



Elica S.p.A.

Interim Report

at December 31, 2012

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Corporate boards

Members of the Board of Directors

Francesco Casoli**Executive Chairman,**

born in Senigallia (AN) on 5/6/1961, appointed by resolution of 27/4/2012.

Giuseppe Perucchetti

Chief Executive Officer, born in Varese (VA) on 30/10/1958, appointed with resolution of 27/4/2012 and granted executive powers on 13/9/2012.

Gianna Pieralisi

Executive Director, born in Monsano (AN) 12/12/1934, appointed by resolution of 27/4/2012.

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 a director by resolution dated 27/4/2012.

Andrea Sasso

Director, born in Rome on 24/8/1965, appointed by resolution of 27/4/2012.

Elena Magri

Independent Director, born in Brescia (BS) on 19/7/1946, appointed by resolution of 27/4/2012.

Members of the Board of Statutory Auditors

Corrado Mariotti

Chairman, born in Numana (AN) on 29/2/1944, appointed by resolution of 27/4/2012.

Stefano Marasca

Statutory Auditor, born in Osimo (AN) on 9/8/1960, appointed by resolution of 27/4/2012.

Franco Borioni

Alternate Auditor, born in Jesi (AN) on 23/6/1945, appointed by resolution of 27/4/2012.

Daniele Capecci

Alternate Auditor, born in Jesi (AN) on 3/4/1972, appointed by resolution of 27/4/2012.

Gilberto Casali

Statutory Auditor, born in Jesi (AN) on 14/1/1954, appointed by resolution of 27/4/2012.

Internal control & risk management Cmte.

Stefano Romiti
Gennaro Pieralisi
Elena Magri

Nominations 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

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Interim Report at December 31, 2012

Financial and operating review

<i>In Euro thousands</i>	2012	revenue margin	2011	revenue margin	12 Vs 11 %
Revenues	384,892		378,406		1.7%
EBITDA	26,956	7.0%	26,542	7.0%	1.6%
EBIT	12,056	3.1%	12,039	3.2%	0.1%
Financial income/(charges)	(4,206)	(1.1%)	(5,687)	(1.5%)	(26.0%)
Income taxes	(2,792)	(0.7%)	(2,231)	(0.6%)	25.1%
Net profit from continuing operations	5,058	1.3%	4,116	1.1%	22.9%
Net profit from continuing operations and discontinuing operations	5,058	1.3%	4,116	1.1%	22.9%
Group Net Profit	5,008	1.3%	4,162	1.1%	20.3%
Basic earnings per share on continuing operations and discontinuing operations (Euro/cents)	8.32		6.92		20.3%
Diluted earnings per share on continuing operations and discontinuing operations (Euro/cents)	8.30		6.59		25.8%

The earnings per share for 2012 and 2011 were calculated by dividing the Group net result from continuing and discontinued operations by the number of outstanding shares at the respective reporting dates.

<i>In Euro thousands</i>	Q4 12	revenue margin	Q4 11	revenue margin	12 Vs 11 %
Revenues	100,045		96,702		3.5%
EBITDA	9,045	9.0%	6,106	6.3%	48.1%
EBIT	5,241	5.2%	3,849	4.0%	36.2%
Financial income/(charges)	(1,447)	(1.4%)	(1,624)	(1.7%)	(10.9%)
Income taxes	(635)	(0.6%)	(875)	(0.9%)	(27.4%)
Net profit from continuing operations	3,159	3.2%	1,345	1.4%	134.9%
Net profit from continuing operations and discontinuing operations	3,159	3.2%	1,345	1.4%	134.9%
Group Net Profit	3,278	3.3%	1,271	1.3%	157.9%
Basic earnings per share on continuing operations and discontinuing operations (Euro/cents)	5.45		2.11		158.3%
Diluted earnings per share on continuing operations and discontinuing operations (Euro/cents)	5.43		2.01		170.3%

The earnings per share for Q4 2012 and 2011 were calculated by dividing the Group net 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.

