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Consulenza di direzione
in Comunicazione d'Impresa

PRESS RELEASE

DE' LONGHI S.p.A.: the Board of Directors approved the consolidated results for the nine months ended September 30, 2002:

- Net Sales up to € 869.3m (+8.4% vs first nine months of 2001 and +10.0% on a comparable exchange rate basis);
- EBITDA to € 111.1m (+17.0%);
- EBIT to € 59.5m (+36.4%);
- Profit before tax up to € 31.8m (+135.4%).

Further reduction of the net financial position to € 397.6m as of September 30, 2002 from € 542.1m as of September 30, 2001.

The Board of Directors of De' Longhi S.p.A. - leader in the Heating, Air Conditioning and Treatment, Cooking and Food Preparation and Cleaning and Ironing Systems segments – and listed on the Italian Stock Exchange since July 2001– today approved the financial statements for the nine months ended September 30, 2002.

Net sales reached € 869.3m (+8.4% compared to the same period in 2001 and 10.0% on a comparable exchange rate basis); net sales for the third quarter reported an 8.2% increase to € 310.6 million.

With regard to business divisions, it is worth noting the continuous growth trend for the Cooking and Food Preparation segment, which is the largest one in terms of contribution to sales: in the first nine months of 2002 this segment reported a +14.7% growth vs the same period in 2001, driven by both De' Longhi branded products and Kenwood branded products.

On a geographical basis, the significant growth in the most important foreign markets continued.

Italy recorded a remarkable 11.5% growth in the third quarter; this increase does not take into account the launch of *Caldopanny De' Longhi* (electric towel heater) and *Alicia* (electric moka) which started last October.

EBITDA margin increased from 11.8% in the first nine months of 2001 to 12.8% for the nine months ended September, 30 2002 and by 17.0% to € 111.1m in absolute terms.

In the third quarter EBITDA reached € 48.2 million (+15.6% vs Q3 2001) and EBITDA margin was 15.5% up from 14.5% in the same period of 2001.

EBIT margin grew to 6.8% for the nine months ended September, 30 2002 from 5.4% in the same period of 2001 (+36.4% to € 59.m in absolute terms); in the third quarter EBIT was up to € 30.4m, a growth of 30.4% compared to the same period in 2001 (EBIT margin up to 9.8% from 8.1%).



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Profit before taxes reached € 31.8m in the first nine months of 2002, a 135.4% increase compared to the nine months to September 2001 (€ 19.9m in the third quarter, + 109.4% vs the same period in 2001).

“We are pleased with the results achieved ” – the Chairman Giuseppe De’Longhi comments – “and with the improvements recorded in all the divisions in the third quarter”.

“The results of Kenwood, once again fully satisfactory,” – says CEO Stefano Beraldo – “may improve even further. We expect an important contribution to the growth of the Group from the launch of *Alicia* and *Caldopanny De’ Longhi*”.

With regard to the financial performance, net working capital decreased to € 386.8 million (30.6% on sales) as of September 30, 2002 from € 460.8 million as of September 2001 (40.1% on sales). As of September 30, 2002, about € 57m relative to the trade receivables of De’ Longhi Spa and Ariete were disposed of on a “pro-soluto” basis.

Net financial position was € 397.6m compared to € 542.1m for the 9 months ended September 30, 2001 and to € 447.1m at the end of 2001.

De’Longhi is trading at about +40% above the IPO price.

Attached: consolidated Balance Sheets and Profit and Loss Statements.

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De'Longhi S.p.A. consolidated financial statement as at 30/09/2002

Income statement as at 30 September 2002 year-to-date:

	2002	% of sales	2001	% of sales
	(Nine months)		(Nine months)	
	Euro mil.	%	Euro mil.	%
Revenues from sales	858,3	98,7%	790,5	98,5%
Other income	11,0	1,3%	11,8	1,5%
Total revenues	869,3	100,0%	802,2	100,0%
<i>Increase 2002/2001</i>	<i>67,1</i>	<i>8,4%</i>		
Materials	(426,3)	(49,0%)	(397,6)	(49,6%)
Services	(194,2)	(22,3%)	(182,1)	(22,7%)
Sundry operating expenses	(7,8)	(0,9%)	(7,7)	(1,0%)
Value added	240,9	27,7%	214,8	26,8%
Labour costs	(121,2)	(13,9%)	(115,8)	(14,4%)
Provisions and writedowns	(8,7)	(1,0%)	(4,1)	(0,5%)
EBITDA	111,1	12,8%	94,9	11,8%
<i>Increase 2002/2001</i>	<i>16,1</i>	<i>17,0%</i>		
Depreciation and amortization	(51,6)	(5,9%)	(51,3)	(6,4%)
EBIT	59,5	6,8%	43,6	5,4%
<i>Increase 2002/2001</i>	<i>15,9</i>	<i>36,4%</i>		
Net financial expenses	(25,5)	(2,9%)	(31,1)	(3,9%)
Extraordinary income (expenses)	(1,6)	(0,2%)	1,2	0,1%
Earnings before taxes	32,4	3,7%	13,8	1,7%
Minority interests	0,6	0,1%	0,3	0,0%
Net (loss) income for the year	31,8	3,7%	13,5	1,7%
<i>Increase 2002/2001</i>	<i>18,3</i>	<i>135,4%</i>		

Income statement for the III quarter 2002:

	2002	% of sales	2001	% of sales
	III Quarter		III Quarter	
	Euro mil.	%	Euro mil.	%
Revenues from sales	307,7	99,1%	283,4	98,8%
Other income	2,9	0,9%	3,5	1,2%
Total revenues	310,6	100,0%	286,9	100,0%
<i>Increase 2002/2001</i>	<i>23,6</i>	<i>8,2%</i>		
Materials	(156,3)	(50,3%)	(141,9)	(49,4%)
Services	(62,9)	(20,3%)	(63,8)	(22,2%)
Sundry operating expenses	(2,6)	(0,8%)	(2,9)	(1,0%)
Value added	88,7	28,6%	78,4	27,3%
Labour costs	(38,3)	(12,3%)	(36,9)	(12,8%)
Provisions and writedowns	(2,2)	(0,7%)	0,2	0,1%
EBITDA	48,2	15,5%	41,7	14,5%
<i>Increase 2002/2001</i>	<i>6,5</i>	<i>15,6%</i>		
Depreciation and amortization	(17,8)	(5,7%)	(18,4)	(6,4%)
EBIT	30,4	9,8%	23,3	8,1%
<i>Increase 2002/2001</i>	<i>7,1</i>	<i>30,4%</i>		
Net financial expenses	(9,6)	(3,1%)	(12,5)	(4,4%)
Extraordinary income (expenses)	(0,7)	(0,2%)	(1,4)	(0,5%)
Earnings before taxes	20,1	6,5%	9,4	3,3%
Minority interests	0,2	0,1%	0,1	0,0%
Net (loss) income for the year	19,9	6,4%	9,5	3,3%
<i>Increase 2002/2001</i>	<i>10,4</i>	<i>109,4%</i>		

De'Longhi S.p.A. consolidated financial statement as at 30/09/2002

Balance sheet:

	30.09.2002	30.06.2002	31.12.2001	30.09.2001	Change 30.09.2002 30.09.2001
	Euro mil.	Euro mil.	Euro mil.	Euro mil.	Euro mil.
Trade receivables	363,2	375,8	412,5	415,6	(52,4)
Net inventory	292,7	293,1	234,8	294,6	(1,9)
Trade payables	(278,7)	(308,0)	(249,7)	(239,7)	(39,0)
Other current assets (liabilities)	9,6	0	(9,1)	(9,7)	19,3
Net working capital	386,8	360,9	388,5	460,8	(74,0)
Non current assets:					
Intangible assets	416,1	423,3	435,2	442,9	(26,7)
Tangible assets	188,3	187,1	193,7	190,0	(1,7)
Financial assets	9,9	9,4	9,6	6,7	3,2
Total funds and long-term liabilities	(54,0)	(52,5)	(54,8)	(45,5)	(8,5)
Total capital employed	947,1	928,2	972,2	1.054,8	(107,7)
Minority interests	(0,7)	(0,5)	(0,3)	(0,7)	0,0
Net equity	(548,8)	(528,9)	(524,8)	(511,9)	(36,9)
Total non-financial sources	(549,5)	(529,4)	(525,1)	(512,6)	(36,8)
Net financial position	(397,6)	(398,9)	(447,1)	(542,1)	144,5