Elica S.p.A.

Interim Report

at September 30, 2010

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.

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 Control Committee
Stefano Romiti
Gennaro Pieralisi
Giovanni Frezzotti

Remuneration Committee
Stefano Romiti
Gennaro Pieralisi
Giovanni Frezzotti

Independent Auditors
Deloitte & Touche S.p.A.

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

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Interim Directors' Report at September 30, 2010

Financial and operating review

In Euro thousands	**9M 10**	**revenue margin**	**9M 09**	**revenue margin**	**10 Vs 09 %**
Revenues	267,302		247,109		8.2%
EBITDA	20,204	7.6%	15,211	6.2%	32.8%
EBIT	8,041	3.0%	2,892	1.2%	178.0%
Financial income/(charges)	(959)	(0.4%)	(1,746)	(0.7%)	(45.1%)
Income taxes	(2,922)	(1.1%)	416	0.2%	(802.4%)
Net profit from continuing operations	4,120	1.5%	1,562	0.6%	163.8%
Net profit from continuing operations and discontinuing operations	4,120	1.5%	1,562	0.6%	163.8%
Group net profit	**3,928**	**1.5%**	**1,131**	**0.5%**	**247.3%**
Basic earnings per share on continuing operations and discontinuing operations (Euro/cents)	6.89		1.98		247.3%
Diluted earnings per share on continuing operations and discontinuing operations (Euro/cents)	6.89		1.98		247.3%

The earnings per share for 9M 2010 and 2009 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 10**	**revenue margin**	**Q3 09**	**revenue margin**	**10 Vs 09 %**
Revenues	87,847		83,125		5.7%
EBITDA	6,962	7.9%	6,587	7.9%	5.7%
EBIT	3,001	3.4%	2,588	3.1%	16.0%
Financial income/(charges)	(333)	(0.4%)	(1,019)	(1.2%)	(67.3%)
Income taxes	(1,265)	(1.4%)	(589)	(0.7%)	114.8%
Net profit from continuing operations	1,403	1.6%	980	1.2%	43.2%
Net profit from continuing operations and discontinuing operations	1,403	1.6%	980	1.2%	43.2%
Group net profit	**1,515**	**1.7%**	**811**	**1.0%**	**86.8%**
Basic earnings per share on continuing operations and discontinuing operations (Euro/cents)	2.66		1.42		86.8%
Diluted earnings per share on continuing operations and discontinuing operations (Euro/cents)	2.66		1.42		86.8%

The earnings per share for Q3 2010 and 2009 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 write-downs of goodwill for losses in value. EBIT is the operating profit as reported in the consolidated income statement.

In Euro thousands	**Sept. 30, 2010**	**June 30, 2010**	**Dec. 31, 2009**	**Sept. 30, 2009**
Trade receivables	96,463	94,192	85,589	87,800
Inventories	48,374	42,576	41,451	41,539
Trade payables	(90,663)	(91,817)	(86,806)	(84,971)
Managerial Working Capital	**54,174**	**44,951**	**40,234**	**44,368**
as a % of annualised revenues	15.2%	12.5%	12.0%	13.5%
Other net receivables/payables	(4,422)	(4,771)	(6,963)	(8,701)
Net Working Capital	**49,752**	**40,180**	**33,271**	**35,667**
as a % of annualised revenues	14.0%	11.2%	9.9%	10.8%

In Euro thousands	**Sept. 30, 2010**	**June 30, 2010**	**Dec. 31, 2009**	**Sept. 30, 2009**
Cash and cash equivalents	**25,061**	**22,411**	**19,235**	**22,459**
Finance leases and other lenders	(82)	(88)	(2,430)	(2,588)
Bank loans and mortgages	(21,638)	(18,056)	(14,780)	(9,247)
Long-term debt	**(21,720)**	**(18,144)**	**(17,210)**	**(11,835)**
Finance leases and other lenders	(3,098)	(3,243)	(1,903)	(1,423)
Bank loans and mortgages	(39,344)	(25,214)	(23,058)	(32,944)
Short-term debt	**(42,442)**	**(28,457)**	**(24,961)**	**(34,367)**
Net Debt	**(39,101)**	**(24,190)**	**(22,936)**	**(23,743)**

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 2010

During the third quarter of 2010 Group consolidated revenues grew 5.7% on the same period of the previous year. The growth in revenues was driven by both the range hoods and motors divisions. In the range hood division, the growth was particularly strong in the own brands segment and the medium-high range segment in general posted above-average growth figures. Revenues grew in all geographic areas but particularly in America and Asia.

