PRESS RELEASE

Treviso, March 12, 2009

DE' LONGHI SpA: 2008 RESULTS.

The Board of Directors has approved the consolidated results as at December 31, 2008 of the De' Longhi Group, reporting revenues of € 1,533.4 million (+2.9%) and Ebitda of € 162.9 million (+0.9 percentage points on revenues); the net profit rises to € 40.2 million; net debt is reduced by € 109.4 million.

Quarter October 1st – December 31st, 2008

- net revenues of the fourth quarter amount to € 481.1 million, growing by 1.6%;
- EBITDA amounts to € 51.1 million (+6.3%, or 10.6% of revenues), having benefited from not recurrent incomes of € 7.7 million. Before non recurrent items, EBITDA decreases by 15.4%, from € 51.3 to € 43.4 million (i.e. from 10.8% to 9% of revenues);
- EBIT amounts to € 29.2 million, down by 17.6% due to a € 7.6 million depreciation of goodwill and other assets.

Twelve months January 1st – December 31st, 2008

- revenues are growing from € 1,490.9 to € 1,533.4 million (+2.9%), despite the difficult conditions of the markets and the negative impact of the Euro depreciation (+5.7% at constant exchange rates);
- EBITDA amounts to € 162.9 million (+12.1%), equal to 10,6% of revenues (it was 9.7% in 2007), thanks to not recurrent income of € 11.8 million. Before such not recurrent items, EBITDA declines by 3.3%, from € 156.3 to € 151.1 million.
- EBIT increases from € 103.7 to € 111.3 million, despite depreciation of goodwill and other assets of € 9.1 million;
- net financial charges (€ 52.6 million vs. € 51.3 million of 2007), remaining stable as a percentage of revenues (3.4%), were affected by the higher market interest rates, higher spreads charged by banks and an average net indebtedness substantially in line with the one of the previous year;

- the net profit amounts to € 40.4 million, thus growing by 29.2% vs. 2007 (€ 31.3 million), having benefited from the higher income generated by the business and from a more favourable fiscal take (- € 2.9 million);

- the significant reduction of the net indebtedness, from € 355.9 million to € 246.5 million, has taken advantage of the cash flows coming from the insurance payment related to the fire of April 2007 (€ 39 million in 2008) and from the sale of the real estate business of the De' Longhi S.p.a. (€68.5 million);

- the Board of Directors resolves to propose to the Shareholders' Meeting (to be held on April 21, 2009, or on April 22 in second call) an unchanged dividend of € 0.06 per share. The date of record of the dividend is May 4, 2009 and the payment of dividends starts on May 7, 2009.

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The 2008 results

The Board of Directors has approved the consolidated 2008 results of the De' Longhi Group today.

Within a scenario of incrasing slowdown of the economy and of Euro strenghtening vs. all main foreign currencies, the Group has achieved revenues growing by 2.9% (+5.7% at constant exchange rates) from € 1,490.9 to € 1,533.4 million. However, the trend of the revenues during the year was stronger in the first half, while in the second half the deepening of the crisis of markets and consumption had a more sever impact. In the fourth quarter revenues progressed by 1.6%, amounting to € 481.1 million.

The more profitable product mix together with a weak US Dollar, which helped to counterbalance the prices of raw materials – still high for the major part of the year – allowed the Group to preserve the gross profit, which slightly improved from 39.3% to 39.4 of revenues (+ € 17.1 million). Such trend was halted in the last quarter, when the gross profit went down from 40.3% to 37.9% of revenues, as a consequence mainly of the weakness of wall radiators business and of the further depreciation of the Pound.

As regards EBITDA, the Group has experienced a compression of the operating leverage (as a result of the lower growth rate), whose negative effect was neutralized by not recurrent incomes totalling € 11.8 million, thus bringing the EBITDA to € 162.9 million (or 10.6% of revenues), grown by 12.1% vs. 2007 (when it amounted to € 145.4 million, or 9.7% of revenues). Before not recurrent items, EBITDA amounts to € 151.1 million, vs. € 156.3 million in 2007 (-3.3%).

The above mentioned not recurrent items include some extraordinary gains, partially balanced by non recurrent losses for some restructurings of the industrial and commercial activity.

In the fourth quarter, EBITDA improves by 6.3%, reaching € 51.1 million (from 10.2% to 10.6% of revenues), while, before non recurrent items (€ 7.7 million) EBITDA amounts to € 43.4 million, or 9% of revenues (it was 10.8% in 2007).

