

MOLESKINE SPA FIRST QUARTER 2016 RESULTS

2016 OFF TO A POSITIVE START FULL YEAR 2016 TARGETS CONFIRMED

Net Revenues¹ of € 25,0 million up 7,8% at constant exchange rates (+8,2% at current exchange rates) vs. first quarter 2015 with broad based growth across regions, product categories and channels

By channel: Retail and E-commerce continue to grow double-digit while Wholesale and B2B reflect different phasing of the business compared to last year

EBITDA margin in line with last year at 19,9% masked by foreign exchange (dollar and US dollar linked) headwinds mainly resulting from unrealized exchange rate losses on balance sheet items

EBITDA of €4,0 million increased by 7,0% vs. first quarter 2015 at constant exchange rates and excluding realized / unrealized exchange rate income / losses (-23,4% at current exchange rates vs first quarter 2015)

Net Income² of € 1,5 million increased by 23,2% vs. first quarter 2015 at constant exchange rates and excluding realized / unrealized exchange rate income / losses (-50,5% at current exchange rates vs first quarter 2015) driven by continued strengthening of positive financial position

Positive net financial position of € 14,8 million showed a further improvement compared to end of 2015 and continued strong cash generation in the last twelve months

Full year targets confirmed underpinned by solid current trading and a strong pipeline of innovation with new products/initiatives to be launched in Q2 and onwards: Smart Writing Set and two new bag collections, continued retail roll-out and opening of two Moleskine Cafés

Milan, May 10th 2016 – The Board of Directors of Moleskine S.p.A. (“Moleskine” or with its controlled companies the “Group” or the “Company”) today approved the Financial Statements for the first quarter 2016.

<i>(Thousands Euro)</i>	1Q16	1Q15	% Growth at Current FX	% Growth at Constant FX ^(*)
Net Revenues	25.026	23.125	+8,2%	+7,8%
EBITDA	4.027	5.260	-23,4%	+7,0%
Net Income	1.513	3.059	-50,5%	+23,2%

() Source: Internal Management Accounts. EBITDA at constant FX and before realized / unrealized exchange rate income / losses*

¹ Revenues are reported on an adjusted basis and are defined as revenues net of revenues from display and other revenues which are not directly related to the ordinary business;

Arrigo Berni, Chief Executive Officer of Moleskine, commented:

“The year has got off to a positive start, and I am particularly pleased by strong double-digit growth in our direct to consumer channels. The traction of our unique, global brand continues its ascent amongst the ‘Creative Class’, as we consistently interpret their evolving lifestyle needs through continued innovation. This is encapsulated in key developments for the second quarter and onwards: the launch of the Smart Writing Set, which epitomises our concurrent analogue and digital capabilities; two new bag collections being introduced to the market and two Moleskine Cafés opening in Milan. Innovation is a key driver of growth both for the coming quarters and over the longer term.”

Despite some short-term intra-quarter volatility in Wholesale and B2B, reflecting different order timing compared to 2015, solid current trading and strong upcoming innovation are expected to bring growth rates in those channels in line with our full year targets. I am therefore confident in our direction of travel and in confirming our full year targets.”

Net Revenues by channel

Moleskine sells its products (i) directly and indirectly through a network of 76 distributors (“Wholesale”) which serve bookstores, department stores, specialty stores, stationery stores and museums (“Retailers”); (ii) through a mixed model, direct and indirect, to business customers (“B2B”), (iii) through website sales (“e-Commerce”) and (iv) through a growing network of Directly Operated Stores (“Retail” or “DOS”).

<i>(Thousands Euro)</i>	1Q16	1Q15	% Growth at Current FX	% Growth at Constant FX^(*)
Wholesale	14.930	15.154	-1,5%	-1,9%
B2B	4.290	4.073	+5,3%	+4,5%
Ecommerce	1.619	1.277	+26,8%	+26,2%
Retail	4.187	2.621	+59,7%	+60,2%
Net Revenues	25.026	23.125	+8,2%	+7,8%

() Source: Internal Management Accounts*

Net revenue in the **Wholesale** channel reached €14,9 million (-1,9% at constant exchange rates vs. first quarter 2015) due to different quarterly phasing of orders compared to last year, which is not unusual for the channel. Underlying demand from both retailers and consumers is strong and the forthcoming Smart Writing Set launch will further boost sales in the second quarter where performance is expected to come in line with full year targets. In particular;

- EMEA (+1% at constant exchange rates vs first quarter 2015) reflected positive consumer demand, with Germany, Italy and the Nordics benefitting from increasingly direct control of distribution. However, this was offset by order phasing shifting to the second quarter at key retailers in the UK and Spain and weaker consumption in Paris and Brussels;
- Americas (-4% at constant exchange rates vs first quarter 2015) performance was impacted by delivery of the “18-month” Planner Collection shifting to the second quarter. This, combined with the launch of Smart Writing Sets, means the region is expected to realign with full year targets at the end of the second quarter.
- APAC (-5% at constant exchange rates vs first quarter 2015) saw overall positive consumer demand, partially offset by weakness in Hong Kong due to stricter Chinese government visa

rules and realignment of distributor stock in Japan. This latter event is expected to have a beneficial impact on sales in the second quarter.

