Treviso, April 12, 2011

PRESS RELEASE

De' Longhi SpA:
The Shareholders' meeting has approved the 2010 results.

The Shareholders' meeting, held today in first call, has approved the consolidated results of year 2010. A dividend of € 0.146 per share has been resolved. The authorization to purchase and disposal of the Company's shares was renewed. .Finally, the Shareholders resolved to amend the Articles of Association, according to the Consob regulation n. 17221/10.

Summary

the 2010 results

- revenues amounted to € 1,626.3 million, growing by 15.8%; both divisions contributed to the growth but to a different degree;
- net industrial margin improved from 42.6% to 44.1%, or € 716.6 million;
- the improvement of the net industrial margin significantly affected Ebitda, which improved, before non recurring items, by 2 percentage points on revenues (from 10.2% to 12.2%), reaching € 199.1 million;
- Ebit, before non recurring items , amounted to € 159.2 million (9.8% of revenues), thus growing by € 53.7 million vs. 2009 (+50.9%); after the mentioned items, Ebit went from € 92.4 to € 147.6 million (9.1% of revenues), thus increasing by € 55.2 million;
- net profit pertaining to the Group jumped from € 32.4 million to € 74.9 million (+131.5 %);
- net debt was almost brought to zero, being reduced to € 4.7 million, down by € 112.4 million.

A dividend of € 0,146 per share was approved

The distribution of a dividend of € 0.146 per share (gross of any applicable tax) was approved, representing a *pay out ratio* of 29.1%.
The date of record of dividend is April 26, 2011 and the payment of dividends starts on April 29, 2011.

Authorization to purchase and dispose of Company's shares

The Shareholders resolved to renew the authorization to the purchase and disposal of the Company's shares up to a maximum amount of 28 million ordinary shares and not exceeding one fifth of the share capital, including shares owned by controlled companies as well.

Amendment to Articles of Association

Finally, the Shareholders approved to amend article 10 of the Articles of Association.

The 2010 results

The positive results obtained in growth and profitability define the year 2010 as one of the most favourable in the last decade and gain more significance if we consider the critical status of the global economy.

In fact, the Group was able to take advantage from the countercyclical trend of the small domestic appliances segment (+7% in the western Europe countries, source GFK), supporting the sales' growth by means of the increase of the advertisement and promotional expenses (from € 96 to € 116 million, or 7.1% of revenues) and a keen action on launches of new products.

revenues

Net revenues grew by 15.8%, going from € 1,404.1 to € 1,626.3 million, thanks mainly to the dynamism of the Household division (up by 18.6%) and to the progresses of the Professional division (+ 5.6%) which exceeded previous expectations.

At constant exchange rates, revenues would have grown by 12.1%.

	12 months		
	M €	*ch. YoY*	*ch. yoy %*
Total revenues	**1.626,3**	***222,2***	***15,8 %***
divisions:			
- Household	*1.277,4*	***200,4***	***18,6 %***
- Professional	*352,6*	***18,6***	***5,6 %***

Most of the reference markets were growing and many of them by double digit. Emerging markets were remarkably dynamic, growing by 36.7% to € 463.4 million (from 24.2% to 28.5% of total revenues), while Greece and Spain experienced a contraction of sales, as a consequence of the impacts of the difficult economic conditions on consumption.

As evidenced by the previous quarters of the year, the sales' progression was driven by the segments of espresso coffee makers and of food processors of the Kenwood brand, which showed annual growth rates close to 30%. However, even homecare, ironing and portable heating products were growing by more than 10%.

operating margins

In 2010 the Group was progressing in focusing on the medium-high end segment of the small domestic appliances business, thus strengthening the distinctive leadership features of De' Longhi and Kenwood brands respectively in coffee makers and food processors.

The improvement of the product mix together with the control of production costs and the benefits from the currency management – specifically regarding purchases in US Dollars – were bringing to a 150 basis points increase of the **net industrial margin** (from 42.6% to 44.1% of revenues) and consequently to an increase of Ebitda and Ebit.

	12 months	
	M €	***% on sales***
Net Industrial Margin	**716,6**	***44,1 %***
EBITDA before non recurring items	**199,1**	***12,2 %***
EBITDA	**193,1**	***11,9 %***
EBIT before non recurring items	**159,2**	***9,8 %***
EBIT	**147,6**	***9,1 %***

EBITDA

Ebitda (before non recurring items) amounted to € 199.1 million (12.2% of revenues) vs. € 143 million in 2009 (or 10.2% of revenues).

EBIT

After € 39.9 million amortization, but before non recurring charges amounting to € 11.6 million, **Ebit** jumped to € 159.2 million (9.8% of revenues) vs. € 105.5 million (or 7.5% of revenues) in 2009 , thus increasing by € 53.7 million (+ 50.9%).

After non recurring items, Ebit amounted to € 147.6 million (9.1% of revenues), growing by € 55.2 million vs. 2009 (€ 92.4 million or 6.6% of revenues).

