DēLonghi Group

Treviso May 8th, 2015

PRESS RELEASE

De'Longhi S.p.A.:
The Board of Directors approved today the first quarter 2015 consolidated results of the De'Longhi Group. Revenues grew 9.0% at current exchange rates to € 368.4 million (+6.2% at constant exchange rates)[1]; EBITDA (before non-recurring items) increased by 2.6% to € 47.3 million (€62.9 million at constant exchange rates), equivalent to 12.8% of revenues; net income reached € 17.4 million (4.7% of revenues); net financial position is positive by € 150.1 million.

Summary

- revenues increased 9.0% at current exchange rates to € 368.4 million (+6.2% at constant exchange rates);
- EBITDA before non-recurring items improved by 2.6% reaching € 47.3 million, or 12.8% of revenues, compared to € 46.1 million in 2014 (13.6% of revenues), despite a negative foreign exchange impact worth €-15.5 million;
- EBIT stood at € 35.1 million (9.5% of revenues), versus € 35.4 million in 2014 (10.5% of revenues);
- net income reached € 17.4 million (€ 17.1 million in Q1 2014), despite the negative foreign exchange impact on the Group's operating margins;
- net financial position is positive by € 150.1 million, (compared to a negative net financial position of € 54.6 million as of March 2014)

The first quarter 2015

The Board of Directors approved today the first quarter 2015 consolidated results of the De'Longhi Group.

Consumption trends during the first quarter were overall positive, although there are still uncertainties in many markets.
Prices and volumes both contributed positively to the organic Group performance.
Foreign exchange (FX) impact was still very pronounced, even if with an opposite effect on revenues and on margins: on revenues, the widespread depreciation of the Euro led to a

[1] Figures at constant exchange rates are obtained by subtracting from the reported Q1 2015 figures the net effect of foreign exchange fluctuations and of hedging put in place by the Company.

positive FX impact, more than compensating the sharp devaluation of the Russian Ruble and of Ukraine's Hrivnia; on margins, on the contrary, the strong appreciation of the US Dollar as well as of the Chinese Yuan (currencies in which a large part of production costs are denominated) led to a significant negative impact, partially mitigated by the Group's hedging activities.

In such an environment, the Group commercial initiatives led to the launch some important new products, such as the new Braun-branded ironing systems as well as the new *Lattissima Touch* capsule coffee machine.

revenues

Net consolidated revenues increased by 9.0%, from € 338.1 million to € 368.4 million; at constant exchange rates, revenues grew by 6.2%.

The first quarter recorded a strong performance of espresso coffee makers, up double-digit, led by fully automatic machines, by traditional espresso machines as well as by internally-manufactured capsule machines (Nespresso Lattissima range and Dolce Gusto Jovia), also thanks to new product launches (such as the new *Lattissima Touch*).
Food preparation and cooking products were positive as well, thanks to a strong contribution from fryers (including also the new multi-cooker model) and from the breakfast products (kettles and toasters).

Ironing experienced a double-digit growth, more than compensating lower revenues in the floor care products, while, in the comfort segment, a good growth of mobile air conditioning products more than compensated lower revenues from heating appliances.

From a geographic perspective, revenues in Europe increased by 7.8%, although with a different contribution from the two macro-regions: the *North-East Europe* area recorded lower revenues (-3.6%), mainly due to Russia and Ukraine; excluding the impact of lower revenues in Russia (although about stable in local currency) and Ukraine, the area grew by 6.8%, led by UK and Poland.
South-West Europe area revenues grew substantially, with a +15.4% increase, thanks to a strong contribution from Italy, Germany, Switzerland, Austria, Spain and Portugal, all up double-digit.

The *APA* area *(Asia-Pacific-Americas)* revenues grew +15.5%, driven by Australia and New Zealand, USA, Mexico, Brazil, China and Hong Kong.

Slightly positive contribution from the MEIA region, (mainly thanks to Saudi Arabia and UAE) which is still impacted by political tensions in several countries of the region.

operating margins

During the quarter, operating margins were affected by a very negative foreign exchange impact (although partially mitigated by the hedging in place), which was anyway compensated thanks to higher sales volumes and a positive price effect.

The net industrial margin, as a consequence, increased in absolute terms to € 175.2 million, about stable as a percentage of revenues at 47.5%, versus 47.6% in 2014.

