



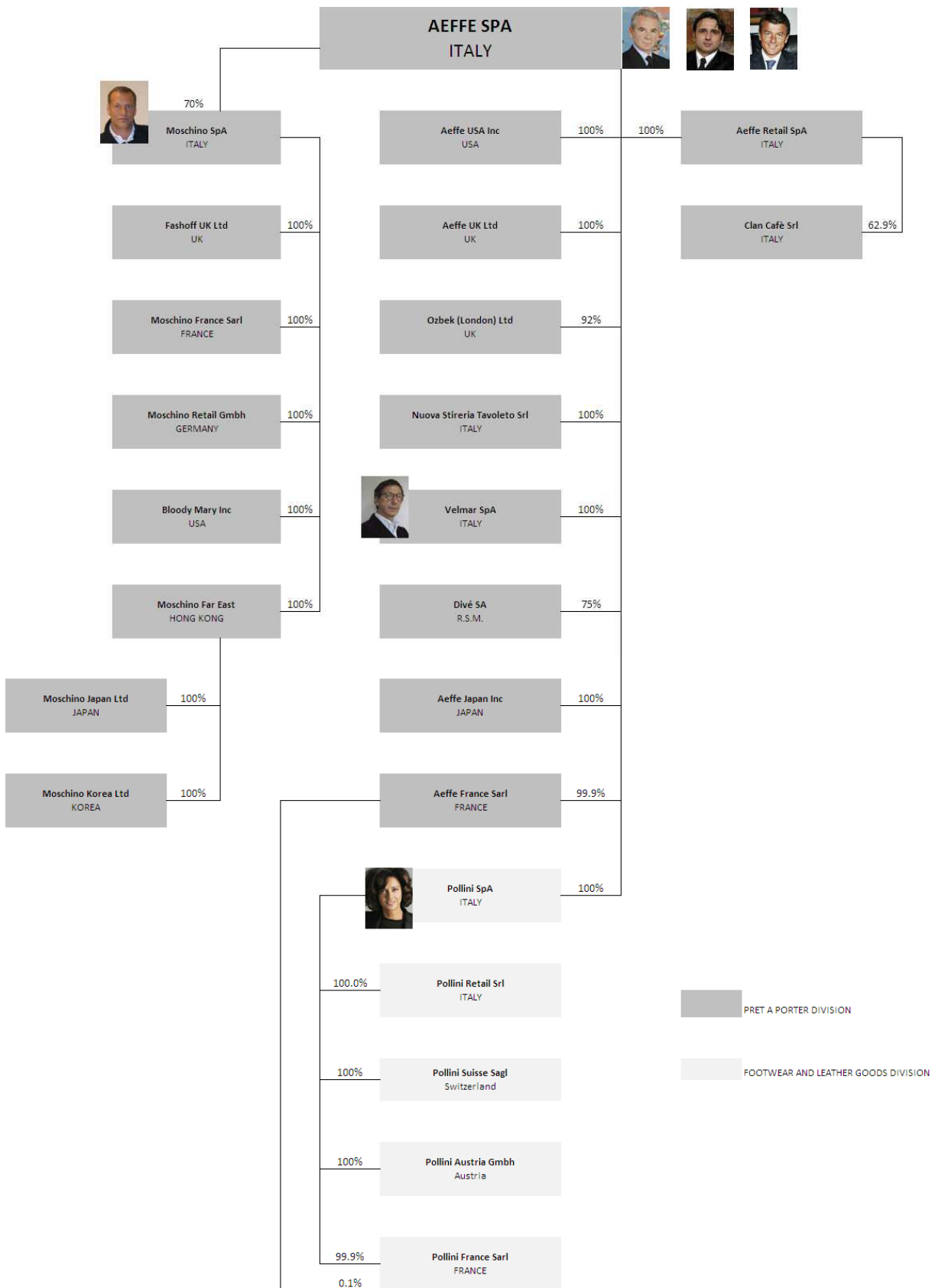
SUMMARY

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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 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

Jean Paul
GAULTIER

cacharel

Pollini Footwear – Leather goods	Moschino Licences – Design	Velmar Beachwear - Lingerie
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POLLINI <small>STUDIO POLLINI</small>	MOSCHINO.	MOSCHINO.
MOSCHINO. MOSCHINO. <small>CHEAPANDCHIC</small>	MOSCHINO. <small>CHEAPANDCHIC</small>	<i>blugirl blugirl</i> <small>beachwear underwear</small>
LOVE MOSCHINO	LOVE MOSCHINO	get lost ^{•••}

