Treviso, July 31st 2015

PRESS RELEASE

De'Longhi S.p.A.: FIRST HALF 2015 RESULTS

The Board of Directors of De'Longhi S.p.A. approved the first half 2015 consolidated results: consolidated revenues reached € 790.6 million, up by 12.9% (7.9% at constant exchange rates[(1)]); EBITDA increased to € 95.3 million (€ 118.4 million at constant exchange rates) from € 87.2 million; net income improved to € 37.4 million from € 33.0 million; the net financial position is positive by € 104.0 million.

Summary

second quarter
April 1st – June 30th, 2015

- Second quarter revenues were up 16.6% at € 422.2 million (+9.6% at constant exchange rates);
- net industrial margin reached € 194.3 million from € 166.4 million (stable at 46.0% as a percentage of revenues);
- EBITDA increased to € 48.0 million, from € 41.1 million, flat as a percentage of revenues at 11.4%, despite a negative foreign exchange and derivatives impact worth € -7.5 million;
- EBIT stood at €35.3 million (from € 29.9 million), increasing from 8.2% to 8.4% as a percentage of revenues.

first half
January 1st – June 30th, 2015

- First half revenues grew by 12.9% (7.9% at constant exchange rates), reaching € 790.6 million (from € 700.1 million);
- net industrial margin increased to € 369.4 million versus € 327.5 million (46.7% as a percentage of revenues, compared to 46.8% in the same period of 2014);
- EBITDA improved to € 95.3 million from € 87.2 million, down, as a percentage of revenues, from 12.5% to 12.1%, due to a negative exchange rates and derivatives impact worth € -23.0 million;
- EBIT totaled € 70.4 million, up from € 65.2 million (from 9.3% to 8.9% as a percentage of revenues);
- net income stood at € 37.4 million (€ 33.0 million in H1 2014);
- net financial position is positive by € 104.0 million, (negative by € -65.1 million as of June 30th, 2014 and positive by € 89.0 million at the end of 2014), while it is positive by € 121.5 million excluding non-bank liabilities.

(1) Figures at constant exchange rates are calculated excluding the effect of exchange rates fluctuations and of the hedging put in place by the Group.

The first half 2015

The Board of Directors of De'Longhi S.p.A. approved today the first half 2015 consolidated results.

The first six months of the fiscal year were characterized by a significant revenues growth, which represent an outperformance compared to a moderately positive general consumption trend, affected in some countries by economic and political instability.

Performance of the semester was significantly influenced by foreign exchange (FX) fluctuations, which had a positive impact on revenues and a negative impact on margins.
With respect to FX, we highlight the main trends: (i) the persistent weakness of Russian Ruble and Ukraine's Hrivnia versus the Euro, which led to a negative FX impact for the Group both on revenues and on margins, (ii) the appreciation of the US Dollar and of the Chinese Yuan versus the Euro, which had a negative effect on sourcing costs (iii) the generalized depreciation of the Euro, with a positive effect on revenues.
In such a context, the hedging activity put in place by the Group provided an important positive contribution to preserve profitability.

revenues

First half 2015 revenues grew by 12.9% (+7.9% at constant exchange rates) to € 790.6 million; second quarter revenues reached € 422.2 million, up by 16.6% versus Q2 2014 (+9.6% at constant exchange rates).

	H1 2015		**Q2 2015**	
	€ million	***YoY change***	**€ million**	***YoY change***
Total revenues	**790.6**	***90.4***	**422.2**	***60.1***
% change		*12.9%*		*16.6%*
% change at constant FX		*7.9%*		*9.6%*

By geography, first half revenues recorded a positive contribution from all the macro-areas where the Group operates.

South-West Europe revenues grew by 13.7%, led by Germany, Italy, Austria and Switzerland.

North-East Europe revenues' growth, equal to 3.0%, was affected by a negative performance in Russia and, to a lesser extent, Ukraine, penalized by a very negative FX impact; however, this was more than offset by revenues growth in Poland, UK, Scandinavia and other Eastern European markets. It is important to flag that the sharp decrease of revenues in Russia's and Ukraine's markets is due to a currency effect, while growth would be positive at constant exchange rates.

