Elica S.p.A.

Interim Report

at March 31, 2011

Contents

Corporate boards

Members of the Board of Directors

Francesco Casoli
Executive Chairman,
born in Senigallia (AN) on 5/6/1961, appointed a director by resolution dated 27/04/2009.

Andrea Sasso
Chief Executive Officer, born in Rome on 24/8/1965, appointed by resolution dated 27/04/2009.

Gianna Pieralisi
Executive Director, born in Monsano (AN) on 12/12/1934, appointed a director by resolution dated 27/04/2009.

Gennaro Pieralisi
Director, born in Monsano (AN) on 14/02/1938, appointed a director by resolution dated 27/04/2009.

Stefano Romiti
Independent Director and Lead Independent Director, born in Rome (RM) on 17/11/1957, appointed a director by resolution dated 27/04/2009.

Fiorenzo Busso
Independent Director, born in Milan (MI) on 11/9/1942, appointed a director by resolution dated 27/04/2009

Giovanni Frezzotti
Independent Director, born in Jesi (AN) on 22/02/1944, appointed by resolution dated 27/04/2009.

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

Members of the Board of Statutory Auditors

Corrado Mariotti
Chairman, born in Numana (AN) on 29/2/1944, appointed by resolution dated 27/4/2009.

Stefano Marasca
Statutory Auditor, born in Osimo (AN) on 9/8/1960, appointed by resolution dated 27/4/2009.

Gilberto Casali
Statutory Auditor, born in Jesi (AN) on 14/1/1954, appointed by resolution dated 27/04/2009.

Franco Borioni
Alternate Auditor, born in Jesi (AN) on 23/06/1945, appointed by resolution dated 27/4/2009.

Daniele Capecci
Alternate Auditor, born in Jesi (AN) on 03/04/1972, appointed by resolution dated 27/4/2009.

Internal Audit 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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Interim Directors' Report at March 31, 2011

Financial and operating review

In Euro thousands	Q1 2011	revenue margin	Q1 2010	revenue margin	11 Vs 10 %
Revenues	93,009		88,103		5.6%
EBITDA	6,234	6.7%	6,442	7.3%	(3.2%)
EBIT	2,099	2.3%	2,315	2.6%	(9.3%)
Financial income/(charges)	(846)	(0.9%)	276	0.3%	(406.5%)
Income taxes	(217)	(0.2%)	(985)	(1.1%)	(78.0%)
Net profit from continuing operations	1,036	1.1%	1,606	1.8%	(35.5%)
Net profit from continuing operations and discontinuing operations	1,036	1.1%	1,606	1.8%	(35.5%)
Group net profit	**1,054**	**1.1%**	**1,458**	**1.7%**	**(27.7%)**
Basic earnings per share on continuing operations and discontinuing operations	1.79		2.56		(30.0%)
Diluted earnings per share on continuing operations and discontinuing operations	1.79		2.56		(30.0%)

The earnings per share for Q1 2011 and Q1 2010 were calculated by dividing the Group net result from continuing and discontinued operations by the number of outstanding shares at the respective reporting dates.

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	Mar 31, 2011	Dec 31, 2010	Mar 31, 2010
Trade receivables	88,008	89,276	88,196
Inventories	51,450	42,671	40,118
Trade payables	(94,889)	(88,742)	(79,947)
Managerial Working Capital	**44,569**	**43,205**	**48,367**
as a % of annualised revenues	*12.0%*	*11.7%*	*13.7%*
Other net receivables/payables	590	(3,869)	(7,711)
Net Working Capital	**45,159**	**39,336**	**40,656**
as a % of annualised revenues	*12.1%*	*10.7%*	*11.5%*

