

PRESS RELEASE

**BOARD OF DIRECTORS OF ELICA S.p.A.
APPROVES QUARTERLY REPORT AT 31 MARCH 2008**

Consolidated results¹ Q1 2008 (January-March 2008)

- **Revenues: Euro 101.7 million (Euro 109.3 million in the same period of 2007);**
- **EBITDA: Euro 6.6 million (Euro 10.3 million in the same period of 2007);**
- **EBIT: Euro 2.3 million (Euro 6.6 in the same period of 2007);**
- **Net profit: Euro 2.0 million (Euro 2.4 million in the same period of 2007);**
- **Net Debt: Euro 8.1 million compared to funds held of Euro 3.3 million at December 31 2007, after payments for the Buy-Back plan of Euro 12.4 million.**

Guidance 2008²:

- **Consolidated net revenues: Euro 422÷426 million (-1%÷ 0% compared to 2007);**
- **Consolidated result for the year in line with 2007.**

Fabriano, 15 May 2008 – 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 31 March 2008**, prepared in accordance with IFRS.

Consolidated revenues Q1 2008³

The Group reports **consolidated revenues of Euro 101.7 million** for the first quarter of 2008, a **decrease of 7.0%** on the same period of the previous year, due to a strong contraction in the home appliances sector. The reduction in consolidated revenues was principally in the range hood Business Unit, which recorded a fall in revenues of 9.2%; however the Group brands recorded a positive performance, against the market trend, and in particular a 34% growth in revenues by the Elica Collection range. The motors Business Unit recorded growth in revenues of 4.7% on the same period in the previous year.

¹ All of the figures relating to 2007 and 2008 exclude the discontinued business unit “ACEM” which is no longer included in the 2008 consolidation scope.

² See note 1.

³ See note 1.

In relation to the geographic areas, **Europe**⁴ recorded a **decrease in revenues of 5.9 %** on the same quarter of 2007, together with **America**⁵ which recorded a **US Dollar revenue decrease of 9.4%** on the same period of 2007, in line with the market trend in the United States⁶ (in Euro the contraction was 21.1% on the same period of 2007). The **other geographic areas** recorded a **total revenue growth of 13.6% in US Dollar** terms compared to the first quarter of 2007 (in Euro a 1.2% decrease).

Profit margins Q1 2008⁷

EBITDA amounted to **Euro 6.6 million** compared to Euro 10.3 million in the first quarter of 2007 (-36.6%).

The **EBIT** was **Euro 2.3 million**, compared to Euro 6.6 million in the first quarter of 2007. The margin in the quarter were strongly impacted by the decrease in revenues and volumes.

The unfavourable exchange rates also contributed to the decrease in margins, in fact, **on a like-for-like exchange rate the EBIT was Euro 2.9 million**.

Based on average monthly exchange rates published by the Italian Exchange Office, over the first quarter of 2008 the Euro rose substantially against all the currencies in which the Elica Group operates, whilst falling against the Zloty. A comparison of exchange rates at 31 March 2007 and 2008 confirms these trends.

	31 Mar 08	31 Mar 07	%
USD	1.58	1.33	18.7%
GBP	0.80	0.68	17.6%
JPY	157.37	157.32	0.0%
ZTL	3.52	3.87	(8.9%)
MXN	16.90	14.67	15.2%

There was a significant improvement in the level of borrowing costs on revenues in the quarter, in line with the rationalisation of the financial structure of the company, an integral part of the implementation of the Elica Group 2008-2010 Strategic Plan.

The **Net Profit for the period** was **Euro 2.0 million**, compared to Euro 2.4 million in the first quarter of 2007 (-16.1%).

⁴ Refers to the countries of the Commonwealth of Independent States.

⁵ Includes North, Central and South America.

⁶ Group estimate on market data.

⁷ See note 1.

