



AEFFE

INTERIM CONSOLIDATED FINANCIAL STATEMENT AT 30 SEPTEMBER 2012

Disclaimer

This Interim consolidated financial statement at 30 September 2012 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.

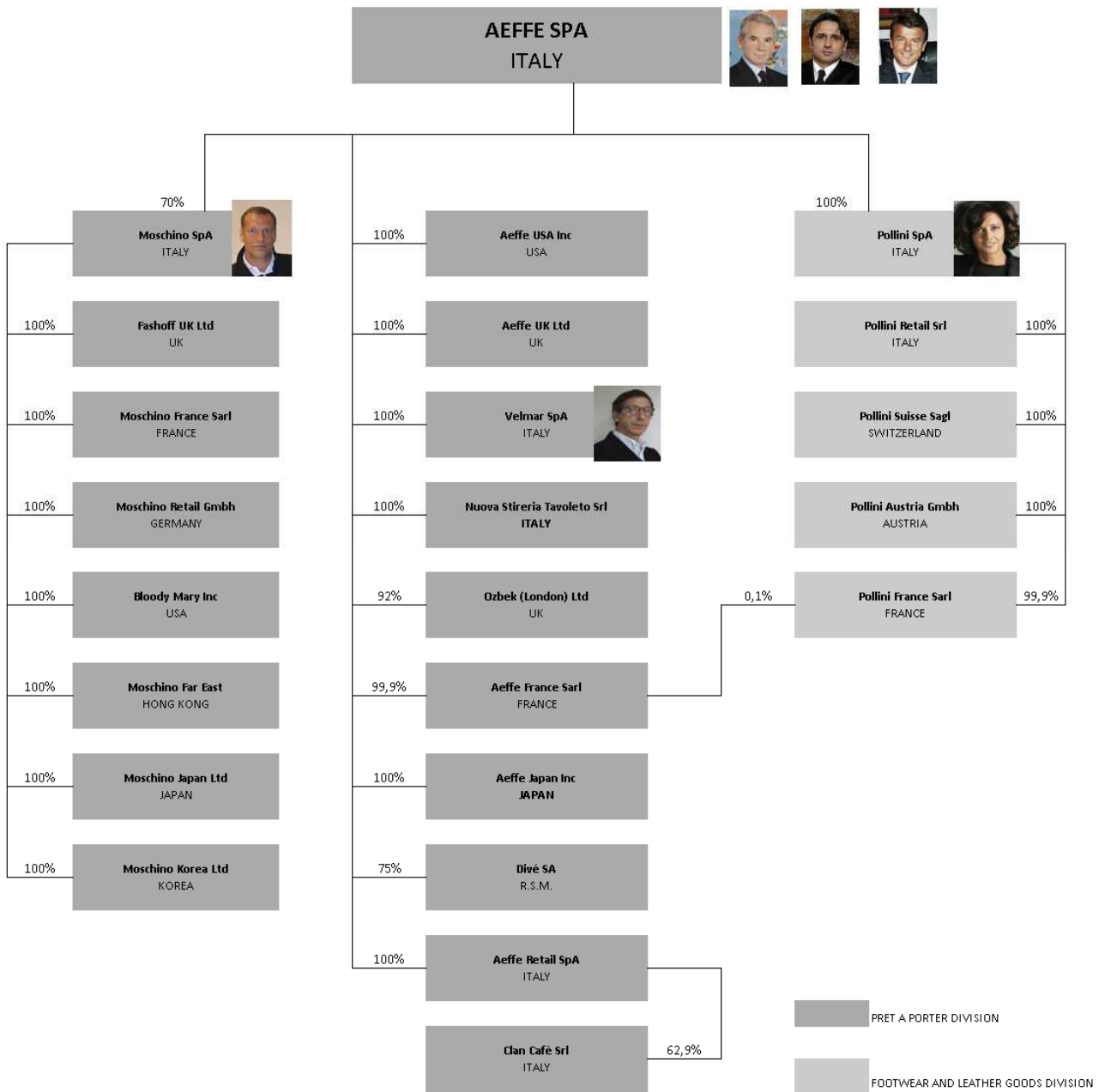
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Corporate Boards of the Parent Company

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
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**
DI ALBERTA FERRETTI

