Elica S.p.A.

Interim Report

at September 30, 2012

Contents

Corporate boards

Members of the Board of Directors

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

Giuseppe Perucchetti
Chief Executive Officer, born in Varese (VA) on 30/10/1958, appointed with resolution of 27/04/2012 and granted executive powers on 13/09/2012.

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

Gennaro Pieralisi
Director, born in Monsano (AN) on 14/02/1938, appointed by resolution of 27/04/2012.

Stefano Romiti
Independent Director and Lead Independent Director, born in Rome (RM) on 17/11/1957, appointed a director by resolution dated 27/04/2012.

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

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

Members of the Board of Statutory Auditors

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

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

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

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

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

Internal control & risk management Cmte.

Stefano Romiti
Gennaro Pieralisi
Elena Magri

Nominations and Remuneration Committee

Stefano Romiti
Gennaro Pieralisi
Elena Magri

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

Registered office and Company Data
Elica S.p.A.
Registered office: Via 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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Interim Report at September 30, 2012

Financial and operating review

In Euro thousands	9M 12	revenue margin	9M 11	revenue margin	12 Vs 11 %
Revenues	284,847		281,704		1.1%
EBITDA	17,911	6.3%	20,436	7.3%	(12.4%)
EBIT	6,815	2.4%	8,190	2.9%	(16.8%)
Financial income/(charges)	(2,759)	(1.0%)	(4,061)	(1.4%)	(32.1%)
Income taxes	(2,157)	(0.8%)	(1,356)	(0.5%)	59.1%
Net profit from continuing operations	1,899	0.7%	2,771	1.0%	(31.5%)
Net profit from continuing operations and discontinuing operations	1,899	0.7%	2,771	1.0%	(31.5%)
Group net profit	**1,730**	**0.6%**	**2,891**	**1.0%**	**(40.2%)**
Basic earnings per share on continuing operations and discontinuing operations (Euro/cents)	2.88		4.91		(41.4%)
Diluted earnings per share on continuing operations and discontinuing operations (Euro/cents)	2.86		4.91		(41.6%)

The earnings per share for 9M 2012 and 9M 2011 were calculated by dividing the Group net result from continuing and discontinued operations by the number of outstanding shares at the respective reporting dates.

In Euro thousands	Q3 12	revenue margin	Q3 11	revenue margin	12 Vs 11 %
Revenues	93,297		89,199		4.6%
EBITDA	6,384	6.8%	6,704	7.5%	(4.8%)
EBIT	2,674	2.9%	2,660	3.0%	0.5%
Financial income/(charges)	(872)	(0.9%)	(2,484)	(2.8%)	(64.9%)
Income taxes	(1,026)	(1.1%)	83	0.1%	(1.336.1%)
Net profit from continuing operations	776	0.8%	257	0.3%	201.9%
Net profit from continuing operations and discontinuing operations	776	0.8%	257	0.3%	201.9%
Group net profit	**764**	**0.8%**	**510**	**0.6%**	**49.8%**
Basic earnings per share on continuing operations and discontinuing operations (Euro/cents)	1.27		0.86		47.7%
Diluted earnings per share on continuing operations and discontinuing operations (Euro/cents)	1.32		0.86		53.5%

The earnings per share for Q3 2012 and Q3 2011 were calculated by dividing the Group net profit 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	Sep 30, 12	June 30, 12	Dec 31, 11	Sep 30, 11
Trade receivables	79,130	87,714	82,207	85,187
Inventories	52,042	50,801	50,598	52,358
Trade payables	(90,523)	(92,944)	(89,806)	(86,160)
Managerial Working Capital	**40,649**	**45,571**	**42,999**	**51,385**
as a % of annualised revenues	*10.7%*	*11.9%*	*11.4%*	*13.7%*
Other net receivables/payables	(178)	(2,234)	(2,929)	(153)
Net Working Capital	**40,471**	**43,337**	**40,070**	**51,232**

In Euro thousands	Sep 30, 12	June 30, 12	Dec 31, 11	Sep 30, 11
Cash and cash equivalents	**28,657**	**22,489**	**20,026**	**23,721**
Finance leases and other lenders	(479)	(393)	(56)	(57)
Bank loans and mortgages	(44,145)	(39,727)	(45,105)	(50,529)
Long-term debt	**(44,624)**	**(40,120)**	**(45,161)**	**(50,586)**
Finance leases and other lenders	(37)	(36)	(25)	(25)
Bank loans and mortgages	(49,284)	(49,211)	(43,640)	(50,373)
Short-term debt	**(49,321)**	**(49,247)**	**(43,665)**	**(50,398)**
Net Debt	**(65,288)**	**(66,878)**	**(68,800)**	**(77,263)**

