



AEFFE

INTERIM CONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2008

Disclaimer

This Interim consolidated financial statement at 30 September 2008 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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Board of directors and control bodies of the Parent Company

Board of Directors	Chairman Massimo Ferretti
	Deputy Chairman Alberta Ferretti
	Chief Executive Officer Simone Badioli
	Directors Marcello Tassinari – Managing Director Umberto Paolucci Roberto Lugano Pierfrancesco Giustiniani
Board of Statutory Auditors	President Fernando Ciotti
	Statutory Auditors Bruno Piccioni Romano Del Bianco
	Alternate Auditors Andrea Moretti Pierfrancesco Gamberini
Board of Compensation Committee	President Umberto Paolucci
	Members Pierfrancesco Giustiniani Roberto Lugano
Board of Internal Control Committee	President Roberto Lugano
	Members Pierfrancesco Giustiniani Umberto Paolucci

Organisation chart



Brands portfolio

AEFFE
CLOTHING - ACCESSORIES

ALBERTA FERRETTI

Jean Paul
GAULTIER

POLLINI



↑
Authier

PHILOSOPHY
DI
ALBERTA FERRETTI

MOSCHINO.

MOSCHINO.
CHEAPANDCHIC

GAULTIER²
GAULTIER²

POLLINI
SHOES - LEATHER GOODS

POLLINI

STUDIO POLLINI

MOSCHINO.

MOSCHINO.
CHEAPANDCHIC

LOVE
MOSCHINO

MOSCHINO
LICENCES - DESIGN - RETAIL

MOSCHINO.

MOSCHINO.
CHEAPANDCHIC

LOVE
MOSCHINO

VELMAR
BEACHWEAR - UNDERWEAR

ALBERTA FERRETTI

philosophy
ALBERTA FERRETTI

MOSCHINO.

BLUGIRL
UNDERWEAR

BLUGIRL
BEACHWEAR

VERDEMARE

Headquarters

GRUPPO AEFTE

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

MOSCHINO

Via San Gregorio, 28
20124 - Milan
Italy

POLLINI

Via Erbosa, 2/B
Gatteo (FC)
47030 - Italy

VELMAR

Via Delle Robinie, 43
San Giovanni in Marignano (RN)
47842 - Italy



Showrooms

AEFFE MILAN
(FERRETTI - GAULTIER)
Via Donizetti, 48
20122 - Milan
Italy

POLLINI MILAN
Via Bezecca, 5
20135 - Milan
Italy

AEFFE LONDON
(FERRETTI)
205-206 Sloane Street
SW1X9QX - London
UK

AEFFE PARIS
(GRUPPO)
15, Place de la Republique
75003 - Paris
France

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

MOSCHINO MILAN
Via San Gregorio, 28
20124 - Milan
Italy

MOSCHINO LONDON
28-29 Conduit Street
W1R 9TA - London
UK

MOSCHINO JAPAN
Shin-Nogizaka Bldg. 5F
1-15-14, Minami Aoyama Minato-ku
107-0062 - Tokyo
Japan

MOSCHINO HONG KONG
21/F Dorset House, Taikoo Place
979 King's Road
Hong Kong



Main location of flagship stores under direct management

ALBERTA FERRETTI

Milan
Rome
Capri
Paris
Lille
London
New York
Los Angeles

POLLINI

Milan
Bologna
Rome
Florence
Venice
Bolzano
Parma
Ravenna
Varese
Verona

SPAZIO A

Florence
Venice

P_BOX

Milan

MOSCHINO

Milan
Rome
Capri
Paris
London
Berlin
New York
Osaka
Hong Kong
Kuala Lumpur
Singapore
Taipei
Fukuoka City
Tokyo
Kobe City
Kyoto
Nagoya
Daegu
Seoul
Pusan
Kaoshiung



Main economic-financial data

		9M	9M
		2007	2008
Total revenues	(Values in millions of EUR)	238,6	241,1
Gross operating margin (EBITDA)	(Values in millions of EUR)	39,2	36,3
Gross operating margin (EBITDA) after non recurring operations	(Values in millions of EUR)	37,2	36,3
Net operating profit (EBIT)	(Values in millions of EUR)	31,4	28,4
Net operating profit (EBIT) after non recurring operations	(Values in millions of EUR)	29,4	28,4
Profit before taxes	(Values in millions of EUR)	25,4	24,2
Net profit for the Group	(Values in millions of EUR)	12,2	12,7
Net profit for the Group per share	(Values in units of EUR)	0,113	0,119
Cash Flow (net profit after taxes + depreciation)	(Values in millions of EUR)	21,4	22,9
Cash Flow/Total revenues	Ratio	9,0	9,5

