



PRESS RELEASE

Treviso, May 14, 2009

DE'LONGHI SPA:

the Board of Directors approves the results as at March 31, 2009: consolidated revenues at € 290.5 million (-12.1%); gross profit improving by 1.2% of revenues; Ebitda down to € 24.3 million (-0.8% of revenues); net debt decreases to € 270.9 million (vs. € 372.1 million at March 2008).

- net revenues of the Group amount to € 290.5 million in the first quarter 2009; the comparison with the first quarter 2008 (which had shown a growth of 13.5%) is negative by 12.1%. The revenues are decreasing by 11.7% at constant exchange rates;
- gross profit (€ 122.5 million) improves from 41% to 42,2% of revenues;
- both EBITDA and EBIT are decreasing, but such decline is limited to less than a percentage point of revenues (-0,8% of revenues); EBITDA before non recurrent items decreases from € 31.7 million to € 25.6 million; after non recurrent items, EBITDA decreases to € 24.3 million (from € 30.4 million), or 8.4% of revenues; EBIT is down to € 15.7 million (from € 20.5 million), or 5.4% of revenues;
- the net profit pertaining to the Group amounts to € 3.7 million (vs. € 6 million in 2008);
- net debt (€ 270.9 million) decreases by € 101.2 million in the 12 months and increases by € 24.4 million in the quarter; before the sales of receivables without recourse, the net debt is decreasing by € 113.7 million in the 12 months and by € 21.6 million in the first 3 months of 2009.

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The results of the first quarter 2009.

The Board of Directors of De' Longhi S.p.a. approved the results of the first quarter 2009 today.



Living innovation

The recessive scenario of the global economy has affected the results of the first quarter 2009, which however did not show a structural deterioration of the business where the Group is operating and of its competitive positioning. Specifically, we underline the improving gross profit (as percentage of revenues) and the reduced net debt (before the securitization effect), which confirm the strong focus of the Company on protection of products' profitability and on an efficient management of the invested capital.

Furthermore, it must be noted how differently the two business divisions (Household and Professional) were affected by the unfavourable economic cycle. While the Household division proved to be more resilient, thus limiting the decrease of revenues to less than 10%, as well as increasing the profitability margins at EBITDA and EBIT levels, the Professional division was hit by the crisis of the real estate market and by the devaluation of the Pound, which negatively impacted on revenues and margins.

Consolidated revenues amounted to € 290.5 million, decreasing by 12.1% vs. 2008 (€ 330.5 million). While the exchange rates effect is negligible (-0.4%), the comparison is affected by the extraordinary growth of the first quarter 2008 (+13.5%).

The actions on product mix together with the reduction of prices of raw materials and main industrial costs allowed the Group to improve the percentage profitability of the gross profit, which increased from 41% (€ 135.4 million) to 42.2% (€ 122.5 million) of revenues.

EBITDA (after non recurring items) declined by 0.8% of revenues, down to € 24.3 million (or 8.4% of revenues) from € 30.4 million (or 9.2% of revenues).

Same trend was shown by EBIT (-0.8% of revenues), which went down from € 20.5 million to € 15.7 million (from 6.2% to 5.4% of revenues).

The net financial charges were reduced from € 10.8 million to € 9.6 million, thanks to the combined effect of a lower debt and lower interest rates, only partially balanced by higher non recurrent costs related to the hedging of the debt of Russian subsidiaries.

The net profit pertaining to the Group amounted to € 3.7 million (vs. € 6 million in 2008).

As regards the balance sheet, inventories have shown a good trend, being reduced by € 42.3 million in the 12 months (from € 383.5 to € 341.3 million), while they increased in the first quarter, in view of the seasonal sell in of air conditioners.



The net debt amounted to € 270.9 million, down by € 101.2 million from March 31 2008, while it increased in the quarter by € 24.4 million as a consequence of € 46 million of lesser sales of receivables. Therefore, before the securitization effect, the net debt is decreasing by € 113.7 million in the 12 months and by € 21.6 million in the quarter.

Looking at the two divisions, the Professional business was more heavily impacted in sales (- €22.1 million or -23.9%) and in EBITDA (- €5.3 million), while the Household business suffered from a reduction in sales (- €22.5 million, or -9.2%) but with an almost stable EBITDA (- €0.3 million).

All results of the quarter herein reported have not been certified by the auditing firm.

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Events following the end of the quarter.

No major event has occurred since the closing of the first quarter accounts.

Foreseeable business development

The recessive outlook of the global economy and the low visibility of its development require a very cautious approach; the Group believes to be able to rely on its leadership positions in different segments, on launches of new products and on its financial soundness.

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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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Consolidated results of De' Longhi Group as at March 31, 2009