In Euro thousands	Mar 31, 2011	Dec 31, 2010	Mar 31, 2010
Cash and cash equivalents	**24,386**	**25,102**	**17,999**
Finance leases and other lenders	(72)	(76)	(91)
Bank loans and mortgages	(28,157)	(30,457)	(13,707)
Long-term debt	**(28,229)**	**(30,533)**	**(13,798)**
Finance leases and other lenders	(23)	(23)	(3,388)
Bank loans and mortgages	(36,668)	(29,426)	(25,404)
Short-term debt	**(36,691)**	**(29,449)**	**(28,792)**
Net Debt	**(40,534)**	**(34,880)**	**(24,591)**

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 Q1 2011

During the first quarter of 2011 Group consolidated revenue grew 5.6% on the same period of the previous year. The revenue growth was supported principally by the motors area, driven by the "heating" segment. In the range hoods area, growth was particularly concentrated in the own brands segment, with the Indian and Chinese subsidiaries contributing strongly. Revenues grew particularly in the Rest of the World.

In the year-to-date the Euro average exchange rate weakened against all the currencies in which the Group carries out its commercial transactions.

	average 2011	average 2010	%	Mar 31, 2011	Mar 31, 2010	%
USD	1.37	1.38	-0.9%	1.42	1.35	5.2%
GBP	0.85	0.89	-4.1%	0.88	0.89	-0.7%
JPY	112.57	125.48	-10.3%	117.61	125.93	-6.6%
PLN	3.95	3.99	-1.1%	4.01	3.87	3.6%
MXN	16.50	17.66	-6.6%	16.93	16.66	1.6%
INR	61.93	n/a	n/a	63.35	n/a	n/a
CNY	9.00	n/a	n/a	9.30	n/a	n/a

Managerial Working Capital on annualised net revenues increased from 11.7% at December 31, 2010 to 12.0% at March 31, 2011 due to the increased inventory held.
The Net Debt at March 31, 2011 increased on December 31, 2010.

Significant events in Q1 2011

On January 31, 2011 the period for the share capital increase as per Article 2439, paragraph 2 of the civil code approved by the Board of Directors on June 27, 2007, based on the delegation of power by the Shareholders' Meeting of April 12, 2006, elapsed without any subscriptions. The subscribed and paid-in share capital therefore remains unchanged at Euro 12,664,560.00
The Board of Directors of Elica S.p.A. on February 14, 2011 approved the 2011 Fourth Quarter Report, prepared in accordance with IFRS accounting standards.
On February 14, 2011, Elica S.p.A., following the authorisation of the Board of Directors' to utilise treasury shares at the same date, sold 1,899,684 shares, equal to 3% of the share capital, to First Capital S.p.A., at the price of Euro 1.64 Euro per share - higher than the average market price over the previous 3 months. The acquisition of a significant holding by an investor such as First Capital S.p.A., which seeks to establish a holding within the company, is considered a strategically important operation for the future development of the Elica Group.

On March 19, 2011, Elica S.p.A. signed an agreement to acquire a further 15% holding in the Chinese company Zhejiang Putian Electric Co. Ltd. Elica S.p.A. signed, among other agreements, an equity transfer agreement with the Putian minority shareholders, Renyao Du and Dong Wenhua, which modifies and supplements the equity transfer agreement signed with the same parties in July 2010. In particular, in accordance with the new equity transfer agreement, the Company is committed to acquire a further 15% holding of Putian, for consideration of Renminbi 278,312,573 (corresponding to Euro 29,983,148 at the Euro/Renminbi exchange rate of March 18, 2011). This new equity transfer agreement, until April 2011, remained subject to the fulfilment of certain conditions including the granting by the Chinese authorities of the necessary authorisations, the establishment of guarantees in favour of Elica and substantial fulfilment of the conditions. As described in the paragraph "Subsequent events and business outlook", as of April 2011, Elica holds 70% of Putian, with the remaining 30% held by Mr. Renyao Du. The Elica Group considers this consolidation of control to be a strategically important move given the excellent results achieved in 2010 and the expected future development of the market and the company itself.

