DēLonghi Group

Treviso, April 14th 2015

PRESS RELEASE

De'Longhi SpA:

The Shareholders' general meeting, held today, (i) approved the consolidated 2014 results; (ii) approved a dividend of € 0.41 per share; (iii) renewed the authorization to purchase and dispose of the Company's shares; (iv) gave a positive opinion on the Remuneration Policy for the year 2015.

Summary

the 12 months
January 1st – December 31st 2014

- over the 12 months, revenues increased by 6.8% to € 1,726.7 million (+9.7% at constant exchange rates);
- net industrial margin stood at € 815.7 million, up by +3.5%;
- Ebitda before non-recurring items at € 260.1 million (15.1% margin on revenues), a 7.7% increase;
- Ebit reached € 212.7 million (12.3% margin on revenues), up by +9.5%;
- Net income pertaining to the Group was € 126.5 million (up from € 116.9 million), up by 8.2%;
- the net financial position is positive by € 89.0 million, a € 98.0 million improvement from December 31st 2013

The 2014 results: the Group

During the 2014 fiscal year the Group went ahead with its growth and investment policies, which represent the pillar to the results achieved in terms of margins and cash generation.
The 2014 fiscal year was particularly important for the Group also because the integration of the Braun Household brand was successfully completed; the Braun brand achieved significant commercial success, supported by the progressive renewal of its products' portfolio, whose benefits have still to be fully reaped.

With regards to the markets, global demand in 2014 had an uneven behavior; West Europe, USA, Middle-East, Africa, Asia and Latin America were growing, while Oceania and East Europe had a negative performance, with the latter negatively affected by the geo-political uncertainties and by the related foreign exchange impacts.
In fact, Russian Ruble and Ukraine's Hrivnia were responsible for the bulk of the negative impact both on Group's revenues and margins.

More in general, the Group closed FY 2014 with a confirmation of the robustness of its industrial and commercial strategies, moving towards new expansion and strengthening targets.

the 12 months - revenues

FY 2014 **revenues** reached € 1,726.7 million, up by 6.8% (+9.7% at constant exchange rates).

By geography, **Europe** grew **+8.5%**, thanks to a particularly strong contribution of **North-East Europe (+16.9%)**, driven by UK, Russia (up double digit despite a material Ruble devaluation) as well as by other Eastern European countries.
Positive contribution also from **South-West Europe area (+3.8%)**, thanks to higher sales in France, Iberia, Switzerland, Turkey and, although to a lower extent, Italy and Germany.
The **MEIA** area (Middle East, India, Africa) was up **+9.0%**, thanks to a particularly strong performance of Saudi Arabia.
Revenues of the **APA** area (Asia, Pacific, Americas) increased slightly **(+0.7%)** following a muted performance of the main reference markets: higher revenues in China, South Korea, USA and Mexico were balanced by lower sales in Australia, New Zealand and Canada.

Looking at revenues by product family, the Group recorded a strong growth of **cooking and food preparation appliances**, driven by Kenwood-branded kitchen machines, by fryers (thanks to the successful launch of the new De'Longhi-branded *Multifry*) as well as by blenders, toasters and kettles.

Also **coffee makers** revenues increased significantly, led by internally manufactured appliances, such as fully-automatic coffee makers, traditional espresso machines and by Nespresso "*Lattissima*" and DolceGusto "*Jovia*" capsule machines.

Ironing recorded a positive performance, up double digit particularly thanks to the contribution of Braun-branded products.

Finally, the **comfort** segment recorded a muted performance, with mobile air conditioning growing slightly, partially offsetting a small decrease of the portable heating segment.

Net industrial margin

Thanks to an improved mix and higher volumes, the **net industrial margin** increased from € 788.2 million in 2013 to € 815.7 million in 2014, despite a negative FX impact worth €-45.5 million.

Ebitda

Ebitda before non-recurring items increased by 7.7% to € 260.1 million (15.1% of revenues) up from € 241.6 million (14.9% of revenues).
At constant exchange rates and excluding hedging, EBITDA before non-recurring items would have been equal to € 288.1 million (16.3% margin). The negative FX and hedging impact was negative

by € -35.7 million in 2014.

The non-recurring items were negative by € -0.6 million, compared to € -2.6 million in 2013.

EBITDA after non-recurring items reached € 259.6 million, increasing +8.6% from € 239.0 million in 2013, and improving also as a percentage of revenues to 15.0% (from 14.8% in 2013).

Ebit

Ebit was equal to € 212.7 million (12.3% of revenues), a 9.5% increase versus the previous year, despite higher D&A (increasing by € 2.2 million from 2013) linked to the industrial investments made by the Group.

