Elica S.p.A.

Half-Year Report

at June 30, 2014

Summary

Corporate boards

Members of the Board of Directors

Francesco Casoli
Executive Chairman, born in Senigallia (AN) on 05/06/1961, appointed by resolution of 27/04/2012.

Giuseppe Perucchetti
Chief Executive Officer, born in Varese (VA) on 30/10/1958, appointed a Director on 27/04/2012 and an Executive Director on 13/09/2012.

Gianna Pieralisi
Executive Director, born in Monsano (AN) on 12/12/1934, appointed by resolution of 27/04/2012.

Gennaro Pieralisi
Director, born in Monsano (AN) on 14/02/1938, appointed by resolution of 27/04/2012.

Stefano Romiti
Independent Director and Lead Independent Director, born in Rome (RM) on 17/11/1957, appointed by resolution of 27/04/2012.

Andrea Sasso
Director, born in Rome on 24/08/1965, appointed by resolution of 27/04/2012.

Elena Magri
Independent Director, born in Brescia (BS) on 19/07/1946, appointed by resolution of 27/04/2012.

Evasio Novarese
Independent Director, born in Omegna (VA) on 25/08/1947, appointed by the Shareholders' Meeting of 24/04/2013 (deed of 07/05/2013).

Members of the Board of Statutory Auditors

Corrado Mariotti
Chairman, born in Numana (AN) on 29/02/1944, appointed by resolution of 27/04/2012.

Stefano Marasca
Statutory Auditor, born in Osimo (AN) on 09/08/1960, appointed by resolution of 27/04/2012.

Gilberto Casali
Statutory Auditor, born in Jesi (AN) on 14/01/1954, appointed by resolution of 27/04/2012.

Franco Borioni
Alternate Auditor, born in Jesi (AN) on 23/06/1945, appointed by resolution of 27/04/2012.

Daniele Capecci
Alternate Auditor, born in Jesi (AN) on 03/04/1972, appointed by resolution of 27/04/2012.

Internal control & risk management Cmte.

Stefano Romiti
Gennaro Pieralisi
Elena Magri

Appointments and Remuneration Committee

Stefano Romiti
Gennaro Pieralisi
Elena Magri

Independent Audit Firm
Deloitte & Touche S.p.A.

Registered office and Company Data
Elica S.p.A.
Registered office: Via Dante, 288 – 60044 Fabriano (AN)
Share capital: Euro 12,664,560.00
Tax Code and Companies' Register Number: 00096570429
Ancona REA No. 63006 – VAT Number 00096570429

Investor Relations Manager
Laura Giovanetti
e-mail: l.giovanetti@elica.com Telephone: +39 0732 610727

Directors' Report on first half 2014

Financial and operating review

In Euro thousands	H1 14	% revenues	H1 13	% revenues	14 Vs 13 %
Revenues	195,743		195,093		0.3%
EBITDA before restructuring charges	13,018	6.7%	12,274	6.3%	6.1%
EBITDA	12,326	6.3%	12,274	6.3%	0.4%
EBIT	4,054	2.1%	4,263	2.2%	(4.9%)
Financial income/(charges)	(2,052)	(1.0%)	(2,388)	(1.2%)	(14.1%)
Income taxes	(685)	(0.4%)	(677)	(0.3%)	1.2%
Net profit from continuing operations and discontinued operations	**1,317**	**0.7%**	**1,198**	**0.6%**	**9.9%**
Group Net Profit	741	0.4%	1,352	0.7%	(45.2%)
Basic earnings per share on continuing operations and discontinued operations (Euro/cents)	1.1900		2.2400		(46.9%)
Diluted earnings per share on continuing operations and discontinued operations (Euro/cents)	1.1900		2.2400		(46.9%)

The earnings per share for H1 2014 and H1 2013 were calculated by dividing the Group net result from continuing and discontinued operations by the number of outstanding shares at the respective reporting dates.

In Euro thousands	Q2 2014 (*)	% revenues	Q2 2013 (*)	% revenues	14 Vs 13 %
Revenues	99,014		99,959		(0.9%)
EBITDA before restructuring charges	7,162	7.2%	6,821	6.8%	5.0%
EBITDA	6,589	6.7%	6,821	6.8%	(3.4%)
EBIT	2,381	2.4%	2,746	2.7%	(13.3%)
Financial income/(charges)	(908)	(0.9%)	(1,125)	(1.1%)	(19.3%)
Income taxes	(807)	(0.8%)	(1,000)	(1.0%)	(19.3%)
Net profit from continuing operations and discontinued operations	**666**	**0.7%**	**621**	**0.6%**	**7.2%**
Group Net Profit	189	0.2%	926	0.9%	(79.6%)
Basic earnings per share on continuing operations and discontinued operations (Euro/cents)	0.3000		1.5400		(80.5%)
Diluted earnings per share on continuing operations and discontinued operations (Euro/cents)	0.3000		1.5300		(80.4%)

(*) Data not subject to limited audited

The earnings per share for Q2 2014 and Q2 2013 were calculated by dividing the Group result from continuing and discontinued operations by the number of outstanding shares at the respective reporting dates.

EBITDA is the operating profit (EBIT) plus amortisation and depreciation and any write-downs of goodwill for losses in value. EBIT is the operating profit as reported in the consolidated income statement.

In Euro thousands	**June 30, 14**	**Dec. 31, 13**	**June 30, 13**
Trade receivables	75,643	74,497	82,628
Inventories	59,876	52,327	54,027
Trade payables	(95,390)	(85,520)	(96,248)
Managerial Working Capital	**40,129**	**41,304**	**40,407**
as a % of annualised revenues	*10.3%*	*10.5%*	*10.4%*
Other net receivables/payables	(15,145)	(13,237)	(5,417)
Net Working Capital	**24,984**	**28,067**	**34,990**
	6.4%	*7.2%*	*9.0%*

In Euro thousands	**June 30, 14**	**Dec. 31, 13**	**June 30, 13**
Cash and cash equivalents	**24,970**	**27,664**	**23,709**
Finance leases and other lenders	(13)	(14)	(15)
Bank loans and mortgages	(29,973)	(37,757)	(38,353)
Long-term debt	**(29,986)**	**(37,771)**	**(38,368)**
Finance leases and other lenders	(13)	(14)	(14)
Bank loans and mortgages	(55,900)	(46,554)	(49,756)
Short-term debt	**(55,913)**	**(46,568)**	**(49,770)**
Net Debt	**(60,929)**	**(56,675)**	**(64,429)**

Net Debt is the sum of cash and cash equivalents less amounts due under finance leases and other borrowings (current and non-current), plus bank loans and mortgages (current and non-current), as reported in the balance sheet.

H1 2014 operating review

In H1 2014 Elica Group consolidated revenues totalled Euro 195.7 million - an increase of 2.4% at like-for-like exchange rates and of 0.3% including the exchange rate effect on the same period of 2013. The Group outperformed the general global market (-1.1%[1] in H1 2014), which was impacted principally by Asia[2] (-2.3%) and Latin America (-1.9%). The European market overall was stable on H1 2013, although based on two opposing trends: Western Europe (-1.1%) and Eastern Europe (+1.5%).

The Cooking segment reports a similar result to H1 2013, featuring however a significant increase in own brand sales (+3.0%) and a reduction in third party brand sales (-1.8%).
The Motor segment in H1 2014 saw revenue growth of 2.1%, driven mainly by the white goods segment. Analysing revenues in the principal markets[3], the Americas and Asia[4] contributed, despite an unfavourable exchange rate effect, thanks to respective growth of 5.2% and 3.3%. At like-for-like exchange rates, Asian sales improved 11.2% and sales from the Americas by 10.1%. European revenues contracted 1.2% on H1 2013.

EBITDA before restructuring charges in H1 2014 of Euro 13.0 million increased 6.1% on H1 2013, based on the combined effect of three major factors: an improved sales mix, a reduction in overhead costs and

[1] Global range hood market volumes.
[2] Concerning "Other Countries" demand - principally the Asian markets.
[3] Data concerns sales revenues by geographic area and therefore does not refer to the breakdown by operating segment according to the various Group company locations.
[4] Concerning revenues in "Other Countries" - principally the Asian markets.

supply chain efficiencies. These effects were in part offset by a negative exchange effect. EBITDA net of restructuring charges totalled Euro 12.3 million - up 0.4% on the first half of the previous year.