Net revenue in the **B2B** channel reached €4,3 million, (+4,5% at constant exchange rates vs. first quarter 2015) with strong double-digit growth in EMEA (+15% at constant exchange rates vs first quarter 2015) and Americas (+14% at constant exchange rates vs first quarter 2015). As already indicated earlier this year, the channel is evolving towards a higher incidence of large scale projects thanks to an evolved distribution model. This has led to some intra-quarter volatility, particularly in APAC (-31% at constant exchange rates vs first quarter 2015) where there was a high base of comparison following the start-up of two new distributors in Japan and Australia and a large project tied to a launch of a major Hollywood movie in the first quarter of 2015. With strong current trading and an exciting pipeline of B2B2C projects, full year performance is expected to be in line with targets.

Net Revenues in **e-Commerce** grew very strongly reaching €1,6 million, with all regions showing positive momentum (+26% at constant exchange rates vs first quarter 2015). Growth in EMEA, the most well established e-commerce region, accelerated (+34% at constant exchange rates vs first quarter 2015) reflecting a proven, effective operating platform in place. China's performance is consistently strong, as traffic to our JD and T-Mall stores increases, driving sales growth in APAC (+60% at constant exchange rates vs first quarter 2015). Americas returned to a positive trend (+8% at constant exchange rates vs first quarter 2015), with the new partner now firmly established.

The **Retail** channel saw very strong growth exceeding our target rate for the year (+60% at constant exchange rates vs first quarter 2015) with revenues of € 4,2 million. Network expansion continued to progress resulting in a global network of 62 DOS and fully on track to meet the 80 stores target for the full year having already secured 12 additional locations and enjoying a strong pipeline of active negotiations. Like-for-like sales growth stood at 13,5% at constant exchange rates, significantly ahead of the full year target of 7% and confirming the effectiveness of initiatives implemented in mid-2015 to increase the productivity of existing stores.

Net Revenues by geographical area

The Company is a truly global business with presence in approximately 114 countries, and in the first quarter of 2016 all geographies continued to contribute strongly to Moleskine's revenue growth.

(Thousands Euro)	1Q16	1Q15	% Growth at Current FX	% Growth at Constant FX ^(*)
EMEA	10.743	9.788	+9,8%	+10,4%
AMERICAS	9.871	9.353	+5,5%	+4,0%
APAC	4.412	3.984	+10,7%	+10,3%
Net Revenues	25.026	23.125	+8,2%	7,8%

^(*) Source: Internal Management Accounts

Net revenues in **EMEA** reached €10,7 million (+10,4% at constant exchange rates vs. first quarter 2015) driven by strong performance across all channels, particularly direct to consumer.

Net revenues in **AMERICAS** reached €9,9 million (+4% at constant exchange rates vs. first quarter 2015), with excellent momentum within Retail as the network continues to expand and productivity improves. This was partially offset by different quarterly phasing within Wholesale due to shifting of the "18 months planners" launch to the second quarter.

Net revenues in **APAC** reached €4,4 million (+10% at constant exchange rates vs. first quarter 2015) driven by very dynamic performance in e-commerce and Retail, partially offset by tough comparables within B2B and Wholesale due to the effect of intra-quarter volatility.

Net Revenues by product category

Multi-channel expansion across all of our geographies, together with further brand visibility and unique competitive positioning has driven healthy growth from both categories in our product portfolio with paper collection revenues and WTR ("Writing, Travelling & Reading") collection revenues increasing respectively by 6,3% and 22,5% at constant exchange rates vs. first quarter 2015.

(Thousands Euro)	1Q16	1Q15	% Growth at Current FX	% Growth at Constant FX ^(*)
Paper Collection	22.381	20.965	+6,7%	+6,3%
WTR Collection	2.645	2.160	+22,5%	+22,5%
Net Revenues	25.026	23.125	+8,2%	+7,8%

^(*) Source: Internal Management Accounts

In the first quarter of 2016 the Group continued to innovate, broadening and strengthening the brand's product offering. Among Limited Editions the Company launched Toy Story and Games of Thrones. The Paper category saw the launch of a new color palette for the classic notebook collection and the new collection of planners.

The Company announced three significant launches which will bring revenues starting from the second quarter.

