Treviso, May 12, 2016

PRESS RELEASE

De'Longhi S.p.A.:

The Board of Directors of the De'Longhi Group today approved the consolidated results for the first quarter of 2016. Revenues amounted to €360.3 million (-2.2% and -0.6% at constant exchange rates) and Ebitda grew by 8.9% reaching € 51.5 million. Net profit was € 24.8 million (increasing by 42.8%). Positive net financial position at € 190.4 million, positive bank position at € 230.6 million.

Summary

- Net revenues contracted slightly to €360.3 million (-2.2%), while being nearly stable at constant FX rates (-0.6%);
- Net industrial margin grew to € 184.3 million (+5.2%);
- Ebitda improvement from 12.8% to 14.3% of sales, at € 51.5 million;
- Growth in both Ebit and Net Profit, respectively at € 39.4 and € 24.8 million;
- Positive Net Financial Position amounting to € 190.4 million.

Preliminary remarks

The following information, similarly to what published in the interim consolidated report as of March 31, 2016, is published on a voluntary basis, as the mandatory requirement under article 154-ter of Consolidated Finance Law ("TUF") is no longer in force, in order to provide continuity with past disclosure since the regulatory environment has very recently changed and is potentially not definitive. This decision is not meant to be binding for the future and will be appropriately reassessed also in light of regulatory evolutions.

Group Results

The Board of Directors approved today the consolidated results of the De'Longhi Group for the first quarter of 2016.

The performance of the first quarter confirmed both the signals of caution on the top-line and those of confidence on margins which management shared with the financial market during the full year 2015 results conference call, and included in the official guidance for 2016.

Revenues

The endogenous difficulties of certain important markets (Russia, UK and the Middle-East area), together with non-recurring circumstances which made the yearly comparison with Q1 2015 particularly challenging, have affected the Group's revenues, already limited by an adverse foreign exchange impact worth € 6.1 million.

Net revenues amounted to € 360.3 million, a contraction of 2.2% as compared with 2015 (only -0.6% at constant exchange rates). As said, certain extraordinary circumstances have negatively influenced the Group's revenues: lower sales of portable air conditioners in Brazil, a new commercial organization in Turkey (transition from a local subsidiary to distributor) and the launch of *Nespresso Lattissima Touch* in the first quarter of 2015.
Organic growth, net of such events and of the impact of foreign exchange, was approximately +3%.

The quarterly results provided additional evidence of the strength of the espresso coffee machines (in particular the full-automatic, the manual models and the Dolce Gusto line) and of the positive contribution of the Braun brand to the hand blender and ironing segments. Portable heating, as well, sustained by a favorable climate and low stock levels at resellers, grew in the double-digits.
On the contrary, the main kitchen categories – mainly Kenwood kitchen machines – showed decline on the back of more aggressive competition in a context of weaker demand in this category's most important markets (Russia and the MEIA area, for example).

As regards the different regional markets, Europe and MEIA (*Middle East-India-Africa*) recorded a negative trend, mostly linked to the performance of UK (where we observed a trend of de-stocking by a few important clients), Switzerland, Russia, and the United Arab Emirates (in the last 2 markets, consumption levels were slowed down by the current unfavorable geopolitical environment), while several other markets in these regions (including Italy) showed encouraging signs of growth. The contribution of the APA (*Asia-Pacific-Americas*) area was positive, growing at about 8% when excluding Brazil.

Operating margins

Operating margins showed significant growth over the quarter, owing to the results of our price increase strategy, deployed, when necessary, also at the expense of lower sales volumes, and to product cost efficiency due to lower cost of raw materials, transportation as well as other costs.

Net industrial margin went from € 175.2 million (47.5% of revenues) to € 184.3 million (51.1% of revenues).

Ebitda improved from € 47.3 to € 51.5 million (from 12.8% to 14.3% of revenues, highest Q1 margin on record for the last 5 years).
At constant exchange rates and net of hedging, Ebitda amounted

to € 52.4 million, with an impact of FX and hedging worth € -0.9 million (when comparing with reported 2015 figures, whereas if comparing with 2015 like-for-like net of hedging – equal to € 42.2 million - the negative impact would increase to € -6 million).

Ebit was € 39.4 million (10.9% of revenues), up from € 35.1 million (9.5% of revenues).

