



PRESS RELEASE

Treviso, June 14th, 2006

DE'LONGHI SpA: The De' Longhi Group sells Elba Spa, a company active in the production and commercialisation of cooking appliances including free standing cookers, built-in ovens and built-in table-top ovens.

The sale of 100% of Elba SpA, held by De' Longhi Finance (99.9997%) and Giuseppe De' Longhi (0.0003%) to Fisher & Paykel Appliances Holdings Italy Srl, a company held by Fisher & Paykel Appliances Holdings Limited, a New Zealand group active in the field of white goods and listed on the Australian and New Zealand stock exchanges, closed today.

- The disposal price (*Equity Value*) totalled €72.1 million (mn), net of Elba S.p.A.'s financial debt at May 31st, 2006 of €6.1 million
- In 2005 Elba Spa reported the following results (€/mn):
Revenues: 83.9
EBITDA: 9.5
EBIT: 5.8
Net profit: 5.1
- The De' Longhi Group will realize a net capital gain of €28 mn from the sale of Elba Spa, as well as a reduction in net financial debt of approximately €76 mn

Today the sale of Elba Spa, a company held by De' Longhi Finance (99.9997%) and Giuseppe De' Longhi (0.0003%) to Fisher & Paykel Appliances Holding Srl, company wholly held by Fisher & Paykel Appliances Holdings Limited, a group from New Zealand active in white goods, was finalised.

Elba Spa, with its registered office in Borso del Grappa (Treviso), produces free standing cookers, built-in ovens and built-in table-top ovens that it distributes in 54 countries, including the UK where it has a significant presence.



The Equity Value of the transaction is € 72.1 mn, net of Elba S.p.A.'s financial debt at May 31st, 2006 of €6.1 million.

For the year ending on December 31st, 2005 Elba Spa reported revenues of €83.9 mn, EBITDA of €9.5 mn, EBIT of €5.8 mn and a net profit of €5.1 mn.

Based on the sales contract, the De' Longhi Group will continue to distribute De' Longhi and Elba brand cooking appliances in New Zealand, Australia and Italy (Elba S.p.A.'s 2005 sales in these markets totalled circa €38 mn); the De' Longhi Group will also maintain a continuous strategic relationship with Elba Spa.

In light of the sale, as from June 1st 2006 Elba Spa will no longer be included in financial statements as part the De' Longhi Group's scope of consolidation.

The transaction will result in a net capital gain of approximately €28 mn for the De' Longhi Group on a consolidated level, as well as a reduction in net financial debt of about €76 mn.

Fabio De' Longhi, CEO of the De' Longhi Group, commented on the operation: "Elba represented an unique success story for the Group, insofar as it was the only business active in the white good sector. The fact that we will continue with distribution in New Zealand, Australia and Italy will allow us to maintain significant commercial synergies with other Group businesses". "The gains from the Elba sale will be used to fuel organic growth as well as strategic acquisitions in the categories of small appliances and professional businesses" – Fabio De' Longhi concluded.

The Advisors for the deal were Cross Border Srl, member of Global M&A, and the Abbatescianni Law and Tax Advisory Firm and Biscozzi Nobili Tax Advisory Firm.

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