



PRESS RELEASE

Treviso, May 13, 2008

DE'LONGHI SPA: the Board of Directors approves the results of the first quarter, as at march 31, 2008: both revenues and Ebitda are progressing (+ 13,5% and + 31.6% respectively).

- net revenues are growing by 13.5%, from € 291.2 to € 330.5 million (+17,4% at constant exchange rates);
- net revenues of the Household segment amount to € 244.2 million, growing by 17.8%, while those of the Professional segment amount to € 92.2 million (+1.7%);
- Ebitda increases by 31.6% up to € 30.4 million, i.e. 9.2% of revenues, versus € 23.1 million of the first quarter 2007 (when it was 7.9% of revenues). Before non recurrent items (amounting to € -1.4 million in the quarter), Ebitda is increasing to € 31.7 million (+34.5%), equal to 9.6% of revenues, thus delivering a 150 basis points improvement in respect of the correspondent margin of the the first quarter of 2007 (€ 23.6 million, or 8.1% of revenues);
- EBIT is growing by 53.6% and is reaching € 20.5 million, or 6.2% of revenues (vs. the 4.6% of 2007);
- total financial charges move from €10.9 to € 10.8 million;
- net profit pertaining to the Group amounts to € 6 million (vs. € 0.4 million in 2007). Profit before tax amounts to € 9.7 million (€ 2.5 million in 2007).
- net financial position decreases from -364.6 million as at 31/03/2007 to € -372.1 million. However, excluding the non recurrent components occurred in the 12 months (acquisitions - net of sales of assets - of € 17.5 M, net disbursements related to the fire of € 19.7 M, the change in the negative fair value of derivatives on forex of € 13.2 M), the net debt of the Group is reduced by € 42.9 million.

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The results of the first quarters ending March 31, 2008.

The Board of Directors of De' Longhi S.p.a. approved the results of the first quarter 2008 today.

In line with the growth trend in place since the third quarter 2005, consolidated revenues of the first quarter reach € 330.5 million, with a progression of +13.5% vs. the first quarter 2007 (€ 291.2 million). The exchange rates effect, related to the Euro revaluation, is worth about 3.9% of lower growth.

All reference markets of Europe and rest of the world have contributed to such performance, in many cases with double digit growth rates, with the exception of Italy, Greece, U.S.A. and United Kingdom. Particularly significant is the growth shown by the Japanese subsidiary, thanks also to a roughly stable exchange rate in the last 12 months.

Coffee makers and kitchen machines confirm to be the driving products, but electric heaters and industrial air conditioning provide satisfactory results as well, while the UK real estate market and a weak Pound negatively affect the segment of wall heaters.

Both gross margin and Ebitda are improving. The former jumps to € 135.4 million (+21.6%); the latter amounts to € 30.4 million (+31.6%), or 9.2% of revenues, thus representing an increase of 130 basis points vs. the 2007 figure (which was 7.9% of revenues). Before non recurrent charges (€ 1,4 million), Ebitda amounts to €31.7 million, i.e. 9.6% of revenues (+150 basis points vs. the 8.1% figure of 2007).

In the quarter, the Group has posted higher ad & promo charges of about € 2 million.

EBIT improves from € 13.4 to € 20.5 million (+53.6%)

Almost stable are the total net financial charges (from € 10.9 to € 10.8 million), thanks to a lower impact of costs of the securitisation program as well as to a better management of the funding structure of the Group.

Net Profit amounts to € 6 million (€ 0.4 million in 2007) after a tax charge of € 3.6 million.

The Net Financial Position weakens in the 12 months by € 7.5 million (from € -364.6 to € -372.1 million) only as a consequence of significant non recurrent components, i.e. (i) acquisitions - net of sales of assets - of € 17.5 million, (ii) net disbursements - to be reimbursed by insurance companies - related to the fire for € 19.7 million, (iii) the € 13.2 million increase in the negative fair value of forex derivatives



expiring in the future. Therefore, excluding said components, the cash flow is positive for € 42.9 million.

The Household segment (*) delivers € 244.2 million revenues and an Ebitda of € 25.3 million (10.4% of revenues), while the Professional segment's revenues amount to € 92.2 million (+1.7% vs. € 90.7 million in 2007), with an Ebitda down from € 9.6 to € 7.1 million (7.7% of revenues).

Therefore, while the Household division is showing a general improvement of its income and profitability profile, the Professional division is impacted by the situation of the wall heaters business, which is hitting margins more than sales.

All results of the quarter herein reported have not been certified by the auditing firm.

(*) With reference to the two divisions (and following the organization restructuring put in place during 2007), we signal that, from inception of FY 2008, the accounting & management reporting system of the Group is providing for distinct evidence of services and holding/corporate companies (De' Longhi SpA, De' Longhi Capital Services, E-Services) from the two operating divisions, Household and Professional (while, until Dec. 31 2007, those services and holding companies were included in the Household perimeter).

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Events following year end.

No major event has occurred since the closing of the first quarter 2008 accounts.

Foreseeable business development

The Group is confident to be able to meet the expected growth targets.

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Declaration of the manager responsible for the company's accounts.

The manager responsible for the preparation of the company's accounts, Stefano Biella, hereby declares, as per article 154 bis, paragraph 2, of the "Testo Unico della Finanza", that all information related to the company's accounts contained in this press release are fairly representing the accounts and the books of the company.

