



**THE BOARD OF DIRECTORS OF BIALETTI INDUSTRIE S.p.A.  
APPROVED THE CONSOLIDATED RESULTS AS OF 30 SEPTEMBER 2008**

- Consolidated revenues were 153.3 million euro (up from the 147.4 million euro of 30 September 2007)
- EBITDA, net nonrecurring charges and start-up costs amounted to 8.4 million (against 17.4 million euro as of 30 September 2007)
- Consolidated net result as of 30 September 2008 was negative by 8.3 million (profit of 2.4 million euro as of 30 September 2007)

**Coccaglio, 13 November 2008** - The Board of Directors of Bialetti Industrie S.p.A. (Milan, MTA: BIA) met today under the chairmanship of Francesco Ranzoni and approved the consolidated results of the first nine months of 2008.

Francesco Ranzoni, the President stated thus: *“The first nine months of 2008 showed a satisfactory result in terms of total sales (+4% at current exchange rates, +5.5% at constant exchange rates), though taking into account a significant volatility of sales and a substantial reduction in overall consumption levels which also impacted sectors in which the Bialetti Group operates. The Group nonetheless suffered in terms of profitability and has already started implementing actions to considerably improve the efficiency and leanness of the production organization of our Group. Some actions have already been launched to reduce costs, floating capital, and the net financial position which will start showing their effects in 2009 and will be reflected in the three-year industrial plan that will be presented in the course of next year”.*

**Consolidated economic-financial data**

**The Consolidated net revenues** as of 30 September 2008 amounted to 153.3 million euro, up 4% from the same period of 2007 (147.4 million) and came from the **Houseware sector**, coffee makers and cookware (80%) and **PED, Piccoli Elettrodomestici [Small Household Appliances]** (20%).

At constant exchange rates the increase in total sales would have been 5.5%.

The Group was working actively to maintain and, where possible, improve its market position. This was demonstrated by the fact that, notwithstanding the current economic situation was extremely difficult, the Bialetti Group fully recovered the drop in total sales registered in the first six months, and closed on 30 September 2008 with a 4% increase from the same period of 2007.

The revenues made in Italy as of 30 September 2008 amounted to 64.5%, while in the rest of world they reached 20.9%, in North America 11% and in the rest of the world 3.6%.

The revenues made in Italy were up 17.9% (compared to 30 September 2007) thanks to a relaunch in the selling of Girmi brand products, an increase in the selling of PED products, opening single-brand points of sale and entry into the consolidation perimeter of the outlets.

The sales made in the rest of Europe and North America were down while those made in the rest of the world remained largely steady. The decrease on the American market was affected by the



enduring unfavorable euro/dollar exchange rate which has made it difficult to offer products on that market.

**Personnel costs** as of 30 September 2008 amounted to 25.3 million euro (compared to 19 million euro as of 30 September 2007).

Bear in mind that as of 30 September 2008 nonrecurring personnel costs referring to early retirement incentives were counted at approximately €1 million, in addition to a reduction in staff already undertaken mainly in Turkey where 118 employees were let go.

Another factor of the industrial reorganization processes was that in September Sic S.r.l presented a personnel reduction procedure and a declaration of mobility according to articles 4 and 24 of Law No. 223/91. This involved 38 employees and was aimed at definitively ending the activity on 30 December 2008.

Bialetti Industrie S.p.A. also opened a negotiation with the Trade Union representatives of the Coccaglio location aimed at managing the nearly 75 excess clerks and laborers by using social security cushions.

The positive effects of these actions to reduce staff will start showing in 2009.

The **Consolidated Gross Operating Result (EBITDA)** was 6.4 million euro (compared to 17.4 million euro as of 30 September 2007). The EBITDA was 8.4 million euro net of non-recurring charges and some start-up costs (the income of which is not yet recovered), amounting to approximately 2 million euro.

The accounting period closed with a **consolidated net loss** of 8.3 million euro, against a profit of 2.4 million euro in the same period of the previous fiscal year.

**The net financial indebtedness of the Group** as of 30 September 2008 was 100.4 million euro (95.7 million euro as of 30 June 2008; 85.1 million euro as of 31 December 2007).

The negative variation of the net financial position from the beginning of the year was 15.3 million euro and was mainly due to the investments made and the increase in the net floating capital.

**Investments amounted to about 12 million euro** for the new production location in India, where the first significant revenues will be made in 2009, and the development of the retail/outlet channel.

#### Events occurring after closure of first nine months and foreseeable operation trend

During the last quarter of the year the management concentrated on several actions, some of which were already undertaken during the third quarter, regarding the revision of certain development projects, the goals of which are to significantly improve the efficiency and leanness of our Group's productive organization and considerably reduce costs, net floating capital and the net financial position.

