Treviso, August 28th 2012

PRESS RELEASE

De'LONGHI SpA: FIRST HALF 2012 RESULTS

The Board of Directors approved the first half 2012 results[(1)]. Net revenues reached € 644.4 million (up by 9.4%); Ebitda before non-recurring items increased to € 82.2 million (12.8% of sales) from € 72.2 million (12.3% of sales); net profit reached € 32.3 million from € 30.3 million.

Summary

The second quarter April, 1st – June, 30th 2012	• Revenues grew by 8.5% to € 326.7 million; • net industrial margin increased to € 156.1 million from € 140.3 million, up more than 1% as a percentage of sales; • Improved Ebitda before non-recurring items of € 39.4 million (from € 32.5 million), or 12.0% of sales (versus 10.8%); • EBIT "adjusted" stood at € 31.1 million (from € 25.5 million), up by 1% on sales (from 8.5% to 9.5%).
The first half January 1st – june 30th 2012	• In the first six months, revenues were up by 9.4% reaching € 644.4 million (from € 589.0 million); • net industrial margin was up from € 277.3 million to € 305.3 million (as a percentage of sales from 47.1% to 47.4%); • Ebitda before non-recurring items improved both in absolute value and as a percentage of sales, reaching respectively € 82.2 million (from € 72.2 million) and 12.8% (vs 12.3%); • Similarly, Ebit "adjusted" was up both in Euros and as a percentage of sales (from € 58.0 million to € 66.1 million and from 9.9% to 10.3%); • Net profit stood at € 32.3 million (versus € 30.3 million in 2011); • The Group's net cash position reached € 75.2 million, up by € 17.4 million since June 2011.

(1) 2011 data used as a comparison basis were restated following the spin-off occurred on January 1st 2012.

The first half 2012

De'Longhi S.p.A.'s Board of Directors approved today first half 2012 results, which confirm a positive trend for the Group's top line and profitability.

revenues

Consolidated net revenues grew by 9.4% (+5.6% at constant exchange rates) reaching € 644.4 million; second quarter revenues were € 326.7 (+8.5% versus Q2 2011).

Revenues from coffee and kitchen products are increasing as a percentage of total sales, confirming the existing trend also in the first six months of 2012.

By geography, the Group's main reference markets had a positive performance (with the exception of the Mediterranean countries), while the emerging markets growth trajectory is still in place.

	H1 2012			2° quarter 2012		
	M €	*Change yoy*	*% change yoy*	M €	*Change yoy*	*% change yoy*
Total revenues	**644.4**	***55.4***	***9.4%***	**326.7**	***25.5***	***8.5%***

operating margins

The net industrial margin increased from 47.1% (€ 277.3 million) to 47.4% (€ 305.3 million).

Furthermore, the reduction (as a percentage of sales) of other operating costs, such as costs for services and the cost of labor, allowed to improve profitability both at Ebitda and at Ebit level.

Ebitda before non-recurring items (which were negative € 7.9 million) increased from € 72.2 million (12.3% of sales) to € 82.2 million (12.8% of sales). In the second quarter EBITDA increased from € 32.5 million (10.8% of sales) to € 39.4 million (12.0% of sales).

EBIT adjusted (i.e. before non-recurring items) was up from € 58.0 million (9.9% of sales) to € 66.1 million (10.3% of sales). In the second quarter it improved from € 25.5 million (8.5% of sales) to € 31.1 million (9.5% of sales) 2012.

EBIT was negatively affected by € 6.4 million of negative non-recurring items recorded in the second quarter; in the first six months, EBIT increased in absolute terms to € 58.2 million (from € 56.5 million), but slightly decreased as a percentage of sales (from 9.6% to 9.0%); in the second quarter, Ebit stood at € 24.6 million versus € 24.8 million in Q2 2011.
The increase in negative non-recurring items (€ 7.9 million in the first half) was largely due to costs associated to the Braun deal.

	H1 2012		Q2 2012	
	M €	*% of sales*	M €	*% of sales*
Net industrial margin	**305.3**	***47.4%***	**156.1**	***47.8%***
EBITDA (before non-rec. items)	**82.2**	***12.8%***	**39.4**	***12,0 %***
EBIT (before non-rec. items)	**66.1**	***10.3%***	**31.1**	***9.5%***
EBIT	**58.2**	***9,0 %***	**24.6**	***7.5%***

net financial charges

Net financial charges grew from € 9.1 million to € 14.2 million, partly due to FX charges and partly due to a higher average indebtedness in the first half 2012 versus the same period in 2011 (due to a € 150 million capital contribution to the Professional division - today part of the DeLclima group - effective as of June 30th 2011).

net profit

Net profit pertaining to the Group improved to € 32.3 million.

net debt

The Group's net cash position improved by € 17.4 million over 12 months, reaching € 75.2 million from € 57.8 million as of June 30th 2011.

€ million	30.6.2012	30.6.2011	*12m change*
short term financial position	**116.8**	**118.3**	***(1.5)***
medium term financial position	**(41.6)**	**(60.5)**	***18.9***
NET FINANCIAL POSITION	**75.2**	**57.8**	***17.4***
of which: derivatives and options fair value	*19.2*	*(11.5)*	*30.7*

net working capital

The net working capital as a percentage of rolling sales stood at 15.7% (versus 12.6% in June 2011 and 16.5% in December 2011). The increase in the net working capital as a percentage of sales was due, among other things, to an increase in receivables connected to the new investments and to agreements with suppliers.

