

**PRESS RELEASE**

**ELICA S.P.A.:  
THE BOARD OF DIRECTORS APPROVES THE INTERIM REPORT AT  
SEPTEMBER 30, 2010**

**Consolidated results for the First Nine Months 2010**

- **Revenues: Euro 267.3 million (Euro 247.1 million in 2009), an increase of 8.2%;**
- **EBITDA: Euro 20.2 million (Euro 15.1 million in 2009), an increase of 32.8%;**
- **EBIT: Euro 8.0 million (Euro 2.9 million in 2009), an increase of 178.0%;**
- **Group net profit: Euro 3.9 million (Euro 1.1 million in 2009);**
- **Net Debt: Euro 39.1 million** compared to Euro 22.9 million at December 31, 2009 and Euro 23.7 million at September 30, 2009 **following the investments in India<sup>1</sup> and in Cina<sup>2</sup>.**

**Consolidated results for the Third Quarter 2010**

- **Revenues: Euro 87.8 million (Euro 83.1 million in 2009), an increase of 5.7%;**
- **EBITDA: Euro 7.0 million (Euro 6.6 million in 2009), an increase of 5.7%;**
- **EBIT: Euro 3.0 million (Euro 2.6 million in 2009), an increase of 16.0%;**
- **Group net profit: Euro 1.5 million (Euro 0.8 million in 2009), an increase of 86.8%.**

**Resolutions relating to the Procedure for Transactions with Related Parties.**

**Resolutions relating to the By-Law changes introduced by Legs. Decree No. 27 of January 27, 2010 and Legs. Decree No. 39 of January 27, 2010.**

**Fabriano, November 11, 2010** – 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 **Interim Report at September 30, 2010**, prepared in accordance with IFRS.

**Consolidated results for the First Nine Months 2010**

In the first nine months of 2010, Elica Group **consolidated revenues** amounted to **Euro 267.3 million, an increase of 8.2%** on the same period of the previous year. Revenues in the first nine months of the year, although beating the growth in the global range hood market<sup>3</sup> in the period (+4.6%), were affected by the slowdown in the recovery experienced in the last quarter. The growth in volumes acted as the principal driver of revenue growth in both the Business Units – Range Hoods and Motors.

**The range hood Business Unit recorded revenue growth of 6.4%. The high-end segment continued to report the most significant growth (8.5% on 9M 2009).** In particular **brand revenues recorded an excellent performance, increasing by 11.6%**, although the Elica Group continues the rationalisation of the client portfolio with unsatisfactory credit ratings.

<sup>1</sup> Elica PB India Private Ltd.

<sup>2</sup> Zhejiang Putian Electric Co. Ltd.

<sup>3</sup> Company estimates, volume data.

The **motors Business Unit** saw revenue growth of 19.2% on the previous year – thanks to the recovery in the "heating" segment and seasonal factors.

In relation to the geographic areas, **Europe** recorded **revenue growth of 3.7%** on 9M 2009 **within a stable overall market (+0.3%)**. The Americas<sup>4</sup> experienced **significant revenue growth of 28.1%** within a market which suffered a slowdown in the last quarter, with revenues in the **other geographic areas also progressing significantly (+39.6%)** - well ahead of the overall market trend.

### Profitability in the First Nine Months 2010

**EBITDA** amounted to **Euro 20.2 million** compared to Euro 15.2 million in 2009 - **7.6% of revenues**. The margin continued to grow, **+32.8% on the same period of the previous year** and continuing the trend seen now over five continuous quarters<sup>5</sup> as a result of a consolidation of the positive effects of the industrial restructuring process, the implementation of the production efficiency programmes, in addition to the programme focussed on the gradual reduction of fixed costs.

**EBIT** amounted to **Euro 8.0 million** compared to Euro 2.9 million in 2009 – **an increase of 178.0%**.

The **Group Net Profit** was **Euro 3.9 million (1.5% of revenues)** compared to Euro 1.1 million in the same period of 2009, which however included non-recurring tax benefits of Euro 1.7 million.

