MOLESKINE ANNOUNCES FIRST NINE MONTHS 2014 RESULTS

Financial performance in line with expectations, on track to deliver another year of growth

- **Net Revenues of € 65 million, up 6,9% at constant exchange rates vs. first nine months of 2013 (+5,7% at current exchange rates)**
- **EBITDA of € 20,8 million and Net Income of € 11,4 million as expected. EBITDA margin of 32% and Net Income margin of 17,5%**
- **Net Financial debt reduced to € 13,8 million compared to € 20,1 million for the first nine months of 2013, driven by operating cash conversion**
- **Signed first licensing agreement for a line of accessories for mobile devices**

Milan, November 5th 2014 – The Board of Directors of Moleskine S.p.A. ("Moleskine" or with its controlled companies the "Group" or the "Company") today approved the Interim Financial Statements for the first nine months ended 30 September 2014.

Financial performance in line with expectations, on track to deliver another year of growth

- Revenues[1] of € 65 million, up 6,9%[2] at constant exchange rates (+5,7% at current exchange rates);
- EBITDA[3] of €20,8 million (-14,2% vs same period last year) equating to 32% of revenues (versus 28,5% of revenues at the end of 1H 14), a solid progression reflecting anticipated second half weighted EBITDA generation in 2014;
- Net Income of €11,4 million (-19,9% vs same period last year) equating to 17,5% of revenues, reflecting progression of operating profitability and higher depreciation due to retail expansion;
- Net Financial Debt reduced to € 13,8 million vs. € 20,1 million for the first nine months of 2013, driven by solid operationg cash conversion. Net Debt / LTM EBITDA Adjusted at 0,45x.

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.
2 At constant exchange rates. See tables for growth rates on actual exchange rates.
3 Adjusted EBITDA and adjusted net profit relate to measure net of extraordinary events and non-recurring transactions.

	Period ended September 30,				Change	
	2014		2013		2014 Vs 2013	
In thousands of Euro		%		%	In abs. Value	At Curr. FX
Revenues	65.122	100,0%	61.661	100,0%	3.461	5,6%
EBITDA	18.864	29,0%	16.002	26,0%	2.862	17,9%
Net profit	10.025	15,4%	7.633	12,4%	2.392	31,3%
Adjusted revenues	65.023	100,0%	61.522	100,0%	3.501	5,7%
Adjusted EBITDA	20.810	32,0%	24.266	39,4%	-3.456	-14,2%
Adjusted net profit	11.379	17,5%	14.201	23,1%	-2.822	-19,9%

Arrigo Berni, Chief Executive Officer of Moleskine, commented:

"In the face of a cautious retail environment particularly in EMEA, we delivered results in line with our targets for the first nine months. We are in good shape to deliver another year of solid double digit growth, as our business is set to accelerate in the last quarter when direct to consumer channels will increase their contribution. Longer term, we are confident in our ability to achieve growth in line with our business plan, based on continued progress in direct channels, product innovation plans and by the recent start of licensing activities."

In addition to its nine months results, the Company announced that it signed a multi-year licensing agreement in the mobile device accessories space with CG Mobile, a leading player in this field already manufacturing and distributing worldwide accessories for mobile devices for several global fashion and lifestyle brands. This will lead to a further increase in the product offering with a full line of Moleskine branded smartphone and tablet cases and PC sleeves available on the market starting next January, with distribution though the Company's direct channels and CG Mobile's global network of electronics retail chains thus further raising the visibility and awareness of the Moleskine brand.

The announcement follows the Company's agreement with Adobe, the global leader in digital marketing and digital media solutions, to develop products that will streamline the consumer's creative process from paper to digital devices. This product will be available in December.

Net Sales by distribution channel[4]

Moleskine sells its products (i) indirectly through a network of 73 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 rapidly increasing network of Directly Operated Stores ("Retail" or "DOS").

