Elica S.p.A.

Interim Report

at March 31, 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.

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

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 by resolution of 27/4/2012.

Giuseppe Perucchetti
Independent Director, born in Varese (VA) on 30/10/1958, 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
Giuseppe Perucchetti

Nominations and Remuneration Committee

Stefano Romiti
Gennaro Pieralisi
Giuseppe Perucchetti

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 00096570429

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Interim Report at March 31, 2012

Financial and operating review

In Euro thousands	Q1 12	revenue margin	Q1 11	revenue margin	12 Vs 11 %
Revenues	94,724		93,009		1.8%
EBITDA	5,051	5.3%	6,234	6.7%	(19.0%)
EBIT	1,338	1.4%	2,099	2.3%	(36.3%)
Financial income/(charges)	96	0.1%	(846)	(0.9%)	(111.3%)
Income taxes	(707)	(0.7%)	(217)	(0.2%)	225.8%
Net profit from continuing operations	727	0.8%	1,036	1.1%	(29.8%)
Net profit from continuing operations and discontinuing operations	727	0.8%	1,036	1.1%	(29.8%)
Group net profit	**690**	**0.7%**	**1,054**	**1.1%**	**(34.5%)**
Basic earnings per share on continuing operations and discontinuing operations	1.15		1.79		(35.9%)
Diluted earnings per share on continuing operations and discontinuing operations	1.09		1.79		(39.0%)

The earnings per share for Q1 2012 and Q1 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.

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	March 31, 12	Dec. 31, 11	March 31, 11
Trade receivables	85,476	82,207	88,008
Inventories	54,482	50,598	51,450
Trade payables	(92,453)	(89,806)	(94,889)
Managerial Working Capital	**47,505**	**42,999**	**44,569**
as a % of annualised revenues	*12.5%*	*11.4%*	*12.0%*
Other net receivables/payables	(1,300)	(2,929)	590
Net Working Capital	**46,205**	**40,070**	**45,159**

In Euro thousands	March 31, 12	Dec, 31, 11	March 31, 11
Cash and cash equivalents	**14,758**	**20,026**	**24,386**
Finance leases and other lenders	(607)	(56)	(72)
Bank loans and mortgages	(42,776)	(45,105)	(28,157)
Long-term debt	**(43,383)**	**(45,161)**	**(28,229)**
Finance leases and other lenders	(32)	(25)	(23)
Bank loans and mortgages	(45,578)	(43,640)	(36,668)
Short-term debt	**(45,610)**	**(43,665)**	**(36,691)**
Net Debt	**(74,235)**	**(68,800)**	**(40,534)**

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 2012

In Q1 2012 the consolidated revenues of the Elica Group increased by 1.8% on Q1 2010, strongly outperforming the global market (contracting 6.8%) and strengthening the leadership position and market share. Growth was driven by the Cooking Area, which in the first quarter of 2012 reports an increase in consolidated revenues of 4.6% - in particular own brand revenues grew by 6.4%, while third party brand revenues grew 3.7% on Q1 2011. The Motors Area in Q1 2012 reports a reduction in consolidated revenues of 11.3% on Q1 2011, principally relating to the "white goods" segment. In relation to revenues in the principal geographic markets[1], Europe reports a decrease of 5.8% compared to Q1 2011.
The Americas recorded significant revenue growth of 44.6%, strongly outperforming the market, with revenues in the other geographic areas also progressing (+22.3%).

EBITDA in Q1 2012 of Euro 5.1 million represents a 5.3% consolidated revenue margin (-19% on Q1 2011). The temporary reduction in EBITDA margin on consolidated revenues is due both to the cost of raw materials utilised, still in line with the prices in 2011, and the continued investment in innovation, in addition to the deterioration in the price/mix in the third party brand product sector compared to the same period of 2011.

