INTERIM FINANCIAL REPORT AT 31 MARCH 2018

DēLonghi Group

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
CRISTINA PAGNI **	Director
STEFANIA PETRUCCIOLI**	Director
GIORGIO SANDRI	Director
SILVIO SARTORI	Director
LUISA MARIA VIRGINIA COLLINA**	Director
MASSIMILIANO BENEDETTI **	Director

Board of Statutory Auditors

CESARE CONTI	Chairman
GIANLUCA PONZELLINI	Standing member
PAOLA MIGNANI	Standing member
PIERA TULA	Alternate auditor
ALBERTA GERVASIO	Alternate auditor

External Auditors

EY S.p.A. ***

Internal Auditing and Corporate Governance Committee

RENATO CORRADA **
SILVIO SARTORI
STEFANIA PETRUCCIOLI**

Compensation Committee

ALBERTO CLÒ **
CARLO GARAVAGLIA
CRISTINA PAGNI **

* The company officers were elected at the shareholders' meeting of 14 April 2016 for the period 2016-2018; the number of the members of the Board of Directors was increased with the appointment by the Shareholders' meeting of 19 April 2018 of Mr. Massimiliano Benedetti who will be in office until the expiry of the Board.
** 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

Results for Continuing Operations(*)

(€/million)	1st quarter 2018	% revenues	1st quarter 2017(**)	% revenues	Change	% Change
Revenues (**)	402.6	100.0%	385.1	100.0%	17.5	4.5%
Revenues at costant exchange rates	*423.3*	*100.0%*	*385.1*	*100.0%*	*38.2*	*9.9%*
Net industrial margin	198.0	49.2%	192.3	49.9%	5.7	3.0%
EBITDA before non – recurring /stock option costs	53.4	13.3%	52.5	13.6%	0.9	1.7%
EBIT	39.3	9.7%	38.9	10.1%	0.3	0.8%
Profit/ (loss) pertaining to the Group	26.4	6.6%	25.5	6.6%	0.9	3.6%

Consolidated results

(€/million)	1st quarter 2018	% revenues	1st quarter 2017	% revenues	Change	% Change
Revenues (**)	412.5	100.0%	393.3	100.0%	19.2	4.9%
EBITDA before non – recurring /stock option costs	53.8	13.0%	52.2	13.3%	1.6	3.0%
Profit/ (loss) pertaining to the Group	26.4	6.4%	25.1	6.4%	1.4	5.5%

Statement of financial position

(€/million)	31.03.2018 Consolidated figures	31.03.2018 *Continuing Operations (*)*	31.03.2017 Consolidated figures (**)	31.03.2017 *Continuing Operations (*)*	31.12.2017 Consolidated figures	31.12.2017 *Continuing Operations (*)*
Net working capital	276.9	263.5	251.0	236.2	267.9	257.8
Net capital employed	799.4	780.6	712.9	693.5	788.2	772.7
Net financial assets	241.1	261.5	320.8	340.9	233.5	250.6
of which:						
- Net bank financial assets	*255.1*	*275.6*	*333.3*	*350.3*	*254.1*	*271.1*
- Other net financial payables	*(14.0)*	*(14.0)*	*(12.5)*	*(9.4)*	*(20.5)*	*(20.5)*
Net equity	1,040.5	1,042.1	1,033.7	1,034.4	1,021.7	1,023.3
Net working capital/Net revenues	13.9%	13.2%	13.3%	12.6%	13.3%	13.1%

(*) In accordance with IFRS 5 – *Non-current Assets Held for Sale and Discontinued Operations*, in light of the industrial partnership agreement which called for the sale of the controlling interest of NPE S.r.l., in this report figures of continuing operations refer to the results for the consolidation perimeter excluding NPE S.r.l.. Unless otherwise indicated, the figures reported refer to continuing operations.
(**)For the sake of comparison with other closing, the comparison figures for 2017 were adjusted with respect to prior financial reports in order to reflect the reclassification of a few commercial components of revenue and operating costs.
Comparative statement of financial position at 31 March 2017 was redetermined following the final accounting of the business combination relating to NPE s.r.l. as required by IFRS 3 – *Business Combinations*.

Introduction

This report contains the unaudited consolidated results at 31 March 2018.

