

PRESS RELEASE

ELICA S.p.A.

**BOARD OF DIRECTORS OF ELICA S.P.A.
APPROVES 2016 FIRST QUARTER RESULTS**

**STRONG START TO 2016 WITH REVENUE UP 7.3%
AND EBIT GROWTH OF 41%**

Consolidated results Q1 2016

- **Revenue: Euro 103.3 million, up 7.3%;**
- **EBITDA: Euro 7.1 million, up 16.1%;**
- **EBIT: Euro 2.6 million, up 41.0%;**
- **Net Profit: Euro 0.9 million compared to Euro 1.3 million in the first quarter of 2015;**
- **Net Financial Debt: Euro 62.0 million, increasing on Euro 53.0 million at December 31, 2015, although reducing significantly on Euro 65.0 million at March 31, 2015, in line with business seasonality.**

Annual verification of the independence of the Board of Directors, as per Article 148, paragraph 3, of the CFA and Article 3.C.1. of the Self-Governance Code for listed companies

Annual verification of the independence of the Board of Statutory Auditors, as per Article 8.C.1. of the Self-Governance Code for listed companies

Minutes of the Shareholders' AGM of April 28, 2016 filed

Fabriano, May 12, 2016 – The Board of Directors of **Elica S.p.A.**, the parent company of a Group that is the leading manufacturer of kitchen range hoods, has today approved the **2016 First Quarter Report**, prepared in accordance with IFRS.

Consolidated results – Q1 2016

In the first quarter of 2016, Elica reported consolidated revenue of Euro 103.3 million, an increase of 7.3% on Q1 2015 - thanks to significant organic growth of 7.5%, net of the currency effects. Growth was achieved within a market which continues to contract, with global range hood demand contracting 1.6%¹ in the first quarter of 2016, due both to the 1.7% reduction on the East European market - still impacted by the Russian performance - and the continued poor performance of Latin America (-2.3%), together with a contraction on the Asian market of 4.0%, influenced by falling Chinese demand. The continued poor Chinese market performance has prompted the Company to revise Asian market forecasts for 2016, with demand now expected to contract approx. 3% (compared to the previous -1% estimate).

On the other hand, **strong growth was reported for the North American (+5.0%) and the Western European (+3.2%) markets.**

¹ Global range hood market volumes.

The Cooking Segment drove growth, increasing revenue 9.0% on the first quarter of 2015, thanks both to **third party brand sales (+6.2%)** and the significant development of **own brand product sales (+13.3%)**. **The growth of the Elica brand continues to significantly outperform the general market and accounted for 23.0%** of revenue on the first quarter of 2015 and follows the success of the policy to develop brand awareness and the distribution network.

Motor Segment revenue in the first quarter of 2016 reduced 1.6%, although **excluding currency movements were substantially stable (-0.8%)** compared to the first quarter of 2015.

Analysing revenue by the principal markets², **all regions reported significant sales growth** - in particular the **Americas (+9.7%)**, principally on the basis of organic growth; **European revenues rose 7.6%** and **Asia reported 3.2% growth**, also due to a particularly strong performance in **India, with sales up 35.6%**.

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

| In Euro thousands | Europe | | America | | Asia and the Rest of World | | Unallocated items and eliminations | | Consolidated | |
|-------------------------|---------------|---------------|---------------|---------------|----------------------------|---------------|------------------------------------|----------------|----------------|---------------|
| | Q1 16 | Q1 15 | Q1 16 | Q1 15 | Q1 16 | Q1 15 | Q1 16 | Q1 15 | Q1 16 | Q1 15 |
| Segment revenue: | | | | | | | | | | |
| Third parties | 77,631 | 72,199 | 15,792 | 14,367 | 9,920 | 9,738 | (16) | (22) | 103,326 | 96,283 |
| Inter-segment | 2,880 | 3,971 | 2 | 8 | 1,604 | 501 | (4,485) | (4,480) | - | - |
| Total revenue | 80,510 | 76,170 | 15,793 | 14,375 | 11,524 | 10,239 | (4,502) | (4,502) | 103,326 | 96,283 |

Profitability – Q1 2016

EBITDA in Q1 2016 of Euro 7.1 million (6.9% of Net Revenue) grew 16.1% on the same period of 2015, **due to increased sales volumes, the improved price/mix, increased productivity, together with raw material and component procurement efficiencies and the positive currency effect.**

EBIT amounted to Euro 2.6 million, up 41.0% on Euro 1.9 million in the same period of 2015, although Amortisation and Depreciation rose following the **significant investment implemented by the Company to support the expansion of own brands and the development of new products.**

Net financial income/charges as a percentage of revenue in Q1 2016 deteriorated significantly, from a contribution of financial income of 0.3% in the first quarter of 2015 to a charge of -0.9% in the first quarter of 2016, **due to the extraordinary currency effects related to the particular economic environment in the first quarter of 2015 which created significant currency market volatility.**

The Net Profit of Euro 0.9 million, compared to Euro 1.3 million in the same period of 2015, **was impacted by currency movements affecting the financial items described above** and a higher tax rate in the first quarter of 2016.

