PRESS RELEASE

Indesit Company's Board of Directors examines the figures for 3rd quarter 2009 and approves the interim financial report

Operating margin and net profit up in 3rd quarter 2009

Net debt down by more than €100m

Forecasted operating margin for 2009 increased to around €90m

Milan, 29th October 2009 – Meeting today in Milan, the Board of Directors of Indesit Company examined the figures for the 3rd quarter of 2009 and approved the interim financial report.

The **operating margin** (EBIT) in 3rd quarter 2009 was €50.4m (€48.9m), up 3.1% at current exchange rates and 41.8% at constant exchange rates. The ratio to sales was 7.1% (5.7%). Excluding €8.9m of **non-recurring income and charges** relating mainly to the closure of the Wuxi plant in China and the Basse Ham logistics facility in France, the operating margin was €59.3m (€50.5m), up 17.4%; the ratio to sales was 8.3% (5.9%).

Group **revenues** in the 3rd quarter of 2009 amounted to €713.8m (€858.3m), down 16.8%. At constant exchange rates, 3rd quarter sales in 2009 would have been €763.4m, down 11.1%.

Net financial indebtedness was reduced by €108m, from €626.2m at 30th September 2008 to €518.2m.

"Despite the persistently difficult markets, we achieved 3rd quarter results that are very positive and reflect our Company's capacity to react," said Indesit Company Deputy Chairman Andrea Merloni. "*Maintaining the Group's financial solidity remains a strategic priority but we are keen to undertake new investments and continue to be confident in the recovery of demand."*

"*We're very satisfied with the results achieved. The worst seems to be behind us but we must not lower our guard. Operating margin and net profits are up on last year,*" commented Indesit Company CEO Marco Milani, *"and profitability, on a percentage basis, is back at levels of excellence thanks to costs containment, improvement of unit revenues, successful new product launches and continual improvement of quality. Debt is gradually returning to the moderate levels of previous years."*

Despite the persistently weak state of the economy in general, the Group increased its operating margins in the 3rd quarter to record levels, in both absolute terms and on a percentage basis. Profitability benefited from new improvements to the average price/mix (up 5.1% at constant exchange rates), product quality and the results obtained by the service business. Other positive factors included the reduction of raw materials costs and measures to contain industrial costs and general expenses.

The decrease in sales was mainly due to the reduction in sales volumes (accounting for around 17.2%) reflecting the persisting contraction in demand in the main markets where the Group enjoys leadership positions, and the negative effect of exchange rate movements following the strengthening of the euro against the other main currencies the Group uses.

Performance was particularly brilliant in the **UK and Ireland area,** which saw substantial growth in the margin of the market with respect to 2008, a significant improvement in prices and a reduction in the costs on "non-quality". Results were also very positive in **Italy,** where the Group maintained its market leadership, improved the average price/mix and posted a marked increase in profitability despite the limited reduction in sale volumes. Positive results were also recorded in the other **Western European countries**, where the 3rd quarter margin of the market was up €11.9m on 3rd quarter 2008 in spite of the slight reduction in sales.

Group sales suffered a negative impact from countries in **Eastern Europe** which continued to contribute significantly to the Group's results, despite the drastic contraction in demand. The **Russia area** posted the most significant reduction in revenues for the Group, due to persistently reduction in demand and depreciation of the rouble, but regained its impressive profitability on a percentage basis.

The 3rd quarter saw the launching onto the market of 50 new products featuring innovative functions and quality at levels of excellence. By the end of the year, another 40 new products will have been launched, starting with the new range of Hotpoint-Ariston frost-free combos for Russia, new slim dishwashers from Indesit and Hotpoint-Ariston (10 place settings) and ovens, hobs and hoods completing the Scholtès "S³" range.

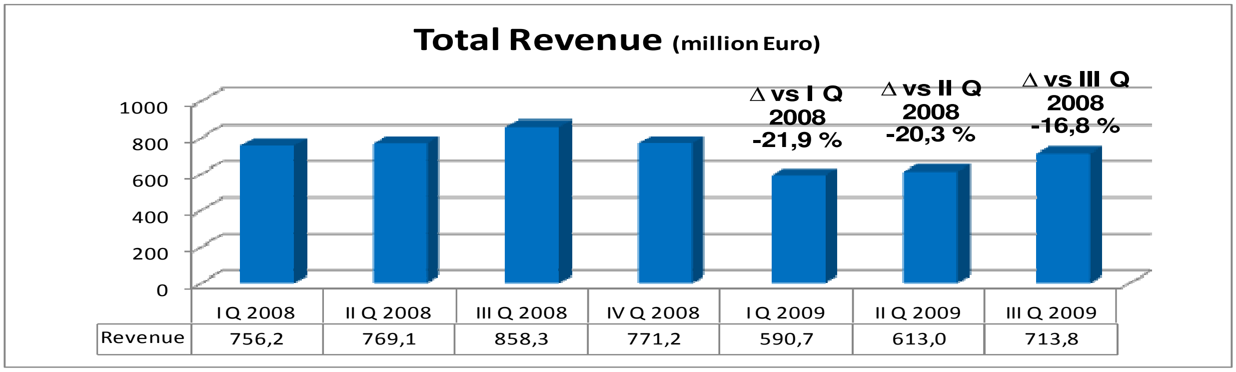
In light of the reductions in procurement costs for raw materials and components, the positive effects of the average price/mix and ongoing containment of the costs of "non quality" (outperforming previously forecasted values), the Group expects sales in 2009 to be around €2.6 billion, with an operating result of €90m (as opposed to the previously estimated €60/70m). Lastly, net financial indebtedness should be between €400 and €450m.

