



First Half 2007 Results Presentation

AEFFE

1H 2007 Key Facts

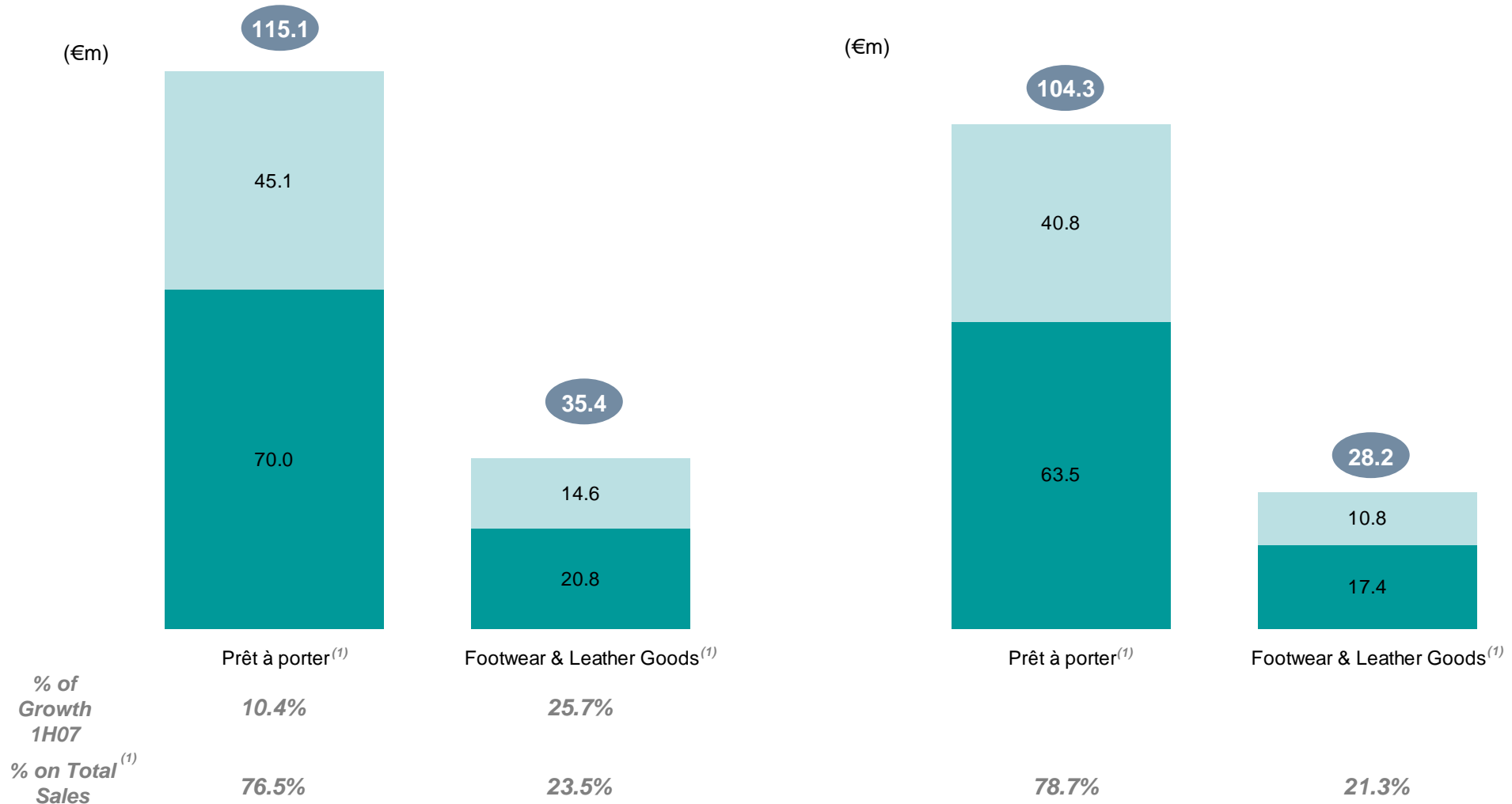
- **Consolidated Revenues** +12.7% at € 141.6m (+14.9% at constant exchange rates)
- **Consolidated EBITDA** +51.6% at € 22.9m (margin of 16.2%), € 20.9m net of nonrecurring items (margin of 14.7%)
- **Consolidated Net Income** +121% at € 5.9m
- **Consolidated Net Financial Debt** of € 118.9m (€115.3m as of 31 December 2006 and € 1358m as of 30 June 2006)
- **161 Mono Brand Stores** (149 in FY 2006)
- **Orders Backlog** Fall \ Winter 2007 up to 12%



