

PRESS RELEASE

Indesit Company's Board of Directors examines the preliminary results for 2009

Strong growth in 4th quarter operating margin and net profit

*In the 4th quarter: EBIT €53m, up 174%.
Net profit: €28m, against losses of €3.9 in same period 2008.*

*Full-year 2009: EBIT €119m, stable at 4.5% of sales.
Net profit: €35m.
Sales: €2.6m, down 17%.*

Net financial indebtedness down to €290m from €474m at the end of 2008.

*The Board of Directors will propose to the shareholders' meeting
a dividend pay-out of €0.15 per ordinary share.*

Milan, 11th February 2010 – Meeting today in Milan, Indesit Company's Board of Directors examined the preliminary results for full year 2009.

The **operating margin (EBIT)** in 4th quarter 2009 was €52.8m (€19.3m), up 174.2%. The ratio to sales moved up to 7.6% from 2.5% in 4th quarter 2008. The operating margin for full-year 2009 was €118.6m (€140.6m), down 15.6%. The ratio to sales was stable over the year at 4.5% (4.5%).

Excluding **non-recurring items**, which amounted to €6.7m and were mainly related to restructuring operations, the 4th quarter operating margin (EBIT) was €59.5m (€20.3m), up 193.2%. The ratio to sales rose from 2.6% to 8.6%. The operating margin (EBIT) for full-year 2009, here too excluding non-recurring income and expenses (€50.4m), was €169.0m (€160.0m), up 5.6% on 2008; the ratio to sales was 6.5% against 5.1% in 2008.

The **net profit for the Group** in 4th quarter 2009 was €27.6m (against losses of €3.9m in the same quarter of 2008). The net profit for the Group over the 12 months was €34.5m (€55.5m).

4th quarter **sales** amounted to €695.6m (€771.2m), down 9.8% on the same period the previous year. At constant exchange rates, sales for the quarter would have been €733.0m, down 5.0%. Full-year sales, on the other hand, moved to €2,613.0m (€3,154.9m), down 17.2%. At constant exchange rates, sales in 2009 amounted to €2,790.0m, down 11.6%.

Net financial indebtedness was reduced to €290.2m, an improvement of €183.6m on the €473.8m posted at 31st December 2008. The figure was down €22.8m on the €518.2m posted at 30th September 2009.

"The results for the 4th quarter are very positive and show how the measures we took to handle the difficult situation on the market were the right ones," commented Indesit Company Deputy Chairman

Andrea Merloni. *“Our people have shown they know how to respond to adversity with expertise, professionalism and commitment. So we can continue to look at the future with confidence”.*

“Our top priority in 2009 was to preserve the Company’s financial strength. Not only did we comfortably achieve this, we also brought profitability back to Indesit Company’s customary levels of excellence,” said Indesit Company CEO Marco Milani. *“Product quality and innovation proved once again to be our key strengths”.*

The contraction in **sales**, in both the 4th quarter and full-year, was mainly in sales of finished products. Revenues from services dropped only slightly (despite the concentration in the UK, which was penalized by depreciation of the sterling), thanks above all to extra-guarantee sales.

The negative change in revenues from finished product sales in 4th quarter 2009 is explained primarily by reduction in volumes sold, accounting for around 11.1%, above all because of the contraction in demand in markets where the Group enjoys leadership positions, and by the negative impact of exchange rate fluctuations, accounting for around 5.1%. Such negative effects were partially offset by the trend in average unit revenues (*price/mix*), which rose by around 5.8%.

The decrease in revenues from finished product sales in 2009 was caused by the reduction in sales, accounting for around 17.2%, reflecting the slump in demand, and by the negative effect of exchange rate trends, accounting for around 5.5%. Such negative effects were partially offset by the improvement in average unit revenues (*price/mix*), which rose by around 4.5%.

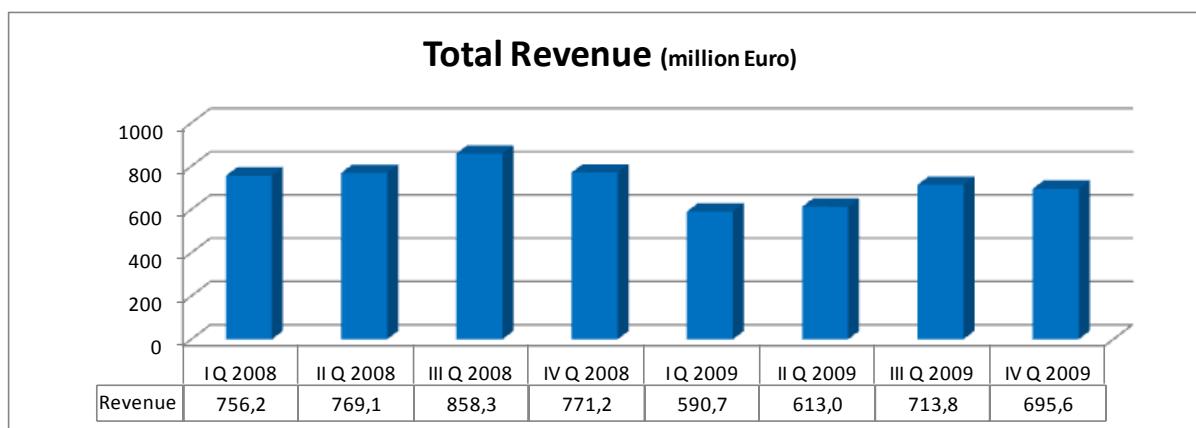
The strong increase in the 4th quarter **operating margin** with respect to the same period in 2008, both in absolute terms and as a percentage of sales, was the result of measures taken by the Group to deal with the difficult economic situation.

