

AEFFE



INTERIM CONSOLIDATED FINANCIAL STATEMENT AT 31 MARCH 2012

Disclaimer

This Interim consolidated financial statement at 31 March 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.

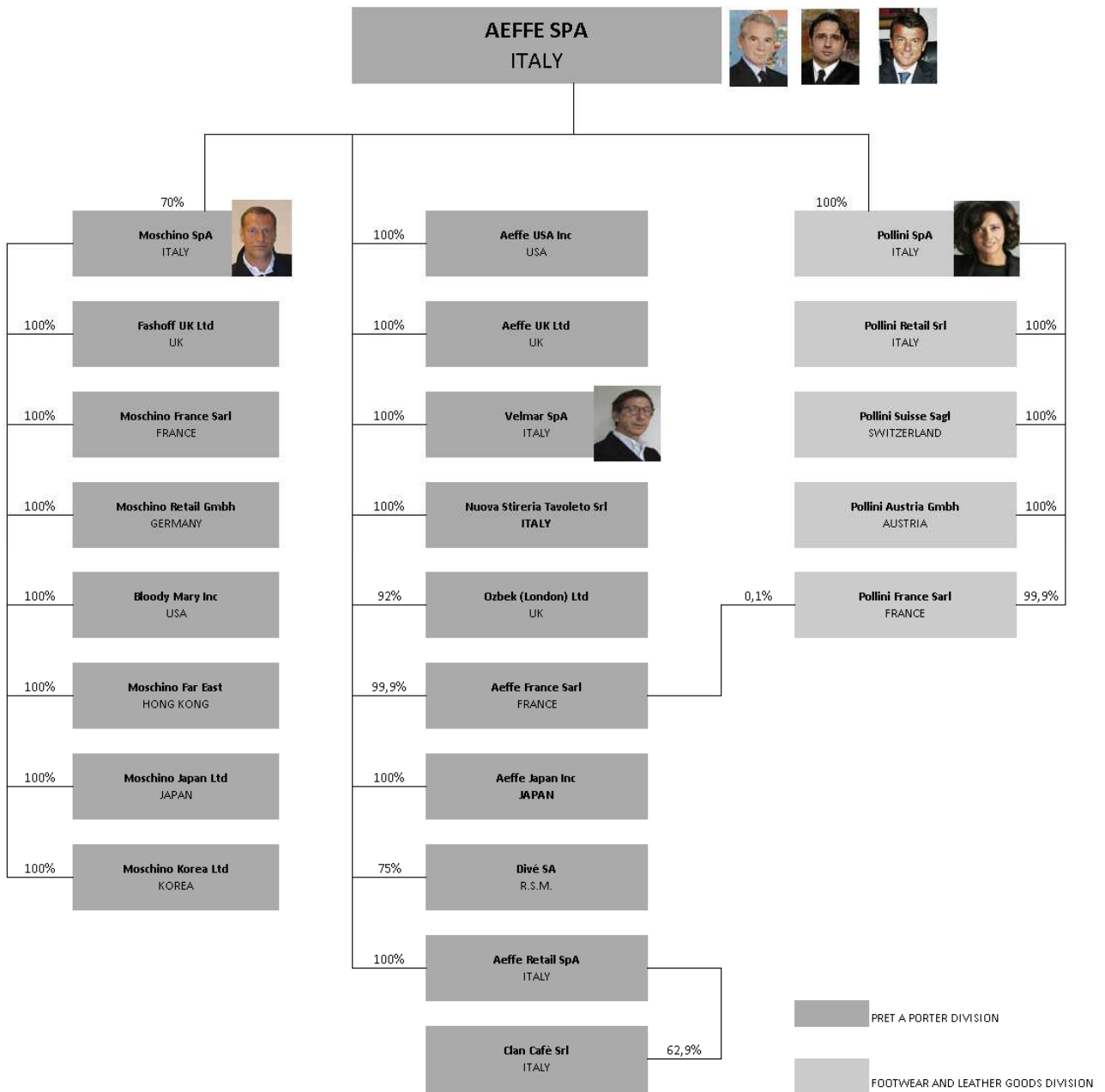
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Corporate boards of the Parent Company

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	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®

MOSCHINO®

MOSCHINO®
CHEAPANDCHIC

MOSCHINO®
CHEAPANDCHIC

blugirl blugirl
beachwear underwear

LOVE
MOSCHINO

LOVE
MOSCHINO

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



Showrooms

MILAN

(FERRETTI – GAULTIER - POLLINI)

