



**B&P**  
**Barabino & Partners**  
Consulenza di direzione  
in Comunicazione d'Impresa

#### PRESS RELEASE

**DE' LONGHI S.p.A.: FY 2002 results approved by the Board of Directors:**

- Net Sales up to € 1,273.7 mn (+6.3% compared to 2001; +8.7% at constant-exchange rates);
- EBITDA up to € 180.4 mn (+9.9% compared to 2001);
- Net Income up to € 40.0 mn (+52.0% compared 2001).

The Board of Directors will propose on the General Meeting of Shareholders a dividend of € 0.06 per share (+ 82% compared to 2001, implying a pay out ratio of 22.4% compared to 18.7% in 2001).

The Board of Directors of De' Longhi Group - leader in the Heating, Air Conditioning and Treatment, Cooking & Food Preparation and Cleaning and Ironing segments - with brands such as De' Longhi, Kenwood, Ariete, Simac – today has approved FY 2002 results.

Net sales grew by 6.3% to € 1,273.7 mn. On a constant exchange rate basis sales growth would have been 8.7%.y-o-y. Excluding the exit from low-end microwave ovens, sales growth would have been 10% y-o-y.

EBITDA grew by 9.9% to € 180.4 mn with an EBITDA margin of 14.2% vs. 13.7%.

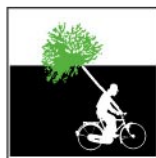
EBIT rose to € 109.9 mn, up by 16.5% (vs. € 94.4 mn in 2001), with an EBIT margin of 8.6% vs. 7.9% in 2001.

Net income rose to € 40 mn - growing by 52.0% vs. 2001 – without any significant changes in extraordinary items.

Net financial position also improved, decreasing to € 269.1 mn from € 447.1 mn in 2001, driven by free cash-flow generation of € 78.9 mn, after paying out dividends totalling € 4.9 mn, and by securitization proceeds for € 99.1 mn.

With regard to the business segments, the Group achieved robust growth in the Cooking & Food Preparation (+10.8%), Air Conditioning and Treatment (+8.6%), Cleaning & Ironing (+5.2%), whereas Heating (-2.7%) was penalised by a late start to the winter second, due to higher-than-average temperatures in some of the Group's core geographical markets, and by unfavourable movements of exchange-rates.

As regards geographical performance, a key highlight worthy of note was sales growth in Italy (+8.9%), achieved in a declining small domestic appliances market. Performance was satisfactory both in Japan (+10.8%) and North America (+9.7%). At constant exchange-rates sales growth would have been 20.7% in Japan and 18.2% in North America.



**B&P**  
**Barabino & Partners**  
Consulenza di direzione  
in Comunicazione d'Impresa

“In a difficult market environment, to grow at the same rate as we did in 2002 means the Group was able to build a balanced mix of innovation, successful products, control of distribution and strong brands” – commented the Group’s Chairman Giuseppe De ’Longhi – “if we also consider that the launch of some important new products contributed to the growth of sales only in the last months of the year, we are even more satisfied with the results achieved.”

The Board of Directors will propose on the General Meeting of Shareholders, to be held on April 14<sup>th</sup> 2003 on first call and on April 15<sup>th</sup> on second call, a dividend of €0.06 per share, up 82% compared to € 0.033 in 2001.

The share will be trading ex dividend as of April 22<sup>nd</sup> 2003; the dividend will be payable as April 25<sup>th</sup> 2003.

The Preliminary Financial Statements as of December 31<sup>st</sup>, 2002 - as approved by the Board of Directors - will be available at Company headquarters (Treviso, via L. Seitz, 47) and at Borsa Italiana S.p.A. offices within the terms requested by current law.

Attached: Reclassified Consolidated Balance Sheets and Profit and Loss Statements and Statutory Balance Sheets and Profit and Loss Statements

Contact: Barabino & Partners  
Federico Steiner  
Niccolò Moschini  
Tel. 02/72.02.35.35

