Treviso, November 12th 2013

PRESS RELEASE

De'Longhi SpA:
The Board of Directors approved the consolidated results as of September 30th, 2013(*):

- **revenues reached € 1,038.1 million, up by 5.0% (+6.6% in the third quarter); at constant exchange rates, the 9-month growth is +7.9%;**
- **EBITDA before non-recurring items stands at € 134.7 million (13.0% of revenues)**
- **net income at € 57.0 million (5.5% of revenues);**
- **net debt at € 115.0 million, from € 175.9 million as of September 2012.**

Summary

the third quarter
July 1st – September 30th 2013

- revenues reached € 367.2 million (+6.6%), from € 344.4 million in 2012;
- net industrial margin is up to 47.8% of revenues from 47.5% in 2012, increasing from € 163.5 million to € 175.7 million;
- EBITDA (before non-recurring items) equals € 51.4 million (14.0% of revenues), versus € 56.2 million in 2012 (16.3% of revenues);
- EBIT reached € 41.0 million (11.2% of revenues), from € 46.3 million (13.4% of revenues) in 2012;
- Net income at € 25.3 million, or 6.9% of revenues, from € 31.1 million in 2012 (9.0% of revenues).

the nine months
January 1st – September 30th 2013

- 9-month growth was 5.0% (revenues up from € 988.8 million to € 1,038.1 million), or +7.9% at constant exchange rates;
- Net industrial margin increased as a percentage of revenues from 47.4% to 48.5% thanks to a positive mix/volume effect, moving from € 468.8 million to € 503.6 million;
- EBITDA before non-recurring items is slightly down from € 138.3 million to € 134.7 million, from 14.0% to 13.0% as a percentage of revenues (mainly due to the dilutive effect of Braun consolidation and to a negative FX impact);
- EBIT is marginally down from € 104.4 million to € 102.7 million (from 10.6% to 9.9% as a percentage of revenues);
- Net income stands at € 57.0 million (from € 63.5 million in 2012);
- Net debt equals € 115.0 million, down from € 175.9 million as of September 2012.

(*) The retroactive application of IAS 19 – Employee benefits and the revised value of the earn-out due to P&G for the Braun Household acquisition led to the restatement of the comparative data

The first 9 months of 2013

The Board of Directors approved today the consolidated results as of September 30th, 2013.

The first 9 months of 2013 confirmed the difficult market environment, characterized by a high volatility and by a very uncertain consumption environment; on top of that, exchange rates fluctuations had a material impact on the 9 months results.
In particular, the sudden devaluation of several export currencies that took place in the first half of the year (such as the Australian dollar, the Japanese Yen, but also of other emerging markets' currencies) had a negative effect both on revenues and on margins, which was extended into the third quarter.

revenues

9-month consolidated revenues amount to € 1,038.1 million, up 5.0% versus 2012 (€ 988.8 million), also thanks to the consolidation of Braun Household. At constant exchange rates, growth is 7.9%.

By product, Kenwood-branded kitchen machines had a strong performance, as well as handblenders, which benefitted significantly from the Braun contribution.

Espresso coffee makers sales are slightly negative, both in the fully-automatic segment and in the Nespresso capsules machines, while Dolce Gusto coffee makers recorded a positive growth (thanks also to the launch into new markets).

Over the nine-month period, portable heaters sales were negative, although this segment has a lower weight on the total business.

By market, Europe was positive (especially Italy, Germany, Benelux and Eastern Europe, with the exception of Russia) as well as the Middle East-India-Africa (MEIA) region, while the Asia-Pacific-Americas (APA) area recorded negative growth, also due to the adverse currency impact.

operating margins

Over the first nine months, the Group margins followed different trajectories. While the net industrial margin improved, mainly thanks to a positive mix/volume effect, which more than compensated for a negative exchange rates impact, EBITDA and EBIT were negatively affected not only by the negative currency impact (already mentioned) but also by higher costs (both fixed and variable) related to the integration of Braun Household as well as by higher depreciations due to the industrial investments carried out in 2012 and 2013.

