

# AEFFE

# MOSCHINO

## PRESS RELEASE

### **AEFFE GROUP: Optimization Of The Distribution in Japan.**

### **Signed A Strategic Partnership With The Companies Woollen Co., Ltd. and Mitsubishi Corporation Fashion Co., Ltd. and Reorganization Of The Japanese Distribution Network**

**San Giovanni in Marignano, December 20, 2013** – Aeffe S.p.A. and Moschino S.p.a. have signed with Woollen Co., Ltd. and Mitsubishi Corporation Fashion Co., Ltd. an important distribution and franchise agreement for the brands Alberta Ferretti and Moschino whereby Woollen Co., Ltd. has become the exclusive distributor of the brands Alberta Ferretti, Philosophy, Moschino, Moschino Cheap & Chic and Love Moschino for the whole territory of Japan.

The distribution and franchise agreement aims at strengthening the development of Aeffe Group's commercial network and overseeing its presence in the Japanese market in a more widespread and structured way. The agreement sets minimum order quantities and shall remain in force for five years and it is renewal for subsequent five years terms upon agreement of both parties.

At the same time of the conclusion of the mentioned distribution and franchise agreement, Aeffe Japan Co., Ltd. and Moschino Japan Co., Ltd., controlled companies, respectively, by Aeffe S.p.A. and Moschino S.p.a., have transferred to Woollen Co., Ltd., accounts receivables, stock along with furniture and accessories in the stores.

Besides, Woollen Co., Ltd., shall also pay Eur 3,5 million to Aeffe Group as goodwill. Considering the agreed criteria for the determination of the amount due for assets mentioned above, to be implemented with reference to the date of 31<sup>st</sup> December, the operation will determine a substantially neutral accounting result. The final accounting effects shall be disclosed in the Notes to the Consolidated Financial Statements as of 31<sup>st</sup> December, 2013.

Woollen Co., Ltd shall take over most of staff working at the two branches in Japan.

The operation described above aims to achieve an increase in profitability in the relevant market starting from next year, despite a decrease in revenues.

Massimo Ferretti, Executive Chairman of Aeffe S.p.A., has commented:

*“Our brands have always been highly appreciated in Japan. We believe that, in light of the changes within our Group, the collaboration with experienced partners in the sector such as Woollen and Mitsubishi may be preparatory to a more effective penetration and to reinforcement of our presence in this strategic market”.*

*“I am very satisfied to obtain the opportunity to start the collaboration with Aeffe Group, that has in its portfolio the brands of Alberta Ferretti, Philosophy, Moschino, Moschino Cheap & Chic and Love Moschino, the worldwide well-known luxury brands. Together with Aeffe Group we will do our best effort to achieve the best performance in the Japanese market.”* – Yasuharu Iwai, President of Woollen Co., Ltd.

**AEFFE S.p.A.**, a company listed on the STAR segment of Borsa Italiana, is among the leading international players in the luxury sector. Aeffe SpA manufactures and distributes renowned brands such as Alberta Ferretti, Moschino, Pollini, Emanuel Ungaro and Cédric Charlier.

**Woollen Co., Ltd.**, which was founded in 1956, has been one of the major company to distribute and import luxury brands in the territory; it has a strong relationship with major department stores, high level specialty stores, selected shops, and through those channels it supplies the best service to the final client.

**MITSUBISHI CORPORATION FASHION CO., LTD.**, merged the 3 functional subsidiaries of Mitsubishi Corporation Textiles division in 2009. Using Mitsubishi Corporation Group's global network, it is acting as one of the leader companies in the territory which provides full solutions in the apparel and fashion field.

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