The Hi-Life Company

Elica S.p.A.

Interim Report

as at 31 December 2008

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Corporate Officers

Members of the board of directors:

Francesco Casoli
Executive Chairman, born in Senigallia (AN) on 5/6/1961, appointed a director by resolution dated 12/4/2006.

Andrea Sasso
Chief Executive Officer, born in Rome on 24/8/1965, appointed by resolution dated 30/4/2007.

Gianna Pieralisi
Executive Director, born in Monsano (AN) on 12/12/1934, appointed a director by resolution dated 12/04/2006.

Fiorenzo Busso
Director, born in Milan (MI) on 11/9/1942, appointed a director by resolution dated 14/02/2008

Gennaro Pieralisi
Director, born in Monsano (AN) on 14/02/1938, appointed a director by resolution dated 12/04/2006.

Stefano Romiti
Independent Director and Lead Independent Director, born in Rome (RM) on 17/11/1957, appointed a director by resolution dated 12/4/2006.

Giovanni Frezzotti
Independent Director, born in Jesi (AN) on 22/2/1944, appointed a director by resolution dated 14/11/2008.

Members of the Board of Statutory Auditors

Corrado Mariotti
Chairman, born in Numana (AN) on 29/2/1944, appointed by resolution dated 28/8/2008.

Stefano Marasca
Statutory Auditor, born in Osimo (AN) on 9/8/1960, appointed by resolution dated 12/4/2006.

Gilberto Casali
Statutory Auditor, born in Jesi (AN) on 14/1/1954, appointed by resolution dated 28/8/2008.

Guido Cesarini
Alternate Auditor, born in Bolzano (BZ) on 19/8/1972, appointed by resolution dated 12/4/2006.

Internal control committee
Stefano Romiti
Gennaro Pieralisi
Giovanni Frezzotti

Remuneration Committee
Stefano Romiti
Gennaro Pieralisi
Giovanni Frezzotti

Independent Auditors
Deloitte & Touche S.p.A.

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

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Directors' Report

Financial and operating review

In Euro thousands	FY 2008	revenue margin	FY 2007 (*)	revenue margin	08 Vs 07 %
Revenues	385,435		426,795		(9.7%)
EBITDA from continuing operations	22,744	5.9%	38,546	9.0%	(41.0%)
EBIT from continuing operations	5,841	1.5%	22,103	5.2%	(73.6%)
Financial income/(costs)	302	0.1%	(2,705)	(0.6%)	(111.2%)
Income taxes	207	0.1%	(9,862)	(2.3%)	(102.1%)
Net profit from continuing operations	**6,350**	**1.6%**	**9,562**	**2.2%**	(33.6%)
Basic earnings per share on continuing operations	9.99		15.04		(33.6%)
Diluted earnings per share on continuing operations	9.99		15.04		(33.6%)

(*) with ACEM discontinued

The earnings per share for the twelve months of 2008 and 2007 were calculated by dividing the Group net profit from continuing operations by the number of outstanding shares at the respective reporting dates.

In Euro thousands	Q4 08	revenue margin	Q4 07 (*)	revenue margin	08 Vs 07 %
Revenues	85,797		109,775		(21.8%)
EBITDA from continuing operations	3,233	3.8%	7,586	6.9%	(57.4%)
EBIT from continuing operations	(1,180)	(1.4%)	3,863	3.5%	(130.5%)
Financial income/(costs)	(1,088)	(1.3%)	(953)	(0.9%)	14.2%
Income taxes	980	1.1%	(1,257)	(1.1%)	(177.9%)
Net profit from continuing operations	**(1,288)**	**(1.5%)**	**1,679**	**1.53%**	**(176.7%)**
Basic earnings per share on continuing operations	(2.76)		2.57		(207.7%)
Diluted earnings per share on continuing operations	(2.76)		2.57		(207.7%)

(*) with ACEM discontinued

The earnings per share for Q4 2008 and 2007 were calculated by dividing the Group net profit from continuing operations by the number of outstanding shares at the respective reporting dates.
EBITDA is the operating profit plus amortisation and depreciation. EBIT is the operating profit as reported in the consolidated income statement.

