



PRESS RELEASE

Treviso, October 25th, 2006

DE'LONGHI SpA: the Group acquires the RC Group and strengthens its position in the professional segment

- De Longhi S.p.A., through De' Longhi Professional SA, the holding company for the Group's equity investments in the professional segment, today acquired 83.3% of RC Lux SA, the RC Group's parent company, for a total of €31 million.
- RC Group, a company founded in 1963, is a leader in the production and commercialization of cooling systems for mobile communication stations, cooling systems for computer rooms and fixed telephony stations, liquid cooling units and heat pumps
- In 2005 RC Group's sales equaled €51 million (mn), EBITDA €5 mn and FY 2006 should close with revenues of approximately €54 mn and an EBITDA of more than €6 mn; following the deal the De' Longhi Group will assume debt of €8 mn from the RC Group (at the end of the year the RC Group's net financial position is expected to be around €6 mn); RC Group will be consolidated in the De' Longhi Group's financial statements as from September 1st, 2006
- The acquisition, motivated by the complementary product range and the industrial and commercial synergies, further strengthens the De' Longhi's position in the professional segment, particularly in the European market of large cooling systems and opens up development opportunities in the Asian market to the RC Group, thanks to the De' Longhi Group's consolidated industrial presence in China

Just a few months after the beginning of a strategic alliance, the De' Longhi Group S.p.A. announces it has purchased 83% of RC Lux SA, the parent company of RC Group, for €31 mn. The RC Group is a European leader and one of the major players worldwide in equipment for cooling systems used in mobile communication stations, cooling systems for computer rooms and fixed telephony stations. The deal makes it possible for the De' Longhi Group to enter a strategic business segment with high growth potential.



In 2005 RC Group's sales equaled € 51 mn and EBITDA € 5 mn and FY 2006 should close with sales of approximately € 54 mn and an EBITDA of more than € 6 mn. RC Group has three production plants in Italy and approximately 200 employees.

Following the deal the De' Longhi Group will assume financial debt of € 8 mn from the RC Group (at the end of 2006 the RC Group's net financial position is expected to be around € 6 mn).

RC Group joins Climaveneta S.p.a., a De' Longhi Group company specialized in the production of industrial and commercial conditioning systems, further consolidating the De' Longhi Group's *leadership* in a highly technological market segment.

The companies will continue to operate commercially using their own brands and sales networks; the presence of Climaveneta S.p.a's branch in China will also make it possible for the RC Group to develop within the Asian telephony sector.

The acquisition of RC Group is in line with the De' Longhi Group's strategy to focus on and expand in two areas of business in which it operates: the Household division (small appliances and the "Pinguino" portable air conditioning units) and the Professional division (industrial and commercial cooling and heating systems).

"Growth in the professional segment is the primary driver behind this acquisition, particularly in light of the complementary cooling product range and the industrial synergies" – stated CEO Fabio De' Longhi – "We believe that the current RC Group management is not only key to the stability of the company's operations but it is a guarantee" – concluded Fabio de' Longhi.

RC Group will enter the De' Longhi Group's perimeter of consolidation as from September 1st, 2006.

Subsequent to the acquisition of RC Group, the De' Longhi Group's proforma 2005 sales for the Professional division equal € 315 mn.



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