	First quarter 2016		First quarter 2015	
	M €	***% of revenues***	**M €**	***% of revenues***
Net industrial margin	**184.3**	***51.1 %***	**175.2**	***47.5 %***
EBITDA	**51.5**	***14.3 %***	**47.3**	***12.8 %***
EBIT	**39.4**	***10.9 %***	**35.1**	***9.5 %***

Financial charges

Net financial charges were significantly down from € 10.9 million to € 6.6 million, due to lower bank and foreign exchange charges.

Net profit

Net profit pertaining to the Group amounted to € 24.8 million, improving from € 17.4 million.

Net financial position

Net financial position is positive for € 190.4 million, including a positive "bank" position worth € 230.6 million and other non-banking items for negative € 40.2 million.

As compared with the same period of 2015, the bank position improved by € 87.4 million, while non-banking items (including the fair-value of derivatives and the Braun earn-out) decreased by € 47.1 million, essentially due to fair value of derivative instruments.

The improvement in the Group's bank position was due primarily to operating cash flow – which also benefited from efficiencies in working capital management – as well as a greater use of the securitization program, in place since 2002.
It is also worth noting that, while the use of the securitization program has increased, its costs were stable, resulting in a lower average cost for the program.

Net working capital

Net working capital, as a percentage of 12-month rolling revenues, improved from 15.6% to 13.1%, representing the best Q1 result in the last 5 years (from 20.1% to 19% when excluding the securitization program).

Events occurred after the end of the quarter

The shareholder meeting held on April 14, 2016 which approved the Group's consolidated results for full year 2015 has approved the following resolutions: (i) the renewal of the authorization to purchase and to dispose of the company's own shares up to 14.5

million of ordinary shares (and in any case not more than one fifth of the share capital), and (ii) the adoption of a stock option plan reserved to the Chief Executive Officer and some of the managers and key resources of the Group. For more information please refer to the press release issued on the same day and available through the Group’s website (http://www.delonghigroup.com/en/investor-relations/investors/press-release).

Foreseeable business development

The Group’s performance over the first quarter of the year has confirmed the possible trends highlighted by the company’s management with the disclosure of the full year guidance, specifically revenue organic growth at mid-to-low single digit and Ebitda growth in absolute value.

Declaration of the manager responsible for the company's accounts

The manager responsible for the preparation of the company's accounts, Stefano Biella, hereby declares, as per article 154 bis, paragraph 2, of the "Testo Unico della Finanza", that all information related to the company's accounts contained in this press release are fairly representing the accounts and the books of the company.

The Company highlights that the first quarter report, in compliance with art. 154-ter, comma 5 of T.U.F., is unaudited.

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A N N E X E S

Consolidated results of De' Longhi SpA

as of March 31, 2016

1. Consolidated income statement

€ million	Q1 2016	% of revenues	Q1 2015	% of revenues
Net revenues	**360.3**	**100.0%**	**368.4**	**100.0%**
Change 2016/2015	*(8.1)*	*(2.2%)*		
Materials consumed and other production costs (services and production payroll costs)	(176.0)	(48.9%)	(193.2)	(52.5%)
Net Industrial margin	**184.3**	**51.1%**	**175.2**	**47.5%**
Cost for services and other operating costs	(90.7)	(25.2%)	(87.9)	(23.9%)
Labour cost (non industrial)	(42.0)	(11.7%)	(40.0)	(10.8%)
EBITDA	**51.5**	**14.3%**	**47.3**	**12.8%**
Change 2016/2015	*4.2*	*8.9%*		
Amortization	(12.1)	(3.4%)	(12.2)	(3.3%)
EBIT	**39.4**	**10.9%**	**35.1**	**9.5%**
Change 2016/2015	*4.3*	*12.4%*		
Net financial charges	(6.6)	(1.8%)	(10.9)	(3.0%)
Profit before taxes	**32.9**	**9.1%**	**24.2**	**6.6%**
Taxes	(7.9)	(2.2%)	(6.9)	(1.9%)
Profit / (Loss) of the period	**25.0**	**6.9%**	**17.2**	**4.7%**
Profit (loss) pertaining to minority interests	0.1	0.0%	(0.1)	(0.0%)
Profit (loss) pertaining to the Group	**24.8**	**6.9%**	**17.4**	**4.7%**