Net Sales Breakdown by Division

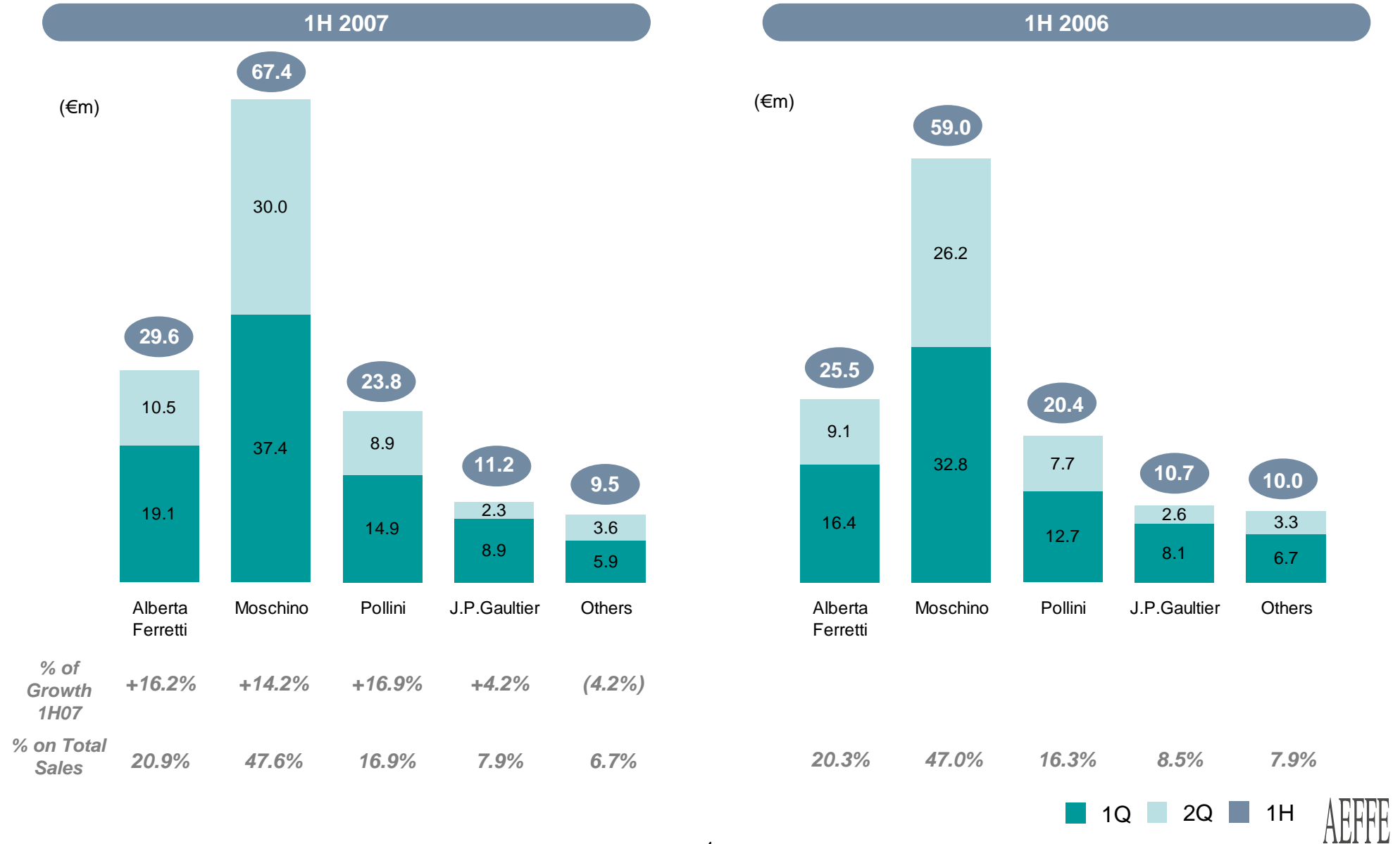
1H 2007

1H 2006



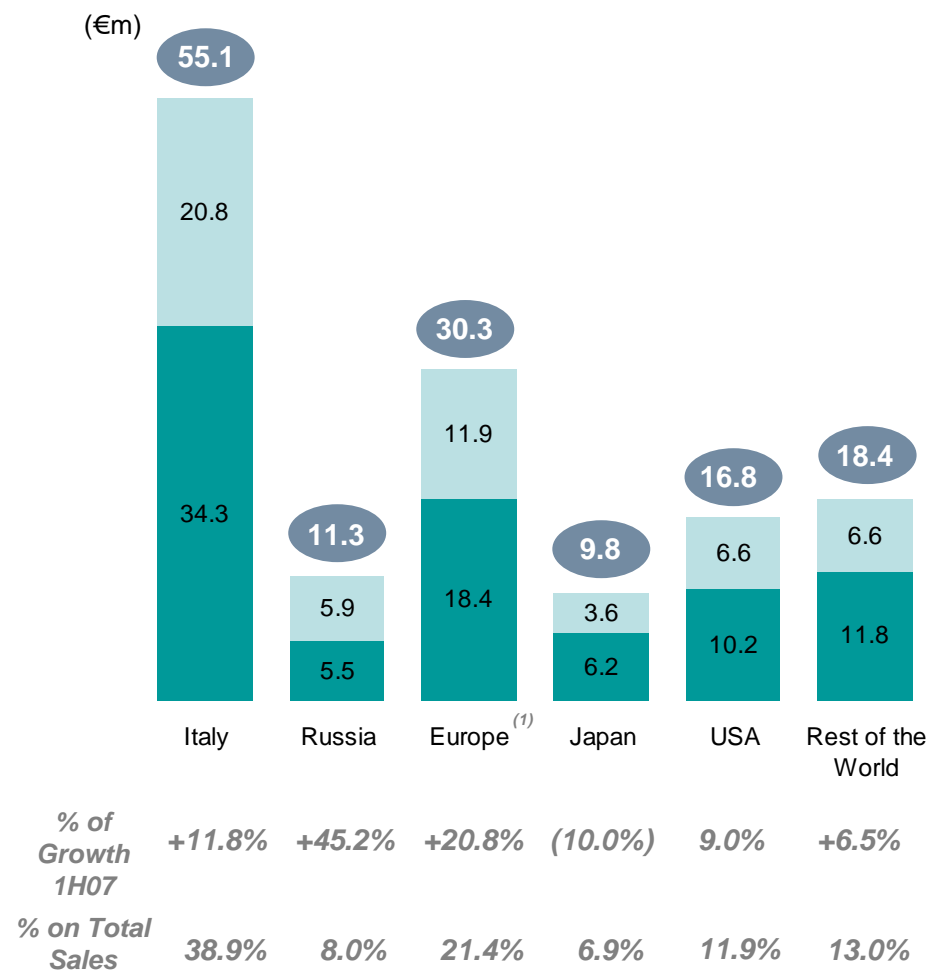
(1) Before inter-divisional eliminations

