Elica S.p.A Condensed consolidated quarterly report for the period ended 30 September 2007

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Governance bodies

Members of the Board of Directors

Francesco Casoli
Executive Chairman
born in Senigallia (AN) on 05/06/1961, appointed a director by resolution dated 12/04/2006.

Andrea Sasso
Chief Executive Officer, born in Rome on 24/08/1965, appointed a director by resolution dated 30/04/2007.

Gianna Pieralisi
Executive Director, born in Monsano (AN) on 12/12/1934, appointed a director by resolution dated 12/04/2006.

Geroli Alberto
Director, born in Milan (MI) on 04/01/1942, appointed a director by resolution dated 12/04/2006.

Gennaro Pieralisi
Director, born in Monsano (AN) on 14/02/1938, appointed a director by resolution dated 12/04/2006.

Stefano Romiti
Lead Independent Director, born in Rome on 17/11/1957, appointed a director by resolution dated 12/04/2006.

Marcello Celi
Independent Director, born in Civitella Roveto (AQ) on 15/01/1942, appointed a director by resolution dated 10/08/2007.

Members of the Board of Statutory Auditors

Giovanni Frezzotti
Chairman,
born in Jesi (AN) on 22/02/1944, appointed a director by resolution dated 12/04/2006.

Stefano Marasca
Statutory Auditor, born in Osimo (AN) on 09/08/1960, appointed a director by resolution dated 12/04/2006.

Corrado Mariotti
Statutory Auditor, born in Numana (AN) on 29/02/1944, appointed a director by resolution dated 12/04/2006.

Guido Cesarini
Alternate Auditor, born in Bolzano (BZ) on 19/08/1972, appointed a director by resolution dated 12/04/2006.

Gilberto Casali
Alternate Auditor, born in Jesi (AN) on 14/01/1954, appointed a director by resolution dated 12/04/2006.

Internal Audit Committee
Stefano Romiti
Gennaro Pieralisi
Marcello Celi

Remuneration Committee
Stefano Romiti
Gennaro Pieralisi
Marcello Celi

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: €12,664,560.00
Tax Code and Companies' Register Number: 00096570429
Ancona registered REA no. 63006 – VAT number 00096570429

Investor relations
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Report on operations

Summary operating, financial and cash flow data

€000	Q3 2007	% of revenue	Q3 2006	% of revenue	2007/2006 (%)
Revenue	103,539		94,824		9.2%
EBITDA	10,716	10.3%	11,362	12.0%	-5.7%
EBIT	6,049	5.8%	7,264	7.7%	-16.7%
Finance income/(costs)	(901)	-0.9%	(923)	-1.0%	-2.4%
Taxation for the period	(2,374)	-2.3%	(3,664)	-3.9%	-35.2%
Net profit attributable to shareholders of the Parent Company	**2,698**	**2.6%**	**2,466**	**2.6%**	**9.4%**
Basic earnings per share from continuing operations (euro cents)	4.27		5.18		-17.6%
Diluted earnings per share from continuing operations (euro cents)	4.27		4.16		2.6%

€000	9M 2007	% of revenue	9M 2006	% of revenue	2007/2006 (%)
Revenue	322,728		295,625		9.2%
EBITDA	31,426	9.7%	32,629	11.0%	-3.7%
EBIT	18,359	5.7%	20,723	7.0%	-11.4%
Finance income/(costs)	(1,752)	-0.5%	(2,344)	-0.8%	-25.3%
Taxation for the period	(8,678)	-2.7%	(10,514)	-3.6%	-17.5%
Net profit attributable to shareholders of the Parent Company	**7,704**	**2.4%**	**7,676**	**2.6%**	**0.4%**
Basic earnings per share from continuing operations (euro cents)	12.17		15.37		-20.8%
Diluted earnings per share from continuing operations (euro cents)	12.17		12.34		-1.4%

EBITDA is operating profit plus amortisation and depreciation. EBIT reflects operating profit as reported in the consolidated income statement.

