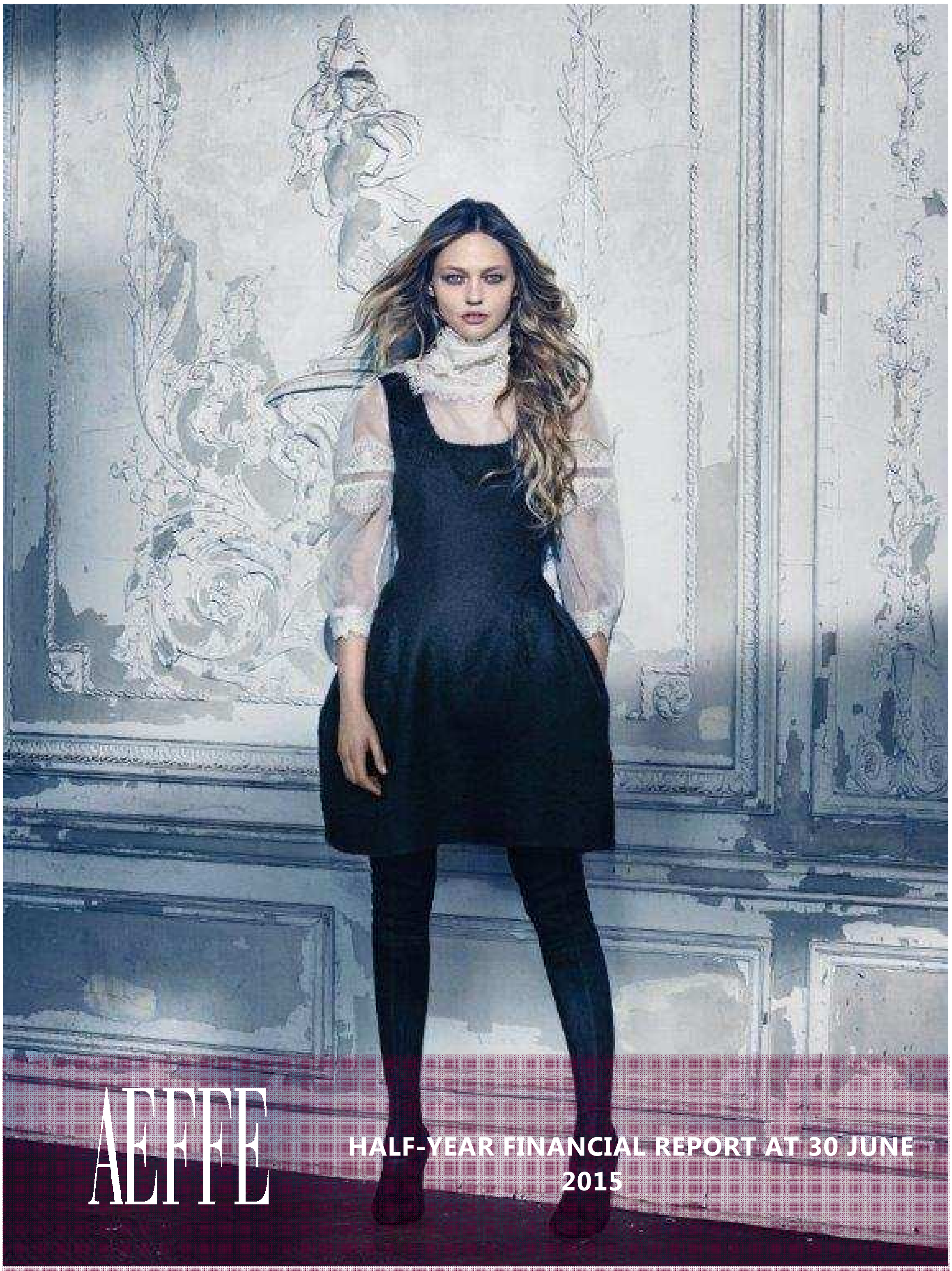


AEFFE

HALF-YEAR FINANCIAL REPORT AT 30 JUNE 2015

SUMMARY

Corporate Boards of the Parent Company

Board of Directors

Chairman
Massimo Ferretti

Deputy Chairman
Alberta Ferretti

Chief Executive Officer
Simone Badioli

Directors
Marcello Tassinari – Managing Director
Roberto Lugano
Pierfrancesco Giustiniani
Marco Salomoni
Sabrina Borocci

Board of Statutory Auditors

President
Pier Francesco Sportoletti

Statutory Auditors
Fernando Ciotti
Daniela Saitta

Alternate Auditors
Barbara Ceppellini
Luca Sapucci

Board of Compensation Committee

President
Sabrina Borocci

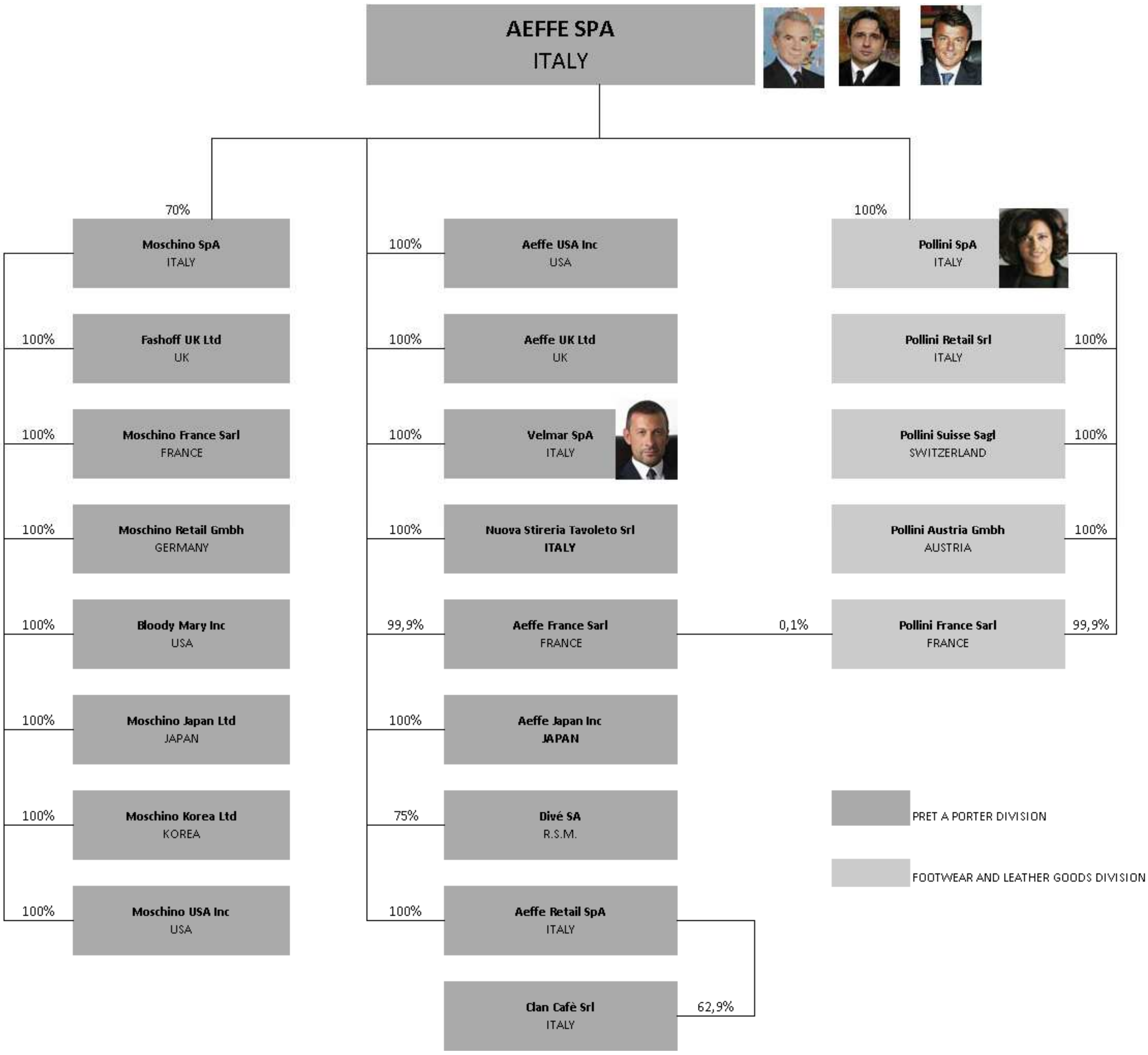
Members
Roberto Lugano
Pierfrancesco Giustiniani

Board of Internal Control Committee

President
Roberto Lugano

Members
Sabrina Borocci
Pierfrancesco Giustiniani

Organization chart



Brands portfolio

AEFFE
Clothing - Accessories

ALBERTA FERRETTI

PHILOSOPHY DI LORENZO SERAFINI

MOSCHINO

BOUTIQUE MOSCHINO

emanuel ungaro PARIS

CEDRIC CHARLIER

POLLINI Footwear – Leather goods	**MOSCHINO** Licences – Design	**VELMAR** Beachwear - Lingerie
POLLINI	MOSCHINO	MOSCHINO
STUDIO POLLINI	BOUTIQUE MOSCHINO	blugirl beachwear
MOSCHINO	LOVE MOSCHINO	blugirl underwear
BOUTIQUE MOSCHINO		BLUGIRL Folies
LOVE MOSCHINO		

Headquarters

AEFFE
Via Delle Querce, 51
47842 - San Giovanni in Marignano (RN)
Italy

MOSCHINO
Via San Gregorio, 28
20124 – Milan (MI)
Italy

POLLINI
Via Erbosa I° tratto, 92
47030 - Gatteo (FC)
Italy

VELMAR
Via Delle Querce, 51
47842 - San Giovanni in Marignano (RN)
Italy

Showrooms

MILAN
(FERRETTI – POLLINI – CEDRIC CHARLIER– UNGARO)
Via Donizetti, 48
20122 - Milan
Italy

MILAN
(MOSCHINO)
Via San Gregorio, 28
20124 - Milan
Italy

LONDON
(FERRETTI – MOSCHINO)
28-29 Conduit Street
W1S 2YB - London
UK

MILAN
(LOVE MOSCHINO)
Via Settembrini, 1
20124 - Milan
Italy

PARIS
(FERRETTI – MOSCHINO – POLLINI)
43, Rue du Faubourg Saint Honoré
75008 - Paris
France

PARIS
(CEDRIC CHARLIER)
28 Rue de Sevigne
75004 - Paris
France

NEW YORK
(GROUP)
30 West 56th Street
10019 - New York
USA

PARIS
(UNGARO)
6, Avenue Montaigne
75008 - Paris
France

Main flagshipstore locations under direct management

ALBERTA FERRETTI
Milan
Rome
Capri
Paris
London
Los Angeles

POLLINI
Milan
Venice
Bolzano
Varese
Verona

SPAZIO A
Florence
Venice

MOSCHINO
Milan
Rome
Capri
Paris
London
Berlin
Los Angeles
Seoul
Pusan
Daegu


Main economic-financial data

		1st Half 2014	1st Half 2015
Total revenues	(Values in millions of EUR)	123.1	132.0
Gross operating margin (EBITDA)	(Values in millions of EUR)	12.6	9.8
Net operating profit (EBIT)	(Values in millions of EUR)	6.3	3.4
Profit before taxes	(Values in millions of EUR)	2.7	1.7
Net profit for the Group	(Values in millions of EUR)	0.2	0.0
Basic earnings per share	(Values in units of EUR)	0.001	0.000
Cash Flow (net profit + depreciation)	(Values in millions of EUR)	6.7	6.3
Cash Flow/Total revenues	(Values in percentage)	5.4	4.8

		31 December 2013	30 June 2014	31 December 2014	30 June 2015
Net capital invested	(Values in millions of EUR)	232.0	234.9	231.5	246.2
Net financial indebtedness	(Values in millions of EUR)	88.6	89.9	83.6	98.1
Group net equity	(Values in millions of EUR)	126.8	127.8	130.1	130.1
Group net equity per share	(Values in units of EUR)	1.2	1.2	1.2	1.2
Current assets/ current liabilities	(Ratio)	2.2	2.3	2.1	2.4
Current assets less invent./ current liabilities (ACID test)	(Ratio)	1.0	1.1	1.0	1.1
Net financial indebtedness/ Net equity	(Ratio)	0.6	0.6	0.6	0.7

Aeffe Group

Interim management report

1. SUMMARY OF THE GROUP'S KEY ACTIVITIES

Aeffe Group operates worldwide in the fashion and luxury goods sector and is active in the design, production and distribution of a wide range of products that includes prêt-a-porter, footwear and leather goods. The Group develops, produces and distributes, with a constant focus on the qualities of uniqueness and exclusivity, its own collections both under its own-label brands, including "Alberta Ferretti", "Philosophy di Lorenzo Serafini", "Moschino" and "Pollini", and under licensed brands, which include "Blugirl", "Cedric Charlier" and "Ungaro". The Group has also licensed to key partners the production and distribution of other accessories and products with which it supplements its product range (perfumes, junior and children's lines, watches, sunglasses and other).

The Group's business is divided, based on the various product lines and brands it sells, into two segments: (i) prêt-a-porter (which includes prêt-a-porter lines, lingerie and swimwear); and (ii) footwear and leather goods.

Prêt-a-porter Division

The Prêt-a-porter Division, which is composed of the companies Aeffe, Moschino and Velmar, is mainly involved in the design, production and distribution of luxury prêt-a-porter garments and lingerie, beachwear and loungewear.

In terms of the prêt-a-porter collections, the activity is carried out by Aeffe, both for the production of the Group's proprietary brands ("Alberta Ferretti", "Philosophy di Lorenzo Serafini", "Moschino", "Boutique Moschino" and "Love Moschino") and brands licensed from other companies (such as "Blugirl", "Cedric Charlier" and "Ungaro"). Aeffe also handles the distribution of all Division products both through the retail channel (via subsidiaries) and through the wholesale channel.

Velmar manufactures and distributes lingerie and swimwear collections, and specifically men's/women's lingerie, underwear, beachwear and loungewear. Collections are produced and distributed under the Group's proprietary brands, as "Moschino", and under third-party licensed brands as "Blugirl".

The Prêt-a-porter Division also manages licensing agreements granted to other companies to manufacture Aeffe and Moschino branded product lines such as the "Moschino" brand licensing agreement relating to the *Love* line, "Moschino" branded perfumes and "Moschino" branded sunglasses.

Aeffe

Aeffe is the brainchild of designer Alberta Ferretti, who set up her own business in 1972. The history of the Parent Company has developed in parallel with that of its founder, whose personal involvement in fashion has been a key factor in Aeffe's development.

The growth of the Parent Company as an industrial and creative entity has been distinguished from the start by a multi-brand approach, with Aeffe producing and distributing the prêt-a-porter collections of leading fashion houses utilising the know-how acquired in the production of luxury prêt-a-porter lines.

This provides the context for the partnership between Aeffe and designer Franco Moschino, whose brand "Moschino Couture!" it has produced and distributed under an exclusive licence since 1983.

Between 1995 and 2013, Aeffe worked with designer Jean Paul Gaultier producing and distributing the women prêt-à-porter collections branded "Jean Paul Gaultier".

In 2001, Aeffe gained control of Pollini, an established manufacturer of footwear and leather goods. This allowed Aeffe to supplement the collections produced in-house with an accessories line.

In 2002, Aeffe took over Velmar, a firm that had collaborated with Aeffe for some time on the production and distribution of lingerie, beachwear and loungewear lines.

In 2007, Aeffe, obtained the Consob Nulla Osta to public the offering memorandum relating to the Public Offering and the listing on the MTA – Star Segment – of Aeffe S.p.A. ordinary shares, closes successfully the Offer of shares and starts to be traded on the MTA – Star Segment – by Borsa Italiana.

Moschino

Moschino was founded in 1983 and grew during the 1990s to become an internationally renowned brand. Following the disappearance in 1994 of its founder, Franco Moschino, his family, staff and friends have kept the designer's legacy alive, respecting his creative identity and philosophy. Rossella Jardini, who has worked for Franco Moschino since 1981, succeeded him as artistic director and becoming in charge of brand image and styling.

The company provides design, marketing and agency services from the Milan showroom for Moschino collections in Italy and overseas.

The company also directly manages seven single-brand Moschino stores, three in Milan, one in Rome, one in Capri, one in Turin and on-line.

In 2007 Moschino signed a licence agreement with Binda Group for the production and distribution of watches and jewellery branded "Moschino Cheap and Chic".

In 2013 Jeremy Scott was appointed as creative director of the "Moschino" brand.

