PRESS RELEASE

Indesit Company's Board of Directors examined the results for the 2nd quarter and approved the financial report for the 1st half of 2010

Sales and profitability grow in second quarter

***In the 2nd quarter** of 2010, revenues reach €672m, up 9.6%.*
EBIT: €29m, up 105%.
Net profits: €12m, against losses of €8m in same period 2009.

***Net financial indebtedness down to €366m**,*
against €524m at 30th June 2009.

Milan, 29th July 2010 – Meeting today in Milano, the Board of Directors of Indesit Company, chaired by Andrea Merloni, examined the figures for the 2nd quarter and approved the half year financial report to 30th June 2010.

2nd quarter **revenues** amounted to €671.6m (€613m), up 9.6% on the same period in 2009.
Revenues for the 1st half amounted to €1,273m (€1,203.7m), up 5.8% on 1st half 2009.

The **operating margin** (EBIT) in 2nd quarter 2010 was €29m, up 105.2% on the €14.1m posted in the same period the previous year. The ratio to sales rose to 4.3% from 2.3% in 2nd quarter 2009.
In the 1st half of 2010, the operating margin (EBIT) was €64m, against €15.4 in the same period the previous year. The ratio to sales rose to 5% from 1.3% in 1st half 2009.

Excluding **non-recurring income and charges** of €24.2m in the 2nd quarter (€18.1m in 2nd quarter 2009), the operating margin (EBIT) in the 2nd quarter was €53.2m (€32.3m), up 64.7%. The ratio to sales was 7.9% (5.3%).
Excluding non-recurring income and charges of €26.9m in 1st half 2010 (€34.8m in 1st half 2009), the operating margin (EBIT) was €91m (€50.2m), up 81.3%. The ratio to sales was 7.1% (4.2%).

The **Group's net result** for 2nd quarter 2010 was €11.5m, against losses of €8m in the same period in 2009.
In 1st half 2010, the Group posted profits of €27.5m, against losses of €22.5m in 1st half 2009.

Net financial indebtedness moved down to €366m, an improvement of €158m on €524m at 30th June 2009.

"The results for the quarter are very positive and confirm, in this period of persistent instability on the markets, that the Company's strategic choices were the right ones," said Indesit Company chairman Andrea Merloni.

"Focus on the European market is yielding the expected results," said Indesit Company CEO Marco Milani. *"Investments in innovation and new product launches and further improvements to quality enabled us to significantly increase sales in a market which is still not showing stable signs of recovery. Profitability over this period, despite the pressure on prices characterizing certain key markets, has stayed at levels of excellence."*

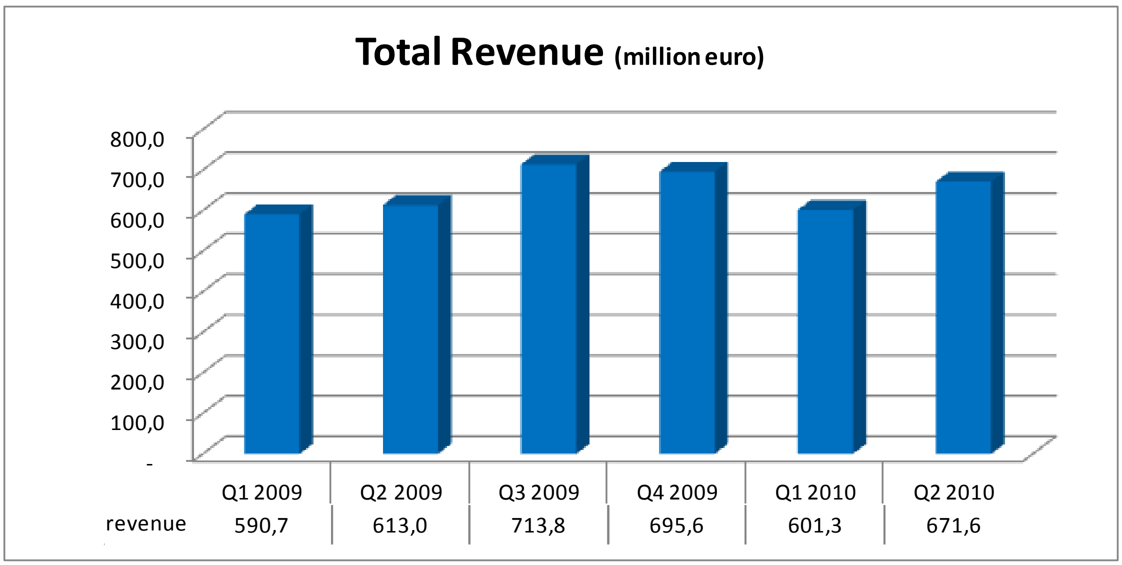
Compared to 2nd quarter 2009, revenues from sales of home appliances alone in 2nd quarter 2010 were up 9.5%. This was due to the 5.9% increase in sales volumes, the positive effect of the trend in exchange rates, of 3.2%, and the 0.4% improvement in the *price/mix*.
Compared to 1st half 2009, revenues from sales of home appliances alone in 1st half 2010 were up 5.7%. This increase was due to an improvement in the *price/mix* of 1.9%, the positive effect of the trend in exchange rates, of 2.5%, and the 1.3% increase in sales volumes.