Headquarters

GRUPPO AEFPE

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 Degli Ippocastani, 329
San Giovanni in Marignano (RN)
47842 - Italy



Showrooms

MILAN

(FERRETTI - GAULTIER - CACHAREL - POLLINI)

Via Donizetti, 48
20122 - Milan
Italy

PARIS

(GRUPPO)

6, Rue Caffarelli
75003 - Paris
France

LONDON

(FERRETTI)

205-206 Sloane Street
SW1X9QX - London
UK

JAPAN

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)

Via Settembrini, 1
20124 - Milan
Italy

LONDON

(MOSCHINO)

28-29 Conduit Street
W1R 9TA - London
UK

NEW YORK

(GRUPPO)

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
Kobe City

POLLINI

Milan
Venice
Bolzano
Varese
Verona

SPAZIO A

Florence
Venice

MOSCHINO

Milan
Rome
Capri
Paris
London
Berlin
New York
Osaka
Tokyo
Nagoya
Kobe City
Seoul
Pusan
Daegu



Main economic-financial data

		9 M	9 M
		2010	2011
Total revenues	(Values in millions of EUR)	176.6	202.3
Gross operating margin (EBITDA)	(Values in millions of EUR)	5.9	19.1
Net operating profit (EBIT)	(Values in millions of EUR)	-4.3	8.8
Profit before taxes	(Values in millions of EUR)	-5.3	5.2
Net profit for the Group	(Values in millions of EUR)	-5.1	0.1
Basic earnings per share	(Values in units of EUR)	-0.050	0.001
Cash Flow (net profit + depreciation)	(Values in millions of EUR)	4.4	11.0
Cash Flow/Total revenues	Ratio	2.5	5.5

		31 December	30 September	31 December	30 September
		2009	2010	2010	2011
Net capital invested	(Values in millions of EUR)	258.2	268.7	251.1	262.6
Net financial indebtedness	(Values in millions of EUR)	87.7	104.2	95.5	107.6
Group net equity	(Values in millions of EUR)	143.2	137.8	129.8	138.5
Group net equity per share	(Values in units of EUR)	1.3	1.3	1.2	1.3
Current assets/Current liabilities	Ratio	2.1	2.5	2.1	2.4
Current assets less invent./Current liabilities (ACID Test)	Ratio	1.0	1.3	0.9	1.3
Net financial indebtedness/Net equity	Ratio	0.5	0.6	0.6	0.7

Financial statements

Income statement at 30 September

(Values in units of EUR)	Notes	9 M	% on	9 M	% on	Change	%
		2011	revenues	2010	revenues		
REVENUES FROM SALES AND SERVICES	(1)	197,446,834	100.0%	173,252,618	100.0%	24,194,216	14.0%
Other revenues and income		4,844,948	2.5%	3,305,483	1.9%	1,539,465	46.6%
TOTAL REVENUES		202,291,782	102.5%	176,558,101	101.9%	25,733,681	14.6%
Changes in inventory		-5,781,768	-2.9%	-3,602,290	-2.1%	-2,179,478	60.5%
Costs of raw materials, cons. and goods for resale		-55,633,812	-28.2%	-47,552,913	-27.4%	-8,080,899	17.0%
Costs of services		-56,024,631	-28.4%	-54,228,053	-31.3%	-1,796,578	3.3%
Costs for use of third parties assets		-17,877,338	-9.1%	-16,147,618	-9.3%	-1,729,720	10.7%
Labour costs		-44,680,845	-22.6%	-46,107,175	-26.6%	1,426,330	-3.1%
Other operating expenses		-3,189,186	-1.6%	-2,994,899	-1.7%	-194,287	6.5%
Total Operating Costs		-183,187,580	-92.8%	-170,632,948	-98.5%	-12,554,632	7.4%
GROSS OPERATING MARGIN (EBITDA)	(2)	19,104,202	9.7%	5,925,153	3.4%	13,179,049	222.4%
Amortisation of intangible fixed assets		-4,948,694	-2.5%	-4,864,773	-2.8%	-83,921	1.7%
Depreciation of tangible fixed assets		-5,316,535	-2.7%	-5,310,072	-3.1%	-6,463	0.1%
Revaluations/(write-downs) and provisions		-74,389	0.0%	-16,319	0.0%	-58,070	355.8%
Total Amortisation, write-downs and provisions		-10,339,618	-5.2%	-10,191,164	-5.9%	-148,454	1.5%
NET OPERATING PROFIT/LOSS (EBIT)		8,764,584	4.4%	-4,266,011	-2.5%	13,030,595	-305.5%
Financial income		238,023	0.1%	1,614,916	0.9%	-1,376,893	-85.3%
Financial expenses		-3,788,255	-1.9%	-2,692,987	-1.6%	-1,095,268	40.7%
Total Financial Income/(expenses)		-3,550,232	-1.8%	-1,078,071	-0.6%	-2,472,161	229.3%
PROFIT/LOSS BEFORE TAXES		5,214,352	2.6%	-5,344,082	-3.1%	10,558,434	-197.6%
Current income taxes		-4,699,927	-2.4%	-2,918,876	-1.7%	-1,781,051	61.0%
Deferred income/(expenses) taxes		254,531	0.1%	2,451,526	1.4%	-2,196,995	-89.6%
Total Income Taxes		-4,445,396	-2.3%	-467,350	-0.3%	-3,978,046	851.2%
NET PROFIT/LOSS		768,956	0.4%	-5,811,432	-3.4%	6,580,388	-113.2%
(Profit)/loss attributable to minority shareholders		-620,931	-0.3%	740,636	0.4%	-1,361,567	-183.8%
NET PROFIT/LOSS FOR THE GROUP	(3)	148,025	0.1%	-5,070,796	-2.9%	5,218,821	-102.9%

