

PRESS RELEASE

**BOARD OF DIRECTORS OF ELICA S.P.A.
APPROVE THE HALF YEAR REPORT AT 30 JUNE 2008**

Consolidated results¹ 1H 2008 (January-June 2008)

- **Revenues: Euro 206.5 million (Euro 215.3 million in the same period of 2007);**
- **EBITDA: Euro 13.2 million (Euro 20.4 million in the same period of 2007);**
- **EBIT: Euro 4.7 million (Euro 12.2 million in the same period of 2007), and Euro 6.8 million before restructuring charges;**
- **Net profit: Euro 5.5 million (Euro 5.1 million in the same period of 2007);**
- **Net Debt: Euro 18.1 million – compared to Net funds of Euro 7.0 million at June 30, 2007, after the Buy-Back plan of Euro 16.3 million.**

Amendments to the Stock Option Plan Regulations

Fabriano, 25 August 2008 – The Board of Directors of **Elica S.p.A.**, the parent company of a Group that is the leading manufacturer of kitchen range hoods, today approved the **Half Year Report at 30 June 2008**, prepared in accordance with IFRS.

Consolidated revenues² 1H 2008

In the first half of 2008, the Group recorded **consolidated revenues of Euro 206.5 million**, a decrease of 4.1% on the same period of the previous year. On a **like-for-like exchange rate basis, the reduction was 3.4%**. The range hood Business Unit saw a reduction in consolidated revenues of 5.5%; the **Group brands recorded a stable performance**, against the market trend, and in particular a 24.3% growth in revenues by the Elica Collection range. The motors Business Unit recorded growth in revenues of 3.4% on the same period in the previous year.

¹ All of the 2008 and 2007 figures exclude the discontinued business unit “ACEM” which is no longer included in the 2008 consolidation scope.

² See note 1.

In relation to the geographic areas, **Europe**³ recorded a **decrease in revenues of 5.3 %** on the first half of 2007, while the **Americas**⁴ recorded **strong US Dollar revenues growth of 19.8%** (in Euro growth of 10.6%) on the same period of 2007, countering the market trend in the United States⁵. The **other geographic areas** recorded a **total revenue growth of 7.6% in US Dollar terms** compared to the same period of 2007 (in Euro a 6.9% decrease).

Profit margins 1H 2008⁶

EBITDA amounted to **Euro 13.2 million** compared to Euro 20.4 million in the first half of 2007 (-35.1%).

The **EBIT** was **Euro 4.7 million**, compared to Euro 12.2 million in the same period of 2007, a decrease of 61.6%. The margin in the first half-year was strongly impacted by two macro-economic factors: the current market situation which resulted in a contraction of revenues (leading to unsatisfactory absorption of fixed costs) and exchange rate movements.

In addition to the contraction of the margin, the EBIT was impacted by **restructuring charges of Euro 2.0 million** under the Strategic Plan 2008-2010 (a saving of approx. Euro 0.3 million compared to the estimates); **the EBIT before restructuring charges was Euro 6.8 million.**

Net financial income of Euro 1.0 million improved significantly due to the rationalisation of the financial structure which maintained net interest expenses at stable levels although with a higher level of debt, and currency hedging activities, which resulted in gains of Euro 1.7 million in the half year.

The **Net Profit for the period** was **Euro 5.5 million, an increase of 8.3%** on Euro 5.1 million in the first half of 2007.

<i>In Euro thousands</i>	1H 08	revenue margin	1H 07 (*)	revenue margin	08 Vs 07 %
Revenues	206,466		215,261		(4.1%)
EBITDA from continuing operations	13,223	6.4%	20,383	9.5%	(35.1%)
EBIT from continuing operations	4,694	2.3%	12,221	5.7%	(61.6%)
Financial income/(costs)	1,027	0.5%	(851)	(0.4%)	(220.7%)
Income taxes (**)	(177)	(0.1%)	(6,249)	(2.9%)	(97.2%)
Net profit from continuing operations	5,544	2.7%	5,121	2.4%	8.3%
Basic earnings per share on continuing operations (***)	9.22		7.85		17.4%
Diluted earnings per share on continuing operations (***)	9.22		7.85		17.4%

³ Refers to the countries of the Commonwealth of Independent States.

⁴ Includes North, Central and South America.

⁵ Group estimate on market data.