The financial results as of March 31st, 2018 are published in accordance to the decision of the Board of Directors that determined to continue to approve and publish, on a voluntary basis and in addition to the annual and half-year financial reports as per article 154-ter, paragraph 1 and 2 of D. Lgs. n. 58/1998 ("TUF"), the interim reports within the terms and in the manner usually adopted by the Company.
The adopted communication policy, until a different determination by the Board of Directors, stipulates that the content of the interim reports shall be the same published in the past and it refers, in particular, to financial year 2017.

In light of the industrial partnership agreement currently being finalized, which calls for the sale of the majority interest in NPE S.r.l., unless indicated otherwise the results commented on in this report refer to continuing operations, namely the consolidation perimeter excluding NPE S.r.l.; for the sake of comparison the figures for the first quarter of 2017 were redetermined.

Performance review and significant events

The De'Longhi Group closed the first quarter of 2018 (the least representative quarter of the year due to seasonality) with higher revenues and good margins, consistent with the growth path already seen in 2017.

Revenues increased 4.5% compared to the first quarter of 2017 (rising from €385.1 million to €402.6 million), despite the particularly adverse exchange effect linked to a few of the main currencies (above all the US dollar, ruble, Australian dollar and Japanese yen); in organic terms revenues would have increased by 9.9% thanks to a significant increase in volumes which more than offset the negative price effect attributable to the repositioning of certain products in a few markets.

Revenues were also negatively impacted by an interruption in the distribution of single-serve DolceGusto coffee machines for which, however, margins are low, as well as a different phasing in the sale of portable air conditioners resulting in the delay of some sizeable deliveries until the second quarter.

EBITDA before non-recurring/stock option costs amounted to €53.4 million, higher than the €52.5 million recorded in the first quarter of 2017, while the EBITDA margin went from 13.6% to 13.3% due, above all, to the impact of the above mentioned price effect in a few markets.

Looking at the performance of revenues, the Group reported an increase of 7.6% against the first three months of 2017 (+9.2% at constant exchange rates) in Europe. A very good performance was posted in the North East which closed the quarter with revenues up by 14.8% against the same period of the prior year (+18.9% at constant exchange rates) thanks, above all, to sales in Russia, Ukraine, Scandinavia and the Czech Republic. Sales also rose, albeit to a more limited degree, in South West Europe where revenues were 3.6% higher than in the first quarter of 2017 (+3.9% in organic terms) due mainly to the sales performance posted in Austria, the Iberian Peninsula and in Switzerland which, compared to first quarter 2017, benefitted from the expanded Nestlè partnership for the distribution of Nespresso products and the increase in the sale of machines manufactured internally.
Revenues fell slightly in the APA region (-1.1% compared to the first quarter of 2017) due to the weakening of the main currencies (+10.8% at constant exchange rates); double digit sales growth, in organic terms, was posted in the United States (+6.2% at current exchange rates; +21.7% in organic terms) and in Japan.
The MEIA region was impacted by the weakening of the dollar and closed the quarter with revenues down slightly compared to the first three months of 2017 (-1.5% at current exchange rates), but with a significant increase in organic terms (+12.4% at constant exchange rates) pointing to a positive reversal in the trend recorded in prior quarters; good results were posted above all in the United Arab Emirates and in Saudi Arabia.

As for product families, sales of coffee machines continued to increase in the first three months of the year (around +16%) driven by the sale of fully automatic and internally manufactured Nespresso machines which benefitted from the expanded product range linked to the introduction, respectively, of new *Primadonna S EVO*/*Primadonna Class* and *Lattissima One* models, and despite the interruption in the distribution of DolceGusto single serve machines in a few markets.

Heating products posted good results thanks to the positive performance posted at the end of the winter, above all in Japan and in the United States.

Sales for air conditioners fell as a result of the different phasing of a few deliveries which were delayed until the second quarter of 2018.

The net industrial margin came to €198.0 million (49.2% of revenue), an increase of €5.7 million (+3.0%) compared to the first three months of 2017 (€192.3 million or 49.9% of revenue). The margin was impacted by the above mentioned negative price and exchange effects.