In the **APA** area (Asia, Pacific, Americas), up by 23.7% also thanks to a favorable exchange rates effect, growth was supported by a strong performance of North America (US and Canada), Oceania (Australia and

New Zealand), China, Brazil and South Korea; positive contribution also from the Mexican market.

Finally, the **MEIA** area (Middle-East, India, Africa) was negatively affected by an unfavorable political and economic scenario in many important markets, linked to the well-known tensions in the region. However, a positive FX impact contributed to record a 9.5% revenues growth.

Analyzing revenues by product, the espresso coffee makers segment stands out due to its strong growth, led by internally-manufactured machines (fully automatic machines, manual machines, Nespresso Lattissima range and DolceGusto Jovia); positive performance also of cooking and food preparation appliances, with a sharp growth of the fryers segment (thanks to the recent launch of the De'Longhi-branded multi-cooker/fryer "Multifry") as well as for the comfort business (mainly thanks to a good performance of mobile air conditioning). Lastly, positive contribution of the ironing segment thanks to the Braun brand.

margins

Net industrial margin increased to € 369.4 million from € 327.5 million, almost stable as a percentage of revenues (from 46.8% to 46.7%); positive volumes, price and mix effects were partially offset by a negative FX and derivatives impact worth about € -12.3 million. At constant exchange rates, net industrial margin as a percentage of revenues would have increased from 46.8% to 50.5%.

Below net industrial margin, looking at costs as a percentage of revenues, slight increases of service costs, as well as of other operating costs and provisions (mainly due to a negative FX impact) were partially compensated by a reduction of non-industrial labor cost. **EBITDA** increased to € 95.3 million from € 87.2 million, although it decreased from 12.5% to 12.1% as a margin on revenues.
Excluding the negative impact from FX and derivatives worth € -23.0 million, EBITDA would have increased to 15.7% of revenues.

In the second quarter, EBITDA reached € 48.0 million from € 41.1 million (flat at 11.4% of revenues), despite a negative FX and derivatives impact worth € -7.5 million. At constant exchange rates EBITDA would have been 14.0% of revenues.

There were no non-recurring items in the first half of the fiscal year.

EBIT increased in the six months to € 70.4 million from € 65.2 million in 2014 (down from 9.3% to 8.9% of revenues), also due to higher D&A recorded in the period, mainly linked to the investments made in Romania and China.
In the second quarter, EBIT stood at € 35.3 million (€ 29.9 million in 2014), increasing from 8.2% to 8.4% of revenues.

	H1 2015		Q2 2015	
	€ million	***% of revenues***	**€ million**	***% of revenues***
Net industrial margin	**369.4**	***46.7 %***	**194.3**	***46.0 %***
EBITDA	**95.3**	***12.1 %***	**48.0**	***11.4 %***
EBIT	**70.4**	***8.9 %***	**35.3**	***8.4 %***

There were no non-recurring items in the first half of the fiscal year.

net financial charges

Net financial charges declined slightly from € 19.9 million to € 19.0 million, thanks to lower interest charges and to reduced securitization costs.

net income

Net income pertaining to the Group stood at €37.4 million, up from € 33.0 million in 2014.

net financial position

Moving on to the balance sheet, the net financial position (NFP) is positive by € 104.0 million, compared to a negative NFP by € -65.1 million as of June 2014 and to a positive NFP of € 89.0 million at December 2014. Over the 12 months, the net cash flow was positive by € 169.1 million (partially helped by the FX impact linked to the Euro devaluation, which increased the value of deposits denominated in foreign currencies), while it was positive by € 15.0 million in H1 2015.
Excluding non-bank liabilities (worth € -17.5 million as of June 2015), the net financial position versus banks and third party lenders is positive by € 121.5 million (negative by € -9.0 million as at June 2014 and positive by € 113.2 million at the end of 2014) improving by € 130.4 million over the 12 months and by € 8.3 million in the first semester of 2015.