Velmar

Velmar was created in 1983 in San Giovanni in Marignano and is active in the production and distribution of lingerie, underwear, beachwear and loungewear.

In 1990, a partnership began between Velmar and designer Anna Molinari to manufacture lingerie and beachwear lines. That same year, talks began with Aeffe and Genny.

Between 1990 and 1995, Velmar worked with Genny and Fendi, producing all of the swimwear lines designed by the two fashion houses. Between 1990 and 2001, Velmar worked with Itierre and Prada on the design and production of the active and sportswear lines sold under the "Extee" and "Prada" menswear labels.

Between 1995 and 1998, Velmar produced and distributed under licence the beachwear line for Byblos menswear and womenswear.

In 1998, Velmar signed a licensing agreement with Blufin for the production and distribution of "Blugirl" lines.

In 2001, Aeffe acquired 75% of Velmar. Again, this represented a natural progression of the existing partnership between the two companies.

In 2006, Velmar obtained a licence for the production and distribution of the men's beachwear and underwear lines and women's lingerie lines under the "Moschino" brand.

In 2010, Aeffe acquires the remaining 25% of Velmar's share capital.

In 2012 Velmar signed a licensing agreement with Blufin for the design, production and international distribution of "teen" women prêt-à-porter line branded *Blugirl Folies*.

Aeffe USA

Aeffe USA is 100% owned by Aeffe S.p.A. and was incorporated in May 1987 under the laws of the State of New York.

The company operates in the wholesale segment of the North American market (United States and Canada) distributing items of clothing and accessories produced by the Parent Company, Pollini S.p.A. and Velmar

S.p.A. and other third-party licensed manufacturers, with different collections, of the brands produced by the Parent Company. The company also acts as agent for some of these lines. The company operates out of its showroom located in midtown Manhattan. Aeffe USA also manages a single-brand store in West Hollywood, Los Angeles.

Aeffe Retail

Aeffe Retail operates in the retail segment of the Italian market and directly manages 12 stores, both mono-brand and multi-brand located in major Italian cities such as Milan, Rome, Venice, Florence and Capri, manages also an on-line mono-brand store.

Clan Cafè

Clan Cafè S.r.l., incorporated in 2007, is 62.9% owned by Aeffe Retail. Since 2011 it entered into a lease of a business with the company Jader S.r.l. for the management of a store located in Milan Via Pontaccio 19, which distributes clothing and accessories produced by Aeffe Group and by third parties.

Nuova Stireria Tavoleto

Nuova Stireria Tavoleto, company based in Tavoleto (Pesaro-Urbino) and 100% owned by Aeffe S.p.A. has sold, starting from the 1st of January 2014, the business division related to industrial pressing services to a third company.

Aeffe UK

Aeffe UK is 100% owned by Aeffe S.p.A. and manages the store in London's Sloane Street, which sells clothing and accessories under the Alberta Ferretti and Philosophy di Lorenzo Serafini brands.

Aeffe France

Aeffe France is 99.9% owned by Aeffe S.p.A. and manages the store in Rue St. Honorè in Paris, selling apparel and accessories under the Alberta Ferretti and Philosophy di Lorenzo Serafini brands. The company also acts as an agent for the French market.

Aeffe Japan

Aeffe Japan, company based in Tokyo and 100% owned by Aeffe S.p.A., has sold, starting from the 1st of January 2014, the distributing and franchising activities for the collections branded "Alberta Ferretti" and "Philosophy" to Woollen Co., Ltd..

In 2014 the company, as owner of a new brand, has decided to develop it in the Japanese market and to that end has licensed it to a third party for the marketing of products in the country.

Moschino Japan

Moschino Japan, company based in Tokyo and 100% owned by Moschino S.p.A., has sold starting from the 1st of January 2014, the distributing and franchising activities for the collections branded Moschino to Woollen Co., Ltd..

In 2014 the company, as owner of a new brand, has decided to develop it in the Japanese market and to that end has licensed it to a third party for the marketing of products in the country.

Moschino Korea

Moschino Korea is 100% owned by Moschino S.p.A. and is based in Seoul. The company exclusively operates in the retail segment through flagship stores under direct management which sell Moschino-branded collections.

Fashoff UK

Fashoff UK operates from the showroom in London, acting as agent for the Moschino-branded collections produced by Aeffe, Pollini, Forall (men) and Falc (men’s/children's shoes), and importing the other collections (jeans, umbrellas, gloves, scarves and Velmar collections).

The company also directly manages a single-brand Moschino store in London.

Moschino France

Moschino France is based in the Paris showroom and acts as agent for all Moschino collections except childrenswear, eyewear, perfumes and watches.

The company also manages a single-brand Moschino store in Paris.

Moschino Gmbh

Moschino Gmbh directly manages a single-brand Moschino store in Berlin.

Bloody Mary

Bloody Mary, company based in New York and 100% owned by Moschino S.p.A., has signed, starting from 2014, a sublease contract for the management of a store placed at 401 West 14th Street New York.

Moschino USA

Moschino USA, founded in 2014 with base in New York and 100% owned by Moschino S.p.A. directly manages a single-brand Moschino store in Los Angeles.

Footwear and leather goods Division

The footwear and leather goods Division, which is composed of Pollini and its subsidiaries, mainly handles the design, production and distribution of footwear, small leather goods, bags and matching accessories made from exclusive materials.

The operating activity is mainly carried out by Pollini, which directly handles the design, production and distribution of own-label products, as well as the production and distribution of brands licensed by Group companies.

The footwear and leather goods division also manages licensing agreements granted to other companies to manufacture “Pollini” products such as umbrellas, foulards and ties.

Pollini

Pollini was established in 1953 in the shoemaking district of San Mauro Pascoli, following in the Italian tradition of handmade leather goods and shoes. Italy is a leading producer of footwear: due to expertise required to make these products, nearly all production sites are located in areas with a long-standing shoemaking tradition, such as San Mauro Pascoli, Vigevano and Strà (PD). The company’s philosophy is focused on promoting Pollini in other countries as an amalgam of traditional quality and Italian style, offering a range of products that include shoes, bags and matching accessories.

Between 1957 and 1961, Pollini produced the footwear collections of the designer Bruno Magli.

In the 1960s and early 1970s, Pollini began making shoes under its own label, presenting “themed” collections (such as the “Daytona” sports footwear collection, inspired by the world of motorbike racing).

In the 1970s, Pollini rose to international fame: at that point, its collections were shown in Düsseldorf, Paris and New York, as well as in Milan and Bologna. Around the same time, the first stores opened in Milan, Verona, Varese and Venice.

In 1989, Pollini moved into its new office in Gatteo, in the Italian province of Forlì-Cesena. The new site measures 50,000 sq. m., just over a third of it indoor, with a production workshop and seven-storey building housing the showroom and offices. The new site brought the footwear and leather goods divisions and sales and administration offices under one roof.

In 2001, Aeffe and Pollini reached an agreement whereby Aeffe would acquire a controlling stake in Pollini. The acquisition was a natural progression of the increasingly concentrated partnership between the two companies, enabling the growth of the footwear and leather goods lines designed by Alberta Ferretti.

Always in 2008, Pollini has entered into new license agreements with Drops S.r.l., for the manufacturing of umbrellas, as well as Larioseta S.p.A., for the manufacturing and distribution of neckwear, including women's shawls, women's and men's scarves and ties.

In 2011 Aeffe S.p.A. has acquired the remaining 28% shareholding of Pollini S.p.A., becoming the sole shareholder.

Pollini Retail

Pollini Retail is active in the retail segment of the Italian market and directly manages 20 stores, between boutiques and outlets, in major Italian cities such as Milan and Venice.

Pollini Suisse

Pollini Suisse directly manages the mono-brand Pollini store in Mendrisio, Switzerland.

Pollini Austria

Pollini Austria directly manages the mono-brand Pollini store in Pandorf, Austria.

2. CONSOLIDATED RICLASSIFIED INCOME STATEMENT

(Values in units of EUR)	1st Half 2015	% on revenues	1st Half 2014	% on revenues	Change	%
REVENUES FROM SALES AND SERVICES	**128,722,575**	**100.0%**	**121,064,933**	**100.0%**	**7,657,642**	**6.3%**
Other revenues and income	3,286,684	2.6%	2,025,757	1.7%	1,260,927	62.2%
TOTAL REVENUES	**132,009,259**	**102.6%**	**123,090,690**	**101.7%**	**8,918,569**	**7.2%**
Changes in inventory	8,931,622	6.9%	5,793,082	4.8%	3,138,540	54.2%
Costs of raw materials, cons. and goods for resale	(48,902,247)	(38.0%)	(42,642,492)	(35.2%)	(6,259,755)	14.7%
Costs of services	(37,560,279)	(29.2%)	(32,013,312)	(26.4%)	(5,546,967)	17.3%
Costs for use of third parties assets	(11,371,425)	(8.8%)	(10,455,439)	(8.6%)	(915,986)	8.8%
Labour costs	(30,728,131)	(23.9%)	(29,205,519)	(24.1%)	(1,522,612)	5.2%
Other operating expenses	(2,614,978)	(2.0%)	(1,996,739)	(1.6%)	(618,239)	31.0%
Total Operating Costs	(122,245,438)	(95.0%)	(110,520,419)	(91.3%)	(11,725,019)	10.6%
GROSS OPERATING MARGIN (EBITDA)	**9,763,821**	**7.6%**	**12,570,271**	**10.4%**	**(2,806,450)**	**(22.3%)**
Amortisation of intangible fixed assets	(3,575,208)	(2.8%)	(3,428,422)	(2.8%)	(146,786)	4.3%
Depreciation of tangible fixed assets	(2,661,668)	(2.1%)	(2,612,231)	(2.2%)	(49,437)	1.9%
Revaluations/(write-downs) and provisions	(100,616)	(0.1%)	(247,087)	(0.2%)	146,471	(59.3%)
Total Amortisation, write-downs and provisions	(6,337,492)	(4.9%)	(6,287,740)	(5.2%)	(49,752)	0.8%
NET OPERATING PROFIT / LOSS (EBIT)	**3,426,329**	**2.7%**	**6,282,531**	**5.2%**	**(2,856,202)**	**(45.5%)**
Financial income	487,507	0.4%	120,541	0.1%	366,966	304.4%
Financial expenses	(2,229,064)	(1.7%)	(3,657,528)	(3.0%)	1,428,464	(39.1%)
Total Financial Income/(Expenses)	(1,741,557)	(1.4%)	(3,536,987)	(2.9%)	1,795,430	(50.8%)
PROFIT / LOSS BEFORE TAXES	**1,684,772**	**1.3%**	**2,745,544**	**2.3%**	**(1,060,772)**	**(38.6%)**
Taxes	(1,585,924)	(1.2%)	(2,095,495)	(1.7%)	509,571	(24.3%)
NET PROFIT / LOSS	**98,848**	**0.1%**	**650,049**	**0.5%**	**(551,201)**	**(84.8%)**
(Profit)/loss attributable to minority shareholders	(64,191)	(0.0%)	(499,735)	(0.4%)	435,544	(87.2%)
NET PROFIT / LOSS FOR THE GROUP	**34,657**	**0.0%**	**150,314**	**0.1%**	**(115,657)**	**(76.9%)**

SALES

In the first semester of 2015, Aeffe consolidated revenues amount to EUR 128.7 million compared to EUR 121.1 million in the first semester of 2014, with a 6.3% increase at current exchange rates and +4.4% at constant exchange rates.

The revenues of the prêt-à-porter division increase by 5.0% (+2.5% at constant exchange rates) to EUR 99.5 million.

The revenues of the footwear and leather goods division increase by 22.0% to EUR 46 million, before interdivisional eliminations.

Sales by brand

(Values in thousands of EUR)	1st Half 2015	%	1st Half 2014	%	Change Δ	%
Alberta Ferretti	12,858	10.0%	10,357	8.6%	2,501	24.1%
Philosophy	5,912	4.6%	8,231	6.8%	(2,319)	(28.2%)
Moschino	87,301	67.8%	75,341	62.2%	11,960	15.9%
Pollini	13,909	10.8%	15,449	12.8%	(1,540)	(10.0%)
Other	8,743	6.8%	11,687	9.6%	(2,944)	(25.2%)
Total	**128,723**	**100.0%**	**121,065**	**100.0%**	**7,658**	**6.3%**

In 1stH 2015, Alberta Ferretti brand increases by 24.1% (+21.5% at constant exchange rates), generating 10.0% of consolidated sales, while Philosophy brand decreases by 28.2% (-29.7% at constant exchange rates), generating 4.6% of consolidated sales.

In the same period, Moschino brand sales increase by 15.9% (+14.0% at constant exchange rates), contributing to 67.8% of consolidated sales.

Pollini brand records a decrease of 10.0% (-10.7% at constant exchange rates), generating the 10.8% of consolidated sales.

Other brands sales decrease by 25.2% (-29.0% at constant exchange rates), equal to 6.8% of consolidated sales.

Sales by geographical area

(Values in thousands of EUR)	1st Half 2015	%	1st Half 2014	%	Change Δ	%
Italy	57,134	44.4%	52,925	43.7%	4,209	8.0%
Europe (Italy and Russia excluded)	28,657	22.3%	28,416	23.5%	241	0.8%
Russia	4,666	3.6%	9,482	7.8%	(4,816)	(50.8%)
United States	9,729	7.6%	7,100	5.9%	2,629	37.0%
Japan	3,889	3.0%	3,223	2.7%	666	20.6%
Rest of the World	24,648	19.1%	19,919	16.4%	4,729	23.7%
Total	**128,723**	**100.0%**	**121,065**	**100.0%**	**7,658**	**6.3%**

In 1stH 2015, the Group records sales in Italy for EUR 57,134 thousand, contributing to 44.4% of consolidated sales with a 8.0% increase.

In Europe Group's sales increase by 0.8%, contributing to 22.3% of consolidated sales, while sales in Russia are EUR 4,666 thousand contributing to 3.6% of consolidated sales, with a decrease of 50.8%. Sales in the United States are EUR 9,729 thousand contributing to 7.6% of consolidated sales, with an increase of 37.0% (+14.6% at constant exchange rates). In Japan sales, contributing to 3.0% of consolidated sales, increase by 20.7%.

The Rest of the world records sales for EUR 24,648 thousand, contributing to 19.1% of consolidated sales, up 23.7% (+21.6% at constant exchange rates) compared to the first semester 2014, especially thanks to a good trend in Greater China.

Sales by distribution channel

(Values in thousands of EUR)	1st Half 2015	%	1st Half 2014	%	Change Δ	%
Wholesale	85,550	66.5%	79,265	65.5%	6,285	7.9%
Retail	38,225	29.7%	34,514	28.5%	3,711	10.8%
Royalties	4,948	3.8%	7,286	6.0%	(2,338)	(32.1%)
Total	**128,723**	**100.0%**	**121,065**	**100.0%**	**7,658**	**6.3%**

Revenues generated by the Group in the 1stH 2015 are analysed below:

- 66.5% from the Group's sales organisation, showrooms, agents and importers, franchise outlets, corners and shop-in-shops (wholesale channel), which contributes EUR 79,265 thousand in 1stH 2014 and EUR 85,550 thousand in 1stH 2015, with an increase of 7.9% (+6.1% at constant exchange rates).
- 29.7% from sales managed directly by the Group (retail channel), which contributes EUR 34,514 thousand in 1stH 2014 and EUR 38,225 thousand in 1stH 2015, up by 10.8% (8.3% at constant exchange rates).
- 3.8% from royalties deriving from licenses granted to third parties for the production and distribution of product lines sold under the Group's brand names. Royalties decrease by 32.1% from EUR 7,286 thousand in 1stH 2014 to EUR 4,948 thousand in 1stH 2015.

LABOUR COSTS

Labour costs increase from EUR 29,206 thousand in 1stH 2014 to EUR 30,728 thousand in 1stH 2015 with an incidence on revenues which decrease from 24.1% in the first semester 2014 to 23.9% in the first semesters 2015.

The workforce decreases from an average of 1,248 units in the 1stH 2014 to 1,271 units in the 1stH 2015.

Average number of employees by category	1st Half 2015	1st Half 2014	Change Δ	%
Workers	229	247	(18)	(7.3%)
Office staff-supervisors	1,019	976	43	4.4%
Executive and senior managers	23	25	(2)	(8.0%)
Total	**1,271**	**1,248**	**23**	**1.8%**

GROSS OPERATING MARGIN (EBITDA)

In 1stH 2015 consolidated EBITDA is EUR 9,764 thousand (with an incidence of 7.6% of sales) compared to EUR 12,570 thousand in 1stH 2014 (with an incidence of 10.4% of sales).

