

**PRESS RELEASE**

**BOARD OF DIRECTORS OF ELICA SPA  
APPROVES QUARTERLY REPORT AT 30 SEPTEMBER 2006**

**Consolidated results for third quarter of 2006 (July- September 2006)**

**Revenue: €95.2 million (up 11% on third quarter of 2005)**  
**EBITDA before non-recurring items: €11.7 million (up 11.4% on third quarter of 2005)**  
**EBIT before non-recurring items: €7.6 million (up 11.2% on third quarter of 2005)**  
**Net profit: €2.5 million (down 13.7% on third quarter of 2005)**  
**Net profit before non-recurring items: €2.9 million (down 4.0% on third quarter of 2005)**

**Consolidated results for nine months ended 30 September 2006**

**Revenue: € 297,2 million (+14.3% on comparable period of 2005)**  
**EBITDA before non-recurring items: €35.3 million (+17.4% on comparable period of 2005)**  
**EBIT before non-recurring items: € 23.3 million (+22.3% on comparable period of 2005)**  
**Net profit: €7.7 million (down 8% on comparable period of 2005)**  
**Net debt: €45.7 million (up 21% on 30 June 2006)**  
**EPS before non-recurring items: 18 euro cents, up 19% on third quarter of 2005**

**Fabriano, 14 November 2006** – The Board of Directors of Elica S.p.A., the parent company of a Group that is the leading manufacturer of kitchen range hoods,<sup>1</sup> which was recently listed on the STAR segment of Borsa Italiana's screen-based market (the *MTA*), has approved the **quarterly report at 30 September 2006**, prepared in accordance with IFRS. The results were in line with the Company's expectations and the forecasts contained in the third-quarter budget.

In the third quarter of 2006, **consolidated revenue** amounted to €95.2 million, up 11% on the €85.8 million of the third quarter of 2005. Kitchen range hoods generated 81% of such revenue, while the motor business accounted for the remaining 19%.

In the **first nine months** of 2006, **consolidated revenue** amounted to **€297.2 million**, up 14.3% on the €259.9 million posted for the same period in 2005.

Revenue growth was due to a significant extent to the range hood and motor business of Turbo Air S.p.A., which became part of the Group in February 2006. Moreover, the accounts of Ariaфина, a joint venture with the Japanese Group, Fuji Industrial, have been consolidated as of 1 June 2006. On a like-for-like basis, organic revenue growth was 3.3%.

**EBITDA before non-recurring items** rose to **€11.7 million**, up **11.4%** compared with €10.5 million in the third quarter of 2005.

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<sup>1</sup> **Source:** company management on the basis of the Elica Group's 2004 data (excluding Turbo Air), compared with data for its main competitors (Faber: web site; Nortek/Broan: research by NPD Group).

**EBIT before non-recurring items** amounted to **€7.6 million**, compared to €6.8 million in the third quarter of 2005, having risen **11.2%**.

On a like-for-like basis of consolidation, the EBITDA margin, before non-recurring items, rose by 12.4%, compared to 11.6% on the same period of 2005, while the EBIT margin, before non-recurring items, grew by 8.2%, from 7.3% in the third quarter of 2005.

Profitability improved thanks to a better sales mix and operational efficiency, in addition to revenue growth.

During these **first nine months**, the Group incurred non-recurring charges and income amounting to a net €2.8 million (0.9% of total revenue). Charges included approximately €1.8 million in start-up costs linked to the start-up of operations in America; €0.3 million reflecting the greater costs incurred to develop the sales of hoods under the Company's own brand; charges of €0.24 million in connection with IFRS 3, relating to the business combination with Turbo Air; approximately €1 million due to redundancies and restructuring, half of which attributable to the reorganization of Turbo Air.

EBITDA before non-recurring items for the nine months ended 30 September 2006 amounted to €32.6 million, up 6% on the €30.7 million for the same period of the previous year. EBIT before non-recurring items for the nine months ended 30 September 2006 amounted to €20.5 million, marking an increase of 4% on the €19.7 million of one year earlier.

**Net profit** for the nine months amounted to €7.7 million, down from €8.4 million one year ago. Net profit before non-recurring items amounted to €9.6 million, up 18.9% on the comparable amount for 2005.

Net debt amounts to €45.7 million, up 21% on June 30 2006. The increase is primarily due to investments in Poland and the consolidation of Turbo Air.

**To expand in the Americas**, recently ElicaMex (a wholly-owned subsidiary of Elica Group) signed a partnership for the distributions of products with MABE, one of the Continent's main household appliance manufacturers, with annual revenues in excess of US\$3 billion, to distribute products under the various MABE brand names in Mexico, South America and Canada. A new agreement is expected to be finalized to distribute products under the Elica Collection brand in the same countries. Elicamex will manufacture its products at the new plant in Queretaro. The agreement will last five years and, once it has come fully into effect in January 2007, should generate revenues of around US\$10 million per year.

