PRESS RELEASE

De'Longhi S.p.A.

The Board of Directors today has approved the consolidated results as of December 31, 2016:

- Revenues at € 1,845.4 million, -2.4% compared with 2015, about stable in organic terms[1] (-0.2%);
- Ebitda before non-recurring items increased to € 295.4 million, equal to 16.0% of revenues (€ 287.8 million equal to 15.2% of revenues in 2015), despite higher media investments for about € 11 million;
- Net income at € 167.4 million, up by +12,0%;
- Positive net financial position at € 307.6 million, improving by € 118.8 million, including gross liquidity worth € 461.4 million.

Considering the availability of cash reached by the Group, the BoD has proposed the distribution of a dividend worth € 0.80 per share (€ 0.44 in 2015), for a total amount of € 119.6 million.

CEO Fabio de' Longhi stated: *"the Group in 2016 has effectively contrasted the volatility of markets and exchange rates, confirming its ability to improve profitability and generate cash flow even when faced with external conditions which, at times, were unfavorable. The strength of our brands and our ability to innovate make us look with confidence at 2017, for which we confirm the target of growing revenues in organic terms at mid-single-digit rates and we expect to improve Ebitda in absolute value, despite the increased efforts in terms of R&D, marketing and industrial investments. Our focus for the current year, therefore, aims at organic growth but also at the active search for growth opportunities by external lines, thanks to our cash flow generation, the current availability of financial resources and the financial leverage still available to the Group".*

[1] "Organic" stands for at constant exchange rates and excluding the impact of derivatives. 2016 consolidation perimeter includes NPE srl, following the lease of company agreement as per the press release issued on 23/09/2016.

Results summary

- **Revenues** at € 1,845.4 million in 2016 (-2.4%), about stable (-0.2%) in organic terms.

	Full Year		Q4 (1° October - 31 December)	
	2016	2015	2016	2015
	(Eur million unless specified)			
revenues	**1,845.4**	1,891.1	**686.3**	676.3
chg %	*-2.4%*		*1.5%*	
chg% organic (LFL)	*-0.2%*		*3.1%*	

The Group's focus on protecting profitability, through an improvement in price/mix and cost efficiencies, including lower non-industrial operating costs, allowed an overall progress of margins during 2016, both in absolute terms and in percentage of revenues, despite the impact of foreign exchange rates and the weakness of several important markets, which limited sales volumes.

- **Net industrial margin at** € 905.8 million, improving from 47.8% to 49.1% of revenues;
- **Ebitda** before non-recurring items reached € 295.4 million, expanding from 15.2% to 16.0% of revenues;
- Operating result (**Ebit**) amounted to € 239.0 million, improving from 12.3% to 13.0% of revenues;
- Financial expenses were down from € 33.6 million to € 27.6 million;
- **Net income** pertaining to the Group was € 167.4 million, up by +12.0% as compared with 2015 and equal to 9.1% of revenues.

It should be noted that in the year the Group recorded non-recurring items for € 3.5 million and financial income worth € 15.9 million in relation to the adjustment of the valuation at fair value of the earn-out due as part of the Braun perpetual licence acquisition.

	Full Year		Q4 (1° October - 31 December)	
	2016	2015	2016	2015
	(Eur million unless specified)			
net industrial margin	**905.8**	904.6	**334.1**	332.4
% of revenues	*49.1%*	*47.8%*	*48.7%*	*49.2%*
Ebitda before non recur. items	**295.4**	287.8	**137.3**	137.9
% of revenues	*16.0%*	*15.2%*	*20.0%*	*20.4%*
Ebitda	**292.0**	285.2	**137.5**	135.3
% of revenues	*15.8%*	*15.1%*	*20.0%*	*20.0%*
Ebit	**239.0**	232.7	**121.3**	120.9
% of revenues	*13.0%*	*12.3%*	*17.7%*	*17.9%*
Net Income	**167.4**	149.5	**95.3**	87.1
% of revenues	*9.1%*	*7.9%*	*13.9%*	*12.9%*

As for the **balance sheet**, the net financial position is positive for € 307.6 million (in line with the bank position), improving by € 118.8 million over the last 12 months.

	as of 31.12.2016 *Eur million*	as of 31.12.2015 *Eur million*
net financial position	**307.6**	188.9
change in 12 months	*118.8*	
bank net financial position	**307.5**	210.1
change in 12 months	*97.5*	

Net working capital was € 253.7 million, about stable as compared with € 250.4 million of year-end 2015; inventories were slightly down, at about € 321 million in 2016 comparing with about € 323 million in 2015. As a percentage of revenues, NWC went from 13.2% of 2015 to 13.8% in 2016, also due to the consolidation of NPE and to a negative foreign exchange impact.

