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INTERIM FINANCIAL STATEMENT AT 30 SEPTEMBER 2014

Disclaimer

This Interim financial statement at 30 September 2014 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.

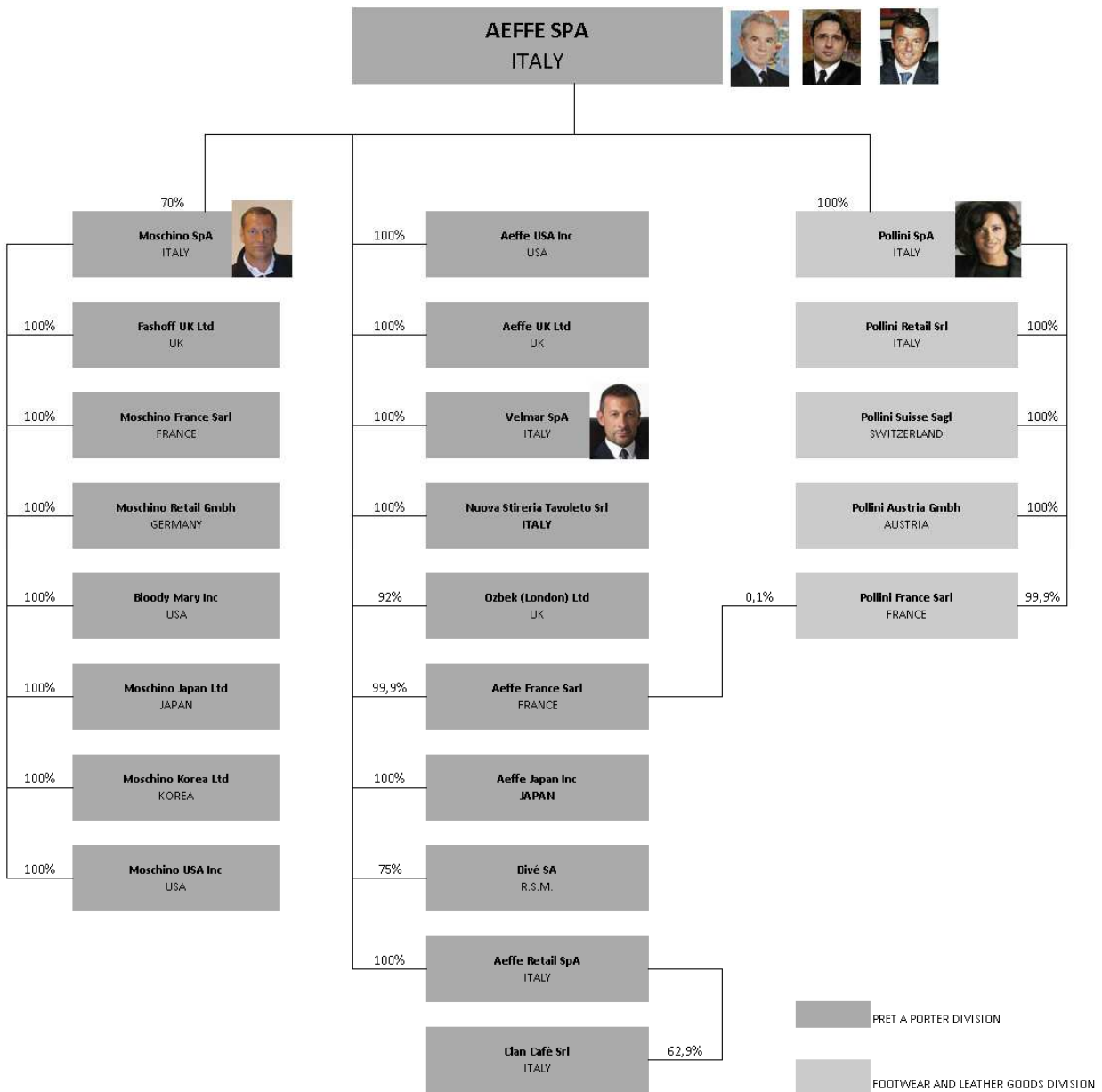
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Corporate Boards of the Parent Company

| | |
|--|--|
| 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 Sabrina Borocci |
| Board of Statutory Auditors | President Pier Francesco Sportoletti |
| | Statutory Auditors Fernando Ciotti Daniela Saitta |
| | Alternate Auditors Barbara Ceppellini Luca Sapucci |
| Board of Compensation Committee | President Sabrina Borocci |
| | Members Roberto Lugano Pierfrancesco Giustiniani |
| Board of Internal Control Committee | President Roberto Lugano |
| | Members Sabrina Borocci 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
47842 - San Giovanni in Marignano (RN)
Italy

MOSCHINO

Via San Gregorio, 28
20124 - Milan
Italy

POLLINI

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

VELMAR

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



Showrooms

MILAN

(FERRETTI - POLLINI - CEDRIC CHARLIER - UNGARO)

Via Donizetti, 48
20122 - Milan
Italy

MILAN

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

LONDON

(FERRETTI - MOSCHINO)

28-29 Conduit Street
W1S 2YB - London
UK

MILAN

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

PARIS

(FERRETTI - MOSCHINO - POLLINI - CEDRIC CHARLIER)