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 Q3 2012

In the third quarter of 2012 Elica Group consolidated revenues grew 4.6% on Q3 2011, significantly out-performing the global market which saw a contraction of 3.6%[1], although beginning to recover in the period. The Group market share in the domestic range hoods market therefore increased, further strengthening Elica's global leadership.
Growth was driven by the Cooking segment, with increased revenues of 4.7% - own brand product sales grew strongly (9.9%) and third party products also growing (+1.6%). The Motors segment in the third quarter of 2012 reports revenue growth of 3.7%, driven by the recovery in the heating segment and the continued growth in range hood product sales.
Revenues in the Americas and in Asia made a particularly strong contribution, with respective growth of 17.4% and 17.2% on Q3 2011, while European sales were substantially stable (+0.3%); this result is considered significant within a challenging European market impacted by consumer slowdown.

EBITDA in the third quarter of 2012 of Euro 6.4 million contracted by 4.8% on 2011, principally due to the negative impact of the sales mix, concentrated in the third party brand products, which was only partially offset by an improvement in raw material costs and exchange gains.

Financial charges as a percentage of net revenues reduced significantly from -2.8% in the third quarter of 2011 to -0.9% in the third quarter of 2012, following the containment of financial charges subsequent to the significant reduction in the average debt in the quarter and the improved currency management performance.

Income taxes of Euro 1.0 million significantly increased on the same period of 2011 – a period in which income was increased through significant non-recurring tax reliefs.

[1] Global range hood market volumes.

In the third quarter of 2012 the Group net profit of Euro 0.8 million grew by approx. 50% on the same period of the previous year, following the recovery in the margin from the second quarter of the year and the strong financial management performance.

The Managerial Working Capital on annualised revenues reached a record level of 10.7%, improving by 300 basis points on the same period of 2011 and by 70 basis points on the full year 2011, principally due to prudent trade receivable management undertaken in view of the continuing increase in the overall sales deriving from outside Europe.

The Net Debt at September 30, 2012 of Euro 65.3 million reduced significantly on Euro 77.3 million at September 30, 2011 due to the strong generation of cash, particularly from operations, due to ongoing and stringent monitoring of financial cash flows. The Net Debt decreased also compared to December 31, 2011 (Euro 68.8 million).

	average 2012	average 2011	%	Sep 30, 12	Sep 30, 11	%
USD	1.28	1.41	-9.2%	1.29	1.35	-4.2%
JPY	101.61	113.19	-10.2%	100.37	103.79	-3.3%
PLN	4.21	4.02	4.7%	4.10	4.41	-6.9%
MXN	16.94	16.93	0.1%	16.61	18.59	-10.7%
INR	68.06	63.68	6.9%	68.35	66.12	3.4%
CNY	8.11	9.14	-11.3%	8.13	8.62	-5.7%
Rub	39.80	40.49	-1.7%	40.14	43.35	-7.4%
GBP	0.82	0.87	-5.5%	0.81	0.87	-7.3%

In the first nine months of 2012 the Euro, at average exchange rates, strengthened against the Polish Zloty and the Indian Rupee, while remaining substantially stable against the Mexican Peso and weakening against the U.S. Dollar, the Japanese Yen, the Chinese Yuan, the Russian Rouble and U.K. Sterling.

Significant events in Q3 2012

On August 28, 2012, the Board of Directors of Elica S.p.A. approved the 2012 Half-Year Report, prepared in accordance with IFRS accounting standards.

On September 13, 2012 the Board of Directors of Elica S.p.A. appointed Giuseppe Perucchetti as the new Chief Executive Officer of Elica. The appointment follows the resignation of Andrea Sasso from the position and his subsequent resignation from his board appointed roles.
Andrea Sasso leaves his role to pursue new professional opportunities, while remaining on as a Non-Executive Director.
Following the resignation of Andrea Sasso, with immediate effect, all powers and roles conferred by the Board of Directors to him have been conferred to Giuseppe Perucchetti.
With the appointment of the Director Giuseppe Perucchetti to the position of Chief Executive Officer, in order to ensure the presence of two independent directors on the Committees, the Board replaced him with the Director Elena Magri. Therefore the Appointments Committee and the Internal Control and Risk Management Committee is now comprised as follows: Stefano Romiti, Chairman and Independent Director; Gennaro Pieralisi, Non-Executive Director and Elena Magri, Independent 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

