

PRESS RELEASE

**ELICA S.p.A:
PRESENTS THE GUIDELINES FOR THE 2006-2008
THREE-YEAR PERIOD
2008 TARGET**

- **Net revenues: CAGR 2006 – 2008 + 10%**
- **EBITDA: CAGR 2006 – 2008 + 21%**
- **EBIT: CAGR 2006 – 2008 + 25%**
- **Increase of Return on Invested Capital (RONIC) from 20% of 2006 to 25% of 2008**
- **Dividends distributed will amount to around 30% of net profit**

Milan, 1 March 2007 – Elica S.p.A., head of a world leading Group in the production of kitchen range hoods, on the occasion of the STAR conference organised in Milan by Borsa Italiana S.p.A., today presents their guidelines for the 2006-2008 three-year period and 2008 target.

Elica foresees a substantial contribution to the **growth of revenues** by both business activities in which it deals: those of kitchen range hoods and of electric motors. Air Force S.p.A. will also contribute to the growth of revenues, as of 1 February 2007.

In the **kitchen range hoods** sector, the **growth of net revenues** will be driven by the development of the Elica Group's commercial activities in new geographical regions - in particular in North America, thanks to production which has begun in Mexico - and by an improvement of the mix, thanks to the planned acceleration for the top-range products in the main European and Russian markets.

In the **motor sector**, the growth of net revenues will be driven by two main factors:

1. increased concentration of the Elica Group's production in Poland, where the big manufacturers of domestic appliances have already localised their production activities;
2. the innovation of the product, in the segments of the market in which Elica technology makes use of precombustion of air and gas, thereby meeting the requirements of the Western European clientele.

In addition to revenue growth, Elica intends to pursue further development in **efficiency**, via localised growth of production in countries with low labour costs, the simplification of the Group's company organisation, the optimisation of fiscal management and the development in business areas which are less influenced by the fluctuation of the costs of raw materials.

During 2006, Elica made continuous investments (26.5 million euros), mainly tied to international development projects. In the next 2007-2008 two-year period, the Group plans to



invest a total of 42.7 million euros, of which around 60% is destined to production innovation and the expansion of productive capacity.

With the aim of reinforcing the brand, Elica plans to invest around 2%, on an annual basis, of revenues in Research & Development and 3.5% in Sales & Marketing.

2008 TARGET

Elica also presented the main target for 2008, which express in quantitative terms the results which can be expected from the above-mentioned strategic guidelines.

In the **2006-2008 three-year period**, Elica foresees average weighted growth of **Net Revenues** of 10%, **EBITDA** growth of 21% and **EBIT** growth of 25%.

In terms of **Return on Invested Capital** - measured by the RONIC ratio between Net Operating Profit and Net Operating Capital Invested - an improvement is also expected: **from 20% in 2006 to 25% in 2008**.

The Company also intends to pay out a **dividend** in the **2006-2008 period**, which foresees a **distribution of around 30% of profit**.

The Elica Group, active in the market of kitchen range hoods for domestic use since the 1970s, is today a world leader in the production 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, production and marketing of electric motors for range hoods and for boilers for domestic use. With over 1,800 employees and an annual production of over 5 million range hoods, the Elica Group has 11 specialized production sites. Of these, 10 are located in Italy and one is in Poland. Through its thirty years of experience in the sector, attention to design and use of refined materials and advanced technologies, Elica has distinguished itself and revolutionised the traditional image of kitchen range hoods for domestic use: no longer basic accessories, they are now unique design objects.

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