Net Sales Breakdown by Brand

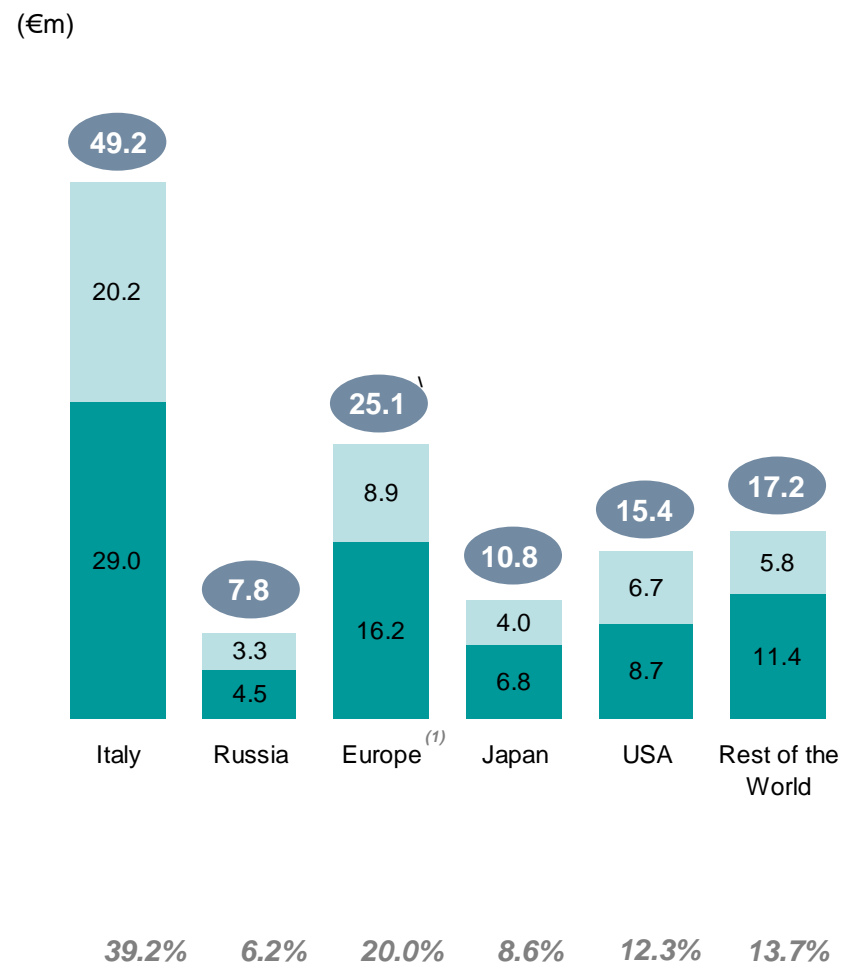


Net Sales Breakdown by Region

1H 2007



1H 2006

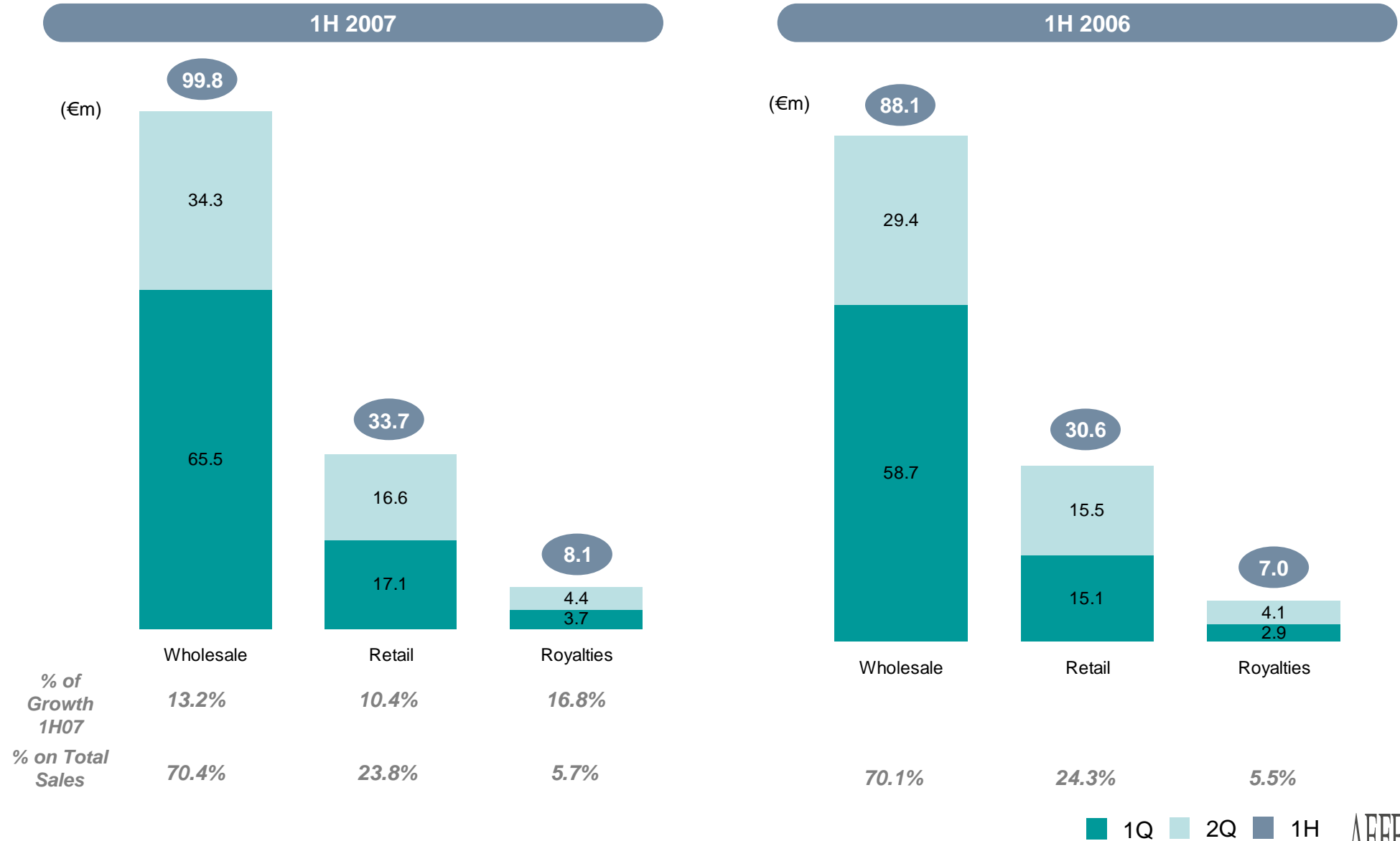


(1) Italia and Russia excluded

1Q 2Q 1H



Net Sales Breakdown by Channel



Mono-brand Stores Network

DOS

	1H07	FY06
Europe	36	36
USA	1	1
Asia	38	38
Total	75	75

Franchising

