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Vedi allegato.

PRESS RELEASE

AEFFE: In Q1 19 Sales At €102.2m (+7.3% At Constant Exchange Rates), Ebitda A€26.6m (+9.0% Net Of IFRS 16 Effect) And Net Profit For The Group At €11.8m (+4.3% Net Of IFRS 16 Effect)

San Giovanni in Marignano, 14th May 2019 - The Board of Directors of Aeffe SpA approved today the Interim consolidated financial statement as of March 31, 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.

*Starting from 1st January 2019, the international accounting standard IFRS 16 was applied for the first time. The effects of the new standard are summarized in the following paragraph entitled "**Effects deriving from the first application of accounting standard IFRS 16" Leasing** "".*
For a better understanding of business performance, in the notes to the Income Statement and to the Balance Sheet reported in the following paragraphs, the data for the first quarter of 2018 were compared with the data of the first quarter of 2019 net of IFRS 16 for an effective comparison of the figures.

- **Consolidated revenues of €102.2m, compared to €95.2m in Q1 2018, with a 7.3% increase at constant exchange rates (+7.4% at current exchange rates)**
- **Ebitda with IFRS 16 effect included of €26.6m. Ebitda net of IFRS 16 effect of €22.2m (21.7% on consolidated sales), compared to €20.3m in Q1 2018 (21.4% on consolidated sales), with a €1.9m improvement (+9.0%)**
- **Net Profit for the Group with IFRS 16 effect of €11.8m. Net Profit for the Group net of IFRS 16 effect of €11.8m, compared to €11.3m in Q1 2018, with a €0.5m improvement (+4.3%)**
- **Net financial debt with IFRS 16 effect of €149.1m. Financial debt net of IFRS 16 effect of €34.5m compared to €53.8m as of March 31, 2018, with a €19.3m improvement (€31.3m as at 31st December, 2018)**
- **First-time application of the new Lease standard IFRS 16 from January 1st, 2019**
- **Appointment by co-optation of a new Board Director**

Consolidated Revenues

In Q1 2019, AEFFE consolidated revenues amounted to €102.2m compared to €95.2m in Q1 2018, with a 7.4% increase at current exchange rates (+7.3% at constant exchange rates).

Revenues of the *prêt-à-porter* division amounted to €77.9m, up by 8.0% at current exchange rates compared to Q1 2018 (+7.9% at constant exchange rates).
Revenues of the footwear and leather goods division increased by 4.0%, equal to Euro 33.3m.

As for the collections for the next Fall / Winter 2019-2020 season, the Group's sales campaign ended with a 4% decrease compared to the corresponding season last year.

Massimo Ferretti, Executive Chairman of Aeffe Spa, has commented: "*In the first quarter of the current year, the Group continued to record a good progression in revenues and profitability, both in prêt-à-porter and footwear and leather goods divisions, reflecting the effectiveness of the stylistic proposal and the strategies implemented. Despite signs of macroeconomic and geopolitical uncertainty, the Group is reacting with determination to develop collections with strong distinctiveness to seize any opportunity arising in this challenging market environment ".*

Revenues Breakdown by Region

(migliaia di Euro)	**1Q 19 Reported**	**1Q 18 Reported**	**% Change**	**% Change***
Italy	46.130	45.318	1,8%	1,8%
Europe (Italy exluded)	23.192	23.524	-1,4%	-1,4%
Asia and Rest of the World	27.806	21.472	29,5%	29,3%
Americas	5.109	4.914	4,0%	2,9%
Total	**102.237**	**95.228**	**7,4%**	**7,3%**

(*) Calculated at constant exchange rates

In Q1 2019, sales in the **Italian market** increased by 1.8% to €46.1m compared to Q1 2018. Italian market amounted to 45.1% of consolidated sales; that incidence decreased to 32% net of the effect of sales to foreign customers made on the national territory.
At constant exchange rates, sales in **Europe**, contributing to 22.7% of consolidated sales, decreased by 1.4%.
In **Asia and in the Rest of the World**, the Group's sales totalled €27.8m, amounting to 27.2% of consolidated sales, recording an increase of 29.3% at constant exchange rates compared to Q1 2018, especially driven by an excellent trend in Greater China, which posted a 20.1% growth.
Sales in **Americas**, contributing to 5% of consolidated sales, posted in the period an increase of 2.9% at constant exchange rates.