6, Rue Caffarelli
75003 - Paris
France

PARIS

(UNGARO)
2, 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
Los Angeles

POLLINI

Milan
Venice
Bolzano
Varese
Verona

SPAZIO A

Florence
Venice

MOSCHINO

Milan
Rome
Capri
Paris
London
Berlin
Seoul
Pusan
Daegu



Main economic-financial data

| | | 9 M | 9 M |
|---------------------------------------|-----------------------------|--------|-------|
| | | 2013 | 2014 |
| Total revenues | (Values in millions of EUR) | 196.9 | 196.1 |
| Gross operating margin (EBITDA) | (Values in millions of EUR) | 16.3 | 22.6 |
| Net operating profit (EBIT) | (Values in millions of EUR) | 6.8 | 12.7 |
| Profit before taxes | (Values in millions of EUR) | 1.6 | 7.6 |
| Net profit for the Group | (Values in millions of EUR) | -2.3 | 2.5 |
| Basic earnings per share | (Values in units of EUR) | -0.023 | 0.024 |
| Cash Flow (net profit + depreciation) | (Values in millions of EUR) | 8.0 | 8.0 |
| Cash Flow/Total revenues | Ratio | 4.1 | 4.1 |

| | | 31 December | 30 September | 31 December | 30 September |
|---|-----------------------------|-------------|--------------|-------------|--------------|
| | | 2012 | 2013 | 2013 | 2014 |
| Net capital invested | (Values in millions of EUR) | 233.8 | 241.2 | 232.0 | 238.3 |
| Net financial indebtedness | (Values in millions of EUR) | 87.9 | 96.9 | 88.6 | 90.2 |
| Group net equity | (Values in millions of EUR) | 130.4 | 127.9 | 126.8 | 130.5 |
| Group net equity per share | (Values in units of EUR) | 1.2 | 1.2 | 1.2 | 1.2 |
| Current assets/Current liabilities | Ratio | 2.2 | 2.5 | 2.2 | 2.5 |
| Current assets less invent./Current liabilities (ACID Test) | Ratio | 1.0 | 1.2 | 1.0 | 1.2 |
| Net financial indebtedness/Net equity | Ratio | 0.6 | 0.7 | 0.6 | 0.6 |

Financial statements

Income statement at 30 September

| (Values in units of EUR) | Notes | 9 M | % on | 9 M | % on | Change | % |
|---|------------|--------------------|---------------|--------------------|---------------|------------------|----------------|
| | | 2014 | revenues | 2013 | revenues | | |
| REVENUES FROM SALES AND SERVICES | (1) | 192,942,277 | 100.0% | 193,297,620 | 100.0% | -355,343 | -0.2% |
| Other revenues and income | | 3,196,071 | 1.7% | 3,569,948 | 1.8% | -373,877 | -10.5% |
| TOTAL REVENUES | | 196,138,348 | 101.7% | 196,867,568 | 101.8% | -729,220 | -0.4% |
| Changes in inventory | | 4,952,688 | 2.6% | 338,011 | 0.2% | 4,614,677 | 1365.2% |
| Costs of raw materials, cons. and goods for resale | | -65,547,910 | -34.0% | -60,884,836 | -31.5% | -4,663,074 | 7.7% |
| Costs of services | | -50,096,304 | -26.0% | -50,461,447 | -26.1% | 365,143 | -0.7% |
| Costs for use of third parties assets | | -15,959,515 | -8.3% | -19,001,052 | -9.8% | 3,041,537 | -16.0% |
| Labour costs | | -43,799,417 | -22.7% | -47,264,312 | -24.5% | 3,464,895 | -7.3% |
| Other operating expenses | | -3,057,696 | -1.6% | -3,334,096 | -1.7% | 276,400 | -8.3% |
| Total Operating Costs | | -173,508,154 | -89.9% | -180,607,732 | -93.4% | 7,099,578 | -3.9% |
| GROSS OPERATING MARGIN (EBITDA) | (2) | 22,630,194 | 11.7% | 16,259,836 | 8.4% | 6,370,358 | 39.2% |
| Amortisation of intangible fixed assets | | -5,203,756 | -2.7% | -5,311,432 | -2.7% | 107,676 | -2.0% |
| Depreciation of tangible fixed assets | | -3,956,180 | -2.1% | -4,129,828 | -2.1% | 173,648 | -4.2% |
| Revaluations/(write-downs) and provisions | | -723,393 | -0.4% | -65,266 | 0.0% | -658,127 | 1008.4% |
| Total Amortisation, write-downs and provisions | | -9,883,329 | -5.1% | -9,506,526 | -4.9% | -376,803 | 4.0% |
| NET OPERATING PROFIT/LOSS (EBIT) | | 12,746,865 | 6.6% | 6,753,310 | 3.5% | 5,993,555 | 88.7% |
| Financial income | | 374,394 | 0.2% | 166,883 | 0.1% | 207,511 | 124.3% |
| Financial expenses | | -5,485,405 | -2.8% | -5,274,090 | -2.7% | -211,315 | 4.0% |
| Total Financial Income/(expenses) | | -5,111,011 | -2.6% | -5,107,207 | -2.6% | -3,804 | 0.1% |
| PROFIT/LOSS BEFORE TAXES | | 7,635,854 | 4.0% | 1,646,103 | 0.9% | 5,989,751 | 363.9% |
| Taxes | | -4,187,526 | -2.2% | -3,113,092 | -1.6% | -1,074,434 | 34.5% |
| NET PROFIT/LOSS | | 3,448,328 | 1.8% | -1,466,989 | -0.8% | 4,915,317 | -335.1% |
| (Profit)/loss attributable to minority shareholders | | -966,820 | -0.5% | -863,563 | -0.4% | -103,257 | 12.0% |
| NET PROFIT/LOSS FOR THE GROUP | (3) | 2,481,508 | 1.3% | -2,330,552 | -1.2% | 4,812,060 | -206.5% |

