



**ARFFE**

**First Half 2011 Results Presentation**  
**27, July 2011**

# 1H 2011 Key Facts

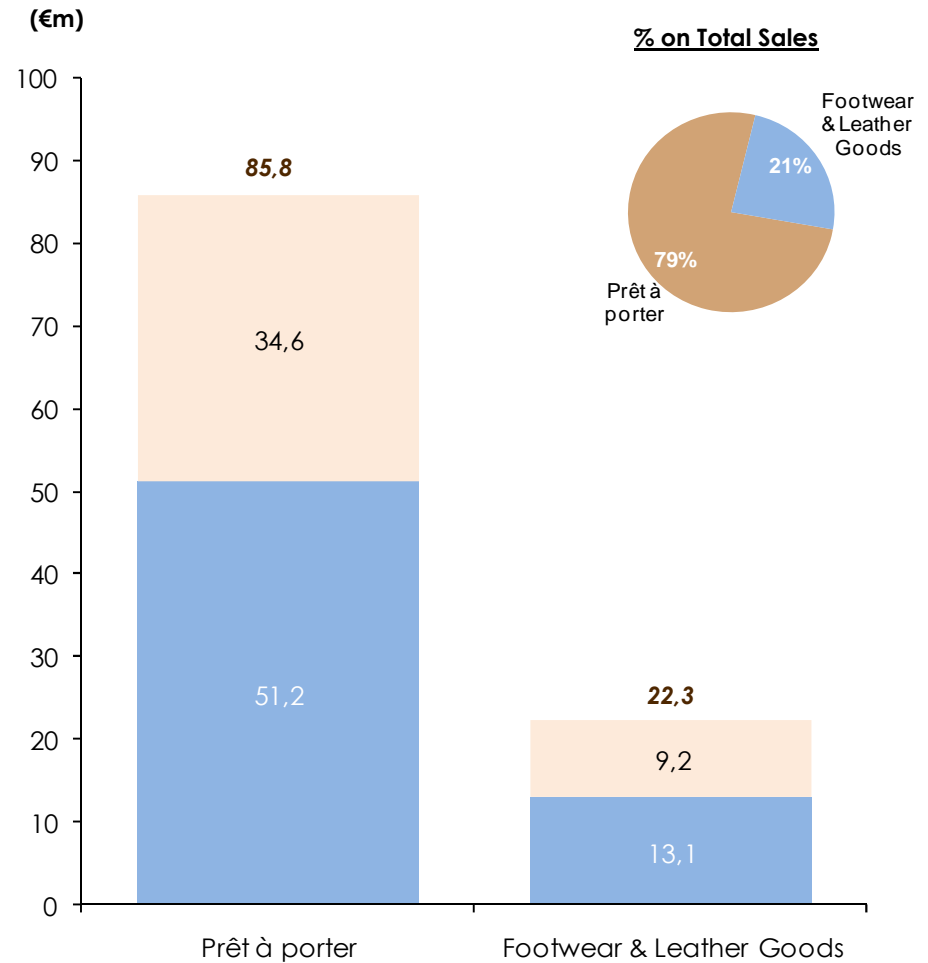
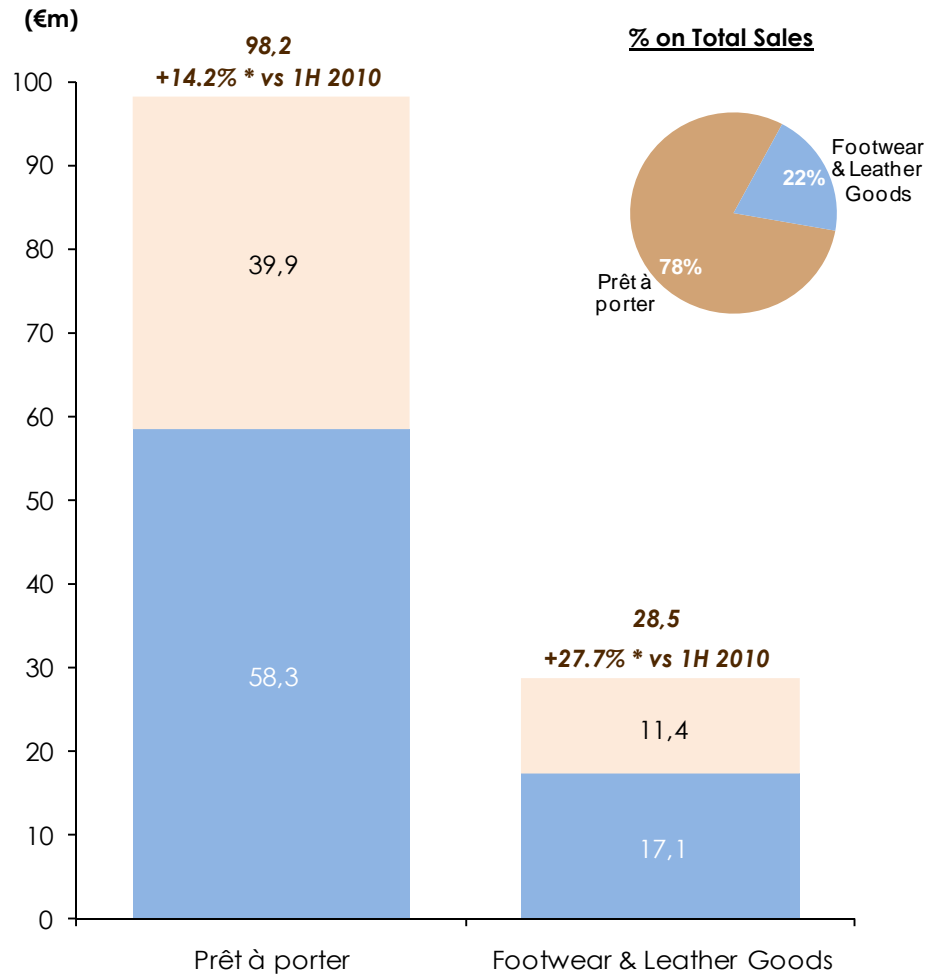
- ❖ **Consolidated Revenues** +16.6% at € 119.9m, (+16.5% at constant exchange rates)
- ❖ **Consolidated EBITDA** for € 4.4m, compared to a negative EBITDA of € 2.3m in 1H 2010
- ❖ **Consolidated Net Loss** at € 5.1m, compared to a Net Loss of € 6.3m in 1H 2010
- ❖ **Consolidated Net Financial Debt** of € 103.5m (€ 95.5m as of 31 December 2010)
- ❖ **249 Mono Brand Stores** (vs. 245 at the end of 2010)



