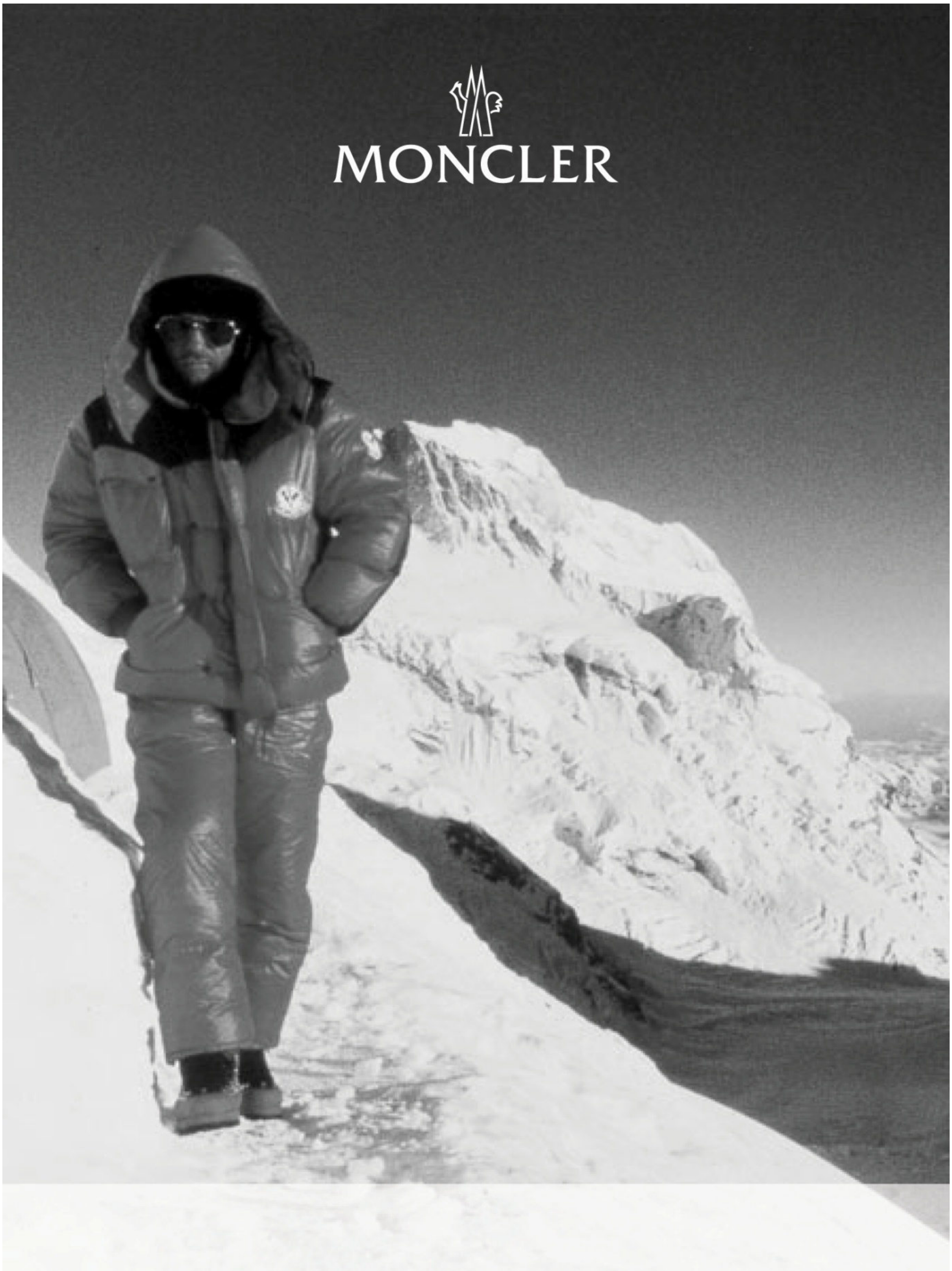

Moncler Group

Annual Report

At 31 December 2013

INDEX

Annual Report

Corporate Information

Registered office

Moncler S.p.A.
Via Enrico Stendhal, 47
20144 Milan – Italy

Administrative office

Via Venezia, 1
35010 Trebaseleghe (Padua) – Italy
Tel. +39 049 9323111
Fax. +39 049 9386658

Legal information

Authorized and issued share capital Euro 50.000.000
VAT, Tax Code and No. Chamber of Commerce enrollment: 04642290961
Iscr. R.E.A. Milan No. 1763158

Office and showroom

Milano Via Stendhal, 45-47
Parigi Rue St. Honoré, 5
New York 578 Broadway suite 306
Tokyo 5-4-46 Minami-Aoyama Omotesando Minato
Monaco Infanteriestrasse, 11 A
Hong Kong Queen Road East 58,64
Trebaseleghe Via Venezia,1
Roma Via Margutta, 3

Board of Directors' Report for the year ended 31 December 2013

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- The Moncler brand
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Letter to the Shareholders

Dear shareholders,

2013 was a pivotal year, dare I say unique, not only for Moncler, but also for all the people who have built along with me the success of this brand.

It was, in fact, the year that marked the tenth anniversary of the relaunch of the brand and the one in which we have successfully concluded the listing process of the company, but it was also a year where we recorded, once again, a double figure growth in both revenues and earnings.

Revenues, amounting to 580.6 million euros, increased by 19% in 2013 at current exchange rates and by 25% at constant exchange rates, which can be considered a remarkable growth. EBITDA amounted to 192 million euros resulting in a margin of 33%,

We have achieved important results in terms of distribution through our network which, as at 31 December 2013, has reached 135 monobrand stores, of which 107 are directly operated (DOS); these stores have generated 57% of Moncler revenues.

At the geographical level, we have successfully continued our expansion strategy in all international markets, which in 2013 accounted for 77% of consolidated revenues. There are still many markets where the brand, although already known, has yet to develop an adequate direct presence, and others where we are entering. Our plans for 2014 are clear and I believe them to be consistent with those we had in the past. Our goal is to continue to grow in a controlled and sustainable network of direct monobrand stores, at the same time focusing on the selective development of the wholesale channel.

Our heritage is our main asset, which we want to preserve and feed through unique communication processes.

Product is my passion and we will continue to create innovative collections without deviating from our roots, since the real luxury today is to have a product of the highest quality that does not "go out of fashion" but survives fashion, and this is what Moncler offers to all its customers worldwide. We want to create special products while maintaining, in everything we do, a specialized approach.

I think that even our flagship stores are unique and innovative and communicate clearly what Moncler is today and what it wants to become in the future.

We are working on many projects which will allow us to achieve a long-term and sustainable growth of the brand. Acting quickly but with no hurry is our motto.

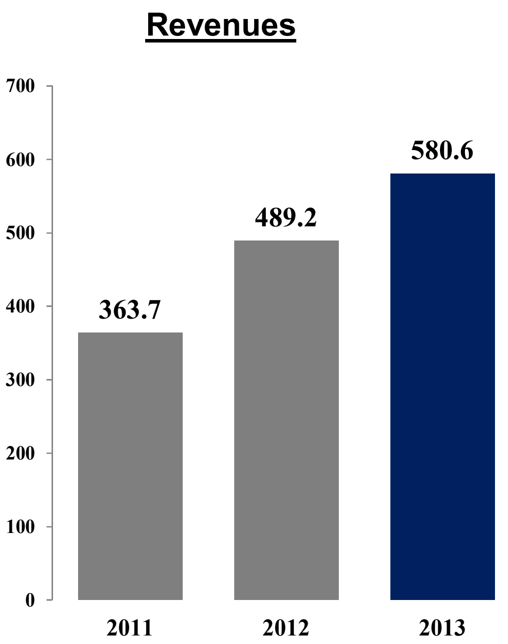
I am confident that Moncler will be able to continue to create value for all its stakeholders in 2014 in a manner consistent with its past and sustainable for the future.

Finally, a special thanks to our shareholders who have always believed in this project; reaching our goal of listing Moncler, and its subsequent inclusion in the FTSEMIB index as one of the 40 largest stocks of the Italian stock market (FTSEMIB), do not in fact represent a point of arrival, but are an important new starting point and a further incentive to continue to develop with consistency and passion the Moncler brand in the world.

