



**Elica S.p.A.**

**Interim Report**

**at March 31, 2016**

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## Corporate boards

### Members of the Board of Directors

**Francesco Casoli**  
**Executive Chairman**,  
born in Senigallia (AN) on 5/6/1961, appointed by resolution of 29/04/2015.

**Giuseppe Perucchetti**  
**Chief Executive Officer**, born in Varese (VA) on 30/10/1958, appointed by resolution of 29/04/2015.

**Gianna Pieralisi**  
**Executive Director**, born in Monsano (AN) on 12/12/1934, appointed by resolution of 29/04/2015.

**Gennaro Pieralisi**  
**Director**, born in Monsano (AN) on 14/02/1938, appointed by resolution of 29/04/2015.

**Enrico Vita**  
**Independent Director**, born in Fabriano (AN) on 16/02/1969, appointed by resolution of 29/04/2015.

**Elio Cosimo Catania**  
**Independent Director**, born in Catania on 05/06/1946, appointed by resolution of 29/04/2015.

**Katia Da Ros**  
**Independent Director and Lead Independent Director**, born in Conegliano (TV) on 30/03/1967, appointed by resolution of 29/04/2015.

**Davide Croff**  
**Independent Director**, born in Venice on 01/10/1947, appointed by resolution of 29/04/2015.

### Members of the Board of Statutory Auditors

**Gilberto Casali**  
**Chairman**, born in Jesi (AN) on 14/01/1954, appointed by resolution of 29/04/2015.

**Franco Borioni**  
**Statutory Auditor**, born in Jesi (AN) on 23/06/1945, appointed by resolution of 29/04/2015.

**Simona Romagnoli**  
**Statutory Auditor**, born in Jesi (AN) on 02/04/1971, appointed by resolution of 29/04/2015.

**Leandro Tiranti**  
**Alternate Auditor**, born in Sassoferato (AN) on 04/05/1966, appointed by resolution of 29/04/2015.

**Serenella Spaccapaniccia**  
**Alternate Auditor**, born in Montesangiovio (AP) on 04/04/1965, appointed by resolution of 29/04/2015.

### Internal Control & Risk Management Cmte.

Davide Croff (Chairman)  
Elio Cosimo Catania  
Enrico Vita

### Appointments and Remuneration Committee

Elio Cosimo Catania (Chairman)  
Davide Croff  
Enrico Vita

### Independent Audit Firm

KPMG S.p.A.

### Registered office and Company Data

Elica S.p.A.  
Registered office: Via Casoli, 2 – 60044 Fabriano (AN)  
Share capital: Euro 12,664,560.00  
Tax Code and Companies' Register Number: 00096570429  
Ancona REA No. 63006 – VAT Number 00096570429

### Investor Relations Manager

Laura Giovanetti  
e-mail: [l.giovanetti@elica.com](mailto:l.giovanetti@elica.com) Telephone: +39 0732 610727

**Directors' Report at March 31, 2016****Key Financial Highlights**

<i>In Euro thousands</i>	<b>Q1 16</b>	<b>% revenue</b>	<b>Q1 15</b>	<b>% revenue</b>	<b>16 Vs 15 %</b>
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%)
<b>Profit from continuing operations and discontinued operations</b>	<b>851</b>	<b>0.8%</b>	<b>1,342</b>	<b>1.4%</b>	<b>(36.6%)</b>
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 Q1 2015 were calculated by dividing the Group net result from continuing and discontinued operations by the number of outstanding shares at the respective reporting dates.

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.

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

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

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 consolidated statement of financial position.

**Q1 2016 Operating review**

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 and net of currency effects of 7.5%. Growth was achieved

within a market which continues to contract, with global range hood demand<sup>1</sup> falling 1.6% in the first quarter of 2016, due both to the 1.7% reduction on the East European market – which continues to be impacted by the Russian performance - and the further poor performance of Latin America (-2.3%), together with a contraction on the Asian market of 4.0%, influenced by falling Chinese demand. On the other hand, fresh growth was reported for the North American (+5.0%) and the Western European (+3.2%) markets.

The Cooking Segment drove growth, with revenue up 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 Elica brand continues to significantly outperform the general market and accounted for 23.0% of revenue in the first quarter of 2016, owing to 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 was substantially stable (-0.8%) compared to the first quarter of 2015.

Analysing revenue by the principal markets<sup>2</sup>, 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<sup>3</sup> grew 3.2%, partly due to a particularly strong performance in India, with sales up 35.6%.

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.

In Q1 2016, the Euro average exchange rate strengthened against all currencies to which the Group is exposed, with the exception of the US Dollar and the Japanese Yen.

	average Q1 2016	average Q1 2015	%	Mar 31, 16	Dec 31, 15	%
USD	1.10	1.13	-2.3%	1.14	1.09	4.7%
JPY	127.00	134.12	-5.3%	127.90	131.07	-2.4%
PLN	4.37	4.19	4.2%	4.26	4.26	-0.1%
MXN	19.90	16.83	18.3%	19.59	18.91	3.6%
INR	74.43	70.09	6.2%	75.43	72.02	4.7%
CNY	7.21	7.02	2.7%	7.35	7.06	4.1%
RUB	82.45	70.96	16.2%	76.31	80.67	-5.4%
GBP	0.77	0.74	4.1%	0.79	0.73	7.6%

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 performance related to an economic environment creating significant currency market volatility in the first quarter of 2015.