On March 22, 2011, the Board of Directors of Elica S.p.A. approved the 2010 annual accounts, prepared in accordance with IFRS accounting standards. The appointments of Mr. Bruno Assumma as Chairman and of Messrs Glauco Vico and Massimo Enrico Ferri were also confirmed as members of the Supervisory Board until the approval of the 2013 annual accounts.

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 Interim Report

- Elica Group Polska Sp.zo.o – Wroclaw – (Poland). This company has been operational since September 2005 in the production and sale of electric motors and from December 2006 in the production and sale of exhaust range hoods for domestic use;
- ELICAMEX S.A. de C.V. – Queretaro (Mexico). The company was incorporated at the beginning of 2006 (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. de C.V. – Queretaro (Mexico). This wholly-owned subsidiary was incorporated in January 2006 (the Parent Company owns 98% directly and 2% indirectly through Elica Group Polska Sp.zo.o.. Leonardo Services S.A. de C.V. manages all Mexican staff, providing services to ELICAMEX S.A. de C.V.;
- ARIAFINA CO., LTD – Sagamihara-Shi (Japan). Established in September 2002 as a 50/50 joint venture with Tokyo-based Fuji Industrial and leader in Japan with over 70% of the range hood market. Elica S.p.A. acquired control of this joint venture in May 2006 to provide further impetus to the development of the important Japanese market, where high-quality products are sold;
- Airforce S.p.A. – Fabriano (AN). This company operates in a special segment of the production and sale of hoods sector. The holding of Elica S.p.A. is 60%;
- Airforce Germany GmbH – Stuttgart (Germany). Airforce S.p.A. owns 95% of Airforce Germany G.m.b.h., a company that sells hoods in Germany through so -called "kitchen studios";
- Elica Inc. – Chicago, Illinois (United States). The company aims to develop the Group's brands in the US market by carrying out marketing and trade marketing with resident staff. The company is a wholly owned subsidiary of ELICAMEX S.A. de C.V.;
- Exklusiv Hauben Gutmann GmbH – Mulacker (Germany) - a German company entirely held by Elica and the German leader in the high-end kitchen range hood market, specialised in "tailor made" and high performance hoods.
- Elica PB India Private Ltd. - Pune (India), in June 2010 Elica S.p.A. signed a joint venture agreement subscribing 51% of the share capital of the newly-incorporated Indian company. Elica PB India Private Ltd. is involved in the sale of Group products.
- Zhejiang Putian Electric Co. Ltd – Shengzhou (China), a Chinese company held 55% 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 leading 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.

Associated companies

- I.S.M. Srl – Cerreto d'Esi (AN). The company, of which Elica S.p.A. holds 49.385% of the Share Capital, operates within the real estate sector.

Changes in the consolidation scope

In the first quarter of 2011 there were no changes in the consolidation scope compared to December 31, 2010.

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 business outlook

On April 28, 2011, the Extraordinary Shareholders' Meeting amended the By-Laws and the Shareholders' Meeting Regulation in line with the Directors' Report to the Shareholders' Meeting on the By-Law amendments, which is available on the company internet site. The Shareholders' Meeting also noted the 2010 consolidated results, approved the 2010 Financial Statements of Elica S.p.A., in addition to the distribution of a dividend of Euro 00.0251 per share (gross of withholding taxes), with dividend coupon No. 4 of May 23, 2011. The dividend payment date is May 26, 2011. The Shareholders' Meeting also appointed Luca Pacces to the Board of Directors, who will remain in office until the Shareholders' Meeting called for the approval of the 2011 annual accounts, in addition to establishing his remuneration. On the same date, the Board of Directors of Elica S.p.A. met and confirmed the independence of the new director Luca Pacces and appointed him as a member of the Remuneration Committee. The Board of Directors also established the 2011 performance objective concerning the 2010 Stock Grant plan and included two further Beneficiaries, updating therefore the Disclosure Document - available on the internet site of the Company. They also noted the resignation of the Internal Control Manager, also member of the Supervisory Board and Internal Audit Manager and therefore noted that the Supervisory Board currently comprises the Chairman Mr. Brune Assummo and Mr. Glauco Vico.

