



PRESS RELEASE

AEFFE: Rationalization Of The Group's Real Estate Properties. Sale Of The Aeffe USA's Property to Ferrim USA

San Giovanni in Marignano, 1 October 2012 - The Board of Directors of Aeffe S.p.A., listed on the STAR segment of Borsa Italiana, active 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, announces that its 100% owned subsidiary Aeffe Usa has completed on 28th September 2012 a real estate transaction with the related company Ferrim USA, 100% owned by Ferrim Srl.

In particular, Aeffe USA sold to Ferrim USA, a company controlled by Ferrim Srl and therefore by shareholders Mr. and Mrs. Massimo and Alberta Ferretti, the properties owned by Aeffe USA and located in New York, 30 West 56th and 452 West Broadway (used as a showroom and as a boutique, respectively).

According to the existing agreement between Aeffe USA and Ferrim Srl since the Aeffe's IPO and described in details in the IPO's prospectus, the purchase of the property by Ferrim USA was completed by Aeffe USA's exercise of the put option agreement dated 23 May 2007 between Aeffe USA and Ferrim Srl.

According to the agreement, Ferrim Srl had a call option and Aeffe USA had a put option.

In case of exercise of the call option, Ferrim Srl had the right to purchase and Aeffe USA the obligation to sell the properties at a price of 15 million USD, net of 300 thousand USD already paid to Aeffe USA as consideration for the price of the call option agreement. In case of exercise of the put option, Aeffe USA had the right to sell the properties to Ferrim Srl, which had a corollary obligation to purchase, at a price of 14 million USD; from this amount were not deducted 200 thousand USD already paid to Ferrim Srl as consideration for the price of the put option agreement. If either the call or the put option is exercised, Ferrim Srl has a duty to negotiate with Aeffe USA a lease agreement for the properties. The price agreed for the put and call option was estimated in 2007 by Goodman-Marks Associate Inc., based on the market value of the properties.

Aeffe USA has exercised its put option, on the basis of two considerations: (i) to execute to the already disclosed, and also described in the Initial Public Offering Offering Prospectus, to proceed with the gradual sale of the Group's real estate properties aimed at allowing its better utilisation and more efficient management (ii) and also to reduce the Group's indebtedness and financial expenses associated with the current cost of money. The price of 14 million USD will be paid by Ferrim USA to Aeffe USA as follows: 10 million USD have been already paid at the time of signing the contract of sale, while the remaining part will be paid in 5 years.

Simultaneously with the signing of the contract of sale, Aeffe USA and Ferrim USA signed a rental agreement for the properties for a period of 10 years.

Besides, in accordance with the Procedures for transactions with related parties in force, it was requested to the Aeffe's internal Audit Committee, as a body composed of three non-executive director, predominantly independent, to express its assessment of the operation. After examining all the details of the transaction, the Committee gave a positive opinion on the completion of the operation.

Further details of the transaction described above are available in the document relating to significant transactions with related parties, pursuant to Annex 4 of Consob Regulation. 1721 March 12, 2010 (the "Regulations"), available on the Aeffe's website [www.aeffe.com/investor relations/company documents/other documents](http://www.aeffe.com/investor%20relations/company%20documents/other%20documents).

Link: <http://www.aeffe.com/aeffeHome.asp?pattern=11&lang=eng>

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INFORMATIVE DOCUMENT

Regarding major transactions with related parties, in accordance with the Attachment 4 of the Regolamento Consob n. 1721 dated March 12, 2010 (the "Regolamento")

EXERCISE OF AN OPTION TO SELL AND SUBSEQUENT TRANSFER OF REAL ESTATE PROPERTY BY AND FROM AEFfe USA, INC. TO FERRIM USA, INC.; LEASE AGREEMENT BETWEEN AEFfe USA INC. AND FERRIM USA INC. (ALL TOGETHER THE "TRANSACTION")

1. Warnings

Ferrim USA, Inc. is a wholly owned subsidiary of Ferrim S.r.l., which in its turn is substantially equally owned by Mr. Massimo Ferretti, Mrs. Alberta Ferretti and by the company Fratelli Ferretti Holding S.r.l.. Mr. Massimo Ferretti and Mrs. Alberta Ferretti each own 50% of Fratelli Ferretti Holding S.r.l.. Further Mr. Massimo Ferretti is the executive President of Aeffe S.p.A. and a director of Aeffe USA. Further Mr. Simone Badioli is the sole director of Ferrim S.r.l. and CEO of Aeffe S.p.A. and a director of Aeffe USA.

Based on the above, Mr. Massimo Ferretti, Mrs. Alberta Ferretti and Mr. Simone Badioli all carry potential conflicts of interest with those of Aeffe USA regarding the terms of the Transaction.