The strong revenue figures and the improvement in operating efficiency resulted in the margin returning to the Q3 2009 level, with an EBITDA amounting to 7.9% of revenues. The growth trend in the margin seen over the preceding three quarters continued.

In the first nine months of 2010, the Euro showed signs of weakness against all of the currencies in which the Group undertakes its commercial transactions; despite this the exchange rate movements had a slightly positive impact on the income statement and the translation reserve decreased by Euro 2,336 thousand.

	average 2010	average 2009	%	Sept. 30, 2010	Sept. 30, 2009	%
USD	1.31	1.37	-4.4%	1.36	1.46	-6.8%
GBP	0.86	0.89	-3.4%	0.86	0.91	-5.5%
JPY	117.66	129.53	-9.2%	113.68	131.07	-13.3%
PLN	4.00	4.38	-8.7%	3.98	4.23	-5.9%
MXN	16.71	18.63	-10.3%	17.13	19.75	-13.3%
INR	59.98 (*)	n/a	n/a	61.25	n/a	n/a
RMB	8.95	n/a	n/a	9.13	n/a	n/a

(*) the average exchange rate of the Indian Rupee was calculated for the period in which the Indian subsidiary company was consolidated.

The percentage of Managerial Working Capital on net annualised revenues increased from 13.5% in September 2009 to 15.2% in September 2010. This increase is a direct consequence of the recent entry into the consolidation scope of the Chinese and Indian joint ventures, which if excluded would show an improvement in the level of inventories and a reduction in the level of trade receivables due to the reduction in the payment period granted to clients.

The Net Debt at September 30, 2010 increased on September 30, 2009 principally due to the payment of the earn-out relating to the acquisition of the German company Gutmann and the acquisition of the Chinese company Zhejiang Putian Electric Co. Ltd..

Significant events in the first nine months of 2010

The Board of Directors met on March 30, 2010 and approved the Consolidated Financial Statements and the proposal of the Individual Financial Statements of Elica S.p.A., as well as the proposal for the Individual Financial Statements of Fime S.p.A., a company merged with Elica Spa from January 1, 2010.

On April 26, 2010, the Shareholders' AGM of Elica S.p.A. approved the Individual Financial Statements of Fime S.p.A., the Individual Financial Statements of Elica S.p.A. and a stock grant plan, called the 2010 Stock Grant Plan, for employees, including senior management, advisors and executive directors of the Company and of its subsidiaries considered "key managers" for the achievement of the business growth and development objectives of the Company, as well as the consequent extension to utilise treasury shares acquired by the Company under the Shareholders' Meeting resolution of August 3, 2007.
The Shareholders' AGM of Elica S.p.A. attributed to the Board of Directors, with faculty to delegate, all powers necessary and/or considered opportune to implement the Plan.
In execution of the above-stated shareholders' meeting resolution, the Board of Directors of the Company on April 26, 2010 approved the 2010 Stock Grant Plan Regulation, defined the 2010 performance objectives and identified some of the Plan beneficiaries.

On February 1, 2010, the associated company I.S.M. S.r.l. sold the entire holding in "Sider S.r.l.", following the conferment of the "productive-industrial" business unit on December 14, 2009.

The Elica Group presented its new products at "Eurocucina 2010" at the 49th International Furniture Trade Show in Milan from April 14, 2010.