	Period ended September 30,				Change	
	2014		2013		2014 Vs 2013	
In thousands of Euro		%		%	At Curr. FX	At Const. FX
Wholesale	48.075	73,9%	48.110	78,2%	-0,1%	1,0%
B2B	9.650	14,8%	8.716	14,2%	10,7%	12,3%
e-Commerce	2.496	3,8%	2.199	3,6%	13,5%	15,4%
Retail	4.802	7,4%	2.497	4,1%	92,0%	93,0%
Adjusted Revenues	**65.023**	**100,0%**	**61.522**	**100,0%**	**5,7%**	**6,9%**

Net Sales in the **Wholesale** channel reached € 48,1 million (+1,0% at constant exchange rates vs. first nine months of 2013) driven by positive performance in Americas and a strong third quarter performance in APAC following the start up of activity by our new distributor in Japan. This was partially offset by a more cautious retail environment in EMEA. In particular:

- EMEA (-3,1% at constant exchange rates vs first nine months of 2013) has been impacted by more cautious purchasing behaviour from retailers and by a softer than expected performance in Germany linked to the phase out of the previous distributor;
- AMERICAS (+9,2% at constant exchange rates vs. first nine months of 2013) enjoyed strong growth as visual merchandising programs at large retailers continued their roll-out;
- APAC (-6,3% at constant exchange rates vs. first nine months of 2013) enjoyed overall improved sales trajectory when compared to the first half, leading to a significant reduction in the gap in performance of this area. This rebound in the third quarter was driven by start up of activities by our new distributor in Japan and good performance in Korea and Australia.

Net Sales in the **B2B** channel reached € 9,7million (+12,3% at constant exchange rates vs. first nine months of 2013) driven by continued execution of the Group's multichannel strategy. In particular:

- EMEA (+12,3% at constant exchange rates vs. first nine months of 2013) and AMERICAS (+21,3% at constant exchange rates vs. first nine months of 2013) showed continued growth;
- APAC (-6,5% at constant exchange rates vs. first nine months of 2013) was impacted by the aforementioned distributor transition in Japan, where the previous distributor acted as a sole agent for the B2B business; however this impact was partially offset by a large project in Korea.

Net Sales in **e-Commerce** reached €2,5million (+15,4% at constant exchange rates vs. first nine months of 2013). In particular:

4 Net Sales by geographical area are reported on an adjusted basis excluding Net Sales from displays, income/loss from exchange rate and other Net Sales. Net sales are also reported at constant exchange rates. See tables for growth rates on actual exchange rates.

- EMEA (+24,9% at constant exchange rates vs. first nine months of 2013) showed continued growth;
- AMERICAS (-5,8% at constant exchange rates vs. first nine months of 2013) progressed from the first half as traffic performance improved;
- APAC (+292,7% at constant exchange rates vs. first nine months of 2013) was mainly driven by China.

The **Retail** channel achieved Net Sales of € 4,8 million vs. € 2,5 million in first nine months of 2013 with a global network of 30 DOS as of 30th September 2014 vs 20 DOS as of 30th September 2013. In particular, in the third quarter of 2014 four new locations were opened: namely our third store in London at Old Street underground, our first store in downtown Berlin, our second store in Paris Montparnasse and our first store in Singapore at the prestigiuos ION mall.

Channel mix continues to evolve in line with expectations with direct channels contributing 11% of total Net Sales (versus 7% in the first nine months of 2013).

Net Sales by geographical area[5]

Moleskine is present in approximately 105 countries worldwide.
In the first nine months of 2014 the Company registered overall solid revenue growth across the main geographies.

	Period ended September 30,				Change	
	2014		2013		2014 Vs 2013	
In thousands of Euro		%		%	At Curr. FX	At Const. FX
EMEA	32.861	50,5%	31.743	51,6%	3,5%	2,9%
Americas	24.175	37,2%	22.154	36,0%	9,1%	12,3%
APAC	7.988	12,3%	7.625	12,4%	4,8%	7,8%
Adjusted Revenues	**65.024**	**100,0%**	**61.522**	**100,0%**	**5,7%**	**6,9%**

- Net Sales in **EMEA** reached € 32,8million (+2,9% at constant exchange rates vs. first nine months of 2013) due to a generally more cautious purchasing behaviour from retailers which has impacted Wholesale performance in the third quarter, exacerbated by a continued difficult market situation in Russia;
- Net Sales in **AMERICAS** reached €24,2 million (+12,3% at constant exchange rates vs. first nine months of 2013) mainly driven by Wholesale whereby visual merchandising programs continued to be rolled out in the third quarter driven by our enhanced distribution model;
- Net Sales in **APAC** reached €8,0 million (+7,8% at constant exchange rates vs. first nine months of 2013) mainly driven by the set-up of our new distributor in Japan in the third quarter and by our retail roll-out.

5 Net Sales by geographical area are reported on an adjusted basis excluding Net Sales from displays, income/loss from exchange rate and other Net Sales. Net sales are also reported at constant exchange rates. See tables for growth rates on actual exchange rates.

Net Sales by product category[6]

The third quarter of 2014 has been marked by a good level of innovation in product types and new product categories, especially in the area of hybrid, analog-to-digital products[7].