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

Subsidiary companies at September 30, 2012

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

o Elicamex S.A. de C.V. – Queretaro (Mexico) (in short Elicamex). The company was incorporated at the beginning of 2006 (The Parent Company owns 98% directly and 2% through Elica Group Polska). Through this company, the Group intends to concentrate the production of products for the American markets in Mexico and reap the benefits deriving from optimisation of operational and logistical activities;

O Leonardo Services S.A. de C.V. – Queretaro (Mexico) (in short Leonardo). This wholly-owned subsidiary was incorporated in January 2006 (the Parent Company owns 98% directly and 2% indirectly through Elica Group Polska Sp.zo.o.). Leonardo Services S.A. de C.V. manages all Mexican staff, providing services to ELICAMEX S.A. de C.V.;

O Ariafina CO., LTD – Sagamihara-Shi (Japan) (in short Ariafina). Incorporated in September 2002 as an equal Joint Venture with Fuji Industrial of Tokyo, the Japanese range hood market leader, Elica S.p.A. acquired control in May 2006 (51% holding) to provide further impetus to the development of the important Japanese market, where high-quality products are sold;

o Airforce S.p.A. – Fabriano (AN) (in short Airforce). This company operates in a special segment of the production and sale of hoods sector. The holding of Elica S.p.A. is 60%;

o Airforce Germany Hochleigstungs-Dunstabzugssysteme GmbH – Stuttgart (Germany) (in short Airforce Germany). Airforce S.p.A. owns 95% of Airforce Germany G.m.b.h., a company that sells hoods in Germany through so-called "kitchen studios";

o Elica Inc. – Chicago, Illinois (United States). The company aims to develop the Group's brands in the US market by carrying out marketing and trade marketing with resident staff. The company is a wholly owned subsidiary of ELICAMEX S.A. de C.V.;

O Exklusiv Hauben Gutmann GmbH – Mulacker (Germany) (in short Gutmann) - a German company entirely held by Elica S.p.A. and the German leader in the high-end kitchen range hood market, specialised in "tailor made" and high performance hoods.

o Elica PB India Private Ltd. - Pune (India) (in short Elica India), in 2010 Elica S.p.A. signed a joint venture agreement subscribing 51% of the share capital of the newly-incorporated Indian company. Elica PB India Private Ltd. is involved in the production and sale of Group products.

o Zhejiang Putian Electric Co. Ltd – Shengzhou (China) (in short Putian), a Chinese company held 66.76% and operating under the "Puti" brand, a leader in the Chinese home appliances sector, producing and marketing range hoods, gas hobs and kitchenware sterilisers. Putian is one of the main players in the Chinese range hood market and the principal company developing western style range hoods. The production site is located in Shengzhou, a major Chinese industrial district for the production of kitchen home appliances.

O Elica Trading LLC – St. Petersberg (Russian Federation) (in short Elica Trading), a Russian company held 70%, incorporated on June 28, 2011.

Associated companies

o I.S.M. S.r.l. – 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 quarter, the consolidation scope did not change compared to June 30, 2012.

Elica Group Inter-company and other related-party transactions

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

Subsequent events and outlook

The Group carries out an ongoing and extensive monitoring of demand dynamics, which in the third quarter of 2012 reports overall a contained reduction on the third quarter of 2011, although with vastly differing performances across the various geographic regions.
The challenging consumer environment - and more specifically within the home appliance sector - put significant pressure on the Elica Group margin, counteracted by the Group's ongoing focus on innovation and on projects targeting improved overall efficiency in order to maintain and strengthen the group's global leadership position in the sector.

Compliance pursuant to Section VI of the regulation implementing legislative decree No. 58 of 24 February 1998 concerning market regulations ("Market Regulations")

Elica S.p.A. confirms compliance with the conditions for listing pursuant to articles 36 and 37 of Consob's Market Regulations. In particular, having control, directly or indirectly, over some companies registered in countries outside of the European Union, the financial statements of the above-mentioned companies, prepared for the purposes of the Elica Group Consolidated Financial Statements, were made available in accordance with the provisions required by the current regulations enacted on March 30, 2009.

