



# First Half 08 Results Presentation

31, July 2008

# 1H 08 Key Facts

- **Consolidated Revenues** at €146.5 m, +5.9% at constant exchange rates and excluding the effect of the termination of the Narciso Rodriguez licence (+2.1% reported)
- **Consolidated EBITDA** at € 20.9 m (margin of 14.5%), +0.2% compared to 1H07 net of non recurring items
- **Consolidated Net Income** at € 6 m, +28.7% compared to 1H07 net of non recurring items
- **Consolidated Net Financial Debt** of € 50.6 m (€ 38.5 m as of 31 December 2007)
- **194 Mono Brand Stores** (vs 174 at the end of 2007)



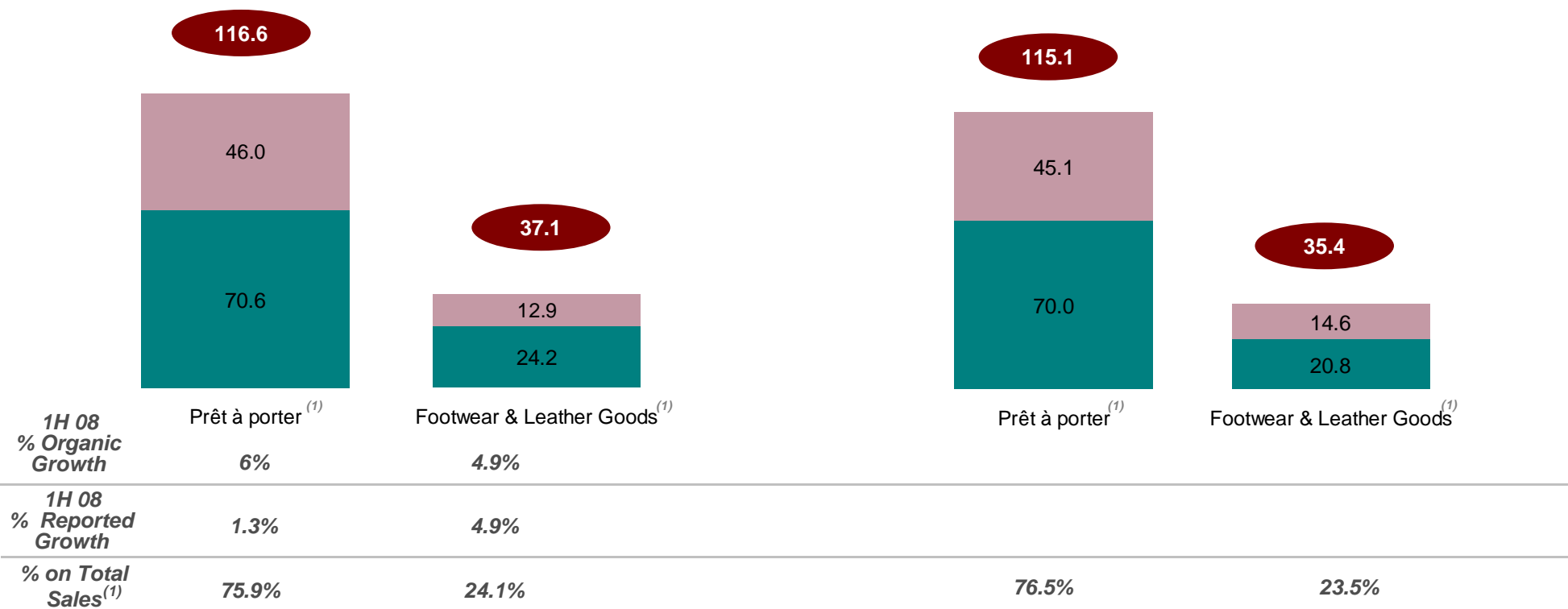
# Net Sales Breakdown by Division

1H 2008

1H 2007

(€m)

(€m)



