

Nine Months 07 Results Presentation

12, November 2007



9M 2007 Key Facts

- **Consolidated Revenues** +10.7% at € 234.0m (+14% at constant exchange rates)
- **Consolidated EBITDA** +38.1% at € 39.2m (margin of 16.8%) (+39.8% at constant exchange rates), +31% at € 37.2m net of non recurring items (margin of 15.9%) (+32.2% at constant exchange rates)
- **Consolidated Net Income** +72.6% at € 12.2 m
- **Consolidated Net Financial Debt** of € 48.7m (€115.3m as of 31 December 2006)
- **168 Mono Brand Stores** (149 in FY 2006)
- **Orders Backlog** Spring / Summer 2008 +10%



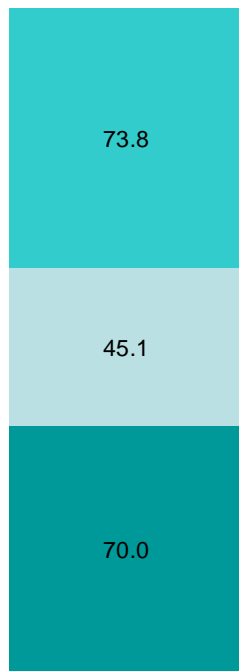
Net Sales Breakdown by Division

9M 2007

9M 2006

(€m)

188.9



Prêt à porter⁽¹⁾

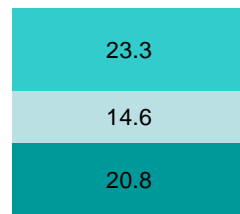
9M 07
% Growth

9.3%

% on Total
Sales⁽¹⁾

76.3%

58.7



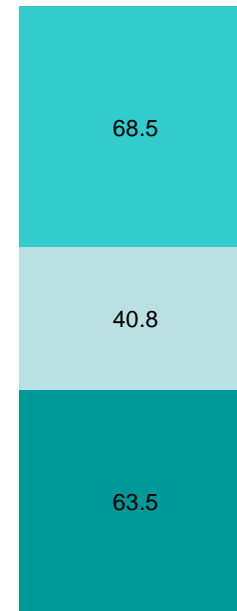
Footwear & Leather Goods⁽¹⁾

19.2%

23.7%

(€m)