Income statement for the third quarter

(Values in units of EUR)	Notes	III Q 2011	% on revenues	III Q 2010	% on revenues	Change	%
REVENUES FROM SALES AND SERVICES	(1)	77.480.183	100,0%	70.383.095	100,0%	7.097.088	10,1%
Other revenues and income		2.309.194	3,0%	-579.835	-0,8%	2.889.029	-498,3%
TOTAL REVENUES		79.789.377	103,0%	69.803.260	99,2%	9.986.117	14,3%
Changes in inventory		-6.715.465	-8,7%	-4.244.924	-6,0%	-2.470.541	58,2%
Costs of raw materials, cons. and goods for resale		-16.702.942	-21,6%	-16.946.896	-24,1%	243.954	-1,4%
Costs of services		-19.905.381	-25,7%	-19.389.232	-27,5%	-516.149	2,7%
Costs for use of third parties assets		-6.322.049	-8,2%	-5.637.556	-8,0%	-684.493	12,1%
Labour costs		-15.244.438	-19,7%	-15.628.703	-22,2%	384.265	-2,5%
Other operating expenses		-159.777	-0,2%	242.046	0,3%	-401.823	-166,0%
Total Operating Costs		-65.050.052	-84,0%	-61.605.265	-87,5%	-3.444.787	5,6%
GROSS OPERATING MARGIN (EBITDA)	(2)	14.739.325	19,0%	8.197.995	11,6%	6.541.330	79,8%
Amortisation of intangible fixed assets		-1.606.241	-2,1%	-1.644.877	-2,3%	38.636	-2,3%
Depreciation of tangible fixed assets		-1.762.723	-2,3%	-1.947.168	-2,8%	184.445	-9,5%
Revaluations/(write-downs) and provisions		-45.251	-0,1%	19.214	0,0%	-64.465	-335,5%
Total Amortisation, write-downs and provisions		-3.414.215	-4,4%	-3.572.831	-5,1%	158.616	-4,4%
NET OPERATING PROFIT/LOSS (EBIT)		11.325.110	14,6%	4.625.164	6,6%	6.699.946	144,9%
Financial income		-150.452	-0,2%	-638.954	-0,9%	488.502	-76,5%
Financial expenses		-1.353.169	-1,7%	-818.447	-1,2%	-534.722	65,3%
Total Financial Income/(expenses)		-1.503.621	-1,9%	-1.457.401	-2,1%	-46.220	3,2%
PROFIT/LOSS BEFORE TAXES		9.821.489	12,7%	3.167.763	4,5%	6.653.726	210,0%
Current income taxes		-2.786.078	-3,6%	-1.747.052	-2,5%	-1.039.026	59,5%
Deferred income/(expenses) taxes		-1.128.560	-1,5%	-220.925	-0,3%	-907.635	410,8%
Total Income Taxes		-3.914.638	-5,1%	-1.967.977	-2,8%	-1.946.661	98,9%
NET PROFIT/LOSS		5.906.851	7,6%	1.199.786	1,7%	4.707.065	392,3%
(Profit)/loss attributable to minority shareholders		-641.568	-0,8%	31.606	0,0%	-673.174	-2129,9%
NET PROFIT/LOSS FOR THE GROUP	(3)	5.265.283	6,8%	1.231.392	1,7%	4.033.891	327,6%