On May 3, 2010, Elica S.p.A. signed a Joint Venture agreement with the Indian entrepreneur Mr. Bhutada and several senior managers.
The above-stated joint venture agreement provided for the subscription by the Elica Group to a share capital increase of a newly-incorporated Indian company (called Elica PB India Private Ltd.) for a 51% stake; the remainder of the share capital was subscribed by Pralhad Bhutada and the other senior managers of the company.

In July 2010 Elica signed an equity transfer agreement and a joint venture agreement with the Chinese shareholders Mr. Renyao Du and his wife Ms. Dong Wenhua which provided for the acquisition by Elica of a majority holding in the Chinese company Zhejiang Putian Electric Co. Ltd, operating under the "Puti" brand, a leader in the Chinese home appliance sector producing and marketing range hoods, gas hobs and kitchenware sterilisers.
Consideration of over Euro 13 million was paid for 55% of the share capital. The agreement establishes a mechanism for an adjustment of the sum paid based on the EBITDA recorded by Putian for the financial year 2010.
The agreements also establish that Elica will consolidate its control of Putian in 2011 through the acquisition of a further 15% stake.
The purchase price of this latter holding will be based on the EBITDA which Putian records in 2010. This further transfer remains subject to the fulfilment of certain conditions including the granting by the Chinese authorities of the necessary authorisation to complete the operation and the establishment of the 2010 EBITDA of Putian.
The Elica Group can consolidate its position as a global player in the range hoods sector through entering the Chinese market, with the Group already established in Europe, The Americas and India (with consistently increasing market shares) and also creates the opportunity to serve the OEM client base with local production and increases purchasing from Low Cost Countries.

On August 6, the Board of Directors approved the half-year report at June 30 and on the proposal of the Remuneration Committee, resolved to include in the Stock Grant Plan 2010 a further 14 beneficiaries, chosen from among the Group's key managers, in place of the 12 beneficiaries already identified by the Information Document of March 30, 2010, assigning to them 140,000 Company shares, and consequently updated the Information Document.

In the period the company Elica Finance was liquidated.

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.zoo – 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.;

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

- Exklusiv Hauben Gutmann GmbH – Mulacker (Germany) - a German company entirely held by Elica International S.à.r.l. 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

As highlighted in the paragraph "Significant events in the first nine months of 2010", during the period the Irish company Elica Finance was liquidated, while the companies Elica India and Putian entered the consolidation scope. The Indian company Elica PB India Private Ltd joined the Elica Group following a joint venture agreement between Elica S.p.A. and Mr. Bhutada and a number of the principal managers of the company. The Elica Group acquired control of the company Putian through purchasing a majority 55% holding.

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 October 4, 2010 Elica S.p.A. sold the residual 10% holding in the company Acem S.r.l. to Nikel, a stake which was previously held by Fime S.p.A..
On October 26, 2010 the company exercised the purchase option on the leased property on which the Mergo factory is located.
The ongoing demand analysis activity by Management continues. During the year-to-date, the principal markets in which the Group carries out its trading activities improved; demand visibility remains limited however.

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

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

Consolidated financial statements at September 30, 2010

Consolidated Income Statement at September 30, 2010 (in Euro thousands)