DE'LONGHI GROUP *12 months*	**2014**		**2013**[(1)]	
	M €	***% of revenues***	**M €**	***% of revenues***
Net industrial margin	**815.7**	***47.2 %***	**788.2**	***48.7 %***
EBITDA before non-recurring items	**260.1**	***15.1 %***	**241.6**	***14.9 %***
EBITDA	**259.6**	***15.0 %***	**239.0**	***14.8 %***
EBIT	**212.7**	***12.3 %***	**194.3**	***12.0 %***
Net income pertaining to the Group	**126.5**	***7.3 %***	**116.9**	***7.2 %***

(1) 2013 figures were restated due to the deconsolidation of the TCL joint venture

Net income

After **net financial charges** worth € 41.7 million (up from € 37.4 million in 2013 due to higher FX and hedging costs worth € 5.0 million), **net income pertaining to the Group** reached € 126.5 million (€ 116.9 million in 2013).

Net financial position

Net financial position as of December 31st 2014 is positive by € 89.0 million, compared to € -9.0 million at the end of FY 2013; as a consequence, over the 12-month period the net financial position improved by € 98.0 million, despite the cash outlays related to capital expenditures (€ 60.8 million, of which € 25.7 million are non-recurring, since they are related to the new industrial structures) and to dividends paid (€ 59.8 million).

Net financial position versus banks and third-party lenders (which excludes the accounting entries relating to the potential earn-out linked to the Braun deal, the fair value of derivatives and options and the residual commitments linked to the UK pension plan) as of December 31st 2014 was positive by € 113.2 million, up from € 40.9 million in 2013, improving by € 72.3 million.

Net working capital

Net working capital increased by € 9.5 million, improving, as a percentage of revenues, from 14.0% in 2013 to 13.7% as of December 31st 2014.

Dividend

The Shareholders' Annual General Meeting approved a dividend per share of € 0.41, which will be payable from April 22nd 2015, with ex-dividend date (dividend no. 15) on April 20th 2015, and record date ex art. 83-terdecies of D. Lgs. n. 58/98 as of April 21st 2015; the pay-out ratio is about 48%.

Other Shareholders' resolutions

The Shareholders meeting, after having examined the "Relazione Annuale sulla Remunerazione di De' Longhi S.p.A.", prepared in accordance to the existing laws and regulations and published on the Company's website www.delonghigroup.com (section "*Investor Relations*" – "*Governance*" – "*Assemblee*" – "*2015*") as well as stored on the authorized storage system 1Info (www.1info.it), has given positive opinion on the Remuneration Policy 2015 of De' Longhi S.p.A. and the related procedures required to adopt and execute it, as identified in Section I of the aforementioned "Relazione".

The Shareholders' meeting also renewed – after revocation of the resolution approved on April 15th, 2014 – the authorization to purchase and dispose of the Company's shares up to a maximum of 14.5 million ordinary shares and in any case not exceeding one fifth of the share capital, including also shares owned by controlled companies. The authorization was approved, as required by existing laws, for a maximum period of 18 months and according to the terms and conditions included in the report about the meeting's agenda presented by the Board of Directors and available on the Company's website www.delonghigroup.com (section "*Investor Relations*" – "*Governance*" – "*Assemblee*" –"*2015*") as well as stored on the authorized storage system 1Info (www.1info.it).

Foreseeable business development

Expectations for the global economic environment in 2015 appear to be still uncertain. However, management believes that the Group can go ahead in its growth path thanks to its strong competitive positioning, to its innovation capabilities as well as to the potential of the Braun brand.

CEO Mr Fabio de' Longhi said: "*Global markets remain difficult and very competitive, but the two core segments where the Group operates, espresso coffee makers and food preparation appliances, remain in a positive trend.*
I believe that the Group can grow its revenues at a mid-to-high single digit rate in 2015, and more broadly that it can continue along its growth trajectory, both through internal and, potentially, external growth, thanks to its strong balance sheet and its cash flow

generation capacity".

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.