The financial tensions generated throughout the world in the past few months have undoubtedly influenced the overall conditions of the market, characterized now more than ever by the presence of widespread uncertainty. The signs of the negative economic trend already seen in the first semester have turned into a complex scenario on which it is extremely difficult to make predictions and estimates, even in the short-term; in this regard the management believes it is no longer



possible to confirm the forecasts regarding the breakeven closure of the fiscal year made when the six-month results were approved.

The management is therefore attentively working to monitor the market trend to maintain our position and take any opportunities for growth that might arise. At the same time, it will reinforce the actions being taken to curb costs, the results of which will start being seen in 2009 and will be reflected in the three-year industrial plan that will be presented in the course of the coming year.

The Board of Directors co-opted Claudio Bonissoni as a Director, whose office comes into effect on 14 November 2008, and also ascertained that he has the characteristics of independence.

Born in Maclodio (BS) in 1956, Claudio Bonissoni held an executive position at a major Milan credit institute for a decade. In the 1990s he opened his own corporate consulting firm for business, fiscal and administrative matters and provided management support to large groups in Italy and abroad.

As of today's date Claudio Bonissoni holds not shares in Bialetti Industrie.

\* \* \*

We have attached the reclassified accounting schedules, not subjected to an accounting audit.

In this release we have presented some alternative performance indicators to allow a better evaluation of the economic-financial management trend of Bialetti Group Industrie. These indicators should not be considered a substitute for the conventional indicators required by the IFRS.

In particular the alternative indicator presented was the EBITDA (gross operating margin) calculated by algebraically adding depreciation/amortizations as well as proceeds and losses on derivative instruments to the EBIT (operating profit).

The intermediate management report <sup>1</sup> as of 30 September 2008 will be made available to the public on 14 November 2008 at the company's main office, at its website [www.bialettiindustrie.it](http://www.bialettiindustrie.it) and on the NIS circuit at the Italian Stock exchange.

This document acknowledges the existence of the conditions contemplated by articles 36 and 37 of CONSOB Market Regulation No. 16191/2007.

“The manager responsible for preparing the company's financial reports” Luca Graziadei 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.

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<sup>1</sup> The intermediate operating accounts of the Group as of 30 September 2008 were drawn up in accordance with the provisions of art. 154-ter of D.Lgs 58/98 adopted by Legislative Decree No.195 of 6 November 2007, (the so-called “Transparency Decree”).



**Bialetti Industrie S.p.A.** is a leading manufacturer in Italy and one of the major operators on international markets with a well-known brand recognized as synonymous to "high-quality made in Italy". The company has brands with many years of tradition and a good reputation such as Bialetti, Rondine, Girmi, Aeternum and CEM. The business of Bialetti Industrie is to manufacture and sell home products, especially on the markets of cookware, coffee makers and small household appliances through its two strategic divisions "Houseware" (cookware, nonelectric coffee makers and kitchen accessories and "PED" (small household appliances, including electric coffee makers), both dedicated to organized wholesale distribution as well as the retail channel. The Group, which has distinguished itself over the years for its high degree of innovation, the quality of its products and its use of new materials and technologies, works in its own factories in Italy, in the provinces of Brescia (Coccaglio) and Verbania (Omegna), in Turkey and Romania. Bialetti Industrie's excellency arises from its capacity to imbue its products with values such as tradition, quality, durability, design and safety. Its strategic process is corporate social and environmental responsibility, which is expressed eloquently in its philosophy: "More value to daily life".

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## Consolidated Statement of Assets and Liabilities

