		7.3%
EBITDA	13,732	7.1%	13,242	7.4%	3.7%
EBIT	5,530	2.9%	5,040	2.8%	9.7%
Financial income/(charges)	(1,577)	(0.8%)	(666)	(0.4%)	136.8%
Income taxes	(1,439)	(0.7%)	(1,657)	(0.9%)	(13.2%)
Net profit from continuing operations	2,514	1.3%	2,717	1.5%	(7.5%)
Net profit from continuing operations and discontinued operations	2,514	1.3%	2,717	1.5%	(7.5%)
Group net profit	**2,381**	**1.2%**	**2,413**	**1.3%**	**(1.3%)**
Basic earnings per share on continuing operations and discontinued operations	4.04		4.23		(4.5%)
Diluted earnings per share on continuing operations and discontinued operations	4.04		4.23		(4.5%)

The earnings per share for H1 2011 and H1 2010 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	**Q2 11**	**revenue margin**	**Q2 10**	**revenue margin**	**11 Vs 10 %**
Revenues	99,496		91,352		8.9%
EBITDA	7,498	7.5%	6,800	7.4%	10.3%
EBIT	3,431	3.4%	2,725	3.0%	25.9%
Financial income/(charges)	(731)	(0.7%)	(942)	(1.0%)	(22.4%)
Income taxes	(1,222)	(1.2%)	(672)	(0.7%)	81.8%
Net profit from continuing operations	1,478	1.5%	1,111	1.2%	33.0%
Net profit from continuing operations and discontinued operations	1,478	1.5%	1,111	1.2%	33.0%
Group net profit	**1,327**	**1.3%**	**955**	**1.0%**	**39.0%**
Basic earnings per share on continuing operations and discontinued operations	2.26		1.68		34.7%
Diluted earnings per share on continuing operations and discontinued operations	2.26		1.68		34.7%

The earnings per share for Q2 2011 and Q2 2010 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	June 30, 2011	Dec 31, 2010	June 30, 2010
Trade receivables	90,551	89,276	94,192
Inventories	51,983	42,671	42,576
Trade payables	(95,048)	(88,742)	(91,817)
Managerial Working Capital	**47,486**	**43,205**	**44,951**
as a % of annualised revenues	*12.3%*	*11.7%*	*12.5%*
Other net receivables/payables	(1,948)	(3,869)	(4,771)
Net Working Capital	**45,538**	**39,336**	**40,180**
as a % of annualised revenues	*11.8%*	*10.7%*	*11.2%*

In Euro thousands	June 30, 2011	Dec 31, 2010	June 30, 2010
Cash and cash equivalents	**27,588**	**25,102**	**22,411**
Finance leases and other lenders	(64)	(76)	(88)
Bank loans and mortgages	(34,178)	(30,457)	(18,056)
Long-term debt	**(34,242)**	**(30,533)**	**(18,144)**
Finance leases and other lenders	(24)	(23)	(3,242)
Bank loans and mortgages	(63,670)	(29,426)	(25,214)
Short-term debt	**(63,694)**	**(29,449)**	**(28,456)**
Net Debt	**(70,348)**	**(34,880)**	**(24,189)**

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.

H1 2011 operating review

During the first half of 2011 Group consolidated revenues grew 7.3% on the same period of the previous year - a performance ahead of the general market. The growth in revenues was driven by both the range hoods and motors divisions. In the range hood area, the growth was particularly strong in the own brands segment and generally across the medium-high range segments. Revenues grew in all geographic areas, but particularly in America and Asia, with contributions also from the new companies within the consolidation scope.

The strong revenue performance and the improvement in operating efficiency resulted in an increase in the EBITDA margin of 3.7% on the first half of 2010, although with a significant increase in raw material costs.

In H1 2011, Euro average exchange rates strengthened against the US Dollar while weakening against the Japanese Yen and the Polish Zloty. Overall, exchange rate movements did not have a significant impact on the income statement.

Financial charges increased together with the increased debt, principally as a result of the acquisition activities of the Group.

The Group Result is substantially in line with the first half of 2010.

	average 2011	average 2010	%	June 30, 2011	June 30, 2010	%
USD	1.40	1.33	5.5%	1.45	1.23	17.5%
GBP	0.87	0.87	-0.2%	0.90	0.82	10.1%
JPY	114.97	121.32	-5.2%	116.25	108.79	6.9%
PLN	3.95	4.00	-1.2%	3.99	4.15	-3.8%
MXN	16.69	16.81	-0.7%	16.98	15.74	7.9%
INR	63.14	60.73	4.0%	64.56	56.93	13.4%
CNY	9.18	n/a	n/a	9.34	n/a	n/a

The percentage of Managerial Working Capital on net annualised revenues at the end of June 2011 is in line with June 30, 2010, following an improvement in the level of trade receivables and an increase in the percentage of inventories.

The Net Debt at June 30, 2011 was Euro 70.4 million compared to Euro 34.9 million at the end of December 2010.