Treviso, March 21<sup>st</sup> 2003

## De'Longhi S.p.A. consolidated financial statement as at 31 December 2002

### Income statement

	<b>2002</b>	<b>% of sales</b>	<b>2001</b>	<b>% of sales</b>
	Euro mil.	%	Euro mil.	%
Net revenues	1.273,7	100,0%	1.197,9	100,0%
<i>Increase 2002/2001</i>	<i>75,7</i>	<i>6,3%</i>		
Materials	(620,7)	(48,7%)	(596,4)	(49,8%)
Services and other operating expenses	(297,5)	(23,4%)	(269,3)	(22,5%)
<b>Value added</b>	<b>355,5</b>	<b>27,9%</b>	<b>332,2</b>	<b>27,7%</b>
Labour costs	(162,3)	(12,7%)	(157,2)	(13,1%)
Provisions	(12,8)	(1,0%)	(10,9)	(0,9%)
<b>EBITDA</b>	<b>180,4</b>	<b>14,2%</b>	<b>164,1</b>	<b>13,7%</b>
<i>Increase 2002/2001</i>	<i>16,3</i>	<i>9,9%</i>		
Depreciation and amortisation	(70,4)	(5,5%)	(69,7)	(5,8%)
<b>EBIT</b>	<b>109,9</b>	<b>8,6%</b>	<b>94,4</b>	<b>7,9%</b>
<i>Increase 2002/2001</i>	<i>15,6</i>	<i>16,5%</i>		
Net financial expenses	(36,3)	(2,8%)	(39,0)	(3,3%)
Extraordinary income (expenses)	(5,4)	(0,4%)	(5,7)	(0,5%)
<b>Earnings before taxes</b>	<b>68,3</b>	<b>5,4%</b>	<b>49,6</b>	<b>4,1%</b>
<i>Increase 2002/2001</i>	<i>18,6</i>	<i>37,6%</i>		
Income taxes	(28,0)	(2,2%)	(23,1)	(1,9%)
<b>Net income (loss) before minority interest</b>	<b>40,3</b>	<b>3,2%</b>	<b>26,5</b>	<b>2,2%</b>
Minority interest	0,3	0,0%	0,2	0,0%
<b>Net income (loss) for the year</b>	<b>40,0</b>	<b>3,1%</b>	<b>26,3</b>	<b>2,2%</b>
<i>Increase 2002/2001</i>	<i>13,7</i>	<i>52,0%</i>		

De'Longhi S.p.A. consolidated financial statement as at 31 December 2002

Balance sheet

	31.12.2002	31.12.2001	Change
	Euro mil.	Euro mil.	Euro mil.
Trade receivables	309,0	412,5	(103,5)
Net inventory	233,8	234,8	(1,1)
Trade payables	(290,9)	(249,7)	(41,2)
Other current assets (liabilities)	17,2	(9,1)	26,4
<b>Net working capital</b>	<b>269,1</b>	<b>388,5</b>	<b>(119,4)</b>
Non current assets:			
Intangible assets	434,6	435,2	(0,6)
Tangible assets	221,0	193,7	27,3
Financial assets	8,0	9,6	(1,5)
Total funds and long-term liabilities	(108,8)	(54,8)	(53,9)
<b>Total capital employed</b>	<b>824,0</b>	<b>972,2</b>	<b>(148,2)</b>
Minority interests	(0,3)	(0,3)	(0,0)
Net equity	(554,5)	(524,8)	(29,7)
<b>Total non-financial sources</b>	<b>(554,9)</b>	<b>(525,1)</b>	<b>(29,8)</b>
<b>Net financial position</b>	<b>(269,1)</b>	<b>(447,1)</b>	<b>177,9</b>

