



PRESS RELEASE

Treviso, September 12th, 2007

DE' LONGHI SpA: approved the half year results as at June 30th: growing revenues (+10.5%) and Ebitda (+25,1% and +47.4% before Eur 5,7 mn. not recurring charges).

FIRST QUARTER 1ST April - 30th June 2007

- Revenues up from Eur. 300 mn to 345,3, notwithstanding the loss in the revenues due to some production lines destroyed by the fire.
- EBITDA +75,9% up from Euro 19,3 mn. to Euro 33,9 mn.
- EBITDA after not recurring charges + 31,2% up from Euro 21,9 mn. to Euro 28,7 mn., penalised by no recurring costs related to the fire of Euro 5,3 mn.

HALF YEAR 1ST January - 30th June 2007

- significant growth of the consolidated revenues, up from Euro 576,2 mn. to Euro 636,5 mn. (+10.5%);
- the 6 months gross profit increases by 13.7% (from 219.9 to 250,1 mn) or 39.3% of revenues (38.2% in the first half of 2006);
- better performance from Ebitda as well, up from 41.4 mn to 51.8 mn (+25.1%), or 8.1% of revenues. Excluding not recurring charges (5.7 mn) mainly due to the fire, Ebitda is growing by 47.4% and reaches 9% of revenues (vs. 6.8% in 2006);
- net profit is 3.5 mn, is penalised by no recurring charges (mainly due to the fire) vs. 24.3 mn in 2006, (-0,7 mn. if we exclude 24.9 mn gain from a sale of participations);
- the net financial indebtedness (381.1 mn) is slightly increasing during the 12 months (+20.5 mn), mainly as a consequence of the acquisition of the RC Group (42 mn) and the change in the working capital deriving from the important growth of revenues.

" After the fire we have been able to rebuilt the production lines and start again with the production in less than three months" declares the Chairmen Mr. Giuseppe de' Longhi "and this because we have always considered strategic the Italian know how in the production of high value added products and because we have kept the availability of the buildings in Italy after the delocalisation. Our region, the North East of Italy, has the capability to react, the spirit of adaptability and sacrifice proper of its culture".

"The second quarter " says the C.E.O Mr. Fabio de' Longhi "has been characterized by the event most catastrophic on our Company's history. We have been able to achieve a growth of 15% in revenues and an improvement on EBITDA before no recurring charges of 75%. These data are the proof of the strength of our marketing and commercial positioning in the markets worldwide. Furthermore we have rapidly recovered the profitability to level similar to the previous records".



The half year 2007 results.

The Board of Directors approved the first half 2007 results, as at June 30, today.

Consolidated revenues, thanks to the strong progression in the second quarter (345.3 mn, +15.1%), amount to 636.5 mn in the first half, growing by 10.5% year on year. On a proforma basis (excluding RC in 2007 and Elba in 2006), revenues increase by 8.8%, from 556.6 mn to 605.6 mn.

The gross profit delivers a significant performance, reaching 250,1 mn, or 39.3% of revenues (it was 219.9 mn, or 38.2% of revenues, in 2006). In the second quarter, the gross profit performs a 19% increase, up to 138.7 mn (40.2% of revenues).

Despite the accounting of 5.7 mn of not recurring charges, mostly related to the fire occurred in the Treviso plant last April, the EBITDA is gaining almost a full percentage point (from 7.2% to 8.1% of revenues), and posting 51.8 mn vs 41.4 mn of 2006. A major gain is obtained on a proforma basis, EBITDA is up from 38.7 mn to 48.2 mn (respectively 6.9% and 8% of proforma revenues).

If not recurring items are excluded, Ebitda is increasing by 75.9% in the single quarter, reaching 33.9 mn (9.8% of revenues) and by 47.4% in the six months, jumping by a 2.2% as a percentage of revenues (from 6.8% to 9%).

Ebit amounts to 32.7 mn (5.1% of revenues) vs. 22.3 mn in 2006 (3.9% of revenues).

The net profit of 3.5 mn compares with 24.3 mn of 2006, which however were including a 24.9 mn gain from sale of the participation in Elba S.p.a.