Significant events in H1 2011

On January 31, 2011 the period for the share capital increase as per Article 2439, paragraph 2 of the civil code approved by the Board of Directors on June 27, 2007, based on the delegation of power by the Shareholders' Meeting of April 12, 2006, elapsed without any subscriptions. The subscribed and paid-in share capital therefore remains unchanged at Euro 12,664,560.00
The Board of Directors of Elica S.p.A. on February 14, 2011 approved the 2011 Fourth Quarter Report, prepared in accordance with IFRS accounting standards.
On February 14, 2011, Elica S.p.A., following the authorisation of the Board of Directors' to utilise treasury shares at the same date, sold 1,899,684 shares, equal to 3% of the share capital, to First Capital S.p.A., at the price of Euro 1.64 Euro per share - higher than the average market price over the previous 3 months. The acquisition of a significant holding by an investor such as First Capital S.p.A., which seeks to establish a holding within the company, is considered a strategically important operation for the future development of the Elica Group.
On March 19, 2011, Elica S.p.A. signed an agreement to acquire a further 15% holding in the Chinese company Zhejiang Putian Electric Co. Ltd. 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 (corresponding to Euro 29,983,148 at the Euro/Renminbi exchange rate of March 18, 2011). This new equity transfer agreement, until April 2011, remained subject to the fulfilment of certain conditions including the granting by the Chinese authorities of the necessary authorisations, the establishment of guarantees in favour of Elica and substantial fulfilment of the conditions. Since April 2011 Elica holds 70% of the share capital of Putian, while the remaining 30% is held by Mr. Renyao Du. The Elica Group considers this consolidation of control to be a strategically important move given the excellent results achieved in 2010 and the expected future development of the market and the company itself.
On March 22, 2011, the Board of Directors of Elica S.p.A. approved the 2010 annual accounts, prepared in accordance with IFRS accounting standards. The appointments of Mr. Bruno Assumma as Chairman and of Messrs Glauco Vico and Massimo Enrico Ferri were also confirmed as members of the Supervisory Board until the approval of the 2013 annual accounts.
On April 28, 2011, the Extraordinary Shareholders' Meeting amended the By-Laws and the Shareholders' Meeting Regulation in line with the Directors' Report to the Shareholders' Meeting on the By-Law amendments, which is available on the company internet site. The Shareholders' Meeting also noted the 2010 consolidated results, approved the 2010 Financial Statements of Elica S.p.A., in addition to the distribution of a dividend of Euro 00.0251 per share (gross of withholding taxes), with dividend coupon No. 4 of May 23, 2011. The dividend payment date was May 26, 2011. The Shareholders' Meeting also appointed Luca Pacces to the Board of Directors, who will remain in office until the Shareholders' Meeting

called for the approval of the 2011 annual accounts, in addition to establishing his remuneration. On the same date, the Board of Directors of Elica S.p.A. met and confirmed the independence of the new director Luca Pacces and appointed him as a member of the Remuneration Committee. The Board of Directors also established the 2011 performance objective concerning the 2010 Stock Grant plan and included two further Beneficiaries, updating therefore the Disclosure Document - available on the internet site of the Company. They also noted the resignation of the Internal Control Manager, also member of the Supervisory Board and Internal Audit Manager and therefore noted that the Supervisory Board currently comprises the Chairman Mr. Bruno Assumma and Mr. Glauco Vico.
On May 12, 2011, the Board of Directors of Elica S.p.A. approved the Interim Report at March 31, 2011.

In June Elica incorporated the new company Elica Trading LLC in the Russian Federation.

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.

Subsidiary companies at June 30, 2011

- 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 Airforce 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.;

- Exklusiv Hauben Gutmann GmbH – Mulacker (Germany) - 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.

- Elica PB India Private Ltd. - Pune (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 sale of Group products.

- Zhejiang Putian Electric Co. Ltd – Shengzhou (China), a Chinese company held 70% 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.

- Elica Trading LLC – St. Petersberg (Russian Federation), a Russian company held 70%, incorporated on June 28 and not yet operational at June 30.

Associated companies

- I.S.M. Srl – Cerreto d'Esi (AN). 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

In the first half of 2011 the holding in the Chinese company Zhejiang Putian Electric Co. Ltd. increased to 70% from 55% at December 31, 2010.

At the end of June the Russian company Elica Trading LLC was incorporated, not operational at June 30, 2011 - of which the Group owns 70%.

Elica Group Inter-company and other related-party transactions

During the first half of 2011, 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. For further information, reference should be made to note 22.

Subsequent events and business outlook

The ongoing demand analysis activity by Management continues. Growth in the first months of 2011 in the principal markets in which the group operates retreated from the first half of 2010, with differing performances across the various geographic areas. Although consumption visibility is limited, Elica management confirms Guidance 2011 announced to the market on May 12, 2011 on the approval of the Q1 2011 data which estimates an increase in Consolidated Revenues of between 5% and 7% on 2010, EBITDA growth of between 5% and 10% and the stability in Managerial Working Capital on consolidated revenues.
The ongoing focus on innovation continues, as does the efficiency drive, which will enable the Elica Group to maintain and strengthen further its global leadership position in the sector and to absorb the impacts of rising raw material prices.

Compliance pursuant to Section VI of the regulation implementing legislative decree No. 58 of February 24, 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.

Elica S.p.A.

Condensed consolidated half-year financial statements

at June 30, 2011

Consolidated financial statements at June 30, 2011

Consolidated Income Statement at June 30, 2011

In Euro thousands	***Note***	**Q2 11 (*)**	**Q2 10 (*)**	**H1 2011**	**H1 2010**
Revenues	**1**	99,496	91,352	192,505	179,455
Other operating revenues	**2**	1,794	1,481	3,284	2,002
Changes in inventories of finished and semi-finished goods		1,405	1,671	9,419	1,240
Increase in internal work capitalised		461	330	1,250	978
Raw materials and consumables	**3**	(54,891)	(47,543)	(111,709)	(91,995)
Services	**4**	(18,115)	(19,032)	(36,790)	(36,688)
Labour costs	**5**	(19,803)	(18,754)	(40,057)	(36,915)
Amortisation and Depreciation		(4,067)	(4,075)	(8,202)	(8,202)
Other operating expenses and provisions		(2,849)	(2,705)	(4,170)	(4,835)
Restructuring charges		-	-	-	-
Write-down of Goodwill for loss of value		-	-	-	-
EBIT		**3,431**	**2,725**	**5,530**	**5,040**
Share of profit loss from associates		(21)	(340)	(36)	(607)
Impairment of AFS financial assets		-	-		-
Financial income	**6**	21	53	172	1,319
Financial charges	**6**	(1,021)	(491)	(1,722)	(1,384)
Exchange gains/(losses)	**6**	290	(164)	9	6
Other non-operating income		-	-	-	-
Profit before taxes		**2,700**	**1,783**	**3,953**	**4,374**
Income taxes		(1,222)	(672)	(1,439)	(1,657)
Net profit for the period		**1,478**	**1,111**	**2,514**	**2,717**
of which:					
Minority interests share		151	156	133	304
Group net profit		1,327	955	2,381	2,413
Basic earnings per share (Euro/cents)		2.26	1.68	4.08	4.23
Diluted earnings per Share (Euro/cents)		2.26	1.68	4.08	4.23

