



AEFFE

INTERIM FINANCIAL STATEMENT AT 30 SEPTEMBER 2013

Disclaimer

This Interim financial statement at 30 September 2013 has been translated into English solely for the convenience of the International reader. In the event of conflict or inconsistency between the terms used in the Italian Version of the report and the English version, the Italian version shall prevail, as the Italian version constitutes the official document.

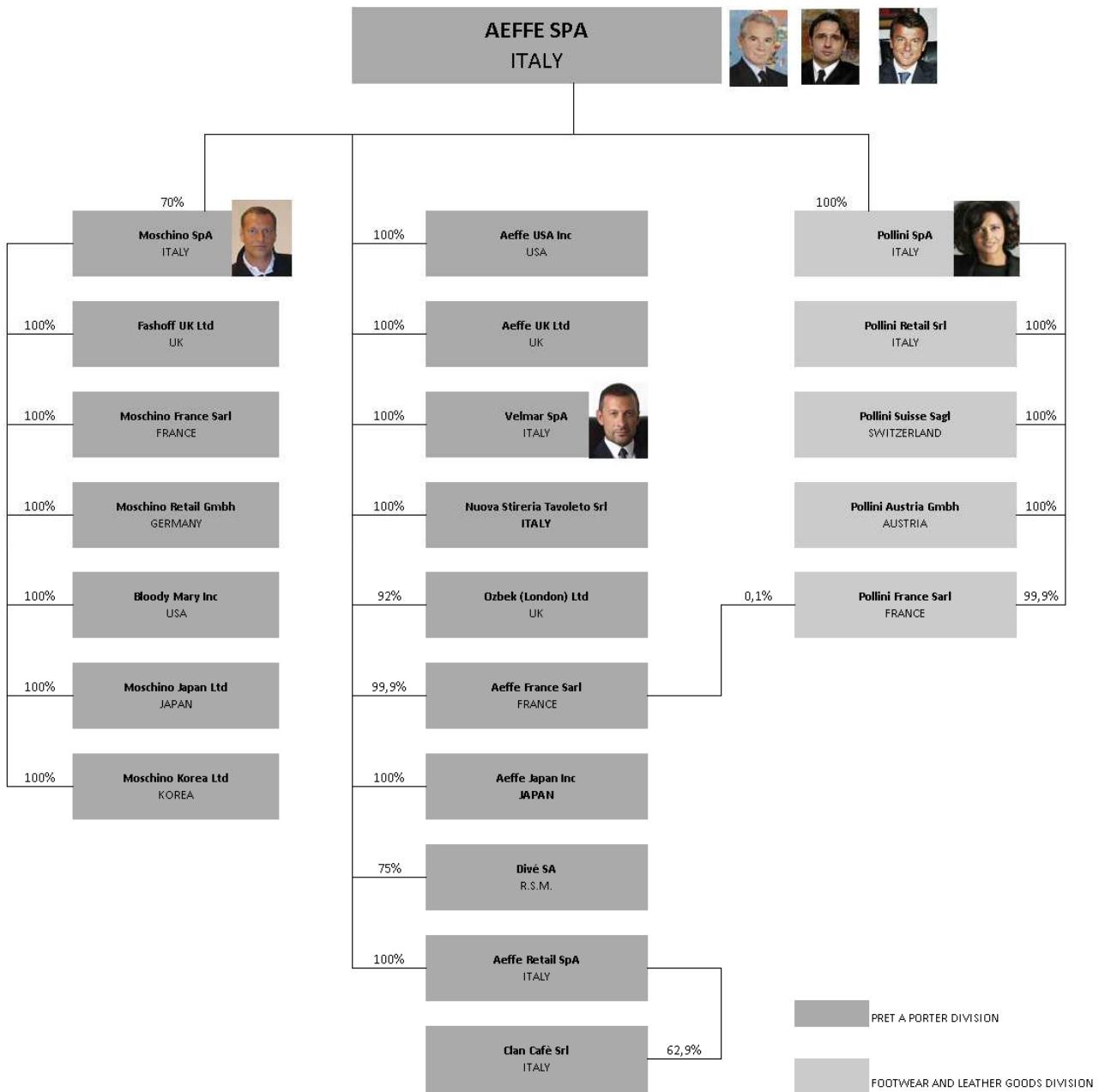
SUMMARY

<i>INTERIM FINANCIAL STATEMENT AT 30 SEPTEMBER 2013</i>	<i>1</i>
<i>CORPORATE BOARDS OF THE PARENT COMPANY</i>	<i>3</i>
<i>ORGANISATION CHART</i>	<i>4</i>
<i>BRANDS PORTFOLIO</i>	<i>5</i>
<i>HEADQUARTERS</i>	<i>6</i>
<i>SHOWROOMS</i>	<i>7</i>
<i>MAIN FLAGSHIPSTORE LOCATIONS UNDER DIRECT MANAGEMENT</i>	<i>8</i>
<i>MAIN ECONOMIC-FINANCIAL DATA</i>	<i>9</i>
<i>FINANCIAL STATEMENTS</i>	<i>10</i>
<i>INTERIM MANAGEMENT REPORT</i>	<i>15</i>
<i>EXPLANATORY NOTES</i>	<i>16</i>

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

STUDIO POLLINI

MOSCHINO.

