INDESIT company

Consolidated and separate financial statements

at 31 December 2009

Contents

Report on operations during the year ended 31 December 2009

The year just ended was marked by the most serious economic recession in recent history. The international financial crisis that began in 2008 developed further during 2009. Affecting the countries in Western Europe first, the economic slowdown then moved into Eastern Europe where the decline was even greater.

The repercussions of the crisis (credit squeeze, contraction in GDP, reduction in the disposable income of households) affected all the economies in which the Group is active, although with different intensity and duration in the various areas. Only during the last part of 2009 did the macroeconomic indicators rise from the minimums touched during the year.

Cyclical sectors such as consumer durables, which include household appliances, were among the worst hit. Demand for household appliances contracted heavily during the first part of the year; however the fall in the market slowed during the last few months of 2009, especially in Western Europe.

Retail prices increased slightly in most of Western Europe, while the largest rise was recorded in areas where the local currency depreciated most against the euro, such the UK, Russia and certain countries in Eastern Europe.

As in 2008, the performance of the currency markets in 2009 was characterised by the continuing strength of the euro[1], which appreciated by 11.9% against the British pound, 21.2% against the Russian rouble, 13.7% against the Turkish lira and 23.2% against the Polish zloty.

Accounting policies

The separate and consolidated financial statements of Indesit Company have been prepared in accordance with the International Financial Reporting Standards - IFRS (hereafter referred to as IFRS or IAS) issued by the *International Accounting Standards Board* (IASB) as interpreted by the *International Financial Reporting Interpretations Committee* (IFRIC) and endorsed by the European Union.

The separate and consolidated financial statements at 31 December 2009 have been prepared in accordance with Consob's instructions regarding the format of financial statements, in application of art. 9 of Legislative Decree no. 38/2005 and the other regulations and Consob instructions concerning financial statements. They have been prepared on an historical cost basis (except for derivative financial instruments, financial assets held for sale and financial instruments classified as available for sale, which are stated at their fair value), as applicable to going concerns. Given signs of an improvement in demand and the results achieved in terms of strengthening its financial position, the Group has determined that there are no uncertainties about business continuity.

1. Determined with reference to the average monthly rates reported by the European Central Bank.

Approach taken

The Group headed by Indesit Company S.p.A. is hereafter referred to as Indesit Company or Indesit or simply the Group. When the commentary relates to the Parent Company or individual subsidiaries, their names are stated in full. This report on operations contains information about both the Indesit Group as a whole and the Parent Company, Indesit Company S.p.A.
All the amounts presented in this report on operations and in the separate and consolidated financial statements and explanatory notes are stated in millions of euro; the comparisons made (in brackets) relate to information for the prior year. Percentages (margins and changes) are determined with reference to amounts stated in thousands of euro.

The intermediate indicators of profitability, EBIT[2] and EBITDA[3], utilised in this report are not identified as accounting measures in the IFRS endorsed by the European Union and their quantitative determination might not be unequivocal. These indicators represent a measure used by management to monitor and assess operating performance. Management believes that these indicators are important parameters for the measurement of operating performance, since they are not influenced by the effects of differing criteria for the determination of taxable income, or the amount and characteristics of capital invested. The criteria applied by the Group and the Parent Company for determining these indicators might not be consistent with those adopted, for example, in the contractual definitions of the financial covenants for borrowing, or with those adopted by other groups or companies and, accordingly, their values might not be comparable with those determined by such other groups or companies.

2. EBIT: operating profit reported in the consolidated income statement.
3. EBITDA: operating profit reported in the consolidated income statement, stated gross of depreciation, amortisation and impairment losses.

Summary of consolidated results

Highlights

Euro/million	Year 2009	Year 2008	Change	
			€m	%
Revenue	2,613.0	3.154.9	(541.9)	-17.2%
Gross operating profit (EBITDA)	259.5	270.5	(11.0)	-4.1%
Operating profit (EBIT)	118.6	140.6	(22.0)	-15.6%
Operating Margin %	4.5%	4.5%	-	0.0 p.p.
Profit before taxation	66.8	94.9	(28.1)	-29.6%
Profit for the year	33.5	56.0	(22.5)	-40.1%
Profit attributable to the Group	34.5	55.5	(21.0)	-37.8%

Gross of non recurring items				
Non recurring items	(50.4)	(19.4)	(31.0)	159.8%
Gross operating profit before non recurring items (EBITDA)	295.5	286.2	9.3	3.3%
Operating profit before non recurring items (EBIT)	169.0	160.0	9.0	5.6%
Operating profit before non recurring items %	6.5%	5.1%		1.4 p.p.

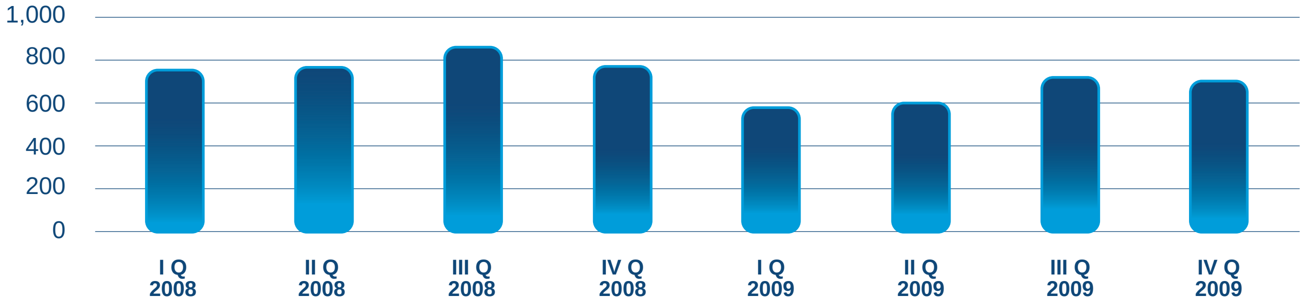
Revenue

Group **revenue** for the year was 2,613.0 million euro (3,154.9 million euro), down 17.2%. Sales performance for the year was mainly a consequence of the following phenomena:

- contraction in the volume of sales of finished products by about 17.2% due to the drop in demand;
- exchange rate movements with an adverse effect of about 5.5% with respect to the average rates for 2008; at constant exchange rates[4], 2009 revenue would have been 2,790.0 million euro (down by 11.6 % rather than 17.2%);
- positive price/mix effect on the sales of finished products of about 4.5%;
- positive trend in revenue from services, down by just 1.6%.

The decline in revenue affected all areas in which the Group operates. The most significant contractions were suffered in Russia and Eastern Europe, where the drop in volume was compounded by the depreciation of the local currencies, which was only partially recovered via higher prices; less severe reductions were reported in Italy and France.

Total Revenue (million euro)



	I Q 2008	II Q 2008	III Q 2008	IV Q 2008	I Q 2009	II Q 2009	III Q 2009	IV Q 2009
Revenue	756.2	769.1	858.3	771.2	590.7	613.0	713.8	695.6

4. The amounts mentioned in this report at constant exchange rates with respect to 2008 were estimated by taking account of the transaction effects and the effect of translating to euro the operations reported in foreign currency financial statements.

In terms of comparison with the same period in the prior year, the decline in revenue has steadily eased, passing from 21.9% in the first quarter to 9.8% in the fourth quarter.
All product lines saw a reduction in revenue, which was most marked in the Cooking and Refrigeration sectors, as compared with the Washing sector. The product lines of the Cooking sector, especially those in the free-standing segment, were most affected by the adverse market conditions in Russia and Eastern Europe.
The decline in revenue was more marked in the free-standing channel (which, in volume terms, contributes most of the Group's sales of finished products) than in the built-in channel.
Once again, the Group continued to focus on its principal brands during 2009: Indesit, Hotpoint-Ariston and Scholtès. In particular, brand sales by Indesit and Hotpoint-Ariston contributed 97% of revenue.
With regard to price/mix, for the third consecutive year, the Group achieved an increase in average unit prices due to an improvement in the mix of products sold and, above all, to the higher prices achieved in certain markets.
In volume terms, the Group's market share declined slightly overall due, in part, to the greater contraction of the markets in which Indesit has a significant share (e.g. Russia) and, in other cases, to the policy of increasing prices (e.g. in the UK).

Product cost

Product cost was almost 1% lower overall compared with 2008.
The cost of purchasing raw materials and components fell by about 2.8%, based on the same exchange rates, chiefly due to the lower cost of plastics (-9%) and, to a lesser extent, of steel and components.
Greater manufacturing efficiencies lowered the cost of industrial production by about 6.1%, which partially offset the under absorption of manufacturing overheads (down about 11.8%) caused by the lower volume of production (down about 22%), again based on the same exchange rates. Industrial costs also benefited from the depreciation of the Polish zloty against the euro.

Other operating costs

Additional improvements to product quality and the efficiency of the support network have further lowered by a significant amount the costs associated with warranty work.
The decline in distribution costs was principally due to lower volume; operational efficiencies and a positive exchange-rate effect offset the higher costs deriving from an unfavourable mix between countries of origin and countries of destination.
General and administrative expenses at both corporate and market level were subjected to incisive containment measures in order to tackle the year of crisis, falling by 12.7% with respect to 2008.
Lastly, again as part of the special action taken in 2009 to deal with the expected crisis, advertising costs were reduced by about 37 million euro.

Reorganisation of activities

In February 2009, Indesit Company informed the parties concerned of its intention to close the factory at Kinmel Park in the UK. Consultation with the trade unions were completed in June 2009, with the final decision agreed with the social partners to close the factory at the end of July.

In June 2009, Indesit Company reached an agreement with the social partners and the institutions on the reorganisation of activities at the None factory in Italy. This agreement, involving a reduction in production levels, was signed at the Ministry for Economic Development in July 2009.

In August 2009, an agreement was reached with the minority shareholder for the closure of the factory in China. This decision has been communicated to the parties concerned and involves the liquidation of Wuxi Indesit Home Appliances Co. Ltd.

Lastly, in September 2009, the parties concerned were informed of the Group's intention to close the logistics hub at Basse Ham in France, which ceased its activities in December 2009.

Non-recurring charges

The net non-recurring charges incurred during 2009 amounted to 50.4 million euro (19.4 million euro). Net non-recurring charges mainly comprise restructuring costs associated with the business plan, described in the previous paragraph, and provisions for disputes, net of non-recurring income deriving from the relief of social security contributions in earthquake-hit areas: further information is provided in the explanatory notes to the consolidated financial statements.

Operating profitability

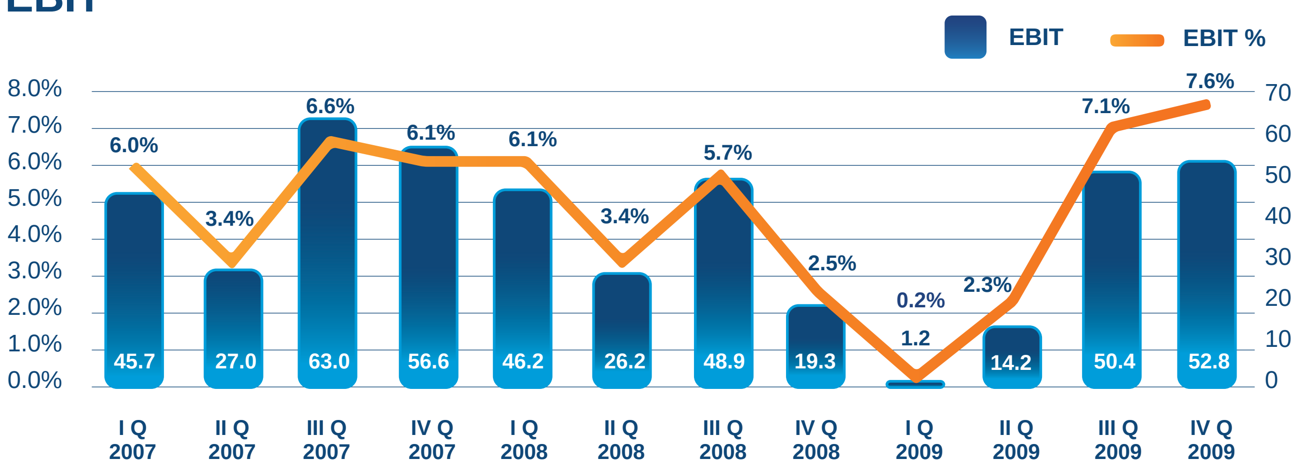
Gross operating profit (EBITDA) amounted to 259.5 million euro (270.5 million euro), representing 9.9% (8.6%) of revenue.

EBITDA before non-recurring items was 295.5 million euro (286.2 million euro), representing 11.3% (9.1%) of revenue.

Operating profit (EBIT) amounted to 118.6 million euro (140.6 million euro), representing 4.5% (4.5%) of revenue. EBIT excluding non-recurring items was 169.0 million euro (160.0 million euro), representing 6.5% (5.1%) of revenue.
The incidence of depreciation and amortisation was 5.4% (4.1%).

The trend in operating profitability is consequent to the matters described earlier: improved price/mix, lower purchasing costs, improvements in product quality, and the containment of general and selling expenses helped to offset the reduction in sales volume, adverse exchange-rate movements, the lower absorption of industrial fixed costs and the recognition of higher restructuring charges.

EBIT



Results by geographical segment

The Group's operating segments consist of geographical areas. Pursuant to IFRS 8, these were determined with reference to the availability of separate financial information and consistent with the principal way in which the results are periodically reviewed by the chief operating decision maker, in order to evaluate performance and the effect of strategic decisions.

The Group identifies the following operating segments:

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

Year 2009 *(milion euro)*	**Total areas**	**Costs not allocated**	**Total Group**
Revenue	**2,613.0**		**2,613.0**
Operating costs	(2,353.0)	(141.6)	**(2,494.6)**
Operating profit	**260.0**	**(141.6)**	**118.6**

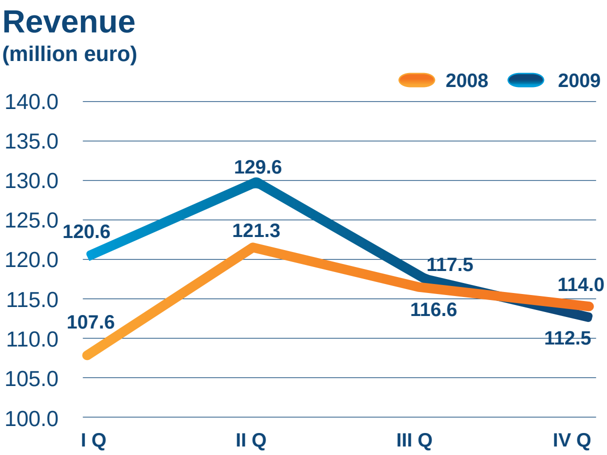
Year 2008 *(milion euro)*	**Total areas**	**Costs not allocated**	**Total Group**
Revenue	**3,154.9**		**3,154.9**
Operating costs	(2,910.4)	(103.9)	(3,014.2)
Operating profit	**244.5**	**(103.9)**	**140.6**

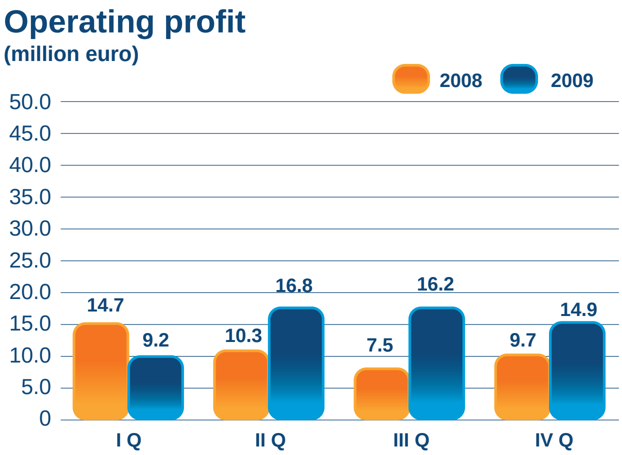
The costs not allocated to segments principally comprise corporate costs and restructuring charges.

Italy

The decline in sales to distributors (industry shipment) in Italy eased during the year.
Following trough seen in the first quarter, performance in the last was essentially stable with respect to the corresponding period in 2008.

Italy area *(million euro)*	**Year 2009**	**Year 2008**	**Change**
Revenue	459.6	480.2	(20.6)
Operating profit	57.1	42.2	14.9
Operating margin %	12.4%	8.8%	3.6%





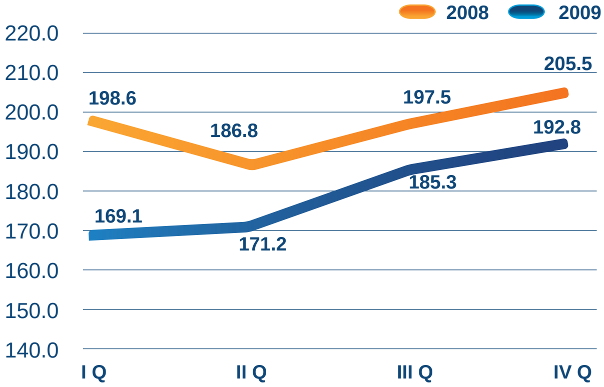
Already the leader in this area, the Group's market share improved in both volume and value terms.
The decline in the volume of sales affected all product lines; the smallest contractions were seen in the Refrigeration and Washing sectors.
Area results benefited from the containment of general expenses, the performance of Services and the reduction in production costs.

UK and Ireland

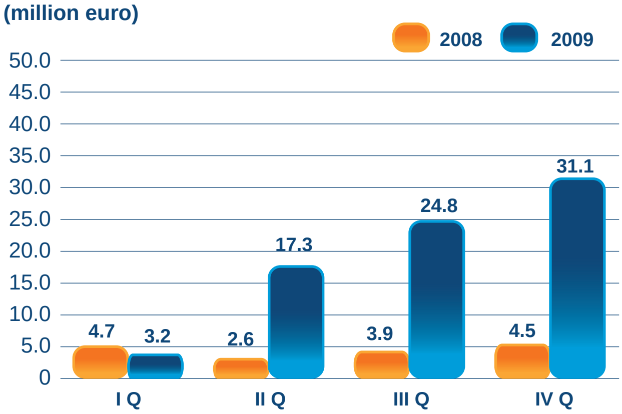
In the UK and Ireland, the decline in sales to distributors (industry shipment), most marked in the first part of the year, eased steadily with the fourth quarter only slightly lower than in the same period of the prior year.

UK and Ireland area *(million euro)*	**Year 2009**	**Year 2008**	**Change**
Revenue	718.4	788.4	(70.0)
Operating profit	76.5	15.8	60.8
Operating margin %	10.7%	2.0%	8.7%

Revenue
(million euro)



Operating profit
(million euro)



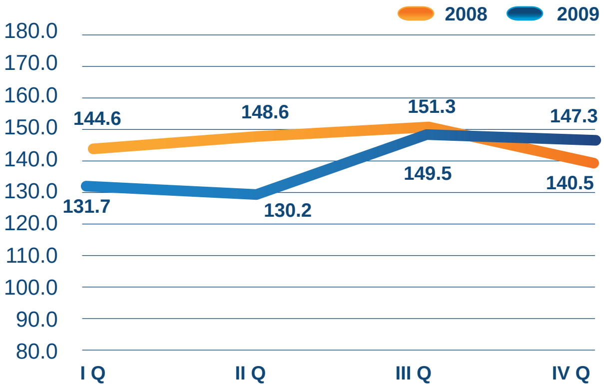
The results for the UK and Ireland were again particularly good. The reduction in revenue was due to the lower volume of sales and the depreciation of the British pound. These adverse effects were, however, strongly offset by an increase in prices, achieved in stages throughout 2009. Although still leader in this area, the Group's market share decreased slightly as a consequence of the aforementioned price increase policy that was implemented to offset the effects of currency depreciation.
Profitability, which here too benefited from lower production costs, was also assisted by the performance of Services – a particularly important factor in the UK – due to the sales of extended warranties and home delivery services.

Western Europe

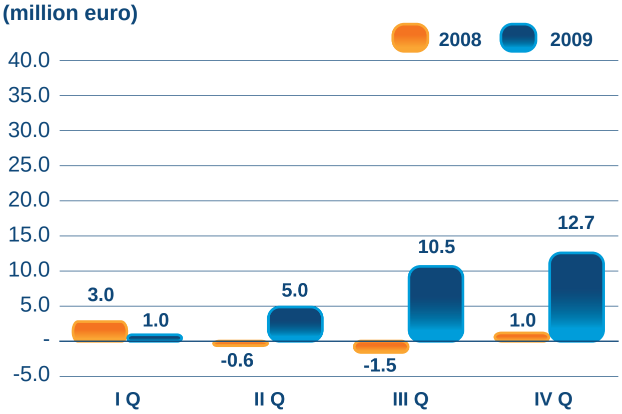
The decline in sales to distributors (industry shipment) noted during the early quarters of 2009 slackened steadily, with a slight increase in the fourth quarter when there was strong growth in Germany and Austria, a moderate increase in France and Portugal, but further significant contraction in Spain and the Netherlands.

Western Europe area *(million euro)*	**Year 2009**	**Year 2008**	**Change**
Revenue	558.7	585.0	(26.3)
Operating profit	29.2	2.0	27.2
Operating margin %	5.2%	0.3%	4.9%

Revenue
(million euro)



Operating profit
(million euro)

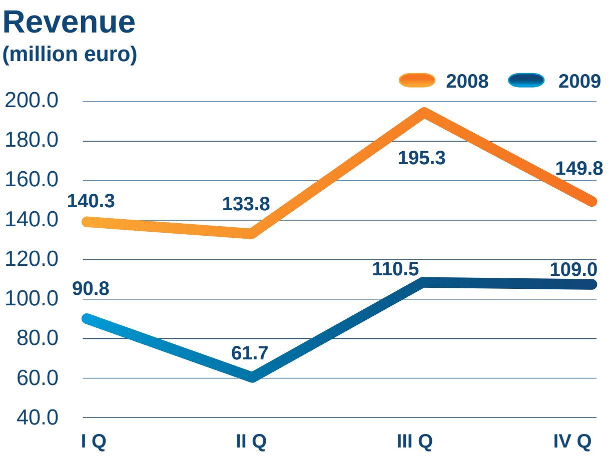


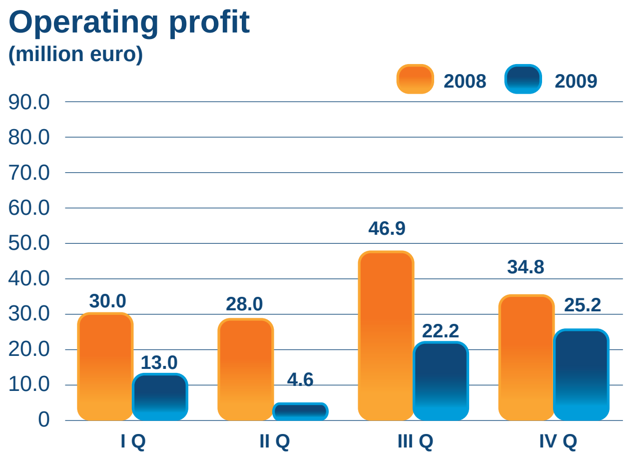
The performance of the Group's sales in Western Europe reflects the increase in average unit prices which partially offset the lower volume of sales. The Group's market share was essentially stable in this area.
The performance of free-standing appliances and the refrigeration and washing sectors was particularly strong.
In France, there was a small decline in revenue and an increase in profitability. In Spain and Portugal, profitability rose slightly despite the largest reduction in revenue. Profitability also rose in the Netherlands, where the Group is traditionally weak, despite the slight fall in revenue.

Russia

The collapse in sales to distributors was most intense and sudden in Russia, reaching its height during the second quarter of 2009. There was a slowdown in the decline during the last part of the year, while confirming the downward trend.

Russia area *(million euro)*	**Year 2009**	**Year 2008**	**Change**
Revenue	372.1	619.2	(247.1)
Operating profit	65.2	139.8	(74.5)
Operating margin %	17.5%	22.6%	-5.0%





The weakness of demand, the depreciation of the rouble and strong competitive pressure have caused Russia to post the largest reductions in revenue and profitability within the Group as a whole. The action taken to counter the effects of currency depreciation (increase in local prices by about 8%) only offset to a small extent the negative factors mentioned; furthermore, the Group's market share has declined by about one percentage point since certain competitors did not follow the action on prices.

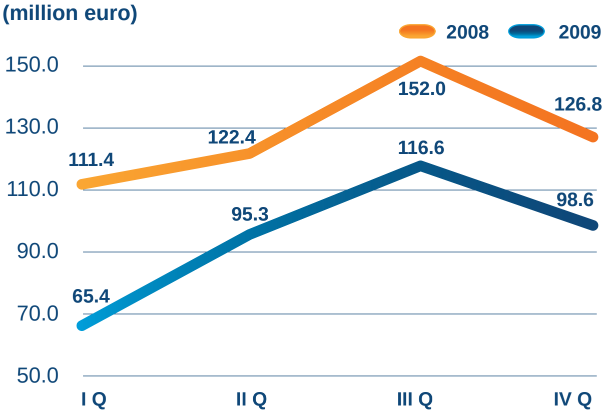
This said, Russia continues to generate one of the best operating margins within the Group, despite the decline. Even with this fall in share, Indesit easily remains market leader in the area.

Eastern Europe

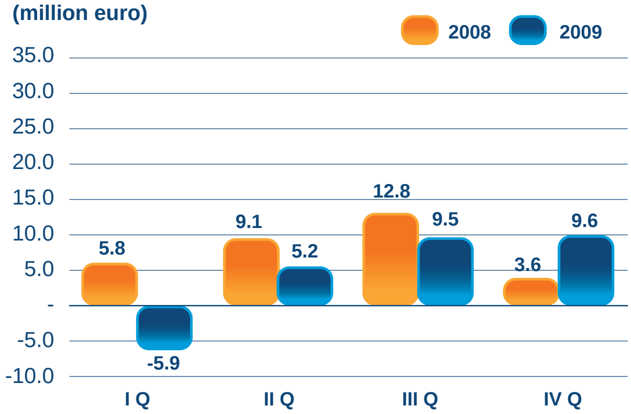
Sales to distributors in Eastern Europe contracted the most during the first quarter with a subsequent, but partial recovery in the rest of the year while nevertheless remaining heavily down. As exceptions to this scenario, Turkey had a good second quarter due to government incentives and, following three very bad quarters, the Ukraine saw growth in the fourth quarter.

Eastern Europe area *(million euro)*	**Year 2009**	**Year 2008**	**Change**
Revenue	375.8	512.7	(136.8)
Operating profit	18.3	31.3	(13.0)
Operating margin %	4.9%	6.1%	-1.2%

Revenue
(million euro)



Operating profit
(million euro)



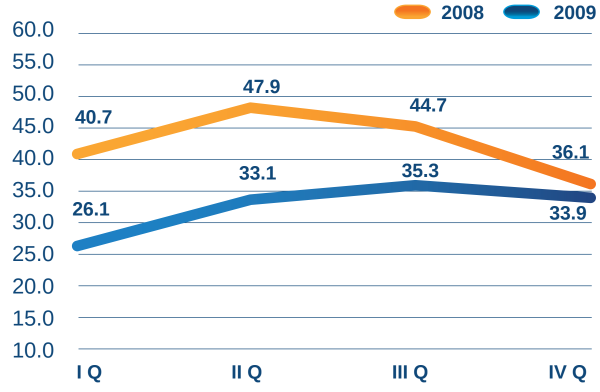
Sales in Eastern Europe contracted strongly due, in the main, to a major drop in volume deriving from the aforementioned weakness of demand that affected free-standing appliances more than built-in products.
Overall, the Group's market share in the area has decreased slightly.
Nevertheless, the positive price/mix effect and the improvement in product costs helped to mitigate the adverse impact on overall profitability.
All markets in the area saw significant contractions in the volume of sales, except for Turkey where the decline was much smaller. Average unit prices declined overall, with rises in just a few countries, including Turkey, the Czech Republic and Greece.

International

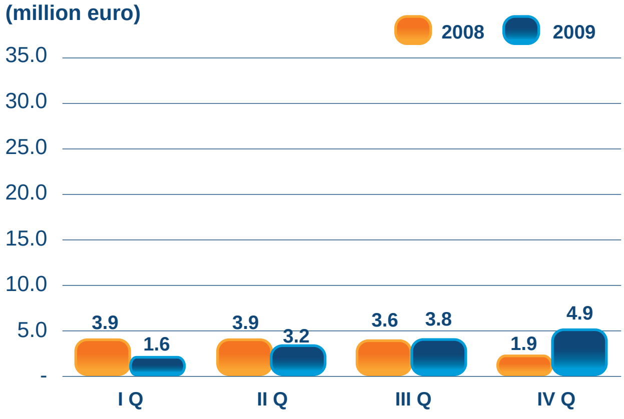
The International area includes dissimilar markets (Asia, Africa, the Middle East, North America, South America) for which combined information about their sales to distributors is not meaningful.

International area *(million euro)*	**Year 2009**	**Year 2008**	**Change**
Revenue	128.4	169.5	(41.0)
Operating profit	13.6	13.3	0.4
Operating margin %	10.6%	7.8%	2.8%

Revenue
(million euro)



Operating profit
(million euro)



In 2009, difficulties in the property market – an important channel in the area, especially in Asia and the Middle East – resulted in a reduction in the volume of sales and in revenue.
This adverse performance was most evident with regard to free-standing appliances, especially in the Washing sector.
The profitability of the area has nevertheless improved in percentage terms, due to work to lower general expenses, a slight rise in average unit prices and the reduction in product costs.

Financing costs and taxation

Net financial expenses amounted to 51.8 million euro (45.7 million euro). The increase with respect to the prior year was essentially due to the recognition of greater exchange losses and lower interest income on the UK pension funds, while the decrease in interest expense was mainly a result of lower interest rates.

Profit before taxation (PBT) was 66.8 million euro (94.9 million euro), representing 2.6% (3.0%) of revenue.

Group net profit was 34.5 million euro (55.5 million euro). The tax charge was 33.3 million euro (38.9 million euro), with an effective tax rate of 49.8% (41.0%). The increase in the tax rate was principally due to taxes that are not directly proportional to income (such as IRAP in Italy), to the recognition of tax losses and therefore deferred tax assets in certain countries whose tax rates are lower than the Group average, and to the recognition of current taxation in countries whose tax rates are higher than the Group average.

Cash flows[5]

(million euro)	31.12.2009	31.12.2008
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 cash flow from operating activities totalled 244.0 million euro (45.8 million euro).
Compared with 2008, the marked improvement in the cash flow from operating activities was mainly due to the efficient management of net working capital.
The decline in EBITDA was only moderate despite the major drop in revenue.
The recognition of higher non-monetary charges (provisions for restructuring) and the decrease in redundancy payments also contributed to a marked improvement in other operating cash flows.
Consistent with Group policy, net capital investment was significantly lower at 60.5 million euro (136.1 million euro) and, lastly, no dividend was paid (except for the savings shares).
The **free cash flow**[6] was positive by 183.5 million euro (negative by 142.7 million euro), resulting in a decrease in net borrowing by the same amount.
At 31 December 2009, the Group complies with the financial covenants associated with its outstanding medium and long-term loans.

Summary of the consolidated financial position[7]

(million euro)	31.12.2009	31.12.2008
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 has fallen from 2.1% to 0.5% of revenue for the last twelve months, due to improvements in all elements of this aggregate.
Trade receivables and trade payables have declined due to the lower volume of sales and purchasing.
The trade receivables sold without recourse at 31 December 2009 amounted to 17.2 million euro (19.5 million euro at 31 December 2008).

5. The change in net working capital reported in the above cash flow statement includes the decrease in trade payables incurred for investment purposes, 14.6 million euro (0.6 million euro), which is classified as part of the Cash flows from investing activities in the Consolidated cash flow statement. This latter statement therefore reports different amounts for the cash flows from operating activities and from investing activities.
6. Free cash flow: the cash flow from/absorbed by operating and investing activities, net of dividend payments and share capital increases.
7. The trade receivables and payables, inventories and equity reported in the above consolidated statement of financial position are the same as the amounts reported in the consolidated statement of financial position. Net financial indebtedness is analysed in note 8.21. “Non-current assets” and “Other current assets and liabilities and non-current liabilities” comprise the captions of the consolidated statement of financial that are not mentioned above or included as part of net financial indebtedness.

Lastly, consistent with Group policy announced at the start of the year, inventory levels have fallen as a result of a greater decline in the volume of production than in the volume of sales.

The rise in **equity** since 31 December 2008 reflects both the profit for 2009 and the increase in the translation reserve due, in the main, to the appreciation of the British pound against the euro since the end of 2008, which more than offset the effect of the depreciation of other currencies.

Net financial indebtedness is analysed in the following table. See the explanatory notes to the consolidated financial statements for further information.

(million euro)	**31.12.2009**	**31.12.2008**
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 July 2006, applying the CESR recommendations dated 10 February 2005.

Capital investment and research and development activities

Net investment during the year amounted to 61 million euro (139 million euro), of which 39 million euro for property, plant and equipment (109 million euro) and 22 million euro for intangible assets (30 million euro).
The principal capital investment during the year related to the development of new product lines, including the Indesit *Prime* and the Scholtès *S*^{3}, the expansion of the Kazinka warehouse in Russia, the completion of two new Laundry and Dishwashing factories in the Radomsko area of Poland, the completion of the platform for 70 cm refrigerators installed at the Manisa factory in Turkey and, lastly, the construction of the platform for the Aqualtis Tumble Dryer range in the UK.

The development costs capitalised, 13 million euro (10 million euro), principally related to the creation of *Experience*, a new line of Hotpoint-Ariston ovens; the *Prime* line of Indesit washing machines; a new platform for washing machines at the Comunanza factory; a new platform for dishwashers at the Radomsko factory; the *Prime* line of Indesit refrigerators, and the *Big Cavity* 60x60 refrigerator in the built-in sector.

Financial results of Indesit Company S.p.A.

The schedules presented and discussed below are based on the Parent Company's separate financial statements at 31 December 2009, to which reference is made, prepared under the IFRS issued by the International Accounting Standards Board ("IASB") and endorsed by the European Union, and in accordance with the regulations implementing art. 9 of Legislative Decree no. 38/2005.

Financial performance

Indesit Company S.p.A. plays a dual role as an operating company that supplies goods and services to its local market (Italy) and other Group companies, and as holding company. Accordingly, the results of the Company do not reflect the financial performance of the Group as a whole, or the performance of the market (Italy) in which the Company operates.

The Parent Company's income statement for 2009 reports a profit of 37.4 million euro (62.6 million euro), down 25.2 million euro.

These results are analysed below:

(million euro)	**31.12.2009**	**31.12.2008**	**Change**	
			€m	**%**
Revenue	1,306.1	1,578.8	(272.7)	-17.3%
Gross operating profit (EBITDA)	72.8	68.2	4.6	6.7%
Operating profit (EBIT)	5.4	5.0	0.4	8.7%
Operating profit %	0.4%	0.3%		0.1 p.p.
Dividends	56.4	122.0	(65.6)	-53.8%
Profit before taxation	44.1	68.2	(24.1)	-35.3%
Profit for the year	37.4	62.6	(25.2)	-40.3%
Gross of non-recurring items				
Non recurring items	(23.0)	(1.6)	(21.4)	1.337.5%
Gross operating profit before non-recurring items (EBITDA)	95.8	69.8	26.0	37.3%
Operating profit before non-recurring items (EBIT)	28.4	6.6	21.8	331.3%
Operating profit before non-recurring items %	2.2%	0.4%		1.8 p.p.

- **Revenue** fell in 2009 by 17.3%. In particular, there was a 9.0% reduction in revenue from third parties and a 22.3% decrease in intercompany revenue.

- The **gross operating profit** (EBITDA[8]) amounted to 72.8 million euro (68.2 million euro) in 2009, representing 5.6% (4.3%) of revenue. Net non-recurring charges amounted to 23.0 million euro (1.6 million euro). They mainly comprise restructuring costs incurred at the None factory in Italy and provisions for disputes, net of non-recurring income deriving from the relief of social security contributions in earthquake-hit areas: further information is provided in the explanatory notes. EBITDA before non-recurring items was 95.8 million euro (69.8 million euro), representing 7.3% (4.4%) of revenue. The rise in EBITDA was mainly due to the reduction in corporate costs, the containment of consultancy and advertising costs, and a decrease in raw material costs, including those for plastics and components for the Italian factories, by about 3.5%.

8. EBITDA: operating profit reported in the income statement, stated gross of depreciation, amortisation and impairment.

- **Operating profit** (EBIT[9]) was 5.4 million euro (5.0 million euro), representing 0.4% of revenue (0.3%).

- **Net financial income** was 38.7 million euro (63.2 million euro). The change mainly reflects a decrease in dividends received to 56.4 million euro (122.0 million euro). This caption also includes net exchange gains of 15.0 million euro (losses of 35.0 million euro). Impairment losses of investments in subsidiaries amounted to 2.0 million euro (19.0 million euro).

- **Profit before taxation** (PBT) was 44.1 million euro (68.2 million euro), representing 3.4% (4.3%) of revenue; the tax charge was 6.7 million euro (5.6 million euro) and, accordingly, profit for the year amounted to 37.4 million euro (62.6 million euro).

Cash flows[10]

(million euro)	**31.12.2009**	**31.12.2008**
EBITDA	72.8	68.2
Change in NWC	140.0	(152.3)
Other operating flow	10.0	(69.6)
Operating cash flow	**222.8**	**(153.6)**
Investment net of proceeds from the disposal of property, plant and equipment and intangible assets	(34.5)	(61.1)
Investment net of proceeds from the disposal of financial assets	90.5	-
Dividend received/paid and share capital increases	59.4	60.3
Free cash flow	**338.1**	**(154.4)**

The **cash flow from operating activities** was much better than in 2008, generating 222.8 million euro (absorption of 153.6 million euro).
This improvement was mainly due to changes in all components of net working capital. Trade receivables and trade payables declined due to the lower volume of sales and purchasing.
Consistent with Group policy, inventory levels were also lower as a result, in particular, of a greater decline in the volume of production than in the volume of sales.
Again in line with Group policy, capital investment was significantly lower at 34.5 million euro (61.1 million euro).
Investment net of proceeds from the disposal of financial assets mainly reflects the repayment of capital by a subsidiary.
Dividend received/paid and capital increases reflect the dividends collected during the year.
The **free cash flow[11]** was positive by 338.1 million euro (negative by 154.4 million euro), resulting in a decrease in net borrowing by the same amount.

9. EBIT: operating profit reported in the separate income statement.
10. The change in net working capital reported in the above cash flow statement includes the decrease in trade payables incurred for investment purposes, 14.1 million euro (0.9 million euro), which is classified as part of the Cash flows from investing activities in the Consolidated cash flow statement. This latter statement therefore reports different amounts for the cash flows from operating activities and from investing activities.
11. Free cash flow: cash flow from operating activities and investing activities, net of dividends collected/paid, the cash flow hedge reserve and capital increases.

Financial position

The Financial position of the Parent Company is summarised in the following table:

(million euro)	31-December-09	31-December-08
Trade receivables	542.7	688.6
Inventories	112.7	187.7
Trade payables	(433.3)	(514.2)
Net working capital	**222.1**	**362.1**
Non-current operating assets	688.2	838.8
Other current assets and liabilities and non-current liabilities	(153.0)	(145.7)
Net invested capital	**757.3**	**1,055.2**
Net financial indebtedness	288.3	626.4
Equity	469.0	428.7
Equity and financial liabilities	**757.3**	**1,055.2**
NWC / Revenue (12 months)	**17.0%**	**22.9%**
Net financial indebtedness/Equity	**0.6**	**1.5**

Net financial indebtedness amounts to 288.3 million euro (626.4 million euro), down 338.1 million euro.
Equity amounts to 469.0 million euro (428.7 million euro), up 40.3 million euro. This increase mainly reflects the allocation of the profit for the year of 37.4 million euro and the increase in the cash flow hedging reserve by 2.9 million euro.

Reconciliation with the shareholders' equity and net profit for the year of the Parent Company

In accordance with Consob regulations[12], the shareholders' equity and net profit for the year of the Parent Company are reconciled below with the related consolidated amounts.

(million euro)	31.12.2009		31.12.2008	
	Profit (Loss)	Equity	Profit (Loss)	Equity
Financial statements of Parent Company	**37.4**	**469.0**	**62.6**	**428.7**
Consolidation adjustements				
Difference between carryng amount and equity of Group companies	54.4	4.1	123.0	(4.4)
Dividends received from subsidiaries	(56.5)	0.0	(132.7)	-
Effect of aligning separate financial statements with Group	(0.3)	1.8	2.7	2.4
Elimination of intercompany profits	0.8	(12.7)	(1.2)	(13.3)
Tax effect	(0.8)	5.4	1.0	6.2
Other effects	(0.4)	(1.0)	0.1	0.2
Total consolidation adjustments	**(2.9)**	**(2.5)**	**(7.0)**	**(8.7)**
Consolidated financial statements	**34.5**	**466.6**	**55.5**	**420.0**

Source: consolidated financial statements restatement (D.Cafiero)

12. Consob Communication no. DEM/6064293 dated 28 July 2006.

Corporate governance and ownership structure

The system of corporate governance adopted by Indesit Company S.p.A. is essentially consistent with the principles established in the Code of Conduct for Listed Companies (hereafter, the “Code”) and with international best practice. On 25 March 2010, the Board of Directors approved the Report on corporate governance and the ownership structure for 2009, which describes the governance model adopted by the Company, reports on the implementation of the Code and provides the information required by art. 123 bis of Legislative Decree no. 58/1998 (Consolidated Finance Law). This Report is published on the Company’s website in the “Company” section, sub-section “Governance”[13]. Reference is made to this report for the disclosures required by law.

Indesit Company S.p.A. has adopted the ordinary model of administration and control (envisaged under Italian law), with the presence of a Shareholders’ Meeting, a Board of Directors, a Board of Statutory Auditors and Independent Auditors. Company bodies are appointed at the Shareholders’ Meeting and remain in office for a period of three years. The significant presence of Independent Directors, as defined in the Code, and the important role they play on both the Board and Board Committees (Human Resources Committee, Internal Control Committee and Innovation and Technology Committee), ensures that the interests of all shareholders are appropriately balanced and guarantees a high level of discussion at Board meetings.

Intercompany and related-party transactions, and significant, atypical or unusual transactions

Transactions between Group companies are settled on arms’-length terms, having regard for the quality of the goods and services provided. Note 10 to the consolidated financial statements describes the nature of the principal transactions arranged by the Parent and other Group companies with related parties. This note also contains the detailed information required by Consob regulations and IAS 24. In accordance with Consob regulations[14], Attachments 3 and 4 to the consolidated financial statements and Attachments 2 and 3 to the separate financial statements present the income statement with separate indication of non-recurring items and transactions with related parties, together with the related percentage incidence, and the balance sheet with separate indication of transactions with related parties and the related percentage incidence.
Transactions with related parties are not significant to the financial position of the Group. There were no atypical or unusual transactions during 2009.
Further information on the procedures adopted by the Group with regard to significant and related-party transactions can be found in the Report on corporate governance and the ownership structure for 2009 of Indesit Company S.p.A. approved by the Board of Directors on 25 March 2010.

Information on the investments held by directors, statutory auditors, general managers and managers with strategic responsibilities, and on the remuneration paid to directors, statutory auditors, general managers and managers with strategic responsibilities, is presented in Attachments 5 and 6 to the consolidated financial statements.

13. At the address www.indesitcompany.com/inst/en/vision/corporate_governance/cGHome.action.
14. Consob Resolution no. 15519 dated 27 July 2006 and Consob Communication no. DEM/6064293 dated 28 July 2006.

Information on company bodies

Members of company bodies are listed below:

Company bodies

Board of Directors

Chairman	Vittorio Merloni
Deputy Chairman	Andrea Merloni
Chief Executive Officer	Marco Milani
Directors	Bruno Busacca
	Innocenzo Cipolletta
	Adriano De Maio
	Luca Garavoglia
	Mario Greco
	Hugh Malim
	Emma Marcegaglia
	Antonella Merloni
	Maria Paola Merloni
	Paolo Monferino

Board of Statutory Auditors

Chairman	Angelo Casò
Auditors	Andrea Amaduzzi
	Luigi Biscozzi
Alternate Auditors	Francesco Nobili
	Serenella Rossano

Uman Resourse Committee

	Mario Greco (Chairman)
	Maria Paola Merloni
	Paolo Monferino

Internal Control Committee

	Hugh Malim (Chairman)
	Innocenzo Cipolletta
	Antonella Merloni

Innovation and Technology Committee

Members who are directors	Adriano De Maio (Chairman)
	Andrea Merloni
	Marco Milani
	Luca Garavoglia
	Paolo Monferino
Members who are not directors	Francesco Trovato
	Adriano Mencarini
	Massimo Rosini

Representative of savings shareholders

Adriano Gandola

Independent Auditors

KPMG S.p.A.

Manager charged with preparing the Company's financial report

Andrea Crenna

The Shareholders' Meeting held on 3 May 2007 authorised total remuneration of 920,000 euro for the Board of Directors of Indesit Company S.p.A. (plus the reimbursement of documented expenses and insurance cover). The Board of Directors resolved to allocate this amount in the form of attendance fees of 10 thousand euro for each board meeting. Members of the Internal Control and Human Resources committees receive annual remuneration of 20 thousand euro, while the committee chairmen each receive 25 thousand euro. Each director receives 5 thousand euro for attending each meeting of the Innovation and Technology Committee.
The Chairman, the Deputy Chairman and the Chief Executive Officer also benefit from remuneration for their duties performed pursuant to art. 2389.3 of the Italian Civil Code.
The remuneration of the Board of Statutory Auditors totals 140 thousand euro (plus the reimbursement of expenses), of which 60 thousand euro for the chairman and 40 thousand euro for each of the serving auditors.
Further information is available in the Attachments to the Consolidated Financial Statements and in the Report on corporate governance and the ownership structure for 2009.

Stock option plans

No new plans were authorised during 2009 and no stock options were granted. The stock option plans are described in the explanatory notes to the consolidated financial statements, which discuss the plans and provide the information required by law and the relevant Consob communications.

Treasury shares and shares of the Parent Company

Indesit Company S.p.A. did not purchase or sell any treasury shares or shares of the Parent Company during the year, whether directly or via third parties. Information on the treasury shares held by the Parent Company is provided in the explanatory notes to the separate financial statements.

Information about significant non-EU companies

Indesit Company S.p.A. controls, directly or indirectly, 4 companies formed and governed by the laws of countries that are not members of the European Union ("Significant non-EU Companies", as defined by Consob[15]).
With regard to these companies:
- all significant non-EU companies prepare accounts for the purpose of preparing the consolidated financial statements; the balance sheet and income statement of such companies are made available to the shareholders of Indesit Company S.p.A. on the basis and with the timing envisaged in the related regulations;
- Indesit has obtained the articles of association and information about the membership and powers of the governing bodies of the significant non-EU companies;
- the significant non-EU companies:
  1. provide the Parent Company's audit company firm with the information needed in order to audit the annual and interim financial statements of the Parent Company;
  2. apply an administrative-accounting system capable of providing the regular financial information needed by Indesit's management and auditors in order to prepare the consolidated financial statements.

In order to comply with its obligations under current regulations, the control body of Indesit Company S.p.A. has checked that these administrative-accounting systems are capable of providing the regular financial information needed by management and the auditors of Indesit Company S.p.A. for preparation of the consolidated financial statements, and that such information flows do actually occur, by meetings both with that company's auditors and with the management and local auditors of the significant non-EU companies.

15. Decision no. 16191 dated 29 October 2007 and subsequent amendments, in relation to the listing of non-EU subsidiaries parent companies.

Environment, personnel and sector regulations

The Group's exposure to risks deriving from the application of environmental and employment regulations is monitored, and any situations arising in the course of operations are dealt with in compliance with the regulations adhered to by Indesit Company.
On the personnel front, Indesit Company safeguards the health and safety of its employees in compliance with the regulations in force in each country and the ILO (*International Labour Organization*) guidelines on health and safety at work.
During 2009, as part of action taken to tackle the international crisis, temporary shut-down and lay-off plans were implemented on a rotating basis at the Group's factories together with the limited lay-off of clerical workers, also on a rotating basis.
The "Security Planning Document" required by Legislative Decree no. 196 dated 30 June 2003 (Privacy Code) has been updated at the date of this report.
In terms of environmental policy, Indesit Company supports actions and projects that respect the environment and meet the requirements of stakeholders. Respect for and compliance with environmental regulations are monitored and evaluated periodically, considering also the principles of proper environmental policy based on sustainable development and respect for the environment as strategic success factors in the competitive arena.
The regulations on product responsibility include the WEEE (*Waste Electrical end Electronic Equipment*) Directive which makes manufacturers responsible at a European level for the recovery and disposal of waste products. The Directive imposes collective responsibility for products put on the market prior to 13 August 2005 and individual responsibility for products sold after that date. At this time, certain EU countries have established transition periods during which these regulations will not be effective.

Performance of subsidiaries

All the subsidiaries of Indesit Company S.p.A. operate in the production and sale of household appliances or, in any case, carry out related activities. Indesit Company manages its subsidiaries (listed in Attachments 1 and 2 to the explanatory notes) with reference to their geographical area of activity. Consequently, reference is made to the information on operating segments contained in the explanatory notes to the consolidated financial statements for further details about the geographical areas and, in general, to the information provided in the consolidated financial statements about the principal events involving subsidiaries.

Management and coordination activities

Indesit Company S.p.A. is not subject to management or coordination by other companies or bodies, and determines its general and operational strategic guidelines on a fully autonomous basis. Pursuant to art. 2497 bis of the Italian Civil Code, all direct and indirect Italian subsidiaries, with certain exceptions, have identified Indesit Company S.p.A. as the party that carries out management and coordination activities in their regard. This activity consists in communicating the Group's general and operational strategic guidelines and involves determining and improving the system of internal control, the model of corporate governance and the corporate structure, issuing a Code of Conduct adopted at Group level, and preparing general policies for the management of human and financial resources, the procurement of factors of production, and marketing and communications. Although subsidiaries maintain their operational and managerial autonomy, the above contribution enables them to achieve economies of scale via recourse to professional skills and specialist services of ever-increasing quality, so that they can concentrate their resources on the management of their core businesses.

Significant events during the year and subsequent to year-end

Other than the events mentioned in the section on "Reorganisation of activities", there were no additional significant events or transactions during 2009 or subsequent to year-end.

Principal risks and uncertainties faced by the Group and the Parent Company

The operations of the Indesit Group are exposed to a series of operating and financial risks. The principal among these are described below.
Indesit Company S.p.A., as the Parent Company, is essentially exposed – directly or indirectly – to the same risks and uncertainties that are described below in relation to the Group.