Excellent results were achieved in terms of both increased sale prices in local currency and mix of products sold (*price/mix* effect). Profitability also benefitted by a reduction in product cost of around 0.9%, reflecting savings on purchasing costs for raw materials and components and improved efficiency in manufacturing processes which offset the lower absorption of fixed costs due to the strong contraction in production volumes. Another factor favouring the Group’s profitability was the ongoing improvement in product quality: there was a further reduction in the call rate and improved efficiency in the after-sales network, making it possible to reduce the costs of providing service under guarantee. Lastly, measures to contain general costs and commercial expenses, and advertising and promotion expenses in particular, were kept up throughout the year. The positive factors outlined above made it possible to respond to the reduction in sales volumes, the increase in non-recurring charges for company restructuring and the negative effect of exchange rate trends.

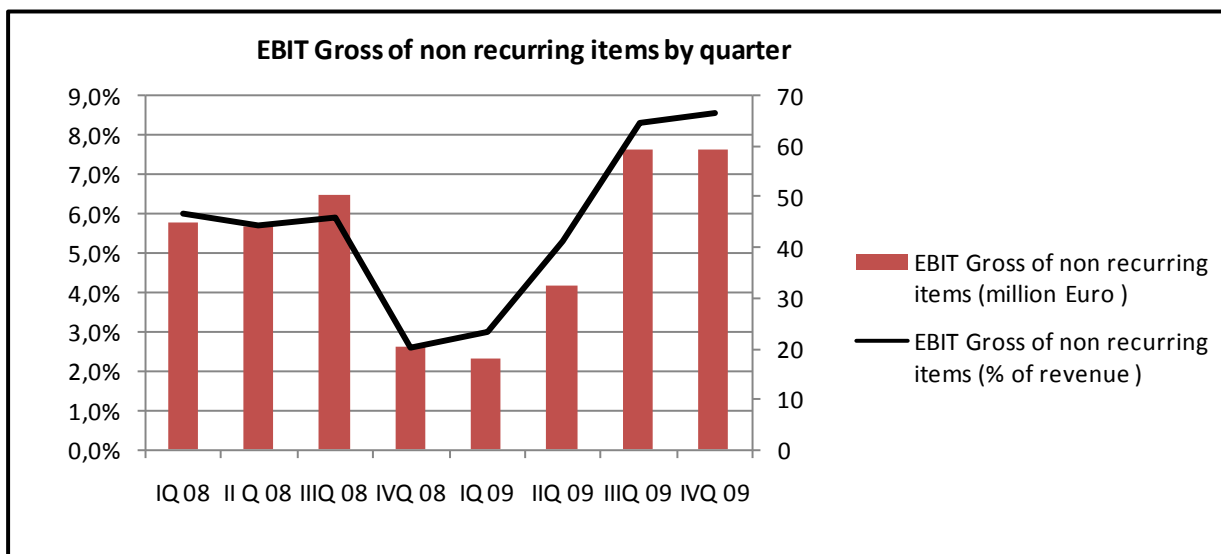
The Board of Directors will propose to the shareholders’ meeting a **dividend** pay-out of €0.15 per ordinary share. The motion will be made official at a board meeting on 25th March on approval of the consolidated accounts and the separate balance and at the same time as the calling of the shareholders’ meeting. The dividend proposed includes the amount due on treasury shares (the supplement calculated on the basis of treasury shares held to date is €0.014 per share). The pay-out for 2009, should all options exercisable prior to the date of the shareholders’ meeting be exercised, is 45%.

