

Treviso, May 12, 2010

PRESS RELEASE

De' LONGHI SpA:

The Board of Directors has approved the results of the first quarter 2010. Revenues grew by 3.5% to € 300.6 million. Net debt was decreasing by € 146 million in the twelve months. All operating margins were improving, respectively: net industrial margin to € 134.8 million (44.8% of revenues), Ebitda to € 31.7 million (10.5% of revenues) and Ebit to € 22.5 million (7.5% of revenues).

Summary

the first quarter
January 1st – March 31st, 2010

- consolidated net revenues amounted to € 300.6 million, growing by 3.5%;
- net industrial margin was progressing by 10% (from 42.2% to 44.8% of revenues);
- Ebitda amounted to € 31.7 million, or 10.5% of revenues (with a negligible impact of non recurring items);
- Ebit improved by 43.6%, reaching € 22.5 million (7.5% of revenues);
- net profit amounted to € 10.2 million vs. € 3.7 million in the first quarter 2009;
- net debt amounted to € 124.9 million.

The results of the first quarter 2010

The Board of Directors of De' Longhi Spa has approved the results of the first quarter 2010.

Operations in the first months of the year were affected by a market scenario generally more positive than the correspondent quarter of last year, thus confirming the improvement of the economic climate shown in the last months of 2009.

However, the obtained results benefited from a very favourable currency mix (thanks also to the hedging policies put in place) and from the cue of a good 2009 Christmas' sales campaign.

Therefore, looking at the future, it's reasonable to suggest a cautious approach, since there are no premises yet of a well rooted and spread recovery of the economy and of consumption, but also in view of recent events in Europe and of the recent currencies' turmoil.

revenues

Consolidated net revenues amounted to € 300.6 million,

increasing by 3.5% vs. 2009 (€290.5 million). It is worth reminding that in respect to revenues of the first quarter 2008 (amounting to € 330.5 million), the current revenues are still behind by 9.1%.

The reported growth was achieved thanks mainly to the contribution of the Household division (up by 3.9% to € 230.4 million), while the Professional division was showing a trend basically in line with the one of last year (up by 0.4% to € 70.5 million).

At constant exchange rates, revenues were growing by 2.2%.

	1st quarter 2010		
	M €	Var. yoy	Var. yoy %
Total revenues	300,6	10,0	3,5 %
divisions:			
- Household	230,4	8,7	3,9 %
- Professional	70,5	0,3	0,4 %

operating margins: net industrial margin, EBITDA and EBIT.

Together with the positive development of sales, the improved product mix and the favourable currencies' scenario brought about a general improvement of operating margins, starting from the net industrial margin, which amounted to € 134.8 million, or 44.8% of revenues (vs. 42.2% of first quarter 2009).

Consequently, EBITDA and EBIT as well showed a marked improvement, going respectively from 8.4% to 10.5% (to € 31.7 million) and from 5.4% to 7.5% (to € 22.5 million) of revenues.

	1st quarter 2010		1st quarter 2009	
	M €	% sui ricavi	M €	% sui ricavi
Net industrial margin	134,8	44,8 %	122,5	42,2 %
EBITDA	31,7	10,5 %	24,3	8,4 %
EBIT	22,5	7,5 %	15,7	5,4 %

net profit

After benefiting from a significant reduction of financial charges (down from € 9.6 to € 6.3 million) – thanks to the decline of the indebtedness and to the stability of market interest rates at their minimum levels – the Group reported a net profit of € 10.2 million (or 3.4% of revenues) which positively compares with € 3.7 million in 2009.

net indebtedness

Net indebtedness was reduced in the twelve months by € 146 million, from € 270.9 million (March 2009) to € 124.9 million, as a result of the improved profitability and of the contraction of the net working capital (-€ 90.4 million in the twelve months).

Events following the end of the quarter

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

Foreseeable business development

The first quarter of 2010 has confirmed the good economic and financial results obtained by the Group in 2009.

However the uncertainty conditions of the markets and the appreciation of the US Dollar and of raw materials suggest a cautious approach.

