Treviso, November 12th 2012

PRESS RELEASE

De'Longhi SpA:

The Board of Directors approved consolidated results as of September 30th, 2012[(1)]:

- **revenues stood at € 988.8 million, up by 8.3% (+6.2% in the third quarter);**
- **Ebitda before non-recurring items was € 138.3 million (14.0% of revenues)**
- **net income stood at € 63.3 million (up from € 56.4 million as of September 30th 2011);**
- **net debt was € 207.1 million mainly due to the effect of the accounting of the "Braun Household" deal (€ 204.1 million) and to the investments in fixed assets (€ 45.6 million)**

Summary

the third quarter
July 1st – September 30th 2012

- revenues at € 344.4 million (+6.2%);
- net industrial margin at 47.5% of revenues;
- Ebitda (before non-recurring items) stood at € 56.2 million (16.3% of sales);
- Ebit reached € 46.3 million, while adjusted Ebit (before non-recurring items) was € 47.1 million (13.7%);
- net income was € 31.0 million (9.0% of sales);

the nine months
January 1st – September 30th 2012

- in the first 9 months revenues grew by 8.3% (from € 913.3 million to € 988.8 million);
- the net industrial margin was slightly down in terms of sales (from 48.3% to 47.4%) due to an increase in industrial costs;
- Ebitda margin (before non-recurring items) remained stable at 14.0% thanks to a reduction in service costs;
- Ebit margin was slightly down (from 11.2% to 10.6%), while adjusted Ebit margin was 11.4% (versus 11.7% in 2011);
- net income was € 63.3 million (from € 56.4 million in 2011);
- net debt (€ 207.1 million) increased from € -41,9 million in the third quarter 2011 due to the accounting of the "Braun Household" deal and to the capex related to the factories in China and in Romania.

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

The results of the nine months

De'Longhi S.p.a.'s Board of Directors approved today the consolidated results as of September 30th, 2012.

The results of the nine months 2012 confirm the good trend of the coffee makers and kitchen appliances categories (which today represent more than 70% of the Group revenues), despite the turmoil affecting the global economy. The third quarter was characterised by a slowdown of the portable heating sales, due to an unfavourable weather trend.
Furthermore, during the quarter, the Group finalized the perpetual licensing agreement for the Braun brand in the kitchen, ironing and other selected product categories and subsequently started the transition and integration plan which will bring within the Group's perimeter all the assets acquired.

revenues

Consolidated revenues in the 9 months reached € 988.8 million, up by 8.3% versus 2011 (€ 913.3 million), led by the growth of espresso coffee makers and of kitchen appliances under the Kenwood brand.

The majority of the Group's reference market continued to grow, albeit at a slower pace than in the first half of the year. A few geographies, like for instance Southern Europe (negatively affected by Spain and Portugal) underperformed the other markets. Emerging markets (up by 17.0%) continued to outperform mature markets (up by 3.9%). The weight of Emerging Markets on total Group revenues increased from 33.1% to 35.8%.

operating margins

In the 9 months, margins were substantally in line with the 2011 figures: Ebitda margin (before non-recurring items) was 14.0%, at the same level than in 2011.

	9 months		3rd quarter	
	M €	*% of sales*	M €	*% of sales*
Net industrial margin	**468.8**	***47.4 %***	**163.5**	***47.5 %***
EBITDA before non-recurring items	**138.3**	***14.0 %***	**56.2**	***16.3 %***
EBITDA	**129.6**	***13.1 %***	**55.3**	***16.1 %***
EBIT	**104.4**	***10.6 %***	**46.3**	***13.4 %***
EBIT before non-recurring items	**113.2**	***11.4 %***	**47.1**	***13.7 %***

net industrial margin

The net industrial margin reached € 468.8 million from € 440.9 million (47.4% of sales from 48.3% of sales).

In the third quarter, net industrial margin (47.5%) was in line with the first half of 2012, while any comparison with the third quarter 2011 figure (50.4%) is not meaningful as Q3 2011 was the result of very specific factors, among which a particularly positive FX trend and new product launches (e.g. Lattissima +).

EBITDA

In the first nine months, EBITDA before non-recurring items reached € 138.3 million (from € 127.9 million), with margin on sales of 14.0%, in line with the 2011 number. Third quarter EBITDA margin (before non-recurring items) was 16.3%.

Non-recurring items in the first nine months were € 8.8 million, mainly related to the “Braun Household” deal.

EBIT

EBIT was € 104.4 million (€ 102.5 million as of September 2011), slightly down as a percentage of revenues (10.6% versus 11.2% in 2011), due to the aforementioned non-recurring items. Third quarter EBIT was € 46.3 million (€ 46.0 million in 2011), while EBIT margin reached 13.4% (from 14.2%).

