



**THE BOARD OF DIRECTORS OF BIALETTI INDUSTRIE S.p.A.
HAS APPROVED THE CONSOLIDATED RESULTS AT 31st MARCH 2008**

- Consolidated revenues totalled 50.3 million Euro (53.9 million in the first quarter 2007)
- EBITDA totalled 4.3 million Euro (6.9 million Euro in the same period of the previous year)
- EBIT totalled 1.6 million Euro (4.6 million Euro in the first quarter 2007)
- Consolidated net profit at 31st March 2008 was negative by 2.7 million Euro compared to a profit of 1.7 million at 31st March 2007

MULTI-YEAR LICENSE AGREEMENT SIGNED TO USE THE BERKEL BRAND

Coccaglio - 13th May 2008 – The Board of Directors of Bialetti Industrie S.p.A. (Milan, MTA: BIA) - chaired by the Chairman Francesco Ranzoni - has today approved the results of the first quarter 2008¹.

“The first quarter, particularly the month of March – commented Francesco Ranzoni, the Chairman of the Board of Directors – has suffered from a rather negative market trend, which was slightly offset by the excellent results achieved in the Small Electrical Appliances sector. The management, now newly strengthened by the recent appointment of Ugo Forner as the Managing Director, is currently implementing specific strategies to ensure the achievement of sales objectives and to optimize costs and reduce working capital, the aim being to at least confirm the good results achieved in 2007”.

Consolidated economic/financial results

Net consolidated revenues at 31st March 2008 totalled 50.3 million Euro, falling by 6.8% compared to the same period in 2007 (53.9 million Euro). Broken down by segment, said revenues refer to Houseware, coffee makers and cookware (79.1%) and PED - small electrical appliances (20.9%).

This drop in revenues, particularly in the month of March 2008, is the result of a generalised decline in consumption at both national and international level. The management is actively engaged in launching new actions, including marketing initiatives, to cope with said situation. In fact, April results have already highlighted an upturn in revenues compared to those achieved in the same month last year.

¹ The Board of Directors has approved the quarterly report as at 31st March 2008, which acts as a quarterly report on operations, as provided under art. 154-ter of Legislative Decree 58/1998. This report was drawn up in compliance with the foregoing Legislative Decree, as amended, and with the Consob Issuer’s Regulation.



The “*PED*” segment (small electrical appliances) achieved excellent results, increasing revenue from 4.7 million Euro in the first quarter 2007 to 10.5 million Euro in the same period 2008 - thanks to the launch of new products and the penetration of new markets. Revenues of the “*houseware*” segment, which comprises cookware and coffee makers (non-electric), dropped from 49.2 million Euro in the first quarter 2007 to 39.8 million Euro in the same period in 2008.

At overall level, revenues achieved abroad represented 37.9% of the total and can be broken down as follows: 28.8% in Europe (excluding Italy), 5.4% in North America and 3.7% in the rest of the world.

The impact of **cost of goods sold** was 74.7%, showing a slight increase of 0.2 percentage points compared to the same period last year.

Personnel costs at 31st March 2008 totalled 8.4 million Euro (6.9 million Euro at the end of March 2007). This increase is essentially linked to new employees recruited to cover new projects undertaken between the end of 2007 and first few months of 2008 (retail and expansion in international markets) and to actions implemented to strengthen the structure in order to effectively support the group’s business development plans.

As at 31st March 2008, the group’s employees totalled 939 resources against 855 at 31st March 2007.

Consolidated EBITDA totalled 4.3 million Euro, showing a decrease compared to the same period last year (6.9 million Euro).

Consolidated EBIT totalled 1.6 million Euro (4.6 million Euro at 31st March 2007).

The increase of 2 million Euro in **financial charges** is mainly the result of the devaluation of the Turkish Lira, impacting the value of Bialetti Industrie's accounts receivable from its subsidiary Cem Bialetti.

Consolidated Net Results amounted to a loss of 2.7 million Euro (profit of 1.7 million Euro at 31st March 2007).

At 31st March 2008, the **Group’s net borrowings** totalled 93.7 million Euro against 85.1 million Euro at the end of December 2007.

The Group’s **investments totalled 4 million Euro** for the first quarter 2008 compared to 2 million Euro in the same period last year.

In terms of operations, in the first quarter 2008, the subsidiary **Girmi signed a multi-year license agreement to use the Berkel brand (Brevetti Van Berkel S.p.A.)**.

This agreement, which has an eight year duration and can be renewed for a further eight years, contemplates the development, production and marketing, on part of Girmi, of a new range of small electrical appliances under the Berkel brand name. Given the price range and distribution channels of these products, the target will be high end consumers.

The objective is to expand the product range by marketing new products with the benefit of this brand name – synonym of prestige and exclusiveness – thanks to over a century of experience in the



international market of top quality professional slicers and food equipment.

Girmi has already launched the design phase of the new Berkel-branded small electrical appliances, which are expected to be marketed from the half of 2009.

This new range of small electrical appliances will be launched on national and international markets (excluding Canada and the United States) through qualified retail channels.

In terms of retail, two new stores were recently opened in April at outlet villages in Mondovì and Palmavova.

Expected business developments

The market trend is somewhat unfavourable. It is a shared opinion among the various operators of the sector that it is still impossible to reach conclusions on the real condition of the worldwide economy and, in particular, on whether the current decline in consumption is about to end or not. In such a difficult scenario, **the Group's management has planned selective actions** and interventions to ensure the achievement of sales objectives and also to optimize costs and reduce working capital, **the aim being to at least confirm the good results achieved in 2007.**

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The first quarter results for 2008 will be illustrated to investors and analysts tomorrow - Wednesday 14th May - during a conference call at 15.00hrs (Italian time).