In Euro thousands	***Note***	**Q3 10**	**Q3 09**	**9M 10**	**9M 09**
Revenues	**1**	87,847	83,125	267,302	247,109
Other operating revenues		154	373	2,156	1,291
Changes in inventories of finished and semi-finished goods		4,906	3,386	6,146	1,876
Increase in internal work capitalised		587	583	1,565	2,258
Raw materials and consumables	**2**	(48,957)	(46,354)	(140,952)	(131,458)
Services	**3**	(17,984)	(15,872)	(54,672)	(49,286)
Labour costs	**4**	(17,454)	(15,851)	(54,369)	(49,612)
Amortisation and Depreciation		(3,961)	(3,999)	(12,163)	(12,319)
Other operating expenses and provisions		(2,137)	(2,755)	(6,972)	(6,918)
Restructuring charges		-	(48)	-	(49)
EBIT		**3,001**	**2,588**	**8,041**	**2,892**
Share of profit/(loss) from associates		21	(11)	(586)	26
Impairment of available-for-sale financial assets		(40)	-	(40)	-
Financial income	**5**	9	33	1,328	673
Financial charges	**5**	(555)	(586)	(1,939)	(2,146)
Exchange gains (losses)	**5**	232	(455)	238	(299)
Profit before taxes		**2,668**	**1,569**	**7,042**	**1,146**
Income taxes		(1,265)	(589)	(2,922)	416
Net profit from continuing operations		**1,403**	**980**	**4,120**	**1,562**
Net profit from discontinued operations		-	-	-	-
Net profit for the period		**1,403**	**980**	**4,120**	**1,562**
of which:					
Minority interests share		(112)	169	192	431
Group net profit		1,515	811	3,928	1,131
Basic earnings per share					
From continuing and discontinued operations (Euro/cents)		2.66	1.42	6.89	1.98
From continuing operations (Euro/cents)		2.66	1.42	6.89	1.98

Diluted earnings per share				
From continuing and discontinued operations (Euro/cents)	2.66	1.42	6.89	1.98
From continuing operations (Euro/cents)	2.66	1.42	6.89	1.98

Comprehensive Consolidated Income Statement at September 30, 2010

In Euro thousands	Q3 10	Q3 09	9M 10	9M 09
Net profit	**1,403**	**980**	**4,120**	**1,562**
Other comprehensive income statement items:				
Exchange differences on the conversion of foreign financial statements	(1,733)	(48)	2,336	(1,071)
Net change in cash flow hedges	17	-	20	(10)
Income taxes on other comprehensive income statement items	(3)	2	(4)	2
Total other comprehensive income statement items, net of tax effects:	**(1,719)**	**(46)**	**2,352**	**(1,079)**
Total comprehensive profit/(loss)	**(316)**	**934**	**6,472**	**483**
of which:				
Minority interests share	(381)	168	173	334
Group comprehensive net profit	65	958	6,299	149

Consolidated Balance Sheet at September 30, 2010 ***(in thousands of Euro)***

In Euro thousands	***Note***	**Sept. 30, 2010**	**Dec. 31, 2009**
Property, plant & equipment	**6**	75,840	69,100
Goodwill	**7**	40,944	33,818
Other intangible assets		21,086	21,093
Investments in associated companies		1,722	2,309
Other financial assets		30	30
Other receivables		209	200
Tax receivables		6	6
Deferred tax assets		8,584	9,200
Financial assets available-for-sale		732	680
Total non-current assets		**149,153**	**136,436**
Trade and financial receivables	**8**	96,463	85,589
Inventories	**9**	48,374	41,451
Other receivables		11,174	3,841
Tax receivables		10,995	9,663
Derivative financial instruments		548	770
Cash and cash equivalents		25,061	19,235
Current assets		**192,615**	**160,549**
Total assets		**341,768**	**296,985**
Liabilities for post-employment benefits		9,861	9,554
Provisions for risks and charges		4,255	5,752
Deferred tax liabilities		7,397	5,328
Finance leases and other lenders		82	2,430
Bank loans and mortgages		21,638	14,780
Other payables		1,393	1,381
Tax payables		1,024	1,058
Derivative financial instruments		-	-
Non-current liabilities		**45,650**	**40,283**
Provisions for risks and charges		877	1,082
Finance leases and other lenders		3,098	1,903
Bank loans and mortgages		39,344	23,058
Trade payables		90,663	86,806
Other payables		18,762	14,686
Tax payables		6,952	4,699
Derivative financial instruments		278	311
Current liabilities		**159,974**	**132,545**
Share Capital		12,665	12,665
Capital reserves		71,123	71,123
Hedging, translation and stock grant reserve		(5.114)	(8,431)
Treasury shares		(17,629)	(17,629)
Profit reserves		64,262	64,086
Group profit		3,928	231
Group shareholders' equity		**129,235**	**122,045**
Capital and reserves of minority interests		6,717	1,561
Minority interest profit		192	551
Minority interest equity		**6,909**	**2,112**
Consolidated shareholders' equity		**136,144**	**124,157**
Total liabilities and shareholders' equity		**341,768**	**296,985**

