Treviso, May 12th 2014

PRESS RELEASE

De'Longhi S.p.A.:
The Board of Directors approved De'Longhi Group first quarter 2014 results[1]. Revenues increased +7.1% to € 338.1 million (+12.0% at constant exchange rates); EBITDA before non-recurring items is up by 4.2% at € 46.1 million (13.6% of revenues); net income stands at € 17.1 million (5.0% of revenues); net debt is equal to € 54.6 million.

Summary

- Revenues increased +7.1% at € 338.1 million (+12.0% at constant exchange rates);
- EBITDA before non-recurring items improved by 4.2%, reaching € 46.1 million (13.6% of revenues), up from € 44.3 million in 2013 (14.0% of revenues);
- EBIT increased to € 35.4 million (10.5% of revenues), from € 33.8 million in 2013 (10.7% of revenues);
- Net income is equal to € 17.1 million (€ 19.2 million in Q1 2013);
- Net financial position is negative by € 54.6 million (negative € 55.1 million as of March 31st, 2013), of which the net financial position versus banks and bondholders is positive by € 4.6 million.

The first quarter 2014

The Board of Directors approved today the first quarter 2014 results of the De'Longhi Group.

During the quarter, the Group continued investments needed to ramp up production at the new plant in Romania, as well as the industrial investments in China, which should be completed by the end of the current fiscal year.

In relation to the Braun *Household* business, sales of Braun branded products were up strongly in Q1 2014, confirming the successful integration of the acquired assets within the Group.

(1) Comparative data were restated following the retrospective application of "IFRS 11 – Joint arrangements" and the final price allocation of the Braun Household deal as per IFRS 3 - Business combination.

It is worth noticing that comparative data relating to fiscal year 2013 were restated following the final price allocation related to the Braun Household deal (which was finalized and communicated with the Q3 2013 Group results' report) and the retrospective application of "IFRS 11 – *Joint arrangements"*.

More broadly, the first quarter was characterized by a still uncertain consumption environment in several markets. The negative foreign exchange impact was still very material: like during 2013, a widespread devaluation of many of the Group's export currencies (such as Russian rouble, Japanese yen, Ukraine's hrivnia, Australian dollar) had an overall negative impact both on Group revenues and margins, despite the hedging activities put in place by the Company.

revenues

Revenues increased by 7.1%, from € 315.5 million to € 338.1 million; constant currencies revenues growth was 12.0%.

Revenues were positively impacted by sales in the food preparation and coffee makers segments (the latter especially boosted by DolceGusto), as well as by a strong performance of the comfort products (portable air conditioners and portable heaters).

European markets recorded a positive performance: in particular, UK, France, Spain, Scandinavia and Russia (despite the rouble devaluation) had a positive impact on Group's sales. In the APA area (Asia-Pacific-Americas), North America and LatAm markets were very strong, led by US and Brazil; on the contrary, Australia and New Zealand were negative (adversely impacted also by exchange rates), while Far East markets were up, particularly Japan (despite a negative FX impact) and South Korea.
Finally, the MEIA area (Middle East, India, Africa) was a positive contributor to growth, due to a strong performance of Saudi Arabia.

operating margins

During the quarter, operating margins performance was penalized by a significant adverse FX impact and by a slightly negative price/mix effect (the latter quite typical for this part of the year), which were compensated for thanks to higher sales volumes.

As a result, net industrial margin is slightly up in absolute terms to € 161.0 million, but is down from 50.7% to 47.6% as a percentage of revenues.

EBITDA before non-recurring items reached € 46.1 million, a +4.2% increase over € 44.3 million reported in Q1 2013, while margin on revenues decreased slightly from 14.0% to 13.6%. Such result is particularly positive in light of the materially negative FX impact: at constant exchange rates, EBITDA before non-recurring items would have increased by € 8.1 million.

EBIT was equal to € 35.4 million, or 10.5% of revenues, up from 2013 (€ 33.8 million, 10.7% of revenues) despite higher D&A (€ 10.7 million versus € 10.4 million in Q1 2013) due to investments made during the previous fiscal year (mainly the industrial investments in China and Romania).

