

Treviso, April 23rd 2013

PRESS RELEASE

De'Longhi SpA:

The Shareholders' meeting, held today, (i) approved the consolidated 2012 results; (ii) approved a dividend of € 0.29 per share; (iii) approved the corporate bodies for the 2013-2015 period; (iv) renewed the authorization to purchase and dispose of the Company's shares; (v) gave a positive opinion on the Remuneration Policy for the year 2013.

Summary

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|---|--|
| The full year 2012 | <ul style="list-style-type: none">▪ Revenues were up by 7.0% in the full year, reaching € 1,530.1 million;▪ Ebitda before non-recurring items totalled € 232.3 million (15.2% of revenues), up by 10.8%;▪ Ebit reached € 189.0 million (12.3% of revenues), a 9.6% increase;▪ Net income pertaining to the Group was € 118.0 million (from € 93.9 million);▪ Net debt at € 92.9 million. |
| Approval of a dividend of € 0.29 per share | <ul style="list-style-type: none">▪ A dividend of € 0.29 per share (gross of any applicable tax) has been approved, equivalent to a 37% pay-out ratio. The ex-date is April 29th, 2013, the record date is May 2nd, 2013, while the dividend payment will occur starting from May 3rd, 2013. |
| Renewal of the corporate bodies | <ul style="list-style-type: none">▪ The Shareholders' meeting has also appointed the new Board of Directors and the new Statutory Auditors for the 2013-2015 period. |
| Remuneration policy for 2013 | <ul style="list-style-type: none">▪ The Shareholders' meeting has given a positive opinion on the Remuneration Policy for 2013, as part of the "Relazione Annuale sulla Remunerazione di De'Longhi S.p.A." as of art. 123-ter of "TUF". |
| Authorization to purchase and dispose of Company's shares | <ul style="list-style-type: none">▪ Shareholders have also renewed the authorization to the purchase and disposal of the Company's shares up to a maximum of 28 million ordinary shares and, in any case, not exceeding one fifth of the share capital, including as well shares owned by controlled companies. |

The 2012 results: the Group

Fiscal year 2012 was the first year for the De'Longhi Group within its new perimeter, following the demerger of the Professional division. Effective January 1st, 2012, the Professional division has become part of DeLclima S.p.A., a separate Group listed on the Milan Stock Exchange.

During 2012 the Group made significant investments: on one hand, the perpetual licensing agreement of the Braun brand for Household products, which will allow the Company to further strengthen its competitive positioning; on the other hand, the investments to increase production capacity in China and in Romania. More in detail, the Group acquired a plant in Romania consisting in 35.000 square meters, which can be further increased; a specific investment plan, ending in 2014, has been set up to this purpose. The production of the first fully-automatic coffee makers has already started at the beginning of 2013, while in 2014, when the plant will be at full capacity, it could host also the production of food preparation appliances.

As far as the market is concerned, 2012 was characterized by a sequential slowdown of the world's economy, particularly in the Euro area; the trend has deteriorated especially in the second half of the year.

Revenues

Even in such a context, Group **revenues** reached € 1,530.1 million, up 7.0% (+3.4% organic), in line with management guidance.

From a geographic standpoint, the positive trend in emerging markets (namely Asia-Pacific, East Europe and Middle-East & Africa) was confirmed.

Mature markets, particularly West Europe (+3.0%), recorded a mixed performance, characterized by a sequential slowdown during the year. A few countries in the Mediterranean area are still in negative territory (especially Spain).

Net industrial margin

The continued strength of the two most important product categories, coffee makers and food preparation, led to an increase in the **net industrial margin** to € 735.3 million (from € 687.2 million in 2011, stable at 48.1% of revenues), despite a negative FX contribution, mainly linked to the appreciation of the US dollar against the Euro.

Ebitda

Thanks to a good management of service costs and other cost items, **Ebitda before non-recurring items** increased by 10.8% to € 232.3 million (15.2% of revenues) from € 209.6 million (14.7% of revenues).

Non-recurring items were negative € 7.7 million, mainly linked to the Braun Household deal.

Ebit

Ebit reached € 189.0 million (12.3% of revenues), up 9.6% versus 2011.

