

Treviso, May 11th 2012

PRESS RELEASE

De' LONGHI SpA:

The Board of Directors approved the first quarter 2012 results.

Net revenues grew by 10.4% to € 317.7 million; EBITDA (before non-recurring items) increased by 7.9% to € 42.8 million (13.5% of sales); net profit grew from € 19.5 million to € 22.7 million (7.2% of sales), increasing by 16.8%.

Summary

the first quarter

January 1st – March 31st, 2012

- net revenues grew by 10.4% to € 317.7 million;
- EBITDA before non-recurring items improved by 7.9% reaching € 42.8 million;
- EBIT before non-recurring items amounted to € 35.0 million (11.0% of revenues), improving by 7.6%;
- net profit stood at € 22.7 million (up from € 19.5 million in Q1 2011) increasing by 16.8%;
- the Group's net cash position, amounting to € 93.7 million, increased by € 47.9 million over 12 months on an "adjusted" basis (i.e. excluding the € 150.0 million capital contribution to the *Professional* division)

The first quarter 2012

The Board of Directors approved today De' Longhi Group's first quarter 2012 results.

Notwithstanding difficult market conditions, over the first months of 2012, sales generated by coffee makers and Kenwood-branded kitchen machines, coupled with a dynamic product mix and increasing commercial penetration into emerging markets allowed the Group to extend its positive revenues trend.

revenues

Consolidated net revenues increased by 10.4%, from € 287.8 million to € 317.7 million; at constant FX rates, the top line grew by 7.6%.

The majority of the Group's reference markets recorded a positive performance, especially Germany and emerging markets, whose weight on total Group sales increased by about 5 percentage points.

operating margins

During the quarter, the Group experienced some pressure on operating margins due to increased raw materials' and components' prices, which was partially offset by a reduction in service costs and in non-industrial labor costs.

The net industrial margin went slightly down, from 47.6% to 47.0%.

EBITDA before non-recurring items reached € 42.8 million, up 7.9% from 2011, while the margin on sales moved from 13.8% to 13.5%.

EBIT before non-recurring items stood at € 35.0 million (11.0% of revenues), up by 7.6%.

	1st quarter 2012		1st quarter 2011	
	M €	% of sales	M €	% of sales
Net industrial margin	149.3	47.0 %	137.0	47.6 %
EBITDA ⁽¹⁾	42.8	13.5 %	39.7	13.8 %
EBIT ⁽¹⁾	35.0	11.0 %	32.5	11.3 %

⁽¹⁾ Before non-recurring items

During the quarter, the Group recorded negative non-recurring items amounting to € 1.5 million.

net profit

Group's net profit after minority interests rose from € 19.5 million to € 22.7 million (7.2% of revenues), up by 16.8%.

net debt

The Group net cash position amounted to € 93.7 million, which represents a € 47.9 million improvement on Q1 2011, (net of the € 150.0 million capital contribution to the *Professional* division, effective on June 30th 2011, in preparation for the spin-off). The reduction from the net cash position reported on December 31st 2011 (€ 117.4 million) is due to the normal annual financial cycle and is also explained by a decrease in the fair value of derivative instruments, by the first tranche of the productive investment (plant and production lines) for the Cluj factory (Romania) and lastly to the final investment associated to the new plant in China.

Net working capital (€ 245.4 million versus € 204.7 million as of March 2011) was affected by seasonal sales trends as well as by some extraordinary items connected to special situations in a small number of markets, thus increasing its weight on revenues if compared to March 2011 (16.8% from 15.3% in Q1 2011).

Events occurred after the end of the quarter

In April 2012, De' Longhi and Procter & Gamble have reached an agreement for the perpetual licensing of the Braun brand for use in household small appliances, which was disclosed in a press release dated April 16, 2012.

Foreseeable business development

The global economic environment is still characterized by high volatility (raw materials, currencies, sovereign risk) thus making the demand scenario particularly uncertain.

Even under these conditions, the Group is sticking to its positive trend thanks to its core products.

Management expectations with respect to the Group's growth are in line with previous guidance.

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.

It must be noticed that the "Resoconto Intermedio di Gestione" (the first quarter report), drawn according to art. 154-ter, comma 5 of the T.U.F., is not audited.

