



Treviso, March 6, 2012

## PRESS RELEASE

### De' Longhi SpA:

**the Board of Directors has approved the consolidated results as at December 31, 2011. Revenues were growing to € 1,807.8 million (+11.2%); Ebitda (before non recurring items) increased to € 243.7 million (+21.5%) and net profit climbed to € 90.2 million. The net financial position was positive at € 69.6 million. The Board has proposed a dividend of € 0.33 per share (€ 0,146 in 2010).**

### Summary

- |  |   |
|--|---|
| the fourth quarter<br>October 1st – December 31st,<br>2011 | <ul style="list-style-type: none"><li>▪ The quarter's net revenues amounted to € 620.7 million (+11.5%);</li><li>▪ Ebitda before non recurring items amounted to € 88.3 million (or 14.2% of revenues), increasing by 16%;</li><li>▪ Ebit improved by 31.3% to € 73 million (or 11.8% of revenues);</li><li>▪ The quarter's net profit climbed to € 37.6 million (from € 28.8 million).</li></ul>   |
| the full year<br>January 1st – December 31st ,<br>2011     | <ul style="list-style-type: none"><li>▪ In the twelve months, revenues increased by 11.2% to € 1,807.8 million;</li><li>▪ Ebitda before non recurring items amounted to € 243.7 million (13.5% of revenues), increasing by 21.5%;</li><li>▪ Ebit amounted to € 182.8 million (10.1% of revenues), increasing by 23.8%;</li><li>▪ The net profit pertaining to the Group reached € 90.2 million (from € 74.9 million);</li><li>▪ The net financial position was positive at € 69.6 million;</li><li>▪ The Board proposed a dividend of € 0.33 per share.</li></ul> |

### The 2011 results : the Group

Financial year 2011 was the last one for the De' Longhi Group in its perimeter before the demerger of the Professional Division, which was moved under the control of DeLclima S.p.A. since January 1<sup>st</sup> 2012; on the same date then, DeLclima was listed on the Milan's Stock Exchange.

In light of the mentioned spin off transaction, involving the Professional Division, we herein provide, in addition to the Group consolidated results, the figures of the two divisions, Household (including the Corporate division as well) and Professional, with such economic and financial detail as to allow to draw a picture consistent with the new consolidation perimeters after spin off.

Therefore, at a divisional level, all references to year 2010 are reported on a "proforma" basis, so as to be comparable to the new perimeters; this

choice led the Household's data not to be aligned with the historical data provided in the previous quarterly reports.

#### The 12 months

The Group's 2011 **turnover** reached € 1,807.8 million, growing by 11.2% , due to a positive trend of both divisions, which witnessed a picture partially improved in respect of the management's expectations and official guidance, that anticipated a slower path for the Professional division.

All main markets performed positively, with a few exceptions (Spain and Middle-East & Africa above all).

The strength of the main drivers of Household (coffee makers and food processors) and Professional division (industrial air conditioning) and the related improved **net industrial margin** (44.7% of revenues, from 44.1%) allowed **Ebitda** increase by 21.5% to € 243.7 million (or 13.5% of revenues) from € 200.6 million (or 12.3% of revenues), before non recurring charges amounting to € 7.9 million. These charges were including, for almost half the total, the costs related to the Professional division's demerger and listing process.

**Ebit** amounted to € 182.8 million, growing by 23.8% vs. the previous year, thus leading to a record net profit of € 90.2 million (comparing to € 74.9 million in 2010), after **net financial charges** of € 39.8 million.

DE' LONGHI GROUP 12 MONTHS	2011		2010	
	M €	%of revenues	M €	%of revenues
Net industrial margin	808,2	44,7 %	716,6	44,1 %
EBITDA before non recurring items	243,7	13,5 %	200,6	12,3 %
EBITDA	235,8	13,0 %	194,6	12,0 %
EBIT	182,8	10,1 %	147,6	9,1 %
Net profit pertaining to the Group	90,2	5,0 %	74,9	4,6 %

#### The fourth quarter

The results of the fourth quarter were satisfactory for both **revenues** (€ 620.7 million, up by 11.5%) and **Ebitda** (€ 88.3 million, or 14.2% of revenues, before non recurring items).