Group income results

Euro/million	III Q 2009	III Q 2008	Change €m	Change %	9 months 2009	9 months 2008	Change €m	Change %
Revenue	713,8	858,3	(144,6)	-16,8%	1.917,4	2.383,6	(466,2)	-19,6%
Gross operating profit (EBITDA)	83,3	81,7	1,5	1,9%	166,3	218,6	(52,3)	-23,9%
Operating profit (EBIT)	50,4	48,9	1,5	3,1%	65,7	121,3	(55,6)	-45,8%
Operating profit %	7,1%	5,7%		1,4 p.p.	3,4%	5,1%		-1,7 p.p.
Profit before taxation	42,0	40,4	1,6	4,0%	21,2	98,9	(77,7)	-78,6%
Profit for the period	28,2	25,8	2,5	9,6%	5,6	59,9	(54,2)	-90,6%
Profit attributable to the Group	29,4	25,7	3,7	14,4%	6,9	59,4	(52,5)	-88,4%
Gross of non recurring items								
Non recurring items	(8,9)	(1,6)	(7,3)	456,3%	(43,8)	(18,4)	(25,4)	138,0%
Gross operating profit before non recurring items	89,5	83,4	6,1	7,3%	199,5	233,2	(33,7)	-14,5%
Operating profit before non recurring items	59,3	50,5	8,8	17,5%	109,5	139,7	(30,2)	-21,6%
Operating profit before non recurring items %	8,3%	5,9%		2,4 p.p.	5,7%	5,9%		-0,2 p.p.

Group **revenues** in the 3rd quarter of 2009 amounted to €713.8m (€858.3m), down 16.8%. At constant exchange

rates, 3rd quarter sales in 2009 would have been €763.4m, down 11.1%.
In the first nine months of 2009, Group revenues were €1,917.4m (€2,383.6m), down 19.6%. At constant rates, sales in the first nine months of 2009 would have been €2,057.0m, down 13.7%.
The decrease in revenues was mainly in sales of finished products, while revenues from services saw only a slight contraction in the UK area due to the weak sterling.



Revenue Breakdown	III Q 2009	III Q 2008	Change %	9 months 2009	9 months 2008	Change %
Appliances	659,9	803,5	-17,9%	1.762,0	2.225,4	-20,8%
Services	53,9	54,8	-1,7%	155,4	158,2	-1,8%
Total Revenue	**713,8**	**858,3**	**-16,8%**	**1.917,4**	**2.383,6**	**-19,6%**

The negative change in revenues from sales of finished products in 3rd quarter 2009 was mainly due to the reduction in sales volumes (around 17.2%) caused by falling demand, especially in certain markets where the Group enjoys leadership positions, and to the negative effect of exchange rate movements (around 5.7%) reflecting the strength of the euro against the other main currencies the Group uses. Such effects were partially offset by the trend in average unit revenues (*price/mix*), which rose by around 5.1%.

The **gross operating margin** (EBITDA[1]) in 3rd quarter 2009 was €83.3m (€81.7m); the ratio to sales was 11.7% (9.5%).
In the first nine months of 2009, EBITDA was €166.3m (€218.6m); the ratio to sales was 8.7% (9.2%).

The **operating margin** (EBIT[2]) in the 3rd quarter of 2009 was €50.4m (€48.9m); the ratio to sales was 7.1% (5.7%).

In the first nine months of 2009 EBIT was €65.7m (€121.3m); the ratio to sales was 3.4% (5.1%).

The operating margin (EBIT) **before non-recurring income and charges** was €59.3m (€50.5m); the ratio to

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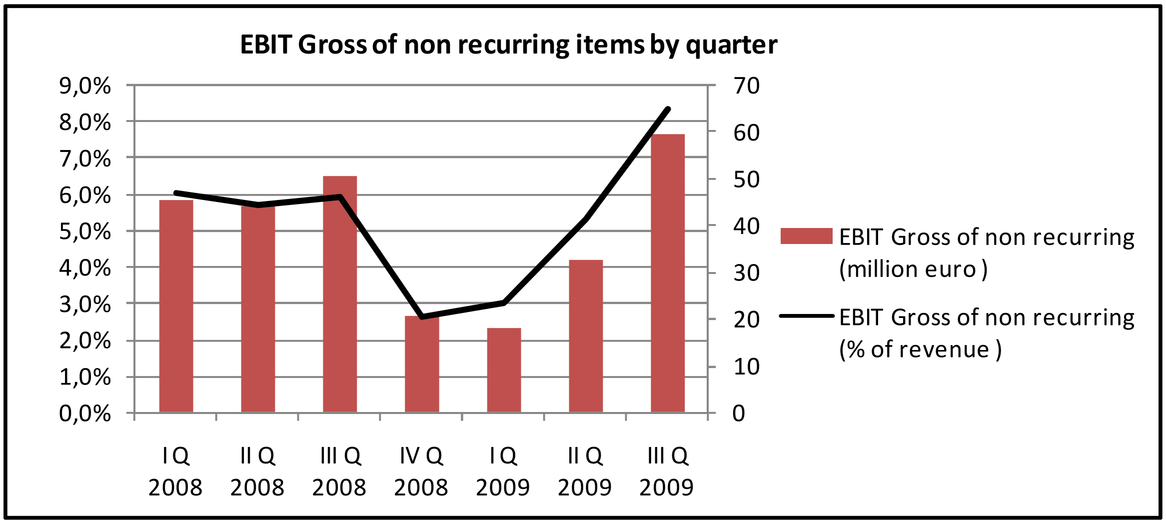
[1] EBITDA: operating margin as per the consolidated income statement before amortization and depreciation.
[2] EBIT: operating margin as per the consolidated income statement.