On April 29, 2011, Elica S.p.A. concluded the acquisition of a further 15% holding in the Chinese company Zhejiang Putian Electric Co. Ltd. following fulfilment of the outstanding conditions.

The ongoing demand analysis activity by Management continues. In the current year, the principal markets in which the Group operates reports modestly encouraging developments; demand visibility however remains limited.

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.

Consolidated financial statements at March 31, 2011

Consolidated Income Statement - Q1 2011

In Euro thousands	***Note***	**Q1 2011**	**Q1 2010**
Revenues	**1**	93,009	88,103
Other operating revenues		1,490	521
Changes in inventories of finished and semi-finished goods		8,014	(431)
Increase in internal work capitalised		789	648
Raw materials and consumables	**2**	(56,818)	(44,452)
Services	**3**	(18,675)	(17,656)
Labour costs	**4**	(20,254)	(18,161)
Amortisation and depreciation		(4,135)	(4,127)
Other operating expenses and provisions		(1,321)	(2,130)
Restructuring charges		-	-
Write-down of Goodwill for loss of value		-	-
EBIT		**2,099**	**2,315**
Share of profit/(loss) from associates		(15)	(267)
Financial income	**5**	151	1,266
Financial charges	**5**	(701)	(893)
Exchange gains/(losses)	**5**	(281)	170
Profit before taxes		**1,253**	**2,591**
Income taxes		(217)	(985)
Net profit from continuing operations		**1,036**	**1,606**
Net profit from discontinued operations		-	-
Net profit for the period		**1,036**	**1,606**
of which:			
Minority interests share		(18)	148
Group net profit		1,054	1,458
Basic earnings per share			
From continuing and discontinued operations (Euro/cents)		1.82	2.56
From continuing operations (Euro/cents)		1.82	2.56
Diluted earnings per share			-
From continuing and discontinued operations (Euro/cents)		1.82	2.56
From continuing operations (Euro/cents)		1.82	2.56

Comprehensive Consolidated Income Statement - Q1 2011

In Euro thousands	Q1 2011	Q1 2010
Net profit	**1,036**	**1,606**
Other comprehensive income statement items:		
Exchange differences on the conversion of foreign financial statements	(2,241)	4,406
Net change in cash flow hedges	176	548
Income taxes on other comprehensive income statement items	(38)	(119)
Total other comprehensive income statement items, net of tax effects:	**(2,103)**	**4,835**
Total comprehensive profit/(loss)	**(1,067)**	**6,441**
of which:		
Minority interests share	(438)	208
Group comprehensive net profit/(loss)	(629)	6,233