| (€/000)   | As at 30 September<br>2008 | As at 31 December<br>2007 |
|---|----------------------------|---------------------------|
| <b>ASSETS</b>                                     |                            |                           |
| <b>Non current assets</b>                         |                            |                           |
| Tangible fixed assets                             | 34.493                     | 28.214                    |
| Intangible fixed assets                           | 27.715                     | 30.376                    |
| Receivables for deferred tax assets               | 5.936                      | 6.763                     |
| Receivables and other non current assets          | 667                        | 259                       |
| <b>Total non current assets</b>                   | <b>68.811</b>              | <b>65.612</b>             |
| <b>Current assets</b>                             |                            |                           |
| Inventories                                       | 64.929                     | 56.227                    |
| Trade receivables                                 | 73.452                     | 81.984                    |
| Financial assets available for sale               | 3.417                      | 3.505                     |
| Tax receivables                                   | 2.232                      | 2.286                     |
| Receivables and other current assets              | 10.952                     | 10.221                    |
| Cash and cash equivalents                         | 5.526                      | 6.810                     |
| <b>Total current assets</b>                       | <b>160.508</b>             | <b>161.033</b>            |
| <b>TOTAL ASSETS</b>                               | <b>229.319</b>             | <b>226.645</b>            |
| <b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>       |                            |                           |
| <b>Shareholders' equity</b>                       |                            |                           |
| Share capital                                     | 18.750                     | 18.750                    |
| Reserves  | 27.323                     | 28.939                    |
| Retained earnings                                 | (1.536)                    | 6.753                     |
| <b>Group shareholders' equity</b>                 | <b>44.537</b>              | <b>54.442</b>             |
| <b>Minority interests</b>                         | <b>339</b>                 | <b>233</b>                |
| <b>Total shareholders' equity</b>                 | <b>44.876</b>              | <b>54.675</b>             |
| <b>Non current liabilities</b>                    |                            |                           |
| Payables and other financial liabilities          | 18.096                     | 20.854                    |
| Employee benefits                                 | 4.621                      | 4.927                     |
| Provisions for risks                              | 478                        | 407                       |
| Payables for deferred tax liabilities             | 3.494                      | 3.286                     |
| Other liabilities                                 | 2.565                      | 2.888                     |
| <b>Total non current liabilities</b>              | <b>29.254</b>              | <b>32.362</b>             |
| <b>Current liabilities</b>                        |                            |                           |
| Payables and other financial liabilities          | 91.207                     | 74.577                    |
| Trade payables                                    | 54.826                     | 55.204                    |
| Tax payables                                      | 1.971                      | 2.003                     |
| Provisions for risks                              | 163                        | 163                       |
| Other liabilities                                 | 7.022                      | 7.661                     |
| <b>Total current liabilities</b>                  | <b>155.189</b>             | <b>139.608</b>            |
| <b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b> | <b>229.319</b>             | <b>226.645</b>            |



## Group Financial Statement

| (€/000)  | Period as at 30 September, |                 |
|--|----------------------------|-----------------|
|  | 2008                       | 2007            |
| <b>Net result before taxes</b>                                     | <b>(8.857)</b>             | <b>4.868</b>    |
| Amortisation   | 7.748                      | 6.863           |
| Allocation to bad debt provision                                   | 103                        | -               |
| Allocation to provisions for risks assets                          | -                          | -               |
|  | (49)                       | (121)           |
| Gains / (Losses) on derivative instruments sale                    | 123                        | 839             |
|  | (8)                        | (35)            |
| Net financial charges  | 6.251                      | 4.888           |
| Allocation to staff severance indemnity                            | 1.388                      | 311             |
| Change in inventories  | (6.893)                    | (18.860)        |
| Change in trade receivables  | 5.766                      | 7.897           |
| Change in receivables and other current assets                     | (678)                      | 1.850           |
| Change in other assets and tax assets                              | 1.237                      | (1)             |
| Change in trade payables   | (378)                      | (2.419)         |
| Change in deferred tax payables                                    | 611                        | (1.158)         |
| Change in other liabilities  | (962)                      | (4.723)         |
| Change in tied cash  | 1.341                      | 911             |
| Interest paid  | (6.251)                    | (4.888)         |
| Income taxes paid  | (764)                      | (2.138)         |
| Payments/advances and other changes in staff severance indem       | (1.715)                    | (2.054)         |
| Change for payments of provisions for risks                        | 71                         | 79              |
| <b>Net cash flow generated/(absorbed) by operating activity</b>    | <b>(1.916)</b>             | <b>(7.891)</b>  |
| Investments in tangible fixed assets                               | (10.082)                   | (7.160)         |
| Divestiture of tangible fixed assets                               | 49                         | 628             |
| Change in equity for IPO   | -                          | 34.646          |
| Investments in subsidiaries, net of acquired cash                  | 473                        | -               |
| Investments in intangible fixed assets                             | (835)                      | (3.121)         |
| Purchases/(sales) of financial assets available for sale           | 96                         | 1.051           |
| Realised gains/(losses) on derivative instruments                  | (123)                      | (839)           |
| <b>Net cash flow generated / (absorbed) by investment activity</b> | <b>(10.422)</b>            | <b>25.205</b>   |
| Raising of new loans   | 87.982                     | 87.216          |
| Repayments of loans  | (74.110)                   | (105.772)       |
| Other change in shareholders equity                                | (996)                      | -               |
| <b>Net cash flow generated/ (absorbed) by financial activity</b>   | <b>12.876</b>              | <b>(18.556)</b> |
| <b>Total cash flow generated/(absorbed) in the period</b>          | <b>538</b>                 | <b>(1.242)</b>  |
| <b>Opening untied cash</b>   | <b>5.469</b>               | <b>2.430</b>    |
| <b>Closing untied cash</b>   | <b>6.007</b>               | <b>1.188</b>    |