€000	30 Sept 2007	31 Dec 2006	30 Sept 2006
Trade receivables	109,918	106,874	99,190
Inventories	63,919	48,899	54,729
Trade payables	(110,453)	(94,392)	(101,142)
Operating Working Capital	**63,384**	**61,381**	**52,777**
as a % of annualised revenue	14.7%	15.1%	13.4%
Net other receivables/payables	(11,626)	(9,356)	(15,962)
Net Working Capital	**51,758**	**52,025**	**36,815**
as a % of annualised revenue	12.0%	12.8%	9.3%

For the periods ending 30 September 2007 and 30 September 2006, Operating Working Capital and Net Working Capital as a percentage of annualised revenue were calculated by dividing the figures for each period by the revenue for the corresponding period projected to the end of the year.

€000	**30 Sept 2007**	**31 Dec 2006**	**30 Sept 2006**
Cash and cash equivalents	**23,515**	**29,334**	**14,204**
Amounts due under finance leases and other borrowings	(7,832)	(9,617)	(14,018)
Bank borrowings and mortgages	(7,283)	(7,614)	(14,117)
Long-term debt	**(15,115)**	**(17,231)**	**(28,135)**
Amounts due under finance leases and other borrowings	(2,680)	(3,109)	(3,239)
Bank borrowings and mortgages	(1,005)	(11,284)	(28,491)
Short-term debt	**(3,685)**	**(14,393)**	**(31,730)**
Net funds/(debt)	**4,715**	**(2,290)**	**(45,661)**

Net funds/(debt) is the sum of cash and cash equivalents less amounts due under finance leases and other borrowings (current and non-current), plus bank borrowings and mortgages (current and non-current), as reported in the balance sheet.

Operating review for the third quarter of 2007

During the third quarter of 2007 the Group's consolidated revenue rose by 9.2% on the same period of the previous year. After excluding the impact of movements in the euro against the other currencies in which the Group operates, growth totals 10.0%.

Over the period (at average monthly exchange rates published by the Italian Exchange Office) the euro rose substantially against the US dollar, the Japanese yen and the Mexican peso, whilst falling against the Polish zloty and remaining stable against sterling. A comparison of exchange rates at 30 September 2007 and 2006 shows an acceleration of these trends during the quarter.

	Q3 2007	**Q3 2006**	**%**	**Sept 2007**	**Sept 2006**	**%**
USD	1.386	1.276	8.7%	1.418	1.266	12.0%
GBP	0.683	0.679	0.6%	0.697	0.678	2.8%
JPY	162.130	148.573	9.1%	163.550	149.340	9.5%
PLN	3.793	3.949	-3.9%	3.773	3.971	-5.0%
MXN	15.198	14.045	8.2%	15.488	14.294	8.4%

The increase in revenue was driven by the range hood business unit, which saw growth of 11.5% (12.5% on a like-for-like exchange rate basis). Particularly positive in the range hood unit was the performance of products under the Group's brand name, whose revenues increased by approximately 46%. Decorative hoods and Elica Collection branded hoods continued the growth seen in 2006. In terms of geographical areas, revenues generated in America rose by around 54% (up 62% on a like-for-like exchange rate basis).

Operating profit was influenced by costs relating to the start-up of production in North America and exchange rate trends. EBIT for the third quarter of 2007 amounts to €6.0 million, compared with €7.3 million in the third quarter of 2006. On a like-for-like exchange rate basis, EBIT is stable and therefore able to absorb the operating loss reported by the subsidiary, Elicamex.

After gains on foreign currency hedges, the Group recorded net foreign exchange losses of €0.5 million for the third quarter of 2007. The losses derive from write-downs of receivables denominated in US dollars. Financial items have, however, registered an improvement compared with the same period of the previous year.

Net profit attributable to shareholders of the Parent Company is up 9.4%.

Earnings per share from continuing operations, restated in order to neutralise the impact of the capital increase of 10 November 2006, is up 9.4% on the same period of 2006.

Significant events during the third quarter of 2007 and events after 30 September 2007

On 2 July 2007 Elica Inc. was incorporated in Chicago, Illinois, with a view to promoting development of 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.

In July Elica S.p.A.'s shareholding in Carifac S.p.A. was sold. The price of the shares amounted to €212.6 thousand, compared with a carrying amount of €152.0 thousand.

