



PRESS RELEASE

Treviso, April 21, 2009

**DE' LONGHI SpA:
THE SHAREHOLDERS' MEETING APPROVES THE 2008 RESULTS.**

The Shareholders' meeting approved today the financial statements for the FY ending December 31, 2008. Confirmed the distribution of a dividend of € 0.06 per share. Renewed the authorization to buy back shares of the Company.

- 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);
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- the Shareholders meeting approved today the distribution of a gross dividend of € 0.06 per share. The date of record of the dividend is May 4, 2009 and the payment starts on May 7, 2009.
- finally, the Shareholders' meeting has renewed the authorization to buy back shares of the Company as per Section 2357 Italian Civil Code up to a maximum of 14 (fourteen) million ordinary shares and, in any event, not in excess of 10% (ten percent) of the share capital, including also any shares owned by controlled companies.

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The 2008 results

The Shareholders' meeting approved today the results of the year 2008.

Within a scenario of increasing slowdown of the economy and of Euro strengthening 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 severe 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 million 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 uncertainty 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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Events following year end.

No major event has occurred 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 leadership in several segments and on a continuous innovation flow and it will also benefit from the debt reduction.

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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 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%
<i>change 2007/2006</i>	<i>42,5</i>	<i>2,9%</i>		
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%
<i>change 2007/2006</i>	<i>(5,2)</i>	<i>(3,3%)</i>		
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%
<i>change 2007/2006</i>	<i>7,6</i>	<i>7,3%</i>		
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

(Euro million)	December 31, 2008				December 31, 2007		
	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
<i>change 2008/2007</i>	25,8	5,0					
<i>change %</i>	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
<i>change 2008/2007 at constant exchange rates</i>	65,1	8,4					
<i>change %</i>	5,9%	2,1%					
EBITDA before non recurrent items	119,7	36,0	(3,9)	151,1	114,7	41,7	156,3
<i>change 2008/2007</i>	5,0	(5,7)					
<i>margin % on revenues</i>	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
<i>change 2008/2007</i>	7,2	(5,7)					
<i>margin % on revenues</i>	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
<i>change 2008/2007</i>	7,7	(13,5)					
<i>margin % on revenues</i>	6,9%	4,7%		7,3%	6,4%	8,1%	7,0%