The following schedule gives a picture the main margins, compared to those of 2010:

DE' LONGHI GROUP FOURTH QUARTER	2011		2010	
	M €	% of revenues	M €	% of revenues
Net industrial margin	278,2	44,8 %	246,7	44,3 %
EBITDA before non recurring items	88,3	14,2 %	76,1	13,7 %
EBITDA	85,3	13,7 %	74,6	13,4 %
EBIT	73,0	11,8 %	55,6	10,0 %
Net profit pertaining to the Group	37,5	6,1 %	28,9	5,2 %

Net financial position      Having substantially respected the target of stabilizing the net working capital to revenues ratio (which slightly increased to 14.4% from 14%), the Group was able to generate a cash flow of € 74.4 million, thus bringing the **net financial position** to a positive amount of € 69.6 million. This figure includes the fair value of derivatives, options and other commitments for a total of € 15.8 million.

Dividend      The Board of Directors has resolved to propose to the Shareholders' meeting (to be held on April 24, 2012 or April 26, 2012 in second call) a dividend of € 0.33 per share, corresponding to a pay-out ratio of 54.7%. The date of record of dividend is April 30, 2012 and the payment of dividends starts on May 4, 2012.

## The Household division

The 12 months      In the Household division (herein aggregated with the corporate division so as to make it comparable to the current De' Longhi S.p.A. after spin off) the growth of net **revenues** (+11.5% to € 1,429.4 million) together with the improvement of the **net industrial margin** (from 47.5% to 48.1%) led to an improvement of **Ebitda** from 13.2% to 14.7% of revenues (from € 169.6 million to € 209.6 million), before non recurring charges amounting to € 6.2 million, due for more than half of it to the costs of the professional division demerger and listing process.

The major contribution to these results, like in previous quarters, came from both coffee makers and food processors segments, growing by double digit, whose weight on total sales reached 71.8%.

To be noticed that the share of emerging markets on total sales increased to 32%, thanks to an average growth of these markets of about 14%

**Ebit** amounted to € 172.5 million (from € 135.5 million in 2010) or 12.1% of revenues.

HOUSEHOLD DIV. (proforma) 12 MONTHS	2011		2010	
	M €	% of revenues	M €	% of revenues
Net industrial margin	687,2	48,1 %	609,0	47,5 %
EBITDA before non recurring items	209,6	14,7 %	169,6	13,2 %
EBITDA	203,4	14,2 %	166,6	13,0 %
EBIT	172,5	12,1 %	135,5	10,6 %

The fourth quarter The fourth quarter showed **net revenues** amounting to € 516.1 million (+13%) and **Ebitda** before non recurring items close to 16% (€ 81.8 million, or 15.8% of revenues, growing by 20.7%).  
**Ebit** reached € 70 million (+22%) or 13.6% of revenues.

Net financial position The division's **net financial position** as at Dec. 31, 2011 became positive to € 117.4 million (of which € 27 million were representing the fair value of derivatives and options on minority participations).  
It's worth mentioning the decision of the Group to keep all term loans in place, despite a considerable amount of available liquidity, in order to reduce the dependence from debt capital markets, highly impacted by the global financial crisis.

## The Professional division

The 12 months The Professional division (currently part of the DeLclima Group, listed since January 1st 2012) grew more than expected in 2011: **revenues** increased by 10.4% to € 389.2 million (€ 352.6 million in 2010), thanks to the favourable trend of the core business of industrial air conditioning.

As regards margins, despite the **net industrial margin** had improved from € 111.8 million (or 31.7% of revenues) to € 125.7 million (32.3% of revenues) and **Ebitda** (before non recurring items) had increased to € 33.8 million (or 8.7% of revenues), the negative impact of radiators' business and of some non recurring items, including also the impairment related to the radiators' business, brought **Ebit** down to € 10 million (from € 12.1 million).

