PRESS RELEASE

BOARD OF DIRECTORS OF ELICA S.p.A.
APPROVES HALF-YEAR REPORT AT JUNE 30, 2017

CONSOLIDATED REVENUES UP 12.6%
OWN BRAND GROWTH OF 21.0%

Consolidated Results H1 2017 (January-June 2017)

- **Revenue: Euro 242.8 million, up 12.6%;**
- **Adjusted EBITDA[1]: Euro 18.4 million, up 13.0%;**
- **Adjusted EBIT[2]: Euro 7.9 million, up 10.1%;**
- **Net Profit: Euro 1.2 million, compared to Euro 2.8 million in H1 2016;**
- **Net Financial Debt**: **Euro 70.6 million, increasing** on Euro 60.8 million at December 31, 2016 and Euro 61.9 million at June 30, 2016, **principally due to increased investment and in line with business development.**

Milan, August 28, 2017 – 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 Milan approved the **Half-Year Report at June 30, 2017**, prepared in accordance with IFRS.

Implementation of the measures announced in the three-year strategic plan generated in the first half of 2017 stronger than forecast consolidated revenue across all business areas and all main regions, driven by increased own brand sales.
Focus on the own brand distribution network supported Elica brand penetration both in Europe and globally. The increased overheads incurred in the period for these targeted measures, for brand promotion and for restructuring, impacted the margin and have laid the foundation for increased operational leverage going forward.

Consolidated revenues - H1 2017

In the first half of 2017 Elica Group consolidated revenue amounted to Euro 242.8 million - an increase of 12.6% on the same period of the previous year and of 11.2% at like-for-like exchange rates. The general market improved overall, with **global kitchen hood demand up 2.0% in the first half of 2017.** This mainly reflects the Asian market recovery (+1.3% in the first half of 2017), thanks also to the recovering Chinese market and improving Eastern European demand, featuring Turkish market growth, together with the continued rise of the North American market (+5.0% in the first half of 2017).

The growth, stemming from both business segments, was driven by own brand product sales (up 21.0%) and particularly the Elica brand which saw exceptional growth of over 40% in H1 2017. This follows the implementation of strategic policies under the Strategic Plan communicated in May 2017, resulting in dedicated investment and spending.

1 See Definitions and Reconciliations paragraph
2 See Definitions and Reconciliations paragraph

Analysing revenues by the principal markets, **EMEA[3] saw growth of 11.4%, with product sales in the Americas up 11.9% and in Asia over 20%**, while the Chinese subsidiary reported revenue in line with H1 2016.
For completeness, the breakdown of consolidated revenues by geographic location of the Group companies is reported below.

	Europe		Americas		Asia and the Rest of World		Unallocated items and eliminations		Consolidated	
In Euro thousands	H1 17	H1 16	H1 17	H1 16	H1 17	H1 16	H1 17	H1 16	H1 17	H1 16
Segment revenue:										
Third parties	180,085	161,424	36,023	32,405	26,695	21,709	(5)	21	242,798	215,560
Inter-segment	7,333	6,148	106	1	2,718	3,062	(10,157)	(9,211)	-	-
Total revenue	**187,418**	**167,572**	**36,130**	**32,406**	**29,413**	**24,772**	**(10,162)**	**(9,190)**	**242,798**	**215,560**

Profitability - H1 2017

H1 2017 Adjusted EBITDA[4] of Euro 18.4 million (7.6% of Net Revenue) was up 13.0% on H1 2016, **principally as a result of increased sales volumes, procurement efficiencies and currency gains.** Higher overheads impacted margins - due also to the own brand focus - while generating business levels beyond expectations.

H1 2017 EBITDA of Euro 17.1 million was up 5.8% on the same period of 2016, **impacted by restructuring charges of Euro 1.3 million in the period** at the Italian and German companies.

Adjusted EBIT[5] of Euro 7.9 million rose 10.1% on Euro 7.2 million in H1 2016, reflecting the business generated and driving the margin as described above, in addition to increased **Amortisation and Depreciation as a result of investment policies implemented in 2016 and continued in 2017 as planned to extend the own brand product range and increase production capacity.**

The Profit of Euro 1.2 million compares to Euro 2.8 million for the first half of 2016.