Revenues by distribution channel

(In thousands of Euro)	**1Q 19 Reported**	**1Q 18 Reported**	**% Change**	**% Change***
Wholesale	75.700	71.172	6,4%	6,2%
Retail	23.289	21.543	8,1%	8,0%
Royalties	3.248	2.512	29,3%	29,3%
Total	**102.237**	**95.227**	**7,4%**	**7,3%**

(*) Calculated at constant exchange rates

By distribution channel, in Q1 2019, wholesale revenues grew by 6.2% at constant exchange rates (+6.4% at current exchange rates), contributing to 74.0% of consolidated sales.
The sales of directly-operated stores (DOS) increased by 8.0% at constant exchange rates (+8.1% at current exchange rates) and contributed to 22.8% of consolidated sales. Royalty incomes increased by 29.3% compared to Q1 2018 and represented 3.2% of consolidated sales.

Network of Monobrand Stores

DOS	**1Q 19**	**FY 18**
Europe	43	44
Americas	2	2
Asia	19	18
Total	**64**	**64**

Franchising	**1Q 19**	**FY 18**
Europe	45	45
Americas	1	1
Asia	136	138
Total	**182**	**184**

The total network of directly operated stores (DOS) remained unchanged compared with the end of 2018, in accordance with the selective and calibrated development strategy of the retail network.
Franchised stores are also in line with 2018; during the first quarter of 2019 openings and closures were made for strategic repositioning of the stores, especially across Asian markets.

Effects from the first-time application of the new Lease standard IFRS 16

IFRS 16 was applied from 1st January, 2019, without restatement of comparative information.

The new accounting standard provides that all leasing contracts must be recognised in the balance sheet as assets and liabilities. In particular, the following is noted with reference to 31st March 2019:
- Fixed Assets increase of €131.5m from the right to use the leased assets (inclusive of the reclassification of Euro 23 million for key money previously entered under "Intangible assets");
- Leasing liabilities for €114.6m were posted in Financial liabilities (of which €100.1m as not current liabilities and €14.5m as current liabilities).

In the Profit & Loss statement for the first quarter of 2019, the costs for "lease installments " were cancelled from operating costs and were posted for €3.7m as Amortisation of right to use assets and for €0.7m as Financial charges linked to the financial debt for leasing. Accordingly, EBITDA increased of 4.4 million Euro as a result of the application of the IFRS 16 standard.

As already commented, for a better understanding of the business performance, in the notes to the Income Statement and to the Balance Sheet reported in the following paragraphs, the data for the first quarter of 2018 were compared with the data of the first quarter of 2019 net of IFRS 16 for an effective comparison of the figures.

Operating and Net Result Analysis

In Q1 2019 the Group posted a good improvement in margins; consolidated Ebitda net of IFRS 16 effect was equal to €22.2m (with an incidence of 21.7% of consolidated sales), compared to €20.3m in Q1 2018 (21.4% of total sales), with a €1.9m increase (+9.0%). The improvement in profitability was mainly driven by sales growth of both divisions.
Ebitda of the *prêt-à-porter* division, net of IFRS 16 effect, amounted to €16.2m (representing 20.8% of sales), compared to €14.8m in Q1 2018 (20.5% of sales), posting a €1.4m increase.
Ebitda of the footwear and leather goods division, net of IFRS 16 effect, amounted to €6.0m (17.9% of sales) compared to a €5.6m in Q1 2018 (17.4% of sales), with a €0.4m increase.
Consolidated Ebit net of IFRS 16 effect was equal to €19.1m, compared to €17.3m in Q1 2018, with a €1.8m increase (+10.3%).

In Q1 2019 financial charges net of IFRS 16 effect amounted to €0.1m, compared to €0.5m in Q1 2018.
Thanks to the improvement in operating profit, in Q1 2019 Profit before taxes net of IFRS 16 effect amounted to €19.0m compared with Profit before taxes of €16.9m in Q1 2018, with a €2.1m increase (+12.5%).
Net profit of the Group was equal to €11.8m, compared to the Net Profit for the Group of €11.3m in Q1 2018, with a €0.5m improvement (+4.3%).

