Treviso, May 9th 2013

PRESS RELEASE

De'Longhi S.p.A.:

The Board of Directors approved first quarter 2013 results of the De'Longhi Group. Revenues were up 0.9% at € 320.5 million (+2.3% at constant FX); EBITDA before non-recurring items increased by 4.1% at € 44.5 million (13.9% of revenues); net profit stood at € 18.9 million (5.9% of revenues); net debt was € 81.6 million (of which € 64.4 million related to the potential payment of the Braun earn-out).

The CEO, Dr. Fabio de' Longhi, declared: "The first quarter of 2013 was characterized by a weak sales performance and by an improvement in operating margins driven by a positive price/mix effect. We think that also for the next quarters of 2013 we will continue to perform in line with our internal growth and profitability targets".

Summary

- net revenues were up by +0.9% at € 320.5 million (+2.3% at constant FX);
- EBITDA before non-recurring items improved by 4.1% reaching € 44.5 million;
- EBIT at € 34.1 million (10.6% of revenues), up by 1.5%;
- net profit was € 18.9 million (€ 22.7 million in Q1 2012);
- the net debt stood at € 81.6 million, € 11.3 million lower than the 2012 year end figure.

The first quarter 2013

The Board of Directors approved today the first quarter 2013 results of the De'Longhi Group.

During Q1 2013, the Group finalized the changes to its organizational structure following the extraordinary investments carried out in 2012, mainly related to the acquisition of the Braun Household business and to the start-up of the new plant in Romania.

As of January 1st 2013, the Group started the direct management of the Braun Household business, thus ending the transitional period and finalizing the internal procedures needed to cope with the new operations acquired. Therefore, as of January 1st 2013, the Braun Household business is fully consolidated into the De'Longhi Group accounts.

More generally, the first quarter was characterized by a widespread slowdown in the economic and consumption environment, which partially impacted on the Group's revenues; on the other hand, Group actions aimed at protecting the operating margins had a positive effect on profitability.

revenues

Net revenues increased by 0.9%, from € 317.7 million to € 320.5 million; at constant FX, top-line growth would have been 2.3%.

Total revenues were negatively affected by lower sales in the comfort business (portable air conditioners and portable heaters) by about € 11 million. On the contrary, the Group recorded a good performance from kitchen machines (Kenwood brand) and handblenders (the most important segment for Braun).
If compared to the past year, coffee makers sales were affected by a reduced promotional activity and also by a few product launches which had a very strong contribution in Q1 2012 (especially in relation with the Nespresso model "Lattissima+"). On the other hand, good performance from the Dolcegusto coffee makers, also thanks to the recent distribution agreement covering the Austrialian market.

By market, Europe was slightly positive, especially thanks to growth in Germany, Benelux and Scandinavia, which more than compensated for the decrease in a few markets (mainly Russia, UK and Italy). The MEIA region was characterized by very strong growth, while the comfort business in the APA area was down (mainly USA and Japan).

operating margins

During the quarter, the Group achieved positive results on operating margins thanks to a favorable price/mix effect.

The net industrial margin improved to € 160.7 million, up from 47.0% to 50.1% of revenues.

EBITDA before non-recurring items reached € 44.5 million, up by 4.1% versus 2012; EBITDA margin is up to 13.9% of revenues from 13.5%. This result is very positive especially considering the increase in some of the fixed costs, linked to the new Braun business, as well as to the start-up costs connected with taking over the direct management of the operations (mainly labor cost and rental costs, which were not proportionate to the Braun sales over the first months of 2013).

There were no non-recurring items during the quarter.

EBIT stood at € 34.1 million (10.6% of revenues), increasing from € 33.6 million in 2012 despite higher depreciations and amortizations (€ 10.5 million versus € 7.8 million in Q1 2012) due to the significant investments sustained during the past fiscal year (mainly the Braun Household deal and the productive investments in the Chinese and Romanian plants).

	1st quarter 2013		1st quarter 2012	
	M €	***% of revenues***	**M €**	***% of revenues***
Net industrial margin	**160.7**	***50.1%***	**149.3**	***47.0%***
EBITDA before non-recurring items	**44.5**	***13.9%***	**42.8**	***13.5%***
EBIT	**34.1**	***10.6%***	**33.6**	***10.6%***

net financial charges

Net financial charges increased to € 8.4 million from € 2.8 million in Q1 2012, due to FX losses amounting to € 1.5 million in Q1 2013 (versus FX gains totaling € 2.9 million the previous year) and also partly due to the higher average indebtedness during the quarter following the Braun Household deal.

net profit

Net profit pertaining to the Group decreased from € 22.7 million in 2012 to € 18.9 million in 2013, or 5.9% of revenues.

net debt

The Group net debt position reached € 81.6 million, of which € 64.4 million related to the potential payment of the Braun earn-out, improving by € 11.3 million versus December 31st, 2012 (€ 92.9 million). The comparison with the Q1 2012 figure is significantly affected by the Braun Household deal, which had a negative impact of about € 143 million on top of the aforementioned amount which has been accounted for in relation with the earn-out.

Net working capital (€ 259.9 million versus € 245.4 million as of March 31st, 2012) was influenced by the purchase of stocks of Braun products from Procter & Gamble carried out between the last months of 2012 and the first months of 2013, as well as from a lower amount of receivables securitized.
The net working capital to revenues ratio is about stable from the previous year (17.0% versus 16.8% in Q1 2012).

