



**BIALETTI INDUSTRIE PURCHASES 100% OF RFF STORE SRL
AND GIVES IT THE COMPANY'S RETAIL BUSINESS**

**EIGHT STORES SPECIALIZING IN THE BIALETTI MARK LAUNCHED IN 2007
TO SUPPORT A HIGH-END MARKET
POSITIONING STRATEGY**

Coccaglio, 21 December 2007 – Bialetti Industrie S.p.A. (Milan, MTA: BIA, hereinafter “**Bialetti**” or the “**Issuer**”) has purchased 100% of the share capital of RFF Store S.r.l. (hereinafter “**RFF**”), a company that manages stores for Bialetti Group products in nine outlets.

In addition, the Issuer has signed an act giving RFF its own division involved in the retail sale of Bialetti products, currently handled through ten single-mark stores (the “**Retail Division**”).

At the completion of the operation (which will take effect on 15 January 2008), Bialetti will have concentrated the Group's activities marketing to the retail channel (*outlets* and *retail stores*) in a single, 100%-controlled company, renamed Bialetti Store S.r.l. This decision is part of a growth strategy that it intends to pursue both by strengthening its positioning in the high-end of the market with high quality products and through single-mark stores.

“This operation is a further demonstration of Bialetti's commitment to opening single-mark stores, a project we believe in and that is already proving to be very satisfying. In the last two months, we have opened 8 stores in Italy and we will open more shops in 2008. We believe that concentrating our outlet and retail activities in a single organization will not only provide advantages of efficiency and synergy but also brand identity,” said Francesco Ranzoni, President of Bialetti Industrie S.p.A.

Information about the purchase of 100% of the share capital of RFF

With a contract signed on 2 July 2007 - as explained in paragraph 19.2 of the Prospectus published on 12 July 2007 for the Global Subscription and Sale Offer for the purpose of listing Bialetti's ordinary shares - Francesco Ranzoni, President of Bialetti's Board of Directors, granted that latter a free option right, to be exercised no sooner than 15 December 2007 and no later than 30 June 2008, for the purchase of 80% of the share capital of RFF that he held.

In this regard, it should be noted that the sale price of the shares if the option was exercised was set at the lesser of the following amounts:

- (i) Euro 200,000;
- (ii) the book value of RFF's net shareholders equity on the last day of the month preceding the exercise of the option by Bialetti;
- (iii) the fair market value of RFF on the last day of the month preceding exercise of the option by Bialetti, determined by an independent third party, appointed by common agreement between the parties or, in the absence of agreement, by the President of the Court of Brescia.

all in proportion to the share to be purchased.



In the month of November, the owners of the remaining 20% of RFF's share capital (10% by Roberto Ranzoni and 10% by Maria Antonia Benvenuti, respectively the President's son and wife) also expressed their willingness to sell their shares to Bialetti, under the same conditions required by the above-mentioned option contract.

As of today's date, having taken note of the book value of RFF's net shareholder's equity as of 30 November 2007 (Euro 202.826), the company's fair market value as of 30 November 2007 (Euro 880.000) as determined by an independent third party appointed by the parties, Bialetti exercised its option and acquired 100% of RFF at the price of Euro 200,000.00, to be paid to the sellers on 2 January 2008, the effective date of the deed of sale for the shares.

RFF currently manages nine stores for Bialetti Group products in the most important Italian outlet malls. In the first eleven months of 2007, RFF has achieved sales of Euro 4,22 million and net profits of Euro 0,2 million.

The operation took place with related parties since the sellers, Francesco Ranzoni, Roberto Ranzoni and Maria Antonia Benvenuti are, respectively, the President of Bialetti's Board of Directors and a Director of RFF, the son of Francesco Ranzoni and Director of Bialetti and the wife of Francesco Ranzoni.

For this reason, in conformity with article 2391 of the Italian Civil Code, we report that President Francesco Ranzoni and Director Roberto Ranzoni notified the Directors of Bialetti of a possible conflict of interest in relation to the operation just described, in consideration of the shares held by the Ranzoni family and the corporate offices they hold at RFF and they, therefore, abstained from voting on this operation.