² 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.

| <i>In Euro thousands</i> | Q1 16 | % revenue | Q1 15 | % revenue | 16 Vs 15 % |
|--|------------|--------------|--------------|--------------|----------------|
| Revenue | 103,326 | | 96,283 | | 7.3% |
| EBITDA before restructuring charges | 7,129 | 6.9% | 6,157 | 6.4% | 15.8% |
| EBITDA | 7,080 | 6.9% | 6,098 | 6.3% | 16.1% |
| EBIT | 2,617 | 2.5% | 1,856 | 1.9% | 41.0% |
| Net financial charges | (925) | (0.9%) | 248 | 0.3% | (473.0%) |
| Income taxes | (841) | (0.8%) | (762) | (0.8%) | 10.4% |
| Profit from continuing operations | 851 | 0.8% | 1,342 | 1.4% | (36.6%) |
| Profit from continuing operations and discontinued operations | 851 | 0.8% | 1,342 | 1.4% | (36.6%) |
| Profit attributable to the owners of the Parent | 687 | 0.7% | 1,169 | 1.2% | (41.2%) |
| Basic earnings per share on continuing operations and discontinued operations (Euro/cents) | 1.11 | | 1.88 | | (41.0%) |
| Diluted earnings per share on continuing operations and discontinued operations (Euro/cents) | 1.11 | | 1.88 | | (41.0%) |

*The earnings per share for Q1 2016 and 2015 were calculated by dividing the Profit attributable to the owners of the Parent from continuing and discontinued operations by the number of outstanding shares at the respective reporting dates.

Balance Sheet

The Net Financial Debt at March 31, 2016 of Euro 62.0 million increased on Euro 53.0 million at December 31, 2015, although reducing significantly on Euro 65.0 million at March 31, 2015, in line with business seasonality.

| <i>In Euro thousands</i> | Mar 31, 16 | Dec 31, 15 |
|---|-----------------|-----------------|
| Cash and cash equivalents | 38,342 | 34,463 |
| Finance leases and other lenders | (8) | (9) |
| Bank loans and borrowings | (48,546) | (44,048) |
| Non-current loans and borrowings | (48,554) | (44,057) |
| Finance leases and other lenders | (6) | (6) |
| Bank loans and borrowings | (51,745) | (43,405) |
| Current loans and borrowings | (51,751) | (43,411) |
| Net Financial Debt | (61,963) | (53,005) |

The Managerial Working Capital on annualised revenue of 8.6% improved on 9.7% at March 31, 2015, and was higher than the 7.5% at December 31, 2015, in line with the seasonality of the business model over the last 5 years.

| <i>In Euro thousands</i> | Mar 31, 16 | Dec 31, 15 |
|-----------------------------------|---------------|---------------|
| Trade receivables | 67,853 | 68,504 |
| Inventories | 67,340 | 62,701 |
| Trade payables | (99,804) | (99,474) |
| Managerial Working Capital | 35,389 | 31,731 |
| as a % of annualised revenue | 8.6% | 7.5% |
| Other net receivables/payables | (12,995) | (14,061) |
| Net Working Capital | 22,394 | 17,670 |

Significant events in the first quarter of 2016 and subsequent events after March 31, 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 therefore continues to innovate as an air treatment specialist, unveiling its first IOT product for other household environments. The project will see the participation of 2 leading partners with significant IOT environment expertise: 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 also made available to the public according to the legally required means.**

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 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.

Annual verification of the independence of the Board of Directors, as per Article 148, paragraph 3, of the CFA and Article 3.C.1. of the Self-Governance Code for listed companies

It is reported that today the Board of Directors, on the annual verification of members, confirmed the independence of the Independent Directors Elio Cosimo Catania, Davide Croff, Enrico Vita and Katia Da Ros in accordance with Article 148, paragraph 3 of the CFA (also as per Article 147-ter, paragraph 4 of the CFA) and Article 3.C.1 of the Self-Governance Code for listed companies.