(1) Before inter-divisional eliminations

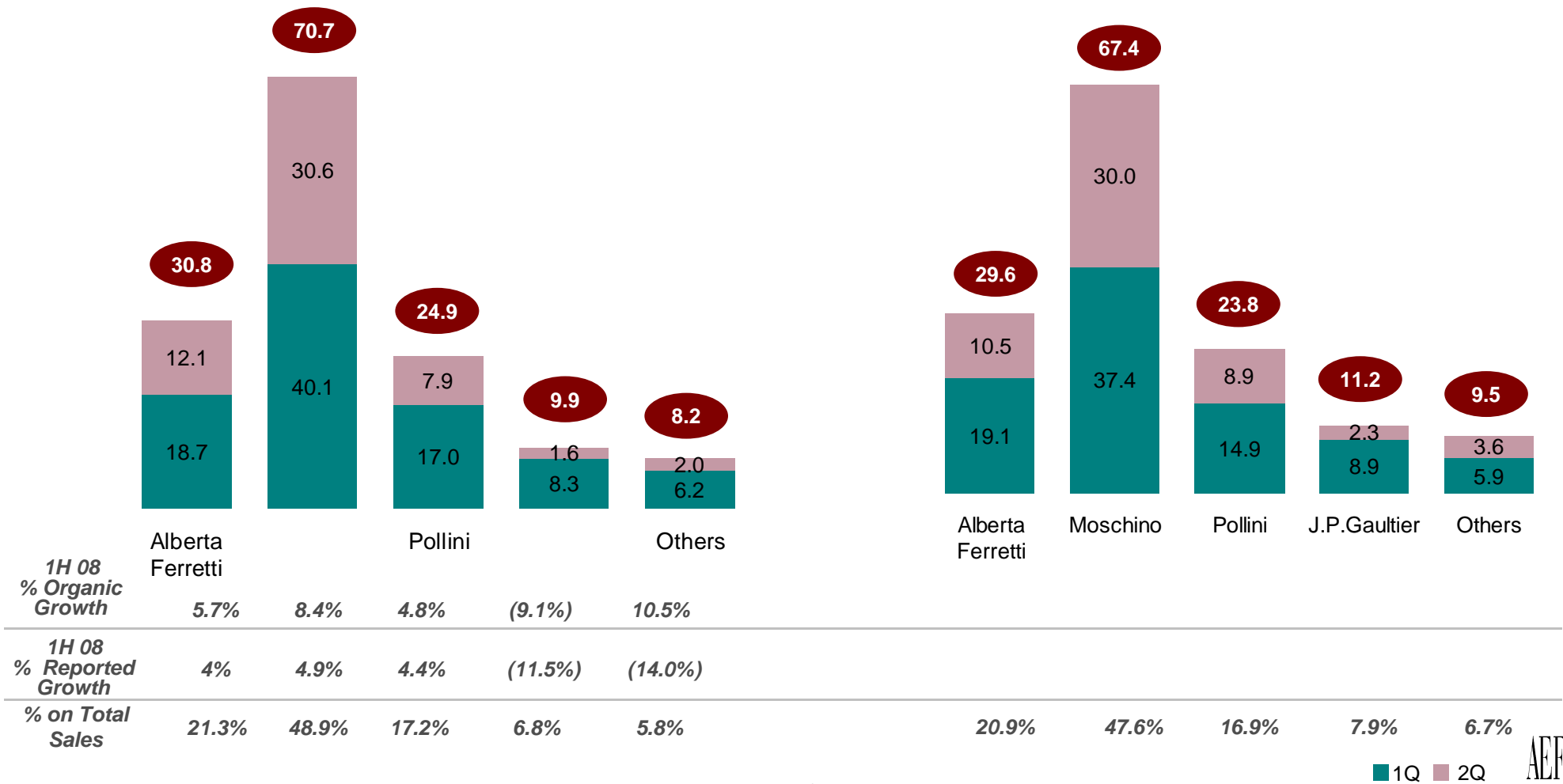
# Net Sales Breakdown by Brand

1H 2008

1H 2007

(€m)

(€m)



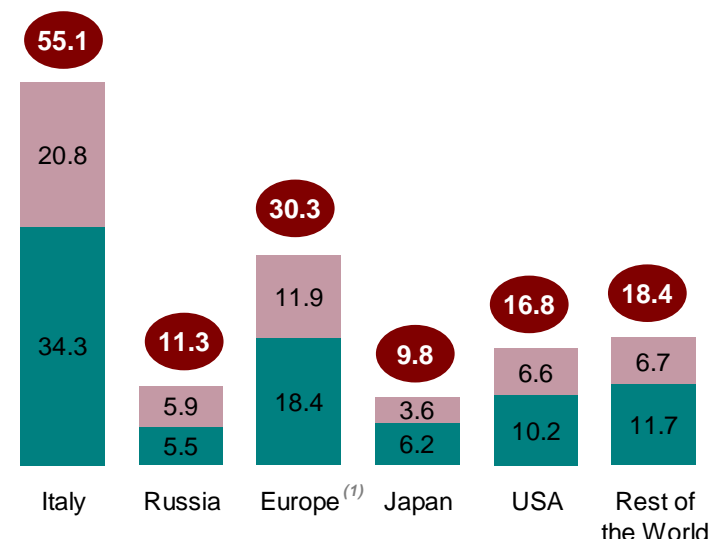
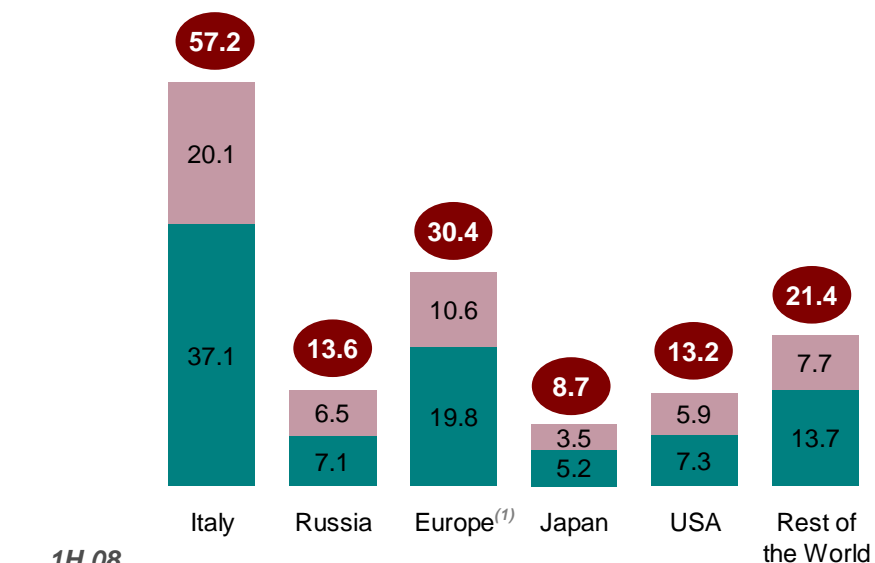
# Net Sales Breakdown by Region

