



## **PRESS RELEASE**

### **Aeffe: Improvement In Operating Profitability In The First Nine Months of 2012 Compared To The First Nine Months of 2011: Ebitda +7.4%; Revenues At €198.7M (+0.7%)**

**San Giovanni in Marignano, 9 November 2012**, The Board of Directors of Aeffe SpA has today approved the consolidated results for the First Nine months of 2012. 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, JP Gaultier and Emanuel Ungaro.

- **Consolidated revenues of €198.7m, compared to €197.4m in 9M 2011 (+0.7% at current exchange rates)**
- **Ebitda of €20.5m (10.3% of consolidated sales), +7.4% compared to an Ebitda of €19.1m in 9M 2011 (9.7% of sales), with a €1.4m increase**
- **Net loss for the Group of €0.3m, compared to a net profit of €0.1m in 9M 2011**
- **Net financial debt of €95.6m, compared to €107.6m as of September 30, 2011 (€98.1m as of December 31, 2011)**

#### **Consolidated Revenues**

In the first nine months of 2012, Aeffe's consolidated revenues amounted to €198.7m compared to €197.4m in 9M 2011, with a 0.7% increase at current exchange rates (-1% at constant exchange rates).

Revenues of the prêt-à-porter division amounted to €156.3m, down by 1% at current exchange rates and by 3.1% at constant exchange rates compared to 9M 2011, while revenues of the footwear and leather goods division increased by 7.9% to €54.7m, before interdivisional eliminations.

Massimo Ferretti, Executive Chairman of Aeffe Spa, has commented: *"The results achieved by our Group in the first nine months 2012 show a good recovery in operating profitability, which increased more than proportionally compared to revenues. Despite the difficult economic situation, the Group remains strongly focused on growth and efficiency, both through investments aiming at strengthening the presence in high-potential markets such as Asia, and through new stylistic projects. To this end, I am very satisfied by the recent strategic partnership with Aimz for the development of the Maison Emanuel Ungaro, making manifest our objective to expand the creative and productive platform of the Group"*.

## Revenues Breakdown by Region

<i>(In thousands of Euro)</i>	<b>9M 12 Reported</b>	<b>9M 11 Reported</b>	<b>% Change</b>	<b>% Change*</b>
Italy	78,973	84,120	(6.1%)	(6.1%)
Europe (Italy and Russia excluded)	41,665	41,844	(0.4%)	(1.0%)
Russia	16,812	14,309	17.5%	17.5%
United States	14,764	13,829	6.8%	(1.2%)
Japan	18,417	17,050	8.0%	(2.4%)
Rest of the World	28,133	26,295	7.0%	6.1%
<b>Total</b>	<b>198,764</b>	<b>197,447</b>	<b>0.7%</b>	<b>(1.0%)</b>

(\*) Calculated at constant exchange rates

In 9M 2012 sales in Italy, amounting to 39.7% of consolidated sales, decreased by 6.1% to €78.9m. At constant exchange rates, sales in Europe, contributing to 21% of consolidated sales, decreased by 1%. The Russian market, representing 8.5% of consolidated sales, grew by 17.5%. Sales in the United States, contributing to 7.4% of consolidated sales, decreased by 1.2% at constant exchange rates. Japanese sales, contributing to 9.3% of consolidated sales, decreased by 2.4%. In the Rest of the World, the Group's sales totalled €28.1m, amounting to 14.1% of consolidated sales, recording an increase by 6.1% compared to 9M 2011.

## Network of Monobrand Stores

<b>DOS</b>	<b>9M 12</b>	<b>FY 11</b>	<b>Franchising</b>	<b>9M 12</b>	<b>FY 11</b>
Europe	45	44	Europe	69	60
United States	3	3	United States	4	7
Asia	41	42	Asia	115	100
<b>Total</b>	<b>89</b>	<b>89</b>	<b>Total</b>	<b>188</b>	<b>167</b>

## Operating and Net Result Analysis

9M 2012 Consolidated Ebitda was equal to €20.5m (with an incidence of 10.3% of consolidated sales), compared to €19.1m in 9M 2011 (9.7% of total sales).

Ebitda growth has been positively influenced especially by the lower incidence of the operating costs thanks to the policy of costs' reduction and efficiency improvement implemented at Group level.

In 9M 2012 Ebitda of the *prêt-à-porter* division was in line with 9M 2011 Ebitda, amounting to €18.09m (representing 11.6% of sales), compared to €18.06m in 9M 2011 (11.4% of sales).

Ebitda of the footwear and leather goods division was equal to €2.4m compared to an Ebitda of €1.04m in 9M 2011, with a €1.4m improvement.