# Net Sales Breakdown by Division<sup>(1)</sup>

1H 2011

1H 2010



(1) Before inter-divisional eliminations

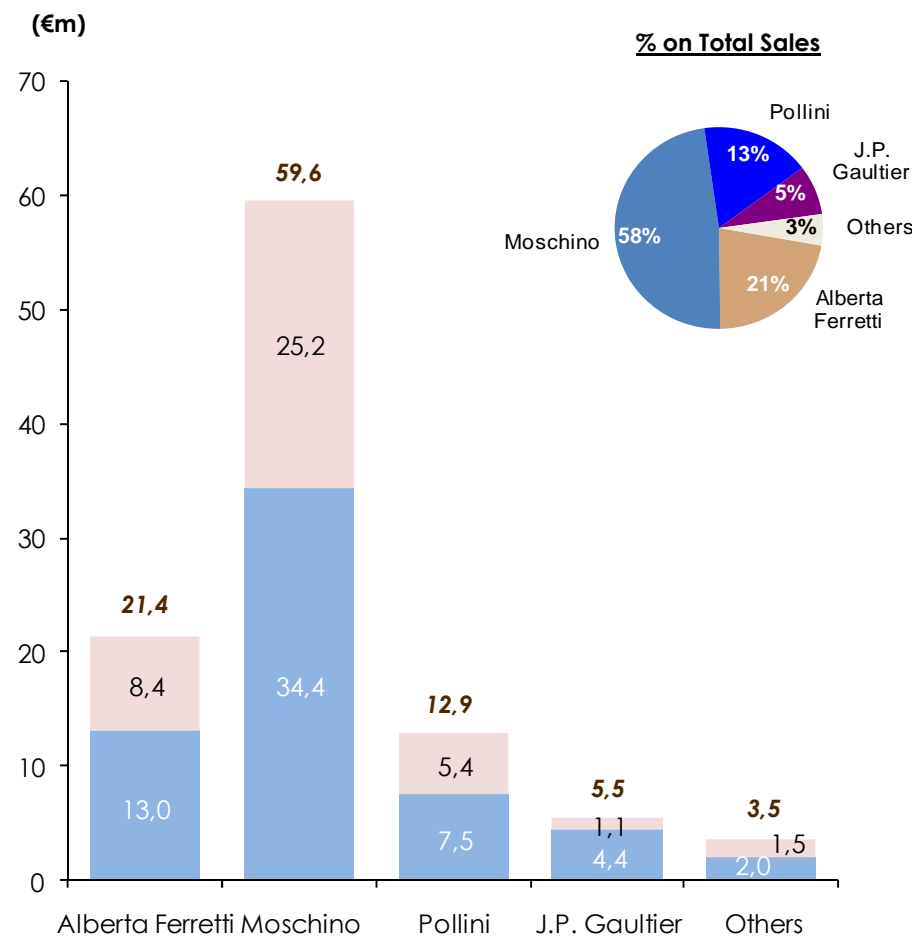
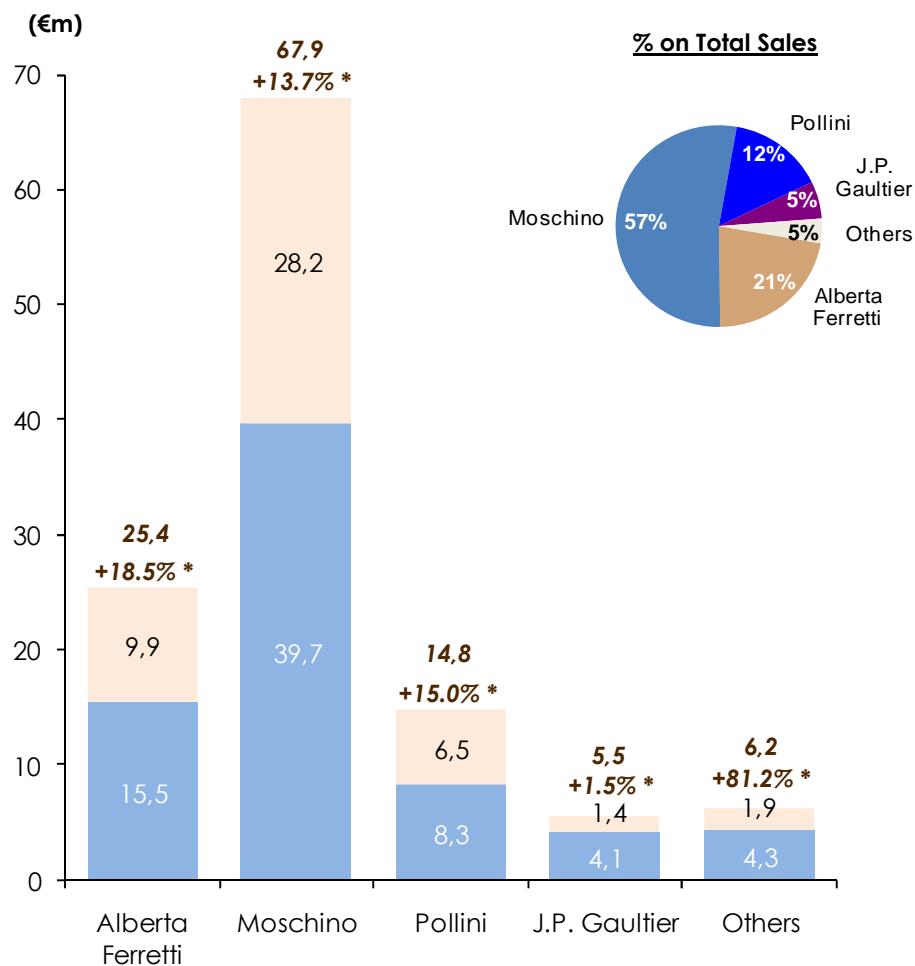
\* At constant exchange rates