1H 2008

1H 2007

(€m)

(€m)



Region	Italy	Russia	Europe <sup>(1)</sup>	Japan	USA	Rest of the World
1H 08 % Organic Growth	4.1%	21.3%	2.9%	(8.7%)	(5.6%)	23.5%

Region	Italy	Russia	Europe <sup>(1)</sup>	Japan	USA	Rest of the World
1H 08 % Reported Growth	4%	20%	0.1%	(10.9%)	(21.2%)	16.7%

Region	Italy	Russia	Europe <sup>(1)</sup>	Japan	USA	Rest of the World
% on Total Sales	39.6%	9.4%	21%	6%	9.2%	14.8%

Region	Italy	Russia	Europe <sup>(1)</sup>	Japan	USA	Rest of the World
% on Total Sales	38.9%	8.0%	21.4%	6.9%	11.9%	12.9%

(1) Italy and Russia excluded

■ 1Q ■ 2Q



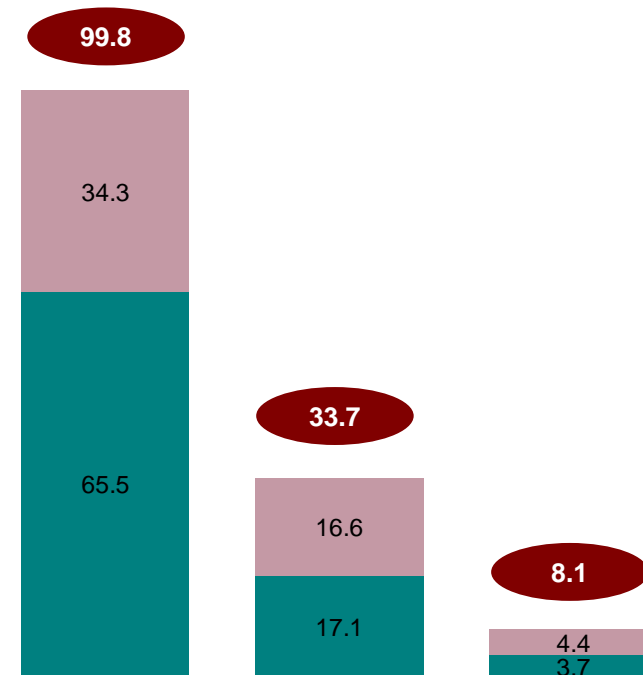
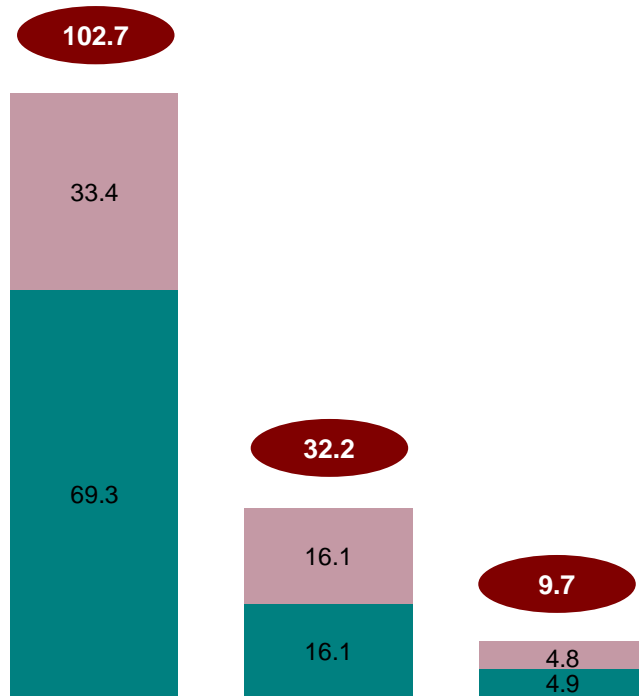
# Net Sales Breakdown by Channel

1H 2008

1H 2007

(€m)

(€m)



1H 08  
% Organic  
Growth

Wholesale  
6.9%

Retail  
(0.3%)

Royalties  
19.2%

1H 08  
% Reported  
Growth

2.9%

(4.6%)