In Euro thousands	**31/12/2008**	**30/09/2008**	**31/12/2007***
Trade receivables	91,334	101,927	108,457
Inventories	51,868	57,645	56,408
Trade payables	(86,903)	(96,632)	(112,503)
Managerial Working Capital	**56,299**	**62,940**	**52,362**
as a % of annualised revenues	14.6%	15.8%	12.3%
Other receivables/payables	(7,893)	(4,848)	(5,719)
Net Working Capital	**48,406**	**58,092**	**46,643**
as a % of annualised revenues	12.6%	14.5%	10.9%

(*) with ACEM discontinued

In Euro thousands	**31/12/2008**	**30/09/2008**	**31/12/2007 ***
Cash and cash equivalents	**14,968**	**14,250**	**21,948**
Finance leases and other lenders	(4,222)	(4,346)	(4,614)
Bank loans and mortgages	(4,677)	(4,934)	(6,705)
Long-term debt	**(8,899)**	**(9,280)**	**(11,319)**
Finance leases and other lenders	(692)	(556)	(1,170)
Bank loans and mortgages	(40,311)	(23,046)	(6,206)
Short-term debt	**(41,003)**	**(23,602)**	**(7,376)**
(*) with ACEM discontinued			
Net debt	**(34,934)**	**(18,632)**	**3,253**

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

Operating review Q4 2008

Group revenues in the fourth quarter of 2008 amounted to Euro 85.8 million, a decrease on the same period of the previous year. The fall is due to a general drop in consumption which has particularly affected the USA and Europe – the areas in which the Elica Group derives the majority of its revenue. In the Rest of the World, Elica Group revenues recorded growth on the fourth quarter of 2007.

Exchange rates in the fourth quarter of 2008 compared to the same period in the previous year had a positive impact of approx. Euro 0.9 million on revenues.

Based on average monthly exchange rates published by the Italian Exchange Office, in the fourth quarter of 2008, compared to the same period of the previous year, the Euro depreciated against the US Dollar and the Japanese Yen, whilst appreciating against UK Sterling, the Polish Zloty and the Mexican Peso. A comparison of exchange rates at year-end confirms these trends.

	Q4 2008	Q4 2007	%	Dec 31, 08	Dec 31, 07	%
USD	1.32	1.46	-10.0%	1.39	1.47	-5.3%
JPY	126.71	164.95	-23.2%	126.14	164.93	-23.5%
PLN	3.77	3.62	4.2%	4.15	3.59	15.7%
MXN	17.19	15.88	8.2%	19.23	16.05	19.8%
GBP	0.84	0.72	17.4%	0.95	0.73	29.8%

Operating profits in the fourth quarter 2008 was impacted by decreasing revenues which resulted in a reduced absorption of overhead costs.

In the same period, the Group introduced a reduction of general overhead costs programme alongside the reorganisation of production activities implemented in the first nine months of 2008.

Financial costs increased as a result of higher debt following the share buy-back programme carried out in 2008 and the loan received for the purchase of Gutmann in November 2008. On an annual basis, the improvement was largely due to the exchange gains.

The tax charge in the fourth quarter was positive due to deferred tax income.

Net Working Capital on net revenues increased from 10.9 % at 31 December 2007 to 12.6% at 31 December 2008 – and an improvement on 14.5% at 30 September 2008. The increase in the first nine months of 2008 is principally due to the higher inventory consequent of the reorganisation of the manufacturing footprint. The management of trade receivables improved significantly.

Net Funds of Euro 3.2 million at 31 December 2007 decreased to a Net Debt of Euro 34.9 million at 31 December 2008. Excluding the payable acquired for the purchase of Gutmann and the capital invested for the repurchase of treasury shares, the net debt amounted to Euro 2.9 million.

The Elica Group continues the actions set out in the 2008-2010 strategic plan:

- acceleration of the production outsourcing plans in Poland and Mexico;
- acceleration of the purchasing process in the Low Cost Countries;
- reduction in industrial costs;
- implementation of the rationalisation of investments in non-core activities;
- the continual improvement of the financial structure.