Interim Report at September 30, 2012

Consolidated Income Statement – YTD to September 30, 2012

In Euro thousands	***Notes***	**Q3 12**	**Q3 11**	**9M 12**	**9M 11**
Revenues	**1**	93,297	89,199	284,847	281,704
Other operating revenues		509	1,429	2,353	4,713
Changes in inventories of finished and semi-finished goods		2,100	1,282	5,271	10,701
Increase in internal work capitalised		671	592	2,263	1,842
Raw materials and consumables	**2**	(54,050)	(49,877)	(163,379)	(161,586)
Services	**3**	(16,650)	(17,413)	(52,110)	(54,203)
Labour costs	**4**	(16,045)	(15,936)	(54,119)	(55,993)
Amortisation & Depreciation		(3,710)	(4,044)	(11,096)	(12,246)
Other operating expenses and provisions		(3,448)	(2,572)	(7,215)	(6,742)
EBIT		**2,674**	**2,660**	**6,815**	**8,190**
Share of profit/(loss) from associates		3	1	(16)	(37)
Financial income	**5**	(78)	18	(27)	190
Financial charges	**5**	(876)	(1,292)	(3,095)	(3,014)
Exchange gains/(losses)	**5**	79	(1,211)	379	(1,202)
Profit before taxes		**1,802**	**174**	**4,056**	**4,127**
Income taxes		(1,026)	83	(2,157)	(1,356)
Net profit from continuing operations		**776**	**257**	**1,899**	**2,771**
Net profit from discontinued operations		-	-	-	-
Net profit for the period		**776**	**257**	**1,899**	**2,771**
of which:					
Minority interests share		12	(253)	169	(120)
Group net profit		764	510	1,730	2,891
Basic earnings per share (Euro/cents)		1.27	0.86	2.88	4.94
Diluted earnings per share (Euro/cents)		1.32	0.86	2.86	4.94

Comprehensive Consolidated Income Statement – YTD to September 30, 2012

In Euro thousands	**Q3 12**	**Q3 11**	**9M 12**	**9M 11**
Net profit	**776**	**257**	**1,899**	**2,771**
Other comprehensive income statement items:				
Exchange differences on the conversion of foreign financial statements	741	(2,663)	3,804	(4,788)
Net change in cash flow hedges	(13)	(326)	(158)	(235)
Income taxes on other comprehensive income statement items	2	71	34	51
Total other comprehensive income statement items, net of tax effects:	**730**	**(2,918)**	**3,680**	**(4,972)**
Total comprehensive profit/(loss)	**1,506**	**(2,661)**	**5,579**	**(2,201)**
of which:				
Minority interests share	(96)	312	187	126
Group comprehensive profit/(loss)	1,601	(2,973)	5,393	(2,327)

Consolidated Balance Sheet at September 30, 2012

In Euro thousands	***Notes***	**Sep 30, 12**	**Dec 31, 11**
Property, plant and equipment	**6**	87,607	85,165
Goodwill	**7**	41,797	41,765
Other intangible assets	**8**	23,849	24,424
Investments in associated companies		1,361	1,377
Other receivables		272	276
Tax receivables		6	6
Deferred tax assets		9,984	10,032
AFS financial assets		159	672
Derivative financial instruments		29	29
Total non-current assets		**165,064**	**163,746**
Trade and financial receivables	**9**	79,130	82,207
Inventories	**10**	52,042	50,598
Other receivables		7,142	6,036
Tax receivables		13,300	5,943
Derivative financial instruments		721	813
Cash and cash equivalents		28,657	20,026
Current assets		**180,992**	**165,623**
Assets of discontinued operations		**-**	**1,065**
Total Assets		**346,056**	**330,434**
Liabilities for post-employment benefits		8,577	8,907
Provisions for liabilities and charges	**11**	2,737	2,505
Deferred tax liabilities		6,571	6,772
Finance leases and other lenders		479	56
Bank loans and mortgages		44,145	45,105
Other payables		1,218	1,859
Tax payables		830	888
Derivative financial instruments		68	60
Non-current liabilities		**64,625**	**66,152**
Provisions for liabilities and charges	**11**	2,888	1,882
Finance leases and other lenders		37	25
Bank loans and mortgages		49,284	43,640
Trade payables		90,523	89,806
Other payables		9,999	10,211
Tax payables		7,733	2,814
Derivative financial instruments		1,161	1,004
Current liabilities		**161,625**	**149,382**
Share capital		12,665	12,665
Capital reserves		71,123	71,123
Hedging, translation and stock option reserve		(4,002)	(5,668)
Treasury shares		(8,815)	(8,815)
Retained earnings		40,209	34,684
Group profit		1,730	4,162
Group shareholders' equity		**112,910**	**108,151**
Capital and reserves of minority interests		6,727	6,794
Minority interest profit/(loss)		169	(46)
Minority interest equity		**6,896**	**6,748**
Consolidated shareholders' equity		**119,806**	**114,899**
Total liabilities and equity		**346,056**	**330,434**

