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PRESS RELEASE

De' LONGHI SpA: HALF YEAR 2010 RESULTS .

The Board of Directors of De' Longhi S.p.a. has approved the consolidated results of the first half 2010: revenues increase by 9.4% to € 651 million; Ebitda before non recurring items amounts to € 66.5 million or 10.2 % of revenues; net debt decreases to € 70 million, thus declining by € 159.8 million in the 12 months and by € 47.1 million since year's inception; international sales reached 83% of total.

Summary

the second quarter
April 1st – June 30, 2010

- revenues increased by 15% to € 350.4 million;
- net industrial margin amounted to € 155.8 million, growing from 42.8% to 44.5% of revenues;
- Ebitda, before non recurring items, amounted to € 34.4 million, thus improving from 7.4% to 9.8% of revenues;
- EBIT amounted to € 22.8 million (or 6.5% of revenues, vs. 3.8% of 2009);
- net profit pertaining to the Group reached € 7.5 million (from € 0.2 million in 2009).

the six months
January 1st – June 30, 2010

- revenues marked a progression of 9.4%, going up to € 651 million;
- net industrial margin increased to € 290.6 million and from 42.5% to 44.6% of revenues;
- good results for Ebitda, (before non recurring items, improved to € 66.5 million and from 8.1% to 10.2% of revenues) and EBIT (€ 45.4 million, increasing from 4.6% to 7% of revenues);
- net profit pertaining to the Group amounted to € 17.8 million (or 2.7% of revenues) vs. € 3.9 million of 2009 (or 0.6% of revenues);
- net debt decreased to € 70 million, down by € 159.8 million in the 12 months and by € 47.1 million from year's inception.

The results of the first half 2010

The Board of Directors of De' Longhi S.p.a. has approved today the results of the first half 2010, which gave evidence of a positive trend both in sales and in profitability and debt.

Such results are in countertrend in respect to a difficult macroeconomic environment, still subject to a high degree of volatility, even if a few signs of improvement of markets and

confidence can be detected.

The Group, thanks to its innovative product mix, got advantage of the consumers' growing attention towards products related to home and its comfort.

revenues

In fact, Household division led the revenues' growth and marked a progression of revenues of 11.8% in the 6 months and of 19.7% in the second quarter. The Professional division delivered a satisfactory performance (-0.6% in the 6 months and -1.4% in the second quarter), as, though it was still held back by a weak real estate business, it halted the downward trend seen in the full 2009.

Consolidated revenues grew by 9.4% in the 6 months and by 15% in the second quarter. A positive contribution came from exchange rates whose effect is worth 2.7% on sales: at constant exchange rates, the revenues' growth would have been 6.7% in the 6 months.

All main reference markets have grown, with the exception of USA and, in the Professional division, Italy; on the contrary, Germany, UK, Eastern Europe and Far East countries were rather dynamic.

Within the Household division, small appliances (primarily coffee makers and kitchen machines) performed well, while portable air conditioners suffered by a delayed start of the summer season (but sales partially recovered during July).

	1st half 2010			2nd quarter 2010		
	M €	chn. YoY	chn. %	M €	chn. YoY	chn. %
Total revenues	651,0	55,7	9,4 %	350,4	45,7	15,0 %
divisions:						
- Household	497,0	52,6	11,8 %	266,7	43,9	19,7 %
- Professional	155,5	(0,9)	(0,6) %	85,0	(1,2)	(1,4) %

margins

All margins improved, thanks to the product mix, to the increased stability of raw materials' prices, to the G&A costs' control and to the positive impact of exchange rates.

Net industrial margin jumped up from 42.5% to 44.6% of revenues (from 42.8% to 44.5% in the quarter), so founding the significant improvement of Ebitda (€ 66.5 million, before non recurring items) and Ebit (€ 45.4 million), equal to respectively 10.2% and 7% of revenues (vs. 8.1% and 4.6% in 2009).

