

De'Longhi S.p.A.

**Interim management statement
at 30 September 2012**

COMPANY OFFICERS ***Board of Directors**

GIUSEPPE DE'LONGHI	Chairman
FABIO DE'LONGHI	Vice Chairman and Chief Executive Officer
ALBERTO CLÒ **	Director
RENATO CORRADA **	Director
SILVIA DE'LONGHI	Director
CARLO GARAVAGLIA	Director
DARIO MELO'	Director
GIORGIO SANDRI	Director
SILVIO SARTORI	Director
GIOVANNI TAMBURI**	Director

Board of Statutory Auditors

GIANLUCA PONZELLINI	Chairman
MASSIMO LANFRANCHI	Standing member
GIULIANO SACCARDI	Standing member
ROBERTO CORTELLAZZO-WIEL	Alternate auditor
ENRICO PIAN	Alternate auditor

External Auditors

RECONTA ERNST & YOUNG S.P.A. ***

Internal Auditing and Corporate Governance Committee

RENATO CORRADA **
SILVIO SARTORI
GIOVANNI TAMBURI **

Compensation Committee

ALBERTO CLÒ **
CARLO GARAVAGLIA
GIOVANNI TAMBURI **

* The company officers were elected at the shareholders' meeting of 21 April 2010 for the period 2010-2012.

** Independent directors.

*** The engagement to audit the financial statements for 2010-2018 was approved at the shareholders' meeting of 21 April 2010.

KEY PERFORMANCE INDICATORS

Third-quarter income statement

(€/million)	3 rd quarter 2012	% revenues	3 rd quarter 2011 ^(*)	% revenues	Change	% change
Revenues	344.4	100.0%	324.4	100.0%	20.1	6.2%
Net industrial margin	163.5	47.5%	163.6	50.4%	(0.1)	(0.1%)
EBITDA before non-recurring expenses	56.2	16.3%	55.7	17.2%	0.5	0.9%

^(*) In accordance with IFRS 5, the figures for the third quarter 2011 have been restated to exclude the businesses transferred to DeLclima Group on 1 January 2012 under the Demerger.

Year-to-date income statement (9 months)

(€/million)	30 September 2012	% revenues	30 September 2011 ^(*)	% revenues	Change	% change
Revenues	988.8	100.0%	913.3	100.0%	75.5	8.3%
<i>Constant currency change</i>					36.9	4.0%
Net industrial margin	468.8	47.4%	440.9	48.3%	27.9	6.3%
EBITDA before non-recurring expenses	138.3	14.0%	127.9	14.0%	10.5	8.2%
EBIT	104.4	10.6%	102.5	11.2%	1.9	1.9%
EBIT <i>adjusted</i>	113.2	11.4%	106.4	11.7%	6.8	6.4%
Profit (loss) pertaining to the group	63.3	6.4%	56.4	6.2%	6.9	12.3%

^(*) Figures restated to take account of the effects of the demerger which took effect from 1 January 2012.

Statement of financial position

(€/million)	30.09.2012	30.09.2011 ^(*)	31.12.2011 ^(*)
Net working capital	308.5	243.0	235.2
Net capital employed	801.2	492.7	469.2
Net debt /(Net financial assets)	207.1	(41.9)	(117.4)
<i>of which:</i>			
- Net bank debt	56.7	(22.0)	(90.4)
- Other financing payables/(assets) ^(**)	150.4	(20.0)	(27.0)
Net equity	594.1	534.7	586.6

^(*) Figures restated to take account of the effects of the demerger which took effect from 1 January 2012.

^(**) Of which € 63,0 million related to the present value of the earn-out payment.

INTERIM MANAGEMENT STATEMENT

Introduction

The partial, proportionate demerger of the Professional division's activities from De'Longhi S.p.A. to its wholly-owned subsidiary DeLclima S.p.A. which took effect from 1 January 2012 resulted in the creation of two distinct groups, De'Longhi S.p.A. and DeLclima S.p.A.; trading in the shares of DeLclima S.p.A. commenced on 2 January 2012 on the screen-traded market managed by Borsa Italiana S.p.A., with the two companies operating as two separate groups, each focused on their own business.

