Treviso, March 3, 2011

PRESS RELEASE

De' Longhi SpA:
The Board of Directors has approved the consolidated results as at December 31, 2010. Revenues increased by 15.8% to € 1,626.3 million, driven also by emerging markets which grew by € 124.4 million (+36.7%); Ebitda reached € 199.1 million (before non recurring items); net profit climbed to € 74.9 million (+131.5%); net debt was reduced almost to zero (€ 4.7 million). The Board has proposed a dividend of € 0.146 per share.

Summary

the fourth quarter
October 1st – December 31st, 2010

- net revenues grew by 18.4% to € 556.5 million in the fourth quarter;
- the net industrial margin improved from 43.8% to 44.3%, reaching € 246.7 mllion;
- Ebitda, before non recurring items, amounted to € 74.6 million, or 13.4% of revenues (from 12.3%); Household division's margin went from 12.6% to 15.3%;
- Ebit amounted to € 55.6 million (10% of revenues).

the full year
January 1st – December 31st , 2010

- in the twelve months, revenues amounted to € 1,626.3 million, growing by 15.8%; both divisions contributed to the growth but to a different degree;
- net industrial margin improved from 42.6% to 44.1%, or € 716.6 million;
- the improvement of the net industrial margin significantly affected Ebitda, which improved, before non recurring items, by 2 percentage points on revenues (from 10.2% to 12.2%), reaching € 199.1 million;
- Ebit, before non recurring items , amounted to € 159.2 million (9.8% of revenues), thus growing by € 53.7 million vs. 2009 (+50.9%); after the mentioned items, Ebit went from € 92.4 to € 147.6 million (9.1% of revenues), thus increasing by € 55.2 million;
- net profit pertaining to the Group jumped from € 32.4 million to € 74.9 million (+131.5 %);
- net debt was almost brought to zero, being reduced to € 4.7 million, down by € 112.4 million;
- the Board of Directors has proposed a dividend of € 0.146 per share.

The 2010 results

The Board of Directors of De' Longhi S.p.a. has approved today the consolidated results as at December 31, 2010.

The positive results obtained in growth and profitability define the year 2010 as one of the most favourable in the last decade and gain more significance if we consider the critical status of the global economy.

In fact, the Group was able to take advantage from the countercyclical trend of the small domestic appliances segment (+7% in the western Europe countries, source GFK), supporting the sales' growth by means of the increase of the advertisement and promotional expenses (from € 96 to € 116 million, or 7.1% of revenues) and a keen action on launches of new products.

revenues

Net revenues grew by 15.8%, going from € 1,404.1 to € 1,626.3 million, thanks mainly to the dynamism of the Household division (up by 18.6%) and to the progresses of the Professional division (+ 5.6%) which exceeded previous expectations.

The last quarter of the year maintained continuity with the previous quarters, with a double digit growth in revenues (+18.4%) from € 470.1 to € 556.5 million.

At constant exchange rates, revenues would have grown by 12.1%.

	12 months			4th quarter		
	M €	*ch. YoY*	*ch. yoy %*	M €	*ch. YoY*	*ch. yoy %*
Total revenues	**1.626,3**	***222,2***	***15,8 %***	**556,5**	***86,4***	***18,4 %***
divisions:						
- Household	*1.277,4*	***200,4***	***18,6 %***	*455,2*	***78,5***	***20,8 %***
- Professional	*352,6*	***18,6***	***5,6 %***	*102,0*	***7,7***	***8,2 %***

Most of the reference markets were growing and many of them by double digit. Emerging markets were remarkably dynamic, growing by 36.7% to € 463.4 million (from 24.2% to 28.5% of total revenues), while Greece and Spain experienced a contraction of sales, as a consequence of the impacts of the difficult economic conditions on consumption.

As evidenced by the previous quarters of the year, the sales' progression was driven by the segments of espresso coffee makers and of food processors of the Kenwood brand, which showed annual growth rates close to 30%. However, even homecare, ironing and portable heating products were growing by more than 10%.

operating margins

In 2010 the Group was progressing in focusing on the medium-high end segment of the small domestic appliances business, thus strengthening the distinctive leadership features of De' Longhi and Kenwood brands respectively in coffee makers and food processors.

The improvement of the product mix together with the control of production costs and the benefits from the currency management – specifically regarding purchases in US Dollars – were bringing to a 150 basis points increase of the **net industrial margin** (from 42.6% to 44.1% of revenues) and consequently to an increase of Ebitda and Ebit.