<i>In Euro thousands</i>	Dec 31, 12	Sep 30, 12	Dec 31, 11
Trade receivables	77,465	79,130	82,207
Inventories	49,597	52,042	50,598
Trade payables	(88,716)	(90,523)	(89,806)
Managerial Working Capital	38,346	40,649	42,999
as a % of annualised revenues	10.0%	10.7%	11.4%
Other net receivables/payables	(760)	(178)	(2,929)
Net Working Capital	37,586	40,471	40,070
as a % of annualised revenues	9.8%	10.7%	10.6%

<i>In Euro thousands</i>	Dec 31, 12	Sep 30, 12	Dec 31, 11
Cash and cash equivalents	29,551	28,657	20,026
Finance leases and other lenders	(333)	(479)	(56)
Bank loans and mortgages	(46,343)	(44,145)	(45,105)
Long-term debt	(46,676)	(44,624)	(45,161)
Finance leases and other lenders	(40)	(37)	(25)
Bank loans and mortgages	(45,165)	(49,284)	(43,640)
Short-term debt	(45,205)	(49,321)	(43,665)
Net Debt	(62,330)	(65,288)	(68,800)

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.

Operating review Q4 2012

In the fourth quarter of 2012 Elica Group consolidated revenues grew 3.5% on Q4 2011, significantly outperforming the global market which saw a contraction of 2.2%¹, bedding down the recovery established in the third quarter. The Group market share in the domestic range hoods market therefore increased, further strengthening its global leadership.

Growth was driven by the Cooking segment which improved revenues by 4.4%, with sales gains both for own brand products and third party products (respectively +4.2% and +4.4%). The Motors segment in the fourth quarter of 2012 reports a slight contraction in revenues (-2.5%), contained by the continued sales growth of kitchen range hood products.

The Americas and Asia contributed significantly to revenue growth (respectively +30.0% and +13.2% on Q4 2011), while European sales contracted slightly (-2.7%) reflecting the ongoing challenging economic conditions.

EBITDA of Euro 9.0 million in Q4 2012 improved 48.1% on Q4 2011, following the full implementation of the industrial and overhead cost streamlining programmes put in place at the beginning of the year and the reduction in the principal raw material costs.

Financial charges as a percentage of net revenues reduced from 1.7% in the fourth quarter of 2011 to 1.4% in the fourth quarter of 2012, following the reduction in the average debt and the improved currency management performance.

Income taxes of Euro 0.6 million reduced significantly on Q3 2012 and on Q4 2011 thanks to two independent factors, one of a recurring nature and the other non-recurring. The tax rate in the quarter

¹ Global range hood market volumes.

reduced significantly from the previous quarter, while additionally benefitting from the introduction of the recent regulatory changes concerning the deductibility of IRAP taxes concerning the cost of labour from IRES.

In the fourth quarter of 2012 the Group Net Profit of Euro 3.3 million was up over 157% on the same period of the previous year, due both to strong operating margins and favourable financial and tax item developments.

Managerial Working Capital on annualised revenues reached a new record level of 10.0%, improving by 140 basis points on December 31, 2011, principally due to the efficient management of trade receivables and inventories.

The Net Debt at December 31, 2012 totaled Euro 62.3 million, reducing on Euro 68.8 million at December 31, 2011, thanks to the strong cash generation from operating activities.