In the quarter the Euro average exchange rate weakened against the US Dollar, UK Sterling, the Japanese Yen, the Russian Rouble and the Chinese Yuan, while strengthening against the Polish Zloty, the Indian Rupee and the Mexican Peso.

	average 2012	**average 2011**	**%**	**March 31, 12**	**March 31, 11**	**%**
USD	1.31	1.37	-4.3%	1.34	1.42	-5.9%
JPY	103.99	112.57	-7.6%	109.56	117.61	-6.8%
PLN	4.23	3.95	7.2%	4.15	4.01	3.5%
MXN	17.02	16.50	3.1%	17.02	16.93	0.5%
INR	65.90	61.93	6.4%	68.04	63.35	7.4%
CNY	8.27	9.00	-8.1%	8.41	9.30	-9.6%
RUB	39.55	40.00	-1.1%	39.30	40.29	-2.5%
GBP	0.83	0.85	-1.8%	0.83	0.88	-5.2%

Although with a higher net debt, due principally to the acquisition activities of the Group in 2011, net financial income of Euro 96 thousand was recorded in Q1 2012 also due to exchange gains.
Income taxes amount to Euro 707 thousand, corresponding to a tax rate of 49%, increasing on Q1 2011 which benefitted from significant tax bonuses.

Group net profit was Euro 690 thousand, a decrease of 35% on Q1 2011, with the EBIT performance remaining stable.

Managerial Working Capital on annualised net revenues at March 31, 2012 of 12.5% is substantially in line with the same period of 2011 and is a result of the continued monitoring and streamlining of the Group Working Capital by Management.
The Net debt at March 31, 2012 amounted to Euro 74.2 million compared to Euro 68.8 million at December 31, 2011. This increase is due to the seasonality of the business, as seen also in the first quarter of the previous year.

[1] 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.

Significant events in the first quarter of 2012

On January 9, 2012, the Board of Directors of Elica S.p.A. accepted the resignation of Mr. Vincenzo Maragliano from his role as CFO and Executive Responsible for the preparation of corporate accounting documents of Elica S.p.A. and consequently appointed Mr. Alberto Romagnoli in the role of Executive Responsible of Elica S.p.A..

On February 9, 2012, Mr. Francesco Casoli acquired 64,000 ordinary shares of Elica S.p.A.

The Board of Directors of Elica S.p.A. on February 14, 2012 approved the 2011 Fourth Quarter Report, prepared in accordance with IFRS accounting standards.

On March 21, 2012, the Board of Directors of Elica S.p.A. approved the 2011 Consolidated and Separate Financial Statements of Elica S.p.A., prepared in accordance with IFRS, in addition to establishing the 2012 performance objective concerning the 2010 Stock Grant Plan.

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.

Subsidiaries at March 31, 2012

o Elica Group Polska Sp.zo.o – Wroclaw – (Poland) (in short EGP). 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 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 production and sale of Group products.

o Zhejiang Putian Electric Co. Ltd – Shengzhou (China) (in short Putian), a Chinese company held 70% and operating under the "Puti" brand, a leader in the Chinese home appliances sector, producing and marketing range hoods, gas hobs and kitchenware sterilisers. Putian is one of the main players in the Chinese range hood market and the principal company developing western style range hoods. The production site is located in Shengzhou, a major Chinese industrial district for the production of kitchen home appliances.

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

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 first quarter of 2012 there were no changes in the consolidation scope compared to December 31, 2011.

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

On April 27, 2012, the Shareholders' Meeting of Elica S.p.A. approved the 2011 Annual Accounts of Elica S.p.A. and noted the results of the 2011 Consolidated Annual Accounts. The Shareholders' Meeting appointed the members of the Board of Directors and of the Board of Statutory Auditors who will remain in office until the Shareholders' Meeting called for the approval of the 2014 Annual Accounts.
The Shareholders' Meeting also approved the authorisation to purchase and utilise treasury shares, pursuant to article 2357 and 2357 ter of the Civil Code, in order to provide the company with an important instrument of strategic and operative flexibility.
On the same date, the Board of Directors of Elica S.p.A., among other issues, confirmed the appointment of Mr. Cristiano Babbo as Internal Audit Manager and Internal Control Manager and appointed Mr. Alberto Romagnoli as Executive Responsible for the preparation of the corporate accounting documents.

