

PRESS RELEASE

BOARD OF DIRECTORS OF ELICA S.P.A. APPROVES 2010 CONSOLIDATED FINANCIAL STATEMENTS

Consolidated result¹ for full year 2010

- **Revenues:** Euro 368.3 million (Euro 335.1 million in 2009) – growth of 9.9%;
- **EBITDA:** Euro 26.2 million (Euro 20.1 million in 2009) – growth of 30.6%;
- **EBIT:** Euro 10.6 million (Euro 0.7 million in 2009);
- **Group net profit:** Euro 4.3 million (Euro 0.2 million in 2009);
- **Net Debt:** Euro 34.9 million compared to Euro 22.9 million at December 31, 2009, following the investments in India² and China³.

The documentation has been filed concerning the first, second and third points on the agenda of the extraordinary session, as well as on the fourth point for the ordinary session, of the Shareholders' Meeting called for April 28/29, 2011.

Resolution on dividend distribution

- The Board of Directors have proposed the distribution of a dividend of Euro 0.0251 per share (before withholding taxes), resulting in a payout ratio of 37.29% of the consolidated Group net profit excluding the distribution of a dividend for treasury shares held at May 23, 2011, date of the dividend coupon. The proposed dividend payment date is May 26, 2011.

Fabriano, March 22, 2011 – The Board of Directors of **Elica S.p.A.**, the parent company of a Group that is the leading manufacturer of kitchen range hoods, has approved the **Consolidated Financial Statements at December 31, 2010**, prepared in accordance with IFRS.

Consolidated revenues⁴ 2010

In 2010, Elica Group **consolidated revenues** amounted to **Euro 368.3 million, an increase of 9.9%** on the previous year. The growth in volumes acted as the principal driver of revenue growth in both the Business Units – Range Hoods and Motors. The recovery of the global range hood⁵ market in 2010 (+4.4%) led the revenue growth along with the consolidation of revenues of Euro 4.6 million from the Indian company Elica PB India Private Ltd and Euro 7.9 million from the Chinese company Zhejiang Putian Electric Co. Ltd..

The range hoods Business Unit recorded revenues of Euro 313.1 million, an increase of 8.7%, with the high-end segment reporting even greater growth on 2010 of 9.8%. In particular **brand revenues recorded an excellent performance, increasing by 18.1%**, also thanks to the sales of the

¹ The 2010 figures include the consolidation of the Indian company Elica PB India Private Ltd. and the Chinese company Zhejiang Putian Electric Co. Ltd.

² Elica PB India Private Ltd.

³ Zhejiang Putian Electric Co. Ltd.

⁴ See Note 1.

⁵ Company estimates, volume data.

Chinese and Indian companies⁶, although the Elica Group continues the rationalisation of the client portfolio with unsatisfactory credit ratings.

The Motors Business Unit with revenues of Euro 55.2 million recorded growth of 16.8% on the previous year – thanks to the recovery in the "heating" segment and strong performances across all segments.

In relation to the geographic areas, **Europe recorded revenue growth of 3.4%** on 2009 **within a stabile overall market (+0.6%)**. The **Americas⁷ experienced significant revenue growth of 20.3%** within a market which suffered a slowdown in the second part of the year, with revenues in the **other geographic areas also progressing strongly (+72.6%)**, due principally to the consolidation of the Indian and Chinese companies.

Earnings for the full year 2010

EBITDA amounted to **Euro 26.2 million (7.1% of revenues)** compared to Euro 20.1 million in 2009. The significant margin growth **(+30.6%)** on the previous year is due to the industrial re-organisation, the implementation of production efficiency programmes and the introduction of a programme focussed on a gradual reduction of fixed costs. Restructuring charges of Euro 1.2 million were incurred in the year.

EBIT amounted to **Euro 10.6 million** compared to Euro 0.7 million in 2009.

The **Group Net Profit** was **Euro 4.3 million (1.2% of revenues)** compared to Euro 0.2 million in 2009, which however included non-recurring tax benefits of Euro 1.7 million.