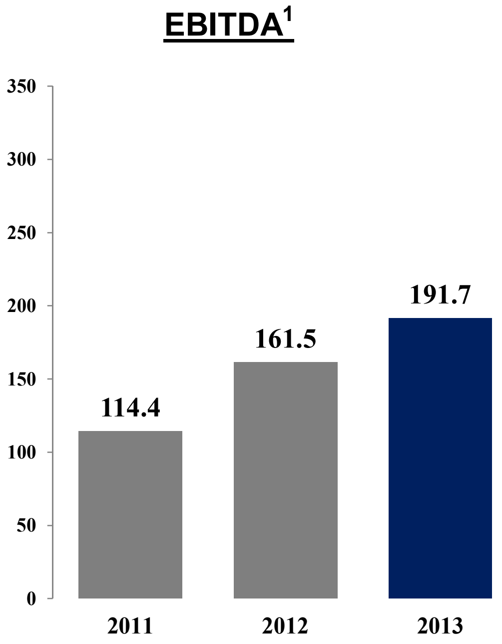
THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Remo Ruffini

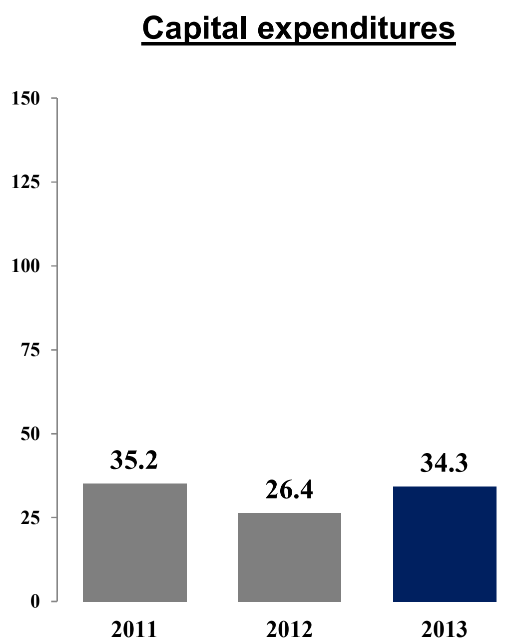
Financial Highlights



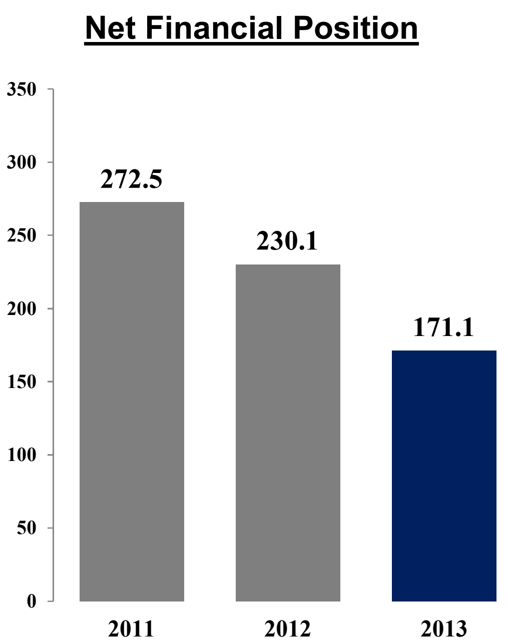
Million euros.



Million euros.



Million euros.



Million euros.

[1] In 2013, excluding 6.1 million euros of non-recurring costs mostly related to the IPO

Corporate Bodies

Board of Directors	Remo Ruffini	Chairman
	Vivianne Akriche[(3)]	
	Nerio Alessandri[(1) (2) (3)]	
	Alessandro Benetton[(1) (2) (3) (4)]	
	Christian Blanckaert	
	Sergio Buongiovanni	
	Marco De Benedetti[(2) (3)]	
	Valérie Hermann[(1) (2) (3)]	
	Virginie Morgon[(2)]	
	Pietro Ruffini	
	Pier Francesco Saviotti	
Board of Statutory Auditors	Raoul Francesco Vitulo	Chairman
	Lorenzo Mauro Banfi	Regular auditor
	Mario Valenti	Regular auditor
	Riccardo Foglia Taverna	Alternate auditor
	Francesco Mantegazza	Alternate auditor
External Auditors	KPMG S.p.A.	

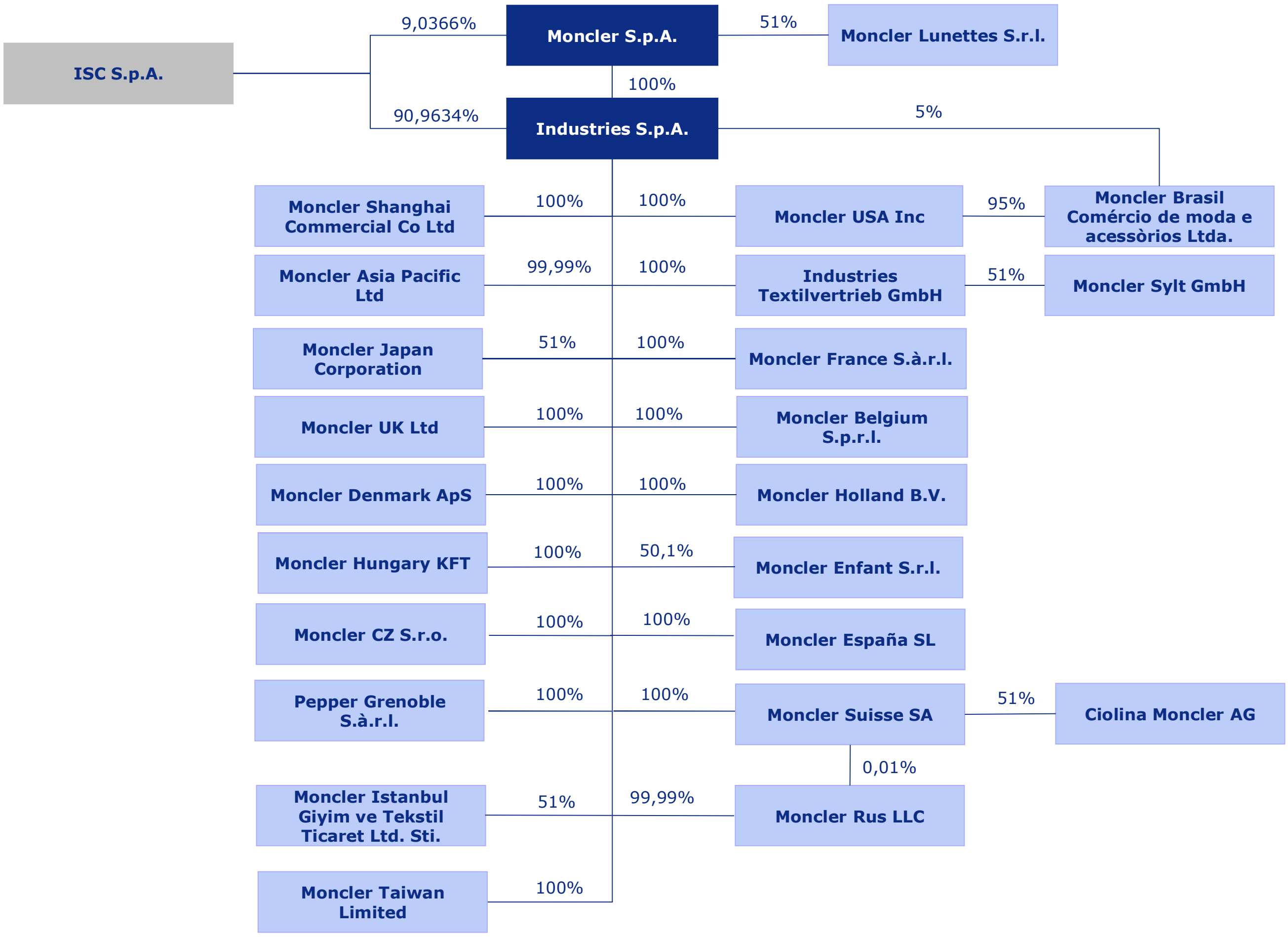
(1) Independent Director

(2) Nomination and Remuneration Committee

(3) Audit and Risk Committee

(4) Lead Independent Director

Organizational Chart as at 31 December 2013



Group Structure

The Group consolidated financial statements as at 31 December 2013 include Moncler S.p.A. (Parent Company), Industries S.p.A. and 24 consolidated subsidiaries in which the Parent Company holds, directly or indirectly, a majority of the voting rights, or over which it exercises control from which it is able to derive benefits by virtue of its power to govern both on a financial and an operating aspects.

