The Hi-Life Company

PRESS RELEASE

BOARD OF DIRECTORS OF ELICA S.p.A. APPROVE PRELIMINARY RESULTS 2008

Consolidated preliminary results[1] for 2008 (January-December 2008)

- **Revenues: Euro 385.4 million (Euro 426.8 million in 2007);**
- **Net Profit: Euro 6.4 million (Euro 9.6 million in 2007);**
- **EPS[2]: Euro 0.0999 (Euro 0.1504 in 2007).**

Fabriano, 12 February 2009 – 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 31 December 2008**, prepared in accordance with IFRS.

Preliminary consolidated revenues[3] 2008

In 2008, Group **consolidated revenues** amounted to **Euro 385.4 million**, a **decrease of 9.7%** on the previous year. The fall is due to a general drop in consumption which has particularly affected North America and Europe – the areas in which the Elica Group derives the majority of its revenue. The range hood Business Unit recorded a reduction in sales of 11.0%. Own brands decreased by 6.1%, mainly due to the lower volumes supplied to Home Depot and the CIS area[4]. However the **Elica Collection** recorded a good performance, **which grew by 5.3%** on 2007, **countering the market trend.** The motors Business Unit recorded a small decrease in revenues of 2.7% on the previous year.

In relation to the geographic areas, **Europe**[5] recorded a **decrease in revenues of 12.9%** on 2007, in line with the market, while the **Americas**[6] recorded **revenue growth, both in US Dollar terms (7.1%) and Euro (0.9%) – against the American market trend**[7]**.** The **other geographic areas** recorded a **total revenue growth, both in US Dollar terms (22.9%) and in Euro (15.8%), well ahead of the market trend.**

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[1] All amounts relating to the years 2008 and 2007 exclude the business unit "ACEM" which is no longer included in the 2008 consolidation scope. The 2008 amounts include the consolidation of the German company Exklusiv–Hauben Gutmann GmbH from 1 November 2008.
[2] The earnings per share was calculated by dividing the Group net profit from continuing operations by the number of outstanding shares at the respective reporting dates.
[3] See Note 1.
[4] Includes the countries belonging to the Commonwealth of Independent States (CIS).
[5] See Note 3.
[6] Includes North, Central and South America.
[7] Group estimate on market data.

Profit margins 2008[8]

EBITDA amounted to **Euro 22.7 million** compared to Euro 38.5 million in 2007, **equal to 5,9% of revenues.** The margin was strongly impacted by the current market conditions, in particular in the fourth quarter of 2008, resulting in a significant contraction of volumes and a consequent reduced absorption of overhead costs.
The Elica Group also undertook an industrial reorganisation in 2008, focussed on achieving an optimal sizing of production facilities, which incurred implementation and restructuring costs (Euro 2.5 million), thus affecting margins.

Net financial income, deriving also from foreign exchange hedging activities, **contributed Euro 0.3 million to profits.**

The **Net Profit** was **Euro 6.4 million** compared to Euro 9.6 million, **equal to 1.6% of revenues**.
The **EPS** amounted to **Euro 0.0999**, compared to Euro 0.1504 in 2007.

In Euro thousands	**FY 2008**	**revenue margin**	**FY 2007 (*)**	**revenue margin**	**08 Vs 07 %**
Revenues	385,435		426,795		(9.7%)
EBITDA from continuing operations	22,744	5.9%	38,546	9.0%	(41.0%)
EBIT from continuing operations	5,841	1.5%	22,103	5.2%	(73.6%)
Financial income/(costs)	302	0.1%	(2,705)	(0.6%)	(111.2%)
Income taxes	207	0.1%	(9,862)	(2.3%)	(102.1%)
Net profit from continuing operations	**6,350**	**1.6%**	**9,562**	**2.2%**	(33.6%)
Basic earnings per share on continuing operations (**)	9.99		15.04		(33.6%)
Diluted earnings per share on continuing operations (**)	9.99		15.04		(33.6%)

(*) With "ACEM" discontinued.
(**) The earnings per share was calculated by dividing the Group net profit from continuing operations by the number of outstanding shares at the respective reporting dates.