The positive NFP trend recorded in H1 2015 (€ +15.0 million compared to € -56.0 million in H1 2014) was achieved through a good working capital management and a better operating cash generation (helped, both for the 6 and for the 12 months by a positive FX impact on deposits denominated in foreign currencies). During H1 2015, the NFP improved despite two relevant cash outlays, namely € 61.3 million dividends and € 25.6 million capex.

€ million	**30.06.2015**	**30.06.2014**	**31.12.2014**	***12-month change***	***6-month change***
short term financial position	**214,8**	**63,4**	***211,8***	***151,4***	***3,0***
medium term financial position	**(110,8)**	**(128,5)**	***(122,8)***	***17,7***	***12,0***
NET FINANCIAL POSITION	**104,0**	**(65,1)**	**89,0**	***169,1***	***15,0***
of which: non-bank liabilities	*(17,5)*	*(56,1)*	*(24,2)*	*38,7*	*6,7*
NET FINANCIAL POSITION VS BANKS AND THIRD PARTY LENDERS	**121,5**	**(9,0)**	**113,2**	***130,4***	***8,3***

working capital

Net working capital as a percentage of last twelve months (LTM) revenues reached 13.0% (versus 14.8% as of June 2014 and 13.7% at December 2014). The reduced weight of working capital on LTM revenues was driven by operational efficiencies; in fact, the net *trade* working capital (the sum of trade receivables and inventory minus trade payables) improved from 17.0% to 15.4% of LTM revenues.

Events occurred after the end of the semester

There were no relevant events occurred after the end of the semester.

Foreseeable business development

The Group recorded a positive performance during the first semester of 2015, despite a material negative foreign exchange impact on margins.
All the macro-areas where the Group operates, with a few exceptions limited to single markets, recorded growing revenues.
At the same time, the key product families, espresso coffee makers and food preparation appliances, confirm their positive trend, with espresso makers in particular recording a very sustained growth.
CEO Mr Fabio de' Longhi said. *"2015 first half results strengthen our conviction that the Group can achieve the growth targets that we have previously indicated, namely a 5% to 10% organic revenues growth and an increase in absolute terms of EBITDA at current exchange rates"*.

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.

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.delonghigroup.com/en/investor-relations

A N N E X

Consolidated results of De'Longhi Group as at June 30, 2015[(1)]

Consolidated Income Statement

€ million	H1 2015	% of revenues	H1 2014	% of revenues
Net revenues	**790.6**	**100.0%**	**700.1**	**100.0%**
Change 2015/2014	*90.4*	*12.9%*		
Materials consumed and other production costs (services and production payroll costs)	(421.1)	(53.3%)	(372.7)	(53.2%)
Net Industrial margin	**369.4**	**46.7%**	**327.5**	**46.8%**
Cost for services and other operating costs	(193.2)	(24.4%)	(164.9)	(23.6%)
Labour cost (non industrial)	(80.9)	(10.2%)	(75.3)	(10.8%)
EBITDA	**95.3**	**12.1%**	**87.2**	**12.5%**
Change 2015/2014	*8.1*	*9.3%*		
Amortization	(25.0)	(3.2%)	(22.0)	(3.1%)
EBIT	**70.4**	**8.9%**	**65.2**	**9.3%**
Change 2015/2014	*5.1*	*7.9%*		
Net financial charges	(19.0)	(2.4%)	(19.9)	(2.8%)
Profit before taxes	**51.4**	**6.5%**	**45.3**	**6.5%**
Taxes	(14.0)	(1.8%)	(12.0)	(1.7%)
Profit / (Loss) of the period	**37.4**	**4.7%**	**33.3**	**4.8%**
Profit (loss) pertaining to minority interests	(0.0)	(0.0%)	0.3	0.0%
Profit (loss) pertaining to the Group	**37.4**	**4.7%**	**33.0**	**4.7%**

There were no non-recurring items in the first half of the fiscal year.