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The first is the launch of our new **Smart Writing Set**, a specially designed tablet, smart pen and app work in tandem to instantly digitize notes and sketches as they are made on paper. This was part of the new Moleskine+ collection, a new ecosystem of digitally enhanced objects and apps that help people bridge the analog and digital worlds. Initial results from the launch are impressive, confirming the relevance of the innovation for our target audience and the effectiveness of our integrated marketing approach.

Second is the launch of two new bag collections, **Lineage**, our first premium full leather line of bags and our first full collection of travel bags and luggage accessories, developed in partnership with **Bric's**.

Finally, we have made significant progress with our Moleskine Café project. The Geneva location continues to perform well and according to plans and we are actively working on a plan to roll out the concept to other airport locations. In the coming months we will open two street-based Moleskine Cafés in Milan. Both locations will be managed directly by Moleskine and will serve as pilots to validate the concept for a broad roll-out, mostly based on a franchising model. The opening of these two stores will not have a material impact on our 2016 financials.

EBITDA AND NET INCOME

EBITDA margin in line with last year at 19,9% masked by foreign exchange (dollar and US dollar linked) headwinds mainly resulting from unrealized exchange rate losses on balance sheet items.

Group adjusted EBITDA reached €4,0 million (-23,2% at current exchange rates vs. first quarter 2015). Excluding the impact from currencies (negative impact in 2016 and positive impact in 2015) mainly driven by realized and unrealized exchange rate income and losses on balance sheet items, Group adjusted EBITDA grew 7,0% vs first quarter 2015.

Group adjusted Net Income reached €1,5 million (-50,5% at current exchange rates vs. first quarter 2015). Excluding negative impact from currencies mainly driven by unrealized exchange rate losses on balance sheet items, Group adjusted Net Profit grew 23,2% vs. first quarter 2015 driven by the continued strengthening of our cash position.

<i>(Thousands Euro)</i>	1Q16	1Q15	% Growth at Current FX	% Growth at Constant FX ^(**)
EBITDA Reported	3.857	4.879	-20,9%	
Special items ^(*)	170	381		
EBITDA Adjusted	4.027	5.260	-23,4%	+7,0%
Net Income Adjusted	1.513	3.059	-50,5%	+23,2%

() Mainly represented by termination costs linked to changes in business model, severance costs and incentive plan*

*(**) Management Accounts*

Net Financial Position

The Group reached a positive net financial position of €14,8 million at March 31, 2016, versus a negative net financial position of €4.0 million at March 31, 2015 and a further improvement compared to year end. This progress was driven by continued, strong operating cash generation

over the last twelve after dividend payment. This continues to bolster an already robust balance sheet and will provide financial flexibility to deliver growth and shareholder returns in 2016 and beyond.

Outlook

Based on first quarter results and current trading, the Company is pleased to reiterate guidance for full year 2016: revenues of €148-153 million and EBITDA of €46-48 million at constant exchange rates. Expected broad based growth across channels and geographies is underpinned by a strong flow of innovation.

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Conference call with Analysts and Investors

The conference call for the first quarter 2016 results will be available via audio webcast on:

Tuesday, 10 May 2016, at 17.45 CET

The audio webcast will be available by accessing the following webcast URL:

<http://edge.media-server.com/m/p/ignjzpef>

To participate in the conference call, please dial the following number / Confirmation Code below 5-10 minutes prior to the start of the meeting. You will be asked to provide your name and company name.

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Statement by the manager responsible for the preparation of the Company's financial documents

The manager responsible for the preparation of the Company's financial documents, Mr. Alessandro Poletto, hereby declares, in accordance with paragraph 2 article 154 bis of the "Testo Unico della Finanza", that the accounting information contained in this press release corresponds to the accounting results, registers and records.

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Forward-looking statements

This press release may contain “forward-looking statements”, which includes all statements that do not relate solely to historical or current facts and which are therefore inherently uncertain. All forward-looking statements rely on a number of assumptions, expectations, projections and provisional data concerning future events and are subject to a number of uncertainties and other factors, many of which are outside the control of the Group. There are a variety of factors that may cause actual results and performance to be materially different from the explicit or implicit contents of any forward-looking statements and thus, such forward-looking statements are not a reliable indicator of future performance. Moleskine undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable law. The information and opinions contained in this press release are provided as at the date hereof and are subject to change without notice. Moreover, reference to past performance of the Company or the Group shall not be taken as an indication of future performance.

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Alternative Performance Indicators

This press release contains certain non-IFRS alternative financial indicators which the Company’s management uses as supplemental indicators to monitor the economic, financial and operating performance of the Group.

Such indicators are not recognized as measures of financial performance or liquidity under IFRS, do not have any standardized meanings prescribed by IFRS and therefore may not be comparable to the calculation of similar measures used by other companies, and should not be viewed as alternatives to measures of financial performance calculated in accordance with IFRS. Therefore, investors should not place undue reliance on such data and information.

