Condensed consolidated quarterly report for the period ended 31 December 2007

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Governance bodies

Members of the Board of Directors

Francesco Casoli
Executive Chairman
born in Senigallia (AN) on 05/06/1961, appointed a director by resolution dated 12/04/2006.

Andrea Sasso
Chief Executive Officer, born in Rome on 24/08/1965, appointed a director by resolution dated 30/04/2007.

Gianna Pieralisi
Executive Director, born in Monsano (AN) on 12/12/1934, appointed a director by resolution dated 12/04/2006.

Fiorenzo Busso
Director, born in Milan (MI) on 11/09/1942, appointed a director by resolution dated 14/02/2008.

Gennaro Pieralisi
Director, born in Monsano (AN) on 14/02/1938, appointed a director by resolution dated 12/04/2006.

Stefano Romiti
Lead Independent Director, born in Rome on 17/11/1957, appointed a director by resolution dated 12/04/2006.

Marcello Celi
Independent Director, born in Civitella Roveto (AQ) on 15/01/1942, appointed a director by resolution dated 10/08/2007.

Members of the Board of Statutory Auditors

Giovanni Frezzotti
Chairman,
born in Jesi (AN) on 22/02/1944, appointed a director by resolution dated 12/04/2006.

Stefano Marasca
Statutory Auditor, born in Osimo (AN) on 09/08/1960, appointed a director by resolution dated 12/04/2006.

Corrado Mariotti
Statutory Auditor, born in Numana (AN) on 29/02/1944, appointed a director by resolution dated 12/04/2006.

Guido Cesarini
Alternate Auditor, born in Bolzano (BZ) on 19/08/1972, appointed a director by resolution dated 12/04/2006.

Gilberto Casali
Alternate Auditor, born in Jesi (AN) on 14/01/1954, appointed a director by resolution dated 12/04/2006.

Internal Audit Committee
Stefano Romiti
Gennaro Pieralisi
Marcello Celi

Remuneration Committee
Stefano Romiti
Gennaro Pieralisi
Marcello Celi

Independent Auditors
Deloitte & Touche S.p.A.

Registered Office and Company Data
Elica S.p.A.
Registered Office: Via Dante, 288 – 60044 Fabriano (AN)
Share Capital: €12,664,560.00
Tax Code and Companies' Register Number: 00096570429
Ancona registered REA no. 63006 – VAT number 00096570429

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Report on operations

Summary operating, financial and cash flow data

€000	Q4 2007	% of revenue	Q4 2006	% of revenue	2007 /2006 (%)
Revenue	111,631		108,177		3.2%
EBITDA	7,633	6.8%	7,245	6.7%	5.4%
EBIT	3,790	3.4%	3,218	3.0%	17.8%
Finance income/(costs)	(926)	-0.8%	(721)	-0.7%	28.4%
Taxation for the period	(1,214)	-1.1%	(1,640)	-1.5%	-26.0%
Net profit/(loss) for the period	**1,650**	**1.5%**	**690**	**0.6%**	139.1%
Basic earnings per share from continuing operations (euro cents)*	2.49		1.32		89.0%
Diluted earnings per share from continuing operations (euro cents)*	2.49		1.32		89.0%

€000	FY 2007	% of revenue	FY 2006	% of revenue	2007 /2006 (%)
Revenue	434,359		405,366		7.2%
EBITDA	39,061	9.0%	39,805	9.8%	-1.9%
EBIT	22,149	5.1%	23,754	5.9%	-6.8%
Finance income/(costs)	(2,678)	-0.6%	(3,065)	-0.8%	-12.6%
Taxation for the period	(9,892)	-2.3%	(12,103)	-3.0%	-18.3%
Net profit/(loss) for the period	**9,579**	**2.2%**	**8,419**	**2.1%**	13.8%
Basic earnings per share from continuing operations (euro cents)*	14.68		13.48		8.9%
Diluted earnings per share from continuing operations (euro cents)*	14.68		13.48		8.9%

* Earnings per share for the fourth quarter of 2006 and for full year 2006 have been restated on the basis of the average number of shares in issue and in circulation during the fourth quarter of 2007 and full year 2007.

EBITDA is operating profit plus amortisation and depreciation. EBIT reflects operating profit as reported in the consolidated income statement.