The Group's income results

Euro/million	IVQ 2009	IVQ 2008	Change		Year 2009	Year 2008	Change	
			€m	%			€m	%
Revenue	695,6	771,2	(75,7)	-9,8%	2.613,0	3.154,9	(541,9)	-17,2%
Gross operating profit (EBITDA)	93,2	51,9	41,3	79,5%	259,5	270,5	(11,0)	-4,1%
Operating profit (EBIT)	52,8	19,3	33,6	174,2%	118,6	140,6	(22,0)	-15,6%
Operating profit %	7,6%	2,5%		5,1 p.p.	4,5%	4,5%		0 p.p.
Profit before taxation	45,7	(4,0)	49,6		66,8	94,9	(28,1)	
Profit for the period	27,9	(3,9)	31,8		33,5	56,0	(22,5)	
Profit attributable to the Group	27,6	(3,9)	31,5		34,5	55,5	(21,0)	
Gross of non recurring items								
Non recurring items	(6,7)	(1,0)	(5,6)		(50,4)	(19,4)	(31,0)	
Gross operating profit before non recurring items (EBITDA)	96,0	53,0	43,0	81,1%	295,5	286,2	9,3	3,3%
Operating profit before non recurring items (EBIT)	59,5	20,3	39,2	193,2%	169,0	160,0	9,0	5,6%
Operating profit before non recurring items %	8,6%	2,6%		6 p.p.	6,5%	5,1%		1,4 p.p.



<i>Revenue Breakdown</i>	IVQ 2009	IVQ 2008	change %	Year 2009	Year 2008	change %
Appliances	641,5	716,6	-10,5%	2.403,5	2.942,0	-18,3%
Services	54,1	54,7	-1,1%	209,5	212,9	-1,6%
Total Revenue	695,6	771,2	-9,8%	2.613,0	3.154,9	-17,2%



Results by operating area

The Group's operating sectors (Areas) are:

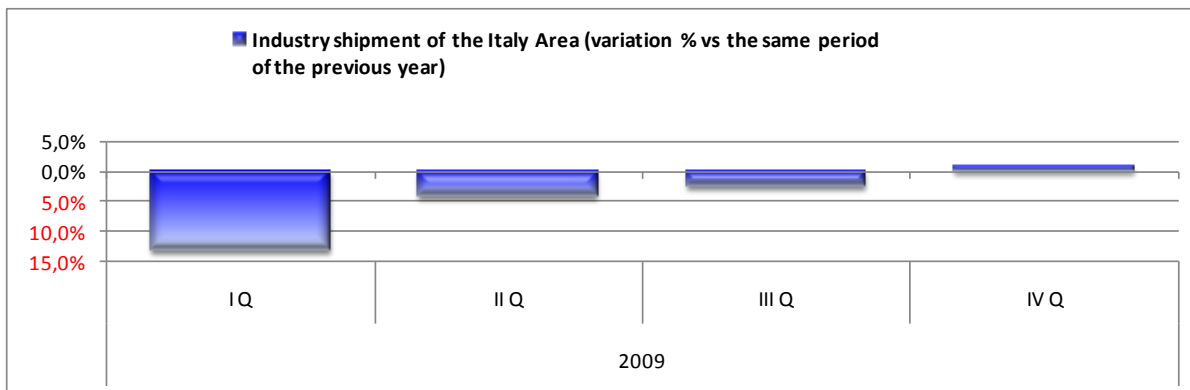
- **Italy;**
- **UK and Ireland;**
- **Russia**, including Russia and Asian republics;
- **Western Europe**, including France, Spain, Portugal, Germany, Austria, Switzerland, Benelux, Scandinavia, Baltic republics;
- **Eastern Europe**, including Poland, Ukraine, Moldova, Czech Republic, Hungary, Romania, Greece, Turkey, Bulgaria and other Balkan states;
- **International**, including all the other non-European markets.

IV Quarter 2009 (million Euro)	Total Areas	Costs not allocated	Total Group
Revenue	695,6		695,6
Operative costs	(596,9)	(46,0)	(642,9)
Operating Margin	98,7	(46,0)	52,8
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IV Quarter 2008 (million Euro)	Total Areas	Costs not allocated	Total Group
Revenue	771,2		771,2
Operative costs	(715,5)	(36,4)	(751,8)
Operating Margin	55,7	(36,4)	19,3

Year 2009 (million Euro)	Total Areas	Costs not allocated	Total Group
Revenue	2.613,0		2.613,0
Operative costs	(2.353,0)	(141,6)	(2.494,6)
Operating Margin	260,0	(141,6)	118,6
Year 2008 (million Euro)	Total Areas	Costs not allocated	Total Group
Revenue	3.154,9		3.154,9
Operative costs	(2.910,4)	(103,9)	(3.014,2)
Operating Margin	244,5	(103,9)	140,6