Significant events in the fourth quarter of 2008 and events after 31 December 2008

On 11 November, the Elica Group acquired 100% of the German company Gutmann Exklusiv – Hauben GmbH, leader in the German high-end kitchen range hood market specialised in the production of high performing "customised" range hoods.
In 2007, Gutmann recorded net revenues of Euro 23.5 million, an EBITDA of Euro 2.7 million and Net Funds of Euro 0.3 million. In the 3 years 2005/2007 sales revenues of the German company grew at a CAGR of approximately 18%.
The acquisition of Gutmann by the Elica Group is an opportunity to strengthen its position at the high-end of the range hood market and increase revenues thanks to the highly complementary nature of the product ranges of the two companies: the Elica Collection range being set apart by its innovative design, with "tailor made" being a central aspect of Gutmann's production - while both companies operate at high performance levels. Thanks to this acquisition, the Elica Group will also consolidate its presence in Germany and in other European markets due to the highly complementary markets in which the two companies are present.
These factors, combined with the strong financial position of Gutmann, will ensure future growth for both Gutmann and the Elica Group, in line with the strategy for growth of its own brands and in the high-end market, undertaken since its stock market listing.
The acquisition price agreed is the higher of Euro 14 million and a value calculated based on the performance of Gutmann in the two year period 2008-2009 (this value will be equal to 7 times the average EBIT of 2008 and 2009, net of the Net Funds at today's date). In addition, the previous owners will be recognised 75% of the Net Profit 2008.

On 14 November 2008, the Board of Directors of Elica S.p.A., pursuant to article 16.6 of the current By-Laws, article 2386 of the Civil Code and article 3.C.1 of the Self-Governance Code of the Issuers' Regulations, following the resignation communicated on the same date and with immediate effect of the Independent Director Marcello Celi, appointed Mr. Giovanni Frezzotti as an Independent Director of the Company until the next Shareholders' Meeting. The Board of Directors also appointed Mr. Giovanni Frezzotti to the Internal Control Committee and the Remuneration Committee in place of the above-mentioned resigning director.

Elica Group structure and consolidation scope

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

Parent Company

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

Subsidiaries at the publication date of the Quarterly Report

- FIME S.p.A. – Castelfidardo, Ancona (Italy). This company operates in the sector of electric motors, mainly for home appliances (range hoods, ovens, refrigerators), home heating and ventilation (fan coils) systems. It operates mainly in European markets, where it holds significant market shares.

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

- ElicaMex S.A.d.C.V. – Queretaro (Mexico). The company was incorporated at the beginning of 2006 (Elica S.p.A. owns 98% directly and 2% through Elica Group Polska Sp.zo.o.). 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.d.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 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.

- Air Force S.p.A. – Fabriano (AN). This company operates in a specialised segment of the range hood market. The holding of Elica S.p.A. is 60%.

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

- Elica Inc. – Chicago, Illinois (United States) 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.

The following companies were included in the consolidation scope during 2008:

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

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

- Elica Germany G.m.b.h. – Norimberga (Germany), 100% held by Elica International S.à.r.l.;

- Exklusiv Hauben Gutmann GmbH – Mulacker (Germany) - a German company entirely acquired in November 2008 by Elica Germany and is the German leader in the high end kitchen range hood market, specialised in "tailor made" and high performance hoods.

Associated companies

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

- Inox Market Mexico S.A.de C.V. – Queretaro (Mexico). The company, which is 13.2885% owned by Elicamex S.A. de C.V., processes stainless steel, and steel for industrial purposes in general. It markets its products primarily in Mexico and the United States. By acquiring this investment, the Group aims to reduce purchase costs in one of the most significant cost items for the production of hoods and will be able to take advantage of supplies of semi-finished steel integrated within the hood production cycle.

Elica Group Inter-company and other related-party transactions

In 2008, transactions were entered into with subsidiaries, associated companies and other related parties. All transactions were conducted on an arm's length basis in the ordinary course of business.