Moncler S.p.A.	Parent company which holds the Moncler brand
Industries S.p.A.	Sub-holding company, directly involved in the management of foreign companies and distribution channels (DOS, Showroom) in Italy and licensee of the Moncler brand
Pepper Grenoble S.à.r.l.	Company previously involved in the planning and control processes for the production and supply chains, currently inactive
Moncler Asia Pacific Ltd	Company that manages since 2012 DOS in Hong Kong and which has also completed the management of production services in Asia
Industries Textilvertrieb GmbH	Company that promotes goods in Germany and Austria and also carries out management services for DOS
Moncler USA Inc	Company that promotes and distributes goods in North America, and also carries out management of DOS
Moncler Suisse SA	Company that manages stores in Switzerland
Ciolina Moncler AG	Company that manages one DOS in Switzerland
Moncler France S.a.r.l.	Company that promotes goods and manages DOS in France
Moncler Enfant S.r.l.	Company that distributes and promotes goods from the Moncler Baby and Junior brand
Moncler Japan Corporation	Company that distributes and promotes goods in Japan and also manages DOS
Moncler UK Ltd	Company that manages DOS in the United Kingdom
Moncler Shanghai Commercial Co. Ltd	Company that manages DOS in China
Moncler Belgium S.p.r.l.	Company that manages DOS in Antwerp
Moncler Denmark ApS	Company that manages DOS in Copenhagen
Moncler Holland B.V.	Company that manages DOS in the Netherlands
Moncler Hungary KFT	Company that manages a DOS in Budapest
Moncler CZ S.r.o.	Company that will manage a DOS

Moncler España SL	Company that manages a DOS in Spain
Moncler Lunettes S.r.l.	Company establihed in 2013 responsible for coordinating the production and marketing of products in the Moncler eyewear brand
Moncler Istanbul Giyim ve Tekstil Ticaret Ltd. Sti.	Company established in 2013 that manages stores in Istanbul
Moncler Sylt Gmbh	Company established in 2013 that manages one store on the Island of Sylt
Moncler Brasil Comércio de moda e acessòrios Ltda.	Company established in 2013 that manages a store in San Paolo
Moncler Taiwan Limited	Company established in 2013 that manages a store in Taipei
Moncler Rus LLC	Company established in 2013 that manages a store in Moscow
ISC S.p.A.	Company established in 2013 that managed the Sportswear Business, disposed of on 8 November 2013 and currently inactive

The Moncler brand

The Moncler brand was created in 1952 in Monestier-de-Clermont, a small village in the mountains near Grenoble, with a focus on sports clothing for the mountain. Moncler has, in fact, built in 1954 the first nylon and down jacket. In the same year, the Moncler products were chosen by the Italian expedition to K2 and in 1955 by the French expedition to Makalù. In 1968, the brand gains additional visibility as Moncler becomes the official supplier of the French Alpine skiing team at the Winter Olympics in Grenoble. In the 80s the Moncler products started to be used on a daily basis also in the cities and have became a true fashion phenomenon among younger consumers.

Beginning in 2003, when Remo Ruffini entered in the Group, a process of repositioning the brand was initiated through which Moncler products take on an ever more unique aspect.

The philosophy of Moncler is now focused on the creation of unique products of the highest quality, "timeless", versatile and innovative. The motto "born in the mountains, living in the city" tells how the Moncler brand has evolved from a line of products used purely for sport purposes to versatile lines that consumers of all gender, age, identity, origin and culture can wear on any occasion.

The selection of Moncler brand products ranges from the high fashion segment, with the Gamme Rouge and Gamme Bleu collections, characterized by the exclusivity of the products and the limited distribution to the most prestigious boutiques in the world, to the Grenoble collections, where the technical and innovative aspect is greater, the Special Projects, consisting of experimental labs, the result of ad hoc collaborations with avant-garde designers, the products of the Main collection that combine high quality for various uses. The selection also offers a line dedicated to accessories (shoes "à marcher" and bags "à porter"), a line of eyewear and sunglasses (Moncler Lunettes, in joint venture with the Allison Group) and the line Enfant dedicated to the child segment (0-12 years).

Gamme Rouge
Fall/Winter 2014/15

Gamme Bleu
Fall/Winter 2014/15

Gamme Rouge
Fall/Winter 2014/15

Moncler Main,
Spring/Summer 2014

Moncler Main,
Spring/Summer 2014

Vision and Strategy

Moncler’s goal is the pursuance of the development of the brand in the luxury goods segment throughout the world, in harmony and in line to the uniqueness of its heritage.

Moncler’s strategy is aimed at:

- the continued strengthening of the identity and uniqueness of brand positioning;
- the development and consolidation of international markets;
- the evaluation of a selective expansion of the product range into segments compatible with the distinctive characteristics of the brand.

The Moncler brand has a unique heritage which is its main asset and the entire strategy permeates through it.

Heritage, quality, uniqueness, consistency are the four words that best represent Moncler, a brand that can survive fashion, since today’s real luxury consists in having a high quality product that lasts.

Moncler plans to pursue these objectives through the strengthening and development of international markets mainly through the expansion of the retail channel, with the goal of both strengthening the markets where the brand is currently present as well as developing new markets.

Moncler’s strategy is to open new DOS in the most important and most prestigious locations throughout the world. Each Moncler store is, in fact, conceived as a unique testimony to the brand itself. The Group's strategy in relation to the wholesale channel is primarily aimed at consolidating that segment.

Moncler intends to pursue also the selective strengthening and expansion of product categories closer to the brand's DNA, primarily related to knitwear, with the aim of creating special goods but manufactured with a specialist approach, while keeping unchanged the brand positioning.

The goal is the achievement of a sustainable and long-term growth of the brand. Acting quickly but with no hurry is Moncler’s motto.

The Group has also agreed to implement a strategy of direct control of the key businesses in order to develop the brand values in a consistent and controlled way. In line with this policy of direct control, Moncler has decided to enter into a joint venture with the Allison Group (Moncler Lunettes S.r.l.), of which Moncler S.p.A. owns 51%, for the production and distribution of eyewear, sunglasses and glasses.

Critical Success Factors

"There is no present or future without a past and Moncler has a wonderful past"

Moncler has a **heritage and a unique positioning** in the luxury goods industry worldwide with over 60 years of history, which enables it to combine the brand DNA with innovative, versatile and "timeless" products.

"Nowadays the real luxury is to have a product that lasts in time and that does not change with the trends"

Moncler currently has a **recognized excellence** in the **quality** and the **innovation** of its product, thanks to the ability to perceive new trends, while respecting the brand distinctive characteristics.

"I believe in a versatile product which is able to capture different styles and ways of usage"

Currently, Moncler's **clientele** consists of **male and female, transversal and cross-generational individuals**. The Moncler products fit a variety of lifestyles and lends itself to many occasions of use, including formal and elegant use as well as a purely sports and daily use.

"In order to communicate a unique product, one must have a unique communication strategy"

Moncler's **communication strategy** is aimed at generating interest in the brand and product through an innovative and unpredictable process of communication, which will lead to perceive the values of the brand.

"Our stores are our statement"

Moncler pursue the objective to have a direct control over the distribution network, both wholesale, through direct sales force and through retail. Strengthen Moncler's exclusive position has been made possible through the brand's presence in the most important multibrand stores and the main luxury department stores and a retail strategy that hand-picks the world's most prestigious shopping streets and resorts. The distribution network is also supported by an efficient value-chain.

"Moncler is a globofonic company: it has a global vision with a domestic strategy"

In order to increase and consolidate its global presence, Moncler has broken the world into **four regions**: Europe, Asia Pacific, Japan and Americas.

Each of these regions, in coordination with the headquarters, manages the development of the retail and wholesale channels in the countries of operation.

