Treviso, March 10th 2014

PRESS RELEASE

De'Longhi SpA:

The Board of Directors approved today the consolidated results as of December 31st 2013. Revenues increased to € 1,632.6 million, +6.7% (+10.3% at constant exchange rates); Ebitda (before non-recurring items) stood at € 242.5 million (+4.4%) and net income at € 116.9 million. Net debt decreased to € 2.2 million, while net bank debt improved by € 67.6 million. A dividend of € 0.40 per share will be proposed to the AGM.

Summary

the fourth quarter
October 1st– December 31st 2013

- Revenues stood at € 594.6 million, +9.8% (+14.9% at constant exchange rates);
- Net industrial margin reached € 286.6 million, +7.6%;
- Ebitda before non-recurring items reached € 107.8 million (18.1% of revenues) up by 14.7%;
- Ebit was € 92.3 million (15.5% of revenues) up by 9.2%;

the 12 months
January 1st– December 31st 2013

- Revenues were up by 6.7% in the twelve months, at € 1,632.6 million (+10.3% at constant exchange rates);
- Net industrial margin reached € 790.3 million, a +7.5% increase;
- Ebitda before non-recurring items at € 242.5 million (14.9% of revenues), up by 4.4%;
- Ebit stood at € 195.0 million (11.9% of revenues), up by 3.2%;
- Net income pertaining to the Group totaled € 116.9 million (from € 118.4 million);
- Net debt stood at € 2.2 million; net bank debt improved by € 67.6 million.

The 2013 results: the Group

Fiscal year 2013 was the first year for the De’Longhi Group new consolidation perimeter, including Braun *Household* (acquired in 2012).
During the year the Group devoted significant organizational efforts to complete the Braun integration, defining the organization’s structure, strengthening the commercial network, increasing investments in research and development as well as in advertising & promotion.
The Group continued with its industrial investment plans in Romania and in China. In particular, during 2013 the first assembly lines

became operational at the new plant in Romania, and are at present dedicated to fully automatic coffee makers; during 2013 the plant gained also the ISO 9001 and 14001 certifications.

From a market's perspective, 2013 was characterized by a muted global demand scenario, with some mature countries of the Euro area which were quite resilient, while some of the emerging markets experienced a slowdown versus the previous years' trend (e.g. Australia).
Furthermore, the Group recorded a widespread depreciation of the export currencies, above all the Japanese Yen, the Australian Dollar, the Russian Rouble, the South African Rand, the US Dollar and the UK Pound, with a significant impact on revenues and margins.

the 12 months – revenues

Even if in a very competitive environment, the Group achieved full year **revenues** of € 1,632.6 million, up by 6.7% (+10.3% at constant exchange rates), in line with the guidance provided by management.

By geography, European markets highlighted a positive trend (+9.8%) thanks to a strong contribution both from markets in North-East and in South-West Europe. Among the Group's reference markets, Germany, Italy, Spain, France and Benelux were particularly strong.
The MEIA area (Middle East, India, Africa) was very positive, growing by +53.0%, while the APA area (Asia, Pacific, Americas) recorded negative revenue growth (-9.5%) due to lower sales in Australia and to a very negative exchange rates impact (mainly from the Japanese Yen and the Australian Dollar).

Net industrial margin

Thanks to an improved mix and to higher volumes, the **net industrial margin** increased from € 735.3 million in 2012 to € 790.3 million in 2013, up from 48.1% of revenues to 48.4%, despite the aforementioned negative FX impact.

Ebitda

Ebitda before non-recurring items increased by 4.4% to € 242.5 million (14.9% of revenues) from € 232.3 million (15.2% of revenues). The slight decrease as a percentage of revenues is due to increased service and labor costs following the Braun integration and to the strengthening of the commercial network.
At constant exchange rates, EBITDA before non-recurring items would be € 256.4 million (15.2% margin), up by € 40.2 million versus 2012 (+18.6%), with a negative exchange rates effect of € 30.0 million.
The Group recorded negative non-recurring items totalling € -2.6 million, down from € -7.7 million in 2012 (of which the majority were related to the Braun Household acquisition).
EBITDA after non-recurring items was € 239.8 million, up by 6.8% from € 224.6 million in 2012, stable as a percentage of revenues to 14.7%.

Ebit

Ebit reached € 195.0 million (11.9% of revenues), up by 3.2% from 2012, and was burdened by higher D&A (an increase of € 9.3 million versus the previous year) due to the significant industrial investments.

DE'LONGHI GROUP *12 months*	2013		2012[(1)]	
	M €	*% of revenues*	M €	*% of revenues*
Net industrial margin	**790.3**	***48.4%***	**735.3**	***48.1%***
EBITDA before non-recurring items	**242.5**	***14.9%***	**232.3**	***15.2%***
EBITDA	**239.8**	***14.7%***	**224.6**	***14.7%***
EBIT	**195.0**	***11.9%***	**189,0**	***12.3%***
Net income pertaining to the Group	**116.9**	***7.2%***	**118.4**	***7.7%***

(1) The retrospective application of the new IAS 19 – Employee benefits and the definitive price allocation related to the Braun Household acquisition led to the restatement of the comparative figures.