Operating risks

1. **Demand:** Indesit monitors constantly the demand for household appliances, in part by reference to the market analyses and forecasts prepared by leading research institutions. The deterioration of the macroeconomic situation may result in significantly lower demand. In addition to lower sales and profits, contraction in demand often lowers the level of plant saturation which, at least in the short term, may have further adverse effects on profitability, the level of finished product inventories and borrowing.
2. **Price competition:** the household appliances sector, still highly fragmented in Europe, may be affected at particular moments in the economic cycle by strong price competition designed to capture market share or, in the short term, to boost the volume of sales and therefore production. Price pressures result in lower profit margins.
3. **Exposure to raw material and component prices:** the Group is exposed directly and indirectly (via the purchase of components) to the risk of increases in the price of raw materials: principally steel, plastics, copper, nickel and aluminium. The high level of competition and fragmentation within the sector frequently makes it difficult to pass on in full, in the form of higher selling prices, sudden and/or significant increases in the cost of raw materials. In 2009, the Group's costs for the consumption of raw materials, components and consumables totalled 1,367 million euro, including 179 million euro for steel, 164 million euro for plastics, 920 million euro for components and outsourced production, and 104 million euro for other materials. With regard to the purchase of steel, Group policy is to sign annual contracts at fixed prices for the materials requirement envisaged in the budget. The contracts signed for the purchase of steel in 2010 cover more than 90% of the expected requirement; furthermore, those signed for the purchase of motors, compressors, components, plastics and outsourced work exceed 80% of the total requirement. With reference to plastics, the cost of which is correlated with the oil price, the Group signs fixed-price contracts for about 50% of its requirement, while prices for the remaining 50% are indexed to sector parameters.
4. **Other operating risks:** this category comprises the risks typically faced by the durable goods sector: risk of product obsolescence, risks associated with the warranties given on products sold, risks associated with the disposal of waste electrical and electronic products. These risks are managed and measured by the Group and their coverage is reflected in the consolidated financial statements captions relating to inventories (provisions for obsolescence) and the provisions for risks and charges (provisions for product warranties and for the disposal of waste products). See the explanatory notes to the consolidated financial statements for further information about the provisions and impairment losses recorded in 2009. The deterioration of the general economic situation may heighten the impact of a number of these risks (e.g. product obsolescence).

5. **Presence in international markets, emerging countries and exposure to changing conditions:** a significant part of the Group's manufacturing activities and sales takes place outside of Italy and the Group expects that a growing proportion of its revenue will be generated by sales made in countries other than Italy and, more in general, outside of the European Union. The Group is exposed to the risks inherent in operating on a global scale, including:
   a. exposure to local economic and political conditions;
   b. the implementation of policies that restrict imports and/or exports;
   c. exposure to multiple tax regimes, especially with regard to transfer pricing and the application of withholdings or other taxes on remittances and other payments to or by subsidiaries;
   d. the introduction of policies that limit or restrict foreign investment and/or trade, as well as exchange control policies and related restrictions on the repatriation of capital;
   e. the introduction of more restrictive laws or regulations.

   Unfavourable developments in these areas (which might differ depending on the countries in which the Group operates) might have an adverse effect on the prospects for and activities of the Group, as well as on its results and financial position.

   In addition, the Group operates in various emerging countries (such as Argentina, Turkey, China and Russia). Unfavourable economic or political developments in these areas, including an economic crisis or political instability, might have an adverse effect on the prospects for and activities of the Group, as well as on its results and financial position.

Financial risks

The principal financial risks faced by the Group are: liquidity risk; market risk (currency risk, interest rate risk, commodity price risk); credit risk. Except for credit risk, financial risks are managed in accordance with the Treasury Policy approved by the Board of Directors.

1. **Liquidity risk:** the Group defines liquidity risk as the risk that a Group company, or the Group as a whole, may be unable to meet its obligations on a timely basis. The containment of this risk is pursued via action to guarantee a balanced capital structure, diversification of the sources of finance, the spreading of debt maturities over a broad time horizon, the maintenance of undrawn committed lines of credit, and defined limits for maturities and counterpart credit in the management of liquidity. The Group believes that the lines of credit and investments available at 31 December 2009 are sufficient to cover the requirements arising from operations, capital expenditure and the repayment of borrowing upon maturity.
2. **Currency risk:** the Group's financial results and equity are influenced by changes in the rates of exchange for foreign currencies (especially the British pound, the Russian rouble, the Polish zloty and the Turkish lira). The Group identifies three types of risk: economic risk, transaction risk and translation risk; currency risk is managed in accordance with the guidelines established in the Treasury Policy which forbids, inter alia, the acceptance of risk positions that are not strictly correlated with the Group's operating activities;
3. **Interest rate risk:** the risk that adverse movements in the interest-rate curve might have an adverse effect on the cost of borrowing. This risk is managed in accordance with the guidelines established in the Treasury Policy. As a policy, the Group prefers to borrow at floating rates, limiting the conversion from floating rate to fixed rate within the notional, maturity and market limits defined in the policy.
4. **Credit risk:** this represents the Group's exposure to potential losses deriving from the failure of financial and commercial counterparts to meet their obligations. The guidelines for the management of counterpart risk in relation to financial applications of funds are set out in the Treasury Policy. In addition to the assessments made and limits imposed by the credit controllers, the credit risk regarding commercial counterparties is also mitigated by the use of such instruments as letters of credit and insurance policies. Additionally, it is Group policy to write off all receivables that are past due by more than 180 days, unless backed by some form of security.

Further details about the management of financial risks are provided in note 9 to the consolidated financial statements.

Forecast for operations

Forecasts for the growth of GDP in the principal geographical areas of Group operations during 2010 reflect expectations of a weak upturn in the economic cycle: Euro area (+1.3%), the UK (+1.3%) and Russia (+3.6%)[16].

Market demand for white goods is expected to be stable overall. In the absence of destocking by the distribution, after intense activity which occurred during 2009, we expected that even in the absence of the rise of the demand of retailer, the demand from distributors to producers ("Industry Shipment ") could register a moderate growth (2% -3%).

Prices are also expected stable in the absence of further major currency depreciation and/or more substantial market growth.

Therefore the market, after a year of contraction, can likely expected a year of revenue growth.

With reference to the costs of production, the purchasing and hedging policies already implemented by the Group in financial year end 2009, and also valid throughout the course of 2010, support the view that an expected increase in the volatility of the prices and of raw materials will have a limited impact on year results. Positive results are expected from production costs that should benefit from greater production volumes, efficiencies resulting from our normal business product / process, reorganization of activities made in 2009 whose benefits will be realized from next year.

We also expect another year of positive results for the quality of our products and, therefore, the results of the Service.

The guidelines for Group activity during 2010 will focus more on growth and further consolidation of the financial position.

In particular, the guidelines envisage:

- focus on the built-in segment and on the Hotpoint-Ariston brand, as areas in which significant improvements should be possible in terms of market share, revenue and profitability;
- a new strategy for markets in Eastern Europe, designed to increase market share in certain countries and recover profitability levels, partly by redefining the Group's presence in the more minor markets;
- a return to levels of investment, above all in new products, in line with those seen prior to the crisis;
- the relaunch of advertising investment in the principal markets.

Uncertainties and risk do however remain, as discussed below, which could influence the Group's performance in the coming year.

1. **Market demand and competitive pressures in Russia.** Despite an absence of official data for early 2010, distributor demand for household appliances is not yet thought to have recovered from last year, which ended with a contraction of 32%. Competitive pressures in the local market are high: in-country productive capacity is thought to be sufficient to meet the levels of demand seen prior to the crisis and, therefore, is greater than currently required. Accordingly, price pressures have been applied as a short-term strategy to boost volume by the principal competitors of Indesit which, in the last part of the year, suffered a loss of market share. In the absence of a significant recovery in demand, it is possible that these pressures may continue. Indesit's priority objective is to maintain leadership of the Russian market and, accordingly, the Group intends to react to these competitive pressures by all available means. As such, local production will be increased in this market; a new trading company will become operational in May, in order to make Indesit's entire range available locally; advertising investment will be increased and, if necessary, certain products will be repositioned.

16. International Monetary Fund forecasts from the *World Economic Outlook Update* January 2010.

2. **Market demand in certain countries of Eastern Europe.** Essentially similar considerations to those just described in relation to Russia also apply to many East European countries, including Romania, Poland, Bulgaria and the Ukraine, where demand has contracted by more than 30%. The fourth quarter was better than earlier periods in some of these markets, but still very poor, and, as in Russia, the recovery still seems to be a long way off.
3. **Exchange rates against the British pound ("GBP") and the Polish zloty ("PLN").** Work to redistribute production (reduction of output in Western Europe and increase in output in Poland) has inevitably increased the Group's exposure to currency risk. In particular, the "long" position in GBP has increased, as has the "short" position in PLN. The Group is therefore penalised, holding all other conditions equal, by any depreciation of the GBP and any appreciation of the PLN. At 31 December 2009, the Group's positions in GBP and PLN are hedged. However part of the transaction risk remains unhedged, along with the translation risk in relation to any profits recognised in currencies other than the euro. The performance of the PLN appears to be of greatest concern, with significant appreciation against the euro in early 2010 that might be about to stabilise.

Given the above, it is not currently possible to estimate reliably revenue and profitability for 2010. In any event and despite the risk factors mentioned, management is confident that satisfactory results can be achieved.

Proposed allocation of profit for the year

Dear Shareholders,

the Company's separate financial statements at 31 December 2009 report a profit of Euro 37,369,163.60.

The Board of Directors therefore proposes a dividend of 0.13553 euro per ordinary share outstanding and 0.15353 euro per savings share outstanding.
At the date of this report, there are 113,640,684 ordinary shares outstanding. This number:

a) diverges from the number of shares at 31/12/2009 since, pursuant to the stock option plan in favour of the Group's executives and managers, 10,000 options were exercised in March 2010 with the resulting issue of the same number of ordinary shares;
b) might increase prior to the shareholders' meeting, pursuant to the same stock option plan, due to the possible exercise of 294,500 options granted to Group managers and junior managers, with the resulting issue of the same number of ordinary shares.

At the date of this report, the Company holds 11,039,750 ordinary shares. Pursuant to para. 2 of art. 2357-ter of the Italian Civil Code, the right to dividends of these shares is attributed proportionally to the other shares while they remain held by the Company. Accordingly, we propose that the dividend attributable to these treasury shares be divided between the ordinary shares and the non-convertible savings shares outstanding and, consequently, increase the dividend per ordinary share and per non-convertible savings share outstanding by 0.014471 euro.

The Board therefore recommends that a total unit dividend of 0.15 per ordinary share outstanding (excluding the treasury shares) and 0.168 euro per non-convertible savings share outstanding be paid.
The exact amount of the residual profit for proposed allocation to the extraordinary reserve will be specified during the shareholders' meeting.
The dividends will be payable from 20 May 2010 with detachment of the related coupons on 17 May 2010.
The Company is not required to allocate any profit to the legal reserve since such reserve already exceeds 1/5th of share capital.

The full text of the proposed resolution is set out in "agenda point 1 for the ordinary session" in the Report prepared by the Board of Directors for the Shareholders' Meeting (first calling, 28 April 2010 - second calling, 29 April 2010), to which reference is made.

Milan, 25 March 2010

For the Board of Directors
The Deputy Chairman
Andrea Merloni

Consolidated financial statements at 31 December 2009

Indesit Company

Consolidated income statement for the year ended 31 December 2009[1]

(million euro)	Note	31.12.2009	31.12.2008
Revenue	8.1	2,613.0	3,154.9
Cost of sales	8.2	(1,981.5)	(2,399.4)
Selling and distribution expenses	8.3	(415.7)	(503.5)
General and administrative expenses	8.4	(97.2)	(111.4)
Operating profit	**8.5**	**118.6**	**140.6**
Interest expenses	8.6	(30.3)	(41.5)
Interest income	8.6	1.6	12.5
Exchange rate differences and other net financial expenses	8.6	(23.1)	(16.7)
Share of profit (losses) of associates		-	-
Profit before tax		**66.8**	**94.9**
Income tax expenses	8.7	(33.3)	(38.9)
Profit for period		**33.5**	**56.0**
of which:			
Attributable to minority interests	8.8	1.0	(0.5)
Attributable to the Group		34.5	55.5
Basic earnings per share	8.19	0.33	0.54
Diluted earnings per share	8.19	0.33	0.54

Consolidated statement of comprehensive income for the year ended 31 December 2009

(million euro)		31.12.2009	31.12.2008
Profit (loss) for the year (A)		**33.5**	**56.0**
Gains/(Losses) on cash flow hedges	8.19	(2.1)	(1.3)
Gains/(Losses) on exchange rate differences on translating foreign operations	8.19	14.1	(159.3)
Total other comprehensive income/(losses), net of tax (B)		**12.0**	**(160.6)**
Total comprehensive income/(losses) (A+B)		**45.5**	**(104.7)**
of which:			
Attributable to minority interests	**8.20**	**(1.1)**	**0.8**
Attributable to the Group		**46.6**	**(105.4)**

1. Pursuant to Consob Resolution no. 15519 dated 27 July 2006, the effects of related-party and non-recurring transactions on the consolidated income statement are reported in Attachment 3 and in notes 10.3 and 8.5, respectively.

Consolidated balance sheet at 31 December 2009[2]

(million euro)	Note	31.12.2009	31.12.2008
Assets			
Property, plant and equipment	8.9	630.4	692.8
Goodwill and other intangible assets with an indefinite useful life	8.10	222.5	207.7
Other intangible assets with a finite life	8.11	109.0	123.9
Investments in associates	8.12	0.5	0.5
Other non-current assets	8.13	39.2	33.9
Deferred tax assets	8.14	70.8	54.6
Other non-current financial assets	8.21	1.4	9.3
Total non-current assets		**1,073.8**	**1,122.8**
Inventories	8.15	281.4	374.1
Trade receivables	8.16	391.5	459.0
Current financial assets	8.21	24.7	43.8
Tax receivables	8.17	22.8	44.1
Other receivables and current assets	8.18	64.4	63.6
Cash and cash equivalents	8.21	191.0	193.2
Total current assets		**975.9**	**1,177.7**
Total assets		**2,049.6**	**2,300.5**
Equity	**8.19**		
Share capital		92.8	92.8
Reserves		192.8	176.0
Retained earnings		146.6	95.8
Profit attributable to the Group		34.5	55.5
Equity attributable to the Group		**466.6**	**420.0**
Minority interests	8.20	1.5	2.5
Total equity		**468.1**	**422.6**
Liabilities			
Medium and long-term interest-bearing loans and borrowings	8.21.5	337.2	451.9
Employee benefits	8.22	62.2	66.3
Provisions for risks and charges	8.23	15.0	43.3
Deferred tax liabilities	8.24	39.8	46.0
Other non-current liabilities	8.25	37.9	42.3
Total non-current liabilities		**492.2**	**649.8**
Banks and other financial payables	8.21.3	170.1	268.2
Provisions for risks and charges	8.23	112.8	51.9
Trade payables	8.26	659.9	767.9
Tax payables	8.27	36.5	34.6
Other payables	8.28	110.0	105.5
Total current liabilities		**1,089.4**	**1,228.1**
Total liabilities		**1,581.5**	**1,878.0**
Total equity and liabilities		**2,049.6**	**2,300.5**

2. Pursuant to Consob Resolution no. 15519 dated 27 July 2006, the effects of related-party transactions on the consolidated balance sheet are reported in Attachment 4 and in note 10.3. The effects of non-recurring transactions on the balance sheet and financial position are described in note 8.5.

Consolidated cash flow statement for the year ended 31 December 2009[3]

(million euro)	Note	31.12.2009	31.12.2008
Total profit	8.30	33.5	56.0
Income taxes	8.30	33.3	38.9
Depreciation and amortisation	8.30	140.9	129.9
Other non-monetary income and expenses, net	8.31	64.7	30.7
Change in trade receivables	8.32	67.5	63.7
Change in inventories	8.32	92.6	(39.9)
Change in trade payables	8.32	(93.4)	(86.0)
Change in other assets and liabilities	8.33	(2.9)	(65.8)
Taxes paid	8.30	(45.7)	(50.9)
Interest paid	8.31	(35.1)	(42.1)
Interest received	8.31	3.2	11.7
Cash flows from operating activities		**258.6**	**46.4**
Acquisition of property, plant and equipment	8.34	(60.1)	(114.4)
Proceeds from sale of property, plant and equipment	8.34	7.3	7.6
Acquisition of intangible assets	8.35	(22.4)	(30.6)
Proceeds from sale of non-current financial assets		-	0.7
Cash flows from (used in) investing activities		**(75.1)**	**(136.6)**
Dividends paid	8.36	(0.0)	(52.5)
New medium/long-term payables	8.37	-	200.2
Repayment of borrowing for acquisition of GDAH		-	(40.9)
Other repayments of medium/long-term financial payables	8.38	(58.5)	(30.0)
Change in current financial payables	8.39	(127.2)	20.0
Cash flows from (used in) financing activities		**(185.8)**	**96.8**
Net cash flows		**(2.2)**	**6.6**
Cash and cash equivalents, start of year	8.21.2	193.2	186.5
Cash and cash equivalents, end of year	8.21.2	191.0	193.2
Total change in cash and cash equivalents		**(2.2)**	**6.6**

3. Pursuant to Consob Resolution no. 15519 dated 27 July 2006, the financial effects of related-party transactions are reported in note 8.5. The financial effects of non-recurring transactions are also described in note 8.5.

Statement of changes in consolidated equity at 31 December 2009

(million euro) **Note 8.19**	**Opening balances**	**Other gains/losses, net of taxation**	**Profit for the period**	**Income (expenses) recog-nised directly in equity**	**Dividends paid**	**Allocation of profit of the year**	**Total effects of transactions with shareholders**	**Closing balances**
Statement of changes in consolidated equity for the year ended 31.12.2009								
Share capital	**92.8**	-	-	**-**	-	-	**-**	**92.8**
Share premium reserve	**35.8**	-	-	**-**	-	-	**-**	**35.8**
Legal reserve	**22.7**	-	-	**-**	-	-	**-**	**22.7**
Translation reserve	**(139.8)**	14.1	-	**14.1**	-	-	**-**	**(125.6)**
Other reserves	**257.2**	(2.1)	-	**(2.1)**	-	-	**-**	**255.2**
Retained earnings	**95.8**	-	-	**-**	(0.0)	55.5	**55.5**	**151.2**
Profit attributable to the Group	**55.5**	-	34.5	**34.5**	-	(55.5)	**(55.5)**	**34.5**
Equity attributable to the Group	**420.0**	12.1	34.5	**46.6**	(0.0)	0.0	**(0.0)**	**466.6**
Minority interests	**2.5**	(0.1)	(1.0)	**(1.1)**	-	-	**-**	**1.5**
Total equity	**422.6**	**12.0**	**33.5**	**45.5**	**(0.0)**	**0.0**	**(0.0)**	**468.1**
Statement of changes in consolidated equity for the year ended 31.12.2008								
Share capital	**92.8**	-	-	**-**	-	-	**-**	**92.8**
Share premium reserve	**35.8**	-	-	**-**	-	-	**-**	**35.8**
Legal reserve	**22.7**	-	-	**-**	-	-	**-**	**22.7**
Translation reserve	**19.8**	(159.6)	-	**(159.6)**	-	-	**-**	**(139.8)**
Other reserves	**258.5**	(1.3)	-	**(1.3)**	-	-	**-**	**257.2**
Retained earnings	**42.9**	-	-	**-**	(52.5)	105.4	**52.9**	**95.8**
Profit attributable to the Group	**105.4**	-	55.5	**55.5**	-	(105.4)	**(105.4)**	**55.5**
Equity attributable to the Group	**577.9**	(160.9)	55.5	**(105.4)**	(52.5)	(0.0)	**(52.5)**	**420.0**
Minority interests	**1.8**	0.3	0.5	**0.8**	-	-	**-**	**2.5**
Total equity	**579.6**	**(160.6)**	**56.0**	**(104.7)**	**(52.5)**	**(0.0)**	**(52.5)**	**422.6**

Explanatory notes to the consolidated financial statements at 31 December 2009

1. Group structure and activities

Indesit Company is a Group led by Indesit Company S.p.A., an Italian company based in Fabriano (Ancona, Italy), which is active in the production and sale of white goods, namely household appliances for the cooking sector (cookers, ovens and hobs), the refrigeration sector (refrigerators and freezers), the washing sector (washing machines, dryers, combined washer-dryers and dishwashers).
The Group operates mainly in Europe with 16 factories.
The Group's operating segments, as defined in IFRS 8 – *Operating Segments*, comprise the geographical areas which generate revenue and costs that are periodically reviewed by the chief operating decision maker in order to evaluate performance and decide on the allocation of resources, and for which separate financial information is available.
The household appliances sector is highly seasonal, which affects all the main economic and financial parameters.
Disclosure by business segment required by IFRS 8 is provided in note 7.

2. Approval of the consolidated financial statements at 31 December 2009

The consolidated financial statements at 31 December 2009 were approved by the Board of Directors on 25 March 2010; they are subject to audit and will be presented to the Annual Shareholders' Meeting.

3. Significant subsequent events

There have not been any significant subsequent events.

4. Statement of compliance with IFRS and basis of presentation

The consolidated financial statements of the Indesit Company Group have been prepared in accordance with the International Financial Reporting Standards - IFRS (IFRS or IAS) issued by the *International Accounting Standards Board* (IASB) as interpreted by the *International Financial Reporting Interpretations Committee* (IFRIC) and endorsed by the European Union.
The consolidated financial statements at 31 December 2009 have also been prepared in accordance with Consob's instructions regarding the format of financial statements, in application of art. 9 of Decree no. 38/2005 and other Consob regulations and instructions concerning financial statements.
The consolidated financial statements at 31 December 2009 are presented on a comparative basis and comprise the consolidated balance sheet, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated cash flow statement, the statement of changes in consolidated equity and these explanatory notes.
The income statement format adopted by the Group classifies costs by function, which is deemed to be more meaningful than a classification by nature, since it reflects the format of internal reporting and is consistent with international practice in the household appliances sector. In addition, as required by the revised version of IAS 1 – *Presentation of financial statements*, the Consolidated statement of comprehensive income is presented for the first time. This statement comprises the various components forming the results for the year, together with the income and expenses deriving from transactions not carried out with shareholders that were recognised directly in equity. The transactions carried out with shareholders are presented in the statement of changes in equity, together with the comprehensive income.
The presentation of the balance sheet distinguishes between current and non-current assets and liabilities.
The cash flow statement has been presented using the indirect method.

With regard to the Parent Company's separate financial statements, in application of Consob regulations[1], Indesit Company S.p.A. prepares the income statement in the format which classifies expenditure by nature. This format is deemed to be the most appropriate given the dual role of the Parent Company, both as an operating company that supplies goods and services to other Group companies, and as the holding company for the equity investments held in them. In order to ensure consistency for the users of the financial statements, an attachment to the Parent Company's separate financial statements presents the income statement, classified by function, in the format and using the criteria adopted for the preparation of the consolidated income statement.

5. Accounting policies

5.1 Basis of preparation and accounting policies adopted

Basis of preparation

The currency of presentation of the consolidated financial statements is the euro, and the financial statement balances are stated in millions of euro (except where stated otherwise). The consolidated financial statements are prepared on an historical cost basis, except for derivative financial instruments, financial assets held for sale and financial instruments classified as available for sale, which are stated at their fair value, as applicable to going concerns. Given signs of an improvement in demand and the results achieved in terms of strengthening its financial position, the Group has determined that there are no uncertainties about business continuity.
The accounting policies are applied on a consistent basis by all Group companies. There are no financial assets held to maturity. Financial transactions are recorded with reference to the trade date.
The accounting policies adopted for the preparation of the consolidated financial statements at 31 December 2009 have also been applied on a consistent basis to all the comparative financial information.

Accounting estimates

The preparation of consolidated financial statements involves making assumptions and estimates that affect the value of assets and liabilities and the related disclosure, as well as the value of contingent assets and liabilities at the reference date. These estimates are used to measure the property, plant and equipment and intangible assets subject to impairment, as well as to recognise provisions for doubtful accounts, inventory obsolescence, depreciation and amortisation and the impairment on assets, employee benefits, taxation, and risks and charges. The estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances.
The difficult general economic situation has heightened the uncertainties inherent in the assumptions about future performance used to make certain estimates. The financial statement captions most affected by these uncertainties are the allowances for doubtful accounts, obsolescence and the recoverable amount of non-current assets. With regard to these captions, the continuation of the current economic and financial situation could worsen the financial condition of debtors, or increase the risk of product obsolescence, or reduce the forecast cash flows used for the impairment testing of non-current assets, with respect to the estimates included in these consolidated financial statements.
Estimates and assumptions are reviewed regularly and, if later estimates differ from those made initially, the effects – which obviously cannot be estimated or forecast at this time – are immediately reflected in the income statement. If the changes in estimate relate to both the current and future periods, their effects are reflected in the income statements for the periods concerned.
The principal measurement processes and the key assumptions used by management in applying the accounting policies in relation to the future are summarised below. These processes and assumptions may have a significant effect on the amounts reported in the consolidated financial statements, or may give rise to the risk of significant adjustments in the next accounting period to the carrying amount of assets and liabilities.

1. Consob Resolution no. 15519 dated 27 July 2006.

Allowance for doubtful accounts

The allowance for doubtful accounts reflects management's estimate of the losses that may be incurred on trade receivables. The estimate of the allowance for doubtful accounts is based on the losses expected by the Group, determined with reference to historical experience for similar receivables, current and historical past due amounts, losses incurred and collections, careful monitoring of credit quality, and projections concerning economic and market conditions. The prolonging and possible deterioration of the current economic and financial crisis could worsen the financial condition of the Group's debtors, with respect to the deterioration already contemplated when quantifying the provisions recorded in the financial statements.

Provision for inventory obsolescence

The provision for inventory obsolescence reflects management's estimate of the losses expected by the Group, determined with reference to historical experience and past and forecast market trends. The current economic and financial crisis could worsen market conditions with respect to the deterioration already contemplated when quantifying the provisions recorded in the financial statements.

Recoverable amount of non-current assets

Non-current assets comprise property, plant and equipment, intangible assets and other financial assets. Management reviews the carrying amounts of the non-current assets held and used, and of assets due to be retired, whenever events and circumstances require such review. This work is performed using the estimated cash flows expected from the use or sale of the assets concerned, applying suitable discount rates for the determination of present value. When the carrying amount of a non-current asset is impaired, the Group recognises for the difference between its carrying amount and the lower amount recoverable from its use or sale, as determined by reference to the most recent business plans.

Given the current difficult economic-financial conditions, the Group has considered the trends expected in 2010 for the purpose of preparing the consolidated financial statements at 31 December 2009 and, more specifically, when carrying out impairment testing on tangible and intangible assets. In addition, with regard to subsequent years, the Group has developed specific prudent forecasts for the performance of its businesses, which accordingly took account of the profound changes in economic, financial and market conditions caused by the current crisis. No requirement to make significant impairment adjustments emerged as a result of these forecasts.

Furthermore, even if the assumptions underlying such forecasts were to deteriorate with regard to the Group's property, plant and equipment and intangible assets with a finite useful life (essentially trademarks and development costs), management believes that such assets are in any case competitive in the current economic context. Accordingly, management believes it is highly likely that the useful lives of such assets may be extended, thus enabling the Group to earn sufficient income flows over the identified time horizon to cover the investment made.

Defined benefit plans

The Group maintains defined benefit plans for its employees. Management uses various statistical assumptions and measurement factors to anticipate future events and calculate the charges, liabilities and assets relating to such plans. The assumptions made relate to the discount rate, the expected yield on plan assets, the rate of future pay increases, and the trend in medical care costs. In addition, the Group's consulting actuaries consider such subjective factors as mortality and termination rates. With regard to discount rates, during 2009 the rate curves for high quality corporate securities did not display the high degree of volatility seen in 2008. However, it cannot be excluded that future significant changes in the returns from corporate securities might affect the defined benefit liability and the unrecognised actuarial gains/losses, taking account at the same time of any changes in the return on plan assets, where applicable.

Realisability of deferred tax assets

At 31 December 2009, the Group has deferred tax assets and theoretical tax benefits from the carry-forward of tax losses totalling 62.3 million euro, of which 46.1 million euro has not been recognised in the financial statements. The corresponding amounts at 31 December 2008 were 49.8 million euro and 44.2 million euro, respectively. Management has made this adjustment in order to reduce the value of deferred tax assets to reflect the amount that is likely to be recoverable. Determination of this adjustment took account of the budget and forecasts for future years consistent with those used for impairment testing purposes, as described in the earlier section on the recoverable amount of non-current assets. Management believes that the adjustments recorded fairly cover the risk of a deterioration in the assumptions underlying such forecasts, taking account of the fact that the net deferred tax assets recognised relate to temporary differences/tax losses which, to a significant extent, are recoverable over an extended period. This is compatible with a context in which the end of the crisis and an economic upturn are delayed beyond the time horizon used to make the above forecasts.

Contingent liabilities

The Group is party to legal and fiscal disputes relating to a wide range of issues that are subject to the jurisdictions of various countries. Given the uncertainties inherent in these issues, it is difficult to predict with certainty the outflows that may derive from such disputes. The court cases and disputes faced by the Group often derive from complex and difficult legal issues that are subject to varying degrees of uncertainty, depending on the facts and circumstances of each case, the jurisdiction and the different laws that are applicable. In the ordinary course of business, management consults with its legal advisers and experts on legal and fiscal matters. The Group recognises a liability in relation to such disputes when it is deemed likely that there will be a financial outflow, and when the amount of the consequent loss can be estimated on a reasonable basis. If a financial outflow is possible, but the amount cannot be determined, this fact is mentioned in the explanatory notes.

Basis of consolidation

Subsidiaries

Subsidiaries are entities over which Indesit Company S.p.A. exercises control by virtue of the power to govern, directly or indirectly, their financial and operating policies and to obtain benefits from their activities. In general, companies in which Indesit Company holds more than 50% of the voting rights, considering any potential voting rights that may be exercised at the time, are deemed to be subsidiaries. The financial statements of subsidiaries are consolidated on a line-by-line basis from the time that control commences until the date on which control ceases. Significant transactions between Group companies are eliminated in full. Unrealised gains and losses on transactions with subsidiaries are eliminated in full. The equity and results attributable to minority interests are determined with reference to their actual voting rights, without considering any potential voting rights. Any surplus arising on the elimination of investments against the carrying amount of the related equity at the time of initial consolidation is allocated as an increase in the carrying amount of the assets, liabilities and contingent liabilities concerned; any residual amounts are classified as goodwill. The reporting date of all Group companies is 31 December.

Dormant subsidiaries and those with an insignificant volume of business are not consolidated on a line-by-line basis, since they do not have a material effect on the financial position or the results of operations of the Group.

This list of companies consolidated on a line-by-line basis is presented in Attachment 1 to the explanatory notes to the consolidated financial statements.

Associates

Associates are those entities over which Indesit Company exercises significant influence, but does not control their financial and operating policies or obtain benefits from their activities. In general, companies in which Indesit Company holds directly or indirectly between 20% and 50% of the share capital or voting rights, considering any potential voting rights that may be exercised or converted, are deemed to be associates.

Associates are measured using the equity method from the time that significant influence commences over their operations until the date on which such influence ceases. If the Group's interest in the losses of an associates exceeds the carrying amount of the related investment, such carrying amount is written off and the additional losses are covered by a specific provision to the extent that Indesit Company is obliged to cover the losses of such company or, in any case, to fulfil obligations on its behalf. Unrealised gains and losses on transactions with associates are eliminated in proportion to the interest held.

Investments in other companies

Investments in other companies in which, in general, the Group holds less than 20% of the share capital or voting rights are initially measured at cost and subsequently adjusted to fair value through the income statement. Where fair value cannot be reliably determined, these investments are measured at cost as adjusted to reflect any impairment losses. Dividends are recognised as financial income when the right to collect them is established, which generally coincides with the shareholders' resolution.

Treatment of foreign currency transactions

Foreign currency transactions

All transactions are recorded in the functional currency of the primary economic environment in which each Group company operates. Transactions not carried out in the functional currency of Group companies are translated using the exchange rates ruling at the time of the related transactions. Monetary assets and liabilities are translated using the exchange rates ruling at the reporting date and any exchange rate differences are recognised in the income statement. Non-monetary assets and liabilities recorded at historical cost in foreign currencies are translated using the historical rates applying at the time of the related transactions. Non-monetary assets and liabilities measured at fair value in foreign currencies are translated using the exchange rates ruling at the time that their fair value was determined.

Translation of financial statements

The financial statements of companies whose functional currency differs from that used to prepare the consolidated financial statements (Euro) and which do not operated in hyper-inflationary economies, are translated as follows:

a) assets and liabilities, including the goodwill and fair-value adjustments deriving from the consolidation process, are translated using the reporting date exchange rates;
b) revenue and costs are translated using the average exchange rate for the period (weighted with reference to sales), which is deemed to approximate the rates applying on the dates when the individual transactions took place;
c) translation differences are recognised in a specific equity reserve.

On disposal of an economic entity that gave rise to translation differences, the related cumulative translation differences are reclassified from equity to the income statement. The cumulative translation differences were reclassified to other reserves on the first-time adoption of IFRS: accordingly, the gains and losses deriving from future disposals only include the translation differences arising from 1 January 2004 onwards.

Net investments in foreign operations

The exchange differences arising from the translation of net investments in functional currencies other than the euro, generally comprising intercompany loans, are taken to the translation reserve. Such differences are released to the income statement upon disposal.

Derivative financial instruments

If the conditions established in IAS 39 regarding the formal designation of derivative financial instruments as hedges are met and these instruments are shown to be highly effective, both ex ante when the transaction is arranged and ex post during subsequent accounting periods, then they are recorded on a hedge accounting basis, as described below.

Fair Value Hedges (hedges of assets and liabilities)

If a derivative financial instrument is designated to hedge the risk of changes in the fair value of a recognised asset or liability (the underlyings), the gain or loss from subsequent fair-value adjustments to the hedging instrument is recognised in the income statement together with the gain or loss deriving from the measurement of the related underlyings.

Cash Flow Hedges

If a derivative financial instrument is designated to hedge the risk of variability in the cash flows of a recognised asset or liability or a highly probable forecasted transaction, the effective part of gains or losses on such financial instrument is recognised in the cash flow reserve, within equity, while the ineffective portion (if any) is taken to the income statement. If the hedge of a forecasted transaction subsequently results in the recognition of a non-financial asset or liability, the cash flow reserve is removed from equity and included in the initial cost of such non-financial asset or liability. If the hedge of an expected transaction subsequently involves recognition of a financial asset or liability, the cash flow hedging reserve is released to the income statement in the period when the acquired asset or recognised liability has an effect on the income statement. In other cases, the cash flow hedging reserve is released to the income statement in a manner consistent with the hedged transaction i.e. when its economic effects are recognised. If a hedging instrument expires, is sold or is terminated early with respect to the timing of the hedged transaction and the latter is no longer expected to take place, the related cash flow hedging reserve is released immediately to the income statement. If, on the other hand, the hedged transaction is still expected to occur, the cumulative gain or loss remains in equity until the transaction takes place.

Hedge of a net investment in a foreign operation

If a derivative financial instrument is designated to hedge a net investment in a foreign operation, the gains or losses deriving from the related measurement at fair value are recognised directly in equity, to the extent that the hedge is deemed to be effective, while the ineffective portion (if any) is recognised in the income statement.

Financial instruments not covered by hedge accounting

If financial instruments do not meet the requirements for the application of hedge accounting, they are stated at fair value and the related effects are recognised directly in the income statement.

Property, plant and equipment

Owned assets

Property, plant and equipment are stated at purchase cost or, if self-constructed, at production cost, comprising the cost of materials, labour and a reasonable portion of overheads and related charges, less accumulated depreciation and impairment losses determined on the basis described below. If necessary and significant, the cost of property, plant and equipment includes an initial estimate of dismantling and removal costs. Ordinary maintenance expenses are charged to the income statement, while the costs of replacing certain parts of property, plant and equipment and extraordinary maintenance costs are capitalised when it is probable that they will generate measurable economic benefits in the future.

Any financing costs incurred on the acquisition or construction of capitalised assets that normally require time before they become available for use or for sale, are also capitalised and amortised over the useful life of the asset class concerned. All other financing costs are charged to the income statement for the year to which they relate.

Finance leases

Assets held under finance lease, for which Indesit Company acquires substantially all the risks and rewards incidental to ownership, are recognized as assets of the Group at amount equal to the fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The leased assets are depreciated over its useful lifetime and adjusted according the methods indicated below. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Depreciation

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Significant parts of plant and machinery with different useful lives are depreciated separately. Useful lives are monitored on a constant basis, having regard for changes in the intensity with which these assets are used. Any changes in the depreciation schedules are applied on a prospective basis.

Carrying amount is verified with reference to the estimated present value of expected future cash flows and adjusted, where necessary, every time events suggest that the carrying amount of property, plant and equipment may be impaired, or when there is a marked decrease in their market value, significant technological changes or evidence of significant obsolescence. The impairment losses is, reversed if the reasons for recognition cease to apply. Land, whether or not used for the construction of civil or industrial buildings, is not depreciated since it is deemed to have an indefinite useful life.

The useful lives of property, plant and equipment are grouped into the following categories:

Category	Useful lives
Buildings and temporary constructions	from 10 to 33 years
Plant and machinery	from 5 to 20 years
Industrial and commercial equipment	from 3 to 20 years
Other assets:	
- vehicles and internal transport	from 3 to 6 years
- furniture, IT and office machines	from 3 to 10 years

Intangible assets

Intangible assets are stated at cost, determined on the basis described for property, plant and equipment, when it is likely that the use of such assets will generate economic benefits and their cost can be determined reliably. Intangible assets with a finite useful life are amortised and stated net of both the related accumulated amortisation, provided on a straight-line basis over their estimated useful lives, having regard for the period during which they are expected to generate economic benefits, and any impairment losses. Intangible assets with an indefinite useful life, comprising certain brand names and goodwill, are not amortised but their recoverability is tested for impairment at least one each year. Subsequent expenditure on recognised intangible assets is capitalised only if it increases the future economic benefits embodied in the specific asset to which it relates; otherwise, it is charged to the income statement as incurred.

Any financing costs incurred on the acquisition or construction of capitalised assets that normally require time before they become available for use or for sale, are also capitalised and amortised over the useful life of the asset class concerned. All other financing costs are charged to the income statement for the year to which they relate.

Goodwill

Goodwill is an intangible asset with an indefinite life, deriving from a business combination recognised using the purchase method of accounting (adopted for all acquisitions made subsequent to 31 December 2002), and is recorded to reflect the positive difference between purchase cost and the value of the Group's equity interest at the time of acquisition, after having recorded all assets, liabilities and identifiable contingent liabilities attributable to both the Group and third parties at their full fair value.

Goodwill is tested with reference to the cash generating units that benefit from the synergies deriving from the acquisition. The expected cash flows are discounted at the cost of capital, having regard for the specific risks associated with the unit concerned. Impairment is recognised if the recoverable amount of the CGU, represented by the discounted cash flows, is less than the related carrying amount. Such impairment loss is deducted first from goodwill.

The gains and losses arising on the disposal of businesses or lines of business that were acquired with the payment of goodwill are determined taking into account the residual amount of such goodwill. Any impairment losses in goodwill charged to the income statement are not reversed even if the related reasons cease to apply.

Research and development expenses

Expenditure on research activities undertaken to acquire new knowledge is charged to the income statement as incurred. Expenditure on development activities incurred to create new products or improve existing products, or to develop and improve production processes, is capitalised if the innovations made result in technically feasible processes and commercially saleable products, on condition that there is an intention to complete the development project, sufficient resources are available for such completion, and the economic costs and benefits deriving from such innovations can be measured reliably. Capitalised expenditure includes both internal and external design costs (including payroll and materials) and the portion of general production costs reasonably attributable to the projects concerned. Capitalised development expenditure is treated as an intangible asset with a finite life and is amortised over the expected period of economic benefit, which is generally taken to be 5 years. Adjustments are recorded to reflect any impairment losses subsequent to initial recognition.

Other development expenditures are charged to the income statement in the year they are incurred.

Other intangible assets

Other intangible assets expected to generate measurable economic benefits are deemed to have a finite life and stated at cost. They are amortised on a straight-line basis over the period of expected economic benefit, which is deemed to be 10 years for the Cannon brand, and between 5 and 10 years for other assets. Adjustments are recorded to reflect any impairment losses subsequent to initial recognition.

Trade receivables

Trade receivables, generally due within one year, are stated at the fair value of the initial consideration, increased by the related transaction costs. Subsequently, they are stated at amortised cost, adjusted to reflect any impairment losses represented by the difference between carrying amount and the estimated future cash flows. If the impairment loss decreases in a later period, the loss previously recorded is partly or fully reversed and the carrying amount of the receivable is restored to an amount that does not exceed the amortised cost that would have been reported had the loss not been recognised.
Trade receivables sold with or without recourse for which the conditions established in IAS 39 for the derecognition of financial assets do not apply continue to be reported in the balance sheet, while receivables sold without recourse which satisfy all the conditions of IAS 39 for the derecognition of financial assets are eliminated from the financial statements at the time of disposal.

Other current and non-current financial assets

Held-to-maturity securities are initially measured at cost, increased by the transaction costs incurred to acquire these financial assets. Subsequently, they are measured at amortised cost using the effective interest method, net of any impairment loss.
Financial assets held for trading are classified as current assets and measured at fair value, with recognition of any gains or losses in the income statement.
Securities and other financial assets classified as available for sale are stated at their fair value. Gains and losses deriving from fair-value measurement are recognised directly in equity, except for impairment losses and exchange rate losses which are charged to the income statement. The deferred gains and losses recognised in equity are released to the income statement at the time of sale.
Receivables due after one year that do not earn interest or which earn interest at below market rates are discounted using market rates.
The interest earned on financial assets, determined using the effective interest method, is taken to the income statement. The fair value of financial assets held for trading and those available for sale is represented by their market price at the reporting date.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted-average cost basis and includes purchasing-related expenses, inclusive of indirect charges, and the costs of converting products and bringing them to their present location and condition. Net realisable value is determined with reference to market prices after deducting completion costs and selling expenses. Obsolete and slow-moving materials and finished products are written down to reflect their estimated realisable value.

Cash and cash equivalents

Cash and cash equivalents, recorded at nominal value, comprise cash on hand, bank and postal deposits and equivalent assets that can be liquidated in the very-short term (three months) and are not subject to significant fluctuations in value.

Impairment losses

At each reporting date, the carrying amounts of the Group's assets with an indefinite life, goodwill and intangible assets in progress are tested for impairment, on the basis described in the relevant paragraphs. With the exclusion of inventories and deferred tax assets and except as discussed in relation to property, plant and equipment, other assets are tested for impairment if events suggest that they may have incurred an impairment loss. If the test shows that the recognised assets or a cash-generating unit (CGU) have suffered an impairment loss, their recoverable amount is estimated and the excess amount is charged to the income statement. The impairment loss of a CGU is allocated first against the related goodwill, if any, and then against the other assets.
The recoverable amount of CGUs to which goodwill and intangible assets with an indefinite useful life have been allocated is verified by determining their value in use, being the present value of expected cash flows calculated using a rate that reflects the specific risks of the individual CGUs at the valuation date. In applying this method, management uses many assumptions including estimates for the future growth in sales, gross profit, operating costs, the growth rate for terminal values, capital investment, the changes in operating capital and the weighted-average cost of capital (discount rate), having regard for the specific risks associated with the asset or CGU. The expected cash flows used in the model are determined as part of the Group's budgeting and planning processes, and represent the best estimate of the amounts and the timing of future cash flows based on the Group's long-term plan, which is updated annually, revised by strategic management and approved by the Board of Directors of the Parent Company. The growth in sales in based on management's forecasts. The operating costs included in the expected cash flows are also determined with reference to management's estimates for the next five years, and

supported by the Group's production and product development plans. The amounts for capital investment and operating capital included in the expected cash flows are determined with reference to various factors, including the investment needed to support the expected levels of future growth and the Group's product development plans. The carrying amounts attributed to the CGUs are determined with reference to the consolidated balance sheet using direct allocation criteria, or indirect criteria if applicable.
The recoverable amount of investments in securities held to maturity and receivables recognised at amortised cost is represented by the present value of future cash flows, discounted using the effective interest rate determined at the time of initial recognition. The recoverable amount of other assets is represented by the greater of their net selling price or their value in use, determined by discounting estimated future cash flows using a market rate.
Any impairment losses on securities held to maturity and receivables stated at amortised cost are reversed if any subsequent increases in their recoverable amount can be determined on an objective basis.
If an impairment loss in respect of an individual asset cannot be determined, the Group identifies the loss in respect of the CGU to which it belongs.

Share capital

Share capital, including the portion represented by savings shares, is stated at nominal value. The repurchase of treasury shares, stated at cost including related charges, is recorded as a change in equity; the nominal value of treasury shares is classified as a reduction of share capital, while the difference between cost and nominal value is deducted from the equity reserves. Dividends to shareholders are recognised as a liability in the year in which they are declared.

Financial liabilities

Financial liabilities are initially recognised at their fair value, net of related charges, and subsequently measured at amortised cost using the effective interest method. The difference between amortised cost and repayment value is recorded in the income statement over the life of the liability in proportion to the related interest accrued. Where hedge accounting applies, the financial liabilities hedged by derivative instruments are measured on a basis consistent with the hedging instrument.

Trade payables and other payables

Trade payables and other payables due on normal commercial terms, generally within one year, are recorded at the fair value of the initial consideration, increased by the related transaction costs. Following initial recognition, they are stated at amortised cost and any differences are reflected in the income statement over the life of the liability using the effective interest method. Trade payables and other payables, generally due within one year, are not discounted.

Employee benefits

Obligations for contributions to defined contribution plans and similar benefits are charged to the income statement on an accruals basis. The net liability to employees under defined benefit plans, principally represented by severance indemnities in Italy and pension funds in UK, is recorded at the expected future value of the benefits to be received by employees and accrued by them in the current and prior years. These benefits are discounted and the resulting obligation is stated net of the fair value of any pension plan assets. The net obligation is determined separately for each plan using actuarial assumptions and is calculated each year, or more frequently, with the support of an independent actuary using the projected unit credit method. The benefits are discounted using the rate for a bond with an AA rating and a maturity date that is consistent with the timing of the related payments to employees. The actuarial gains and losses arising subsequent to 1 January 2004, the IFRS transition date, are recorded in the income statement on a straight-line basis over the residual working lives of employees, to the extent that their cumulative net value exceeds by more than 10% the greater of: the total liability arising under defined benefit plans or the fair value of the assets servicing these plans (corridor method) at the end of the prior year.
As a result of the reform of supplementary pensions, the severance indemnities of Italian companies accrued from 1 January 2007 is treated as a defined contribution plan, while that accrued up to 31 December 2006 continues to be treated as a defined benefit plan.
In the event of business restructuring, the defined benefit plans are remeasured and any excess amounts identified are reflected in the income statement.

Stock options

The remuneration paid to employees and directors by the granting of stock options is charged to the income statement with a matching entry in equity. Such cost is determined with reference to the fair value of the options at the time they are granted. The cost of stock options, determined on the above basis, is charged to the income statement over the related vesting period. The fair value of the options at the grant date is determined using financial models that take account of the terms and conditions under which such options were granted.

Provisions for risks and charges

The provisions for risks and charges are recognised to cover the Group's obligations, of a legal or constructive nature (under contracts or for other reasons), deriving from past events. Provisions for risks and charges are recognised if it is probable that an outflow of economic benefits will be required to settle the obligation and the amounts concerned can be estimated reliably. If the settlement of such obligations is expected to take place after more than one year and the effects of this are significant, they are discounted using a rate that takes account of the cost of money and the specific risks associated with the liabilities concerned. Any changes in the estimated amount of provisions are reflected in the income statement in the year identified. In the event of discounting, the increase in the provision due to the passage of time and the effect of any changes in the discounting rate are recorded as a financial charge.
The principal liabilities covered by provisions are described below.

Warranties

Provisions for legally-required and voluntary warranty costs are recognised when the underlying products are sold. The provision is determined with reference to the call rate for the products still under warranty, the period of time between sell in and sell out (start of the warranty period) and the average unit cost of the work performed.

Provision for restructuring

Provisions for restructuring are recognised at the time constructive obligation arises, such as when the Group informs interested parties about the restructuring plan or makes sufficiently specific announcements that induce interested parties to believe that the related obligation will be met.

Onerous contracts

Provisions for onerous contracts are recognised when the expected benefits are lower than the related costs. They are accrued in a specific provision in the year in which the losses become known and measurable.

Product disposal (WEEE)

The European Union adopted the WEEE (Waste Electrical and Electronic Equipment) Directive in December 2002, which makes manufacturers responsible at a European level for the recovery and disposal of waste products.
The Directive describes the following levels of responsibility:

a) old waste (regarding products put on the market before 13 August 2005): the costs of disposal are incurred collectively by the manufacturers which contribute in proportion to their market share;
b) new waste (regarding products put on the market after 13 August 2005): each manufacturer is responsible for the disposal of its own products.

The Group only makes provisions to the extent that local legislation has adopted the directive concerned and confirms the principle of individual responsibility laid down in the community regulations. Certain EU countries do not recognise the principle of individual responsibility and, accordingly, the costs of disposal are borne by manufacturers based on their share of the market in the year concerned; other countries, including Italy, have established a period during which the directive will not be applied. With reference to these latter countries, the Group will make the necessary provisions when the Directive actually comes into force.
Provisions are therefore recorded to cover the charges deriving from the application of the WEEE regulations in relation to new waste arising in the countries that have already adopted the Directive. The provision is recorded with reference to the visible fees established in each country, as well as the benefits deriving from the steady increase in the efficiency of product disposal processes and the greater disposability of the products concerned.

This liability is discounted over a period of time that represents the life cycles of the products concerned. The costs relating to old waste are charged to the income statement in the year they are incurred. In this regard, the Directive allows manufacturers to increase the selling price of goods by a visible fee, for a period of about 8 years, to cover the related disposal costs. The amounts collected for this reason are subsequently paid over to the consortia, established in most of the nations in which the Directive applies, responsible for the disposal of the waste products.

Other provisions
Provisions are recorded for other future charges deriving from court cases, disputes and other obligations when the requirements for the recognition of a liability are met, being in the year in which such charges become known and measurable reliably.

Income
Revenue
Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer. Revenue from the sale of goods is generally recognised when they are handed over to the transport firms which, under the terms of current contracts, marks the time when the above risks and rewards are transferred. Revenue is not recognised if its recoverability is considered to be uncertain.
Revenue is stated net of discounts, allowances, rebates, returns and expenses incurred on promotional actions that, in substance, represent commercial discounts. This caption does not include the proceeds from the disposal of raw materials and scrap. Revenue from services is recorded in the income statement based on the stage of completion at the reporting date, determined with reference to the work performed or, alternatively, to the percentage of completion with respect to the total.

Dividends
Collectible dividends are recognised as revenue when they are declared at the related shareholders' meeting.

