MOLESKINE

Interim Financial Statements

June 30, 2016

CONTENTS

COMPANY INFORMATION

REGISTERED OFFICE OF THE GROUP HOLDING COMPANY

Moleskine S.p.A.
Viale Stelvio 66 – 20159
Milan

LEGAL INFORMATION OF THE GROUP HOLDING COMPANY

Approved share capital Euro 2,124,217.05
Subscribed and fully paid-up share capital Euro 2,124,217.05

Milan Company Register no. 07234480965
Milan Economic and Administrative Index (REA) no. 1945400
Tax code and VAT no. 07234480965
Company website www.moleskine.com

BOARDS OF DIRECTORS AND AUDITORS*

Board of Directors	Marco Ariello	Chairman
	Arrigo Berni	Chief Executive Officer
	Philippe Claude Sevin	Director
	Giuseppe Zocco	Director
	Daniele Raynaud	Director
	Fabio Brunelli	Independent director
	Roberto Spada	Independent director
	Maria Ceriani Sebregondi	Director
	Orna Ben Naftali	Director
Control and Risk Committee	Fabio Brunelli	Chairman
	Roberto Spada	
	Marco Ariello	
Remuneration Committee	Roberto Spada	Chairman
	Fabio Brunelli	
	Marco Ariello	
Board of Statutory Auditors	Paola Maiorana	Chairman
	Rocco Santoro	Statutory Auditor
	Cristiano Proserpio	Statutory Auditor
	Sabrina Pugliese	Alternate Auditor
	Antonio Zecca	Alternate Auditor
Independent Auditors	PricewaterhouseCoopers SpA	
Executive Officer in charge of the financial reports	Alessandro Poletto	

(*) Board of Directors and Auditors duly appointed by the Shareholders' Meeting of Moleskine S.p.A. held on April 14, 2016.

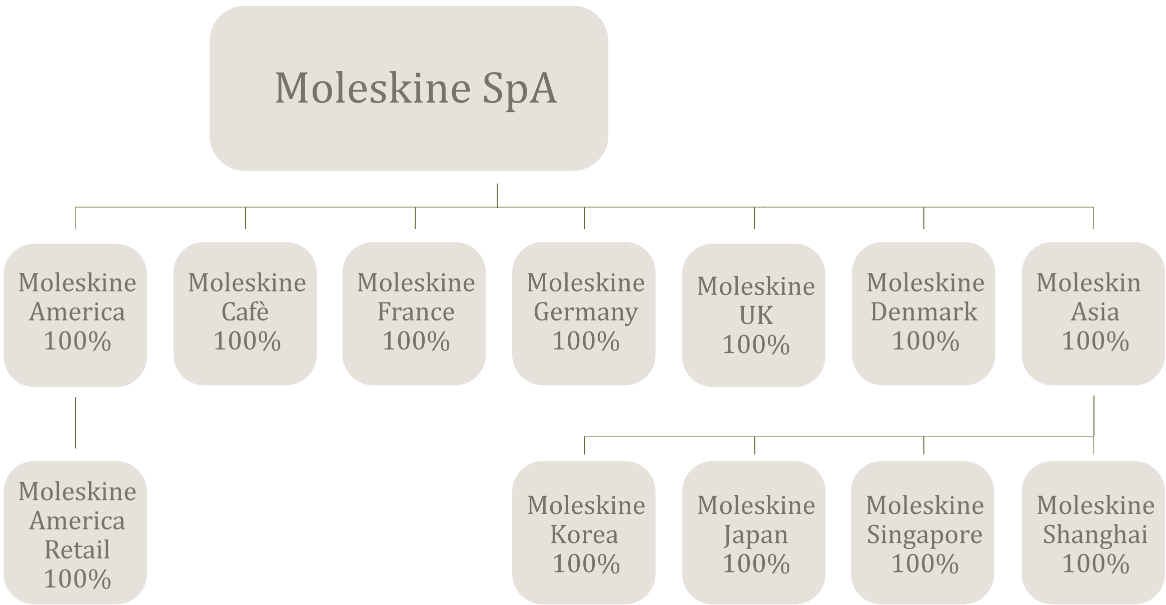
GROUP STRUCTURE

The Group includes the Holding Company Moleskine S.p.A. (“**Moleskine**” or the **“Company”**), Moleskine America Inc. (“**Moleskine America**”), a wholly owned direct subsidiary headquartered in New York at 210 Eleventh Avenue, Suite 1004, and Moleskine America Retail LLC (**“Moleskine America Retail”**), organized in accordance with the laws of the state of the Delaware, and a wholly-owned subsidiary of Moleskine America; it also includes Moleskine Asia Ltd (“**Moleskine Asia**”), headquartered in Hong Kong at Suite 3202A, 32/F, The Centrium, wholly owned by the Company, Moleskine Trade and Commerce Shanghai Co. Ltd, with registered offices in Shanghai at Unit 3506, Tower 2, Grand Gateway Center, No. 3, Hong Qiao Road, Xuhui District (“**Moleskine Shanghai**”), Moleskine Singapore Pte Ltd (“**Moleskine Singapore**”), headquartered in Singapore at 6001 Beach Road HEX 13-04 Golden Mile Tower, Moleskine Japan K. K. (“**Moleskine Japan**”), headquartered in Tokyo at 5-4-35-1301 Minami Aoyama, Minato-ku and Moleskine Korea Co. Ltd (“**Moleskine Korea**”), established in March 2016 with registered offices in Seoul at 10 Bongeunsa-ro 54-gil. These last four companies are wholly owned by Moleskine Asia.

Companies also included within the Group are Moleskine France S.à.r.l (“**Moleskine France**”), headquartered in Paris at 39, rue Beauregard, Moleskine Germany Gmbh (“**Moleskine Germany**”), based in Cologne at Spichernstrasse 73, Moleskine UK Ltd (“**Moleskine UK**”), with registered offices in London on the second floor, Cardiff House, Tilling Road, and Moleskine Denmark ApS (“**Moleskine Denmark**”), with registered offices in Copenhagen, Øster Allé 42.4, all of which are wholly owned by the Holding Company, Moleskine.

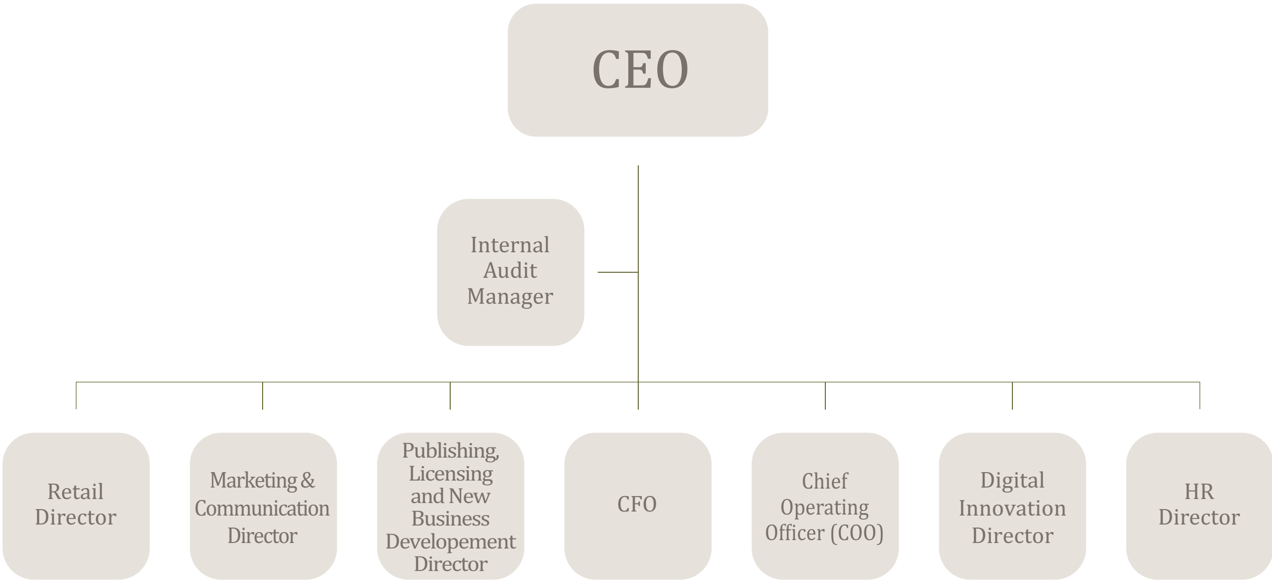
Finally, in April 2016, the company Moleskine Cafè s.r.l. (“**Moleskine Cafè**”), was set up with registered offices at Viale Stelvio 66 in Milan, 100% controlled directly by the Holding Company.

The following chart shows the structure of the Group and Moleskine’s subsidiaries along with the percentages held.



GROUP ORGANIZATION CHART

The Group organization chart as of June 30, 2016, is shown below.



DISTRIBUTION NETWORK

The Group markets its products through various distribution channels. From the perspective of the consumer, the Group is present on the market through:

- the retail distribution channel, i.e. the direct distribution channel (Retail) in which the Group relies on stores managed either by third-parties or directly, the latter of which are referred to as Directly Operated Stores (DOSs);
- the Wholesale channel, i.e. the channel which makes use of intermediaries to sell to consumers, in which case the Group's customers are these intermediaries;
- the B2B channel, aimed at the direct sale of customized Moleskine products to businesses, institutions and a variety of organizations by way of a combined direct and indirect model;
- the e-Commerce channel, i.e. online product sales through Moleskine's own websites. This channel also includes the sales of products under the *Moleskine+* line, such as software applications with integrated functions for mobile devices, collections with strategic significance in the positioning of the Moleskine brand in the analogue/digital *continuum*.

Interim Management Report

01

GROUP OPERATIONS

INTRODUCTION

With reference to the six months ended June 30, 2016, the figures given in this report, together with the associated remarks, are meant to give an overview of Group's financial performance and standing, the changes that occurred during the period in question, and any significant events that affected these results.

OPERATING CONDITIONS AND BUSINESS DEVELOPMENT

Moleskine is the brand through which the Group develops, distributes and sells a family of products for the modern-day nomad: notebooks, journals, diaries, bags, writing instruments and reading accessories inspired by the mobile individual, products that embody personal flair and sophistication in both the real and the digital worlds.

The Group sells three lines of products and services:

i) paper collections ("***Paper Collections***") namely paper products, such as notebooks, diaries, other home-office products, and gifts.
ii) writing, travel and reading accessories ("**WTR Collections**"), which include items for writing, travel and reading, such as pens, pencils, bags, eyewear and reading lights.
iii) Moleskine+ collection ("**M+**"), that is analogue/digital products and services destined to be placed in the *continuum* between the analogue and digital spheres. Some examples include: the Smart Writing Set, an innovative tool recently added to the ecosystem of Moleskine products, that makes it possible to write with traditional instruments (paper and pen) and digitalise notes to be able to edit, save and share them quickly and easily on smartphones and laptops; the Smart Notebook line developed together with Evernote, a notebook designed to work with Livescribe smart pens; and the notebook developed in partnership with Adobe, the leader in digital marketing and digital-media solutions. The recently launched calendar application for iOS, *Timepage*, also falls under this product category.

The Group distributes its products to 114 countries:

i) indirectly through a network of 79 distributors (i.e. the wholesale channel), which serve bookshops, department stores, speciality stores, stationers and museums (i.e. retailers); and
ii) through a mixed direct and indirect model for the custom editions designed for our business customers (i.e. B2B); b) through our e-Commerce site; and c) through our retail network of 65 single-brand stores, 20 in China, 3 in Singapore, 8 in Hong Kong, 2 in Korea, 10 in Italy, 4 in the U.K., 5 in France, 4 in Germany and 9 in the U.S.

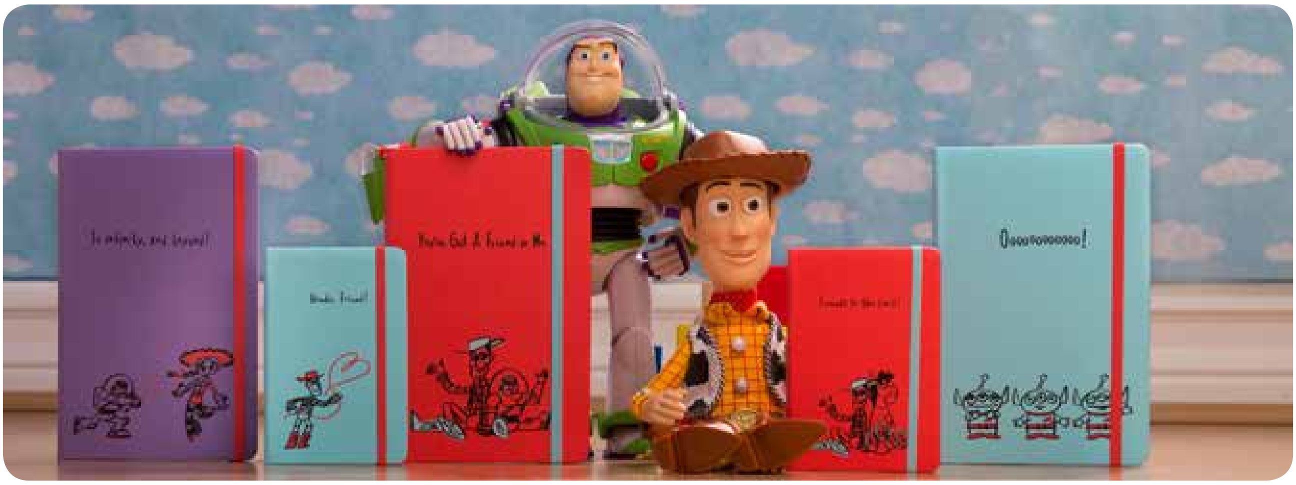
ACTIVITIES CARRIED OUT BY THE GROUP TO INCREASE BRAND AWARENESS

The public relations strategy that has always characterised the Moleskine brand focuses on story telling relating to quality, with texts, images, events, videos, inspirational stories, with the distinctive Moleskine features to guarantee that they are instantly recognisable and spread virally online. The stories and images are circulated through official channels and magnified by the media, fans, systematic product placement and spontaneous ambassadors.

The activities carried out in the first half of 2016 to support brand awareness have mainly continued along the following three lines:

- **Limited editions and special cult editions**. It should be noted that the launch of the **Shanghai Tang Limited Edition Collection**, is aimed at celebrating the Year of the Monkey, through collaboration with Shanghai Tang, the leader in Asian elegance, to create notebooks and diaries inspired by the ancient proverb of the three wise monkeys: “see no evil, hear no evil, speak no evil”.

We can also note the launch of the **Toy Story Limited Edition**, on the occasion of which the great Pixar artist, Ralph Eggelston affirmed the importance of freehand drawing in the first stages of the process of creating a character. A video made by independent video makers describes the mood of the collection and a Creativity Challenge among Moleskine fans invited people to share photos, drawings or paintings of their favourite toy.



Toy Story Limited Edition

On the occasion of the launch of the **Game of Thrones** limited edition, Dadomani, the Milanese production studio specialised in animation, made a video celebrating the collection that Business Insider published on its Website and on its Facebook page. The new collection and the video were also covered by Nylon in Singapore, Artribune in Italy and AV Club in the United States.

Game of Thrones Limited Edition

The international launch of the **Smart Writing Set** took place in New York on April 7, 2016, with an event behind closed doors for selected influencers and media, with a round table on the subject "The Art of Productivity" and a demo of the new product. Among the media present were Bloomberg Businessweek, Huffington Post, Cool Hunting, and PSFK.

Smart Writing Set

- Events. The partnership format normally envisages the following activities: logo placement, supply of special edition notebooks, pens and bags to a selected “influencer” public, combined with providing content such as displays, exhibitions, workshops, talks, videos, and interaction on social media.

The objective is to establish long-term relationships with selected trend setters and opinion leaders in the world of the creative professions, business and technology innovations, creating a platform to present old and new collections to the selected guests of partner events, and opportunities for B2B business meetings.

Among the most significant events during the quarter, we highlight:

- **Handwriting Day**, held on January 23, a day celebrating the power and magic of hand-written words. The format was launched by Moleskine in 2013, enjoying great success among handwriting fans from around the world. A number of famous personalities once again came together at Moleskine to post hand-written messages on various social networks, with the event attracting major media attention;
- the partnership with **TED** (Technology, Entertainment and Design), an international leader in events exploring technology, creativity and innovation; during the 2016 TED conference, focusing on the intriguing subject of dreams, Moleskine created a gift pack containing a special edition pen and notebook.

TED partnership

- Moleskine celebrated the Milan Design Week, from April 12 to April 17, with a series of workshops, storytelling activities and experiences associated with the launch of the Smart Writing Set. In the heart of the Tortona district, the Smart Writing Centre hosted a series of workshops and exhibitions. Through mini-conferences and workshops held by designers and creative professionals it was possible to discover how to make the most of notation systems. In addition, during the Design Week, the Moleskine Stores in Milan hosted a Smart Writing Corner and visitors were able to try the Smart Writing Set admiring some of the content created with these instruments during the Design Week.

Moleskine at Milano Design Week

- **Media campaigns to support the launch of new products**. A number of new collections were launched during the first half of 2016, with the Lineage Collection standing out particularly, offering a premium range of leather bags and wallets with a distinctive design.

The launch of the **Moleskine/Driade capsule collection** comprising objects created by Philippe Nigro captured the attention of the Italian and international media.

Lastly, Moleskine launched customisation for online purchases making it possible to personalise notebooks and diaries, with names or phrases printed on the cover.

EXPANSION OF BRAND DISTRIBUTION

In line with the strategy for augmenting brand distribution, the Group has increased the number of points of sale served by the wholesale channel and has also intensified its presence and visibility within the Top Retailers, while continuing to invest in trade marketing and visual merchandising using new branded structures such as ateliers and other displays.

The new installations during the first half of 2016 included:
- in EMEA, the new atelier at Stelling in Copenhagen; at Kaufhof Marienplatz and Kaufhof Stachus in Munich; and at Fnac Chiado and Fnac Colombo Shopping Centre in Lisbon;
- in North America at Indigo Ochard Park, Canada;
- in the APAC area, at Galerie Lafayette in Jakarta, Indonesia and Ishimaru Bunko-Do Honten in Nagasaki, Japan.

The Group pressed on with its growth strategy, with the opening of direct single-brand stores under the retail sales channel. During the first half of 2016 12 new openings were recorded, of which 6 in EMEA divided as follows:
- Italy, in Milan in Corso Buenos Aires and in Florence;
- In Germany, at Hamburg airport and Cologne station;
- In England, at Gatwick airport;
- In France, in Paris, at the Forum des Halles shopping centre.

5 new openings were also recorded in the APAC area, of which 3 in Hong Kong (at Hong Kong L'Avenue, Eslite City Plaza and Hong Kong Landmark,) and 2 in Korea at Seoul Parnas and Seoul Hongdae. Finally there was one new opening in America, at New York Fulton Street.
In the first half of 2016 5 sales points were closed, of which 2 contracts that had reached their natural expiry, that is Milan Porta Garibaldi and Bologna Central Station.

Hong Kong Landmark

New York Fulton Street

EXPANSION OF THE PRODUCT LINE

Moleskine has renewed its colour palette in the collection of the famous notebooks, four new colours added to the classic black and red. The classic notebook with the black cover has extended the options available to include an XL size, with a hard cover, and a dotted layout.

Notebooks – new colours

During the period two limited editions of global renown were launched: **Toy Story** and **Game of Thrones**. The collection devoted to Toy Story, developed with The Walt Disney Company, celebrates one of the best-loved cartoon films of all times. Each notebook of the Game of Thrones Limited Edition is devoted to a character of the cult TV series of the moment with exclusive graphics. The collection is made up of four notebooks for each license accompanied by an collector's edition with a limited print run available only in Moleskine Stores and e-Commerce sites.

Similarly to previous years, the diary range introduces new eighteen-month **academic planners** (from July 2016 to December 2017), available in both the classic and limited versions in three different collections: **Batman**, **Petit Prince** and **Peanuts.**

Peanuts 18 months

Le Petit Prince 18 months

Moleskine's partnership with (RED) is continuing through the introduction of a new ***(MOLESKINE)***^{RED} notebook. Like other global brands, such as Apple and Bank of America, Moleskine has joined the struggle for a generation free of AIDS; part of the revenue deriving from the sale of these notebooks will be devolved to the Global Fund, an organisation involved in the collection and investment of resources to put an end to AIDS, tuberculosis and malaria.

The WTR collection was also augmented during the first half of 2016 with a new collection: the **Lineage Collection**, a premium range of leather bags and wallets featuring a distinctive design.