172.8



Prêt à porter⁽¹⁾

77.8%

49.2



Footwear & Leather Goods⁽¹⁾

22.2%

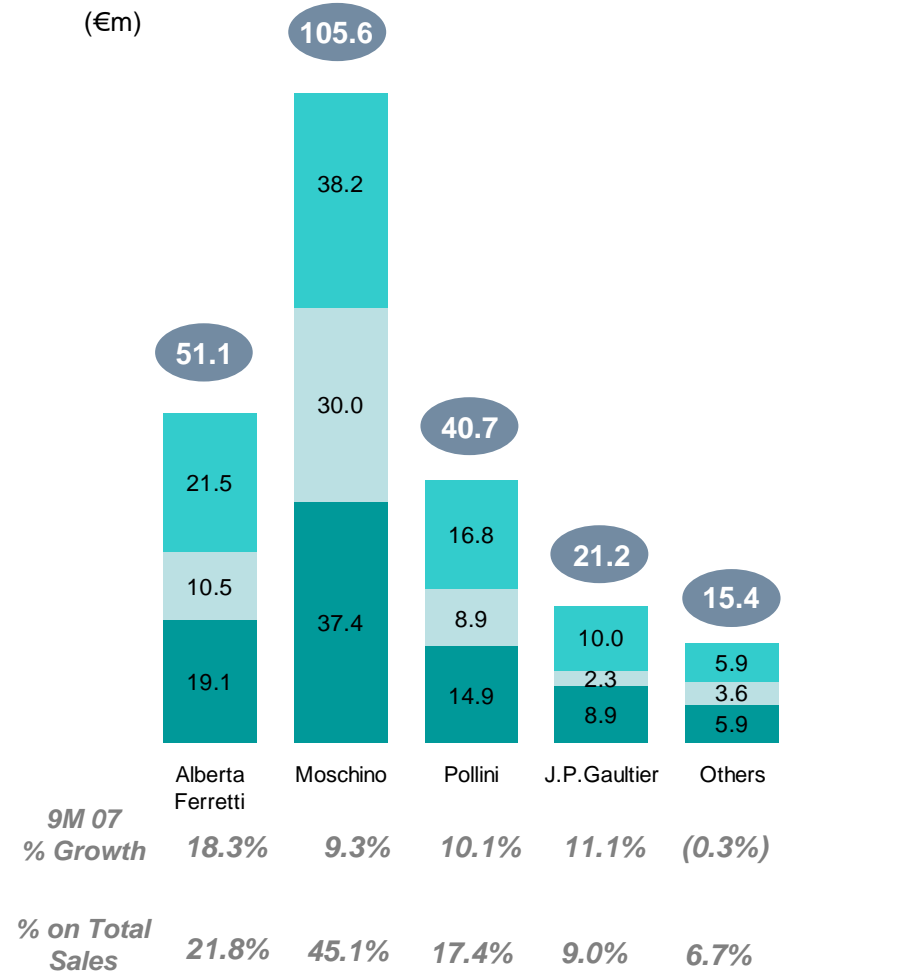
1Q 2Q 3Q

AEFFE

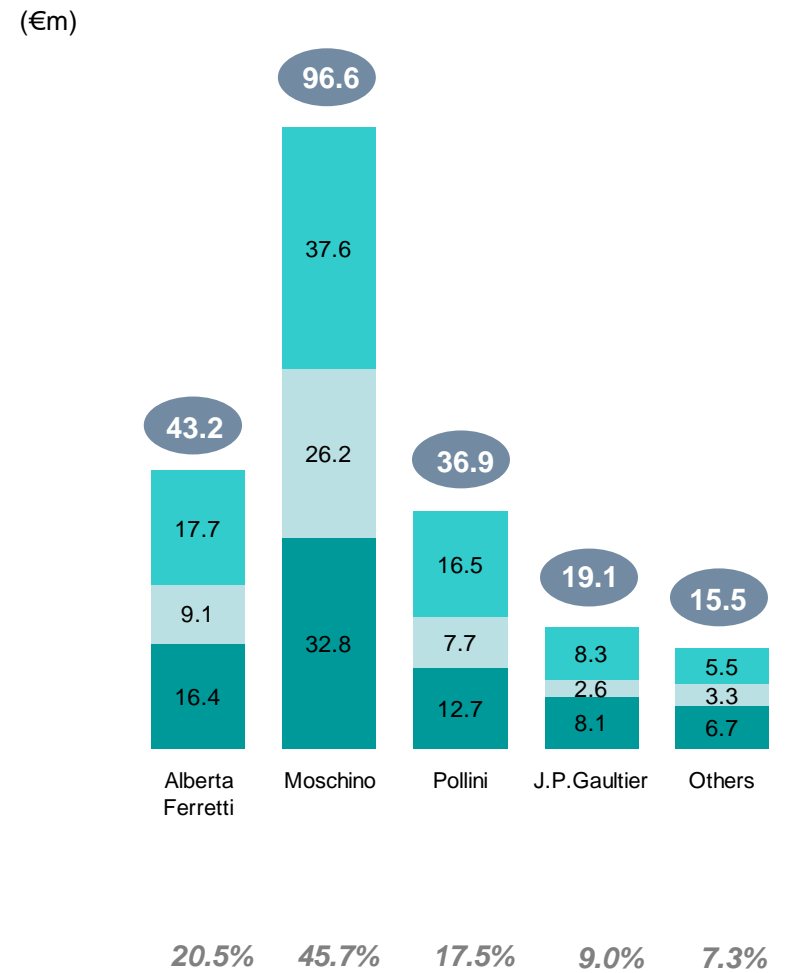
(1) Before inter-divisional eliminations