Consolidated Cash Flow Statement at September 30, 2012

In Euro thousands	**Notes**	**Sep 30, 12**	**Sep 30, 11**
Opening cash and cash equivalents		**20,026**	**25,102**
EBIT- Operating profit		6,815	8,190
Amortisation, depreciation and write-downs		11,096	12,246
EBITDA		17,911	20,436
Trade working capital		3,528	(8,992)
Other working capital accounts		(2,879)	(5,546)
Income taxes paid		(2,780)	(2,491)
Change in provisions		574	(4,563)
Other changes		(3,233)	1,391
Cash flow from operating activity		**13,121**	**235**
Net increases		(8,786)	(14,098)
Intangible assets		(2,620)	(3,123)
Property, plant & equipment		(6,867)	(11,085)
Equity investments and other financial assets		701	108
Acquisition/sale of investments	**13.**	1,998	(29,785)
Cash flow from investments		**(6,788)**	**(43,885)**
(Acquisition)/Sale of treasury shares		0	3,115
Other movements in share capital		0	0
Dividends		0	(1,478)
Increase (decrease) financial payables		5,049	41,140
Net changes in other financial assets/liabilities		(383)	2,544
Interest paid		(2,891)	(2,503)
Cash flow from financing activity		**1,775**	**42,818**
Change in cash and cash equivalents		**8,108**	**(831)**
Effect of exchange rate change on liquidity		**523**	**(552)**
Closing cash and cash equivalents		**28,657**	**23,719**

Notes to the Interim Report at September 30, 2012

Group structure and brief description of its activities

The operational segments are as follows:

- "Europe": production and sale of range hoods, accessories and electric motors developed by the Group companies with bases in Europe;
- "America": production and sale of range hoods and accessories, developed by the Group companies based in America;
- "Asia and the rest of the world": production and sale of range hoods, accessories and other products, developed by the Group companies based in Asia.

The activities are based in the same geographic areas and therefore in Europe, specifically in Italy, Poland, Germany and Russia, 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 presentation currency of Elica and all of the consolidated companies, except for the foreign subsidiaries Elica Polska Sp.zo.o, Elicamex S.A.de C.V., Leonardo Services S.A.d.C.V., Ariafina CO., LTD, Elica Inc., Elica PB India Private Ltd, Zhejiang Putian Electric Co. Ltd, and Elica Trading LLC, which prepare their financial statements in the Polish Zloty, the Mexican Peso (Elicamex S.A.de C.V. and Leonardo Services S.A. de C.V.), Japanese Yen, US Dollar, Indian Rupie, Chinese Renminbi and Russian Rouble 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 2012	average 2011	%	Sep 30, 12	Sep 30, 11	%
USD	1.28	1.41	-9.2%	1.29	1.35	-4.2%
JPY	101.61	113.19	-10.2%	100.37	103.79	-3.3%
PLN	4.21	4.02	4.7%	4.10	4.41	-6.9%
MXN	16.94	16.93	0.1%	16.61	18.59	-10.7%
INR	68.06	63.68	6.9%	68.35	66.12	3.4%
CNY	8.11	9.14	-11.3%	8.13	8.62	-5.7%
Rub	39.80	41.80	4.9%	40.14	43.35	7.4%

Criteria for the preparation of the Interim Report

The Interim Directors' Report at September 30, 2012 was prepared in accordance with article 154 ter, paragraph 5 of the Consolidated Finance Act ("CFA") introduced by Legislative Decree 195/2007 enacting EU Directive 109/2004 ("Transparency Directive").
The report was approved by the Board of Directors of Elica S.p.A. on November 14, 2012 and the board authorised its publication on the same date.

Accounting principles, consolidation criteria and estimate changes

The accounting principles utilised for the preparation of the financial statements as at September 30, 2012 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 December 31, 2011.

The interim report was prepared on the basis of the historical cost principle, except for some financial instruments which are recognised at fair value. The financial statement accounts have been measured in accordance with the general criteria of prudence and accruals and on a going concern basis, and also take into consideration the economic function of the assets and liabilities.
The preparation of interim financial statements requires the use of estimates and assumptions based on the best evaluations of management. If in the future these estimates and assumptions should be different from the actual circumstances, they will obviously be modified appropriately in the period in which the circumstances change.
In particular, with reference to the determination of any loss in value of non-current assets, tests are generally made on a complete basis on the preparation of the annual accounts, when all the necessary information is available, except where there are specific indications of impairment which require an immediate valuation of any loss in value or when facts arise requiring an impairment test.
The current interim report is presented in Euro and all the amounts are rounded to the nearest thousand, unless otherwise specified.