Consolidated Income Statement

| Euro million | 31.03.2009 (3 months) | % | 31.03.2008 (3 months) | % |
|--|--------------------------|----------------|--------------------------|---------------|
| | | of revenues | | of revenues |
| Net Revenues | 290,5 | 100% | 330,5 | 100,0% |
| <i>change</i> | <i>(40,0)</i> | <i>(12,1%)</i> | | |
| Materials consumed and other production costs (services and production payroll costs) | (168,0) | (57,8%) | (195,0) | (59,0%) |
| Gross Profit | 122,5 | 42,2% | 135,4 | 41,0% |
| Costs of services and other expenses | (67,3) | (23,2%) | (74,7) | (22,6%) |
| Labour cost (non industrial) | (29,7) | (10,2%) | (29,0) | (8,8%) |
| EBITDA before non recurring items | 25,6 | 8,8% | 31,7 | 9,6% |
| <i>change</i> | <i>(6,2)</i> | <i>(19,5%)</i> | | |
| Non recurring items | (1,2) | (0,4%) | (1,4) | (0,4%) |
| EBITDA | 24,3 | 8,4% | 30,4 | 9,2% |
| <i>change</i> | <i>(6,0)</i> | <i>(19,8%)</i> | | |
| Amortization | (8,6) | (3,0%) | (9,8) | (3,0%) |
| EBIT | 15,7 | 5,4% | 20,5 | 6,2% |
| <i>change</i> | <i>(4,8)</i> | <i>(23,5%)</i> | | |
| Net financial charges | (9,6) | (3,3%) | (10,8) | (3,3%) |
| Profit before taxes | 6,1 | 2,1% | 9,7 | 2,9% |
| Taxes | (2,4) | (0,8%) | (3,6) | (1,1%) |
| Profit / (Loss) of the period | 3,7 | 1,3% | 6,1 | 1,8% |
| Profit (loss) pertaining to minority interests | - | - | 0,2 | 0,0% |
| Profit (loss) pertaining to the Group | 3,7 | 1,3% | 6,0 | 1,8% |



Consolidated Balance Sheet

| Euro million | 31.03.2009 | 31.03.2008 | 31.12.2008 | change 31.03.09 – 31.03.08 | change 31.03.09 – 31.12.08 |
|--|---------------|---------------|---------------|----------------------------------|----------------------------------|
| intangible assets | 414,6 | 420,6 | 414,5 | (5,9) | 0,2 |
| tangible assets | 179,7 | 239,0 | 178,5 | (59,4) | 1,2 |
| financial assets | 4,9 | 4,9 | 5,0 | - | - |
| deferred taxes assets | 44,5 | 41,5 | 42,2 | 3,0 | 2,3 |
| Fixed assets | 643,7 | 706,0 | 640,1 | (62,2) | 3,7 |
| inventories | 341,3 | 383,5 | 320,5 | (42,3) | 20,8 |
| trade receivables | 296,5 | 303,9 | 367,2 | (7,4) | (70,7) |
| trade payables | (221,1) | (295,0) | (286,2) | 73,8 | 65,0 |
| other net current assets / (liabilities) | (31,4) | (18,4) | (45,1) | (13,0) | 13,8 |
| Net working capital | 385,3 | 374,0 | 356,3 | 11,2 | 28,9 |
| deferred taxes liabilities | (23,5) | (18,7) | (21,5) | (4,7) | (2,0) |
| Employees' benefits | (28,5) | (33,2) | (30,5) | 4,7 | 2,0 |
| other long term provisions | (33,5) | (32,0) | (35,7) | (1,5) | 2,2 |
| Non current liabilities | (85,5) | (83,9) | (87,7) | (1,6) | 2,2 |
| Net invested capital | 943,5 | 996,1 | 908,7 | (52,6) | 34,8 |
| Net debt | 270,9 | 372,1 | 246,5 | (101,2) | 24,4 |
| Total shareholders' equity | 672,7 | 624,0 | 662,3 | 48,7 | 10,4 |
| Total net debt and shareholders' equity | 943,5 | 996,1 | 908,7 | (52,6) | 34,8 |



Consolidated Cash Flow Statement

| Euro million | 31.03.2009 (3 months) | 31.03.2008 (3 months) | 31.12.2008 (12 months) |
|--|--------------------------|--------------------------|---------------------------|
| Cash flow from operations and from changes in the working capital | (22,2) | (0,5) | 51,3 |
| Cash flow from investments | (8,5) | (8,3) | (42,7) |
| Operating cash flow | (30,7) | (8,7) | 8,7 |
| Cash flow from non recurring items | - | 6,5 | 103,2 |
| Dividends paid | - | - | (9,0) |
| Cash flow from changes in the <i>Fair value</i> e di <i>Cash flow hedge</i> reserves | 3,5 | (8,4) | 9,9 |
| Cash flow from changes in the currency translation reserve | 2,6 | (5,6) | (3,7) |
| Cash flow from changes in the equity pertaining to minorities | 0,3 | - | 0,2 |
| Cash from from changes in the net equity | 6,3 | (14,0) | (2,5) |
| Net cash flow | (24,4) | (16,2) | 109,4 |
| Opening net financial position | (246,5) | (355,9) | (355,9) |
| Closing net financial position | (270,9) | (372,1) | (246,5) |

Business segments

| Euro million | 31.03.2009 (3 months) | | | | 31.03.2008 (3 months) | | | |
|-----------------------------|--------------------------|--------------|-----------|--------------------|--------------------------|--------------|-----------|--------------------|
| | Household | Professional | Corporate | Total Consolidated | Household | Professional | Corporate | Total Consolidated |
| Net revenues | 221,6 | 70,2 | 2,8 | 290,5 | 244,2 | 92,2 | 3,9 | 330,5 |
| <i>change 2009/2008</i> | (22,5) | (22,1) | (1,1) | (40,0) | | | | |
| <i>change %</i> | (9,2%) | (23,9%) | (28,7%) | (12,1%) | | | | |
| EBITDA | 25,0 | 1,7 | (2,5) | 24,3 | 25,3 | 7,1 | (1,9) | 30,4 |
| <i>change 2009/2008</i> | (0,3) | (5,3) | (0,6) | (6,0) | | | | |
| <i>change % of revenues</i> | 11,3% | 2,5% | | 8,4% | 10,4% | 7,7% | | 9,2% |