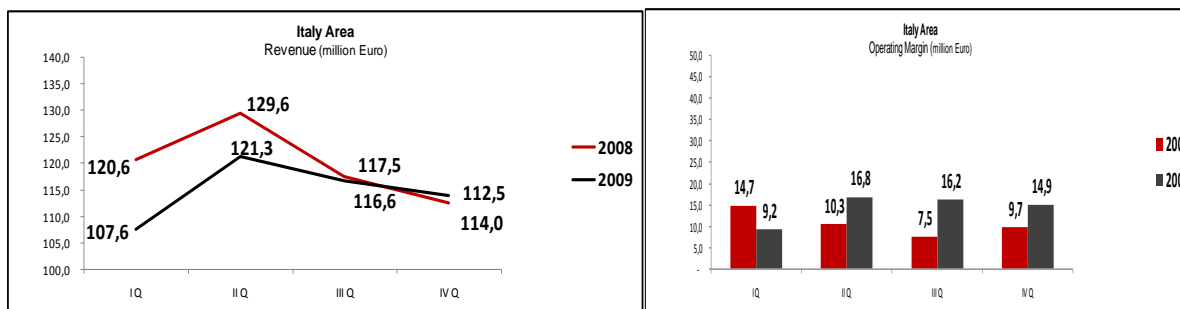
Costs not attributable to these Areas are mainly central management (Corporate) costs and net restructuring charges.

Italy Area



The negative trend in industry shipment in the **Italy** Area eased off in the 4th quarter of 2009, reaching substantial stability with respect to the same period the previous year, for the first time since 2008.

(million Euro)	IVQ 2009	IVQ 2008	Change	Year 2009	Year 2008	Change
Revenue	114,0	112,5	1,5	459,6	480,2	(20,6)
Operating Margin	14,9	9,7	5,3	57,1	42,2	14,9
Operating Margin %	13,1%	8,6%	4,5%	12,4%	8,8%	3,6%

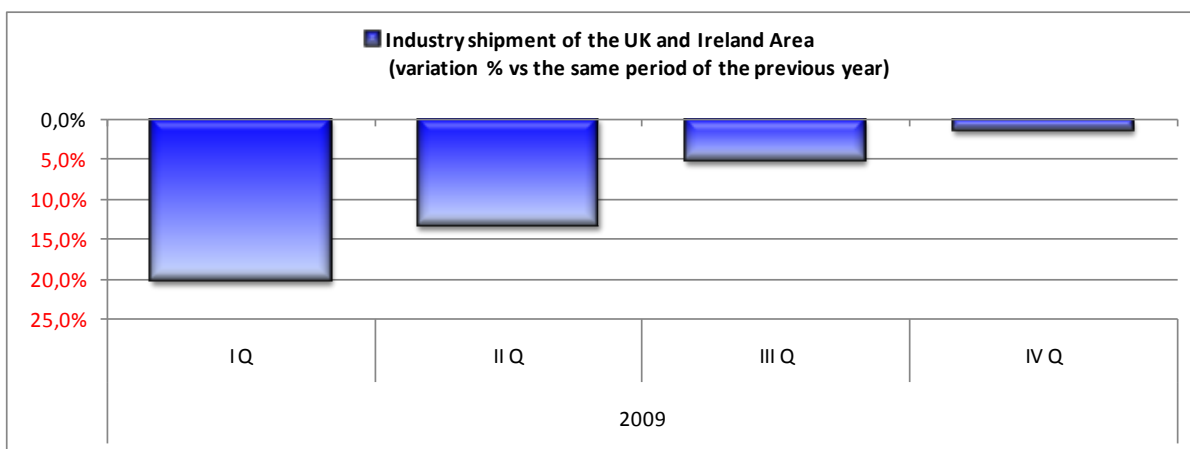


Already the leader in the Area, the Group managed to improve its market share in terms of volumes and value.

The cooling and washing sectors saw particularly good results in the 4th quarter.

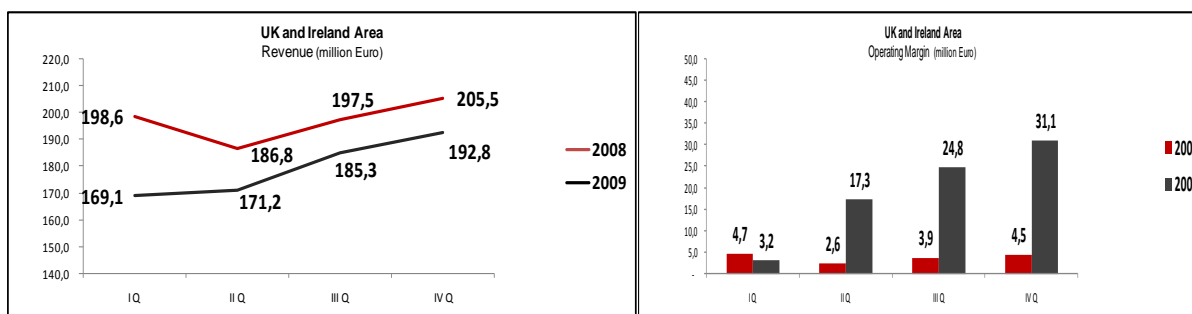
Results in the Area were also favoured by the containing of general costs, good performance by the service business and the reduction in production costs.