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A N N E X

Consolidated results of De' Longhi SpA as of March 31st 2012

Consolidated Income Statement

Euro million	1st quarter 2012	% of revenues	1st quarter 2011 (*)	% of revenues
Net revenues	317.7	100.0%	287.8	100.0%
<i>change</i>	29.9	10.4%		
Materials consumed and other production costs (services and production payroll costs)	(168.4)	(53.0%)	(150.8)	(52.4%)
Net industrial margin	149.3	47.0%	137.0	47.6%
Cost of services and other expenses	(75.8)	(23.9%)	(68.9)	(23.9%)
Labor cost (non-industrial)	(30.6)	(9.6%)	(28.5)	(9.9%)
EBITDA before non-recurring items	42.8	13.5%	39.7	13.8%
<i>change</i>	3.1	7.9%		
Non-recurring items	(1.5)	(0.5%)	(0.8)	(0.3%)
EBITDA	41.4	13.0%	38.9	13.5%
<i>change</i>	2.5	6.4%		
Amortization	(7.8)	(2.5%)	(7.1)	(2.5%)
EBIT	33.6	10.6%	31.7	11.0%
<i>change</i>	1.8	5.7%		
Net financial charges	(2.8)	(0.9%)	(3.3)	(1.1%)
Profit before taxes	30.8	9.7%	28.4	9.9%
Taxes	(7.9)	(2.5%)	(8.8)	(3.1%)
Profit (loss) for the period	22.9	7.2%	19.7	6.8%
Profit (Loss) pertaining to minority interests	0.2	0.1%	0.2	0.1%
Profit (loss) pertaining to the Group	22.7	7.2%	19.5	6.8%

(*) Q1 2011 data are restated in accordance with IFRS 5, in order to exclude the discontinued operations that were transferred as of January 1st 2012 to the DeLclima group.

Consolidated Balance Sheet

Euro million	31.03.2012	31.03.2011 ^(*)	31.12.2011 ^(*)	change 31.03.12 – 31.03.11	change 31.03.12 – 31.12.11
- intangible assets	174.9	178.4	175.8	(3.5)	(0.9)
- tangible assets	123.6	88.4	109.1	35.2	14.6
- financial assets	3.1	2.1	3.0	1.0	0.1
- deferred tax assets	35.4	36.2	32.8	(0.8)	2.6
Fixed assets	337.0	305.1	320.7	31.9	16.3
- inventories	316.9	273.1	278.0	43.9	38.9
- trade receivables	252.9	201.7	349.5	51.2	(96.5)
- trade payables	(287.5)	(225.9)	(330.8)	(61.6)	43.3
- other net current assets / (liabilities)	(36.9)	(44.2)	(61.5)	7.3	24.6
Net working capital	245.4	204.7	235.2	40.8	10.2
- deferred tax liabilities	(8.9)	(3.1)	(9.7)	(5.8)	0.8
- employee benefits	(14.0)	(18.4)	(15.5)	4.4	1.5
- other provisions	(56.2)	(41.1)	(61.5)	(15.1)	5.3
Non-current liabilities	(79.0)	(62.5)	(86.7)	(16.5)	7.7
Net invested capital	503.4	447.3	469.2	56.2	34.2
Net financial position	(93.7)	(195.8)	(117.4)	102.1	23.7
Total shareholders' equity	597.1	643.1	586.6	(45.9)	10.5
Total net financial position and shareholders' equity	503.4	447.3	469.2	56.2	34.2

(*) Data restated following the spin-off occurred on January 1st 2012. The net financial position and shareholders' equity as of March 31st 2012 are not comparable to data as of March 31st 2011, due to a Euro 150.0 million capital contribution to the Professional division.

Consolidated Cash Flow Statement

Euro million	31.03.2012 (3 months)	31.03.2011 ^(*) (3 months)	31.12.2011 ^(*) (12 months)
cash flow from operations	32.3	34.6	177.4
cash flow from changes in working capital	(20.5)	(31.5)	(80.5)
cash flow from investments	(22.8)	(5.1)	(41.7)
Operating cash flow	(11.1)	(2.0)	55.2
dividends	-	-	(21.8)
net capital contribution	-	-	(150.0)
cash flow from changes in <i>Fair Value</i> and <i>Cash flow hedge</i> reserves	(13.7)	(7.2)	28.0
cash flow from changes in the minorities' equity	1.2	(3.5)	(2.4)
Cash flow from changes in the net equity	(12.6)	(10.7)	(146.3)
Net cash flow	(23.7)	(12.7)	(91.1)
Opening net financial position	117.4	208.5	208.5
Closing net financial position	93.7	195.8	117.4

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