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 March 31, 2012

Consolidated Income Statement – Q1 2012

In Euro thousands	***Notes***	**Q1 12**	**Q1 11**
Revenues	**1**	94,724	93,009
Other operating revenues		471	1,490
Changes in inventories of finished and semi-finished goods		2,531	8,014
Increase in internal work capitalised		678	789
Raw materials and consumables	**2**	(54,532)	(56,818)
Services	**3**	(17,823)	(18,675)
Labour costs	**4**	(19,535)	(20,254)
Amortisation & Depreciation		(3,713)	(4,135)
Other operating expenses and provisions		(1,463)	(1,321)
EBIT		**1,338**	**2,099**
Share of profit/(loss) from associates		1	(15)
Financial income	**5**	16	151
Financial charges	**5**	(1,086)	(701)
Exchange gains/(losses)	**5**	1,165	(281)
Profit before taxes		**1,434**	**1,253**
Income taxes		(707)	(217)
Net profit from continuing operations		**727**	**1,036**
Net profit from discontinued operations		-	-
Net profit for the period		**727**	**1,036**
of which:			
Minority interests share		37	(18)
Group net profit		690	1,054
Basic earnings per share			
From continuing and discontinued operations (Euro/cents)		1.15	1.82
From continuing operations (Euro/cents)		1.15	1.82
Diluted earnings per share			
From continuing and discontinued operations (Euro/cents)		1.09	1.82
From continuing operations (Euro/cents)		1.09	1.82

Consolidated Comprehensive Income Statement – Q1 2012

In Euro thousands	**Q1 12**	**Q1 11**
Net profit	**727**	**1,036**
Other comprehensive income statement items:		
Exchange differences on the conversion of foreign financial statements	1,979	(2,241)
Net change in cash flow hedges	(54)	176
Income taxes on other comprehensive income statement items	12	(38)
Total other comprehensive income statement items, net of tax effects:	**1,937**	**(2,103)**
Total comprehensive profit/(loss)	**2,664**	**(1,067)**
of which:		
Minority interests share	(316)	(438)
Group comprehensive profit	2,981	(629)

Consolidated Balance Sheet at March 31, 2012

In Euro thousands	***Notes***	**March 31, 12**	**Dec. 31,11**
Property, plant & equipment	**6**	86,315	85,165
Goodwill	**7**	41,529	41,765
Other intangible assets	**8**	24,220	24,424
Investments in associated companies		1,378	1,377
Other financial assets		-	-
Other receivables		288	276
Tax Receivables		6	6
Deferred tax assets		10,604	10,032
AFS financial assets		159	672
Derivative financial instruments		29	29
Total non-current assets		**164,528**	**163,746**
Trade and financial receivables	**9**	85,476	82,207
Inventories	**10**	54,482	50,598
Other receivables		7,967	6,036
Tax Receivables		6,097	5,943
Derivative financial instruments		1,396	813
Cash and cash equivalents		14,758	20,026
Current assets		**170,176**	**165,623**
Total Assets		**335,836**	**330,434**
Liabilities for post-employment benefits		8,969	8,907
Provisions for risks and charges	**11**	2,395	2,505
Deferred tax liabilities		6,750	6,772
Finance leases and other lenders		607	56
Bank loans and mortgages		42,776	45,105
Other payables		1,280	1,859
Tax payables		866	888
Derivative financial instruments		66	60
Non-current liabilities		**63,709**	**66,152**
Provisions for risks and charges	**11**	2,255	1,882
Finance leases and other lenders		32	25
Bank loans and mortgages		45,578	43,640
Trade payables		92,453	89,806
Other payables		10,802	10,211
Taxes payable		2,307	2,814
Derivative financial instruments		1,002	1,004
Current liabilities		**154,429**	**149,382**
Share capital		12,665	12,665
Capital reserves		71,123	71,123
Hedging, translation and stock option reserve		(2,685)	(5,668)
Treasury shares		(8,815)	(8,815)
Retained earnings		38,733	34,684
Group profit		690	4,162
Group shareholders' equity		**111,711**	**108,151**
Capital and reserves of minority interests		5,950	6,794
Minority interest profit/(loss)		37	(46)
Minority interest equity		**5,987**	**6,748**
Consolidated shareholders’ equity		**117,698**	**114,899**
Total liabilities and shareholders’ equity		**335,836**	**330,434**