UK and Ireland Area



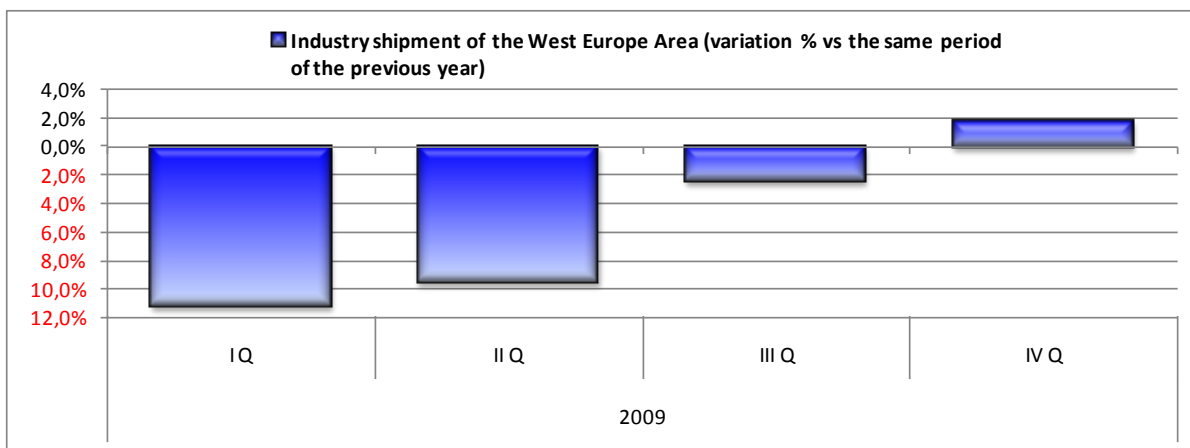
In the **UK and Ireland Area**, the contraction in industry shipment gradually flattened out, so that figure for the 4th quarter was only slightly down on the same period the previous year.

(million Euro)	IVQ 2009	IVQ 2008	Change	Year 2009	Year 2008	Change
Revenue	192,8	205,5	(12,8)	718,4	788,4	(70,0)
Operating Margin	31,1	4,5	26,6	76,5	15,8	60,8
Operating Margin %	16,1%	2,2%	13,9%	10,7%	2,0%	8,7%



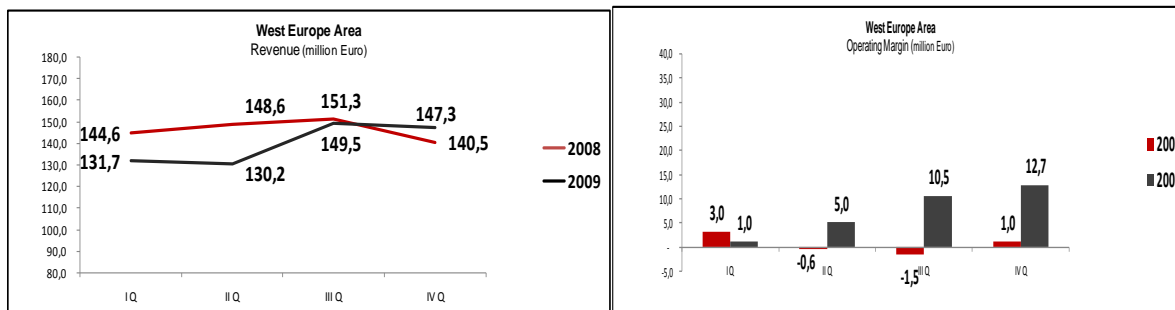
In 4th quarter 2009, the **UK and Ireland Area** continued to produce particularly positive results. The reduction in revenues reflects the reduction in sales volumes and the depreciation of UK sterling. These negative effects, however, were significantly offset by the increase in prices operated gradually over the previous quarters, the full economic benefit of which was seen in the 4th quarter. The leader in this Area, the Group saw its market share slightly eroded as a result of its pricing policy geared to offsetting the depreciation of the sterling. Profitability, boosted in this Area too by lower production costs, was also favoured by strong performance in the service business (very active in this Area) thanks to sales of extra-guarantees and home-deliveries.

Western Europe Area



The negative trend in industry shipment in the first half of 2009 eased off in the 3rd quarter and turned positive, albeit slightly, in the 4th quarter, which saw strong growth in Germany and Austria and moderate progress in France and Portugal, while Spain and the Netherlands continued to record significant decreases.