		31 December	30 September	31 December	30 September
		2006	2007	2007	2008
Net capital invested	(Values in millions of EUR)	217,8	238,4	233,1	267,2
Net financial indebtedness	(Values in millions of EUR)	115,3	48,8	38,5	62,6
Group net equity	(Values in millions of EUR)	76,0	161,4	164,8	172,1
Group net equity per share	(Values in units of EUR)	0,8	1,5	1,5	1,6
Current assets/Current liabilities	Ratio	1,6	1,8	1,6	2,1
Current assets less invent./Current liabilities (ACID Test)	Ratio	0,8	1,0	0,8	1,1
Net financial indebtedness/Net equity	Ratio	1,1	0,3	0,2	0,3

Financial statements

Income statement at 30 September

(Values in units of EUR)	Notes	9 M 2008	% on revenues	9 M 2007	% on revenues	Change	%
REVENUES FROM SALES AND SERVICES	(1)	236.762.498	100,0%	234.027.331	100,0%	2.735.167	1,2%
Other revenues and income		4.296.755	1,8%	4.528.986	1,9%	-232.231	-5,1%
TOTAL REVENUES		241.059.253	101,8%	238.556.317	101,9%	2.502.936	1,0%
Changes in inventory of work in process, semi-finished, finished goods		3.839.965	1,6%	1.511.200	0,6%	2.328.765	154,1%
Costs of raw materials, cons. and goods for resale		-67.004.457	-28,3%	-68.597.089	-29,3%	1.592.632	-2,3%
Costs of services		-79.002.726	-33,4%	-73.607.639	-31,5%	-5.395.087	7,3%
Costs for use of third parties assets		-13.357.844	-5,6%	-13.425.392	-5,7%	67.548	-0,5%
Labour costs		-46.542.757	-19,7%	-42.974.780	-18,4%	-3.567.977	8,3%
Other operating expenses		-2.666.820	-1,1%	-2.243.758	-1,0%	-423.062	18,9%
Total Operating Costs		-204.734.639	-86,5%	-199.337.458	-85,2%	-5.397.181	2,7%
GROSS OPERATING MARGIN (EBITDA)	(2)	36.324.614	15,3%	39.218.859	16,8%	-2.894.245	-7,4%
Amortisation of intangible fixed assets		-2.714.489	-1,1%	-2.729.257	-1,2%	14.768	-0,5%
Depreciation of tangible fixed assets		-4.893.502	-2,1%	-4.762.839	-2,0%	-130.663	2,7%
Revaluations (write-downs)		-282.104	-0,1%	-348.959	-0,1%	66.855	-19,2%
Total Amortisation and write-downs		-7.890.095	-3,3%	-7.841.055	-3,4%	-49.040	0,6%
NET OPERATING PROFIT (EBIT)		28.434.519	12,0%	31.377.804	13,4%	-2.943.285	-9,4%
Financial income		551.050	0,2%	340.839	0,1%	210.211	61,7%
Financial expenses		-4.736.215	-2,0%	-6.333.513	-2,7%	1.597.298	-25,2%
Total Financial Income (expenses)		-4.185.165	-1,8%	-5.992.674	-2,6%	1.807.509	-30,2%
PROFIT BEFORE TAXES		24.249.354	10,2%	25.385.130	10,8%	-1.135.776	-4,5%
Current income taxes		-9.214.113	-3,9%	-10.581.507	-4,5%	1.367.394	-12,9%
Deferred income (expenses) taxes		302.348	0,1%	-891.562	-0,4%	1.193.910	-133,9%
Total Income Taxes		-8.911.765	-3,8%	-11.473.069	-4,9%	2.561.304	-22,3%
NET PROFIT		15.337.589	6,5%	13.912.061	5,9%	1.425.528	10,2%
(Profit) loss attributable to minority shareholders		-2.598.594	-1,1%	-1.730.042	-0,7%	-868.552	50,2%
NET PROFIT FOR THE GROUP	(3)	12.738.995	5,4%	12.182.019	5,2%	556.976	4,6%