The interim management statement at 30 September 2012, therefore, reports the activities of the former Household and Corporate divisions, which have become a single operating division since 1 January 2012; for the sake of consistent comparison, corresponding restated figures are presented at 30 September 2011 which take account of the effects of the aforesaid demerger.

Content of the interim management statement

The present document reporting the unaudited consolidated results at 30 September 2012 constitutes the interim management statement required by art. 154-ter of Decree 58/98 (known as "Testo Unico della Finanza" or "TUF"). The income statement figures refer to the period ending on 30 September 2012, with comparatives at 30 September 2011, which have been restated in accordance with IFRS 5 – *Assets held for sale and discontinued operations* to take account of the aforesaid demerger.

The statement of financial position figures refer to 30 September 2012, 30 September 2011 and 31 December 2011 (with the comparative figures, like as above, restated for consistency with 30 September 2012 to take account of the effects of the demerger).

This report includes details of any significant transactions, including those with related parties.

The key performance indicators presented herein are comparable with the reclassified statements presented in the report on operations contained in the half-year and annual financial reports.

The consolidated figures have been prepared using the same consolidation procedures and accounting policies as those described in the annual financial report, to which the reader should refer.

The figures contained in the present document, including some of the percentages, have been rounded relative to their full euro amount. As a result, some of the totals in the tables may differ from the sum of the individual amounts presented.

In addition to the information required by IFRS, this document presents other financial measures which provide further analysis of the group's performance. These indicators must not be treated as alternatives to those required by IFRS:

- Net industrial margin and EBITDA: the group uses these measures as financial targets in internal presentations (business plans) and in external presentations (to analysts and investors), since they are a useful way of measuring operating performance by the group and its individual divisions besides EBIT.

Net industrial margin is calculated as total revenues minus the cost of materials consumed and of production-related services and payroll.

EBITDA is an intermediate measure that derives from EBIT after adding back depreciation, amortization and impairment of property, plant and equipment and intangible assets. EBITDA is also presented net of non-recurring items.

- EBIT adjusted: this corresponds to EBIT, as adjusted to exclude non-recurring items.

- Net working capital: this measure is the sum of inventories, trade receivables, current tax assets and other receivables, minus trade payables, current tax liabilities and other payables.

- Net capital employed: this measure is the sum of net working capital, intangible assets, property, plant and equipment, equity investments, other non-current receivables, and deferred tax assets, minus deferred tax liabilities, employee benefits and provisions for contingencies and other charges.

- Net debt/(Net financial assets): this measure represents financial liabilities, less cash and cash equivalents and other financial receivables. The individual line items in the statement of financial position used to determine this measure are analysed later in this report.

Significant events

The first nine months of 2012 were characterised mainly by the acquisition of "Braun Household" and by other important activities in organisational and development terms regarding the production facilities, aimed at concentrating on the core business and supporting growth.

In relation to the acquisition of "Braun Household," following the completion of the authorisation procedure by the competent entities (German Antitrust and trade union organisations) and the verification of condition precedents, the final contract was concluded on 1 September 2012 for the assignment under perpetual licence to De'Longhi of the Braun trademark, held by Procter & Gamble, in the segment of small household appliances for cooking, ironing and other minor categories, thereby fully implementing the preliminary agreements signed in the month of April.

In addition to the perpetual licence for the use of the Braun trademark, connected patents and *know-how* (in the aforementioned categories), the transaction regarded the assignment of various production assets (production lines and moulds), of certain employees in Germany, and of the stock relating to the involved categories.

In addition, the agreement reached set forth that, upon integration of the acquired assets, after a transition period which shall enable the group to commence the necessary procedures to autonomously manage the acquired business, which shall occur not before 1 January 2013, De'Longhi shall purchase the stock from P&G (but not the other short-term assets and liabilities relating to the business) at a price governed under contract on the basis of the quantities in existence at the end of the period.

The agreement reached has enhanced the brand portfolio of the De'Longhi Group with a new, prestigious trademark, positioned in the upmarket segment. Braun belongs to a world synonymous with quality, innovation and superior design, which characteristics bring it perfectly in line with De'Longhi's strategy and culture.