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Consolidated results of De' Longhi Group as at March 31, 2008

Consolidated Income Statement

Euro Million	1st quarter 2008	% on revenues	1st quarter 2007	% on revenues
Net revenues	330,5	100,0%	291,2	100,0%
<i>change</i>	<i>39,3</i>	<i>13,5%</i>		
Materials consumed and other production costs (services and production payroll costs)	(195,0)	(59,0%)	(179,9)	(61,8%)
Gross profit	135,4	41,0%	111,3	38,2%
Cost of services and other expenses	(74,7)	(22,6%)	(64,4)	(22,1%)
Payroll (non-industrial)	(29,0)	(8,8%)	(23,4)	(8,0%)
EBITDA before non recurring items	31,7	9,6%	23,6	8,1%
<i>change</i>	<i>8,1</i>	<i>34,5%</i>		
Other income (expenses)	(1,4)	(0,4%)	(0,5)	(0,2%)
EBITDA	30,4	9,2%	23,1	7,9%
<i>change</i>	<i>7,3</i>	<i>31,6%</i>		
Amortization and depreciation	(9,8)	(3,0%)	(9,7)	(3,3%)
EBIT	20,5	6,2%	13,4	4,6%
<i>change</i>	<i>7,2</i>	<i>53,6%</i>		
Net financial income / (charges)	(10,8)	(3,3%)	(10,9)	(3,7%)
Profit before taxes	9,7	2,9%	2,5	0,8%
Taxes	(3,6)	(1,1%)	(2,3)	(0,8%)
Profit (loss) for the period	6,1	1,8%	0,1	0,0%
Profit (loss) pertaining to minority interests	0,2	(0,0%)	(0,2)	(0,1%)
Profit (loss) pertaining to the Group	6,0	1,8%	0,4	0,1%



Consolidated Balance Sheet

Euro Million	31.03.2008	31.03.2007	31.12.2007	change 31.03.08 – 31.03.07	change 31.03.08 – 31.12.07
- Intangible assets	420,6	414,4	421,4	6,1	(0,9)
- Tangible assets	239,0	252,5	248,4	(13,5)	(9,3)
- financial assets	4,9	8,8	4,8	(3,9)	0,1
- deferred tax assets	41,5	42,8	34,8	(1,3)	6,7
Fixed Assets	706,0	718,6	709,4	(12,6)	(3,5)
- Inventories	383,5	369,3	335,2	14,3	48,3
- Trade receivables	303,9	310,0	378,0	(6,2)	(74,1)
- Trade payables	(295,0)	(291,9)	(333,7)	(3,1)	38,7
-Other current net assets/(liabilities)	(18,4)	(28,7)	(16,2)	10,3	(2,2)
Net working capital	374,0	358,8	363,4	15,3	10,7
- deferred tax liabilities	(18,7)	(21,2)	(19,2)	2,5	0,5
- employee benefits	(33,2)	(42,1)	(35,7)	8,9	2,5
- other provisions	(32,0)	(28,9)	(31,3)	(3,1)	(0,7)
Non current liabilities	(83,9)	(92,2)	(86,2)	8,3	2,3
Total capital employed	996,1	985,1	986,5	10,9	9,5
Net debt	372,1	364,6	355,9	7,5	16,2
Total shareholders' equity	624,0	620,6	630,7	3,4	(6,7)
Total net debt and shareholders' equity	996,1	985,1	986,5	10,9	9,5



Consolidated Cash Flow Statement

Valori in milioni di Euro	31.03.2008 (3 mesi)	31.03.2007 (3 mesi)	31.12.2007 (12 mesi)
Cash Flow from operations	13,5	9,5	86,4
Cash Flow from changes in the working capital	(15,1)	(51,4)	(21,3)
Cash Flow from investments	0,3	(7,9)	(40,6)
Operating Cash Flow	(1,2)	(49,8)	24,4
Cash Flow from extraordinary investments	-	-	(23,9)
Cash Flow from fire event	-	-	(19,4)
dividends paid			(9,0)
Cash Flow from change in <i>Fair value</i> and <i>Cash flow hedge</i> reserves	(8,4)	0,7	(7,0)
Change in currency translation reserve	(6,6)	(0,9)	(6,8)
increase / (decrease) in minority interests in capital and reserves	-	-	0,4
Cash flow absorbed by changes in net equity	(15,0)	(0,2)	(22,3)
Net Cash Flow	(16,2)	(50,0)	(41,3)
Opening net financial position	(355,9)	(314,6)	(314,6)
Closing net financial position	(372,1)	(364,6)	(355,9)

Business segments

Euro Million	1st quarter 2008				1st quarter 2007		
	<i>Household</i>	<i>Professional</i>	<i>Corporate</i>	Total Group	<i>Household</i>	<i>Professional</i>	Total Group
Net Revenues	244,2	92,2	3,9	330,5	207,2	90,7	291,2
EBITDA	25,3	7,1	(1,9)	30,4	13,5	9,6	23,1
<i>margin % on revenues</i>	10,4%	7,7%		9,2%	6,5%	10,6%	7,9%
EBIT	18,1	5,0	(2,6)	20,5	5,5	7,9	13,4
<i>margin % on revenues</i>	7,4%	5,5%		6,2%	2,6%	8,7%	4,6%