EBIT, amounting to € 11.3 million (or 7.3% of revenues), is growing by 7.3%, € 9.1 million of depreciation of goodwill and other assets of controlled subsidiaries. Said depreciations, most of them posted in the last quarter, had a marked negative impact on the quarter's operating result, decreasing from € 35.5 million to € 29.2 million (-17.6%).

The net financial charges experienced a modest increase, reaching € 52.6 million (from € 51.3 millio n of 2007), as an effect of (i) higher interest rates, (ii) higher spread charged by banks, as a consequence of the systemic lack of liquidity and (iii) an average net indebtedness in line with the one of the previous year. However, the financial charges remained stable as a percentage of the revenues (3.4%).

The Group delivers a net profit of € 40.2 million (+31.4% vs the € 30.6 million of 2007).

The net indebtedness at year end amounts to € 246.5 million, thus decreasing by € 109.4 million vs. 2007. We outline the positive effects of the € 39 million insurance payment related to the fire occurred in April 2007 (regarding the disbursements incurred by the Group) and of the sale of the real estate business (total cash benefit amounting to € 67.2 million).
The net working capital was reduced from € 363.4 to € 356.3 million, despite the situation of growing uncertainity and difficulty in consumption trends and in the overall market.
In addition, the Group has increased the share of medium term debt thanks to new financing totalling € 55 million.

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As regards the sales' breakdown by market, we evidence a generally positive performance in all major European markets, excluding Italy (whose share on total turnover drops below 20%) and U.K. (-9.1%), the latter however growing by 3.7% at constant exchange rates. While the northern American markets marked a negative trend, sales in the rest of the world progressed by an overall 6.5%.

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Both Household and Professional divisions provided a positive contribution to the sales' growth. Looking at profitability, the Professional division was affected by the depressed trend of wall radiators business (as a consequence of the slowing residential real estate market and of the relevant Pound's depreciation).

The Household division obtained sales growing by 2.3% and increasing EBITDA (+4.4% before not recurrent items).

The Professional division achieved growing sales (+1.2%) and declining margins, for the above mentioned reasons (EBITDA down by 13.7% before not recurrent items).

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The Board of Directors resolves to propose to the Shareholders' Meeting (to be held on April 21, 2009, or on April 22 in second call) a dividend of € 0.06 per share. The date of record of dividend is May 4, 2009, and the payment of dividends starts on May 7, 2009.

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Events following year end.

No major event has occured since the closing of the FY 2008 accounts.

Foreseeable business development

The global economic recessionary environment and the short visibility of its development suggest an extremely cautious approach. The Group believes it can count on its leadeship in several segments and on a continuous innovation flow and it will also benefit from the debt reduction.

<<Having improved the net financial position and strenghtened our market shares – reports the CEO, Mr. Fabio De' Longhi – will allow us to face the recession and the slowing consumption with a more optimistic approach>>.

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Declaration of the manager responsible for the company's accounts.

The manager responsible for the preparation of the company's accounts, Stefano Biella, hereby declares, as per article 154 bis, paragraph 2, of the "Testo Unico della Finanza", that all information related to the company's accounts contained in this press release are fairly representing the accounts and the books of the company.

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Contacts:

for analysts and investors:
Investor Relations, Fabrizio Micheli
T: +39 0422 413235

for the press:
Alessandro Rinaldini:
M: +39 3482642896

on the web:
www.delonghi.it

Consolidated results of De' Longhi Group as at December 31, 2008

Consolidated Income Statement

(Euro million)	2008	% on revenues	2007	% on revenues
Net revenues	**1.533,4**	**100,0%**	**1.490,9**	**100,0%**
change 2007/2006	*42,5*	*2,9%*		
Materials consumed and other production costs (services and production payroll costs)	(929,9)	(60,6%)	(904,5)	(60,7%)
Gross profit	**603,5**	39,4%	**586,4**	39,3%
Cost of services and other expenses	(321,0)	(20,9%)	(307,4)	(20,6%)
Added Value	**282,5**	18,4%	**279,0**	18,7%
Payroll (non-industrial)	(115,5)	(7,5%)	(108,4)	(7,3%)
Provisions	(15,9)	(1,0%)	(14,3)	(1,0%)
EBITDA before non recurring items	**151,1**	**9,9%**	**156,3**	**10,5%**
change 2007/2006	*(5,2)*	*(3,3%)*		
Other non recurrent income (expenses)	11,8	0,8%	(10,9)	(0,7%)
EBITDA	**162,9**	**10,6%**	**145,4**	**9,7%**
Amortization	(42,6)	(2,8%)	(41,7)	(2,8%)
Non recurrent depreciations	(9,1)	(0,6%)	-	-
EBIT	**111,3**	**7,3%**	**103,7**	**7,0%**
change 2007/2006	*7,6*	*7,3%*		
Financial income /(expenses)	(52,6)	(3,4%)	(51,3)	(3,4%)
Profit before taxes	**58,6**	**3,8%**	**52,4**	**3,5%**
Taxes	(18,3)	(1,2%)	(21,1)	(1,4%)
Profit (loss) for the period	**40,4**	**2,6%**	**31,3**	**2,1%**
Profit (loss) pertaining to minority interests	0,2	0,0%	0,7	0,0%
Profit (loss) pertaining to the Group	**40,2**	**2,6%**	**30,6**	**2,1%**

