AEFFE S.P.A.

COMPENSATION REPORT

pursuant to art. 123-*ter* of the Consolidated Finance Law and art. 84-*quater* of the Issuers' Regulations

12th March 2013

INTRODUCTION

This Compensation Report (the "**Report**") has been prepared pursuant to art. 123-*ter* of Decree no. 58 dated 24th February 1998, and subsequent amendments and additions (the "**Consolidated Finance Law**" or "**TUF**") and, in compliance with art. 84-*quater* of the regulations adopted by Consob Decision no. 1197 dated 14th May 1999, was added by Consob Decision no. 18094 dated 23rd December 2011, as subsequently amended by Consob Decision no. 18214 dated 9th May 2012 (the "**Issuers' Regulations**").

This Report comprises two Sections.

Section I, entitled "Compensation Policy", describes the policy of Aeffe S.p.A. ("**Aeffe**" or the "**Company**") for remunerating the members of its board of directors (the "**Directors**") and its executives with strategic responsibilities. In compliance with the regulation adopted by Consob Decision no. 17221 dated 12th March 2010 (the "**Regulation**"), this phrase means those persons who, directly or indirectly, have powers and responsibilities for planning, directing and controlling the activities of the Company (the "**Executives with Strategic Responsibilities**").

Section I also describes the procedures followed by the Company to adopt and implement the above Compensation Policy, and the parties involved.

Section II "2012 Remuneration", on the other hand, presents and explains the individual captions comprising the remuneration of the Directors and Executives with Strategic Responsibilities that was paid to them by Aeffe or its subsidiaries or associates, for any reason and in any form, during 2012.

The corporate governance model adopted by the Company comprises the so-called single system of administration and control, which envisages:

(i) a shareholders' meeting responsible, among other matters, for the appointment and dismissal of members of the board of directors, and the approval of the annual financial statements;

(ii) a board of directors responsible for managing the Company;

(iii) an audit committee established by the board of directors and comprising non-executive directors who meet the honorability requirements established in the applicable regulations, the majority of whom also meet the independence requirements established in para. IV of art. 147-ter TUF, and who are responsible for monitoring the adequacy of the Company's organizational structure, the system of internal control and the system of accounting and administration, as well as its suitability for presenting properly the results of operations; and

(iv) a compensation committee also established by the board of directors and comprising non-executive directors who meet the honorability requirements established in the applicable regulations, the majority of whom also meet the independence requirements established in para. IV of art. 147-ter TUF, and who provide advice and recommendations to the board of directors on the remuneration of the directors and senior managers of the Company.

In compliance with para. IV of art. 84-quater of the Issuers' Regulations, this Report presents tables showing the equity interests of the Directors and Executives with Strategic Responsibilities in the Company and its subsidiaries.

SECTION I

"COMPENSATION POLICY"

12th March 2013

CONTENTS

1. INTRODUCTION

1.1 This document (hereafter, the "**Compensation Policy**") explains the policy of Aeffe S.p.A. ("**Aeffe**" or simply the "**Company**") for remunerating the members of its board of directors and its executives with strategic responsibilities. This phrase means those persons who, directly or indirectly, have powers and responsibilities for planning, directing and controlling the activities of the Company, as defined in Attachment 1 to the Consob Regulation on related-party transactions adopted by Consob Decision no. 17221 dated 12th March 2010 and subsequent amendments and additions, and as identified from time to time by the board of directors of the Company (the "**Executives with Strategic Responsibilities**").

1.2 This Compensation Policy has been prepared following the recommendation contained in principle 6.P.4. of the code for the self-regulation of listed companies promoted by Borsa Italiana S.p.A. and published in March 2006, as subsequently amended on 24th March 2010 and on 5th December 2011 (the "**Code of Self-Regulation**"), in accordance with art. 123 *ter* of Decree no. 58 dated 24th February 1998, and subsequent amendments and additions (the "**TUF**"), as well as pursuant and consequent to art. 3.2 of the Procedure for Related-Party Transactions approved by the board of directors of the Company on 10th November 2010 (the "**Procedure for Related-Party Transactions**").

1.3 This Compensation Policy was approved on 8th March 2012 and subsequently modified by the board of directors of the Company on 12th March 2013, acting on a proposal from the compensation committee, in order to extend the range of available medium/long-term incentive mechanisms by adding an incentive mechanism based on a system of variable remuneration, linked to the achievement of medium/long-term objectives (medium/long-term MBO), that is not tied to the use of financial instruments (*see paragraphs 4.3.2 and 4.3.4 below*).