Income statement for the third quarter

(Values in units of EUR)	Notes	III Q 2008	% on revenues	III Q 2007	% on revenues	Change	%
REVENUES FROM SALES AND SERVICES	(1)	92.172.193	100,0%	92.385.316	100,0%	-213.123	-0,2%
Other revenues and income		1.858.187	2,0%	309.566	0,3%	1.548.621	500,3%
TOTAL REVENUES		94.030.380	102,0%	92.694.882	100,3%	1.335.498	1,4%
Changes in inventory of work in process, semi-finished, finished goods		-8.223.625	-8,9%	-6.233.241	-6,7%	-1.990.384	31,9%
Costs of raw materials, cons. and goods for resale		-19.584.154	-21,2%	-23.264.623	-25,2%	3.680.469	-15,8%
Costs of services		-27.966.733	-30,3%	-26.526.962	-28,7%	-1.439.771	5,4%
Costs for use of third parties assets		-5.222.376	-5,7%	-4.830.781	-5,2%	-391.595	8,1%
Labour costs		-16.912.769	-18,3%	-14.864.837	-16,1%	-2.047.932	13,8%
Other operating expenses		-711.289	-0,8%	-657.036	-0,7%	-54.253	8,3%
Total Operating Costs		-78.620.946	-85,3%	-76.377.480	-82,7%	-2.243.466	2,9%
GROSS OPERATING MARGIN (EBITDA)	(2)	15.409.434	16,7%	16.317.402	17,7%	-907.968	-5,6%
Amortisation of intangible fixed assets		-912.367	-1,0%	-910.341	-1,0%	-2.026	0,2%
Depreciation of tangible fixed assets		-1.691.004	-1,8%	-1.654.759	-1,8%	-36.245	2,2%
Revaluations (write-downs)		-240.533	-0,3%	-107.772	-0,1%	-132.761	123,2%
Total Amortisation and write-downs		-2.843.904	-3,1%	-2.672.872	-2,9%	-171.032	6,4%
NET OPERATING PROFIT (EBIT)		12.565.530	13,6%	13.644.530	14,8%	-1.079.000	-7,9%
Financial income		335.826	0,4%	108.280	0,1%	227.546	210,1%
Financial expenses		-1.181.680	-1,3%	-1.811.519	-2,0%	629.839	-34,8%
Total Financial Income (expenses)		-845.854	-0,9%	-1.703.239	-1,8%	857.385	-50,3%
PROFIT BEFORE TAXES		11.719.676	12,7%	11.941.291	12,9%	-221.615	-1,9%
Current income taxes		-4.773.337	-5,2%	-4.491.313	-4,9%	-282.024	6,3%
Deferred income (expenses) taxes		1.277.513	1,4%	-198.860	-0,2%	1.476.373	-742,4%
Total Income Taxes		-3.495.824	-3,8%	-4.690.173	-5,1%	1.194.349	-25,5%
NET PROFIT		8.223.852	8,9%	7.251.118	7,8%	972.734	13,4%
(Profit) loss attributable to minority shareholders		-1.462.004	-1,6%	-931.464	-1,0%	-530.540	57,0%
NET PROFIT FOR THE GROUP	(3)	6.761.848	7,3%	6.319.654	6,8%	442.194	7,0%

Reclassified balance sheet

(Values in units of EUR)	Notes	30 September 2008	31 December 2007
Trade receivables		57.102.155	36.910.502
Stocks and inventories		72.485.570	67.761.354
Trade payables	-	52.363.668	60.577.085
Operating net working capital		77.224.057	44.094.771
Other short term receivables		24.655.179	27.082.638
Tax receivables		3.728.928	4.786.640
Other short term liabilities	-	16.977.739	17.248.402
Tax payables	-	7.056.881	7.127.302
Net working capital	(4)	81.573.544	51.588.345
Tangible fixed assets		75.336.887	71.194.548
Intangible fixed assets		171.697.711	171.770.613
Equity investments		21.839	21.641
Other fixed assets		2.606.777	3.122.044
Fixed assets	(5)	249.663.214	246.108.846
Post employment benefits	-	10.634.170	11.111.030
Provisions	-	1.711.384	1.707.602
Assets available for sale		1.636.885	1.636.885
Long term not financial liabilities	-	14.239.754	14.251.237
Deferred tax assets		7.345.975	8.869.181
Deferred tax liabilities	-	46.478.100	48.022.235
NET CAPITAL INVESTED		267.156.210	233.111.153
Share capital		26.324.179	26.840.626
Other reserves		122.780.696	121.923.828
Profits (Losses) carried-forward		10.236.020	679.150
Profits (Losses) of the period		12.738.995	15.320.586
Group interest in shareholders' equity		172.079.890	164.764.190
Minority interests in shareholders' equity		32.487.222	29.863.431
Total shareholders' equity	(6)	204.567.112	194.627.621
Cash	-	13.996.332	14.525.033
Long term financial liabilities		19.893.503	26.646.683
Short term financial liabilities		56.691.927	26.361.882
NET FINANCIAL POSITION	(7)	62.589.098	38.483.532
SHAREHOLDERS' EQUITY AND NET FINANCIAL INDEBTEDNESS		267.156.210	233.111.153