€000	31 Dec 2007	30 Sept 2007	31 Dec 2006
Trade receivables	110,013	109,918	106,874
Inventories	57,623	63,919	48,899
Trade payables	(112,503)	(110,453)	(94,392)
Operating Working Capital	**55,133**	**63,384**	**61,381**
as a % of annualised revenue	12.7%	14.7%	15.1%
Net other receivables/payables	(7,276)	(11,626)	(9,356)
Net Working Capital	**47,857**	**51,758**	**52,025**
as a % of annualised revenue	11.0%	12.0%	12.8%

For the period ended 31 December 2007, Operating Working Capital and Net Working Capital as a percentage of annualised revenue were calculated by dividing the figures by the revenue for the corresponding period projected to the end of the year.

€000	31 Dec 2007	30 Sept 2007	31 Dec 2006
Cash and cash equivalents	**21,948**	**23,515**	**29,334**
Amounts due under finance leases and other borrowings	(6,089)	(7,832)	(9,617)
Bank borrowings and mortgages	(10,160)	(7,283)	(7,614)
Long-term debt	**(16,249)**	**(15,115)**	**(17,231)**
Amounts due under finance leases and other borrowings	(775)	(2,680)	(3,109)
Bank borrowings and mortgages	(2,751)	(1,005)	(11,284)
Short-term debt	**(3,526)**	**(3,685)**	**(14,393)**
Net funds/(debt)	**2,173**	**4,715**	**(2,290)**

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

Operating review for the fourth quarter of 2007

During the fourth quarter of 2007 the Group's consolidated revenue rose by 3.2% on the same period of the previous year. After excluding the impact of movements in the euro against the other currencies in which the Group operates, growth totals 3.8%.

Based on average monthly exchange rates published by the Italian Exchange Office, over the fourth quarter of 2007 the euro rose substantially against all the currencies in which the Elica Group operates, whilst falling against the zloty. A comparison of exchange rates at 31 December 2007 and 2006 confirms these trends.

	Q4 2007	Q4 2006	%	Dec 2007	Dec 2006	%
USD	1.464	1.302	12.4%	1.472	1.317	11.8%
GBP	0.715	0.671	6.5%	0.734	0.672	9.2%
JPY	164.950	153.270	7.6%	164.930	156.930	5.1%
PLN	3.615	3.838	-5.8%	3.594	3.831	-6.2%
MXN	15.881	14.169	12.1%	16.055	14.294	12.3%

The increase in revenue was driven by the range hood business unit, which saw growth of 3.5% (4.3% on a like-for-like exchange rate basis). The performance of products in the range hood unit sold under the Group's brand name was particularly positive, with revenue rising by approximately 35%. Decorative hoods and Elica Collection branded hoods continued the growth seen in 2006. In terms of geographical area, overall growth was driven by the performance in Europe, whilst revenue generated in America was down.

EBIT is up 18.0% on the fourth quarter of 2006, reflecting exchange rate movements, the effect of pension reform in Italy, as accounted for in accordance with IAS 19, and provisions for restructuring charges. After stripping out all the above elements, EBIT is up 100%.

The impact of net finance costs on revenue is slightly up due to increased foreign exchange losses. These have resulted from the valuation of intercompany payables and receivables, and therefore have no cash effect.

Net profit attributable to shareholders of the Parent Company is up 139% compared with the fourth quarter of 2006.

Net working capital has improved with respect to December 2006 and September 2007. Compared with September 2007, the improvement was driven by a reduction in inventories, whilst there has been a general improvement with respect to December 2006.

At 31 December 2007 the Elica Group reports net funds of € 2.2 million after incurring charges of € 6.6 million in relation to its share buyback programme.

Significant events during the fourth quarter of 2007 and events after 31 December 2007

On 10 December 2007 the Elica Group announced a supply agreement with Whirlpool Corporation, the world's leading producer of electrical appliances, with the aim of boosting both companies' growth in the kitchen range hoods market and strengthening their partnership.

The agreement allows Whirlpool to increase its presence in the kitchen range hoods market, where sales have reached approximately 30 million units worldwide, by having access to Elica's innovative products Europe and North America, with the possibility to extend the agreement to include other geographical areas. As a result of this agreement, Elica, the world leader with 17% of the market, will further expand its share of the North American market. Based on this agreement and the forecasts contained in the Strategic Plan for 2008-2010, Elica expects to see a gradual increase in annual sales in the American market, achieving, once fully operational, an additional US$20 million in revenue in 2011.