In 2012, the strong operating and financial management performances enabled the reaching² of the challenging objectives set by the Group at the beginning of the year, with consolidated revenues of Euro 385 million, consolidated EBITDA of Euro 27 million and with the debt reduced to Euro 62.3 million.

	average 2012	average 2011	%	Dec 31, 12	Dec 31, 11	%
USD	1.28	1.39	-7.7%	1.32	1.29	2.0%
JPY	102.49	110.96	-7.6%	113.61	100.20	13.4%
PLN	4.18	4.12	1.6%	4.07	4.46	-8.6%
MXN	16.90	17.29	-2.2%	17.18	18.05	-4.8%
INR	68.60	64.89	5.7%	72.56	68.71	5.6%
CNY	8.11	9.00	-9.9%	8.22	8.16	0.8%
Rub	39.93	40.88	-2.3%	40.33	41.77	-3.4%
GBP	0.81	0.87	-6.6%	0.82	0.84	-2.3%

In 2012 the Euro, at average exchange rates, strengthened against the Polish Zloty and the Indian Rupee, while weakening against the U.S. Dollar, the Japanese Yen, the Mexican Peso, the Chinese Yuan, the Russian Ruble and U.K. Sterling.

Significant events in Q4 2012

The Board of Directors of Elica S.p.A. on November 14, 2012 approved the 2012 Fourth Quarter Report, prepared in accordance with IFRS accounting standards.

² 2012 Preliminary Results

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., - Fabriano (AN) is the parent company of the Group (**in short Elica**).

Subsidiary companies at December 31, 2012

o Elica Group Polska Sp.zo.o – Wrocław – (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 Ariaфина CO., LTD – Sagami-hara-Shi (Japan) (in short Ariaфина). 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) (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 Hochleistungs-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). 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. 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. Petersburg (Russian Federation) (in short Elica Trading), a Russian company held 100% was incorporated on June 28, 2011.

Associated companies

o I.S.M. S.r.l. – Cerreto d’Esi (AN). 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 quarter Elica S.p.A. acquired the residual 30% of the Russian subsidiary Elica Trading.

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

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

In the fourth quarter of 2012 the market contracted slightly on Q4 2011 with widely contrasting performances across the various regions. The challenging consumer environment - and more specifically within the home appliance sector - put significant pressure on the Elica Group margin, counteracted by the Group’s ongoing focus on innovation and on projects targeting improved overall efficiency in order to maintain and further strengthen the group’s global leadership position in the sector.

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.

Interim Report at December 31, 2012**Consolidated Income Statement**

<i>In Euro thousands</i>	<i>Notes</i>	Q4 12	Q4 11	2012	2011
Revenues	1.	100,045	96,702	384,892	378,406
Other operating revenues		1,962	2,075	4,315	6,788
Changes in inventories of finished and semi-finished goods		(5,442)	257	(171)	10,958
Increase in internal work capitalised		2,031	508	4,294	2,350
Raw materials and consumables	2.	(50,886)	(54,111)	(214,265)	(215,697)
Services	3.	(18,460)	(19,025)	(70,570)	(73,228)
Labour costs	4.	(17,373)	(17,664)	(71,492)	(73,657)
Amortisation & Depreciation		(3,804)	(2,257)	(14,900)	(14,503)
Other operating expenses and provisions		(2,832)	(2,436)	(10,047)	(9,178)
Restructuring charges		-	(200)	-	(200)
Write-down of Goodwill for loss of value		-	-	-	-
EBIT		5,241	3,849	12,056	12,039
Share of profit/(loss) associates		33	(8)	17	(45)
Financial income	5.	182	39	155	229
Financial charges	5.	(1,334)	(1,246)	(4,429)	(4,260)
Exchange gains/(losses)	5.	(328)	(409)	51	(1,611)
Other non-operating income		-	(5)	-	(5)
Profit before taxes		3,794	2,220	7,850	6,347
Income taxes		(635)	(875)	(2,792)	(2,231)
Net profit from continuing operations		3,159	1,345	5,058	4,116
Net profit from discontinued operations		-	-	-	-
Net profit		3,159	1,345	5,058	4,116
of which:					
Minority interests share		(119)	74	50	(46)
Group Net Profit		3,278	1,271	5,008	4,162
<i>Basic earnings per Share (Euro/cents)</i>		5.45	2.15	8.32	7.09
<i>Diluted earnings per Share (Euro/cents)</i>		5.43	1.81	8.30	6.75

