PRESS RELEASE

Treviso, May 14, 2007

DE' LONGHI SpA: the Board of Directors approves the first quarter 2007 results, as at March 31, 2007.

- consolidated revenues growing by 5.5% to € 291.2 Mn (€ 276.2 Mn in Q1 2006);
- improvement of the gross profit (€ 111.3 Mn, +7.7% from € 103.4 Mn) which rises from 37.4% to 38.2% of total revenues;
- positive performance of EBITDA (€ 23.1 Mn, +18.2% from € 19.5 Mn), or 7.9% on revenues, and of EBIT (€ 13.4 Mn, +37.2% from € 9.7 Mn);
- the pre-tax profit amounts to € 2.5 Mn, which is reduced by the fiscal take to a net figure of € 0,4 Mn;
- the net financial position improves from € -511.9 Mn to € -364.6 Mn (+ € 147.3 Mn), thanks to the positive contribution of the operating cash flow, of extraordinary transactions (purchase of RC Group and sale of Elba S.p.a.) and the securitisation program. The position amounted to € -314.6 Mn at December 31, 2006.

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The first quarter results.

The Board of Directors of De' Longhi s.p.a. has approved the results of the first quarter 2007 today.

These results are confirming the growth trend and the improvement of margins that the Group identified as its targets, despite an economic scenario where raw material prices remain under strong pressure.

Consolidated revenues amount to € 291.2 Mn, 5.5% up from € 276.2 Mn of the first quarter 2006, notwithstanding the persisting Euro strength (the growth would have been +7% at constant exchange rates).

The management actions on product mix and the prices increases positively counterbalanced the raw materials' prices effect and allowed the Group to increase the gross profit from € 103.4 to € 111.3 Mn (+7.7%). As a percentage of revenues, the gross profit improves from 37.4% to 38.2%.

The above mentioned performance pushed EBITDA up to € 23,1 Mn(+ 18.2% vs. € 19.5 Mn in 2006), or 7.9% of revenues (7.1% in 2006). At constant consolidation perimeter figures, the margin grows by 1.3 percentage points on revenues.

Similarly, EBIT rises to € 13.4 Mn from € 9.7 Mn (+37.2%).

Net financial charges (€ 10.9 Mn) remain almost constant, if they are considered net of upfront fees due on the five-years (2007-2012) renewal of the securitisation program, which have been totally charged to the quarter's P&L. It's worth considering that the reduction of the average net debt of the quarter (on a pro-forma basis so as to account for the securitisation effects) smoothed the impact of the increase in reference interest rates (3 months Euribor), which grew more than 1%, on average.

The net profit (€ 0,4 Mn vs. a net loss of € 1.3 Mn in 2006), after taxes amounting to € 2.3 Mn.

Both Household and Professional divisions positively contributed to the a.m. results, but with a special emphasis on the Professional division.

Household's revenues (€ 207.2 Mn) undergo a 3% decrease, due to the lack of Elba business. However, on a comparable consolidattion perimeter, they grow by a 2.7%. The division's EBITDA (€ 13.5 Mn) improves from 6.1% of revenues (5.5% on a comparable perimeter) to 6.5%

The Professional division delivers a brilliant performance: revenues are up to € 90.7 Mn (+34.7% vs. 2006; or +14.8% at constant perimeter) and EBITDA is reaching € 9.6 Mn (vs. 6.5 Mn in 2006) or 10.6% of revenues (9.7% in 2006).

From a geographical point of view, Italy and Europe performed well, while the unsatisfactory heating season negatively affected the Northern American area and Japan.

The Net financial position benefits from a 12 months cash flow of € 147.3 Mn, and improves to € -364.6 Mn (-511.9 Mn at March 31, 2006). Said flows originated from the net proceeds out of the operations, the extraordinary transactions (purchase of RC Group and sale of Elba S.p.a.) and the securitisation program. The position was € -314.6 Mn at Decemeber 31, 2006.

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Events following the quarter end.