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.

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.

<sup>1</sup> Global range hood market volumes.

<sup>2</sup> Data concerns sales revenue by geographic area and therefore does not refer to the breakdown by operating segment according to the various Group company locations.

<sup>3</sup> Concerning revenue in "Other Countries" - principally the Asian markets.

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.

### ***Significant events in Q1 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 will see 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.

The Board of Directors of Elica S.p.A. on February 12, 2016 approved the 2015 Fourth Quarter Report, prepared in accordance with IFRS accounting standards, communicating to the market also the 2016 objectives, including an increase in consolidated revenue of between 5% and 9% and increased consolidated EBIT of between 13% and 26% on 2015, in addition to a 2016 year-end net 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 terms outlined in 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.

### ***Elica Group structure and consolidation scope***

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

#### *Parent*

o Elica S.p.A. - Fabriano (Ancona, Italy) is the parent company of the Group (in short Elica).

#### *Subsidiaries*

o Elica Group Polska Sp.zo.o – Wroclaw – (Poland) (in short Elica Group Polska). This wholly-owned company has been operational since September 2005 in the production and sale of electric motors and from December 2006 in the production and sale of exhaust range hoods for domestic use;

o Elicamex S.A. de C.V. – Queretaro (Mexico) (in short Elicamex). The company was incorporated at the beginning of 2006 (The Parent owns 98% directly and 2% through Elica Group Polska). Through this company, the Group intends to concentrate the production of products for the American markets in Mexico and reap the benefits deriving from optimisation of operational and logistical activities;

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

- o Ariaflina CO., LTD – Sagamihara-Shi (Japan) (in short Ariaflina). Incorporated in September 2002 as an equal Joint Venture with Fuji Industrial of Tokyo, the Japanese range hood market leader, Elica S.p.A. acquired control in May 2006 (51% holding) to provide further impetus to the development of the important Japanese market, where high-quality products are sold;
- o Airforce S.p.A. – Fabriano (Ancona, Italy) (in short Airforce). This company operates in a special segment of the production and sale of hoods sector. The holding of Elica S.p.A. is 60%;
- o Airforce Germany Hochleistungs-Dunstabzugssysteme GmbH – Stuttgart (Germany) (in short Airforce Germany). Airforce S.p.A. owns 95% of Airforce Germany G.m.b.h., a company that sells hoods in Germany through so-called "kitchen studios";
- o Elica Inc – Chicago, Illinois (United States), offices in Bellevue, Washington (United States). The company 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.;
- o Exklusiv Hauben Gutmann GmbH – Mulacker (Germany) (in short Gutmann) - a German company entirely held by Elica S.p.A. and the German leader in the high-end kitchen range hood market, specialised in tailor made and high performance hoods.
- o Elica PB India Private Ltd. - Pune (India) (in short Elica India); in 2010, Elica S.p.A. signed a joint venture agreement, subscribing 51% of the share capital of the newly-incorporated Indian company and therefore attaining control.

Elica PB India Private Ltd. is involved in the production and sale of Group products.

- o Zhejiang Elica Putian Electric Co. LTD. Shengzhou (China) (in short Putian), a Chinese company held 66.76% and operating under the Puti brand, a leader in the Chinese home appliances sector, producing and marketing range hoods, gas hobs and kitchenware sterilisers. Putian is one of the main players in the Chinese range hood market and the principal company developing western style range hoods. The production site is located in Shengzhou, a major Chinese industrial district for the production of kitchen home appliances.
- o Elica Trading LLC – St. Petersburg (Russian Federation) (in short Elica Trading), a Russian company held 100%, incorporated on June 28, 2011.
- o Elica France S.A.S. - Paris (France) (in short Elica France), a wholly-owned French company incorporated in 2014.

#### *Associates*

- o I.S.M. S.r.l. – Cerreto d'Esi (AN-Italy). The company, of which Elica S.p.A. holds 49.385% of the Share Capital, operates within the real estate sector.

#### *Changes in the consolidation scope*

There were no changes in the consolidation scope compared to December 31, 2015.

#### **Related party transactions**

Transactions were entered into with subsidiaries, associates and other related parties during the period. All transactions were conducted on an arm's length basis in the ordinary course of business.

#### **Subsequent events and outlook**

The Group carries out an ongoing and extensive monitoring of demand dynamics<sup>4</sup>, which in 2016 is expected to improve in the Americas<sup>5</sup> by 3% and in Europe by 2%; on the other hand, a contraction of approx. 1% is expected in Asia.

Against the results expected from the implementation of the long-term Company strategy and thanks to the continued innovations introduced to the market, Elica estimates an increase for 2016 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 Debt of Euro 58 million.

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

<sup>4</sup> Global range hood market volumes.

<sup>5</sup> Includes North, Central and South America

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 in accordance with the applicable regulation.

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 Legis. 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' Meeting also approved, with prior revocation of the previous authorisation granted on April 29, 2015, the authorisation to purchase and utilise treasury shares, pursuant to Article 2357 and 2357-*ter* of the Civil Code.