Consolidated Balance Sheet

(Euro million)	31.12.08	31.12.07	change 31.12.08-31.12.07	change %
intangible assets	414,5	421,4	(7,0)	(1,7%)
tangible assets	178,5	248,4	(69,9)	(28,1%)
financial assets	47,1	39,6	7,5	18,9 %
Fixed assets	**640,1**	**709,4**	**(69,4)**	**(9,8%)**
Inventories	320,5	335,2	(14,7)	(4,4%)
Trade receivables	367,2	378,0	(10,8)	(2,9%)
Other current assets	38,0	63,8	(25,8)	(40,4%)
Trade payables	(286,2)	(333,7)	47,5	(14,2%)
Other current liabilities	(83,1)	(79,9)	(3,2)	4,0 %
Net working capital	**356,3**	**363,4**	**(7,0)**	**(1,9%)**
Non current liabilities	(87,7)	(86,2)	(1,4)	1,7 %
Total capital employed	**908,7**	**986,5**	**(77,8)**	**(7,9%)**
Net debt	**246,5**	**355,9**	**(109,4)**	**(30,7%)**
Total shareholders' equity	**659,9**	**625,2**	**34,7**	**5,6 %**
Total net debt and shareholders' equity	**908,7**	**986,5**	**(77,8)**	**(7,9%)**

Consolidated Cash Flow Statement

(Euro million)	2008	2007
Cash Flow from operations	91,0	86,4
Cash Flow from changes in the working capital	(39,6)	(21,3)
Cash Flow from current operations and w.c.	**51,3**	**65,1**
Cash Flow from ordinary investments	(42,7)	(40,6)
Operating Cash Flow	**8,7**	**24,4**
Cash flow from non recurrent items	103,2	(43,4)
Cash flow absorbed by changes in net equity	(2,5)	(22,3)
Net Cash Flow	**109,4**	**(41,3)**
Opening net financial position	(355,9)	(314,6)
Closing net financial position	**(246,5)**	**(355,9)**

Revenues by geographical breakdown

(Euro million)	2008	2007	Change	Change %
Italy	300,2	318,7	(18,4)	(5,8%)
UK	133,6	146,9	(13,4)	(9,1%)
Rest of Europe	734,5	656,6	77,9	11,9%
USA, Canada and Mexico	99,5	119,3	(19,8)	(16,6%)
Rest of the world	265,6	249,3	16,3	6,5%
Total	**1.533,4**	**1.490,9**	**42,6**	**2,9%**

Business segments

	December 31, 2008				December 31, 2007		
(Euro million)	*Household*	*Professional*	*Corporate*	**Total consolidated**	*Household*	*Professional*	**Total consolidated**
Net Revenues	1.136,8	411,2	17,3	**1.533,4**	1.111,1	406,2	**1.490,9**
change 2008/2007	*25,8*	*5,0*					
change %	*2,3%*	*1,2%*					
Net Revenues at constant exchange rates	1.176,2	414,5	17,3	**1.576,1**	1.111,1	406,2	**1.490,9**
change 2008/2007 at constant exchange rates	*65,1*	*8,4*					
change %	*5,9%*	*2,1%*					
EBITDA before non recurrent items	119,7	36,0	(3,9)	**151,1**	114,7	41,7	**156,3**
change 2008/2007	*5,0*	*(5,7)*					
margin % on revenues	*10,5%*	*8,8%*		***9,9%***	*10,3%*	*10,3%*	***10,5%***
EBITDA	111,8	35,3	16,6	**162,9**	104,6	40,9	**145,4**
change 2008/2007	*7,2*	*(5,7)*					
margin % on revenues	*9,8%*	*8,6%*		***10,6%***	*9,4%*	*10,1%*	***9,7%***
EBIT	78,7	19,3	13,9	**111,3**	71,0	32,9	**103,7**
change 2008/2007	*7,7*	*(13,5)*					
margin % on revenues	*6,9%*	*4,7%*		***7,3%***	*6,4%*	*8,1%*	***7,0%***