Lineage Backpack

Another interesting addition are the new **Travel Lights** that extend the current range of reading lights, by introducing a multi-functional item that is perfect for travelling. Moleskine is also relaunching its range of **Rigid Travel Pouches** with a renewed design and a colour palette matched with that of the classic notebooks.

Journey Hard Pouches

The ***Moleskine+*** category launched a special notebook, an intelligent pen and an app that combined together make it possible to digitalise notes and sketches created on paper transforming them into texts and digital images, ready to be edited and instantaneously shared using smartphones, tablets or laptops. The new **Smart Writing Set** is a system made up of three elements that functions without intermediate stages of photos, uploads or scans:

- the **Paper Tablet**, a paper notebook designed by Giulio Iacchetti, with rounded edges to make it look like a tablet;
- the ***Pen+***, a aluminium pen, relatively thin compared to other smartpens, fitted with a microcamera which traces and digitalises writing;
- the Moleskine **Notes App** on which to save notes and sketches, share them, export them, modify them and search for them.

Smart Writing Set

GROUP RESULT AT JUNE 30, 2016

The following tables show *i)* the condensed consolidated income statement and the consolidated income statement as of June 30, 2016, compared to the same period of the previous year, *ii)* the sources and uses of funds statement as of June 30, 2016, compared to December 31, 2015 and to June 30, 2015, and *iii)* the figure for investments during the six months ended June 30, 2016, compared to the same figure for June 30, 2015.

In addition to the conventional financial statements and indicators required under IFRS, this document also presents some reclassified statements and alternative performance indicators. This is in order to better assess the Group's financial performance. Nonetheless, these statements and indicators should not be considered replacements for the conventional ones required by the IFRSs.

It is worth noting that the Group's operations are influenced in terms of the different distribution channels used over various months in the year, by the flow of revenues and costs; in particular, we note that based on historic data, the proportion of first-half revenues out of the entire year's revenues comes in at between 38% and 40%. For this reason, an analysis of financial standing and performance for the period under review cannot be considered representative of the trends in progress over the entire year.

CONSOLIDATED INCOME STATEMENT

	Period ended June 30,				Changes	
In thousands of Euro and percentage of revenues	2016		2015		2016 vs 2015	
		%		%		%
Revenues	60,489	100.0%	53,843	100.0%	6,646	12.3%
Other operating income	568	0.9%	3,081	5.7%	(2,513)	(81.6%)
Finished products, raw materials and consumables	(10,959)	(18.1%)	(11,393)	(21.2%)	434	(3.8%)
Service costs	(22,478)	(37.2%)	(19,473)	(36.2%)	(3,005)	15.4%
Personnel costs	(11,050)	(18.3%)	(9,946)	(18.5%)	(1,104)	11.1%
Other operating expenses	(1,694)	(2.8%)	(2,132)	(4.0%)	438	(20.5%)
Depreciation, amortization and impairment	(2,306)	(3.8%)	(2,434)	(4.5%)	128	(5.3%)
Operating profit/(loss)	**12,570**	**20.8%**	**11,546**	**21.4%**	**1,024**	**8.9%**
Financial expenses	(811)	(1.3%)	(547)	(1.0%)	(264)	48.3%
Financial income	148	0.2%	574	1.1%	(426)	(74.2%)
Profit/(loss) before income tax	**11,907**	**19.7%**	**11,573**	**21.5%**	**334**	**2.9%**
Income tax expense	(3,656)	(6.0%)	(3,818)	(7.1%)	162	(4.2%)
Net profit/(loss)	**8,251**	**13.6%**	**7,755**	**14.4%**	**496**	**6.4%**

CONDENSED CONSOLIDATED INCOME STATEMENT

	Period ended June 30,				Changes	
In thousands of Euro and percentage of revenues	2016		2015		2016 vs 2015	
		%		%		%
Revenues	60,489	100.0%	53,843	100.0%	6,646	12.3%
EBITDA (1)	14,876	24.6%	13,980	26.0%	896	6.4%
Operating profit/(loss)	12,570	20.8%	11,546	21.4%	1,024	8.9%
Net profit/(loss)	8,251	13.6%	7,755	14.4%	496	6.4%
Adjusted revenues (2)	60,426	100.0%	53,805	100.0%	6,621	12.3%
Adjusted EBITDA (3)	15,353	25.4%	15,146	28.1%	207	1.4%
Adjusted operating profit/(loss) (3)	13,047	21.6%	12,712	23.6%	335	2.6%
Adjusted net profit/(loss) (3)	8,579	14.2%	8,584	16.0%	(5)	(0.1%)

(1) The Group defines EBITDA as operating profit/(loss) (EBIT) before depreciation, amortization and impairment of non-current assets. EBITDA is not recognized as a measure of financial performance or liquidity under IFRS; therefore, it should not be considered an alternative measure for assessing the performance of Group operating profit/(loss). Since the method for calculating EBITDA is not governed by reference accounting standards, the method applied by the Group may not be the same as that adopted by others and therefore may not be comparable.
(2) Adjusted revenues represent revenues from the income statement net of revenues generated by the sale of displays and other income.
(3) Adjusted EBITDA, Adjusted EBIT, the adjusted operating profit/(loss) and adjusted net profit/(loss) refer to figures not including non-recurring transactions and special items.

STATEMENT OF THE SOURCES AND USES OF RESOURCES

In thousands of Euro	As of June 30, 2016	As of December 31, 2015	As of June 30, 2015
Sources and Uses			
Uses			
Inventories	23,839	20,622	24,115
Trade receivables	29,385	24,714	27,833
Trade payables	(22,367)	(18,862)	(19,430)
Net Commercial Working Capital (A)	**30,857**	**26,474**	**32,518**
Other current assets	2,446	2,266	2,135
Income tax payables	(10,706)	(5,829)	(4,956)
Income tax receivables	692	-	-
Other current liabilities	(3,906)	(5,177)	(5,711)
Other items of Net Working Capital (B)	**(11,474)**	**(8,740)**	**(8,532)**
Net Working Capital (A + B)	**19,383**	**17,734**	**23,986**
Property, plant and equipment	8,353	6,831	6,161
Goodwill and trademarks	76,754	76,801	76,830
Other intangible assets	5,168	3,961	4,324
Non-current receivables	2,917	2,363	2,273
Non-current assets	**93,192**	**89,956**	**89,588**
Net deferred tax liabilities	(6,126)	(8,204)	(10,206)
Current and non-current provisions for risks and charges	(842)	(1,449)	(787)
Post-employment and other employee benefits	(1,892)	(1,721)	(1,540)
Other non-current payables	(714)	(748)	(52)
Current and non-current liabilities	**(9,574)**	**(12,122)**	**(12,585)**
Net invested capital	**103,001**	**95,568**	**100,989**
Sources			
Equity	**102,673**	**109,532**	**90,373**
Net financial indebtedness	**328**	**(13,964)**	**10,616**
Total sources of financing	**103,001**	**95,568**	**100,989**

OTHER INFORMATION

	As of	
In thousands of Euro	June 30, 2016	June 30, 2015
Capital Expenditure [4]	5,112	2,022

(4) Capital expenditures refer to gross investments in property, plant and equipment and in intangible assets, net of the decreases for the period.

The tables below show how certain adjusted indicators used to represent the Group's operating performance are calculated, net of non-recurring income and expenses and special items identified by Management. These standardise the information used to analyse the Group's performance over the relevant periods.

Adjusted revenues are calculated by the Group as follows:

	Period ended June 30,	
In thousands of Euro	**2016**	**2015**
Revenues	**60,489**	**53,843**
Revenues from displays	(62)	(58)
Other income	(1)	20
Adjusted revenues	**60,426**	**53,805**

Adjusted EBITDA is the net profit gross of amortization of intangible assets, depreciation of property, plant and equipment, impairments, financial income and expense and income tax, gross of non-recurring income and expenses and special items including, but not limited to:

i) severance costs and other costs related to company reorganizations;
ii) legal fees and other costs related to extraordinary transactions (e.g. changes in distribution models, the termination of agreements with distributors/suppliers, lump-sum and other types of costs paid in settlements with third parties, etc.);
iii) costs related to fiscal disputes;
iv) other one-off costs not associated with ordinary operations (e.g. costs related to recalls, costs for adaptations to applicable domestic and/or international laws and regulations, etc.);
v) extraordinary and non-recurring income (e.g. insurance settlements in the event of a natural disaster or warehouse fire).

The Group has calculated adjusted EBITDA as follows:

	Period ended June 30,	
In thousands of Euro	**2016**	**2015**
EBITDA	**14,876**	**13,980**
Management incentive plan (Stock Option)	347	194
Change in the distribution models (5)	38	399
Other consulting fees (6)	31	-
Other income and expenses (7)	60	-
Incentives for employees	1	573
Totale special items	**477**	**1,166**
Total non-recurring expenses and special items	**477**	**1,166**
Adjusted EBITDA	**15,353**	**15,146**

(5) Included in the income statement items Service costs for Euro 13 thousand and in the item Other operating expenses for Euro 25 thousand.
(6) Included in the income statement item Service costs.
(7) Included in the income statement item Service costs.

The Group has calculated adjusted EBIT as follows:

	Period ended June 30,	
In thousands of Euro	**2016**	**2015**
Operating profit/(loss) (EBIT)	**12,570**	**11,546**
Total non-recurring expenses and special items [8]	477	1,166
Adjusted Operating profit/(loss) (EBIT)	**13,047**	**12,712**

(8) See the reconciliation of adjusted EBITDA.

The Group has calculated adjusted net profit/(loss) as follows:

	Period ended June 30,	
In thousands of Euro	**2016**	**2015**
Net profit/(loss)	**8,251**	**7,755**
Total non-recurring expenses and special items	477	1,166
Income tax effect	(149)	(337)
Adjusted net profit/(loss) [9]	**8,579**	**8,584**

(9) Adjusted net profit/(loss) is therefore calculated net of the effect of non-recurring expenses and of special items and of the related tax effect.

SEASONAL NATURE OF SALES

During the course of the year, the Group's business is marked by the seasonal nature of its sales, which becomes more evident in the increased volumes covered by the direct channels.

In respect of the latter, the Group's sales are highly concentrated over the last quarter of each period, as the Christmas period approaches.

According to historical data, turnover from the first half of the year contributes between 38% and 40% to the year's results; the increasing importance of the Retail channel and the acceleration in the opening of new stores (12 opened in the first half of 2016 compared to 9 in the first half of 2015) resulted in higher costs in the first six months of the year, which was only partially offset by the additional revenues generated for the period.

Based on this, it follows that the results of the first quarters do not contribute evenly to making up the financial results for each period.

ANALYSIS OF REVENUES

Revenues increased from Euro 53,843 thousand in the first six months of 2015, to Euro 60,489 thousand in the first six months of 2016, recording a 12.3% increase of Euro 6,646 thousand. Adjusted revenues went from Euro 53,805 thousand in the first six months of 2015 to Euro 60,426 thousand in the first six months of 2016, for an increase of 12.3%: at constant exchange rates, this increase compared with the same period last year would have been 13.2%.

The increase in sales revenues is mainly attributable to the improved channel and product mix.

A positive effect was also seen in sales from the change in certain business models, namely in Italy, Canada and Scandinavia in relation to the Wholesale channel, where a different mainly direct and partly indirect based distribution structure was introduced, and from the effect of the so-called. Large Orders on the direct B2B channel, both in the EMEA area and in the Americas area.

This half-year period recorded a positive trend in all geographic areas, more especially in the EMEA and APAC, whereas an analysis according to sales channels shows the strong acceleration in the Retail channel (+64.1%), due to the new store openings as well as the increase in sales on a comparable basis.

For better presentation of the data by product line it was decided to show separately the flow of revenues related to the family of M+ products, reclassifying also the comparative data for June 30, 2015. In addition, again at June 30, 2015, the portion of revenues, related to certain product lines were reclassified. They were included in the WTR Collection and M+ instead of in Paper were they were previously recognised.

Finally at June 30, 2015 the portion of revenues related to a customer was reclassified from the Wholesale channel to the e-Commerce channel.

REVENUES BY GEOGRAPHICAL AREA

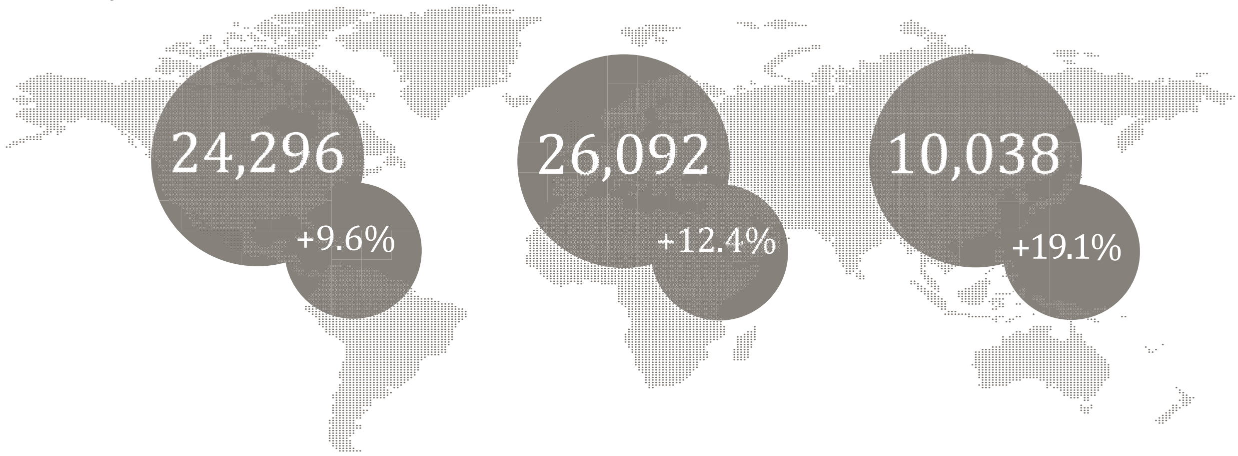
The following tables show the breakdown by geographical area of revenues and adjusted revenues for the six months ended June 30, 2016 and 2015:

In thousands of Euro	**Period ended June 30,**				**Changes**	
Revenues by geographical area	**2016**	**%**	**2015**	**%**	**2016 vs 2015**	**%**
EMEA (Europe, Middle East, Africa)	26,132	43.2%	23,243	43.1%	2,889	12.4%
Americas (USA, Canada, Latin America)	24,296	40.2%	22,158	41.2%	2,138	9.6%
APAC (Asia Pacific)	10,061	16.6%	8,442	15.7%	1,619	19.2%
Total Revenues	**60,489**	**100.0%**	**53,843**	**100.0%**	**6,646**	**12.3%**

ADJUSTED REVENUES BY GEOGRAPHICAL AREA

AMERICAS 40.2% | EMEA 43.2% | APAC 16.6%

In thousands of Euro



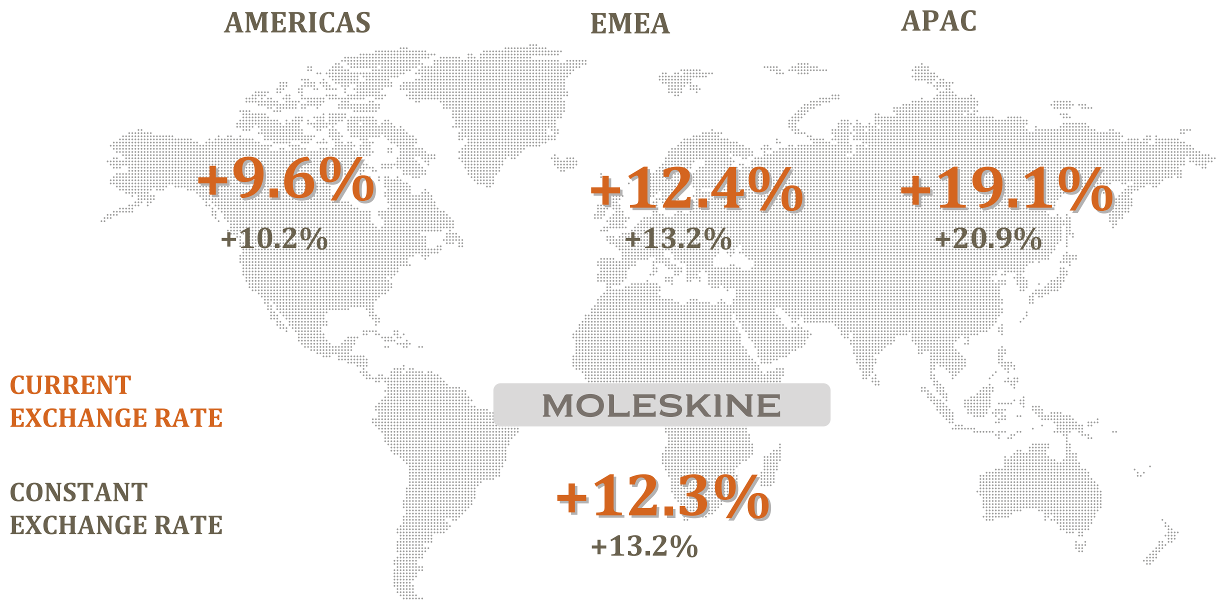
In thousands of Euro	Period ended June 30,				Changes	
Adjusted revenues by geographical area	**2016**	**%**	**2015**	**%**	**2016 vs 2015**	**%**
EMEA (Europe, Middle East, Africa)	26,092	43.2%	23,220	43.1%	2,872	12.4%
Americas (USA, Canada, Latin America)	24,296	40.2%	22,158	41.2%	2,138	9.6%
APAC (Asia Pacific)	10,038	16.6%	8,427	15.7%	1,611	19.1%
Total Adjusted revenues	**60,426**	**100.0%**	**53,805**	**100.0%**	**6,621**	**12.3%**

Revenues in the EMEA area came to Euro 26,132 thousand in the first six months of 2016 (vs. Euro 23,243 thousand in the first six months of 2015), up Euro 2,889 thousand (+12.4%) compared to the previous year. This increase was driven by all the distribution channels and by all the main countries, in particular Italy and France, with the exception of the United Kingdom, while with reference to the channels the best-performing were the direct channels that is Retail, following new openings, the positive results recorded by existing shops and e-Commerce with an increase in traffic on the Web linked also to the launch of new products in the second quarter and in particular of the Smart Writing Set.

Sales in the Americas area increased by Euro 2,138 thousand (+9.6%) compared to the previous year. This growth involved all channels and it was entirely driven by the United States and Canada, in which positive trends were seen on almost all the main Key retailers, offset by weaker performance in the South American area due to a number of distribution issues in Mexico and Brazil, which were overcome only at the end of the period.

The APAC area posted an increase of Euro 1,619 thousand (+19.2%), 19.1%, with reference to the Adjusted figure. This growth was driven by the excellent performance of the direct channels, of the Wholesale channel on all markets with exception of the Japanese one, resulting in part slowed down by the contraction in sales of the B2B channel, which felt the one-off effect related to the special Samsung project implemented in the first half of 2015, only in part offset by the LINE friends project implemented in South Korea.

The following is a breakdown of the growth in revenues at current and constant exchange rates by geographical area.



REVENUES BY DISTRIBUTION CHANNEL

The following tables show the breakdown by distribution channel of revenues and Adjusted revenues for the six months ended June 30, 2016 and 2015:

In thousands of Euro	Period ended June 30,				Changes	
Revenues by distribution channel	**2016**	**%**	**2015**	**%**	**2016 vs 2015**	**%**
Wholesale	39,543	65.3%	37,433	69.6%	2,110	5.6%
B2B	9,171	15.2%	8,944	16.6%	227	2.5%
e-Commerce	3,274	5.4%	2,284	4.2%	990	43.4%
Retail	8,501	14.1%	5,182	9.6%	3,319	64.1%
Total Revenues	**60,489**	**100%**	**53,843**	**100%**	**6,646**	**12.3%**

In thousands of Euro	Period ended June 30,				Changes	
Adjusted revenues by distribution channel	**2016**	**%**	**2015**	**%**	**2016 vs 2015**	**%**
Wholesale	39,487	65.3%	37,385	69.5%	2,102	5.6%
B2B	9,164	15.2%	8,944	16.6%	220	2.5%
e-Commerce	3,274	5.4%	2,294	4.3%	980	42.7%
Retail	8,501	14.1%	5,182	9.6%	3,319	64.1%
Total Adjusted revenues	**60,426**	**100.0%**	**53,805**	**100.0%**	**6,621**	**12.3%**

Wholesale

Revenues and Adjusted revenues through the Wholesale channel increased by 5.6% compared to the first six months of 2015. This result, recorded in all geographical areas, was driven primarily by the APAC area, in particular Australia, South Korea and China, in terms of both organic growth of the business and expansion in new channels. The overall growth of the channel was partly due to the EMEA area, driven by the Italian, German and Scandinavian markets, and is also linked to the change in certain business models and the new channels that were set up (including the food and electronics channels) and to the launch of new products including the Smart Writing Set, accelerated also by the Trade Marketing projects on the Key Retailers.