1.4 This Compensation Policy may be revised and updated by the board of directors acting on proposals from the compensation committee, which is tasked with assessing periodically the adequacy, overall consistency and effective application of the policy.

2. PROCEDURES FOLLOWED FOR THE ADOPTION AND IMPLEMENTATION OF THE COMPENSATION POLICY

2.1 Procedure for the preparation and approval of the Compensation Policy and functional and organizational model

2.1.1 The Compensation Policy is prepared by the compensation committee established by the board of directors. It comprises non-executive directors, the majority of whom meet the independent requirements established in para. IV of art. 147-ter TUF. The Compensation Policy is then presented to the board of directors by the compensation committee and subjected to full discussion, prior to approval by the board of directors. Each year, the shareholders' meeting is requested to cast a consultative vote on the policy.

2.1.2 The Compensation Policy, approved on the above basis, was prepared by the Company without the involvement of independent experts.

2.1.3 The Company implements a governance model designed to ensure transparency and adequate supervision and control, as well as its uniform and consistent application within the group of companies reporting to Aeffe (the "**Aeffe Group**").

2.1.4 The board of directors of the Company is also responsible, among other matters, for:

(i) allocating among members of the board of directors the total remuneration fixed at the shareholders' meeting pursuant to art. 2389, para. 1, c.c., if this was not done directly at such meeting;

(ii) determining the remuneration of those directors with specific responsibilities, pursuant to art. 2389, para. 3, c.c., acting on a proposal from the compensation committee after hearing the opinion of the board of statutory auditors;

(iii) determining the remuneration of the Executives with Strategic Responsibilities;

(iv) examining the incentive plans to be presented to the shareholders' meeting for approval;

(v) identifying the Executives with Strategic Responsibilities who will participate in the incentive plans, and determining the extent of the incentives applicable to each;

(vi) establishing an internal compensation committee and determining its responsibilities, in accordance with the recommendation of the Code of Self-Regulation;

(vii) approving the Compensation Policy and presenting it to the shareholders' meeting.

2.1.5 The compensation committee - established by the board of directors - periodically assesses the adequacy, overall consistency and effective application of the policy for the remuneration of directors and executives with strategic responsibilities, making reference in this regard to information provided by the executive directors. The committee makes related proposals to the board of directors and, in general, monitors the procedures, policies and remuneration objectives of the Company.

In addition, in compliance with legal and regulatory requirements, the committee:

(i) presents proposals to the board of directors for the remuneration of the executive directors and the other directors with specific responsibilities, and monitors the application of the decisions adopted by the board;

(ii) following recommendations from and consultation with the executive directors, examines and presents proposals to the board of directors for the approval of the annual remuneration, and the annual and long-term incentives, of the Executives with Strategic Responsibilities;

(iii) makes general recommendations to the board of directors regarding the remuneration of the other directors, including the independent members of the board of directors, and presents proposals to the board of directors for the approval of adequate levels of remuneration, having regard for their participation on one or more committees;

(iv) presents proposals to the board of directors regarding the use of stock options and other incentive schemes, including the significant technical aspects linked to their definition and application; in particular, present proposals to the board on the incentive scheme deemed most appropriate (stock option plans, other forms of share-based payment);

(v) monitors the use, evolution and application of the incentive schemes put in place from time to time by the Company; the selection of participants; the identification of objectives, and the determination of the related bonuses, as described further in the respective plans;

(vi) performs any additional functions assigned to it by the board of directors; and

(vii) upon request from management, makes itself available to discuss remuneration matters.

2.1.6 The compensation committee comprises non-executive directors, the majority of whom meet the independence requirements established in para. IV of art. 147-ter TUF and in the Code for Self-Regulation; at least one of the members of the compensation committee has adequate knowledge and experience of financial matters or remuneration policies, as determined by the board of directors at the time of appointment. At the time of preparing the Compensation Policy, the compensation committee comprises the following non-executive directors: Marco Salomoni (independent director, committee chairman), Roberto Lugano (independent director) and Pierfrancesco Giustiniani.

2.1.7 The decisions of the compensation committee are adopted by the votes in favor of the absolute majority of its members. Committee meetings may be attended by the chairman of the board of statutory auditors and/or by one or more other serving auditors. The Chairman of the compensation committee may invite non-members to committee meetings, having regard for all or individual matters on the agenda.