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A N N E X

Consolidated results of De'Longhi SpA as of December 31st 2014

Consolidated income statement

Euro million	2014	% of revenues	2013 (*)	% of revenues
Net revenues	**1,726.7**	**100.0%**	**1,616.9**	**100.0%**
Change 2014/2013	*109.7*	*6.8%*		
Materials consumed and other production costs (services and production payroll costs)	(911.0)	(52.8%)	(828.8)	(51.3%)
Net industrial margin	**815.7**	**47.2%**	**788.2**	**48.7%**
Costs of services and other expenses	(406.5)	(23.5%)	(406.0)	(25.1%)
Labour cost (non industrial)	(149.1)	(8.6%)	(140.6)	(8.7%)
EBITDA before non-recurring items	**260.1**	**15.1%**	**241.6**	**14.9%**
Change 2014/2013	*18.5*	*7.7%*		
Non-recurring items	(0.6)	(0.0%)	(2.6)	(0.2%)
EBITDA	**259.6**	**15.0%**	**239.0**	**14.8%**
Amortization	(46.8)	(2.7%)	(44.6)	(2.8%)
EBIT	**212.7**	**12.3%**	**194.3**	**12.0%**
Change 2014/2013	*18.4*	*9.5%*		
Net financial charges	(41.7)	(2.4%)	(37.4)	(2.3%)
Profit before taxes	**171.0**	**9.9%**	**157.0**	**9.7%**
Taxes	(43.8)	(2.5%)	(39.5)	(2.4%)
Profit / (loss) for the period	**127.2**	**7.4%**	**117.5**	**7.3%**
Profit / (loss) pertaining to minority interests	0.7	0.0%	0.6	0.0%
Profit / (loss) pertaining to the Group	**126.5**	**7.3%**	**116.9**	**7.2%**

(*) Figures as of December 31st 2013 were redetermined following the retrospective adoption of IFRS 11 - *Joint arrangements.*

Consolidated Balance Sheet

Euro million	31.12.2014	31.12.2013 (*)	Variazione
- intangible assets	325.1	327.3	(2.2)
- tangible assets	191.1	171.4	19.7
- financial assets	7.7	7.4	0.3
- deferred tax assets	42.5	38.1	4.4
Fixed assets	**566.5**	**544.2**	**22.3**
- inventory	317.8	281.3	36.5
- trade receivables	366.2	334.6	31.6
- trade payables	(382.5)	(338.6)	(44.0)
- other net current assets / (liabilities)	(65.2)	(50.6)	(14.6)
Net working capital	**236.2**	**226.7**	**9.5**
Non current liabilities	**(105.5)**	**(91.9)**	**(13.6)**
Net invested capital	**697.2**	**679.0**	**18.2**
Net debt / (net cash) (**)	**(89.0)**	**9.0**	**(98.0)**
Total shareholders' equity	**786.1**	**669.9**	**116.2**
Total net debt and shareholders' equity	**697.2**	**679.0**	**18.2**

(*) Figures as of December 31st 2013 were redetermined followng the retrospective adoption of IFRS 11 - *Joint arrangements.*
(**) Net financial position as of December 31st 2014 includes net financial liabilities worth Euro 24.2 million (Euro 49.9 million as of December 31st 2013) related to the *fair value* of derivatives, to the financial debt linked to the externalization of risks associated to the UK pension plan, to the accounting of options related to minority stakes and to the remaining debt versus P&G for the Braun acquisition.

Consolidated Cash Flow Statement

Euro million	2014	2013 (*)
Cash flow from operations	215.3	205.0
Cash flow from changes in the working capital	(46.7)	(32.6)
Cash flow from ordinary investments	(60.8)	(59.7)
Operating Cash Flow	**107.8**	**112.7**
Dividends	(59.8)	(43.4)
Cash flow from changes in the Fair value and Cash flow hedge reserves	19.4	(4.7)
Cash flow from actuarial losses related to the UK pension plan transaction	0.1	(6.2)
Cash flow from other changes in the the net equity	30.5	(1.4)
Cash flow from changes in the net equity	**(9.8)**	**(55.6)**
Net cash flow	**98.0**	**57.0**
Opening net financial position	(9.0)	(66.1)
Closing net financial position	**89.0**	**(9.0)**

(*) Figures as of December 31st 2013 were redetermined following the retrospective adoption of IFRS 11 - *Joint arrangements.*

Revenues breakdown by geography

Euro million	2014	% of revenues	2013 (*)	% of revenues	Change	% Change
North East Europe	466.1	27.0%	398.9	24.7%	67.2	16.9%
South West Europe	731.1	42.3%	704.6	43.6%	26.5	3.8%
EUROPE	**1.197.2**	**69.3%**	**1.103.5**	**68.2%**	**93.7**	**8.5%**
MEIA (Middle East/India/Africa)	**163.4**	**9.5%**	**149.9**	**9.3%**	**13.6**	**9.0%**
Australia & New Zealand	100.9	5.8%	109.7	6.8%	(8.8)	(8.0%)
US & Canada	97.6	5.7%	97.4	6.0%	0.2	0.2%
Japan	58.0	3.4%	59.3	3.7%	(1.2)	(2.1%)
Other APA countries	109.5	6.3%	97.2	6.0%	12.3	12.6%
APA (Asia/Pacific/Americas)	**366.1**	**21.2%**	**363.6**	**22.5%**	**2.5**	**0.7%**
Total revenues	**1,726.7**	**100.0%**	**1,616.9**	**100.0%**	**109.7**	**6.8%**