Business review: FY 2016

Overview

The market for Small Domestic Appliances was characterized, in 2016, by a distinctly divergent trend among geographical areas and product lines, as initially foreseen by the Group's management.

On the one hand, the Asia-Pacific-Americas area, the main markets of Continental and Eastern Europe, espresso coffee makers and Braun products recorded positive growth rates, at times in the 2-digits; on the other, the Middle-East-India-Africa area, Russia, the UK and some categories of food preparation declined.

Moreover, the Group decided to rationalize the product portfolio, eliminating selected less profitable items, and to review the commercial organization in markets such as Turkey and Scandinavia; such actions had a temporary negative impact on sales volumes but laid the foundations for an even more solid future growth path.

From the standpoint of revenues, about stable as compared with 2015 in organic terms, 2016 is therefore a transitional year, before the expected acceleration in 2017.

In 2016 the Group's management focused on protecting profitability and cash flow generation, aiming to contrast the mentioned market weakness and to compensate for the negative impact of exchange rates, also through price increases. The improvement in Ebitda and the significant cash flow generation testify to the effectiveness of such strategy.

markets

Revenues - million Euro	FY 2016	% chg.	% chg. at constant FX	Q4- 2016	var. %	% chg. at constant FX
North East Europe	459.8	-4.1%	0.6%	184.8	-4.3%	0.8%
South West Europe	804.5	0.2%	0.5%	302.0	2.4%	2.6%
EUROPE	1,264.2	-1.4%	0.6%	486.8	-0.3%	1.9%
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%	151.8	13.4%	14.1%
TOTAL REVENUES	1,845.4	-2.4%	-0.2%	686.3	1.5%	3.1%

Regarding the geographical areas, the good trend in APA (Asia-Pacific-Americas), and the slight growth in Europe counterbalanced the reduction in the MEIA area.

APA shows the strongest growth, sustained by the USA, Japan, China and Hong Kong, despite lower revenues in other markets including Brazil.

In Europe, the South-West region recorded limited growth, due especially to Germany, Spain and Portugal, Italy and Austria, among others. The North-East area experienced lower revenues in markets such as the UK and Russia, together with 2-digit growth rates in Poland and other Eastern European markets.

In the MEIA area (Middle East-India-Africa), the unfavorable economic and geo-political conditions continued to limit consumption and contributed to determine a reduction in revenues, mostly in Saudi Arabia, UAE and Egypt.

products

Revenues by line of product show, over 2016, the outperformance of fully automatic and manual espresso coffee makers, which grew at least at high-single-digit rates and more than compensated for the lower revenues of single-serve systems, down due to the challenging comparison with 2015, which saw the launch of the Lattissima Touch model, and the increased level of competition in the segment.

As regards the cooking and food preparation segment, Braun products grew whereas Kenwood revenues declined, mostly in the kitchen machine category, heavily impacted by weaker demand in important markets such as Russia, the Middle East and UK. To contrast such trend, in 2016 the Group has introduced several product innovations in the main categories, including new a new power blender, slow juicer and cooking food processor, from which it expects a tangible contribution starting with 2017.

Revenues from portable conditioning and heating were slightly up as compared with 2015, whereas the reduction in ironing, in part related to the transition process from the De'Longhi brand to Braun, was mitigated by growth in the more profitable ironing systems.

Ebitda

The Group's strategy to counterbalance market volatility and the negative impact of foreign exchange rates with improvements in price and mix, translated into a significant improvement in margins, despite the higher efforts in terms of advertising & promotion. Higher industrial efficiencies, lower transportation and raw material costs and lower non-industrial operating costs also contributed to such results.

Ebitda before non-recurring items was up by 2.7% and reached € 295.4 million, or 16.0% of revenues comparing with 15.2% of the previous year. After non-recurring items for about € 3.5 million, Ebitda stood at € 292.0 million, 15.8% on revenues (15.1% in 2015).

At constant exchange rates and excluding the effect of hedging, Ebitda before non-recurring items in 2016 would have been € 293.4 million, with a negative impact of exchange rates and hedging worth € -33.1 million comparing with 2015 Ebitda excluding hedging (which benefited from positive hedging for a total of € 35.2 million).

financial charges

Net financial charges, equal to € 27.6 million, were down by € 6.0 million as compared with 2015, following a reduction in banking interest, securitization costs and foreign exchange charges.