sales was 8.3% (5.9%).
In the first nine months of 2009, EBIT before non-recurring income and charges was €109.5m (€139.7m); the ratio to sales was 5.7% (5.9%).



Operating income in the 3rd quarter increased with respect to 3rd quarter 2008 both in absolute terms and as a percentage of revenues, despite the persisting sluggishness of the economy and the unfavourable trends in currency markets. This was the result of successful measures and operations by the Company.

Such action made it possible to improve the price/mix and at the same time reduce raw materials costs (especially plastics and, to a lesser extent, steel). Efforts to contain industrial costs, which were down net of the volume effect, and general expenses continued. Another positive factor for profitability was the continual improvement in product quality.

All these positive factors enabled the Company to weather the significant reduction in sales volumes, the negative effects of lower absorption of fixed industrial overheads following the cutback in production and higher non-recurring charges for restructuring operations.

Lastly, mention must be made of the negative impact on operating results in 3rd quarter 2009 of the abovementioned unfavourable trend in exchange rates, an overall estimate of which would be €18.9m. At constant rates, EBIT in 3rd quarter 2009 would have been €69.3m.

Net financial charges in 3rd quarter 2009 amounted to €8.4m (€8.5m). In the first nine months of 2009 financial charges amounted to €44.6m (€22.4m). The trend in the 3rd quarter reflects the general reduction in interest rates, which brought about a decrease in net interest expenses offset by higher negative exchange differences.

The **net result for the Group** in the 3rd quarter of 2009 was a profit of €29.4m (profit of €25.7m). In the first nine months, the net result for the Group was €6.9m (€59.4m).

Results by region

The Group's operating sectors correspond to geographical regions defined, in accordance with IFRS 8, on the basis of availability of separate financial reporting and in line with the main method adopted by top management in periodically reviewing results for the purposes of assessing performance and strategic decisions.

The Group's operating sectors are:
Italy;
UK and Ireland;
Russia, also including its Asian sister republics;
Western Europe, including France, Spain, Portugal, Germany, Austria, Switzerland, Benelux, Scandinavia, Lithuania, Estonia and Latvia;
Eastern Europe, including Poland, Ukraine, Moldova, Czech Republic, Hungary, Romania, Greece, Turkey, Bulgaria and other Balkan states;
Overseas, all other non European markets.

III Quarter 2009 (million Euro)	**Total Areas**	**Costs not allocated**	**Total Group**
Revenue	**713,8**		**713,8**
Operating costs	(626,9)	(36,5)	(663,4)
Operating Margin	**86,9**	**(36,5)**	**50,4**

III Quarter 2008 (million Euro)	**Total Areas**	**Costs not allocated**	**Total Group**
Revenue	**858,3**		**858,3**
Operating costs	(785,0)	(24,4)	(809,3)
Operating Margin	**73,3**	**(24,4)**	**48,9**

9 months 2009 (million Euro)	**Total Areas**	**Costs not allocated**	**Total Group**
Revenue	**1.917,4**		**1.917,4**
Operating costs	(1.756,1)	(95,6)	(1.851,7)
Operating Margin	**161,3**	**(95,6)**	**65,7**

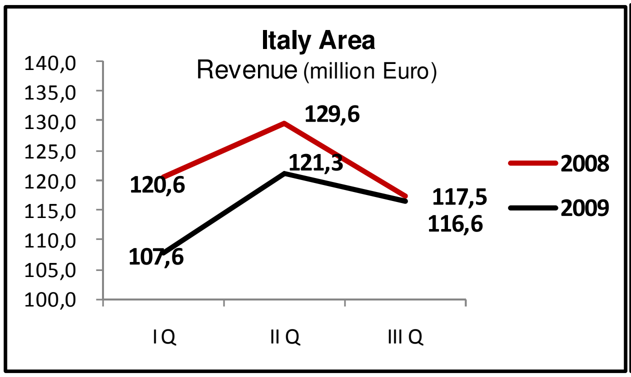
9 months 2008 (million Euro)	**Total Areas**	**Costs not allocated**	**Total Group**
Revenue	**2.383,6**		**2.383,6**
Operating costs	(2.194,9)	(67,5)	(2.262,3)
Operating Margin	**188,7**	**(67,5)**	**121,3**

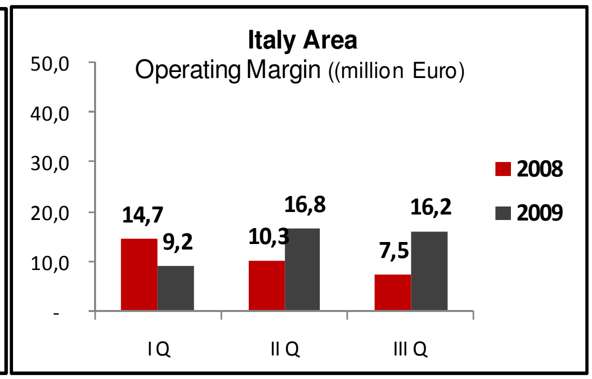
Costs not allocated to Areas are mostly central office (*Corporate*) costs and net restructuring charges.