Via Donizetti, 48
20122 - Milan
Italy

PARIS

(GRUPPO)

6, Rue Caffarelli
75003 - Paris
France

LONDON

(FERRETTI)

205-206 Sloane Street
SW1X9QX - London
UK

TOKYO

(GRUPPO)

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

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
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

		I Q	I Q
		2011	2012
Total revenues	(Values in millions of EUR)	73.4	76.3
Gross operating margin (EBITDA)	(Values in millions of EUR)	7.8	10.5
Net operating profit/(loss) (EBIT)	(Values in millions of EUR)	4.3	7.0
Profit/(loss) before taxes	(Values in millions of EUR)	3.4	5.0
Net profit/(loss) for the Group	(Values in millions of EUR)	0.8	1.9
Basic earnings per share	(Values in units of EUR)	0.008	0.019
Cash Flow (net result + depreciation)	(Values in millions of EUR)	4.6	6.1
Cash Flow/total revenues	Ratio	6.2	7.9

		31 December	31 March	31 December	31 March
		2010	2011	2011	2012
Net capital invested	(Values in millions of EUR)	251.1	257.5	248.3	260.6
Net financial indebtedness	(Values in millions of EUR)	95.5	102.3	98.1	107.8
Group net equity	(Values in millions of EUR)	129.8	139.1	134.2	136.4
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	2.2	1.9	2.3
Current assets less invent./Current liabilities (ACID Test)	Ratio	0.9	1.1	0.9	1.2
Net financial indebtedness/Net equity	Ratio	0.6	0.7	0.7	0.7

Financial statements

Income statement at 31 March

(Values in units of EUR)	Notes	IQ	% on	IQ	% on	Change	%
		2012	revenues	2011	revenues		
REVENUES FROM SALES AND SERVICES	(1)	74,549,305	100.0%	71,958,833	100.0%	2,590,472	3.6%
Other revenues and income		1,749,519	2.3%	1,471,513	2.0%	278,006	18.9%
TOTAL REVENUES		76,298,824	102.3%	73,430,346	102.0%	2,868,478	3.9%
Changes in inventory		-1,387,528	-1.9%	-3,168,625	-4.4%	1,781,097	-56.2%
Costs of raw materials, cons. and goods for resale		-19,794,190	-26.6%	-18,983,866	-26.4%	-810,324	4.3%
Costs of services		-19,209,248	-25.8%	-19,258,975	-26.8%	49,727	-0.3%
Costs for use of third parties assets		-6,254,745	-8.4%	-6,115,351	-8.5%	-139,394	2.3%
Labour costs		-16,087,304	-21.6%	-15,937,549	-22.1%	-149,755	0.9%
Other operating expenses		-3,066,265	-4.1%	-2,175,953	-3.0%	-890,312	40.9%
Total Operating Costs		-65,799,280	-88.3%	-65,640,319	-91.2%	-158,961	0.2%
GROSS OPERATING MARGIN (EBITDA)	(2)	10,499,544	14.1%	7,790,027	10.8%	2,709,517	34.8%
Amortisation of intangible fixed assets		-2,084,240	-2.8%	-2,012,397	-2.8%	-71,843	3.6%
Depreciation of tangible fixed assets		-1,423,658	-1.9%	-1,447,573	-2.0%	23,915	-1.7%
Revaluations / (write-downs) and provisions		-32,973	0.0%	-19,376	0.0%	-13,597	70.2%
Total Amortisation, write-downs and provisions		-3,540,871	-4.7%	-3,479,346	-4.8%	-61,525	1.8%
NET OPERATING PROFIT / LOSS (EBIT)		6,958,673	9.3%	4,310,681	6.0%	2,647,992	61.4%
Financial income		25,882	0.0%	253,118	0.4%	-227,236	-89.8%
Financial expenses		-1,968,666	-2.6%	-1,182,055	-1.6%	-786,611	66.5%
Total Financial Income/(expenses)		-1,942,784	-2.6%	-928,937	-1.3%	-1,013,847	109.1%
PROFIT / LOSS BEFORE TAXES		5,015,889	6.7%	3,381,744	4.7%	1,634,145	48.3%
Current income taxes		-2,737,815	-3.7%	-1,237,743	-1.7%	-1,500,072	121.2%
Deferred income/(expenses) taxes		268,665	0.4%	-1,041,279	-1.4%	1,309,944	-125.8%
Total Income Taxes		-2,469,150	-3.3%	-2,279,022	-3.2%	-190,128	8.3%
NET PROFIT / LOSS		2,546,739	3.4%	1,102,722	1.5%	1,444,017	131.0%
(Profit) / loss attributable to minority shareholders		-636,615	-0.9%	-290,425	-0.4%	-346,190	119.2%
NET PROFIT / LOSS FOR THE GROUP	(3)	1,910,124	2.6%	812,297	1.1%	1,097,827	135.2%

