Elica S.p.A.

Interim Report

at September 30, 2011

Contents

Corporate boards

Members of the Board of Directors

Francesco Casoli
Executive Chairman, born in Senigallia (AN) on 5/6/1961, appointed a director by resolution dated 27/04/2009.

Andrea Sasso
Chief Executive Officer, born in Rome on 24/8/1965, appointed by resolution dated 27/04/2009.

Gianna Pieralisi
Executive Director, born in Monsano (AN) on 12/12/1934, appointed a director by resolution dated 27/04/2009.

Gennaro Pieralisi
Director, born in Monsano (AN) on 14/02/1938, appointed a director by resolution dated 27/04/2009.

Stefano Romiti
Independent Director and Lead Independent Director, born in Rome (RM) on 17/11/1957, appointed a director by resolution dated 27/04/2009.

Giuseppe Perrucchetti
Independent Director, born in Varese (VA) on 30/10/1958, appointed by resolution dated 25/08/2011.

Giovanni Frezzotti
Independent Director, born in Jesi (AN) on 22/02/1944, appointed by resolution dated 27/04/2009.

Luca Pacces
Independent Director, born in Rome on 16/02/1940, appointed by resolution dated 28/04/2011.

Members of the Board of Statutory Auditors

Corrado Mariotti
Chairman, born in Numana (AN) on 29/2/1944, appointed by resolution dated 27/4/2009.

Stefano Marasca
Statutory Auditor, born in Osimo (AN) on 9/8/1960, appointed by resolution dated 27/4/2009.

Gilberto Casali
Statutory Auditor, born in Jesi (AN) on 14/1/1954, appointed by resolution dated 27/04/2009.

Franco Borioni
Alternate Auditor, born in Jesi (AN) on 23/06/1945, appointed by resolution dated 27/4/2009.

Daniele Capecci
Alternate Auditor, born in Jesi (AN) on 03/04/1972, appointed by resolution dated 27/4/2009.

Internal Control Committee
Stefano Romiti
Gennaro Pieralisi
Giovanni Frezzotti

Remuneration Committee
Stefano Romiti
Gennaro Pieralisi
Giovanni Frezzotti
Luca Pacces

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

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Laura Giovanetti
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Interim Directors' Report at September 30, 2011

Financial and operating review

In Euro thousands	9M 11	revenue margin	9M 10	revenue margin	11 Vs 10 %
Revenues	281,704		267,302		5.4%
EBITDA	20,436	7.3%	20,204	7.6%	1.1%
EBIT	8,190	2.9%	8,041	3.0%	1.9%
Financial income/(charges)	(4,061)	(1.4%)	(999)	(0.4%)	306.5%
Income taxes	(1,356)	(0.5%)	(2,922)	(1.1%)	(53.6%)
Net profit from continuing operations	2,771	1.0%	4,120	1.5%	(32.7%)
Net profit from continuing operations and discontinuing operations	2,771	1.0%	4,120	1.5%	(32.7%)
Group net profit	**2,891**	**1.0%**	**3,928**	**1.5%**	**(26.4%)**
Basic earnings per share on continuing operations and discontinuing operations	4.91		6.89		(28.8%)
Diluted earnings per share on continuing operations and discontinuing operations	4.91		6.89		(28.8%)

The earnings per share for 9M 2011 and 9M 2010 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	Q3 11	revenue margin	Q3 10	revenue margin	11 Vs 10 %
Revenues	89,199		87,847		1.5%
EBITDA	6,704	7.5%	6,962	7.9%	(3.7%)
EBIT	2,660	3.0%	3,001	3.4%	(11.4%)
Financial income/(charges)	(2,484)	(2.8%)	(333)	(0.4%)	645.9%
Income taxes	83	0.1%	(1,265)	(1.4%)	(106.6%)
Net profit from continuing operations	257	0.3%	1,403	1.6%	(81.7%)
Net profit from continuing operations and discontinuing operations	257	0.3%	1,403	1.6%	(81.7%)
Group net profit	**510**	**0.6%**	**1,515**	**1.7%**	**(66.3%)**
Basic earnings per share on continuing operations and discontinuing operations	0.86		2.66		(67.8%)
Diluted earnings per share on continuing operations and discontinuing operations	0.86		2.66		(67.8%)

The earnings per share for Q3 2011 and Q3 2010 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.