On 3 August 2007 an Ordinary General Meeting of Shareholders authorised the purchase and the use of own shares, pursuant to sections 2357 and 2357-*ter* of the Italian Civil Code, with the following objectives and without prejudice to the equal treatment of shareholders: to enable the Company to stabilise the share price and improve the liquidity of the shares; to protect regular trading in the shares against any speculation; to implement the "Performance Stock Option Plan 2007-2011"; to trade in the Company's own shares, in compliance with sections 2357 and 2357-*ter* of the Italian Civil Code, via the subsequent use of the shares; and to provide the Company with the necessary degree of operating flexibility to facilitate business combinations based on the exchange of shares.

At the same Meeting, the appointment of Marcello Celi as a member of the Board of Directors of Elica S.p.A., as well as of the Internal Audit Committee and the Remuneration Committee, was confirmed. Mr Celi had already been co-opted by the Board of Directors during the meeting held on 16 July 2007.

On 6 August 2007 Elica sold its 1% interest in Falmec S.p.A. to the majority shareholders for an amount of €260 thousand, compared with a carrying amount of €73 thousand.

Elica Group structure and basis of consolidation

The Elica Group is currently the world's leading manufacturer of exhaust range hoods for domestic use and is leader in Europe in the sector of motors for boilers used in home heating systems.

Subsidiaries

- Elica S.p.A. - Fabriano (AN). Elica is the Group's parent company.

Subsidiaries at the date of publication of the consolidated quarterly report

- FIME S.p.A. - Castelfidardo, Ancona, Italy. This company operates in the sector of electric motors, mainly for home appliances (range hoods, ovens, refrigerators), home heating and ventilation systems (fan coils) as well as transformers for electro-mechanical and electronic equipment. It operates mainly in European markets, where it holds significant market shares.

- Elica Group Polska Sp. z o.o. - Wroclaw - (Poland). This company has been operational since September 2005 in the sector of electric motors and from December 2006 in the production of exhaust range hoods for domestic use.

- ElicaMex S.A.d.C.V. - Queretaro (Mexico). This wholly-owned subsidiary was incorporated at the beginning of 2006 (Elica S.p.A. owns 98% directly, with 2% held through Elica Group Polska Sp.zo.o.). Thanks to this company, the Group intends to concentrate the production of products for American markets in Mexico and reap the benefits deriving from optimisation of operational and logistical activities.

- Leonardo Services S.A.d.C.V. - Queretaro (Mexico). This wholly-owned subsidiary was incorporated in January 2006 (the Parent Company owns 98% directly, with 2% held through Elica Group Polska Sp.zo.o.). Leonardo Services 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, Sagamihara-Shi (Japan) is 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 it sells high-quality products.

- Air Force S.p.A. - Fabriano, Ancona, Italy. This company operates in a special segment of the hood sector. Elica S.p.A. holds a 60% equity interest in the company.

- Air Force Germany G.m.b.h. – Stuttgart (Germany). Air Force S.p.A. owns 95% of Air Force Germany G.m.b.h., a company that sells hoods in Germany through so-called "kitchen studios".

- Elica Inc., registered in Chicago, Illinois, 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.

Associates

- I.S.M. S.r.l. – Cerreto d'Esi, Ancona, Italy. The company manufactures semi-finished products for the hood production cycle. Elica S.p.A. has a 49.385% equity interest in this company.

- Inox Market Mexico S.A.de C.V. - Queretaro (Mexico). The company, which is 30% owned by Elicamex S.A. de C.V., processes stainless steel, and steel for industrial purposes in general. It also markets its products, primarily in Mexico and the United States. By acquiring this investment, the Group aims to achieve economies of procurement, thus reducing the impact of one of the most significant cost items in the production of mid-range and high-end hoods. In addition, the Group will be able to take advantage of supplies of semi-finished steel that are located at Elicamex's manufacturing facilities and integrated within the hood production cycle.

Intercompany and other related party transactions

During the third quarter of 2007, transactions were entered into with subsidiaries, associates and other related parties. All transactions were conducted on an arm's length basis in the ordinary course of business.