Consolidated Cash Flow Statement at March 31, 2012

In Euro thousands		**March 31, 12**	**March 31, 11**
Opening cash and cash equivalents		**20,026**	**25,102**
EBIT- Operating profit		1,338	2,099
Amortisation, depreciation and write-downs		3,713	4,135
Write-down of Goodwill for loss of value		0	0
EBITDA		5,051	6,234
Trade working capital		(3,649)	(1,591)
Other working capital accounts		(1,494)	(4,828)
Income taxes paid		(536)	(506)
Change in provisions		207	(2,875)
Other changes		(17)	95
Cash flow from operating activity		**(438)**	**(3,471)**
Net increases		(2,661)	(5,989)
	Intangible assets	(809)	(1,389)
	Property, plant & equipment	(2,516)	(4,594)
	Equity investments and other financial assets	664	(6)
Cash flow from investments		**(2,661)**	**(5,989)**
(Acquisition)/Sale of treasury shares		0	3,115
Other movements in share capital		0	0
Dividends		0	0
Increase (decrease) financial payables		54	5,060
Net changes in other financial assets/liabilities		(1,174)	1,424
Interest paid		(992)	(422)
Cash flow from financing activity		**(2,112)**	**9,177**
Change in cash and cash equivalents		**(5,211)**	**(283)**
Effect of exchange rate change on liquidity		**(57)**	**(433)**
Closing cash and cash equivalents		**14,758**	**24,386**

Notes to the Interim Report at March 31, 2012

Group structure and brief description of its activities

In 2011, the Group reviewed the Corporate Reporting system without substantial amendments to the set of internal reports reviewed periodically by management, but with greater emphasis placed on the geographic breakdown of data rather than analysis by product. As per IFRS 8, from the 2011 half-year report the segment disclosure is reviewed and reported in line with that utilised by management for the undertaking of operational decisions. For the purposes of comparison, the disclosure relating to the previous year was restated.
The present reporting is in line with management strategy which increasingly has a global focus, with a direct presence now established in Europe, America and Asia. In this manner the Group can provide information which enables readers of the financial statements to evaluate the nature and effects on the financial statements of the strategies undertaken and of the general economic context.
The new operational segments are as follows:
• "Europe": production and sale of range hoods, accessories and electric motors developed by the companies based in Europe, i.e. the Italian companies Elica S.p.A. and Airforce, the German companies Gutmann and Airforce Germany, the Polish company Elica Group Polska and the Russian company Elica Trading;
• "America": production and sale of range hoods and accessories, developed by the Group companies based in America, i.e. the Mexican companies Elicamex and Leonardo and the US company Elica Inc;
•"Asia and the rest of the world": production and sale of range hoods, accessories and other products, developed by the Group companies located in Asia, i.e. the Chinese company Putian and the India company Elica India and the Japanese company Ariafina.

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 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	%	March 31, 12	March 31, 11	%
USD	1.31	1.37	-4.3%	1.34	1.42	-5.9%
JPY	103.99	112.57	-7.6%	109.56	117.61	-6.8%
PLN	4.23	3.95	7.2%	4.15	4.01	3.5%
MXN	17.02	16.50	3.1%	17.02	16.93	0.5%
INR	65.90	61.93	6.4%	68.04	63.35	7.4%
CNY	8.27	9.00	-8.1%	8.41	9.30	-9.6%
RUB	39.55	N/A	N/A	39.30	N/A	N/A

Criteria for the preparation of the Interim Report

The Interim Report at March 31, 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 May 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 March 31, 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. No new accounting principles were adopted in the period.