(*) Data not subject to limited audited

Comprehensive Consolidated Income Statement at June 30, 2011

In Euro thousands	**Q2 11 (*)**	**Q2 10 (*)**	**H1 2011**	**H1 2010**
Net profit	**1,478**	**1,111**	**2,514**	**2,717**
Other comprehensive income statement items:				
Exchange differences on the conversion of foreign financial statements	116	(337)	(2,125)	4,069
Net change in cash flow hedges	(85)	(6)	91	3
Income taxes on other comprehensive income statement items	18	2	(20)	(1)
Total other comprehensive income statement items, net of tax effects:	**49**	**(341)**	**(2,054)**	**4,071**
Total comprehensive profit	**1,527**	**770**	**460**	**6,788**
of which:				
Minority interests share	252	768	(186)	554
Group comprehensive net profit	1,275	2	646	6,234

(*) Data not subject to limited audited

Consolidated Balance Sheet at June 30, 2011

In Euro thousands	***Note***	**30/06/2011**	**31/12/2010**
Property, plant and equipment	**7**	84,677	83,680
Goodwill	**8**	40,759	41,168
Other intangible assets	**9**	23,910	23,868
Investments in associated companies	**10**	1,384	1,717
Other financial assets		30	30
Other receivables	**14**	271	1,920
Tax receivables		6	6
Deferred tax assets	**11**	9,494	9,357
AFS financial assets		699	614
Derivative financial instruments		302	189
Total non-current assets		**161,532**	**162,549**
Trade and financial receivables	**12**	90,551	89,276
Inventories	**13**	51,983	42,671
Other receivables	**14**	6,129	4,281
Tax receivables		7,928	7,589
Derivative financial instruments		500	649
Cash and cash equivalents	**19**	27,588	25,102
Current assets		**184,679**	**169,568**
Total Assets		**346,211**	**332,117**
Liabilities for post-employment benefits		9,059	9,182
Provisions for risks and charges	**15**	5,080	8,254
Deferred tax liabilities	**11**	6,878	7,890
Finance leases and other lenders	**19**	64	76
Bank loans and mortgages	**19**	34,178	30,457
Other payables	**17**	1,449	1,510
Taxes payable		1,548	978
Derivative financial instruments		56	
Non-current liabilities		**58,312**	**58,347**
Provisions for risks and charges	**15**	983	953
Finance leases and other lenders	**19**	24	23
Bank loans and mortgages	**19**	63,670	29,426
Trade payables	**16**	95,048	88,742
Other accounts payable	**17**	12,756	9,022
Taxes payable		2,266	5,764
Derivative financial instruments		57	310
Current liabilities		**174,804**	**134,240**
Share Capital		12,665	12,665
Capital reserves		71,123	71,123
Hedging, translation and stock option reserve		(3,678)	(3,411)
Treasury shares		(12,340)	(17,629)
Profit reserves		37,107	64,210
Group profit		2,381	4,262
Group shareholders' equity		**107,258**	**131,220**
Capital and reserves of minority interests		5,703	6,995
Minority interest profit		133	1,315
Minority interest equity		**5,836**	**8,310**
Consolidated shareholders' equity	**18**	**113,094**	**139,530**
Total liabilities and shareholders' equity		**346,210**	**332,117**

Consolidated Cash Flow Statement at June 30, 2011

In Euro thousands			**June 30, 2011**	**Dec 31, 2010**
Opening cash and cash equivalents			**25,102**	**19,235**
EBIT- Operating profit			5,530	5,040
Amortisation, depreciation and write-downs			8,202	8,202
Write-down of Goodwill for loss of value			0	0
EBITDA			13,732	13,242
Trade working capital			(4,479)	(4,451)
Other working capital accounts			(1,894)	3,826
Income taxes paid			(1,881)	(709)
Change in provisions			(3,507)	(1,180)
Other changes			1,204	347
Cash flow from operating activity			**3,175**	**11,075**
Net increases			(10,282)	(12,906)
	Intangible assets		(2,386)	(1,931)
	Property, plant & equipment		(8,012)	(4,606)
	Equity investments and other financial assets		116	(6,369)
Acquisition 15% Putian investment		**21**	(29,785)	0
Cash flow from investments			**(40,067)**	**(12,906)**
Acquisition of treasury shares			3,115	0
Other movements in share capital			0	0
Dividends			(1,478)	0
Increase (decrease) financial payables			38,155	4,430
Net changes in other financial assets/liabilities			1,419	427
Interest paid			(1,289)	(848)
Cash flow from financing activity			**39,922**	**4,009**
Change in cash and cash equivalents			**3,031**	**2,178**
Effect of exchange rate change on liquidity			**(545)**	**998**
Closing cash and cash equivalents			**27,588**	**22,411**

Statement of changes in Consolidated Shareholders' Equity

In Euro thousands	Share Capital	Share premium reserve	Treasury shares	Profit reserves	Hedge, trans. & stock option reserve	Result for the period	Total Group NE	Minorities NE	Total
Balance at December 31, 2009	**12,665**	**71,123**	**(17,629)**	**64,086**	**(8,431)**	**231**	**122,045**	**2,112**	**124,157**
Change in cash flow hedges net of the tax effect					2		**2**		**2**
Recognition of stock grant					846		**846**		**846**
Differences arising from translation of foreign subsidiaries' financial statements				-	3,819		**3,819**	250	**4,069**
Total comprehensive profit	-	-	-	-	4,667	-	**4,667**	**250**	**4,917**
Net result						2,413	**2,413**	304	**2,717**
Total gains recognised in the income statement	-	-		-	-	2,413	**2,413**	304	**2,717**
Allocation of net profit				310	(79)	(231)	**-**	-	**-**
Other movements				(190)			**(190)**	(289)	**(479)**
Dividends				-			**-**		**-**
Balance at June 30, 2010	**12,665**	**71,123**	**(17,629)**	**64,206**	**(3,843)**	**2,413**	**128,935**	**2,377**	**131,312**
Balance at December 31, 2010	**12,665**	**71,123**	**(17,629)**	**64,210**	**(3,411)**	**4,262**	**131,220**	**8,310**	**139,530**
Change in cash flow hedges net of the tax effect					71		**71**		**71**
Recognition of stock grant					1,480		**1,480**		**1,480**
Differences arising from translation of foreign subsidiaries' financial statements					(1,806)		**(1,806)**	(324)	**(2,130)**
Total gains recognised directly to equity	-	-	-	-	(255)	-	**(255)**	**(324)**	**(579)**
Net profit for the period						2,381	**2,381**	133	**2,514**
Total gains recognised in the income statement	-	-		-	-	2,381	**2,381**	133	**2,514**
Allocation of net profit				4,262	(11)	(4,262)	**(11)**		**(11)**
Sale of treasury shares			5,289	(2,174)			**3,115**		**3,115**
Other movements				(27,713)			**(27,713)**	(2,283)	**(29,996)**
Dividends				(1,478)			**(1,478)**		**(1,478)**
Balance at June 30, 2011	**12,665**	**71,123**	**(12,340)**	**37,107**	**(3,678)**	**2,381**	**107,258**	**5,836**	**113,094**