Adjusted EBIT in the 9 months (net of non-recurring items) was 11.4% versus 11.7% in 2011 (13.7% in the quarter, down from 14.9% in 3Q 2011).

net financial charges

Despite the higher Group indebtedness, net financial charges were down by € 1.0 million, from € 23.2 million to € 22.2 million, mainly thanks to lower FX losses and to lower hedging costs.

net income

Net income pertaining to the Group in the 9 months is significantly up from 2011 (+12.3%) at € 63.3 million versus € 56.4 million in 2011 (equivalent to 6.4 % of sales, while it stood at 6.2 % in 2011).

net debt

Net debt as of September 30th, 2012 reached € 207.1 million, compared to € -117.4 million at the end of 2011.

The increase in net debt over the first nine months of 2012 is mainly due to the obligations associated with the “Braun Household” deal, whose impact as of September 30th 2012 was € 204.1 million (including the earn-out component). Other relevant contributors to the increase in net debt were higher capital expenditures for the factories in China and Romania, the change in the fair value of derivatives (down by € 23.3 million) and the higher dividends paid..

working capital

Net working capital (€ 308.5 million) was up both in absolute value and as a percentage of last 12 month sales rolling (from 17.7% to 20.5%). This was partly due to the business’ growth and partly to a lower amount of receivables securitized (if compared to the first nine months of 2011) following the renewal of the Group’s securitization agreement (whose structure was modified to make it more flexible and efficient) which is not at full speed yet.

Events occurred after the end of the quarter

There are no relevant events occurred after the end of the quarter.

Forseeable business development

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.

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, 2012

Consolidated Income Statement

Euro million	9 months 2012	% on revenues	9 months 2011 (*)	% on revenues
Net revenues	**988.8**	**100.0%**	**913.3**	**100.0%**
Change 2012/2011	*75.5*	*8.3%*		
Materials consumed and other production costs (services and production payroll costs)	(520.0)	(52.6%)	(472.4)	(51.7%)
Net industrial margin	**468.8**	**47.4%**	**440.9**	**48.3%**
Cost for goods and services	(229.5)	(23.2%)	(217.9)	(23.9%)
Non-industrial labor cost	(93.3)	(9.4%)	(83.6)	(9.2%)
Provisions	(7.8)	(0.8%)	(11.5)	(1.3%)
EBITDA before non-recurring items	**138.3**	**14.0%**	**127.9**	**14.0%**
change 2012/2011	*10.5*	*8.2%*		
Non-recurring items	(8.8)	(0.9%)	(3.9)	(0.4%)
EBITDA	**129.6**	**13.1%**	**124.0**	**13.6%**
Amortization	(25.1)	(2.5%)	(21.4)	(2.3%)
EBIT	**104.4**	**10.6%**	**102.5**	**11.2%**
Change 2012/2011	*1.9*	*1.9%*		
Net financial charges	(22.2)	(2.2%)	(23.2)	(2.5%)
Profit before taxes	**82.2**	**8.3%**	**79.3**	**8.7%**
Taxes	(18.6)	(1.9%)	(22.6)	(2.5%)
Profit / (Loss) for the period	**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%**

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

Consolidated Balance Sheet

Euro 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
- tangible assets	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
Fixed 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 net current assets / (liabilities)	(45.2)	(49.3)	(61.5)	4.1	16.3
Net working capital	**308.5**	**243.0**	**235.2**	**65.6**	**73.3**
Non-current liabilities	(83.3)	(68.9)	(86.7)	(14.5)	3.4
Net invested capital	**801.2**	**492.7**	**469.2**	**308.5**	**332.0**
Net financial position	**207.1**	**(41.9)**	**(117.4)**	**249.1**	**324.5**
Total shareholders' equity	**594.1**	**534.7**	**586.6**	**59.4**	**7.5**
Total net financial position and shareholders' equity	**801.2**	**492.7**	**469.2**	**308.5**	**332.0**

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

Consolidated Cash Flow Statement

Euro million	30.09.2012 (9 months)	30.09.2011 (*) (9 months)	31.12.2011 (*) (12 months)
Cash flow from operations	96.9	102.8	177.4
Cash flow from changes in working capital	(110.5)	(86.5)	(80.5)
Cash flow from investments	(45.6)	(26.9)	(41.7)
Operating cash flow	**(59.1)**	**(10.6)**	**55.2**
Capital contributions	-	(150.0)	(150.0)
"Braun Household" acquisition	(204.1)	-	-
Cash flow from investing and extraordinary activities	**(204.1)**	**(150.0)**	**(150.0)**
Dividends	(49.3)	(21.8)	(21.8)
Change in Fair value and Cash flow hedge reserves	(15.1)	19.0	28.0
Cash flow from other changes in the net equity	3.1	(3.1)	(2.4)
Cash flow from changes in the net equity	**(61.3)**	**(5.9)**	**3.7**
Net cash flow	**(324.5)**	**(166.6)**	**(91.1)**
Opening (net debt) / net cash	117.4	208.5	208.5
Closing (net debt) / net cash	**(207.1)**	**41.9**	**117.4**

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