EBIT net of restructuring charges was Euro 4.1 million, decreasing 4.9% compared to Euro 4.3 million in H1 2013.

In H1 2014, the Euro average exchange rate strengthened against all currencies to which Elica is exposed, with the exception of UK Sterling.

	Average H1 2014	**Average H1 2013**	**%**	**June 30, 14**	**Dec. 31, 13**	**%**
USD	1.37	1.31	4.6%	1.37	1.38	-0.7%
JPY	140.40	125.46	11.9%	138.44	139.21	-0.6%
PLN	4.18	4.18	0.0%	4.16	4.15	0.2%
MXN	17.97	16.50	8.9%	17.71	18.07	-2.0%
INR	83.29	72.28	15.2%	82.20	85.37	-3.7%
CNY	8.45	8.13	3.9%	8.47	8.35	1.4%
RUB	47.99	40.75	17.8%	46.38	45.32	2.3%
GBP	0.82	0.85	-3.5%	0.80	0.83	-3.6%

Net financial charges as a percentage of revenues improved from -1.2% in H1 2013 to -1.0% in the first half of 2014, principally due to an improved currency management performance and the reduction of the average debt.

Net Profit of Euro 1.3 million improved 9.9% compared to Euro 1.2 million in the first half of 2013.

The Managerial Working Capital on annualised revenues of 10.3% is slightly lower than 10.4% at June 30, 2013 and also 10.5% at December 31, 2013.

The Net Debt at June 30, 2014 totalled Euro 60.9 million, reducing on Euro 64.4 million at June 30, 2013, principally thanks to cash generation from operating activities. It however increased compared to Euro 56.7 million at December 31, 2013, in line with normal business seasonality.

Significant events in H1 2014

On January 23, 2014, in accordance with Article 2.6.2, paragraph 1, letter b) of the Regulations of the Markets organised and managed by Borsa Italiana S.p.A., Elica S.p.A. published the financial calendar for the year 2014.

The Board of Directors of Elica S.p.A. on February 14, 2014 approved the 2013 Fourth Quarter Report, prepared in accordance with IFRS accounting standards.

On March 21, 2014, the Board of Directors of Elica S.p.A approved the 2013 Consolidated Financial Statements and the 2013 Separate Financial Statements of Elica S.p.A., prepared in accordance with IFRS, in addition to the 2013 Corporate Governance and Ownership Structure Report, the Remuneration Report and the Directors' Report to the Shareholders' AGM on the proposal to authorise the buy-back and utilisation of treasury shares.
On the same date, the Board of Directors proposed the distribution of a dividend of Euro 0.0269 per share (before withholding taxes), allocated from the available and distributable reserves and excluding the distribution of a dividend for treasury shares on May 26, 2014, date of dividend coupon No. 6 (and record date May 28, 2014), with dividend payment date of May 29, 2014.
In addition, the Board of Directors of Elica S.p.A., with conclusion of the three-year mandate conferred to the Supervisory Board, appointed the following new members: Massinissa Magini Paolo and Cruciani Marco, while confirming the appointment of Babbo Cristiano. The mandate is of three-year duration. In the same meeting the Board of Directors, on the annual verification of members, confirmed the

independence of the Independent Directors Stefano Romiti, Elena Magri and Evasio Novarese in accordance with Article 148, paragraph 3 of the CFA (also as per Article 147-*ter*, paragraph 4 of the CFA) and Article 3.C.1 of the Self-Governance Code for listed companies.

The Elica Group participated at the STAR Conference 2014 in Milan, filing the relative Presentation on March 24, 2014, which may be viewed on the Company website.

On April 4, 2014, the Group announced the publication, as required by the applicable regulation, of the Annual Report including the Separate Financial Statements and the Consolidated Financial Statements at December 31, 2013, the Directors' Report and the Declaration as per Article 154-*bis*, paragraph 5 of Legislative Decree 58/1998, together with the Board of Statutory Auditors' Report and the Independent Auditors' Report, in addition to the 2013 Corporate Governance and Ownership Structure Report, the Remuneration Report, the financial statements of the subsidiaries as per Article 36 of the Market Regulation and the Illustrative Report of the Directors to the Shareholders' AGM, called for April 29, 2014, concerning the proposal for the purchase and utilisation of treasury shares.
The annual accounts and/or the financial statements as per Article 2429 of the Civil Code of the subsidiaries and associated companies of Elica S.p.A. are also available to the public at the registered office.

On April 29, 2014, the Shareholders' Meeting of Elica S.p.A., meeting in Ordinary session, approved the Financial Statements at December 31, 2013 of Elica S.p.A. and the distribution of a dividend of Euro 0.0269 per share (before withholding tax), excluding the distribution of a dividend for treasury shares held at May 26, 2014, date of the dividend coupon No. 6 and record date of May 28, 2014, with dividend payment date of May 29, 2014.
The Shareholders' Meeting of Elica S.p.A., considering the content of the Remuneration Report filed on April 4, 2014 and made available to the public on the internet site of the Company www.elicagroup.com, expressed its approval of the first section of the report.

The Shareholders' Meeting also approved the authorisation to purchase and utilise treasury shares, pursuant to Article 2357 and 2357 *ter* of the Civil Code, in order to provide the company with an important instrument of strategic and operative flexibility.

The Board of Directors of Elica S.p.A. on May 14, 2014 approved the 2014 First Quarter Report, prepared in accordance with IFRS accounting standards.

The subsidiary Elica Inc. transferred its offices to Bellevue in Washington State. The company however remains incorporated in the State of Illinois.

During the period the subsidiary Elica Group Polska Elica acquired 100% of the Polish company I.S.M. Poland located in Wroclow (Poland). For further details, reference should be made to the condensed consolidated financial statements below.

Elica Group structure and consolidation scope

The Elica Group is currently the world's largest manufacturer of kitchen range hoods for domestic use and is leader in Europe in the sector of motors for boilers used in home heating systems.

Parent Company

o Elica S.p.A. Elica S.p.A, - Fabriano (AN) is the parent company of the Group (in short Elica).

Subsidiary companies at June 30, 2014

o Elica Group Polska Sp.zo.o – Wroclaw – (Poland) (in short Elica Group Polska). This wholly-owned company has been operational since September 2005 in the production and sale of electric motors and from December 2006 in the production and sale of exhaust range hoods for domestic use;
o Elicamex S.A. de C.V. – Queretaro (Mexico) (in short Elicamex). The company was incorporated at the beginning of 2006 (The Parent Company owns 98% directly and 2% through Elica Group Polska). Through this company, the Group intends to concentrate the production of products for the American markets in Mexico and reap the benefits deriving from optimisation of operational and logistical activities;

