

AEFFE

PRESS RELEASE

AEFFE: First Quarter 2015 Results Point Out A Significant Growth Of All Economic Indicators.

Sales At €71.2m (+3.5% At Constant Exchange Rate), Ebitda At €12.5m (+17.0%) And Net Profit At €5.2m (+46.9%)

San Giovanni in Marignano, 13 May 2015 - The Board of Directors of Aeffe SpA approved today the Interim consolidated financial statement as of March 31, 2015. 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 €71.2m, compared to €67.6m in Q1 2014 (+5.3% at current exchange rate, +3.5% at constant exchange rate)**
- **Ebitda of €12.5m (17.6% on consolidated sales), compared to €10.7m in Q1 2014 (15.8% on consolidated sales), with a €1.8m improvement (+17.0%)**
- **Profit after taxes of €5.2m, compared to a net profit of €3.5m in Q1 2014, with a €1.7m improvement (+46.9%)**
- **Net Profit for the Group of €4.5m, compared to €3.2m in Q1 2014, with a €1.3m improvement (+41.2%)**
- **Net financial debt of €95.4m, compared to €83.3m as of March 31, 2014 (€83.6m as at 31st December, 2014)**

Consolidated Revenues

In Q1 2015, AEFFE consolidated revenues amounted to €71.2m compared to €67.6m in Q1 2014, with a 5.3% increase at current exchange rates (+3.5% at constant exchange rates).

Revenues of the *prêt-à-porter* division amounted to €55.2m, up by 4.8% at current exchange rates compared to Q1 2014 (+2.5% at constant exchange rates).

Revenues of the footwear and leather goods division increased by 23.7% and amounted to Euro 24.5m.

Massimo Ferretti, Executive Chairman of Aeffe SpA, has commented: *“The path of growth in sales and profitability in the first quarter of 2015 confirms the positive outlook for the current year, supported by a 7% increase in the orders backlog for the next Autumn/Winter collections. Among the significant results achieved, we highlight the strengthening of the visibility and positioning of the Group’s brands, the progression of the accessories business and the development of the international presence, except for the difficult Russian context”.*

Revenues Breakdown by Region

(In thousands of Euro)	1Q 15 Reported	1Q 14 Reported	% Change	% Change*
Italy	31,962	28,880	10.7%	10.7%
Europe (Italy and Russia excluded)	16,492	16,947	(2.7%)	(3.6%)
Russia	2,413	5,125	(52.9%)	(52.9%)
United States	5,195	3,504	48.3%	24.7%
Japan	1,822	1,461	24.7%	24.7%
Rest of the World	13,340	11,722	13.8%	11.9%
Total	71,224	67,639	5.3%	3.5%

(*) Calculated at constant exchange rates

In Q1 2015 sales in Italy, amounting to 44.9% of consolidated sales, registered a very positive trend posting a 10.7% increase to €31.9m.

At constant exchange rates, sales in Europe, contributing to 23.2% of consolidated sales, decreased by 3.6%. The Russian market, representing 3.4% of consolidated sales, declined by 52.9%, solely due to current difficulties of the domestic economic situation.

Sales in the United States, contributing to 7.3% of consolidated sales, posted in Q1 2015 a good growth of 24.7% at constant exchange rates.

Also Japanese sales, contributing to 2.6% of consolidated sales, registered a significant growth, posting a 24.7% increase.

In the Rest of the World, the Group's sales totalled €13.3m, amounting to 18.7% of consolidated sales, recording an increase of 11.9% compared to Q1 2014, especially thanks to the excellent performance in Greater China, which posted a 68% growth.

Network of Monobrand Stores

DOS	1Q 15	FY 14	Franchising	1Q 15	FY 14
Europe	47	47	Europe	53	54
United States	2	1	United States	3	3
Asia	12	12	Asia	128	129
Total	61	60	Total	184	186

Operating and Net Result Analysis

In Q1 2015 there has been a good improvement in margins; consolidated Ebitda was equal to €12.5m (with an incidence of 17.6% of consolidated sales), compared to €10.7m in Q1 2014 (15.8% of total sales), with a €1.8m increase (+17.0%). The improvement in profitability was mainly driven by the sales growth and it involved especially the footwear and leather goods division.

Ebitda of the *prêt-à-porter* division amounted to €8.4 (representing 15.2% of sales), compared to €9.6m in Q1 2014 (18.2% of sales), decrease mainly due to the discounts granted to Russian customers to support the difficult economic situation of the country.

Ebitda of the footwear and leather goods division amounted to €4.1m (16.7% of sales) compared to a €1.1m in Q1 2014 (5.7% of sales), with a €3m increase, attributable to the excellent sales growth.

Consolidated Ebit was equal to €9.4m, compared to €7.7m in Q1 2014, with a €1.7m increase (+21.5%).

Thanks to the improvement in operating profit and to the decrease in financial expenses, in Q1 2015 also the Net result and the Net result of the Group registered a very positive growth, posting, respectively, a Net Profit of €5.2m, compared to the Net Profit of €3.5m in Q1 2014, and a Net Profit for the Group of €4.5m, compared to the Net Profit for the Group of €3.2m in Q1 2014, with a €1.3m improvement.

Balance Sheet Analysis

Looking at the balance sheet as of March 31, 2015, Shareholders' equity is equal to €135.2m and net financial debt amounts to €95.4m compared to €88.3m as of March 31, 2014 (€83.6m as of December 31, 2014). The financial debt increase compared to Q1 2014 refers mainly to the increase in net working capital and to the cash in of approximately €6m for the sale of Alberta Ferretti's store in Paris recorded last year.

As of March 31, 2015 operating net working capital amounts to €86.4m (33.9% of LTM sales) compared to €72.2m as of March 31, 2014 (29.4% of sales).

