

MOLESKINE SPA NINE MONTHS 2016 RESULTS

SOLID PERFORMANCE IN LINE WITH EXPECTATIONS

Net Revenues¹ of €95,9 million up 12,2% at constant exchange rates (+11,0% at current exchange rates vs. first nine months of 2015) with broad based growth across regions, product categories and channels

EBITDA² of €25,3 million increased by 1,9% vs. first nine months of 2015 at constant exchange rates and excluding exchange rate income and losses (-4,1% at current exchange rates vs. first nine months of 2015). EBITDA evolution reflects higher revenue weighting in the fourth quarter vs. 2015 and resultant heightened operating leverage

Net Income² of €14,5 million increased by 7,1% vs. first nine months of 2015 at constant exchange rates and excluding exchange rate income and losses (-4,8% at current exchange rates vs. first nine months of 2015)

Strong operating cash generation led to net financial position of €0,4 million post dividends and a share buy back program amounting to €18,5 million

Full year guidance (revenues of €148-153 million and EBITDA of €46-48 million at constant exchange rates) reaffirmed and expected at the low end of the range

Fourth quarter performance to be underpinned by execution of strategic initiatives, including the global roll-out of the *Smart Writing Set*, a strong pipeline of B2B projects and continued momentum of direct to consumer channels

Milan, November 7th 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 nine months of 2016.

<i>(Thousands Euro)</i>	9M 16	9M 15	% Growth at Current FX	% Growth at Constant FX ^(*)
Net Revenues	95.897	86.374	+11,0%	+12,2%
EBITDA	25.314	26.403	-4,1%	+1,9%
Net Income	14.478	15.201	-4,8%	+7,1%

^(*) Source: Management Accounts. EBITDA and Net Income 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

² Adjusted EBITDA and adjusted net income relate to measures net of extraordinary and special items;

Arrigo Berni, Chief Executive Officer of Moleskine, commented:

“We have delivered another set of solid results driven by continued growth across all channels, geographies and product categories, with sales momentum seen in the first half of the year perpetuating. While the quarterly progression of our sales pattern has evolved year-on-year, today’s results give me confidence in reaffirming our guidance at the low end of the range. This is underpinned by an exciting pipeline of projects planned for the fourth quarter, including the global roll-out of the Smart Writing Set.

Our sustainable growth trajectory relies on our relentless focus on delivering new, innovative concepts and products to our loyal customers. The enthusiasm around the recently opened Moleskine Café is testament to that drive and of the continued traction of the Moleskine brand among the creative class.”

Net Revenues by channel

Moleskine sells its products (i) directly and indirectly through a network of 83 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>	9M 16	9M 15	% Growth at Current FX	% Growth at Constant FX(*)
Wholesale	60.241	57.917	+4,0%	+4,9%
B2B	17.054	16.283	+4,7%	+5,6%
Ecommerce	5.047	3.559	+41,8%	+42,7%
Retail	13.555	8.615	+57,3%	+60,8%
Net Revenues	95.897	86.374	+11,0%	+12,2%

(*) Source: Internal Management Accounts

Net revenues in the **Wholesale** channel reached €60,2 million (+4,9% at constant exchange rates vs. first nine months of 2015) in line with full year targets. In particular:

- EMEA (+5,3% at constant exchange rates vs. first nine months of 2015) reflected growth throughout the region, particularly in Germany, Italy and Spain while the uncertain economic climate in the UK made sales levels broadly unchanged vs. the first nine months of 2015.
- Americas (+5,0% at constant exchange rates vs. first nine months of 2015) accelerated growth sequentially, with positive results at key retailers coupled with new customer roll-outs.
- APAC (+2,8% at constant exchange rates vs. first nine months of 2015) reflects second half weighted sales calendarization in 2015 due to changes to the distributor network in Japan and Australia.

Net revenues in the **B2B** channel reached €17,1 million (+5,6% at constant exchange rates vs. first nine months of 2015). In particular, EMEA performance (-3,4% at constant exchange rates vs. first nine months of 2015) reflected an overall slowdown in UK corporate marketing spending, as well as an unfavourable base of comparison due to a large project occurred in the third quarter of 2015 in Germany. Strong double digit growth in Americas (+21,1% at constant exchange rates vs. first nine months of 2015) benefited from the transition to a more

effective consignment model at our US distributor. There were also positive results within the LATAM region, particularly Mexico and Brazil. Finally, broadly flat sales growth in APAC vs. first nine months of 2015 (-0,4% at constant exchange rates vs. first nine months of 2015) reflected mixed country dynamics: strong growth in Korea linked to the Starbucks project was partially offset by softer performances in Japan and Australia where new distributors were activated in 2015.