**Compliance pursuant to Section VI of the regulation implementing legislative decree No. 58 of February 24, 1998 concerning market regulations ("Market Regulations")**

Elica S.p.A. confirms compliance with the conditions for listing pursuant to Articles 36 and 37 of Consob's Market Regulations. In particular, having control, directly or indirectly, over some companies registered in countries outside of the European Union, the financial statements of the above-mentioned companies, prepared for the purposes of the Elica Group Consolidated Financial Statements, were made available in accordance with the provisions required by the current regulations enacted on March 30, 2009.

**Obligations in accordance with Article 70, paragraph 8 and Article 71, paragraph 1-bis of the "Issuers' Regulation"**

In accordance with Article 70, paragraph 8 and Article 71, paragraph 1-*bis* of the Consob Issuers' Regulation, on January 16, 2013, Elica announced that it would employ the exemption from publication of the required disclosure documents concerning significant merger, spin-off, and share capital increase operations through conferment of assets in kind, acquisitions and sales.

**Interim Report at March 31, 2016****Consolidated Financial Statements at March 31, 2016*****Consolidated Income Statement – Q1 2016***

<i>In Euro thousands</i>	<i>Note</i>	<b>Q1 16</b>	<b>Q1 15</b>
Revenue	1.	103,326	96,283
Other operating income	2.	519	612
Changes in inventories of finished and semi-finished goods	3.	3,885	3,043
Increase in internal work capitalised		1,163	1,521
Raw materials and consumables	3.	(58,408)	(54,675)
Services	4.	(19,063)	(17,919)
Labour costs	5.	(21,884)	(20,602)
Amortisation & Depreciation		(4,463)	(4,242)
Other operating expenses and provisions	6.	(2,409)	(2,106)
Restructuring charges		(49)	(59)
<b>Operating profit</b>		<b>2,617</b>	<b>1,856</b>
Share of profit/(loss) from associates		(2)	(4)
Financial income	7.	57	31
Financial charges	7.	(833)	(901)
Exchange rate gains/(losses)	7.	(147)	1,122
<b>Profit before taxes</b>		<b>1,692</b>	<b>2,104</b>
Income taxes		(841)	(762)
<b>Profit from continuing operations</b>		<b>851</b>	<b>1,342</b>
<b>Profit from discontinued operations</b>		<b>-</b>	<b>-</b>
<b>Profit for the period</b>		<b>851</b>	<b>1,342</b>
of which:			
Attributable to non-controlling interests		164	173
Profit attributable to the owners of the Parent		687	1,169
<b>Basic earnings per Share (Euro/cents)</b>		<b>1.11</b>	<b>1.88</b>
<b>Diluted earnings per Share (Euro/cents)</b>		<b>1.11</b>	<b>1.88</b>

**Consolidated Statement of Comprehensive Income – Q1 2016**

<i>In Euro thousands</i>	<b>Q1 16</b>	<b>Q1 15</b>
<b>Profit for the period</b>	<b>851</b>	<b>1,342</b>
<b>Other comprehensive income/(expense) which may not be subsequently reclassified to profit/(loss) for the period:</b>		
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
<b>Total other comprehensive income/(expense) which may not be subsequently reclassified to profit/(loss) for the period, net of the tax effect</b>	<b>(839)</b>	<b>(710)</b>
<b>Other comprehensive income/(expense) which may be subsequently reclassified to profit/(loss) for the period:</b>		
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)
<b>Total other comprehensive income/(expense) which may be subsequently reclassified to profit/(loss) for the period, net of the tax effect</b>	<b>(295)</b>	<b>7,485</b>
<b>Total other comprehensive income/(expense), net of the tax effect:</b>	<b>(1,134)</b>	<b>6,775</b>
<b>Total comprehensive income/(expense) for the period</b>	<b>(283)</b>	<b>8,117</b>
of which:		
Attributable to non-controlling interests	20	998
Attributable to the owners of the parent	(303)	7,119

**Consolidated Statement of Financial Position at March 31, 2016**

		<b>Mar 31, 16</b>	<b>Dec 31, 15</b>
<i>In Euro thousands</i>	<i>Note</i>		
Property, plant & equipment	8.	89,037	88,779
Goodwill	9.	45,398	45,712
Other intangible assets	10.	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
<b>Total non-current assets</b>		<b>180,771</b>	<b>181,162</b>
Trade receivables and loan assets	11.	67,853	68,504
Inventories	12.	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
<b>Current assets</b>		<b>190,986</b>	<b>181,088</b>
<b>Total assets</b>		<b>371,757</b>	<b>362,250</b>
Liabilities for post-employment benefits		11,503	10,619
Provisions for risks and charges	13.	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
<b>Non-current liabilities</b>		<b>71,405</b>	<b>67,164</b>
Provisions for risks and charges	13.	6,228	7,398
Finance leases and other lenders		6	6
Bank loans and borrowings		51,745	43,405
Trade payables	11.	99,804	99,474
Other payables		16,005	14,133
Tax liabilities		7,082	7,726
Derivative financial instruments		1,924	3,736
<b>Current liabilities</b>		<b>182,794</b>	<b>175,878</b>
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
<b>Equity attributable to the owners of the parent</b>		<b>112,296</b>	<b>112,742</b>
Capital and reserves attributable to non-controlling interests		5,098	5,211
Profit attributable to non-controlling interests		164	1,255
<b>Equity attributable to non-controlling interests</b>		<b>5,262</b>	<b>6,466</b>
<b>Total equity</b>		<b>117,558</b>	<b>119,208</b>
<b>Total liabilities and equity</b>		<b>371,757</b>	<b>362,250</b>