Subsequent events and business outlook

The Group continued the restructuring plan of its manufacturing base while Management continues its monitoring of demand. At the beginning of 2009, the principal markets in which the Group carries out its trading activities continue to show the weakness witnessed in the second half of 2008.

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 25 August 2008.

Financial statements as at 31 December 2008

Consolidated income statement at 31 December 2008 *(in Euro thousands)*

In Euro thousands	Q4 08	Q4 07 (*)	FY 08	FY 07 (*)	Q4 07
Revenues	85,797	109,775	385,435	426,795	111,631
Other operating revenues	1,844	804	6,213	5,321	812
Changes in inventories of finished and semi-finished goods	(1,470)	(3,995)	(402)	1,471	(3,940)
Increase in internal work capitalised	1,659	1,574	2,762	2,956	1,574
Raw materials and consumables	(45,293)	(54,210)	(206,024)	(218,417)	(55,358)
Services	(19,467)	(23,035)	(83,859)	(95,026)	(23,322)
Labour costs	(16,888)	(20,770)	(69,911)	(75,307)	(21,196)
Amortisation & depreciation	(4,413)	(3,723)	(16,903)	(16,443)	(3,843)
Other operating expenses and provisions	(2,710)	(1,857)	(9,017)	(8,547)	(1,866)
Restructuring charges	(239)	(702)	(2,453)	(700)	(702)
EBIT	**(1,180)**	**3,861**	**5,841**	**22,103**	**3,790**
Share of profit/(loss) from associates	162	(63)	149	(163)	(63)
Impairment of available-for-sale financial assets	-	-	-	-	-
Financial income	(102)	159	843	948	159
Financial charges	(995)	(165)	(3,376)	(1,344)	(165)
Foreign exchange gains/(losses)	(153)	(883)	2,686	(2,146)	(883)
Other non-operating income	-	26	-	26	26
Pre-tax profit/(loss)	**(2,268)**	**2,935**	**6,143**	**19,424**	**2,864**
Income taxes	980	(1,257)	207	(9,862)	(1,214)
Net profit/(loss) from continuing operations	**(1,288)**	**1,678**	**6,350**	**9,562**	**1,650**
Net profit/(loss) from discontinued operations	-	(28)	63	17	-
Net profit/(loss)	**(1,288)**	**1,650**	**6,413**	**9,579**	**1,650**
of which:					
Minority interests share	287	102	655	327	102
Group net profit/(loss)	(1,575)	1,548	5,758	9,252	1,548
Basic earnings per share					
From continuing and discontinued operations (Euro/cents)	(2.76)	2.57	9.89	14.68	2.49
From continuing operations (Euro/cents)	(2.76)	2.57	9.78	14.65	2.49
Diluted earnings per share					
From continuing and discontinued operations (Euro/cents)	(2.76)	2.57	9.89	14.68	2.49
From continuing operations (Euro/cents)	(2.76)	2.57	9.78	14.65	2.49

(*) with ACEM discontinued

Consolidated balance sheet at 31 December 2008 ***(in Euro thousands) (*) with ACEM discontinued***