	12 months		4th quarter	
	M €	*% on sales*	M €	*% on sales*
Net Industrial Margin	**716,6**	***44,1 %***	**246,7**	***44,4 %***
EBITDA before non recurring items	**199,1**	***12,2 %***	**74,6**	***13,4 %***
EBITDA	**193,1**	***11,9 %***	**73,1**	***13,1 %***
EBIT before non recurring items	**159,2**	***9,8 %***	**62,6**	***11,3 %***
EBIT	**147,7**	***9,1 %***	**55,6**	***10,0 %***

EBITDA

Ebitda (before non recurring items) amounted to € 199.1 million (12.2% of revenues) vs. € 143 million in 2009 (or 10.2% of revenues) in the 12 months, while in the fourth quarter the margin amounted to € 74.6 million (13.4% of revenues) vs. € 57.6 million (12.3% of revenues) in 2009.

EBIT

After € 39.9 million amortization, but before non recurring charges amounting to € 11.6 million, **Ebit** jumped to € 159.2 million (9.8% of revenues) vs. € 105.5 million (or 7.5% of revenues) in 2009 , thus increasing by € 53.7 million (+ 50.9%).

After non recurring items, Ebit amounted to € 147.6 million (9.1% of revenues), growing by € 55.2 million vs. 2009 (€ 92.4 million or 6.6% of revenues).

Ebit in the fourth quarter was 10% of revenues.

The positive medium term effects of the reorganization of the industrial platform and of the product mix carried out by the Group in the recent years were clearly visible in the Household division, whose Ebitda, before non recurring items, resulted to be 13.8% in the 12 months and 15.3% in the fourth quarter.

Before non recurring items, Ebit of the Household division amounted to € 147.2 million, or 11.5% of revenues.

EBITDA before non rec. items	12 months M €	12 months % on sales	4th quarter M €	4th quarter % on sales
divisions:				
- Household	**176,2**	***13,8 %***	**69,8**	***15,3 %***
- Professional	**31,0**	***8,8 %***	**8,3**	***8,1 %***

financial charges

Net financial charges amounted to € 36.1 million, slightly increasing (+ € 0.8 million) vs. the previous year, as a consequence of non recurring exchange rates losses for € 4.6 million and of the increase of financial discounts in connection with the strong progression of the turnover. Following the decline of the net debt, the interests component was decreasing.

net profit

The **net profit** pertaining to the Group improved by 131.5% from € 32.4 million to € 74.9 million (i.e. an EPS of € 0.50), after tax expenses amounting to € 36.5 million.

net indebtedness

The positive development of margins and an efficient management of the working capital led to significant benefits in terms of cash generation (€ 112.4 million in the year), reducing the **net debt** almost to zero, down to € 4.7 million as at December 31 (vs. € 117.1 million at 2009 year end).

The Group, despite the significant amount of cash available at year end, did not repay in advance the existing medium term loans, as they are conceived as structurally linked to the Group's investment activity and also considering the deterioration of the bank debt market in the last months of the year. Therefore, the available liquidity and the extensive unused short term credit lines available to the Group offer a stable support to the growth.

dividend

The Board of Directors has resolved to propose to the Shareholders' meeting (to be held on April 12, 2011 or on April 22, 2011 in second call) a dividend of € 0.146 per share, corresponding to a pay-out ratio of 29.1%.
The date of record of dividend is April 26, 2011, and the payment of dividends starts on April 29, 2011.

Events following the end of the year

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

Foreseeable business development

In 2010 the Group delivered excellent results beyond expectations and in 2011 is facing a still uncertain scenario: however, the Group is confident to progress on its growth path thanks to the support of innovation, of a winning product mix and of the new opportunities offered by fast growing markets, unless unforseeable events in the global economy and the political scenario strongly impact on markets.

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.

The full Annual Report of the year 2010 was delivered to the Statutory Auditors and the External Auditors and will be published, together with their certifications, within the terms established by law.

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

Consolidated Income Statement

Euro million	2010	% of revenues	2009	% of revenues
Net revenues	**1.626,3**	**100,0%**	**1.404,1**	**100,0%**
change	*222,2*	*15,8%*		
Materials consumed and other production costs (services and production payroll costs)	(909,6)	(55,9%)	(805,7)	(57,4%)
Gross Profit	**716,6**	**44,1%**	**598,3**	**42,6%**
Costs of services and other expenses	(355,7)	(21,9%)	(312,9)	(22,3%)
Added value	**360,9**	**22,2%**	**285,5**	**20,3%**
Labour cost (non industrial)	(130,0)	(8,0%)	(118,9)	(8,5%)
Provisions	(31,8)	(2,0%)	(23,6)	(1,7%)
EBITDA before non recurring items	**199,1**	**12,2%**	**143,0**	**10,2%**
change	*56,1*	*39,2%*		
Non recurring items	(6,0)	(0,4%)	(13,1)	(0,9%)
EBITDA	**193,1**	**11,9%**	**129,9**	**9,3%**
Amortization	(39,9)	(2,5%)	(37,5)	(2,7%)
Non recurring depreciations	(5,6)	(0,3%)	-	-
Ebit	**147,6**	**9,1%**	**92,4**	**6,6%**
change	*55,2*	*59,7%*		
Net financial charges	(36,1)	(2,2%)	(35,3)	(2,5%)
Profit before taxes	**111,6**	**6,9%**	**57,2**	**4,1%**
Taxes	(36,5)	(2,2%)	(24,4)	(1,7%)
Profit / (Loss) of the period	**75,1**	**4,6%**	**32,8**	**2,3%**
Profit (loss) pertaining to minority interests	0,2	0,0%	0,4	0,0%
Profit (loss) pertaining to the Group	**74,9**	**4,6%**	**32,4**	**2,3%**

