

PRESS RELEASE

ELICA S.p.A.

**ELICA GROUP: MANAGEMENT RESULTS FOR THE SECOND QUARTER
OF 2008**

Consolidated results¹ Q2 2008 (April-June 2008)

- **Revenues: Euro 104.8 million (Euro 105.9 million in the same period of 2007), stable on like-for-like exchange rates;**
- **EBITDA: Euro 6.7 million (Euro 10.0 million in the same period of 2007);**
- **EBIT: Euro 2.4 million (Euro 5.6 million in the same period of 2007), and Euro 4.4 million before restructuring charges;**
- **Net profit: Euro 3.9 million (Euro 2.7 million in the same period of 2007);**
- **Net Debt: Euro 18.1 million – compared to Net funds of Euro 7.0 million at June 30, 2007, after the Buy-Back plan of Euro 16.3 million.**

Fabriano, 8 August 2008 – Elica S.p.A., the parent company of a Group that is the leading manufacturer of kitchen range hoods, voluntarily issues the management results for the second quarter 2008 of the Elica Group, which will be included in the half-year report 2008, subject to examination by the Board of Directors of Elica S.p.A. on 25 August 2008.

Consolidated revenue for the second quarter of 2008³

In the second quarter of 2008, Group **consolidated revenues** amounted to **Euro 104.8 million**, a decrease of 1.1% on the same period of the previous year, however in line on **like-for-like exchange rates**. The range hood Business Unit saw a reduction in consolidated revenues of 1.7%; the Group brands recorded a positive performance, against the market trend, and in particular a 16% growth in revenues by the Elica Collection range. The motors Business Unit recorded growth in revenues of 2.2% on the same period in the previous year.

In relation to the geographic areas, **Europe⁴** recorded a **decrease in revenues of 4.8 %** on the same quarter of 2007, while the **Americas⁵** recorded strong **US Dollar revenue**

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.

² See Note 1.

growth of 65.8% (in Euro a 51.9% growth) on the same period of 2007, countering the market trend in the United⁶. The **other geographic areas** recorded a **total revenue growth of 1.0%** in **US Dollar** terms compared to the same quarter of 2007 (in Euro a 12.4% decrease).

Profit margins Q2 2008⁷

EBITDA amounted to **Euro 6.7 million** compared to Euro 10.0 million in the second quarter of 2007 (-33.6%).

The **EBIT** was **Euro 2.4 million**, compared to Euro 5.6 million in the second quarter of 2007. The margin in the quarter was strongly impacted by two macro-economic factors: the contraction of the market and exchange rates.

In addition to the contraction of the margin, the EBIT was significantly impacted by **restructuring charges of Euro 2.0 million**, as per the Strategic Plan 2008-2010 (a saving of approx. Euro 0.3 million compared to the estimates); **the EBIT before restructuring charges was Euro 4.4 million**.

Net financial income of Euro 0.9 million improved significantly due to the rationalisation of the financial structure and currency hedging activities, which forms part of the implementation of the Elica Group 2008-2010 Strategic Plan.

The **Net Profit for the period** was **Euro 3.9 million**, an increase of **43.0%** on Euro 2.7 million in 2007.

<i>In Euro thousands</i>	Q2 08	revenue margin	Q2 2007 (*)	revenue margin	08 Vs 07 %
Revenues	104,807		105,935		(1.1%)
EBITDA from continuing operations	6,669	6.4%	10,041	9.5%	(33.6%)
EBIT from continuing operations	2,356	2.2%	5,587	5.3%	(57.8%)
Financial income/(costs)	883	0.8%	(435)	(0.4%)	(303.0%)
Income taxes (**)	648	0.6%	(2,434)	(2.3%)	(126.6%)
Net profit from continuing operations	3,887	3.7%	2,718	2.6%	43.0%
Basic earnings per share from continuing operations (***)	6.49		4.17		(55.8%)
Diluted earnings per share from continuing operations (***)	6.49		4.17		(55.8%)

(*) with ACEM discontinued

(**) Income taxes benefited from the realignment of non-accounting entries as per Law 244/2007.