Cash flow

(Values in thousands of EUR)	Notes	9 M 2008	9 M 2007
OPENING BALANCE		14.525	15.320
Profit before taxes		24.249	25.385
Amortisation		7.890	7.841
Accrual (+)/availment (-) of long term provisions and post employment benefits		-473	-2.356
Paid income taxes		-9.419	-5.687
Financial income (-) and financial charges (+)		4.185	5.993
Change in operating assets and liabilities		-29.926	-24.150
CASH FLOW (ABSORBED)/ GENERATED BY OPERATING ACTIVITY	-	3.494	7.026
Increase (-)/ decrease (+) in intangible fixed assets		-2.642	-61
Increase (-)/ decrease (+) in tangible fixed assets		-8.651	-5.409
Write-downs (-)/ Revaluations (+)		-282	-
Investments (-)/ Disinvestments (+)		-	-251
CASH FLOW (ABSORBED)/ GENERATED BY INVESTING ACTIVITY	-	11.575	5.720
Increase in reserves and profit carried-forward to shareholders'equity		-5.366	71.097
Proceeds (+)/ repayment (-) of financial payments		23.577	-64.386
Increase (-)/ decrease (+) in long term financial receivables		514	126
Financial income (+) and financial charges (-)		-4.185	-5.993
CASH FLOW (ABSORBED)/GENERATED BY FINANCING ACTIVITY		14.540	845
CLOSING BALANCE		13.996	17.471

Changes in shareholders' equity

(Values in thousands of EUR)

	Share capital	Share premium reserve	Translation reserve	Participatory instruments reserve	Other reserves	Fair Value reserve	IAS reserve	Profits (Losses) carried-forward	Net profit for the Group	Group interest in shareholders' equity	Minority interests in shareholders' equity	Total shareholders' equity
BALANCES AT 31 December 2006	22.500	11.345	391	12.400	8.573	7.449	11.120	- 5.774	7.981	75.985	26.465	102.450
Allocation of 31/12/06 net profit	-	-	-	-	1.231	-	-	6.750	- 7.981	-	-	-
Exchange differences on translation	-	-	- 646	-	-	-	-	-	-	646	-	646
Cancellation of own shares	- 4.500	- 16.600	-	2.700	18.400	-	-	-	-	-	-	-
Conversion of participatory instruments	4.091	11.009	-	- 15.100	-	-	-	-	-	-	-	-
Increase in shareholders' equity for IPO	4.750	69.554	-	-	-	-	-	-	-	74.304	-	74.304
Other movements	-	-	-	-	-	-	-	- 390	-	390	- 34	424
Net profit at 30/09/07	-	-	-	-	-	-	-	-	12.182	12.182	1.730	13.912
BALANCES AT 30 September 2007	26.841	75.308	- 255	-	28.204	7.449	11.120	586	12.182	161.435	28.161	189.596

(Values in thousands of EUR)

	Share capital	Share premium reserve	Translation reserve	Participatory instruments reserve	Other reserves	Fair Value reserve	IAS reserve	Profits (Losses) carried-forward	Net profit for the Group	Group interest in shareholders' equity	Minority interests in shareholders' equity	Total shareholders' equity
BALANCES AT 31 December 2007	26.841	75.308	- 949	-	28.204	7.901	11.459	679	15.321	164.764	29.863	194.627
Allocation of 31/12/07 net profit	-	-	-	-	3.591	-	-	11.730	- 15.321	-	-	-
Dividends paid	-	-	-	-	-	-	-	- 2.148	-	2.148	-	2.148
Exchange differences on translation	-	-	- 242	-	-	-	-	-	-	242	-	242
Treasury stock (buy-back)/ sale	- 517	- 2.491	-	-	-	-	-	-	-	3.008	-	3.008
Other movements	-	-	-	-	-	-	-	- 25	-	25	25	-
Net profit at 30/09/08	-	-	-	-	-	-	-	-	12.739	12.739	2.599	15.338
BALANCES AT 30 September 2008	26.324	72.817	- 1.191	-	31.795	7.901	11.459	10.236	12.739	172.080	32.487	204.567

Interim management report

The revenues from sales and services generated in the first nine months of 2008 amount to EUR 236,762 thousand, up 1.2% compared with the same period of the previous year (+4.6% at constant exchange rates and excluding the effect of the termination of the Narciso Rodriguez licence).

In the first nine months of 2008 EBITDA amounts to EUR 36,325 thousand down 7.4% compared with EUR 39,219 thousand of the first nine months of 2007, representing 15.3% of consolidated revenues. Net of non-recurring operations realised in 2007 by the sale of a stake in Narciso Rodriguez LLC, EBITDA, in the first nine months of 2008, decreases of 2.4% compared with EUR 37,228 thousand of the first nine months of 2007.

During the first nine months of 2008, three new flagship stores under direct management has been opened one of which in Italy and two in the United States, and 28 new franchised retail stores, 5 of which in Europe, 1 in the United States and 22 in Asia; this is consistent with the opening plan established for the entire year.