With reference to the Americas area, the performance of the United States and Canada managed, thanks to the growth in sell-outs and to certain programmes aimed at Top Retailers, to offset the drop on the South American market.

B2B

Revenues through the B2B channel increased by Euro 227 thousand from Euro 8,944 thousand in the first six months of 2015 to Euro 9,171 thousand in the first six months of 2016 (+ +2.5%), the same increase recorded by Adjusted Revenues. Growth was recorded across all geographic areas with the exception of the APAC area, reflecting the positive results from so-called Large Orders on the direct channel both in the EMEA area and in the Americas area.

With regard to the Asian market, we remind you that the first half of 2015 had benefited from the significant one-off effect of the special Samsung project for Euro 143 thousand, only partially offset by the LINE friends project in South Korea.

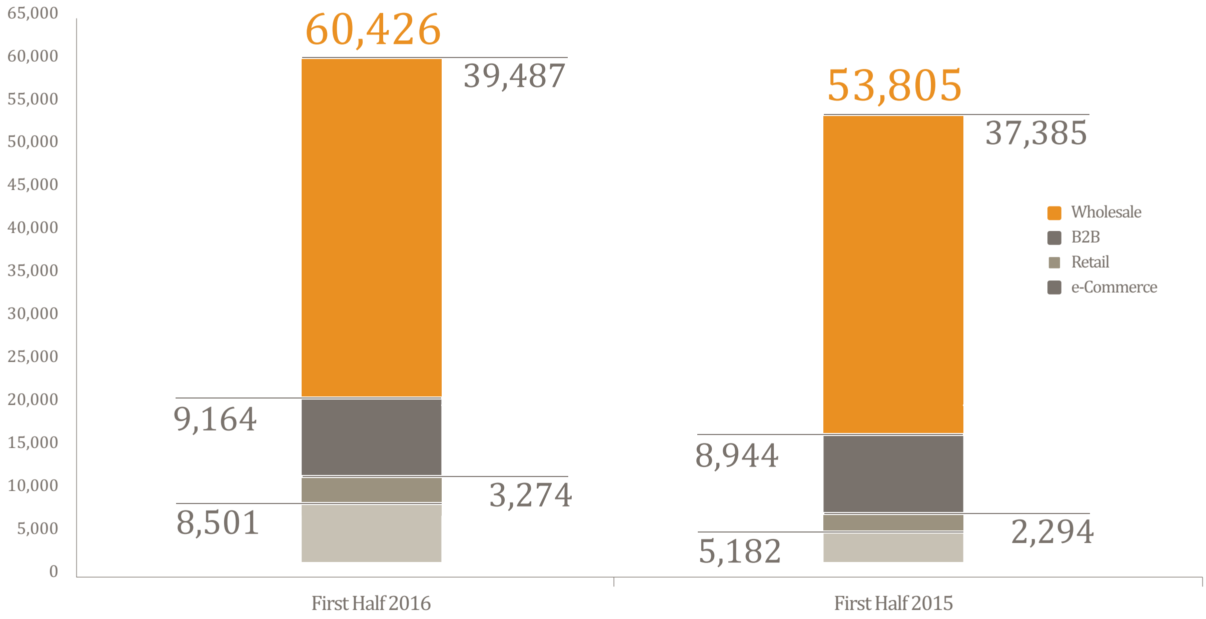
e-Commerce

Revenues for the e-Commerce channel grew by 43.4% from Euro 2,284 thousand in the first six months of 2015 to Euro 3,274 thousand in the first six months of 2016, recording an increase of 43.4%. The growth, recorded in all geographical areas, derived both from the increase in on-line traffic, thanks to the expansion of volumes in China and to the development of the Flash Sales promotional campaigns in EMEA, and from the favourable price mix that benefits from the success of the launch of the Smart Writing Set.

Retail

During the period, the Group continued to pursue its strategy in the Retail channel of opening DOSs, where all categories of Moleskine products are distributed directly to end consumers. Opening these points of direct sale corresponds with the Group strategy of providing the end consumer with a wide range and variety, while at the same time, promoting brand and product awareness, by bringing these within reach of the end consumer. Revenues generated through the retail channel in the first six months of 2016 stood at Euro 8,501 thousand, up by Euro 3,319 thousand from the previous year (+64.1%). Positive results were recorded in all geographical areas, especially in America, as well as Germany and China, closing off the period with 65 DOSs, confirming the solid strategy of further developing the stores network.

ADJUSTED REVENUES BY DISTRIBUTION CHANNEL



REVENUES BY PRODUCT LINE

The following tables show the breakdown by product line of revenues and adjusted revenues for the six months ended June 30, 2016 and 2015:

In thousands of Euro	**Period ended June 30,**				**Changes**	
Revenues by product line	**2016**	**%**	**2015**	**%**	**2016 vs 2015**	**%**
Paper collection	52,056	86.1%	47,727	88.6%	4,330	9.1%
WTR collection	5,578	9.2%	4,949	9.2%	628	12.7%
M+ collection	2,855	4.7%	1,167	2.2%	1,688	144.7%
Total Revenues	**60,489**	**100.0%**	**53,843**	**100.0%**	**6,646**	**12.3%**

In thousands of Euro	**Period ended June 30,**				**Changes**	
Adjusted Revenues by product line	**2016**	**%**	**2015**	**%**	**2016 vs 2015**	**%**
Paper collection	52,002	86.1%	47,693	88.6%	4,309	9.0%
WTR collection	5,572	9.2%	4,946	9.2%	626	12.7%
M+ collection	2,852	4.7%	1,166	2.2%	1,686	144.6%
Total Revenues	**60,426**	**100.0%**	**53,805**	**100.0%**	**6,621**	**12.3%**

PAPER COLLECTION

With reference to the range of products offered in the Paper Collection, the revenues generated by this product line grew by 9.1%, whereas with reference to Adjusted revenues the growth was 9.0%. During the first six months of 2016, the Group continued developing its offering with the launch of new products and expanded product ranges, with reference made to the items above in this regard.

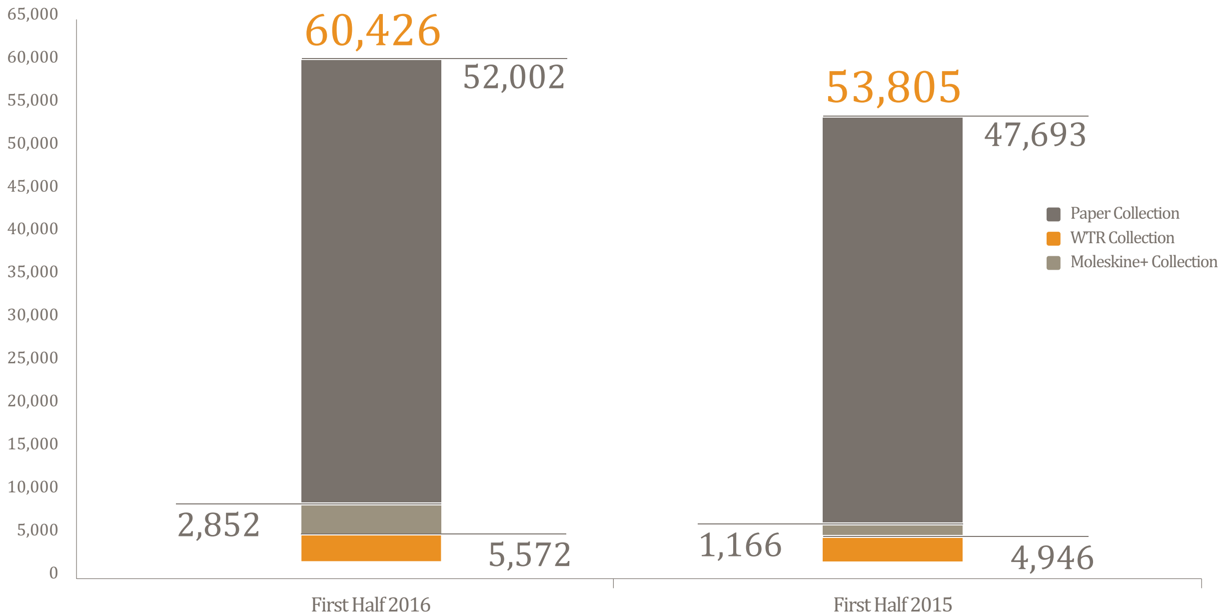
WTR COLLECTION

With regard to the WTR collection, the focus during the first half of 2016 was on expanding the collection of bags with the introduction of the **Lineage** and **Travel Light** collections. Revenues generated by the WTR Collections increased by 12.7%, like the growth of Adjusted revenues In the first six months of 2016, the Writing, Travelling and Reading category contributed 9.2% to the Group's total revenues, in line with the corresponding period of the previous year.

M+ COLLECTION

With reference to the M+ collection, we can highlight that during the first six months of 2016 the launch on the market of the innovative tool Smart Writing Set, expanding the range of this product family, helping to accelerate its growth compared to the corresponding period of the previous year (+144.7%).

ADJUSTED REVENUES BY PRODUCT LINE



OTHER OPERATING INCOME

Other operating income, equal to Euro 568 thousand at June 30, 2016, includes mainly realized and unrealized foreign currency gains for Euro 452 thousand resulting from fluctuations in exchange rates that impact on the Group's Balance Sheet. In order to correctly interpret the impact from such foreign currency fluctuations on the Group's Income Statement at June 30, 2016, we need to consider that the positive effect from the foreign currency gains is more than offset by losses on exchange rates, stated under Other operating expenses for Euro 922 thousand. The "net" negative effect of the exchange rate fluctuations therefore reflected on the Group's operating profit/(loss) in the Income Statement for Euro 470 thousand.

The table below shows the breakdown of these items, highlighting the net impact of realized and non-realized exchange-rate gains and losses, contained in them, from which it can be seen that the first half of 2015 benefited from an important strengthening of the dollar and of the currencies related to it against the Euro, a trend not seen during the first half of 2016.

In thousands of Euro	**Period ended June 30,**	
	2016	**2015**
Other revenues from exchange-rate gains	**452**	**2,951**
-realised	365	1,171
-non-realised	87	1,780
Other operating income	116	130
Total other operating income	**568**	**3,081**
Exchange-rate losses	**922**	**676**
-realised	373	672
-non-realised	549	4
Gifts and donations	341	313
Miscellaneous operating expenses - general expenses	193	415
Charitable donations	68	99
Impairment of current receivables	170	545
Net provisions for risks and charges	-	84
Total other operating expenses	**1,694**	**2,132**
Net effect exchange-rate gains/losses	**(470)**	**2,275**

OPERATING RESULTS

The following table provides a breakdown of the operational profitability indicators EBITDA and EBIT and their respective adjusted figures:

	Period ended June 30,	
In thousands of Euro	**2016**	**2015**
Operating profit/(loss) (EBIT)	12,570	11,546
+ Depreciation, amortization and impairment	2,306	2,434
EBITDA (*)	**14,876**	**13,980**
+ Non-recurring expenses and special items	477	1,166
Adjusted EBITDA	**15,353**	**15,146**
as % of adjusted revenues	25.4%	28.1%
Adjusted Operating profit/(loss) (EBIT)	**13,047**	**12,712**
as % of adjusted revenues	21.6%	23.6%

* The Group defines EBITDA as operating profit/(loss) (EBIT) before depreciation, amortization and impairment of non-current assets. EBITDA is not recognized as a measure of financial performance or liquidity under IFRS; therefore, it should not be considered an alternative measure for assessing the performance of Group operating profit/(loss). Since the method for calculating EBITDA is not governed by reference accounting standards, the method applied by the Group may not be the same as that adopted by others and therefore may not be comparable.

EBITDA increased by 6.4%, from Euro 13,980 thousand in the first six months of 2015 to Euro 14,876 thousand in the first six months of 2016.

At June 30, 2016, Adjusted EBITDA came to Euro 15,353 thousand, equal to 25.4% of the Adjusted revenues, down on the 28.1% recorded for the corresponding period of the previous year.

With reference to the trend of EBITDA in the first half of 2016 it is worth noting that the second quarter of 2016 recorded an acceleration in the generation of profitability compared to the previous quarter, improving owing both to the seasonality of the business, mainly associated with the increase in turnover, and to effective management of operating leverage.

The above trends seen in EBITDA, both in terms of absolute value and the percentage impact on revenues are impacted significantly on a comparative basis with the results of the corresponding period the previous year by the trend in the Euro/US dollar and related currencies exchange rates, which in the first half of 2015 recorded a strong appreciation in the US dollar against the Euro, and consequently a corresponding increase in the translated value into Euro in the Holding Company's posting in respect of subsidiaries represented in dollars, with a consequent positive impact on the operating results generated by the foreign currency effect.

Furthermore, it is worth noting that this benefit recorded in the first half of 2015 then translated into foreign currency gains that were effectively realized during the rest of the year, as shown in the annual Financial Statements at December 31, 2015.

The following comparative table is provided for a clearer understanding of the effective trend in Adjusted EBITDA:

	Period ended June 30,	
In thousands of Euro	**2016**	**2015**
(+) Adjusted EBITDA	15,353	15,146
as % of adjusted revenues	*25.4%*	*28.1%*
(-) Unrealized exchange gains*	(87)	(1,780)
(+) Unrealized exchange-rate losses**	549	4
(+) Adjusted EBITDA without effects of unrealized exchanges	15,815	13,370
% of Adjusted revenues without effects of unrealized exchanges	26.17%	24.85%

* included in the Income Statement item Other operating income.
** included in the Income Statement item Other operating expenses

Reading the table shown above, it is worth noting that, clearing the economic indicators of the one-off effects associated with the equity items, the Adjusted EBITDA shows signs of improvement both in terms of absolute value and in the impact percentage on turnover, which was driven by the increase in sales and effective management of the cost structure; the trend in unrealised exchange rate effects on the main items in foreign currencies, although it was affected by an unfavourable trend in the Euro/US dollar exchange rate, also reflects the process of gradual containment of the equity figures from which the translation differences originate.

The Operating profit/(loss), which was also affected by the trends referred to above, went from Euro 11,546 thousand at June 30, 2015 to Euro 12,570 thousand at June 30, 2016, while Adjusted operating profit/(loss) amounted to Euro 13,047 thousand at June 30, 2016 (Euro 12,712 thousand at June 30, 2015).

Below is a combined analysis of costs for finished products, raw materials and consumables and the external processing costs for the first half of 2016 and 2015, compared to revenues. This approach is used for a better understanding of the trends of these costs.

In thousands of Euro	Period ended June 30,				Changes	
	2016	**%**	**2015**	**%**	**2016 vs 2015**	**%**
Revenues	**60,489**	**100.0%**	**53,843**	**100.0%**	**6,646**	**12.3%**
Finished products, raw materials and consumables	(10,959)	(18.1%)	(11,393)	(21.2%)	434	(3.8%)
Processing costs	(576)	(1.0%)	(678)	(1.3%)	102	(15.0%)
Total purchases of finished products, raw materials, consumables and processing costs	**(11,535)**	**(19.1%)**	**(12,071)**	**(22.4%)**	**536**	**(4.4%)**

Considering the trend of the two cost items together, a decrease in their impact on revenues is highlighted compared to the corresponding period of the previous year (22.4% at June 30, 2015 and 19.1% at June 30, 2016). This impact benefits from the positive effect on the channel mix, resulting from the increased weighting of the direct channels, and the change in the distribution models in the Italian and Canadian Wholesale channel; these effects more than proportionally offset the negative foreign currency effects recorded on the cost of sales, unlike what happened in the first half of 2015, on which this effect had a particular impact.

ANALYSIS OF DEPRECIATION AND AMORTIZATION, NET FINANCIAL EXPENSES, INCOME TAX EXPENSE AND NET PROFIT/(LOSS)

In thousands of Euro	Period ended June 30,				Changes	
	2016	**%**	**2015**	**%**	**2016 vs 2015**	**%**
Revenues	**60,489**	**100.0%**	**53,843**	**100.0%**	**6,646**	**12.3%**
Depreciation, amortization and impairment	2,306	3.8%	2,434	4.5%	(128)	(5.3%)
Net financial expenses	663	1.1%	(27)	(0.1%)	690	(2555.6%)
Income tax expense	3,656	6.0%	3,818	7.1%	(162)	(4.2%)
Net profit/(loss)	8,251	13.6%	7,755	14.4%	496	6.4%

Depreciation, amortization and impairment amounted to Euro 2,306 thousand in the first half of the year ended June 30, 2016, recording a decrease of Euro 128 thousand compared to the corresponding period of the previous year, as the combined effect of lower amortization of intangible assets mainly associated with the end of the residual useful life on the previous e-Commerce platform, partially offset by the higher depreciation of plant, property and equipment associated with the expansion of the Retail shop network.

Net financial expenses at June 30, 2016 were a negative Euro 663 thousand and were made up as detailed below:

In thousands of Euro	Period ended June 30,	
Financial income (expenses)	**2016**	**2015**
Financial exchange-rate gains	47	539
Bank interest and other financial income	94	35
Other financial income	7	-
Total financial income	**148**	**574**
Financial exchange-rate losses	(558)	(81)
Interest expenses on bank borrowings	(238)	(455)
Severance indemnity interest	(15)	(11)
Total financial expenses	**(811)**	**(547)**
Total net financial expenses	**(663)**	**27**

Among the most significant components, it is worth noting the financial losses of Euro 558 thousand, related to the translation into Euro of foreign currency current accounts (mainly in USD and GBP), and Euro 238 thousand of interest expense, significantly down compared to the corresponding period of the previous year thanks to the optimisation of the debt structure achieved by the Group which was able to benefit from the favourable trend in interest rates and Euro 94 thousand of interest income mainly related to the return on the investment in separate management for an original Euro 5 million.

The Net profit/(loss), due to the trends referred to above, went from Euro 7,755 thousand at June 30, 2015 to Euro 8,251 thousand at June 30, 2016, while Adjusted net profit/(loss) amounted to Euro 8,579 thousand at June 30, 2016 (Euro 8,584 thousand at June 30, 2015).

ANALYSIS OF FINANCIAL POSITION

NET WORKING CAPITAL

The breakdown of the Group's net working capital as of June 30, 2016, December 31, 2015, and June 30, 2015, is provided below:

In thousands of Euro	As of June 30, 2016	As of December 31, 2015	As of June 30, 2015
Sources and Uses			
Uses			
Inventories	23,839	20,622	24,115
Trade receivables	29,385	24,714	27,833
Trade payables	(22,367)	(18,862)	(19,430)
Net Commercial Working Capital (A)	**30,857**	**26,474**	**32,518**
Other current assets	2,446	2,266	2,135
Income tax payables	(10,706)	(5,829)	(4,956)
Income tax receivables	692	-	-
Other current liabilities	(3,906)	(5,177)	(5,711)
Other items of Net Working Capital (B)	**(11,474)**	**(8,740)**	**(8,532)**
Net Working Capital (A + B)	**19,383**	**17,734**	**23,986**

The impact of individual items on sales in the past 12 months should also be considered in an analysis of trade working capital trends as shown below:

In thousands of Euro	As of June 30, 2016	%	As of June 30, 2015	%
Sources and Uses				
Uses				
Inventories	23,839	18%	24,115	22%
Trade receivables	29,385	22%	27,833	25%
Trade payables	(22,367)	(17%)	(19,430)	(17%)
Net Commercial Working Capital (A)	**30,857**	**23%**	**32,518**	**29%**

The table illustrates the impact of net commercial working capital on total sales of the last 12 months improving by 6 percentage points compared to the corresponding period the previous year, resulting from the combined effect of the trend in the items it comprises, as shown below:

1) the value of inventories at June 30, 2016 fell compared to June 30, 2015 (by Euro 276 thousand or 1.1%) even though there was a significant increase in business generated and consequently of volumes handled. This increase in efficiency in the management of stock, testified to also by the significant reduction in the DSI Index, for which please see the paragraph on financial indicators, was obtained thanks to the combined effect of the following actions:

   - constant investment in IT tools for integrated planning of stocks;
   - significant revision of the logistic network in the APAC area to respond better to the new production barycentre which led, among other benefits, to having less stock in transit;
   - rationalisation in progress of the product catalogue which led to a gradual elimination of references to a lower rotation index and not very efficient ways to manage stock;
   - strategic integration of a number of logistical hubs used by the B2B and e-Commerce channel, which led to an optimisation of the stock;
   - increase in the proportion of commercial initiatives not managed with from a make-to-stock, but mostly from a make-to-order viewpoint (extra-opportunities, large B2B orders, Smart Writing Set).

