

AEFFE

PRESS RELEASE

AEFFE: Strong Improvement In Profitability In First Quarter 2012 Compared To First Quarter 2011: Ebitda +35%; Net Profit +135%. Revenues At €74.5M (+3.6%)

San Giovanni in Marignano, 10 May 2012 - The Board of Directors of Aeffe SpA approved today the consolidated results for the First Quarter of 2012. 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 €74.5m, compared to €71.9m in Q1 2011 (+3.6%)**
- **Ebitda of €10.5m, compared to €7.8m in Q1 2011 (+35%), with a €2.7m increase**
- **Profit before taxes of €5m, compared to €3.4m in Q1 2011, with a €1.6m improvement**
- **Net Profit for the Group of €1.9m, compared to €0.8m in Q1 2011, with a €1.1m improvement**
- **Net financial debt of €107.8m, compared to €98.1m as of December 31, 2011**

Consolidated Revenues

In Q1 2012, AEFFE consolidated revenues amounted to €74.5m compared to €71.9m in Q1 2011, with a 3.6% increase at current exchange rates (+2.6% at constant exchange rates).

Revenues of the prêt-à-porter division amounted to €58m, down by 0.5% at current exchange rates and by 1.8% at constant exchange rates compared to Q1 2011, while revenues of the footwear and leather goods division increased by 18.9% to €20.4m, before interdivisional eliminations.

Massimo Ferretti, Executive Chairman of Aeffe Spa, has commented: *“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”.

Revenues Breakdown by Region

| <i>(In thousands of Euro)</i> | 1Q 12 Reported | 1Q 11 Reported | % Change | % Change* |
|------------------------------------|---------------------------|---------------------------|---------------------|----------------------|
| Italy | 29,859 | 30,871 | (3.3%) | (3.3%) |
| Europe (Italy and Russia excluded) | 15,669 | 15,819 | (1.1%) | (1.1%) |
| Russia | 6,220 | 5,081 | 22.4% | 22.4% |
| United States | 4,903 | 4,588 | 6.9% | 3.0% |
| Japan | 6,963 | 5,921 | 17.6% | 9.3% |
| Rest of the World | 10,936 | 9,678 | 13.0% | 12.5% |
| Total | 74,549 | 71,959 | 3.6% | 2.6% |

(*) Calculated at constant exchange rates

In Q1 2012 sales in Italy, amounting to 40.1% of consolidated sales, decreased by 3.3% to €29.8m. At constant exchange rates, sales in Europe, contributing to 21% of consolidated sales, decreased by 1.1%. The Russian market, representing 8.3% of consolidated sales, grew by 22.4%. Sales in the United States, contributing to 6.6% of consolidated sales, increased by 3% at constant exchange rates. Japanese sales, contributing to 9.3% of consolidated sales, increased by 9.3%. In the Rest of the World, the Group's sales totalled €10.9m, amounting to 14.6% of consolidated sales, recording an increase by 12.5% compared to Q1 2011.

Network of Monobrand Stores

| <i>DOS</i> | 1Q 12 | FY 11 | <i>Franchising</i> | 1Q 12 | FY 11 |
|---------------|-----------|-----------|--------------------|------------|------------|
| Europe | 46 | 44 | Europe | 62 | 60 |
| United States | 3 | 3 | United States | 4 | 7 |
| Asia | 39 | 42 | Asia | 107 | 100 |
| Total | 88 | 89 | Total | 173 | 167 |

Operating and Net Result Analysis

Q1 2012 profitability showed a significant improvement with consolidated Ebitda equal to €10.5m (with an incidence of 14% of consolidated sales), compared to €7.8m in Q1 2011 (10.8% of total sales).

Ebitda growth 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 improvement in Ebitda has involved both divisions.

Ebitda of the *prêt-à-porter* division amounted to €9.7m (representing 16.8% of sales), compared to €7.1m in Q1 2011 (12.2% of sales), posting a €2.6m increase.

Ebitda of the footwear and leather goods division amounted to €0.7m compared to a €0.6m in Q1 2011.

Consolidated Ebit was equal to €6.9m, compared to €4.3m in Q1 2011.

Thanks to the improvement in operating profit, in Q1 2012 the Group has showed a strong growth in the net result, posting a net profit of €1.9m, compared to €0.8m in Q1 2011.

Balance Sheet Analysis

Looking at the balance sheet as of March 31, 2012, Shareholders' equity was equal to €136.4m and net financial debt amounted to €107.8m (€98.1m as of December 31, 2011). The increase in net financial debt is due to the seasonality of the business and to the higher net working capital.

As of March 31, 2012 operating net working capital amounted to €71.5m (28.8% of LTM sales) compared to €51.9m as of December 31, 2011 (21.1% of sales); the increase in the percentage on sales was related to the seasonality of the business.

Capex in Q1 2012 amounted to €1m and were mainly related to the maintenance and stores' refurbishment.