On 25 June 2007 Elica S.p.A. sold its interest in Roal Electronics S.p.A. to Fintrack S.p.A., the company that controls Elica S.p.A. via Fan S.a. Moreover, on 23 January 2007 Elica S.p.A. acquired a 15% stake in Airforce S.p.A. from its parent.

Subsequent events and outlook

We expect to see growth in demand in Asia, Central and South America and eastern Europe during the final quarter of 2007, albeit at a slightly slower rate compared with the first half of the year. Demand in western Europe is expected to be stable, whilst the North American market will remain weak.

The Elica Group takes account of the significantly stronger euro.

Financial statements at 30 September 2007

Consolidated income statement for Q3 and 9M 2007

(€000)	**Q3 2007**	**Q3 2006**	**9M 2007**	**9M 2006**
Revenue	103,539	94,824	322,728	295,625
Other operating income	1,924	835	4,542	2,343
Changes in inventories of finished goods and semi-finished products	(765)	320	5,625	3,736
Increase in self-constructed assets	457	397	1,382	1,272
Cost of raw and consumable materials	(52,584)	(47,423)	(167,537)	(148,236)
Service expense	(22,581)	(19,785)	(72,825)	(64,022)
Staff costs	(17,337)	(16,010)	(55,771)	(52,480)
Amortisation and depreciation	(4,667)	(4,098)	(13,069)	(11,905)
Other operating expenses and provisions	(1,937)	(1,796)	(6,716)	(5,173)
Restructuring charges	-		-	(437)
EBIT	**6,049**	**7,264**	**18,359**	**20,723**
Share of profit/(loss) of associates	17	98	(99)	405
Impairment of available-for-sale financial assets	-	-	-	(72)
Finance income	372	86	789	271
Finance costs	(241)	(1,155)	(1,179)	(2,754)
Foreign exchange gains/(losses)	(1,049)	48	(1,263)	(477)
Other non-operating income	-	-	-	283
Pre-tax profit	**5,148**	**6,341**	**16,607**	**18,379**
Taxation for the period	(2,374)	(3,664)	(8,678)	(10,514)
Net profit from continuing operations	**2,774**	**2,677**	**7,929**	**7,865**
Net profit from discontinued operations	**-**	**(169)**	**-**	**(136)**
Net profit for the period	**2,774**	**2,508**	**7,929**	**7,729**
of which:				
Attributable to minority interest	(76)	(42)	(225)	(53)
Attributable to shareholders of the Parent Company	2,698	2,466	7,704	7,676
Basic earnings per share (euro cents)				
from continuing and discontinued operations	4.27	4.85	12.17	15.10
from continuing operations	4.27	5.18	12.17	15.37
Diluted earnings per share (euro cents)				
from continuing and discontinued operations	4.27	3.89	12.17	12.12
from continuing operations	4.27	4.16	12.17	12.34

Consolidated balance sheet at 30 September 2007

Assets *(€000)*	**30 September 2007**	**31 December 2006**
Continuing operations		
Property, plant and equipment	77,972	79,007
Goodwill	29,791	29,382
Other intangible assets	3,994	3,751
Investments in associates and joint ventures	1,999	5,916
Other financial assets	43	180
Sundry receivables	1,430	1,456
Tax assets	8	41
Deferred tax assets	7,359	6,305
Available-for-sale financial assets	27	251
Total non-current assets	**122,623**	**126,289**
Trade receivables and loans	109,918	106,874
Inventories	63,919	48,899
Other receivables	8,491	5,784
Tax assets	9,152	6,201
Derivative financial instruments	461	96
Cash and cash equivalents	23,515	29,334
Current assets	**215,456**	**197,188**
Total assets	**338,079**	**323,477**