Consolidated Cash Flow Statement at September 30, 2010 (in thousands of Euro)

In Euro thousands		**Sept. 30, 2010**	**Sept. 30, 2009**
Opening cash and cash equivalents		**19,235**	**14,968**
EBIT- Operating profit		8,041	2,892
Amortisation, depreciation and write-downs		12,163	12,319
EBITDA		20,204	15,211
Trade working capital		(5,758)	11,697
Other working capital accounts		7,247	(1,453)
Income taxes paid		(709)	(1,226)
Change in provisions		(1,818)	(1,124)
Other changes		(4,386)	(162)
Cash flow from operating activity		**14,780**	**22,943**
Net increases		(16,220)	(10,110)
	Intangible assets	(3,231)	(2,187)
	Property, plant & equipment	(6,574)	(7,923)
	Equity investments and other financial assets	(6,414)	0
Purchase of equity investments		(4,567)	0
Cash flow from investments		**(20,787)**	**(10,110)**
Dividends		0	(1,066)
Increase (decrease) financial payables		11,220	(3,713)
Net changes in other financial assets/liabilities		1,067	686
Interest paid		(1,284)	(1,046)
Cash flow from financing activity		**11,003**	**(5,139)**
Change in cash and cash equivalents		**4,997**	**7,694**
Effect of exchange rate change on liquidity		**829**	**(203)**
Closing cash and cash equivalents		**25,061**	**22,459**

Notes to the Interim Report at September 30, 2010

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 prevalently sourced from America, Europe and the Commonwealth of Independent States.

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 2010	**average 2009**	**%**	**Sept. 30, 2010**	**Sept. 30, 2009**	**%**
USD	1.31	1.37	-4.4%	1.36	1.46	-6.8%
GBP	0.86	0.89	-3.4%	0.86	0.91	-5.5%
JPY	117.66	129.53	-9.2%	113.68	131.07	-13.3%
PLN	4.00	4.38	-8.7%	3.98	4.23	-5.9%
MXN	16.71	18.63	-10.3%	17.13	19.75	-13.3%
INR	59.98 (*)	n/a	n/a	61.25	n/a	n/a
RMB	8.95	n/a	n/a	9.13	n/a	n/a

(*) the average exchange rate of the Indian Rupee was calculated for the period in which the Indian subsidiary company was consolidated.

Criteria for the preparation of the Interim Report

The Interim Report at September 30, 2010 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 11, 2010 and on the same date the board authorised its publication.

Accounting principles, consolidation criteria and estimate changes

The accounting principles utilised for the preparation of the financial statements as at September 30, 2010 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, 2009.

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.

Changes in accounting standards

The financial statements utilised are the same as those used for the preparation of the consolidated financial statements at December 31, 2009, with the exception of those amendments and interpretations applied from January 1, 2010. These latter specifically concern:

IFRS 3 -Business combinations
The principal changes to IFRS 3 relate to the elimination of the obligation to value the individual assets and liabilities of a subsidiary at fair value for each successive acquisition, in the case of several acquisitions in an investment. The goodwill will only be determined in the acquisition phase and will be the difference between the value of the investments immediately before the payment for the transaction and the value of the net assets acquired. In addition, where the company does not acquire 100% of the investment, the minority interest share of net equity may be valued at fair value or utilising the method already contained previously in IFRS 3. The revised version of the standard provides for the allocation to the income statement of all the costs relating to the business combination and recognition at the acquisition date of the liabilities for payments subject to conditions.

IAS 27 - Consolidated and separate financial statements
In the amendment to IAS 27, the IASB has established that the modifications in shareholdings which do not constitute a loss of control must be treated as an equity transaction and therefore recorded under equity. In addition, it is established that when a parent company loses control of an investment but still has a holding, the investment must be valued at fair value with recording of any gains or losses deriving from the loss of control in the income statement. Finally, the amendment to IAS 27 requires that all the losses attributable to minority shareholders are allocated to the minority shareholders net equity, even when this exceeds their holding in the investment.