1Q11 2Q11

# Net Sales Breakdown by Brand

1H 2011

1H 2010



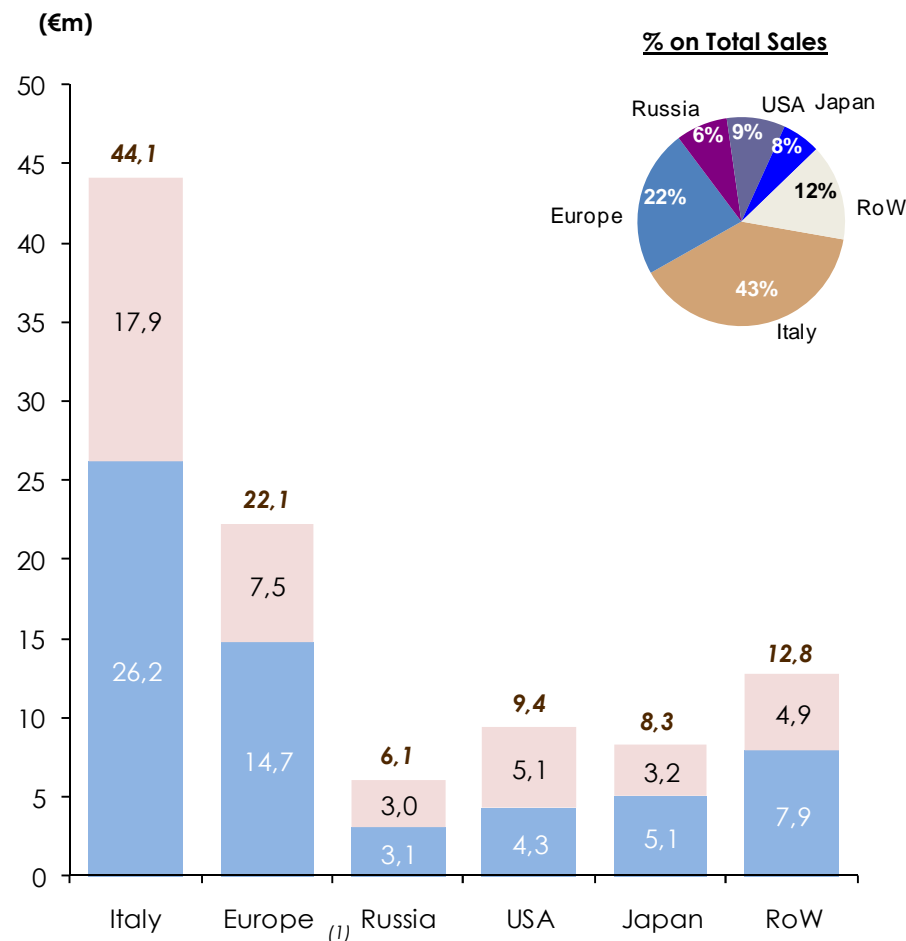
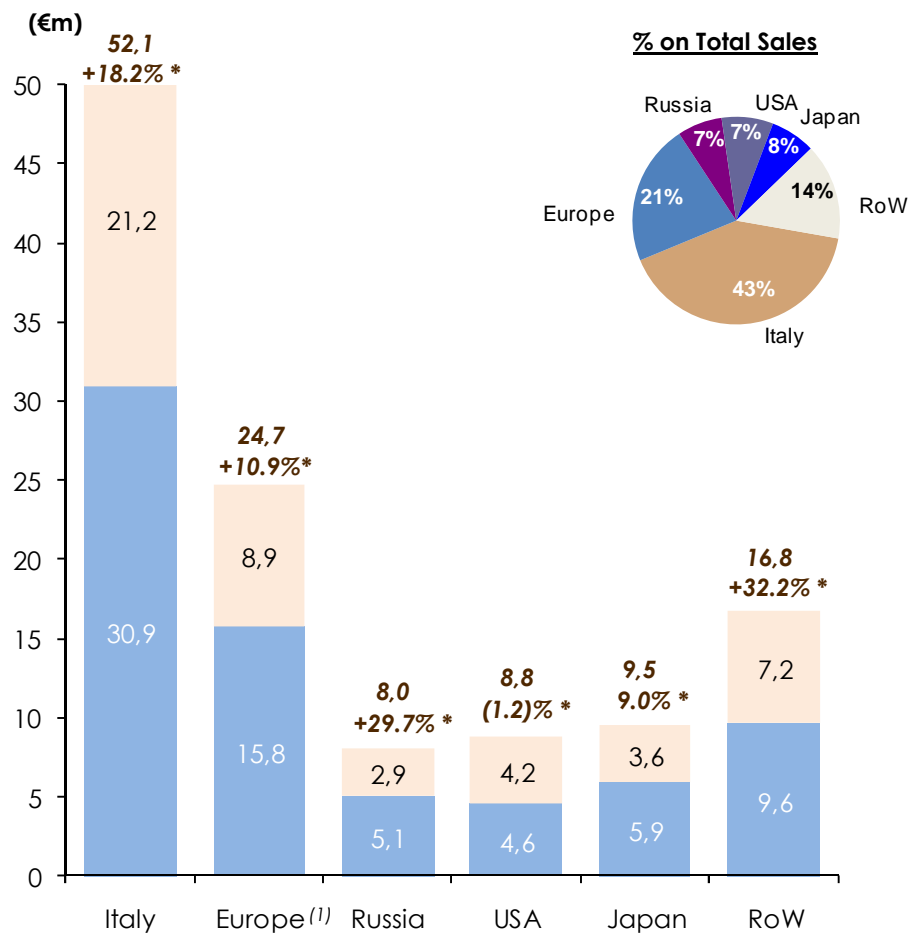
\* At constant exchange rates

