

## **Half-Year Financial Report as of June 30, 2017**

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## **CORPORATE INFORMATION**

### **REGISTERED OFFICE**

Moncler S.p.A.  
Via Enrico Stendhal, 47  
20144 Milan – Italy  
Phone: + 39 02 42203500

### **ADMINISTRATIVE OFFICE**

Via Venezia, 1  
35010 Trebaseleghe (Padua) – Italy  
Phone: +39 049 9323111  
Fax: +39 049 9323339

### **LEGAL INFORMATION**

Authorized and issued share capital 50,846,149.80 euros  
VAT, Tax Code and Chamber of Commerce enrollment No.: 04642290961  
R.E.A. Reg. Milan No. 1763158

### **OFFICES AND SHOWROOMS**

Milano Via Solari, 33  
Milano Via Stendhal, 47  
Parigi Rue du Faubourg St. Honoré, 7  
New York 568 Broadway Suite 306  
Tokyo 5-4-46 Minami-Aoyama Omotesando Minato-Ku

## CORPORATE BODIES

### BOARD OF DIRECTORS

Remo Ruffini	Chairman and Chief Executive Officer
Nerio Alessandri	Independent Director
Sergio Buongiovanni	Executive Director
Marco Diego De Benedetti	Lead Independent Director Nomination and Remuneration Committee Control, Risk and Sustainability Committee Related Parties Committee
Gabriele Galateri di Genola	Independent Director Control, Risk and Sustainability Committee
Virginie Sarah Sandrine Morgon	Director Nomination and Remuneration Committee
Diva Moriani	Independent Director Nomination and Remuneration Committee Related Parties Committee
Stephanie Phair	Independent Director
Guido Pianaroli	Independent Director Control, Risk and Sustainability Committee Related Parties Committee
Luciano Santel	Executive Director
Juan Carlos Torres Carretero	Director

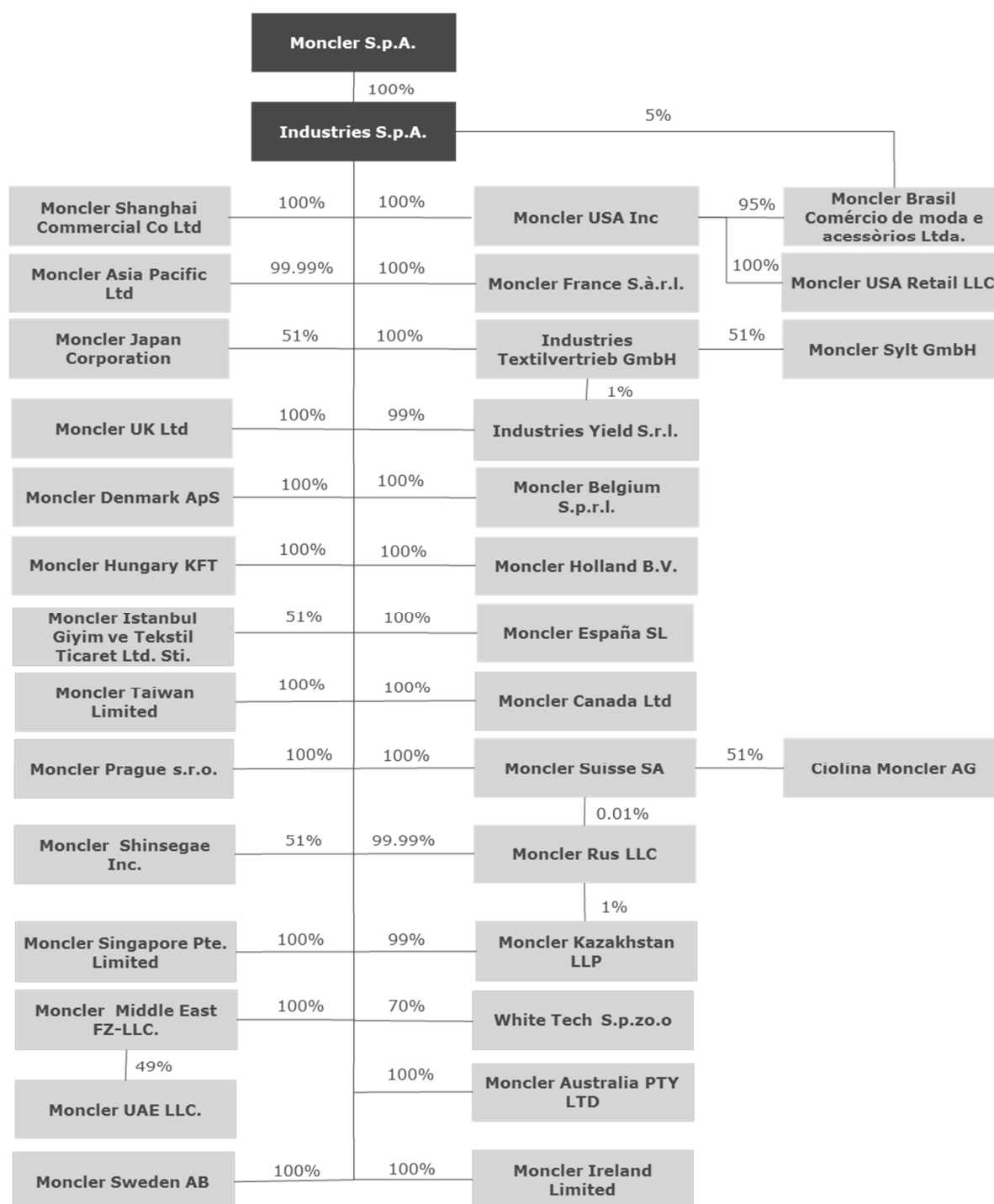
### BOARD OF STATUTORY AUDITORS

Riccardo Losi	Chairman
Antonella Suffriti	Standing Auditor
Mario Valenti	Standing Auditor
Federica Albizzati	Alternate Auditor
Lorenzo Mauro Banfi	Alternate Auditor

### EXTERNAL AUDITORS

KPMG S.p.A.

## GROUP CHART AS AT 30 JUNE 2017



## GROUP STRUCTURE

The Half-Year Financial Report of the Moncler Group as of June 30, 2017 includes Moncler S.p.A. (Parent Company), Industries S.p.A., a sub-holding company directly controlled by Moncler S.p.A, and 32 consolidated subsidiaries in which the Parent Company holds indirectly a majority of the voting rights, or over which it exercises control, or from which it is able to derive benefits by virtue of its power to govern both on a financial and an operating aspects.

<b>Moncler S.p.A.</b>	Parent company which holds the Moncler brand
<b>Industries S.p.A.</b>	Sub-holding company, directly involved in the management of foreign companies and distribution channels (retail, wholesale) in Italy and licensee of the Moncler brand
<b>Industries Yield S.r.l.</b>	Company that manufactures apparel products
<b>White Tech Sp.zo.o.</b>	Company that manages quality control of down
<b>Industries Textilvertrieb GmbH</b>	Company that manages DOS and promotes goods in Germany and Austria
<b>Moncler Belgium S.p.r.l.</b>	Company that manages DOS in Belgium
<b>Moncler Denmark ApS</b>	Company that manages DOS in Denmark
<b>Moncler España SL</b>	Company that manages DOS in Spain
<b>Moncler France S.à.r.l.</b>	Company that manages DOS and distributes and promotes goods in France
<b>Moncler Istanbul Giyim ve Tekstil Ticaret Ltd. Sti.</b>	Company that manages DOS in Turkey
<b>Moncler Holland B.V.</b>	Company that manages DOS in the Netherlands
<b>Moncler Hungary KFT</b>	Company that manages DOS in Hungary
<b>Moncler Kazakhstan LLP</b>	Company that will manage DOS in Kazakhstan
<b>Moncler Prague s.r.o.</b>	Company that manages DOS in the Czech Republic
<b>Moncler Rus LLC</b>	Company that manages DOS in Russia
<b>Moncler Suisse SA</b>	Company that manages DOS in Switzerland
<b>Ciolina Moncler AG</b>	Company that manages a DOS in Gstaad (Switzerland)
<b>Moncler Sweden AB</b>	Company that will manage DOS in Sweden
<b>Moncler Sylt GmbH</b>	Company that manages a DOS in Sylt (Germany)
<b>Moncler UK Ltd</b>	Company that manages DOS in the United Kingdom

<b>Moncler Ireland Limited</b>	Company that will manage DOS in Ireland
<b>Moncler Middle East FZ-LLC</b>	Holding Company for the Middle East
<b>Moncler UAE LLC</b>	Company that will manage DOS in the United Arab Emirates
<b>Moncler Brasil Comércio de moda e acessórios Ltda.</b>	Company that manages DOS in Brazil
<b>Moncler Canada Ltd</b>	Company that manages DOS in Canada
<b>Moncler USA Inc</b>	Company which promotes and distributes goods in North America
<b>Moncler USA Retail LLC</b>	Company that manages DOS in North America
<b>Moncler Asia Pacific Ltd</b>	Company that manages DOS in Hong Kong and in Macau
<b>Moncler Australia PTY LTD</b>	Company that manages DOS in Australia
<b>Moncler Japan Corporation</b>	Company that manages DOS and distributes and promotes goods in Japan
<b>Moncler Shanghai Commercial Co. Ltd</b>	Company that manages DOS in China
<b>Moncler Shinsegae Inc.</b>	Company that manages DOS and distributes and promotes goods in Korea
<b>Moncler Singapore Pte. Limited</b>	Company that manages DOS in Singapore
<b>Moncler Taiwan Limited</b>	Company that manages DOS in Taiwan

# HALF-YEAR DIRECTORS' REPORT

Financial results analysis

Significant events occurred during the first six months of 2017

Significant events occurred after June 30, 2017

Business outlook

Related parties transactions

Atypical and/or unusual transactions

Treasury shares



## FINANCIAL RESULTS ANALYSIS

## CONSOLIDATED INCOME STATEMENT

Following are the consolidated income statements for the first half of Fiscal Year 2017 and 2016.

<b>Consolidated income statement</b>				
(Euro/000)	<b>First Half 2017 % on Revenues</b>		<b>First Half 2016 % on Revenues</b>	
<b>Revenues</b>	<b>407,643</b>	<b>100.0%</b>	<b>346,462</b>	<b>100.0%</b>
<i>YoY growth</i>	+18%		+17%	
Cost of sales	(99,293)	(24.4%)	(89,661)	(25.9%)
<b>Gross margin</b>	<b>308,350</b>	<b>75.6%</b>	<b>256,801</b>	<b>74.1%</b>
Selling expenses	(154,036)	(37.8%)	(128,902)	(37.2%)
General & Administrative expenses	(51,148)	(12.5%)	(44,113)	(12.7%)
Advertising & Promotion	(29,875)	(7.3%)	(24,790)	(7.2%)
<b>EBIT Adjusted</b>	<b>73,291</b>	<b>18.0%</b>	<b>58,996</b>	<b>17.0%</b>
<i>YoY growth</i>	+24%		+10%	
Stock-based Compensation	(10,012)	(2.5%)	(5,527)	(1.6%)
<b>EBIT</b>	<b>63,279</b>	<b>15.5%</b>	<b>53,469</b>	<b>15.4%</b>
<i>YoY growth</i>	+18%		+12%	
Net financial result <sup>(1)</sup>	(2,936)	(0.7%)	(3,512)	(1.0%)
<b>EBT</b>	<b>60,343</b>	<b>14.8%</b>	<b>49,957</b>	<b>14.4%</b>
Taxes	(18,400)	(4.5%)	(16,370)	(4.7%)
<i>Tax Rate</i>	30.5%		32.8%	
<b>Net Income, including Non-controlling interests</b>	<b>41,943</b>	<b>10.3%</b>	<b>33,587</b>	<b>9.7%</b>
Non-controlling interests	(108)	(0.0%)	5	0.0%
<b>Net Income, Group share</b>	<b>41,835</b>	<b>10.3%</b>	<b>33,592</b>	<b>9.7%</b>
<i>YoY growth</i>	+25%		-1%	
<hr/>				
<b>EBITDA Adjusted <sup>(2)</sup></b>	<b>97,022</b>	<b>23.8%</b>	<b>78,345</b>	<b>22.6%</b>
<i>YoY growth</i>	+24%		+10%	

<sup>1</sup> First half 2017: FX Gain/(Losses) (2,383) thousand euros;  
Other financial items (553) thousand euros.  
First half 2016: FX Gain/(Losses) (1,439) thousand euros;  
Other financial items (2,073) thousand euros.

<sup>2</sup> EBITDA Adjusted is not a recognized measure of financial performance under IFRS, but it is a measure commonly used by both management and investors when evaluating the operating performance of the Group. EBITDA Adjusted is defined as EBIT (Operating income) plus depreciation and amortization, plus stock-based compensation and it can be calculated from the consolidated income statement data, which have been prepared in accordance with the IFRS, integrated with the Explanatory Notes.

# CONSOLIDATED REVENUES

In the first half of 2017, Moncler recorded revenues of 407.6 million euros, an increase of 17% at constant exchange rates and 18% at current exchange rates compared to revenues of 346.5 million euros in the same period of 2016.

Revenues by Region						
(Euro/000)	First Half 2017		First Half 2016		YoY growth reported	YoY growth constant currencies
		%		%		
Italy	58,202	14.3%	54,172	15.6%	+7%	+7%
EMEA (excl. Italy)	127,431	31.3%	105,845	30.5%	+20%	+24%
Asia & Rest of the World	159,623	39.1%	133,920	38.7%	+19%	+17%
Americas	62,387	15.3%	52,525	15.2%	+19%	+16%
<b>Total Revenues</b>	<b>407,643</b>	<b>100.0%</b>	<b>346,462</b>	<b>100.0%</b>	<b>+18%</b>	<b>+17%</b>

In **Italy**, revenues rose 7%, driven by good results in all distribution channels. In particular, the retail channel has benefited from a solid organic growth, further accelerating in the second quarter.

In **EMEA**, Moncler's revenues grew 24% at constant exchange rates, driven by outstanding performances in both channels and across all main markets. Growth in the United Kingdom and France remains particularly strong.

In **Asia & Rest of the World**, revenues increased 17% at constant exchange rates. In Japan both distribution channels continued to record double-digit growth, driven by the very good performance of the Spring/Summer collections and Moncler's strong brand perception in the market. In APAC Moncler recorded very strong results, largely supported by a good organic growth across the main markets, particularly in the second quarter of the year. Outstanding results were achieved in Korea, where the Brand continues to benefit from good organic growth and the ongoing development of the retail network.