MOSCHINO.
CHEAPANDCHIC

LOVE
MOSCHINO

MOSCHINO.

MOSCHINO.
CHEAPANDCHIC

LOVE
MOSCHINO

MOSCHINO.

blugirl blugirl
beachwear underwear

FOLIES
BLUGIRL

Headquarters

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

MILAN

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

LONDON

(GROUP)

28-29 Conduit Street
W1S 2YB - London
UK

MILAN

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

PARIS

(GROUP)

6, Rue Caffarelli
75003 - Paris
France

PARIS

(UNGARO)

2, Avenue Montaigne
75008 - Paris
France

TOKYO

(GROUP)

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

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

		9 M	9 M
		2012	2013
Total revenues	(Values in millions of EUR)	204.6	196.9
Gross operating margin (EBITDA)	(Values in millions of EUR)	20.5	16.3
Net operating profit (EBIT)	(Values in millions of EUR)	10.4	6.8
Profit before taxes	(Values in millions of EUR)	4.6	1.6
Net profit for the Group	(Values in millions of EUR)	-0.3	-2.3
Basic earnings per share	(Values in units of EUR)	-0.003	-0.023
Cash Flow (net profit + depreciation)	(Values in millions of EUR)	10.0	8.0
Cash Flow/Total revenues	Ratio	4.9	4.1

		31 December (*)	30 September (*)	31 December (*)	30 September
		2011	2012	2012	2012
Net capital invested	(Values in millions of EUR)	248.1	245.8	233.8	241.2
Net financial indebtedness	(Values in millions of EUR)	98.1	95.6	87.9	96.9
Group net equity	(Values in millions of EUR)	134.0	134.2	130.4	127.9
Group net equity per share	(Values in units of EUR)	1.2	1.2	1.2	1.2
Current assets/Current liabilities	Ratio	1.9	2.4	2.2	2.5
Current assets less invent./Current liabilities (ACID Test)	Ratio	0.9	1.2	1.0	1.2
Net financial indebtedness/Net equity	Ratio	0.7	0.6	0.6	0.7

Financial statements

Income statement at 30 September

(Values in units of EUR)	Notes	9 M	% on	9 M	% on	Change	%
		2013	revenues	2012	revenues		
REVENUES FROM SALES AND SERVICES	(1)	193,297,620	100.0%	198,764,097	100.0%	-5,466,477	-2.8%
Other revenues and income		3,569,948	1.8%	5,820,348	2.9%	-2,250,400	-38.7%
TOTAL REVENUES		196,867,568	101.8%	204,584,445	102.9%	-7,716,877	-3.8%
Changes in inventory		338,011	0.2%	39,593	0.0%	298,418	753.7%
Costs of raw materials, cons. and goods for resale		-60,884,836	-31.5%	-59,751,400	-30.1%	-1,133,436	1.9%
Costs of services		-50,461,447	-26.1%	-54,982,457	-27.7%	4,521,010	-8.2%
Costs for use of third parties assets		-19,001,052	-9.8%	-18,630,014	-9.4%	-371,038	2.0%
Labour costs		-47,264,312	-24.5%	-46,885,557	-23.6%	-378,755	0.8%
Other operating expenses		-3,334,096	-1.7%	-3,859,222	-1.9%	525,126	-13.6%
Total Operating Costs		-180,607,732	-93.4%	-184,069,057	-92.6%	3,461,325	-1.9%
GROSS OPERATING MARGIN (EBITDA)	(2)	16,259,836	8.4%	20,515,388	10.3%	-4,255,552	-20.7%
Amortisation of intangible fixed assets		-5,311,432	-2.7%	-5,719,581	-2.9%	408,149	-7.1%
Depreciation of tangible fixed assets		-4,129,828	-2.1%	-4,324,802	-2.2%	194,974	-4.5%
Revaluations/(write-downs) and provisions		-65,266	0.0%	-77,793	0.0%	12,527	-16.1%
Total Amortisation, write-downs and provisions		-9,506,526	-4.9%	-10,122,176	-5.1%	615,650	-6.1%
NET OPERATING PROFIT/LOSS (EBIT)		6,753,310	3.5%	10,393,212	5.2%	-3,639,902	-35.0%
Financial income		166,883	0.1%	75,541	0.0%	91,342	120.9%
Financial expenses		-5,274,090	-2.7%	-5,910,868	-3.0%	636,778	-10.8%
Total Financial Income/(expenses)		-5,107,207	-2.6%	-5,835,327	-2.9%	728,120	-12.5%
PROFIT/LOSS BEFORE TAXES		1,646,103	0.9%	4,557,885	2.3%	-2,911,782	-63.9%
Taxes		-3,113,092	-1.6%	-4,565,729	-2.3%	1,452,637	-31.8%
NET PROFIT/LOSS		-1,466,989	-0.8%	-7,844	0.0%	-1,459,145	18602.1%
(Profit)/loss attributable to minority shareholders		-863,563	-0.4%	-275,410	-0.1%	-588,153	213.6%
NET PROFIT/LOSS FOR THE GROUP	(3)	-2,330,552	-1.2%	-283,254	-0.1%	-2,047,298	722.8%

