



PRESS RELEASE

Treviso, April 22, 2008

DE' LONGHI SpA: THE SHAREHOLDERS' MEETING APPROVES THE FY 2007 RESULTS.

The Shareholders' meeting approved today the the financial statements for the FY ending December 31, 2007. Silvia De' Longhi was appointed member of the Board od Directors. The shareholders also approved the remuneration plan as per art. 114 bis D.Lgs. 58/98 and renewed the authorization to buy back shares of the Company.

- significant growth of net revenues (+ 9.4%), up to € 1,490.9 million (vs. € 1,363 million in 2006), higher than the one obtained in 2006 (it was 8.4%), thanks to a positive trend in both Household and Professional divisions (respectively +5.6% and +11.3% at constant perimeter) and despite the important appreciation of Euro;
- the recovery of operating profitability maintains its path: EBITDA improves by 1.5 percentage points on revenues (10.5%) thus reaching € 156.3 million (+ 27.3%), before non recurring items amounting to € 10.9 million (of which € 9.4 million are related to the fire); after these items, EBITDA amounts to € 145.4 million, growing by 15.8%, and equal to 9.7% of revenues (vs. 9.2% in 2006);
- EBIT is growing by 22.1% and reaches € 103.7 million, i.e. 7% of revenues (vs. 6.2% in 2006);
- financial charges (€ 51.3 million) increase as a result of the rise of market interest rates and of the increase of the net indebtedness, due mainly to extraordinary items;
- net income amounts to € 30.6 million (vs. € 14.9 million in 2006, if excluding the gain from the sale of Elba s.p.a.), i.e. growing by 105%;
- net financial position decrease from € -314.6 million to € -355.9 million, as a consequence of acquisitions of the two distributing companies Topclima and Kenwood Swiss (€ 23.9 million), disbursements related to the fire and not yet reimbursed by



insurance companies (€ 19.4 million), non recurring investments for new production lines in the radiators segment (€ 4.0 million) and the increase in the working capital due to the important growth (€ 21.3 million);

- the Shareholders have approved to distribute a dividend of € 0.06 per share. The share will trade ex-dividend on April 28, 2008. The payment of dividends will be made on Friday May 2, 2008;
- Silvia De' Longhi was appointed member of the Board of Directors of the Company, as proposed by the majority shareholder De' Longhi Soparfi S.a.; Silvia De' Longhi does not satisfy the independence requirements according to the "Codice di Autodisciplina delle società quotate" and to art. 148 co.3 of D.Lgs. 58/98;
- the Shareholders' meeting has approved the remuneration plan as per art. 114 bis of D.Lgs. 58/98, described in the information document prepared according to attachment 3A, scheme 7 of Regolamento Consob n. 11971/99, deposited with Borsa Italiana and available on the Company website www.delonghi.com, under section "investor relations";
- finally, the Shareholders' meeting has renewed the authorization to buy back shares of the Company as per art. 2357 C.c. up to a maximum of 14 (fourteen) million ordinary shares and, in any event, not in excess of 10% (ten percent) of the share capital, including also any shares owned by controlled companies.

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The 2007 results

The Shareholders' meeting has approved the FY 2007 results.

In the past year the Group has maintained the growth trend of revenues and profitability, despite several critical external variables affecting the business: we only mention, first of all, the fire occurred to the Treviso plant on last April, which had not marginal financial impacts, then the appreciation of Euro against all major currencies (+8.4% against US Dollar and +9.4% against Japanese Yen) and finally the significant increase of raw materials' prices.

Within this scenario, the Group has confirmed its plan of investments of industrial nature (new production assets supporting the growth) and of



commercial nature (the acquisition of two distributing companies, in Switzerland and Spain).

Consolidated revenues grew by 9.4% in the twelve months, from € 1,363 million to € 1,490.9 million, and by 6.6% in the fourth quarter (€ 473.3 million vs. € 444.2 million in the same quarter of 2006), at a higher rate than in fourth quarter of 2006 (which was 5.9%).

