Treviso, November 11th 2014

PRESS RELEASE

De'Longhi S.p.A.:

- **the Board of Directors approved consolidated results as of September 30th, 2014(*);**
- **at constant exchange rates, revenues were € 1,121.3 million, up 9.6% from € 1,023.5 million in 2013, while EBITDA reached € 146.8 million (13.1% of revenues), increasing from € 128.0 million (12.5% of revenues) in 2013;**
- **at current Exchange rates, revenues were € 1,086.9 million, up 6.0% from 2013; EBITDA increased to € 136.6 million (12.6% of revenues) from € 133.6 million in 2013 (13.0% of revenues);**
- **net income was € 54.2 million (5.0% of revenues);**
- **net debt improved to € 97.4 million, down from € 121.5 million as of September 30th, 2013.**

Summary

the third quarter
July 1st – September 30th 2014

- At constant exchange rates and excluding hedging, revenues were € 392.3 million, up 8.4% from € 361.9 million in 2013, while EBITDA stood at € 51.1 million (13.0% of revenues) versus € 48.6 million in 2013 (13.4% of revenues);
- On a reported basis revenues were € 386.8 million (+6.4%) up from € 363.4 million in 2013, while EBITDA reached € 49.4 million (12.8% of revenues) versus € 51.2 million (14.1% margin);
- EBIT stood at € 38.0 million (9.8% margin), from € 40.9 million (11.2% margin) in 2013;
- net income was € 21.2 million, equivalent to a 5.5% margin on revenues, versus € 25.3 million (6.9% of revenues).

the nine months
January 1st – September 30th 2014

- At constant exchange rates and excluding hedging, revenues were € 1,121.3 million, up 9.6% from € 1,023.5 million in 2013, while EBITDA reached € 146.8 million (13.1% of revenues) from € 128.0 million in 2013 (12.5% margin);
- On a reported basis revenues were € 1,086.9 million, up 6.0% from € 1,025.7 million in 2013, while EBITDA was € 136.6 million (12.6% of revenues) compared to € 133.6 million (13.0% of revenues) in 2013;
- EBIT reached € 103.2 million (9.5% of revenues), from € 102.2 million (10.0% margin) in 2013;
- net income equaled € 54.2 million, equivalent to a 5.0% margin, from € 57.0 million in 2013 (5.6% margin).

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

The nine months 2014

De'Longhi S.p.A.'s Board of Directors approved today the Group consolidated results as of September 30th, 2014.

Despite a difficult market environment, the Group continued to advance along a positive trajectory, protecting and increasing its market shares, also thanks to a strong commitment to investing for medium-long term growth. In particular during the third quarter there was an increased investment in advertising and promotions (A&P) as well as in research and development (R&D) of about € 8.0 million compared to Q3 2013, in order to support the launch of new products, among which the new "low-oil fryer/multi-cooker" MultiFry and the new multi-beverage machine "Jovia" DolceGusto, both under the De'Longhi brand, or the new "Chef Sense" stand mixers, branded Kenwood.
With regards to the launch of the Jovia DolceGusto machine, management highlights that the first production phase took place at the Group's Italian plant, while production was later on moved to Romania, at the Cluj site; this situation led, on one hand, to some one-off costs, while on the other it led to a temporary higher cost of goods sold with regards to Jovia, linked to the production which took place in Italy.

Moreover, the first nine months of 2014 were still particularly impacted by foreign currencies fluctuations, and namely by a further worsening if compared to 2013. The greater negative impacts came from the devaluations of the Russian Ruble, Ukraine's Hrivnia, Japanese Yen and Australian Dollar.
At constant currency, excluding this impact, over the 9 months the Group recorded revenue growth of +9.6%, while EBITDA margin increased from 12.5% to 13.1% of revenues.

revenues

At current exchange rates, consolidated 9-month revenues reached € 1,086.9 million, up 6.0% from 2013 (€ 1,025.7 million).

Looking at the contribution of the different product families, there was a strong revenues performance for food preparation appliances, espresso coffee makers as well as ironing products, also thanks to the Braun brand.

With regards to sales of kitchen and food preparation appliances, Kenwood-branded kitchen machines were very strong, alongside with Braun-branded products; also fryers were very positive, thanks to the launch of the new "low-oil fryer / multi-cooker" MultiFry, under the De'Longhi brand.

Espresso coffee makers sales increased substantially, driven by fully-automatic machines, by the traditional "pump-machines", by the Nespresso "Lattissima" range as well as by the new, internally-manufactured, "Jovia" DolceGusto.

Portable air-conditioning sales were slightly positive over the period, while portable heaters sales were roughly flat.

Looking at the different markets, Europe was positive (+7.5%), with the North-East area up strongly (+13.8%), driven by UK, East-Europe and Russia, despite the impact linked to the Ruble devaluation.
South-East Europe area revenues were up 3.9%, in particular thanks to Germany, France and Iberia.

Political instability affected the performance of the MEIA region (Middle East, India, Africa), where revenues grew by +2.9% from a strong comparative basis in 2013, when revenues were up +47.6%.