<i>In Euro thousands</i>	<b>9M 10</b>	<b>revenue margin</b>	<b>9M 09</b>	<b>revenue margin</b>	<b>10 Vs 09 %</b>
Revenues	267,302		247,109		8.2%
EBITDA	20,204	7.6%	15,211	6.2%	32.8%
EBIT	8,041	3.0%	2,892	1.2%	178.0%
Financial income/(charges)	(959)	(0.4%)	(1,746)	(0.7%)	(45.1%)
Income taxes	(2,922)	(1.1%)	416	0.2%	(802.4%)
Net profit from continuing operations	4,120	1.5%	1,562	0.6%	163.8%
Net profit from continuing operations and discontinuing operations	4,120	1.5%	1,562	0.6%	163.8%
<b>Group net profit</b>	<b>3,928</b>	<b>1.5%</b>	<b>1,131</b>	<b>0.5%</b>	<b>247.3%</b>
Basic earnings per share on continuing operations and discontinuing operations*	6.89		1.98		247.3%
Diluted earnings per share on continuing operations and discontinuing operations*	6.89		1.98		247.3%

\*The earnings per share for 9M 2010 and 2009 were calculated by dividing the Group net result from continuing and discontinued operations by the number of outstanding shares at the respective reporting dates.

### Consolidated revenue for the Third Quarter 2010

In the third quarter of 2010, the Elica Group **consolidated revenues** amounted to **Euro 87.8 million, an increase of 5.7%** on the same period of the previous year. The growth in volumes also in the third quarter acted as the principal driver of revenue growth. **The Range Hoods Business Unit reported growth in revenues of 4.4% with the Motors Business Unit reporting growth of 14.0%** compared to the previous year.

<sup>4</sup> Includes North, Central and South America.

<sup>5</sup> EBITDA before non-recurring restructuring charges.

## Profitability in the Third Quarter 2010

**EBITDA** amounted to **Euro 7.0 million** compared to Euro 6.6 million in 2009 - **7.9% of revenues**.

**EBIT** totalled **Euro 3.0 million** compared to Euro 2.6 million in 2009 – **an increase of 16.0%**.

**The Group net profit** amounted to **Euro 1.5 million, 1.7% of revenues**, compared to Euro 0.8 million in the same period of 2009.

<i>In Euro thousands</i>	<b>Q3 10</b>	<b>revenue margin</b>	<b>Q3 09</b>	<b>revenue margin</b>	<b>10 Vs 09 %</b>
Revenues	87,847		83,125		5.7%
EBITDA	6,962	7.9%	6,587	7.9%	5.7%
EBIT	3,001	3.4%	2,588	3.1%	16.0%
Financial income/(charges)	(333)	(0.4%)	(1,019)	(1.2%)	(67.3%)
Income taxes	(1,265)	(1.4%)	(589)	(0.7%)	114.8%
Net profit from continuing operations	1,403	1.6%	980	1.2%	43.2%
Net profit from continuing operations and discontinuing operations	1,403	1.6%	980	1.2%	43.2%
<b>Group net profit</b>	<b>1,515</b>	<b>1.7%</b>	<b>811</b>	<b>1.0%</b>	<b>86.8%</b>
Basic earnings per share on continuing operations and discontinuing operations*(Euro/cents)	2.66		1.42		86.8%
Diluted earnings per share on continuing operations and discontinuing operations*(Euro/cents)	2.66		1.42		86.8%

\*The earnings per share for Q3 2010 and 2009 were calculated by dividing the Group net result from continuing and discontinued operations by the number of outstanding shares at the respective reporting dates.

## Balance sheet

The **Net Debt at September 30, 2010** amounted to **Euro 39.1 million** compared to Euro 22.9 million at December 31, 2009, following the investments in India and China, with the consolidation of the balance sheet of the Chinese company **Zhejiang Putian Electric Co. Ltd** having a particular impact, in addition to the first payment of Euro 7.7 million of the acquisition price. At like-for-like consolidation scope, the Net Debt would have been Euro 23.0 million compared to Euro 23.7 million at September 30, 2009.

<i>In Euro thousands</i>	<b>Sept. 30, 10</b>	<b>Sept. 30, 10 (*)</b>	<b>June 30, 10</b>	<b>Dec. 31, 09</b>	<b>Sept. 30, 09</b>
<b>Cash and cash equivalents</b>	<b>25,061</b>	<b>29,550</b>	<b>22,411</b>	<b>19,235</b>	<b>22,459</b>
Finance leases and other lenders	(82)	(82)	(88)	(2,430)	(2,588)
Bank loans and mortgages	(21,638)	(21,561)	(18,056)	(14,780)	(9,247)
<b>Long-term debt</b>	<b>(21,720)</b>	<b>(21,643)</b>	<b>(18,144)</b>	<b>(17,210)</b>	<b>(11,835)</b>
Finance leases and other lenders	(3,098)	(3,098)	(3,243)	(1,903)	(1,423)