EBITDA of the *prêt-à-porter* division is equal to EUR 5,534 thousand (representing the 5.7% of sales) compared to EUR 10,656 thousand in 1stH 2014 (representing the 11.2% of sales), with a worsening of profitability of EUR 5,122 thousand.

Key factors which influenced this trend were as follows: a) initiatives to relaunch Philosophy brand following the change of the creative direction, together with events dedicated to Moschino brand to promote the new men's collection which will be produced in house starting from the Autumn/Winter 2015 season; b) increase in marketing and advertising activities aimed at further enhancing Moschino brand; c) discounts granted to Russian customers to support them in the current difficult economic local situation; d) investments in retail and staff for the new Moschino boutiques in Los Angeles and in Milan.

EBITDA of the Footwear and leather goods division increases of EUR 2,316 thousand from EUR 1,914 thousand in 1stH 2014 (representing the 5% of sales) to EUR 4,230 thousand in 1stH 2015 (representing the 9% of sales).

NET OPERATING PROFIT / LOSS (EBIT)

Consolidated EBIT is positive for EUR 3,426 thousand compared to EUR 6,282 thousand in 1stH 2014, showing a decrease of EUR 2,856 thousand.

PROFIT / LOSS BEFORE TAXES

Result before taxes decreases of EUR 1.061 thousand from EUR 2,746 thousand in 1stH 2014 to EUR 1,685 thousand in 1stH 2015.

NET PROFIT / LOSS FOR THE GROUP

The net result for the Group changes from EUR 150 thousand in 1stH 2014 to EUR 35 thousand in 1stH 2015, with a decrease in absolute value of EUR 115.

3. RECLASSIFIED CONSOLIDATED BALANCE SHEET

(Values in units of EUR)	30 June 2015	31 December 2014	30 June 2014
Trade receivables	38,184,333	36,884,748	36,463,901
Stock and inventories	93,886,978	83,867,256	78,628,002
Trade payables	(51,917,308)	(55,052,139)	(44,827,217)
Operating net working capital	**80,154,003**	**65,699,865**	**70,264,686**
Other short term receivables	27,550,085	24,881,205	25,523,300
Tax receivables	10,066,239	8,531,445	6,978,862
Other short term liabilities	(17,106,788)	(14,319,321)	(16,538,769)
Tax payables	(2,749,626)	(3,124,892)	(2,948,844)
Net working capital	**97,913,913**	**81,668,302**	**83,279,235**
Tangible fixed assets	64,051,037	63,770,590	63,827,198
Intangible fixed assets	125,624,427	127,926,760	130,092,062
Equity investments	131,557	80,268	30,252
Other fixed assets	4,510,280	4,701,444	4,784,313
Fixed assets	**194,317,301**	**196,479,062**	**198,733,825**
Post employment benefits	(7,001,302)	(7,457,710)	(7,040,370)
Provisions	(968,306)	(2,047,384)	(1,356,310)
Assets available for sale	436,885	436,885	436,885
Long term not financial liabilities	(14,511,382)	(14,080,132)	(14,045,132)
Deferred tax assets	12,681,427	13,368,052	12,047,468
Deferred tax liabilities	(36,666,477)	(36,828,733)	(37,132,325)
NET CAPITAL INVESTED	**246,202,059**	**231,538,342**	**234,923,276**
Share capital	25,371,407	25,371,407	25,371,407
Other reserves	114,086,891	115,285,814	115,266,113
Profits/(Losses) carried-forward	(9,405,881)	(13,341,832)	(12,946,641)
Profits/(Loss) for the period	34,657	2,741,670	150,314
Group interest in shareholders' equity	**130,087,074**	**130,057,059**	**127,841,193**
Minority interest in shareholders' equity	17,978,913	17,914,722	17,144,051
Total shareholders' equity	**148,065,987**	**147,971,781**	**144,985,244**
Short term financial receivables	(2,215,854)	(1,000,000)	(1,000,000)
Cash	(7,962,978)	(6,691,668)	(5,606,329)
Long term financial liabilities	17,699,029	12,752,273	13,910,060
Long term financial receivables	(1,949,325)	(1,718,063)	(1,416,166)
Short term financial liabilities	92,565,200	80,224,019	84,050,467
NET FINANCIAL POSITION	**98,136,072**	**83,566,561**	**89,938,032**
SHAREHOLDERS' EQUITY AND NET FINANCIAL INDEBTEDNESS	**246,202,059**	**231,538,342**	**234,923,276**

NET INVESTED CAPITAL

Net invested capital increases by 6.3% compared with 31 December 2014.

NET WORKING CAPITAL

Net working capital amounts to EUR 97,914 thousand (37.8% of LTM sales) compared with EUR 81,668 thousand of 31 December 2014 (32.5% of sales).

The changes in the main items included in the net working capital are described below:

- Operating net working capital (EUR 80,154 thousand) increases of EUR 14,454 thousand compared with the value at 31 December 2014 (EUR 65,699 thousand). Such increase is mainly due to the seasonality of the business and to the increase in inventories driven by the growth of orders' backlog for Autumn/Winter 2015 collections compared to the Autumn/Winter 2014 collections;
- Other short term receivables increase of EUR 2,669 thousand mainly due to increase of credits for prepaid costs generated by the seasonality of the business and by the increase of variable costs suspended at the end of June as a consequence of the good performances of sales and orders;
- Other short term payables increase from 31 December 2014 of EUR 2,787 thousand mainly due to the effect of the thirteenth monthly salary accrual, which doesn't have a corresponding value in the balance of ending period 2014;
- The net effect of tax payables/receivables increases net working capital of EUR 1,910 thousand. Such variation is mainly determined by higher VAT receivables.

FIXED ASSETS

Fixed assets decrease by EUR 2,162 thousand from 31 December 2014 to 30 June 2015.

The changes in the main items are described below:

- the increase in tangible fixed assets of EUR 280 thousand is determined by the depreciation of the period (equal to EUR 2,662 thousand) more than compensated by new investments. Investments are mainly related to leasehold improvements and to furniture and fittings for the restructuring of some shops;
- the decrease in intangible fixed assets of EUR 2,302 thousand is due to the amortisation of the semester for EUR 3,575 thousand, partially compensated by the investments of the period.

NET FINANCIAL POSITION

The net financial position of the Group amounts to EUR 98,136 thousand as of 30 June 2015 compared with EUR 83,566 thousand as of 31 December 2014. Such increase is mainly due to the increase in net working capital and to higher capex of the period.

SHAREHOLDERS' EQUITY

The shareholders' equity increases for EUR 94 thousand from EUR 147,971 thousand as of 31 December 2014 to EUR 148,065 thousand as of 30 June 2015. The reasons of such decrease are illustrated in the explanatory notes. The number of shares is 107,362,504.

4. RESEARCH & DEVELOPMENT ACTIVITIES

Considering the particular nature of the Group's products, research & development activities consist in the continual technical/stylistic renewal of models and the constant improvement of the materials employed in production. Such costs were charged in full to the Income Statement.

5. TRANSACTIONS BETWEEN GROUP COMPANIES AND WITH RELATED PARTIES

During the period, there were no transactions with related parties, including intragroup transactions, which qualified as unusual or atypical. Any related party transactions formed part of the normal business activities of companies in the Group. Such transactions are concluded at standard market terms for the nature of goods and/or services offered.

Information on transactions with related parties, including specific disclosures required by the Consob Communication of 28 July 2006, is provided in Note 40 of the Half-year Condensed Financial Statements at 30 June 2015.

6. SIGNIFICANT EVENTS OF THE PERIOD

No significant events occurred during the semester.

7. SIGNIFICANT EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

Subsequent to the balance sheet date no significant events regarding the Group's activities have to be reported.

8. RISKS, UNCERTAINTIES AND PROSPECTIVES FOR THE REMAINING SIX MONTHS OF THE YEAR

As emerged from the data published in the economic report of Banca d'Italia, the global economic recovery has continued but shows signs of slowing, the consequence of factors that are temporary in the advanced economies and more persistent in the emerging ones. World trade is forecast to accelerate this year. So far the excess supply in world oil markets has helped to hold prices to levels only marginally higher than the lows recorded at the start of the year. The world economy is weighed down by uncertainties regarding the pace of official interest rate increases in the United States and financial instability in China, taking the form of a sharp stock market fall halted only by massive public intervention, which could curtail Chinese economic growth.

The Italian economy has begun to expand. Improvement in business and household confidence has been accompanied by a recovery in domestic demand, which is once again contributing to growth. Investment, which had contracted almost without interruption since 2008, recorded an upturn, with the first positive signals now visible in the construction industry as well. Firms' investment plans indicate a vigorous expansion of capital formation by the larger companies this year and a more prudent attitude on the part of medium-sized and especially small firms. According to the most recent cyclical indicators, growth continued in the second quarter at about the same pace as in the first.

The risks to the growth forecast appear to be balanced this year but are prevalently on the downside for 2016. They derive largely from the world and European context, and in particular the risk of a deeper and longer slowdown in the emerging economies than is now assumed, the possibility that monetary normalization in the United States may be accompanied by fresh turmoil in the foreign exchange markets and in capital flows, and renewed financial market tensions. The risks would be heightened if it were perceived that the determination to carry through the reforms that are necessary to boost Italy's potential growth was lacking. Heightened uncertainty could act as a brake on investment growth and impede the recovery in consumption, which are essential conditions for a return to sustained growth.

In light of the continued appreciation of the market, also witnessed by a 7% increase in the orders' backlog for the next Autumn/Winter collections, we have conceived a development plan designed to capitalize on the positive momentum for the Group, through the identification of opportunities for growth in the medium-long term. In a global and very competitive market, we believe it is the right time to undertake specific investments to promote the desirability and the distinctiveness of our brands, both in terms of visibility and positioning and retail distribution expansion.

Half-year condensed financial statements at 30 June 2015

Financial statements

CONSOLIDATED BALANCE SHEET ASSETS (*)

(Values in units of EUR)	Notes	30 June 2015	31 December 2014	Change
NON-CURRENT ASSETS				
Intangible fixed assets				
Key money		34,336,872	34,916,804	(579,932)
Trademarks		90,708,968	92,455,759	(1,746,791)
Other intangible fixed assets		578,587	554,197	24,390
Total intangible fixed assets	(1)	125,624,427	127,926,760	(2,302,333)
Tangible fixed assets				
Lands		16,958,413	16,828,413	130,000
Buildings		23,414,629	23,688,050	(273,421)
Leasehold improvements		16,772,381	16,177,831	594,550
Plant and machinary		2,651,288	2,953,095	(301,807)
Equipment		327,052	308,741	18,311
Other tangible fixed assets		3,927,274	3,814,460	112,814
Total tangible fixed assets	(2)	64,051,037	63,770,590	280,447
Other fixed assets				
Equity investments	(3)	131,557	80,268	51,289
Long term financial receivables	(4)	1,949,325	1,718,063	231,262
Other fixed assets	(5)	4,510,280	4,701,444	(191,164)
Deferred tax assets	(6)	12,681,427	13,368,052	(686,625)
Total other fixed assets		19,272,589	19,867,827	(595,238)
TOTAL NON-CURRENT ASSETS		**208,948,053**	**211,565,177**	**(2,617,124)**
CURRENT ASSETS				
Stocks and inventories	(7)	93,886,978	83,867,256	10,019,722
Trade receivables	(8)	38,184,333	36,884,748	1,299,585
Tax receivables	(9)	10,066,239	8,531,445	1,534,794
Cash	(10)	7,962,978	6,691,668	1,271,310
Financial receivables	(11)	2,215,854	1,000,000	1,215,854
Other receivables	(12)	27,550,085	24,881,205	2,668,880
TOTAL CURRENT ASSETS		**179,866,467**	**161,856,322**	**18,010,145**
Assets available for sale	(13)	436,885	436,885	-
TOTAL ASSETS		**389,251,405**	**373,858,384**	**15,393,021**

Pursuant to Consob Resolution N. 15519 of 27 July 2006, the effects of related party transactions on the Consolidated statement of financial position are presented in the specific scheme provided in the attachment I and are further described in the paragraph “Related party transactions”.

CONSOLIDATED BALANCE SHEET LIABILITIES (*)

(Values in units of EUR)	Notes	30 June 2015	31 December 2014	Change
SHAREHOLDERS' EQUITY	**(14)**			
Group interest				
Share capital		25,371,407	25,371,407	-
Other reserves		114,086,891	115,285,814	(1,198,923)
Profits / (losses) carried-forward		(9,405,881)	(13,341,832)	3,935,951
Net profit / (loss) for the Group		34,657	2,741,670	(2,707,013)
Group interest in shareholders' equity		130,087,074	130,057,059	30,015
Minority interest				
Minority interests in share capital and reserves		17,914,722	16,650,473	1,264,249
Net profit / (loss) for the minority interests		64,191	1,264,249	(1,200,058)
Minority interests in shareholders' equity		17,978,913	17,914,722	64,191
TOTAL SHAREHOLDERS' EQUITY		**148,065,987**	**147,971,781**	**94,206**
NON-CURRENT LIABILITIES				
Provisions	(15)	968,306	2,047,384	(1,079,078)
Deferred tax liabilities	(6)	36,666,477	36,828,733	(162,256)
Post employment benefits	(16)	7,001,302	7,457,710	(456,408)
Long term financial liabilities	(17)	17,699,029	12,752,273	4,946,756
Long term not financial liabilities	(18)	14,511,382	14,080,132	431,250
TOTAL NON-CURRENT LIABILITIES		**76,846,496**	**73,166,232**	**3,680,264**
CURRENT LIABILITIES				
Trade payables	(19)	51,917,308	55,052,139	(3,134,831)
Tax payables	(20)	2,749,626	3,124,892	(375,266)
Short term financial liabilities	(21)	92,565,200	80,224,019	12,341,181
Other liabilities	(22)	17,106,788	14,319,321	2,787,467
TOTAL CURRENT LIABILITIES		**164,338,922**	**152,720,371**	**11,618,551**
Liabilities available for sale		-	-	-
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**389,251,405**	**373,858,384**	**15,393,021**

Pursuant to Consob Resolution N. 15519 of 27 July 2006, the effects of related party transactions on the Consolidated statement of financial position are presented in the specific scheme provided in the attachment II and are further described in the paragraph "Related party transactions".

CONSOLIDATED INCOME STATEMENT (*)

(Values in units of EUR)	Notes	1st Half 2015	%	1st Half 2014	%
REVENUES FROM SALES AND SERVICES	**(23)**	**128,722,575**	**100.0%**	**121,064,933**	**100.0%**
Other revenues and income	(24)	3,286,684	2.6%	2,025,757	1.7%
TOTAL REVENUES		**132,009,259**	**102.6%**	**123,090,690**	**101.7%**
Changes in inventory		8,931,622	6.9%	5,793,082	4.8%
Costs of raw materials, cons. and goods for resale	(25)	(48,902,247)	(38.0%)	(42,642,492)	(35.2%)
Costs of services	(26)	(37,560,279)	(29.2%)	(32,013,312)	(26.4%)
Costs for use of third parties assets	(27)	(11,371,425)	(8.8%)	(10,455,439)	(8.6%)
Labour costs	(28)	(30,728,131)	(23.9%)	(29,205,519)	(24.1%)
Other operating expenses	(29)	(2,614,978)	(2.0%)	(1,996,739)	(1.6%)
Amortisation, write-downs and provisions	(30)	(6,337,492)	(4.9%)	(6,287,740)	(5.2%)
Financial income/(expenses)	(31)	(1,741,557)	(1.4%)	(3,536,987)	(2.9%)
PROFIT / LOSS BEFORE TAXES		**1,684,772**	**1.3%**	**2,745,544**	**2.3%**
Taxes	(32)	(1,585,924)	(1.2%)	(2,095,495)	(1.7%)
NET PROFIT / LOSS		**98,848**	**0.1%**	**650,049**	**0.5%**
(Profit)/loss attributable to minority shareholders		(64,191)	(0.0%)	(499,735)	(0.4%)
NET PROFIT / LOSS FOR THE GROUP		**34,657**	**0.0%**	**150,314**	**0.1%**

(*) Pursuant to Consob Resolution N. 15519 of 27 July 2006, the effects of related party transactions on the Consolidated Income Statement are presented in the specific scheme provided in the attachment III and are further described in the paragraph "Related party transactions".