2) trade receivables increased compared to the corresponding period of the previous year by Euro 1,552 thousand (+ 5.6%) mainly as a result of the business, while the average collection times were significantly down compared to June 30, 2016 going from 91.1 days to 79.6 as attested by the DSO indices presented below in the present Report, benefiting also from the higher proportion of direct channels and of the Retail channel in particular.

3) the amount of trade payables at June 30, 2016 recorded an increase of Euro 2,937 thousand (+15.1%) compared to that of June 30, 2015, thus affecting significantly the trend of containment of Net Commercial Working Capital in the period under analysis. The increase in the absolute amount of Trade Payables at June 30, 2016 was mainly due to the increase in the business, as can be seen from the percentage with respect to sales revenues of the last 12 months, unchanged compared to the first half of 2015, reflecting also longer average payment times, as seen from the DPO indices presented below, as the result of the work on renegotiating the contractual terms and conditions undertaken with the main supply poles.

CAPITAL EXPENDITURES

Capital expenditures during the first six months of 2016 totalled Euro 5,112 thousand (Euro 2,022 thousand in the first six months of 2015).

Capital expenditures on tangible assets for the first half of 2016, in the amount of Euro 3,371 thousand, relate primarily to the investments in the Retail channel for furniture, furnishings and improvements to premises for new points of sale that opened during the period, investments in displays/atelier in support of trade marketing initiatives and investments in moulds for the WTR collections.

Capital expenditures on intangible assets for the first six months of 2016 for Euro 1,741 thousand, refer mainly to projects to implement the new ERP (SAP ECC), which is more functional and better meets the Group’s management requirements, to a new Customer Relationship Management (CRM) software, as well as the continuation of the project relating to the Datawarehouse and Business Intelligence.

NET FINANCIAL INDEBTEDNESS

The following table shows a breakdown of net financial indebtedness at June 30, 2016 and December 31, 2015, calculated in accordance with CONSOB Regulation no. 6064293 of July 28, 2006, and the ESMA/2013/319 Recommendations, and as it relates to the Group's net financial indebtedness:

In thousands of Euro

Net financial indebtedness	**As of June 30, 2016**	**As of December 31, 2015**
A. Cash on hand	30,496	47,382
B. Other Cash Equivalents	15	915
C. Trading securities	-	-
D. Cash and cash equivalents (A) + (B) + (C)	**30,511**	**48,297**
E. Current financial receivables	**950**	**-**
F. Short-term loans from banks	-	-
G. Long term loans (current portion)	(10,119)	(7,609)
H. Other current financial liabilities	(196)	(126)
I. Current financial liabilities (F) + (G) + (H)	**(10,315)**	**(7,735)**
J. Net current financial indebtedness (I) + (E) + (D)	**21,146**	**40,562**
K. Long-term loans from banks	(26,537)	(31,602)
L. Bonds issued	-	-
M. Other non-current payables	-	-
N. Non-current financial indebtedness (K) + (L) + (M)	**(26,537)**	**(31,602)**
O. Net Financial Indebtedness (J) + (N)	**(5,391)**	**8,960**
Relationship with Group's net financial position:		
Non-current financial receivables	5,063	5,004
Non-current financial assets	**5,063**	**5,004**
Net financial indebtedness	**(328)**	**13,964**

Net financial indebtedness is intended as Gross Financial debt net of cash, bank deposits, other cash equivalents in general including Government securities and other listed securities that can easily be liquidated, and other current and non-current financial receivables.

Gross financial debt is intended as any monetary obligation, even if not yet due and payable and only possible, relating to:

i) the return of capital obtained by way of funding (including discounting and factoring, advances subject to collection and bank receipts), irrespective of the technical format under which these were undertaken and irrespective of the qualification of the relationship assumed by the Parties, including the payment of interest and commissions;
ii) the capital and interest on bonds and similar securities;
iii) the debt resulting from financial leasing (calculated according to IAS 17).

“Other cash equivalents” recognises the amount of Euro 15 thousand deposited on the liquidity account held with Exane S.A., a company that is part of BNP Paribas Securities Services, based on an agreement signed on July 2, 2015, referred to as the Liquidity Agreement, pertaining to the liquidity support provided to the ordinary treasury shares in compliance with the provisions under practice no. 1 of Consob Resolution no. 16839 of March 19, 2009.

Further, it should be noted that once again on the basis of the above agreement, Current financial receivables include Euro 950 thousand by way of an investment in the liquidity provision aimed at temporarily incorporating the cash surplus relating to the sale of treasury shares.

The Net Financial Position at June 30, 2016, which came out at Euro (328) thousand is impacted by the distribution of dividends, which occurred in April 2016, for Euro 9,972 thousand and the activation of an own share purchase plan, resolved by the Shareholders' Meeting of April 14, 2016 for all purposes permitted by the legislation on the subject, including support for liquidity and share-based management incentive plans. The launch of this purchase plan entailed in the first half of 2016 an outlay of Euro 5,700 thousand, for which please see the Notes to the Statements contained in the present Financial Report.

In order to present the actual cash generation of the first half of 2016 the table below therefore shows a reconciliation between the net financial position at December 31, 2015 and that at June 30, 2016, compared with the corresponding period of the previous year, normalising it of events not related to the ordinary business that occurred in the period

NFP at December 31, 2015	As of June 30, 2016	Delta NFP 1st half of 2016	Distribution of dividends	Purchase of treasury shares	Exercise of options	Delta NFP 1st half of 2016 normalised
(13,964)	328	(14,292)	9,972	5,700	(402)	978
NFP as of December 31, 2014	**As of June 30, 2015**	**Delta NFP 1st half of 2015**	**Distribution of dividends**	**Purchase of treasury shares**	**Exercise of options**	**Delta NFP 1st half of 2015 normalised**
4,619	10,616	(5,997)	7,000	n.a.	n.a.	1,003

EQUITY

The following table shows a breakdown of the item Equity at June 30, 2016 and at December 31, 2015:

In thousands of Euro

Equity	**As of June 30, 2016**	**As of December 31, 2015**
Share Capital	2,124	2,122
Share premium reserve	90,806	90,406
Other reserves	1,492	(10,120)
Net income	8,251	27,124
Total	**102,673**	**109,532**

For an exhaustive description of the changes in Equity please see the specific statement and what is indicated in Note 6.13 of the Notes to the interim condensed consolidated financial statements for the period to June 30, 2016.

FINANCIAL INDICATORS

PROFIT RATIOS

The table below shows the value of the main profit ratios of the periods ended June 30, 2016, December 31, 2015 and June 30, 2015, with an indication of the normalised figure in consideration of the special items mentioned above. We must specify that the ratios shown in the table are determined on the basis of economic parameters related to the period of 12 months, from July 1 to June 30 for the periods ended June 30, and from January 1 to December 31 for the periods ended December 31.

	June 30, 2016*	December 31, 2015*	June 30, 2015*
ROI – Operating profit (loss)/Average net invested capital of the period	36.3%	38.7%	33.5%
ROIC – Operating profit (loss)/Average net invested capital of the period**	46.5%	50.6%	43.4%
ROS – Operating profit (loss)/Revenues from sales and services	27.4%	28.6%	29.4%
ROA – Net profit (loss)/Total assets	14.6%	14.4%	12.4%

* data calculated on adjusted results
** ROIC is calculated like ROI with the exception of the exclusion of the item "Goodwill" in the calculation of the Average net invested capital of the period.

FINANCIAL RATIOS

The table below shows the value of the main financial ratios of the period ended June 30, 2016, December 31, 2015 and June 30, 2015. We must specify that the ratios shown in the table are determined on the basis of economic parameters related to the period of 12 months, from July 1 to June 30 for the periods ended June 30 and from January 1 to December 31 for the periods ended December 31.

	June 30, 2016*	December 31, 2015*	June 30, 2015*
DSO – Average days for collection of trade receivables	79.6	70.4	91.1
DPO – Average days for payment of trade payables	101.4	86.1	95.8
DSI – Average days goods held in stock	264.8	242.3	324.7

* data calculated on adjusted results

INFORMATION ON CORPORATE GOVERNANCE

PROFILE

Moleskine S.p.A. is organised according to the traditional administration and control model pursuant to Arts 2380 bis and following of the Italian Civil Code with the Shareholders' Meeting, the Board of Directors and the Board of Statutory Auditors.

The Company has adopted the Corporate Governance Code of Borsa Italiana S.p.A. making itself compliant with the principles of corporate governance contained therein.

BOARD OF DIRECTORS

The Board of Directors of the Company in office at the date of the present Report is made up of nine members – of which one executive, five non-executive and three independent – appointed by the ordinary Shareholders' Meeting held on April 14, 2016.

The Board was appointed on the basis of the single list of candidates presented by the shareholder Appunti S.à.r.l., in accordance with the provisions of Art. 13.3 of the Bylaws.

This Board came into office starting from the date of the Shareholders' Meeting itself, that is April 14, 2016. The Board thus made up will remain in office for three financial years, until the date of the Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2018.

In consideration of the above, the Board of Directors is made up of a majority of non-executive Directors who, therefore, for number and authoritativeness are able to significantly influence the decision making of the Issuer's board.

COMMITTEES

Within the Board the Remuneration Committee and the Control and Risk Committee have been set up. The Control and Risk Committee also performs the function of the Related Party Transactions Committee.

INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

The Group has adopted the Corporate Governance Code of Borsa Italiana, making itself substantially compliant with the principles of corporate governance contained therein.

In this context, the Board of Directors has defined the Guidelines of the internal control and risk management system, understood as the set of processes designed to monitor the efficiency of the corporate operations, the reliability of the financial information, the observance of laws and regulations and of the company's bylaws and the internal procedures, the safeguarding of the corporate assets.

In particular, in defining its internal control and risk management system in relation to the financial disclosure process, the Group followed the indications existing in this regard in the relevant legislation and regulations, including:

- the Consolidated Law on Finance (CLF);
- Italian Law 262/2005 (and subsequent amendments) on preparation of the corporate accounting documents;
- the Consob Regulation for Issuers as regards in particular the attestation of the Executive Officer in charge of the financial reports and of the administrative bodies responsible for the individual and consolidated financial statements and on the interim report under the terms of Art. 154-bis of the CLF; and the provisions transposing Directive 2004/109/EC Transparency on the harmonisation of the transparency obligations regarding information on issuers whose securities are admitted to trading on a regulated market and which amends Directive 2001/34/EC;
- the Italian Civil Code, as regards in particular the extension to the Executive Officers in charge of the financial reports of the action for liability in company management (Art. 2434 C.C.), of the crime of breach of trust as a result of the giving or promise of benefits (Art. 2635 C.C.) and of the crime of obstruction of the duties of the public and supervisory authorities (Art. 2638 C.C.);
- Italian Legislative Decree 231/2001 which, inter alia, includes the Executive Officer in charge of the financial reports among the "Senior Management".

During 2015 the Company approved an updated version of the Organisation, Management and Control Model adopted under the terms of the aforesaid Legislative Decree 231/01 within which the following were incorporated:

- the introduction, in the context of the legislation related to corporate administrative liability, of the crime of Self-recycling (Art. 648-ter.1 P.C.) through Italian Law 186/2014 "Rules on the subject of emergence and re-entry of capital held abroad and for the expansion of the struggle against tax evasion. Rules on the subject of self-recycling", introduction of Italian Law 68/2015 "Rules on the subject of crimes against the environment" and of Italian Law 69/2015 "Rules on the subject of crimes against the Public Administration, of Mafia-type association and false accounting";
- some organisational changes that involved the Company;
- the update of Confindustria's "Guidelines for the construction of organisation, management and control models".

The General Part of the said Organisational Model, together with the Ethical Code, are available on the website www.moleskine.com.

BOARD OF STATUTORY AUDITORS

The Board of Statutory Auditors in office at the date of the present Report was appointed unanimously by the ordinary Shareholders' Meeting held on April 14, 2016 and came into office starting from the same date.

The Board of Statutory Auditors thus made up will remain in office for three financial years, until the date of the Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2018.

CORPORATE GOVERNANCE REPORT

The Company prepared the Report on Corporate Governance and Ownership Structures that describes the corporate governance system adopted by the Issuer and provides information on the ownership structures and the internal control and risk management system. The Report – which refers to financial year 2015 – can be consulted, in the full version, on the Issuer's website www.moleskine.com in the section Investor Relations/ Corporate Governance.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Please see the description provided in Note 16 "Significant events that occurred after June 30, 2016" of the notes to the interim condensed consolidated financial statements for the period ended June 30, 2016.

BUSINESS OUTLOOK

Based on the results achieved as of June 30, 2016, and on current market trends, the forecasts for the whole of 2016 that were formulated when presenting the 2014–2016 Strategic Plan and reconfirmed with the 2016–2018 Strategic Plan, remain valid.

Specifically during 2016, we expect to post revenues of between Euro 148 and 153 million based on constant exchange rates compared to 2015 and Adjusted EBITDA of between Euro 46 and 48 million.

RELATED-PARTY TRANSACTIONS

For a detailed presentation of transactions performed with related parties during the first half of 2016 please see the notes to the present interim condensed consolidated financial statements for the period ended June 30, 2016.

In accordance with the provisions of the Regulation on related-party transactions adopted with Consob Resolution no. 17221 of March 12, 2010 and subsequent amendments and additions, Moleskine S.p.A. has adopted the procedure that governs Related-Party Transactions (the "**Related Parties Procedure**").

This procedure was approved by the Board of Directors of Moleskine S.p.A. on April 3, 2013 with the favourable opinion of the independent directors and came into force starting from the same date (April 3, 2013), corresponding to the starting date of trading of Moleskine shares on the MTA.

The procedure has the objective of ensuring the substantial and procedural transparency and correctness of the transactions carried out with related parties and it is published on the Company's website, www.moleskine.com, in the section "Corporate Governance", "Documents".

FINANCIAL RISK MANAGEMENT

Financial risk management is described in detail in Note 14 “Financial risk management ” of the notes to the interim condensed consolidated financial statements for the period ended June 30, 2016.

Interim condensed consolidated financial statements at June 30, 2016

02

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As of June 30,		As of December 31,	
In thousands of Euro	**Notes**	**2016**	*of which with related parties*	**2015**	*of which with related parties*
Property, plant and equipment	**6.1**	8,353		6,831	
Goodwill and trademarks	**6.2**	76,754		76,801	
Other intangible assets	**6.3**	5,168		3,961	
Non-current receivables	**6.4**	2,917		2,363	
Deferred tax assets	**6.5**	8,248		6,211	
Non-current financial assets	**6.6**	5,063		5,004	
Total non current assets		**106,503**		**101,171**	
Inventories	**6.7**	23,839		20,622	
Trade receivables	**6.8**	29,385		24,714	
Income tax receivables	**6.9**	692		-	
Other current assets	**6.10**	2,446		2,266	
Current financial assets	**6.11**	950		-	
Cash and cash equivalents	**6.12**	30,511		48,297	
Total current assets		**87,823**		**95,899**	
TOTAL ASSETS		**194,326**		**197,070**	
Share Capital		2,124		2,122	
Other reserves		92,298		80,286	
Net income		8,251		27,124	
TOTAL NET EQUITY	**6.13**	**102,673**		**109,532**	
Non-current financial liabilities	**6.14**	26,537	24	31,602	34
Other non-current payables	**6.15**	714		748	
Deferred tax liabilities	**6.16**	14,374		14,415	
Post-employment and other employee benefits	**6.17**	1,892	145	1,721	217
Non-current provisions for risks and charges	**6.18**	62		62	
Total non current liabilities		**43,579**		**48,548**	
Trade payables	**6.19**	22,367	88	18,862	5
Income tax payables	**6.20**	10,706		5,829	
Current financial liabilities	**6.14**	10,315	25	7,735	30
Current provisions for risks and charges	**6.18**	780		1,387	
Other current liabilities	**6.21**	3,906	223	5,177	174
Total current liabilities		**48,074**		**38,990**	
TOTAL LIABILITIES		**91,653**		**87,538**	
TOTAL LIABILITIES AND EQUITY		**194,326**		**197,070**	

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Period ended June 30,					
In thousands of Euro	**Notes**	**2016**	*of which with related parties*	*of which non-recurring*	**2015**	*of which with related parties*	*of which non-recurring*
Revenues	**7.1**	60,489			53,843		
Other operating income	**7.2**	568			3,081		
Finished products, raw materials and consumables	**7.3**	(10,959)			(11,393)		
Service costs	**7.4**	(22,478)	(101)		(19,473)	(67)	
Personnel costs	**7.5**	(11,050)	(1,673)		(9,946)	(1,375)	
Other operating expenses	**7.6**	(1,694)	(68)		(2,132)	(53)	
Depreciation, amortization and impairment	**7.7**	(2,306)			(2,434)		
Operating profit/(loss)		**12,570**			**11,546**		
Financial expenses	**7.8**	(811)	(15)		(547)	(47)	
Financial income	**7.8**	148			574		
Net profit/(loss) before income tax		**11,907**			**11,573**		
Income tax expense	**7.9**	(3,656)			(3,818)		
Net profit/(loss)		**8,251**			**7,755**		
NET PROFIT/(LOSS) PER SHARE							
Basic (euro)	**7.10**	0.039			0.037		
Diluted (euro)	**7.10**	0.039			0.036		
Other comprehensive income							
- items that may be reclassified subsequently to profit or loss:							
Exchange-rate differences from the translation of financial statements in currencies other than Euro		(409)			349		
Total items that may be reclassified subsequently to profit or loss		**(409)**			**349**		
- items that will not be reclassified to profit or loss:							
Actuarial gains/losses on post-employment and other employee benefits		(136)			135		
Actuarial gains/(losses) on post-employment and other employee benefits-tax effect		38			(42)		
Total items that will not be reclassified to profit or loss		**(98)**			**93**		
Total other comprehensive income		**(507)**			**442**		
Total comprehensive income for the period		**7,744**			**8,197**		

CONSOLIDATED STATEMENT OF CASH FLOWS

		Period ended June 30			
In thousands of Euro	**Notes**	**2016**	*of which with related parties*	**2015**	*of which with related parties*
Profit/(loss) before taxes		11,907		11,573	
Adjustments to reconcile the profit for the period with the cash flow from operating activities:					
Depreciation, amortization and impairment	**7.7**	2,306		2,434	
Accruals to provisions for risks and charges and post-employment and other employee benefits	**6.17 - 6.18**	843		873	
Accruals to provision for doubtful receivables	**6.8**	170		545	
Accruals to provision for inventory obsolescence	**6.7**	405		1,016	
Net financial expenses	**7.8**	663		(27)	
Other non-monetary changes		820		(2,357)	
Cash flow from operating activities before changes in working capital		**17,114**		**14,057**	
Net change in working capital:					
- Inventories	**6.7**	(4,363)		(8,011)	
- Trade receivables and other receivables	**6.8 - 6.10**	(6,769)		(5,112)	
- Trade payables and other payables	**6.19 - 6.21**	2,530	(775)	2,465	(734)
- Post-employment and other employee benefits and provisions for risks	**6.17 - 6.18**	(275)		(420)	
Cash flow deriving from changes in working capital		**(8,877)**		**(11,078)**	
Income taxes paid		(1,254)		(213)	
Cash flow from operating activities		**6,983**		**2,766**	
Cash flow from investing activities					
Capital expenditure:		**(5,112)**		**(2,022)**	
-intangible	**6.2 - 6.3**	(1,741)		(949)	
-tangible	**6.1**	(3,371)		(1,073)	
Financial assets	**6.11**	(950)			
Cash flow used in investing activities		**(6,062)**		**(2,022)**	
Cash flow from investing activities					
Change in medium/long-term bank borrowings	**6.14**	-		29,938	
Repayment of medium/long-term bank loans	**6.14**	(2,583)		(17,333)	
Distribution of dividends	**6.13**	(9,972)		(7,000)	
Share capital increase	**6.13**	402		-	
Purchase of treasury shares	**6.13**	(5,650)		-	
Paid net financial expenses	**7.8**	(108)		(123)	
Cash flow used in financing activities		**(17,911)**		**5,482**	
Net cash flow for the period		**(16,990)**		**6,226**	
Cash and cash equivalents at the beginning of the period	**6.12**	48,297		23,353	
Exchange-rate differences in cash and cash equivalents	**7.8**	(796)		670	
Cash and cash equivalents at the end of the period	**6.12**	30,511		30,249	

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

In thousands of Euro	Notes	Share Capital	Share premium reserve	Translation Reserve	Other reserves	Profit/(loss) for the period	TOTAL NET EQUITY
Balance at December 31, 2014	**6.13**	**2,122**	**90,406**	**338**	**(20,331)**	**16,525**	**89,060**
Profit/(loss) for the period						7,755	7,755
Currency translation reserve				349			349
Cash flow hedge reserve changes							-
Recognition of actuarial gains/(losses)					93		93
Comprehensive income for the period		**-**	**-**	**349**	**93**	**7,755**	**8,197**
Profit for financial year 2014 carried forward					9,525	(9,525)	-
Distribution of Dividends						(7,000)	(7,000)
Share Capital Increase					-		-
Incentives for Management					116		116
Balance at June 30, 2015	**6.13**	**2,122**	**90,406**	**687**	**(10,597)**	**7,755**	**90,373**

In thousands of Euro	Notes	Share Capital	Share premium reserve	Translation Reserve	Other reserves	Profit/(loss) for the period	TOTAL NET EQUITY
Balance at December 31, 2015	**6.13**	**2,122**	**90,406**	**503**	**(10,623)**	**27,124**	**109,532**
Profit/(loss) for the period						8,251	8,251
Currency translation reserve				(409)			(409)
Cash flow hedge reserve changes							-
Recognition of actuarial gains/(losses)					(98)		(98)
Comprehensive income for the period		**-**	**-**	**(409)**	**(98)**	**8,251**	**7,744**
Profit for financial year 2015 carried forward					17,152	(17,152)	-
Distribution of Dividends						(9,972)	(9,972)
Treasury shares					(5,650)		(5,650)
Share Capital Increase		2	400		-		402
Incentives for Management					617		617
Balance at June 30, 2016	**6.13**	**2,124**	**90,806**	**94**	**1,398**	**8,251**	**102,673**

NOTES TO THE STATEMENTS

1. GENERAL INFORMATION

Moleskine S.p.A. (henceforth also the "**Company**" or "**Moleskine**" or the "**Parent Company**") is a company, incorporated and domiciled in Italy and organised according to the legal framework of the Italian Republic, with registered office in Milan, at Viale Stelvio 66.