o Leonardo Services S.A. de C.V. – Queretaro (Mexico) (in short Leonardo). This wholly owned subsidiary was incorporated in January 2006 (the Parent Company owns 98% directly and 2% indirectly through Elica Group Polska Sp.zo.o.). Leonardo Services S.A. de C.V. manages all Mexican staff, providing services to ELICAMEX S.A. de C.V;
o Ariafina CO., LTD – Sagamihara-Shi (Japan) (in short Ariafina). Incorporated in September 2002 as an equal Joint Venture with Fuji Industrial of Tokyo, the Japanese range hood market leader, Elica S.p.A. acquired control in May 2006 (51% holding) to provide further impetus to the development of the important Japanese market, where high-quality products are sold;
o Airforce S.p.A. – Fabriano (AN-Italy) (in short Airforce). This company operates in a special segment of the production and sale of hoods sector. The holding of Elica S.p.A. is 60%;
o Airforce Germany Hochleigstungs-Dunstabzugssysteme GmbH – Stuttgart (Germany) (in short Airforce Germany). Airforce S.p.A. owns 95% of Airforce Germany G.m.b.h., a company that sells hoods in Germany through so-called "kitchen studios";
o Elica Inc – Chicago, Illinois (United States), offices in Bellevue, Washington (United States). The company aims to develop the Group's brands in the US market by carrying out marketing and trade marketing with resident staff. The company is a wholly owned subsidiary of ELICAMEX S.A. de C.V.;
o Exklusiv Hauben Gutmann GmbH – Mulacker (Germany) (in short Gutmann) - a German company entirely held by Elica S.p.A. and the German leader in the high-end kitchen range hood market, specialised in tailor made and high performance hoods.
o Elica PB India Private Ltd. - Pune (India) (in short Elica India); in June 2010 Elica S.p.A. signed a joint venture agreement subscribing 51% of the share capital of the newly-incorporated Indian company. Elica PB India Private Ltd. is involved in the production and sale of Group products.
o Zhejiang Putian Electric Co. Ltd. Shengzhou (China) (in short Putian), a Chinese company held 66.76% and operating under the Puti brand, a leader in the Chinese home appliances sector, producing and marketing range hoods, gas hobs and kitchenware sterilisers. Putian is one of the main players in the Chinese range hood market and the principal company developing western style range hoods. The production site is located in Shengzhou, a major Chinese industrial district for the production of kitchen home appliances.
o Elica Trading LLC – St. Petersberg (Russian Federation) (in short Elica Trading), a Russian company held 100%, incorporated on June 28, 2011.
o Elica France S.A.S. - Paris (France) (in short Elica France), a wholly-owned French company incorporated in the period.
o I.S.M. Poland Sp.zo.o – Wroclaw – (Poland) (in short I.S.M. Poland). Held 100%, acquired through the Polish subsidiary in the period and involved in mechanical processing.

Associated companies

o I.S.M. S.r.l. – Cerreto d'Esi (AN-Italy). The company, of which Elica S.p.A. holds 49.385% of the Share Capital, operates within the real estate sector.

Changes in the consolidation scope

During the period the French subsidiary was incorporated and the subsidiary I.S.M. Poland was acquired through the subsidiary Elica Group Polska. There were no other changes in the consolidation scope compared to December 31, 2013.

Elica Group Inter-company and other related-party transactions

Transactions were entered into with subsidiaries, associated companies and other related parties during the period. All transactions were conducted on an arm's length basis in the ordinary course of business.

Subsequent events and outlook

The Group carries out an ongoing and extensive monitoring of demand dynamics, which in the first six months of 2014 was generally poor compared to H1 2013 - particularly in Asia and Latin America. Strong performances were however reported in North America and Eastern Europe.

In a global marketplace which expects growth in the Americas and Asia and stability in Europe, thanks to the actions taken Elica management confirms 2014 Guidance and an increase in consolidated revenues of between 1% and 3%, an improvement in consolidated EBITDA of between 4% and 7% on 2013 and targets a Net Debt of not greater than Euro 52 million at the end of 2014.

Compliance pursuant to Section VI of the regulation implementing legislative decree No. 58 of 24 February 1998 concerning market regulations ("Market Regulations")

Elica S.p.A. confirms compliance with the conditions for listing pursuant to articles 36 and 37 of Consob's Market Regulations. In particular, having control, directly or indirectly, over some companies registered in countries outside of the European Union, the financial statements of the above-mentioned companies, prepared for the purposes of the Elica Group Consolidated Financial Statements, were made available in accordance with the provisions required by the current regulations enacted on March 30, 2009.

Obligations in accordance with Article 70, paragraph 8 and Article 71, paragraph 1-*bis* of the "Issuers' Regulation"

In accordance with Article 70, paragraph 8 and Article 71, paragraph 1-*bis* of the Consob Issuers' Regulation, on January 16, 2013, Elica announced that it would employ the exemption from publication of the required disclosure documents concerning significant merger, spin-off, and share capital increase operations through conferment of assets in kind, acquisitions and sales.

Elica S.p.A.

Condensed Consolidated Half-Year Financial Statements

at June 30, 2014

H1 2014 Consolidated Financial Statements

H1 2014 Consolidated Income Statement

In Euro thousands	***Note***	**Q2 2014 (*)**	**Q2 2013 (*)**	**H1 14**	**H1 13**
Revenues	**1.**	99,014	99,959	195,743	195,093
Other operating revenues	**2.**	779	957	4,122	1,375
Changes in inventories of finished and semi-finished goods	**3.**	2,358	(709)	3,850	2,313
Increase in internal work capitalised	**11.**	1,310	967	2,571	1,710
Raw materials and consumables	**3.**	(56,116)	(53,774)	(110,784)	(108,824)
Services	**4.**	(16,667)	(17,852)	(32,842)	(34,753)
Labour costs	**5.**	(21,262)	(20,178)	(42,354)	(40,787)
Amortisation & Depreciation		(4,208)	(4,075)	(8,272)	(8,011)
Other operating expenses and provisions	**6.**	(2,254)	(2,549)	(7,288)	(3,853)
Restructuring charges	**7.**	(573)	-	(692)	-
EBIT		**2,381**	**2,746**	**4,054**	**4,263**
Share of associates		(4)	(10)	(9)	(14)
Financial income	**8.**	175	66	210	105
Financial charges	**8.**	(1,131)	(1,013)	(2,126)	(2,013)
Exchange gains/(losses)	**8.**	52	(168)	(127)	(466)
Profit before taxes		**1,473**	**1,621**	**2,002**	**1,875**
Income taxes		(807)	(1,000)	(685)	(677)
Net profit from continuing operations		**666**	**621**	**1,317**	**1,198**
Net profit from discontinued operations		-	-	-	-
Net profit for the period		**666**	**621**	**1,317**	**1,198**
of which:					
Minority interests share		477	(305)	576	(154)
Group Net Profit		189	926	741	1,352
Basic earnings per Share (Euro/cents)		0.3000	1.5380	1.1900	2.2461
From continuing and discontinued operations (Euro/cents)		0.3000	1.5380	1.1900	2.2461
From continuing operations (Euro/cents)		0.3000	1.5380	1.1900	2.2461
Diluted earnings per Share (Euro/cents)		0.3000	1.5342	1.1900	2.2400
From continuing and discontinued operations (Euro/cents)		0.3000	1.5342	1.1900	2.2400
From continuing operations (Euro/cents)		0.3000	1.5342	1.1900	2.2400

(*) Data not subject to limited audited.

H1 2014 Comprehensive Consolidated Income Statement

In Euro thousands	**Q2 2014 (*)**	**Q2 2013 (*)**	**H1 14**	**H1 13**
Net Profit	**666**	**621**	**1,317**	**1,198**
Other comprehensive profits/(losses) which may not be subsequently reclassified to net profit/(loss) for the period:				
Actuarial gains/(losses) of employee defined plans	(406)	408	(643)	509
Tax effect concerning the Other profits/(losses) which may not be subsequently reclassified to the net profit/(loss) for the period	227	(162)	209	(185)
Total other comprehensive profits/(losses) which may not be subsequently reclassified to net profit/(loss) for the period, net of the tax effect	**(179)**	**246**	**(434)**	**324**
Other comprehensive profits/(losses) which may be subsequently reclassified to net profit/(loss) for the period:				
Exchange differences on the conversion of foreign financial statements	828	(3,691)	151	(1,765)
Net change in cash flow hedges	597	(30)	(30)	(54)
Tax effect concerning the Other profits/(losses) which may be subsequently be reclassified to the net profit/(loss) for the period	(161)	8	8	12
Total other comprehensive profits/(losses) which may be subsequently reclassified to net profit/(loss) for the period, net of the tax effect	**1,264**	**(3,712)**	**129**	**(1,807)**
Total other comprehensive income statement items, net of the tax effect:	**1,085**	**(3,466)**	**(305)**	**(1,483)**
Total comprehensive profit/(loss)	**1,751**	**(2,845)**	**1,012**	**(285)**
of which:				
Minority interests share	559	(584)	687	(497)
Group comprehensive profit/(loss)	1,192	(2,265)	325	212

(*) Data not subject to limited audited.