In Euro thousands	**31 Dec 08**	**31 Dec 07 (*)**
Property, plant & equipment	70,010	78,091
Goodwill	39,065	29,798
Other intangible assets	20,151	5,515
Investments in associated companies	2,712	2,363
Other financial assets	30	31
Other receivables	344	1,318
Tax receivables	6	9
Deferred tax assets	5,663	6,607
Available-for-sale financial assets	191	26
Total non-current assets	**138,172**	**123,758**
Trade receivables and loans	91,334	108,457
Inventories	51,868	56,408
Other receivables	5,729	6,141
Tax receivables	9,126	5,249
Derivative financial instruments	2,554	544
Cash and cash equivalents	14,968	21,948
Current assets	**175,579**	**198,747**
Assets of discontinued operations	**-**	**3,258**
Total assets	**313,751**	**325,763**
Liabilities for post-employment benefits	11,023	12,349
Provisions for risks and charges	2,977	3,322
Deferred tax liabilities	8,259	9,381
Finance leases and other lenders	4,222	4,614
Bank loans and mortgages	4,677	6,705
Other payables	1,225	4,016
Tax payables	1,400	4,004
Derivative financial instruments	-	-
Non-current liabilities	**33,783**	**44,391**
Provisions for risks and charges	1,307	612
Finance leases and other lenders	692	1,170
Bank loans and mortgages	40,311	6,206
Trade payables	86,903	112,503
Other payables	17,098	13,144
Tax payables	4,343	3,353
Derivative financial instruments	2,556	422
Current liabilities	**153,210**	**137,410**
Liabilities of discontinued operations	**-**	**1,905**
Share capital	12,665	12,665
Capital reserves	71,123	71,123
Hedging, translation and stock option reserve	(8,996)	(803)
Treasury shares	(17,629)	(6,671)
Retained earnings	61,871	55,341
Group profit for the period	5,758	9,252
Group shareholders' equity	**124,792**	**140,907**
Capital and reserves of minority interests	1,311	823
Minority interest profit	655	327
Minority interest equity	**1,966**	**1,150**
Consolidated shareholders' equity	**126,758**	**142,057**
Total liabilities and equity	**313,751**	**325,763**

Condensed consolidated cash flow statement at 31 December 2008 ***(in Euro thousands)***

In Euro thousands		31 Dec 08	31 Dec 07
Opening Funds/(Debt)		**21,948**	**29,334**
EBIT- Operating profit		5,841	22,103
Amortisation, depreciation and write-downs		16,903	16,443
EBITDA		22,744	38,546
Changes in Working Capital		(3,059)	7,144
	trade working capital	950	9,019
	other working capital accounts	(4,009)	(1,875)
Income taxes		(5,549)	(12,688)
Change in provisions		(2,531)	64
Other changes		(7,945)	(539)
Gains from earthquake payable write-offs		(4,084)	
Cash flow from operating activity		**(425)**	**32,527**
Net increases		(12,898)	(14,091)
	Intangible assets	(6,905)	(3,920)
	Property, plant & equipment	(5,419)	(13,370)
	Equity investments and other financial assets	(574)	3,199
Divestment of business unit		944	(1,336)
Purchase of equity investments		(12,487)	
Cash flow from investments		**(24,441)**	**(15,427)**
Increase in share capital		0	0
Acquisition of treasury shares		(10,958)	(6,671)
Other movements in share capital		0	0
Dividends		(2,817)	(2,533)
Increase (decrease) financial payables		30,636	(12,929)
Net changes in other financial assets/liabilities		658	163
Financial charges and income		366	(2,516)
Change in Funds/(Debt)		**(6,980)**	**(7,386)**
Closing Funds/(Debt)		**14,968**	**21,948**

Notes to the Interim Report at 31 December 2008

Group structure and brief description of its activities

Elica S.p.A. is a company incorporated under Italian law based in Fabriano (AN - Italy). The company is the Parent of a group of companies, the Elica Group, which operates in the market for kitchen range hoods, as well as in the market for electric motors.

The Group's primary segments, as defined by IFRS 8, consist of the businesses in which it operates. The breakdown by segment is as follows: own brands (manufacturing and sale of range hoods and accessories under its own brand), third-party brands (manufacturing and sale of range hoods, accessories and other components for home appliances sold under third-party brands), motors (manufacturing and sale of electric motors), and other activities (manufacturing and sale of electric transformers and other products).
The secondary segments are represented by the geographical areas where revenues are generated (the Americas, Europe + CIS and Other countries) and where the above activities are carried out (Italy, Poland, Mexico and Japan).
Segment information in accordance with IFRS 8 is reported in detail below.
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.z.o.o, ElicaMex S.A.d.C.V., Leonardo S.A.d.C.V. and Ariafina Co Ltd., which prepare their accounts in Polish Zloty, Mexican Pesos and Japanese Yen, respectively.