<i>In Euro thousands</i>	2010	2009	10 Vs 09 %
Revenues	368,265	335,135	9.9%
EBITDA	26,194	20,059	30.6%
revenue margin	7.1%	6.0%	
EBIT	10,553	732	1,341.7%
revenue margin	2.9%	0.2%	
Financial income/(charges)	(982)	(2,079)	(52.8%)
revenue margin	-0.3%	-0.6%	
Net profit for the year	5,577	782	613.2%
revenue margin	1.5%	0.2%	
Group net profit	4,262	231	1,745.2%
revenue margin	1.2%	0.1%	
Basic earnings per share	7.48	0.41	1,745.2%
Diluted earnings per share	7.48	0.41	1,745.2%

The earnings per share for 2010 and 2009 were calculated by dividing the Group net result by the number of outstanding shares at the respective reporting dates.

⁶ The revenues of the company Zhejiang Putian Electric Co. Ltd. were consolidated from October 2010, while the revenues of Elica PB India Private Ltd. were consolidated from July 2010.

⁷ Includes North, Central and South America.

Balance sheet

The **Net Debt** at December 31, 2010 amounted to **Euro 34.9 million** compared to Euro 22.9 million at December 31, 2009 following the investments in India and China. **The Euro 13.4 million payment for 55% of Zhejiang Putian Electric Co. Ltd. and the earn-out concerning the acquisition of the German company Gutmann⁸ impacted the increase. At like-for-like consolidation scope the Net Debt would have totalled Euro 23.3 million** compared to Euro 22.9 million at December 31, 2009.

<i>In Euro thousands</i>	31/12/20 10	30/09/201 0	31/12/200 9	30/09/2009
Cash and cash equivalents	25,102	25,061	19,235	22,459
Finance leases and other lenders	(76)	(82)	(2,430)	(2,588)
Bank loans and mortgages	(30,457)	(21,638)	(14,780)	(9,247)
Long-term debt	(30,533)	(21,720)	(17,210)	(11,835)
Finance leases and other lenders	(23)	(3,098)	(1,903)	(1,423)
Bank loans and mortgages	(29,426)	(39,344)	(23,058)	(32,944)
Short-term debt	(29,449)	(42,442)	(24,961)	(34,367)
Net Debt	(34,880)	(39,101)	(22,936)	(23,743)

Managerial Working Capital on net revenues decreased from 12.0% at December 31, 2009 to **11.7% at December 31, 2010**. The reduction is directly related to the successful implementation of the Managerial Working Capital control plans by the Group, **which resulted in a reduction of inventory levels and of receivable collection times.**

<i>In Euro thousands</i>	31/12/20 10	31/12/2009
Trade receivables	89,276	85,589
Inventories	42,671	41,451
Trade payables	(88,742)	(86,806)
Managerial Working Capital	43,205	40,234
% on revenue	11.7%	12.0%
Other net receivables/payables	(3,869)	(6,963)
Net Working Capital	39,336	33,271
% on revenue	10.7%	9.9%

2010 Guidance

The Elica Group exceeded **2010 Guidance** announced to the market on July 16, 2010 on the acquisition of the Chinese company Putian⁹, **reporting:**

- **consolidated revenue growth of 9.9% (estimated at 5-7%)**
- **EBITDA growth of 30.6% (estimated at 25-35%)**
- **Managerial Working Capital on consolidated revenues of 11.7%.**

⁸ Exklusiv-Hauben Gutmann GmbH.

⁹ Zhejiang Putian Electric Co. Ltd.

Significant events in 2010 and after the year-end

On February 1, 2010, the associated company I.S.M. Srl sold the entire holding in “Sider S.r.l.”. This holding arose from the conferment to “Sider S.r.l.” of the “productive-industrial” business unit on December 14, 2009.