Reclassified balance sheet

(Values in units of EUR)	Notes	31 March 2012	31 December 2011	31 March 2011
Trade receivables		44,354,257	32,547,133	42,883,770
Stocks and inventories		72,449,963	74,259,636	70,658,355
Trade payables		-45,228,452	-54,809,403	-47,275,575
Operating net working capital		71,575,768	51,997,366	66,266,550
Other short term receivables		25,594,322	25,113,491	25,973,457
Tax receivables		7,171,895	8,394,168	5,758,496
Other short term liabilities		-17,440,503	-14,944,263	-15,889,201
Tax payables		-3,347,998	-3,342,381	-3,189,078
Net working capital	(4)	83,553,484	67,218,381	78,920,224
Tangible fixed assets		73,726,858	74,536,548	73,712,356
Intangible fixed assets		142,322,341	145,090,553	152,600,284
Equity investments		29,626	29,625	44,936
Other fixed assets		2,946,528	2,915,138	2,977,886
Fixed assets	(5)	219,025,353	222,571,864	229,335,462
Post employment benefits		-7,924,020	-7,942,941	-8,783,141
Provisions		-1,100,321	-1,070,987	-1,152,868
Assets available for sale		8,797,038	7,711,633	793,885
Long term not financial liabilities		-14,241,401	-14,241,401	-14,241,401
Deferred tax assets		12,851,055	14,549,218	13,616,443
Deferred tax liabilities		-40,332,640	-40,515,662	-40,981,555
NET CAPITAL INVESTED		260,628,548	248,280,105	257,507,049
Share capital		25,371,407	25,371,407	25,371,407
Other reserves		117,420,319	117,064,291	119,066,082
Profits / (Losses) carried-forward		-8,294,299	-3,937,904	-6,128,164
Profit / (Loss) of the period		1,910,124	-4,279,554	812,297
Group interest in shareholders' equity		136,407,551	134,218,240	139,121,622
Minority interests in shareholders' equity		16,379,932	15,979,197	16,097,110
Total shareholders' equity	(6)	152,787,483	150,197,437	155,218,732
Short term financial receivables		-190,000	0	0
Cash		-4,581,301	-8,443,724	-4,691,035
Long term financial liabilities		6,293,257	7,059,804	11,829,674
Short term financial liabilities		106,319,109	99,466,588	95,149,678
NET FINANCIAL POSITION	(7)	107,841,065	98,082,668	102,288,317
SHAREHOLDERS' EQUITY AND NET FINANCIAL INDEBTEDNESS		260,628,548	248,280,105	257,507,049

Cash flow

(Values in thousands of EUR)	Notes	I Q 2012	F Y 2011	I Q 2011
OPENING BALANCE		8,444	4,512	4,512
Profit before taxes		5,016	-1,247	3,382
Amortisation / write-downs		3,541	14,823	3,479
Accrual (+)/avallment (-) of long term provisions and post employment benefits		10	-1,605	-683
Paid income taxes		-948	-2,579	-753
Financial income (-) and financial charges (+)		1,943	4,811	929
Change in operating assets and liabilities		-16,341	-233	-10,755
CASH FLOW (ABSORBED)/ GENERATED BY OPERATING ACTIVITY		-6,779	13,970	-4,401
Increase (-)/ decrease (+) in intangible fixed assets		-402	-6,082	-440
Increase (-)/ decrease (+) in tangible fixed assets		-614	-4,820	460
Investments and write-downs (-)/ Disinvestments and revaluations (+)		-33	353	-35
CASH FLOW (ABSORBED)/ GENERATED BY INVESTING ACTIVITY		-1,049	-10,549	-15
Other variations in reserves and profits carried-forward of shareholders' equity		43	-1,240	-1,429
Dividends paid		0	0	0
Proceeds (+)/ repayment (-) of financial payments		6,086	6,489	6,942
Increase (-)/ decrease (+) in long term financial receivables		-221	73	11
Financial income (+) and financial charges (-)		-1,943	-4,811	-929
CASH FLOW (ABSORBED)/GENERATED BY FINANCING ACTIVITY		3,965	511	4,595
CLOSING BALANCE		4,581	8,444	4,691

