

Treviso, November 10, 2011

PRESS RELEASE

De' LONGHI SpA:

The Board of Directors has approved the consolidated results as at September 30, 2011:

- revenues amounted to € 1,187.1 million, growing by 11% (+1.2% in the third quarter);
- Ebitda before non recurring items reached 13.1% of revenues (from 11.6%);
- net profit stood at € 52.6 million (from € 46.1 million).;
- net financial position (negative for € 21 million) improved by € 91.5 million in the 12 months.

Summary

the third quarter
July 1st – September 30, 2011

- revenues amounted to € 424 million (+1.2%);
- net industrial margin improved from 42.8% to 46.2% of revenues;
- Ebitda – before non recurring items – reached € 66.7 million (15.7% of revenues) from € 58 million (13.8% of revenues);
- Ebit (€ 42.7 million) and net profit (€ 18.6 million) were slightly declining due to non recurring charges;
- the Household division, despite almost flattish revenues (-0.5%), improved both the net industrial margin (from 46.2% to 50.3 % of revenues) and Ebitda (from 15.3% to 17.7% of revenues);
- the Professional division (to be referred as DeLclima S.p.A.), thanks to a 7.8% growth of revenues, showed an increase of net industrial margin (from 30.9% to 32.3% of revenues) and of Ebitda before non recurring items (from 9.5% to 10.5%).

the nine months
January 1st – September 30, 2011

- in the 9 months, revenues were growing by 11% (from € 1,069.8 to € 1,187.1 million);
- all margins were improving: the net industrial margin from 43.9% to 44.6% of revenues; Ebitda (before non recurring items) from 11.6% to 13.1%; Ebit from 8.6% to 9.3%;
- net profit amounted to € 52.6 million (from € 46.1 million);
- net indebtedness (€ 21 million) decreased by € 91.5 million in the 12 months.

The results of the nine months

The Board of Directors of De' Longhi S.p.A. has approved the results as at September 30, 2011.

The results for the 9 months 2011, in line with the company's guidelines, were confirming the growth momentum of the two divisions, despite the tensions attaining the markets and the macroeconomic scenario. This trend was more evident in the Professional division than in the Household division (which showed revenues almost flattish in the third quarter, due to a challenging comparison with the extraordinarily performing third quarter of 2010). The positive trend of the business came with the actions of continued support to the product mix and of costs control put in place by the company, leading to improvements in all the margins at a consolidated level.

revenues

The consolidated revenues, in the 9 months, amounted to € 1,187.1 million, growing by 11% vs. 2010 (€ 1,069.8 million), led by the Professional division (growing by 7.8% in the quarter), while the Household division was slightly declining in the quarter (-0.5%).

	9 months			3rd quarter		
	M €	ch. yoy	ch. yoy %	M €	ch. yoy	ch. yoy %
Total revenues	1.187,1	117,3	11,0 %	424,0	5,2	1,2 %
divisions:						
- Household	910,7	88,5	10,8 %	323,6	(1,6)	(0,5) %
- Professional	281,4	30,7	12,3 %	102,6	7,4	7,8 %

All reference markets (with the exception of Spain and the Middle-East and Africa area) showed satisfactory growth trends, more noticeable in the emerging markets (growing by 14.6%) than in the traditional ones (growing by 9.4%). The share of emerging markets on total revenues increased from 30% to 31%.

As regards the product families, sales were led by the coffee makers, the food preparation products and the industrial air conditioning, thus confirming the trend evidenced in the previous quarters.

operating margins

The Group, as well as each of the two divisions, delivered improving margins, in line with the guidelines for the current year: in fact, in the 9 months, following the growth in revenues of 11%, Ebitda (before non recurring items) improved by 24.8% .

	9 months		3rd quarter	
	M €	% of revenues	M €	% of revenues
Net Industrial Margin	530,0	44,6 %	195,7	46,2 %
EBITDA (before non recurring items)	155,4	13,1 %	66,7	15,7 %
EBITDA	150,5	12,7 %	64,3	15,2 %
EBIT	109,8	9,3 %	42,7	10,1 %
EBIT <i>adjusted</i>	126,2	10,6 %	56,6	13,3 %

Margins were generally improving in the third quarter as well, due to positive contribution of a better product mix and exchange rates rather than to volumes (specifically in the Household division).

It's to be noticed that non recurring charges and extraordinary depreciations impacted for € 16.4 million, including mainly costs related to the demerger of the Professional division and to the partial writeoff in the quarter of the goodwill related to the company operating in the wall mounted radiators, within the Professional division: such writeoff was decided by the Group in relation to the finalization of the new business plan of the Professional division and the related uncertainties attaining the water filled radiators business.