2. Information on the Transaction

2.1 Terms, characteristics and conditions relevant to the Transaction

Aeffe USA Inc. with corporate offices at 30 West 56th street, New York, NY 10019 ("**Aeffe USA**") sold to Ferrim USA, Inc., with offices at 30 West 56th street, New York, NY 10019 ("**Ferrim USA**") certain real estate property located at 30 West 56th street and 452 West Broadway (used as showroom and retail boutique, respectively) (the "**Real Estate**").

Ferrim USA acquired the Real Estate subsequent to Aeffe USA exercising the option to sell as per the agreement entered by and between Aeffe USA and Ferrim S.r.l. on May 23, 2007. Such agreement had been disclosed within the IPO prospectus for the floatation of the shares of Aeffe S.p.A. ("**Aeffe**").

In particular, the above mentioned agreement contemplated the following: for a price of \$200,000, Aeffe USA had the option to sell the Real Estate for a total price of \$14 million ("**Put Option**"); in addition, for a price of \$300,000, Ferrim S.r.l. had the option to buy the Real Estate for a total price of \$15 million ("**Call Option**"). The \$300,000 price should have been deducted from the total price in the event Ferrim S.r.l. had exercised the Call Option; however the \$200,000 price should not have been deducted from the total price in the event Aeffe USA had exercised the Put Option.

Upon exercise of the Put Option by Aeffe USA, Aeffe USA sold the Real Estate to Ferrim USA for a total price of \$14 million, of which \$10 million have been paid by Ferrim USA to Aeffe USA at the signing of the sale agreement, while the remaining balance will be paid within 5 years.

Simultaneously to signing the sale agreement, Aeffe USA and Ferrim USA entered into a lease agreement based on which Aeffe USA will be the tenant in the Real Estate for the next 10 years, with a rent of \$900,000 per year.

Please refer to section 2.4 that follows, as it regards the determination of the amount of the Transaction.

2.2 Identification of related parties involved in the Transaction; nature of their relationship and of their interests

The Transaction was entered into by and between Aeffe USA and Ferrim USA.

Ferrim USA is a wholly owned subsidiary of Ferrim S.r.l. , which in its turn is substantially equally owned by Mr. Massimo Ferretti, Mrs. Alberta Ferretti and by the company Fratelli Ferretti Holding S.r.l.. Mr. Massimo Ferretti and Mrs. Alberta Ferretti each own 50% of Fratelli Ferretti Holding S.r.l.. Further Mr. Massimo Ferretti is the executive president of Aeffe S.p.A. and a director of Aeffe USA; Mrs. Alberta Ferretti is the Executive Vice President of Aeffe SPA. Further Mr. Simone Badioli is the sole director of Ferrim S.r.l. and CEO of Aeffe S.p.A. and a director of Aeffe USA.

2.3 Economic reasons behind the Transaction

The Put Option has been exercised – and the Transaction has been completed – to execute the original plan (as already disclosed in the IPO documents) to dismiss the group real estate assets, in order to exploit its real value, and to reduce the group financial debt and consequently interest expenses

2.4 Determination of the price for the Transaction and assessment of its arms-length nature as related to similar transactions

The total price of the Transaction had been determined in 2007 based on an appraisal by Goodman-Marks Associate Inc., considering the market value of the Real Estate. The amount of the rent payments have also been determined based on the market values.

In order to fully evaluate the Transaction, the Internal Control Committee of Aeffe S.p.A., being in charge of such valuation in accordance with the provisions of the internal rules for transactions with related parties (the “**Internal Procedure**”) has ruled to confirm the arms-length nature of the lease (Attachment 1)

2.5 Impact of the Transaction on the economic and financial condition. Relevance of the Transaction

The Transaction falls under the typology of “Relevant Transactions with Related Parties” as per the Regolamento and the Internal Procedure, since the amount of the transaction exceeds the threshold of 5% of the net equity of Aeffe S.p.A., as per last published consolidated balance sheet.

The Transaction, instead, is not relevant based on the parameters of articles 70 and 71 of the Regolamento CONSOB n. 11971 dated March 14, 1999.

At completion of this Transaction, the Group decreased its exposure with the banking system by approximately \$14 million.

The net book value of the Real Estate sold with the Transaction has been removed from the consolidated balance sheet. The consolidated income statement will show a capital gain of approximately \$2.8 million.

2.6 Impact on the compensation of the directors of the company and/or its subsidiaries

There will be no change in the compensation of the directors of Aeffe S.p.A. and/or its subsidiaries, as a consequence of the completion of the Transaction.

2.7 Shares of Aeffe S.p.A. owned by Mr. Massimo Ferretti, Mrs. Alberta Ferretti and Mr. Simone Badioli

AS of today, Fratelli Ferretti Holding S.r.l. (whose capital is owned 50% each by Mr. Massimo Ferretti and Mrs. Alberta Ferretti) directly owns n. 40,140,000 ordinary shares of Aeffe S.p.A., representing 37.387% of total outstanding shares, and indirectly, through I.M. Fashion S.r.l., n. 26,207,690 ordinary shares of Aeffe S.p.A. representing 24.410% of total outstanding shares, for a combined total of 61.797% of total outstanding shares of Aeffe S.p.A.

