



3Y Plan 2008-2010

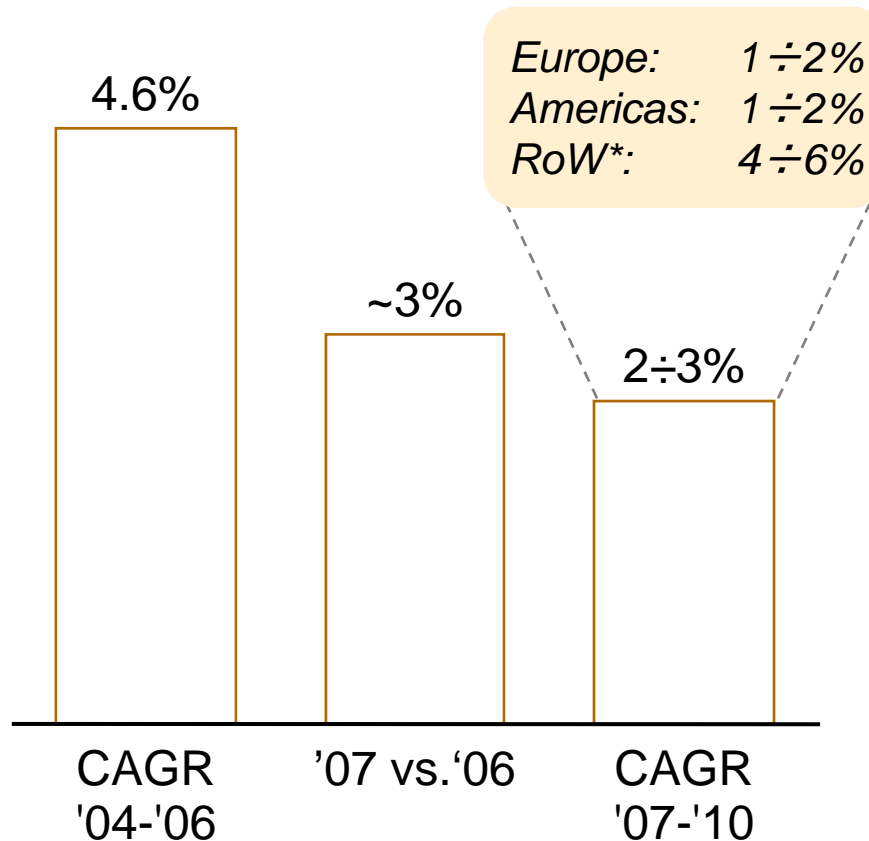
November 14th 2007

Agenda

- Market scenario
- 3Y Plan strategic pillars and key financials
- Elica organisation
- 3Y Plan details
 - Revenues & margin growth
 - Cost competitiveness
 - Strong financial structure

Worldwide cooker hoods demand evolution

Volume data



Demand drivers

- GDP growth (developing countries)
- Replacement
- New housing construction
- Housing renovation
- Growth of high income families

* Includes CIS

Raw materials

Steel	Stainless steel	Copper
<ul style="list-style-type: none">- 2008 Market consensus for iron ore prices: +35% vs. 2007- Elica Plan estimate on steel prices: +5% vs. 2007- 2008 supply needs coverage: 65%	<ul style="list-style-type: none">- 2008 Market consensus for stainless steel is rising trend- Elica Plan estimate on stainless steel prices: -5% vs. 2007- 2008 supply needs coverage: 100%	<ul style="list-style-type: none">- 2008 Forward Curve: -1% vs. 2007- Elica Plan estimate on copper prices: +13% vs. 2007- 2008 supply needs coverage: 83%

Exchange rates

EUR/USD

- 3Y Plan assumption: **1,456**
- Assumption based on cash exchange rate on Nov. 6th 2007

EUR/JPY

- 3Y Plan assumption: **166,90**
- Assumption based on cash exchange rate on Nov. 6th 2007

Planned **hedging actions**:

- Industrial: increase of dollar-based sourcing
- Hedging instruments: zero-cost collars and forwards

Market scenario ...

• Growth of high-end, European-style hoods segments both in the Americas and in Asia