Italy Area

(million Euro)	III Q 2009	III Q 2008	Change	9 months 2009	9 months 2008	Change
Revenue	116,6	117,5	(0,9)	345,6	367,7	(22,1)
Operating Margin	16,2	7,5	8,6	42,2	32,5	9,7
Operating Margin %	13,8%	6,4%	7,4%	12,2%	8,8%	3,4%

The latest figures on demand in the **Italian** market show an attenuation of the negative trend see in the first two quarters. Thanks to containment of general costs, there was a significant increase in profitability in this area in the 3rd quarter despite a limited contraction in sales volumes (affecting the free standing slightly more than the built-in segment).
The trend in average unit revenues was positive and the Group maintained its leadership in this market.

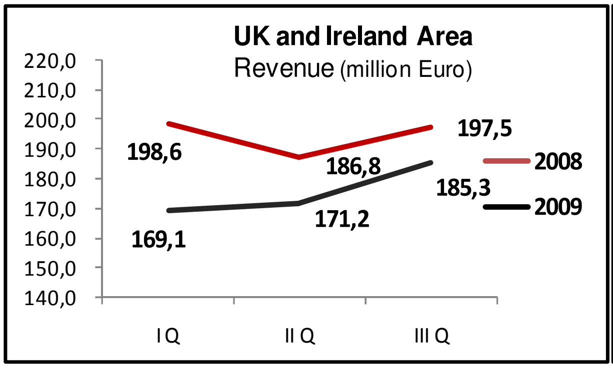


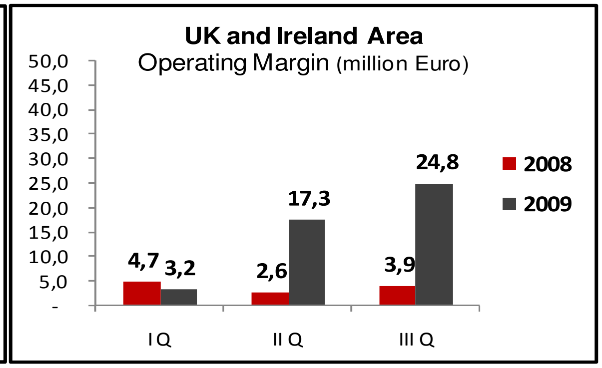


UK and Ireland Area

(million Euro)	III Q 2009	III Q 2008	Change	9 months 2009	9 months 2008	Change
Revenue	185,3	197,5	(12,1)	525,6	582,9	(57,2)
Operating Margin	24,8	3,9	20,9	45,5	11,3	34,2
Operating Margin %	13,4%	2,0%	11,4%	8,6%	1,9%	6,7%

Results in the **UK and Ireland area** continue to represent the main element of discontinuity in the Group's overall performance with respect to 2008. In the 3rd quarter of 2009, the persistently unfavourable currency exchange effect (due both to the weak sterling and the gradual reduction in the impact of production carried out in the **UK)** was comfortably offset by a significant improvement in prices and a considerable reduction in the costs of non-quality. The area saw extraordinary growth in its operating margin compared to 2008 despite falling volumes (especially in the free-standing segment).





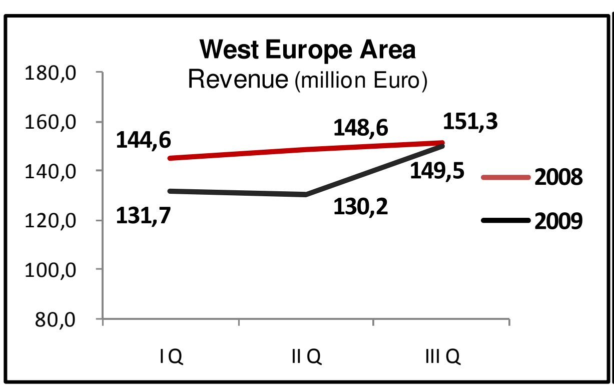
West Europe Area

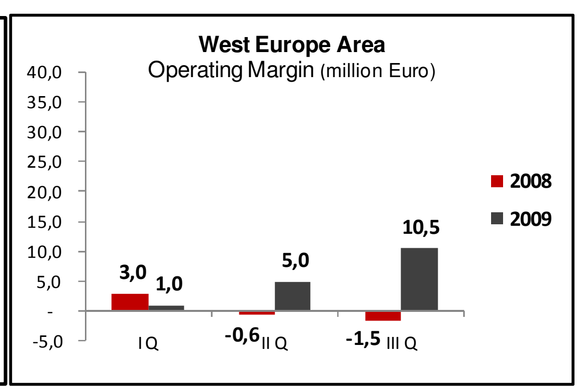
(million Euro)	III Q 2009	III Q 2008	Change	9 months 2009	9 months 2008	Change
Revenue	149,5	151,3	(1,9)	411,4	444,5	(33,1)
Operating Margin	10,4	-1,5	11,9	16,5	0,9	15,7
Operating Margin %	7,0%	-1,0%	8,0%	4,0%	0,2%	3,8%

The negative trend in demand for home appliances in the first quarters of 2009 flattened out somewhat during the 3rd quarter, especially in Spain and Portugal. Overall performance in the **Western Europe area** was particularly positive. In the 3rd quarter, the reduction in sales volumes (especially in built-in appliances) was partially offset by an increase in the price/mix. Good performance in the 3rd quarter also reflects successful new product launches in the 1st half of 2009 and the commercial launch in France of Scholtès's new S3 line, as well as optimisation of client and sales channel management in all countries.