***Q1 2016 Consolidated Statement of Cash Flow***

	<b>Q1 16</b>	<b>Q1 15</b>
<i>In Euro thousands</i>	<i>Note</i>	
<b>Opening cash and cash equivalents</b>	<b>34,463</b>	<b>35,241</b>
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)
<b>Cash flow from operating activities</b>	<b>(963)</b>	<b>(7,447)</b>
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)
<b>Cash flow used in investing activities</b>	<b>(4,621)</b>	<b>(5,693)</b>
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)
<b>Cash flow used in financing activities</b>	<b>9,501</b>	<b>10,682</b>
<b>Change in cash and cash equivalents</b>	<b>3,916</b>	<b>(2,458)</b>
<b>Effect of exchange rate change on liquidity</b>	<b>(38)</b>	<b>2,210</b>
<b>Closing cash and cash equivalents</b>	<b>38,342</b>	<b>34,993</b>

## Notes to the Interim Report at March 31, 2016

### ***Group structure and brief description of its activities***

The operating segments are as follows:

- “Europe”: production and sale of range hoods, accessories and electric motors developed by the Group companies based in Europe, i.e. the Italian companies Elica S.p.A. and Airforce S.p.A., the German companies Exklusiv Hauben Gutmann GmbH and Airforce Germany GmbH, the Polish company Elica Group Polska Sp.zo.o, the Russian company Elica Trading LLC and the French company Elica France S.A.S.;
- “America”: production and sale of range hoods and accessories, developed by the Group companies based in America, i.e. the Mexican companies Elicamex S.A. de C.V. and Leonardo S.A. de C.V. and the US company Elica Inc;
- “Asia and the Rest of the World”: production and sale of range hoods, accessories and other products, developed by the Group companies located in Asia, i.e. the Chinese company Zhejiang Putian Electric Co. Ltd., the Indian company Elica PB India Private Ltd. and the Japanese company Ariafina CO., LTD.

The activities are based in the same geographic areas and therefore in Europe, specifically in Italy, Poland, Germany, Russia and France, in America, i.e. in Mexico and in the United States, and in Asia, respectively in China, India and Japan.

Segment revenue is determined based on the geographic area to which the respective companies belong. Segment results are determined by taking into account all the costs that can be allocated directly to sales in a specific segment. Costs not allocated to the segments include all costs not directly attributable to the area, including manufacturing, sales, general, administrative costs, as well as financial income and charges and taxes.

Inter-segment revenue includes revenue between Group segments that are consolidated on a line-by-line basis in relation to sales made to other segments.

Assets, liabilities and investments are allocated directly on the basis of their classification in a specific geographic area.

The Euro is the functional and reporting currency for Elica and all consolidated companies, except for such foreign subsidiaries as Elica Group Polska Sp.zo.o, Elicamex S.A. de C.V., Leonardo Services S.A. de. C.V., Ariafina CO., LTD, Elica Inc., Elica PB India Private Ltd., Zhejiang Elica Putian Electric Co. Ltd. and Elica Trading LLC, which prepare their financial statements in the Polish Zloty (Elica Group Polska Sp.zo.o), the Mexican Peso (Elicamex S.A. de C.V. and Leonardo Services S.A. de C.V.), Japanese Yen, US Dollar, Indian Rupee, Chinese Renminbi and Russian Ruble respectively.

The exchange rates used for the translation to Euro of the financial statements of companies consolidated in a currency other than the consolidation currency, compared with those used in the previous periods, are shown in the table below:

	<b>average Q1 2016</b>	<b>average Q1 2015</b>	<b>%</b>	<b>Mar 31, 16</b>	<b>Dec 31, 15</b>	<b>%</b>
USD	1.10	1.13	-2.3%	1.14	1.09	4.7%
JPY	127.00	134.12	-5.3%	127.90	131.07	-2.4%
PLN	4.37	4.19	4.2%	4.26	4.26	-0.1%
MXN	19.90	16.83	18.3%	19.59	18.91	3.6%
INR	74.43	70.09	6.2%	75.43	72.02	4.7%
CNY	7.21	7.02	2.7%	7.35	7.06	4.1%
RUB	82.45	70.96	16.2%	76.31	80.67	-5.4%

## **Criteria for the preparation of the Interim Report**

The Interim Report at March 31, 2016 was prepared in accordance with Article 2.2.3, paragraph 3 of the Stock Exchange Regulation, as clarified by NOTICE No. 7587 of April 21, 2016 issued by Borsa Italiana. The report was approved by the Board of Directors of Elica S.p.A. on May 12, 2016 and the board authorised its publication on the same date.