Consolidated balance sheet at 30 September 2007

Liabilities and equity *(€000)*	**30 September 2007**	**31 December 2006**
Continuing operations		
Liabilities for post-retirement benefits	12,034	13,228
Provisions	2,699	2,155
Deferred tax liabilities	10,857	10,357
Amounts due under finance leases and other borrowings	7,832	9,617
Bank borrowings and mortgages	7,283	7,614
Sundry payables	4,021	4,025
Tax liabilities	4,045	4,045
Derivative financial instruments	66	10
Non-current liabilities	**48,837**	**51,051**
Provisions	1,608	836
Amounts due under finance leases and other borrowings	2,680	3,109
Bank borrowings and mortgages	1,005	11,284
Trade payables	110,453	94,392
Other payables	11,292	16,022
Tax liabilities	16,369	4,483
Derivative financial instruments	227	79
Current liabilities	**143,634**	**130,205**
Share capital	12,665	12,665
Capital reserves	71,123	71,123
Other reserves	(943)	(200)
Retained earnings	53,936	49,816
Net profit for the period attributable to shareholders of the Parent Company	7,704	8,328
Total equity attributable to shareholders of the Parent Company	**144,485**	**141,732**
Total equity attributable to minority interest	1,123	489
Consolidated equity	**145,608**	**142,221**
Total liabilities and equity	**338,079**	**323,477**

Consolidated cash flow statement for the period ended 30 September 2007

OPERATING ACTIVITIES	**30 September 2007**	**30 September 2006**
(€000)		
Net profit/(loss) for the period	**7,929**	**7,729**
Adjustments for non-cash items:		
Amortisation and depreciation	13,069	12,024
Net change in termination indemnities	(1,296)	326
Current and deferred taxation for the period	8,678	10,463
Other finance costs	1,179	374
Increase/(Decrease) in provisions	1,560	948
Measurement of investments	77	(333)
Gain on spin-off of property division	-	(285)
Cash flow from operating activities before changes in working capital	**31,196**	**31,246**
(Increase)/Decrease in receivables	(3,175)	(1,460)
Inventories	(13,198)	(7,968)
Increase/(Decrease) in payables	7,492	(2,645)
	(8,881)	**(12,073)**
Cash generated from operating activities	**22,315**	**19,173**
INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(11,565)	(14,053)
Net increase in intangible assets	(2,713)	(1,631)
Net change in investments and available-for-sale assets	2,042	(200)
Acquisition of investment in Air Force S.p.A.	270	-
Sale of investment in Fox I.f.s. S.r.l.	(42)	-
Acquisition of Turbo Air S.p.A. business	-	(459)
Acquisition of investment in Jet Air S.r.l.	-	(2,806)
Acquisition of investment in Ariafina Co. Ltd.	-	715
Decrease/(Increase) in other financial assets	157	-
Net cash used in investing activities	**(11,851)**	**(18,434)**
FINANCING ACTIVITES		
Increase/(Decrease) in financial liabilities	(13,448)	(2,149)
Distribution of dividends	(2,533)	(2,541)
Decrease in share capital and reserves attributable to minority interest	31	-
Cash and cash equivalents used in/generated by financing activities	**(15,950)**	**(4,690)**
Net increase/(decrease) in cash and cash equivalents	**(5,486)**	**(3,951)**
Cash and cash equivalents at the beginning of the period	**29,334**	**18,316**
Effect of changes in exchange rates	**(333)**	**(161)**
Cash and cash equivalents at the end of the period	**23,515**	**14,204**

Notes to the consolidated financial statements for the period ended 30 September 2007

Group structure and brief description of its activities

Elica S.p.A. is a company organised under Italian law, with its registered office in Fabriano in the province of Ancona. The company is the Parent of a group of companies, the Elica Group, which operates in the market for kitchen range hoods, as well as in the market for electric motors.

The Group's primary segments, as defined by IAS 14, consist of the businesses in which it operates. Specifically, the breakdown by segment is as follows: own brands (manufacturing and sale of range hoods and accessories under its own brand); third-party brands (manufacturing and sale of range hoods, accessories and other components for home appliances sold under third-party brands); motors (manufacturing and sale of electric motors); and other activities (manufacturing and sale of electric transformers and other products).

The secondary segments are represented by the geographical areas where revenues are generated (Americas, Europe + CIS and Other countries) and the above activities are conducted (Italy, Poland, Mexico and Japan). Segment information in accordance with IAS 14 is reported in detail below.

