De'Longhi S.p.A.

Interim management statement at 30 September 2009

Company officers *

Board of Directors

GIUSEPPE DE'LONGHI	Chairman
FABIO DE'LONGHI	Vice Chairman and Chief Executive Officer
ALBERTO CLÒ **	Director
RENATO CORRADA **	Director
SILVIA DE'LONGHI	Director
DARIO MELÒ***	Director
GIORGIO SANDRI	Director
SILVIO SARTORI	Director
GIOVANNI TAMBURI**	Director

Board of Statutory Auditors

GIANLUCA PONZELLINI	Chairman
MASSIMO LANFRANCHI	Standing member
GIULIANO SACCARDI	Standing member
ROBERTO CORTELLAZZO-WIEL	Alternate auditor
ENRICO PIAN	Alternate auditor

External auditors

PRICEWATERHOUSECOOPERS S.P.A.

Internal Auditing and Corporate Governance Committee

RENATO CORRADA **
CARLO GARAVAGLIA
GIOVANNI TAMBURI **

Compensation Committee

ALBERTO CLÒ **
CARLO GARAVAGLIA
GIOVANNI TAMBURI **

* The company officers were elected at the shareholders' meeting of 18 April 2007 for the period 2007-2009; Silvia De'Longhi was appointed as a director at the shareholders' meeting held on 22 April 2008.
** Independent directors.
*** In accordance with art. 2386, para.1 of the Italian Civil Code, the Board of Directors appointed Dario Melò as a director on 15 July 2009 to replace Carlo Garavaglia, who had resigned.

Overview of the group's results, balance sheet and financial position

The principal consolidated figures at 30 September 2009 are as follows:

3rd quarter results

- Revenues	€338.7 million	(-7.4% on 3rd quarter 2008)
- EBITDA *	€37.2 million	(11.0% of revenues vs 12.2% in 2008)

9 month results

- Revenues	€934.0 million	(-11.2% on first nine months 2008)
- EBITDA*	€85.4 million	(9.1% of revenues vs 10.2% in 2008)
- EBITDA* (constant group perimeter)	€89.4 million	(9.6% of revenues)
- EBITDA* (constant exchange rates**)	€105.2 million	(11.3% of revenues vs 10.7% - €112.8 million - in 2008)

Net financial position

- Net debt	€237.5 million	(-€178.7 million on 30.09.08)

* (before non-recurring expenses)
** Taking account of the effect of hedging.

Income statement data

(€/million)	30.09.2009 (9 months)	% of revenues	30.09.2008 (9 months)	% of revenues	3rd quarter 2009	% of revenues	3rd quarter 2008	% of revenues
Revenues	934.0	100.0%	1,052.3	100.0%	338.7	100.0%	365.9	100.0%
Gross profit	392.6	42.0%	421.4	40.0%	139.7	41.2%	142.4	38.9%
EBITDA before non-recurring income/expenses	85.4	9.1%	107.7	10.2%	37.2	11.0%	44.6	12.2%
EBITDA	79.0	8.5%	111.9	10.6%	34.6	10.2%	51.2	14.0%
EBIT	52.5	5.6%	82.0	7.8%	25.3	7.5%	40.8	11.1%
Profit (loss) pertaining to the group	19.0	2.0%	32.2	3.1%	15.1	4.5%	19.3	5.3%

Results by operating segment

	30.09.2009 (9 months)				30.09.2008 (9 months)			
(€/million)	Household	Professional	Corporate	Consolidated total	Household	Professional	Corporate	Consolidated total
Revenues	700.4	239.7	8.8	**934.0**	760.6	305.3	12.6	**1,052.3**
Change 2009/2008	*(60.2)*	*(65.5)*	*(3.8)*	***(118.3)***				
% change	*(7.9%)*	*(21.5%)*	*(30.3%)*	***(11.2%)***				
EBITDA before non-recurring income/expenses	73.6	18.3	(6.5)	**85.4**	80.4	31.3	(3.8)	**107.7**
Change 2009/2008	*(6.7)*	*(13.0)*	*(2.7)*	***(22.3)***				
% of revenues	*10.5%*	*7.6%*		***9.1%***	*10.6%*	*10.3%*		***10.2%***