Income statement for the third quarter

(Values in units of EUR)	Notes	III Q 2013	% on revenues	III Q 2012	% on revenues	Change	%
REVENUES FROM SALES AND SERVICES	(1)	70,378,361	100.0%	77,100,905	100.0%	-6,722,544	-8.7%
Other revenues and income		660,260	0.9%	2,615,731	3.4%	-1,955,471	-74.8%
TOTAL REVENUES		71,038,621	100.9%	79,716,636	103.4%	-8,678,015	-10.9%
Changes in inventory		-4,145,786	-5.9%	-4,692,515	-6.1%	546,729	-11.7%
Costs of raw materials, cons. and goods for resale		-17,709,777	-25.2%	-19,251,624	-25.0%	1,541,847	-8.0%
Costs of services		-17,374,469	-24.7%	-19,376,950	-25.1%	2,002,481	-10.3%
Costs for use of third parties assets		-6,442,114	-9.2%	-6,732,888	-8.7%	290,774	-4.3%
Labour costs		-15,865,022	-22.5%	-15,814,784	-20.5%	-50,238	0.3%
Other operating expenses		-576,141	-0.8%	-448,850	-0.6%	-127,291	28.4%
Total Operating Costs		-62,113,309	-88.3%	-66,317,611	-86.0%	4,204,302	-6.3%
GROSS OPERATING MARGIN (EBITDA)	(2)	8,925,312	12.7%	13,399,025	17.4%	-4,473,713	-33.4%
Amortisation of intangible fixed assets		-1,753,079	-2.5%	-1,852,901	-2.4%	99,822	-5.4%
Depreciation of tangible fixed assets		-1,424,149	-2.0%	-1,465,546	-1.9%	41,397	-2.8%
Revaluations/(write-downs) and provisions		-22,446	0.0%	-42,437	-0.1%	19,991	-47.1%
Total Amortisation, write-downs and provisions		-3,199,674	-4.5%	-3,360,884	-4.4%	161,210	-4.8%
NET OPERATING PROFIT/LOSS (EBIT)		5,725,638	8.1%	10,038,141	13.0%	-4,312,503	-43.0%
Financial income		49,425	0.1%	24,754	0.0%	24,671	99.7%
Financial expenses		-1,916,163	-2.7%	-1,932,306	-2.5%	16,143	-0.8%
Total Financial Income/(expenses)		-1,866,738	-2.7%	-1,907,552	-2.5%	40,814	-2.1%
PROFIT/LOSS BEFORE TAXES		3,858,900	5.5%	8,130,589	10.5%	-4,271,689	-52.5%
Taxes		-2,025,792	-2.9%	-3,960,090	-5.1%	1,934,298	-48.8%
NET PROFIT/LOSS		1,833,108	2.6%	4,170,499	5.4%	-2,337,391	-56.0%
(Profit)/loss attributable to minority shareholders		-461,785	-0.7%	-101,326	-0.1%	-360,459	355.7%
NET PROFIT/LOSS FOR THE GROUP	(3)	1,371,323	1.9%	4,069,173	5.3%	-2,697,850	-66.3%

Reclassified balance sheet

(Values in units of EUR)	Notes	30 September 2013	31 December (*) 2012	30 September (*) 2012
Trade receivables		41,658,038	32,355,321	47,293,565
Stocks and inventories		74,253,049	77,121,718	73,843,275
Trade payables		-38,079,393	-48,147,543	-43,011,533
Operating net working capital	(4)	77,831,694	61,329,496	78,125,307
Other short term receivables		22,938,437	24,412,210	22,443,388
Tax receivables		7,432,582	10,052,200	8,786,104
Other short term liabilities		-16,382,091	-14,354,556	-16,840,069
Tax payables		-3,354,552	-3,940,805	-4,659,706
Net working capital		88,466,070	77,498,545	87,855,024
Tangible fixed assets		65,798,455	65,391,289	64,869,674
Intangible fixed assets		133,641,689	138,073,473	139,595,031
Equity investments		30,251	30,252	30,251
Other fixed assets		2,470,718	2,621,329	3,214,752
Fixed assets	(5)	201,941,113	206,116,343	207,709,708
Post employment benefits		-8,348,118	-8,999,182	-7,938,676
Provisions		-823,761	-1,098,481	-1,027,613
Assets available for sale		436,885	436,885	436,885
Long term not financial liabilities		-14,045,132	-14,241,401	-14,241,401
Deferred tax assets		11,159,717	11,521,932	10,984,692
Deferred tax liabilities		-37,586,887	-37,419,217	-37,941,123
NET CAPITAL INVESTED		241,199,887	233,815,424	245,837,496
Share capital		25,371,407	25,371,407	25,371,407
Other reserves		119,103,739	118,026,961	119,115,405
Profits/(Losses) carried-forward		-14,199,480	-10,011,170	-10,011,184
Profit/(Loss) of the period		-2,330,552	-3,028,260	-283,254
Group interest in shareholders' equity		127,945,114	130,358,938	134,192,374
Minority interests in shareholders' equity		16,401,296	15,537,733	16,032,121
Total shareholders' equity	(6)	144,346,410	145,896,671	150,224,495
Short term financial receivables		0	-3,500,000	-950,000
Cash		-4,617,444	-5,362,315	-13,255,494
Long term financial liabilities		3,328,442	4,006,802	4,491,575
Long term financial receivables		-2,628,656	-1,690,617	-3,098,531
Short term financial liabilities		100,771,135	94,464,883	108,425,451
NET FINANCIAL POSITION	(7)	96,853,477	87,918,753	95,613,001
SHAREHOLDERS' EQUITY AND NET FINANCIAL INDEBTEDNESS		241,199,887	233,815,424	245,837,496