Income statement for the third quarter

| (Values in units of EUR) | Notes | III Q 2014 | % on revenues | III Q 2013 | % on revenues | Change | % |
|---|------------|-------------------|------------------|-------------------|------------------|------------------|--------------|
| REVENUES FROM SALES AND SERVICES | (1) | 71,877,344 | 100.0% | 70,378,361 | 100.0% | 1,498,983 | 2.1% |
| Other revenues and income | | 1,170,314 | 1.6% | 660,260 | 0.9% | 510,054 | 77.3% |
| TOTAL REVENUES | | 73,047,658 | 101.6% | 71,038,621 | 100.9% | 2,009,037 | 2.8% |
| Changes in inventory | | -840,394 | -1.2% | -4,145,786 | -5.9% | 3,305,392 | -79.7% |
| Costs of raw materials, cons. and goods for resale | | -22,905,418 | -31.9% | -17,709,777 | -25.2% | -5,195,641 | 29.3% |
| Costs of services | | -18,082,992 | -25.2% | -17,374,469 | -24.7% | -708,523 | 4.1% |
| Costs for use of third parties assets | | -5,504,076 | -7.7% | -6,442,114 | -9.2% | 938,038 | -14.6% |
| Labour costs | | -14,593,898 | -20.3% | -15,865,022 | -22.5% | 1,271,124 | -8.0% |
| Other operating expenses | | -1,060,957 | -1.5% | -576,141 | -0.8% | -484,816 | 84.1% |
| Total Operating Costs | | -62,987,735 | -87.6% | -62,113,309 | -88.3% | -874,426 | 1.4% |
| GROSS OPERATING MARGIN (EBITDA) | (2) | 10,059,923 | 14.0% | 8,925,312 | 12.7% | 1,134,611 | 12.7% |
| Amortisation of intangible fixed assets | | -1,775,334 | -2.5% | -1,753,079 | -2.5% | -22,255 | 1.3% |
| Depreciation of tangible fixed assets | | -1,343,949 | -1.9% | -1,424,149 | -2.0% | 80,200 | -5.6% |
| Revaluations/(write-downs) and provisions | | -476,306 | -0.7% | -22,446 | 0.0% | -453,860 | 2022.0% |
| Total Amortisation, write-downs and provisions | | -3,595,589 | -5.0% | -3,199,674 | -4.5% | -395,915 | 12.4% |
| NET OPERATING PROFIT/LOSS (EBIT) | | 6,464,334 | 9.0% | 5,725,638 | 8.1% | 738,696 | 12.9% |
| Financial income | | 253,853 | 0.4% | 49,425 | 0.1% | 204,428 | 413.6% |
| Financial expenses | | -1,827,877 | -2.5% | -1,916,163 | -2.7% | 88,286 | -4.6% |
| Total Financial Income/(expenses) | | -1,574,024 | -2.2% | -1,866,738 | -2.7% | 292,714 | -15.7% |
| PROFIT/LOSS BEFORE TAXES | | 4,890,310 | 6.8% | 3,858,900 | 5.5% | 1,031,410 | 26.7% |
| Taxes | | -2,092,031 | -2.9% | -2,025,792 | -2.9% | -66,239 | 3.3% |
| NET PROFIT/LOSS | | 2,798,279 | 3.9% | 1,833,108 | 2.6% | 965,171 | 52.7% |
| (Profit)/loss attributable to minority shareholders | | -467,085 | -0.6% | -461,785 | -0.7% | -5,300 | 1.1% |
| NET PROFIT/LOSS FOR THE GROUP | (3) | 2,331,194 | 3.2% | 1,371,323 | 1.9% | 959,871 | 70.0% |

