



PRESS RELEASE

Treviso, 13th November 2006

DE'LONGHI SpA: the Board of Directors has approved the results for the nine months ending 30th September 2006

- Consolidated sales grew by 9.6% to € 918.8 millions.
Net sales increased by 11.3% at the same consolidation area (excluding the contribution of Elba Spa for the period June-September 2005)
- EBITDA reached € 77.4 millions (+20.4%) and EBIT € 48.7 million (+34.3%). The growth of EBITDA and EBIT in the first nine months of 2006 at a comparable perimeter of consolidation would have been respectively 28.4% and 46.7%
- Net income increased from € 2.9 million in the first nine months of 2005 to € 31.7 million in the same period of 2006
- The net financial position decreased by € 167 million to € 396.6 million from € 563.6 million as of 30th September 2005, thanks to the reduction of working capital and non recurring gains

Main Results of the Period

The Board of Directors of De' Longhi Spa has met today to approve the financial results for the nine months ended 30th September 2006.

Net sales grew by 9.6% to € 918.8 million, thanks to the positive trading performance of the main categories in which the Group operates.

Excluding the sales generated by Elba Spa in the period from June to September 2005 from the revenues of the Group in the first nine months of 2005, following the deconsolidation from the Group with effects from 1st June 2006, turnover would have grown by 11.3% (+16.6% in the third quarter of 2006).



The better efficiency at industrial and distribution levels allowed the De' Longhi Group to improve its profitability in spite of higher incidence of raw materials.

EBITDA grew from € 64.3 million to € 77.4 million (+20.4%) and EBIT increased from € 36.3 million to € 48.7 million (+34.3%). EBITDA margin grew from 7.7% to 8.4% and EBIT margin from 4.3% to 5.3%.

At the same consolidation scope EBITDA grew by 28.4% and EBIT by 46.7%.

Net profit reached € 31.7 million (€ 2.9 million in the first nine months of 2005) and more than doubled in the third quarter growing from € 2.6 million to € 7.3 million.

Sales showed a remarkable growth in North America (+57% in the nine month period and +74% in the third quarter), in Europe (in particular Greece and Russia), and in the Rest of the World; trading performance in the domestic market was satisfactory as well (+13.8% in the third quarter and +2.7% in the first nine months).

Sales for the household division grew by 10% (+12.2% on a comparable consolidation basis), thanks to the increasing contribution of coffee makers, stand mixers, electric ovens and heating appliances.

In the professional divisional both water-filled radiators and large thermo-cooling machines reported a growth of sales.

The net debt decreased by € 167 million to € 396.6 million from € 563.6 million as of 30th September 2005, thanks to the reduction of the working capital and non recurring gains.

“The first nine months of the year confirmed the growth of market shares for the main categories of the Group and the improvement of the economic and financial data” – the CEO Fabio De'Longhi said – “we think the Group can maintain its sales growth trend in the last quarter of 2006 even though this quarter compared to the forth quarter of 2005 which reported a sales growth of 11.5%”.

Outlook and expected business progress

The management of the De' Longhi Group foresees to close the FY 2006 with a significant sales growth compared to 2005 (€ 1,257.7 million).



Note

The figures included in the financial statements have been prepared in accordance with IFRS international accounting principles; the comparable figures for the same period in 2005 have been reclassified in accordance with the new international principles.

Sales generated in Russia and in the former U.S.S.R. Countries were accounted for in the geographical area "Rest of Europe" rather than in the "Rest of the World" starting with the Half Year Report 2006. Sales for the first nine months of 2005 in these markets were consistently accounted for in the "Rest of Europe" geographical area.

RC Group, which was acquired on 25th October 2006, will be consolidated in the Group's accounts with retroactive effects from 1st October 2006 at the time of the preparation of the financial statements for the FY 2006.

Attached: Reclassified Consolidated Profit and Loss Accounts and Balance Sheets; consolidated sales by business segment and geographical market; EBITDA by business segment; summary pro forma Consolidated Profit and Loss Accounts

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De'Longhi S.p.A. consolidated financial statement as at September, 30th 2006

Consolidated income statement as at September, 30th 2006 year-to-date:

(Euro millions)	30/09/2006 (9 months)	% on revenues	30/09/2005 (9 months)	% on revenues	III Quarter 2006	% on revenues	III Quarter 2005	% on revenues
Net revenues	918,8	100,0%	838,2	100,0%	342,6	100,0%	303,8	100,0%
<i>Changes</i>	80,6	9,6%			38,8	12,8%		
Consumption and industrial costs (services and industrial labour)	(576,9)	(62,8%)	(511,7)	(61,1%)	(219,6)	(64,1%)	(190,2)	(62,6%)
Gross profit	341,9	37,2%	326,5	38,9%	123,0	35,9%	113,6	37,4%
Cost of services and other expenses	(190,2)	(20,7%)	(184,6)	(22,0%)	(63,7)	(18,6%)	(57,1)	(18,8%)
Payroll (non industrial)	(68,6)	(7,5%)	(67,5)	(8,0%)	(20,7)	(6,0%)	(21,6)	(7,1%)
Provisions	(8,4)	(0,9%)	(6,9)	(0,8%)	(3,0)	(0,9%)	(1,5)	(0,5%)
Other income (expenses)	2,8	0,3%	(3,1)	(0,4%)	0,4	0,1%	0,2	0,1%
EBITDA	77,4	8,4%	64,3	7,7%	36,0	10,5%	33,5	11,0%
<i>Changes</i>	13,1	20,4%			2,5	7,4%		
Amortization and depreciation	(28,7)	(3,1%)	(28,0)	(3,3%)	(9,6)	(2,8%)	(10,0)	(3,3%)
EBIT	48,7	5,3%	36,3	4,3%	26,4	7,7%	23,6	7,8%
<i>Changes</i>	12,4	34,3%			2,8	12,0%		
Financial income (expenses)	(9,9)	(1,1%)	(25,4)	(3,0%)	(12,3)	(3,6%)	(13,0)	(4,3%)
Profit before taxes	38,8	4,2%	10,9	1,3%	14,1	4,1%	10,6	3,5%
Taxes	(6,5)	(0,7%)	(7,7)	(0,9%)	(6,4)	(1,9%)	(7,9)	(2,6%)
Profit (loss) for the period	32,3	3,5%	3,2	0,4%	7,7	2,2%	2,6	0,9%
Minority interests	0,6	0,1%	0,3	0,0%	0,4	0,1%	0	0,0%
Profit (loss) pertaining to the Group	31,7	3,4%	2,9	0,3%	7,3	2,1%	2,6	0,9%

Consolidated balance sheet as at September, 30th 2006

(Euro millions)	30/09/2006	31/12/2005	Changes 30/09/06 – 31/12/05	30/09/2005	Changes 30/09/06 – 30/09/05
Fixed assets	692,7	730,2	(37,6)	721,5	(28,8)
- Net inventory	373,6	340,2	33,4	406,3	(32,7)
- Trade receivables	334,0	450,1	(116,0)	403,9	(69,9)
- Trade payables	(265,7)	(285,9)	20,2	(251,6)	(14,1)
- Other current assets (liabilities)	(36,0)	(34,5)	(1,5)	(30,9)	(5,1)
Net working capital	405,9	469,8	(63,9)	527,7	(121,8)
Non current liabilities	(90,7)	(103,2)	12,4	(120,4)	29,7
Total capital employed	1.007,9	1.096,9	(89,1)	1.128,7	(120,9)
Net debt	396,6	511,4	(114,8)	563,6	(167,0)
Total shareholders' equity	611,2	585,5	25,7	565,1	46,1
Total net debt and shareholders' equity	1.007,9	1.096,9	(89,1)	1.128,7	(120,9)

Revenues by geographical area

(Euro millions)	30/09/06 (9 months)	30/09/05 (9 months)	Changes %	III Quarter 2006	III Quarter 2005	Changes %
Geographical area						
Italy	221,0	215,2	2,7%	74,7	65,7	13,8%
United Kingdom	100,5	106,4	(5,6%)	36,9	37,5	(1,7%)
Rest of Europe	344,2	308,7	11,5%	134,3	113,2	18,6%
Northern America	95,2	60,5	57,4%	52,7	30,3	74,1%
Japan	19,1	20,1	(4,8%)	9,4	10,4	(10,0%)
Rest of the world	138,9	127,3	9,1%	34,7	46,7	(25,8%)
Total	918,8	838,2	9,6%	342,6	303,8	12,8%

Results by business segments

Household

(Euro millions)	30/09/2006 (9 months)	30/09/2005 (9 months)	III Quarter 2006	III Quarter 2005
Net revenues	706,2	642,0	270,9	240,1
Changes %	10,0%		12,9%	
EBITDA	54,1	44,1	29,1	27,3
% on revenues	7,7%	6,9%	10,8%	11,4%

Professional

(Euro millions)	30/09/2006 (9 months)	30/09/2005 (9 months)	III Quarter 2006	III Quarter 2005
Net revenues	212,6	196,1	71,7	63,7
Changes %	8,4%		12,5%	
EBITDA	23,3	20,2	6,9	6,2
% on revenues	10,9%	10,3%	9,6%	9,8%

Consolidated income statement *pro-forma*

(Euro millions)	30/09/2006 (9 months)	% on revenues	30/09/2005 (9 months)	% on revenues	III Quarter 2006	% on revenues	III Quarter 2005	% on revenues
Net revenues	918,8	100,0%	825,5	100,0%	342,6	100,0%	293,9	100,0%
<i>Changes</i>	<i>93,3</i>	<i>11,3%</i>			<i>48,7</i>	<i>16,6%</i>		
EBITDA	77,4	8,4%	60,3	7,3%	36,0	10,5%	31,0	10,6%
<i>Changes</i>	<i>17,1</i>	<i>28,4%</i>			<i>5,0</i>	<i>16,1%</i>		
EBIT	48,7	5,3%	33,2	4,0%	26,4	7,7%	21,6	7,3%
<i>Changes</i>	<i>15,5</i>	<i>46,7%</i>			<i>4,8</i>	<i>22,3%</i>		