

Treviso, March 11th 2013

PRESS RELEASE

De'Longhi SpA:

The Board of Directors approved today the consolidated results as of December 31st, 2012. Revenues reached € 1,530.1 million (+7.0%); Ebitda (before non-recurring items) stood at € 232.3 million (+10.8%) and net income at € 118.0 million. Net debt was € 92.9 million (of which € 63.8 million related to the potential payment of the Braun earn-out). A dividend of € 0.29 per share will be proposed to the AGM.

Summary

the fourth quarter
October 1st – December 31st,
2012

- Revenues were € 541.3 million (+4.9%);
- Ebitda before non-recurring items stood at € 93.9 million (17.4% of revenues) up by 14.9%;
- Ebit was € 84.5 million (15.6% of revenues), an increase of 20.8% versus the previous year;

the 12 months
January 1st – December 31st,
2012

- 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.

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.

The 12 months – 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, l'**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 <i>12 months</i>	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%).

The fourth quarter **Q4 revenues** increased by 4.9%, reaching € 541.3 million, while **Ebitda** before non-recurring items stood at € 93.9 million (17.4% of revenues).

DE'LONGHI GROUP <i>fourth quarter</i>	2012		2011	
	M €	% of revenues	M €	% of revenues
Net industrial margin	266.5	49.2 %	246.3	47.7 %
EBITDA before non-recurring items	93.9	17.4 %	81.8	15.8 %
EBITDA	95.0	17.5 %	79.5	15.4 %
EBIT	84.5	15.6 %	70.0	13.6 %
Net income pertaining to the Group	54.7	10.1 %	37.6	7.3 %

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 The BoD will propose to the Annual General Meeting (which will take place on April 23rd 2012) a dividend of € 0.29 per share, with an implied pay-out ratio of 37%.

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.

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%