Grants
Grants from the Governments or other bodies, given in the form of direct payments or tax benefits, are recognised as deferred income in the balance sheet, among other liabilities, at the time their collection becomes reasonably certain and when compliance with all the requirements to obtain them is assured. They are recognised as revenue in the income statement on a systematic basis in order to match the accounting recognition of the costs for which such grants were made.
Grants related to income are taken to the income statement at the time the requirements for their recognition are met, and when it becomes certain that they will be recognised in order to offset the eligible costs.

Expenses
The costs of purchasing goods and services are recognised when the amounts concerned can be determined reliably. The costs of purchasing goods are recognised on delivery which, under the terms of current contracts, marks the time when the related risks and rewards are transferred. The costs of services are recognised on an accruals basis with reference to the time they are received.

Cost of sales
Cost of sales includes all the costs of manufacturing finished products, comprising raw materials, the purchase of components, the cost of direct and indirect, internal and external processing, industrial depreciation, all production-related charges, and the provisions for costs to be incurred in relation to products sold, as well as research costs and any development costs that are not capitalised.

Selling, distribution, general and administrative expenses
Selling, distribution, general and administrative expenses comprise all the costs incurred to commercialise products and provide services (except for the expenses incurred on promotional actions that, in substance, represent commercial discounts and are deducted from Revenue), the costs of distributing products to the Group's warehouses and to customers, general and administrative expenses and related charges, as well as all the other non-financial expenses that are not part of core business

Leases and rentals
Payments made under operating leases are expensed on an accruals basis to match the economic benefits deriving from the leased assets. If such economic benefits are lower than the related charges, falling into the category of onerous contracts, the difference between the discounted charges and benefits is recorded as an expense in the income statement.
Finance leases give rise to the recognition of depreciation on the assets recognised and financial charges representing interest on the loan obtained under the lease.
Financial charges are spread over the term of the leases in order to produce a constant interest rate on the remaining balance of the liability.

Interest expense, interest income, exchange differences and other net financial expenses
These captions include the interest payable on the borrowings, cash discounts allowed to customers for early payments with respect to the agreed terms of sale, financial income from cash and cash equivalents, dividends, and exchange gains and losses, as well as the economic effects recorded in the income statement of measuring the transactions that hedge interest-rate and exchange-rate risks.

Share of profits (losses) of associates
Profits and losses of associates include the effects deriving from application of the equity method.

Income tax
Income tax is recognised in the income statement, except for that relating to transactions recognised directly in equity, in which case the related effect is also recognised in equity. Income tax includes current and deferred tax. Current taxes are based on an estimate of the amount that Indesit Company expects to be paid by multiplying the taxable income of each Group company by the tax rate in force at the reporting date in each of the countries concerned.
Deferred tax is provided using the liability method, considering all the temporary differences that emerge between the tax value of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax is not recognised in respect of goodwill or those assets and liabilities that do not affect taxable income. Income taxes deriving from the distribution of dividends are recognised at the time the related payable is recognised. The recoverability of deferred tax assets is verified at each reporting date and any amounts for which recovery is no longer likely are charged to the income statement.
Deferred tax assets and liabilities are recognised using the tax rates expected to be in force in the countries concerned for the tax periods in which the related temporary differences are forecast to reverse.
Deferred tax assets are recognised to the extent it is probable that future taxable income will be available to recover such taxes. Current and deferred tax assets and liabilities are offset when due to the same tax authority, if the periods of reversal are the same and a legal right of offset exists.
Deferred tax liabilities are recognised in relation to the distributable profits of subsidiaries if there is an intention to distribute such profits.

Non-current assets held for sale and discontinued operations
Assets held for sale are measured at the lower of their carrying amount at the time their sale was decided or their fair value, net of estimated selling costs. All costs, income and impairment losses, if any, are recognised in the income statement and reported separately.
Operating activities that represent a separate major line of business or geographical area of operations are classified separately in the income statement and the balance sheet at the time of disposal, or when they meet the conditions for classification as assets held for sale.

Earnings per share
Basic earnings per share is calculated with reference to the profit of the Group and the weighted average number of shares in Indesit Company S.p.A. outstanding during the year. Treasury shares are excluded from this calculation. Diluted earnings per share is determined by adjusting the basic earnings per share to take account of the theoretical conversion of all potential shares, being all financial instruments that are potentially convertible into ordinary shares, with a dilutive effect. The Group’s stock option plans represent a category of potential instruments with a dilutive effect.

5.2 Changes in accounting policies, changes in accounting estimates and reclassifications

In order to improve the presentation of the financial statements, commencing from 1 January 2009 certain costs (mainly relating to the central technical departments) have been reclassified to Cost of sales from General and administrative expenses. The 2008 corresping figures have also been reclassified accordingly. These reclassifications did not affect the Group's operating profit (EBIT), profit for the year or equity. The amounts reclassified between the various operating cost captions are not significant.

In addition, in order to improve the presentation of financial captions, interest expense, interest income, exchange differences and other net financial expenses are stated separately in the income statement from 1 January 2009. Previously, these captions were grouped together as Net financial expenses. The 2008 corresping figures have also been reclassified accordingly.

5.3 Amendments and revised accounting standards applied for the first time

IAS 1 Revised – Presentation of financial statements

The revised version of IAS 1 no longer allows the presentation of income and expenses (representing "changes deriving from transactions not carried out with shareholders") in the statement of changes in equity, requiring them instead to be reported separately from the changes generated by transactions with shareholders. Under the new version of the standard, all changes deriving from transactions not carried out with shareholders must be presented in a single separate statement that shows the performance of the period (statement of comprehensive income) or in two separate statements (income statement and statement of comprehensive income). Such changes must also be reported separately in the statement of changes in equity.

The Group has applied the revised version of the standard from 1 January 2009 on a retrospective basis, electing to report all changes deriving from transactions not carried out with shareholders in two statements that measure performance during the accounting period, entitled respectively "Consolidated income statement" and "Consolidated statement of comprehensive income". As a consequence of the change, the Group has modified the presentation of the statement of changes in equity.

IFRS 8 – Operating segments

IFRS 8 took effect from 1 January 2009, replacing IAS 14 *Segment reporting*. The new accounting standard requires companies to base their segment disclosures on the information used by the chief operating decision maker to make operating decisions. Accordingly, the standard requires the identification of operating segments with reference to the internal reports that are reviewed regularly by the chief operating decision maker for the purpose of allocating resources to such segments and analysing their performance. The adoption of this standard has had no effect on the measurement of financial statements captions. Further information is provided in note 7.

IAS 23 Revised – Borrowing costs

The revised version of this standard prevents the immediate expensing of costs incurred in relation to assets that normally require time before they become available for use or for sale (qualifying assets). This version of the standard has also been amended as part of the IASB's process of improvement, in order to revise the definition of capitalisable borrowing costs. The adoption of this standard has had no effect on the measurement of financial statements captions.

Amendment to IFRS 2 – Share-based payment: vesting conditions and cancellations

For the purposes of measuring share-based payment instruments, only service and performance conditions are considered valid vesting conditions for plans. Any other clauses must be treated as non-vesting conditions and considered when determining fair value at the grant date. The amendment also clarifies, in the event of plan cancellation by the company or the counterparty, that the accounting treatment must be the same. The adoption of this standard has had no effect on the measurement of financial statements captions.

Improvement to IAS 19 – Employee benefits

This improvement clarifies the definition of cost/income relating to past service and establishes, in the event of a plan curtailment, that the effect to be recognised immediately in the income statement must comprise solely the reduction in benefit relating to future periods, while the effect deriving from any reductions associated with past service must be treated as a negative cost in relation to such past service.
The adoption of this standard has had no effect on the measurement of financial statements captions.

Improvement to IAS 28 – Investments in associates

This improvement clarifies that impairment in the value of an investment carried at equity must not be allocated to the individual assets (especially goodwill, if any) comprising the carrying amount of such investment, but rather to the value of the investment as a whole. Accordingly, if the conditions exist in future for a reversal of the impairment loss, such reversal must be recognised in full.
The adoption of this standard has had no effect on the measurement of financial statements captions.

Improvement to IAS 38 – Intangible assets

This improvement clarifies that if the company incurs charges that generate future economic benefits without recognising an intangible asset, such charges must be taken to the income statement when the company obtains the right to use the asset, in the case of an asset purchase, or when the service is rendered, if services are purchased. The standard was also amended to allow companies to adopt the units-produced method for the amortisation of intangible assets with a finite useful life. The adoption of this standard has had no effect on the financial statements captions.

Amendment to IFRS 7 – Financial instruments: disclosures

This amendment increases the information required in the case of measurement at fair value and strengthens existing standards with regard to disclosure of the liquidity risks associated with financial instruments. In particular, the amendment requires disclosure about the hierarchy used to determine the fair value of the financial instruments. The adoption of this standard has had no effect on the recognition and measurement of financial statements captions, but only on the type of information disclosed in the explanatory notes.

5.4 Amendments and interpretations applicable from 1 January 2009 not relevant to the Group

The following amendments, improvements and interpretations, applicable from 1 January 2009, govern situations and cases not relevant to the Group:

- Amendments to IAS 32 – *Financial Instruments: Presentation* and IAS 1 – *Presentation of Financial Statements – Puttable instruments and obligations arising on liquidation*.
- Improvement to IAS 20 – *Accounting for Government Grants and Disclosure of Government Assistance*.
- Improvement to IAS 29 – *Financial Reporting in Hyperinflationary Economies*.
- Improvement to IAS 36 – *Impairment of Assets*.
- Improvement to IAS 39 – *Financial Instruments: Recognition and Measurement*.
- Improvement to IAS 40 – *Investment Property*.
- IFRIC 13 – *Customer Loyalty Programmes*.
- IFRIC 15 – *Agreements for the Construction of Real Estate*.
- IFRIC 16 – *Hedges of a Net Investment in a Foreign Operation*.
- Improvement to IAS 16 – *Property, Plant and Equipment*.

5.5 New accounting standards not yet applicable and not adopted early

As part of the 2008 Improvement process, the IASB has:

- issued an updated version of IFRS 3 in which the principal modifications made relate to elimination of the obligation to measure the individual assets and liabilities of a subsidiary at fair value in each subsequent acquisition, in the case of an acquisition in stages. Accordingly, goodwill will only be determined at the time of acquisition and will be equal to the difference between the value of the investment immediately prior to the acquisition, the consideration for the transaction and the carrying amount of the net assets acquired. In addition, the costs associated with the business combination will be charged to the income statement;

- amended IAS 27, establishing that changes in investment interests not involving the loss of control must be recognised as equity transactions. It was also established that all losses attributable to the minority shareholders must be allocated to the minority interest, even if they exceed their interest in the equity of the subsidiary concerned;

- modified IFRS 5 – *Non-current Assets Held for Sale and Discontinued Operations*, establishing that if a company is committed to a sale involving loss of control of a subsidiary, all the assets and liabilities of that subsidiary must be reclassified as held for sale, even if the company will retain a non-controlling interest in its former subsidiary after the sale;

- amended IAS 39, clarifying how to apply the standard when defining the underlying that is hedged in particular situations;

- issued IFRIC 17 in order to align the accounting treatment of distributions of non-cash assets to owners, clarifying that dividends payable must be recognised when such dividends have been appropriately authorised, that the payable must reflect the fair value of the net assets that will be used to make the payment, and that the difference between the dividend paid and the net carrying amount of the assets used for the payment must be recognised in the income statement;

- issued IFRIC 18, clarifying the accounting treatment applicable if the business signs a contract under which it receives a tangible asset from a customer that must be used to connect it to a network, or to provide it with specific access to the supply of goods and services;

- issued a series of improvements to the IFRS, being changes in the presentation, recognition or measurement of financial statements captions, as well as changes in terminology or editorial corrections with minimal effect in accounting terms;

- amended IFRS 2, clarifying the scope of application of IFRS 2 and its relations with other accounting standards. In particular, it was clarified that companies receiving goods or services under share-based payment plans must record such goods and services without regard for which group company settles the transaction, and without regard for whether settlement takes place in the form of cash or shares;

- amended IAS 32 to govern the accounting for the issue of rights (rights, options or warrants) not denominated in the functional currency of the issuer. On certain conditions, such rights must be classified in equity regardless of the currency in which the exercise price is denominated;

- issued a revised version of IAS 24, simplifying the disclosures required for transactions with related parties controlled by the Government, and clarifying the definition of related parties;

- published IFRS 9 – *Financial Instruments* on the classification and measurement of financial assets, which is applicable from 1 January 2013. This publication is the first part of a process in stages to replace IAS 39 in its entirety. The new standard adopts just one method, based on the way financial instruments are managed and on the characteristics of the contractual cash flows deriving from the financial assets, to determine the applicable accounting policy and one method to calculate impairment losses on financial assets;

- issued a minor amendment to IFRIC 14, allowing companies that make prepaid contributions against a minimum funding requirement to recognise them as an asset.

- issued IFRIC 19, providing guidance on extinguishing financial liabilities with equity instruments.

6. Changes in the scope of consolidation

Commencing from these consolidated financial statements, the following companies are consolidated on a line-by-line basis:

- Indesit Middle East FZE, which operates in the United Arab Emirates as an agent;
- Indesit Company Ireland Ltd, which carries out sales and marketing activities in Ireland;
- Indesit Company Rus Ltd which carries out sales and marketing activities in the Russian market;
- Aeradriatica S.p.A. following its spin-off from Aermarche S.p.A., which was sold to third parties at the same time and has therefore been deconsolidated.

Lastly, Indesit Company UK Finance LLP was sold to third parties in December and has been deconsolidated.

These changes in the scope of consolidation have not resulted in significant changes affecting the comparability of amounts with respect to prior periods.

7. Operating segments

The Group's operating segments, as defined in IFRS 8 – Operating Segments, comprise the geographical areas which, in organisational terms, generate revenue and costs that are periodically reviewed by the chief operating decision maker in order to evaluate performance and decide on the allocation of resources, and for which separate financial information is available. The Group identifies the following operating segments:

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

Segment revenue is calculated based on the final destination of the products and segment results take account of all expenses that can be directly allocated to the geographical areas concerned. The costs not allocated to geographical areas include non-recurring expenses, principally associated with the restructuring of production facilities, and corporate costs. Financial income and expenses and taxation are not allocated to geographical areas. Except for trade receivables, assets, liabilities and investments are not allocated to geographical areas and are examined by senior management at Group level. The trade receivables allocated to the geographical areas reviewed by the most senior decision makers for performance evaluation purposes solely comprise those deriving from the sale of finished products. Receivables deriving from the provision of services, advances to suppliers and the effects of any disposal of receivables are not allocated to geographical areas. The following tables present the Group's operating information analysed by geographical area based on the final destination of the products.

Analysis by operating segment for the year 2009

(million euro)	**Italy**	**UK and Ireland**	**Russia**	**Western Europe**	**Eastern Europe**	**International**	**Costs not allocated**	**Total**
Total revenue	459.6	718.4	372.1	558.7	375.8	128.4	0.0	2,613.0
Cost of sales	(339.1)	(524.1)	(264.1)	(412.2)	(294.3)	(94.0)	(53.9)	(1,981.5)
Selling and distribution expenses	(59.0)	(101.3)	(31.9)	(106.7)	(57.7)	(19.7)	(39.4)	(415.7)
General and administrative expenses	(4.4)	(16.5)	(10.8)	(10.6)	(5.5)	(1.2)	(48.3)	(97.2)
Segment results	**57.1**	**76.5**	**65.2**	**29.2**	**18.3**	**13.6**	**(141.6)**	**118.6**
Interest expenses								(30.3)
Interest income								1.6
Exchange rate differences and other net financial expenses								(23.1)
Share of profit (losses) of associates								0.0
Income tax expenses								(33.3)
Profit attributable to the Group								**33.5**

Analysis by operating segment for the year 2008

(million euro)	Italy	UK and Ireland	Russia	Western Europe	Eastern Europe	International	Costs not allocated	Total
Total revenue	480.2	788.4	619.2	585.0	512.7	169.5	0.0	3,154.9
Cost of sales	(365.7)	(632.4)	(419.1)	452.5	(403.5)	(129.6)	3.3	(2,399.4)
Selling and distribution expenses	(68.1)	(122.8)	(47.9)	(117.6)	(71.9)	(25.4)	(49.8)	(503.5)
General and administrative expenses	(4.2)	(17.4)	(12.6)	(12.7)	(5.9)	(1.3)	(57.3)	(111.4)
Segment results	**42.2**	**15.8**	**139.8**	**2.0**	**31.3**	**13.3**	**(103.9)**	**140.6**
Interest expenses								(41.5)
Interest income								12.5
Exchange rate differences and other net financial expenses								(16.7)
Share of profit (losses) of associates								0.0
Income tax expenses								(38.9)
Profit attributable to the Group								**56.0**

Trade receivables by geographical area

(million euro)	31.12.2009	% of rolling sales	31.12.2008	% of rolling sales
Italy Area	**87.7**	19.1%	**91.6**	19.1%
UK and Ireland	**51.2**	7.1%	**52.7**	6.7%
Russia	**23.5**	6.3%	**36.3**	5.9%
Western Europe	**54.8**	9.8%	**72.4**	12.4%
Eastern Europe	**85.0**	22.6%	**109.1**	21.3%
International	**26.6**	20.7%	**32.7**	19.3%
Non allocated trade receivables	**62.6**	-	**64.0**	-
Total	**391.5**	**15.0%**	**459.0**	**14.5%**

8. Notes to the consolidated financial statements

CONSOLIDATED INCOME STATEMENT

8.1. Revenue

Revenue is analysed as follows:

(million euro)	**2009**	**2008**
Revenue from sale of finished products	**2,403.5**	2,942.0
Revenue from provision of services	**209.5**	212.9
Total revenue	**2,613.0**	**3,154.9**

Revenue from the provision of services relate to services provided to customers (transport) and to end consumers (after-sales maintenance) and to the sale of extended warranties beyond the legal minimum period.

The reduction in revenue from the sale of finished products with respect to the prior year was principally due to the contraction in sales volume (-17.2%). This was caused by both the general slowdown in demand and unfavourable exchange rate movements (-5.5%), which were only partially offset by a positive price/mix effect of 4.5%.

In addition to the analysis of revenue by geographical area presented in note 7 on the Group's operating segments, revenue from the sale of finished products are analysed below by brand and product line, and between free standing and built-in.

(million euro)	**2009**	**2008**
Indesit	**1,155.4**	1,438.6
Hotpoint Ariston	**1,171.9**	1,403.3
Scholtes	**41.0**	53.0
Other brands	**35.2**	47.1
Total revenue	**2,403.5**	**2,942.0**

(million euro)	**2009**	**2008**
Free-standing	**1,853.2**	2,297.7
Built In	**550.4**	644.3
Total revenue	**2,403.5**	**2,942.0**

(million euro)	**2009**	**2008**
Cooking	**550.9**	700.6
Cooling	**755.6**	944.6
Washing	**1,097.0**	1,296.6
Total revenue	**2,403.5**	**2,942.0**

8.2. Cost of sales

Cost of sales comprises the cost of raw materials and components, external processing, direct and indirect labour, the depreciation of property, plant and equipment, internal movements and logistics, inventory write-downs, provisions for product warranty and provisions for risks and charges, as well as research costs, development costs that are not capitalised and all other production overheads.

Cost of sales is analysed by type of expenditure in the following table.

(million euro)	**2009**	**2008**
Change in the inventories of finished products	**(74.2)**	62.5
Purchase of raw materials, components, materials and change in inventories	**(1,357.0)**	(1,865.1)
Services	**(125.8)**	(160.0)
Payroll costs	**(261.5)**	(329.9)
Depreciation and amortization	**(113.3)**	(105.1)
Other expenses	**(82.5)**	(38.1)
Other revenue	**32.7**	36.4
Cost of sales	**(1,981.5)**	**(2,399.4)**

The reduction in the principal components of cost of sales is consistent with the lower volume of production.

The reduction in the cost of raw materials, components and consumables used, by more than the decline in the volume of production, was due to the savings obtained from lower purchasing costs (-2.8%).

The reduction in inventories of finished products reflects a destocking policy that has lowered the volume of finished product inventories by about 33%.

The net non-recurring expenses included in cost of sales (classified by nature in the Other expenses and Other revenue captions) total 42.4 million euro (10.1 million euro). Further information is provided in note 8.5.
Research costs totalling 8.8 million euro (8.3 million euro) were charged to the income statement.

8.3. Selling and distribution expenses

Selling and distribution expenses comprise all the costs incurred to commercialise products and provide services, as well as the costs of distributing products to the Group's warehouses and to customers. The following table analyses the nature of selling and distribution costs. Selling and distribution expenses are analysed by type in the following table.

(million euro)	**2009**	**2008**
Purchase of raw materials, components, materials and change in inventories	**(8.0)**	(14.8)
Services	**(268.3)**	(343.1)
Payroll costs	**(95.6)**	(102.6)
Depreciation and amortization	**(13.0)**	(8.6)
Other expenses	**(38.5)**	(48.1)
Other revenue	**7.6**	13.7
Selling and distribution expenses	**(415.7)**	**(503.5)**

The principal services consisted of distribution expenses of 158.2 million euro (186.8 million euro).
The reduction in distribution costs mainly reflects the lower volume of sales.

The reduction in all advertising-related costs by about 37 million euro was part of the action decided at the start of the year to contain costs and investment, in order to tackle the crisis conditions.

Other expenses and Other revenue mainly comprise provisions, the impairment losses of receivables and taxes other than income taxes.

The net non-recurring expenses included in selling and distribution expenses (within other expenses and revenue in the classification by nature) totalled 8.2 million euro (10.6 million euro). Further information is provided in note 8.5.

8.4. General and administrative expenses

General and administrative expenses include all administrative costs, and all expenditure not directly attributable to production or sales units or to research and development. General and administrative expenses are analysed by nature in the following table.

(million euro)	**2009**	**2008**
Purchase of raw materials, components, materials and change in inventories	**(2.0)**	1.4
Services	**(47.7)**	(61.1)
Payroll costs	**(45.4)**	(44.6)
Depreciation and amortisation	**(14.7)**	(16.2)
Other expenses	**(8.7)**	(11.6)
Other revenue	**21.2**	20.6
General and administrative expenses	**(97.2)**	**(111.4)**

The net non-recurring income included in general and administrative expenses totalled 0.2 million euro (1.3 million euro). Further information is provided in note 8.5.

8.5. Operating profit

As required by IAS 1, operating profit is analysed by nature of cost in the following table.

(million euro)	**2009**	**2008**
Revenue	**2,613.0**	3,154.9
Change in the inventories of finished products	**(74.2)**	62.5
Purchase of raw materials, components, materials and change in inventories	**(1,366.9)**	(1,878.4)
Services	**(441.8)**	(564.3)
Payroll costs	**(402.5)**	(477.1)
Depreciation and amortisation	**(140.9)**	(129.9)
Other income and expenses	**(68.1)**	(27.1)
Operating profit	**118.6**	**140.6**

The purchasing costs reflected in the purchase of raw materials, components and consumables caption include 179.5 million euro (284.0 million euro) for steel and aluminium, 163.5 million euro (250.0 million euro) for plastics, 920.0 million euro (1,245.0 million euro) for components and outsourced production, and 103.9 million euro (113.2 million euro) for other materials.

Payroll costs were 15.6% lower than in the prior year. The continued redistribution of industrial activities, the temporary suspension of production and other cost containment actions involving all employees, have limited the rise in payroll costs as a percentage of revenue to 15.4% (15.1%), despite the significant reduction in sales.

The number of employees is 16,294 (17,339). Employment is analysed as follows:

	2009	2008
Executives	**129**	128
Clerical staff	**5,062**	5,257
Factory workers	**11,103**	11,954
Total	**16,294**	**17,339**

The change in inventories is analysed by nature below:

(million euro)	2009	2008
Raw materials, components and semi-finished products	**(17.8)**	12.4
Finished products	**(74.2)**	62.5
Total	**(92.0)**	**74.9**

Pursuant to Consob regulations[2], significant, non-recurring income and expenses are detailed in the following tables. They mainly comprise restructuring charges.

(million euro)	2009	2008
Redundancies	**(38.2)**	(16.7)
Charges for disposal of industrial assets in industrial areas involved in restructuring plans	**(17.3)**	(7.1)
Start up charges in new industrial areas	**-**	(1.0)
Gain on disposal of non-strategic assets	**0.2**	1.7
Tax and social security relief earthquake	**6.5**	13.0
Provisions for legal disputes	**(1.7)**	(10.8)
Other non-recurring income and expenses	**0.1**	1.5
Total	**(50.4)**	**(19.4)**

Redundancy costs mainly derive from industrial restructuring and the reorganisation of activities including, in particular, the closure of the Kinmel Park factory in the UK, the reorganisation of production at the None factory in Italy, the closure of the Wuxi factory in China, and the closure of the warehouse at Basse Ham, in France.
The cost of closing activities in certain industrial areas mainly reflects the impairment losses on property, plant and equipment and other costs associated with factory closures.
The relief of tax and social security contributions applicable to the areas hit by the 1997 earthquake reflects the recognition of income following partial reversal of the related payables (the payment of which was suspended) as a result of regulations issued by the Italian Government.
The provision for legal disputes relates to the various disputes currently outstanding.

2. Consob Communication DEM/6064293 dated 28 July 2006.

The non-recurring income and expenses included in cost of sales, selling and distribution expenses, and general and administrative expenses are detailed below.

(million euro)	**Cost of sales**	**Selling and distribution expenses**	**General and administrative expenses**	**2009**
Redundancies	(31.5)	(6.1)	(0.6)	**(38.2)**
Charges for disposal of industrial assets in industrial areas involved in restructuring plans	(17.2)	(0.1)	-	**(17.3)**
Gain on disposal of non strategic assets	0.2	-	-	**0.2**
Tax and social security relief earthquake	5.3	0.4	0.8	**6.5**
Provisions for dispute with a distributor	-	(1.7)	-	**(1.7)**
Other non-recurring income and expenses	0.8	(0.7)	-	**0.1**
Total	**(42.4)**	**(8.2)**	**0.2**	**(50.4)**

Attachment 3 (Consolidated income statement for the year ended 31 December 2009, prepared in accordance with Consob Resolution no. 15519 dated 27 July 2006 and Consob Communication no. DEM/6064293 dated 28 July 2006) to these notes summarises the overall effect of non-recurring expenses on the consolidated income statement. Non-recurring expenses have an immediate cash flow effect, except for the redundancy costs recorded in accordance with IAS 37 which, on average, are incurred over the twelve months following accounting recognition; the provisions for risks, for which it is often not possible to determine when they crystallize, and impairment losses which do not have a cash flow effect.
Total payables and provisions for non-recurring transactions at 31 December 2009 amount to 37.9 million euro (16.0 million euro) and the cash flow absorbed by them was 28.5 million euro (25.1 million euro).
The cash flow absorbed by transactions with related parties was 32.7 million euro (30.1 million euro).

8.6. Interest income, interest expense, exchange differences and other net financial expenses

Interest income is analysed below:

(million euro)	**2009**	**2008**
Interest income	**1.2**	5.9
Interest income on UK pension scheme	**0.4**	6.7
Mark-to-market derivatives	**0.0**	(0.1)
Interest income	**1.6**	**12.5**

The reduction in interest income essentially reflects the generalised reduction in interest rates.
The reduction in interest income on pension schemes mainly reflects the decline in the net yield expected from the assets that service the Group's defined benefit pension plans; further information about the pension schemes is provided in note 8.22.

Interest expense comprises:

(million euro)	**2009**	**2008**
Bond interest	**(7.6)**	(13.5)
Interest on medium/long-term bank loans	**(0.7)**	(2.0)
Interest on liability for GDAH acquisition	**0.0**	(2.5)
Interest on short-term borrowing	**(12.1)**	(20.1)
Other interest expense	**(1.7)**	(3.2)
Mark-to-market derivatives related to loans	**(6.0)**	2.2
Interest expense on pension funds and severance indemnities	**(2.3)**	(2.5)
Interest expense	**(30.3)**	**(41.5)**

The overall reduction in interest expense essentially reflects the reduction in interest rates.
The change in the mark-to-market adjustment of debt derivatives reflects the decrease in the fair value of the floating-to-fixed IRS during the year. As described further in note 9, this instrument is recognised on a hedge accounting basis.

Exchange differences and other net financial expenses are analysed below:

(million euro)	**2009**	**2008**
Realised exchange rate fluctuations, net	**(19.4)**	19.9
Unrealised exchange rate fluctuations, net	**(0.4)**	(34.2)
Commission	**(3.3)**	(2.9)
Other	**0.0**	0.6
Exchange rate differences and other net financial expenses	**(23.1)**	**(16.7)**

The net unrealised exchange losses were recorded to adjust exposures not denominated in the functional currency using the closing rates of exchange.

8.7. Income tax

(million euro)	**2009**	**2008**
Current taxes	**(58.3)**	(53.9)
Change in deferred tax assets/liabilities, net	**25.0**	15.1
Total	**(33.3)**	**(38.9)**

Current income taxes include IRAP of 5.0 million euro (5.1 million euro).
Taxation represents 49.8% (41.0%) of profit before taxation. The increase in the tax rate was principally due to taxes that are not directly proportional to income (such as IRAP in Italy) and to the recognition of tax losses and deferred tax assets in certain countries whose tax rates are lower than the Group average, while taxable income and current and deferred tax liabilities have been recognised in countries whose tax rates are higher than the Group average.

The deferred tax assets recognised in relation to prior-year tax losses amount to 16.2 million euro (5.6 million euro), as also shown in note 8.14.

The following table reconciles the theoretical tax charge, determined using the current tax rate in Italy, with the tax charge reported in the consolidated financial statements.

(million euro)	**2009**	**2008**
Profit before tax	**66.8**	94.9
Tax rate	**27.5%**	27.5%
Theoretical tax charge	**(18.4)**	(26.1)
Actual tax charge	**(33.3)**	(38.9)
Difference	**(15.0)**	**(12.8)**
Effects relating to the Parent Company and companies based in Italy		
IRAP	**(5.0)**	(5.1)
Taxation of dividends to be distributed by subsidiaries	**(6.6)**	(5.8)
Prior year items and undeductible expenses	**-**	(2.7)
Other effects	**2.0**	(1.0)
Total effects relating to the Parent Company and companies based in Italy	**(9.6)**	**(14.6)**
Effects relating to companies operating in other countries and tax differentials with respect to companies based in Italy	**(5.3)**	**1.7**
Total differences	**(15.0)**	**(12.8)**

8.8. Profit (loss) for the year attributable to minority interests

The Profit (loss) for the year attributable to minority interest relate to Indesit Portugal Sa and Wuxi Indesit Home Appliance Co.

CONSOLIDATED BALANCE SHEET

8.9. Property, plant and equipment

Investment during 2009 amounted to 45.4 million euro (113.8 million euro). The reduction compared with the prior year reflects the actions taken to tackle the crisis.

The net carrying amount of industrial buildings includes 6.7 million euro (at historical exchange rates) deriving from recognition of their fair value on the acquisition of GDAH in 2002.

The carrying amount of the property, plant and equipment of the company operating in Turkey was previously restated for the effects of hyper-inflation, as required by IAS 29, and adjusted for any impairment. Following a new test of the recoverability from use of the carrying amount of these assets, no basis was found for reversing the adjustments already made or for recording further adjustments.

The depreciation charge for the year was 100.7 million euro (99.5 million euro).

Outstanding orders placed for the supply of property, plant and equipment amount to 27.8 million euro (40.2 million euro) and mainly relate to completion of the factories in Poland.

No advances have been paid to the suppliers of property, plant and equipment not yet delivered or constructed (6.6 million euro in the prior year).

Net disposals and retirements, 6.5 million euro (4.9 million euro), mainly relate to the retirement of assets at factories affected by restructuring, and to the disposal of non-strategic assets.
Assets under construction Construction in progress, 27.1 million euro (41.4 million euro), mainly relates to the above-mentioned completion of the factories in the Radomsko area of Poland, the construction of a warehouse in Kazinka, Russia, and investment in plant and machinery in Italy that is not yet used in production.

The ownership of property is not restricted by liens and charges.

(million euro)	**31.12.2009**	**31.12.2008**
Land and buildings	**264.5**	270.8
Plant and machinery	**236.7**	261.9
Industrial and commercial equipment	**77.3**	86.2
Assets under construction	**27.1**	41.4
Other assets	**24.9**	32.4
Total property, plant and equipment	**630.4**	**692.8**

The changes in historical cost are presented below:

(million euro)	31.12.2008	Additions	Decreases	Exchange rate differences	Reclassifi-cations	31.12.2009
Land and buildings	398.7	4.5	(1.6)	1.8	1.4	404.7
Plant and machinery	722.9	16.4	(35.9)	6.8	(4.5)	705.7
Industrial and commercial equipment	423.2	7.2	(34.4)	(2.9)	13.1	406.2
Assets under construction	41.4	16.5	(0.4)	(3.6)	(26.9)	27.1
Other assets	122.0	0.9	(6.4)	1.5	(5.4)	112.6
Total	**1,708.3**	**45.4**	**(78.7)**	**3.6**	**(22.4)**	**1,656.3**

(million euro)	31.12.2007	Additions	Decreases	Exchange rate differences	Reclassifi-cations	31.12.2008
Land and buildings	398.2	5.2	(3.0)	(44.3)	42.5	398.7
Plant and machinery	779.5	17.9	(23.1)	(78.3)	26.9	722.9
Industrial and commercial equipment	406.2	15.9	(5.3)	(27.5)	33.9	423.2
Assets under construction	85.9	72.6	(0.1)	(9.1)	(108.1)	41.4
Other assets	164.7	2.2	(13.8)	(13.3)	(17.8)	122.0
Total	**1,834.6**	**113.8**	**(45.3)**	**(172.5)**	**(22.5)**	**1,708.3**

The change in accumulated depreciation is presented below:

(million euro)	31.12.2008	Depreciation and impairment losses	Decreases	Exchange rate differences	Reclassifi-cations	31.12.2009
Land and buildings	(127.9)	(13.1)	1.5	(0.7)	0.0	(140.2)
Plant and machinery	(461.0)	(51.4)	35.3	(1.3)	9.3	(469.0)
Industrial and commercial equipment	(337.0)	(31.4)	33.8	(0.1)	5.8	(329.0)
Other assets	(89.6)	(4.8)	1.6	(1.5)	6.6	(87.7)
Total	**(1,015.5)**	**(100.7)**	**72.2**	**(3.7)**	**21.7**	**(1,026.0)**

(million euro)	31.12.2007	Depreciation and impairment losses	Decreases	Exchange rate differences	Reclassifi-cations	31.12.2008
Land and buildings	(126.3)	(13.5)	0.1	16.8	(4.9)	(127.9)
Plant and machinery	(494.7)	(47.3)	22.1	46.3	12.6	(461.0)
Industrial and commercial equipment	(326.7)	(30.7)	4.9	18.3	(2.8)	(337.0)
Other assets	(123.8)	(8.0)	13.3	12.1	16.7	(89.6)
Total	**(1,071.6)**	**(99.5)**	**40.4**	**93.5**	**21.7**	**(1,015.5)**

The change in net carrying amount is presented below:

(million euro)	**31.12.2008**	**Additions**	**Depreciation and impairment losses**	**Decreases**	**Exchange rate differences**	**Reclassifi-cations**	**31.12.2009**
Land and buildings	270.8	4.5	(13.1)	(0.1)	1.0	1.4	264.5
Plant and machinery	261.9	16.4	(51.4)	(0.6)	5.5	4.8	236.7
Industrial and commercial equipment	86.2	7.2	(31.4)	(0.6)	(3.0)	18.8	77.3
Assets under construction	41.4	16.5	-	(0.4)	(3.6)	(26.9)	27.1
Other assets	32.4	0.9	(4.8)	(4.8)	0.0	1.2	24.9
Total	**692.8**	**45.4**	**(100.7)**	**(6.5)**	**(0.1)**	**(0.7)**	**630.4**

(million euro)	**31.12.2007**	**Additions**	**Depreciation and impairment losses**	**Decreases**	**Exchange rate differences**	**Reclassifi-cations**	**31.12.2008**
Land and buildings	271.9	5.2	(13.5)	(2.9)	(27.5)	37.6	270.8
Plant and machinery	284.8	17.9	(47.3)	(1.1)	(31.9)	39.5	261.9
Industrial and commercial equipment	79.5	15.9	(30.7)	(0.4)	(9.1)	31.1	86.2
Assets under construction	85.9	72.6	-	(0.1)	(9.1)	(108.1)	41.4
Other assets	41.0	2.2	(8.0)	(0.5)	(1.3)	(1.1)	32.4
Total	**763.0**	**113.8**	**(99.5)**	**(4.9)**	**(78.9)**	**(0.9)**	**692.8**

Finance leases

The net carrying amount of assets held under finance leases amounts to 1.7 million euro and principally relates to Industrial and commercial buildings and Land.

The finance lease of Industrial and commercial buildings and Land relates to the building in Croissy (France) and the associated land. This contract has a term of 15 years and expires in 2011. The Group expects to make the agreed end-of-lease purchase payment. The building is mortgaged for the value of the outstanding finance lease liability.

The minimum future payments are analysed by maturity band below:

(million euro)	**31.12.2009**	**31.12.2008**
Within 1 year	**0.7**	0.5
Between 1 and 5 years	**0.6**	0.9
Beyond 5 years	**-**	-
Total minimum lease payments	**1.3**	**1.4**

Non-cancellable operating leases

The minimum future payments under non-cancellable operating leases are analysed by maturity band below.

(million euro)	**31.12.2009**	**31.12.2008**
Within 1 year	**10.8**	9.0
Between 1 and 5 years	**31.6**	26.0
Beyond 5 years	**54.9**	38.4
Total minimum lease payments	**97.4**	**73.4**

The principal assets held under non-cancellable operating leases mainly comprise a factory and a warehouse in the UK. The first involves minimum future payments of 30.3 million euro over 50 years ending in 2059. The contract envisages adjustments to the annual rental charge every 25 years. The next adjustment will take place in 2010. The contract does not envisage renewal or the purchase of the assets concerned. The second involves minimum future payments of 24.1 million euro. The contract expires in 2020/2021, and envisages adjustments to the annual rental charge every five years. The contract does not envisage renewal or the purchase of the assets concerned.

The income statement reflects rental charges incurred under operating leases of 3.3 million euro (2.8 million euro).

8.10. Goodwill and other intangible assets with an indefinite useful life

(million euro)	**31.12.2009**	**31.12.2008**
Goodwill	**124.5**	116.4
Brands with an indefinite useful life	**98.0**	91.4
Total goodwill and other intangible assets with an indefinite useful life	**222.5**	**207.7**

The change in net carrying amount is presented below:

(million euro)	**31.12.2008**	**Impairment losses**	**Exchange rate differences**	**31.12.2009**
Goodwill	116.4	(0.3)	8.4	124.5
Brands with an indefinite useful life	91.4	-	6.6	98.0
Total	**207.7**	**(0.3)**	**15.1**	**222.5**

(million euro)	**31.12.2007**	**Exchange rate differences**	**Reclassifi-cations**	**31.12.2008**
Goodwill	151.1	(34.7)	-	116.4
Brands with an indefinite useful life	146.4	(33.7)	(21.3)	91.4
Total	**297.5**	**(68.4)**	**(21.3)**	**207.7**

The impairment loss on goodwill recognised relates to the goodwill recorded on the acquisition of Wuxi, which ceased production activities in 2009.

The brand name with an indefinite life and the goodwill relate to the purchase of General Domestic Appliances Holdings Ltd (GDAH), a UK company, in 2002. On allocating the purchase price of GDAH, 87.0 million pounds was attributed to brands with an indefinite life and 110.5 million pounds to goodwill. This goodwill, denominated in pounds sterling, is subject to exchange rate fluctuations arising on the translation to euro.

Although considered strategic for the Group, the brand name with an indefinite life, Hotpoint, is allocated to the UK CGU since it is the UK's leading brand of household appliances. This name is used together with Ariston (Hotpoint-Ariston) on the Group's mid and high-end products sold in many European and non-European markets.
The carrying amount of intangible assets with an indefinite life is subjected to impairment testing at least once every year. The tests performed at 31 December 2009 and 31 December 2008 did not identify any need to adjust the carrying amount. For the purposes of this test, part of the goodwill identified at the time of acquisition and expressed at current exchange rates, 30.5 million euro, was attributed to the cash-generating unit (CGU) represented by the UK market (UK CGU) and part, 93.9 million euro, was attributed to the other Group CGUs taken together (Group CGUs) that have benefited and are expected to benefit further from the synergies released as a result of the acquisition.

(million euro)	**31.12.2009**	**31.12.2008**
CGU UK goodwill	30.5	28.5
Other CGU goodwill	93.9	87.9
Hotpoint brand	98.0	91.4
Total intangible assets with an indefinite useful life	**222.5**	**207.7**

The recoverable value of the CGUs is based on their value in use, determined by applying DCF techniques over a three-year period (2010-2012) plus the terminal value, considering the business plan forecasts prepared by management and approved by the directors at the board meeting held on 25 March 2010.

The principal assumptions underpinning the plans of the Group CGU are set out below:
- the volume of sales over the three years covered by the plan is forecast to rise at a compound average growth rate of 4.9%;
- average unit prices denominated in euro are forecast to rise slightly in 2010 and then remain stable until 2012;
- annual investment is expected to remain essentially stable over the three-year period at about 120 million euro;
- product costs incorporate the manufacturing efficiencies that will be achieved as a result of the actions already planned at the present time;
- the prices for raw materials and components are forecast to remain essentially stable over the three years of the plan;
- further improvement in the results from Service activities is expected;
- advertising and promotional expenses are forecast to rise steadily to about 2.5% of sales in 2012;
- exchange rates are forecast to remain stable over the three-year period 2010-2012 at the following levels: GBP/€ at 0.88, RUB/€ at 46.50, PLN/€ at 4.0;
- net working capital is expected to decrease in 2010 with respect to 2009, but to rise in 2011 and 2012 at a rate in excess of the growth in sales.

The principal assumptions underpinning the plans of the UK CGU are set out below:
- the volume of sales is expected to rise in 2010 and remain stable thereafter;
- average unit prices are forecast to rise in 2010 and remain stable thereafter;
- all the other assumptions for the UK CGU, including the GBP/€ exchange rate of 0.88, reflect to the extent applicable those made at Group level for the principal balance sheet and income statement captions.

Forecast cash flows have been discounted using the weighted-average cost of capital (WACC) of 9.33% (8.61%) for the Group CGU and 8.82% (8.92%) for the UK CGU. The terminal value of the CGUs was determined by assuming a long-term normalised cash flow based on that generated in the final year of the explicit plan (2012), and by prudently using a nominal long-term growth factor (g) of 0% (unchanged over the previous year).
The higher WACC used for the Group than the one used for CGU UK reflects the highest country risk, than in UK, in some geographic areas where the Group operates.
A sensitivity analysis has been performed to simulate the value of the Group CGU and the UK CGU given changes in certain key parameters of the model: weighted average cost of capital (WACC), nominal long-term growth factor (g), trend in the volume of sales, trend in selling prices, trend in product costs. The results of this analysis highlighted a remote impairment risk, limited to combinations of values for the selected parameters that, at present, are considered somewhat unlikely.
The impairment test on the UK CGU and the Group CGU was carried out internally and approved by the directors on 25 March 2010. An independent, third-party expert has issued a report on the fairness of the valuation methods and parameters used in the impairment testing process.
Finally the stock exchange capitalization of Indesit Company S.p.A. at the date of Consolidated financial statements is higher than the carrying amount of the Group assets and absolutely in line with the retrievable amount calculated by the impairment test at 31 December 2009.

8.11. Other intangible assets with a finite life

Other intangible assets with a finite life are analysed, together with the related movements, in the table below.

(million euro)	**31.12.2009**	**31.12.2008**
Development expenses	**40.4**	37.8
Licences and software	**35.6**	42.0
Brands with a finite life	**20.0**	26.6
Intangible assets under development	**7.9**	12.3
Other intangible assets with finite life	**5.1**	5.3
Total	**109.0**	**123.9**

The changes in historical cost are presented below:

(million euro)	**31.12.2008**	**Increases**	**Decreases**	**Exchange rate differences**	**Reclassifi-cation**	**31.12.2009**
Development expenses	81.8	12.8	(0.0)	3.1	(6.6)	91.1
Licences and software	76.1	3.8	(2.3)	0.9	(7.7)	70.8
Brands with a finite life	18.3	-	-	3.3	(2.3)	19.4
Intangible assets under development	12.3	5.7	(0.0)	(2.2)	(8.1)	7.9
Other intangible assets	4.1	0.0	(0.1)	0.1	5.7	9.8
Total	**192.6**	**22.4**	**(2.4)**	**5.2**	**(19.0)**	**198.9**

(million euro)	**31.12.2007**	**Increases**	**Decreases**	**Exchange rate differences**	**Reclassifi-cation**	**31.12.2008**
Development expenses	86.6	10.2	(12.2)	(3.1)	0.4	81.8
Licences and software	111.7	11.4	(41.1)	(3.9)	(2.0)	76.1
Brands with a finite life	18.8	0.0	(14.9)	(6.9)	21.3	18.3
Intangible assets under development	-	8.8	-	(0.6)	4.1	12.3
Other intangible assets	8.9	0.2	(0.1)	(1.6)	(3.4)	4.1
Total	**225.9**	**30.6**	**(68.3)**	**(16.1)**	**20.5**	**192.6**

The change in accumulated amortisation is presented below:

(million euro)	**31.12.2008**	**Amortisation and impairment losses**	**Decreases**	**Exchange rate differences**	**Reclassifi-cation**	**31.12.2009**
Development expenses	(44.1)	(19.4)	0.0	(0.8)	13.6	(50.7)
Licences and software	(34.0)	(11.4)	2.2	(0.5)	8.5	(35.2)
Brands with a finite life	8.2	(8.4)	-	(1.4)	2.3	0.7
Other intangible assets	1.2	(0.7)	0.1	(0.0)	(5.3)	(4.7)
Total	**(68.7)**	**(40.0)**	**2.3**	**(2.7)**	**19.1**	**(89.9)**

(million euro)	31.12.2007	Amortisation and impairment losses	Decreases	Exchange rate differences	Reclassifi-cation	31.12.2008
Development expenses	(42.0)	(15.0)	12.2	2.1	(1.3)	(44.1)
Licences and software	(66.2)	(11.3)	41.0	2.6	(0.1)	(34.0)
Brands with a finite life	(8.5)	(3.6)	14.9	5.4	0.0	8.2
Other intangible assets	(1.0)	(0.6)	0.1	0.3	2.4	1.2
Total	**(117.7)**	**(30.5)**	**68.2**	**10.3**	**1.0**	**(68.7)**

The change in net carrying amount is presented below:

(million euro)	31.12.2008	Increases	Amortisation and impairment losses	Decreases	Exchange rate differences	Other changes	31.12.2009
Development expenses	37.8	12.8	(19.4)	0.0	2.4	7.0	40.4
Licences and software	42.0	3.8	(11.4)	(0.0)	0.3	0.8	35.6
Brands with a finite life	26.6	-	(8.4)	-	1.9	(0.0)	20.0
Intangible assets under development	12.3	5.7	-	(0.0)	(2.2)	(8.1)	7.9
Other intangible assets	5.3	0.0	(0.7)	-	0.1	0.4	5.1
Total	**123.9**	**22.4**	**(40.0)**	**(0.0)**	**2.5**	**0.2**	**109.0**

(million euro)	31.12.2007	Increases	Amortisation and impairment losses	Decreases	Exchange rate differences	Other changes	31.12.2008
Development expenses	44.6	10.2	(15.0)	(0.0)	(1.1)	(0.9)	37.8
Licences and software	45.5	11.4	(11.3)	(0.1)	(1.4)	(2.1)	42.0
Brands with a finite life	10.4	0.0	(3.6)	-	(1.5)	21.3	26.6
Intangible assets under development	-	8.8	-	-	(0.6)	4.1	12.3
Other intangible assets	7.8	0.2	(0.6)	(0.0)	(1.2)	(1.0)	5.3
Total	**108.3**	**30.6**	**(30.5)**	**(0.1)**	**(5.8)**	**21.5**	**123.9**

Development costs benefiting future years totalling 12.8 million euro (10.2 million euro) were capitalised in 2009.

The Licences and software caption comprises the capitalised internal and external cost of IT projects carried out by the Group, and the cost of licences to use software that will benefit future years. The average residual life of these intangible assets is 3 years.
The brands with a finite life caption includes Cannon, recorded on the acquisition of GDAH. The 2009 amortisation charge relating to the above brand name was 2.3 million euro. The Creda brand was subjected to impairment testing and, as a result, its residual value of 6.1 million euro was amortised in full during 2009.

The Other intangible assets caption principally comprises industrial patents with an average residual life of 5 years.

8.12. Investments in associates

Investments in associates mainly comprise the Group's interest in TradePlace BV amounting to 0.5 million euro (0.5 million euro).

8.13. Other non-current assets

Other non-current assets are analysed below:

(million euro)	**31.12.2009**	**31.12.2008**
Other investments	0.4	0.5
Other non-current assets	38.3	32.9
Assets available for sale	0.5	0.5
Other non-current assets	**39.2**	**33.9**

The Other non-current assets caption contains the non-current portion of the tax credits (granted as contributions towards the construction of production facilities and utilisable until 2018) relating to the Polish Special Economic Zone, 38.3 million euro (32.9 million euro), determined with reference to estimated future taxable income. These credits are matched by the recognition of deferred grants from the Government as other non-current liabilities, which are discussed in note 8.25.
This caption also includes the carrying amount, 0.4 million euro (0.5 million euro), of the investments in other companies in which, in general, the Group holds less than 20% of the share capital or voting rights, and assets available for sale totalling 0.5 million euro (0.5 million euro).
The equity investments held by Indesit Company are not listed and their securities are not traded in a regulated market. Accordingly, their fair value cannot be determined reliably since there were no transactions involving these securities during the past year.

8.14. Deferred tax assets

Deferred tax assets and the related changes during the year are analysed in the following table:

(million euro)	**Opening balance 31.12.2008**	**Credited / charged to income statement**	**Credited / charged to equity**	**Exchange rate effect**	**Other movements**	**Closing balance 31.12.2009**
Property, plant and equipment	0.7	2.0		0.1	(2.6)	0.3
Intangible assets	1.9	0.6		0.0	(3.4)	(0.9)
Inventories	4.5	0.4		0.0	0.1	5.0
Financial payables	(0.0)	-		-	-	(0.0)
Deferred payroll	5.6	(0.5)		0.3	-	5.4
Provisions for risks	15.2	7.4		(0.1)	(0.1)	22.4
Other	43.8	(4.7)	(1.1)	0.1	(5.9)	32.2
Tax losses carried forward	5.6	14.0	(2.0)	0.1	(1.5)	16.2
Total	**77.3**	**19.1**	**(3.1)**	**0.6**	**(13.3)**	**80.6**
Amounts offset	(22.7)	1.2			11.7	(9.8)
Total net	**54.6**	**20.3**	**(3.1)**	**0.6**	**(1.6)**	**70.8**

The amounts offset relate to the deferred tax liabilities that reduce these deferred tax assets since they are due to the same tax authorities, are legally offsettable and relate to temporary differences that will reverse at the same time.