Thanks to the acquisition of the trademark under a perpetual licence (for the mentioned product categories), the De'Longhi Group has significantly strengthened its position in the market and it shall have the possibility of fully exploiting a global brand such as Braun in its expansion overseas.

With regard to other important events, the operational and organisational procedures have now been completed for the creation of two independent holding and *governance* frameworks, resulting from the split decided and effective as of 1 January 2012, and activities relating to investments in the production area and in the new plants in Romania and China have continued.

In relation to the project for the new plant in Romania, the respective 2012-2014 investment plan was established which provides for total investments of approximately €43 million and the hiring of approximately 670 employees in order to add productive capacity for the highest-growth product families at competitive costs, in order to be closer to the main target markets and to reduce the risk of exposure to the Dollar.

On the basis of said investment and the creation of relevant jobs, De'Longhi obtained a government contribution from the Romanian Ministry of Financial Affairs which shall be disbursed during the 2012-2014 three-year period in relation to the investment progress plan.

From July 2012, the new Chinese plant, dedicated to the production of some of the Group's most important product categories, became operational following the transfer of lines and offices from the previous production site.

In order to finance the internal growth and aforementioned investments, the Group executed a financial plan which includes two bank loans totalling €80 million and an unsecured notes placement with US institutional investors with a value of 85 million USD.

In June 2012 the agreement for the factoring of trade receivables, involving the revolving monthly transfer of a portfolio of trade receivables without recourse, was renewed. This new agreement, which is the third after the first one entered into for the period 2002-2006 and the second one entered into at the beginning of 2007 and terminated with the new transaction, calls for the assignment of receivables without recourse to BNP Paribas N.V.,

up to Euro 150 million; the transaction involved a greater number of group companies (including the principal European commercial companies).

Group results

The reclassified consolidated income statement is summarized as follows:

(€/million)	30 September 2012	% revenues	30 September 2011 ^(*)	% revenues
Revenues	988.8	100.0%	913.3	100.0%
<i>Change 2012/2011</i>	75.5	8.3%		
Materials consumed & other production costs (production services and payroll costs)	(520.0)	(52.6%)	(472.4)	(51.7%)
Net industrial margin	468.8	47.4%	440.9	48.3%
Other services and operating income /(expenses)	(229.5)	(23.2%)	(217.9)	(23.9%)
Payroll (non-production)	(93.3)	(9.4%)	(83.6)	(9.2%)
Provisions	(7.8)	(0.8%)	(11.5)	(1.3%)
EBITDA before non-recurring income/expenses	138.3	14.0%	127.9	14.0%
<i>Change 2012/2011</i>	10.5	8.2%		
Other non-recurring income (expenses)	(8.8)	(0.9%)	(3.9)	(0.4%)
EBITDA	129.6	13.1%	124.0	13.6%
Amortization and depreciation	(25.1)	(2.5%)	(21.4)	(2.3%)
EBIT	104.4	10.6%	102.5	11.2%
<i>Change 2012/2011</i>	1.9	1.9%		
Financial income (expenses)	(22.2)	(2.2%)	(23.2)	(2.5%)
Profit (loss) before taxes	82.2	8.3%	79.3	8.7%
Income taxes	(18.6)	(1.9%)	(22.6)	(2.5%)
Profit (loss) after taxes	63.6	6.4%	56.8	6.2%
Profit (loss) pertaining to minority interests	0.3	0.0%	0.4	0.0%
Profit (loss) pertaining to the group	63.3	6.4%	56.4	6.2%

^(*) Figures restated to take account of the effects of the demerger which took effect from 1 January 2012.

The net revenues from the third quarter of 2012 were equal to €344.4 million, an increase of 6.2% with respect to the same period in 2011. This growth led to net revenues of €988.8 million in the first nine months of 2012 (+ €75.5 million, equal to +8.3% with respect to the nine months of 2011), thanks to a positive volume and mix effect and positive trends in exchange rates.

