

ELICA S.p.A.

Registered office in Fabriano (AN), Via Dante No. 288

Share capital Euro 12,664,560.00 fully paid-in

Registered at the Ancona Company's Registration Office

Fiscal and VAT No. 00096570429

**REPORT OF THE BOARD OF STATUTORY
AUDITORS TO THE SHAREHOLDERS' AGM
(pursuant to article 153 of Legislative Decree No. 58/1998
and article 2429 of the Civil Code)**

Dear Shareholders,

during the year ended 31/12/2010, we performed the supervisory activities required by law, in accordance with the "Conduct principles for the Board of Statutory Auditors" and recommended by the Italian Accounting Profession (Consigli Nazionale dei Dottori Commercialisti e degli Esperti Contabili).

In particular, also in accordance with the instructions issued by Consob, we performed the following:

- we verified compliance with law, the By-Laws and Regulations;
- we met 6 times and we attended 1 Ordinary Shareholders' Meeting, 8 Board of Directors' meetings, 3 Remuneration Committee meetings and 4 Internal Control Committee meetings, which were carried out in accordance with the legislative, statutory and regulatory norms which govern their functioning. The resolutions passed were in compliance with law and the

company by-laws and were not imprudent, reckless or such as to compromise the integrity of the company's assets;

- periodically, we received information from the Directors on the general performance and on the outlook, as well as on the most significant operations, in terms of size or nature, carried out by the Company and its subsidiaries.

In relation to such, we can reasonably assure that the actions taken are in conformity with law and the by-laws of the company and were not imprudent, risk related, in potential conflict of interest or contrary to the deliberations taken by the Shareholders' Meetings, or such as to compromise the integrity of the company assets;

The most important economic, financial and equity operations carried out in 2010 were as follows:

- a) the merger by incorporation of the company FIME SpA into ELICA SpA on December 14, 2009 with effect from January 1, 2010;
- b) the sale on 1/2/2010 by the associated company ISM S.r.l. of 100% of the holding in Sider S.r.l.;
- c) the approval by the Board of Directors on 26/4/2010 of the Regulation relating to the Stock Grant Plan, already approved by the Shareholders' Meeting on the same date, reserved for employees, including managers, advisors and executive directors considered as "key personnel", for the achievement of growth objectives and development of the Company;
- d) the acquisition in May 2010 of 51% of the share capital of the newly incorporated Indian company Elica PB India Private Ltd;

- e) the subscription of agreements in July 2010 which provided for the acquisition of 55% of the share capital of the Chinese company Zhejiang Putian Electric Co. Ltd operating under the “Puti” brand, a leader on the Chinese market;
 - f) the sale in October 2010 by Elica S.p.A. of the residual holding of 10% in Acem S.r.l.;
 - g) the placement into liquidation in October 2010 of Elica Finance Ltd and in November 2010 of Elica International S.a.r.l., with the consequent removal of the Companies from the respective company registration offices registrar in January 2011;
 - h) the approval by the Board of Directors on 11/11/2010 of a number of by-law amendments necessary for adjustments in line with the Regulations as per Legislative Decree 27/2010 and Legislative Decree 39/2010;
 - i) the approval by the Board of Directors on 11/11/2010 of new procedures for transactions with related parties in accordance with Article 2391-bis of the Civil Code and Article 4 of the Consob Regulation;
 - j) the renewal on 18/12/2010, without amendments, of the Shareholder Agreement with Whirlpool Europe S.r.l. for a further three-year period;
- the following assignments were awarded to the Audit Firm and its network:

Type of service	Party providing the service	Company	Remuneration (Euro thousands)
Audit	Deloitte & Touche SpA	Elica SpA	260

Type of service	Party providing the service	Company	Remuneration (Euro thousands)
Audit	Deloitte & Touche SpA	Air Force SpA	26
Audit	Deloitte & Touche S.C.	ELICAMEX S.A. de C.V.	20
Audit	Deloitte & Touche Sp.z.o.o.	Elica Group Polska S.p.z.o.o.	27
Audit	Deloitte & Touche GmbH	Exklusiv Hauben Gutmann GmbH	36
Audit	Deloitte & touche Tohmatsu CPA Ltd	Zhejiang Putian Electric Co. Ltd	45
Other services	Rete Deloitte	Elica Group Polka S.p.z.o.o.	12
Other services	Deloitte & Touche S.C.	Elicamex S.A. de C.V.	9
Audit	B S R and Co. (KPMG affiliate)	Elica PB India Private Ltd	8
Total			443

- we constantly monitored the independence of the Independent Audit Company, noting the absence of any critical aspects;
- we held meetings with the head of the accounting department, in accordance with article 150, paragraph 2 of Legislative Decree 58/1998, and with the Boards of the subsidiary Air Force S.p.A.. During the meetings no significant information warranting disclosure became evident;
- we reviewed the adequacy of the organisational structure of the company, also through the information received from departmental managers and in relation to this there are no matters to report upon;
- we assessed the adequacy of the internal control system and the administration and accounting system and on its reliability to

correctly represent operations, through the obtaining of information from managers and the review of company documents.