MOSCHINO® **MOSCHINO®**
CHEAPANDCHIC

CEDRIC CHARLIER

Jean Paul
GAULTIER

cacharel

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 - GAULTIER - POLLINI)

Via Donizetti, 48
20122 - Milan
Italy

PARIS

(GROUP)

6, Rue Caffarelli
75003 - Paris
France

LONDON

(GROUP)

28-29 Conduit Street
W1S 2YB - London
UK

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

(MOSCHINO LOVE)

Via Settembrini, 1
20124 - Milan
Italy

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
		2011	2012
Total revenues	(Values in millions of EUR)	202.3	204.6
Gross operating margin (EBITDA)	(Values in millions of EUR)	19.1	20.5
Net operating profit (EBIT)	(Values in millions of EUR)	8.8	10.4
Profit before taxes	(Values in millions of EUR)	5.2	4.6
Net profit for the Group	(Values in millions of EUR)	0.1	-0.3
Basic earnings per share	(Values in units of EUR)	0.001	-0.003
Cash Flow (net profit + depreciation)	(Values in millions of EUR)	11.0	10.0
Cash Flow/Total revenues	Ratio	5.5	4.9

		31 December	30 September	31 December	30 September
		2010	2011	2011	2012
Net capital invested	(Values in millions of EUR)	251.1	262.6	248.3	246.0
Net financial indebtedness	(Values in millions of EUR)	95.5	107.6	98.1	95.6
Group net equity	(Values in millions of EUR)	129.8	138.5	134.2	134.4
Group net equity per share	(Values in units of EUR)	1.2	1.3	1.3	1.3
Current assets/Current liabilities	Ratio	2.1	2.4	1.9	2.4
Current assets less invent./Current liabilities (ACID Test)	Ratio	0.9	1.3	0.9	1.2
Net financial indebtedness/Net equity	Ratio	0.6	0.7	0.7	0.6

Financial statements

Income statement at 30 September

(Values in units of EUR)	Notes	9 M 2012	% on revenues	9 M 2011	% on revenues	Change	%
REVENUES FROM SALES AND SERVICES	(1)	198,764,097	100.0%	197,446,834	100.0%	1,317,263	0.7%
Other revenues and income		5,820,348	2.9%	4,844,948	2.5%	975,400	20.1%
TOTAL REVENUES		204,584,445	102.9%	202,291,782	102.5%	2,292,663	1.1%
Changes in inventory		39,593	0.0%	-5,781,768	-2.9%	5,821,361	-100.7%
Costs of raw materials, cons. and goods for resale		-59,751,400	-30.1%	-55,633,812	-28.2%	-4,117,588	7.4%
Costs of services		-54,982,457	-27.7%	-56,024,631	-28.4%	1,042,174	-1.9%
Costs for use of third parties assets		-18,630,014	-9.4%	-17,877,338	-9.1%	-752,676	4.2%
Labour costs		-46,885,557	-23.6%	-44,680,845	-22.6%	-2,204,712	4.9%
Other operating expenses		-3,859,222	-1.9%	-3,189,186	-1.6%	-670,036	21.0%
Total Operating Costs		-184,069,057	-92.6%	-183,187,580	-92.8%	-881,477	0.5%
GROSS OPERATING MARGIN (EBITDA)	(2)	20,515,388	10.3%	19,104,202	9.7%	1,411,186	7.4%
Amortisation of intangible fixed assets		-5,719,581	-2.9%	-4,948,694	-2.5%	-770,887	15.6%
Depreciation of tangible fixed assets		-4,324,802	-2.2%	-5,316,535	-2.7%	991,733	-18.7%
Revaluations/(write-downs) and provisions		-77,793	0.0%	-74,389	0.0%	-3,404	4.6%
Total Amortisation, write-downs and provisions		-10,122,176	-5.1%	-10,339,618	-5.2%	217,442	-2.1%
NET OPERATING PROFIT/LOSS (EBIT)		10,393,212	5.2%	8,764,584	4.4%	1,628,628	18.6%
Financial income		75,541	0.0%	238,023	0.1%	-162,482	-68.3%
Financial expenses		-5,910,868	-3.0%	-3,788,255	-1.9%	-2,122,613	56.0%
Total Financial Income/(expenses)		-5,835,327	-2.9%	-3,550,232	-1.8%	-2,285,095	64.4%
PROFIT/LOSS BEFORE TAXES		4,557,885	2.3%	5,214,352	2.6%	-656,467	-12.6%
Taxes		-4,565,729	-2.3%	-4,445,396	-2.3%	-120,333	2.7%
NET PROFIT/LOSS		-7,844	0.0%	768,956	0.4%	-776,800	-101.0%
(Profit)/loss attributable to minority shareholders		-275,410	-0.1%	-620,931	-0.3%	345,521	-55.6%
NET PROFIT/LOSS FOR THE GROUP	(3)	-283,254	-0.1%	148,025	0.1%	-431,279	-291.4%