• “Go green” trend for energy efficiency



• Growth of “free standing” channels and consumer purchases of standalone hoods



• Major white goods OEMs will continue to outsource hoods production



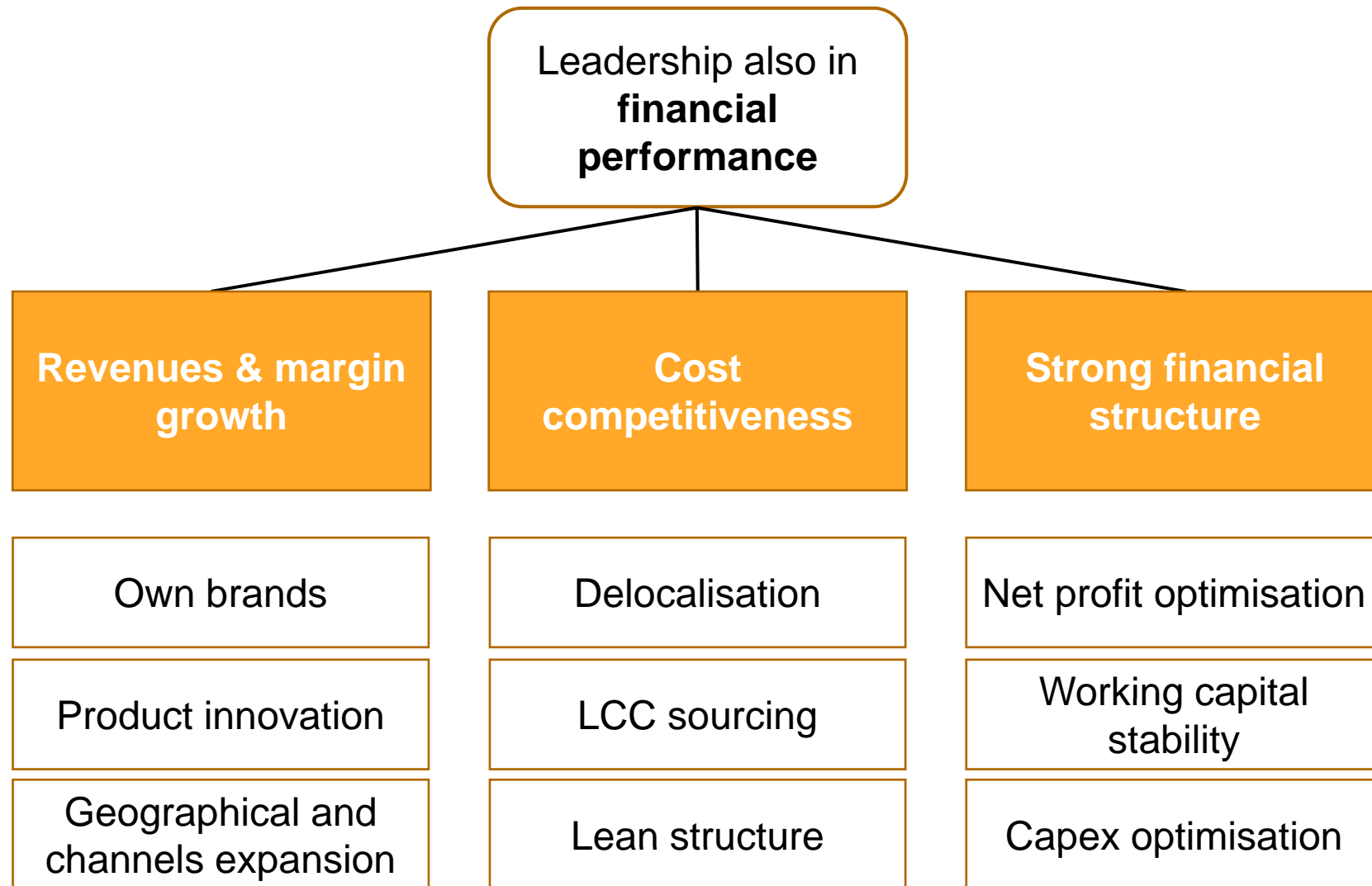
• Price-based competition among white goods OEMs



• Chinese producers are starting to compete in the Americas and in Europe (OEM market)