Reclassified balance sheet

| (Values in units of EUR) | Notes | 30 settembre 2014 | 31 dicembre 2013 | 30 settembre 2013 |
|--|------------|----------------------|---------------------|----------------------|
| Trade receivables | | 45,532,343 | 35,796,691 | 41,658,038 |
| Stocks and inventories | | 79,115,769 | 74,085,293 | 74,253,049 |
| Trade payables | | -43,514,050 | -45,448,082 | -38,079,393 |
| Operating net working capital | (4) | 81,134,062 | 64,433,902 | 77,831,694 |
| Other short term receivables | | 21,873,831 | 23,311,361 | 22,938,437 |
| Tax receivables | | 6,469,688 | 7,159,456 | 7,432,582 |
| Other short term liabilities | | -15,913,026 | -14,430,223 | -16,382,091 |
| Tax payables | | -3,011,852 | -4,045,012 | -3,354,552 |
| Net working capital | | 90,552,703 | 76,429,484 | 88,466,070 |
| Tangible fixed assets | | 63,279,075 | 64,554,791 | 65,798,455 |
| Intangible fixed assets | | 128,556,798 | 132,788,262 | 133,641,689 |
| Equity investments | | 30,252 | 30,252 | 30,251 |
| Other fixed assets | | 4,496,134 | 4,793,840 | 2,470,718 |
| Fixed assets | (5) | 196,362,259 | 202,167,145 | 201,941,113 |
| Post employment benefits | | -7,003,259 | -7,535,522 | -8,348,118 |
| Provisions | | -1,736,583 | -1,166,839 | -823,761 |
| Assets available for sale | | 436,885 | 516,885 | 436,885 |
| Liabilities available for sale | | - | -329,200 | - |
| Long term not financial liabilities | | -14,080,132 | -14,045,132 | -14,045,132 |
| Deferred tax assets | | 11,050,999 | 13,156,227 | 11,159,717 |
| Deferred tax liabilities | | -37,275,755 | -37,173,257 | -37,586,887 |
| NET CAPITAL INVESTED | | 238,307,117 | 232,019,791 | 241,199,887 |
| Share capital | | 25,371,407 | 25,371,407 | 25,371,407 |
| Other reserves | | 114,805,074 | 118,800,400 | 119,103,739 |
| Profits/(Losses) carried-forward | | -12,112,826 | -14,199,499 | -14,199,480 |
| Profit/(Loss) of the period | | 2,481,508 | -3,197,728 | -2,330,552 |
| Group interest in shareholders' equity | | 130,545,163 | 126,774,580 | 127,945,114 |
| Minority interests in shareholders' equity | | 17,611,136 | 16,644,316 | 16,401,296 |
| Total shareholders' equity | (6) | 148,156,299 | 143,418,896 | 144,346,410 |
| Short term financial receivables | | -1,000,000 | -1,000,000 | 0 |
| Cash | | -6,368,388 | -7,524,153 | -4,617,444 |
| Long term financial liabilities | | 13,582,347 | 15,559,284 | 3,328,442 |
| Long term financial receivables | | -1,622,586 | -1,574,143 | -2,628,656 |
| Short term financial liabilities | | 85,559,445 | 83,139,907 | 100,771,135 |
| NET FINANCIAL POSITION | (7) | 90,150,818 | 88,600,895 | 96,853,477 |
| SHAREHOLDERS' EQUITY AND NET FINANCIAL INDEBTEDNESS | | 238,307,117 | 232,019,791 | 241,199,887 |

Cash flow

| (Values in thousands of EUR) | Notes | 9 M 2014 | 9 M 2013 |
|--|-------|---------------|---------------|
| OPENING BALANCE | | 7,524 | 5,362 |
| Profit / loss before taxes | | 7,636 | 1,646 |
| Amortisation / write-downs | | 9,160 | 9,439 |
| Accrual (+) / availment (-) of long term provisions and post employment benefits | | -258 | -926 |
| Paid income taxes | | -3,013 | -3,170 |
| Financial income (-) and financial charges (+) | | 5,111 | 5,107 |
| Change in operating assets and liabilities | | -13,089 | -10,578 |
| CASH FLOW (ABSORBED) / GENERATED BY OPERATING ACTIVITY | | 5,547 | 1,518 |
| Increase (-) / decrease (+) in intangible fixed assets | | -972 | -880 |
| Increase (-) / decrease (+) in tangible fixed assets | | -2,601 | -4,535 |
| Investments and write-downs (-)/ Disinvestments and revaluations (+) | | 0 | 0 |
| CASH FLOW (ABSORBED) / GENERATED BY INVESTING ACTIVITY | | -3,573 | -5,415 |
| Other variations in reserves and profits carried-forward of shareholders' equity | | 1,289 | -83 |
| Dividends paid | | 0 | 0 |
| Increase (+) / decrease (-) of financial liabilities | | 443 | 5,628 |
| Increase (-) / decrease (+) of financial receivables | | 249 | 2,714 |
| Financial income (+) and financial charges (-) | | -5,111 | -5,107 |
| CASH FLOW (ABSORBED) / GENERATED BY FINANCING ACTIVITY | | -3,130 | 3,152 |
| CLOSING BALANCE | | 6,368 | 4,617 |

Changes in shareholders' equity

(Values in thousands of EUR)

| | Share capital | Share premium reserve | Other reserves | Fair Value reserve | IAS reserve | Profits/(Losses) carried-forward | Reamusement 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 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 |

(Values in thousands of EUR)

| | Share capital | Share premium reserve | Other reserves | Fair Value reserve | IAS reserve | Profits/(Losses) carried-forward | Reamusement 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 1 January 2014 | 25,371 | 71,240 | 31,765 | 7,901 | 11,459 | - 14,198 | - 833 | - 3,198 | - 2,733 | 126,774 | 16,644 | 143,418 |
| Allocation of 31/12/13 profit/(loss) | - | - | 5,284 | - | - | 2,086 | - | 3,198 | - | - | - | - |
| Dividends paid | - | - | - | - | - | - | - | - | - | - | - | - |
| Treasury stock (buy-back)/ sale | - | - | - | - | - | - | - | - | - | - | - | - |
| Total comprehensive income/(loss) at 30/09/14 | - | - | - | - | - | - | - | 2,482 | 1,289 | 3,771 | 967 | 4,738 |
| Other changes | - | - | - | - | - | - | - | - | - | - | - | - |
| BALANCES AT 30 September 2014 | 25,371 | 71,240 | 26,481 | 7,901 | 11,459 | - 12,112 | - 833 | 2,482 | - 1,444 | 130,545 | 17,611 | 148,156 |

Interim management report

In the first nine months of 2014, revenues from sales and services are equal to EUR 192,942 thousand with a decrease of 0.2%, both at current and constant exchange rates, compared to EUR 193,298 thousand in the first nine months of 2013. It should be noted that consolidated revenues would have increased by 7.0% at constant exchange rates, net of the effects of already terminated licenses and the reorganization of the Japanese distribution network, currently managed exclusively through the wholesale channel.