Bank loans and mortgages	(39,344)	(27,860)	(25,214)	(23,058)	(32,944)
<b>Short-term debt</b>	<b>(42,442)</b>	<b>(30,958)</b>	<b>(28,457)</b>	<b>(24,961)</b>	<b>(34,367)</b>

<b>Net Debt</b>	<b>(39,101)</b>	<b>(23,051)</b>	<b>(24,190)</b>	<b>(22,936)</b>	<b>(23,743)</b>
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\* At like-for-like consolidation scope with September 30, 2009

**Managerial Working Capital** on annualised net revenues **increased** from 13.5% at September 30, 2009 to **15.2% at September 30, 2010**. This increase was a direct consequence of the recent entry into the consolidation scope of the **Indian and Chinese joint ventures, of which only the balance sheet was consolidated**. **Excluding the new companies in the consolidation scope, the percentage of stock held would have improved with a reduction in the percentage of trade receivables.**

<i>In Euro thousands</i>	Sept. 30, 10	Sept. 30, 10 (*)	June 30, 10	Dec. 31, 09	Sept. 30, 09
Trade receivables	96,463	89,689	94,192	85,589	87,800
Inventories	48,374	44,521	42,576	41,451	41,539
Trade payables	(90,663)	(87,572)	(91,817)	(86,806)	(84,971)
<b>Managerial Working Capital</b>	<b>54,174</b>	<b>46,638</b>	<b>44,951</b>	<b>40,234</b>	<b>44,368</b>
as a % of annualised revenues	15.2%	13.1%	12.5%	12.0%	13.5%
Other net receivables/payables	(4,422)	(3,506)	(4,771)	(6,963)	(8,701)
<b>Net Working Capital</b>	<b>49,752</b>	<b>43,132</b>	<b>40,180</b>	<b>33,271</b>	<b>35,667</b>
as a % of annualised revenues	14.0%	12.1%	11.2%	9.9%	10.8%

\* At like-for-like consolidation scope with September 30, 2009

The Elica Group **confirms the 2010 Guidance** announced to the market on July 16, 2010 on the acquisition of the Chinese company Putian<sup>6</sup>, which estimates an increase in **Consolidated Revenues<sup>7</sup> of between 5% and 7% on 2009, EBITDA growth between 25% and 35% on 2009 and stability in the percentage of Net Working Capital** on consolidated revenues.

"We confirm the 2010 Guidance indications which will be fully met as we near the top of the revenue growth expectations" commented **Andrea Sasso**, Chief Executive Officer of Elica S.p.A..

The ongoing focus on innovation continues, as does the efficiency drive which have enabled the Elica Group to strengthen further its leadership position in the sector.

### Significant events in the third quarter of 2010 and subsequent events after September 30, 2010

In July 2010 Elica signed an equity transfer agreement and a joint venture agreement 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. The agreement establishes a mechanism for an adjustment of the sum paid based on the EBITDA recorded by Putian for the financial year 2010. The agreements also establish that Elica will consolidate its control of Putian in 2011 through the acquisition of a further 15% stake. The purchase price of this latter holding will be

<sup>6</sup> Zhejiang Putian Electric Co. Ltd

<sup>7</sup> Estimates at the Official ECB Euro/Remimbi exchange rate of July 7, 2010

based on the EBITDA which Putian records in 2010. This further transfer remains subject to the fulfilment of certain conditions including the granting by the Chinese authorities of the necessary authorisation to complete the operation and the establishment of the 2010 EBITDA of Putian. The Elica Group can consolidate 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 OEM<sup>8</sup> client base with local production and increases purchasing from Low Cost Countries.

On August 6, the Board of Directors 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.

In the period the company Elica Finance was liquidated.

On October 4, 2010 Elica S.p.A. sold the residual 10% holding in the company Acem S.r.l. to Nikel srl, a stake which was previously held by Fime S.p.A..

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

### **Resolutions relating to the Procedure for Transactions with Related Parties**

The Board of Directors of Elica S.p.A., with prior approval of the independent directors, adopted in accordance with article 2391 bis of the civil code and article 4 bis of the civil code and article 4 of Consob Regulation concerning related parties approved with resolution No. 17221 of March 12 and subsequent modifications, a new procedure to govern transactions with related parties carried out directly by the parent company or through subsidiaries in order to ensure both substantial and procedural transparency and correctness of such transactions. This procedure will be published today on the internet site [www.elicagroup.com](http://www.elicagroup.com), Investor Relations section.