... and consistent strategic pillars of the Plan

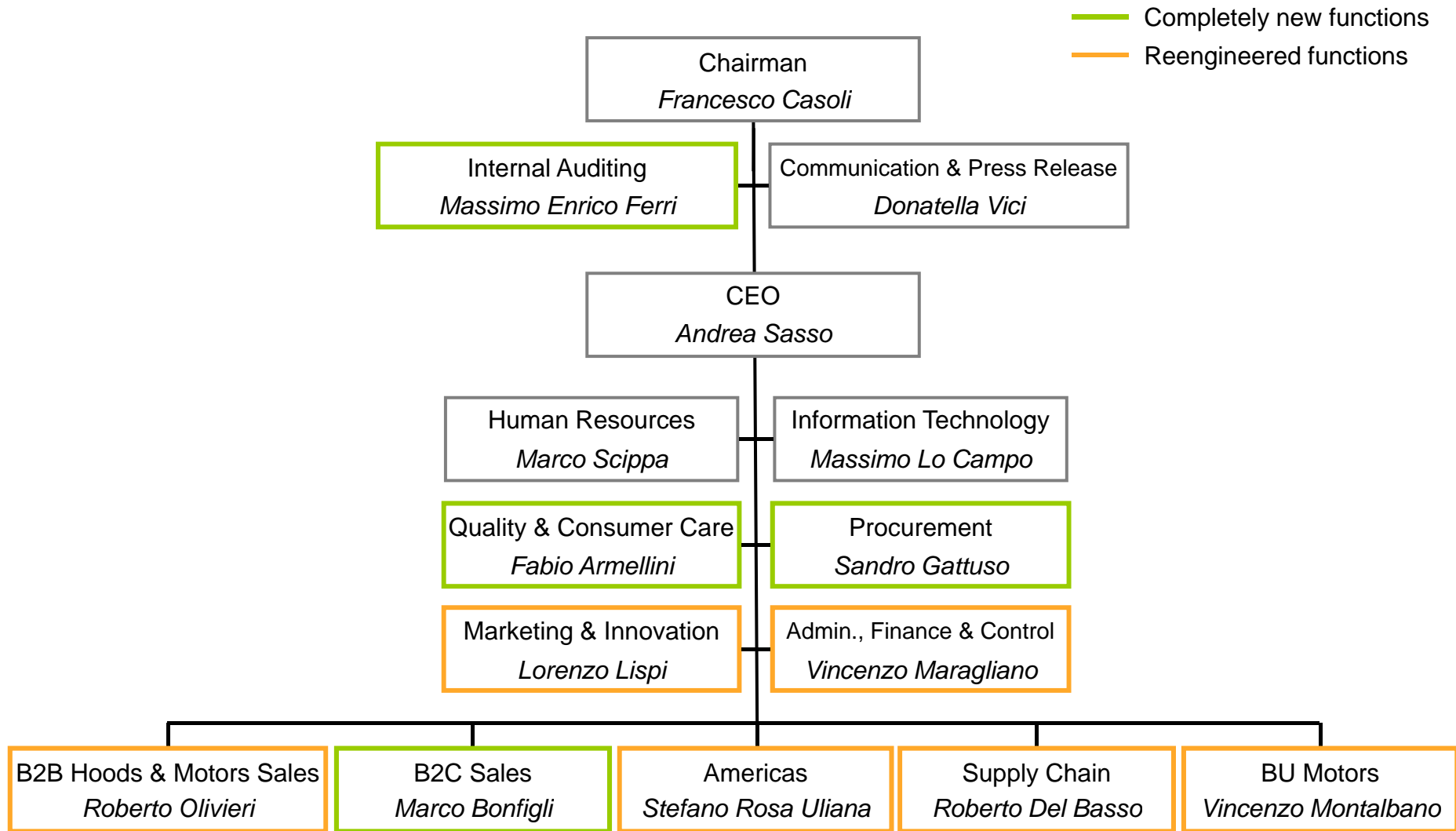


3Y Plan 2008-2010

€ M	2007	CAGR '07-'10	2010
Net sales	432	3 ÷ 4%	475 ÷ 490
Restructuring costs		3.0 M€, all in 2008	
EBIT after non-recurring items <i>% on sales</i>	25 (5.7%)	9 ÷ 11%	32 ÷ 34 (6.7 ÷ 7.0%)
Net Result <i>% on sales</i>	9 (2.1%)	15 ÷ 20%	14 ÷ 16 (2.9 ÷ 3.3%)
EPS fully diluted	14 € cents	15 ÷ 20%	22 ÷ 25 € cents
Payout ratio	33%		35 ÷ 40%
ROCE end-period, after taxes	9%		13 ÷ 14%
Free Cash Flow	5	50 ÷ 60%	18 ÷ 20
Net Debt/(Cash)	4		(12) ÷ (14)

After 9 M€ share buy back

A talented team and a new structure



Organisation vitality

**New key positions
in 2007**

**40% internal people
growth**

- Marketing & Innovation Director
- Elica Polska Managing Director
- Quality & Consumer Care Manager
- B2B Hoods & Motors Sales Director
- Internal Auditor
- ElicaMex Plant Manager
- Mergo Plant Manager

**60% new talents from
leading global
companies**

- Group Procurement Director
- Investor Relations Manager
- Administration & Statutory Reports Director
- Hoods Controller
- B2C Sales Director
- B2C South & Central Europe Area Manager
- Elica Polska Controller
- ElicaMex Controller
- ElicaMex Supply Chain Manager
- Motors R&D Manager
- Motors Quality Manager