PROFESSIONAL DIVISION 12 MONTHS	2011		2010	
	M €	% of revenues	M €	% of revenues
Net industrial margin	125,7	32,3 %	111,8	31,7 %
EBITDA before non recurring items	33,8	8,7 %	31,0	8,8 %
EBITDA	32,1	8,3 %	27,9	7,9 %
EBIT	10,0	2,6 %	12,1	3,4 %

The fourth quarter	In the fourth quarter the division on one side showed <b>revenues</b> increasing by 5.8% to € 107.9 million and a <b>net industrial margin</b> improving from 29% to 31.1%; on the other side, however, as a consequence of higher operating costs, <b>Ebitda</b> declined from € 6.8 to € 5.8 million, while <b>Ebit</b> came back to a positive value (from € -1.8 to € 3 million), thanks to a reduction of amortization and depreciation.
Net financial position	<p>The division's <b>net financial position</b> as at December 31, 2011, amounted to € -47.8 million (including only € 36.7 million of bank debt, being the remaining € 11.1 million the accounting of options and other commitments).</p> <p>The change vs. the NFP of end 2010 (€ -211.7 million) is due to the € 150 million capital increase, done before the division's spin off, and to the operating cash flow.</p>

#### Events following the end of the year

In February 2012, the Household division reached an agreement with Nokia Group for the acquisition of a factory in Cluj, Romania (subject to the required authorizations by the local authorities), that was disclosed in a press release dated Jan. 25, 2012.

#### Foreseeable business development

Although the global market looks still difficult and uncertain, both De' Longhi S.p.A. and DeLclima S.p.A. (formerly the Household and Professional divisions) have fairly positive perspectives for the current year, in view of the strength provided by the industrial know how, the competitive positioning and the efficient distribution network, by a good exposure to emerging markets and the presence in high growth business niches.

#### 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, 2011**

**Consolidated Income Statement**

Euro million	2011	% of revenues	2010	% of revenues
<b>Net revenues</b>	<b>1.807,8</b>	<b>100,0%</b>	<b>1.626,3</b>	<b>100,0%</b>
<i>change</i>	181,5	11,2%		
Materials consumed and other production costs (services and production payroll costs)	(999,6)	(55,3%)	(909,6)	(55,9%)
<b>Gross Profit</b>	<b>808,2</b>	<b>44,7%</b>	<b>716,6</b>	<b>44,1%</b>
Costs of services and other expenses	(395,1)	(21,9%)	(355,7)	(21,9%)
<b>Added value</b>	<b>413,2</b>	<b>22,9%</b>	<b>360,9</b>	<b>22,2%</b>
Labour cost (non industrial)	(142,6)	(7,9%)	(130,0)	(8,0%)
Provisions	(26,9)	(1,5%)	(30,3)	(1,9%)
<b>EBITDA before non recurring items</b>	<b>243,7</b>	<b>13,5%</b>	<b>200,6</b>	<b>12,3%</b>
<i>change</i>	43,1	21,5%		
Non recurring items	(7,9)	(0,4%)	(6,0)	(0,4%)
<b>EBITDA</b>	<b>235,8</b>	<b>13,0%</b>	<b>194,6</b>	<b>12,0%</b>
Amortization	(41,5)	(2,3%)	(41,4)	(2,5%)
Non recurring depreciations	(11,5)	(0,6%)	(5,6)	(0,3%)
<b>Ebit</b>	<b>182,8</b>	<b>10,1%</b>	<b>147,6</b>	<b>9,1%</b>
<i>change</i>	35,2	23,8%		
Net financial charges	(39,8)	(2,2%)	(36,1)	(2,2%)
<b>Profit before taxes</b>	<b>143,0</b>	<b>7,9%</b>	<b>111,6</b>	<b>6,9%</b>
Taxes	(52,5)	(2,9%)	(36,5)	(2,2%)
<b>Profit / (Loss) of the period</b>	<b>90,5</b>	<b>5,0%</b>	<b>75,1</b>	<b>4,6%</b>
Profit (loss) pertaining to minority interests	0,3	0,0%	0,2	0,0%
<b>Profit (loss) pertaining to the Group</b>	<b>90,2</b>	<b>5,0%</b>	<b>74,9</b>	<b>4,6%</b>