(million Euro)	IVQ 2009	IVQ 2008	Change	Year 2009	Year 2008	Change
Revenue	147,3	140,5	6,8	558,7	585,0	(26,3)
Operating Margin	12,7	1,0	11,6	29,2	2,0	27,2
Operating Margin %	8,6%	0,7%	7,9%	5,2%	0,3%	4,9%

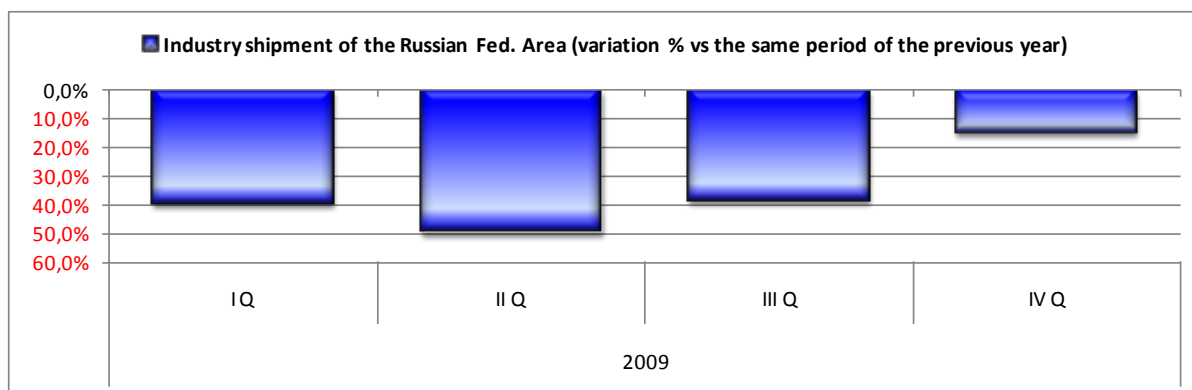


The increase in the Group's revenues in 4th quarter 2009 in the Western Europe Area reflects an increase in average unit revenues and a slight increase in sales volumes. The Group's market share in the Area was substantially stable.

Performance was very good in free-standing products, and particularly in the cooling and washing sectors.

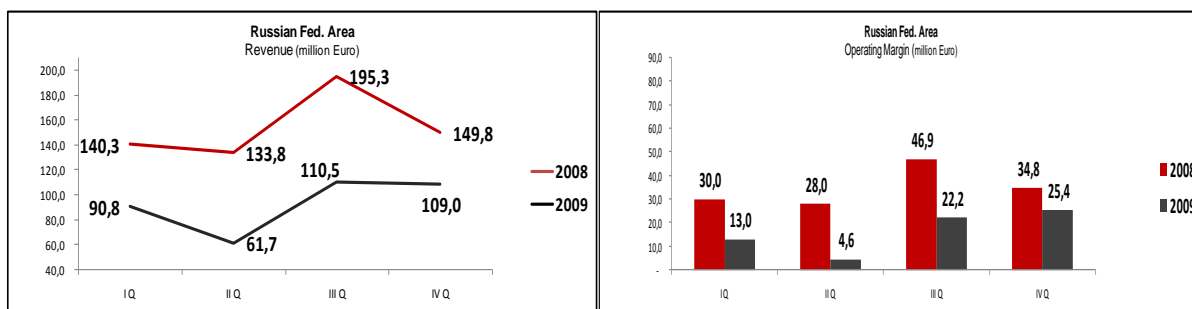
Sales and margins increased in **France**. In **Spain**, margins stayed in line with 2008 despite the reduction in sales. In **Portugal**, revenues were substantially stable and margins rose. Profitability also improved in **The Netherlands**, a traditionally weak market for the Group, despite the reduction in sales.

Russia Area



The slump in industry shipments in **Russia** was sudden and drastic, reaching a low in 2nd quarter 2009; the negative trend eased off to a certain extent in the 4th quarter.

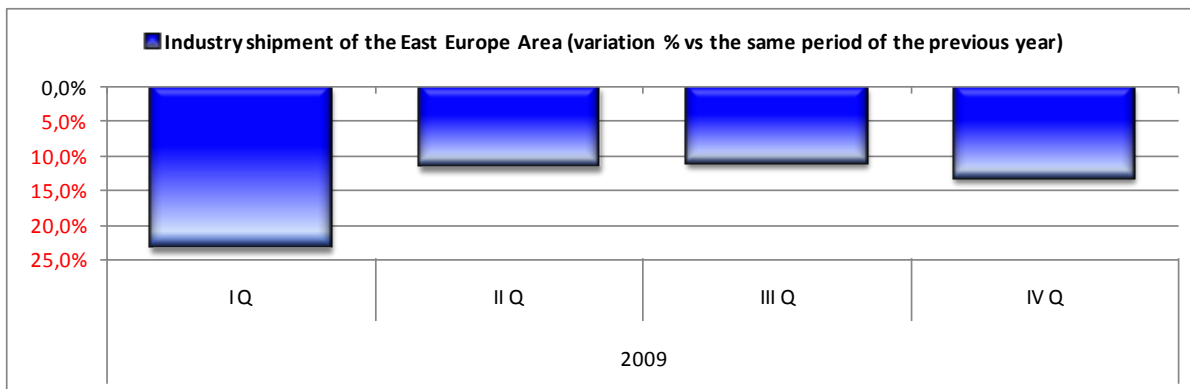
(million Euro)	IVQ 2009	IVQ 2008	Change	Year 2009	Year 2008	Change
Revenue	109,0	149,8	(40,8)	372,1	619,2	(247,1)
Operating Margin	25,4	34,8	(9,4)	65,2	139,8	(74,5)
Operating Margin %	23,3%	23,2%	0,1%	17,5%	22,6%	-5,0%



Feeble demand, depreciation of the rouble and fierce competition in the **Russia Area** were the causes of the biggest drop in sales and margins seen in the entire Group. Measures taken to combat the effects of depreciation (prices were raised by around 8% in local currency) were able to offset the above mentioned negative factors to a modest degree only, but since such measures were not adopted by all its competitors, the Group's market share dropped by around 1%.