**HR 3YP
priorities**

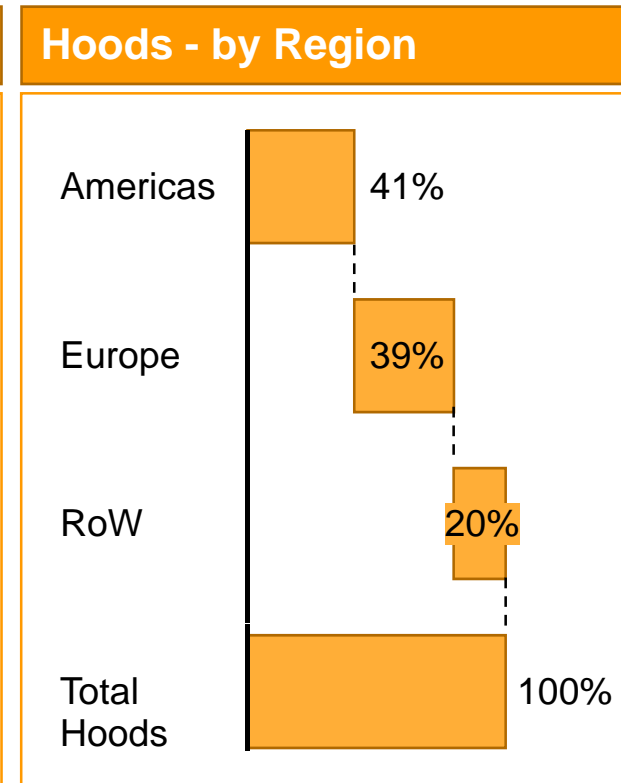
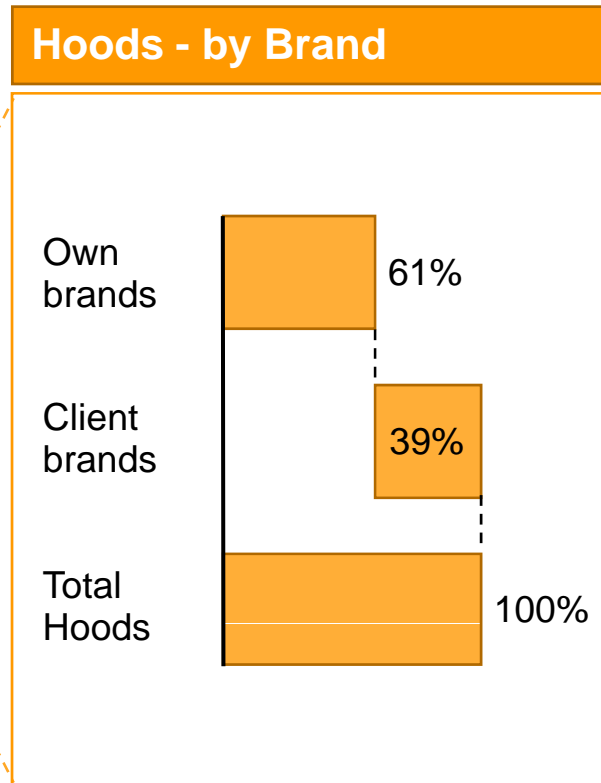
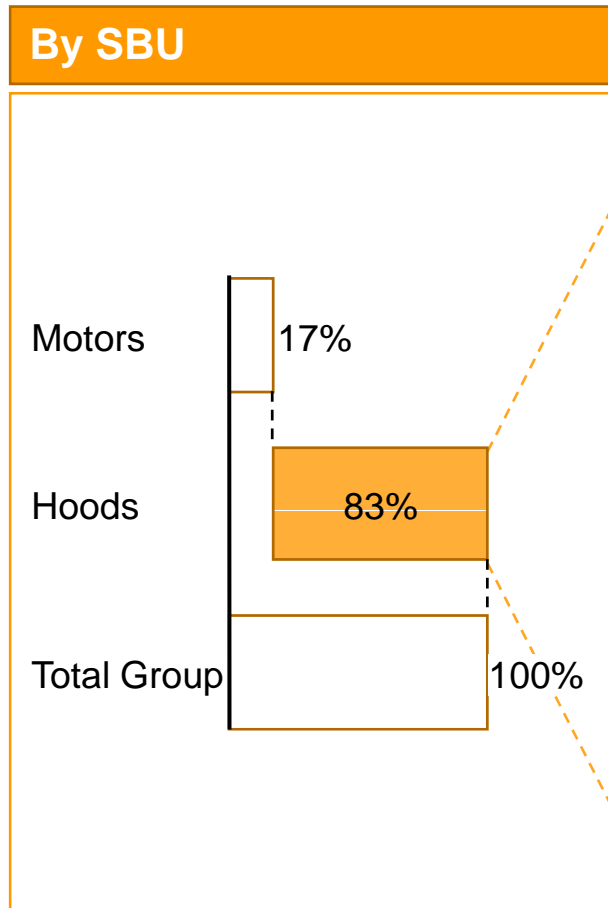
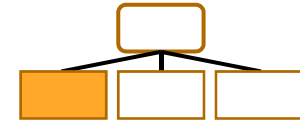
People

- High potentials program,
career paths

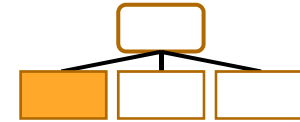
Systems

- Incentives program, MBO,
stock options plan (strike
price: 5 Euro)

Source of net sales growth



Own brands strategy



Rationalisation and focus:

- From 9 to just 3 main brands
- Product range optimisation coherently with clear brand missions



Luxury – High end



Premium segment leader

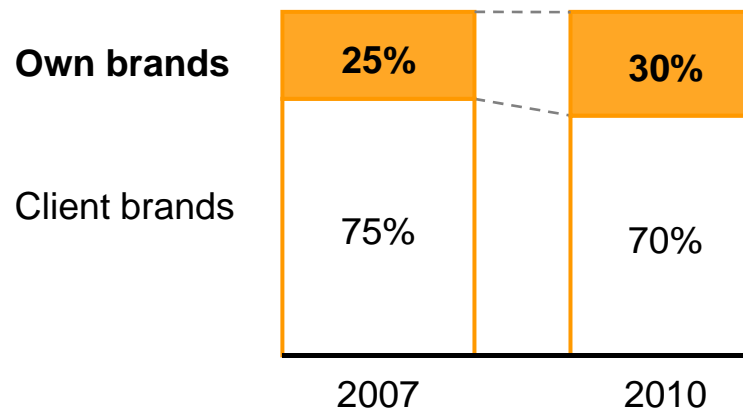


Value (with style) for money

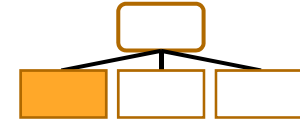
Unleash full potential of innovative and appealing own brand product range

15% YoY increase in ADV throughout 3Y Plan

Hoods sales (value)



Product innovation



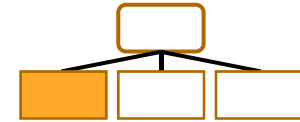
Consumer experience










- Design**
- Distinctive to brands' identity
 - Range extension of breakthrough design ("Evolution")
 - Moving parts
- Usability**
- Touch screen
 - LCD display
 - Touch control
 - Brand distinctive user interfaces

Product performance

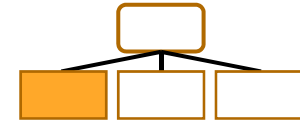
- Deep Silence**
- EDS3 upgrade
 - Extension of EDS3 product range
- Filtering**
- Odour absorption/essence diffuser
 - New filtering systems
- Energy efficiency**
- Efficient motors
- Electronics**
- Widespread sensor technology

Example of product launches



	2007	2008	2009-2010
	 Space	 Ola	<p>More and more exclusive and luxury products</p>
	 Chrome	 Stone Gallery	<p>High-end electronic interfaces on full range</p>
	 Saturnia	 Magic Hood	<p>Range extension: both wider and deeper</p>

Geographical and channels expansion



Own brands

Geographical expansion through direct sales presence

- North America (Chicago)
- CIS (Moscow)

New channels and clients

- Retailers (Darty, MFI, El Corte Inglés)
- Kitchen producers (Nobia)

Client brands

Consolidate leadership

- New clients
- Increase penetration on major clients (focus on the Americas through ElicaMex)

Maintain margins

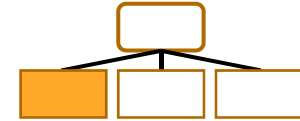
- Mix management
- Product innovation & design

		2007	2010	Delta
Market share targets	Europe	36%	37%	+1 p.p.
	Americas	6%	12%	+6 p.p.
	RoW	7%	7%	stable
	World	17%	19%	+2 p.p.

Enhance worldwide leadership



Key points of motors business



Product evolution

Product evolution

- Production relocation (Poland)
- New materials
- Simpler electronics

Energy efficiency

- From induction to brushless technology

Systems

- Air flow control

Product portfolio strategy

Launch

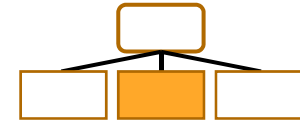
- Energy-efficient systems for industrial refrigeration
- Combustion control systems

Grow

- Premix groups for heating
- White goods motors (for ovens and no-frost refrigerators)
- Ventilation motors

3÷4% YoY sales growth

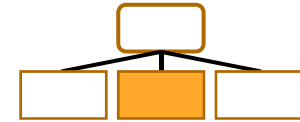
Overall manufacturing and sourcing targets



	Cumulative savings 2008 – 2010 (M€)	Savings as % on total product cost
Manufacturing	10.8	2.9%
Sourcing activities	3.0	0.8%
Raw materials	-5.3	-1.4%
Total	8.5	2.3%