DE'LONGHI GROUP 12 months	2012		2011	
	M €	% of revenues	M €	% of revenues
Net industrial margin	735.3	48.1 %	687.2	48.1 %
EBITDA before non-recurring items	232.3	15.2 %	209.6	14.7 %
EBITDA	224.6	14.7 %	203.4	14.2 %
EBIT	189.0	12.3 %	172.5	12.1 %
Net income pertaining to the Group	118.0	7.7 %	93.9	6.6 %

Net Income

After **financial charges** of € 34.9 million (a slight increase from € 33.7 in 2011 due to the increase in the average debt level in the year), the Group reached a **net income** of € 118.0 million (€ 93.9 million in 2011, up by 25.6%).

Net financial position

The Group's **net financial position** at the end of 2012 was negative for € 92.9 million (of which € 63.8 million related to the potential payment of the Braun earn-out) from positive € 117.4 million at end-2011, due to higher capex and especially to the Braun Household deal. There was also a good recovery on the inventory front, which decreased as a percentage of revenues from 19.4% in 2011 to 17.9% as of December 2012, despite the purchase of Braun inventory worth € 12.2 million. The net financial position was also negatively affected by a reduction in the fair value of derivative contracts and options for a total of € 36.2 million with respect to 2011.

Dividend

A dividend of € 0.29 per share (gross of any applicable tax) has been approved ("*cedola n. 13*"), equivalent to a 37% pay-out ratio. The ex-date is April 29th, 2013, the record date is May 2nd, 2013, while the dividend payment will occur starting from May 3rd, 2013.

Events occurred after the end of the year

Effective January 1st, 2013 the Group took over the operations connected to Braun Household, thus ending on December 31st, 2012 the transitional period during which Procter & Gamble was still managing the business.

Forseeable business development

2013 forecasts are still highlighting an uncertain economic scenario in the main markets. Management thinks that the Group, despite

operating in a difficult environment, should still be able to continue on its growth trajectory, thanks to the strength deriving from its know-how, from its competitive positioning, from the good exposure to Emerging Markets, from the presence in fast-growing business niches as well as thanks to the new potential added through the Braun Household deal.

Other Shareholders' resolutions

The Shareholders' meeting renewed the Board of Directors and the Statutory Auditors for the 2013-2015 period. The two newly-appointed bodies will remain in place until the approval of the consolidated accounts as of December 31st, 2015.

The new Board of Directors is composed by the following members, which were all included in the only list deposited by the majority shareholder, De' Longhi Industrial S.A: Giuseppe de' Longhi (Chairman), Alberto Clò, Fabio de' Longhi, Silvia de' Longhi, Stefania Petruccioli, Carlo Garavaglia, Cristina Pagni, Renato Corrada, Giorgio Sandri, Silvio Sartori.

Among the mentioned Directors, Alberto Clò, Stefania Petruccioli, Cristina Pagni and Renato Corrada declared to satisfy the independence requirements as per art. 147-ter co. 4° and 148, co. 3° of "TUF".

The new Statutory Auditors are Gianluca Ponzellini (Chairman), Paola Mignani ("standing statutory auditor"), Alberto Villani ("standing statutory auditor"), Piera Tula ("substitute statutory auditor") and Enrico Pian ("substitute statutory auditor"); they were all included in the only list deposited by the shareholder De' Longhi Industrial S.A..

The curricula vitae of the Directors and of the Statutory Auditors are available on the Company's website www.delonghi.com (Section "*Investors*" – "*Governance*" – "*Assembly*" – "*2013*").

Based on information available to the Company as of today, among the newly-appointed members of the two corporate bodies, Directors Giuseppe de' Longhi, Fabio de' Longhi and Giorgio Sandri own Company's shares. Directors Giuseppe de' Longhi and Giorgio Sandri own the same number of shares indicated into the table on page n. 31 of the "Relazione Annuale sulla Remunerazione di De'Longhi S.p.A." which is available on the Company's website www.delonghi.com (section "*Investors*" – "*Governance*" – "*Assembly*" – "*2013*"). As of today, Fabio de' Longhi owns 415.000 shares.