	9 months		third quarter	
	M €	*% of revenues*	M €	*% of revenues*
Net industrial margin	**503.6**	***48.5 %***	**175.7**	***47.8 %***
EBITDA before non-recurring items	**134.7**	***13.0 %***	**51.4**	***14.0 %***
EBITDA	**134.3**	***12.9 %***	**51.4**	***14.0 %***
EBIT	**102.7**	***9.9 %***	**41.0**	***11.2 %***

net industrial margin	Net industrial margin increased from € 468.8 million to € 503.6 million (up from 47.4% to 48.5% of revenues). In the third quarter, the net industrial margin (47.8% of revenues) improved over the same period in 2012 (47.5%).
EBITDA	Over the nine months, EBITDA before non-recurring items stood at € 134.7 million (from € 138.3 million) or 13.0% of revenues, down by 1 percentage point from the previous year, after higher operating costs (mainly linked to the Braun Household acquisition). In the third quarter, EBITDA before non-recurring items is € 51.4 million (14.0% of revenues) from € 56.2 million (16.3% of revenues) in 2012. EBITDA grew in absolute terms by € 4.7 million, from € 129.6 million to € 134.3 million (slightly down as a percentage of revenues from 13.1% to 12.9%) due to lower non-recurring charges (€ 0.4 million versus € 8.8 million in 2012, mainly related to the Braun Household acquisition).
EBIT	EBIT stands at € 102.7 million (€ 104.4 million 2012), or 9.9% as a percentage of revenues versus 10.6% in 2012. The result impacted also by higher depreciations (due to the relevant industrial investments) and by the higher operating costs (mentioned above). In the third quarter EBIT reached € 41.0 million, down from € 46.3 million in 2012, on the back of the higher costs already discussed (operating costs and depreciations) and is down also as a percentage of revenues, from 13.4% to 11.2%.
net financial charges	Net financial charges stand at € 26.2 million, up from € 22.0 million in 2012, mainly due to the higher average indebtedness in 2013 (due to the Braun Household acquisition, completed in 2012) as well as to higher hedging costs.
net income	Over the nine months, net income pertaining to the Group reached € 57.0 million versus € 63.5 million in 2012, or 5.5% of revenues (6.4% in 2012).
net financial position	The net bank financial position (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 September 30th 2013 equals to Eur -67,1 million, versus € -19.9 million and the end of 2012. The increase in the net bank debt from the beginning of the year is the consequence of the normal cash absorption due to the working capital cycle, as well as of the cap-ex (€ 38.9 million) and of the dividends paid (€ 43.4 million). Over the last 12 months, the net change in the bank NFP is € -6,5 million; excluding the € 93 million cash-out to Procter&Gamble in connection with the Braun Household deal, the net cash generation amounts to € 86.5 million. Including all the accounting entries mentioned above, net debt as of

September 30th 2013 reached € 115.0 million, versus € 61.4 million as of December 2012 and € 175.9 million as of September 2012. During the third quarter, the Group revised down the estimated value of the earn-out related to the Braun acquisition: following the revision, the estimated value for IFRS purposes was reduced by € 31.1 million (at the time of the acquisition) to € 33.2 million (including accrued interests).

working capital

Net working capital had a positive development, going down to 17.8% as a percentage of rolling last twelve month revenues from 20.5% as of September 2012, reaching € 281.8 million. This improvement was partly due to a better management of the commercial working capital and partly to higher usage of the securitization scheme versus September 2012 (which has now stabilized after the renewal of the securitization agreement).

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 nine months of 2013 were characterized by uncertain market trends globally. The Group could achieve a positive growth thanks to the integration of the Braun business, despite adverse currency fluctuations. Management foresees that the market environment will remain unfavorable even for the next fiscal year; nonetheless, Braun contribution and the industrial and organizational investments carried out set the ground for an improvement of the Group's perspectives.

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 Group as at Setpember 30th, 2013

Consolidated Income Statement

Euro million	30.09.2013	% revenues	30.09.2012 (*)	% revenues
Net revenues	**1,038.1**	**100.0%**	**988.8**	**100.0%**
Change	*49.3*	*5.0%*		
Materials consumed and other production costs (services and production payroll costs)	(534.4)	(51.5%)	(520.0)	(52.6%)
Net Industrial margin	**503.6**	**48.5%**	**468.8**	**47.4%**
Cost for goods and services and other costs	(264.2)	(25.5%)	(237.2)	(24.0%)
Labour cost (non industrial)	(104.7)	(10.1%)	(93.3)	(9.4%)
EBITDA before non-recurring items	**134.7**	**13.0%**	**138.3**	**14.0%**
Change	*(3.6)*	*(2.6%)*		
Non-recurring items	(0.4)	(0.0%)	(8.8)	(0.9%)
EBITDA	**134.3**	**12.9%**	**129.6**	**13.1%**
Change	*4.7*	*3.6%*		
Amortization	(31.6)	(3.0%)	(25.1)	(2.5%)
EBIT	**102.7**	**9.9%**	**104.4**	**10.6%**
Change	*(1.8)*	*(1.7%)*		
Net financial charges	(26.2)	(2.5%)	(22.0)	(2.2%)
Profit before taxes	**76.5**	**7.4%**	**82.4**	**8.3%**
Taxes	(19.0)	(1.8%)	(18.6)	(1.9%)
Profit / (Loss) of the period	**57.5**	**5.5%**	**63.8**	**6.5%**
Profit (loss) pertaining to minority interests	0.6	0.1%	0.3	0.0%
Profit (loss) pertaining to the Group	**57.0**	**5.5%**	**63.5**	**6.4%**