Notes to the Condensed Consolidated Half-Year Financial Statements at June 30, 2011

Group structure and brief description of its activities

In 2011, the Group reviewed the Corporate Reporting system, and which remains under review, without substantial amendments to the set of internal reports reviewed periodically by management, but with greater emphasis placed on the geographic breakdown of data rather than analysis by product. As per IFRS 8, from the present report the segment disclosure is reviewed and reported in line with that utilised by management for the undertaking of operational decisions. For the purposes of comparison, the disclosure relating to the previous year was restated.
The present reporting is in line with management strategy which increasingly has a global focus, with a direct presence now established in Europe, America and Asia. In this manner the Group can provide information which enables readers of the financial statements to evaluate the nature and effects on the financial statements of the strategies undertaken and of the general economic context.

The new operational segments are as follows:

- "Europe": production and sale of range hoods, accessories and electric motors developed by the companies based in Europe, i.e. the Italian companies Elica and Airforce, the German companies Gutmann and Airforce Germany and the Polish company Elica Group Polska;

- "America": production and sale of range hoods and accessories, developed by the Group companies based in America, i.e. the Mexican companies Elicamex and Leonardo 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 Putian and the India company Elica PB. India and the Japanese company Ariafina.

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

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., Ariafina CO., LTD, Elica PB India Private Ltd and Zhejiang Putian Electric, which prepare their accounts in Polish Zloty, Mexican Pesos, Japanese Yen, Indian Rupees and the Chinese Renminbi 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 2011	average 2010	%	June 30, 2011	June 30, 2010	%
USD	1.40	1.33	5.5%	1.44	1.23	17.1%
GBP	0.87	0.87	-0.2%	0.90	0.82	10.1%
JPY	114.97	121.32	-5.2%	117.11	108.79	7.6%
PLN	3.95	4.00	-1.2%	3.96	4.15	-4.7%
MXN	16.69	16.81	-0.7%	16.68	15.74	6.0%
INR	63.14	60.73	4.0%	64.61	56.93	13.5%
CNY	9.18	n/a	n/a	9.34	n/a	n/a

Approval of the Half-Year Report at June 30, 2011

The report for the period ended June 30, 2011 was approved by the Board of Directors on August 25, 2011.

Accounting principles and basis of consolidation

The annual consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and approved by the European Union through Regulation No. 1606/2002.

The present condensed half-yearly financial statements were prepared, in summary form, in conformity with IAS 34 "Interim Financial Statements" and in conformity with the requirements of Consob Regulation No. 11971 of May 14, 1999 and subsequent amendments and integrations.
The condensed half-year financial statements therefore do not include all the information published in the annual report and must be read together with the consolidated financial statements as at December 31, 2010.

The accounting and consolidation principles adopted for the preparation of the current condensed half-year financial statements are unchanged compared to those adopted for the preparation of the Group annual consolidated financial statements for the year ended December 31, 2010.

The condensed half-year financial statements at June 30, 2011 are compared with the condensed half-year financial statements for the corresponding period of the previous year for the income statement accounts and with the consolidated balance sheet accounts and financial position at December 31, 2010. The financial statements consist of the Balance Sheet, the Income Statement, the Comprehensive Income Statement, the Cash Flow Statement and the Statement of Changes in Shareholders' Equity.

The present consolidated financial statements are presented in thousands of Euro and all the amounts are rounded to the nearest thousandth, unless otherwise specified.

Changes in accounting standards

The financial statements utilised are the same as those used for the preparation of the consolidated financial statements at December 31, 2010.

The only new accounting standard applied for the first time by the Group from January 1, 2011 was the revised version of IAS 24 – Related party disclosures, issued on November 4, 2009 by the IASB, which simplifies the type of information required in the case of transactions with related parties controlled by the State and clarifies the definition of related parties. The adoption of this amendment does not have any effect in relation to the valuation of the financial statement items and has limited effects on the disclosure of transactions with related parties in the 2011 half-year report.
The following amendments, improvements and interpretations, with effect from January 1, 2011, concern facts and events not present for the Group at the date of the present Half-Year Report but which may have accounting effects on future transactions or agreements:

- Amendment to IAS 32 - Financial Instruments: Presentation: Classification of rights issued;
- Amendment to IFRIC 14 – Minimum funding requirements;
- IFRIC 19 – Extinguishing financial liabilities with equity instruments;
- Improvements to IAS/IFRS (2010).

Utilisation of estimates

In the preparation of the condensed half-year financial statements, 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, doubtful debt provision and inventory write downs, 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 2010 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	**H1 2011**	**H1 2010**	**Change**
Revenues from product sales	192,458	179,294	13,164
Service revenues	47	161	(114)
Total revenues	**192,505**	**179,455**	**13,050**

For the comments relating to the changes in revenues, reference should be made to the paragraph "H1 2011 operating review". Clients who comprise more than 10% of total revenues constituted 33.87% of revenues in the first six months of 2011 compared to 28.2% in the first half of 2010.

The effect of the change in the consolidation scope was approx. Euro 11 million.

Sales information by sector is reported in note 20.