Consolidated Balance Sheet at June 30, 2014

In Euro thousands	***Note***	**June 30, 14**	**Dec. 31, 13**
Property, plant & equipment	**9.**	87,431	81,932
Goodwill	**10.**	44,160	41,584
Other intangible assets	**11.**	26,047	25,336
Investments in associated companies	**12.**	1,374	1,383
Other receivables	**17.**	198	190
Tax receivables	**18.**	6	6
Deferred tax assets	**13.**	16,145	13,608
AFS financial assets		156	156
Derivative financial instruments		2	1
Total non-current assets		**175,519**	**164,196**
Trade and financial receivables	**14.**	75,643	74,497
Inventories	**15.**	59,876	52,327
Other receivables	**17.**	8,550	6,306
Tax receivables	**18.**	9,923	7,747
Derivative financial instruments		190	519
Cash and cash equivalents	**20.**	24,970	27,664
Current assets		**179,152**	**169,060**
Assets of discontinued operations		**-**	**2,395**
Total Assets		**354,671**	**335,651**
Liabilities for post-employment benefits		11,856	11,230
Provisions for risks and charges	**16.**	5,603	3,333
Deferred tax liabilities	**13.**	5,055	5,117
Finance leases and other lenders	**20.**	13	14
Bank loans and mortgages	**20.**	29,973	37,757
Other payables	**17.**	908	987
Tax payables	**18.**	626	677
Derivative financial instruments		79	166
Non-current liabilities		**54,113**	**59,281**
Provisions for risks and charges	**16.**	3,035	4,172
Finance leases and other lenders	**20.**	13	14
Bank loans and mortgages	**20.**	55,900	46,554
Trade payables	**14.**	95,390	85,520
Other payables	**17.**	21,535	15,801
Tax payables	**18.**	9,047	7,317
Derivative financial instruments		456	251
Current liabilities		**185,376**	**159,629**
Share capital		12,665	12,665
Capital reserves		71,123	71,123
Hedging, translation and stock option reserve		(8,359)	(8,525)
Reserve for actuarial gains/losses		(2,315)	(1,898)
Treasury shares		(3,551)	(3,551)
Retained earnings		39,786	40,294
Group Profit		741	1,357
Group shareholders' equity	**19.**	**110,090**	**111,465**
Capital and reserves of minority interests		4,516	5,207
Minority interest profit		576	69
Minority interest equity	**19.**	**5,092**	**5,276**
Consolidated shareholders' equity		**115,182**	**116,741**
Total liabilities and equity		**354,671**	**335,651**

Consolidated Cash Flow Statement at June 30, 2014

In Euro thousands	***Note***	**June 30, 14**	**June 30, 13**
Opening cash and cash equivalents		**27,664**	**29,551**
EBIT - Operating profit		4,054	4,263
Amortisation, depreciation and write-downs		8,272	8,011
EBITDA		12,326	12,274
Trade working capital		1,410	(2,651)
Other working capital accounts		(3,637)	3,672
Income taxes paid		(3,175)	(2,367)
Change in provisions		885	410
Other changes		(475)	(1,212)
Cash flow from operating activity		**7,334**	**10,126**
Net increases		(8,101)	(8,937)
Intangible assets		(3,172)	(2,455)
Property, plant & equipment		(4,923)	(6,450)
Equity investments and other financial assets		(6)	(32)
Acquisition/Sale of investments	**22.**	44	0
Cash flow from investments		**(8,057)**	**(8,937)**
Dividends		(2,413)	(628)
Increase (decrease) financial payables		1,651	(3,551)
Net changes in other financial assets/liabilities		362	(491)
Interest paid		(1,755)	(1,735)
Cash flow from financing activity		**(2,155)**	**(6,406)**
Change in cash and cash equivalents		**(2,878)**	**(5,216)**
Effect of exchange rate change on liquidity		**183**	**(626)**
Closing cash and cash equivalents		**24,970**	**23,709**

Statement of changes in Consolidated Shareholders' Equity

In Euro thousands	Share capital	Share premium reserve	Purchase / Sale of treasury shares	Retained earnings	Hedge, trans., stock option and post-employ. ben. reserve	Result for the period	Total Group NE	Minority NE	Total
Balance at December 31, 2012 -restated	**12,665**	**71,123**	**(8,815)**	**39,926**	**(7,900)**	**5,008**	**112,007**	**6,542**	**118,549**
Change in cash flow hedges net of tax effect	-	-	-	-	(42)	-	**(42)**	-	**(42)**
Actuarial profits/(losses) employee leaving indemnity	-	-	-	-	340	-	**340**	(16)	**324**
Differences arising from translation of foreign subsidiaries' financial statements	-	-	-	-	(1,438)	-	**(1,438)**	(327)	**(1,765)**
Total gains/(losses) recognised directly to equity	-	-	-	-	(1,141)	-	**(1,141)**	**(343)**	**(1,483)**
Net profit for the period	-	-	-	-	-	1,352	**1,352**	(154)	**1,198**
Total gains/(losses) recognised in the income statement	-	-	-	-	-	1,352	**1,352**	(154)	**1,198**
Allocation of net profit	-	-	-	4,985	23	(5,008)	**-**	-	**-**
Other changes	-	-	531	(359)	(336)	-	**(164)**	(580)	**(744)**
Dividends	-	-	-	(1,426)	-	-	**(1,426)**	-	**(1,426)**
Balance at June 30, 2013	**12,665**	**71,123**	**(8,284)**	**43,127**	**(9,354)**	**1,352**	**110,629**	**5,466**	**116,095**
Balance at December 31, 2013	**12,665**	**71,123**	**(3,551)**	**40,294**	**(10,423)**	**1,357**	**111,465**	**5,276**	**116,741**
Change in cash flow hedges net of tax effect	-	-	-	-	(24)	-	**(24)**	-	**(24)**
Actuarial profits/(losses) employee leaving indemnity	-	-	-	-	(413)	-	**(413)**	(21)	**(434)**
Differences arising from translation of foreign subsidiaries' financial statements	-	-	-	-	19	-	**19**	132	**151**
Total gains/(losses) recognised directly to equity	-	-	-	-	(418)	-	**(418)**	111	**(307)**
Net profit for the period	-	-	-	-	-	741	**741**	576	**1,317**
Total gains/(losses) recognised in the income statement						741	**741**	576	**1,317**
Allocation of net profit	-	-	-	1,190	167	(1,357)	-	-	-
Other changes				(30)			**(30)**	(128)	**(156)**
Dividends				(1,669)			**(1,669)**	(743)	**(2,413)**
Balance at June 30, 2014	**12,665**	**71,123**	**(3,551)**	**39,786**	**(10,674)**	**741**	**110,090**	**5,092**	**115,182**

Notes to the Condensed Consolidated Half-Year Financial Statements at June 30, 2014
Group structure and brief description of its activities

The operational segments are as follows:

- "Europe": production and sale of range hoods, accessories and electric motors developed by the Group companies based in Europe, i.e. the Italian companies Elica S.p.A. and Airforce S.p.A., the German companies Exklusiv Hauben Gutmann GmbH and Airforce Germany GmbH, the Polish companies Elica Group Polska Sp.zo.o and I.S.M. Poland Sp.zo.o, the Russian company Elica Trading LLC and the French company Elica France S.A.S.;

- "America": production and sale of range hoods and accessories, developed by the Group companies based in America, i.e. the Mexican companies Elicamex S.A. de C.V. and Leonardo S.A. de C.V. and the US company Elica Inc;

- "Asia and the rest of the world": production and sale of range hoods, accessories and other products, developed by the Group companies located in Asia, i.e. the Chinese company Zhejiang Putian Electric Co. Ltd., the Indian company Elica PB India Private Ltd. and the Japanese company Ariafina CO., LTD.

The activities are based in the same geographic areas and therefore in Europe, specifically in Italy, Poland, Germany, Russia and France, in America, i.e. in Mexico and in the United States, and in Asia, respectively in China, India and Japan.

Segment revenues are determined based on the geographic area to which the respective companies belong. Segment results are determined by taking into account all the costs that can be allocated directly to sales in a specific segment. Costs not allocated to the segments include all costs not directly attributable to the area, including manufacturing, sales, general, administrative costs, as well as financial income and charges and taxes.
Inter-segment revenues include revenues between Group segments that are consolidated on a line-by-line basis in relation to sales made to other segments.
Assets, liabilities and investments are allocated directly on the basis of their classification in a specific geographic area.