COMPREHENSIVE INCOME STATEMENT

(Values in units of EUR)	1st Half 2015	1st Half 2014
Profit/(loss) for the period (A)	**98,848**	**650,049**
Other comprehensive income that will not be reclassified subsequently to profit or loss:		
Remeasurement of defined benefit plans	-	-
Income tax relating to components of Other comprehensive income that will not be reclassified subsequently to profit or loss	-	-
Total other comprehensive income that will not be reclassified subsequently to profit or loss, net of tax (B1)	**-**	**-**
Other comprehensive income that will be reclassified subsequently to profit or loss:		
Gains/(losses) on cash flow hedges	-	-
Gains/(losses) on exchange differences on translating foreign operations	(4,637)	917,116
Income tax relating to components of Other Comprehensive income / (loss)	-	-
Total other comprehensive income that will be reclassified subsequently to profit or loss, net of tax (B2)	**(4,637)**	**917,116**
Totale Other comprehensive income, net of tax(B1)+(B2)=(B)	**(4,637)**	**917,116**
Total Comprehensive income / (loss) (A) + (B)	**94,211**	**1,567,165**
Total Comprehensive income / (loss) attributable to:	**94,211**	**1,567,165**
Owners of the parent	30,020	1,067,430
Non-controlling interests	64,191	499,735

CONSOLIDATED CASH FLOW STATEMENT (*)

(Values in thousands of EUR)	Notes	1st Half 2015	1st Half 2014
OPENING BALANCE		**6,692**	**7,524**
Profit / loss before taxes		1,685	2,746
Amortisation / write-downs		6,237	6,288
Accrual (+)/availment (-) of long term provisions and post employment benefits		(1,535)	(602)
Paid income taxes		(1,437)	(2,124)
Financial income (-) and financial charges (+)		1,742	3,537
Change in operating assets and liabilities		(15,440)	(5,787)
CASH FLOW (ABSORBED)/ GENERATED BY OPERATING ACTIVITY	**(33)**	**(8,748)**	**4,058**
Increase (-)/ decrease (+) in intangible fixed assets		(1,273)	(732)
Increase (-)/ decrease (+) in tangible fixed assets		(2,942)	(1,805)
Investments and write-downs (-)/ Disinvestments and revaluations (+)		(51)	(247)
CASH FLOW (ABSORBED)/ GENERATED BY INVESTING ACTIVITY	**(34)**	**(4,266)**	**(2,784)**
Other variations in reserves and profits carried-forward of shareholders' equity		(5)	916
Dividends paid		-	-
Proceeds (+)/repayment (-) of financial payments		17,288	(739)
Increase (-)/ decrease (+) in long term financial receivables		(1,256)	168
Financial income (+) and financial charges (-)		(1,742)	(3,537)
CASH FLOW (ABSORBED)/GENERATED BY FINANCING ACTIVITY	**(35)**	**14,285**	**(3,192)**
CLOSING BALANCE		**7,963**	**5,606**

(*) Pursuant to Consob Resolution N. 15519 of 27 July 2006, the effects of related party transactions on the Consolidated statement of cash flows are presented in the specific scheme provided in the attachment IV and are further described in the paragraph “Related party transactions”.

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

(Values in thousands of EUR)	Share capital	Share premium reserve	Other reserves	Fair Value reserve	IAS reserve	Profit/(losses) carried-forward	Reamisurement of defined benefit plans reserve	Net profit / loss for the Group	Translation reserve	Group interest in shareholders' equity	Minority interest in shareholders' equity	Total shareholders' equity
BALANCES AT 1 January 2014	**25,371**	**71,240**	**31,765**	**7,901**	**11,459**	**(14,198)**	**(833)**	**(3,198)**	**(2,733)**	**126,774**	**16,644**	**143,418**
Allocation of 2013 income/(loss)	-	-	(5,284)	-	-	2,086	-	3,198	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-
Treasury stock (buyback)/sale	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income/(loss) at 30/06/14	-	-	-	-	-	-	-	150	917	1,067	500	1,567
Other changes	-	-	-	-	-		-	-		-		-
BALANCES AT 30 June 2014	**25,371**	**71,240**	**26,481**	**7,901**	**11,459**	**(12,112)**	**(833)**	**150**	**(1,816)**	**127,841**	**17,144**	**144,985**

(Values in thousands of EUR)	Share capital	Share premium reserve	Other reserves	Fair Value reserve	IAS reserve	Profit/(losses) carried-forward	Reamisurement of defined benefit plans reserve	Net profit / loss for the Group	Translation reserve	Group interest in shareholders' equity	Minority interest in shareholders' equity	Total shareholders' equity
BALANCES AT 1 January 2015	**25,371**	**71,240**	**26,481**	**7,901**	**11,459**	**(12,112)**	**(1,229)**	**2,742**	**(1,796)**	**130,057**	**17,915**	**147,972**
Allocation of 2014 income/(loss)	-	-	35	-	-	2,707	-	(2,742)	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-
Treasury stock (buyback)/sale	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income/(loss) at 30/06/15	-	-	-	-	-	-	-	35	(5)	30	64	94
Other changes	-	-	-	-	-	-	-	-	-	-	-	-
BALANCES AT 30 June 2015	**25,371**	**71,240**	**26,516**	**7,901**	**11,459**	**(9,405)**	**(1,229)**	**35**	**(1,801)**	**130,087**	**17,979**	**148,066**

Explanatory notes

GENERAL INFORMATION

Aeffe Group operates worldwide in the luxury goods sector and is active in the design, production and distribution of a wide range of products that includes prêt-a-porter, footwear and leather goods.

The Group develops, produces and distributes, with a constant focus on the qualities of uniqueness and exclusivity, its own collections both under its own-label brands, including "Alberta Ferretti", "Philosophy di Lorenzo Serafini", "Moschino" and "Pollini", and licensed brands, which include "Blugirl", "Cedric Charlier" and "Ungaro". The Group also has licensed to key partners the production and distribution of other accessories and products with which it supplements its product range (perfumes, junior and children's lines, watches, sunglasses and other).

The Group's business is divided, based on the various product lines and brands it sells, into two segments: prêt-a-porter (which includes prêt-a-porter, lingerie and swimwear) and footwear and leather goods.

The Parent Company Aeffe, an Italian legal entity incorporated as a public limited company (società per azioni) based in San Giovanni in Marignano (RN), is currently listed in the – STAR Segment – of the MTA, the Italian Stock Exchange operated by Borsa Italiana.

Aeffe is controlled by Fratelli Ferretti Holding S.r.l..

These consolidated financial statements include the financial statements of the Parent Company Aeffe and its subsidiaries and the Group's equity interests in affiliated companies. They consist of the balance sheet, income statement, comprehensive income statement, cash flow statement, statement of changes in equity and these notes.

The financial statements are expressed in euro, since this is the currency in which most of the Group's transactions are conducted. Foreign operations are included in the consolidated financial statements according to the principles stated in the notes that follow.

DECLARATION OF CONFORMITY AND REPORTING PRINCIPLES

The half-year condensed financial statements at 30 June 2015 have been prepared in accordance with International Financial Reporting Standards –"IFRS"- (the designation IFRS also includes all valid International Accounting Standards -"IAS"-, as well as all interpretations of the International Financial Reporting Interpretations Committee -"IFRIC"-, formerly the Standing Interpretations Committee -"SIC"-), issued by the International Accounting Standards Board –"IASB"– endorsed by the European Commission according to the procedures in art. 6 of (EC) Regulation n. 1606/2002 of the European Parliament and Council dated 19 July 2002. In particular, these half-year condensed financial statements have been prepared in accordance with IAS 34 – *Interim Financial Reporting*.

In the "Accounting policies" section are showed the international accounting principles adopted.

Unless otherwise indicated in the measurement bases described below, these consolidated financial statements were prepared in accordance with the historic cost principle.

The measurement bases were applied uniformly by all Group companies.

CONSOLIDATION PRINCIPLES

The scope of consolidation at 30 June 2015 includes the financial statements of the Parent Company Aeffe and those of the Italian and foreign companies in which Aeffe holds control either directly or through its subsidiaries and associates or in which it exerts a dominant influence.

If necessary, adjustments were made to the financial statements of subsidiaries to bring their accounting polices into line with those adopted by the Group.

Companies are consolidated using the line-by-line method. The principles adopted for the application of this method are essentially as follows:

- the book value of equity investments held by the Parent Company or other consolidated companies is written-off against the corresponding net equity at 30 June 2015 in relation to assumption of the assets and liabilities of the subsidiaries;
- the difference between historical cost and fair value of the net equity of shareholdings on the acquisition date is allocated as much as possible to the assets and liabilities of the shareholdings. The remainder is allocated to goodwill. In accordance with the transitional provisions of IFRS 3, the Group, in case it was present, has ceased to depreciate goodwill, instead subjecting it to impairment tests;
- significant transactions between consolidated companies are written-off, as are receivables and payables and earnings not yet realised from third parties arising from transactions between Group companies, excluding any tax effect;
- minority interests in shareholders' equity and net profit are reported in the relevant items of the consolidated balance sheet and income statement;
- companies acquired during the period are consolidated from the date on which majority control was achieved.

Subsidiaries

Subsidiaries are enterprises controlled by the Company. Control is the power to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The financial statements of subsidiaries are consolidated from the date on which the Group acquires control and until the date when such control ceases.

The acquisition of subsidiaries is accounted for using the acquisition method. Acquisition cost is determined by adding together the fair values of the assets transferred, the shares issued and the liabilities assumed on the acquisition date, plus the costs directly associated with the acquisition. Any surplus acquisition cost over the Group's percentage share of the fair value of the identifiable assets, liabilities and contingent liabilities of the associate is recognised as goodwill.

If the Group's percentage share of the fair value of the identifiable assets, liabilities and contingent liabilities of the associate exceeds acquisition cost, the difference is immediately recorded in the income statement.

Intercompany balances, transactions, revenue and costs are eliminated in the consolidated statements.

Furthermore, intercompany business combinations are recognised by maintaining the same book value of assets and liabilities as previously recorded in the consolidated financial statements.

Associates

An associate is an enterprise in which the Group has significant influence, but has neither sole or joint control, by taking part in decisions regarding the company's financial and operating strategy.

Trading results and the assets and liabilities of associates are accounted for in the consolidated financial statements based on the equity method, except where they are classified as held for sale.

According to this method, equity interests in associates are recorded in the balance sheet at cost, adjusted to take account of changes following the acquisition of their net assets, excluding any loss in value of individual investments. Losses of associates that exceed the Group's percentage interest in them (including long-term receivables that essentially form part of the Group's net investment in the associate) are not recognised unless the Group has an obligation to cover them. The surplus acquisition cost over the parent's percentage share of the present value of the identifiable assets, liabilities and contingent liabilities of the associate on the acquisition date is recognised as goodwill. Goodwill is included in the carrying amount of the investment and is subjected to impairment tests. The historical cost deficit compared with the Group's percentage share of the fair value of the identifiable assets, liabilities and contingent liabilities of associates on the acquisition date is credited to the income statement in the year of acquisition. With reference to operations between a Group company and an associate, unrealised gains and losses are eliminated in equal measure to the Group's percentage interest in the associate, except for cases where the unrealised losses constitute evidence of impairment of the asset transferred.

SCOPE OF CONSOLIDATION

The companies included in the scope of consolidation are listed in the following table:

Company	Location	Currency	Share capital	Direct interest	Indirect interest
Companies included in the scope of consolidation					
Italian companies					
Aeffe Retail S.p.A.	S.G. in Marignano (RN) Italy	EUR	8,585,150	100%	
Clan Cafè S.r.l.	S.G. in Marignano (RN) Italy	EUR	100,000		62,9% (iii)
Moschino S.p.A.	S.G. in Marignano (RN) Italy	EUR	20,000,000	70%	
Nuova Stireria Tavoleto S.r.l.	Tavoleto (PU) Italy	EUR	10,400	100%	
Pollini S.p.A.	Gatteo (FC) Italy	EUR	6,000,000	100%	
Pollini Retail S.r.l.	Gatteo (FC) Italy	EUR	5,000,000		100% (i)
Velmar S.p.A.	S.G. in Marignano (RN) Italy	EUR	120,000	100%	
Foreign companies					
Aeffe France S.a.r.l.	Paris (FR)	EUR	50,000	99.9%	
Aeffe UK Ltd.	London (GB)	GBP	310,000	100%	
Aeffe USA Inc.	New York (USA)	USD	600,000	100%	
Divè S.a.	Galazzano (RSM)	EUR	260,000	75%	
Fashoff UK Ltd.	London (GB)	GBP	1,550,000		70% (ii)
Moschino Japan Inc.	Tokio (J)	JPY	120,000,000		70% (ii)
Moschino Korea Ltd.	Seoul (ROK)	KRW	6,192,940,000		70% (ii)
Moschino France S.a.r.l.	Paris (FR)	EUR	50,000		70% (ii)
Moschino Retail G.m.b.h.	Berlin (D)	EUR	395,500		70% (ii)
Moschino USA Inc.	New York (USA)	USD	400,000		70% (ii)
Aeffe Japan Inc.	Tokio (J)	JPY	3,600,000	100.0%	
Bloody Mary Inc.	New York (USA)	USD	100,000		70% (ii)
Pollini Suisse S.a.g.l.	Chiasso (CH)	CHF	20,000		100% (i)
Pollini Austria G.m.b.h.	Vienna (A)	EUR	35,000		100% (i)

Notes (details of indirect shareholdings):

(i) 100% owned by Pollini Spa;

(ii) 100% owned by Moschino Spa;

(iii) 62,893% owned by Aeffe Retail.

During the period the following operations have been completed:

a) Capital increase of EUR 89.000 for Moschino Retail G.m.b.h.;

FOREIGN CURRENCIES

Functional and reporting currency

The amounts in the financial statements of each Group enterprise are measured using the operating currency or the currency of the economic area in which the enterprise operates. These consolidated financial statements are presented in euro, which is the operating and reporting currency of the Parent Company.

Foreign currency transactions

Foreign currency transactions are converted into the operating currency at the exchange rate in force on the transaction date. Cash assets and liabilities denominated in foreign currencies are converted at the exchange rate in force on the balance sheet date. Any exchange rate differences arising from the elimination of these transactions or from the conversion of cash assets and liabilities are posted to the income statement. Non-cash assets and liabilities in foreign currencies that are measured at fair value are converted at the exchange rates in force on the date on which the fair value was determined.

Financial statements of foreign companies

The financial statements of companies outside the euro-zone are translated into euro based on the following procedures:

(i) assets and liabilities, including goodwill and fair value adjustments arising from consolidation are converted at the exchange rate in force on the balance sheet date;

(ii) revenue and costs are converted at the average rate for the period, which must be close to the exchange rate in force on the transaction date;

(iii) exchange rate differences are recognised in a separate account in shareholders' equity. When a foreign company is sold, the total amount of accumulated exchange rate differences relating to that company are recorded in the income statement.

The exchange rates used for the conversion into euro of the financial and equity statements of companies included in the scope of consolidation are listed in the following table:

Currency description	Actual exchange rate 30 June 2015	Average exchange rate I° sem 2015	Actual exchange rate 31 December 2014	Average exchange rate 2014	Actual exchange rate 30 June 2014	Average exchange rate I° sem 2014
United States Dollars	1.1189	1.1158	1.2141	1.3285	1.3658	1.3705
United Kingdom Pounds	0.7114	0.7323	0.7789	0.8061	0.8015	0.8214
Japanese Yen	137.0100	134.2042	145.2300	140.3061	138.4400	140.3957
South Korean Won	1251.2700	1227.3118	1324.8000	1398.1424	1382.0400	1438.3833
Swiss Franc	1.0413	1.0567	1.2024	1.2146	1.2156	1.2214

FINANCIAL STATEMENT FORMATS

As part of the options available under IAS 1 for the preparation of its economic and financial position, The Group has elected to adopt a balance sheet format that distinguishes between current and non-current assets and liabilities, and an income statement that classifies costs by type of expenditure, since this is deemed to reflect more closely its business activities. The cash flow statement is presented using the "indirect" format.

With reference to Consob Resolution n. 15519 dated 27 July 2006 regarding the format of the financial statements, additional schedules have also been presented for the income statement, the statement of financial position and the statement of cash flows in order to identify any significant transactions with related parties. This has been done to avoid any compromising the overall legibility of the main financial statements.

