De'Longhi S.p.A.

Interim management statement at 31 March 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
CARLO GARAVAGLIA	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	Alternative member
ENRICO PIAN	Alternative member

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.
*** Extension of audit engagement to financial years 2007-2008-2009 approved by the shareholders' meeting of 18 April 2007.

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

The principal consolidated figures for first quarter 2009 are as follows:

Income statement data

(€/million)	**31.03.2009 (3 months)**	**% revenues**	**31.03.2008 (3 months)**	**% revenues**	**Change**	**% change**
Revenues	290.5	100.0%	330.5	100.0%	(40.0)	(12.1%)
Change at constant exchange rates		*(11.7%)*				
Gross profit	122.5	42.2%	135.4	41.0%	(12.9)	(9.5%)
EBITDA before non-recurring income/expenses	25.6	8.8%	31.7	9.6%	(6.2)	(19.5%)
Change	24.3	8.4%	30.4	9.2%	(6.0)	(19.8%)
EBITDA *Change*	15.7	5.4%	20.5	6.2%	(4.8)	(23.5%)
Profit (loss) pertaining to the group	3.7	1.3%	6.0	1.8%	(2.3)	(37.9%)

Results by segment

	31.03.2009 (3 months)				**31.03.2008 (3 months)**			
(€/million)	***Household***	***Professional***	***Corporate***	**Consolidated total**	***Household***	***Professional***	***Corporate***	**Consolidated total**
Revenues	221.6	70.2	2.8	**290.5**	244.2	92.2	3.9	**330.5**
Change 2009/2008	*(22.5)*	*(22.1)*	*(1.1)*	***(40.0)***				
% Change	*(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**
Change 2009/2008	*(0.3)*	*(5.3)*	*(0.6)*	***(6.0)***				
% of revenues	*11.3%*	*2.5%*		***8.4%***	*10.4%*	*7.7%*		***9.2%***

Balance sheet and financial data

(€/million)	**31.03.2009**	**31.03.2008**	**31.12.2008**
Net working capital	385.3	374.0	356.3
Net capital employed	943.5	996.1	908.7
Net financial position	(270.9)	(372.1)	(246.5)
Net equity	(672.7)	(624.0)	(662.3)

Content of the interim management statement

This document relating to the unaudited consolidated results at 31 March 2009 constitutes the interim management statement required by article 154-ter of Decree 58/98 (*Testo Unico della Finanza* or *TUF*).
The information on operations refers to first quarter 2009, compared with the corresponding figures of first quarter 2008. The balance sheet information refers to 31 March 2009, 31 December 2008 and 31 March 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 presented below:

(€/million)	**31.03.2009 (3 months)**	**% revenues**	**31.03.2008 (3 months)**	**% revenues**
Revenues	**290.5**	**100%**	**330.5**	**100.0%**
Change	*(40.0)*	*(12.1%)*		
Materials consumed & 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%**
Services & other expenses and provisions	(67.3)	(23.2%)	(74.7)	(22.6%)
Payroll (non-production)	(29.7)	(10.2%)	(29.0)	(8.8%)
EBITDA before non-recurring income/expenses	**25.6**	**8.8%**	**31.7**	**9.6%**
Change	*(6.2)*	*(19.5%)*		
Other non-recurring income (expenses)	(1.2)	(0.4%)	(1.4)	(0.4%)
EBITDA	**24.3**	**8.4%**	**30.4**	**9.2%**
Change	*(6.0)*	*(19.8%)*		
Amortization and depreciation	(8.6)	(3.0%)	(9.8)	(3.0%)
EBIT	**15.7**	**5.4%**	**20.5**	**6.2%**
Change	*(4.8)*	*(23.5%)*		
Financial income (expenses)	(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) after taxes	**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%**

In first quarter 2009 the Group was active in a difficult market penalized by the persistent drop in consumption begun in fourth quarter 2008 and the significant and generalized decline in industrial production. Despite this uncertain situation the Group increased its market shares and largely defended its margins.