Consolidated Balance Sheet at March 31, 2011

In Euro thousands	***Note***	**Mar 31, 11**	**Dec 31, 10**	**Mar 31, 10**
Property, plant and equipment	**6**	84,186	83,680	70,201
Goodwill	**7**	40,787	41,168	33,818
Other intangible assets	**8**	24,029	23,868	20,921
Investments in associated companies		1,702	1,717	2,042
Other financial assets		30	30	30
Other receivables		248	1,920	195
Tax receivables		6	6	6
Deferred tax assets		9,105	9,357	9,336
AFS financial assets		601	614	747
Derivative financial instruments		435	189	
Total non-current assets		**161,129**	**162,549**	**137,296**
Trade and financial receivables	**9**	88,008	89,276	88,196
Inventories	**10**	51,450	42,671	40,118
Other receivables		5,715	4,281	5,706
Tax receivables		9,749	7,589	7,306
Derivative financial instruments		627	649	828
Cash and cash equivalents		24,386	25,102	17,999
Current assets		**179,935**	**169,568**	**160,153**
Total assets		**341,064**	**332,117**	**297,449**
Liabilities for post-employment benefits		9,118	9,182	9,414
Provisions for risks and charges		5,511	8,254	6,153
Deferred tax liabilities		6,964	7,890	5,313
Finance leases and other lenders		72	76	91
Bank loans and mortgages		28,157	30,457	13,707
Other payables		1,482	1,510	1,373
Tax payables		1,213	978	1,056
Derivative financial instruments		56		
Non-current liabilities		**52,573**	**58,347**	**37,107**
Provisions for risks and charges		998	953	857
Finance leases and other lenders		23	23	3,388
Bank loans and mortgages		36,668	29,426	25,404
Trade payables		94,889	88,742	79,947
Other payables		10,512	9,022	16,111
Tax payables		3,364	5,764	3,755
Derivative financial instruments		257	310	467
Current liabilities		**146,711**	**134,240**	**129,929**
Share Capital		12,665	12,665	12,665
Capital reserves		71,123	71,123	71,123
Hedging, translation and stock option reserve		(4,765)	(3,411)	(3,735)
Treasury shares		(12,340)	(17,629)	(17,629)
Profit reserves		66,435	64,210	64,521
Group profit		1,054	4,262	1,458
Group shareholders' equity		**134,172**	**131,220**	**128,403**
Capital and reserves of minority interests		7,626	6,995	1,862
Minority interest profit/(loss)		(18)	1,315	148
Minority interest equity		**7,608**	**8,310**	**2,010**
Consolidated shareholders’ equity		**141,780**	**139,530**	**130,413**
Total liabilities and equity		**341,064**	**332,117**	**297,449**

Consolidated Cash Flow Statement at March 31, 2011

In Euro thousands	Mar 31, 11	Mar 31, 10
Opening cash and cash equivalents	**25,102**	**19,235**
EBIT- Operating profit	2,099	2,315
Amortisation, depreciation and write-downs	4,135	4,127
Write-down of Goodwill for loss of value	0	0
EBITDA	6,234	6,442
Trade working capital	(1,591)	(8,133)
Other working capital accounts	(4,828)	263
Exchange rate effect	0	1,020
Income taxes paid	(506)	0
Change in provisions	(2,875)	(119)
Other changes	95	125
Cash flow from operating activity	**(3,471)**	**(402)**
Net increases	(5,989)	(2,526)
Intangible assets	(1,389)	(951)
Property, plant & equipment	(4,594)	(4,105)
Equity investments and other financial assets	(6)	0
Exchange rate effect	0	2,530
Cash flow from investments	**(5,989)**	**(2,526)**
Acquisition of treasury shares	3,115	0
Other movements in share capital	0	0
Dividends	0	0
Increase (decrease) financial payables	5,060	419
Net changes in other financial assets/liabilities	1,424	4
Interest paid	(422)	445
Cash flow from financing activity	**9,177**	**868**
Change in cash and cash equivalents	**(283)**	**(2,060)**
Effect of exchange rate change on liquidity	**(433)**	**824**
Closing cash and cash equivalents	**24,386**	**17,999**

Notes to the Interim Report at March 31, 2011

Group structure and brief description of its activities

The Group operates in the following operating segments:

"Range Hoods": production and sale of range hoods and accessories;

"Motors": production and sale of electric motors.

The Group's activities are carried out in Italy, Poland, Mexico, Germany, Japan, India and China and the revenues are sourced from America, Europe, the Commonwealth of Independent States and the rest of the world.

The Euro is the functional and reporting currency for Elica S.p.A and all consolidated companies, except for such foreign subsidiaries as Elica Group Polska Sp.zo.o, ELICAMEX S.A. de C.V., Leonardo S.A. de C.V., ARIAFINA CO., LTD, Elica PB India Private Ltd. and Zhejiang Putian Electric Co. Ltd, which prepare their accounts in Polish Zloty, Mexican Pesos, Japanese Yen, Indian Rupees and the Chinese Renminbi respectively.