Compared to 31 December 2007, the Group's balance sheet at 30 September 2008 shows an increase in shareholders' equity from EUR 164,764 thousand to EUR 172,080 thousand and an increase in net financial indebtedness from EUR 38,484 thousand to EUR 62,589 thousand, as a consequence of the seasonality of the business.

Net working capital amounts to EUR 81,574 thousand (27.6% of LTM sales) compared with EUR 51,588 thousand at 31 December 2007 (17.6% of sales).

Capex realised in the period are mainly related to the refurbishment of boutique and buildings.

Explanatory notes

Income statement

1. Revenues from sales and services

Nine months 2008 vs 2007

In the first nine months of 2008, revenues from sales and services equal to EUR 236,762 thousand rise up 1.2% (+4.6% at constant exchange rates and excluding the effect of the Narciso Rodriguez licence) compared with Euro 234,027 thousand in the first nine months of 2007.

The following table details the revenues by geographical area for the first nine months of 2008 and 2007.

(Values in thousands of EUR)	9 M		9 M		Change	
	2008	%	2007	%	Δ	%
Italy	92.864	39,2%	90.440	38,6%	2.424	2,7%
Europe (Italy and Russia excluded)	51.674	21,8%	51.965	22,2%	-291	-0,6%
United States	20.222	8,5%	25.376	10,8%	-5.154	-20,3%
Russia	22.101	9,3%	19.606	8,4%	2.495	12,7%
Japan	14.123	6,0%	15.538	6,6%	-1.415	-9,1%
Rest of the World	35.778	15,2%	31.102	13,4%	4.676	15,0%
Total	236.762	100,0%	234.027	100,0%	2.735	1,2%

In the first nine months of 2008, sales in Italy rise to EUR 92,864 thousand contributing to 39.2% of consolidated sales with a 2.7% increase.

In Europe Group's sales decrease by 0.6% (+2.1% at constant exchange rates and excluding the effect of the Narciso Rodriguez licence), contributing to 21.8% of consolidated sales; while the Russian market records sales equal to EUR 22,101 thousand, contributing to 9.3% of consolidated sales, with an increase of 12.7% (+14.2% at constant exchange rates and excluding the effect of the Narciso Rodriguez licence). In the United States sales are equal to EUR 20,222 thousand, contributing to 8.5% of consolidated sales, with a decrease of 20.3% (-4.7% at constant exchange rates and excluding the effect of the Narciso Rodriguez collections). In Japan sales fall by 9.1% (-6.9% at constant exchange rates and excluding the effect of the Narciso Rodriguez collections) to EUR 14,123 thousand contributing to 6.0% of consolidated sales.

The good performance in the Rest of the world is continuing, sales rise by 15% (+21% at constant exchange rates and excluding the effect of the Narciso Rodriguez collections) to EUR 35,778 thousand, contributing to 15.2% of consolidated sales.

The following table details the revenues by brand for the first nine months of 2008 and 2007.

(Values in thousands of EUR)	9 M		9 M		Change	
	2008	%	2007	%	Δ	%
Alberta Ferretti	51.726	21,8%	51.123	21,8%	603	1,2%
Moschino	110.970	46,9%	105.618	45,1%	5.352	5,1%
Pollini	42.696	18,0%	40.652	17,4%	2.044	5,0%
J.P.Gaultier	20.026	8,5%	21.173	9,0%	-1.147	-5,4%
Other	11.344	4,8%	15.461	6,7%	-4.117	-26,6%
Total	236.762	100,0%	234.027	100,0%	2.735	1,2%

In the first nine months of 2008, Alberta Ferretti brand increases by 1.2% (+2.6% at constant exchange rates), generating 21.8% of consolidated sales.

In the same period, Moschino brand sales increase by 5.1% (+8.1% at constant exchange rates) contributing to 46.9% of consolidated sales.

Good results also for Pollini brand, that rises by 5.0% (+5.3% at constant exchange rates), generating 18.0% of consolidated sales, while brand under licence JP Gaultier decreases by 5.4% (-3.2% at constant exchange rates) contributing to 8.5% of consolidated sales.

The other brands sales decrease by 26.6% (-6.6% at constant exchange rates and excluding Narciso Rodriguez collections) contributing to 4.8% of consolidated sales.

The following table details the revenues by distribution channel for the first nine months of 2008 and 2007.

(Values in thousands of EUR)	9 M		9 M		Change	
	2008	%	2007	%	Δ	%
Wholesale	172.021	72,7%	169.815	72,6%	2.206	1,3%
Retail	49.113	20,7%	51.530	22,0%	-2.417	-4,7%
Royalties	15.628	6,6%	12.682	5,4%	2.946	23,2%
Total	236.762	100,0%	234.027	100,0%	2.735	1,2%

By distribution channel in the first nine month of 2008, wholesale sales grow by 1.3% (+4.9% at constant exchange rates and excluding the effect of Narciso Rodriguez collections) contributing to 72.7% of consolidated sales.