The net industrial margin increased to € 530 million from € 469.9 million (44.6% from 43.9% of revenues). In the quarter, the margin increased from 42.8% to 46.2%.

EBITDA

EBITDA (before non recurring items) improved to 13.1% from 11.6% of revenues (to € 155.4 million from € 124.5 million).

In the quarter, Ebitda (before non recurring items) improved from 13.8% to 15.7% of revenues.

Both divisions have contributed to the improvement of margins (before non recurring items) even in the third quarter, as shown by the following schedule.

<i>EBITDA</i> <i>before non rec. items</i>	3rd quarter 2011		3rd quarter 2010	
	M €	% on revenues	M €	% on revenues
divisions:				
- Household	57,7	17,8 %	51,3	15,8 %
- Professional	10,7	10,5 %	9,0	9,5 %

EBIT

EBIT amounted to € 109.8 million (vs. € 92 million in 2010), thus reaching 9.3% of revenues (it was 8.6% in 2010).

This result is including the effect of the above mentioned non recurring charges and depreciations, so that EBIT of the third quarter declines from € 46.7 million to € 42.7 million (from 11.1% to 10.1%

of revenues). However, the EBIT adjusted (to exclude said non recurring items) improved to 10.6% of revenues (from 9%) in the 9 months and to 13.3% (from 11.5%) in the third quarter.

financial charges

In the 9 months, financial charges were increasing by € 3.5 million, from € 24.5 million to € 28 million, as a consequence mainly of a non recurring negative exchange rates effect (unrealized and already partially recovered) related to the valuation, at the end of the quarter, of receivables and payables expressed in emerging countries' currencies (Ruble, Brazilian Real and South African Rand) which were not hedged (due to the too high hedging costs) and thus remaining subject to fluctuations, even though temporarily.

Furthermore, financial charges were including higher hedging costs related to the increased volume of derivatives put in place on the annual budget and the business plan of the Group, as a prudent response to the increased volatility of exchange rates.

net profit

Net profit pertaining to the Group in the 9 months amounted to € 52.6 million (vs. € 46.1 million in 2010), or 4.4% of revenues (vs. 4.3% in 2010).

net indebtedness

The positive trend in the cash generation of the Group was confirmed, delivering an improvement in the Group's net debt by € 91.5 million in the 12 months, from € 112.4 million to € 21 million. This result was due also to the positive development of the net working capital, which amounted to € 284.7 million, thus decreasing from 18.8% to 16.3% of the 12 months rolling revenues.

Events following the end of the quarter

In October, the shareholders' meetings of De' Longhi S.p.A. and De' Longhi Clima S.p.A. (to be renamed as DeLclima S.p.A.) have approved the demerge of the Professional division and the admission to listing request for De' Longhi Clima S.p.A was submitted to Borsa Italiana.

Foreseeable business development

Markets are currently affected by uncertainty conditions related to the strains of the financial markets. However, the Group is confident to be able to keep its growth path even in the last quarter of 2011, for both divisions.

In the Household division, the widespread international presence

(delivering growth in traditional markets as well as in the emerging markets), together with the focus on growing product segments – specifically coffee makers – should allow the Group reach its targets.

In the Professional division, the growth trend should be confirmed thanks also to the strong presence in all main markets and in some emerging markets, including also China and India, which are showing high growth rates for the division.

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 September 30, 2011

Consolidated Income Statement

Euro million	30.09.2011 (9 months)	% of revenues	30.09.2010 (9 months)	% of revenues
Net revenues	1.187,1	100,0%	1.069,8	100,0%
<i>change</i>	<i>117,3</i>	<i>11,0%</i>		
Materials consumed and other production costs (services and production payroll costs)	(657,1)	(55,4%)	(599,9)	(56,1%)
Net Industrial margin	530,0	44,6%	469,9	43,9%
Cost for goods and services	(255,9)	(21,6%)	(230,7)	(21,6%)
Added value	274,1	23,1%	239,3	22,4%
Labour cost (non industrial)	(104,8)	(8,8%)	(93,6)	(8,8%)
Provisions	(13,8)	(1,2%)	(21,1)	(2,0%)
EBITDA before non recurring items	155,4	13,1%	124,5	11,6%
<i>change</i>	<i>30,9</i>	<i>24,8%</i>		
Non recurring items	(4,9)	(0,4%)	(4,5)	(0,4%)
EBITDA	150,5	12,7%	120,0	11,2%
Amortization	(40,7)	(3,4%)	(27,9)	(2,6%)
EBIT	109,8	9,3%	92,0	8,6%
<i>change</i>	<i>17,8</i>	<i>19,3%</i>		
Net financial charges	(28,0)	(2,4%)	(24,5)	(2,3%)
Profit before taxes	81,8	6,9%	67,6	6,3%
Taxes	(28,8)	(2,4%)	(21,4)	(2,0%)
Profit / (Loss) of the period	53,0	4,5%	46,2	4,3%
Profit (loss) pertaining to minority interests	0,4	0,0%	0,1	0,0%
Profit (loss) pertaining to the Group	52,6	4,4%	46,1	4,3%