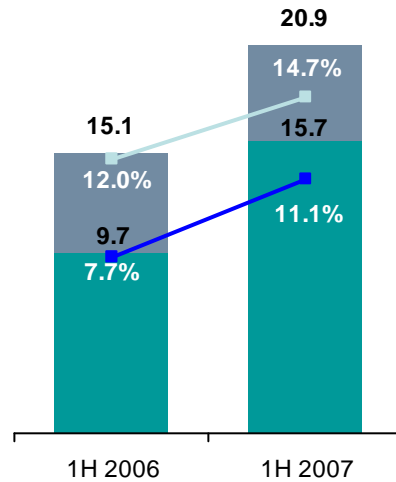
	1H07	FY06
Europe	37	33
USA	5	4
Asia	44	37
Total	86	74

Profitability Analysis

EBITDA⁽¹⁾: +38.2%

EBIT⁽¹⁾: +61.8%

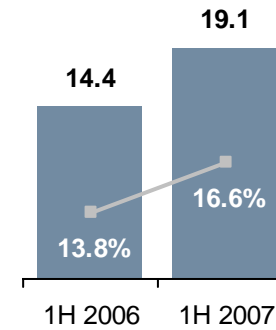
(€m)



■ EBITDA⁽¹⁾ ■ EBITDA Margin
■ EBIT⁽¹⁾ ■ EBIT Margin

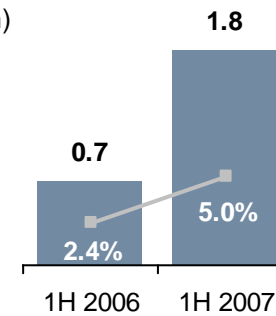
**Prêt-à-porter⁽¹⁾
EBITDA**

(€m)