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 1Q 2011											
Allocation of 2010 profit / (loss)	-	-	-	-	-	- 12,507	12,507	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	-
Treasury stock (buy-back)/ sale	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income / (loss) of 1Q 2011	-	-	-	-	-	-	812	- 227	585	290	875
Other changes	-	-	-	-	-	8,720	-	-	8,720	- 9,920	- 1,200
BALANCES AT 31 March 2011	25,371	71,240	31,080	7,901	11,459	- 6,129	812	- 2,612	139,122	16,097	155,219

(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 1Q 2012											
Allocation of 2011 profit / (loss)	-	-	-	-	-	- 4,280	4,280	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	-
Treasury stock (buy-back)/ sale	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income / (loss) of 1Q 2012	-	-	-	-	-	-	1,910	43	1,953	637	2,590
Other changes	-	-	-	-	-	- 77	-	313	-	- 236	-
BALANCES AT 31 March 2012	25,371	71,240	28,890	7,901	11,459	- 8,295	1,910	- 2,069	136,171	16,380	152,787

Interim management report

Revenues from sales and services generated in the first three months of 2012 amount to EUR 74,549 thousand, showing an increase of 3.6% compared with the same period of the previous year (+2.6% at constant exchange rates).

In the first quarter 2012 profitability showed a significant improvement, consolidated EBITDA amounts to EUR 10,500 thousand (with an incidence of 14.1% of consolidated sales), compared to EUR 7,790 thousand in the first quarter 2011 (10.8% of total sales).

EBITDA growth has been influenced by two combined positive effects: from one side by the sales increase; from another side by the lower incidence of the operating costs thanks to the policy of costs' reduction and efficiency improvement implemented at Group level.

The strong improvement in EBITDA involves both divisions.

At 31 March 2012 net working capital amounts to EUR 83,553 thousand (33.6% of LTM sales) compared with EUR 67,218 thousand at 31 December 2011 (27.3% of sales). The increase of the incidence of net working capital on sales is mainly due to the seasonality of the business.

Net financial indebtedness increases of EUR 9,758 thousand from EUR 98,083 thousand at 31 December 2011 to EUR 107,841 thousand at 31 March 2012. Such effect is mainly related to the higher net working capital due to the seasonality of the business.

Explanatory notes

Income statement

1. Revenues from sales and services

First quarter 2012 vs 2011

In the first quarter of 2012, revenues from sales and services are equal to EUR 74,549 thousand with an increase of 3.6% (+2.6% at constant exchange rates) compared with EUR 71,959 thousand in the first quarter of 2011.

The following table details the revenues by geographical area for the first quarters of 2012 and 2011.

(Values in thousands of EUR)	I Q		I Q		Change	
	2012	%	2011	%	Δ	%
Italy	29,859	40.1%	30,871	42.9%	-1,012	-3.3%
Europe (Italy and Russia excluded)	15,669	21.0%	15,819	22.0%	-150	-1.0%
Russia	6,220	8.3%	5,081	7.1%	1,139	22.4%
United States	4,903	6.6%	4,588	6.4%	315	6.9%
Japan	6,963	9.3%	5,921	8.2%	1,042	17.6%
Rest of the World	10,935	14.7%	9,679	13.4%	1,256	13.0%
Total	74,549	100.0%	71,959	100.0%	2,590	3.6%

In the first quarter of 2012 sales in Italy decrease by 3.3% to EUR 29,859 thousand, contributing to 40.1% of consolidated sales.

Sales in Europe decrease by 1.0% (-1.1% at constant exchange rates), contributing to 21.0% of consolidated sales, while the Russian market records sales equal to EUR 6,220 thousand, contributing to 8.3% of consolidated sales, with a growth of 22.4% (the increase remains unchanged at constant exchange rates). Sales in the United States are equal to EUR 4,903 thousand, contributing to 6.6% of consolidated sales, with an increase of 6.9% (+3.0% at constant exchange rates). In Japan sales increase by 17.6% (+9.3% at constant exchange rates) to EUR 6,963 thousand, contributing to 9.3% of consolidated sales.

In the Rest of the World, sales are equal to EUR 10,935 thousand with an increase of 13.0% (+12.5% at constant exchange rates) and a contribution of 14.7% of consolidated sales.

The following table details the revenues by brand for the first quarters of 2012 and 2011.

