



PRESS RELEASE

Aeffe: Very Positive Results In First Quarter 2011: Sales Growth (+17.4%) And Strong Improvement of Profitability

San Giovanni in Marignano, 11 May 2011, the Board of Directors of Aeffe SpA approved today the consolidated results for the First Quarter of 2011. 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 €71.9m, compared to €61.3m in Q1 2010 (+17.4%)**
- **Ebitda of €7.8m, compared to €1.5m in Q1 2010 (+409%)**
- **Net Profit for the Group of €0.8m, compared to a net loss of €1.7m in Q1 2010**
- **Net financial debt of €102.3m, compared to €95.5m as of December 31, 2010**

Consolidated Revenues

In Q1 2011, Aeffe consolidated revenues amounted to €71.9m compared to €61.3m in Q1 2010, with a 17.4% increase at current exchange rates (+16.4% at constant exchange rates).

Revenues of the prêt-à-porter division amounted to €58.3m, up by 14% at current exchange rates and by 12.8% at constant exchange rates compared to Q1 2010, while revenues of the footwear and leather goods division increased by 30.8% to €17.1m, before interdivisional eliminations.

Massimo Ferretti, Executive Chairman of Aeffe Spa, has commented: *"Our group is continuing to record very positive results, both in term of sales growth and increase in profitability. The good results of the Spring/Summer collections now in the stores and the encouraging data of the orders' collection for the next Fall/Winter season, which show a 12% growth, make us very confident on the remaining part of the year."*

Revenues Breakdown by Region

<i>(In thousands of Euro)</i>	1Q 11 Reported	1Q 10 Reported	% Change	% Change*
Italy	30.871	26.164	18,0%	18,0%
Europe (Italy and Russia excluded)	15.819	14.750	7,3%	6,9%
Russia	5.081	3.087	64,6%	64,6%
United States	4.588	4.303	6,6%	5,4%
Japan	5.921	5.113	15,8%	(1,0%)
Rest of the World	9.678	7.868	23,0%	27,6%
Total	71.959	61.284	17,4%	16,4%

(*) Calculated at constant exchange rates

In Q1 2011 sales in Italy, amounting to 42.9% of consolidated sales, increased by 18% to €30.8m.

At constant exchange rates, sales in Europe, contributing to 22% of consolidated sales, increased by 6.9%.

The Russian market, representing 7% of consolidated sales, grew by 64.6% and this increase was partially related to the postponement of part of the shipment of Spring/Summer 2011 collections from the last quarter of 2010 to the first quarter of the current year.

Sales in the United States, contributing 6.4% of consolidated sales, increased by 5.4% at constant exchange rates. Japanese sales, contributing to 8.2% of consolidated sales, decreased by 1.0%. In the Rest of the World, the Group's sales totalled €9.6m, amounting to 13.4% of consolidated sales, recording an increase of 27.6% compared to Q1 2010.

Network of Monobrand Stores

DOS	1Q 11	FY 10	Franchising	1Q 11	FY 10
Europe	44	44	Europe	53	53
United States	3	3	United States	7	7
Asia	42	40	Asia	96	98
Total	89	87	Total	156	158

Operating and Net Result Analysis

Q1 2011 profitability showed a significant improvement; consolidated Ebitda was equal to €7.8m (with an incidence of 10.8% of consolidated sales), compared to €1.5m in Q1 2010 (2.5% 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 strong improvement in Ebitda has involved both divisions.

Ebitda of the *prêt-à-porter* division amounted to €7.1m (representing 12.1% of sales), compared to €3.5m in Q1 2010, posting a €3.6m increase.

Ebitda of the footwear and leather goods division was positive for €0.7m compared to a negative Ebitda of €1.9m in Q1 2010.

Consolidated Ebit was positive for €4.3m, compared to a negative Ebit of €1.9m in Q1 2010.

Thanks to the improvement in operating profit, in Q1 2011 the Group has showed a strong growth in the net result, posting a net profit of €0.8m, compared to a net loss of €1.7m in Q1 2010.

Balance Sheet Analysis

Looking at the balance sheet as of March 31, 2011 Shareholders' equity was equal to €139.1m and net financial debt amounted to €102.3m (€95.5m as of December 31, 2010). The increase in net financial debt is due to the seasonality of the business and to the higher net working capital.

Operating net working capital amounted to €66.3m (28.8% of LTM sales) compared to €52.9m as of December 31, 2010 (24.1% of sales); the increase in the percentage on sales was related to the seasonality of the business and even more to the sales growth.

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

Q1 2011 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".

The Board of Directors of Aeffe S.p.A. evaluated the independence of its non –executive directors Marco Salomoni and Roberto Lugano, considering that they satisfy the requirements envisages in Code Criterion 3.C.1 and the criteria laid down in arts. 2.2.3.3.(l) (l) of the Market Regulations and IA.2.13.6, Section IA.2.13, Chapter IA.2, of the Stock Market Instructions. As a matter of fact, the above directors do not have and have not recently had any direct or indirect relations with the company, or parties related to it, that might currently influence the independence of their judgment, nor do they find themselves in any of the situations whereby a non-executive director may not be deemed independent; the above mentioned directors do not have commercial nor financial relationships with Aeffe S.p.A., with its parent company nor with its significant representatives; they do not provide the company, directly and personally, with any professional service, as well as they do not provide, directly and personally, with any professional service, Aeffe's parent company its significant representatives.