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

	average Jan-Dec 08	**average Jan-Dec 07**	**%**	**31 Dec 08**	**31 Dec 07**	**%**
USD	1.47	1.37	7.4%	1.39	1.47	-5.3%
JPY	152.45	161.25	-5.5%	126.14	164.93	-23.5%
PLN	3.51	3.78	-7.1%	4.15	3.59	15.7%
MXN	16.29	14.97	8.8%	19.23	16.05	19.8%

Criteria for the preparation of the Quarterly Report

The Quarterly report on operations of the Elica Group at 31 December 2008 was prepared in accordance with article 154 ter, paragraph 5 of the Consolidated Finance Act ("CFA") introduced by Legislative Decree 195/2007 enacting EU Directive 109/2004 ("Transparency Directive").
The Quarterly report was approved by the Board of Directors of Elica S.p.A. on 12 February 2009 and on the same date the board authorised its publication.

Accounting Principles adopted

The accounting principles utilised for the preparation of the financial statements as at 31 December 2008 are the IAS/IFRS issued by the IASB and approved by the European Union at the date of the Report. IAS/IFRS refers to the International Accounting Standards (IAS), the International Financial Reporting Standards (IFRS) and all the interpretive documents issued by the IFRIC (formally the Standing Interpretations Committee). In their preparation, the same accounting principles were adopted as in the preparation of the consolidated Financial Statements as at 31 December 2007.
The interim report was prepared on the basis of the historical cost principle, except for some financial instruments which are recognised at fair value. The financial statement accounts have been measured in accordance with the general criteria of prudence and accruals and on a going concern basis, and also take into consideration the economic function of the assets and liabilities.
The preparation of interim financial statements requires the use of estimates and assumptions based on the best evaluations of management.
If in the future these estimates and assumptions should be different from the actual circumstances, they will obviously be modified appropriately in the period in which the circumstances change.

In particular, with reference to the determination of any loss in value of non-current assets, tests are generally made on a complete basis on the preparation of the annual accounts, when all the necessary information is available, except where there are specific indications of impairment which require an immediate valuation of any loss in value or when facts arise requiring an impairment test.

Change of accounting principles, change of estimates and reclassifications

No new or revised accounting standards or interpretations have been issued by the International Accounting Standards Board (IASB) or the International Financial Reporting Interpretations Committee (IFRIC), having effect from 1 January 2008, which might have had a significant impact on this present report. The current interim report is presented in Euro and all the amounts are rounded to the nearest thousand, unless otherwise specified.

The financial effects deriving from the sale of the "ACEM" division (whose balances at 31 December 2007 were classified in the Balance Sheet under the items "Assets of discontinued operations" and "Liabilities of discontinued operations") are shown separately in the income statement under the item "Net profit from discontinued operations".

Composition and main changes in the Income Statement and Balance Sheet

The balances at 31 December 2007 in the following tables do not include the ACEM division (discontinued), as illustrated in last year's notes to the consolidated financial statements.
In the comments to the above-mentioned tables, the significant impact of the changes to the consolidation scope is also stated.

Revenues

In Euro thousands	**FY 08**	**FY 07**	**Change**
Revenues from product sales	385,346	426,393	(41,047)
Service revenues	89	402	(313)
Total revenues	**385,435**	**426,795**	**(41,360)**

The change in the consolidation scope had an impact of Euro 3,118 thousand.

Information by business and geographical segment

The primary form of segment reporting is by business sector in which the Group operates. The breakdown by segment is as follows:

- "Own brands": production and sale of range hoods and accessories under own brands;
- "Third-party brands": production and sale of range hoods, accessories and other components for domestic appliances under third-party brands;
- "Motors": production and sale of electric motors;
- "Other activities": production and sale of electrical transformers and other products.

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.