2. Revenues breakdown by geography

€ million	Q1 2016	%	Q1 2015	%	Change	Change %
North East Europe	83.0	23.1%	88.5	24.0%	(5.5)	(6.2%)
South West Europe	157.5	43.7%	159.8	43.4%	(2.3)	(1.5%)
EUROPE	**240.5**	**66.8%**	**248.4**	**67.4%**	**(7.8)**	**(3.2%)**
MEIA (Middle East/India/Africa)	**32.1**	**8.9%**	**34.7**	**9.4%**	**(2.6)**	**(7.4%)**
APA (Asia/Pacific/Americas)	**87.6**	**24.3%**	**85.4**	**23.2%**	**2.3**	**2.7%**
Total revenues	**360.3**	**100.0%**	**368.4**	**100.0%**	**(8.1)**	**(2.2%)**

3. **Consolidated balance sheet**

€ million	**31.03.2016**	**31.03.2015**	**31.12.2015**	**Change 31.03.16 – 31.03.15**	**Change 31.03.16 – 31.12.15**
- Intangible assets	321.8	324.9	322.5	(3.1)	(0.7)
- Tangible assets	194.3	201.0	199.1	(6.7)	(4.8)
- Financial assets	8.1	9.3	8.4	(1.2)	(0.3)
- Deferred tax assets	41.1	43.9	39.8	(2.8)	1.4
Fixed assets	**565.3**	**579.1**	**569.7**	**(13.7)**	**(4.4)**
- Inventories	374.8	378.2	323.4	(3.4)	51.4
- Trade receivables	211.5	272.0	372.1	(60.5)	(160.6)
- Trade payables	(297.6)	(328.4)	(383.3)	30.8	85.8
- Other net current assets / (liabilities)	(42.4)	(48.3)	(61.7)	5.9	19.3
Net working capital	**246.4**	**273.6**	**250.4**	**(27.2)**	**(4.0)**
Non-current liabilities	**(100.5)**	**(112.6)**	**(103.2)**	**12.1**	**2.6**
Net invested capital	**711.2**	**740.0**	**717.0**	**(28.8)**	**(5.8)**
Net debt / (net cash)	**(190.4)**	**(150.1)**	**(188.9)**	**(40.3)**	**(1.6)**
Total shareholders' equity	**901.6**	**890.1**	**905.9**	**11.5**	**(4.3)**
Total net financial position and shareholders' equity	**711.2**	**740.0**	**717.0**	**(28.8)**	**(5.8)**

4. **Detailed net financial position**

€ million	31.03.2016	31.03.2015	31.12.2015	Change 31.03.16 – 31.03.15	Change 31.03.16 – 31.12.15
Cash and cash equivalents	355.7	260.4	357.9	95.4	(2.2)
Other financial receivables	4.7	51.7	15.9	(47.0)	(11.2)
Current financial debt	(57.8)	(56.0)	(71.5)	(1.8)	13.7
Net current financial assets	**302.7**	**256.1**	**302.3**	**46.6**	**0.4**
Non-current financial debt	**(112.3)**	**(106.0)**	**(113.5)**	**(6.3)**	**1.2**
Total net financial position	**190.4**	**150.1**	**188.9**	**40.3**	**1.6**
of which:					
- positions with banks and other financial payables	*230.6*	*143.2*	*210.1*	*87.4*	*20.5*
- financial assets/(liabilities) other than bank debt (residual payable to P&G related to the Braun acquisition, fair value of derivatives and options, financial payable connected to the pension fund transaction)	*(40.2)*	*6.9*	*(21.2)*	*(47.1)*	*(19.0)*

5. Consolidated cash flow statement

€ million	31.03.2016 (3 months)	31.03.2015 (3 months)	31.12.2015 (12 months)
Cash flow from operations	44.6	35.3	243.3
Cash flow from changes in working capital	(8.1)	(21.8)	(51.5)
Cash flow from investments	(10.0)	(12.4)	(53.3)
Operating cash flow	**26.6**	**1.1**	**138.6**
Dividends	-	-	(61.3)
Change in Fair value and Cash flow hedge reserves	(16.0)	26.0	(7.7)
Cash flow from other changes in the the net equity	(9.1)	34.1	30.3
Cash flow from changes in the net equity	**(25.0)**	**60.0**	**(38.7)**
Net cash flow	**1.6**	**61.1**	**99.9**
Opening net financial position	188.9	89.0	89.0
Closing net financial position	**190.4**	**150.1**	**188.9**