2.1.8 Individual directors do not attend those meetings of the compensation committee in which it makes proposals to the board of directors regarding their personal remuneration.

2.1.9 The compensation committee is assured access to the corporate information and functions deemed necessary or appropriate for the performance of its duties. It may make use of external consultants that do not simultaneously provide services of such significance as to compromise in practice the independence of their judgments with regard to the human resources function, the directors or the Executives with Strategic Responsibilities.

2.2 Criteria for defining the Compensation Policy

The Company's Compensation Policy has been established without making reference to the compensation policies adopted by other companies since, consistent with prior years, it is already essentially consistent with the related recommendations on the subject contained in art. 6 of the Code of Self-Regulation.

2.3 Compensation policy and risk management policy

The Company ensures that the variable element of the remuneration of its directors and Executives with Strategic Responsibilities is determined with reference to sustainable performance objectives that are consistent with the risk profile established by the board of directors.

3. PURPOSE AND PRINCIPLES OF THE COMPENSATION POLICY

3.1 The Compensation Policy is designed to attract, retain and motivate experienced professional resources, with the skills and professionalism required for the optimal management and pursuit of the objectives of the Company and the Aeffe Group. The Policy seeks to achieve sustainable growth in the value of the Company and the Aeffe Group, via the definition and implementation of mechanisms that link this outcome with individual performance.

3.2 In order to achieve these objectives, the Compensation Policy is founded on the fundamental principles of sustainability and alignment of the interests of executives with strategic responsibilities with those of the shareholders.

- **Sustainability**

  When determining the variable portion of remuneration, the Company safeguards its sustainability and reasonableness by envisaging limits (not necessary expressed as caps in absolute terms), and by identifying a balance combination that avoids distortions with respect to sustainable performance and the risk profiles identified.

- **Alignment of the interests of management with those of the shareholders**

  Alignment of the interests of management with those of the shareholders is a key objective and the ultimate goal when defining the variable, incentivizing part of the remuneration of management with strategic responsibilities. In line with international best practice and the resolutions adopted at European level and elsewhere, the Company takes care to implement mechanisms capable of incentivizing the creation of authentic and stable value for the Company and the Aeffe Group. This translates into a concrete benefit for the shareholders, not least via the balanced and careful identification of desirable performance objectives.

Observation of market practices and trends enables the Company to attract and retain experienced and suitably motivated professionals, via the definition of competitive levels of remuneration and the guarantee of internal equity and transparency.

4. COMPONENTS OF REMUNERATION

4.1 Fixed component

4.1.1 The incidence of fixed remuneration to total income is set to ensure the adequacy of such payments, even in the partial or complete absence of a variable element. This approach avoids promoting risk-oriented behavior and the taking of short-term views, which could adversely affect the sustainable creation of long-term value.

4.1.2 The fixed component of remuneration is principally correlated with: (i) professional specialization; (ii) the organizational role performed; (iii) the responsibilities accepted, and (iv) market practice for comparable positions and levels of professionalism.

4.2 Variable, short-term component - known as *Management by Objectives*

4.2.1 Variable remuneration is directly correlated with the short-term performance and results of the individual concerned or with those of the Company and the Aeffe Group, or indeed with a combination of these criteria.

4.2.2 The Company's system of variable remuneration is based on the concept of Management by Objectives (MBO); accordingly, executives with strategic responsibilities are motivated via the recognition of variable remuneration tied to their achievement of specific performance objectives. These predetermined and measurable objectives are identified together with the managers of each business area and the human resources function, employing the same parameters used by senior management when monitoring the performance of the business concerned, or economic indicators (e.g. EBITDA or revenues) for that business or for the Group as a whole.

4.2.3 The board of directors and the human resources function verify and ensure that the objectives are actually met. This work is performed with assistance from other internal functions, including administration, following approval of the annual financial statements.

4.2.4 The Company may establish maximum limits for the variable components and may assess the need to adopt deferred payment mechanisms for all or part of such components.

