HALF-YEAR FINANCIAL REPORT AT 30 JUNE 2013

Disclaimer

SUMMARY

Corporate Boards of the Parent Company

Board of Directors

Chairman
Massimo Ferretti

Deputy Chairman
Alberta Ferretti

Chief Executive Officer
Simone Badioli

Directors
Marcello Tassinari – Managing Director
Roberto Lugano
Pierfrancesco Giustiniani
Marco Salomoni

Board of Statutory Auditors

President
Pier Francesco Sportoletti

Statutory Auditors
Fernando Ciotti
Romano Del Bianco

Alternate Auditors
Angelo Rivolta
Luca Sapucci

Board of Compensation Committee

President
Marco Salomoni

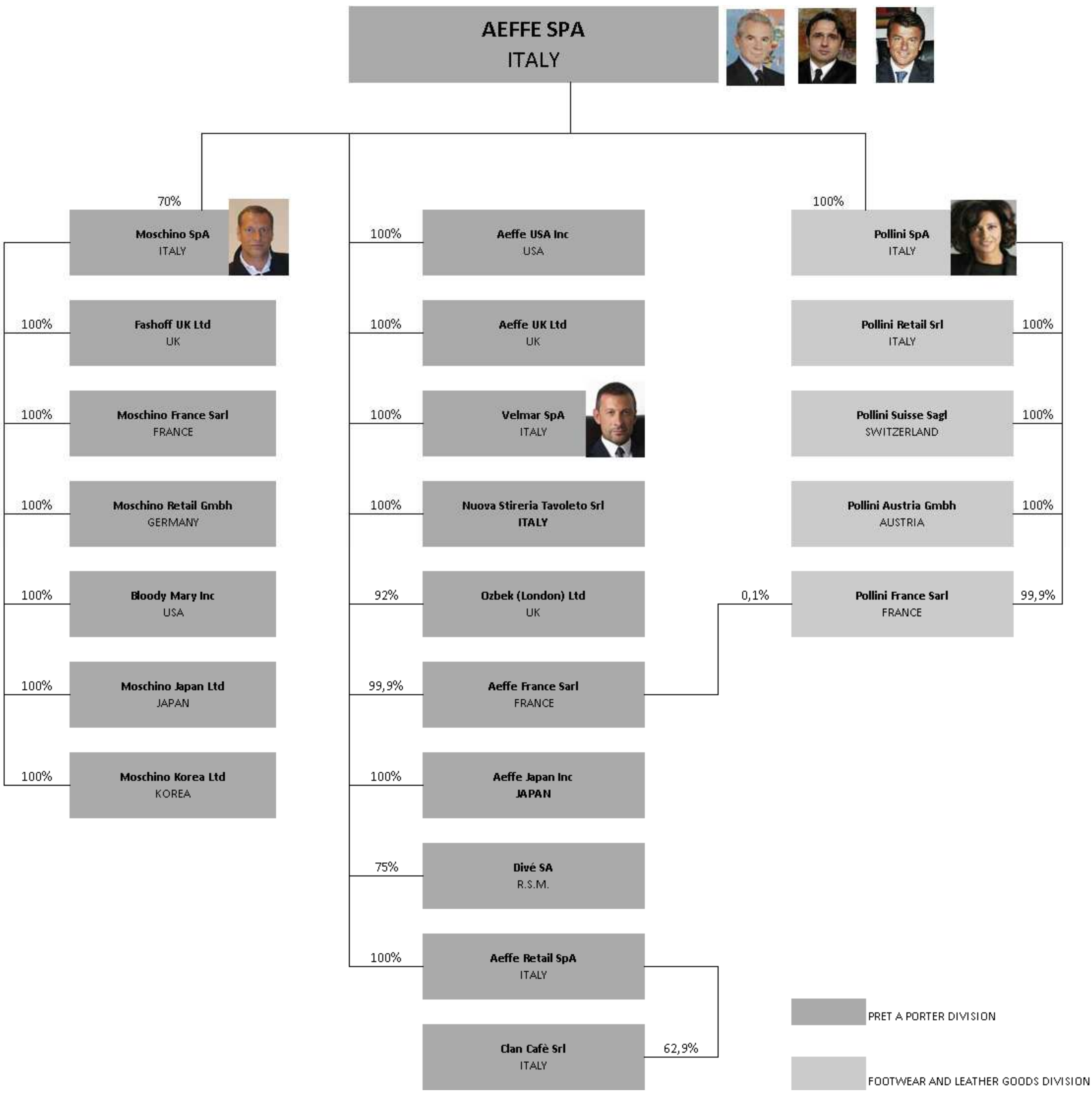
Members
Roberto Lugano
Pierfrancesco Giustiniani

Board of Internal Control Committee

President
Roberto Lugano

Members
Marco Salomoni
Pierfrancesco Giustiniani

Organisation chart



Brands portfolio

AEFFE
Clothing - Accessories

ALBERTA FERRETTI

PHILOSOPHY

MOSCHINO

MOSCHINO CHEAPANDCHIC

emanuel ungaro PARIS

CEDRIC CHARLIER

POLLINI **Footwear – Leather goods**	**MOSCHINO** **Licences – Design**	**VELMAR** **Beachwear - Lingerie**
POLLINI	MOSCHINO	MOSCHINO
STUDIO POLLINI	MOSCHINO CHEAPANDCHIC	blugirl beachwear
MOSCHINO	LOVE MOSCHINO	blugirl underwear
MOSCHINO CHEAPANDCHIC		BLUGIRL Folies
LOVE MOSCHINO		

Headquarters

GRUPPO AEFFE
Via Delle Querce, 51
San Giovanni in Marignano (RN)
47842 - Italy

MOSCHINO
Via San Gregorio, 28
20124 - Milan
Italy

POLLINI
Via Erbosa I° tratto, 92
Gatteo (FC)
47030 - Italy

VELMAR
Via Delle Querce, 51
San Giovanni in Marignano (RN)
47842 - Italy

Showrooms

MILAN
(FERRETTI – POLLINI – CEDRIC CHARLIER)
Via Donizetti, 48
20122 - Milan
Italy

LONDON
(GROUP)
28-29 Conduit Street
W1S 2YB - London
UK

PARIS
(GROUP)
6, Rue Caffarelli
75003 - Paris
France

TOKYO
(GROUP)
Lexington Bldg. 4F
5-11-9, Minami Aoyama Minato-ku
107-0062 - Tokyo
Japan

MILAN
(MOSCHINO)
Via San Gregorio, 28
20124 - Milan
Italy

MILAN
(LOVE MOSCHINO)
Via Settembrini, 1
20124 - Milan
Italy

PARIS
(UNGARO)
6, Avenue Montaigne
75008 - Paris
France

NEW YORK
(GROUP)
30 West 56th Street
10019 - New York
USA

Main flagshipstore locations under direct management

ALBERTA FERRETTI
Milan
Rome
Capri
Paris
London
New York
Los Angeles
Osaka
Tokyo
Nagoya
Shinsaibashi
Shinjuku
Ginza

POLLINI
Milan
Venice
Bolzano
Varese
Verona

SPAZIO A
Florence
Venice

MOSCHINO
Milan
Rome
Capri
Paris
London
Berlin
New York
Osaka
Tokyo
Nagoya
Shinsaibashi
Shinjuku
Ginza
Seoul
Pusan
Daegu


Main economic-financial data

		1st Half 2012	1st Half 2013
Total revenues	(Values in millions of EUR)	124.9	125.8
Gross operating margin (EBITDA)	(Values in millions of EUR)	7.1	7.3
Net operating profit (EBIT)	(Values in millions of EUR)	0.4	1.0
Profit before taxes	(Values in millions of EUR)	-3.6	-2.2
Net profit for the Group	(Values in millions of EUR)	-4.4	-3.7
Basic earnings per share	(Values in units of EUR)	-0.043	-0.036
Cash Flow (net profit + depreciation)	(Values in millions of EUR)	2.5	3.0
Cash Flow/Total revenues	(Values in percentage)	2.0	2.4

		31 December 2011	30 June 2012	31 December 2012	30 June 2013
Net capital invested	(Values in millions of EUR)	248.3	247.9	234.9	239.5
Net financial indebtedness	(Values in millions of EUR)	98.1	101.6	87.9	97.0
Group net equity	(Values in millions of EUR)	134.2	130.4	131.4	126.5
Group net equity per share	(Values in units of EUR)	1.3	1.2	1.2	1.2
Current assets/ current liabilities	(Ratio)	1.9	2.2	2.2	2.3
Current assets less invent./ current liabilities (ACID test)	(Ratio)	0.9	1.0	1.0	1.1
Net financial indebtedness/ Net equity	(Ratio)	0.7	0.7	0.6	0.7

Aeffe Group

Interim management report

1. SUMMARY OF THE GROUP'S KEY ACTIVITIES

Aeffe Group operates worldwide in the fashion and luxury goods sector and is active in the design, production and distribution of a wide range of products that includes prêt-a-porter, footwear and leather goods. The Group develops, produces and distributes, with a constant focus on the qualities of uniqueness and exclusivity, its own collections both under its own-label brands, including "Alberta Ferretti", "Moschino" and "Pollini", and under licensed brands, which include "Blugirl", "Cedric Charlier" and "Ungaro". The Group has also licensed to key partners the production and distribution of other accessories and products with which it supplements its product range (perfumes, junior and children's lines, watches, sunglasses and other).

The Group's business is divided, based on the various product lines and brands it sells, into two segments: (i) prêt-a-porter (which includes prêt-a-porter lines, lingerie and swimwear); and (ii) footwear and leather goods.

Prêt-a-porter Division

The Prêt-a-porter Division, which is composed of the companies Aeffe, Moschino and Velmar, is mainly involved in the design, production and distribution of luxury prêt-a-porter garments and lingerie, beachwear and loungewear.

In terms of the prêt-a-porter collections, the activity is carried out by Aeffe, both for the production of the Group's proprietary brands ("Alberta Ferretti", "Philosophy", "Moschino", "Moschino Cheap and Chic" and "Love Moschino") and brands licensed from other companies (such as "Blugirl", "Cedric Charlier" and "Ungaro"). Aeffe also handles the distribution of all Division products both through the retail channel (via subsidiaries) and through the wholesale channel.

Velmar manufactures and distributes lingerie and swimwear collections, and specifically men's/women's lingerie, underwear, beachwear and loungewear. Collections are produced and distributed under the Group's proprietary brands, as "Moschino", and under third-party licensed brands as "Blugirl".

The Prêt-a-porter Division also manages licensing agreements granted to other companies to manufacture Aeffe and Moschino branded product lines such as the "Moschino" brand licensing agreement relating to the *Love* line, "Moschino" branded perfumes and "Moschino" branded sunglasses.

Aeffe

Aeffe is the brainchild of designer Alberta Ferretti, who set up her own business in 1972. The history of the Parent Company has developed in parallel with that of its founder, whose personal involvement in fashion has been a key factor in Aeffe's development.

The growth of the Parent Company as an industrial and creative entity has been distinguished from the start by a multi-brand approach, with Aeffe producing and distributing the prêt-a-porter collections of leading fashion houses utilising the know-how acquired in the production of luxury prêt-a-porter lines.

This provides the context for the partnership between Aeffe and designer Franco Moschino, whose brand "Moschino Couture!" it has produced and distributed under an exclusive licence since 1983.

Between 1995 and 2012, Aeffe collaborates with designer Jean Paul Gaultier for the production and distribution of the Jean Paul Gaultier ready-to-wear collection.

In 2001, Aeffe gained control of Pollini, an established manufacturer of footwear and leather goods. This allowed Aeffe to supplement the collections produced in-house with an accessories line.

In 2002, Aeffe took over Velmar, a firm that had collaborated with Aeffe for some time on the production and distribution of lingerie, beachwear and loungewear lines.

In 2007, Aeffe, obtained the Consob Nulla Osta to public the offering memorandum relating to the Public Offering and the listing on the MTA – Star Segment – of Aeffe S.p.A. ordinary shares, closes successfully the Offer of shares and starts to be traded on the MTA – Star Segment – by Borsa Italiana.

Moschino

Moschino was founded in 1983 and grew during the 1990s to become an internationally renowned brand. Following the disappearance in 1994 of its founder, Franco Moschino, his family, staff and friends have kept the designer's legacy alive, respecting his creative identity and philosophy. Rossella Jardini, who has worked for Franco Moschino since 1981, succeeded him as artistic director and is currently in charge of brand image and styling.

The company provides design, marketing and agency services from the Milan showroom for Moschino collections in Italy and overseas.

The company also directly manages six single-brand Moschino stores, two in Milan, one in Rome, one in Capri, one in Turin and on-line.

In 2007 Moschino signed a licence agreement with Binda Group for the production and distribution of watches and jewellery branded "Moschino Cheap and Chic".

Always in 2007, Moschino signed a licence agreement with Newmax for the production of helmets branded "Moschino".

In 2008 Moschino signs a licence agreement with Altana Spa, for the creation, development and world distribution of the "Moschino" boys' and girls' collections.

Velmar

Velmar was created in 1983 in San Giovanni in Marignano and is active in the production and distribution of lingerie, underwear, beachwear and loungewear.

In 1990, a partnership began between Velmar and designer Anna Molinari to manufacture lingerie and beachwear lines. That same year, talks began with Aeffe and Genny.

Between 1990 and 1995, Velmar worked with Genny and Fendi, producing all of the swimwear lines designed by the two fashion houses. Between 1990 and 2001, Velmar worked with Itierre and Prada on the design and production of the active and sportswear lines sold under the "Extee" and "Prada" menswear labels.

Between 1995 and 1998, Velmar produced and distributed under licence the beachwear line for Byblos menswear and womenswear.

In 1998, Velmar signed a licensing agreement with Blufin for the production and distribution of "Blugirl" lines.

In 2001, Aeffe acquired 75% of Velmar. Again, this represented a natural progression of the existing partnership between the two companies.

In 2006, Velmar obtained a licence for the production and distribution of the men's beachwear and underwear lines and women's lingerie lines under the "Moschino" brand.

In 2010, Aeffe acquires the remaining 25% of Velmar's share capital.

Aeffe USA

Aeffe USA is 100% owned by Aeffe S.p.A. and was incorporated in May 1987 under the laws of the State of New York.

The company operates in the wholesale segment of the North American market (United States and Canada) distributing items of clothing and accessories produced by the Parent Company, Pollini S.p.A. and Velmar S.p.A. and other third-party licensed manufacturers, with different collections, of the brands produced by the Parent Company. The company also acts as agent for some of these lines. The company operates out of its own showroom located in midtown Manhattan. Aeffe USA also manages two single-brand stores; one in Soho, New York and the other in West Hollywood, Los Angeles.

Aeffe Retail

Aeffe Retail operates in the retail segment of the Italian market and directly manages 10 stores, both mono-brand and multi-brand located in major Italian cities such as Milan, Rome, Venice, Florence, Capri, manages also an on-line mono-brand store.

Clan Cafè

Clan Cafè S.r.l., incorporated in 2007, is 62.9% owned by Aeffe Retail and manages a store located in Milan, Pontaccio 19 Street, which distributes clothing and accessories produced by Aeffe Group and by third parties.

Nuova Stireria Tavoleto

Nuova Stireria Tavoleto, based in Tavoleto (Pesaro-Urbino), is 100% owned by Aeffe S.p.A. and provides industrial pressing services for the majority of Aeffe and Velmar production and for other clients outside the Group.

Aeffe UK

Aeffe UK is 100% owned by Aeffe S.p.A. and manages the store in London's Sloane Street, which sells clothing and accessories under the Alberta Ferretti and Philosophy labels. The company also acts as an agent for the UK market.

Aeffe France

Aeffe France is 99.9% owned by Aeffe S.p.A. and manages the store in Rue St. Honorè in Paris, selling apparel and accessories under the Alberta Ferretti and Philosophy brands. The company also acts as an agent for the French market.

Aeffe Japan

Aeffe Japan is 100% owned by Aeffe S.p.A. and is based in Tokyo. The company operates both in the wholesale and in the retail segment distributing items of clothing and accessories of the collections branded "Alberta Ferretti" and "Philosophy" through its showroom based in Tokyo and its flagship stores under direct management placed in the most important cities.

Moschino Japan

Moschino Japan is 100% owned by Moschino S.p.A. and is based in Tokyo. The company operates both in the wholesale and in the retail segment distributing items of clothing and accessories of the Moschino-branded collections through its showroom based in Tokyo and its flagship stores under direct management placed in the most important cities.

Moschino Korea

Moschino Korea is 100% owned by Moschino S.p.A. and is based in Seoul. The company exclusively operates in the retail segment through flagship stores under direct management which sell Moschino-branded collections.

