

PRESS RELEASE

ELICA S.p.A.

**BOARD OF DIRECTORS OF ELICA S.p.A.
APPROVES HALF-YEAR REPORT AT JUNE 30, 2016**

**RISING REVENUES AND MARGINS
DRIVE NET PROFIT UP 76.2%**

**FRANCESCO CASOLI BECOMES
CHIEF EXECUTIVE OFFICER OF ELICA S.p.A. AD INTERIM**

Consolidated results H1 2016 (January-June 2016)

- **Revenue: Euro 215.6 million, up 6.1%;**
- **EBITDA: Euro 16.2 million, up 20.7%;**
- **EBIT: Euro 7.1 million, up 46.3%;**
- **Net Profit: Euro 2.8 million, up 76.2%;**
- **Net Financial Debt: Euro 61.9 million,** compared to Euro 53.0 million at December 31, 2015 and Euro 63.8 million at June 30, 2015.

Fabriano, August 25, 2016 – The Board of Directors of **Elica S.p.A.**, the parent of a Group that is the leading manufacturer of kitchen range hoods, meeting today in Fabriano approved the **Half-Year Report at June 30, 2016**, prepared in accordance with IFRS.

“The ongoing commercial strategy with a focus on innovation has led to excellent results for the first six months. I wish to wholeheartedly thank the entire Elica team for their organisational and operational efforts.” **stated Francesco Casoli, Presidente di Elica S.p.A..**

Consolidated revenues - H1 2016

In the first half of 2016 Elica Group consolidated revenues amounted to Euro 215.6 million - an increase of 6.1% on the same period of the previous year and of **6.8% at like-for-like exchange rates**. Global range hood demand saw a turnaround with growth of 0.4%¹ in the period, after 8 consecutive quarters in decline, principally thanks to the Asian market recovery² (-1.3% in the half-year and +1.5% in the second quarter of 2016), Eastern Europe, which returned to positive territory (+0.5%), together with improved Western European (+3.8%) and North American (+4.5%) demand. The Latin American market contracted 1.2%, although also indicating signs of potential recovery.

¹ Global range hood market volumes calculated by the Company.

² Concerning “Other Countries” demand - principally the Asian markets.

Cooking segment revenues were up 8.2% on H1 2015, with strong own brand product sales (+13.8%), particularly for the Elica brand which for the first half of 2016 reported revenue growth of 23.4%, following brand-focused investment and the development of the distribution structure over the last 2 years. Third-party brand sales also supported the segment's growth (+4.4%).

The Motor segment in H1 2016 saw a revenue contraction of 5.6%, principally due to the heating area performance.

Analysing revenues by the principal markets³, Europe reported 5.6% growth, although impacted by currency movements, with sales in the Americas also up (7.7%), together with Asian⁴ sales (6.8%), although this latter impacted by the poor Chinese market performance.

For completeness, the breakdown of consolidated revenues by geographic location of the Group companies is reported below.

<i>In Euro thousands</i>	Europe		America		Asia and the Rest of World		Unallocated items and eliminations		Consolidated	
	H1 16	H1 15	H1 16	H1 15	H1 16	H1 15	H1 16	H1 15	H1 16	H1 15
Segment revenue:										
Third parties	161,424	151,249	32,405	30,476	21,709	21,436	21	51	215,560	203,212
Inter-segment	6,148	7,119	1	9	3,062	1,170	(9,211)	(8,297)	-	-
Total revenue	167,572	158,368	32,406	30,485	24,772	22,606	(9,190)	(8,246)	215,560	203,212

Profitability - H1 2016

EBITDA of Euro 16.2 million (7.5% of Revenue) rose 20.7% on the same period of 2015, principally generated by significantly improved sales volumes and raw material and component procurement efficiencies, together with increased productivity. The increase in overhead costs, related in part to the major own brand focus and the development of the distribution structure, impacted margins, while guaranteeing however the general development of the business.

EBIT of Euro 7.1 million increased 46.3% on Euro 4.9 million in the same period of 2015, reflecting the strong underlying business dynamics outlined above.

The Net Profit for the period of Euro 2.8 million was up 76.2% on Euro 1.6 million in the first half of 2015.