Net revenues in **e-Commerce** reached €5,0 million (+42,7% at constant exchange rates vs. first nine months of 2015) reflecting strong fundamentals as well as a continued positive market response to the *Smart Writing Set* and our *M+ Collection*. Main KPI's grew thanks to better established operating platforms on a global scale, and the benefit of a more integrated marketing plan to support product launches.

The **Retail** channel posted revenues of € 13,6 million (+60,8% at constant exchange rates vs. first nine months of 2015) with a global network of 70 DOS on September, 30th, 2016 (74 DOS to date), fully on track for the full year target of 80 stores. Like-for-like sales growth stood at 8,6% at constant exchange rates, ahead of the full year target of 7%, 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 115 countries, and in the first nine months of 2016 all geographies continued to make strong contributions to Moleskine's revenue growth.

(Thousands Euro)	9M 16	9M 15	% Growth at Current FX	% Growth at Constant FX(*)
EMEA	40.708	37.249	+9,3%	+10,8%
AMERICAS	38.549	34.520	+11,7%	+12,2%
APAC	16.640	14.605	+13,9%	+15,7%
Net Revenues	95.897	86.374	+11,0%	+12,2%

(*) Source: Internal Management Accounts

Net revenues in **EMEA** reached €40,7 million (+10,8% at constant exchange rates vs. first nine months of 2015) driven by strong performance across all countries. In the UK, an uncertain economic environment led to slowing sales in Wholesale and B2B while continued strength from Retail and e-Commerce also reflected heightened tourist flows owing to the weakness of the pound.

Net revenues in **AMERICAS** reached €38,5 million (+12,2% at constant exchange rates vs. first nine months of 2015), driven by excellent momentum within direct-to-consumer channels and accelerated growth in Wholesale and B2B.

Net revenues in **APAC** reached €16,6 million (+15,7% at constant exchange rates vs. first nine months of 2015) driven by strong performance across all channels with the exception of B2B, which was impacted by an unfavourable base of comparison due to the start-up of two important distributors in Japan and Australia in 2015.

Net Revenues by product category

Multi-channel expansion across all of our geographies, combined with further brand visibility, has driven healthy growth from both established categories in our product portfolio, with revenues from **Paper** and **WTR** (“*Writing, Travelling & Reading*”) collections rising respectively by 6,6% and 15,8% at constant exchange rates vs. first nine months of 2015. The **Moleskine+** collection, which includes products and services that bridge the gap between the analog and digital dimension, accounted for 6,0% of total net revenues (+276,3% vs. first nine months of 2015 at constant exchange rates) following the continued roll-out of the *Smart Writing Set* across our distribution channels. Altogether, “non-paper” categories (*WTR* and *M+* collections) accounted for 15,1% of total net revenues.

(Thousands Euro)	9M 16	9M 15	% Growth at Current FX	% Growth at Constant FX ^(*)
Paper Collection	81.418	77.072	+5,6%	+6,6%
WTR Collection	8.748	7.761	+12,7%	+15,8%
M+ Collection^(**)	5.731	1.541	+271,9%	+276,3%
Net Revenues	95.897	86.374	+11,0%	+12,2%

(*) Source: Internal Management Accounts

(**) M+ category includes Smart Notebooks (e.g. Evernote, Livescribe and Adobe), Smart Pens, Smart Writing Set, Paper Tablet and Timepage

In the first nine months of 2016 the Group continued to innovate, broadening and strengthening the depth of the brand’s product offering. Within Paper, the Company launched Toy Story and Games of Thrones Limited Editions. We also launched The Beatles Limited Edition to celebrate the release of the musical fantasy movie, ‘Yellow Submarine’, whose vibrant and imaginative artwork helped to establish animation as a serious art form. In the WTR category, the Group launched the first line of premium leather bags and wallets, and a collection of travel bags and luggage accessories developed in partnership with Bric’s. Both launches reflect ongoing efforts to innovate and expand into new product categories dedicated to travel and mobility.

In the second quarter, the Group launched the *Smart Writing Set*, a specially designed tablet, smart pen and app working in tandem to digitize notes and sketches instantly, as they are made on paper. Strong sales momentum has been sustained through the third quarter, helping to drive exceptional revenue growth within the Moleskine+ Collection.

Finally, during the third quarter the Group opened the first directly operated street-based *Moleskine Café*, within the Brera design district in Milan. The format provides a contemporary interpretation of the “Café Littéraire” concept, adding Moleskine brand values and products to a unique café experience. The *Café*, which has met with a very positive reception from consumers and media, is still in its testing phase and will require further validation before the Company considers a global roll-out.