In Euro thousands	**30/09/2011**	**30/06/2011**	**31/12/2010**	**30/09/2010**
Trade receivables	85,187	90,551	89,276	96,463
Inventories	52,358	51,983	42,671	48,374
Trade payables	(86,160)	(95,048)	(88,742)	(90,663)
Managerial Working Capital	**51,385**	**47,486**	**43,205**	**54,174**
as a % of annualised revenues	*13.7%*	*12.3%*	*11.7%*	*15.2%*
Other net receivables/payables	(153)	(1,948)	(3,869)	(4,422)
Net Working Capital	**51,232**	**45,538**	**39,336**	**49,752**
as a % of annualised revenues	*13.6%*	*11.8%*	*10.7%*	*14.0%*

In Euro thousands	**30/09/2011**	**30/06/2011**	**31/12/2010**	**30/09/2010**
Cash and cash equivalents	**23,721**	**27,588**	**25,102**	**25,061**
Finance leases and other lenders	(57)	(64)	(76)	(82)
Bank loans and mortgages	(50,529)	(34,178)	(30,457)	(21,638)
Long-term debt	**(50,586)**	**(34,242)**	**(30,533)**	**(21,720)**
Finance leases and other lenders	(25)	(24)	(23)	(3,098)
Bank loans and mortgages	(50,373)	(63,670)	(29,426)	(39,344)
Short-term debt	**(50,398)**	**(63,694)**	**(29,449)**	**(42,442)**
Net Debt	**(77,263)**	**(70,348)**	**(34,880)**	**(39,101)**

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.

9M 2011 Operating review

During the first nine months of 2011 Group consolidated revenues grew 5.4% on the same period of the previous year - a performance ahead of the general market. Both Cooking Business Unit and Motors Business Unit sales contributed to revenue growth. In the Cooking Business Unit, the growth was particularly strong in the own brands segment and generally across the medium-high range segments. In Europe revenues were in line with the previous year while growing strongly in America and the rest of the world thanks also to the contributions from the new companies[1] within the consolidation scope.
The strong revenue figures and the improvement in operating efficiency offset increased raw material costs with EBITDA substantially in line with 2010.

During the period the average Euro exchange rates strengthened against the major currencies in which the Group carries out commercial relations while remaining stabile against the Polish Zloty and UK Sterling and weakening against the Japanese Yen.

[1] The 2011 values include the consolidation of the Indian company Elica PB India Private Ltd. and the Chinese company Zhejiang Putian Electric Co. Ltd, consolidated respectively from July and October 2010.

	average 2011	average 2010	%	30/09/2011	31/12/10	%
USD	1.41	1.31	7.0%	1.35	1.34	1.1%
GBP	0.87	0.86	1.3%	0.87	0.86	0.7%
JPY	113.19	117.63	(3.8%)	103.79	108.65	(4.5%)
PLN	4.02	4.00	0.4%	4.41	3.98	10.8%
MXN	16.93	16.71	1.3%	18.59	16.55	12.4%
INR	63.68	60.49	5.3%	66.12	59.76	10.6%
CNY	9.14	8.95	2.1%	8.62	8.82	(2.3%)
Rub	40.49	39.79	1.8%	43.35	40.82	6.2%

Financial charges increased due the higher debt, principally as a result of the acquisition activities of the Group, and the write-down of the Polish Zloty at the end of the third quarter.

The Group result weakened on the first nine months of 2010 due to the third quarter performance.

The Managerial Working Capital on net annualised revenues at September 2011 reduced on September 2010 while increasing on June 30, 2011.

The Net Debt at September 30, 2011 was Euro 77.3 million compared to Euro 70.3 million at the end of June 2011.