The overall trend, however, is the result of different dynamics in different countries. **Spain** saw a slight contraction in sales volumes and a slight increase in the price/mix, while **France** recorded an increase in sales volumes with a substantially stable price/mix. More serious contractions in sales volumes were seen in **Portugal** and **Central and Northern Europe**, where there was a more significant improvement in the price/mix however.

Despite the slight fall in sales, the operating margin in the 3rd quarter was €11.9m up on 3rd quarter 2008, partly due to the reduction of fixed costs.



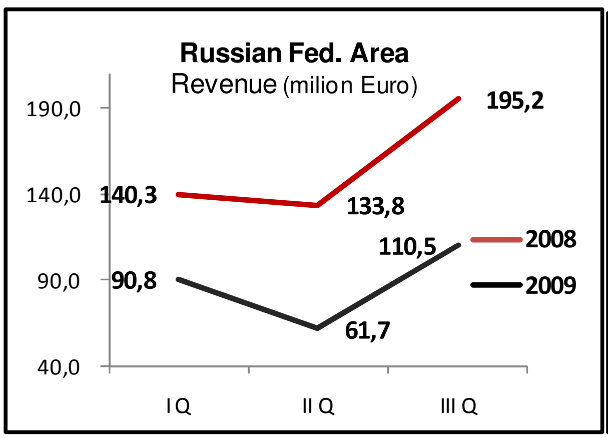


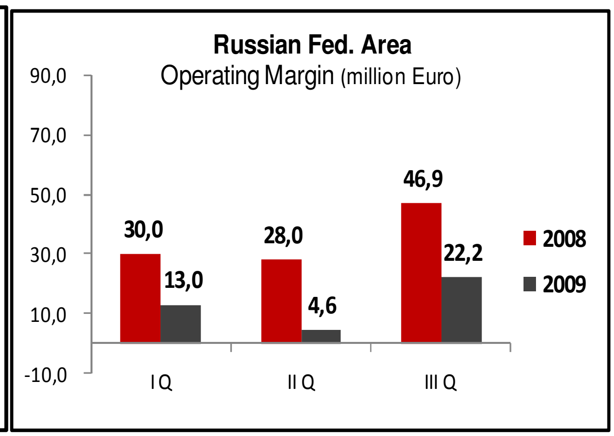
Russian Fed. Area

(million Euro)	III Q 2009	III Q 2008	Change	9 months 2009	9 months 2008	Change
Revenue	110,5	195,3	(84,8)	263,0	469,4	(206,3)
Operating Margin	22,2	47,0	(24,8)	39,8	105,0	(65,2)
Operating Margin %	20,1%	24,1%	-3,9%	15,1%	22,4%	-7,2%

The trend in demand for home appliances in the area continues to be negative, though the latest data suggest a slight attenuation of the phenomenon.

In this scenario, the **Russia** area represents the most significant loss of revenues for the Group, though it did benefit from an improved price/mix. The drastic decline in revenues in euros in this geographical region is due in part to the trend in demand and in part to heavy depreciation of the rouble with respect to the same period in 2008. The high level of manufacturing self-sufficiency in the **Russia** area and measures taken to contain overheads made it possible to limit the loss of operating margin in the 3rd quarter, which though serious in absolute terms (-€20.0m) was limited on a ratio to revenues basis, thus confirming the area as one of the Group's top performers in terms of operating margins (on a % basis).





East Europe Area

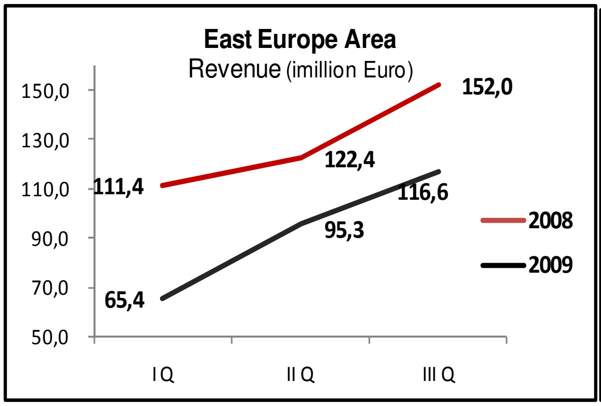
(million Euro)	III Q 2009	III Q 2008	Change	9 months 2009	9 months 2008	Change
Revenue	116,6	152,0	(35,5)	277,2	385,8	(108,6)
Operating Margin	9,5	12,8	(3,3)	8,8	27,7	(19,0)
Operating Margin %	8,1%	8,4%	-0,3%	3,2%	7,2%	-4,0%