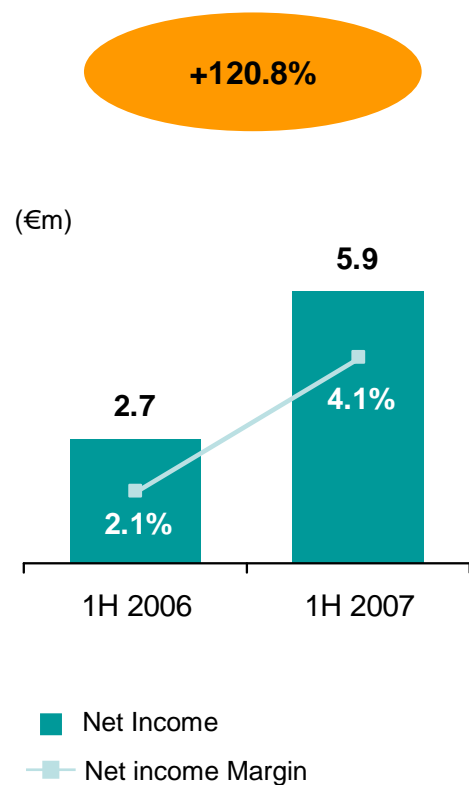
**Footwear &
Leather Goods⁽¹⁾
EBITDA**

(€m)



(1) Net of non recurring items

Group Net Income and Income Taxes



(€m)	1H Ending June 30,	
	2006A	2007A
PBT	6.6	13.4
Current Taxes	3.8	6.1
Deferred Taxes	0.1	0.7
Total Taxes	3.9	6.8
<i>Effective Tax Rate</i>	59.3%	50.5%

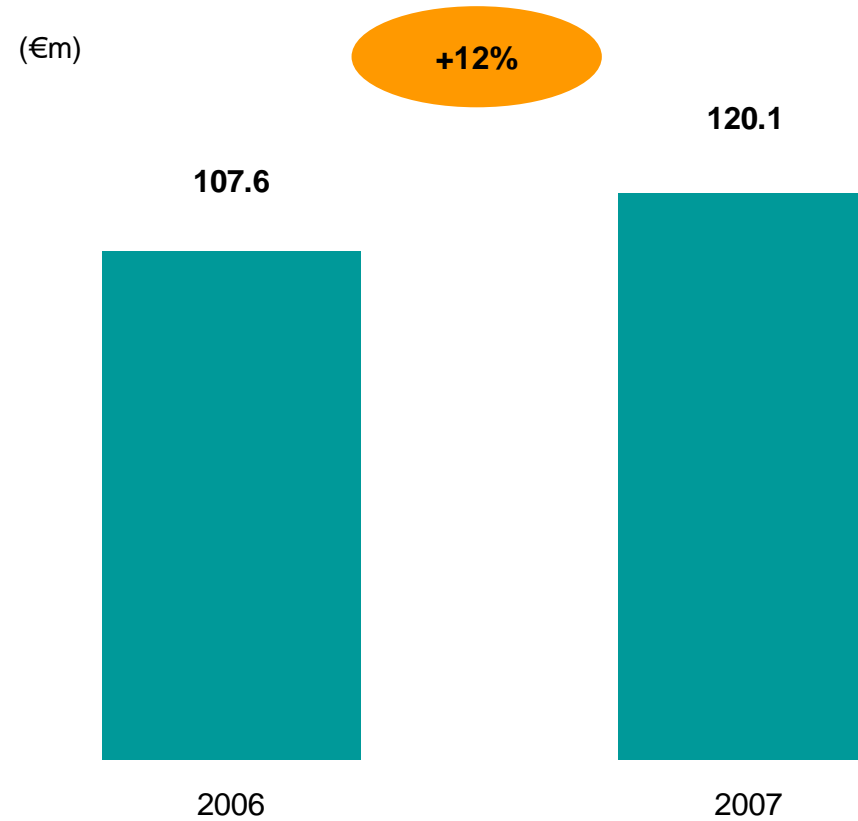
Summary Balance Sheet

	IAS-IFRS				
	1Q07	1H 2007	1Q06	1H 2006	FY2006
Net Working Capital	53.8	54.0	55.5	57.7	44.0
Net Tangible Assets	70.1	70.0	67.3	65.9	69.9
Net Intangible Assets	174.6	173.3	177.9	176.9	175.1
Net Financial Assets	3.0	2.9	4.5	3.3	3.0
Severance Staff, Provisions & Others	(74.9)	(72.6)	(69.4)	(69.6)	(74.2)
Net Capital Employed	226.6	227.6	235.8	234.2	217.8
Group Shareholders' Equity	81.1	81.3	73.2	72.4	76.0
Minorities	27.0	27.3	26.1	26.0	26.5
Shareholders' Equity & Minorities	108.0	108.6	99.3	98.4	102.5
Net Debt	118.6	118.9	136.5	135.8	115.3
Net Financial Debt and Shareholders' Equity	226.6	227.6	235.8	234.2	217.8
Accounts Receivables	49.7	36.8	52.5	43.0	33.4
Accounts Payable	(61.4)	(59.5)	(55.7)	(53.0)	(57.5)
Inventory	57.1	65.3	50.5	57.1	57.7
Other Current Assets/Liabilities	8.4	11.5	8.2	10.5	10.5
NWC	53.8	54.0	55.5	57.7	44.0
<i>as % of Net Sales</i>		19.0%		22.9%	16.5%