The growth was satisfactory in all markets, mainly in continental and eastern Europe (+28.2% as a whole).

The increased focus on a high end product mix, in addition to the control over the costs' dynamics, allowed the Group to obtain a general increase of margins: +14.3% in gross profit (or +1.7 percentage points on revenues), +27.3% in Ebitda before non recurring items (or +1.5 percentage points on revenues), +22.1% in Ebit (or + 0.8 percentage points on revenues).

Ebitda - before non recurring items - increases from € 122.7 to € 156.3 million (equal to 10.5% of revenues). The non recurring items, amounting to € 10.9 million (of which € 9.4 million related to the fire) are subtracting 0.7 percentage points of profitability, thus reducing the final Ebitda to € 145.4 million (vs. € 125.6 million in 2006).

Ebit amounts to € 103.7 million (€ 85 million in 2006), i.e. 7% of revenues.

Financial charges, amounting to € 51.3 million (vs. € 48.6 million in 2006), are affected by the one-off fees for the securitisation program's renewal (new expiry is 2012), by the rise in market interest rates and by the increase of the net indebtedness.

Profit before tax amounts to € 52.4 million, which compares with € 61.3 million in 2006; the latter however was benefiting from the € 25 million gain from the sale of Elba s.p.a.. On a comparable base, profit before tax increases by 44.4%.

Net Profit amounts to € 30.6 million, vs. € 39.8 million in 2006.

Both divisions are performing well in terms of revenues and profitability. The *Professional* division is growing by 11.3% at constant perimeter, while the *Household* division is growing by 5.6% at constant perimeter. In terms of margins, Ebitda (as a percentage of revenues) is becoming leveled between the two divisions, with *Household* growing and *Professional* slightly decreasing.

The net financial position amounts to € -355.9 million, from € -314.6 million of 2006 (it was € -419,7 million at September 30, 2007), as a



consequence also of non recurring flows including the disbursements related to the fire not yet reimbursed by insurance companies (€ 19.4 million), investments for new tubular radiators' production lines (€ 4 million), past and future financial commitments for the acquisition of two distributing companies in Switzerland and Spain (€ 23.9 million) and the negative *fair value* of derivatives, hedging US Dollar exposure, which were put in place in advance with the purpose of protecting the industrial plan (€ 7 million).

Looking at working capital, inventories show satisfactory dynamics (the increase is due only to the enlarged consolidation perimeter), while other components of receivable and payables absorb € 17.8 million of cash, as a result of the growth in revenues.

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Events following year end.

No major event has occurred since the closing of the FY 2007 accounts.

Foreseeable business development

The Group is confident to be able to meet the expected growth targets, despite a more difficult external scenario.



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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 December 31, 2007

Consolidated Income Statement

Euro Million	2007	% on revenues	2006	% on revenues
Net revenues	1,490,9	100,0%	1,363,0	100,0%
<i>change 2007/2006</i>	<i>127,9</i>	<i>9,4%</i>		
Materials consumed and other production costs (services and production payroll costs)	(904,5)	(60,7%)	(849,9)	(62,4%)
Gross profit	586,4	39,3%	513,1	37,6%
Cost of services and other expenses	(307,4)	(20,6%)	(286,3)	(21,0%)
Added Value	279,0	18,7%	226,8	16,6%
Payroll (non-industrial)	(108,4)	(7,3%)	(91,6)	(6,7%)
Provisions	(14,3)	(1,0%)	(12,5)	(0,9%)
EBITDA before non recurring items	156,3	10,5%	122,7	9,0%
<i>change 2007/2006</i>	<i>33,5</i>	<i>27,3%</i>		
Other income (expenses)	(10,9)	(0,7%)	2,8	0,2%
EBITDA	145,4	9,7%	125,6	9,2%
Amortization and depreciation	(41,7)	(2,8%)	(40,6)	(3,0%)
EBIT	103,7	7,0%	85,0	6,2%
<i>change 2007/2006</i>	<i>18,7</i>	<i>22,1%</i>		
Financial income /(expenses)	(49,4)	(3,3%)	(47,0)	(3,4%)
Exchange rate gains / (losses)	(0,6)	-	(1,6)	(0,1%)
Charges for the new transaction of receivables sales on a non recourse basis	(1,3)	(0,1%)	-	0,0%
Extraordinary gains/ losses from participations	-	0,0%	25,0	1,8%
Profit before taxes	52,4	3,5%	61,3	4,5%
Taxes	(21,1)	(1,4%)	(20,9)	(1,5%)
Profit (loss) for the period	31,3	2,1%	40,4	3,0%
Profit (loss) pertaining to minority interests	0,7	0,0%	0,7	0,0%
Profit (loss) pertaining to the Group Risultato netto di competenza del Gruppo	30,6	2,1%	39,8	2,9%
Profit (loss) pertaining to the Group before extraordinary charges from participations Risultato netto di competenza del Gruppo ante proventi e oneri da partecipazioni straordinari	30,6		14,9	