4.3 Long-term incentives

4.3.1 The board of directors may assess the methods and timing for the future implementation of incentive mechanisms designed to function over a medium/long-term time horizon. This activity will take account of the termination of the effects of the stock option plan approved at the time of the listing in 2007, the regulatory background, and the need to: (a) keep the remuneration structure competitive overall in order to attract and retain the loyalty of experienced persons within the Company and the Aeffe Group; (b) guide the efforts of the directors and managers towards the achievement of long-term ratios and goals of strategic interest; (c) align the interests of directors and managers with those of the shareholders.

4.3.2 Long-term incentives *(LTI)* may comprise (i) compensation plans based on financial instruments (ii) plans for investment in the capital of the Company (iii) a system of variable remuneration linked to objectives to be attained over the medium-long term (medium/long-term MBO).

4.3.3 After hearing the opinion of the compensation committee, the board of directors may prepare compensation plans based on financial instruments for authorization at the shareholders' meeting, as required by art. 114-bis TUF. Such plans may envisage:

(i) the granting of option rights (*option grant*) for the subsequent purchase of shares in the Company; on exercise, these rights may be satisfied by the physical delivery of shares, or by a cash payment representing a differential or the change in the market price of the shares representing the capital of the Company (*stock appreciation rights* and *phantom stock*); or

(ii) by the direct allocation of shares in the Company (*stock grant*);

The beneficiaries of these plans may be employees or directors of the Company, or other companies within the Aeffe Group, to be identified having regard for the objectives, principles and criteria indicated in the previous points of the Compensation Policy.

In relation to option grant plans, the exercise of the options allocated (or payment of the related differentials) is subject to the passage of an appropriate amount of time (*vesting period*), to be determined having regard, among other factors, for the plan objectives. In turn, these are defined with reference to those parameters best reflecting the creation of value for Aeffe and the Aeffe Group.

The plans may also envisage that part of the shares purchased by the beneficiaries cannot be sold by them for an established period of time (to be determined having regard for the likely duration of the working relationship). Similarly, if the plans envisage cash payments rather than the physical allocation of shares, is it possible to require a portion of such payments to be invested in Company shares that must be retained for a certain period (or other *share retention* mechanisms).

The assignment of option rights or shares, as well as the recognition of cash differentials, will be correlated in all cases with the following elements: (i) ability of the individual beneficiary to contribute to the growth of the Company; (ii) the professional skills and effective capability of the beneficiary to contribute to the creation of value in the role performed within the organizational structure; (iii) the overall level of remuneration received; and (iv) the need for retention.

4.3.4 The medium/long-term MBO bonuses may be decided by the board of directors, after consulting with the compensation committee. These may consist of variable remuneration recognized on the achievement of specific, medium/long-term performance objectives, covering a period that may vary between three and five years. Such predetermined and measurable objectives are determined with reference to economic indicators calculated at a consolidated level, and/or to other indicators consistent with the medium/long-term objectives.

4.4 Benefits and insurance, assurance and pension schemes supplementing the required cover

In order to provide overall remuneration that is, as far as possible, competitive and aligned with the best practices adopted in each local market, the remuneration package of the Directors and the Executives with Strategic Responsibilities includes certain non-cash benefits, including by way of example the use of a service apartment and insurance cover (in particular, supplementary health cover).

4.5 Treatment on termination of mandate or employment relationship

The Company may agree special treatment that applies on termination of the mandate or employment of its directors or other executives with strategic responsibilities. This may be deemed appropriate in order to attract suitable professional resources, or applied as part of the investment agreements signed in the ordinary course of business.

5. REMUNERATION OF DIRECTORS

5.1 Remuneration of directors with specific responsibilities

5.1.1 Pursuant to para. 3 of art. 2389 c.c. and art. 21 of the articles of association, the remuneration due to directors with specific responsibilities is determined by the board of directors, acting on a proposal from the compensation committee and having consulted with the board of statutory auditors. The audit committee may also be involved in the circumstances envisaged in the Procedure for Related-Party Transactions.

5.1.2 The remuneration of directors with specific responsibilities is structured to reflect the objectives, criteria and principles described in the previous sections of this Compensation Policy. Considering the special role of these directors and the strategic nature of the work actually performed in order to create value, their fixed remuneration is supplemented by a variable component (in particular, this may be based on a system of short- or medium/long-term objectives, known as an MBO system, and/or on approved long-term incentive plans, as indicated earlier in this Compensation Policy). When applying the above criteria, the Board of Directors adopts the principle of substance over form, in order to ensure the most efficient achievement of the objective to align the interests of management with those of the shareholders. Where directors with specific responsibilities and/or a strategic role also hold a significant equity interest in the Company, the Board of Directors may consider the motivation and loyalty requirements to be appropriately satisfied even without applying one or more of the loyalty and incentive tools deemed applicable to other managers.