Net income

After **financial charges** worth € 37.9 million (up from € 34.4 million in 2012 as a result of the higher average indebtedness after the Braun Household acquisition and of higher hedging costs), **net income** pertaining to the Group amounted to € 116.9 million (€ 118.4 million in 2012).

The fourth quarter

Fourth quarter **revenues** increased by 9.8% (+14.9% at constant Exchange rates), reaching € 594.6 million, while **Ebitda** before non-recurring items stood at € 107.8 million (18.1% of revenues, up from 17.4% in 2012).
After non-recurring charges, **Ebitda** was € 105.6 million (17.8% of revenues), up from € 95.0 million (17.5% of revenues) in 2012.

DE' LONGHI GROUP *fourth quarter*	2013		2012[(1)]	
	M €	*% of revenues*	M €	*% of revenues*
Net industrial margin	**286.6**	***48.2%***	**266.5**	***49.2%***
EBITDA before non-recurring items	**107.8**	***18.1%***	**93.9**	***17.4%***
EBITDA	**105.6**	***17.8%***	**95,0**	***17.5%***
EBIT	**92.3**	***15.5%***	**84.5**	***15.6%***
Net income pertaining to the Group	**60.0**	***10.1%***	**54.9**	***10.1%***

(1) The retrospective application of the new IAS 19 – Employee benefits and the definitive price allocation related to the Braun Household acquisition led to the restatement of the comparative figures.

Net financial position

Net financial position versus banks (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 commitments linked to the UK pension plan) as of December 31st 2013 is positive by € 47.7 million, from € -19.9 million in 2012, thus improving by € 67.6 million despite the cash outflows linked to capital expenditures (€ 59.5 million, of which € 14.6 million due to the new production facilities) and to the dividends paid (€ 43.4

million).

Including all the accounting entries mentioned above, net debt as of December 31st 2013 stands at € 2.2 million, from € 61.4 million in 2012. The net debt figure as of December 31st 2012 originally reported in the FY 2012 results was € 92.9 million; this value was restated during 2013 to € 61.4 million following the revision of the Braun earn-out valuation, for a total of € 31.1 million (at the closing). After such revision, the IFRS valuation of the earn-out is € 33.6 million (including accrued interest) as of December 31st 2013.

Working capital

Net working capital decreased by € 20.8 million from 2012; working capital as a percentage of revenues decreased from 15.9% to 13.6% as of December 2013. This was the result of the positive trend of trade receivables (which more than compensated for a lower recourse to securitization by € 5.3 million) and of an efficient inventory management, which decreased, as a percentage of revenues, from 17.9% in 2012 to 17.4% in 2013, despite the purchase of the Braun stock during the first months of the year.

Dividend

The Board of Directors will propose to the Shareholders' Annual General Meeting (which will be held on April 15th 2014) a dividend per share of € 0.40, which will be payable from May 2nd 2014, with ex-dividend date on April 28th 2014, and record date ex art. 83-terdecies of D. Lgs. n. 58/98 as of April 30th 2014; the pay-out ratio is about 51%.

Events occurred after the end of the year

No significant events occurred after the end of the year.

Foreseeable business development

Economic conditions in the Group's main markets are forecast to remain still quite uncertain during 2014. Management nevertheless think that the Group can continue along its growth path thanks to its industrial know-how, to its competitive positioning, to its significant geographical diversification as well as thanks to the Braun potential. CEO Fabio de' Longhi said: *"Although global markets conditions remain still challenging and very competitive, I think that in 2014 Group revenues could increase and that the margin levels achieved in 2013 could be improved, despite expectations of a still negative foreign exchange impact for the current year".*

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 S.p.A. as at December 31, 2013

Consolidated income statement

Euro million	2013	% of revenues	2012(*)	% of revenues
Net revenues	**1,632.6**	**100.0%**	**1,530.1**	**100.0%**
Change 2013/2012	*102.5*	*6.7%*		
Materials consumed and other production costs (services and production payroll costs)	(842.4)	(51.6%)	(794.8)	(51.9%)
Net industrial margin	**790.3**	**48.4%**	**735.3**	**48.1%**
Costs of services and other expenses	(382.5)	(23.4%)	(348.8)	(22.8%)
Labour cost (non industrial)	(141.1)	(8.6%)	(128.7)	(8.4%)
Provisions	(24.3)	(1.5%)	(25.6)	(1.7%)
EBITDA before non-recurring items	**242.5**	**14.9%**	**232.3**	**15.2%**
Change 2013/2012	*10.2*	*4.4%*		
Non-recurring items	(2.6)	(0.2%)	(7.7)	(0.5%)
EBITDA	**239.8**	**14.7%**	**224.6**	**14.7%**
Amortization	(44.9)	(2.7%)	(35.6)	(2.3%)
EBIT	**195.0**	**11.9%**	**189.0**	**12.3%**
Change 2013/2012	*6.0*	*3.2%*		
Net financial charges	(37.9)	(2.3%)	(34.4)	(2.2%)
Profit before taxes	**157.1**	**9.6%**	**154.6**	**10.1%**
Taxes	(39.6)	(2.4%)	(35.7)	(2.3%)
Profit / (loss) for the period	**117.5**	**7.2%**	**118.9**	**7.8%**
Profit / (loss) pertaining to minority interests	0.6	0.0%	0.5	0.0%
Profit / (loss) pertaining to the Group	**116.9**	**7.2%**	**118.4**	**7.7%**

(*) The retrospective application of the new IAS 19 – Employee benefits and the definitive price allocation related to the Braun Household acquisition led to the restatement of the comparative figures.