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

	average 2011	average 2010	%	Mar 31, 2011	Mar 31, 2010	%
USD	1.37	1.38	-0.9%	1.42	1.35	5.2%
JPY	112.57	125.48	-10.3%	117.61	125.93	-6.6%
PLN	3.95	3.99	-1.1%	4.01	3.87	3.6%
MXN	16.50	17.66	-6.6%	16.93	16.66	1.6%
INR	61.93	n/a	n/a	63.35	n/a	n/a
CNY	9.00	n/a	n/a	9.30	n/a	n/a

Criteria for the preparation of the Interim Report

The Interim Directors' Report at March 31, 2011 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 May 12, 2011 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 March 31, 2011 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, 2010.
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 present consolidated financial statements are presented in thousands of Euro and all the amounts are rounded to the nearest thousandth, unless otherwise specified.

Accounting standard changes

The financial statements utilised are the same as those used for the preparation of the consolidated financial statements at December 31, 2010, with the exception of those amendments and interpretations applied from January 1, 2011.
The only new accounting standard applied for the first time by the Group from January 1, 2011 was the revised version of IAS 24 – Related party disclosures, issued on November 4, 2009 by the IASB, which simplifies the type of information required in the case of transactions with related parties controlled by the State and clarifies the definition of related parties. The adoption of this amendment does not have any effect in relation to the valuation of the financial statement items and will have limited effects on the disclosure of transactions with related parties in the 2011 half-year report.
The following amendments, improvements and interpretations, with effect from January 1, 2011, concern facts and events not present for the Group at the date of the present Quarterly Report but which may have accounting effects on future transactions or agreements:

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

Composition and main changes in the Income Statement and Balance Sheet

1. Revenues

In Euro thousands	Q1 2011	Q1 2010	Changes
Revenues from product sales	92,996	88,094	4,902
Service revenues	13	9	4
Total revenues	**93,009**	**88,103**	**4,906**

For the comments relating to the changes in revenues, reference should be made to the paragraph "Operating review Q1 2011". The effect of the consolidation of the Chinese and Indian subsidiaries on the present account was Euro 5,109 thousand.

The table below provides an analysis of sales by geographic area, regardless of the origin of the goods and services. Sales information by sector is reported in note 11.

In Euro thousands	The Americas	Europe + CIS	Other countries	Consolidated
Q1 2011	7,941	74,149	10,919	**93,009**
Q1 2010	7,745	73,650	6,708	**88,103**

2. Raw materials and consumables

In Euro thousands	Q1 2011	Q1 2010	Changes
Purchase of raw materials	(50,041)	(37,843)	(12,198)
Shipping expenses on purchases	(729)	(469)	(260)
Purchases of consumable materials	(451)	(346)	(105)
Packaging	(629)	(2,018)	1,389
Purchases of supplies	(166)	(170)	4
Purchases of semi-finished materials	(3,716)	(1,268)	(2,448)
Purchase of finished products	(2,476)	(711)	(1,765)
Other purchases	(160)	(84)	(76)
Change in inventory of raw materials, consumables and goods for re-sale	1,550	(1,543)	3,093
Total	**(56,818)**	**(44,452)**	**(12,366)**

Raw materials and consumables increased by Euro 12,366 thousand due to the increase in the price of raw materials. The impact of the new Asian subsidiaries was Euro 3,851 thousand.

3. Services

In Euro thousands	**Q1 2011**	**Q1 2010**	**Changes**
Outsourcing expenses	(7,536)	(7,614)	78
Transport	(2,000)	(1,876)	(124)
Finished goods warehouse	(1,074)	(953)	(121)
Consulting	(1,030)	(1,370)	340
Other professional services	(1,837)	(1,534)	(303)
Maintenance	(716)	(563)	(153)
Utilities	(1,256)	(1,154)	(102)
Commissions	(614)	(595)	(19)
Travel expenses	(770)	(534)	(236)
Advertising	(617)	(326)	(291)
Insurance	(317)	(347)	30
Directors & Statutory Auditor fees	(334)	(275)	(59)
Trade fairs and promotional events	(391)	(272)	(119)
Industrial services	(86)	(149)	63
Banking commissions and charges	(97)	(94)	(3)
Total Services	**(18,675)**	**(17,656)**	**(1,019)**

The overall increase in this account relates to all items. The percentage on revenues remained unchanged at 20%. The impact of the Chinese and Indian subsidiaries on the account was Euro 1,372 thousand.