Fashoff UK

Fashoff UK operates from the showroom in London, acting as agent for the Moschino-branded collections produced by Aeffe, Pollini, Forall (men) and Falc (men’s/children's shoes), and importing the other collections (jeans, umbrellas, gloves, scarves and Velmar collections).

The company also directly manages a single-brand Moschino store in London.

Moschino France

Moschino France is based in the Paris showroom and acts as agent for all Moschino collections except childrenswear, eyewear, perfumes and watches.

The company also manages a single-brand Moschino store in Paris.

Moschino Gmbh

Moschino Gmbh directly manages a single-brand Moschino store in Berlin.

Bloody Mary

Bloody Mary directly manages a single-brand Moschino store in New York.

Footwear and leather goods Division

The footwear and leather goods Division, which is composed of Pollini and its subsidiaries, mainly handles the design, production and distribution of footwear, small leather goods, bags and matching accessories made from exclusive materials.

The operating activity is mainly carried out by Pollini, which directly handles the design, production and distribution of own-label products, as well as the production and distribution of brands licensed by Group companies.

The footwear and leather goods division also manages licensing agreements granted to other companies to manufacture “Pollini” products such as umbrellas, foulards and ties.

Pollini

Pollini was established in 1953 in the shoemaking district of San Mauro Pascoli, following in the Italian tradition of handmade leather goods and shoes. Italy is a leading producer of footwear: due to expertise required to make these products, nearly all production sites are located in areas with a long-standing shoemaking tradition, such as San Mauro Pascoli, Vigevano and Strà (PD). The company’s philosophy is focused on promoting Pollini in other countries as an amalgam of traditional quality and Italian style, offering a range of products that include shoes, bags and matching accessories.

Between 1957 and 1961, Pollini produced the footwear collections of the designer Bruno Magli.

In the 1960s and early 1970s, Pollini began making shoes under its own label, presenting “themed” collections (such as the “Daytona” sports footwear collection, inspired by the world of motorbike racing).

In the 1970s, Pollini rose to international fame: at that point, its collections were shown in Düsseldorf, Paris and New York, as well as in Milan and Bologna. Around the same time, the first stores opened in Florence, Milan, Verona, Varese and Venice.

In 1989, Pollini moved into its new office in Gatteo, in the Italian province of Forlì-Cesena. The new site measures 50,000 sq. m., just over a third of it indoor, with a production workshop and seven-storey building housing the showroom and offices. The new site brought the footwear and leather goods divisions and sales and administration offices under one roof.

In 2001, Aeffe and Pollini reached an agreement whereby Aeffe would acquire a controlling stake in Pollini. The acquisition was a natural progression of the increasingly concentrated partnership between the two companies, enabling the growth of the footwear and leather goods lines designed by Alberta Ferretti.

In 2008 the stylist Nicholas Kirkwood was appointed as design director of the Pollini accessory collections and bag collections.

Always in 2008, Pollini has entered into new license agreements with Drops S.r.l., for the manufacturing of umbrellas, as well as Larioseta S.p.A., for the manufacturing and distribution of neckwear, including women's shawls, women's and men's scarves and ties.

In 2010, the stylist Nicholas Kirkwood was appointed as creative director of the "Pollini" brand.

In 2011 Aeffe S.p.A. has acquired the remaining 28% shareholding of Pollini S.p.A., becoming the sole shareholder.

Pollini Retail

Pollini Retail is active in the retail segment of the Italian market and directly manages 19 stores, between boutiques and outlets, in major Italian cities such as Milan and Venice.

Pollini Suisse

Pollini Suisse directly manages the mono-brand Pollini store in Mendrisio, Switzerland.

Pollini Austria

Pollini Austria directly manages the mono-brand Pollini store in Pandorf, Austria.

2. CONSOLIDATED RICLASSIFIED INCOME STATEMENT

(Values in units of EUR)	1st Half 2013	% on revenues	1st Half 2012	% on revenues	Change	%
REVENUES FROM SALES AND SERVICES	**122,919,259**	**100.0%**	**121,663,192**	**100.0%**	**1,256,067**	**1.0%**
Other revenues and income	2,909,688	2.4%	3,204,617	2.6%	-294,929	-9.2%
TOTAL REVENUES	**125,828,947**	**102.4%**	**124,867,809**	**102.6%**	**961,138**	**0.8%**
Changes in inventory	4,483,797	3.6%	4,732,108	3.9%	-248,311	-5.2%
Costs of raw materials, cons. and goods for resale	-43,175,059	-35.1%	-40,499,776	-33.3%	-2,675,283	6.6%
Costs of services	-33,086,978	-26.9%	-35,605,507	-29.3%	2,518,529	-7.1%
Costs for use of third parties assets	-12,558,938	-10.2%	-11,897,126	-9.8%	-661,812	5.6%
Labour costs	-31,399,290	-25.5%	-31,070,773	-25.5%	-328,517	1.1%
Other operating expenses	-2,757,955	-2.2%	-3,410,372	-2.8%	652,417	-19.1%
Total Operating Costs	-118,494,423	-96.4%	-117,751,446	-96.8%	-742,977	0.6%
GROSS OPERATING MARGIN (EBITDA)	**7,334,524**	**6.0%**	**7,116,363**	**5.8%**	**218,161**	**3.1%**
Amortisation of intangible fixed assets	-3,558,353	-2.9%	-3,866,680	-3.2%	308,327	-8.0%
Depreciation of tangible fixed assets	-2,705,679	-2.2%	-2,859,256	-2.4%	153,577	-5.4%
Revaluations/(write-downs) and provisions	-42,820	0.0%	-35,356	0.0%	-7,464	21.1%
Total Amortisation, write-downs and provisions	-6,306,852	-5.1%	-6,761,292	-5.6%	454,440	-6.7%
NET OPERATING PROFIT / LOSS (EBIT)	**1,027,672**	**0.8%**	**355,071**	**0.3%**	**672,601**	**189.4%**
Financial income	117,458	0.1%	50,787	0.0%	66,671	131.3%
Financial expenses	-3,357,927	-2.7%	-3,978,562	-3.3%	620,635	-15.6%
Total Financial Income/(Expenses)	-3,240,469	-2.6%	-3,927,775	-3.2%	687,306	-17.5%
PROFIT / LOSS BEFORE TAXES	**-2,212,797**	**-1.8%**	**-3,572,704**	**-2.9%**	**1,359,907**	**-38.1%**
Taxes	-1,087,300	-0.9%	-605,639	-0.5%	-481,661	79.5%
NET PROFIT / LOSS	**-3,300,097**	**-2.7%**	**-4,178,343**	**-3.4%**	**878,246**	**-21.0%**
(Profit)/loss attributable to minority shareholders	-401,778	-0.3%	-174,084	-0.1%	-227,694	130.8%
NET PROFIT / LOSS FOR THE GROUP	**-3,701,875**	**-3.0%**	**-4,352,427**	**-3.6%**	**650,552**	**-14.9%**

SALES

In the first semester of 2013, Aeffe consolidated revenues amount to EUR 122,919 thousand compared to EUR 121,663 thousand in the first semester of 2012, with a 1.0% increase at current exchange rates (+2.5% at constant exchange rates).

The revenues of the prêt-à-porter division increase by 0.9% (+2.8% at constant exchange rates) to EUR 97,782 thousand, while the revenues of the footwear and leather goods division increase by 4.3% to EUR 33,690 thousand, before interdivisional eliminations.

Sales by brand

(Values in thousands of EUR)	1st Half 2013	%	1st Half 2012	%	Change Δ	%
Alberta Ferretti	20,389	16.6%	23,712	19.5%	-3,323	-14.0%
Moschino	73,197	59.5%	71,722	59.0%	1,475	2.1%
Pollini	15,258	12.4%	16,010	13.2%	-752	-4.7%
J.P.Gaultier	3,901	3.2%	5,581	4.6%	-1,680	-30.1%
Other	10,174	8.3%	4,638	3.7%	5,536	119.4%
Total	**122,919**	**100.0%**	**121,663**	**100.0%**	**1,256**	**1.0%**

In 1stH 2013, Alberta Ferretti brand decreases by 14.0% (-11.3% at constant exchange rates), generating 16.6% of the group's consolidated sales.

In the same period, Moschino brand sales increase by 2.1% (+3.5% at constant exchange rates), contributing to 59.5% of consolidated sales.

Pollini brand records a decrease of 4.7% (-4.1% at constant exchange rates), generating the 12.4% of consolidated sales.

Brand under licence JP Gaultier decreases by 30.1% (-30.3% at constant exchange rates), contributing to 3.2% of consolidated sales.

Other brands sales increase by 119.4% (+119.8% at constant exchange rates), equal to 8.3% of consolidated sales.

Sales by geographical area

(Values in thousands of EUR)	1st Half 2013	%	1st Half 2012	%	Change Δ	%
Italy	52,763	42.9%	49,894	41.0%	2,869	5.7%
Europe (Italy and Russia excluded)	24,097	19.6%	24,564	20.2%	-467	-1.9%
Russia	9,541	7.8%	10,153	8.3%	-612	-6.0%
United States	7,724	6.3%	9,311	7.7%	-1,587	-17.0%
Japan	10,151	8.3%	11,205	9.2%	-1,054	-9.4%
Rest of the World	18,643	15.1%	16,536	13.6%	2,107	12.7%
Total	**122,919**	**100.0%**	**121,663**	**100.0%**	**1,256**	**1.0%**

In 1stH 2013, the Group records sales in Italy for EUR 52,763 thousand, contributing to 42.9% of consolidated sales with a 5.7% increase.

In Europe Group's sales decrease by 1.9% (-1.6% at constant exchange rates), contributing to 19.6% of consolidated sales, while sales in Russia are EUR 9,541 thousand contributing to 7.8% of consolidated sales, with a decrease of 6.0% (-6.0% at constant exchange rates). Sales in the United States are EUR 7,724 thousand contributing to 6.3% of consolidated sales, with a fall of 17.0% (-19.6% at constant exchange rates). Sales in Japan decrease by 9.4% (+8.3% at constant exchange rates) to EUR 10,151 thousand, contributing to 8.3% of consolidated sales.

The Rest of the world records sales for EUR 18,643 thousand, up 12.7% (+12.4% at constant exchange rates), contributing to 15.1% of consolidated sales.

Sales by distribution channel

(Values in thousands of EUR)	1st Half 2013	%	1st Half 2012	%	Change Δ	%
Wholesale	76,970	62.6%	75,283	61.9%	1,687	2.2%
Retail	38,410	31.2%	38,471	31.6%	-61	-0.2%
Royalties	7,539	6.2%	7,909	6.5%	-370	-4.7%
Total	**122,919**	**100.0%**	**121,663**	**100.0%**	**1,256**	**1.0%**

Revenues generated by the Group in the 1stH 2013 are analysed below:

- 62.6% from the Group's sales organisation, showrooms, agents and importers, franchise outlets, corners and shop-in-shops (wholesale channel), which contributes EUR 75,283 thousand in 1stH 2012 and EUR 76,970 thousand in 1stH 2013, with an increase of 2.2% (+2.5% at constant exchange rates).
- 31.2% from sales managed directly by the Group (retail channel), which contributes EUR 38,471 thousand in 1stH 2012 and EUR 38,410 thousand in 1stH 2013, down 0.2% (+3.9% at constant exchange rates).
- 6.2% from royalties deriving from licenses granted to third parties for the production and distribution of product lines sold under the Group's brand names. Royalties decrease by 4.7% from EUR 7,909 thousand in 1stH 2012 to EUR 7,539 thousand in 1stH 2013.

Sales by own brands and under licensed brands

(Values in thousands of EUR)	1st Half 2013	%	1st Half 2012	%	Change Δ	%
Own brands	108,844	88.5%	111,444	91.6%	-2,600	-2.3%
Brands under license	14,075	11.5%	10,219	8.4%	3,856	37.7%
Total	**122,919**	**100.0%**	**121,663**	**100.0%**	**1,256**	**1.0%**

Revenues generated by own brands decrease in absolute value of EUR 2,600 thousand, -2.3% compared with the previous period, with an incidence on total revenues which decreases from 91.6% in 1stH 2012 to 88.5% in 1stH 2013. Revenues generated by brands under license increase by 37.7%.

LABOUR COSTS

Labour costs increase from EUR 31,071 thousand in 1stH 2012 to EUR 31,399 thousand in 1stH 2013 with an incidence on revenues which remains constant in the two semesters at 25.5%.

The workforce decreases from an average of 1,455 units in the 1stH 2012 to 1,433 units in the 1stH 2013.

Average number of employees by category	1st Half 2013	1st Half 2012	Change Δ	% %
Workers	357	390	-33	-8%
Office staff-supervisors	1,050	1,038	12	1%
Executive and senior managers	26	27	-1	-4%
Total	**1,433**	**1,455**	**-22**	**-2%**

GROSS OPERATING MARGIN (EBITDA)

In 1stH 2013 consolidated EBITDA is EUR 7,335 thousand (with an incidence of 6.0% of sales) compared to EUR 7,116 thousand in 1stH 2012 (with an incidence of 5.8% of sales).

EBITDA of the *prêt-à-porter* division is substantially in line with the previous period, resulting equal to EUR 7,766 thousand (representing the 7.9% of sales) compared to EUR 7,711 thousand (representing the 8.0% of sales) in 1^{st}H 2012.

EBITDA of the Footwear and leather goods division increases of EUR 164 thousand from EUR -595 thousand in 1^{st}H 2012 to EUR -431 thousand in 1^{st}H 2013.

NET OPERATING PROFIT / LOSS (EBIT)

Consolidated EBIT is positive for EUR 1,028 thousand compared to EUR 355 thousand in 1^{st}H 2012, showing an increase of EUR 673 thousand.

PROFIT / LOSS BEFORE TAXES

Loss before taxes decreases of EUR 1.360 thousand from EUR 3,573 thousand in 1^{st}H 2012 to EUR 2,213 thousand in 1^{st}H 2013.

NET PROFIT / LOSS FOR THE GROUP

The net loss for the Group changes from EUR 4,352 thousand in 1^{st}H 2012 to EUR 3,702 thousand in 1^{st}H 2013, with a decrease in absolute value of EUR 650.

3. RECLASSIFIED CONSOLIDATED BALANCE SHEET

(Values in units of EUR)	30 June 2013	31 December (*) 2012	30 June (*) 2012
Trade receivables	33,900,599	32,355,321	29,587,912
Stock and inventories	77,859,098	77,121,718	77,653,749
Trade payables	-45,237,666	-48,147,543	-46,252,461
Operating net working capital	**66,522,031**	**61,329,496**	**60,989,200**
Other short term receivables	27,141,547	24,412,210	28,039,108
Tax receivables	9,633,799	10,052,200	8,911,114
Other short term liabilities	-16,300,842	-14,354,556	-17,184,322
Tax payables	-3,502,181	-3,940,805	-3,485,564
Net working capital	**83,494,354**	**77,498,545**	**77,269,536**
Tangible fixed assets	66,723,969	65,391,289	73,839,636
Intangible fixed assets	135,090,050	138,073,473	141,077,386
Equity investments	30,252	30,252	30,251
Other fixed assets	2,705,515	2,621,329	2,918,063
Fixed assets	**204,549,786**	**206,116,343**	**217,865,336**
Post employment benefits	-8,697,076	-8,999,182	-7,994,329
Provisions	-886,869	-1,098,481	-1,007,181
Assets available for sale	436,885	436,885	436,885
Long term not financial liabilities	-14,241,401	-14,241,401	-14,241,401
Deferred tax assets	12,129,624	11,521,932	13,437,315
Deferred tax liabilities	-37,290,926	-37,419,217	-38,036,546
NET CAPITAL INVESTED	**239,494,377**	**233,815,424**	**247,729,615**
Share capital	25,371,407	25,371,407	25,371,407
Other reserves	119,057,049	118,026,961	119,189,921
Profits/(Losses) carried-forward	-14,199,480	-10,011,170	-10,011,183
Profits/(Loss) for the period	-3,701,875	-3,028,260	-4,352,427
Group interest in shareholders' equity	**126,527,101**	**130,358,938**	**130,197,718**
Minority interest in shareholders' equity	15,939,511	15,537,733	15,930,795
Total shareholders' equity	**142,466,612**	**145,896,671**	**146,128,513**
Short term financial receivables	-1,000,000	-3,500,000	-1,015,000
Cash	-4,389,723	-5,362,315	-6,164,107
Long term financial liabilities	2,417,741	4,006,802	5,519,793
Long term financial receivables	-1,714,067	-1,690,617	-
Short term financial liabilities	101,713,814	94,464,883	103,260,416
NET FINANCIAL POSITION	**97,027,765**	**87,918,753**	**101,601,102**
SHAREHOLDERS' EQUITY AND NET FINANCIAL INDEBTEDNESS	**239,494,377**	**233,815,424**	**247,729,615**

(*) Following the retrospective application of the amendment to IAS 19 from 1 January 2013 the comparative figures at 1 January and 31 December 2012 have been restated as required by IAS 1. More specifically, the figure for closing Equity reported in the Consolidated Financial Statements at 31 December 2012 has decreased by EUR 1,050 thousand, of which EUR 1,039 thousand relates to Equity attributable to owners of the parent and EUR 11 thousand relates to Non-controlling interest; the figure for closing Equity reported in the Consolidated Financial Statements at 30 June 2012 has decreased by EUR 163 thousand, of which EUR 176 thousand in reduction of Equity attributable to owners of the parent and EUR 13 thousand increasing the Non-controlling interest. Reference should be made to the section "Accounting policies" for further details.