Fan S.A., Elica's parent company, has also agreed to sell (directly or through an intermediary) a 5% holding in Elica S.p.A. at a price of €5.0 per share. At the same time, Whirlpool has acquired a call option on a further 10% of the Company, to be exercised within 18 months. The option regards the shares that Elica may have purchased under its buyback programme, which was approved by shareholders on 3 August 2007. At the end of each quarter during the option period, Whirlpool may exercise its option to purchase not less than 2.5% and not more than 5% of Elica's share capital. The price is to be equal to the weighted average cost of the shares bought back by Elica during the period, plus an additional margin of €0.5 per share, up to a maximum exercise price of €5 per share.

On 14 February 2008, Elica S.p.A.'s Board of Directors elected Fiorenzo Busso (born in Milan on 11 September 1942, resident in Viale Matteotti 2, 10048 Vinovo - TO) to serve as a Director until the next General Meeting of shareholders. The election was conducted pursuant to article 16.6 of the Articles of Association in force and article 2386 of the Italian Civil Code, and in accordance with the criteria set out in art. 3.C.1 of the Corporate Governance Code and with Regulatory Instructions. Fiorenzo Busso replaces Alberto Geroli, elected by resolution on 12 April 2006, who has resigned.

On 16 January 2008, Fime S.p.A., a wholly owned subsidiary of Elica S.p.A., divested its "ACEM division", which produces transformers, as it was no longer considered of strategic importance for the businesses of Fime S.p.A. and the Elica Group. The transfer of the "ACEM division", comprising plant, machinery, equipment, receivables, payables, termination benefits and goods for resale, took place via the spin-off of the division to a company called Acem S.r.l. and the subsequent transfer of the shares to third parties. Fime S.p.A. continues to own 10% of Acem Srl. By the end of February Fime S.p.A. intends to acquire the property housing Acem S.r.l.'s production plant and sell it to the leasing company, which will then lease the building to third parties.

This transaction will enable the Elica Group to benefit by concentrating investment on its motors business, freeing up the necessary funds to finance investment in this area.

Key balance sheet and income statement indicators for the Acem division prior to the divestment are shown below:

€000	**FY 2007**
Net revenue	7,564
EBITDA	513
EBIT	47

€000	**FY 2007**
Net fixed assets	2,045
Net working capital	2,174
Provisions	(594)
Capital Employed	3,625
Equity	2,348
Net debt	1,277
External sources of financing	3,625

The effects of the divestment on the financial position and results of operations will be reported in Elica S.p.A.'s consolidated and separate financial statements for the year ended 31 December 2007.

The Board meeting called for 27 March will be asked to approve the consolidated financial statements and proceed to approve the separate financial statements and to call the Annual General Meeting.

Elica Group structure and basis of consolidation

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

Subsidiaries

- Elica S.p.A. - Fabriano (AN). Elica is the Group's parent company.

Subsidiaries at the date of publication of the consolidated quarterly report

- FIME S.p.A. - Castelfidardo, Ancona, Italy. This company operates in the sector of electric motors, mainly for home appliances (range hoods, ovens, refrigerators), home heating and ventilation systems (fan coils) as well as transformers for electro-mechanical and electronic equipment. It operates mainly in European markets, where it holds significant market shares.

- Elica Group Polska Sp. z o.o. - Wroclaw - (Poland). This company has been operational since September 2005 in the sector of electric motors and from December 2006 in the production of exhaust range hoods for domestic use.

- ElicaMex S.A.d.C.V. - Queretaro (Mexico). This wholly-owned subsidiary was incorporated at the beginning of 2006 (Elica S.p.A. owns 98% directly, with 2% held through Elica Group Polska Sp.zo.o.). Thanks to this company, the Group intends to concentrate the production of products for American markets in Mexico and reap the benefits deriving from optimisation of operational and logistical activities.

- Leonardo Services S.A.d.C.V. - Queretaro (Mexico). This wholly-owned subsidiary was incorporated in January 2006 (the Parent Company owns 98% directly, with 2% held through Elica Group Polska Sp.zo.o.). Leonardo Services manages all Mexican staff, providing services to Elicamex S.A. de C.V.

- Ariafina Co. Ltd – Sagamihara-Shi (Japan). Established in September 2002 as a 50/50 joint venture with Tokyo-based Fuji Industrial, Sagamihara-Shi (Japan) is leader in Japan with over 70% of the range hood market. Elica S.p.A. acquired control of this joint venture in May 2006 to provide further impetus to the development of the important Japanese market, where it sells high-quality products.

- Air Force S.p.A. - Fabriano, Ancona, Italy. This company operates in a special segment of the hood sector. Elica S.p.A. holds a 60% equity interest in the company.