	1st half 2010		2nd quarter 2010	
	M €	% on revenues	M €	% on revenues
Net industrial margin	290,6	44,6 %	155,8	44,5 %
EBITDA (before non recurr. items)	66,5	10,2 %	34,4	9,8 %
EBIT	45,4	7,0 %	22,8	6,5 %

Ebitda per division

Given the above mentioned sales' performance, the major contribution to Ebitda's growth came from Household division, whose Ebitda before non recurring items improved from € 42 million (9.5% of revenues) to € 55.1 million (11.1% of revenues) in the 6 months.

However, even Professional division, despite the weak revenues' performance, delivered increasing margins, both in absolute terms and as a percentage of revenues, thanks to the savings obtained on Cogs and on overheads.

<i>EBITDA</i> <i>before non rec. items</i>	2010		2009	
	M €	% on rev.	M €	% on rev.
first half				
- Household	55,1	11,1 %	42,0	9,5 %
- Professional	13,6	8,8 %	11,5	7,4 %
2nd quarter				
- Household	24,4	9,1 %	16,7	7,5 %
- Professional	10,6	12,4 %	8,9	10,3 %

Non recurring costs amounted to € 2.9 million in the 6 months (€ 2.5 million in the quarter), to be ascribed to Household division for € 1.3 million and to Professional division for the remaining € 1.5 million.

financial charges

Net financial charges passed decreased from € 19 to € 17 million, thanks mainly to the reduction of the indebtedness and the decline of interest rates.

net profit

Net profit pertaining to the Group amounted to € 17.8 million, comparing to € 3.9 million of the first half 2009. Before tax, profit was € 28.4 million.

net indebtedness

The Group carried on the policy of debt reduction, bringing the net financial indebtedness from € 117.1 (as at 31.12.2009) to € 70 million, as a consequence of the growth of margins (and therefore of self-financing) and of the control of the working capital.

At the end of the first half, the Group's short-term net financial position was positive, while at the same time the medium term debt was rising from € 113.0 million to € 125.3 million.

<i>€ milioni</i>	at 30.6.2010	at 31.12.2009	ch. 6 months
s/t net financial position	55,2	(4,1)	59,4
m/t net financial position	(125,3)	(113,0)	(12,3)
TOTAL NET FIN. POSITION	(70,0)	(117,1)	47,1

Events following the end of the quarter

There are no material events following the end of the quarter.

Foreseeable business development

The comforting performances of the first half 2010 bring us to foresee a positive growth for the entire year. Nonetheless, uncertainty conditions of the financial markets and possible appreciation of US Dollar and of raw materials suggest a cautious approach in respect of profitability.

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.

Contacts

for analysts and
investors

Fabrizio Micheli, Investor Relations,
T: +39 0422 413235
e-mail: investor.relations@delonghi.it

for the press

Valentina Zanetti
T: +39 0422 413384
e-mail: valentina.zanetti@delonghi.it

on the web

<http://www.delonghi.com>
<http://investors.delonghi.com/it/index.php>

A N N E X
Consolidated results of De' Longhi Group as at June 30, 2010

Consolidated Income Statement

(Euro million)	1st half 2010	% on revenues	1st half 2009	% on revenues
Net revenues	651,0	100,0%	595,3	100,0%
<i>change</i>	<i>55,7</i>	<i>9,4%</i>		
Materials consumed and other production costs (services and production payroll costs)	(360,4)	(55,4%)	(342,4)	(57,5%)
Net Industrial margin	290,6	44,6%	252,9	42,5%
Cost for goods and services	(147,2)	(22,6%)	(134,9)	(22,7%)
Added value	143,4	22,0%	118,0	19,8%
Labour cost (non industrial)	(62,2)	(9,5%)	(59,8)	(10,0%)
Provisions	(14,8)	(2,3%)	(10,0)	(1,7%)
EBITDA				
before non recurring items	66,5	10,2%	48,2	8,1%
<i>change</i>	<i>18,3</i>	<i>38,0%</i>		
Non recurring items	(2,9)	(0,4%)	(3,8)	(0,6%)
EBITDA	63,6	9,8%	44,4	7,5%
Amortization	(18,3)	(2,8%)	(17,2)	(2,9%)
EBIT	45,4	7,0%	27,2	4,6%
<i>change</i>	<i>18,2</i>	<i>66,8%</i>		
Net financial charges	(17,0)	(2,6%)	(19,0)	(3,2%)
Profit before taxes	28,4	4,4%	8,2	1,4%
Taxes	(10,6)	(1,6%)	(4,4)	(0,7%)
Profit / (Loss) of the period	17,8	2,7%	3,8	0,6%
Profit (loss) pertaining to minority interests	0,1	0,0%	-	-
Profit (loss) pertaining to the Group	17,8	2,7%	3,9	0,6%