	3rd quarter 2009 (3 months)				3rd quarter 2008 (3 months)			
(€/million)	Household	Professional	Corporate	Consolidated total	Household	Professional	Corporate	Consolidated total
Revenues	255.9	83.4	3.1	**338.7**	266.1	100.9	4.2	**365.9**
Change 2009/2008	*(10.2)*	*(17.5)*	*(1.1)*					
% change	*(3.8%)*	*(17.4%)*	*(26.6%)*					
EBITDA before non-recurring income/expenses	31.6	6.7	(1.3)	**37.2**	34.2	11.5	(0.9)	**44.6**
Change 2009/2008	*(2.6)*	*(4.7)*	*(0.4)*					
% of revenues	*12.4%*	*8.1%*		***11.0%***	*12.9%*	*11.4 %*		***12.2%***

Total segment revenues are reconciled to the consolidated figures by eliminating certain intersegment transactions, amounting to €14.9 million in the nine months to 30 September 2009 (€26.1 million at 30 September 2008) and €3.7 million in third quarter 2009 (€5.4 million in third quarter 2008).

Balance sheet and financial data

(€/million)	30.09.2009	30.09.2008	31.12.2008
Net working capital	348.9	445.5	356.3
Net capital employed	905.0	1,073.4	908.7
Net financial position	(237.5)	(416.2)	(246.5)
Net equity	(667.6)	(657.2)	(662.3)

Content of the interim management statement

This document presenting the unaudited consolidated results at 30 September 2009 constitutes the interim management statement required by art 154-ter of Decree 58/98.
The information on operations refers to the nine months to 30 September 2009 and the third quarter of 2009, compared with the corresponding periods in 2008. The balance sheet information refers to 30 September 2009, 31 December 2008 and 30 September 2008. This report includes details of any significant transactions, including with related parties.
The format of the financial statements presented herein is comparable with the reclassified statements presented in the report on operations contained in the half-year and annual reports.

The consolidated data has been prepared using the same consolidation procedures and accounting policies as those described in the annual report, to which the reader should refer.

The figures contained in this document, including some of the percentages, have been rounded relative to their full euro amount. As a result, some of the totals in the tables may differ from the sum of the individual amounts presented.

Group results

The reclassified consolidated income statement is summarized as follows:

(€/million)	30.09.2009 (9 months)	% of revenues	30.09.2008 (9 months)	% of revenues	3rd quarter 2009	% of revenues	3rd quarter 2008	% of revenues
Revenues	**934.0**	**100.0%**	**1,052.3**	**100.0%**	**338.7**	**100.0%**	**365.9**	**100.0%**
Change	*(118.3)*	*(11.2%)*			*(27.1)*	*(7.4%)*		
Materials consumed & production costs (production services and payroll costs)	(541.4)	(58.0%)	(630.9)	(60.0%)	(199.0)	(58.8%)	(223.5)	(61.1%)
Gross profit	**392.6**	**42.0%**	**421.4**	**40.0%**	**139.7**	**41.2%**	**142.4**	**38.9%**
Other services, expenses and provisions	(219.0)	(23.4%)	(227.7)	(21.6%)	(74.1)	(21.9%)	(70.4)	(19.2%)
Payroll (non-production)	(88.2)	(9.4%)	(85.9)	(8.2%)	(28.4)	(8.4%)	(27.4)	(7.5%)
EBITDA before non-recurring income (expenses)	**85.4**	**9.1%**	**107.7**	**10.2%**	**37.2**	**11.0%**	**44.6**	**12.2%**
Change	*(22.3)*	*(20.7%)*			*(7.4)*	*(16.7%)*		
Other non-recurring income (expenses)	(6.4)	(0.7%)	4.2	0.4%	(2.6)	(0.8%)	6.6	1.8%
EBITDA	**79.0**	**8.5%**	**111.9**	**10.6%**	**34.6**	**10.2%**	**51.2**	**14.0%**
Change	*(32.8)*	*(29.4%)*			*(16.7)*	*(32.5%)*		
Amortization and depreciation	(26.6)	(2.8%)	(29.8)	(2.8%)	(9.3)	(2.8%)	(10.5)	(2.9%)
EBIT	**52.5**	**5.6%**	**82.0**	**7.8%**	**25.3**	**7.5%**	**40.8**	**11.1%**
Change	*(29.6)*	*(36.0%)*			*(15.5)*	*(38.1%)*		
Financial income (expenses)	(24.0)	(2.6%)	(39.1)	(3.7%)	(5.0)	(1.5%)	(16.3)	(4.5%)
Profit (loss) before taxes	**28.5**	**3.1%**	**42.9**	**4.1%**	**20.3**	**6.0%**	**24.4**	**6.7%**
Taxes	(9.4)	(1.0%)	(10.4)	(1.0%)	(5.0)	(1.5%)	(5.1)	(1.4%)
Profit (loss) for the period	**19.1**	**2.0%**	**32.5**	**3.1%**	**15.3**	**4.5%**	**19.3**	**5.3%**
Profit (loss) pertaining to minority interests	0.1	0.0%	0.3	0.0%	0.2	0.0%	0.0	0.0%
Profit (loss) pertaining to the group	**19.0**	**2.0%**	**32.2**	**3.1%**	**15.1**	**4.5%**	**19.3**	**5.3%**