In the **Americas**, revenues grew 16% at constant exchange rates, supported by double-digit growth in both channels, and by the continued development of the mono-brand stores network. The US and Canada both recorded good performances.

Revenues by Distribution Channel						
(Euro/000)	First Half 2017	%	First Half 2016	%	YoY growth reported	YoY growth constant currencies
Retail	299,477	73.5%	245,885	71.0%	+22%	+21%
Wholesale	108,166	26.5%	100,577	29.0%	+8%	+8%
<b>Total Revenues</b>	<b>407,643</b>	<b>100.0%</b>	<b>346,462</b>	<b>100.0%</b>	<b>+18%</b>	<b>+17%</b>

In the first six months of 2017, revenues from the **retail channel** reached 299.5 million euros compared to 245.9 million euros in the same period of 2016, representing an increase of 21% at constant exchange rates, thanks to solid organic growth and the continued development of the network of mono-brand retail stores (DOS).

In the first six months of 2017, the Group achieved *Comparable Store Sales Growth*<sup>3</sup> of 14%.

The **wholesale channel** recorded revenues of 108.1 million euros compared to 100.6 million euros in the first six months of 2016, an increase of 8% at constant exchange rates, driven by good results in the United Kingdom and Canada.

## MONO-BRAND STORES DISTRIBUTION NETWORK

As at 30 June 2017, **Moncler's mono-brand distribution network** consisted of **191 retail directly operated stores (DOS)**, an increase of 1 unit compared to 31 December 2016, and **46 wholesale shop-in-shops (SiS)**, an increase of 4 units compared to 31 December 2016. In the second quarter, Moncler opened one *shop-in-shop*.

	30/06/2017	31/12/2016	Net Openings First Half 2017
<b>Retail Mono-brand</b>	<b>191</b>	<b>190</b>	<b>1</b>
Italy	18	19	(1)
EMEA (excl. Italy)	55	55	-
Asia & Rest of the World	94	93	1
Americas	24	23	1
<b>Wholesale Mono-brand</b>	<b>46</b>	<b>42</b>	<b>4</b>

<sup>3</sup> *Comparable Store Sales Growth* is based on sales growth in DOS (excluding outlets) which have been opened for at least 52 weeks and in the online store; stores that have been extended and/or relocated are excluded from the calculation.

## ANALYSIS OF CONSOLIDATED OPERATING AND NET RESULTS

### COST OF SALES AND GROSS MARGIN

In the first half of 2017, the consolidated **gross margin** was 308.4 million euros, equivalent to 75.6% of revenues compared to 74.1% in the same period of 2016. This improvement was mainly attributable to growth in the retail channel.

### OPERATING EXPENSES AND EBIT

**Selling expenses** were 154.0 million euros, equivalent to 37.8% of revenues compared to 37.2% in the same period of 2016. This increase is largely related to the retail channel development.

**General and administrative expenses** were 51.1 million euros, with a slightly lower proportion of sales compared to the same period last year and equal to 12.5% of revenues compared to 12.7% in the first half of 2016.

**Advertising expenses** were 29.9 million euros, representing 7.3% of revenues compared to 7.2% in the first half of 2016.

**Adjusted EBITDA<sup>4</sup>** rose to 97.0 million euros, compared to 78.3 million euros in the first six months of 2016, resulting in an EBITDA margin of 23.8% compared to 22.6% in the first half of 2016.

In the first semester of 2017, depreciation and amortisation rose to 23.7 million euros representing 5.8% of sales compared to 19.3 million euros in the first semester of 2016 (5.6% of sales). This increase is largely attributable to the retail development.

**Adjusted EBIT<sup>4</sup>** was 73.3 million euros, compared to 59.0 million euros in the first six months of 2016, resulting in an EBIT margin of 18.0% (17.0% in the first half of 2016). Including costs related to stock-based compensation, **EBIT** was 63.3 million euros, an increase of 18% compared to 53.5 million euros in the first half of 2016, representing an EBIT margin of 15.5% (15.4% in the first half of 2016).

Stock-based compensation include non-cash costs related to Moncler stock options and performance shares plans was equal to 10.0 million euros compared to 5.5 million euros in the first semester of 2016.

**Net Income, Group share** was 41.8 million euros, equivalent to 10.3% of revenues, an increase of 25% compared to 33.6 million euros in the same period of 2016.

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<sup>4</sup> Before non-cash costs related to stock-based compensation.

## FINANCIAL POSITION

Following is the reclassified consolidated statement of financial position as of June 30, 2017, December 31, 2016 and June 30, 2016.

<b>Reclassified consolidated statement of financial position</b>			
(Euro/000)	30/06/2017	31/12/2016	30/06/2016
Intangible Assets	428,219	422,464	421,720
Tangible Assets	124,258	123,925	113,648
Other Non-current Assets/(Liabilities)	23,974	16,377	19,885
<b>Total Non-current Assets</b>	<b>576,451</b>	<b>562,766</b>	<b>555,253</b>
Net Working Capital	64,424	108,127	79,045
Other Current Assets/(Liabilities)	(18,598)	(55,980)	(3,150)
<b>Total Current Assets</b>	<b>45,826</b>	<b>52,147</b>	<b>75,895</b>
<b>Invested Capital</b>	<b>622,277</b>	<b>614,913</b>	<b>631,148</b>
Net Debt/(Net Cash)	(130,181)	(105,796)	84,936
Pension and Other Provisions	17,107	17,138	8,896
Shareholders' Equity	735,351	703,571	537,316
<b>Total Sources</b>	<b>622,277</b>	<b>614,913</b>	<b>631,148</b>

## NET WORKING CAPITAL

**Net working capital** was 64.4 million euros, compared to 108.1 million euros at 31 December 2016 and 79.0 million euros at 30 June 2016, equivalent to 5.8% of last-twelve-months revenues, compared to 8.5% as of 30 June 2016. This improvement has been largely driven by better management of inventories and receivables.

<b>Net working capital</b>			
(Euro/000)	30/06/2017	31/12/2016	30/06/2016
Accounts receivables	55,119	104,864	57,215
Inventory	172,837	135,849	178,511
Accounts payables	(163,532)	(132,586)	(156,681)
<b>Net working capital</b>	<b>64,424</b>	<b>108,127</b>	<b>79,045</b>
<i>% on Last Twelve Months Revenues</i>	<i>6%</i>	<i>10%</i>	<i>8%</i>

## NET FINANCIAL POSITION

**Net financial position** at 30 June 2017 was positive and equal to 130.2 million euros compared to 105.8 million euros at 31 December 2016, and net debt of 84.9 million euros at 30 June 2016.

<b>Net financial position</b>			
(Euro/000)	30/06/2017	31/12/2016	30/06/2016
Cash and cash equivalents	235,594	243,389	(115,786)
Long-term borrowings, net	(75,566)	(75,835)	101,627
Short-term borrowings, net*	(29,847)	(61,758)	99,095
<b>Net financial position</b>	<b>130,181</b>	<b>105,796</b>	<b>84,936</b>
(*) net of Financial current assets			

Following is the reclassified consolidated statement of cash flow for first half 2017 and 2016:

<b>Reclassified consolidated statement of cash flow</b>		
(Euro/000)	First Half 2017	First Half 2016
EBITDA Adjusted	97,022	78,345
Change in NWC	43,703	31,831
Change in other curr./non-curr. assets/(liabilities)	(45,387)	(48,143)
Capex, net	(34,422)	(28,919)
<b>Operating Cash Flow</b>	<b>60,916</b>	<b>33,114</b>
Net financial result	(2,936)	(3,512)
Taxes	(18,400)	(16,370)
<b>Free Cash Flow</b>	<b>39,580</b>	<b>13,232</b>
Dividends paid	(45,491)	(34,883)
Changes in equity and other changes	30,296	(13,690)
<b>Net Cash Flow</b>	<b>24,385</b>	<b>(35,341)</b>
Net Financial Position - Beginning of Period	105,796	(49,595)
Net Financial Position - End of Period	130,181	(84,936)
<b>Change in Net Financial Position</b>	<b>24,385</b>	<b>(35,341)</b>

**Free cash flow** in the first half of 2017 was positive and equal to 39.6 million euros, compared to 13.2 million euros in the same period of 2016.

In the first half of 2017, Moncler distributed 45.5 million euros of dividends compared to 34.9 million euros in the same period of 2016. Moncler recorded a positive change in equity equal to 30.3 million euros, also following the exercise of 4.0 million stock options related to the 2014-2016 plans for a total value of 41.0 million euros.

## NET CAPITAL EXPENDITURE

**Net capital expenditure** was 34.4 million euros in the first six months of 2017, compared to 28.9 million euros in the same period of 2016. The increase is mainly due to investments in the retail network and some important relocations and expansions.

<b>Capex</b> (Euro/000)	<b>First Half 2017</b>	<b>First Half 2016</b>
Retail	27,479	22,577
Wholesale	1,407	1,120
Corporate	5,536	5,222
<b>Capex</b>	<b>34,422</b>	<b>28,919</b>
<i>% on Revenues</i>	<i>8%</i>	<i>8%</i>

**Disclaimer**

This document contains forward-looking statements, in particular in the sections headed “Outlook” and “Significant events occurred after June 30, 2017” relating to future events and the operating income and financial results of the Moncler Group. These statements are based on the Group’s current expectations and forecasts regarding future events and, by their nature involve risks and uncertainties since they refer to events and depend on circumstances which may, or may not, happen or occur in the future and, as such, they must not be unduly relied upon. The actual results could differ significantly from those contained in these statements due to a variety of factors, including the conditions and in economic growth and other changes in business environment on the legal and institutional framework (both in Italy and abroad), and many other factors, most of which are beyond the Group’s control.

## SIGNIFICANT EVENTS OCCURRED DURING THE FIRST SIX MONTHS OF 2017

### SHARE PURCHASES PLAN

On 26 June 2017, Moncler launched a share buyback programme for a maximum of 1,000,000 Moncler S.p.A. ordinary shares (equal to 0.4% of current share capital), in accordance with the resolution of the Shareholders' Meeting of 20 April 2017. Moncler already held 1,000,000 Moncler S.p.A. ordinary shares, bought in 2016 in accordance with the resolution of the Shareholders' Meeting of 23 April 2015.

As at 30 June 2017, Moncler S.p.A. had acquired 645,411 treasury shares, and therefore held a total of 1,645,411 treasury shares.

As of 25 July 2017, Moncler S.p.A. had acquired an additional 342,093 treasury shares and now holds 1,969,504 treasury shares.

### DIVIDENDS

On 20 April 2017, Moncler Ordinary Shareholders Meeting approved the Group's results for fiscal year 2016 and the distribution of a gross dividend of 0.18 euros per ordinary share, with coupon date of 22 May 2017 and payment date of 24 May 2017. In the first half of 2017, Moncler distributed 45.5 million euros of dividend.

### 2016 – 2018 PERFORMANCE SHARES PLAN

On 29 June 2017, with the favourable opinion of the Nomination and Remuneration Committee, the Board of Directors of Moncler S.p.A. began the second cycle of allocating Moncler ordinary shares under the "Performance Shares Plan 2016-2018", approved by the Shareholders' Meeting of 20 April 2016, resolving to allot 365,500 shares to 18 new beneficiaries.

Under the rules of this Plan, the beneficiaries will be allotted the shares at the end of the three-year vesting period provided that the performance objectives set out in the rules are met.

### TAX AUDITS

As already reported in the consolidated financial statements as at December 31, 2016, the subsidiary Industries S.p.A. was subject to a tax audit conducted by the Italian tax police (Guardia di Finanza) for the years 2011 to 2014. The audit ended on June 28, 2016 with the delivery of the tax audit report. After that, the Company immediately engaged with the tax authority to discuss the objections raised in the tax audit report. This discussion is still ongoing. The objections set forth in the tax audit report mainly relate to transfer pricing matters connected with the transfer of goods and provision of services to foreign affiliates, all of which



operate in countries with ordinary tax regimes that have a convention to avoid double taxation with the Republic of Italy.

During the period under examination many meetings took place with the tax authority in order to solve the dispute. However, at the reporting date of the present half-year financial report, nothing conclusive has occurred that would suggest a change in the approach already adopted in the consolidated financial statements as at December 31, 2016.

## **SIGNIFICANT EVENTS OCCURRED AFTER JUNE 30, 2017**

### **MONCLER JAPAN JOINT VENTURE EXTENSION**

On 26 July 2017, the Board of Directors of Moncler S.p.A. (the “Company”) has approved an amendment (the “Amendment”) to the Joint Venture Agreement entered into with Yagi Tsusho Limited (“Yagi”) on 12 October 2008, as subsequently amended (the “JV Agreement”), for the incorporation of Moncler Japan Corporation (“Moncler Japan”), of which the Company owns – through its subsidiary Industries S.p.A. – 51% of the share capital, while the remaining 49% is owned by Yagi.

The Amendment provides for:

- the extension of the term of the JV Agreement, upon the occurrence of certain conditions, for additional 5 years after its current expiration term of 31 December 2018; thus, until 31 December 2023;
- the amendment of the terms and conditions of the purchase option recognised to the Company and of the related option to sell recognised to Yagi on its entire stake of 49% of the share capital of Moncler Japan, by stating that such options could be exercised, respectively, by and towards Moncler Japan, no more upon the expiration, or early termination, of the JV Agreement, but progressively, once per year, between 2018 and 2024, in compliance with the Japanese regulations governing the acquisition of treasury shares, at a price equal to the prorated value of Moncler Japan's net equity at the end of each related financial year, instead of the price initially agreed, which was the fair market value of the stake, based on specific indicators provided under the JV Agreement;
- certain changes in the corporate governance of Moncler Japan which, effective as of 1 January 2018, will lead to a reinforcement of the management and control powers of the Company; and
- an adjustment of the considerations provided under the agreement for the distribution of the Moncler products in Japan, entered into on 15 July 2009 and subsequently renewed, in execution of the JV Agreement, between the Company, in its quality as holder of the Moncler brand, the subsidiary Industries S.p.A., in its quality as supplier, Yagi, in its

quality as exclusive importer and Moncler Japan, in its quality as distributor (the “Distribution Contract”);

The transactions provided for by the Amendment (the “Transactions”) are to be considered as transactions with related parties of minor importance, pursuant to Article 2391-bis Civil Code and pursuant to the Related-Party Transactions Regulation adopted by CONSOB with resolution no. 17221 of 12 March 2010, as subsequently amended (the “RPT Regulation”), and to the procedure governing related-party transactions adopted by the Company (the “RPT Procedure”), since these will be carried out by the Company and by and between the subsidiaries Industries S.p.A. and Moncler Japan.