In addition, as of today, Mr. Massimo Ferretti, Mrs. Alberta Ferretti and Mr. Simone Badioli directly own n. 63,000, n. 40,000 and n. 26,565 ordinary shares of Aeffe S.p.A., respectively.

2.8 Company bodies involved with the approval and execution of the Transaction

The Transaction has been approved by the Board of Directors of Aeffe S.p.A. with resolution dated July 27, 2012, followed by approval by the Board of Directors of Aeffe USA with resolution dated September 29, 2012.

As established by the Internal Procedure, the Internal Control Committee, formed by three directors primarily independent, also gave its opinion on the Transaction (Attachment 1). This Committee, after reviewing all the relevant information, expressed a positive opinion on the proposed Transaction.

Mr. Marcello Tassinari, group General Manager, managed the whole process.



Verbale della riunione del 26 luglio 2012 del Comitato per il Controllo Interno di Aeffe S.p.A.

In data 26 luglio 2011, alle ore 18.00, si è riunito, presso la sede di Aeffe S.p.A., il Comitato per il Controllo Interno di Aeffe S.p.A. Partecipano alla riunione, in conferenza telefonica, il dott. Roberto Lugano, il dott. Marco Salomoni e l'avv. Pierfrancesco Giustiniani. Assiste alla riunione e il Presidente del Collegio Sindacale dott. Pier Francesco Sportoletti. E' presente il responsabile Internal Audit dott. Stefano Di Biase. Svolge la funzione di segretario la dott.ssa Giulia Degano. Il Comitato risulta validamente riunito per discutere sul seguente

ordine del giorno

1. approvazione del verbale della riunione precedente;
2. esame della relazione finanziaria semestrale al 30 giugno 2012 del Gruppo Aeffe e dei relativi criteri di redazione;
3. parere da rilasciare al CdA in merito all'operazione immobiliare relativa all'immobile di New York di proprietà della società Aeffe USA;
4. redazione della relazione semestrale del Comitato al Consiglio di Amministrazione;
5. varie ed eventuali.

OMISSIS

Emittenti emesso da Consob. Passando quindi al successivo argomento all'ordine del giorno, il dott. Lugano ricorda agli intervenuti che sono state trasmesse al Comitato le perizie richieste nella precedente riunione in merito alla congruità dei prezzi relativi sia alla vendita dell'immobile di proprietà di Aeffe USA sito in New York, 30 West 56th e 452 West Broadway (adibito a show room e boutique) che del canone di locazione del medesimo; dette perizie, redatte dalla società Cushman e Wakefield USA (una delle più importanti agenzie internazionali di intermediazione immobiliare) confermano la congruità del prezzo di USD 14 milioni per la vendita dell'immobile e USD 900.000 per il canone di locazione annuale dello stesso.

Il dott. Lugano ricorda quindi che la convenienza dell'operazione e la sua correttezza sostanziale sono già state evidenziate dal dott. Tassinari nella precedente riunione, specificatamente: (i) la necessità del Gruppo di disporre di cassa; (ii) l'attuale quotazione del dollaro nei confronti dell'Euro; in considerazione dell'attuale tendenza del mercato, si vuole evitare che il cambio possa essere, in futuro, meno favorevole di quello attuale.

Terminata l'esposizione del dott. Lugano, i membri del Comitato di controllo Interno:

- esaminate le valutazioni della società Cushman e Wakefield USA;
 - valutata la convenienza economica dell'operazione per il Gruppo Aeffe
 - preso atto della correttezza sostanziale dell'operazione,
 - ritenuto che non vi siano motivi per esprimere un parere negativo sull'operazione illustrata;
- decidono
- di esprimere parere favorevole al perfezionamento dell'operazione di vendita da parte di Aeffe USA, controllata al 100% da Aeffe S.p.A., ad una società americana che sarà costituita e controllata al 100% da Ferrim S.r.l. (la società in questione sarà la Ferrim USA), dell'immobile di proprietà di Aeffe USA sito in New York, 30 West 56th e 452 West Broadway (adibito a *show room e boutique*) e della stipula di un successivo contratto di locazione tra Aeffe USA e Ferrim USA;
 - di dare mandato a Presidente dott. Lugano di comunicare formalmente la valutazione del Comitato durante il Consiglio di Amministrazione che sarà chiamato a deliberare sull'operazione suddetta.

OMISSIS

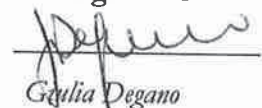
Comitato, la relazione è approvata e viene allegata al presente verbale. Null'altro essendovi da discutere e deliberare, il Presidente chiude la riunione alle ore 19.00.

Il Presidente



Roberto Lugano

Il Segretario



Giulia Degano