Reclassified balance sheet

(Values in units of EUR)	Notes	30 September 2011	31 December 2010
Trade receivables		50,050,329	27,487,606
Stocks and inventories		68,454,762	73,086,479
Trade payables		-43,415,608	-47,643,680
Operating net working capital	(4)	75,089,483	52,930,405
Other short term receivables		24,928,395	26,973,677
Tax receivables		7,906,941	5,118,017
Other short term liabilities		-16,562,681	-13,668,204
Tax payables		-3,952,052	-2,892,460
Net working capital		87,410,086	68,461,435
Tangible fixed assets		73,872,115	75,619,540
Intangible fixed assets		149,648,723	154,173,121
Equity investments		29,625	28,840
Other fixed assets		3,066,355	2,988,617
Fixed assets	(5)	226,616,818	232,810,118
Post employment benefits		-8,180,287	-9,204,059
Provisions		-1,210,013	-1,414,943
Assets available for sale		436,885	793,885
Liabilities available for sale		-	-
Long term not financial liabilities		-14,241,401	-14,241,401
Deferred tax assets		12,754,238	15,026,668
Deferred tax liabilities		-40,978,626	-41,161,918
NET CAPITAL INVESTED		262,607,700	251,069,785
Share capital		25,371,407	25,371,407
Other reserves		116,952,351	119,294,593
Profits/(Losses) carried-forward		-3,937,934	-2,341,726
Profit/(Loss) of the period		148,025	-12,506,617
Group interest in shareholders' equity		138,533,849	129,817,657
Minority interests in shareholders' equity		16,427,616	25,726,864
Total shareholders' equity	(6)	154,961,465	155,544,521
Cash		-4,246,710	-4,512,265
Long term financial liabilities		9,569,334	13,211,420
Short term financial liabilities		102,323,611	86,826,109
NET FINANCIAL POSITION	(7)	107,646,235	95,525,264
SHAREHOLDERS' EQUITY AND NET FINANCIAL INDEBTEDNESS		262,607,700	251,069,785

Cash flow

(Values in thousands of EUR)	Notes	9 M 2011	9 M 2010
OPENING BALANCE		4,512	5,337
Profit before taxes		5,214	-5,344
Amortisation / write-downs		10,340	10,191
Accrual (+) / availment (-) of long term provisions and post employment benefits		-1,229	-462
Paid income taxes		-1,297	-1,583
Financial income (-) and financial charges (+)		3,550	1,078
Change in operating assets and liabilities		-20,007	-14,888
CASH FLOW (ABSORBED) / GENERATED BY OPERATING ACTIVITY		-3,429	-11,008
Increase (-) / decrease (+) in intangible fixed assets		-424	-6,132
Increase (-) / decrease (+) in tangible fixed assets		-3,569	-4,938
Investments and write-downs (-)/ Disinvestments and revaluations (+)		282	6,949
CASH FLOW (ABSORBED) / GENERATED BY INVESTING ACTIVITY		-3,711	-4,121
Other variations in reserves and profits carried-forward of shareholders' equity		-1,352	-168
Dividends paid		0	0
Proceeds (+) / repayment (-) of financial payments		11,855	15,866
Increase (-) / decrease (+) in long term financial receivables		-78	-160
Financial income (+) and financial charges (-)		-3,550	-1,078
CASH FLOW (ABSORBED) / GENERATED BY FINANCING ACTIVITY		6,875	14,460
CLOSING BALANCE		4,247	4,668

Changes in shareholders' equity

	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
<i>(Values in thousands of EUR)</i>											
BALANCES AT 31 December 2009	25,371	71,240	36,252	7,901	11,459	12,749	- 20,088	- 1,691	143,193	27,301	170,494
Changes in equity for the first 9 M of 2010											
Allocation of 31/12/09 profit/(loss)	-	-	- 5,172	-	-	- 14,916	20,088	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	-
Treasury stock (buy-back)/ sale	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income/(loss) at 30/09/10	-	-	-	-	-	-	- 5,071	- 168	- 5,239	- 740	- 5,979
Other changes	-	-	-	-	-	196	-	-	196	196	-
BALANCES AT 30 September 2010	25,371	71,240	31,080	7,901	11,459	- 2,363	- 5,071	- 1,859	137,758	26,757	164,515
<i>(Values in thousands of EUR)</i>											
	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