Other income

The adjustment of the valuation at fair value of the earn-out due in relation to the acquisition of the perpetual license of the Braun brand gave rise to financial income for €15.9 million euro. After such valuation adjustment, the liabilities, included in the financial position, relating to the acquisition amount to € 21.8 million at year-end 2016.

net income

Net income pertaining to the Group recorded a +12.0% growth reaching € 167.4 million (€ 149.5 million in 2015).

dividend

The Board of Directors will propose to the Shareholders' Annual General Meeting (to be held on April 11, 2017) a dividend per share of € 0.80, for a total amount of € 119.6 million, which will be payable from April 20, 2017, with ex-dividend date on April 18, 2017 and record date as per art. 83-terdecies of D.Lgs. n. 58/98 on April 19, 2017. The pay-out is ca. 71%.

Quarter four 2016

The fourth quarter of 2016 marked, from a revenue standpoint, a significant improvement from the first nine months of the year, with positive growth rates, in organic terms, in every geographical area with the exception of MEIA. This trend went together with a high level of profitability, at 20.0% in terms of Ebitda margin on revenues.

The positive trend reversal of the top-line in quarter four (+3.1% compared with -2.0% in the first nine months, in organic terms), is linked to the improvement of the trend in Europe ((revenues +1.9% in organic terms), Germany, the Iberian peninsula and East Europe in particular, and to the acceleration in APA (revenues +14.1% in organic terms) due to sales in the USA, Japan, Greater China and South Korea. Still weak, although to a lesser extent, the revenue trend in MEIA (-12.4% organic).

Coffee makers were confirmed as the driving segment, whereas within cooking and food preparation, it is worth highlighting the growth of Braun products and of spin juicers.

Ebitda for the fourth quarter, equal to € 137.3 million before non-recurring items, compared with € 137.9 million in 2015, stood at 20.0% in terms of percentage of revenues, about in line with the previous year.

Events occurred after the end of the quarter

There are no significant events occurred after the end of the quarter.

Foreseeable business development and guidance

The global market for Small Domestic Appliances continues to offer multiple opportunities for growth and to reward premium brands and innovative products able to improve the everyday life at home.
The Group's brand portfolio, global leaders in their respective segments, is confirmed as ideally positioned to benefit from such opportunities, although in a market environment which does not lack areas of volatility that limit consumption growth.

The Group intends to fully take advantage of such opportunities by further increasing its investments in research and development, media (an increase of about € 15 million as compared with 2016), and production capacity. To this end, we intend to expand the capacity of the production platform in Romania, as well as begin an extraordinary real estate investment relating to a new laboratory center for research and development in Treviso, with a total impact in 2017 of about additional € 40 million as compared with 2016, totaling about € 100 million investments in the year.

Also in light of the signs provided by the sales trend in the first weeks of the year, the Group confirms for 2017 the target of growing revenues in organic terms at rates in the mid-single-digit area.

Regarding profitability, for 2017, we foresee an improvement in Ebitda in absolute terms, not necessarily in terms of percentage of revenues, in a context of expected neutrality of foreign exchange rates and taking into account the mentioned investments.

Given the expected growth and profitability, and the consequent strong operating cash flow generation, the Group will be able to continue to actively look for growth opportunities by external lines.

Other resolutions of the Board of Directors

ANNUAL GENERAL MEETING OF SHAREHOLDERS.
In today's meeting, the Board of Directors adopted a resolution to call a General Meeting of Shareholders – in ordinary and extraordinary session – at the registered office of the Company, for April 11th, 2017, in single call, in order to discuss and rule on:
(i) the proposal of approval of the annual report as at December 31st, 2016, (ii) the renewal of the authorization to purchase and to dispose of the Company's own shares, (iii) under the extraordinary session – the amendment of Company's articles of association in order to introduce the increase of voting rights under article 123-quinquies of D. Lgs. n. 58/98 ("TUF").
The General Shareholders' Meeting shall also be asked to give a consultative vote on the 2017 Remuneration Policy (Section I of the Annual Remuneration Report of De' Longhi S.p.A) in accordance with Article 123-ter of TUF.