19.2%

% on Total  
Sales

71%

22.3%

6.7%

Wholesale

70.4%

Retail

23.8%

Royalties

5.8%

■ 1Q ■ 2Q

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# Mono-brand Stores Network

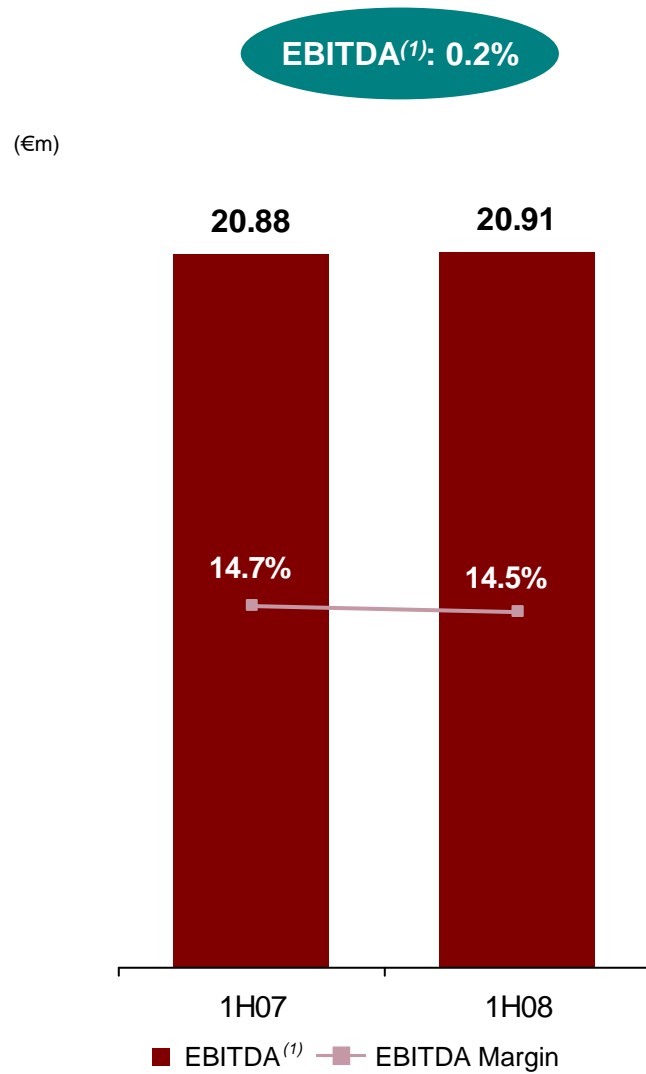
## DOS

	1H08	FY07
Europe	37	36
USA	1	1
Asia	38	38
<b>Total</b>	<b>76</b>	<b>75</b>

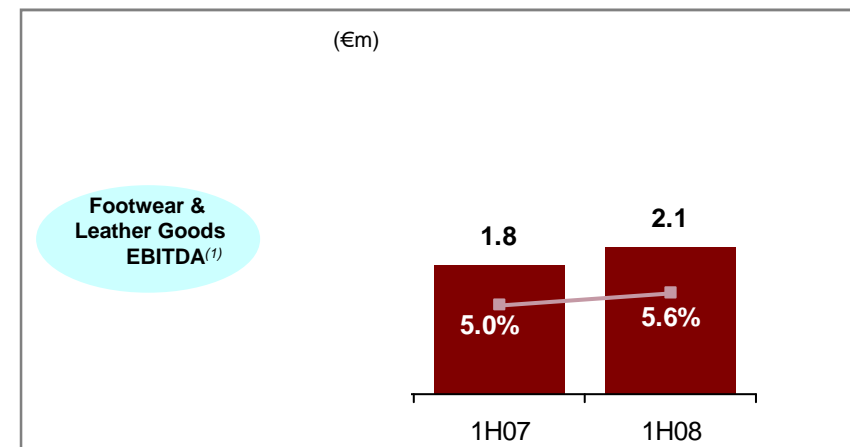
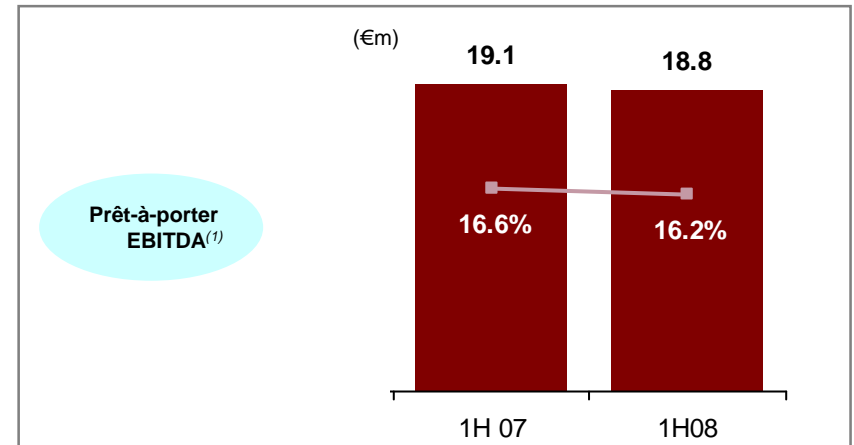
## Franchising