2. Other operating revenues

(in Euro thousands)	**H1 2011**	**H1 2010**	**Change**
Rental income	43	15	28
Operating grants	687	10	677
Ordinary gains on disposal	176	179	(3)
Claims and insurance payouts	296	74	222
Expenses recovered	121	213	(92)
Other revenues and income	1,961	1,510	451
Total	**3,284**	**2,001**	**1,283**

The main increase was in the account "Operating grants", principally due to the portion matured of the 2015 industrial project and the photovoltaic plant project.

3. Raw materials and consumables

In Euro thousands	H1 2011	H1 2010	Change
Purchase of raw materials	(96,384)	(80,316)	(16,068)
Shipping expenses on purchases	(1,514)	(1,031)	(483)
Purchases of consumable materials	(856)	(649)	(207)
Packaging	(1,369)	(4,054)	2,685
Purchases of supplies	(320)	(367)	47
Purchases of semi-finished materials	(6,562)	(2,719)	(3,843)
Purchase of finished products	(5,029)	(1,524)	(3,505)
Other purchases	(395)	(221)	(174)
Change in inventory of raw materials, consumables and goods for re-sale	719	(1,114)	1,833
Total	**(111,709)**	**(91,995)**	**(19,714)**

Raw materials and consumables increased by approx. Euro 20 million due both to the increase in production volumes and the increase in the raw material cost, in particular of metals, copper and oil-based materials, whose costs increased on the back of rising oil prices.

The effect of the change in the consolidation scope on this account was Euro 7.8 million.

4. Services

This account remains stable in absolute terms. The effect of the change in the consolidation scope on this account was approx. Euro 3 million. Compared to the previous consolidation scope, service costs reduced significantly, following the introduction of the fixed cost reduction plan by the group.

In Euro thousands	H1 2011	H1 2010	Change
Outsourcing expenses	(14,418)	(15,658)	1,240
Transport	(3,956)	(3,666)	(290)
Finished goods inventories	(2,227)	(1,934)	(293)
Consulting	(2,383)	(3,567)	1,184
Other professional services	(3,786)	(3,509)	(277)
Maintenance	(1,209)	(1,106)	(103)
Utilities	(2,158)	(2,015)	(143)
Commissions	(1,337)	(1,261)	(76)
Travel expenses	(1,461)	(1,158)	(303)
Advertising	(1,482)	(538)	(944)
Insurance	(647)	(726)	79
Directors & Statutory Auditor fees	(711)	(550)	(161)
Trade fairs and promotional events	(620)	(544)	(76)
Industrial services	(175)	(267)	92
Banking commissions and charges	(219)	(189)	(30)
Total Services	**(36,790)**	**(36,688)**	**(102)**

5. Labour costs

Labour costs incurred by the Group were as follows:

In Euro thousands	H1 2011	H1 2010	Change
Salaries and wages	(27,343)	(25,095)	(2,248)
Social security expenses	(7,906)	(7,718)	(188)
Employee leaving indemnity	(1,551)	(1,792)	241
Other expenses	(3,257)	(2,310)	(947)
Total labour costs	**(40,057)**	**(36,915)**	**(3,142)**

The increase in the account relates to the new subsidiaries for Euro 1.7 million. Leaving incentives of approx. Euro 0.4 million were also recorded. The residual increase of the cost in 2011 is principally due to the Mobility scheme impact.

6. Net financial charges

In Euro thousands	H1 2011	H1 2010	Change
Financial income	172	1,319	(1,147)
Financial charges	(1,722)	(1,384)	(338)
Exchange gains/(losses)	9	6	3
Total net financial charges	**(1,541)**	**(59)**	**(1,482)**

The account "Financial income" reduced on the previous year which included Euro 949 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 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.

On the other hand financial charges increased, principally related to the loan for the acquisition of the holding in the company Putian.

7. Property, plant & equipment

The breakdown of property, plant and equipment at June 30, 2011 and December 31, 2010 is detailed below.

In Euro thousands	June 30, 2011	Dec 31, 2010	Change
Land, land usage rights and buildings	52,010	51,573	437
Plant and machinery	19,268	19,087	180
Commercial and industrial equipment	8,792	8,878	(86)
Other assets	3,501	3,282	220
Assets in progress and advances	1,106	860	246
Total	**84,677**	**83,680**	**997**

Property, plant and equipment increased from Euro 83,680 thousand at December 31, 2010 to Euro 84,677 thousand at June 30, 2011, an increase of Euro 997 thousand as a result of the sales, purchases and of depreciation recorded in the income statement of Euro 5,908 thousand. The change includes exchange losses of approx. Euro 1 million.

8. Goodwill

In Euro thousands	June 30, 2011	Dec 31, 2010	Change
Goodwill recorded by subsidiaries	40,759	41,167	(408)
Total goodwill	**40,759**	**41,167**	**(408)**

The only change in the account compared to December 2010 relates to exchange differences.

Based on the information currently available, no impairment indicators were evident at June 30, 2011. In particular, Group Management confirms Guidance 2011 announced to the market on May 12, 2011 on the approval of the Q1 2011 data which estimates an increase in Consolidated Revenues of between 5% and 7% on 2010, EBITDA growth of between 5% and 10% and the stability in Managerial Working Capital on consolidated revenues.

The Management of the Group will continue to constantly monitor the circumstances and the events which form the basis of the future development of the business and will carry out at December 31, 2011 a more extensive analysis in relation to an impairment test.

9. Other intangible assets

The breakdown of the "Other intangible assets" at June 30, 2011 and December 31, 2010 is shown below.

In Euro thousands	June 30, 2011	DEC 31, 2010	Change
Development Costs	2,215	2,575	(360)
Industrial patents and intellectual property rights	9,410	9,793	(383)
Concessions, licenses, trade marks & similar	1,918	1,989	(71)
Assets in progress and advances	3,833	2,491	1,342
Other intangible assets	6,533	7,018	(485)
Total other intangible fixed assets	**23,910**	**23,866**	**44**

The other intangible assets increased from Euro 23,866 thousand at December 31, 2010 to Euro 23,910 thousand at June 30, 2011, an increase of Euro 44 thousand as a result of the purchases, sales and amortisation recorded to the income statement of Euro 2,293 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 (including integrated SAP and Octopus), and also the development of new products, including two projects focused on energy efficiency. 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.

