



May 5, 2016

Dear International Licensing Partners –

As we have discussed in the past, Aéropostale has been working diligently to return our business to profitability through a series of initiatives focused on increasing productivity and efficiency. Many of our strategies have started to gain momentum, but the ongoing dispute with MGF Sourcing US, LLC, our second-largest merchandise supplier, which is an affiliate of our term loan lender Sycamore Partners, put further strain on our financial performance.

As a result, on May 4, 2016, we filed voluntary petitions under Chapter 11 of the U.S. Bankruptcy Code to efficiently resolve this dispute while also taking the additional steps necessary to achieve long-term financial stability. Our expectation is that we will complete this process in the next six months as a much stronger Company and business partner with a right-sized store footprint, increased operating efficiencies and reduced SG&A expenses.

Aéropostale highly values our partnership with you and your company, and looks forward to continuing our relationship for many years to come. I hope you will continue to reach out to me with any questions you may have about this process.

Meanwhile, please be assured that this process should have no impact on our partnership with you. Our licensing agreements are an important contributor to our business, and we fully expect that to continue.

Additionally, the Chapter 11 process will allow us to bring greater stability to our supply chain because the Bankruptcy Code requires suppliers to uphold the terms of their pre-existing contracts. As a result, we are optimistic we will be able to more quickly resolve our dispute with MGF while also providing additional assurances to other suppliers.

Our goal is to be sure your orders are fulfilled on a timely basis, and the Chapter 11 process gives us many more tools to achieve our objectives. One key example is the commitment for \$160 million in debtor-in-possession (“DIP”) financing we secured in conjunction with our Chapter 11 filings. This financing, combined with operating cash flow, will allow us to meet our go-forward financial commitments.

In closing, I want to reiterate that the Chapter 11 process is intended to help companies efficiently address financial challenges in a way that positions them for long-term success – and that is exactly what Aéropostale intends to do.

We look forward to continuing to work with you to provide Aéropostale customers the styles they love for many years to come.

Sincerely,

Ken Ohashi
SVP of International and Global Licensing
Aéropostale, Inc.



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Frequently Asked Questions for International Licensees

1. Will Aéropostale continue to honor its agreements with international licensing partners?

Yes. We have every intention of meeting all of the terms of our agreements with our international licensing partners. Our licensing agreements are an important contributor to our business, and we fully expect that to continue.

2. Will I receive shipments as per the regular schedule?

Shipping delays have been primarily attributed to one supplier, MGF Sourcing US, LLC. We are attempting to convince MGF to resume normal shipments as quickly as possible and, as a result of the Chapter 11 filings, we will have access to additional tools to definitively end this dispute. In the near-term, however, MGF has informed us that delays in production and shipment are expected as a result of the disputes that precipitated our decision to initiate a voluntary Chapter 11 process. We will provide additional updates as there is news to share.

3. What is Chapter 11?

Chapter 11 is the section of the U.S. Bankruptcy Code that allows a company to continue to conduct business as usual while completing a financial and/or operational reorganization. For Aéropostale, our Chapter 11 filing represents an opportunity to achieve long-term financial stability for our business while also achieving resolution in our dispute with MGF Sourcing US, LLC, our second-largest merchandise supplier, which is an affiliate of our term loan lender Sycamore Partners.

4. Will Aéropostale go out of business?

Aéropostale fully expects to emerge from the Chapter 11 process in the next six months as a financially stronger company with an optimized store footprint, increased operating efficiencies and reduced expenses.

5. Why is filing Chapter 11 necessary?

While initiatives such as the implementation of our two-chain Factory and Mall strategy and our merchandise repositioning have started to gain traction, the ripple effects of an ongoing dispute with MGF Sourcing US, LLC (our second-largest merchandise supplier) put substantial strain on our liquidity while also preventing us from realizing the full benefits of our turnaround plans. As a result, we have chosen to take more decisive and aggressive action to create a leaner, more efficient business that is well-positioned to compete and succeed in today's retail environment.

6. Other than closing some stores, what does Aéropostale need to accomplish through this process to achieve "long-term financial stability"?

The Chapter 11 process provides access to additional tools that allow us to reject or renegotiate leases and other contracts that may not be in our best interest. Aéropostale fully expects to emerge from the Chapter 11 process in the next six months as a financially stronger company with an optimized store footprint, increased operating efficiencies and reduced expenses.

7. How long is the Chapter 11 process expected to take?

We expect to emerge from this process in the next six months.



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8. Will Aéropostale be sold?

Our hope and expectation is that we will complete this process in the next six months and emerge a much stronger standalone business. That said, we will continue to explore opportunities for a sale as part of the Chapter 11 process to ensure we are achieving the best possible outcome for our business and all of our stakeholders.