

Treviso, March 12 2010

PRESS RELEASE

De' LONGHI SpA:

The Board of Directors has approved the consolidated results of FY 2009. Revenues amounted to € 1,404.1 million (-8.4%) and Ebitda (before non recurrent items) to € 143 million (or 10.2% of revenues). Net profit amounted to € 32.4 million (vs. € 40.2 million in 2008). Net indebtedness was reduced to € 117.1 million. The Board proposed a dividend of € 0.08 per share.

Summary

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| the fourth quarter
October 1st – December 31, 2009 | <ul style="list-style-type: none">▪ net revenues amounted to € 470.1 million, down by 2.3%;▪ gross profit improved both in absolute value (from € 182.1 to € 205.7 million) and as a percentage of revenues (from 37.9% to 43.8%);▪ Ebitda, before non recurrent items, amounted to € 57.6 million (or 12.3% of revenues) vs. € 43.4 million (or 9% of revenues) in the fourth quarter 2008;▪ Ebit increased to € 40 million (8.5% of revenues) from € 29.2 million in 2008 (6.1% of revenues). |
| the full year
January 1st – December 31, 2009 | <ul style="list-style-type: none">▪ the FY 2009 showed net revenues declining by 8.4% to € 1,404.1 million;▪ gross profit amounted to € 598.3 million (or 42.6% of revenues);▪ Ebitda before non recurrent items amounted to € 143 million (or 10.2% of revenues) vs. € 151.1 million (or 9.9% of revenues) in 2008;▪ Ebit declined by € 18.8 million to € 92.4 million (or 6.6% of revenues), having absorbed higher non recurrent expenses of € 24.9 million;▪ net financial charges were reduced from € 52.6 million to € 35.3 million;▪ net profit amounted to € 32.4 million, declining by 19.4% from € 40.2 million in 2008;▪ net debt showed a remarkable recovery by € 129.4 million in the twelve months of 2009, decreasing to € 117.1 million from € 246.5 million in 2008. |

The 2009 results

The Board of Directors has approved the consolidated results as at

December 31, 2009.

The fiscal year 2009 was featuring an overall weak trend of the demand for both consumption and investment goods, however with a progressing improvement during the second half.

In fact, the fourth quarter has experienced a more favourable trend in revenues – in both Household and Professional divisions – that, together with a better product mix, allowed the Group to achieve improving margins (before the non recurrent items).

Furthermore, within a rather difficult economic context, the Group protected, and in many cases increased, its market shares, thanks to the positive feedback obtained for the many new product launches and to the commitment in R&D (€ 33.6 million vs. € 32 million in 2008) and promo & advertisement investments (€ 96 million vs. € 87.9 million in 2008).

revenues

Net revenues in the 12 months amounted to € 1,404.1 million, declining by 8.4% vs. 2008 (€ 1,533.4 million), but with a partial recovery in the fourth quarter, when the decline was limited to 2.3% (€ 470.1 million vs. € 481.1 million).

Though both divisions evidenced an improving revenues' trend in the fourth quarter, the Household division – whose profile significantly changed in recent years as a response to the high competition of its reference business segment – proved to be more resilient, thus achieving revenues of € 376.7 million, in line with the fourth quarter 2008 (+0.1%).

	twelve months			fourth quarter		
	M €	Var. yoy	Var. yoy %	M €	Var. yoy	Var. yoy %
Total revenues	1.404,1	(129,3)	(8,4) %	470,1	(11,0)	(2,3) %
segments:						
- Household	1077,0	(59,8)	(5,3) %	376,7	0,4	0,1 %
- Professional	334,0	(77,2)	(18,8) %	94,2	(11,7)	(11,0) %

At constant exchange rates, the decline of revenues would have been 8.2%.

As regards revenues' geographical breakdown, we notice the positive development of "rest of world" countries (mainly Australia), growing by 1.4%, while in Europe Germany confirmed to be the second reference market for the Group, after Italy and ahead of France and UK. Furthermore, Italy was partially recovering the negative trend shown in the first half of the year, thanks also to the reorganization of the sales network finalized during the year.

operating margins

The increasing commitment of the Group in improving the

product mix (obtained through a wide range of innovating and highly profitable products, specifically in the Household business) together with the temporary reduction of raw materials' prices, the favourable depreciation trend of the USA currency (allowing the Group to control production costs) and focused actions of cost reduction and efficiency recovery in the supply chain management led to a remarkable improvement in profitability, both in the gross profit (+3.20 percentage points on revenues) and in Ebitda before non recurrent items (+0.3 percentage points on revenues).

Gross profit amounted to € 598.3 million, thus increasing from 39.4% to 42.6% of revenues. In the fourth quarter the margin increased to 43.8% of revenues.