EBITDA before non-recurring items reached € 47.3 million, up by 2.6% from € 46.1 million in 2014, decreasing, as a percentage of revenues, from 13.6% to 12.8%. Such result is particularly positive considering the material adverse foreign exchange impact worth €-15.5 million; at constant exchange rates EBITDA before non-recurring items would have reached €62.9 million (17.5% of revenues).

EBIT equaled to € 35.1 million (or 9.5% of revenues), slightly down from 2014 (€ 35.4 million, or 10.5% of revenues) due to higher D&A charges (€ 12.2 million versus € 10.7 million in Q1 2014), a consequence of the investments carried out during the 2014 fiscal year (linked mainly to manufacturing plants in China and Romania).

	Q1 2015		Q1 2014	
	M €	*% of revenues*	M €	*% of revenues*
Net industrial margin	**175.2**	***47.5 %***	**161.0**	***47.6 %***
EBITDA before non-recurring items	**47.3**	***12.8 %***	**46.1**	***13.6 %***
EBIT	**35.1**	***9.5 %***	**35.4**	***10.5 %***

net financial charges

Net financial charges slightly decreased from 2014 (€ 10.9 million from € 11.6 million in Q1 2014) mainly due to lower financing charges and securitization costs.

net income

Net income pertaining to the Group slightly increased form € 17.1 million in 2014 to € 17.4 million in 2015, or 4.7% of revenues, despite the negative foreign exchange impact on the Group's operating margins.

net financial position

The net financial position (NFP) is positive by €150.1 million, with a net Q1 cash flow of €+61.1 million; over the 12 months (March 2014 – March 2015) the net cash flow is positive by € +204.7 million.

The net financial position versus banks and third-party lenders (which excludes € 6.9 million of accounting entries related to the potential earn-out linked to the Braun deal and the fair value of derivatives and options) as of March 31st 2015 is positive by € 143.2 million, compared to € 4.6 million as of March 31st 2014 and to € 113.2 million at the end of December 2014.

net working capital

Net working capital recorded a slight decrease in absolute terms versus Q1 2014 reaching € 273.6 million, compared to € 278.0 million as of March 2014, despite higher revenues. Net working capital as a percentage of rolling revenues improved from 17.0% to 15.6%.

Events occurred after the end of the period

No relevant events occurred after the end of the period.

Foreseeable business development

The first quarter of 2015 was characterized by a positive trend of organic revenues. Nevertheless, a particularly adverse foreign exchange impact limited the operating margins' growth, despite some protection deriving from hedging. Higher sales volumes and a positive price effect allowed the Group to improve both the net industrial margin and EBITDA in Q1, in line with internal projections; such performance strengthens management's confidence to meet the 2015 targets for top line and margins growth, namely a mid/high single digit revenues growth and an increase of EBITDA in absolute terms.

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.

Contacts

for analysts and investors	Investor Relations: Fabrizio Micheli, T: +39 0422 413235 Marco Visconti, T: +39 0422 413764 e-mail: investor.relations@delonghigroup.com
for the press	Valentina Zanetti, T: +39 0422 413384 e-mail: valentina.zanetti@delonghigroup.com
on the web	http://www.delonghi.com http://www.delonghigroup.com/en/investor_relations

A N N E X

De'Longhi S.p.A. Consolidated Financial Statements as of March 31st 2015

Consolidated Income Statement

Euro million	Q1 2015	% of revenues	Q1 2014	% of revenues
Net revenues	**368.4**	**100.0%**	**338.1**	**100.0%**
Change	*30.3*	*9.0%*		
Materials consumed and other production costs (services and production payroll costs)	(193.2)	(52.5%)	(177.1)	(52.4%)
Net Industrial margin	**175.2**	**47.5%**	**161.0**	**47.6%**
Cost for goods and services and other costs	(87.9)	(23.9%)	(78.0)	(23.1%)
Labour cost (non industrial)	(40.0)	(10.8%)	(36.9)	(10.9%)
EBITDA before non-recurring items	**47.3**	**12.8%**	**46.1**	**13.6%**
Change	*1.2*	*2.6%*		
Non-recurring items	0.0	0.0%	(0.1)	(0.0%)
EBITDA	**47.3**	**12.8%**	**46.1**	**13.6%**
Change	*1.3*	*2.7%*		
Amortization	(12.2)	(3.3%)	(10.7)	(3.2%)
EBIT	**35.1**	**9.5%**	**35.4**	**10.5%**
Change	*(0.3)*	*(0.7%)*		
Net financial charges	(10.9)	(3.0%)	(11.6)	(3.4%)
Profit before taxes	**24.2**	**6.6%**	**23.7**	**7.0%**
Taxes	(6.9)	(1.9%)	(6.6)	(1.9%)
Profit / (Loss) of the period	**17.2**	**4.7%**	**17.2**	**5.1%**
Profit (loss) pertaining to minority interests	(0.1)	(0.0%)	0.1	0.0%
Profit (loss) pertaining to the Group	**17.4**	**4.7%**	**17.1**	**5.0%**