Revenues amounted to €290.5 million (-12.1% versus 2008, -11.7% at constant exchange rates); EBITDA came to €24.3 million (€30.4 million at 31 March 2008) with a margin that went from 9.2% to 8.4%.

The drop in revenues was more contained in the Household Division (-€22.5 million or –9.2%) thanks to the quality product range and the leadership position in fully-automatic and capsule coffee machines and food processors. The Professional Division, which reported a drop of €22.1 million or -23.9%, was influenced to a greater degree by the slowdown in business tied to the real estate sector and the negative impact of the devaluation of the GP pound.

In terms of individual markets, there was an overall drop in sales which reflects the negative trend in consumption and, in a few countries, the negative trend in foreign exchange; contrary to the market, sales improved with respect to the same period in North America due to advance sales of air conditioning units and the positive exchange effect.

First quarter EBITDA before non-recurring income/expenses came to €25.6 million (€31.7 million in 2008) with the margin for first quarter 2009 at 8.8% versus 9.6% in 2008. In addition to the above mentioned drop in sales, EBITDA was impacted by the unfavorable exchange trends with respect to the same period in 2008 (British pound, US dollar and Russian rouble).
Services and other expenses and provisions were impacted by the drop in revenues, as well as the increase in rent paid for industrial buildings which are no longer owned by the Group and advertising and promotion expenses, which were basically in line with the same period in 2008.

EBIT amounted to €15.7 million in the first three months of 2009, with a margin of 5.4% versus 6.2% in the same period of 2008.

Net financial expenses at 31 March 2009 dropped by €1.2 million; the decrease in average debt and interest rates, which had an impact of some €3.3 million, was partially offset by an increase in expenses linked to the coverage of the Russian subsidiary's liabilities.

Net profit amounted to €3.7 million (€6.1 million at 31 March 2008).

Results by business segment

Household

The division's sales revenues amounted to €221.6 million (€244.2 million in first quarter 2008) and EBITDA before non-recurring expenses was €25.3 million (€26.3 million at 31 March 2008) with margins that rose from 10.8% in 2008 to 11.4%, despite the negative exchange effect, thanks to the control of operating costs and reduced credit risk with respect to the same period in 2008.

Professional

This division reported sales revenues of €70.2 million (€92.2 million in 2008). EBITDA before non-recurring expenses was €2.6 million with a margin of 3.8% versus 7.9% in first quarter 2008.
The results reflect the general market crisis which, above all in the reference sector, resulted in significant downsizing and delay in real estate investment and by the negative currency trend which influenced sales on the English market.

Review of the balance sheet and financial position

The reclassified consolidated balance sheet is summarized below:

(€/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
- Property, plant and equipment	179.7	239.0	178.5	(59.4)	1.2
- Financial assets	4.9	4.9	5.0	-	-
- Deferred tax assets	44.5	41.5	42.2	3.0	2.3
Non-current 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 payables (net of receivables)	(31.4)	(18.4)	(45.1)	(13.0)	13.8
Net working capital	**385.3**	**374.0**	**356.3**	**11.2**	**28.9**
- Deferred tax liabilities	(23.5)	(18.7)	(21.5)	(4.7)	(2.0)
- Employee benefits	(28.5)	(33.2)	(30.5)	4.7	2.0
- Other provisions	(33.5)	(32.0)	(35.7)	(1.5)	2.2
Total non-current liabilities and provisions	**(85.5)**	**(83.9)**	**(87.7)**	**(1.6)**	**2.2**
Net capital employed	**943.5**	**996.1**	**908.7**	**(52.6)**	**34.8**
Net financial position	**270.9**	**372.1**	**246.5**	**(101.2)**	**24.4**
Total net equity	**672.7**	**624.0**	**662.3**	**48.7**	**10.4**
Total net borrowings and equity	**943.5**	**996.1**	**908.7**	**(52.6)**	**34.8**

Net working capital increased by €11.2 million relative to 31 March 2008, but dropped by €1.3 million before the factoring of receivables without recourse. Trade payables fell by €73.8 million due also to the decrease in the stock of air conditioning products following the negative season in 2008 which resulted in high levels of inventory. Net working capital turnover improved, before the factoring of receivables without recourse, moving from 26.2% at the end of March 2008 to 25.5% in 2009 and inventory fell by €42.3 million with respect to 31 March 2008. Working capital is expected to improve over the next few months following the sale of air conditioning products.