Positive results are evidenced also by each one of the two business divisions:

- the Household division is expressing a 2.4% growth in revenues (to 449.2 mn, but it's a +7.2% if we take out the contribution of Elba, a business sold during the Q2 2006) and a 43.1% growth in Ebitda before not recurring charges (32,7 mn, or +62,4% on a proforma basis);
- the Professional division, including RC Group in 2007, is growing by 40.3% in revenues (203.5 mn, or 18.9% on a proforma basis) and by 53.1% in Ebitda before not recurring charges (24.8 mn, or +31% on a proforma basis).

The Net Financial Position moves from -360.6 mn to -381.1 mn during the 12 months, as a result mainly of the acquisition of RC Group (Euro 42 mn) and of the working capital absorption related to the sales increase. In the first 6 months of 2007, the position weakens by 66.5 mn, deriving mainly from the lower access to sales of receivables on a non-recourse basis (29.5 mn) and from the cycle of inventories (that remain flat in absolute values in the 12 months).

As regards products, all families are growing, excepted the electrical heating, which suffered from the mild winter. Remarkable performance is



shown by the coffee makers, the food processors, the ironing systems, the portable air conditioners (+ 21%) and the whole Professional segment. At a geographical breakdown there has been a significant growth in Europe particularly in Germany, Russia and in the East countries. Notwithstanding the Euro appreciation the growth in the north America is continuing, while the Far East area is reporting a slight decrease due to the mild winter season.

The second quarter results are positive, even considering the extraordinary event of last April, i.e. the fire occurred to the Treviso plant, which destroyed some coffee makers production lines, part of the R&D laboratories and of the components stock. The reaction of the company was immediate and allowed us to achieve the above said economics results; furthermore, the intervention plan was successful in not only replacing but also increasing the lost production capacity. In the P&L of the first half 2007, some 5.3 mn not recurring charges are accounted which are directly related to the fire.

Foreseeable business developments

We consider that the revenues growth's trend reported by both Group divisions in the first half of 2007, could continue also in the second part of the year.

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Consolidated results of De' Longhi Group as at June 30th, 2007

Consolidated Income Statement

Euro million	First half 2007	% of revenues	First half 2006	% of revenues
Net revenues	636,5	100,0%	576,2	100,0%
<i>Change 2007/2006</i>	<i>60,4</i>	<i>10,5%</i>		
Materials consumed and other production costs (services and production payroll costs)	(386,4)	(60,7%)	(356,2)	(61,8%)
Gross profit	250,1	39,3%	219,9	38,2%
Cost of services and other expenses	(134,9)	(21,2%)	(127,5)	(22,1%)
Value added	115,2	18,1%	92,4	16,0%
Payroll (non-industrial)	(51,7)	(8,1%)	(48,0)	(8,3%)
Provisions	(6,0)	(0,9%)	(5,4)	(0,9%)
EBITDA before not recurring items	57,5	9,0%	39,0	6,8%
<i>Change 2007/2006</i>	<i>18,5</i>	<i>47,4%</i>		
Not recurring items	(5,7)	(0,9%)	2,4	0,4%
EBITDA	51,8	8,1%	41,4	7,2%
Amortization and depreciation	(19,1)	(3,0%)	(19,1)	(3,3%)
EBIT	32,7	5,1%	22,3	3,9%
<i>Change 2007/2006</i>	<i>10,4</i>	<i>46,7%</i>		
Financial income (expenses)	(21,9)	(3,4%)	(22,5)	(3,9%)
Financial expenses due to the new arrangement for factoring receivables without recourse	(1,3)	(0,2%)	-	0,0%
Extraordinary Profit/Loss from participations	-	0,0%	24,9	4,3%
Profit before taxes	9,6	1,5%	24,7	4,3%
Taxes	(5,9)	(0,9%)	(0,1)	(0,0%)
Profit (loss) for the period	3,7	0,6%	24,6	4,3%
Profit (loss) pertaining to minority interests	0,1	0,0%	0,2	0,0%
Profit (loss) pertaining to the Group	3,5	0,6%	24,3	4,2%
Profit (loss) pertaining to the Group before extraordinary participations profits/Losses	3,5	0,6%	(0,7)	(0,1%)