The increase in the Exchange effect caption principally relates to the deferred tax assets recognised on adjusting the financial assets and liabilities not denominated in the functional currency using the closing rates of exchange.

The deferred tax assets recorded in relation to prior-year tax losses amount to 16.2 million euro (5.6 million euro), while those not recorded amount to 46.1 million euro (44.2 million euro). The situation is analysed in the following table:

Company	Tax losses	Duration of recove-rability	Tax rate	Deferred tax assets recognised	Deffered tax assets not recognised	Total
Indesit Company France S.A.	0.8	illimited	33.3%	0.3	-	0.3
Indesit company Luxembourg S.A.	131.2	illimited	28.6%	3.6	23.8	27.4
Argentron	0.7		35.0%	0.2	-	0.2
Indesit Electrodomesticos S.A.	36.6	15 years	30.0%	-	11.0	11.0
Indesit Company Portugal Electrodomésticos. AS	30.9	6 years	26.5%	-	8.2	8.2
Fabrica Portugal AS	7.8	6 years	26.5%	-	2.1	2.1
Indesit Company Beyaz Esya San.ve Tic. A.S.	1.6	5 years	20.0%	0.3	-	0.3
Indesit Company Österreich Ges. m.b.H.	-		25.0%	0.0	-	0.0
Indesit Company Belgium SA	0.4	illimited	34.0%	0.1	-	0.1
Wuxi Indesit Home Appliance Co. Ltd.	-		25.0%	0.1	-	0.1
Indesit Company Polska Sp.zo.o.	13.7	5 years	19.0%	0.6	1.1	1.7
Indesit Company S.p.A.	25.7	5 years	27.5%	7.1	-	7.1
Indesit Company International Business	19.4	7 years	20.0%	3.9	-	3.9
Total	**243.1**			**16.2**	**46.1**	**62.3**

8.15. Inventories

Inventories are analysed as follows:

	31.12.2009	**31.12.2008**
Raw materials	97.3	114.5
Obsolescence provisions	(5.0)	(2.2)
Total raw materials	**92.4**	**112.2**
Finished products and semi-finished products	169.4	246.0
Obsolescence provisions	(8.9)	(11.3)
Total finished products and semi-finished products	**160.5**	**234.7**
Spare parts	30.8	28.8
Obsolescence provisions	(2.2)	(1.7)
Total spare parts	**28.5**	**27.1**
Total inventories	**281.4**	**374.1**

The reduction in inventories of finished products reflects the greater decline in the volume of production (-22%) compared with that in the volume of sales (-17.2%).
The provisions for obsolescence were determined by impairing obsolete and slow-moving inventories have regard for their life cycles and their turnover statistics.
With regard to finished products, this classification takes account of sales forecasts; accordingly, the provision has been increased in percentage terms as a result of the decline in demand.
The related classification of raw materials was determined in part by reference to production forecasts. Since these have been reduced, the obsolescence risk for raw materials held is higher and the provision has been increased. As a further effect, the raw materials held by Wuxi have been written off following the closure of the factory.

8.16. Trade receivables

Trade receivables are analysed below:

(million euro)	**31.12.2009**	**31.12.2008**
Trade receivables	438.5	508.5
Provisions for doubtful accounts	47.0	49.5
Net trade receivables	**391.5**	**459.0**
% provision on trade receivables	*10.7%*	*9.7%*

Trade receivables comprise amounts due from customers as a result of commercial transactions and the provision of services, net of the allowance for doubtful accounts of 47.0 million euro (49.5 million euro).

The allowance for doubtful accounts is determined by impairing receivables both based on their ageing and with reference to specific disputed amounts. All receivables overdue by more than 180 days are written off, net of any collateral obtained. Detailed information on the Group's credit management policies is provided in note 9.

The provisions for doubtful accounts and the losses on receivables recorded during the year amounted to 15.8 million euro (19.5 million euro).
Advances to suppliers at 31 December 2009 amount to 4.6 million euro (3.8 million euro).

Trade receivables amounting to 17.2 million euro (19.5 million euro) have been sold without recourse.

The programme of securitising trade receivables, already being phased out at 31 December 2008, was finally terminated in March 2009.

The concentration risk associated with the 10 largest customers is 20.8% of net receivables.

Trade receivables are analysed by maturity below:

(million euro)	**31.12.2009**	**31.12.2008**
Trade receivables not overdue	374.2	416.2
Within 1 month	6.8	14.3
Between 1 and 3 months	7.7	23.0
Between 3 and 6 months	2.8	5.5
Total trade receivables overdue not impaired	**17.3**	**42.8**
Trade receivables impaired	47.0	49.5
Total receivables	**438.5**	**508.5**

8.17. Tax receivables

Tax receivables comprise amounts due from the tax authorities in the countries in which the Group operates and advance taxation. These amounts are analysed below:

(million euro)	**31.12.2009**	**31.12.2008**
Advance taxation	20.1	37.5
Tax credit for Special Economic Zone	2.7	6.6
Total tax receivables	**22.8**	**44.1**

The reduction in the current portion of the Special Economic Zone tax credits, associated with the investment in Poland, reflects revision of the forecasts for taxable income that determine the time period over which such credits will be used, as mentioned in note 8.13. These credits, together with the non-current portion, are matched by deferred grants from the Government, classified as other non-current liabilities, which are discussed in note 8.25.

8.18. Other receivables and current assets

Other receivables and current assets are analysed as follows:

(million euro)	**31.12.2009**	**31.12.2008**
Due from employees	**2.1**	2.2
Due from social security and pension institutions	**4.0**	3.0
Grants due from public bodies	**5.2**	5.6
Insurance reimbursements	**-**	0.2
VAT receivable	**45.3**	46.3
Other receivables	**7.8**	6.3
Total other receivables and current assets	**64.4**	**63.6**

8.19. Equity attributable to the Group

The statement of changes in equity is presented in a separate schedule.

Share capital comprises ordinary shares and savings shares, as analysed below.

Description	**31.12.2009**		**31.12.2008**	
	Number	**Euro**	**Number**	**Euro**
Ordinary shares	113,630,684	102,267,616	113,630,684	102,267,616
Savings shares	511,282	460,154	511,282	460,154
Total	**114,141,966**	**102,727,770**	**114,141,966**	**102,727,770**

No stock options were exercised during the year and no new stock options were granted.

The number of shares in the table is stated gross of the treasury shares held. Net of the treasury shares held directly by Indesit Company S.p.A., 11,039,750, there are 102,590,934 ordinary shares outstanding.
The treasury shares classified as a reduction of equity, more specifically as a deduction from share capital and share premium, amount to 33.0 million euro.
The nominal value of the ordinary and savings shares is 0.90 euro.

The holders of ordinary shares and savings shares enjoy the ownership and participation rights granted under Italian law and the articles of association of Indesit Company S.p.A. In addition to the right to participate in the distribution of profits and the return of capital, the ordinary shares also carry the right to vote at ordinary and extraordinary shareholders' meetings. The savings shares, on the other hand, have greater ownership rights but reduced administrative rights. The greater ownership rights comprise:
1) the right to an allocation of profit for the year (after allocating 5% to the legal reserve) representing up to 5% of the nominal value of the savings shares;
2) the right, if a dividend of less than 5% was paid in a given year, to collect this shortfall in the preference dividend in the following two years;
3) the right, if a dividend is declared at the shareholders' meeting, to receive a total dividend that is higher than that paid on the ordinary shares by 2% of the nominal value of the savings shares.

In addition, in the event of a share capital reduction to cover losses, the nominal value of the savings shares is only reduced by the amount of the losses that exceed the total nominal value of the other shares.

The lesser administrative rights with respect to the ordinary shares consist of the absence of voting rights at ordinary and extraordinary shareholders' meetings.

The following table analyses the share capital structure of the Parent Company at 31 December 2009, indicating the outstanding stock options and the treasury shares held (amounts in Euro). The above include both ordinary and savings shares.

	Authorised share capital	**Authorised no. of shares**	**Issued and fully-paid share capital**	**No. of shares issued and fully paid**
Share capital following the conversion of savings shares into ordinary shares in 2001	98,832,569	109,813,966	98,832,569	109,813,966
1st and 2nd stock option plans for employees authorised on 19 September 1998 and 23 October 2001, respectively	5,400,000	6,000,000	2,455,200	2,728,000
1st Stock option plans for Directors authorised on 23 October 2001	1,260,000	1,400,000	1,260,000	1,400,000
2st Stock option plans for Directors authorised on 6 May 2002	180,000	200,000	180,000	200,000
	105,672,569	**117,413,966**	**102,727,769**	**114,141,966**

With regard to the 1st and 2nd employee stock option plans, the residual 3,272,000 options authorised are analysed as follows: 304,500 granted, 2,967,500 not granted.

The description of, changes in and restrictions applying to the principal equity reserves are described below. The detailed analysis of these changes is presented in a separate schedule.

Reserves

a) The share premium reserve amounts to 35.8 million euro.

b) Legal reserve: this reserve, 22.7 million euro, reflects allocation of 5% of the Parent Company's profit for each year. No increase was recorded in 2009 since this reserve already exceeds the legal threshold represented by one-fifth of share capital.

c) Translation reserve: this reserve has a negative balance of 125.6 million euro and reflects the effect of translating the financial statements of Group companies denominated in foreign currencies. The improvement during the year, 14.1 million euro, was principally due to the appreciation of the British pound, 21.2 million euro, the appreciation of the Polish zloty, 0.8 million euro, the depreciation of the Russian rouble, 6.7 million euro, and the depreciation of other currencies, 1,2 million euro.

d) Other reserves, 255.2 million euro. The Other reserves include the extraordinary reserve, the reserve for capital grants, the derivatives valuation reserve, the stock options valuation reserve and other reserves. The derivatives measurement reserve has decreased by 2.1 million euro in relation to the measurement of derivative financial instruments deemed to represent cash flow hedges.

e) Retained earnings: these amount to 151.2 million euro and have increased by 55.5 million euro on allocation of the Parent Company's profit for 2008.

The Board meeting held on 25 March 2010 approved these consolidated financial statements and recommended to the shareholders' meeting, in accordance with the articles of association, the declaration of a total dividend of 0.15 euro per ordinary share outstanding (excluding treasury shares) and 0.168 euro per non-convertible savings share outstanding.

The calculations for the basic earnings per share and the diluted earnings per share reported in the consolidated income statement are set out in the following table.

Basic EPS	**31.12.2009**	**31.12.2008**
Basic attributable earnings (million euro)	34.5	55.5
Basic average number of ordinary shares (thousand)	102,590.9	102,590.9
Ordinary EPS (without savings shares effect)	**0.34**	**0.54**
Unit earnings attributed to savings shares (euro)	0.34	0.54
Number of savings shares (thousand)	511.3	511.3
Earnings attributed to savings shares (million euro)	(0.17)	(0.28)
Basic attributable earnings (million euro)	**34.4**	**55.2**
Basic average number of ordinary shares (thousand)	102,590.9	102,590.9
Basic EPS (euro)	**0.33**	**0.54**
Diluted EPS		
Basic attributable earnings (million euro)	34.4	55.2
Basic average number of ordinary shares (thousand)	102,590.9	102,590.9
Average number of shares granted to Directors without payment (thousand)	-	-
Average number of shares granted to employees without payment (thousand)	1.5	21.9
Total	102,592.4	102,612.8
Diluted EPS (euro)	**0.33**	**0.54**

8.20. Minority interests

The minority interest has decreased by 1.0 million euro due to the loss reported by WUXI (China), a 70% subsidiary.

The minority interests are analysed in the following table.

(million euro)	**31.12.2009**		**31.12.2008**	
	Equity	**Results for the year**	**Equity**	**Results for the year**
Wuxi Indesit Home Appliances Co. Ltd.	1.6	(1.0)	2.7	0.5
Fabrica Portugal S.A.	(0.2)	(0.0)	(0.2)	-
Total	**1.5**	**(1.0)**	**2.5**	**0.5**

8.21. Net financial indebtedness

The net financial indebtedness and net borrowing of the Group are analysed below. Non-current financial assets have been included in the calculation of net borrowing in order to represent fairly the Group's overall exposure, considering that the principal components of non-current financial assets consist of deposits restricted to guarantee loans obtained and the fair value of the derivatives that hedge loans.

		31.12.2009	31.12.2008
Current financial assets	8.21.1	24.7	43.8
Cash and cash equivalents	8.21.2	191.0	193.2
Banks and other financial payables	8.21.3	(170.1)	(268.2)
Net financial position - short-term		**45.5**	**(31.2)**
Medium/long-term loan and borrowings	8.21.5	(337.2)	(451.9)
Net financial position [1]		**(291.7)**	**(483.1)**
Other non-current financial assets	8.21.4	1.4	9.3
Tota		**(290.2)**	**(473.8)**

1. As defined in Consob Communication DEM/6064293 dated 28.07.06, applying the CESR recommendations dated 10.02.05.

The main components of Free Cash Flow[3] totalling 183.5 million euro and, therefore, the corresponding reduction in net borrowing, are discussed in the report on operations.

8.21.1 Current financial assets

Current financial assets include the fair value measurement of derivative financial instruments, 12.7 million euro (33.0 million euro), and other current financial receivables, 12.0 million euro (10.8 million euro).
The reduction in current financial assets reflects realisation of the derivatives that expired during the year.

The deposit restricted in relation to the loan of 5.1 million euro obtained by the Turkish subsidiary, classified in 2008 as a non-current financial asset, has been classified as a current financial asset in 2009.

8.21.2 Cash and cash equivalents

Cash and cash equivalents mostly include bank and postal deposits, as well as cheques and other amounts on hand. The changes in liquidity during the year are analysed in the consolidated cash flow statement.

8.21.3 Banks and other financial payables

Banks and other financial payables mainly comprise amounts due within 12 months of the reporting date for these consolidated financial statements.
This caption is analysed below.

(million euro)	31.12.2009	31.12.2008
Short-term advances	**114.8**	172.4
Short-term advances against receivables	**24.7**	3.8
Liability from the measurement of derivative instruments	**7.3**	18.4
Current portion of bonds issued	**9.5**	58.5
Current portion of medium/long-term bank loans	**13.0**	14.3
Current portion of other medium/long-term loans	**0.8**	0.8
Total banks and other financial payables	**170.1**	**268.2**

Short-term bank borrowings comprise bank overdrafts, the current portion of the revolving lines of credit drawn down, unpaid receivables already credited and other short-term advances.
The reduction in the current portion of the bond reflects repayment of the first tranche, 65 million dollars, in September 2009.

3. Free cash flow: cash flow from operating activities and investing activities, net of dividends collected/paid, the cash flow hedging reserve and share capital increases.

8.21.4 Other non-current financial assets

Other non-current financial assets are analysed as follows:

(million euro)	31.12.2009	31.12.2008
Term restricted deposits	0.2	5.1
Assets for the measurement of derivative instruments	1.3	4.2
Total other non-current financial assets	**1.4**	**9.3**

The term deposit in relation to the loan of 5.1 million euro obtained by the Turkish subsidiary, classified in 2008 as a non-current financial asset, has been classified as a current financial asset in 2009.

Assets for the measurement of derivative instruments include the fair value adjustment of the non-current portion of derivative financial instruments, recorded in accordance with IAS 39. See note 9 for a more detailed analysis.

Other non-current financial assets are analysed by maturity in the following table.

(million euro)	Total long-term	Within 1 year	Between 1 and 5 years	Beyond 5 years
Term deposits	0.2	-	0.2	-
Assets for the measurement of derivative instruments	1.3	-	1.3	-
Total other non-current financial assets	**1.4**	**-**	**1.4**	**-**

8.21.5 Medium and long-term interest-bearing loans and borrowings

Medium and long-term interest-bearing loans and borrowings are analysed as follows:

(million euro)	31.12.2009	31.12.2008
Bonds	197.0	212.0
Due to banks and other financial payables	140.2	239.9
Total	**337.2**	**451.9**

Medium and long-term interest-bearing loans and borrowings are analysed by maturity as follows:

(million euro)	Total	Between 1 and 5 years	Beyond 5 years
Bonds	197.0	182.3	14.6
Due to banks	140.2	136.7	3.5
Total	**337.2**	**319.0**	**18.2**

The bonds were underwritten for by institutional investors (*U.S. Private Placement*) in September 2004. They are analysed in the following table:

	Nominal value million USD	**Nominal value million euro**	**Fair value million euro**	**Maturity**	**Rate**	**Type of hedge**
Notes - Series B	70.0		49.7	17.09.2011	Fixed	CCS
Notes - Series C	148.0		109.5	17.09.2014	Fixed	CCS
Notes - Series E	25.0		18.7	17.09.2016	Fixed	CCS
Total Notes issued in USD	**243.0**		**177.8**			
Notes - Series D		18.3	19.1	17.09.2014	Fixed	IRS
Total Notes issued in euro		**18.3**	**19.1**			
Total fair value			**197.0**			

In September 2009, the Group repaid the first tranche of the bond amounting to 65 million dollars. The second tranche of the bond falls due in September 2011.
The interest and exchange-rate risks relating to the above-mentioned U.S. Private Placement have been hedged by a Cross Currency Swap which is described below in note 9 on Financial instruments.

The change in the fair value of the bonds, due to fluctuations in the exchange rate with the dollar, should be considered together with the change in the fair value of the Cross Currency Swap.

The long-term amounts due to banks mainly comprise the partial draw down of 100.0 million euro against the revolving line of credit totalling 350.0 million euro, and Euro loans from MCC S.p.A. totalling 14.0 million euro to finance the factories in Russia and Poland, the last instalments of which fall due in 2013.
Although formally due within one year, the draw downs against the revolving line of credit are classified as part of medium and long-term borrowing since the Group holds a unilateral option for their renewal until this facility expires (2012).

Maturities are analysed in the following table.

(million euro)	**Medium/ long-term financial**	**Maturity**							
		2011	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
Bonds	197.0	56.9	6.8	6.6	112.0	0.8	13.9	-	-
Due to banks and other financial payables	140.2	20.0	98.1	0.1	18.6	0.1	3.3	0.1	0.1
Total	**337.2**	**76.8**	**104.9**	**6.7**	**130.6**	**0.9**	**17.2**	**0.1**	**0.1**

The Group is obliged to comply with certain financial covenants in relation to the bonds, the loans from MCC S.p.A. and the multicurrency syndicated revolving line of credit. These financial covenants, which are checked at 30 June and 31 December each year, are set out below:

Covenants	**Covenant limit 31 December**	**Covenant limit 30 June**
EBITDA / Net financial expenses	≥ 3.5	≥ 3.5
Net borrowing / EBITDA	≤ 3.0	≤ 3.5
Equity	≥ 320 million euro	≥ 320 million euro

In addition to the financial covenants, the bond and the committed lines of credit require Indesit Company S.p.A. and, in certain cases, a number of Group companies to comply with other undertakings (affirmative and negative covenants) that reflect market standards for transactions of a similar nature, amount, maturity and risk profile.

Failure to comply with these covenants would, following the elapse of a given period of time available to correct such non-compliance, give the counterparty a right to the early repayment of the related borrowings.
The above covenants are monitored constantly by the Group and, at 31 December 2009, all the covenants have been respected.

8.22. Employee benefits

Employee benefits reflect the provisions recorded for post-employment benefits as severance indemnities and pension plans. The situation is analysed in the following table.

(million euro)	**31.12.2009**	**31.12.2008**
Defined benefit plans	62.2	66.3
Total employee benefits	**62.2**	**66.3**

This caption solely comprises the liability for defined benefit plans. More specifically, it includes the UK and Irish pension plans, 16.7 million euro (15.7 million euro), and the employee severance indemnities of the Group's Italian companies, 42.9 million euro (46.6 million euro), as well as smaller pension plans in other countries (France and the Netherlands) and deferred bonus plans (retirement awards, which are treated as defined benefit plans) totalling 2.6 million euro (4.0 million euro).
The UK pension plans comprise two defined benefit plans, subscriptions to which were closed in 2006. A defined contribution pension plan has been started for new members.

The following schedule reconciles the assets and liabilities recorded in the balance sheet and the charges made to the income statement, and presents the principal actuarial assumptions concerning the employee severance indemnities and the UK pension plans.

As envisaged by IAS 19, the Group applies the corridor method. The unfunded liability of the UK and Irish pension plans, including unrecognised actuarial gains and losses, amounts to 82.3 million euro (33.0 million euro), of which unrecognised actuarial losses total 65.5 million euro (17.3 million euro). The increase, comparated to 31th December 2008, mainly reflect the higher present value of the defined benefit obligation following the reduction in interest rates (and therefore the discount rate), the rise in the inflation rate (salary increases) expected and the revision on a more prudent basis of certain demographic assumptions. These increases are also influenced by the the decrease of the expected yield on plan assets following the partial reallocation of the plan asset from equity investment to funds that invest in diversified assets including bonds.
The actuarial losses not recognized (65.5 million euro) exceed the greater of 10% of the present value of the defined benefit obligation or 10% of the fair value of the plan assets. This excess amounts to 35.2 million euro and, in accordance with IAS 19, will be charged to the income statement in future years commencing from 2010, over the residual average working life of the employees participating in the plan. The estimated annual charge over the next 15 years will be about 2 million euro.

(million euro)	Employee severance indemnities		UK pension plans	
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
Present value of the defined benefit obligation (start of year)	**43.4**	46.5	**220.3**	347.2
Provision for benefits earned during the year	**-**	-	**2.4**	5.8
Financial charges	**2.3**	2.5	**14.8**	17.7
Contributions from plan participants	**-**	-	**2.2**	3.3
Actuarial (gains)/losses	**1.6**	0.9	**75.0**	(70.0)
Benefits paid by the plan/company	**(6.4)**	(6.5)	**(13.1)**	(14.7)
Curtailment of plan	**0.6**	-	**(0.7)**	(1.8)
Changes in exchange rates	**-**	-	**1.9**	(67.2)
Present value of the defined benefit obligation (end of year)	**41.5**	**43.4**	**302.8**	**220.3**
Fair value of plan assets (start of year)	**-**	-	**187.2**	344.4
Expected yield from plan assets	**-**	-	**15.3**	24.4
Actuarial (gains)/losses	**-**	-	**23.2**	(114.2)
Employer's contributions	**-**	-	**3.4**	5.2
Employees' contributions	**-**	-	**2.2**	3.3
Benefits paid	**6.4**	6.5	**(13.1)**	(14.7)
Expenses	**(6.5)**	(6.5)	**-**	-
Change in exchange rates	**-**	-	**2.4**	(61.2)
Fair value of plan assets (end of year)	**(0.0)**	**-**	**220.5**	**187.2**
Present value of defined benefit obligation under funded plans	**-**	-	**302.8**	220.3
Fair value of plan assets	**-**	-	**(220.5)**	(187.2)
Deficit (surplus) of funded plans	**-**	**-**	**82.3**	**33.0**
Present value of defined benefit obligation under unfunded plans	**41.5**	43.4	**-**	-
Actuarial (gains)/losses not recognised	**1.4**	3.2	**(65.5)**	(17.3)
Pension (cost) of unrecognised prior service	**-**	-	**-**	-
Unrecorded assets (limit described in para. 58b, IAS 19)	**-**	-	**-**	-
Recorded net liability/(asset)	**42.9**	**46.6**	**16.7**	**15.7**
Pension cost of work performed during the year	**-**	-	**2.4**	5.8
Total operating costs	**-**	**-**	**2.4**	**5.8**
Interest expense	**2.3**	2.5	**14.8**	17.7
Expected yield from plan assets	**-**	-	**(15.3)**	(24.4)
Total financial charges	**2.3**	**2.5**	**(0.4)**	**(6.7)**
Profit/Loss of curtailment	**0.4**	-	**(0.7)**	(1.8)
Total charge to the income statement	**2.7**	**2.5**	**1.3**	**(2.8)**
Assumptions used to determine defined benefit obligations				
Discount rate	**5.20%**	5.75%	**5.70%**	6.55%
Rate of pay rises (range)	**0.00%**	0.00%	**3.95%**	3.30%
Inflation rate	**2.00%**	2.00%	**3.45%**	2.80%
Assumptions used to determine pension cost				
Discount rate	**5.75%**	5.50%	**6.55%**	5.65%
Expected yield from plan assets	**0.00%**	0.00%	**7.04%**	7.90%
Expected rate of pay rises (range)	**0.00%**	0.00%	**3.30%**	3.65%
Inflation rate	**2.00%**	2.00%	**2.80%**	2.80%

8.23. Provisions for risks and charges

The provisions for risks and charges cover estimated current and non-current liabilities the exact timing or extent of which are uncertain. The content of this caption at the end of 2009 and 2008 and the changes during the year are analysed in the following tables.

2009 *(million euro)*	**Opening balance 1.01.2009**	**Provisions**	**Utilisations**	**Other movements**	**Closing balance 31.12.2009**	**Current portion**	**Non-current portion**
Provision for warranties	57.2	25.4	(24.6)	0.6	58.6	49.5	9.1
Provision for agents' termination indemnity	1.4	0.2	(0.1)	0.0	1.5	1.5	-
Provisions for restructuring	0.3	18.8	(0.2)	(0.0)	18.9	18.9	-
Provisions for WEEE	8.0	1.6	(0.6)	(0.0)	9.0	3.6	5.4
Provision for onerous contracts	5.0	13.1	(4.2)	0.4	14.3	14.3	-
Provision for disputes	23.3	23.9	(17.8)	(3.9)	25.4	25.0	0.5
Total	**95.2**	**83.0**	**(47.6)**	**(2.8)**	**127.8**	**112.8**	**15.0**

2008 *(million euro)*	**Opening balance 1.01.2008**	**Provisions**	**Utilisations**	**Other movements**	**Closing balance 31.12.2008**	**Current portion**	**Non-current portion**
Provision for warranties	61.6	9.2	(10.4)	(3.2)	57.2	27.7	29.5
Provision for agents' termination indemnity	1.3	0.2	(0.1)	0.0	1.4	0.0	1.4
Provisions for restructuring	1.4	0.2	(1.3)	-	0.3	0.0	0.3
Provisions for WEEE	10.2	1.9	(3.7)	(0.4)	8.0	0.1	7.9
Provision for onerous contracts	3.5	2.7	-	(1.3)	5.0	5.0	0.0
Provision for disputes	14.1	13.2	(3.8)	(0.1)	23.3	19.1	4.2
Total	**92.0**	**27.5**	**(19.3)**	**(4.9)**	**95.2**	**51.9**	**43.3**

The provision for warranties represents the costs to be incurred for warranty work on products sold, estimated with reference to the call rate and the unit cost of such work.

The provision for agents' termination indemnity represents the estimated liability for payments to agents should their mandates be terminated by Indesit Company S.p.A.

The provision for restructuring covers charges associated with the reorganisation plans being implemented by certain Group companies, and includes the amounts provided in 2009 for the reorganisation of production at the None factory.

The provision for WEEE covers the charges deriving from application of the product disposal regulations, with sole reference to new waste, in those countries where local legislation adopting the EU Directive envisages the individual responsibility of manufacturers.

The provisions for onerous contracts relate to rentals, hire agreements and operating leases for which, due to termination of the use of the assets covered by such contracts as a result of business restructuring, a discounted liability for future instalments has been recognised.

The provision for disputes reflects the best possible estimate of the likely liability for disputes and contingencies based on the information available.

In addition to that described above, the estimates made in relation to outstanding liabilities have not changed at 31 December 2009 with respect to the situation at 31 December 2008.

The Other movements column principally comprises the exchange effect deriving from the translation of financial statements not denominated in euro, which is the Group's presentation currency.

8.24. Deferred tax liabilities

Deferred tax liabilities and the related changes during the year are analysed in the following table:

(million euro)	**Opening balance 31.12.2008**	**Credited/ charged to income statement**	**Credited/ charged to equity**	**Exchange rate effect**	**Other movements**	**Closing balance 31.12.2009**
Property, plant and equipment	14.2	(2.9)		3.5	(5.9)	8.9
Intangible assets	39.3	(1.6)		0.0	(5.9)	31.9
Inventories	0.9	(0.1)		-	-	0.8
Medium/long-term financial payables	4.8	0.3	(5.4)	0.4	-	0.1
Employee benefits	3.2	(0.6)		-	-	2.7
Government grants	0.0	0.0		-	-	0.1
Provisions for risks and charges	0.6	(0.5)	-	(0.0)	-	0.1
Other	(0.0)	(1.4)		(0.0)	-	(1.4)
Distributable retained earnings	5.7	0.9		-	-	6.6
Total	**68.7**	**(5.9)**	**(5.4)**	**3.9**	**(11.7)**	**49.6**
Amounts offset	(22.8)	1.2			11.7	(9.8)
Total net	**46.0**	**(4.7)**	**(5.4)**	**3.9**	**-**	**39.8**

The amounts offset relate to the deferred tax liabilities that reduce deferred tax assets since they are due to the same tax authorities, are legally offsettable and relate to temporary differences that will reverse at the same time.

8.25. Other non-current liabilities

Other non-current liabilities solely relate to deferred grants from the Government and other bodies. These grants are analysed by country below:

(million euro)	**31.12.2009**	**31.12.2008**
Italy	6.1	7.6
Poland	31.8	34.7
Other non-current liabilities	**37.9**	**42.3**

The decrease mainly reflects the effect of recognising deferred grants relating to the Polish Special Economic Zone, obtained in connection with the investments made in the Radomsko area.
Deferred grants from the Government totalling 1.4 million euro in Italy (1.5 million euro) and 8.7 million euro (1.5 million euro) in Poland were taken to the income statement during the year.

The grants collected in Poland principally relate to tax credits for investment to build the factories in the Lodz and Radomsko special economic zones. Access to these grants is subject to certain restrictions that are currently respected. The accounting treatment of these tax credits has involved, in accordance with IAS 20, the recognition of non-current liabilities that will be released to the income statement to match the depreciation charged on the capital investment concerned.

8.26. Trade payables

Trade payables comprise all the amounts due for the purchase of goods and services from the Group's suppliers. Payables are stated at nominal value. All payables fall due within one year and, accordingly, they have not been discounted. The amounts due to suppliers recognised among trade payables do not distinguish between the suppliers of raw materials, components and the suppliers of plant.

Trade payables for investments and for purchases are analysed below:

(million euro)	**31.12.2009**	**31.12.2008**
Trade payables for investments	17.1	31.7
Trade payables for purchases	642.8	736.2
Trade payables	**659.9**	**767.9**

8.27. Tax payables

The amounts due to tax authorities comprise the liability for current taxes and other tax payables.

(million euro)	**31.12.2009**	**31.12.2008**
Current taxes payable	23.9	14.4
Taxes withheld from employees and freelance workers	11.3	20.1
Other taxes	1.3	0.1
Total tax payables	**36.5**	**34.6**

8.28. Other payables

Other payables are analysed as follows:

(million euro)	**31.12.2009**	**31.12.2008**
Due to social security and pension institutions	28.4	24.5
Due to employees	48.5	48.0
VAT payable	28.0	27.0
Other payables	5.1	6.0
Total other payables	**110.0**	**105.5**

8.29. Share-based payments (stock options)

The resolutions adopted at the extraordinary meetings held on 19 September 1998 and on 23 October 2001 authorised, pursuant to art. 2441 of the Italian Civil Code, two increases in share capital by up to 2,700,000 euro each, via the issue of a combined maximum of 6,000,000 ordinary shares, par value euro 0.90, to service the stock option plan for the Group's executives and managers. The Board of Directors, in the person of the Chairman, determines the number of options to be granted each year and identifies – on the recommendation of the Chief Executive Officer – the beneficiaries. The options granted on 24 July 2003 (last grant date) envisaged a vesting period of 3 years for the first 50% and 4 years for the remaining 50%, while the options granted previously envisaged a vesting period of 2 years and 3 years respectively.

No stock options were exercised during the year and no new stock options were granted.

The parameters used to determine the fair value of stock options at the grant date are set out in the following table.

Parameters	
Exercise price	12.65
Expected volatility	31.39%
Grant date	24 July 2003
No. of options	169,500
Duration of option (years)	3.50
Expected dividends	2.97%
Risk-free interest rate	4.00%
Fair value stock option (millions of euro)	0.1

The stock option plans are analysed in the attachments to these consolidated financial statements.

CASH FLOW STATEMENT

8.30. Profit for the year, income taxes, depreciation and amortisation, income taxes paid

Profit for the year, income taxes, depreciation, amortisation and all non-monetary items, are reported in note 8.5 to which reference is made.

The provision for income taxes totalled 33.3 million euro, while tax payments during 2009 amounted to 45.7 million euro. These payments comprised the residual amount due for the prior year, together with tax advances determined with reference to current tax regulations in the various countries in which the Group operates.

8.31. Other non-monetary income and expenses, net, interest paid and received

The Other non-monetary income and expenses, net, comprises all non-monetary items recorded in the income statement, except for income taxes, depreciation, amortisation and the provisions deducted directly from asset captions (allowance for doubtful accounts and provisions for obsolescence). Accordingly, they include the increases/decreases in the cash flow hedging reserve, provisions for warranties, provisions for risks and charges, disposal gains and losses, unrealised exchange fluctuations, and accrued interest income and expense. Interest received is reported separately from interest paid.

8.32. Change in trade receivables, inventories, trade payables

This caption reports the cash absorbed or generated by the changes in net working capital, which comprises trade receivables, inventories and trade payables. The changes in trade payables relate solely to the supply of raw materials, goods and services, and exclude the changes in amounts due to suppliers of fixed assets, which are reported in the section of the cash flow statement that reports the cash flows generated (absorbed) by investing activities.

8.33. Change in other assets and liabilities

This caption reports the change in all other current and non-current assets and liabilities, net of the effect on them of provisions for non-monetary income and expenses. This represents the changes in the related balances with a direct effect on the absorption or generation of cash.

8.34. Acquisition of property, plant and equipment and proceeds from their disposal

The cash flow for the acquisition of property, plant and equipment reflects investment in the replacement of plant and in new plant, mainly by the companies operating in Turkey, Poland and the CIS. The amount reported also includes the change in payables relating to capital investment.

8.35. Acquisition of intangible assets

The cash flow for investment in other intangible assets relates to the purchase of licences and software, and the capitalisation of development costs which are analysed in note 8.11. The cash flows generated (absorbed) by investing activities include the amounts capitalised since these involve payments for the related internal costs incurred (mainly payroll). These payments essentially reflect the costs capitalised during the year.

8.36. Dividends paid

No dividends were paid on the ordinary shares in 2009 (52.5 million euro in 2008), while dividends were paid on the savings shares in accordance with the articles of association. The amount involved was not significant.

8.37. New medium/long-term payables

The draw down at 31 December 2009 against the revolving line of credit that expires in 2011 is described in note 8.21.

8.38. Other repayments of medium/long-term payables

The refunds of other medium/long-term payables relate to loans from banks and other providers of finance.

8.39. Change in current financial payables

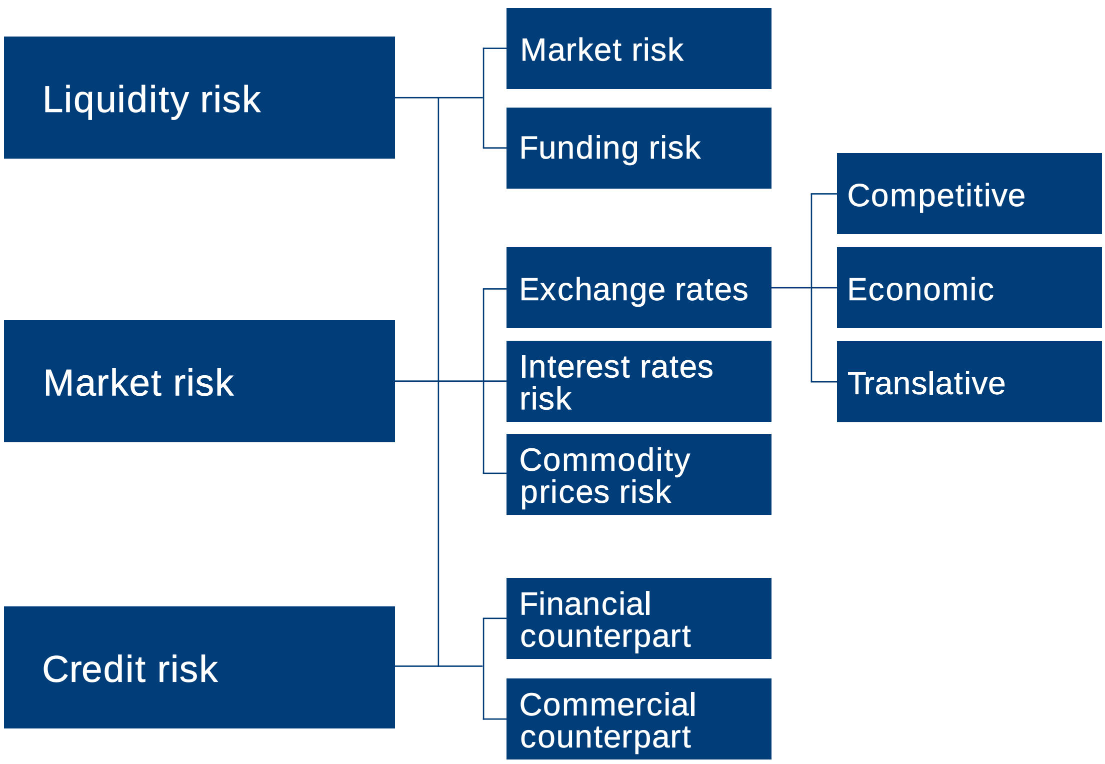
The change in current financial payables includes the change in short-term bank borrowings since this represents a technical form of short-term borrowing.

9. Management of financial risks

The Group is exposed to the following principal financial risks deriving from operations:
- liquidity risk (availability of and access to financial resources);
- market risk (exchange rates, interest rates, commodity prices);
- credit risk (with commercial and financial counterparts).

The liquidity, market and financial counterpart credit risks are managed by the Central Treasury Department in accordance with the Group Treasury Policy approved by the Board of Directors. Group strategy is to minimise the exposure to risk and, accordingly, it is forbidden to take positions that might generate risks not strictly correlated with normal business activities (e.g. transactions in currencies other than the functional currencies).
In this context and in order to appropriately segregate duties, the Group has allocated duties and responsibilities between the Treasury Front Office and the Treasury Back Office, which is functionally and hierarchically separated from the Front Office.
The Front Office is mainly responsible for managing liquidity, identifying exposures to risk and negotiating hedges with financial counterparts.
The Back Office checks compliance with Treasury Policy and is responsible for the measurement and recognition of hedging instruments.
Management of the credit risk with commercial counterparts is entrusted to the market controllers, who apply procedures for the evaluation and granting of credit limits that are specific to each geographical area or country in which the Group operates.
As required by IFRS 7, the following qualitative and quantitative information is provided about the impact of these risks on the Group.
With regard to the various market risks, the quantitative data from the sensitivity analyses has no value for forecasting purposes and cannot reflect the complexity of the market reactions correlated with each change in the assumptions made.

The significant risks faced by the Group are presented schematically below:



Liquidity risk

The Group defines liquidity risk as the risk that a Group company, or the Group as a whole, may be unable to meet its obligations on a timely basis. This risk has two main components:

- **Funding risk:** the risk of not being able to meet financial obligations on the due dates and/or being unable, on a timely basis, to obtain the necessary liquidity on market terms;
- **Market risk:** the risk of not being able to realise financial investments on a timely basis and/or on market terms.

Liquidity risk is contained by:
- a capital structure that is balanced between own funds and borrowing;
- diversifying the various sources of finance;
- spreading the maturities of financial payables over an extended time horizon;
- establishing limits for maturities and credit counterparts in the management of liquidity;
- maintaining unused committed and uncommitted lines of credit.

The following table presents the principal characteristics of the committed lines of credit available to the Group at 31 December 2009, arranged with leading domestic and international banks.

(million euro)		31.12.2009		31.12.2008	
	Maturity	**Allowed**	**Used**	**Allowed**	**Used**
Multicurrency credit line	06.07.2011 for 22.5 Mn eur 06.07.2012 for 327.5 Mn eur	350	100	350	200
Credit line in PLN	30.06.2010	19.5	19.5	19.3	19.3
Credit line in euro	30.06.2010	35.0	35.0	-	-
Credit line in euro	05.05.2010	50.0	-	50.0	-
Credit line in euro	15.10.2010	40.0	-	40.0	-
Total		**494.5**	**154.5**	**459.3**	**219.3**

The Group also has significant unused, uncommitted lines of credit available.

During 2009, the Group continued the work started in 2008 to strengthen its liquidity profile, including:

- meetings with all the main partner banks in order to agree the expected scenario and the Group's borrowing requirements;
- the conversion of an uncommitted line of credit into a line that is committed for 16 months;
- the sale without recourse of part of the receivables portfolio in the UK, Italy and France;
- the study of alternative financing transactions that will probably be arranged in 2010.

No significant lines of credit available at 31 December 2009 have been revoked.

The following table analyses by maturity the undiscounted contractual cash flows relating to financial liabilities, including trade payables and the derivative financial instruments with negative fair value at 31 December 2009. Loans have been included with reference to the first date on which repayment may be requested and those that may be revoked at any time have been treated as repayable upon demand.

Financial liabilities *(million euro)*	**Carrying amount 31.12.2009**	**Contractual cash flows not discounted**	**Within 1 month**	**Between 1 and 3 months**	**Between 3 and 12 months**	**Between 1 and 5 years**	**Beyond 5 years**
Trade payables	(659.9)	(659.9)	(160.6)	(341.1)	(158.3)	-	-
Bonds	(206.5)	(236.1)	-	(5.5)	(5.5)	(205.6)	(19.5)
Due to banks	(241.9)	(243.6)	(60.6)	-	(68.3)	(114.6)	-
Liabilites for financial lease	(27.0)	(27.1)	(24.3)	(0.5)	(0.6)	(1.2)	(0.3)
Other payables	(32.0)	(34.9)	(2.8)	(2.6)	(2.3)	(23.7)	(3.5)
Total	**(1,167.3)**	**(1,201.6)**	**(248.3)**	**(349.7)**	**(235.1)**	**(345.2)**	**(23.3)**

Market risks

As defined in IFRS 7, the Group identifies as market risk the probability of fluctuations in the fair value of the future cash flows from a financial instrument, the carrying amount of assets or liabilities or its financial results, as a result of changes in:

- exchange rates;
- interest rates;
- commodity prices.

Exchange rate risk

The Group identifies three types of exchange rate risk:

Competitive

Changes in exchange rates may influence the strategic decisions and competitive positioning of the Group in its reference markets.

Economic

Changes in exchange rates, between the date when a financial commitment between counterparts, in a currency other than the functional currency, is deemed to be highly probable and the actual settlement date of the commitment, generate a difference between the expected cash flows and those that actually occur. The Group further analyses economic risk between:

- pre-transaction risk, represented by the risk of differences between the exchange rate used for forecasts and that applying when the financial commitment is recognised in the financial statements;
- transaction risk, represented by the risk of differences between the exchange rate applying when the financial risk is recognised in the financial statements and that applying on the settlement date of the commitment.

Translation

Changes in exchange rates change the carrying amounts of balance sheet items denominated in foreign currencies, following the consolidation of such amounts for reporting purposes and their translation into the functional currency of the Parent Company. These changes do not give rise to an immediate difference between expected and actual cash flows, but merely have an accounting effect on the Group’s consolidated equity. The effect on cash flows only arises in the event of equity transactions involving Group companies that prepare foreign currency financial statements (e.g. capital reductions, payment of dividends, corporate liquidations …).

Exchange risk is managed centrally by the Central Treasury Department, which systematically identifies outstanding exposures and those deriving from highly likely future transactions, and arranges the related hedges in compliance with the Treasury Policy.

The principal Policy guidelines envisage:

- the hedging of economic risk;
- the hedging of translation risk only if there is a material risk of failure to comply with financial covenants and, in any case, subject to approval by the Chief Executive Officer;
- the hedging of economic risk with reference to the minimum percentage of total exposure approved by the Board of Directors;
- identification of the derivative financial instruments that may be used.

The instruments allowed by the Treasury Policy for the hedging of exchange-rate risk comprise foreign currency loans and investments, as well as forwards, options and collars trade over the counter or in regulated markets.
Derivatives hedging pre-transaction risk are arranged with a time horizon of not more than one year and are managed using the rules applying to cash flow hedges. The year-end value of the cash flow reserve relating to such derivatives is therefore released in full to the income statement for the following year.
Derivatives hedging currency risk generally do not have a term of more than one month and are systematically renewed consistent with the level of the underlying exposure. In general, these financial instruments provide a natural hedge and are not managed using hedge accounting rules; accordingly, pursuant to IAS 39, any changes in fair value are recognised directly in the income statement.

Value at Risk (VaR) is the principal methodology used to measure the exchange-rate risk on outstanding exposures.
VaR is a statistical approach for the measurement of risk that summarises the estimated risk on the entire portfolio with just one number. This summarises the maximum expected loss over a given time horizon and with a specified degree of confidence.

Exchange rate risk: quantitative information

At 31 December 2009, the Group is exposed to exchange rate risk in relation to the following principal currencies: the British pound, the Polish zloty, the Russian rouble, the Turkish lira and the US dollar.
With regard to the derivative contracts outstanding at 31 December 2009, the effects on the Group's income statement and consolidated equity of hypothetical, 10% positive and negative changes in the exchange rates of the principal currencies used by the Group have been estimated.
The exchange rate changes have a financial effect when applied to cash flow hedges and an income statement effect when applied to financial instruments measured at fair value.
With regard to the currency options, the measurement model assumes that market volatility at year end will remain unchanged, and determines the effect on consolidated equity via the measurement of intrinsic value.
The analysis does not consider changes in the fair value of hedged exposures, since it is reasonable to believe that these are mirrored by changes in the fair value of the derivatives concerned.

At 31.12.2009

Currency *(million euro)*	Variation %	P&L variation	Equity variation	Variation %	P&L variation	Equity variation
EUR/GBP	+10%	(9.9)	(4.4)	-10%	12.1	3.5
EUR/PLN	+10%	12.6	0.0	-10%	(15.9)	(1.3)
GBP/PLN	+10%	1.5	(1.4)	-10%	(1.5)	(5.5)
EUR/TRY	+10%	1.4	0.0	-10%	(1.8)	0.0
EUR/USD	+10%	0.0	(1.5)	-10%	0.0	1.7
EUR/RUR	+10%	0.0	(1.2)	-10%	0.0	0.0
Total		**5.7**	**(8.5)**		**(7.1)**	**(1.6)**

At 31.12.2008

Currency *(million euro)*	Variation %	P&L variation	Equity variation	Variation %	P&L variation	Equity variation
EUR/GBP	+10%	0.1	7.8	-10%	(0.1)	(12.2)
EUR/PLN	+10%	8.6	(1.1)	-10%	(10.5)	5.1
GBP/PLN	+10%	(2.0)	(2.7)	-10%	2.4	8.1
EUR/TRY	+10%	3.1	0.0	-10%	(3.9)	3.9
EUR/CNY	+10%	(0.0)	(1.6)	-10%	(0.4)	3.1
EUR/HUF	+10%	0.6	0.0	-10%	(0.7)	0.0
Total		**10.4**	**2.4**		**(13.2)**	**7.9**

In the event of appreciation, the effect on the unhedged net monetary position at 31 December 2009 would be negative by about 2.3 million euro (negative by 0.6 million euro), while the effect in the event of depreciation would be positive by about 1.7 million euro (positive by about 0.6 million euro).

The Group monitors constantly the exposure to translation risk. At 31 December 2009, no transactions have been arranged to hedge this risk.

The following table shows the estimated currency flows in relation to the commercial transactions expected in 2010, together with the related hedges outstanding at 31 December 2009.
At the end of 2009, no hedges have a term of more than 12 months.

Estimated and hedged commercial flows

	GBP	PLN	USD	RUB
Long position	489.0	386.0	4.6	212.0
Short position	(60.0)	(524.0)	(54.6)	(76.0)
Net position	429.0	(138.0)	(50.0)	136.0
Hedges	(83.0)	31.0	16.5	(22.2)
Net position after hedges	**346.0**	**(107.0)**	**(33.5)**	**113.8**

The flows shown in the above table are subject to possibly significant changes due to changes in demand, the different allocation of factors of production, the revision of forecast sales and purchases and, more generally, to the operational and financial risks highlighted in the report on operations.

Commodity price risk

The Group is subject to the risk that fluctuations in the prices for the commodities used in the production process might have an adverse effect on the performance for the year.
This risk is mainly managed in accordance with the Group's procurement policies by the Supply Chain Department, which regularly assesses current and future exposures.
The following table indicates the costs incurred by the Group in 2009 for the consumption of raw materials, components and other materials.

(million euro)	**31.12.2009**	**31.12.2008**
Purchases of commodities		
Steel and alluminium	**179.5**	284.0
Plastic	**163.5**	243.0
Components and transformations	**920.0**	1,238.2
Other material	**103.9**	113.2
Total	**1,366.9**	**1,878.4**

With regard to the purchase of steel, Group policy is to sign, usually in the fourth quarter, annual contracts at fixed prices for the materials requirement estimated when preparing the budget. Based on the consumption expected in 2010, contracts have also been signed in relation to copper, nickel and aluminium. With regard to plastics, the cost of which is correlated with the oil price, the Group signs fixed-price contracts for about 50% of its requirement, while prices for the remaining 50% are indexed to sector parameters.
The Treasury only takes action in this regard on a residual basis, and to the extent allowed by the Treasury Policy. This policy authorises the use of derivatives solely to hedge exposures not covered by the supply contracts and solely in accordance with established rules, such as the requirement for close correlation between the hedging instrument and the hedged commodity, and reference to the restricted list of commodities for which recourse to derivatives is permitted.
The hedging of risk generally involves the use of forward contracts expiring within one year, recognised under the rules for cash flow hedges, which are discussed further in the section on “Transactions outstanding at year end”.

Price risk: quantitative information

The derivatives outstanding at 31 December 2009 hedge the prices of aluminium, copper and electronic components.
A hypothetical 10% decrease in the prices of the above commodities would reduce the fair value of the derivatives by 0.8 million euro, while a hypothetical 10% increase in the prices of these commodities would raise the fair value of the derivatives by 0.5 million euro.
These increases/decreases would be reflected in full in the cash flow hedging reserve.

Interest rate risk

The Group defines interest rate risk as the risk that adverse movements in the interest rate curve might have a negative effect on the cost of liabilities or the yield from financial assets and, in the final analysis, on the Group's net financial expenses.
Interest-rate risk is managed centrally by the Group's Treasury Department, in compliance with the Treasury Policy.