Balance sheet

The **Net Debt at 31 December 2008 was Euro 34.9 million**, compared to Net Funds of Euro 3.3 million at 31 December 2007. Excluding the Buy Back plan of Euro 17.6 million and the loan undertaken in relation to the purchase of Gutmann[9], of Euro 13.4 million, **Net Debt at 31 December 2008 would have amounted to Euro 3.9 million.**

[8] See Note 1.
[9] Exklusiv–Hauben Gutmann GmbH

In Euro thousands	31 Dec 08	30 Sep 08	31/12/2007 (*)
Cash and cash equivalents	**14,968**	**14,250**	**21,948**
Finance leases and other lenders	(4,222)	(4,346)	(4,614)
Bank loans and mortgages	(4,677)	(4,934)	(6,705)
Long-term debt	**(8,899)**	**(9,280)**	**(11,319)**
Finance leases and other lenders	(692)	(556)	(1,170)
Bank loans and mortgages	(40,311)	(23,046)	(6,206)
Short-term debt	**(41,003)**	**(23,602)**	**(7,376)**
Net debt	**(34,934)**	**(18,632)**	**3,253**

(*) with ACEM discontinued

Net Working Capital decreased as a **percentage of annualised revenues**, from 14.5% at 30 September 2008 to 12.6% at 31 December 2008, although increasing in the twelve months on 10.9% at 31 December 2007. This increase is principally due to the temporary increase in trade payables, arising from the careful management of inventories in the third and fourth quarters of 2008 following the drop in global demand. The trade receivable collection days has decreased.

In Euro thousands	31 Dec 08	30 Sep 08	31/12/2007 (*)
Trade receivables	91,334	101,927	108,457
Inventories	51,868	57,645	56,408
Trade payables	(86,903)	(96,632)	(112,503)
Managerial Working Capital	**56,299**	**62,940**	**52,362**
as a % of annualised revenues	14,6%	15,8%	12,3%
Other receivables/payables	(7,893)	(4,848)	(5,719)
Net Working Capital	**48,406**	**58,092**	**46,643**
as a % of annualised revenues	12.6%	14.5%	10.9%

(*) with ACEM discontinued

The Elica Group has carried out and continues to carry out specific actions focussed on adapting its structure to the changed economic and sector operating conditions:

- production outsourcing plans: 19% of volumes produced in Low Cost Countries in 2008, compared to just 5% in 2007;
- purchasing outsourcing processes: objective achieved of 15% of purchases carried out in 2008 in Low Cost Countries;
- reduction in industrial costs;
- reduction in capex for non-core activities,
- the continual improvement of the financial structure.

Consolidated revenues[10] in the fourth quarter to 31 December 2008

Revenues in the fourth quarter to 31 December 2008 decreased by 21.8% on the same period of the previous year - in line with the home appliances sector. Revenues decreased in the kitchen hood business unit (21.9%) and in the motors business unit (21.5%).

In Euro thousands	Q4 08	revenue margin	Q4 07 (*)	revenue margin	08 Vs 07 %
Revenues	85,797		109,775		(21.8%)
EBITDA from continuing operations	3,233	3.8%	7,586	6.9%	(57.4%)
EBIT from continuing operations	(1,180)	(1.4%)	3,863	3.5%	(130.5%)
Financial income/(costs)	(1,088)	(1.3%)	(953)	(0.9%)	14.2%
Income taxes	980	1.1%	(1,257)	(1.1%)	(177.9%)
Net profit/(loss) from continuing operations	**(1,288)**	**(1.5%)**	**1,679**	**1.53%**	**(176.7%)**
Basic earnings per share on continuing operations (*)	(2.76)		2.57		(207.7%)
Diluted earnings per share on continuing operations (*)	(2.76)		2.57		(207.7%)

(*) With "ACEM" discontinued
(**) The earnings per share in the fourth quarter was calculated by dividing the Group net profit from continuing operations by the number of outstanding shares at the respective reporting dates.

Significant events in the fourth quarter and events after 31 December 2008

On 11 November, **the Elica Group acquired 100% of the German company Gutmann** (Exklusiv – Hauben Gutmann GmbH), leader in the German high-end kitchen range hood market specialised in the production of high performing "customised" range hoods. In 2007, Gutmann recorded **net revenues of Euro 22.2 million**, an **EBIT of Euro 2.0 million** and **Net Funds of Euro 0.4 million**.
In the 3 years 2005/2007, sales revenues of the German company grew at a CAGR[11] of approximately 18%.