Especially, the categories of food cooking and preparation grew; of particular note were coffee machines, Kenwood brand kitchen products, and other small household appliances.

With regard to coffee, the main categories grew; first among all of them were capsule machines, for which we report in particular the fantastic performance of *Lattissima +* produced domestically, followed by fully automatic machines. On the other hand, sales of *Dolce Gusto* machines dropped, when compared with 2011 sales, the year of launch in the main markets.

In terms of markets, the growth of the APA area continues to grow, in which net revenues reached €287.2 million (+22%), driven by sales in Australia, the United States, Canada, and China.

Sales in the MEIA area grew significantly (+30.5%) and grew slightly in Europe, where good sales performances in Germany, Benelux, and western European countries more than compensated for the drop in certain markets (mainly Scandinavia, Spain, and Greece).

With regard to profit trends, De'Longhi closed the third quarter of 2012 with a net industrial margin of €163.5 million (€163.6 million in the third quarter of 2011) and with an effect on net revenues in line with previous quarters, with exception for the third quarter of 2011 when the effect of the margin on net revenues, equal to 50.4%, was affected by a positive exchange rate effect, caused by the average exchange rate mix for the quarter and by hedged volumes/exchange rates.

With regard to trends in the first nine months of 2012, the EBITDA before non-recurring income and expenses was equal to €138.3 million (+8.2%), with a 14% effect on net revenues, in line with the same period in 2011; this result contributed to the performance of the Net Industrial Margin, which increased by €27.9 million, going from €440.9 million in the first nine months of 2011 to €468.8 million in the first nine months of 2012; on the one hand, this margin was propped up by the positive volume effect, by the policies for hedging against exchange rate risk, and by the better product mix; on the other hand, it was negatively affected by the increase in the cost of raw materials and influenced in comparison with 2011 as stated previously, regarding the extremely positive trends in the third quarter of 2011.

The effect on net revenues in the item, "Costs for services and other operating income (expenses)," decreased, going from 23.9% to 23.2%, even with growing investments in advertising and promotions, from €75.9 million at the end of September 2011 to €83.2 million at the end of September 2012.

The EBITDA was equal to €129.6 million (€124.0 million in the first nine months of 2011), after non-recurring expenses of €8.8 million mainly relating to the acquisition of the "Braun Household" business.

Amortisation and depreciation were equal to €25.1 million, increasing with respect to 2011 due to greater investments made in 2011 and in the current financial year, to sustain growth.

The EBIT was equal to €104.4 million in the first nine months of 2012 (€102.5 million in the corresponding 2011 period), with the effect on net revenues going from 11.2% to 10.6%, after having recorded amortisation and depreciation totalling €25.1 million and non-recurring expenses totalling €8.8 million.

The adjusted EBIT (net of non-recurring expenses) was equal to €113.2 million (€106.4 million in 2011), with an effect on net revenues at 11.4% (11.7% in 2011).

Financial expenses in the first nine months of 2012 were equal to €22.2 million, with a reduction of €1 million with respect to the first nine months of 2011. Said reduction is the result, on the one hand, of lesser costs in exchange rate management (€4.5 million against €9 million in 2011) and, on the other, of the increase in financial expenses in relation to greater average borrowing with respect to 2011, on the basis of the capital contribution payment of €150 million made on 30 June 2011 in favour of the Professional division (subsequently merged with the DeLclima group following the split) and on the basis of the acquisition of "Braun Household."

The net profit pertaining to the Group was equal to €63.3 million, up with respect to the nine months of 2011 (€56.4 million) by €6.9 million.

Markets

The following table summarizes sales performance in the Group's various business regions:

(€/million)	30 September 2012	%	30 September 2011 ^(*)	%	Change	% change
Western Europe	524.1	53.0%	523.6	57.3%	0.6	0.1%
Eastern Europe	106.3	10.7%	99.8	10.9%	6.5	6.5%
EUROPE	630.4	63.8%	623.4	68.3%	7.1	1.1%
MEIA (Middle East/India/Africa)	71.2	7.2%	54.6	6.0%	16.6	30.5%
APA (Asia/Pacific/Americas)	287.2	29.0%	235.4	25.8%	51.8	22.0%
Total revenues	988.8	100.0%	913.3	100.0%	75.5	8.3%

^(*) Figures restated to take account of the effects of the demerger which took effect from 1 January 2012.