## Consolidated balance sheet

Euro million	31.12.2011	31.12.2010	change	change %
- intangible assets	405,7	408,6	(2,9)	(0,7%)
- tangible assets	207,6	186,4	21,2	11,4%
- financial assets	3,7	2,1	1,6	77,6%
- deferred tax assets	35,0	33,5	1,5	4,5%
<b>Fixed asstes</b>	<b>652,0</b>	<b>630,6</b>	<b>21,4</b>	<b>3,4%</b>
- inventories	327,1	288,0	39,1	13,6%
- trade receivables	434,9	387,9	47,0	12,1%
- trade payables	(420,8)	(374,2)	(46,6)	12,5%
- other net current assets / (liabilities)	(80,8)	(74,9)	(5,9)	7,9%
<b>Net working capital</b>	<b>260,5</b>	<b>226,9</b>	<b>33,6</b>	<b>14,8%</b>
<b>Non current liabilities</b>	<b>(118,8)</b>	<b>(92,2)</b>	<b>(26,6)</b>	<b>28,8%</b>
<b>Net invested capital</b>	<b>793,7</b>	<b>765,3</b>	<b>28,4</b>	<b>3,7%</b>
<b>Net financial position</b>	<b>(69,6)</b>	<b>(4,7)</b>	<b>(74,3)</b>	
<b>Total shareholders' equity</b>	<b>863,3</b>	<b>760,6</b>	<b>102,7</b>	<b>13,5%</b>
<b>Total net financial position and shareholders' equity</b>	<b>793,7</b>	<b>765,3</b>	<b>28,4</b>	<b>3,7%</b>

## Consolidated Cash Flow Statement

Euro million	2011			2010		
	Household + Corporate (Continuing operations)	Professional (Discontinued operations)	Group	Household + Corporate (Continuing operations)	Professional (Discontinued operations)	Group
Cash flow from operations	177,4	28,0	205,6	151,0	23,0	168,0
Cash flow from changes in the working capital	(80,5)	3,5	(75,6)	4,2	6,8	9,5
Cash flow from ordinary investments	(41,7)	(13,9)	(55,6)	(34,6)	(10,8)	(45,4)
<b>Operating Cash Flow</b>	<b>55,2</b>	<b>17,6</b>	<b>74,4</b>	<b>120,6</b>	<b>19,0</b>	<b>132,1</b>
Cash flow from non recurring items	-	(11,5)	(11,5)	(1,6)	1,6	-
Capital contributions	(150,0)	150,0	-	-	-	-
Cash from from changes in the net equity	3,7	7,7	11,4	(20,3)	(5,4)	(19,7)
<b>Net cash flow</b>	<b>(91,1)</b>	<b>163,8</b>	<b>74,3</b>	<b>98,7</b>	<b>15,2</b>	<b>112,4</b>
Opening net financial position	<b>208,5</b>	<b>(211,7)</b>	<b>(4,7)</b>	<b>109,8</b>	<b>(226,9)</b>	<b>(117,1)</b>
<b>Closing net financial position</b>	<b>117,4</b>	<b>(47,8)</b>	<b>69,6</b>	<b>208,5</b>	<b>(211,7)</b>	<b>(4,7)</b>