(*) 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 September 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.

Cash flow

(Values in thousands of EUR)	Notes	9 M 2013	9 M 2012
OPENING BALANCE		5,362	8,444
Profit / loss before taxes		1,646	4,558
Amortisation / write-downs		9,439	10,122
Accrual (+) / availment (-) of long term provisions and post employment benefits		-926	-273
Paid income taxes		-3,170	-2,197
Financial income (-) and financial charges (+)		5,107	5,835
Change in operating assets and liabilities		-10,578	-21,954
CASH FLOW (ABSORBED) / GENERATED BY OPERATING ACTIVITY		1,518	-3,909
Increase (-) / decrease (+) in intangible fixed assets		-880	-224
Increase (-) / decrease (+) in tangible fixed assets		-4,535	5,342
Investments and write-downs (-)/ Disinvestments and revaluations (+)		0	7,196
CASH FLOW (ABSORBED) / GENERATED BY INVESTING ACTIVITY		-5,415	12,314
Other variations in reserves and profits carried-forward of shareholders' equity		-83	198
Dividends paid		0	0
Increase (+) / decrease (-) of financial liabilities		5,628	6,391
Increase (-) / decrease (+) of financial receivables		2,714	-4,348
Financial income (+) and financial charges (-)		-5,107	-5,835
CASH FLOW (ABSORBED) / GENERATED BY FINANCING ACTIVITY		3,152	-3,594
CLOSING BALANCE		4,617	13,255

Changes in shareholders' equity

	Share capital	Share premium reserve	Other reserves	Fair Value reserve	IAS reserve	Profits/(Losses) carried - forward	Reamasurement of defined benefit plans reserve	Net profit / loss for the Group	Translation reserve	Group interest in shareholders' equity	Minority interests in shareholders' equity	Total shareholders' equity
<i>(Values in thousands of EUR)</i>												
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 31/12/11 profit/(loss)	-	-	1,715	-	-	- 5,995		4,280	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-
Treasury stock (buy-back)/ sale	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income/(loss) at 30/09/12	-	-	-	-	-	-	-	- 283	198	- 85	276	191
Other changes	-	-	-	-	-	77	-	-	313	236	- 236	-
BALANCES AT 30 September 2012	25,371	71,240	30,605	7,901	11,459	- 10,010	- 176	- 283	- 1,914	134,193	16,032	150,225
<i>(Values in thousands of EUR)</i>												
	Share capital	Share premium reserve	Other reserves	Fair Value reserve	IAS reserve	Profits/(Losses) carried - forward	Reamasurement of defined benefit plans reserve	Net profit / loss for the Group	Translation reserve	Group interest in shareholders' equity	Minority interests 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 31/12/12 profit/(loss)	-	-	1,160	-	-	- 4,188	-	3,028	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-
Treasury stock (buy-back)/ sale	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income/(loss) at 30/09/13	-	-	-	-	-	-	-	- 2,331	83	- 2,414	863	- 1,551
Other changes	-	-	-	-	-	-	-	-	-	-	-	-
BALANCES AT 30 September 2013	25,371	71,240	31,765	7,901	11,459	- 14,198	- 1,039	- 2,331	- 2,223	127,945	16,401	144,346

Interim management report

In the first nine months of 2013, revenues from sales and services are equal to EUR 193,298 thousand with a decrease of 2.8% (-0.7% at constant exchange rates) compared with EUR 198,764 thousand in the first nine months of 2012; net of the effects of already terminated licenses of Jean Paul Gaultier and Cacharel and the new license with Ungaro, the revenues would have increased by 2.4% at constant exchange rates.

In the first nine months of 2013, EBITDA is positive for EUR 16,260 thousand (with an incidence of 8.4% of consolidated sales), compared to EUR 20,515 thousand in the first nine months of 2012 (with an incidence of 10.3% of consolidated sales). The decrease in EBITDA is mainly attributable to costs incurred for promotional activities and human resources primarily related to brand Philosophy, Ungaro and Cédric Charlier. These actions will produce their benefits only since 2014.