Summary Cash Flow

	IAS-IFRS		
	1H 2007	1H 2006	FY2006
PBT	13.4	6.6	19.3
Operating Cash Flow	4.3	0.7	33.0
Capital Expenditure	(3.2)	(1.1)	(3.9)
Free Cash Flow	1.1	(0.4)	29.1
Cash Flows from Financing Activities	(5.3)	3.4	(20.8)
Cash and cash equivalents at the beginning of the year	15.3	7.0	7.0
Cash Flow of the Period	(4.2)	3.0	8.3
Cash and cash equivalents at the end of the year	11.1	10.0	15.3

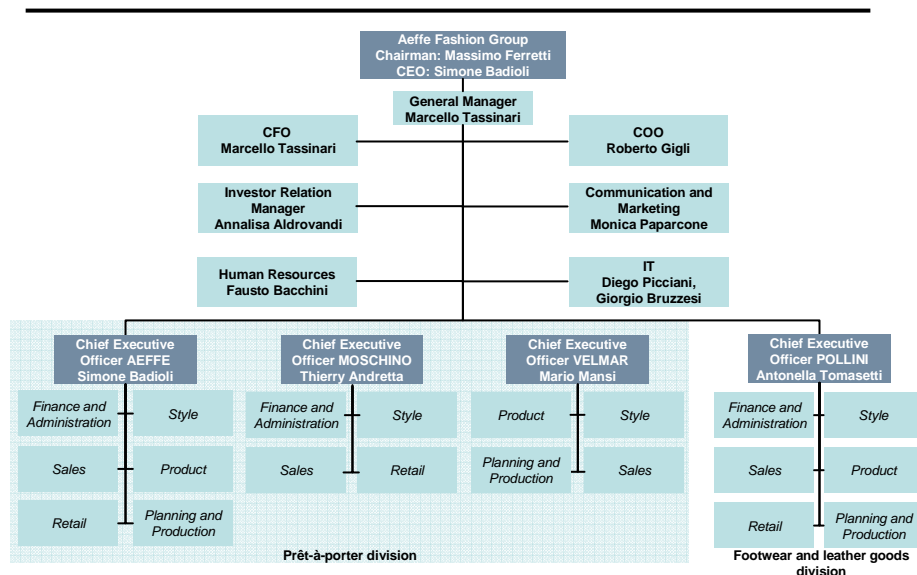
Orders Backlog Fall/Winter 2007





Company Profile

Organisational Structure



Share Information

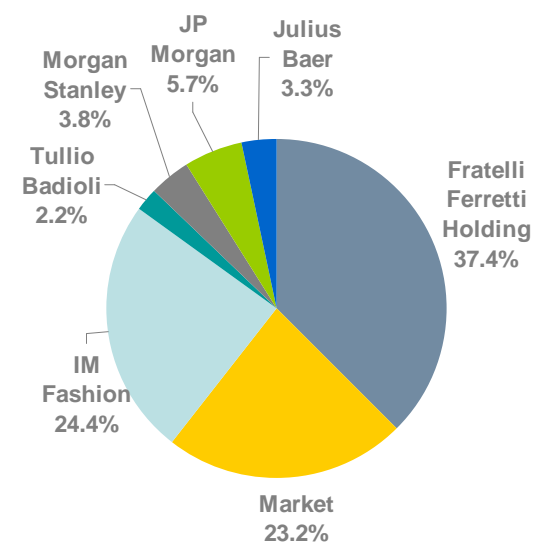
N° of shares outstanding: 107,363,000

Italian Stock Exchange – STAR Segment

Specialist: Mediobanca S.p.A.

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

Ownership Structure ⁽¹⁾



Investor relations

Investor Relations
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(1) Source: Consob as of 18 September 2007