Interim management report

In the first nine months of 2011, AEFEE consolidated revenues amount to EUR 197,447 thousand compared to EUR 173,253 thousand in the first nine months of 2010, with a 14% increase (+14.3% at current exchange rates). Revenues are positively influenced by the 17.4%, 15.4% and 10.1% increase, respectively, in the first, in the second and in the third quarter 2011 compared to the same periods of the previous year.

In the first nine months of 2011 EBITDA is positive for EUR 19,104 thousand (with an incidence of 9.7% of consolidated sales), showing a significant improvement compared to EUR 5,925 thousand in the first nine months of 2010 (with an incidence of 3.4% of consolidated sales).

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

The strong growth in profitability involves both divisions. EBITDA of the *prêt-à-porter* division is equal to EUR 18,060 thousand in the first nine months of 2011 (representing 11.4% of consolidated sales) compared to an EBITDA of EUR 9,490 thousand in the first nine months of 2010 (representing 6.6% of consolidated sales), showing an improvement of EUR 8,570 thousand.

The EBITDA of the footwear and leather goods division increases from a negative value of EUR 3,565 thousand in the first nine months of 2010 to a positive value of EUR 1,044 thousand in the first nine months of 2011.

Consolidated EBIT amounts to EUR 8,765 thousand, compared to a negative EBIT of EUR 4,266 thousand in the first nine months of 2010.

Thanks to the improvement in operating profit, in the first nine months of 2011 the Group shows a strong growth in net result, posting a net profit of EUR 148 thousand, compared to a net loss of EUR 5,071 thousand in the first nine months of 2010.

The balance sheet at 30 September 2011 shows a shareholders' equity of EUR 138,544 thousand and a net financial indebtedness of EUR 107,646 thousand compared to EUR 95,525 thousand at 31 December 2010.

Such increase is due to the seasonality of the business and to the increase of net working capital as a consequence of the sales growth.

At 30 September 2011, net working capital amounts to EUR 87,410 thousand (35.9% of LTM sales) down compared with 38.6% at 30 September 2010. The net working capital at 31 December 2010 was EUR 68,461 thousand (31.2% of sales); the increase of the net working capital incidence on revenues compared to that date is due to the seasonality of the business and to the sales growth.

Capex realised in the period, for EUR 3,711 thousand, are mainly related to the stores' refurbishment and maintenance.

Explanatory notes

Income statement

1. Revenues from sales and services

Nine months 2011 vs 2010

In the first nine months of 2011, revenues from sales and services are equal to EUR 197,447 thousand with an increase of 14% (+14.3% at constant exchange rates) compared with EUR 173,253 thousand in the first nine months of 2010.

Sales by brand

(Values in thousands of EUR)	9 M		9 M		Change	
	2011	%	2010	%	Δ	%
Alberta Ferretti	42,179	21.4%	37,451	21.6%	4,728	12.6%
Moschino	109,739	55.6%	97,062	56.0%	12,677	13.1%
Pollini	25,341	12.8%	22,082	12.7%	3,259	14.8%
J.P.Gaultier	9,859	5.0%	10,307	6.0%	-448	-4.3%
Other	10,329	5.2%	6,351	3.7%	3,978	62.6%
Total	197,447	100.0%	173,253	100.0%	24,194	14.0%

In the first nine months of 2011, Alberta Ferretti brand increases by 12.6% (+12.7% at constant exchange rates), generating 21.4% of consolidated sales.

In the same period, Moschino brand sales increase by 13.1% (+13.4% at constant exchange rates) contributing to 55.6% of consolidated sales.

Pollini brand increases by 14.8% (+14.8% at constant exchange rates), generating 12.8% of consolidated sales, while brand under licence JP Gaultier decreases by 4.3% (-3.4% at constant exchange rates) contributing to 5.0% of consolidated sales.

The other brands sales increase by 62.6% (+63.9% at constant exchange rates) contributing to 5.2% of consolidated sales.