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.z.o.o, ElicaMex S.A.d.C.V., Leonardo S.A.d.C.V. and Ariafina Co Ltd., which prepare their accounts in Polish zloty, Mexican pesos and Japanese yen, respectively.

Approval of the consolidated quarterly report for the period ended 30 September 2007

The quarterly report for the period ended 30 September 2007 was approved by the Board of Directors on 14 November 2007.

Accounting standards and basis of consolidation

These condensed consolidated quarterly financial statements have been prepared under international financial reporting standards (IFRS) and in accordance with the provisions of art. 82 of the "Regulations implementing the regulations for issuers established by Legislative Decree no. 58 of 24 February 1998" (CONSOB Resolution no. 11971 of 14 May 1999 and subsequent amendments), in accordance with Annex 3D of the above Regulations.

The consolidated quarterly financial statements at and for the period ended 30 September 2007 are compared with the income statement for the corresponding period of 2006 and with the consolidated balance sheet at 31 December 2006. They consist of the balance sheet, income statement and cash flow statement. These notes to the financial statements are reported on a selected basis in order not to duplicate already published information, in accordance with the provisions of art. 82 of the "Regulations implementing the regulations for issuers established by Legislative Decree no. 58 of 24 February 1998".
The accounting standards used in the preparation of these consolidated quarterly financial statements are consistent with the standards used in the preparation of the consolidated financial statements at and for the period ended 31 December 2006, to which reference should be made for further details.
The figures at 30 September 2006 are derived from the consolidated balance sheet and income statement at and for the period ended 30 September 2006, as prepared in accordance with the same IFRS used to prepare the consolidated quarterly financial statements at and for the period ended 30 September 2007.

The condensed quarterly financial statements have been prepared on a historical cost basis, except for such financial instruments as are reported at fair value. Estimates were made on an accruals basis and in accordance with the prudence and going concern principles, also taking into account the economic function of the asset or liability considered.

During the period, no new or revised accounting standards or interpretations have been issued by the International Accounting Standards Board (IASB) or the International Financial Reporting Interpretations Committee (IFRIC), having effect from 1 January 2007, which might have had a significant impact on this interim report. These consolidated interim financial statements have been prepared in euros. All the amounts are rounded to the nearest thousand, unless otherwise indicated.

Changes to accounting standards and estimates and reclassifications

No new or revised accounting standards or interpretations have been issued by the International Accounting Standards Board (IASB) or the International Financial Reporting Interpretations Committee (IFRIC), having effect from 1 January 2007, which might have had a significant impact on this interim report. These consolidated interim financial statements have been prepared in euros. All the amounts are rounded to the nearest thousand, unless otherwise indicated.

The amendments made to the regulations regarding termination benefits by Law 296 of 27 December 2006 (the Finance Act) and subsequent decrees and regulations issued during early 2007, which form part of an overall reform of supplementary pension provision, have given rise to effects that will have an impact on “Liabilities for post-retirement benefits”. Indeed, supplementary pension reform, by providing for the transfer of future termination benefits to open or employment-category-based pension funds or, in any case, to the INPS (the National Social Security Institute), has changed the nature of termination benefits from that of a defined benefit plan to that of a defined contribution plan. As a result of curtailment, as provided for under paragraph 109 of IAS 19, both accumulated actuarial gains and losses at 31 December 2006, which were not formerly recognised in the income statement due to adoption of the so-called corridor method, and the restatement of the liability accrued at this date should be recognised in the income statement.

The accounting effects deriving from curtailment have not been reported in this consolidated quarterly report and will be included in the condensed consolidated quarterly report for the period ended 31 December 2007. The Company estimates that the effects of the above reform would have had an impact amounting to €0.95 million on operating profit at 30 September 2007.

The effects on the financial position and results of operations deriving from the sale of assets, relating to the plastics business in December 2006, have been indicated separately in the income statement under the item "Net profit from discontinued operations" and in the balance sheet under the items "Total assets attributable to discontinued operations" and "Total liabilities attributable to discontinued operations". Due to this change, individual items in the income statement, the balance sheet and the cash flow statement for the third quarter of 2006 have been restated for the purposes of comparison.