Sales of our directly-operated stores (retail channel) amount to EUR 49,113 thousand with a decrease of 4.7% (-0.6% at constant exchange rates and excluding the effect of Narciso Rodriguez collections) contributing to 20.7% of consolidated sales.

Royalty income is 23.2% higher than in the corresponding period of 2007 representing 6.6% of consolidated sales.

The following table details the revenues by own brand and brand under license for the first nine months of 2008 and 2007.

(Values in thousands of EUR)	9 M		9 M		Change	
	2008	%	2007	%	Δ	%
Own brands	205.652	86,9%	197.981	84,6%	7.671	3,9%
Brands under license	31.110	13,1%	36.046	15,4%	-4.936	-13,7%
Total	236.762	100,0%	234.027	100,0%	2.735	1,2%

Revenues generated by own brands rise in absolute value by EUR 7,671 thousand (+3.9% compared with the previous year), with an incidence on total revenues which increases from 84.6% in the first nine months of 2007 to 86.9% in the first nine month of 2008. Excluding the effect of Narciso Rodriguez collections revenues generated by brands under license decrease of 4.9%.

III Quarter 2008 vs 2007

Revenues from sales and services equal to EUR 92,172 thousand in the third quarter 2008 decrease of 0.2% compared with the same period of the previous year.

The following table details the revenues by geographical area for the third quarter 2008 and 2007.

(Values in thousands of EUR)	III Q		III Q		Change	
	2008	%	2007	%	Δ	%
Italy	35.618	38,6%	35.375	38,3%	243	0,7%
Europe (Italy and Russia excluded)	21.315	23,1%	21.649	23,4%	-334	-1,5%
United States	6.990	7,6%	8.591	9,3%	-1.601	-18,6%
Russia	8.483	9,2%	8.258	8,9%	225	2,7%
Japan	5.421	5,9%	5.771	6,2%	-350	-6,1%
Rest of the World	14.345	15,6%	12.742	13,9%	1.603	12,6%
Total	92.172	100,0%	92.385	100,0%	213	-0,2%

In the third quarter 2008, sales in Italy rise to EUR 35,618 thousand up 0.7% compared with the same quarter of the previous year, contributing to 38.6%.

In Europe Group's sales decrease by 1.5% to EUR 21,315 thousand, contributing to 23.1% of consolidated sales; in the United States sales decrease by 18.6% contributing to 7.6% of consolidated sales; the Russian market records an increase of 2.7% contributing to 9.2% of consolidated sales. Sales in Japan fall by 6.1% contributing to 5.9% of consolidated sales.

Good performance in the Rest of the world where the Group records sales for EUR 14,345 thousand, up 12.6%, contributing to 15.6% of consolidated sales.

The following table details the revenues by brand for the third quarter 2008 and 2007.

(Values in thousands of EUR)	III Q		III Q		Change	
	2008	%	2007	%	Δ	%
Alberta Ferretti	20.897	22,7%	21.487	23,3%	-590	-2,7%
Moschino	40.236	43,7%	38.202	41,4%	2.034	5,3%
Pollini	17.767	19,3%	16.784	18,2%	983	5,9%
J.P.Gaultier	10.128	11,0%	9.987	10,8%	141	1,4%
Other	3.144	3,3%	5.925	6,3%	-2.781	-46,9%
Total	92.172	100,0%	92.385	100,0%	213	-0,2%

In the third quarter 2008, Alberta Ferretti brand decreases by 2.7%, generating 22.7% of consolidated sales, meanwhile Moschino brand sales continue to grow up of 5.3%, contributing to 43.7% of consolidated sales.

Good results also for Pollini brand, whose sales rise by 5.9%, generating 19.3% of consolidated sales, while brand under licence JP Gaultier increases by 1.4% contributing to 11.0% of consolidated sales.

The decrease in other brands sales is mainly due to the Narciso Rodriguez collections.

The following table details the revenues by distribution channel for the third quarter 2008 and 2007.

(Values in thousands of EUR)	III Q		III Q		Change	
	2008	%	2007	%	Δ	%
Wholesale	69.316	75,2%	70.038	75,8%	-722	-1,0%
Retail	16.933	18,4%	17.805	19,3%	-872	-4,9%
Royalties	5.923	6,4%	4.541	4,9%	1.382	30,4%
Total	92.172	100,0%	92.385	100,0%	213	-0,2%

By distribution channel in the third quarter 2008, wholesale sales decrease by 1.0%, contributing to 75.2% of consolidated sales.