Net Sales Breakdown by Brand

9M 2007



9M 2006



1Q 2Q 3Q



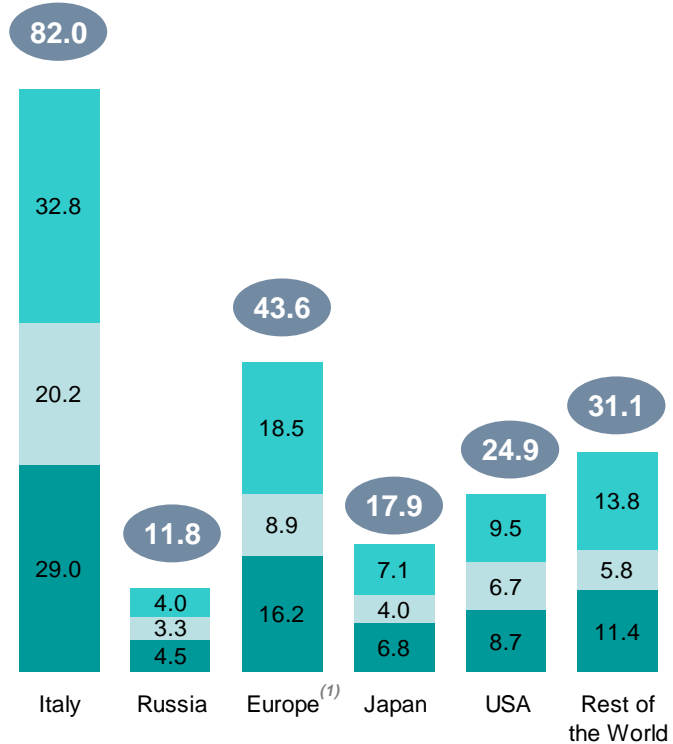
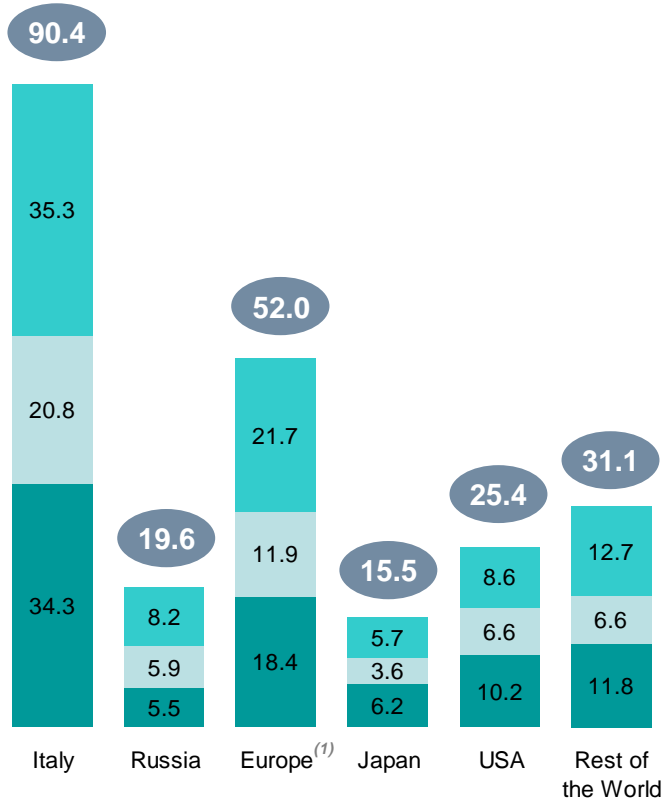
Net Sales Breakdown by Region

9M 2007

9M 2006

(€m)

(€m)



9M 07 % Growth

Italy	10.2%	66.5%	19.3%	(13.4%)	1.9%	0.1%
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% on Total Sales

Italy	38.6%	8.4%	22.2%	6.6%	10.8%	13.4%
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38.8% 5.6% 20.6% 8.5% 11.8% 14.7%