Moleskine and the companies controlled by it (the "**Group**") develops, distributes and sells a family of products with the Moleskine brand, notebooks, diaries, journals, bags, writing instruments and reading accessories, as well as services and applications for the digital world.

The Group sells three lines of products and services:

i) "**Paper Collections**", namely paper products, such as notebooks, diaries, other home-office products, and gifts.
ii) writing, travel and reading accessories ("**WTR Collections**"), which include items for writing, travel and reading, such as pens, pencils, bags, eyewear and reading lights.
iii) Moleskine+ collection ("**M+ Collections**"), that is analogue/digital products and services destined to be placed in the *continuum* between the analogue and digital spheres. Some examples include: the Smart Writing Set, an innovative tool recently added to the ecosystem of Moleskine products, that makes it possible to write with traditional instruments (paper and pen) and digitalise notes to be able to edit, save and share them quickly and easily on smartphones and laptops; the Smart Notebook line developed together with Evernote, a notebook designed to work with Livescribe smart pens; and the notebook developed in partnership with Adobe, the leader in digital marketing and digital-media solutions. The recently launched calendar application for iOS, *Timepage*, also falls under this product category.

The Group distributes its products:

i) indirectly through a network of 79 distributors (i.e. the Wholesale channel), which serve bookshops, department stores, speciality stores, stationers and museums (i.e. retailers); and
ii) a) through a mixed direct and indirect model for the custom editions designed for our business customers(i.e. B2B); b) through our e-Commerce site; and c) through our retail network of 65 single-brand stores, 20 in China, 3 in Singapore, 8 in Hong Kong, 2 in Korea, 10 in Italy, 4 in the U.K., 5 in France, 4 in Germany and 9 in the U.S.

The Group has a consolidated presence in Europe, the United States and Asia.

At the date on which the present interim condensed consolidated financial statements were prepared, the ordinary shares of the Parent Company Moleskine S.p.A. are listed on the electronic circuit of the Milan Stock Exchange – MTA – STAR Segment.

The present interim condensed consolidated financial statements were approved by the Board of Directors on 4 August 2016.

The present interim condensed consolidated financial statements are subject to limited auditing by PricewaterhouseCoopers SpA, the Company's auditing firm.

2. SUMMARY OF THE ACCOUNTING PRINCIPLES AND MEASUREMENT CRITERIA ADOPTED

2.1 BASIS FOR PREPARATION

The interim condensed consolidated financial statements at June 30, 2016 were prepared in conformity with IAS 34, on interim financial reporting. IAS 34 permits la preparation of financial statements in a “condensed” form and that is on the basis of a minimum level of disclosure significantly less than what is provided for by the International Financial Reporting Standards, issued by the International Accounting Standards Board and adopted by the European Union (IFRSs), when financial statements with complete disclosure prepared on the basis of the IFRSs have previously been made available to the public. The interim condensed consolidated financial statements at June 30, 2016 were drawn up in a “summary” form and must therefore be read together with the consolidated financial statements of the Group for the year ended December 31, 2015, prepared in conformity with the IFRSs.

The interim condensed consolidated financial statements at June 30, 2016 were prepared with the going concern assumption and consist of the consolidated statement of financial position, the consolidated statement of comprehensive income, the consolidated statement of cash flows, the consolidated statement of changes in shareholders' equity, and the related notes to the statements.

2.2 FORM AND CONTENT OF THE ACCOUNTING STATEMENTS

As regards the form and content of the accounting statements the Group made the following choices:

i) the statement of financial position shows separately the current and non-current assets; in the same way it presents the current and non-current liabilities;
ii) the statement of comprehensive income presents a classification of costs and revenues by kind;
iii) the statement of cash flows is presented according to the indirect method;
iv) the statement of changes in equity is presented with separate evidence of the profit/loss for the period and of each item of income and expense not passed through profit and loss, but recognised directly in equity on the basis of specific accounting standards.

The Group chose to draw up a statement of comprehensive income which includes, besides the profit/loss for the period, also the changes in equity related to items of an economic nature which, as expressly provided for in the international accounting standards, are recognised among equity components.

The formats used, as specified above, are those that best represent the Group’s economic and financial situation.

The present interim condensed consolidated financial statements have been drawn up in Euro, the Group’s functional currency.

The amounts shown in the accounting statements and in the detailed tables included in the notes to the statements are expressed in thousands of Euro, unless otherwise indicated.

2.3 SCOPE OF CONSOLIDATION AND ITS CHANGES

The interim condensed consolidated financial statements at June 30, 2016 include, besides the financial statements of the Parent Company Moleskine S.p.A. (the "**Company**"), the financial statements of its subsidiaries, together identified as the Moleskine Group.

The table below summaries, with reference to the subsidiaries, the information at June 30, 2016 related to the name, registered office, stake in the share capital held directly and indirectly by the Moleskine Group:

				Percentage of control	
Company name	Registered office	Currency	Capital (currency unit)	Direct	Indirect
Moleskine America Inc.	New York, 210 Eleventh Avenue	American dollar	100,100	100%	
Moleskine Asia Ltd	Hong Kong, 32/F, The Centrium, 60 Wyndham Street, Central	Hong Kong dollar	73,730,622	100%	
Moleskine Trade & Commerce Shanghai Co. Ltd	Shanghai, Unit 3506, Tower 2, Grand Gateway Center, No. 3, Hong Qiao Road, Xuhui District	Renminbi (Yuan)	20,000,092		100%
Moleskine France S.à.r.l.	Paris, 39 Rue Beaureguard	Euro	1,310,000	100%	
Moleskine Germany GmbH	Cologne, Spichernstraße 73	Euro	25,000	100%	
Moleskine Singapore Pte Ltd	6001 BEACH ROAD 13-04 Golden Mile Tower Singapore (199589)	Singapore dollar	1,125,000		100%
Moleskine UK Limited	London, Second floor, Cardiff House, Tilling Road	Sterling	550,000	100%	
Moleskine Japan K.K.	Tokyo, 5-4-35-1301 Minami Aoyama, Minato-ku	Yen	6,010,000		100%
Moleskine America Retail LLC	2711 Centerville Road, Suite 400, in the City of Wilmington, Delaware	American dollar	1,446,963		100%
Moleskine Denmark ApS	c/o Martinsen Revisionspartnerselskab Øster Allé 42, 4, 2100 København Ø	Danish crown	750,000	100%	
Moleskine Korea Co. Ltd	10 Bongeunsa-ro 54-gil, Seoul	South Korean won	500,000,000		100%
Moleskine Café s.r.l.	Viale Stelvio 66, Milan	Euro	50,000	100%	

The changes that occurred in the consolidation scope during the first half of 2016 regarded the incorporation, in March, of the company Moleskine Korea Co. Ltd, wholly controlled by Moleskine Asia and, in April, of the company Moleskine Cafè s.r.l., 100% directly controlled by the Parent Company.

2.4 ACCOUNTING STANDARDS AND CONSOLIDATION PRINCIPLES

The scope of consolidation includes the subsidiaries for which it is possible to exercise control according to the definition provided by the standard IFRS 10, which states that an investor controls an entity in which it has invested when it has rights that give it the possibility of guiding the entity's significant activities, it has an exposure, or a right, to receive variable returns from its involvement with the entity and it has the concrete possibility of using its power in order to influence the amount of its yields receivable from the investment.

Equity investments in associates (for which a significant influence under the terms of IAS 28 can be exercised) are included according to the equity method while for "joint arrangements" (that is agreements through which two or more parties hold joint control under the terms of the standard IFRS 11) the equity method is applicable if they can be classified as joint ventures, or recognition of the relevant portion of assets, liabilities, costs and revenues, if they can be classified as joint operations.

Subsidiaries are consolidated with the line-by-line method starting from the date on which control was effectively acquired by the Group and cease to be consolidated at the date on which control is transferred to third parties. The interim financial statements of companies included in the scope of consolidation are prepared making reference to the six-month period up to June 30, 2016, and have been opportunely adjusted, where necessary, to make them compliant with the Group's accounting standards.

The criteria adopted for line-by-line consolidation are the following:

- the assets and liabilities, expenses and income of the fully consolidated entities are assumed line by line, attributing to the non-controlling shareholders, where applicable, the portion of equity and of net profit/(loss) for the period due to them; these portions are shown separately in the context of equity and of the consolidated income statement;
- business combinations are recognised according to the acquisition method. According to this method the price transferred in a business combination is measured at fair value, calculated as the sum of the fair values of the assets transferred and of the liabilities assumed by the Group at the acquisition date and of the equity instruments issued in exchange for control over the business acquired. The expenses ancillary to the transaction are generally recognised in the income statement at the moment in which they are incurred. At the acquisition date, the assets acquired and the liabilities assumed are recognised at fair value at the acquisition date; the following items make an exception, as they are instead measured according to their standard of reference:

i) deferred tax assets and liabilities;
ii) assets and liabilities for employee benefits;
iii) liabilities or equity instruments related to share-based payments of the company acquired or share-based payments of the related to the Group issued to replace contracts of the company acquired;
iv) assets held for sale and Discontinued Operations;

- profits and losses, with the related tax effects, deriving from transactions carried out among fully consolidated companies and not yet realised in relation to third parties, are eliminated, except for losses which are not eliminated if the transaction provides evidence of impairment of the asset transferred. Reciprocal debit and credit relations, costs and revenues, and financial expenses and income are also eliminated.

Accounting standards, amendments and interpretations applied as of January 1, 2016

The new and/or revised standards of the International Accounting Standards Board (IASB) and interpretations of the International Financial Reporting Interpretations Committee (IFRIC), which must be applied beginning from financial year 2016 are indicated below.

Description	Endorsed as of the date of this document	Effective date stated in the standard
Amendment to IAS 16 'Property, Plant and Equipment' and IAS 38 'Intangible Assets', on depreciation and amortization	*Yes*	*Financial years as from January 1, 2016*
Amendment to IFRS 11, 'Joint arrangements' on acquisition of an interest in a joint operation	*Yes*	*Financial years as from January 1, 2016*
Amendment to IAS 16, 'Property, plant and equipment', and IAS 41, 'Agriculture', regarding bearer plants	*Yes*	*Financial years as from January 1, 2016*
Annual improvements 2012–2014	*Yes*	*Financial years as from January 1, 2016*
Amendments to IAS 27, 'Separate financial statements' on the equity method	*Yes*	*Financial years as from January 1, 2016*
Amendment to IAS 1, 'Presentation of financial statements' on the disclosure initiative	*Yes*	*Financial years as from January 1, 2016*

The adoption of the accounting standards, amendments and interpretations referred to in the table above did not impact significantly on the Group's financial position or results.

New accounting standards, interpretations and amendments not yet applicable or not yet adopted by the Group.

The table below shows the international accounting standards, interpretations, amendments to existing accounting standards and interpretations, or specific provisions included in standards or interpretations of the IASB, with an indication of those which have and have not been adopted for use in Europe at the date of these financial statements:

Description	Endorsed as of the date of this document	Effective date stated in the standard
IFRS 14 'Regulatory deferral accounts'	*No*	*The endorsement process will be launched once the final text of the standard has been approved*
Amendments to IFRS 10, 'Consolidated financial statements' and IAS 28, 'Investments in associates and joint ventures'	*No*	*Suspended*
Amendment to IFRS 10 and IAS 28 on investment entities applying the consolidation exception	*No*	*Financial years as from January 1, 2016*
IFRS 15 'Revenue from contracts with customers'	*No*	*Financial years as from January 1, 2018*
Amendment to IFRS 15, 'Revenue from contracts with customers'	*No*	*Financial years as from January 1, 2018*
IFRS 9 'Financial Instruments'	*No*	*Financial years as from January 1, 2018*
IAS Amendment to IAS 7, Statement of cash flow on disclosure initiative	*No*	*Financial years as from January 1, 2017*
Amendment to IAS 12, 'Income taxes' on Recognition of deferred tax assets for unrealized losses	*No*	*Financial years as from January 1, 2017*
IFRS 16 'Leases'	*No*	*Financial years that begin starting from January 1, 2019, with early adoption permitted if together with the adoption of IFRS 15*
Amendment to IFRS 2, 'Share-Based Payments', on clarifying how to account for certain types of share-based payment transactions	*No*	*Financial years as from January 1, 2018*

The Group did not adopt any accounting standards and/or interpretations earlier for which application is obligatory for periods commencing subsequent to June 30, 2016; the Group is assessing the effects of the application of the standards indicated above.

TRANSLATION OF FINANCIAL STATEMENTS OF FOREIGN COMPANIES

The financial statements of subsidiaries are prepared using the currency of the primary economic environment in which they operate. The rules for translation of financial statements of companies expressed in a currency other than the Euro are the following:

- assets and liabilities are translated using the exchange rates in existence at the reporting date;
- costs and revenues are translated at the average exchange rate of the period;
- the "currency translation reserve" included among the statement of comprehensive income items, includes

the exchange differences generated by the translation of economic amounts at an exchange rate different from that at the end of the period and those generated by the translation of opening equity at an exchange rate different from that at the end of the reporting period;
- goodwill, if it exists, and adjustments of fair value related to the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the exchange rate at the end of the period.

The subsidiaries with a functional currency other than the Euro present in the consolidation scope are Moleskine America and Moleskine America Retail (USD), Moleskine Asia (HKD), Moleskine Shanghai (CNY), Moleskine UK (GBP), Moleskine Singapore (SGD), Moleskine Japan K.K. (JPY), Moleskine Denmark (DKK) and Moleskine Korea (KRW).

The exchange rates adopted for the translation of the above financial statements are shown in the table below:

	Situation	
Currency	**As of June 30, 2016**	**At December 31, 2015**
USD	1.110	1.089
HKD	8.614	8.438
CNY	7.376	7.061
GBP	0.827	0.734
JPY	114.050	131.070
SGD	1.496	1.542
DKK	7.439	7.463
KRW	1,278.480	n/a

	Average of the Period ended June 30	
Currency	**2016**	**2015**
USD	1.116	1.116
HKD	8.665	8.652
CNY	7.294	6.941
GBP	0.778	0.732
JPY	124.502	134.165
SGD	1.540	1.506
DKK	7.450	n/a
KRW	1,318.810	n/a

3. ESTIMATES AND ASSUMPTIONS

With reference to the description of the use of accounting estimates please see what is indicated in the consolidated financial statements for the year ended December 31, 2015.

4. SEASONALITY

The Group carries on a business which during the year, although it does not undergo significant seasonal or cyclical changes in overall annual sales, is influenced by the imperfect uniformity of the flows of revenues and expenses over the various months of the year. For these reasons, the analysis of the results and of the interim financial and equity indicators cannot be considered fully representative, and it would therefore be wrong to consider the indicators of the period as a proportion of the entire year.

5. SEGMENT REPORTING

IFRS 8 defines an operating segment as a component:

- which involves business activities that generate revenues and costs;
- the operating profit/(loss) of which is reviewed periodically at the highest decision-making level;
- for which separate economic and financial data are available.

For the purposes of IFRS 8 - *Operating Segments*, the activity performed by the Group can be identified as a single operating segment.

The Group structure, in fact, articulated alternatively by product line, distribution channel and geographical area, identifies a strategic and unitary vision of the business and this representation is consistent with the methods with which the management takes its decisions, allocates the resources and defines the communication strategy, making anti-economic, as things currently stand, proposals to divide the business into segments.

To complete the disclosure, the detail of revenues by product line, distribution channel and geographical area is provided in Note 7.1 “Revenues”, to which you are referred.

In accordance with the requirement of IFRS 8, paragraph 33, the details of intangible fixed assets and property, plant and equipment by geographical area are provided below. The assets have been allocated considering the country in which the asset generates its earnings, with the exception of the brand and the goodwill, the balance of which is included under the item “Non allocable”.

In thousands of Euro		
Fixed assets by geographical area	**As of June 30, 2016**	**As of December 31, 2015**
EMEA	**8,137**	**5,967**
USA	**3,270**	**2,843**
Asia	**2,114**	**1,982**
Non allocable	**76,754**	**76,801**
Total tangible and intangible fixed assets	**90,275**	**87,593**

5.1 Main customers

Over the last few years the Group has implemented a strategy of gradually modifying its business model in the Wholesale, channel moving increasingly from an indirect distribution system to a direct distribution system, in which the commercial relationship involves the final retailers passing from third-party distributors which increasingly perform mainly functions of logistics and customer service (so-called demand fulfilment activities), while the demand creation activities, strategic and as such the subject of gradual internalisation, are overseen increasingly directly by the Group through its sales force. Leaving aside these considerations of a substantial nature, however, with reference to the accounting presentation of the invoicing flow, the revenues achieved by the Group deriving from sales made to a single distributor, exclusive for the American market, in the six-month periods ended June 30, 2016 and June 30, 2015, represent a percentage of total revenues of 25% and 27% respectively.

NOTES ON THE STATEMENT OF FINANCIAL POSITION

6.1 Property, plant and equipment

The item “Property, plant and equipment” amounted to Euro 8,353 thousand at June 30, 2016 (Euro 6,831 thousand at December 31, 2015). The balance of the item increased by Euro 1,522 thousand because the amount of investments in the period net of disinvestments was higher than that of depreciation, amortization and impairment. The investments regarded mainly the costs incurred for the furnishing of the new shops opened in the period, the new installations of display structures inside sales points and the purchase of hardware material and moulds for the new WTR products. It should also be noted that compared to the end of the previous year the investments made by the new Group companies Moleskine Korea and Moleskine Cafè are also included.

6.2 Goodwill and trademarks

At June 30, 2016 the item “Goodwill and trademarks” was Euro 76,754 thousand (Euro 76,801 thousand at December 31, 2015) and is made up of the trademark Moleskine for Euro 54,464 thousand and goodwill for Euro 22,290 thousand. This item is almost entirely made up of the difference between the price paid in October 2006 for the acquisition of Modo & Modo S.p.A with respect to the fair value net of the assets and liabilities acquired.

In line with what is laid down by the international accounting standard IAS 36, at June 30, 2016 the Company considered that the conditions existed to confirm the value of the goodwill and trademarks because from the analyses carried out no indicators of impairment emerged that could have entailed a reduction of value.

6.3 Other intangible assets

The item "Other intangible assets" amounted to Euro 5,168 thousand at June 30, 2016 (Euro 3,961 thousand at December 31, 2015). The balance of the item in question increased by Euro 1,207 thousand as the difference between the amount of depreciation, amortization and impairment and the net investments of the period. These latter refer mainly to the projects in progress to implement a new ERP and a new Customer Relationship Management (CRM) software and to the continuation of the project related to the Datawarehouse and to Business Intelligence**.** These projects respond to the need to accompany the expansion of the business envisaged for the near future with a consistent and adequate development of the IT architecture and will enable the rationalisation and simplification of the corporate processes and provide for a parallel "go live" planned for the beginning of 2017.