Income Statement, Reclassified Balance Sheet and Cash Flow Statement are attached below.
Q1 2012 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 12 | % | 1Q 11 | % | Change | Change % |
|--|---------------|---------------|---------------|---------------|---------------|-----------------|
| Revenues from sales and services | 74,549 | 100.0% | 71,959 | 100.0% | 2,590 | 3.6% |
| Other revenues and income | 1,750 | 2.3% | 1,472 | 2.0% | 278 | 18.9% |
| Total Revenues | 76,299 | 102.3% | 73,430 | 102.0% | 2,868 | 3.9% |
| Total operating costs | (65,799) | (88.3%) | (65,640) | (91.2%) | (159) | 0.2% |
| EBITDA | 10,500 | 14.1% | 7,790 | 10.8% | 2,710 | 34.8% |
| Total Amortization and Write-downs | (3,541) | (4.7%) | (3,479) | (4.8%) | (62) | 1.8% |
| EBIT | 6,959 | 9.3% | 4,311 | 6.0% | 2,648 | 61.4% |
| Total Financial Income /(expenses) | (1,943) | (2.6%) | (929) | (1.3%) | (1,014) | 109.1% |
| Profit before taxes | 5,016 | 6.7% | 3,382 | 4.7% | 1,634 | 48.3% |
| Taxes | (2,469) | (3.3%) | (2,279) | (3.2%) | (190) | 8.3% |
| Net Profit | 2,547 | 3.4% | 1,103 | 1.5% | 1,444 | 131.0% |
| Profit attributable to minority shareholders | (637) | (0.9%) | (290) | (0.4%) | (346) | 119.2% |
| Net Profit for the Group | 1,910 | 2.6% | 812 | 1.1% | 1,098 | 135.2% |

| <i>(In thousands of Euro)</i> | 1Q 12 | FY 11 | 1Q 11 |
|--|----------------|----------------|----------------|
| Trade receivables | 44,354 | 32,547 | 42,884 |
| Stock and inventories | 72,450 | 74,260 | 70,658 |
| Trade payables | (45,228) | (54,809) | (47,276) |
| Operating net working capital | 71,576 | 51,997 | 66,267 |
| Other receivables | 32,766 | 33,508 | 31,732 |
| Other liabilities | (20,789) | (18,287) | (19,078) |
| Net working capital | 83,553 | 67,218 | 78,920 |
| Tangible fixed assets | 73,727 | 74,537 | 73,712 |
| Intangible fixed assets | 142,322 | 145,091 | 152,600 |
| Investments | 30 | 30 | 45 |
| Other long term receivables | 2,947 | 2,915 | 2,978 |
| Fixed assets | 219,025 | 222,572 | 229,335 |
| Post employment benefits | (7,924) | (7,943) | (8,783) |
| Long term provisions | (1,100) | (1,071) | (1,153) |
| Assets available for sale | 8,797 | 7,712 | 794 |
| Other long term liabilities | (14,241) | (14,241) | (14,241) |
| Deferred tax assets | 12,851 | 14,549 | 13,616 |
| Deferred tax liabilities | (40,333) | (40,516) | (40,982) |
| NET CAPITAL INVESTED | 260,629 | 248,280 | 257,507 |
| Capital issued | 25,371 | 25,371 | 25,371 |
| Other reserves | 117,420 | 117,064 | 119,066 |
| Profits/(Losses) carried-forward | (8,294) | (3,938) | (6,128) |
| Profit/(Loss) for the period | 1,910 | (4,280) | 812 |
| Group share capital and reserves | 136,408 | 134,218 | 139,122 |
| Minority interests | 16,380 | 15,979 | 16,097 |
| Shareholders' equity | 152,787 | 150,197 | 155,219 |
| Short term financial receivables | (190) | 0 | 0 |
| Liquid assets | (4,581) | (8,444) | (4,691) |
| Long term financial payables | 6,293 | 7,060 | 11,830 |
| Short term financial payables | 106,319 | 99,467 | 95,150 |
| NET FINANCIAL POSITION | 107,841 | 98,083 | 102,288 |
| SHAREHOLDERS' EQUITY AND NET FINANCIAL INDEBTEDNESS | 260,629 | 248,280 | 257,507 |

| <i>(In thousands of Euro)</i> | 1Q 12 | FY 11 | 1Q 11 |
|---|-----------------|------------------|-----------------|
| OPENING BALANCE | 8,444 | 4,512 | 4,512 |
| Profit before taxes | 5,016 | (1,247) | 3,382 |
| Amortizations, provisions and depreciations | 3,541 | 14,823 | 3,479 |
| Accruals (availments) of long term provisions and post employment benefits | 10 | (1,605) | (683) |
| Taxes | (948) | (2,579) | (753) |
| Financial incomes and financial charges | 1,943 | 4,811 | 929 |
| Change in operating assets and liabilities | (16,341) | (233) | (10,755) |
| NET CASH FLOW FROM OPERATING ASSETS | (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 GENERATED (ABSORBED) BY INVESTING ACTIVITIES | (1,049) | (10,549) | (15) |
| Other changes in reserves and profit carried-forward to shareholders'equity | 43 | (1,240) | (1,429) |
| Proceeds (repayment) of financial payments | 6,086 | 6,489 | 6,942 |
| Increase (decrease) in long term financial receivables | (221) | 73 | 11 |
| Financial incomes and financial charges | (1,943) | (4,811) | (929) |
| CASH FLOW GENERATED (ABSORBED) BY FINANCING ACTIVITIES | 3,965 | 511 | 4,595 |
| CLOSING BALANCE | 4,581 | 8,444 | 4,691 |