The notice of call of the General Shareholders' Meeting and the Directors' report on the items on the agenda, prepared in accordance with article 125-*ter* of the TUF, as well as the Directors' report on the proposal on the amendment of Company's articles of association for increasing the voting rights will be all available to the public, within the terms set forth by the applicable law, at the registered office of the Company, on the Company's website (www.delonghigroup.com, section "Investor Relations" – "Governance" – "Annual Shareholders' Meeting" – "2017") and on the authorized storage mechanism "1INFO" (www.1info.it), together with any further required documentation.

PROPOSAL TO AUTHORIZE THE PURCHASE AND DISPOSAL OF THE COMPANY'S OWN SHARES.
In relation to the proposal of renewal of the Shareholders' authorization to purchase and dispose of the Company's own shares – by revoking the resolution taken by the Shareholders' Meeting on April 14th, 2016 – the reasons for such authorization are described in full details in the Report of the Board of Directors prepared in accordance with article 125-ter of "TUF", which will be made available to the public by 12 March 2017 at the Company's registered office and on its website www.delonghigroup.com (section "Investor Relations" – "Governance" – "Annual Shareholders Meeting" –"2017"), and on the authorised storage mechanism called 1INFO managed by Computershare S.p.A. and accessible on the website www.1info.it.
The proposal provides for the following:

- the maximum number of shares that can be purchased is set at 14,500,000 (fourteen million five hundred thousand) ordinary shares with nominal value of 1.50 (one point fifty) Euro each, equivalent to a total amount not exceeding one fifth of the share capital;
- the authorization is valid for a maximum period of 18 (eighteen) months;
- the purchase price of the Company's own shares, inclusive of all ancillary purchasing costs, shall not fall below 20% (twenty per cent) and shall not exceed 10% (ten per cent) of the official price of transactions recorded on the "Mercato Telematico Azionario" on the day preceding the purchase;
- all purchases shall be made according to article 132 of TUF and article 144-bis of the

Issuers' Regulations and its provisions, so as to ensure the equal treatment of all Shareholders and the fulfillment of all applicable laws and regulations, including as well those of the European Community (it being understood that the purchase of Company's own shares will be permitted under different terms if so provided for by existing principles).

REPORT ON CORPORATE GOVERNANCE AND THE OWNERSHIP STRUCTURE

In today's meeting, the Board of Directors approved also the 2016 Report on corporate governance and the ownership structure which will be made available to the public within the terms required by applicable law at the Company's registered office and on its website www.delonghigroup.com (section "Investor Relations" – "Governance" – "Annual Shareholders Meeting" –"2017"), and on the authorized storage mechanism called 1INFO managed by Computershare S.p.A. and accessible on the website www.1info.it.

COMPENSATION REPORT

In today's meeting, the Board of Directors approved also Annual Report on Compensation 2017, drafted in accordance with Article 123-ter of the TUF, which will be submitted to the consultative vote of AGM will be made available to the public within the terms required by applicable law at the Company's registered office and on its website www.delonghigroup.com (section "Investor Relations" – "Governance" – "Annual Shareholders Meeting" –"2017"), and on the authorized storage mechanism called 1INFO managed by Computershare S.p.A. and accessible on the website www.1info.it

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

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ANNEXES

Consolidated results of De' Longhi SpA
as of December 31, 2016

1. Consolidated income statement

€ million	2016	% of revenues	2015	% of revenues
Net revenues	**1,845.4**	**100.0%**	**1,891.1**	**100.0%**
Change 2016/2015	*(45.7)*	*(2.4%)*		
Materials consumed and other production costs (services and production payroll costs)	(939.6)	(50.9%)	(986.5)	(52.2%)
Net Industrial margin	**905.8**	**49.1%**	**904.6**	**47.8%**
Cost for services and other operating costs	(439.5)	(23.8%)	(454.1)	(24.0%)
Labour cost (non industrial)	(170.9)	(9.3%)	(162.7)	(8.6%)
EBITDA BEFORE NON RECURRING ITEMS	**295.4**	**16.0%**	**287.8**	**15.2%**
Change 2016/2015	*7.6*	*2.7%*		
Altri proventi (oneri) non ricorrenti	(3.5)	(0.2%)	(2.6)	(0.1%)
EBITDA	**292.0**	**15.8%**	**285.2**	**15.1%**
Amortization	(53.0)	(2.9%)	(52.5)	(2.8%)
EBIT	**239.0**	**13.0%**	**232.7**	**12.3%**
Change 2016/2015	*6.3*	*2.7%*		
Net financial charges	(27.6)	(1.5%)	(33.6)	(1.8%)
Financial income from valuation at fair value of financial liabilities	15.9	0.9%	-	-
Profit before taxes	**227.4**	**12.3%**	**199.1**	**10.5%**
Taxes	(59.2)	(3.2%)	(49.3)	(2.6%)
Profit / (Loss) of the period	**168.2**	**9.1%**	**149.8**	**7.9%**
Profit (loss) pertaining to minority interests	0.8	0.0%	0.3	0.0%
Profit (loss) pertaining to the Group	**167.4**	**9.1%**	**149.5**	**7.9%**