"Moncler is to produce special garments with a specialized approach"

Moncler has a flexible and scalable business model thanks to an efficient organization, which is integrated and focused on quality control and value chain, with the direct management and coordination of the phases with higher added value and the careful selection of third parties involved in the production process, with whom long-term and stable relationships are established and maintained.

"I want to be amazed by the talent of others"

Moncler has a cohesive, motivated and experienced **senior management team**, who has demonstrated the ability to generate significant results in key areas for the consolidation of the Group such as the development of the retail channel, brand management and geographic expansion, driven since 2003 by Remo Ruffini as Chairman and CEO.

Business Model

Design and Product Development

Moncler's success is based on a unique and consistent brand strategy, which also depends on the ability to develop innovative products that are strongly "anchored" to the history of the brand. Heritage, uniqueness, quality and innovation are the terms used in Moncler to define the concept of "luxury".

The journey, which began in 2003 when Remo Ruffini entered in the Group, has always been coherent and pursued “without compromise”.

The heart of Moncler and the source of its originality is the "Archive", from which the first collections of the brand were inspired and today continue to be a central and important part of the Moncler collections.

All products inspired by the archives have always had and continue to have the classic Moncler logo. Over the years a switch was made to the "macrologo" and finally arrive to "no logo". **The logo is in fact always an integrated with the Moncler strategy**.

Over the years, the Moncler collections have enriched themselves with the energy brought upon by some designers, both for Special Projects and, above all, for the Gammes.

In 2006 the **Moncler Gamme Rouge** was launched, which is tied to the Haute Couture tradition and currently designed by Giambattista Valli. While in 2009 the **Moncler Gamme Bleu** was launched, designed by Thom Browne, who represents a perfect combination of tailored approach and the sporting aspect of the brand.

Finally in 2010 the Grenoble collection was created inspired by a small group of ski products, in order to reiterate even more strongly the link between Moncler and its roots.

Production

The goods offered by Moncler are designed, manufactured and distributed in accordance with the guidelines of a business model characterized by the **direct oversight of all critical phases of the production chain**.

Moncler uses independent third parties, subcontractors, for the production of its garments. These are exclusively responsible for the production related to the garment while the actual purchase of raw materials is directly managed by Moncler.

The purchase of raw materials is one of the main areas of the value chain. In fact, by virtue of its market position and its values, Moncler focuses both on the quality of the feather used in its garments, which must comply with the highest standards in the industry, and the use of innovative fabrics that offer advanced functional and aesthetic features. The purchase of raw materials (i.e. textiles, feather and accessories) takes place in countries able to meet the highest quality standards, such as Italy, France and Japan.

The manufacturing of garment, performed in accordance with the industrialized method, which is the predominant manufacturing method, is mainly carried out by subcontractors located in Eastern European countries, which currently ensure quality standards that are among the highest in the world for the production of down jackets; the high end lines, Gamme Rouge and Gamme Bleu, are produced entirely in Italy.

Distribution

Moncler is present in all major markets both through the retail channel, consisting of directly operated stores (DOS)[2], and through the wholesale channel, represented by multi-brand doors and shop-in-shops in department stores.

Moncler's strategy is aimed at the control of the distribution channel, not only retail but also wholesale, where it operates through a direct organization and owned showrooms.

In recent years, the business grew mainly through the development of the retail channel, which in 2013 accounted for 57% of consolidated revenues. The wholesale channel remains very important for Moncler but shows a more modest growth as the Group has been implementing for some time now a strong policy in its selection of doors, reducing the numbers of these doors, and a close monitoring of the quantities ordered by customers.

As at 31 December 2013, the mono-brand distribution network of Moncler consisted of 135 stores, including 107 directly operated stores (DOS) and 28 wholesale stores (27 shop-in-shop and 1 franchise store).

	31/12/2013	31/12/2012	Net Openings
DOS	107	83	+24
Italy	17	15	+2
EMEA (excl. Italy)	44	31	+13
Asia and Rest of the World	38	31	+7
Americas	8	6	+2
Shop-in-Shop	28	21	+7
Total	135	104	+31

During the year there were 24 store openings directly operated (DOS), located in the most famous international locations; among the following:

- the two flagship stores in Paris, located in Rue du Faubourg Saint-Honoré, and in Milan, located in via Montenapoleone;
- the consolidation of Moncler's presence in the Asia-Pacific region, with the new stores in Shanghai, Hong Kong, Taipei;
- the opening of the first store in South America in San Paolo;
- the conversion of the Paris store Le Bon Marché and the London store Harvey Nichols from shop-in-shop (wholesale) into concessions (retail).

It should be noted that, during 2013, 7 shop-in-shop were opened within the major luxury department stores.

[2] Includes free standing stores, concessions, travel retail store and outlet

Moncler flagship – Paris, Rue du Faubourg Saint-Honoré

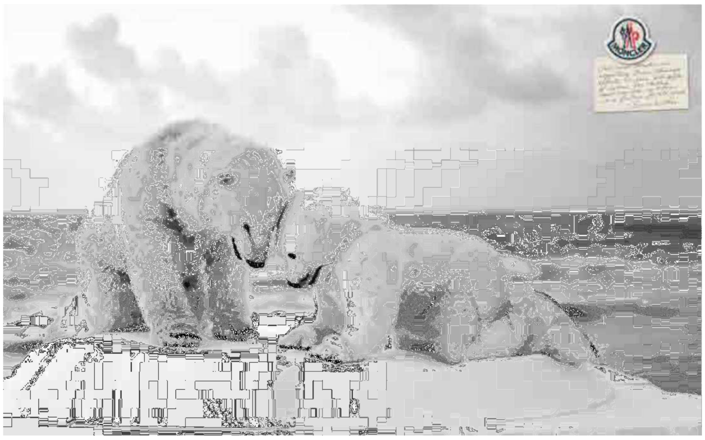
Marketing and Communication

Having a unique history also means being able to communicate it in a unique way and Moncler has always pursued such route.

The marketing and communication aspect of the business is an essential part of the strategy directed to transfer the unique and exclusive values of the Moncler brand to the market and has contributed to the creation of a luxury brand recognized at an international level. The marketing strategies adopted strive for consistency between the values of the brand, the targeted customers and the product, in order to maintain high and further raise the brand reputation and the value perceived by consumers.

The first advertising campaigns which were part of the relaunch of the brand had to highlight the Moncler Heritage and that is the reason why a series of strong campaigns centered around the product were created.


From the time this message was considered to be clear and perceived by the consumer, innovative and unique advertising campaigns focusing on the brand were launched which were able to transfer not only the concept of the brand but also its philosophy, allowing people to associate instinctively the advertising campaigns to the Moncler brand.



Communication is a key process and is included in all stages of the value chain, from the introduction of new collections up to the retail and wholesale sales; such communication is reflected both through magazine and newspaper advertising campaigns and through the planning of trade shows, promotions and sponsorships and events organized within the stores.

In addition, Moncler has focused its strategy to significantly increase the brand's presence within social networking sites in the world.

The presentation of the Gamme Bleu, Gamme Rouge and Grenoble lines takes place during fashion week in Milan, Paris and New York respectively. These opportunities make it possible to convey to participants the originality and uniqueness of the Moncler brand.

Human Resources

Moncler gives vital importance to human resources, to their training, motivation and incentive. The quality of human resources, their professionalism and shared values are considered to be an essential tool for the development of the Group's strategy.

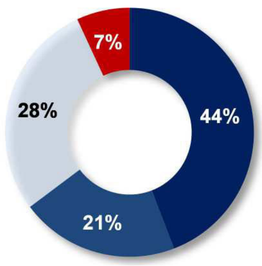
During 2013, Moncler has paid great attention to the organizational structure related to the growth of the company, with the aim of increasing the Company's ability to compete internationally.

In this regard, several projects have been implemented, aimed at the enhancement of professional skills. Among these, the most important ones pertain to the stores network, where the focus has been to develop the soft skills of the staff and to align the selling style of all Moncler store employees in order to make it recognizable, unique and distinctive on a global level.

At December 31, Moncler had 1,132 FTE[3] employees, more than half of whom are employed in direct stores.

Breaking down the various regions, the EMEA region employs 65% of the total FTE followed by Asia with 28% and the Americas with 7%.