(1) Italy and Russia excluded

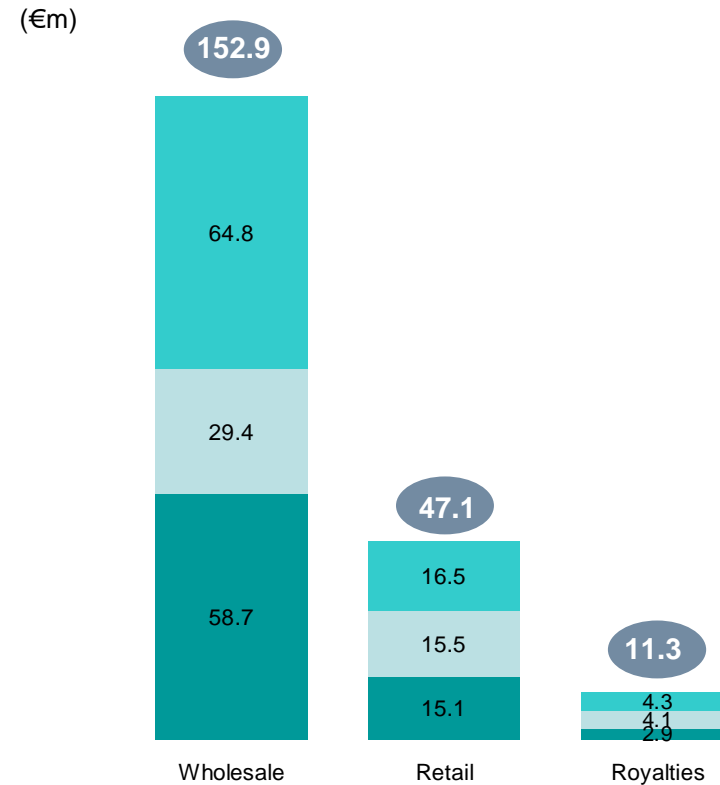
1Q 2Q 3Q



Net Sales Breakdown by Channel

9M 2007

9M 2006



9M 07
% Growth

11%

9.5%

12.2%

% on Total
Sales

72.6%

22%

5.4%

72.4%

22.3%

5.3%

1Q 2Q 3Q

AEPFE

Mono-brand Stores Network

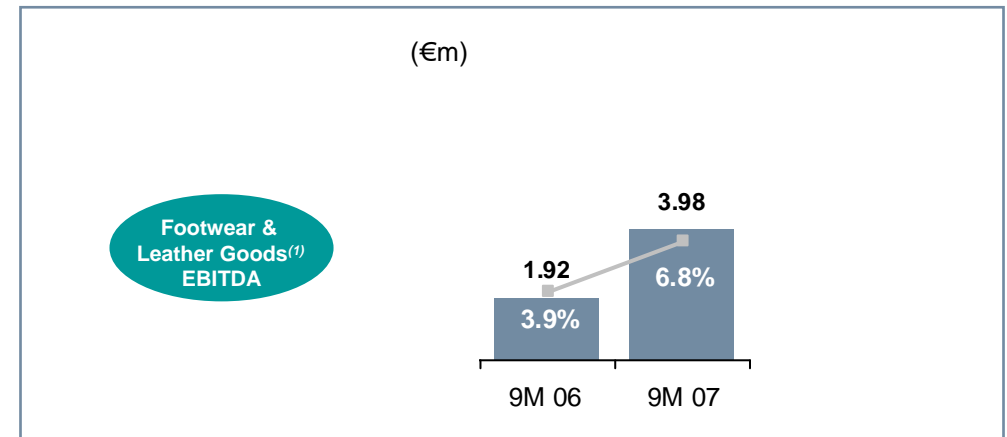
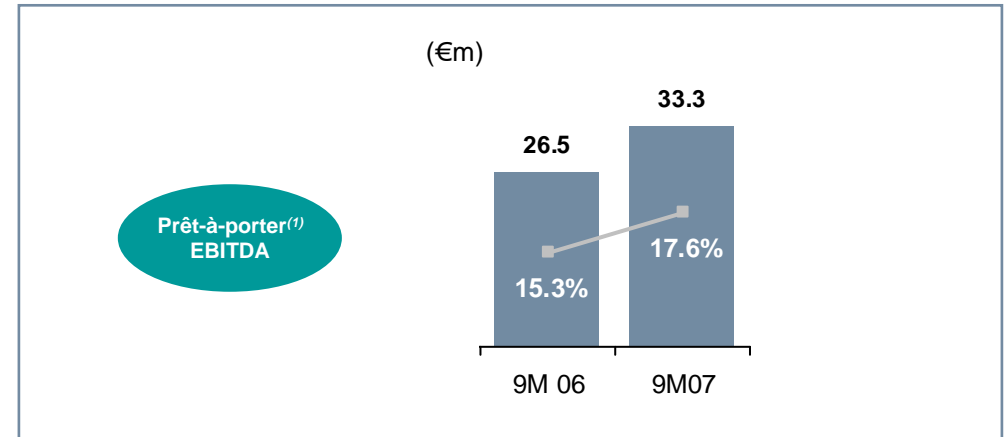
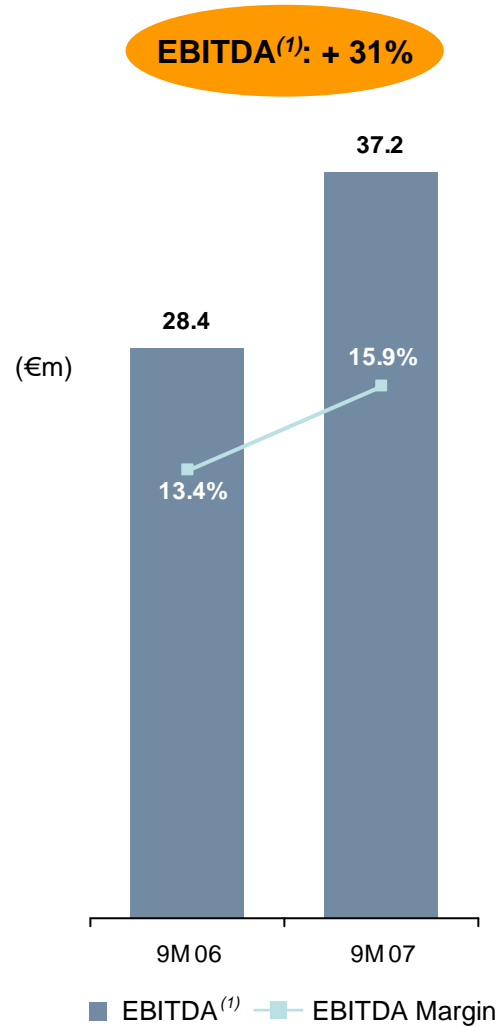
DOS

