Elica S.p.A.

Interim Report

at September 30, 2013

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 Director on 27/04/2012 and Executive Director on 13/9/2012.

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

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.

Evasio Novarese
Independent Director, born in Omegna (VA) on 25/08/1947, appointed by the Shareholders' Meeting of 24/04/2013 (deed of 7/5/2013).

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

Appointments 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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Laura Giovanetti
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Interim Directors' Report at September 30, 2013

Following the application of the amendments to IAS 19, the 2012 figures have been restated.

Financial and operating review

In Euro thousands	9M 13	% revenues	9M 12 restated	% revenues	13 Vs 12 %
Revenues	290,575		284,847		2.0%
EBITDA before restructuring charges	19,751	6.8%	17,915	6.3%	10.3%
EBITDA	18,357	6.3%	17,915	6.3%	2.5%
EBIT before restructuring charges	7,771	2.7%	6,819	2.4%	14.0%
EBIT	6,377	2.2%	6,819	2.4%	(6.5%)
Financial income/(charges)	(3,443)	-1.2%	(2,759)	-1.0%	24.8%
Income taxes	(1,546)	-0.5%	(2,158)	-0.8%	(28.4%)
Net profit from continuing operations before restructuring charges	2,782	1.0%	1,902	0.7%	46.3%
Net profit from continuing operations	1,388	0.5%	1,902	0.7%	(27.0%)
Net profit from continuing operations and discontinuing operations before restructuring charges	2,782	1.0%	1,902	0.7%	46.3%
Net profit from continuing operations and discontinuing operations	1,388	0.5%	1,902	0.7%	(27.0%)
Group Net Profit before restructuring charges	**2,806**	**1.0%**	**1,733**	**0.6%**	**62.0%**
Group Net Profit	**1,412**	**0.5%**	**1,733**	**0.6%**	**(18.5%)**
Basic earnings per share on continuing operations and discontinuing operations before restructuring charges (Euro/cents)	4.52		2.88		57.0%
Basic earnings per share on continuing operations and discontinuing operations (Euro/cents)	2.28		2.88		(21.0%)
Diluted earnings per share on continuing operations and discontinuing operations before restructuring charges (Euro/cents)	4.52		2.87		57.7%
Diluted earnings per share on continuing operations and discontinuing operations (Euro/cents)	2.28		2.87		(20.7%)

The earnings per share for 9M 2013 and 9M 2012 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 13	% revenues	Q3 12 Restated	% revenues	13 Vs 12 %
Revenues	95,482		93,297		2.3%
EBITDA before restructuring charges	7,477	7.8%	6,385	6.8%	17.1%
EBITDA	6,083	6.4%	6,385	6.8%	(4.7%)
EBIT before restructuring charges	3,508	3.7%	2,675	2.9%	31.1%
EBIT	2,114	2.2%	2,675	2.9%	(21.0%)
Financial income/(charges)	(1,055)	-1.1%	(872)	-0.9%	21.0%
Income taxes	(869)	-0.9%	(1,026)	-1.1%	(15.3%)
Net profit from continuing operations before restructuring charges	1,584	1.7%	777	0.8%	103.8%
Net profit from continuing operations	190	0.2%	777	0.8%	(75.6%)
Net profit from continuing operations and discontinuing operations before restructuring charges	1,584	1.7%	777	0.8%	103.8%
Net profit from continuing operations and discontinuing operations	190	0.2%	777	0.8%	(75.6%)
Group Net Profit before restructuring charges	**1,454**	**1.5%**	**765**	**0.8%**	**90.2%**
Group Net Profit	**60**	**0.1%**	**765**	**0.8%**	**(92.2%)**
Basic earnings per share on continuing operations and discontinuing operations before restructuring charges (Euro/cents)	2.37		1.27		86.0%
Basic earnings per share on continuing operations and discontinuing operations (Euro/cents)	0.08		1.27		(94.1%)
Diluted earnings per share on continuing operations and discontinuing operations before restructuring charges (Euro/cents)	2.37		1.32		79.2%
Diluted earnings per share on continuing operations and discontinuing operations (Euro/cents)	0.08		1.32		(93.9%)