The improvement in **profitability** was due mainly to a further reduction in the cost of the product thanks to: higher absorption of fixed industrial costs, reflecting the recovery in production volumes (up 11.1%); increased efficiency due to innovations in product design; benefits in terms of cost containment through industrial restructuring and rebalancing of production implemented in previous years; lower raw materials purchasing costs, down 2.4% in the 1st half compared to the same period in 2009.
Other positive effects on profitability included the aforementioned increase in sales volumes and ongoing improvements to the quality of products and, more in general, of customer service organization.
Profitability was held back to a certain extent by the resumption of advertising and promotion initiatives and the increase in distribution costs driven by rising sales volumes.

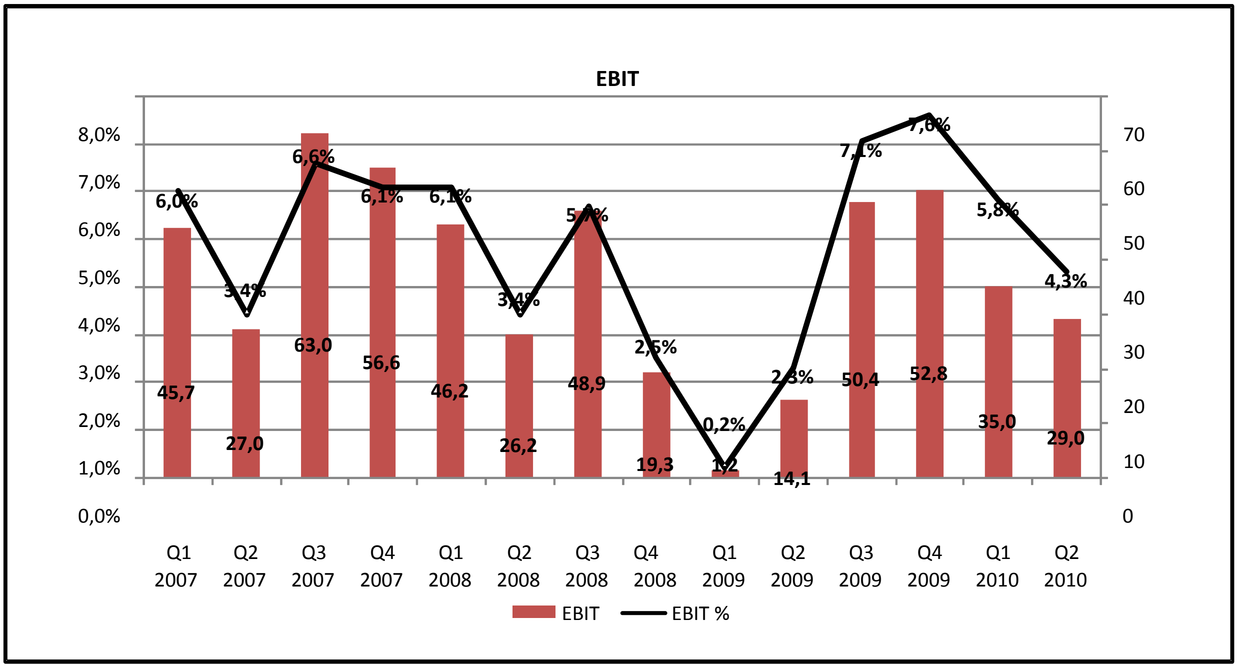
For the full year, in a scenario with exchange rates stable at the average levels for June 2010 and market demand (industry shipments) up by around 3%, the Group expects to see sales grow by around 6% on 2009, with an increase in operating margin (EBIT) of around 40% and net financial indebtedness at around €260m.