The positive medium term effects of the reorganization of the industrial platform and of the product mix carried out by the Group in the recent years were clearly visible in the Household division, whose Ebitda, before non recurring items, resulted to be 13.8% in the 12 months and 15.3% in the fourth quarter.

Before non recurring items, Ebit of the Household division amounted to € 147.2 million, or 11.5% of revenues.

EBITDA	12 months	
before non rec. items	**M €**	***% on sales***
divisions:		
- Household	**176,2**	***13,8 %***
- Professional	**31,0**	***8,8 %***

financial charges

Net financial charges amounted to € 36.1 million, slightly increasing (+ € 0.8 million) vs. the previous year, as a consequence of non recurring exchange rates losses for € 4.6 million and of the increase of financial discounts in connection with the strong progression of the turnover. Following the decline of the net debt, the interests component was decreasing.

net profit

The **net profit** pertaining to the Group improved by 131.5% from € 32.4 million to € 74.9 million (i.e. an EPS of € 0.50), after tax expenses amounting to € 36.5 million.

net indebtedness

The positive development of margins and an efficient management of the working capital led to significant benefits in terms of cash generation (€ 112.4 million in the year), reducing the **net debt** almost to zero, down to € 4.7 million as at December 31 (vs. € 117.1 million at 2009 year end).

The Group, despite the significant amount of cash available at year end, did not repay in advance the existing medium term loans, as they are conceived as structurally linked to the Group's investment activity and also considering the deterioration of the bank debt market in the last months of the year. Therefore, the available liquidity and the extensive unused short term credit lines available to the Group offer a stable support to the growth.

dividend

The Shareholders approved a dividend of € 0.146 per share, (gross of any applicable tax) representing a *pay-out ratio* of 29.1%.
The date of record of dividend is April 26, 2011, and the payment of dividends starts on April 29, 2011.

Events following the end of the year

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

Foreseeable business development

In 2010 the Group delivered excellent results beyond expectations and in 2011 is facing a still uncertain scenario: however, the Group is confident to progress on its growth path thanks to the support of innovation, of a winning product mix and of the new opportunities offered by fast growing markets, unless unforseeable events in the global economy and the political scenario strongly impact on markets.

Other resolutions taken by the Shareholders

The Shareholders have approved the authorization to the purchase and disposal of the Company's shares up to a maximum of 28 million ordinary shares and not exceeding one fifth of the share capital, including all shares owned by controlled companies as well. Said authorization will be valid for 18 months from the date of today and includes the faculty of disposing of the Company's shares already owned, even before completing all purchases, without time limits.
All purchases shall be done according to art. 132 of the D.Lgs. n. 58/98 and following procedures provided for in art. 144-*bis*, co. 1° of Reg.Consob n. 11971/99. The purchase price of each share, including accessory costs, will have to be not less than 20% (twenty per cent) and not more than 5% (five per cent) of the official price of all transactions recorded on the Mercato Telematico Azionario on the day before the purchase.
The reasons that brought the Board of Directors to submit again to the Shareholders' meeting the request of authorization to the purchase and, to certain extent, the disposal of the Company's shares, always subject to the equal treatment of Shareholders and to the regulations in place, are detailed in the "Relazione degli Amministratori" drafted according to art. 125-*ter* TUF.
Any further detail can be found in the Relazione degli Amministratori, according to art. 125-*ter* of D. Lgs. n. 58/98, available on the internet corporate site, section *Corporate/ Investor Relations / Governance.*
As at today, neither the Company nor any of its subsidiaries are owning Company's shares.

Finally, the Shareholders' meeting resolved to amend art. 10 of the Articles of Association as detailed in the "Relazione del Consiglio di Amministrazione" on the proposal of amendment as per art. 125-*ter* del D. Lgs. n. 58/98.

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, 2010

Consolidated Income Statement

Euro million	2010	% of revenues	2009	% of revenues
Net revenues	**1.626,3**	**100,0%**	**1.404,1**	**100,0%**
change	*222,2*	*15,8%*		
Materials consumed and other production costs (services and production payroll costs)	(909,6)	(55,9%)	(805,7)	(57,4%)
Gross Profit	**716,6**	**44,1%**	**598,3**	**42,6%**
Costs of services and other expenses	(355,7)	(21,9%)	(312,9)	(22,3%)
Added value	**360,9**	**22,2%**	**285,5**	**20,3%**
Labour cost (non industrial)	(130,0)	(8,0%)	(118,9)	(8,5%)
Provisions	(31,8)	(2,0%)	(23,6)	(1,7%)
EBITDA before non recurring items	**199,1**	**12,2%**	**143,0**	**10,2%**
change	*56,1*	*39,2%*		
Non recurring items	(6,0)	(0,4%)	(13,1)	(0,9%)
EBITDA	**193,1**	**11,9%**	**129,9**	**9,3%**
Amortization	(39,9)	(2,5%)	(37,5)	(2,7%)
Non recurring depreciations	(5,6)	(0,3%)	-	-
Ebit	**147,6**	**9,1%**	**92,4**	**6,6%**
change	*55,2*	*59,7%*		
Net financial charges	(36,1)	(2,2%)	(35,3)	(2,5%)
Profit before taxes	**111,6**	**6,9%**	**57,2**	**4,1%**
Taxes	(36,5)	(2,2%)	(24,4)	(1,7%)
Profit / (Loss) of the period	**75,1**	**4,6%**	**32,8**	**2,3%**
Profit (loss) pertaining to minority interests	0,2	0,0%	0,4	0,0%
Profit (loss) pertaining to the Group	**74,9**	**4,6%**	**32,4**	**2,3%**