2. Revenues breakdown by geography

€ million	2016	% of revenues	2015	% of revenues	change	% change
North East Europe	459.8	24.9%	479.6	25.4%	(19.8)	(4.1%)
South West Europe	804.5	43.6%	802.9	42.5%	1.5	0.2%
EUROPE	**1,264.2**	**68.5%**	**1,282.5**	**67.8%**	**(18.3)**	**(1.4%)**
MEIA (Middle East/India/Africa)	**140.8**	**7.6%**	**179.9**	**9.5%**	**(39.1)**	**(21.8%)**
USA and Canada	137.7	7.5%	123.5	6.5%	14.2	11.5%
Australia and New Zealand	105.7	5.7%	105.1	5.6%	0.6	0.6%
Japan	72.2	3.9%	59.9	3.2%	12.3	20.5%
other countries of APA region	124.7	6.8%	140.2	7.4%	(15.5)	(11.0%)
APA (Asia/Pacific/Americas)	**440.4**	**23.9%**	**428.7**	**22.7%**	**11.7**	**2.7%**
Total revenues	**1,845.4**	**100.0%**	**1,891.1**	**100.0%**	**(45.7)**	**(2.4%)**

3. Consolidated balance sheet

€ million	31.12.2016	31.12.2015	Change
- Intangible assets	327.8	322.5	5.3
- Tangible assets	196.5	199.1	(2.6)
- Financial assets	8.0	8.4	(0.3)
- Deferred tax assets	38.4	39.8	(1.4)
Fixed assets	**570.7**	**569.7**	**1.0**
- Inventories	320.8	323.4	(2.6)
- Trade receivables	372.8	372.1	0.7
- Trade payables	(365.3)	(383.3)	18.0
- Other net current assets / (liabilities)	(74.5)	(61.7)	(12.8)
Net working capital	**253.7**	**250.4**	**3.3**
Non-current liabilities	**(118.0)**	**(103.2)**	**(14.9)**
Net capital employed	**706.4**	**717.0**	**(10.6)**
Net debt / (net cash) (*)	**(307.6)**	**(188.9)**	**(118.8)**
Total shareholders' equity	**1,014.0**	**905.9**	**108.2**
Total net financial position and shareholders' equity	**706.4**	**717.0**	**(10.6)**

(*) The net financial position as of December 31, 2016 includes net financial assets equal to Euro 0.1 million (net liabilities for Euro 21.2 million as of December 31, 2015) related to the fair value valuation of derivative financial instruments, financial liabilities for business combinations and financial payable connected to the pension fund transaction

4. Detailed net financial position

€ million	31.12.2016	31.12.2015	Change
Cash and cash equivalents	461.4	357.9	103.5
Other financial receivables	25.7	15.9	9.8
Current financial debt	(108.3)	(71.5)	(36.8)
Net current financial assets	**378.8**	**302.3**	**76.5**
Non-current financial debt	**(71.2)**	**(113.5)**	**42.3**
Total net financial position	**307.6**	**188.9**	**118.8**
of which:			
- positions with banks and other financial payables	*307.5*	*210.1*	*97.5*
- Other net assets/(liabilities) other than bank debt (fair value of derivatives and options, financial liabilities for business combinations and financial payable connected to the pension fund transaction)	*0.1*	*(21.2)*	*21.3*

5. Consolidated cash flow statement

€ million	2016	2015
Cash flow from operations	286.3	243.3
Cash flow from changes in working capital	(43.2)	(67.1)
Cash flow from investments	(55.1)	(53.3)
Operating cash flow	**187.9**	**123.1**
Dividends	(65.8)	(61.3)
Change in Fair value and Cash flow hedge reserves	4.2	(7.7)
Cash flow from other changes in the the net equity	(7.5)	45.8
Cash flow from changes in the net equity	**(69.1)**	**(23.2)**
Net cash flow	**118.8**	**99.9**
Opening net financial position	188.9	89.0
Closing net financial position	**307.6**	**188.9**