1Q11 2Q11

# Net Sales Breakdown by Region

1H 2011

1H 2010



(1) Italy and Russia excluded

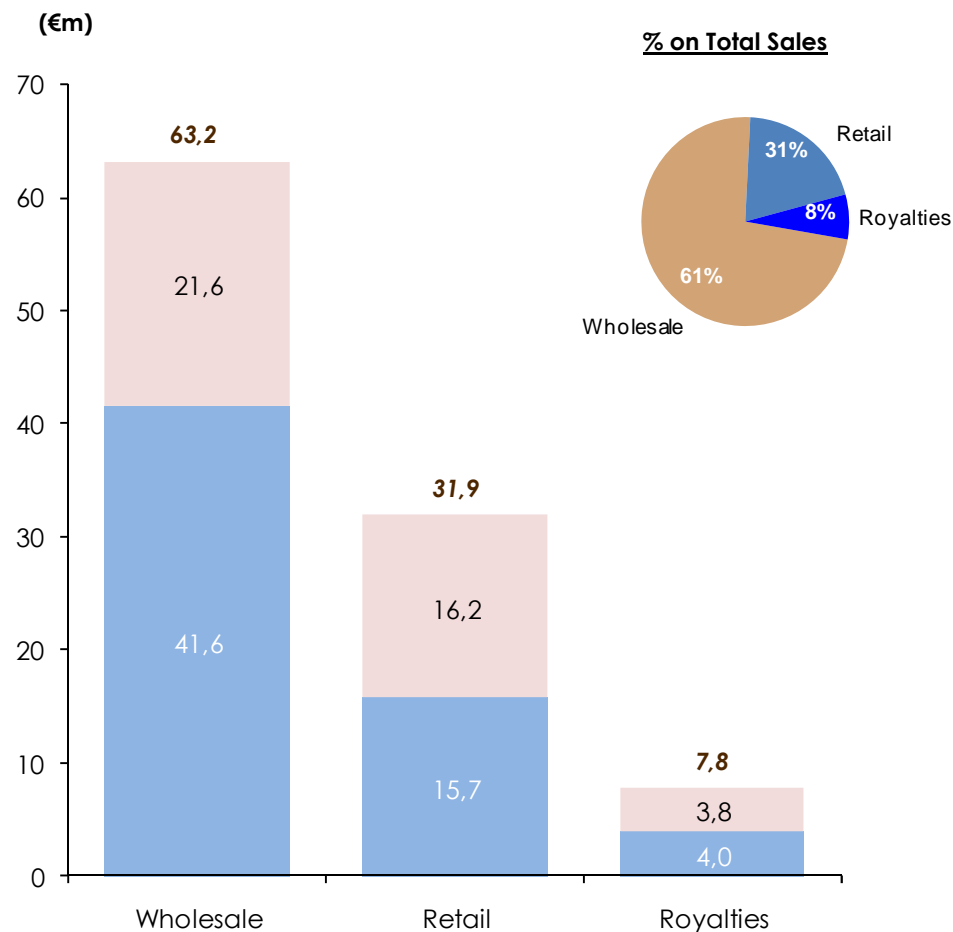
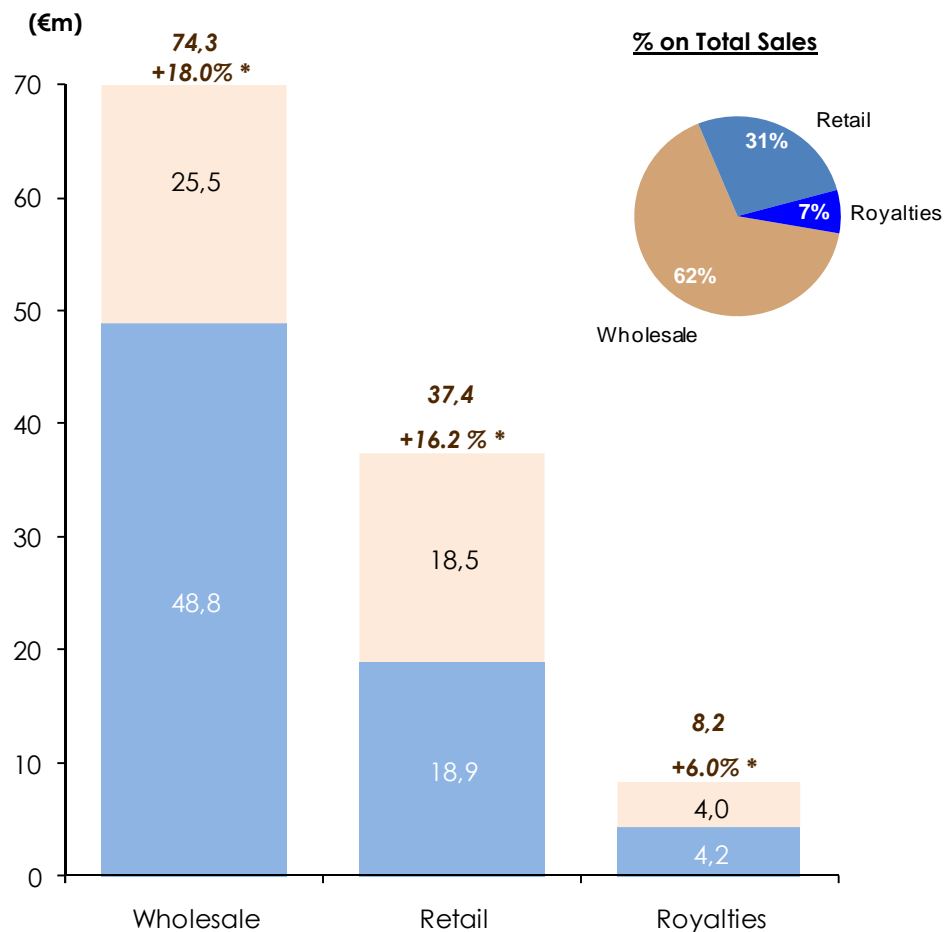
\* At constant exchange rates