Total net savings 2008 – 2010: **8.5 M€**
Acceleration of benefits from 2009

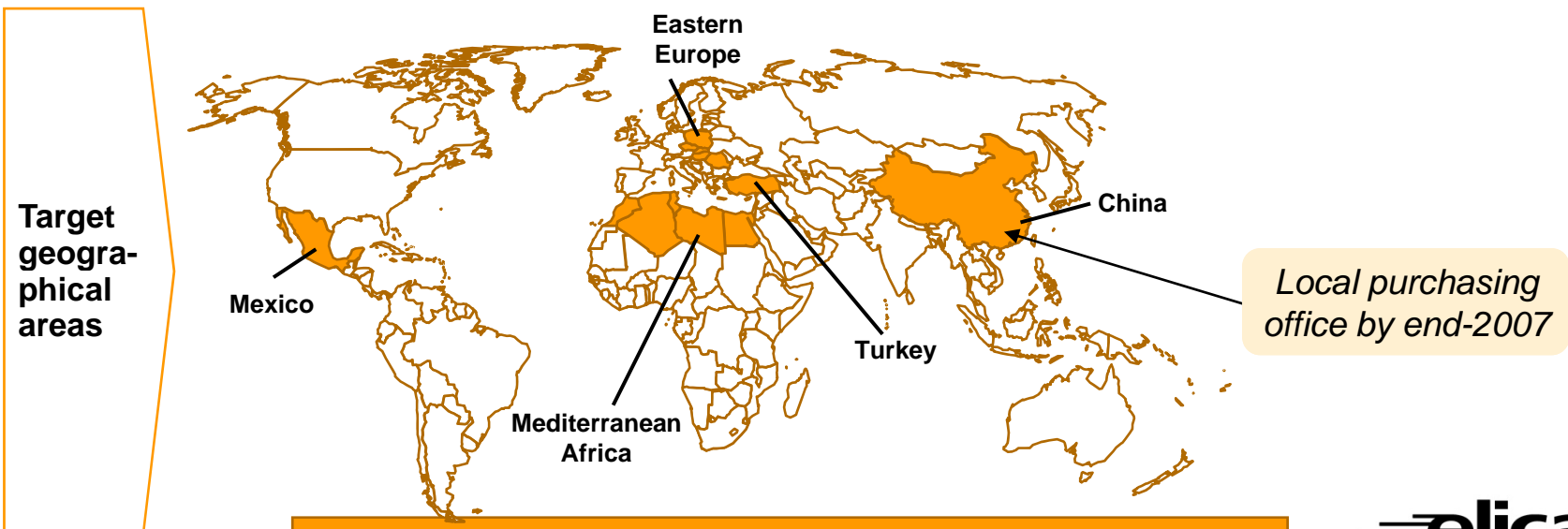
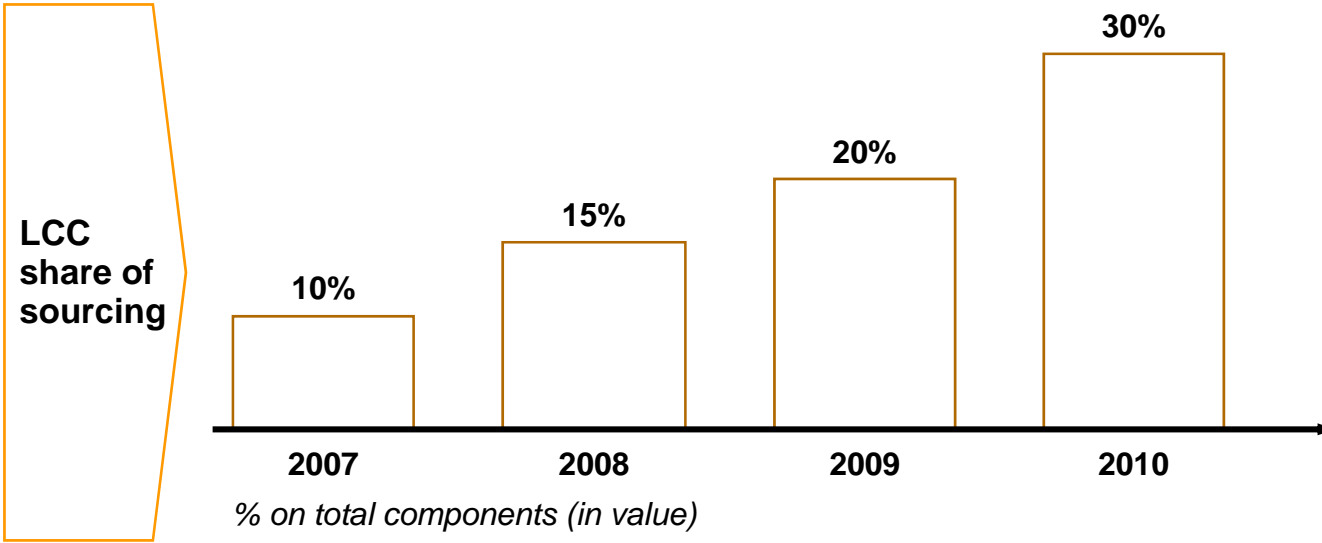
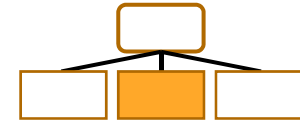
Manufacturing delocalisation