EBITDA before non-recurring/stock option costs amounted to €53.4 million, higher than the €52.5 million recorded in the first quarter of 2017, while the EBITDA before non-recurring/stock option costs margin went from 13.6% to 13.3%. The result reflects the above mentioned price effect. The positive impact of operating costs denominated in currencies other than the euro largely neutralized the impact of the negative exchange effect on revenues and the industrial margin at the EBITDA level.

Excluding the notional cost of the stock options, EBITDA came to €52.4 million (€51.6 million in the first quarter of 2017).

After amortization and depreciation of €13.1 million, EBIT amounted to €39.3 million in the first quarter of 2018 or 9.7% of revenues, higher than the first quarter of 2017 (€38.9 million or 10.1% of revenues).

Financial expenses, which were impacted by strong currency volatility in the first quarter of 2018, rose from the €6.1 million posted in the first quarter of 2017 to €7.0 million despite a decrease in bank fees.

Profit pertaining to the Group amounted to €26.4 million in the first three months of 2018 (€25.5 million in the same period 2017). The tax rate was lower thanks above all to the positive impact of the patent box incentive.

The net financial position came to a positive €261.5 million at 31 March 2018 (versus €250.6 million at year-end 2017), €275.6 million of which relates to the net position with banks (€271.1 million at 31 December 2017).
There was an increase in the net position with banks of €4.4 million in the first three months of 2018 (€36.2 million in the first quarter of 2017) with greater absorption of net working capital due to an increase in receivables, sustained growth, as well as the delay of some collections until April in a few markets; the change in net working capital also reflects the increase in inventories and lower trade payables linked to procurement and production carried out in advance at a few of the Group's plants which resulted in outflows being posted earlier than usual.

Total cash flow in the first quarter of 2018, which came to €10.9 million (€24.7 million in the first quarter of 2017), was impacted by the above mentioned increase in working capital.

Group results

The reclassified consolidated income statement is summarized as follows:

(€/million)	1st quarter 2018	% revenues	1st quarter 2017	% revenues
CONTINUING OPERATIONS				
Revenues	**402.6**	**100.0%**	**385.1**	**100.0%**
Change	*17.5*	*4.5%*		
Materials consumed & other production costs (production services and payroll costs)	(204.6)	(50.8%)	(192.8)	(50.1%)
Net industrial margin	**198.0**	**49.2%**	**192.3**	**49.9%**
Costs for services and other expenses	(98.7)	(24.5%)	(95.5)	(24.8%)
Payroll (non-production)	(46.0)	(11.4%)	(44.4)	(11.5%)
EBITDA before non-recurring / stock option costs	**53.4**	**13.3%**	**52.5**	**13.6%**
Change	*0.9*	*1.7%*		
Other non-recurring expenses / stock option costs	(1.0)	(0.2%)	(0.8)	(0.2%)
EBITDA	**52.4**	**13.0%**	**51.6**	**13.4%**
Amortization	(13.1)	(3.3%)	(12.7)	(3.3%)
EBIT	**39.3**	**9.7%**	**38.9**	**10.1%**
Change	*0.3*	*0.8%*		
Financial income (expenses)	(7.0)	(1.7%)	(6.1)	(1.6%)
Profit (loss) before taxes	**32.2**	**8.0%**	**32.9**	**8.5%**
Income taxes	(5.8)	(1.5%)	(7.4)	(1.9%)
Net profit of continuing operations	**26.4**	**6.6%**	**25.5**	**6.6%**
DISCONTINUED OPERATIONS				
Net profit / (loss) of discontinued operations	0.0		(0.4)	
Profit (loss) pertaining to the Group	**26.4**	**6.4%**	**25.1**	**6.4%**

Net revenues amounted to €402.6 million in the first quarter of 2018, an increase of €17.5 million (+4.5%) with respect to the first quarter of 2017.
Growth was impacted by a particularly adverse exchange effect (of €20.7 million) connected to the weakening of the Group's main currencies (primarily the US dollar, the ruble, the Australian dollar and the Japanese yen). In organic terms growth would have reached 9.9%.
There was good growth in volumes despite the suspended distribution of one type of DolceGusto coffee machine in a few markets and the drop in sales for air conditioners due to the different phasing of some deliveries with respect to the first quarter of 2017.

