

**PRESS RELEASE**

**THE ELICA GROUP ACQUIRES GUTMANN, LEADER IN THE GERMAN HIGH-END KITCHEN RANGE HOOD MARKET**

**The acquisition of 100% of Gutmann strengthens the Elica Group's presence in the high-end kitchen range hood market**

**Fabriano, November 12, 2008** – The Elica Group, world leader in the manufacture of kitchen range hoods, has acquired 100% of the German company Gutmann (Exklusiv – Hauben Gutmann GmbH), leader in the German high-end kitchen range hood market specialised in the production of high performing “customised” range hoods.

In 2007, Gutmann recorded **net revenues of Euro 22.2 million**, an **EBIT of Euro 2.0 million** and **Net Debt of Euro 0.4 million**.

In the 3 years 2005/2007 sales revenues of the German company grew at a CAGR<sup>1</sup> of approximately 18%.

**GUTMANN**

Key income statement data

<i>In Euro thousands</i>	<b>2007</b>
Net revenues	22,231
EBITDA <i>revenue margin</i>	2,205 9.9%
EBIT <i>revenue margin</i>	2,025 9.1%
<b>Net profit</b> <i>revenue margin</i>	<b>1,153</b> 5.2%

Key balance sheet data

<i>In Euro thousands</i>	<b>2007</b>	<b>2007</b>
Net fixed assets*	473	Net Equity 1,267
Net Working Capital	1,183	Net Debt 389
<b>Net Capital Employed</b>	<b>1,656</b>	<b>Total Sources 1,656</b>

\* Includes leasing

Production is undertaken internally at the Mühlacker factory, headquarters of the company, with approx. 100 employees.

Revenues, principally from own brands, derive 65% from the domestic market in which the company has developed a strong and effective high-end retail distribution network (ex. kitchen buying group and kitchen studios) and the remaining 35% from other European countries.

<sup>1</sup> Compound Average Growth Rate

In order to ensure operational continuity, Manuel Fernandez Salgado, prior to the sale 100% owner of Gutmann, will remain as the company's Chief Executive Officer.

The current size and quality of Gutmann personnel is considered adequate for the expected growth of the company.

### **Purpose of the operation**

The acquisition of Gutmann by the Elica Group is an opportunity to strengthen its position at the high-end of the range hood market and increase revenues thanks to the highly complementary nature of the product ranges of the two companies: the Elica Collection range being set apart by its innovative design, with "tailor made" being a central aspect of Gutmann's production, while both companies attain high performance levels.

Thanks to this acquisition, the Elica Group will also consolidate its presence in Germany and in other European markets due to the highly complementary markets in which the two companies are present.

These factors, combined with the strong financial position of Gutmann, will ensure future growth for both Gutmann and the Elica Group, in line with the strategy for growth of its own brands and in the high-end market, undertaken since its stock market listing.

"We are very satisfied with this acquisition – commented Andrea Sasso, Chief Executive Officer of Elica - which will enable us not only to strengthen our leadership within the high-end market, but also further consolidate our presence in Germany."

Currently, the Elica Group estimates that the commercial synergies identified will result in CAGR 2007/2010 growth of 6% – 8% of Gutmann's revenues, in addition to further synergies created from procurement and logistics.

### **Value and settlement of the operation**

The Elica Group acquired 100% of Gutmann through the subsidiary Elica Germany GmbH.

The **acquisition price** agreed is the higher of **Euro 14 million** and a value calculated based on the performance of Gutmann<sup>2</sup> in the two year period 2008-2009 (this value will be equal to 7 times the average EBIT of 2008 and 2009, net of the Net Debt at closing date). In addition, the previous owners will be recognised **75% of the Net Profit 2008**<sup>3</sup>.

The operation stipulates the payment of **Euro 12 million** at closing date, in addition to an advance of **Euro 1 million** on 75% of the Net Profit for 2008, with the balance paid after the approval of the Annual Accounts for 2008. The remainder of the purchase price will be paid after the approval of the Annual Accounts for 2009.

The operation will be financed through current Group credit lines.

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<sup>2</sup> Refers to Gutmann stand-alone performance.

<sup>3</sup> See Note 2.

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 8 plants specialising by type of process and product; of these, six 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: It is no longer seen as simple accessory but as a design object.

**For further information:**

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