	31/12/2013
Italy	500
EMEA (excl. Italy)	233
Asia and Rest of the World	321
Americas	78
Total	1.132
of which Direct Stores	621



[3] *Full Time Equivalent*

Moncler and the Financial Markets

Initial Public Offering

Moncler entered on the Italian stock market on 16 December 2013, after a roadshow which lasted more than two weeks and which touched all the major European and global markets, including London, Paris, Milan, New York, Tokyo, Hong Kong and Singapore.

The demand for Moncler shares was over 30 times greater than the offering, while the demand from the Italian retail was almost 20 times greater than the offering and would have alone covered the entire Moncler share offering.

Moncler is also one of the few European companies that decided to offer some shares to Japanese retail investors (through a Public offer without listing or POWL) given the importance of the Japanese market for the brand.

The IPO price was set at the top of the proposed range (Euro 8.75 to 10.20) to Euro 10.20 per share.

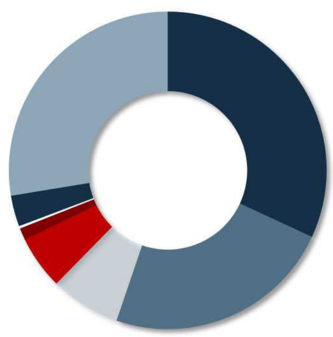
In the first day of trading, Moncler's share price closed at Euro 14.97 resulting in an increase on the IPO price of 47%, making Moncler's IPO the most successful one in Europe in 2013.

Most of the requests were received from institutional international investors with a wide geographical diversification which includes the United States, Europe and Asia.

There was a strong demand from both *Sovereign* funds, particularly in Asia and the Middle East, and major investment funds long-only.

Shareholding

31,90%	Ruffini Partecipazioni S.r.l.
23,33%	ECIP M S.A.
7,13%	CEP III Participations S.à r.l. SICAR
5,40%	Others
1,26%	Brands Partners 2 S.p.A.
0,25%	Goodjohn & Co. S.r.l.
3,15%	Morgan Stanley Investment Management
27,58%	Market



Data as at February 2014

Reporting Timeline

Following are the main events related to the Moncler reporting timeline.

Date	Event
Monday 24 February 2014	Board of Directors: Approval of Preliminary 2013 results (*)
Friday 28 March 2014	Board of Directors: Approval of Financial Statements as at December 31, 2013
Tuesday 29 April 2014	Annual Shareholder’s Meeting for approval of Financial Statements as at December 31, 2013
Thursday 15 May 2014	Board of Directors: Approval of the Interim Financial Statements as at March 31, 2014 (*)
Wednesday 6 August 2014	Board of Directors: Approval of Interim Financial Statements as at June 30, 2014 (*)
Tuesday 11 November 2014	Board of Directors: Approval of Interim Financial Statements as at September 30, 2014 (*)

(*) A conference call with institutional investors and equity research analysts will take place following the Board of directors’ meeting; details will be announced in due course.

Introduction

In accordance with Article 40, paragraph 2 bis of the Legislative Decree 127 of 09/04/91, the Parent Company has prepared the Directors' Report as a single document for both the separate financial statements of Moncler S.p.A. and the Group consolidated financial statements.

Performance of the Moncler Group

During 2013, the Moncler Group had a corporate reorganization with the aim of separating the Moncler "luxury" business Division from the Other Brands "casual wear" Division. This process was completed with the disposal of the Other Brands Division, which took place on 8 November 2013.

As a result, the consolidated income statement for 2013 is presented reflecting the Other Brands Division under the caption "discontinued operations" and indicating separately under "Net income from discontinued operations" the results of this Division, inclusive of the loss on the disposal.

Financial Results

Following are the consolidated income statements for financial years 2013 and 2012.

Consolidated income statement				
(Million euros)	2013	% on Revenues	2012	% on Revenues
Revenues	580.6	100.0%	489.2	100.0%
Cost of sales	(166.5)	(28.7%)	(148.3)	(30.3%)
Gross margin	**414.1**	**71.3%**	**340.9**	**69.7%**
Selling expenses	(147.7)	(25.4%)	(115.0)	(23.5%)
General & Administrative expenses	(57.9)	(10.0%)	(51.2)	(10.5%)
Advertising & Promotion	(36.0)	(6.2%)	(29.0)	(5.9%)
EBIT Adjusted (4)	**172.5**	**29.7%**	**145.8**	**29.8%**
Non-recurring items	(6.1)	(1.1%)	(0.0)	(0.0%)
EBIT	**166.4**	**28.7%**	**145.8**	**29.8%**
Net financial result	(21.2)	(3.6%)	(17.1)	(3.5%)
EBT	**145.2**	**25.0%**	**128.6**	**26.3%**
Taxes	(50.8)	(8.8%)	(43.9)	(9.0%)
Net Income from continuing operations	**94.4**	**16.3%**	**84.7**	**17.3%**
Net Result from discontinued operations	(16.0)	(2.8%)	(53.6)	(11.0%)
Consolidated Net Income	**78.4**	**13.5%**	**31.1**	**6.4%**
Minority Result	(2.3)	(0.4%)	(2.3)	(0.5%)
Net Income	**76.1**	**13.1%**	**28.8**	**5.9%**
EPS (Euro)	**0.304**		**0.115**	
EBITDA Adjusted (4)	**191.7**	**33.0%**	**161.5**	**33.0%**
Net Income Adjusted (5)	**96.3**	**16.6%**	**82.4**	**16.8%**

EBITDA 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 is defined as EBIT (Operating income) plus depreciation and amortization, and can be directly derived from the Consolidated Financial Statements in accordance with IFRS, supported by the explanatory notes.

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[4] Excluding 6.1 million euros in FY2013 of non-recurring items mainly related to IPO

[5] Excluding non-recurring items net of tax effect (4.2 million euros in FY2013) and excluding Net loss from discontinued operations (16.0 million euros in FY2013; 53.6 million euros in FY2012)

Consolidated Revenues

For the year ended 31 December 2013, consolidated revenues amounted to Euro 580.6 million, an increase of 19% when compared to Euro 489.2 for the year ended 31 December 2012. At constant exchange rates the increase was 25%.

The net increase of Euro 91.4 million is attributable to the significant increase in sales of the retail channel of Euro 82.1 million, and the increase in the wholesale turnover of Euro 9.3 million.

Revenues by distribution channel

Revenues by Distribution Channel						
(Million euros)	2013	%	2012	%	YoY growth reported	YoY growth constant currencies
Retail	333.6	*57.5%*	251.5	*51.4%*	+33%	+41%
Wholesale	247.0	*42.5%*	237.7	*48.6%*	+4%	+7%
Total Revenues	**580.6**	*100.0%*	**489.2**	*100.0%*	+19%	+25%

For the year ended 31 December 2013, **the direct distribution channel (retail)** recorded revenues of Euro 333.6 million compared to Euro 251.5 million for 2012, an increase of 33% at current exchange rates and 41% at constant exchange rates. This increase is attributable to the following factors:

- growth in *Like-for-Like (L-f-L)*[6], equal to 14% for financial year 2013
- new stores opened in financial year 2012, not included in the LfL calculation, became fully operational;
- effect of the 24 new store openings during 2013.

The **indirect distribution channel (wholesale)** reported an increase in revenues of 7% at constant exchange rates and of 4% at current exchange rates, rising to Euro 247.0 million in 2013 from Euro 237.7 million in 2012, despite the planned reduction of wholesale doors and the conversion from wholesale (Shop-in-Shop) to retail (concessions) of a few mono-brand stores.

6 *Like-for-Like* is based on sales growth of DOS (excluding outlet) opened as of January 1, 2012

Revenues by Region

Revenues by Region						
(Million euros)	2013	%	2012	%	YoY growth reported	YoY growth constant currencies
Italy	131.0	*22.6%*	128.1	*26.2%*	+2%	+2%
EMEA (excl. Italy)	200.4	*34.5%*	157.4	*32.2%*	+27%	+28%
Asia and Rest of the World	181.6	*31.3%*	155.0	*31.7%*	+17%	+34%
Americas	67.6	*11.6%*	48.7	*10.0%*	+39%	+44%
Total Revenues	**580.6**	*100.0%*	**489.2**	*100.0%*	+19%	+25%

During 2013, Moncler recorded double-digit growth performance in all international markets in which it operates.