Income Statement – First half 2006/2007

	IAS-IFRS					
	1Q07	2Q07	1H 2007	1Q 2006	2Q 2006	1H2006
Net Sales	86.3	55.3	141.6	76.7	48.9	125.6
<i>% growth</i>	12.5%	13.2%	12.7%			
Other Revenues	0.8	1.4	2.2	0.9	0.9	1.9
Non-Recurring Revenues	0.0	2.0	2.0	0.0	0.0	0.0
Total Revenues	87.1	58.7	145.8	77.7	49.9	127.5
<i>% growth</i>	12.2%	17.8%	14.4%			
Non-Recurring Costs	0.0	0.0	0.0	0.0	0.0	0.0
Raw Materials Costs	25.1	12.5	37.6	21.6	9.1	30.6
Service Costs	21.6	17.6	39.2	21.3	15.5	36.8
Advertising	4.5	3.4	7.9	4.5	3.1	7.6
Rental Costs	4.6	3.9	8.6	4.6	3.4	8.0
Personnel	15.4	12.6	28.1	14.7	12.8	27.5
Other Operating Expenses	0.6	1.0	1.6	0.6	1.2	1.9
Total Operating Expenses	(71.9)	(51.0)	(123.0)	(67.3)	(45.1)	(112.4)
EBITDA⁽¹⁾	15.2	7.7	22.9	10.4	4.7	15.1
<i>Margin (% of Net sales)</i>	17.6%	13.9%	16.2%	13.5%	9.6%	12.0%
EBITDA Adjusted⁽²⁾	15.2	5.7	20.9	10.4	4.7	15.1
<i>Margin (% of Net sales)</i>	17.6%	10.2%	14.7%	13.5%	9.6%	12.0%
Depreciation and Amortisation	(2.5)	(2.6)	(5.2)	(2.7)	(2.7)	(5.4)
EBIT (Reported)	12.7	5.0	17.7	7.7	2.0	9.7
<i>Margin (% of Net sales)</i>	14.7%	9.1%	12.5%	10.0%	4.2%	7.7%
Net Financial Income / (Expenses)	(2.3)	(2.0)	(4.3)	(1.5)	(1.6)	(3.1)
PBT	10.4	3.0	13.4	6.2	0.4	6.6
<i>Margin (% of Net sales)</i>	12.1%	5.4%	9.5%	8.0%	0.8%	5.2%
Taxes	(4.8)	(2.0)	(6.8)	(3.1)	(0.8)	(3.9)
Net income/(loss) before Minorities	5.6	1.0	6.7	3.0	(0.4)	2.7
<i>Margin (% of Net sales)</i>	6.5%	1.9%	4.7%	4.0%	(0.7%)	2.1%
Minority Interests	(0.6)	(0.2)	(0.8)	(0.2)	0.2	(0.0)
Net Income/(loss) to the Group	5.0	0.8	5.9	2.8	(0.2)	2.7
<i>Margin (% of Net sales)</i>	5.8%	1.5%	4.1%	3.7%	(0.4%)	2.1%

(1) Gross of non recurring items

(2) Net of non recurring items

Cash Flow Statement – First half 2006/2007

	IAS-IFRS		
	1H 2007	1H 2006	FY2006
PBT	13.4	6.6	19.3
Depreciation, Amortisation and Provisions	2.9	5.0	10.8
Taxes	(5.6)	(1.8)	(4.9)
Net Interest	4.3	3.1	7.0
Change in other liabilities / (assets)	(10.7)	(12.2)	0.6
Operating Cash Flow	4.3	0.7	33.0
Capital Expenditure	(3.2)	(1.1)	(3.9)
Free Cash Flow	1.1	(0.4)	29.1
Equity Issue	(0.5)	(0.6)	(6.0)
Change in short term debt	(0.5)	5.8	(9.3)
Change in long term debt	0.0	1.3	1.5
Net Interest	(4.3)	(3.1)	(7.0)
Cash Flows from Financing Activities	(5.3)	3.4	(20.8)
Cash and cash equivalents at the beginning of the year	15.3	7.0	7.0
Cash Flow of the Period	(4.2)	3.0	8.3
Cash and cash equivalents at the end of the year	11.1	10.0	15.3

Revenues Breakdown

(€m)	FY Ending December 31,			CAGR 2004/06A	Growth 2005/06A
	2004A ⁽¹⁾	2005A	2006A		
By Region					
Italy	86.2	90.4	104.1	9.9%	15.2%
Europe (excluding Italy)	49.7	51.8	60.1	10.0%	16.1%
USA	35.2	33.8	33.0	(3.2%)	(2.3%)
Russia	n.a.	n.a.	13.1	n.a.	n.a.
RoW	64.0 ⁽²⁾	66.0 ⁽²⁾	55.8	n.m.	n.m.
Total	235.1	241.9	266.1	6.4%	10.0%
By Brand					
Alberta Ferretti	42.1	46.2	52.8	12.0%	14.3%
Moschino	116.0	117.4	125.5	4.0%	7.0%
Pollini	37.2	42.5	47.9	13.5%	12.8%
Jean Paul Gaultier	18.4	17.2	21.5	8.1%	24.9%
Tactical Brands	21.4	18.7	18.4	(7.3%)	(1.6%)
Total	235.1	241.9	266.1	6.4%	10.0%
By Division					
Prêt-à-Porter	196.4	198.7	214.3	4.4%	7.8%
Footwear & Leather Goods	52.4	56.4	65.5	11.7%	16.1%
Eliminations	(13.8)	(13.2)	(13.6)		
Total	235.1	241.9	266.1	6.4%	10.0%