## **Accounting principles, consolidation criteria and estimate changes**

The accounting principles utilised for the preparation of the financial statements as at March 31, 2016 are the IAS/IFRS issued by the IASB and approved by the European Union at the date of the Report. IAS/IFRS refers to the International Accounting Standards (IAS), the International Financial Reporting Standards (IFRS) and all the interpretive documents issued by the IFRIC (formally the Standing Interpretations Committee). In their preparation, the same accounting principles were adopted as in the preparation of the Consolidated Financial Statements as at December 31, 2015.

The interim report was prepared on the basis of the historical cost principle, except for some financial instruments which are recognised at fair value. The financial statement accounts have been measured in accordance with the general criteria of prudence and accruals and on a going concern basis, and also take into consideration the economic function of the assets and liabilities.

The preparation of interim financial statements requires the use of estimates and assumptions based on the best evaluations of management. If in the future these estimates and assumptions should be different from the actual circumstances, they will obviously be modified appropriately in the period in which the circumstances change.

In particular, with reference to the determination of any loss in value of non-current assets, tests are generally made on a complete basis on the preparation of the annual accounts, when all the necessary information is available, except where there are specific indications of impairment which require an immediate valuation of any loss in value or when facts arise requiring an impairment test.

This interim report is presented in Euros and all the amounts are rounded to the nearest thousand, unless otherwise specified.

## **Changes in accounting policies**

The financial statements utilised are the same as those used for the preparation of the consolidated financial statements at December 31, 2015. No new accounting policies with significant impact on the consolidated financial statements were adopted in the period.

As required by IAS 8 - Accounting standards, changes in accounting estimates and errors - the main new accounting standards and interpretations, in addition to amendments to the existing standards and interpretations already applicable, not yet in force or not yet approved by the European Union (EU), which could be applied in the future to the financial statements, are illustrated below. Management is assessing their potential impact on future financial statements.

**IFRS 16 Leases.** The International Accounting Standards Board (IASB) issued IFRS 16 Leases in January 2016. The standard defines the principles for the recognition, measurement, presentation and disclosure of leasing contracts, for both parts of the contract, therefore concerning the client ("lessee") and the supplier ("lessor"). IFRS 16 will be effective from January 1, 2019. Companies may choose to apply the standard before this date, although only if applying also IFRS 15 Revenue from Contracts with Customers. IFRS 16 completes the IASB project to improve the financial reporting of leases. It replaces the previous Standard IAS 17 Leases and the related Interpretations. The principal effect of application of the new standard for a lessee will be that all leasing contracts of a company will imply a right to use the asset from the beginning of the contract and, where the relative payments are expected in a specific period, also recognition of a corresponding financial payable. Therefore, IFRS 16 eliminates the breakdown of leases into operating leases and finance leases, as previously the case under IAS 17, introducing a single measurement model. Applying this model, a lessee should recognise: (a) assets and liabilities for all leases with a duration of greater than 12 months, except where the value of the underlying asset is minimal; and (b) amortisation of leased assets separately from interest on leasing payables, to the income statement.

IFRS 15 - Revenue from contracts with customers. On May 28, 2014, the IASB published the new standard IFRS 15. It replaces the previous standard IAS 18, in addition to IAS 11, concerning construction contracts and the relative interpretations IFRIC 13, IFRIC 15, IFRIC 18 and SIC 31. IFRS 15 sets out the principles for the recognition of revenues from contracts with clients, except for those contracts falling within the scope of the standards concerning leasing contracts, insurance contracts and financial instruments. The new standard establishes an overall framework to identify the moment and the amount of revenue recognition. According to the new standard, the amount that the entity recognises as revenue should reflect the consideration which it has a right to receive following the exchange of the assets transferred to the client and/or services provided, to be recognised upon fulfilment of the contractual obligations. In addition, for recognition of the revenue, the requirement of probable obtainment/receipt of the economic benefits linked to the income is emphasised; for a contract in progress, currently governed by IAS 11, a requirement to recognise revenues taking account of any discounting effect from payments deferred over time is introduced. IFRS 15 should be applied from January 1, 2018. On first application, where retrospective application of the new standard is not possible, an alternative approach ("modified approach") is provided for, on the basis of which the effects from application of the new standard should be recognised to opening equity in the period of first application.

IFRS 9 - Financial Instruments. In July 2014, the IASB issued the definitive version of IFRS 9, in replacement of the current IAS 39 for the recognition and valuation of financial instruments. IFRS 9 shall be applied from January 1, 2018. The standard introduces new classification and measurement rules for financial instruments and a new financial asset impairment model, in addition to rules upon the recognition of "hedge accounting" operations.

### **Use of estimates**

In the preparation of the Interim Report, the Group's management made judgements, estimates and assumptions which have an effect on the values of the assets and liabilities and disclosures. The actual results may differ from these estimates. The estimates and assumptions are revised periodically and the effects of any change are promptly reflected in the financial statements.

In this context it is reported that the situation caused by the current economic and financial crisis resulted in the need to make assumptions on a future outlook characterised by significant uncertainty, for which it cannot be excluded that results in the coming years will be different from such estimates and which therefore could require adjustment, currently not possible to estimate or forecast, which may even be significant, to the carrying amount of the relative items.

The account items principally concerned by uncertainty are: goodwill, the allowance for impairment and inventory obsolescence and bad debt provision, non-current assets (property, plant and equipment and intangible assets), pension funds and other post-employment benefits, provisions for risks and charges and deferred tax assets and liabilities.