In particular, it is Group policy to:
- maintain borrowing at floating rates;
- limit the conversion from floating rate to fixed rate within the notional, maturity and market limits defined by the policy.

In addition, the policy also covers the types of hedging instrument that can be used (typically interest-rate swaps, forward-rate agreements, cross currency swaps, caps, floors, collars). Recourse to structured derivatives is not envisaged, unless expressly authorised by the CFO.

Interest rate risk: quantitative information

At 31 December 2009, a hypothetical upward/downward shift in the interest-rate curve by 100 basis points (in parallel along the entire curve) would have the effects indicated below.

(million euro)	Variation +100 bps		Variation -100 bps	
31.12.2009	**P&L effect**	**Equity effect**	**P&L effect**	**Equity effect**
Net indebtedness of floating rate	(3.7)	0.0	3.7	0.0
Derivative instrument hedging of fixed rate loans	(7.1)	0.0	7.5	0.0
Derivative instrument hedging of floating rate loans	2.2	5.1	(2.2)	(5.1)
Total	**(8.6)**	**5.1**	**8.9**	**(5.1)**

(million euro)	Variation +100 bps		Variation -100 bps	
31.12.2008	**P&L effect**	**Equity effect**	**P&L effect**	**Equity effect**
Net indebtedness of floating rate	(3.6)	0.0	3.6	0.0
Derivative instrument hedging of fixed rate loans	(9.5)	0.0	10.2	0.0
Derivative instrument hedging of floating rate loans	4.4	4.9	(4.6)	(4.7)
Total	**(8.7)**	**4.9**	**9.2**	**(4.7)**

Hierarchy of levels in the measurement of fair value

With regard to financial instruments recognised at fair value in the balance sheet, IFRS 7 requires such amounts to be classified using a hierarchy of levels that reflect the meaningfulness of the input used for the determination of fair value. The following levels are identified:

- Level 1 – prices quoted in an active market for the asset or liability to be measured;
- Level 2 – input other than the quoted prices referred to above, which is directly (prices) or indirectly (derived from the prices) observable in the market;
- Level 3 – input that is not based on observable market data.

All the financial instruments measured at fair value are represented by Level 2 derivatives (same as in 2008).
There were no transfers from Level 1 to Level 2, or vice versa, during 2009.
There were also no transfers from Level 3 to other levels, or vice versa, during 2009.

With regard to the hedging of fixed-rate loans, the effects on the income statement would be offset by changes of opposite sign in the fair value of the underlying.
At 31 December 2009, fixed-rate financial instruments include the USPP bonds denominated in euro (18.3 million euro) and US dollars (243.0 million dollars).
At 31 December 2009, floating-rate financial instruments typically include cash equivalents and the other financial assets and liabilities.

Credit risk

Credit risk represents the Group's exposure to potential losses deriving from the failure of commercial and financial counterparts to meet their obligations.

Financial counterpart credit risk

The Group invests its liquidity and enters into currency contracts and/or other derivative transactions with various financial institutions, which may give rise to credit risks.
Group Treasury Policy establishes guidelines and limits to be followed by the Treasury Front Office in the management of financial applications of funds, in order to limit the credit risk in relation to financial counterparts.
The Treasury Back Office checks compliance with these rules.

In particular, Group policy covers:

- minimum rating requirements for counterparts;
- the maximum level of counterpart risk that the Group can accept, based on the risk profile (rating) of each counterpart;
- the rules that specify how risk positions must be modified following a change in rating;
- the rules and limits that apply in the case of exposure to counterparts without a rating.

Transactions involving the employment of liquidity and the use of hedging instruments are arranged with leading domestic and international banks.

Commercial counterpart credit risk

The management of trade receivables, which represent the Group's principal credit risk exposure, is the responsibility of the individual market credit controllers, who evaluate counterparts and assign them credit limits.
The credit risk associated with doubtful accounts subject to legal action for recovery or other overdue accounts is monitored on a daily basis and reviewed centrally each month, based on reports prepared by each Group company.
Credit risk is measured on a specific basis by allocating a risk rating to each customer, based on an assessment of creditworthiness that distinguishes between the various types of customer.
The risk rating is assigned by the credit manager, on examination of the application for credit and an assessment of creditworthiness that takes account of both subjective and objective information.

The objective elements considered include:

- analysis of financial statements;
- competitive positioning of the company;
- information about the potential customer obtained from databases.

The subjective elements considered include:

- accumulated experience;
- network of relations;
- assessment of the customer's growth prospects.

The credit ratings of counterparts are reviewed periodically.
The credit risk deriving from commercial transactions is mitigated by the use of various instruments, such as letters of credit, insurance policies and so on.
Unless backed by insurance cover, bank guarantees or other forms of security, Group policy is to impair receivables overdue by more than 60 days by 50% and those overdue by more than 120 days by 75%, while those overdue by more than 180 days are written off.

Credit risk: quantitative information

The Group's maximum theoretical exposure to credit risk is represented by the carrying amount of the financial assets recorded in the balance sheet.
Just with regard to trade receivables, 20.8% (18.1%) of the Group's total gross performing receivables at 31 December 2009 are due from the top ten customers, all of which are major commercial chains.

Hedge accounting

The Group carries out prospective and retrospective tests of the effectiveness of derivatives recognised for hedge accounting purposes.
The prospective effectiveness of a hedge is checked by stress testing, which involves comparing the changes in its fair value with those of the underlying hedged assets or liabilities. In particular, two distinct changes (positive and negative) in the market curves are simulated.
The retrospective effectiveness of a hedge is checked, commencing from the date when the instrument was designated as a hedge, by comparing the cumulative changes in its fair value with those of the underlying hedged assets or liabilities.
Effectiveness is assured if the relation between the change in the fair value of the hedging instrument and the change in the fair value of the hedged instrument falls in the range between 80% and 125%.
During 2009, the Group arranged both fair value hedges and cash flow hedges; Indesit Company uses the latter to hedge the exposure to cash flow fluctuations deriving from specific risks associated with an recognised asset or liability, as well as from forecast transactions that are highly likely to take place.

The Group regularly checks that hedged future transactions continue to be considered highly likely. No significant effects were recorded in 2009 due to hedges with notionals in excess of the underlying flows (overhedges).
The ineffective cash flow hedges identified in 2009 resulted in the recognition of costs totalling 3.2 million euro (costs of 3.7 million euro in 2008). The changes in the fair value of hedging derivatives and the related underlyings are summarised in the table of transactions outstanding at year end.

Fair value

The Group uses the valuation techniques applied in established market practice and internationally-recognised software to determine the fair value of derivatives for which there is no active market. These techniques establish the value that these instruments would have had at the valuation date in an arms'-length transaction between knowledgeable and willing parties.
The valuation methodologies applied solely refer to market factors, ignoring any factors specific to the Group, in order to make a reasonable estimate for the market value of the financial instruments.
The following market factors considered when determining fair value are identified at the valuation date: the exchange rates for foreign currencies, the yield curve for government securities, the prices for goods and their volatility.
The market value obtained by applying these valuation techniques is periodically compared with the mark-to-market values provided by banking counterparts.

In particular, the fair value of each instrument is calculated as follows:

- the fair value of currency forwards is calculated considering the exchange rate and the interest rates for the two currencies at the reporting date;
- the fair value of currency options is calculated using the Black-Scholes model and market parameters at the reporting date (exchange rates, interest rates and volatilities of the currencies);
- the fair value of interest-rate swaps and forward-rate agreements is calculated considering the interest rates at the reporting date and using DCF techniques;
- the fair value of cross currency swaps is calculated considering the exchange rate and the interest rates at the reporting date and using DCF techniques;

- the fair value of commodity forwards is determined considering the forward price for the commodity and the interest rates at the reporting date (and the exchange rate at the reporting date, if the hedge includes the exchange rate);

Categories of financial asset/liability

For each of the categories identified in IAS 39, the following tables present the carrying amount and corresponding fair value of the financial assets and liabilities recorded in the balance sheet.

(million euro) 31.12.2009	Loans and receivables	Financial assets measured at fair value on profit and loss		Financial assets available for sale	Financial assets held to maturity	Hedging instruments	Carrying amount total	Fair value total
		Financial assets measured at fair value upon initial measurement	Financial assets held for trading					
Non-current financial assets	0.2	-	-	-	-	1.3	1.4	1.4
Trade receivables	391.5	-	-	-	-	-	391.5	391.5
Current financial assets	12.0	-	-	-	-	12.7	24.7	24.7
Cash and cash equivalents	191.0	-	-	-	-	-	191.0	191.0

(million euro) 31.12.2008	Loans and receivables	Financial assets measured at fair value on profit and loss		Financial assets available for sale	Financial assets held to maturity	Hedging instruments	Carrying amount total	Total fair value
		Financial assets measured at fair value upon initial measurement	Financial assets held for trading					
Non-current financial assets	5.1	-	-	-	-	4.2	9.3	9.3
Trade receivables	459.0	-	-	-	-	-	459.0	459.0
Current financial assets	10.8	-	-	-	-	33.0	43.8	43.8
Cash and cash equivalents	193.2	-	-	-	-	-	193.2	193.2

(million euro) 31.12.2009	Financial liabilities measured at fair value on profit and loss		Other financial liabilities measured at amortised cost	Hedging instruments	Carrying amount total	Fair value total
	Financial liabilities measured at fair value upon initial measurement	Financial liabilities held for trading				
Medium/long-term financial liabilities	-	-	312.5	24.7	337.2	337.2
Trade payables	-	-	659.9	-	659.9	659.9
Banks and other medium/long-term financial liabilities	-	-	162.8	7.3	170.1	170.1

(million euro) 31.12.2008	Financial liabilities measured at fair value on profit and loss		Other financial liabilities measured at amortised cost	Hedging instruments	Carrying amount total	Fair value total
	Financial liabilities measured at fair value upon initial measurement	Financial liabilities held for trading				
Medium/long-term financial liabilities	-	-	440.8	11.1	451.9	451.9
Trade payables	-	-	767.9	-	767.9	767.9
Banks and other medium/long-term financial liabilities	-	-	249.8	18.4	268.2	268.2

Financial assets and liabilities measured at amortised cost

The following are measured at amortised cost: trade receivables and payables, term deposits, bank borrowing, loans, bonds and certain other assets and liabilities e.g. receivables sold without recourse and finance lease liabilities).
Pursuant to IFRS 7, the fair value of these captions is reassessed by calculating the present value of the contractually-expected flows of principal and interest, based on the yield curve for government securities at the valuation date. In particular, the fair value of long-term financial liabilities is determined using the risk-free curve, as adjusted to take account of the Group’s credit rating.
Although the US Private Placement bonds fall into the category of financial liabilities measured at amortised cost, they are actually recorded at fair value. This is determined with reference solely to the hedged risk factors, using the accounting rules applicable to fair value hedges. The interest rate and exchange rate risks associated with these bonds have in fact been hedged by the Group using the specific derivative instruments described in the note on financial instruments.
The carrying amount of trade receivables and payables is a reasonable approximation of their fair value.

Financial assets and liabilities measured at fair value

The financial instruments arranged for hedging and trading purposes (operational hedges) are measured at fair value. Information about the determination of fair value is provided in the section on “Derivative financial instruments outstanding at year end”.

Derivative financial instruments outstanding at year end

(million euro)		Nature of risk hedged	Notional amount		Fair value of derivates	
			31.12.2009	31.12.2008	31.12.2009	31.12.2008
	Cash flow hedging					
a	Currency options	Currency	222.0	301.3	2.6	19.2
b	IRS on loans	Interest rate	-	3.9	-	0.0
c	IRS on securitization	Interest rate	370.9	274.8	(6.0)	(1.0)
d	Forward	Price	43.1	114.4	1.5	(6.3)
	Total		**636.0**	**694.4**	**(1.9)**	**11.9**
	Fair value hedges					
e	CCS on bonds	Currency/interest rate	202.7	256.9	(17.0)	(11.3)
f	IRS on bonds	Interest rate	18.3	18.3	1.7	1.2
	Total		**221.0**	**275.2**	**(15.3)**	**(10.1)**
	Other hedges					
g	Options on currency	Currency	-	176.9	-	0.1
h	Forward	Currency	74.1	236.1	(0.8)	5.8
	Total		**74.1**	**413.0**	**(0.8)**	**5.9**
	Grand total		**931.1**	**1,382.6**	**(18.0)**	**7.7**

The transactions outstanding at 31 December 2009 and their fair values are reported in the following table, which also indicates the change in the value of the underlyings (where applicable).

(a) The currency options recognised as cash flow hedges were purchased principally to hedge the risk of an appreciation of the euro against the UK pound and the Russian rouble, and of the Polish zloty against the euro and the UK pound. The hedged exchange risks mainly relate to highly likely future transactions expected to take place within one year, with the consequent release of the cash flow hedging reserve to the income statement.

(b) The interest-rate swap is an float to fix IRS relating to a floating-rate loan that expired in the first half of 2009.

(c) The float-to-fix interest-rate swaps have been designated as cash flow hedges of the interest-rate risk on part of the short-term loans, the use of which is expected to be equivalent to such interest-rate swaps in terms of their nominal amount and maturities.

Change in fair value of underlyings at 31.12.2009 vs. 31.12.2008	Change in fair value of derivatives at 31.12.2009 vs. 31.12.2008	Change in fair value of underlyings at 31.12.2009 vs. inception date	Change in fair value of derivatives at 31.12.2009 vs. inception date	At 31.12.2009				Total
				Other non-current financial assets	Current financial assets	Medium/ long-term financial payables	Banks and other financial payables	
na	(16.6)	na	na	-	2.9	-	(0.3)	2.6
na	(0.0)	na	na	-	-	-	-	-
na	(4.9)	na	na	0.2	-	(1.5)	(4.7)	(6.0)
na	7.8	na	na	-	1.6	-	(0.1)	1.5
na	**(13.8)**	**-**	**-**	**0.2**	**4.5**	**(1.5)**	**(5.0)**	**(1.9)**
9.8	(5.7)	14.8	(17.2)	-	6.2	(23.2)	-	(17.0)
0.2	0.5	(1.3)	1.5	1.1	0.6	-	-	1.7
10.0	**(5.2)**	**13.5**	**(15.7)**	**1.1**	**6.8**	**(23.2)**	**-**	**(15.3)**
na	(0.1)	na	na	-	-	-	-	-
na	(6.7)	na	na	-	1.5	-	(2.3)	(0.8)
na	**(6.7)**	**-**	**-**	**-**	**1.5**	**-**	**(2.3)**	**(0.8)**
10.0	**(25.7)**	**13.5**	**(15.7)**	**1.3**	**12.8**	**(24.7)**	**(7.4)**	**(18.0)**

(d) The forwards, designated as cash flow hedges, were arranged to hedge the exchange-rate risk on highly likely future transactions, and the price risk on highly likely future purchases of commodities and semi-finished products.

(e) The cross currency swap was arranged to hedge the interest-rate and exchange-rate risks deriving from commitments in relation to the US private placement of bonds. This transaction converted the fixed-rate US dollar bonds into floating-rate euro.

(f) The interest-rate swap relates to the euro tranche of the US private placement, and was arranged to hedge the interest-rate risk that was swapped, from fixed to floating at the time the loan was arranged.

(g)-(h) The currency options and forwards not recognised as cash flow hedges were arranged to hedge exchange-rate risk.

10. Information on the remuneration of management and on related parties

10.1 Remuneration of management

In addition to the executive and non-executive directors and the statutory auditors, the managers with strategic responsibility for operations, planning and control include the Marketing Manager, the Administration, Finance and Control Manager, the Industrial Technical Manager and the Supply Chain Manager.
The expected gross annual remuneration of the above persons, comprising all forms of compensation (gross pay, bonuses, fringe benefits, etc.), and remuneration accrued but not yet paid since subject to the achievement of long-term objectives, is shown in the following table.

Remuneration for management at 31 December 2009

(million euro)	Short-term benefits	Long-term benefits	Stock options
Directors	6.9	1.5	-
Statutory Auditors	0.1	-	-
Executives	2.8	2.3	-
Total	**9.9**	**3.8**	**-**

Remuneration for management at 31 December 2008

(million euro)	Short-term benefits	Long-term benefits	Stock options
Directors	4.0	1.7	-
Statutory Auditors	0.1	-	-
Executives	3.0	2.1	-
Total	**7.1**	**3.8**	**-**

10.2 List of related parties

The companies deemed to be related parties (other than subsidiaries), as defined in IAS 24, with which commercial and financial transactions have been carried out, are listed below. All commercial and financial transactions with these entities were arranged on arms'-length terms and in the interests of the Group.

List of related parties	Type of relationship
Faber Factor S.p.A.	Other related - Controlled by Fineldo S.p.A., Group parent of Indesit Company
Fines	Other related - Related to a member of the Merloni family
Fineldo S.p.A.	Group parent - Belonging to Vittorio Merloni
Imat S.p.A.	Other related - Related to a Director of the Group
LTT Life Tool Technologies S.p.A.	Other related - Related to a member of the Merloni family
Marcegaglia S.p.A.	Other related - Related to a Director of the Group
Marcegaglia Buildech S.r.l.	Other related - Related to a Director of the Group
MCP eventi S.r.l.	Other related - Related to a member of the Merloni family
Merloni Vittorio	Other related - Member of the Merloni family
Merloni Progetti S.p.A.	Other related - Controlled by Fineldo S.p.A., Group parent
M P & S S.r.l.	Other related - Related to a member of the Merloni family
MPE Energia S.p.A.	Other related - Controlled by Fineldo S.p.A., Group parent
Protecno S.A.	Other related - Related to a member of the Merloni family
Tradeplace BV	Associate
Indesit Company UK Ltd. Group Personal Pension Plan	Pension fund
Merloni Ireland Pension Plan	Pension fund

In addition to the above companies, the following natural persons are also deemed to be related parties: members of the Board of Directors and the Board of Statutory Auditors, managers with strategic responsibility for management, planning and control activities, and the close family members of these parties, as defined in IAS 24.

Nature of relations with the principal related parties

Indesit Company UK Ltd Group Personal Pension Plan and Merloni Ireland Pension Plan

Indesit Company UK Ltd and the employees concerned contribute to The Indesit Company UK Ltd Group Personal Pension Plan and the Merloni Ireland Pension Plan under the pension rules applicable in the UK. The unfunded liability of these pension plans is recorded in the employee benefits caption. Further information is provided in note 8.22.

The Merloni Progetti Group

The Merloni Progetti Group (and, in particular, Merloni Progetti S.p.A. and Protecno S.A.) obtains contracts for the construction of plant and leases property to Indesit Company.

10.3 Schedules summarising the transactions with related parties

The table on the next page summarises the balances and transactions with the related parties identified above, distinguishing between the transactions with the Parent Company, associates and other related parties. Furthermore, in accordance with Consob Resolution no. 15519 dated 27 July 2006 and Consob Communication no. DEM/6064293 dated 28 July 2006, Attachments 3 and 4 present the consolidated income statement and balance sheet showing the transactions with related parties separately and indicating their percentage incidence with respect to each financial statement caption.

There have not been any significant, atypical and/or unusual transactions with related parties (except those with regard to the pension funds described above).
The cost of purchasing from related parties reported in Cost of sales mainly comprises the cost of purchasing steel from the Marcegaglia Group.

Tables summarising the transactions with related parties - Income statement

(million euro)	**31.12.2009**	**31.12.2008**
Revenue		
Other related	**0.1**	0.1
Associates	**0**	0
Parent Company	**0.4**	0.5
Total	**0.4**	**0.6**
Cost of sales		
Associates	**0**	0
Other related	**(8.6)**	(28.3)
Total	**(8.6)**	**(28.3)**
Selling and distribution expenses		
Other related	**(0.2)**	(0.7)
Associates	**-**	-
Total	**(0.2)**	**(0.7)**
General and administrative expenses		
Associates	**-**	(0.3)
Other related	**(13.7)**	(11.0)
Parent Company	**(0.2)**	-
Total	**(13.9)**	**(11.3)**
Net financial expenses		
Other related	**-**	-
Parent Company	**(0.0)**	(0.1)
Total	**(0.0)**	**(0.1)**
Profits and losses from associates		
Other related	**-**	-
Total	**-**	**-**

Tables summarising the transactions with related parties- Balance sheet

(million euro)	31.12.2009	31.12.2008
Intangible assets with a finite life		
Associates	-	-
Other related	5.9	3.7
Total	**5.9**	**3.7**
Property, plant and equipment		
Associates	-	-
Other related	-	-
Total	**-**	**-**
Current financial assets		
Other related	-	-
Parent Company	-	-
Associates	-	-
Total	**-**	**-**
Trade receivables		
Associates	-	-
Other related	0.1	0.2
Parent Company	0.3	0.2
Total	**0.4**	**0.4**
Trade payables		
Associates	-	-
Other related	(4.5)	(12.8)
Parent Company	0.0	0.0
Total	**(4.5)**	**(12.8)**
Other payables		
Parent Company	-	(0.0)
Other related	0.0	0.0
Total	**0.0**	**(0.0)**

The amounts for other related parties within Property, plant and equipment relate to the expansion of the warehouse at Lipetzk, involving the recognition of 3.6 million euro to Merloni Progetti, and to the purchase of residential property for the temporary accommodation of Group executives and managers, involving the recognition of 2.3 million euro to the Chairman, Vittorio Merloni.

The amounts for other related parties within Trade payables mainly relate to the Marcegaglia group, 3.9 million euro. The reduction in trade payables reflects the lower volume of purchasing.

Attachment 1
List of companies consolidated on a line-by-line basis

Name	Location	Share capital	Group interest	
			Direct	Indirect
Indesit Company Luxembourg S.A.	Luxembourg	EUR 117,977,729	100.00	-
Indesit Electrodomesticos S.A.	Spain	EUR 1,000,000	78.95	21.05
Merloni Domestic Appliances Ltd.	UK	GBP 90,175,500	19.60	80.40
Indesit Company Portugal Electrodomésticos S.A.	Portugall	EUR 1,144,100	-	99.44
Indesit Company International B.V.	The Netherlands	EUR 272,270	-	100.00
Indesit Pts Ltd.	UK	GBP 1,000	-	100.00
Indesit Company France S.a.s.	France	EUR 17,000,000	-	100.00
Fabrica Portugal S.A.	Portugal	EUR 11,250,000	-	96.40
Indesit Company Beyaz Esya Sanayi ve Ticaret A.S.	Turkey	TRY 102,341,573	47.36	52.64
Indesit Company Beyaz Esya Pazarlama A.S.	Turkey	TRY 5,167,994	99.99	-
Indesit IP S.r.l.	Italy	EUR 10,000	100.00	
Indesit Company Deutschland GmbH	Germany	EUR 550,000	-	99.75
Indesit Company Ireland Reinsurance Ltd.	Ireland	USD 750,000	-	100.00
Closed Joint Stock Company Indesit International	Russia	RUB 1,664,165,000	100.00	-
Indesit Company Polska Sp.zo.o.	Poland	PLN 540,876,500	100.00	-
Indesit Company Magyarország Kft	Hungary	HUF 2,116,400,000	-	100.00
Indesit Company Ceská S.r.o.	Czech Republic	CZK 1,000,000	100.00	-
Indesit Company International Business S.A.	Switzerland	SFR 250,000	-	100.00
Indesit Company UK Holdings Ltd.	UK	EUR 163,000,000		100.00
General Domestic Appliances Holdings Ltd.	UK	GBP 26,000,000	-	100.00
Aeradriatica S.p.A.	Italy	EUR 23,068,545	100.00	-
Airdum Ltd.	UK	GBP 15,000	-	100.00
Cannon Industries Ltd.	UK	GBP 1,500,000	-	100.00
Creda Domestic Appliances Service Ltd.	UK	GBP 1,000	-	100.00
Creda Ltd.	UK	GBP 5,850,000	-	100.00
Fixt Ltd.	UK	GBP 2	-	100.00
General Domestic Appliances International Ltd.	UK	GBP 100,000	-	100.00
Hotpoint Sales Ltd.	UK	GBP 775,000	-	100.00
Hotpoint UK Ltd.	UK	GBP 50	-	100.00
Jackson Appliances Ltd.	UK	GBP 750,000	-	100.00
Indesit Company UK Ltd.	UK	GBP 76,195,645	-	100.00
Xpelair Ltd.	UK	GBP 825,000	-	100.00
Ariston Group Services Ltd.	UK	GBP 100	-	100.00
RTC International Ltd.	UK	GBP 50,000	-	100.00
Wuxi Indesit Home Appliance Co. Ltd.	China	USD 13,6000,000	-	70.00
Indesit Company Belgium S.A.	Belgium	EUR 150,000	-	100.00
Argentron S.A.	Argentina	ARS 22,000,000	-	100.00
Indesit Middle East FZE	Dubai	AED 1,000,000	-	100.00
Indesit Company Rus Ltd.	Russia	RUB 4,340,000	1.00	99.00
Indesit Company Österreich GmbH	Austria	EUR 18,168.21	-	100.00
Indesit Ireland Ltd.	Ireland	EUR 100,000	-	100.00

Attachment2

List of other investments in subsidiaries and associates

Name	Location	Share capital	Group interest	
			Direct	Indirect
Indesit Company Bulgaria Ltd.	Bulgaria	BGL 7,805,000	100.00	-
Indesit Company Domestic Appliances Hellas Mepe	Greece	EUR 18,000	-	100.00
Indesit Company Norge Ltd.	Norway	NOK 100,000	-	100.00
Indesit Company Singapore Pte. Ltd.	Singapore	SGD 100,000	-	100.00
Tradeplace B.V.	Olanda	EUR 30,000	20.00	-

Attachment 3

Consolidated income statement for the year ended 31 December 2008, prepared in accordance with Consob Resolution no. 15519 dated 27 July 2006 and Consob Communication no. DEM/6064293 dated 28 July 2006

(million euro)	31.12.2009			31.12.2008		
	Balances	of which non-recurring	of which with related parties	Balances	of which non-recurring	of which with related parties
Revenue	2,613.0	-	0.4	3,154.9		0.6
Cost of sales	(1,981.5)	(42.4)	(8.6)	(2,397.3)	(10.1)	(28.3)
Selling and distribution expenses	(415.7)	(8.2)	(0.2)	(502.9)	(10.6)	(0.7)
General and administrative expenses	(97.2)	0.2	(13.9)	(114.1)	1.3	(11.3)
Operating margin	**(118.6)**	**-**		**140.6**		
Net financial expenses	(51.8)	-	(0.0)	(45.7)	-	(0.1)
Share of profit (losses) of associates	-	-	0.0	-	-	0
Profit before tax	**66.8**			**94.9**		
Income tax[1]	(33.3)	25.1	na	(38.9)	8.0	na
Profit for the year	**33.5**			**56.0**		

Percentage weight over consolidated income statements items	31.12.2009			31.12.2008		
	Balances	of which non-recurring	of which with related parties	Balances	of which non-recurring	of which with related parties
Revenue	100.0%	-	0.0%	100.0%	-	0.0%
Cost of sales	100.0%	2.1%	0.4%	100.0%	0.4%	0.0%
Selling and distribution expenses	100.0%	2.0%	0.0%	100.0%	2.1%	0.0%
General and administrative expenses	100.0%	(0.2%)	14.3%	100.0%	(1.1%)	0.0%
Operating margin	100.0%			100.0%		
Net financial expenses	100.0%	-	0.0%	100.0%	-	0.2%
Share of profit (losses) of associates	-			-		
Profit before tax	100.0%			100.0%		
Income tax[1]	100.0%	(75.4%)	na	100.0%	(20.4%)	na
Profit for the year	100.0%			100.0%		

1. Tax effects calculated referring to the tax rate of the countries in which the transaction took place.

Attachment 4

Consolidated balance sheet at 31 December 2009, prepared in accordance with Consob Resolution no. 15519 dated 27 July 2006 and Consob Communication no. DEM/6064293 dated 28 July 2006

Percentage weight over consolidated balance sheet items *(million euro)*	**31.12.2009**			**31.12.2008**		
	Balances	**of which with related parties**	**Weight %**	**Balances**	**of which with related parties**	**Weight %**
Assets						
Property, plant and equipment	630.4	5.9	0.9%	692.8	3.7	0.5%
Goodwill and other intangible assets with an indefinite useful life	222.5	-	-	207.7	-	-
Other intangible assets with a finite life	109.0	-	-	123.9	-	-
Investments in associates	0.5	-	-	0.5	-	-
Other non-current assets	39.2	-	-	33.9	-	-
Deferred tax assets	70.8	-	-	54.6	-	-
Other non-current financial assets	1.4	-	-	9.3	-	-
Total non-current assets	**1,073.8**		**-**	**1,122.8**	**-**	**-**
Inventories	**281.4**	**-**	**-**	**374.1**	**-**	**-**
Trade receivables	**391.5**	**0.4**	**0.1%**	**459.0**	**0.4**	**0.1%**
Current financial assets	**24.7**	**-**	**0.0%**	**43.8**	**-**	**-**
Tax receivables	22.8	-	-	44.1	-	-
Other receivables and current assets	64.4	-	-	63.6	-	-
Cash and cash equivalents	191.0	-	-	193.2	-	-
Total current assets	**975.9**			**1,177.7**	**-**	**-**
Total assets	**2,049.6**			**2,300.5**	**-**	**-**
Equity						
Share capital	92.8	-	-	92.8	-	-
Reserves	192.8	-	-	176.0	-	-
Retained earnings	146.6	-	-	95.8	-	-
Profit attributable to the Group	34.5	-	-	55.5	-	-
Equity attributable to the Group	**466.6**	**-**	**-**	**420.0**	**-**	**-**
Minority interests	1.5	-	-	2.5	-	-
Total equity	**468.1**	**-**	**-**	**422.6**	**-**	**-**
Liabilities						
Medium and long-term interest-bearing loans and borrowings	337.2	-	-	451.9	-	-
Employee benefits	62.2	-	-	66.3	-	-
Provisions for risks and charges	15.0	-	-	43.3	-	-
Deferred tax liabilities	39.8	-	-	46.0	-	-
Other non-current liabilities	37.9	-	-	42.3	-	-
Total non-current liabilities	**492.2**	**-**	**-**	**649.8**	**-**	**-**
Banks and other financial payables	170.1	-	-	268.2	-	-
Provisions for risks and charges	112.8	-	-	51.9	-	-
Trade payables	659.9	4.5	0.7%	767.9	12.8	1.7%
Tax payables	36.5	-	-	34.6	-	-
Other payables	110.0	-	-	105.5	0.0	0.0%
Total current liabilities	**1,089.4**			**1,228.1**		**-**
Total liabilities	**1,581.5**			**1,878.0**		**-**
Total equity and liabilities	**2,049.6**			**2,300.5**		**-**

Attachment 5

Investments held by directors, statutory auditors, general managers and managers with strategic responsibilities at 31 December 2009

Name and surname	Company held	Nature of holding[1]	Number of shares held at the end of the prior year	Number of shares acquired	Number of shares sold	Number of shares held at the end of the current year
Vittorio Merloni	Indesit Company S.p.A. - ordinaryshares	direct	1,338,300			1,338,300
		indirect via Fineldo S.p.A.	44,552,029	630,000		45,182,029
		indirect via Merloni Progetti S.p.A.	97,061			97,061
		indirect via Merloni Progetti Int. S.A.	934,995			934,995
		indirect via Indesit Company S.p.A. treasury shares without voting rights at general meetings	11,039,750			11,039,750
		via Franca Carloni, wife	254,840			254,840
Marco Milani	Indesit Company S.p.A. - ordinary shares	direct	100,000			100,000
	Indesit Company Beyaz Esya ve Ticaret AS	direct	2		2	
Ester Merloni	Indesit Company S.p.A. - ordinary shares	indirect via Fines S.p.A.	7,415,190			7,415,190
		direct	5,042,400			5,042,400
Andrea Merloni	Indesit Company S.p.A. - ordinary shares	indirect via Alpha 67 S.r.l. Company	254,840			254,840
Antonella Merloni	Indesit Company S.p.A. - ordinary shares	direct	276,030			276,030
Maria Paola Merloni	Indesit Company S.p.A. - ordinary shares	direct	231,400	20,000	11,292	240,108
Adriano De Maio	Indesit Company S.p.A. - ordinary shares	direct	1,000			1,000
Managers with strategic respons-ibilities	Indesit Company S.p.A. - ordinary shares	direct	2,000			- [1]
	Indesit Company S.p.A. Beyaz Esya ve Ticaret AS	direct	7		7	

1.Including shares held through wives or husbands not legally divorced and through underage sons.

Attachment 6

Remuneration paid to directors, statutory auditors, general managers and managers with strategic responsibilities at 31 December 2009[1]

Name and surname	Position	Period in office during the year	Duration of mandate
Vittorio Merloni	Chairman of the Board	01.01.2009 - 31.12.2009	2009 financial statements
Andrea Merloni	Deputy Chairman of the Board	01.01.2009 - 31.12.2009	2009 financial statements
Marco Milani	Chief Executive Officer	01.01.2009 - 31.12.2009	2009 financial statements
Bruno Busacca	Board Director	01.01.2009 - 31.12.2009	2009 financial statements
Innocenzo Cipolletta	Board Director	01.01.2009 - 31.12.2009	2009 financial statements
Adriano de Maio	Board Director	01.01.2009 - 31.12.2009	2009 financial statements
Luca Garavoglia	Board Director	01.01.2009 - 31.12.2009	2009 financial statements
Mario Greco	Board Director	01.01.2009 - 31.12.2009	2009 financial statements
Hugh Charles Blagden Malim	Board Director	01.01.2009 - 31.12.2009	2009 financial statements
Emma Marcegaglia	Board Director	01.01.2009 - 31.12.2009	2009 financial statements
Antonella Merloni	Board Director	01.01.2009 - 31.12.2009	2009 financial statements
Maria Paola Merloni	Board Director	01.01.2009 - 31.12.2009	2009 financial statements
Paolo Monferino	Board Director	01.01.2009 - 31.12.2009	2009 financial statements
Angelo Casò	Chairman of the Board of Statutory Auditors	01.01.2009 - 31.12.2009	2010 financial statements
Andrea Amaduzzi	Auditor	01.01.2009 - 31.12.2009	2010 financial statements
Luigi Biscozzi	Auditor	01.01.2009 - 31.12.2009	2010 financial statements
Managers with strategic responsibilities		01.01.2009 - 31.12.2009	indefinite

Notes:
(1) The amounts indicated both in the table and in the notes, for greater clarity and pursuant to Consob Issuer Regulation, do not include social security contributions incurred by the Company.
(2) "Other remuneration" includes remuneration as an executive of Indesit Company.
(3) With reference to new "retention" and incentive plans authorised in 2009, in addition to the remuneration indicated, Euro 1,500,000 has been accrued but not paid. These amounts, subject to achievement of plan conditions, will be progressively paid from 2011.
(4) "Other remuneration" include remuneration as consultancy contract.
(5) Remuneration includes travelling expenses.
(6) Managers with strategic responsibilities in 2009 have been four. Remuneration are indicated at aggregate level.
(7) With reference to new "retention" and incentive plans authorised in 2009, in addition to the remuneration indicated, Euro 1,923,750 has been accrued but not paid. These amounts, subject to achievement of plan conditions, will be progressively paid from 2011.

Attachment 7

Stock options granted to directors, statutory auditors, general managers and managers with strategic responsibilities at 31 December 2009

		Options held at start of year			Options granted during the year		
(A) Name and surname	(B) Position held	(1) Number of options	(2) Average exercise price	(3) Average expiry	(4) Number of options	(5) Average exercise price	(6) Average expiry
Managers with strategic responsibilities		57,500	10.184	2014	0	-	-
		57,500					

Remunerations for position in Company preparing the financial statements	Non-cash benefits	Bonuses and other incentives	Other remuneration	Note
1,820,000		1,350,000		
505,000		337,500		
455,000	10,335	750,000	600,225	(2) (3)
50,000				
60,000				
45,000				
35,000				
75,000				
65,000				
20,000				
70,000				
70,000			135,000	(4)
75,000				
60,000			1,698	(5)
40,000			79	(5)
40,000			482	(5)
	32,129	961,875	1,284,596	(2) (6) (7)

Options exercised during the year			Options expired in the year	Options held at end of year		
(7)	(8)	(9)	(10)	(11) = 1+4-7-10	(12)	(13)
Number of option	Average exercise price	Average market price on exercise	Number of options	Number of options	Average exercise price	Average expiry
0	-	-	0	57,500	10.184	2014
0			**0**	**57,500**		

Attachment 8

Stock options granted to Group managers and junior managers at 31 December 2009

	2009			2008		
	No.	Average price	Market price	No.	Average price	Market price
Options outstanding as of 01.01	322,000		4.355	332,000		10.578
New options granted during the year	0			0		
Details						
Options exercised during the year	0		4.8009	0		7.36
Details						
Options expiring during the year						
Options lapsing during the year	17,500		4.8009	10,000		7.36
Details	*10,000*	*12.6479*		*10,000*	*12.6479*	
	5,000	*4.88*				
	2,500	*4.8082*				
Options outstanding at the year	304,500		7.805	322,000		4.29
Inc. vested at year end	304,500			322,000		

Attachment 9

Summary of the fees charged by the auditing company and members of its network for services provided to the Group during the year, prepared pursuant to art. 149-duodecies of Issuer Regulation no. 11971 dated 14 May 1999 and subsequent amendments

Kind of service	Service supplier	Addressee	Remuneration (euro thousand)
Audit	KPMG S.p.A.	Parent Company	1,037
	KPMG S.p.A. (1)	Subsidiaries	365
	KPMG network	Subsidiaries	626
Other services			
- Agreed-upon procedures	KPMG S.p.A.	Parent Company	67
- Agreed-upon procedures	KPMG network	Subsidiaries	19
- Advisory services	KPMG network	Parent Company	41
- Advisory services	KPMG network	Subsidiaries	109
Total			**2,264**

1. The audit has been carried out by KPMG S.p.A. with the assistance of the KPMG network, present in the countries where subsidiaries work.

	2007			2006			2005			2004	
	No.	**Average price**	**Market price**	**No.**	**Average price**	**Market price**	**No.**	**Average price**	**Market price**	**No.**	**Market price**
	561,750		12.331	849,250		8.787	103,6250		12.605	2,198,500	
	0			0			0		10.4558	0	
	212,250		14.524	222,500		9.8601	152,000		10.4558	987,250	
	7,500	*4.88*		*175,000*	*4.8082*		*28,750*	*4.8082*		*145,000*	*4.6588*
	37,500	*4.8082*		*47,500*	*7.9258*		*5,000*	*4.88*		*152,250*	*4.488*
	89,250	*7.9258*					*118,250*	*7.9258*		*3,750*	*4.88*
	78,000	*12.6479*								*548,750*	*4.8082*
	17,500		14.524	65,000	12.6479	9.8601	35,000		10.4558	175,000	
	5,000	*7.9258*		*65,000*	*12.6479*		*5,000*	*7.9258*		*2,500*	*4.488*
	12,500	*12.6479*					*30,000*	*12.6479*		*47,500*	*4.8282*
										80,000	*7.9258*
										45,000	*12.6479*
	332,000		10.578	561,750		12.331	849,250		8.787	1,036,250	
	332,000			426,750			519,250			495,000	

Milan, 25 March 2010

For the Board of Directors

The Deputy Chairman

Andrea Merloni

Attestation in respect of Consolidated financial statements at 31 December 2009 under Art. 154-bis of Legislative Decree 58/98

The Chief Executive Officer Marco Milani and the Manager charged with preparing the Company's financial reports, Andrea Crenna, pursuant to the provisions of Article 154-bis, clauses 3 and 4, of Legislative Decree no. 58 of 1998, hereby attest to:

- the adequacy with respect to the Company structure, and
- the effective application,

of the administrative and accounting procedures applied in the preparation of the Consolidated financial statements at 31 December 2009.

The undersigned moreover attest that the Consolidated Financial Statements:

- have been prepared in accordance with International Financial Reporting Standards, as endorsed by the European Union through Regulation (EC) 1606/2002 of the European Parliament and Counsel, dated 19 July 2002;
- correspond to the results documented in the books, accounting and other records;
- provide a fair and correct representation of the financial conditions, results of operations and cash flows of the Company and its consolidated subsidiaries at 31 December 2009.

The Report on operations and Consolidated financial statements at 31 December 2009 includes a reliable operating and financial review of the Company and of the Group as well as a description of the main risks and uncertainties to which they are exposed.

25 March 2010

The Chief Executive Officer

Marco Milani

The manager charged with preparing the Company's financial reports
Andrea Crenna

KPMG S.p.A.
Revisione e organizzazione contabile
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(Translation from the Italian original which remains the definitive version)

Report of the auditors in accordance with article 156 of Legislative decree no. 58 of 24 February 1998

To the shareholders of
Indesit Company S.p.A.

1 We have audited the consolidated financial statements of the Indesit Company Group as at and for the year ended 31 December 2009, comprising the income statement, statement of comprehensive income, balance sheet, cash flow statement, statement of changes in equity and notes thereto. The parent's directors are responsible for the preparation of these financial statements in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05. Our responsibility is to express an opinion on these financial statements based on our audit.

2 We conducted our audit in accordance with the auditing standards recommended by Consob, the Italian Commission for Listed Companies and the Stock Exchange. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement and are, as a whole, reliable. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by directors. We believe that our audit provides a reasonable basis for our opinion.

Reference should be made to the report dated 7 April 2009 for our opinion on the prior year consolidated financial statements, which included the corresponding figures presented for comparative purposes that have been restated to reflect the changes in the presentation of financial statements introduced by IAS 1.

3 In our opinion, the consolidated financial statements of the Indesit Company Group as at and for the year ended 31 December 2009 comply with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05. Therefore, they are clearly stated and give a true and fair view of the financial position of the Indesit Company Group as at 31 December 2009, the results of its operations and its cash flows for the year then ended.

4 The directors of Indesit Company S.p.A. are responsible for the preparation of a report on operations and a report on the corporate governance and ownership structure, published in the "Company" section , "Governance" subsection of Indesit Company S.p.A.'s website, in accordance with the applicable laws and regulations. Our responsibility is to

express an opinion on the consistency of the report on operations and the information required by article 123-bis.1.c/d/f/l/m and article 123-bis.2.b of Legislative decree no. 58/98 disclosed in the report on the corporate governance and ownership structure with the financial statements to which they refer, as required by the law. For this purpose, we have performed the procedures required by the Italian Standard on Auditing 001 issued by the Italian Accounting Profession and recommended by Consob. In our opinion, the report on operations and the information required by article 123-bis.1.c/d/f/l/m and article 123-bis.2.b of Legislative decree no. 58/98 disclosed in the report on the corporate governance and ownership structure are consistent with the consolidated financial statements of the Indesit Company Group as at and for the year ended 31 December 2009.

Ancona, 31 March 2010

KPMG S.p.A.

(signed on the original)

Luca Ferranti
Director of Audit

Separate financial statements at 31 December 2009

Indesit Company S.p.A.

Separate income statement for the year ended 31 December 2009[1]

(million euro)	**Note**	**31.12.2009**	**31.12.2008**
Revenue from sales and services	6.1	1,306.1	1,578.8
Change in work in progress, semi-finished and finished products	6.2	(57.8)	19.1
Other income and expenses	6.3	73.5	84.5
Purchase of raw materials, services and costs for utilization of third party	6.4	(995.0)	(1,375.0)
Payroll	6.5	(201.6)	(214.2)
Depreciation, amortization and impairment losses	6.6	(67.4)	(63.2)
Change in raw materials, auxiliary and components	6.7	(17.2)	6.9
Provisions and other operating charges	6.8	(35.2)	(31.9)
Operating profit	**6.9**	**5.4**	**5.0**
Dividends from subsidiaries, associates and others	6.10	56.4	122.0
Interest income from subsidiaries and associates	6.11	9.4	53.4
Interest income from third parties	6.12	0.1	0.1
Interest expenses from subsidiaries and associates	6.13	(25.9)	(31.4)
Interest expenses from third parties and Parent Company	6.14	(14.2)	(27.0)
Exchange rate losses	6.15	15.0	(35.0)
Reversal of impairment losses on investments	6.16	-	-
Impairment losses on investments	6.17	(2.0)	(19.0)
Net financial income and expenses		**38.7**	**63.2**
Profit before tax		**44.1**	**68.2**
Income tax expenses	6.18	(6.7)	(5.6)
Profit for the year		**37.4**	**62.6**

Separate statement of comprehensive income for the year ended 31 December 2009

(million euro)	**Note**	**31.12.2009**	**31.12.2008**
Profit (loss) for the year (A)		**37.4**	**62.6**
Gains/(Losses) on cash flow hedges, net of tax	6.29	2.9	(9.2)
Total other comprehensive income/(losses), net of tax (B)		**2.9**	**(9.2)**
Total comprehensive income (A+B)		**40.3**	**53.4**

1. Pursuant to Consob Resolution no. 15519 dated 27 July 2006, the effects of related-party and non-recurring transactions on the separate income statement are reported in Attachment 2 and in notes 8.3 and 6.9, respectively.

Separate balance sheet at 31 December 2009[2]

(million euro)	Note	31.12.2009	31.12.2008
Assets			
Property, plant and equipment	6.19	190.6	218.4
Goodwill and other intangible assets with an indefinite useful life		-	-
Other intangible assets with a finite life	6.20	74.1	79.2
Investments in associates	6.21	0.5	0.5
Investments in subsidiaries and other investments	6.22	405.2	526.5
Deferred tax assets	6.23	17.9	14.2
Other non-current financial assets	6.29	50.0	61.7
Total non-current assets		**738.2**	**900.5**
Inventories	6.24	112.7	187.7
Trade receivables	6.25	542.7	688.6
Current financial assets	6.29	132.8	57.4
Tax receivables	6.26	8.5	9.6
Other receivables and current assets	6.27	25.0	21.8
Cash and cash equivalents	6.29	8.3	8.9
Total current assets		**829.9**	**973.9**
Total assets		**1,568.1**	**1,874.4**
Equity			
Share capital		92.8	92.8
Reserves		338.9	273.4
Profit		37.4	62.6
Total equity	**6.28**	**469.0**	**428.7**
Liabilities			
Medium and long-term interest-bearing loans and borrowings	6.29	332.7	494.5
Employee benefits	6.30	42.9	46.6
Provisions for risks and charges	6.31	34.2	20.5
Deferred tax liabilities	6.32	-	-
Other non-current liabilities	6.33	6.1	7.6
Total non-current liabilities		**416.0**	**569.2**
Banks and other financial payables	6.29	146.7	259.9
Provisions for risks and charges	6.31	34.5	28.5
Trade payables	6.34	433.3	514.2
Tax payables	6.35	9.8	17.0
Other payables	6.36	58.9	56.9
Total current liabilities		**683.1**	**876.5**
Total liabilities		**1,099.1**	**1,445.7**
Total equity and liabilities		**1,568.1**	**1,874.4**

2. Pursuant to Consob Resolution no. 15519 dated 27 July 2006, the effects of related-party and non-recurring transactions on the separate balance sheet are reported in Attachment 3 and in note 8.3. In addition, the effects of non-recurring transactions on the balance sheet and financial indebtedness are described in note 6.9.

Separate cash flow statement for the year ended 31 December 2009[3]

(million euro)	Note	31.12.2009	31.12.2008
Total profit	6.38	37.4	62.6
Income taxes	6.38	6.7	5.6
Impairment losses on investments and other financial assets	6.38	2.5	19.0
Depreciation and amortisation	6.38	67.4	63.2
Other non-monetary income and expenses, net	6.39	(5.7)	(96.1)
Change in inventories	6.40	75.0	(26.0)
Change in trade receivables	6.40	145.9	(33.9)
Change in trade payables	6.40	(66.8)	(91.5)
Change in other assets and liabilities	6.41	4.2	(9.1)
Taxes paid	6.38	(7.3)	(10.7)
Interest paid	6.39	(23.0)	(37.2)
Interest received	6.39	0.7	1.2
Cash flows from operating activities		**236.9**	**(152.7)**
Acquisition of property, plant and equipment	6.42	(32.0)	(34.7)
Proceeds from sale of property, plant and equipment	6.42	3.9	0.4
Acquisition of intangible assets	6.43	(20.7)	(28.5)
Proceeds from sale of intangible assets	6.43	0.1	0.9
Acquisition of non-current financial assets	6.44	(6.2)	-
Proceeds from sale of non-current financial assets	6.44	96.7	-
Cash flows from (used in) investing activities		**41.9**	**(62.0)**
Cash flow hedge reserve on derivatives	6.45	2.9	(9.2)
Dividends paid	6.45	0.0	(52.5)
Dividends received	6.46	56.4	122.0
Startings of medium/long-term financial payables	6.47	-	261.2
Repayments of medium/long-term financial payables	6.48	(161.8)	(13.7)
Change in current financial payables/receivables	6.49	(177.0)	(90.8)
Cash flows from (used in) financing activities		**(279.3)**	**216.9**
Cash and cash equivalents, start of year	6.29	8.9	6.6
Cash and cash equivalents, end of year	6.29	8.3	8.9
Total change in cash and cash equivalents		**(0.6)**	**2.2**

3. Pursuant to Consob Resolution no. 15519 dated 27 July 2006, the financial effects of related-party transactions are reported in note 6.9. The financial effects of non-recurring transactions are also described in note 6.9.

Statement of changes in equity for the year ended 31 December 2009

(million euro)	Note	Opening balances	Other gains/(losses), net of tax	Profit for the year	Total comprehensive income	Dividends paid	Allocation of profit of the year	Total effects of transactions with shar e-holders	Closing balance
Statement of changes in separate equity for the year ended 31 December 2009									
Share capital		**92.8**	-	-	**-**	-	-	**-**	**92.8**
Share premium reserve		**35.8**	-	-	**-**	-	-	**-**	**35.8**
Legal reserve		**22.7**	-	-	**-**	-	-	**-**	**22.7**
Other reserves		**214.9**	2.9	-	**2.9**	-	62.5	**62.5**	**280.4**
Profit to the year		**62.6**	-	37.4	**37.4**	-	(62.5)	**(62.5)**	**37.4**
Total equity	**6.28**	**428.7**	**2.9**	**37.4**	**40.3**	**-**	**-**	**-**	**469.0**
Statement of changes in separate equity for the year ended 31 December 2008									
Share capital		**92.8**	-	-	**-**	-	-	**-**	**92.8**
Share premium reserve		**35.8**	-	-	**-**	-	-	**-**	**35.8**
Legal reserve		**22.7**	-	-	**-**	-	-	**-**	**22.7**
Other reserves		**220.8**	(9.2)	-	**(9.2)**	-	3.3	**3.3**	**214.9**
Profit to the year		**55.8**	-	62.6	**62.6**	(52.5)	(3.3)	**(55.8)**	**62.6**
Total equity	**6.28**	**427.9**	**(9.2)**	**62.6**	**53.4**	**(52.5)**	**-**	**(52.5)**	**428.7**

Explanatory notes
to the separate financial
statements
at 31 December 2009

Explanatory notes

Attachments

1. Company structure and activities

Indesit Company S.p.A., Parent Company of the Indesit Company Group, is an Italian company based in Fabriano (near Ancona) that is active in the production and sale of white goods, namely household appliances for the cooking sector (cookers, ovens and hobs), the refrigeration sector (refrigerators and freezers) and the washing sector (washing machines, dryers, combined washer-dryers and dishwashers). Indesit Company S.p.A. plays a dual role as an operating company that supplies goods and services to other Group companies, and as the holding company for Group companies.