ACCOUNTING POLICIES

The accounting policies adopted in the preparation of this half-year financial report are the same used as those used in the preparation of the consolidated financial statement as of 31 December 2014, as described in the consolidated financial statements for the year ended 31 December 2014, except for the following interpretations and amendments to the accounting principles that have been mandatory since 1 January 2015 (unless otherwise indicated):

On 12 December 2013 the IASB issued the Annual Improvements to IFRSs 2010–2012 Cycle and Annual Improvements to IFRSs 2011–2013 Cycle. The most important topics addressed in these amendments are, among others, the definition of vesting conditions in IFRS 2 – Share based payment, the disclosure on judgment used in the aggregation of operating segments in IFRS 8 – Operating Segments, the identification and disclosure of a related party transaction that arise when a management entity provides key management personnel service to a reporting entity in IAS 24 - Related Party disclosures, the extension of the exclusion from the scope of IFRS 3 – Business Combinations to all types of joint arrangements and to clarify the application of certain exceptions in IFRS 13 – Fair value Measurement.

On 6 May 2014, the IASB issued amendments to IFRS 11 – Joint arrangements: Accounting for acquisitions of interests in joint operations, clarifying the accounting for acquisitions of an interest in a joint operation that constitutes a business. The amendments are effective, retrospectively, for annual periods beginning on or after 1 January 2016 with earlier application permitted.

On 24 July 2014 the IASB issued the final version of IFRS 9 - Financial Instruments.

There follows the main aspects of the new international accounting principle:

- Classification and Measurement

Classification determines how financial assets and financial liabilities are accounted for in financial statements and, in particular, how they are measured on an ongoing basis. IFRS 9 introduces a logical approach for the classification of financial assets, which is driven by cash flow characteristics and the business model in which an asset is held. This single, principle-based approach replaces existing rule-based requirements that are generally considered to be overly complex and difficult to apply. The new model also results in a single impairment model being applied to all financial instruments, thereby removing a source of complexity associated with previous accounting requirements.

- Impairment

During the financial crisis, the delayed recognition of credit losses on loans (and other financial instruments) was identified as a weakness in existing accounting standards. As part of IFRS 9, the IASB has introduced a new, expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis. The IASB has already announced its intention to create a transition resource group to support stakeholders in the transition to the new impairment requirements.

- Hedge accounting

IFRS 9 introduces a substantially-reformed model for hedge accounting, with enhanced disclosures about risk management activity. The new model represents a significant overhaul of hedge accounting that aligns the accounting treatment with risk management activities, enabling entities to better reflect these activities in their financial statements. In addition, as a result of these changes, users of the financial statements will be provided with better information about risk management and the effect of hedge accounting on the financial statements.

- Own credit

IFRS 9 also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. This change in accounting means that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognised in profit or loss. Early application of this improvement to financial reporting, prior to any other changes in the accounting for financial instruments, is permitted by IFRS 9.

On 12 August 2014 the IASB published Equity Method in Separate Financial Statements (Amendments to IAS 27). The amendments to IAS 27 will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. The amendments will help some jurisdictions move to IFRS for separate financial statements, reducing compliance costs without reducing the information available to investors.

The amendments respond to requests that the IASB had received during its inaugural public agenda consultation. The amendments are effective for annual periods beginning on or after 1 January 2016. Earlier application is permitted.

On 11 September 2014 the IASB published 'Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)'. The amendments address a conflict between the requirements of IAS 28 'Investments in Associates and Joint Ventures' and IFRS 10 'Consolidated Financial Statements' and clarify that in a transaction involving an associate or joint venture the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. They are effective for annual periods beginning on or after 1 January 2016, with earlier application being permitted.

On 25 September 2014 the IASB published Annual Improvements to IFRSs 2012 – 2014 Cycle. The document introduces amendments to the following principles: IFRS 5, 'Non-current assets held for sale and discontinued operations'; IFRS 7, 'Financial instruments: Disclosures'; IAS 19, 'Employee benefits'; IAS 34, 'Interim financial reporting'. They will apply for annual periods beginning on or after 1 January 2016.

On 18 December 2014 the IASB published 'Disclosure Initiative (Amendments to IAS 1)'. The amendments aim at clarifying IAS 1 to address perceived impediments to preparers exercising their judgement in presenting their financial reports. They are effective for annual periods beginning on or after 1 January 2016, with earlier application being permitted.

On 18 December 2014 the IASB published "Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28). The amendments address issues that have arisen in the context of applying the consolidation exception for investment entities. They are effective for annual periods beginning on or after 1 January 2016, with earlier application being permitted

COMMENTS ON THE CONSOLIDATED BALANCE SHEET

NON-CURRENT ASSETS

At the date of these half-year condensed financial statements there are no indications that assets may be impaired.

1. *INTANGIBLE FIXED ASSETS*

The table below illustrates the breakdown and the changes of this item:

(Values in thousands of EUR)	**Brands**	**Key money**	**Other**	**Total**
Net book value as of 01.01.15	**92,456**	**34,917**	**554**	**127,927**
Increases	-	1,084	244	1,328
- increases externally acquired	-	*1,084*	*244*	*1,328*
- increases from business aggregations	-	-	-	-
Disposals	-	-	(56)	(56)
Translation diff. / other variations	-	(17)	17	-
Amortisation	(1,747)	(1,648)	*(180)*	(3,575)
Net book value as of 30.06.15	**90,709**	**34,336**	**579**	**125,624**

Changes in intangible fixed assets highlight the following variations:

- increases equal to EUR 1,328 thousand, mainly related to key money;
- disposals equal to EUR 56 thousand;
- amortisation of the period equal to EUR 3,575 thousand.

Brands

This item includes the Group's own-label brands ("Alberta Ferretti", "Philosophy di Lorenzo Serafini", "Moschino", "Boutique Moschino", "Love Moschino", "Pollini", "Studio Pollini"). A breakdown of brands is given below:

(Values in thousands of EUR)	Brand residual life	30 June 2015	31 December 2014
Alberta Ferretti	28	3,463	3,526
Moschino	30	50,514	51,478
Pollini	26	36,732	37,452
Total		**90,709**	**92,456**

Key money

Key money refers to the amounts paid by the Group to take over leases relating to directly managed stores or, in the case of business combinations, the fair value of these assets at the time of acquisition.

The Group, up to the year 2008, even on the stock of valuations drawn up by independent experts, pointed out the scarce significance of the deadline attributable to the term of the leases. Indeed, to this regard the safeguards given to the lessee by the market routine and by specific legal provisions, which are combined with a strategy of progressive further expansion of the network carried forward by the companies of the

Group that usually renews the leases before their natural expiration and regardless of the intention to continue using the locations as Group boutiques, in view of the value attributable to the commercial positions concerned.

Following the change of the key money market, the Group deemed it proper to introduce a change of estimate on their useful life, switching from an indefinite useful life to a finite useful life.

Starting from 2009, a reversed trend has been noted. Although not generalised, it has led several of the lessors of the market to ask that the contract be terminated as the expiration date draws near. Even if the most recent transactions carried out by the Group are reassuring with regard to the entire recoverability of the original value of the key money, by virtue of the new market definition, the directors prudentially deemed it correct to change the estimate of useful life. Based on the experience of the renewals obtained from the lessors in past financial years, the directors deemed it fitting to estimate a useful life corresponding to the residual term of the contract, and generally plan a renewal for another 6 years, considering a final end value equal to the amounts due by way of indemnity for taking over the lease if provided for by the national regulations.

Other

The item other mainly includes software licences.

2. *Tangible Fixed Assets*

The table below illustrates the breakdown and the changes of this item:

(Values in thousands of EUR)	**Lands**	**Buildings**	**Leasehold improvements**	**Plant and machinery**	**Industrial and commercial equipment**	**Other tangible assets**	**Total**
Net book value as of 01.01.15	**16,828**	**23,688**	**16,178**	**2,953**	**309**	**3,815**	**63,771**
Increases	130	3	1,626	139	81	675	2,654
Disposals	-	-	(59)	(15)	(5)	(72)	(151)
Translation diff. / other variations	-	-	399	1	-	39	439
Depreciation	-	(276)	(1,371)	(427)	(58)	(530)	(2,662)
Net book value as of 30.06.15	**16,958**	**23,415**	**16,773**	**2,651**	**327**	**3,927**	**64,051**

Tangible fixed assets are changed as follows:

- Increases for new investments of EUR 2,654 thousand. These mainly refer to new investments in leasehold improvements.
- Disposals, net of the accumulated depreciation, of EUR 151 thousand.
- Increases for differences arising on translation and other variations of EUR 439 thousand.
- Depreciation of EUR 2,662 thousand charged in relation to all tangible fixed assets, except for land, using the rates applicable to each category.

Other Non-Current Assets

3. *Equity Investments*

This item includes holdings represented by the cost.

4. LONG TERM FINANCIAL RECEIVABLES

The value at 30 June 2015 is related to the long term portion of financial receivables generated by the sale of the real estate properties owned by Aeffe USA to the company Ferrim USA, 100% owned by Ferrim S.r.l.. The variation is determined by the effect of the exchange rate between US and Euro. On that credit accrues interest.

5. OTHER FIXED ASSETS

This item mainly includes receivables for security deposits relating to commercial leases and receivables related to the income recognized by Woollen Co., Ltd. to Aeffe Group as a result of the reorganization of the Japanese Distribution Network.

6. DEFERRED TAX ASSETS AND LIABILITIES

The table below illustrates the breakdown of this item at 30 June 2015 and at 31 December 2014:

(Values in thousands of EUR)	Receivables		Liabilities	
	30 June 2015	31 December 2014	30 June 2015	31 December 2014
Tangible fixed assets	-	-	(63)	(88)
Intangible fixed assets	3	3	(169)	(169)
Provisions	1,695	1,720	-	-
Costs deductible in future periods	4,887	5,046	-	-
Income taxable in future periods	69	579	(1,497)	(1,292)
Tax losses carried forward	4,100	4,090	-	-
Other	6	6	(67)	(63)
Tax assets (liabilities) from transition to IAS	1,921	1,924	(34,870)	(35,217)
Total	**12,681**	**13,368**	**(36,666)**	**(36,829)**

Changes in temporary differences during the period are illustrated in the following table:

(Values in thousands of EUR)	Opening balance	Differences arising on translation	Recorded in the income statement	Other	Closing balance
Tangible fixed assets	(88)	(6)	31	-	(63)
Intangible fixed assets	(166)	-	-	-	(166)
Provisions	1,720	16	(39)	(2)	1,695
Costs deductible in future periods	5,046	2	(161)	-	4,887
Income taxable in future periods	(713)	-	(715)	-	(1,428)
Tax losses carried forward	4,090	113	1,056	(1,159)	4,100
Other	(57)	(5)	20	(19)	(61)
Tax assets (liabilities) from transition to IAS	(33,293)	-	389	(45)	(32,949)
Total	**(23,461)**	**120**	**581**	**(1,225)**	**(23,985)**

The negative variation of EUR 1,225 thousand in the column "Other" mainly refers to the compensation of the tax payables for IRES of the period matured in some of the Group's subsidiaries with the receivable for deferred tax generated in Aeffe Spa as a consequence of the adhesion of the subsidiaries to the fiscal consolidation.

Deferred tax assets related to costs deductible in future periods mainly relate to the deferred taxation on provisions for doubtful investments and for risks and charges related to Moschino Japan Ltd. and Bloody Mary Inc., both subsidiaries of Moschino Spa, and to Aeffe Japan Inc., a subsidiary of Aeffe Spa.

Deferred tax assets have been determined estimating the future recoverability of such activities.

CURRENT ASSETS

7. *STOCKS AND INVENTORIES*

This item comprises:

(Values in thousands of EUR)	30 June 2015	31 December 2014	Change Δ	%
Raw, ancillary and consumable materials	15,056	14,556	500	3.4%
Work in progress	8,099	8,339	(240)	(2.9%)
Finished products and goods for resale	70,600	60,969	9,631	15.8%
Advance payments	132	3	129	4,300.0%
Total	**93,887**	**83,867**	**10,020**	**11.9%**

Inventories of raw materials and work in progress mainly relate to the production of the Autumn/Winter 2015 collections, while finished products mainly concern the Spring/Summer 2015 and the Autumn/Winter 2015 collections and the Spring/Summer 2016 sample collections.

8. *TRADE RECEIVABLES*

This item is illustrated in details in the following table:

(Values in thousands of EUR)	30 June 2015	31 December 2014	Change Δ	%
Trade receivables	39,590	38,487	1,103	2.9%
(Allowance for doubtfull account)	(1,406)	(1,602)	196	(12.2%)
Total	**38,184**	**36,885**	**1,299**	**3.5%**

Trade receivables amount to EUR 38,184 thousand at 30 June 2015, showing an increase of 3.5% compared with the amount at 31 December 2014 (EUR 36,885 thousand).

Management considers that the fair value of amounts due from customers approximates their book value.

The allowance for doubtful accounts is determined by reference to a detailed analysis of the available information and, in general, is based on historical trends.

9. *TAX RECEIVABLES*

This item in illustrated in details in the following table:

(Values in thousands of EUR)	30 June 2015	31 December 2014	Change Δ	%
VAT	5,283	4,274	1,009	23.6%
Corporate income taxes (IRES)	1,677	1,660	17	1.0%
Local business tax (IRAP)	637	288	349	121.2%
Amounts due by tax authority for withheld taxes	1,153	985	168	17.1%
Other tax receivables	1,316	1,324	(8)	(0.6%)
Total	**10,066**	**8,531**	**1,535**	**18.0%**

As of 30 June 2015, the Group's tax receivables amount to EUR 10,066 thousand, recording an increase of EUR 1,535 thousand compared to 31 December 2014, mainly due to the increase of VAT receivable.

10. CASH

This item includes:

(Values in thousands of EUR)	30 June 2015	31 December 2014	Change Δ	%
Bank and post office deposits	7,450	6,087	1,363	22.4%
Cheques	48	31	17	54.8%
Cash in hand	465	574	(109)	(19.0%)
Total	**7,963**	**6,692**	**1,271**	**19.0%**

Bank and postal deposits represent the nominal value of the current account balances with credit institutions, including interest accrued on the balance sheet date. Cash in hand and equivalents represent the nominal value of the cash held on the balance sheet date.

The increase in cash and cash equivalent, recorded at 30 June 2015 compared with the amount recorded at 31 December 2014, is EUR 1,271 thousand. About the reason of this variation refer to the Statement of Cash Flows.

11. FINANCIAL RECEIVABLES

The item is compared with the respective value at 31 December 2014:

(Values in thousands of EUR)	30 June 2015	31 December 2014	Change Δ	%
Financial receivables	2,216	1,000	1,216	121.6%
Total	**2,216**	**1,000**	**1,216**	**121.6%**

The value at 30 June 2015 is mainly related to the short term portion of the financial receivable generated by the sale of the real estate properties owned by Aeffe USA to the company Ferrim USA, a 100% subsidiary of the company Ferrim Srl. On that credit accrues interest.

12. OTHER RECEIVABLES

This caption comprises:

(Values in thousands of EUR)	30 June 2015	31 December 2014	Change Δ	%
Credits for prepaid costs	20,354	17,749	2,605	14.7%
Advances for royalties and commissions	905	761	144	18.9%
Advances to suppliers	258	618	(360)	(58.3%)
Accrued income and prepaid expenses	3,495	2,421	1,074	44.4%
Other	2,538	3,332	(794)	(23.8%)
Total	**27,550**	**24,881**	**2,669**	**10.7%**

Other current receivables increase by EUR 2,669 thousand mainly for the increase of prepaid leases and credits for prepaid costs generated by the seasonality of the business and by the increase of variable costs suspended at the end of June as a consequence of the good performances of sales and orders.

Credits for prepaid costs relate to the costs incurred to design and make samples for the Spring/Summer 2016 collections, which the corresponding revenues from sales have not been realised yet for and the partial suspension of the same costs for the Autumn/Winter 2015 collections.

13. ASSETS AND LIABILITIES AVAILABLE FOR SALE

This item is illustrated in details in the following table:

(Values in thousands of EUR)	30 June 2015	31 December 2014	Change Δ
Other fixed assets	437	437	-
Total Assets	**437**	**437**	**0**

14. SHAREHOLDERS' EQUITY

Described below are the main categories of shareholders' equity at 30 June 2015, while the corresponding variations are described in the prospect of shareholders' equity.

(Values in thousands of EUR)	30 June 2015	31 December 2014	Change Δ
Share capital	25,371	25,371	-
Share premium reserve	71,240	71,240	-
Other reserves	26,516	26,481	35
Fair value reserve	7,901	7,901	-
IAS reserve	11,459	11,459	-
Profits / (losses) carried-forward	(9,405)	(12,112)	2,707
Reamisurement of defined benefit plans reserve	(1,229)	(1,229)	-
Net profit / (loss) for the Group	35	2,742	(2,707)
Translation reserve	(1,801)	(1,796)	(5)
Minority interest	17,979	17,915	64
Total	**148,066**	**147,972**	**94**

SHARE CAPITAL

Share capital as of 30 June 2015, totally subscribed and paid, (gross of treasury shares) totals EUR 26,841 thousand), and is represented by 107,362,504 shares, par value EUR 0.25 each. At 30 June 2015 the Parent Company holds 5,876,878 treasury shares, representing the 5.5% of its share capital.