The Transactions and the Amendment have been approved by the Board of Directors of the Company held on 26 July 2017, prior the obtainment of a positive and motivated opinion, issued by Related-Party Committee of the Company on 25 July 2017, following the outcome of the related preliminary evaluation.

## RESIGNATION OF A KEY EXECUTIVE

On 26 July 2017 the Board of Directors has taken note of the resignation of a key executive, Mauro Beretta, who has been at Moncler since 2012 as WW Operations & Supply Chain Director and member of the Strategy Committee.

The Board of Directors of Moncler has asked Luciano Santel, Chief Corporate & Supply Officer, to assume Mr Beretta’s responsibilities on an interim. Moncler has already started the research of a successor, to be selected from a list of high quality candidates, already identified.

Moncler also notes that, based on the information available to the Company, Mauro Beretta does not hold any Moncler shares. As a result of his resignation, and in line with the relevant regulations, he loses the right to participate in the “Performance Shares Plan 2016-2018”, approved by the Shareholders’ Meeting on 20 April 2016.

## BUSINESS OUTLOOK

Notwithstanding the uncertain macro-economic and geopolitical environment, Moncler management is forecasting a scenario of further growth also in 2017, based on clear strategic guidelines, consistently defined with the aim of strengthening the unique heritage of the Brand.

## CONSOLIDATION OF KEY MARKETS

Moncler wants to consolidate its presence in the domestic market as well as in the main international markets, also through the reinforcement of its retail mono-brand stores (DOS) network, the controlled expansion of its stores’ average selling surface, the development of wholesale mono-brand stores (shop-in-shop), and the strengthening of its digital channel.

## **INTERNATIONAL DEVELOPMENT**

Over the years, Moncler has followed a strategy of international growth,, while always keeping strong control of the business and a direct dialogue with its customers, both in the wholesale and in the retail channel.

## **SELECTIVE EXPANSION OF PRODUCT CATEGORIES**

The Group is working on a selective expansion in product categories that are complementary to its core business and where it has, or can achieve, high brand awareness and strong know-how.

## **FOCUS ON CLIENTS**

Developing a direct relationship with its clients, being able to engage them and anticipate their needs are the keystones of the relationship that Moncler plans to develop with its clients, especially with its local clients, a fundamental asset for the Group's future growth.

## **SUSTAINABLE BUSINESS DEVELOPMENT**

The brand is reinforcing its commitment to sustainable and responsible long-term development, meeting stakeholders' expectations with a view to shared value creation.

## **RELATED PARTIES TRANSACTIONS**

Information relating to related party transactions are provided in Note 10.1 of the Half-Year Consolidated Financial Statements.

## **ATYPICAL AND/OR UNUSUAL TRANSACTIONS**

There are no positions or transactions deriving from atypical and/or unusual transactions that could have a significant impact on the results and financial position of the Group and the Parent Company.

## **TREASURY SHARES**

As at 30 June 2017, Moncler S.p.A. held a total of 1,645,411 treasury shares (0.6% of share capital).

As of 25 July 2017, Moncler S.p.A. had acquired an additional 342,093 treasury shares and now holds 1,969,504 treasury shares (0.8% of share capital).

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Milan, 26 July 2017

For the Board of Directors

REMO RUFFINI  
CHAIRMAN AND CHIEF EXECUTIVE OFFICER

# **HALF- YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

Half-year consolidated statements

Notes to the half-year condensed consolidated financial statements as of June 30, 2017

# HALF-YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## CONSOLIDATED INCOME STATEMENT

Consolidated income statement					
(Euro/000)	Notes	1H 2017	of which related parties (note 10.1)	1H 2016	of which related parties (note 10.1)
Revenue	4.1	407,643	253	346,462	252
Cost of sales	4.2	(99,293)	(5,850)	(89,661)	(4,410)
<b>Gross margin</b>		<b>308,350</b>		<b>256,801</b>	
Selling expenses	4.3	(154,036)	(312)	(128,902)	(466)
General and administrative expenses	4.4	(51,148)	(2,904)	(44,113)	(3,043)
Advertising and promotion expenses	4.5	(29,875)		(24,790)	
Stock based compensation	4.6	(10,012)	(3,890)	(5,527)	(2,545)
<b>Operating result</b>	<b>4.7</b>	<b>63,279</b>		<b>53,469</b>	
Financial income	4.8	336		251	
Financial expenses	4.8	(3,272)		(3,763)	
<b>Income before taxes</b>		<b>60,343</b>		<b>49,957</b>	
Income taxes	4.9	(18,400)		(16,370)	
<b>Net Income, including Minority</b>		<b>41,943</b>		<b>33,587</b>	
Non-controlling interests		(108)		5	
<b>Net income, Group share</b>		<b>41,835</b>		<b>33,592</b>	
<b>Earnings per share (unit of Euro)</b>	5.16	<b>0.17</b>		<b>0.13</b>	
<b>Diluted earnings per share (unit of Euro)</b>	5.16	<b>0.17</b>		<b>0.13</b>	

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Consolidated statement of comprehensive income			
(Euro/000)	Notes	1H 2017	1H 2016
<b>Net profit (loss) for the period</b>		<b>41,943</b>	<b>33,587</b>
Gains/(Losses) on fair value of hedge derivatives	5.16	1,893	(2,916)
Gains/(Losses) on exchange differences on translating foreign operations	5.16	(9,004)	1,848
<b>Items that are or may be reclassified to profit or loss</b>		<b>(7,111)</b>	<b>(1,068)</b>
Other Gains/(Losses)	5.16	79	(199)
<b>Items that will never be reclassified to profit or loss</b>		<b>79</b>	<b>(199)</b>
<b>Other comprehensive income/(loss), net of tax</b>		<b>(7,032)</b>	<b>(1,267)</b>
<b>Total Comprehensive income/(loss)</b>		<b>34,911</b>	<b>32,320</b>
<b>Attributable to:</b>			
Group		34,804	32,325
Non controlling interests		107	(5)

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<b>Consolidated statement of financial position</b>					
(Euro/000)	Notes	June 30, 2017	of which related parties (note 10.1)	December 31, 2016	of which related parties (note 10.1)
Brands and other intangible assets - net	5.1	272,637		266,882	
Goodwill	5.1	155,582		155,582	
Property, plant and equipment - net	5.3	124,258		123,925	
Other non-current assets	5.9	25,136		24,691	
Deferred tax assets	5.4	82,501		74,682	
<b>Non-current assets</b>		<b>660,114</b>		<b>645,762</b>	
Inventories and work in progress	5.5	172,837		135,849	
Trade account receivables	5.6	55,119	17,749	104,864	7,523
Income taxes	5.12	8,426		5,560	
Other current assets	5.9	20,489		13,356	
Financial current assets	5.8	7,781		3,019	
Cash and cash equivalent	5.7	235,594		243,389	
<b>Current assets</b>		<b>500,246</b>		<b>506,037</b>	
<b>Total assets</b>		<b>1,160,360</b>		<b>1,151,799</b>	
Share capital	5.16	50,846		50,043	
Share premium reserve	5.16	149,347		109,187	
Other reserves	5.16	493,097		348,179	
Net result, Group share	5.16	41,835		196,043	
<b>Equity, Group share</b>		<b>735,125</b>		<b>703,452</b>	
<b>Non controlling interests</b>		<b>226</b>		<b>119</b>	
<b>Equity</b>		<b>735,351</b>		<b>703,571</b>	
Long-term borrowings	5.15	75,566		75,835	
Provisions non-current	5.13	11,746		11,880	
Pension funds and agents leaving indemnities	5.14	5,361		5,258	
Deferred tax liabilities	5.4	72,586		70,953	
Other non-current liabilities	5.11	11,077		12,043	
<b>Non-current liabilities</b>		<b>176,336</b>		<b>175,969</b>	
Short-term borrowings	5.15	37,628		64,777	
Trade account payables	5.10	163,532	25,988	132,586	8,131
Income taxes	5.12	4,167		24,577	
Other current liabilities	5.11	43,346	1,565	50,319	3,788
<b>Current liabilities</b>		<b>248,673</b>		<b>272,259</b>	
<b>Total liabilities and equity</b>		<b>1,160,360</b>		<b>1,151,799</b>	



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Consolidated statement of changes in equity (Euro/000)	Notes	Share capital	Share premium	Legal reserve	Other comprehensive income		Other reserves			Result of the period, Group share	Equity, Group share	Equity, non controlling interest	Total consolidated Net Equity
					Cumulative translation reserve	Other OCI items	IFRS 2 reserve	FTA reserve	Retained earnings				
<b>Group shareholders' equity at January 1, 2016</b>	<b>5.16</b>	<b>50,025</b>	<b>108,284</b>	<b>10,000</b>	<b>3,581</b>	<b>(40)</b>	<b>11,129</b>	<b>0</b>	<b>195,316</b>	<b>167,863</b>	<b>546,158</b>	<b>649</b>	<b>546,807</b>
Allocation of Last Year Result		0	0	300	0	0	0	0	167,563	(167,863)	0	0	0
Changes in consolidation area		0	0	0	0	0	0	0	0	0	0	0	0
Dividends		0	0	0	0	0	0	0	(34,883)	0	(34,883)	0	(34,883)
Share capital increase		9	481	0	0	0	0	0	0	0	490	0	490
Other movements in Equity		0	0	0	0	0	5,383	0	(12,801)	0	(7,418)	0	(7,418)
Other changes of comprehensive income		0	0	0	1,848	(3,115)	0	0	0	0	(1,267)	0	(1,267)
Result of the period		0	0	0	0	0	0	0	0	33,592	33,592	(5)	33,587
<b>Group shareholders' equity at June 30, 2016</b>	<b>5.16</b>	<b>50,034</b>	<b>108,765</b>	<b>10,300</b>	<b>5,429</b>	<b>(3,155)</b>	<b>16,512</b>	<b>0</b>	<b>315,195</b>	<b>33,592</b>	<b>536,672</b>	<b>644</b>	<b>537,316</b>
<b>Group shareholders' equity at January 1, 2017</b>	<b>5.16</b>	<b>50,043</b>	<b>109,187</b>	<b>10,300</b>	<b>5,273</b>	<b>(195)</b>	<b>26,659</b>	<b>0</b>	<b>306,142</b>	<b>196,043</b>	<b>703,452</b>	<b>119</b>	<b>703,571</b>
Allocation of Last Year Result		0	0	0	0	0	0	0	196,043	(196,043)	0	0	0
Changes in consolidation area		0	0	0	0	0	0	0	0	0	0	0	0
Dividends		0	0	0	0	0	0	0	(45,491)	0	(45,491)	0	(45,491)
Share capital increase		803	40,160	0	0	0	0	0	0	0	40,963	0	40,963
Other movements in Equity		0	0	0	0	0	9,355	0	(7,958)	0	1,397	0	1,397
Other changes of comprehensive income		0	0	0	(9,003)	1,972	0	0	0	0	(7,031)	(1)	(7,032)
Result of the period		0	0	0	0	0	0	0	0	41,835	41,835	108	41,943
<b>Group shareholders' equity at June 30, 2017</b>	<b>5.16</b>	<b>50,846</b>	<b>149,347</b>	<b>10,300</b>	<b>(3,730)</b>	<b>1,777</b>	<b>36,014</b>	<b>0</b>	<b>448,736</b>	<b>41,835</b>	<b>735,125</b>	<b>226</b>	<b>735,351</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

Consolidated statement of cash flows	1H 2017	of which related parties	1H 2016	of which related parties
(Euro/000)				
<b>Cash flow from operating activities</b>				
Consolidated result	41,943		33,587	
Depreciation and amortization	23,731		19,349	
Net financial (income)/expenses	2,936		3,513	
Other non cash (income)/expenses	9,733		5,383	
Income tax expenses	18,400		16,370	
Changes in inventories - (Increase)/Decrease	(38,344)		(44,478)	
Changes in trade receivables - (Increase)/Decrease	47,249	(10,226)	34,995	(11,731)
Changes in trade payables - Increase/(Decrease)	32,571	17,857	41,925	15,478
Changes in other current assets/liabilities	(14,631)	(2,223)	3,098	(1,054)
<b>Cash flow generated/(absorbed) from operating activities</b>	<b>123,588</b>		<b>113,742</b>	
Interest and other bank charges paid and received	(1,934)		(737)	
Income tax paid	(50,187)		(62,343)	
Changes in other non-current assets/liabilities	(1,658)		(6)	
<b>Net cash flow from operating activities (a)</b>	<b>69,809</b>		<b>50,656</b>	
<b>Cash flow from investing activities</b>				
Purchase of tangible and intangible fixed assets	(34,513)		(29,578)	
Proceeds from sale of tangible and intangible fixed assets	91		659	
<b>Net cash flow from investing activities (b)</b>	<b>(34,422)</b>		<b>(28,919)</b>	
<b>Cash flow from financing activities</b>				
Repayment of borrowings	(26,699)		(24,612)	
Proceeds from borrowings	0		0	
Short term borrowings variation	0		23,121	
Dividends paid to shareholders	(45,491)		(34,883)	
Dividends paid to non-controlling interests	0		0	
Share capital increase	40,963		490	
Other changes in Net Equity	(6,698)		(16,312)	
<b>Net cash flow from financing activities (c)</b>	<b>(37,925)</b>		<b>(52,196)</b>	
<b>Net increase/(decrease) in cash and cash equivalents (a)+(b)+(c)</b>	<b>(2,538)</b>		<b>(30,459)</b>	
<b>Cash and cash equivalents at the beginning of the period</b>	<b>243,385</b>		<b>146,081</b>	
Effect of exchange rate changes	(5,256)		164	
Net increase/(decrease) in cash and cash equivalents	(2,538)		(30,459)	
<b>Cash and cash equivalents at the end of the period</b>	<b>235,591</b>		<b>115,786</b>	

On behalf of the Board of Directors of Moncler S.p.A.

The Chairman  
Remo Ruffini

# EXPLANATORY NOTES TO THE HALF-YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2017

## 1. GENERAL INFORMATION ABOUT THE GROUP

### 1.1. THE GROUP AND ITS CORE BUSINESS

The parent company Moncler S.p.A. is a company established and domiciled in Italy. The address of the registered office is Via Stendhal 47 Milan, Italy, and its registration number is 04642290961.