	Q1 2014		Q1 2013(*)	
	M €	***% of revenues***	**M €**	***% of revenues***
Net industrial margin	**161.0**	***47.6%***	**160.1**	***50.7%***
EBITDA before non-recurring items	**46.1**	***13.6%***	**44.3**	***14.0%***
EBIT	**35.4**	***10.5%***	**33.8**	***10.7%***

(*) Comparative data were restated following the retrospective application of IFRS 11 – Joint arrangements

net financial charges

Net financial charges increased from Q1 2013 (€ 11.6 million versus € 7.9 million in Q1 2013) largely due to higher FX losses and hedging costs recorded in Q1 2014 (up by € 3.3 million versus the previous year), mainly related to the extraordinary effects of the Ukrainian currency crisis.

net income

Net income pertaining to the Group was € 17.1 million, or 5.0% of revenues, versus € 19.2 million in 2013.

net debt

Net financial position versus banks and bondholders (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 March 31st 2014 is equal to Eur 4.6 million, versus € -18.5 million as of March 31st, 2013 and to € 40.9 million at the end of 2013. The decrease versus the December 2013 data (€ -36,3 million) is mainly linked to an increase in working capital, largely due to a lower recourse to securitization of receivables.

Including the aforementioned non-bank components, net debt as of March 31st, 2014 was € 54.6 million, versus € 9.0 million as of December 31st, 2013 and € 55.1 million as of March 31st, 2013 (2013 values are restated).
Net working capital (€ 278.0 million versus € 262.6 million in Q1 2013) improved slightly as a percentage of revenues from March 31st, 2013 despite a lower amount of securitized receivables; net working capital as a percentage of revenues was 17.0%, down from 17.3% a year ago.

Events occurred after the end of the quarter

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

Forseeable business development

The first quarter of 2014 was characterized by a strong organic revenues performance, affected by a negative foreign exchange impact, despite the hedging activities put in place by the Company. Group margins were also affected by the adverse currencies environment, but were nevertheless higher in absolute terms thanks to higher sales volumes. Despite a volatile market and the persistent foreign exchangeheadwinds, management confirms for the following quarters of 2014 fiscal year the targets for revenues and margins growth.

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.

The Company highlights that the first quarter report, in compliance with art. 154-ter, comma 5 of T.U.F., is unaudited.

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ANNEX

De'Longhi S.p.A. Consolidated Financial Statements as of March 31st 2014

Consolidated Income Statement

Euro million	Q1 2014	% of revenues	Q1 2013(*)	% of revenues
Net revenues	**338.1**	**100.0%**	**315.5**	**100.0%**
Change	*22.5*	*7.1%*		
Materials consumed and other production costs (services and production payroll costs)	(177.1)	(52.4%)	(155.4)	(49.3%)
Net Industrial margin	**161.0**	**47.6%**	**160.1**	**50.7%**
Cost for goods and services and other costs	(78.0)	(23.1%)	(80.9)	(25.6%)
Labour cost (non industrial)	(36.9)	(10.9%)	(34.9)	(11.1%)
EBITDA before non-recurring items	**46.1**	**13.6%**	**44.3**	**14.0%**
Change	*1.8*	*4.2%*		
Non-recurring items	(0.1)	(0.0%)	-	-
EBITDA	**46.1**	**13.6%**	**44.3**	**14.0%**
Change	*1.8*	*4.0%*		
Amortization	(10.7)	(3.2%)	(10.4)	(3.3%)
EBIT	**35.4**	**10.5%**	**33.8**	**10.7%**
Change	*1.5*	*4.5%*		
Net financial charges	(11.6)	(3.4%)	(7.9)	(2.5%)
Profit before taxes	**23.7**	**7.0%**	**25.9**	**8.2%**
Taxes	(6.6)	(1.9%)	(6.6)	(2.1%)
Profit / (Loss) of the period	**17.2**	**5.1%**	**19.4**	**6.1%**
Profit (loss) pertaining to minority interests	0.1	0.0%	0.2	0.1%
Profit (loss) pertaining to the Group	**17.1**	**5.0%**	**19.2**	**6.1%**

(*) Comparative data were restated following the retrospective application of IFRS 11 - *Joint arrangements,* under which the accounting of joint assets must be done with the equity method, as per IAS 28 - *Investments in associates and joint venture,* as amended. This led to lower revenues as of March 31st, 2013, by Euro 5.0 million and lower EBITDA by Euro 0.3 million. Comparative data were also restated due to the final price allocation in relation to the Braun Household deal, as per IFRS 3 - *Business combination,* leading to a positive effect on the net result of Euro 0.2 million.