- Air Force Germany G.m.b.h. – Stuttgart (Germany). Air Force S.p.A. owns 95% of Air Force Germany G.m.b.h., a company that sells hoods in Germany through so-called "kitchen studios".

- Elica Inc., registered in Chicago, Illinois, 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.

Associates

- I.S.M. S.r.l. – Cerreto d'Esi, Ancona, Italy. The company manufactures semi-finished products for the hood production cycle. Elica S.p.A. has a 49.385% equity interest in this company.

- Inox Market Mexico S.A.de C.V. - Queretaro (Mexico). The company, which is 30% owned by Elicamex S.A. de C.V., processes stainless steel, and steel for industrial purposes in general. It also markets its products, primarily in Mexico and the United States. By acquiring this investment, the Group aims to achieve economies of procurement, thus reducing the impact of one of the most significant cost items in the production of mid-range and high-end hoods. In addition, the Group will be able to take advantage of supplies of semi-finished steel that are located at Elicamex's manufacturing facilities and integrated within the hood production cycle.

Intercompany and other related party transactions

During the fourth quarter of 2007 and full year 2007, transactions were entered into with subsidiaries, associates and other related parties. All transactions were conducted on an arm's length basis in the ordinary course of business.

Subsequent events and outlook

We expect to see growth in demand in Asia and eastern Europe during 2008, albeit at slower rates compared with the previous year. Whilst demand in western Europe is forecast to be stable, the North American market is expected to remain weak and South America to record growth.

The Group takes account of the euro's performance against the currencies in which it operates.

Financial statements at 31 December 2007

Consolidated income statement for Q4 and FY 2007

'(€/000)	Q4 2007	Q4 2006	FY 2007	FY 2006
Revenue	111,631	108,177	434,359	405,366
Other operating income	812	1,552	5,354	3,895
Changes in inventories of finished goods and semi-finished	(3,940)	(3,319)	1,685	401
Increase in self-constructed assets	1,574	294	2,956	1,578
Cost of raw and consumable materials	(55,358)	(53,635)	(222,895)	(202,804)
Service expense	(23,322)	(25,421)	(96,147)	(89,674)
Staff costs	(21,196)	(17,987)	(76,967)	(70,896)
Amortisation and depreciation	(3,843)	(4,027)	(16,912)	(16,051)
Other operating expenses and provisions	(1,866)	(2,416)	(8,582)	(7,624)
Restructuring charges	(702)	0	(702)	(437)
EBIT	**3,790**	**3,218**	**22,149**	**23,754**
Share of profit/(loss) of associates	(63)	404	(162)	809
Impaiment of available-for-sale financial assets	0	(123)	0	(195)
Finance income	159	404	948	675
Finance costs	(165)	(775)	(1,344)	(3,529)
Foreign exchange gains/(losses)	(883)	(360)	(2,146)	(837)
Other non-operating income	26	(271)	26	12
Pre-tax profit	**2,864**	**2,497**	**19,471**	**20,689**
Taxation for the period	(1,214)	(1,640)	(9,892)	(12,103)
Net profit from continuing operations	1,650	857	9,579	8,586
Net profit from discontinued operations	0	(167)		(167)
Net profit/(loss) for the period	**1,650**	**690**	**9,579**	**8,419**
of which:				
Attributable to minority interest	102	38	327	91
Attributable to shareholders of the Parent Company	**1,548**	**652**	**9,252**	**8,328**
Basic earnings per share (euro cents)				
from continuing and discontinued operations	2.49	1.13	14.68	15.83
from continuing operations	2.49	1.41	14.68	16.15
Diluted earnings per share (euro cents)				
from continuing and discontinued operations	2.49	1.13	14.68	15.83
from continuing operations	2.49	1.41	14.68	16.15

Consolidated balance sheet at 31 December 2007

Assets *(€000)*	**31 Dec 2007**	**31 Dec 2006**
Continuing operations		
Property, plant and equipment	80,120	79,007
Goodwill	29,798	29,382
Other intangible assets	5,529	3,751
Investments in associates and joint ventures	2,363	5,916
Other financial assets	31	180
Sundry receivables	1,318	1,456
Tax assets	9	41
Deferred tax assets	6,607	6,305
Available-for-sale financial assets	26	251
Total non-current assets	**125,801**	**126,289**
Trade receivables and loans	110,013	106,874
Inventories	57,623	48,899
Other receivables	4,584	5,784
Tax assets	4,510	6,201
Derivative financial instruments	544	96
Cash and cash equivalents	21,948	29,334
Current assets	**199,222**	**197,188**
Total assets	**325,023**	**323,477**