The earnings per share for Q3 2013 and Q3 2012 were calculated by dividing the Group Net 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	**Sep 30, 13**	**June 30, 13**	**Dec 31, 12 restated**	**Sep 30, 12 restated**
Trade receivables	77,616	82,628	77,465	79,130
Inventories	54,518	54,027	49,597	52,042
Trade payables	(90,450)	(96,248)	(88,716)	(90,523)
Managerial Working Capital	**41,684**	**40,407**	**38,346**	**40,649**
as a % of annualised revenues	*10.8%*	*10.4%*	*10.0%*	*10.7%*
Other net receivables/payables	(6,416)	(5,417)	(761)	(178)
Net Working Capital	**35,268**	**34,990**	**37,585**	**40,471**

In Euro thousands	**Sep 30, 13**	**June 30, 13**	**Dec 31, 12 restated**	**Sep 30, 12 restated**
Cash and cash equivalents	**25,585**	**23,709**	**29,551**	**28,657**
Finance leases and other lenders	(15)	(15)	(333)	(479)
Bank loans and mortgages	(41,497)	(38,353)	(46,343)	(44,145)
Long-term debt	**(41,512)**	**(38,368)**	**(46,676)**	**(44,624)**
Finance leases and other lenders	(13)	(14)	(40)	(37)
Bank loans and mortgages	(46,370)	(49,756)	(45,165)	(49,284)
Short-term debt	**(46,383)**	**(49,770)**	**(45,205)**	**(49,321)**
Net Debt	**(62,310)**	**(64,429)**	**(62,330)**	**(65,288)**

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 2013

Elica Group revenues in the Third Quarter of 2013 grew 2.3% compared to the same period of 2012. The Cooking Segment reported revenue growth of 2.1%, driven by the increase of 5.4% of own brand product sales, against substantially stable third party brand sales compared to the same period of 2012. Global range hood demand in the quarter reported growth of 3.7%[1], consolidating on the previous quarter, driven by the recoveries on the Chinese and North American markets. The Motors Segment in Q3 2013 again reported an increase in revenues (+3.8% compared to the same period of 2012) due to improved heating and ventilation segment sales.
Analysing revenues from sales in the principal markets[2], the Americas contributed significantly to revenue growth (+16.7% compared to Q3 2012), while revenues in Asia reduced slightly - not due to a contraction in sales but rather as a result of currency movements - principally concerning the average exchange rate of the Japanese Yen and the Indian Rupee compared to the same quarter of 2012 (see table below). European sales increased slightly (+0.6%), marking a turnaround from 4 consecutive quarterly contractions.

[1] Global range hood market volumes
[2] Data concerns sales revenues by geographic area and therefore does not refer to the breakdown by operating segment according to the various Group company locations

EBITDA in the third quarter of 2013 of Euro 6.1 million contracted by 4.7% on Q3 2012, net of restructuring charges related to the Workforce Restructuring Plan (Euro 1.4 million). EBITDA in the quarter before restructuring charges totalled Euro 7.5 million, increasing 17.1% on Q3 2012, highlighting the improved operating margin in the quarter following an improved mix of sales and the industrial efficiency and overhead cost reduction programmes.

Income taxes in the period amounted to Euro 0.9 million compared to Euro 1.0 million in the same period of 2012. The increased tax rate for the quarter was significantly impacted by restructuring charges which are entirely non-deductible. The rate before restructuring charges (35.4%) is in line with the first half of 2013.

For the third quarter of 2013 the Group reports a Net Profit of Euro 0.1 million compared to Euro 0.8 million in the third quarter of 2012, although the Group Net Profit before restructuring charges totalled Euro 1.5 million, increasing over 90% on the same period of 2012.

The Managerial Working Capital on annualised revenues of 10.7% was in line with the third quarter of 2012 but slightly above the 10.0% level of December 31, 2012, due to the normal seasonality of the Group business model.

The Net Debt at September 30, 2013 totalled Euro 62.3 million, reducing on Euro 65.3 million at September 30, 2012 and in line with Euro 62.3 million at December 31, 2012.

	Average 2013	**Average 2012**	**%**	**Average Q3 2013**	**Average Q3 2012**	**%**	**Sep 30, 13**	**Dec 31, 12**	**%**
USD	1.32	1.28	3.10%	1.32	1.25	5.91%	1.35	1.32	2.30%
JPY	127.38	101.61	25.40%	131.02	98.30	33.28%	131.78	113.61	16.00%
PLN	4.2	4.21	-0.20%	4.25	4.14	2.69%	4.23	4.07	3.90%
MXN	16.71	16.94	-1.40%	17.10	16.47	3.83%	17.85	17.18	3.90%
INR	75.76	68.06	11.30%	82.36	68.97	19.41%	84.84	72.56	16.90%
CNY	8.12	8.11	0.10%	8.11	7.94	2.14%	8.26	8.22	0.50%
RUB	41.68	39.8	4.70%	43.44	39.98	8.67%	43.82	40.33	8.70%
GBP	0.85	0.82	3.70%	0.85	0.79	7.96%	0.84	0.82	2.4%

In 2013 the Euro, at average exchange rates, strengthened against the US Dollar, the Japanese Yen, the Indian Rupee, the U.K. Sterling, the Russian Ruble, the Chinese Yuan, while weakening against the Polish Zloty and the Mexican Peso.