In the first nine months of 2014, EBITDA is positive for EUR 22,630 thousand (with an incidence of 11.7% of consolidated sales), compared to EUR 16,260 thousand in the first nine months of 2013 (with an incidence of 8.4% of consolidated sales). The growth was significantly driven by the positive effects resulting from the lower incidence of the operating costs thanks to the policies of rationalization and efficiency improvement implemented at Group level. The improvement in profitability has involved both divisions.

EBITDA of the *prêt-à-porter* division is equal to EUR 17,147 thousand in the first nine months of 2014 (representing 11.6% of consolidated sales) compared to an EBITDA of EUR 14,417 thousand in the first nine months of 2013 (representing 9.6% of consolidated sales), showing an increase of EUR 2,730 thousand.

The EBITDA of the footwear and leather goods division records an improvement increasing from EUR 1,843 thousand in the first nine months of 2013 (representing 3.3% of consolidated sales) to EUR 5,483 thousand in the first nine months of 2014 (representing 8.6% of consolidated sales).

Consolidated EBIT amounts to EUR 12,747 thousand, showing an improvement of EUR 5,994 thousand compared to an EBIT of EUR 6,753 thousand in the first nine months of 2013.

In the first nine months of 2014 Group records a net profits of EUR 2,482 thousand showing a progress of EUR 4,813 thousand compared to a net loss of EUR 2,331 thousand in the first nine months of 2013.

The balance sheet at 30 September 2014 shows a shareholders' equity of EUR 148,156 thousand and a net financial indebtedness of EUR 90,151 thousand in clear drop compared to EUR 96,853 thousand at 30 September 2013 and in progress of EUR 1,550 thousand compared to EUR 88,601 thousand at 31 December 2013 mainly for the seasonality of the business.

At 30 September 2014, net working capital amounts to EUR 90,553 thousand (36.1% of LTM sales) compared to EUR 76,429 thousand at 31 December 2013 (30.4% of sales) and to EUR 88,466 thousand (35.6% of LTM sales) at 30 September 2013; the increase of net working capital's incidence on sales is mainly related to the seasonality of the business and to the increase in inventories driven by the growth of orders' backlog both for Autumn/Winter 2014 collections compared to the Autumn/Winter 2013 collections and for the Spring/Summer 2015 compared to the corresponding season of 2014.

Capex realised in the period, for EUR 6,455 thousand, are mainly related to stores' refurbishment and maintenance and the key money paid for the new shops; disinvestments, for EUR 2,882 thousand, mainly referred to the sale of stores.

Explanatory notes

Income statement

1. Revenues from sales and services

Nine months 2014 vs 2013

In the first nine months of 2014, revenues from sales and services are equal to EUR 192,942 thousand with a decrease of 0.2%, both at current and constant exchange rates, compared to EUR 193,298 thousand in the first nine months of 2013. It should be noted that consolidated revenues would have increased by 7.0% at constant exchange rates, net of the effects of already terminated licenses and the reorganization of the Japanese distribution network, currently managed exclusively through the wholesale channel.

Sales by brand

| (Values in thousands of EUR) | 9 M | | 9 M | | Change | |
|------------------------------|----------------|---------------|----------------|---------------|-------------|--------------|
| | 2014 | % | 2013 | % | Δ | % |
| Alberta Ferretti | 16,371 | 8.5% | 15,562 | 8.1% | 809 | 5.2% |
| Philosophy | 11,811 | 6.1% | 16,453 | 8.5% | -4,642 | -28.2% |
| Moschino | 121,573 | 63.0% | 114,838 | 59.4% | 6,735 | 5.9% |
| Pollini | 25,636 | 13.3% | 25,474 | 13.2% | 162 | 0.6% |
| Other | 17,551 | 9.1% | 20,971 | 10.8% | -3,420 | -16.3% |
| Total | 192,942 | 100.0% | 193,298 | 100.0% | -356 | -0.2% |

In the first nine months of 2014, Alberta Ferretti brand increases by 5.2% (+5.1% at constant exchange rates), generating 8.5% of consolidated sales; while Philosophy brand decreases by 28.2% (-28.2% at constant exchange rates), generating 6.1% of consolidated sales.

In the same period, Moschino brand sales increase by 5.9% (+5.8% at constant exchange rates) contributing to 63.0% of consolidated sales.

Pollini brand increases by 0.6% (+0.6% at constant exchange rates), generating 13.3% of consolidated sales, while the other brands sales decrease by 16.3% (-15.8% at constant exchange rates) contributing to 9.1% of consolidated sales.