In Euro thousands	H1 17	% revenue	H1 16	% revenue	17 Vs 16 %
Revenue	242,798		215,560		12.6%
Adjusted EBITDA*	**18,372**	**7.6%**	**16,263**	**7.5%**	**13.0%**
EBITDA	17,122	7.1%	16,191	7.5%	5.8%
Adjusted EBIT*	**7,930**	**3.3%**	**7,203**	**3.3%**	**10.1%**
EBIT	6,680	2.8%	7,131	3.3%	(6.3%)
Net financial charges	(2,662)	(1.1%)	(1,513)	(0.7%)	75.9%
Income taxes	(2,822)	(1.2%)	(2,772)	(1.3%)	1.8%
Profit from continuing operations	1,196	0.5%	2,846	1.3%	(58.0%)
Adjusted Profit*	2,138	0.9%	3,384	1.6%	(36.8%)
Profit	**1,196**	**0.5%**	**2,846**	**1.3%**	**(58.0%)**
Profit attribut. to the owners of the Parent - Adjusted*	1,852	0.8%	3,145	1.5%	(41.1%)

[3] Europe, Middle East, Africa and CIS.
[4] See Definitions and Reconciliations
[5] See Definitions and Reconciliations

Profit attributable to the owners of the Parent	**910**	**0.4%**	**2,607**	**1.2%**	**(65.1%)**
Basic earnings per share on continuing operations and discontinued operations (Euro/cents)	1.47		4.20		(65.0%)
Diluted earnings per share on continuing operations and discontinued operations (Euro/cents)	1.47		4.20		(65.0%)

(*) For the adjustment items, see the Definitions and Reconciliations

The earnings per share for H1 2017 and H1 2016 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.

Statement of Financial Position

The Net Financial Debt at June 30, 2017 of Euro 70.6 million increased on Euro 60.8 million at December 31, 2016 and compares to Euro 61.9 million at June 30, 2016, **principally due to increased investment and in line with business development.**

In Euro thousands	**June 30, 17**	**Dec 31, 16**	**June 30, 16**
Cash and cash equivalents	**28,976**	**31,998**	**36,335**
Finance leases and other lenders	(23)	(21)	(12)
Bank loans and borrowings	(55,958)	(59,004)	(58,301)
Current loans and borrowings	**(55,981)**	**(59,025)**	**(58,313)**
Finance leases and other lenders	(5)	(6)	(8)
Bank loans and borrowings	(43,619)	(33,718)	(39,864)
Non-current loans and borrowings	**(43,624)**	**(33,724)**	**(39,872)**
Net Financial Debt	**(70,629)**	**(60,751)**	**(61,850)**

The Managerial Working Capital on annualised revenue **of 6.8% reduced on 7.1% at June 30, 2016**, although increasing on 5.3% at December 31, 2016 due to typical business seasonality.

In Euro thousands	**June 30, 17**	**Dec 31, 16**	**June 30, 16**
Trade receivables	83,700	70,561	75,017
Inventories	76,190	67,732	65,984
Trade payables	(126,838)	(114,831)	(110,207)
Managerial Working Capital	**33,052**	**23,462**	**30,794**
% annualised revenue	***6.8%***	***5.3%***	***7.1%***
Other net receivables/payables	(14,714)	(11,755)	(8,656)
Net Working Capital	**18,338**	**11,708**	**22,138**
% annualised revenue	*3.8%*	*2.7%*	*5.1%*

Subsequent events to June 30, 2017

On July 26, 2017, Elica S.p.A. signed an agreement to acquire 30% of the Chinese subsidiary Zhejiang ELICA Putian Electric Co., Ltd. from minority shareholder Du Renyao. The operation extends governance over the Chinese subsidiary in order to drive forward company results.
Consideration for the 30% holding in the Chinese subsidiary is CNY 15 million (Euro 1,907,863 at the ECB[6] exchange rate of July 24, 2017), to be paid in cash utilising available company resources. For completion of the transfer of shares, formal steps are required, including the issue by the competent authorities of the new "business license" and approval of the transfer by MOFCOM[7].
The company does not expect any significant impacts from the operation on the 2017-2019 Objectives announced to the market on May 15, 2017.

The Group continues extensive monitoring of demand dynamics across all markets in execution of the three-year Strategic Plan launched in 2017.

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The Half-Year Report at June 30, 2017 and the Auditors' Report on the 2017 Condensed Consolidated Half-Year Financial Statements were filed and made available to those requesting at the registered office of the Company, on the storage mechanism 1Info at www.1info.it and on the Company website http://corporation.elica.com Investor Relations/Accounts and Reports section. In addition, the Financial Presentation on the H1 2017 consolidated results will also be available from today on the Company 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 Corporate Financial Reporting Manager, Mr. Alessandro Carloni, declares, pursuant to Article 154-*bis*, second paragraph of Legs. Decree No. 58/98, that this press release corresponds to the underlying accounting documents, records and accounting entries.

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The Elica Group has been present in the cooker hood market since the 1970's, is chaired by Francesco Casoli and led by Antonio Recinella 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 3,600 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.

[6] European Central Bank
[7] Ministry Of Commerce, People's Republic Of China

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

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.

Adjusted EBITDA is EBITDA net of the relative adjustment items.

Adjusted EBIT is EBIT net of the relative adjustment items.