Significant events in Q3 2013

On July 15, 2013, Elica S.p.A., following the authorisation on June 19, 2013 of the Board of Directors to utilise treasury shares, announced the sale of 1,700,000 shares, comprising 2.68% of the Share Capital, to INVESCO PERPETUAL, an investment fund with a division dedicated to shareholdings in small-mid cap European companies, at a price of Euro 1.134 per share. Following this operation, Elica S.p.A. holds 1,275,498 treasury shares.

On August 27 the Alternate Auditor Franco Borioni purchased 5,000 Elica S.p.A. shares.

On August 28, 2013, the Board of Directors of Elica S.p.A. approved the 2013 Half-Year Report, prepared in accordance with IFRS accounting standards.
The Board of Directors of Elica S.p.A. on the same date also approved the updated Organisational, management and control model as per Legislative Decree 231/01 of Elica S.p.A., approved on March 27,

2008, following the new offenses included in the decree and judgments concerning the responsibility of entities.

Elica Group structure and consolidation scope

Structure of the Elica Group

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

Subsidiary companies at September 30, 2013

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 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 100%, 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
There were no changes in the consolidation scope compared to December 31, 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 first nine months of 2013 appeared strong across all regions compared to the first nine months of 2012, with the exception of Western Europe and South America.

Based on current developments, the Group confirms its positive outlook for the global range hood markets with growth in the Americas and Asia and a contraction in Europe. Elica management confirm the Guidance 2013 indications announced to the market on May 14, 2013, which forecast revenue growth of between 1% and 3% and an improvement in consolidated EBITDA, before restructuring charges, of between 2% and 7% on 2012, and targets a Net Debt of not greater than Euro 57 million at the end of 2013.

Considering market forecasts, the Elica Group continually applies the principal strategic guidelines to strengthen its leadership globally: the creation of new "best in class" production platforms supported by an integrated value chain system, the international expansion of the Cooking segment, the continued implementation of the production process and overhead cost streamlining processes and the extension throughout the organisation of a strong internationalised culture.

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, 2013

Consolidated Income Statement – YTD to September 30, 2013

In Euro thousands	***Notes***	**Q3 13**	**Q3 12 restated**	**9M 13**	**9M 12 restated**
Revenues	**1.**	95,482	93,297	290,575	284,847
Other operating revenues		605	509	1,980	2,353
Changes in inventories of finished and semi-finished goods		693	2,100	3,006	5,271
Increase in internal work capitalised		663	671	2,373	2,263
Raw materials and consumables	**2.**	(53,456)	(54,050)	(162,280)	(163,379)
Services	**3.**	(16,283)	(16,650)	(51,036)	(52,110)
Labour costs	**4.**	(18,215)	(16,044)	(59,002)	(54,115)
Amortisation & Depreciation		(3,969)	(3,710)	(11,980)	(11,096)
Other operating expenses and provisions		(2,012)	(3,448)	(5,865)	(7,215)
Restructuring charges		(1,394)	-	(1,394)	-
EBIT		**2,114**	**2,675**	**6,377**	**6,819**
Share of profit/(loss) from associates		(4)	3	(18)	(16)
Financial income	**5.**	52	(78)	157	(27)
Financial charges	**5.**	(1,041)	(876)	(3,054)	(3,095)
Exchange gains/(losses)	**5.**	(62)	79	(528)	379
Profit before taxes		**1,059**	**1,803**	**2,934**	**4,060**
Income taxes		(869)	(1,026)	(1,546)	(2,158)
Net profit from continuing operations		**190**	**777**	**1,388**	**1,902**
Net profit from discontinued operations		-	-	-	-
Net profit for the period		**190**	**777**	**1,388**	**1,902**
of which:					
Minority interests share		130	12	(24)	169
Group Net Profit		60	765	1,412	1,733
Basic earnings per Share (Euro/cents)		0.08	1.27	2.33	2.88
Diluted earnings per Share (Euro/cents)		0.08	1.32	2.32	2.87