	1H08	FY07
Europe	45	41
USA	7	6
Asia	66	52
<b>Total</b>	<b>118</b>	<b>99</b>

# Profitability Analysis

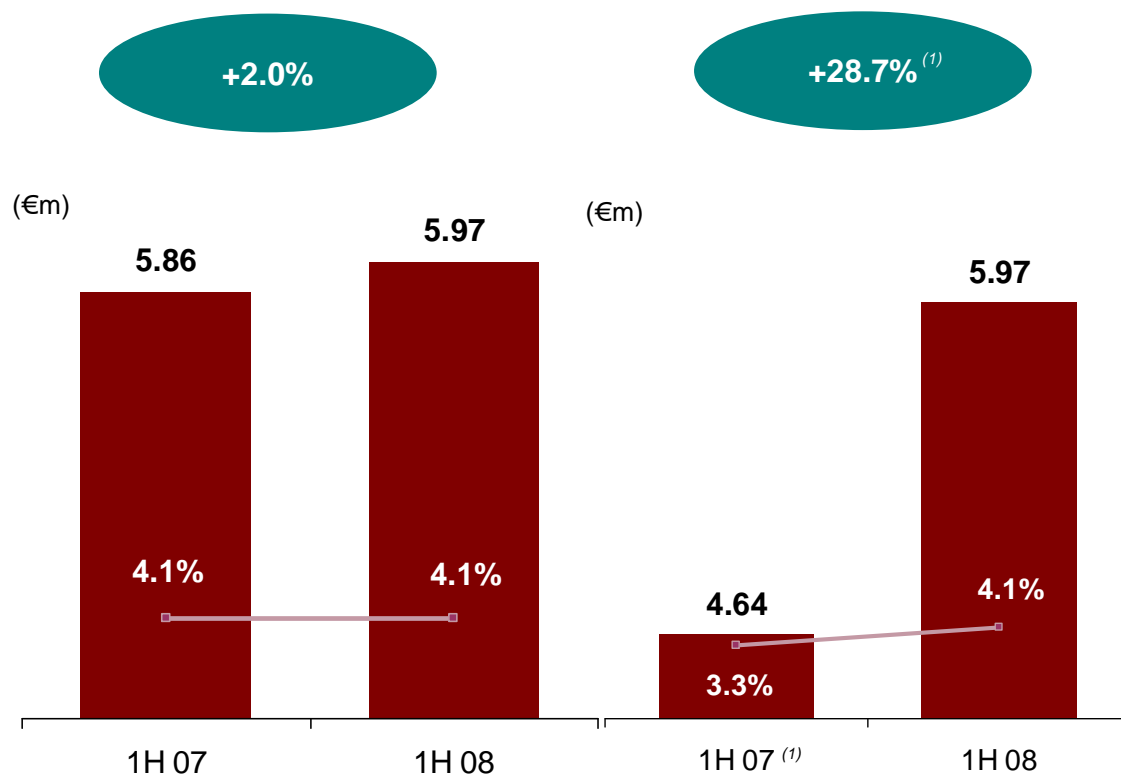


(1) Net of Non Recurring Items





# Group Net Income and Income Taxes



■ Net Income  
 ■ Net income Margin

■ Net Income  
 ■ Net income Margin

(1) Net of Non Recurring Items

(€m)	1H Ending June 30,	
	2007A	2008A
PBT	13.4	12.5
Current Taxes	(6.1)	(4.4)
Deferred Taxes	(0.7)	(1.0)
<b>Total Taxes</b>	<b>(6.8)</b>	<b>(5.4)</b>
<i>Effective Tax Rate</i>	50.5%	43.2%



# Summary Balance Sheet

	IAS-IFRS		
	1H08	FY 2007	1H07
Net Working Capital	70.7	51.6	54.0
Net Tangible Assets	71.3	71.2	70.0
Net Intangible Assets	168.6	171.8	173.3
Net Financial Assets	3.2	3.1	2.9
Severance Staff, Provisions & Others	(65.2)	(64.6)	(72.6)
<b>Net Capital Employed</b>	<b>248.6</b>	<b>233.1</b>	<b>227.6</b>
Group Shareholders' Equity	167	164.7	81.3
Minorities	31	29.9	27.3
Shareholders' Equity & Minorities	198	194.6	108.6
Net Debt	50.6	38.5	118.9
<b>Net Financial Debt and Shareholders' Equity</b>	<b>248.6</b>	<b>233.1</b>	<b>227.6</b>
Accounts Receivables	36.1	36.9	36.8
Accounts Payable	(59.0)	(60.6)	(59.5)
Inventory	78.4	67.8	65.3
Other Current Assets/Liabilities	15.2	7.5	11.5
<b>NWC</b>	<b>70.7</b>	<b>51.6</b>	<b>54.0</b>
<i>As % of LTM sales</i>	<i>23.8%</i>	<i>17.6%</i>	<i>19.0%</i>