Events occurred after the end of the quarter

No events occurred after the end of the quarter.

Foreseeable business development

The first quarter of 2013 was characterized by a weak sales performance and by an improvement in operating margins driven by a positive price/mix effect. Management is confident that, also for the following quarters of 2013, the Group will continue to perform in line with the internal growth and profitability targets.

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.

It must be noticed that the "Resoconto Intermedio di Gestione" (the first quarter report), drawn according to art. 154-ter, comma 5 of the T.U.F., is not audited.

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A N N E X

Consolidated results of De'Longhi S.p.A. as of March 31st, 2013

Consolidated Income Statement

Euro million	1st quarter 2013	% of revenues	1st quarter 2012	% of revenues
Net revenues	**320.5**	**100.0%**	**317.7**	**100.0%**
Change	*2.8*	*0.9%*		
Materials consumed and other production costs (services and production payroll costs)	(159.8)	(49.9%)	(168.4)	(53.0%)
Net industrial margin	**160.7**	**50.1%**	**149.3**	**47.0%**
Cost of services and other expenses	(81.1)	(25.3%)	(75.8)	(23.9%)
Labor cost (non-industrial)	(35.1)	(10.9%)	(30.6)	(9.6%)
EBITDA before non-recurring items	**44.5**	**13.9%**	**42.8**	**13.5%**
Change	*1.7*	*4.1%*		
Non-recurring items	-	-	(1.5)	(0.5%)
EBITDA	**44.5**	**13.9%**	**41.4**	**13.0%**
Change	*3.2*	*7.7%*		
Depreciations and amortizations	(10.5)	(3.3%)	(7.8)	(2.5%)
EBIT	**34.1**	**10.6%**	**33.6**	**10.6%**
Change	*0.5*	*1.5%*		
Net financial charges	(8.4)	(2.6%)	(2.8)	(0.9%)
Profit before taxes	**25.7**	**8.0%**	**30.8**	**9.7%**
Taxes	(6.6)	(2.0%)	(7.9)	(2.5%)
Profit (loss) for the period	**19.1**	**6.0%**	**22.9**	**7.2%**
Profit (Loss) pertaining to minority interests	0.2	0.1%	0.2	0.1%
Profit (loss) pertaining to the Group	**18.9**	**5.9%**	**22.7**	**7.2%**

Consolidated Balance Sheet

Euro million	31.03.2013	31.03.2012(*)	31.12.2012(*)	Change 31.03.13 – 31.03.12	Change 31.03.13 – 31.12.12
- intangible assets	363.5	174.9	364.6	188.6	(1.1)
- tangible assets	160.3	123.6	158.6	36.7	1.8
- financial assets	3.1	3.1	3.1	(0.0)	0.0
- deferred tax assets	43.0	36.3	41.3	6.7	1.6
Fixed assets	**570.0**	**337.9**	**567.6**	**232.0**	**2.4**
- inventories	341.2	316.9	273.8	24.3	67.4
- trade receivables	268.0	252.9	381.2	15.1	(113.2)
- trade payables	(307.0)	(287.5)	(351.7)	(19.5)	44.7
- other net current assets / (liabilities)	(42.2)	(36.9)	(59.8)	(5.3)	17.6
Net working capital	**259.9**	**245.4**	**243.4**	**14.5**	**16.5**
- deferred tax liabilities	(8.2)	(8.9)	(6.6)	0.6	(1.6)
- employee benefits	(23.6)	(17.6)	(24.9)	(6.0)	1.3
- other provisions	(56.5)	(56.2)	(56.3)	(0.3)	(0.2)
Non-current liabilities	**(88.4)**	**(82.7)**	**(87.8)**	**(5.7)**	**(0.5)**
Net invested capital	**741.5**	**500.7**	**723.2**	**240.8**	**18.3**
Net debt	**81.6**	**(93.7)**	**92.9**	**175.3**	**(11.3)**
Total shareholders' equity	**659.9**	**594.4**	**630.3**	**65.5**	**29.7**
Total net financial position and shareholders' equity	**741.5**	**500.7**	**723.2**	**240.8**	**18.3**

(*) Comparative data were restated due to the retroactive application of the new IAS 19 – Employee benefits principle.

Consolidated Cash Flow Statement

Euro million	31.03.2013 (3 months)	31.03.2012 (3 months)	31.12.2012 (12 months)
cash flow from operations	35.4	32.3	191.6
cash flow from changes in working capital	(24.8)	(20.5)	(65.2)
cash flow from investments	(10.0)	(22.8)	(62.8)
Operating cash flow	**0.6**	**(11.1)**	**63.5**
Braun acquisition	-	-	(202.9)
Cash flow form extraordinay investments	-	-	**(202.9)**
Dividends	-	-	(49.3)
Cash flow from changes in *Fair value* and *Cash flow hedge* reserves	5.1	(13.7)	(25.0)
Changes in currency translation reserve	5.4	1.0	3.2
Cash flow from other changes in the net equity	0.2	0.2	0.2
Cash flow from changes in the net equity	**10.7**	**(12.6)**	**(70.9)**
Net cash flow	**11.3**	**(23.7)**	**(210.3)**
Opening net financial position	(92.9)	117.4	117.4
Closing net financial position	**(81.6)**	**93.7**	**(92.9)**