Income statement for the third quarter

(Values in units of EUR)	Notes	III Q 2012	% on revenues	III Q 2011	% on revenues	Change	%
REVENUES FROM SALES AND SERVICES	(1)	77,100,905	100.0%	77,480,183	100.0%	-379,278	-0.5%
Other revenues and income		2,615,731	3.4%	2,309,194	3.0%	306,537	13.3%
TOTAL REVENUES		79,716,636	103.4%	79,789,377	103.0%	-72,741	-0.1%
Changes in inventory		-4,692,515	-6.1%	-6,715,465	-8.7%	2,022,950	-30.1%
Costs of raw materials, cons. and goods for resale		-19,251,624	-25.0%	-16,702,942	-21.6%	-2,548,682	15.3%
Costs of services		-19,376,950	-25.1%	-19,905,381	-25.7%	528,431	-2.7%
Costs for use of third parties assets		-6,732,888	-8.7%	-6,322,049	-8.2%	-410,839	6.5%
Labour costs		-15,814,784	-20.5%	-15,244,438	-19.7%	-570,346	3.7%
Other operating expenses		-448,850	-0.6%	-159,777	-0.2%	-289,073	180.9%
Total Operating Costs		-66,317,611	-86.0%	-65,050,052	-84.0%	-1,267,559	1.9%
GROSS OPERATING MARGIN (EBITDA)	(2)	13,399,025	17.4%	14,739,325	19.0%	-1,340,300	-9.1%
Amortisation of intangible fixed assets		-1,852,901	-2.4%	-1,606,241	-2.1%	-246,660	15.4%
Depreciation of tangible fixed assets		-1,465,546	-1.9%	-1,762,723	-2.3%	297,177	-16.9%
Revaluations/(write-downs) and provisions		-42,437	-0.1%	-45,251	-0.1%	2,814	-6.2%
Total Amortisation, write-downs and provisions		-3,360,884	-4.4%	-3,414,215	-4.4%	53,331	-1.6%
NET OPERATING PROFIT/LOSS (EBIT)		10,038,141	13.0%	11,325,110	14.6%	-1,286,969	-11.4%
Financial income		24,754	0.0%	-150,452	-0.2%	175,206	-116.5%
Financial expenses		-1,932,306	-2.5%	-1,353,169	-1.7%	-579,137	42.8%
Total Financial Income/(expenses)		-1,907,552	-2.5%	-1,503,621	-1.9%	-403,931	26.9%
PROFIT/LOSS BEFORE TAXES		8,130,589	10.5%	9,821,489	12.7%	-1,690,900	-17.2%
Taxes		-3,960,090	-5.1%	-3,914,638	-5.1%	-45,452	1.2%
NET PROFIT/LOSS		4,170,499	5.4%	5,906,851	7.6%	-1,736,352	-29.4%
(Profit)/loss attributable to minority shareholders		-101,326	-0.1%	-641,568	-0.8%	540,242	-84.2%
NET PROFIT/LOSS FOR THE GROUP	(3)	4,069,173	5.3%	5,265,283	6.8%	-1,196,110	-22.7%