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

Segment information – Primary segment for the twelve months ended 31 December 2008 and 31 December 2007

INCOME STATEMENT	Own brands		Client brands		Electric motors		Other activities		Corporate		Eliminations		Consolidated	
	Dec 08	Dec 07	Dec 08	Dec 07	Dec 08	Dec 07	Dec 08	Dec 07	Dec 08	Dec 07	Dec 08	Dec 07	Dec 08	Dec 07
Segment revenue:														
customers	87,850	93,505	231,860	265,679	65,725	67,611	0	0					385,435	426,795
Inter-segment	1	0	598	954	24,458	27,579	0	0			(25,056)	(28,533)	0	0
Total revenues	**87,851**	**93,505**	**232,458**	**266,633**	**90,182**	**95,189**	**0**	**0**			**(25,056)**	**(28,533)**	**385,435**	**426,795**
Segment result:	16,749	18,117	28,763	42,549	9,198	10,666	0	0					54,647	71,332
Overheads not allocated													**(48,806)**	**(49,230)**
EBIT													**5,841**	**22,103**
Share of profit/(loss) from associates													149	(163)
Impairment of available-for-sale financial assets														0
Financial income													843	948
Financial charges													(3,376)	(1,344)
Foreign exchange gains/(losses)													2,686	(2,146)
Other non-operating income													0	26
Pre-tax profit													**6,143**	**19,424**
Income taxes													207	(9,862)
Result from normal operations													**6,350**	**9,562**
Result from discontinued operations													63	17
Net profit for the period													**6,413**	**9,579**

Balance Sheet	Own brands		Client brands		Electric motors		Other activities		Corporate		Eliminations		Consolidated	
	Dec 08	Dec 07	Dec 08	Dec 07	Dec 08	Dec 07	Dec 08	Dec 07	Dec 08	Dec 07	Dec 08	Dec 07	Dec 08	Dec 07
Assets:														
Segment assets	54,730	38,095	119,127	136,918	63,660	66,783	0	5,338			(3,767)	(2,259)	233,751	244,874
Investments in ass. companies									2,712	2,363			2,712	2,363
Assets not allocated									78,584	78,526			78,584	78,526
Total operational assets													**315,047**	**325,763**
Total assets of discontinued operations								0					**0**	**0**
Total assets													**315,047**	**325,763**
Liabilities														
Segment liabilities	(21,051)	(22,842)	(62,972)	(78,395)	(17,671)	(24,497)	0	(2,759)			3,767	2,259	(97,926)	(126,233)
Liabilities not allocated									(90,364)	(57,474)			(90,364)	(57,474)
Shareholders' equity									(126,757)	(142,056)			(126,757)	(142,056)
Total operational liabilities													**(315,047)**	**(325,763)**
Total liabilities of discontinued operations													**0**	**0**
Total liabilities													**(315,047)**	**(325,763)**

Segment information – Secondary segment for the twelve months ended 31 December 2008 and 31 December 2007

The Group's assets are located in Italy, Mexico, Japan, Poland and Germany.

The table below provides an analysis of sales by geographic area, regardless of the origin of the goods and services.

Revenues by geographic area

In Euro thousands	The Americas	Europe + CIS	Other countries	Consolidated
FY 31 December 2008	38,465	312,324	34,647	**385,435**
FY 31 December 2007	38,206	358,649	29,940	**426,795**

The following table contains details of the Group's assets based on their geographical location.

Total Assets

In Euro thousands	The Americas	Europe + CIS	Other countries	Consolidated
31 December 2008	30,006	278,466	5,278	**313,751**
31 December 2007	26,842	295,477	3,444	**325,763**

2. Net Financial charges

In Euro thousands	31 Dec 08	31 Dec 07	Change
Financial income	843	948	(105)
Financial charges	(3,376)	(1,344)	(2,032)
Foreign exchange gains (losses)	2,686	(2,146)	4,832
Total net financial charges	**153**	**(2,542)**	**2,695**

The change from the previous year in this account of Euro 2,695 thousand is due to the significant increase in exchange differences.

3. Property, plant & equipment

The breakdown of the property, plant and equipment at 31 December 2008 and 31 December 2007 is detailed below.

In Euro thousands	31 Dec 08	31 Dec 07	Changes
Land and buildings	38,677	37,465	1,212
Plant and machinery	18,340	21,780	(3,440)
Commercial and industrial equipment	10,004	13,730	(3,726)
Other assets	1,564	1,856	(292)
Assets in progress and payments on account	1,425	3,260	(1,835)
Total property, plant & equipment	**70,010**	**78,091**	**(8,081)**

The change in the consolidation scope resulted in an increase of property, plant and equipment of Euro 662 thousand.