Through his total ownership of Bialetti Holding S.r.l., Francesco Ranzoni holds no. 47,636,060 shares of Bialetti Industrie, equal to 63.51% of the share capital.

Information about the conferment of the Retail Division

An extraordinary shareholders' meeting was also held on today's date, which voted:

- to change the company name to Bialetti Store S.r.l., effective 2 January 2008;
- a capital increase to be satisfied by Bialetti's conferment of the Retail Division.

At the same time, Bialetti and RFF signed a deed of conferment of the Retail Division, whose legal and economic effects are set for 15 January 2008.

The Retail Division essentially consists of instrumental goods, a warehouse for the goods at the individual stores, intangible assets, administrative authorizations, several active and passive legal relationships and personnel relative to the exercise of the above-mentioned activities in the shops launched in 2007 in Milan, Brescia, Parma, Pescara, Florence, Turin, Perugia and Bari, in the Coccaglio store and the Piacenza store (in course of opening).

The book value of the Retail Division, which results from the Statement of Assets and Liabilities of reference as of 30 November 2007, amounts to a total of Euro 4,149,304.00. In conformity with



article 2465 of the Italian Civil Code, Bialetti hired an expert to estimate the value of the Retail Division, which was found not to be less than the foresaid amount.

For accounting and tax purposes, the operations will take place in the form of the continuity of tax values and neutrality in conformity with article 176, paragraph 1, of DPR 917/1986.

In the face of the conferment, Bialetti Store S.r.l. will increase its share capital by Euro 90,000.00, while Euro 4,059,304.00 will be posted to the share premium reserve.

In any case, the conferment of the Retail Division will be the object of the usual monetary adjustments between the parties on the basis of the Statement of Assets and Liabilities to be drafted on the effective date of the conferment, with respect to the Statement of Assets and Liabilities of reference dated 30 November 2007. The determination of the adjustments will take into account the assets and liabilities emerging from the opening of the points of sale during the month of December 2007.

Since this is an operation between companies entirely controlled by Bialetti, it has no economic, asset or financial effects at a consolidated level.

In conferring the Retail Division on a subsidiary (Bialetti Store S.r.l.) and, thus, the Issuer's related party, the operation has no conflict of interest since the concentration of the so-called "retail" activities represents a strategic decision within the Bialetti Group to make the best use of the sales abilities and structure of Bialetti Store S.r.l. with consequent benefits for the Bialetti Group.

Other information

The compensation paid to the members of the administrative body of Bialetti and/or its subsidiaries will not change as a consequence of the two operations.

This press release is published in conformity with article 66 of the Regulations adopted with CONSOB Resolution no. 11971/99 and subsequent modifications and contains the information required by article 71-b of the above-cited Regulations so we will not be providing the information document referred to in Schedule 4 of attachment 3B of the cited Regulations.

The executive in charge of preparing the accounts - Mrs. Anna Luisa Spadari – declares that, pursuant to the second subsection of article 154 bis of the Finance Consolidation Act, the financial information contained in this press release is consistent with documented results and with accounting books and entries.

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Bialetti Industrie S.p.A. is a leading Italian manufacturer and a major operator in international markets with a brand that is recognized as a synonym for "Made in Italy quality". The company owns trademarks with long traditions and particular notoriety such as Bialetti, Rondine, Girmi, Aeternum and CEM. Bialetti Industrie manufactures and sells products for the housewares market and, in particular, cooking tools, coffeemakers and small appliances through its two strategic divisions, "*Housewares*" (cooking tools, coffeemakers and non-electric kitchen accessories) and "*PED*" (small electric appliances, including electric coffeemakers), both dedicated to large organized distribution and the retail channel. The Group, which has distinguished itself over the years for its high degree of innovation and its use of new materials and technologies, operates with its own manufacturing plants in Italy – in the Provinces of Brescia (Coccaglio) and Verbania (Omegna) – in Turkey and in Romania. Bialetti Industrie's excellence derives from its ability to associate traditional values to its products such as quality, durability, design and safety, as part of a strategic plan of Corporate Social and Environmental Responsibility that is well expressed in its philosophy: "more value to daily life".



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