



PRESS RELEASE

Treviso, June 5, 2007

DE'LONGHI S.p.A.: the Board of Directors approves the Group reorganization, which will result in the better identification of the two distinct business areas, Household and Professional, within the current consolidation perimeter and under the direct control of De' Longhi S.p.a.

- the Board of Directors approved today the proposed transfer of the Household business directly run by De' Longhi S.p.a. to a wholly owned company and the proposed transfer of the 100% participation in Climaveneta S.p.a. to another wholly owned Group company;
- the completion of the two transfers has the goal to reorganize the Group, so as to identify two distinct business areas, Household and Professional;
- such reorganization will allow for a better focus on respective core businesses and a more efficient decision-making process, as it will be closer to the market;
- both transactions will not modify the consolidation perimeter and will not affect consolidated Net Equity, Net Financial Position and Ebitda margin;
- according to Consob regulations, both transactions are to be treated as significant transactions ("operazioni significative") between affiliated parties ("parti correlate") and therefore are subject to the requirement to make available to the public an information memorandum within 15 days from the completion of the transactions, which is forecasted by the 1st July 2007;

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The Board of Directors of De' Longhi s.p.a. approved today the proposed transfer of the Household business to a Group wholly owned company, which will be named De' Longhi Appliances, and the proposed transfer of Climaveneta S.p.a. to another wholly owned Group company, De' Longhi Professional. The Board also examined the preliminary conclusions of the two independent experts in charge of the evaluation of the assets and liabilities to be transferred and, on this ground, has given mandate to the Chairman of the Board and to the C.E.O., individually, to carry on the said transfers with effective date July 1st 2007.

The completion of the two transfers has the goal to reorganize the Group so as to better identify the two distinct business areas, Household and Professional, being controlled by two companies, De' Longhi Household and De' Longhi Professional, wholly owned by the Group holding company, De' Longhi S.p.a., which will retain the management of the centralized activities, with an optimized use of current resources and with no cost increases.

The reasons behind this reorganization are mainly (i) the achievement of a major focus, within the two areas, onto the core R&D, production and distribution activities, leading to gain better market positioning and competitiveness and to generate greater value; (ii) the more punctual identification of the economic and financial performances of the two historical business segments, Household and Professional, so as to be better recognized by the market, (iii) the possibility to maintain an efficient governance and to optimize common resources management, through the centralization of some activities onto the holding level.

De' Longhi S.p.a., as the Group holding company, will retain the activities of strategic planning, control, coordination and management of centralized activities.

All mentioned transactions will generate neither gains nor losses at a consolidated level, (as they will be executed at book values), will be neutral on a tax perspective and will not affect consolidated Net Equity, Net Financial Position and Ebitda margin.

Furthermore, the above-mentioned transactions are to be treated as significant transactions ("operazioni significative", as defined by the Comunicazione Consob n. DIS/98081334 dated Oct. 19, 1998) between



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affiliated parties ("parti correlate") and, according to articles 71 and 71-bis of the "Regolamento Emittenti Consob", are subject to the requirement to make available to the public an information memorandum within 15 days from the completion of the transactions, which is forecasted by the 1st July 2007. Said document will include all relevant economic and financial figures, which are not fully available as at today, having the independent experts not yet completed the evaluation procedure.

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<< Our two main business areas - Fabio de' Longhi, the Group C.E.O. affirms - have developed the potential to generate value as autonomous entities. Each business has the dimension, the market positioning and the attitude to grow even more independently. Thanks to a separate management, the specific business areas will benefit from a more dedicated strategic focus and a stronger recognition by the markets and, in addition, will count on the necessary financial flexibility and the parent company's corporate support >>.

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