# Summary Cash Flow

	IAS-IFRS		
	1H08	FY2007	1H07
PBT	12.5	25.6	13.4
Operating Cash Flow	(3)	23.1	4.3
Capital Expenditure	(2.8)	(9.5)	(3.2)
Free Cash Flow	(5.8)	13.6	1.1
Cash Flows from Financing Activities	6.3	(14.4)	(5.3)
<hr/>			
Cash and cash equivalents at the beginning of the year	14.5	15.3	15.3
Cash Flow of the Period	0.5	(0.8)	(4.2)
Cash and cash equivalents at the end of the year	15	14.5	11.1

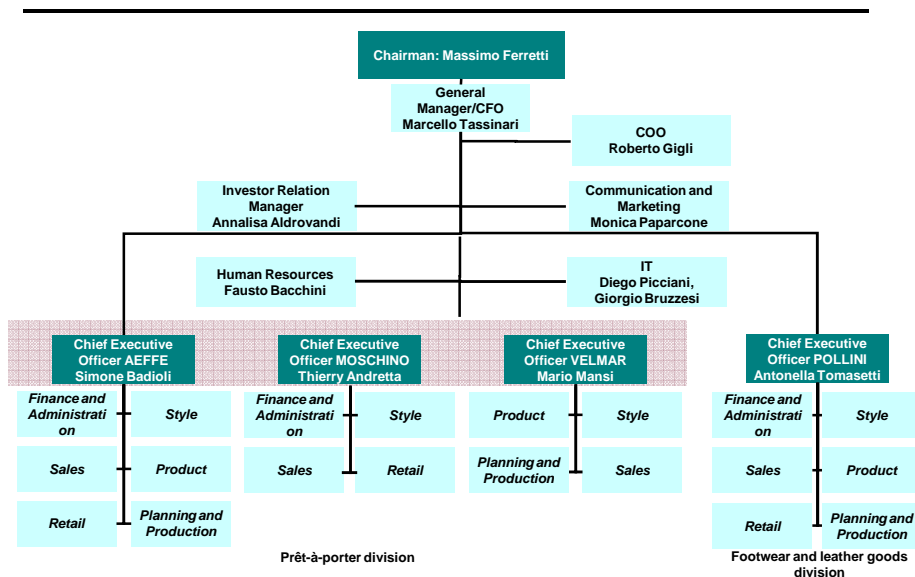


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Appendices

# Company Profile

## Organisational Structure



## Share Information

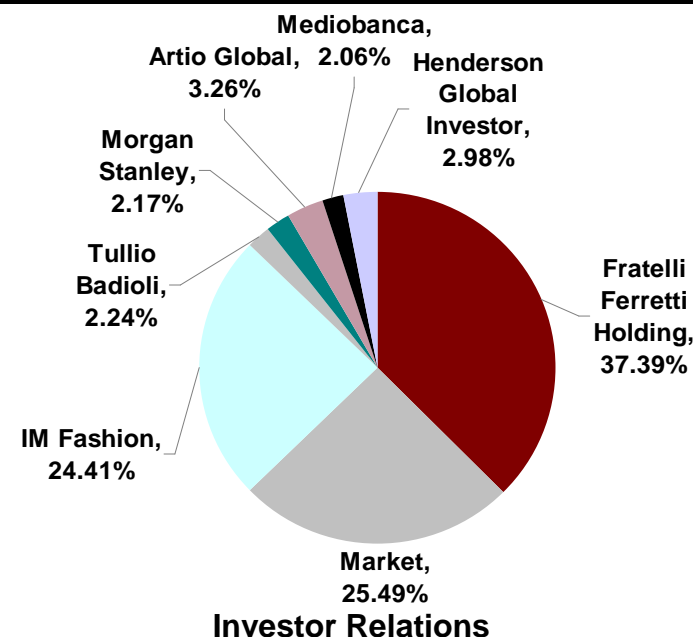
N° of shares outstanding: 107,362,504

Italian Stock Exchange – STAR Segment

Specialist: Mediobanca S.p.A.

Tickers: AEF IM (Bloomberg) AEF MI (Reuters), AEF (Borsa Italiana)