In thousands of Euro	Period ended September 30, 2014	%	2013	%	Change 2014 Vs 2013	At Curr. FX
Paper collection	59.774	91,9%	57.569	93,6%	2.205	3,8%
WTR collection	5.249	8,1%	3.953	6,4%	1.296	32,8%
Adjusted Revenues	**65.023**	**100,0%**	**61.522**	**100,0%**	**3.501**	**5,7%**

In the Paper collection, the Voyageur notebook was launched, dedicated to travelers with an innovative proposition consistent with our ambition of analog–digital integration. New releases of Limited Editions also occurred with new Lego and The Hobbit editions.

In the WTR ("Writing, Travelling and Reading") collections, new colours and additional travel accessories have been added to the range.

On the hybrid products front, there have been new Livescribe and Evernote product initiatives.

EBITDA

Group adjusted EBITDA reached € 20,8 million (32% of net revenues) in the first nine months of 2014 with EBITDA margin in the third quarter at 38% of net revenues showing positive progression in line with expected second half weighted EBITDA generation. The result has also been posivitely impacted by operating leverge and by some benefit from exchange rate linked to the appreciation of the US dollar vs. the Euro. However, as expected, the result was below the previous year (-14,2% vs. first nine months of 2013) due to investments: i) for the development of direct to consumer channels and ii) in the organization and distribution to sustain future growth.

Non-recurring items and transactions not directly related to the ordinary business amounted to € 1,9 million mainly related to the settlement with the German distributor.

In thousands of Euro	Period ended September 30, 2014	2013	% Change
EBITDA	**18.864**	**16.002**	**17,9%**
Total non-recurring items	1.946	8.264	
Adjusted EBITDA	**20.810**	**24.266**	**-14,2%**

6 Net Sales by product category are reported on an adjusted basis excluding Net Sales from displays, income/loss from exchange rate and other Net Sales.
7 Sales of hybrid products are booked in Paper Sales

Net Income

Group adjusted Net Income reached € 11,4 million equal to 17,5% of net revenues which demonstrates positive progress into the first half of the year and follows the positive trends in operating profitability. As expected, the result was below the previous year (-19,9% vs. first nine months of 2013) and reflected higher depreciation compared to the same period of the previous year mainly linked to the direct retail expansion.

	Period ended September 30,		
In thousands of Euro	**2014**	**2013**	**% Change**
Net income	**10.025**	**7.633**	**31,3%**
Total non-recurring items	1.946	9.370	
Income tax effect	-592	-2.802	
Adjusted Net profit	**11.379**	**14.201**	**-19,9%**

Net Financial Debt

Net Financial Debt stood at € 13,8 million vs. € 20,1 million for the first nine months of 2013 driven by strong operating cash conversion in the period. Net Debt / LTM EBITDA stands at 0,45x at the end of the third quarter 2014.

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Material events after the reporting period

As already communicated on 16th October, the Company has made changes to its senior organization structure designed to further strengthen Moleskine's business operations whilst allowing CEO Arrigo Berni to devote increased focus on strategic initiatives central to Moleskine's growth objectives.
As a part of this review, the Chief Operating Officer ("COO") position was created within the Company.

As far as the development of the direct retail network is concerned, in October the Company opened three stores: one in the US at Sarasota, one in dowtown Paris and one in China in Chengdu. For the rest of the year the Company expects to open an additional nine locations, including downtown Milan and Rome and Hong Kong at the prestigious IFC mall.

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Outlook

The Company has reported results in line with expectations in the first nine months of 2014. On the back of year to date results the Company is forecasting to deliver results for the full year within the guidance range which indicates revenues between €99 and €101 million and EBITDA between €33 and €34 million.
Direct retail expansion, an innovative product pipeline as well as the recent launch of the new licensing activity, are supportive of sustainable growth over the medium term in line with the company's Strategic Plan.