Reference is made to the previous year annual accounts and the notes to these financial statements for the details relating to the estimates stated above.

## Composition and main changes in the Income Statement and Statement of Financial Position

### 1. Revenue

<i>In Euro thousands</i>	<b>Q1 16</b>	<b>Q1 15</b>	<b>Changes</b>
Revenue	103,326	96,283	7,043
<b>Total revenue</b>	<b>103,326</b>	<b>96,283</b>	<b>7,043</b>

For the comments relating to the changes in revenue, reference should be made to the paragraph "Q1 2016 Operating review" of the Directors' Report.

The following tables contain segment information as defined in the "Group structure and brief description of its activities" paragraph.

INCOME STATEMENT	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
<b>Segment revenue:</b>										
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)	-	-
<b>Total revenue</b>	<b>80,510</b>	<b>76,170</b>	<b>15,793</b>	<b>14,375</b>	<b>11,524</b>	<b>10,239</b>	<b>(4,502)</b>	<b>(4,502)</b>	<b>103,326</b>	<b>96,283</b>
<b>Segment result: Unallocated overheads</b>	<b>6,153</b>	<b>6,138</b>	<b>3,378</b>	<b>1,424</b>	<b>364</b>	<b>285</b>			<b>9,895</b>	<b>7,848</b>
									<b>(7,278)</b>	<b>(5,992)</b>
<b>Operating Profit</b>										
Share of profit/(loss) from associates									(2)	(4)
Financial income									57	31
Financial charges									(833)	(901)
Exchange rate gains/(losses)									(147)	1,122
<b>Profit before taxes</b>									<b>1,692</b>	<b>2,104</b>
Income taxes									(841)	(762)
<b>Profit from continuing operations</b>									<b>851</b>	<b>1,342</b>
Profit from discontinued operations									-	-
<b>Profit for the period</b>									<b>851</b>	<b>1,342</b>

STATEMENT OF FINANCIAL POSITION	Europe		America		Asia and the Rest of World		Unallocated items and eliminations		Consolidated	
	Mar 16	Dec 15	Mar 16	Dec 15	Mar 16	Dec 15	Mar 16	Dec 15	Mar 16	Dec 15
<b>Assets:</b>										
Segment assets	243,772	236,253	32,154	32,724	50,378	52,144	(10,754)	(11,374)	315,549	309,747
Investments							1,422	1,423	1,422	1,423
Unallocated assets							54,787	51,080	54,787	51,080
<b>Total operational assets</b>	<b>243,772</b>	<b>236,253</b>	<b>32,154</b>	<b>32,724</b>	<b>50,378</b>	<b>52,144</b>	<b>45,454</b>	<b>41,129</b>	<b>371,757</b>	<b>362,250</b>
<b>Total assets of discount. operations</b>	-	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>243,772</b>	<b>236,253</b>	<b>32,154</b>	<b>32,724</b>	<b>50,378</b>	<b>52,144</b>	<b>45,454</b>	<b>41,129</b>	<b>371,757</b>	<b>362,250</b>
<b>Liabilities:</b>										
Segment liabilities	(129,710)	(129,151)	(15,369)	(15,610)	(21,188)	(21,961)	12,373	11,148	(153,895)	(155,575)
Unallocated liabilities							(100,304)	(87,468)	(100,304)	(87,468)
Equity							(117,558)	(119,208)	(117,558)	(119,208)
<b>Total operational liabilities</b>	<b>(129,710)</b>	<b>(129,151)</b>	<b>(15,369)</b>	<b>(15,610)</b>	<b>(21,188)</b>	<b>(21,961)</b>	<b>(205,490)</b>	<b>(195,528)</b>	<b>(371,757)</b>	<b>(362,250)</b>
<b>Total liabilities of discontinued operations</b>	-	-	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>(129,710)</b>	<b>(129,151)</b>	<b>(15,369)</b>	<b>(15,610)</b>	<b>(21,188)</b>	<b>(21,961)</b>	<b>(205,490)</b>	<b>(195,528)</b>	<b>(371,757)</b>	<b>(362,250)</b>

## 2. Other operating income

(in Euro thousands)	Q1 16	Q1 15	Changes
Rental income	2	2	-
Grants related to income	108	183	(75)
Ordinary gains	73	171	(98)
Claims and insurance payouts	60	85	(25)
Other revenue and income	276	171	105
<b>Total</b>	<b>519</b>	<b>612</b>	<b>(93)</b>

The account decreased by Euro 93 thousand. This principally follows the decrease in Grants related to income and Ordinary gains, net of the increase in Other revenue and income.