	9M 07	1H 07	FY06
Europe	36	36	36
USA	1	1	1
Asia	38	38	38
Total	75	75	75

Franchising

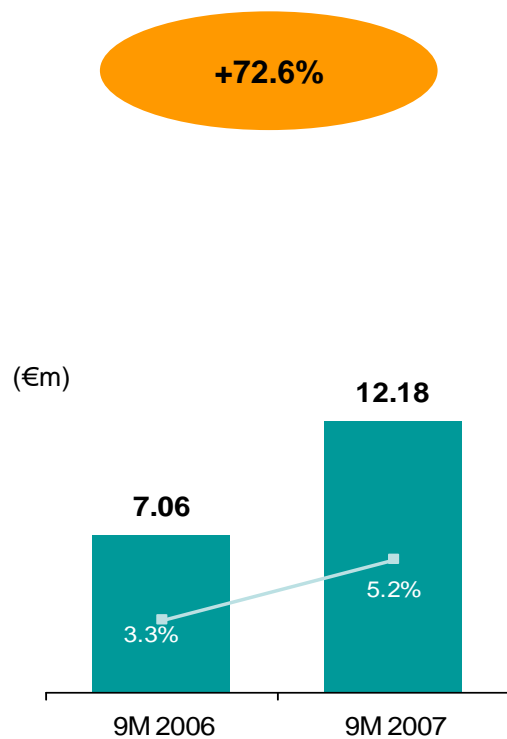
	9M 07	1H 07	FY06
Europe	40	37	33
USA	5	5	4
Asia	48	44	37
Total	93	86	74

Profitability Analysis



(1) Net of non recurring items

Group Net Income and Income Taxes



■ Net Income
— Net income Margin

(€m)	9M Ending September 30,	
	2006A	2007A
PBT	15.6	25.4
Current Taxes	6.8	10.6
Deferred Taxes	1.1	0.9
Total Taxes	7.9	11.5
<i>Effective Tax Rate</i>	50.8%	45.2%



Summary Balance Sheet

	IAS-IFRS		
	9M07	FY2006	9M06
Net Working Capital	63.2	44.0	57.6
Net Tangible Assets	70.6	69.9	65.3
Net Intangible Assets	172.4	175.1	176.1
Net Financial Assets	2.8	3.0	3.3
Severance Staff, Provisions & Others	(70.6)	(74.2)	(70.6)
Net Capital Employed	238.4	217.8	231.7
Group Shareholders' Equity	161.4	76.0	76.9
Minorities	28.2	26.5	26.6
Shareholders' Equity & Minorities	189.6	102.5	103.5
Net Debt	48.8	115.3	128.2
Net Financial Debt and Shareholders' Equity	238.4	217.8	231.7
Accounts Receivables	56.6	33.4	54.8
Accounts Payable	(59.4)	(57.5)	(51.7)
Inventory	59.2	57.7	49.7
Other Current Assets/Liabilities	6.8	10.5	4.8
NWC	63.2	44.0	57.6
<i>As % of LTM sales</i>	<i>21.8%</i>	<i>16.5%</i>	<i>21.6%</i>

Summary Cash Flow

	IAS-IFRS		
	9M 2007	FY2006	9M 2006
PBT	25.4	19.3	15.6
Operating Cash Flow	7.0	33.0	11.1
Capital Expenditure	(5.7)	(3.9)	(2.4)
Free Cash Flow	1.3	29.1	8.7
Cash Flows from Financing Activities	0.8	(20.8)	(0.6)
<hr/>			
Cash and cash equivalents at the beginning of the year	15.3	7.0	7.0
Cash Flow of the Period	2.2	8.3	8.1
Cash and cash equivalents at the end of the year	17.5	15.3	15.1