5.2 Remuneration of non-executive directors

5.2.1 The remuneration of non-executive directors is usually determined on a collective basis at the shareholders' meeting that appoints the Board of Directors. Subsequently, in the context of the total remuneration decided at the shareholders' meeting pursuant to para. 1 of art. 2389 c.c., the Board of Directors acting on a proposal from the compensation committee determines how to allocate such total amount to each non-executive director, having regard for their committee memberships.

5.2.2 The remuneration of non-executive directors is not usually linked to the economic results of Aeffe.

SECTION II

"2012 REMUNERATION"

Part A

Part A of Section II of this Compensation Report describes each element of the remuneration of the Directors, the General Manager and the Executives with Strategic Responsibilities at Aeffe, including the treatment envisaged on termination of their mandates or employment relationship.

The system of governance and the functional models adopted and implemented by the Company have always essentially complied with the recommendations contained in the code of self-regulation for listed companies, approved in March 2006 by the committee for the corporate governance of listed companies promoted by Borsa Italiana S.p.A. (hereafter referred to, after subsequent amendments and additions, as the "**Code of Self-Regulation**"), including those relating to remuneration.

Given the organization of this Report in accordance with legal requirements, Section II describes the remuneration paid by the Company to its Directors and Executives with Strategic Responsibilities in the year prior to that in which this Compensation Report was prepared and published. Accordingly, the details of the remuneration paid by Aeffe to its Directors and Executives with Strategic Responsibilities in 2012, as described in this Section of the Compensation Report, may not be fully consistent with the Compensation Policy described in Section I above. This Policy was approved by the board of directors, acting on a proposal from the compensation committee, on 8th March 2012 and modified on 12th March 2013, ahead of presentation to the shareholders' meeting called for 18th April 2013.

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Given that Aeffe is defined as a "smaller company" pursuant to art. 3.1.f) of the Regulations (since the total assets and revenues reported in the consolidated financial statements as of 31st December 2012 do not exceed 500 million euro), the information provided about the remuneration of Executives with Strategic Responsibilities is provided in tables on an aggregated basis, specifying the number of persons concerned. This approach is allowed for smaller companies pursuant to Format 7-bis of Attachment 3A to the Issuers' Regulations.

A.1 BOARD OF DIRECTORS

A.1.1 Directors with specific responsibilities

Chairman with executive powers

Massimo Ferretti, Chairman of Aeffe S.p.A. with executive powers, receives gross annual emoluments for this appointment of 605,000 euro from Aeffe S.p.A., plus total remuneration as a director of subsidiary companies of 256,000 euro.

The Company did not include Massimo Ferretti in any incentive schemes during 2012. In particular, Massimo Ferretti owns 50% of the quota capital of Fratelli Ferretti Holding S.r.l. and IM Fashion S.r.l., the principal shareholders of Aeffe S.p.A.

Given this and considering the principle of substance over form, the Board of Directors considered the motivation and loyalty requirements relating to Massimo Ferretti to be appropriately satisfied, even without applying one or more of the loyalty and incentive tools deemed applicable to other managers.

No special treatment is envisaged on termination of his mandate.

Deputy Chairman with executive powers

Alberta Ferretti, Deputy Chairman of Aeffe S.p.A. with executive powers, receives gross annual emoluments for this appointment of 455,000 euro from Aeffe S.p.A., plus total remuneration as a director of subsidiary companies of 110,000 euro.

The Company did not include Alberta Ferretti in any incentive schemes during 2012. In particular, Alberta Ferretti owns 50% of the quota capital of Fratelli Ferretti Holding S.r.l. and IM Fashion S.r.l., the principal shareholders of Aeffe S.p.A.

Given this and considering the principle of substance over form, the Board of Directors considered the motivation and loyalty requirements relating to Alberta Ferretti to be appropriately satisfied, even without applying one or more of the loyalty and incentive tools deemed applicable to other managers.

Aeffe has also signed a styling consultancy contract with Alberta Ferretti; in this regard, in addition to her emoluments as a director of Aeffe S.p.A., Aeffe pays Alberta Ferretti a total annual amount of 300,000 euro.