	Mission	Key actions	Hoods volume allocation	
			2007	2010
Italy	<ul style="list-style-type: none"> - High-end products - Capital-intensive manufacturing 	<ul style="list-style-type: none"> - Rationalisation of manufacturing footprint (3.0 M€ restructuring costs in 2008) - Partial production transfer to Poland 	95%	70%
Poland	<ul style="list-style-type: none"> - OEM products - Labour-intensive manufacturing 	<ul style="list-style-type: none"> - Capacity increase - New, low-cost product platforms - Motors production 	3%	17%
Mexico	<ul style="list-style-type: none"> - All products for the American markets 	<ul style="list-style-type: none"> - Capacity increase - New, regional-specific product platforms 	2%	13%

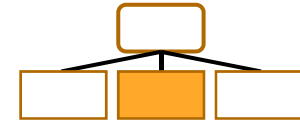
Cumulative savings 2008 – 2010: 10.8 M €

LCC sourcing growth: 3YP targets

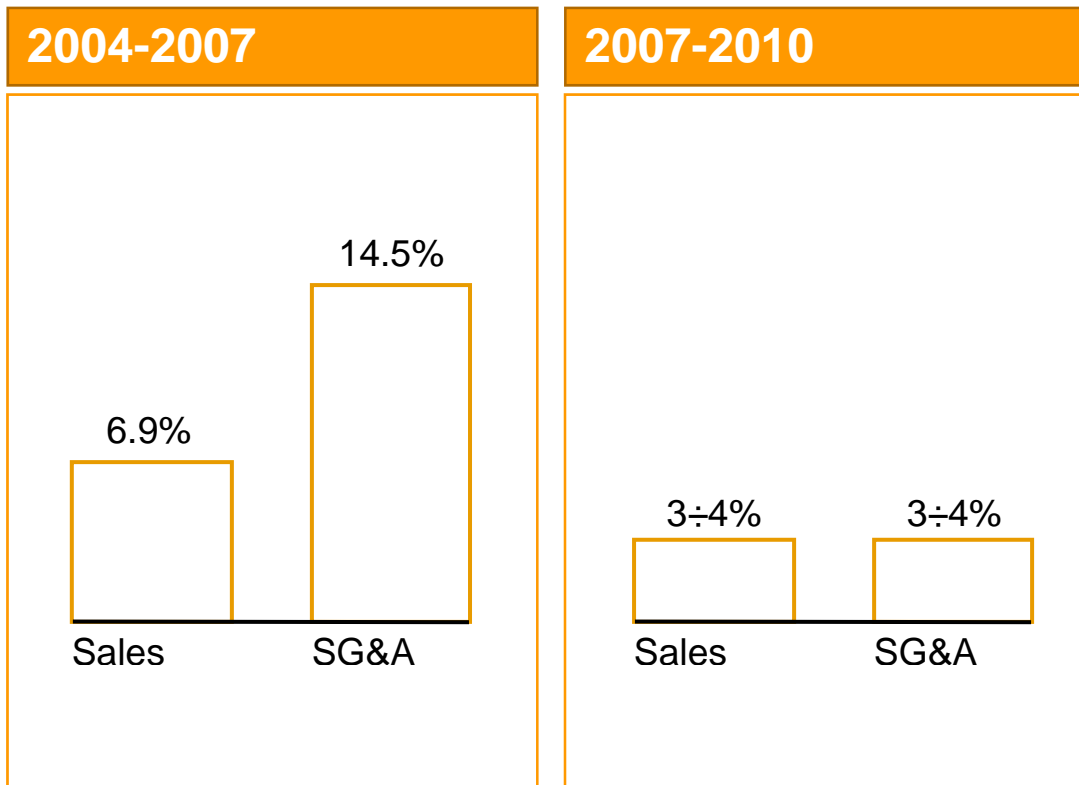


Cumulative savings 2008 – 2010: 3.0 M €

Lean structure: SG&A

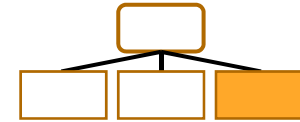


CAGR



- Strict cost control
- 1.5 M€ savings from merger and integration of all Italian Elica Group hoods companies