1Q11 2Q11

# Net Sales Breakdown by Channel

1H 2011

1H 2010



\* At constant exchange rates

1Q11 2Q11

# Mono-brand Stores Network

## DOS

	<u>1H11</u>	<u>FY10</u>
Europe	45	44
USA	3	3
Asia	42	40
<b>Total</b>	<b>90</b>	<b>87</b>



## Franchising

	<u>1H11</u>	<u>FY10</u>
Europe	55	53
USA	7	7
Asia	97	98
<b>Total</b>	<b>159</b>	<b>158</b>



# Income Statement – 1H 2011/2010

	<u>1H 11</u>	<u>1H 10</u>
(€m) Net Sales	119,97	102,9
% change	16,6%	
Other Revenues	2,5	3,9
<b>Total Revenues</b>	<b>122,5</b>	<b>106,8</b>
% change	14,8%	
Raw Materials Costs	(38,0)	(30,0)
Service Costs	(36,1)	(34,8)
Costs for use of third parties	(11,6)	(10,5)
Personnel	(29,4)	(30,5)
Other Operating Expenses	(3,0)	(3,2)
Total Operating Expenses	(118,1)	(109,0)
<b>EBITDA</b>	<b>4,37</b>	<b>(2,27)</b>
Margin (% of Net sales)	3,6%	n.a
Depreciation and Amortisation	(6,9)	(6,6)
EBIT	(2,6)	(8,9)
Margin (% of Net sales)	n.a	n.a
Net Financial Income / (Expenses)	(2,0)	0,4
Result before taxes	(4,6)	(8,5)
Margin (% of Net sales)	n.a	n.a
Taxes	(0,53)	1,50
Net income/(loss) before Minorities	(5,14)	(7,0)
Margin (% of Net sales)	n.a	n.a
Minority Interests	0,02	0,7
Net Income/(loss) for the Group	(5,1)	(6,3)
Margin (% of Net sales)	n.a	n.a