On the 18th of April, a fire accident occurred in the plant of Treviso, Via L.Seitz. The fire hit the production plant, the assembling lines and part of the technical dpt., without causing harm to people, either employees or the police. The fire did not damage the I.T. systems and the supply chain structures, whose activity was never stopped. The administration and sales departments were back to regular activity since a few days after the accident.

The company's task force immediately outlined an extraordinary action plan, which provides for the restoration of the fully destroyed production lines in the Mignagola site (very near Treviso); today, May 14th, the first new line starts production, while the remaining ones should be operating by the end of June.

As regards the quantification of effects on the consolidated accounts, specifically to the extent that <Land, property, plant and machinery> cathegory is concerned, of the destroyed facilities of De' Longhi s.p.a., it results, from preliminary evaluations, that the estimated residual value of said assets is adequately covered by the insurance policy (*property all risk*) provided by Assicurazioni Generali. Furthermore, the insurance covers also the damages – currently under evaluation - related to the lost inventories. Therefore, we do not envisage, as at today, significant impacts to the consolidated income statement.

Finally, the Group is safeguarded, by the a.m. insurance program, from all those disbursements arising from "lost profits" and costs to be incurred to restore the production capacity.

In order to assure an accurate management of the accident, an expert has been appointed who will assist the Company in all those activities finalized to the insurance indemnity.

Forseeable business developments.

The Group confirms the growth targets for the whole year and deems to be able to compensate any possible sales downturn, originating from the interrupted production of the burnt facilities, with the increase in other product lines.

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DēLonghi

Living innovation

Contacts:

for the press:
Valentina Zanetti
ph. +39 0422 413384

for analysts and investors:
Investor Relations, Fabrizio Micheli
ph. +39 0422 413235

on the web:
www.delonghi.it

Income statement as at March 31, 2007.

Euro x 000,000	*1st quarter 2007*	*% on revenues*	*1st quarter 2006*	*% on revenues*
Net revenues	**291,2**	100,0%	**276,2**	100,0%
change	*15,1*	*5,5%*		
Materials consumed and other production costs (services and production payroll costs)	(179,9)	(61,8%)	(172,8)	(62,6%)
Gross profit	**111,3**	**38,2%**	**103,4**	**37,4%**
Cost of services and other expenses	(61,4)	(21,1%)	(59,2)	(21,4%)
Payroll (non-industrial)	(23,4)	(8,0%)	(22,8)	(8,2%)
Provisions	(2,9)	(1,0%)	(1,6)	(0,6%)
Other income (expenses)	(0,5)	(0,2%)	(0,2)	(0,1%)
EBITDA	**23,1**	**7,9%**	**19,5**	**7,1%**
change	*3,6*	*18,2%*		
Amortization and depreciation	(9,7)	(3,3%)	(9,8)	(3,5%)
EBIT	**13,4**	**4,6%**	**9,7**	**3,5%**
change	*3,6*	*37,2%*		
Financial income (expenses)	(10,9)	(3,7%)	(9,6)	(3,5%)
Profit before taxes	**2,5**	**0,8%**	**0,2**	**0,1%**
Taxes	(2,3)	(0,8%)	(1,3)	(0,5%)
Profit (loss) for the period	**0,1**	**0,0%**	**(1,1)**	**(0,4%)**
Profit (loss) pertaining to minority interests	(0,2)	(0,1%)	0,2	0,1%
Profit (loss) pertaining to the Group	**0,4**	**0,1%**	**(1,3)**	**(0,5%)**

Revenues by market.