There are no shares with restricted voting rights, without voting rights or with preferential rights. The number of outstanding shares is not changed during the period.

SHARE PREMIUM RESERVE

The share premium reserve amounts to EUR 71,240 thousand and it remains unchanged since 31 December 2014.

OTHER RESERVES

The changes in these reserves reflect the allocation of prior-year profit of the Parent Company.

FAIR VALUE RESERVE

The fair value reserve derives from the application of IAS 16 in order to measure the land and buildings owned by the Company at their fair value, as determined with reference to an independent appraisal.

IAS RESERVE

The IAS reserve, formed on the first-time adoption of IFRS, reflects the differences in value that emerged on the transition from ITA GAAP to IFRS. The differences reflected in this equity reserve are stated net of tax effect, as required by IFRS 1. Each difference was allocated on a pro rata basis to minority interests.

PROFITS/(LOSSES) CARRIED-FORWARD

The caption Profits/(losses) carried-forward increase mainly as a consequence of the consolidated result recorded during the year ended at 31 December 2014.

REAMISUREMENT OF DEFINED BENEFIT PLANS RESERVE

The reamisurement of defined benefit plans reserve amounts to EUR -1.229 thousand and it remains unchanged since 31 December 2014.

TRANSLATION RESERVE

The translation reserve amounts to EUR -1,801 thousand and is related to the conversion of companies' financial statements in other currency than EUR.

MINORITY INTERESTS

The variation is due to the portion of result for the period ended at 30 June 2014 attributable to the minority shareholders.

Minority interests represent the shareholders' equity of consolidated companies owned by other shareholders and include the corresponding IAS reserve.

NON-CURRENT LIABILITIES

15. PROVISIONS

Provisions are illustrated in the following statement:

(Values in thousands of EUR)	31 December 2014	Increases	Decreases	30 June 2015
Pensions and similar obligations	1,010	33	(252)	791
Other	1,037	30	(890)	177
Total	**2,047**	**63**	**(1,142)**	**968**

The supplementary clientele severance indemnity fund is determined based on an estimate of the liability relating to the severance of agency contracts, taking account of statutory provisions and any other relevant factor, such as statistical data, average duration of agency contracts and their rate of turnover. The item is calculated based on the actual value of the outflow necessary to extinguish the obligation. The decrease of EUR 252 thousand is related to the liquidation of an agent.

The decrease in the caption Other is related to the variation of the provision for future risks and charges, that increases for the estimation of costs requested by a former consultant to a company of the Group.

Potential tax liabilities for which no reserves have been established, since it is not considered probable that they will give rise to a liability for the Group, are described in the paragraph "Contingent liabilities".

16. *POST-EMPLOYMENT BENEFITS*

The severance indemnities payable on a deferred basis to all employees of the Group are deemed to represent a defined benefits plan (IAS 19), since the employer's obligation does not cease on payment of the contributions due on the remuneration paid, but continue until termination of the employment relationship.

For plans of this type, the standard requires the amount accrued to be projected forward in order to determine the amount that will be paid on the termination of employment, based on an actuarial valuation that takes account of employee turnover, likely future pay increases and any other applicable factors. This methodology does not apply to those employees whose severance indemnities are paid into approved supplementary pension funds which, in the circumstances, are deemed to represent defined contributions plans.

Starting from 1 January 2007, the Finance Law and related enabling decrees introduced significant changes to the regulations governing severance indemnities, including the ability of employees to choose how their individual severance indemnities will be allocated. In particular, employees can now allocate the new amounts accrued to approve pension plans or decide to retain them with the employer (which must pay the related severance contributions into a treasury account managed by INPS).

Changes in the provision are illustrated in the following statement:

(Values in thousands of EUR)	31 December 2014	Increases	Decreases/ Other variations	30 June 2015
Post employment benefits	7,458	72	(529)	7,001
Total	**7,458**	**72**	**(529)**	**7,001**

The entry decreases/other changes includes the decrease for the liquidation of the post employment benefits.

17. *LONG-TERM FINANCIAL LIABILITIES*

The following table contains details of long-term borrowings:

(Values in thousands of EUR)	30 June 2015	31 December 2014	Change Δ	%
Loans from financial institutions	17,627	12,680	4,947	39.0%
Amounts due to other creditors	72	72	-	n.a.
Total	**17,699**	**12,752**	**4,947**	**38.8%**

The entry "Loans from financial institutions" relate to the portion of bank loans due beyond 12 months. This entry mainly refers to a ten-year mortgage loan disbursed in November 2013 to the Parent company Aeffe Spa for an amount of EUR 11.5 million on a real estate based in Gatteo, headquarter of the subsidiary Pollini Spa. It should be noted that such real estate from 2002 to 2012 was object of a lease-back operation.

All other operations are unsecured loans and bank finance not assisted by any form of security and they are not subject to special clauses, except for the early repayment clauses normally envisaged in commercial practice. Furthermore, there are no covenants to comply with specific financial terms or negative pledges.

The following table contains details of bank loans as of 30 June 2015, including the current portion and long term portion:

(Values in thousands of EUR)	Total amount	Current portion	Long term portion
Bank borrowings	22,306	4,679	17,627
Total	**22,306**	**4,679**	**17,627**

The total due beyond five years amount to EUR 4,466 thousand.

18. LONG-TERM NOT FINANCIAL LIABILITIES

This caption equal to EUR 14,511 thousand mainly refers to the debt due by the subsidiary Moschino S.p.A. in relation to an interest-free shareholder loan from Sinv S.p.A.. This liability is treated as a payment on capital account and arose on the purchase of Moschino S.p.A. by the Parent Company and Sinv S.p.A. in 1999, divided into proportional shares according to the equity interest held the Parent Company and Sinv S.p.A. in Moschino S.p.A..

CURRENT LIABILITIES

19. TRADE PAYABLES

The item is compared with the respective value at 31 December 2014:

(Values in thousands of EUR)	30 June	31 December	Change	
	2015	2014	Δ	%
Trade payables	51,917	55,052	(3,135)	(5.7%)
Total	**51,917**	**55,052**	**(3,135)**	**(5.7%)**

Trade payables are due within 12 months and concern debts for supplying goods and services.

20. TAX PAYABLES

Tax payables are analysed in comparison with the related balances as of 31 December 2014 in the following table:

(Values in thousands of EUR)	30 June 2015	31 December 2014	Change Δ	%
Local business tax (IRAP)	210	222	(12)	(5.4%)
Amounts due to tax authority for withheld taxes	2,012	2,364	(352)	(14.9%)
VAT due to tax authority	482	399	83	20.8%
Other	46	140	(94)	(67.1%)
Total	**2,750**	**3,125**	**(375)**	**(12.0%)**

Tax payables decrease of EUR 375 thousand compared with 31 December 2014, mainly for lower withheld taxes on employees for the thirteenth monthly pay accrual which has no equivalent as of 31 December 2014.

21. SHORT-TERM FINANCIAL LIABILITIES

A breakdown of this item is given below:

(Values in thousands of EUR)	30 June 2015	31 December 2014	Change Δ	%
Due to banks	92,565	80,224	12,341	15.4%
Total	**92,565**	**80,224**	**12,341**	**15.4%**

Current bank debts include advances granted by credit institutions, current loans and the current portion of long-term financing commitments. Advances mainly consist of withdrawals from short-term credit facilities to finance the working capital requirement. Current loans (due within 12 months) are loans granted by banks to the Parent Company and to other Group companies.

22. OTHER LIABILITIES

Other current liabilities are analysed on a comparative basis in the following table:

(Values in thousands of EUR)	30 June 2015	31 December 2014	Change Δ	%
Due to total security organization	3,105	3,015	90	3.0%
Due to employees	6,855	5,011	1,844	36.8%
Trade debtors - credit balances	2,579	1,529	1,050	68.7%
Accrued expenses and deferred income	2,234	2,163	71	3.3%
Other	2,334	2,601	(267)	(10.3%)
Total	**17,107**	**14,319**	**2,788**	**19.5%**

The entry Other liabilities records an increase of EUR 2,788 thousand compared to 31 December 2014.

The increase in the amount due to employees is mainly assignable to the presence of the thirteenth monthly pay accrual as of 30 June 2015 which has no equivalent as of 31 December 2014.

The increase of trade debtors is mainly related to the seasonality of the business.

The caption accrued expenses and deferred income mainly refers to the deferred income relating to the deferment to the next half year of the revenues not of competence. The other liabilities mainly include commission payables.

SEGMENT INFORMATION REGARDING PROFIT OR LOSS, ASSETS AND LIABILITIES

In order to apply the IFRS 8 the Group has considered to delineate as operative sectors the same used by IAS 14 Segment reporting: *Prêt-à porter* Division and footwear and leather goods Division. Such decision has been taken because they represent business activities from which the entity may earn revenues and incur expenses, whose operating result are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Prêt-à porter Division is mainly represented by the companies Aeffe, Moschino and Velmar, operating in the design, production and distribution of luxury prêt-à porter and lingerie, beachwear and loungewear collections.

In terms of prêt-à porter collections, the activity is carried out by Aeffe, both for the production of the Group's own-label brands ("Alberta Ferretti", "Philosophy di Lorenzo Serafini", "Moschino", "Boutique Moschino" and "Love Moschino") and brands licensed from other companies (such as "Blugirl", "Cedric Charlier" and "Ungaro"). Aeffe also handles the distribution of all Division products, which takes place via the retail channel through subsidiaries and via the wholesale channel.

Velmar manufactures and distributes lingerie and swimwear collections, and specifically men's/women's lingerie, underwear, beachwear and loungewear. Collections are produced and distributed under the Group's own-label brands such as "Moschino", and under third-party licensed brands such as "Blugirl".

The Prêt-a-porter Division also manages licensing agreements granted to other companies to manufacture Aeffe and Moschino branded product lines such as the "Moschino" brand licensing agreement relating to the *love* line, "Moschino" branded perfumes and "Moschino" branded sunglasses.

The footwear and leather goods Division, which is composed of Pollini and its subsidiaries, mainly handles the design, production and distribution of footwear, small leather goods, bags and matching accessories made from exclusive materials.

The operating activity is mainly carried out by Pollini, which directly handles the design, production and distribution of own-label products, as well as the production and distribution of brands licensed by Group companies. The footwear and leather goods division also manages licensing agreements granted to other companies to manufacture "Pollini" products such as umbrellas, foulards and ties.

The following tables indicate the main economic data for the first half-year 2015 and 2014 of the *Prêt-à porter* and Footwear and leather goods Divisions:

(Values in thousand of EUR) 1st Half 2015	Prêt-à porter Division	Footwear and leather goods Division	Elimination of intercompany transactions	Total
SECTOR REVENUES	**99,537**	**46,033**	**(16,847)**	**128,723**
Intercompany revenues	(3,428)	(13,419)	16,847	-
Revenues with third parties	**96,109**	**32,614**	-	**128,723**
Gross operating margin (EBITDA)	**5,534**	**4,230**	-	**9,764**
Amortisation	(4,847)	(1,390)	-	(6,237)
Other non monetary items:				
Write-downs		(101)	-	(101)
Net operating profit / loss (EBIT)	**687**	**2,739**	-	**3,426**
Financial income	755	8	(275)	488
Financial expenses	(1,867)	(637)	275	(2,229)
Profit / loss before taxes	**(425)**	**2,110**	**-**	**1,685**
Income taxes	(812)	(774)	-	(1,586)
Net profit / loss	**(1,237)**	**1,336**	**-**	**99**

(Values in thousand of EUR) 1st Half 2014	Prêt-à porter Division	Footwear and leather goods Division	Elimination of intercompany transactions	Total
SECTOR REVENUES	**94,823**	**37,729**	**(11,487)**	**121,065**
Intercompany revenues	(2,767)	(8,720)	11,487	-
Revenues with third parties	**92,056**	**29,009**	-	**121,065**
Gross operating margin (EBITDA)	**10,656**	**1,914**	-	**12,570**
Amortisation	(4,619)	(1,421)	-	(6,040)
Other non monetary items:				
Write-downs	(184)	(63)	-	(247)
Net operating profit / loss (EBIT)	**5,853**	**430**	-	**6,283**
Financial income	547	11	(437)	121
Financial expenses	(3,168)	(927)	437	(3,658)
Profit / loss before taxes	**3,232**	**(486)**	**-**	**2,746**
Income taxes	(2,096)	-	-	(2,096)
Net profit / loss	**1,136**	**(486)**	**-**	**650**

The following tables indicate the main patrimonial and financial data at 30 June 2015 and 31 December 2014 of the Prêt-à porter and Footwear and leather goods Divisions:

(Values in thousand of EUR) 30 June 2015	Prêt-à porter Division	Footwear and leather goods Division	Elimination of intercompany transactions	Total
SECTOR ASSETS	*305,688*	*114,000*	*(53,185)*	366,503
of which non-current assets (*)				
Intangible fixed assets	*82,653*	*42,971*	*-*	*125,624*
Tangible fixed assets	*60,745*	*3,306*	*-*	*64,051*
Other non-current assets	*10,717*	*716*	*(4,442)*	*6,991*
OTHER ASSETS	*19,241*	*3,507*	*-*	22,748
CONSOLIDATED ASSETS	**324,929**	**117,507**	**(53,185)**	**389,251**

(*) Non-current assets other than financial instruments, deferred tax assets, post-employment benefit assets and rights arising under insurance contracts

(Values in thousand of EUR) 30 June 2015	Prêt-à porter Division	Footwear and leather goods Division	Elimination of intercompany transactions	Total
SECTOR LIABILITIES	179,701	75,253	*(53,185)*	201,769
OTHER LIABILITIES	25,769	13,647	-	39,416
CONSOLIDATED LIABILITIES	**205,470**	**88,900**	**(53,185)**	**241,185**

(Values in thousand of EUR) 31 December 2014	Prêt-à porter Division	Footwear and leather goods Division	Elimination of intercompany transactions	Total
SECTOR ASSETS	*295,549*	*109,518*	*(53,108)*	351,959
of which non-current assets (*)				
Intangible fixed assets	*84,097*	*43,830*	-	*127,927*
Tangible fixed assets	*60,553*	*3,218*	-	*63,771*
Other non-current assets	*10,338*	*604*	*(4,442)*	*6,500*
OTHER ASSETS	*18,819*	*3,080*	-	21,899
CONSOLIDATED ASSETS	**314,368**	**112,598**	**(53,108)**	**373,858**

(*) Non-current assets other than financial instruments, deferred tax assets, post-employment benefit assets and rights arising under insurance contracts

(Values in thousand of EUR) 31 December 2014	Prêt-à porter Division	Footwear and leather goods Division	Elimination of intercompany transactions	Total
SECTOR LIABILITIES	167,711	71,330	*(53,108)*	185,933
OTHER LIABILITIES	26,040	13,914	-	39,954
CONSOLIDATED LIABILITIES	**193,751**	**85,244**	**(53,108)**	**225,887**

Segment information by geographical area

The following table indicates the revenues for the first half-year 2015 and 2014 divided by geographical area:

(Values in thousands of EUR)	1st Half 2015	%	1st Half 2014	%	Change Δ	Change %
Italy	57,134	44.4%	52,925	43.7%	4,209	8.0%
Europe (Italy and Russia excluded)	28,657	22.3%	28,416	23.5%	241	0.8%
Russia	4,666	3.6%	9,482	7.8%	(4,816)	(50.8%)
United States	9,729	7.6%	7,100	5.9%	2,629	37.0%
Japan	3,889	3.0%	3,223	2.7%	666	20.6%
Rest of the World	24,648	19.1%	19,919	16.4%	4,729	23.7%
Total	**128,723**	**100.0%**	**121,065**	**100.0%**	**7,658**	**6.3%**

COMMENTS ON THE CONSOLIDATED INCOME STATEMENT

23. Revenues from sales and services

In the first semester of 2015, Aeffe consolidated revenues amount to EUR 128,722 thousand compared to EUR 121,065 thousand in the first semester of 2014, with a 6.3% increase at current exchange rates (4.4% at constant exchange rates).

The revenues of the prêt-à-porter division increase by 5.0% (2.5% at constant exchange rates) to EUR 99,537 thousand.