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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A N N E X
Consolidated results of De' Longhi Group as at March 31, 2010

Consolidated Income Statement

Euro million	31.03.2010 (3 months)	% of revenues	31.03.2009 (3 months)	% of revenues
Net revenues	300,6	100,0%	290,5	100,0%
<i>change</i>	<i>10,0</i>	<i>3,5%</i>		
Materials consumed and other production costs (services and production payroll costs)	(165,8)	(55,2%)	(168,0)	(57,8%)
Net Industrial margin	134,8	44,8%	122,5	42,2%
Costs of services and other expenses	(72,2)	(24,0%)	(67,3)	(23,2%)
Labour cost (non industrial)	(30,5)	(10,2%)	(29,7)	(10,2%)
EBITDA before non recurring items	32,1	10,7%	25,6	8,8%
<i>change</i>	<i>6,5</i>	<i>25,6%</i>		
Non recurring items	(0,4)	(0,1%)	(1,2)	(0,4%)
EBITDA	31,7	10,5%	24,3	8,4%
<i>change</i>	<i>7,3</i>	<i>30,1%</i>		
Amortization	(9,1)	(3,0%)	(8,6)	(3,0%)
EBIT	22,5	7,5%	15,7	5,4%
<i>change</i>	<i>6,8</i>	<i>43,6%</i>		
Net financial charges	(6,3)	(2,1%)	(9,6)	(3,3%)
Profit before taxes	16,2	5,4%	6,1	2,1%
Taxes	(6,1)	(2,0%)	(2,4)	(0,8%)
Profit / (Loss) of the period	10,1	3,4%	3,7	1,3%
Profit (loss) pertaining to minority interests	(0,1)	(0,0%)	-	-
Profit (loss) pertaining to the Group	10,2	3,4%	3,7	1,3%

Consolidated Balance Sheet

Euro million	31.03.2010	31.03.2009	31.12.2009	Change 31.03.10 – 31.03.09	Change 31.03.10 – 31.12.09
- intangible assets	413,9	414,6	414,7	(0,8)	(0,8)
- tangible assets	177,8	179,7	177,6	(1,8)	0,2
- financial assets	2,6	4,9	2,5	(2,3)	0,1
- deferred tax assets	36,0	44,5	38,1	(8,5)	(2,1)
Fixed assets	630,3	643,7	632,9	(13,4)	(2,6)
- inventories	296,6	341,3	257,1	(44,7)	39,5
- trade receivables	295,2	296,5	351,9	(1,3)	(56,7)
- trade payables	(256,7)	(221,1)	(291,1)	(35,5)	34,4
- other net current assets / (liabilities)	(40,1)	(31,4)	(53,5)	(8,8)	13,3
Net working capital	294,9	385,3	264,4	(90,4)	30,5
- deferred tax liabilities	(24,1)	(23,5)	(25,3)	(0,7)	1,2
- employee benefits	(26,5)	(28,5)	(28,7)	2,0	2,2
- other provisions	(37,8)	(33,5)	(37,7)	(4,3)	(0,1)
Non current liabilities	(88,4)	(85,5)	(91,7)	(2,9)	3,3
Net invested capital	836,8	943,5	805,6	(106,7)	31,2
Net financial position	(124,9)	(270,9)	(117,1)	146,0	(7,8)
Total shareholders' equity	(711,9)	(672,7)	(688,5)	(39,3)	(23,5)
Total net financial position and shareholders' equity	(836,8)	(943,5)	(805,6)	106,7	(31,2)

Consolidated Cash Flow Statement

Euro million	31.03.2010 (3 months)	31.03.2009 (3 months)	31.12.2009 (12 months)
Cash flow from operations and from changes in the working capital	(9,7)	(19,0)	174,0
Cash flow from investments	(6,4)	(8,6)	(34,1)
Operating cash flow	(16,1)	(27,5)	140,0
Cash flow from non recurring items	-	-	0,6
Dividends paid	-	-	(9,0)
Cash flow from changes in the <i>Fair value</i> e di <i>Cash flow hedge</i> reserves	7,3	3,5	3,9
Cash flow from changes in the currency translation reserve	1,1	(0,5)	(6,3)
Cash flow from changes in the equity pertaining to minorities	(0,1)	0,2	0,2
Cash from from changes in the net equity	8,3	3,2	(11,2)
Net cash flow	(7,8)	(24,4)	129,4
Opening net financial position	(117,1)	(246,5)	(246,5)
Closing net financial position	(124,9)	(270,9)	(117,1)

Business Segments

Euro million	31.03.2010 (3 months)				31.03.2009 (3 months)			
	Household	Professional	Corporate	Total Group	Household	Professional	Corporate	Total Group
Net Revenues	230,4	70,5	3,0	300,6	221,6	70,2	2,8	290,5
<i>change 2009/2008</i>	8,7	0,3	0,2	10,0				
<i>change %</i>	3,9%	0,4%	6,6%	3,5%				
EBITDA before non recurring items	30,7	3,1	(1,7)	32,1	25,3	2,6	(2,5)	25,6
<i>change 2009/2008</i>	5,4	0,4	0,8	6,5				
<i>margin % of revenues</i>	13,3%	4,3%		10,7%	11,4%	3,8%		8,8%