The APA region (Asia, Pacific, Americas) recorded a 3.2% revenues increase versus 2013, thanks to a good growth in the Americas, partly counterbalanced by a negative performance in Oceania (Australia and New Zealand). Nevertheless, management highlights that during Q3 2014 Australia recorded a sharp improvement of its trend, growing double-digit.

operating margins

Over the first 9 months, Group operating margins benefitted from higher volumes. Foreign exchange impact was negative again, after it was so even in 2013; on the contrary, the product mix contribution was positive, despite not enough to fully compensate for a negative price effect, linked to promotional activities carried out in the first half of 2014 (on the contrary, during Q3 the price effect was not material). On top of these items, margins were affected also by higher research and development (R&D) and advertising and promotions (A&P) costs already mentioned.

	9 months		**third quarter**	
	M €	***% revenues***	**M €**	***% revenues***
Net industrial margin	**510.4**	***47.0 %***	**182.9**	***47.3 %***
EBITDA before non-recurring items	**136.6**	***12.6 %***	**49.4**	***12.8 %***
EBITDA	**136.6**	***12.6 %***	**49.4**	***12.8 %***
EBIT	**103.2**	***9.5 %***	**38.0**	***9.8 %***

net industrial margin

Net industrial margin increased from € 502.1 million to € 510.4 million (from 49.0% to 47.0% of revenues).

During Q3, net industrial margin reached € 182.9 million (47.3% margin) up from € 175.2 million in 2013 (48.2% margin).

EBITDA

9-month EBITDA was € 136.6 million (from € 133.6 million) equivalent to 12.6% of revenues, down from 2013 margin of 13.0% due to a very negative currencies impact worth € 15.8 million. Excluding any FX impact, EBITDA margin improved from 12.5% in 2013 to 13.1% in 2014.

During the third quarter, EBITDA reached € 49.4 million (12.8% of revenues) from € 51.2 million (14.1% of revenues) in 2013. At constant currency, EBITDA was € 51.1 million.

EBIT

Over the 9 months, EBIT was € 103.2 million (versus € 102.2 million in 2013), slightly down as a percentage of revenues (9.5% versus 10.0%

in 2013). EBIT margin was negatively affected by an adverse FX impact, as well as higher depreciations and amortizations linked to the industrial investments realized by the Group.

EBIT for the third quarter stood at € 38.0 million (9.8% margin), down from € 40.9 million in 2013 (11.2% margin) mainly due to higher service costs (linked to higher A&P and R&D expenditures) as well as to the negative FX impact.

net financial charges

Net financial charges were € 29.6 million, up from € 25.8 million in 2013, almost entirely due to higher hedging costs totaling € 3.7 million.

net income

Net income pertaining to the Group as of September 30th, 2014 reached € 54.2 million versus € 57.0 million in 2013, equivalent to a 5.0% margin on revenues (5.6% in 2013).

net debt

Net debt as of September 30th 2014 was € 97.4 million, compared to € 121.5 million as of September 30th 2013.

Net financial position versus banks and other third-party lenders (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 2014 reached € -57.5 million, down from € 40.9 million as of end-2013, following the seasonal cash absorption related to working capital, the capital expenditures (€ 41.6 million) and the dividends paid during the period (€ 59.8 million).
Over the last 12 months, the net financial position improved by € 16.1 million.

working capital

The net trade working capital as a percentage of rolling LTM revenues increased to 21.8% versus 21.4% as of September 30th, 2013, mainly due to the need of supporting the new product launches as well as the re-launch of Braun into new markets.

Net working capital reached € 329.1 million, increasing from 18.3% to 19.6% as a percentage of rolling LTM sales, also in connection with an unfavorable change of other current payables and receivables.

Events occurred after the end of the quarter

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

Foreseeable business development

The first nine months of 2014 were characterized by a competitive small domestic appliances market, which grew slightly, and by an adverse foreign exchange scenario. Nevertheless, the Group has been able to achieve a positive growth and to increase its market shares, thanks to its leading brands and products portfolio within the sector. Management expects the market to remain competitive also during the next quarters; nevertheless, Braun contribution as well as the Group's investments in manufacturing, products and organizations will support De'Longhi's future 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 September 30th 2014