Comprehensive Consolidated Income Statement – YTD to September 30, 2013

In Euro thousands	**Q3 13**	**Q3 12 restated**	**9M 13**	**9M 12 restated**
Net Profit	**190**	**777**	**1,388**	**1,902**
Other comprehensive profits/(losses) which may not be subsequently reclassified to net profit/(loss) for the period:				
Actuarial gains/(losses) of employee defined plans	42	(759)	551	(1,734)
Tax effect concerning the Other profits/(losses) which may not be subsequently reclassified to the net profit/(loss) for the period	(21)	209	(206)	426
Total other comprehensive profits/(losses) which may not be subsequently reclassified to net profit/(loss) for the period, net of the tax effect	**21**	**(550)**	**345**	**(1,308)**
Other comprehensive profits/(losses) which may be subsequently reclassified to net profit/(loss) for the period:				
Exchange differences on the conversion of foreign financial statements	(1,378)	(0)	(3,143)	3,064
Net change in cash flow hedges	165	0	111	(145)
Tax effect concerning the Other profits/(losses) which may be subsequently be reclassified to the net profit/(loss) for the period	(40)	1	(31)	31
Total other comprehensive profits/(losses) which may be subsequently reclassified to net profit/(loss) for the period, net of the tax effect	**(1,252)**	**1**	**(3,062)**	**2,950**
Total other comprehensive income statement items, net of the tax effect:	**(1,231)**	**(549)**	**(2,717)**	**1,642**
Total comprehensive profit/(loss)	**(1,041)**	**228**	**(1,329)**	**3,544**
of which:				
Minority interests share	(95)	(16)	(593)	129
Group comprehensive profit/(loss)	(946)	244	(736)	3,416

Consolidated Balance Sheet at September 30, 2013

In Euro thousands	***Notes***	**Sep 30, 13**	**Dec 31, 12 restated**	**Jan 1, 12 restated**
Property, plant, equipment	**6.**	86,119	86,861	85,165
Goodwill	**7.**	41,663	41,705	41,765
Other intangible assets	**8.**	24,712	25,426	24,424
Investments in associated companies		1,376	1,394	1,377
Other receivables		202	245	276
Tax receivables		6	6	6
Deferred tax assets		11,002	10,387	10,032
AFS financial assets		156	156	672
Derivative financial instruments		9	-	29
Total non-current assets		**165,245**	**166,180**	**163,746**
Trade and financial receivables	**9.**	77,616	77,465	82,207
Inventories	**10.**	54,518	49,597	50,598
Other receivables		7,016	5,816	6,036
Tax receivables		10,080	9,035	5,943
Derivative financial instruments		632	638	813
Cash and cash equivalents		25,585	29,551	20,026
Current assets		**175,447**	**172,102**	**165,623**
Assets of discontinued operations		**-**	**-**	**1,065**
Total Assets		**340,692**	**338,282**	**330,434**
Liabilities for post-employment benefits	**13.**	11,574	12,178	9,981
Provisions for risks and charges	**11.**	2,746	2,710	2,505
Deferred tax liabilities		5,402	5,376	6,425
Finance leases and other lenders		15	333	56
Bank loans and mortgages		41,497	46,343	45,105
Other payables		1,037	1,174	1,859
Tax payables		706	807	888
Derivative financial instruments		149	373	60
Non-current liabilities		**63,126**	**69,293**	**66,879**
Provisions for risks and charges	**11.**	4,634	2,086	1,882
Finance leases and other lenders		13	40	25
Bank loans and mortgages		46,370	45,165	43,640
Trade payables		90,450	88,716	89,806
Other payables		12,257	8,366	10,211
Tax payables		6,621	5,160	2,814
Derivative financial instruments		327	907	1,004
Current liabilities		**160,672**	**150,440**	**149,382**
Share capital		12,665	12,665	12,665
Capital reserves		71,123	71,123	71,123
Hedging, translation and stock option reserve		(8,254)	(5,356)	(5,668)
Reserve for actuarial profit/losses		(2,184)	(2,544)	(705)
Treasury shares		(3,551)	(8,815)	(8,815)
Retained earnings		40,316	39,926	34,684
Group Profit		1,412	5,008	4,162
Group shareholders' equity		**111,527**	**112,007**	**107,446**
Capital and reserves of minority interests		5,391	6,492	6,773
Minority interest profit/(loss)		(24)	50	(46)
Minority interest equity		**5,367**	**6,542**	**6,727**
Consolidated shareholders' equity		**116,894**	**118,549**	**114,173**
Total liabilities and equity		**340,692**	**338,282**	**330,434**