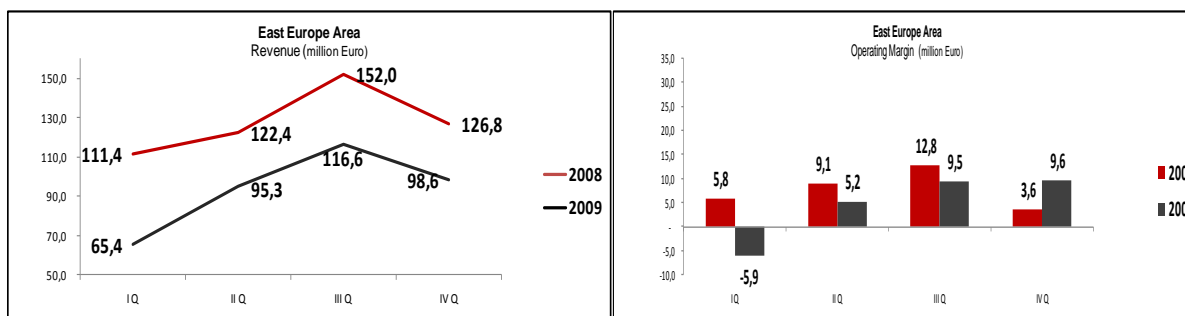
The **Russia Area**, however, was once again one of the best performers in the Group in terms of operating margin on a percentage basis and Indesit retained its comfortable market leadership in the Area despite the erosion of market share mentioned above.

Eastern Europe Area



The trend in industry shipments in **Eastern European** countries was in some ways similar to Western Europe, with a low in the 1st quarter followed by a gradual easing off. The trend was still significantly negative in the 4th quarter however, with the sole exception of **Turkey**, which saw slight growth despite the discontinuation of government incentives.

(million Euro)	IVQ 2009	IVQ 2008	Change	Year 2009	Year 2008	Change
Revenue	98,6	126,8	(28,2)	375,8	512,7	(136,8)
Operating Margin	9,6	3,6	6,0	18,3	31,3	(13,0)
Operating Margin %	9,7%	2,9%	6,9%	4,9%	6,1%	-1,2%



Revenues in the **Eastern Europe** Area suffered a major contraction, mainly due to the reduction in sales volumes (more marked in free-standing than built-in products) reflecting weak demand.

The Group's market share in the Area as a whole was slightly down.

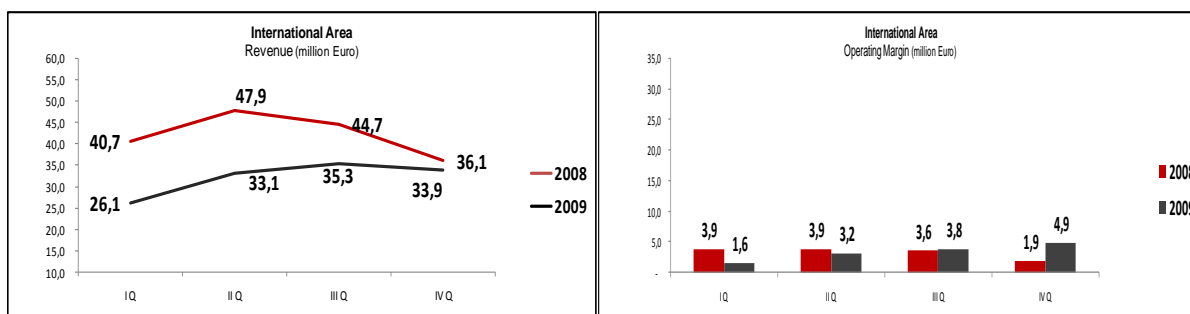
However, the positive effects of the price/mix and the improved cost of product made it possible to achieve an overall improvement in margins.

The best performance was in the **Ukraine**, where an increase in sales volumes pushed up sales and margins in both the free-standing and built-in sectors. In **Poland**, results were penalized by a drastic slump in demand (down by around 18.5% in the 4th quarter), while in **Turkey**, after excellent results in the first three quarters, the Group saw slower growth in terms of revenues, though margins continued to be positive.