Group income results

euro/million	June 30, 2010	June 30, 2009	Change €m	Change %	Q2 2010	Q2 2009	Change €m	Change %
Revenue	1.273,0	1.203,7	69,3	5,8%	671,6	613,0	58,6	9,6%
Gross operating profit (EBITDA)	120,8	83,0	37,8	45,5%	57,4	49,3	8,1	16,3%
Operating profit (EBIT)	64,0	15,4	48,7	na	29,0	14,1	14,9	105,2%
Operating profit %	5,0%	1,3%		3,7 p.p.	4,3%	2,3%		2,0 p.p.
Profit before taxation	42,8	(20,8)	63,6		16,4	(4,3)	20,7	
Profit for the period	27,2	(22,6)	49,8		11,3	(7,9)	19,2	
Profit attributable to the Group	27,5	(22,5)	50,0		11,5	(8,0)	19,5	
Gross of non recurring items								
Non recurring items	(26,9)	(34,8)	7,9		(24,2)	(18,1)	(6,0)	
Gross operating profit before non recurring items (EBITDA)	147,5	110,0	37,5	34,0%	81,3	62,6	18,7	29,9%
Operating profit before non recurring items (EBIT)	91,0	50,2	40,8	81,3%	53,2	32,3	20,9	64,7%
Operating profit before non recurring items %	7,1%	4,2%		2,9 p.p.	7,9%	5,3%		2,6 p.p.



Revenue breakdown	June 30, 2010	June 30, 2009	Ch. %
Appliances	1.168,4	1.105,2	5,7%
Services	104,6	98,5	6,2%
Total Revenue	**1.273,0**	**1.203,7**	**5,8%**



The Group's operating sectors (Areas) are:

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

The composition of the organizational geographical Areas has changed. In 2009 certain markets came under the control of a different area due to internal re-organization. Comparative data as of 30th June 2009 were therefore reclassified.

June 2010 (million euro)	**Total Areas**	**Costs not allocated**	**Total Group**
Revenue	**1.273,0**		**1.273,0**
Allocated operative costs to the areas	(1.133,0)	(75,9)	(1.209,0)
Operating Profit	**140,0**	**(75,9)**	**64,0**

June 2009 (million euro)	**Total Areas**	**Costs not allocated**	**Total Group**
Revenue	**1.203,7**		**1.203,7**
Allocated operative costs to the areas	(1.126,9)	(61,3)	(1.188,2)
Operating Profit	**76,8**	**(61,3)**	**15,4**

Q2 2010 (million euro)	Total Areas	Costs not allocated	Total Group
Revenue	**671,6**		**671,6**
Allocated operative costs to the areas	(586,7)	(55,8)	(642,6)
Operating Profit	**84,9**	**(55,8)**	**29,0**

Q2 2009 (million euro)	Total Areas	Costs not allocated	Total Group
Revenue	**613,0**		**613,0**
Allocated operative costs to the areas	(562,6)	(36,1)	(598,7)
Operating Profit	**50,4**	**(36,1)**	**14,1**

Further, certain costs previously charged to central (*corporate*) departments and therefore not attributed to the Areas, were classified from 1st January 2010 onwards as costs chargeable to organizational geographical Areas. Comparative data as of 30th June 2009 were therefore reclassified.

Costs not attributed to Areas are mainly central (*corporate*) department costs and net restructuring charges, above all industrial ones, not directly attributable to Areas.