EBITDA of the *prêt-à-porter* division is equal to EUR 14,417 thousand in the first nine months of 2013 (representing 9.6% of consolidated sales) compared to an EBITDA of EUR 18,091 thousand in the first nine months of 2012 (representing 11.6% of consolidated sales), showing a reduction of EUR 3,674 thousand.

The EBITDA of the footwear and leather goods division decreases from EUR 2,424 thousand in the first nine months of 2012 to EUR 1,843 thousand in the first nine months of 2013.

Consolidated EBIT amounts to EUR 6,753 thousand, showing a reduction of EUR 3,640 thousand compared to an EBIT of EUR 10,393 thousand in the first nine months of 2012.

In the first nine months of 2013 Group records a net loss of EUR 2,331 thousand showing a worsening of EUR 2,048 thousand compared to a net loss of EUR 283 thousand in the first nine months of 2012.

The balance sheet at 30 September 2013 shows a shareholders' equity of EUR 127,945 thousand and a net financial indebtedness of EUR 96,853 thousand which remains substantially stable compared to EUR 95,613 thousand at 30 September 2012 while increases of EUR 8,934 thousand compared to EUR 87,919 thousand at 31 December 2012 mainly for the seasonality of the business.

At 30 September 2013, net working capital amounts to EUR 88,466 thousand (35.6% of LTM sales) compared to EUR 77,499 thousand at 31 December 2012 (30.5% of sales) and to EUR 87,855 thousand (35.5% of LTM sales) at 30 September 2012; the increase of net working capital's incidence on sales compared to 31 December 2012 is related to the seasonality of the business.

Capex realised in the period, for EUR 5,415 thousand, are mainly related to and stores' refurbishment and maintenance.

Explanatory notes

Income statement

1. Revenues from sales and services

Nine months 2013 vs 2012

In the first nine months of 2013, revenues from sales and services are equal to EUR 193,298 thousand with a decrease of 2.8% (-0.7% at constant exchange rates) compared with EUR 198,764 thousand in the first nine months of 2012; net of the effects of already terminated licenses of Jean Paul Gaultier and Cacharel and the new license with Ungaro, the revenues would have increased by 2.4% at constant exchange rates.

Sales by brand

(Values in thousands of EUR)	9 M		9 M		Change	
	2013	%	2012	%	Δ	%
Alberta Ferretti	32,015	16.6%	39,775	20.0%	-7,760	-19.5%
Moschino	114,838	59.4%	116,913	58.8%	-2,075	-1.8%
Pollini	25,474	13.2%	24,402	12.3%	1,072	4.4%
J.P.Gaultier	4,045	2.1%	9,350	4.7%	-5,305	-56.7%
Other	16,926	8.7%	8,324	4.2%	8,602	103.3%
Total	193,298	100.0%	198,764	100.0%	-5,466	-2.8%

In the first nine months of 2013, Alberta Ferretti brand decreases by 19.5% (-16.5% at constant exchange rates), generating 16.6% of consolidated sales.

In the same period, Moschino brand sales decrease by 1.8% (+0.4% at constant exchange rates) contributing to 59.4% of consolidated sales.

Pollini brand increases by 4.4% (+5.2% at constant exchange rates), generating 13.2% of consolidated sales, while brand under licence JP Gaultier decreases by 56.7% (-56.5% at constant exchange rates) contributing to 2.1% of consolidated sales.

The other brands sales increase by 103.3% (+104.2% at constant exchange rates) contributing to 8.7% of consolidated sales.

Sales by geographical area

(Values in thousands of EUR)	9 M		9 M		Change	
	2013	%	2012	%	Δ	%
Italy	82,928	42.9%	78,973	39.7%	3,955	5.0%
Europe (Italy and Russia excluded)	39,330	20.3%	41,665	21.0%	-2,335	-5.6%
Russia	15,383	8.0%	16,812	8.5%	-1,429	-8.5%
United States	11,293	5.8%	14,764	7.4%	-3,471	-23.5%
Japan	15,249	7.9%	18,417	9.3%	-3,168	-17.2%
Rest of the World	29,115	15.1%	28,133	14.1%	982	3.5%
Total	193,298	100.0%	198,764	100.0%	-5,466	-2.8%

In the first nine months of 2013 sales in Italy increase by 5.0% to EUR 82,928 thousand, contributing to 42.9% of consolidated sales. The significant recovery of the domestic market is attributable to both an increase in sales registered by the Moschino brand, mostly thanks to the positive results of the new boutique in Rome, and to the growth of licensed brands, all helped by the contribution of tourist flows.

Sales in Europe decrease by 5.6% (-5.2% at constant exchange rates), contributing to 20.3% of consolidated sales, while the Russian market records sales equal to EUR 15,383 thousand, contributing to 8.0% of consolidated sales, with a reduction of 8.5% due to the decrease in revenues related to brands whose license agreements are terminated. Sales in the United States are equal to EUR 11,293 thousand, contributing to 5.8% of consolidated sales, with a decrease of 23.5% (-21.7% at constant exchange rates) especially explained by the termination of the license agreement with Jean Paul Gaultier. In Japan sales decrease by 17.2% (+2.0% at constant exchange rates) to EUR 15,249 thousand, contributing to 7.9% of consolidated sales.

