



PRESS RELEASE

AEFFE: In First Semester 2013 Consolidated Revenues At €122.9M: +2.5% At Constant Exchange Rate Compared To First Semester 2012

San Giovanni in Marignano, 29 July 2013 - The Board of Directors of Aeffe SpA approved today the Group's Report for the first half of 2013. 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, Emanuel Ungaro and Cédric Charlier.

- **Consolidated revenues of €122.9m, compared to €121.6m in 1H 2012 (+1% at current exchange rate and +2.5% at constant exchange rate)**
- **Ebitda of €7.3m, compared to €7.1m in 1H 2012 (+3%) with a €0.2m increase**
- **Loss before taxes of €2.2m, compared to €3.6m in 1H2012, with a €1.4m improvement**
- **Net Loss for the Group of €3.7m, compared to a net loss of €4.3m in 1H 2012, with a €0.6m improvement**
- **Net financial debt of €97m, compared to €101.6m as of June 30, 2012 (€87.9m as of December 31, 2012)**

Consolidated Revenues

In the first semester of 2013, AEFPE consolidated revenues amounted to €122.9m compared to €121.6m in the first semester of 2012, with a 1% increase at current exchange rates (+2.5% at constant exchange rates). Revenues of the prêt-à-porter division amounted to €97.8m, up by 0.9% at current exchange rates and by 2.8% at constant exchange rates compared to 1H 2012, while revenues of the footwear and leather goods division increased by 4.3% to €33.7m, before interdivisional eliminations.

Massimo Ferretti, Executive Chairman of Aeffe Spa, has commented: *"We are very satisfied with the results recorded in Italy despite the general decline in demand and the many challenges the country has been facing. Besides, we remain strongly focused on the areas of Middle East and Far East, along with Japan, which registered positive results too, growing, by more than 12% and 8% at constant exchange rate respectively. Considering this trend, we plan in the second semester further 10 new store openings in China. As in September, we will also celebrate the Moschino's thirtieth anniversary, with specific events during the Milan Fashion Week, we expect to liven up the atmosphere especially across both our flagship store network and our on-line channels"*.

Revenues Breakdown by Region

<i>(In thousands of Euro)</i>	1H 13 Reported	1H 12 Reported	% Change	% Change*
Italy	52,763	49,894	5.7%	5.7%
Europe (Italy and Russia excluded)	24,097	24,564	(1.9%)	(1.6%)
Russia	9,541	10,153	(6.0%)	(6.0%)
United States	7,724	9,311	(17.0%)	(19.6%)
Japan	10,151	11,205	(9.4%)	8.3%
Rest of the World	18,643	16,536	12.7%	12.4%
Total	122,919	121,663	1.0%	2.5%

(*) Calculated at constant exchange rates

In 1H 2013 sales in Italy, amounting to 43% of consolidated sales, increased by 5.7% to €52.8m. At constant exchange rates, sales in Europe, contributing to 20% of consolidated sales, decreased by 1.6%. The Russian market, representing 8% of consolidated sales, decreased by 6%. Sales in the United States, contributing to 6% of consolidated sales, decreased by 19.6% at constant exchange rates. Japanese sales, contributing to 8% of consolidated sales, increased by 8.3%. In the Rest of the World, the Group's sales totalled €18.6m, amounting to 15% of consolidated sales, recording an increase by 12.4% compared to 1H 2012.

Network of Monobrand Stores

DOS	1H 13	FY 12	Franchising	1H 13	FY 12
Europe	47	46	Europe	67	69
United States	3	3	United States	3	4
Asia	43	44	Asia	110	120
Total	93	93	Total	180	193

In the first semester 2013 the number of franchised stores decreased by 13 units mainly due to the exclusion of the Jean Paul Gaultier stores, whose license agreement with Aeffe Group ended with Spring/Summer 2013 collections.

Excluding this effect, in the first half of 2013 the number of franchised stores increased by 7 units mainly driven by new openings located in Greater China.

