



PRESS RELEASE

THE BOARD OF DIRECTORS OF ELICA S.p.A. APPROVES THE HALF-YEAR REPORT AT 30 JUNE 2007

Consolidated results at 30 June 2007

- **Revenues:** amounted to € 219.2 million (€ 200.8 million for the same period of 2006)
- **EBITDA before start-up costs:** amounted to € 21.9 million (€ 21.6 million for the same period of 2006)
- **EBIT before start-up costs:** amounted to € 13.5 million (€ 13.8 million for the same period of 2006)
- **Net result:** amounted to € 5.1 million (€ 5.2 million for the same period of 2006)
- **Net Financial Position:** amounted to € -5.5 million (excess cash), improving by € 43.2 million compared to the same period of 2006 (€ 37.7 million at 30 June 2006, or net debt)

Implementation of the Buy-back Plan approved by the Board of Directors on 3 September 2007 underway

Fabriano, 27 September 2007 – The Board of Directors of **Elica S.p.A.**, the parent company of a Group that is the leading manufacturer of kitchen range hoods, today approved the **Half-Year Report at 30 June 2007**, prepared in accordance with IFRS.

Consolidated revenues

In the first half of 2007, Group consolidated revenues amounted to € 219.2 million, up 9.2% compared to the same period of the previous year. Based on constant exchange rates, overall growth was 9.7%. The increase in revenues is mainly attributable to the Hoods SBU, whose revenues rose 10%. This business unit mostly benefited from the growth of the Group's branded products, whose revenues increased by 34% and, with reference to the type of products, the growth in revenues from decorative hoods (up 37%) and the Elica Collection range of products (up 73%).

With reference to geographical areas, revenues recorded in the American market¹ increased 5.8% compared to the same period of 2006; however, Europe² remained the highest-growth area, with revenues increasing 10.1%, compared to H1 2006.

¹ Includes North, Central and South America.

² Includes CIS member countries (Community of Independent States).

Operating Profitability

In the first half of 2007, operating profitability before start-up expenses was impacted by the costs related to a significant change management process.

EBITDA before start-up expenses was € 21.9 million, up 1.6% compared to € 21.6 million for the first half of 2006.

EBIT before start-up charges amounted to € 13.5 million, with a slight 1.8% drop compared to € 13.8 million in 2006, which however, based on constant exchange rates, decreases to 1.1%.

During H1 2007, the Group also recorded € 1.2 million start-up costs as a result of development activities carried out in the American continent, in particular to bring the Mexican manufacturing plant to full production. These costs significantly impacted EBIT, which amounted to € 12.3 million, down 8.6% compared to € 13.5 million in 2006.

Net interest expense and exchange gains and losses substantially improved, almost halving their impact on the Net Result — both in absolute value and in percentage value compared to Revenues — from € 1.4 million in 2006 to € 0.8 million in 2007, and from € 0.5 million in 2006 to € 0.2 million in 2007, respectively.

Net Result for the period decreased a slight 1.3%, from € 5.2 million in 2006 to € 5.1 million in 2007. Despite this decrease, in Q2 2007, Net Result grew approximately € 0.1 million exceeding expectations and reaching € 2.7 million (+11.2% compared to the same period of 2006).

Net Financial Position

Net Financial Position was € -5.5 million (excess cash), at 30 June 2007, improving by € 43.2 million compared to 30 June 2006, when it was positive at € 37.7 million, recording a net debt position.

Net Financial Position improved also by € 7.8 million compared to 31 December 2006, when it amounted to € 2.3 million (net debt position).

The ratio of Net Working Capital to net annualised revenues went from 7.5% at 30 June 2006 to 11.0% at 30 June 2007 due to the increase in stocks of finished products and start-up operations in Mexico, as well as the higher level of service offered to customers.

<i>In thousands of Euro</i>	30 June 2007	as a % of revenues	30 June 2006	as a % of revenues	2007 Vs 2006 %
Revenues	219,189		200,802		9.2%
EBITDA before start-up costs	21,912	10.0%	21,565	10.7%	1.6%
EBITDA	20,712	9.4%	21,267	10.6%	(2.6%)
EBIT before start-up costs	13,510	6.2%	13,759	6.9%	(1.8%)
EBIT	12,310	5.6%	13,461	6.7%	(8.6%)
Net interest expense	(788)	(0.4%)	(1,401)	(0.7%)	(43.8%)
Foreign exchange gains/(losses)	(214)	(0.1%)	(525)	(0.3%)	(59.2%)
Taxation for the period	(6,304)	(2.9%)	(6,850)	(3.4%)	(8.0%)
Net profit from continuing operations	5,155	2.4%	5,221	2.6%	(1.3%)
Attributable to shareholders of the Parent Company	5,006	2.3%	5,210	2.6%	(3.9%)
Earnings per share—Basic	7.91		10.25		(22.8%)
Earnings per share—Diluted	7.91		10.25		(22.8%)

Post Balance-sheet Events

As already announced on 4 September 2007, on **3 September 2007** the Board of Directors of Elica S.p.A., the parent company of the Elica Group, authorised and launched a **buy-back plan** to acquire **treasury shares** with the following objectives:

- implementing the stock option plan authorised by the Shareholders' Meeting on 25 June 2007;
- intervening in the market with a stabilising action aimed at improving share liquidity;
- enabling the Company to carry out any M&A transactions through security swap as part of the Company's strategic plans.

“The Company” commented Andrea Sasso, Chief Executive Officer of Elica S.p.A., “deems that, for the Elica Group, the buy-back plan is a significant sign to the market about the management's strong commitment to create value.”