The Shareholders' meeting also renewed – after revocation of the resolution approved on April 24th, 2012 – the authorization to purchase and dispose of the Company's shares up to a maximum of

28 million ordinary shares and in any case not exceeding one fifth of the share capital, including also shares owned by controlled companies. The authorization was approved, as required by existing laws, for a maximum period of 18 months and according to the terms and conditions included in the report about the meeting's agenda presented by the Board of Directors and available on the Company's website www.delonghi.com (section "Investors" – "Governance" – "Assemblee" – "2013").

Finally, the Shareholders' meeting, after examining the "Relazione Annuale sulla Remunerazione" of De'Longhi S.p.A. prepared in accordance with existing laws and published on the Company's website www.delonghi.com (section "Investors" – "Governance" – "Assemblee" – "2013"), approved the 2013 Remuneration Policy of De'Longhi S.p.A. and the procedures needed to execute it, as identified in Section I of the aforementioned "Relazione".

Board of Directors' resolutions

De'Longhi Board of Directors, having met immediately after the end of the Shareholders' meeting, chaired by Mr. Giuseppe de' Longhi, has, among other things:

- a) appointed Fabio de' Longhi Vice-chairman and Chief Executive Officer, granting him ordinary and extraordinary powers;
- b) pursuant to the Corporate Governance Code issued by Borsa Italiana S.p.a., granted functions and powers provided for the internal committee for appointments to the internal committee for remuneration, that shall therefore be called Committee for Remuneration and Appointments;
- c) verified the occurrence of non-executive and independence requirements (in accordance to articles 147-ter co. 4° and 148, co. 3° of Legislative Decree 58/1998 and article 3 of the Borsa Italiana S.p.a. Corporate Governance Code), appointed:
 - the directors Renato Corrada (Chairman), Stefania Petruccioli and Silvio Sartori as members of Committee for Control and Risks and for the *Corporate Governance*;
 - the directors Alberto Clò (Chairman), Cristina Pagni and Carlo Garavaglia as members of the Committee for Remuneration and Appointments;
 - all independent directors – namely Alberto Clò (Chairman), Stefania Petruccioli, Cristina Pagni and Renato Corrada as members of the Committee of Independents;
- d) appointed, in accordance with the Corporate Governance Code, the independent director Alberto Clò *Lead Independent director* and the Chief Executive Officer, Fabio de' Longhi, Director entrusted with the Internal Audit System and Risks management.

In evaluating the independence of the directors under criteria provided by article 3 of Corporate Governance Code, the Board of Directors, despite generally applying the criteria contained in the

aforementioned article, resolves not to apply the criterium under article 3.C.1, lett. e) of the Code (being director of the Issuer for more than nine years in the last twelve years) resolving that this criterium is not material for the independence.

DIRECTOR	ROLE	EXECUTIVE	INDIPENDENCE UNDER TUF	INDIPENDENCE UNDER CORPORATE GOVERNANCE CODE
GIUSEPPE DE' LONGHI	Chairman	Yes	No	No
FABIO DE' LONGHI	Vice-Chairman and CEO. Director entrusted with the Internal Audit System and Risks management	Yes	No	No
SILVIA DE' LONGHI	Director	No	No	No
ALBERTO CLO'	Lead Independent Director	No	Yes	Yes
STEFANIA PETRUCCIOLI	Director	No	Yes	Yes
CARLO GARAVAGLIA	Director	No	No	No
CRISTINA PAGNI	Director	No	Yes	Yes
RENATO CORRADA	Director	No	Yes	Yes
GIORGIO SANDRI	Director	No	No	No
SILVIO SARTORI	Director	No	No	No

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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ANNEX