Consolidated Balance Sheet

Euro million	31.12.2010	31.12.2009	change	change %
- intangible assets	408,6	414,7	(6,1)	(1,5%)
- tangible assets	186,4	177,6	8,8	5,0%
- financial assets	2,1	2,5	(0,5)	(18,3%)
- deffered tax assets	33,5	38,1	(4,6)	(12,1%)
Fixed asstes	**630,6**	**632,9**	**(2,3)**	**(0,4%)**
- inventories	288,0	257,1	30,9	12,0%
- trade receivables	387,9	351,9	36,1	10,2%
- trade payables	(374,2)	(291,1)	(83,1)	28,6%
- other net current assets / (liabilities)	(74,9)	(53,5)	(21,4)	40,1%
Net working capital	**226,9**	**264,4**	**(37,6)**	**(14,2%)**
Non current liabilities	(92,2)	(91,7)	(0,5)	0,5%
Net invested capital	**765,3**	**805,6**	**(40,3)**	**(5,0%)**
Net financial position	**(4,7)**	**(117,1)**	**112,4**	**(96,0%)**
Total shareholders' equity	**(760,6)**	**(688,5)**	**(72,0)**	**10,5%**
Total net financial position and shareholders' equity	**(765,3)**	**(805,6)**	**40,3**	**(5,0%)**

Consolidated Cash Flow Statement

Euro million	2010	2009
Cash flow from operations	168,0	100,7
Cash flow from changes in the working capital	9,5	73,3
Cash flow from operations and changes in working capital	**177,5**	**174,0**
Cash flow from investments	(45,4)	(34,1)
Operating cash flow	**132,1**	**140,0**
Cash flow from non recurring items	-	0,6
Cash from from changes in the net equity	(19,7)	(11,2)
Net cash flow	**112,4**	**129,4**
Opening net financial position	**(117,1)**	**(246,5)**
Closing net financial position	**(4,7)**	**(117,1)**

Business Segments

	2010				2009			
Euro million	*Household*	*Professional*	*Corporate*	Total Group	*Household*	*Professional*	*Corporate*	Total Group
Net Revenues	1.277,4	352,6	12,5	**1.626,3**	1.077,0	334,0	12,3	**1.404,1**
change	*200,4*	*18,6*		*222,2*				
change %	*18,6%*	*5,6%*		*15,8%*				
Net Revenues at constant exch.rates	1.223,5	350,3	---	**1.570,1**	1.073,3	333,7	---	**1.400,0**
change at constant exch. rates	*150,3*	*16,6*		*170,1*				
change %	*14,0%*	*5,0%*		*12,1%*				
EBITDA before non recurring items	176,2	31,0	(8,0)	**199,1**	121,1	29,1	(7,3)	**143,0**
change	*55,0*	*1,9*		*56,1*				
margin % of revenues	*13,8%*	*8,8%*		***12,2%***	*11,2%*	*8,7%*		***10,2%***
EBITDA	173,2	27,9	(8,0)	**193,1**	113,4	24,3	(7,9)	**129,9**
change	*59,8*	*3,6*		*63,2*				
margin % of revenues	*13,6%*	*7,9%*		***11,9%***	*10,5%*	*7,3%*		***9,3%***
EBIT before non recurring items	147,2	20,7	(8,7)	**159,2**	93,9	19,5	(8,0)	**105,5**
change	*53,3*	*1,2*		*53,7*				
margin % of revenues	*11,5%*	*5,9%*		*9,8%*	*8,7%*	*5,8%*		*7,5%*

Revenues by geographical breakdown

Euro million	2010	2009	change	change %
Developed countries				
Italy	268,8	265,5	3,3	1,2%
United Kingdom	141,1	117,5	23,6	20,1%
USA, Canada and Mexico	89,2	91,9	(2,8)	(3,0%)
Japan	47,4	37,8	9,6	25,5%
other Western Europe countries	616,3	552,3	64,1	11,6%
Total Developed Countries	**1.162,8**	**1.065,0**	**97,8**	**9,2%**
Emerging markets				
Eastern Europe	146,3	107,6	38,7	36,0%
Rest of world	317,1	231,5	85,6	37,0%
Total emerging markets	**463,4**	**339,1**	**124,4**	**36,7%**
Total revenues	**1.626,3**	**1.404,1**	**222,2**	**15,8%**