⁶ See note 1.

(*) with ACEM discontinued

(**) Income taxes benefited from the realignment of non-accounting entries as per Law 244/2007.

(***) The earnings per share for the first half year of 2008 and 2007 was calculated by dividing the Group net profit from continuing operations by the number of outstanding shares at the respective reporting dates.

Balance sheet

The **Net debt** at **June 30, 2008** was **Euro 18.1 million**, compared to Net Funds of Euro 3.3 million at 31 December 2007 and Euro 7.0 million at 30 June 2007, **after the Buy-Back plan of Euro 16.3 million**.

<i>In Euro thousands</i>	30 June 08	31 Dec 07 (*)	30 June 07 (*)	30 June 07 (**)
Cash and cash equivalents	18,364	21,948	27,382	27,382
Finance leases and other lenders				
	(4,583)	(4,614)	(7,769)	(9,185)
Bank loans and mortgages	(5,292)	(6,705)	(7,282)	(7,282)
Long-term debt	(9,875)	(11,319)	(15,051)	(16,467)
Finance leases and other lenders				
	(563)	(1,170)	(3,001)	(3,001)
Bank loans and mortgages	(25,986)	(6,206)	(2,374)	(2,374)
Short-term debt	(26,549)	(7,376)	(5,375)	(5,375)
Net funds/(debt)	(18,060)	3,253	6,956	5,540

* with ACEM discontinued

** including ACEM

Net Working Capital has increased as a percentage on annualised revenues from 10.9% at 31 December 2007 to 13.3% at 30 June 2008; this is principally due to the increase in the level of inventory following the industrial restructuring programme.

<i>In Euro thousands</i>	30 June 08	31 Dec 07 (*)	30 June 07 (*)	30 June 07 (**)
Trade receivables	111,392	108,457	114,807	114,807
Inventories	65,995	56,408	66,299	67,514
Trade payables	(116,783)	(112,503)	(124,294)	(124,294)
Managerial Working Capital	60,604	52,362	56,812	58,027
as a % of annualised revenues	14,7%	12,3%	13,2%	13,2%
Other receivables/payables	(5,503)	(5,719)	(9,997)	(9,997)
Net Working Capital	55,101	46,643	46,815	48,030
as a % of annualised revenues	13.3%	10.9%	10.9%	11.0%

* with ACEM discontinued

** including ACEM

The Elica Group continues to undertake measures to contain the current market trend and achieve the objectives set out in the 2008-2010 Plan:

- improvement of the price mix,
- acceleration of the production outsourcing (20% of volumes in Low Cost Countries in the second quarter of 2008),
- acceleration of the purchasing process in the Low Cost Countries,
- Implementation of the Capex reduction plan on non-core activities,
- the continual improvement of the financial structure.

Significant events after the first half of 2008

The Group continued the restructuring plan of its manufacturing base while Management continues its monitoring of demand and commodity prices.

The Consolidated half year report at 30 June 2008 was filed today and will be available on the Internet at www.elica.com within the terms and requirements established by law.

Declaration pursuant to art. 154-bis, paragraph two, of the Consolidated Finance Act

The Chief Executive Officer, Mr. Andrea Sasso and the Executive responsible for the preparation of corporate accounting documents, Mr. Vincenzo Maragliano, declare, pursuant to section 2 of article 154 bis of the Consolidated Finance Act, that the consolidated half year report at 30 June 2008 corresponds to the underlying accounting documents, records and accounting entries.

Stock Option Plan Regulations

The Board of Directors of **Elica S.p.A.**, having consulted the Remuneration Committee and based on the powers attributable by the Shareholders' Meeting on 25 June 2007, amended the Stock Option Plan Regulations, implementing the "Performance Stock Option Plan 2007-2011" ("the Plan"), approved by the above-mentioned Shareholders' Meeting of 25 June 2007. These amendments principally relate to the nomination of new beneficiaries of the Plan, in addition to the previous 11 beneficiaries nominated. The exercise period of the options is between 31 July 2010 and 31 December 2011.

The **Elica Group** has been present in the cooker hood market since the 1970s and is today world leader in terms of units sold. It is also a European leader in the design, manufacture and sale of motors for central heating boilers for domestic use. With over 2,300 employees and an annual output of over 5 million units, the Elica Group has nine plants specialising by type of process and product; of these, seven are in Italy, one is in Poland and one in Mexico.

