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PRESS RELEASE

AEFFE: In 2019 Sales at Euro 351.4 Million Up By 1.4% At Current Exchange Rates Compared To 2018

San Giovanni in Marignano, 29 January 2020 - The Board of Directors of Aeffe SpA has approved today the Group's preliminary sales figures for the Full Year 2019. The company, listed on the STAR segment of Borsa Italiana, operates in the luxury sector, with a presence in the prêt-à-porter, footwear and leather goods division under renowned brand names such as Alberta Ferretti, Philosophy di Lorenzo Serafini, Moschino, Pollini, Jeremy Scott and Cédric Charlier.

- **Consolidated revenues of €351.4m, compared to €346.6m in 2018, with a 1.2% increase at constant exchange rates (+1.4% at current exchange rates)**
- **Good progression across international markets: China +7.2%, Rest of the World +7.5%, Europe (Italy excluded) +8.1%**
- **Sales increase in the retail channel (+7.5%) and in royalties (+17.7%)**

Consolidated Revenues

In the year 2019 Aeffe Group registered sales of Euro 351.4 million compared to €346.6m in 2018, with a 1.2% increase at constant exchange rates (+1.4% at current exchange rates).

Revenues of the prêt-à-porter division amounted to €262.2m, down by 1.3% at current exchange rates compared to 2018.

Revenues of the footwear and leather goods division increased by 8.3% to €128.2m both at constant and current exchange rates, before interdivisional eliminations.

Massimo Ferretti, Executive Chairman of Aeffe Spa, has commented: *"We positively evaluate the 2019 revenues trend, considering the macroeconomic uncertainty and the rationalization actions implemented to the Chinese multi-brand network to gain efficiency. The good performance of retail and online channels, along with the progression at international level and in the accessories segment, reflect the effectiveness of the investments made to further strengthen the strategic positioning of our brands"*.

Revenues Breakdown by Region

<i>(In thousands of Euro)</i>	FY 19 Reported	FY 18 Reported	% Change	% Change*
Italy	160.865	168.453	-4,5%	-4,5%
Europe (Italy excluded)	86.890	80.301	8,2%	8,1%
Asia & RoW	86.020	80.092	7,4%	7,5%
America	17.628	17.710	-0,5%	-4,5%
Total	351.403	346.556	1,4%	1,2%

(*) Calculated at constant exchange rates

In 2019, sales in the **Italian market** decreased by 4.5% to €160.9m compared to 2018, directly due to the weakness of the wholesale channel, in contrast with the positive performance of retail. The Italian market accounted for 45.8% of consolidated sales; that incidence decreased to 36% net of the effect of sales to foreign customers on the national territory.

At constant exchange rates, sales in **Europe**, contributing to 24.7% of consolidated sales, increased by 8.1%, driven especially by the good performance in UK, Germany and Eastern Europe.

In **Asia and in the Rest of the World**, the Group's sales totalled €86.0m, amounting to 24.5% of consolidated sales, recording an increase of 7.5% at constant exchange rates compared to 2018, especially driven by a good trend in China and Korea, which posted a 7.2% and 14.6% growth respectively.

Sales in **America**, contributing to 5% of consolidated sales, posted in the period a decrease of 4.5% at constant exchange rates.

Revenues by distribution channel

<i>(In thousands of Euro)</i>	FY 19 Reported	FY 18 Reported	% Change	% Change*
Wholesale	243.904	247.827	-1,6%	-1,8%
Retail	93.802	87.094	7,7%	7,5%
Royalties	13.698	11.636	17,7%	17,7%
Total	351.403	346.556	1,4%	1,2%

(*) Calculated at constant exchange rates

By distribution channel, in 2019, wholesale revenues declined by 1.8% at constant exchange rates, contributing to 69.4% of consolidated sales. The decrease was mainly due to the downturn registered by the AW 2019 collections sales campaign.

In 2019 sales registered across our directly-operated stores (DOS), representing 26.7% of consolidated sales, confirmed a good trend, increasing by 7.5% at constant exchange rates compared with 2018.

Royalty incomes, representing 3.9% of consolidated sales, recorded a very positive growth, posting a 17.7% increase compared to 2018.

Other information

Please note that the data related to Full Year 2019 sales included in this press release are preliminary and unaudited by the Auditors' company.

Please note that the AEFPE FY 2019 Consolidated Revenues Presentation is available at the following link: <http://www.aeffe.com/aeffeHome.php?lang=ita>, as well as on the authorized storage site www.emarketstorage.com.

“The executive responsible for preparing the company’s accounting documentation Marcello Tassinari declares pursuant to paragraph 2 of art. 154 bis of the Consolidate Financial Law, that the accounting information contained in this document agrees with the underlying documentation, records and accounting entries”.

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