<i>In Euro thousands</i>	H1 16	%	H1 15	%	16 Vs 15 %
	revenue		revenue		
Revenue	215,560		203,212		6.1%
EBITDA	16,191	7.5%	13,412	6.6%	20.7%
EBIT	7,131	3.3%	4,873	2.4%	46.3%
Net financial charges	(1,513)	(0.7%)	(1,052)	(0.5%)	43.8%
Income taxes	(2,772)	(1.3%)	(2,206)	(1.1%)	25.7%
Profit from continuing operations	2,846	1.3%	1,615	0.8%	76.2%
Profit from continuing operations and discontinued operations	2,846	1.3%	1,615	0.8%	76.2%
Profit attributable to the owners of the Parent	2,607	1.2%	1,371	0.7%	90.2%
Basic earnings per share on continuing operations and discontinued operations (Euro/cents)	4.20		2.21		90.1%
Diluted earnings per share on continuing operations and discontinued operations (Euro/cents)	4.20		2.21		90.1%

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 revenue in "Other Countries" - principally the Asian markets.

Statement of Financial Position

The Net Financial Debt at June 30, 2016 of Euro 61.9 million increased on Euro 53.0 million at December 31, 2015, although compares to Euro 63.8 million at June 30, 2015.

<i>In Euro thousands</i>	Jun 30, 16	Dec 31, 15	Jun 30, 15
Cash and cash equivalents	36,335	34,463	26,976
Finance leases and other lenders	(8)	(9)	(10)
Bank loans and borrowings	(39,864)	(44,048)	(25,575)
Non-current loans and borrowings	(39,872)	(44,057)	(25,585)
Finance leases and other lenders	(12)	(6)	(9)
Bank loans and borrowings	(58,301)	(43,405)	(65,149)
Current loans and borrowings	(58,313)	(43,411)	(65,158)
Net Financial Debt	(61,850)	(53,005)	(63,767)

Managerial Working Capital on annualised revenue of 7.1% is significantly lower than 8.5% at June 30, 2015 and a further improvement on 7.5% at December 31, 2015. This excellent result for each individual component of Managerial Working Capital follows Elica's continual focus on optimising resource allocation.

<i>In Euro thousands</i>	Jun 30, 16	Dec 31, 15	Jun 30, 15
Trade receivables	75,017	68,504	73,518
Inventories	65,984	62,701	63,851
Trade payables	(110,207)	(99,474)	(102,747)
Managerial Working Capital	30,794	31,731	34,622
as a % of annualised revenue	7.1%	7.5%	8.5%
Other net receivables/payables	(8,656)	(14,061)	(9,648)
Net Working Capital	22,138	17,670	24,974

Significant events in the first half of 2016 and subsequent events after June 30, 2016

On January 27, 2016, Elica joined the Internet of Things market with the launch of a new product: SNAP, the first Air Quality Balancer. With SNAP, Elica continues to innovate as an air treatment specialist, unveiling its first IOT product for other household environments. The project sees the participation of 2 leading partners: Vodafone, which contributed to the implementation of the APP for the launch of the SNAP remote control, providing also a SIM card which ensures an alternative connection of the product to Wi-Fi and IBM, owner of the cloud in which all of the data collated is stored.

On January 29, 2016, 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 2016.

On February 12, 2016, the Board of Directors of Elica S.p.A. approved the 2015 Fourth Quarter Report prepared in accordance with IFRS, communicated to the market also the 2016 Objectives which forecast an increase in Consolidated revenue of between 5% and 9% and an increase in consolidated EBIT of between 13% and 26% on 2015, while targeting also a Net Financial Debt of Euro 58 million.

On March 15, 2016, Elica participated in the 2016 STAR Conference organised in Milan by Borsa Italiana.

On March 22, 2016, the Board of Directors of Elica S.p.A approved the 2015 Consolidated Financial Statements and the 2015 Separate Financial Statements of Elica S.p.A., prepared in accordance with IFRS, proposed the distribution of a dividend of Euro 0.0098 per share and approved the 2015 Corporate Governance and Ownership Structure Report and the Remuneration Report, in addition to the Directors' Report to the Shareholders' AGM on the proposal to authorise the buy-back and utilisation of treasury shares. The Board of Directors also approved the proposal to the Shareholders' AGM of a long-term incentive plan called the 2016-2022 Phantom Stock & Voluntary Co-investment Plan in favour of certain directors and employees of Elica S.p.A. and/or its subsidiaries, according to the Disclosure Document published on the same date.

