

PRESS RELEASE

THE ELICA GROUP ENTERS THE INDIAN MARKET THROUGH A JOINT VENTURE

Fabriano, May 3, 2010 – The Elica Group, the world leading manufacturer of kitchen range hoods, has entered the Indian market through a Joint Venture with the Indian company Pralhad Bhutada, among the leading players in the region with proven product knowledge and long-standing relationships with the range hoods and home appliance distributors. This agreement launches the Elica Group in one of the most important markets in Asia with growth rates among the highest in the world, creating also the opportunity to supply OEM¹ clients with locally produced products and increase purchases from Low Cost Countries.

Terms of the operation

Today Elica S.p.A. signed a joint venture agreement establishing the terms and conditions of the operation. The contract was signed with Mr. Bhutada and several senior managers.

The above-stated joint venture agreement establishes that the Elica Group subscribes, expected by the end of June, to a share capital increase of a newly incorporated Indian company (Elica PB India Private Ltd.) for a 51% stake; the remainder of the share capital will be subscribed by Pralhad Bhutada and senior managers of the company.

Mr. Pralhad Bhutada will assume the role of CEO of Elica PB India Ltd. and will be responsible for development on the Indian market together with the other managers. The Indian company may also benefit in terms of branding and technological know-how of the Elica Group, with the right to utilise Elica brands and trademarks based on a specific licensing contract.

Elica PB India Private Ltd. will shortly begin to market Group products in India and will likely begin local production by the third quarter of 2010.

Value and settlement of the operation

The Elica Group will purchase 51% of Elica PB India Private Ltd for a cash consideration of Euro 350,000. The Group will use its own financial resources for the purchase.

¹ *Original Equipment Manufacturer*

Lock-up and Options

In accordance with the joint venture agreement, the shareholders cannot transfer their investment in Elica PB India Private Ltd. to third parties for a period of seven years. The joint venture however can be terminated in certain cases, including, among others, the non-fulfilment of agreements reached, insolvency of one of the parties, in the case of decisional stalemate or a reduction in the investment by the managers in the company below 26%.

In such cases provisions protecting the parties have been established; in particular, put and/or call options may be exercised by Elica or by the other shareholders in relation to the respective holdings in the Indian company. The exercise price of the options will be based on the fair market value of the shares, with application of discounts or premiums according to the issue giving rise to the exercise of the option.

Conditions

The operation is subject to certain suspensive conditions, including principally the necessary authorisations for the start-up of activities of Elica PB India Private Ltd., the completion of some ancillary documents as well as the adoption of the necessary resolutions by the corporate boards of Elica PB India Private Ltd. Currently, it is expected that these suspensive conditions can be fulfilled by the end of May 2010.

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 approx. 16 million units of kitchen hoods and motors, the Elica Group has 8 plants - of these, five are in Italy, one is in Poland, one in Mexico and one in Germany.

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 revolutionized 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.

For further information:

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