NET INVESTED CAPITAL

Net invested capital remains substantially steady compared with 31 December 2012.

NET WORKING CAPITAL

Net working capital amounts to EUR 83,494 thousand (32.7% of LTM sales) compared with EUR 77,499 thousand of 31 December 2012 (30.5% of sales).

The changes in the main items included in the net working capital are described below:

- Operating net working capital (EUR 66,522 thousand) increases of EUR 5,193 thousand compared with the value at 31 December 2012 (EUR 61,329 thousand). Such increase is mainly due to the seasonality of the business;
- Other short term receivables increase of EUR 2,729 thousand mainly due to increase of credits for prepaid costs generated by the seasonality of the business and by the increase of variable costs suspended at the end of June as a consequence of the good performances of sales and orders;
- Other short term payables increase from 31 December 2012 of EUR 1,946 thousand mainly due to the effect of the thirteenth monthly salary accrual, which doesn't have a corresponding value in the balance of ending period 2012;
- The net effect of tax payables/receivables increases net working capital of EUR 20 thousand.

FIXED ASSETS

Fixed assets decrease by EUR 1,567 thousand from 31 December 2012 to 30 June 2013.

The changes in the main items are described below:

- the increase in tangible fixed assets of EUR 1,333 thousand is determined by new investments, partially compensated by the depreciation of the period (equal to EUR 2,706 thousand). Investments are mainly related to leasehold improvements and to furniture and fittings for the restructuring of some shops;
- the decrease in intangible fixed assets of EUR 2,983 thousand is mainly due to the amortisation of the semester for EUR 3,558 thousand, effect partially compensated by the investments of the period.

NET FINANCIAL POSITION

The net financial position of the Group amounts to EUR 97,028 thousand as of 30 June 2013 compared with EUR 87,919 thousand as of 31 December 2012. Such increase is mainly due to the seasonality of the business and to investments of the first half of the year.

SHAREHOLDERS' EQUITY

The shareholders' equity decreases for EUR 3,430 thousand from EUR 145,897 thousand as of 31 December 2012 to EUR 142,467 thousand as of 30 June 2013. The reasons of such decrease are illustrated in the explanatory notes. The number of shares is 107,362,504.

4. RESEARCH & DEVELOPMENT ACTIVITIES

Considering the particular nature of the Group's products, research & development activities consist in the continual technical/stylistic renewal of models and the constant improvement of the materials employed in production. Such costs were charged in full to the Income Statement.

5. TRANSACTIONS BETWEEN GROUP COMPANIES AND WITH RELATED PARTIES

During the period, there were no transactions with related parties, including intragroup transactions, which qualified as unusual or atypical. Any related party transactions formed part of the normal business activities of companies in the Group. Such transactions are concluded at standard market terms for the nature of goods and/or services offered.

Information on transactions with related parties, including specific disclosures required by the Consob Communication of 28 July 2006, is provided in Note 39 of the Half-year Condensed Financial Statements at 30 June 2013.

6. SIGNIFICANT EVENTS OF THE PERIOD

No significant events occurred during the semester.

7. SIGNIFICANT EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

Subsequent to the balance sheet date no significant events regarding the Group's activities have to be reported.

8. RISKS, UNCERTAINTIES AND PROSPECTIVES FOR THE REMAINING SIX MONTHS OF THE YEAR

As emerged from the data published in the economic report of Banca d'Italia, signs of a cyclical improvement in the United States and some emerging economies appeared. Overall, world output growth is expected to remain modest this year and then to gather strength in 2014. Uncertainty persists about US fiscal policy and the sovereign debt crisis in Europe.

In Italy GDP declined less steeply in the second quarter than in the first. The latest surveys suggest that firms' investment activity may stabilize in the second half of the year. The decline in industrial production appears to have halted in the last few months.

So far, cyclical surveys do not point to any significant change in the short-term outlook. The likelihood of an upturn continues to depend mainly on the evolution of business confidence and financial conditions over the next few months and their impact on investment. Firms' assessments do not indicate any improvement in the incentives to invest, but their expectations for foreign orders have improved modestly, albeit in a volatile context.

Altagamma foundation, in its spring market monitor, forecast, related to the scenario 2013, despite the weakness of many worldwide economies and a slight flexion in the growth of the first trimester, a 4-5% growth at constant exchange rates.

We are very satisfied with the results recorded in Italy despite the general decline in demand and the many challenges the country has been facing. Besides, we remain strongly focused on the areas of Middle East and Far East, along with Japan, which registered positive results too, growing, by more than 12% and 8% at constant exchange rate respectively. Considering this trend, we plan in the second semester further 10 new store openings in China. As in September, we will also celebrate the Moschino's thirtieth anniversary, with specific events during the Milan Fashion Week, we expect to liven up the atmosphere especially across both our flagship store network and our on-line channels.

Half-year condensed financial statements at 30 June 2013

Financial statements

CONSOLIDATED BALANCE SHEET ASSETS (*)

(Values in units of EUR)	Notes	30 June 2013	31 December (*) 2012	Change
NON-CURRENT ASSETS				
Intangible fixed assets				
Key money		36,559,240	37,586,914	-1,027,674
Trademarks		97,695,693	99,442,455	-1,746,762
Other intangible fixed assets		835,117	1,044,104	-208,987
Total intangible fixed assets	(1)	135,090,050	138,073,473	-2,983,423
Tangible fixed assets				
Lands		16,176,219	16,176,219	0
Buildings		24,428,550	24,689,217	-260,667
Leasehold improvements		16,903,964	13,956,417	2,947,547
Plant and machinary		4,123,111	6,043,425	-1,920,314
Equipment		359,328	301,814	57,514
Other tangible fixed assets		4,732,797	4,224,197	508,600
Total tangible fixed assets	(2)	66,723,969	65,391,289	1,332,680
Other fixed assets				
Equity investments	(3)	30,252	30,252	0
Long term financial receivables	(4)	1,714,067	1,690,617	23,450
Other fixed assets	(5)	2,705,515	2,621,329	84,186
Deferred tax assets	(6)	12,129,624	11,521,932	607,692
Total other fixed assets		16,579,458	15,864,130	715,328
TOTAL NON-CURRENT ASSETS		**218,393,477**	**219,328,892**	**-935,415**
CURRENT ASSETS				
Stocks and inventories	(7)	77,859,098	77,121,718	737,380
Trade receivables	(8)	33,900,599	32,355,321	1,545,278
Tax receivables	(9)	9,633,799	10,052,200	-418,401
Cash	(10)	4,389,723	5,362,315	-972,592
Financial receivables	(11)	1,000,000	3,500,000	-2,500,000
Other receivables	(12)	27,141,547	24,412,210	2,729,337
TOTAL CURRENT ASSETS		**153,924,766**	**152,803,764**	**1,121,002**
Assets available for sale	(13)	436,885	436,885	0
TOTAL ASSETS		**372,755,128**	**372,569,541**	**185,587**

(*) Following the retrospective application of the amendment to IAS 19 from 1 January 2013 the comparative figures at 1 January and 31 December 2012 have been restated as required by IAS 1. More specifically, the figure for closing Equity reported in the Consolidated Financial Statements at 31 December 2012 has decreased by EUR 1,050 thousand, of which EUR 1,039 thousand relates to Equity attributable to owners of the parent and EUR 11 thousand relates to Non-controlling interest. Reference should be made to the section "Accounting policies" for further details.

Pursuant to Consob Resolution N. 15519 of 27 July 2006, the effects of related party transactions on the Consolidated statement of financial position are presented in the specific scheme provided in the attachment I and are further described in the paragraph "Related party transactions".

CONSOLIDATED BALANCE SHEET LIABILITIES (*)

(Values in units of EUR)	Notes	31 December 2013	31 December (*) 2012	Change
SHAREHOLDERS' EQUITY	**(14)**			
Group interest				
Share capital		25,371,407	25,371,407	0
Share premium reserve		71,240,251	71,240,251	0
Translation reserve		-2,270,018	-2,140,056	-129,962
Other reserves		30,726,084	29,566,034	1,160,050
Fair Value reserve		7,901,240	7,901,240	0
IAS reserve		11,459,492	11,459,492	0
Profits / (losses) carried-forward		-14,199,480	-10,011,170	-4,188,310
Net profit / (loss) for the Group		-3,701,875	-3,028,260	-673,615
Group interest in shareholders' equity		126,527,101	130,358,938	-3,831,837
Minority interest				
Minority interests in share capital and reserves		15,537,733	15,731,846	-194,113
Net profit / (loss) for the minority interests		401,778	-194,113	595,891
Minority interests in shareholders' equity		15,939,511	15,537,733	401,778
TOTAL SHAREHOLDERS' EQUITY		**142,466,612**	**145,896,671**	**-3,430,059**
NON-CURRENT LIABILITIES				
Provisions	(15)	886,869	1,098,481	-211,612
Deferred tax liabilities	(6)	37,290,926	37,419,217	-128,291
Post employment benefits	(16)	8,697,076	8,999,182	-302,106
Long term financial liabilities	(17)	2,417,741	4,006,802	-1,589,061
Long term not financial liabilities	(18)	14,241,401	14,241,401	0
TOTAL NON-CURRENT LIABILITIES		**63,534,013**	**65,765,083**	**-2,231,070**
CURRENT LIABILITIES				
Trade payables	(19)	45,237,666	48,147,543	-2,909,877
Tax payables	(20)	3,502,181	3,940,805	-438,624
Short term financial liabilities	(21)	101,713,814	94,464,883	7,248,931
Other liabilities	(22)	16,300,842	14,354,556	1,946,286
TOTAL CURRENT LIABILITIES		**166,754,503**	**160,907,787**	**5,846,716**
Liabilities available for sale		0	0	0
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**372,755,128**	**372,569,541**	**185,587**

(*) Following the retrospective application of the amendment to IAS 19 from 1 January 2013 the comparative figures at 1 January and 31 December 2012 have been restated as required by IAS 1. More specifically, the figure for closing Equity reported in the Consolidated Financial Statements at 31 December 2012 has decreased by EUR 1,050 thousand, of which EUR 1,039 thousand relates to Equity attributable to owners of the parent and EUR 11 thousand relates to Non-controlling interest. Reference should be made to the section "Accounting policies" for further details.

Pursuant to Consob Resolution N. 15519 of 27 July 2006, the effects of related party transactions on the Consolidated statement of financial position are presented in the specific scheme provided in the attachment II and are further described in the paragraph “Related party transactions”.

CONSOLIDATED INCOME STATEMENT (*)

(Values in units of EUR)	Notes	1st Half 2013	%	1st Half 2012	%
REVENUES FROM SALES AND SERVICES	**(23)**	**122,919,259**	**100.0%**	**121,663,192**	**100.0%**
Other revenues and income	(24)	2,909,688	2.4%	3,204,617	2.6%
TOTAL REVENUES		**125,828,947**	**102.4%**	**124,867,809**	**102.6%**
Changes in inventory		4,483,797	3.6%	4,732,108	3.9%
Costs of raw materials, cons. and goods for resale	(25)	-43,175,059	-35.1%	-40,499,776	-33.3%
Costs of services	(26)	-33,086,978	-26.9%	-35,605,507	-29.3%
Costs for use of third parties assets	(27)	-12,558,938	-10.2%	-11,897,126	-9.8%
Labour costs	(28)	-31,399,290	-25.5%	-31,070,773	-25.5%
Other operating expenses	(29)	-2,757,955	-2.2%	-3,410,372	-2.8%
Amortisation, write-downs and provisions	(30)	-6,306,852	-5.1%	-6,761,292	-5.6%
Financial income/(expenses)	(31)	-3,240,469	-2.6%	-3,927,775	-3.2%
PROFIT / LOSS BEFORE TAXES		**-2,212,797**	**-1.8%**	**-3,572,704**	**-2.9%**
Taxes	(32)	-1,087,300	-0.9%	-605,639	-0.5%
NET PROFIT / LOSS		**-3,300,097**	**-2.7%**	**-4,178,343**	**-3.4%**
(Profit)/loss attributable to minority shareholders		-401,778	-0.3%	-174,084	-0.1%
NET PROFIT / LOSS FOR THE GROUP		**-3,701,875**	**-3.0%**	**-4,352,427**	**-3.6%**

(*) Pursuant to Consob Resolution N. 15519 of 27 July 2006, the effects of related party transactions on the Consolidated Income Statement are presented in the specific scheme provided in the attachment III and are further described in the paragraph "Related party transactions".

COMPREHENSIVE INCOME STATEMENT

(Values in units of EUR)	1st Half 2013	1st Half 2012
Profit/(loss) for the period (A)	**-3,300,097**	**-4,178,343**
Other comprehensive income that will not be reclassified subsequently to profit or loss:		
Remeasurement of defined benefit plans	-	-
Income tax relating to components of Other comprehensive income that will not be reclassified subsequently to profit or loss	-	-
Total other comprehensive income that will not be reclassified subsequently to profit or loss, net of tax (B1)	**0**	**0**
Other comprehensive income that will be reclassified subsequently to profit or loss:		
Gains/(losses) on cash flow hedges	-	-
Gains/(losses) on exchange differences on translating foreign operations	-129,962	272,460
Income tax relating to components of Other Comprehensive income / (loss)	-	-
Total other comprehensive income that will be reclassified subsequently to profit or loss, net of tax (B2)	**-129,962**	**272,460**
Totale Other comprehensive income, net of tax(B1)+(B2)=(B)	**-129,962**	**272,460**
Total Comprehensive income / (loss) (A) + (B)	**-3,430,059**	**-3,905,883**
Total Comprehensive income / (loss) attributable to:	**-3,430,059**	**-3,905,883**
Owners of the parent	-3,831,837	-4,079,967
Non-controlling interests	401,778	174,084

CONSOLIDATED CASH FLOW STATEMENT (*)

(Values in thousands of EUR)	Notes	1st Half 2013	1st Half 2012
OPENING BALANCE		**5,362**	**8,444**
Profit / loss before taxes		-2,213	-3,573
Amortisation / write-downs		6,307	6,761
Accrual (+)/availment (-) of long term provisions and post employment benefits		-513	-237
Paid income taxes		-2,262	-1,768
Financial income (-) and financial charges (+)		3,240	3,928
Change in operating assets and liabilities		-5,557	-10,194
CASH FLOW (ABSORBED)/ GENERATED BY OPERATING ACTIVITY	**(33)**	**-998**	**-5,083**
Increase (-)/ decrease (+) in intangible fixed assets		-575	146
Increase (-)/ decrease (+) in tangible fixed assets		-4,036	-2,162
Investments and write-downs (-)/ Disinvestments and revaluations (+)		-45	7,239
CASH FLOW (ABSORBED)/ GENERATED BY INVESTING ACTIVITY	**(34)**	**-4,656**	**5,223**
Other variations in reserves and profits carried-forward of shareholders' equity		-130	272
Dividends paid		0	0
Proceeds (+)/repayment (-) of financial payments		5,660	2,254
Increase (-)/ decrease (+) in long term financial receivables		2,392	-1,018
Financial income (+) and financial charges (-)		-3,240	-3,928
CASH FLOW (ABSORBED)/GENERATED BY FINANCING ACTIVITY	**(35)**	**4,682**	**-2,420**
CLOSING BALANCE		**4,390**	**6,164**

(*) Pursuant to Consob Resolution N. 15519 of 27 July 2006, the effects of related party transactions on the Consolidated statement of cash flows are presented in the specific scheme provided in the attachment IV and are further described in the paragraph “Related party transactions”.

