

DE'LONGHI S.p.A.: The Board of Directors approves the positive results achieved in 2001: consolidated net revenues at 1,197.9 million Euro (+11.9% higher than the proforma net revenues for 2000), EBITDA of 164.1 million Euro (+15.3% vs proforma EBITDA for 2000) and net profit of 26.3 million Euro (+185.7% above the 2000 proforma net profit).

De'Longhi – currently trading at about 30% above the IPO price – will recommend to its Shareholders' Meeting a dividend of 0.033 Euro per share.

Consolidated net revenues of 1,197.9 million Euro (+11.9% higher than the proforma net revenues for 2000, which totalled 1,070.2 million Euro) and a net profit of 26.3 million Euro (+185.7% higher than the proforma net profit for 2000, which amounted to 9.2 million Euro).

These are the most significant figures in the 2001 financial statements approved today by the Board of Directors of De'Longhi S.p.A. – the leading company in the heating, air conditioning and treatment, cooking and food preparation, cleaning and ironing businesses, listed on the Italian Stock Market since July 2001.

EBITDA amounted to 164.1 million Euro with an increase of +15.3% over the 2000 proforma figure; this exceeds the rise recorded in revenues, with an EBITDA margin increasing from 13.3% to 13.7%.

EBIT increased even more significantly to 94.4 million Euro (+33% as compared to the 2000 proforma EBIT, which amounted to 71 million Euro), representing a 7.9% margin vs 6.6% in 2000, after expensing D&A for 69.7 million Euro, of which 31.3 million Euro were goodwill and intangible assets amortisation-related.

The net financial position of 447.1 million Euro also significantly improved, despite the acquisition of Kenwood. This improvement was driven by the cash generated from the operating activities (amounting to approximately 51.6 million Euro), the proceeds from the IPO (127.6 million Euro) and the previous capital increase.

The Board of Directors, which has approved the draft of Financial Statements as at December 31st, 2001, will recommend to the next Shareholders' Meeting a dividend of 0.033 Euro per share, payable as from the 3rd of May 2002.

"The double digit sales growth – due both to the launching of new products and to increasing penetration on the main markets – was achieved thanks to the progress in our four business areas (despite the negative effect of unfavourable weather conditions in the summer of 2001 on the air conditioning and treatment segment)" – CEO Stefano Beraldo declares.

In terms of geographic breakdown, the growth reported on the North American market (United States and Canada) is particularly significant, as in this area the Group increased its sales by 38.5% as compared to 2000 (150.5 million Euro vs 108.6 million in 2000).

The De'Longhi Group's consolidated results improved also in the statutory Financial Statements, which in 2000 did not include Kenwood and the companies acquired at the end of the year (Climaveneta Spa, Micromax Spa, Ergoklima Spa, DL Radiators Spa, De'Longhi Divisione Cucine Spa): in particular, sales rose by 85.6%, EBITDA by 76.1%, EBIT by 51.9% and the net profit by 82.2%.

"2001 was a truly exceptional year for the history of our Group" – declares Chairman Giuseppe De'Longhi.

"Our internal growth, the acquisition of Kenwood and listing on the Stock Exchange enabled the Group to strengthen its competitive position and to assume a leading role in the world market".

"Our integration and synergies with Kenwood - also on the commercial side - are producing excellent results, even more quickly than expected: our target", the Chairman continues, "is to maintain and constantly enhance our products' quality and innovation levels, regardless of where they are manufactured".

"In these months we are also strengthening our growth strategy for Kenwood branded products on the domestic market, as these products are not yet sufficiently well known in Italy" – concludes the Chairman.

Last February, the Quing-Xi Town plant in China began production of plastic fan-heaters (it is expected to reach 850,000 units by the end of 2002) and during 2003 another line of products will also be introduced, with the goal of reaching a production level of over 1,200,000 units.

Another major project under way in 2002 is the development of an electronic device (known as a "Telegate") which makes it possible to send instructions by SMS to a De'Longhi appliance (for instance to an air conditioning and treatment machine). The wide range of control options will make it possible to set the appliance's mode of operation (air-conditioning, heating, ventilation) and the desired temperature level, with obvious benefits in terms of customer service and timely maintenance.

The Company's Draft Financial Statements and the Consolidated Financial Statements as at December 31st, 2001, as approved by the Board of Directors, will be available at the Company's head office (Treviso, Via L. Seitz, 47) and at Borsa Italiana S.p.A. by the terms provided for by the current regulations.

Attached: draft reclassified, statutory and consolidated Balance Sheets and Profit and Loss Statements.

Treviso, 27th March 2002