In the following notes details of the performance of balance sheet items regarding Air Force S.p.A. include the impact of the first-time consolidation of Air Force S.p.A. and its subsidiary, Air Force Germany G.m.b.h..

Composition and main changes in the consolidated income statement and balance sheet

1. Revenue

(€000)	9M 2007	9M 2006	Increase/ (Decrease)
Revenues from product sales	322,587	295,593	26,994
Service revenues	141	32	109
Total revenue	**322,728**	**295,625**	**27,103**

Group revenue includes €12,175 thousand deriving from the consolidation of Air Force S.p.A. from the date that control was acquired.

Information by business and geographical segment

The primary form of segment reporting is by business sector in which the Group operates. The breakdown by segment is as follows:

- "Own brands": production and sale of range hoods and accessories under own brands;

- "Third-party brands": production and sale of range hoods, accessories and other components for domestic appliances under third-party brands;

- "Motors": production and sale of electric motors;

- "Other activities": production and sale of electrical transformers and other products, following acquisition of the Turbo business.

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.

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

Segment information – Primary segment for the nine months ended 30 September 2007 and 30 September 2006
Results of operations *(€000)*

Income statement	Own brands		Third-party brands		Motors		Other activities		Eliminations		Consolidated	
	9M 2007	**9M 2006**	**9M 2007**	**9M 2006**	**9M 2007**	**9M 2006**	**9M 2007**	**9M 2006**	**9M 2007**	**9M 2006**	**9M 2007**	**9M 2006**
Segment revenue:												
External customers	67,498	48,877	199,344	192,548	50,178	48,761	5,708	5,439			322,728	295,625
Inter-segment			702	688	21,100	23,039	36	1,586	(21,838)	(25,313)		
Total	**67,498**	**48,877**	**200,046**	**193,236**	**71,278**	**71,800**	**5,744**	**7,025**	**(21,838)**	**(25,313)**	**322,728**	**295,625**
Segment results:	13,740	10,476	32,551	34,099	8,271	8,142	626	618			55,189	53,336
Common unallocated costs											**(36,830)**	**(32,613)**
EBIT											**18,359**	**20,723**
Share of profit/(loss) of associates and other investments											(99)	333
Finance income											789	361
Finance costs											(1,179)	(2,844)
Foreign exchange gains/(losses)											(1,263)	(477)
Other non-operating income												283
Pre-tax profit											**16,607**	**18,379**
Taxation											(8,678)	(10,514)
Net profit from continuing operations											**7,929**	**7,865**
Net profit from discontinued operations												**(136)**
Net profit for the period											**7,929**	**7,729**

Segment information – Secondary segment for the nine months ended 30 September 2007 and 30 September 2006

The Group's assets are located in Italy, Mexico, Japan, Poland and Germany.

The table below provides an analysis of sales by geographic area, regardless of the origins of the goods and services.

Revenues by geographical area	America	Europe + CIS	Other countries	Consolidated
30 September 2007	30,938	270,783	21,008	**322,728**
30 September 2006	25,578	248,587	21,460	**295,625**

The following table contains details of the Group's assets based on their geographical location.

Total assets	Italy	Poland	Mexico	Japan	Consolidated
30 September 2007	291,558	17,285	26,832	2,404	**338,079**
30 September 2006	291,045	7,160	7,438	2,672	**308,314**

EBIT for the first nine months of 2007 amounts to €18.4 million, down €2.3 million on the comparable amount in 2006.

EBIT reported by the own brand hoods segment increased by around €3,264 million in absolute terms. Meanwhile, the EBIT margin has fallen from 21.43% in the first nine months of 2006 to 20.36% in the same period of 2007. EBIT reported by the third-party brands range hood segment is €1,548 million down, with the related margin of 17.65% for the first nine months of 2006 falling to 16.27% in the same period of 2007. EBIT reported by the motor segment registers a slight increase of around €0.1 million. The result for the "Other activities" segment is substantially stable.