## Ownership Structure <sup>(1)</sup>



Investor Relations

AEFFE S.p.A

Annalisa Aldrovandi

+39 0541 965494

annalisa.aldrovandi@aeffe.com

www.aeffe.com

(1) Source: Consob as of 29 July 2008

# Income Statement – 1H 2008/2007

	IAS-IFRS	
	1H07	1H08
<b>Net Sales</b>	141.6	144.6
<i>% growth</i>	12.7%	2.1%
Other Revenues	2.2	2.4
Non-Recurring Revenues	2.0	0
<b>Total Revenues</b>	<b>145.8</b>	<b>147.0</b>
<i>% growth</i>	14.4%	0.8%
Raw Materials Costs	-37.6	-35.4
Service Costs	-47.1	-51.0
Rental Costs	-8.6	-8.1
Personnel	-28.1	-29.6
Other Operating Expenses	-1.6	-2.0
Total Operating Expenses	(123.0)	(126.1)
<b>EBITDA</b>	<b>22.9</b>	<b>20.9</b>
<i>Margin (% of Net sales)</i>	16.2%	14.5%
<b>EBITDA Adjusted</b>	<b>20.9</b>	<b>20.9</b>
<i>Margin (% of Net sales)</i>	14.7%	14.5%
Depreciation and Amortisation	(5.2)	(5.1)
<b>EBIT</b>	<b>17.7</b>	<b>15.9</b>
<i>Margin (% of Net sales)</i>	12.5%	11%
Net Financial Income / (Expenses)	(4.3)	(3.3)
<b>PBT</b>	<b>13.4</b>	<b>12.5</b>
<i>Margin (% of Net sales)</i>	9.5%	8.7%
Taxes	(6.8)	(5.4)
<b>Net income before Minorities</b>	<b>6.7</b>	<b>7.1</b>
<i>Margin (% of Net sales)</i>	4.7%	4.9%
Minority Interests	(0.8)	(1.1)
<b>Net Income for the Group</b>	<b>5.9</b>	<b>6.0</b>
<i>Margin (% of Net sales)</i>	4.1%	4.1%

# Cash Flow Statement – 1H 2008/2007

	IAS-IFRS		
	1H07	FY 2007	1H 2008
PBT	13.4	25.6	12.5
Depreciation, Amortisation and Provisions	2.9	8.3	4.6
Taxes	(5.6)	(9.4)	(7.8)
Net Interest	4.3	8.1	3.3
Change in other liabilities / (assets)	(10.7)	(9.5)	(15.6)
<b>Operating Cash Flow</b>	<b>4.3</b>	<b>23.1</b>	<b>(3)</b>
<b>Capital Expenditure</b>	<b>(3.2)</b>	<b>(9.5)</b>	<b>(2.8)</b>
<b>Free Cash Flow</b>	<b>1.1</b>	<b>13.6</b>	<b>(5.8)</b>
Equity Issue	(0.5)	72	(3)
Proceeds (repayment ) of financial payments	(0.5)	(78)	12.6
Change in long term financial receivables	0.0	(0.3)	0.0
Net Interest	(4.3)	(8.1)	(3.3)
<b>Cash Flows from Financing Activities</b>	<b>(5.3)</b>	<b>(14.4)</b>	<b>6.3</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>15.3</b>	<b>15.3</b>	<b>14.5</b>
<b>Cash Flow of the Period</b>	<b>(4.2)</b>	<b>(0.8)</b>	<b>0.5</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>11.1</b>	<b>14.5</b>	<b>15</b>

# Income Statement Full Year 2005-2007

## IAS-IFRS

(€m)

FY Ending December 31,

	2005A	2006A	2007A
Net Sales	241.9	266.1	293.2
<i>% growth</i>	2.9%	10.0%	10.2%
Other Revenues	2.6	4.7	3.5
Non-Recurring Revenues	5.4	4.2	2.2
<b>Total Revenues</b>	<b>249.9</b>	<b>275.1</b>	<b>298.9</b>
<i>% growth</i>	(6.1%)	10.1%	8.7%
Non-Recurring Costs	(0.4)	0.0	0.0
Raw Materials Costs	68.0	74.2	80.9
Service Costs	78.6	87.8	95.7
Rental Costs	15.4	16.4	17.1
Personnel	54.1	56.3	58.2
Other Operating Expenses	4.2	3.1	2.5
Total Operating Expenses	(220.1)	(238.0)	(254.4)
<b>EBITDA<sup>(1)</sup></b>	<b>29.4</b>	<b>37.1</b>	<b>44.5</b>
<i>Margin (% of Net sales)</i>	12.2%	13.9%	15.2%
<b>EBITDA Adjusted<sup>(2)</sup></b>	<b>24.5</b>	<b>32.9</b>	<b>42.3</b>
<i>Margin (% of Net sales)</i>	10.1%	12.4%	14.4%
Depreciation and Amortisation	(11.1)	(10.7)	(10.7)
<b>EBIT (Reported)</b>	<b>18.3</b>	<b>26.4</b>	<b>33.7</b>
<i>Margin (% of Net sales)</i>	7.6%	10.0%	11.5%
Net Financial Income / (Expenses)	(4.7)	(7.1)	(8.1)
<b>PBT</b>	<b>13.6</b>	<b>19.3</b>	<b>25.6</b>
<i>Margin (% of Net sales)</i>	5.6%	7.2%	8.7%
Taxes	(7.0)	(10.8)	(7.4)
<b>Net income before Minorities</b>	<b>6.6</b>	<b>8.5</b>	<b>18.3</b>
<i>Margin (% of Net sales)</i>	2.7%	3.2%	6.2%
Minority Interests	(1.1)	(0.6)	(2.9)
<b>Net Income Adjusted for the Group</b>	<b>5.5</b>	<b>8.0</b>	<b>11.4</b>
<i>Margin (% of Net sales)</i>	2.3%	3.0%	3.9%
<b>Net Income for the Group</b>	<b>5.5</b>	<b>8.0</b>	<b>15.3</b>
<i>Margin (% of Net sales)</i>	2.3%	3.0%	5.2%