Consolidated Cash Flow Statement at September 30, 2013

In Euro thousands		Sep 30, 13	Sep 30, 12 restated
Opening cash and cash equivalents		**29,551**	**20,026**
EBIT- Operating profit		6,377	6,819
Amortisation, depreciation and write-downs		11,980	11,096
EBITDA		18,357	17,915
Trade working capital		(3,954)	3,528
Other working capital accounts		3,088	(2,879)
Income taxes paid		(3,588)	(2,780)
Change in provisions		2,364	569
Other changes		(1,367)	(3,233)
Cash flow from operating activity		**14,899**	**13,120**
Net increases		(11,991)	(8,786)
	Intangible assets	(3,266)	(2,620)
	Property, plant & equipment	(8,725)	(6,867)
	Equity investments and other financial assets	0	701
Acquisition/Sale of investments		0	1,998
Cash flow from investments		**(11,991)**	**(6,788)**
(Acquisition)/Sale of treasury shares		1,928	0
Other movements in share capital		0	0
Dividends		(700)	0
Increase (decrease) financial payables		(3,500)	5,049
Net changes in other financial assets/liabilities		(919)	(382)
Interest paid		(2,645)	(2,891)
Cash flow from financing activity		**(5,835)**	**1,776**
Change in cash and cash equivalents		**(2,927)**	**8,108**
Effect of exchange rate change on liquidity		**(1,039)**	**523**
Closing cash and cash equivalents		**25,585**	**28,657**

Notes to the Interim Report at September 30, 2013

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 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 Euro is the functional and presentation currency of Elica and all of the consolidated companies, except for the foreign subsidiaries Elica Group Polska Sp.zo.o, Elicamex S.A.de C.V., Leonardo Services S.A.de 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 Rupee, Chinese Renminbi and Russian Ruble 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 2013	Average 2012	%	Sep 30, 13	Dec 31, 12	%
USD	1.32	1.28	3.1%	1.35	1.32	2.3%
JPY	127.38	101.61	25.4%	131.78	113.61	16.0%
PLN	4.20	4.21	-0.2%	4.23	4.07	3.9%
MXN	16.71	16.94	-1.4%	17.85	17.18	3.9%
INR	75.76	68.06	11.3%	84.84	72.56	16.9%
CNY	8.12	8.11	0.1%	8.26	8.22	0.5%
RUB	41.68	39.80	4.7%	43.82	40.33	8.7%

Criteria for the preparation of the Interim Report

The Interim Directors' Report at September 30, 2013 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, 2013 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, 2013 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). The same accounting principles were adopted in the preparation of the Consolidated Financial Statements at December 31, 2012, except for the new aspects of IAS 19, which necessitated a restatement. 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 for the preparation of the consolidated financial statements at December 31, 2012, except for the Introduction of the new "Reserve for actuarial profit/losses", based on the new aspects of IAS 19, described below.

On June 16, 2011, the IASB issued an amendment to IAS 19 – "Employee benefits" which removes the option to defer recognition of gains or losses under the corridor method, requiring presentation in the balance sheet of the deficit or surplus of the relevant provision and the recognition to the income statement of the labour cost components and net financial charges and the recognition of the gains or losses which derive from the recalculation of the assets and liabilities under Other Comprehensive Income. In addition the income from the assets included under net financial charges must be calculated based on the discount rate of the liability and no longer on the expected income. The amendment is applicable in retrospective manner from periods beginning January 1, 2013.
It was therefore necessary to include a restatement column, for the Balance Sheet at December 31 and at January 1, 2012, and at September 30, 2012 for the Income Statement, the Comprehensive Income Statement and the Cash Flow Statement, in which the effects of the application of the new requirements were presented. Essentially, this resulted in an increase in Post-Employment Benefits recognised against the "Reserve for actuarial profit/loss" and a reduction of the Deferred Tax Liability against the same reserve. In addition, this affected also the Minority Interest Equity account. At income statement level, we reversed the impact of provision, which was calculated according to the corridor method.

On June 16, 2011, the IASB issued an amendment to IAS 1 – "Presentation of Financial Statements" requiring companies to group together items within other comprehensive income that may be reclassified to the profit or loss section of the income statement. The adoption of this amendment did not have any impact on the valuation of any accounts in the financial statements.