Given the still difficult and generally weak market, the group closed the third quarter with revenues down 7.4% year-on-year at €338.7 million and EBITDA before non-recurring expenses of €37.2 million, with a margin of 11% (12.2% in third quarter 2008).

Revenues came to €934.0 million for the first nine months of 2009 (-11.2% versus 2008). EBITDA before non-recurring expenses was €85.4 million (€107.7 million in 2008), with the margin declining from 10.2% in 2008 to 9.1% in the first nine months of 2009. Assuming the same scope of consolidation and ignoring the income and costs from demerging the property activities at the end of 2008, EBITDA before non-recurring expenses would have been €89.4 million at 30 September 2009 (with a margin of 9.6%).

The group has therefore defended its margins, by resisting the negative trend in consumption.

The drop in revenues was less steep in the Household division (-€60.2 million, -7.9%), which once again proved more resilient to the negative trend in consumption thanks to its quality product range and leadership position in fully-automatic and capsule coffee machines and in food processors.

The Professional division, which reported a year-on-year drop of €65.5 million in revenues (-21.5%) in the first nine months of 2009, was affected more severely by demand in the real estate sector and for industrial investments.

In terms of geographical markets, sales declined across the globe due to negative trends in consumption, except for in the United States and the Rest of the world (primarily Australia).

Gross profit margin improved from 40% to 42% thanks to a positive effect of the sales mix and savings in purchasing and production costs.

Nine-month EBITDA before non-recurring expenses came to €85.4 million (€107.7 million in 2008), with a margin of 9.1%, down from 10.2% in the first nine months of 2008. EBITDA was also affected by unfavourable exchange rates with respect to the same period in 2008 (primarily against the British pound, Hong Kong dollar, Russian rouble and Australian dollar).
Constant currency EBITDA (before non-recurring income/expenses) would have been €24.5 million higher or €19.8 million considering the impact of hedges (this compares with a hedge-adjusted figure for 2008 of €112.8 million, representing a difference of €7.6 million). The margin would then have been 11.3% in the first nine months of 2009 compared with 10.7% in the same period of 2008.

Other services, expenses and provisions reflected higher rental charges for industrial buildings which are no longer owned by the group, and generally stable advertising expenditure relative to the same period in 2008.

EBIT amounted to €52.5 million in the first nine months of 2009. The margin was 5.6%, down from 7.8% in the same period of 2008, which reported net positive non-recurring items following refund of the expenses incurred for the 2007 factory fire unlike in 2009 when the corresponding net balance was negative.

Net financial expenses were €15.2 million lower at 30 September 2009; the benefit of €13.9 million due to lower average debt and interest rates was partially offset by the costs incurred in 2009 for currency hedges, particularly those against liabilities of the group's Russian subsidiaries.

Profit after tax amounted to €19.0 million (€32.2 million at 30 September 2008).

Operating segment performance

Household
The division's sales revenues amounted to €700.4 million (€760.6 million in the first nine months of 2008), while EBITDA before non-recurring items was €73.6 million (€80.4 million at 30 September 2008) with the margin largely unchanged (10.6% in 2008 versus 10.5% in 2009), thanks to the positive sales mix and the reduction in purchasing and operating costs despite the adverse impact of exchange rates.