ASSETS	31.12.2002		31.12.2001	
	Partial	Total	Partial	Total
<b>A) RECEIVABLES FROM SHAREHOLDERS</b>		<b>0</b>		<b>0</b>
<b>B) ASSETS</b>				
I - INTANGIBLE ASSETS				
1) Start-up expenses		8,869,223		11,739,928
2) Research, development and advertising		97,906		139,763
3) Industrial and other patent rights		2,299,856		1,740,947
4) Concessions, licenses, trademarks and similar rights		69,029,522		78,784,885
5) Goodwill		5,164,827		161,184
6) Intangible assets under construction and advances to suppliers		119,575		0
7) Others		2,233,080		659,957
<b>TOTAL INTANGIBLE ASSETS</b>		<b>87,813,989</b>		<b>93,226,664</b>
II - TANGIBLE ASSETS				
1) Land and buildings		61,547,586		59,253,845
2) Plant and machinery		24,139,998		26,890,539
3) Industrial and commercial equipment		8,824,039		7,951,871
4) Other assets		1,720,888		1,503,308
5) Assets under construction and advances to suppliers		4,408,239		659,608
<b>TOTAL TANGIBLE ASSETS</b>		<b>100,640,750</b>		<b>96,259,171</b>
III - FINANCIAL ASSETS				
1) Equity investments in:				
a) subsidiaries	43,368,979		45,110,028	
b) associated companies	4,362,701		4,362,701	
c) other companies	10,277	47,741,957	152,076	49,624,805
2) Accounts receivables due from:				
a) subsidiaries				
- within 1 year	372,384,650		410,570,028	
- more than 1 year	0	372,384,650	0	410,570,028
b) associated companies				
- within 1 year	1,450,076		1,487,760	
- more than 1 year	3,509,831	4,959,907	4,708,895	6,196,655
c) parent companies				
- within 1 year	0		207,080	
- more than 1 year	0	0	0	207,080
d) other companies				
- within 1 year	74,718		55,736	
- more than 1 year	272,768	347,486	505,090	560,826
Total receivables		377,692,043		417,534,589
<b>TOTAL FINANCIAL ASSETS</b>		<b>425,434,000</b>		<b>467,159,394</b>
<b>TOTAL FIXED ASSETS</b>		<b>613,888,739</b>		<b>656,645,229</b>
<b>C) CURRENT ASSETS</b>				
I - INVENTORY				
1) Raw materials and consumables		38,530,278		29,504,849
2) Work in progress		10,124,943		7,958,951
4) Finished goods and materials		52,553,416		40,090,885
<b>TOTAL INVENTORY</b>		<b>101,208,637</b>		<b>77,554,685</b>
II - RECEIVABLES				
1) From customers:		72,493,556		138,683,295
2) From subsidiaries		135,694,537		156,650,374
3) From associated companies				
- within 1 year	11,302,148		5,138,919	
- more than 1 year	508,449	11,810,597	680,333	5,819,252
4) From parent companies		0		3,098,741
5) Other receivables				
- within 1 year	24,163,251		6,468,984	
- more than 1 year	13,935,245	38,098,496	7,160,722	13,629,706
<b>TOTAL RECEIVABLES</b>		<b>258,097,186</b>		<b>317,881,368</b>
III - SHORT TERM FINANCIAL ASSETS				
4) Equity investments		606,000		905,659
<b>TOTAL SHORT TERM FINANCIAL ASSETS</b>		<b>606,000</b>		<b>905,659</b>
IV - LIQUID FUNDS				
1) Cash in bank		67,558,460		17,061,976
2) Cheques		0		796,981
3) Cash in hand		75,271		86,787
<b>TOTAL LIQUID FUNDS</b>		<b>67,633,731</b>		<b>17,945,744</b>
<b>TOTAL CURRENT ASSETS</b>		<b>427,545,554</b>		<b>414,287,456</b>
<b>D) PREPAYMENTS AND CURRENT INCOME</b>				
1) Accrued income		2,672,307		1,833,292
2) Prepaid expenses		630,947		1,290,834
<b>TOTAL PREPAYMENTS AND CURRENT INCOME</b>		<b>3,303,254</b>		<b>3,124,126</b>
<b>TOTAL ASSETS</b>		<b>1,044,737,547</b>		<b>1,074,056,811</b>

LIABILITIES	31.12.2002		31.12.2001	
	Partial	Total	Partial	Total
<b>A) SHAREHOLDER'S EQUITY</b>				
I - SHARE CAPITAL		448,500,000		448,500,000
II - ADDITIONAL PAID-IN CAPITAL		15,000,000		15,000,000
III - REVALUATION RESERVE		0		0
IV - LEGAL RESERVE		3,560,694		3,253,678
V - RESERVE FOR TREASURY STOCK ON HAND		0		0
VI - STATUTORY RESERVE		0		0
VII - OTHER RESERVES		35,488,400		34,588,590
IX - NET INCOME (LOSS) FOR THE YEAR		15,763,137		6,140,325
<b>TOTAL SHAREHOLDER'S EQUITY</b>		<b>518,312,231</b>		<b>507,482,593</b>
<b>B) PROVISION FOR CONTINGENCIES AND OBLIGATIONS</b>				
1) Provisions for agents leaving indemnity and similar obligations		1,841,861		1,564,043
3) Other provisions		11,310,491		4,875,359
<b>TOTAL</b>		<b>13,152,352</b>		<b>6,439,402</b>
<b>C) STAFF LEAVING INDEMNITY</b>		<b>13,503,577</b>		<b>10,337,038</b>
<b>D) PAYABLES</b>				
3) Bank loans and overdrafts:				
- within 1 year	47,518,094		75,406,013	
- more than 1 year	85,245,590	132,763,684	121,567,914	196,973,927
4) Other financing payables				
- within 1 year	14,694,955		417,888	
- more than 1 year	6,302,401	20,997,356	3,346,349	3,764,237
5) Advances		1,233,105		628,806
6) Trade payables		134,110,326		91,834,385
8) Payables due to subsidiaries				
- within 1 year	14,576,853		41,723,163	
- more than 1 year	158,429,497	173,006,350	174,680,154	216,403,317
9) Payables due to associated companies		2,211,304		3,576,642
10) Payables due to parent companies		11,288		11,288
11) Payables due to tax authorities				
- within 1 year	16,293,418		12,117,705	
- more than 1 year	281,488	16,574,906	8,226,957	20,344,662
12) Social security payables		3,444,986		2,430,762
13) Other payables		11,968,503		10,518,230
<b>TOTAL PAYABLES</b>		<b>496,321,808</b>		<b>546,486,256</b>
<b>E) ACCRUED LIABILITIES AND DEFERRED INCOME</b>				
1) Accrued liabilities		2,888,749		2,336,500
2) Deferred income		558,830		975,022
<b>TOTAL ACCRUED LIABILITIES AND DEFERRED INCOME</b>		<b>3,447,579</b>		<b>3,311,522</b>
<b>TOTAL LIABILITIES</b>		<b>526,425,316</b>		<b>566,574,218</b>
<b>TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY</b>		<b>1,044,737,547</b>		<b>1,074,056,811</b>
<b>MEMORANDUM ACCOUNTS</b>				
- Guaranties on behalf of subsidiaries associated companies		457,003,871		220,752,005
- Guaranties on behalf of third parties		976,388		1,951,000
- Leasing payments still due		3,087,041		0
<b>TOTAL MEMORANDUM ACCOUNTS</b>		<b>461,067,300</b>		<b>222,703,005</b>