The net financial position reported net borrowing of €270.9 million, €101.2 million less than at 31 March 2008 (€113.7 before the factoring of receivables without recourse), benefiting from both the operating cash flow and the Group's strategy to reduce financial exposure through the disposal of several non strategic assets.

Details of the net financial position are as follows:

(€/million)	**31.03.2009**	**31.03.2008**	**31.12.2008**	**Change 31.03.09 – 31.03.08**	**Change 31.03.09 – 31.12.08**
Cash and cash equivalents	(82.6)	(92.7)	(109.2)	10.1	26.6
Current financial receivables	(20.5)	(8.9)	(20.8)	(11.5)	0.3
Current financial debt	220.3	373.5	215.1	(153.3)	5.1
Net current financial debt	**117.2**	**271.9**	**85.2**	**(154.7)**	**32.0**
Non-current financial debt	**153.7**	**100.2**	**161.3**	**53.5**	**(7.6)**
Total	**270.9**	**372.1**	**246.5**	**(101.2)**	**24.4**

The current financial debt improved, dropping from €271.9 million at 31 March 2008 to €117.2 million at 31 March 2009 due to the steps taken to reduce financial exposure and operating cash flow; non current financial debt increased by €53.5 million following stipulation of new loan agreements.

The cash flow statement can be summarized as follows:

(€/million)	31.03.2009 (3 months)	31.03.2008 (3 months)	31.12.2008 (12 months)
Cash flow generated (absorbed) by current operations and changes in working capital	(22.2)	(0.5)	51.3
Cash flow generated (absorbed) by investment activities	(8.5)	(8.3)	(42.7)
Cash flow generated (absorbed) by operating activities	**(30.7)**	**(8.7)**	**8.7**
Non-recurring cash flow (*)	-	6.5	103.2
Payment of dividends	-	-	(9.0)
Cash flow generated (absorbed) by changes in Fair value and Cash flow hedge reserves	3.5	(8.4)	9.9
Change in currency translation reserve	2.6	(5.6)	(3.7)
Change in minority interests in net equity	0.3	-	0.2
Cash flow generated (absorbed) by changes in equity accounts	**6.3**	**(14.0)**	**(2.5)**
Cash flow for the period	**(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)**

(*) Includes cash flow generated (absorbed) by extraordinary investment activities and by the fire in April 2007.

Cash flow in the first three months of the year, which traditionally features a general absorption of the cash balances reported at 31 December of the previous year, was a negative €30.7 million (€8.7 million in the first three months of 2008) and reflects the temporary absorption of cash following the decline in trade payables due to the purchase of fewer air conditioning products with respect to first quarter 2008.

The following table summarizes the principal changes in net equity in the first three months of 2009:

(€/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**
Change in scope of consolidation	-	0.2	0.2
Movement in cash flow hedge reserve	2.5	-	2.5
Differences from converting foreign company financial statements into euro	3.9	0.1	4.0
Profit (loss) after taxes	3.7	-	3.7
Total changes	**10.1**	**0.3**	**10.4**
Net equity at 31 March 2009	**670.0**	**2.6**	**672.7**

Significant events

The Group continued with its reorganization process in first quarter 2009; a new commercial branch was opened in Brazil, new branches in new markets are expected to be opened in the first half of the year and the restructuring of the Household Division in Italy was completed.

Subsequent events

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

Outlook for the current year

The global recessionary environment and the lack of visibility going forward call for extreme caution; the Group believes, however, that it will be able to count on its position as a leader in different segments and the launch of new products, as well as benefit from a solid balance sheet.

Treviso, 14 May 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 (*Testo Unico della Finanza* or *TUF*), 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, 14 May 2009

Financial Reporting Officer
Stefano Biella