Professional
This division's sales revenues amounted to €239.7 million (€305.3 million in the first nine months of 2008), while EBITDA before non-recurring items was €18.3 million, with a margin of 7.6% versus 10.3% in the first nine months of 2008.
The results reflect not only the general market crisis which caused significant downsizing and postponement of real estate investment, particularly in the division's primary sector, but also the negative currency trend which affected sales on the UK market.

In order to counter this market trend, the group has continued with its programme of recovering profitability by restructuring operating and manufacturing activities.

Review of the balance sheet and financial position

The reclassified consolidated balance sheet is summarized below:

(€/million)	30.09.2009	30.09.2008	31.12.2008	Change 30.09.09 – 30.09.08	Change 30.09.09 – 31.12.08
- Intangible assets	416.3	425.8	414.5	(9.5)	1.9
- Property, plant and equipment	176.2	243.4	178.5	(67.2)	(2.3)
- Financial assets	2.5	4.5	5.0	(1.9)	(2.4)
- Deferred tax assets	48.8	42.3	42.2	6.5	6.6
Non-current assets	**643.9**	**715.9**	**640.1**	**(72.0)**	**3.8**
- Inventories	342.2	428.8	320.5	(86.5)	21.8
- Trade receivables	306.0	359.2	367.2	(53.3)	(61.2)
- Trade payables	(249.4)	(294.9)	(286.2)	45.5	36.8
- Other payables (net of receivables)	(49.9)	(47.6)	(45.1)	(2.3)	(4.8)
Net working capital	**348.9**	**445.5**	**356.3**	**(96.6)**	**(7.4)**
- Deferred tax liabilities	(23.5)	(17.8)	(21.5)	(5.7)	(2.0)
- Employee benefits	(28.6)	(34.5)	(30.5)	5.9	1.9
- Other provisions	(35.7)	(35.8)	(35.7)	0.1	0.0
Total non-current liabilities and provisions	**(87.8)**	**(88.1)**	**(87.7)**	**0.3**	**(0.1)**
Net capital employed	**905.0**	**1,073.4**	**908.7**	**(168.3)**	**(3.7)**
Net financial position	**(237.5)**	**(416.2)**	**(246.5)**	**178.7**	**9.0**
Total net equity	**(667.6)**	**(657.2)**	**(662.3)**	**(10.4)**	**(5.3)**
Total net borrowings and equity	**(905.0)**	**(1,073.4)**	**(908.7)**	**168.3**	**3.7**

Net working capital decreased by €96.6 million relative to 30 September 2008, and by €108.1 million before the factoring of receivables without recourse. Receivables turnover improved from 23.5% at the end of September 2008 to 21.6% in 2009, while inventories came down by €86.5 million (-20.2%) relative to 30 September 2008.

Net borrowings of €237.5 million reported an improvement of €178.7 million on 30 September 2008 (€190.2 before the factoring of receivables without recourse), benefiting from both operating cash flow and the group's strategy of reducing financial exposure by disposing of a number of non-strategic assets.

Details of the net financial position are as follows:

(€/million)	**30.09.2009**	**30.09.2008**	**31.12.2008**	**Change 30.09.09 – 30.09.08**	**Change 30.09.09 – 31.12.08**
Cash and cash equivalents	75.6	88.6	109.2	(13.0)	(33.6)
Other financial receivables	12.0	12.4	20.7	(0.4)	(8.7)
Current financial debt	(186.1)	(352.0)	(215.1)	165.9	29.0
Net current financial debt	**(98.5)**	**(251.0)**	**(85.2)**	**152.5**	**(13.3)**
Non-current financial debt	**(139.0)**	**(165.2)**	**(161.3)**	**26.2**	**22.3**
Total net financial position	**(237.5)**	**(416.2)**	**(246.5)**	**178.7**	**9.0**

Current financial debt improved from €251 million at 30 September 2008 to €98.5 million at 30 September 2009 due to the steps taken for reducing financial exposure and to improved cash flow from operating activities.