Sales of our directly-operated stores (retail channel) amount to EUR 16,933 thousand with a decrease of 4.9%, contributing to 18.4% of consolidated sales.

Royalty income is 30.4% higher than in the corresponding period of the previous year, representing 6.4% of consolidated sales.

The following table details the revenues by own brand and brand under license for the third quarter 2008 and 2007.

(Values in thousands of EUR)	III Q		III Q		Change	
	2008	%	2007	%	Δ	%
Own brands	78.913	85,6%	76.518	82,8%	2.395	3,1%
Brands under license	13.259	14,4%	15.867	17,2%	-2.608	-16,4%
Total	92.172	100,0%	92.385	100,0%	213	-0,2%

Revenues generated by own brands rise in absolute value by EUR 2,395 thousand (+3.1% compared with the previous year), with an incidence on total revenues which increases from 82.8% in the third quarter 2007 to 85.6% in the third quarter 2008.

2. Gross Operating Margin (EBITDA)

Nine months 2008 vs 2007

In the first nine months of 2008 EBITDA amounts to EUR 36,325 thousand down 7.4% compared with EUR 39,219 thousand of the first nine months of 2007, representing 15.3% of consolidated revenues.

In the first nine months of 2008, EBITDA decreases of 2.4% compared with EUR 37,228 thousand of EBITDA net of non-recurring operations realised in 2007 by the sale of a stake in Narciso Rodriguez LLC.

III Quarter 2008 vs 2007

In the third quarter 2008, consolidated EBITDA amounts to EUR 15,409 thousand, down 5.6% compared to EUR 16,317 thousand in the third quarter 2007, representing 16.7% of consolidated sales.

3. Net profit for the Group

Nine months 2008 vs 2007

The tax rate decreases from 45.2% in the first nine months of 2007 to 36.8% in the first nine months of 2008, and this reduction is due both to the lower incidence of the IRAP tax and to the lower tax rates approved by the Italian 2008 Financial Act. This change involve an increase in the Net profit for the Group from EUR 12,182 thousand in the first nine months of 2007 to EUR 12,739 thousand in the first nine months of 2008, up 4.6%.

III Quarter 2008 vs 2007

Net profit for the Group increase by 7.0% from EUR 6,320 thousand in the third quarter 2007 to EUR 6,762 thousand in the third quarter 2008.

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 2008 vs 2007

The following tables indicate the main economic data for the first nine months of 2008 and 2007 of the *Prêt-à porter* and Footwear and leather goods Divisions.

(Values in thousands of EUR) 9 M 2008	Prêt-à porter Division	Footwear and leather goods Division	Elimination of interc. transactions	Total
SECTOR REVENUES	188.013	62.092	-13.343	236.762
of which intercompany	3.441	9.902	-13.343	-
GROSS OPERATING MARGIN (EBITDA) after non-recurring operations	30.436	5.889		36.325
Total non-recurring operations				-
GROSS OPERATING MARGIN (EBITDA)	30.436	5.889		36.325
Total Amortisation and write-downs	-6.066	-1.824		-7.890
NET OPERATING PROFIT (EBIT)	24.370	4.065		28.435
OTHER INFORMATION				
Investments	10.493	1.082		11.575
Amortisations	5.784	1.824		7.608
Revaluations (write-downs)	42	240		282
Other non monetary costs				

(Values in thousands of EUR) 9 M 2007	Prêt-à porter Division	Footwear and leather goods Division	Elimination of interc. transactions	Total
SECTOR REVENUES	188.870	58.669	-13.512	234.027
of which intercompany	3.350	10.162	-13.512	-
GROSS OPERATING MARGIN (EBITDA) after non-recurring operations	33.254	3.974		37.228
Total non-recurring operations	1.990			1.990
GROSS OPERATING MARGIN (EBITDA)	35.245	3.974		39.219
Total Amortisation and write-downs	-6.323	-1.518		-7.841
NET OPERATING PROFIT (EBIT)	28.922	2.456		31.378
OTHER INFORMATION				
Investments	5.231	489		5.720
Amortisations	5.974	1.518		7.492
Revaluations (write-downs)	349			349
Other non monetary costs				

III Quarter 2008 vs 2007

The following tables indicate the main economic data for the third quarter 2008 and 2007 of the *Prêt-à porter* and Footwear and leather goods Divisions.