(***) The earnings per share for quarter II 2008 and 2007 was calculated by dividing the Group net profit from continuing operations by the number of outstanding shares at the respective reporting dates.

⁴ Includes the countries of the Community of Independent States (CIS).

⁵ Includes North, Central and South America.

⁶ Group estimate on market data.

⁷ See Note 1.

Balance sheet

The **Net debt** at **June 30, 2008** was Euro 18.1 million, compared to **Net Funds** of Euro 7.0 million at **June 30, 2007**, after the **Buy-Back** plan of Euro 16.3 million.

<i>In Euro thousands</i>	June 30, 08	Dec 31, 07	June 30, 07	June 30, 07
		(*)	(*)	(**)
Cash and cash equivalents	18,364	21,948	27,382	27,382
Finance leases and other lenders	(4,583)	(4,614)	(7,769)	(9,185)
Bank loans and mortgages	(7,798)	(6,705)	(7,282)	(7,282)
Long-term debt	(12,381)	(11,319)	(15,051)	(16,467)
Finance leases and other lenders	(563)	(1,170)	(3,001)	(3,001)
Bank loans and mortgages	(23,480)	(6,206)	(2,374)	(2,374)
Short-term debt	(24,043)	(7,376)	(5,375)	(5,375)
Net funds/(debt)	(18,060)	3,253	6,956	5,540

* with ACEM discontinued

** including ACEM

Net Working Capital has increased as a percentage on annualised revenues compared to the same period of the previous year, but in line with the first quarter of 2008, principally due to the increase in the level of inventory consequent of the industrial restructuring programme.

<i>In Euro thousands</i>	June 30, 08	Dec 31, 07	June 30, 07	June 30, 07
		(*)	(*)	(**)
Trade receivables	111,392	108,457	114,807	114,807
Inventories	65,995	56,408	66,299	67,514
Trade payables	(116,783)	(112,503)	(124,294)	(124,294)
Managerial Working Capital	60,604	52,362	56,812	58,027
as a % of annualised revenues	14,7%	12,3%	13,2%	13,2%
Other receivables/payables	(5,503)	(5,719)	(9,997)	(9,997)
Net Working Capital	55,101	46,643	46,815	48,030
as a % of annualised revenues	13.3%	10.9%	10.9%	11.0%

* with ACEM discontinued

** including ACEM

The **Elica Group** continues to undertake measures to contain the effects of current market trend and achieve the objectives set out in the **2008-2010 Plan**:

- improvement of the price mix,
- acceleration of the production outsourcing (20% of volumes in Low Cost Countries in the second quarter of 2008),
- acceleration of the purchasing process in the Low Cost Countries,

- implementation of the Capex reduction plan on non-core activities,
- continual improvement of the financial structure.

The principal pro-forma data relating to the second half of 2008 is summarised below.

<i>In Euro thousands</i>	June 30, 08	revenue margin	June 30, 07 (*)	revenue margin	08 Vs 07 %
Revenues	206,466		215,261		(4.1%)
EBITDA from continuing operations	13,223	6.4%	20,383	9.5%	(35.1%)
EBIT from continuing operations	4,694	2.3%	12,221	5.7%	(61.6%)
Financial income/(costs)	1,027	0.5%	(851)	(0.4%)	(220.7%)
Income taxes (**)	(177)	(0.1%)	(6,249)	(2.9%)	(97.2%)
Net profit from continuing operations	5,544	2.7%	5,121	2.4%	8.3%
Basic earnings per share from continuing operations (***)	9.22		7.85		17.4%
Diluted earnings per share from continuing operations (***)	9.22		7.85		17.4%

(*) with ACEM discontinued

(**) Income taxes benefited from the realignment of non-accounting entries as per Law 244/2007.

(***) The earnings per share for quarter II 2008 and 2007 was calculated by dividing the Group net profit from continuing operations by the number of outstanding shares at the respective reporting dates.

The present communication was filed today and will be available on the Internet at www.elica.com within the period 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 consolidated quarterly report at 30 June 2008, contained in the present communication, 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 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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