The net industrial margin came to €198.0 million in the first quarter of 2018 (49.2% of revenues), an increase of €5.7 million against the first quarter of 2017 (€192.3 million; 49.9% of revenues). The margin was influenced by the negative price and exchange effects.

The increase in volumes made it possible to leverage on the efficiency of the Group's production which guarantees that margins will be protected against the expected increase in the cost of supplies from China.

The costs for services and other operating expenses increased €3.2 million (+3.4%) which is lower than the increase in business due to a positive impact of exchange differences on costs denominated in currencies other than the euro.

EBITDA before non-recurring/stock option costs amounted to €53.4 million (13.3% of revenues), an increase compared to the first quarter of 2017 (€52.5 million; 13.6% of revenues); the exchange effect had a marginal impact on EBITDA in the quarter (-€0.8 million) as the negative impact on revenues was largely offset by the positive impact on procurement and operating costs.

Excluding the notional cost of the stock options, EBITDA came to €52.4 million (€51.6 million in the first quarter of 2017).

Depreciation and amortization amounted to €13.1 million in the quarter, basically in line with the first three months of 2017 as a result of the investments made in prior periods which are now operating at capacity.
EBIT amounted to €39.3 million in the first quarter of 2018 (€38.9 million in the same period 2017).

Financial expenses were impacted by volatility in the main currencies and rose from the €6.1 million posted in the first quarter of 2017 to €7.0 million in the first quarter of 2018.

Profit pertaining to the Group amounted to €26.4 million in the first three months of 2018 (€25.5 million in the same period 2017), after taxes of €5.8 million. The tax rate was lower thanks above all to the positive impact of the patent box incentive

Performance by market and product line

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

(€/million)	1st quarter 2018	%	1st quarter 2017	%	Change	Change %	Organic growth %
North East Europe	102.7	25.5%	89.5	23.2%	13.3	14.8%	18.9%
South West Europe	167.7	41.6%	161.9	42.0%	5.8	3.6%	3.9%
EUROPE	**270.4**	**67.2%**	**251.3**	**65.3%**	**19.1**	**7.6%**	**9.2%**
APA (Asia / Pacific / Americas)	**103.9**	**25.8%**	**105.0**	**27.3%**	**(1.2)**	**(1.1%)**	**10.8%**
MEIA (Middle East / India / Africa)	**28.4**	**7.0%**	**28.8**	**7.5%**	**(0.4)**	**(1.5%)**	**12.4%**
Total revenues	**402.6**	**100.0%**	**385.1**	**100.0%**	**17.5**	**4.5%**	**9.9%**

In organic terms growth was positive, albeit with different dynamics, in all the commercial areas; the weakening of local currencies had a very significant and widespread impact on the main markets (above all in the APA and MEIA regions) which partially offset the benefits of organic growth.
Revenues in Europe rose 7.6% compared to the first three months of 2017 (+9.2% at constant exchange rates). A very good sales performance was recorded in North East Europe where revenues for the quarter were 14.8% higher than in the first quarter of 2017 thanks above all to sales in Russia and Ukraine, Scandinavia and the Czech Republic. Growth, albeit less robust, was also posted in South West Europe where revenues rose 3.6% against the first quarter of 2017 (+3.9% in organic terms) due mainly to sales in Austria, in the Iberian Peninsula and in Switzerland, which benefitted from the expanded partnership with Nestlè for the distribution of Nespresso products and increased sales of *Lattissima* products manufactured internally.
Revenues fell slightly in the APA region (-1.1% compared to the first quarter of 2017) due to the weakening of the main currencies. A very good sales performance was reported in the United States and in Japan thanks to an increase in the sale of coffee and heating products.
The MEIA region was impacted by the weakening of the dollar and closed the quarter with revenues down slightly compared to the first three months of 2017 (-1.5% at current exchange rates; +12.4% at constant exchange rates) with good sales recovery in the United Arab Emirates and in Saudi Arabia.

As for product families, sales of coffee machines continued to increase in the first three months of the year (around +16%) driven by the sale of fully automatic and internally manufactured Nespresso machines which benefitted from the expanded product range linked to the introduction, respectively, of new *Primadonna S EVO*/*Primadonna Class* and *Lattissima One* models, and despite the interruption in the distribution of DolceGusto single serve machines in a few markets.