Composition and main changes in the Income Statement and Balance Sheet

1. Revenues

In Euro thousands	Q1 12	Q1 11	Change
Revenues from product sales	94,705	92,996	1,709
Service revenues	20	13	7
Total revenues	**94,724**	**93,009**	**1,715**

For the comments relating to the changes in revenues, reference should be made to the paragraph "Operating review Q1 2012". The growth of Euro 1.7 million represents a 1.8% increase. Sales information by sector is reported in note 12.

2. Raw materials and consumables

In Euro thousands	Q1 12	Q1 11	Change
Purchases of raw materials	(48,664)	(50,041)	1,377
Shipping expenses on purchases	(1,035)	(729)	(306)
Purchases of consumable materials	(480)	(451)	(29)
Packaging	(900)	(629)	(271)
Purchases of supplies	(182)	(166)	(16)
Purchases of semi-finished materials	(2,903)	(3,716)	813
Purchases of finished products	(1,508)	(2,476)	968
Other purchases	(137)	(160)	23
Change in inventory of raw materials, consumables and goods for re-sale	1,278	1,550	(272)
Total	**(54,532)**	**(56,818)**	**2,286**

Raw materials and consumables decreased by approx. Euro 2.3 million, equal to 4%, concentrated particularly in the accounts "Purchases of raw materials" for Euro 1.4 million and "Purchases of finished products" for approx. Euro 1 million.

3. Services

In Euro thousands	Q1 12	Q1 11	Change
Outsourcing expenses	(6,674)	(7,536)	862
Transport	(2,137)	(2,000)	(137)
Finished goods inventories	(980)	(1,074)	94
Consulting	(851)	(1,030)	179
Other professional services	(2,125)	(1,837)	(288)
Maintenance	(595)	(716)	121
Utilities	(1,433)	(1,256)	(177)
Commissions	(718)	(614)	(104)
Travel expenses	(638)	(770)	132
Advertising	(563)	(617)	54
Insurance	(325)	(317)	(8)
Directors & Statutory Auditor fees	(353)	(334)	(19)
Trade fairs and promotional events	(293)	(391)	98
Industrial services	(90)	(86)	(4)
Banking commissions and charges	(49)	(97)	48
Total Services	**(17,823)**	**(18,675)**	**852**

Service costs reduced by approx. Euro 852 thousand, principally due to the account "Outsourcing expenses". As a percentage on revenues, these costs decreased from 20% to 19%.

4. Labour costs

In Euro thousands	Q1 12	Q1 11	Change
Wages and salaries	(13,366)	(13,795)	429
Social security	(3,833)	(4,021)	188
Employee leaving indemnity	(781)	(871)	90
Other costs	(1,555)	(1,567)	12
Total labour costs	**(19,535)**	**(20,254)**	**719**

Labour costs reduced by approx. Euro 0.7 million, of which Euro 0.4 million concerning "Wages and salaries".

5. Net Financial charges

In Euro thousands	Q1 12	Q1 11	Change
Financial income	16	151	(135)
Financial charges	(1,086)	(701)	(385)
Exchange gains/(losses)	1,165	(281)	1,446
Total net financial income/(charges)	**95**	**(831)**	**926**

The account "Financial charges" increased principally due to the debt undertaken in order to acquire the holding in the company Putian. Exchange rate movements however had a positive impact on the Group result.

6. Property, plant & equipment

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

In Euro thousands	March 31, 12	Dec. 31, 11	Change
Land, land usage rights and buildings	50,201	50,141	60
Plant and machinery	20,624	19,973	651
Commercial and industrial equipment	10,395	10,271	124
Other assets	3,828	3,866	(38)
Assets in progress and advances	1,268	914	354
Total property, plant and equipment	**86,315**	**85,165**	**1,150**

Property, plant and equipment increased from Euro 85,165 thousand at December 31, 2011 to Euro 86,315 thousand at March 31, 2012, an increase of Euro 1,150 thousand as a result of the sales, purchases and of depreciation recorded in the income statement of Euro 2,566 thousand.