Reclassified balance sheet

(Values in units of EUR)	Notes	30 September 2012	31 December 2011
Trade receivables		47,293,565	32,547,133
Stocks and inventories		73,843,275	74,259,636
Trade payables		-43,011,533	-54,809,403
Operating net working capital	(4)	78,125,307	51,997,366
Other short term receivables		22,443,388	25,113,491
Tax receivables		8,786,104	8,394,168
Other short term liabilities		-16,840,069	-14,944,263
Tax payables		-4,659,706	-3,342,381
Net working capital		87,855,024	67,218,381
Tangible fixed assets		64,869,674	74,536,548
Intangible fixed assets		139,595,031	145,090,553
Equity investments		30,251	29,625
Other fixed assets		3,214,752	2,915,138
Fixed assets	(5)	207,709,708	222,571,864
Post employment benefits		-7,713,792	-7,942,941
Provisions		-1,027,613	-1,070,987
Assets available for sale		436,885	7,711,633
Long term not financial liabilities		-14,241,401	-14,241,401
Deferred tax assets		10,984,692	14,549,218
Deferred tax liabilities		-38,002,966	-40,515,662
NET CAPITAL INVESTED		246,000,537	248,280,105
Share capital		25,371,407	25,371,407
Other reserves		119,291,840	117,064,291
Profits/(Losses) carried-forward		-10,011,184	-3,937,904
Profit/(Loss) of the period		-283,254	-4,279,554
Group interest in shareholders' equity		134,368,809	134,218,240
Minority interests in shareholders' equity		16,018,727	15,979,197
Total shareholders' equity	(6)	150,387,536	150,197,437
Short term financial receivables		-950,000	-
Cash		-13,255,494	-8,443,724
Long term financial liabilities		4,491,575	7,059,804
Long term financial receivables		-3,098,531	-
Short term financial liabilities		108,425,451	99,466,588
NET FINANCIAL POSITION	(7)	95,613,001	98,082,668
SHAREHOLDERS' EQUITY AND NET FINANCIAL INDEBTEDNESS		246,000,537	248,280,105

Cash flow

(Values in thousands of EUR)	Notes	9 M 2012	9 M 2011
OPENING BALANCE		8,444	4,512
Profit / loss before taxes		4,558	5,214
Amortisation / write-downs		10,122	10,340
Accrual (+) / availment (-) of long term provisions and post employment benefits		-273	-1,229
Paid income taxes		-2,197	-1,297
Financial income (-) and financial charges (+)		5,835	3,550
Change in operating assets and liabilities		-21,954	-20,007
CASH FLOW (ABSORBED) / GENERATED BY OPERATING ACTIVITY		-3,909	-3,429
Increase (-) / decrease (+) in intangible fixed assets		-224	-424
Increase (-) / decrease (+) in tangible fixed assets		5,342	-3,569
Investments and write-downs (-)/ Disinvestments and revaluations (+)		7,196	282
CASH FLOW (ABSORBED) / GENERATED BY INVESTING ACTIVITY		12,314	-3,711
Other variations in reserves and profits carried-forward of shareholders' equity		198	-1,352
Dividends paid		0	0
Increase (+) / decrease (-) of financial liabilities		6,391	11,855
Increase (-) / decrease (+) of financial receivables		-4,348	-78
Financial income (+) and financial charges (-)		-5,835	-3,550
CASH FLOW (ABSORBED) / GENERATED BY FINANCING ACTIVITY		-3,594	6,875
CLOSING BALANCE		13,255	4,247

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	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 2010	25,371	71,240	31,080	7,901	11,459	- 2,342	- 12,507	- 2,385	129,817	25,727	155,544
Changes in equity for the first 9 M of 2011											
Allocation of 31/12/10 profit/(loss)	-	-	- 2,191	-	-	- 10,316	12,507	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	-
Treasury stock (buy-back)/ sale	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income/(loss) at 30/09/11	-	-	-	-	-	-	148	- 152	- 4	621	617
Other changes	-	-	-	-	-	8,720	-	-	8,720	- 9,920	1,200
BALANCES AT 30 September 2011	25,371	71,240	28,889	7,901	11,459	- 3,938	148	- 2,537	138,533	16,428	154,961

(Values in thousands of EUR)

	Share capital	Share premium reserve	Other reserves	Fair Value reserve	IAS reserve	Profits/(Losses) carried - forward	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 2011	25,371	71,240	28,890	7,901	11,459	- 3,938	- 4,280	- 2,425	134,218	15,979	150,197
Changes in equity for the first 9 M of 2012											
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	283	- 1,914	134,369	16,019	150,388

Interim management report

In the first nine months of 2012, AEFEE consolidated revenues amount to EUR 198,764 thousand compared to EUR 197,447 thousand in the first nine months of 2011, with a 0.7% increase (-1.0% at current exchange rates).

