

PRESS RELEASE

**JOINT VENTURE
BETWEEN ELICA INDIA AND WHIRLPOOL OF INDIA
TO ACCELERATE GROWTH IN INDIAN MARKET**

- **Elica S.p.A. will continue to exercise control over the joint venture and to consolidate its financial statements**
- **Consideration for 33% of the Indian subsidiary held by Elica will amount to approx. Euro 13.4 million (at today's exchange rate)**
- **Closing forecast for summer of 2018**

Milan, June 1, 2018 – Elica S.p.A., the parent of a Group that is a leading manufacturer of kitchen range hoods, listed on the MTA-STAR segment of the Italian Stock Exchange (Ticker: ELC), announces the signing of an agreement involving the sale to Whirlpool of India Limited of 33% of share capital of the Indian subsidiary Elica PB India Private Ltd., together with the other Indian minority shareholders disposing of 16%. On closing, Whirlpool of India Limited will acquire in total 49% of the Indian subsidiary of Elica S.p.A..

Alongside the acquisition of the investment, Whirlpool of India Limited will sign an exclusive distribution agreement for a number of its cooking segment products with Elica PB India Private Ltd to speed up the development of its business on the Indian market, utilizing on Elica PB India's distribution structure which, over the last 2 years, has benefitted from the opening of numerous mono-brand stores and annual growth rates at over 30%. Elica S.p.A. has been assisted, in the operation, by the Law Firm Studio SabelliBenazzo.

Antonio Recinella CEO of Elica stated: *"We are extremely proud of the agreement signed with Whirlpool of India Limited and expect this agreement to drive our growth on the quickly-expanding Indian market. The complementary nature of our products, Elica's production and innovation capacity and the distribution structure developed over the years are winning factors and will position us well to compete effectively in India".*

Pralhad Bhutada, CEO of Elica PB India stated: *"Elica PB has built a competitive product portfolio and distribution network for the Elica brand. With the addition of Whirlpool brand's products, we will offer two very appealing appliance brands to the Indian consumers and we are confident that we can take both these brands to greater heights".*

Sunil D'Souza, CEO of Whirlpool India stated: *"The cooking and built-in appliance category is poised for very strong growth in India, driven by rising consumer demand. Whirlpool seeks to offer consumers the benefit of the complementary nature of its product portfolio, along with Elica's capacity for design, production and distribution and consumer demand insights. This joint venture will bring outstanding product innovation to the kitchens of our consumers".*

In May 2010, the Elica Group entered the Indian market by setting up a joint venture with Mr. Pralhad Bhutada, a leading local operator, and a number of Indian managers, launching therefore Elica PB India Ltd's operations, based in Pune, manufacturing and selling own brand and third-party brand products and leveraging also the branding and technical knowledge of the Elica Group and its trademark and patent rights.

Elica's launch on one of Asia's main markets - featuring one of the strongest growth rates globally - has been successful also thanks to the highly focused and expert management of the CEO Pralhad Bhutada and his team of managers and a winning distribution and marketing strategy.

Conditions and value of the operation

The consideration for the sale of 33% of the Indian subsidiary Elica PB India Private Ltd will be approx. INR 1,074,494,375.26 (approx. Euro 13.4 million at today's exchange rate) and shall be settled through a single payment on the operation completion date. The operation's closing is subject to conditions, including anti-trust approval in Europe and Turkey and the completion of the obligatory authorisation procedures required by the Indian foreign exchange rules.

Subsequent to the receipt of consideration, Elica will pay INR 105,599,616 (approx. Euro 1.3 million at today's exchange rate) to the other Indian shareholders against the waiving of some of their rights concerning the early conversion of the bond loan.

In fact, on May 7 the early conversion of the convertible bond loan with Elica PB India Ltd. was announced, with Elica's holding in the subsidiary increasing from 51% to the current 58.5%. Under the blocking agreement with the Indian shareholders, Elica S.p.A. will continue to exercise control over Elica PB India Private Ltd. and to fully consolidate its financial statements.

Closing is currently expected to take place **by the summer of 2018**.

On closing, Elica S.p.A., Whirlpool of India Limited and the other Indian shareholders will sign a shareholder agreement stipulating, among other matters, a prohibition on the sale to third parties of their respective investments in Elica PB India Private Ltd within 90 days from the approval of the financial statements of Elica PB India Private Ltd for the year ending March 31, 2021.

In addition, the shareholder agreement will include a Put & Call option under which Whirlpool of India Limited may acquire (i.e. Elica and the other Indian shareholders may sell to Whirlpool of India Limited) the entire holding of these latter in Elica PB India Private Ltd..

The operation also involves the signing on closing by Elica PB India Private Ltd. and Whirlpool of India Limited of an exclusive distribution contract and a manufacturing agreement in the name of and on behalf of Whirlpool concerning the latter's cooking segment products.

Elica PB India Private Ltd. Key Financial Highlights

Over the last two years, the Indian subsidiary has posted significantly improved results, driven by revenue growth at rates of over 30% to reach Euro 24.3 million in 2017. The 2017 margin more than doubled on 2016, with an EBITDA margin of 14.3% over net revenues. The streamlined cost structure in terms of amortization and depreciation rates and financial charges has significantly improved the Net Result which in 2017 was a profit of Euro 1.8 million, improving on slightly above break-even for 2016. Strong cash generation has improved the Net Financial Position to Euro 2.3 million at the end of 2017.

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 approx. 21 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 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.



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