10. Investments in associated companies

The table below shows changes in investments in associated companies:

(in Euro thousands)	Dec 31, 2010	Dividends distributed	Reval./ (Write-downs)	June 30, 2011
Investments in associated companies	1,717	(297)	(36)	1,384
Total	**1,717**	**(297)**	**(36)**	**1,384**

In the first half of 2011 the associated company I.S.M. Srl approved the distribution of dividends through reserves for Euro 600 thousand. The correlated value of Elica's holding therefore reduced. This investment was also written-down due to the general performance of the company.

(in Euro thousands)	**Purchase cost**	**Pro-quota post-acqui. gain/loss (exclud. dividends)**	**Balance at 30/06/2011**	**Purchase cost**	**Pro-quota post-acqui. gain/loss (exclud. dividends)**	**Balance at 31/12/2010**
I.S.M. Srl	1,899	(515)	1,384	1,899	(182)	1,717
Total	**1,899**	**(515)**	**1,384**	**1,899**	**(182)**	**1,717**

11. Deferred tax assets – Deferred tax liabilities

(in Euro thousands)	**June 30, 2011**	**Dec 31, 2010**	**Change**
Deferred tax assets	9,494	9,357	137
Deferred tax liabilities	(6,878)	(7,890)	1,012
Total	**2,616**	**1,467**	**1,149**

The account "Deferred tax liabilities" decreased by approx. Euro 1 million, due principally to the reversal of the prudent provision made in 2010 concerning the Chinese subsidiary, no longer considered necessary in 2011 after obtaining the documentation necessary to benefit from the reduced rate. The account "Deferred tax assets" did not alter significantly on December 2010.
Following admission to the Special Economic Zone by the Polish Tax Authorities in February 2007, the Group acquired tax credit rights related to an investment programme, equal to Zloty 41 million, to be realised by December 31, 2011, which require the maintenance of a workforce of 160 persons until December 31, 2016. In 2011 a tax credit in proportion to investments undertaken of Zloty 1,205 million matured.
The deferred tax asset was recorded as it is considered recoverable in relation to the assessable results for the periods in which deferred taxes will reverse in the financial statements and as Group management considers that such commitments will be respected.

12. Trade and financial receivables

The account trade and financial receivables consists of:

(in Euro thousands)	**June 30, 2011**	**Dec 31, 2010**	**Change**
Trade receivables	90,451	89,269	1,182
Receivables from associated companies	100	7	93
Total	**90,551**	**89,276**	**1,275**

The increase in the account is principally related to increased revenues.
Receivables are recorded net of the bad debt provision of Euro 3,561 thousand (Euro 3,927 thousand at December 31, 2010) made following 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 prime international insurance companies.
Management considers that the value approximates the fair value of the receivables.
The change includes exchange losses of approx. Euro 0.5 million.

13. Inventories

In Euro thousands	**June 30, 2011**	**Dec 31, 2010**	**Change**
Raw material, ancillary and consumables	24,242	19,798	4,443
Raw materials obsolescence provision	(1,176)	(1,201)	25
Total	23,066	18,597	4,469
Products in work-in-progress and semi-finished	12,801	11,823	978
Work-in–progress obsolescence provision	(685)	(603)	(82)
Total	12,116	11,220	896
Finished products and goods for resale	17,890	13,381	4,509
Finished products obsolescence provision	(1,176)	(1,040)	(136)
Total	16,714	12,341	4,373
Payments on account	86	513	(426)
Total inventories	**51,983**	**42,671**	**9,312**

The account increased from Euro 42,671 thousand at December 31, 2010 to Euro 51,983 thousand at June 30, 2011. Despite the increase in the level of inventories, the percentage of Managerial Working Capital on net annualised revenues remains substantially stable compared to June 30, 2010.
Inventories are stated net of the obsolescence provisions of Euro 3,037 thousand (Euro 2,844 thousand at December 31, 2010), 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.
Inventories also include materials and products that were not physically held by the Group at the balance sheet date. These items were held by third parties on display, for processing or for examination.

14. Other receivables

(in Euro thousands)	**June 30, 2011**	**Dec 31, 2010**	**Change**
Other receivables (non-current)	271	1,920	(1,649)
Other receivables (current)	6,129	4,281	1,848
Total	**6,400**	**6,201**	**199**

The account "Other receivables" recorded under non-current assets principally reduced following the reduction of the receivable of the Polish subsidiary from a supplier. "Other receivables" increased principally due to increased prepayments and accrued income related to the seasonality of contracts and the recognition of receivables for state grants and for insurance compensation.

15. Provisions for risks and charges

The details are shown below.

(in Euro thousands)	**June 30, 2011**	**Dec 31, 2010**	**Change**
Supplementary agent termination benefits	483	551	(68)
Directors' termination benefits	109	109	(0)
Product warranty provisions	893	866	27
Provisions for risks	2,218	3,409	(1,191)
Restructuring provisions	550	1,278	(728)
Personnel Fund	1,721	2,907	(1,186)
Other Provisions	90	86	4
Total	**6,063**	**9,206**	**(3,143)**
of which			
Non-current	5,081	8,254	(3,173)
Current	983	953	30
Total	**6,064**	**9,207**	**(3,143)**

"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 "Provisions for risks" 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 and decreased in the half-year by Euro 1.2 million.
The "Restructuring provision" shows a balance of Euro 550 thousand, following the use of part of the provision made in the 2010 annual accounts.
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.

16. Trade payables

(in Euro thousands)	**June 30, 2011**	**Dec 31, 2010**	**Change**
Trade payables	95,048	88,742	6,306
Total	**95,048**	**88,742**	**6,306**

"Trade payables" mainly include payables for trade purchases and other costs. Management believes that the book value of trade payables reflects their fair value.

The increase in the account includes the exchange loss of approx. Euro 0.7 million.

17. Other Payables

(in Euro thousands)	**June 30, 2011**	**Dec 31, 2010**	**Change**
Other payables (non-current)	1,449	1,510	(61)
Other payables (current)	12,756	9,022	3,734
Total	**14,205**	**10,532**	**3,673**

Other payables recorded under non-current liabilities remain substantially in line with December 2010. The current balance however increased by Euro 3.7 million - principally relating to employee payables. At December 31, 2010, the payable for vacation days matured was much lower than at June, due to the seasonality of the item.