## Business segments

Euro million	2011			2010		
	Household + Corporate (Continuing operations)	Professional (Discontinued operations)	Group (before spin off)	Household + Corporate (Continuing operations)	Professional (Discontinued operations)	Group (before spin off)
Net Revenues	1.429,4	389,2	<b>1.807,8</b>	1.281,8	352,6	<b>1.626,3</b>
change	147,6	36,6	181,5			
change %	11,5%	10,4%	11,2%			
Change 2011/2010 at constant exch. rates	11,5%	10,4%	11,1%			
EBITDA before non recurring items	209,6	33,8	<b>243,7</b>	169,6	31,0	<b>200,6</b>
change	40,1	2,8	43,1			
margin % of revenues	14,7%	8,7%	<b>13,5%</b>	13,2%	8,8%	<b>12,3%</b>
EBITDA	203,4	32,1	<b>235,8</b>	166,6	27,9	<b>194,6</b>
change	36,8	4,2	41,2			
margin % of revenues	14,2%	8,3%	<b>13,0%</b>	13,0%	7,9%	<b>12,0%</b>
EBIT before non recurring items	178,7	23,2	<b>202,2</b>	138,4	20,7	<b>159,2</b>
change	40,3	2,4	43,0			
margin % of revenues	12,5%	6,0%	11,2%	10,8%	5,9%	9,8%

Euro million	Household + Corporate (Continuing operations)			Professional (Discontinued operations)		
	2011	2010	change	2011	2010	change
- intangible assets	175,8	179,6	(3,8)	229,9	229,0	0,9
- tangible assets	109,1	91,8	17,2	98,6	94,6	4,0
- financial assets	3,0	1,9	1,1	0,7	0,2	0,5
- deferred tax assets	32,8	32,1	0,7	2,1	1,3	0,8
<b>Fixed assets</b>	<b>320,7</b>	<b>305,4</b>	<b>15,3</b>	<b>331,3</b>	<b>325,2</b>	<b>6,1</b>
- inventories	278,0	238,7	39,3	49,2	49,3	(0,2)
- trade receivables	349,5	288,5	60,9	91,6	103,9	(12,3)
- trade payables	(330,8)	(283,3)	(47,5)	(96,6)	(98,1)	1,4
- other net current assets / (liabilities)	(61,5)	(58,2)	(3,3)	(18,8)	(15,4)	(3,4)
<b>Net working capital</b>	<b>235,2</b>	<b>185,8</b>	<b>49,5</b>	<b>25,3</b>	<b>39,7</b>	<b>(14,5)</b>
<b>Non current liabilities</b>	<b>(86,7)</b>	<b>(60,8)</b>	<b>(25,9)</b>	<b>(32,0)</b>	<b>(31,4)</b>	<b>(0,7)</b>
<b>Net invested capital</b>	<b>469,2</b>	<b>430,3</b>	<b>38,8</b>	<b>324,5</b>	<b>333,5</b>	<b>(9,0)</b>
<b>Net financial position</b>	<b>(117,4)</b>	<b>(208,5)</b>	<b>91,1</b>	<b>47,8</b>	<b>211,7</b>	<b>(163,8)</b>
<b>Total shareholders' equity</b>	<b>586,6</b>	<b>638,9</b>	<b>(52,3)</b>	<b>276,7</b>	<b>121,9</b>	<b>154,8</b>
<b>Total net financial position and shareholders' equity</b>	<b>469,2</b>	<b>430,3</b>	<b>38,8</b>	<b>324,5</b>	<b>333,5</b>	<b>(9,0)</b>

## Revenues by geographical breakdown

Euro million	2011	2010	change	Change %
<b><i>Mature markets</i></b>				
Italy	269,1	268,8	0,3	0,1%
United Kingdom	154,0	141,1	12,9	9,1%
North America	94,8	89,2	5,7	6,4%
Japan	57,4	47,4	10,0	21,1%
other western Europe	689,0	616,3	72,7	11,8%
<b>Total mature markets</b>	<b>1.264,3</b>	<b>1.162,8</b>	<b>101,5</b>	<b>8,7%</b>
<b><i>Emerging markets</i></b>				
Eastern Europe	174,5	146,3	28,1	19,2%
Middle East/India/Africa - ex. South Africa	97,0	116,4	(19,4)	(16,6%)
Asia/Pacific/Latin America and South Africa	272,0	200,7	71,3	35,5%
<b>Total emerging markets</b>	<b>543,5</b>	<b>463,4</b>	<b>80,1</b>	<b>17,3%</b>
<b>Total revenues</b>	<b>1.807,8</b>	<b>1.626,3</b>	<b>181,5</b>	<b>11,2%</b>