Sales by geographical area

| (Values in thousands of EUR) | 9 M | | 9 M | | Change | |
|------------------------------------|----------------|---------------|----------------|---------------|-------------|--------------|
| | 2014 | % | 2013 | % | Δ | % |
| Italy | 87,600 | 45.4% | 82,928 | 42.9% | 4,672 | 5.6% |
| Europe (Italy and Russia excluded) | 42,963 | 22.3% | 39,330 | 20.3% | 3,633 | 9.2% |
| Russia | 13,637 | 7.1% | 15,383 | 8.0% | -1,746 | -11.4% |
| United States | 11,364 | 5.9% | 11,293 | 5.8% | 71 | 0.6% |
| Japan | 4,982 | 2.6% | 15,249 | 7.9% | -10,267 | -67.3% |
| Rest of the World | 32,396 | 16.7% | 29,115 | 15.1% | 3,281 | 11.3% |
| Total | 192,942 | 100.0% | 193,298 | 100.0% | -356 | -0.2% |

In the first nine months of 2014 sales in Italy register a very positive trend increasing by 5.6% to EUR 87,600 thousand, contributing to 45.4% of consolidated sales. Sales in Europe, that amount to EUR 42,963 thousand, increase by 9.2% (+8.8% at constant exchange rates), contributing to 22.3% of consolidated sales, thanks to a

good recovery across the main markets, while the Russian market records sales equal to EUR 13,637 thousand, contributing to 7.1% of consolidated sales, with a reduction of 11.4% compared to the corresponding period of 2013.

Sales in the United States are equal to EUR 11,364 thousand, contributing to 5.9% of consolidated sales, with an increase of 0.6% (+3.2% at constant exchange rates).

Japanese sales, contributing to 2.6% of consolidated sales, decrease by 67.3%, as a consequence of the reorganization of the local distribution network, effective from the beginning of 2014. Specifically, on the basis of an exclusive distribution and franchise agreement with Woollen Co., Ltd. and Mitsubishi Corporation Fashion Co., Ltd., since the beginning of the year, sales of the collections under the brands Alberta Ferretti, Philosophy, Moschino, Moschino C&C and Love Moschino, are exclusively realized through the wholesale and no longer via retail channel.

In the Rest of the World, sales are equal to EUR 32,396 thousand, contributing to 16.7% of consolidated sales, with an increase of 11.3% (+11.0% at constant exchange rates) compared to the corresponding period of 2013, especially thanks to a good trend in Greater China.

Sales by distribution channel

| (Values in thousands of EUR) | 9 M | | 9 M | | Change | |
|------------------------------|----------------|---------------|----------------|---------------|-------------|--------------|
| | 2014 | % | 2013 | % | Δ | % |
| Wholesale | 129,306 | 67.0% | 123,750 | 64.0% | 5,556 | 4.5% |
| Retail | 52,883 | 27.4% | 58,074 | 30.0% | -5,191 | -8.9% |
| Royalties | 10,753 | 5.6% | 11,474 | 6.0% | -721 | -6.3% |
| Total | 192,942 | 100.0% | 193,298 | 100.0% | -356 | -0.2% |

By distribution channel in the first nine months of 2014, wholesale sales increase by 4.5% (+4.7% at constant exchange rates) contributing to 67.0% of consolidated sales.

Sales of our directly-operated stores (retail channel) amount to EUR 52,883 thousand with a decrease of 8.9% (-9.3% at constant exchange rates) contributing to 27.4% of consolidated sales.

Royalty income is 6.3% 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) | 9 M | | 9 M | | Change | |
|------------------------------|----------------|---------------|----------------|---------------|-------------|--------------|
| | 2014 | % | 2013 | % | Δ | % |
| Own brands | 175,391 | 90.9% | 172,327 | 89.2% | 3,064 | 1.8% |
| Brands under license | 17,551 | 9.1% | 20,971 | 10.8% | -3,420 | -16.3% |
| Total | 192,942 | 100.0% | 193,298 | 100.0% | -356 | -0.2% |

Revenues generated by own brands increase in absolute value by EUR 3,064 thousand, +1.8% compared with the previous period, with an incidence on total revenues which increases from 89.2% in the first nine months of 2013 to 90.9% in the first nine months of 2014.

Third quarter 2014 vs 2013

In the third quarter of 2014, revenues from sales and services are equal to EUR 71,877 thousand with an increase of 2.1% compared with EUR 70,379 thousand in the third quarter of 2013.

Sales by brand

| (Values in thousands of EUR) | III Q | | III Q | | Change | |
|------------------------------|---------------|---------------|---------------|---------------|--------------|-------------|
| | 2014 | % | 2013 | % | Δ | % |
| Alberta Ferretti | 6,014 | 8.4% | 6,153 | 8.7% | -139 | -2.3% |
| Philosophy | 3,580 | 5.0% | 5,473 | 7.8% | -1,893 | -34.6% |
| Moschino | 46,232 | 64.3% | 41,641 | 59.2% | 4,591 | 11.0% |
| Pollini | 10,187 | 14.2% | 10,216 | 14.5% | -29 | -0.3% |
| Other | 5,864 | 8.1% | 6,896 | 9.8% | -1,032 | -15.0% |
| Total | 71,877 | 100.0% | 70,379 | 100.0% | 1,498 | 2.1% |

In the third quarter of 2014, Alberta Ferretti brand decreases by 2.3% generating 8.4% of consolidated sales, while Philosophy brand decreases by 34.6% generating 5.0% of consolidated sales.

In the same period, Moschino brand sales increase by 11.0% contributing to 64.3% of consolidated sales.