Furthermore, Elicamex has secured an important order from "The Home Depot" (THD) for the supply of a new line of decorative kitchen range hoods. The amount of the order is about US\$50 million for the next four years. The order was given to our office in the US, where THD has over 2,000 outlets. The Home Depot also operates in Canada and Mexico.

The quarterly report at 30 September 2006 is available at [www.elica.com](http://www.elica.com).

**Summary operating, financial and cash flow data**  
(euro in thousands)

	Q3 2005	Q3 2006	Growth 2006/2005	9M 2005	9M 2006	Growth 2006/2005
<b>Revenue</b>	85,784	95,215	11.0%	259,933	297,189	14.3%
<b>EBITDA before non-recurring items</b>	10,532	11,734	11.4%	30,109	35,353	17.4%
EBITDA margin before non-recurring items	12.3%	12.3%	0.0%	11.6%	11.9%	0.3%
<b>EBIT before non-recurring items</b>	6,830	7,596	11.2%	19,071	23,329	22.3%
EBIT margin before non-recurring items	8.0%	8.0%	0.0%	7.3%	7.8%	0.5%
Non-recurring items (income and charges)	-147	-569		594	-2,793	
as a % of revenue	-0.2%	-0.6%	-0.4%	0.2%	-0.9%	-1.2%
<b>EBITDA</b>	10,385	11,165	7.5%	30,703	32,560	6.0%
EBITDA margin	12.1%	11.7%	-0.4%	11.8%	11.0%	-0.9%
<b>EBIT</b>	6,683	7,027	5.1%	19,665	20,536	4.4%
EBIT margin	7.8%	7.4%	-0.4%	7.6%	6.9%	-0.7%
<b>Net interest expense</b>	-618	-1,069		-2,110	-2,544	
as a % of revenue	-0.7%	-1.1%		-0.8%	-0.9%	
<b>Foreign exchange gains/(losses)</b>	-132	48	0	590	-416	-2
as a % of revenue	-0.2%	0.1%		0.2%	-0.1%	
<b>Net profit</b>	2,905	2,508	-13.7%	8,399	7,729	-8.0%
Net profit margin	3.4%	2.6%	-0.8%	3.2%	2.6%	-0.6%
Net income attributable to shareholders of the Parent Company	2,732	2,466	-9.7%	8,109	7,676	-5.3%
<b>EPS (euro cents)</b>	5.4	4.9		16.0	15.1	
<b>Diluted EPS (euro cents)</b>	4.3	3.9		12.8	12.1	
<b>EPS before non-recurring items (euro cents)</b>	5.9	5.7	-4.1%	15.8	18.8	18.9%

	31 December 2005	30 June 2006	30 September 2006
Trade receivables	90,831	103,311	99,190
Inventories	40,466	52,710	54,729
Trade payables	-87,467	-108,640	-101,142
Operating Working Capital	43,830	47,381	52,777
as a % of revenue	12,5%	11,7%	13,3%
Net other receivables / payables	-8,473	-16,556	-15,962
Net Working Capital	35,357	30,825	36,815
as a % of revenue	10.1%	7.6%	9.3%
Net debt	-28,545	-37,723	-45,661
Total equity	79,504	80,146	82,774
<b>Gearing</b>	35.9%	47.1%	55.2%
Net debt	-28,545	-37,723	-45,661
EBITDA before non-recurring items	39,717	23,619	35,353
<b>Debt coverage</b>	0.72	0.80	0.97
EBIT before non-recurring items	23,475	15,733	23,329
Net Invested Capital	102,903	112,116	122,494
<b>Return On Net Invested Capital</b>	22.8%	28.1%	25.4%

Established in the 1970s, the **Elica Group** is a world leader in the manufacture of range hoods for domestic use, and market leader in terms of units sold in the major European countries. The company is also a leader in Europe in the design, manufacturing and marketing of electric motors for range hoods and boilers for use in the home. With over 1,800 employees and an annual output of over 5 million units, the Elica Group has 11 specialized production sites. Of these, 10 are located in Italy and one in Poland. Thanks to its thirty years of experience in the sector, attention to design and use of refined materials and advanced technologies, Elica has built an unrivalled reputation and revolutionised the traditional image of kitchen range hoods for domestic use, transforming them from basic accessories to unique design objects.

*This announcement is not an offer for sale of securities in the United States. The securities referred to herein may not be sold in the United States absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended. Elica S.p.A. does not intend to register any portion of the offering of the securities in the United States or to conduct a public offering of the securities in the United States. Any public offering of securities to be made in the United States will be made by means of a prospectus that may be obtained from Elica S.p.A. or the selling shareholder and that will contain detailed information about the company and management, as well as financial statements. Copies of this announcement are not being made and may not be distributed or sent into the United States, Canada, Australia or Japan.*

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