IFRS 8 – Operating segments
This amendment requires that companies provide the value of all assets for each sector subject to disclosure, if this value is provided periodically at the highest operating level. This information was required previously without this condition.

Composition and main changes in the Income Statement and Balance Sheet

1 Revenues

In Euro thousands	9M 10	9M 09	Changes
Revenues from product sales	267,193	247,061	20,132
Service revenues	109	48	61
Total revenues	**267,302**	**247,109**	**20,193**

For the comments relating to the changes in revenues, reference should be made to the paragraph "Operating review Q3 2010". The effect of the change in the consolidation scope on the account was positive for Euro 1,054 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 10.

In Euro thousands	The Americas	Europe + CIS	Other countries	Consolidated
Nine months to September 30, 2010	23,578	218,402	25,322	**267,302**
Nine months to September 30, 2009	18,405	209,064	19,641	**247,110**

2. Raw materials and consumables

In Euro thousands	9M 10	9M 09	Changes
Purchase of raw materials	(121,135)	(107,716)	(13,419)
Shipping expenses on purchases	(1,713)	(1,283)	(430)
Purchases of consumable materials	(1,018)	(828)	(190)
Packaging	(6,203)	(6,702)	499
Purchases of supplies	(565)	(265)	(300)
Purchases of semi-finished materials	(4,131)	(673)	(3,458)
Purchase of finished products	(2,964)	(2,032)	(932)
Other purchases	(352)	(225)	(127)
Change in inventory of raw materials, consumables and goods for re-sale	(2,871)	(11,734)	8,863
Total	**(140,952)**	**(131,458)**	**(9,494)**

Raw materials and consumables increased by Euro 9,494 thousand due to the increase in production volumes. The impact of the consolidation of the Indian subsidiary was Euro 927 thousand.

These costs as a percentage of the sum of revenues in the period and of inventories of finished and semi-finished products improved from 52.8% in 2009 to 51.5% in the same period of 2010. This positive effect was due to the changes introduced to the purchases and logistical policy.

3. Services

In Euro thousands	9M 10	9M 09	Changes
Outsourcing expenses	(23,559)	(19,628)	(3,931)
Transport	(5,591)	(5,511)	(80)
Finished goods inventories	(2,942)	(2,962)	20
Consulting	(5,144)	(4,377)	(767)
Other professional services	(4,849)	(4,879)	30
Maintenance	(1,651)	(2,258)	607
Utilities	(2,874)	(2,782)	(92)
Commissions	(1,849)	(1,594)	(255)
Travel expenses	(1,814)	(1,817)	3
Advertising	(1,058)	(881)	(177)
General insurance	(1,036)	(970)	(66)
Directors & Statutory Auditor fees	(877)	(678)	(199)
Trade fairs and promotional events	(712)	(260)	(452)
Industrial services	(402)	(414)	12
Banking commissions and charges	(314)	(275)	(39)
Total Services	**(54,672)**	**(49,286)**	**(5,386)**

The increase in the account principally relates to "outsourcing expenses" following the higher production volumes in the period. The effect on this account of the change in the consolidation scope was Euro 605 thousand.

4. Labour costs

Labour costs incurred by the Group were as follows:

In Euro thousands	9M 10	9M 09	Changes
Salaries and wages	(37,018)	(34,768)	(2,250)
Social security expenses	(11,500)	(10,860)	(640)
Employee leaving indemnity	(2,376)	(1,645)	(731)
Other costs	(3,475)	(2,339)	(1,136)
Total labour costs	**(54,369)**	**(49,612)**	**(4,757)**

The increase in the account is principally related to the effects of the new collective work contract (national and supplementary) and the performance-based remuneration policy which the company is implementing.
The account "other costs" includes Euro 1,414 thousand relating to the recording of the "2010 Stock Grant Plan" as illustrated in the paragraph "Significant events in the first nine months of 2010".
The impact on labour costs from the change in the consolidation scope was Euro 105 thousand.

