



Treviso, July 21st 2011

PRESS RELEASE

**DE' LONGHI SpA:
approval of the Project of partial and proportional Spin-off
for the separation of the *Professional* division**

Today the Board of Directors of De' Longhi S.p.A. has met and approved the project of partial and proportional spin-off pursuant to articles 2506 and following of the civil code, whereby De' Longhi S.p.A. intends to assign to its fully owned subsidiary currently named De' Longhi Clima S.p.A., the whole participation representing 100% of De' Longhi Professional S.A., owned by De' Longhi S.p.A..

De' Longhi Professional S.A. is the company within the De' Longhi Group representing the activities related to the manufacturing and marketing of devices for systems of air conditioning and refrigeration in industrial processes ICT (*Information Communication Technology*) for industrial purposes, whose proceeds have represented 22% of the total proceeds of the De' Longhi Group in the year 2010. In particular, participations in Climaveneta S.p.A., R.C. Group S.p.A. and DL Radiators S.p.A. can be referred to De' Longhi Professional S.A..

As a consequence of the spin-off, the two areas where the business of the De' Longhi Group currently develops will be separated: activities of the Household division will be under De' Longhi S.p.A., those of the Professional division will be under De' Longhi Clima S.p.A.

The two divisions have different clients and reference market and do not benefit from operative synergies. The transaction that has just been approved will allow greater managing efficiency based on two different teams of managers, focused only on one of the two businesses; will make possible more flexibility in implementing the strategies of each of the two divisions and, finally, make the strategies of both areas of business within the De' Longhi Group more clearly identifiable.

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Execution of the spin-off deed is subject to the condition precedent of the shares of the assignee company, De' Longhi Clima S.p.A., being listed in the Italian Equity Market (MTA) of Borsa Italiana S.p.A.; accordingly,

from the effective date of the spin-off (which can reasonably be expected to be January 1st 2012), the shares of De' Longhi Clima S.p.A. will be listed separately from the shares of De' Longhi S.p.A..

The spin-off will be proportional and the shares of the assignee company, De' Longhi Clima S.p.A., will be attributed to the shareholders of De' Longhi S.p.A. based on a one to one ratio: each shareholder of De' Longhi S.p.A., therefore, will receive shares of De' Longhi Clima S.p.A. in a number equal to those owned in the original Company.

As a consequence of the spin-off, the net worth of De' Longhi S.p.A. will be equal to 275,775,766.00, and will therefore be reduced with respect to the current amount, by an amount equal to Euro 261,205,300.00; such a reduction will be implemented through a reduction of nominal capital and reserves, and consequent proportional reduction of the nominal value of the shares De' Longhi S.p.A., which will be reduced from current Euro 3,00 to Euro 1,50.

As a consequence, the share capital of De' Longhi Clima S.p.A. will be of an amount equal to Euro 224,370,000.00, as a result of an increase of an amount Euro 224,250,000.00, which will be added up to the current share capital of Euro 120,000.00; moreover, net worth of the assignee company will increase of further Euro 36,955,300.00, which will be ascribed to other reserves, attaining an overall amount equal to Euro 261,328,371.00.

The number of new shares to be issued by De' Longhi Clima S.p.A. will be equal to the number of shares in De' Longhi S.p.A., *i.e.* no. 149,500,000.00, each of them of equal nominal value Euro 1,50.

The spin-off will not give the shareholders any withdrawal right.

The spin-off will be subject to the approval of the shareholders and to the relevant authorizations by the regulatory authorities (Consob and Borsa Italiana). The Board of Directors entrusted the managing director of De' Longhi S.p.A. with convening the ordinary and extraordinary meeting of the shareholders in order to resolve on the approval of the spin-off, which will presumably be held in first call on October 11th 2011.

The Spin-off Project, the Directors' Report and the Information Document drafted pursuant to the provisions of the art. 70 paragraph 4 of Consob Regulation no. 11971 of May 14th 1999 as amended, shall be available to the public, according to the terms provided by applicable law, at the Company's registered office, at Borsa Italiana S.p.A. and on the website www.delonghi.com.

According to art. 6 of the Regulation containing provisions concerning transactions with related parties, approved by Consob's Resolution no. 17221 on March 12th 2010 (hereinafter the "Regulation"), please be

informed that De' Longhi Clima S.p.A. is a related party to De Longhi S.p.A. which holds 100% of its share capital. During the procedure, which is qualified as a transaction of "greater importance", the Company made use of the exclusion provided for by art. 9.1 lett. e) of the "Procedure for Transactions with Related Companies of the De' Longhi S.p.A. Group", available on the website www.delonghi.com.

For the purposes of the spin-off transaction, De' Longhi S.p.A. has appointed BoA, Merryl Lynch and Mediobanca as financial advisors and Studio Biscozzi Nobili as legal and tax advisor.

Declaration of the manager charged with preparing the company's financial reports

The manager charged with preparing the company's financial reports, Mr. Stefano Biella, according to paragraph 2, art. 154 *bis* of the Unified Financial Act, declares the conformity of the information provided in this report against document results, books and accounts records.

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