Consolidated Balance Sheet

Euro million	30/06/07	31/12/06	Change 30/06/07- 31/12/06	30/06/06	Change 30/06/07- 30/06/06
Non-current assets	709,3	718,9	(9,6)	692,6	16,8
Inventories	384,5	323,7	60,8	386,4	(1,9)
Receivables	329,9	348,0	(18,1)	294,4	35,5
Other current assets	63,3	39,4	23,9	35,2	28,1
Suppliers	(328,0)	(327,1)	(0,9)	(281,3)	(46,7)
Other current liabilities	(77,2)	(77,1)	(0,2)	(72,4)	(4,8)
Net working capital	372,5	307,0	65,5	362,2	10,3
Total non-current liabilities and provisions	(86,9)	(90,7)	3,8	(91,3)	4,4
Total capital employed	994,9	935,2	59,7	963,5	31,4
Net financial position (*)	381,1	314,6	66,5	360,6	20,5
Total net equity	613,8	620,6	(6,8)	602,8	11,0
To Borrowings and equity	994,9	935,2	59,7	963,5	31,4

(*) The figure at June 30th, 2007 includes the liability towards factors for receivable sales on a non recourse basis amounting to 5.7 mn.

Consolidated Cash Flow

Euro million	<i>First half 2007</i>	<i>First half 2006</i>	<i>31.12.2006</i>
Cash flow from operating activities	33,7	6,3	49,8
Cash flow from factoring receivables without recourse (change)	(29,5)	(42,2)	3,9
Cash flow from changes in working capital	(33,7)	24,4	41,6
Cash flow from investments	(26,6)	(15,0)	(38,0)
Net Operating Cash Flow	(56,2)	(26,5)	57,3
Cash flow generated by deconsolidating Marka Finance S.A. and factoring receivables without recourse	-	107,2	112,9
Cash flow from sale of Elba S.p.A and acquisition of RC Group	-	78,2	34,6
Cash flow absorbed by changes in equity accounts	(10,4)	(8,2)	(8,0)
Cash flow for the period	(66,5)	150,8	196,8
Opening Net Financial Position	(314,6)	(511,4)	(511,4)
Closing Net Financial Position	(381,1)	(360,6)	(314,6)



Revenues by geographical area

(Euro million)	HY 2007	HY 2006	ch.	ch. %	HY 2007 pro-forma	HY 2006 pro-forma	change pro-forma	ch. % pro-forma
Italy	163,5	146,3	17,2	11,8%	151,2	147,0	4,2	2,9%
UK	67,2	63,6	3,7	5,8%	63,2	55,1	8,1	14,7%
Rest of Europe	263,4	218,4	45,1	20,6%	250,9	216,2	34,7	16,0%
USA, Canada and Mexico	43,1	42,5	0,6	1,5%	43,1	40,9	2,2	5,4%
Rest of the world	99,2	105,5	(6,2)	(5,9%)	97,1	97,3	(0,2)	(0,2%)
Total	636,5	576,2	60,4	10,5%	605,6	556,6	49,0	8,8%

Business segments

Household

(Euro million)	First half 2007	First half 2006	Change 2007-2006	HY 2006 pro-forma (**)	Change 2007- 2006 pro-forma
Net Revenues (*)	449,2	438,8	10,5	419,2	30,0
<i>change %</i>			2,4%		7,2%
EBITDA before not recurring items	32,7	22,8	9,8	20,1	12,6
<i>margin % on revenues</i>	7,3%	5,2%		4,8%	

(*)The consolidated figures reconcile with the individual segment revenues after eliminating certain transactions between the two segments. Such transactions accounted for €16,2 million in revenues in the first half 2007 and €17,7 million in revenues in the first half 2006.

(**) The pro-forma figures of the first half 2006 are determined on a comparable consolidation perimeter (i.e. excluding Elba in the period January to May 2006).

Professional

(Euro million)	First half 2007	First half 2006	Change 2007-2006	HY 2007 pro-forma (**)	Change 2007 pro-forma- 2006
Net Revenues (*)	203,5	145,0	58,4	172,5	27,5
<i>change %</i>			40,3%		18,9%
EBITDA before not recurring items	24,8	16,2	8,6	21,2	5,0
<i>margin % on revenues</i>	12,2%	11,2%		12,3%	

(*)The consolidated figures reconcile with the individual segment revenues after eliminating certain transactions between the two segments. Such transactions accounted for €16,2 million in revenues in the first half 2007 and €17,7 million in revenues in the first half 2006.

(**) The pro-forma figures as at June 30 2007 are determined on a comparable consolidation perimeter (i.e. excluding RC Group in the first half 2007).