**PRESS RELEASE**

# THE BOARD OF DIRECTORS OF ELICA S.p.A. APPROVED THE QUARTERLY REPORT AT 30 SEPTEMBER 2007

**Third Quarter Results at 30 September 2007**

- **Revenues: amounted to € 103.5 million (€ 94.8 million for the same period of 2006)**
- **EBITDA: amounted to € 10.7 million (€ 11.4 million for the same period of 2006)**
- **EBIT: amounted to € 6.0 million (€ 7.3 million for the same period of 2006)**
- **Result attributable to shareholders of the Parent Company: amounted to € 2.7 million (€ 2.4 million for the same period of 2006)**
- **Net Financial Position: was €-4.7 million (excess cash), improving by € 50.4 million compared to the corresponding period of 2006, after the implementation of a Buy-back plan of € 1.5 million**

**Milan, 14 November 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 **Quarterly Report at 30 September 2007**, prepared in accordance with IFRS.

**Consolidated Revenues**

In the third quarter of 2007, Group **consolidated revenues** amounted to € 103.5 million, **up 9.2%** compared to the same period of the previous year. Based on constant exchange rates, overall growth was 10.0%. The revenues of the hoods Strategic Business Unit (SBU) increased sharply by 11.5% (+12.5% based on constant exchange rates). This business unit mostly benefited from the growth of the Group's branded products, whose revenues increased by 46% and, with reference to the type of products, from the growth in revenues from decorative hoods (up 28%) and the Elica Collection range of products (up 43%).

With reference to geographical areas, Europe[1] was the highest-growth area in absolute terms, with revenues increasing by € 5.2 million compared to the same period of 2006 (or +5.9%). The American market[2] was nevertheless the highest-growth area in relative terms, with revenues up 54% over the same period of 2006. At constant exchange rates, growth in the Americas was 62%.

[1] Includes CIS member countries (Community of Independent States)

[2] Includes North, Central and South America.

**Profitability**

In the first half of 2007, the impact of exchange rates on Group's profitability was approximately € 0.8 million.
For a better understanding of the impact of exchange rates the table below provides a comparison between exact exchange rates at the end of June 2007 and 2006, which shows an acceleration of the appreciation of the euro (data on average exchange rates collected by the Italian Foreign Exchange Office - UIC) vs. the US dollar, Japanese yen, and Mexican peso, a depreciation vs. the Polish zloty and stability vs. the British pound.

| | Q3 07 | Q3 06 | % | Sept.-07 | Sept.-06 | % |
|---|---|---|---|---|---|---|
| USD | 1.386 | 1.276 | 8.7% | 1.418 | 1.266 | 12.0% |
| GBP | 0.683 | 0.679 | 0.6% | 0.697 | 0.678 | 2.8% |
| JPY | 162.130 | 148.573 | 9.1% | 163.550 | 149.340 | 9.5% |
| ZTL | 3.793 | 3.949 | -3.9% | 3.773 | 3.971 | -5.0% |
| MXN | 15.198 | 14.045 | 8.2% | 15.488 | 14.294 | 8.4% |

During the third quarter of 2007, profitability was also impacted by costs incurred for the change management process, amounting to € 0.4 million.

EBITDA came to € 10.7 million, thus decreasing 5.7% from € 11.4 million in the third quarter of 2006, remaining nevertheless stable, at constant exchange rates.

EBIT was € 6.0 million, compared to € 7.3 million in 2006. At constant exchange rates, EBIT decreased 6.8% (or € 0.5 million).

The overall impact of financial activities decreased by 2.4%.

Net Result for the period decreased 9.4%, from € 2.5 million in 2006 to € 2.7 million in 2007.

| *(€000)* | **Q3 2007** | **As a % of revenues** | **Q3 2006** | **As a % of revenues** | **2007 Vs 2006 %** |
|---|---|---|---|---|---|
| Revenues | 103,539 | | 94,824 | | 9.2% |
| EBITDA | 10,716 | 10.3 % | 11,362 | 12.0% | -5.7% |
| EBIT | 6,049 | 5.8% | 7,264 | 7.7% | -16.7% |
| Financial items | (901) | -0.9% | (923) | -1.0% | -2.4% |
| Taxes for the period | (2,374) | -2.3% | (3,664) | -3.9% | -35.2% |
| **Result attributable to shareholders of the Parent Company** | 2,698 | 2.6% | 2,466 | 2.6% | 9.4% |
| Basic earnings per share from continuing operations | 4.27 | | 5.18 | | -17.6% |
| Diluted earnings per share from continuing operations | 4.27 | | 4.16 | | 2.6% |