(Values in thousands of EUR)	I Q		I Q		Change	
	2012	%	2011	%	Δ	%
Alberta Ferretti	14,955	20.1%	15,520	21.6%	-565	-3.6%
Moschino	43,584	58.5%	39,702	55.2%	3,882	9.8%
Pollini	8,707	11.7%	8,293	11.5%	414	5.0%
J.P.Gaultier	4,063	5.5%	4,109	5.7%	-46	-1.1%
Other	3,240	4.2%	4,335	6.0%	-1,095	-25.3%
Total	74,549	100.0%	71,959	100.0%	2,590	3.6%

In the first quarter of 2012, Alberta Ferretti brand decreases by 3.6% (-5.0% at constant exchange rates), generating 20.1% of consolidated sales.

In the same period, Moschino brand sales increase by 9.8% (+8.6% at constant exchange rates) contributing to 58.5% of consolidated sales.

Pollini brand increases by 5.0% (+4.9% at constant exchange rates), generating 11.7% of consolidated sales, while brand under licence JP Gaultier decreases by 1.1% (-1.8% at constant exchange rates) contributing to 5.5% of consolidated sales.

The other brands sales decrease by 25.3% (-25.7% at constant exchange rates) contributing to 4.2% of consolidated sales.

The following table details the revenues by distribution channel for the first quarters of 2012 and 2011.

(Values in thousands of EUR)	I Q		I Q		Change	
	2012	%	2011	%	Δ	%
Wholesale	50,650	67.9%	48,799	67.8%	1,851	3.8%
Retail	19,927	26.7%	18,910	26.3%	1,017	5.4%
Royalties	3,972	5.4%	4,250	5.9%	-278	-6.5%
Total	74,549	100.0%	71,959	100.0%	2,590	3.6%

By distribution channel in the first quarter of 2012, wholesale sales increase by 3.8% (+3.2% at constant exchange rates) contributing to 67.9% of consolidated sales.

Sales of our directly-operated stores (retail channel) amount to EUR 19,927 thousand with an increase of 5.4% (+3.1% at constant exchange rates) contributing to 26.7% of consolidated sales.

Royalty income is 6.5% lower than in the corresponding period of the previous year, representing 5.4% of consolidated sales.

The following table details the revenues by own brand and brand under license for the first quarters of 2012 and 2011.

(Values in thousands of EUR)	I Q		I Q		Change	
	2012	%	2011	%	Δ	%
Own brands	67,246	90.2%	63,515	88.3%	3,731	5.9%
Brands under license	7,303	9.8%	8,444	11.7%	-1,141	-13.5%
Total	74,549	100.0%	71,959	100.0%	2,590	3.6%

Revenues generated by own brands increase in absolute value by EUR 3,731 thousand (+5.9% compared with the previous year), with an incidence on total revenues which increases from 88.3% in the first quarter of 2011 to 90.2% in the first quarter of 2012.

2. Gross Operating Margin (EBITDA)

First quarter 2012 vs 2011

In the first quarter of 2012 profitability showed a significant improvement, consolidated EBITDA amounts to EUR 10,500 thousand (with an incidence of 14.1% of consolidated sales), compared to EUR 7,790 thousand in the first quarter 2011 (10.8% of consolidated sales).

EBITDA growth has been influenced by two combined positive effects: from one side by the sales increase; from another side by the lower incidence of the operating costs thanks to the policy of costs' reduction and efficiency improvement implemented at Group level.

The strong improvement in EBITDA involves both divisions.

EBITDA of the *prêt-à-porter* division amounts to EUR 9,744 thousand (representing 16.8% of sales), compared to EUR 7,131 thousand in the first quarter 2011 (representing 12.2% of sales), posting an increase of EUR 3,613 thousand.

EBITDA of the footwear and leather goods division is positive for EUR 756 thousand compared to EUR 659 thousand in the first quarter 2011.

Consolidated Ebit is positive for EUR 6,959 thousand, compared to EUR 4,311 thousand in the first quarter 2011.

3. Net profit for the Group

First quarter 2012 vs 2011

Thanks to the improvement in operating profit, in the first quarter 2012 the Group has showed a strong growth in the net result, posting a net profit of EUR 1,910 thousand, compared to a net profit of EUR 812 thousand in the first quarter 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.

