



PRESS RELEASE

**Elica S.p.A.:
THE BOARD OF DIRECTORS OF ELICA S.p.A.
APPROVES THE GUIDELINES FOR THE
2008-2010 STRATEGIC PLAN**

- **Expected market¹ growth: 2007-2010 CAGR between +2% and +3%**
- **Net revenues: 2007-2010 CAGR between +3% and +4%**
- **Net result: 2007-2010 CAGR between +15% and +20%**
- **The dividend policy envisages an increase in dividend payout from 33% in 2007 to 35%-40 % in 2010.**

Milan, 14 November 2007 – The Board of Directors of **Elica S.p.A.** — the parent company of a leading world manufacturer of kitchen range hoods — approved today the **Guidelines for its 2008-2010 Three-Year Strategic Plan.**

In the three-year period, the Group will pursue an overall revenue CAGR of 3%-4% in the 2007-2010 period against an estimated CAGR of 2%-3% in the global hoods market (which today accounts for approximately 83% of the Group's revenues), for the same period. This growth will strengthen the position of the Elica Group in the competitive environment, confirming its leading position in the world industry of kitchen range hoods.

The Group also reaffirms the expected growth rates stated in its Half-Year Report for the period ended 30 June 2007, confirming its guidance for 31 December 2007, which projects a 7% growth in Net Result and consolidated revenues for the year compared to 2006.

A further objective is to increase operating profitability with a view to reaching a leading position not only in terms of business model, but also in terms of economic and financial performance of the company projected 2007-2010 EBIT CAGR for the period covered by the plan is between 9% and 11%.

The increase in revenues, the profitability growth and the implementation of the actions envisaged in the three-year plan guidelines will also lead to an expected Net Result 2007-2010 CAGR of between 15% and 20%.

¹ Data referred to the global hoods market (in volumes).

These objectives will be pursued through **three main guidelines**:

1. **Revenue and margin increase**, mainly driven by the growth of the Hoods Strategic Business Unit (SBU), as well as by a significant increase in branded products and products for OEMs (*Original Equipment Manufacturers*), which are expected to account for 70% of the Group's total revenues in 2010, compared to the expected 75% for 2007. The achievement of these results will be supported by:
 - i. focusing Elica's product portfolio on 3 main brands: Elica Collection, Elica and Turbo Air
 - ii. ongoing product and process innovation;
 - iii. expansion of the distribution network, with improved penetration in strategic geographical areas (the Americas and Russia) and a strengthened network in markets with higher current presence, like the European market.

2. **Increased efficiency** in the structure of operating costs through:
 - i. production delocalisation to plants in Poland and Mexico, which serve the East European market (mainly products for OEMs) and the American Market, respectively;
 - ii. localisation of purchases of materials and components in the so-called LCCs (*Low Cost Countries*), also envisaging the opening of a procurement office in China by the end of 2007;
 - iii. streamlining of the Group's structure, which has already started through the merger of 3 companies (Jet Air, Fox and Turbo) in Elica S.p.A., in June 2007.

3. **Optimised** financial structure through:
 - i. the positive effect of the development and full operation of foreign subsidiaries in the period covered by the plan;
 - ii. the implementation of a Working Capital stabilisation policy in the years covered by the plan;
 - iii. Capex reduction to the expected maintenance levels of € 16 million at completion.

The rationalisation of the financial structure is also expected to improve ROCE in the range of 13% and 14% in 2010.

The Group also intends to pursue a **dividend policy** envisaging the increase in the dividend payout from 33% in 2007 to 35% - 40 % in 2010.

The Presentation of the 2008-2010 Strategic Plan will be available at www.elica.com as of 14 November 2007.

The **Elica Group**, active in the market of kitchen range hoods for domestic use since the 1970s, is today a world leader in the production of range hoods for domestic use, and market leader in terms of units sold in the major European countries. The company is also a leader in Europe in the design, production and marketing of electric motors for range hoods and for boilers for domestic use. With over 2,100 employees and an annual production of about 5 million range hoods, the

Elica Group has 10 specialised production sites. Of these, 8 are located in Italy, one is in Poland and one in Mexico.

Thirty years' experience in the industry, careful attention to design and the use of refined materials and advanced technologies are the elements that distinguish Elica in the market and that have allowed the company to revolutionise the traditional image of kitchen range hoods, from basic accessories to unique design objects.

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Further information:

Image Building
Simona Raffaelli, Alessandra Sabellico, Valentina Burlando
Tel: +39 02 89011300
E-mail: elica@imagebuilding.it

Elica S.p.A.

Laura Giovanetti
Investor Relations
Tel: +39 0732 610727
E-mail: investor-relator@elica.com