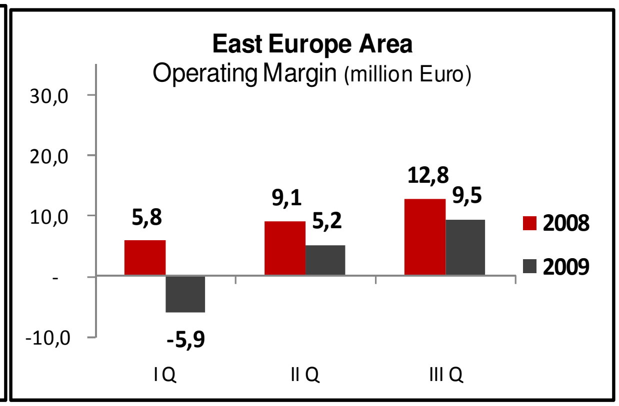
The contraction in revenues in the **Eastern Europe** area was second only to that in the Russia area.

The only significant exception here is **Turkey,** which saw healthy growth in sales and operating margin thanks to an improvement in the market situation following the introduction of government incentives (which expired in September) and the Group's increasing market share in the country.

In **Poland,** results were penalized by the drastic depreciation of the zloty compared to 3rd quarter 2008 and the largely negative trend in the economy and demand. There was a serious contraction in demand for free-standing home appliances in Poland in the 3rd quarter of 2009 partly due to a reduction in sales arising from difficulties at one of the main distributors. Built-in appliances, on the other hand, saw modest growth.

As in the other areas, measures introduced to contain costs made it possible to maintain a positive operating margin in the 3rd quarter.



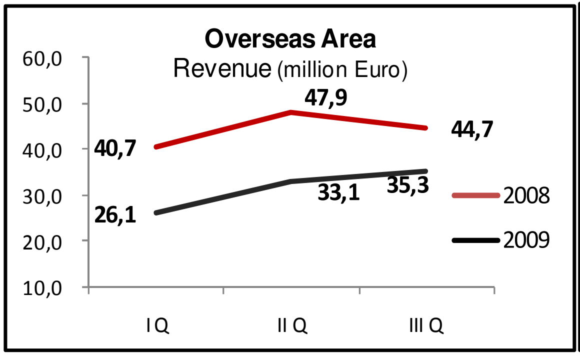


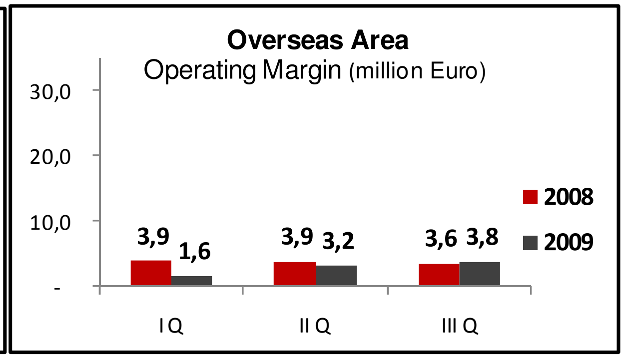
Overseas Area

(million Euro)	III Q 2009	III Q 2008	Change	9 months 2009	9 months 2008	Change
Revenue	35,3	44,7	(9,4)	94,5	133,4	(38,8)
Operating Margin	3,8	3,6	0,2	8,7	11,4	(2,7)
Operating Margin %	10,7%	8,1%	2,6%	9,2%	8,5%	0,7%

Markets in the **Overseas Area** are characterized by commercial operations conducted by independent distributors. The exception is Argentina, where the Group has a commercial subsidiary. The negative trend in sales reflects not only the general economic situation but also more specific problems in local markets, such as import barriers in Latin America and the crisis in the property market in Middle Eastern countries.

Here too, measures introduced to contain costs made it possible to maintain satisfactory margins despite the contraction in revenues.





Revenues by product line and brand

In the 3rd quarter of 2009 sales of free-standing appliances were penalized more heavily than built-in products (down 19.5% and 11.0% respectively). In the first nine months of 2009, sales of free-standing and built-in finished products fell by 21.3% and 19.1% respectively.

(million Euro)	III Q 2009	III Q 2008	Change %	9 months 2009	9 months 2008	Change %
Free Standing	523,0	649,6	-19,5%	1.355,0	1.722,3	-21,3%
Built In	136,9	153,9	-11,0%	407,0	503,1	-19,1%
Total Revenue	**659,9**	**803,5**	**-17,9%**	**1.762,0**	**2.225,4**	**-20,8%**

The reduction in sales hit the Indesit brand harder than Hotpoint-Ariston, reflecting Indesit's greater presence in the geographical regions affected most seriously by the crisis, such as Eastern Europe and Russia.

(million Euro)	III Q 2009	III Q 2008	Change %	9 months 2009	9 months 2008	Change %
Indesit	336,7	412,8	-18,4%	852,2	1.088,0	-21,7%
Hotpoint-Ariston	304,7	367,0	-17,0%	854,9	1.062,2	-19,5%
Other brands	18,5	23,7	-21,7%	54,9	75,3	-27,1%
Total Revenue	**659,9**	**803,5**	**-17,9%**	**1.762,0**	**2.225,4**	**-20,8%**

Loss of revenues by "Other brands" was greater still, confirming the validity of the Group's strategy of focusing sales on the two main brands.