In particular we have made adequate updates on the projects in course concerning the accounting-administrative IT system (project completed at the beginning of the current year) and the general Internal Control System in such a manner to extend to the significant Companies of the Elica Group;

- we did not note the existence of atypical or unusual transactions with Group companies, related parties or with third parties;
- We note the following significant non-recurring events:
 - a) the completion of the reorganisation of the Group which in 2010 incurred restructuring charges for a total of Euro 0.736 million gross of the tax effect;
 - b) financial income of Euro 0.950 million (gross of the tax effect) concerning the fee paid by Whirlpool of Euro 0.50 per share for the purchase of 1,899,684 shares of the Company (3% of the share capital) in accordance with the Second Modifying Agreement of the Options Agreement of 15/06/2009 and of the Supplementary Agreement of 08/03/2010;
- in relation to inter-group and related party transactions of an ordinary nature, these were adequately described in the Notes to the financial statements to which reference should be made. These transactions are appropriate and are in line with the corporate objectives of the Company;
- no petitions were received pursuant to Article 2408 of the Civil Code; a request for clarification by a former consultant who has initiated a legal action with the Company was received. In relation to this the Board has provided a response;

- we released opinions in 2010 as required by law;
- we reviewed the adequacy of the instructions given by the Parent Company to its subsidiaries in order that they could provide all necessary information to comply with the obligations required by law;
- the company adhered to the Self-Governance Code of the Corporate Governance Committee for listed companies of the Italian Stock Exchange, as reported in the Board of Directors' supplementary report of 22/03/2011;
- we verified, in accordance with point 3.C.5 of the Self-Governance Code, the correct application of the assessment criteria and procedures adopted by the Board to evaluate the independence of its members; in our verifications we did not note irregularities;
- during the meetings of 26/04/2010 and 22/03/2011 we evaluated our independence in accordance with point 10.C.2 of the Self-Governance Code of listed Companies without recording irregularities;
- we examined the declarations of the Chief Executive Officer and the Executive Responsible for the preparation of the corporate accounting documents, pursuant to article 154-bis of the Consolidated Finance Act;
- we examined and obtained from the Supervisory Board, appointed in accordance with Legislative Decree 231/2001, information on the activities carried out.

In relation to the separate financial statements, we confirm that:

- they were prepared in accordance with International Accounting Standards (IAS/IFRS), as presented by the Board of Directors in the notes to the financial statements. In particular, in the directors' report

- and in the notes to the financial statements, the Directors have complied with that established by the regulatory provisions concerning disclosure on the risk management system and the internal control system in relation to the financial disclosure process;
- following application of the Impairment Test established by IAS 36, the Company has not written-down goodwill nor the range hood CGU or the motors CGU;
 - the notes to the financial statements, in addition to being in compliance with the norms for the preparation of the separate financial statements, also provide all information considered appropriate to represent the balance sheet, financial position and result of the Company;
 - the information provided in the Directors' Report is complete and exhaustive, including that relating to the principal events after year-end.

Specifically, the Directors dedicated a section to describe the actions planned for 2011 in order to develop the business and strengthen the competitive position.

The Independent Audit Firm reported to us upon the parent company and consolidated financial statements without any exceptions or matters to be noted.

In the course of the supervisory activity carried out and based on the information obtained, no significant omissions and/or significant matters or irregularities that would require reporting to the Supervisory Authority or mention in the present report were noted.

In conclusion and taking into account the above matters, in relation to our responsibility, and not having proposals to present to the Shareholders' Meeting pursuant to article 153, paragraph 2 of Legislative Decree

58/1998, we have no reason to impede the approval of the financial statements for the year ended December 31, 2010 and the proposal for the distribution of the dividend as presented by the Board of Directors.

----- ***** -----

In relation to the Group consolidated financial statements, we have reviewed them and have no further comments to make.

Fabriano, 1/04/2011

THE BOARD OF STATUTORY

AUDITORS

MARIOTTI CORRADO - Chairman

MARASCA STEFANO - Statutory Auditor

CASALI GILBERTO - Statutory Auditor

**LIST OF OFFICES HELD IN OTHER COMPANIES IN
ACCORDANCE WITH ARTICLE 144 *QUINQUIESDECIES* OF
THE ISSUERS' REGULATION**

Name	CORRADO	Surname	MARIOTTI
-------------	---------	----------------	----------