Consolidated Balance Sheet

(Euro million)	30.06.2010	30.06.2009	31.12.2009	change 30.06.10 – 30.06.09	change 30.06.10 – 31.12.09
- intangible assets	416,6	415,9	414,7	0,7	2,0
- tangible assets	182,4	177,7	177,6	4,7	4,8
- financial assets	2,3	2,4	2,5	(0,2)	(0,3)
- deferred tax assets	36,6	48,5	38,1	(11,9)	(1,4)
Fixed assets	637,9	644,6	632,9	(6,7)	5,0
- inventories	357,7	344,6	257,1	13,1	100,7
- trade receivables	260,1	270,0	351,9	(9,9)	(91,8)
- trade payables	(324,2)	(241,3)	(291,1)	(83,0)	(33,1)
- other net current assets / (liabilities)	(47,0)	(43,2)	(53,5)	(3,8)	6,4
Net working capital	246,6	330,2	264,4	(83,6)	(17,9)
Non current liabilities	(87,4)	(85,5)	(91,7)	(1,9)	4,3
Net invested capital	797,1	889,3	805,6	(92,2)	(8,5)
Net financial position	(70,0)	(229,8)	(117,1)	159,8	47,1
Total shareholders' equity	(727,1)	(659,5)	(688,5)	(67,6)	(38,6)
Total net financial position and shareholders' equity	(797,1)	(889,3)	(805,6)	92,2	8,5

Consolidated Cash Flow Statement

(Euro million)	1st half 2010	1st half 2009	31.12.2009 (12 months)
Cash flow from operations	57,4	21,8	100,7
Cash flow from changes in working capital	2,8	23,5	73,3
Cash flow from operations and changes in working capital	60,3	45,3	174,0
Cash flow from investments	(18,3)	(15,9)	(33,5)
Operating cash flow	41,9	29,5	140,6
Cash flow from changes in the net equity	5,1	(12,8)	(11,2)
Net cash flow	47,1	16,7	129,4
Opening net financial position	(117,1)	(246,5)	(246,5)
Closing net financial position	(70,0)	(229,8)	(117,1)

Business Segments

(Milioni di Euro)	1st half 2010				1st half 2009			
	Household	Professional	Corporate	Total Group	Household	Professional	Corporate	Total Group
Net Revenues	497,0	155,5	5,7	651,0	444,4	156,4	5,7	595,3
<i>change 2010/2009</i>	52,6	(0,9)						
<i>change %</i>	11,8%	(0,6%)						
Net Revenues at constant exchange rates	481,6	154,9		635,0	444,3	156,3		595,0
<i>change 2010/2009 at constant exch. rates</i>	37,3	(1,4)						
<i>change %</i>	8,4%	(0,9%)						
EBITDA before non recurring items	55,1	13,6	(2,3)	66,5	42,0	11,5	(5,2)	48,2
<i>change 2010/2009</i>	13,1	2,1						
<i>% on revenues</i>	11,1%	8,8%		10,2%	9,5%	7,4%		8,1%
EBITDA	53,7	12,1	(2,3)	63,6	40,7	9,4	(5,6)	44,4
<i>change 2010/2009</i>	13,0	2,7						
<i>% on revenues</i>	10,8%	7,8%		9,8%	9,2%	6,0%		7,5%
EBIT	40,5	7,4	(2,6)	45,4	28,0	5,2	(5,9)	27,2
<i>change 2010/2009</i>	12,4	2,3						
<i>% on revenues</i>	8,1%	4,8%		7,0%	6,3%	3,3%		4,6%