(Euro x 000,000)	**1st quarter 2007**	**1st quarter 2006**	**Var.**	**Var. %**	**1st quarter 2007 pro-forma**	**1st quarter 2006 pro-forma**	**Var. pro-forma**	**Var. % pro-forma**
Italy	69,3	64,1	5,2	8,2%	64,8	64,7	0,1	0,1%
U.K.	34,9	34,4	0,5	1,4%	32,5	28,8	3,7	12,7%
others Europe	123,4	106,4	17,0	16,0%	117,7	104,6	13,1	12,5%
USA, Canada and Mexico	18,9	21,0	(2,1)	(9,8%)	18,8	20,0	(1,2)	(5,8%)
Rest of the world	44,7	50,3	(5,6)	(11,1%)	44,0	46,1	(2,1)	(4,5%)
Total	**291,2**	**276,2**	**15,1**	**5,5%**	**277,8**	**264,3**	**13,5**	**5,1%**

Balance sheet as at March 31, 2007

Euro x 000,000	31/03/2007	31/12/2006	Change 31/03/07 – 31/12/06	31/03/2006	Change 31/03/07 – 31/03/06
Fixed assets	**718,6**	**718,9**	**(0,3)**	**730,7**	**(12,2)**
Net inventory	369,3	323,7	45,6	372,6	(3,3)
Trade receivables	310,0	348,0	(38,0)	377,7	(67,6)
Trade payables	(291,9)	(327,1)	35,2	(259,2)	(32,6)
other current receivables/(payables)	(28,7)	(37,7)	9,0	(26,7)	(2,0)
Net working capital	**358,8**	**307,0**	**51,8**	**464,3**	**(105,5)**
Non current liabilities	(92,2)	(90,7)	(1,5)	(98,6)	6,4
Total capital employed	**985,1**	**935,2**	**49,9**	**1.096,4**	**(111,3)**
Net debt (*)	**364,6**	**314,6**	**50,0**	**511,9**	**(147,3)**
Total shareholders' equity	**620,6**	**620,6**	**(0,1)**	**584,5**	**36,0**
Total net debt and shareholders' equity	**985,1**	**935,2**	**49,9**	**1.096,4**	**(111,3)**

(*) The net financial position includes also the debt toward factors for non-recourse sales of receivables amounting to Eur 70.4 Mn as at March 31, 2006..

Cash flow statement as at March 31, 2007

Euro x 000,000	*31/03/2007 (3 months)*	*31/03/2006 (3 months)*	*31/12/2006 (12 months)*
Net operating cash flow	**(49,8)**	**(41,4)**	**57,3**
Cash flow absorbed by changes in net equity	(0,2)	0,3	(8,0)
Cash flow generated by deconsolidating Marka Finance S.A. and factoring receivables without recourse	-	40,6	112,9
Cash flow from sale of Elba S.p.A.	-	-	76,6
Cash flow from acquisition of RC Group	-	-	(42,0)
Cash flow for the period	**(50,0)**	**(0,5)**	**196,8**
Opening net financial position	(314,6)	(511,4)	(511,4)
Closing net financial position	**(364,6)**	**(511,9)**	**(314,6)**

(*) The net financial position includes also the debt toward factors for non-recourse sales of receivables amounting to Eur 70.4 Mn as at March 31, 2006..

Results by business segments

Household

(Euro x 000,000)	1st quarter 2007	1st quarter 2006	variation	1st quarter 2006 pro-forma (*)	variation pro-forma
Net revenues	207,2	213,7	(6,5)	201,9	5,4
Variation %			*(3,0%)*		*2,7%*
EBITDA	13,5	13,0	0,5	11,1	2,5
Ebitda margin % on revenues	*6,5%*	*6,1%*		*5,5%*	

(*) Pro-forma figures as at March 31, 2006 were determined with an omogeneous consolidation perimeter (i.e. carving out the first quarter 2006 figures of Elba).

Professional

(Euro x 000,000)	1st quarter 2007	1st quarter 2006	variation	1st quarter 2006 pro-forma (*)	variation pro-forma
Net revenues	90,7	67,3	23,4	77,3	10,0
Variation %			*34,7%*		*14,8%*
EBITDA	9,6	6,5	3,1	8,5	2,0
Ebitda margin % on revenues	*10,6%*	*9,7%*		*11,0%*	

(**) Pro-forma figures as at March 31, 2007 were determined with an omogeneous consolidation perimeter (i.e. carving out the first quarter 2007 figures of RCGroup).