4. Labour costs

Labour costs incurred by the Group were as follows:

In Euro thousands	**Q1 2011**	**Q1 2010**	**Changes**
Salaries and wages	(13,795)	(12,529)	(1,266)
Social security	(4,021)	(3,870)	(151)
Post-employment benefits	(871)	(599)	(272)
Other costs	(1,567)	(1,163)	(404)
Total labour costs	**(20,254)**	**(18,161)**	**(2,093)**

The impact on labour costs from the consolidation of the two Asian companies was Euro 630 thousand. The residual increase of the costs incurred in 2011 is principally due to the lesser impact of the Temporary Lay-Off Scheme which the Group utilised in 2010.

5. Net Financial income/(charges)

In Euro thousands	**Q1 2011**	**Q1 2010**	**Changes**
Financial income	151	1,266	655
Financial charges	(701)	(893)	(61)
Exchange gains/(losses)	(281)	170	(239)
Total net financial income/(charges)	**(831)**	**543**	**355**

The account decreased by Euro 355 thousand. "Financial income" in the first quarter of 2010 included Euro 949 thousand related to the fee from Whirlpool for the acquisition of 1,899,684 shares of the Company in accordance with the Second Modifying Agreement of the Share Option Agreement of June 15, 2009 and the

Supplementary Agreement of March 8, 2010. These agreements concern, among other issues, the purchase of shares of the Company by Whirlpool until February 23, 2010 and subject to the payment of Euro 0.50 on each share purchased. Further information on the modifying agreement is contained in the Annual Corporate Governance and Shareholder Report available on the website www.elicagroup.com.

6. Property, plant and equipment

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

In Euro thousands	**Mar 31, 2011**	**Dec 31, 2010**	**Changes**
Land, land usage rights and buildings	52,512	51,573	939
Plant and machinery	19,081	19,087	(6)
Commercial and industrial equipment	8,298	8,878	(580)
Other assets	3,477	3,282	196
Assets in progress and advances	817	860	(43)
Total property, plant & equipment	**84,186**	**83,680**	**506**

Property, plant and equipment increased from Euro 83,680 thousand at December 31, 2010 to Euro 84,186 thousand at March 31, 2011. The increase in the account Land, land usage rights and building is principally due to the capitalisation of a new production facility acquired by the Polish subsidiary.

7. Goodwill

In Euro thousands	**Mar 31, 2011**	**Dec 31, 2010**	**Changes**
Goodwill recorded by subsidiaries	40,787	41,168	(381)
Total goodwill	**40,787**	**41,168**	**(381)**

The account did not substantially change on December 31, 2010. The decrease of Euro 380 thousand is due to the movement of the Euro against the Chinese currency.

Based on the information currently available, no impairment indicators were evident at March 31, 2011. The Management of the Group will continue to constantly monitor the circumstances and the events which form the basis of the future development of the business.

8. Other intangible assets

In Euro thousands	**Mar 31, 2011**	**Dec 31, 2010**	**Changes**
Development costs	2,387	2,575	(188)
Industrial patents and intellectual property rights	9,521	9,794	(272)
Concessions, licenses, trade marks & similar rights	1,953	1,990	(37)
Assets in progress and advances	3,399	2,491	907
Other intangible assets	6,769	7,019	(250)
Total other intangible fixed assets	**24,029**	**23,868**	**161**

This account did not change significantly. The intangible assets in progress refer in part to advances and the development of projects for the implementation of new IT platforms and the design and development of new software applications (including integrated SAP), and also the development of new products, including two projects focused on energy efficiency.