Sales by geographical area

(Values in thousands of EUR)	9 M		9 M		Change	
	2011	%	2010	%	Δ	%
Italy	84,120	42.6%	73,559	42.5%	10,561	14.4%
Europe (Italy and Russia excluded)	41,844	21.2%	37,477	21.6%	4,367	11.6%
Russia	14,309	7.3%	11,261	6.5%	3,048	27.1%
United States	13,829	7.0%	14,893	8.6%	-1,064	-7.1%
Japan	17,050	8.6%	14,528	8.4%	2,522	17.4%
Rest of the World	26,295	13.3%	21,535	12.4%	4,760	22.1%
Total	197,447	100.0%	173,253	100.0%	24,194	14.0%

In the first nine months of 2011 sales in Italy increase by 14.4% to EUR 84,120 thousand, contributing to 42.6% of consolidated sales.

Sales in Europe increase by 11.6% (+11.8% at constant exchange rates), contributing to 21.2% of consolidated sales, while the Russian market records sales equal to EUR 14,309 thousand, contributing to 7.3% of consolidated sales, with a growth of 27.1%. Sales in the United States are equal to EUR 13,829 thousand, contributing to 7.0% of consolidated sales, with a decrease of 7.1% (-1.7% at constant exchange rates). In Japan sales increase by 17.4% (+15.3% at constant exchange rates) to EUR 17,050 thousand, contributing to 8.6% of consolidated sales.

In the Rest of the World, sales are equal to EUR 26,295 thousand with an increase of 22.1% (+22.1% at constant exchange rates) and a contribution of 13.3% of consolidated sales.

Sales by distribution channel

(Values in thousands of EUR)	9 M		9 M		Change	
	2011	%	2010	%	Δ	%
Wholesale	125,577	63.6%	109,784	63.4%	15,793	14.4%
Retail	58,770	29.8%	51,436	29.7%	7,334	14.3%
Royalties	13,100	6.6%	12,033	6.9%	1,067	8.9%
Total	197,447	100.0%	173,253	100.0%	24,194	14.0%

By distribution channel in the first nine months of 2011, wholesale sales increase by 14.4% (+14.9% at constant exchange rates) contributing to 63.6% of consolidated sales.

Sales of our directly-operated stores (retail channel) amount to EUR 58,770 thousand with an increase of 14.3% (+14.2% at constant exchange rates) contributing to 29.8% of consolidated sales.

Royalty income is 8.9% higher than in the corresponding period of the previous year, representing 6.6% of consolidated sales.

Sales by own brands and under licensed brands

(Values in thousands of EUR)	9 M		9 M		Change	
	2011	%	2010	%	Δ	%
Own brands	177,260	89.8%	156,622	90.4%	20,638	13.2%
Brands under license	20,187	10.2%	16,631	9.6%	3,556	21.4%
Total	197,447	100.0%	173,253	100.0%	24,194	14.0%

Revenues generated by own brands increase in absolute value by EUR 20,638 thousand, +13.2% compared with the previous year, with an incidence on total revenues which decreases from 90.4% in the first nine months of 2010 to 89.8% in the first nine months of 2011.

Third quarter 2011 vs 2010

In the third quarter of 2011, revenues from sales and services are equal to EUR 77,480 thousand with an increase of 10.1% compared with EUR 70,383 thousand in the third quarter of 2010.

Sales by brand

(Values in thousands of EUR)	III Q		III Q		Change	
	2011	%	2010	%	Δ	%
Alberta Ferretti	16,739	21.6%	16,017	22.8%	722	4.5%
Moschino	41,853	54.0%	37,509	53.3%	4,344	11.6%
Pollini	10,481	13.5%	9,155	13.0%	1,326	14.5%
J.P.Gaultier	4,351	5.6%	4,831	6.9%	-480	-9.9%
Other	4,056	5.3%	2,871	4.0%	1,185	41.3%
Total	77,480	100.0%	70,383	100.0%	7,097	10.1%

In the third quarter of 2011, Alberta Ferretti brand increases by 4.5% generating 21.6% of consolidated sales.

In the same period, Moschino brand sales increase by 11.6% contributing to 54.0% of consolidated sales.

Pollini brand increases by 14.5% generating 13.5% of consolidated sales, while brand under licence JP Gaultier decreases by 9.9% contributing to 5.6% of consolidated sales.

The other brands sales increase by 41.3% contributing to 5.3% of consolidated sales.

