



PRESS RELEASE

DE' LONGHI: growth trend back in the first quarter of 2004:

- Consolidated net sales were € 270.7 millions (+10.4% at constant exchange rates, +7.9% at current exchange rates)
- EBITDA was € 28.8 millions (+5.1% compared to the first quarter of 2003)
- EBIT was € 11.7 millions (+12.5% compared to the first quarter of 2003)

The Board of Directors of De 'Longhi S.p.A. has approved the quarterly results as of 31 March 2004; the first quarter of 2004 represents a reversal of the trend thanks to the increase of net sales, EBITDA and EBIT, after the fourth quarter of 2003 had posted a reduction of EBITDA margin of 5.7 percentage points compared to the same period of 2002.

Consolidated net sales were €270.7 millions, up 10.4% (+7.9% at current exchange rates).

EBITDA totalled € 28.8 millions, a 5.1% increase compared to the first quarter of 2003, which is equivalent to a 10.6% EBITDA margin.

EBIT improved as well, reaching € 11.7 millions (+12.5%); EBIT margin was 4.3% (compared to 4.1% in the first quarter of 2003).

The growth of net sales is attributable to the strong start of the air conditioning season which concerned all the air conditioners within this business segment.

The current order portfolio leads us to believe that also in the second quarter of 2004 air conditioning and treatment could report a significant growth rate.

At geographical level, both Italy (up 16.3%) and Rest of Europe (in particular France, Greece and Germany) continued to grow.

“The positive start of the air conditioning season” – declared the Chairman Giuseppe De' Longhi – “a business segment within which we have the global leadership in the portable air conditioning and the domestic leadership in the fixed air conditioning, leads us to believe that this year we will improve the good results achieved in this business segment in 2003”.



“After being penalised by important external factors in FY 2003” – said the CEO Stefano Beraldo – “the results achieved in the first quarter of 2004 bode well for a growth of sales and EBITDA for the full FY”.

Attached: Reclassified Consolidated Balance Sheets and Profit and Loss Statements

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De'Longhi S.p.A. consolidated financial statement as at March, 31st 2004

Income statement as at March, 31st 2004 year-to-date:

	I Quarter 2004	% of sales	I Quarter 2003	% of sales	2003	% of sales
	Euro mil.	%	Euro mil.	%	Euro mil.	%
Net revenues	270,7	100,0%	250,8	100,0%	1.278,0	100,0%
<i>Change IQ 2004 - IQ 2003</i>	<i>19,9</i>	<i>7,9%</i>				
Cost of materials	(120,1)	(44,4%)	(114,1)	(45,5%)	(624,7)	(48,9%)
Gross margin	150,6	55,6%	136,7	54,5%	653,3	51,1%
Services and other operating expenses	76,4	(28,2%)	(65,4)	(26,1%)	(328,1)	(25,7%)
Value added	74,2	27,4%	71,3	28,4%	325,2	25,4%
Labour costs	(41,9)	(15,5%)	(41,3)	(16,5%)	(162,4)	(12,7%)
Provisions	(3,5)	(1,3%)	(2,5)	(1,0%)	(11,8)	(0,9%)
EBITDA	28,8	10,6%	27,4	10,9%	151,0	11,8%
<i>Change IQ 2004 - IQ 2003</i>	<i>1,4</i>	<i>5,1%</i>				
Depreciation and amortisation	(17,1)	(6,3%)	(17,0)	(6,8%)	(66,3)	(5,2%)
EBIT	11,7	4,3%	10,4	4,1%	84,7	6,6%
<i>Change IQ 2004 - IQ 2003</i>	<i>1,3</i>	<i>12,5%</i>				
Net financial expenses	(9,9)	(3,7%)	(8,2)	(3,3%)	(33,9)	(2,7%)
Extraordinary income (expenses)	(0,2)	(0,1%)	(0,6)	(0,2%)	(11,6)	(0,9%)
Earnings before taxes and minorities	1,5	0,6%	1,6	0,6%	39,2	3,1%
Minorities	(0,3)	(0,1%)	(0,3)	(0,1%)	(0,1)	0,0%
Earnings before taxes	1,2	0,5%	1,3	0,5%	39,1	3,1%

Balance sheet as at March, 31st 2004:

	31.03.2004	31.03.2003	31.12.2003
	Euro mil.	Euro mil.	Euro mil.
Trade receivables	292,2	281,5	300,9
Net inventory	338,6	283,8	260,4
Trade payables	(317,1)	(268,4)	(308,6)
Other current assets (liabilities)	16,5	13,9	(3,6)
Net working capital	330,2	310,7	249,2
Fixed assets:			
Intangible assets	425,2	428,2	430,3
Tangible assets	222,1	216,3	215,3
Financial assets	8,0	7,8	8,1
Non current liabilities	(96,5)	(108,0)	(93,7)
Total capital employed	889,0	855,0	809,3
Net equity	(566,9)	(554,3)	(562,1)
Net financial position	(322,0)	(300,7)	(247,2)