## 3. Raw materials and consumables and changes in inventories of finished and semi-finished goods

(in Euro thousands)	Q1 16	Q1 15	Changes
Purchase of raw materials	(46,850)	(49,807)	2,957
Shipping expenses on purchases	(1,407)	(1,239)	(168)
Purchases of consumable materials	(927)	(720)	(207)
Packaging	(455)	(383)	(72)
Purchases of supplies	(208)	(221)	13
Purchases of semi-finished materials	(3,959)	(3,615)	(344)
Purchase of finished products	(5,793)	(1,003)	(4,790)
Other purchases	(306)	(260)	(46)
Change in inventory of raw materials, consumables and goods for re-sale	1,498	2,573	(1,075)
<b>Raw materials and consumables</b>	<b>(58,408)</b>	<b>(54,675)</b>	<b>(3,733)</b>
<b>Changes in inventories of finished and semi-finished goods</b>	<b>3,885</b>	<b>3,043</b>	<b>842</b>
<b>Total</b>	<b>(54,523)</b>	<b>(51,632)</b>	<b>(2,891)</b>

The account increased in absolute terms by approx. Euro 3 million, although decreasing as a percentage of revenue from 53.6% to 52.8%.

## 4. Services

(in Euro thousands)	Q1 16	Q1 15	Changes
Outsourcing expenses	(6,552)	(5,982)	(570)
Transport	(2,345)	(2,267)	(78)
Finished goods inventories management	(1,317)	(1,420)	103
Consulting	(1,342)	(1,243)	(99)
Other professional services	(2,364)	(2,203)	(161)
Maintenance	(579)	(350)	(229)
Utilities	(1,175)	(1,339)	164
Commissions	(439)	(401)	(38)
Travel expenses	(748)	(732)	(16)
Advertising	(608)	(610)	2
Insurance	(332)	(300)	(32)
Directors & Statutory Auditor fees	(475)	(465)	(10)
Trade fairs and promotional events	(480)	(352)	(128)
Industrial services	(157)	(146)	(11)
Banking commissions and charges	(150)	(109)	(41)
<b>Total Services</b>	<b>(19,063)</b>	<b>(17,919)</b>	<b>(1,144)</b>

The account increased in absolute terms by approx. Euro 1.1 million. This is principally due for Euro 0.6 million to Outsourcing expenses, for Euro 0.2 million to Maintenance and for Euro 0.2 million to Other professional services. The percentage on revenues decreased from 18.6% to 18.4%.

## 5. Labour costs

Labour costs incurred by the Group were as follows:

<i>In Euro thousands</i>	<b>Q1 16</b>	<b>Q1 15</b>	<b>Changes</b>
Wages and salaries	(16,170)	(15,018)	(1,152)
Social security charges	(4,266)	(4,051)	(215)
Post-employment benefits	(628)	(635)	7
Other costs	(820)	(898)	78
<b>Total</b>	<b>(21,884)</b>	<b>(20,602)</b>	<b>(1,282)</b>

The account increased by Euro 1.3 million. As a percentage of revenues these costs decreased from 21.4% in 2015 to 21.2% in 2016.

## 6. Other operating expenses and provisions

<i>In Euro thousands</i>	<b>Q1 16</b>	<b>Q1 15</b>	<b>Changes</b>
Leasing and rental	(583)	(516)	(67)
Rental of vehicles and industrial equipment	(622)	(602)	(20)
Hardware, software and patents	(220)	(211)	(9)
Other taxes	(219)	(268)	49
Magazine and newspaper subscriptions	(7)	(5)	(2)
Various equipment	(72)	(56)	(16)
Catalogues and brochures	(42)	(111)	69
Other prior year charges and losses	(645)	(338)	(307)
<b>Total</b>	<b>(2,409)</b>	<b>(2,106)</b>	<b>(303)</b>

The account increased by approx. Euro 0.3 million. As a percentage of revenues these costs increased from 2.2% in 2015 to 2.3% in 2016.

## 7. Net financial charges

<i>In Euro thousands</i>	<b>Q1 16</b>	<b>Q1 15</b>	<b>Changes</b>
Financial income	57	31	26
Financial charges	(833)	(901)	68
Exchange rate gains/(losses)	(147)	1,122	(1,269)
<b>Total net financial charges</b>	<b>(923)</b>	<b>252</b>	<b>(1,175)</b>

Financial activities were impacted by exchange rate movements concerning the currencies utilised by the Group.

## 8. Property, plant & equipment

The breakdown of property, plant and equipment at March 31, 2016 and December 31, 2015 is detailed below.

<i>In Euro thousands</i>	<b>Mar 31, 16</b>	<b>Dec 31 15</b>	<b>Changes</b>
Land, land usage rights and buildings	45,701	46,678	(977)
Plant and machinery	21,108	21,113	(5)
Industrial and commercial equipment	16,893	15,805	1,088
Other assets	3,684	3,654	30
Assets in progress and advances	1,651	1,529	122
<b>Total property, plant and equipment</b>	<b>89,037</b>	<b>88,779</b>	<b>258</b>

Property, plant and equipment increased from Euro 88,779 thousand at December 31, 2015 to Euro 89,037 thousand at March 31, 2016, an increase of Euro 2,852 thousand as a result of the sales, purchases and a depreciation charge of Euro 2,852 thousand.

## 9. Goodwill

<i>In Euro thousands</i>	<b>Mar 31, 16</b>	<b>Dec 31, 15</b>	<b>Changes</b>
Goodwill recorded by subsidiaries	45,398	45,712	(314)
<b>Total goodwill</b>	<b>45,398</b>	<b>45,712</b>	<b>(314)</b>

The account increased in part due to exchange rate movements.

## 10. Other intangible assets

The breakdown of the "Other intangible assets" at March 31, 2016 and December 31, 2015 is shown below.