The Europe area achieved net revenues equal to €630.4 million, up by 1.1% with respect to 2011.

In detail, we note the good sales performance of Western Europe (especially in Germany and Benelux) and a drop in the Mediterranean area (especially in Spain and Greece) and in Scandinavia, where in 2011 the launch of *Dolce Gusto* coffee machines brought about significant sales results.

Trends in Eastern Europe were positive, with net revenues of €106.3 million (+6.5%).

Sales trends in the APA area continue to be amazing, equal to €287.2 million, up by 22% with respect to the same period in 2011, thanks to growth in the main markets (Australia, United States, Japan, and China). Said market now represents 29% of the total sales of the Group (it was 25.8% in the first nine months of 2011).

Performance in the MEIA area, equal to €71.2 million (+30.5%), was also good; said performance is benefiting from the restructuring activities undertaken during 2011 in order to strengthen sales and *back office* frameworks.

The following table analyzes revenues between so-called mature and emerging countries:

(€/million)	30 September 2012	%	30 September 2011 ^(*)	%	Change	% change
Mature markets	634.6	64.2%	610.6	66.9%	23.9	3.9%
Emerging markets	354.3	35.8%	302.7	33.1%	51.5	17.0%
Total revenues	988.8	100.0%	913.3	100.0%	75.5	8.3%

^(*) Figures restated to take account of the effects of the demerger which took effect from 1 January 2012.

Acquisition of the "Braun Household" business

The consideration stipulated for the transaction (excluding the warehouse, which shall be settled subsequently) is split into three components:

- €50 million paid upon the signing of the contracts;
- €90 million (at current value), deferred, plus respective interest, in constant annual payments, over the next fifteen years, and
- a variable or "earn-out" component, linked to the sales performance of the "Braun Household" brand ("CAGR") in the first five years subsequent to the acquisition, which minimum and maximum value for five years is equal to €0 and €122.1 million respectively (non-adjusted value).

The transaction primarily involved the acquisition of tangible fixed assets (production lines and moulds, primarily) for €23 million and intangible assets for approximately €192 million, also inclusive of the value of the trademark and patents/know-how.

Said allocation is provisional, pending definitive information which shall enable exact figures to be obtained for the acquired net assets.

The effect of the aforementioned transaction on the Group's financial position was €204.1 million, including the already disbursed amount and the residual debt (which covers both the annual payments and the earn-out debt equal to €63.0 million, at current value) totalling €154.1 million.

Review of the statement of financial position

The reclassified consolidated statement of financial position is presented below:

(€/million)	30.09.2012	30.09.2011 (*)	31.12.2011 (*)	Change 30.09.12 – 30.09.11	Change 30.09.12 – 31.12.11
- Intangible assets	365.2	178.3	175.8	186.8	189.3
- Property, plant and equipment	154.8	97.3	109.1	57.5	45.8
- Financial assets	3.1	3.2	3.0	(0.1)	0.1
- Deferred tax assets	53.0	39.8	32.8	13.2	20.2
Non-current assets	576.1	318.7	320.7	257.4	255.4
- Inventories	375.8	352.2	278.0	23.6	97.8
- Trade receivables	275.1	220.9	349.5	54.3	(74.4)
- Trade payables	(297.2)	(280.8)	(330.8)	(16.4)	33.6
- Other payables (net of receivables)	(45.2)	(49.3)	(61.5)	4.1	16.3
Net working capital	308.5	243.0	235.2	65.6	73.3
Total non-current liabilities and provisions	(83.3)	(68.9)	(86.7)	(14.5)	3.4
Net capital employed	801.2	492.7	469.2	308.5	332.0
Net debt/(Net financial assets) (**)	207.1	(41.9)	(117.4)	249.1	324.5
Total net equity	594.1	534.7	586.6	59.4	7.5
Total net debt and equity	801.2	492.7	469.2	308.5	332.0

(*) Figures restated to take account of the effects of the demerger which took effect from 1 January 2012.