The Half-year Condensed Consolidated Financial Statements as of June 30, 2017 (“Half-year Consolidated Financial Statements”) include the parent company and the subsidiaries (hereafter referred to as the “Group”).

To date, the Group's principal activities are the study, design, production and distribution of clothing for men, women and children and related accessories under the Moncler brand name.

### 1.2. BASIS FOR THE PREPARATION OF THE HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

#### 1.2.1. RELEVANT ACCOUNTING PRINCIPLES

The Half-year Consolidated Financial Statements as of June 30, 2017 have been prepared in accordance with Art. 154-ter of Legislative Decree 58 of February 24, 1998 (“Testo Unico della Finanza – TUF”), as amended, and in conformity with IAS 34. They do not include all the information that would be necessary for the yearly consolidated financial statements and should be read together with consolidated financial statements as December 31, 2016, which were prepared in accordance with the international financial reporting standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and endorsed by the European Union. The term “IFRS” is also used to refer to all revised international accounting standards (“IAS”), all interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”), formerly known as the Standing Interpretations Committee (“SIC”).

It should be noted that the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity and the consolidated statement of cash flows are prepared in accordance and are the same as those used in the consolidated financial statements as of and for the year ended December 31, 2016. The following notes to the consolidated financial statements are presented in a summary format and do not include all the information required in an annual set of financial statements. It should be noted, as required by IAS 34, in order to avoid duplicating the information already provided, the notes refer exclusively to the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity and

the consolidated statement of cash flows, whose nature and changes are essential in order to understand the financial position and results of operations of the Group.

The Half-year Consolidated Financial Statements as of June 30, 2017 are made up of the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cash flows and the notes thereto. The comparative information included in these consolidated financial statements, as required by IAS 34, compares December 31, 2016 for the consolidated statement of financial position and the half-year ended June 30, 2016 for the consolidated changes in equity, the consolidated statement of income, the consolidated statement of comprehensive income and the consolidated statement of cash flows.

#### 1.2.2. PRESENTATION OF THE FINANCIAL STATEMENTS

The Group presents the consolidated income statement by destination, the method that is considered most representative for the business. This method is in fact consistent with the internal reporting and management of the business.

With reference to the consolidated statement of financial position, a basis of presentation has been chosen which makes a distinction between current and non-current assets and liabilities, in accordance with the provisions of paragraph 60 and thereafter of IAS 1.

The consolidated statement of cash flows is prepared under the indirect method.

According to the provisions of IAS 24 and Consob, the next few paragraphs describe related party transactions with the Group and their impact, if significant, on the consolidated statement of financial position, results of operations and cash flows.

#### 1.2.3. BASIS FOR PREPARATION

The Half-year Consolidated Financial Statements have been prepared on the historical cost basis except for the measurement of certain financial instruments (i.e. derivative measured at fair value) and on a going concern basis.

The Half-year Consolidated Financial Statements are presented in Euro thousand, which is the functional currency of the markets where the Group mainly operates.

#### 1.2.4. USE OF ESTIMATES

The preparation of Half-year Consolidated Financial Statements and the related notes in conformity with IFRS requires that management make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date. The estimates and related assumptions are based on historical experience and other relevant factors. The actual results could differ from those estimates. The estimates and underlying assumptions are reviewed periodically and any variations are reflected in the consolidated income statement in the period in which the estimate is revised if the revision affects only that period or even in subsequent periods if the revision affects both current and future periods.

In the event that management's estimate and judgment had a significant impact on the amounts recognized in the Half-year Consolidated Financial Statements or in case that there is a risk of future adjustments on the amounts recognized for assets and liabilities in the period immediately after the reporting date, the following notes will include the relevant information.

The estimates pertain mainly to the following captions of the consolidated financial statements:

- impairment of non-current assets and goodwill;
- impairment of trade receivables (bad debt provision);
- impairment of inventories (obsolescence provision);
- recoverability of deferred tax assets;
- provision for losses and contingent liabilities.

#### IMPAIRMENT OF NON-CURRENT ASSETS AND GOODWILL

Non-current assets include property, plant and equipment, intangible assets with indefinite useful life and goodwill, investments and other financial assets.

Management periodically reviews non-current assets for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. When a review for impairment is conducted, the recoverable amount is estimated based on the present value of future cash flows expected to derive from the asset or from the sale of the asset itself, at a suitable discount rate.

When the recoverable amount of a non-current asset is less than its carrying amount, an impairment loss is recognized immediately in profit or loss and the carrying amount is reduced to its recoverable amount determined based on value-in-use calculation or its sale's value in an arm's length transaction, with reference to the most recent Group business plan.

#### IMPAIRMENT OF TRADE RECEIVABLES

The bad debt provision represents management's best estimate of the probable loss for unrecoverable trade receivables. A provision for impairment is determined based on expected losses arising from doubtful debt taking into consideration the original credit terms, the economic environment and the company's historical trend together with the monitoring controls in place.

#### IMPAIRMENT OF INVENTORY

The Group manufactures and sells mainly clothing goods that are subject to changing consumer demands and fashion trends. Inventory impairment represents management's best estimate for losses arising from the sales of aged products, taking into consideration their saleability through the Group's distribution channels.

#### RECOVERABILITY OF DEFERRED TAX ASSETS

The Group is subject to income taxes in numerous jurisdictions. Judgment is required in determining the provision for income taxes in each territory. The Group recognizes deferred tax assets when there is a reasonable expectation of realisation within a period that is consistent with management estimation and business plans.

#### PROVISION FOR LOSSES AND CONTINGENT LIABILITIES

The Group is subject to legal and tax litigations arising in the countries where it operates. Litigations are inevitably subject to risk and uncertainties surrounding the events and circumstances associated with the claims and associated with local legislation and jurisdiction. In the normal course of the business, management requests advice from the Group legal consultants and tax experts. The recognition of a provision is based on management's best estimate when an outflow of resources is probable to settle the obligation and the amount can be estimated with reliability. In those circumstances where the outflow of resources is possible or the amount of the obligation cannot be measured with sufficient reliability, the contingent liabilities is disclosed in the notes to the Half-year Consolidated Financial Statements.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES USED IN THE PREPARATION OF THE HALF-YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

The accounting policies set out below have been applied consistently as at and for the half-year ended June 30, 2017 and are the same used for the preparation of the consolidated financial statements as of and for the year ended December 31, 2016, to which refer for a detailed description.

### **2.1. ACCOUNTING STANDARDS AND RECENTLY PUBLISHED INTERPRETATIONS**

In addition to those referred to in the Consolidated Financial Statements for 2016 which should be consulted, below are the accounting standards, amendments and interpretations not yet effective and not early adopted by the Group.

#### *IFRS 15 Revenue from Contracts with Customers*

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes.

IFRS 15 is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted.

#### *IFRS 9 Financial Instruments*

In July 2014, the International Accounting Standards Board issued the final version of IFRS 9 Financial Instruments.

IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Group currently plans to apply IFRS 9 initially on January 1, 2018.

## 2.2. EXCHANGE RATES

The main exchange rates used to translate in Euro the financial statements of foreign subsidiaries as at and for half-year period ended June 30, 2017 are as follows:

	Average rate		Rate at the end of the period		Rate at the end of the period	
	I half 2017	I half 2016	As at 30 June 2017	As at 30 June 2016	As at 31 December 2016	As at 31 December 2015
<b>AED</b>	3.975780	4.096610	4.189345	4.075544	3.869601	3.996618
<b>AUD</b>	1.436420	n/a	1.485100	n/a	1.459600	n/a
<b>BRL</b>	3.443110	4.129550	3.760000	3.589800	3.430500	4.311700
<b>CAD</b>	1.445300	1.484400	1.478500	1.438400	1.418800	1.511600
<b>CHF</b>	1.076640	1.096050	1.093000	1.086700	1.073900	1.083500
<b>CNY</b>	7.444830	7.296460	7.738500	7.375500	7.320200	7.060800
<b>CZK</b>	26.784100	27.039600	26.197000	27.131000	27.021000	27.023000
<b>DKK</b>	7.436830	7.449720	7.436600	7.439300	7.434400	7.462600
<b>GBP</b>	0.860591	0.778769	0.879330	0.826500	0.856180	0.733950
<b>HKD</b>	8.419930	8.668400	8.906800	8.613500	8.175100	8.437600
<b>HUF</b>	309.421000	312.714000	308.970000	317.060000	309.830000	315.980000
<b>JPY</b>	121.780000	124.414000	127.750000	114.050000	123.400000	131.070000
<b>KRW</b>	1,236.330000	1,318.920000	1,304.560000	1,278.480000	1,269.360000	1,280.780000
<b>KZT</b>	345.254000	n/a	367.421985	n/a	n/a	n/a
<b>MOP</b>	8.672750	8.931760	9.173996	8.873309	8.420120	8.691862
<b>PLN</b>	4.269000	4.368800	4.225900	4.436200	4.410300	4.263900
<b>RON</b>	4.537040	4.495550	4.552300	4.523400	4.539000	4.524000
<b>RUB</b>	62.805700	78.296800	67.544900	71.520000	64.300000	80.673600
<b>SEK</b>	9.596800	n/a	9.639800	n/a	n/a	n/a
<b>SGD</b>	1.520760	1.539970	1.571000	1.495700	1.523400	1.541700
<b>TRY</b>	3.939100	3.259270	4.013400	3.206000	3.707200	3.176500
<b>TWD</b>	33.214400	36.546800	34.711800	35.765800	33.999500	35.790800
<b>USD</b>	1.083020	1.115940	1.141200	1.110200	1.054100	1.088700



### 3. SCOPE OF CONSOLIDATION

As at June 30, 2017 the Half-year Consolidated Financial Statements of the Moncler Group include the parent company Moncler S.p.A. and 33 consolidated subsidiaries as detailed in the following table:

Investments (in associates for consolidation)	Registered office	Share capital	Currency	% of ownership	Parent company
Moncler S.p.A.	Milan (Italy)	50,846,150	EUR		
Industries S.p.A.	Milan (Italy)	15,000,000	EUR	100.00%	Moncler S.p.A.
Industries Textilvertrieb GmbH	Munich (Germany)	700,000	EUR	100.00%	Industries S.p.A.
Moncler España S.L.	Madrid (Spain)	50,000	EUR	100.00%	Industries S.p.A.
Moncler Asia Pacific Ltd	Hong Kong (China)	300,000	HKD	99.99%	Industries S.p.A.
Moncler France S.à.r.l.	Paris (France)	8,000,000	EUR	100.00%	Industries S.p.A.
Moncler USA Inc	New York (USA)	1,000	USD	100.00%	Industries S.p.A.
Moncler UK Ltd	London (United Kingdom)	2,000,000	GBP	100.00%	Industries S.p.A.
Moncler Japan Corporation (*)	Tokyo (Japan)	195,050,000	JPY	51.00%	Industries S.p.A.
Moncler Shanghai Commercial Co. Ltd	Shanghai (China)	82,483,914	CNY	100.00%	Industries S.p.A.
Moncler Suisse SA	Chiasso (Switzerland)	3,000,000	CHF	100.00%	Industries S.p.A.
Ciolina Moncler SA	Berna (Switzerland)	100,000	CHF	51.00%	Moncler Suisse SA
Moncler Belgium S.p.r.l.	Bruxelles (Belgium)	500,000	EUR	100.00%	Industries S.p.A.
Moncler Denmark ApS	Copenhagen (Denmark)	2,465,000	DKK	100.00%	Industries S.p.A.
Moncler Holland B.V.	Amsterdam (Holland)	18,000	EUR	100.00%	Industries S.p.A.
Moncler Hungary KFT	Budapest (Hungary)	150,000,000	HUF	100.00%	Industries S.p.A.
Moncler Istanbul Giyim ve Tekstil Ticaret Ltd. Sti. (*)	Istanbul (Turkey)	50,000	TRY	51.00%	Industries S.p.A.
Moncler Sylt GmbH (*)	Hamm (Germany)	100,000	EUR	51.00%	Industries Textilvertrieb GmbH
Moncler Rus LLC	Moscow (Russian Federation)	220,000,000	RUB	99.99%	Industries S.p.A.
				0.01%	Moncler Suisse SA
Moncler Brasil Comércio de moda e acessórios Ltda.	Sao Paulo (Brazil)	6,280,000	BRL	95.00%	Moncler USA Inc
				5.00%	Industries S.p.A.
Moncler Taiwan Limited	Taipei (China)	10,000,000	TWD	100.00%	Industries S.p.A.
Moncler Canada Ltd	Vancouver (Canada)	1,000	CAD	100.00%	Industries S.p.A.
Moncler Prague s.r.o.	Prague (Czech Republic)	200,000	CZK	100.00%	Industries S.p.A.
White Tech Sp. zo.o.	Katowice (Poland)	369,000	PLN	70.00%	Industries S.p.A.
Moncler Shinsegae Inc. (*)	Seoul (South Korea)	5,000,000,000	KRW	51.00%	Industries S.p.A.
Moncler Middle East FZ-LLC	Dubai (United Arab Emirates)	50,000	AED	100.00%	Industries S.p.A.
Moncler USA Retail LLC	New York (USA)	15,000,000	USD	100.00%	Moncler USA Inc
Moncler Singapore PTE, Limited	Singapore	650,000	SGD	100.00%	Industries S.p.A.
				99.00%	Industries S.p.A.
Industries Yield S.r.l.	Bacau (Romania)	14,310,000	RON	1.00%	Industries Textilvertrieb GmbH
Moncler UAE LLC (*)	Abu Dhabi (United Arab Emirates)	1,000,000	AED	49.00%	Moncler Middle East FZ-LLC
Moncler Ireland Limited	Dublin (Ireland)	350,000	EUR	100.00%	Industries S.p.A.
Moncler Australia PTY LTD	Melbourne (Australia)	2,500,000	AUD	100.00%	Industries S.p.A.
				99.00%	Industries S.p.A.
Moncler Kazakhstan LLP	Almaty (Kazakhstan)	250,000,000	KZT	1.00%	Moncler Rus LLC
Moncler Sweden AB	Stockholm (Sweden)	25,000,000	SEK	100.00%	Industries S.p.A.

(\*) Fully consolidated (without attribution of interest to third parties)

As far as the scope of consolidation is concerned, the following changes occurred during the first half of 2017 when compared to December 31, 2016:

- Moncler Kazakhstan was established in the first quarter of 2017 and it was included in the consolidation scope starting from the date of its establishment;
- Moncler Sweden AB was established in the second quarter of 2017 and it was included in the consolidation scope starting from the date of its establishment.