No special treatment is envisaged on termination of her mandate.

Chief Executive Officer

Simone Badioli, Chief Executive Officer of Aeffe S.p.A., receives gross annual emoluments for this appointment of 254,000 euro from Aeffe S.p.A., plus total remuneration as a director of subsidiary companies of 119,000 euro.

Simone Badioli also receives annual incentive remuneration, linked to the achievement of objectives, in addition to his basic remuneration as the Chief Executive Officer of the Company. In particular, Simone Badioli receives 4% of the increase over the year in the absolute value of the normalized Ebitda (considering the costs and revenues relating to core operations, even if not recorded in the approved financial statements, and excluding any extraordinary or non-recurring costs and revenues, even if recorded in the approved financial statements) reported in the Consolidated Financial Statements of the Aeffe Group, up to a maximum gross bonus of 250,000 euro. The Ebitda calculation takes account of all costs relating to the above MBO bonus and all costs relating to the MBO bonuses of other employees and directors. The bonus paid during the first month following approval of the Consolidated Financial Statements of the Aeffe Group. In the event of his termination as Director during the second semester, prior to year end, a proportional bonus would be paid based on the months of actual service. This payment would also be made in the first month following approval of the consolidated financial statements.

No special treatment is envisaged on termination of his mandate.

General Manager

Marcello Tassinari, General Manager of Aeffe S.p.A., receives annual remuneration of Euro 303,000 and gross annual emoluments for his directorship position of 30,000 euro. He also receives total remuneration as a director of subsidiary companies of 87,000 euro.

Marcello Tassinari also receives annual incentive remuneration, linked to the achievement of objectives, in addition to his basic remuneration as the General Manager of the Company. In particular, Marcello Tassinari receives 4% of the increase over the year in the absolute value of the normalized Ebitda (considering the costs and revenues relating to core operations, even if not recorded in the approved financial statements, and excluding any extraordinary or non-recurring costs and revenues, even if recorded in the approved financial statements) reported in the Consolidated Financial Statements of the Aeffe group, up to a maximum gross bonus of 250,000 euro. The Ebitda calculation takes account of all costs relating to the above MBO bonus and all costs relating to the MBO bonuses of other employees and directors. The bonus paid during the first month following approval of the Consolidated Financial Statements of the Aeffe Group. In the event of his termination as Director during the second semester, prior to year end, a proportional bonus would be paid based on the months of actual service. This payment would also be made in the first month following approval of the consolidated financial statements.

No special treatment is envisaged on termination of his mandate.

A.1.2 Non-executive directors

The non-executive directors of Aeffe S.p.A. receive the following gross annual emoluments for their appointments:

- Marco Salomoni: Euro 30,000;
- Roberto Lugano: Euro 30,000, plus Euro 3,000 as a member of the Supervisory Body;
- Pierfrancesco Giustiniani: Euro 30,000.

No special treatment is envisaged on termination of his mandate.

A.2 EXECUTIVES WITH STRATEGIC RESPONSIBILITIES

Marcello Tassinari – General Manager of Aeffe S.p.A.

See the information provided in paragraph A.1.1. above.

Part A

The following section presents the 2012 remuneration paid, in whatever form and for whatever reason, to the Directors, the General Manager and the Executives with Strategic Responsibilities by Aeffe and its subsidiaries and associates.

(A)	(B)	(C)	(D)	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)
Name and Surname	**Position**	**Period in office**	**Expiry of mandate**	**Fixed remuneration**	**Remuneration for committee work**	**Non-equity variable remuneration**		**Non-cash benefits**	**Other remuneration**	**Total**	**Fair value of equity remuneration**	**Termination or leaving indemnity**
						Bonus and other incentives	**Profit participation**					
Massimo Ferretti	Chairman	01/01-31/12/2011	2014*	605,000	n.a.	n.a.	n.a.	n.a.	n.a.		n.a.	n.a.
(I) Remuneration from the company preparing the financial statements				605,000						605,000		
(II) Remuneration from subsidiaries and associates				256,000						256,000		
(III) Total				861,000						861,000		

*year in which his mandate expires at the shareholders' meeting held to approve the financial statements