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

The adjusted profit is the result for the period, as published in the Consolidated Income Statement, net of the relative adjustment items.

The adjusted profit attributable to the owners of the Parent is the result for the period attributable to the owners of the Parent, as published in the Consolidated Income Statement, net of the relative adjustment items.

Adjustment items: earnings items are considered for adjustment where they: (i) derive from non-recurring events and operations or from operations or events which do not occur frequently; (ii) derive from events and operations not considered as in the normal course of business operations, as is the case for impairments, disputes considered atypical in terms of frequency and amount and restructuring charges.

The earnings per share for H1 2017 and H1 2016 was calculated by dividing the Group profit attributable to the owners of the Parent, 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 December 31, 2016 and June 30, 2017 (62,047,302). The earnings per share so calculated coincide with the earnings per share as per the consolidated income statement, as there were no changes to the number of shares in circulation.
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 (NFD) is the sum of Cash and Cash equivalents less Current loans and borrowings (including the current portion of amounts due under finance leases and to other lenders and of bank loans and borrowings, as reported in the Statement of Financial Position) and Non-current loans and borrowings (including the non-current portion of amounts due under finance leases and to other lenders and of bank loans and borrowings, as reported in the Statement of Financial Position).

Reconciliations

In Euro thousands	H1 17	H1 16
Operating profit – EBIT	**6,680**	**7,131**
(Impairment of Goodwill)	-	-
(Amortisation & Depreciation)	10,442	9,060
EBITDA	**17,122**	**16,191**
(Restructuring charges)	1,250	72
Adjusted EBITDA	**18,372**	**16,263**

In Euro thousands	H1 17	H1 16
Operating profit – EBIT	**6,680**	**7,131**
(Restructuring charges)	1,250	72
(Impairment of Goodwill)	-	-
Adjusted EBIT	**7,930**	**7,203**

In Euro thousands	H1 17	H1 16
Profit	**1,196**	**2,846**
(Restructuring charges)	1,250	72
(Income taxes concerning restructuring charges)	(308)	(20)
(Non-recurring income taxes)		486
Adjusted Profit	**2,138**	**3,384**
Profit attributable to non-controlling interests	**286**	**239**
(Non-controlling interest result adjustment items)	-	-
Adjusted Profit attributable to the owners of the Parent	**1,852**	**3,145**

	H1 17	H1 16
Profit attributable to the owners of the Parent *(in Euro thousands)*	910	2,607
Shares in circulation at period-end	62,047,302	62,047,302
Earnings per share (Euro/cents)	**1.47**	**4.20**

In Euro thousands	June 30, 17	Dec 31, 16
Other receivables	6,976	6,608
Tax assets	9,515	7,982
(Provision for risks and charges)	(5,279)	(4,361)
(Other payables)	(17,891)	(15,388)
(Tax liabilities)	(8,034)	(6,596)
Other net receivables/payables	**(14,714)**	**(11,755)**

ATTACHMENT A
H1 2017 Consolidated Income Statement

In Euro thousands	H1 17	H1 16
Revenue	242,798	215,560
Other operating income	1,494	1,161
Changes in inventories finished/semi-finished goods	4,140	2,860
Increase in internal work capitalised	1,997	2,417
Raw materials and consumables	(132,565)	(118,241)
Services	(43,608)	(38,752)
Labour costs	(48,196)	(43,445)
Amortisation & depreciation	(10,442)	(9,060)
Other operating expenses and provisions	(7,688)	(5,297)
Restructuring charges	(1,250)	(72)
Operating profit	**6,680**	**7,131**
Share of profit/(loss) of associates	(12)	(6)
Financial income	181	130
Financial charges	(1,678)	(1,730)
Exchange rate gains/(losses)	(1,153)	93
Profit before taxes	**4,018**	**5,618**
Income taxes	(2,822)	(2,772)
Profit from continuing operations	**1,196**	**2,846**
Profit from discontinued operations	-	-
Profit	**1,196**	**2,846**
of which:		
Attributable to non-controlling interests	286	239
Attributable to the owners of the Parent	910	2,607
Basic earnings per share (Euro/cents)	1.47	4.20
Diluted earnings per share (Euro/cents)	1.47	4.20