The cash flow statement can be summarized as follows:

(€/million)	**30.09.2009 (9 months)**	**30.09.2008 (9 months)**	**31.12.2008 (12 months)**
Cash flow generated (absorbed) by current operations and changes in working capital	49.5	(64.8)	38.4
Cash flow generated (absorbed) by investment activities	(25.4)	(31.0)	(42.5)
Cash flow generated (absorbed) by operating activities	**24.1**	**(95.8)**	**(4.1)**
Non-recurring cash flow (*)	0.3	35.8	103.2
Payment of dividends	(9.0)	(9.0)	(9.0)
Cash flow generated (absorbed) by changes in fair value and cash flow hedge reserves	(0.7)	7.3	9.9
Change in currency translation reserve	(5.6)	1.3	9.4
Change in minority interests in net equity	(0.2)	-	-
Cash flow generated (absorbed) by changes in equity accounts	**(15.5)**	**(0.4)**	**10.3**
Cash flow for the period	**9.0**	**(60.3)**	**109.4**
Opening net financial position	(246.5)	(355.9)	(355.9)
Closing net financial position	**(237.5)**	**(416.2)**	**(246.5)**

(*) Includes cash flow generated (absorbed) by extraordinary investment activities and, in 2008, the effects on cash flow of the fire in April 2007.

Cash flow generated (absorbed) by operating activities in the first nine months of the year traditionally reflects a general absorption of the cash balances reported at 31 December of the previous year, but in 2009 it was a positive €24.1 million compared with a negative €95.8 million in the first nine months of 2008.

The following tables present the statement of comprehensive income and the principal changes in net equity in the first nine months of 2009:

(€/million)	30.09.2009 (9 months)	30.09.2008 (9 months)	3rd quarter 2009	3rd quarter 2008
Profit (loss) for the period	**19.1**	**32.5**	**15.3**	**19.3**
Other components of comprehensive income:				
Change in fair value of cash flow hedges	(0.7)	7.3	(2.6)	13.8
Tax effect of change in fair value of cash flow hedges	0.2	(2.0)	0.7	(3.8)
Differences from translating foreign companies' financial statements into euro	(3.4)	1.3	(5.7)	7.7
Total comprehensive income (loss) for the period	**15.2**	**39.1**	**7.7**	**37.0**
Total comprehensive income (loss) attributable to:				
Owners of the parent	15.1	38.7	7.6	36.8
Minority interests	0.1	0.4	0.1	0.2

(€/million)	Group portion of net equity	Minority interests in net equity	Total net equity
Net equity at 31 December 2008	**659.9**	**2.3**	**662.3**
Distribution of dividends	(9.0)	(0.3)	(9.3)
Change in scope of consolidation	0.0	(0.7)	(0.7)
Movements from transactions with shareholders	**(9.0)**	**(1.0)**	**(10.0)**
Comprehensive income (loss) for the period	15.1	0.1	15.2
Net equity at 30 September 2009	**666.1**	**1.4**	**667.6**

Significant events

The group continued with its reorganization process in 2009: the Household division opened new commercial branches in Brazil and Poland while restructuring of production activities at the main Italian factory was completed.

Minority stakes were also acquired in the Turkish company and in the radiator manufacturing companies in China and Russia in order to facilitate any decisions to rationalize and reorganize.

The minority interest in an Italian company was sold as part of the disposal programme of the group's non-strategic assets.

In the Professional division, a majority interest was acquired in the group's distributor of large thermo-cooling systems in Poland.

Subsequent events

There have been no significant events since the end of the period.

Outlook for the current year

The results are in line with the group's expectations. The markets continue to be difficult, with significant differences between each other not only in geographical but also segmental terms. This situation is basically expected to continue for the rest of the year and in the early part of next year.

Treviso, 12 November 2009

For the Board of Directors
Vice Chairman and Chief Executive Officer
Fabio De'Longhi

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Declaration by the Financial Reporting Officer

Pursuant to para. 2, article 154-bis of Decree 58/1998, Stefano Biella, the Financial Reporting Officer, declares that the accounting information contained in this interim management statement corresponds to the underlying documentary and accounting records.

Treviso, 12 November 2009

Financial Reporting Officer
Stefano Biella