Sales by geographical area

(Values in thousands of EUR)	III Q		III Q		Change	
	2011	%	2010	%	Δ	%
Italy	32,045	41.4%	29,488	41.9%	2,557	8.7%
Europe (Italy and Russia excluded)	17,155	22.1%	15,214	21.6%	1,941	12.8%
Russia	6,380	8.2%	5,146	7.3%	1,234	24.0%
United States	5,008	6.5%	5,523	7.8%	-515	-9.3%
Japan	7,485	9.7%	6,234	8.9%	1,251	20.1%
Rest of the World	9,407	12.1%	8,778	12.5%	629	7.2%
Total	77,480	100.0%	70,383	100.0%	7,097	10.1%

In the third quarter of 2011 sales in Italy increase by 8.7% to EUR 32,045 thousand, contributing to 41.4% of consolidated sales.

Sales in Europe increase by 12.8% contributing to 22.1% of consolidated sales, while the Russian market records sales equal to EUR 6,380 thousand, contributing to 8.2% of consolidated sales, with an increase of 24.0%. Sales in the United States are equal to EUR 5,008 thousand, contributing to 6.5% of consolidated sales, with a decrease of 9.3%. In Japan sales increase by 20.1% to EUR 7,485 thousand, contributing to 9.7% of consolidated sales.

In the Rest of the World, sales are equal to EUR 9,407 thousand with an increase of 7.2% and a contribution of 12.1% of consolidated sales.

Sales by distribution channel

(Values in thousands of EUR)	III Q		III Q		Change	
	2011	%	2010	%	Δ	%
Wholesale	51,279	66.2%	46,593	66.2%	4,686	10.1%
Retail	21,321	27.5%	19,515	27.7%	1,806	9.3%
Royalties	4,880	6.3%	4,275	6.1%	605	14.2%
Total	77,480	100.0%	70,383	100.0%	7,097	10.1%

By distribution channel in the third quarter of 2011, wholesale sales increase by 10.1% contributing to 66.2% of consolidated sales.

Sales of our directly-operated stores (retail channel) amount to EUR 21,321 thousand with an increase of 9.3% contributing to 27.5% of consolidated sales.

Royalty income is 14.2% higher than in the corresponding period of the previous year, representing 6.3% of consolidated sales.

Sales by own brands and under licensed brands

(Values in thousands of EUR)	III Q		III Q		Change	
	2011	%	2010	%	Δ	%
Own brands	69,074	89.2%	62,682	89.1%	6,392	10.2%
Brands under license	8,406	10.8%	7,701	10.9%	705	9.2%
Total	77,480	100.0%	70,383	100.0%	7,097	10.1%

Revenues generated by own brands increase in absolute value by EUR 6,392 thousand remaining substantially stable in terms of incidence on revenues. Revenues generated by brands under license increase in absolute value by EUR 705 thousand.

2. Gross Operating Margin (EBITDA)

Nine months 2011 vs 2010

In the first nine months of 2011 EBITDA is positive for EUR 19,104 thousand (with an incidence of 9.7% of consolidated sales), showing a significant improvement compared to a EUR 5,925 thousand in the first nine months of 2010 (with an incidence of 3.4% of consolidated sales).

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

Third quarter 2011 vs 2010

In the third quarter of 2011 consolidated EBITDA is EUR 14,739 thousand (with an incidence of 19.0% of consolidated sales), showing a strong recovery of profitability compared to EUR 8,198 thousand in the third quarter of 2010, (with an incidence of 11.6% of consolidated sales).

3. Net profit for the Group

Nine months 2011 vs 2010

In the first nine months of 2011 Group records a net profit of EUR 148 thousand showing a strong growth compared to a net loss of EUR 5,071 thousand in the first nine months of 2010.

Third quarter 2011 vs 2010

In the third quarter of 2011 Group records a net profit of EUR 5,265 thousand, compared to a net profit of EUR 1,231 thousand in the third quarter of 2010.

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 2011 vs 2010

The following tables indicate the main economic data for the first nine months of 2011 and 2010 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 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

(Values in thousand of EUR)	Prêt-à porter Division	Footwear and leather goods Division	Elimination of intercompany transactions	Total
9M 2010				
SECTOR REVENUES	143,096	38,715	-8,558	173,253
Intercompany revenues	-2,636	-5,922	8,558	-
Revenues with third parties	140,460	32,793	-	173,253
Gross operating margin (EBITDA)	9,490	-3,565	-	5,925
Amortisation	-7,678	-2,497	-	-10,175
Other non monetary items:				
Revaluations / write-downs	-16	0		-16
Net operating profit / loss (EBIT)	1,796	-6,062	-	-4,266
Financial income	1,728	47	-160	1,615
Financial expenses	-2,306	-547	160	-2,693
Profit / loss before taxes	1,218	-6,562	-	-5,344
Income taxes	-2,182	1,715	-	-467
Net profit / loss	-964	-4,847	-	-5,811