In addition, this press release includes certain “Adjusted” financial and operating indicators and other measures, which have been adjusted to reflect extraordinary events, non-recurring transactions and activities which are not directly related to the Group’s ordinary business. Such “Adjusted” information has been included to allow a better comparison of financial information across the periods; however, it should be noted that such information are not recognized as measures of financial performance or liquidity under IFRS and/or do not constitute an indication of the historical performance of the Company or the Group. Therefore, investors should not place undue reliance on such data and information.

Please visit our website: <http://corporate.moleskine.com/it/home>

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The Moleskine brand was established in the mid-1990s by a small Milan-based publisher (Modo&Modo) who brought back to life the legendary and iconic notebook used by great artists and thinkers over the past two centuries, restarted production in 1995 and registered the Moleskine trademark in 1997.

From the very outset Modo&Modo conceived and marketed the Moleskine notebook in a disruptive way - not simply as a notebook, but as an enabler of personal creativity, thereby establishing the basis for creating an aspirational brand and a new market segment. A brand with a unique history that was highly evocative of cultural values, Moleskine was in a position to meet the needs of the emerging "creative class" and therefore brand awareness grew quickly.

Today, the name Moleskine encompasses a family of nomadic objects: notebooks, diaries, journals, bags, writing instruments and reading accessories, dedicated to the mobile identity. Indispensable companions to the creative professions and the imagination of our times, they are intimately tied to the digital world.

On October 4, 2006, Modo&Modo was taken over by private equity investors and in 2007 the company name was changed to Moleskine. The management team led by current CEO, Arrigo Berni implemented a growth strategy focused on enlarging and enhancing distribution footprint, broadening product and services offering and growing brand visibility and awareness.

Moleskine is a creative company enjoying continued growth. It has more than 250 employees and a vast network of partners and consultants. The headquarter is located in Milan. Moleskine listed on the Milan Stock Exchange in April 2013.

MOLESKINE GROUP: CONSOLIDATED PROFIT & LOSS

<i>(Thousands of Euro)</i>	1Q16	1Q15
Revenues	25.067	23.142
Other Income	648	3.919
Finished products, raw materials	(4.162)	(6.616)
Service costs	(10.561)	(8.865)
Personnel costs	(5.321)	(4.977)
Other operating expenses	(1.814)	(1.724)
Depreciation and amortization	(1.057)	(1.126)
Operating profit	2.800	3.753
Total Financial expense	(906)	(220)
Total financial income	64	637
Profit before income tax	1.958	4.170
Income taxed	(568)	(1.376)
Net Profit	1.390	2.794
Net profit per share (euro)	0,007	0,013

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MOLESKINE GROUP: CONSOLIDATED BALANCE SHEET

<i>(Thousands of Euro)</i>	1Q16	31-Dec 2015
Property, plant and equipment	7.368	6.831
Goodwill and trademarks	76.777	76.801
Other intangible assets	4.257	3.961
Non current assets	2.712	2.363
Anticipated tax assets	7.472	6.211
Non current financial assets	5.037	5.004
Total non current assets	103.623	101.171
Inventories	24.066	20.622
Trade receivables	19.049	24.714
Income tax receivables	511	-
Other current assets	2.417	2.266
Current assets	996	-
Cash and cash equivalents	48.241	48.297
Total current assets	95.280	95.899
TOTAL ASSETS	198.903	197.070
Share Capital	2.122	2.122
Other reserves	107.203	80.286
Result for the period	1.390	27.124
TOTAL NET EQUITY	110.715	109.532
Non current financial liabilities	31.611	31.602
Deferred tax	14.393	748
Post employment and other employee benefits	1.803	14.415
Non current provisions for risks and charges	62	1.721
Other non current debts	817	62
Total non current liabilities	48.686	48.548
Trade payables	19.322	18.862
Income tax payables	7.329	5.829
Current financial liabilities	7.849	7.735
Current provisions for risks and charges	902	1.387
Other current liabilities	4.100	5.177
Total current liabilities	39.502	38.990
TOTAL LIABILITIES	88.188	87.538
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	198.903	197.070

MOLESKINE GROUP: CONSOLIDATED CASH FLOW STATEMENT

<i>(Thousands of Euro)</i>	1Q16	1Q15
Cash flow from operating activities before working capital variation	3.527	4.156
Cash flow from operating activities	4.105	370
Cash flow from investing activities	(2.090)	(571)
Cash flow from financing activities	(932)	(47)
Net Cash flow of the period	1.083	(248)
Cash period at period beginning	48.297	23.353
Exchange rates differences on cash and cash equivalents	(1.139)	1.004
Cash period at period end	48.241	24.109