Managements consider that the book value of "Other Receivables" approximates their fair value.

18. Net equity

The account "Group Net Equity" at June 30, 2011 amounted to Euro 107,258 thousand (Euro 131,220 thousand at December 31, 2010). Movements in the account in the period principally related to:

- an increase of Euro 3,115 thousand for the sale of 1,899,684 shares in portfolio (3% of the share capital) to First Capital S.p.A. at a price of Euro 1.64 per share;
- an increase of Euro 2,381 thousand concerning the profit for the period;
- a decrease of Euro 1,478 thousand due to the distribution of dividends;
- a decrease of Euro 27,841 thousand due to the recognition of the acquisition of the further 15% of Putian as a transaction between shareholders, in line with IAS 27. For further details on the operation, reference should be made to note 21;
- an increase of Euro 1,480 thousand concerning the recognition of the Stock Grants;
- a decrease of Euro 1,806 thousand concerning the reduction in the translation reserve.

The account "Minority Interest Net Equity" at June 30, 2011 amounted to Euro 5,836 thousand (Euro 8,310 thousand at December 31, 2010). The movements in the account in the period principally related to: an increase of Euro 133 thousand following the recording of profit for the period, a decrease of Euro 319 thousand relating to changes in the translation reserve, a decrease of Euro 312 thousand concerning the distribution of dividends and finally a decrease of Euro 1,949 thousand for the acquisition by the Group of a further 15% in the Chinese subsidiary.

19. Net Debt

The Net debt at June 30, 2011 and December 31, 2010 is detailed below:

In Euro thousands	**June 30, 2011**	**Dec 31, 2010**
Cash and cash equivalents	**27,588**	**25,102**
Finance leases and other lenders	(64)	(76)
Bank loans and mortgages	(34,178)	(30,457)
Long-term debt	**(34,242)**	**(30,533)**
Finance leases and other lenders	(24)	(23)
Bank loans and mortgages	(63,670)	(29,426)
Short-term debt	**(63,694)**	**(29,449)**
Net Debt	**(70,348)**	**(34,880)**

The Net Debt at June 30, 2011 amounted to Euro 70.3 million from Euro 34.9 million at December 31, 2010, principally due to the payment for the further 15% stake in the Chinese company Putian, concluded in April. In July, the Group converted Euro 18 million of current debt to medium-long term debt.

Covenants exist on the medium-long term credit lines existing at June 30 based on the Consolidated Annual and Half Year Financial Statements. In particular the structure of the covenants on some of the Medium/long-term loans do not immediately determine default of the line through non respecting of the limits, but in first instance an increase in the cost of the loan or default of the credit line. At June 30, 2011 and until the preparation of the present report, the covenants had all been fulfilled.

Management believes that at the present moment, the funds available, in addition to those that will be generated from operating and financial activities, will permit the Group to satisfy its requirements deriving from investment activities, working capital management and repayment of debt in accordance with their maturities.
The following table shows the expected cash flows in relation to the contractual expiries of financial liabilities:

(in Euro thousands)	**June 30, 2011**	**Dec 31, 2010**	**Change**
Bank loans and mortgages	97,848	59,883	37,965
Total	**97,848**	**59,883**	**37,965**
Bank loans and mortgages have the following repayment schedules			
On demand or within one year	63,774	29,426	(29,426)
Within two years	7,798	10,357	(10,357)
Within three years	8,068	6,649	(6,649)
Within four years	6,385	6,369	(6,369)
Within five years	4,295	2,992	(2,992)
Beyond 5 years	7,528	4,090	(4,090)
Total	**97,848**	**59,883**	**(59,883)**
Less amounts to be repaid within one year	63,774	29,426	(29,426)
Due beyond one year	**34,074**	**30,457**	**(30,457)**

20. Segment information

As outlined in the paragraph "Group structure and activities" in 2011 the Group reviewed the Corporate Reporting system, and which remains under review, without substantial amendments to the set of internal reports reviewed periodically by management, but with greater emphasis placed on the geographic breakdown of data rather than analysis by product. As per IFRS 8, from the present report the segment disclosure is reviewed and reported in line with that utilised by management for the undertaking of operational decisions. For the purposes of comparison, the disclosure relating to the previous periods was restated.
The present reporting is in line with group management strategy which increasingly has a global focus, with a direct presence now established in Europe, America and Asia. In this manner the Group can provide information which enables readers of the financial statements to evaluate the nature and effects on the financial statements of the strategies undertaken and of the general economic context.

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- "Europe": production and sale of range hoods, accessories and electric motors developed by the companies based in Europe, i.e. the Italian companies Elica and Airforce, the German companies Gutmann and Airforce Germany and the Polish company Elica Group Polska;

- "America": production and sale of range hoods and accessories, developed by the Group companies based in America, i.e. the Mexican companies Elicamex and Leonardo 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 Putian and the India company Elica PB. India and the Japanese company Ariafina.

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 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 Rest of the World		Not allocated and eliminations		Consolidated	
	June 2011	June 2010 (*)	June 2011	June 2010 (*)	June 2011	June 2010 (*)	June 2011	June 2010 (*)	June 2011	June 10 (*)
Segment revenue:										
third parties	158,920	158,198	16,391	14,378	17,176	6,821	18	55	192,505	179,453
Inter-segment	4,390	3,902	2	155	955	29	(5,347)	(4,086)	-	-
Total revenues	**163,310**	**162,101**	**16,394**	**14,533**	**18,131**	**6,850**	**(5,330)**	**(4,031)**	**192,505**	**179,453**
Segment result:	**17,616**	**17,309**	**2,342**	**1,533**	**1,808**	**1,058**			**21,766**	**19,900**
Overheads not allocated									**(16,236)**	**(14,862)**
Operating profit									**5,530**	**5,038**
Share of profit loss from associates							(36)	(607)	(36)	(607)
Financial income							172	1,319	172	1,319
Financial charges							(1,722)	(1,384)	(1,722)	(1,384)
Exchange gains							9	6	9	6
Profit before taxes							**3,953**	**4,373**	**3,953**	**4,373**
Income taxes							(1,439)	(1,659)	(1,439)	(1,659)
Net profit for the period							**2,514**	**2,714**	**2,514**	**2,714**