Significant events in the first nine months

On January 31, 2011 the period for the share capital increase as per article 2439, paragraph 2 of the civil code approved by the Board of Directors on June 27, 2007 elapsed without subscriptions. The subscribed and paid-in share capital therefore remains unchanged at Euro 12,664,560.00.
The Board of Directors of Elica S.p.A. on February 14, 2011 approved the 2010 Fourth Quarter Report, prepared in accordance with IFRS accounting standards.
On February 14, 2011, Elica S.p.A., following the authorisation of the Board of Directors' to utilise treasury shares at the same date, sold 1,899,684 shares, equal to 3% of the share capital, to First Capital S.p.A., at the price of Euro 1.64 Euro per share - higher than the average market price over the previous 3 months.
On March 19, 2011, Elica S.p.A. signed an agreement to acquire a further 15% holding in the Chinese company Zhejiang Putian Electric Co. Ltd. Elica S.p.A. signed, among other agreements, an equity transfer agreement with the Putian minority shareholders, Renyao Du and Dong Wenhua, which modifies and supplements the equity transfer agreement signed with the same parties in July 2010. In particular, in accordance with the new equity transfer agreement, the Company is committed to acquire a further 15% holding of Putian, for consideration of Renminbi 278,312,573 (corresponding to Euro 29,983,148 at the Euro/Renminbi exchange rate of March 18, 2011). This new equity transfer agreement, until April 2011, remained subject to the fulfilment of certain conditions including the granting by the Chinese authorities of the necessary authorisations, the establishment of guarantees in favour of Elica and substantial fulfilment of the conditions. Since April 2011 Elica holds 70% of the share capital of Putian, while the remaining 30% is held by Mr. Renyao Du. The Elica Group considers this consolidation of control to be a strategically important move given the excellent results achieved in 2010 and the expected future development of the market and the company itself.
On March 22, 2011, the Board of Directors of Elica S.p.A. approved the 2010 annual accounts, prepared in accordance with IFRS accounting standards. The appointments of Mr. Bruno Assumma as Chairman and of Messrs Glauco Vico and Massimo Enrico Ferri were also confirmed as members of the Supervisory Board until the approval of the 2013 annual accounts.
On April 28, 2011, the Extraordinary Shareholders' Meeting amended the By-Laws and the Shareholders' Meeting Regulation in line with the Directors' Report to the Shareholders' Meeting on the By-Law amendments, which is available on the company internet site. The Shareholders' Meeting also noted the 2010 consolidated results, approved the 2010 Financial Statements of Elica S.p.A., in addition to the distribution of a dividend of Euro 00.0251 per share (gross of withholding taxes), with dividend coupon No. 4 of May 23, 2011. The dividend payment date was May 26, 2011. The Shareholders' Meeting also appointed Luca Pacces to the Board, who will

remain in office until the Shareholders' Meeting called for the approval of the financial statements at December 31, 2011.
On the same date, the Board of Directors of Elica S.p.A. met and confirmed the independence of the new director Luca Pacces and appointed him as a member of the Remuneration Committee. The Board of Directors also established the 2011 performance objective concerning the 2010 Stock Grant plan and included two further Beneficiaries, updating therefore the Disclosure Document - available on the internet site of the Company. They also noted the resignation of the Internal Control Manager, also member of the Supervisory Board and Internal Audit Manager and therefore noted that the Supervisory Board currently comprises the Chairman Mr. Brune Assummo and Mr. Glauco Vico.
On May 12, 2011, the Board of Directors of Elica S.p.A. approved the Interim Report at March 31, 2011.
In June Elica incorporated the new company Elica Trading LLC in the Russian Federation.
On August 25, 2011, the Board of Directors of Elica S.p.A. approved the Half-Year Report at June 30, 2011. At the same date the Board of Directors of Elica S.p.A., following the resignation of the Independent Director Fiorenzo Busso during the board meeting with immediate effect, appointed as his replacement Giovanni Frezzotti as an Independent Director until the next Shareholders' Meeting.

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

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

Subsidiaries at September 30, 2011

- Elica Group Polska Sp.zo.o – Wroclaw – (Poland). This 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;

- Elicamex S.A. de C.V. – Queretaro (Mexico). The company was incorporated at the beginning of 2006 and is held 100%. 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;

- Leonardo Services S.A. de C.V. – Queretaro (Mexico). 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.;

- Ariafina CO., LTD – Sagamihara-Shi (Japan). 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 to provide further impetus to the development of the important Japanese market, where high-quality products are sold;

- Airforce S.p.A. – Fabriano (AN). This company operates in a special segment of the production and sale of hoods sector. The holding of Elica S.p.A. is 60%;

- Airforce Germany GmbH – Stuttgart (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";

- 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.;

- Exklusiv Hauben Gutmann GmbH – Mulacker (Germany) - 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.

- Elica PB India Private Ltd. - Pune (India); in 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 sale of Group products

- Zhejiang Putian Electric Co. Ltd – Shengzhou (China), a Chinese company held 70% 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.

- Elica Trading LLC – St. Petersberg (Russian Federation), a Russian company held 70%, incorporated on June 28.

Associated companies

- I.S.M. Srl – 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

In 2011 the holding in the Chinese company Zhejiang Putian Electric Co. Ltd. increased to 70% from 55% at December 31, 2010.

At the end of June the Russian company Elica Trading LLC was incorporated, of which the Group owns 70%.

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 business outlook

Management continues its demand analysis activity. Growth in the first months of 2011 in the principal markets in which the group operates retreated from the first nine months of 2010, with differing performances across the various geographic areas.
The ongoing focus continues on innovation and efficiency pursued by the Elica Group to strengthen further its global leadership footprint.

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.