Comprehensive Consolidated Income Statement

<i>In Euro thousands</i>	Q4 12	Q4 11	2012	2011
Net profit	3,159	1,345	5,058	4,116
Other comprehensive income statement items:				
Exchange differences on the conversion of foreign financial statements	(1,482)	2,223	2,323	(2,565)
Net change in cash flow hedges	(89)	(96)	(247)	(331)
Income taxes on other comprehensive income statement items	20	21	54	72
Total other comprehensive income statement items, net of tax effects:	(1,551)	2,148	2,130	(2,824)
Total comprehensive profit/(loss)	1,608	3,493	7,188	1,292
of which:				
Minority interests share	(440)	465	(253)	591
Group comprehensive profit	2,048	3,028	7,441	701

Consolidated Balance Sheet at December 31, 2012

<i>In Euro thousands</i>	<i>Notes</i>	Dec 31, 12	Dec 31, 11
Property, plant & equipment	6.	86,861	85,165
Goodwill	7.	41,705	41,765
Other intangible assets	8.	25,426	24,424
Investments in associated companies		1,394	1,377
Other receivables		245	276
Tax receivables		6	6
Deferred tax assets		10,387	10,032
AFS financial assets		156	672
Derivative financial instruments		-	29
Total non-current assets		166,180	163,746
Trade and financial receivables	9.	77,465	82,207
Inventories	10.	49,597	50,598
Other receivables		5,816	6,036
Tax receivables		9,035	5,943
Derivative financial instruments		638	813
Cash and cash equivalents		29,551	20,026
Current assets		172,102	165,623
Assets of discontinued operations		-	1,065
Total Assets		338,282	330,434
Liabilities for post-employment benefits		8,611	8,907
Provisions for liabilities and charges	11.	2,710	2,505
Deferred tax liabilities		6,331	6,772
Finance leases and other lenders		333	56
Bank loans and mortgages		46,343	45,105
Other payables		1,174	1,859
Tax payables		807	888
Derivative financial instruments		373	60
Non-current liabilities		66,682	66,152
Provisions for liabilities and charges	11.	2,086	1,882
Finance leases and other lenders		40	25
Bank loans and mortgages		45,165	43,640
Trade payables		88,716	89,806
Other payables		8,365	10,211
Tax payables		5,160	2,814
Derivative financial instruments		907	1,004
Current liabilities		150,439	149,383
Share capital		12,665	12,665
Capital reserves		71,123	71,123
Hedging, translation and stock option reserve		(5,356)	(5,668)
Treasury shares		(8,815)	(8,815)
Retained earnings		39,926	34,684
Group profit		5,008	4,162
Group shareholders' equity		114,551	108,151
Capital and reserves of minority interests		6,559	6,794
Minority interest profit/(loss)		50	(46)
Minority interest equity		6,609	6,748
Consolidated shareholders' equity		121,160	114,899
Total liabilities and equity		338,281	330,434

Consolidated Cash Flow Statement at December 31, 2012

	Dec 31, 12	Dec 31, 11
<i>In Euro thousands</i>		
Opening cash and cash equivalents	20,026	25,102
EBIT- Operating profit	12,056	12,039
Amortisation, depreciation and write-downs	14,900	14,503
EBITDA	26,956	26,542
Trade working capital	5,666	(534)
Other working capital accounts	(2,306)	(4,069)
Income taxes paid	(3,642)	(3,894)
Change in provisions	(325)	(5,563)
Other changes	(3,414)	(3,422)
Cash flow from operating activity	22,935	9,060
Net increases	(14,040)	(19,405)
Intangible assets	(5,392)	(5,318)
Property, plant & equipment	(9,341)	(14,213)
Equity investments and other financial assets	693	126
Acquisition/sale of investments	1,865	(29,785)
Cash flow from investments	(12,175)	(49,190)
(Acquisition)/Sale of treasury shares	0	8,815
Other movements in share capital	0	0
Dividends	0	(1,478)
Increase (decrease) financial payables	3,139	28,969
Net changes in other financial assets/liabilities	(214)	2,575
Interest paid	(3,959)	(3,656)
Cash flow from financing activity	(1,034)	35,234
Change in cash and cash equivalents	9,725	(4,905)
Effect of exchange rate change on liquidity	(200)	(172)
Closing cash and cash equivalents	29,551	20,025

