AEFFE

PRESS RELEASE

Aeffe: Nine Months 2009 Revenues At Euro 175.7 million. Signed A License Agreement With Cacharel

San Giovanni in Marignano, 12 November 2009, the Board of Directors of Aeffe SpA approved today the consolidated results for the first nine months 2009. 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 Euro 175.7 million, compared to Euro 236.8 million in 9M 2008**
- **Negative Ebitda for Euro 5.9 million, compared to a positive Ebitda of Euro 36.3 million in 9M 2008**
- **Net loss of Euro 11.7 million compared to a net income of Euro 12.7 million in 9M 2008**
- **Net financial debt of Euro 94.2 million (Euro 66.8 million as of 31 December 2008)**

In 9M 2009, AEFFE consolidated revenues amounted to Euro 175.7 million compared to Euro 236.8 million in 9M 2008, with a 25.8% decrease at current exchange rates (-26.6% at constant exchange rates and excluding the effect of the Narciso Rodriguez license). The group has signed license agreement with the French group Cacharel for the production and distribution of the women's prêt-à-porter collections starting from the autumn/winter 2010

Massimo Ferretti, Executive Chairman of Aeffe Spa, has thus commented: "*As forecasted, third quarter 2009 results reflect the difficult times the luxury goods industry is living; its decline has particularly penalised our minor brands while we are reassured by the fact that our core brands, albeit with negative trends, are performing better than the sector. Our group has faced the current economic situation taking actions to reduce operating costs and to rationalise the structure whilst safeguarding our know-how and with larger benefits expected in 2010; we therefore believe that today the group could face new development projects in the future with a more streamlined and efficient organization. To this end, I am very satisfied by the recently signed agreement with the well-known Maison Cacharel, with which we are working on a broad project and for which I have high expectations.*"

Consolidated Revenues

Revenues of the prêt-à-porter division amounted to Euro 143.7 million, down by 23.6% at current exchange rates and by 24.5% at constant exchange rates compared to 9M 2008, while revenues of the footwear and leather goods division decreased by 33.6% to Euro 41.2 million, before interdivisional eliminations.

Revenues Breakdown by Region

(In thousands of Euro)	9M 09 Reported	9M 08 Reported	% Change	% Change*
Italy	72.538	92.864	(21,9%)	(21,5%)
Europe (Italy and Russia excluded)	38.943	51.674	(24,6%)	(23,6%)
Russia	11.573	22.101	(47,6%)	(47,6%)
United States	13.763	20.222	(31,9%)	(35,1%)
Japan	13.270	14.123	(6,0%)	(19,0%)
Rest of the World	25.603	35.778	(28,4%)	(29,1%)
Total	**175.689**	**236.762**	**(25,8%)**	**(26,6%)**

(*) Calculated at constant exchange rates and excluding the effect of the termination of the Narciso Rodriguez licence

In 9M 2009 sales in Italy decreased by 21.5% to Euro 72.5 million, contributing to 41.3% of consolidated sales. Sales in Europe at constant exchange rates and excluding the effect of the Narciso Rodriguez collections decreased by 23.6%, contributing to 22.2% of consolidated sales. The Russian market fell by 47.6%, contributing to 6.6% of consolidated sales. Sales in the United States, at constant exchange rates and excluding the effect of the Narciso Rodriguez collections, decreased by 35.1%, while Japan sales decreased by 19%. In the Rest of the World, sales decreased by 29.1% to Euro 25.6 million, contributing to 14.5% of consolidated sales.

Network of Monobrand Stores

DOS	**9M 09**	**FY 08**
Europe	40	38
United States	3	3
Asia	38	38
Total	**81**	**79**

Franchising	**9M 09**	**FY 08**
Europe	55	50
United States	7	7
Asia	87	81
Total	**149**	**138**

Analysis of Operating and Net Results

In 9M 2009 consolidated Ebitda was negative for Euro 5.9 million, compared to a positive Ebitda of Euro 36.3 million in 9M 2008.
Profitability has been negatively affected by the slowdown in both wholesale and retail channel, with an increase in cost of goods sold, and by the effect of the new directly operated stores opened in the second semester 2008, which are still in a start-up phase.
Ebitda of the *prêt-à-porter* division was negative for Euro 0.074 million in 9M 2009, while Ebitda of the footwear and leather goods division was negative for Euro 5.83 million.
Consolidated Ebit was negative for Euro 13.8 million.

In 9M 2009 Group posted a net loss of Euro 11.7 million, compared to a net profit of Euro 12.7 million in 9M 2008.

Balance Sheet Analysis

Looking at the Group's balance sheet as of September 30, 2009 shareholders' equity was equal to Euro 152 million and net financial debt amounted to Euro 94.2 million (Euro 66.8 million as of 31 December 2008).
Operating net working capital amounted to Euro 73 million (31% of LTM sales) compared to Euro 58 million as of 31 December 2008 (19.5% of sales); the increase in NWC was mainly driven by the extension of days receivables.
Capex in 9M 2009 was equal to Euro 4.2 million, mainly related to maintenance capex and expenses for stores' refurbishment.