The investments of the period also include the amount of Euro 420 thousand paid to the former tenant of the space where the Moleskine Cafè Srl shop is situated as Key Money.

6.4 Non-current receivables

The details of the item "Non-current receivables" at June 30, 2016 and at December 31, 2015 are shown below:

In thousands of Euro

Non-current receivables	As of June 30, 2016	As of December 31, 2015
Guarantee deposits paid	1,812	1,293
Advances to personnel	21	22
Tax receivables	16	34
Other receivables	1,068	1,014
Total non-current receivables	**2,917**	**2,363**

The "Guarantee deposits paid" include the amounts paid for existing rental contracts. The increase in the period cab be attributed for Euro 274 thousand to Moleskine Korea for the two shops opened in Seoul and for Euro 202 thousand to Moleskine Asia, of which approximately Euro 104 thousand related to the deposit for the rental of the new headquarters of the company and approximately Euro 58 thousand for the Landmark Hong Kong shop opened in May.

“Tax receivables” refer entirely to the rebate application presented by the Parent Company in accordance with the provisions of the so-called “anti-crisis” decree (Article 6, paragraph 1, of Italian Law Decree no. 185 of 29/11/2008) in relation to the higher taxes paid for IRES purposes for the non-deduction of IRAP in the tax periods from 2004 to 2007. It is worth noting that a portion of this receivable was refunded by the Revenues Agency during the first half of 2016.

The Other receivables include for Euro 714 thousand, the part recoverable after the next twelve months of the receivable generated from the sale of products to a contractual counterparty from which mainly media advertising and brand communication services will be purchased and, for Euro 317 thousand (of which Euro 117 thousand accruing at more than 5 years), the sums paid to shop owners of the retail channel (so-called Key Money) accruing after the next twelve months; they also include the non-current portion of prepayments and accrued income of Euro 37 thousand (mostly related to insurance costs).

6.5 Deferred tax assets

At June 30, 2016 the item “Deferred tax assets” amounted to Euro 8,248 thousand (Euro 6,211 thousand al December 31, 2015) and refers mainly to the reversal of intra-group gains suspended in stock.

6.6 Non-current financial assets

The item includes for Euro 5,063 thousand (Euro 5,004 thousand at December 31, 2015) a life assurance product entered into by the Parent Company on December 22, 2015 with Popolare Vita S.p.A., an insurance company founded as a joint venture between Gruppo Banco Popolare and Fondiaria SAI, in order to diversify its investments with the objective of seeking solidity, profitability and security.

The above product is a single-premium capitalisation contract, with guaranteed capital and with the possibility of additional payments, with annual revaluation of the capital, with a maximum term of 5 years, releasable after 12 months from the signing date and with an expected gross annual yield of more than 3%; the increase in the period refers mainly to the interest accrued in the period.

6.7 Inventories

The table below summaries the details of the item "Inventories" at June 30, 2016 and at December 31, 2015:

In thousands of Euro		
Inventories	**As of June 30, 2016**	**As of December 31, 2015**
Finished products	22,708	18,699
Semi-finished products	1,483	1,489
Raw Materials	2,278	3,003
Inventories of finished products, semi-finished products and raw materials	**26,469**	**23,191**
Advance payments to suppliers for goods	**45**	**74**
Finished products	(2,223)	(2,196)
Semi-finished products	(299)	(273)
Raw Materials	(153)	(174)
Provision for inventory obsolescence	**(2,675)**	**(2,643)**
Inventories	**23,839**	**20,622**

The increase compared to December 31, 2015 was affected by the seasonality of the inventories in stock in the middle of the year characterised by the assortment of new products and of diaries waiting to be launched on the market in the second half of the year.

The changes in provision for inventory obsolescence for the period ended June 30, 2016 are shown below:

Provisions for inventory obsolescence	**As of June 30, 2016**
Opening	2,643
Increases	457
Uses/Releases	(425)
Final value Provision for inventory obsolescence	**2,675**

It is worth noting the uses of the provisions for inventory obsolescence were recorded against both disposals of products (in particular diaries), and the pulping of products that can no longer be sold.

The provisions were set aside to cover the risk of obsolescence calculated on the basis of the Group's accounting policy.

6.8 Trade receivables

The details at June 30, 2016 and at December 31, 2015 of the item “Trade receivables” are shown below:

In thousands of Euro

Trade receivables	As of June 30, 2016	As of December 31, 2015
Trade receivables	30,137	25,405
Invoices to be issued	103	85
Credit notes to be issued	(361)	(429)
Provision for doubtful receivables	(494)	(347)
Total trade receivables	**29,385**	**24,714**

The increase in “Trade receivables” was mainly related to the turnover performance during the period, which recorded an increase of 12.3% compared to the corresponding period of financial year 2015.

Provision for doubtful receivables showed the following changes during the first half of 2016:

In thousands of Euro

Provision for doubtful trade receivables	As of June 30, 2016
Opening balance	347
Increases	170
Uses / Releases	(23)
Final value provision for doubtful trade receivables	**494**

The increases in the period related mainly to a number of receivable positions for which the Group is defining and managing specific repayment plans.

It should be noted that at the reporting date no trade receivables with maturity at more than five years were recognised.

6.9 Income tax receivables

“Income tax receivables”, of Euro 692 thousand at June 30, 2016, refer to advances paid by the subsidiary Moleskine America Inc. net of payables for taxes of the period.

6.10 Other current assets

The table below summaries the amount of the item "Other current assets" at June 30, 2016 and at December 31, 2015:

In thousands of Euro		
Other current assets	**As of June 30, 2016**	**As of December 31, 2015**
Tax receivables	666	482
Advance payments to suppliers	627	763
Prepayments and accrued income	776	404
Other receivables	377	617
Total other current assets	**2,446**	**2,266**

The item "Tax receivables" amounted to Euro 666 thousand and refers mainly:

- for Euro 173 thousand and for Euro 172 thousand to the VAT credit deriving from the monthly payments respectively of Moleskine Shanghai and Moleskine France;
- for Euro 128 thousand to the VAT credit deriving from the monthly payments of Moleskine Cafè Srl to be attributed to the start-up costs and to the investments incurred for the opening of the first shop on Milan in July 2016;
- for Euro 166 thousand to the recognition of a credit for IRES paid following the non-deduction of IRAP related to the expenses incurred for employees and assimilated net of the deductions pursuant to Art.11, para. 1, lett. a), 1-bis, 4-bis and 4-bis1, of Italian Legislative Decree no. 446/97, for the tax periods from 2007 to 2011. This credit originates from the legislative provisions contained in Art. 2 of the so-called "Save Italy" decree, Italian Law Decree no. 201/11 and a rebate of it was requested on March 12, 2013 in accordance with the methods approved with a specific measure of the Revenues Agency.

The item "Prepayments and accrued income" refers to the current portion of costs not accruing to the first half of 2016 of Euro 776 thousand mostly related to insurance premiums, trade fairs, membership fees and rents and to the sums paid to the owners of shops in the retail channel (Key Money).

The item "Other receivables" comprises mainly the portion of guarantee deposits of Moleskine Shanghai related to shops the contractual expiry of which falls within the year, for Euro 199 thousand, and the part recoverable within the next twelve months, of Euro 100 thousand, of a receivable of the Parent Company generated by the sale of products to a contractual counterparty from which mainly media advertising and brand communication services will be purchased.

6.11 Current financial assets

The item "Current financial assets" includes Euro 950 thousand as an investment in the liquidity provisions managed by Exane S.A., aiming at containing temporarily, on the basis of the contractual conditions initially agreed, the cash surplus with respect to the activity of buying and selling treasury shares.

6.12 Cash and cash equivalents

The item "Cash and cash equivalents" (Euro 30,511 thousand at June 30, 2016 and Euro 48,297 thousand at December 32, 2015) consists mainly of current account (for Euro 30,465 thousand) and deposit account (Euro 15 thousand) relationships with leading credit institutions; it also includes cash for Euro 31 thousand almost exclusively referable to the cash on hand of the Group companies' shops.

6.13 Equity

The changes in the equity reserves are shown in the tables of the present financial statements.

The share capital as of June 30, 2016 amounted to Euro 2,124 thousand, fully paid up, and consists of 212,421,700 ordinary shares, with no indication of the face value.

This amount reflects the increase in the number of shares after the exercising by some beneficiaries of 241,495 options related to the first tranche of assignment of the 2013-2017 Stock Option Plan, which became exercisable starting from April 19, 2016 and until December 31, 2018, in accordance with the provisions of the Regulations of the said Plan.

The Equity at June 30, 2016 was Euro 102,673 thousand (Euro 109,532 thousand at December 31, 2015).

The Share premium reserve, a total of Euro 90,806 thousand, was recognised net of the listing costs incurred, allocated to Equity on the basis of the ratio between the number of new shares issued and the number of existing shares after the IPO operation, and it increased compared to the financial year ended December 31, 2015 by an amount of Euro 400 thousand as a result of the exercising of the stock options mentioned above.

The other changes in Equity that occurred during the half-year consisted of the total profit for the period, of Euro 7,744 thousand, the recognition of the management incentive plans accounted for in accordance with the provisions of IFRS 2 for which please see Note 7.5 "Personnel costs", the distribution of dividends and the purchase of treasury shares, as detailed below.

Among the significant events that had an impact on the composition of the Equity at June 30, 2016, it is worth noting that the Shareholders' Meeting of the Parent Company which approved the separate financial statements of Moleskine S.p.A. at December 31, 2015, held on April 14, 2016, resolved to distribute a dividend of Euro 0.047 before tax per ordinary share with rights, for a total amount of Euro 9,971,636. The ex-dividend date was April 18, 2016, with record date on April 19, 2016 and the payable date on April 20, 2016.

During this meeting, the shareholders also approved the authorization for the purchase and disposal of treasury shares after prior cancellation of the authorization to purchase and dispose of ordinary treasury shares resolved by the Parent Company's ordinary Shareholders' Meeting held on April 15, 2015. The objective of the authorization is to provide the Company with an agile investment instrument to be used for purposes permitted by applicable laws and, including the purposes set out in the "market practices" permitted by CONSOB, pursuant to Article 180, paragraph 1 point c), of the Consolidated Law on Finance by resolution no. 16839 of March 19, 2009 and in Regulation (EC) no. 22/2003 of December 22, 2003, and therefore, also to support liquidity and share based incentive plans.

Authorization was granted for the purchase, on one or more occasions, of ordinary Moleskine shares up to a maximum number no greater than the maximum limit permitted by applicable laws in force at the time of purchase, taking into consideration the ordinary Moleskine shares held in the portfolio at any given time by the Group Holding company or its subsidiaries.

The Board of Directors has been given a mandate to identify the amount of shares to be purchased in relation to each of the above purposes prior to the start of each individual purchase program, and at a purchase price not exceeding the higher of the price of the last independent transaction and the current independent bid price in the trading venues where the purchase will be made. Notwithstanding the foregoing, the price paid may not exceed a price per unit of more than 15% below or more than 15% above the arithmetic average of official Moleskine share prices over the ten days preceding each purchase transaction.

The Shareholders' Meeting also approved an incentive and loyalty plan for the period 2016-2020 reserved for directors with executive positions and employees of Moleskine S.p.A. and of its direct and indirect subsidiaries and also resolved to authorise the Board of Directors to make use, pursuant to Art. 2357-ter of the Italian Civil Code, at any time, wholly or in part, one or more times, of the treasury shares purchase by (i) assigning to the beneficiaries of the 2016 –2020 Stock Option Plan, as above, at the terms and conditions provided for by the said Plan, at the price which will be set at an amount equal to the weighted average of the official closing prices recorded by the Moleskine ordinary shares in the thirty open trading days preceding the assignment date of the Options originating from the Plan and (ii) placing the same on the stock exchange or out of the market, possibly also by transferring real and/or personal rights, including solely by way of example securities lending, observing the provisions of the laws and regulations in force at the time and to pursue the purposes laid down in the resolution of that day. The authorization for the purchase of treasury shares is valid for eighteen months, effective from April 14, 2016, whereas the authorization for the disposal of treasury shares has no time limit.

The maximum total number of Moleskine ordinary shares serving the 2016-2020 Stock Option Plan is 5,160,000 ordinary shares, which are added to the programme for the purchase of treasury shares supporting the so-called Liquidity Agreement, that is the appointment conferred on Exane S.A. to support the liquidity of the ordinary treasury shares in virtue of the provisions of Practice no. 1 of Consob Resolution no. 16839 of March 19, 2009.

At June 30, 2016 the total number of treasury shares held in the portfolio by the Parent Company amounted to 2,597,241 shares, of which 33,744 related to the programme supporting the liquidity of the treasury shares and 2,564,241 serving the 2016-2020 Stock Option Plan, for a total amount of Euro 5,735 thousand.

6.14 Current and non-current financial liabilities

The table below details the current and non-current financial liabilities at June 30, 2016 and at December 31, 2015:

In thousands of Euro	As of June 30, 2016		At December 31, 2015	
Current and non-current financial liabilities	**Current**	**Non-current**	**Current**	**Non-current**
Long-term loans	10,120	26,537	7,609	31,602
Payable for expenses on loans	195		126	
Payables to banks for loans	**10,315**	**26,537**	**7,735**	**31,602**

At June 30, 2016 the Group had in being no loans in currencies other than the Euro.

The breakdown of financial liabilities at June 30, 2016 and at December 31, 2015 is shown below, with reference to both the non-current portion and the current portion:

In thousands of Euro	June 30, 2016							
Current and non-current financial liabilities	**Interest rate**	**Original amount**	**Opening**	**Expiry**	**Accounting balance**	**Less than 1 year**	**Between 1 year and 5 years**	**More than 5 years**
Mediobanca loan	(*)	12,000	2014	2019	8,000	2,666	5,334	-
Intesa loan	Euribor 6 m + spread 110 bp	10,000	2015	2019	8,750	2,500	6,250	-
BNL loan	Euribor 6 m + spread 85 bp	20,000	2015	2020	20,000	5,000	15,000	-
Expenses ancillary to loans					(94)	(47)	(47)	-
Payable for expenses on loans					196		-	-
Total current and non-current financial liabilities					**36,852**	**10,315**	**26,537**	

* The interest rate is determined on the basis of the duration of the related period of interest and is equal to Euribor at 12 months + 225 bp for the period running from the opening date to the first repayment date (July 15, 2015), at Euribor at 6 months + 175 bp for the six-monthly instalment at December 31, 2015 and at Euribor at 6 months +150 bp for the subsequent six-monthly instalments.

In thousands of Euro	December 31, 2015							
Current and non-current financial liabilities	**Interest rate**	**Original amount**	**Opening**	**Expiry**	**Accounting balance**	**Less than 1 year**	**Between 1 year and 5 years**	**More than 5 years**
Mediobanca loan	(*)	12,000	2014	2019	9,333	2,667	6,666	-
Intesa loan	Euribor 6 m + spread 110 bp	10,000	2015	2019	10,000	2,500	7,500	-
BNL loan	Euribor 6 m + spread 85 bp	20,000	2015	2020	20,000	2,500	17,500	-
Expenses ancillary to loans					(122)	(58)	(64)	-
Payable for expenses on loans					126	126	-	-
Total current and non-current financial liabilities					**39,337**	**7,735**	**31,602**	

* The interest rate is determined on the basis of the duration of the related period of interest and is equal to Euribor at 12 months + 225 bp for the period running from the opening date to the first repayment date (July 15, 2015), at Euribor at 6 months + 175 bp for the six-monthly instalment at December 31, 2015 and at Euribor at 6 months +150 bp for the subsequent six-monthly instalments.

During the first half of 2016 no operations occurred which would have entailed a remodulation of the Financial liabilities, either with reference to the principal or with reference to the interest. Therefore the Loans in being were repaid and the charges accrued were paid as per the contractually defined repayment schedules.

The main conditions of each of the three loans, and the changes that occurred following the renegotiation which occurred during financial year 2015, are shown below:

Mediobanca loan

The loan with Mediobanca SpA, originally agreed on July 10, 2014 for a total amount of Euro 12,000 thousand and expiry on June 30, 2019 provides for a repayment schedule involving nine six-monthly deferred instalments of constant principal (of Euro 1,333 thousand) starting from June 30, 2015. The interest rate, according to the original contractual agreements is determined on the basis of the duration of the related period of interest, applying a floating rate equal to the Euribor rate at twelve months plus an annual nominal fixed rate of 2.25 per cent for the first year and at the Euribor rate at six months plus an annual nominal fixed rate of 2.25 per cent for the subsequent six-monthly instalments.

During financial year 2015 improved conditions on the spreads were negotiated. These were agreed by Mediobanca and are shown below, testifying to a significant reduction in the interest margin for the subsequent instalments:

- up to July 15, 2015 (inclusive) 225 bps on an annual basis;
- from July 16, 2015 (inclusive) to December 31, 2015 (inclusive) 175 bps on an annual basis;
- from January 1, 2016 (inclusive) 150 bps on an annual basis.

The loan provides for the observance of certain financial parameters (covenants) to be calculated annually and every six months, starting from December 31, 2014, in relation to the Group's consolidated financial statements drawn up according to the IFRS standards, which have as reference the following figures:

- net financial indebtedness / Adjusted EBITDA less than or equal to 2;
- Adjusted EBITDA / net financial expenses greater than or equal to 5.

Adjusted EBITDA is calculated with reference to the twelve months preceding the reporting date.

The aforementioned covenants were being observed as of June 30, 2016.

It should be noted that at the date of the present document no default events as defined in the loan contract have occurred.

At June 30, 2016, the remaining debt in principal related to the loan in question amounted to Euro 8,000 thousand, while the debt for interest accrued and not yet paid was Euro 166 thousand.

Intesa loan

The loan with Intesa San Paolo SpA, agreed on July 10, 2014 for a total amount of Euro 10,000 thousand and expiry on June 30, 2019 was fully repaid on June 4, 2015 which led to total extinguishment of the previous financial debt, of Euro 10,000 thousand, replaced by a new loan, of the same amount. The repayment schedule of the new loan involves eight six-monthly deferred instalments of constant principal (of Euro 1,250 thousand) starting from June 30, 2016. The interest rate is determined for each six-monthly period applying a floating rate equal to the Euribor rate at six months plus an annual nominal fixed rate of 1.10 per cent, while the spread of the previous loan was 2.25 per cent.

The loan provides for the observance of certain financial parameters to be calculated annually, starting from December 31, 2015, in relation to the Group's Consolidated Financial Statements drawn up according to the IFRS standards, which have as reference the following figures:

- net financial indebtedness / Adjusted EBITDA less than or equal to 2;
- Adjusted EBITDA / net financial expenses greater than or equal to 7;
- net financial indebtedness / Equity less than or equal to 1.

It is worth noting that at the date of the present document no default events as defined in the loan contract have occurred.

At June 30, 2016, the remaining debt in principal related to the loan in question amounted to Euro 8,750 thousand.

BNL loan

On July 10, 2014 Banca Nazionale del Lavoro had granted the Parent Company a credit line for a total amount of Euro 10,000 thousand disbursable on request and usable up to January 9, 2016. This credit line had been used in 2014 for an amount of Euro 6 million and provided for an interest rate determined for each six-monthly period applying a floating rate equal to the monthly average Euribor at three/six months plus an annual nominal fixed rate of 2 per cent.

On April 28, 2015 the Parent Company proceeded to repay this credit line in full, and it was replaced by a new loan, for a total of Euro 20 million, with the following characteristics:

a) amount: 20,000,000;
b) interest rate Euribor at 6 months + 0.85%;
c) duration 60 months;
d) period of deferred repayments 12 months;
e) not backed by real guarantees.

The loan provides for the observance of certain financial parameters to be calculated annually, starting from December 31, 2015, in relation to the Group's Consolidated Financial Statements drawn up according to the IFRS standards, which have as reference the following figures:

- net financial indebtedness / Adjusted EBITDA less than or equal to 2;
- Adjusted EBITDA / net financial expenses greater than or equal to 5

Adjusted EBITDA is calculated with reference to the twelve months preceding the reporting date.

The aforementioned covenants were being observed as of June 30, 2016.

It should be noted that at the date of the present document no default events as defined in the loan contract have occurred.

At June 30, 2016, the remaining debt in principal related to the loan in question amounted to Euro 20,000 thousand (the first repayment of the principal is scheduled for October 28, 2016) while the debt for interest accrued and not yet paid was Euro 30 thousand.

