

PRESS RELEASE

De'Longhi S.p.A.: Preliminary 2016 revenues

The De'Longhi Group closed 2016 with revenues equal to approximately € 1,845 million¹, a slight decrease against 2015 (-2.5%) and essentially flat at constant exchange rates (-0.2%). Revenues were up in the fourth quarter, +1.4% at approximately € 686 million (+3.0% at constant exchange rates).

CEO Fabio de' Longhi stated: *"We are particularly pleased with revenue growth in the fourth quarter, a positive trend reversal which makes us confident to be able to reach the Ebitda growth foreseen in our 2016 guidance"*.

Moreover, the Group's management confirms, for 2017, the expectations of organic revenue growth in the mid-single-digit range.

¹ Including NPE for approximately € 8.5 million (see "Additional Information" on page 3)

2016 revenues by geography

2016 revenues show, in the fourth quarter, an overall improvement in trend, with positive growth rates, at constant exchange rates, in every region except MEIA.

Preliminary revenues - million Euro	FY 2016	% chg.	% chg. at constant FX	Q4- 2016	var. %	% chg. at constant FX
North East Europe	458.4	-4.4%	0.3%	183.5	-5.0%	0.1%
South West Europe	805.1	0.3%	0.6%	302.6	2.6%	2.8%
EUROPE	1,263.5	-1.5%	0.5%	486.1	-0.4%	1.8%
MEIA (MiddleEast/India/Africa)	140.8	-21.8%	-20.4%	47.6	-12.4%	-12.4%
APA (Asia/Pacific/Americas)	440.4	2.7%	6.2%	151.9	13.5%	14.1%
TOTAL REVENUES	1,844.7	-2.5%	-0.2%	685.6	1.4%	3.0%

The **APA (Asia/Pacific/Americas)** area records the highest growth rates (2016 revenues +2.7%, +6.2% at constant exchange rates), on the back of sales in the USA (supported by the good results of the Braun brand, recently reintroduced in that market), in Japan, in Greater China and in South Korea. Said markets more than compensated the revenue decline in Brazil.

Revenues in **South-West Europe** were substantially flat against 2015 (+0.3% in 2016, +0.6% at constant exchange rates), with sales growth in Germany, the Iberian Peninsula, Austria and Italy (the latter due to the consolidation of NPE) and a decline in Turkey, Switzerland and France.

North-East Europe (-4.4% in 2016, +0.3% at constant exchange rates) was negatively affected by the drop in volumes in two important markets, such as Russia and the UK, as well as the strong depreciation of the British Pound, while the main markets in Eastern Europe were up in the double digits.

Lastly, the **MEIA (Middle East/India/Africa)** area shows a decline of -21.8% in the year (-20.4% at constant exchange rates), limited to -12.4% in the fourth quarter. The lower revenues were concentrated in Saudi Arabia, United Arab Emirates and Egypt.

2016 revenues by product line²

Revenues by product line underline the good trend of **coffee makers**, up in the mid-single digits. Within this segment, the fully automatic and manual models stand out, reaching growth rates close to the 2 digits. Single-serve coffee makers were down in 2016, as they compare with an unfavorable 2015 (which benefited from the Lattissima Touch product launch) and because of the overall weakness experienced by this specific market segment.

Revenues of products for **cooking and food preparation** continue to be negatively affected by the trend in certain important markets and declined in 2016. Within this category, Braun products continue to grow, hand blenders in particular.

Finally, **ironing** products show a slight decline, mostly linked to the phase of transition from the

² Based on management accounts

De'Longhi to the Braun brand in nearly all markets, notwithstanding the growth shown by the more profitable "ironing systems".

Additional information

Please note that revenues include the consolidation of NPE (New Procond Elettronica) following the company lease contract signed on September 22, 2016 with Procond Elettronica Srl (please see the press release dating 23/9/2016). Excluding such contribution, "like-for-like" revenues at constant exchange rates show a decline of -0.7% in 2016 and a growth of +1.9% in the fourth quarter.

Regulatory statements

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.

Contacts

analysts, investors and
press

Investor Relations:
Fabrizio Micheli, T: +39 0422 4131
Fabio Ruffini, T: +39 0422 4131
e-mail: investor.relations@delonghigroup.com

on the web

<http://www.delonghigroup.com/en/investor-relations>