(million Euro)	III Q 2009	III Q 2008	Change %	9 months 2009	9 months 2008	Change %
Cooking	137,3	173,5	-20,9%	403,5	532,7	-24,3%
Cooling	231,6	286,0	-19,0%	577,9	728,2	-20,6%
Washing	291,0	344,1	-15,4%	780,6	964,5	-19,1%
Total Revenue	**659,9**	**803,5**	**-17,9%**	**1.762,0**	**2.225,4**	**-20,8%**

The product families that saw the biggest contractions were cooking and cooling. The reduction in sales of washing products was smaller thanks to good performance in Western Europe.

Cash flows[3]

(milion Euro)	30 Sep 2009	31 Dec 2008	30 Sep 2008
EBITDA	166,3	270,5	218,6
Change in NWC	(142,6)	(62,7)	(316,1)
Other Operating Flow	(38,1)	(162,0)	(68,9)
Operating cash flow	**(14,3)**	**45,8**	**(166,5)**
Net CapEx	(30,0)	(136,1)	(75,9)
Cash Flow before financial activies	**(44,3)**	**(90,3)**	**(242,4)**
Financial operations & others	(0,0)	(52,4)	(52,7)
Free cash flow	**(44,4)**	**(142,7)**	**(295,1)**

Cash flows from operations amounted to a negative €14.3m (negative €166.5m).
Compared to the same period in 2008, absorption of cash was considerably down despite the smaller gross operating margin (EBITDA). The improvement was mainly due to the management of **net working capital** and inventories in particular.
Capital outlay net of gains on disposals was significantly down, in line with the Group's announced policy, and amounted to €30.0m (€75.9m).
No dividend pay-outs were made in 2009.
Free Cash Flow[4] in the first nine months of 2009 was therefore a negative €44.4m (negative €295.1m), causing an increase in net financial indebtedness of the same amount with respect to 31st December 2008.

[3] The "change in net working capital" item in the cash flow statement above includes the change in trade payables for investments, which is stated under "Cash flows from investment activities" in the consolidated cash flow statement, which thus gives a different value for cash flow from operations and cash flow from investment activities.
[4] Cash flow from operations and investment activity net of dividend pay-outs and capital increases.

Balance sheet[5]

(million Euro)	30 Sep 2009	31 Dec 2008	30 Sep 2008
Trade receivables	528,5	459,0	674,5
Inventories	311,2	374,1	449,9
Trade payables	(632,1)	(767,9)	(805,8)
Net working capital	**207,7**	**65,1**	**318,6**
Non-current assets	1.056,3	1.113,5	1.212,2
Other current assets and liabilities and non-current	(324,7)	(282,2)	(338,9)
Net invested capital	**939,2**	**896,4**	**1.191,9**
Net financial indebtedness	518,2	473,8	626,2
Equity attributable to the Group	419,7	420,0	563,2
Minority interests	1,3	2,5	2,5
Equity and financial liabilities	**939,2**	**896,4**	**1.191,9**

Net working capital over 12-month rolling sales dropped from 9.7% to 7.7% thanks to improvement across all parameters.
Trade receivables and payables were down as a result of lower sales and purchasing volumes and under the effect of exchange rate trends.
Lastly, inventories were down, in line with the Group's declared policy, also because the reduction in production volumes was greater than in sales volumes.

Shareholders' equity is in line with the figure at 31st December 2008. The conversion reserve shows a negative change (€5.8m) reflecting the depreciation of the Polish zloty, the Russian rouble and the Turkish lira, which was only partially offset by the appreciation of the UK sterling against the euro with respect to 31st December 2008. Lastly, the cash flow hedge reserve shows a negative change of €1.4 m.

[5] In this reclassified balance sheet, trade receivables and payables, inventories and shareholders' equity are as stated in the consolidated accounts; the composition of financial indebtedness is detailed in the notes to the abbreviated consolidated financial statements for the half year; "non current assets" and "other current assets and liabilities and non-current liabilities" include items of the consolidated balance sheet other than those mentioned above and excluding those under net financial indebtedness.

Net financial position

(million Euro)	30 Sep 2009	31 Dec 2008	30 Sep 2008
Current financial assets	30,1	43,8	58,6
Cash and cash equivalents	170,8	193,2	145,5
Banks and other financial payables	(280,4)	(268,2)	(597,4)
Net financial position - short term	**(79,5)**	**(31,2)**	**(393,3)**
Medium/long-term financial payables	(439,8)	(451,9)	(240,4)
Net financial position (*)	**(519,3)**	**(483,1)**	**(633,7)**
Other non-current financial assets	1,1	9,3	7,4
Net financial indebtedness	**(518,2)**	**(473,8)**	**(626,2)**

***) As defined in CONSOB Communication DEM /6064293 dated 28/07/2006, applying the CESR recommendations dated 10/02/2005**

Net financial indebtedness amounts to €518.2m (€626.2m).
Gross financial indebtedness stands at €720.2m (€837.7m), of which 61% medium/long- and 39% short-term.
The table below details medium/long-term debt by maturity.