Pollini brand decreases by 0.3% generating 14.2% of consolidated sales, while the other brands sales decrease by 15.0% contributing to 8.1% of consolidated sales.

Sales by geographical area

| (Values in thousands of EUR) | III Q | | III Q | | Change | |
|------------------------------------|---------------|---------------|---------------|---------------|--------------|-------------|
| | 2014 | % | 2013 | % | Δ | % |
| Italy | 34,675 | 48.2% | 30,165 | 42.9% | 4,510 | 15.0% |
| Europe (Italy and Russia excluded) | 14,547 | 20.2% | 15,233 | 21.6% | -686 | -4.5% |
| Russia | 4,155 | 5.8% | 5,842 | 8.3% | -1,687 | -28.9% |
| United States | 4,264 | 5.9% | 3,569 | 5.1% | 695 | 19.5% |
| Japan | 1,759 | 2.4% | 5,098 | 7.2% | -3,339 | -65.5% |
| Rest of the World | 12,477 | 17.5% | 10,472 | 14.9% | 2,005 | 19.1% |
| Total | 71,877 | 100.0% | 70,379 | 100.0% | 1,498 | 2.1% |

In the third quarter of 2014 sales in Italy increase by 15.0% to EUR 34,675 thousand, contributing to 48.2% of consolidated sales.

Sales in Europe decrease by 4.5% contributing to 20.2% of consolidated sales, while the Russian market records sales equal to EUR 4,155 thousand, contributing to 5.8% of consolidated sales, with a decrease of 28.9%. Sales in the United States are equal to EUR 4,264 thousand, contributing to 5.9% of consolidated sales, with an increase of 19.5%. In Japan sales decrease by 65.5% to EUR 1,759 thousand, contributing to 2.4% of consolidated sales.

In the Rest of the World, sales are equal to EUR 12,477 thousand with an increase of 19.1% and a contribution of 17.5% of consolidated sales.

Sales by distribution channel

| (Values in thousands of EUR) | III Q | | III Q | | Change | |
|------------------------------|---------------|---------------|---------------|---------------|--------------|-------------|
| | 2014 | % | 2013 | % | Δ | % |
| | Wholesale | 50,041 | 69.6% | 46,780 | 66.5% | 3,261 |
| Retail | 18,369 | 25.6% | 19,664 | 27.9% | -1,295 | -6.6% |
| Royalties | 3,467 | 4.8% | 3,935 | 5.6% | -468 | -11.9% |
| Total | 71,877 | 100.0% | 70,379 | 100.0% | 1,498 | 2.1% |

By distribution channel in the third quarter of 2014, wholesale sales increase by 7.0% contributing to 69.6% of consolidated sales.

Sales of our directly-operated stores (retail channel) amount to EUR 18,369 thousand with a decrease of 6.6% contributing to 25.6% of consolidated sales.

Royalty income is 11.9% lower than in the corresponding period of the previous year, representing 4.8% of consolidated sales.

Sales by own brands and under licensed brands

| (Values in thousands of EUR) | III Q | | III Q | | Change | |
|------------------------------|---------------|---------------|---------------|---------------|--------------|-------------|
| | 2014 | % | 2013 | % | Δ | % |
| | Own brands | 66,013 | 91.9% | 63,483 | 90.2% | 2,530 |
| Brands under license | 5,864 | 8.1% | 6,896 | 9.8% | -1,032 | -15.0% |
| Total | 71,877 | 100.0% | 70,379 | 100.0% | 1,498 | 2.1% |

Revenues generated by own brands increase in absolute value by EUR 2,530 thousand, with an incidence on revenues that increases from 90.2% in the third quarter 2013 to 91.9% in the third quarter 2014. Revenues generated by brands under license decrease in absolute value by EUR 1,032 thousand.

2. Gross Operating Margin (EBITDA)

Nine months 2014 vs 2013

In the first nine months of 2014, EBITDA is positive for EUR 22,630 thousand (with an incidence of 11.7% of consolidated sales), compared to EUR 16,260 thousand in the first nine months of 2013 (with an incidence of 8.4% of consolidated sales). The growth was significantly driven by the positive effects resulting from the lower incidence of the operating costs thanks to the policies of rationalization and efficiency improvement implemented at Group level.

Third quarter 2014 vs 2013

In the third quarter of 2014 consolidated EBITDA is EUR 10,060 thousand (with an incidence of 14.0% of consolidated sales), showing an increase of profitability compared to EUR 8,925 thousand in the third quarter of 2013, (with an incidence of 12.7% of consolidated sales).

3. Net profit for the Group

Nine months 2014 vs 2013

In the first nine months of 2014 Group records a net profit of EUR 2,482 thousand showing an increase of EUR 4,813 thousand compared to a net loss of EUR 2,331 thousand in the first nine months of 2013.

Third quarter 2014 vs 2013

In the third quarter of 2014 Group records a net profit of EUR 2,331 thousand showing an increase compared to a net profit of EUR 1,371 thousand in the third quarter of 2013.