Consolidated financial statements at September 30, 2011

Consolidated Income Statement – YTD to September 30, 2011

In Euro thousands	***Note***	**Q3 11**	**Q3 10**	**9M 2011**	**9M 2010**
Revenues	**1**	89,199	87,847	281,704	267,302
Other operating revenues	**2**	1,429	154	4,713	2,156
Changes in inventories of finished and semi-finished goods		1,282	4,906	10,701	6,146
Increase in internal work capitalised		592	587	1,842	1,565
Raw materials and consumables	**3**	(49,877)	(48,957)	(161,586)	(140,952)
Services	**4**	(17,413)	(17,984)	(54,203)	(54,672)
Labour costs		(15,936)	(17,454)	(55,993)	(54,369)
Amortisation & Depreciation		(4,044)	(3,961)	(12,246)	(12,163)
Other operating expenses and provisions		(2,572)	(2,137)	(6,742)	(6,972)
Restructuring charges		-	-	-	-
Write-down of Goodwill for loss of value		-	-	-	-
EBIT		**2,660**	**3,001**	**8,190**	**8,041**
Share of profit/(loss) from associates		1	21	(37)	(586)
Financial income	**5**	18	9	190	1,328
Financial charges	**5**	(1,292)	(555)	(3,014)	(1,939)
Exchange gains/(losses)	**5**	(1,211)	232	(1,202)	238
Profit before taxes		**174**	**2,668**	**4,127**	**7,042**
Income taxes		83	(1,265)	(1,356)	(2,922)
Net profit from continuing operations		**257**	**1,403**	**2,771**	**4,120**
Net profit from discontinued operations		-		-	-
Net profit for the period		**257**	**1,403**	**2,771**	**4,120**
of which:					
Minority interests share		(253)	(112)	(120)	192
Group net profit		510	1,515	2,891	3,928
Basic earnings per share		0.86	2.66	4.94	6.89
Diluted earnings per share		0.86	2.66	4.94	6.89

Comprehensive Consolidated Income Statement - YTD to September 30, 2011

In Euro thousands	**Q3 11**	**Q3 10**	**9M 2011**	**9M 2010**
Net profit	**257**	**1,403**	**2,771**	**4,120**
Other comprehensive income statement items:				
Exchange differences on the conversion of foreign financial statements	(2,663)	(1,733)	(4,788)	2,336
Net change in cash flow hedges	(326)	17	(235)	20
Income taxes on other comprehensive income statement items	71	(3)	51	(4)
Total other comprehensive income statement items, net of tax effects:	**(2,918)**	**(1,719)**	**(4,972)**	**2,352**
Total comprehensive profit/(loss)	**(2,661)**	**(316)**	**(2,201)**	**6,472**
of which:				
Minority interests share	312	(381)	126	173
Group comprehensive net profit/(loss)	(2,973)	65	(2,327)	6,299

Consolidated Balance Sheet at September 30, 2011

In Euro thousands	***Note***	**30/09/2011**	**31/12/2010**
Property, plant and equipment	**6**	83,167	83,680
Goodwill	**7**	41,339	41,168
Other intangible assets	**8**	23,306	23,868
Investments in associated companies		1,385	1,717
Other financial assets		-	30
Other receivables		281	1,920
Tax receivables		6	6
Deferred tax assets		9,814	9,357
AFS financial assets		652	614
Derivative financial instruments		434	189
Total non-current assets		**160,384**	**162,549**
Trade and financial receivables	**9**	85,187	89,276
Inventories	**10**	52,358	42,671
Other receivables		6,761	4,281
Tax receivables		7,778	7,589
Derivative financial instruments		190	649
Cash and cash equivalents		23,721	25,102
Current assets		**175,995**	**169,568**
Total Assets		**336,379**	**332,117**
Liabilities for post-employment benefits		8,960	9,182
Provisions for risks and charges	**11**	4,133	8,254
Deferred tax liabilities		6,920	7,890
Finance leases and other lenders		57	76
Bank loans and mortgages		50,529	30,457
Other payables		1,455	1,510
Tax payables		904	978
Derivative financial instruments		56	
Non-current liabilities		**73,014**	**58,347**
Provisions for risks and charges	**11**	1,077	953
Finance leases and other lenders		25	23
Bank loans and mortgages		50,373	29,426
Trade payables		86,160	88,742
Other payables		10,821	9,022
Tax payables		2,794	5,764
Derivative financial instruments		1,145	310
Current liabilities		**152,395**	**134,240**
Share capital		12,665	12,665
Capital reserves		71,123	71,123
Hedging, translation and stock option reserve		(6,679)	(3,411)
Treasury shares		(12,340)	(17,629)
Retained earnings		37,152	64,210
Group profit		2,891	4,262
Group shareholders' equity		**104,812**	**131,220**
Capital and reserves of minority interests		6,274	6,995
Minority interest profit/(loss)		(116)	1,315
Minority interest equity		**6,158**	**8,310**
Consolidated shareholders' equity		**110,970**	**139,530**
Total liabilities and equity		**336,379**	**332,117**