Expenses ancillary to loans

The expenses incurred by the Parent Company in relation to the Mediobanca and BNL loans were Euro 185 thousand, while those related to the loan with Banca Intesa were recognised in the income statement following the Refinancing operation carried out during financial year 2015. These ancillary expenses were recognised as a reduction of the financial liabilities to which they refer and subsequently recognised in the income statement with the amortized cost method in accordance with the provisions of IAS 39; at June 30, 2016 the total amount of these expenses recognised as a reduction of financial liabilities was Euro 94 thousand (at December 31, 2015 it was Euro 122 thousand).

6.15 Other non-current payables

The item “Other non-current payables” had a balance of Euro 714 thousand (at December 31, 2015 Euro 748 thousand) and includes the portion at more than 12 months of the payable for deferred rent related to the rental of the Group’s shops and offices, calculated using the straight line method, in conformity with the provisions of IAS 17. The portion at more than 5 years was Euro 22 thousand.

6.16 Deferred tax liabilities

The item “Deferred tax liabilities” had a balance of Euro 14,374 thousand (at December 31, 2015 Euro 14,415 thousand) which refers mainly to deferred taxes payable recognised on the Moleskine trademark.

6.17 Post-employment and other employee benefits

The table below summarises the changes in the item “Post-employment and other employee benefits” (represented by severance indemnities) for the period ended June 30, 2016:

In thousands of Euro	**As of June 30, 2016**
Period Opening Balance	1,721
Service Cost	295
Interest Cost	15
Payments to pension funds	(70)
Advance payments and Settlements	(205)
Actuarial Gains/Losses	136
Total Post-employment and other employee benefits	**1,892**

The main assumptions used to obtain the value of the liabilities for the post-employment benefits are the following:

	As of	
	June 30, 2016	**December 31, 2015**
Economic and financial assumptions		
Discount rate	1.05%	1.03%
Inflation rate	2.0%	2.0%
Salary increase rate	3.5%	3.5%
Demographic assumptions		
Probability of resignation	**4.0%**	**4.0%**
Probability of severance indemnity advances	**2.0%**	**2.0%**

6.18 Current and non-current provisions for risks and charges

The changes in provisions for risks and charges for the period ended June 30, 2016 are shown below:

In thousands of Euro						
Current and non-current provisions for risks and charges	**At December 31, 2015**	**Increases**	**Decreases**	**Provisions for Non-current risks**	**Provisions for Current risks**	**As of June 30, 2016**
Provisions for risks	369		(180)	62	127	189
Provisions for returns	1,080	548	(975)		653	653
Total	**1,449**	**548**	**(1,155)**	**62**	**780**	**842**

The "Provisions for risks", of Euro 189 thousand at June 30, 2016, decreased as a result of the use of the provision set aside at December 31, 2015 and referred to early closing of the Paris shop at the Les Quatre Temps shopping centre.

As regards the item related to "Provisions for returns", of Euro 653 thousand at June 30, 2016, it is worth noting that the decreases in the same were mainly related to the issue of credit notes during the period for goods returned by customers on sales of the previous year. The provisions include instead the estimate of returns on products sold during the first half of 2016, which are expected to be received after the end of the period and on which, on the basis of the commercial agreements in being, the Group will issue credit notes in favour of the customers involved in the said agreements.

6.19 Trade payables

Below is the table with the breakdown of "Trade payables" at June 30, 2016 and at December 31, 2015:

In thousands of Euro		
Trade payables	**As of June 30, 2016**	**As of December 31, 2015**
Payables to suppliers	15,899	14,195
Accrued invoices	6,375	4,533
Fair value of embedded derivatives	98	140
Credit notes to be received	(5)	(6)
Total trade payables	**22,367**	**18,862**

Payables to suppliers include payables related to the normal performance of the commercial activity by the Group represented mainly by the purchase of goods and external processing services and by the procurement of logistic and transport services both inbound and outbound.

The value of embedded derivatives refers to the fair value of currency purchase/sale contracts, implicit in transactions for the purchase of finished products in US dollars from suppliers whose reference currency is other than the US dollar. The main purchases to which these derivatives relate are made from suppliers based in Vietnam, China, Korea and Taiwan.

The increase in “Trade payables” is related mainly to the growth of the business. For further information please see the description provided in the Interim Management Report.

It should also be noted that at June 30, 2016 no payables at more than five years were recognised.

6.20 Income tax payables

Current income tax payables refer to positions with the tax authority for current taxes.

At June 30, 2016 tax payables amounted to Euro 10,706 thousand against taxes accruing to the period estimated, on the basis of the tax rates envisaged at the end of the year, at Euro 5,499 thousand and net balances of taxes accruing to financial year 2015 which will be paid to the Tax Authority after June 30, 2016 and in any case before the end of the fiscal year.

6.21 Other current liabilities

Below is the table with the breakdown of “Other current liabilities” at June 30, 2016 and at December 31, 2015:

In thousands of Euro

Other current liabilities	**As of June 30, 2016**	**As of December 31, 2015**
Payables to employees and directors	2,254	2,522
Customer advance payments	158	612
Social security payables	383	340
Withholding tax payable for employees	320	579
Payables to supplementary pension funds	86	86
Withholding tax payable for self-employed persons and royalties	26	31
Other miscellaneous liabilities	240	384
Miscellaneous accrued expenses	62	35
Other tax payables	377	588
Total other current payables	**3,906**	**5,177**

“Payables to employees and directors” refer to payables for the 13th month, holidays and leave accrued and not taken, and for stability and other bonuses accrued during the period. With reference to the bonus schemes please see the explanation in Note 7.5 “Personnel costs”.

"Customer advance payments" refer to advance invoices issued in relation to customers that have advance payment conditions for B2B orders not yet completed and/or shipped.

The item "Withholding tax payable for employees" includes withholdings from employment income paid in July 2016, while "Other miscellaneous liabilities" mainly refer to the current portion of the payable for deferred rent, to payables maturing within the period in relation to the former tenant of the Via Dante Milan shop and to a former employee to whom an early retirement incentive involving payment in instalments has been granted.

The other tax payables include mainly the balance of monthly payments of indirect taxes (VAT and Sales Tax) of the Parent Company Moleskine SpA, of Moleskine Germany, and of Moleskine America Inc. and Moleskine America Retail.

6.22 Net financial indebtedness

The following table shows a breakdown of net financial indebtedness calculated at June 30, 2016 and at December 31, 2015 in accordance with CONSOB Communication of July 28, 2006, and the ESMA/2013/319 Recommendations:

In thousands of Euro

Net financial indebtedness	**As of June 30, 2016**	**As of December 31, 2015**
A. Cash on hand	30,496	47,382
B. Other Cash Equivalents	15	915
C. Trading securities	-	-
D. Cash and cash equivalents (A) + (B) + (C)	**30,511**	**48,297**
E. Current financial receivables	**950**	**-**
F. Short-term loans from banks	-	-
G. Long term loans (current portion)	(10,119)	(7,609)
H. Other current financial liabilities	(196)	(126)
I. Current financial liabilities (F) + (G) + (H)	**(10,315)**	**(7,735)**
J. Net current financial indebtedness (I) + (E) + (D)	**21,146**	**40,562**
K. Long-term loans from banks	(26,537)	(31,602)
L. Bonds issued	-	-
M. Other non-current financial payables	-	-
N. Non-current financial indebtedness (K) + (L) + (M)	**(26,537)**	**(31,602)**
O. Net Financial Indebtedness (J) + (N)	**(5,391)**	**8,960**
Reconciliation with the Group's Net Financial Indebtedness:		
Non-current financial receivables	5,063	5,004
Non-current financial assets	**5,063**	**5,004**
Net financial indebtedness	**(328)**	**13,964**

NOTES TO THE INCOME STATEMENT

7.1 Revenues

Details of revenues by geographical area, distribution channel and products for the half-year periods ended June 30, 2016 and 2015 are provided below:

In thousands of Euro

	Period ended June 30,				Changes	
Revenues by geographical area	**2016**		**2015**		**2016 vs 2015**	
		%		**%**		**%**
EMEA (Europe, Middle East, Africa)	26,132	43.2%	23,243	43.1%	2,889	12.4%
Americas (USA, Canada, Latin America)	24,296	40.2%	22,158	41.2%	2,138	9.6%
APAC (Asia Pacific)	10,061	16.6%	8,442	15.7%	1,619	19.2%
Total Revenues	**60,489**	**100.0%**	**53,843**	**100.0%**	**6,646**	**12.3%**

In thousands of Euro

	Period ended June 30,				Changes	
Revenues by distribution channel	**2016**		**2015**		**2016 vs 2015**	
		%		**%**		**%**
Wholesale	39,543	65.3%	37,433	69.6%	2,110	5.6%
B2B	9,171	15.2%	8,944	16.6%	227	2.5%
e-Commerce	3,274	5.4%	2,284	4.2%	990	43.4%
Retail	8,501	14.1%	5,182	9.6%	3,319	64.1%
Total Revenues	**60,489**	**100%**	**53,843**	**100%**	**6,646**	**12.3%**

In thousands of Euro

	Period ended June 30,				Changes	
Revenues by product line	**2016**		**2015**		**2016 vs 2015**	
		%		**%**		**%**
Paper collection	52,056	86.1%	47,727	88.6%	4,330	9.1%
WTR collection	5,578	9.2%	4,949	9.2%	628	12.7%
M+ collection	2,855	4.7%	1,167	2.2%	1,688	144.7%
Total Revenues	**60,489**	**100.0%**	**53,843**	**100.0%**	**6,646**	**12.3%**

For an in-depth analysis of revenues and of their trend, please see the specific section of the Interim Management Report.

7.2 Other operating income

Other operating income includes mainly gains on foreign exchange of the period.

7.3 Finished products, raw materials and consumables

The details of the item "Finished products, raw materials and consumables" for the half-year periods ended June 30, 2016 and 2015 are shown below:

In thousands of Euro	**Period ended June 30,**	
Finished products, raw materials and consumables	**2016**	**2015**
Finished and semi-finished product purchases	12,543	15,072
Raw materials purchases	1,392	2,506
Exhibition stand production	718	567
Catalogues	13	55
Packaging	89	70
Other	189	182
Changes in inventory of raw and subsidiary materials, consumables and goods	(3,985)	(7,059)
Total costs of finished products, raw materials and consumables	**10,959**	**11,393**

In order to ensure better comparability between the figures of the two periods, it should be noted that the item "Finished and semi-finished product purchases" at June 30, 2015 has been cleared of the positive change in the Fair value of embedded derivatives calculated on the basis of the provisions of IAS 39, of Euro 296 thousand, reclassified to the item "Other operating income".

7.4 Service costs

The details of the item “Service costs” for the half-year periods ended June 30, 2016 and 2015 are shown below:

In thousands of Euro	**Period ended June 30,**	
Service costs	**2016**	**2015**
Commercial/sales costs	5,464	5,179
Storage costs	4,040	3,041
Rents	3,515	2,567
Consulting fees	1,917	1,470
Charters, duties and customs expenses	1,897	1,962
Marketing and communication expenses	1,223	957
Transport	831	1,045
Administrative services	750	597
Costs for general services	691	465
Processing costs	576	678
Maintenance, repairs and assistance	482	476
Royalties	478	415
Design costs	294	350
Bank fees	240	200
Leasing	80	71
Total service costs	**22,478**	**19,473**

Service costs increased from Euro 19,473 in the first half of 2015 to Euro 22,478 in the first half of 2016. This increase reflects the impact of the full effects of the overheads supporting the Group’s growth, including those deriving from the development of new channels and territorial expansion.

7.5 Personnel costs

The details of the item "Personnel costs" for the half-year periods ended June 30, 2016 and 2015 are shown below:

In thousands of Euro	Period ended June 30,	
Personnel costs	**2016**	**2015**
Salaries and wages	7,771	7,175
Social security contributions	1,855	1,580
Severance indemnities	295	282
Board of Directors' remuneration and other expenses	366	326
Other costs	763	583
Total personnel costs	**11,050**	**9,946**

The item "Other costs" includes, among other things, the costs associated with the accounting for equity-settled management incentive plans for a total of Euro 347 thousand (Euro 194 thousand at June 30, 2015) as well as the costs of both individual and company-wide performance-based incentive plans (so-called MBOs).

With reference to the other items that make up personnel costs, and in particular severance indemnities, it is worth noting that they include the service cost of the obligation to employees, of Euro 295 thousand.

A brief description of the operating mechanisms of the equity-settled management incentive plans in being at June 30, 2016 is provided below.

Stock Option Plans

At June 30, 2016 the Group has in being 2 Stock Option Plans, the first entitled "2013-2017 Plan" approved by the Shareholders' Meeting of the Parent Company of November 25, 2013, the second entitled "2016-2020 Plan" approved by the Shareholders' Meeting of the Parent Company on April 14, 2016, the main characteristics of which are described below.

2013-2017 Stock Option Plan

The Stock Option Plan, henceforth the "Plan", approved by the Shareholders' Meeting of November 25, 2013 is an instrument capable of focusing the beneficiaries' attention on factors of strategic interest boosting loyalty and providing an incentive to remaining in the Group companies. The Stock Option Plan also represents an ongoing incentive for those covering strategic and determining roles for the success of the Group to maintain adequate management standards and improve the Group's performance by increasing its competitiveness and creating value for shareholders.

The Plan is reserved for personnel who, at the assignment date of the options, hold the position of directors with executive duties and/or will have in being a permanent subordinate employment relationship with one of the Group companies. This Plan provides for the free assignment of options (the “Options”) which will give the beneficiaries the right to subscribe Moleskine ordinary shares (in a ratio of 1 (one) ordinary share for each 1 (one) Option exercised), deriving from a paid and divisible share capital increase, within the final deadline of December 31, 2020, for a maximum amount of Euro 63,600.00 to be attributed entirely to capital, with the exclusion of the option right under the terms of Art. 2441, paragraphs 5 and 6 of the Italian Civil Code, by issuing a maximum of 6,360,000 new Moleskine ordinary shares, equivalent to 3% of the current share capital of the Parent Company subscribed and paid up, with no face value, regular dividend rights reserved for the beneficiaries of the Plan itself, at a subscription price corresponding to the weighted average of the official closing prices of the Moleskine ordinary shares on the Electronic Stock Market *(Mercato Telematico Azionario)* organised and managed by Borsa Italiana S.p.A., in the thirty trading days prior to the assignment date of the Options.

The exercise of the Options may be subordinated to the achievement, also possibly combined, of predetermined and measurable performance targets, such as, among other things, the EBITDA and/or net financial position parameters, as indicated by the Board of Directors, after obtaining the opinion of the Remuneration Committee, for the reference period in the context of the Group’s business plan and/or budget.

The Plan gives the beneficiaries the option to exercise in advance on the occurrence of certain events, including:

- change of control under the terms of Art. 93 of the CLF, also if this does not lead to the obligation to launch a takeover bid;
- launch of a takeover bid on the Company’s shares under the terms of Arts 102 and following of the CLF; or
- resolution of operations which may lead to revocation of the listing of Moleskine ordinary shares.

As a condition for participation in the Plan itself the Plan also provides for maintenance of the permanent subordinate employment relationship or directorship with executive duties with Moleskine or with a subsidiary, according to the grade of the beneficiary (the “Relationship”).

In particular, the Plan envisages that, in the event of termination of the Relationship due to a case of a bad leaver, all the Options assigned to the beneficiary including the Options that have become effective but not yet exercised will lapse automatically and will be deprived of any effect and validity.

Classification as a bad leaver includes the following events, as the case may be: (i) dismissal of the beneficiary, revocation of the position of director and/or powers of the beneficiary, or non-renewal in the position of director and/or of the powers of the Beneficiary, all due to the occurrence of a just cause; (ii) termination of the Relationship due to voluntary resignation by the beneficiary not justified on good leaver grounds.

In the event of termination of the Relationship due to good leaver grounds, the beneficiary or his/her heirs, subject to observance of the obligations, methods and terms pursuant to the Plan, will keep the right to exercise partially the Options assigned taking into account the moment in which termination of the Relationship occurs according to the methods pursuant to the Plan itself.

Classification as a good leaver includes the following events, as the case may be: (i) dismissal of the beneficiary without just cause; (ii) withdrawal from the office of director or non-renewal of the office of director without just cause; (iii) resignation from the office of director where the beneficiary, without just cause, suffers a withdrawal from or non-confirmation of duties such that his/her relationship with the Company or the

Subsidiary is substantially altered; (iv) resignation or termination of an employment relationship in any of the following cases: (a) permanent physical or mental disability (due to illness or accident) of the beneficiary; (b) death of the beneficiary.

The Plan will have a duration until December 31, 2020 providing for a vesting period for the Options assigned to the Beneficiary.

At June 30, 2016 6,055,637 option rights had been assigned; these were attributed through five assignment tranches resolved at several board meetings of which the latest held on March 1, 2016.

2016-2020 Stock Option Plan

The Shareholders' Meeting of the Parent Company held on April 14, 2016 approved an incentive and loyalty plan for 2016–2020 reserved for executive directors and employees of Moleskine S.p.A. and its direct and indirect subsidiaries.

In accordance with common practices on the international front, and based on the practices implemented in previous years, the Group believes that the 2016-2020 Stock Option Plan provides a tool that can focus the attention of beneficiaries towards factors with strategic importance, improve loyalty and incentivize employees to stay with the Company. The 2016–2020 Stock Option Plan also represents an ongoing incentive for those covering strategic and determining roles for the success of the Group and Company to maintain adequate management standards and improve the Group's performance by increasing its competitiveness and creating value for shareholders.

There are a total maximum of 5,160,000 ordinary Moleskine shares that service the 2016–2020 Stock Option Plan: at June 30, 2016 773,500 option rights had been assigned.

The Plan, the Regulation of which is aligned with that of the 2013-2017 Plan, will be carried out by purchasing the Parent Company treasury shares as per the Shareholders' Meeting authorization, resolved again on April 14, 2016, with the objective of eliminating the dilution effect associated with implementing the Plan, and at the same time, making effective use of the excess cash generated by the Parent Company.

On the basis of the provisions of the relevant accounting standard, IFRS2, the fair value of the above plans, determined also with the support of an independent expert, was recognised in the consolidated income statement, with a counter-item in the specific equity reserve, for the portion accruing to the period of reference of Euro 347 thousand.

The table below shows the average and precise number of employees and collaborators by category for the six-month period ended June 30, 2016 and 2015:

	Period ended June 30			
	2016		2015	
Unit	average	end of period	average	end of period
Directors	5	5	4	4
Senior management	18	18	18	17
Middle management	34	37	31	33
Employees	335	363	224.5	262
Collaborators	6	8	-	-
Total employees and collaborators	**398**	**431**	**277.5**	**316**

7.6 Other operating expenses

The details of the item "Other operating expenses" for the half-year periods ended June 30, 2016 and 2015 are shown below:

	Period ended June 30,	
Other operating expenses	2016	2015
Exchange-rate losses	922	676
Gifts and donations	341	313
Miscellaneous operating expenses	193	415
Impairment of current receivables	170	545
Charitable donations	68	99
Net provisions for risks and charges	-	84
Total other operating expenses	**1,694**	**2,132**

The item exchange-rate losses comprises the negative income components deriving from operations in foreign currencies on commercial transactions by the Group companies.

As regards the accruals to provisions for doubtful receivables please see the description already provided in Note 6.8 "Trade receivables".

Gifts and donations refer to products distributed by the Group for promotional and communication purposes.

The costs incurred for charitable donations mainly refer to donations made to the Fondazione ONLUS (Charitable Foundation) Lettera 27.

7.7 Depreciation, amortization and impairment

The details of the item "Depreciation, amortization and impairment" for the half-year periods ended June 30, 2016 and 2015 are shown below:

In thousands of Euro	Period ended June 30,	
Depreciation, amortization and impairment	**2016**	**2015**
Amortization of intangible assets	586	919
Depreciation of property, plant and equipment	1,643	1,292
Impairment of property, plant and equipment	77	223
Total depreciation, amortization and impairment	**2,306**	**2,434**

The change in the item depreciation, amortization and impairment, slightly down compared to the same period of the previous year, was due to the combined effect of lower amortization of intangible assets due to the end of amortization of the investment in the old e-Commerce platform and to higher depreciation of property, plant and equipment for the new shops opened during the period.

7.8 Financial income (expenses)

The details of the item "Financial income" and "Financial expenses" for the half-year periods ended June 30, 2016 and 2015 are shown below:

In thousands of Euro	Period ended June 30,	
Financial income (expenses)	**2016**	**2015**
Bank interest and other financial income	94	35
Exchange-rate gains	47	539
Other financial income	7	-
Total financial income	**148**	**574**
Interest expenses on bank borrowings	(238)	(455)
Exchange-rate losses	(558)	(81)
Severance indemnity interest	(15)	(11)
Total financial expenses	**(811)**	**(547)**
Total financial income (expenses)	**(663)**	**27**

Interest expenses on borrowings include, besides interest expenses on financial payables to banks, Euro 2 thousand related to ancillary charges on Mediobanca and BNL loans, recognised in the financial statements according to the amortized cost method under the terms of IAS 39.