ATTACHMENT B

H1 2017 Statement of Comprehensive Income

In Euro thousands	**H1 17**	**H1 16**
Profit for the period	**1,196**	**2,846**
Other comprehensive income/(expense) which may not be subsequently reclassified to profit/(loss) for the period:		
Actuarial gains/(losses) of employee defined plans	235	(1,267)
Tax effect concerning the Other income/(expense) which may not be subsequently reclassified to the profit/(loss) for the period	3	57
Total other comprehensive income/(expense) which may not be subsequently reclassified to profit/(loss) for the period, net of the tax effect	**238**	**(1,210)**
Other comprehensive income/(expense) which may be subsequently reclassified to profit/(loss) for the period:		
Exchange differences on the conversion of foreign financial statements	1,107	(3,465)
Net change in cash flow hedges	312	1,441
Tax effect concerning the Other income/(expense) which may be subsequently reclassified to the profit/(loss) for the period	(113)	(250)
Total other comprehensive income/(expense) which may be subsequently reclassified to profit/(loss) for the period, net of the tax effect	**1,305**	**(2,274)**
Total other comprehensive income/(expense), net of the tax effect:	**1,543**	**(3,483)**
Total comprehensive income/(expense) for the period	**2,739**	**(637)**
of which:		
Attributable to non-controlling interests	116	400
Attributable to the owners of the parent	2,623	(1,038)

ATTACHMENT C
Consolidated Statement of Financial Position at June 30, 2017

In Euro thousands	June 30, 17	Dec 31, 16
Property, plant & equipment	99,145	95,360
Goodwill	42,167	42,340
Other intangible assets	27,908	28,756
Investments in associates	1,386	1,401
Other receivables	262	230
Tax assets	19	7
Deferred tax assets	15,064	15,675
AFS financial assets	56	56
Total non-current assets	**186,008**	**183,828**
Trade receivables	83,700	70,561
Inventories	76,190	67,732
Other receivables	6,976	6,608
Tax assets	9,515	7,982
Derivative financial instruments	1,896	1,844
Cash and cash equivalents	28,976	31,998
Current assets	**207,252**	**186,725**
Assets of discontinued operations	-	-
Total assets	**393,260**	**370,553**
Liabilities for post-employment benefits	10,914	11,129
Provisions for risks and charges	7,788	7,606
Deferred tax liabilities	4,223	5,080
Finance leases and other lenders	5	6
Bank loans and borrowings	43,619	33,718
Other payables	976	1,768
Tax liabilities	248	312
Derivative financial instruments	135	198
Non-current liabilities	**67,908**	**59,817**
Provisions for risks and charges	5,279	4,361
Finance leases and other lenders	23	21
Bank loans and borrowings	55,958	59,004
Trade payables	126,838	114,831
Other payables	17,891	15,388
Tax liabilities	8,034	6,596
Derivative financial instruments	784	1,277
Current liabilities	**214,807**	**201,478**
Liabilities of discontinued operations		
Share capital	12,665	12,665
Capital reserves	71,123	71,123
Hedging and translation reserve	(11,672)	(13,172)
Reserve for actuarial gains/losses	(3,210)	(3,423)
Treasury shares	(3,551)	(3,551)
Retained earnings	40,106	45,870
Profit attributable to the owners of the parent	910	(5,563)
Equity attributable to the owners of the parent	**106,371**	**103,949**
Capital and reserves attributable to non-controlling interests	3,888	5,246
Profit attributable to non-controlling interests	286	63
Equity attributable to non-controlling interests	**4,174**	**5,309**
Total equity	**110,545**	**109,258**
Total liabilities and equity	**393,260**	**370,553**

ATTACHMENT D
H1 2017 Consolidated Statement of Cash Flows

In Euro thousands	June 30, 17	June 30, 16
Opening cash and cash equivalents	**31,998**	**34,463**
Operating activities		
Profit for the period	1,196	2,846
Amortisation & Depreciation	10,442	9,060
Non-monetary (income)/charges	12	6
Trade working capital	(9,389)	203
Other working capital accounts	5,982	4,779
Income taxes paid	(2,517)	(3,771)
Change in provisions	1,081	(4,709)
Other changes	56	(488)
Cash flow from operating activities	**6,863**	**7,928**
Investing activities		
Investments		
- Intangible	(2,833)	(3,674)
- Tangible	(10,171)	(9,134)
Cash flow used in investing activities	**(13,004)**	**(12,808)**
Financing activities		
Dividends	(1,261)	(1,831)
Increase (decrease) in loans and borrowings	7,591	11,279
Net changes in other financial assets/liabilities	(1,600)	(756)
Interest paid	(1,416)	(1,479)
Cash flow used in financing activities	**3,314**	**7,213**
Change in cash and cash equivalents	**(2,826)**	**2,333**
Effect of exchange rate change on liquidity	(196)	(461)
Closing cash and cash equivalents	**28,976**	**36,335**

ELICA S.p.A. VIA ERMANNO CASOLI, 2
60044 FABRIANO AN - ITALY
PHONE +39 0732 6101
FAX +39 0732 610249
INFO@ELICA.COM
WWW.ELICA.COM
C.F. REG. IMP. AN 00096570429
CAP. SOC. EURO 12.664.560 I.V.
AN ISO 9001 ISO 14001
CERTIFIED COMPANY