Consolidated results of De' Longhi Group as at December 31, 2012

Consolidated income statement

Euro million	2012	% of revenues	2011	% of revenues
Net revenues	1,530.1	100.0%	1,429.4	100.0%
<i>Change 2012/2011</i>	<i>100.7</i>	<i>7.0%</i>		
Materials consumed and other production costs (services and production payroll costs)	(794.8)	(51.9%)	(742.2)	(51.9%)
Net industrial margin	735.3	48.1%	687.2	48.1%
Costs of services and other expenses	(348.8)	(22.8%)	(342.0)	(23.9%)
Labour cost (non industrial)	(128.7)	(8.4%)	(113.7)	(8.0%)
Provisions	(25.6)	(1.7%)	(21.9)	(1.5%)
EBITDA before non-recurring items	232.3	15.2%	209.6	14.7%
<i>Change 2012/2011</i>	<i>22.6</i>	<i>10.8%</i>		
Non recurring items	(7.7)	(0.5%)	(6.2)	(0.4%)
EBITDA	224.6	14.7%	203.4	14.2%
Amortization	(35.6)	(2.3%)	(30.9)	(2.2%)
EBIT	189.0	12.3%	172.5	12.1%
<i>Change 2012/2011</i>	<i>16.5</i>	<i>9.6%</i>		
Net financial charges	(34.9)	(2.3%)	(33.7)	(2.4%)
Profit before taxes	154.0	10.1%	138.8	9.7%
Taxes	(35.6)	(2.3%)	(44.4)	(3.1%)
Profit / (loss) for the period	118.5	7.7%	94.4	6.6%
Profit / (loss) pertaining to minority interests	0.5	0.0%	0.5	0.0%
Profit / (loss) pertaining to the Group	118.0	7.7%	93.9	6.6%

Consolidated balance sheet

Euro million	31.12.2012	31.12.2011	Change
- intangible assets	364.6	175.8	188.8
- tangible assets	158.6	109.1	49.5
- financial assets	3.1	3.0	0.1
- deferred tax assets	40.8	32.8	8.0
Fixed assets	567.1	320.7	246.4
- inventory	273.8	278.0	(4.2)
- trade receivables	381.2	349.5	31.7
- trade payables	(351.7)	(330.8)	(21.0)
- other net current assets / (liabilities)	(59.8)	(61.5)	1.6
Net working capital	243.4	235.2	8.2
Non current liabilities	(83.5)	(86.7)	3.2
Net invested capital	727.0	469.2	257.8
Net financial position (*)	92.9	(117.4)	210.3
Total shareholders' equity	634.0	586.6	47.4
Total net financial position and shareholders' equity	727.0	469.2	257.8

(*) The net financial position as of December 31st, 2012 includes net financial liabilities amounting to Euro 73.0 million (versus net financial assets of Euro 27.0 million as of December 31st 2011) linked to the fair value of derivative instruments, to the accounting of options on minority stakes and to the residual obligation towards P&G for the Braun Household deal (earn-out).

Consolidated cash flow statement

Euro million	2012	2011
Cash flow from operations	191.6	177.4
Cash flow from changes in the working capital	(65.2)	(80.5)
Cash flow from ordinary investments	(62.8)	(41.7)
Operating Cash Flow	63.5	55.2
Cash flow from non recurring items towards Discontinued operations	-	(155.4)
Braun acquisition	(202.9)	-
Cash flow from extraordinary investments	(202.9)	(155.4)
Dividends	(49.3)	(21.8)
Cash flow from changes in the Fair value and Cash flow hedge reserves	(25.0)	28.0
Cash flow from changes in the conversion reserve	3.2	2.7
Cash flow from other changes in the the net equity	0.2	0.3
Cash flow from changes in the net equità	(70.9)	9.1
Net cash flow	(210.3)	(91.1)
Opening net financial position	117.4	208.5
Closing net financial position	(92.9)	117.4

Revenues breakdown by geography

Euro million	2012	%	2011	%	Change	% Change
West Europe	848.2	55.4%	823.8	57.6%	24.4	3.0%
East Europe	159.8	10.4%	145.8	10.2%	14.0	9.6%
EUROPE	1,008.0	65.9%	969.6	67.8%	38.4	4.0%
MEIA (Middle East/India/Africa)	85.3	5.6%	79.5	5.6%	5.8	7.3%
APA (Asia/Pacific/Americas)	436.8	28.5%	380.3	26.6%	56.5	14.9%
Total revenues	1,530.1	100.0%	1,429.4	100.0%	100.7	7.0%