

The De'Longhi Group will be able to optimise the potential of the Chinese factory in Quing-Xi Town (acquired following the take over of Kenwood) in terms of design, production and distribution. This will be achieved through the realisation of a project for the production of plastic fan heaters utilising both existing De'Longhi moulds and new moulds entirely realised in China for a new product.

We expect that by the end of 2002 the production of the current 4 models of fan heaters will reach 850,000 units. In 2003 another family of products will be introduced pushing production up to over 1,200,000 units.

The target markets for all products will be Europe and USA which are now directly and advantageously reachable.