The Euro is the functional and presentation currency of Elica and all of the consolidated companies, except for the foreign subsidiaries Elica Group Polska Sp.zo.o, I.S.M. Poland Sp. zo.o, Elicamex S.A.de C.V., Leonardo Services S.A.de C.V., Ariafina CO., LTD, Elica Inc., Elica PB India Private Ltd, Zhejiang Putian Electric Co. Ltd and Elica Trading LLC which prepare their financial statements in the Polish Zloty (Elica Group Polska Sp.zo.o and I.S.M. Poland Sp. zo.o), the Mexican Peso (Elicamex S.A.de C.V. and Leonardo Services S.A. de C.V.), Japanese Yen, US Dollar, Indian Rupee, Chinese Renminbi and Russian Ruble respectively.

The exchange rates used for the translation to Euro of the financial statements of companies consolidated in a currency other than the consolidation currency, compared with those used in the previous periods, are shown in the table below:

	Average H1 2014	**Average H1 2013**	**%**	**June 30, 14**	**Dec. 31, 13**	**%**
USD	1.37	1.31	4.6%	1.37	1.38	-0.7%
JPY	140.40	125.46	11.9%	138.44	139.21	-0.6%
PLN	4.18	4.18	0.0%	4.16	4.15	0.2%
MXN	17.97	16.50	8.9%	17.71	18.07	-2.0%
INR	83.29	72.28	15.2%	82.20	85.37	-3.7%
CNY	8.45	8.13	3.9%	8.47	8.35	1.4%
RUB	47.99	40.75	17.8%	46.38	45.32	2.3%

Approval of the Half-Year Report at June 30, 2014
The report for the period ended June 30, 2014 was approved by the Board of Directors on August 28, 2014.

Accounting principles and basis of consolidation
The annual consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and approved by the European Union through Regulation No. 1606/2002.

The present condensed half-yearly financial statements were prepared, in summary form, in conformity with IAS 34 "Interim Financial Statements" and in conformity with the requirements of Consob Regulation No. 11971 of May 14, 1999 and subsequent amendments and integrations.
The condensed half-year financial statements therefore do not include all the information published in the annual report and must be read together with the consolidated financial statements as at December 31, 2013.

The accounting and consolidation principles adopted for the preparation of the current condensed half-year financial statements are unchanged compared to those adopted for the preparation of the Group annual consolidated financial statements for the year ended December 31, 2013.

The Condensed Half-Year Financial Statements at June 30, 2014 consist of the Balance Sheet, the Income Statement, the Comprehensive Income Statement, the Cash Flow Statement and the Statement of Changes in Shareholders' Equity. The condensed half-year financial statements are compared with the corresponding period of the previous year for the income statement accounts and with the consolidated balance sheet accounts and financial position at December 31, 2013.

The present consolidated financial statements are presented in thousands of Euro and all the amounts are rounded to the nearest thousandth, unless otherwise specified.

Changes in accounting principles
The financial statements utilised are the same as those used for the preparation of the consolidated financial statements at December 31, 2013. No new accounting standards were adopted during the period with impacts on the present consolidated financial statements.
Specifically, the new IFRS or amendments with efficacy from January 1, 2014 applicable by the Group are the following.
On May 12, 2011, the IASB issued IFRS 10 – Consolidated Financial Statements which will replace SIC-12 Consolidation – Special Purpose Entities and parts of IAS 27 – Consolidated and Separate Financial Statements (which was renamed Separate Financial Statements) and governs the inclusion of investments in the separate financial statements. The new standard builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included in the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess.
On June 28, 2012, the IASB also issued the document "Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests and Other Entities: Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12). The document clarifies the transition rules of IFRS 10 - Consolidated financial statements, IFRS 11 - Joint Arrangements and IFRS 12 - Disclosure of Interests in Other Entities. The standard is effective in a retrospective manner from January 1, 2014.
The adoption of this new standard had no effects on the Group consolidation scope.
On May 12, 2011, the IASB issued IFRS 11 – Joint arrangements which replaces IAS 31 – Interests in Joint Ventures and SIC-13 – Jointly controlled entities – non monetary contributions by ventures. The new standard establishes the criteria for the classification of joint arrangements based on the rights and obligations of the agreement rather than on the legal form and establishes the equity method as the only method to be applied to holdings in joint ventures in the consolidated financial statements. Following the issue of IAS 28 – Investments in Associates, IFRS 11 was amended to include in its application, from the date of efficacy of the standard, also holdings in joint ventures. The adoption of this standard did not have any effects on the disclosure provided in the present Report.

On May 12, 2011, the IASB issued IFRS 12 – Disclosure of interests in other entities which is a new and complete standard on additional information to be provided on all types of investments, including those in subsidiaries, joint arrangements, associated companies, special purpose entities and other non consolidated vehicle companies.
On December 16, 2011, the IASB issued certain amendments to IAS 32 – Financial Instruments: presentation, to clarify the application of certain offsetting criteria for financial assets and financial liabilities in IAS 32. The amendments are applicable for annual periods beginning on or after January 1, 2014 and are required to be applied retrospectively. Their adoption did not have any impact.
On May 29, 2013, the IASB issued an amendment to IAS 36 – Disclosure on recoverable amount of non-financial assets, which governs the disclosure on the recoverable value of impaired assets, if this amount is based on the fair value net of selling costs. The amendments must be applied retrospectively from periods beginning from January from 1, 2014. The adoption of the amendment did have any impact on disclosure.
On June 27, 2013, the IASB issued some minor amendments to IAS 39 – Financial Instruments: recognition and measurement, entitled "Novations of derivatives and continuity of Hedge Accounting". The amendments permit continuation of hedge accounting in the case in which a derivative financial instrument, designated as a hedge instrument, is replaced following the application of law or regulations in order to replace the original counterparty so as to guarantee the fulfilment of the obligation assumed and where certain conditions are satisfied. The same amendment will also be included in IFRS 9 – Financial instruments. These amendments must be applied retrospectively from periods beginning from January 1, 2014. There was no impact from the adoption of these amendments.

Utilisation of estimates
In the preparation of the condensed half-year financial statements, the Group's management made accounting estimates and assumptions which have an effect on the values of the assets and liabilities and disclosures. The actual results may differ from these estimates. The estimates and assumptions are revised periodically and the effects of any change are promptly reflected in the financial statements.

In this context it is reported that the situation caused by the current economic and financial crisis resulted in the need to make assumptions on a future outlook characterised by significant uncertainty, for which it cannot be excluded that results in the coming years will be different from such estimates and which therefore could require adjustment, currently not possible to estimate or forecast, which may even be significant, to the book value of the relative items.

The account items principally concerned by uncertainty are: goodwill, the doubtful debt and inventory obsolescence provisions, non-current assets (tangible and intangible), pension funds and other post-employment benefits, provisions for risks and charges and deferred tax assets and liabilities.

Reference is made to the previous year annual accounts and the notes to the present condensed half-year financial statements for the details relating to the estimates stated above.

Composition and main changes in the Income Statement and Balance Sheet

1. Revenues

In Euro thousands	H1 14	H1 13	Changes
Total revenues	**195,743**	**195,093**	**650**

For the comments relating to the changes in revenues, reference should be made to the paragraph "H1 2014 operating review". Clients who comprise more than 10% of total revenues constituted 13.7% of revenues in the first six months of 2014 compared to 13% in the first half of 2013.
Sales information by sector is reported in note 21.

2. Other operating revenues

in Euro thousands	H1 14	H1 13	Changes
Rental income	2	17	(15)
Operating grants	381	554	(173)
Ordinary gains on disposal	3,263	319	2,944
Claims and insurance payouts	163	206	(43)
Other revenues and income	313	278	35
Total	**4,122**	**1,375**	**2,747**

The account increased by Euro 2,747 thousand. This principally concerned Ordinary Gains, mainly relating to the sale to third parties of the warehouse of Serra San Quirico (AN), previously classified as an Asset held-for-sale until December 2013.