(*) The retrospective application of IAS 19 – Employee benefits and the revised value of the earn-out due to P&G for the Braun Household acquisition led to the restatement of the comparative data.

Consolidated Balance Sheet

Euro million	30.09.2013	30.09.2012 (*)	31.12.2012 (*)	Change 30.09.13 – 30.09.12	Change 30.09.13 – 31.12.12
- intangible assets	331.4	334.0	333.5	(2.6)	(2.1)
- tangible assets	165.3	154.8	158.6	10.4	6.7
- financial assets	3.4	3.1	3.1	0.4	0.3
- deferred tax assets	46.0	53.9	41.3	(7.9)	4.7
Fixed assets	**546.1**	**545.8**	**536.5**	**0.3**	**9.6**
- inventories	386.3	375.8	273.8	10.5	112.5
- trade receivables	260.4	275.1	381.2	(14.7)	(120.8)
- trade payables	(316.0)	(297.2)	(351.7)	(18.8)	35.7
- other net current assets / (liabilities)	(48.9)	(45.7)	(60.5)	(3.2)	11.6
Net working capital	**281.8**	**307.9**	**242.8**	**(26.2)**	**39.0**
- deferred tax liabilities	(8.5)	(10.7)	(6.0)	2.3	(2.4)
- employee benefits	(27.6)	(21.3)	(24.9)	(6.3)	(2.7)
- other non-current liabilities	(54.9)	(54.4)	(56.3)	(0.5)	1.4
Non-current liabilities	**(91.0)**	**(86.4)**	**(87.3)**	**(4.6)**	**(3.7)**
Net invested capital	**736.9**	**767.4**	**692.0**	**(30.5)**	**45.0**
Net debt / (net cash)	**115.0**	**175.9**	**61.4**	**(60.9)**	**53.6**
Total shareholders' equity	**621.9**	**591.5**	**630.5**	**30.4**	**(8.6)**
Total net financial position and shareholders' equity	**736.9**	**767.4**	**692.0**	**(30.5)**	**45.0**

(*)The retrospective application of IAS 19 – Employee benefits and the revised value of the earn-out due to P&G for the Braun Household acquisition led to the restatement of the comparative data (the latter determining a net debt reduction of Euro 31.2 million as of September 30th, 2012 and of Euro 31,5 million as of December 31st, 2012).

Consolidated Cash Flow statement

Euro million	30.09.2013 (9 months)	30.09.2012 (*) (9 months)	31.12.2012 (*) (12 months)
Cash flow from operations	105.7	97.0	192.0
Cash flow from changes in working capital	(69.7)	(110.5)	(65.2)
Cash flow from investments	(38.9)	(46.7)	(62.8)
Operating cash flow	**(2.9)**	**(60.2)**	**63.9**
Braun acquisition	-	(171.8)	(171.8)
Cash flow from extraordinary investments	**-**	**(171.8)**	**(171.8)**
Dividends	(43.4)	(49.3)	(49.3)
Change in Fair value and Cash flow hedge reserves	(1.8)	(15.1)	(25.0)
Cash flow from actuarial losses related to the agreement on the UK pension plan	(6.2)	-	-
Changes in currency translation reserve	0.3	3.0	3.2
Cash flow from other changes in the net equity	0.3	0.1	0.2
Cash flow from changes in the net equity	**(50.7)**	**(61.3)**	**(70.9)**
Net cash flow	**(53.6)**	**(293.3)**	**(178.8)**
Opening net financial position	(61.4)	117.4	117.4
Closing net financial position	**(115.0)**	**(175.9)**	**(61.4)**

(*)The retrospective application of IAS 19 – Employee benefits and the revised value of the earn-out due to P&G for the Braun Household acquisition led to the restatement of the comparative data.