Consolidated Ebit amounted to €10.4m, compared to an Ebit of €8.8m in 9M 2011, with a €1.6m increase.

Due to higher financial interests incurred during the period, in 9M 2012 the Group posted a net loss of €0.3m, compared to a net profit of €0.1m in 9M 2011.

## Balance Sheet Analysis

Looking at the balance sheet as of September 30, 2012 Shareholders' equity was equal to €134.4m and net financial debt amounted to €95.6m compared to €107.6m as of September 30, 2011. The decrease in net financial debt is partially related to the transaction for the rationalization of the group's real estate properties already decided at the time of the IPO in 2007.

Operating net working capital amounted to €78.1m (31.6% of LTM sales) compared to €52m as of December 31, 2011 (21.1% of sales); the increase of Operating net working capital's incidence on sales was related to the seasonality of the business.

Capex in 9M 2012 amounted to €4.6m and were mainly related to the maintenance and stores' refurbishment; disinvestments were equal to €16.9m and mainly referred to the sale of the Moschino store in Paris (Rue de Grenelle), to the sale of the Pollini store in Milan (Piazza Duomo) and to sale of the subsidiary Aeffe Usa's estates situated in New York City to Ferrim Usa.

Income Statement, Reclassified Balance Sheet and Cash Flow Statement are attached below. 9M 2012 and 9M 2011 data included in this press release have not been audited by the Auditors' company.

Please note that the Financial Report and the Results Presentation at 30 September 2012 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".

<i>(In thousands of Euro)</i>	9M 12	%	9M 11	%	Change	Change %	Q3 12	%	Q3 11	%	Change%
<b>Revenues from sales and services</b>	<b>198,764</b>	<b>100.0%</b>	<b>197,447</b>	<b>100.0%</b>	<b>1,317</b>	<b>0.7%</b>	<b>77,101</b>	<b>100.0%</b>	<b>77,480</b>	<b>100.0%</b>	<b>(0.5%)</b>
Other revenues and income	5,820	2.9%	4,845	2.5%	975	20.1%	2,616	3.4%	2,309	3.0%	13.3%
<b>Total Revenues</b>	<b>204,584</b>	<b>102.9%</b>	<b>202,292</b>	<b>102.5%</b>	<b>2,293</b>	<b>1.1%</b>	<b>79,717</b>	<b>103.4%</b>	<b>79,789</b>	<b>103.0%</b>	<b>(0.1%)</b>
Total operating costs	(184,069)	(92.6%)	(183,188)	(92.8%)	(881)	0.5%	(66,318)	(86.0%)	(65,050)	(84.0%)	1.9%
<b>EBITDA</b>	<b>20,515</b>	<b>10.3%</b>	<b>19,104</b>	<b>9.7%</b>	<b>1,411</b>	<b>7.4%</b>	<b>13,399</b>	<b>17.4%</b>	<b>14,739</b>	<b>19.0%</b>	<b>(9.1%)</b>
Total Amortization and Write-downs	(10,122)	(5.1%)	(10,340)	(5.2%)	217	(2.1%)	(3,361)	(4.4%)	(3,414)	(4.4%)	(1.6%)
<b>EBIT</b>	<b>10,393</b>	<b>5.2%</b>	<b>8,765</b>	<b>4.4%</b>	<b>1,629</b>	<b>18.6%</b>	<b>10,038</b>	<b>13.0%</b>	<b>11,325</b>	<b>14.6%</b>	<b>(11.4%)</b>
Total Financial Income /(expenses)	(5,835)	(2.9%)	(3,550)	(1.8%)	(2,285)	64.4%	(1,908)	(2.5%)	(1,504)	(1.9%)	26.9%
<b>Profit/(Loss) before taxes</b>	<b>4,558</b>	<b>2.3%</b>	<b>5,214</b>	<b>2.6%</b>	<b>(656)</b>	<b>(12.6%)</b>	<b>8,131</b>	<b>10.5%</b>	<b>9,821</b>	<b>12.7%</b>	<b>(17.2%)</b>
Taxes	(4,566)	(2.3%)	(4,445)	(2.3%)	(120)	2.7%	(3,960)	(5.1%)	(3,915)	(5.1%)	1.2%
<b>Net Profit/(Loss) net of taxes</b>	<b>(8)</b>	<b>(0.0%)</b>	<b>769</b>	<b>0.4%</b>	<b>(777)</b>	<b>(101.0%)</b>	<b>4,170</b>	<b>5.4%</b>	<b>5,907</b>	<b>7.6%</b>	<b>(29.4%)</b>
(Profit)/ Loss attributable to minority shareholders	(275)	(0.1%)	(621)	(0.3%)	346	(55.6%)	(101)	(0.1%)	(642)	(0.8%)	(84.2%)
<b>Net Profit/(Loss) for the Group</b>	<b>(283)</b>	<b>(0.1%)</b>	<b>148</b>	<b>0.1%</b>	<b>(431)</b>	<b>(291.4%)</b>	<b>4,069</b>	<b>5.3%</b>	<b>5,265</b>	<b>6.8%</b>	<b>(22.7%)</b>