The household appliances sector is highly seasonal, which affects all the main economic and financial parameters. The segment information required by IFRS 8 is provided in the consolidated financial statements published together with these separate financial statements for Indesit Company S.p.A.

2. Approval of the separate financial statements at 31 December 2009

The separate financial statements at 31 December 2009 were approved by the Board of Directors on 25 March 2010 and have been audited. The Shareholders' Meeting called to approve the separate financial statements has the right to make changes to them.
The Board of Directors also approved the consolidated financial statements of the Indesit Company Group on the same date.

3. Significant subsequent events

There have not been any significant subsequent events.

4. Statement of compliance with IFRS and basis of presentation

Indesit Company S.p.A. has prepared the separate financial statements in accordance with the International Financial Reporting Standards - IFRSs (IFRS or IAS) issued by the *International Accounting Standards Board* (IASB) as interpreted by the *International Financial Reporting Interpretations Committee* (IFRIC) and endorsed by the European Union.

The separate financial statements at 31 December 2009 have also been prepared in accordance with Consob's instructions regarding the format of financial statements, in application of art. 9 of Decree no. 38/2005 and other Consob regulations and instructions concerning financial statements.

The separate financial statements at 31 December 2009 are presented on a comparative basis and comprise the balance sheet, the income statement, the statement of comprehensive income, the cash flow statement, the statement of changes in equity and these explanatory notes. The income statement format adopted by the Company classified costs by nature, while the balance sheet distinguishes between current and non-current assets and liabilities. The cash flow statement is presented using the indirect method. In addition, as required by the revised version of IAS 1 – *Presentation of financial statements*, the statement of comprehensive income is presented for the first time. This statement includes all transactions generated with third parties, including those giving rise to changes in equity accounts. As a result, the statement of changes in equity for the year ended 31 December 2008 has been appropriately modified. Lastly, for consistency with the income statement format adopted for the consolidated financial statements (classification by function), the separate income statement reclassified by function is also attached to these financial statements.

The Report on operations during 2009 provides information about the results of both the Group and the Parent Company.

Accounting policies

Basis of preparation

The currency of presentation of the separate financial statements is the euro, and the financial statement balances are stated in millions of euro (except where stated otherwise). The separate financial statements are prepared on an historical cost basis, except for derivative financial instruments, financial assets held for sale and financial instruments classified as available for sale, which are stated at their fair value, as applicable to going concerns. Despite the difficult economic and financial conditions, the Company has determined that there are no significant uncertainties about business continuity. This confidence takes account of the actions identified and already implemented to adjust to the marked reduction in the level of demand and preserve its financial strength and solidity.
The accounting policies adopted for the preparation of the separate financial statements at 31 December 2009 have also been applied on a consistent basis to all the comparative financial information.

Accounting estimates

The preparation of separate financial statements involves making assumptions and estimates that affect the value of assets and liabilities and the related disclosure information, as well as the value of contingent assets and liabilities at the reference date. These estimates are used to measure the property, plant and equipment and intangible assets subject to impairment, as well as to recognise provisions for doubtful accounts, inventory obsolescence, depreciation and amortisation and the impairment losses on assets, employee benefits, taxation, and risks and charges. The estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances.
The difficult general economic situation has heightened the uncertainties inherent in the assumptions about future performance used to make certain estimates. The financial statement captions most affected by these uncertainties are the allowances for doubtful accounts, the provisions for obsolescence and the recoverable amount of non-current assets. With regard to these captions, the continuation of the current economic and financial situation could worsen the financial condition of debtors, or increase the risk of product obsolescence, or reduce the forecast cash flows used for the impairment testing of non-current assets, with respect to the estimates included in these separate financial statements.
Estimates and assumptions are reviewed regularly and, if later estimates differ from those made initially, the effects – which obviously cannot be estimated or forecast at this time – are immediately reflected in the income statement. If the changes in estimate relate to both the current and future periods, their effects are reflected in the income statements for the periods concerned.

The fundamental measurement processes and the key assumptions used by management in applying the accounting policies in relation to the future are summarised below. These processes and assumptions may have a significant effect on the amounts reported in the separate financial statements, or may give rise to the risk of significant adjustments in the next accounting period to the carrying amount of assets and liabilities.

Allowance for doubtful accounts

The allowance for doubtful accounts reflects management's estimate of the losses that may be incurred on trade receivables. The estimate of the allowance for doubtful accounts is based on the losses expected by the Company, determined with reference to historical experience for similar receivables, current and historical past due amounts, losses incurred and collections, careful monitoring of credit quality, and projections concerning economic and market conditions. The prolonging and possible deterioration of the current economic and financial crisis could worsen the financial condition of the Company's debtors, with respect to the deterioration already contemplated when quantifying the provisions recorded in the financial statements.

Provision for inventory

The provision for inventory obsolescence reflects management's estimate of the losses expected by the Company, determined with reference to historical experience and past and forecast market trends. The current economic and financial crisis could worsen market conditions with respect to the deterioration already contemplated when quantifying the provisions recorded in the financial statements.

Recoverable amount of non-current assets

Non-current assets comprise property, plant and equipment, intangible assets and other financial assets. Management reviews the carrying amounts of non-current assets held and used, and of assets due to be retired, whenever events and circumstances require such review. This work is performed using the estimated cash flows expected from the use or sale of the assets concerned, applying suitable discount rates for the determination of present value. When the carrying amount of a non-current asset is impaired, the Company recognises an impairment loss for the difference between its carrying amount and the lower recoverable amount from its use or sale, as determined by reference to the most recent business plans.
Given the current economic-financial crisis, the Company's considerations regarding its prospects are presented below:

- In this context, the Company has considered the trends expected in 2010 for the purpose of preparing the separate financial statements at 31 December 2009 and, more specifically, when carrying out impairment testing on tangible and intangible assets. In addition, with regard to subsequent years, the Company has developed specific prudent forecasts for the performance of its businesses, which accordingly took account of the profound changes in economic, financial and market conditions caused by the current crisis. No requirement to make significant impairment adjustments emerged as a result of these forecasts.

Furthermore, even if the assumptions underlying such forecasts were to deteriorate with regard to the Company's property, plant and equipment and intangible assets with a finite useful life (essentially patent rights and development costs), management believes that such assets are in any case competitive in the current economic context. Accordingly, management believes it is highly likely that the useful lives of such assets may be extended, thus enabling the Company to earn sufficient income flows over the identified time horizon to cover the investment made.

Defined benefit plans

The Company maintains defined benefit plans for its employees. Management uses various statistical assumptions and measurement factors to anticipate future events and calculate the charges, liabilities and assets relating to such plans. The assumptions made relate to the discount rate, the expected yield on plan assets, the rate of future pay increases, and the trend in medical care costs. In addition, the Company's consulting actuaries consider such subjective factors as mortality and termination rates. With regard to discount rates, during 2009 the rate curves for high quality corporate securities did not display the high degree of volatility seen in 2008. However, it cannot be excluded that future significant changes in the returns from corporate securities might affect the defined-benefit liability and the unrecognised actuarial gains/losses, taking account at the same time of any changes in the return on plan assets, where applicable.

Realisability of deferred tax assets

At 31 December 2009, the Company has deferred tax assets and theoretical tax benefits from the carry-forward of tax losses totalling 7.1 million euro. Management has made this adjustment in order to reduce the value of deferred tax assets to reflect the amount that is likely to be recoverable. Determination of this adjustment took account of the budget and forecasts for future years consistent with those used for impairment testing purposes, as described in the earlier section on the recoverable amount of non-current assets. Management believes that the adjustments recorded fairly cover the risk of a deterioration in the assumptions underlying such forecasts, taking account of the fact that the net deferred tax assets recognised relate to temporary differences/tax losses which, to a significant extent, are recoverable over an extended period. This is compatible with a context in which the end of the crisis and an economic upturn are delayed beyond the time horizon used to make the above forecasts.

Contingent liabilities

The Company is party to legal and fiscal disputes relating to a wide range of issues. Given the uncertainties inherent in these issues, it is difficult to predict with certainty the outflows that may derive from such disputes. The court cases and disputes faced by the Company often derive from complex and difficult legal issues that are subject to varying degrees of uncertainty, depending on the facts and circumstances of each case, the jurisdiction and the different laws that are applicable. In the ordinary course of business, management consults with its legal advisers and experts on legal and fiscal matters. The Company recognises a liability in relation to such disputes when it is deemed likely that there will be a financial outflow, and when the amount of the consequent loss can be estimated on a reasonable basis. If a financial outflow is possible, but the amount cannot be determined, this fact is mentioned in the explanatory notes.

Treatment of foreign currency transactions

Foreign currency transactions

All transactions are recorded in euro. Transactions not carried out in euro are translated using the exchange rates ruling at the time of the related transactions. Monetary assets and liabilities are translated using the exchange rates ruling at the reporting date and any exchange rate differences are recognised in the income statement. Non-monetary assets and liabilities recorded at historical cost in currencies other than the euro are translated using the historical rates applying at the time of the related transactions. Non-monetary assets and liabilities measured at fair value in currencies other than the euro are translated using the exchange rates ruling at the time that their fair value was determined.

Derivative financial instruments

If the conditions established in IAS 39 regarding the formal designation of derivative financial instruments as hedges are met and these instruments are shown to be highly effective, both ex ante when the transaction is arranged and ex post during subsequent accounting periods, then they are recorded on a hedge accounting basis, as described below.

Fair Value Hedge

If a derivative financial instrument is designated to hedge the risk of changes in the fair value of a recognised asset or liability (the underlyings), the gain or loss from subsequent fair-value adjustments to the hedging instrument is recognised in the income statement together with the gain or loss deriving from the measurement of the related underlyings.

Cash Flow Hedge

If a derivative financial instrument is designated to hedge the risk of variability in the cash flows of a recognised asset or liability or a highly probable forecasted transaction, the effective part of gains or losses on such financial instrument is recognised in the cash flow hedging reserve within equity, while the ineffective portion (if any) is taken to the income statement. If the hedge of a forecasted transaction subsequently results in the recognition of a non-financial asset or liability, the cash flow reserve is removed from equity and included in the initial cost of such non-financial asset or liability. If the hedge of an expected transaction subsequently involves recognition of a financial asset or liability, the cash flow hedging reserve is released to the income statement in the period when the acquired asset or recognised liability has an effect on the income statement. In other cases, the cash flow hedging reserve is released to the income statement in a manner consistent with the hedged transaction, i.e. when its economic effects are recognised. If a hedging instrument expires, is sold or is terminated early with respect to the timing of the hedged transaction and the latter is no longer expected to take place, the related cash flow hedging reserve is released immediately to the income statement. If, on the other hand, the hedged transaction is still expected to occur, the cumulative gain or loss remains in equity until the transaction takes place.

Hedge of a net investment in a foreign operation

If a derivative financial instrument is designated to hedge a net investment in a foreign operation, the gains or losses deriving from the related measurement at fair value are recognised directly in equity, to the extent that the hedge is deemed to be effective, while the ineffective portion (if any) is recognised in the income statement.

Financial instruments not covered by hedge accounting

If on the other hand financial instruments do not meet the requirements for the application of hedge accounting, they are stated at fair value and the related effects are recognised directly in the income statement.

Property, plant and equipment

Owned assets

Property, plant and equipment are stated at purchase cost or, if self-constructed, at production cost, comprising the cost of materials, labour and a reasonable portion of overheads and related charges, less accumulated depreciation and impairment losses determined on the basis described below. If necessary and significant, the cost of property, plant and equipment includes an initial estimate of dismantling and removal costs. Ordinary maintenance expenses are charged to the income statement, while the costs of replacing certain parts of property, plant and equipment and extraordinary maintenance costs are capitalised when it is probable that they will generate measurable economic benefits in the future.

Finance leases

Property, plant and equipment held under finance leases, in relation to which Indesit Company S.p.A. has assumed substantially all the risks and rewards of ownership, are recognised at fair value at inception of the lease or, if lower, at the present value of the minimum lease payments, depreciated over their estimated useful lives and adjusted for any impairment loss determined on the basis described below. The liability to the lessor is classified among financial payables in the balance sheet.

Borrowing costs

Any costs incurred on the acquisition or construction of capitalised assets that normally require time before they become available for use or for sale, are also capitalised and amortised over the useful life of the asset class concerned. All other costs are charged to the income statement for the year to which they relate.

Depreciation

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Significant parts of plant and machinery with different useful lives are depreciated separately. Useful lives are monitored on a constant basis, having regard for changes in the intensity with which these assets are used. Any changes in the depreciation schedules are applied on a prospective basis.
Carrying amount is verified with reference to the estimated present value of expected future cash flows and adjusted, where necessary, every time events suggest that the carrying amount of property, plant and equipment may be impaired, or when there is a marked decrease in their market value, significant technological changes or evidence of significant obsolescence. The impairment loss is reversed if the reasons for recognition cease to apply.
Land, whether or not used for the construction of civil or industrial buildings, is not depreciated since it is deemed to have an indefinite useful life.

The useful lives of property, plant and equipment are grouped into the following categories:

Category	Rates	Useful lives
Buildings and temporary constructions	3%-10%	from 10 to 33 years
Plant and machinery	5%-15.5%	from 7 to 20 years
Industrial and commercial equipment	5%-25%	from 4 to 20 years
Other assets:		
- vehicles and internal transport	20%-25%	from 4 to 5 years
- furniture, IT and office machines	10%-20%	from 5 to 10 years

Intangible assets

Intangible assets are stated at cost, determined on the basis described for property, plant and equipment, when it is likely that the use of such assets will generate economic benefits and their cost can be determined reliably. Intangible assets with a finite useful life are amortised and stated net of both the related accumulated amortisation, provided on a straight-line basis over their estimated useful lives, having regard for the period during which they are expected to generate economic benefits, and any impairment losses. Intangible assets with an indefinite useful life, comprising certain brand names and goodwill, are not amortised but their recoverability is tested for impairment annually, or more frequently if specific events suggest that their carrying amount may be impaired. Subsequent expenditure on recognised intangible assets is capitalised only if it increases the future economic benefits embodied in the specific asset to which it relates; otherwise, it is charged to the income statement as incurred.

Goodwill

Goodwill is an intangible asset with an indefinite life, deriving from a business combination recognised using the purchase method of accounting, and is recorded to reflect the positive difference between purchase cost and the value of the Company's equity interest at the time of acquisition, after having recorded all assets, liabilities and identifiable contingent liabilities attributable to both the Company and third parties at their full fair value. This method of accounting applies to all acquisitions made subsequent to 31 December 2002. The value of goodwill deriving from earlier acquisitions was determined by using the amount recorded in accordance with Italian GAAP.

Goodwill is tested with reference to the cash generating units that benefit from the synergies deriving from the acquisition. The expected cash flows are discounted at the cost of capital, having regard for the specific risks associated with the unit concerned. Impairment is recognised if the recoverable amount of the CGU, represented by the discounted cash flows, is less than the related carrying amount. Such impairment loss is deducted first from goodwill.

The gains and losses arising on the disposal of businesses or lines of business that were acquired with the payment of goodwill are determined taking into account the residual amount of such goodwill. Any impairment losses on goodwill charged to the income statement are not reversed even if the related reasons cease to apply.

Research and development expenses

Expenditure on research activities undertaken to acquire new knowledge is charged to the income statement as incurred. Expenditure on development activities incurred to create new products or improve existing products, or to develop and improve production processes, is capitalised if the innovations made result in technically and commercially feasible processes or products, on condition that there is an intention to complete the development project, sufficient resources are available for such completion, and the economic costs and benefits deriving from such innovations can be measured reliably. Capitalised expenditure includes both internal and external design costs (including payroll and materials) and the portion of general production costs reasonably attributable to the projects concerned. Capitalised development expenditure is treated as an intangible asset with a finite life and is amortised over the expected period of economic benefit, which is generally taken to be 5 years. Adjustments are recorded to reflect any impairment losses subsequent to initial recognition.

Other development expenditures are charged to the income statement in the year they are incurred.

Other intangible assets

Other intangible assets expected to generate measurable economic benefits are deemed to have a finite life and stated at cost. They are amortised on a straight-line basis over the period of expected economic benefit, which is deemed to be between 5 and 10 years.
Adjustments are recorded to reflect any impairment losses subsequent to initial recognition.

Equity investments

Investments in subsidiaries, associates and other companies that are not classified as held for sale are stated at cost, as adjusted for any impairment losses, and translated into euro using the historical exchange rates in the case of investments in foreign companies whose financial statements are prepared in currencies other than the euro.
The positive differences between the purchase price of equity investments and the corresponding interest in their equity are retained as part of the carrying amount of the investments concerned. Amounts relating to the purchase or disposal of equity investments, lines of business or joint-controlled entities are recorded at their historical values, without recognising any gains or losses.
If there is evidence that equity investments may have suffered an impairment loss, they are subjected to impairment testing and, if necessary, impaired. Impairment is only recognised in the income statement if there is objective evidence that events have taken place which will affect the estimated future cash flows of the investments concerned. In the presence of a legal or constructive obligation to cover any losses that exceed the carrying amounts of equity investments, the related liability is recognised by recording a provision for risks and charges.
The original amount is reinstated in subsequent years if the reasons for such impairment loss downs cease to apply.

Dividends are recognised as financial income from equity investments when the right to collect them is established, which generally coincides with the shareholders' resolution.

Subsidiaries

Subsidiaries are entities over which Indesit Company S.p.A. exercises control by virtue of the power to govern, directly or indirectly, their financial and operating policies and to obtain benefits from their activities. In general, companies in which Indesit Company S.p.A. holds more than 50% of the voting rights, considering any potential voting rights that may be exercised at the time, are deemed to be subsidiaries.

Associates

Associates are those entities over which Indesit Company S.p.A. exercises significant influence, but does not control their financial and operating policies or obtain benefits from their activities. In general, companies in which Indesit Company S.p.A. holds directly or indirectly between 20% and 50% of the equity capital or voting rights, considering any potential voting rights that may be exercised or converted, are deemed to be associates.

Other companies

Investments in other companies generally comprise those in which less than 20% of equity capital or voting rights is held.

Trade receivables

Trade receivables, generally due within one year, are stated at the fair value of the initial consideration, increased by the related transaction costs. Subsequently, they are stated at amortised cost, as adjusted to reflect any impairment losses represented by the difference between carrying amount and the estimated future cash flows. If the impairment loss decreases in a later period, the loss previously recorded is partly or fully reversed and the carrying amount of the receivable is restored to an amount that does not exceed the amortised cost that would have been reported had the loss not been recognised.

Trade receivables sold with or without recourse for which the conditions established in IAS 39 for the derecognition of financial assets do not apply continue to be reported in the balance sheet, while receivables sold without recourse which satisfy all the conditions of IAS 39 for the derecognition of financial assets are eliminated from the financial statements at the time of disposal.

Other current and non-current financial assets

Held-to-maturity securities are initially measured at cost, increased by the transaction costs incurred to acquire these financial assets. Subsequently, they are measured at amortised cost using the effective interest method, net of any impairment loss.
Financial assets held for trading are classified as current assets and measured at fair value, with recognition of any gains or losses in the income statement.
Securities and other financial assets classified as available for sale are stated at their fair value. Gains and losses deriving from fair-value measurement are recognised directly in equity, except for impairment losses and exchange rate losses which are charged to the income statement. The deferred gains and losses recognised in equity are released to the income statement at the time of sale.
Receivables due after one year that do not earn interest or which earn interest at below market rates are discounted using market rates.
The interest earned on financial assets, determined using the effective interest method, is taken to the income statement. The fair value of financial assets held for trading and those available for sale is represented by their market price at the reporting date.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted-average cost basis and includes purchasing-related expenses, inclusive of indirect charges, and the costs of converting products and bringing them to their present location and condition. Net realisable value is determined with reference to market prices after deducting completion costs and selling expenses. Obsolete and slow-moving materials and finished products are written down to reflect their estimated realisable value.

Cash and cash equivalents

Cash and cash equivalents, recorded at nominal value, comprise cash on hand, bank and postal deposits and equivalent assets that can be liquidated in the very-short term (three months) and are not subject to significant fluctuations in value.

Impairment losses

At each reporting date, the carrying amounts of the Company’s assets with an indefinite life, goodwill and intangible assets in progress are tested for impairment, on the basis described in the relevant paragraphs. With the exclusion of inventories and deferred tax assets and except as discussed in relation to property, plant and equipment, other assets are tested for impairment if events suggest that they may have incurred an impairment loss. If the test shows that the recognised assets or a cash-generating unit (CGU) have suffered an impairment loss in value, their recoverable amount is estimated and the excess amount is charged to the income statement. The impairment loss on CGU is allocated first against the related goodwill, if any, and then against the amount of other assets.
The recoverable value of an asset or a CGU is determined by discounting the cash flows that such asset or CGU is expected to generate. The discounting rate applied is the cost of capital, having regard for the specific risks associated with the asset or CGU concerned.
The recoverable amount of investments in securities held to maturity and receivables recognised at amortised cost is represented by the present value of future cash flows, discounted using the effective interest rate determined at the time of initial recognition. The recoverable amount of other assets is represented by the greater of their net selling price or their value in use, determined by discounting estimated future cash flows using a market rate.

Impairment losses on goodwill are not reversed. Any impairment losses on securities held to maturity and receivables stated at amortised cost are reversed if any subsequent increases in their recoverable amount can be determined on an objective basis.
If an impairment loss in respect of an individual asset cannot be determined, the Company identifies the loss in respect of the CGU to which it belongs.
With reference to the Group, the carrying amount of intangible assets with an indefinite life is subjected to impairment testing at least once every year. The tests performed at 31 December 2009 and 31 December 2008 did not identify any need to adjust the carrying amount.
The recoverable amount of the CGUs deemed significant for impairment testing purposes is based on their value in use, determined by applying DCF techniques over a three-year period considering the business plan forecasts prepared by management and approved by the directors. The principal assumptions made in relation to the CGUs deemed significant for impairment testing purposes are set out in note 8.10 to the consolidated financial statements, to which reference is made.
The impairment tests on the UK CGU and the Group CGU were carried out internally and approved by the directors. An independent, third-party expert has issued a report on the fairness of the valuation methods and parameters used in the impairment testing process. The impairment tests carried out are also deemed to be significant for the purpose of verifying the recoverability of the Parent Company's own fixed assets and equity investments.

Share capital

Share capital, including the portion represented by savings shares, is stated at nominal value. The repurchase of treasury shares, stated at cost including related charges, is recorded as a change in equity; the nominal value of treasury shares is deducted from share capital, while the difference between cost and nominal value is deducted from the equity reserves. Dividends to shareholders are recognised as a liability at the time they are declared.

Financial liabilities

Financial liabilities are initially recognised at their fair value, net of related charges, and subsequently measured at amortised cost using the effective interest method. The difference between amortised cost and repayment value is recorded in the income statement over the life of the liability in proportion to the related interest accrued. Where hedge accounting applies, the financial liabilities hedged by derivative instruments are measured on a basis consistent with the hedging instrument.
In situations where Indesit Company S.p.A. agrees to reimburse a third party on the insolvency of a specified debtor, this guarantee is initially recorded at the fair value of the consideration received and, subsequently, at the amount determined in accordance with IAS 37 or, if greater, at the amount initially recognised less the amount released on a straight-line basis to the income statement in accordance with IAS 18, where applicable.
Guarantees given without charge to subsidiaries are measured at fair value and added to the carrying amount of the equity investment.

Trade payables and other payables

Trade payables and other payables due on normal commercial terms, generally within one year, are recorded at the fair value of the initial consideration, increased by the related transaction costs. Following initial recognition, they are stated at amortised cost and any differences are reflected in the income statement over the life of the liability using the effective interest method.
Trade payables and other payables, generally due within one year, are not discounted.

Employee benefits

Obligations for employee pensions and other benefits deemed to represent defined contribution plans are charged to the income statement on an accruals basis. The net liability to employees under defined benefit plans, principally represented by severance indemnities in Italy, is recorded at the expected future value of the benefits to be received by employees and accrued by them in the current and prior years. These benefits are discounted and the resulting obligation is stated net of the fair value of any pension plan assets. The net obligation is determined separately for each plan using actuarial assumptions and is calculated each year, or more frequently, with the support of an independent actuary using the projected unit credit method. The benefits are discounted using the rate for a bond with an AA rating and a maturity date that is consistent with the timing of the related payments to employees. The actuarial gains and losses arising subsequent to 1 January 2004, the IFRS transition date, are recorded in the income statement on a straight-line basis over the residual working lives of employees, to the extent that their cumulative net value exceeds by more than 10% the greater of the total liability arising under defined benefit plans or the fair value of the assets servicing these plans (corridor method) at the end of the prior year.
As a result of the reform of supplementary pensions, the TFR accrued from 1 January 2007 is treated as a defined contribution plan, while that accrued up to 31 December 2006 continues to be treated as a defined benefit plan.

Stock options

The remuneration paid to employees and directors by the granting of stock options is charged to the income statement with a matching entry in equity. Such cost is determined with reference to the fair value of the options at the time they are granted. The cost of stock options, determined on the above basis, is charged to the income statement over the related vesting period. The fair value of the options at the grant date is determined using financial models that take account of the terms and conditions under which such options were granted.

Provisions for risks and charges

The provisions for risks and charges are recorded to cover the Company's obligations, a legal or constructive nature (under contracts or for other reasons), deriving from past events. Provisions for risks and charges are recognised if it is probable that an outflow of economic benefits will be required to settle the obligation and the amounts concerned can be estimated reliably. If the settlement of such obligations is expected to take place after more than one year and the effects of this are significant, they are discounted using a rate that takes account of the cost of money and the specific risks associated with the liabilities concerned.
Any changes in the estimated amount of provisions are reflected in the income statement in the year identified. In the event of discounting, the increase in the provision due to the passage of time and the effect of any changes in the discounting rate are recorded as a financial charge.
The principal liabilities covered by provisions are described below.

Warranties
Provisions for legally-required and voluntary warranty costs are recognised when the underlying products are sold. The provision is determined with reference to the call rate for the products still under warranty, the period of time between sell in and sell out (start of the warranty period) and the average unit cost of the work performed.

Provision for restructuring
The costs of a restructuring plan are recorded at the time an constructive obligation arises, such as when the Company informs interested parties about the restructuring plan or makes sufficiently specific announcements which induce interest parties to believe that the related obligations will be met.

Onerous contracts
Provisions for onerous contracts are recognised when the expected benefits are lower than the related costs. They are accrued in a specific provision in the year in which the losses become known and measurable.

Product disposal (WEEE)

The European Union adopted the WEEE (Waste Electrical and Electronic Equipment) Directive in December 2002, which makes manufacturers responsible at a European level for the recovery and disposal of waste products.
The Directive describes the following levels of responsibility:

a) old waste (regarding products put on the market before 13 August 2005): the costs of disposal are incurred collectively by the manufacturers which contribute in proportion to their market share;
b) new waste (regarding products put on the market after 13 August 2005): each manufacturer is responsible for the disposal of its own products.

In Italy, given the temporary non-application of the WEEE Directive, the regulations are expected to come into force on 1 January 2011.

As a consequence, provisions will be recorded to cover the charges deriving from applying the WEEE regulations to new waste, from the time they come into force, while the charges relating to old waste will be recognised in the income statement in the year in which they are incurred. In this regard, the Directive allows manufacturers to increase the selling price of goods by a visible fee, for a period of about 8 years, to cover the related disposal costs.

Other provisions

Provisions are recorded for other future charges deriving from court cases, disputes and other obligations when the requirements for the recognition of a liability are met, being in the year in which such charges become known and measurable reliably.

Income

Revenue

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer. Revenue from the sale of goods is generally recognised when they are handed over to the transport firms which, under the terms of current contracts, marks the time when the above risks and rewards are transferred. Revenue is not recognised if its recoverability is considered to be uncertain.
Revenue is stated net of discounts, allowances, rebates, returns and expenses incurred on promotional actions that, in substance, represent commercial discounts. This caption does not include the proceeds from the disposal of raw materials and scrap. Revenue from services is recorded in the income statement based on the stage of completion at the reporting date, determined with reference to the work performed or, alternatively, to the percentage of completion with respect to the total.

Dividends

Collectible dividends are recognised as revenue in the income statement when the right to collect them is established, which generally coincides with the date on which they are declared at the related shareholders' meeting.

Grants

Grants from the Government or other bodies, given in the form of direct payments or tax benefits, are recognised as deferred income in the balance sheet, among other liabilities, at the time their collection becomes reasonably certain and when compliance with all the requirements to obtain them is assured. They are recognised as revenue in the income statement on a systematic basis in order to match the accounting recognition of the costs for which such grants were made (grants related to equity).
Grants related to income are taken to the income statement at the time the requirements for their recognition are met, and when it becomes certain that they will be recognised in order to offset the eligible costs.

Other revenue and income

Other income includes all forms of non-financial revenue not covered above and is recognised on the basis described in relation to revenue from goods sold and services rendered. This includes the capitalisation of internal development costs, where appropriate, and any internal construction costs.

Expenses

The costs of purchasing goods and services are recognised when the amounts concerned can be determined reliably. The costs of purchasing goods are recognised on delivery which, under the terms of current contracts, marks the time when the related risks and rewards are transferred. The costs of services are recognised on an accruals basis with reference to the time they are received.

Materials, services, leases and rentals

This caption comprises the cost of purchasing raw materials, components, outsourced direct and indirect processing, and production, commercial, distribution and administrative services.

Payroll costs

Payroll costs comprise remuneration, social security charges, charges in relation to defined benefit and/or defined contribution plans – principally represented by the provision for severance indemnities – benefits, and the cost of leaving and redundancy incentives.

Depreciation and impairment losses

This caption comprises the charges for the depreciation and amortisation of property, plant and equipment and intangible assets over their useful lives, and the related impairment losses determined on the basis described in the section Impairment of assets.

Provisions and other operating charges

This caption comprises the provisions for specific risks and doubtful accounts, as well as such other charges as indirect taxation, general expenses, losses on the disposal of property, plant and equipment and donations.

Financial income

Financial income includes the interest income earned on all forms of loans, cash discounts allowed by suppliers for early payment with respect to the agreed terms of purchasing, financial income from cash and cash equivalents, dividends, exchange gains and the economic effects recorded in the income statement of measuring the transactions that hedge interest-rate and exchange-rate risks.

Financial expenses

Financial expenses include the interest charged on all forms of borrowings, cash discounts allowed to customers for early payment with respect to the agreed terms of sale, exchange losses and the economic effects recorded in the income statement of measuring the transactions that hedge interest-rate and exchange-rate risks.

Income tax

Income tax is recognised in the income statement, except for that relating to transactions recognised directly in equity, in which case the related effect is also recognised in equity. Income tax includes current and deferred tax.
Current taxes are based on an estimate of the amount that Indesit Company S.p.A. expects to pay by applying the tax rate in force at the reporting date.
Deferred tax is provided using the liability method, considering all the temporary differences that emerge between the tax value of assets and liabilities and their carrying amounts in the Company's separate financial statements. Deferred tax is not recognised in respect of goodwill or those assets and liabilities that do not affect taxable income.
Income taxes deriving from the distribution of dividends are recognised at the time the related payable is recognised.
The recoverability of deferred tax assets is verified at each reporting date and any amounts for which recovery is no longer likely are charged to the income statement.
Deferred taxation is recognised using the tax rates expected to be in force in the tax periods when the related temporary differences are forecast to reverse or expire.
Deferred tax assets are recognised to the extent it is probable that future taxable income will be available to recover such taxes. Current and deferred tax assets and liabilities are offset when due to the same tax authority, if the periods of reversal are the same and a legal right to offset exists.
Deferred taxation is recognised in relation to the distributable profits of subsidiaries if there is an intention to distribute such profits.

Non-current assets held for sale and discontinued operations

Assets held for sale are measured at the lower of their carrying amount at the time their sale was decided or their fair value, net of estimated selling costs. All costs, income and impairment losses, if any, are recognised in the income statement and reported separately.
Operating activities that represent a separate major line of business or geographical area of operations are classified separately in the income statement and the balance sheet at the time of disposal, or when they meet the conditions for classification as assets held for sale.

Earnings per share

Earnings per share is calculated and presented at Group level. See note 8.19 to the consolidated financial statements.

5. Changes in accounting policies, changes in accounting estimates and reclassifications

Accounting standards, amendments and interpretations applicable from 1 January 2009

The following accounting standards, amendments and interpretations have been applied by the Parent Company for the first time from 1 January 2009.

IAS 1 Revised – Presentation of financial statements

The revised version of IAS 1 – Presentation of Financial Statements no longer allows the presentation of income and expenses (representing "changes deriving from transactions not carried out with shareholders") in the statement of changes in equity, requiring them instead to be reported separately from the changes generated by transactions with shareholders. Under the new version of the standard, all changes deriving from transactions not carried out with shareholders must be presented in a single separate statement that shows performance during the accounting period (statement of comprehensive income) or in two separate statements (income statement and statement of comprehensive income). Such changes must also be reported separately in the statement of changes in equity.
The Company has applied the revised version of the standard from 1 January 2009 on a retrospective basis, electing to report all changes deriving from transactions not carried out with shareholders in two statements that measure performance during the accounting period, entitled respectively "Income statement" and "Statement of comprehensive income". As a consequence of the change, the Company has modified the presentation of the statement of changes in equity for the year ended 31 December 2008.
As part of the 2008 improvement process, the IASB has published an amendment to IAS 1 Revised, establishing that assets and liabilities deriving from derivative financial instruments designated as hedges shall be classified in the balance sheet, distinguishing between current and non-current assets and liabilities. The application of this amendment to IAS 1 Revised has had no significant effect on the financial statements of the Parent Company.
IFRS 8 Operating segments took effect from 1 January 2009, replacing IAS 14 Reporting information by sector. The new accounting standard requires the Company to base segment disclosures on the information used by the chief operating decision maker (CODM) when making operating decisions. Accordingly, the standard requires the identification of operating segments with reference to the internal reports that are reviewed regularly by the CODM for the purpose of allocating resources to such segments and analysing their performance. The adoption of this standard has had no effect on the measurement of account captions.

Amendments to IFRS 1 – First-time Adoption of International Financial Reporting Standards and to IAS 27 – Consolidated and Separate financial statements

The amendment to IFRS 1 – First-time Adoption of International Financial Reporting Standards allows companies adopting IFRS for the first time from 1 January 2009 that decide to measure their investments in subsidiaries, associates or joint ventures at cost, to report one of the following values in their separate financial statements:

- cost, as determined in accordance with IAS 27;
- restated cost which, in turn, may be determined as either their fair value on the IFRS transition date or their carrying amount at the transition date under local GAAP.

In addition, the amendment to IAS 27 – *Consolidated and Separate financial statements*, establishes that all dividends received from subsidiaries, associates and joint ventures must be recognised in the separate income statement when the right to collect them is established, without considering whether they derive from the pre- or post-acquisition earnings of the companies concerned. In this regard, IAS 36 – *Impairment of Assets* has also been revised, so that when assessing possible impairments following the distribution of dividends by an equity investment, the following aspects must be considered:

- the carrying amount of the investment in the separate financial statements exceeds the carrying amount of that company's net assets (including any related goodwill) in the consolidated financial statements;
- the dividend exceeds that company's total comprehensive income for the period to which the dividend relates.

The Parent Company has adopted the amendment to IAS 27 on a prospective basis from 1 January 2009. Pursuant to the change made to IAS 36, new indicators of impairment have been considered for the purpose of recognising possible losses in the value of equity investments. The adoption of this standard has had no effect on these separate financial statements.

Amendment to IFRS 2 – Share-based payments: Vesting Conditions and Cancellations

The amendment to IFRS 2 – *Share-based payments*: *Vesting Conditions and Cancellations* establishes that, for the purposes of measuring share-based payment instruments, only service and performance conditions are considered valid vesting conditions for plans. Any other clauses must be treated as non-vesting conditions and considered when determining fair value at the grant date. The amendment also clarifies, in the event of plan cancellation by the company or the counterparty, that the accounting treatment must be the same.

The Company has applied this standard on a retrospective basis from 1 January 2009; however there were no accounting effects as a result, since the vesting conditions for outstanding stock option plans and stock grants only refer to specified performance and service conditions, as defined in the amendment, and no plans were cancelled in the periods considered.

Amendment to IFRS 7 – Financial Instruments: Disclosures

This amendment, which must be applied from 1 January 2009, was issued to increase the information required in the case of measurement at fair value and to strengthen existing standards with regard to disclosure of the liquidity risks associated with financial instruments. In particular, the amendment requires disclosure about the hierarchy used to determine the fair value of the financial instruments. The adoption of this standard has had no effect on the recognition and measurement of financial statements captions, but only on the type of information disclosed in the explanatory notes.

Accounting standards, amendments and interpretations applicable from 1 January 2009 not relevant to the Company

The following accounting standards, amendments and interpretations, applicable from 1 January 2009, govern situations and cases not relevant to the Company at the date of these financial statements, but which might have an accounting effect on future transactions or agreements:

- *IAS 23 Revised – Borrowing costs*: the revised version of this standard prevents the immediate expensing of costs incurred in relation to assets that normally require time before they become available for use or for sale (*qualifying assets*). This version of the standard has also been amended as part of the 2008 improvement process carried out by the IASB, in order to revise the definition of capitalisable borrowing costs.

- *Improvements to IAS/IFRS (2008)*: as part of the 2008 Improvement process carried out by the IASB, certain changes have been made to the Company's accounting policies with effect from 1 January 2009. Some of these changes relate to terminology, while others have greater substance despite having a limited effect on the Company's financial statements.

- *Amendment to IAS 32 – Financial Instruments: Presentation* and IAS 1 – *Presentation of Financial Statements – Puttable instruments and obligations arising on liquidation*. The standard requires puttable instruments and financial instruments that obligate the company to deliver an equity interest in the company's activities to third parties, to be classified as equity instruments.

- *Improvement to IAS 39 – Financial Instruments*: *Recognition and Measurement*: this amendment clarifies how to calculate the revised effective interest rate on a financial instrument when a fair value hedge ceases; it also clarifies that the ban on reclassification to the category of financial instruments at fair value through profit or loss does not apply to derivative financial instruments that can no longer be treated as hedges or that, conversely, become hedges.

- IFRIC 13 – *Customer Loyalty Programmes*.

- IFRIC 15 – *Agreements for the Construction of Real Estate*.

On 12 March 2009, the IASB issued amendments to IFRIC 9 – *Reassessment of Embedded Derivatives* and IAS 39 – *Financial Instruments*: *Recognition and Measurement* that allow, in specific circumstances, the reclassification of certain financial instruments away from the "measured at fair value through the income statement" category. These amendments clarify that, when reclassifying a financial instrument away from the above category, all related embedded derivatives must be measured and, if necessary, recognised separately in the financial statements. These amendments are applicable on a retrospective basis from 31 December 2009, but their adoption has not had any accounting effect on the Company's financial statements.

Accounting standards, amendments and interpretations not yet applicable and not adopted early

On 31 July 2008, the IASB issued an amendment to IAS 39 – *Financial Instruments*: *Recognition and Measurement* which must be applied on a retrospective basis from 1 January 2010. The amendment clarifies how to apply the standard when defining the underlying that is hedged in particular situations. The adoption of this amendment is not expected to have any effect on the Company's financial statements.

On 27 November 2008, IFRIC issued IFRIC 17 – *Distributions of Non-cash Assets to Owners* in order to align the accounting treatment of such distributions. In particular, this interpretation clarifies that dividends payable must be recognised when such dividends have been appropriately authorised and that the payable must reflect the fair value of the net assets that will be used to make the payment. Lastly, the business must recognise in the income statement the difference between the dividend paid and the net carrying amount of the assets used to make the payment. The interpretation must be adopted on a prospective basis from 1 January 2010.

On 29 January 2009, IFRIC issued IFRIC 18 – *Transfers of Assets from Customers* to clarify the accounting treatment applicable if the business signs a contract under which it receives a tangible asset from a customer that must be used to connect it to a network, or to provide it with specific access to the supply of goods and services (such as the supply of electricity, gas or water). In particular, in certain cases the business receives cash from the customer in order to construct or purchase the tangible asset that will be used in the performance of the contract. The interpretation must be adopted on a prospective basis from 1 January 2010. Adoption of this interpretation is not expected to have any effect on the Company's financial statements.

On 16 April 2009, the IASB issued a number of improvements to the IFRSs. The following are mentioned since they were described by the IASB as requiring changes in the presentation, recognition or measurement of account captions, while those merely involving changes in terminology or editorial corrections, with minimal effect in accounting terms, and those affecting principles and interpretations not applicable to the Company or which only affect the consolidated financial statements have been ignored. At the date of preparing these financial statements, the competent EU bodies have not yet completed the necessary endorsement process:

- IAS 1 – *Presentation of Financial Statements*: this amendment, which must be adopted from 1 January 2010, has revised the definition of current liabilities contained in IAS 1. The previous definition required liabilities that could be settled at any time via the issue of equity instruments to be classified as current. This resulted in classifying convertible bonds that can be converted at any time into equity of the issuer as a current liability. Following the change, the existence of a currently-exercisable option for conversion into equity instruments is irrelevant for the purpose of classifying a liability as current/non-current.

- IAS 7 – *Cash Flow Statement*: this amendment, which must be applied from 1 January 2010, requires that cash flows from investing activities solely include cash flows from expenditure that results in the recognition of an asset in the balance sheet, while cash flows deriving from expenditure that does not result in the recognition of an asset (such as advertising and promotion or personnel training costs) must be classified among the cash flows from operating activities.

- IAS 17 – *Leases*: following the changes, the general conditions envisaged in IAS 17 will also apply to leased land for the purpose of classifying the related contract as a finance lease or an operating lease, regardless of whether or not ownership is obtained at the end of the contract period. Before the changes, if ownership of the leased land was not transferred at the end of the contract period, the standard required it to be classified as an operating lease in view of the fact that land has an indefinite useful life. This amendment must be applied from 1 January 2010. At the date of adoption, all land held under current, unexpired leases must be measured separately with, if appropriate, the retrospective recognition of a new lease recorded as if the related contract was a finance lease.

- IAS 38 – *Intangible Assets*: the revision of IFRS 3 in 2008 established the existence of sufficient information to measure the fair value of an intangible asset acquired as part of a business combination, if such asset is separable or originates from contractual or legal rights. IAS 38 has been amended to reflect this change to IFRS 3. This amendment also clarifies the techniques normally used to measure the fair value of intangible assets for which there is no active reference market; in particular, such techniques include, as alternatives, the estimated discounted net cash flows deriving from the assets, the estimated costs avoided by the company as a result of owning the assets rather than having to use them under licence from third parties, or the costs necessary to recreate or replace them (so-called cost method). This amendment must be applied on a prospective basis from 1 January 2010.

- IAS 39 – *Financial Instruments*: Recognition and Measurement: this amendment restricts the inapplicability exception contained in para. 2(g) of IAS 39 to forward contracts between a purchaser and a shareholder that sells an entity as part of a business combination at a future acquisition date, the completion of which does not depend on further actions by either of the two parties, but solely on the passage of an appropriate amount of time. The amendment clarifies, by contrast, that IAS 39 is applicable to option contracts (regardless of whether or not actually exercisable) which allow one of the two parties to control the outcome of future events and the exercise of which would give them control over the business. The amendment also clarifies that contractual penalties for the early repayment of loans, the amount of which compensates the lender for the loss of future interest, must be treated as closely correlated with the loan contract concerned and, accordingly, must not be recorded separately. Lastly, the amendment clarifies that the gains or losses on hedged financial instruments must be released to the income statement from equity in the period in which the hedged expected cash flow affects the income statement. This amendment must be applied on a prospective basis from 1 January 2010.

- IFRIC 9 – *Reassessment of Embedded Derivatives*: this amendment, which must be applied on a prospective basis from 1 January 2010, excludes the application of IFRIC 9 to derivatives embedded in contracts acquired as part of business combinations at the time of forming companies under common control or joint ventures.

In June 2009, the IASB issued an amendment to IFRS 2 – *Share-based Payments*: *Group cash-settled share-based payment transactions*. This amendment clarifies the scope of application of IFRS 2 and the relations between this and other accounting standards. In particular, it clarifies that companies receiving goods or services under share-based payment plans must record such goods and services without regard for which group company settles the transaction, and without regard for whether settlement takes place in the form of cash or shares; it also establishes that the word "group" has the same meaning as in IAS 27 – *Consolidated and Separate financial statements* and therefore includes the Parent Company and its subsidiaries. The amendment further specifies that companies must value from their own standpoint the goods or services received as part of a transaction settled in cash or shares, which might not coincide with that of the group or the related amount recognised in the consolidated financial statements. The amendment incorporates the guidelines previously included in IFRIC 8 – *Scope of IFRS 2* and IFRIC 11 – IFRS 2 – *Group and Treasury Share Transactions*. As a consequence, the IASB has withdrawn IFRIC 8 and IFRIC 11. This amendment is applicable from 1 January 2010. At the date of preparing these financial statements, the competent EU bodies have not yet completed the endorsement process necessary for its adoption.
On 8 October 2009, the IASB issued an amendment to IAS 32 – *Financial Instruments*: *Presentation: Classification of Rights Issues* to govern the accounting for the issue of rights (rights, options or warrants) not denominated in the functional currency of the issuer. Previously, these rights were recognised as liabilities deriving from derivative financial instruments; the amendment however requires, on certain conditions, that such rights be classified in equity regardless of the currency in which the exercise price is denominated. This amendment must be applied on a retrospective basis from 1 January 2011. Adoption of this amendment is not expected to have any effect on the Company's financial statements.

On 4 November 2009, the IASB issued a revised version of IAS 24 – *Related Party Disclosures*, simplifying the disclosures required for transactions with related parties controlled by the State, and clarifying the definition of related parties. This standard is applicable from 1 January 2011. At the date of preparing these financial statements, the competent EU bodies have not yet completed the endorsement process necessary for its adoption.

On 12 November 2009, the IASB published the first sections of IFRS 9 – *Financial Instruments* on the classification and measurement of financial assets, which is applicable from 1 January 2013. This publication is the first part of a process in stages to replace IAS 39 in its entirety. The new standard adopts just one method, based on the way financial instruments are managed and on the characteristics of the contractual cash flows deriving from the financial assets, to determine the applicable accounting policy. This replaces the different rules envisaged in IAS 39. In addition, the new standard envisages just one method to calculate the impairment of financial assets. At the date of preparing these financial statements, the competent EU bodies have not yet completed the endorsement process necessary for the adoption of the new standard.

On 26 November 2009, the IASB issued a minor amendment to IFRIC 14 – Prepayments of a Minimum Funding Requirement, allowing companies that make prepaid contributions against a minimum funding requirement to recognise them as an asset. This amendment is applicable from 1 January 2011. At the date of preparing these financial statements, the competent EU bodies have not yet completed the endorsement process necessary for its adoption.

On 26 November 2009, IFRIC issued IFRIC 19 – *Extinguishing Financial Liabilities with Equity Instruments*, providing guidance on recognition of the settlement of financial liabilities via the issue of equity instruments. The interpretation establishes that if a business renegotiates the conditions for settling a financial liability and the creditor agrees to extinguish it via the issue of shares in the business, then the shares issued by the company become part of the price paid to extinguish the financial liability and must be measured at fair value; the difference between the carrying amount of the financial liability extinguished and the initial carrying amount of the equity instruments issued must be recognised in the income statement for the period. This amendment is applicable from 1 January 2011. At the date of preparing these financial statements, the competent EU bodies have not yet completed the endorsement process necessary for its adoption.

6. Notes to the income statement, balance sheet and cash flow statement

INCOME STATEMENT

6.1. Revenue from sales and services

Revenue from the sale of goods and the provision of services is analysed as follows:

(million euro)	**31.12.2009**	**31.12.2008**
Revenue from sale of finished products	1,285.8	1,561.5
Revenue from provision of services	20.3	17.3
Total revenue	**1,306.1**	**1,578.8**

With reference to the analysis by geographical area, revenue from Italian customers was 432.1 million euro (452.1 million euro) and revenue from foreign customers was 874 million euro (1,126.7 million euro). See the analysis by business segment (geographical area) included in the consolidated financial statements for further information about the geographical distribution of the Group's revenue.

Revenue from the provision of services relates to services provided to customers (transport) and to end consumers (after-sales maintenance), and to the sale of extended warranties beyond the legal minimum period.

Revenue from sales to subsidiaries is analysed as follows:

(million euro) **Subsidiary**	**31.12.2009**	**31.12.2008**
Indesit Company Portugal Electrodomesticos S.A.	17.6	25.6
Indesit Electrodomesticos (Spain) S.A.	23.1	32.8
Indesit Company France S.A.	255.5	263.6
Indesit Company Deutschland GmbH	10.4	16.1
Indesit Company Nederland	22.7	22.6
Indesit Company Polska Spz oo	31.6	42.9
Indesit Company International Business S.A.	136.6	244.3
Indesit Company Beyaz Esya Sanayi Ve Ticaret AS	21.9	37.0
Indesit Company Magyarorszag Kft	30.0	61.0
Indesit Company UK Ltd	177.5	206.1
Argentron S.A.	9.1	15.1
Closed Joint Stock Company Indesit International	11.7	8.4
Indesit Österreich GmbH	17.5	8.7
Total subsidiaries	**765.2**	**984.2**

Sales to Group companies are usually denominated in the functional currency of the recipient company.

6.2. Change in work in process, semi-finished and finished products

The change in inventories of semi-finished and finished products and spare parts is summarised below:

(million euro)	**31.12.2009**	**31.12.2008**
Semi-finished products	(0.8)	(3.7)
Finished products and spare parts	(56.9)	22.8
Total	**(57.8)**	**19.1**

The change in inventories of semi-finished and finished products and spare parts is reported net of the change in the provision for obsolescence of 5 million euro (6.4 million euro), which involved a provision of 0.7 million euro (5.9 million euro) and the utilisation of 2.1 million euro (3.3 million euro).

6.3. Other revenue and income

Other revenue and income are analysed as follows:

(million euro)	**31.12.2009**	**31.12.2008**
Capitalisation of intemal work	14.9	16.9
Insurance reimbursement	0.1	7.0
Riadebts for royalties and cost sharing	49.9	52.0
Capital gains	-	0.1
Operating grants	2.0	0.8
Capital grants	1.4	1.5
Steel grants for export	0.8	1.6
Other income	4.3	4.6
Total	**73.5**	**84.5**

The increase in assets in process of formation principally relates to the capitalisation of development costs.
The recharge of services and royalties includes the recharge to subsidiaries (cost-sharing basis) of IT, commercial and logistics costs incurred by the Company, together with royalties for use of their trademarks.
The Recharge of services and royalties caption is analysed by company in the following table.

