



PRESS RELEASE

Treviso, 15th July 2005

DE'LONGHI SpA: Preliminary sales for the second quarter 2005 and first half 2005

Preliminary data show that in the second quarter of 2005 consolidated sales of the De' Longhi Group declined by about 12% at current exchange rates. Overall, in the first half of the year the sales reduction was about 13% at current exchange rates; according to the Group's estimates in the period January-June 2005 the negative effect on sales arising from exchange rate fluctuations was lower than 1%.

Within a market environment which was marked by a weak consumption trend, the first half of 2005 nevertheless saw the prosecution of sales growth for the product categories of coffee makers, stand mixers and large thermo-cooling machines.

The sales reduction in the first half is on the contrary largely attributable to lower revenues for the air conditioning and treatment business segment, which was penalised by the high inventory of air conditioners at the retail level and the seesawing trend of weather conditions in May and June.

The industrial relocation program continued in line with the Group's plan in the first half; the effects of this process will start to materialise in the second half of the year.

Outlook and expected business progress

In the light of the current market conditions and given that the air conditioning season is substantially compromised, the goal of achieving a sales growth and a profitability improvement in this fiscal year is no longer attainable.



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