EBITDA AND NET INCOME

Group adjusted EBITDA reached €25,3 million in the first nine months of 2016, growing 1,9% vs. first nine months of 2015 at constant exchange rates and excluding impact from currencies (negative in 2016 and positive in 2015) mainly driven by exchange rate income and losses.

At current exchange rates EBITDA decreased by 4,1% vs. first nine months of 2015.

EBITDA in the first nine months of 2016 showed solid progress towards full year targets, despite costs associated with the *Smart Writing Set* launch campaign and *Moleskine Café* start-up costs. EBITDA evolution reflects higher revenue weighting in the fourth quarter vs. 2015 and resultant heightened anticipated operating leverage.

Group adjusted Net Income reached €14,5 million, rising 7,1% vs. first nine months of 2015 at constant exchange rates and excluding impact from currencies (negative in 2016 and positive in 2015) mainly driven by exchange rate income and losses. At current exchange rates Net Income decreased by 4,8% vs. first nine months of 2015.

(Thousands Euro)	9M 16	9M 15	% Growth at Current FX	% Growth at Constant FX ^(**)
EBITDA Reported	23.605	24.930	-5,3%	
Special items ^(*)	1.709	1.473		
EBITDA Adjusted	25.314	26.403	-4,1%	+1,9%
Net Income Adjusted	14.478	15.201	-4,8%	+7,1%

(*) Mainly represented in 2016 by anticipated exercise of Stock Option Plan following change of control of Moleskine S.p.A., termination costs linked to changes in business model and severance costs

(**) Management Accounts

Net Financial Position

The Group reached a net financial position of €0,4 million as at September 30, 2016 (-€4,1 million as of 30 September, 2015) post dividends and share buyback program amounting to €18,5 million, reflecting strong operating cash flow generation.

Outlook

Full year guidance (revenues of €148-153 million and EBITDA of €46-48 million at constant exchange rates) confirmed, at the low end of the range.

Fourth quarter performance to be underpinned by execution of strategic initiatives, including the global roll-out of the *Smart Writing Set*, a strong pipeline of B2B projects and continued momentum of direct to consumer channels.

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. 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.

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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>	9M 16	9M 15
Revenues	95.987	86.411
Other Income	671	3.110
Finished products, raw materials	(18.379)	(18.379)
Service costs	(34.350)	(29.323)
Personnel costs	(17.817)	(14.417)
Other operating expenses	(2.507)	(2.472)
Depreciation and amortization	(3.567)	(3.641)
Operating profit	20.038	21.289
Total Financial expenses	(1.049)	(779)
Total financial income	180	620
Profit before income tax	19.169	21.130
Income taxes	(5.885)	(6.973)
Net Profit	13.284	14.157
Net profit per share (euro)	0,063	0,067

MOLESKINE GROUP: CONSOLIDATED BALANCE SHEET

<i>(Thousands of Euro)</i>	30- Sept-2016	31-Dec 2015
Property, plant and equipment	9.226	6.831
Goodwill and trademarks	76.757	76.801
Other intangible assets	5.332	3.961
Non current assets	2.760	2.363
Anticipated tax assets	8.862	6.211
Non current financial assets	5.092	5.004
Total non current assets	108.029	101.171
Inventories	27.283	20.622
Trade receivables	28.534	24.714
Other current assets	2.973	2.266
Current assets	979	-
Cash and cash equivalents	31.166	48.297
Total current assets	90.935	95.899
TOTAL ASSETS	198.964	197.070
Share Capital	2.124	2.122
Other reserves	90.542	80.286
Result for the period	13.284	27.124
TOTAL NET EQUITY	105.950	109.532
Non current financial liabilities	26.546	31.602
Other non current debts	667	748
Deferred taxes	14.379	14.415
Post employment and other employee benefits	1.977	1.721
Non current provisions for risks and charges	62	62
Total non current liabilities	43.631	48.548
Trade payables	26.055	18.862
Income tax payables	6.391	5.829
Current financial liabilities	10.245	7.735
Current provisions for risks and charges	1.010	1.387
Other current liabilities	5.682	5.177
Total current liabilities	48.383	38.990
TOTAL LIABILITIES	93.014	87.538
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	198.964	197.070

MOLESKINE GROUP: CONSOLIDATED CASH FLOW STATEMENT

<i>(Thousands of Euro)</i>	9M 16	9M 15
Cash flow from operating activities before working capital changes	27.249	24.879
Cash flow from operating activities	13.110	11.613
Cash flow from investing activities	(8.440)	(3.860)
Cash flow from financing activities	(20.900)	4.953
Net Cash flow of the period	(16.230)	12.706
Cash period at period beginning	48.297	23.353
Exchange rates differences on cash and cash equivalents	(901)	526
Cash period at period end	31.166	36.584