



PRESS RELEASE

DE' LONGHI S.p.A.: The Board of Directors has approved the half year results as of 30th June 2004:

- Consolidated net sales were € 614.2 million (+7.6% compared to 30th June 2003, +8.7% at constant exchange rates)
- EBITDA was € 64.4 million (+3.0%)
- EBIT was € 31.5 million (+8.7%)
- Profit before tax was € 13.2 million (+65.5%)

Positive sales trend in main European markets for the De' Longhi Group; sales growth in the air conditioning and treatment, cooking and food preparation and heating segments.

The Board of Directors of De' Longhi S.p.A. has today approved the half year results as of 30th June 2004.

The first half results can be considered satisfactory and show a growth in absolute value of the main items of the Profit & Loss Account.

Consolidated net sales were € 614.2 million, an increase of 7.6% compared to 30th June 2003 (+ 8.7% at constant exchange rates); growth in the second quarter was also positive, with sales up by 7.4% compared to the same period of 2003.

Gross margin increased from € 302.6 million in the first half of 2003 to € 325.8 million as of 30th June 2004, EBITDA grew from € 62.6 million to € 64.4 million and EBIT reached € 31.5 million from € 28.9 million in the first half of 2003.

Profit before tax strongly increased (€13.2 million compared to € 8.0 million), also by virtue of lower negative extraordinary items compared to the first half of last year.

In terms of business segments, main contribution to growth came from fixed and portable air conditioning, water filled-radiators, cookers and hobs, coffee makers and stand mixers.

As far as geographical markets are concerned, Rest of Europe showed the highest growth rate (+21.4% in the half), thanks to the strong revenue increase in Germany, France and Greece; the sales increase in the UK (+12.8% in the second quarter and +7.2% in the first half) is also worth noting.

"The first half results are reassuring " – said the CEO Stefano Beraldo – "since they show a good sales trend for the cooking and food preparation and the heating segments, as well as a



strong growth for the air conditioning and treatment segment, even if the season of the portable air conditioning was partially penalised by the weather conditions.”

“We are very satisfied with the trading performance of our Group. The quality of the new models of automatic coffee makers attracted wide interest from the consumers; we also reached an agreement with Nespresso for the distribution of espresso coffee makers in Italy, Spain and Austria. Finally the setting up of commercial subsidiaries in Spain and Australia is delivering the results we were expecting” – concluded the Chairman Giuseppe De'Longhi.

Attached: Reclassified Consolidated Balance Sheets and Profit and Loss Statements.

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Treviso, 10th September 2004

De'Longhi S.p.A. consolidated financial statement as at June, 30th 2004

Income statement as at June, 30th 2004 year-to-date:

	2004	% of sales	2003	% of sales
	Half year		Half year	
	Euro mil.	%	Euro mil.	%
Net revenues	614,2	100,0%	570,7	100,0%
<i>Change HY 2004 - HY 2003</i>	43,5	7,6%		
Cost of materials	(288,4)	(47,0%)	(268,1)	(47,0%)
Gross margin	325,8	53,0%	302,6	53,0%
Services and other operating expenses	(165,6)	(27,0%)	(149,7)	(26,2%)
Value added	160,2	26,1%	152,9	26,8%
Labour costs	(85,9)	(14,0%)	(85,4)	(15,0%)
Provisions	(9,9)	(1,6%)	(4,9)	(0,9%)
EBITDA	64,4	10,5%	62,6	11,0%
<i>Change HY 2004 - HY 2003</i>	1,9	3,0%		
Depreciation and amortisation	(33,0)	(5,4%)	(33,6)	(5,9%)
EBIT	31,5	5,1%	28,9	5,1%
<i>Change HY 2004 - HY 2003</i>	2,5	8,7%		
Net financial expenses	(17,2)	(2,8%)	(12,7)	(2,2%)
Extraordinary income (expenses)	(0,7)	(0,1%)	(7,9)	(1,4%)
Earnings before taxes and minorities	13,6	2,2%	8,4	1,5%
Minorities	(0,4)	(0,1%)	(0,4)	(0,1%)
Earnings before taxes	13,2	2,2%	8,0	1,4%

Balance sheet as at June, 30th 2004:

	30.06.2004	31.12.2003	30.06.2003
	Euro mil.	Euro mil.	Euro mil.
Trade receivables	285,1	298,3	305,2
Net inventory	357,5	260,4	312,5
Trade payables	(338,2)	(308,6)	(313,2)
Other current assets (liabilities)	14,0	(0,9)	(1,0)
Net working capital	318,5	249,2	303,6
Fixed assets:			
Intangible assets	418,1	430,3	435,5
Tangible assets	227,5	215,3	217,2
Financial assets	8,0	8,1	8,3
Non current liabilities	(97,2)	(93,7)	(107,9)
Total capital employed	874,9	809,3	856,7
Net equity	(569,4)	(562,1)	(550,8)
Net financial position	(305,5)	(247,2)	(305,9)