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 S.p.A. 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 May 3, 2010, Elica S.p.A. signed a Joint Venture agreement with Mr. Bhutada and several senior managers. Under the joint venture agreement the Elica Group subscribed 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 other senior managers of the company.

In July 2010 Elica S.p.A. signed agreements 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. With this acquisition the Elica Group consolidates 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 OEM¹⁰ client base and increase purchases from Low Cost Countries.

On August 6, 2010 the Board of Directors of the Company 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.

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..

¹⁰ Original Equipment Manufacturers

On October 26, 2010 the company exercised the purchase option on the leased property on which the Mergo factory is located. On December 15, 2010 the company also exercised the purchase option on the leased property on which the Castelfidardo factory is located.

On November 11, 2010, the Board of Directors of the Company, in accordance with the powers attributed by article 19 of the by-laws, approved modifications to the by-laws necessary to comply with Legs. Decree 27/2010 and Legs. Decree 39/2010. At the same time the Board also adopted, with prior approval of the independent directors, the new Procedure for Transactions with Related Parties as per article 2391 bis of the civil code and article 4 of the Consob Regulation concerning related parties approved through resolution No. 17221 of March 12, 2010 and subsequent amendments. The amended By-Laws and the procedure are available on the Company's internet site www.elicagroup.com, in the Investor Relations section.

In the final months of 2010, the companies Elica Finance and Elica International were liquidated.

On January 31, 2011 the period for the share capital increase as per article 2439, paragraph 2 of the civil code approved by the Board of Directors on June 27, 2007, based on the delegation of power by the Shareholders' Meeting of April 12, 2006, elapsed without any subscriptions. The subscribed and paid-in share capital therefore remains unchanged at Euro 12,664,560

On February 14, 2011, Elica S.p.A., following the authorisation of the Board of Directors' to utilise treasury shares at the same date, sold 1,899,684 shares, equal to 3% of the share capital, to First Capital S.p.A., at the price of Euro 1.64 Euro per share - higher than the average market price over the previous 3 months. The acquisition of a significant holding by an investor such as First Capital S.p.A., which seeks to establish a holding within the company, is considered a strategically important operation for the future development of the Elica Group.

As announced to the market on March 21, 2011 Elica S.p.A. has signed an agreement for the acquisition of a further 15% stake in the Chinese company Zhejiang Putian Electric Co. Ltd..

Elica S.p.A. signed, among other agreements, an equity transfer agreement with the Putian minority shareholders, Renyao Du and Dong Wenhua, which modifies and supplements the equity transfer agreement signed with the same parties in July 2010.

In particular, under the new equity transfer agreement, the company commits to purchase a further 15% holding in Putian for consideration of Renminbi 278,312,573 (approx. Euro 29,983,148 ¹¹). The payment shall be made in one settlement on fulfilment of the conditions illustrated below. The acquisition of the holding in Putian will be carried out through dedicated credit lines.

This new equity transfer agreement remains subject to the fulfilment of certain conditions including the granting by the Chinese authorities of the necessary authorisations, the establishment of guarantees in favour of Elica and substantial fulfilment of the conditions. It is expected that the conditions will be fulfilled by May 2011; Elica has the right to withdraw from the new equity transfer agreement if the conditions are not met within four months of signing of the agreement.

Following the completion of the operation, Elica will hold 70% of the share capital of Putian, while the remaining 30% will be held by Mr. Renyao Du.

Today the Board of Directors, among other matters, approved the 2010 Corporate Governance and Shareholder Structure Report (up-dated to March 22, 2011).

11 At the official ECB Euro/Renminbi exchange rate of March 18, 2011

The Board of Directors of Elica S.p.A. confirmed also the appointment of Mr. Bruno Assumma as Chairman and of Messrs. Glauco Vico and Massimo Enrico Ferri as members of the Supervisory Board until the approval of the financial statements as at December 31, 2013.