5. Net Financial income/(charges)

In Euro thousands	9M 10	9M 09	Changes
Financial income	1,328	673	655
Financial charges	(1,939)	(2,146)	207
Exchange gains (losses)	238	(299)	537

Total net financial income/(charges)	**(373)**	**(1,772)**	**1,399**

The account improved significantly, due for Euro 537 thousand to the improvement in exchange gains (losses).

"Financial income" includes 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 & equipment

The breakdown of property, plant and equipment at September 30, 2010 and December 31, 2009 is detailed below.

In Euro thousands	**Sept. 30, 2010**	**Dec. 31, 2009**	**Changes**
Land and buildings	45,328	38,789	6,539
Plant and machinery	18,257	16,866	1,391
Commercial and industrial equipment	8,065	8,596	(531)
Other assets	2,693	1,989	704
Assets in progress and advances	1,497	2,860	(1,363)
Total	**75,840**	**69,100**	**6,740**

Property, plant and equipment increased from Euro 69,100 thousand at December 31, 2009 to Euro 75,840 thousand at September 30, 2010, an increase of Euro 6,740 thousand as a result of the sales, purchases and of depreciation recorded in the income statement of Euro 8,722 thousand and of the exchange rate effect.
The increase for Euro 614 thousand is due to the consolidation of Elica PB India and for Euro 7,298 thousand to that of Putian.

7. Goodwill

In Euro thousands	**Sept. 30, 2010**	**Dec. 31, 2009**	**Changes**
Goodwill recorded by subsidiaries	40,944	33,818	7,126
Total	**40,944**	**33,818**	**7,126**

The account increased by Euro 7,126 thousand on December 31, 2009. This increase is due to the acquisition of 55% of the Chinese company Putian.

Based on the information currently available, no impairment indicators were evident at September 30, 2010. 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 and will carry out at December 31, 2010 a more extensive analysis in relation to an impairment test.

8. Trade and financial receivables

The account trade and financial receivables consists of:

In Euro thousands	Sept. 30, 2010	Dec. 31, 2009	Changes
Trade receivables	95,447	84,564	10,883
Receivables from associated companies	2	8	(6)
Receiv. from holding comp.	1,014	1,017	(3)
Total	**96,463**	**85,589**	**10,874**

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.
The increase for Euro 195 thousand is due to the consolidation of Elica PB India and for Euro 6,579 thousand to that of Putian. The further increase is due to the growth in revenues as the account, excluding the impact of the change in the consolidation scope, in terms of the percentage of annualised revenues was substantially in line with December 2009.

9. Inventories

In Euro thousands	Sept. 30, 2010	Dec. 31, 2009	Changes
Raw material, ancillary and consumables	21,531	15,160	6,371
Raw materials obsolescence provision	(1,055)	(903)	(152)
Total	20,476	14,257	6,219
Products in work-in-progress and semi-finished	13,243	13,733	(490)
Work-in–progress obsolescence provision	(639)	(870)	231
Total	12,604	12,863	(259)
Finished products and goods for resale	16,129	14,769	1,360
Finished products obsolescence provision	(962)	(708)	(254)
Total	15,167	14,061	1,106
Payments on account	127	270	(143)
Total	**48,374**	**41,451**	**6,923**

The account increased by Euro 6,923 thousand, of which Euro 994 thousand due to the consolidation of the Indian subsidiary and Euro 2,860 thousand to the consolidation of the Chinese subsidiary. The further increase is due to the growth in revenues as the account, excluding the impact of the change in the consolidation scope, in terms of the percentage of annualised revenues was substantially in line with December 2009.