Notes to the Interim Report at December 31, 2012

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 Group companies with bases in Europe;
- "America": production and sale of range hoods and accessories, developed by the Group companies based in America;
- "Asia and the rest of the world": production and sale of range hoods, accessories and other products, developed by the Group companies based in Asia.

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

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 Elicamex S.A.de C.V., Leonardo Services S.A.de C.V., Ariaфина 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, 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 Rouble 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 2012	average 2011	%	Dec 31, 12	Dec 31, 11	%
USD	1.28	1.39	-7.7%	1.32	1.29	2.0%
JPY	102.49	110.96	-7.6%	113.61	100.20	13.4%
PLN	4.18	4.12	1.6%	4.07	4.46	-8.6%
MXN	16.90	17.29	-2.2%	17.18	18.05	-4.8%
INR	68.60	64.89	5.7%	72.56	68.71	5.6%
CNY	8.11	9.00	-9.9%	8.22	8.16	0.8%
Rub	39.93	41.96 (*)	-4.8%	40.33	41.77	-3.4%

(*) the average exchange rate of the Russian Rouble was calculated for the period in which the Russian subsidiary was consolidated.

Criteria for the preparation of the Interim Report

The Interim Directors' Report at December 31, 2012 was prepared in accordance with Article 154-ter, paragraph 5 of the Consolidated Finance Act ("CFA") introduced by Legislative Decree 195/2007 enacting EU Directive 109/2004 ("Transparency Directive").

The report was approved by the Board of Directors of Elica S.p.A. on February 14, 2013 and the board authorised its publication on the same date.

Accounting principles, consolidation criteria and estimate changes

The accounting principles utilised for the preparation of the financial statements as at December 31, 2012 are the IAS/IFRS issued by the IASB and approved by the European Union at the date of the Report. IAS/IFRS refers to the International Accounting Standards (IAS), the International Financial Reporting

Standards (IFRS) and all the interpretive documents issued by the IFRIC (formally the Standing Interpretations Committee). In their preparation, the same accounting principles were adopted as in the preparation of the Consolidated Financial Statements as at December 31, 2011.

The interim report was prepared on the basis of the historical cost principle, except for some financial instruments which are recognised at fair value. The financial statement accounts have been measured in accordance with the general criteria of prudence and accruals and on a going concern basis, and also take into consideration the economic function of the assets and liabilities.

The preparation of interim financial statements requires the use of estimates and assumptions based on the best evaluations of management. If in the future these estimates and assumptions should be different from the actual circumstances, they will obviously be modified appropriately in the period in which the circumstances change.

In particular, with reference to the determination of any loss in value of non-current assets, tests are generally made on a complete basis on the preparation of the annual accounts, when all the necessary information is available, except where there are specific indications of impairment which require an immediate valuation of any loss in value or when facts arise requiring an impairment test.

The current interim report is presented in Euro and all the amounts are rounded to the nearest thousand, 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, 2011.

On October 7, 2010, the IASB published an amendment to IAS 7 – Financial instruments: additional disclosure, to be applied for the Group from January 1, 2012. The amendments were issued in order to improve understanding of transfers (derecognition) of financial assets, including understanding the possible effects of any risks pertaining to the company which has transferred these assets. The amendments also require additional information in the case in which a disproportionate amount of these transactions are carried out near the end of an accounting period. The adoption of these amendments did not have significant effects on the disclosure provided in the present Report.