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

(Values in thousands of EUR)	Share capital	Share premium reserve	Other reserves	Fair Value reserve	IAS reserve	Profit/(losses) carried-forward	Reamisurement of defined benefit plans reserve	Net profit / loss for the Group	Translation reserve	Group interest in shareholders' equity	Minority interest in shareholders' equity	Total shareholders' equity
BALANCES AT 31 December 2011	**25,371**	**71,240**	**28,890**	**7,901**	**11,459**	**-3,938**		**-4,280**	**-2,425**	**134,218**	**15,979**	**150,197**
IAS 19 revised adoption effect							-176			**-176**	13	**-163**
BALANCES AT 1 January 2012	**25,371**	**71,240**	**28,890**	**7,901**	**11,459**	**-3,938**	**-176**	**-4,280**	**-2,425**	**134,042**	**15,992**	**150,034**
Allocation of 2011 income/(loss)	-	-	1,715	-	-	-5,995	-	4,280	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-
Treasury stock (buyback)/sale	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income/(loss) at 30/06/12	-	-	-	-	-	-	-	-4,352	272	-4,080	174	-3,906
Other changes	-	-	-	-	-	-77	-	-	313	236	-236	-
BALANCES AT 30 June 2012	**25,371**	**71,240**	**30,605**	**7,901**	**11,459**	**-10,010**	**-176**	**-4,352**	**-1,840**	**130,198**	**15,930**	**146,128**

(Values in thousands of EUR)	Share capital	Share premium reserve	Other reserves	Fair Value reserve	IAS reserve	Profit/(losses) carried-forward	Reamisurement of defined benefit plans reserve	Net profit / loss for the Group	Translation reserve	Group interest in shareholders' equity	Minority interest in shareholders' equity	Total shareholders' equity
BALANCES AT 31 December 2012	**25,371**	**71,240**	**30,605**	**7,901**	**11,459**	**-10,010**		**-3,028**	**-2,140**	**131,398**	**15,549**	**146,947**
IAS 19 revised adoption effect							-1,039			**-1,039**	-11	**-1,050**
BALANCES AT 1 January 2013	**25,371**	**71,240**	**30,605**	**7,901**	**11,459**	**-10,010**	**-1,039**	**-3,028**	**-2,140**	**130,359**	**15,538**	**145,897**
Allocation of 2012 income/(loss)	-	-	1,160	-	-	-4,188	-	3,028	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-
Treasury stock (buyback)/sale	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income/(loss) at 30/06/13	-	-	-	-	-	-	-	-3,702	-130	-3,832	402	-3,430
Other changes	-	-	-	-	-	-	-	-	-	-	-	-
BALANCES AT 30 June 2013	**25,371**	**71,240**	**31,765**	**7,901**	**11,459**	**-14,198**	**-1,039**	**-3,702**	**-2,270**	**126,527**	**15,940**	**142,467**

Explanatory notes

GENERAL INFORMATION

Aeffe Group operates worldwide in the luxury goods sector and is active in the design, production and distribution of a wide range of products that includes prêt-a-porter, footwear and leather goods.

The Group develops, produces and distributes, with a constant focus on the qualities of uniqueness and exclusivity, its own collections both under its own-label brands, including "Alberta Ferretti", "Moschino" and "Pollini", and licensed brands, which include "Blugirl", "Cedric Charlier" and "Ungaro". The Group also has licensed to key partners the production and distribution of other accessories and products with which it supplements its product range (perfumes, junior and children's lines, watches, sunglasses and other).

The Group's business is divided, based on the various product lines and brands it sells, into two segments: prêt-a-porter (which includes prêt-a-porter, lingerie and swimwear) and footwear and leather goods.

The Parent Company Aeffe, an Italian legal entity incorporated as a public limited company (società per azioni) based in San Giovanni in Marignano (RN), is currently listed in the – STAR Segment – of the MTA, the Italian Stock Exchange operated by Borsa Italiana.

Aeffe is controlled by Fratelli Ferretti Holding S.r.l..

These consolidated financial statements include the financial statements of the Parent Company Aeffe and its subsidiaries and the Group's equity interests in affiliated companies. They consist of the balance sheet, income statement, comprehensive income statement, cash flow statement, statement of changes in equity and these notes.

The financial statements are expressed in euro, since this is the currency in which most of the Group's transactions are conducted. Foreign operations are included in the consolidated financial statements according to the principles stated in the notes that follow.

DECLARATION OF CONFORMITY AND REPORTING PRINCIPLES

The half-year condensed financial statements at 30 June 2013 have been prepared in accordance with International Financial Reporting Standards –"IFRS"- (the designation IFRS also includes all valid International Accounting Standards -"IAS"-, as well as all interpretations of the International Financial Reporting Interpretations Committee -"IFRIC"-, formerly the Standing Interpretations Committee -"SIC"-), issued by the International Accounting Standards Board –"IASB"– endorsed by the European Commission according to the procedures in art. 6 of (EC) Regulation n. 1606/2002 of the European Parliament and Council dated 19 July 2002. In particular, these half-year condensed financial statements have been prepared in accordance with IAS 34 – *Interim Financial Reporting*.

In the "Accounting policies" section are showed the international accounting principles adopted.

Unless otherwise indicated in the measurement bases described below, these consolidated financial statements were prepared in accordance with the historic cost principle.

The measurement bases were applied uniformly by all Group companies.

CONSOLIDATION PRINCIPLES

The scope of consolidation at 30 June 2013 includes the financial statements of the Parent Company Aeffe and those of the Italian and foreign companies in which Aeffe holds control either directly or through its subsidiaries and associates or in which it exerts a dominant influence.

If necessary, adjustments were made to the financial statements of subsidiaries to bring their accounting polices into line with those adopted by the Group.

Companies are consolidated using the line-by-line method. The principles adopted for the application of this method are essentially as follows:

- the book value of equity investments held by the Parent Company or other consolidated companies is written-off against the corresponding net equity at 30 June 2013 in relation to assumption of the assets and liabilities of the subsidiaries;
- the difference between historical cost and fair value of the net equity of shareholdings on the acquisition date is allocated as much as possible to the assets and liabilities of the shareholdings. The remainder is allocated to goodwill. In accordance with the transitional provisions of IFRS 3, the Group, in case it was present, has ceased to depreciate goodwill, instead subjecting it to impairment tests;
- significant transactions between consolidated companies are written-off, as are receivables and payables and earnings not yet realised from third parties arising from transactions between Group companies, excluding any tax effect;
- minority interests in shareholders' equity and net profit are reported in the relevant items of the consolidated balance sheet and income statement;
- companies acquired during the period are consolidated from the date on which majority control was achieved.

Subsidiaries

Subsidiaries are enterprises controlled by the Company. Control is the power to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The financial statements of subsidiaries are consolidated from the date on which the Group acquires control and until the date when such control ceases.

The acquisition of subsidiaries is accounted for using the acquisition method. Acquisition cost is determined by adding together the fair values of the assets transferred, the shares issued and the liabilities assumed on the acquisition date, plus the costs directly associated with the acquisition. Any surplus acquisition cost over the Group's percentage share of the fair value of the identifiable assets, liabilities and contingent liabilities of the associate is recognised as goodwill.

If the Group's percentage share of the fair value of the identifiable assets, liabilities and contingent liabilities of the associate exceeds acquisition cost, the difference is immediately recorded in the income statement.

Intercompany balances, transactions, revenue and costs are eliminated in the consolidated statements.

Furthermore, intercompany business combinations are recognised by maintaining the same book value of assets and liabilities as previously recorded in the consolidated financial statements.

Associates

An associate is an enterprise in which the Group has significant influence, but has neither sole or joint control, by taking part in decisions regarding the company's financial and operating strategy.

Trading results and the assets and liabilities of associates are accounted for in the consolidated financial statements based on the equity method, except where they are classified as held for sale.

According to this method, equity interests in associates are recorded in the balance sheet at cost, adjusted to take account of changes following the acquisition of their net assets, excluding any loss in value of individual investments. Losses of associates that exceed the Group's percentage interest in them (including long-term receivables that essentially form part of the Group's net investment in the associate) are not recognised unless the Group has an obligation to cover them. The surplus acquisition cost over the parent's percentage share of the present value of the identifiable assets, liabilities and contingent liabilities of the associate on the acquisition date is recognised as goodwill. Goodwill is included in the carrying amount of the investment and is subjected to impairment tests. The historical cost deficit compared with the Group's percentage share of the fair value of the identifiable assets, liabilities and contingent liabilities of associates on the acquisition date is credited to the income statement in the year of acquisition. With reference to operations between a Group company and an associate, unrealised gains and losses are eliminated in equal measure to the Group's percentage interest in the associate, except for cases where the unrealised losses constitute evidence of impairment of the asset transferred.

SCOPE OF CONSOLIDATION

The companies included in the scope of consolidation are listed in the following table:

Company	Location	Currency	Share capital	Direct interest	Indirect interest
Companies included in the scope of consolidation					
Italian companies					
Aeffe Retail S.p.A.	S.G. in Marignano (RN) Italy	EUR	8,585,150	100%	
Clan Cafè S.r.l.	S.G. in Marignano (RN) Italy	EUR	100,000		62,9% (iii)
Moschino S.p.A.	S.G. in Marignano (RN) Italy	EUR	20,000,000	70%	
Nuova Stireria Tavoleto S.r.l.	Tavoleto (PU) Italy	EUR	10,400	100%	
Pollini S.p.A.	Gatteo (FC) Italy	EUR	6,000,000	100%	
Pollini Retail S.r.l.	Gatteo (FC) Italy	EUR	5,000,000		100% (i)
Velmar S.p.A.	S.G. in Marignano (RN) Italy	EUR	120,000	100%	
Foreign companies					
Aeffe France S.a.r.l.	Paris (FR)	EUR	50,000	99.9%	
Aeffe UK Ltd.	London (GB)	GBP	310,000	100%	
Aeffe USA Inc.	New York (USA)	USD	600,000	100%	
Divè S.a.	Galazzano (RSM)	EUR	260,000	75%	
Fashoff UK Ltd.	London (GB)	GBP	1,550,000		70% (ii)
Moschino Japan Inc.	Tokio (J)	JPY	120,000,000		70% (ii)
Moschino Korea Ltd.	Seoul (ROK)	KRW	6,192,940,000		70% (ii)
Moschino France S.a.r.l.	Paris (FR)	EUR	50,000		70% (ii)
Moschino Retail G.m.b.h.	Berlin (D)	EUR	275,000		70% (ii)
Ozbek (london) Ltd.	London (GB)	GBP	300,000	92%	
Aeffe Japan Inc.	Tokio (J)	JPY	3,600,000	100%	
Bloody Mary Inc.	New York (USA)	USD	100,000		70% (ii)
Pollini Suisse S.a.g.l.	Chiasso (CH)	CHF	20,000		100% (i)
Pollini Austria G.m.b.h.	Vienna (A)	EUR	35,000		100% (i)

Notes (details of indirect shareholdings):

(i) 100% owned by Pollini Spa;

(ii) 100% owned by Moschino Spa;

(iii) 62,893% owned by Aeffe Retail.

FOREIGN CURRENCIES

Functional and reporting currency

The amounts in the financial statements of each Group enterprise are measured using the operating currency or the currency of the economic area in which the enterprise operates. These consolidated financial statements are presented in euro, which is the operating and reporting currency of the Parent Company.

Foreign currency transactions

Foreign currency transactions are converted into the operating currency at the exchange rate in force on the transaction date. Cash assets and liabilities denominated in foreign currencies are converted at the exchange rate in force on the balance sheet date. Any exchange rate differences arising from the elimination of these transactions or from the conversion of cash assets and liabilities are posted to the income statement. Non-cash assets and liabilities in foreign currencies that are measured at fair value are converted at the exchange rates in force on the date on which the fair value was determined.

Financial statements of foreign companies

The financial statements of companies outside the euro-zone are translated into euro based on the following procedures:

(i) assets and liabilities, including goodwill and fair value adjustments arising from consolidation are converted at the exchange rate in force on the balance sheet date;

(ii) revenue and costs are converted at the average rate for the period, which must be close to the exchange rate in force on the transaction date;

(iii) exchange rate differences are recognised in a separate account in shareholders' equity. When a foreign company is sold, the total amount of accumulated exchange rate differences relating to that company are recorded in the income statement.

The exchange rates used for the conversion into euro of the financial and equity statements of companies included in the scope of consolidation are listed in the following table:

Currency description	Actual exchange rate 30 June 2013	Average exchange rate 1st Half 2013	Actual exchange rate 31 December 2012	Average exchange rate FY 2012	Actual exchange rate 30 June 2012	Average exchange rate 1st Half 2012
United States Dollars	1.3080	1.3135	1.3194	1.2856	1.2590	1.2968
United Kingdom Pounds	0.8572	0.8512	0.8161	0.8111	0.8068	0.8225
Japanese Yen	129.3900	125.4660	113.6100	102.6212	100.1300	103.3668
South Korean Won	1494.2400	1450.7667	1406.2300	1448.1950	1441.0000	1480.6233
Swiss Franc	1.2338	1.2299	1.2072	1.2053	1.2030	1.2048

FINANCIAL STATEMENT FORMATS

As part of the options available under IAS 1 for the preparation of its economic and financial position, The Group has elected to adopt a balance sheet format that distinguishes between current and non-current assets and liabilities, and an income statement that classifies costs by type of expenditure, since this is deemed to reflect more closely its business activities. The cash flow statement is presented using the "indirect" format. The comprehensive income statement is presented using the approach of the two statements.

With reference to Consob Resolution n. 15519 dated 27 July 2006 regarding the format of the financial statements, additional schedules have also been presented for the income statement, the statement of financial position and the statement of cash flows in order to identify any significant transactions with related parties. This has been done to avoid any compromising the overall legibility of the main financial statements.

ACCOUNTING POLICIES

The accounting policies adopted in the preparation of this half-year financial report are the same used as those used in the preparation of the consolidated financial statement as of 31 December 2012, as described in the consolidated financial statements for the year ended 31 December 2012, except for the following interpretations and amendments to the accounting principles that have been mandatory since 1 January 2013 (unless otherwise indicated):

On 12 November 2009, the IASB issued a new standard IFRS 9 – Financial instruments that was subsequently amended. This standard, having an effective date for mandatory adoption of 1 January 2015 retrospectively, represents the completion of the first part of a project to replace IAS 39 and introduces new requirements for the classification and measurement of financial assets and financial liabilities. The new standard uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments and the contractual cash flow characteristics of the financial assets. The most significant effect of the standard regarding the classification and measurement of financial liabilities relates to the accounting for changes in fair value attributable to changes in the credit risk of financial liabilities designated as at fair value through profit or loss. Under the new standard these changes are recognised in Other comprehensive income and are not subsequently reclassified to the income statement.

On 12 May 2011, the IASB issued IFRS 10 – Consolidated Financial Statements replacing SIC-12 – Consolidation-Special Purpose Entities and parts of IAS 27 – Consolidated and Separate Financial Statements (subsequently reissued as IAS 27 - Separate Financial Statements which addresses the accounting treatment of investments in separate financial statements). The new standard builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included in the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The standard is effective retrospectively, at the latest for annual reporting periods beginning on or after 1 January 2014.

On 12 May 2011, the IASB issued IFRS 11 – Joint Arrangements superseding IAS 31 – Interests in Joint Ventures and SIC-13 – Jointly-controlled Entities: Non-monetary Contributions by Ventures. The new standard provides the criteria for identifying joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form and requires a single method to account for interests in jointly-controlled entities, the equity method. The standard is effective retrospectively, at the latest for annual periods beginning on or after 1 January 2014. Following the issue of the new standard, IAS 28 – Investments in Associates has been amended to include accounting for investments in jointly-controlled entities in its scope of application (from the effective date of the standard).

On 12 May 2011, the IASB issued IFRS 12 – Disclosure of Interests in Other Entities, a new and comprehensive standard on disclosure requirements for all forms of interests in other entities , including subsidiaries, joint arrangements, associates, special purpose vehicles and other unconsolidated vehicles. The standard is effective at the latest for annual reporting periods beginning on or after 1 January 2014.

On 12 May 2011, the IASB issued IFRS 13 – Fair Value Measurement, clarifying the determination of the fair value for the purpose of the financial statements and applying to all IFRSs permitting or requiring a fair value measurement or the presentation of disclosures based on fair value. The standard is effective prospectively from 1 January 2013.

On 16 June 2011, the IASB issued an amendment to IAS 1 – Presentation of Financial Statements requiring companies to group together items within other Comprehensive income (loss) that may be reclassified to the profit or loss section of the income statement. The amendment is applicable from periods beginning on or after 1 July 2012.

On 16 June 2011, the IASB issued an amended version of IAS 19 – Employee Benefits applicable retrospectively for the year beginning 1 January 2013. The amendment modified the requirements for recognizing defined benefits plans and termination benefits. The main changes concerning defined benefit plans regard the recognition of the entire plan deficit or surplus in the balance sheet, the introduction of net interest expense and the classification of net interest expense arising from defined plans. In details:

- Recognition of the plan deficit or surplus: The amendment removes the previous option of being able to defer actuarial gains and losses under the off balance sheet "corridor method", requiring these to be recognised directly in other comprehensive income. In addition, the amendment requires the immediate recognition of past service costs in profit or loss.