Consolidated Cash Flow Statement at September 30, 2011

In Euro thousands		30/09/2011	30/09/2010
Opening cash and cash equivalents		**25,102**	**19,235**
EBIT- Operating profit		8,190	8,041
Amortisation, depreciation and write-downs		12,246	12,163
Write-down of Goodwill for loss of value		0	0
EBITDA		20,436	20,204
Trade working capital		(8,992)	(5,758)
Other working capital accounts		(5,546)	7,247
Exchange rate effect		0	0
Income taxes paid		(2,491)	(709)
Change in provisions		(4,563)	(1,818)
Other changes		1,391	(4,386)
Cash flow from operating activity		**235**	**14,780**
Net increases		(14,098)	(16,220)
Intangible assets		(3,123)	(3,231)
Property, plant & equipment		(11,085)	(6,574)
Equity investments and other financial assets		110	(6,414)
Acquisition of Putian investment	**13**	(29,785)	(4,567)
Cash flow from investments		**(43,883)**	**(20,787)**
Acquisition of treasury shares		3,115	0
Other movements in share capital		0	0
Dividends		(1,478)	0
Increase (decrease) financial payables		41,140	11,220
Net changes in other financial assets/liabilities		2,544	1,067
Interest paid		(2,503)	(1,284)
Cash flow from financing activity		**42,818**	**11,003**
Change in cash and cash equivalents		**(829)**	**4,996**
Effect of exchange rate change on liquidity		**(552)**	**829**
Closing cash and cash equivalents		**23,721**	**25,060**

Notes to the Interim Report at September 30, 2011

Group structure and brief description of its activities

In 2011, the Group reviewed the Corporate Reporting system, and which remains under review, without substantial amendments to the set of internal reports reviewed periodically by management, but with greater emphasis placed on the geographic breakdown of data rather than analysis by product. As per IFRS 8, from the half-year report the segment disclosure is reviewed and reported in line with that utilised by management for the undertaking of operational decisions. For the purposes of comparison, the disclosure relating to the previous year was restated.
The present reporting is in line with management strategy which increasingly has a global focus, with a direct presence now established in Europe, America and Asia. In this manner the Group can provide information which enables readers of the financial statements to evaluate the nature and effects on the financial statements of the strategies undertaken and of the general economic context.

The new operational segments are as follows:

- "Europe": production and sale of range hoods, accessories and electric motors developed by the companies based in Europe, i.e. the Italian companies Elica and Airforce, the German companies Gutmann and Airforce Germany, the Polish company Elica Group Polska and the Russian company Elica Trading;

- "America": production and sale of range hoods and accessories, developed by the Group companies based in America, i.e. the Mexican companies Elicamex and Leonardo 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 Putian and the India company Elica PB India and the Japanese company Ariafina.

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 reporting currency for Elica S.p.A and all consolidated companies, except for such foreign subsidiaries as Elica Group Polska Sp.zo.o, Elica Trading LLC., Elicamex S.A. de C.V., Leonardo S.A. de C.V., Elica Inc., Ariafina CO., LTD., Elica PB India Private Ltd. and Zhejiang Putian Electric, which prepare their accounts in Polish Zloty, Russian Roubles, Mexican Pesos, US Dollars, Japanese Yen, Indian Rupees and the Chinese Renminbi 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 2011	**average 2010**	**%**	**30/09/2011**	**31/12/2010**	**%**
USD	1.41	1.31	7.0%	1.35	1.34	1.1%
JPY	113.19	117.63	(3.8%)	103.79	108.65	(4.5%)
PLN	4.02	4.00	0.4%	4.41	3.98	10.8%
MXN	16.93	16.71	1.3%	18.59	16.55	12.4%
INR	63.68	59.98	6.2%	66.12	59.76	10.6%
CNY	9.14	n/a	n/a	8.62	8.82	(2.3%)
Rub	41.80	n/a	n/a	43.35	n/a	n/a

Criteria for the preparation of the Interim Report

The Interim Directors' Report at September 30, 2011 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 November 14, 2011 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 September 30, 2011 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, 2010.
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 standards

The financial statements utilised are the same as those used for the preparation of the consolidated financial statements at December 31, 2010.