In the Rest of the World, sales are equal to EUR 29,115 thousand with an increase of 3.5% (+3.5% at constant exchange rates) and a contribution of 15.1% of consolidated sales.

Sales by distribution channel

(Values in thousands of EUR)	9 M		9 M		Change	
	2013	%	2012	%	Δ	%
Wholesale	123,750	64.0%	125,676	63.2%	-1,926	-1.5%
Retail	58,074	30.0%	60,837	30.6%	-2,763	-4.5%
Royalties	11,474	6.0%	12,251	6.2%	-777	-6.3%
Total	193,298	100.0%	198,764	100.0%	-5,466	-2.8%

By distribution channel in the first nine months of 2013, wholesale sales decrease by 1.5% (-0.6% at constant exchange rates) contributing to 64.0% of consolidated sales.

Sales of our directly-operated stores (retail channel) amount to EUR 58,074 thousand with a decrease of 4.5% (unchanged at constant exchange rates) contributing to 30.0% of consolidated sales.

Royalty income is 6.3% lower than in the corresponding period of the previous year, representing 6.0% of consolidated sales.

Sales by own brands and under licensed brands

(Values in thousands of EUR)	9 M		9 M		Change	
	2013	%	2012	%	Δ	%
Own brands	172,327	89.2%	181,091	91.1%	-8,764	-4.8%
Brands under license	20,971	10.8%	17,673	8.9%	3,298	18.7%
Total	193,298	100.0%	198,764	100.0%	-5,466	-2.8%

Revenues generated by own brands decrease in absolute value by EUR 8,764 thousand, -4.8% compared with the previous year, with an incidence on total revenues which decreases from 91.1% in the first nine months of 2012 to 89.2% in the first nine months of 2013.

Third quarter 2013 vs 2012

In the third quarter of 2013, revenues from sales and services are equal to EUR 70,379 thousand with a decrease of 8.7% compared with EUR 77,101 thousand in the third quarter of 2012.

Sales by brand

(Values in thousands of EUR)	III Q		III Q		Change	
	2013	%	2012	%	Δ	%
Alberta Ferretti	11,626	16.5%	16,063	20.8%	-4,437	-27.6%
Moschino	41,641	59.2%	45,191	58.6%	-3,550	-7.9%
Pollini	10,216	14.5%	8,392	10.9%	1,824	21.7%
J.P.Gaultier	144	0.2%	3,769	4.9%	-3,625	-96.2%
Other	6,752	9.6%	3,686	4.8%	3,066	83.2%
Total	70,379	100.0%	77,101	100.0%	-6,722	-8.7%

In the third quarter of 2013, Alberta Ferretti brand decreases by 27.6% generating 16.5% of consolidated sales.

In the same period, Moschino brand sales decrease by 7.9% contributing to 59.2% of consolidated sales.

Pollini brand increases by 21.7% generating 14.5% of consolidated sales, while brand under licence JP Gaultier decreases by 96.2% contributing to 0.2% of consolidated sales.

The other brands sales increase by 83.2% contributing to 9.6% of consolidated sales.

Sales by geographical area

(Values in thousands of EUR)	III Q		III Q		Change	
	2013	%	2012	%	Δ	%
Italy	30,165	42.9%	29,079	37.7%	1,086	3.7%
Europe (Italy and Russia excluded)	15,233	21.6%	17,101	22.2%	-1,868	-10.9%
Russia	5,842	8.3%	6,659	8.6%	-817	-12.3%
United States	3,569	5.1%	5,453	7.1%	-1,884	-34.5%
Japan	5,098	7.2%	7,212	9.4%	-2,114	-29.3%
Rest of the World	10,472	14.9%	11,597	15.0%	-1,125	-9.7%
Total	70,379	100.0%	77,101	100.0%	-6,722	-8.7%

In the third quarter of 2013 sales in Italy increase by 3.7% to EUR 30,165 thousand, contributing to 42.9% of consolidated sales.

Sales in Europe decrease by 10.9% contributing to 21.6% of consolidated sales, while the Russian market records sales equal to EUR 5,842 thousand, contributing to 8.3% of consolidated sales, with a decrease of 12.3%. Sales in the United States are equal to EUR 3,569 thousand, contributing to 5.1% of consolidated sales, with a decrease of 34.5%. In Japan sales decrease by 29.3% to EUR 5,098 thousand, contributing to 7.2% of consolidated sales.

In the Rest of the World, sales are equal to EUR 10,472 thousand with a decrease of 9.7% and a contribution of 14.9% of consolidated sales.