(*) *The data relating to the previous year was restated for comparability with June 30, 2011.*

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

BALANCE SHEET	Europe		America		Asia and Rest of the world		Not allocated and eliminations		Consolidated	
	June 2011	Dec 2010 (*)	June 2011	Dec 2010 (*)	June 2011	Dec 2010 (*)	June 2011	Dec 2010 (*)	June 2011	Dec 2010 (*)
Assets:										
Segment assets	241,680	231,772	26,363	24,473	29,052	29,552	(5,216)	(5,134)	291,879	280,662
Investments	74,306	44,854	-		-		(72,922)	(43,138)	1,384	1,717
Unallocated assets							52,985	49,736	52,985	49,736
Total Assets	315,987	276,627	26,363	24,473	29,052	29,552	-25,153	1,465	346,249	332,115
Liabilities										
Segment liabilities	(94,344)	(89,043)	(8,486)	(7,787)	(6,442)	(5,797)	5,166	4,702	(104,107)	(97,924)
Liabilities not allocated							(129,011)	(94,660)	(129,011)	(94,660)
Equity							(113,131)	(139,531)	(113,131)	(139,531)
Total equity and Liabilities	(94,344)	(89,043)	(8,486)	(7,787)	(6,442)	(5,797)	(236,976)	(229,488)	(346,249)	(332,115)

(*) *The data relating to the previous year was restated for comparability with June 30, 2011.*

21. Acquisitions and asset transfers

Acquisition of 15% of Zhejiang Putian Electric

The Elica Group in H1 2011 acquired a further 15% of the Chinese company Zhejiang Putian Electric, as described in the paragraph "Significant events in H1 2011" within the Directors' Report.
The effects of this operation are summarised in the table below:

	Carrying value based on Group principles	**Fair value adjustments**	**Fair value**
(in Euro thousands)			
Property, plant & equipment	3,868	3,093	6,961
Land usage rights	551	5,127	5,678
Other intangible assets	97	-	97
Trade receivables	1,216	-	1,216
Inventories	2,218	-	2,218
Other receivables	87	-	87
Deferred tax assets	130	-	130
Cash and cash equivalents	2,225	-	2,225
Deferred tax liabilities	(601)	(2,055)	(2,656)
Trade payables	(2,343)	-	(2,343)
Other payables	(467)	-	(467)
Taxes payable	(187)	-	(187)
Total Shareholders' Equity	**6,794**	**6,165**	**12,959**
Share acquired (15%)			**1,944**
Reduction Group & Consolidated Group net equity			27,841
Total acquisition cost			**29,785**

22. Transactions and balances with related parties

The transactions between the company and its consolidated subsidiaries were eliminated in the half-year report and are therefore not shown in these notes.
Operations with related parties were carried out in accordance with law and based on reciprocal business needs.
The income statement and balance sheet amounts deriving from the transactions carried out as per IAS 24 with related parties are summarised below.
Elica Group and FASTNET S.p.A.

(in Euro thousands)	**June 30, 2011**	**Dec 31, 2010**
Costs and charges	9	19
Payables	30	5

Elica Group and Fintrack S.p.A.

(in Euro thousands)	**June 30, 2011**	**Dec 31, 2010**
Receivables	757	1.013
Revenues and income	7	13

The receivable from Fintrack SpA relates to the instalment concerning the sale of the Roal Electronics SpA holding on June 25, 2007.

Elica Group and Roal Electronics S.p.A.

(in Euro thousands)	**June 30, 2011**	**Dec 31, 2010**
Receivables	21	41
Payables	925	1,137
Revenues and income	19	56
Costs and charges	1,733	3,275

In accordance with IAS 24, remuneration paid to Directors, Statutory Auditors and Senior Managers with strategic responsibility are included in transactions with related parties, and whose amounts are in line with previous periods.

23. Contingent liabilities

The Parent Company and its subsidiaries are not involved in administrative, judicial or arbitration proceedings that are underway or have been settled by means of a ruling or arbitration award issued in the last 12 months and which might have or might have had an effect on the financial situation or profitability of the Group.

Group companies have valued the contingent liabilities that could arise from pending judicial proceedings and have made appropriate provisions in their financial statements on a prudent basis.

The provision included in the Group consolidated financial statements at June 30, 2011 for contingent risks and charges relating to legal disputes amount to Euro 1,214 thousand.

Management considers that the provision for risks in order to cover possible liabilities from pending or potential disputes is, on the whole, adequate.

24. Positions or transactions arising from exceptional and/or unusual transactions

In the first half of 2011, no operations classifiable in this category were recorded.

25. Subsequent events after the period end

For information on events after June 30, 2011, reference should be made to the Directors' Report.

Fabriano, August 25, 2011

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 Andrea Sasso, as Chief Executive Officer, and Vincenzo Maragliano, Executive responsible for the preparation of the corporate accounting documents of Elica S.p.A., affirm, and also in consideration of article 154-bis, paragraphs 3 and 4, of Legislative Decree No. 58 of February 24, 1998:
- the accuracy of the information on company operations and
- the effective application

of the administrative and accounting procedures for the compilation of the condensed half-year financial statements for the first half-year of 2011.

In addition, we certify that the condensed half-year financial statements:
a) were prepared in accordance with international accounting standards, recognised in the European Union pursuant to EU regulation No. 1606/2002 of the European Parliament and Council, of July 19, 2002;
b) correspond to the underlying accounting documents and records;
c) provide a true and correct representation of the economic, balance sheet and financial situation of the issuer and of the companies included in the consolidation.

The Interim Directors' Report on operations includes an analysis of the significant events in the first six months of the year and their impact on the condensed half-year financial statements, with a description of the principal risks and uncertainties for the remaining six months. The interim directors' report also includes a reliable analysis of the information on significant operations with related parties.

Fabriano, August 25, 2011

The Chief Executive Officer
Andrea Sasso

Executive responsible for the preparation
of corporate accounting documents
Vincenzo Maragliano