There are not subsidiaries excluded from the consolidation area.

## 4. COMMENTS ON THE MAIN CAPTIONS OF THE CONSOLIDATED INCOME STATEMENT

### 4.1. REVENUES

#### REVENUES BY DISTRIBUTION CHANNEL

Revenue per distribution channels are broken down as follows:

(Euro/000)	1H 2017	%	1H 2016	%
Total revenues	407,643	100.0%	346,462	100.0%
of which:				
Wholesale	108,166	26.5%	100,577	29.0%
Retail	299,477	73.5%	245,885	71.0%

Sales are made through two main distribution channels, wholesale and retail. The retail channel pertains to stores that are directly managed by the Group (free-standing stores, concessions, e-commerce and outlets), while the wholesale channel pertains to stores managed by third parties that sell Moncler products either in single-brand spaces (i.e. shop-in-shop) or inside multi-brand stores.

In the first six months of 2017, revenues from the retail channel reached Euro 299.5 million compared to Euro 245.9 million in the same period of 2016, representing an increase of 21.8%, thanks to solid organic growth and the continued development of the network of mono-brand retail stores (DOS).

The wholesale channel recorded revenues of Euro 108.1 million compared to Euro 100.6 million in the first six months of 2016, an increase of 7.5%, driven by good results in the United Kingdom and Canada.

#### REVENUES BY REGION

Sales are broken down by region as reported in the following table:

Revenues by region - (Euro/000)					
(Euro/000)	1H 2017	%	1H 2016	%	Variation
Italy	58,202	14.3%	54,172	15.6%	4,030
EMEA, Italy excluded	127,431	31.3%	105,845	30.6%	21,586
Asia and rest of world	159,623	39.1%	133,920	38.7%	25,703
Americas	62,387	15.3%	52,525	15.2%	9,862
<b>Total</b>	<b>407,643</b>	<b>100.0%</b>	<b>346,462</b>	<b>100.0%</b>	<b>61,181</b>

In the first half of 2017, the Group recorded revenues of Euro 407.6 million, an increase of 17.7% compared to revenues of Euro 346.5 million in the same period of 2016.

In Italy, revenues rose 7.4%, driven by good results in all distribution channels. In particular, the retail channel has benefited from a solid organic growth, further accelerating in the second quarter.

In EMEA, the Group's revenues grew 20.4%, driven by outstanding performances in both channels and across all main markets. Growth in the United Kingdom and France remains particularly strong.

In Asia & Rest of the World, revenues increased 19.2%. In Japan both distribution channels continued to record double-digit growth, driven by the very good performance of the Spring/Summer collections and Moncler's strong brand perception in the market. In APAC Moncler recorded very strong results, largely supported by a good organic growth across the main markets, particularly in the second quarter of the year. Outstanding results were achieved in Korea, where the Brand continues to benefit from good organic growth and the ongoing development of the retail network.

In the Americas, revenues grew 18.8%, supported by double-digit growth in both channels, and by the continued development of the mono-brand stores network. The US and Canada both recorded good performances.

#### 4.2. COST OF SALES

In the first half of 2017, cost of sales grew by Euro 9.6 million (+10.7%) in absolute terms, from Euro 89.7 million in the first half of 2016 to Euro 99.3 million in the first half of 2017. This overall growth is due to increased sales volumes and the growth of the retail channel. Cost of sales as a percentage of sales has decreased from 25.9% in the first half of 2016 to 24.4% in the first half of 2017. This decrease is due to the fact that the retail channel has increased its importance in the total sales from 71.0% in the first half of 2016 to 73.5% in the first half of 2017, on total sales.

#### 4.3. SELLING EXPENSES

Selling expenses grew both in absolute terms, with an increase of Euro 25.1 million between the first half of 2016 and the first half of 2017, and as a percentage of sales, from 37.2% in the first half of 2016 to 37.8% in the first half of 2017 due to the development of the retail business. Selling expenses mainly include rent costs for Euro 71.7 million, personnel costs for Euro 41.6 million and costs for depreciation and amortization for Euro 20.8 million.

#### 4.4. GENERAL AND ADMINISTRATIVE EXPENSES

In the first half of 2017, general and administrative expenses amount to Euro 51.1 million, with an increase of Euro 7.0 million compared to the same period last year. General and administrative expenses as a percentage of sales decrease from 12.7% in the first half of 2016 to 12.5 % in the first half of 2017.

#### 4.5. ADVERTISING AND PROMOTION EXPENSES

Also during the first six months of 2017, the Group continued to invest in marketing and advertising in order to support and spread awareness and the prestige of the Moncler brand. The weight of advertising expenses on turnover is equal to 7.3% for the first half of 2017 (7.2% for the first half of 2016), while in absolute value, it goes from Euro 24.8 million for the first half of 2016 to Euro 29.9 million for the first half of 2017, with an absolute change of Euro 5.1 million (+20.5%).

#### 4.6. STOCK BASED COMPENSATION

Stock based compensation, equal to Euro 10.0 million in the first half of 2017 (Euro 5.5 in the first half of 2016), includes the costs related to the stock based compensation approved by the Shareholder' Meeting of Moncler on February 28, 2014, on April 23, 2015 and on April 20, 2016.

The description of the stock based compensation and the related costs are included in note 10.2.

#### 4.7. OPERATING RESULT

For the first half of 2017, the operating result of the Group amounted to Euro 63.3 million (Euro 53.5 million for the same period of the last year) and as a percentage of revenues amounts to 15.5% (15.4% for the same period in the last year).

The operating result for the first half of 2017, net of stock based compensation, amounted to Euro 73.3 (Euro 59.0 for the same period of 2016), and 18.0% as a percentage of revenue (17.0% for the same period of 2016), up in absolute value by Euro 14.3 million.

Management believes that EBITDA is an important indicator for the valuation of the Group's performance, insofar as it is not influenced by the methods for determining tax or amortisation/depreciation. However, EBITDA is not an indicator defined by the reference accounting standards applied by the Group and, therefore, it may be that the methods by which EBITDA is calculated are not comparable with those used by other companies.

EBITDA is calculated as follows:

(Euro/000)	1H 2017	1H 2016	2017 vs 2016	%
<b>Operating result</b>	<b>63,279</b>	<b>53,469</b>	<b>9,810</b>	<b>18.3%</b>
Stock based compensation	10,012	5,527	4,485	81.1%
<b>Operating result net of stock based compensation</b>	<b>73,291</b>	<b>58,996</b>	<b>14,295</b>	<b>24.2%</b>
Amortization, depreciation and	23,731	19,349	4,382	22.6%
<b>EBITDA</b>	<b>97,022</b>	<b>78,345</b>	<b>18,677</b>	<b>23.8%</b>

In the first half of 2017, EBITDA increased by Euro 18.7 million (+23.8%), from Euro 78.3 million (22.6% of revenue) for the first half of 2016 to Euro 97.0 million (23.8% of revenue) for the first half of 2017.

Amortisation and depreciation for the first half of 2017 amounted to Euro 23.7 million (Euro 19.3 million for the same period of 2016) and grew by Euro 4.4 million.

#### 4.8. FINANCIAL INCOME AND EXPENSES

The caption is broken down as follows:

(Euro/000)	1H 2017	1H 2016
Interest income and other financial income	336	251
Foreign currency differences - positive	0	0
<b>Total financial income</b>	<b>336</b>	<b>251</b>
Interests expenses and other financial charges	(889)	(2,324)
Foreign currency differences - negative	(2,383)	(1,439)
<b>Total financial expenses</b>	<b>(3,272)</b>	<b>(3,763)</b>
<b>Total net</b>	<b>(2,936)</b>	<b>(3,512)</b>

#### 4.9. INCOME TAX

The income tax effect on the consolidated income statement is as follows:

(Euro/000)	1H 2017	1H 2016
Current income taxes	(27,332)	(21,835)
Deferred tax (income) expenses	8,932	5,465
<b>Income taxes charged in the income statement</b>	<b>(18,400)</b>	<b>(16,370)</b>

#### 4.10. PERSONNEL EXPENSES

The following table lists the detail of the main personnel expenses by nature, compared with those of the same period of the previous year:

(Euro/000)	1H 2017	1H 2016
Wages and salaries	50,135	40,920
Social security costs	9,617	7,934
Accrual for employment benefits	3,446	2,591
<b>Total</b>	<b>63,198</b>	<b>51,445</b>

The remuneration related to the members of the Board of Directors is commented separately in the related party section.

The costs relating to the stock based compensation, equal to Euro 10.0 million (Euro 5.5 million in the first half of 2016) are separately commented in paragraph 10.2.

The following table reports the number of employees (full-time-equivalent, FTE) for the first half of 2017 compared to the same period of last year:

<b>Average FTE by area</b>		
Number	1H 2017	1H 2016
Italy	705	649
Other European countries	1,213	862
Asia and Japan	802	750
Americas	247	215
<b>Total</b>	<b>2,967</b>	<b>2,476</b>

The actual number of FTEs of the Group as at June 30, 2017 is 2,953 (2,755 as at June 30, 2016).

The total number of employees increased principally as a result of the openings of new directly operated stores and the overall growth of the corporate structure.

#### 4.11. DEPRECIATION AND AMORTIZATION

Depreciation and amortization are broken down as follows:

(Euro/000)	1H 2017	1H 2016
Depreciation of property, plant and equipment	(18,819)	(15,166)
Amortization of intangible assets	(4,912)	(4,183)
<b>Total Depreciation and Amortization</b>	<b>(23,731)</b>	<b>(19,349)</b>

The increase in both depreciation and amortization is mainly due to investments made associated with both the new store openings and the relocation of already existing stores. Please refer to comments made in paragraphs 5.1 and 5.3 for additional details related to investments made during the period.

## 5. COMMENTS ON THE MAIN CAPTIONS OF THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### 5.1. GOODWILL, BRANDS AND OTHER INTANGIBLE ASSETS

Brands and other intangible assets (Euro/000)	June 30, 2017			December 31, 2016
	Gross value	Accumulated amortization and impairment	Net value	Net value
Brands	223,900	0	223,900	223,900
Key money	50,794	(24,717)	26,077	25,959
Software	29,084	(17,517)	11,567	10,984
Other intangible assets	8,418	(5,147)	3,271	3,612
Assets in progress	7,823	0	7,823	2,427
Goodwill	155,582	0	155,582	155,582
<b>Total</b>	<b>475,601</b>	<b>(47,381)</b>	<b>428,220</b>	<b>422,464</b>

The movements in intangible assets over the comparable periods are summarized in the following table:

As at June 30, 2017

Gross value Brands and other intangible assets (Euro/000)	Brands	Licence rights	Key money and leasehold rights	Software	Other intangible assets	Assets in progress and advances	Goodwill	Total
January 1, 2017	223,900	0	48,468	26,703	8,109	2,427	155,582	465,189
Acquisitions	0	0	2,711	1,756	275	6,214	0	10,956
Disposals	0	0	0	(6)	0	0	0	(6)
Translation adjustment	0	0	(385)	(150)	(4)	1	0	(538)
Other movements, including transfers	0	0	0	781	38	(819)	0	0
<b>June 30, 2017</b>	<b>223,900</b>	<b>0</b>	<b>50,794</b>	<b>29,084</b>	<b>8,418</b>	<b>7,823</b>	<b>155,582</b>	<b>475,601</b>

Accumulated amortization and impairment Brands and other intangible assets (Euro/000)	Brands	Licence rights	Key money and leasehold rights	Software	Other intangible assets	Assets in progress and advances	Goodwill	Total
January 1, 2017	0	0	(22,509)	(15,719)	(4,497)	0	0	(42,725)
Amortization	0	0	(2,389)	(1,872)	(651)	0	0	(4,912)
Disposals	0	0	0	5	0	0	0	5
Translation adjustment	0	0	181	69	1	0	0	251
Other movements, including transfers	0	0	0	0	0	0	0	0
<b>June 30, 2017</b>	<b>0</b>	<b>0</b>	<b>(24,717)</b>	<b>(17,517)</b>	<b>(5,147)</b>	<b>0</b>	<b>0</b>	<b>(47,381)</b>

As at June 30, 2016

<b>Gross value Brands and other intangible assets</b>	<b>Brands</b>	<b>Licence rights</b>	<b>Key money and leasehold rights</b>	<b>Software</b>	<b>Other intangible assets</b>	<b>Assets in progress and advances</b>	<b>Goodwill</b>	<b>Total</b>
(Euro/000)								
<b>January 1, 2016</b>	<b>223,900</b>	<b>0</b>	<b>41,511</b>	<b>21,790</b>	<b>6,795</b>	<b>8,175</b>	<b>155,582</b>	<b>457,753</b>
Acquisitions	0	0	0	1,743	953	497	0	3,193
Disposals	0	0	0	(43)	0	0	0	(43)
Translation adjustment	0	0	(142)	171	(1)	(915)	0	(887)
Other movements, including transfers	0	0	7,260	0	0	(7,281)	0	(21)
<b>June 30, 2016</b>	<b>223,900</b>	<b>0</b>	<b>48,629</b>	<b>23,661</b>	<b>7,747</b>	<b>476</b>	<b>155,582</b>	<b>459,995</b>

<b>Accumulated amortization and impairment Brands and other intangible assets</b>	<b>Brands</b>	<b>Licence rights</b>	<b>Key money and leasehold rights</b>	<b>Software</b>	<b>Other intangible assets</b>	<b>Assets in progress and advances</b>	<b>Goodwill</b>	<b>Total</b>
(Euro/000)								
<b>January 1, 2016</b>	<b>0</b>	<b>0</b>	<b>(18,165)</b>	<b>(12,515)</b>	<b>(3,477)</b>	<b>0</b>	<b>0</b>	<b>(34,157)</b>
Amortization	0	0	(2,059)	(1,558)	(566)	0	0	(4,183)
Disposals	0	0	0	31	0	0	0	31
Translation adjustment	0	0	92	(58)	0	0	0	34
Other movements, including transfers	0	0	0	0	0	0	0	0
<b>June 30, 2016</b>	<b>0</b>	<b>0</b>	<b>(20,132)</b>	<b>(14,100)</b>	<b>(4,043)</b>	<b>0</b>	<b>0</b>	<b>(38,275)</b>

The increase in the captions Key money and Assets in progress and advances pertains to the key money of the new stores opening located in Europe.

The increase in the caption Software pertains to the investments in information technology for the management of the business and the corporate functions.