7. Goodwill

In Euro thousands	March 31, 12	Dec. 31, 11	Change
Goodwill recorded by subsidiaries	41,529	41,765	(236)
Total goodwill	**41,529**	**41,765**	**(236)**

The account did not substantially change on December 31, 2011. The decrease of Euro 236 thousand is due to the movement of the Euro against the Chinese currency.

8. Other intangible assets

In Euro thousands	March 31, 12	Dec. 31, 11	Change
Development Costs	2,703	2,855	(152)
Industrial patents and intellectual property rights	8,648	9,120	(472)
Concessions, licenses, trade marks & similar	1,835	1,856	(21)
Assets in progress and advances	5,064	4,428	636
Other intangible assets	5,971	6,166	(195)
Total other intangible fixed assets	**24,220**	**24,424**	**(205)**

This account did not change significantly. Other intangible assets decreased from Euro 24,424 thousand at December 31, 2011 to Euro 24,220 thousand at March 31, 2012, a decrease of Euro 205 thousand as a result of the purchases, sales and amortisation recorded to the income statement of Euro 1,147 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)	March 31, 12	Dec 31., 11	Change
Trade receivables	85,374	82,104	3,270
Receivables from associated companies	102	103	(1)
Total	**85,476**	**82,207**	**3,269**

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	March 31, 12	Dec. 31, 11	Change
Raw material, ancillary and consumables	24,846	22,975	1,871
Raw materials obsolescence provision	(1,280)	(1,157)	(123)
Total	23,566	21,818	1,748
Products in work-in-progress and semi-finished	12,207	11,499	708
Work-in–progress obsolescence provision	(839)	(684)	(155)
Total	11,368	10,815	553
Finished products and goods for resale	20,685	19,018	1,667
Finished products obsolescence provision	(1,162)	(1,125)	(37)
Total	19,522	17,893	1,629
Advances	26	72	(46)
Total inventories	**54,482**	**50,598**	**3,884**

Inventories increased from Euro 50,598 thousand at December 31, 2011 to Euro 54,482 thousand at March 31, 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 risks and charges

(in Euro thousands)	**March 31, 12**	**Dec. 31, 11**	**Change**
Supplementary agent benefits	533	529	4
Directors' termination benefits	109	109	-
Product warranty provisions	973	1,218	(245)
Provisions for risks	1,750	1,865	(115)
Restructuring provisions	165	200	(35)
Personnel Fund	835	425	410
Other Provisions	285	41	244
Total	**4,650**	**4,387**	**263**
of which			
Non-current	2,395	2,505	(110)
Current	2,255	1,882	373
Total	**4,650**	**4,387**	**263**

"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 "Restructuring provision" shows a balance of Euro 165 thousand following utilisations made in 2012.
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

As outlined in the paragraph "Group structure and activities" in 2011 the Group reviewed the Corporate Reporting system, without substantial amendments to the set of internal reports reviewed periodically by management, but with greater emphasis placed on the geographic breakdown of data rather than analysis by product. As per IFRS 8, from the 2011 Half-Year Report the segment disclosure is reviewed and reported in line with that utilised by management for the undertaking of operational decisions. For the purposes of comparison, the disclosure relating to the previous year was restated.
The present reporting is in line with management strategy which increasingly has a global focus, with a direct presence now established in Europe, America and Asia. In this manner the Group can provide information which enables readers of the financial statements to evaluate the nature and effects on the financial statements of the strategies undertaken and of the general economic context.
The new operational segments are as follows:
• "Europe": production and sale of range hoods, accessories and electric motors developed by the companies based in Europe, i.e. the Italian companies Elica S.p.A. and Airforce, the German companies Gutmann and Airforce Germany, the Polish company Elica Group Polska and the Russian company Elica Trading;
• "America": production and sale of range hoods and accessories, developed by the Group companies based in America, i.e. the Mexican companies Elicamex and Leonardo and the US company Elica Inc;
•"Asia and the rest of the world": production and sale of range hoods, accessories and other products, developed by the Group companies located in Asia, i.e. the Chinese company Putian and the India company Elica India and the Japanese company Ariafina.