<i>In Euro thousands</i>	<b>Mar 31, 16</b>	<b>Dec 31, 15</b>	<b>Changes</b>
Development Costs	8,680	9,309	(629)
Industrial patents and intellectual property rights	8,213	8,746	(533)
Concessions, licenses, trademarks & similar rights	1,484	1,539	(55)
Assets in progress and advances	7,284	6,046	1,238
Other intangible assets	2,790	3,036	(246)
<b>Total other intangible assets</b>	<b>28,451</b>	<b>28,676</b>	<b>(225)</b>

Other intangible assets decreased from Euro 28,676 thousand at December 31, 2015 to Euro 28,451 thousand at March 31, 2016, a reduction of Euro 225 thousand as a result of the purchases, sales and amortisation recorded to the income statement of Euro 1,612 thousand.

"Assets in progress and advances" refer in part to advances and the development of projects for the implementation of new IT platforms and the design, development and creation of new software applications, and also the development of new products.

The account "Other intangible assets" relates principally to both the technology developed and the client portfolio of the German subsidiary Exklusiv Hauben Gutmann GmbH.

## 11. Trade receivables and payables

Trade receivables and trade payables were as follows:

<i>(in Euro thousands)</i>	<b>Mar 31, 16</b>	<b>Dec 31, 15</b>	<b>Changes</b>
Trade receivables and loan assets	67,853	68,504	(651)
Trade payables	(99,804)	(99,474)	(330)
<b>Total</b>	<b>(31,951)</b>	<b>(30,970)</b>	<b>(981)</b>

Trade receivables are recorded net of the allowance for impairment, made following an analysis of the credit risk on receivables and on the basis of historical data on impairment losses, considering that a substantial portion of the receivables is insured by prime international insurance companies.

Management considers that the value approximates the fair value of the receivables.

## 12. Inventories

<i>In Euro thousands</i>	<b>Mar 31, 16</b>	<b>Dec 31, 15</b>	<b>Changes</b>
Raw materials, ancillary and consumables	25,273	24,489	784
Work-in-progress and semi-finished goods	14,227	14,138	89
Finished products and goods	27,827	24,069	3,758
Advances	14	6	8
<b>Total</b>	<b>67,340</b>	<b>62,701</b>	<b>4,639</b>

The account increased from Euro 62,701 thousand at December 31, 2015 to Euro 67,340 thousand at March 31, 2016.

Inventories are stated net of the obsolescence provisions in order to take into consideration the effect of waste, obsolete and slow moving items and the risk estimates of the non-existent value in use of some categories of raw materials and semi-finished goods based on assumptions made by management.

### 13. Provisions for risks and charges

The details are reported below.

(in Euro thousands)	Mar 31, 16	Dec 31, 15	Changes
Agents' termination benefits	522	523	(1)
Product warranty provisions	1,233	1,435	(201)
Legal, tax and other risks provision	3,142	3,183	(41)
Personnel Fund	605	1,550	(945)
LTIP provision	3,886	3,886	-
Other Provisions	531	675	(144)
<b>Total</b>	<b>9,920</b>	<b>11,252</b>	<b>(1,332)</b>
of which			
Non-current	3,692	3,854	(162)
Current	6,228	7,398	(1,170)
<b>Total</b>	<b>9,920</b>	<b>11,252</b>	<b>(1,332)</b>

Agents' termination benefits are intended to cover possible charges upon termination of relations with agents and sales representatives.

Product warranty provisions represent an estimate of the costs likely to be incurred to repair or replace items sold to customers. These provisions reflect the average warranty costs historically incurred by the Group as a percentage of sales still covered by warranty.

The legal, tax and other risks provision relates to likely costs and charges to be incurred as a result of ongoing legal and tax disputes. The provisions have been determined based on the best possible estimates, considering the available information. They include allocations required to comply with the waste disposal regulation.

The Long Term Incentive Plan provision refers to the accrued liability, approved by the Board of Directors on November 14, 2013.

Personnel provisions include the higher cost estimated by the Group for contractual indemnity and for employee bonuses.

### 14. Transactions and balances with related parties

The income statement and statement of financial position amounts deriving from the transactions carried out as per IAS 24 with related parties are in line with the past and reference should therefore be made to the Annual Report.

In accordance with IAS 24, compensation paid to Directors, Statutory Auditors and Key Management Personnel are included in transactions with related parties, and their amounts are in line with previous periods; reference should be made to the Annual Report in this regard.

Fabriano, May 12, 2016

The Chairman  
Francesco Casoli

**Statement of the corporate financial reporting manager in accordance with Article 154 *bis*, paragraph 2 of Legislative Decree 58/1998**

The undersigned Giuseppe Perucchetti as Chief Executive Officer and Alberto Romagnoli as the Corporate Financial Reporting Manager of Elica S.p.A. declare in accordance with Article 154-*bis*, paragraph 2, of the Consolidated Finance Act, that the accounting and corporate information in the present Interim Report at March 31, 2016 corresponds to the underlying accounting documents, records and accounting entries.

Fabriano, May 12, 2016

The Chief Executive Officer  
Giuseppe Perucchetti

Corporate Financial  
Reporting Manager  
Alberto Romagnoli