In the first nine months of 2012 EBITDA is positive for EUR 20,515 thousand (with an incidence of 10.3% of consolidated sales), showing an improvement compared to EUR 19,104 thousand in the first nine months of 2011 (with an incidence of 9.7% of consolidated sales).

The improvement in EBITDA has been positively influenced by the lower incidence of the operating costs thanks to the policy of costs' reduction and efficiency improvement implemented at Group level.

EBITDA of the *prêt-à-porter* division is equal to EUR 18,091 thousand in the first nine months of 2012 (representing 11.6% of consolidated sales) compared to an EBITDA of EUR 18,060 thousand in the first nine months of 2011 (representing 11.4% of consolidated sales), showing an improvement of EUR 31 thousand.

The EBITDA of the footwear and leather goods division increases from EUR 1,044 thousand in the first nine months of 2011 to EUR 2,424 thousand in the first nine months of 2012.

Consolidated EBIT amounts to EUR 10,393 thousand, showing an improvement of EUR 1,628 thousand compared to an EBIT of EUR 8,765 thousand in the first nine months of 2011.

Due to higher financial interests incurred during the period, in the first nine months of 2012 the Group posts a net loss of EUR 283 thousand, compared to a net profit of EUR 148 thousand in the first nine months of 2011.

The balance sheet at 30 September 2012 shows a shareholders' equity of EUR 134,369 thousand and a net financial indebtedness of EUR 95,613 thousand compared to EUR 107,646 thousand at 31 December 2011.

Such decrease is partially related to the transaction for the rationalization of the group's real estate properties.

At 30 September 2012, operating net working capital amounts to EUR 78,125 thousand (31.6% of LTM sales) compared to EUR 51,997 thousand at 31 December 2011 (21.1% of sales); the increase of the operating net working capital incidence on revenues compared to that date is due to the seasonality of the business.

Capex realised in the period, for EUR 4,588 thousand, are mainly related to and stores' refurbishment and maintenance; disinvestments, equal to EUR 16,902 thousand are mainly referred to the sale of the Moschino store in Paris, the Pollini store in Milan and the estates of the subsidiary Aeffe USA in New York City.

Explanatory notes

Income statement

1. Revenues from sales and services

Nine months 2012 vs 2011

In the first nine months of 2012, revenues from sales and services are equal to EUR 198,764 thousand with an increase of 0.7% (-1.0% at constant exchange rates) compared with EUR 197,447 thousand in the first nine months of 2011.

Sales by brand

(Values in thousands of EUR)	9 M		9 M		Change	
	2012	%	2011	%	Δ	%
Alberta Ferretti	39,775	20.0%	42,179	21.4%	-2,404	-5.7%
Moschino	116,913	58.8%	109,739	55.6%	7,174	6.5%
Pollini	24,402	12.3%	25,341	12.8%	-939	-3.7%
J.P.Gaultier	9,350	4.7%	9,859	5.0%	-509	-5.2%
Other	8,324	4.2%	10,329	5.2%	-2,005	-19.4%
Total	198,764	100.0%	197,447	100.0%	1,317	0.7%

In the first nine months of 2012, Alberta Ferretti brand decreases by 5.7% (-7.9% at constant exchange rates), generating 20.0% of consolidated sales.

In the same period, Moschino brand sales increase by 6.5% (+4.7% at constant exchange rates) contributing to 58.8% of consolidated sales.

Pollini brand decreases by 3.7% (-4.0% at constant exchange rates), generating 12.3% of consolidated sales, while brand under licence JP Gaultier decreases by 5.2% (-6.6% at constant exchange rates) contributing to 4.7% of consolidated sales.

The other brands sales decrease by 19.4% (-20.9% at constant exchange rates) contributing to 4.2% of consolidated sales.

Sales by geographical area

(Values in thousands of EUR)	9 M		9 M		Change	
	2012	%	2011	%	Δ	%
Italy	78,973	39.7%	84,120	42.6%	-5,147	-6.1%
Europe (Italy and Russia excluded)	41,665	21.0%	41,844	21.2%	-179	-0.4%
Russia	16,812	8.5%	14,309	7.3%	2,503	17.5%
United States	14,764	7.4%	13,829	7.0%	935	6.8%
Japan	18,417	9.3%	17,050	8.6%	1,367	8.0%
Rest of the World	28,133	14.1%	26,295	13.3%	1,838	7.0%
Total	198,764	100.0%	197,447	100.0%	1,317	0.7%

In the first nine months of 2012 sales in Italy decrease by 6.1% to EUR 78,973 thousand, contributing to 39.7% of consolidated sales.