<i>In Euro thousands</i>	Q1 2008	revenue margin	Q1 2007 (*)	revenue margin	08 Vs 07 %
Revenues	101,659		109,326		(7.0%)
EBITDA	6,554	6.4%	10,342	9.5%	(36.6%)
EBIT	2,338	2.3%	6,634	6.1%	(64.8%)
Financial income/(costs)	144	0.1%	(416)	(0.4%)	(134.6%)
Income taxes	(825)	(0.8%)	(3,816)	(3.5%)	(78.4%)
Net profit	2,016	2.0%	2,402	2.2%	(16.1%)
Basic earnings per share on continuing operations	2.61		3.88		(32.6%)
Diluted earnings per share on continuing operations	2.61		3.72		(29.8%)
(*) with ACEM discontinued					

Balance sheet and Financial Position

The **Net Debt at 31 March 2008** was **Euro 8.1 million** compared to funds held of Euro 3.3 million at 31 December 2007, after payments for the **Buy-Back plan of Euro 12.4 million**.

<i>In Euro thousands</i>	31 Mar 08 (*)	31 Mar 07 (*)	31 Mar 07 (**)
Cash and cash equivalents	20,275	21,948	34,378
Finance leases and other lenders	(5,503)	(4,614)	(9,117)
Bank loans and mortgages	(6,107)	(6,705)	(8,207)
Long-term debt	(11,610)	(11,319)	(17,324)
Finance leases and other lenders	(26)	(1,170)	(2,952)
Bank loans and mortgages	(16,694)	(6,206)	(3,110)
Short-term debt	(16,720)	(7,376)	(6,062)
Net funds/(debt)	(8,055)	3,253	10,992

* with ACEM discontinued

** ACEM included

Net Working Capital increased as a percentage of annualised revenues, principally due to inventories. The increase resulted from a rise in the level of inventories, consequent of the industrial rationalisation process, and to the impact on the risk provisions of the reorganisation of the sales force and of the production labour in Italy.

<i>In Euro thousands</i>	31 Mar 08 (*)	31 Mar 07 (*)	31 Mar 07 (**)
Trade receivables	108,414	108,457	111,491
Inventories	60,843	56,408	59,776
Trade payables	(112,518)	(112,503)	(120,914)
Operating Working Capital	56,739	52,362	50,353
as a % of annualised revenues	14.0%	12.3%	11.5%
Other receivables/payables	(3,244)	(5,719)	(9,666)
Net Working Capital	53,495	46,643	40,687
as a % of annualised revenues	13.2%	10.9%	9.3%

* with ACEM discontinued

** ACEM included

To counter the current market trend and implement the 2008-2010 Plan the Group will be focused on 5 key points:

- Improvement of the price mix,
- Acceleration of the manufacturing delocalization,
- Acceleration of the purchasing process in the Low Cost Countries,
- Implementation of the Capex reduction plan relating to the non-core activities,
- The continual improvement of the financial structure.

The Elica Group announces its 2008⁸

The Elica Group Guidance 2008 estimate **2008 consolidated revenues of between Euro 422 and 426 million** (between -1% and 0% compared to 2007) and that **the 2008 Net Result will be in line with 2007.**

Significant events after the first quarter of 2008

On 28 April 2008, the Shareholders' Meeting of Elica S.p.A. approved the Parent Company Financial Statements, and a dividend of Euro 0.0482 per share, corresponding to a payout ratio of 32.5%. The treasury shares held in portfolio on 19 May 2008, date of the dividend coupon, are excluded from the distribution of the dividend. The dividend will be paid on 22 May 2008. The residual profit for the year will be allocated to the Extraordinary Reserve.

The Consolidated quarterly report at 31 March 2008 will be filed on 15 May and will be available on the Internet at www.elica.com within the period and manner established by law.

⁸ See note 1.

Declaration pursuant to art. 154-bis, section two, of the Consolidated Finance Act

The Executive responsible for the Company's financial reporting, Vincenzo Maragliano, declares, pursuant to section 2 of article 154 bis of the Consolidated Finance Act, that the consolidated quarterly report at 31 March 2008 correspond 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 the production of hoods and market leader in terms of units sold in the main European countries. 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 nine plants specialising by type of process and product; of these, seven are in Italy, one is in Poland and one in Mexico.

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: no longer seen as a mere domestic accessory, it has been transformed into a fascinating and sophisticated design object. It is no longer seen as simple accessory but as a design object.