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 2014 vs 2013

The following tables indicate the main economic data for the first nine months of 2014 and 2013 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 2014 | | | | |
| SECTOR REVENUES | 147,319 | 63,758 | -18,135 | 192,942 |
| Intercompany revenues | -4,836 | -13,299 | 18,135 | - |
| Revenues with third parties | 142,483 | 50,459 | - | 192,942 |
| Gross operating margin (EBITDA) | 17,147 | 5,483 | - | 22,630 |
| Amortisation | -7,027 | -2,133 | - | -9,160 |
| Other non monetary items: | | | | |
| Revaluations / write-downs | -609 | -114 | - | -723 |
| Net operating profit / loss (EBIT) | 9,511 | 3,236 | - | 12,747 |
| Financial income | 983 | 9 | -618 | 374 |
| Financial expenses | -4,746 | -1,357 | 618 | -5,485 |
| Profit / loss before taxes | 5,748 | 1,888 | - | 7,636 |
| Income taxes | -3,339 | -849 | - | -4,188 |
| Net profit / loss | 2,409 | 1,039 | - | 3,448 |

| (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 |

Third Quarter 2014 vs 2013

The following tables indicate the main economic data for the third quarter of 2014 and 2013 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 2014 | | | | |
| SECTOR REVENUES | 52,496 | 26,029 | -6,648 | 71,877 |
| Intercompany revenues | -2,069 | -4,579 | 6,648 | - |
| Revenues with third parties | 50,427 | 21,450 | | 71,877 |
| Gross operating margin (EBITDA) | 6,491 | 3,569 | | 10,060 |
| Amortisation | -2,408 | -712 | | -3,120 |
| Other non monetary items: | | | | |
| Revaluations / write-downs | -425 | -51 | | -476 |
| Net operating profit / loss (EBIT) | 3,658 | 2,806 | | 6,464 |
| Financial income | 436 | -2 | -181 | 253 |
| Financial expenses | -1,578 | -430 | 181 | -1,827 |
| Profit / loss before taxes | 2,516 | 2,374 | | 4,890 |
| Income taxes | -1,243 | -849 | | -2,092 |
| Net profit / loss | 1,273 | 1,525 | | 2,798 |

| (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 |

Prêt-à porter Division

In the first nine months of 2014, revenues of the prêt-à-porter division decrease by 2.2% (-2.2% at constant exchange rates) to EUR 147,319 thousand. This division contributes to 73.1% of consolidated revenues in the first nine months of 2013 and 69.8% in the first nine months of 2014, before inter-divisional eliminations.

EBITDA of the *prêt-à-porter* division is equal to EUR 17,147 thousand in the first nine months of 2014 (representing 11.6% of consolidated sales) compared to an EBITDA of EUR 14,417 thousand in the first nine months of 2013 (representing 9.6% of consolidated sales), showing an increase of EUR 2,730 thousand.

Footwear and leather goods Division

Revenues of the footwear and leather goods division increase by 15.2% from EUR 55,356 thousand in the first nine months of 2013 to EUR 63,758 thousand in the first nine months of 2014.

The EBITDA of the footwear and leather goods division increases from EUR 1,843 thousand in the first nine months of 2013 (representing 3.3% of consolidated sales) to EUR 5,483 thousand in the first nine months of 2014 (representing 8.6% of consolidated sales).

Balance sheet

Compared to 31 December 2013, the balance sheet at 30 September 2014 shows an increase in shareholders' equity from EUR 143,419 thousand to EUR 148,156 thousand.

4. Net working capital

At 30 September 2014, net working capital amounts to EUR 90,553 thousand (36.1% of LTM sales) compared to EUR 76,429 thousand at 31 December 2013 (30.4% of sales) and to EUR 88,466 thousand (35.6% of LTM sales) at 30 September 2013; the increase of net working capital's incidence on sales is mainly related to the seasonality of the business and to the increase in inventories driven by the growth of orders' backlog both for Autumn/Winter 2014 collections compared to the Autumn/Winter 2013 collections and for the Spring/Summer 2015 compared to the corresponding season of 2014.

5. Fixed assets

Capex realised in the period, for EUR 6,455 thousand, are mainly related to stores' refurbishment and maintenance and the key money paid for the new shops; disinvestments, for EUR 2,882 thousand, mainly referred to the sale of stores.

6. Shareholders' equity

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

7. Net financial position

The net financial indebtedness amounts to EUR 90,151 thousand in clear drop compared to EUR 96,853 thousand at 30 September 2013 and in progress of EUR 1,550 thousand compared to EUR 88,601 thousand at 31 December 2013 mainly for the seasonality of the business.

Other information

Earnings per share

Basic earnings per share:

| (Values in thousands of EUR) | 30 September 2014 | 30 September 2013 |
|--|----------------------|----------------------|
| Consolidated earnings/(losses) for the period for the shareholders of the Parent Company | 2,482 | -2,331 |
| Weighted average number of outstanding shares | 101,486 | 101,486 |
| Basic earnings per share | 0.024 | -0.023 |

Accounting policies

The main accounting policies and measurement basis adopted in preparing the consolidated financial statements at 30 September 2014, except for the interpretations and amendments to the accounting principles that have been mandatory since 1 January 2014 and illustrated in the half yearly financial statement at 30 June 2014, are the same used in preparing the consolidated financial statements at 31 December 2013.

Significant events subsequent to the balance sheet date

After the 30 September 2014 no significant events regarding the Group's activities have to be reported.

Outlook

The significant acceleration of the Group is the result of a strategy allowing us to redefine our offer. Choices involving portfolio brands, style and distribution have increased the visibility of our brands and building solid bases for a further future development. This positive view is confirmed by a 15% increase in the orders backlog of the Spring/Summer 2015 collections compared to the last year.

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.