A positive evidence is that the improvement of the gross profit, in the 12 months and in the fourth quarter, took place in both the Household and Professional divisions.

	twelve months		fourth quarter	
	M €	% on revenues	M €	% on revenues
Gross profit	598,3	42,6 %	205,7	43,8 %
EBITDA before non recurrent items	143,0	10,2 %	57,6	12,3 %
EBITDA	129,9	9,3 %	50,9	10,8 %
EBIT	92,4	6,6 %	40,0	8,5 %

EBITDA

Ebitda (before non recurrent items) reached € 143 million, or 10.2% of revenues, declining in absolute value (it was € 151.1 million in 2008) but increasing as a percentage of revenues (it was 9.9% in 2008).

In the fourth quarter the margin went from 9% to 12.3% of revenues (from € 43.4 to € 57.6 million).

Both Household and Professional divisions contributed to this result.

<i>EBITDA</i> <i>before non rec. items</i>	4th quarter 2009		4th quarter 2008	
	M €	% of revenues	M €	% of revenues
segments:				
- Household	47,5	12,6 %	39,4	10,5 %
- Professional	10,8	11,4 %	4,7	4,4 %

Year 2009, as a consequence of mentioned actions for cost reduction and achievement of organizational efficiency, incurred **non recurrent expenses** totalling € 13.1 million (€ 6.7 million in the fourth quarter), which compare with non recurrent income of € 11.8 million in 2008, with a negative impact of € 24.9 million.

In the fourth quarter, a major effect was coming from the merger

of Ariete Spa into De' Longhi Appliances srl, which had the purpose of gaining efficiency in the group organization.

Net of non recurrent expenses, Ebitda amounted to € 129.9 million, or 9.3% of revenues (€ 162.9 million, or 10.6% of revenues, in 2008).

EBIT

Ebit amounted to € 92.4 million, or 6.6% of revenues, declining by 0.7 percentage points of revenues vs. 2008 (€ 111.3 million).

It's worth noting that Ebit *adjusted* (i.e. before non recurrent expenses) would amount to € 105.5 million (or 7.5% of revenues) vs. € 99.4 million (or 6.5% of revenues) in 2008.

At constant exchange rates, Ebit would amount to € 106.1 million, or 7.5% of revenues.

financial charges

Net financial charges were strongly reduced, thanks to the decrease of the net debt – due to the sale of real estate assets at end of 2008 and to the strong reduction of the working capital – and to the still low market interest rates, stabilized below 1%.

net profit

Net profit pertaining to the Group amounted to € 32.4 million (or 2.3% of revenues), after taxes totalling € 24.4 million (vs. a net profit of € 40.2 million in 2008, after taxes of only € 18.3 million, thanks to some fiscal benefits – amounting to € 7.3 million – non recurring in following years).

net debt

The positive trend of debt reduction has brought the Group's **net indebtedness** at year end down to € 117.1 million, declining by € 129.4 million vs. end of 2008.

This result was obtained by means of all measures implemented to control the working capital, and mainly inventories, which were reduced by € 91.9 and € 63.4 million respectively.

As at Dec.31 2009, almost the entire net det was represented by medium term debt (€ 113.1 million), which provides the Group with the higher stability in the liquidity management.

dividend

The Board of Directors has resolved to propose to the Shareholders' meeting (to be held on April 21, 2010, or on April 22, in second call) a dividend of € 0.08 per share.

The date of record of dividend is May 3, 2010, and the payment of dividends starts on May 6, 2010.

Events following the end of the year

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

Foreseeable business development

Despite the fourth quarter was encouraging, the Group deems that the markets' condition is not fully stabilized and not easily decipherable. However, the investments in R&D and in communication have strengthened the products' portfolio, which, together with the reduction of the working capital, sets the Group in a very solid and sound financial condition.

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 December 31, 2009

Consolidated Income Statement

Euro million	2009	% of revenues	2008	% of revenues
Net revenues	1.404,1	100,0%	1.533,4	100,0%
<i>change</i>	<i>(129,3)</i>	<i>(8,4%)</i>		
Materials consumed and other production costs (services and production payroll costs)	(805,7)	(57,4%)	(929,9)	(60,6%)
Gross Profit	598,3	42,6%	603,5	39,4%
Costs of services and other expenses	(312,9)	(22,3%)	(321,0)	(20,9%)
Added value	285,5	20,3%	282,5	18,4%
Labour cost (non industrial)	(118,9)	(8,5%)	(115,5)	(7,5%)
Provisions	(23,6)	(1,7%)	(15,9)	(1,0%)
EBITDA				
before non recurring items	143,0	10,2%	151,1	9,9%
<i>change</i>	<i>(8,1)</i>	<i>(5,4%)</i>		
Non recurring items	(13,1)	(0,9%)	11,8	0,8%
EBITDA	129,9	9,3%	162,9	10,6%
Amortization	(37,5)	(2,7%)	(42,6)	(2,8%)
Non recurring depreciations	-	(0,0%)	(9,1)	(0,6%)
Ebit	92,4	6,6%	111,3	7,3%
<i>change</i>	<i>(18,8)</i>	<i>(16,9%)</i>		
Net financial charges	(35,3)	(2,5%)	(52,6)	(3,4%)
Profit before taxes	57,2	4,1%	58,6	3,8%
Taxes	(24,4)	(1,7%)	(18,3)	(1,2%)
Profit / (Loss) of the period	32,8	2,3%	40,4	2,6%
Profit (loss) pertaining to minority interests	0,4	0,0%	0,2	0,0%
Profit (loss) pertaining to the Group	32,4	2,3%	40,2	2,6%