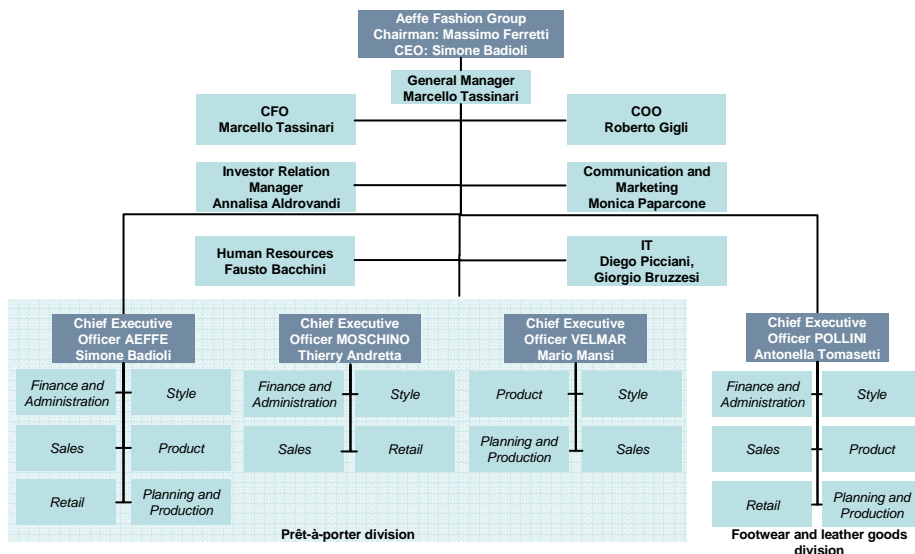


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Appendices

Company Profile

Organisational Structure



Share Information

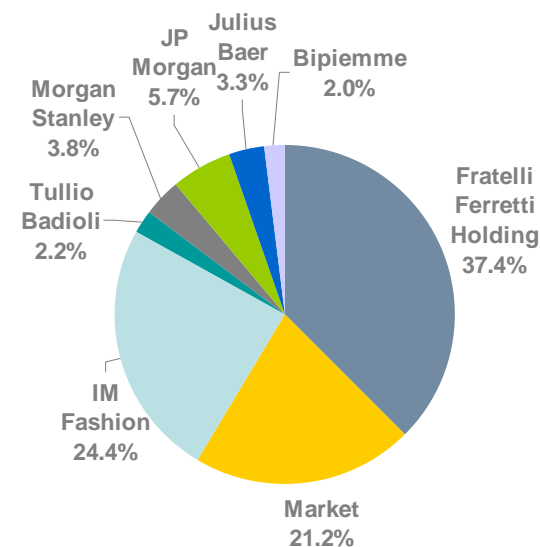
N° of shares outstanding: 107,362,504

Italian Stock Exchange – STAR Segment

Specialist: Mediobanca S.p.A.

Tickers: AEF IM (Bloomberg) AEF MI (Reuters), AEF (Borsa Italiana)

Ownership Structure ⁽¹⁾



Investor relations

Investor Relations
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(1) Source: Consob as of 12 November 2007

Income Statement – 9 Months 2006/2007

IAS-IFRS

	3Q 2007	9M 2007	3Q 2006	9M 2006
Net Sales	92.4	234	85.7	211.3
<i>% growth</i>	7.8%	10.7%		
Other Revenues	0.3	2.5	0.9	2.8
Non-Recurring Revenues	0.0	2.0	0.0	0.0
Total Revenues	92.7	238.5	86.6	214.1
<i>% growth</i>	7.1%	11.4%		
Raw Materials Costs	29.5	67.1	30.6	61.2
Service Costs	22.7	61.9	18.8	55.6
Advertising	3.8	11.7	4.4	12.0
Rental Costs	4.8	13.4	4.7	12.8
Personnel	14.9	43.0	14.4	41.9
Other Operating Expenses	0.7	2.2	0.4	2.2
Total Operating Expenses	(76.4)	(199.3)	(73.3)	(185.7)
EBITDA⁽¹⁾	16.3	39.2	13.3	28.4
<i>Margin (% of Net sales)</i>	17.7%	16.8%	15.5%	13.4%
EBITDA Adjusted⁽²⁾	16.3	37.2	13.3	28.4
<i>Margin (% of Net sales)</i>	17.7%	15.9%	15.5%	13.4%
Depreciation and Amortisation	(2.7)	(7.8)	(2.6)	(8.0)
EBIT	13.6	31.4	10.7	20.4
<i>Margin (% of Net sales)</i>	14.8%	13.4%	12.5%	9.7%
Net Financial Income / (Expenses)	(1.7)	(6.0)	(1.6)	(4.7)
PBT	11.9	25.4	9.0	15.6
<i>Margin (% of Net sales)</i>	12.9%	10.8%	10.6%	7.4%
Taxes	(4.7)	(11.5)	(4.0)	(7.9)
Net income before Minorities	7.3	13.9	5.0	7.7
<i>Margin (% of Net sales)</i>	7.8%	5.9%	5.8%	3.6%
Minority Interests	(0.9)	(1.7)	(0.6)	(0.6)
Net Income for the Group	6.3	12.2	4.4	7.1
<i>Margin (% of Net sales)</i>	6.8%	5.2%	5.1%	3.3%