(**) Net financial position at 30 September 2012 includes €3.6 million in net financial assets (€27.0 million at 31 December 2011 and €20.0 million at 30 September 2011) relating to the fair value of derivatives and to the recognition of options on minority interests.

Investments in tangible fixed assets and intangible assets in the first nine months of 2012, excluding the "Braun Household" assets commented on previously, were equal to €45.5 million (€25.9 million in the first nine months of 2011). In addition to ordinary investments, said investments include the investment project in Romania and the completion of the new plant in China.

Net working capital increased, with respect to 30 September 2011, by €65.6 million (with a working capital turnover effect on net revenues for the twelve months going from 17.7% at the end of September 2011 to 20.5% in 2012). In addition to originating from the growth in business, said performance was the result of fewer assignments of *pro soluto* receivables performed as of 30 September 2012, with respect to the same period in 2011 (for €17.9 million), due to the new operation for the assignment of receivables not having been fully implemented.

The flow of funds over the twelve months has been affected by certain components which make it incomparable with previous periods; net of said effects, the variation in the net financial position would have been positive, at €67.6 million (€80.2 million in the previous twelve months).

The actual worsening of the net financial position over the twelve months, equal to €249.1 million, was affected by the "Braun Household" acquisition for €204.1 million (of which €50 million is already paid and the residual amount is payable over the next fifteen years), by the fair value appraisal of derivatives at €16.3 million, by the variation in net equity reserves (especially due to the dividends paid and the fluctuation in exchange rates) of €38.7 million, by the reduced assignments of receivables for €17.9 million, and by the previously described extraordinary investments of €39.6 million.

Details of the net financial position are as follows:

(€/million)	30.09.2012	30.09.2011 (*)	31.12.2011 (*)	Change 30.09.12 – 30.09.11	Change 30.09.12 – 31.12.11
Cash and cash equivalents	253.4	138.2	195.7	115.2	57.6
Other financial receivables	14.5	155.0	33.7	(140.6)	(19.3)
Current financial debt	(141.5)	(195.1)	(61.0)	53.6	(80.6)
Current financial assets (debt)	126.3	98.1	168.5	28.2	(42.2)
Non-current financial debt	(333.4)	(56.2)	(51.1)	(277.3)	(282.3)
Total net financial position/(net debt)	(207.1)	41.9	117.4	(249.1)	(324.5)
<i>of which:</i>					
- <i>positions with banks and other financial payables</i>	(56.7)	22.0	90.4	(78.7)	(147.1)
- <i>outstanding payables to P&G related to the "Braun Household" deal</i>	(154.1)	-	-	(154.1)	(154.1)
- <i>options and fair value of derivative financial instruments</i>	3.6	20.0	27.0	(16.3)	(23.3)

(*) Figures restated to take account of the effects of the demerger which took effect from 1 January 2012.

The short-term net financial position is positive at €126.3 million as of 30 September 2012 (positive at €98.1 million as of 30 September 2011).

With regard to non-current debt, during the course of the first nine months of 2012, two medium/long-term loan agreements were signed for the total amount of €80 million, expiring in five years and at a variable rate, within the scope of the group policy of providing financial hedging for the acquisition of the "Braun Household" assets and in order to raise financial funds in view of a possible worsening of the market for borrowing.

In this regard, moreover, we must mention the issue and placement of unsecured notes with US institutional investors in the amount of 85 million USD, for a duration of 15 years and with interest at a fixed rate of 4.25%.

Net debt as of 30 September 2012 includes the residual debt with Procter & Gamble on the basis of the "Braun Household" transaction, totalling €154.1 million (of which €90.0 million relates to the instalments payable over fifteen years and €63.0 million relating to the current estimate of the earn-out portion, at current value) and other net non-banking financial assets (fair value of options and transactions in hedging derivatives) at €3.6 million. The residual amount of €56.7 million refers to the net debt with banking institutions and other lenders.