Liabilities and equity *(€000)*	**31 Dec 2007**	**31 Dec 2006**
Continuing operations		
Liabilities for post-retirement benefits	12,991	13,228
Provisions	3,322	2,155
Deferred tax liabilities	9,564	10,357
Amounts due under finance leases and other borrowings	6,089	9,617
Bank borrowings and mortgages	10,160	7,614
Sundry payables	4,016	4,025
Tax liabilities	4,004	4,045
Derivative financial instruments	0	10
Non-current liabilities	**50,146**	**51,051**
Provisions	612	836
Amounts due under finance leases and other borrowings	775	3,109
Bank borrowings and mortgages	2,751	11,284
Trade payables	112,503	94,392
Other payables	13,144	16,022
Tax liabilities	2,614	4,483
Derivative financial instruments	422	79
Current liabilities	**132,821**	**130,205**
Share capital	12,665	12,665
Capital reserves	71,123	71,123
Other reserves	35	-200
Retained earnings	47,831	49,816
Net profit for the period attributable to shareholders of the Parent Company	9,252	8,328
Total equity attributable to shareholders of the Parent Company	**140,906**	**141,732**
Total equity attributable to minority interest	1,150	489
Consolidated equity	**142,056**	**142,221**
Total liabilities and equity	**325,023**	**323,477**

Consolidated cash flow statement for the period ended 31 December 2007

'(€000)	31 Dec 2007	31 Dec 2006
A. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**29,334**	**18,316**
B. CASH FLOW PROVIDED BY/(USED IN) OPERATING ACTIVITIES		
Net profit/(loss) for the period	9,579	8,419
Amortisation and depreciation	16,912	16,051
Valuation of investments	162	(809)
Increase/(Decrease) in non-current provisions	(152)	2,616
Finance costs on termination benefits	642	651
Other finance costs	1,986	4,180
Current and deferred taxation	9,892	12,103
Change in basis of consolidation	*216*	
Cash flow from operating activities before changes in working capital	**39,237**	**43,211**
(Increase)/Decrease in inventories	(6,891)	(8,433)
(Increase)/Decrease in trade receivables	(238)	(16,043)
Increase/(Decrease) in trade payables	12,731	6,925
Increase/(Decrease) in net tax debt	(11,027)	(11,266)
(Increase)/Decrease in other net assets	(1,536)	698
Change in basis of consolidation	*503*	
Change in working capital	**(6,458)**	**(28,119)**
	32,779	**15,092**
C. CASH FLOW PROVIDED BY/(USED IN) INVESTING ACTIVITIES		
Net increase in:		
* property, plant and equipment	(15,593)	(30,533)
* intangible assets	(3,737)	(2,670)
* non-current financial assets	3,541	102
* goodwill	(416)	(2,573)
* other non-current assets	93	(3,281)
** change in basis of consolidation*	*(474)*	
	(16,586)	**(38,955)**
D. CASH FLOW PROVIDED BY/(USED IN) FINANCING ACTIVITIES		
Increase/(Decrease) in borrowings	(8,674)	(15,894)
Increase/(Decrease) in financial liabilities	(5,677)	(3,523)
Capital increase and share premium reserve		62,462
Use to pay costs of capital increase		(3,650)
Buyback	(6,671)	
Effect of foreign currency translation	(736)	(128)
Stock options	35	
Derivatives	16	32
Change in basis of consolidation	*661*	*(1,877)*
	(21,046)	**37,422**
E. DISTRIBUTION OF DIVIDENDS	**(2,533)**	**(2,541)**
F. NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (B+C+D+E)	**(7,386)**	**11,018**
G. CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**21,948**	**29,334**

Notes to the consolidated financial statements for the period ended 31 December 2007

Group structure and brief description of its activities

Elica S.p.A. is a company organised under Italian law, with its registered office in Fabriano in the province of Ancona. The company is the Parent of a group of companies, the Elica Group, which operates in the market for kitchen range hoods, as well as in the market for electric motors.

The Group's primary segments, as defined by IAS 14, consist of the businesses in which it operates. Specifically, the breakdown by segment is as follows: own brands (manufacturing and sale of range hoods and accessories under its own brand); third-party brands (manufacturing and sale of range hoods, accessories and other components for home appliances sold under third-party brands); motors (manufacturing and sale of electric motors); and other activities (manufacturing and sale of electric transformers and other products).