	Medium/long-term financial payables	MATURITY						
		2010	2011	2012	2013	2014	2015	2016
Bonds	194,5	0,0	55,8	6,7	6,5	110,9	0,8	13,9
Due to banks and Other financial payables	245,3	4,0	25,7	193,1	0,2	19,1	0,0	3,1
Total	**439,8**	**4,0**	**81,5**	**199,8**	**6,7**	**129,9**	**0,8**	**17,0**

In September 2009 the Group repaid the first *tranche* of the US$65m debenture loan. The second *tranche* falls due in September 2011.
At 30th September 2009 the Group had €200.0m worth of non-used committed credit lines.

Industrial re-organization

In August 2009 an agreement was reached with the minority shareholder and a communication was made to all parties involved that the Company intended to close down its production plant in China and wind up the Chinese company Wuxi Indesit Home Appliances Co. Ltd.
In the 3rd quarter, the Company notified the parties involved of its intention to close the Basse Ham logistics centre in France.

Significant events in and after 3rd quarter 2009

Apart from the foregoing, there were no significant events or major operations in or following the 3rd quarter 2009.

Outlook

Forecast Gross Domestic Product growth rates for 2009 in the main geographical regions where the Group operates have been re-adjusted, slightly down in the case of the UK (-4.4%) and Russia (-7.5%) and slightly up for the euro area (-4,2%)[6].

In Europe the crisis seems to be waning but there will probably be only a limited recovery in the coming quarters. The turnaround which is in sight seems to be driven by an increase in exports and public funding of the economy. Recovery in the euro Area is expected to gain momentum in 2010, while inflation should stay low. Recovery in emerging economies in Eastern Europe will be slower, mainly because foreign investment will continue to be scarce, and rates will differ from country to country: in the Baltic area, for example, GDP is expected to drop further in 2010, while significant growth is forecast in Poland and Turkey.

In Russia and the CIS republics, recent data on industrial production suggest that the contraction is starting to slow down. Pressure on exchange rates also seems to be starting ease off.

The overall scenario is one of improving expectations with respect to the mood in the previous quarters and taking into account the risk factors noted above. The measures taken by the Group when the international financial crisis exploded have so far delivered the expected results. Defending the Group's financial solidity remains a long-term strategic priority. The development of new products and continual improvements to quality have helped the Group's economic results, as will the measures being taken under the restructuring plan.

In view of the changing scenario and of results achieved to date, the Group has adjusted its forecast for year-end results. Profitability continues to be penalized by the significant contraction in sales volumes and the continuing appreciation of the euro against the other main currencies in which the Group operates. There are positive element however. Good performance in Western European countries has offset the negative trend in Eastern Europe and Russia. Implementation of the industrial plan meant higher restructuring charges than in the previous year but in light of the significant reductions in procurement costs for raw materials and components, the positive effects of the average price and ongoing containment of the costs of "non quality" (all outperforming forecast values), the Group expects sales in 2009 to be around €2.6 billion (in line with the figure announced in June), with a strongly improved operating result of around €90m. Lastly, net financial indebtedness should be between €400 and €450m.

Main awards in the first nine months of 2009

Hotpoint-Ariston's new 4-door fridge, the Quadrio, was elected Product of the Year 2009 in Italy at the "Gran Premio Marketing e Innovazione" and in the UK by Get Connected, a consumer electronics magazine, for its flexibility and eco-efficiency.
In January, Scholtès's Multiplo, an innovative cooking vessel, was one of the winners in the "Kitchen" category at the 2008 Good Design Awards, organized by the Chicago Athenaeum-Museum of Architecture and Design.
In February, Hotpoint was elected "Most Trusted Domestic Appliance Brand", for the 9th time running, by a Reader's Digest survey in the UK, and also received a Superbrands Award as a brand perceived to be one of the strongest in the country.
In July, lastly, Indesit Company was ranked in the ADI Design Index 2008 with its Moon washing machine, the only home appliance in the "Abitare" section of the 100 best examples of Italian design. All the products selected for the 2008 ADI Design Index will be entered for the 22nd Premio Compasso d'Oro, the most authoritative European award focusing on Italian design.

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[6] International Monetary Fund forecasts from *World Economic Outlook,* October 2009

And lastly, in October, the 2009 Sustainable Development Award, in collaboration with Ecomondo-Rimini Fiera and under the aegis of the Office of the President of the Republic. Indesit Company was acclaimed for its new appliances, above all its low consumption/high energy efficiency washing machines and dishwashers (which can also boast reduced water consumption) and for the innovations it has introduced in its manufacturing process, such as special indexes for measuring product recyclablity.

The interim financial report at 30th September 2009 will be made available to the public at the Company's headquarters and at Borsa Italiana by 6th November 2009 and will be available on www.indesitcompany.com on the same day.

This press release is also on-line, as of today, on the Company's website (www.indesitcompany.com).

The manager charged with preparing the company's financial reports, Andrea Crenna, confirms, pursuant to paragraph 2, art. 154-bis, Consolidated Finance Law, that the accounting information included in this press release agrees with the underlying documentation, records and accounting entries.

* Definitions of performance indicators:

EBIT: operating margin.

EBITDA: operating margin before amortization and depreciation.

Net working capital: inventories plus trade receivables minus trade payables.

Net financial indebtedness: the balance of current financial assets, cash and cash equivalents, payables to banks and other financial payables, medium/long-term financial payables and other non-current financial assets.

Net financial position: the balance of current financial assets, cash and cash equivalents, payables to banks and other financial payables and medium/long-term financial payables.

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