▪ Includes currency gains, sale of raw materials and rents received

▪ In 2007 sale of Narciso Rodriguez stake (50% of equity )  
 ▪ In 2006, sale of Narciso Rodriguez store in Milan  
 ▪ In 2005, release of provision from Pollini S.p.A. and Pollini Retail

▪ EBITDA net of non recurring income and costs

(1) Gross of non recurring items

(2) Net of non recurring items



# Revenues Breakdown

(€m)	FY Ending December 31,			CAGR 2005/07A	Growth 2006/07A
	2005A	2006A	2007A		
<b>By Region</b>					
Italy	90.4	104.1	113.0	11.8%	8.6%
Europe (excluding Italy)	51.8	60.1	69.7	16%	15.9%
USA	33.8	33.0	32.3	(2.2%)	(2.2%)
Russia	n.a.	13.1	22.1	n.a.	68.8%
RoW	66.0 <sup>(1)</sup>	55.8	56.1	(7.8%)	0.6%
<b>Total</b>	<b>241.9</b>	<b>266.1</b>	<b>293.2</b>	<b>10.1%</b>	<b>10.2%</b>
<b>By Brand</b>					
Alberta Ferretti	46.2	52.8	63.0	16.8%	19.4%
Moschino	117.4	125.5	136.9	8.0%	9.0%
Pollini	42.5	47.9	52.3	10.9%	9.2%
Jean Paul Gaultier	17.2	21.5	23.8	17.6%	10.3%
Tactical Brands	18.7	18.4	17.3	(3.8%)	(6.0%)
<b>Total</b>	<b>241.9</b>	<b>266.1</b>	<b>293.2</b>	<b>10.1%</b>	<b>10.2%</b>
<b>By Division</b>					
Prêt-à-Porter	198.7	214.3	235.2	8.8%	9.8%
Footwear & Leather Goods	56.4	65.5	74.5	14.9%	13.8%
Eliminations	(13.2)	(13.6)	(16.5)		
<b>Total</b>	<b>241.9</b>	<b>266.1</b>	<b>293.2</b>	<b>10.1%</b>	<b>10.2%</b>

(1) Including Russia in 2005

# Balance Sheet Full Year 2005-2007

(€m)	IAS-IFRS		
	FY Ending December 31,		
	2005A	2006A	2007A
Net Working Capital	46.8	44.0	51.6
Net Tangible Assets	68.0	69.9	71.2
Net Intangible Assets	178.8	175.1	171.8
Net Financial Assets	4.6	3.0	3.1
Severance Staff, Provisions & Others	(69.0)	(74.2)	(64.6)
<b>Net Capital Employed</b>	<b>229.2</b>	<b>217.8</b>	<b>233.1</b>
Group Shareholders' Equity	70.4	76.0	164.7
Minorities	25.9	26.5	29.9
Shareholders' Equity & Minorities	96.3	102.5	194.6
Net Debt	132.9	115.3	38.5
<b>Net Financial Debt and Shareholders' Equity</b>	<b>229.2</b>	<b>217.8</b>	<b>233.1</b>
NWC as % of Net Sales	19.4%	16.5%	17.6%

▪ Including € 74.3 m in 2007 for Ipo proceeds

# Cash Flow Statement Full Year 2005/2007

## IAS-IFRS

FY Ending December 31,

	2005A	2006A	2007A
<b>PBT</b>	<b>13.6</b>	<b>19.3</b>	<b>25.6</b>
Depreciation & Amortisation	10.7	10.2	10.7
Provisions & Impairments	(4.0)	0.7	(2.4)
Taxes	(5.1)	(4.9)	(9.4)
Net Interest	4.6	7.0	8.1
Change in other liabilities / (assets)	(3.4)	0.6	(9.5)
<b>Operating Cash Flow</b>	<b>16.4</b>	<b>33.0</b>	<b>23.1</b>
Capital expenditure for intangible assets	6.1	(0.0)	(0.3)
Capital expenditure for tangible assets	(2.2)	(4.0)	(9.3)
(Increase) / decrease in investments in other fixed assets	0.2	0.2	0.1
<b>Cash Flows from Investing Activities</b>	<b>4.0</b>	<b>(3.9)</b>	<b>(9.5)</b>
<b>Free Cash Flow</b>	<b>20.4</b>	<b>29.1</b>	<b>13.6</b>
Equity Issue	0.0	(6.0)	72
Change in short term debt	(19.7)	(9.3)	(78)
Change in long term debt	(0.1)	1.5	(0.3)
Net Interest	(4.6)	(7.0)	(8.1)
<b>Cash Flows from Financing Activities</b>	<b>(24.3)</b>	<b>(20.8)</b>	<b>(14.4)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>10.9</b>	<b>7.0</b>	<b>15.3</b>
<b>Cash Flow of the Period</b>	<b>(3.9)</b>	<b>8.3</b>	<b>(0.8)</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>7.0</b>	<b>15.3</b>	<b>14.5</b>