In particular, revenues from **EMEA** (excluding Italy) accounted for 34% of consolidated revenues (32% in 2012), registering a growth of 28% at constant exchange rates (+27% at current exchange rates) thanks to good performances from France, UK and Germany.

In **Asia**, revenues grew by 34% at constant exchange rates (+17% at current exchange rates), thanks to the significant growth recorded both in the Chinese and in the Japanese markets. At current exchange rates, the performance of this region was affected by the negative impact of the yen against the euro. This region accounted for 31% of consolidated revenues (32% in 2012).

In the **Americas**, the company recorded growth of 44% at constant exchange rates (+39% at current exchange rates), driven not only by significant growth in the retail channel, but also by the good performance of the wholesale channel in both the U.S. and Canada. The Americas accounted for 12% of consolidated net revenues (10% in 2012).

Italy's performance was positive (+2%), in line with expectations, despite a planned reduction of wholesale doors, accounting for 23% of consolidated revenues (26% in 2012).

Cost of Sales and Gross Margin

In 2013, Consolidated **Gross Margin** amounted to Euro **414.1 million**, corresponding to 71.3% as a percentage of revenues, compared to 69.7% in 2012. The improvement in gross margin was mainly due to the development of the retail channel.

Operating Expenses and EBIT

During 2013, **selling expenses** amounted to Euro 147.7 million, equal to 25.4% as a percentage of revenues, up from 23.5% in 2012, mainly due to the expansion of the retail channel. In particular, rent expenses amounted to Euro 61.9 million or 10.7% of consolidated revenues, up from 9.1% in 2012.

General and administrative expenses amounted to Euro 57.9 million, representing 10% of revenues, down from 10.5% in 2012, despite the strengthening of the organizational structure, which has resulted in a more than proportional increase of corporate personnel expenses when compared to the increase in revenues.

Advertising and promotion expenses amounting to Euro 36 million have increased more than proportionally to the increase in sales, equal to 6.2% as a percentage of revenues in 2013 compared to 5.9% in 2012, resulting from the strategy to continue to invest on the image and brand recognition through unique and innovative methods of communication. Advertising expenses include media costs, PR costs and costs for the communication activities within the monobrand stores.

Non-recurring costs amounted to Euro 6.1 million, and they include Euro 9.6 million of costs incurred primarily for the process of listing the company net of Euro 3.5 million gain on the disposal of the Paris store.

Adjusted **EBITDA**, excluding the afore-mentioned non-recurring costs, was **Euro 191.7 million** for the year ended 31 December 2013 compared to Euro 161.5 million of previous year, representing a 33.0% as a percentage on sales, in line with 2012.

Adjusted **EBIT** increased from Euro 145.8 million for the year ended 31 December 2012 to Euro 172.5 million (+18%) for the year ended 31 December 2013, corresponding to 29.7% as a percentage of revenue in 2013 (29.8% in 2012). Taking into consideration the non-recurring costs, the Company's EBIT amounted to Euro 166.4 million.

Net Income

Financial charges increased from Euro 17.1 million in 2012 to Euro 21.2 million in 2013, mainly due to non-recurring expenses related to the settlement of previous loans and the renegotiation of new ones.

Taxes amounted to Euro 50.8 million with a 35% tax rate.

Net loss from discontinued operations amounted to Euro 16.0 million and pertains to the effects of the afore-mentioned sale of the Other Brands Division, which took place on 8 November 2013; this amount includes a loss of Euro 13.8 million on disposal. The amount of Euro 53.6 million in 2012 mainly reflects the effect of impairment on non-current assets of the Other Brands Division.

Net income adjusted, excluding non-recurring expenses net of tax effect (Euro 4.2 million in 2013) and excluding net loss from discontinued operations, amounts to Euro 96.3 million in 2013 compared to Euro 82.4 million in 2012 with an increase of 17%.

Net Income amounts to Euro 76.1 million.

Financial Position

Following is the reclassified consolidated statement of financial position as at 2013 and 2012. In order to provide a clear picture of the only Moncler Division, differently from the statement of financial position prepared in accordance with IFRS, assets/(liabilities) related to the Other Brands Division have been reported separately as a separate item in the reclassified statement of financial position.

Reclassified consolidated statement of financial position		
(Million euros)	31/12/2013	31/12/2012
Intangible assets	408.3	408.4
Tangible assets	58.2	46.5
Other non-current assets/(liabilities)	(37.8)	(40.8)
Total Non-current Assets	**428.7**	**414.1**
Net working capital	46.9	36.5
Other current assets/(liabilities)	(5.9)	(20.2)
Assets/(liabilities) related to Other Brands Division	21.6	50.1
Total Current Assets	**62.6**	**66.4**
Net Invested Capital	**491.3**	**480.5**
Net debt	171.1	230.1
Pension and other provisions	9.6	9.3
Shareholders' equity	310.6	241.1
Total Financing Sources	**491.3**	**480.5**

In particular, the assets/(liabilities) related to the Other Brands Division for 2013 include the portion of the sale price not yet collected, inclusive of tax and net of transaction charges.

Net working capital increased to Euro **46.9 million** at December 31, 2013 compared to Euro 36.5 million at December 31, 2012, corresponding to 8% as a percentage of revenues. This change was primarily attributable to an increase in inventory, in large part linked to the expansion of the retail channel.

As at 31 December 2013 inventory amounted to Euro 77.2 million with an increase of 29% when compared to prior year. Accounts payables totaled Euro 106.8 million (+14% when compared to 2012), while accounts receivables increased by 8% to Euro 76.5 million.

Net working capital		
(Million euros)	31/12/2013	31/12/2012
Accounts receivables	76.5	70.9
Inventory	77.2	59.9
Accounts payables	(106.8)	(94.3)
Net working capital	**46.9**	**36.5**
% on Revenues	*8.1%*	*7.5%*

Net financial debt

Net financial debt at 31 December 2013 amounted to Euro 171.1 million, compared to Euro 230.1 million at December 31, 2012. The balance includes Euro 7.1 million of cash resulting from the first two payments for the disposal of Other Brands Division for Euro 8.6 million, net of related transaction costs of Euro 1.5 million.

Net financial debt is broken down in the following table:

Net financial debt		
(Million euros)	31/12/2013	31/12/2012
Cash and cash equivalents	(105.3)	(94.7)
Long-term borrowings	160.1	228.1
Short-term borrowings	116.3	96.7
Net financial debt	**171.1**	**230.1**

Following is the reclassified consolidated statement of cash flow for financial years 2013 and 2012:

Reclasslified consolidated statement of cash flow		
(Million euros)	2013	2012
EBITDA Adjusted	191.7	161.5
Change in Net Working Capital	(10.4)	(18.7)
Change in other curr./non curr./ assets	(17.0)	0.9
Capex	(34.3)	(26.4)
Disposals	0.4	0.2
Operating Cash Flow	**130.4**	**117.5**
Net Financial Result	(21.2)	(17.1)
Taxes	(50.8)	(43.9)
Free Cash Flow	**58.4**	**56.5**
Net Cash from disposal of Other Brands Division	7.1	0.0
Other changes related to Other Brands Division	1.0	1.2
Non-recurring items	(6.1)	0.0
Other changes in equity	(2.2)	(7.5)
Dividends paid	0.8	(7.8)
Net Cash Flow	**59.0**	**42.4**
Net Financial Position - Beginning of Period	230.1	272.5
Net Financial Position - Ending of Period	171.1	230.1
Change in Net Financial Position	**59.0**	**42.4**

Net financial debt at the end of 2013 was Euro 171.1 million, an improvement of Euro 59 million when compared to 2012.

Free cash flow generated in 2013 was Euro 58.4 million, compared to Euro 56.5 million in 2012, despite the significant growth in investments.

Capital expenditures

During financial year 2013, capex of Euro 34.3 million were made, compared to Euro 26.4 million for 2012, primarily related to the development of the network of monobrand stores (Euro 27 million). Additionally, during the year, significant investments have been made related to the development of the network of shop-in-shops, showrooms and the expansion of the IT infrastructure.

The following table shows the breakdown of capex by category:

Capex (Million euros)	2013	2012
Retail	27.0	21.7
Wholesale	3.0	1.8
Corporate	4.3	2.9
Capex	**34.3**	**26.4**

Performance of the Parent Company Moncler S.p.A.