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		Not allocated and eliminations		Consolidated	
	Q1 -12	Q111 (*)	Q1 -12	Q111 (*)	Q1 -12	Q1 11 (*)	Q1 12	Q1 11 (*)	Q1 12	Q1 11 (*)
Segment revenue:										
third parties	74,672	77,311	10,764	7,370	9,279	8,316	10	12	94,724	93,009
Inter-segment	2,743	1,943	2	2	-	355	(2,746)	(2,301)	-	-
Total revenues	**77,415**	**79,254**	**10,766**	**7,372**	**9,279**	**8,671**	**(2,736)**	**(2,288)**	**94,724**	**93,009**
Segment result:	**5,809**	**6,096**	**1,334**	**424**	**99**	**276**			**7,243**	**6,796**
Overheads not allocated									**(5,905)**	**(4,697)**
EBIT									**1,338**	**2,099**
Share of profit/(loss) from associates							1	(15)	1	(15)
Financial income							16	151	16	151
Financial charges							(1,086)	(701)	(1,086)	(701)
Exchange gains/(losses)							1,165	(281)	1,165	(281)
Profit before taxes							**1,434**	**1,253**	**1,434**	**1,253**
Income taxes							(707)	(217)	(707)	(217)
Net profit from normal operations							**727**	**1,036**	**727**	**1,036**
Net profit from discontinued operations							-	-	-	-
Net profit for the period							**727**	**1,036**	**727**	**1,036**

***(*)** The data relating to the previous year was restated for comparability with March 31, 2012.*

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

BALANCE SHEET	Europe		The Americas		Asia and the rest of the world		Not allocated and eliminations		Consolidated	
	Mar 12	Dec 11	Mar 12	Dec 11	Mar 12	Dec 11	Mar 12	Dec 11	Mar 12	Dec 11
Activities:										
Segment assets	243,618	234,948	34,891	30,253	31,750	33,540	(7,640)	(6,777)	302,618	291,964
Investments							1,378	1,377	1,378	1,377
Unallocated assets							30,706	36,029	30,706	36,029
Total operational assets	**243,618**	**234,949**	**34,891**	**30,253**	**31,750**	**33,540**	**24,445**	**30,628**	**334,703**	**329,370**
Total assets of discontinued operations	**1,132**	**1,065**	**-**		**-**		**-**		**1,132**	**1,065**
Total Assets	**244,750**	**236,013**	**34,891**	**30,253**	**31,750**	**33,540**	**24,445**	**30,628**	**335,835**	**330,434**
Liabilities										
Segment liabilities	(113,544)	(109,795)	(11,777)	(10,898)	(11,424)	(12,779)	7,600	6,763	(129,145)	(126,709)
Liabilities not allocated							(88,992)	(88,827)	(88,992)	(88,827)
Shareholders' Equity							(117,698)	(114,899)	(117,698)	(114,899)
Total operational liabilities	**(113,544)**	**(109,795)**	**(11,777)**	**(10,898)**	**(11,424)**	**(12,779)**	**(199,090)**	**(196,962)**	**(335,835)**	**(330,434)**
Total liabilities of discontinued operations										
Total liabilities	**(113,544)**	**(109,795)**	**(11,777)**	**(10,898)**	**(11,424)**	**(12,779)**	**(199,090)**	**(196,962)**	**(335,835)**	**(330,434)**

Fabriano, May 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 Andrea Sasso 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, May 14, 2012

The Chief Executive Officer
Andrea Sasso

Executive responsible for the preparation
of corporate accounting documents
Alberto Romagnoli