### **Resolutions relating to the By-Law changes introduced by Legs. Decree No. 27 of January 27, 2010 and Legs. Decree No. 39 of January 27, 2010**

The Board of Directors of Elica S.p.A., 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. The amended by-law will be filed, in accordance with law, at the registered offices of the company, the Company Registration Office, Borsa Italiana and Consob, as well as published on the internet site [www.elicagroup.com](http://www.elicagroup.com), in the Investor Relations section.

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The Interim Report at September 30, 2010 was filed and made available to whomever making such request at the registered offices of the Company, and at Borsa Italiana S.p.A. and on the internet site [www.elicagroup.com](http://www.elicagroup.com), Investor Relations section.

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<sup>8</sup> Original Equipment Manufacturer

## **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 present press release corresponds to the underlying accounting documents, records and accounting entries.

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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 2,700 employees and an annual output of approx. 16 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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## ATTACHMENT A

### Consolidated income statement as at September 30, 2010

<i>In Euro thousands</i>	<i>Note</i>	Q3 10	Q3 09	9M 10	9M 09
Revenues	<b>1</b>	87,847	83,125	267,302	247,109
Other operating revenues		154	373	2,156	1,291
Changes in inventories of finished and semi-finished goods		4,906	3,386	6,146	1,876
Increase in internal work capitalised		587	583	1,565	2,258
Raw materials and consumables	<b>2</b>	(48,957)	(46,354)	(140,952)	(131,458)
Services	<b>3</b>	(17,984)	(15,872)	(54,672)	(49,286)
Labour costs	<b>4</b>	(17,454)	(15,851)	(54,369)	(49,612)
Amortisation and Depreciation		(3,961)	(3,999)	(12,163)	(12,319)
Other operating expenses and provisions		(2,137)	(2,755)	(6,972)	(6,918)
Restructuring charges		-	(48)	-	(49)
<b>EBIT</b>		<b>3,001</b>	<b>2,588</b>	<b>8,041</b>	<b>2,892</b>
Share of profit/(loss) from associates		21	(11)	(586)	26
Impairment of available-for-sale financial assets		(40)	-	(40)	-
Financial income	<b>5</b>	9	33	1,328	673
Financial charges	<b>5</b>	(555)	(586)	(1,939)	(2,146)
Exchange gains/(losses)	<b>5</b>	232	(455)	238	(299)
<b>Profit before taxes</b>		<b>2,668</b>	<b>1,569</b>	<b>7,042</b>	<b>1,146</b>
Income taxes		(1,265)	(589)	(2,922)	416
<b>Net profit from continuing operations</b>		<b>1,403</b>	<b>980</b>	<b>4,120</b>	<b>1,562</b>
<b>Net profit from discontinued operations</b>		-	-	-	-
<b>Net profit for the period</b>		<b>1,403</b>	<b>980</b>	<b>4,120</b>	<b>1,562</b>
of which:					
Minority interests share		(112)	169	192	431
Group net profit		1,515	811	3,928	1,131
<b>Basic earnings per share</b>					
From continuing and discontinued operations (Euro/cents)		2.66	1.42	6.89	1.98
From continuing operations (Euro/cents)		2.66	1.42	6.89	1.98
<b>Diluted earnings per share</b>					
From continuing and discontinued operations (Euro/cents)		2.66	1.42	6.89	1.98
From continuing operations (Euro/cents)		2.66	1.42	6.89	1.98

**ATTACHMENT B**
**Comprehensive Consolidated Income Statement at September 30, 2010**

<i>In Euro thousands</i>	<b>Q3 10</b>	<b>Q3 09</b>	<b>9M 10</b>	<b>9M 09</b>
<b>Net profit</b>	<b>1,403</b>	<b>980</b>	<b>4,120</b>	<b>1,562</b>
<b>Other comprehensive income statement items:</b>				
Exchange differences on the conversion of foreign financial statements	(1,733)	(48)	2,336	(1,071)
Net change in cash flow hedges	17	-	20	(10)
Income taxes on other comprehensive income statement items	(3)	2	(4)	2
<b>Total other comprehensive income statement items, net of tax effects:</b>	<b>(1,719)</b>	<b>(46)</b>	<b>2,352</b>	<b>(1,079)</b>
<b>Total comprehensive profit/(loss)</b>	<b>(316)</b>	<b>934</b>	<b>6,472</b>	<b>483</b>
of which:				
Minority interests share	(381)	168	173	334
Group comprehensive net profit	65	958	6,299	149



