



PRESS RELEASE

Aeffe: 1Q 2010 Consolidated Revenues Of €61.3M

San Giovanni in Marignano, 13 May 2010, the Board of Directors of Aeffe SpA approved today the consolidated results for the First Quarter of 2010. The company, listed on the STAR segment of Borsa Italiana, operates in the luxury sector, with a presence in the prêt-à-porter, footwear and leather goods division under renowned brand names such as Alberta Ferretti, Moschino, Pollini and JP Gaultier.

- **Consolidated revenues of €61.3m, compared to €72.3m in Q1 2009**
- **Ebitda of €1.5m, compared to €3.8m in Q1 2009**
- **Net loss for the Group of €1.7m, compared to a net loss of €0.3m in Q1 2009**
- **Net financial debt of €95.5m, compared to €87.7m as of December 31, 2009**

Consolidated Revenues

In Q1 2010, Aeffe consolidated revenues amounted to €61.3m compared to €72.3m in Q1 2009, with a 15.2% decrease at current exchange rates (-15.1% at constant exchange rates).

Revenues of the prêt-à-porter division amounted to €51.2m, down by 11.6% at current exchange rates and by 11.5% at constant exchange rates compared to Q1 2009, while revenues of the footwear and leather goods division decreased by 28.5% to €13.1m, before interdivisional eliminations.

Massimo Ferretti, Executive Chairman of Aeffe Spa, has commented: *"Even though the wholesale channel remains difficult, affected by orders collected in the third quarter 2009 when the macroeconomic situation was very uncertain, the first quarter 2010 has confirmed signs of recovery that begun to glimpse at the end of last year, especially in the retail channel which posted a 8% growth compared to the first quarter of 2009. Based on the results of the recent weeks and of the orders' backlog for Autumn/Winter 2010, we believe the improving trend should continue in the second half of the year. Nevertheless, given the high uncertainty in the macroeconomic environment, Aeffe management continues to be highly focused on pursuing actions to improve efficiency and to reduce operating costs, with benefits already showing in the first quarter of 2010 and having a greater impact during the year."*

Revenues Breakdown by Region

<i>(In thousands of Euro)</i>	1Q 10 Reported	1Q 09 Reported	% Change	% Change*
Italy	26.164	29.862	(12,4%)	(12,4%)
Europe (Italy and Russia excluded)	14.750	16.047	(8,1%)	(8,3%)
Russia	3.087	4.708	(34,4%)	(34,4%)
United States	4.303	5.456	(21,1%)	(16,7%)
Japan	5.113	5.107	0,1%	0,4%
Rest of the World	7.868	11.114	(29,2%)	(30,6%)
Total	61.284	72.294	(15,2%)	(15,1%)

(*) Calculated at constant exchange rates

Q1 2010 sales in Italy decreased by 12.4% to €26.1m, contributing to 42.7% of consolidated sales. At constant exchange rates, sales in Europe decreased by 8.3%, contributing to 24.1% of consolidated sales. The Russian market fell by 34.4%, contributing to 5% of consolidated sales. Sales in the United States, at constant exchange rates, decreased by 16.7%, while Japan sales increased by 0.4%. In the Rest of the World, sales decreased by 30.6% to €7.86m, contributing to 12.8% of consolidated sales.

Network of Monobrand Stores

DOS	1Q 10	FY 09	Franchising	1Q 10	FY 09
Europe	42	38	Europe	53	52
United States	3	3	United States	7	7
Asia	38	38	Asia	94	89
Total	83	79	Total	154	148

Operating and Net Result Analysis

Q1 2010 consolidated Ebitda was equal to €1.5m, compared to €3.8m in Q1 2009.

Profitability has been negatively affected by the slowdown in revenues, thus increasing the percentage of the Group's operating costs.

Ebitda of the *prêt-à-porter* division amounted to €3.529m, compared to €4.77m in Q1 2009.

Ebitda of the footwear and leather goods division was negative for €1.998m compared to a negative Ebitda of €0.9m in Q1 2009.

Consolidated Ebit was negative for €1.925m, compared to a positive Ebit of €1.308m in Q1 2009. The difference also includes €0.7m deriving from the change in accounting estimates of the key money useful life from indefinite to finite. The change has been accounted in accordance with IAS 8 and, in details, key money have been amortised on a systematic basis over their residual term of lease.

In Q1 2010 Group posted a net loss of €1.7m, compared to a net loss of €0.3m in Q1 2009.

Balance Sheet Analysis

Looking at the balance sheet as of March 31, 2010 Shareholders' equity was equal to €141.3m and net financial debt amounted to €95.5m (€87.7m as of December 31, 2009).

Operating net working capital amounted to €63.1m (30.6% of LTM sales) compared to €54.2m as of December 31, 2009 (25% of sales); the increase in the percentage on sales was mainly related to the seasonality of the business.

Capex in Q1 2010 were mainly related to maintenance and stores' refurbishment.

Income Statement, Reclassified Balance Sheet and Cash Flow Statement are attached below.

Q1 2010 data included in this press release are not audited by the Auditors' company.