Third Quarter 2011 vs 2010

The following tables indicate the main economic data for the third quarter of 2011 and 2010 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 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

(Values in thousand of EUR)	Prêt-à porter Division	Footwear and leather goods Division	Elimination of intercompany transactions	Total
III Q 2010				
SECTOR REVENUES	57,254	16,438	-3,309	70,383
Intercompany revenues	-1,071	-2,238	3,309	0
Revenues with third parties	56,183	14,200		70,383
Gross operating margin (EBITDA)	7,525	673		8,198
Amortisation	-2,756	-836		-3,592
Other non monetary items:				
Revaluations / write-downs	0	19		19
Net operating profit / loss (EBIT)	4,769	-144		4,625
Financial income	-575	-3	-61	-639
Financial expenses	-706	-173	61	-818
Profit / loss before taxes	3,488	-320		3,168
Income taxes	-1,964	-4		-1,968
Net profit / loss	1,524	-324		1,200

Prêt-à porter Division

In the first nine months of 2011, revenues of the prêt-à-porter division increase by 10.3% (+10.7% at constant exchange rates) to EUR 157,844 thousand. This division contributes to 78.7% of consolidated revenues in the first nine months of 2010 and 75.7% in the first nine months of 2011, before inter-divisional eliminations.

EBITDA of the *prêt-à-porter* division is equal to EUR 18,060 thousand in the first nine months of 2011 (representing 11.4% of consolidated sales) compared to an EBITDA of EUR 9,490 thousand in the first nine months of 2010 (representing 6.6% of consolidated sales), showing an improvement of EUE 8,570 thousand.

Footwear and leather goods Division

Revenues of the footwear and leather goods division increase by 31.0% from EUR 38,715 thousand in the first nine months of 2010 to EUR 50,706 thousand in the first nine months of 2011.

The EBITDA of the footwear and leather goods division increases from a negative value of EUR 3,565 thousand in the first nine months of 2010 to a positive value of EUR 1,044 thousand in the first nine months of 2011.

Balance sheet

Compared to 31 December 2010, the balance sheet at 30 September 2011 shows a decrease in shareholders' equity from EUR 155,544 thousand to EUR 154,961 thousand. Despite the profit of the period, the shareholders' equity decreases as a consequence of the payment related to the acquisition of the remaining 28% of Pollini S.p.A..

4. Net working capital

Net working capital amounts to EUR 87,410 thousand (35.9% of LTM sales) compared with EUR 68,461 thousand at 31 December 2010 (31.2% of sales). The increase of the net working capital incidence on revenues is due to the seasonality of the business and to the sales growth.

5. Fixed assets

Capex realised in the period, for EUR 3,711 thousand, are mainly related to and stores' refurbishment and maintenance.

6. Shareholders' equity

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

7. Net financial position

Net financial indebtedness increases by EUR 12,121 thousand from EUR 95,525 thousand at 31 December 2010 to EUR 107,646 thousand at 30 September 2011. Such increase is mainly due the seasonality of the business and to the increase of net working capital as a consequence of the sales growth.

Other information

Earnings per share

Basic earnings per share:

(Values in thousands of EUR)	30 September 2011	30 September 2010
Consolidated earnings/(losses) for the period for the shareholders of the Parent Company	148	-5.071
Weighted average number of outstanding shares	101.486	101.486
Basic earnings per share	0,001	-0,050

Measurement basis

The main accounting policies and measurement basis adopted in preparing the consolidated financial statements at 30 September 2011 are the same used in preparing the consolidated financial statements at 31 December 2010.

Significant events subsequent to the balance sheet date

After the 30 September 2011 no significant events regarding the Group's activities have to be reported.

Outlook

The sales growth continued in the third quarter of 2011, both in the retail and in the wholesale channel, registering, respectively, a 10.1% and 9.3% increase. Also the profitability improved significantly, which in the first nine months of 2011 increased by EUR 13.2 million compared to the first nine months of 2010, thanks to the excellent sales growth. Also the orders backlog for Spring/Summer 2012 collections was positive and this leaves us confident about the trend of the next 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.