The presentation will be made available through the website www.bialettiindustrie.it, Investor Relations section.

We have enclosed the reclassified accounts containing data that is not subject to audit by the Auditing Firm and verification by the Board of Statutory Auditors.

Bialetti Industrie S.p.A. is one of Italy's leading industries and a key operator in international markets. Its brand is acknowledged as a synonym for "made in Italy products of quality". The Group is the owner of brands of long-standing tradition and fame like Bialetti, Rondine, Girmi, Aeternum and CEM. Bialetti Industrie is active in the production and sale of products for the home and in particular cooking utensils, coffee makers and small household appliances through its two strategic divisions, "*Housewares*" (cookware, non-electric coffee makers and kitchen accessories) and "*PED*" (small electrical appliances, including electric coffee makers), both dedicated to mass retail chains and retail stores. Over the years Bialetti Industrie has distinguished itself for its highly innovative and quality products and also for the use of new materials and technologies. Its manufacturing plants are located in Italy – in the provinces of Brescia (Coccaglio) and Verbania (Omegna) and also in Turkey and Romania. The level of excellence achieved is the result of the Group's ability to associate its products with values of tradition, quality, durability over time, design and safety, in line with its strategy of social and environmental responsibility, which is perfectly expressed in the Group's philosophy: "add value to daily life" .



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This press release includes a series of alternative performance indicators of which the purpose is to better illustrate the trend of Bialetti Industrie's economic and financial results. Such indicators do not substitute the conventional indicators required under IFRS.

In particular, the alternative indicator used is the EBITDA (gross operating margin), which is calculated by summing amortisation and gains and losses on derivative instruments to the EBIT result.

The quarterly report as at 31st March 2008 will be made available to the public at the company's headquarters and through the NIS circuit at Borsa Italiana. It will also be published on the website www.bialettiindustrie.it on Thursday 15th May 2008.

“The manager responsible for preparing the company's financial reports” Anna Luisa Spadari declares, pursuant to paragraph 2 of Article 154-bis of the Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the document results, books and accounting records.



Consolidated balance sheet

(€/000)	As at 31 March 2008	As at 31 March 2007	As at 31 December 2007
ASSETS			
Non current assets			
Tangible fixed assets	30.747	26.865	28.214
Intangible fixed assets	28.048	25.994	30.376
Receivables for deferred tax assets	6.349	6.046	6.763
Receivables and other non current assets	519	2.696	259
Total non current assets	65.663	61.601	65.612
Current assets			
Inventories	62.435	43.763	56.227
Trade receivables	73.202	74.019	81.984
Financial assets available for sale	3.506	3.529	3.505
Tax receivables	1.803	1.763	2.286
Receivables and other current assets	11.392	4.004	10.221
Cash and cash equivalents	9.292	6.559	6.810
Total current assets	161.630	133.637	161.033
TOTAL ASSETS	227.293	195.238	226.645
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	18.750	15.000	18.750
Reserves	26.299	547	28.939
Retained earnings	4.325	1.850	6.753
Group shareholders' equity	49.374	17.397	54.442
Minority interests	223	-	233
Total shareholders' equity	49.597	17.397	54.675
Non current liabilities			
Payables and other financial liabilities	21.667	18.578	20.854
Employee benefits	5.440	6.995	4.927
Provisions for risks	407	390	407
Payables for deferred tax liabilities	3.506	3.130	3.286
Other liabilities	2.920	7.195	2.888
Total non current liabilities	33.940	36.288	32.362
Current liabilities			
Payables and other financial liabilities	84.803	77.191	74.577
Trade payables	48.928	49.849	55.204
Tax payables	1.641	3.709	2.003
Provisions for risks	163	163	163
Other liabilities	8.221	10.641	7.661
Total current liabilities	143.756	141.553	139.608
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	227.293	195.238	226.645



Cash flow statement of the Group

(€/000)	Period as at 31 March,	
	2008	2007
Net result before taxes	(2.197)	2.825
Amortisation	2.555	2.133
Allocation to bad debt provision	-	-
Allocation to provisions for risks	-	28
(Capital gains)/capital losses on disposals of tangible fixed assets	(21)	51
Gains / (Losses) on derivative instruments	131	(160)
Interest income and dividends on financial assets available for sale	(33)	(58)
Net financial charges	2.405	1.853
Allocation to staff severance indemnity	307	293
Change in inventories	(6.208)	(482)
Change in trade receivables	8.784	(698)
Change in receivables and other current assets	(1.171)	353
Change in other assets and tax assets	637	(228)
Change in trade payables	(6.276)	5.260
Change in deferred tax payables	354	(1.441)
Change in other liabilities	592	1.365
Change in tied cash	(194)	334
Interest paid	(2.405)	(1.853)
Income taxes paid	-	(638)
Payments/advances and other changes in staff severance indemnity	206	-
Change for payments of provisions for risks	-	-
Net cash flow generated/(absorbed) by operating activity	(2.534)	8.936
Investments in tangible fixed assets	(3.412)	(1.625)
Divestiture of tangible fixed assets	21	54
Investments in subsidiaries, net of acquired cash	-	-
Investments in intangible fixed assets	(558)	(399)
Purchases/(sales) of financial assets available for sale	32	1.060
Realised gains/(losses) on derivative instruments	(131)	160
Net cash flow generated/(absorbed) by investment activity	(4.048)	(750)
Raising of new loans	86.814	69.271
Repayments of loans	(75.775)	(75.429)
Translation exchange differences	(2.185)	-
Minority interests	(10)	-
Other change in shareholders equity	26	0
Net cash flow generated/ (absorbed) by financial activity	8.870	(6.158)
Total cash flow generated/(absorbed) in the period	2.288	2.028
Opening untied cash	5.469	2.430
Closing untied cash	7.757	4.458