First quarter 2012 vs 2011

The following tables indicate the main economic data for the first quarter of 2012 and 2011 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 intercompany transactions	Total
I Q 2012				
SECTOR REVENUES	58,032	20,363	-3,846	74,549
Intercompany revenues	-1,271	-2,575	3,846	0
Revenues with third parties	56,761	17,788	-	74,549
Gross operating margin (EBITDA)	9,744	756	-	10,500
Amortisation	-2,674	-834	-	-3,508
Other non monetary items:				
Write-downs	-5	-28	-	-33
Net operating profit / loss (EBIT)	7,065	-106	-	6,959
Financial income	289	3	-266	26
Financial expenses	-1,667	-568	266	-1,969
Profit / loss before taxes	5,687	-671	-	5,016
Income taxes	-2,498	29	-	-2,469
Net profit / loss	3,189	-642	-	2,547

(Values in thousands of EUR)	Prêt-à porter Division	Footwear and leather goods Division	Elimination of intercompany transactions	Total
I Q 2011				
SECTOR REVENUES	58,327	17,140	-3,508	71,959
Intercompany revenues	-1,311	-2,197	3,508	0
Revenues with third parties	57,016	14,943	-	71,959
Gross operating margin (EBITDA)	7,131	659	-	7,790
Amortisation	-2,689	-771	-	-3,460
Other non monetary items:				
Write-downs	0	-19	-	-19
Net operating profit / loss (EBIT)	4,442	-131	-	4,311
Financial income	312	19	-78	253
Financial expenses	-1,036	-224	78	-1,182
Profit / loss before taxes	3,718	-336	-	3,382
Income taxes	-2,310	31	-	-2,279
Net profit / loss	1,408	-305	-	1,103

Prêt-à porter Division

In the first three months of 2012, revenues of the prêt-à-porter division decrease by 0.5% (-1.8% at constant exchange rates) to EUR 58,032 thousand. This division contributes to 77,3% of consolidated revenues in the first quarter of 2011 and 74.0% in the first quarter of 2012, before inter-divisional eliminations.

EBITDA of the *prêt-à-porter* division is EUR 9,744 thousand in the first quarter of 2012 with a increase of 36.6% compared to EUR 7,131 thousand in the first quarter of 2011 and a 16.8% margin on sales.

Footwear and leather goods Division

Revenues of the footwear and leather goods division increase by 18.9% from EUR 17,140 thousand in the first quarter of 2011 to EUR 20,363 thousand in the first quarter of 2012.

The EBITDA of the footwear and leather goods division has been positive for EUR 756 thousand, +14.7% compared to EUR 659 thousand of the first quarter 2011.

Balance sheet

4. Net working capital

At 31 March 2012 net working capital amounts to EUR 83,553 thousand (33.6% of LTM sales) compared with EUR 67,218 thousand at 31 December 2011 (27.3% of sales); the increase of the incidence of net working capital on sales is due to the seasonality of the business.

5. Fixed assets

The change in fixed assets, that decrease from EUR 222,572 thousand at 31 December 2011 to EUR 219,025 thousand at 31 March 2012, is mainly determined by the depreciation of the period (EUR 3,508 thousand).

6. Shareholders' equity

The balance sheet shows a shareholder's equity that changes from EUR 150,197 thousand at 31 December 2011 to EUR 152,787 thousand at 31 March 2012.

Changes in shareholders' equity are presented in tables at page 13.

7. Net financial position

Net financial indebtedness increases of EUR 9,758 thousand from EUR 98,083 thousand at 31 December 2011 to EUR 107,841 thousand at 31 March 2012. Such effect is mainly related to the higher net working capital due to the seasonality of the business.

Other information

Earnings per share

Basic earnings per share:

(Values in thousands of EUR)	31 March 2012	31 March 2011
Consolidated earnings/(losses) for the period for the shareholders of the Parent Company	1,910	812
Weighted average number of outstanding shares	101,486	101,486
Basic earnings per share	0.019	0.008

Measurement basis

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

Significant events subsequent the balance sheet date

After the 31 March 2012 no significant events regarding the Group's activities have to be reported.

Outlook

Our group is continuing to record positive results, both in term of sales growth and increase in profitability. In particular, the latter increased more than proportionally to the progression of revenues, confirming the effectiveness of the actions implemented in the past for the rationalization of the business processes. Despite the difficult Italian macroeconomic conditions and, more generally, in Europe, we are confident on the remaining part of the year.

Atypical and/or unusual transactions

Pursuant to Consob communication n. DEM/6064293 dated 28 July 2006, it is confirmed that during the first quarter of 2012, 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 quarter of 2012 no significant non-recurring events and transaction have been realized.

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.