Changes in accounting principles

The financial statements utilised are the same as those used for the preparation of the consolidated financial statements at December 31, 2011.
On October 7, 2010, the IASB published an amendment to IAS 7 – Financial instruments: additional disclosure, to be applied for the Group from January 1, 2012. The amendments were issued in order to improve understanding of transfers (derecognition) of financial assets, including understanding the possible effects of any risks pertaining to the company which has transferred these assets. The amendments also require additional information in the case in which a disproportionate amount of these transactions are carried out near the end of an accounting period. The adoption of these amendments did not have significant effects on the disclosure provided in the present Report.

Composition and main changes in the Income Statement and Balance Sheet

1. Revenues

In Euro thousands	9M 12	9M 11	Changes
Revenues from product sales	284,776	281,639	3,137
Service revenues	71	65	6
Total revenues	**284,847**	**281,704**	**3,143**

For the comments relating to the changes in revenues, reference should be made to the paragraph "Operating review Q3 2012". The growth of Euro 3.1 million represents a 1.1% increase. Sales information by sector is reported in note 12.

2. Raw materials and consumables

In Euro thousands	9M 12	9M 11	Changes
Purchases of raw materials	(137,774)	(138,634)	859
Shipping expenses on purchases	(3,074)	(2,392)	(681)
Purchases of consumable materials	(1,387)	(1,321)	(66)
Packaging	(2,537)	(2,246)	(291)
Purchases of supplies	(509)	(495)	(14)
Purchases of semi-finished materials	(9,272)	(8,844)	(429)
Purchases of finished products	(4,966)	(7,805)	2,839
Other purchases	(433)	(629)	196
Change in inventory of raw materials, consumables and goods for re-sale	(3,427)	779	(4,206)
Total Raw materials and consumables	**(163,379)**	**(161,586)**	**(1,793)**

Raw materials and consumables decreased by approx. Euro 1.8 million (-1.1%), concentrated particularly in the accounts Change in inventory of raw materials, consumables and goods for resale, only partially offset by the increase in Purchases of raw materials and Purchases of finished products.

3. Services

In Euro thousands	9M 12	9M 11	Changes
Outsourcing expenses	(18,821)	(20,532)	1,711
Transport	(6,253)	(5,865)	(389)
Finished goods warehouse	(3,473)	(3,203)	(270)
Consulting	(2,930)	(3,653)	723
Other professional services	(6,045)	(5,802)	(242)
Maintenance	(1,093)	(1,723)	630
Utilities	(3,633)	(3,131)	(502)
Commissions	(2,064)	(1,959)	(106)
Travel expenses	(2,014)	(2,070)	56
Advertising	(2,101)	(2,693)	592
Insurance	(948)	(922)	(26)
Directors & Statutory Auditor fees	(920)	(1,148)	228
Trade fairs and promotional events	(1,119)	(905)	(213)
Industrial services	(328)	(293)	(35)
Banking commissions and charges	(369)	(305)	(64)
Total Services	**(52,110)**	**(54,203)**	**2,093**

Service costs reduced by approx. Euro 2,093 thousand, principally due to the account Outsourcing expenses. As a percentage on revenues, these costs decreased from 19% to 18%.

4. Labour costs

In Euro thousands	9M 12	9M 11	Changes
Wages and salaries	(39,328)	(38,218)	(1,109)
Social security	(11,134)	(11,100)	(33)
Post-employment benefits	(1,971)	(2,279)	308
Other costs	(1,686)	(4,395)	2,709
Total labour costs	**(54,119)**	**(55,993)**	**1,875**

Labor costs reduced by approx. Euro 1.9 million, particularly due to the new Group organisation.

5. Net financial charges

In Euro thousands	9M 12	9M 11	Changes
Financial income	(27)	190	(217)
Financial charges	(3,095)	(3,014)	(81)
Exchange gains/(losses)	379	(1,202)	1,581
Total net financial charges	**(2,743)**	**(4,026)**	**1,284**

The account financial charges improved significantly, principally thanks to favourable currency movements.

6. Property, plant and equipment

The breakdown of property, plant and equipment at September 30, 2012 and December 31, 2011 is detailed below.