(1) According to Italian GAAP

(2) Including Russia in 2004 and 2005

Income Statement Full Year 2004-2006

	ITA GAAP		IAS-IFRS	
	2004A	2005A	2006A	
(€m)	FY Ending December 31,			
Net Sales	235.1	241.9	266.1	
% growth		2.9%	10.0%	
Other Revenues	5.2	2.6	4.7	
Non-Recurring Revenues	25.7	5.4	4.2	
Total Revenues	266.0	249.9	275.1	
% growth		(6.1%)	10.1%	
Non-Recurring Costs	(10.7)	(0.4)	0.0	
Raw Materials Costs	71.1	68.0	74.2	
Service Costs	65.8	63.9	72.3	
Advertising	14.8	14.7	15.5	
Rental Costs	15.0	15.4	16.4	
Personnel	52.0	54.1	56.3	
Other Operating Expenses	4.5	4.2	3.1	
Total Operating Expenses	(223.2)	(220.1)	(238.0)	
EBITDA⁽¹⁾	32.2	29.4	37.1	
Margin (% of Net sales)	13.7%	12.2%	13.9%	
EBITDA Adjusted⁽²⁾	17.1	24.5	32.9	
Margin (% of Net sales)	7.3%	10.1%	12.4%	
Depreciation and Amortisation	(15.6)	(11.1)	(10.7)	
EBIT (Reported)	16.5	18.3	26.4	
Margin (% of Net sales)	7.0%	7.6%	10.0%	
Net Financial Income / (Expenses)	(5.2)	(4.7)	(7.1)	
PBT	11.4	13.6	19.3	
Margin (% of Net sales)	4.8%	5.6%	7.2%	
Taxes	(5.8)	(7.0)	(10.8)	
Net income/(loss) before Minorities	5.6	6.6	8.5	
Margin (% of Net sales)	2.4%	2.7%	3.2%	
Minority Interests	(0.9)	(1.1)	(0.6)	
Net Income/(loss) to the Group	4.6	5.5	8.0	
Margin (% of Net sales)	2.0%	2.3%	3.0%	

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

- In 2006, sale of Narciso Rodriguez store in Milan
- In 2005, release of provision from Pollini S.p.A. and Pollini Retail
- In 2004, €11m related to the settlement with a licensor for fragrances distribution and €15m gain from change in consolidation perimeter

▪ EBITDA net of non recurring income and costs

(1) Gross of non recurring items

(2) Net of non recurring items

Balance Sheet Full Year 2004-2006

(€m)	ITA GAAP		IAS-IFRS		
	As of December 31,				
	2004A	2005A	2006A		
Net Working Capital	45.4	46.8	44.0		<ul style="list-style-type: none"> In 2006, efficient Net Working Capital Management: 16.5% of net sales (vs. 19.3% in 2004)
Net Tangible Assets	47.3	68.0	69.9		
Net Intangible Assets	143.1	178.8	175.1		
Net Financial Assets	5.2	4.6	3.0		
Severance Staff, Provisions & Others	(29.1)	(69.0)	(74.2)		
Net Capital Employed	211.9	229.2	217.8		<ul style="list-style-type: none"> Reduced by €11.4m in 2006
Group Shareholders' Equity	52.2	70.4	76.0		
Minorities	11.2	25.9	26.5		
Shareholders' Equity & Minorities	63.4	96.3	102.5		
Net Debt	148.5	132.9	115.3		<ul style="list-style-type: none"> Reduced by €17.6m in 2006 thanks to cash flow generation
Net Financial Debt and Shareholders' Equity	211.9	229.2	217.8		
Key Ratios					
Net Debt / EBITDA ⁽¹⁾	4.6x	4.5x	3.1x		
Net Debt / Net Capitalisation ⁽²⁾	70.1%	58.0%	52.9%		
NWC as % of Net Sales	19.3%	19.4%	16.5%		

(1) Gross of non recurring items
(2) Defined as Shareholders' Equity + Net Debt + Minorities

Cash Flow Statement Full Year 2005/2006

(€m)	IAS-IFRS	
	FY Ending December 31,	
	2005A	2006A
PBT	13.6	19.3
Depreciation & Amortisation	10.7	10.2
Provisions & Impairments	(4.0)	0.7
Taxes	(5.1)	(4.9)
Net Interest	4.6	7.0
Change in other liabilities / (assets)	(3.4)	0.6
Operating Cash Flow	16.4	33.0
Capital expenditure for intangible assets	6.1	(0.0)
Capital expenditure for tangible assets	(2.2)	(4.0)
(Increase) / decrease in investments in other fixed assets	0.2	0.2
Cash Flows from Investing Activities	4.0	(3.9)
Free Cash Flow	20.4	29.1
Equity Issue	0.0	(6.0)
Change in short term debt	(19.7)	(9.3)
Change in long term debt	(0.1)	1.5
Net Interest	(4.6)	(7.0)
Cash Flows from Financing Activities	(24.3)	(20.8)
Cash and cash equivalents at the beginning of the year	10.9	7.0
Cash Flow of the Period	(3.9)	8.3
Cash and cash equivalents at the end of the year	7.0	15.3

▪ Limited capex requirements (mainly maintenance)

▪ Strong Free Cash Flow generation