The Annual Report, comprising the Draft Financial Statements of Elica S.p.A. for the year ended December 31, 2010, the Consolidated Financial Statements for the year ended December 31, 2010, the declaration pursuant to Article 154a of the CFA and the Directors' Report, the Report of the Board of Statutory Auditors' and the Independent Auditors' Report, together with the 2010 Corporate Governance and Shareholder Structure Report will be made available to the public, at the Company's registered office, Borsa Italiana S.p.A. and the Company's internet site www.elicagroup.com in accordance with the provisions of law.

The documentation has been filed concerning the first, second and third points on the agenda of the extraordinary session, as well as on the fourth point of the ordinary session of the Shareholders' Meeting called for April 28/29, 2011.

The documentation concerning the first, second and third points on the agenda of the extraordinary session, as well as on the fourth point of the ordinary session of the Shareholders' Meeting called for April 28/29, 2011 were today filed and are available for whomever making such request at the registered office of the Company, as well as at Borsa Italiana S.p.A. and on the internet site <http://www.elicagroup.com>, in the Investor Relations section.

Resolution on dividend distribution

The Board of Directors have proposed the distribution of a dividend of **Euro 0.0251 per share** (before withholding taxes), resulting in a payout ratio of 37.29% of the consolidated Group net profit excluding the distribution of a dividend for treasury shares held at **May 23, 2011, date of the dividend coupon. The payment date proposed for the dividend is May 26, 2011.**

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

The Chief Executive Officer of Elica S.p.A., 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 present press release corresponds to the underlying accounting documents, records and accounting entries.

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 approx. 2,800 employees and an annual output of approx. 17 million units of kitchen hoods and motors, the Elica Group has 9 plants - of these, four are in Italy, one is in Poland, one in Mexico, one in Germany, one in India and one in China. With many years' experience in the sector, Elica has combined meticulous care in design, judicious choice of material and cutting edge technology guaranteeing maximum efficiency and reducing consumption making the Elica Group the prominent market figure it is today. The Group has revolutionised the traditional image of the kitchen cooker hood: it is no longer seen as simple accessory but as a design object which improves the quality of life.

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2010 Consolidated Income Statement

<i>In Euro thousands</i>	<i>Note</i>	31/12/2010	31/12/2009
Revenues	5.1	368,265	335,135
Other operating revenues	5.2	2,371	2,831
Changes in inventories of finished and semi-finished goods	5.3	3,838	4,720
Increase in internal work capitalised	5.4	2,633	2,937
Raw materials and consumables	5.5	(193,686)	(180,198)
Services	5.6	(73,873)	(66,676)
Labour costs	5.7	(72,397)	(66,854)
Amortisation & Depreciation	5.8	(15,641)	(16,556)
Other operating expenses and provisions	5.9	(10,221)	(9,896)
Restructuring charges	5.10	(736)	(1,940)
Write-down of Goodwill for loss of value		-	(2,771)
EBIT		10,553	732
Share of profit/(loss) from associates	5.11	(592)	107
Financial income	5.12	1,383	1,197
Financial charges	5.13	(2,678)	(3,069)
Exchange gains/(losses)	5.14	313	(207)
Profit before taxes		8,979	(1,240)
Income taxes	5.15	(3,402)	2,022
Net profit for the year		5,577	782
Net profit for the year		5,577	782
of which:			
Minority interests share	5.16	1,315	551
Group net profit		4,262	231
<i>Basic earnings per Share (Euro)</i>	5.17	7.48	0.41
<i>Diluted earnings per Share (Euro)</i>	5.17	7.48	0.41

2010 Comprehensive Consolidated Income Statement

<i>In Euro thousands</i>	2010	2009
Net profit	5,577	782
Other comprehensive income statement items:		
Exchange differences on the conversion of foreign financial statements	3,922	467
Net change in cash flow hedges	93	4
Income taxes on other comprehensive income statement items	(20)	(1)
Total other comprehensive income statement items, net of tax effects:	3,995	470
Total comprehensive profit	9,572	1,252
of which:		
Minority interests share	1,577	448
Group comprehensive net profit	7,995	804