The secondary segments are represented by the geographical areas where revenues are generated (Americas, Europe + CIS and Other countries) and the above activities are conducted (Italy, Poland, Mexico and Japan). Segment information in accordance with IAS 14 is reported in detail below.

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.z.o.o, ElicaMex S.A.d.C.V., Leonardo S.A.d.C.V. and Ariafina Co Ltd., which prepare their accounts in Polish zloty, Mexican pesos and Japanese yen, respectively.

Approval of the consolidated quarterly report for the period ended 31 December 2007

The quarterly report for the period ended 31 December 2007 was approved by the Board of Directors on 14 February 2008.

Accounting standards and basis of consolidation

These condensed consolidated quarterly financial statements have been prepared under international financial reporting standards (IFRS) and in accordance with the provisions of art. 82 of the "Regulations implementing the regulations for issuers established by Legislative Decree no. 58 of 24 February 1998" (CONSOB Resolution no. 11971 of 14 May 1999 and subsequent amendments), in accordance with Annex 3D of the above Regulations.

The consolidated quarterly financial statements at and for the period ended 31 December 2007 are compared with the income statement for the corresponding period of 2006 and with the consolidated balance sheet at 31 December 2006. They consist of the balance sheet, income statement and cash flow statement. These notes to the financial statements are reported on a selected basis in order not to duplicate already published information, in accordance with the provisions of art. 82 of the "Regulations implementing the regulations for issuers established by Legislative Decree no. 58 of 24 February 1998".
The accounting standards used in the preparation of these consolidated quarterly financial statements are consistent with the standards used in the preparation of the consolidated financial statements at and for the period ended 31 December 2006, to which reference should be made for further details.
The figures at 31 December 2006 are derived from the consolidated balance sheet and income statement at and for the period ended 31 December 2006, as prepared in accordance with the same IFRS used to prepare the consolidated quarterly financial statements at and for the period ended 31 December 2007.

The condensed quarterly financial statements have been prepared on a historical cost basis, except for such financial instruments as are reported at fair value. Estimates were made on an accruals basis and in accordance with the prudence and going concern principles, also taking into account the economic function of the asset or liability considered.

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Changes to accounting standards and estimates and reclassifications

No new or revised accounting standards or interpretations have been issued by the International Accounting Standards Board (IASB) or the International Financial Reporting Interpretations Committee (IFRIC), having effect from 1 January 2007, which might have had a significant impact on this interim report. These consolidated interim financial statements have been prepared in euros. All the amounts are rounded to the nearest thousand, unless otherwise indicated.

The amendments made to the regulations regarding termination benefits by Law 296 of 27 December 2006 (the Finance Act) and subsequent decrees and regulations issued during early 2007, which form part of an overall reform of supplementary pension provision, have given rise to effects that will have an impact on “Liabilities for post-retirement benefits”. Indeed, supplementary pension reform, by providing for the transfer of future termination benefits to open or employment-category-based pension funds or, in any case, to the INPS (the National Social Security Institute), has changed the nature of termination benefits from that of a defined benefit plan to that of a defined contribution plan. As a result of curtailment, as provided for under paragraph 109 of IAS 19, both accumulated actuarial gains and losses at 31 December 2006, which were not formerly recognised in the income statement due to adoption of the so-called corridor method, and the restatement of the liability accrued at this date have been recognised in the income statement.

The reform has reduced operating profit for the period ended 31 December 2007 by €1.25 million. This amount, which has been fully recognised in the income statement for the fourth quarter, includes the curtailment charge of €0.75 million and the service cost of €0.4 million.

The effects on the financial position and results of operations deriving from the sale of assets, relating to the plastics business in December 2006, have been indicated separately in the income statement under the item "Net profit from discontinued operations" and in the balance sheet under the items "Total assets attributable to discontinued operations" and "Total liabilities attributable to discontinued operations". Due to this change, individual items in the income statement, the balance sheet and the cash flow statement for the fourth quarter of 2006 have been restated for the purposes of comparison.

Composition and main changes in the consolidated income statement and balance sheet

1. Revenue

(€000)	FY 2007	FY 2006	Increase/ (Decrease)
Revenues from product sales	433,957	404,831	29,126
Service revenues	402	535	(133)
Total revenue	**434,359**	**405,366**	**28,993**

€15,646 thousand of the increase in Group revenue derives from the change in the basis of consolidation.