The reorganization process aimed at the break up of the Moncler Division from the Other Brands Division began in April 2013 by transferring the assets of the Other Brands Division business unit owned by Moncler and Industries in favor of Industries Sportswear Company S.p.A. (now ISC S.p.A.).

Subsequently, on 8 November 2013, ISC S.p.a. sold the entire business unit related to the Other Brands Division to the Company Cavaliere Brands (Italy) S.r.l. for a consideration of Euro 22.1 million, of which Euro 8.6 million collected prior to 31 December 2013 and Euro 13.5 million to be received by 30 June 2014 ("Third installment").

The third installment is subject to the Other Brands Division's achieving certain economic and financial parameters for the year 2013. In addition, the consideration will be complemented by an earn-out component to be calculated on the basis of profitability indicators for the year 2014. The verification of the parameters at the base of the Third Installment Price is still ongoing and the Directors believe that it will lead to a reduction in the final consideration connected with the sale of the company and therefore the third installment will be reduced.

Based on the afore-mentioned considerations, Moncler's investment in ISC S.p.A. has been impaired.

For further details related to the transaction, please see note 6 "Discontinued Operations" of the explanatory notes.

Based on the afore-mentioned transactions, the results of the Other Brands Division have been presented in accordance with IFRS 5 ("Non-current Assets Held for Sale and Discontinued Operation").

Following is the income statement of the Parent Company.

Income statement				
(Million euros)	2013	% on Revenues	2012	% on Revenues
Revenues	96.1	100.0%	80.4	100.0%
General & Administrative expenses	(7.8)	(8.1%)	(6.6)	(8.2%)
Advertising & Promotion	(19.0)	(19.8%)	(17.0)	(21.1%)
Non-recurring items	(9.0)	(9.4%)	(0.4)	(0.5%)
EBIT	**60.3**	**62.7%**	**56.4**	**70.1%**
Net Financial result	(13.6)	(14.1%)	(12.3)	(15.2%)
EBT	**46.7**	**48.6%**	**44.1**	**54.9%**
Taxes	(15.4)	(16.0%)	(14.3)	(17.8%)
Net Income from continuing operations	**31.3**	**32.6%**	**29.8**	**37.1%**
Net Income from discontinued operations	(0.0)	(0.0%)	(30.9)	(38.4%)
Net Income	**31.3**	**32.6%**	**(1.1)**	**(1.4%)**

Revenues include income associated with the Moncler brand. The increase over the previous year, amounting to Euro 15.7 million, was due to the overall growth in the business.

Advertising expenses amounting to Euro 19.0 million (Euro 17.0 million in 2012) include costs for events and media in support of brand equity.

General and administrative expenses amounted to 8.1% of revenues (8.2% in the previous year).

The caption non-recurring items primarily includes costs related to the listing process.

Financial charges, amounting to Euro 13.6 million (Euro 12.3 million in the previous year), increased mainly due to non-recurring costs related to the extinction of the previous syndicated loan.

Net profit from continuing operations grew by Euro 1.5 million despite the expenses incurred for the listing process.

Finally, net result from discontinued operations related to the Other Brands Division resulted in a loss of Euro 12 thousand (compared to a loss of Euro 30.9 million in the previous year due to asset impairment charges); this amount represents the result from Other Brands, which was spun off on 1 May 2013. This caption also includes the investment writedown of Euro 1.2 million.

Following is a detail of the Parent Company's financial position:

Reclassified statement of financial position		
(Million euros)	31/12/2013	31/12/2012
Intangible assets	224.8	224.6
Tangible assets	1.0	1.2
Investments	215.3	215.2
Other non-current assets/(liabilities)	(68.8)	(69.4)
Total Non-current Assets	**372.4**	**371.6**
Net Working Capital	(5.3)	13.0
Assets/(liabilities) from discontinued operations	2.6	3.8
Other current assets/(liabilities)	(7.2)	(4.5)
Total Current Assets	**(9.9)**	**12.3**
Net Invested Capital	**362.5**	**383.9**
Net Debt	137.0	191.9
Pension and other provisions	0.3	0.2
Shareholders' equity	225.2	191.8
Total Financing Sources	**362.5**	**383.9**

Changes in the net financial position are due to the generation of cash during the period and the improvement of working capital due to the early collection of royalties.

It should be noted that during 2013 the former syndicated loan of Euro 192.2 million was repaid and a new syndicated loan with a nominal value of Euro 120.0 million was granted.

The caption Assets/(liabilities) from discontinued operations in 2013 includes investment in ISC S.p.A. resulting from the transfer of the Other Brands Division's assets, while these assets and liabilities were included in the prior year caption.

Main Risks

Moncler, through the normal business management and the development of its strategy, is exposed to different types of risks that could adversely affect the Group's operating results and financial position.

The most important business risks are constantly monitored by the Control and Risk Committee and periodically reviewed by the Board of Directors, which is responsible for the development of the strategy.

Risks associated with the market in which the Group operates and with general economic conditions

Moncler operates in the luxury goods sector which is characterized by a high level of competitiveness and volatility. In addition, the Group's ability to develop its business depends to a significant extent on the economic situation of the various countries in which it operates.

Although the Group operates in a significant number of countries around the world, thereby reducing the risk of high concentration, the possible deterioration of economic conditions in one or more markets in which it operates may have a negative impact on sales and financial results of the Group.

Risks associated with image and brand recognition

The luxury goods sector in which Moncler operates is influenced by changes in consumers' tastes and preferences. In addition, the Group's success is significantly influenced by the image, perception and recognition of the Moncler brand. The Group strives to maintain and enhance the strength of the Moncler brand, paying particular attention to the design, the quality of raw materials, the characterization and product presentation, communication and developing its own distribution model by being selective and adhering to quality.

In case Group is not be able in the future to maintain a high image and brand recognition, through its products and communication activities, sales and financial results may be affected negatively.

Risk associated with key mangement personnel

Moncler's results and success depend significantly on the ability of its executive directors and other members of management, which have had a decisive role in the development of the Group and which have a significant experience in the field of luxury goods.

Even though Moncler considers to have in place an operational and managerial structure capable of ensuring the continuity of the business, if the existing relationship with some of these individuals were to be interrupted without proper and timely replacement, the competitive ability of the Group and its growth prospects may be affected, with a resulting negative impact on the economic and financial position of the Group.

Risks associated with relationships with third party manufacturers

For the production of its garments, Moncler uses independent third party manufactures, which are assigned exclusively to the production stages of the garment, while the purchase of raw materials is managed directly by Moncler. The third-party manufacturers operate under the close supervision of Moncler, mostly related to the stages of production and the quality control of the goods.

Although the Group does not depend to a significant extent on any given manufacturer, there is the possibility that any interruption or termination for any reason of the relationship with these manufacturers may materially affect the Group's business with a negative impact on sales and earnings.

Risks related to the cost and availability of high quality raw materials and the relationships with suppliers

Moncler's products require raw materials of high quality, including but not limited to nylon, feather and cotton. The price of raw materials depends on a wide variety of factors largely beyond the control of the Group and difficult to predict.

Although in recent years Moncler has not encountered any particular difficulties in the acquisition of high quality raw materials to the extent appropriate, one cannot exclude that there could be some tension on the supply side that could lead to a shortage of supply resulting in an increase in costs that could have a negative impact on the financial results of the Group.

Risks associated with the distribution network

Moncler generates an increasing portion of its revenues through the retail channel, consisting of directly operated single-brand stores (DOS). The Group has over the years demonstrated the ability to open new stores in the most prestigious locations in the most important cities in the world and within high profile department stores, despite the competition among key players in the luxury goods sector in order to secure a strong position in that sector. This is the reason why the fact that the Group might face difficulties in openening new stores, which could have a negative impact on the growth of the business, should not be excluded.

Risks related to brand and product counterfeiting and the protection of intellectual property rights

The luxury good market is known to be proned to brand and product counterfeiting.

Moncler employs significant resources to prevent and mitigate the effects of counterfeiting of its brands and products and to protect its intellectual property rights in the territories in which it operates. However, one can not exclude that the presence on the market of significant quantities of counterfeit products may adversely affect the image of the brand, with a negative impact on sales and operating results.