Composition and main changes in the Income Statement and Balance Sheet

1. Revenues

<i>In Euro thousands</i>	2012	2011	Changes
Revenues from product sales	384,878	378,332	6,546
Service revenues	14	74	(60)
Total revenues	384,892	378,406	6,486

For the comments relating to the changes in revenues, reference should be made to the paragraph "Operating review Q4 2012". The growth of Euro 6.5 million represents a 1.7% increase. Sales information by sector is reported in note 12.

2. Raw materials and consumables

<i>In Euro thousands</i>	2012	2011	Changes
Purchase of raw materials	(184,106)	(182,866)	(1,241)
Shipping expenses on purchases	(4,188)	(3,493)	(696)
Purchases of consumable materials	(1,746)	(1,865)	118
Packaging	(3,530)	(3,134)	(396)
Purchases of supplies	(684)	(648)	(36)
Purchases of semi-finished materials	(12,710)	(11,628)	(1,082)
Purchase of finished products	(5,683)	(10,073)	4,390
Other purchases	(702)	(828)	125
Change in inventory of raw materials, consumables and goods for re-sale	(915)	(1,163)	248
Total	(214,265)	(215,697)	1,431

Raw materials and consumables decreased by approx. Euro 1.4 million (-0.7%), concentrated particularly in the account Purchases of finished products, only partially offset by the increase in Purchases of raw materials and Purchases of semi-finished materials.

3. Services

<i>In Euro thousands</i>	2012	2011	Changes
Outsourcing expenses	(24,660)	(27,062)	2,402
Transport	(8,385)	(7,876)	(509)
Finished goods warehouse	(4,562)	(4,174)	(389)
Consulting	(4,710)	(5,334)	624
Other professional services	(8,530)	(8,158)	(373)
Maintenance	(1,369)	(2,409)	1,039
Utilities	(4,901)	(4,201)	(700)
Commissions	(2,610)	(2,702)	92
Travel expenses	(2,863)	(2,870)	7
Advertising	(2,817)	(3,806)	989
Insurance	(1,231)	(1,246)	15
Directors & Statutory Auditor fees	(1,299)	(1,224)	(75)
Trade fairs and promotional events	(1,841)	(1,358)	(483)
Industrial services	(440)	(413)	(28)
Banking commissions and charges	(350)	(396)	47
Total Services	(70,570)	(73,228)	2,657

Service costs reduced by approx. Euro 2,657 thousand, principally due to the accounts Outsourcing expenses and Maintenance. As a percentage on revenues, these costs decreased from 19% to 18%.

4. Labour costs

<i>In Euro thousands</i>	2012	2011	Changes
Wages and salaries	(51,611)	(50,646)	(965)
Social security	(14,596)	(14,753)	157
Post-employment benefits	(2,856)	(3,358)	502
Other costs	(2,429)	(4,900)	2,471
Total labour costs	(71,492)	(73,657)	2,165

Labour costs reduced by approx. Euro 2.2 million, principally owing to the new Group structure.

5. Net financial charges

<i>In Euro thousands</i>	2012	2011	Changes
Financial income	155	229	(75)
Financial charges	(4,429)	(4,260)	(170)
Exchange gains/(losses)	51	(1,612)	1,663
Total net financial charges	(4,223)	(5,642)	1,419

Financial Charges reduced significantly, principally due to exchange rate movements.

6. Property, plant and equipment

The breakdown of property, plant and equipment at December 31, 2012 and December 31, 2011 is detailed below.

<i>In Euro thousands</i>	Dec 31, 12	Dec 31, 11	Changes
Land, land usage rights and buildings	49,661	50,141	(480)
Plant and machinery	20,259	19,973	286
Commercial and industrial equipment	12,412	10,271	2,141
Other assets	3,405	3,866	(461)
Assets in progress and advances	1,124	914	210
Total property, plant and equipment	86,861	85,165	1,696

Property, plant and equipment increased from Euro 85,165 thousand at December 31, 2011 to Euro 86,861 thousand at December 31, 2012, an increase of Euro 1,696 thousand as a result of the sales, purchases and of depreciation recorded in the income statement of Euro 10,370 thousand.