Information by business and geographical segment

The primary form of segment reporting is by business sector in which the Group operates. The breakdown by segment is as follows:

- "Own brands": production and sale of range hoods and accessories under own brands;
- "Third-party brands": production and sale of range hoods, accessories and other components for domestic appliances under third-party brands;
- "Motors": production and sale of electric motors;
- "Other activities": production and sale of electrical transformers and other products,.

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.

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

Segment information – Primary segment for the twelve months ended 31 December 2007 and 31 December 2006

Income statement	**Own brands**		**Third-party brands**		**Motors**		**Other activities**		**Corporate**		**Eliminations**		**Consolidated**	
€000	**FY 2007**	**FY 2006**	**FY 2007**	**FY 2006**	**FY 2007**	**FY 2006**	**FY 2007**	**FY 2006**	**FY 2007**	**FY 2006**	**FY 2007**	**FY 2006**	**FY 2007**	**FY 2006**
Segment revenue:														
External customers	93,505	68,087	265,679	262,618	67,611	67,089	7,564	7,571					434,359	405,366
Inter-segment	0	0	954	694	27,579	31,581	63	56			(28,596)	(32,330)	0	0
Total	**93,505**	**68,087**	**266,633**	**263,312**	**95,189**	**98,670**	**7,627**	**7,627**			**(28,596)**	**(32,330)**	**434,359**	**405,366**
Segment results:	18,069	14,005	44,590	45,210	10,685	10,535	681	872					74,027	70,622
Common unallocated costs													**(51,877)**	**(46,868)**
EBIT													**22,149**	**23,754**
Share of profit/(loss) of associates and other investments													(162)	809
Impaiment of available-for-sale financial assets														(195)
Finance income													948	675
Finance costs													(1,344)	(3,529)
Foreign exchange gains/(losses)													(2,146)	(837)
Other non-operating income														12
Pre-tax profit													**19,445**	**20,689**
Taxation													(9,892)	(12,103)
Net profit from continuing operations													**9,553**	**8,586**
Net profit from discontinued operations													26	(167)
Net profit for the period													**9,579**	**8,419**

Balance sheet	**Own brands**		**Third-party brands**		**Motors**		**Other activities**		**Corporate**		**Eliminations**		**Consolidated**	
€000	**FY 2007**	**FY 2006**	**FY 2007**	**FY 2006**	**FY 2007**	**FY 2006**	**FY 2007**	**FY 2006**	**FY 2007**	**FY 2006**	**FY 2007**	**FY 2006**	**FY 2007**	**FY 2006**
Assets:														
Segment assets	37,735	31,642	135,945	129,876	68,116	77,338	4,598	3,992			(2,259)	(10,424)	244,134	232,425
Investments in associates and joint ventures									2,363	5,916			2,363	5,916
Unallocated assets									78,526	85,137			78,526	85,137
Total assets from continuino operations													**325,023**	**323,477**
Total assets from discontinued operations													**0**	**0**
Total consolidated assets													**325,023**	**323,477**
Liabilities:														
Segment liabilities	(22,824)	(18,936)	(78,413)	(76,295)	(24,497)	(20,885)	(2,019)	(1,927)			2,259	10,424	(125,493)	(107,620)
Unallocated liabilities									(57,474)	(73,636)			(57,474)	(73,636)
Equity									(142,056)	(142,221)			(142,056)	(142,221)
Total liabilities from continuino operations													**(325,023)**	**(323,477)**
Total liabilities from discontinued operations													**0**	**0**
Total consolidated liabilities and equity													**(325,023)**	**(323,477)**

Segment information – Secondary segment for the twelve months ended 31 December 2007 and 31 December 2006

The Group's assets are located in Italy, Mexico, Japan, Poland and Germany.

The table below provides an analysis of sales by geographic area, regardless of the origin of the goods and services.

	Europa + CSI	Other countries	America	Consolidated
FY 2007	366,213	29,940	38,206	**434,359**
FY 2006	336,681	30,247	38,438	**405,366**

The following table contains details of the Group's assets based on their geographical location.

Total assets	Italy	Poland	Mexico	Japan	Consolidated
31 December 2007	273,065	21,672	26,842	3,444	**325,023**
31 December 2006	294,277	9,274	17,986	1,940	**323,477**

EBIT for the twelve months ended 31 December 2007 amounts to €22.1 million, down €1.6 million on the comparable amount for 2006.

EBIT reported by the own brand hoods segment is up around €4 million in absolute terms, with EBIT from this segment accounting for 16.8% of revenue in 2006 and 21.5% in the same period of 2007.