Consolidated Balance Sheet

Euro million	30.09.2011	30.09.2010	31.12.2010	change 30.09.11 – 30.09.10	change 30.09.11 – 31.12.10
- intangible assets	398,4	415,8	408,6	(17,4)	(10,2)
- tangible assets	196,6	178,9	186,4	17,7	10,2
- financial assets	3,6	2,2	2,1	1,3	1,5
- deffered tax assets	41,4	37,1	33,5	4,4	8,0
Fixed asstes	640,1	634,0	630,6	6,0	9,5
- inventories	416,3	361,7	288,0	54,7	128,3
- trade receivables	312,9	304,2	387,9	8,7	(75,0)
- trade payables	(380,4)	(320,1)	(374,2)	(60,4)	(6,2)
- other net current assets / (liabilities)	(64,1)	(56,4)	(74,9)	(7,7)	10,8
Net working capital	284,7	289,4	226,9	(4,7)	57,9
Non current liabilities	(101,0)	(84,7)	(92,2)	(16,3)	(8,8)
Net invested capital	823,8	838,7	765,3	(14,9)	58,5
Net financial position	21,0	112,4	4,7	(91,5)	16,2
Total shareholders' equity	802,9	726,3	760,6	76,6	42,3
Total net financial position and shareholders' equity	823,8	838,7	765,3	(14,9)	58,5

Consolidated Cash Flow Statement

Euro million	30.09.2011 (9 months)	30.09.2010 (9 months)	31.12.2010 (12 months)
Cash flow from operations	124,5	100,0	168,0
Cash flow from changes in working capital	(94,1)	(48,3)	9,5
Cash Flow from operations and changes in working capital	30,3	51,7	177,5
Cash flow from investments	(37,9)	(27,3)	(45,4)
Operating cash flow	(7,6)	24,4	132,1
Cash Flow from non recurring item	(2,2)	-	-
Cash flow from changes in the net equity	(6,4)	(19,7)	(19,7)
Net cash flow	(16,2)	4,7	112,4
Opening net financial position	(4,7)	(117,1)	(117,1)
Closing net financial position	(21,0)	(112,4)	(4,7)

Business Segments

Euro million	30.09.2011 (9 months)			30.09.2010 (9 months)		
	<i>Household + Corporate</i>	<i>Professional</i>	<i>Total Group</i>	<i>Household + Corporate</i>	<i>Professional</i>	<i>Total Group</i>
Net Revenues	913,3	281,4	1.187,1	825,1	250,6	1.069,8
<i>changes 2011/2010</i>	<i>88,3</i>	<i>30,7</i>	<i>117,3</i>			
<i>changes %</i>	<i>10,7%</i>	<i>12,3%</i>	<i>11,0%</i>			
Net revenues at constant exchange rates	917,4	281,6	1.191,4	825,6	250,9	1.070,6
<i>change 2011/2010 at constant exchange rates</i>	<i>91,8</i>	<i>30,7</i>	<i>120,8</i>			
<i>change %</i>	<i>11,1%</i>	<i>12,2%</i>	<i>11,3%</i>			
EBITDA before non recurring items	127,9	27,3	155,4	101,8	22,7	124,5
<i>change 2011/2010</i>	<i>26,0</i>	<i>4,7</i>	<i>30,9</i>			
<i>% of revenues</i>	<i>14,0%</i>	<i>9,7%</i>	<i>13,1%</i>	<i>12,3%</i>	<i>9,0%</i>	<i>11,6%</i>
EBITDA	124,0	26,3	150,5	98,8	21,2	120,0
<i>change 2011/2010</i>	<i>25,2</i>	<i>5,2</i>	<i>30,5</i>			
<i>% of revenues</i>	<i>13,6%</i>	<i>9,4%</i>	<i>12,7%</i>	<i>12,0%</i>	<i>8,4%</i>	<i>11,2%</i>
EBIT	102,5	7,1	109,8	78,1	13,9	92,0
<i>change 2011/2010</i>	<i>24,4</i>	<i>(6,8)</i>	<i>17,8</i>			
<i>% of revenues</i>	<i>11,2%</i>	<i>2,5%</i>	<i>9,3%</i>	<i>9,5%</i>	<i>5,5%</i>	<i>8,6%</i>