(million euro) **Subsidiaries**	**31.12.2009**	**31.12.2008**
Indesit Company Portugal Electrodomesticos S.A.	0.7	0.9
Indesit Electrodomesticos (Spain) S.A.	1.0	1.3
Indesit Company France S.A.	4.4	5.4
Indesit Company Deutschland GmbH	0.3	0.4
Indesit Company Nederland	0.5	0.6
Indesit Company Polska Spz oo	18.1	13.4
Indesit Company International Business S.A.	2.6	4.6
Indesit Company Beyaz Esya Sanayi Ve Ticaret A.S.	7.7	6.6
Indesit Company Magyarorszag Kft	1.6	1.9
Indesit Company UK Ltd	5.7	6.1
Closed Joint Stock Company Indesit International	7.0	9.8
Wuxi Indesit Home Appliances	0.4	0.9
Total subsidiaries	**49.9**	**52.0**

6.4. Materials, services, leases and rentals

This caption comprises:

(million euro) **Subsidiaries**	**31.12.2009**	**31.12.2008**
Purchase of raw materials, components	(859.4)	(1,196.2)
Maintenance	(9.9)	(12.3)
Distribution expenses	(69.2)	(89.9)
Advertising	(16.2)	(33.3)
Technical assistance	(10.5)	(13.9)
Services	(19.3)	(24.6)
Remuneration paid to Directors	(3.0)	(4.9)
Remuneration paid to Statutory Auditors	(0.1)	(0.1)
Utilities	(8.4)	(10.4)
Use of third party	(11.5)	(11.3)
Insurance	(1.8)	(1.5)
Other expenses	(32.2)	(39.6)
Revenue from sale of raw materials, components and goods	35.9	50.4
Revenue for recovered expenses	10.7	12.7
Total	**(995.0)**	**(1,375.0)**

This caption includes the cost of purchasing raw materials and services from subsidiaries and associates, as analysed below.
Revenue captions referred to sales of raw materials to suppliers for the construction.

(million euro) **Subsidiaries**	**31.12.2009**	**31.12.2008**
Indesit Company Domestic Appliances Hellas Mepe (Greece)	(1.8)	(1.7)
Indesit Company Osterreich GmbH (Österreich)	(1.6)	(1.4)
Indesit Company Bulgaria Ltd	(1.0)	(0.9)
Indesit Company Norge Ltd	(1.8)	(0.9)
Indesit Company International Business S.A.	(1.0)	(1.8)
Indesit Company UK Ltd	(18.3)	(40.7)
Indesit Company Portugal Electrodomesticos S.A.	(1.1)	(2.8)
Indesit Electrodomesticos (Spain)	(0.3)	(0.3)
Indesit IP S.p.A.	(0.1)	-
Indesit Company France S.A.	(3.0)	(3.7)
Indesit Company Deutschland GmbH	(0.9)	(0.4)
Indesit Company Beyaz Esya Sanayi Ve Ticaret A.S.	(1.0)	(0.4)
Indesit Company Beyaz Esya Pazarlama A.S.	(61.4)	(54.2)
Indesit Company Polska Spzoo	(144.1)	(145.2)
Closed Joint Stock Company Indesit International	(0.2)	(0.4)
Aermarche S.p.A.	-	(3.4)
Aeradriatica S.p.A.	(1.4)	-
Indesit Company Nederland	(0.1)	-
Indesit Company Magyarorszag Kft	(0.5)	(0.9)
Wuxi Indesit Home Appliances	(6.4)	(21.2)
Total subsidiaries	**(246.1)**	**(280.5)**

Revenue from the sale of raw materials includes revenue from sales to subsidiaries.
These are analysed by subsidiary in the following table.

(million euro) **Subsidiaries**	**31.12.2009**	**31.12.2008**
Indesit Company Polska Spz oo	6.7	5.6
Indesit Company Beyaz Esya Sanayi Ve Ticaret A.S.	0.3	0.1
Indesit Company UK Ltd	0.1	0.2
Closed Joint Stock Company Indesit International	0.3	0.5
Indesit Company Beyaz Esya Pazarlama A.S.	0.1	-
Wuxi Indesit Home Appliances	-	0.1
Total subsidiaries	**7.4**	**6.5**

The Revenue from the recharge of expenses caption relates to amounts recharged to Group companies and to the Parent Company.
These are analysed by subsidiary and the Parent Company in the following table.

(million euro) **Subsidiaries**	**31.12.2009**	**31.12.2008**
Indesit Company Portugal Electrodomesticos S.A.	0.3	0.3
Indesit Electrodomesticos (Spain) S.A.	0.4	0.4
Indesit Company France S.A.	0.9	1.4
Indesit Company Deutschland GmbH	0.1	0.1
Indesit Company Nederland	0.3	0.3
Indesit Company Polska Spz oo	0.7	0.8
Indesit Company International Business S.A.	1.5	2.4
Indesit Company Beyaz Esya Sanayi Ve Ticaret A.S.	0.3	0.4
Indesit Company Magyarorszag Kft	1.2	1.2
Indesit Company Ceska Sro	0.1	-
Indesit Company UK Ltd	1.4	2.2
Indesit Company Belgium	-	0.1
Indesit Company Osterreich GmbH (Österreich)	0.1	-
Closed Joint Stock Company Indesit International	3.5	2.9
Aermarche S.p.A.	-	0.1
Total subsidiaries	**10.7**	**12.6**
Parent Company		
Fineldo S.p.A.	-	0.1
Total Parent Company	**-**	**0.1**
Total subsidiaries and Parent Company	**10.7**	**12.7**

6.5. Payroll costs

Payroll costs are analysed as follows:

(million euro)	**31.12.2009**	**31.12.2008**
Subsidiaries		
Wages and salaries	(146.5)	(158.6)
Social contributions	(39.0)	(37.5)
Employee severance indemnities	(10.1)	(9.9)
Other expenses	(6.1)	(8.1)
Total	**(201.6)**	**(214.2)**

Other costs include leaving incentives and redundancy charges relating to the None factory in Italy, 3.4 million euro (Melano and Refrontolo, 1.1 million euro); the cost of temporary workers, 0.5 million euro (4.4 million euro); and insurance for employees, 2.2 million euro (2.6 million euro).
Social security contributions mainly comprise payroll contributions, 48.5 million euro (51.2 million euro), and non-recurring income following the relief of taxes and contributions in relation to the 1997 earthquake, 7.0 million euro (13.0 million euro).

Employment is analysed by level below:

	Subordinate 31.12.2009		**Subordinate 31.12.2008**		**Monthly average**
Qualification	**permanent**	**temporary**	**permanent**	**temporary**	**2009**
Executives	105		101		88
Managerial staff	230		247		210
Clerical staff	1,004	64	957	102	1,064
Factory workers	3,557	21	3,751	25	3,675
Total	**4,896**	**85**	**5,056**	**127**	**5,037**

6.6. Depreciation, amortization and impairment losses

This caption comprises the charges for the depreciation and amortization of property, plant and equipment and intangible assets, as analysed below:

(million euro)	**31.12.2009**	**31.12.2008**
Depreciation of property, plant and equipment	(41.7)	(41.5)
Amortization of intangible assets	(25.6)	(21.7)
Total	**(67.4)**	**(63.2)**

6.7. Change in inventories of raw, ancillary and consumable materials and goods for resale

The change in inventories of raw materials is reported net of the change in the provision for obsolescence of 1.5 million euro (0.5 million euro), which reflects a provision of 1.0 million euro (0.3 million euro).

6.8. Provisions and other operating charges

Provisions and other operating charges are analysed in the following table.

(million euro)	**31.12.2009**	**31.12.2008**
Provision for doubtful accounts	(1.8)	(5.5)
Liberal disbursement	(0.8)	(1.1)
Losses on disposals	-	(0.1)
ICI (local property tax)	(0.8)	(0.8)
Associative contribution	(1.0)	(1.1)
Expenses for licences, brands and patents	(4.2)	(4.6)
Provisions and other operating charges	(26.5)	(18.7)
Total	**(35.2)**	**(31.9)**

The increase in Provisions and other operating charges mainly reflects the recognition of provisions for restructuring totalling 17.3 million euro, with particular regard to the reorganisation of production at the None factory in Italy; provisions for disputes, 3.1 million euro (10.8 million euro), and provisions for environmental risks, 2.6 million euro.

6.9. Operating profit

As required by Consob Communication DEM/6064293 dated 28 July 2006, the significant non-recurring income and expenses described above are detailed in the following table.

(million euro)	**31.12.2009**	**31.12.2008**
Redundancies	(6.2)	(3.7)
Curtailment TFR	(23.6)	-
Benefits for earthquake grants L. 103/2008	7.0	13.0
Other non-recurring income (expenses)	(0.3)	(10.8)
Total	**(23.0)**	**(1.6)**

The increase in redundancy costs was due to the recognition of higher non-recurring charges associated with the leaving incentives paid to employees.
The restructuring costs relate to the provisions made for the reorganisation of production at the None factory in Italy.

The non-operating income and expenses included in the various income statement captions are detailed below:

(million euro)	31-12-2009					
	Balances	**Redundancies**	**Reorganisation**	**Benefits for earthquake grants L. 103/2008**	**Other non-recurring income (expense)**	**Total non-recurring**
Revenue from sales and services	1,306.1					-
Change in work in progress, semi-finished and finish products	(57.8)					-
Other imcome and expenses	73.5					-
Purchase of raw materials, services and costs for utilization of third party assets	(995.0)					-
Payroll costs	(201.6)	(6.2)	(2.1)	7.0		**(1.3)**
Depreciation, amortization and impaiment losses	(67.4)		(1.5)			**(1.5)**
Change in raw materials, auxiliary and components	(17.2)					-
Provisions and other operating changes	(35.2)		(20.0)		(0.3)	(20.3)
Operating profit	**5.4**	**(6.2)**	**(23.6)**	**7.0**	**(0.3)**	**(23.0)**

Isolating the effect of recognising non-recurring income and expenses, the operating profit from continuing activities is indicated below:

(million euro)	**31.12.2009**	**31.12.2008**
Revenue	1,306.1	1,578.8
Operating profit	**5.4**	**5.0**
Operating profit %	**0.4%**	**0.3%**
Non-recurring items	(23.0)	(1.6)
Operating profit of recurring activities	28.4	6.6
Operating profit of recurring activities	**2.2%**	**0.4%**

Operating profit (EBIT) amounted to 5.4 million euro (5.0 million euro), representing 0.4% of revenue (0.3%).
Net non-recurring expenses totalled 23.0 million euro (1.6 million euro). They mainly represent the costs incurred for the reorganisation of production at the None factory in Italy.
Before non-recurring income and expenses, operating profit was 28.4 million euro (6.6 million euro).
The change in operating profit is analysed in the Report on operations and it is aligned to Group one.

Attachment 2 (Income statement for the year ended 31 December 2009, prepared in accordance with Consob Resolution no. 15519 dated 27 July 2006 and Consob Communication no. DEM/6064293 dated 28 July 2006) to these notes summarises the overall effect of non-recurring expenses on the income statement.
Non-recurring income and expenses have an immediate cash flow effect, except for redundancy and restructuring costs, whose cash flow effect is spread over a number of years consistent with the release of the related provisions in accordance with the matching principle and accrual basis of accounting.
Total payables and provisions for non-recurring transactions at 31 December 2009 amount to 31.8 million euro (11.8 million euro) and the cash flow absorbed by them was 3.3 million euro (4.2 million euro).
The cash generated by related-party transactions totalled 559.4 million euro (720.4 million euro) and mainly arose from sales made to subsidiaries.

6.10. Dividends from subsidiaries, associates and others

The dividends received by the Company are detailed in the following table:

(million euro)	31.12.2009	31.12.2008
Subsidiaries		
Closed Joint Stock Company Indesit International	44.6	109.9
Indesit Company Polska Sp.z.o.o.	-	11.6
Indesit Company UK Finance LLP	11.8	-
Total subsidiaries	**56.4**	**121.5**

Other	**31.12.2009**	**31.12.2008**
Haier Merloni Electrical Appliance Co. Ltd	-	0.2
Haier Merloni Washing Machine Co. Ltd	-	0.3
Total other	**-**	**0.5**
Total	**56.4**	**122.0**

6.11. Other financial income from subsidiaries and associates

The other financial income deriving from subsidiaries is detailed in the following table.

(million euro)	31.12.2009	31.12.2008
Subsidiaries		
Indesit Company International Business S.A.	2.9	42.3
Indesit Company France S.A.	0.7	3.6
Indesit Company Portugal Electrodomesticos S.A.	0.2	0.2
Indesit Company Nederland	-	0.1
Indesit Company Deutschland GmbH	-	0.1
Indesit Company UK Ltd	0.1	0.5
Indesit Electrodomesticos (Spain) S.A.	-	0.1
Indesit Company Beyaz Esya Pazarlama A.S.	0.1	-
Indesit Company Beyaz Esya Sanayi Ve Ticaret A.S.	0.8	-
Indesit Company Magyarorszag Kft	0.2	0.1
Indesit Company Polska Sp.z.o.o.	4.3	6.1
Indesit Company Luxembourg S.A.	-	0.1
Total subsidiaries	**9.4**	**53.4**

The main change in Other income from subsidiaries and associates relates to Indesit Company International Business S.A. and reflects the lower profits earned from derivative transactions, 0.7 million euro (39.5 million euro), which offset the net exchange losses recognised during the year. Exchange rate gains or losses are recognised the gains and losses on derivative financial instruments for the currency risk hedging, transacted with Indesit Company International Business S.A.
See note 7 for further information about derivative transactions.

6.12. Financial income from third parties

This caption is analysed as follows:

(million euro) **Description**	**31.12.2009**	**31.12.2008**
Interest income	0.1	0.1
Total	**0.1**	**0.1**

6.13. Financial charges from subsidiaries and associates

The financial charges from subsidiaries and associates are detailed in the following table.

(million euro) **Subsidiaries**	**31.12.2009**	**31.12.2008**
Indesit Company International Business S.A.	(16.0)	(14.3)
Indesit Company Luxembourg S.A.	(9.7)	(16.4)
Indesit Company UK Ltd	(0.1)	(0.3)
Indesit Company Polska Sp.z.o.o.	-	(0.1)
Indesit Company Magyarorszag Kft	-	(0.3)
Other subsidiaries	(0.2)	(0.1)
Total subsidiaries	**(25.9)**	**(31.4)**

The financial charges from Indesit Company International Business S.A. principally include commissions for the management of exchange risk, 0.9 million euro (1.0 million euro) and losses from transactions in derivative instruments of 11.1 million euro (11.9 million euro). The financial charges from Indesit Company Luxembourg S.A. relate to interest on the loan received.

6.14. Financial charges from third parties and the Parent Company

The interest expense incurred in relation to the various sources of finance is analysed in the following table.

(million euro)	**31.12.2009**	**31.12.2008**
Interest on medium/long-term bank loans	(0.3)	(1.6)
Interest on medium/long-term loans	-	(0.4)
Interest on short-term borrowing	(4.5)	(12.4)
Other interest expense	(9.4)	(12.5)
Commissions from Fineldo S.p.A.	-	(0.1)
Totale	**(14.2)**	**(27.0)**

Other interest and expenses mainly relate to charges in relation to the revolving loan, 3.6 million euro (4.3 million euro), implicit financial charges deriving from the discounting of severance indemnities, 2.3 million euro (2.5 million euro), and other interest expense and commissions, 3.5 million euro.

6.15. Exchange gains and losses

The following table analyses exchange rate fluctuations, identifying both realised and unrealised gains and losses.

(million euro)	**31.12.2009**	**31.12.2008**
Realised exchange rate fluctuations, net	15.5	(6.4)
Unrealised exchange rate fluctuations, net	(0.5)	(28.6)
Total	**15.0**	**(35.0)**

Exchange rate fluctuations are offset by income from derivative transactions arranged with subsidiaries, as described in note 6.11.

6.16. Reversals of impairment losses on equity investments

No impairment losses on equity investments were reversed in 2009 or 2008.

6.17. Impairment losses on investments

The impairment losses on investments reflect the impairment of the investment in Indesit Electrodomesticos S.A. (Spain), a subsidiary, for 2.0 million euro. Further information is provided in Note 6.22 and Note 6.31.

6.18. Income tax

The taxation charged to the income statement is analysed below.

(million euro)	**31.12.2009**	**31.12.2008**
IRES	(2.1)	(7.5)
IRAP	(5.3)	(5.1)
Deferred tax assets, net	4.7	7.7
Prior year taxes	(3.9)	(0.7)
Other income taxes	(0.1)	-
Total	**(6.7)**	**(5.6)**

The following table reconciles the theoretical tax charge, determined using the reference tax rate, with the reported tax charge.

(million euro)	**31.12.2009**	**31.12.2008**
Profit before tax	44.1	68.2
Theoretical tax charge (27.5%)	(12.1)	(18.8)
Actual tax charge	(6.7)	(5.6)
Total difference	**5.4**	**13.1**
Reconciliation		
IRAP (current and deferred)	(5.0)	(5.1)
Dividends	12.8	26.8
Effect of transactions in partecipation exemption	-	-
Prior year items and undeductible expenses	(3.9)	
On other permanent charges	2.1	-
Other effects	(0.6)	(8.6)
Total difference	**5.4**	**13.1**

With respect to profit before taxation (PBT), the increase in the effective tax rate to 15.3% (8.3%) mainly reflects the reduction in dividends received.

BALANCE SHEET

6.19. Property, plant and equipment

The changes in property, plant and equipment are analysed in the table presented on the following page.

The changes in property, plant and equipment comprise manufacturing additions of 17.9 million euro to extend and renew the range of products, and disposals for a net carrying amount of 4.0 million euro. These relate to the routine replacement of plant and machinery and the transfer of plant and machinery to other Group companies, as part of the redistribution of production.
The net carrying amount of transfers to Group companies was 3.9 million euro.

The depreciation charge for the year, 41.7 million euro, was essentially in line with the prior year.

Outstanding orders placed for the supply of property, plant and equipment are not significant.

The ownership of property is not restricted by liens and charges and there are no significant finance lease commitments.

(million euro) **Description**	**Land and buildings**	**Plant and machinery**	**Industrial and commercial equipment**	**Other assets**	**Assets under construction**	**Total**
Opening balances at 01.01.2008						
Historical cost	136.8	325.9	279.6	39.0	19.9	801.2
Accumulated depreciation	(47.3)	(249.6)	(244.4)	(33.4)	-	(574.7)
Total 01.01.2008	**89.5**	**76.3**	**35.2**	**5.5**	**19.9**	**226.5**
Changes						
Purchases	1.5	7.2	12.6	1.6	11.0	33.8
Reclassifications	0.5	5.5	12.7	0.2	(19.0)	-
Disposals	-	(0.8)	(1.0)	(0.5)	-	(2.3)
Use of accumulated deprecation	-	0.7	0.8	0.4	-	1.9
Depreciation for the year	(3.9)	(16.9)	(18.7)	(2.1)	-	(41.5)
Total	**(1.9)**	**(4.4)**	**6.4**	**(0.3)**	**(8.0)**	**(8.1)**
Balances at 31.12.2008						
Historical cost	138.8	337.8	303.9	40.4	11.9	832.7
Accumulated depreciation	(51.2)	(265.8)	(262.3)	(35.1)	-	(614.4)
Total 31.12.2008	**87.6**	**72.0**	**41.6**	**5.2**	**11.9**	**218.4**
Changes						
Purchases	3.4	3.5	5.7	0.4	4.8	17.9
Reclassifications	0.2	2.5	8.5	0.1	(11.2)	-
Disposals	-	(12.9)	(33.5)	(0.2)	-	(46.7)
Use of accumulated deprecation	-	12.7	29.9	0.2	-	42.7
Depreciation for the year	(3.8)	(17.3)	(18.7)	(1.9)	-	(41.7)
Total	**(0.2)**	**(11.5)**	**(8.3)**	**(1.4)**	**(6.4)**	**(27.8)**
Balances at 31.12.2009						
Historical cost	142.4	330.8	284.4	40.7	5.6	804.0
Accumulated depreciation	(54.9)	(270.4)	(251.1)	(36.9)	-	(613.3)
Total 31.12.2009	**87.4**	**60.4**	**33.3**	**3.9**	**5.6**	**190.6**

6.20. Other intangible assets with a finite life

Other intangible assets are analysed as follows:

(million euro) Description	Develop-ment costs	Industrial patents and intellectual property rights	Concessions, licences, and trademarks	Other	Assets under construction	Total
Opening balances at 01.01.2008						
Historical cost	65.1	45.7	14.6	0.4	15.2	141.0
Accumulated amortisation	(34.5)	(26.1)	(6.9)	(0.3)	-	(67.8)
Total 01.01.2008	**30.6**	**19.6**	**7.7**	**0.1**	**15.2**	**73.2**
Changes						
Purchases	9.5	10.2	0.8	-	8.1	28.5
Reclassifications	5.8	7.7	0.4	-	(14.0)	-
Disposals	(12.2)	(16.8)	(2.5)	-	-	(31.5)
Use of accumulated amortisation	12.2	16.0	2.5	-	-	30.6
Depreciation of the year	(12.8)	(7.2)	(1.7)	(0.1)	-	(21.7)
Total	**2.6**	**9.9**	**(0.4)**	**(0.1)**	**(6.0)**	**6.0**
Balances at 31.12.2008						
Historical cost	68.3	46.8	13.3	0.5	9.2	138.1
Accumulated amortisation	(35.1)	(17.3)	(6.1)	(0.4)	-	(58.9)
Total 31.12.2008	**33.2**	**29.4**	**7.3**	**0.1**	**9.2**	**79.2**
Changes						
Purchases	11.8	3.3	0.2	-	5.4	20.7
Transfer	6.8	0.5	-	-	(7.2)	-
Disposals	(13.7)	(6.4)	(2.1)	(0.4)	-	(22.6)
Use of accumulated amortisation	13.5	6.4	2.1	0.4	-	22.4
Depreciation of the year	(16.4)	(7.8)	(1.4)	(0.0)	-	(25.6)
Total	**2.1**	**(4.1)**	**(1.2)**	**(0.0)**	**(1.9)**	**(5.1)**
Balances at 31.12.2009						
Historical cost	73.2	44.1	11.4	0.1	7.4	136.2
Accumulated amortisation	(37.9)	(18.7)	(5.4)	(0.0)	-	(62.1)
Total 31.12.2009	**35.3**	**25.4**	**6.0**	**0.0**	**7.4**	**74.1**

The development costs capitalised, 11.8 million euro (9.5 million euro), principally related to the creation of Experience, a new line of Hotpoint-Ariston ovens; the Prime line of Indesit washing machines; a new platform for washing machines at the Comunanza factory; a new platform for dishwashers at the Radomsko factory; the Prime line of Indesit refrigerators, and the Big Cavity 60x60 refrigerator in the built-in sector.
The elimination of assets resulted in the recognition of historical costs totalling 13.7 million euro (12.2 million euro).
The amortisation charge for the year was 16.4 million euro (12.8 million euro).

The increases in the industrial patents and intellectual property rights caption, 3.3 million euro (10.2 million euro), reflect the costs incurred to develop and enhance integrated software programs. The elimination of fully amortised assets resulted in the recognition of historical costs totalling 6.4 million euro (16.8 million euro). The amortisation charge was 7.8 million euro (7.2 million euro).

Brands comprise the Star brand acquired on the merger of that company in 2003. The historical cost recognised, 0.1 million euro, has been fully amortised.

Licences with an historical cost of 11.4 million euro principally relate to the right to use the Ariston brand name, as well as the rights to use software programs. The increase during the year was 0.2 million euro in relation to software licences (SAP, Microsoft, etc.).

The total amortisation charge for trademarks and licences was 1.4 million euro (1.7 million euro). The elimination of fully amortised assets resulted in the recognition of historical costs totalling 2.1 million euro (2.5 million euro).

Other intangible fixed assets relate to leasehold improvements. This caption is fully amortised.

Assets under development principally comprise development costs of 4.0 million euro (7.3 million euro) and software and licences amounting to 3.4 million euro (1.9 million euro).

6.21. Investments in associates

Investments in associates are analysed below:

(million euro) **Company name**	**%**	**31.12.2009**	**31.12.2008**
Trade Place BV	20.00	0.5	0.5
Total associates		**0.5**	**0.5**

6.22. Investments in subsidiaries and other investments

Investments in subsidiaries and other investments comprise investments in subsidiaries, investments in other companies which generally represent less than 20% of their equity capital or voting rights, and other non-current financial assets.

The investments in other companies held by Indesit Company S.p.A. are not listed and their securities are not traded in an official market. Accordingly, their fair value cannot be determined reliably since there were no transactions involving these securities during the past year. The cost of the securities held is analysed below.

Investments in directly and indirectly-held subsidiaries and other companies are analysed in the table below, which indicates the direct interest held.

(million euro) **Company name**	**%**	**31.12.2009**	**31.12.2008**
Subsidiaries:			
Aermarche S.p.A.	-	-	22.9
Aeradriatica S.p.A.	100.00	20.5	-
Argentron S.A.	3.00	0.2	
Indesit Company Luxembourg S.A.	100.00	68.1	68.1
Indesit Company UK Holding Ltd	-	-	50.0
Merloni Domestic Appliances Ltd	19.60	13.6	13.6
Indesit Company Portugal Electrodomesticos S.A.	0.01	-	-
Indesit Electrodomesticos S.A. (Spain)	78.95	-	-
Indesit Company Beyaz Esya Pazarlama A.S.	100.00	3.8	1.3
Indesit Company Beyaz Esya Sanayi A.S.	47.36	22.1	-
Indesit Company Ceska S.r.o.	100.00	-	-
Indesit Company Bulgaria Ltd	100.00	-	-
Indesit Company Polska Sp.z.o.o.	100.00	133.5	132.5
Indesit Company UK Finance LLP	-	-	94.8
Indesit Company RUS Ltd	1.00	-	-
Closed Joint Stock Company Indesit International	100.00	143.2	143.2
Indesit IP S.r.l.	100.00	-	-
Total subsidiaries		**405.0**	**526.3**
Other companies:			
Consorzio CONAI	0.07	-	-
Consorzio Ecodom	5.00	-	-
Consorzio delle Dennie	14.28	-	-
Distretto dell'elettrodomestico S.c.ar.l.	6.45	-	-
Emittente Titoli S.p.A.	1.10	0.1	0.1
Unifabriano S.c.ar.l.	10.41	-	-
Radio A Korasidis AE	3.80	-	-
Total other companies		**0.1**	**0.1**
Totale investments in subsidiaries and other investments		**405.2**	**526.5**

The companies listed as subsidiaries despite being less than 50% owned are, via other subsidiaries, subject to the indirect control of the majority of their voting rights.
Further information about the overall control percentages is provided in Attachment 1 (List of companies consolidated on a line-by-line basis) to the consolidated financial statements.

The increase of 1.0 million euro in relation to Indesit Company Polska Sp. z.o.o. relates to the recognition of guarantees given by Indesit Company S.p.A.

The entire investment in Indesit Company UK Holding Ltd has been transferred to Indesit Company Luxembourg S.A. The consideration for the transfer was settled through offsetting.

In January 2009, Indesit Company S.p.A. increased the share capital of Indesit Company Beyaz Esya Pazarlama A.S. by 2.5 million euro.

In June 2009, a line of business was spun off from Aermarche S.p.A. to form Aeradriatica S.p.A., which is wholly owned by Indesit Company S.p.A.
Subsequently, Aermarche S.p.A. was sold to a third party.
The economic effects of this sale were not significant.

In June 2009, a 3.0% interest in Argentron S.A. was acquired by Indesit Company Luxembourg S.A. The purchase price of 0.2 million euro was determined with reference to carrying amount.

In December 2009, the share capital of Indesit Company Beyaz Esya Sanayi A.S. was increased by waiving a loan of 22.1 million euro by Indesit Company S.p.A. The value of this additional holding has been maintained at historical cost, since the transaction involves an investment under common control.

In December 2009, Indesit Company UK Finance LLP was sold to third parties subsequent to the repayment of share capital and reserves to Indesit Company S.p.A., Indesit Company Luxembourg S.A. and Indesit Company International Business S.A. As a consequence of this transaction, Indesit Company S.p.A. recognised dividends totalling 11.8 million euro.

The composition of and changes in investments are analysed below:

(million euro) **Description**	**Subisidiaries**	**Other companies**	**Total**
Opening balance at 01.01.2008			
Historical cost	534.6	0.1	534.8
Accumulated amortisation	(49.6)	-	(49.6)
Total 01.01.2008	**485.0**	**0.1**	**485.2**
Changes			
Purchases	60.0	0.7	60.7
Reclassifications	-	-	-
Impairment losses	(17.1)	(0.7)	(17.8)
Disposals/delate	(1.7)	-	(1.7)
Totale	**41.3**	**-**	**41.3**
Balance at 31.12.2008			
Historical cost	593.0	0.9	593.8
Accumulated amortisation	(66.7)	(0.7)	(67.4)
Total 31.12.2008	**526.3**	**0.1**	**526.5**
Changes			
Purchases	48.8	-	48.8
Reclassifications	(1.9)	-	(1.9)
Impaiment losses	(0.5)	-	(0.5)
Reversal of impairment losses	(180.6)	-	(180.6)
Disposals/delate	12.9	-	12.9
Total	**(121.2)**	**-**	**(121.2)**
Balance at 31.12.2009			
Historical cost	459.3	0.9	460.1
Accumulated depreciation	(54.2)	(0.7)	(54.9)
Total 31.12.2009	**405.1**	**0.1**	**405.2**

Acquisitions include the increases in the interest in Indesit Electrodomesticos S.A., following subscription to a subordinated (participating) loan in Indesit Company Beyaz Esya Pazarlama AS and Aeradriatica S.p.A.

The investment in Indesit Electrodomesticos S.A. has been impaired down by 0.5 million euro to reflect the losses incurred by this subsidiary. The provision for equity investments has also been increased by 1.5 million euro to reflect the Company’s interest in the negative equity of Indesit Electrodomesticos S.A.

The impairment losses recorded are analysed in the following table.

(million euro) **Company name**	**31.12.2009**	**31.12.2008**
Aermarche S.p.A.	-	1.4
Indesit Company Beyaz Esya Pazarlama A.S.	4.3	4.3
Merloni Domestic Appliances Ltd	10.6	10.6
Indesit Company UK Finance LLP	-	11.6
Indesit Elettrodomesticos S.A. (Spain)	41.3	38.8
Radio A Korasidis AE	0.7	0.7
Total	**56.9**	**67.4**

There is no basis for the reversal of these impairment losses at the reporting date.
The carrying amount of equity investments is compared with their equity value in Attachment 5. The negative differences identified by that comparison essentially relate to Indesit Company Luxembourg S.A. which, operating as a sub-holding company, holds control over, among others, the principal companies operating in the UK market. Their recoverable amount has been verified by impairment testing of the UK CGU, as discussed in the analyses of intangible assets with an indefinite useful life and of goodwill, presented in note 8.10 to the consolidated financial statements. Taking account of the results of these analyses, the difference between the carrying amount of the investment in Indesit Company Luxembourg S.A. and its valuation under the equity method is deemed to be recoverable from forecast cash flows.

6.23. Deferred tax assets

Deferred tax assets at 31 December 2009 amount to 17.9 million euro (14.2 million euro).
The analysis of deferred taxation and information about the deferred tax assets offset against deferred tax liabilities are provided in note 6.32.

6.24. Inventories

This caption amounts to 112.7 million euro (187.7 million euro) and is analysed as follows:

(million euro)	**31.12.2009**	**31.12.2008**
Raw materials	37.5	54.7
Semi-finished productions	0.7	1.5
Finished products and spare parts	74.5	131.4
Total	**112.7**	**187.7**

Closing inventories include raw materials, finished products and purchased spare parts that have not yet been received (in transit), but belong to the Company, together with raw materials on consignment. The change mainly reflects the greater decline in increased volume of production than in the volume of sales.
The provision for obsolescence totals 6.5 million euro (6.9 million euro) and net utilisations during the year amounted to 0.4 million euro (net provisions of 2.9 million euro).

The provision for obsolescence is determined by writing down obsolete and slow-moving inventories with regard to, respectively, their life cycles and their turnover statistics.

The provision for obsolescence is analysed below:

(million euro)	**31.12.2009**	**31.12.2008**
Raw materials	1.5	0.5
Spare parts	1.2	1.2
Finished products	3.8	5.2
Total	**6.5**	**6.9**

6.25. Trade receivables

Trade receivables comprise amounts due from customers as a result of commercial transactions and the provision of services, 542.7 million euro (688.6 million euro), stated net of the allowance for doubtful accounts of 15.5 million euro (20.0 million euro).

The reduction mainly reflects the lower volume of sales.

Advances to suppliers at 31 December 2009 amount to 3.7 million euro (2.1 million euro).

The movements in the allowance for doubtful accounts are analysed in the following table:

(million euro)	**31.12.2009**	**31.12.2008**
Opening balance	**20.0**	**17.0**
Provision	1.8	4.8
Utilisation	(6.3)	(1.8)
Closing balance	**15.5**	**20.0**

Amounts due from subsidiaries and associates are detailed below:

(million euro)	**31.12.2009**	**31.12.2008**
Subsidiaries		
Fabrica Portugal S.A.	0.4	0.4
Indesit Company UK Ltd	57.5	97.9
Indesit Company Portugal Electrodomesticos S.A.	18.3	25.6
Indesit Electrodomesticos (Spain) S.A.	8.2	17.5
Indesit Company France S.A.	156.7	148.8
Indesit Company Deutschland GmbH	2.7	5.0
Indesit Company Nederland	8.5	7.8
Indesit Company International BV	0.7	0.3
Indesit Company Bulgaria Ltd	0.1	0.1
Indesit Company International Business S.A.	15.2	77.0
Indesit Company Ceska Sro	0.2	-
Indesit Company Magyarorszag Kft	11.0	6.4
Indesit Company Polska Spz oo	64.8	106.4
Indesit Company Beyaz Esya Sanayi Ve Ticaret A.S.	39.3	31.5
Indesit Company Beyaz Esya Pazarlama A.S.	0.2	-
Indesit Company Norge Ltd	0.5	0.5
Indesit Company Domestic Appliances Hellas Mepe (Greece)	0.1	0.1
Argentron S.A.	0.2	4.9
Aermarche S.p.A.	-	0.1
Closed Joint Stock Company Indesit International	15.1	9.4
Wuxi Indesit Home Appliances	0.5	1.1
Indesit Company Belgium	-	0.1
Indesit Company GDA Holdings	0.2	0.2
Indesit Company Osterreich GmbH	7.2	6.0
Total subsidiaries	**407.9**	**547.0**

With reference to the analysis of trade receivables by geographical area (net of the allowance for doubtful accounts), the amounts due from Italian customers total 25.8 million euro (30.7 million euro) while those due from foreign customers total 20.5 million euro (24.9 million euro). The remainder comprises invoices and credit notes to be issued totalling 88.5 million euro (86.0 million euro) not allocated by geographical area until the document issue.
See the analysis by business segment (geographical area) included in the consolidated financial statements for further information about the geographical distribution of the Group's receivables.

6.26. Tax receivables

The amounts due from the tax authorities relate to advance taxation. These amounts are analysed below.

(million euro)	**31.12.2009**	**31.12.2008**
IRES	4.3	5.6
IRAP	2.0	2.3
IRPEF on advance of termination benefits	1.3	1.4
Advance taxation	0.9	0.2
Total	**8.5**	**9.6**

These receivables are collectible in full within one year, except for the IRPEF credit for advances against severance indemnities.

6.27. Other receivables and current assets

Other receivables and current assets are analysed as follows:

(million euro)	**31.12.2009**	**31.12.2008**
Due from employees	0.8	0.9
Grants due from public bodies	5.2	5.6
Due from social security and pension institutions	3.5	2.5
Credit for training courses	0.7	0.8
VAT credit	13.1	11.5
Other receivables	1.6	0.6
Total	**25.0**	**21.8**

Grants due from public bodies include 2.4 million euro in reimbursements for steel exports (2.9 million euro) and 2.8 million euro in start-up grants to be collected (2.7 million euro).

6.28. Equity

The statement of changes in equity is presented in a separate schedule.

Share capital comprises ordinary shares and savings shares, as analysed below.

Description	**31.12.2009**		**31.12.2008**	
	Number	**euro**	**Number**	**euro**
Ordinary shares	113,630,684	102,267,616	113,630,684	102,267,616
Savings shares	511,282	460,154	511,282	460,154
Total	**114,141,966**	**102,727,769**	**114,141,966**	**102,727,769**

The number of shares in the table is stated gross of the treasury shares held. Net of the treasury shares held directly by Indesit Company S.p.A., 11,039,750, there are 102,590,934 ordinary shares outstanding.

No new stock options were granted in 2009 or 2008.

The nominal value of the ordinary and savings shares is 0.90 euro.

The holders of ordinary shares and savings shares enjoy the ownership and participation rights granted under Italian law and the articles of association of Indesit Company S.p.A.
In addition to the right to participate in the division of profits and the return of capital, the ordinary shares also carry the right to vote at ordinary and extraordinary shareholders' meetings. The savings shares, on the other hand, have greater ownership rights but reduced administrative rights.
The greater ownership rights comprise:
1) the right to an allocation of profit for the year (after allocating 5% to the legal reserve) representing up to 5% of the nominal value of the savings shares;
2) the right, if a dividend of less than 5% of nominal value was paid in a given year, to collect this shortfall in the preference dividend in the following two years;
3) the right, if a dividend is declared at the shareholders' meeting, to receive a total dividend that is higher than that paid on the ordinary shares by 2% of the nominal value of the savings shares.

In addition, in the event of a share capital reduction to cover losses, the nominal value of the savings shares is only reduced by the amount of the losses that exceed the total nominal value of the other shares.
The lesser administrative rights with respect to the ordinary shares consist of the absence of voting rights at ordinary and extraordinary shareholders' meetings.

The following table analyses the share capital structure, including the treasury shares, and indicates the stock options that have been authorised (amounts in Euro).

	Authorised share capital	**Authorised no. of shares**	**Issued and fully-paid share capital**	**No. of shares issued and fully paid**
Share capital following the conversion of savings shares into ordinary shares in 2001	98,832,569	109,813,966	98,832,569	109,813,966
1st and 2nd stock option plans for employees authorised on 19 September 1998 and 23 October 2001 respectively	5,400,000	6,000,000	2,455,200	2,728,000
1st stock option plans for Directors authorised on 23 October 2001	1,260,000	1,400,000	1,260,000	1,400,000
2nd stock option plans for Directors authorised on 6 May 2002	180,000	200,000	180,000	200,000
	105,672,569	**117,413,966**	**102,727,769**	**114,141,966**

With regard to the 1st and 2nd employee stock option plans, the residual 3,272,000 options authorised are analysed as follows: 304,500 granted, 2,967,500 not granted.

With reference to the amounts reported in the Statement of comprehensive income, the increase in cash flow hedges during 2009 of 2.9 million euro comprises: a post-tax increase of 2.2 million euro generated by transactions outstanding at 31 December 2009 and a post-tax increase of 0.7 million euro relating to transactions completed during the year.

The description of, changes, in and restrictions applying to the principal reserves are described below. The detailed analysis of these changes is presented in a separate schedule.

Reserves

a) Share premium reserve: this reserve, 35.8 million euro, is unchanged in 2009.
b) Legal reserve: this reserve, 22.7 million euro, reflects allocation of 5% of the profit each year. The reserve has exceeded the legal threshold of one fifth of the nominal value of share capital.
c) Other reserves, 280.4 million euro. The other reserves are analysed as follows:

(million euro) **Description**	**31.12.2009**	**31.12.2008**
Retained earnings	267.4	204.8
Stock options reserve	0.4	0.5
Reserve under Par. 14 L. 64/86	2.2	2.2
Grants L. 29/05/82 no. 308	0.1	0.1
Adjustment to plant costs (Casmez) - L. 218/78	0.7	0.7
Reserve par. 21 L. 219 of 14/5/81	4.0	4.0
Grants L. 488/92	11.2	11.2
Surplus merger reserve	1.4	1.4
Reserve mark to market derivatives of cash flow hedge	(7.0)	(9.9)
Total	**280.4**	**214.9**

Retained earnings have increased by 62.6 million euro following allocation of the profit for 2008.
These reserves include the IAS reserve, 1.3 million euro, which reflects the cumulative effect on equity, at the transition date, of the adjustments recorded on the first-time adoption of international accounting standards. Pursuant to art. 7 of Legislative Decree no. 38/2005, the unavailable and non-distributable portion of the IAS reserve totals 0.2 million euro.

The total includes 5.3 million euro that is restricted in relation to the investment required in the territorial agreement for the factory at Comunanza, together with 13.0 million euro restricted in order to obtain grants related to industrial assets of Albacina plant pursuant to Law no. 488/92.

The reserve under art. 14 Law 64/86 reflects grants from the Ministry for Industry following the final testing of the investment in Comunanza factory. This reserve was unchanged in 2009.

The grants under regional law no. 308/82 relate to investments in energy saving and recycling. This reserve was unchanged in 2009.

The reserve under Law no. 218/78, relates to capital grants related to equity collected for investments in the Comunanza and Acerra factories and totals 0.7 million euro. This reserve was unchanged in 2009.

The reserve under art. 21 Law no. 219/81, represents the (tax-free) related to equity grants received for investments made to repair and make functional improvements to the factories situated in Southern Italy that were damaged in the 1980 earthquake.

The surplus merger reserve was established on the absorption of Merloni Brembate S.p.A. in 2003 and Wrap S.p.A. in 2007.

The hedging reserve for derivative financial instruments recognised as cash flow hedges reflects the change in fair value of these instruments. This negative reserve has decreased by 2.9 million euro.

No dividends were paid on the ordinary shares in 2009 (52.5 million euro), while a dividend of 0.045 euro per savings share was paid in accordance with the articles of association (total of 0.3 million euro in 2008).
The Board of Directors' meeting held on 25 March 2010 approved these separate financial statements and recommended that the shareholders' meeting resolve to allocate of a dividend of 0.15 euro per ordinary share and 0.168 euro per savings share.

The availability of the reserves can be utilised is analysed in Attachment 6.

The recoverable amount of the Group's assets, as determined by the impairment tests carried out at 31 December 2009, is essentially in line with the stock exchange capitalisation of Indesit Company S.p.A. at the time of preparing these financial statements. The net carrying amount of the Group's assets at 31 December 2009 is, by contrast, significantly lower than both the recoverable amount determined by the impairment testing and the current stock exchange capitalisation.

6.29. Net financial indebtedness

The net financial indebtedness and net borrowing of the Company are analysed below.
Non-current financial assets have been included in the calculation of net borrowing in order to represent fairly the overall exposure.

(million euro)	**Note**	**31.12.2009**	**31.12.2008**
Current financial assets	6.29.1	132.8	57.4
Cash and cash equivalents	6.29.2	8.3	8.9
Banks and other financial payables	6.29.3	(146.7)	(259.9)
Net financial position - short-term		**(5.6)**	**(193.7)**
Medium/long-term financial payables	6.29.5	(332.7)	(494.5)
Net financial position [1]		**(338.3)**	**(688.1)**
Other non-current financial assets	6.29.4	50.0	61.7
Net financial indebtedness		**(288.3)**	**(626.4)**

1. As defined in Consob Communication DEM/6064293 dated 28.07.06, applying the CESR recommendations dated 10.02.05.

The decrease in net borrowing was mainly due to the reduction in net working capital.
This decrease in net working capital essentially reflects the reductions in inventories and trade payables.

The changes in liquidity during the year are analysed in the cash flow statement.

6.29.1. Current financial assets

Current financial assets mainly comprise the intercompany bank accounts with Indesit Company International Business S.A., which carries out treasury pooling activities of the Group, totalling 126.6 million euro (48.1 million euro), together with amounts due from factoring companies following the sales of receivables without recourse, 4.8 million euro (6.5 million euro), and receivables arising on derivative transactions, 0.2 million euro (1.6 million euro).

6.29.2 Cash and cash equivalents

Cash and cash equivalents, 8.3 million euro (8.9 million euro), comprise bank and postal deposits, and cash and cash equivalents on hand. The decrease with respect to the prior year was 0.6 million euro.

6.29.3 Banks and other financial payables

Banks and other financial payables mainly comprise amounts due within the current year.
This caption is analysed below.

(million euro)	**31.12.2009**	**31.12.2008**
Short-term advances from banks	95.4	152.6
Short-term advances for factoring of receivables	1.0	10.3
Current portion of loan (MCC and Simest)	7.9	14.2
Current portion of other medium/long-term loans	0.3	0.4
Liability from the measurement of derivative instruments	4.7	0.4
Financial payables Indesit Company International Business S.A.	11.8	12.0
Financial payables Indesit Company Luxembourg S.A.	25.6	70.2
Total	**146.7**	**259.9**

Short-term advances from banks include completely use of committed lines of credit totalling 35.0 million euro.

The reduction in the amount due to Indesit Company Luxembourg S.A. mainly reflects the offsetting of the transfer price for the investment in Indesit Company UK Holdings Ltd (see note 6.22 for further information).

6.29.4 Other non-current financial assets

Other non-current financial assets include 50.0 million euro due from Indesit Company Luxembourg S.A. following the subscription to profit-participating bonds.

6.29.5 Medium and long-term interest-bearing loans and borrowings

Medium and long-term interest-bearing loans and borrowings are analysed as follows:

(million euro)	**31.12.2009**	**31.12.2008**
Loans and borrowings from Indesit Company Luxembourg S.A.	214.9	269.0
Due to banks	114.1	222.1
Due to other financial payables	2.2	1.1
Liability from the measurement of derivative instruments	1.5	2.3
Total	**332.7**	**494.5**

Amounts due to banks include loans totalling 100.0 million euro (200.0 million euro) in relation to a committed line of credit for 5.2 million euro expiring in 2011, and 94.8 million euro expiring in 2012. The amounts due to banks also comprise loans from MCC S.p.A. totalling 14.2 million euro (22.0 million euro) to finance the factories in Russia and Poland, the last instalments of which fall due in 2013.

Committed lines of credit comprise a syndicated line totalling 216.3 million euro (100 million euro drawn down) and three lines totalling 125 million euro, of which 35 million euro used at 31 December 2009, that expire in 2010.

The Parent Company is obliged to comply with certain financial covenants, calculated with respect to the consolidated financial statements, in relation to the loans from MCC S.p.A. and the multicurrency syndicated revolving line of credit. The financial parameters applying at the balance sheet date are set out below:

Covenants	**Covenant limit**
EBITDA / Net financial expenses	$\geq$ 3.5
Net borrowing / EBITDA	$\leq$ 3.0
Equity	$\geq$ 320 million euro

In addition to the financial covenants, the committed lines of credit require Indesit Company S.p.A. and, in certain cases, a number of Group companies to comply with other undertakings (affirmative and negative covenants) that reflect market standards for transactions of a similar nature, amount, maturity and risk profile.
Failure to comply with these covenants would, following the elapse of a given period of time available to correct such non-compliance, give the counterparty a right to the early repayment of the related borrowings.

The above parameters are monitored constantly by the Group and, at 31 December 2009, all the covenants have been respected. As described earlier, the Group continues to take steps to ensure compliance with the parameters that relate to its financial strength.

Medium and long-term financial liabilities are analysed by maturity in the following table.

(million euro)	Medium/long-term financial liabilities	Between 1 and 5 years	Due beyond 5 years
Loans and borrowings from Indesit Company Luxembourg S.A.	214.9	194.1	20.8
Due to banks	114.1	114.1	-
Due to other financial payables	2.2	1.4	0.8
Liability from the measurement of derivative instruments	1.5	1.5	-
Total	**332.7**	**311.1**	**21.6**

6.30. Employee benefits

The liability for employee benefits totals 42.9 million euro (46.6 million euro) and comprises the provision for severance indemnities.
The following schedule reconciles the assets and liabilities recorded in relation to defined benefit plans and the charges made to the income statement, and presents the principal actuarial assumptions.

	Employee severance indemnities	
	31.12.2009	**31.12.2008**
Present value of the defined benefit obligation (start of year)	43.4	46.5
Provision for benefits earned during the year	-	-
Financial charges	2.3	2.5
Contributions from plan participants	-	-
Actuarial (gains)/losses	1.6	0.9
Benefits paid by the plan/company	(6.4)	(6.5)
Curtailment of plan	0.6	-
Changes in exchange rates	-	-
Present value of the defined benefit obligation (end of year)	**41.5**	**43.4**
Fair value of plan assets (start of year)	-	-
Expected yield from plan assets	-	-
Actuarial (gains)/losses	-	-
Employer's contributions	-	-
Employees' contributions	-	-
Benefits paid	6.4	6.5
Expenses	(6.4)	(6.5)
Change in exchange rates	-	-
Fair value of plan assets (end of year)	**-**	**-**
Present value of defined benefit obligation under funded plans	-	-
Fair value of plan assets	-	-
Deficit (surplus) of funded plans	**-**	**-**
Present value of defined benefit obligation under unfunded plans	41.5	43.4
Actuarial (gains)/losses not recognised	1.4	3.2
Pension (cost) of unrecognised prior service	-	-
Unrecorded assets (limit described in para. 58b, IAS 19)	-	-
Recorded net liability/(asset)	**42.9**	**46.6**
Pension cost of work performed during the year	-	-
Total operating costs	**-**	**-**
Interest expense	2.3	2.5
Expected yield from plan assets	-	-
Total financial charges	**2.3**	**2.5**
Profit/Loss of curtailment	0.4	-
Total charge to the income statement	**2.7**	**2.5**

Cont'd

	Employee severance indemnities	
	31.12.2009	31.12.2008
Assumptions used to determine defined benefit obligations		
Discount rate	5.20%	5.75%
Salary increases	0.00%	0.00%
Inflation rate	2.00%	2.00%
Assumptions used to determine pension cost		
Discount rate	5.75%	5.50%
Expected yield from plan assets	0.00%	0.00%
Expected salary increases	0.00%	0.00%
Inflation rate	2.00%	2.00%

6.31. Provisions for risks and charges

The provisions for risks and charges cover estimated current and non-current liabilities the exact timing or extent of which are uncertain.
This caption is analysed as follows:

(million euro) **2009**	**Opening**	**Provisions**	**Utilisations**	**Closing balance**	**Current portion**	**Non-current portion**
Provision for warranties	28.8	9.3	(10.6)	**27.4**	**13.0**	**14.5**
Provision for agents' termination indemnity	1.4	0.2	(0.1)	**1.5**	**-**	**1.5**
Provisions for restructuring	-	17.3		**17.3**	**6.4**	**10.9**
Provision for WEEE	-	2.6		**2.6**		**2.6**
Provision for future risks	18.7	17.3	(16.2)	**19.8**	**17.7**	**2.1**
Other risk	0.1		(0.1)	**-**	**-**	
Total	**49.0**	**46.7**	**(27.0)**	**68.7**	**37.1**	**31.6**

(million euro) **2008**	**Opening**	**Provisions**	**Utilisations**	**Closing balance**	**Current portion**	**Non-current portion**
Provision for warranties	28.3	6.4	(5.9)	**28.8**	**11.7**	**17.1**
Provision for agents' termination indemnity	1.3	0.2	(0.1)	**1.4**	**-**	**1.4**
Provision for future risks	4.1	14.7	-	**18.7**	**16.8**	**1.9**
Other risk	0.1	-	-	**0.1**	**-**	**0.1**
Total	**33.7**	**21.3**	**(6.0)**	**49.0**	**28.5**	**20.5**

The provision for warranties represents the estimated costs to be incurred for work under warranty on products sold.