- Net interest expense: The concept of interest expense and expected return on plan assets are replaced by the concept of net interest expense on the net plan deficit or surplus, which consists of:

- the interest expense calculated on the present value of the liability for defined benefit plans,
- the interest income arising from the valuation of the plan assets, and
- the interest expense or income arising from any limits to the recognition of the plan surplus.

Net interest expense is calculated for all above components by using the discount rate applied for valuing the obligation for defined benefit plans at the beginning of the period.

- Classification of net interest expense: In accordance with the new definition of net interest expense set out in the standard, net interest expense on defined benefit plans will be recognised as Financial income/(expenses) in the income statement.

In accordance with the transitional rules included in paragraph 173 of IAS 19, the Group applied this amendment to IAS 19 retrospectively from 1 January 2013, adjusting the opening balance sheet at 1 January 2012 and 31 December 2012.

In more detail, the Group has calculated the following retrospective effects resulting from the adoption of the amendment to IAS 19:

			At 1 January 2012
(Values in thousands of EUR)	Amounts as previously reported	IAS 19 revised adoption effect	Amounts as restated
Effects on Statement of balance sheet			
Post employment benefits	7,943	225	**8,168**
Deferred tax liabilities	40,516	-62	**40,454**
Total shareholders' equity	150,197	-163	**150,034**
Group interest in shareholders' equity	134,218	-176	**134,042**
Minority interests in shareholders' equity	15,979	13	**15,993**

			At 31 December 2012
(Values in thousands of EUR)	Amounts as previously reported	IAS 19 revised adoption effect	Amounts as restated
Effects on Statement of balance sheet			
Post employment benefits	7,550	1,449	**8,999**
Deferred tax liabilities	37,818	-399	**37,419**
Total shareholders' equity	146,947	-1,051	**145,897**
Group interest in shareholders' equity	131,398	-1,039	**130,359**
Minority interests in shareholders' equity	15,549	-11	**15,538**

In the following schemes and tables is reported the amount of the amendment reported and the comparative data.

2012 amounts amendments

BALANCE SHEET

(Values in units of EUR)	Notes	31 December 2012	IAS 19 Amendments	31 December 2012 revised
NON-CURRENT ASSETS				
Intangible fixed assets				
Key money		37,586,914		37,586,914
Trademarks		99,442,455		99,442,455
Other intangible fixed assets		1,044,104		1,044,104
Total intangible fixed assets	(1)	138,073,473		138,073,473
Tangible fixed assets				
Lands		16,176,219		16,176,219
Buildings		24,689,217		24,689,217
Leasehold improvements		13,956,417		13,956,417
Plant and machinary		6,043,425		6,043,425
Equipment		301,814		301,814
Other tangible fixed assets		4,224,197		4,224,197
Total tangible fixed assets	(2)	65,391,289		65,391,289
Other fixed assets				
Equity investments	(3)	30,252		30,252
Long term financial receivables	(4)	1,690,617		1,690,617
Other fixed assets	(5)	2,621,329		2,621,329
Deferred tax assets	(6)	11,521,932		11,521,932
Total other fixed assets		15,864,130		15,864,130
TOTAL NON-CURRENT ASSETS		**219,328,892**	**-**	**219,328,892**
CURRENT ASSETS				
Stocks and inventories	(7)	77,121,718		77,121,718
Trade receivables	(8)	32,355,321		32,355,321
Tax receivables	(9)	10,052,200		10,052,200
Cash	(10)	5,362,315		5,362,315
Financial receivables	(11)	3,500,000		3,500,000
Other receivables	(12)	24,412,210		24,412,210
TOTAL CURRENT ASSETS		**152,803,764**	**-**	**152,803,764**
Assets available for sale	(13)	436,885		436,885
TOTAL ASSETS		**372,569,541**	**-**	**372,569,541**

(Values in units of EUR)	Notes	31 December 2012	IAS 19 Amendments	31 December 2012 revised
SHAREHOLDERS' EQUITY	**(14)**			
Group interest				
Share capital		25,371,407		25,371,407
Share premium reserve		71,240,251		71,240,251
Translation reserve		-2,140,056		-2,140,056
Other reserves		30,605,252	-1,039,218	29,566,034
Fair Value reserve		7,901,240		7,901,240
IAS reserve		11,459,492		11,459,492
Profits / (losses) carried-forward		-10,011,170		-10,011,170
Net profit / (loss) for the Group		-3,028,260		-3,028,260
Group interest in shareholders' equity		131,398,156	-1,039,218	130,358,938
Minority interest				
Minority interests in share capital and reserves		15,743,317	-11,471	15,731,846
Net profit / (loss) for the minority interests		-194,113		-194,113
Minority interests in shareholders' equity		15,549,204	-11,471	15,537,733
TOTAL SHAREHOLDERS' EQUITY		**146,947,360**	**-1,050,689**	**145,896,671**
NON-CURRENT LIABILITIES				
Provisions	(15)	1,098,481		1,098,481
Deferred tax liabilities	(6)	37,817,754	-398,537	37,419,217
Post employment benefits	(16)	7,549,956	1,449,226	8,999,182
Long term financial liabilities	(17)	4,006,802		4,006,802
Long term not financial liabilities	(18)	14,241,401		14,241,401
TOTAL NON-CURRENT LIABILITIES		**64,714,394**	**1,050,689**	**65,765,083**
CURRENT LIABILITIES				
Trade payables	(19)	48,147,543		48,147,543
Tax payables	(20)	3,940,805		3,940,805
Short term financial liabilities	(21)	94,464,883		94,464,883
Other liabilities	(22)	14,354,556		14,354,556
TOTAL CURRENT LIABILITIES		**160,907,787**	**-**	**160,907,787**
Liabilities available for sale		0		0
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**372,569,541**	**-**	**372,569,541**

No changes in the income statement have to be reported.

On 16 December 2011, the IASB issued certain amendment to IFRS 32 – Financial Instruments: Presentation to clarify the application of certain offsetting criteria for financial assets and financial liabilities in IAS 32. The amendments are affective for annual periods beginning on or after 1 January 2014 and are required to be applied retrospectively.

On 16 December 2011, the IASB issued certain amendment to IFRS 7 – Financial Instruments: Disclosures. The amendments require information about the effect or potential effect of netting arrangements for financial assets and liabilities on an entity’s financial position. Entities are required to apply the amendments for annual reporting periods beginning on or after 1 January 2013, and interim period within those annual periods. The required disclosures should be provided retrospectively.

COMMENTS ON THE CONSOLIDATED BALANCE SHEET

NON-CURRENT ASSETS

At the date of these half-year condensed financial statements there are no indications that assets may be impaired.

1. *INTANGIBLE FIXED ASSETS*

The table below illustrates the breakdown and the changes of this item:

(Values in thousands of EUR)	Brands	Key money	Other	Total
Net book value as of 01.01.13	**99,442**	**37,587**	**1,044**	**138,073**
Increases	0	572	217	789
- increases externally acquired	0	*572*	*217*	*789*
- increases from business aggregations	0	0	0	0
Disposals	0	0	*-2*	-2
Translation diff. / other variations	0	0	-212	-212
Amortisation	-1,746	-1,600	*-212*	-3,558
Net book value as of 30.06.13	**97,696**	**36,559**	**835**	**135,090**

Changes in intangible fixed assets highlight the following variations:

- increases equal to EUR 789 thousand;
- disposals equal to EUR 2 thousand;
- translations differences and other variations equal to EUR -212 thousand;
- amortisation of the period equal to EUR 3,558 thousand.

Brands

This item includes the Group's own-label brands ("Alberta Ferretti", "Philosophy", "Moschino", "Moschino Cheap & Chic", "Love Moschino", "Pollini", "Studio Pollini"). A breakdown of brands is given below:

(Values in thousands of EUR)	Brand residual life	30 June 2013	31 December 2012
Alberta Ferretti	30	3,715	3,777
Moschino	32	54,369	55,332
Pollini	28	39,612	40,333
Total		**97,696**	**99,442**

Key money

Key money refers to the amounts paid by the Group to take over leases relating to directly managed stores or, in the case of business combinations, the fair value of these assets at the time of acquisition.

The Group, up to the year 2008, even on the stock of valuations drawn up by independent experts, pointed out the scarce significance of the deadline attributable to the term of the leases. Indeed, to this regard the safeguards given to the lessee by the market routine and by specific legal provisions, which are combined with a strategy of progressive further expansion of the network carried forward by the companies of the

Group that usually renews the leases before their natural expiration and regardless of the intention to continue using the locations as Group boutiques, in view of the value attributable to the commercial positions concerned.

Following the change of the key money market, the Group deemed it proper to introduce a change of estimate on their useful life, switching from an indefinite useful life to a finite useful life.

Starting from 2009, a reversed trend has been noted. Although not generalised, it has led several of the lessors of the market to ask that the contract be terminated as the expiration date draws near. Even if the most recent transactions carried out by the Group are reassuring with regard to the entire recoverability of the original value of the key money, by virtue of the new market definition, the directors prudentially deemed it correct to change the estimate of useful life. Based on the experience of the renewals obtained from the lessors in past financial years, the directors deemed it fitting to estimate a useful life corresponding to the residual term of the contract, and generally plan a renewal for another 6 years, considering a final end value equal to the amounts due by way of indemnity for taking over the lease if provided for by the national regulations.

Other

The item other mainly includes software licences.

2. *TANGIBLE FIXED ASSETS*

The table below illustrates the breakdown and the changes of this item:

(Values in thousands of EUR)	Lands	Buildings	Leasehold improvements	Plant and machinery	Industrial and commercial equipment	Other tangible assets	Total
Net book value as of 01.01.13	**16,176**	**24,689**	**13,956**	**6,044**	**302**	**4,224**	**65,391**
Increases	-	23	2,783	140	119	1,082	4,147
Disposals	-	-	-14	-73	-	-10	-97
Translation diff. / other variations	-	-	1,465	-1,473	-3	-	-11
Depreciation	-	-283	-1,286	-515	-59	-563	-2,706
Net book value as of 30.06.13	**16,176**	**24,429**	**16,904**	**4,123**	**359**	**4,733**	**66,724**

Tangible fixed assets are changed as follows:

- Increases for new investments of EUR 4,147 thousand. These mainly refer to new investments in the maintenance and stores' refurbishment, mostly referring to the Alberta Ferretti stores in Rome and in London and the Moschino store in Rome.
- Disposals, net of the accumulated depreciation, of EUR 97 thousand.
- Decreases for differences arising on translation and other variations of EUR 11 thousand.
- Depreciation of EUR 2,706 thousand charged in relation to all tangible fixed assets, except for land, using the rates applicable to each category.

OTHER NON-CURRENT ASSETS

3. EQUITY INVESTMENTS

This item includes holdings represented by the cost.

4. LONG TERM FINANCIAL RECEIVABLES

The value at 30 June 2013 is related to the long term portion of financial receivables generated by the sale of the real estate properties owned by Aeffe USA that will be paid in 5 years.

5. OTHER FIXED ASSETS

This item mainly includes receivables for security deposits relating to commercial leases.

6. DEFERRED TAX ASSETS AND LIABILITIES

The table below illustrates the breakdown of this item at 30 June 2013 and at 31 December 2012:

(Values in thousands of EUR)	Receivables		Liabilities	
	30 June 2013	31 December 2012	30 June 2013	31 December (*) 2012
Tangible fixed assets	-	-	-182	-215
Intangible fixed assets	3	3	-177	-180
Provisions	1,502	1,707	-	-
Costs deductible in future periods	827	460	-	-
Income taxable in future periods	584	575	-1,128	-1,046
Tax losses carried forward	7,286	6,959	-	-
Other	-	-	-75	-73
Tax assets (liabilities) from transition to IAS	1,928	1,818	-35,729	-35,905
Total	**12,130**	**11,522**	**-37,291**	**-37,419**

Changes in temporary differences during the period are illustrated in the following table:

(Values in thousands of EUR)	Opening balance (*)	Differences arising on translation	Recorded in the income statement	Other	Closing balance
Tangible fixed assets	-215	-2	35	-	-182
Intangible fixed assets	-177	-	3	-	-174
Provisions	1,707	1	-206	-	1,502
Costs deductible in future periods	460	-	368	-1	827
Income taxable in future periods	-471	-	-73	-	-544
Tax losses carried forward	6,959	-169	680	-184	7,286
Other	-73	-1	249	-250	-75
Tax assets (liabilities) from transition to IAS	-34,087	-	119	167	-33,801
Total	**-25,897**	**-171**	**1,175**	**-268**	**-25,161**

(*) Following the retrospective application of the amendment to IAS 19 from 1 January 2013 the comparative figures at 1 January and 31 December 2012 have been restated as required by IAS 1. More specifically, the figure for deferred tax assets reported in the Consolidated Financial Statements at 31 December 2012 have changed by EUR 399 thousand. Reference should be made to the section "Accounting policies" for further details.

The negative variation of EUR 268 thousand in the column "Other" mainly refers to the compensation of the tax payables for IRES of the period matured in some of the Group's subsidiaries with the receivable for deferred tax generated in Aeffe Spa as a consequence of the adhesion of the subsidiaries to the fiscal consolidation.

CURRENT ASSETS

7. *STOCKS AND INVENTORIES*

This item comprises:

(Values in thousands of EUR)	30 June 2013	31 December 2012	Change Δ	%
Raw, ancillary and consumable materials	13,877	15,080	-1,203	-8.0%
Work in progress	7,062	6,842	220	3.2%
Finished products and goods for resale	56,625	54,938	1,687	3.1%
Advance payments	295	262	33	12.6%
Total	**77,859**	**77,122**	**737**	**1.0%**

Inventories of raw materials and work in progress mainly relate to the production of the Autumn/Winter 2013 collections, while finished products mainly concern the Spring/Summer 2013 and the Autumn/Winter 2013 collections and the Spring/Summer 2014 sample collections.

8. *TRADE RECEIVABLES*

This item is illustrated in details in the following table:

(Values in thousands of EUR)	30 June 2013	31 December 2012	Change Δ	%
Trade receivables	35,331	34,040	1,291	3.8%
(Allowance for doubtfull account)	-1,430	-1,685	255	-15.1%
Total	**33,901**	**32,355**	**1,546**	**4.8%**

Trade receivables amount to EUR 33,901 thousand at 30 June 2013, showing an increase of 4.8% compared with the amount at 31 December 2012 (EUR 32,355 thousand).

Management considers that the fair value of amounts due from customers approximates their book value.

The allowance for doubtful accounts is determined by reference to a detailed analysis of the available information and, in general, is based on historical trends.

9. *TAX RECEIVABLES*

This item in illustrated in details in the following table:

(Values in thousands of EUR)	30 June 2013	31 December 2012	Change Δ	%
VAT	4,065	5,748	-1,683	-29.3%
Corporate income taxes (IRES)	2,877	2,070	807	39.0%
Local business tax (IRAP)	481	118	363	307.6%
Amounts due by tax authority for withheld taxes	946	866	80	9.2%
Other tax receivables	1,265	1,250	15	1.2%
Total	**9,634**	**10,052**	**-418**	**-4.2%**

As of 30 June 2013, the Group's tax receivables amount to EUR 9,634 thousand. The change of EUR 418 thousand compared to 31 December 2012 is mainly due to the decrease of VAT receivables.

10. CASH

This item includes:

(Values in thousands of EUR)	30 June 2013	31 December 2012	Change Δ	%
Bank and post office deposits	3,873	4,295	-422	-9.8%
Cheques	43	340	-297	-87.4%
Cash in hand	474	727	-253	-34.8%
Total	**4,390**	**5,362**	**-972**	**-18.1%**

Bank and postal deposits represent the nominal value of the current account balances with credit institutions, including interest accrued on the balance sheet date. Cash in hand and equivalents represent the nominal value of the cash held on the balance sheet date.

The decrease in cash and cash equivalent, recorded at 30 June 2013 compared with the amount recorded at 31 December 2012, is EUR 972 thousand. About the reason of this variation refer to the Statement of Cash Flows.

11. FINANCIAL RECEIVABLES

The item is compared with the respective value at 31 December 2012:

(Values in thousands of EUR)	30 June 2013	31 December 2012	Change Δ	%
Financial receivables	1,000	3,500	-2,500	-71.4%
Total	**1,000**	**3,500**	**-2,500**	**-71.4%**

Short-term financial receivables change in the period of EUR 2,500 thousand for the collection of the receivable born with the disposal of a rent contract related to a real estate, used for commercial purposes, located in Rome.

12. OTHER RECEIVABLES

This caption comprises:

(Values in thousands of EUR)	30 June 2013	31 December 2012	Change Δ	%
Credits for prepaid costs	19,256	18,031	1,225	6.8%
Advances for royalties and commissions	1,018	1,103	-85	-7.7%
Advances to suppliers	271	470	-199	-42.3%
Accrued income and prepaid expenses	2,400	1,656	744	44.9%
Other	4,197	3,152	1,045	33.2%
Total	**27,142**	**24,412**	**2,730**	**11.2%**

Other current receivables increase by EUR 2,730 thousand mainly for the increase of credits for prepaid costs of EUR 1,225 thousand. Such increase has been generated by the seasonality of the business and by the increase of variable costs suspended at the end of June as a consequence of the good performances of sales and orders.