Annual verification of the independence of the Board of Statutory Auditors, as per Article 8.C.1. of the Self-Governance Code for listed companies

Finally, the Board of Directors today noted the annual verification by the Board of Statutory Auditors of the independence of its members, as per Article 8.C.1. of the Self-Governance Code for listed companies.

Minutes of the Shareholders' AGM of April 28, 2016 filed

It is also announced today that the minutes of the Shareholders' AGM of April 28, 2016, together with the relative attachments, are available at the registered office of the Company, on the authorised storage mechanism IInfo at www.linfo.it and on the Company website <http://corporation.elica.com> in the Shareholders' Meetings section.

The Interim Report at March 31, 2016 was filed today and made available to whomever making such request at the registered offices of the Company at the storage mechanism IInfo at www.linfo.it and on the Group website <http://corporation.elica.com> Investor Relations/Accounts and Reports section. The Financial Presentation concerning the Q1 2016 consolidated results will also be available on the Group 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 led by Giuseppe Perucchetti 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.

For further information:

Laura Giovanetti
Investor Relations Manager
Tel: +39 (0)732 610727
E-mail: l.giovanetti@elica.com

Gabriele Patassi



Press Office Manager
Mob: +39 340 1759399
E-mail: g.patassi@elica.com

Havas PR Milan
Marco Fusco
Tel: +39 02 85457029 Mob: + 39 345 6538145
E-mail: marco.fusco@havaspr.com

ATTACHMENT A

Consolidated Income Statement – Q1 2016

| <i>In Euro thousands</i> | Q1 16 | Q1 15 |
|--|--------------|--------------|
| Revenue | 103,326 | 96,283 |
| Other operating income | 519 | 612 |
| Changes in inventories of finished and semi-finished goods | 3,885 | 3,043 |
| Increase in internal work capitalised | 1,163 | 1,521 |
| Raw materials and consumables | (58,408) | (54,675) |
| Services | (19,063) | (17,919) |
| Labour costs | (21,884) | (20,602) |
| Amortisation & Depreciation | (4,463) | (4,242) |
| Other operating expenses and provisions | (2,409) | (2,106) |
| Restructuring charges | (49) | (59) |
| Operating profit | 2,617 | 1,856 |
| Share of profit/(loss) from associates | (2) | (4) |
| Financial income | 57 | 31 |
| Financial charges | (833) | (901) |
| Exchange rate gains/(losses) | (147) | 1,122 |
| Profit before taxes | 1,692 | 2,104 |
| Income taxes | (841) | (762) |
| Profit from continuing operations | 851 | 1,342 |
| Profit from discontinued operations | - | - |
| Profit for the period | 851 | 1,342 |
| of which: | | |
| Attributable to non-controlling interests | 164 | 173 |
| Attributable to the owners of the Parent | 687 | 1,169 |
| Basic earnings per Share (Euro/cents) | 1.11 | 1.88 |
| Diluted earnings per Share (Euro/cents) | 1.11 | 1.88 |

ATTACHMENT B
Consolidated Statement of Comprehensive Income – Q1 2016

| <i>In Euro thousands</i> | Q1 16 | Q1 15 |
|---|----------------|--------------|
| Profit for the period | 851 | 1,342 |
| Other comprehensive income/(expense) which may not be subsequently reclassified to profit/(loss) for the period: | | |
| Actuarial gains/(losses) of employee defined plans | (835) | (962) |
| Tax effect concerning the Other income/(expense) which may not be subsequently reclassified to the profit/(loss) for the period | (3) | 252 |
| Total other comprehensive income/(expense) which may not be subsequently reclassified to profit/(loss) for the period, net of the tax effect | (839) | (710) |
| Other comprehensive income/(expense) which may be subsequently reclassified to profit/(loss) for the period: | | |
| Exchange differences on the conversion of foreign financial statements | (1,655) | 7,262 |
| Net change in cash flow hedges | 1,583 | 307 |
| Tax effect concerning the Other income/(expense) which may be subsequently be reclassified to the profit/(loss) for the period | (223) | (84) |
| Total other comprehensive income/(expense) which may be subsequently reclassified to profit/(loss) for the period, net of the tax effect | (295) | 7,485 |
| Total other comprehensive income/(expense), net of the tax effect: | (1,134) | 6,775 |
| Total comprehensive income/(expense) for the period | (283) | 8,117 |
| of which: | | |
| Attributable to non-controlling interests | 20 | 998 |
| Attributable to the owners of the parent | (303) | 7,119 |