2. EBIT

(€000)	9M 2007	9M 2006	Increase/ (Decrease)
Revenue	322,728	295,625	27,103
Other operating income	4,542	2,343	2,199
Change in inventories of finished goods and semi-finished products	5,625	3,736	1,889
Increase in self-constructed assets	1,382	1,272	110
Cost of raw and consumable materials	(167,537)	(148,236)	(19,301)
Service expense	(72,825)	(64,022)	(8,803)
Staff costs	(55,771)	(52,480)	(3,291)
Amortisation and depreciation	(13,069)	(11,905)	(1,164)
Other operating expenses and provisions	(6,716)	(5,173)	(1,543)
Restructuring charges	-	(437)	437
Total EBIT	**18,359**	**20,723**	**(2,364)**

EBIT for the third quarter of 2007 includes the contribution deriving from consolidation of Air Force S.p.A., which contributed €762 thousand. The other main effects of the change in the basis of consolidation are related to the "Cost of raw and consumable materials" (€7,350 thousand), "Service expense" (€2,470 thousand) and "Staff costs" (€1,201 thousand).

3. Net finance costs

(€000)	9M 2007	9M 2006	Increase/ (Decrease)
Finance income	789	271	518
Finance costs	(1,179)	(2,754)	1,575
Foreign exchange gains/(losses)	(1,263)	(477)	(786)
Total net finance costs	**(1,653)**	**(2,960)**	**1,307**

The movement in net finance costs, which have decreased by €1,307 thousand between September 2006 and September 2007, reflects the combination of a significant improvement in net interest expense due to the reduction in net debt (achieved thanks to the cash raised by the IPO and to operating cash flow generated by the business), and the negative impact of the measurement of certain assets and liabilities denominated in foreign currency at the end of September.

4. Property, plant and equipment

The table shows details of changes in property, plant and equipment at 30 September 2006 and 30 September 2007.

(€000)	30 September 2007	31 December 2006	Increase/ (Decrease)
Land and buildings	39,145	35,489	3,656
Plant and equipment	22,714	21,011	1,703
Industrial and commercial equipment	13,009	13,061	(52)
Other assets	1,973	2,652	(679)
Assets under construction and advances	1,131	6,794	(5,663)
Total property, plant and equipment	**77,972**	**79,007**	**(1,035)**

5. Goodwill

(€000)	30 September 2007	31 December 2006	Increase/ (Decrease)
Goodwill recognised in subsidiaries' accounts	15,298	12,208	3,090
Goodwill arising from consolidation	14,493	17,174	(2,681)
Total goodwill	**29,791**	**29,382**	**409**

The increase in the first nine months of 2007, amounting to €410 thousand, regards foodwill deriving from the consolidation of Air Force S.p.A..

6. Other intangible assets

The table below shows details of changes in other intangible assets at 30 September 2006 and 30 September 2007.

(€000)	30 September 2007	31 December 2006	Increase/ (Decrease)
Development costs	834	1,102	(268)
Patents and other intellectual property rights	994	1,207	(213)
Concessions, licences, trademarks and similar rights	163	158	5
Assets under construction and advances	1,309	832	477
Other intangible assets	694	452	242
Total other intangible assets	**3,994**	**3,751**	**243**

7. Inventories

(€000)	30 September 2007	31 December 2006	Increase/ (Decrease)
Raw, ancillary and consumable materials	51,194	21,704	29,490
Work in process and semi-finished products	10,114	16,369	(6,255)
Finished products and goods for resale	2,611	10,826	(8,215)
Total inventories	**63,919**	**48,899**	**15,020**

The impact of the consolidation of Air Force S.p.A. was €1,906 thousand.

Fabriano, Italy

14 November 2007

Francesco Casoli
Chairman of the Board

Statement pursuant to art. 154-bis, section two, of the Consolidated Finance Act

I, the undersigned, Vincenzo Maragliano, as the manager responsible for financial reporting at Elica S.p.A., with regard to the condensed consolidated quarterly report for the period ended 30 September 2007, issued on 14 November 2007,

declare and certify,

pursuant to art 154-*bis*, paragraph 2 of the Consolidated Finance Act, that the condensed consolidated quarterly report for the period ended 30 September 2007 is consistent with the underlying accounting records.

Fabriano, Italy
14 November 2007

The manager responsible for the Company's financial reporting

Vincenzo Maragliano