(In thousands of Euro)

	9M 12	FY 11	9M 11
Trade receivables	47,294	32,547	50,050
Stock and inventories	73,843	74,260	68,455
Trade payables	(43,012)	(54,809)	(43,416)
<b>Operating net working capital</b>	<b>78,125</b>	<b>51,997</b>	<b>75,089</b>
Other receivables	31,229	33,508	32,835
Other liabilities	(21,500)	(18,287)	(20,515)
<b>Net working capital</b>	<b>87,855</b>	<b>67,218</b>	<b>87,410</b>
Tangible fixed assets	64,870	74,537	73,872
Intangible fixed assets	139,595	145,091	149,649
Investments	30	30	30
Other long term receivables	3,215	2,915	3,066
<b>Fixed assets</b>	<b>207,710</b>	<b>222,572</b>	<b>226,617</b>
Post employment benefits	(7,714)	(7,943)	(8,180)
Long term provisions	(1,028)	(1,071)	(1,210)
Assets available for sale	437	7,712	437
Other long term liabilities	(14,241)	(14,241)	(14,241)
Deferred tax assets	10,985	14,549	12,754
Deferred tax liabilities	(38,003)	(40,516)	(40,979)
<b>NET CAPITAL INVESTED</b>	<b>246,001</b>	<b>248,280</b>	<b>262,608</b>
Capital issued	25,371	25,371	25,371
Other reserves	119,292	117,064	116,952
Profits/(Losses) carried-forward	(10,011)	(3,938)	(3,938)
Profit/(Loss) for the period	(283)	(4,280)	148
<b>Group share capital and reserves</b>	<b>134,369</b>	<b>134,218</b>	<b>138,534</b>
Minority interests	16,019	15,979	16,428
<b>Shareholders' equity</b>	<b>150,388</b>	<b>150,197</b>	<b>154,961</b>
Short term financial receivables	(950)		
Liquid assets	(13,255)	(8,444)	(4,247)
Long term financial payables	4,492	7,060	9,569
Long term financial receivables	(3,099)		
Short term financial payables	108,425	99,467	102,324
<b>NET FINANCIAL POSITION</b>	<b>95,613</b>	<b>98,083</b>	<b>107,646</b>
<b>SHAREHOLDERS' EQUITY AND NET FINANCIAL INDEBTEDNESS</b>	<b>246,001</b>	<b>248,280</b>	<b>262,608</b>

<i>(In thousands of Euro)</i>	<b>9M 12</b>	<b>FY 11</b>	<b>9M 11</b>
<b>OPENING BALANCE</b>	<b>8,444</b>	<b>4,512</b>	<b>4,512</b>
Profit before taxes	4,558	( 1,247)	5,214
Amortizations, provisions and depreciations	10,122	14,823	10,340
Accruals (availments) of long term provisions and post employment benefits	( 273)	( 1,605)	( 1,229)
Taxes	( 2,197)	( 2,579)	( 1,297)
Financial incomes and financial charges	5,835	4,811	3,550
Change in operating assets and liabilities	( 21,954)	( 233)	( 20,007)
<b>NET CASH FLOW FROM OPERATING ASSETS</b>	<b>( 3,909)</b>	<b>13,970</b>	<b>( 3,429)</b>
Increase (decrease) in intangible fixed assets	( 224)	( 6,082)	( 424)
Increase (decrease) in tangible fixed assets	5,342	( 4,820)	( 3,569)
Investments and Write-downs (-)/Disinvestments and Revaluations (+)	7,196	353	282
<b>CASH FLOW GENERATED (ABSORBED) BY INVESTING ACTIVITIES</b>	<b>12,314</b>	<b>( 10,549)</b>	<b>( 3,711)</b>
Other changes in reserves and profit carried-forward to shareholders' equity	198	( 1,240)	( 1,352)
Proceeds (repayment) of financial payments	6,391	6,489	11,855
Increase (decrease) in long term financial receivables	( 4,348)	73	( 78)
Financial incomes and financial charges	( 5,835)	( 4,811)	( 3,550)
<b>CASH FLOW GENERATED (ABSORBED) BY FINANCING ACTIVITIES</b>	<b>( 3,594)</b>	<b>511</b>	<b>6,875</b>
<b>CLOSING BALANCE</b>	<b>13,255</b>	<b>8,444</b>	<b>4,247</b>

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