Credits for prepaid costs relate to the costs incurred to design and make samples for the Spring/Summer 2014 collections, which the corresponding revenues from sales have not been realised yet for and the partial suspension of the same costs for the Autumn/Winter 2013 collections.

13. *ASSETS AND LIABILITIES AVAILABLE FOR SALE*

The value at 30 June 2013 remains unchanged compared to the value at 31 December 2012.

This item is illustrated in details in the following table:

(Values in thousands of EUR)	30 June 2013	31 December 2012	Change Δ
Other fixed assets	437	437	0
Total	**437**	**437**	**0**

14. *SHAREHOLDERS' EQUITY*

Described below are the main categories of shareholders' equity at 30 June 2013, while the corresponding variations are described in the prospect of shareholders' equity.

(Values in thousands of EUR)	30 June 2013	31 December (*) 2012	Change Δ
Share capital	25,371	25,371	-
Share premium reserve	71,240	71,240	-
Other reserves	31,765	30,605	1,160
Fair value reserve	7,901	7,901	-
IAS reserve	11,459	11,459	-
Profits / (losses) carried-forward	-14,198	-10,010	-4,188
IAS 19 reserve	-1,039	-1,039	-
Net profit / (loss) for the Group	-3,702	-3,028	-674
Translation reserve	-2,270	-2,140	-130
Minority interest	15,940	15,538	402
Total	**142,467**	**145,897**	**-3,430**

SHARE CAPITAL

Share capital as of 30 June 2013, totally subscribed and paid, (gross of treasury shares) totals EUR 26,841 thousand), and is represented by 107,362,504 shares, par value EUR 0.25 each. At 30 June 2013 the Parent Company holds 5,876,878 treasury shares, representing the 5.5% of its share capital.

There are no shares with restricted voting rights, without voting rights or with preferential rights. The number of outstanding shares is not changed during the period.

SHARE PREMIUM RESERVE

The share premium reserve amounts to EUR 71,240 thousand and it remains unchanged since 31 December 2012.

OTHER RESERVES

The changes in these reserves reflect the allocation of prior-year profit of the Parent Company.

FAIR VALUE RESERVE

The fair value reserve derives from the application of IAS 16 in order to measure the land and buildings owned by the Company at their fair value, as determined with reference to an independent appraisal.

IAS RESERVE

The IAS reserve, formed on the first-time adoption of IFRS, reflects the differences in value that emerged on the transition from ITA GAAP to IFRS. The differences reflected in this equity reserve are stated net of tax effect, as required by IFRS 1. Each difference was allocated on a pro rata basis to minority interests.

IAS 19 RESERVE

Following the retrospective application of the amendment to IAS 19 from 1 January 2013 the comparative figures at 1 January and 31 December 2012 have been restated as required by IAS 1. More specifically, the figure for closing Equity reported in the Consolidated Financial Statements at 31 December 2012 has decreased by EUR 1,050 thousand, of which EUR 1,039 thousand relates to Equity attributable to owners of the parent and EUR 11 thousand relates to Non-controlling interest. Reference should be made to the section "Accounting policies" for further details.

PROFITS/(LOSSES) CARRIED-FORWARD

The caption Profits/(losses) carried-forward decrease mainly as a consequence of the consolidated net loss recorded during the year ended at 31 December 2012.

TRANSLATION RESERVE

The decrease of EUR 130 thousand related to such reserve is due to the conversion of companies' financial statements in other currency than EUR.

MINORITY INTERESTS

The variation is due to the portion of result for the period ended at 30 June 2013 attributable to the minority shareholders.

Minority interests represent the shareholders' equity of consolidated companies owned by other shareholders and include the corresponding IAS reserve.

NON-CURRENT LIABILITIES

15. PROVISIONS

Provisions are illustrated in the following statement:

(Values in thousands of EUR)	31 December 2012	Increases	Decreases	30 June 2013
Pensions and similar obligations	959	5	-189	775
Other	139	-	-27	112
Total	**1,098**	**5**	**-216**	**887**

The supplementary clientele severance indemnity fund is determined based on an estimate of the liability relating to the severance of agency contracts, taking account of statutory provisions and any other relevant factor, such as statistical data, average duration of agency contracts and their rate of turnover. The item is calculated based on the actual value of the outflow necessary to extinguish the obligation.

Potential tax liabilities for which no reserves have been established, since it is not considered probable that they will give rise to a liability for the Group, are described in the paragraph “Contingent liabilities”.

16. POST-EMPLOYMENT BENEFITS

The severance indemnities payable on a deferred basis to all employees of the Group are deemed to represent a defined benefits plan (IAS 19), since the employer's obligation does not cease on payment of the contributions due on the remuneration paid, but continue until termination of the employment relationship.

For plans of this type, the standard requires the amount accrued to be projected forward in order to determine the amount that will be paid on the termination of employment, based on an actuarial valuation that takes account of employee turnover, likely future pay increases and any other applicable factors. This methodology does not apply to those employees whose severance indemnities are paid into approved supplementary pension funds which, in the circumstances, are deemed to represent defined contributions plans.

Starting from 1 January 2007, the Finance Law and related enabling decrees introduced significant changes to the regulations governing severance indemnities, including the ability of employees to choose how their individual severance indemnities will be allocated. In particular, employees can now allocate the new amounts accrued to approve pension plans or decide to retain them with the employer (which must pay the related severance contributions into a treasury account managed by INPS).

Changes in the provision are illustrated in the following statement:

(Values in thousands of EUR)	31 December (*) 2012	Increases	Decreases/ Other variations	30 June 2013
Post employment benefits	8,999	122	-424	8,697
Total	**8,999**	**122**	**-424**	**8,697**

(*) Following the retrospective application of the amendment to IAS 19 from 1 January 2013 the comparative figures at 1 January and 31 December 2012 have been restated as required by IAS 1. More specifically, the figure for post-employment benefits reported in the Consolidated Financial Statements at 31 December 2012 have changed by EUR 1,449 thousand. Reference should be made to the section "Accounting policies" for further details.

Increases include financial expenses for EUR 105 thousand.

17. Long-term financial liabilities

The following table contains details of long-term borrowings:

(Values in thousands of EUR)	30 June 2013	31 December 2012	Change Δ	%
Loans from financial institutions	2,330	3,919	-1,589	-40.5%
Amounts due to other creditors	88	88	0	n.a.
Total	**2,418**	**4,007**	**-1,589**	**-39.7%**

The amounts due to banks relate to the portion of bank loans due beyond 12 months. This caption solely comprises unsecured loans and bank finance. Such loans are not assisted by any form of security and they are not subject to special clauses, except for the early repayment clauses normally envisaged in commercial practice.

Furthermore, there are no covenants to comply with specific financial terms or negative pledges.

The following table contains details of bank loans as of 30 June 2013, including the current portion and long term portion:

(Values in thousands of EUR)	Total amount	Current portion	Long term portion
Bank borrowings	5,484	3,154	2,330
Total	**5,484**	**3,154**	**2,330**

There are no amounts due beyond five years.

18. Long-term not financial liabilities

This caption, in the amount of EUR 14,241 thousand, mainly refers to the debt due by the subsidiary Moschino in relation to an interest-free shareholder loan from Sinv. This liability is treated as a payment on capital account and arose on the purchase of Moschino by the Parent Company and Sinv in 1999, divided into proportional shares according to the equity interest held the Parent Company and Sinv in Moschino.

CURRENT LIABILITIES

19. TRADE PAYABLES

The item is compared with the respective value at 31 December 2012:

(Values in thousands of EUR)	30 June 2013	31 December 2012	Change Δ	%
Trade payables	45,238	48,148	-2,910	-6.0%
Total	**45,238**	**48,148**	**-2,910**	**-6.0%**

Trade payables are due within 12 months and concern debts for supplying goods and services.

20. TAX PAYABLES

Tax payables are analysed in comparison with the related balances as of 31 December 2012 in the following table:

(Values in thousands of EUR)	30 June 2013	31 December 2012	Change Δ	%
Local business tax (IRAP)	404	501	-97	-19.4%
Corporate income tax (IRES)	109	118	-9	-7.6%
Amounts due to tax authority for withheld taxes	2,030	2,446	-416	-17.0%
VAT due to tax authority	426	231	195	84.4%
Other	533	645	-112	-17.4%
Total	**3,502**	**3,941**	**-439**	**-11.1%**

Tax payables decrease of EUR 439 thousand compared with 31 December 2012.

21. SHORT-TERM FINANCIAL LIABILITIES

A breakdown of this item is given below:

(Values in thousands of EUR)	30 June 2013	31 December 2012	Change Δ	%
Due to banks	101,714	94,465	7,249	7.7%
Total	**101,714**	**94,465**	**7,249**	**7.7%**

Current bank debts include advances granted by credit institutions, current loans and the current portion of long-term financing commitments. Advances mainly consist of withdrawals from short-term credit facilities to finance the working capital requirement. Current loans (due within 12 months) are loans granted by banks to the Parent Company and to other Group companies.

22. OTHER LIABILITIES

Other current liabilities are analysed on a comparative basis in the following table:

(Values in thousands of EUR)	30 June 2013	31 December 2012	Change Δ	%
Due to total security organization	2,916	3,637	-721	-19.8%
Due to employees	6,870	4,841	2,029	41.9%
Trade debtors - credit balances	1,990	1,631	359	22.0%
Accrued expenses and deferred income	2,469	2,321	148	6.4%
Other	2,056	1,925	131	6.8%
Total	**16,301**	**14,355**	**1,946**	**13.6%**

The amounts due to social security and pension institutions, recorded at nominal value, relate to the social security charges on the wages and salaries of the Group's employees. Their decrease compared to the value at 31 December 2012 is mainly due to the welfare contributions paid in January 2013 on the quota of the thirteenth monthly pay paid in December 2012.

The considerable increase in the amount due to employees is mainly assignable to the presence of the thirteenth monthly pay accrual as of 30 June 2013 which has no equivalent as of 31 December 2012.

The increase of trade debtors is mainly related to the seasonality of the business.

The caption accrued expenses and deferred income mainly refers to the deferred income relating to the deferment to the next half year of the revenues not of competence.

The other liabilities mainly include commission payables.

SEGMENT INFORMATION REGARDING PROFIT OR LOSS, ASSETS AND LIABILITIES

In order to apply the IFRS 8 the Group has considered to delineate as operative sectors the same used by IAS 14 Segment reporting: *Prêt-à porter* Division and footwear and leather goods Division. Such decision has been taken because they represent business activities from which the entity may earn revenues and incur expenses, whose operating result are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Prêt-à porter Division is mainly represented by the companies Aeffe, Moschino and Velmar, operating in the design, production and distribution of luxury prêt-à porter and lingerie, beachwear and loungewear collections.

In terms of prêt-à porter collections, the activity is carried out by Aeffe, both for the production of the Group's own-label brands ("Alberta Ferretti", "Philosophy", "Moschino", "Moschino Cheap and Chic" and "Love Moschino") and brands licensed from other companies (such as "Blugirl", "Cedric Charlier" and "Ungaro"). Aeffe also handles the distribution of all Division products, which takes place via the retail channel through subsidiaries and via the wholesale channel.

Velmar manufactures and distributes lingerie and swimwear collections, and specifically men's/women's lingerie, underwear, beachwear and loungewear. Collections are produced and distributed under the Group's own-label brands such as "Moschino", and under third-party licensed brands such as "Blugirl".

The Prêt-a-porter Division also manages licensing agreements granted to other companies to manufacture Aeffe and Moschino branded product lines such as the "Moschino" brand licensing agreement relating to the *love* line, "Moschino" branded perfumes and "Moschino" branded sunglasses.

The footwear and leather goods Division, which is composed of Pollini and its subsidiaries, mainly handles the design, production and distribution of footwear, small leather goods, bags and matching accessories made from exclusive materials.

The operating activity is mainly carried out by Pollini, which directly handles the design, production and distribution of own-label products, as well as the production and distribution of brands licensed by Group companies. The footwear and leather goods division also manages licensing agreements granted to other companies to manufacture "Pollini" products such as umbrellas, foulards and ties.

The following tables indicate the main economic data for the first half-year 2013 and 2012 of the *Prêt-à porter* and Footwear and leather goods Divisions:

(Values in thousand of EUR) 1st Half 2013	Prêt-à porter Division	Footwear and leather goods Division	Elimination of intercompany transactions	Total
SECTOR REVENUES	**97,782**	**33,690**	**-8,553**	**122,919**
Intercompany revenues	-2,813	-5,740	8,553	0
Revenues with third parties	**94,969**	**27,950**	-	**122,919**
Gross operating margin (EBITDA)	**7,766**	**-431**	-	**7,335**
Amortisation	-4,842	-1,422	-	-6,264
Other non monetary items:				
Write-downs		-43	-	-43
Net operating profit / loss (EBIT)	**2,924**	**-1,896**	-	**1,028**
Financial income	495	9	-387	117
Financial expenses	-2,816	-929	387	-3,358
Profit / loss before taxes	**603**	**-2,816**	**-**	**-2,213**
Income taxes	-1,600	513	-	-1,087
Net profit / loss	**-997**	**-2,303**	**-**	**-3,300**

(Values in thousand of EUR) 1st Half 2012	Prêt-à porter Division	Footwear and leather goods Division	Elimination of intercompany transactions	Total
SECTOR REVENUES	**96,894**	**32,291**	**-7,522**	**121,663**
Intercompany revenues	-2,497	-5,025	7,522	0
Revenues with third parties	**94,397**	**27,266**	-	**121,663**
Gross operating margin (EBITDA)	**7,711**	**-595**	-	**7,116**
Amortisation	-5,347	-1,379	-	-6,726
Other non monetary items:				
Write-downs	-8	-27	-	-35
Net operating profit / loss (EBIT)	**2,356**	**-2,001**	-	**355**
Financial income	507	23	-479	51
Financial expenses	-3,414	-1,043	479	-3,978
Profit / loss before taxes	**-551**	**-3,021**	**-**	**-3,572**
Income taxes	-1,175	569	-	-606
Net profit / loss	**-1,726**	**-2,452**	**-**	**-4,178**

The following tables indicate the main patrimonial and financial data at 30 June 2013 and 31 December 2012 of the Prêt-à porter and Footwear and leather goods Divisions:

(Values in thousand of EUR) 30 June 2013	Prêt-à porter Division	Footwear and leather goods Division	Elimination of intercompany transactions	Total
SECTOR ASSETS	*293,561*	*104,941*	*-47,510*	350,992
of which non-current assets (*)				
Intangible fixed assets	*88,213*	*46,877*	*-*	*135,090*
Tangible fixed assets	*62,843*	*3,881*	*-*	*66,724*
Other non-current assets	*8,339*	*1,580*	*-5,469*	*4,450*
OTHER ASSETS	*18,581*	*3,182*	-	21,763
CONSOLIDATED ASSETS	**312,142**	**108,123**	**-47,510**	**372,755**

(*) Non-current assets other than financial instruments, deferred tax assets, post-employment benefit assets and rights arising under insurance contracts

(Values in thousand of EUR) 30 June 2013	Prêt-à porter Division	Footwear and leather goods Division	Elimination of intercompany transactions	Total
SECTOR LIABILITIES	*169,957*	*67,049*	*-47,510*	189,496
OTHER LIABILITIES	26,272	14,521	-	40,793
CONSOLIDATED LIABILITIES	**196,229**	**81,570**	**-47,510**	**230,289**

(Values in thousand of EUR) 31 December 2012	Prêt-à porter Division	Footwear and leather goods Division	Elimination of intercompany transactions	Total
SECTOR ASSETS	*291,880*	*103,089*	*-43,973*	350,996
of which non-current assets (*)				
Intangible fixed assets	*90,218*	*47,855*	-	*138,073*
Tangible fixed assets	*61,407*	*3,984*	-	*65,391*
Other non-current assets	*8,226*	*1,585*	*-5,469*	*4,342*
OTHER ASSETS	*18,740*	*2,834*	-	21,574
CONSOLIDATED ASSETS	**310,620**	**105,923**	**-43,973**	**372,570**

(*) Non-current assets other than financial instruments, deferred tax assets, post-employment benefit assets and rights arising under insurance contracts

(Values in thousand of EUR) 31 December 2012	Prêt-à porter Division	Footwear and leather goods Division	Elimination of intercompany transactions	Total
SECTOR LIABILITIES	166,026	61,810	*-43,973*	183,863
OTHER LIABILITIES	26,774	14,985	-	41,759
CONSOLIDATED LIABILITIES	**192,800**	**76,795**	**-43,973**	**225,622**

Segment information by geographical area

The following table indicates the revenues for the first half-year 2013 and 2012 divided by geographical area:

(Values in thousands of EUR)	1st Half 2013	%	1st Half 2012	%	Change Δ	%
Italy	52,763	42.9%	49,894	41.0%	2,869	5.7%
Europe (Italy and Russia excluded)	24,097	19.6%	24,564	20.2%	-467	-1.9%
Russia	9,541	7.8%	10,153	8.3%	-612	-6.0%
United States	7,724	6.3%	9,311	7.7%	-1,587	-17.0%
Japan	10,151	8.3%	11,205	9.2%	-1,054	-9.4%
Rest of the World	18,643	15.1%	16,536	13.6%	2,107	12.7%
Total	**122,919**	**100.0%**	**121,663**	**100.0%**	**1,256**	**1.0%**

COMMENTS ON THE CONSOLIDATED INCOME STATEMENT

23. REVENUES FROM SALES AND SERVICES

In the first semester of 2013, Aeffe consolidated revenues amount to EUR 122,919 thousand compared to EUR 121,663 thousand in the first semester of 2012, with a 1.0% increase at current exchange rates (+2.5% at constant exchange rates).