Western Europe Area

In 1st half 2010, the **Western Europe** Area saw an overall increase in both revenues from sales and profitability compared to 1st half 2009.

(million euro)	June 30, 2010	June 30, 2009	Change
Revenue	857,7	831,2	26,5
Operating Profit	98,1	53,7	44,5
Operating Margin %	11,4%	6,5%	5,0%

The increase in revenues was due mainly to greater sales volumes and, to a lesser extent, to the improvement in the *price/mix*, though performance varied from country to country within the Area.

Italy saw an increase in sales in 1st half 2010 compared to the same period the previous year thanks to the increase in sales volumes and the improvement in the product mix, which more than offset the lowering of prices.
Growth in volumes was more marked in the built-in than the free-standing sector. The built-in sector saw a healthy increase in volumes in the cooking and cooling product lines. The free-standing sector performed well in the washing line.
Revenues in the **UK** and **Ireland** in 1st half 2010 were slightly down on 1st half 2009. This decrease was mainly due to falling sales volumes, reflecting weak demand. However, further improvement in the price/mix and the positive effect of exchange rate trends almost entirely offset the drop in volumes.

The decrease in sales volumes was caused by a negative trend in the free-standing sector only partially offset by the positive trend in the built-in sector.
In **France,** there was growth in both revenues and profitability. In the free-standing sector, washing and cooling products performed well, while revenues from cooking products were down. In the built-in sector there was positive performance across all the lines.
In **Spain an**d **Portugal**, there was an increase in sales volumes with respect to 2009, mainly in the free-standing sector.
Germany saw positive performance in terms of volumes and revenues in the free-standing sector, and negative performance by built-in products.

In terms of **profitability**, the Area benefited as a whole (despite the differences between countries) from the reduction in the cost of the product, the improvement in the price/mix and the increase in sales volumes, while negative impacts included the increase in advertising and promotion expenses reflecting the relaunch of advertising initiatives.

In **Italy,** profitability was substantially stable, mainly due to the reduction in the cost of the product, which offset the overall negative effect of the price/mix on profitability.
In the **UK** and **Ireland.** profitability improved thanks to the reduction in the cost of the product, the improvement in the price/mix and, to a lesser extent, the favourable trend in exchange rates, positive factors that more than offset the negative effects of falling sales volumes.
In the other countries in the Area there was an overall increase in profitability due mainly to the reduction in the cost of the product, while an overall negative effect of the *price/mix* on profitability was offset by the positive effect of rising sales volumes.

Eastern Europe Area

In 1st half 2010, the **Eastern Europe** Area saw increases in both revenues and profitability compared to the same period in 2009.

(million euro)	**June 30, 2010**	**June 30, 2009**	Change
Revenue	345,2	313,2	32,0
Operating Profit	33,0	19,3	13,7
Operating Margin %	9,6%	6,2%	3,4%

The overall increase in **revenues** was mainly due to higher sales volumes and the favourable trend in exchange rates, though the dynamics varied from country to country.

In **Russia**, a market characterized by growing competitive pressure, there was an increase in sales. This was due to rising sales volumes, reflecting a recovery in demand in the 2nd quarter, and the positive effect of the appreciation of the rouble.
Results were positive in both the free-standing and built-in sectors and in cooling and washing products in particular.
In **Poland**, demand fell with respect to 2009, causing a reduction in sales volumes and hence in revenues which was only partially offset by the positive effects of the *price/mix* and the appreciation of the Polish zloty.

In **Turkey,** there was growth in revenues reflecting the positive *price/mix* and rising sales volumes (in both free-standing and built-in goods) and the favourable trend in exchange rates.
In the **Ukraine** and **Moldova,** 1st half revenues rose with respect to the same period in 2009 in both the free-standing and built-in sectors, mainly due to rising sales volumes.

In terms of **profitability**, the Area benefited as a whole (despite differences between countries) from the reduction in the cost of the product and the favourable trend in exchange rates, while the overall effect of the price/mix on profitability was negative.