Consolidated Balance Sheet

Euro million	31.12.2010	31.12.2009	change	change %
- intangible assets	408,6	414,7	(6,1)	(1,5%)
- tangible assets	186,4	177,6	8,8	5,0%
- financial assets	2,1	2,5	(0,5)	(18,3%)
- deffered tax assets	33,5	38,1	(4,6)	(12,1%)
Fixed asstes	**630,6**	**632,9**	**(2,3)**	**(0,4%)**
- inventories	288,0	257,1	30,9	12,0%
- trade receivables	387,9	351,9	36,1	10,2%
- trade payables	(374,2)	(291,1)	(83,1)	28,6%
- other net current assets / (liabilities)	(74,9)	(53,5)	(21,4)	40,1%
Net working capital	**226,9**	**264,4**	**(37,6)**	**(14,2%)**
Non current liabilities	(92,2)	(91,7)	(0,5)	0,5%
Net invested capital	**765,3**	**805,6**	**(40,3)**	**(5,0%)**
Net financial position	**(4,7)**	**(117,1)**	**112,4**	**(96,0%)**
Total shareholders' equity	**(760,6)**	**(688,5)**	**(72,0)**	**10,5%**
Total net financial position and shareholders' equity	**(765,3)**	**(805,6)**	**40,3**	**(5,0%)**

Consolidated Cash Flow Statement

Euro million	2010	2009
Cash flow from operations	168,0	100,7
Cash flow from changes in the working capital	9,5	73,3
Cash flow from operations and changes in working capital	**177,5**	**174,0**
Cash flow from investments	(45,4)	(34,1)
Operating cash flow	**132,1**	**140,0**
Cash flow from non recurring items	-	0,6
Cash from from changes in the net equity	(19,7)	(11,2)
Net cash flow	**112,4**	**129,4**
Opening net financial position	**(117,1)**	**(246,5)**
Closing net financial position	**(4,7)**	**(117,1)**

Business Segments

	2010				2009			
Euro million	*Household*	*Professional*	*Corporate*	Total Group	*Household*	*Professional*	*Corporate*	Total Group
Net Revenues	1.277,4	352,6	12,5	**1.626,3**	1.077,0	334,0	12,3	**1.404,1**
change	*200,4*	*18,6*		*222,2*				
change %	*18,6%*	*5,6%*		*15,8%*				
Net Revenues at constant exch.rates	1.223,5	350,3	---	**1.570,1**	1.073,3	333,7	---	**1.400,0**
change at constant exch. rates	*150,3*	*16,6*		*170,1*				
change %	*14,0%*	*5,0%*		*12,1%*				
EBITDA before non recurring items	176,2	31,0	(8,0)	**199,1**	121,1	29,1	(7,3)	**143,0**
change	*55,0*	*1,9*		*56,1*				
margin % of revenues	*13,8%*	*8,8%*		***12,2%***	*11,2%*	*8,7%*		***10,2%***
EBITDA	173,2	27,9	(8,0)	**193,1**	113,4	24,3	(7,9)	**129,9**
change	*59,8*	*3,6*		*63,2*				
margin % of revenues	*13,6%*	*7,9%*		***11,9%***	*10,5%*	*7,3%*		***9,3%***
EBIT before non recurring items	147,2	20,7	(8,7)	**159,2**	93,9	19,5	(8,0)	**105,5**
change	*53,3*	*1,2*		*53,7*				
margin % of revenues	*11,5%*	*5,9%*		*9,8%*	*8,7%*	*5,8%*		*7,5%*

Revenues by geographical breakdown

Euro million	2010	2009	change	change %
Developed countries				
Italy	268,8	265,5	3,3	1,2%
United Kingdom	141,1	117,5	23,6	20,1%
USA, Canada and Mexico	89,2	91,9	(2,8)	(3,0%)
Japan	47,4	37,8	9,6	25,5%
other Western Europe countries	616,3	552,3	64,1	11,6%
Total Developed Countries	**1.162,8**	**1.065,0**	**97,8**	**9,2%**
Emerging markets				
Eastern Europe	146,3	107,6	38,7	36,0%
Rest of world	317,1	231,5	85,6	37,0%
Total emerging markets	**463,4**	**339,1**	**124,4**	**36,7%**
Total revenues	**1.626,3**	**1.404,1**	**222,2**	**15,8%**