(Values in thousands of EUR)	Prêt-à porter Division	Footwear and leather goods Division	Elimination of interc. transactions	Total
III Q 2008				
SECTOR REVENUES	71.463	24.956	-4.247	92.172
of which intercompany	1.495	2.752	-4.247	-
GROSS OPERATING MARGIN (EBITDA) after non-recurring operations	11.590	3.820		15.410
Total non-recurring operations				-
GROSS OPERATING MARGIN (EBITDA)	11.590	3.820		15.410
Total Amortisation and write-downs	-2.051	-793		-2.844
NET OPERATING PROFIT (EBIT)	9.539	3.027		12.566
OTHER INFORMATION				
Investments	8.446	349		8.795
Amortisations	1.811	793		2.604
Revaluations (write-downs)	0	240		240
Other non monetary costs				

(Values in thousands of EUR)	Prêt-à porter Division	Footwear and leather goods Division	Elimination of interc. transactions	Total
III Q 2007				
SECTOR REVENUES	73.795	23.267	-4.677	92.385
of which intercompany	1.495	3.182	-4.677	-
GROSS OPERATING MARGIN (EBITDA) after non-recurring operations	14.146	2.199		16.345
Total non-recurring operations	-28			-28
GROSS OPERATING MARGIN (EBITDA)	14.118	2.199		16.317
Total Amortisation and write-downs	-2.172	-501		-2.673
NET OPERATING PROFIT (EBIT)	11.946	1.698		13.644
OTHER INFORMATION				
Investments	2.207	325		2.532
Amortisations	2.063	502		2.565
Revaluations (write-downs)	108	0		108
Other non monetary costs				

Prêt-à porter Division

In the first nine months, revenues of the prêt-à-porter division decrease by 0.5% (+3.8% at constant exchange rates and excluding the effect of Narciso Rodriguez collections) to EUR 188,013 thousand. This division contributes to 76.3% of consolidated revenues in the first nine months of 2007 and 75.2% in the first nine months of 2008, before inter-divisional eliminations.

EBITDA of the *prêt-à-porter* division is EUR 30,436 thousand in the first nine months of 2008 with a decrease of 13.6% compared to EUR 35,245 thousand in the first nine months of 2007, and represents 16.2% of consolidated sales. Net of non-recurring operations EBITDA decreases by 8.5%.

Footwear and leather goods Division

Revenues of the footwear and leather goods division rise by 5.8% from EUR 58,669 thousand in the first nine months of 2007 to EUR 62,092 thousand in the first nine months of 2008.

The EBITDA of the footwear and leather goods division rises by 48.2% from EUR 3,974 thousand in the first nine months of 2007 to EUR 5,889 thousand in the first nine months of 2008, representing 9.5% of consolidated sales (6.8% in the first nine months of 2007).

Balance sheet

Compared to 31 December 2007, the Group's balance sheet at 30 September 2008 shows an increase in shareholders' equity from EUR 164,764 thousand to EUR 172,080 thousand and an increase in net financial indebtedness from EUR 38,484 thousand to EUR 62,589 thousand, as a consequence of the seasonality of the business.

4. Net working capital

Net working capital amounts to EUR 81,574 thousand (27.6% of LTM revenues), compared with EUR 51,588 thousand (17.6% of revenues) at 31 December 2007.

5. Fixed assets

Capex realised in the period are mainly related to the refurbishment of boutique and buildings.

6. Shareholders' equity

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

7. Net financial position

The net financial position increase from EUR 38,484 thousand at 31 December 2007 to EUR 62,589 thousand at 30 September 2008, due to the seasonality of the business and to the capex carried out in the period. The current amount includes the buy-back of treasury shares for EUR 3,008 thousand. Net of this amount the net financial position is EUR 59,581 thousand.

Other information

Earnings per share

Basic earnings per share:

(Values in thousands of EUR)	30 September 2008	30 September 2007
Profit of the period attributable to the shareholders of the parent company	12.739	12.182
Weighted average number of shares outstanding	106.650	107.363
Basic earnings per share	0,119	0,113

Average number of employees

The average number of employees in the first nine months of 2008 is 1,499 (1,430 in the first nine months of 2007).

Measurement basis

The main accounting policies and measurement basis adopted in preparing the consolidated financial statements at 30 September 2008 are the same used in preparing the consolidated financial statements at 31 December 2007.

Significant events subsequent the balance sheet date

After the 30 September 2008 no significant events regarding the Group's activities have to be reported.

Outlook

The results of operations during the first nine months of 2008 confirm management's expectations, and earlier forecasts for a positive evolution over the entire year, with both revenues and margins substantially in line with respect to the corresponding period of the prior year.

Atypical and/or unusual transactions

Pursuant to Consob communication n. DEM/6064296 dated 28 July 2006, it is confirmed that during the first nine months of 2008, the Group did not enter into any atypical and/or unusual transactions, as defined in that communication.

Significant non-recurring events and transactions

During the first nine months of 2008 no non-recurring events or transactions have been realised, while in the first nine months of 2007, EUR 1,990 thousand of non-recurring transactions, which refers to the net gains raised by the subsidiary Aeffe USA from the sale of its 50% stake in Narciso Rodriguez LLC., have been realised.

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.