**Results for the nine months ended 30 September 2007**

| (€000) | 30 Sept. 2007 | As a % of revenues | 30 Sept. 2006 | As a % of revenues | 2007 Vs 2006 % |
|---|---|---|---|---|---|
| Revenues | 322,728 | | 295,625 | | 9.2% |
| EBITDA | 31,426 | 9.7% | 32,629 | 11.0% | -3.7% |
| EBIT | 18,359 | 5.7% | 20,723 | 7.0% | -11.4% |
| Financial items | (1,752) | -0.5% | (2,344) | -0.8% | -25.3% |
| Taxes for the period | (8,678) | -2.7% | (10,514) | -3.6% | -17.5% |
| **Result attributable to shareholders of the Parent Company** | **7,704** | **2.4%** | **7,676** | **2.6%** | **0.4%** |
| Basic earnings per share from continuing operations | 12.17 | | 15.37 | | -20.8% |
| Diluted earnings per share from continuing operations | 12.17 | | 12.34 | | -1.4% |

Revenues for the nine months ended 30 September 2007 increased 9.2% compared to the same period of the previous year (+10% at constant exchange rates); the amount for the nine months confirms the excellent performance hoods SBU, which reported a 10.5% growth. This business unit mostly benefited from the growth of the Group's branded products, whose revenues increased 38%. In terms of the type of products, the decorative hoods and the Elica Collection range of products once again proved to be the highest-growing segments, up 33% and 62% respectively.

## Net Financial Position

Net Financial Position was € -4.7 million (excess cash), at 30 September 2007, improving by € 50.4 million compared to 30 September 2006, when it was positive at € 45.7 million, recording a net debt position.
Despite the implementation of the € 1.5 million Buy-back plan, Net Financial Position at 30 September 2007 increased from € 2.2 million at 31 December 2006.

| *(€000)* | 30 Sept. 2007 | 31 Dec. 2006 | 31 Sept. 2006 |
|---|---|---|---|
| **Cash and cash equivalents** | 23,515 | 29,334 | 14,204 |
| Obligations under finance leases and towards other lenders | (7,832) | (9,617) | (14,018) |
| Bank borrowings and mortgages | (7,283) | (7,614) | (14,117) |
| ***Long-term financial payables*** | (15,115) | (17,231) | (28,135) |
| Obligations under finance leases and towards other lenders | (2,680) | (3,109) | (3,239) |
| Bank borrowings and mortgages | (1,005) | (11,284) | (28,491) |
| ***Long-term financial payables*** | (3,685) | (14,393) | (31,730) |
| **Net financial position** | 4,715 | (2,290) | (45,661) |

The ratio of Net Working Capital to net annualised revenue went from 9.3% at 30 September 2006 to 12.0% at 30 September 2007. This rise is attributable to the increase in inventories due to the start of full production of the Mexican manufacturing plant and to the launch of the industrial reorganization process. In 2006, this item was positively impacted by VAT receivables and by the item "Other lenders" related to the acquisition of the "Turbo Air" business line.

**Post Balance-sheet Events**

On 2 July 2007, Elica Inc. was incorporated in Chicago, Illinois, with the aim of supporting the development of the Group's brands in the US market through marketing and trade marketing actions carried out by local personnel. The company is wholly controlled by Elicamex S.A. de C.V.

On 3 August 2007, the General Shareholders' Meeting authorised the purchase of treasury shares and acts of disposal of such shares, pursuant to Sections 2357 and 2357-*ter* of the Italian Civil Code, to achieve the following objectives, without prejudice to the shareholders' right to equal treatment: enabling the Company to intervene in the market with a stabilising action; safeguarding the regular trading of the shares against any speculative actions; supporting the execution of the "Performance stock option plan 2007-2011"; carrying out treasury share trading transactions, in compliance with Articles 2357 e 2357-ter of the Italian Civil Code, through subsequent acts of disposal of such shares; providing the Company with an important flexibility tool with a view to enabling it to carry out any M&A transactions through security swaps.

During the same Meeting, the Shareholders confirmed the appointment of Marcello Celi as a member of the Board of Directors, as well as of the Internal Audit Committee and of the Compensation Committee of Elica S.p.A. Marcello Celi had already been co-opted by the Board of Directors during the meeting held on 16 July 2007.

The Consolidated Quarterly Report at 30 September 2007 will be available at www.elica.com as of the date it is filed, in any case no later than 14 November 2007.

**Statement Re. Art. 154-*bis*, Paragraph Two of the Finance Consolidation Act (TUF)**

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

Today, 14 November, Elica will present its 2008-2010 Three-Year Strategic Plan to the financial community and the press, at the Four Seasons Hotel in Milan.