The only new accounting standard applied for the first time by the Group from January 1, 2011 was the revised version of IAS 24 – Related party disclosures, issued on November 4, 2009 by the IASB, which simplifies the type of information required in the case of transactions with related parties controlled by the State and clarifies the definition of related parties. The adoption of this amendment does not have any effect in relation to the valuation of the financial statement items and has limited effects on the disclosure of transactions with related parties.
The following amendments, improvements and interpretations, with effect from January 1, 2011, concern facts and events not present for the Group at the date of the present Report but which may have accounting effects on future transactions or agreements:

- Amendment to IAS 32 - Financial Instruments: Presentation: Classification of rights issued;
- Amendment to IFRIC 14 – Minimum funding requirements;
- IFRIC 19 – Extinguishing financial liabilities with equity instruments;
- Improvements to IAS/IFRS (2010).

Composition and main changes in the Income Statement and Balance Sheet

1. Revenues

In Euro thousands	9M 2011	9M 2010	Change
Revenues from product sales	281,639	267,193	14,446
Service revenues	65	109	(44)
Total revenues	**281,704**	**267,302**	**14,402**

For the comments relating to the changes in revenues, reference should be made to the paragraph "9M 2011 operating review". The effect of the consolidation of the Chinese, Indian and Russian subsidiaries on the present account was Euro 13.7 million. Sales information by sector is reported in note 12.

2. Other operating revenues

(in Euro thousands)	9M 2011	9M 2010	Change
Rental income	78	34	44
Operating grants	1,460	10	1,450
Ordinary gains on disposal	318	214	105
Claims and insurance payouts	339	102	237
Expenses recovered	166	204	(38)
Other revenues and income	2,351	1,592	760
Total	**4,713**	**2,156**	**2,557**

The main increase was in the account "Operating grants", principally due to the portion matured of the 2015 industrial project and the photovoltaic plant project.

3. Raw materials and consumables

In Euro thousands	9M 2011	9M 2010	Change
Purchase of raw materials	(138,634)	(121,135)	(17,499)
Shipping expenses on purchases	(2,392)	(1,713)	(679)
Purchases of consumable materials	(1,321)	(1,018)	(303)
Packaging	(2,246)	(6,203)	3,957
Purchases of supplies	(495)	(565)	70
Purchases of semi-finished materials	(8,844)	(4,131)	(4,713)
Purchase of finished products	(7,805)	(2,964)	(4,841)
Other purchases	(629)	(352)	(277)
Change in inventory of raw materials, consumables and goods for re-sale	779	(2,871)	3,650
Total	**(161,586)**	**(140,952)**	**(20,634)**

Raw materials and consumables increased by approx. Euro 20.6 million due both to the increase in production volumes and the increase in the raw material cost, in particular of metals, copper and oil-based materials, whose costs increased on the back of rising oil prices. The effect of the consolidation of the Chinese, Indian and Russian subsidiaries on the present account was approx. Euro 8.4 million.

4. Services

In Euro thousands	9M 2011	9M 2010	Change
Outsourcing expenses	(20,532)	(23,559)	3,027
Transport	(5,865)	(5,591)	(274)
Finished goods inventories	(3,203)	(2,942)	(261)
Consulting	(3,653)	(5,144)	1,491
Other professional services	(5,802)	(4,849)	(953)
Maintenance	(1,723)	(1,651)	(72)
Utilities	(3,131)	(2,874)	(257)
Commissions	(1,959)	(1,849)	(110)
Travel expenses	(2,070)	(1,814)	(256)
Advertising	(2,693)	(1,058)	(1,635)
Insurance	(922)	(1,036)	114
Directors & Statutory Auditor fees	(1,148)	(877)	(271)
Trade fairs and promotional events	(905)	(712)	(193)
Industrial services	(293)	(402)	109
Banking commissions and charges	(305)	(314)	9
Total Services	**(54,203)**	**(54,672)**	**469**

The overall increase in this account relates to all items. As a percentage on revenues, these costs decreased from 20% to 19%.

5. Net Financial income/(charges)

In Euro thousands	9M 2011	9M 2010	Change
Financial income	190	1,328	(1,138)
Financial charges	(3,014)	(1,939)	(1,075)
Exchange gains/(losses)	(1,202)	238	(1,440)
Total net financial income/(charges)	**(4,026)**	**(373)**	**(3,653)**

The account decreased by Euro 3.6 million. "Financial income" in 2010 included Euro 949 thousand related to the fee from Whirlpool for the acquisition of 1,899,684 shares of the Company in accordance with the Second Modifying Agreement of the Share Option Agreement of June 15, 2009 and the Supplementary Agreement of March 8, 2010.