The revenues of the prêt-à-porter division increase by 0.9% (+2.8% at constant exchange rates) to EUR 97,782 thousand, while the revenues of the footwear and leather goods division increase by 4.3% to EUR 33,690 thousand, before interdivisional eliminations.

24. OTHER REVENUES AND INCOME

This item comprises:

(Values in thousands of EUR)	1st Half 2013	1st Half 2012	Change Δ	%
Extraordinary income	848	314	534	170.1%
Other income	2,062	2,891	-829	-28.7%
Total	**2,910**	**3,205**	**-295**	**-9.2%**

In 1stH 2013, the caption extraordinary income, composed by recovery of receivables from bankrupt customers, time expiry of receivables and payables that arose in prior years, increases by 534 thousand compared to the previous semester.

The caption other income, which amounts to EUR 2,062 thousand, mainly refers to exchange gains on commercial transaction, rental income, sales of raw materials and packaging. The variation of EUR 829 thousand compared to the previous semester is mainly due to the decrease of exchange gains on commercial transaction, in particular the ones related to the variation of the US dollar.

25. COSTS OF RAW MATERIALS

(Values in thousands of EUR)	1st Half 2013	1st Half 2012	Change Δ	%
Raw, ancillary and consumable materials and goods for resale	43,175	40,500	2,675	6.6%
Total	**43,175**	**40,500**	**2,675**	**6.6%**

This item mainly includes costs for the acquisition of raw materials such as fabrics, threads, skins and accessories, purchases of finished products for resale (products sold) and packaging.

26. COSTS OF SERVICES

This item comprises:

(Values in thousands of EUR)	1st Half 2013	1st Half 2012	Change Δ	%
Subcontracted work	9,789	10,956	-1,167	-10.7%
Consultancy fees	6,565	7,286	-721	-9.9%
Advertising	4,644	5,207	-563	-10.8%
Commission	2,333	2,261	72	3.2%
Transport	2,223	2,154	69	3.2%
Utilities	1,263	1,175	88	7.5%
Directors' and auditors' fees	1,341	1,305	36	2.8%
Insurance	357	370	-13	-3.5%
Bank charges	746	767	-21	-2.7%
Travelling expenses	1,026	1,244	-218	-17.5%
Other services	2,800	2,881	-81	-2.8%
Total	**33,087**	**35,606**	**-2,519**	**-7.1%**

Costs of services decrease from EUR 35,606 thousand in the 1stH 2012 to EUR 33,087 thousand in the 1stH 2013, down 7.1%. The decrease is due to:

- the decrease of subcontracted work, which has to be examined jointly with the cost of raw materials because together form the cost of goods sold. In terms of incidence on turnover, this cost component changes from 38.4% of the first semester 2012 to 39.4% of the first semester 2013.
- the general decrease of costs for "Consultancy fees";
- the decrease of costs for "Advertising". The Group expenses for advertising and public relations in total (classified by nature in different entries of the income statement) keep an incidence of about 8% on turnover, in line compared to previous periods.

27. COSTS FOR USE OF THIRD PARTIES ASSETS

This item comprises:

(Values in thousands of EUR)	1st Half 2013	1st Half 2012	Change Δ	%
Rental expenses	10,340	10,414	-74	-0.7%
Royalties	1,747	1,077	670	62.2%
Hire charges and similar	472	406	66	16.3%
Total	**12,559**	**11,897**	**662**	**5.6%**

The caption costs for use of third parties assets increases of EUR 662 thousand from EUR 11,897 thousand in the 1stH 2012 to EUR 12,559 thousand in the 1stH 2013. Such increase is mainly due to more royalties related to brands under license.

28. LABOUR COSTS

The item includes:

(Values in thousands of EUR)	1st Half 2013	1st Half 2012	Change Δ	%
Wages and salaries	23,196	23,083	113	0.5%
Contributions and other costs	8,203	7,988	215	2.7%
Total	**31,399**	**31,071**	**328**	**1.1%**

Labour costs increase from EUR 31,071 thousand in 1stH 2012 to EUR 31,399 thousand in 1stH 2013 with an incidence on revenues which remains constant in the two semesters at 25.5%.

The workforce decreases from an average of 1,455 units in the 1stH 2012 to 1,433 units in the 1stH 2013.

Average number of employees by category	1st Half 2013	1st Half 2012	Change Δ	% %
Workers	357	390	-33	-8%
Office staff-supervisors	1,050	1,038	12	1%
Executive and senior managers	26	27	-1	-4%
Total	**1,433**	**1,455**	**-22**	**-2%**

29. Other operating expenses

This item includes:

(Values in thousands of EUR)	1st Half 2013	1st Half 2012	Change Δ	%
Taxes	474	444	30	6.8%
Gifts	69	154	-85	-55.2%
Contingent liabilities	223	615	-392	-63.7%
Write-down of current receivables	83	105	-22	-21.0%
Foreign exchange losses	1,688	1,805	-117	-6.5%
Other operating expenses	221	287	-66	-23.0%
Total	**2,758**	**3,410**	**-652**	**-19.1%**

The caption other operating expenses amounts to EUR 2,758 thousand, with a decrease of 19.1% compared with EUR 3,410 thousand in the 1stH 2012.

30. Amortisation, write-downs and provisions

This item includes:

(Values in thousands of EUR)	1st Half 2013	1st Half 2012	Change Δ	%
Amortisation of intangible fixed assets	3,558	3,867	-309	-8.0%
Depreciation of tangible fixed assets	2,706	2,859	-153	-5.4%
Write-downs	43	35	8	22.9%
Total	**6,307**	**6,761**	**-454**	**-6.7%**

Amortisations decrease of EUR 454 thousand compared with the previous semester.

31. Financial income/ expenses

This item includes:

(Values in thousands of EUR)	1st Half 2013	1st Half 2012	Change Δ	%
Interest income	81	13	68	523.1%
Foreign exchange gains	6	17	-11	-64.7%
Financial discounts	31	4	27	675.0%
Other income	0	17	-17	-100.0%
Financial income	**118**	**51**	**67**	**131.4%**
Bank interest expenses	2,988	3,310	-322	-9.7%
Other interest expenses	165	272	-107	-39.3%
Lease interest	0	69	-69	-100.0%
Foreign exchange losses	4	8	-4	-50.0%
Other expenses	201	320	-119	-37.2%
Financial expenses	**3,358**	**3,979**	**-621**	**-15.6%**
Total	**3,240**	**3,928**	**-688**	**-17.5%**

The decrease in financial income/expenses amounts to EUR 688 thousand. Such effect is substantially linked to:

- the lower Group indebtedness compared at 30 June 2012;
- the decline of the average interest rate of the first semester 2013 compared to the one of 2012.

32. INCOME TAXES

This item includes:

(Values in thousands of EUR)	1st Half 2013	1st Half 2012	Change Δ	%
Current income taxes	2,240	4,467	-2,227	-49.9%
Deferred income/(expenses) taxes	-1,175	-4,129	2,954	-71.5%
Taxes related to previous years	22	268	-246	-91.8%
Total income taxes	**1,087**	**606**	**481**	**79.4%**

Details of deferred tax assets and liabilities and changes in this item are described in the paragraph on deferred tax assets and liabilities.

The reconciliation between actual and theoretical taxation for the 1stH 2013 and 2012 is illustrated in the following table:

(Values in thousands of EUR)	1st Half 2013	1st Half 2012
Profit before taxes	-2,213	-3,573
Theoretical tax rate	27.5%	27.5%
Theoretical income taxes (IRES)	**-609**	**-983**
Fiscal effect	-198	-159
Effect of foreign tax rates	1,108	538
Total income taxes excluding IRAP (current and deferred)	**301**	**-604**
IRAP (current and deferred)	**786**	**1,210**
Total income taxes (current and deferred)	**1,087**	**606**

This reconciliation of the theoretical and effective tax rates does not take account of IRAP, given that it does not use profit before taxes to calculate the taxable amount. Accordingly, the inclusion of IRAP in the reconciliation would generate distorting effects between years.

COMMENTS ON THE CONSOLIDATED STATEMENT OF CASH FLOWS

The cash flow absorbed during the first half of 2013 is EUR 972 thousand.

(Values in thousands of EUR)	1st Half 2013	1st Half 2012
OPENING BALANCE (A)	**5,362**	**8,444**
Cash flow (absorbed)/ generated by operating activity (B)	-998	-5,083
Cash flow (absorbed)/ generated by investing activity (C)	-4,656	5,223
Cash flow (absorbed)/ generated by financing activity (D)	4,682	-2,420
Increase/(decrease) in cash flow (E)=(B)+(C)+(D)	**-972**	**-2,280**
CLOSING BALANCE (F)=(A)+(E)	**4,390**	**6,164**

33. Cash flow (absorbed)/ generated by operating activity

The cash flow absorbed by operating activity during the first half of 2013 amounts to EUR 998 thousand.

The cash flow comprising these funds is analysed below:

(Values in thousands of EUR)	1st Half 2013	1st Half 2012
Profit before taxes	-2,213	-3,573
Amortisation / write-downs	6,307	6,761
Accrual (+)/availment (-) of long term provisions and post employment benefits	-513	-237
Paid income taxes	-2,262	-1,768
Financial income (-) and financial charges (+)	3,240	3,928
Change in operating assets and liabilities	-5,557	-10,194
CASH FLOW (ABSORBED)/ GENERATED BY OPERATING ACTIVITY	**-998**	**-5,083**

34. Cash flow (absorbed)/ generated by investing activity

The cash flow absorbed by investing activity during the first half of 2013 amounts to EUR 4,656 thousand.

The factors comprising these funds are analysed below:

(Values in thousands of EUR)	1st Half 2013	1st Half 2012
Increase (-)/ decrease (+) in intangible fixed assets	-575	146
Increase (-)/ decrease (+) in tangible fixed assets	-4,036	-2,162
Investments and write-downs (-)/ Disinvestments and revaluations (+)	-45	7,239
CASH FLOW (ABSORBED)/ GENERATED BY INVESTING ACTIVITY	**-4,656**	**5,223**

35. Cash flow (absorbed)/ generated by financing activity

The cash flow generated by financing activity during the first half of 2013 amounts to EUR 4,682 thousand.

The factors comprising these funds are analysed below:

(Values in thousands of EUR)	1st Half 2013	1st Half 2012
Other variations in reserves and profits carried-forward of shareholders' equity	-130	272
Dividends paid	0	0
Proceeds (+)/repayment (-) of financial payments	5,660	2,254
Increase (-)/ decrease (+) in long term financial receivables	2,392	-1,018
Financial income (+) and financial charges (-)	-3,240	-3,928
CASH FLOW (ABSORBED)/GENERATED BY FINANCING ACTIVITY	**4,682**	**-2,420**

OTHER INFORMATION

36. STOCK OPTIONS PLAN

During the semester no stock options of Aeffe S.p.A. have been granted. For the details relating to the stock options plans refer to the financial statements ended at 31 December 2012.

37. NET FINANCIAL POSITION

As required by Consob communication DEM/6264293 dated 28 July 2006 and in compliance with the CESR's “Recommendations for the consistent implementation of the European Commission's Regulation on Prospectuses” dated 10 February 2005, the Group's net financial position as of 30 June 2013 is analysed below:

(Values in thousands of EUR)	30 June 2013	31 December 2012
A - Cash in hand	517	1,067
B - Other available funds	3,873	4,295
C - Securities held for trading	-	-
D - Cash and cash equivalents (A) + (B) + (C)	*4,390*	*5,362*
E - Short term financial receivables	1,000	3,500
F - Current bank loans	-98,560	-91,360
G - Current portion of long-term bank borrowings	-3,154	-3,105
H - Current portion of loans from other financial istitutions	0	0
I - Current financial indebtedness (F) + (G) + (H)	*-101,714*	*-94,465*
J - Net current financial indebtedness (I) + (E) + (D)	*-96,324*	*-85,603*
K - Non current bank loans	-2,330	-3,919
L - Issued obbligations	1,714	1,691
M - Other non current loans	-88	-88
N - Non current financial indebtedness (K) + (L) + (M)	*-704*	*-2,316*
O - Net financial indebtedness (J) + (N)	***-97,028***	***-87,919***

The net financial position of the Group amounts to EUR 97,028 thousand as of 30 June 2013 compared with EUR 87,919 thousand as of 31 December 2012. Such increase is mainly due to the seasonality of the business and to investments of the first half of the year.

38. EARNINGS PER SHARE

Basic earnings per share:

(Values in thousands of EUR)	1st Half 2013	1st Half 2012
Consolidated earnings for the period for shareholders of the Parent Company	-3,702	-4,352
Medium number of shares for the period	101,486	101,486
Basic earnings per share	**-0.036**	**-0.043**

Following the issue on 24 July 2007 of 19 million new shares, taken up in full, the number of shares currently outstanding is 107,362,504.

39. *Related party transactions*

Reciprocal transactions and balances between Group companies included within the scope of consolidation are eliminated from the consolidated financial statements and as such will not be described here.

Operations carried out with related parties mainly concern the exchange of goods, the performance of services and the provision of financial resources. All transactions arise in the ordinary course of business and are settled on market terms i.e. on the terms that are or would be applied between two independent parties.

The Group's business dealing with other related parties are summarised below:

(Values in thousands of EUR)	1st Half 2013	1st Half 2012	Nature of the transactions
Shareholder Alberta Ferretti with Aeffe S.p.a.			
Contract for the sale of artistic assets and design	150	150	Cost
Ferrim with Aeffe S.p.a.			
Property rental	697	609	Cost
Commercial	0	150	Receivable
Ferrim with Moschino S.p.a.			
Property rental	431	421	Cost
Commerciale Valconca with Aeffe S.p.a.			
Commercial	76	63	Revenue
Property rental	49	46	Cost
Commercial	973	933	Receivable
Commercial	0	158	Payable
Aeffe France with Società Solide Real Estate France			
Property rental	146	144	Cost
Commercial	220	45	Receivable
Moschino France with Società Solide Real Estate France			
Property rental	176	176	Cost
Commercial	481	1,040	Payable
Aeffe USA with Ferrim USA			
Long term financial	1,714	0	Receivable
Short term financial	1,000	0	Receivable
Commercial	57	0	Revenue
Property rental	344	0	Cost

The following table indicates the data related on the incidence of related party transactions on the income statement, balance sheet, cash flow and indebtedness at 30 June 2013 and at 30 June 2012.

(Values in thousands of EUR)	Balance 1st Half	Value rel. party 2013	%	Balance 1st Half	Value rel. party 2012	%
Incidence of related party transactions on the income statement						
Revenues from sales and services	122,919	76	0.1%	121,663	63	0.1%
Costs of services	33,087	150	0.5%	35,606	150	0.4%
Costs for use of third party assets	12,559	1,843	14.7%	11,897	1,396	11.7%
Financial income	117	57	48.4%	51	0	0.0%
Incidence of related party transactions on the balance sheet						
Long term financial receivables	1,714	1,714	100.0%	0	0	0.0%
Trade receivables	33,901	1,193	3.5%	29,588	1,128	3.8%
Short term financial receivables	1,000	1,000	100.0%	0	0	0.0%
Trade payables	45,238	481	1.1%	46,252	1,198	2.6%
Incidence of related party transactions on the cash flow						
Cash flow (absorbed) / generated by operating activities	-998	-1,685	168.8%	-5,083	-1,488	29.3%
Cash flow (absorbed) / generated by financial activities	4,682	-23	n.a.	-2,420	0	0.0%
Incidence of related party transactions on the indebtedness						
Net financial indebtedness	-97,028	-1,708	1.8%	-101,601	-1,488	1.5%

40. *ATYPICAL AND/OR UNUSUAL TRANSACTIONS*

Pursuant to Consob communication DEM/6064293 dated 28 July 2006, it is confirmed that in the first half of 2013 the Group did not enter into any atypical and/or unusual transactions, as defined in that communication.