(A)	(B)	(C)	(D)	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)
Name and Surname	**Position**	**Period in office**	**Expiry of mandate**	**Fixed remuneration**	**Remuneration for committee work**	**Non-equity variable remuneration**		**Non-cash benefits**	**Other remuneration**	**Total**	**Fair value of equity remuneration**	**Termination or leaving indemnity**
						Bonus and other incentives	**Profit participation**					
Alberta Ferretti	Deputy Chairman	01/01-31/12/2011	2014 *	455,000	n.a.	n.a.	n.a.	n.a.	300,000 [1]		n.a.	n.a.
(I) Remuneration from the company preparing the financial statements				755,000						755,000		
(II) Remuneration from subsidiaries and associates				110,000						110,000		
(III) Total				865,000						865,000		

*year in which her mandate expires at the shareholders' meeting held to approve the financial statements

[1] This remuneration relates to the styling consultancy contract arranged with the Company

(A)	(B)	(C)	(D)	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)
Name and Surname	**Position**	**Period in office**	**Expiry of mandate**	**Fixed remuneration**	**Remuneration for committee work**	**Non-equity variable remuneration**		**Non-cash benefits**	**Other remuneration**	**Total**	**Fair value of equity remuneration**	**Termination or leaving indemnity**
						Bonus and other incentives	**Profit participation**					
Simone Badioli	Chief Executive Officer	01/01-31/12/2011	2014*	254,000	n.a.	n.a.	n.a.	n.a.	n.a.		n.a.	n.a.
(I) Remuneration from the company preparing the financial statements				254,000						254,000		
(II) Remuneration from subsidiaries and associates				119,000						119,000		
(III) Total				373,000						373,000		

*year in which his mandate expires at the shareholders' meeting held to approve the financial statements

(A)	(B)	(C)	(D)	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)
Name and Surname	**Position**	**Period in office**	**Expiry of mandate**	**Fixed remuneration**	**Remuneration for committee work**	**Non-equity variable remuneration**		**Non-cash benefits**	**Other remuneration**	**Total**	**Fair value of equity remuneration**	**Termination or leaving indemnity**
						Bonus and other incentives	**Profit participation**					
Marcello Tassinari	Executive Director	01/01-31/12/2011	2014 *	30,000	n.a.	125,000	n.a.	n.a.	n.a.	155,000	n.a.	n.a.
(I) Remuneration from the company preparing the financial statements				30,000		125,000				155,000		
(II) Remuneration from subsidiaries and associates				87,000						87,000		
(III) Total				117,000		125,000				242,000		

*year in which his mandate expires at the shareholders' meeting held to approve the financial statements

(A)	(B)	(C)	(D)	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)
Name and Surname	**Position**	**Period in office**	**Expiry of mandate**	**Fixed remuneration**	**Remuneration for committee work**	**Non-equity variable remuneration**		**Non-cash benefits**	**Other remuneration**	**Total**	**Fair value of equity remuneration**	**Termination or leaving indemnity**
						Bonus and other incentives	**Profit participation**					
Marcello Tassinari	General Manager	01/01-31/12/2011		303,000	n.a.	n.a.	n.a.	n.a.	n.a.		n.a.	n.a.
(I) Remuneration from the company preparing the financial statements				303,000						303,000		
(II) Remuneration from subsidiaries and associates												
(III) Total				303,000						303,000		

(A)	(B)	(C)	(D)	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)
Name and Surname	**Position**	**Period in office**	**Expiry of mandate**	**Fixed remuneration**	**Remuneration for committee work**	**Non-equity variable remuneration**		**Non-cash benefits**	**Other remuneration**	**Total**	**Fair value of equity remuneration**	**Termination or leaving indemnity**
						Bonus and other incentives	**Profit participation**					
Marco Salomoni	Non-Executive Director	21/04-31/12/2011	2014 *	30,000	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
(I) Remuneration from the company preparing the financial statements				30,000						30,000		
(II) Remuneration from subsidiaries and associates												
(III) Total				30,000						30,000		

*year in which his mandate expires at the shareholders' meeting held to approve the financial statements

(A)	(B)	(C)	(D)	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)
Name and Surname	**Position**	**Period in office**	**Expiry of mandate**	**Fixed remuneration**	**Remuneration for committee work**	**Non-equity variable remuneration**		**Non-cash benefits**	**Other remuneration**	**Total**	**Fair value of equity remuneration**	**Termination or leaving indemnity**
						Bonus and other incentives	**Profit participation**					
Roberto Lugano	Non-Executive Director	01/01-31/12/2011	2014 *	27,000	3,000	n.a.	n.a.	n.a.	n.a.		n.a.	n.a.
(I) Remuneration from the company preparing the financial statements				27,000	3,000					30,000		
(II) Remuneration from subsidiaries and associates												
(III) Total				27,000	3,000					30,000		