# Summary Balance Sheet

	<u>1H 11</u>	<u>FY 10</u>	<u>1H 10</u>
(€m) Net Working Capital	73,2	68,4	68,2
Net Tangible Assets	73,2	75,6	78,1
Net Intangible Assets	151,1	154,1	159,9
Net Financial Assets	3,0	2,9	3,1
Severance Staff, Provisions & Others	(64,6)	(50,0)	(50,1)
<b>Net Capital Employed</b>	<b>235,9</b>	<b>251,0</b>	<b>259,1</b>
Group Shareholders' Equity	133,2	129,8	136,7
Minorities	15,8	25,7	26,8
Shareholders' Equity & Minorities	148,9	155,5	163,5
Net Debt	98,0	90,0	90,1
Shares Buyback	5,5	5,5	5,5
<b>Net Financial Debt and Shareholders' Equity</b>	<b>252,4</b>	<b>251,0</b>	<b>259,1</b>
Accounts Receivables	33,1	27,5	26,5
Accounts Payables	(48,4)	(47,6)	(44,0)
Inventory	72,7	73,0	71,3
<b>Operating NWC</b>	<b>57,4</b>	<b>52,9</b>	<b>53,8</b>
As % of LTM sales	24,3%	24,1%	26,0%
Other Current Assets/Liabilities	15,7	15,5	14,4
<b>Net Working Capital</b>	<b>73,2</b>	<b>68,4</b>	<b>68,2</b>

# Summary Cash Flow

(€m)

	<u>1H 11</u>	<u>FY 10</u>	<u>1H 10</u>
PBT	(4,6)	(14,6)	(8,5)
Operating Cash Flow	(2,9)	0,7	(4,1)
Capital Expenditure	(1,5)	(6,2)	(4,0)
Free Cash Flow	(4,4)	(5,5)	(8,1)
Cash Flows from Financing Activities	3,7	4,7	8,6
Cash and cash equivalents at the beginning of the year	4,5	5,3	5,3
Cash Flow of the Period	(0,7)	(0,8)	0,6
<b>Cash and cash equivalents at the end of the year</b>	<b>3,8</b>	<b>4,5</b>	<b>5,9</b>

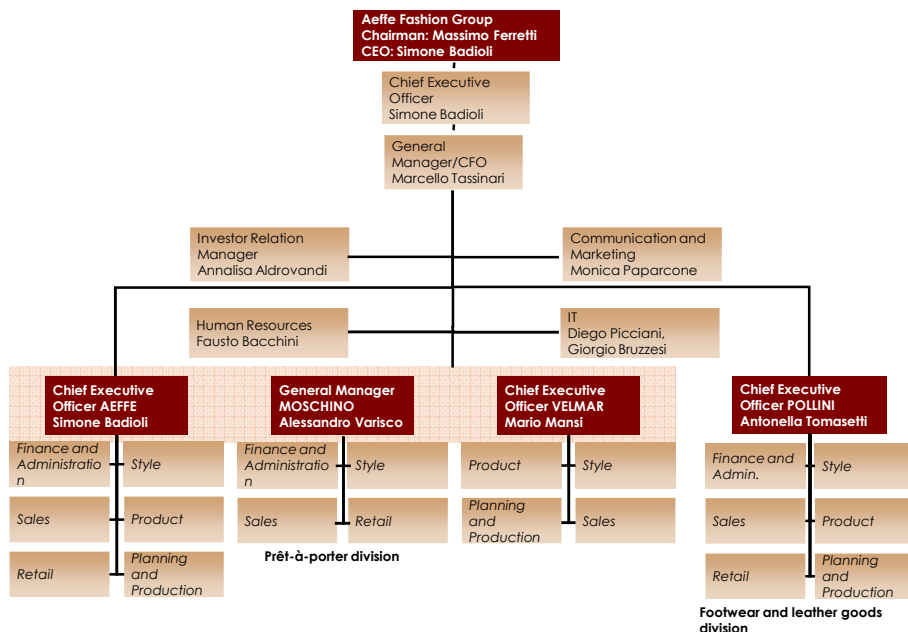


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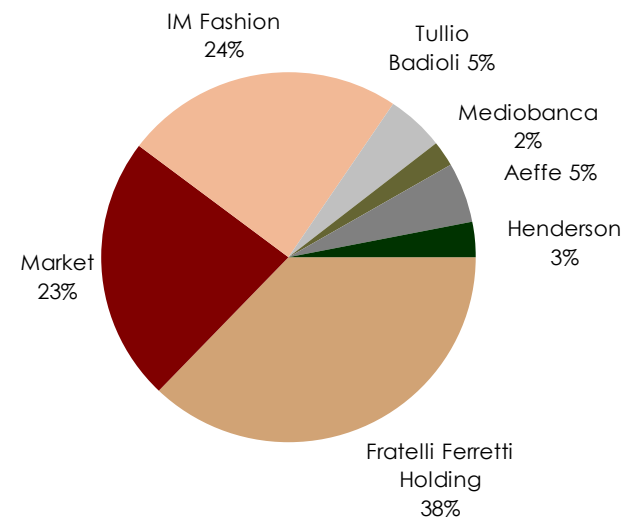
**Appendices**