10. 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	
	9M 10	9M 09	9M 10	9M 09	9M 10	9M 09	9M 10	9M 09
Segment revenue:								
customers	228,109	213,365	39,193	33,745			267,302	247,110
Inter-segment	410	207	16,118	14,514	(16,528)	(14,721)	0	0
Total revenues	**228,519**	**213,572**	**55,311**	**48,259**	**(16,528)**	**(14,721)**	**267,302**	**247,110**
Segment result:	**23,662**	**18,149(*)**	**5,325**	**3,369(*)**			**28,987**	**21,518(*)**
Overheads not allocated							**(20,945)**	**(18,626)(*)**
EBIT							**8,041**	**2,892**
Share of profit/(loss) from associates					(626)	26	(626)	26
Financial income					1,328	673	1,328	673
Financial charges					(1,939)	(2,146)	(1,939)	(2,146)
Exchange gains/(losses)					238	(299)	238	(299)
Profit before taxes					**7,042**	**1,146**	**7,042**	**1,146**
Income taxes					(2,922)	416	(2,922)	416
Net profit from normal operations					**4,120**	**1,562**	**4,120**	**1,562**
Net profit from discontinued operations					0	0	0	0
Net profit for the period					**4,120**	**1,562**	**4,120**	**1,562**

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

BALANCE SHEET	Hoods		Electric motors		Not allocated and eliminations		Consolidated	
	Sept. 2010	Dec. 2009	Sept. 2010	Dec. 2009	Sept. 2010	Dec. 2009	Sept. 2010	Dec. 2009
Assets:								
Segment assets	209,835	188,474	78,691	66,946	(5,818)	(4, 369)	282,707	251,051
Investments in ass. companies					1,722	2,309	1,722	2,309
Unallocated assets					57,339	43,625	57,339	43,625
Total operational assets							**341,768**	**296,985**
Total assets of discontinued operations							**0**	**0**
Total assets							**341,768**	**296,985**
Liabilities								
Segment liabilities	(87,091)	(78,241)	(19,253)	(22,490)	5,819	4,371	(100,524)	(96,360)
Liabilities not allocated					(105,100)	(76,468)	(105,100)	(76,468)
Shareholders' Equity					(136,144)	(124,157)	(136,144)	(124,157)
Total operational liabilities							**(341,768)**	**(296,985)**
Total liabilities of discontinued operations							**0**	**0**
Total liabilities							**(341,768)**	**(296,985)**

(*) The data relating to the previous period was reclassified for comparability with September 30, 2010.

11. Acquisitions

In the period Elica acquired a 55% holding in the Chinese company Zhejiang Putian Electric Co. Ltd., based in Shengzhou (China) which operates under the "Puti" brand, a leader in the Chinese home appliance sector producing and marketing range hoods, gas hobs and kitchenware sterilisers. This company therefore entered the consolidation scope. The effects of the operation at the date of acquisition of control are summarised in the following table:

(in Euro thousands)	**Carrying value – Group principles**	**Fair value adjustments**	**Fair value**
Property, plant & equipment	4,251	3,327	7,578
Land usage rights	-	5,507	5,507
Other intangible assets	39	-	39
Trade receivables	6,831	-	6,831
Inventories	2,969	-	2,969
Other receivables	595	-	595
Deferred tax assets	371	-	371
Cash and cash equivalents	3,251	-	3,251
Bank loans and mortgages	(11,184)	-	(11,184)
Deferred tax liabilities	(145)	(2,208)	(2,353)
Trade payables	(1,636)	-	(1,636)
Other payables	(808)	-	(808)
Tax payables	(289)	-	(289)
Total Shareholders' Equity	**4,246**	**6,625**	**10,871**
Share acquired (55%)			**5,979**
Goodwill			7,399
Total acquisition cost			13,378
Payable to former shareholder			(5,766)
Cash and cash equivalents acquired			3,251
Net cash flow from the acquisition			4,361

Fabriano, November 11, 2010

The Chairman

Francesco Casoli

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

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

Fabriano, November 11, 2010

The Chief Executive Officer
Andrea Sasso

Executive responsible for the preparation
of corporate accounting documents
Vincenzo Maragliano