

PRESS RELEASE

Treviso, 20th January 2005

Preliminary sales for the FY 2005

DE'LONGHI S.p.A.: Sales of the De' Longhi Group increased by about 12% in the fourth quarter of 2005. This was the best quarter in terms of sales since the Company has been listed on the Italian Stock Exchange.

The growth reported in the last quarter allowed the Group to recover the sales decline of the first half of 2005 (-12.7%) almost entirely and close fiscal year 2005 with a decrease of revenues lower than 2% compared to 2004.

The De' Longhi Group announces that in the last quarter of 2005 sales increased by about 12%.

Thanks to the significant revenue growth in the last three months of the year, historically the most important ones in terms of contribution to the turnover of the full year, the Group was able to recover the sales decline of the first half of 2005 (-12.7%) almost entirely and close fiscal year 2005 with a decrease of revenues lower than 2% compared to 2004.

The fourth quarter of 2005 was the best one in terms of revenues since the De' Longhi Group has been listed on the Italian Stock Exchange (July 2001) and was marked by a return to sales growth in North America and Japan. Both markets, as well as the former USSR, could benefit from the positive sales trend for small kitchen appliances and the season for portable heaters.

As far as the *household* division is concerned, the period from October-December 2005 saw the prosecution of the favourable sales trend for food and beverage processors and a return to revenue growth for some product families within cooking appliances; the turnover increase in the *professional* division came from positive performance of large thermo cooling machines and water-filled radiators.

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