3. Raw materials and consumables and change of finished and semi-finished product inventories

In Euro thousands	H1 14	H1 13	Changes
Purchase of raw materials	(97,988)	(95,480)	(2,508)
Shipping expenses on purchases	(2,184)	(1,892)	(292)
Purchases of consumable materials	(1,383)	(1,027)	(356)
Packaging	(1,551)	(1,979)	428
Purchases of supplies	(371)	(416)	45
Purchases of semi-finished materials	(7,888)	(7,418)	(470)
Purchase of finished products	(3,243)	(3,227)	(16)
Other purchases	(349)	(343)	(6)
Change in inventory of raw materials, consumables and good for re-sale	4,173	2,959	1,214
Total costs raw materials and consumables	**(110,784)**	**(108,824)**	**(1,960)**
Changes in inventories of finished and semi-finished goods	**3,850**	**2,313**	**1,537**
Total	**(106,934)**	**(106,511)**	**(423)**

The account was substantially unchanged, both overall and as a percentage of revenues (54.6%). This mainly follows stable raw material costs.

4. Services

In Euro thousands	H1 14	H1 13	Changes
Outsourcing expenses	(10,268)	(12,643)	2,375
Transport	(4,355)	(4,176)	(179)
Finished goods inventories	(2,651)	(1,830)	(821)
Consulting	(2,158)	(2,144)	(14)
Other professional services	(4,468)	(4,308)	(160)
Maintenance	(602)	(1,098)	496
Utilities	(2,409)	(2,625)	216
Commissions	(1,072)	(1,149)	77
Travel expenses	(1,315)	(1,603)	288
Advertising	(1,055)	(1,000)	(55)
Insurance	(572)	(641)	69
Directors & Statutory Auditor fees	(867)	(696)	(171)
Trade fairs and promotional events	(555)	(454)	(101)
Industrial services	(266)	(212)	(54)
Banking commissions and charges	(229)	(174)	(55)
Total Services	**(32,842)**	**(34,753)**	**1,911**

The account decreased by approx. Euro 1.9 million. Service expenses as a percentage of revenues reduced from 17.8% in 2013 to 16.8% in 2014. This is as a result of the introduction of the cost reduction plan by the Group. The impact on the altered consolidation scope on this account was Euro 1.5 million, particularly concentrated in Outsourcing expenses following the entry of I.S.M. Poland to the group.

5. Labour costs

Labour costs incurred by the Group were as follows:

In Euro thousands	H1 14	H1 13	Changes
Wages and salaries	(30,859)	(29,157)	(1,702)
Social security charges	(8,335)	(8,123)	(212)
Post-employment benefits	(1,441)	(1,424)	(17)
Other costs	(1,719)	(2,083)	364
Total labour costs	**(42,354)**	**(40,787)**	**(1,566)**

The increase in the account relates to the items Wages and Salaries and Social security charges. The effect of the change in the consolidation scope on this account was Euro 1 million. As a percentage on revenues these costs increased from 20.9% in 2013 to 21.6% in 2014.

6. Other operating expenses and provisions

This account principally comprises leasing and rental charges for Euro 1 million, motor and industrial vehicle rental for Euro 1.2 million, risks provisions for Euro 1.4 million, product guarantees for Euro 0.3 million and provisions for the fair value measurement of receivables for Euro 1.5 million.

7. Restructuring charges

Restructuring charges concern corporate restructuring in the period. These actions concerned the reduction of the workforce over a 24-month period from Q4 2013 and the collective transfer of the workforce from the Serra San Quirico hub, following the Board of Directors decision of Elica S.p.A. to reconvert it from a productive hub to a logistical hub.

8. Net financial charges

In Euro thousands	H1 14	H1 13	Changes
Financial income	210	105	105
Financial charges	(2,126)	(2,013)	(113)
Exchange gains/(losses)	(127)	(466)	339
Total net financial charges	**(2,043)**	**(2,374)**	**331**

The reduction in total net financial charges reflects exchange rate movements. In fact the net balance of financial income and charges alone reported virtually no movement.

9. Property, plant & equipment

The breakdown of property, plant and equipment at June 30, 2014 and December 31, 2013 is detailed below.

In Euro thousands	June 30, 14	Dec, 31, 13	Changes
Land, land usage rights and buildings	46,798	45,495	1,303
Plant and machinery	21,463	20,002	1,461
Industrial and commercial equipment	13,961	12,632	1,329
Other assets	3,341	3,153	188
Assets in progress and advances	1,868	651	1,217
Total property, plant and equipment	**87,431**	**81,932**	**5,499**

Property, plant and equipment increased from Euro 81,932 thousand at December 31, 2013 to Euro 87,431 thousand at June 30, 2014, an increase of Euro 5,499 thousand as a result of the sales, purchases and of depreciation recorded in the income statement of Euro 5,775 thousand. The change includes exchange losses of approx. Euro 61 thousand. The alteration to the consolidation scope impacted for Euro 3.7 million.

10. Goodwill

In Euro thousands	June 30, 14	Dec. 31, 13	Changes
Goodwill recorded by subsidiaries	44,160	41,584	2,576
Total goodwill	**44,160**	**41,584**	**2,576**

The account increased Euro 2,683 thousand following the acquisition of I.S.M. Poland. The residual change relates to exchange rate movements.
Based on the information currently available, no impairment indicators were evident at June 30, 2014. In particular, Management confirms Guidance 2014, on the basis of which the Elica Group estimates for 2014 Consolidated revenue growth of between 1% and 3% and an improvement in Consolidated EBITDA, before restructuring charges, of between 4% and 7% on 2013, and targets a net debt of not greater than Euro 52 million at the end of 2014.

The Management of the Group will continue to constantly monitor the circumstances and the events which form the basis of the future development of the business and will carry out at December 31, 2014 a more extensive analysis in relation to an impairment test.

11. Other intangible assets

The breakdown of the "Other intangible assets" at June 30, 2014 and December 31, 2013 is shown below.

In Euro thousands	June 30, 14	Dec. 31, 13	Changes
Development Costs	6,031	6,713	(682)
Industrial patents and intellectual property rights	7,374	8,249	(875)
Concessions, licenses, trademarks & similar rights	1,595	1,620	(25)
Assets in progress and advances	6,726	4,274	2,452
Other intangible assets	4,321	4,480	(159)
Total other intangible fixed assets	**26,047**	**25,336**	**711**

Other intangible assets increased from Euro 25,336 thousand at December 31, 2013 to Euro 26,047 thousand at June 30, 2014, with an increase of Euro 711 thousand as a result of the purchases, sales and amortisation recorded to the income statement of Euro 2,498 thousand.
"Assets in progress and advances" refer in part to advances and the development of projects for the implementation of new IT platforms and the design, development and creation of new software applications, and also the development of new products.
The account "Other intangible assets" relates principally to the recording both of technologies developed and the client portfolio of the German subsidiary Exklusiv Hauben Gutmann GmbH.

12. Investments in associated companies

The change in the account, which decreased from Euro 1,383 thousand at December 31, 2013 to Euro 1,374 thousand at June 30, 2014, relates to the performance of the company I.S.M. S.r.l..

13. Deferred tax assets – Deferred tax liabilities

in Euro thousands	June 30, 14	Dec. 31, 13	Changes
Deferred tax assets	16,145	13,608	2,537
Deferred tax liabilities	(5,055)	(5,117)	62
Total	**11,090**	**8,491**	**2,599**

The account Deferred tax assets increased by approx. Euro 2.6 million. The increase principally concerns the parent company.
The deferred tax asset was recorded as it is considered recoverable in relation to the assessable results for the periods in which deferred taxes will reverse in the financial statements and as Group management considers that such commitments will be respected.

14. Trade receivables and payables

Trade receivables and trade payables were as follows:

in Euro thousands	June 30, 14	Dec. 31, 13	Changes
Trade and financial receivables	75,643	74,497	1,146
Trade payables	(95,390)	(85,520)	(9,870)
Total	**(19,747)**	**(11,023)**	**(8,724)**

The increase in the two accounts relates principally to seasonal factors.
Trade receivables are recorded net of the bad debt provision of Euro 5,111 thousand (Euro 3,833 thousand at December 31, 2013) made following an analysis of the credit risk on receivables and on the

basis of historical data on credit losses, considering that a substantial portion of the receivables are insured by prime international insurance companies.
Management considers that the value approximates the fair value of the receivables.