7. Goodwill

<i>In Euro thousands</i>	Dec 31, 12	Dec 31, 11	Changes
Goodwill recorded by subsidiaries	41,705	41,765	(60)
Total goodwill	41,705	41,765	(60)

The account did not substantially change on December 31, 2011. The decrease of Euro 60 thousand is due to the movement of the Euro against the Chinese currency.

8. Other intangible assets

<i>In Euro thousands</i>	Dec 31, 12	Dec 31, 11	Changes
Development Costs	6,270	2,855	3,415
Industrial patents and intellectual property rights			
	8,986	9,120	(134)
Concessions, licenses, trade marks & similar rights	1,744	1,856	(112)
Assets in progress and advances	3,111	4,428	(1,317)
Other intangible assets	5,314	6,166	(852)
Total other intangible fixed assets	25,426	24,424	1,001

The Other intangible assets increased from Euro 24,424 thousand at December 31, 2011 to Euro 25,426 thousand at December 31, 2012, an increase of Euro 1,001 thousand as a result of the purchases, sales and amortisation recorded to the income statement of Euro 4,530 thousand. 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.

9. Trade and financial receivables

<i>(in Euro thousands)</i>	Dec 31, 12	Dec 31, 11	Changes
Trade receivables	77,364	82,104	(4,740)
Receivables from associated companies	101	103	(2)
Total	77,465	82,207	(4,742)

Receivables are recorded net of the doubtful debt provision based on 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 primary international insurance companies. Management considers that the value approximates the fair value of the receivables.

10. Inventories

<i>In Euro thousands</i>	Dec 31, 12	Dec 31, 11	Changes
Raw material, ancillary and consumables	22,111	22,975	(864)
Raw materials obsolescence provision	(1,292)	(1,157)	(135)
Total	20,819	21,818	(999)
Products in work-in-progress and semi-finished			
	11,769	11,499	270
Semi-finished product obsolescence provision	(767)	(684)	(83)
Total	11,002	10,815	187
Finished products and goods for resale	19,080	19,018	62
Finished products obsolescence provision	(1,357)	(1,125)	(232)
Total	17,722	17,893	(171)
Advances	53	72	(19)
Total inventories	49,597	50,598	(1,001)

Inventories decreased from Euro 50,598 thousand at December 31, 2011 to Euro 49,597 thousand at December 31, 2012. They are stated net of the obsolescence provisions 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.

11. Provisions for liabilities and charges

<i>(in Euro thousands)</i>	Dec 31, 12	Dec 31, 11	Changes
Supplementary agent termination benefits	465	529	(64)
Directors' termination benefits	-	109	(109)
Product warranty provisions	1,531	1,218	313
Provisions for risks	2,243	1,865	378
Restructuring provisions	-	200	(200)
Personnel Fund	484	425	59
Other Provisions	73	41	32
Total provisions for liabilities and charges	4,796	4,387	409
of which			
Non-current	2,710	2,505	205
Current	2,086	1,882	204
Total provision for liabilities and charges	4,796	4,387	409

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 provisions for risks 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 "Personnel Fund" includes the higher cost estimated by the company for the contractual indemnity of employees. 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.

12. 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 company Elica Group Polska Sp.zo.o and the Russian company Elica Trading LLC;
- "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 and Russia, 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 following tables contain segment information by business segment as defined above:

Income statement data by segment (in thousands of Euro)