Consolidated Income Statement

Euro million	30.09.2014	% revenues	30.09.2013 (*)	% revenues
Net revenues	**1.086,9**	**100.0%**	**1.025,7**	**100.0%**
Change	*61.2*	*6.0%*		
Materials consumed and other production costs (services and production payroll costs)	(576.5)	(53.0%)	(523.6)	(51.0%)
Net Industrial margin	**510.4**	**47.0%**	**502.1**	**49.0%**
Cost for goods and services and other costs	(263.7)	(24.3%)	(263.7)	(25.7%)
Labor cost (non industrial)	(110.1)	(10.1%)	(104.4)	(10.2%)
EBITDA before non-recurring items	**136.6**	**12.6%**	**134.0**	**13.1%**
Change	*2.6*	*1.9%*		
Non-recurring items	-	0.0%	(0.4)	0.0%
EBITDA	**136.6**	**12.6%**	**133.6**	**13.0%**
Change	*3.0*	*2.2%*		
Amortization	(33.4)	(3.1%)	(31.4)	(3.1%)
EBIT	**103.2**	**9.5%**	**102.2**	**10.0%**
Change	*1.0*	*1.0%*		
Net financial charges	(29.6)	(2.7%)	(25.8)	(2.5%)
Profit before taxes	**73.6**	**6.8%**	**76.4**	**7.5%**
Taxes	(18.9)	(1.7%)	(18.9)	(1.8%)
Profit / (Loss) of the period	**54.7**	**5.0%**	**57.5**	**5.6%**
Profit (loss) pertaining to minority interests	0.5	0.0%	0.6	0.1%
Profit (loss) pertaining to the Group	**54.2**	**5.0%**	**57.0**	**5.6%**

(*) 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 September 30th 2013 by Euro 12.4 million and lower EBITDA by Euro 0.6 million.

Consolidated Balance Sheet

Euro million	30.09.2014	30.09.2013 (*)	31.12.2013 (*)	Change 30.09.14 – 30.09.13	Change 30.09.14 – 31.12.13
- intangible assets	326.3	329.0	327.3	(2.8)	(1.0)
- tangible assets	185.8	163.2	171.4	22.6	14.3
- financial assets	7.8	7.5	7.4	0.3	0.4
- deferred tax assets	48.6	45.0	38.1	3.5	10.5
Fixed assets	**568.4**	**544.7**	**544.2**	**23.6**	**24.2**
- inventories	427.3	384.9	281.3	42.3	146.0
- trade receivables	282.4	258.8	334.6	23.6	(52.2)
- trade payables	(344.4)	(308.7)	(338.6)	(35.7)	(5.9)
- other net current assets / (liabilities)	(36.2)	(48.3)	(50.6)	12.2	14.4
Net working capital	**329.1**	**286.7**	**226.7**	**42.4**	**102.4**
- deferred tax liabilities	(17.5)	(9.0)	(10.1)	(8.5)	(7.4)
- employee benefits	(32.9)	(27.6)	(28.7)	(5.3)	(4.3)
- other non-current liabilities	(46.6)	(51.4)	(53.1)	4.9	6.6
Non-current liabilities	**(97.0)**	**(88.1)**	**(91.9)**	**(9.0)**	**(5.1)**
Net invested capital	**800.4**	**743.4**	**679.0**	**57.0**	**121.5**
Net debt / (net cash)	**97.4**	**121.5**	**9.0**	**(24.1)**	**88.4**
Total shareholders' equity	**703.0**	**621.9**	**669.9**	**81.1**	**33.1**
Total net financial position and shareholders' equity	**800.4**	**743.4**	**679.0**	**57.0**	**121.5**

(*) 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. As a consequence, in comparison with previously reported data this led to net debt as of September 30th, 2013 to be higher by Euro 6.5 million (Euro 6.8 million as of 31 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,* without any effect on net debt or on shareholders' equity.

Consolidated Cash Flow Statement

Euro million	30.09.2014 (9 months)	30.09.2013 (*) (9 months)	31.12.2013 (*) (12 months)
Cash flow from operations	103.4	105.4	205.0
Cash flow from changes in working capital	(113.0)	(71.4)	(32.6)
Cash flow from investments	(41.6)	(39.1)	(59.7)
Operating cash flow	**(51.2)**	**(5.1)**	**112.7**
Dividends	(59.8)	(43.4)	(43.4)
Change in Fair value and Cash flow hedge reserves	4.2	(1.8)	(4.7)
Changes in currency translation reserve	18.3	0.7	(1.7)
Cash flow from actuarial losses related to the agreement on the UK pension plan	-	(6.2)	(6.2)
Cash flow from other changes in the net equity	0.2	0.3	0.4
Cash flow from changes in the net equity	**(37.2)**	**(50.3)**	**(55.6)**
Net cash flow	**(88.4)**	**(55.4)**	**57.0**
Opening net financial position	(9.0)	(66.1)	(66.1)
Closing net financial position	**(97.4)**	**(121.5)**	**(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.

Revenues by geography

Euro Million	30.09.2014	%	30.09.2013 (*)	%	Change	Change %
North East Europe	276.1	25.4%	242.6	23.6%	33.5	13.8%
South West Europe	451.1	41.5%	434.1	42.3%	17.0	3.9%
EUROPE	**727.1**	**66.9%**	**676.7**	**66.0%**	**50.5**	**7.5%**
APA (Asia / Pacific / Americas)	**242.0**	**22.3%**	**234.6**	**22.9%**	**7.4**	**3.2%**
MEIA (Middle East / India / Africa)	**117.8**	**10.8%**	**114.4**	**11.2%**	**3.3**	**2.9%**
Total revenues	**1.086,9**	**100.0%**	**1.025,7**	**100.0%**	**61.2**	**6.0%**

(*) 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.