On May 12, 2011 the IASB issued IFRS 13 – "Fair value measurement" which clarifies how the fair value is calculated for the purposes of the financial statements and is applied to all IFRS standards which require or permit the calculation of the fair value or the presentation of information based on the fair value. The application did not produce significant changes.

Composition and main changes in the Income Statement and Balance Sheet

1. Revenues

In Euro thousands	9M 13	9M 12 restated	Changes
Total revenues	**290,575**	**284,847**	**5,728**

For the comments relating to the changes in revenues, reference should be made to the paragraph "Operating review Q3 2013". The growth of Euro 5.7 million represents a 2.0% increase. Sales information by sector is reported in note 12.

2. Raw materials and consumables

In Euro thousands	9M 13	9M 12 restated	Changes
Purchase of raw materials	(141,051)	(137,774)	(3,277)
Shipping expenses on purchases	(2,991)	(3,074)	83
Purchases of consumable materials	(1,537)	(1,387)	(150)
Packaging	(3,128)	(2,537)	(591)
Purchases of supplies	(587)	(509)	(78)
Purchases of semi-finished materials	(10,821)	(9,272)	(1,549)
Purchase of finished products	(4,796)	(4,966)	170
Other purchases	(484)	(433)	(51)
Change in inventory of raw materials, consumables and goods for re-sale	3,115	(3,427)	6,542
Total	**(162,280)**	**(163,379)**	**1,099**

Raw materials and consumables decreased by approx. Euro 1.1 million (-0.67%), concentrated particularly in the account Change in inventory of raw materials, consumables and goods for resale, only partially offset by the increase in Purchase of raw materials and Purchases of semi-finished materials.

3. Services

In Euro thousands	9M 13	9M 12 restated	Changes
Outsourcing expenses	(18,393)	(18,821)	428
Transport	(6,137)	(6,253)	116
Finished goods inventories	(2,709)	(3,473)	764
Consulting	(3,202)	(2,930)	(272)
Other professional services	(6,508)	(6,045)	(463)
Maintenance	(1,689)	(1,093)	(596)
Utilities	(3,708)	(3,633)	(75)
Commissions	(1,647)	(2,064)	417
Travel expenses	(2,360)	(2,014)	(346)
Advertising	(1,479)	(2,101)	622
Insurance	(962)	(948)	(14)
Directors & Statutory Auditor fees	(1,038)	(920)	(118)
Trade fairs and promotional events	(593)	(1,119)	526
Industrial services	(346)	(328)	(18)
Banking commissions and charges	(265)	(369)	104
Total Services	**(51,036)**	**(52,110)**	**1,074**

Service costs reduced by approx. Euro 1,074 thousand, principally due to the Finished goods inventories, Advertising and Trade Fairs and promotional events accounts. As a percentage on revenues, these costs decreased from 18.3% to 17.6%.

4. Labour costs

In Euro thousands	9M 13	9M 12 restated	Changes
Wages and salaries	(43,333)	(39,328)	(4,005)
Social security	(11,767)	(11,134)	(633)
Post-employment benefits	(2,112)	(1,967)	(145)
Other costs	(1,790)	(1,686)	(104)
Total labour costs	**(59,002)**	**(54,115)**	**(4,887)**

The increase in the account is principally related to the effects of the new collective work contract and the expansion of the workforce at a number of overseas subsidiaries. As highlighted in note 19 below, in the Restatement of the 9M 2012 income statement we reversed the provision of the corridor approach in the valuation of the Post-employment benefit provision. The impact amounted to Euro 4 thousand.

5. Net financial charges

In Euro thousands	9M 13	9M 12 restated	Changes
Financial income	157	(27)	184
Financial charges	(3,054)	(3,095)	41
Exchange gains/(losses)	(528)	379	(907)
Total net financial charges	**(3,425)**	**(2,743)**	**(682)**

The account Financial charges deteriorated significantly, principally due to currency movements.

6. Property, plant, equipment

The breakdown of property, plant and equipment at September 30, 2013 and December 31, 2012 is detailed below.

In Euro thousands	Sep 30, 13	Dec 31, 12 restated	Changes
Land, land usage rights and buildings	48,225	49,661	(1,436)
Plant and machinery	20,448	20,259	189
Industrial and commercial equipment	11,962	12,412	(450)
Other assets	3,138	3,405	(267)
Assets in progress and advances	2,346	1,124	1,222
Total property, plant and equipment	**86,119**	**86,861**	**(742)**

Property, plant and equipment decreased from Euro 86,861 thousand at December 31, 2012 to Euro 86,119 thousand at September 30, 2013, a decrease of Euro 742 thousand as a result of the sales, purchases and of depreciation recorded in the income statement of Euro 8,107 thousand.