Balance Sheet Analysis

Looking at the balance sheet as of 31st March 2019, Shareholders' equity is equal to €172.8m and financial debt net of IFRS 16 effect amounts to €34.5m compared to €53.8m as of 31st March 2018, with a €19.3m improvement (€31.3m as of 31st December, 2018). The financial debt decrease compared to Q1 2018 refers mainly to the better operating cash flow.
As of 31st March 2019 operating net working capital amounts to €94.2m (26.6% of LTM sales) compared to €88.2m as of 31st March, 2018 (26.9% of sales).
The reduction of the incidence on sales is mainly related to the better management of the operating net working capital.
Capex in Q1 2019 amount to €3.2m and are mostly related to the maintenance and stores' refurbishment.

Other Information

Income Statement, Reclassified Balance Sheet and Cash Flow Statement are attached below. It is specified that financial data included in the Consolidated Interim Report of this press release have not been audited by the Auditors' company.

The Board of Directors also provided, following the resignation of the lawyer Borocci and in compliance with the provisions of article 15.6 of the Association, the co-optation of a new member, with the characteristics of independent director. She was therefore appointed Mrs. Prof. Bettina Campedelli as Director of Aeffe S.p.A., who is in possession of the independence requirements provided by art. 148, paragraph 3 of D. Lgs. 24 February 1998 N. 58 and of the Code of Self-regulation of listed companies. Prof. Campedelli's curriculum vitae is available at the following address: https://aeffe.com/it/company-documents/

Please note that the Interim Consolidated Financial Statements and the Results Presentation at 31st March 2019 are available at the following link: http://www.aeffe.com/aeffeHome.php?pattern=11&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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GROUP'S PROFIT & LOSS

(In thousands of Euro)	1Q 19 IFRS 16 effect included	%	1Q 19 net of IFRS 16 effect	%	1Q 18	%	Chg.% 1Q 19 IFRS 16 included vs 1Q 18	Chg.% 1Q 19 net of IFRS 16 effect vs 1Q 18 (Note 1)
Revenues from sales and services	**102.237**	**100,0%**	**102.237**	**100,0%**	**95.227**	**100,0%**	**7,4%**	**7,4%**
Other revenues and income	2.768	2,7%	2.768	2,7%	900	0,9%	(97,1%)	207,6%
Total Revenues	**105.005**	**102,7%**	**105.005**	**102,7%**	**96.127**	**100,9%**	**9,2%**	**9,2%**
Total operating costs	(78.379)	(76,7%)	(82.829)	(81,0%)	(75.781)	(79,6%)	(181,5%)	9,3%
EBITDA	**26.626**	**26,0%**	**22.176**	**21,7%**	**20.346**	**21,4%**	**30,9%**	**9,0%**
Total Amortization and Write-downs	(6.723)	(6,6%)	(3.045)	(3,0%)	(2.996)	(3,1%)	(133,0%)	1,6%
EBIT	**19.903**	**19,5%**	**19.130**	**18,7%**	**17.350**	**18,2%**	**14,7%**	**10,3%**
Total Financial Income /(expenses)	(794)	(0,8%)	(118)	(0,1%)	(450)	(0,5%)	(104,6%)	(73,8%)
Profit before taxes	**19.109**	**18,7%**	**19.012**	**18,6%**	**16.900**	**17,7%**	**13,1%**	**12,5%**
Taxes	(6.217)	(6,1%)	(6.190)	(6,1%)	(5.056)	(5,3%)	(136,8%)	22,4%
Net Profit	**12.892**	**12,6%**	**12.822**	**12,5%**	**11.844**	**12,4%**	**8,9%**	**8,3%**
Profit attributable to minority shareholders	(1.052)	(1,0%)	(1.052)	(1,0%)	(559)	(0,6%)	(108,9%)	88,2%
Net Profit for the Group	**11.840**	**11,6%**	**11.770**	**11,5%**	**11.285**	**11,9%**	**4,9%**	**4,3%**

Note 1: for a better understanding the business performance, in the notes mentioned above in this press release, economic data for the first quarter of 2018 were compared with the data of the first quarter of 2019 net of IFRS 16 for an effective comparison of the figures.