Consolidated Balance Sheet

Euro Million	31.12.07	31.12.06	change 31.12.07-31.12.06	change %
Fixed Assets	709,4	718,9	(9,5)	(1,3%)
Inventories	335,2	323,7	11,5	3,5%
Trade receivables	378,0	348,0	30,0	8,6%
Other current assets	63,8	39,4	24,4	61,9%
Trade payables	(333,7)	(327,1)	(6,6)	2,0%
Other current liabilities	(79,9)	(77,1)	(2,9)	3,7%
Net working capital	363,4	307,0	56,4	18,4%
Non current liabilities	(86,2)	(90,7)	4,5	(4,9%)
Total capital employed	986,5	935,2	51,3	5,5%
Net debt	355,9	314,6	41,3	13,1%
Total shareholders' equity	625,2	615,6	9,7	1,6%
Total net debt and shareholders' equity	986,5	935,2	51,3	5,5%

Consolidated Cash Flow Statement

Euro Million	2007	2006
Cash Flow from operations	86,4	49,8
Cash Flow from changes in the working capital	(21,3)	45,5
Cash Flow from current operations and w.c.	65,1	95,3
Cash Flow from investments	(40,6)	(38,0)
Operating Cash Flow	24,4	57,3
Cash Flow from extraordinary investments	(23,9)	34,6
Fire event	(19,4)	-
Cash flow absorbed by changes in net equity	(22,3)	(8,0)
Cash flow from factoring receivables without recourse	-	112,9
Net Cash Flow	(41,3)	196,8
Opening net financial position	(314,6)	(511,4)
Closing net financial position	(355,9)	(314,6)



Revenues by geographical breakdown

Euro Million	2007	2006	Change	Change %
Italy	318,7	329,7	(11,0)	(3,3%)
UK	146,9	155,5	(8,5)	(5,5%)
Rest of Europe	656,6	512,1	144,6	28,2%
USA, Canada and Mexico	119,3	123,2	(3,8)	(3,1%)
Rest of the world	249,3	242,6	6,7	2,8%
Total	1.490,9	1.363,0	127,9	9,4%

Business segments

Household

Euro Million	2007	2006	change 2007-2006	2006 <i>pro-forma</i>	change 2007 – 2006 <i>pro-forma</i>
Net Revenues	1.111,1	1.072,0	39,0	1.052,5	58,6
<i>change %</i>			3,6%		5,6%
EBITDA before not recurring items	114,7	89,4	25,3	86,7	28,0
<i>margin % on revenues</i>	10,3%	8,3%	28,3%	8,2%	

Professional

Euro Million	2007	2006	change 2007-2006	2007 <i>pro-forma</i>	change 2007 <i>pro-</i> <i>forma</i> – 2006
Net Revenues	406,2	317,7	88,4	353,6	35,9
<i>change %</i>			27,8%		11,3%
EBITDA before not recurring items	41,7	33,2	8,5	35,8	2,6
<i>margin % on revenues</i>	10,3%	10,5%		10,1%	