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.*

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## ANNEX A

## Consolidated Income Statement at 30 September 2007

| *(€000)* | Q3 2007 | Q3 2006 | 30 September 2007 | 30 September 2006 |
|---|---|---|---|---|
| Revenues | 103,539 | 94,824 | 322,728 | 295,625 |
| Other operating revenue | 1,924 | 835 | 4,542 | 2,343 |
| Change in inventories of finished goods and semi-finished products | (765) | 320 | 5,625 | 3,736 |
| Increase in self-constructed assets | 457 | 397 | 1,382 | 1,272 |
| Raw and consumable materials | (52,584) | (47,423) | (167,537) | (148,236) |
| Service expense | (22,581) | (19,785) | (72,825) | (64,022) |
| Staff costs | (17,337) | (16,010) | (55,771) | (52,480) |
| Amortisation and depreciation | (4,667) | (4,098) | (13,069) | (11,905) |
| Other operating expenses and provisions | (1,937) | (1,796) | (6,716) | (5,173) |
| Restructuring charges | - | | - | (437) |
| **EBIT** | **6,049** | **7,264** | **18,359** | **20,723** |
| | | | | |
| Share of profit/(loss) of associates | 17 | 98 | (99) | 405 |
| Impairment of available-for-sale financial assets | - | - | - | (72) |
| Finance income | 372 | 86 | 789 | 271 |
| Finance costs | (241) | (1,155) | (1,179) | (2,754) |
| Foreign exchange gains/(losses) | (1,049) | 48 | (1,263) | (477) |
| Other non-operating income | - | - | - | 283 |
| **Pre-tax profit** | **5,148** | **6,341** | **16,607** | **18,379** |
| Taxation for the period | (2,374) | (3,664) | (8,678) | (10,514) |
| **Net profit from continuing operations** | **2,774** | **2,677** | **7,929** | **7,865** |
| **Net profit/(loss) from discontinued operations** | **-** | **(169)** | **-** | **(136)** |
| **Net profit for the period** | **2,774** | **2,508** | **7,929** | **7,729** |
| of which: | | | | |
| Attributable to minority interest | (76) | (42) | (225) | (53) |
| Attributable to shareholders of the Parent Company | 2,698 | 2,466 | 7,704 | 7,676 |
| | | | | |
| ***Basic earnings per share (euro cents)*** | | | | |
| from continued and discontinued operations | 4.27 | 4.85 | 12.17 | 15.10 |
| from continuing operations | 4.27 | 5.18 | 12.17 | 15.37 |
| | | | | |
| ***Diluted earnings per share (euro cents)*** | | | | |
| from continued and discontinued operations | 4.27 | 3.89 | 12.17 | 12.12 |
| from continuing operations | 4.27 | 4.16 | 12.17 | 12.34 |

## ANNEX B

### Consolidated Balance Sheet at 30 September 2007

| **Assets** *(€000)* | **30 September 2007** | **31 December 2006** |
|---|---|---|
| ***Continuing operations*** | | |
| Property, plant and equipment | 77,972 | 79,007 |
| Goodwill | 29,791 | 29,382 |
| Other intangible assets | 3,994 | 3,751 |
| Investments in associates and joint ventures | 1,999 | 5,916 |
| Other financial assets | 43 | 180 |
| Sundry receivables | 1,430 | 1,456 |
| Tax assets | 8 | 41 |
| Deferred tax assets | 7,359 | 6,305 |
| Available-for-sale financial assets | 27 | 251 |
| **Total non-current assets** | **122,623** | **126,289** |
| Trade receivables and loans | 109,918 | 106,874 |
| Inventories | 63,919 | 48,899 |
| Other receivables | 8,491 | 5,784 |
| Tax assets | 9,152 | 6,201 |
| Derivative financial instruments | 461 | 96 |
| Cash and cash equivalents | 23,515 | 29,334 |
| **Current assets** | **215,456** | **197,188** |
| **Total assets** | **338,079** | **323,477** |

### Consolidated Balance Sheet at 30 September 2007

| **Liabilities and equity** *(€000)* | **30 September 2007** | **31 December 2006** |
|---|---|---|
| ***Continuing operations*** | | |
| Liabilities for post-retirement benefits | 12,034 | 13,228 |
| Provisions | 2,699 | 2,155 |
| Deferred tax liabilities | 10,857 | 10,357 |
| Amounts due under finance leases and other borrowings | 7,832 | 9,617 |
| Bank borrowings and mortgages | 7,283 | 7,614 |
| Sundry payables | 4,021 | 4,025 |
| Tax liabilities | 4,045 | 4,045 |
| Derivative financial instruments | 66 | 10 |
| **Non-current liabilities** | **48,837** | **51,051** |
| Provisions | 1,608 | 836 |
| Amounts due under finance leases and other borrowings | 2,680 | 3,109 |
| Bank borrowings and mortgages | 1,005 | 11,284 |
| Trade payables | 110,453 | 94,392 |
| Other payables | 11,292 | 16,022 |
| Tax liabilities | 16,369 | 4,483 |
| Derivative financial instruments | 227 | 79 |
| **Current liabilities** | **143,634** | **130,205** |
| Share capital | 12,665 | 12,665 |
| Capital reserves | 71,123 | 71,123 |
| Other reserves | (943) | (200) |
| Retained earnings | 53,936 | 49,816 |
| Net profit for the period attributable to shareholders of the Parent Company | 7,704 | 8,328 |
| **Total equity attributable to shareholders of the Parent Company** | **144,485** | **141,732** |
| Total equity attributable to minority interests | 1,123 | 489 |

| | | |
|---|---|---|
| **Consolidated equity** | **145,608** | **142,221** |
| **Total liabilities and equity** | **338,079** | **323,477** |