(1) Gross of non recurring items

(2) Net of non recurring items

Cash Flow Statement – 9 Months 2006/2007

	IAS-IFRS		
	9M 2007	FY2006	9M 2006
PBT	25.4	19.3	15.6
Depreciation, Amortisation and Provisions	5.4	10.8	8.1
Taxes	(5.7)	(4.9)	(1.7)
Net Interest	6.0	7.0	4.7
Change in other liabilities / (assets)	(24.2)	0.6	(15.7)
Operating Cash Flow	7.0	33.0	11.1
Capital Expenditure	(5.7)	(3.9)	(2.4)
Free Cash Flow	1.3	29.1	8.7
Equity Issue	71.1	(6.0)	(0.5)
Change in short term debt	(64.4)	(9.3)	3.4
Change in long term debt	0.1	1.5	1.2
Net Interest	(6.0)	(7.0)	(4.7)
Cash Flows from Financing Activities	0.8	(20.8)	(0.6)
Cash and cash equivalents at the beginning of the year	15.3	7.0	7.0
Cash Flow of the Period	2.2	8.3	8.1
Cash and cash equivalents at the end of the year	17.5	15.3	15.1

Revenues Breakdown

(€m)	FY Ending December 31,			CAGR 2004/06A	Growth 2005/06A
	2004A ⁽¹⁾	2005A	2006A		
By Region					
Italy	86.2	90.4	104.1	9.9%	15.2%
Europe (excluding Italy)	49.7	51.8	60.1	10.0%	16.1%
USA	35.2	33.8	33.0	(3.2%)	(2.3%)
Russia	n.a.	n.a.	13.1	n.a.	n.a.
RoW	64.0 ⁽²⁾	66.0 ⁽²⁾	55.8	n.m.	n.m.
Total	235.1	241.9	266.1	6.4%	10.0%
By Brand					
Alberta Ferretti	42.1	46.2	52.8	12.0%	14.3%
Moschino	116.0	117.4	125.5	4.0%	7.0%
Pollini	37.2	42.5	47.9	13.5%	12.8%
Jean Paul Gaultier	18.4	17.2	21.5	8.1%	24.9%
Tactical Brands	21.4	18.7	18.4	(7.3%)	(1.6%)
Total	235.1	241.9	266.1	6.4%	10.0%
By Division					
Prêt-à-Porter	196.4	198.7	214.3	4.4%	7.8%
Footwear & Leather Goods	52.4	56.4	65.5	11.7%	16.1%
Eliminations	(13.8)	(13.2)	(13.6)		
Total	235.1	241.9	266.1	6.4%	10.0%

