Treviso, November 11th 2015

PRESS RELEASE

De'Longhi S.p.A.

The Board of Directors approved today the De'Longhi Group consolidated results as of September 30th, 2015:
- revenues stood at € 1,214.8 million, increasing by +11.8% (or by +8.2% at constant exchange rates);
- Ebitda reached € 149.9 million, up by +9.7% (or by +40.7% at constant exchange rates);
- the net financial position is positive by € 64.3 million, improving by € 161.7 million over the 12 month period.

Summary

the third quarter
July 1st – September 30th, 2015

- Revenues reached € 424.3 million (+9.7% versus Q3 2014), while EBITDA stands at € 54.6 million (12.9% of revenues);
- at constant exchange rates and excluding hedging revenues would be € 420.3 million, up by +8.7% from € 386.8 million in Q3 2014, while EBITDA reached € 73.8 million (17.6% of revenues) up from € 49.4 million in 2014 (12.8% of revenues);
- EBIT totaled € 41.4 million, up from € 38.0 million in 2014, stable, as a percentage of revenues, at 9.8%;
- net income was € 25.0 million, or 5.9% of revenues compared to € 21.2 million (5.5% of revenues) in 2014.

the nine months
January 1st – September 30th, 2015

- Revenues reached € 1,214.8 million (+11.8%), from € 1,086.9 million in 2014, while EBITDA equals € 149.9 million (12.3% of revenues) increasing in absolute terms from 2014;
- at constant exchange rates and excluding hedging, revenues amount to € 1,176.0 million, up by +8.2% from € 1,086.9 million in 2014, while EBITDA reached € 192.2 million (16.3% of revenues) from € 136.6 million in 2014 (12.6% of revenues);
- EBIT stood at € 111.8 million (9.2% of revenues), from € 103.2 million (9.5% of revenues) in 2014;
- net income reached € 62.5 million, equivalent to 5.1% of revenues, compared to € 54.2 million in 2014 (5.0% of revenues).

The first nine months 2015

The Board of Directors of De'Longhi S.p.a. approved today the Group consolidated results as of September 30th, 2015.

In the first 9 months of 2015 the market environment, similarly to the previous fiscal years, is not free from certain critical elements, but there are some encouraging signs both in connection with the trend of certain product categories (espresso machines above all) and with the performance of certain markets (such as, for instance, continental Europe).
The Group continued to proceed along its growth path, consolidating and increasing its market shares also thanks to a firm commitment to investments in A&P and R&D.

During the first nine months of fiscal year 2015 the Group launched some particularly important new products:

- within espresso coffee makers, we highlight the new De'Longhi – Nespresso *Lattissima Touch* (which enlarges the Lattissima range to three models) and the new Primadonna Elite fully-automatic machines range;
- within cooking and food preparation, we highlight a new version of the *Multifry* (De'Longhi-branded) that complements the low-oil fryer/multicooker range, as well as the new cooking food processor Kenwood *kCook* and a new slow juicer (also branded Kenwood);
- lastly, in the home care segment, there was the important entrance of Braun in the ironing systems' category with new-generation products.

Similarly to the two past fiscal years, also the first nine months of 2015 were significantly affected by foreign exchange rates (FX) fluctuations; currencies had overall a positive impact on sales, and a negative impact on margins. The bulk of the negative impact was due to the sharp devaluations of Russian ruble and Ukraine's hrivnia and to the appreciation of the Group's cost currencies, whose impact was anyway mitigated thanks to hedging.

revenues

Moving on to an analysis of financial figures, consolidated revenues over the first 9 months of 2015 totaled € 1,214.8 million, up by 11.8% compared to 2015 (€ 1,086.9 million).

At constant exchange rates and excluding hedging, revenues would have increased by +8.2 % at € 1,176.0 million.

Q3 2015 revenues reached € 424.3 million, up by +9.7% (€ 420.3 million, up by +8.7% at constant exchange rates and excluding hedging).

Looking at revenues by product category, espresso machines stand out due to their strong growth, led by internally-manufactured machines like fully-automatic machines, the Nespresso Lattissima range, Dolcegusto Jovia and the manual machines.

The cooking and food preparation segment was positive as well, thanks to the contribution of low-oil fryers/multicookers (De'Longhi *Multifry*), kettles, toasters, blenders and food processors.

Sales of portable air conditioning products were also very positive thanks to a relatively warm summer in several geographical areas, while portable heating products' sales declined slightly.

Finally, the home care segment recorded higher revenues, thanks to a double-digit growth of irons which more than compensated a decline of home cleaning appliances.

Looking now at revenues by geography, *Europe* had a positive performance (+9.2%) despite a very negative impact from sales in Russia and Ukraine, affected by an unfavorable macroeconomic scenario as well as by a sharp devaluation of the two countries' currencies against the Euro.
The *North-East Europe* area recorded a +3.8% growth, led by Poland, Czech Republic, Slovakia and Hungary, while Russia and Ukraine had a negative contribution to growth; excluding Russia and Ukraine, the area's growth would have been equal to +11.7% over the first 9 months of 2015.
South-West Europe area revenues grew double-digit at +12.6%, particularly thanks to Italy, Germany and Switzerland.