The acquisition of Gutmann by the Elica Group is an opportunity to strengthen its position at the high-end of the range hood market and increase revenues thanks to the highly complementary nature of the product ranges of the two companies: the Elica Collection range being set apart by its innovative design, with "tailor made" being a central aspect of Gutmann's production - while both companies operate at high performance levels. Thanks to this acquisition, the Elica Group will also consolidate its presence in Germany and in other European markets due to the highly complementary markets in which the two companies are present.

On 14 November 2008, the **Board of Directors of Elica S.p.A.**, in accordance with article 16.6 of the By-Laws, article 2386 of the Civil Code and the criteria of article 3.C.1 of the Self-Governance code and Regulation Instructions, following the resignation of the Independent Director Marcello Celi, announced the same data with immediate effect, appointed **Mr. Giovanni Frezzotti as an Independent Director of the Company** until the next Shareholders'

[10] See note 1
[11] Compound Average Growth Rate

Meeting. The Board of Directors also appointed Mr. Giovanni Frezzotti to the Internal Control Committee and the Remuneration Committee in place of the above-mentioned resigning director.

The Interim Report at 31 December was filed today and will be available at www.elicagroup.com within the terms and manner established by law.

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 Interim Report at 31 December 2008 corresponds to the underlying accounting documents, records and accounting entries.

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 over 5 million units, the Elica Group has 10 plants specialising by type of process and product; of these, seven are in Italy, one is in Poland, one in Mexico and one in Germany.
With over thirty years' experience in the sector, Elica has combined meticulous care in design, judicious choice of material and cutting edge technology to become the prominent market figure it is today. The company has revolutionized the traditional image of the kitchen cooker hood: It is no longer seen as simple accessory but as a design object.

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ATTACHMENT A

Consolidated income statement at 31 December 2008 (in Euro thousands)

In Euro thousands	**Q4 08**	**Q4 07 (*)**	**FY 08**	**FY 07 (*)**	**Q4 07**
Revenues	85,797	109,775	385,435	426,795	111,631
Other operating revenues	1,844	804	6,213	5,321	812
Changes in inventories of finished and semi-finished goods	(1,470)	(3,995)	(402)	1,471	(3,940)
Increase in internal work capitalised	1,659	1,574	2,762	2,956	1,574
Raw materials and consumables	(45,293)	(54,210)	(206,024)	(218,417)	(55,358)
Services	(19,467)	(23,035)	(83,859)	(95,026)	(23,322)
Labour costs	(16,888)	(20,770)	(69,911)	(75,307)	(21,196)
Amortisation & depreciation	(4,413)	(3,723)	(16,903)	(16,443)	(3,843)
Other operating expenses and provisions	(2,710)	(1,857)	(9,017)	(8,547)	(1,866)
Restructuring charges	(239)	(702)	(2,453)	(700)	(702)
EBIT	**(1,180)**	**3,861**	**5,841**	**22,103**	**3,790**
Share of profit/(loss) from associates	162	(63)	149	(163)	(63)
Impairment of available-for-sale financial assets	-	-	-	-	-
Financial income	(102)	159	843	948	159
Financial charges	(995)	(165)	(3,376)	(1,344)	(165)
Foreign exchange gains (losses)	(153)	(883)	2,686	(2,146)	(883)
Other non-operating income	-	26	-	26	26
Pre-tax profit (loss)	**(2,268)**	**2,935**	**6,143**	**19,424**	**2,864**
Income taxes	980	(1,257)	207	(9,862)	(1,214)
Net profit/(loss) from continuing operations	**(1,288)**	**1,678**	**6,350**	**9,562**	**1,650**
Net profit (loss) from discontinued operations	-	(28)	63	17	-
Net profit/(loss)	**(1,288)**	**1,650**	**6,413**	**9,579**	**1,650**
of which:					
Minority interests share	287	102	655	327	102
Group net profit/(loss)	(1.575)	1.548	5.758	9.252	1.548
Basic earnings per share					
From continuing and discontinued operations (Euro/cents)	(2.76)	2.57	9.89	14.68	2.49

From continuing operations (Euro/cents)	(2.76)	2.57	9.78	14.65	2.49
Diluted earnings per share					
From continuing and discontinued operations (Euro/cents)	(2.76)	2.57	9.89	14.68	2.49
From continuing operations (Euro/cents)	(2.76)	2.57	9.78	14.65	2.49