Events occurred after the end of the quarter

After the end of the quarter, the Group finalized two bank loans, with a 5-year maturity, for a total amount of € 80 million. Such loans are part of a funding program in connection with the acquisition of the perpetual rights of use of the Braun brand (as per our press release dated April 16th, 2012).

Forseeable business development

The Group achieved a comfortable growth level in the second quarter despite a global scenario which is still characterized by a widespread economic slowdown and by a high degree of uncertainty which will continue to weigh also over the following months. Notwithstanding such a scenario, the Group confirms positive expectations also for the second half of the year, thanks to the continued growth in its core product categories, to its competitive positioning and to its emerging markets exposure.

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 June 30, 2012

Consolidated Income Statement

(Euro million)	1st half 2012	% on revenues	1st half 2011 (*)	% on revenues
Net revenues	**644.4**	**100.0%**	**589.0**	**100.0%**
change	*55.4*	*9.4%*		
Materials consumed and other production costs (services and production payroll costs)	(339.0)	(52.6%)	(311.7)	(52.9%)
Net Industrial margin	**305.3**	**47.4%**	**277.3**	**47.1%**
Cost for goods and services	(151.6)	(23.5%)	(140.4)	(23.8%)
Added value	**153.7**	**23.9%**	**136.9**	**23.2%**
Labour cost (non industrial)	(62.1)	(9.6%)	(57.1)	(9.7%)
Provisions	(9.4)	(1.5%)	(7.6)	(1.3%)
EBITDA before non-recurring items	**82.2**	**12.8%**	**72.2**	**12.3%**
change	*10.0*	*13.8%*		
Non-recurring items	(7.9)	(1.2%)	(1.5)	(0.3%)
EBITDA	**74.2**	**11.5%**	**70.7**	**12.0%**
Amortization	(16.1)	(2.5%)	(14.2)	(2.4%)
EBIT	**58.2**	**9.0%**	**56.5**	**9.6%**
change	*1.6*	*2.9%*		
Net financial charges	(14.2)	(2.2%)	(9.1)	(1.6%)
Profit before taxes	**43.9**	**6.8%**	**47.4**	**8.0%**
Taxes	(11.4)	(1.8%)	(16.7)	(2.8%)
Profit / (Loss) of the period	**32.6**	**5.1%**	**30.7**	**5.2%**
Profit (loss) pertaining to minority interests	0.2	0.0%	0.3	0.1%
Profit (loss) pertaining to the Group	**32.3**	**5.0%**	**30.3**	**5.2%**

(*) Data restated following the spin-off occurred on January 1st 2012.

Consolidated Balance Sheet

(Euro million)	30.06.2012	30.06.2011 (*)	31.12.2011 (*)	change 30.06.12 – 30.06.11	change 30.06.12 – 31.12.11
- intangible assets	174.4	177.9	175.8	(3.5)	(1.4)
- tangible assets	129.3	92.2	109.1	37.2	20.3
- financial assets	3.1	2.5	3.0	0.6	0.1
- deffered tax assets	42.5	37.6	32.8	4.9	9.7
Fixed assets	**349.3**	**310.1**	**320.7**	**39.2**	**28.6**
- inventories	358.5	302.0	278.0	56.6	80.6
- trade receivables	215.8	178.5	349.5	37.3	(133.7)
- trade payables	(319.2)	(260.3)	(330.8)	(58.9)	11.6
- other net current assets / (liabilities)	(22.1)	(47.4)	(61.5)	25.3	39.4
Net working capital	**233.1**	**172.8**	**235.2**	**60.3**	**(2.1)**
Non current liabilities	(82.3)	(63.4)	(86.7)	(18.9)	4.5
Net invested capital	**500.2**	**419.6**	**469.2**	**80.6**	**31.0**
Net financial position (**)	**(75.2)**	**(57.8)**	**(117.4)**	**(17.4)**	**42.2**
Total shareholders' equity	**575.4**	**477.4**	**586.6**	**98.0**	**(11.2)**
Total net financial position and shareholders' equity	**500.2**	**419.6**	**469.2**	**80.6**	**31.0**

(*) Data restated following the spin-off occurred on January 1st 2012.
(**) The net financial position includes a net positive contribution due to the fair value of derivative instruments and to the accounting of equity options amounting to Euro 19.2 million (versus a positive contribution of Euro 27.0 million as of December 31st 2011 and a negative contribution totalling Euro 11.5 million as of june 30th 2011).

Consolidated Cash Flow Statement

(Euro million)	30.06.2012 (6 months)	30.06.2011 (*) (6 months)	31.12.2011 (*) (12 months)
Cash flow from operations	52.2	63.4	177.4
Cash flow from changes in working capital	(10.9)	(9.7)	(80.5)
Cash flow from investments	(33.7)	(16.1)	(41.7)
Operating cash flow	**7.7**	**37.6**	**55.2**
Dividends	(49.3)	(21.8)	(21.8)
Capital contributions	-	(150.0)	(150.0)
Change in Fair value and Cash flow hedge reserves	(4.7)	(10.2)	28.0
Cash flow from other changes in the net equity	4.2	(6.2)	(2.4)
Cash flow from changes in the net equity	**(49.9)**	**(188.2)**	**(146.3)**
Net cash flow	**(42.2)**	**(150.7)**	**(91.1)**
Opening net financial position	117.4	208.5	208.5
Closing net financial position	**75.2**	**57.8**	**117.4**

(*) Data restated following the spin-off occurred on January 1st 2012.