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(In thousands of Euro)

	1Q 11	%	1Q 10	%	Change	Change %
Revenues from sales and services	71.959	100,0%	61.284	100,0%	10.675	17,4%
Other revenues and income	1.472	2,0%	2.288	3,7%	(817)	(35,7%)
Total Revenues	73.430	102,0%	63.573	103,7%	9.858	15,5%
Total operating costs	(65.640)	(91,2%)	(62.042)	(101,2%)	(3.598)	5,8%
EBITDA	7.790	10,8%	1.531	2,5%	6.259	408,9%
Total Amortization and Write-downs	(3.479)	(4,8%)	(3.456)	(5,6%)	(24)	0,7%
EBIT	4.311	6,0%	(1.925)	(3,1%)	6.236	(323,9%)
Total Financial Income /(expenses)	(929)	(1,3%)	(258)	(0,4%)	(671)	259,6%
Profit/(Loss) before taxes	3.382	4,7%	(2.183)	(3,6%)	5.565	(254,9%)
Taxes	(2.279)	(3,2%)	298	0,5%	(2.577)	(864,4%)
Net Profit/(Loss) net of taxes	1.103	1,5%	(1.885)	(3,1%)	2.988	(158,5%)
(Profit)/ Loss attributable to minority shareholders	(290)	(0,4%)	143	0,2%	(434)	(302,7%)
Net Profit/(Loss) for the Group	812	1,1%	(1.742)	(2,8%)	2.554	(146,6%)

<i>(In thousands of Euro)</i>	1Q 11	FY 10	1Q 10
Trade receivables	42.884	27.488	39.765
Stock and inventories	70.658	73.086	65.836
Trade payables	(47.276)	(47.644)	(42.483)
Operating net working capital	66.267	52.930	63.118
Other receivables	31.732	32.092	30.928
Other liabilities	(19.078)	(16.561)	(18.032)
Net working capital	78.920	68.461	76.014
Tangible fixed assets	73.712	75.620	77.215
Intangible fixed assets	152.600	154.173	155.332
Investments	45	29	28
Other long term receivables	2.978	2.989	2.992
Fixed assets	229.335	232.810	235.567
Post employment benefits	(8.783)	(9.204)	(9.702)
Long term provisions	(1.153)	(1.415)	(1.251)
Assets available for sale	794	794	4.960
Other long term liabilities	(14.241)	(14.241)	(14.240)
Deferred tax assets	13.616	15.027	15.009
Deferred tax liabilities	(40.982)	(41.162)	(42.462)
NET CAPITAL INVESTED	257.507	251.070	263.892
Capital issued	25.371	25.371	25.371
Other reserves	119.066	119.295	124.984
Profits/(Losses) carried-forward	(6.128)	(2.342)	(7.339)
Profit/(Loss) for the period	812	(12.507)	(1.742)
Group share capital and reserves	139.122	129.818	141.275
Minority interests	16.097	25.727	27.158
Shareholders' equity	155.219	155.545	168.433
Liquid assets	(4.691)	(4.512)	(6.055)
Long term financial payables	11.830	13.211	16.557
Short term financial payables	95.150	86.826	84.957
NET FINANCIAL POSITION	102.288	95.525	95.459
SHAREHOLDERS' EQUITY AND NET FINANCIAL INDEBTEDNESS	257.507	251.070	263.892

<i>(In thousands of Euro)</i>	1Q 11	FY 10	1Q 10
OPENING BALANCE	4.512	5.337	5.337
Profit before taxes	3.382	(14.606)	(2.183)
Amortizations, provisions and depreciations	3.479	16.662	3.456
Accruals (availments) of long term provisions and post employment benefits	(683)	(413)	(78)
Taxes	(753)	(2.227)	(1.175)
Financial incomes and financial charges	929	1.482	258
Change in operating assets and liabilities	(10.755)	(152)	(7.492)
NET CASH FLOW FROM OPERATING ASSETS	(4.401)	746	(7.214)
Increase (decrease) in intangible fixed assets	(440)	(4.940)	(45)
Increase (decrease) in tangible fixed assets	460	(5.039)	(2.333)
Investments and Write-downs (-)/Disinvestments and Revaluations (+)	(35)	3.727	2.414
CASH FLOW GENERATED (ABSORBED) BY INVESTING ACTIVITIES	(15)	(6.252)	36
Other changes in reserves and profit carried-forward to shareholders'equity	(1.429)	(694)	(176)
Proceeds (repayment) of financial payments	6.942	7.034	8.510
Increase (decrease) in long term financial receivables	11	(176)	(180)
Financial incomes and financial charges	(929)	(1.482)	(258)
CASH FLOW GENERATED (ABSORBED) BY FINANCING ACTIVITIES	4.595	4.682	7.896
CLOSING BALANCE	4.691	4.512	6.055