Sales by distribution channel

(Values in thousands of EUR)	III Q		III Q		Change	
	2013	%	2012	%	Δ	%
	Wholesale	46,780	66.5%	50,393	65.4%	-3,613
Retail	19,664	27.9%	22,366	29.0%	-2,702	-12.1%
Royalties	3,935	5.6%	4,342	5.6%	-407	-9.4%
Total	70,379	100.0%	77,101	100.0%	-6,722	-8.7%

By distribution channel in the third quarter of 2013, wholesale sales decrease by 7.2% contributing to 66.5% of consolidated sales.

Sales of our directly-operated stores (retail channel) amount to EUR 19,664 thousand with a decrease of 12.1% contributing to 27.9% of consolidated sales.

Royalty income is 9.4% lower than in the corresponding period of the previous year, representing 5.6% of consolidated sales.

Sales by own brands and under licensed brands

(Values in thousands of EUR)	III Q		III Q		Change	
	2013	%	2012	%	Δ	%
	Own brands	63,483	90.2%	69,647	90.3%	-6,164
Brands under license	6,896	9.8%	7,454	9.7%	-558	-7.5%
Total	70,379	100.0%	77,101	100.0%	-6,722	-8.7%

Revenues generated by own brands decrease in absolute value by EUR 6,164 thousand, with an incidence on revenues that decreases from 90.3% in the third quarter 2012 to 90.2% in the third quarter 2013. Revenues generated by brands under license decrease in absolute value by EUR 558 thousand.

2. Gross Operating Margin (EBITDA)

Nine months 2013 vs 2012

In the first nine months of 2013 EBITDA is positive for EUR 16,260 thousand (with an incidence of 8.4% of consolidated sales), compared to EUR 20,515 thousand in the first nine months of 2012 (with an incidence of 10.3% of consolidated sales). The decrease in EBITDA is mainly attributable to costs incurred for promotional activities and human resources primarily related to brand Philosophy, Ungaro and Cédric Charlier. These actions will produce their benefits only since 2014.

Third quarter 2013 vs 2012

In the third quarter of 2013 consolidated EBITDA is EUR 8,925 thousand (with an incidence of 12.7% of consolidated sales), showing a decrease of profitability compared to EUR 13,399 thousand in the third quarter of 2012, (with an incidence of 17.4% of consolidated sales).

3. Net profit for the Group

Nine months 2013 vs 2012

In the first nine months of 2013 Group records a net loss of EUR 2,331 thousand showing an increase compared to a net loss of EUR 283 thousand in the first nine months of 2012.

Third quarter 2013 vs 2012

In the third quarter of 2013 Group records a net profit of EUR 1,371 thousand showing a reduction compared to a net profit of EUR 4,069 thousand in the third quarter of 2012.

Segment information

Economic performance by Divisions

At international level, the Group is divided into two main business sectors:

- (i) *Prêt-à porter* Division;
- (ii) Footwear and leather goods Division.

Nine months 2013 vs 2012

The following tables indicate the main economic data for the first nine months of 2013 and 2012 of the *Prêt-à porter* and Footwear and leather goods Divisions.

(Values in thousand of EUR)	Prêt-à porter Division	Footwear and leather goods Division	Elimination of intercompany transactions	Total
9M 2013				
SECTOR REVENUES	150,649	55,356	-12,707	193,298
Intercompany revenues	-4,266	-8,441	12,707	-
Revenues with third parties	146,383	46,915	-	193,298
Gross operating margin (EBITDA)	14,417	1,843	-	16,260
Amortisation	-7,304	-2,138	-	-9,442
Other non monetary items:				
Revaluations / write-downs	0	-65		-65
Net operating profit / loss (EBIT)	7,113	-360	-	6,753
Financial income	726	20	-579	167
Financial expenses	-4,419	-1,434	579	-5,274
Profit / loss before taxes	3,420	-1,774	-	1,646
Income taxes	-3,207	94	-	-3,113
Net profit / loss	213	-1,680	-	-1,467

(Values in thousand of EUR)	Prêt-à porter Division	Footwear and leather goods Division	Elimination of intercompany transactions	Total
9M 2012				
SECTOR REVENUES	156,321	54,693	-12,250	198,764
Intercompany revenues	-3,793	-8,457	12,250	-
Revenues with third parties	152,528	46,236	-	198,764
Gross operating margin (EBITDA)	18,091	2,424	-	20,515
Amortisation	-7,963	-2,081	-	-10,044
Other non monetary items:				
Revaluations / write-downs	-9	-69		-78
Net operating profit / loss (EBIT)	10,119	274	-	10,393
Financial income	751	25	-700	76
Financial expenses	-5,113	-1,498	700	-5,911
Profit / loss before taxes	5,757	-1,199	-	4,558
Income taxes	-4,386	-180	-	-4,566
Net profit / loss	1,371	-1,379	-	-8

Third Quarter 2013 vs 2012

The following tables indicate the main economic data for the third quarter of 2013 and 2012 of the *Prêt-à porter* and Footwear and leather goods Divisions.