The revenues of the footwear and leather goods division increase by 22.0% to EUR 46,033 thousand, before interdivisional eliminations.

24. Other revenues and income

This item comprises:

(Values in thousands of EUR)	1st Half 2015	1st Half 2014	Change Δ	Change %
Extraordinary income	472	500	(28)	(5.6%)
Other income	2,815	1,526	1,289	84.5%
Total	**3,287**	**2,026**	**1,261**	**62.2%**

In 1stH 2015, the caption extraordinary income, composed by recovery of receivables from bankrupt customers, time expiry of receivables and payables that arose in prior years, decreases by 28 thousand compared to the previous semester.

The caption other income, which amounts to EUR 2,815 thousand, mainly refers to exchange gains on commercial transaction, rental income, sales of raw materials and packaging. The variation of EUR 1,289 thousand compared to the previous semester is mainly due to the increase of exchange gains on commercial transaction.

25. Costs of raw materials

(Values in thousands of EUR)	1st Half 2015	1st Half 2014	Change Δ	Change %
Raw, ancillary and consumable materials and goods for resale	48,902	42,642	6,260	14.7%
Total	**48,902**	**42,642**	**6,260**	**14.7%**

This item mainly includes costs for the acquisition of raw materials such as fabrics, threads, skins and accessories, purchases of finished products for resale (products sold) and packaging.

26. Costs of services

This item comprises:

(Values in thousands of EUR)	1st Half 2015	1st Half 2014	Change Δ	%
Subcontracted work	13,056	10,953	2,103	19.2%
Consultancy fees	6,709	6,240	469	7.5%
Advertising	5,265	3,429	1,836	53.5%
Commission	2,313	2,204	109	4.9%
Transport	2,685	1,975	710	35.9%
Utilities	1,096	1,098	(2)	(0.2%)
Directors' and auditors' fees	1,384	1,358	26	1.9%
Insurance	276	291	(15)	(5.2%)
Bank charges	794	801	(7)	(0.9%)
Travelling expenses	1,102	1,003	99	9.9%
Other services	2,880	2,661	219	8.2%
Total	**37,560**	**32,013**	**5,547**	**17.3%**

Costs of services increase from EUR 32,013 thousand in the 1stH 2014 to EUR 37,560 thousand in the 1stH 2015, up 17.3%. The increase is mainly due to:

- the increase of subcontracted work linked to the growth of orders' backlog for Autumn/Winter 2015;
- the increase of costs for "Consultancy fees" mainly linked to the change of the screative direction of the Philosophy and Moschino brands;
- the increase of costs for "Advertising" mainly for events aimed at further enhancing Moschino brand.

27. Costs for use of third parties assets

This item comprises:

(Values in thousands of EUR)	1st Half 2015	1st Half 2014	Change Δ	%
Rental expenses	10,092	8,957	1,135	12.7%
Royalties	910	1,086	(176)	(16.2%)
Hire charges and similar	369	412	(43)	(10.4%)
Total	**11,371**	**10,455**	**916**	**8.8%**

The caption costs for use of third parties assets increases of EUR 916 thousand from EUR 10,455 thousand in the 1stH 2014 to EUR 11,371 thousand in the 1stH 2015.

Such increase is mainly due to new openings realized in 2015 partially compensated by lower royalties related to brands under license.

28. Labour costs

The item includes:

(Values in thousands of EUR)	1st Half 2015	1st Half 2014	Change Δ	%
Labour costs	30,728	29,206	1,522	5.2%
Total	**30,728**	**29,206**	**1,522**	**5.2%**

Labour costs increase from EUR 29,206 thousand in 1stH 2014 to EUR 30,728 thousand in 1stH 2015 with an incidence on revenues which decreases from 24.1% in the first semester 2014 to 23.9% in the first semester 2015.

The workforce increases from an average of 1,248 units in the 1stH 2014 to 1,271 units in the 1stH 2015.

Average number of employees by category	1st Half 2015	1st Half 2014	Change Δ	%
Workers	229	247	(18)	(7.3%)
Office staff-supervisors	1,019	976	43	4.4%
Executive and senior managers	23	25	(2)	(8.0%)
Total	**1,271**	**1,248**	**23**	**1.8%**

29. Other operating expenses

This item includes:

(Values in thousands of EUR)	1st Half 2015	1st Half 2014	Change Δ	%
Taxes	346	326	20	6.1%
Gifts	56	103	(47)	(45.6%)
Contingent liabilities	396	356	40	11.2%
Write-down of current receivables	58	48	10	20.8%
Foreign exchange losses	1,395	924	471	51.0%
Other operating expenses	364	240	124	51.7%
Total	**2,615**	**1,997**	**618**	**30.9%**

The caption other operating expenses amounts to EUR 2,615 thousand, with an increase of 30.9% compared with EUR 1,997 thousand in the 1stH 2014, mainly for an increase of foreign exchange lossses.

30. Amortisation, write-downs and provisions

This item includes:

(Values in thousands of EUR)	1st Half 2015	1st Half 2014	Change Δ	%
Amortisation of intangible fixed assets	3,575	3,429	146	4.3%
Depreciation of tangible fixed assets	2,662	2,612	50	1.9%
Write-downs	100	247	(147)	(59.5%)
Total	**6,337**	**6,288**	**49**	**0.8%**

The entry is in line with the previous semester.

31. Financial income/ expenses

This item includes:

(Values in thousands of EUR)	1st Half 2015	1st Half 2014	Change Δ	%
Interest income	58	80	(22)	(27.5%)
Foreign exchange gains	425	24	401	1,670.8%
Financial discounts	4	17	(13)	(76.5%)
Financial income	**487**	**121**	**366**	**302.5%**
Bank interest expenses	1,793	2,702	(909)	(33.6%)
Other interest expenses	138	86	52	60.5%
Foreign exchange losses	139	717	(578)	(80.6%)
Other expenses	159	153	6	3.9%
Financial expenses	**2,229**	**3,658**	**(1,429)**	**(39.1%)**
Total	**1,742**	**3,537**	**(1,795)**	**(50.7%)**

The decrease in financial income/expenses amounts to EUR 1,795 thousand. Such effect is substantially linked to:

- lower financial expenses as a result of the better banking conditions applied by the banks;
- lower foreign exchange losses.

32. INCOME TAXES

This item includes:

(Values in thousands of EUR)	1st Half 2015	1st Half 2014	Change Δ	%
Current income taxes	2,122	2,997	(875)	(29.2%)
Deferred income/(expenses) taxes	(581)	(879)	298	(33.9%)
Taxes related to previous years	45	(23)	68	n.a.
Total income taxes	**1,586**	**2,095**	**(509)**	**(24.3%)**

Details of deferred tax assets and liabilities and changes in this item are described in the paragraph on deferred tax assets and liabilities.

The reconciliation between actual and theoretical taxation for the 1stH 2015 and 2014 is illustrated in the following table:

(Values in thousands of EUR)	1st Half 2015	1st Half 2014
Profit before taxes	1,685	2,746
Theoretical tax rate	27.5%	27.5%
Theoretical income taxes (IRES)	**463**	**755**
Fiscal effect	(264)	(30)
Effect of foreign tax rates	918	543
Total income taxes excluding IRAP (current and deferred)	**1,117**	**1,268**
IRAP (current and deferred)	**469**	**827**
Total income taxes (current and deferred)	**1,586**	**2,095**

This reconciliation of the theoretical and effective tax rates does not take account of IRAP, given that it does not use profit before taxes to calculate the taxable amount. Accordingly, the inclusion of IRAP in the reconciliation would generate distorting effects between years.

COMMENTS ON THE CONSOLIDATED STATEMENT OF CASH FLOWS

The cash flow generated during the first half of 2015 is EUR 1,271 thousand.

(Values in thousands of EUR)	1st Half 2015	1st Half 2014
OPENING BALANCE (A)	**6,692**	**7,524**
Cash flow (absorbed)/ generated by operating activity (B)	(8,748)	4,058
Cash flow (absorbed)/ generated by investing activity (C)	(4,266)	(2,784)
Cash flow (absorbed)/ generated by financing activity (D)	14,285	(3,192)
Increase/(decrease) in cash flow (E)=(B)+(C)+(D)	**1,271**	**(1,918)**
CLOSING BALANCE (F)=(A)+(E)	**7,963**	**5,606**

33. Cash flow (absorbed)/ generated by operating activity

The cash flow absorbed by operating activity during the first half of 2015 amounts to EUR 8,748 thousand.

The cash flow comprising these funds is analysed below:

(Values in thousands of EUR)	1st Half 2015	1st Half 2014
Profit before taxes	1,685	2,746
Amortisation / write-downs	6,237	6,288
Accrual (+)/availment (-) of long term provisions and post employment benefits	(1,535)	(602)
Paid income taxes	(1,437)	(2,124)
Financial income (-) and financial charges (+)	1,742	3,537
Change in operating assets and liabilities	(15,440)	(5,787)
CASH FLOW (ABSORBED)/ GENERATED BY OPERATING ACTIVITY	**(8,748)**	**4,058**

34. Cash flow (absorbed)/ generated by investing activity

The cash flow absorbed by investing activity during the first half of 2015 amounts to EUR 4,266 thousand.

The factors comprising these funds are analysed below:

(Values in thousands of EUR)	1st Half 2015	1st Half 2014
Increase (-)/ decrease (+) in intangible fixed assets	(1,273)	(732)
Increase (-)/ decrease (+) in tangible fixed assets	(2,942)	(1,805)
Investments and write-downs (-)/ Disinvestments and revaluations (+)	(51)	(247)
CASH FLOW (ABSORBED)/ GENERATED BY INVESTING ACTIVITY	**(4,266)**	**(2,784)**

35. Cash flow (absorbed)/ generated by financing activity

The cash flow generated by financing activity during the first half of 2015 amounts to EUR 14,285 thousand.

The factors comprising these funds are analysed below:

(Values in thousands of EUR)	1st Half 2015	1st Half 2014
Other variations in reserves and profits carried-forward of shareholders' equity	(5)	916
Dividends paid	-	-
Proceeds (+)/repayment (-) of financial payments	17,288	(739)
Increase (-)/ decrease (+) in long term financial receivables	(1,256)	168
Financial income (+) and financial charges (-)	(1,742)	(3,537)
CASH FLOW (ABSORBED)/GENERATED BY FINANCING ACTIVITY	**14,285**	**(3,192)**

OTHER INFORMATION

36. *STOCK OPTIONS PLAN*

During the semester, no stock options of Aeffe S.p.A. have been granted. For the details relating to the stock options plans refer to the financial statements ended at 31 December 2014.

37. *INCENTIVE PLANS*

Regarding the long term incentive plans reserved to executive directors of Aeffe S.p.A., please refer to the indicated in the Report on remuneration available from the governance section of the following website: www.aeffe.com.

38. *NET FINANCIAL POSITION*

As required by Consob communication DEM/6264293 dated 28 July 2006 and in compliance with the CESR's “Recommendations for the consistent implementation of the European Commission's Regulation on Prospectuses” dated 10 February 2005, the Group's net financial position as of 30 June 2015 is analysed below:

(Values in thousands of EUR)	30 June 2015	31 December 2014
A - Cash in hand	513	604
B - Other available funds	7,450	6,087
C - Securities held for trading	-	-
D - Cash and cash equivalents (A) + (B) + (C)	*7,963*	*6,691*
E - Short term financial receivables	2,216	1,000
F - Current bank loans	(87,886)	(77,416)
G - Current portion of long-term bank borrowings	(4,679)	(2,808)
H - Current portion of loans from other financial istitutions	-	-
I - Current financial indebtedness (F) + (G) + (H)	*(92,565)*	*(80,224)*
J - Net current financial indebtedness (I) + (E) + (D)	*(82,386)*	*(72,533)*
K - Non current bank loans	(17,627)	(12,680)
L - Issued obbligations	1,949	1,718
M - Other non current loans	(72)	(72)
N - Non current financial indebtedness (K) + (L) + (M)	*(15,750)*	*(11,034)*
O - Net financial indebtedness (J) + (N)	**(98,136)**	**(83,567)**

The net financial position of the Group amounts to EUR 98,136 thousand as of 30 June 2015 compared with EUR 83,567 thousand as of 31 December 2014.

39. EARNINGS PER SHARE

Basic earnings per share:

(Values in thousands of EUR)	1st Half 2015	1st Half 2014
Consolidated earnings for the period for shareholders of the Parent Company	35	150
Medium number of shares for the period	101,486	101,486
Basic earnings per share	**0.000**	**0.001**

Following the issue on 24 July 2007 of 19 million new shares, taken up in full, the number of shares currently outstanding is 107,362,504.

40. RELATED PARTY TRANSACTIONS

Reciprocal transactions and balances between Group companies included within the scope of consolidation are eliminated from the consolidated financial statements and as such will not be described here.

Operations carried out with related parties mainly concern the exchange of goods, the performance of services and the provision of financial resources. All transactions arise in the ordinary course of business and are settled on market terms i.e. on the terms that are or would be applied between two independent parties.

The Group's business dealing with other related parties are summarised below:

(Values in thousands of EUR)	1st Half 2015	1st Half 2014	Nature of the transactions
Shareholder Alberta Ferretti with Aeffe S.p.a.			
Contract for the sale of artistic assets and design	150	150	Cost
Ferrim with Aeffe S.p.a.			
Property rental	888	884	Cost
Land purchase	130	-	Lands
Fratelli Ferretti Holding with Aeffe S.p.a.			
Short term financial	400	-	Receivable
Commerciale Valconca with Aeffe S.p.a.			
Commercial	158	252	Revenue
Property rental	62	62	Cost
Commercial	973	1,081	Receivable
Ferrim with Moschino S.p.a.			
Property rental	428	435	Cost
Aeffe France with Società Solide Real Estate France			
Property rental	161	161	Cost
Commercial	317	-	Payable
Commercial	-	41	Receivable
Moschino France with Società Solide Real Estate France			
Property rental	188	193	Cost
Commercial	21	71	Payable
Aeffe USA with Ferrim USA			
Long term financial	1,949	1,416	Receivable
Short term financial	1,000	1,000	Receivable
Commercial	254	-	Receivable
Commercial	60	-	Payable
Commercial	62	51	Revenue
Property rental	357	293	Cost

The following table indicates the data related on the incidence of related party transactions on the income statement, balance sheet, cash flow and indebtedness at 30 June 2015 and at 30 June 2014.

(Values in thousands of EUR)	Balance 1st Half	Value rel. party 2015	%	Balance 1st Half	Value rel. party 2014	%
Incidence of related party transactions on the income statement						
Revenues from sales and services	128,723	158	0.1%	121,065	252	0.2%
Costs of services	37,560	150	0.4%	32,013	150	0.5%
Costs for use of third party assets	11,371	2,084	18.3%	10,455	2,028	19.4%
Financial income	488	62	12.6%	121	51	42.4%
Incidence of related party transactions on the balance sheet						
Long term financial receivables	16,958	130	0.8%	16,176	-	0.0%
Long term financial receivables	1,949	1,949	100.0%	1,416	1,416	100.0%
Trade receivables	38,184	1,227	3.2%	36,464	1,122	3.1%
Short term financial receivables	2,216	1,400	63.2%	1,000	1,000	100.0%
Trade payables	51,917	398	0.8%	44,827	71	0.2%
Incidence of related party transactions on the cash flow						
Cash flow (absorbed) / generated by operating activities	(8,748)	(2,548)	29.1%	4,058	(2,120)	n.a.
	(4,266)	(130)	3.0%	(2,784)	-	0.0%
Cash flow (absorbed) / generated by financial activities	14,285	(631)	n.a.	(3,192)	158	n.a.
Incidence of related party transactions on the indebtedness						
Net financial indebtedness	(98,136)	(3,309)	3.4%	(89,938)	(1,962)	2.2%

41. *ATYPICAL AND/OR UNUSUAL TRANSACTIONS*

Pursuant to Consob communication DEM/6064293 dated 28 July 2006, it is confirmed that in the first half of 2015 the Group did not enter into any atypical and/or unusual transactions, as defined in that communication.

42. *SIGNIFICANT NON RECURRING EVENTS AND TRANSACTIONS*

It is confirmed that in the first six months of 2015 no significant non-recurring events and transactions have been realised.