Consolidated balance sheet

Euro million	31.12.2013	31.12.2012 (*)	Change
- intangible assets	327.3	331.1	(3.8)
- tangible assets	173.4	158.6	14.8
- financial assets	3.3	3.1	0.2
- deferred tax assets	38.1	41.3	(3.2)
Fixed assets	**542.1**	**534.1**	**8.0**
- inventory	283.4	273.8	9.7
- trade receivables	335.2	381.2	(46.0)
- trade payables	(345.7)	(351.7)	6.1
- other net current assets / (liabilities)	(51.0)	(60.5)	9.4
Net working capital	**221.9**	**242.8**	**(20.8)**
Non current liabilities	(91.9)	(84.9)	(7.0)
Net invested capital	**672.2**	**692.0**	**(19.8)**
Net debt / (net cash) (**)	**2.2**	**61.4**	**(59.2)**
Total shareholders' equity	**669.9**	**630.5**	**39.4**
Total net debt and shareholders' equity	**672.2**	**692.0**	**(19.8)**

(*) The retrospective application of the new IAS 19 – Employee benefits and the definitive price allocation related to the Braun Household acquisition led to the restatement of the comparative figures (the latter resulted in an overall debt reduction of Euro 31.5 million as of 31 December 2012).

(**) Net debt as of 31 December 2013 includes net financial liabilities worth Euro 49.9 million (Euro 41.5 million as of 31 December 2012) related to the fair value valuation of derivatives, to the financial debt linked to the externalization of the risks associated to the pension plan of a controlled UK company, to the accounting of options on minority stakes as well as to the potential earn-out due to P&G for the Braun acquisition.

Consolidated cash flow statement

Euro million	2013	2012 (*)
Cash flow from operations	205,4	192,0
Cash flow from changes in the working capital	(31,2)	(65,2)
Cash flow from ordinary investments	(59,5)	(62,8)
Operating Cash Flow	**114,7**	**63,9**
Braun acquisition	-	(171,8)
Cash flow from extraordinary investments	**-**	**(171,8)**
Dividends	(43,4)	(49,3)
Cash flow from changes in the Fair value and Cash flow hedge reserves	(4,7)	(25,0)
Cash flow from actuarial losses related to the UK pension plan transaction	(6,2)	-
Cash flow from changes in the conversion reserve	(1,6)	3,2
Cash flow from other changes in the the net equity	0,4	0,2
Cash flow from changes in the net equity	**(55,5)**	**(70,9)**
Net cash flow	**59,2**	**(178,8)**
Opening net financial position	(61,4)	117,4
Closing net financial position	**(2,2)**	**(61,4)**

(*) The retrospective application of the new IAS 19 – Employee benefits and the definitive price allocation related to the Braun Household acquisition led to the restatement of the comparative figures.

Revenues by geography

Euro million	2013	%	2012	%	Change	Change %
Germany	223.6	13.7%	195.5	12.8%	28.1	14.4%
Italy	203.6	12.5%	184.0	12.0%	19.6	10.6%
UK	121.3	7.4%	124.6	8.1%	(3.3)	(2.6%)
Russia and other ex USSR countries	115.0	7.0%	112.7	7.4%	2.3	2.0%
France	94.9	5.8%	89.3	5.8%	5.5	6.2%
Benelux	52.7	3.2%	45.9	3.0%	6.8	14.9%
Spain	42.4	2.6%	31.3	2.0%	11.1	35.4%
Austria	40.3	2.5%	37.2	2.4%	3.1	8.2%
Other European countries	213.0	13.0%	187.4	12.2%	25.6	13.7%
EUROPE	**1,106.8**	**67.8%**	**1,008.0**	**65.9%**	**98.8**	**9.8%**
MEIA (Middle East/India/Africa)	**130.5**	**8.0%**	**85.3**	**5.6%**	**45.2**	**53.0%**
Australia and New Zealand	109.2	6.7%	143.5	9.4%	(34.3)	(23.9%)
US and Canada	97.8	6.0%	105.6	6.9%	(7.8)	(7.4%)
Japan	59.5	3.6%	70.3	4.6%	(10.8)	(15.3%)
Other countries APA area	128.7	7.9%	117.4	7.7%	11.3	9.6%
APA (Asia/Pacific/Americas)	**395.3**	**24.2%**	**436.8**	**28.5%**	**(41.5)**	**(9.5%)**
Total revenues	**1,632.6**	**100.0%**	**1,530.1**	**100.0%**	**102.5**	**6.7%**