"The executive responsible for preparing the company's accounting documentation Marcello Tassinari declares pursuant to paragraph 2 of art. 154 bis of the Consolidate Financial Law, that the accounting information contained in this document agrees with the underlying documentation, records and accounting entries".

Contatto:

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<i>(In thousands of Euro)</i>	1Q 10	%	1Q 09	%	Change	Change %
Revenues from sales and services	61.284	100,0%	72.294	100,0%	(11.010)	(15,2%)
Other revenues and income	2.288	3,7%	1.432	2,0%	857	59,8%
Total Revenues	63.573	103,7%	73.726	102,0%	(10.153)	(13,8%)
Total operating costs	(62.042)	(101,2%)	(69.868)	(96,6%)	7.826	(11,2%)
EBITDA	1.531	2,5%	3.858	5,3%	(2.327)	(60,3%)
Total Amortization and Write-downs	(3.456)	(5,6%)	(2.549)	(3,5%)	(906)	35,5%
EBIT	(1.925)	(3,1%)	1.308	1,8%	(3.233)	(247,2%)
Total Financial Income /(expenses)	(258)	(0,4%)	(959)	(1,3%)	701	(73,1%)
Profit before taxes	(2.183)	(3,6%)	349	0,5%	(2.532)	(725,5%)
Taxes	298	0,5%	(868)	(1,2%)	1.166	(134,3%)
Profit Net of taxes	(1.885)	(3,1%)	(519)	(0,7%)	(1.366)	263,2%
(Profit)/ Loss attributable to minority shareholders	143	0,2%	221	0,3%	(78)	(35,2%)
Net Profit for the Group	(1.742)	(2,8%)	(298)	(0,4%)	(1.444)	484,3%

(In thousands of Euro)

	1Q 10	FY 09	1Q 09
Trade receivables	39.765	26.869	48.650
Stock and inventories	65.836	69.483	74.722
Trade payables	(42.483)	(42.133)	(51.766)
Operating net working capital	63.118	54.219	71.606
Other receivables	30.928	31.630	34.836
Other liabilities	(18.032)	(18.023)	(20.131)
Net working capital	76.014	67.825	86.310
Tangible fixed assets	77.215	76.587	79.258
Intangible fixed assets	155.332	157.008	168.637
Investments	28	28	28
Other long term receivables	2.992	2.812	2.629
Fixed assets	235.567	236.435	250.552
Post employment benefits	(9.702)	(9.785)	(10.344)
Long term provisions	(1.251)	(1.247)	(1.653)
Assets available for sale	4.960	9.257	1.637
Liabilities available for sale		(1.854)	
Other long term liabilities	(14.240)	(14.241)	(14.352)
Deferred tax assets	15.009	14.545	8.588
Deferred tax liabilities	(42.462)	(42.773)	(44.312)
NET CAPITAL INVESTED	263.892	258.161	276.427
Capital issued	25.371	25.371	25.489
Other reserves	124.984	125.160	121.330
Profits/(Losses) carried-forward	(7.339)	12.749	17.912
Profit for the period	(1.742)	(20.088)	(298)
Group share capital and reserves	141.275	143.193	164.432
Minority interests	27.158	27.301	30.769
Shareholders' equity	168.433	170.494	195.202
Liquid assets	(6.055)	(5.337)	(8.669)
Long term financial payables	16.557	18.159	15.572
Short term financial payables	84.957	74.844	74.323
NET FINANCIAL POSITION	95.459	87.667	81.225
SHAREHOLDERS' EQUITY AND NET FINANCIAL INDEBTEDNESS	263.892	258.161	276.427

(In thousands of Euro)

	1Q 10	FY 09	1Q 09
OPENING BALANCE	5.337	7.706	7.706
Profit before taxes	(2.183)	(30.836)	349
Amortizations, provisions and depreciations	3.456	13.636	2.549
Accruals (availments) of long term provisions and post employment benefits	(78)	(1.054)	(89)
Taxes	(1.175)	(1.783)	(1.709)
Financial incomes and financial charges	258	3.705	959
Change in operating assets and liabilities	(7.492)	5.708	(12.463)
NET CASH FLOW FROM OPERATING ASSETS	(7.214)	(10.624)	(10.404)
Increase (decrease) in intangible fixed assets	(45)	1.142	(363)
Increase (decrease) in tangible fixed assets	(2.333)	(4.999)	(2.441)
Revaluations (Write-downs)	(29)	(362)	
Investments	2.443		
CASH FLOW GENERATED (ABSORBED) BY INVESTING ACTIVITIES	36	(4.219)	(2.804)
Other changes in reserves and profit carried-forward to shareholders'equity	(176)	(1.030)	(291)
Dividends paid by the Parent Company		(710)	
Proceeds (repayment) of financial payments	8.510	18.494	15.385
Increase (decrease) in long term financial receivables	(180)	(575)	36
Financial incomes and financial charges	(258)	(3.705)	(959)
CASH FLOW GENERATED (ABSORBED) BY FINANCING ACTIVITIES	7.896	12.474	14.171
CLOSING BALANCE	6.055	5.337	8.669