15. Inventories

In Euro thousands	June 30, 14	Dec. 31, 13	Changes
Raw material, ancillary and consumables	26,603	22,850	3,753
Raw materials obsolescence provision	(1,374)	(1,348)	(26)
Total	25,229	21,502	3,727
Products in work-in-progress and semi-finished	13,369	12,431	938
Semi-finished product obsolescence provision	(811)	(760)	(51)
Total	12,558	11,671	887
Finished products and goods	23,478	20,430	3,048
Finished products – obsolescence provision	(1,403)	(1,293)	(110)
Total	22,075	19,137	2,938
Payments on account	14	17	(3)
Total inventories	**59,876**	**52,327**	**7,549**

The account increased from Euro 52,327 thousand at December 31, 2013 to Euro 59,876 thousand at June 30, 2014.
Inventories are stated net of the obsolescence provisions of Euro 3,588 thousand (Euro 3,401 thousand at December 31, 2013), in order to take into consideration the effect of waste, obsolete and slow moving items and the risk estimates of the use of some categories of raw and semi-finished materials based on assumptions made by management.
Inventories also include materials and products that were not physically held by the Group at the balance sheet date. These items were held by third parties on display, for processing or for examination.

16. Provisions for risks and charges

The details are shown below.

in Euro thousands	June 30, 14	Dec. 31, 13	Changes
Supplementary agent termination benefits	480	418	62
Product warranty provisions	1,426	1,519	(93)
Legal and other risk provision	2,789	1,428	1,361
Restructuring provision	500	750	(250)
Personnel Fund	1,566	1,903	(337)
LTI provision	1,766	1,399	367
Other Provisions	111	87	24
Total	**8,638**	**7,505**	**1,133**
of which			
Non-current	5,603	3,333	2,270
Current	3,035	4,172	(1,137)
Total	**8,638**	**7,505**	**1,133**

The Supplementary agent termination benefits are intended to cover possible charges upon termination of relations with agents and sales representatives.

Product warranty provisions represent an estimate of the costs likely to be incurred to repair or replace items sold to customers. These provisions reflect the average warranty costs historically incurred by the Group as a percentage of sales still covered by warranty.

The legal and other risks provision relates to likely costs and charges to be incurred as a result of ongoing legal disputes. The provisions have been determined based on the best possible estimates, considering the available information.

The restructuring provision concerns the reduction of the workforce over a 24-month period from Q4 2013 and the collective transfer of the workforce from the Serra San Quirico hub, following the Board of Directors decision of Elica S.p.A. to reconvert it from a productive hub to a logistical hub.

The Personnel Fund includes the higher cost estimated by the company for contractual indemnity and for employee bonuses. This provision decreased following the payment of the higher costs related to the previous year and increased following the provision made for this cost for the current period.

The Long Term Incentive Plan provision is based on estimates made by the actuaries Tower&Watson concerning 2013 and the first half of 2014 in relation to the plan.

17. Other receivables and other payables

in Euro thousands	**June 30, 14**	**Dec. 31, 13**	**Changes**
Other receivables (non-current)	198	190	8
Other receivables (current)	8,550	6,306	2,244
Total	**8,748**	**6,496**	**2,252**

The increase in Other receivables, principally relating to the Parent Company, concerns the current portion and is mainly due to the increase in prepayments and accrued income caused by the seasonality of contracts.

in Euro thousands	**June 30, 14**	**Dec. 31, 13**	**Changes**
Other payables (non-current)	908	987	(79)
Other payables (current)	21,535	15,801	5,734
Total	**22,443**	**16,788**	**5,655**

The increase in Other payables principally concerns the current portion which increased due to employee payables. At December 31, 2013, the payable for vacation days matured was much lower than at June, due to the seasonality of the item. In addition, we highlight the impact of the changed consolidation scope, specifically in relation to the purchase of I.S.M. Poland for Euro 5.9 million.
Management believes that the book value of other receivables and other payables reflects their fair value.

18. Tax receivables and payables

in Euro thousands	**June 30, 14**	**Dec. 31, 13**	**Changes**
Tax receivables (non-current)	6	6	0
Tax receivables (current)	9,923	7,747	2,176
Total	**9,929**	**7,753**	**2,176**

in Euro thousands	**June 30, 14**	**Dec. 31, 13**	**Changes**
Tax payables (non-current)	626	677	(51)
Tax payables (current)	9,047	7,317	1,730
Total	**9,673**	**7,994**	**1,679**

The increase in tax receivables and payables relates to the current portion predominantly, principally with regards to the VAT position of the Mexican subsidiary.

19. Shareholders' Equity

The account Group Shareholders' Equity at June 30, 2014 amounted to Euro 110,090 thousand (Euro 111,465 thousand at December 31, 2013). Movements in the half-year principally followed the allocation of the result for the period, the distribution of dividends and the change in the Post-employment benefit reserve. For further details, reference should be made to the Statement of changes in Shareholder's Equity.

The account Minority interest Shareholders' Equity at June 30, 2014 amounted to Euro 5,092 thousand (Euro 5,276 thousand at December 31, 2013). The movements in the account in the period principally related to: an increase of Euro 576 thousand following the recording of the result for the period, an increase of Euro 132 thousand relating to changes in the translation reserve and a decrease of Euro 743 thousand concerning the distribution of dividends.

20. Net Debt

The Net Debt at June 30, 2014 and at December 31, 2013 is detailed below:

In Euro thousands	**June 30, 14**	**Dec. 31, 13**
Cash and cash equivalents	**24,970**	**27,664**
Finance leases and other lenders	(13)	(14)
Bank loans and mortgages	(29,973)	(37,757)
Long-term debt	**(29,986)**	**(37,771)**
Finance leases and other lenders	(13)	(14)
Bank loans and mortgages	(55,900)	(46,554)
Short-term debt	**(55,913)**	**(46,568)**
Net Debt	**(60,929)**	**(56,675)**

The Net Debt at June 30, 2014 amounted to Euro 60.9 million compared to Euro 56.7 million at December 31, 2013.

Covenants exist on the medium-long term credit lines existing at June 30 based on the Consolidated Annual and Half Year Financial Statements. At June 30, 2014 and until the preparation of the present report, the covenants had all been fulfilled.

Management believes that at the present moment, the funds available, in addition to those that will be generated from operating and financial activities, will permit the Group to satisfy its requirements deriving from investment activities, working capital management and repayment of debt in accordance with their maturities.

The following table shows the expected cash flows in relation to the contractual expiries of financial liabilities:

in Euro thousands	**June 30, 14**	**Dec. 31, 13**	**Changes**
Bank loans and mortgages	85,873	84,311	1,562
Total	**85,873**	**84,311**	**1,562**
Bank loans and mortgages have the following repayment schedules			
On demand or within one year	55,900	46,554	9,346
Within two years	13,402	15,442	(2,040)
Within three years	9,669	11,495	(1,826)
Within four years	6,366	8,015	(1,649)
Within five years	536	2,805	(2,269)
Beyond 5 years	-	-	-
Total	**85,873**	**84,311**	**1,562**
Less amounts to be repaid within one year	55,900	46,554	9,346
Due beyond one year	**29,973**	**37,757**	**(7,784)**

21. Segment information

The operational segments are as follows:

- "Europe": production and sale of range hoods, accessories and electric motors developed by the Group companies based in Europe, i.e. the Italian companies Elica S.p.A. and Airforce S.p.A., the German companies Exklusiv Hauben Gutmann GmbH and Airforce Germany GmbH, the Polish companies Elica Group Polska Sp.zo.o and I.S.M. Poland Sp.zo.o, the Russian company Elica Trading LLC and the French company Elica France S.A.S.;

- "America": production and sale of range hoods and accessories, developed by the Group companies based in America, i.e. the Mexican companies Elicamex S.A. de C.V. and Leonardo S.A. de C.V. and the US company Elica Inc;

- "Asia and the rest of the world": production and sale of range hoods, accessories and other products, developed by the Group companies located in Asia, i.e. the Chinese company Zhejiang Putian Electric Co. Ltd., the Indian company Elica PB India Private Ltd. and the Japanese company Ariafina CO., LTD.