The persistent political instability in the *MEIA* region (Middle East, India, Africa) had a negative impact on the area's revenues, which anyway, thanks to a positive currency effect, increased by +6.6%.

The *APA* area (Asia, Pacific, Americas) benefitted from a favorable FX impact, which contributed to a strong revenues increase versus 2014 (+21.9%). Almost all of the countries in the area recorded higher sales, in particular: USA, Canada, Mexico, Brazil, China, South Korea and Oceania (Australia and new Zealand).

operating margins

During the first nine months of 2015 operating margins benefitted from a positive effect due to higher sales volumes as well as from a favorable price/mix. Such trends were partly offset by a very negative FX impact, which at EBITDA level was worth € -42.3 million for the 9 months (of which € -19.2 million in Q3 2015 alone).
The net FX impact was significantly mitigated thanks to the hedging put in place by the Group.

	9 months 2015		**Q3 2015**	
	M €	***% of revenues***	**M €**	***% of revenues***
Net industrial margin	**572.2**	***47.1 %***	**202.8**	***47.8 %***
EBITDA before non recurring items	**149.9**	***12.3 %***	**54.6**	***12.9 %***
EBITDA	**149.9**	***12.3 %***	**54.6**	***12.9 %***
EBIT	**111.8**	***9.2 %***	**41.4**	***9.8 %***

net industrial margin

The net industrial margin increased from € 510.4 million to € 572.2 million (from 47.0% to 47.1% of revenues).

In Q3 2015 net industrial margin reached € 202.8 million (47.8% of revenues) compared to € 182.9 million in Q3 2014 (47.3%).

EBITDA

EBITDA during the first 9 months of 2015 stood at € 149.9 million (from € 136.6 million in 2014) up by +9.7%. As a percentage of revenues, EBITDA decreased from 12.6% to 12.3%, due to a very negative FX impact, worth € -42.3 million.

At constant currencies and excluding hedging, EBITDA would have increased by +40.7% (or € +55.6 million), from 12.6% to 16.3% of revenues.

Q3 2015 EBITDA stood at € 54.6 million (12.9% of revenues) from € 49.4 million (12.8% of revenues) in 2014. At constant exchange rates and excluding hedging, Q3 2015 EBITDA would equal € 73.8 million.

EBIT

EBIT for the first 9 month of 2015 reached € 111.8 million (versus € 103.2 million in 2014), a slight decline as a percentage of revenues (9.2% versus 9.5% in 2014). EBIT was negatively affected by the aforementioned FX impact, as well as by higher D&A (increased by € 4.7 million) due to the significant industrial investments made by the Group.

EBIT reached € 41.4 million in Q3 2015 (9.8% margin), increasing from € 38.0 million in 2014 (same margin at 9.8%) despite higher D&A by € 1.7 million.

net financial charges

Net financial charges equaled € 27.2 million, down from € 29.6 million, thanks to lower bank charges and lower costs from the sales of receivables.

net income

Over the 9 months, net income pertaining to the Group was € 62.5 million, up by +15.2% from € 54.2 million in 2014, almost flat as a percentage of revenues (from 5.0% to 5.1%).

net financial position

The net financial position (NFP) as of September 30th, 2015 is positive by € 64.3 million, improving by € 161.7 million over the 12 months (from € -97.4 million as of end of September 2014).

The NFP versus banks and third party lenders (i.e. excluding the accounting entries relative to the Braun earn-out, to the fair value of derivatives and options and to the UK pension plan) as of September 30th, 2015 is positive by € 89.8 million, improving by € 147.3 million over the 12 months.

Since January 1st, the net financial position decreased by € 24.7 million as a consequence of the normal seasonal cash absorption linked to the working capital cycle, as well as of the industrial investments (€ 38.7 million) and of dividends paid (€ 61.3 million).

net working capital

As of September 30th, 2015 net working capital equals € 279.5 million, down from 19.6% to 15.1% of last twelve month (LTM) rolling revenues, mainly thanks to a positive evolution of the net trade working capital (which excludes non-operating current assets and liabilities). The net trade working capital was equal to 18.0% of LTM rolling revenues, down from 21.8% as of September 30th, 2014, thanks to a favorable trend for trade receivables and inventory.

Events occurred after the end of the semester

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

Foreseeable business development

The first 9 months of 2015 were characterized by a growing small domestic appliances market in many geographical areas - although with certain significant exceptions, like Russia and Ukraine - and thanks to the majority of the product families.
Despite the particularly negative trends recorded in the foreign currencies market, the Group managed to achieve a significant growth as well as to consolidate and increase its market shares, thanks to the strength of its brands and product portfolio.
In relation to the 2015 growth targets, management now expects a high-single-digit revenues growth at constant currencies and that EBITDA at current exchange rates will increase in absolute terms (despite a higher than expected negative FX impact).
Management expects also that the market context will remain competitive for the coming quarters; however, the brands contribution as well as the industrial, organizational and product investments made by the Group will allow it to continue along its growth trajectory.