Sales in Europe decrease by 0.4% (-1.0% at constant exchange rates), contributing to 21.0% of consolidated sales, while the Russian market records sales equal to EUR 16,812 thousand, contributing to 8.5% of consolidated sales, with a growth of 17.5%. Sales in the United States are equal to EUR 14,764 thousand, contributing to 7.4% of consolidated sales, with an increase of 6.8% (-1.2% at constant exchange rates). In Japan sales increase by 8.0% (-2.4% at constant exchange rates) to EUR 18,417 thousand, contributing to 9.3% of consolidated sales.

In the Rest of the World, sales are equal to EUR 28,133 thousand with an increase of 7.0% (+6.1% at constant exchange rates) and a contribution of 14.1% of consolidated sales.

Sales by distribution channel

(Values in thousands of EUR)	9 M		9 M		Change	
	2012	%	2011	%	Δ	%
Wholesale	125,676	63.2%	125,577	63.6%	99	0.1%
Retail	60,837	30.6%	58,770	29.8%	2,067	3.5%
Royalties	12,251	6.2%	13,100	6.6%	-849	-6.5%
Total	198,764	100.0%	197,447	100.0%	1,317	0.7%

By distribution channel in the first nine months of 2012, wholesale sales increase by 0.1% (-1.1% at constant exchange rates) contributing to 63.2% of consolidated sales.

Sales of our directly-operated stores (retail channel) amount to EUR 60,837 thousand with an increase of 3.5% (+0.3% at constant exchange rates) contributing to 30.6% of consolidated sales.

Royalty income is 6.5% lower than in the corresponding period of the previous year, representing 6.2% of consolidated sales.

Sales by own brands and under licensed brands

(Values in thousands of EUR)	9 M		9 M		Change	
	2012	%	2011	%	Δ	%
Own brands	181,091	91.1%	177,260	89.8%	3,831	2.2%
Brands under license	17,673	8.9%	20,187	10.2%	-2,514	-12.5%
Total	198,764	100.0%	197,447	100.0%	1,317	0.7%

Revenues generated by own brands increase in absolute value by EUR 3,831 thousand, +2.2% compared with the previous year, with an incidence on total revenues which increases from 89.8% in the first nine months of 2011 to 91.1% in the first nine months of 2012.

Third quarter 2012 vs 2011

In the third quarter of 2012, revenues from sales and services are equal to EUR 77,101 thousand with a decrease of 0.5% compared with EUR 77,480 thousand in the third quarter of 2011.

Sales by brand

(Values in thousands of EUR)	III Q		III Q		Change	
	2012	%	2011	%	Δ	%
Alberta Ferretti	16,063	20.8%	16,739	21.6%	-676	-4.0%
Moschino	45,191	58.6%	41,853	54.0%	3,338	8.0%
Pollini	8,392	10.9%	10,481	13.5%	-2,089	-19.9%
J.P.Gaultier	3,769	4.9%	4,351	5.6%	-582	-13.4%
Other	3,686	4.8%	4,056	5.3%	-370	-9.1%
Total	77,101	100.0%	77,480	100.0%	-379	-0.5%

In the third quarter of 2012, Alberta Ferretti brand decreases by 4.0% generating 20.8% of consolidated sales.

In the same period, Moschino brand sales increase by 8.0% contributing to 58.6% of consolidated sales.

Pollini brand decreases by 19.9% generating 10.9% of consolidated sales, while brand under licence JP Gaultier decreases by 13.4% contributing to 4.9% of consolidated sales.

The other brands sales decrease by 9.1% contributing to 4.8% of consolidated sales.

Sales by geographical area

(Values in thousands of EUR)	III Q		III Q		Change	
	2012	%	2011	%	Δ	%
Italy	29,079	37.7%	32,045	41.4%	-2,966	-9.3%
Europe (Italy and Russia excluded)	17,101	22.2%	17,155	22.1%	-54	-0.3%
Russia	6,659	8.6%	6,380	8.2%	279	4.4%
United States	5,453	7.1%	5,008	6.5%	445	8.9%
Japan	7,212	9.4%	7,485	9.7%	-273	-3.6%
Rest of the World	11,597	15.0%	9,407	12.1%	2,190	23.3%
Total	77,101	100.0%	77,480	100.0%	-379	-0.5%

In the third quarter of 2012 sales in Italy decrease by 9.3% to EUR 29,079 thousand, contributing to 37.7% of consolidated sales.