INCOME STATEMENT	31.12.2002		31.12.2001	
	Partial	Total	Partial	Total
<b>A) INCOME</b>				
1) Net revenues from the sale of goods and services		618,298,288		548,392,175
2) Changes in work in progress and finished goods (inventory)		6,208,982		(8,391,259)
4) Increases in fixed assets for internal work		2,158,201		1,831,460
5) Other income				
- others	21,591,911		19,393,756	
- contributions on operating expenses	109,991	21,701,902	841,206	20,234,962
<b>VALUE OF PRODUCTION (REVENUE)</b>		<b>648,367,373</b>		<b>562,067,338</b>
<b>B) EXPENSES</b>				
6) Raw and subsidiary material and goods		337,428,039		288,025,850
7) Services		137,686,575		113,356,154
8) Leases		5,899,984		3,219,331
9) Personnel costs:				
a) salaries and wages	51,627,727		40,536,415	
b) social security costs	17,315,025		13,477,273	
c) severances payments	3,773,849		2,857,477	
e) other costs	299,320	73,015,921	234,779	57,105,944
10) Amortisation, depreciation and writedowns:				
a) amortisation of intangible fixed assets	15,115,551		14,127,273	
b) amortisation of tangible fixed assets	22,760,710		21,760,109	
d) writedowns of trade receivables	2,194,585	40,070,846	1,817,939	37,705,321
11) Changes in stock of raw materials and consumables		(1,462,868)		5,331,227
12) Provision for risks		6,046,893		1,947,675
14) Sundry operating expenses		4,768,798		2,272,953
<b>TOTAL PRODUCTION COSTS (EXPENSES)</b>		<b>603,454,188</b>		<b>508,964,455</b>
<b>DIFFERENCE BETWEEN REVENUES AND EXPENSES (A-B)</b>		<b>44,913,185</b>		<b>53,102,883</b>
<b>C) FINANCIAL INCOME AND EXPENSES</b>				
15) Income from equity investments:				
a) from subsidiaries	10,206,773		48,916	
b) from associated companies	6,250		0	
d) others	1,038,022	11,251,045	1,376,652	1,425,568
16) Other financial income:				
c) from securities entered as current assets that aren't equity investments			7,152	
d) other income:				
- from subsidiaries	19,993,850		11,545,614	
- from associated companies	416,191		374,051	
- others	20,138,592	40,548,633	12,659,061	24,585,878
17) Interest and other financial expenses:				
a) from subsidiaries	(3,144,607)		(2,501,439)	
c) others	(41,549,139)	(44,693,746)	(33,262,453)	(35,763,892)
<b>TOTAL FINANCIAL INCOME AND EXPENSES</b>		<b>7,105,932</b>		<b>(9,752,446)</b>
<b>D) ADJUSTMENTS TO FINANCIAL ASSETS</b>				
19) Writedowns:				
a) of equity investments		(24,689,646)		(24,853,169)
<b>TOTAL ADJUSTMENTS TO FINANCIAL ASSETS</b>		<b>(24,689,646)</b>		<b>(24,853,169)</b>
<b>E) EXTRAORDINARY INCOME AND EXPENSES</b>				
20) Income:				
b) other		83,091		86,713
21) Expenses:				
a) taxes pertaining to previous years	(362,689)			(2,795,250)
b) other extraordinary expenses	(875,328)	(1,238,017)		(2,795,250)
<b>TOTAL EXTRAORDINARY INCOME AND EXPENSES</b>		<b>(1,154,926)</b>		<b>(2,708,537)</b>
<b>NET INCOME (LOSS) BEFORE INCOME TAX</b>		<b>26,174,545</b>		<b>15,788,731</b>
22) Income taxes		(10,411,408)		(9,648,406)
<b>26) NET INCOME</b>		<b>15,763,137</b>		<b>6,140,325</b>