# Company Profile

## Organisational Structure



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



## 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)

## Investor Relations

Investor Relations

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(1) Source: Consob as of 27 July 2011

# Cash Flow Statement

	<u>1H 11</u>	<u>FY 10</u>	<u>1H 10</u>
<b>PBT</b>	<b>(4,6)</b>	<b>(14,6)</b>	<b>(8,5)</b>
(€m) Depreciation & Amortisation	6,9	16,7	6,6
Provisions & Impairments	(1,0)	(0,4)	(0,4)
Taxes	(1,0)	(2,2)	(1,7)
Net Interest	2,0	1,5	(0,4)
Change in other liabilities / (assets)	(5,3)	(0,3)	0,3
<b>Operating Cash Flow</b>	<b>(3,0)</b>	<b>0,7</b>	<b>(4,1)</b>
Capital expenditure for intangible assets	(0,3)	(4,9)	(6,0)
Capital expenditure for tangible assets	(1,1)	(5,0)	(4,9)
(Increase) / decrease in investments in other fixed assets	(0,1)	3,7	6,9
<b>Cash Flows from Financing Activities</b>	<b>(1,5)</b>	<b>(6,2)</b>	<b>(4,0)</b>
<b>Free Cash Flow</b>	<b>(4,5)</b>	<b>(5,5)</b>	<b>(8,1)</b>
Equity Issue	(1,5)	(0,7)	
Change in short term debt	7,3	7,0	8,5
Change in long term debt	(0,0)	(0,1)	(0,3)
Net Interest	(2,0)	(1,5)	0,4
<b>Cash Flows from Financing Activities</b>	<b>3,8</b>	<b>4,7</b>	<b>8,6</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>4,5</b>	<b>5,3</b>	<b>5,3</b>
<b>Cash Flow of the Period</b>	<b>(0,7)</b>	<b>(0,8)</b>	<b>0,6</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>3,8</b>	<b>4,5</b>	<b>5,9</b>

# Income Statement – Full Year 2008-2010

(€m)

	<u>2010A</u>	<u>2009A</u>	<u>2008A</u>
Net Sales	219,2	217,04	294,7
% change	1,0%	(26,3%)	0,5%
Other Revenues	5,9	5,9	6,05
<b>Total Revenues</b>	<b>225,1</b>	<b>222,9</b>	<b>300,7</b>
% change	1,0%	(26,1%)	0,6%
Raw Materials Costs	(63,2)	(69,6)	(79,2)
Service Costs	(70,5)	(79,5)	(103,1)
Cost for use of third parties assets	(22,5)	(19,2)	(17,9)
Personnel	(61,0)	(63,1)	(61,7)
Other Operating Expenses	(4,3)	(4,5)	(4,5)
Total Operating Expenses	(221,6)	(235,9)	(266,4)
<b>EBITDA</b>	<b>3,54</b>	<b>(13,0)</b>	<b>34,3</b>
Margin (% of Net sales)	1,6%	n.a	11,6%
Depreciation and Amortisation	(16,7)	(14,18)	(12,4)
<b>EBIT</b>	<b>(13,1)</b>	<b>(27,1)</b>	<b>21,9</b>
Margin (% of Net sales)	n.a	n.a	7,4%
Net Financial Income / (Expenses)	(1,5)	(3,7)	(6,6)
PBT	(14,6)	(30,8)	15,3
Margin (% of Net sales)	n.a	n.a	5,2%
Taxes	0,35	7,06	(6,5)
Net income before Minorities	(14,3)	(23,8)	8,8
Margin (% of Net sales)	n.a	n.a	3,0%
Minority Interests	1,7	3,7	(1,1)
<b>Net Income for the Group</b>	<b>(12,5)</b>	<b>(20,088)</b>	<b>7,7</b>
Margin (% of Net sales)	n.a	n.a	2,6%

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