The statement of cash flows is presented on a condensed basis as follows:

(€/million)	30.09.2012 (9 mesi)	30.09.2011 (*) (9 mesi)	31.12.2011 (*) (12 mesi)
Cash flow generated (absorbed) by current operations	96.9	102.8	177.4
Cash flow generated (absorbed) by changes in working capital	(110.5)	(86.5)	(80.5)
Cash flow generated (absorbed) by investment activities	(45.6)	(26.9)	(41.7)
Cash flow generated (absorbed) by operating activities	(59.1)	(10.6)	55.2
Capital contribution to DeLclima Group	-	(150.0)	(150.0)
"Braun Household" acquisition	(204.1)	-	-
Cash flow from extraordinary activities	(204.1)	(150.0)	(150.0)
Payment of dividends	(49.3)	(21.8)	(21.8)
Cash flow generated (absorbed) by changes in fair value and cash flow hedge reserves	(15.1)	19.0	28.0
Cash flow generated (absorbed) by other changes in net equity	3.1	(3.1)	(2.4)
Cash flow generated (absorbed) by changes in net equity	(61.3)	(5.9)	3.7
Cash flow for the period	(324.5)	(166.6)	(91.1)
Opening net financial position	117.4	208.5	208.5
Closing net financial position/(net debt)	(207.1)	41.9	117.4

(*) Figures restated to take account of the effects of the demerger which took effect from 1 January 2012.

The flow of funds over the first nine months of 2012 (negative at €324.5 million) was adversely affected by the "Braun Household" acquisition for €204.1 million, by the fair value appraisal of derivatives at €23.3 million (of which €15.1 million was transited into net equity), by the variation in net equity reserves (especially due to dividends paid out and the fluctuation in exchange rates) of €46.3 million, by the reduced assignments of receivables at €38.6 million, and by the previously described extraordinary investments of €25.6 million. Setting aside the flow of funds for the aforementioned items, the variation of the net financial position in the nine months would have been positive, at €13.4 million (which is compared with a flow of €19.4 million in the first nine months of 2011).

The following tables present the statement of comprehensive income and the principal changes in net equity in the first nine months of 2012:

(€/million)	30/09/2012	30/09/2011 ^(*)
Profit (loss) for the period	63.6	56.8
Other components of comprehensive income:		
Change in fair value of cash flow hedges and fair value of available-for-sale financial assets	(15.1)	19.0
Tax effect of change in fair value of cash flow hedges and fair value of available-for-sale financial assets	3.9	(4.8)
	3.8	(3.0)
Other components of comprehensive income (loss)		
Total comprehensive income (loss) for the period	56.2	67.9
Total comprehensive income (loss) attributable to:		
Parent company shareholders	55.8	67.5
Minority interests	0.3	0.4

^(*) Figures restated to take account of the effects of the demerger which took effect from 1 January 2012.

(€/million)	Group portion of net equity	Minority interests in net equity	Total net equity
Net equity at 31 December 2011	859.0	4.2	863.3
Demerger	(273.5)	(2.3)	(275.7)
Net equity at 1 January 2012	585.6	2.0	587.5
Total comprehensive income (loss) for the period	55.8	0.3	56.2
Payment of dividends	(49.3)	(0.2)	(49.6)
Net equity at 30 September 2012	592.0	2.1	594.1

Subsequent events

There have been no significant events since the end of the reporting period.

Outlook for the current year

Markets worldwide have been experiencing a further slowdown in the third quarter of 2012. Despite challenging conditions, the Group achieved a growth rate in line with its targets and maintains a positive stance towards the end of the fiscal year thanks to the resiliency of its reference product categories, to its competitive positioning and to its exposure to emerging markets.

Treviso, 12 November 2012

*For the Board of Directors
Vice Chairman and Chief Executive Officer
Fabio de' Longhi*

The present report is available on the corporate website:
www.delonghi.com

De'Longhi S.p.A.
Registered office: Via L. Seitz, 47 – 31100 Treviso
Share capital: Euro 224,250,000
Tax Identification and Business Register no: 11570840154
Treviso Chamber of Commerce R.E.A. no. 224758
VAT no. 03162730265