EBIT reported by the third-party brands range hood segment is €0.6 million down. Revenue from this segment accounted for 79.4% of total range hood segment revenue in 2006, compared with the 74% of the same period of 2007.

EBIT reported by the motor segment is slightly up by around €0.1 million.

The result for the "Other activities" segment is substantially stable compared with 2006.

2. EBIT

(€000)	FY 2007	FY 2006	Increase/ (Decrease)
Revenue	434,359	405,366	28,993
Other operating income	5,354	3,895	1,459
Change in inventories of finished goods and semi-finishe	1,685	401	1,284
Increase in self-constructed assets	2,956	1,578	1,378
Cost of raw and consumable materials	(222,895)	(202,804)	(20,091)
Service expense	(96,147)	(89,674)	(6,473)
Staff costs	(76,967)	(70,896)	(6,071)
Amortisation and depreciation	(16,912)	(16,051)	(861)
Other operating expenses and provisions	(8,582)	(7,624)	(958)
Restructuring charges	(702)	(437)	(265)
Total EBIT	**22,149**	**23,754**	**(1,605)**

€1,097 thousand of the movement in EBIT derives from the change in the basis of consolidation. The other main effects of the change in the basis of consolidation regard the "Cost of raw and consumable materials" (€9,797 thousand), "Service expense" (€3,423 thousand) and "Other operating expenses" (€1,366 thousand).

3. Net finance costs

(€000)	FY 2007	FY 2006	Increase/ (Decrease)
Finance income	948	675	273
Finance costs	(1,344)	(3,529)	2,185
Foreign exchamge gains/(losses)	(2,146)	(837)	(1,309)
Total net finance costs	**(2,542)**	**(3,691)**	**1,149**

The reduction of €1,149 thousand compared with the previous year is due to the combined effect of a significant decrease in net interest expense linked to the improvement in net debt, and the negative impact of net foreign exchange losses. The losses have resulted from the valuation of intercompany payables and receivables, and therefore have no cash effect.

4. Property, plant and equipment

The table shows details of changes in property, plant and equipment at 31 December 2006 and 31 December 2007.

(€000)	FY 2007	FY 2006	Increase/ (Decrease)
Land and buildings	38,950	35,490	3,460
Plant and equipment	22,186	21,011	1,175
Industrial and commercial equipment	13,863	13,059	804
Other assets	1,862	2,654	(792)
Assets under construction and advances	3,259	6,793	(3,534)
Total property, plant and equipments	**80,120**	**79,007**	**1,113**

5. Goodwill

(€000)	31 Dec 2007	31 Dec 2006	Increase/ (Decrease)
Goodwill recognised in subsidiaries' accounts	15,306	12,208	3,098
Goodwill arising from consolidation	14,493	17,174	(2,681)
Total goodwill	**29,799**	**29,382**	**417**

The increase reflects goodwill deriving from the consolidation of Air Force S.p.A.

6. Other intangible assets

The table below shows details of changes in other intangible assets at 31 December 2006 and 31 December 2007.

(€000)	31 Dec 2007	31 Dec 2006	Increase/ (Decrease)
Development costs	1,805	1,103	702
Patents and other intellectual property rights	1,734	1,205	529
Concessions, licences, trademarks and similar rights	122	157	(35)
Assets under construction and advances	1,359	833	526
Other intangible assets	509	453	56
Total other intangible assets	**5,529**	**3,751**	**1,778**

7. Inventories

(€000)	31 Dec 2007	31 Dec 2006	Increase/ (Decrease)
Raw, ancillary and consumable materials	26,448	21,704	4,744
Work in process and semi-finished products	18,694	16,369	2,325
Finished products and goods for resale	12,142	10,826	1,316
Advances	339		339
Total inventories	**57,623**	**48,899**	**8,724**

The impact of the consolidation of Air Force S.p.A. was €1,833 thousand.

Fabriano, Italy

14 February 2008

Francesco Casoli
Chairman of the Board

Statement pursuant to art. 154-bis, section two, of the Consolidated Finance Act

I, the undersigned, Vincenzo Maragliano, as the manager responsible for financial reporting at Elica S.p.A., with regard to the condensed consolidated quarterly report for the period ended 31 December 2007, issued on 14 February 2008,

declare and certify,

pursuant to art 154-*bis*, paragraph 2 of the Consolidated Finance Act, that the condensed consolidated quarterly report for the period ended 31 December 2007 is consistent with the underlying accounting records.

Fabriano, Italy
14 February 2008

The manager responsible for the Company's financial reporting

Dott. Vincenzo Maragliano