INCOME STATEMENT	Europe		The Americas		Asia and the rest of the world		Unallocated and eliminations		Consolidated	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Segment revenue:										
third parties	295,405	304,239	45,592	35,411	43,895	38,718	0	38	384,892	378,406
Inter-segment	11,882	10,076	12	8	10	1,682	(11,905)	(11,766)	-	-
Total revenues	307,287	314,315	45,604	35,418	43,905	40,400	(11,905)	(11,728)	384,892	378,406
Segment result:	26,491	31,754	5,486	2,781	(185)	696			31,792	35,231
Unallocated overheads									(19,736)	(23,192)
Operating profit									12,056	12,039
Share of associates							17	(45)	17	(45)
Financial income							155	229	155	229
Financial charges							(4,429)	(4,260)	(4,429)	(4,260)
Exchange gains/(losses)							51	(1,611)	51	(1,611)
Profit before taxes							7,850	6,352	7,850	6,347
Income taxes							(2,792)	(2,231)	(2,792)	(2,231)
Net profit from normal operations									5,058	4,116
Net profit from discontinued operations									-	-
Net profit									5,058	4,116

Balance sheet data by segment (in thousands of Euro)

BALANCE SHEET	Europe		The Americas		Asia and the rest of the world		Unallocated and eliminations		Consolidated	
	Dec 12	Dec 11	Dec 12	Dec 11	Dec 12	Dec 11	Dec 12	Dec 11	Dec 12	Dec 11
Assets:										
Segment assets	232,382	234,948	34,135	30,253	32,411	33,540	(8,784)	(6,777)	291,212	291,964
Equity Investments							1,394	1,377	1,394	1,377
Unallocated assets							45,741	36,029	45,741	36,029
Total operational assets	232,382	234,949	34,135	30,253	32,411	33,540	38,351	30,628	338,348	329,370
Total assets of discount. operations	-	1,065	-						-	1,065
Total Assets	232,382	236,013	34,135	30,253	32,411	33,540	38,351	30,628	338,348	330,434
Liabilities										
Segment liabilities	(106,552)	(109,795)	(12,708)	(10,898)	(13,241)	(12,779)	7,264	6,763	(125,306)	(126,709)
Unallocated Liabilities							(91,882)	(88,827)	(91,882)	(88,827)
Shareholders' Equity							(121,160)	(114,899)	(121,160)	(114,899)
Total operational liabilities	(106,552)	(109,795)	(12,708)	(10,898)	(13,241)	(12,779)	(205,777)	(196,962)	(338,348)	(330,434)
Total liabilities of discount. operations										
Total Liabilities	(106,552)	(109,795)	(12,708)	(10,898)	(13,241)	(12,779)	(205,777)	(196,962)	(338,348)	(330,434)

13. Acquisitions and sales***Acquisition of 30% share in Elica Trading***

The Elica Group in the Fourth Quarter of 2012 acquired the residual 30% of the Russian company Elica Trading LLC.

The effects of this operation are summarised in the table below:

Net Equity of Subsidiary	(27)
Share acquired (30%)	(8)
Reduction in Group & Consolidated net equity	141
Cash outflow from purchase	133

Sale of 3.24% of Zhejiang Putian Electric

The Elica Group in the beginning of 2012 sold 3.24% of the share capital of the Chinese company Zhejiang Putian Electric.

The effects of this operation are summarised in the table below:

Adjusted net equity of Subsidiary	14,151
Share sold (3.24%)	458
Increase in Group & Consolidated net equity	1,539
Cash inflow from sale	1,998

This operation, based on IAS 27, was recognised within Net Equity given that the change in the share of control does not imply a loss in control.

Fabriano, February 14, 2013

The Chairman
Francesco Casoli

Declaration of the executive responsible for the preparation of the corporate accounting documents in accordance with Article 154 *bis*, paragraph 2 of Legislative Decree 58/1998

The undersigned Giuseppe Perucchetti as Chief Executive Officer and Alberto Romagnoli as Executive responsible for the preparation of the corporate accounting documents of Elica S.p.A., declares in accordance with Article 154 *bis*, paragraph 2, of the Consolidated Finance Act, that the accounting and corporate information corresponds to the underlying accounting documents, records and accounting entries.

Fabriano, February 14, 2013

The Chief Executive Officer
Giuseppe Perucchetti

Executive responsible for the preparation
of the corporate accounting documents
Alberto Romagnoli