Sales in Europe decrease by 0.3% contributing to 22.2% of consolidated sales, while the Russian market records sales equal to EUR 6,659 thousand, contributing to 8.6% of consolidated sales, with an increase of 4.4%. Sales in the United States are equal to EUR 5,453 thousand, contributing to 7.1% of consolidated sales, with an increase of 8.9%. In Japan sales decrease by 3.6% to EUR 7,212 thousand, contributing to 9.4% of consolidated sales.

In the Rest of the World, sales are equal to EUR 11,597 thousand with an increase of 23.3% and a contribution of 15.0% of consolidated sales.

Sales by distribution channel

(Values in thousands of EUR)	III Q		III Q		Change	
	2012	%	2011	%	Δ	%
Wholesale	50,393	65.4%	51,279	66.2%	-886	-1.7%
Retail	22,366	29.0%	21,321	27.5%	1,045	4.9%
Royalties	4,342	5.6%	4,880	6.3%	-538	-11.0%
Total	77,101	100.0%	77,480	100.0%	-379	-0.5%

By distribution channel in the third quarter of 2012, wholesale sales decrease by 1.7% contributing to 65.4% of consolidated sales.

Sales of our directly-operated stores (retail channel) amount to EUR 22,366 thousand with an increase of 4.9% contributing to 29.0% of consolidated sales.

Royalty income is 11.0% 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	
	2012	%	2011	%	Δ	%
Own brands	69,647	90.3%	69,074	89.2%	573	0.8%
Brands under license	7,454	9.7%	8,406	10.8%	-952	-11.3%
Total	77,101	100.0%	77,480	100.0%	-379	-0.5%

Revenues generated by own brands increase in absolute value by EUR 573 thousand, with an incidence on revenues that increases from 89.2% in the third quarter 2011 to 90.3% in the third quarter 2012. Revenues generated by brands under license decrease in absolute value by EUR 952 thousand.

2. Gross Operating Margin (EBITDA)

Nine months 2012 vs 2011

In the first nine months of 2012 EBITDA is positive for EUR 20,515 thousand (with an incidence of 10.3% of consolidated sales), showing an improvement compared to EUR 19,104 thousand in the first nine months of 2011 (with an incidence of 9.7% of consolidated sales).

The improvement in EBITDA has been positively influenced by the lower incidence of the operating costs thanks to the policy of costs' reduction and efficiency improvement implemented at Group level.

Third quarter 2012 vs 2011

In the third quarter of 2012 consolidated EBITDA is EUR 13,399 thousand (with an incidence of 17.4% of consolidated sales), showing a decrease of profitability compared to EUR 14,739 thousand in the third quarter of 2011, (with an incidence of 19.0% of consolidated sales).

3. Net profit for the Group

Nine months 2012 vs 2011

In the first nine months of 2012 Group records a net loss of EUR 283 thousand showing a reduction compared to a net profit of EUR 148 thousand in the first nine months of 2011.

Third quarter 2012 vs 2011

In the third quarter of 2012 Group records a net profit of EUR 4,069 thousand showing a reduction compared to a net profit of EUR 5,265 thousand in the third quarter of 2011.

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 2012 vs 2011

The following tables indicate the main economic data for the first nine months of 2012 and 2011 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 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

(Values in thousand of EUR)	Prêt-à porter Division	Footwear and leather goods Division	Elimination of intercompany transactions	Total
9M 2011				
SECTOR REVENUES	157,844	50,706	-11,103	197,447
Intercompany revenues	-3,610	-7,493	11,103	-
Revenues with third parties	154,234	43,213	-	197,447
Gross operating margin (EBITDA)	18,060	1,044	-	19,104
Amortisation	-7,923	-2,342	-	-10,265
Other non monetary items:				
Revaluations / write-downs	-3	-71	-	-74
Net operating profit / loss (EBIT)	10,134	-1,369	-	8,765
Financial income	500	35	-297	238
Financial expenses	-3,282	-804	297	-3,789
Profit / loss before taxes	7,352	-2,138	-	5,214
Income taxes	-4,789	344	-	-4,445
Net profit / loss	2,563	-1,794	-	769