With over thirty years' experience in the sector, Elica has combined meticulous care in design, judicious choice of material and cutting edge technology to become the prominent market figure it is today. The company has revolutionized the traditional image of the kitchen cooker hood: no longer seen as a mere domestic accessory, it has been transformed into a fascinating and sophisticated design object. It is no longer seen as simple accessory but as a design object.

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ATTACHMENT A
Consolidated income statement 1H 2008

<i>In Euro thousands</i>	Note	Q2 08 (1)	Q2 07 (1)	1H 08	1H 07
Revenues	1	104,807	107,984	206,466	219,189
Other operating revenues	2	2,362	1,697	3,490	2,618
Changes in inventories of finished and semi-finished goods		2,082	1,866	3,469	6,390
Increase in internal work capitalised		328	472	743	925
Raw materials and consumables		(57,696)	(55,026)	(112,167)	(114,953)
Services		(23,639)	(24,801)	(45,817)	(50,244)
Labour costs	3	(17,383)	(19,267)	(36,849)	(38,434)
Amortisation & depreciation		(4,313)	(4,581)	(8,529)	(8,402)
Other operating expenses and provisions		(2,128)	(2,732)	(4,048)	(4,779)
Restructuring charges	4	(2,064)	-	(2,064)	-
EBIT	5	2,356	5,612	4,694	12,310
Share of profit/(loss) from associates	6	14	(177)	(65)	(116)
Financial income	7	767	156	868	417
Financial charges	7	(781)	(323)	(1,450)	(938)
Foreign exchange gains/(losses)	7	883	(91)	1,674	(214)
Pre-tax profit		3,239	5,177	5,721	11,459
Income taxes	21	648	(2,449)	(177)	(6,304)
Net profit from continuing operations		3,887	2,728	5,544	5,155
Net profit from discontinued operations	18	(296)	-	63	-
Net profit		3,591	2,728	5,607	5,155
of which:					
Minority interests share		142	80	227	149
Group profit		3,449	2,648	5,380	5,006
<i>Basic earnings per share</i>					
From continuing and discontinued operations (Euro/cents)		5.90	4.18	9.07	7.91
From continuing operations (Euro/cents)		6.41	4.18	8.96	7.91
<i>Diluted earnings per share</i>					
From continuing and discontinued operations (Euro/cents)		5.90	4.18	9.07	7.91
From continuing operations (Euro/cents)		6.41	4.18	8.96	7.91

(1) Data not audited

ATTACHMENT B

Consolidated balance sheet as at 30 June 2008

<i>In Euro thousands</i>	Note	30 June 08	31 Dec 07
Assets			
Property, plant & equipment	8	76,315	78,091
Goodwill		29,798	29,798
Other intangible assets	9	6,849	5,515
Investments in associated companies	10	1,898	2,363
Other financial assets		35	31
Other receivables	21	41	1,318
Tax receivables		9	9
Deferred tax assets		6,429	6,607
Available-for-sale financial assets	10	793	26
Total non-current assets		122,167	123,758
Trade receivables and loans	11	111,392	108,457
Inventories	12	65,995	56,408
Other receivables		7,008	6,141
Tax receivables		6,045	5,249
Derivative financial instruments	13	1,255	544
Cash and cash equivalents	19	18,364	21,948
Current assets		210,059	198,747
Assets of discontinued operations	18	-	3,258
Total assets		332,226	325,763
Liabilities			
Liabilities for post-employment benefits	14	11,926	12,349
Provisions for risks and charges	15	4,427	3,322
Deferred tax liabilities		5,388	9,381
Finance leases and other lenders	19	4,583	4,614
Bank loans and mortgages	19	5,292	6,705
Other payables	21	1,102	4,016
Tax payables	21	1,420	4,004
Derivative financial instruments		-	-
Non-current liabilities		34,138	44,391
Provisions for risks and charges	15	664	612
Finance leases and other lenders	19	563	1,170
Bank loans and mortgages	19	25,986	6,206
Trade payables	16	116,783	112,503
Other payables		15,097	13,144
Tax payables		2,795	3,353
Derivative financial instruments	13	815	422
Current liabilities		162,703	137,410
Liabilities of discontinued operations	18	-	1,905
Share capital		12,665	12,665
Capital reserves		71,123	71,123
Hedging, translation & stock option reserve		(623)	(803)
Treasury shares		(16,315)	(6,671)
Retained earnings		61,879	55,341