The Elica Group confirmed its new guidance for 31 December 2007, envisaging a 7% growth in yearly consolidated revenues compared to 2006, and EBIT (operating profit) of € 25-26 million.

Elica will present its 2008-2010 Three-Year Plan to the financial community and the press on 15 November in Milan.

The Consolidated Half-Year Report at 30 June 2007 will be available at www.elica.com as of the date it is filed, in any case no later than 30 October 2007.

Statement re. Art. 154-*bis*, paragraph two of the Finance Consolidation Act

The Executive in charge of preparing company accounts, Vincenzo Maragliano, issued his written declaration pursuant to Art. 154-*bis*, paragraph two of the Finance Consolidation Act, declaring that the Consolidated Half-Year Report at 30 June 2007 corresponds to accounting results, books and ledgers.

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 2,100 employees and an annual production of about 5 million range hoods, the Elica Group has 10 specialised production sites. Of these, 8 are located in Italy, one is in Poland and one in Mexico.

Thirty years' experience in the industry, careful attention to design and the use of refined materials and advanced technologies are the elements that distinguish Elica in the market and that have allowed the company to revolutionise the traditional image of kitchen range hoods, 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 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 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.

Further information:

Image Building
Simona Raffaelli, Alessandra Sabellico, Valentina Burlando
Tel: +39 02 89011300
E-mail: elica@imagebuilding.it

Elica S.p.A.

Laura Giovanetti
Investor Relations
Tel: +39 0732 610727
E-mail: investor-relator@elica.com

ANNEX A

Condensed consolidated income statement for H1 2007

<i>(€000)</i>	30 June 2007	30 June 2006
Revenues	219,189	200,802
Other operating revenue	2,618	1,508
Change in inventories of finished goods and semi-finished products	6,390	3,415
Increase in self-constructed assets	925	876
Raw and consumable materials	(114,953)	(100,813)
Service expense	(50,244)	(44,237)
Staff costs	(38,434)	(36,470)
Amortisation and depreciation	(8,402)	(7,806)
Other operating expenses and provisions	(4,779)	(3,377)
Restructuring charges	-	(437)
EBIT	12,310	13,461
Share of profit/(loss) of associates	151	307
Impairment of available-for-sale financial assets	-	(72)
Finance income	417	185
Finance costs	(1,205)	(1,586)
Foreign exchange gains/(losses)	(214)	(525)
Other non-operating income	-	283
Pre-tax profit	11,459	12,053
Taxation for the period	(6,304)	(6,850)
Net profit from continuing operations	5,155	5,203
Net profit/(loss) from discontinued operations	-	18
Net profit for the period	5,155	5,221
of which:		
Attributable to minority interest	(149)	(11)
Attributable to shareholders of the Parent Company	5,006	5,210
<i>Basic earnings per share (euro cents) (*)</i>		
from continuing and discontinued operations	7.91	10.25
from continuing operations	7.91	10.22
<i>Diluted earnings per share (euro cents) (*)</i>		
from continuing and discontinued operations	7.91	10.25
from continuing operations	7.91	10.22

(*) For comparison purposes, it is highlighted that the earnings per share for H1 2006 and Q2 2006 — both recalculated with the average number of share resulting from the share capital increase of 10 November 2006 — would have been €/Cents 4.65 in the quarter (9.90 in the half-year period) for all operations and €/Cents 4.90 in the quarter (9.87 in the half-year period) for continuing operations, respectively.

ANNEX B

Condensed consolidated balance sheet at 30 June 2007

Assets (€000)	30 June 2007	31 December 2006
<i>Continuing operations</i>		
Property, plant and equipment	80,808	79,007
Goodwill	29,798	29,382
Other intangible assets	4,427	3,751
Investments in associates and joint ventures	1,983	5,916
Other financial assets	46	180
Sundry receivables	1,296	1,456
Tax assets	9	41
Deferred tax assets	7,239	6,305
Available-for-sale financial assets	253	251
Total non-current assets	125,859	126,289
Trade receivables and loans	114,807	106,874
Inventories	67,514	48,899
Other receivables	7,855	5,784
Tax assets	9,411	6,201
Derivative financial instruments	220	96
Cash and cash equivalents	27,382	29,334
Current assets	227,189	197,188
Total assets in continuing operations	353,048	323,477
Total assets in discontinued operations	-	-
Total assets	353,048	323,477

Liabilities and equity (€000)	30 June 2007	31 December 2006
<i>Continuing operations</i>		
Liabilities for post-retirement benefits	12,535	13,228
Provisions	3,035	2,155
Deferred tax liabilities	10,859	10,357
Amounts due under finance leases and other borrowings	9,185	9,617
Bank borrowings and mortgages	7,282	7,614
Sundry payables	4,021	4,025
Tax liabilities	4,045	4,045
Derivative financial instruments	4	10
Non-current liabilities	50,996	51,051
Provisions	936	836
Amounts due under finance leases and other borrowings	3,001	3,109
Bank borrowings and mortgages	2,374	11,284
Trade payables	124,294	94,392
Other payables	18,046	16,022
Tax liabilities	8,281	4,483
Derivative financial instruments	135	79
Current liabilities	157,067	130,205
Share capital	12,665	12,665
Capital reserves	71,123	71,123
Other reserves	(380)	(200)
Retained earnings	55,610	49,816
Net profit for the period attributable to shareholders of the Parent Company	5,006	8,328
Total equity attributable to shareholders of the Parent Company	144,024	141,732
Total equity attributable to minority interests	991	489
Consolidated equity	145,015	142,221
Total liabilities and equity in continuing operations	353,048	323,477
Total liabilities and equity in discontinued operations	-	-
Total liabilities and equity	353,048	323,477