7. Goodwill

In Euro thousands	Sep 30, 13	Dec 31, 12 restated	Changes
Goodwill recorded by subsidiaries	41,663	41,705	(42)
Total goodwill	**41,663**	**41,705**	**(42)**

The account did not substantially change on December 31, 2012. The decrease of Euro 42 thousand is due to the movement of the Euro against the Chinese currency.

8. Other intangible assets

In Euro thousands	Sep 30, 13	Dec 31, 12 restated	Changes
Development Costs	5,845	6,270	(425)
Industrial patents and intellectual property rights	7,645	8,986	(1,341)
Concessions, licenses, trademarks & similar rights	1,644	1,744	(100)
Assets in progress and advances	4,908	3,111	1,797
Other intangible assets	4,670	5,315	(645)
Total other intangible fixed assets	**24,712**	**25,426**	**(714)**

The Other intangible assets decreased from Euro 25,426 thousand at December 31, 2012 to Euro 24,712 thousand at September 30, 2013, a net reduction of Euro 714 thousand as a result of the purchases, sales and amortisation recorded to the income statement of Euro 3,873 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, 13	Dec 31, 12 restated	Changes
Trade receivables	77,515	77,364	151
Receivables from associated companies	101	101	-
Total	**77,616**	**77,465**	**151**

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, 13	Dec 31, 12 restated	Changes
Raw material, ancillary and consumables	24,242	22,111	2,131
Raw materials obsolescence provision	(1,335)	(1,292)	(43)
Total	22,907	20,819	2,088
Products in work-in-progress and semi-finished	12,945	11,769	1,176
Semi-finished product obsolescence provision	(875)	(767)	(108)
Total	12,070	11,002	1,068
Finished products and goods for resale	20,716	19,078	1,638
Finished products obsolescence provision	(1,272)	(1,357)	85
Total	19,444	17,721	1,723
Advances	97	55	42
Total inventories	**54,518**	**49,597**	**4,921**

Inventories increased from Euro 49,597 thousand at December 31, 2012 to Euro 54,518 thousand at September 30, 2013. 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 risks and charges

(in Euro thousands)	**Sep 30, 13**	**Dec 31, 12 restated**	**Changes**
Supplementary agent termination benefits	547	465	82
Product warranty provisions	1,402	1,531	(129)
Provisions for risks	2,195	2,244	(49)
Restructuring provision	1,394	-	1,394
Personnel Fund	1,738	487	1,251
Other Provisions	104	69	35
Total	**7,380**	**4,796**	**2,584**
of which			
Non-current	2,746	2,710	36
Current	4,634	2,086	2,548
Total	**7,380**	**4,796**	**2,584**

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 the contractual indemnity of employees. 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.
The restructuring provision concerns the allocation to the Workforce Restructuring Plan (Euro 1.4 million).

12. Segment information

Income Statement data by segment

INCOME STATEMENT	Europe		America		Asia and the Rest of the World		Unallocated and eliminations		Consolidated	
	9M 13	9M 12 restated	9M 13	9M 12 restated	9M 13	9M 12 restated	9M 13	9M 12 restated	9M 13	9M 12 restated
Segment revenue:										
Third parties	218,976	221,517	39,366	33,099	32,232	30,215	-	16	290,574	284,847
Inter-segment	10,886	7,863	3	5	142	9	(11,031)	(7,877)	-	-
Total revenues	**229,862**	**229,380**	**39,370**	**33,104**	**32,374**	**30,224**	**(11,031)**	**(7,861)**	**290,574**	**284,847**
Segment result:	**19,441**	**18,265**	**5,423**	**4,312**	**(6)**	**(286)**			**24,858**	**22,291**
Unallocated overheads									**(18,481)**	**(15,472)**
EBIT									**6,377**	**6,819**
Share of profit/(loss) from associates							(18)	(16)	(18)	(16)
Financial income							157	(27)	157	(27)
Financial charges							(3,054)	(3,095)	(3,054)	(3,095)
Exchange gains/(losses)							(528)	379	(528)	379
Profit before taxes							**2,934**	**4,060**	**2,934**	**4,060**
Income taxes							(1,546)	(2,158)	(1,546)	(2,158)
Net profit from normal operations							**1,388**	**1,902**	**1,388**	**1,902**
Net profit from discontinued operations									-	-
Net Profit									**1,388**	**1,902**

