

PRESS RELEASE

ELICA S.p.A. SELLS 100% OF THE GERMAN SUBSIDIARY EXKLUSIV-HAUBEN GUTMANN GmbH

Milan, August 28, 2017 – Elica S.p.A., the parent of a Group that is the leading manufacturer of kitchen range hoods, has sold 100% of the German company Exklusiv-Hauben Gutmann to Mr. Manuel Fernandez Salgado (the Buyer), Managing Director of the subsidiary.

Over recent years, the German subsidiary has underperformed consolidated earnings and therefore in order to protect the value created by the Group for shareholders and to focus investment and the company on the more profitable aspects of the business its disposal was approved. The Group will continue to develop on the German market around the Elica brand, which is well-established and positioned on the higher margin segments.

Acquired by Elica S.p.A. in 2008, Exklusiv-Hauben Gutmann particularly manufactures high-end tailor-made range hoods under the Gutmann brand at its Mühlacker facilities.

Conditions and value of the operation

Consideration for 100% of the German subsidiary Exklusiv-Hauben Gutmann totals Euro 2.5 million, to be paid in five tranches at each year-end from December 31, 2019 until December 31, 2023.

In addition, Elica ceded to Manuel Fernandez an Exklusiv-Hauben Gutmann financial receivable of Euro 11.15 million¹ for consideration of Euro 1, to be settled within one week of the signing of the agreements.

The buyer recognises to Elica S.p.A. a call option on 100% of the share capital of Exklusiv-Hauben Gutmann, exercisable at conditions established by the parties at the price of 6 times average EBITDA over the last two years², net of the net financial position.

In addition, Elica S.p.A. is recognised a call option against Exklusiv-Hauben Gutmann on the financial receivable ceded, existing at the option exercise date and exercisable at a price of Euro 1 on fulfillment of the conditions established by the parties.

Key Financial highlights of Exklusiv-Hauben Gutmann GmbH

The financial statements of Exklusiv-Hauben Gutmann GmbH are attached, reclassified according to IFRS and prepared on the basis of the individual financial statements at August 1, 2017, corresponding to local GAAP and approved by the Board of Directors of the German subsidiary subject of the operation.

In the first months of 2017, the operating result contracted significantly more than expected despite the restructuring measures undertaken since the beginning of the year.

The Goodwill of the company sold is recognised at the fair value determined by the model utilised for the Impairment Test and amounts to Euro 2.7 million.

Impact on 2017-2019 Objectives

¹ Which may be issued by the holder up to a maximum of Euro 13.15 million.

² Relating to the certified statutory financial statements.

Following conclusion of the operation, the company expects an improvement on the 2017-2019 Objectives announced to the market on May 15, 2017 in terms of margin growth for the three-year period and for the Return on Net Capital Employed.

The Elica Group has been present in the cooker hood market since the 1970's, is chaired by Francesco Casoli and led by Antonio Recinella and today is the 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. With over 3,800 employees and an annual output of over 19 million units, the Elica Group has seven plants, including in Italy, Poland, Mexico, India and 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

Exklusiv-Hauben Gutmann GmbH

Income Statement (January 1, 2017 - August 1, 2017)

<i>In Euro</i>	IFRS
Revenue	11,312,031
Other operating income	304,411
Changes in inventories finished and semi-finished goods	(56,867)
Increase in internal work capitalised	41,418
Raw materials and consumables	(5,969,667)
Services	(3,009,408)
Labour costs	(3,995,806)
Amortisation & Depreciation	(1,065,587)
Other operating expenses and provisions	(832,289)
Restructuring charges	(200,000)
Operating loss	(3,471,764)
Financial income	2
Financial charges	(206,474)
Other non-operating income	73
Loss before taxes	(3,678,163)
Income taxes	(43)
Loss from continuing operations	(3,678,207)
Loss for the period	(3,678,207)

ATTACHMENT B

Exklusiv-Hauben Gutmann GmbH

Statement of Financial Position at August 1, 2017

<i>In Euro</i>	IFRS
Total assets	19,772,070
Total non-current assets	10,340,644
Property, plant & equipment	1,834,950
Goodwill	2,748,280
Other intangible assets	4,667,054
Deferred tax assets	1,090,360
Current assets	9,431,426
Trade receivables	4,468,146
Inventories	3,761,755
Other receivables	430,252
Tax assets	97,400
Cash and cash equivalents	673,874
Total liabilities and equity	19,772,070
Total liabilities	24,892,264
Non-current liabilities	12,243,903
Deferred tax liabilities	1,089,244
Finance leases and other lenders	11,154,659
Current liabilities	12,648,361
Provisions for risks and charges	869,494
Finance leases and other lenders	2,778
Trade payables	9,859,294
Other payables	1,622,188
Tax liabilities	294,607
Equity	(5,120,194)