The increase in the percentage on sales is mainly related to the increase in trade receivables and to the increase in inventories driven by the growth of the sales of the period and of the orders' backlog for the Autumn/Winter 2015 collections compared to the corresponding seasons of 2014.

Capex in Q1 2015 amount to €2m and are mostly related to the maintenance and stores' refurbishment.

It is finally communicated that the minutes of the Meeting of the company on 16th April 2015 is now available for the consultation at the legal seat of the company, at Borsa Italiana S.p.A as well as on the company's website, section Investor Relations/Company Documents, link: <http://www.aeffe.com/aeffeHome.php?pattern=78&lang=eng>.

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

Q1 2015 data included in this press release are not audited by the Auditors' company.

Please note that the Interim Consolidated Financial Statements and the Results Presentation at 31 March 2015 are available at the following link: <http://www.aeffe.com/aeffeHome.php?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)

	1Q 15	%	1Q 14	%	Change	Change %
Revenues from sales and services	71,224	100.0%	67,639	100.0%	3,585	5.3%
Other revenues and income	2,056	2.9%	1,872	2.8%	185	9.9%
Total Revenues	73,281	102.9%	69,511	102.8%	3,769	5.4%
Total operating costs	(60,742)	(85.3%)	(58,793)	(86.9%)	(1,949)	3.3%
EBITDA	12,539	17.6%	10,718	15.8%	1,821	17.0%
Total Amortization and Write-downs	(3,127)	(4.4%)	(2,971)	(4.4%)	(156)	5.2%
EBIT	9,412	13.2%	7,747	11.5%	1,665	21.5%
Total Financial Income /(expenses)	(1,145)	(1.6%)	(1,635)	(2.4%)	490	(30.0%)
Profit before taxes	8,267	11.6%	6,113	9.0%	2,154	35.2%
Taxes	(3,064)	(4.3%)	(2,570)	(3.8%)	(494)	19.2%
Net Profit	5,203	7.3%	3,543	5.2%	1,660	46.9%
Profit attributable to minority shareholders	(637)	(0.9%)	(309)	(0.5%)	(328)	106.1%
Net Profit for the Group	4,566	6.4%	3,234	4.8%	1,332	41.2%

(In thousands of Euro)

	1Q 15	FY 14	1Q 14
Trade receivables	46,243	36,885	41,228
Stock and inventories	89,600	83,867	72,765
Trade payables	(49,395)	(55,052)	(41,751)
Operating net working capital	86,448	65,700	72,242
Other receivables	34,117	33,413	29,530
Other liabilities	(19,513)	(17,444)	(16,947)
Net working capital	101,052	81,668	84,825
Tangible fixed assets	63,674	63,771	64,290
Intangible fixed assets	127,000	127,927	128,747
Investments	83	80	30
Other long term receivables	4,795	4,701	4,805
Fixed assets	195,552	196,479	197,872
Post employment benefits	(7,115)	(7,458)	(7,155)
Long term provisions	(1,405)	(2,047)	(1,184)
Assets available for sale	437	437	437
Liabilities available for sale			
Other long term liabilities	(14,480)	(14,080)	(14,045)
Deferred tax assets	12,230	13,368	11,500
Deferred tax liabilities	(37,033)	(36,829)	(37,184)
NET CAPITAL INVESTED	249,237	231,538	235,066
Capital issued	25,371	25,371	25,371
Other reserves	114,700	115,286	119,400
Profits/(Losses) carried-forward	(9,371)	(13,342)	(18,230)
Profit/(Loss) for the period	4,566	2,742	3,234
Group share capital and reserves	135,266	130,057	129,775
Minority interests	18,552	17,915	16,953
Shareholders' equity	153,818	147,972	146,728
Short term financial receivables	(1,460)	(1,000)	(1,580)
Liquid assets	(7,530)	(6,692)	(5,996)
Long term financial payables	14,579	12,752	14,987
Long term financial receivables	(2,067)	(1,718)	(1,393)
Short term financial payables	91,897	80,224	82,321
NET FINANCIAL POSITION	95,420	83,567	88,338
SHAREHOLDERS' EQUITY AND NET FINANCIAL INDEBTEDNESS	249,237	231,538	235,066

<i>(In thousands of Euro)</i>	1Q 15	FY 14	1Q 14
OPENING BALANCE	6,692	7,524	7,524
Profit before taxes	8,267	6,113	6,113
Amortizations, provisions and depreciations	3,073	13,657	2,971
Accruals (availments) of long term provisions and post employment benefits	(984)	507	(659)
Taxes	(1,648)	(3,584)	(2,214)
Financial incomes and financial charges	1,145	5,916	1,635
Change in operating assets and liabilities	(19,058)	(5,651)	(7,119)
NET CASH FLOW FROM OPERATING ASSETS	(9,205)	16,958	727
Increase (decrease) in intangible fixed assets	(843)	(2,129)	2,384
Increase (decrease) in tangible fixed assets	(1,206)	(4,468)	(938)
Investments and Write-downs (-)/Disinvestments and Revaluations (+)	(3)	(50)	(31)
CASH FLOW GENERATED (ABSORBED) BY INVESTING ACTIVITIES	(2,052)	(6,647)	1,415
Other changes in reserves and profit carried-forward to shareholders'equity	643	547	(233)
Proceeds (repayment) of financial payments	13,500	(5,723)	(1,392)
Increase (decrease) financial receivables	(903)	(51)	(411)
Financial incomes and financial charges	(1,145)	(5,916)	(1,634)
CASH FLOW GENERATED (ABSORBED) BY FINANCING ACTIVITIES	12,095	(11,143)	(3,670)
CLOSING BALANCE	7,530	6,692	5,996