The Board of Directors of Elica S.p.A. called the Shareholders' AGM for April 28, 2016 at 9AM in single call.

On April 6, 2016, Elica S.p.A. announced that the Annual Report of Elica S.p.A. comprising the Separate and Consolidated Financial Statements at December 31, 2015, the Directors' Report and the Statement as per Article 154-bis, paragraph 5 of Legs. Decree No. 58/1998, together with the Board of Statutory Auditors' Report, the Independent Auditors' Report, the Corporate Governance and Ownership Structure Report and the Remuneration Report, according to the legally required means for each document, were made available to the public. On the same date, the Board of Directors' Illustrative Report to the Shareholders' AGM, concerning the proposal to purchase and utilise treasury shares, in addition the Annual Accounts and/or the Financial Statements as per Article 2429 of the Civil Code of the subsidiaries and associates of Elica S.p.A. and the Financial Statements of the subsidiaries as per Article 36 of the Market Regulation, were made available to the public.

On April 28, 2016, the Shareholders' AGM of Elica S.p.A. approved the 2015 Annual Accounts of Elica S.p.A., the Directors' Report, the Board of Statutory Auditors' Report and the Independent Auditors' Report. The AGM also noted the consolidated results for 2015. The Meeting approved the distribution of a dividend of Euro 0.0098 per share. The adoption of the phantom stock option incentive plan for the 2016-2022 period was also approved (the "2016-2022 Phantom Stock & Voluntary Co-investment Plan"). In accordance with Article 123-ter, paragraph 6 of Legs. Decree No. 58/1998, the Shareholders' AGM of Elica S.p.A. noted the content of the Remuneration Report and approved the First Section. The Shareholders' AGM also approved, following revocation of the previous authorisation of April 29, 2015, the authorisation to purchase and utilise treasury shares, pursuant to Article 2357 and 2357-ter of the Civil Code.

The Board of Directors **on May 12, 2016** approved the 2016 Interim Report at March 31, 2016, prepared in accordance with IFRS accounting standards.

On May 24, 2016, the company was involved in the Italian Stock Market Opportunities Conference, organised in Paris by Banca IMI, through presentations and meetings with the financial community and institutional investors.

On July 6, 2016, Elica S.p.A. announced the initiation of a top management transition process with a focus on continuity and growth. After four years in office, Giuseppe Perucchetti and the company have mutually agreed that, having achieved the targeted objectives, the appropriate conditions have developed for a transition of leadership which particularly focuses on growth and an improved Group competitive capacity. Therefore, an agreement has been reached by which Giuseppe Perucchetti will remain as company Chief Executive Officer until August 25, 2016. The settlement includes a total indemnity of Euro 1.5 million gross, with approx. 50% to be paid by July 15, 2016 and the remainder by September 15, 2016. The agreement does not provide for the maintenance of benefits or successive rights not established by the remuneration policy. The Board of Directors on the same date tasked the Appointments and Remuneration Committee, together with the Chairman of the Board of Directors, and in accordance with the executive director succession plan adopted by the company, to activate the succession process for the selection of the new Chief Executive Officer.

Francesco Casoli becomes Chief Executive Officer of Elica S.p.A ad interim

As announced to the market on July 6, 2016, Giuseppe Perucchetti leaves the position of Chief Executive Officer of Elica S.p.A., with effect from August 26 and Francesco Casoli - current Executive Chairman of the Company - undertaking the role until the Appointments and Remuneration Committee concludes the current succession process and the Board of Directors completes the co-option of a new Director and the appointment of the Chief Executive Officer at its next meeting, scheduled for November 14, 2016.

“After four years full of enthusiasm and many battles won on the market, on conclusion of a shared journey, we have mutually agreed that, having achieved the targeted objectives, the appropriate conditions have developed for a change of leadership at Elica which focuses on continued growth and the Group’s improved competitive capacity.” **stated Francesco Casoli, Chairman of Elica** *“On behalf of the Board of Directors, I wish Giuseppe all the best for a bright future and extend my most sincere thanks for working with passion throughout a major period of growth.”*

“I leave Elica very satisfied with the achievements of the entire team to make us more competitive and stronger” - stated **Giuseppe Perucchetti, Elica’s departing Chief Executive Officer.**

The curriculum vitae of Francesco Casoli is available at <http://corporation.elica.com>. Currently Francesco Casoli holds 134,000 shares in Elica S.p.A..