Balance Sheet by segment

BALANCE SHEET	Europe		America		Asia and the Rest of the World		Unallocated and eliminations		Consolidated	
	Sep 13	Dec 12 restated	Sep 13	Dec 12 restated	Sep 13	Dec 12 restated	Sep 13	Dec 12 restated	Sep 13	Dec 12 restated
Assets:										
Segment assets	238,190	233,382	35,213	34,135	36,674	32,411	(12,364)	(8,781)	297,712	291,147
Investments							1,376	1,394	1,376	1,394
Unallocated assets							41,610	45,741	41,610	45,741
Total operational assets	**238,190**	**233,382**	**35,213**	**34,135**	**36,674**	**32,411**	**30,621**	**38,354**	**340,698**	**338,282**
Total assets of discount. operations	**-**	**-**	**-**				**-**		**-**	**-**
Total Assets	**238,190**	**233,382**	**35,213**	**34,135**	**36,674**	**32,411**	**30,621**	**38,354**	**340,698**	**338,282**
Liabilities										
Segment liabilities	(113,710)	(109,163)	(13,306)	(12,708)	(17,126)	(13,241)	8,233	7,261	(135,910)	(127,851)
Unallocated Liabilities		-		-		-	(87,895)	(91,882)	(87,895)	(91,882)
Shareholders' Equity		-		-		-	(116,904)	(118,549)	(116,894)	(118,549)
Total operational liabilities	**(113,710)**	**(109,163)**	**(13,306)**	**(12,708)**	**(17,126)**	**(13,241)**	**(196,566)**	**(203,170)**	**(340,698)**	**(338,282)**
Total liabilities of discount. operations			-		-					
Total Liabilities	**(113,710)**	**(109,163)**	**(13,306)**	**(12,708)**	**(17,126)**	**(13,241)**	**(196,566)**	**(203,170)**	**(340,698)**	**(338,282)**

13. Restatement

The Elica Group applied the new aspects of IAS 19. Following the introduction of these provisions, as it is no longer possible to apply the corridor method, the actuarial profits and losses, which reflect the effects from the changes in the actuarial parameters, are recorded directly to net equity. We summarise below the effects:

At January 1, 2012

(in Euro thousands)	**Amounts previously reported**	**Effects deriving from the application of IAS 19 amended**	**Restated amounts**
Liabilities for post-employment benefits	(8,907)	(1,074)	(9,981)
Deferred tax liabilities – share relating to post-employment benefits	(884)	347	(537)
Reserve for actuarial profit/losses	0	705	705
Minority Interest Capital and Reserves – share relating to the Reserve for actuarial profit/losses	0	22	22

At December 31, 2012

(in Euro thousands)	**Amounts previously reported**	**Effects deriving from the application of IAS 19 amended**	**Restated amounts**
Liabilities for post-employment benefits	(8,611)	(3,567)	(12,178)
Deferred tax liabilities – share relating to post-employment benefits	(882)	956	74
Reserve for actuarial profit/losses	0	2,544	2,544
Minority Interest Capital and Reserves – share relating to the Reserve for actuarial profit/losses	0	67	67

(in Euro thousands)	**Amounts restated at December 31, 2012**	**Actuarial profit/losses matured in the period**	**Impact on the Income Statement**	**At September 30, 2013**
Liabilities for post-employment benefits	(12,178)	550	54	(11,574)
Deferred tax liabilities – share relating to post-employment benefits	74	(206)	0	(131)
Reserve for actuarial profit/losses	2,544	(360)	0	2,184
Minority Interest Capital and Reserves – share relating to the Reserve for actuarial profit/losses	67	15	0	82

We also restated the 9M 2012 income statement, with a reductive impact of Euro 4 thousand on Personnel Costs, due to the reversal of the provision, in addition to the relative tax impact.
The Elica Group reports obligations of Euro 11,574 thousand, reflecting the present value of its retirement benefit obligations accruing at the period end in favour of employees of the Group's companies and representing termination benefits at the end of the employment period.

Fabriano, November 14, 2013

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 information contained in the present Interim Report at September 30, 2013 corresponds to the underlying accounting documents, records and accounting entries.

Fabriano, November 14, 2013

The Chief Executive Officer
Giuseppe Perucchetti

Executive responsible for the preparation
of corporate accounting documents
Alberto Romagnoli