Consolidated Balance Sheet

Euro million	31.03.2014	31.03.2013(*)	31.12.2013(*)	Change 31.03.14 – 31.03.13	Change 31.03.14 – 31.12.13
- intangible assets	326.8	330.0	327.3	(3.3)	(0.5)
- tangible assets	173.9	158.1	171.4	15.7	2.4
- financial assets	7.6	7.1	7.3	0.5	0.4
- deferred tax assets	41.1	42.9	38.1	(1.8)	3.0
Fixed assets	**549.3**	**538.2**	**544.0**	**11.1**	**5.3**
- inventories	324.9	339.3	281.3	(14.4)	43.6
- trade receivables	273.4	265.3	334.6	8.1	(61.2)
- trade payables	(294.4)	(299.1)	(338.6)	4.7	44.2
- other net current assets / (liabilities)	(25.9)	(42.9)	(50.6)	17.0	24.7
Net working capital	**278.0**	**262.6**	**226.7**	**15.4**	**51.3**
- deferred tax liabilities	(12.3)	(8.6)	(10.1)	(3.6)	(2.2)
- employee benefits	(30.0)	(23.6)	(28.7)	(6.4)	(1.4)
- other non-current liabilities	(51.2)	(53.0)	(53.1)	1.8	1.9
Non-current liabilities	**(93.5)**	**(85.3)**	**(91.9)**	**(8.2)**	**(1.6)**
Net invested capital	**733.8**	**715.5**	**678.9**	**18.3**	**55.0**
Net debt / (net cash)	**54.6**	**55.1**	**9.0**	**(0.5)**	**45.5**
Total shareholders' equity	**679.3**	**660.4**	**669.8**	**18.8**	**9.5**
Total net financial position and shareholders' equity	**733.8**	**715.5**	**678.9**	**18.3**	**55.0**

(*) Comparative data were restated following the retrospective application of IFRS 11 - *Joint arrangements,* under which the accounting of joint assets must be done with the equity method, as per IAS 28 - *Investments in associates and joint venture,* as amended. In comparison with previously reported data, this led to higher net debt by Euro 5.3 million as of March 31st, 2013 (Euro 6.8 million as of December 31st, 2013). Comparative data were also restated due to the final price allocation in relation to the Braun Household deal, as per IFRS 3 - *Business combination,* leading to a positive effect on the net debt as of March 31st, 2013, of Euro 31.8 million.

Consolidated Cash Flow Statement

Euro million	31.03.2014 (3 months)	31.03.2013(*) (3 months)	31.12.2013(*) (12 months)
Cash flow from operations	34.4	35.6	205.0
Cash flow from changes in working capital	(61.0)	(25.0)	(32.6)
Cash flow from investments	(14.4)	(10.2)	(59.7)
Operating cash flow	**(41.0)**	**0.3**	**112.7**
Dividends	-	-	(43.4)
Change in Fair value and Cash flow hedge reserves	(4.9)	5.1	(4.7)
Changes in currency translation reserve	0.3	5.4	(1.7)
Cash flow from actuarial losses related to the agreement on the UK pension plan	-	-	(6.2)
Cash flow from other changes in the net equity	0.1	0.2	(0.4)
Cash flow from changes in the net equity	**(4.5)**	**10.7**	**(55.6)**
Net cash flow	**(45.5)**	**11.0**	**57.0**
Opening net financial position	(9.0)	(66.1)	(66.1)
Closing net financial position	**(54.6)**	**(55.1)**	**(9.0)**

(*) Comparative data were restated following the retrospective application of IFRS 11 - *Joint arrangements,* under which the accounting of joint assets must be done with the equity method, as per IAS 28 - *Investments in associates and joint venture,* as amended. Comparative data were also restated due to the final price allocation in relation to the Braun Household deal, as per IFRS 3 - *Business combination.*