5. Goodwill

The breakdown of the "Goodwill" account at 31 December 2008 and 31 December 2007 is detailed below.

In Euro thousands	31 Dec 08	31 Dec 07	Change
Goodwill recorded by subsidiaries	15,306	15,306	0
Consolidation difference	23,759	14,492	9,267
Total goodwill	**39,065**	**29,798**	**9,267**

The changes in the account are entirely due to the changes in the consolidation scope.

5. Other intangible assets

The breakdown of the "Other intangible assets" at 31 December 2008 and 31 December 2007 is shown below.

In Euro thousands	31 Dec 08	31 Dec 07	Change
Development Costs	2,586	1,805	781
Industrial patents and intellectual property rights	2,490	1,734	756
Concessions, licenses, trade marks & similar rights	2,252	121	2,131
Assets in progress and payments on account	4,025	1,359	2,666
Other intangible assets	8,798	496	8,302
Total other intangible fixed assets	**20,151**	**5,515**	**14,636**

The change in the consolidation scope resulted in an increase in intangible fixed assets of Euro 10,280 thousand.

6. Inventories

In Euro thousands	31 Dec 08	31 Dec 07	Changes
Raw material, ancillary and consumables	23,621	26,857	(3,236)
Raw materials obsolescence provision	(992)	(986)	(6)
Total	22,629	25,871	(3,242)
Products in work-in-progress and semi-finished	16,193	18,650	(2,457)
Work-in–progress obsolescence	(670)	(523)	(147)
Total	15,523	18,127	(2,604)
Finished products and goods for resale	13,965	13,170	795
Finished products obsolescence provision	(249)	(760)	511
Total	13,716	12,410	1,306
Total inventories	**51,868**	**56,408**	**(4,540)**

The change in the consolidation scope resulted in an increase in inventories of Euro 1,755 thousand.

7. Significant non-recurring events and operations

A summary of the significant non-recurring operations during the year and with their relative impact, net of taxes, on the Net Equity and Net Result are shown below.

	Net Equity		Net Profit	
	Amount	%	Amount	%
Book values	126.758		6.413	
a) Gains from 1997 earthquake suspension payables write-offs	3.101		3.101	
b) Restructuring charges	(1.680)		(1.680)	
Total effect	1.421	1%	1.421	22%
c) Gain from payable of substitute tax	2.590	2%	2.590	40%
Gross notional book value	122.747		2.402	

a) Law Decree 61/2008 approved the restitution, reduced to 40% without any sanctions and interests, through 120 monthly payments, of the taxes and contributions suspended following the provisions issued in favour of the areas hit by the 1997 earthquake (Marche and Umbria).
Following these provisions, the payable to the relevant Pension and Ministry Institutions and tax payables were written off for a total effect on the income statement of Euro 4,084 thousand and the remaining 40% was discounted with a positive effect on the income statement, gross of taxes of Euro 447 thousand. These operations had the following effect:
- in the balance sheet: Euro 2,994 thousand in the account "Tax payables", Euro 2,916 thousand in the account "Other payables" and Euro 1,196 thousand in the account "Other receivables".

- in the income statement: Euro 2,434 thousand in the account "Labour costs", Euro 1,543 thousand in the account "Other revenues", Euro 107 thousand in the account "Service costs" and Euro 447 thousand in the account "Financial Income".

b) The amount refers to the Group industrial reorganisation charges.

c) The amounts shown in the table illustrates the benefits deriving from the exercise of the option contained in law No. 244 of 2007 (2008 finance act) to recognise, with the payment of the substitute tax, the misalignment between the result for the year and the assessable base for taxes prior to 2007.

The above-mentioned non-recurring events had no effect on the Group financial situation.

Fabriano, 12 February 2009

The Chairman

Francesco Casoli

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

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

12 February 2009

The Chief Executive Officer
Andrea Sasso

Executive responsible for the preparation
of corporate accounting documents
Vincenzo Maragliano