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 Group as at September 30, 2015

Consolidated Income Statement

€ million	30.09.2015	% of revenues	30.09.2014	% of revenues
Net revenues	**1,214.8**	**100.0%**	**1,086.9**	**100.0%**
Change 2015/2014	*128.0*	*11.8%*		
Materials consumed and other production costs (services and production payroll costs)	(642.6)	(52.9%)	(576.5)	(53.0%)
Net Industrial margin	**572.2**	**47.1%**	**510.4**	**47.0%**
Cost for services and other operating costs	(301.0)	(24.8%)	(263.7)	(24.3%)
Labour cost (non industrial)	(121.3)	(10.0%)	(110.1)	(10.1%)
EBITDA	**149.9**	**12.3%**	**136.6**	**12.6%**
Change 2015/2014	*13.3*	*9.7%*		
Amortization	(38.1)	(3.1%)	(33.4)	(3.1%)
EBIT	**111.8**	**9.2%**	**103.2**	**9.5%**
Change 2015/2014	*8.6*	*8.3%*		
Net financial charges	(27.2)	(2.2%)	(29.6)	(2.7%)
Profit before taxes	**84.6**	**7.0%**	**73.6**	**6.8%**
Taxes	(21.9)	(1.8%)	(18.9)	(1.7%)
Profit / (Loss) of the period	**62.6**	**5.2%**	**54.7**	**5.0%**
Profit (loss) pertaining to minority interests	0.2	0.0%	0.5	0.0%
Profit (loss) pertaining to the Group	**62.5**	**5.1%**	**54.2**	**5.0%**

Consolidated Balance Sheet

€ million	30.09.2015	30.09.2014	31.12.2014	Change 30.09.15 – 30.09.14	Change 30.09.15 – 31.12.14
- intangible assets	324.2	326.3	325.1	(2.1)	(0.9)
- tangible assets	197.5	185.8	191.1	11.7	6.3
- financial assets	8.4	7.8	7.7	0.7	0.7
- deferred tax assets	52.9	48.6	42.5	4.4	10.4
Fixed assets	**583.0**	**568.4**	**566.5**	**14.6**	**16.5**
- inventories	438.2	427.3	317.8	10.9	120.4
- trade receivables	255.8	282.4	366.2	(26.5)	(110.3)
- trade payables	(360.8)	(344.4)	(382.5)	(16.3)	21.8
- other net current assets / (liabilities)	(53.8)	(36.2)	(65.2)	(17.6)	11.4
Net working capital	**279.5**	**329.1**	**236.2**	**(49.5)**	**43.3**
- deferred tax liabilities	(22.5)	(17.5)	(20.2)	(5.0)	(2.3)
- employees benefits	(36.7)	(32.9)	(39.3)	(3.8)	2.6
- other items	(44.2)	(46.6)	(46.0)	2.4	1.8
Non-current liabilities	**(103.5)**	**(97.0)**	**(105.5)**	**(6.5)**	**2.0**
Net invested capital	**759.1**	**800.4**	**697.2**	**(41.3)**	**61.9**
Net debt / (net cash)	**(64.3)**	**97.4**	**(89.0)**	**(161.7)**	**24.7**
Total shareholders' equity	**823.4**	**703.0**	**786.1**	**120.4**	**37.3**
Total net financial position and shareholders' equity	**759.1**	**800.4**	**697.2**	**(41.3)**	**61.9**

Consolidated Cash Flow statement

€ million	30.09.2015 (9 months)	30.09.2014 (9 months)	31.12.2014 (12 months)
Cash flow from operations	114.1	103.4	215.3
Cash flow from changes in working capital	(62.3)	(113.0)	(46.7)
Cash flow from investments	(38.7)	(41.6)	(60.8)
Operating cash flow	**13.1**	**(51.2)**	**107.8**
Dividends	(61.3)	(59.8)	(59.8)
Change in Fair value and Cash flow hedge reserves	(2.3)	4.2	19.4
Change in the translation reserve	25.8	18.3	30.1
Cash flow from other changes in the net equity	(0.1)	0.2	0.5
Cash flow from changes in the net equity	**(37.8)**	**(37.2)**	**(9.8)**
Net cash flow	**(24.7)**	**(88.4)**	**98.0**
Opening net financial position	89.0	(9.0)	(9.0)
Closing net financial position	**64.3**	**(97.4)**	**89.0**

Revenues by geography

€ million	30.09.2015	%	30.09.2014	%	Change	Change %
South West Europe	507.9	41.8%	451.1	41.5%	56.8	12.6%
North East Europe	286.5	23.6%	276.1	25.4%	10.5	3.8%
EUROPE	**794.4**	**65.4%**	**727.1**	**66.9%**	**67.3**	**9.2%**
APA (Asia / Pacific / Americas)	**294.9**	**24.3%**	**242.0**	**22.3%**	**52.9**	**21.9%**
MEIA (Middle East / India / Africa)	**125.5**	**10.3%**	**117.8**	**10.8%**	**7.8**	**6.6%**
Total revenues	**1.214,8**	**100.0%**	**1.086,9**	**100.0%**	**128.0**	**11.8%**