	Name of Company	Office held	Duration of office
1	ELICA S.p.A.	Chairman B.Stat.Auds.	App. Accs. 31/12/2011
2	GIUSEPPE ASCOLI & FIGLI S.p.A.	Chairman B.Stat.Auds.	App. Accs. 31/12/2010
3	FINEURO S.p.A.	Chairman B.Stat.Auds.	App. Accs. 31/12/2010
4	SO.GE.SI. Soc.Gestione Servizi Ind.li Srl unipersonale	Chairman B.Stat.Auds.	App. Accs. 31/12/2011
5	SOMACIS S.p.A.	Chairman B.Stat.Auds.	App. Accs. 31/12/2010
6	NAZARENO GABRIELLI DIARIES SpA	Statutory Auditor	App. Accs. 31/12/2011
7	ZETABI S.p.A.	Statutory Auditor	App. Accs. 31/12/2012
8	BANCA POPOLARE DI ANCONA SpA	Chairman BoD	App. Accs. 31/12/2010
9	MERCANTINI S.r.l.	Statutory Auditor	App. Accs. 31/12/2012
10	INTERPORTO MARCHE S.p.A.	Director	App. Accs. 31/12/2012

Number of offices held in issuing company	1
--	---

Total number of offices held	10
-------------------------------------	----

Fabriano, April 1, 2011

Mr. CORRADO MARIOTTI

Chairman of the Board of Statutory Auditors of ELICA S.p.A.

**LIST OF OFFICES HELD IN OTHER COMPANIES IN
ACCORDANCE WITH ARTICLE 144 *QUINQUIESDECIES* OF
THE ISSUERS' REGULATION**

Name	STEFANO	Surname	MARASCA
-------------	---------	----------------	---------

	Name of Company	Office held	Duration of office
1	ELICA S.p.A.	Statutory Auditor	App. Accs. 31/12/2011
2	SISME S.p.A.	Chairman B.Stat.Auds.	30/04/2011
3	GIDEA S.r.l.	Statutory Auditor	30/04/2011
4	BARDELLI S.p.A.	Statutory Auditor	30/04/2012
5	OTTAVIANI S.p.A.	Statutory Auditor	31/12/2013

Number of offices held in issuing company	1
Total number of offices held	5

Fabriano, April 1, 2011

Mr. STEFANO MARASCA

Statutory Auditor of ELICA S.p.A.

**LIST OF OFFICES HELD IN OTHER COMPANIES IN
ACCORDANCE WITH ARTICLE 144 *QUINQUIESDECIES* OF
THE ISSUERS' REGULATION**

Name	GILBERTO	Surname	CASALI
-------------	----------	----------------	--------

	Name of Company	Office held	Duration of office
1	ELICA S.p.A.	Statutory Auditor	App. Accs. 31/12/2011
2	KALÍDA S.p.A.	Chairman B.Stat.Auds.	App. Accs. 31/12/2012
3	ERMANNNO S.r.l.	Chairman B.Stat.Auds.	App. Accs. 31/12/2013
4	GAROFOLI STRUTTURE S.p.A.	Chairman B.Stat.Auds.	App. Accs. 31/12/2010
5	GIELLE REAL ESTATE S.r.l.	Chairman B.Stat.Auds.	App. Accs. 31/12/2010
6	MAIT S.p.A.	Chairman B.Stat.Auds.	App. Accs. 31/12/2010
7	NUNA S.r.l.	Chairman B.Stat.Auds.	App. Accs. 31/12/2013
8	ADRIAFIN S.p.A.	Statutory Auditor	App. Accs. 31/12/2011
9	BABINI S.p.A.	Statutory Auditor	App. Accs. 31/12/2012
10	CAVA GOLA DELLA ROSSA S.p.A.	Statutory Auditor	App. Accs. 31/12/2010
11	EGISTO PIERALISI S.A.P.A. DI GENNARO PIERALISI	Statutory Auditor	App. Accs. 31/12/2013
12	ELFA HOTEL S.p.A.	Statutory Auditor	App. Accs. 31/12/2012
13	ENGIFIN S.p.A.	Statutory Auditor	App. Accs. 31/12/2011
14	FONDAZIONE ERMANNNO CASOLI	Statutory Auditor	App. Accs. 31/12/2012
15	GIUDICI S.p.A.	Statutory Auditor	App. Accs. 31/12/2010
16	GOLDEN LADY COMPANY S.p.A.	Statutory Auditor	App. Accs. 31/12/2012
17	LA CASTELLINA S.p.A.	Statutory Auditor	App. Accs. 31/12/2012
18	NINI' PIERALISI S.A.P.A. DI LUIGI PIERALISI	Statutory Auditor	App. Accs. 31/12/2013
19	PIERALISI IMMOBILI S.p.A.	Statutory Auditor	App. Accs. 31/12/2012
20	S.A.S.A. 2 S.p.A.	Statutory Auditor	App. Accs. 31/12/2012
21	SO.TAC S.r.l.	Statutory Auditor	App. Accs. 31/12/2012
22	2 M S.p.A.	Statutory Auditor	App. Accs. 31/12/2012

Number of offices held in issuing company	1
Total number of offices held	22

Fabriano, April 1, 2011

Mr. GILBERTO CASALI

Statutory Auditor of ELICA S.p.A.