The activities are based in the same geographic areas and therefore in Europe, specifically in Italy, Poland, Germany, Russia and France, in America, i.e. in Mexico and in the United States, and in Asia, respectively in China, India and Japan.

The following tables contain segment information by business segment as defined above:

Income statement data by segment *(in Euro thousands)*

INCOME STATEMENT	Europe		America		Asia and the rest of the world		Unallocated and eliminations		Consolidated	
	H1 14	H1 13	H1 14	H1 13	H1 14	H1 13	H1 14	H1 13	H1 14	H1 13
Segment revenue:										
Third parties	145,907	148,352	27,697	25,978	22,138	20,763		-	**195,743**	**195,093**
Inter-segment	7,271	7,532	4	3	490	89	(7,765)	(7,624)	**-**	**-**
Total revenues	**153,178**	**155,884**	**27,701**	**25,981**	**22,628**	**20,852**	**(7,765)**	**(7,624)**	**195,743**	**195,093**
Segment result:	**8,773**	**13,435**	**5,451**	**3,352**	**759**	**(546)**		**-**	**14,983**	**16,241**
Unallocated overheads									**(10,929)**	**(11,978)**
Operating profit									**4,054**	**4,263**
Share of associates							**(9)**	**(14)**	**(9)**	**(14)**
Financial income							**210**	**105**	**210**	**105**
Financial charges							**(2,126)**	**(2,013)**	**(2,126)**	**(2,013)**
Exchange gains/(losses)							**(127)**	**(466)**	**(127)**	**(466)**
Profit before taxes							**2,002**	**1,875**	**2,002**	**1,875**
Income taxes							**(685)**	**(677)**	**(685)**	**(677)**
Net profit from normal operations							**1,317**	**1,198**	**1,317**	**1,198**
Net profit from discontinued operations									**-**	**-**
Net profit									**1,317**	**1,198**

Balance sheet data by segment *(in Euro thousands)*

BALANCE SHEET	Europe		America		Asia and the rest of the world		Unallocated and eliminations		Consolidated	
	June 14	Dec. 13	June 14	Dec. 13	June 14	Dec. 13	June 14	Dec. 13	June 14	Dec. 13
Assets:										
Segment assets:	241,948	230,073	39,260	33,879	39,204	37,163	(8,018)	(13,518)	312,396	287,597
Investments							1,374	1,383	1,374	1,383
Unallocated assets							40,902	44,275	40,902	44,275
Total operational assets	**241,948**	**230,073**	**39,260**	**33,879**	**39,204**	**37,163**	**34,259**	**32,140**	**354,671**	**333,255**
Total assets of discont. operations		**2,395**	**-**	**-**			**-**	**-**	**-**	**2,395**
Total Assets	**241,948**	**232,468**	**39,260**	**33,879**	**39,204**	**37,163**	**34,259**	**32,140**	**354,671**	**335,650**
Liabilities										
Segment liabilities	(130,712)	(112,034)	(14,599)	(13,746)	(16,268)	(17,514)	7,989	8,723	(153,591)	(134,571)
Unallocated liabilities							(85,899)	(84,338)	(85,899)	(84,338)
Shareholders' Equity							(115,017)	(116,732)	(115,182)	(116,741)
Total operational liabilities	**(130,712)**	**(112,034)**	**(14,599)**	**(13,746)**	**(16,268)**	**(17,514)**	**(192,927)**	**(192,348)**	**(354,671)**	**(335,650)**
Total liabilities of discontinued operations			-	-	-	-				
Total liabilities	**(130,712)**	**(112,034)**	**(14,599)**	**(13,746)**	**(16,268)**	**(17,514)**	**(192,927)**	**(192,348)**	**(354,671)**	**(335,650)**

22. Acquisitions

During the period the subsidiary Elica Group Polska Elica acquired 100% of the Polish company I.S.M. Poland located in Wroclaw (Poland). This company therefore entered the consolidation scope. The effects of the operation at the date of acquisition of control are summarised in the following table:

in Euro thousands	**Carrying value based on Group principles**	**Fair value adjustments**	**Fair value**
Property, plant & equipment	2,809	1,086	3,895
Other intangible assets	1		1
Trade receivables	764		764
Inventories	1		1
Other receivables	108		108
Deferred tax assets	26		26
Cash and cash equivalents	44		44
Deferred tax liabilities	(40)	(206)	(246)
Trade payables	(610)		(610)
Other payables	(1,509)		(1,509)
Provisions for risks and charges	(45)		(45)
Tax payables	(136)		(136)
Total Net Equity	**1,413**	**880**	**2,293**
Share acquired (100%)			**2,293**
Goodwill			2,683
Total acquisition cost			**4,976**
Payable to former shareholder			(4,976)
Cash and cash equivalents acquired			44
Net cash flow from the acquisition			**44**

These figures are still provisional as valuations are ongoing.

23. Transactions and balances with related parties

The transactions between the company and its consolidated subsidiaries were eliminated in the half-year report and are therefore not shown in these notes.

Operations with related parties were carried out in accordance with law and based on reciprocal business needs.

The income statement and balance sheet amounts deriving from the transactions carried out as per IAS 24 with related parties are summarised below.

Elica Group vs Related parties

Related parties *In Euro thousands*	**Payables**	**Receivables**	**Costs**	**Revenues**
Fintrack S.p.A.	-	-	-	-
Fastnet S.p.A .	15	-	11	-
I.S.M. S.r.l .	-	99	-	2
	15	**99**	**11**	**2**

In accordance with IAS 24, remuneration paid to Directors, Statutory Auditors and Senior Managers with strategic responsibility are included in transactions with related parties, and whose amounts are in line with previous periods.

24. Contingent liabilities

The Parent Company and its subsidiaries are not involved in administrative, judicial or arbitration proceedings that are underway or have been settled by means of a ruling or arbitration award issued in the last 12 months and which might have or might have had an effect on the financial situation or profitability of the Group.

Group companies have valued the contingent liabilities that could arise from pending judicial proceedings and have made appropriate provisions in their financial statements on a prudent basis.

The allocation within the Legal and other risk Provision included in the Group consolidated financial statements at June 30, 2014 for contingent risks and charges relating to legal disputes amounts to Euro 1,264 thousand and is mainly held by the Parent Company.

Management considers that the provision for risks in order to cover possible liabilities from pending or potential disputes is, on the whole, adequate.

25. Positions or transactions arising from exceptional and/or unusual transactions
In the first half of 2014, no operations classifiable in this category were recorded.

26. Subsequent events after the period end
For information on events after June 30, 2014, reference should be made to the Directors' Report.

Fabriano, August 28, 2014

The Chairman
Francesco Casoli

Declaration of the executive responsible for the preparation of the corporate accounting documents in accordance with Article 154 *bis*, paragraph 5 of Legislative Decree 58/1998

The undersigned Giuseppe Perucchetti, as Chief Executive Officer, and Alberto Romagnoli, Executive responsible for the preparation of the corporate accounting documents of Elica S.p.A., affirm, and also in consideration of Article 154-bis, paragraphs 3 and 4, of Legislative Decree No. 58 of February 24, 1998:

- the accuracy of the information on company operations and
- the effective application of the administrative and accounting procedures for the compilation of the condensed half-year financial statements for the first half-year of 2014.

In addition, we certify that the condensed half-year financial statements:

a) were prepared in accordance with international accounting standards, recognised in the European Union pursuant to EU regulation No. 1606/2002 of the European Parliament and Council, of July 19, 2002;

b) correspond to the underlying accounting documents and records;

c) provide a true and correct representation of the economic, balance sheet and financial situation of the issuer and of the companies included in the consolidation.

The Interim Directors' Report on operations includes an analysis of the significant events in the first six months of the year and their impact on the condensed half-year financial statements, with a description of the principal risks and uncertainties for the remaining six months. This interim report also contains a reliable analysis of the significant operations with related parties.

Fabriano, August 28, 2014

The Chief Executive Officer
Giuseppe Perucchetti

Executive responsible for the preparation
of corporate accounting documents
Alberto Romagnoli