In Euro thousands	Sep 30, 12	Dec 31, 11	Changes
Land, land usage rights and buildings	49,716	50,141	(425)
Plant and machinery	20,523	19,973	550
Commercial and industrial equipment	11,816	10,271	1,545
Other assets	3,439	3,866	(427)
Intangible assets under progress and advances	2,113	914	1,199
Total property, plant & equipment	**87,607**	**85,165**	**2,442**

Property, plant and equipment increased from Euro 85,165 thousand at December 31, 2011 to Euro 87,607 thousand at September 30, 2012, an increase of Euro 2,442 thousand as a result of the sales, purchases and of depreciation recorded in the income statement of Euro 7,715 thousand.

7. Goodwill

In Euro thousands	Sep 30, 12	Dec 31, 11	Changes
Goodwill recorded by subsidiaries	41,797	41,765	32
Total goodwill	**41,797**	**41,765**	**32**

The account did not substantially change on December 31, 2011. The increase of Euro 32 thousand is due to the movement of the Euro against the Chinese currency.

8. Other intangible assets

In Euro thousands	Sep 30, 12	Dec 31, 11	Changes
Development Costs	2,300	2,855	(555)
Industrial patents and intellectual property rights	7,595	9,120	(1,525)
Concessions, licenses, trade marks & similar rights	1,769	1,856	(87)
Assets in progress and advances	6,652	4,428	2,224
Other intangible assets	5,532	6,166	(634)
Total other intangible assets	**23,849**	**24,424**	**(576)**

The Other intangible assets decreased from Euro 24,424 thousand at December 31, 2011 to Euro 23,849 thousand at September 30, 2012, a net reduction of Euro 576 thousand as a result of the purchases, sales and amortisation recorded to the income statement of Euro 3,381 thousand. 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.

9. Trade and financial receivables

(in Euro thousands)	Sep 30, 12	Dec 31, 11	Changes
Trade receivables	79,030	82,104	(3,074)
Receivables from associated companies	100	103	(3)
Total Trade and financial receivables	**79,130**	**82,207**	**(3,077)**

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

10. Inventories

In Euro thousands	Sep 30, 12	Dec 31, 11	Changes
Raw material, ancillary and consumables	23,458	22,975	483
Raw materials obsolescence provision	(1,354)	(1,157)	(197)
Raw material, ancillary and consumables	22,104	21,818	286
Products in work-in-progress and semi-finished	12,072	11,499	573
Semi-finished product obsolescence provision	(760)	(684)	(76)
Products in work-in-progress and semi-finished	11,312	10,815	497
Finished products and goods for resale	19,858	19,018	840
Finished products obsolescence provision	(1,264)	(1,125)	(139)
Finished products and goods for resale	18,594	17,893	701
Advances	32	72	(40)
Total inventories	**52,042**	**50,598**	**1,444**

Inventories increased from Euro 50,598 thousand at December 31, 2011 to Euro 52,042 thousand at September 30, 2012. They are stated net of the obsolescence provisions in order to take into consideration the effect of waste, obsolete and slow moving items and the risk estimates of the use of some categories of raw and semi-finished materials based on assumptions made by management.

11. Provisions for liabilities and charges

(in Euro thousands)	**Sep 30, 12**	**Dec 31, 11**	**Changes**
Supplementary agent termination benefits	492	529	(37)
Directors' termination benefits	0	109	(109)
Product warranty provisions	1,433	1,218	215
Provisions for risks	2,245	1,865	380
Restructuring provisions	-	200	(200)
Personnel Fund	1,366	425	941
Other Provisions	89	41	48
Total Provisions for liabilities and charges	**5,625**	**4,387**	**1,238**
of which			
Non-current	2,737	2,505	232
Current	2,888	1,882	1,006
Total Provisions for liabilities and charges	**5,625**	**4,387**	**1,238**

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.
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.

12. Segment information

The segment disclosure reflects the Corporate Reporting system, amended by the company in the previous year and at September 30, 2011 still in progress. This change did not result in 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 the segment disclosure is reviewed and reported in line with that utilised by management for the undertaking of operational decisions. In order to ensure the comparability, a restatement of the disclosure concerning the corresponding period in the previous year was made, in which the revision was still not complete.
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.