(1) *The condensed consolidated half-year financial statement is subject to a limited audit review; as of today, the Auditors' report is still not available.*

Consolidated Balance Sheet

€ million	30.06.2015	30.06.2014	31.12.2014	Change 30.06.15 – 30.06.14	Change 30.06.15 – 31.12.14
- intangible assets	324.8	326.3	325.1	(1.4)	(0.3)
- tangible assets	198.9	178.9	191.1	20.0	7.8
- financial assets	9.1	6.9	7.7	2.1	1.4
- deferred tax assets	47.6	44.9	42.5	2.7	5.1
Fixed assets	**580.5**	**557.0**	**566.5**	**23.4**	**14.0**
- inventories	390.4	370.5	317.8	19.9	72.7
- trade receivables	234.8	233.4	366.2	1.3	(131.4)
- trade payables	(344.6)	(321.9)	(382.5)	(22.7)	37.9
- other net current assets / (liabilities)	(44.6)	(36.7)	(65.2)	(7.9)	20.6
Net working capital	**236.0**	**245.3**	**236.2**	**(9.3)**	**(0.2)**
Non-current liabilities	**(102.4)**	**(93.6)**	**(105.5)**	**(8.8)**	**3.1**
Net invested capital	**714.1**	**708.7**	**697.2**	**5.4**	**16.9**
Net debt / (net cash) (*)	**(104.0)**	**65.1**	**(89.0)**	**(169.1)**	**(15.0)**
Total shareholders' equity	**818.1**	**643.7**	**786.1**	**174.4**	**31.9**
Total net financial position and shareholders' equity	**714.1**	**708.7**	**697.2**	**5.4**	**16.9**

(*) The net financial position as of June 30th 2015 includes net financial liabilities worth € -17.5 million (net liabilities worth €- 24.2 million as of December 31st 2014 and worth € -56.1 million at June 30th, 2014) linked to the fair value valuation of derivatives and options of minority stakes, to the residual debt versus Procter & Gamble for the Braun acquisition and to the debt linked to the transaction which involved the UK pension plan of a UK-based controlled company.

Consolidated Cash Flow statement

€ million	30.06.2015 (6 months)	30.06.2014 (6 months)	31.12.2014 (12 months)
Cash flow from operations	71.0	64.3	215.3
Cash flow from changes in working capital	(0.7)	(32.1)	(46.7)
Cash flow from investments	(25.6)	(27.5)	(60.8)
Operating cash flow	**44.7**	**4.7**	**107.8**
Dividends	(61.3)	(59.8)	(59.8)
Change in Fair value and Cash flow hedge reserves	2.4	(4.9)	19.4
Cash flow from other changes in the net equity	29.2	4.0	30.5
Cash flow from changes in the net equity	**(29.7)**	**(60.7)**	**(9.8)**
Net cash flow	**15.0**	**(56.0)**	**98.0**
Opening net financial position	89.0	(9.0)	(9.0)
Closing net financial position	**104.0**	**(65.1)**	**89.0**

Revenues by geography

€ million	H1 2015	% of revenues	H1 2014	% of revenues	Change	Change %
North East Europe	179.0	22.6%	173.7	24.8%	5.3	3.0%
South West Europe	331.4	41.9%	291.4	41.6%	40.0	13.7%
EUROPE	**510.4**	**64.6%**	**465.1**	**66.4%**	**45.3**	**9.7%**
MEIA (Middle East/India/Africa)	**81.1**	**10.3%**	**74.1**	**10.6%**	**7.1**	**9.5%**
Australia & New Zealand	51.5	6.5%	43.4	6.2%	8.1	18.6%
US and Canada	68.2	8.6%	53.4	7.6%	14.8	27.8%
Japan	16.9	2.1%	16.6	2.4%	0.3	1.8%
Other countries APA area	62.4	7.9%	47.5	6.8%	14.9	31.5%
APA (Asia/Pacific/Americas)	**199.1**	**25.2%**	**160.9**	**23.0%**	**38.1**	**23.7%**
Total revenues	**790.6**	**100.0%**	**700.1**	**100.0%**	**90.4**	**12.9%**