



PRESS RELEASE

Treviso, 27th April 2006

**DE'LONGHI SpA: 2005 financial statements approved by the Shareholder's Meeting.**

**The first call of Shareholders' Meeting of De' Longhi has today approved the financial statements as of 31st December 2005.**

- Net sales totalled € 1,257.7 mn, slightly decreasing compared to the FY 2004 (-2%), after a significant sales growth in the second half of the year compared to the same period of 2004.
- EBITDA for the FY 2005 was € 105.0 mn (€ 114.4 mn in 2004) and EBIT € 67.5 mn (€ 77.5 mn in 2004). Excluding non recurring expenses in 2005, the year closed with an EBITDA of € 117.4 mn (€ 136.7 mn in 2004). EBITDA in the second half of 2005 improved significantly both compared to first half of 2005 (€ 32.6 mn) and second half of 2004 (€ 50.6 mn).
- Consolidated net income amounted to € 24.8 mn compared to € 35.3 mn in 2004.
- Net financial debt of € 511.4 mn vs. € 458.0 mn at the end of 2004 reflects new investments in Russia and Italy and the completion of investments in China, as well as an increase in working capital following the growth in air conditioning unit inventories and increased trade receivables related to sales in 4Q05.
- Distribution of a dividend of € 0.02 per share which implies a pay-out ratio of 12.0%. The share will trade ex dividend on 8th May 2006 and will be payable starting from 11th May 2006.

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The First Call of Shareholders' Meeting of De 'Longhi has today approved the Financial Statements for the FY 2005.



2005 was characterised by a contrasting performance: the first half was penalised by a weak season for portable and fixed air conditioning units with a subsequent substantial drop in revenues and profitability followed by a recovery in revenues, EBITDA and EBIT in the second half.

In light of these dynamics, FY 2005 closed with consolidated revenues of € 1,257.7 mn, down by 2.0% vs. 2004.

The recovery in sales during the last quarter of the year (+11.0%) accompanied by improved profitability made it possible to close FY 2005 with EBITDA of € 105.0 mn (€ 114.4 mn in 2004) and EBIT of € 67.5 mn vs. € 77.5 mn in 2004.

Net income for the FY 2005 was € 24.8 mn vs. € 35.3 mn in 2004.

The investments in China, Italy and Russia, as well as the growth in working capital, primarily due to a growth in air conditioning unit inventories and increased trade receivables related to increased revenues in 4Q05, resulted in net financial debt of € 511.4 mn compared to € 458.0 mn at the end of 2004.

The distribution of a dividend of € 0.02 per share has been approved by the Shareholders' Meeting; this dividend implies a pay-out ratio of 12.0%.

The share will trade ex dividend as of 8th May 2006, whereas the dividend will be paid on 11th May 2006.

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Today the Shareholders' Meeting has renewed the authorisation to the Board of Directors for the purchase and disposal of own shares in accordance with article 2357 of Codice Civile up to 28<sup>th</sup> October 2007. This authorisation concerns a maximum of fourteen million of shares.

The Shareholders' Meeting has integrated the Board of Directors following resignations, by appointing as Board members Dario Melò and Silvio Sartori, who were already co-opted by the Board of Directors in the course of 2005.

The Shareholders' Meeting has also integrated the Board of Statutory Auditors following the resignation of the Substitute Auditor Alberto Lanfranchi by appointing Enrico Pian in his place.

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