In **Russia,** the reduction in the cost of the product, the favourable trend in exchange rates and the increase in sales volumes more than compensated for the negative effect of the *price/mix* and increased advertising costs.
In **Poland,** the reduction in the cost of the product and the favourable trend in exchange rates more than offset the negative effect of the *price/mix* and falling sales volumes.

International Area

In 1st half 2010, the **International** Area enjoyed healthy improvements in both sales and profitability with respect to 1st half 2009.

(million euro)	**June 30, 2010**	**June 30, 2009**	Change
Revenue	70,0	59,2	10,8
Operating Profit	8,8	3,7	5,1
Operating Margin %	12,6%	6,3%	6,3%

Revenues were driven up by rising sales volumes and the positive price/mix, more so in the free-standing than in the built-in sector. In the free-standing sector, revenues grew significantly in the cooking and washing segments. In the built-in sector, there was good growth in revenues from cooking products.

Asia saw growth in revenues reflecting a strong increase in sales volumes and a positive *price/mix*. Growth was more marked in the built-in than the free-standing sector.
In the **Middle East,** the healthy increase in revenues (more so in free-standing than in built-in*)* was due to improvements in sales volumes and the *price/mix*.
In **Argentina**, the decrease in revenues was the result of falling sales volumes, which were only partially offset by the positive *price/mix*.

Profitability improved overall in the Area thanks to the reduction in the cost of the product, rising sales volumes and favourable exchange rates.

Cash flows[1]

(million euro)	June 30, 2010	December 31, 2009	June 30, 2009
EBITDA	120,8	259,5	83,0
Change in NWC	(151,3)	52,1	(98,7)
Other Operating Flow	(10,3)	(67,6)	(15,9)
Operating cash flow	**(40,8)**	**244,0**	**(31,5)**
Net CapEx	(20,0)	(60,5)	(18,5)
Cash Flow before financial activities	**(60,7)**	**183,5**	**(50,0)**
Dividends paid and Financial operations	(15,5)	(0,0)	(0,2)
Free cash flow	**(76,2)**	**183,5**	**(50,2)**

The operating cash flow was a negative €40.8m (negative €31.5m).
The **operating cash flow** shows a slight deterioration with respect to 2009 due mainly to the negative change in **net working capital,** which was almost entirely offset by the increase in **EBITDA** and the improvement in **other operating flows**.
Net investments were in line with the same period the previous year, at €20.0m (€18.5m).
Dividend pay-outs amounted to €15.5m (€0.2m).
Free Cash Flow in 1st half 2010 was therefore a negative €76.2m (negative €50.2m), causing an increase in net financial indebtedness of the same amount with respect to 31st December 2009.

Balance sheet[2]

(million euro)	June 30, 2010	December 31, 2009	June 30, 2009
Trade receivables	531,4	391,5	416,2
Inventories	351,5	281,4	338,0
Trade payables	(718,6)	(659,9)	(590,5)
Net working capital	**164,3**	**13,0**	**163,8**
Non-current assets	1.088,1	1.072,3	1.088,2
Other current assets and liabilities and non-current liabilities	(341,1)	(327,0)	(327,1)
Net invested capital	**911,4**	**758,3**	**924,9**
Net financial indebtedness	366,5	290,2	524,1
Equity attributable to the Group	543,5	466,6	398,3
Minority interests	1,5	1,5	2,5
Equity and financial liabilities	**911,4**	**758,3**	**924,9**

[1] In this cash flow statement, the change in net working capital includes the change in trade payables for investments (€12.5m) which is included in cash flows from investment activities in the consolidated cash flow statement, which therefore shows a different value for cash flows from operations and from investment activities.
[2] 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 this table; "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.

The ratio of **net working capital** to sales over the previous 12 months rose from 5.8% to 6.1%. Net of no-recourse sale of trade receivables, which moved from €54.3m a €15.5m, said ratio would have been down with respect to the previous year, from 7.7% in 2009 to 6.7% in 2010.
Trade payables rose mainly as a result of increased purchasing, exchange rate movements and a slight improvement in terms of payment.
The increase in trade receivables was due mainly to the increase in sales, the exchange rates of the currencies the Group uses and a slight increase in collection terms, especially in Russia.
Inventory levels were substantially in line with the same period the previous year. The slight change reflects the negative effect of the currencies the Group operates with.