Optimal financial structure



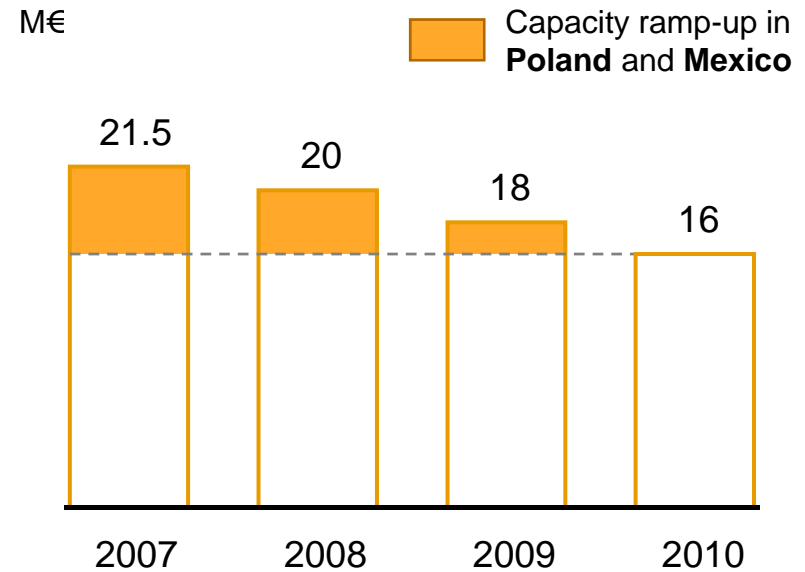
Net profit optimisation

- Ramp-up of sales from:
 - Elica Polska
 - ElicaMex

Working capital stability

- More complex supply chain: -
 - Global manufacturing
 - Global sourcing
- Product codes rationalisation +
- Components standardisation +
- Payment terms improvement +

Capex optimisation



• Product



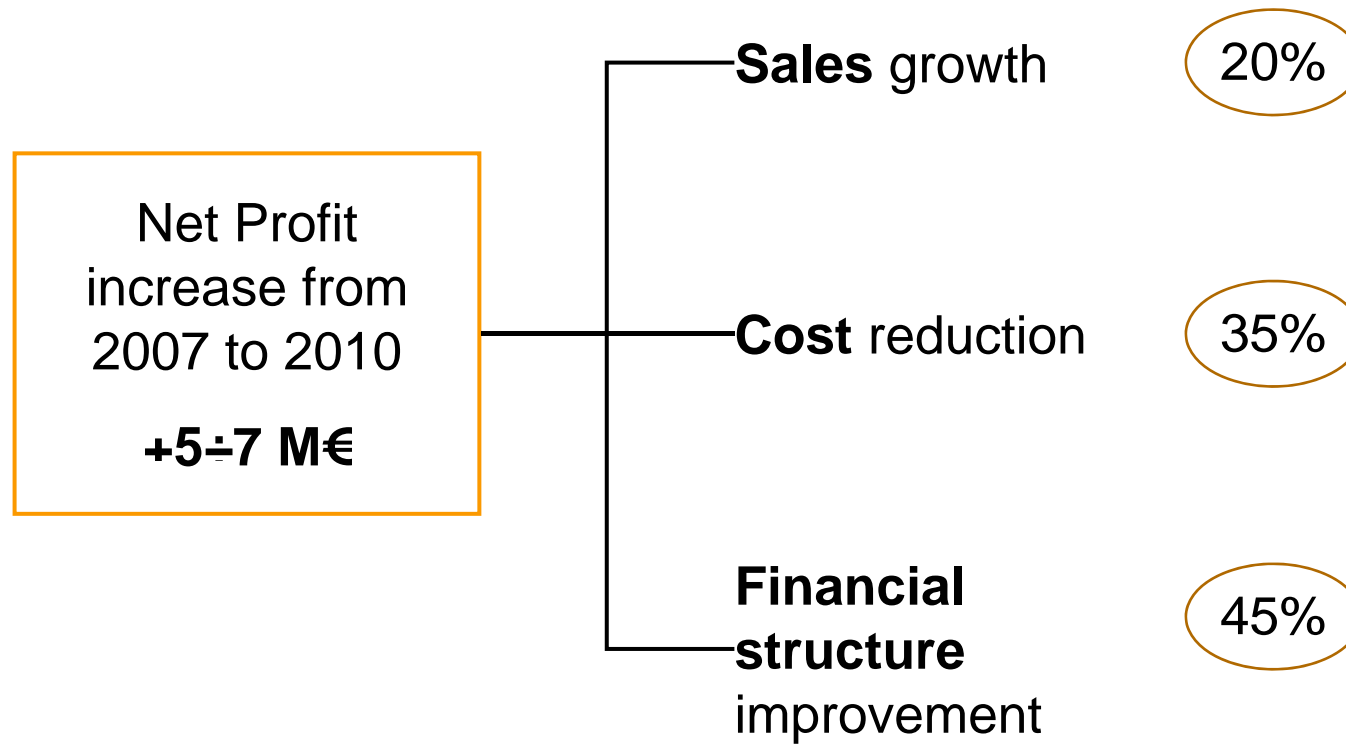
• ICT



• Supply chain



Net Profit variance drivers



Opportunities on top of 3Y Plan

- ❑ 3Y Plan is based on organic growth
- ❑ Value-accretive acquisitions and strategic alliances are under exploration
- ❑ If suitable targets were not available, cash-back to shareholders is planned

Disclaimer

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