Good results were reported by heating products thanks to the positive performance posted at the end of the winter in Japan and in the United States.
Sales for air conditioners fell as a result of the different phasing of a few deliveries which were delayed until the second quarter of 2018.

Kitchen machines showed recovery posting slight growth which points to a reversal in the trend after several quarters of steady decline.

Review of the statement of financial position

The reclassified consolidated statement of financial position with reference to the continuing operations only is presented below:

(€/million)	31.03.2018	31.03.2017	31.12.2017	Change 31.03.18 – 31.03.17	Change 31.03.18 – 31.12.17
- Intangible assets	320.8	321.9	320.9	(1.1)	(0.1)
- Property, plant and equipment	235.2	197.4	233.1	37.8	2.0
- Financial assets	26.2	8.6	26.1	17.6	0.1
- Deferred tax assets	33.5	43.1	32.3	(9.6)	1.2
Non-current assets	**615.7**	**571.0**	**612.4**	**44.7**	**3.3**
- Inventories	396.1	393.5	329.7	2.6	66.4
- Trade receivables	253.5	224.3	401.5	29.2	(148.0)
- Trade payables	(315.0)	(318.3)	(366.1)	3.3	51.0
- Other payables (net of receivables)	(71.1)	(63.3)	(107.4)	(7.8)	36.4
Net working capital	**263.5**	**236.2**	**257.8**	**27.2**	**5.7**
Total non-current liabilities and provisions	**(98.5)**	**(113.8)**	**(97.5)**	**15.3**	**(1.1)**
Net capital employed	**780.6**	**693.5**	**772.7**	**87.2**	**7.9**
Net financial assets	**(261.5)**	**(340.9)**	**(250.6)**	**79.4**	**(10.9)**
Total net equity	**1,042.1**	**1,034.4**	**1,023.3**	**7.8**	**18.8**
Total net debt and equity	**780.6**	**693.5**	**772.7**	**87.2**	**7.9**

Investments amounted to €15.1 million, in line with the first quarter of 2017.

Net working capital amounted to €263.5 million at 31 March 2018 (€236.2 million at 31 March 2017), reaching 13.2% of rolling revenues (12.6% at 31 March 2017). The result reflects an increase in receivables, sustained growth, as well as the delay of some collections until April in a few markets; the change also reflects the increase in inventories and lower trade payables linked to procurement and production carried out in advance at a few of the Group's plants which resulted in outflows being posted earlier than usual.

The net financial position came to a positive €261.5 million at 31 March 2018 (versus €250.6 million at 31 December 2017, €340.9 million at 31 March 2017), €275.6 million of which relates to the net position with banks (€271.1 million at 31 December 2017, €350.3 million at 31 March 2017). The change in the twelve months period is primarily attributable to the payment of higher dividends in 2017 (+€53.8 million) and higher investments, mainly the purchase of a real estate complex in Treviso, as well as the improvements made at the Romanian plant and the Eversys acquisition.

Details of the net financial position are as follows:

(€/million)	31.03.2018	31.03.2017	31.12.2017	Change 31.03.18 – 31.03.17	Change 31.03.18 – 31.12.17
Cash and cash equivalents	673.3	476.0	664.7	197.2	8.5
Other financial receivables	20.5	15.0	8.3	5.5	12.3
Current financial debt	(148.0)	(81.2)	(138.3)	(66.8)	(9.7)
Net current financial position	**545.7**	**409.8**	**534.7**	**135.9**	**11.1**
Non-current financial debt	**(284.2)**	**(68.9)**	**(284.1)**	**(215.3)**	**(0.2)**
Total net financial position	**261.5**	**340.9**	**250.6**	**(79.4)**	**10.9**
of which:					
- Positions with banks and other financial payables	*275.6*	*350.3*	*271.1*	*(74.7)*	*4.4*
- Financial assets/(liabilities) other than bank debt (fair value of derivatives, financial debt connected to business combinations and pension fund)	*(14.0)*	*(9.4)*	*(20.5)*	*(4.7)*	*6.5*