43. *CONTINGENT LIABILITIES*

Fiscal disputes

The Group's tax disputes refer to the following companies:

Aeffe S.p.A.: the Rimini Provincial Tax Commission with ruling no. 101/2/06 filed on 16 December 2006 cancelled notices of assessment 81203T100562 (RG no. 43/05) and 81203T100570 (RG no. 69/05) issued by the Rimini Tax Authorities in November 2004. The issues raised related to the 1999 and 2000 tax years concern costs deemed not allowable and the write-down of the investment in Moschino. The Rimini tax office has appealed against the sentence handed down by the Rimini Provincial Tax Commissioners. The Company presented its counter analysis within the legally-prescribed time period. The Bologna Regional Tax Commission, as set during the hearing of 27 September 2010, has rejected the appeal, confirming the first level ruling.

On 12 January 2012, the State Legal Bar disputed the validity of the judgment of the Bologna regional tax commission, by bringing an appeal before the Court of Cassation. The company, presented its counter-submission within the time limit established by the law.

The positive outcome at the first two levels of judgment means that the further development of this dispute can be considered in a positive light.

The Rimini Provincial Tax Commission with ruling no. 37/02/08 of 28 January 2008, filed on 9 April 2008, cancelled notices of assessment no. 81203T300390/06 and no. 81203T300393/06 issued by the Rimini Tax Authorities in June 2006. The assessments concern tax years 2001 and 2002, and are connected with non-recognition of utilisation of the tax loss achieved during tax period 2000. The Rimini Tax Office has appealed against the sentence handed down by the Rimini Provincial Tax Commissioners with notification sent to the company on 29 May 2009. The appeal presented its counter analysis to the Regional Tax Commission of Bologna within the legally-prescribed time period. The Bologna Regional Tax Commission ordered on 14 April 2011 the suspension of this judgment pending resolution of the dispute ruling related to the notice of assessment 81203T100570/20042 (tax year 2000) with sentence become final.

On 1 October 2008 the Rimini Tax Office notified the company of inspection minutes in relation to direct taxes and IRAP for FY 2005. The audits also concerned VAT and were mainly focused on relations with group companies and costs for services. Specifically, the Tax Office raised issues on non-pertinent costs totaling EUR 130 thousand and non-pertinent advertising costs amounting to roughly EUR 580 thousand tied to the disbursement of contributions to subsidiary companies. On 30 August 2010, the Major Taxpayers Office of the Emilia Romagna Regional Tax Department notified assessments TGB03B500172/2010 (IRAP), TGB08B500181/2010 (theoretical IRES) and TGB09B500185/2010 (actual IRES), containing the matters indicated above. The company challenged these assessments before the Bologna Provincial Tax Commissioners ahead of the legal deadline, trusting that the valid defensive reasoning will be accepted. On 13 July 2011, with tax return n. 137 2011 00031537 15 the company has been ordered to pay the amount registered in the roll by the Tax Office, provisionally awaiting trial, equal to half of the taxes in dispute, besides interests, for a total amount of EUR 161 thousand. This tax dispute has been disputed in December 2012 before the Bologna Provincial Tax Commission, who, with sentence no. 40/13/13, filed on 14 March 2013, has accepted the request of the company, annulling the contested measures with reference to the matter relating to intra-group costs for advertising contributions and confirming the contested measures related to the reliefs for costs to be incurred and intra-group costs for lease payments. The Office, with act of appeal notified to the company on 28 October 2013, appealed against the sentence of the Bologna Provincial Tax Commission requesting the reform in relation to the matter relating to intra-group costs for advertising contributions. The Company, on 23 December 2013, filed a timely notice of cross-appeal counterclaims and contextual interlocutory appeal.

On 30 May 2014, following a general tax audit for IRES, IRAP and VAT for the tax years 2009, 2010 and 2011, by the Emilia Romagna Regional Management, Large Taxpayers Office, was issued a formal notice of assessment, with which the Tax Office has formulated remarks with recoveries of total taxes (IRES and IRAP) of EUR 210 thousand for 2009, EUR 350 thousand for 2010 and EUR 299 thousand for 2011. The complaints mainly concern the recovery of costs for commissions and advertising contributions granted to certain foreign subsidiaries and the failure to account for interest income on loans to foreign subsidiaries.

The company, on 29 July 2014, submitted comments pursuant to Article 12, paragraph 7, of Law 212 of 2000.

On 3 December 2014 the Large Taxpayers Office of Emilia Romagna Regional Management has notified, for 2009, the assessment notices n. TGB0EC700238/2014 (IRES) and n. TGB03C700239/2014 (IRAP), with a total recovery of taxes of EUR 210 thousand.

Both assessment notices were appealed before the Bologna Provincial Tax Commission.

About it is noted that regarding the deductibility of advertising contributions to foreign subsidiaries (which constitute the bulk of disputes) the company has already received feedback from the Provincial Tax Commission of Bologna that, with judgment 40/13/13 filed on 14th March 2013 on the litigation referred to in paragraph above, has already rejected this type of dispute.

Pollini Retail S.r.l.: the case regarding the dispute in connection with non-recognition of VAT credit which arose in 2001, equal to approximately EUR 505 thousand, was discussed before the Regional Tax Commission of Bologna on 12 December 2008; on 12 February 2009 the injunction of the regional tax commission of Bologna ordering the Rimini office to provide the information necessary for assessing the amount due of VAT credit accrued by the company during FY 2001 was filed; with sentence no. 106/01/09, filed on 19 November 2009, the Regional Tax Commission of Bologna upheld the first level sentence. The company has appealed against said sentence with recourse to the Court of Cassation and is waiting for the hearing to be set.

The tax dispute introduced with the appeal against the silent refusal of the Rimini Office to the application presented by the company, aimed at recognising the 2001 VAT credit that was the subject matter of the case specified in the foregoing paragraph, was discussed on 26 February 2010 before the Rimini Provincial Tax Commissioners that, in its judgment filed on 5 September 2011, rejected the company's appeal. In response to this judgment, the company has timely appealed before the Bologna regional tax commission, that has set the hearing on 21 September 2015.

Pollini S.p.A.: in connection with the tax dispute regarding recovery of VAT for FY 2002 due to non-invoicing of taxable transactions concerning the company (also in its capacity of merging company of the former Pollini Industriale S.r.l.), please be reminded that:

- in 2008 the Cesena Tax Office appealed against the order handed down by the Forlì Provincial Tax Commissioners, which fully upheld the company's appeal, and the appellee company appeared before the Regional Tax Commission of Bologna within the prescribed time;

- in January 2009 the company appealed against the order of the Forlì Provincial Tax Commissioners, which had rejected the defence's arguments on that specific point.

The cases, together, were discussed on 25 January 2010 by the Regional Tax Commission of Bologna. With sentences no. 27/13/10 and no. 23/13/10, filed on 17 February 2010, it confirmed the legitimacy of the notices of assessment issued to the company.

Because the Office has served the ruling n. 23/13/10 on 23 September 2010, on 22 November 2010 it has been presented recourse to the Court of Cassation. The company is waiting for the hearing to be set.

No provisions have been recorded in relation to the above disputes, since the defensive arguments put forward by the companies and its professional advisors are fully sustainable.

The directors, in receipt of the opinion of their fiscal and legal consultants, do not deem it likely that any liabilities will derive from the above-mentioned.

Attachments of the explanatory notes

ATTACHMENT I

Consolidated Balance Sheet Assets with related parties

Pursuant to Consob Resolution N. 15519 of 27 July 2006

(Values in units of EUR)	Notes	30 June 2015	of which Rel. parties	31 December 2014	of which Rel. parties
NON-CURRENT ASSETS					
Intangible fixed assets					
Key money		34,336,872		34,916,804	
Trademarks		90,708,968		92,455,759	
Other intangible fixed assets		578,587		554,197	
Total intangible fixed assets	(1)	125,624,427		127,926,760	
Tangible fixed assets					
Lands		16,958,413	130,000	16,828,413	727000
Buildings		23,414,629		23,688,050	
Leasehold improvements		16,772,381		16,177,831	
Plant and machinary		2,651,288		2,953,095	
Equipment		327,052		308,741	
Other tangible fixed assets		3,927,274		3,814,460	
Total tangible fixed assets	(2)	64,051,037		63,770,590	
Other fixed assets					
Equity investments	(3)	131,557		80,268	
Long term financial receivables	(4)	1,949,325	1,949,325	1,718,063	1,718,063
Other fixed assets	(5)	4,510,280		4,701,444	
Deferred tax assets	(6)	12,681,427		13,368,052	
Total other fixed assets		19,272,589		19,867,827	
TOTAL NON-CURRENT ASSETS		**208,948,053**		**211,565,177**	
CURRENT ASSETS					
Stocks and inventories	(7)	93,886,978		83,867,256	
Trade receivables	(8)	38,184,333	1,227,061	36,884,748	986,072
Tax receivables	(9)	10,066,239		8,531,445	
Cash	(10)	7,962,978		6,691,668	
Financial receivables	(11)	2,215,854	1,400,000	1,000,000	1,000,000
Other receivables	(12)	27,550,085		24,881,205	412,408
TOTAL CURRENT ASSETS		**179,866,467**		**161,856,322**	
Assets available for sale	(13)	436,885		436,885	
TOTAL ASSETS		**389,251,405**		**373,858,384**	

ATTACHMENT II

Consolidated Balance Sheet Liabilities with related parties

Pursuant to Consob Resolution N. 15519 of 27 July 2006

(Values in units of EUR)	Notes	30 June 2015	of which Rel. parties	31 December 2014	of which Rel. parties
SHAREHOLDERS' EQUITY	**(14)**				
Group interest					
Share capital		25,371,407		25,371,407	
Other reserves		114,086,891		115,285,814	
Profits/(losses) carried-forward		(9,405,881)		(13,341,832)	
Net profit/(loss) for the Group		34,657		2,741,670	
Group interest in shareholders' equity		130,087,074		130,057,059	
Minority interest					
Minority interest in share capital and reserves		17,914,722		16,650,473	
Net profit/(loss) for the minority interest		64,191		1,264,249	
Minority interest in shareholders' equity		17,978,913		17,914,722	
TOTAL SHAREHOLDERS' EQUITY		**148,065,987**		**147,971,781**	
NON-CURRENT LIABILITIES					
Provisions	(15)	968,306		2,047,384	
Deferred tax liabilities	(6)	36,666,477		36,828,733	
Post employment benefits	(16)	7,001,302		7,457,710	
Long term financial liabilities	(17)	17,699,029		12,752,273	
Long term not financial liabilities	(18)	14,511,382		14,080,132	
TOTAL NON-CURRENT LIABILITIES		**76,846,496**		**73,166,232**	
CURRENT LIABILITIES					
Trade payables	(19)	51,917,308	397,464	55,052,139	1,102,806
Tax payables	(20)	2,749,626		3,124,892	
Short term financial liabilities	(21)	92,565,200		80,224,019	
Other liabilities	(22)	17,106,788		14,319,321	
TOTAL CURRENT LIABILITIES		**164,338,922**		**152,720,371**	
Liabilities available for sale					
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**389,251,405**		**373,858,384**	

ATTACHMENT III

Consolidated Income Statement with related parties

Pursuant to Consob Resolution N. 15519 of 27 July 2006

(Values in units of EUR)	Notes	1st Half 2015	of which Rel. parties	1st Half 2014	of which Rel. parties
REVENUES FROM SALES AND SERVICES	**(23)**	**128,722,575**	**158,376**	**121,064,933**	**252,150**
Other revenues and income	(24)	3,286,684		2,025,757	
TOTAL REVENUES		**132,009,259**		**123,090,690**	
Changes in inventory		8,931,622		5,793,082	
Costs of raw materials, cons. and goods for resale	(25)	(48,902,247)		(42,642,492)	
Costs of services	(26)	(37,560,279)	(150,000)	(32,013,312)	(150,000)
Costs for use of third parties assets	(27)	(11,371,425)	(2,084,787)	(10,455,439)	(2,026,120)
Labour costs	(28)	(30,728,131)		(29,205,519)	
Other operating expenses	(29)	(2,614,978)		(1,996,739)	
Amortisation, write-downs and provisions	(30)	(6,337,492)		(6,287,740)	
Financial income/(expenses)	(31)	(1,741,557)	61,426	(3,536,987)	51,262
PROFIT / LOSS BEFORE TAXES		**1,684,772**		**2,745,544**	
Income taxes	(32)	(1,585,924)		(2,095,495)	
NET PROFIT / LOSS		**98,848**		**650,049**	
(Profit)/loss attributable to minority shareholders		(64,191)		(499,735)	
NET PROFIT / LOSS FOR THE GROUP		**34,657**		**150,314**	

ATTACHMENT IV

Consolidated Cash Flow Statement with related parties

Pursuant to Consob Resolution N. 15519 of 27 July 2006

(Values in thousands of EUR)	Notes	1st Half 2015	of which Rel. parties	1st Half 2014	of which Rel. parties
OPENING BALANCE		**6,692**		**7,524**	
Profit / loss before taxes		1,685	(2,015)	2,746	(1,873)
Amortisation / write-downs		6,237		6,288	
Accrual (+)/availment (-) of long term provisions and post employment benefits		(1,535)		(602)	
Paid income taxes		(1,437)		(2,124)	
Financial income (-) and financial charges (+)		1,742		3,537	
Change in operating assets and liabilities		(15,440)	(533)	(5,787)	(247)
CASH FLOW (ABSORBED)/ GENERATED BY OPERATING ACTIVITY	**(33)**	**(8,748)**		**4,058**	
Increase (-)/ decrease (+) in intangible fixed assets		(1,273)		(732)	
Increase (-)/ decrease (+) in tangible fixed assets		(2,942)	(130)	(1,805)	
Investments and write-downs (-)/ Disinvestments and revaluations (+)		(51)		(247)	
CASH FLOW (ABSORBED)/ GENERATED BY INVESTING ACTIVITY	**(34)**	**(4,266)**		**(2,784)**	
Other variations in reserves and profits carried-forward of shareholders' equity		(5)		916	
Dividends paid		-		-	
Proceeds (+)/repayment (-) of financial payments		17,288	(631)	(739)	158
Increase (-)/ decrease (+) in long term financial receivables		(1,256)		168	
Financial income (+) and financial charges (-)		(1,742)		(3,537)	
CASH FLOW (ABSORBED)/GENERATED BY FINANCING ACTIVITY	**(35)**	**14,285**		**(3,192)**	
CLOSING BALANCE		**7,963**		**5,606**	

Attestation of the Half Year condensed financial statements pursuant to art.81-ter of Consob Regulation N. 11971 of 14 May 1999, and subsequent amendments and additions

The undersigned Massimo Ferretti as President of the Board of Directors, and Marcello Tassinari as manager responsible for preparing Aeffe S.p.A.'s financial reports, pursuant to the provisions of Article 154-bis, clauses 3 and 4, of Legislative Decree n. 58 of 1998 ,hereby attest:

- the adequacy with respect to the Company structure and
- the effective application,

of the administrative and accounting procedures applied in preparation of the Half year condensed financial statements at 30 June 2015.

The undersigned moreover attest that:

The Half Year condensed financial statements:

- have been prepared in accordance with International Financial Reporting Standards, as endorsed by the European Union through Regulation (EC) 1606/2002 of the European Parliament and Counsel, dated 19 July 2002;
- correspond to the amounts shown in the Company's accounts, books and records;
- provide a fair and correct representation of the financial conditions, results of operations and cash flows of the Company and its consolidated subsidiaries.

The interim management report contains a reliable analysis of important events which took place during the first six months of the current fiscal year and their impact on the half-year condensed financial statements, together with a description of the principal risks and uncertainties for the remaining six months of the year. The interim management report also contains information concerning related party transactions.

30 July 2015

President of the board of directors

Massimo Ferretti

Manager responsible for preparing Company's financial reports

Marcello Tassinari

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Review report on interim consolidated financial statements

To the shareholders of
Aeffe S.p.A.

1. We have reviewed the accompanying condensed balance sheet as of June 30th, 2015, and the related financial statements, consisting of the consolidated statement of financial position, consolidated income statement, statement of comprehensive income, consolidated statement of cash flows and statement of changes in equity and related explanatory notes of Aeffe S.p.A. and its subsidiaries (Aeffe Group). Management is responsible for the preparation of this interim condensed financial statements in accordance with the International Financial Accounting Standards applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on this interim condensed financial reporting based on our review.
2. We conducted our review in accordance with review standard recommended by Consob (the Italian Stock Exchange Regulatory Agency) in its Resolution no. 10867 of July 31, 1997. A review of interim financial information consist of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the interim condensed financial statements.
3. Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements of Aeffe Group as of June 30th, 2015, are not prepared, in all material respects, in accordance with the International Financial Accounting Standards applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Bologna, Italy July 30th, 2015

BDO Italia S.p.A.

Signed by
Alessandro Gallo
Partner