(In thousands of Euro)	9M 09	%	9M 08	%	Change %	III Trim 09	%	III Trim 08	%	Var.%
Revenues from sales and services	**175.689**	**100,0%**	**236.762**	**100,0%**	**(25,8%)**	**64.541**	**100,0%**	**92.172**	**100,0%**	**100,0%**
Other revenues and income	4.266	2,4%	4.297	1,8%	(0,7%)	1.665	2,6%	1.858	2,0%	78,1%
Total Revenues	**179.955**	**102,4%**	**241.059**	**101,8%**	**(25,3%)**	**66.206**	**102,6%**	**94.030**	**102,0%**	**99,5%**
Total operating costs	(185.860)	(105,8%)	(204.735)	(86,5%)	(9,2%)	(64.880)	(100,5%)	(78.621)	(85,3%)	84,9%
EBITDA	**(5.906)**	**(3,4%)**	**36.325**	**15,3%**	**(116,3%)**	**1.326**	**2,1%**	**15.409**	**16,7%**	**813,6%**
Total Amortization and Write-downs	(7.864)	(4,5%)	(7.890)	(3,3%)	(0,3%)	(2.685)	(4,2%)	(2.844)	(3,1%)	74,2%
EBIT	**(13.769)**	**(7,8%)**	**28.435**	**12,0%**	**(148,4%)**	**(1.359)**	**(2,1%)**	**12.566**	**13,6%**	**(647,5%)**
Total Financial Income /(expenses)	(3.041)	(1,7%)	(4.185)	(1,8%)	(27,3%)	(1.201)	(1,9%)	(846)	(0,9%)	49,3%
Profit before taxes	**(16.810)**	**(9,6%)**	**24.249**	**10,2%**	**(169,3%)**	**(2.560)**	**(4,0%)**	**11.720**	**12,7%**	**(320,6%)**
Taxes	2.690	1,5%	(8.912)	(3,8%)	(130,2%)	372	0,6%	(3.496)	(3,8%)	(658,7%)
Profit Net of taxes	**(14.121)**	**(8,0%)**	**15.338**	**6,5%**	**(192,1%)**	**(2.188)**	**(3,4%)**	**8.224**	**8,9%**	**(263,1%)**
(Profit)/ Loss attributable to minority shareholders	2.377	1,4%	(2.599)	(1,1%)	(191,5%)	479	0,7%	(1.462)	(1,6%)	(213,7%)
Net Profit/(Loss) for the Group	**(11.744)**	**(6,7%)**	**12.739**	**5,4%**	**(192,2%)**	**(1.709)**	**(2,6%)**	**6.762**	**7,3%**	**(277,0%)**

(In thousands of Euro)	**9M 09**	**FY 08**	**9M 08**
Trade receivables	41.931	43.230	57.102
Stock and inventories	68.845	77.434	72.486
Trade payables	(37.813)	(63.004)	(52.364)
Operating net working capital	**72.963**	**57.660**	**77.224**
Other receivables	31.299	37.002	28.384
Other liabilities	(19.998)	(21.196)	(24.035)
Net working capital	**84.264**	**73.466**	**81.574**
Tangible fixed assets	77.093	78.465	75.337
Intangible fixed assets	166.812	169.175	171.698
Investments	28	28	22
Other long term receivables	2.494	2.666	2.607
Fixed assets	**246.426**	**250.334**	**249.663**
Post employment benefits	(9.935)	(10.342)	(10.634)
Long term provisions	(1.053)	(1.744)	(1.711)
Net financial assets available for sale	1.687	1.637	1.637
Other long term liabilities	(14.241)	(14.406)	(14.240)
Deferred tax assets	12.055	8.357	7.346
Deferred tax liabilities	(44.404)	(44.487)	(46.478)
NET CAPITAL INVESTED	**274.798**	**262.815**	**267.156**
Capital issued	25.371	25.767	26.324
Other reserves	125.632	121.343	122.781
Profits/(Losses) carried-forward	12.749	10.236	10.236
Profit for the period	(11.744)	7.675	12.739
Group share capital and reserves	**152.010**	**165.021**	**172.080**
Minority interests	28.613	30.990	32.487
Shareholders' equity	**180.623**	**196.011**	**204.567**
Liquid assets	(7.108)	(7.706)	(13.996)
Long term financial payables	24.227	17.528	19.894
Short term financial payables	77.057	56.982	56.692
NET FINANCIAL POSITION	**94.176**	**66.804**	**62.589**
SHAREHOLDERS' EQUITY AND NET FINANCIAL INDEBTEDNESS	**274.798**	**262.815**	**267.156**

(In thousands of Euro)	9M 09	FY 08	9M 08
OPENING BALANCE	**7.706**	**14.525**	**14.525**
Profit before taxes	(16.810)	15.250	24.249
Amortizations, provisions and depreciations	7.864	12.429	7.890
Accruals (availments) of long term provisions and post employment benefits	(1.097)	(733)	(473)
Taxes	(2.140)	(12.335)	(9.419)
Financial incomes and financial charges	3.041	6.615	4.185
Change in operating assets and liabilities	(9.914)	(18.883)	(29.926)
NET CASH FLOW FROM OPERATING ASSETS	**(19.056)**	**2.343**	**(3.494)**
Increase (decrease) in intangible fixed assets	(401)	(1.035)	(2.642)
Increase (decrease) in tangible fixed assets	(3.778)	(13.878)	(8.651)
Revaluations (Write-downs)		(2.191)	(282)
Investments		(7)	
CASH FLOW GENERATED (ABSORBED) BY INVESTING ACTIVITIES	**(4.179)**	**(17.111)**	**(11.575)**
Other changes in reserves and profit carried-forward to shareholders'equity	(1.268)	(7.394)	(5.366)
Proceeds (repayment) of financial payments	26.774	21.502	23.577
Increase (decrease) in long term financial receivables	172	456	514
Financial incomes and financial charges	(3.041)	(6.615)	(4.185)
CASH FLOW GENERATED (ABSORBED) BY FINANCING ACTIVITIES	**22.637**	**7.949**	**14.540**
CLOSING BALANCE	**7.108**	**7.706**	**13.996**

2009 and 2008 Nine months results have not been audited, while 2008 full year results have been audited.

“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”.

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