Consolidated Balance Sheet at December 31, 2010

<i>In Euro thousands</i>	<i>Note</i>	31/12/2010	31/12/2009
Property, plant & equipment	5.19	83,680	69,100
Goodwill	5.20	41,168	33,818
Other intangible assets	5.21	23,868	21,093
Investments in associated companies	5.22	1,717	2,309
Other financial assets	5.23	30	30
Other receivables	5.24	1,920	200
Tax receivables	5.25	6	6
Deferred tax assets	5.35	9,357	9,200
Financial assets available-for-sale	5.26	614	680
Derivative financial instruments	5.31	189	-
Total non-current assets		162,549	136,436
Trade and financial receivables	5.27	89,276	85,589
Inventories	5.28	42,671	41,451
Other receivables	5.29	4,281	3,841
Tax receivables	5.30	7,589	9,663
Derivative financial instruments	5.31	649	770
Cash and cash equivalents	5.32	25,102	19,235
Current assets		169,568	160,549
Total assets		332,117	296,985
Liabilities for post-employment benefits	5.33	9,182	9,554
Provisions for risks and charges	5.34	8,254	5,752
Deferred tax liabilities	5.35	7,890	5,328
Finance leases and other lenders	5.36	76	2,430
Bank loans and mortgages	5.37	30,457	14,780
Other payables	5.38	1,510	1,381
Tax payables	5.39	978	1,058
Derivative financial instruments	5.31	-	-
Non-current liabilities		58,347	40,283
Provisions for risks and charges	5.34	953	1,082
Finance leases and other lenders	5.36	23	1,903
Bank loans and mortgages	5.37	29,426	23,058
Trade payables	5.40	88,742	86,806
Other payables	5.38	9,022	14,686
Tax payables	5.39	5,764	4,699
Derivative financial instruments	5.31	310	311
Current liabilities		134,240	132,545
Share Capital		12,665	12,665
Capital reserves		71,123	71,123
Hedging, translation and stock option reserve		(3,411)	(8,431)
Treasury shares		(17,629)	(17,629)
Profit reserves		64,210	64,086
Group profit		4,262	231
Group shareholders' equity	5.41	131,220	122,045
Capital and reserves of minority interests		6,995	1,561
Minority interest profit		1,315	551
Minority interest equity	5.42	8,310	2,112
Consolidated shareholders' equity		139,530	124,157
Total liabilities and shareholders' equity		332,117	296,985

Consolidated Cash Flow Statement at December 31, 2010

	31/12/2010	31/12/2009
<i>In Euro thousands</i>		
Opening cash and cash equivalents	19,235	14,968
EBIT- Operating profit	10,553	732
Amortisation, depreciation and write-downs	15,641	16,556
Write-down of Goodwill for loss of value	0	2,771
EBITDA	26,194	20,059
Trade working capital	5,673	16,001
Other working capital accounts	2,663	(3,633)
Exchange rate effect	0	99
Income taxes paid	(2,007)	(2,122)
Change in provisions	1,437	355
Other changes	630	(7)
Cash flow from operating activity	34,589	30,752
Net increases	(23,798)	(16,243)
Intangible assets	(6,559)	(4,792)
Property, plant & equipment	(11,026)	(11,748)
Equity investments and other financial assets	(6,213)	(64)
Exchange rate effect	0	361
Purchase of equity investments	5.45 (10,127)	0
Cash flow from investments	(33,925)	(16,243)
Other movements in share capital	120	0
Dividends	0	(1,066)
Increase (decrease) financial payables	6,627	(7,744)
Net changes in other financial assets/liabilities	(815)	(181)
Interest paid	(1,796)	(1,188)
Cash flow from financing activity	4,135	(10,179)
Change in cash and cash equivalents	4,799	4,330
Effect of exchange rate change on liquidity	1,068	(63)
Closing cash and cash equivalents	25,102	19,235