The operational segments are as follows:

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

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

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

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

Segment revenues are determined based on the geographic area to which the respective companies belong. Segment results are determined by taking into account all the costs that can be allocated directly to sales in a specific segment. Costs not allocated to the segments include all costs not directly attributable to the area, including manufacturing, sales, general, administrative costs, as well as financial income and charges and taxes.
Inter-segment revenues include revenues between Group segments that are consolidated on a line-by-line basis in relation to sales made to other segments.
Assets, liabilities and investments are allocated directly on the basis of their classification in a specific geographic area.
The following tables contain segment information by business segment as defined above:

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

INCOME STATEMENT	Europe		The Americas		Asia		Unallocated and eliminations		Consolidated	
	9M 12	9M 11 (*)	9M 12	9M 11 (*)	9M 12	9M 11 (*)	9M 12	9M 11 (*)	9M 12	9M 11 (*)
Segment revenue:										
third parties	221,517	229,030	33,099	25,890	30,215	26,783	16	0	284,847	281,704
Inter-segment	7,863	7,192	5	8	9	1,458	(7,877)	(8,658)		
Total revenues	**229,380**	**236,222**	**33,104**	**25,898**	**30,224**	**28,241**	**(7,861)**	**(8,658)**	**284,847**	**281,704**
Segment result:	**18,262**	**20,864**	**4,312**	**1,993**	**(286)**	**446**			**22,288**	**23,304**
Unallocated overheads									**(15,473)**	**(15,114)**
Operating profit									**6,815**	**8,190**
Share of profit/(loss) from associates							(16)	(37)	(16)	(37)
Financial income							(27)	190	(27)	190
Financial charges							(3,095)	(3,014)	(3,095)	(3,014)
Exchange gains/(losses)							379	(1,202)	379	(1,202)
Profit before taxes							**4,056**	**4,127**	**4,056**	**4,127**
Income taxes							(2,157)	(1,356)	(2,157)	(1,356)
Net profit from normal operations							**1,899**	**2,771**	**1,899**	**2,771**
Net profit from discontinued operations							-	-	-	-
Net profit							**1,899**	**2,771**	**1,899**	**2,771**

(*) *The data relating to the previous year was re-stated for comparability with September 30, 2012.*

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

BALANCE SHEET	Europe		The Americas		Asia and the rest of the world		Unallocated and eliminations		Consolidated	
	Sep 12	Dec 11	Sep 12	Dec 11	Sep 12	Dec 11	Sep 12	Dec 11	Sep 12	Dec 11
Assets:										
Segment assets	238,462	234,948	32,652	30,253	35,961	33,540	(7,186)	(6,777)	299,890	291,964
Equity Investments							1,361	1,377	1,361	1,377
Unallocated assets							44,804	36,029	44,804	36,029
Total operational assets	**238,462**	**234,949**	**32,652**	**30,253**	**35,961**	**33,540**	**38,979**	**30,628**	**346,055**	**329,370**
Total assets of discount. operations		**1,065**								**1,065**
Total Assets	**238,462**	**236,013**	**32,652**	**30,253**	**35,961**	**33,540**	**38,979**	**30,628**	**346,055**	**330,434**
Liabilities										
Segment liabilities	(113,119)	(109,795)	(10,889)	(10,898)	(14,472)	(12,779)	6,172	6,763	(132,308)	(126,709)
Unallocated Liabilities							(93,941)	(88,827)	(93,941)	(88,827)
Shareholders' Equity							(119,806)	(114,899)	(119,806)	(114,899)
Total operational liabilities	**(113,119)**	**(109,795)**	**(10,889)**	**(10,898)**	**(14,472)**	**(12,779)**	**(207,575)**	**(196,962)**	**(346,055)**	**(330,434)**
Total Liabilities	**(113,119)**	**(109,795)**	**(10,889)**	**(10,898)**	**(14,472)**	**(12,779)**	**(207,575)**	**(196,962)**	**(346,055)**	**(330,434)**

13. Acquisitions and sales

Sale of 3.24% of Zhejiang Putian Electric

The Elica Group in the beginning of 2012 sold 3.24% of the share capital of the Chinese company Zhejiang Putian Electric.
The effects of this operation are summarised in the table below:

Adjusted net equity of Subsidiary	**14,151**
Portion sold (3.24%)	**458**
Increase in Group & Consolidated Group net equity	1,539
Cash inflow from sale	**1,998**

This operation, based on IAS 27, was recognised within Net Equity given that the change in the share of control does not imply a loss in control.

Fabriano, November 14, 2012

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 Giuseppe Perucchetti as Chief Executive Officer and Alberto Romagnoli as Executive responsible for the preparation of the corporate accounting documents of Elica S.p.A., declares in accordance with Article 154 *bis*, paragraph 2, of the Consolidated Finance Act, that the accounting and corporate information corresponds to the underlying accounting documents, records and accounting entries.

Fabriano, November 14, 2012

The Chief Executive Officer
Giuseppe Perucchetti

Executive responsible for the preparation
of the corporate accounting documents
Alberto Romagnoli