Consolidated Balance Sheet

Euro million	31.12.2009	31.12.2008	change	change %
- intangible assets	414,7	414,5	0,2	0,0%
- tangible assets	177,6	178,5	(0,9)	(0,5%)
- financial assets	2,5	5,0	(2,4)	(49,0%)
- deffered tax assets	38,1	42,2	(4,1)	(9,7%)
Fixed asstes	632,9	640,1	(7,2)	(1,1%)
- inventories	257,1	320,5	(63,4)	(19,8%)
- trade receivables	351,9	367,2	(15,3)	(4,2%)
- trade payables	(291,1)	(286,2)	(4,9)	1,7%
- other net current assets / (liabilities)	(53,5)	(45,1)	(8,3)	18,4%
Net working capital	264,4	356,3	(91,9)	(25,8%)
Non current liabilities	(91,7)	(87,7)	(4,0)	4,6 %
Net invested capital	805,6	908,7	(103,1)	(11,3%)
Net financial position	(117,1)	(246,5)	129,4	(52,5%)
Total shareholders' equity	(688,5)	(662,3)	(26,2)	4,0 %
Total net financial position and shareholders' equity	(805,6)	(908,7)	103,1	(11,3%)

Consolidated Cash Flow Statement

Euro million	2009	2008
Cash flow from operations	100,7	91,6
Cash flow from changes in the working capital	73,3	(53,2)
Cash flow from operations and changes in working capital	174,0	38,4
Cash flow from investments	(34,1)	(42,5)
Operating cash flow	140,0	(4,1)
Cash flow from non recurring items	0,6	103,2
Cash from from changes in the net equity	(11,2)	10,3
Net cash flow	129,4	109,4
Opening net financial position	(246,5)	(355,9)
Closing net financial position	(117,1)	(246,5)

Business Segments

Euro million	2009				2008			
	Household	Professional	Corporate	Total Group	Household	Professional	Corporate	Total Group
Net Revenues	1.077,0	334,0	12,3	1.404,1	1.136,8	411,2	17,3	1.533,4
<i>change 2009/2008</i>	<i>(59,8)</i>	<i>(77,2)</i>						
<i>change %</i>	<i>(5,3%)</i>	<i>(18,8%)</i>						
Net Revenues at constant exch. rates	1.078,7	336,0		1.407,8	1.137,5	411,2		1.534,1
<i>change 2009/2008 at constant exch. rates</i>	<i>(58,8)</i>	<i>(75,2)</i>						
<i>change %</i>	<i>(5,2%)</i>	<i>(18,3%)</i>						
EBITDA before non recurring items	121,1	29,1	(7,3)	143,0	119,7	36,0	(3,9)	151,1
<i>change 2009/2008</i>	<i>1,4</i>	<i>(6,9)</i>						
<i>margin % of revenues</i>	<i>11,2%</i>	<i>8,7%</i>		<i>10,2%</i>	<i>10,5%</i>	<i>8,8%</i>		<i>9,9%</i>
EBITDA	113,4	24,3	(7,9)	129,9	111,8	35,3	16,6	162,9
<i>change 2009/2008</i>	<i>1,6</i>	<i>(10,9)</i>						
<i>margin % of revenues</i>	<i>10,5%</i>	<i>7,3%</i>		<i>9,3%</i>	<i>9,8%</i>	<i>8,6%</i>		<i>10,6%</i>
EBIT	86,1	14,8	(8,5)	92,4	78,7	19,3	13,9	111,3
<i>change 2009/2008</i>	<i>7,4</i>	<i>(4,5)</i>						
<i>margin % of revenues</i>	<i>8,0%</i>	<i>4,4%</i>		<i>6,6%</i>	<i>6,9%</i>	<i>4,7%</i>		<i>7,3%</i>

Revenues by geographical breakdown

Euro million	2009	2008	change	change %
Italy	265,5	300,2	(34,7)	(11,6%)
United Kingdom	117,5	133,6	(16,0)	(12,0%)
Other European countries	659,8	734,5	(74,7)	(10,2%)
USA, Canada and Mexico	91,9	99,5	(7,6)	(7,6%)
Rest of world	269,3	265,6	3,7	1,4%
Total	1.404,1	1.533,4	(129,3)	(8,4%)