The provision for agents' termination indemnities represents the estimated liability for payments to agents should their mandates be terminated.

The provision for restructuring covers the estimated costs to be incurred on the reorganisation of the None factory in Italy.

The provision for contingencies reflects the best possible estimate of the likely liability for disputes and contingencies based on the information available.
This provision also includes the provision for investments of 1.5 million euro to reflect the Company's interest in the negative equity of Indesit Electrodomesticos S.A.

The provision for the environment relates to plant exposed to environmental risks.

6.32. Deferred tax liabilities

Deferred tax liabilities (IRES rate 27.5%, average IRAP rate 4.275%) are analysed in the following table. They are stated net of the deferred tax assets, as mentioned in note 6.23.

(million euro)			Changes			
Deferred taxes	**2008 IRES**	**2008 IRAP**	**IRES**	**IRAP**	**2009 IRES**	**2009 IRAP**
Deferred tax liabilities						
Reversal of impairment losses on intangible assets	(0.1)	(0.0)	0.1	0.0	-	-
Accelerated depreciation current year	(1.4)	(0.3)	0.6	0.1	(0.8)	(0.2)
Dividends	(5.8)	-	(0.9)	-	(6.6)	-
Parcel out building site	(1.9)	(0.3)	-	0.0	(1.9)	(0.3)
Leasing good	(0.6)	(0.1)	0.0	0.0	(0.6)	(0.1)
Changes in severance indemnities	(3.2)	-	0.6	-	(2.6)	-
Other	(2.8)	(0.3)	0.4	0.3	(2.4)	(0.0)
Total	**(15.9)**	**(1.0)**	**0.8**	**0.4**	**(15.1)**	**(0.6)**
Effect of reducing IRES and IRAP rates	**-**	**-**			**-**	**-**
Deferred tax assets						
Entertainment expenses	0.3	0.0	(0.1)	(0.0)	0.2	0.0
Remuneration to directors and employees	3.6	-	0.4	-	3.9	-
Impairment losses on receivables	3.6	-	(1.1)	-	2.5	-
Other provisions for risks	6.5	1.0	5.8	0.0	12.3	1.1
Provisions for warranties	2.6	0.3	(0.2)	0.0	2.5	0.3
Amortisation of intangible assets	1.1	0.2	(0.4)	(0.1)	0.7	0.1
Tangible assets depreciation	0.0	0.0	-	(0.0)	0.0	0.0
Tax losses carried forward	-	-	7.1	-	7.1	-
Other	8.0	-	(7.9)	-	0.1	-
Cash flow hedges reserve	3.8	-	(1.1)	-	2.6	-
Total	**29.6**	**1.6**	**2.4**	**(0.0)**	**32.0**	**1.5**
Effect of reducing IRES and IRAP rates	**-**	**-**			**-**	**-**
Deferred tax assets and liabilities	**13.7**	**0.6**	**3.3**	**0.4**	**16.9**	**0.9**
Difference		14.2		3.6		17.9

The change in net deferred tax assets relates to income of 4.7 million euro reflected in the income statement and expenses of 1.1 million euro recognised under reserves.

IRES net deferred tax assets amount to about 16.9 million euro following a net increase with respect to the prior year of 3.3 million euro. This rise was mainly due to the provisions made for risk and charges and for cash flow hedges.

Deferred tax assets include the effect of 2009 tax losses totalling 7.1 million euro.

IRAP net deferred tax assets amount to about 0.9 million euro, mainly due to the provisions made for risk and charges.

Deferred tax assets and liabilities have been recorded in relation to all significant temporary differences.

6.33. Other non-current liabilities

Other non-current liabilities solely relate to deferred grants from the Government and other bodies and amount to 6.1 million euro (7.6 million euro).
This caption mainly comprises grants for the investment planned by “Distretto dell’Elettrodomestico Società Consortile arl” and for the Albacina factory (Law no. 488).
These grants are subject to restrictions that are currently respected.

6.34. Trade payables

Trade payables comprise all the amounts due for the purchase of goods and services from the Company’s suppliers. All payables fall due within one year. No amounts have been discounted. The amounts due to suppliers recognised among trade payables do not distinguish between the suppliers of raw materials, components and the suppliers of plant.

Trade payables amount to 433.3 million euro (514.2 million euro).
The reduction mainly reflects to the lower volume of purchasing.

Certain payables are due to subsidiaries and associates, as shown in the following table.

(million euro)	**31.12.2009**	**31.12.2008**
Subsidiarie		
Indesit Company Polska Sp.z.o.o.	37.5	7.2
Indesit Company International Business S.A.	4.6	2.2
Indesit Company UK Ltd	13.2	32.2
Indesit Company Nederland	0.1	-
Indesit Company Portugal Electrodomesticos S.A.	0.5	0.9
Indesit Electrodomesticos (Spain) S.A.	0.3	0.5
Indesit Company France S.A.	2.7	12.3
Indesit Company Beyaz Esya Pazarlama A.S.	22.1	6.9
Indesit Company Beyaz Esya Sanayi Ve Ticaret A.S.	1.5	0.5
Indesit Company Deutschland GmbH	0.8	0.1
Indesit Company Domestic Appliances Hellas Mepe	0.5	0.5
Indesit Company Bulgaria Ltd	0.3	0.2
Indesit Company Norge Ltd	0.5	0.5
Indesit Company Osterreich GmbH	3.1	1.2
Aermarche S.p.A.	-	1.0
Aeradriatica S.p.A.	0.9	-
Wuxi Indesit Home Appliances	2.0	3.2
Indesit Company Luxembourg S.A.	0.2	0.2
Indesit Company Magyarorszag Kft	0.4	0.3
Closed Joint Stock Company Indesit International	-	0.2
Total subsidiarie	**91.4**	**70.1**

With reference to the analysis by geographical area, known trade payables include 128.4 million euro (198.1 million euro) due to Italian suppliers and 24.8 million euro (33.3 million euro) due to foreign suppliers. The remainder comprises invoices and credit notes to be received totalling 188.7 million euro (212.7 million euro) not allocated by geographical area until the document issue. See the analysis by business segment (geographical area) included in the consolidated financial statements for further information about the geographical distribution of the Group’s payables.

6.35. Tax payables

The amounts due to tax authorities comprise the liability for current taxes and other tax payables. The situation is analysed in the following table.

(million euro)	**31.12.2009**	**31.12.2008**
Withholding taxes on employees	9.3	15.8
Withholding taxes on consultants	0.4	0.9
Other	0.1	0.3
Total	**9.8**	**17.0**

6.36. Other payables

Other payables are analysed as follows:

(million euro)	**31.12.2009**	**31.12.2008**
Due to social security and pension institutions	21.5	21.8
Due to employees	31.4	29.0
Due to pension funds	1.8	1.8
VAT payable	3.5	3.0
Other	0.7	1.3
Total other	**58.9**	**56.9**

6.37. Share-based payments (stock options)

Stock option plan for Group executives and managers

The resolutions adopted at the extraordinary meetings held on 19 September 1998 and on 23 October 2001 authorised, pursuant to art. 2441 of the Italian Civil Code, two increases in share capital by up to 2,700,000 euro each, via the issue of a combined maximum of 6,000,000 ordinary shares, par value Euro 0.90, to service the stock option plan for the Group's executives and managers. The Board of Directors, in the person of the Chairman, determines the number of options to be granted each year and identifies - on the recommendation of the Chief Executive Officer - the beneficiaries. The options granted on 24 July 2003 (last grant date) envisaged a vesting period of 3 years for the first 50% and 4 years for the remaining 50%, while the options granted previously envisaged a vesting period of 2 years and 3 years respectively.

No new plans were authorised during 2009 and 2008, and no stock options were granted.

The parameters used to determine the fair value of stock options at the grant date are set out in the following table.

Parameters	
Exercise price	12.65
Expected volatility	31.39%
Grant date	24.07.2003
No. of options	169,500
Duration of options (years)	3.50
Expected dividends	2.97%
Risk-free interest rate	4.00%
Fair value stock option (million euro)	0.1

The stock option plans are analysed in the following tables.

Table 1

Stock options granted to directors, statutory auditors, general managers and managers with strategic responsibilities at 31 December 2009

Name and surname	Position held	Options held at start of year			Options granted during the year		
		Number of options	Average exercise price	Average expiry	Number of options	Average exercise price	Average expiry
Managers with strategic responsibilities		57,500	10.184	2014	0	-	-
		57,500					

Table 2

Stock option plan for Company managers and junior managers at 31 December 2009 (1 of 2)

	2009			2008		
	No.	Average price	Market price	No.	Average price	Market price
Options outstanding as of 01.01	322,000		4.355	332,000		10.578
New options granted during the year	0			0		
Details						
Options exercised during the year	0		4.801	0		7.36
Details						
Options expiring during the year						
Options lapsing during the year	17,500		4.801	10,000		7.36
Details	*10,000*	*12.6479*		*10,000*	*12.6479*	
	5,000	*4.88*				
	2,500	*4.8082*				
Options outstanding at year end	304,500		7.805	322,000		4.29
Inc. vested at year end	304,500			322,000		

	Options exercised during the year			Options expiring in the year	Options held at end of year		
	Number of options	Average exercise price	Average market price on exercise	Number of options	Number of options	Average exercise price	Average expiry
	0	-	-	0	57,500	10.184	2014
	0			**0**	**57,500**		

	2007			2006			2005			2004		
	No.	Average price	Market price	No.	Average price	Market price	No.	Average price	Market price	No.	Average price	Market price
	561,750		12.331	849,250		8.787	1,036,250		12.605	2,198,500		14.858
	0			0			0		10.4558	0		13.8343
	212,250		14.524	222,500		9.8601	152,000		10.4558	987,250		13.8343
	7,500	*4.88*		*175,000*	*4.8082*		*28,750*	*4.8082*		*145,000*	*4.6588*	
	37,500	*4.8082*		*47,500*	*7.9258*		*5,000*	*4.88*		*152,250*	*4.488*	
	89,250	*7.9258*					*118,250*	*7.9258*		*3,750*	*4.88*	
	78,000	*12.6479*								*548,750*	*4.8082*	
										137,500	*7.9258*	
	17,500		14.524	65,000	12.6479	9.8601	35,000		10.4558	175,000		13.8343
	5,000	*7.9258*		*65,000*	*12.6479*		*5,000*	*7.9258*		*2,500*	*4.488*	
	12,500	*12.6479*					*30,000*	*12.6479*		*47,500*	*4.8282*	
										80,000	*7.9258*	
										45,000	*12.6479*	
	332,000		10.578	561,750		12.331	849,250		8.787	1,036,250		12.605
	332,000			426,750			519,250			495,000		

Table 2

Stock option plan for Company managers and junior managers at 31 December 2009 (2 of 2)

	2003			2002		
	No.	**Average price**	**Market price**	**No.**	**Average price**	**Market price**
Options outstanding as of 01.01	2,460,250		10.072	2,527,500		5.824
New options granted during the year	405,000	12.6479	12.1474	700,000	7.9258	9.5865
Details						
Options exercised during the year	466,750		12.1474	682,250		9.5865
Details	*40,000*	*4.6588*		*420,000*	*4.6588*	
	174,250	*4.488*		*38,750*	*4.88*	
	42,500	*4.88*		*223,500*	*4.488*	
	210,000	*4.8082*				
Options expiring during the year				-		
Options lapsing during the year	200,000		12.1474	85,000		9.5865
Details	*5,000*	*4.6588*		*25,000*	*4.488*	
	10,000	*4.488*		*10,000*	*4.88*	
	5,000	*4.88*		*50,000*	*4.8082*	
	60,000	*4.8082*				
	115,000	*7.9258*				
	5,000	*12.6479*				
Options outstanding at year end	2,198,500		14.858	2,460,250		10.072
Inc. vested at year end	607,250			242,750		

	2001			2000			1999		
	No.	Average price	Market price	No.	Average price	Market price	No.	Average price	Market price
	1,372,500		4.702	665,000	4.6588	4.138			
	1,192,500	4.8082	4.7378	762,500		4.8481	740,000	4.6588	4.1481
				635,000	4.488				
				127,500	4.88				
	5000	4.6588	4.7378						
	-								
	32,500		4.7378	55,000		4.8481	75,000	4.6588	
	12,500	*4.6588*		*37,500*	*4.6588*				
	15,000	*4.488*		*12,500*	*4.488*				
	5,000	*4.88*		*5,000*	*4.88*				
	2,527,500		5.824			4.702		*4.6588*	4.138
	332,500	4.6588		-					

CASH FLOW STATEMENT

6.38. Profit for the year, income taxes, adjustments to investments and financial assets, depreciation and amortisation, tax paid

Profit for the year, income taxes, adjustments to investments and financial assets and depreciation and amortisation, all non-monetary items, are reported directly on the face of the income statement.
With regard to the provision for income taxes recorded in 2009, 6.7 million euro (5.6 million euro), tax payments of 7.3 million euro (10.7 million euro) have been made.

6.39. Other non-monetary income and expenses, net, interest paid and collected

Other non-monetary income and expenses, net, comprise all non-monetary items recorded in the income statement, except for income taxes, depreciation and amortisation and the provisions deducted directly from asset captions (allowance for doubtful accounts and provisions for obsolescence). Accordingly, they include provisions for warranties, provisions for risks and charges, disposal gains and losses, unrealised exchange fluctuations, and accrued interest income and expense.
The interest received and paid, reported separately, was essentially the same as the amounts recorded in the income statement.
This caption also includes dividends from equity investments.

6.40. Change in trade receivables, inventories, trade payables

This caption reports the cash absorbed or generated by the changes in net working capital, which comprises trade receivables, inventories and trade payables. The changes in trade payables relate solely to the supply of raw materials, goods and services, and exclude the changes in amounts due to suppliers of fixed assets, which are reported in the section of the cash flow statement that reports the cash flows generated (absorbed) by investing activities.

6.41. Change in other assets and liabilities

This caption reports the change in all other current and non-current assets and liabilities, net of the effect on them of provisions for non-monetary income and expenses. This represents the changes with a direct effect on the absorption or generation of cash.

6.42. Acquisitions of property, plant and equipment and proceeds from their disposal

The cash flow for additions to property, plant and equipment reflects the routine replacement of assets, as analysed in note 6.19. This caption also includes the changes in payables, receivables and advances to suppliers of property, plant and equipment.

6.43. Acquisition of intangible assets and proceeds from the disposal of intangible assets

The cash flow for investments in intangible assets relates both to the purchase of licences and software, and to development costs, which are analysed in note 6.20.
The cash flows generated (absorbed) by investing activities include the amounts capitalised since these involve payments for the related internal costs incurred (mainly payroll). These payments essentially reflect the costs capitalised during the year.

6.44. Proceeds from the sale of non-current financial assets and investments in non-current financial assets

The cash flows for the disposal of non-current financial assets mainly relate to the repayment of share capital and reserves and the subsequent disposal of the investment in Indesit Company UK Finance LLP, 94.8 million euro, and the disposal of the investment in Aermarche S.p.A., 1.4 million euro. The cash flows for investments in financial fixed assets mainly relate to the recapitalisation of Indesit Electrodomesticos S.A. and Indesit Company Beyaz Esya Pazarlama AS.

6.45. Change in the cash flow hedging reserve and Payment of dividends

The change in the cash flow hedging reserve reflects the effect of measuring the derivatives recognised on a hedge accounting basis. The payment of dividends in 2009 relates solely to the savings shares (see note 6.28).

6.46. Dividends received

The dividends received were received from subsidiaries during 2009, as analysed in note 6.10.

6.47. New medium/long-term loans and borrowings

6.48. Repayments of medium/long-term loans and borrowings

The repayments of medium/long-term loans and borrowings relate to the reimbursement in 2009 of intercompany loans granted by subsidiaries.

6.49. Change in current financial payables/receivables

The change in current financial payables includes the change in short-term bank borrowings since this represents a technical form of short-term borrowing.

7. Management of financial risks

Indesit Company S.p.A. manages the principal financial risks in accordance with the guidelines set out in the Treasury Policy approved by the Board of Directors.
A detailed analysis of the policies and practices adopted for the management of financial risks is presented in the notes to the consolidated financial statements, together with the other information required by IFRS 7.
The following information is presented with regard to Indesit Company S.p.A.: information on the transactions outstanding at 31 December 2009, the carrying amount and corresponding fair value of the financial assets and liabilities recognised in the balance sheet, for each of the categories identified in IAS 39, analysis of financial payables by maturity, and certain quantitative (sensitivity) information about interest-rate risk. With regard to exchange-rate risk, the principal currencies to which Indesit Company S.p.A. is exposed are the British pound, the Polish zloty, the US dollar and the Russian rouble. See note 9 to the consolidated financial statements for a sensitivity analysis in this regard.

Outstanding financial derivatives

The transactions to hedge interest-rate risks outstanding at 31 December 2009 comprise IRSs with a total residual notional amount of 370.9 million euro. These hedge the level of short-term borrowing. These IRSs have a negative fair value of 6.0 million euro (1.0 million euro).

Financial instruments *(million euro)*	**Nature of risk hedged**	**Notional amount at 31.12.2009**	**Notional amount at 31.12.2008**	**Fair value of derivatives as of 31.12.2009**	**Fair value of derivatives as of 31.12.2008**
Cash flow hedging					
IRS on loans	Interest rate	-	3.9	-	0.0
IRS short-term borrowing	Interest rate	370.9	274.8	(6.0)	(1.0)
Forward	Price	-	-	-	-
Total		**370.9**	**278.7**	**(6.0)**	**(1.0)**

	Change in fair value of derivatives at 31.12.2009 vs. 31.12.2008	Change in fair value of underlying at 31.12.2009 vs. inception date	Change in fair value of derivatives at 31.12.2009 vs. inception date	31.12.2009				
				Other non-current financial assets	Curent financial assets	Medium/long-term financial payables	Banks and other financial payables	Total
	(0.0)	na	na	-	-	-	-	-
	(4.9)	na	na	0.2	-	(1.5)	(4.7)	(6.0)
	-	na	na	-	-	-	-	-
	(5.0)	**na**	**na**	**0.2**	**-**	**(1.5)**	**(4.7)**	**(6.0)**

Categories of financial assets/liabilities

For each of the categories identified in IAS 39, the following tables present the carrying amount and corresponding fair value of the financial assets and liabilities recorded in the balance sheet.

31 December 2009 *(million euro)*	**Loans and receivables**	**Financial assets measured at fair value on profit and loss**	
		Financial assets measured at fair value upon initial measurement	**Financial assets held for trading**
Non-current financial assets	50.0	-	-
Trade receivables	542.7	-	-
Current financial assets	132.6	-	-
Cash and cash equivalents	8.3	-	-

31 December 2008 *(million euro)*	**Loans and receivables**	**Financial assets measured at fair value on profit and loss**	
		Financial assets measured at fair value upon initial measurement	**Financial assets held for trading**
Non-current financial assets	61.7	-	-
Trade receivables	688.6	-	-
Current financial assets	55.8	-	-
Cash and cash equivalents	8.9	-	-

31 December 2009 *(million euro)*	**Financial liabilities measured at fair value on profit and loss**	
	Financial liabilities measured at fair value upon initial measurement	**Financial liabilities held for trading**
Medium/long-term financial liabilities	-	-
Trade payables	-	-
Banks and other short-term financial liabilities	-	-

31 December 2008 *(million euro)*	**Financial liabilities measured at fair value on profit and loss**	
	Financial liabilities measured at fair value upon initial measurement	**Financial liabilities held for trading**
Medium/long-term financial liabilities	-	-
Trade payables	-	-
Banks and other short-term financial liabilities	-	-

	Financial assets available for sale	Financial assets held to maturity	Hedging instruments	Total carrying amount	Total fair value
	-	-	-	**50.0**	**50.0**
	-	-	-	**542.7**	**542.7**
	-	-	0.2	**132.8**	**132.8**
	-	-	-	**8.3**	**8.3**

	Financial assets available for sale	Financial assets held to maturity	Hedging instruments	Total carrying amount	Total fair value
	-	-	-	**61.7**	**61.7**
	-	-	-	**688.6**	**688.6**
	-	-	1.6	**57.4**	**57.4**
	-	-	-	**8.9**	**8.9**

	Other financial liabilities held to maturity	Hedging instruments	Total carrying amount	Total fair value
	331.2	1.5	**332.7**	**332.7**
	433.3	-	**433.3**	**433.3**
	142.0	4.7	**146.7**	**146.7**

	Other financial liabilities held to maturity	Hedging instruments	Total carrying amount	Total fair value
	492.2	2.3	494.5	494.5
	514.2	-	514.2	514.2
	259.6	0.4	259.9	259.9

Analysis of financial liabilities by maturity

The following table analyses financial liabilities and trade payables by maturity.

Financial liabilities 31.12.2009	**Carrying amount 31.12.2009**	**Contractual cash flows not discounted**	**Within 1 month**	**Between 1 and 3 months**	**Between 3 and 12 months**	**Between 1 and 5 years**	**Between 5 years**
Trade receivables	(433.3)	(433.3)	(87.7)	(225.5)	(120.0)	-	-
Bonds	(22.1)	(23.1)	-	-	(8.3)	(14.8)	-
Due to banks	(195.4)	(195.9)	(60.5)	-	(35.4)	(99.9)	-
Other financial payables	(255.8)	(294.4)	(24.6)	(3.4)	(15.2)	(227.1)	(24.1)
Total	**(906.5)**	**(946.7)**	**(172.8)**	**(228.9)**	**(179.0)**	**(341.9)**	**(24.1)**

Derivative financial liabilities 31.12.2009	**Carrying amount 31.12.2009**	**Contractual cash flows not discounted**	**Within 1 month**	**Between 1 and 3 months**	**Between 3 and 12 months**	**Between 1 and 5 years**	**Between 5 years**
Interest rate swap	(6.2)	(6.2)	-	(2.5)	(2.2)	(1.5)	-
Total	**(6.2)**	**(6.2)**	**-**	**(2.5)**	**(2.2)**	**(1.5)**	**-**

Financial liabilities 31.12.2008	**Carrying amount 31.12.2008**	**Contractual cash flows not discounted**	**Within 1 month**	**Between 1 and 3 months**	**Between 3 and 12 months**	**Between 1 and 5 years**	**Between 5 years**
Trade receivables	(514.2)	(514.2)	(152.7)	(233.0)	(128.5)	-	-
Bonds	(36.2)	(38.8)	-	-	(15.2)	(23.5)	-
Due to banks	(362.9)	(363.6)	(138.6)	(25.2)	-	(199.9)	-
Other financial payables	(352.7)	(411.7)	(14.8)	(9.4)	(66.9)	(146.3)	(174.3)
Total	**(1,266.0)**	**(1,328.3)**	**(306.1)**	**(267.5)**	**(210.6)**	**(369.8)**	**(174.3)**

Derivative financial liabilities 31.12.2008	**Carrying amount 31.12.2008**	**Contractual cash flows not discounted**	**Within 1 month**	**Between 1 and 3 months**	**Between 3 and 12 months**	**Between 1 and 5 years**	**Between 5 years**
Interest rate swap	(2.6)	(3.8)	-	-	(1.5)	(2.3)	-
Total	**(2.6)**	**(3.8)**	**-**	**-**	**(1.5)**	**(2.3)**	**-**

Interest rate risk: quantitative information

At 31 December 2009, a hypothetical upward/downward shift in the interest-rate curve by 100 basis points (in parallel along the entire curve) would have the effects indicated below.
These effects have no relevance for forecasting purposes and, with regard to the market risks, cannot reflect the complexity of the market reactions related to each change in the assumptions made.

31 December 2009	**Variation +100 bps**		**Variation -100 bps**	
	P&L effect	**Equity effect**	**P&L effect**	**Equity effect**
Net indebtedness of floating rate	(5.9)	-	5.9	-
Derivative instrument hedging of fixed rate loans	-	-	-	-
Derivative instrument hedging of floating rate loans	2.2	5.1	(2.2)	(5.1)
Total	**(3.8)**	**5.1**	**3.7**	**(5.1)**

31 December 2008	**Variation +100 bps**		**Variazione -100 bps**	
	P&L effect	**Equity effect**	**P&L effect**	**Equity effect**
Net indebtedness of floating rate	(5.9)	-	5.9	-
Derivative instrument hedging of fixed rate loans	-	-	-	-
Derivative instrument hedging of floating rate loans	4.4	4.9	(4.6)	(4.7)
Total	**(1.5)**	**4.9**	**1.3**	**(4.7)**

Hierarchy of levels in the measurement of fair value

With regard to financial instruments recognised at fair value in the balance sheet, IFRS 7 requires such amount to be classified using a hierarchy of levels that reflect the meaningfulness of the input used for the determination of fair value. The following levels are identified:
- Level 1 – prices quoted in an active market for the asset or liability to be measured;
- Level 2 – input other than the quoted prices referred to above, which is directly (prices) or indirectly (derived from the prices) observable in the market;
- Level 3 – input that is not based on observable market data.

All the financial instruments measured at fair value are represented by Level 2 derivatives (same as in 2008).
There were no transfers from Level 1 to Level 2, or vice versa, during 2009.
There were also no transfers from Level 3 to other levels, or vice versa, during 2009.

8. Information required by IAS 24 on the remuneration of management and on related parties

8.1 Remuneration of management

In addition to the executive and non-executive directors and the statutory auditors, the managers with strategic responsibility for operations, planning and control include the Marketing Manager, the Administration, Finance and Control Manager, the Industrial Technical Manager and the Supply Chain Manager.
The annual gross remuneration of the above persons, comprising all forms of compensation (gross pay, bonuses, fringe benefits, etc.), is shown in the following table.

(million euro)	**Remuneration for management at 31 December 2009**		**Stock options**
	Short-term benefits	**Long-term benefits**	
Directors	6.9	1.5	-
Statutory Auditors	0.1	-	-
Executives	2.8	2.3	-
Total	**9.9**	**3.8**	**-**

(million euro)	**Remuneration for management at 31 December 2008**		**Stock options**
	Short-term benefits	**Long-term benefits**	
Directors	4.0	1.7	-
Statutory Auditors	0.1	-	-
Executives	3.0	2.1	-
Total	**7.1**	**3.8**	**-**

8.2 List of related parties

The list of companies (other than subsidiaries) deemed to be related parties pursuant to IAS 24 is presented below. All commercial and financial transactions with these entities were arranged on an arms' length basis and in the interests of the Company.

List of related parties	Type of relationship
Faber Factor S.p.A.	Other related - Controlled by Fineldo SpA, Group parent of Indesit Company
Fines	Other related - Related to a member of the Merloni family
Fineldo S.p.A.	Group parent belonging to Vittorio Merloni
Imat S.p.A.	Other related - Related to a Director of the Group
LTT Life Tool Technologies S.p.A.	Other related - Related to a member of the Merloni family
Marcegaglia S.p.A.	Other related - Related to a Director of the Group
Marcegaglia Buildech S.r.l.	Other related - Related to a Director of the Group
MCP eventi S.r.l.	Other related - Related to a member of the Merloni family
Merloni Vittorio	Other related - Member of the Merloni family
Merloni Progetti S.p.A.	Other related - Controlled by Fineldo S.p.A., Group parent of Indesit
M P & S S.r.l.	Other related - Related to a member of the Merloni family
MPE Energia S.p.A.	Other related - Controlled by Fineldo S.p.A., Group parent of Indesit
Protecno S.A.	Other related - Related to a member of the Merloni family
Tradeplace BV	Associate
Indesit Company UK Ltd Group Personal Pension Plan	Pension fund
Merloni Ireland Pension Plan	Pension fund

In addition to the above companies, certain physical persons are also deemed to be related parties: the members of the Board of Directors and the Board of Statutory Auditors, managers with strategic responsibility for management, planning and control activities, and the close family members of one these parties, as defined in IAS 24. Their names are not listed.

Information about subsidiaries is provided in note 6.22 and in the attachments to the financial statements.

Nature of relations with the principal related parties

The Merloni Progetti Group

The Merloni Progetti group (and, in particular, Merloni Progetti S.p.A. and Protecno S.A.) obtains contracts for the construction of plant and leases property to Indesit Company.

8.3 Schedules summarising the transactions with related parties

The table on the next page summarises the balances and transactions with the related parties identified above, distinguishing between the transactions with the Parent Company, associates and other related parties.

Furthermore, in accordance with Consob Resolution no. 15519 dated 27 July 2006 and Consob Communication no. DEM/6064293 dated 28 July 2006, Attachments 2 and 3 present the income statement and balance sheet showing the transactions with related parties separately and indicating their percentage incidence with respect to each finiancial statement caption.

There have not been any atypical and/or unusual transactions with related parties.

(million euro)	**31.12.2009**	**31.12.2008**
Revenue from sales and services		
Subsidiaries	765.2	984.2
Total	**765.2**	**984.2**
Other income and expenses		
Subsidiaries	49.9	52.0
Total	**49.9**	**52.0**
Purchase of raw materials, services and costs for utilization of third party assets		
Subsidiaries	(228.0)	(261.2)
Other related	(15.4)	(32.6)
Parent Company	0.1	0.1
Total	**(243.3)**	**(293.8)**
Payroll costs		
Subsidiaries	3.4	3.1
Other related	(7.0)	(7.2)
Parent Company	0.3	0.3
Total	**(3.3)**	**(3.8)**
Provisions and other expenses		
Other related	(0.2)	(0.2)
Total	**(0.2)**	**(0.2)**
Financial income and expenses		
Subsidiaries	39.8	144.1
Parent Company	-	(0.1)
Total	**39.8**	**144.0**

(million euro)	**31.12.2009**	**31.12.2008**
Property, plant and equipment		
Other related	2.3	-
Total	**2.3**	**-**
Non-current assets		
Subsidiaries	50.0	61.7
Total	**50.0**	**61.7**
Trade receivables		
Subsidiaries	407.9	547.0
Parent Company	0.3	0.1
Other related	0.1	0.2
Total	**408.2**	**547.4**
Current financial assets		
Subsidiaries	127.1	50.1
Total	**127.1**	**50.1**
Medium and long-term interest-bearing loans and borrowings		
Subsidiaries	(216.4)	(271.3)
Total	**(216.4)**	**(271.3)**
Banks and other financial payables		
Subsidiaries	(42.0)	(82.5)
Total	**(42.0)**	**(82.5)**
Trade payables		
Subsidiaries	(91.4)	(70.2)
Associated	-	(0.6)
Other related	(4.4)	(10.0)
Total	**(95.8)**	**(80.8)**

Attachment 1

List of directly and indirectly-held companies:

Name	Location	Share capital	Group interest	
			direct	indirect
Indesit Company Luxembourg S.A.	Luxembourg	EUR 117,977,729	100.00	-
Indesit Electrodomesticos S.A.	Spain	EUR 1,000,000	78.95	21.05
Merloni Domestic Appliances Ltd	UK	GBP 90,175,500	19.60	80.40
Indesit Company Portugal Electrodomésticos S.A.	Portugal	EUR 1,144,100	-	99.44
Indesit Company International BV	The Netherlands	EUR 272,270	-	100.00
Indesit Pts Ltd	UK	GBP 1,000	-	100.00
Indesit Company France Sas	France	EUR 17,000,000	-	99.99
Fabrica Portugal S.A.	Portugal	EUR 11,250,000	-	96.40
Indesit Company Beyaz Esya Sanayi ve Ticaret A.S.	Turchia	TRY 102,341,573	47.36	52.64
Indesit Company Beyaz Esya Pazarlama A.S.	Turchia	TRY 5,167,994	100.00	-
Indesit IP S.r.l.	Italy	EUR 10,000	100.00	
Indesit Company Deutschland GmbH	Germany	EUR 550,000	-	99.75
Indesit Company Ireland Reinsurance Ltd	Ireland	USD 750,000	-	100.00
Closed Joint Stock Company Indesit International	Russian Fed.	RUB 1,664,165,000	100.00	-
Indesit Company Rus Ltd	Russian Fed.	RUB 4,340,000	1.00	99.00
Indesit Company Polska Sp.z o.o.	Poland	PLN 540,876,500	100.00	-
Argentron S.A.	Argentina	ARS 22,000,000	3.00	97.00
Indesit Company Magyarország Kft	Hungary	HUF 2,116,400,000	-	100.00
Indesit Company Ceská s.r.o	Czech Republic	CZK 1,000,000	100.00	-
Indesit Company International Business S.A.	Switzerland	SFR 250,000	-	100.00
Indesit Company Uk Holdings Ltd	UK	EUR 163,000,000		100.00
General Domestic Appliances Holdings Ltd	UK	GPB 26,000,000	-	100.00
Airdum Ltd	UK	GPB 15,000	-	100.00
Cannon Industries Ltd	UK	GPB 1,500,000	-	100.00
Creda Domestic Appliances Service Ltd	UK	GPB 1,000	-	100.00
Creda Ltd	UK	GPB 5,850,000	-	100.00
Fixt Ltd	UK	GPB 2	-	100.00
General Domestic Appliances International Ltd	UK	GPB 100,000	-	100.00
Hotpoint Sales Ltd	UK	GPB 775,000	-	100.00
Hotpoint UK Ltd	UK	GPB 50	-	100.00
Jackson Appliances Ltd	UK	GPB 750,000	-	100.00
Indesit Company UK Ltd	UK	GPB 76,195,645	-	100.00
Xpelair Ltd	UK	GPB 825,000	-	100.00
Ariston Group Services Ltd	UK	GPB 100	-	100.00
RTC International Ltd	UK	GBP 50,000	-	100.00
Wuxi Indesit Home Appliance Co. Ltd	China	USD 13,600,000	-	70.00
Indesit Company Belgium S.A.	Belgium	EUR 150,000	-	100.00
Indesit Company Bulgaria Ltd	Bulgaria	BGL 7,805,000	100.00	-
Indesit Company Domestic Appliances Hellas Mepe	Greece	EUR 18,000	-	100.00
Indesit Company Norge Ltd	Norway	NOK 100,000	-	100.00
Indesit Company Österreich GmbH	Österreich	EUR 18,168.21	-	100.00
Indesit Company Singapore Pte. Ltd.	Singapore	SGD 100,000	-	100.00
Indesit Middle East FZE	Dubai	AED 1,000,000	-	100.00
Aeradriatica S.p.A.	Italy	EUR 23,068,545	100.00	-
Indesit Ireland Ltd	Ireland	EUR 100,000	-	100.00

Attachment 2

Separate income statement for the year ended 31 December 2009, prepared in accordance with Consob Resolution no. 15519 dated 27 July 2006 and Consob Communication no. DEM/6064293 dated 28 July 2006

(million euro)	31.12.2009			31.12.2008		
	Balances	**of which non recurring**	**of which with related parties**	**Balances**	**of which non recurring**	**of which with related parties**
Revenue from sales and services	1,306.1	-	765.2	1,578.8	-	984.2
Change in work in progress, semi-finished and finished products	(57.8)	-	-	19.1	-	-
Other income and expenses	73.5	-	49.9	84.5	-	52.0
Purchase of raw materials, services and costs for utilizzation of third party assets	(995.0)	-	(243.3)	(1,375.0)		(293.8)
Payroll costs	(201.6)	(1.3)	(3.3)	(214.2)	13.0	(3.8)
Depreciation, amortizzation and impaiment losses	(67.4)	(1.5)	-	(63.2)	-	-
Change in raw materials, auxiliary and components	(17.2)	-	-	6.9	-	-
Provisions and other operating charges	(35.2)	(20.3)	(0.2)	(31.9)	(14.5)	(0.2)
Operating profit	**5.4**	**(23.0)**		**5.0**	**(1.6)**	
Dividends from subsidiaries, associates and others	56.4	-	56.4	122.0	-	122.0
Interest income from subsidiaries and associates	9.4	-	9.4	53.4	-	53.4
Interest income from third parties	0.1	-		0.1	-	-
Interest expenses from subsidiaries and associates	(25.9)	-	(25.9)	(31.4)	-	(31.4)
Interest expenses from third parties and Parent Company	(14.2)	-	-	(27.0)	-	(0.1)
Exchange rate ganis (losses)	15.0	-	-	(35.0)	-	-
Reversal of impaiment losses on investments	-		-	-	-	-
Impaiment losses on investments	(2.0)	-	-	(19.0)	-	-
Net financial income and expenses	**38.7**	**-**		**63.2**		
Profit before tax	**44.1**			**68.2**		
Income tax expenses [1]	(6.7)	7.2	na	(5.6)	0.9	na
Profit for the year	**37.4**	**7.2**		**62.6**	**0.9**	

1. Tax effects calculated referring to IRAP and IRES if applicable.

Percentage weight over income statements items	31.12.2009 Balances	of which non recurring	of which with related parties	31.12.2008 Balances	of which non recurring	of which with related parties
Revenue from sales and services	100%	-	58.6%	100%	-	62.3%
Change in work in progress, semi-finished and finished products	100%	-	-	100%	-	-
Other income and expenses	100%	-	67.9%	100%	-	61.5%
Purchase of raw materials, services and costs for utilizzation of third party assets	100%	-	24.5%	100%	-	21.4%
Payroll costs	100%	0.6%	1.7%	100%	(6.0%)	1.8%
Depreciation, amortizzation and impaiment losses	100%	2.2%	-	100%	-	-
Change in raw materials, auxiliary and components	100%	-	-	100%	-	-
Provisions and other operating charges	100%	57.6%	0.6%	100%	45.5%	-
Operating profit	**100%**			**100%**		
Dividends from subsidiaries, associates and others	100%	-	100.0%	100%	-	100.0%
Interest income from subsidiaries and associates	100%	-	100.0%	100%	-	100.0%
Interest income from third parties	100%	-	-	100%	-	-
Interest expenses from subsidiaries and associates	100%	-	100.0%	100%	-	100.0%
Interest expenses from third parties and Parent Company	100%	-	-	100%	-	0.3%
Exchange rate ganis (losses)	100%	-	-	100%	-	-
Reversal of impaiment losses on investments	100%	-	-	100%	-	-
Impaiment losses on investments	100%	-	-	100%	-	-
Net financial income and expenses	**100%**			**100%**		
Profit before tax	**100%**			**100%**		
Income tax expenses	100%	(107.4%)	na	100%	(15.9%)	na
Profit for the year	**100%**			**100%**		

Attachment 3

Separate balance sheet at 31 December 2009, prepared in accordance with Consob Resolution no. 15519 dated 27 July 2006 and Consob Communication no. DEM/6064293 dated 28 July 2006 (million euro)

Assets	31.12.2009			31.12.2008		
	Balances	of which with related parties	Weight %	Balances	of which with related parties	Weight %
Property, plant and equipment	190.6	2.3	1.2%	218.4	-	-
Goodwill and other intangible assets with an indefinite useful life	-	-	-	-	-	-
Other intangible assets with a finite life	74.1	-	-	79.2	-	-
Investments in associates	0.5	-	-	0.5	-	-
Investments in subsidiaries and other investments	405.2	-	-	526.5	-	-
Deferred tax assets	17.9	-	-	14.2	-	-
Other non-current financial assets	50.0	50.0	100.0%	61.7	61.7	100.0%
Total non-current assets	**738.2**	**52.3**	**7.1%**	**900.5**	**61.7**	**6.9%**
Inventories	112.7	-	-	187.7	-	-
Trade receivables	542.7	408.2	75.2%	688.6	547.4	79.5%
Current financial assets	132.8	127.1	95.7%	57.4	50.1	87.3%
Tax receivables	8.5	-	-	9.6	-	-
Other receivables and current assets	25.0	-	-	21.8	-	-
Cash and cash equivalents	8.3	-	-	8.9	-	-
Total current assets	**829.9**	**535.4**	**64.5%**	**973.9**	**597.4**	**61.3%**
Total assets	**1,568.1**	**587.7**	**37.5%**	**1,874.4**	**659.1**	**35.2%**
Equity						
Share capital	92.8	-	-	92.8	-	-
Reserves	338.9	-	-	273.4	-	-
Profit	37.4	-	-	62.6	-	-
Total equity	**469.0**			**428.7**		
Liabilities						
Medium and long-term interest-bearing loans and borrowings	332.7	216.4	65.0%	494.5	271.3	54.9%
Employee benefits	42.9	-	-	46.6	-	-
Provisions for risks and charges	34.2	-	-	20.5	-	-
Deferred tax liabilities	-	-	-	-	-	-
Other non-current liabilities	6.1	-	-	7.6	-	-
Total non-current liabilities	**416.0**	**216.4**	**52.0%**	**569.2**	**271.3**	**47.7%**
Banks and other financial payables	146.7	42.0	28.7%	259.9	82.5	31.7%
Provisions for risks and charges	34.5	-	-	28.5	-	-
Trade payables	433.3	95.8	22.1%	514.2	80.8	15.7%
Tax payables	9.8	-	-	17.0	-	-
Other payables	58.9	-	-	56.9	-	-
Total current liabilities	**683.1**	**137.9**	**20.2%**	**876.5**	**163.3**	**18.6%**
Total liabilities	**1,099.1**	**354.3**	**32.2%**	**1,445.7**	**434.5**	**30.1%**
Total equity and liabilities	**1,568.1**			**1,874.4**		

Attachment 4

Separate income statement for the year ended 31 December 2009 classified by function (million euro)

	31.12.2009	31.12.2008
Revenue	1,306.1	1,578.8
Cost of sales	(1,161.6)	(1,382.4)
Selling and distribution expenses	(135.6)	(178.0)
General and administrative expenses	(3.5)	(13.4)
Operating profit	**5.4**	**5.0**
Net financial expenses	38.7	63.2
Profit before tax	**44.1**	**68.2**
Income tax expenses	(6.7)	(5.6)
Profit for the year	**37.4**	**62.6**

Attachment 5

List of investments in subsidiaries and associates

(million euro)

ITEMS	Location	Share capital	Equity	of which profit (losses)	Percentage of share investment
Investments in subsidiaries					
Indesit Company Luxembourg S.A.	Luxembourg	118	290	(20)	100.00
Indesit Company Rus Ltd	Lipetzk (CSI)	0	0	(0)	1.00
Merloni Domestic Appliances Ltd	Peterborough	102	166	3	19.60
Indesit Electrodomesticos S.A.	Alcobendas	1	(2)	(3)	78.95
Indesit Company Bulgaria S.r.l.u.	Sofia	0	0	0	100.00
Indesit Company Polska Spz oo	Varsaw	132	144	(19)	100.00
Indesit Company Beyaz Esya Pazarlama A.S.	Istanbul	5	8	5	100.00
Indesit Company Beyaz Esya Sanayi Ve T. A.S.	Manisa	125	64	(3)	47.36
Indesit Company Ceska	Prague	0	1	0	100.00
Closed Joint Stock Company Indesit International	Lipetzk (CSI)	50	214	59	100.00
Aeradriatica S.p.A.	Fabriano (Italy)	23	21	(0)	100.00
Argentron S.A.	Argentina	4	9	1	3.00
Indesit IP S.r.l.	Fabriano (Italy)	0	0	(0)	100.00
Investments in associates					
Trade Place BV	Amsterdam (The Netherlands)	0	(0)	0	20.00

(*) Data are referred to balance sheet for the year ended 31 December 2008.
(**) Data are referred to provision for risk and charges fund against the impaiment losses recognised by the Company.

	Portion of equity in balance sheet (A)	Carrying amount in balance sheet (B)	Measurment using the equity method adjustment (C)	Note (C-B)
	289	68	(49)	(117)
	0	0	0	(0)
	32	14	32	18
	(1)	(1) (**)	(1)	0
	0	0	0	(0) (*)
	144	134	144	10
	9	4	9	5
	30	22	30	8
	1	0	1	1
	214	143	214	71
	21	20	21	1
	0	0	0	(0)
	0	0	0	(0)
	739	**403**	**401**	**(2)**

	0	1	0	(1) (*)
	0	1	0	(1)

Attachment 6

Summary of the availability of reserves

(million euro)

Nature/description	Amount	Possibility to use	Available portion	of which undistri-butable portion	Summary of utilisations over three years (2007-2005)	
					to cover losses	for other purposes
Share capital		**B**				
Share capital	102.7					
Nominal amount of treasury shares	(9.9)					
Equity related Reserves						
Share premium reserve[1]	35.8	A, B	35.8	-	-	-
Revalutation reserve	-	A, B	-	-	-	-
Reserve for grants[2]	18.1	A, B, C	18.1	18.1	-	-
Surplus fusion reserve	1.4	A, B	1.4	-	-	-
Profit reserve						
Legal reserve	22.7	B	22.7	-	-	-
Statutary reserves	-	-	-	-	-	-
Stock options reserve	0.4	A, B	0.5	-	-	-
Cash flow hedge reserve	(7.0)	A, B	(7.0)	-	-	-
Retained eamings[2]	267.4	A, B, C	267.2	248.9	-	-
Total share capital and reserve	**431.7**		**338.7**	**267.1**	**-**	**-**
Profit/losses for the year	37.4					
Total equity	**469.0**					
Restriction pursuant to article 2357 *ter*[3]			**(33.0)**	**(33.0)**		
Restriction pursuant to article 2426c, 5[4]			(35.3)	(35.3)		
Restriction on unrealized gains one exchange rate fiuctuations			-	-		
Net total			**303.4**	**231.8**		

Legend:
A: increase in share capita
B: cover to losses
C: profit distribution

Notes:
1. Pursuant to article 2431 C.C., such reserves can be distributed only on condition that the legal reserve reached the limit established by article 2430 C.C. In any case the reserve is restricted to the distribution for 16,401 thousand euro in connection.
2. Part of the reserves is not distributable because restricted to goverment grants to be received; part of the reserves is not available nor distributable pursuant to article 7, Legislative decree 38/2005.
3. It represents the not distributable portion destined to cover the value of treasury shares.
4. It represents the not distributable portion destined to cover dei long-tems costs not yet ammortised.

Attachment 7

Summary of the fees charged by the auditing firm and members of its network for services provided to the Company during the year, prepared pursuant to art. 149-duodecies of Issuers' Regulation no. 11971 dated 14 May 1999 and subsequent amendments

Services	**Services Supplier**	**Beneficiary**	**Fees (thousand euro)**
Audit	KPMG S.p.A.	Parent Company	1,037
	KPMG S.p.A. (1)	Subsidiaries	365
Other services			
- Agreed-upon procedures	KPMG S.p.A.	Parent Company	67
- Tax and advisory services	KPMG Network	Parent Company	41
Total			1,510

1. The audit has been carried aut by KPMG S.p.A. with the assistance of the KPMG network, present in the countries where subsidiaries operate.

Milan, 25 March 2010

for the Board of Directors

The Deputy Chairman

Andrea Merloni

Attestation in respect of the Separate financial statements at 31 December 2009 under Article 154-bis of Legislative Decree 58/98

The Chief Executive Officer Marco Milani and the Manager charged with preparing the Company's financial reports, Andrea Crenna, pursuant to the provisions of Article 154-bis, clauses 3 and 4, of Legislative Decree no. 58 of 1998, hereby attest to:

- the adequacy with respect to the Company structure, and
- the effective application,

of the administrative and accounting procedures applied in the preparation of the Company's separate financial statements at 31 December 2009.

The undersigned moreover attest that the Separate financial statements:

- have been prepared in accordance with International Financial Reporting Standards, as endorsed by the European Union through Regulation (EC) 1606/2002 of the European Parliament and Counsel, dated 19 July 2002;
- correspond to the results documented in the books, accounting and other records;
- provide a fair and correct representation of the financial conditions, results of operations and cash flows of the Company at 31 December 2009.

The Report on operations at 31 December 2009 includes a reliable operating and financial review of the Company as well as a description of the main risks and uncertainties to which it is exposed.

25 marzo 2010

The Chief Executive Officer	The manager charged with preparing Parent Company's financial reports
Marco Milani	**Andrea Crenna**

KPMG S.p.A.
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(Translation from the Italian original which remains the definitive version)

Report of the auditors in accordance with article 156 of Legislative decree no. 58 of 24 February 1998

To the shareholders of
Indesit Company S.p.A.

1 We have audited the separate financial statements of Indesit Company S.p.A. as at and for the year ended 31 December 2009, comprising the income statement, statement of comprehensive income, balance sheet, cash flow statement, statement of changes in equity and notes thereto. The company's directors are responsible for the preparation of these financial statements in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05. Our responsibility is to express an opinion on these financial statements based on our audit.

2 We conducted our audit in accordance with the auditing standards recommended by Consob, the Italian Commission for Listed Companies and the Stock Exchange. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the separate financial statements are free of material misstatement and are, as a whole, reliable. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by directors. We believe that our audit provides a reasonable basis for our opinion.

Reference should be made to the report dated 7 April 2009 for our opinion on the prior year separate financial statements, which included the corresponding figures presented for comparative purposes that have been restated to reflect the changes in the presentation of financial statements introduced by IAS 1.

3 In our opinion, the separate financial statements of Indesit Company S.p.A. as at and for the year ended 31 December 2009 comply with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05. Therefore, they are clearly stated and give a true and fair view of the financial position of Indesit Company S.p.A. as at 31 December 2009, the results of its operations and its cash flows for the year then ended.

4 The directors of Indesit Company S.p.A. are responsible for the preparation of a report on operations and a report on the corporate governance and ownership structure, published in the "Company" section , "Governance" subsection of Indesit Company S.p.A.'s website, in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the report on operations and the information

required by article 123-bis.1.c/d/f/l/m and article 123-bis.2.b of Legislative decree no. 58/98 disclosed in the report on the corporate governance and ownership structure with the financial statements to which they refer, as required by the law. For this purpose, we have performed the procedures required by the Italian Standard on Auditing 001 issued by the Italian Accounting Profession and recommended by Consob. In our opinion, the report on operations and the information required by article 123-bis.1.c/d/f/l/m and article 123-bis.2.b of Legislative decree no. 58/98 disclosed in the report on the corporate governance and ownership structure are consistent with the separate financial statements of Indesit Company S.p.A. as at and for the year ended 31 December 2009.

Ancona, 31 March 2010

KPMG S.p.A.

(signed on the original)

Luca Ferranti
Director of Audit

Indesit Company S.p.A.

Registered office: Viale A. Merloni, 47 - 60044 Fabriano (Ancona)
Secondary office: Via della Scrofa, 64 - 00186 Rome
Fiscal code/ VAT number: 00693740425
Share capital: euro 102,727,769.40 fully paid-up
Ancona company register no. 9677

www.indesitcompany.com