## 5.2. IMPAIRMENT OF INTANGIBLE FIXED ASSETS WITH AN UNDEFINED USEFUL LIFE AND GOODWILL

The captions Brands, Other intangible fixed assets with indefinite useful life and Goodwill deriving from previous acquisitions have not been amortised, but have been tested for impairment by management.

The dynamics of business recorded in the periods examined and updated forecasts of future trends are consistent with the assumptions used to determine the recoverable amount of goodwill and the Moncler brand carried out during the preparation of the annual consolidated financial statements as at December 31, 2016. No indicators of possible impairment losses were identified and therefore no specific impairment tests were performed on these captions.



### 5.3. NET PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipments (Euro/000)	June 30, 2017		December 31, 2016	
	Gross value	Accumulated depreciation and impairment	Net value	Net value
Land and buildings	3,111	(385)	2,726	2,303
Plant and Equipment	11,394	(7,330)	4,064	3,583
Fixtures and fittings	77,804	(44,819)	32,985	36,963
Leasehold improvements	142,720	(69,356)	73,364	73,096
Other fixed assets	15,140	(10,822)	4,318	4,693
Assets in progress	6,801	0	6,801	3,287
<b>Total</b>	<b>256,970</b>	<b>(132,712)</b>	<b>124,258</b>	<b>123,925</b>

As at June 30, 2017

Gross value Property, plant and equipment (Euro/000)	Land and buildings	Plant and Equipment	Fixtures and fittings	Leasehold improvements	Other fixed assets	Assets in progress and advances	Total
<b>January 1, 2017</b>	<b>2,586</b>	<b>10,519</b>	<b>77,737</b>	<b>135,498</b>	<b>14,823</b>	<b>3,287</b>	<b>244,450</b>
Acquisitions	527	934	3,108	12,992	551	5,445	23,557
Disposals	(1)	(72)	(596)	(1,885)	(86)	0	(2,640)
Translation adjustment	(1)	(11)	(3,067)	(5,028)	(180)	(110)	(8,397)
Other movements, including transfers	0	24	622	1,143	32	(1,821)	0
<b>June 30, 2017</b>	<b>3,111</b>	<b>11,394</b>	<b>77,804</b>	<b>142,720</b>	<b>15,140</b>	<b>6,801</b>	<b>256,970</b>
Accumulated depreciation and impairment PPE (Euro/000)	Land and buildings	Plant and Equipment	Fixtures and fittings	Leasehold improvements	Other fixed assets	Assets in progress and advances	Total
<b>January 1, 2017</b>	<b>(283)</b>	<b>(6,936)</b>	<b>(40,774)</b>	<b>(62,402)</b>	<b>(10,130)</b>	<b>0</b>	<b>(120,525)</b>
Depreciation	(102)	(447)	(6,323)	(11,095)	(852)	0	(18,819)
Disposals	0	45	570	1,869	66	0	2,550
Translation adjustment	0	8	1,487	2,493	94	0	4,082
Other movements, including transfers	0	0	221	(221)	0	0	0
<b>June 30, 2017</b>	<b>(385)</b>	<b>(7,330)</b>	<b>(44,819)</b>	<b>(69,356)</b>	<b>(10,822)</b>	<b>0</b>	<b>(132,712)</b>

As at June 30, 2016

Gross value Property, plant and equipment (Euro/000)	Land and buildings	Plant and Equipment	Fixtures and fittings	Leasehold improvements	Other fixed assets	Assets in progress and advances	Total
<b>January 1, 2016</b>	<b>5,922</b>	<b>8,327</b>	<b>62,001</b>	<b>101,633</b>	<b>12,316</b>	<b>8,069</b>	<b>198,268</b>
Acquisitions	5	378	5,980	9,010	832	10,180	26,385
Disposals	0	(51)	(1,225)	(2,025)	(280)	(109)	(3,690)
Translation adjustment	0	(2)	(166)	1,683	(10)	(251)	1,254
Other movements, including transfers	0	1,323	(756)	5,330	(28)	(5,829)	40
<b>June 30, 2016</b>	<b>5,927</b>	<b>9,975</b>	<b>65,834</b>	<b>115,631</b>	<b>12,830</b>	<b>12,060</b>	<b>222,257</b>
Accumulated depreciation and impairment PPE (Euro/000)	Land and buildings	Plant and Equipment	Fixtures and fittings	Leasehold improvements	Other fixed assets	Assets in progress and advances	Total
<b>January 1, 2016</b>	<b>(2,638)</b>	<b>(6,176)</b>	<b>(32,767)</b>	<b>(45,806)</b>	<b>(8,647)</b>	<b>0</b>	<b>(96,034)</b>
Depreciation	(134)	(363)	(5,136)	(8,774)	(759)	0	(15,166)
Disposals	0	28	1,027	1,746	242	0	3,043
Translation adjustment	0	2	112	(549)	2	0	(433)
Other movements, including transfers	0	0	494	(497)	(16)	0	(19)
<b>June 30, 2016</b>	<b>(2,772)</b>	<b>(6,509)</b>	<b>(36,270)</b>	<b>(53,880)</b>	<b>(9,178)</b>	<b>0</b>	<b>(108,609)</b>

The changes in property plant and equipment in the first half of 2017 show an increase in the captions fixture and fittings, leasehold improvements and assets in progress and advances: all of these captions are mainly related to the development of the retail network.

#### 5.4. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

The balances of the captions as at June 30, 2017, over the comparable period of last year is reported below:

<b>Deferred taxation</b>		
(Euro/000)	<b>June 30, 2017</b>	<b>December 31, 2016</b>
Deferred tax assets	82,501	74,682
Deferred tax liabilities	(72,586)	(70,953)
<b>Net amount</b>	<b>9,915</b>	<b>3,729</b>

Deferred tax liabilities resulting from temporary differences associated with intangible assets are related to fiscal year 2008 in connection with the allocation of the brand name Moncler resulting from the excess price paid during acquisition.

Deferred tax assets and deferred tax liabilities are offset only when there is a law within a given tax jurisdiction, which provides for such right to offset.

#### 5.5. INVENTORY

Inventory as at June 30, 2017 is broken down as follows:

<b>Inventory</b>		
(Euro/000)	<b>June 30, 2017</b>	<b>December 31, 2016</b>
Raw materials	47,853	54,219
Work-in-progress	38,755	12,163
Finished products	164,477	145,498
<b>Inventories, gross</b>	<b>251,085</b>	<b>211,880</b>
Obsolescence provision	(78,248)	(76,031)
<b>Total</b>	<b>172,837</b>	<b>135,849</b>

Finished products and work-in-progress in inventory in the first half of each year are impacted by seasonality; specifically, they tend to increase compared to December as the average production cost of the articles of the autumn/winter collection, in stock in June, is higher than the average production cost of the articles of the spring/summer collection, in stock in December.

In addition, the inventory as at June 30, 2017 is affected by the development of the retail business and the related service levels.

The obsolescence provision is calculated using management's best estimate based on the season needs and the inventory balance based on passed sales trends through alternative channels and future sales volumes.

## 5.6. TRADE RECEIVABLES

Trade receivables as at June 30, 2017 are as follows:

<b>Trade receivables</b> (Euro/000)	<b>June 30, 2017</b>	<b>December 31, 2016</b>
Trade account receivables	64,463	113,931
Allowance for doubtful debt	(5,744)	(5,408)
Allowance for returns and discounts	(3,600)	(3,659)
<b>Total, net value</b>	<b>55,119</b>	<b>104,864</b>

Trade receivables are related to the Group's wholesale business and they include balances with a collection period not greater than three months. During the first half of 2017 there were no concentration of credit risk greater than 10% associated to individual customers.

The allowance for doubtful debts was calculated in accordance with management's best estimate based on the ageing of accounts receivable as well as the solvency of the oldest accounts and also taking into consideration any balances turned over into collection proceedings. Trade receivables written down are related to specific balances that were past due and for which collection is uncertain.

## 5.7. CASH AND BANKS

As at June 30, 2017 the caption cash on hand and cash at banks amounts to Euro 235.6 million (Euro 243.4 million as at December 31, 2016), includes cash and cash equivalents as well as the funds available at banks.

The amount included in the Half-year Condensed Consolidated Financial Statements represents the fair value at the date of the financial statements. The credit risk is very limited since the other parties are class A financial institutions.

The consolidated statement of cash flows includes the changes in cash and cash at banks as well as the bank overdrafts.

The following table shows the reconciliation between cash and cash at banks with those included in the consolidated statement of cash flows:

<b>Cash and cash equivalents included in the Statement of cash flows</b> (Euro/000)	<b>June 30, 2017</b>	<b>December 31, 2016</b>
Cash in hand and at banks	235,594	243,389
Bank overdraft	(3)	(4)
<b>Total</b>	<b>235,591</b>	<b>243,385</b>

## 5.8. FINANCIAL CURRENT ASSETS

The caption financial current assets refers to the receivables arising from the market valuation of the derivatives on exchange rates hedges.

## 5.9. OTHER CURRENT AND NON-CURRENT ASSETS

<b>Other current and non-current assets</b>		
(Euro/000)	June 30, 2017	December 31, 2016
Prepayments and accrued income - current	7,050	5,629
Other current receivables	13,439	7,727
<b>Other current assets</b>	<b>20,489</b>	<b>13,356</b>
Prepayments and accrued income - non-current	1,635	1,755
Security / guarantees deposits	23,067	22,514
Other non-current receivables	434	422
<b>Other non-current assets</b>	<b>25,136</b>	<b>24,691</b>
<b>Total</b>	<b>45,625</b>	<b>38,047</b>

As at June 30, 2017, the caption prepayments and accrued income - current amounts to Euro 7.0 million (Euro 5.6 million as at December 31, 2016) and mainly pertains to the rents.

The caption other current receivables mainly contains the receivable due from the tax authority.

Prepayments and accrued income non-current amount to Euro 1.6 million (Euro 1.8 million as at 31 December 2016) and pertain to prepaid rents that extend over the current year.

Deposits are mostly related to the amounts paid on behalf of the lessee as a guarantee to the lease agreement.

There are no differences between the amounts included in the Half-year Consolidated Financial Statements and their fair values.

## 5.10. TRADE PAYABLES

Trade payables amount to Euro 163.5 million as at June 30, 2017 (Euro 132.6 million as at December 31, 2016) and pertain to current amounts due to suppliers for goods and services. These payables are all due in the short term and do not include amounts that will be paid over 12 months.

In the first half of 2017 there are no outstanding positions associated to individual suppliers that exceed 10% of the total value.

The increase in trade payables as at June 30, 2017 compared to December 31, 2016 is due to the fact that the balance as of June 30 pertains to purchases related to the fall/winter collection which has an average value higher when compared to the spring/summer collection making up the trade payable balance as of December, 31.

There are no difference between the amounts included in the Half-year Consolidated Financial Statements and their respective fair values.

#### 5.11. OTHER CURRENT AND NON-CURRENT LIABILITIES

As at June 30, 2017, the caption is detailed as follow:

<b>Other current and non-current liabilities</b> (Euro/000)	<b>June 30, 2017</b>	<b>December 31, 2016</b>
Deferred income and accrued expenses - current	2,971	1,552
Advances and payments on account to customers	8,033	3,467
Employee and social institutions	20,653	26,414
Tax accounts payable, excluding income taxes	7,236	12,608
Other current payables	4,453	6,278
<b>Other current liabilities</b>	<b>43,346</b>	<b>50,319</b>
Deferred income and accrued expenses - non-current	11,077	12,043
<b>Other non-current liabilities</b>	<b>11,077</b>	<b>12,043</b>
<b>Total</b>	<b>54,423</b>	<b>62,362</b>

The caption deferred income and accrued expenses current pertains mainly to accrued expenses on rents.

The caption taxes payable includes mainly value added tax (VAT) and payroll tax withholding.

The caption deferred income and accrued expenses non-current pertains to accrued expenses on rents extending over a year.

#### 5.12. CURRENT TAX ASSETS AND LIABILITIES

Tax assets amount to Euro 8.4 million as at June 30, 2017 (Euro 5.6 million as at December 31, 2016) and pertain to receivables for advances paid on taxes.

Tax liabilities amounted to Euro 4.2 million as at June 30, 2017 (Euro 24.6 million as at December 31, 2016). Those captions are recognized net of current tax assets, where the offsetting relates to the same tax jurisdiction and tax system.

#### 5.13. PROVISIONS NON-CURRENT

Non-current provisions as at June 30, 2017 are detailed in the following table:

<b>Provision for contingencies and losses</b> (Euro/000)	<b>June 30, 2017</b>	<b>December 31, 2016</b>
Tax litigations	8,515	8,515
Other non current contingencies	3,231	3,365
<b>Total</b>	<b>11,746</b>	<b>11,880</b>

The caption tax litigations reflects the risk associated with ongoing tax audits.

The caption other non-current contingencies includes the costs for restoring stores and the costs associated with ongoing disputes.

#### 5.14. PENSION FUNDS AND AGENTS LEAVING INDEMNITIES

Pension funds and agents leaving indemnities as at June 30, 2017 are detailed in the following table:

<b>Employees pension funds</b>		
(Euro/000)	<b>June 30, 2017</b>	<b>December 31, 2016</b>
Pension funds	2,803	2,700
Agents leaving indemnities	2,558	2,558
<b>Total</b>	<b>5,361</b>	<b>5,258</b>

The pension funds pertain mainly to Italian entities of the Group. Following the recent welfare reform, beginning on 1 January 2007, the liability has taken the form of a defined contribution plan. Therefore, the amount of pension fund (TFR) accrued prior to the application of the reform and not yet paid to the employees as of the date of the consolidated financial statements is considered as a defined benefit plan.

#### 5.15. FINANCIAL LIABILITIES

Financial liabilities as at June 30, 2017 are detailed in the following table:

<b>Borrowings</b>		
(Euro/000)	<b>June 30, 2017</b>	<b>December 31, 2016</b>
Bank overdraft and short-term bank loans	3	4
Short-term portion of long-term bank loans	37,518	62,053
Other short-term loans	107	2,720
<b>Short-term borrowings</b>	<b>37,628</b>	<b>64,777</b>
<b>Long-term borrowings</b>	<b>75,566</b>	<b>75,835</b>
<b>Total</b>	<b>113,194</b>	<b>140,612</b>

Short-term borrowings include advance payments on invoices, bank receipts and short-term loans related to working capital as well as the current portion of long-term bank loans.

Long-term borrowings include the portion expiring beyond one year related to other parties.