GROUP'S BALANCE SHEET

(In thousands of Euro)	**1Q 19**	**FY 18**	**1Q 18**
Trade receivables	52.866	43.139	49.263
Stock and inventories	101.514	104.262	97.830
Trade payables	(60.161)	(76.950)	(58.887)
Operating net working capital	**94.219**	**70.450**	**88.206**
Other receivables	40.162	42.825	32.517
Other liabilities	(30.410)	(27.527)	(25.900)
Net working capital	**103.971**	**85.748**	**94.823**
Tangible fixed assets	60.099	60.299	58.487
Intangible fixed assets	78.734	103.132	108.370
Right of use assets (IFRS 16 - see Note 2)	131.525		
Investments	132	132	132
Other long term receivables	2.809	2.810	3.167
Attivo immobilizzato	**273.299**	**166.373**	**170.156**
Post employment benefits	(5.433)	(5.492)	(5.892)
Long term provisions	(1.950)	(2.559)	(2.456)
Assets available for sale	437	437	4.551
Liabilities available for sale			
Other long term liabilities	(721)	(771)	(733)
Deferred tax assets	15.615	15.073	14.200
Deferred tax liabilities	(30.035)	(30.094)	(30.525)
NET CAPITAL INVESTED	**355.184**	**228.716**	**244.124**
Capital issued	25.371	25.371	25.371
Other reserves	128.907	123.799	122.420
Profits/(Losses) carried-forward	6.658	(1.287)	(1.663)
Profit/(Loss) for the period	11.840	16.726	11.284
Group share capital and reserves	**172.776**	**164.610**	**157.412**
Minority interests	33.318	32.850	32.866
Shareholders' equity	**206.094**	**197.459**	**190.278**
Short term financial receivables	(1.420)	(1.420)	(1.420)
Liquid assets	(27.986)	(28.037)	(25.931)
Long term financial payables	20.243	16.409	18.295
Long term financial receivables	(2.357)	(2.302)	(2.518)
Short term financial payables	45.970	46.607	65.420
NET FINANCIAL DEBT NET OF IFRS 16 EFFECT	**34.450**	**31.256**	**53.846**
Short term lease liabilities (IFRS 16 - see Note 2)	14.576		
Long term lease liabilities (IFRS 16 - see Note 2)	100.064		
NET FINANCIAL POSITION	**149.090**	**31.256**	**53.846**
SHAREHOLDERS' EQUITY AND NET FINANCIAL INDEBTEDNESS	**355.184**	**228.716**	**244.124**

Note 2: **Effects from the first-time application of the new Lease standard IFRS 16 on Balance sheet**

- Fixed Assets increase of €131.5m from the right to use the leased assets (inclusive of the reclassification of Euro 23 million for key money previously entered under "Intangible assets");
- Leasing liabilities for €114.6m were posted in Financial liabilities (of which €100.1m as not current liabilities and €14.5m as current liabilities)

GROUP’S CASH FLOW

(In thousands of Euro)	**1Q 19**	**FY 18**	**1Q 18**
OPENING BALANCE	**28.037**	**22.809**	**22.809**
Profit before taxes	19.109	28.797	16.900
Amortizations, provisions and depreciations	6.723	13.682	2.943
Accruals (availments) of long term provisions and post employment benefits	(726)	(281)	17
Taxes	(480)	(9.845)	(1.114)
Financial incomes and financial charges	794	850	450
Change in operating assets and liabilities	(22.896)	(7.677)	(17.258)
NET CASH FLOW FROM OPERATING ASSETS	**2.525**	**25.526**	**1.938**
Increase (decrease) in intangible fixed assets	(156)	(1.257)	(315)
Increase (decrease) in tangible fixed assets	(1.070)	(6.657)	(702)
Increase (-)/ Decrease (+) in Right of use assets (See Note 3)	(1.934)		
Investments and Write-downs (-)/Disinvestments and Revaluations (+)			(4.114)
CASH FLOW GENERATED (ABSORBED) BY INVESTING ACTIVITIES	**(3.160)**	**(7.914)**	**(5.131)**
Other changes in reserves and profit carried-forward to shareholders'equity	182	1.820	(6)
Proceeds (repayment) of financial payments	3.197	(14.398)	6.301
Proceeds (+)/ repayment (-) of lease payables (See Note 3)	(1.947)		
Increase (decrease) financial receivables	(54)	1.044	470
Financial incomes and financial charges	(794)	(850)	(450)
CASH FLOW GENERATED (ABSORBED) BY FINANCING ACTIVITIES	**584**	**(12.384)**	**6.315**
CLOSING BALANCE	**27.986**	**28.037**	**25.931**

Nota 3: the item shows the cash flow change relating to the application of the new Lease standard IFRS 16.

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