Definitions

EBITDA is the operating profit (EBIT) plus amortisation and depreciation and any impairment losses on goodwill. EBIT is the operating profit as reported in the consolidated income statement.

Net financial income/(charges) is the sum of the Share of profit/(loss) from associates, Financial income, Financial Charges and Exchange rate gains and losses.

The Earnings Per Share for H1 2016 and H1 2015 was calculated by dividing the Group Net Result, as defined in the Consolidated Income Statement, by the number of outstanding shares at the respective reporting dates. The numbers of shares in circulation at the reporting date is unchanged on June 30, 2015 (62,047,302).

Managerial Working Capital is the sum of Trade receivables with Inventories, net of Trade payables, as presented in the Consolidated Statement of Financial Position. Net Working Capital is the amount of Managerial Working Capital and Other net receivables/payables.

Other net receivables/payables comprise the current portion of Other receivables and Tax Receivables, net of the current portion of Provisions for risks and charges, Other payables and Tax payables, as presented in the Consolidated Statement of Financial Position.

Net Financial Debt is the sum of cash and cash equivalents less amounts due under finance leases and to other lenders (current and non-current), plus bank loans and borrowings (current and non-current), as reported in the statements of financial position.

The Financial Presentation concerning the H1 2016 consolidated results will also be available on the website <http://corporation.elica.com> in the Investor Relations/Presentation section.

Statement pursuant to Article 154-bis, paragraph two, of the Consolidated Finance Act

The Chief Executive Officer, Mr. Giuseppe Perucchetti and the Corporate Financial Reporting Manager, Mr. Alberto Romagnoli, declare, pursuant to Article 154-bis, second paragraph of Legs. Decree No. 58/98, that the present press release corresponds to the underlying accounting documents, records and accounting entries.

The Elica Group has been present in the cooker hood market since the 1970's, is chaired by Francesco Casoli and today is the world leader in terms of units sold. It is also a European leader in the design, manufacture and sale of motors for central heating boilers. With over 3,700 employees and an annual output of over 19 million units, the Elica Group has eight plants, including in Italy, Poland, Mexico, Germany, India and China. With many years' experience in the sector, Elica has combined meticulous care in design, judicious choice of material and cutting edge technology guaranteeing maximum efficiency and reducing consumption making the Elica Group the prominent market figure it is today. The Group has revolutionised the traditional image of the kitchen cooker hood: it is no longer seen as simple accessory but as a design object which improves the quality of life.

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ATTACHMENT A
H1 2016 Consolidated Income Statement

<i>In Euro thousands</i>	H1 16	H1 15
Revenue	215,560	203,212
Other operating income	1,161	1,386
Changes in inventories of finished and semi-finished goods	2,860	3,675
Increase in internal work capitalised	2,417	3,081
Raw materials and consumables	(118,241)	(112,990)
Services	(38,752)	(37,121)
Labour costs	(43,445)	(41,939)
Amortisation & Depreciation	(9,060)	(8,539)
Other operating expenses and provisions	(5,297)	(4,950)
Restructuring charges	(72)	(942)
Operating profit	7,131	4,873
Share of profit/(loss) from associates	(6)	(5)
Financial income	130	72
Financial charges	(1,730)	(1,849)
Exchange rate gains/(losses)	93	730
Profit before taxes	5,618	3,821
Income taxes	(2,772)	(2,206)
Profit from continuing operations	2,846	1,615
Profit from discontinued operations	-	-
Profit for the period	2,846	1,615
of which:		
Attributable to non-controlling interests	239	244
Attributable to the owners of the Parent	2,607	1,371
<i>Basic earnings per Share (Euro/cents)</i>	4.20	2.21
<i>Diluted earnings per Share (Euro/cents)</i>	4.20	2.21