*year in which his mandate expires at the shareholders' meeting held to approve the financial statements

(A)	(B)	(C)	(D)	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)
Name and Surname	**Position**	**Period in office**	**Expiry of mandate**	**Fixed remuneration**	**Remuneration for committee work**	**Non-equity variable remuneration**		**Non-cash benefits**	**Other remuneration**	**Total**	**Fair value of equity remuneration**	**Termination or leaving indemnity**
						Bonus and other incentives	**Profit participation**					
Pierfrancesco Giustiniani	Non-Executive Director	01/01 - 31/12 /2011	2014 *	30,000	n.a.	n.a.	n.a.	n.a.	n.a.		n.a.	n.a.
(I) Remuneration from the company preparing the financial statements				30,000						30,000		
(II) Remuneration from subsidiaries and associates												
(III) Total				30,000						30,000		

*year in which his mandate expires at the shareholders' meeting held to approve the financial statements

Stock options granted to the Directors, the General Manager and the Executives with Strategic Responsibilities

			Options held at the start of the year			Options granted during the year						Options exercised during the year			Options that expired during the year	Options held at the end of the year	Options relating to the year
A	B	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)=(2)+(5)+(11)+(14)	(16)
Name and Surname	**Position**	**Plan**	**Number of options**	**Exercise price**	**Exercise period (from - to)**	**Number of options**	**Exercise price**	**Available exercise period (from-to)**	**Fair value at grant date**	**Grant date**	**Market price of underlying shares at grant date**	**Number of options**	**Exercise price**	**Market price of underlying shares at exercise date**	**Number of options**	**Number of options**	***Fair value***
Massimo Ferretti	Chairman	2008-2010	198,244	4.1	2008-2015											198,244	
Alberta Ferretti	Deputy Chairman	2008-2010	198,244	4.1	2008-2015											198,244	
Marcello Tassinari	Executive Director	2008-2010	188,804	4.1	2008-2015											188,804	

Simone Badioli	Chief Executive Officer	2008-2010	188,804	4.1	2008-2015										188,804	

3. Incentive plans for Directors, the General Manager and the Executives with Strategic Responsibilities

3A: Incentive plans based on financial instruments, other than stock options, for Directors, the General Manager and the Executives with Strategic Responsibilities

No incentive plans based on financial instruments other than stock options (e.g. restricted stock, performance shares, phantom stock etc.) are envisaged for members of the board of directors or executives with strategic responsibilities.

3.B Cash-based incentive plans for Directors, the General Manager and the Executives with Strategic Responsibilities

With regard to the incentivizing remuneration plans described in part A of this section, during 2012 Marcello Tassinari, the General Manager, received a bonus of 125,000 euro upon achievement of the objectives required to earn entitlement.

Equity interests

The following tables, prepared in compliance with Attachment 3B, Format 7-ter of the Issuers' Regulations, show the equity interests of the Directors and Executives with Strategic Responsibilities in the Company and its subsidiaries.

TABLE A: Directors and General Manager

Name and Surname	Position	Company held	Shares held at the end of the prior year	No. shares purchased	No. shares sold	Shares held at the end of the current year
Massimo Ferretti	Chairman with executive powers	Aeffe S.p.A.	63,000	-	-	63,000
Alberta Ferretti	Deputy Chairman with executive powers	Aeffe S.p.A.	40,000	-	-	40,000
Simone Badioli	Chief Executive Officer -	Aeffe S.p.A.	26,565	-	-	26,565
Marcello Tassinari	General Manager	-	-	-	-	-
Roberto Lugano	Independent director - Chairman of the audit committee and member of the compensation committee	-	-	-	-	-
Marco Salomoni	Lead independent director - Member of the audit committee and the Chairman of the compensation committee	-	-	-	-	-
Pierfrancesco Giustiniani	Independent director - Member of the audit committee and the compensation committee	-	-	-	-	

TABLE B: Executives with Strategic Responsibilities

Name and Surname	Position	Company held	Shares held at the end of the prior year	No. shares purchased	No. shares sold	Shares held at the end of the current year
Marcello Tassinari	General Manager	-	-	-	-	-