(1) According to Italian GAAP

(2) Including Russia in 2004 and 2005

Income Statement Full Year 2004-2006

	ITA GAAP		IAS-IFRS	
	2004A	2005A	2006A	
(€m)	FY Ending December 31,			
Net Sales	235.1	241.9	266.1	
% growth		2.9%	10.0%	
Other Revenues	5.2	2.6	4.7	
Non-Recurring Revenues	25.7	5.4	4.2	
Total Revenues	266.0	249.9	275.1	
% growth		(6.1%)	10.1%	
Non-Recurring Costs	(10.7)	(0.4)	0.0	
Raw Materials Costs	71.1	68.0	74.2	
Service Costs	65.8	63.9	72.3	
Advertising	14.8	14.7	15.5	
Rental Costs	15.0	15.4	16.4	
Personnel	52.0	54.1	56.3	
Other Operating Expenses	4.5	4.2	3.1	
Total Operating Expenses	(223.2)	(220.1)	(238.0)	
EBITDA⁽¹⁾	32.2	29.4	37.1	
Margin (% of Net sales)	13.7%	12.2%	13.9%	
EBITDA Adjusted⁽²⁾	17.1	24.5	32.9	
Margin (% of Net sales)	7.3%	10.1%	12.4%	
Depreciation and Amortisation	(15.6)	(11.1)	(10.7)	
EBIT (Reported)	16.5	18.3	26.4	
Margin (% of Net sales)	7.0%	7.6%	10.0%	
Net Financial Income / (Expenses)	(5.2)	(4.7)	(7.1)	
PBT	11.4	13.6	19.3	
Margin (% of Net sales)	4.8%	5.6%	7.2%	
Taxes	(5.8)	(7.0)	(10.8)	
Net income/(loss) before Minorities	5.6	6.6	8.5	
Margin (% of Net sales)	2.4%	2.7%	3.2%	
Minority Interests	(0.9)	(1.1)	(0.6)	
Net Income/(loss) to the Group	4.6	5.5	8.0	
Margin (% of Net sales)	2.0%	2.3%	3.0%	

▪ Includes currency gains, sale of raw materials and rents received

▪ In 2006, sale of Narciso Rodriguez store in Milan
 ▪ In 2005, release of provision from Pollini S.p.A. and Pollini Retail

▪ In 2004, €11m related to the settlement with a licensor for fragrances distribution and €15m gain from change in consolidation perimeter

▪ EBITDA net of non recurring income and costs

(1) Gross of non recurring items

(2) Net of non recurring items

Balance Sheet Full Year 2004-2006

(€m)	ITA GAAP		IAS-IFRS	
	As of December 31,			
	2004A	2005A	2006A	
Net Working Capital	45.4	46.8	44.0	
Net Tangible Assets	47.3	68.0	69.9	
Net Intangible Assets	143.1	178.8	175.1	
Net Financial Assets	5.2	4.6	3.0	
Severance Staff, Provisions & Others	(29.1)	(69.0)	(74.2)	
Net Capital Employed	211.9	229.2	217.8	
Group Shareholders' Equity	52.2	70.4	76.0	
Minorities	11.2	25.9	26.5	
Shareholders' Equity & Minorities	63.4	96.3	102.5	
Net Debt	148.5	132.9	115.3	
Net Financial Debt and Shareholders' Equity	211.9	229.2	217.8	
Key Ratios				
Net Debt / EBITDA ⁽¹⁾	4.6x	4.5x	3.1x	
Net Debt / Net Capitalisation ⁽²⁾	70.1%	58.0%	52.9%	
NWC as % of Net Sales	19.3%	19.4%	16.5%	

▪ In 2006, efficient Net Working Capital Management: 16.5% of net sales (vs. 19.3% in 2004)

▪ Reduced by €11.4m in 2006

▪ Reduced by €17.6m in 2006 thanks to cash flow generation

(1) Gross of non recurring items
 (2) Defined as Shareholders' Equity + Net Debt + Minorities

Cash Flow Statement Full Year 2005/2006

(€m)	IAS-IFRS	
	FY Ending December 31,	
	2005A	2006A
PBT	13.6	19.3
Depreciation & Amortisation	10.7	10.2
Provisions & Impairments	(4.0)	0.7
Taxes	(5.1)	(4.9)
Net Interest	4.6	7.0
Change in other liabilities / (assets)	(3.4)	0.6
Operating Cash Flow	16.4	33.0
Capital expenditure for intangible assets	6.1	(0.0)
Capital expenditure for tangible assets	(2.2)	(4.0)
(Increase) / decrease in investments in other fixed assets	0.2	0.2
Cash Flows from Investing Activities	4.0	(3.9)
Free Cash Flow	20.4	29.1
Equity Issue	0.0	(6.0)
Change in short term debt	(19.7)	(9.3)
Change in long term debt	(0.1)	1.5
Net Interest	(4.6)	(7.0)
Cash Flows from Financing Activities	(24.3)	(20.8)
Cash and cash equivalents at the beginning of the year	10.9	7.0
Cash Flow of the Period	(3.9)	8.3
Cash and cash equivalents at the end of the year	7.0	15.3

▪ Limited capex requirements (mainly maintenance)

▪ Strong Free Cash Flow generation