Consolidated Balance Sheet

Euro Million	31.03.2015	31.03.2014	31.12.2014	Change 31.03.15 – 31.03.14	Change 31.03.15 – 31.12.14
- intangible assets	324.9	326.8	325.1	(1.9)	(0.2)
- tangible assets	201.0	173.9	191.1	27.1	9.8
- financial assets	9.3	7.6	7.7	1.7	1.6
- deferred tax assets	43.9	41.1	42.5	2.8	1.4
Fixed assets	**579.1**	**549.3**	**566.5**	**29.7**	**12.6**
- inventories	378.2	324.9	317.8	53.3	60.5
- trade receivables	272.0	273.4	366.2	(1.4)	(94.2)
- trade payables	(328.4)	(294.4)	(382.5)	(34.0)	54.2
- other net current assets / (liabilities)	(48.3)	(25.9)	(65.2)	(22.4)	16.9
Net working capital	**273.6**	**278.0**	**236.2**	**(4.5)**	**37.4**
- deferred tax liabilities	(25.6)	(12.3)	(20.2)	(13.3)	(5.4)
- employee benefits	(41.0)	(30.0)	(39.3)	(11.0)	(1.7)
- other non-current liabilities	(46.1)	(51.2)	(46.0)	5.1	(0.0)
Non-current liabilities	**(112.6)**	**(93.5)**	**(105.5)**	**(19.1)**	**(7.1)**
Net invested capital	**740.0**	**733.8**	**697.2**	**6.2**	**42.9**
Net debt / (net cash)	**(150.1)**	**54.6**	**(89.0)**	**(204.7)**	**(61.1)**
Total shareholders' equity	**890.1**	**679.3**	**786.1**	**210.8**	**104.0**
Total net financial position and shareholders' equity	**740.0**	**733.8**	**697.2**	**6.2**	**42.9**

Consolidated Cash Flow Statement

Euro million	31.03.2015 (3 months)	31.03.2014 (3 months)	31.12.2014 (12 months)
Cash flow from operations	35.3	34.4	215.3
Cash flow from changes in working capital	(21.8)	(61.0)	(46.7)
Cash flow from investments	(12.4)	(14.4)	(60.8)
Operating cash flow	**1.1**	**(41.0)**	**107.8**
Dividends	-	-	(59.8)
Change in Fair value and Cash flow hedge reserves	26.0	(4.9)	19.4
Changes in currency translation reserve	34.2	0.3	30.1
Cash flow from other changes in the net equity	(0.1)	0.1	0.5
Cash flow from changes in the net equity	**60.0**	**(4.5)**	**(9.8)**
Net cash flow	**61.1**	**(45.5)**	**98.0**
Opening net financial position	89.0	(9.0)	(9.0)
Closing net financial position	**150.1**	**(54.6)**	**89.0**

Revenues Breakdown by Geography

Euro million	Q1 2015	%	Q1 2014	%	Change	Change %
North-East Europe	88.5	24.0%	91.8	27.2%	(3.3)	(3.6%)
South-West Europe	159.8	43.4%	138.5	41.0%	21.3	15.4%
EUROPE	**248.4**	**67.4%**	**230.3**	**68.1%**	**18.0**	**7.8%**
MEIA (Middle East / India / Africa)	**34.7**	**9.4%**	**33.8**	**10.0%**	**0.8**	**2.5%**
APA (Asia / Pacific / Americas)	**85.4**	**23.2%**	**73.9**	**21.9%**	**11.4**	**15.5%**
Total revenues	**368.4**	**100.0%**	**338.1**	**100.0%**	**30.3**	**9.0%**