(Values in thousand of EUR)	Prêt-à porter Division	Footwear and leather goods Division	Elimination of intercompany transactions	Total
III Q 2013				
SECTOR REVENUES	52,867	21,666	-4,154	70,379
Intercompany revenues	-1,453	-2,701	4,154	-
Revenues with third parties	51,414	18,965		70,379
Gross operating margin (EBITDA)	6,651	2,274		8,925
Amortisation	-2,462	-716		-3,178
Other non monetary items:				
Revaluations / write-downs	0	-22	-	22
Net operating profit / loss (EBIT)	4,189	1,536		5,725
Financial income	231	11	-192	50
Financial expenses	-1,603	-505	192	-1,916
Profit / loss before taxes	2,817	1,042		3,859
Income taxes	-1,607	-419		-2,026
Net profit / loss	1,210	623		1,833

(Values in thousand of EUR)	Prêt-à porter Division	Footwear and leather goods Division	Elimination of intercompany transactions	Total
III Q 2012				
SECTOR REVENUES	59,427	22,402	-4,728	77,101
Intercompany revenues	-1,296	-3,432	4,728	-
Revenues with third parties	58,131	18,970		77,101
Gross operating margin (EBITDA)	10,380	3,019		13,399
Amortisation	-2,616	-702		-3,318
Other non monetary items:				
Revaluations / write-downs	-1	-42		-43
Net operating profit / loss (EBIT)	7,763	2,275		10,038
Financial income	244	2	-221	25
Financial expenses	-1,699	-455	221	-1,933
Profit / loss before taxes	6,308	1,822		8,130
Income taxes	-3,211	-749		-3,960
Net profit / loss	3,097	1,073		4,170

Prêt-à porter Division

In the first nine months of 2013, revenues of the prêt-à-porter division decrease by 3.6% (-1.1% at constant exchange rates) to EUR 150,649 thousand. This division contributes to 74.1% of consolidated revenues in the first nine months of 2012 and 73.1% in the first nine months of 2013, before inter-divisional eliminations.

EBITDA of the *prêt-à-porter* division is equal to EUR 14,417 thousand in the first nine months of 2013 (representing 9.6% of consolidated sales) compared to an EBITDA of EUR 18,091 thousand in the first nine months of 2012 (representing 11.6% of consolidated sales), showing a reduction of EUR 3,674 thousand.

Footwear and leather goods Division

Revenues of the footwear and leather goods division increase by 1.2% from EUR 54,693 thousand in the first nine months of 2012 to EUR 55,356 thousand in the first nine months of 2013.

The EBITDA of the footwear and leather goods division decreases from EUR 2,424 thousand in the first nine months of 2012 to EUR 1,843 thousand in the first nine months of 2013.

Balance sheet

Compared to 31 December 2012, the balance sheet at 30 September 2013 shows a decrease in shareholders' equity from EUR 145,897 thousand to EUR 144,346 thousand.

4. Net working capital

At 30 September 2013, net working capital amounts to EUR 88,466 thousand (35.6% of LTM sales) compared to EUR 77,499 thousand at 31 December 2012 (30.5% of sales) and to EUR 87,855 thousand (35.5% of LTM sales) at 30 September 2012; the increase of net working capital's incidence on sales compared to 31 December 2012 is related to the seasonality of the business.

5. Fixed assets

Capex realised in the period, for EUR 5,415 thousand, are mainly related to and stores' refurbishment and maintenance.

6. Shareholders' equity

Changes in shareholders' equity are presented in tables at page 14.

7. Net financial position

Net financial indebtedness amounts to EUR 96,853 thousand at 30 September 2013 and remains substantially stable compared to EUR 95,613 thousand at 30 September 2012 while increases of EUR 8,934 thousand compared to EUR 87,919 thousand at 31 December 2012 mainly for the seasonality of the business.

Other information

Earnings per share

Basic earnings per share:

(Values in thousands of EUR)	30 September 2013	30 September 2012
Consolidated earnings/(losses) for the period for the shareholders of the Parent Company	-2,331	-283
Weighted average number of outstanding shares	101,486	101,486
Basic earnings per share	-0.023	-0.003

Accounting policies

The main accounting policies and measurement basis adopted in preparing the consolidated financial statements at 30 September 2013, except for the interpretations and amendments to the accounting principles that have been mandatory since 1 January 2013 and illustrated in the half yearly financial statement at 30 June 2013, are the same used in preparing the consolidated financial statements at 31 December 2012.

Significant events subsequent to the balance sheet date

After the 30 September 2013 no significant events regarding the Group's activities have to be reported.

Outlook

Despite difficult macro-economic conditions persist, the Group dynamically continues to revitalize its products offering. After replacing two licenses no longer profitable with new projects such as those of Cédric Charlier, Emanuel Ungaro by Fausto Puglisi and Philosophy by Nathalie Ratabesi, the focus has now shifted on Moschino, where recent appointment of Jeremy Scott as the new Maison's creative director gives us new opportunities and permit us to plan future strategies with renewed optimism.

The executive responsible for preparing the company's accounting documentation Marcello Tassinari declares, pursuant to paragraph 2 of art. 154b of the Consolidated Finance Law, that the accounting information contained in this document agrees with the underlying documentation, records and accounting entries.