Operating and Net Result Analysis

In 1H 2013 consolidated Ebitda was equal to €7.3m (with an incidence of 6% of consolidated sales), compared to €7.1m in 1H 2012 (5.8% of total sales).

Ebitda of the *prêt-à-porter* division was in line with the previous year and amounted to €7.76m (representing 7.9% of sales), compared to €7.71m in 1H 2012 (8% of sales).

Ebitda of the footwear and leather goods division was negative for €0.4m compared to a negative Ebitda of €0.6m in 1H 2012 (3.7% of sales), with a €0.2m improvement.

Consolidated Ebit was equal to €1m, compared to €0.3m in 1H 2012, with a €0.7m increase.

In 1H 2013 the Group posted a net loss of €3.7m, compared to the net loss of €4.3m in 1H 2012 with a €0.6m improvement.

Balance Sheet Analysis

Looking at the balance sheet as of June 30, 2013, Shareholders' equity was equal to €126.5m and net financial debt amounted to €97m compared to €101.6m as of June 30, 2012 (€87.9m as of December 31, 2012). The increase in net financial debt with respect to December 31, 2012 was due both to the seasonality of the business and to investments concentrated in the first half of the year. Capex amounted to €4.6m and were mainly related to the maintenance and stores' refurbishment, mostly referring to the Alberta Ferretti stores in Rome and in London and the Moschino store in Rome.

As of June 30, 2013 operating net working capital amounted to €66.5m (26% of LTM sales) compared to €61.3m as of December 31, 2012 (24.1% of sales); the percentage increase on sales was related to the seasonality of the business and to turnover increase.

Income Statement, Reclassified Balance Sheet and Cash Flow Statement are attached below.
1H 2013 data included in this press release were subject to limited review by the Auditors' company.

Please note that the Financial Report and the Results Presentation at 30 June 2013 are available at the following link: <http://www.aeffe.com/aeffeHome.asp?pattern=11&lang=ita>.

"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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(In thousands of Euro)

	1H 13	%	1H 12	%	Change	Change %
Revenues from sales and services	122,919	100.0%	121,663	100.0%	1,256	1.0%
Other revenues and income	2,910	2.4%	3,205	2.6%	(295)	(9.2%)
Total Revenues	125,829	102.4%	124,868	102.6%	961	0.8%
Total operating costs	(118,494)	(96.4%)	(117,751)	(96.8%)	(743)	0.6%
EBITDA	7,335	6.0%	7,116	5.8%	218	3.1%
Total Amortization and Write-downs	(6,307)	(5.1%)	(6,761)	(5.6%)	454	(6.7%)
EBIT	1,028	0.8%	355	0.3%	673	189.4%
Total Financial Income/(expenses)	(3,240)	(2.6%)	(3,928)	(3.2%)	687	(17.5%)
Profit/(Loss) before taxes	(2,213)	(1.8%)	(3,573)	(2.9%)	1,360	(38.1%)
Taxes	(1,087)	(0.9%)	(606)	(0.5%)	(482)	79.5%
Net Profit/(Loss) net of taxes	(3,300)	(2.7%)	(4,178)	(3.4%)	878	(21.0%)
(Profit)/Loss attributable to minority shareholders	(402)	(0.3%)	(174)	(0.1%)	(228)	130.8%
Net Profit/(Loss) for the Group	(3,702)	(3.0%)	(4,352)	(3.6%)	651	(14.9%)