ATTACHMENT C

Consolidated Statement of Financial Position at March 31, 2016

| <i>In Euro thousands</i> | Mar 31, 16 | Dec 31, 15 |
|--|-------------------|-------------------|
| Property, plant & equipment | 89,037 | 88,779 |
| Goodwill | 45,398 | 45,712 |
| Other intangible assets | 28,451 | 28,676 |
| Investments in associates | 1,422 | 1,423 |
| Other receivables | 181 | 330 |
| Deferred tax assets | 16,227 | 16,185 |
| AFS financial assets | 56 | 56 |
| Total non-current assets | 180,771 | 181,162 |
| Trade receivables and loan assets | 67,853 | 68,504 |
| Inventories | 67,340 | 62,701 |
| Other receivables | 9,951 | 7,370 |
| Tax assets | 6,370 | 7,825 |
| Derivative financial instruments | 1,130 | 223 |
| Cash and cash equivalents | 38,342 | 34,463 |
| Current assets | 190,986 | 181,088 |
| Total assets | 371,757 | 362,250 |
| Liabilities for post-employment benefits | 11,503 | 10,619 |
| Provisions for risks and charges | 3,692 | 3,854 |
| Deferred tax liabilities | 4,288 | 4,749 |
| Finance leases and other lenders | 8 | 9 |
| Bank loans and borrowings | 48,546 | 44,048 |
| Other payables | 2,583 | 3,277 |
| Tax liabilities | 409 | 442 |
| Derivative financial instruments | 376 | 166 |
| Non-current liabilities | 71,405 | 67,164 |
| Provisions for risks and charges | 6,228 | 7,398 |
| Finance leases and other lenders | 6 | 6 |
| Bank loans and borrowings | 51,745 | 43,405 |
| Trade payables | 99,804 | 99,474 |
| Other payables | 16,005 | 14,133 |
| Tax liabilities | 7,082 | 7,726 |
| Derivative financial instruments | 1,924 | 3,736 |
| Current liabilities | 182,794 | 175,878 |
| Share capital | 12,665 | 12,665 |
| Capital reserves | 71,123 | 71,123 |
| Hedging, translation and stock option reserve | (11,608) | (11,408) |
| Reserve for actuarial gains/losses | (3,697) | (2,907) |
| Treasury shares | (3,551) | (3,551) |
| Retained earnings | 46,677 | 40,630 |
| Profit attributable to the owners of the parent | 687 | 6,190 |
| Equity attributable to the owners of the parent | 112,296 | 112,742 |
| Capital and reserves attributable to non-controlling interests | 5,098 | 5,211 |
| Profit attributable to non-controlling interests | 164 | 1,255 |
| Equity attributable to non-controlling interests | 5,262 | 6,466 |
| Total equity | 117,558 | 119,208 |
| Total liabilities and equity | 371,757 | 362,250 |

ATTACHMENT D

Q1 2016 Consolidated Statement of Cash Flow

| <i>In Euro thousands</i> | Q1 16 | Q1 15 |
|--|----------------|----------------|
| Opening cash and cash equivalents | 34,463 | 35,241 |
| Operating profit - EBIT | 2,617 | 1,856 |
| Amortisation, depreciation and impairment losses | 4,463 | 4,242 |
| EBITDA | 7,080 | 6,098 |
| Trade working capital | (3,663) | (3,448) |
| Other working capital accounts | 820 | (5,786) |
| Income taxes paid | (2,404) | (1,601) |
| Change in provisions | (1,338) | (2,626) |
| Other changes | (1,457) | (85) |
| Cash flow from operating activities | (963) | (7,447) |
| Net increases | (4,621) | (5,693) |
| Intangible assets | (1,409) | (1,780) |
| Property, plant & equipment | (3,212) | (3,911) |
| Equity investments and other financial assets | - | (2) |
| Cash flow used in investing activities | (4,621) | (5,693) |
| Dividends | (1,163) | (729) |
| Increase (decrease) in loans and borrowings | 12,897 | 12,323 |
| Net changes in other financial assets/liabilities | (1,520) | (113) |
| Interest paid | (713) | (799) |
| Cash flow used in financing activities | 9,501 | 10,682 |
| Change in cash and cash equivalents | 3,916 | (2,458) |
| Effect of exchange rate change on liquidity | (38) | 2,210 |
| Closing cash and cash equivalents | 38,342 | 34,993 |