These agreements concern, among other issues, the purchase of shares of the Company by Whirlpool until February 23, 2010 and subject to the payment of Euro 0.50 on each share purchased. Further information on the modifying agreement is contained in the Annual Corporate Governance and Shareholder Report available on the website www.elicagroup.com. On the other hand "Financial charges" increased, principally related to the loan for the acquisition of the holding in the company Putian. Finally, exchange rate movements had a negative impact on the Group result - particularly due to the weakening of the Polish Zloty at the end of the third quarter.

6. Property, plant and equipment

The breakdown of property, plant and equipment at September 30, 2011 and December 31, 2010 is detailed below.

In Euro thousands	30/09/2011	31/12/2010	Change
Land, land usage rights and buildings	51,018	51,573	(555)
Plant and machinery	18,201	19,087	(886)
Industrial and commercial equipment	8,949	8,878	71
Other assets	3,510	3,282	229
Intangible assets under development and advances	1,489	860	629
Total fixed assets	**83,167**	**83,680**	**(513)**

Property, plant and equipment increased from Euro 83,680 thousand at December 31, 2010 to Euro 83,167 thousand at September 30, 2011, a decrease of Euro 513 thousand as a result of the sales, purchases and of depreciation recorded in the income statement of Euro 8,828 thousand.

7. Goodwill

In Euro thousands	30/09/2011	31/12/2010	Change
Goodwill recorded by subsidiaries	41,339	41,168	171
Total goodwill	**41,339**	**41,168**	**171**

The account did not substantially change on December 31, 2010. The increase of Euro 171 thousand is due to the movement of the Euro against the Chinese currency.

8. Other intangible assets

In Euro thousands	30/09/2011	31/12/2010	Change
Development Costs	2,042	2,575	(533)
Industrial patents and intellectual property rights	8,783	9,793	(1,010)
Concessions, licenses, trade marks & similar	1,887	1,989	(102)
Assets in progress and advances	4,233	2,492	1,741
Other intangible assets	6,360	7,019	(659)
Total other intangible fixed assets	**23,306**	**23,868**	**(562)**

This account did not change significantly. The "other intangible assets" decreased from Euro 23,868 thousand at December 31, 2010 to Euro 23,306 thousand at September 30, 2011, a decrease of Euro 562 thousand as a result of the purchases, sales and amortisation recorded to the income statement of Euro 3,418 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

(in Euro thousands)	**30/09/2011**	**31/12/2010**	**Change**
Trade receivables	85,087	89,269	(4,182)
Receivables from associated companies	101	7	94
Total	**85,187**	**89,276**	**(4,089)**

This account does not include any receivables due after more than five years at the period-end. 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

In Euro thousands	**30/09/2011**	**31/12/2010**	**Change**
Raw material, ancillary and consumables	23,440	18,597	4,843
Products in work-in-progress and semi-finished	12,264	11,220	1,044
Finished products and goods for resale	16,602	12,341	4,261
Advances	51	513	(461)
Total	**52,358**	**42,671**	**9,687**

Inventories increased from Euro 42,671 thousand at December 31, 2010 to Euro 52,358 thousand at September 30, 2011. 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 risks and charges

(in Euro thousands)	**30/09/2011**	**31/12/2010**	**Change**
Supplementary agent termination benefits	505	551	(46)
Directors' termination benefits	109	109	(0)
Product warranty provisions	971	866	105
Provisions for risks	2,135	3,409	(1,274)
Restructuring provisions	442	1,278	(836)
Personnel Fund	942	2,907	(1,965)
Other Provisions	106	86	20
Total	**5,210**	**9,206**	**(3,997)**
of which			
Non-current	4,133	8,254	(4,121)
Current	1,077	953	124
Total	**5,210**	**9,207**	**(3,997)**

"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 and decreased in the period by Euro 2 million.
The "Restructuring provision" shows a balance of Euro 442 thousand, following the use of part of the provision made in the 2010 annual accounts.
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.

12. Segment information

As outlined in the paragraph "Group structure and activities" in 2011 the Group reviewed the Corporate Reporting system, and which remains under review, without substantial amendments to the set of internal reports reviewed periodically by management, but with greater emphasis placed on the geographic breakdown of data rather than analysis by product. As per IFRS 8, from the present report the segment disclosure is reviewed and reported in line with that utilised by management for the undertaking of operational decisions. For the purposes of comparison, the disclosure relating to the previous periods was restated.
The present reporting is in line with group management strategy which increasingly has a global focus, with a direct presence now established in Europe, America and Asia. In this manner the Group can provide information which enables readers of the financial statements to evaluate the nature and effects on the financial statements of the strategies undertaken and of the general economic context.