<i>(In thousands of Euro)</i>	1H 13	FY 12 (*)	1H 12 (*)
Trade receivables	33,901	32,355	29,588
Stock and inventories	77,859	77,122	77,654
Trade payables	(45,238)	(48,148)	(46,252)
Operating net working capital	66,522	61,330	60,989
Other receivables	36,775	34,464	36,950
Other liabilities	(19,803)	(18,295)	(20,670)
Net working capital	83,494	77,499	77,270
Tangible fixed assets	66,724	65,391	73,840
Intangible fixed assets	135,090	138,073	141,077
Investments	30	30	30
Other long term receivables	2,706	2,621	2,918
Fixed assets	204,550	206,116	217,865
Post employment benefits	(8,697)	(8,999)	(7,994)
Long term provisions	(887)	(1,098)	(1,007)
Assets available for sale	437	437	437
Other long term liabilities	(14,241)	(14,241)	(14,241)
Deferred tax assets	12,130	11,522	13,437
Deferred tax liabilities	(37,291)	(37,419)	(38,037)
NET CAPITAL INVESTED	239,494	233,815	247,730
Capital issued	25,371	25,371	25,371
Other reserves	119,057	118,027	119,190
Profits/(Losses) carried-forward	(14,199)	(10,011)	(10,011)
Profit/(Loss) for the period	(3,702)	(3,028)	(4,352)
Group share capital and reserves	126,527	130,359	130,198
Minority interests	15,940	15,538	15,931
Shareholders' equity	142,467	145,897	146,129
Short term financial receivables	(1,000)	(3,500)	(1,015)
Liquid assets	(4,390)	(5,362)	(6,164)
Long term financial payables	2,418	4,007	5,520
Long term financial receivables	(1,714)	(1,691)	
Short term financial payables	101,714	94,465	103,260
NET FINANCIAL POSITION	97,028	87,918	101,601
SHAREHOLDERS' EQUITY AND NET FINANCIAL INDEBTEDNESS	239,494	233,815	247,730

(*) Following the retrospective application of the amendment to IAS 19 from 1 January 2013, the comparative figures at 1 January and 31 December 2012 have been restated as required by IAS 1. More specifically, the figure for closing equity reported in the Consolidated Financial Statements at 31 December 2012 has decreased by €1.050 million, of which €1.039 million relating to Equity attributable to owners of the parent and €0.011 million relating to Non-controlling interest; the figure for closing equity reported in the Consolidated

Financial Statements at 30 June 2012 has decreased by €0.163 million, of which €0.176 million in reduction of Equity attributable to owners of the parent and €0.013 million increasing the Non-controlling interest.

<i>(In thousands of Euro)</i>	1H 13	FY 12 (*)	1H 12
OPENING BALANCE	5,362	8,444	8,444
Profit before taxes	(2,213)	1,357	(3,573)
Amortizations, provisions and depreciations	6,307	13,966	6,761
Accruals (availments) of long term provisions and post employment benefits	(513)	(1,589)	(237)
Taxes	(2,262)	(3,316)	(1,768)
Financial incomes and financial charges	3,240	7,464	3,928
Change in operating assets and liabilities	(5,557)	(11,420)	(10,194)
NET CASH FLOW FROM OPERATING ASSETS	(998)	6,462	(5,083)
Increase (decrease) in intangible fixed assets	(575)	(587)	146
Increase (decrease) in tangible fixed assets	(4,036)	3,324	(2,162)
Investments and Write-downs (-)/Disinvestments and Revaluations (+)	(45)	7,275	7,239
CASH FLOW GENERATED (ABSORBED) BY INVESTING ACTIVITIES	(4,656)	10,012	5,223
Other changes in reserves and profit carried-forward to shareholders' equity	(130)	860	272
Proceeds (repayment) of financial payments	5,660	(8,055)	2,254
Increase (decrease) in long term financial receivables	2,392	(4,897)	(1,018)
Financial incomes and financial charges	(3,240)	(7,464)	(3,928)
CASH FLOW GENERATED (ABSORBED) BY FINANCING ACTIVITIES	4,682	(19,556)	(2,420)
CLOSING BALANCE	4,390	5,362	6,164

(*) Following the retrospective application of the amendment to IAS 19 from 1 January 2013, the comparative figures at 1 January and 31 December 2012 have been restated as required by IAS 1. More specifically, the figure for closing equity reported in the Consolidated Financial Statements at 31 December 2012 has decreased by €1.050 million, of which €1.039 million relating to Equity attributable to owners of the parent and €0.011 million relating to Non-controlling interest; the figure for closing equity reported in the Consolidated Financial Statements at 30 June 2012 has decreased by €0.163 million, of which €0.176 million in reduction of Equity attributable to owners of the parent and €0.013 million increasing the Non-controlling interest.