41. *SIGNIFICANT NON RECURRING EVENTS AND TRANSACTIONS*

It is confirmed that in the first six months of 2013 no significant non-recurring events and transactions have been realised.

42. *CONTINGENT LIABILITIES*

Fiscal disputes

The Group's tax disputes refer to the following companies:

Aeffe S.p.A.: the Rimini Provincial Tax Commission with ruling no. 101/2/06 filed on 16 December 2006 cancelled notices of assessment 81203T100562 (RG no. 43/05) and 81203T100570 (RG no. 69/05) issued by the Rimini Tax Authorities in November 2004. The issues raised related to the 1999 and 2000 tax years concern costs deemed not allowable and the write-down of the investment in Moschino. The Rimini tax office has appealed against the sentence handed down by the Rimini Provincial Tax Commissioners. The Company presented its counter analysis within the legally-prescribed time period. The Bologna Regional Tax Commission, as set during the hearing of 27 September 2010, has rejected the appeal, confirming the first level ruling.

On 12 January 2012, the State Legal Bar disputed the validity of the judgment of the Bologna regional tax commission, by bringing an appeal before the Court of Cassation. The company, presented its counter-submission within the time limit established by the law.

The positive outcome at the first two levels of judgment means that the further development of this dispute can be considered in a positive light.

The Rimini Provincial Tax Commission with ruling no. 37/02/08 of 28 January 2008, filed on 9 April 2008, cancelled notices of assessment no. 81203T300390/06 and no. 81203T300393/06 issued by the Rimini Tax Authorities in June 2006. The assessments concern tax years 2001 and 2002, and are connected with non-recognition of utilisation of the tax loss achieved during tax period 2000. The Rimini Tax Office has appealed against the sentence handed down by the Rimini Provincial Tax Commissioners with notification sent to the company on 29 May 2009. The appeal presented its counter analysis to the Regional Tax Commission of Bologna within the legally-prescribed time period. For this tax dispute the company is waiting for the date for discussion of the dispute before the Bologna Regional Tax Commission to be set.

On 1 October 2008 the Rimini Tax Office notified the company of inspection minutes in relation to direct taxes and IRAP for FY 2005. The audits also concerned VAT and were mainly focused on relations with group companies and costs for services. Specifically, the Tax Office raised issues on non-pertinent costs totaling EUR 130 thousand and non-pertinent advertising costs amounting to roughly EUR 580 thousand tied to the disbursement of contributions to subsidiary companies. On 30 August 2010, the Major Taxpayers Office of the Emilia Romagna Regional Tax Department notified assessments TGB03B500172/2010 (IRAP), TGB08B500181/2010 (theoretical IRES) and TGB09B500185/2010 (actual IRES), containing the matters indicated above. The company challenged these assessments before the Bologna Provincial Tax Commissioners ahead of the legal deadline, trusting that the valid defensive reasoning will be accepted. On 13 July 2011, with tax return n. 137 2011 00031537 15 the company has been ordered to pay the amount registered in the roll by the Tax Office, provisionally awaiting trial, equal to half of the taxes in dispute, besides interests, for a total amount of EUR 161 thousand. This tax dispute has been disputed in December 2012 before the Bologna Provincial Tax Commission, who, with sentence no. 40/13/13, filed on 14 March 2013, upheld the appeal.

Pollini Retail S.r.l.: the case regarding the dispute in connection with non-recognition of VAT credit which arose in 2001, equal to approximately EUR 505 thousand, was discussed before the Regional Tax Commission of Bologna on 12 December 2008; on 12 February 2009 the injunction of the regional tax commission of Bologna ordering the Rimini office to provide the information necessary for assessing the amount due of VAT credit accrued by the company during FY 2001 was filed; with sentence no. 106/01/09, filed on 19 November 2009, the Regional Tax Commission of Bologna upheld the first level sentence. The company has appealed against said sentence with recourse to the Court of Cassation and is waiting for the hearing to be set.

The tax dispute introduced with the appeal against the silent refusal of the Rimini Office to the application presented by the company, aimed at recognising the 2001 VAT credit that was the subject matter of the case specified in the foregoing paragraph, was discussed on 26 February 2010 before the Rimini Provincial Tax Commissioners that, in its judgment filed on 5 September 2011, rejected the company's appeal. In response to this judgment, the company has timely appealed before the Bologna regional tax commission.

Pollini S.p.A.: in connection with the tax dispute regarding recovery of VAT for FY 2002 due to non-invoicing of taxable transactions concerning the company (also in its capacity of merging company of the former Pollini Industriale S.r.l.), please be reminded that:

- in 2008 the Cesena Tax Office appealed against the order handed down by the Forlì Provincial Tax Commissioners, which fully upheld the company's appeal, and the appellee company appeared before the Regional Tax Commission of Bologna within the prescribed time;
- in January 2009 the company appealed against the order of the Forlì Provincial Tax Commissioners, which had rejected the defence's arguments on that specific point.

The cases, together, were discussed on 25 January 2010 by the Regional Tax Commission of Bologna. With sentences no. 27/13/10 and no. 23/13/10, filed on 17 February 2010, it confirmed the legitimacy of the notices of assessment issued to the company.

Because the Office has served the ruling n. 23/13/10 on 23 September 2010, on 22 November 2010 it has been presented recourse to the Court of Cassation. The company is waiting for the hearing to be set.

No provisions have been recorded in relation to the above disputes, since the defensive arguments put forward by the companies and its professional advisors are fully sustainable.

The directors, in receipt of the opinion of their fiscal consultants, do not deem it likely that any liabilities will derive from the above-mentioned.

Attachments of the explanatory notes

ATTACHMENT I	Consolidated Balance Sheet Assets with related parties
ATTACHMENT II	Consolidated Balance Sheet Liabilities with related parties
ATTACHMENT III	Consolidated Income Statement with related parties
ATTACHMENT IV	Consolidated Cash Flow Statement with related parties

ATTACHMENT I

Consolidated Balance Sheet Assets with related parties

Pursuant to Consob Resolution N. 15519 of 27 July 2006

(Values in units of EUR)	Notes	30 June 2013	of which Rel. parties	31 December 2012	of which Rel. parties
NON-CURRENT ASSETS					
Intangible fixed assets					
Key money		36,559,240		37,586,914	
Trademarks		97,695,693		99,442,455	
Other intangible fixed assets		835,117		1,044,104	
Total intangible fixed assets	(1)	135,090,050		138,073,473	
Tangible fixed assets					
Lands		16,176,219		16,176,219	
Buildings		24,428,550		24,689,217	
Leasehold improvements		16,903,964		13,956,417	
Plant and machinary		4,123,111		6,043,425	
Equipment		359,328		301,814	
Other tangible fixed assets		4,732,797		4,224,197	
Total tangible fixed assets	(2)	66,723,969		65,391,289	
Other fixed assets					
Equity investments	(3)	30,252		30,252	
Long term financial receivables	(4)	1,714,067	1,714,067	1,690,617	1,690,617
Other fixed assets	(5)	2,705,515		2,621,329	
Deferred tax assets	(6)	12,129,624		11,521,932	
Total other fixed assets		16,579,458		15,864,130	
TOTAL NON-CURRENT ASSETS		**218,393,477**		**219,328,892**	
CURRENT ASSETS					
Stocks and inventories	(7)	77,859,098		77,121,718	
Trade receivables	(8)	33,900,599	1,193,476	32,355,321	875,400
Tax receivables	(9)	9,633,799		10,052,200	
Cash	(10)	4,389,723		5,362,315	
Financial receivables	(11)	1,000,000	1,000,000	3,500,000	1,000,000
Other receivables	(12)	27,141,547		24,412,210	373,096
TOTAL CURRENT ASSETS		**153,924,766**		**152,803,764**	
Assets available for sale	(13)	436,885		436,885	
TOTAL ASSETS		**372,755,128**		**372,569,541**	

ATTACHMENT II

Consolidated Balance Sheet Liabilities with related parties

Pursuant to Consob Resolution N. 15519 of 27 July 2006

(Values in units of EUR)	Notes	30 June 2013	of which Rel. parties	31 December 2012	of which Rel. parties
SHAREHOLDERS' EQUITY	**(14)**				
Group interest					
Share capital		25,371,407		25,371,407	
Share premium reserve		71,240,251		71,240,251	
Translation reserve		-2,270,018		-2,140,056	
Other reserves		30,726,084		29,566,034	
Fair Value reserve		7,901,240		7,901,240	
IAS reserve		11,459,492		11,459,492	
Profits/(losses) carried-forward		-14,199,480		-10,011,170	
Net profit/(loss) for the Group		-3,701,875		-3,028,260	
Group interest in shareholders' equity		126,527,101		130,358,938	
Minority interest					
Minority interest in share capital and reserves		15,537,733		15,731,846	
Net profit/(loss) for the minority interest		401,778		-194,113	
Minority interest in shareholders' equity		15,939,511		15,537,733	
TOTAL SHAREHOLDERS' EQUITY		**142,466,612**		**145,896,671**	
NON-CURRENT LIABILITIES					
Provisions	(15)	886,869		1,098,481	
Deferred tax liabilities	(6)	37,290,926		37,419,217	
Post employment benefits	(16)	8,697,076		8,999,182	
Long term financial liabilities	(17)	2,417,741		4,006,802	
Long term not financial liabilities	(18)	14,241,401		14,241,401	
TOTAL NON-CURRENT LIABILITIES		**63,534,013**		**65,765,083**	
CURRENT LIABILITIES					
Trade payables	(19)	45,237,666	481,299	48,147,543	361,361
Tax payables	(20)	3,502,181		3,940,805	
Short term financial liabilities	(21)	101,713,814		94,464,883	
Other liabilities	(22)	16,300,842		14,354,556	
TOTAL CURRENT LIABILITIES		**166,754,503**		**160,907,787**	
Liabilities available for sale		-		-	
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**372,755,128**		**372,569,541**	

ATTACHMENT III

Consolidated Income Statement with related parties

Pursuant to Consob Resolution N. 15519 of 27 July 2006

(Values in units of EUR)	Notes	1st Half 2013	of which Rel. parties	1st Half 2012	of which Rel. parties
REVENUES FROM SALES AND SERVICES	**(23)**	**122,919,259**	**76,288**	**121,663,192**	**63,260**
Other revenues and income	(24)	2,909,688		3,204,617	
TOTAL REVENUES		**125,828,947**		**124,867,809**	
Changes in inventory		4,483,797		4,732,108	
Costs of raw materials, cons. and goods for resale	(25)	-43,175,059		-40,499,776	
Costs of services	(26)	-33,086,978	-150,000	-35,605,507	-150,000
Costs for use of third parties assets	(27)	-12,558,938	-1,843,140	-11,897,126	-1,396,373
Labour costs	(28)	-31,399,290		-31,070,773	
Other operating expenses	(29)	-2,757,955		-3,410,372	
Amortisation, write-downs and provisions	(30)	-6,306,852		-6,761,292	
Financial income/(expenses)	(31)	-3,240,469	56,527	-3,927,775	
PROFIT / LOSS BEFORE TAXES		**-2,212,797**		**-3,572,704**	
Income taxes	(32)	-1,087,300		-605,639	
NET PROFIT / LOSS		**-3,300,097**		**-4,178,343**	
(Profit)/loss attributable to minority shareholders		-401,778		-174,084	
NET PROFIT / LOSS FOR THE GROUP		**-3,701,875**		**-4,352,427**	

ATTACHMENT IV

Consolidated Cash Flow Statement with related parties

Pursuant to Consob Resolution N. 15519 of 27 July 2006

(Values in thousands of EUR)	Notes	1st Half 2013	of which Rel. parties	1st Half 2012	of which Rel. parties
OPENING BALANCE		**5,362**		**8,444**	
Profit / loss before taxes		-2,213	-1,860	-3,573	-1,483
Amortisation / write-downs		6,307		6,761	
Accrual (+)/availment (-) of long term provisions and post employment benefits		-513		-237	
Paid income taxes		-2,262		-1,768	
Financial income (-) and financial charges (+)		3,240		3,928	
Change in operating assets and liabilities		-5,557	175	-10,194	-5
CASH FLOW (ABSORBED)/ GENERATED BY OPERATING ACTIVITY	**(33)**	**-998**		**-5,083**	
Increase (-)/ decrease (+) in intangible fixed assets		-575		146	
Increase (-)/ decrease (+) in tangible fixed assets		-4,036		-2,162	
Investments and write-downs (-)/ Disinvestments and revaluations (+)		-45		7,239	
CASH FLOW (ABSORBED)/ GENERATED BY INVESTING ACTIVITY	**(34)**	**-4,656**		**5,223**	
Other variations in reserves and profits carried-forward of shareholders' equity		-130		272	
Dividends paid		0		0	
Proceeds (+)/repayment (-) of financial payments		5,660	-23	2,254	
Increase (-)/ decrease (+) in long term financial receivables		2,392		-1,018	
Financial income (+) and financial charges (-)		-3,240		-3,928	
CASH FLOW (ABSORBED)/GENERATED BY FINANCING ACTIVITY	**(35)**	**4,682**		**-2,420**	
CLOSING BALANCE		**4,390**		**6,164**	

Attestation of the Half Year condensed financial statements pursuant to art.81-ter of Consob Regulation N. 11971 of 14 May 1999, and subsequent amendments and additions

The undersigned Massimo Ferretti as President of the Board of Directors, and Marcello Tassinari as manager responsible for preparing Aeffe S.p.A.'s financial reports, pursuant to the provisions of Article 154-bis, clauses 3 and 4, of Legislative Decree n. 58 of 1998 ,hereby attest:

- the adequacy with respect to the Company structure and
- the effective application,

of the administrative and accounting procedures applied in preparation of the Half year condensed financial statements at 30 June 2013.

The undersigned moreover attest that:

The Half Year condensed financial statements:

- have been prepared in accordance with International Financial Reporting Standards, as endorsed by the European Union through Regulation (EC) 1606/2002 of the European Parliament and Counsel, dated 19 July 2002;
- correspond to the amounts shown in the Company's accounts, books and records;
- provide a fair and correct representation of the financial conditions, results of operations and cash flows of the Company and its consolidated subsidiaries.

The interim management report contains a reliable analysis of important events which took place during the first six months of the current fiscal year and their impact on the half-year condensed financial statements, together with a description of the principal risks and uncertainties for the remaining six months of the year. The interim management report also contains information concerning related party transactions.

29 July 2013

President of the board of directors

Massimo Ferretti

Manager responsible for preparing Company's financial reports

Marcello Tassinari

Auditors' Review Report on the half year condensed financial statements for the six-month period ended June 30, 2013

To the Stockholders of
Aeffe S.p.A.

1. We have reviewed the half-year condensed financial statements, consisting of the consolidated statement of financial position, consolidated income statement, statement of comprehensive income, consolidated statement of cash flows and statements of changes in equity and related explanatory notes as of June 30, 2013 of Aeffe S.p.A. and its subsidiaries (the "Aeffe Group"). These half-year condensed financial statements, prepared in conformity with the International Financial Reporting Standard applicable for interim financial statements (IAS 34) as adopted by the European Union, are the responsibility of Aeffe S.p.A's Directors. Our responsibility is to issue a report on these half-year financial statements based on our review.

2. We conducted our review in accordance with the standards recommended by the Italian Regulatory Commission for Companies and the Stock Exchange (CONSOB) for the review of the half-year interim financial statements under Resolution no. 10867 of July 31, 1997. Our review consisted principally of applying analytical procedures to the half-year condensed financial statements, assessing whether accounting policies have been consistently applied and making enquiries of management responsible for financial and accounting matters. The review excluded audit procedures such as test of controls and substantive verification procedures of the assets and liabilities and was therefore substantially less in scope than an audit performed in accordance with established auditing standards. Accordingly, unlike our report on the year-end financial statements, we do not express an audit opinion on the half-year condensed financial statements.

   With regard to the comparative figures related to the year ended December 31, 2012 and to the six-month period ended June 30, 2012, presented in the half condensed financial statements reference should be made to our auditor's report dated March 25, 2013 and our auditor's review report dated July 27, 2012.

3. Based on our review, nothing has come to our attention that causes us to believe that the half-year condensed financial statements of the Aeffe Group as of June 30, 2013 are not presented fairly, in all material respect, in accordance with the Financial Reporting Standard applicable for interim financial statements (IAS 34) as adopted by the European Union.

Milan, Italy July 29, 2013

MAZARS S.p.A.
Signed by
Simone Del Bianco
Partner

This report has been translated into the English language solely for the convenience of international readers.