9. Trade and financial receivables

(in Euro thousands)	**Mar 31, 2011**	**Dec 31, 2010**	**Changes**
Trade receivables	88,000	89,269	1,269
Receivables from associated companies	8	7	(1)
Total	**88,008**	**89,276**	**1,268**

This account does not include any receivables due after more than five years at the period-end. 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	**Mar 31, 2011**	**Dec 31, 2010**	**Changes**
Raw material, ancillary and consumables	21,705	18,597	3,108
Products in work-in-progress and semi-finished	12,588	11,220	1,368
Finished products and goods for resale	17,047	12,341	4,706
Advances	110	513	(403)
Total	**51,450**	**42,671**	**8,779**

Inventories increased from Euro 42,671 thousand at December 31, 2010 to Euro 51,540 thousand at March 31, 2011. 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. Segment information

The Group operates in the following sectors:

- "Range Hoods": production and sale of range hoods and accessories;
- "Motors": production and sale of electric motors.

Segment revenues are determined in accordance with the classification of the products sold in a business sector. 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 sector.

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

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

INCOME STATEMENT	Hoods		Electric motors		Not allocated and eliminations		Consolidated	
	Mar 11	Mar 10	Mar 11	Mar 10	Mar 11	Mar 10	Mar 11	Mar 10
Segment revenue:								
customers	76,013	74,557	16,995	13,546			93,009	88,103
Inter-segment	325	77	5,426	4,244	(5,752)	(4,321)	0	0
Total revenues	**76,339**	**74,635**	**22,422**	**17,789**	**(5,752)**	**(4,321)**	**93,009**	**88,103**
Segment result:	**8,136**	**7,199(*)**	**977**	**1,519(*)**			**9,113**	**17,135**
Overheads not allocated							**(7,014)**	**(6,401)(*)**
Operating result							**2,099**	**2,315**
Share of profit/(loss) from associates					(15)	(267)	(15)	(267)
Financial income					151	1,266	151	1,266
Financial charges					(701)	(893)	(701)	(893)
Exchange gains/(losses)					(281)	170	(281)	170
Profit before taxes					**1,253**	**2,591**	**1,253**	**2,591**
Income taxes					(217)	(985)	(217)	(985)
Net profit from normal operations					**1,036**	**1,606**	**1,036**	**1,606**
Net profit from discontinued operations					0	0	0	0
Net profit for the period					**1,036**	**1,606**	**1,036**	**1,606**

(*) The data relating to the previous year was reclassified for comparability with March 31, 2011.

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

BALANCE SHEET	Hoods		Electric motors		Not allocated and eliminations		Consolidated	
	Mar 11	Dec 10	Mar 11	Dec 10	Mar 11	Dec 10	Mar 11	Dec 10
Assets:								
Segment assets	213,358	210,481	76,218	74,512	(1,116)	(5,046)	288,460	279,948
Investments in ass. companies					1,702	1,717	1,702	1,717
Unallocated assets					50,902	50,314	50,902	50,452
Total operational assets							**341,064**	**332,117**
Total assets of discontinued operations							**0**	**0**
Total assets							**341,064**	**332,117**
Liabilities								
Segment liabilities	(81,956)	(79,972)	(23,169)	(23,005)	1,116	5,046	(104,008)	(97,931)
Liabilities not allocated					(95,276)	(94,656)	(95,276)	(94,656)
Shareholders' Equity					(141,780)	(139,892)	(141,780)	(139,530)
Total operational liabilities							**(341,064)**	**(332,117)**
Total liabilities of discontinued operations							**0**	**0**
Total liabilities							**(341,064)**	**(332,117)**

Fabriano, May 12, 2011

The Chairman

Francesco Casoli

Declaration of the executive responsible for the preparation of the corporate accounting documents in accordance with Article 154 *bis*, paragraph 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 of the Interim Report at March 31, 2011 corresponds to the underlying accounting documents, records and accounting entries.

Fabriano, May 12, 2011

The Chief Executive Officer
Andrea Sasso

Executive responsible for the preparation
of corporate accounting documents
Vincenzo Maragliano