ATTACHMENT B
H1 2016 Statement of Comprehensive Income

<i>In Euro thousands</i>	H1 16	H1 15
Profit for the period	2,846	1,615
Other comprehensive income/(expense) which may not be subsequently reclassified to profit/(loss) for the period:		
Actuarial gains/(losses) of employee defined plans	(1,267)	189
Tax effect concerning the Other income/(expense) which may not be subsequently reclassified to the profit/(loss) for the period	57	(44)
Total other comprehensive income/(expense) which may not be subsequently reclassified to profit/(loss) for the period, net of the tax effect	(1,210)	145
Other comprehensive income/(expense) which may be subsequently reclassified to profit/(loss) for the period:		
Exchange differences on the conversion of foreign financial statements	(3,465)	3,769
Net change in cash flow hedges	1,441	(128)
Tax effect concerning the Other income/(expense) which may be subsequently be reclassified to the profit/(loss) for the period	(250)	35
Total other comprehensive income/(expense) which may be subsequently reclassified to profit/(loss) for the period, net of the tax effect	(2,274)	3,676
Total other comprehensive income/(expense), net of the tax effect:	(3,483)	3,821
Total comprehensive income/(expense) for the period	(637)	5,436
of which:		
Attributable to non-controlling interests	400	758
Attributable to the owners of the parent	(1,038)	4,678

ATTACHMENT C
Consolidated Statement of Financial Position at June 30, 2016

<i>In Euro thousands</i>	June 30, 16	Dec 31, 15
Property, plant & equipment	89,885	88,779
Goodwill	45,258	45,712
Other intangible assets	28,694	28,676
Investments in associates	1,419	1,423
Other receivables	245	330
Deferred tax assets	15,420	16,185
AFS financial assets	56	56
Total non-current assets	180,978	181,162
Trade receivables and loan assets	75,017	68,504
Inventories	65,984	62,701
Other receivables	10,611	7,370
Tax assets	9,246	7,825
Derivative financial instruments	672	223
Cash and cash equivalents	36,335	34,463
Current assets	197,866	181,088
Assets of discontinued operations	-	-
Total assets	378,844	362,250
Liabilities for post-employment benefits	11,899	10,619
Provisions for risks and charges	3,738	3,854
Deferred tax liabilities	3,963	4,749
Finance leases and other lenders	8	9
Bank loans and borrowings	39,864	44,048
Other payables	2,535	3,277
Tax liabilities	377	442
Derivative financial instruments	398	166
Non-current liabilities	62,782	67,164
Provisions for risks and charges	2,816	7,398
Finance leases and other lenders	12	6
Bank loans and borrowings	58,301	43,405
Trade payables	110,207	99,474
Other payables	16,948	14,133
Tax liabilities	8,750	7,726
Derivative financial instruments	2,637	3,736
Current liabilities	199,671	175,878
Liabilities of discontinued operations	-	-
Share capital	12,665	12,665
Capital reserves	71,123	71,123
Hedging, translation and stock option reserve	(13,896)	(11,408)
Reserve for actuarial gains/losses	(4,064)	(2,907)
Treasury shares	(3,551)	(3,551)
Retained earnings	45,881	40,630
Profit attributable to owners of the parent	2,607	6,190
Equity attributable to the owners of the parent	110,765	112,742
Capital and reserves attributable to non-controlling interests	5,387	5,211
Profit attributable to non-controlling interests	239	1,255
Equity attributable to non-controlling interests	5,626	6,466
Total equity	116,391	119,208
Total liabilities and equity	378,844	362,250

ATTACHMENT D
H1 Consolidated Statement of Cash Flows

<i>In Euro thousands</i>	H1 16	H1 15
Opening cash and cash equivalents	34,463	35,241
Operating profit - EBIT	7,131	4,873
Amortisation, depreciation and impairment losses	9,060	8,539
EBITDA	16,191	13,412
Trade working capital	202	(1,343)
Other working capital accounts	500	(4,099)
Income taxes paid	(3,771)	(2,362)
Change in provisions	(4,709)	(2,677)
Other changes	(486)	177
Cash flow from operating activities	7,928	3,108
Net increases	(12,808)	(10,081)
	Intangible assets	(3,785)
	Property, plant & equipment	(6,296)
	Equity investments and other financial assets	-
Cash flow used in investing activities	(12,808)	(10,081)
Dividends	(1,831)	(2,551)
Increase (decrease) in loans and borrowings	11,279	3,435
Net changes in other financial assets/liabilities	(756)	(1,423)
Interest paid	(1,479)	(1,656)
Cash flow used in financing activities	7,213	(2,195)
Change in cash and cash equivalents	2,333	(9,167)
Effect of exchange rate change on liquidity	(461)	902
Closing cash and cash equivalents	36,335	26,976