Group profit for the period		5,380	9,252
Group shareholders' equity		134,109	140,907
Capital and reserves of minority interests		1,049	823
Minority interest profit for the period		227	327
Minority interest equity		1,276	1,150
Consolidated shareholders' equity	17	135,385	142,057
Total liabilities and equity		332,226	325,763

ATTACHMENT C

Consolidated cash flow statement at 30 June 2008

<i>In Euro thousands</i>	Note	30 June 08	30 June 07
Cash and cash equivalents at beginning of period		21,948	29,334
EBIT		4,694	12,310
Amortisation, depreciation and write-downs		8,529	8,402
EBITDA		13,223	20,712
Changes in Working Capital		(6,846)	3,307
trade working capital		(7,932)	3,354
other working capital accounts		1,086	(47)
Income tax paid		(4,937)	(6,116)
Change in provisions		397	287
Other changes		(2,504)	172
<i>operating activity changes with derivatives</i>		1,395	
<i>gains from earthquake payable write-offs</i>		(4,083)	
<i>other</i>		184	
Cash flow from operating activity		(667)	18,362
Net increases		(8,293)	(7,479)
Intangible assets		(2,512)	(1,870)
Property, plant & equipment		(5,576)	(9,008)
Investments and other financial assets		(205)	3,399
Divestment of business unit	18	944	0
Cash flow from investments		(7,349)	(7,479)
Acquisition of treasury shares		(9,644)	0
Dividends		(2,817)	(2,534)
Increase (decrease) financial payables		17,729	(9,782)
Net changes in other financial assets/liabilities		79	216
Interest paid		(876)	(735)
Cash flow from financing activity		4,471	(12,835)

Change in cash and cash equivalents	(3,545)	(1,952)
Effect of the changes in foreign exchange rates	(39)	(194)
Cash and cash equivalents at end of period	18,364	27,382

ATTACHMENT D

Table No. 1 of schedule 7 of Attachment 3A of Regulation No. 11971/1999

Person or category	Office (only for the nominated parties)	<u>SCHEDULE 2</u>							
		Options (<i>option grant</i>)							
		<u>Section 1</u>							
		Options relating to plans, in course of validation, approved previously at shareholders' meetings							
		Date of resolution	Description of instrument	Number of financial instruments underlying the options assigned but not exercisable	Number of financial instruments underlying the options exercisable but not exercised	Date of assignment by the relative BOD board	Exercise price	Market price*** of the underlying financial instruments at the date of assignment	Option maturity ****
Andrea Sasso*	CEO	25 June 2007	Options on Elica SpA shares	220,000	0	25 June 2007	5	4,362	31 December 2011
Remaining beneficiaries - Directors and Managers (10) **				374,221					

Person or category	Office (only for the nominated parties)	<u>SCHEDULE 2</u>						
		Options (<i>option grant</i>)						
		<u>Section 2</u> New options assigned based on the decisions of:						
		<ul style="list-style-type: none"> ○ BoD on the proposal of the shareholders' meeting ○ The relevant board for implementation of shareholders' meeting resolutions 						
		Date of resolution	Description of instrument	Number of financial instruments underlying the options assigned for each party or category	Date of assignment by the B.O.D. or relative BOD board	Exercise price	Market price*** of the financial instruments at the date of assignment	Option maturity ****
Andrea Sasso*	CEO	25 June 2007	Options on Elica SpA shares	220,000	25 June 2007	5	4,362	31 December 2011
Remaining beneficiaries - Directors and Managers (10) **				374,221				

* Reference should be made to points 1.1 and 1.3 of the informational document of 14 September 2007 which states that Mr. Andrea Sasso, as well as being a director in subsidiary companies, directly and indirectly held, of Elica SpA, carries out management duties in the same in accordance with article 152.6, paragraph 1, letters c.c-2.

**Reference should be made to point 1.1 and of the informational document of 14 September 2007 which states that Messrs. Vincenzo Maragliano, Marco Scippa, Roberto Del Basso and Stefano Rosa Uliana are directors in subsidiary companies, directly and indirectly held, of Elica SpA.

*** Official Price

**** indicates the maturity date of the period of exercise of the options.