The new operational segments are as follows:

- "Europe": production and sale of range hoods, accessories and electric motors developed by the companies based in Europe, i.e. the Italian companies Elica and Airforce, the German companies Gutmann and Airforce Germany, the Polish company Elica Group Polska and the Russian company Elica Trading;

- "America": production and sale of range hoods and accessories, developed by the Group companies based in America, i.e. the Mexican companies Elicamex and Leonardo 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 Putian and the India company Elica PB. India and the Japanese company Ariafina.

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 Rest of the World		Not allocated and eliminations		Consolidated	
	9M 11	9M 10 (*)	9M 11	9M 10 (*)	9M 11	9M 10 (*)	9M 11	9M 10 (*)	9M 11	9M 10 (*)
Segment revenue:										
third parties	229,032	233,530	25,890	21,675	26,749	12,057	31	40	281.704	267.302
Inter-segment	7,192	6,612	8	178	1,492	2	(8,691)	(6.792)	-	-
Total revenues	**236,224**	**240,143**	**25,898**	**21,853**	**28,241**	**12,059**	**(8,661)**	**(6.752)**	**281.704**	**267.302**
Segment result:	**26,252**	**27,313**	**3,605**	**2,199**	**2,383**	**1,165**			**32.240**	**30.676**
Overheads not allocated									**(24.050)**	**(22.635)**
Operating result									**8.190**	**8.041**
Share of profit/(loss) from associates							(37)	(626)	(37)	(626)
Financial income							190	1.328	190	1.328
Financial charges							(3,014)	(1.939)	(3.014)	(1.939)
Exchange gains/(losses)							(1,202)	238	(1.202)	238
Profit before taxes							**4,127**	**7.042**	**4.127**	**7.042**
Income taxes							(1,356)	(2.922)	(1.356)	(2.922)
Net profit for the period							**2,771**	**4,120**	**2,771**	**4,120**

***(*)** The data relating to the previous year was restated for comparability with September 30, 2011.*

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

BALANCE SHEET	Europe		The Americas		Asia and Rest of the World		Not allocated and eliminations		Consolidated	
	Sep 11	Dec 10 (*)	Sep 11	Dec 10 (*)	Sep 11	Dec 10 (*)	Sep 11	Dec 10 (*)	Sep 11	Dec 10 (*)
Assets:										
Segment assets	234,009	231,772	26,077	24,473	31,212	29,552	(5,941)	(5,134)	285,357	280,662
Investments	74,308	44,854					(72,922)	(43,138)	1,385	1,717
Unallocated assets							49,636	49,736	49,636	49,736
Total Assets	308,316	276,627	26,077	24,473	31,212	29,552	(29,226)	1,465	336,379	332,115
Liabilities										
Segment liabilities	(83,989)	(89,043)	(9,366)	(7,787)	(7,539)	(5,797)	5,774	4,702	(95,120)	(97,924)
Liabilities not allocated							(130,289)	(94,660)	(130,289)	(94,660)
Shareholders' Equity							(110,970)	(139,531)	(110,970)	(139,531)
Total liabilities	(83,989)	(89,043)	(9,366)	(7,787)	(7,539)	(5,797)	(235,485)	(229,488)	(336,379)	(332,115)

***(*)** The data relating to the previous year was restated for comparability with September 30, 2011.*

13. Acquisitions and asset transfers

Acquisition of 15% of Zhejiang Putian Electric

The Elica Group in 2011 acquired a further 15% of the Chinese company Zhejiang Putian Electric, as described in the paragraph "Significant events in 9M 2011" within the Directors' Report.
The effects of this operation are summarised in the table below:

	Carrying value based on Group principles	Fair value adjustments	Fair value
(in Euro thousands)			
Fixed assets	3,868	3,093	6,961
Land usage rights	551	5,127	5,678
Other intangible assets	97	-	97
Trade receivables	1,216	-	1,216
Inventories	2,218	-	2,218
Other receivables	87	-	87
Deferred tax assets	130	-	130
Cash and cash equivalents	2,225	-	2,225
Deferred tax liabilities	(601)	(2,055)	(2,656)
Trade payables	(2,343)	-	(2,343)
Other payables	(467)	-	(467)
Taxes payable	(187)	-	(187)
Total Shareholders' Equity	**6,794**	**6,165**	**12,959**
Stake acquired (15%)			**1,944**
Reduction Group & Consolidated Group net equity			27,841
Total acquisition cost			**29,785**

Fabriano, November 14, 2011

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 Andrea Sasso as Chief Executive Officer and Vincenzo Maragliano 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 of the Interim Report at September 30, 2011 corresponds to the underlying accounting documents, records and accounting entries.

Fabriano, November 14, 2011

The Chief Executive Officer
Andrea Sasso

Executive responsible for the preparation
of corporate accounting documents
Vincenzo Maragliano