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ATTACHMENT A

Consolidated income statement Q1 2008 (in thousands of Euro)

	Q1 2008	Q1 2007 (*)	Q1 2007
Revenues	101,659	109,326	111,205
Other operating revenues	1,128	913	921
Changes in inventories of finished and semi-finished goods	1,387	4,472	4,524
Increase in internal work capitalised	415	453	453
Raw materials and consumables	(54,471)	(58,845)	(59,927)
Services	(22,178)	(25,563)	(25,443)
Labour costs	(19,466)	(18,375)	(19,167)
Amortisation & depreciation	(4,216)	(3,708)	(3,821)
Other operating expenses and provisions	(1,920)	(2,039)	(2,047)
Restructuring charges	-	-	-
EBIT	2,338	6,634	6,698
Share of profit/(loss) from associates	(79)	61	61
Impairment of available-for-sale financial assets	-	-	-
Financial income	101	174	261
Financial costs	(669)	(603)	(615)
Foreign exchange gains/(losses)	791	(48)	(123)
Other non-operating income	-	-	-
Pre-tax profit	2,482	6,218	6,282
Income taxes	(825)	(3,816)	(3,855)
Net profit from continuing operations	1,657	2,402	2,427
Net profit from discontinued operations	359	25	-
Net profit for the period	2,016	2,427	2,427
of which:			
Minority interests share	85	69	69
Group net profit	1,931	2,358	2,358
Basic earnings per share			
From continuing and discontinued operations (Euro/cents)	3.21	3.92	3.72
From continuing operations (Euro/cents)	2.61	3.88	3.72
Diluted earnings per share			
From continuing and discontinued operations (Euro/cents)	3.21	3.72	3.72
From continuing operations (Euro/cents)	2.61	3.72	3.72

(*) with ACEM discontinued. The earnings per share was calculated by dividing the Group net profit by the weighted average number of ordinary shares outstanding, excluding treasury shares, as at 31 March 2008.

ATTACHMENT B

Consolidated balance sheet at 31 March 2008 (in thousands of Euro)

	31 Mar 08	31 Dec 07	31 Mar 07
Assets			
Property, plant & equipment	76,504	78,091	80,384
Goodwill	29,798	29,798	29,798
Other intangible assets	5,907	5,515	4,094
Investments in associated cos. and joint ventures	2,485	2,363	5,306
Other financial assets	31	31	200
Other receivables	1,282	1,318	1,274
Tax receivables	9	9	9
Deferred tax assets	6,302	6,607	6,366
Available-for-sale financial assets	29	26	251
Total non-current assets	122,347	123,758	127,682
Trade receivables and loans	108,414	108,457	111,491
Inventories	60,843	56,408	59,776
Other receivables	8,486	6,141	7,759
Tax receivables	4,064	5,249	5,331
Derivative financial instruments	1,762	544	75
Cash and cash equivalents	20,275	21,948	34,378
Current assets	203,844	198,747	218,810
Assets of discontinued operations	1,634	3,258	-
Total assets	327,825	325,763	346,492
Liabilities			
Liabilities for post-employment benefits	12,321	12,349	13,388
Provisions for risks and charges	2,590	3,322	2,245
Deferred tax liabilities	8,561	9,381	10,724
Finance leases and other lenders	5,503	4,614	9,117
Bank loans and mortgages	6,107	6,705	8,207
Other payables	4,018	4,016	4,023
Tax liabilities	4,246	4,004	4,045
Derivative financial instruments	-	-	6
Non-current liabilities	43,346	44,391	51,755
Provisions for risks and charges	657	612	950
Finance leases and other lenders	26	1,170	2,952
Bank loans and mortgages	16,694	6,206	3,110
Trade payables	112,518	112,503	120,914
Other payables	12,310	13,144	13,667
Tax liabilities	2,827	3,353	8,139
Derivative financial instruments	1,091	422	79
Current liabilities	146,123	137,410	149,811
Liabilities of discontinued operations	902	1,905	-
Share capital	12,665	12,665	12,665
Capital reserves	71,123	71,123	71,123
Hedging and currency translation reserve	(1,584)	(803)	(532)
Treasury shares	(12,404)	(6,671)	-
Retained earnings	64,542	55,341	58,378

Group profit for the period	1,931	9,252	2,358
Group shareholders' equity	136,273	140,907	143,992
Capital and reserves of minority interests	1,096	823	865
Minority interest profit for the period	85	327	69
Minority interest equity	1,181	1,150	934
Consolidated shareholders' equity	137,454	142,057	144,926
Total liabilities and equity	327,825	325,763	346,492