Shareholders' equity rose with respect to 31st December 2009, not only as a result of the net profits for 1st half 2010, amounting to €27.5m, but also due to the positive change in the conversion reserve, principally reflecting the appreciation of the UK sterling, the Russian rouble and the Turkish lira against the euro with respect to rates at the end of 2009; the *cash flow hedge* reserve shows a negative change of €6.1m.

Financial position

(million euro)	June 30, 2010	December 31, 2009	June 30, 2009
Current financial assets	29,0	24,7	27,6
Cash and cash equivalents	219,6	191,0	136,1
Banks and other financial payables	(380,1)	(170,1)	(297,3)
Net financial position - short term	**(131,5)**	**45,5**	**(133,6)**
Medium/long-term financial payables	(250,0)	(337,2)	(392,6)
Net financial position (*)	**(381,5)**	**(291,7)**	**(526,2)**
Other non-current financial assets	15,0	1,4	2,1
Net financial indebtedness	**(366,5)**	**(290,2)**	**(524,1)**

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

Net financial indebtedness amounts to €366.5m (€524.1m).
Gross financial indebtedness stands at €630.1m (€689.9m), of which 40% is medium/long and 60% short-term.

The table below details the maturities of medium/long-term debt:

	Medium/long-term financial payables	MATURITY							
		2011	2012	2013	2014	2015	2016	2017	2018
Bonds	233,1	61,7	8,1	7,9	136,4	1,0	18,0	-	-
Due to banks and Other financial payables	16,9	4,2	7,5	3,4	1,4	0,3	0,1	0,1	0,1
TOTAL	**250,0**	**65,9**	**15,5**	**11,3**	**137,8**	**1,3**	**18,1**	**0,1**	**0,1**

At 30th June 2010 the Group had €390.0m worth of non-used committed credit lines, of which €350.0m maturing beyond 12 months.

Principal awards in 1st half 2010

Since the start of the year Indesit Company has won some important national and international awards for its efforts in the fields of innovation and design.

For the 3rd year running, it won a Good Design Award (for 2009) for outstanding industrial design. After Scholtès's Multiplo cooking vessel last year and the Indesit Moon washing machine in the "Bathroom" category in 2008, this year's award went to Hotpoint-Ariston's Quadrio fridge in the home appliances section.

In February, the Openspace oven was voted *Prodotto dell'Anno® 2010*. Hotpoint-Ariston's innovative 70 litre oven won the consensus of 88% of the 8,014 consumers involved. Analysis of the survey results showed that the decisive features, in addition to the saving of time afforded by the oven's flexibility and design, were its technological innovation and eco-sustainability characteristics.

Also in February, Indesit Company received a prestigious **Confindustria Andrea Pininfarina Award for Excellence,** in the **"**Champion of Innovation" category for "*strong vocation for innovation",* reads the Panel's citation, "as shown by its extraordinary number of patents, its massive investment in the research and development of new products, and its ongoing commitment to innovation in pioneer sectors with a high impact on society".

In June, lastly, Indesit Company received a 2010 "Imprese per l'Innovazione" (Enterprises for Innovation) Award, instituted by Confindustria and Associazione Premio Qualità Italia, in the "Large Enterprises" category, for "the systematic and integrated management of innovation that it is successfully carrying forward as a competitive lever for improving quality and customer satisfaction". This result enabled the Company to receive the "Prize of Prizes", instituted by the Office of the President of the Council and presented by the President of the Republic, Giorgio Napolitano.

The 1st half financial report will be made available to the public at the Company's headquarters and at Borsa Italiana from 5th August 2010 and will be posted in the Investor section of the Company's website (www.indesitcompany.com) the same day.

This press release is also on-line, as of today, in the Media and Investor sections of 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 Board of Directors approved a number of modifications to the rules of the Human Resources and Remuneration Committee to bring it into line with the new provisions of art. 7, Listed Companies' Code of Conduct.

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 and writedowns (impairment).
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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