**ATTACHMENT C**  
**Consolidated Balance Sheet at September 30, 2010**

<i>In Euro thousands</i>	<i>Note</i>	<b>Sept. 30, 10</b>	<b>Sept. 30, 09</b>
Property, plant & equipment	<b>6</b>	75,840	69,100
Goodwill	<b>7</b>	40,944	33,818
Other intangible assets		21,086	21,093
Investments in associated companies		1,722	2,309
Other financial assets		30	30
Other receivables		209	200
Tax receivables		6	6
Deferred tax assets		8,584	9,200
Financial assets available-for-sale		732	680
<b>Total non-current assets</b>		<b>149,153</b>	<b>136,436</b>
Trade and financial receivables	<b>8</b>	96,463	85,589
Inventories	<b>9</b>	48,374	41,451
Other receivables		11,174	3,841
Tax receivables		10,995	9,663
Derivative financial instruments		548	770
Cash and cash equivalents		25,061	19,235
<b>Current assets</b>		<b>192,615</b>	<b>160,549</b>
<b>Total assets</b>		<b>341,768</b>	<b>296,985</b>
Liabilities for post-employment benefits		9,861	9,554
Provisions for risks and charges		4,255	5,752
Deferred tax liabilities		7,397	5,328
Finance leases and other lenders		82	2,430
Bank loans and mortgages		21,638	14,780
Other payables		1,393	1,381
Tax payables		1,024	1,058
Derivative financial instruments		-	-
<b>Non-current liabilities</b>		<b>45,650</b>	<b>40,283</b>
Provisions for risks and charges		877	1,082
Finance leases and other lenders		3,098	1,903
Bank loans and mortgages		39,344	23,058
Trade payables		90,663	86,806
Other payables		18,762	14,686
Tax payables		6,952	4,699
Derivative financial instruments		278	311
<b>Current liabilities</b>		<b>159,974</b>	<b>132,545</b>
Share Capital		12,665	12,665
Capital reserves		71,123	71,123
Hedging, translation and stock grant reserve		(5,114)	(8,431)
Treasury shares		(17,629)	(17,629)
Profit reserves		64,262	64,086
Group profit		3,928	231
<b>Group shareholders' equity</b>		<b>129,235</b>	<b>122,045</b>
Capital and reserves of minority interests		6,717	1,561
Minority interest profit		192	551
<b>Minority interest equity</b>		<b>6,909</b>	<b>2,112</b>
<b>Consolidated shareholders' equity</b>		<b>136,144</b>	<b>124,157</b>
<b>Total liabilities and equity</b>		<b>341,768</b>	<b>296,985</b>

**ATTACHMENT D**
**Consolidated cash flow statement at September 30, 2010**

<i>In Euro thousands</i>	<b>Sept. 30, 10</b>	<b>Sept. 30, 09</b>
<b>Opening cash and cash equivalents</b>	<b>19,235</b>	<b>14,968</b>
EBIT- Operating profit	8,041	2,892
Amortisation, depreciation and write-downs	12,163	12,319
EBITDA	20,204	15,211
Trade working capital	(5,758)	11,697
Other working capital accounts	7,247	(1,453)
Income taxes paid	(709)	(1,226)
Change in provisions	(1,818)	(1,124)
Other changes	(4,386)	(162)
<b>Cash flow from operating activity</b>	<b>14,780</b>	<b>22,943</b>
Net increases	(16,220)	(10,110)
Intangible assets	(3,231)	(2,187)
Property, plant & equipment	(6,574)	(7,923)
Equity investments and other financial assets	(6,414)	0
Purchase of equity investments	(4,567)	0
<b>Cash flow from investments</b>	<b>(20,787)</b>	<b>(10,110)</b>
Dividends	0	(1,066)
Increase (decrease) financial payables	11,220	(3,713)
Net changes in other financial assets/liabilities	1,067	686
Interest paid	(1,284)	(1,046)
<b>Cash flow from financing activity</b>	<b>11,003</b>	<b>(5,139)</b>
<b>Change in cash and cash equivalents</b>	<b>4,997</b>	<b>7,694</b>
<b>Effect of exchange rate change on liquidity</b>	<b>829</b>	<b>(203)</b>
<b>Closing cash and cash equivalents</b>	<b>25,061</b>	<b>22,459</b>