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Conference call with Analysts and Investors

The conference call on the third quarter 2014 results will be available via audio webcast on Wednesday, 5 November 2014, at 17:30 CEST.
The audio webcast will be available by accessing the following webcast URL:
http://www.media-server.com/m/p/y3624sp
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.
Analysts & Investors: +3902 3600 9868 or +44(0)20 3427 1916
Media: +3902 3600 9869
Confirmation Code: 2890013

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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 Strati, 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

Contacts

Investor Relations
Olga Bologna
+39 0200680599
ir@moleskine.com

Media Relations
FTI Consulting
Matt Dixon / Harry Staight
+44 (0)20 7831 3113
moleskine@fticonsulting.com

Moleskine® was created as a brand in 1997, bringing back to life the legendary notebook used by artists and thinkers over the past two centuries: among them Vincent van Gogh, Pablo Picasso, Ernest Hemingway, and Bruce Chatwin. A trusted and handy travel companion, the nameless black notebook held invaluable sketches, notes, stories, and ideas that would one day become famous paintings or the pages of beloved books. Today, the name Moleskine encompasses a family of objects: notebooks, diaries, journals, bags, writing instruments and reading accessories, dedicated to our mobile identity. Indispensable companions to the creative professions and the imagination of our times: they are intimately tied to the digital world. Since 1 January 2007, Moleskine has also become the name of the company that owns the worldwide trademark rights for the brand. Moleskine develops, markets and sells a family of products – which target consumers of the creative class and others – that provide open platforms for creativity and communication, contributing to the expansion and dissemination of culture and knowledge and are closely connected to the digital world. The company grew out of the experience of Modo&Modo, a small Milanese publisher that in 1997 created the Moleskine® trademark, rediscovering and renewing an extraordinary tradition. In the fall of 2006, Modo&Modo was purchased by SGCapital Europe, now Syntegra Capital, with the objective of fully developing the potential of the Moleskine brand. Since April 2013 Moleskine is listed at the Borsa Italiana, the Italian stock exchange. Moleskine is a creative company enjoying continuing growth. It has about 200 employees and a vast network of partners and consultants. Its home office is in Milan, Italy. Moleskine Group includes Moleskine America, Inc. (established in 2008), Moleskine Asia Ltd (2011), which is entirely controlling Moleskine Shanghai, Moleskine Singapore and Moleskine Japan, Moleskine France (2013) and Moleskine Germany (2013). All subsidiaries are wholly-owned.

MOLESKINE GROUP: CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As of Sept, 30	As of Dec, 31
In thousands of Euro	**2014**	**2013**
Property, plant and equipment	5.629	4.682
Goodwill and trademarks	76.853	76.836
Other intangible assets	3.613	4.161
Other non-current assets	1.430	816
Deferred tax assets	3.671	3.017
Total non-current assets	**91.196**	**89.512**
Inventories	18.121	15.590
Trade receivables	25.775	18.207
Income tax receivables	-	1.276
Other current assets	1.798	921
Cash and cash equivalents	8.106	5.750
Total current assets	**53.800**	**41.744**
TOTAL ASSETS	**144.996**	**131.256**
Share capital	2.122	2.120
Other reserves	70.163	57.511
Net income	10.025	11.913
TOTAL NET EQUITY	**82.310**	**71.544**
Non-current financial liabilities	19.347	8.944
Deferred tax	16.059	16.042
Post-employment and other employee benefits	1.700	1.325
Non-current provisions for risks and charges	105	105
Total non-current liabilities	**37.211**	**26.416**
Trade payables	16.481	15.845
Income tax payables	2.171	-
Current financial liabilities	2.568	12.863
Current provisions for risks and charges	409	582
Other current liabilities	3.844	4.006
Total current liabilities	**25.473**	**33.296**
TOTAL LIABILITIES	**62.684**	**59.712**
TOTAL LIABILITIES AND EQUITY	**144.994**	**131.256**

MOLESKINE GROUP: CONSOLIDATED STATEMENT OF NET INCOME

In thousands of Euro	Period ended Sept 30, 2014	Period ended Sept 30, 2013
Revenues	65.122	61.661
Other income	2.215	486
Finished products, raw materials and consumables	(15.250)	(13.036)
Service costs	(19.828)	(20.134)
Personnel costs	(11.734)	(11.562)
Other operating expenses	(1.660)	(1.413)
Depreciation, amortization and impairments	(2.769)	(1.530)
Operating income	**16.096**	**14.472**
Finance expense	(1.253)	(2.850)
Finance income	121	60
Net income before taxes	**14.964**	**11.682**
Income tax expense	(4.938)	(4.049)
Net income	**10.026**	**7.633**

MOLESKINE GROUP: CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Period ended September 30,	
In thousands of Euro	**2014**	**2013**
Cash flow from operating activities before movements in working capital	**19.252**	**16.704**
Cash flow from operating activities	*6.279*	*2.764*
Cash flow used in investing activities	*(3.185)*	*(4.109)*
Cash flow used in financing activities	*(726)*	*(2.206)*
Change in cash and cash equivalents	**2.368**	**(3.551)**