Third Quarter 2012 vs 2011

The following tables indicate the main economic data for the third quarter of 2012 and 2011 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 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

(Values in thousand of EUR)	Prêt-à porter Division	Footwear and leather goods Division	Elimination of intercompany transactions	Total
III Q 2011				
SECTOR REVENUES	59,693	22,250	-4,463	77,480
Intercompany revenues	-1,763	-2,700	4,463	-
Revenues with third parties	57,930	19,550		77,480
Gross operating margin (EBITDA)	11,968	2,771		14,739
Amortisation	-2,580	-788		-3,368
Other non monetary items:				
Revaluations / write-downs	-3	-42		-45
Net operating profit / loss (EBIT)	9,385	1,941		11,326
Financial income	-16	-11	-123	-150
Financial expenses	-1,166	-312	123	-1,355
Profit / loss before taxes	8,203	1,618		9,821
Income taxes	-3,255	-659		-3,914
Net profit / loss	4,948	959		5,907

Prêt-à porter Division

In the first nine months of 2012, revenues of the prêt-à-porter division decrease by 1.0% (-3.1% at constant exchange rates) to EUR 156,321 thousand. This division contributes to 75.7% of consolidated revenues in the first nine months of 2011 and 74.1% in the first nine months of 2012, before inter-divisional eliminations.

EBITDA of the *prêt-à-porter* division is equal to EUR 18,091 thousand in the first nine months of 2012 (representing 11.6% of consolidated sales) compared to an EBITDA of EUR 18,060 thousand in the first nine months of 2011 (representing 11.4% of consolidated sales), showing an improvement of EUR 31 thousand.

Footwear and leather goods Division

Revenues of the footwear and leather goods division increase by 7.9% from EUR 50,706 thousand in the first nine months of 2011 to EUR 54,693 thousand in the first nine months of 2012.

The EBITDA of the footwear and leather goods division increases from EUR 1,044 thousand in the first nine months of 2011 to EUR 2,424 thousand in the first nine months of 2012.

Balance sheet

Compared to 31 December 2011, the balance sheet at 30 September 2012 shows an increase in shareholders' equity from EUR 150,197 thousand to EUR 150,388 thousand.

4. Net working capital

Net working capital amounts to EUR 87,855 thousand (35.5% of LTM sales) compared with EUR 67,218 thousand at 31 December 2011 (27.3% of sales). The increase of the net working capital incidence on revenues is due to the seasonality of the business.

5. Fixed assets

Capex realised in the period, for EUR 4,588 thousand, are mainly related to and stores' refurbishment and maintenance; disinvestments, equal to EUR 16,902 thousand are mainly referred to the sale of the Moschino store in Paris, the Pollini store in Milan and the estates of the subsidiary Aeffe USA in New York City.

6. Shareholders' equity

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

7. Net financial position

Net financial indebtedness decreases by EUR 2,470 thousand from EUR 98,083 thousand at 31 December 2011 to EUR 95,613 thousand at 30 September 2012. Such decrease is partially related to the transaction for the rationalization of the group's real estate properties.

Other information

Earnings per share

Basic earnings per share:

(Values in thousands of EUR)	30 September 2012	30 September 2011
Consolidated earnings/(losses) for the period for the shareholders of the Parent Company	-283	148
Weighted average number of outstanding shares	101,486	101,486
Basic earnings per share	-0.003	0.001

Measurement basis

The main accounting policies and measurement basis adopted in preparing the consolidated financial statements at 30 September 2012 are the same used in preparing the consolidated financial statements at 31 December 2011.

Significant events subsequent to the balance sheet date

After the 30 September 2012 no significant events regarding the Group's activities have to be reported.

Outlook

The results achieved by the Group in the first nine months 2012 show a good recovery in operating profitability, which increased more than proportionally compared to revenues. Despite the difficult economic situation, the Group remains strongly focused on growth and efficiency, both through investments aiming at strengthening the presence in high-potential markets such as Asia, and through new stylistic projects. To this end, we underline the recent strategic partnership with Aimz for the development of the Maison Emanuel Ungaro, making manifest the objective to expand the creative and productive platform of the Group.

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.