(*) with ACEM discontinued

ATTACHMENT B

Consolidated balance sheet at 31 December 2008 (in Euro thousands)

In Euro thousands	**31 Dec 08**	**31 Dec 2007 (*)**	**change in consol. scope**
Property, plant & equipment	70,010	78,091	662
Goodwill	39,065	29,798	8,489
Other intangible assets	20,151	5,515	10,280
Investments in associated companies	2,712	2,363	-
Other financial assets	30	31	-
Other receivables	344	1,318	162
Tax receivables	6	9	-
Deferred tax assets	5,663	6,607	-
Available-for-sale financial assets	191	26	-
Total non-current assets	**138,172**	**123,758**	**19,593**
Trade receivables and loans	91,334	108,457	1,591
Inventories	51,868	56,408	1,755
Other receivables	5,729	6,141	779
Tax receivables	9,126	5,249	7
Derivative financial instruments	2,554	544	-
Cash and cash equivalents	14,968	21,948	1,821
Current assets	**175,579**	**198,747**	**5,953**
Assets of discontinued operations	**-**	**3,258**	**-**
Total assets	**313,751**	**325,763**	**25,546**
Liabilities for post-employment benefits	11,023	12,349	-
Provisions for risks and charges	2,977	3,322	-
Deferred tax liabilities	8,259	9,381	2,938
Finance leases and other lenders	4,222	4,614	119
Bank loans and mortgages	4,677	6,705	14,299
Other payables	1,225	4,016	-
Tax payables	1,400	4,004	-
Derivative financial instruments	-	-	-
Non-current liabilities	**33,783**	**44,391**	**17,356**
Provisions for risks and charges	1,307	612	783
Finance leases and other lenders	692	1,170	36
Bank loans and mortgages	40,311	6,206	-
Trade payables	86,903	112,503	128
Other payables	17,098	13,144	7,294
Tax payables	4,343	3,353	195
Derivative financial instruments	2,556	422	-
Current liabilities	**153,210**	**137,410**	**8,436**
Liabilities of discontinued operations	**-**	**1,905**	**-**
Share capital	12,665	12,665	-
Capital reserves	71,123	71,123	-
Hedging, translation and stock option reserve	(8,996)	(803)	-
Treasury shares	(17,629)	(6,671)	-
Retained earnings	61,871	55,341	-
Group profit for the year	5,758	9,252	(246)
Group shareholders' equity	**124,792**	**140,907**	**(246)**
Capital and reserves of minority interests	1,311	823	-

Minority interest profit	655	327	-
Minority interest equity	**1,966**	**1,150**	**-**
Consolidated shareholders' equity	**126,758**	**142,057**	**(246)**
Total liabilities and equity	**313,751**	**325,763**	**25,546**

(*) with ACEM discontinued

ATTACHMENT C

Consolidated cash flow statement at 31 December 2008 (in thousands of Euro)

In Euro thousands	**31 Dec 08**	**31 Dec 2007 (*)**
Opening cash and cash equivalents	**21,948**	**29,334**
EBIT- Operating profit	5,841	22,103
Amortisation, depreciation and write-downs	16,903	16,443
EBITDA	22,744	38,546
Changes in Working Capital	(3,059)	7,144
trade working capital	950	9,019
other working capital accounts	(4,009)	(1,875)
Income taxes	(5,549)	(12,688)
Change in provisions	(2,531)	64
Other changes	(7,945)	(539)
Gains from earthquake payable write-offs	(4,084)	
Cash flow from operating activity	**(425)**	**32,527**
Net increases	(12,898)	(14,091)
Intangible assets	(6,905)	(3,920)
Property, plant & equipment	(5,419)	(13,370)
Equity investments and other financial assets	(574)	3,199
Divestment of business unit	944	(1,336)
Purchase of equity investments	(12,487)	
Cash flow from investments	**(24,441)**	**(15,427)**
Increase in share capital	0	0
Acquisition of treasury shares	(10,958)	(6,671)
Other movements in share capital	0	0
Dividends	(2,817)	(2,533)
Increase (decrease) financial payables	30,636	(12,929)
Net changes in other financial assets/liabilities	658	163

Financial charges and income	366	(2,516)
Change in cash and cash equivalents	**(6,980)**	**(7,386)**
Closing cash and cash equivalents	**14,968**	**21,948**

(*) with ACEM discontinued