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

(€/million)	31.03.2018 (3 months)	31.03.2017 (3 months)	31.12.2017 (12 months)
Cash flow by current operations	47.3	44.3	277.6
Cash flow by changes in working capital	(13.5)	11.1	(67.5)
Cash flow by investment activities	(15.1)	(15.0)	(122.7)
Cash flow by operating activities	**18.7**	**40.5**	**87.4**
Dividends paid	-	-	(119.6)
Cash flow by changes in *Fair value* and *Cash flow hedge* reserves	(4.3)	(11.4)	(14.5)
Cash flow by other changes in net equity	(3.5)	(4.4)	(19.0)
Cash flow absorbed by changes in net equity	**(7.8)**	**(15.8)**	**(153.0)**
Cash flow for the period	**10.9**	**24.7**	**(65.6)**
Opening net financial position	250.6	316.2	316.2
Closing net financial position	**261.5**	**340.9**	**250.6**

Cash flow in the first quarter of 2018 amounted to €10.9 million (€24.7 million in the first quarter of 2017); cash flow from operations, which came to €18.7 million (€40.5 million in the first quarter of 2017), was impacted by the above mentioned increase in net working capital.

The statement of comprehensive income and the main changes in net equity with reference to the consolidated figures in the first quarter are shown below:

(€/million)	1st quarter 2018	1st quarter 2017
Profit (loss) for the period	**26.4**	**25.0**
Other components of comprehensive income of continuing operations	(8.5)	(6.2)
Other components of comprehensive income of discontinued operations	(0.1)	-
Total other components of comprehensive income	**(8.6)**	**18.8**
Total comprehensive income for the period	**17.8**	**18.8**

(€/million)	Group portion of net equity	Minority interests in net equity	Total net equity
Net equity at 1 January 2017	**1,010.6**	**3.4**	**1,014.0**
Fair value stock option	0.8	-	0.8
Total comprehensive income for the 1st quarter 2017	18.8	-	18.8
Net equity at 31 March 2017	**1,030.3**	**3.4**	**1,033.7**
Net equity at 1 January 2018	**1,021.7**	**-**	**1,021.7**
Fair value stock option	1.0	-	1.0
Total comprehensive income for the 1st quarter 2018	17.8	-	17.8
Net equity at 31 March 2018	**1,040.5**	**-**	**1,040.5**

Content of the interim financial report and alternative performance indicators

The income statement figures refer to the period ending on 31 March 2018, with comparatives at 31 March 2017. The statement of financial position figures refer to 31 March 2018, 31 March 2017 and 31 December 2017.
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 consolidated financial figures were prepared using the same accounting policies as those used to prepare the consolidated financial statements at 31 December 2017 except for IFRS 15 *Revenue from contracts with customers* and IFRS 9 *Financial instruments*, applicable beginning on or after 1 January 2018.
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.

More in detail, the non-GAAP measures used include:
- 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/stock option costs.
- 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 position): this measure represents gross 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 in this report.

Other information

Pursuant to Art. 3 of Consob Resolution n. 18079 of 20 January 2012, the Board of Directors resolved to exercise the opt-out clause provided under Art. 70, paragraph 8 and Art. 71, paragraph 1-*bis* of Consob Regulation n. 11971/99 which grants the option to waive the mandatory publication of informational documents relating to significant mergers, spin-offs, capital increases through in-kind transfers, acquisitions and disposals.

Subsequent events

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

Outlook

In light of the results of the first quarter, management's expectations of a revenues' organic growth in the "mid-to-high single digit" area and an increase of EBITDA in absolute terms are confirmed.

Treviso, 10 May 2018

For the Board of Directors
Vice Chairman and Chief Executive Officer

Fabio de' Longhi

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Declaration by the Financial Reporting Officer

Pursuant to art. 154-bis para. 2 of TUF, Stefano Biella, the Financial Reporting Officer, declares that the accounting information contained in the present interim financial report corresponds to the underlying documentary and accounting records.

Treviso, 10 May 2018

Financial Reporting Officer

Stefano Biella

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This report is available on the corporate website:
www.delonghigroup.com

De'Longhi S.p.A.
Registered office: Via L. Seitz, 47 – 31100 Treviso
Share capital: EUR 224,250,000 (subscribed and paid-in)
Tax ID and Company Register no.: 11570840154
Treviso Chamber of Commerce no.: 224758
VAT no.: 03162730265