The following tables show the break-down of the borrowing in accordance with their maturity date:

<b>Ageing of the financial liabilities</b>		
(Euro/000)	<b>June 30, 2017</b>	<b>December 31, 2016</b>
Within 2 years	62.928	63.555
From 2 to 5 years	12.638	12.280
Beyond 5 years	0	0
<b>Total</b>	<b>75.566</b>	<b>75.835</b>

The loans do not include covenants. The net financial position is detailed in the following tables:

<b>Net financial position</b>		
(Euro/000)	<b>June 30, 2017</b>	<b>December 31, 2016</b>
Cash and cash equivalents	235,594	243,389
Other short-term financial receivables	7,781	3,019
Debts and other current financial liabilities	(37,628)	(64,777)
Debts and other non-current financial liabilities	(75,566)	(75,835)
<b>Total</b>	<b>130,181</b>	<b>105,796</b>

<b>Net financial position</b>		
(Euro/000)	<b>June 30, 2017</b>	<b>December 31, 2016</b>
A. Cash in hand	973	1,178
B. Cash at banks and cash equivalents	234,621	242,211
C. Available for sale securities	0	0
<b>D. Liquidity (A)+(B)+(C)</b>	<b>235,594</b>	<b>243,389</b>
<b>E. Current financial assets</b>	<b>7,781</b>	<b>3,019</b>
F. Payable to banks, current	(3)	(4)
G. Current portion of long-term debt	(37,518)	(62,053)
H. Other current financial debt	(107)	(2,720)
<b>I. Current financial debt (F)+(G)+(H)</b>	<b>(37,628)</b>	<b>(64,777)</b>
<b>J. Net current financial debt (I)+(E)-(D)</b>	<b>205,747</b>	<b>181,631</b>
K. Payable to bank, non-current	0	(2,092)
L. Bonds issued	0	0
M. Other non-current payables	(75,566)	(73,743)
<b>N. Non-current financial debt (K)+(L)+(M)</b>	<b>(75,566)</b>	<b>(75,835)</b>
<b>O. Net financial debt (J)+(N)</b>	<b>130,181</b>	<b>105,796</b>

Net financial position as defined by the CESR Recommendation of February 10, 2005 (referred to by the Consob Communication of July 28, 2006).

## 5.16. SHAREHOLDERS' EQUITY

Changes in shareholders' equity for the first half of 2017 and the comparative period are included in the consolidated statements of changes in equity.

The legal reserve and premium reserve pertain to the parent company Moncler S.p.A.

In the first half 2017 the parent company distributed dividends to the Group Shareholders for an amount of Euro 45.5 million (Euro 34.9 million in 2016).

The increase of the share capital and the share premium reserve arises from the exercise of n. 4,017,025 vested options (for the same number of shares) in relation to the stock option plan approved by the shareholders meeting of Moncler S.p.A. dated February 28, 2014 at the exercise price of Euro 10.20 per share.

The other changes in shareholders' equity result from the accounting treatment of stock option plans and performance shares plan.

The change in retained earnings mainly relates to the payment of dividends to shareholders and the treasury shares purchase.

Other reserves includes other comprehensive income comprising the translation reserve referred to foreign entities, the reserve for exchange rate risks hedging and the reserve for actuarial gains/losses.

The translation reserve includes the exchange differences emerging from the translation of the financial statements of the foreign consolidated companies; the changes are mainly due to the differences resulting from the consolidation of the Japanese, Chinese and the two American subsidiaries. The hedging reserve includes the effective portion of the net differences accumulated in the fair value of the derivative hedging instruments. Changes to these reserves were as follows:

Other comprehensive income (Euro/000)	Cumulative translation reserve			Other OCI items		
	Value before tax effect	Tax effect	Value after tax effect	Value before tax effect	Tax effect	Value after tax effect
<b>Reserve as at January 1, 2016</b>	<b>3,581</b>	<b>0</b>	<b>3,581</b>	<b>(25)</b>	<b>(15)</b>	<b>(40)</b>
Changes in the period	1,848	0	1,848	(4,363)	1,248	(3,115)
Translation differences of the period	0	0	0	0	0	0
Reversal in the income statement of the period	0	0	0	0	0	0
<b>Reserve as at June 30, 2016</b>	<b>5,429</b>	<b>0</b>	<b>5,429</b>	<b>(4,388)</b>	<b>1,233</b>	<b>(3,155)</b>
<b>Reserve as at January 1, 2017</b>	<b>5,273</b>	<b>0</b>	<b>5,273</b>	<b>(237)</b>	<b>42</b>	<b>(195)</b>
Changes in the period	(9,003)	0	(9,003)	2,564	(592)	1,972
Translation differences of the period	0	0	0	0	0	0
Reversal in the income statement of the period	0	0	0	0	0	0
<b>Reserve as at June 30, 2017</b>	<b>(3,730)</b>	<b>0</b>	<b>(3,730)</b>	<b>2,327</b>	<b>(550)</b>	<b>1,777</b>

## EARNING PER SHARE

Earning per share for the half-year ended June 30, 2017 and June 30, 2016 is included in the following table and is based on the relationship between net income attributable to the Group and the average number of outstanding shares.

The diluted earnings per share is in line with the basic earnings per share as at June 30, 2017 as there are no significant dilutive effects arising from stock based compensation plans.

It should be noted that, for the diluted earnings per share calculation, the treasury share method has been applied, prescribed by IAS 33 paragraph 45 for stock-based compensation plans.

Earnings per share		
	1H 2017	1H 2016
Net result of the period (Euro/000)	41,835	33,592
Average number of shares related to parent's Shareholders	251,487,462	249,350,171
<b>Earnings attributable to Shareholders (Unit of Euro)</b>	<b>0.17</b>	<b>0.13</b>
<b>Diluted earnings attributable to Shareholders (Unit of Euro)</b>	<b>0.17</b>	<b>0.13</b>

## 6. SEGMENT INFORMATION

For the purposes of IFRS 8 "Operating Segments", the Group's activity is is part of a single operating segment referred to Moncler business.



## 7. SEASONALITY

The Moncler Group's results are influenced by various factors linked to seasonality, which are typical of the fashion and luxury industry in which the Group operates.

The Moncler Group's first trend of seasonality depends on sales typical of the wholesale distribution channel, where sales revenues are concentrated in the first and third quarters of each fiscal year. Sales are in fact concentrated in the months of January, February and March, when the third-party resellers buy the goods for the spring/summer collection, and in the months of July, August and September, when purchases are made for the fall/winter collection.

Another trend related to seasonality of the Moncler Group pertains to the invoicing of sales for the retail distribution channel which is mainly concentrated in the second half of the year and, in particular, in the last quarter of each fiscal year when customers buy products from the fall/winter collection, which is the Group's traditional strength.

As a result, the interim results may not contribute equally to the financial results achieved by the Group during the year. In addition, this seasonality combined with other factors such as the change over time of the relationship between retail and wholesale results could make it impossible to compare the results of the same interim periods of several years.

Finally, the sales trend and the dynamics of the production cycles have an impact on the net working capital and net debt, which are at their peaks during the months of September and October, while the months of November, December and January are characterized by high cash generation.

## 8. COMMITMENTS AND GUARANTEES GIVEN

### 8.1. COMMITMENTS

The Group's commitments pertain mostly to lease agreements related to the location where sales are generated (stores, outlet and showroom), the location where inventories are stored and the location where the administrative functions are performed.

As at June 30, 2017, the outstanding operating lease balance was as follows:

<b>Operating lease commitments - future minimum payments</b> (Euro/000)	<b>Less than 1 year</b>	<b>Between 1 and 5 years</b>	<b>Beyond 5 years</b>	<b>Total</b>
DOS	64,421	195,176	108,005	367,602
Outlet	4,840	21,829	21,054	47,723
Other buildings	7,593	17,874	1,389	26,856

### 8.2. GUARANTEES GIVEN

As at June 30, 2017 the Group had given the following guarantees:

<b>Guarantees and bails given</b>		
(Euro/000)	<b>June 30, 2017</b>	<b>December 31, 2016</b>
<b>Guarantees and bails given for the benefit of:</b>		
Third parties/companies	13.157	11.682
<b>Total guarantees and bails</b>	<b>13.157</b>	<b>11.682</b>

Guarantees pertain mainly to lease agreements for the new stores.

## 9. CONTINGENT LIABILITIES

As the Group operates globally, it is subject to risks which may arise during the performance of its ordinary activities. Based on information available to date, the Group believes that as of the date of the half-year condensed consolidated financial statements, the provisions set up are adequate to ensure that the half-year condensed consolidated financial statements give a true and fair view of the Group's financial position and results of operations.

## 10. OTHER INFORMATION

### 10.1. RELATED PARTY TRANSACTIONS

Set out below are the transactions with related parties deemed relevant for the purposes of the “Procedure with related party” adopted by the Group.

The “Procedure with related party” is available on the Company’s website ([www.monclergroup.com](http://www.monclergroup.com), under “Governance/Corporate documents”).

Transactions and balances with consolidated companies have been eliminated upon consolidation, therefore there are no comments there.

During the first-half of 2017 related party transactions mainly relate to trading transactions carried out on an arm's length basis with the following parties:

- Yagi Tsusho Ltd, counterparty to the transaction which led to the establishment of Moncler Japan Ltd. acquires finished products from Moncler Group companies (Euro 32.6 million in the first half of 2017 and Euro 27.9 million for the same period last year) and then sells them to Moncler Japan Ltd. (Euro 38.4 million in the first half of 2017 and Euro 32.3 million in the same period last year) pursuant to contracts agreed upon the companies' establishment.
- Gokse Tekstil Kozmetik Sanayi ic ve dis ticaret limited sirketi, company held by the minority share holder of Moncler Istanbul Giyim ve Tekstil Ticaret Ltd. Sti, provide services to that company by virtue of the contract signed at the time of incorporation of the company. Total costs recognized for the first half of 2017 amount to Euro 0.07 million (Euro 0.07 million in the first half of 2016).
- The company La Rotonda S.r.l., owned by a manager of the Moncler Group, acquires finished products from Industries SpA and provides services to the same. Total revenues recognized for

the first half of 2017 amount to Euro 0.3 million (Euro 0.3 million in the first half of 2016) and total costs recognized for the first half of 2017 amount to Euro 0.04 million (Euro 0.08 million in the first half of 2016).

- Shinsegae International Inc., counterparty to the transaction which led to the establishment of Moncler Shinsegae Inc., provides services to the latter pursuant to a contract agreed upon its establishment. Total costs recognized for the first half of 2017 amount to Euro 0.04 (Euro 0.4 million in the first half of 2016).

Company Industries S.p.A. adhere to the Parent Company Moncler S.p.A. fiscal consolidation.

#### COMPENSATION PAID TO DIRECTORS, BOARD OF STATUTORY AUDITORS AND EXECUTIVES WITH STRATEGIC RESPONSIBILITIES

Compensation paid of the members of the Board of Directors in the first half 2017 are Euro 1,808 thousand (Euro 1,728 thousand in the first half 2016).

Compensation paid of the members of the Board of Auditors in the first half 2017 are Euro 89 thousand (Euro 90 thousand in the first half 2016).

In the first half of 2017 total compensation paid to executives with strategic responsibilities amounted to Euro 1,170 thousand (Euro 1,185 thousand in the first half 2016).

In the first half of 2017 the costs relating to Stock Option Plans and Performance shares plan (described in section 10.2) referring to members of the Board of Directors and Key management personnel amount to Euro 3,890 thousand (Euro 2,545 in the first half 2016).

The following tables summarize the afore-mentioned related party transactions that took place during the first half of 2017 and the comparative period.

(Euro/000)	Type of relationship	Note	June 30, 2017	%	June 30, 2016	%
Yagi Tsusho Ltd	<i>Distribution agreement</i>	<i>a</i>	32,591	(32.8)%	27,912	(31.1)%
Yagi Tsusho Ltd	<i>Distribution agreement</i>	<i>a</i>	(38,441)	38.7%	(32,322)	36.0%
GokseTekstil Kozmetik Sanayi ic ve dis ticaret limited sirketi	<i>Service agreement</i>	<i>b</i>	(69)	0.1%	(67)	0.2%
La Rotonda S.r.l.	<i>Trade transactions</i>	<i>c</i>	253	0.1%	252	0.1%
La Rotonda S.r.l.	<i>Trade transactions</i>	<i>d</i>	(39)	0.0%	(79)	0.1%
Shinsegae International Inc.	<i>Trade transactions</i>	<i>b</i>	(42)	0.1%	(244)	0.6%
Shinsegae International Inc.	<i>Trade transactions</i>	<i>d</i>	0	0.0%	(116)	0.1%
Directors, board of statutory auditors and executives with strategic responsibilities	<i>Labour services</i>	<i>b</i>	(2,793)	5.5%	(2,732)	6.2%
Executives with strategic responsibilities	<i>Labour services</i>	<i>d</i>	(273)	0.2%	(271)	0.2%
Directors and executives with strategic responsibilities	<i>Labour services</i>	<i>e</i>	(3,890)	38.9%	(2,545)	46.0%
<b>Total</b>			<b>(12,703)</b>		<b>(10,212)</b>	

*a effect in % based on cost of sales*

*b effect in % based on general and administrative expenses*

*c effect in % based on revenues*

*d effect in % based on selling expenses*

*e effect in % based on non recurring expenses*

(Euro/000)	Type of relationship	Note	June 30, 2017	%	December 31, 2016	%
Yagi Tsusho Ltd	<i>Trade payables</i>	<i>a</i>	(25,937)	15.9%	(8,049)	6.1%
Yagi Tsusho Ltd	<i>Trade receivables</i>	<i>b</i>	17,437	31.6%	7,111	6.8%
Gokse Tekstil Kozmetik Sanayi ic ve dis ticaret limited sirketi	<i>Trade payables</i>	<i>a</i>	(3)	0.0%	0	0.0%
Shinsegae International Inc.	<i>Trade payables</i>	<i>a</i>	(7)	0.0%	(1)	0.0%
La Rotonda S.r.l.	<i>Trade receivables</i>	<i>b</i>	312	0.6%	412	0.4%
La Rotonda S.r.l.	<i>Trade payables</i>	<i>a</i>	(41)	0.0%	(81)	0.1%
Directors, board of statutory auditors and executives with strategic responsibilities	<i>Other current liabilities</i>	<i>c</i>	(1,565)	3.6%	(3,788)	7.5%
<b>Total</b>			<b>(9,804)</b>		<b>(4,396)</b>	

*a effect in % based on trade payables*

*b effect in % based on trade receivables*

*c effect in % based on other current liabilities*

The following tables summarize the weight of related party transactions on the captions of the consolidated financial statements.