International Area

The **International** Area is made up of heterogeneous markets (Asia, Africa, Middle East, North America, South America) for which there can be no very significant aggregate data for plotting the industry shipment trend.

(million Euro)	IVQ 2009	IVQ 2008	Change	Year 2009	Year 2008	Change
Revenue	33,9	36,1	(2,2)	128,4	169,5	(41,0)
Operating Margin	4,9	1,9	3,1	13,6	13,3	0,4
Operating Margin %	14,6%	5,2%	9,4%	10,6%	7,8%	2,8%



In 4th quarter 2009, difficulties in the housing market, an important channel for our products in the **International** Area (especially in Asia and the Middle East), caused a reduction in sales volumes and revenues with respect to the same period the previous year.

Performance suffered most in free-standing products, and in the washing sector in particular.

Margins improved in the Area, however, thanks to measures taken to contain general costs, a slight increase in average unit revenues and a reduction in the cost of product.

Cash flows

(million Euro)	Year 09	Year 08
EBITDA	259,5	270,5
Change in NWC	52,1	(62,7)
Other Operating Flow	(67,6)	(162,0)
Operating cash flow	244,0	45,8
Net CapEx	(60,5)	(136,1)
Cash Flow before financial activities	183,5	(90,3)
Financial operations and others	(0,0)	(52,4)
Free cash flow	183,5	(142,7)

The operating cash flow was a positive €244.0m (positive €45.8m).

This substantial improvement with respect to 2008 was possible because the contraction in EBITDA was limited to 4% despite the 17.2% reduction in sales and also because of the Group's **net working capital** management and the reduction of inventories in particular.

Higher non-monetary charges (in the form of provisions for restructuring) and lower redundancy payment amounts also contributed to the appreciable improvement in "Other operating flows".

In line with the Group's declared policy, investments were significantly lower, at €60.5m (€136.1m) and there were no dividend pay-outs.

Free Cash Flow in 2009 was therefore a positive €183.5m (negative €142.7m), causing a decrease in net financial indebtedness of the same amount with respect to 31st December 2008.

Balance sheet

(million Euro)	Year 09	Year 08
Trade receivables	391,5	459,0
Inventories	281,4	374,1
Trade payables	(659,9)	(767,9)
Net working capital	13,0	65,1
Non-current assets	1.072,3	1.113,5
Other current assets and liabilities and non-current liabilities	(327,0)	(282,2)
Net invested capital	758,3	896,4
Net financial indebtedness	290,2	473,8
Equity attributable to the Group	466,6	420,0
Minority interests	1,5	2,5
Equity and financial liabilities	758,3	896,4

Net working capital over sales for the last 12 months dropped from 2.1% to 0.5% thanks to improvements across all parameters.

Trade receivables and payables were down, reflecting lower sales and purchase volumes.

In line with the Group's declared policy, inventories were down, partly because the reduction in production volumes was greater than the reduction in sales volumes

There was an increase in the value of **shareholders' equity** with respect to 31st December 2008 due not only to net profits for 2009 but also to the positive change in the currency conversion reserve caused mainly by the strengthening of the UK sterling against the euro since the end of 2008, which more than offset the depreciation of other currencies, while the cash flow hedge reserve shows a negative change of €2.1m.

Net financial position

(million Euro)	Year 09	Year 08
Current financial assets	24,7	43,8
Cash and cash equivalents	191,0	193,2
Banks and other financial payables	(170,1)	(268,2)
Net financial position - short term	45,5	(31,2)
Medium/long-term financial payables	(337,2)	(451,9)
Net financial position (*)	(291,7)	(483,1)
Other non-current financial assets	1,4	9,3
Net financial indebtedness	(290,2)	(473,8)

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

Net financial indebtedness amounts to €290.2m (€473.8m).

Gross financial indebtedness stands at €507.4m (€720.1m), of which 66% is medium/long and 34% short-term.

Main awards in 2009

In 2009, Indesit Company received a number of important international awards for innovation and design.

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.

In October, the Company received a 2009 Sustainable Development Award, in collaboration with Ecomondo-Rimini Fiera, under the aegis of the President of the Republic. Indesit Company was acclaimed for its new low consumption/high energy efficiency appliances, reduced water consumption and innovation in manufacturing processes, such as indexes for measuring product recyclability.

In November, Indesit Company appliances with the "Ecotech" green label were recognized by Legambiente's "Environmentally Friendly Innovation Awards" (2009) as examples of innovation in support of the environment and energy saving.

And lastly, in December, Indesit Company was ranked as an eco-virtuous company at the 2009 Ecohitech Awards, and also won a European Excellence Award (2009), a prestigious award promoted by the trade magazine "Communication Director", for its new intranet, Insight.

The financial report for 4th quarter 2009 will be made available to the public at the Company's headquarters and at Borsa Italiana by 12th February 2010 and will be posted on the Company's website (www.indesitcompany.com) 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.

The figures in brackets refer to the same period the previous year.

* 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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