It should be noted that Exchange-rate gains and losses, included in financial income and expenses refer only to differences on transactions of a financial nature and mainly relate to the translation into Euro of foreign currency current accounts made at June 30, 2016. Net income from financial operations therefore worsened following the trend in exchange rates which generated losses of a financial nature on the translation of foreign currency current accounts.

The lower interest expenses on bank borrowings represent the result of the debt restructuring and optimization process for the details of which please see Note 6.14 "Current and non-current financial liabilities".

7.9 Income tax expense

The details of the item "Income tax expense" for the half-year periods ended June 30, 2016 and 2015 are shown below:

In thousands of Euro and percentage of revenues

	Period ended June 30,		Changes	
Income tax expense	**2016**	**2015**	**2016 vs 2015**	
				%
Current taxes	5,459	7,280	(1,821)	(25.0%)
Deferred tax liabilities/(assets)	(1,803)	(3,462)	1,659	(47.9%)
Total taxes	**3,656**	**3,818**	**(162)**	**(4.2%)**

Income tax expense is determined using the tax rate expected to be applied to the annual results foreseen on the basis of the estimate updated to the reporting date.

7.10 Earnings per share

Basic earnings per share are calculated dividing the net profit/(loss) by the weighted average number of shares outstanding during the period.

The net profit/(loss) and the information on the shares used for the purpose of calculating basic and diluted earnings per share are shown below:

	Period ended June 30, 2016	Period ended June 30, 2015
Net profit/(loss) (in Euro)	8,251,261	7,754,529
Number of ordinary shares at the end of the period	212,421,705	212,180,205
Weighted average number of shares outstanding for the purposes of basic earnings per share	211,993,743	213,698,438
Basic earnings per share (in Euro)	0.039	0.037

There are no significant diluted effects and, therefore, the diluted earnings per share figure does not present significant differences from basic earnings per share.

8. RELATED-PARTY TRANSACTIONS

With reference to the first half of 2016, the Group carried out related-party transactions which regarded mainly:

- the fees paid to the Raynaud & Partners Law Office of which the lawyer Daniele Raynaud, a member of the Board of Directors of Moleskine, is a partner, in exchange for legal advice provided to the Parent Company;
- the sums for charitable donations paid during the period, to Fondazione ONLUS Lettera 27, on the Board of which sit some strategic executives of the Parent Company;
- the sums paid to Ms Maria Ceriani Sebregondi, a member of the Board of Directors of Moleskine in exchange for consulting services;
- the sums paid to the directors and strategic executives.

The equity balances at June 30, 2016 and December 31, 2015 and economic balances at June 30, 2016 and June 30, 2015, are shown below, together with the cash flows related to the Group's related-party transactions, with an indication of the proportion of the relevant accounting item:

In thousands of Euro	**As of June 30, 2016**						
	Trade payables	**Other current liabilities**	**Post-employment and other employee benefits**	**Current and non-current financial liabilities**	**Operating expenses**	**Personnel costs**	**Net financial income (expenses)**
Fondazione ONLUS Lettera 27		(30)			(68)		
Raynaud & Partners	(16)			(49)	(30)		(15)
Maria Ceriani Sebregondi	(72)				(72)		
Board of Directors		(94)				(465)	
Key management		(99)	(145)			(1,208)	
Total related parties	**(88)**	**(223)**	**(145)**	**(49)**	**(169)**	**(1,673)**	**(15)**
Total accounting items	**(22,367)**	**(3,906)**	**(1,892)**	**(36,852)**	**(24,172)**	**(11,050)**	**(663)**
% out of total accounting items	**0.4%**	**5.7%**	**7.7%**	**0.1%**	**0.7%**	**15.1%**	**2.3%**

In thousands of Euro	As of December 31, 2015				As of June 30, 2015		
	Trade payables	Other current liabilities	Post-employment and other employee benefits	Current and non-current financial liabilities	Operating expenses	Personnel costs	Net financial income (expenses)
Fondazione ONLUS Lettera 27					(53)		
Raynaud & Partners	(5)			(64)	(50)		(47)
Board of Directors		(63)				(340)	
Key management		(111)	(217)		(17)	(1,035)	
Total related parties	**(5)**	**(174)**	**(217)**	**(64)**	**(120)**	**(1,375)**	**(47)**
Total accounting items	**(18,862)**	**(5,177)**	**(1,721)**	**(39,337)**	**(21,605)**	**(9,946)**	**27**
% out of total accounting items	**0.0%**	**3.4%**	**12.6%**	**0.2%**	**0.6%**	**13.8%**	**(174.1%)**

Cash flows

The cash flows shown in the tables below represent the effective payments and collection recorded with related parties and not the changes that occurred during the period on the equity balances of the accounting items to which they refer.

In thousands of Euro	Period ended June 30, 2016		
	Transactions with other related parties	Accounting item	%
Cash flow from operating activities	(775)	6,983	n.a.
Cash flow used in investing activities	-	(6,062)	0.0%
Cash flow used in financing activities	-	(17,911)	0.0%

In thousands of Euro	Period ended June 30, 2015		
	Transactions with other related parties	Accounting item	%
Cash flow from operating activities	(734)	2,766	n.a.
Cash flow used in investing activities	-	(2,022)	0.0%
Cash flow used in financing activities	-	5,482	0.0%

The transactions listed above are carried out at market terms.

8.1 Fees of directors and senior management

The total amount of the fees for the first half of 2016 of the Company's Board of Directors was Euro 465 thousand (Euro 340 thousand in the first half of 2015).

The total amount of the fees for the first half of 2016 of the strategic executives was Euro 1,208 thousand (Euro 1,052 thousand in the first half of 2015); this figure includes the cost set aside in relation to the application of the management incentive plan for a discussion of which please see Note 7.5 "Personnel costs".

9. COMMITMENTS AND GUARANTEES

Commitments for rental contracts

At June 30, 2016 the Group has in being commitments in relation to the signing of rental contracts regarding offices including the properties of the Parent Company located in Milan and of the subsidiaries Moleskine America Inc (New York), Moleskine Asia (Hong Kong), Moleskine Shanghai (Shanghai) and Moleskine Germany (Cologne), and the shops in Italy, America, Asia, France, the UK and Germany.

The details of the minimum outlays envisaged for contracts involving the Group at June 30, 2016 are shown below:

In thousands of Euro	**As of June 30, 2016**
Less than 12 months	5,396
Between 1 and 5 years	17,725
More than 5 years	6,769
Total	**29,890**

Guarantees

At June 30, 2016 the Parent Company has in being three guarantees, of Euro 3,533 thousand (Euro 2,197 thousand at December 31, 2015) issued to the landlords of the two American subsidiaries, Moleskine America Inc. and Moleskine America Retail L.L.C. with reference to rents falling due on the company headquarters, on a single-brand store in New York - Soho and on a single-brand store in New York - WTC.

In addition the Parent Company has in being three guarantees issued to the landlords of the Group company Moleskine France with reference to the concession of spaces at the three sales points in Paris, for a total amount of Euro 162 thousand and three guarantees issued to the landlords of the Group company Moleskine Germany with reference to the Cologne office, the company headquarters, and to two shops in Berlin and Hamburg for an amount of Euro 66 thousand.

It should be noted that a guarantee was issued in favour of the Group company Moleskine Asia for Euro 54 thousand which was used by the latter to issue a bank guarantee in favour of the landlord of the shop opened in Hong Kong at the end of 2014.

It is also worth noting that, for the sub-concession of the sales points at the airports of Milano Linate, Milano Malpensa, Roma Fiumicino, of the station of Venice Santa Lucia, of the shops in Milan, Via Dante and Corso Buenos Aires, and of the shop in Roma, Via Frattina, the Parent Company has established bank sureties in favour of Società Esercizi Aeroportuali S.E.A. S.p.A., Aeroporti di Roma S.p.A, Grandi Stazioni S.p.A., Immobiliare Camperio Srl, Squalo S.r.l. and AFIM Srl, respectively of Euro 170 thousand, Euro 100 thousand, Euro 59 thousand, Euro 54 thousand , Euro 110 thousand and Euro 123 thousand, valid for the entire term of the agreements. Also in being is a further surety guaranteeing the balance of the Key money payable for taking over the Via Dante shop in favour of Studio Tollini Srl for an amount of Euro 167 thousand. A guarantee was also issued in favour of the Group company Moleskine Cafè for Euro 15 thousand used by the latter to issue a bank guarantee in favour of the landlord of the property at which it was opened in Milan the first Moleskine Cafè in July.

The total of the guarantees issued by the Parent Company in the context of the Retail channel amounts therefore to Euro 798 thousand.

The Parent Company also has in being three stand-by letters and a guarantee in favour of 3 suppliers of the APAC area for a total amount of Euro 1,098 thousand to cover purchases of goods.

11. CONTINGENT LIABILITIES

Besides what was described in Note 6.18 “Provisions for risks and charges (current and non-current)” no legal o tax proceedings are in progress.

12. TRANSACTIONS DERIVING FROM ATYPICAL AND/OR UNUSUAL OPERATIONS

In conformity with the provisions of the Consob Communication of July 28, 2006, it should be noted that in the first half of 2016 no atypical and/or unusual operations, as defined in the said Communication, were carried out.

13. SIGNIFICANT NON-RECURRING EVENTS AND OPERATIONS

In accordance with the provisions of the Consob Communication of July 28, 2006, it is worth noting that the Group’s profit/(loss) for the first half of 2016 was not affected by non-recurring expenses.

14. FINANCIAL RISK MANAGEMENT

Exchange rate risk

The exposure to the risk of fluctuations in exchange rates derives from the Group's commercial activities carried out also in currencies other than the Euro. Revenues and costs denominated in foreign currencies may be affected by fluctuations of the exchange rate with an impact on commercial margins (economic risk). Trade and financial payables and receivables denominated in foreign currencies may likewise be impacted by the conversion rates used, with an effect on the profit and loss (transaction risk). Finally, exchange rate fluctuations also reflect on the consolidated profit/(loss) and on equity because the financial statements of some Group companies are drawn up in currencies other than the Euro and subsequently translated (translation risk).

The main exchange rates to which the Group is exposed regard mainly:

- Euro/USD, in relation to sales and purchases in USD made on the American and Asian markets;
- Euro/GBP, in relation to sales in GBP made on the British market;
- Euro/HKD, in relation to sales in HKD made on the Asian market.

The Group did not adopt in the past specific policies for the hedging of exchange rate variations (for example, taking out derivative contracts for hedging purposes) related to commercial activities with the exception of adjusting some price lists in foreign currencies, since the Group's business model involves purchases and sales in the same currency producing, in the management's judgement, a mitigation of the risk deriving from oscillations of exchange rates.

During the first half of 2016 hedging transactions were carried out on the liquidity present in current accounts in currencies other than the Euro. In particular, with reference to the cash denominated in GBP and USD, take profit/stop loss orders were put in place with leading credit institutions. These made it possible to minimise the effect related to the volatility of the exchange rates on the crosses involved.

Through these treasury operations the Group reduced significantly, by about Euro 250 thousand, the net financial losses recorded in the first quarter of 2016.

The Group has also set up a Unit dedicated to the Treasury among the purposes of which will also be to assess hedges with the specific aim of mitigating the exposure to the risk of exchange rate fluctuations in order to preserve the Group's margins.

Interest rate risk

The Group uses external financial resources in the form of debt and invests the liquidity available in bank deposits and other guaranteed-capital products with a low risk profile. Changes in the levels of market interest rates affect the cost and the yield of the various forms of financing and investment influencing therefore the level of the Group's financial expenses and income. The Group, which is exposed to interest rate fluctuations as regards the amount of financial expenses related to indebtedness, assesses regularly its exposure to the risk of changes in interest rates and, also in the light of the operation to refinance the debt, which was carried out in 2015, which led to a significant improvement in the Group's net financial position and to a considerable reduction in financial expenses, the Group has considered that it was no longer necessary to adopt specific hedging policies on interest rates.

At June 30, 2016 there were therefore in being no hedges of the risk of fluctuating interest rates using derivative financial instruments.

The interest rate to which the Group is most exposed is the *Euribor*.

Price risk

Price risk is related to the oscillation of prices related to the raw materials, semi-finished products and finished products purchased.

More specifically, the Group's price risk derives from the presence of few certified suppliers of goods and from the need to receive absolute guarantees on the volumes of procurements, in order not to adversely affect warehouse stocks and compromise delivery times. In order to limit this risk, the actions taken by the Group during the period promoted the development of the network of suppliers of finished and semi-finished products, with the objectives of making it possible to obtain always the best price conditions and therefore to guarantee ever-better margins, and to reduce the degree of dependency on specific geographical areas, namely in particular China, seeking and developing production partners in new countries, such as Vietnam and South Korea.

In addition it is worth noting that the Group's procurement policy provides for annual negotiation of purchase price lists with the suppliers, on the basis of prices that are fixed contractually for a period of at least 12 months and that are therefore not affected by oscillations related to any changes in the price of raw materials, which are mostly borne by the supplier.

For these reasons on the whole the price risk seems remote.

Credit risk

Credit risk is the Group's exposure to potential losses deriving from non-fulfilment of the obligations assumed by both commercial and financial counterparties.

With reference to trade receivables, the risk of insolvency is monitored centrally by the Group's administrative department which constantly checks the Group's credit exposure, monitors the collections of trade receivables and controls, by performing qualitative and quantitative analyses of creditworthiness, the acceptance or non-acceptance of new customers, also though the use of data banks specialised in providing corporate rating services. In particular the Group manages its credit risk policy in a differentiated way depending on the sales channel: B2B, Wholesale, Retail and e-Commerce.

With reference to receivables deriving from Wholesaling activity, the Group monitors the risk by obtaining letters of credit or bank guarantees, and by signing credit insurance contracts with a leading insurance company.

As regards the B2B channel, the risk in question also seems very limited because the Group's policy generally provides for payment in advance or deferred payments granted only after obtaining insurance guarantees.

As regards the receivables related to the e-Commerce channel, these make reference to the distribution partners that manage the on-line sales channel on behalf of the Group in the EMEA area and America. The receivables related to the Retail channel make reference instead to the management companies that manage certain stores on behalf of the Parent Company and of the subsidiaries Moleskine France and Moleskine UK.

Finally, it should be noted that in the choice of counterparties, for the management of financial resources temporarily in excess the Group makes use only of partners of high credit standing.

Liquidity risk

Liquidity risk is associated with the Group's ability to meet its commitments. Prudent management of the liquidity risk arising from normal operations involves maintaining an adequate level of available liquidity, short-term securities and the availability of funds obtainable through an adequate amount of credit lines.

Liquidity risk is managed centrally by the Group on the basis of the guidelines defined by the Group's finance department and approved by the Chief Executive Officer. The finance department periodically monitors the Group's financial position through the preparation of opportune reports on incoming and outgoing cash flows, both forecast and recorded. In this way, the Group aims at ensuring adequate coverage of needs, monitoring carefully loans, credit lines open and the related uses in order to optimise the resources and manage any temporary cash surpluses.

The Group's objective is to put in place a financial structure which, in keeping with the business objectives, will guarantee an adequate level of liquidity, minimising the related opportunity cost and maintain a balance in terms of duration and composition of the debt.

On this point the Parent Company has in being a Cash Management system with the BNP Paribas Group for the purpose of managing cash pooling with its European subsidiaries aimed at (i) optimising the cash flow using the excess liquidity of one company to offset the debt position of another Group company; (ii) improving and making more convenient the management of the Group's treasury through the same financial model; (iii) monitoring better the Group's cash flow.

The Group is also assessing further solutions in order to centralise more the Liquidity in the Parent Company so as to optimise the management of financial resources and manage more effectively the financial needs and the related allocation of resources.

15. DISCLOSURE ON FAIR VALUE

In relation to financial instruments measured at fair value, the table below presents the information on the method chosen to determine the fair value. The applicable methods are distinguished in the following levels, on the basis of the source of the information available, as described below:

- level 1: prices quoted on active markets;
- level 2: technical valuations based on both directly and indirectly observable market information;
- level 3: other information.

The table below shows the assets and liabilities that are measured at fair value at June 30, 2016 and 2015:

In thousands of Euro	**As of June 30, 2016**		
	Level 1	**Level 2**	**Level 3**
Embedded derivatives	-	(98)	-
Total	**-**	**(98)**	**-**

In thousands of Euro	**At December 31, 2015**		
	Level 1	**Level 2**	**Level 3**
Embedded derivatives	-	(140)	-
Total	**-**	**(140)**	**-**

During the first half of 2016 there were no transfers between the different levels of the fair value hierarchy.

The fair value of embedded derivatives was calculated using forward exchange rate curves taken from the market.

16. SIGNIFICANT EVENTS THAT OCCURRED AFTER JUNE 30, 2016

On July 25, the Parent Company through its subsidiary Moleskine Café S.r.l. opened the first directly-managed Moleskine Café in Milano at Corso Garibaldi 65, in the Brera quarter.

The initiative was launched also in the wake of the positive results achieved by the Café opened in 2015 at Geneva airport through a partnership agreement with Caviar House & Prunier.

The new format will combine the experience associated with coffee with the possibility of coming into direct contact with the founding values of the Moleskine brand as well as with it iconic products. Consumers will in fact have the possibility of interacting by sharing creative content, originating both from Moleskine and from the increasingly numerous community of followers.

Among the significant events that occurred after the end of the period it is also worth mentioning the opening of a shop in Birmingham at the New Street railway station.

Attestation of the interim condensed consolidated financial statements at of June 30, 2016

03

ATTESTATION OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS UNDER THE TERMS OF ART. 81-TER OF CONSOB REGULATION NO. 11971 OF MAY 14, 1999 AND SUBSEQUENT AMENDMENTS AND ADDITIONS

1. The undersigned Arrigo Berni, in his capacity as Chief Executive Officer, and Alessandro Poletto, in his capacity as Executive Officer in charge of the financial reports of the company Moleskine S.p.A. attest, taking also into account the provisions of Art. 154-bis, paragraphs 3 and 4, of Italian Legislative Decree no. 58 of February 24, 1998:

• the adequacy in relation to the characteristics of the company and

• the effective application

of the administrative and accounting procedures for the formation of the interim condensed consolidated financial statements, during the first half of 2016.

2. From the application of the administrative and accounting procedures for the formation of the interim condensed consolidated financial statements at June 30, 2016 no significant aspects emerged.

3. We also attest that:

3.1 The interim condensed consolidated financial statements:

a) were prepared in conformity with the applicable international accounting standards recognised in the European Community under the terms of Regulation (EC) no. 1606/2002 of the European Parliament and of the Council, of July 19, 2002;

b) correspond to the figures in the accounting ledgers and records;

c) are capable of providing a true and correct picture of the capital and the economic and financial situation of the issuer and of the set of companies included in the consolidation.

3.2 The Interim Management Report includes a reliable analysis of the references to the important events that occurred in the first six months of the year and of their effect on the interim condensed consolidated financial statements, together with a description of the main risks and uncertainties for the remaining six months of the year. The Interim Management Report also includes a reliable analysis of the information on significant transactions with related parties.

August 4, 2016

Arrigo Berni

Chief Executive Officer

Alessandro Poletto

Executive Officer in charge of the financial reports

pwc

REVIEW REPORT ON CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

To the shareholders of
Moleskine SpA

Foreword

We have reviewed the accompanying consolidated condensed interim financial statements of Moleskine SpA and its subsidiaries (the "Moleskine Group") as of 30 June 2016, comprising the statement of financial position, statement of comprehensive income, statement of changes in shareholders'equity, statement of cash flows and related notes. The directors of Moleskine SpA are responsible for the preparation of the consolidated condensed interim financial statements in accordance with International Accounting Standard 34 applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on these consolidated condensed interim financial statements based on our review.

Scope of review

We conducted our work in accordance with the criteria for a review recommended by Consob in Resolution n°10867 of 31 July 1997. A review of consolidated condensed interim financial statements consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than a full-scope audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the consolidated condensed interim financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated condensed interim financial statements of the Moleskine Group as of 30

June 2016 are not prepared, in all material respects, in accordance with International Accounting Standard 34 applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Milan, 4 August 2016

PricewaterhouseCoopers SpA

Signed by
Giorgio Greco
(Partner)

This report has been translated into English from the Italian original solely for the convenience of international readers