(Euro/000)	June 30, 2017				
	Revenue	Cost of sales	Selling expenses	General and administrative expenses	Stock based compensation
Total related parties	253	(5,850)	(312)	(2,904)	(3,890)
Total consolidated financial statements	407,643	(99,293)	(154,036)	(51,148)	(10,012)
<b>weight %</b>	<b>0.1%</b>	<b>5.9%</b>	<b>0.2%</b>	<b>5.7%</b>	<b>38.9%</b>

(Euro/000)	June 30, 2017		
	Trade receivables	Trade Payables	Other current liabilities
Total related parties	17,749	(25,988)	(1,565)
Total consolidated financial statements	55,119	(163,532)	(43,346)
<b>weight %</b>	<b>32.2%</b>	<b>15.9%</b>	<b>3.6%</b>

(Euro/000)	June 30, 2016				
	Revenue	Cost of sales	Selling expenses	General and administrative expenses	Stock based compensation
Total related parties	252	(4,410)	(466)	(3,043)	(2,545)
Total consolidated financial statements	346,462	(89,661)	(128,902)	(44,113)	(5,527)
<b>weight %</b>	<b>0.1%</b>	<b>4.9%</b>	<b>0.4%</b>	<b>6.9%</b>	<b>46.0%</b>

(Euro/000)	December 31, 2016		
	Trade receivables	Trade Payables	Other current liabilities
Total related parties	7,523	(8,131)	(3,788)
Total consolidated financial statements	104,864	(132,586)	(50,319)
<b>weight %</b>	<b>7.2%</b>	<b>6.1%</b>	<b>7.5%</b>

## 10.2. STOCK OPTION PLANS

The Half-year Consolidated Financial Statements at June 30, 2017 reflects the values of the Stock Option Plans approved in 2014 and 2015 and of the new Performance Share Plan approved in 2016.

With regard to stock option plans approved in 2014, please note that:

- The Stock Option Plan 2014-2018 “Top management and Key people” provides for a vesting period ended with the approval of the consolidated financial statements as at December 31, 2016. Each beneficiary may exercise the options granted on condition that the specific performance goals related to Group’s consolidated EBITDA are achieved. Please note that these performance goals have been achieved. The exercise price of the options is equal to Euro 10.20 and allows for the subscription of shares in the ratio of one ordinary share for every option exercised;
- The Stock Option Plan 2014-2018 “Corporate Structure” provides for three separate tranches with a vesting period starting from the grant date of the plan until the approval date by the Board of Directors of the consolidated financial statements respectively as at December 31, 2014, 2015 and 2016. Each beneficiary may exercise the options granted on condition that the specific performance goals related to Group’s consolidated EBITDA are achieved. Please note that these performance goals have been achieved. The exercise price of the options is equal to Euro 10.20 and allows for the subscription of shares in the ratio of one ordinary share for every option exercised;
- The fair value of stock options was estimated at the grant date using the Black-Scholes method, based on the following assumptions:
  - share price at the grant date of the options Euro 13.27;
  - estimated life of options equal to the period from the grant date to the following estimated exercise dates:
    - Stock Option Plan for Top Management and Key People: March 1, 2018;
    - Stock Option Plan for Corporate Structure: I tranche March 1, 2017, II tranche August 31, 2017, III tranche March, 1 2018;
  - dividend yield 1%;
  - fair value per tranches from Euro 3.8819 to Euro 4.1597.
- The effect of the two plans on the income statement of the first half 2017 amounted to Euro 2.3 million, while the net equity increase following the exercise of the vested options in respect of the first, the second and the third tranche of the plan “Corporate Structure” and the “Top Management and Key People” Plan amounts to Euro 41.0 million.
- As at June 30, 2017 the following options are still in circulation: 544,892 options for the “Top Management and Key People” Plan and 9,783 options for the “Corporate Structure” Plan, after that, during the first half of 2017, 156,917 options related to the first, the second and

the third tranche of the “Corporate Structure” Plan and 3,860,108 options related to the “Top Management and Key People” Plan were exercised.

With regard to stock option plan approved in 2015, please note that:

- The 2015 Plan is intended for executive directors and/or Key-managers with strategic responsibilities employees and external consultants and other collaborators of Moncler S.p.A. and its subsidiaries which are considered as having a strategic importance or are otherwise able to make a significant contribution to achieving Group's strategic objectives;
- The 2015 Plan provides for the assignment of maximum 2,548,225 options through 3 cycles of allocation, free of charge. The options allow, under the conditions established, to subscribe ordinary shares of Moncler S.p.A. The first grant cycle was completed on May 12, 2015, with the allocation of 1,385,000 options;
- The exercise price of the options is equal to Euro 16.34 and allows for the subscription of shares in the ratio of one ordinary share for every option exercised;
- The 2015 Plan provides for a vesting period of three years between the allocation date and the initial exercise date. The option can be exercised within June 30, 2020 maximum, for the first attribution cycle and June 30, 2021 or June 30, 2022, respectively, for the second and third attribution cycle;
- Each beneficiary may exercise the options granted on condition that the specific performance goals related to Group's consolidated EBITDA are achieved;
- The fair value of 2015 Plan was estimated at the grant date using the Black-Scholes method, based on the following assumptions:
  - share price at the grant date of the options Euro 16.34;
  - estimated life of options equal to the period from the grant date to the following estimated exercise: May 31, 2019;
  - dividend yield 1%;
  - fair value per tranches Euro 3.2877.
- The effect on the income statement of the first half of 2017 of the 2015 Plan amounts to Euro 0.8 million, which mainly includes the costs accrued during the period, which calculation is based on the fair value of the plans, which takes into account the value of the share at the grant date, the volatility, the flow of the expected dividends, the option term and the risk-free rate.
- As at June 30, 2017 the following options are still in circulation: 1,175,000 options.

On April 20, 2016, the shareholders meeting of Moncler approved the adoption of a stock grant plan entitled "2016-2018 Performance Shares Plan" (“2016 Plan”) addressed to Executive Directors and/or Key Managers, and/or employees, and/or collaborators, and/or external consultants of Moncler

S.p.A. and of its subsidiaries, which have strategically relevant roles or are otherwise capable of making a significant contribution, with a view to pursuing Group's strategic objectives.

The object of the Plan is the free granting of the Moncler shares in case certain Performance Targets are achieved at the end of the vesting period of 3 years.

The proposed maximum number of shares serving the Plan is equal to No. 3,800,000.00 resulting from a Capital Increase and/or from the allocation of treasury shares.

The Performance Targets will have to be assessed in compliance with the 2016-2018 approved business plan, and are expressed base on the earning per share index ("EPS") of the Group in the Vesting Period, adjusted by the conditions of over\under performance.

The Plan provides for a maximum of 3 cycles of attribution; the first attribution cycle, approved during 2016, ended with the assignment of 2,856,000 Moncler Rights. The effect on the income statement of the first half of 2017 amounted to Euro 6.2 million. The second attribution cycle approved on June 29, 2017 assigned 365,500 Moncler Rights. The effect on the income statement of the first half of 2017 amounted to Euro 6.0 thousand.

As stated by IFRS 2, these plans are defined as equity settled share-based payments.

For information regarding the plan, please see the company's website, [www.monclergroup.com](http://www.monclergroup.com), in the "Governance" section.

### 10.3. SIGNIFICANT NON-RECURRING EVENTS AND TRANSACTIONS

On 29 June 2017, with the favourable opinion of the Nomination and Remuneration Committee, the Board of Directors of Moncler S.p.A. began the second cycle of allocating Moncler ordinary shares under the "Performance Shares Plan 2016-2018", approved by the Shareholders' Meeting of 20 April 2016, resolving to allot 365,500 shares to 18 new beneficiaries.

The description of the stock based compensation plans and the related costs are included in note 10.2.

### 10.4. ATYPICAL AND/OR UNUSUAL TRANSACTIONS

No atypical and/or unusual transactions were carried out by the Group during the first half of 2017.

### 10.5. FINANCIAL INSTRUMENTS

The following table shows the carrying amount and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.



(Euro/000)				
June 30, 2017	Current	Non-current	Fair value	Level
<b>Financial assets measured at fair value</b>				
Interest rate swap used for hedging	-	-	-	
Forward exchange contracts used for hedging	7,659	-	7,659	2
Sub-total	7,659	-	7,659	
<b>Financial assets not measured at fair value</b>				
Trade and other receivables (*)	55,119	23,067		
Cash and cash equivalents (*)	235,594	-		
Sub-total	290,713	23,067	-	
<b>Total</b>	<b>298,372</b>	<b>23,067</b>	<b>7,659</b>	

(Euro/000)				
December 31, 2016	Current	Non-current	Fair value	Level
<b>Financial assets measured at fair value</b>				
Interest rate swap used for hedging	-	-	-	
Forward exchange contracts used for hedging	2,887	-	2,887	2
Sub-total	2,887	-	2,887	
<b>Financial assets not measured at fair value</b>				
Trade and other receivables (*)	104,864	22,514		
Cash and cash equivalents (*)	243,389	-		
Sub-total	348,253	22,514	-	
<b>Total</b>	<b>351,140</b>	<b>22,514</b>	<b>2,887</b>	

(Euro/000)				
June 30, 2017	Current	Non-current	Fair value	Level
<b>Financial liabilities measured at fair value</b>				
Interest rate swap used for hedging	-	-	-	2
Forward exchange contracts used for hedging	(107)	-	(107)	2
Other financial liabilities	-	(75,566)	(75,566)	3
Sub-total	(107)	(75,566)	(75,673)	
<b>Financial liabilities not measured at fair value</b>				
Trade and other payables (*)	(176,018)	-		
Bank overdrafts (*)	(3)	-		
Short-term bank loans (*)	-	-		
Bank loans	(37,518)	-	(37,518)	3
Sub-total	(213,539)	-	(37,518)	
<b>Total</b>	<b>(213,646)</b>	<b>(75,566)</b>	<b>(113,191)</b>	

(Euro/000)				
December 31, 2016	Current	Non-current	Fair value	Level
<b>Financial liabilities measured at fair value</b>				
Interest rate swap used for hedging	-	-	-	2
Forward exchange contracts used for hedging	(2,720)	-	(2,720)	2
Other financial liabilities	-	(73,743)	(73,743)	3
Sub-total	(2,720)	(73,743)	(76,463)	
<b>Financial liabilities not measured at fair value</b>				
Trade and other payables (*)	(142,331)	-		
Bank overdrafts (*)	(4)	-		
Short-term bank loans (*)	-	-		
Bank loans	(62,053)	(2,092)	(64,145)	3
Sub-total	(204,388)	(2,092)	(64,145)	
<b>Total</b>	<b>(207,108)</b>	<b>(75,835)</b>	<b>(140,608)</b>	

(\*) Such items refer to short-term financial assets and financial liabilities whose carrying value is a reasonable approximation of fair value, which was therefore not disclosed.

## **11. SIGNIFICANT EVENTS AFTER THE REPORTING DATE**

No significant events occurred after the end of the period.

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These Half-Year Consolidated Financial Statements, comprised of the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cash flows and explanatory notes to the consolidated financial statements give a true and fair view of the financial position and the results of operations and cash flows and corresponds to the accounting records of the Parent Company and the companies included in the consolidation.

On behalf of the Board of Directors of Moncler S.p.A.

The Chairman

**Remo Ruffini**

**ATTESTATION OF THE HALF-YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO ARTICLE 81-TER OF THE CONSOB REGULATION 11971 OF 14 MAY 1999 AS AMENDED**

1. The undersigned, Remo Ruffini, in his capacity as the Chief Executive Officer of Moncler S.p.A. and Luciano Santel, as the executive officer responsible for the preparation of Moncler S.p.A.'s financial statements, having also taken into account the provisions of Article 154-*bis*, paragraphs 3 and 4, of the Italian Legislative Decree 58 of 24 February 1998, hereby certify:

- the adequacy in relation to the characteristics of the company and
- the effective implementation of the administrative and accounting procedures for the preparation of the half-year condensed consolidated financial statements, during the first half 2017.

2. With regard to the above, there are no remarks.

3. It is also certified that:

3.1 the Half-year Condensed Consolidated Financial Statement:

- a) has been drawn up in accordance with the international accounting standards recognised in the European Union under the EC regulation 1606/2002 of the European Parliament and of the Council of 19 July 2002;
- b) is consistent with the entries in the accounting books and records;
- c) is capable of providing a true and fair representation of the assets and liabilities, profits and losses and financial position of the issuer and the group of companies included in the consolidation.

3.2 The half-year directors' report includes a reliable analysis of the significant events that took place in the first six months of the financial year and their impact on the half-year condensed consolidated financial statements, together with a description of the main risks and uncertainties for the remaining six months of the financial year. The half-year directors' report also includes a reliable analysis of the disclosure on significant related party transactions.

Milan, July 26, 2017

**CHAIRMAN OF THE BOARD OF  
DIRECTORS AND CHIEF EXECUTIVE OFFICER**

Remo Ruffini

**EXECUTIVE OFFICER RESPONSIBLE  
FOR THE PREPARATION OF THE  
COMPANY'S FINANCIAL STATEMENTS**

Luciano Santel



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(Translation from the Italian original which remains the definitive version)

## **Report on review of condensed interim consolidated financial statements**

To the Shareholders of  
Moncler S.p.A.

### **Introduction**

We have reviewed the accompanying condensed interim consolidated financial statements of the Moncler Group comprising the income statement and the statements of comprehensive income, financial position, changes in equity and cash flows and notes thereto, as at and for the six months ended 30 June 2017. The company's parent's directors are responsible for the preparation of these condensed interim consolidated financial statements in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union. Our responsibility is to express a conclusion on these condensed interim consolidated financial statements based on our review.

### **Scope of Review**

We conducted our review in accordance with Consob (the Italian Commission for Listed Companies and the Stock Exchange) guidelines set out in Consob resolution no. 10867 dated 31 July 1997. A review of condensed interim consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, applying analytical and other review procedures. A review is substantially less in scope than an 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 condensed interim consolidated financial statements.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim consolidated financial statements of the Moncler Group as at and for the six months ended 30 June 2017 have not been prepared, in all material



**Moncler Group**

*Report on review of condensed interim consolidated financial statements*  
30 June 2017

respects, in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union.

Treviso, 28 July 2017

KPMG S.p.A.

(signed on the original)

Francesco Masetto  
Director of Audit