Risks related to the evolution of the regulatory framework

Moncler operates in a complex international environment and is subject to rules and regulations in the various jurisdictions in which it operates, which are constantly monitored, especially for all matters relating to the health and safety of workers, environmental protection, rules around product manufacturing and their composition, consumer protection, the protection of intellectual and industrial property rights and competition rules.

The enactment of new legislation or amendments to existing laws which may require the adoption of more stringent standards could lead to additional costs linked to the manufacturing of the products or even limit the Group's operations with a negative impact on the results.

Exchange rates risks

Moncler operates in international markets using currencies other than the Euro, of which mainly Yen , U.S. Dollar, Renminbi and Hong Kong Dollar. Therefore it is exposed to the risk associated with fluctuations in exchange rates, equal to the transaction amount (mainly income) which are not covered by a matching transaction of the same currency. In 2014, the Group initiated a strategy to gradually cover the so called "Settlement" risks associated with exchange rates fluctuations of foreign transactions.

However, also due to the so called "Translation" risk, arising from the translation in Euro of financial statements of foreign companies denominated in local currency, one cannot exclude that significant changes in exchange rates could have an adverse impact on the Gropu's financial position and results of operations.

For more information, please refer to the specific section of the Notes to the Financial Statements .

Interest rate risks

The Net Financial Position of the Group consists of cash and bank loans denominated primarily in Euros and is subject to interest rate risk. The Group, in order to partially hedge the interest rate risk, has entered into some hedging transactions.

However, any significant fluctuations in interest rates could lead to an increase in borrowing costs, with a negative impact on the Group's financial results.

For more information, please refer to the specific section of the Notes to the Financial Statements.

Credit risk

Moncler operates in accordance with the credit control policies aimed at reducing the risks resulting from non-solvency of its wholesale customers. These policies are based on preliminary in-depth analysis of the reliability of the customers and based on eventual insurance coverage and / or guaranteed form of payment. In addition, the Group has no significant concentrations of credit.

However, it can not be excluded that the difficulty of some customers may result in losses on receivables, with a negative impact on the Group's financial results.

Liquidity risk

The Group's has implemented financial planning process aimed at reducing the liquidity risk. In addition, based upon the financial requirements, credit lines required to meet those needs are planned with the financial institutions and are classified between short-term and long-term.

For more information, please refer to the specific section of the Notes to the Financial Statements.

Corporate Governance

Moncler S.p.A. (the "Parent Company") has adopted a traditional model of governance as follows:

- The Board of Directors manages the company and determines the Group guidelines;
- the Board of Statutory Auditors ensures compliance with applicable laws, the Company' Articles of Incorporation and its proper management;
- the independent auditor carries out the statutory audit.

The audit firm is appointed and replaced in accordance with the Articles of Incorporation during the shareholders meeting. In accordance with the laws of the Civil Code, the external auditor carries out its activities in an independent and autonomous fashion and therefore is not a representative of neither the minority or majority shareholders.

The Board of Statutory Auditors monitors the management of the company and oversees its compliance with the law and the articles of incorporation as well as verifies the adequacy of the internal control system in order to ensure the reliability of the facts and the adequacy of the support given to subsidiaries.

The Shareholders' meeting appointed KPMG SpA as the external auditor of the Stand Alone Financial Statements and Consolidated Financial Statements for the years 2013-2021.

For any further information on corporate governance, please refer to the Corporate Governance Report, published on the website www.monclergroup.com.

Related party transactions

Information relating to related party transactions are provided in Note 11.1 to the Consolidated Financial Statements and Note 9.1 of the Stand Alone 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, with the exception of the disposal of the Other Brands Division.

Treasury Shares

The company does not own nor did it own during the year, even through a third party or through trusts, treasury shares or shares in parent companies.

Significant events after the reporting date and outlook

Subsequent events

On 28 February 2014, the Moncler Ordinary Shareholders' Meeting approved two incentive loyalty schemes, known respectively as "Stock Option Plan for Top Management and Key People" and a "Stock Option Plan Corporate Structure."

Both plans are to be implemented through free allocation of valid options to subscribe to newly issued Moncler ordinary shares, resulting from paid in capital, excluding the option right pursuant to art. 2441, fifth, sixth and eighth paragraphs of the Civil Code.

This increase was achieved by partially exercising the powers given during the shareholders meeting held on 1 October 2013 which resolved to grant the Board of Directors the authority to increase the share capital of the Company, excluding the right of option, on one or more occasions within the maximum term of five years beginning on 16 December 2013, for a maximum nominal amount of Euro 1,500,000.

The exercise price of the options is equal to Euro 10.20 and allows for the subscribtion of shares in the ratio of one ordinary share for every option exercised.

Within power given to the Board of Directors from the shareholders' meeting, two stock option plans were approved for a maximum of 5,555,000 options, of which 5,030,000 as "Stock Option Plan for Top Management and Key People" and the remaining 525,000 as "Stock Option Plan Corporate Structures".

The termination, based on the Plan provision, of the employment agreement or the consulting agreement or of the appointment of directors with the Company or its Subsidiaries will have an impact on the exercise of the Options.

The first plan, "Stock Option Plan for Top Management and Key People ", is reserved for executive directors, employees and consultants, including third party consultants of Moncler SpA and its subsidiaries.

This plan is an effective tool for the motivation and the loyalty of those who hold key positions in the Group, in order to maintain top performance and help to increase the Group's growth and success; furthermore, it is also a suitable tool serving to align the interests of the Company's executive directors and key management personnel with those of the shareholders, necessary to achieve its primary goal of creating value in the medium to long term.

The number of options granted to each beneficiary has been determined by the Board of Directors, consulted with the Nomination and Renumeration Committee and take into consideration the following: (i) Weight of the role within the organization, (ii) Performance track of the role; (iii) Critical retention (iv) Organisational fit and trust, (v) Succession Planning, and (vi) Talent and potential.

The Plan lasts until 30 September 2018 and provides for a vesting period of 3 years.

Each beneficiary may exercise the Options granted on condition that the specific performance goals related to Moncler's consolidated EBITDA are achieved. In particular, the business plan for the 2014-2016 period, approved by the Moncler's Board of Directors on 26 September 2013, establishes the performance targets related to Moncler's consolidated EBITDA in 2016 which are the parameters necessary for the comparison to the actual balance of the 2016 consolidated financial statements, in order to determine the percentage of options exercisable by the beneficiaries with respect to each grant cycle.

The second plan, "Stock Option Plan Structures corporate", is reserved for employees part of Moncler S.p.A.'s Corporate Structure and the Italian companies which it controls.

The Plan lasts until 30 September 2018 and provides for a vesting period of three years.

Each beneficiary may exercise the Options granted on condition that the specific performance goals related to Moncler's consolidated EBITDA are achieved. In particular, the business plan for the 2014-2016 period, approved by the Moncler's Board of Directors on 26 September 2013, establishes the performance targets related to Moncler's consolidated EBITDA in 2016 which are the parameters necessary for the comparison to the actual balance of the 2016 consolidated financial statements, in order to determine the percentage of options exercisable by the beneficiaries with respect to each grant cycle.

The number of options granted is predetermined in equal share for each beneficiary.

For information regarding the plan, please see the company's website, www.monclergroup.com, in the "Governance" section.

Outlook

For financial year 2014, the Group expects a growth scenario, based on the following strategic lines.

- Development of the retail network in the top luxury location worldwide;
- Development of the selective wholesale channel, both in markets where the brand does not yet have a presence and by reducing the number of customers in the markets where the brand already exists and by focusing on a selected number of first class key account in order to avoid the dilution of the brand;
- Expansion of international markets;
- Strenghtening of Brand Equity.

Other Information

Research and development

Since the Moncler Group's success depends in part on the look, prestige and brand recognition, and in part on the ability to manufacture a set of collections in line with market trends, the company conducts research and development in order to design, create and implement new products and new collections. Research and development costs are expensed in the income statement as they occur on an accrual basis.

Reconciliation between net result and shareholders' equity of the parent company and the Group's amounts

The reconciliation between the Group’s net result and shareholders equity at the end of the period and the parent Company Moncler’s S.p.A. net results and shareholders’ equity is detailed in the following table:

Reconciliaition between result and net equity of the parent company and the Group (Euro/000)	Result 2013	Net Equity 31/12/13	Result 2012	Net Equity 31/12/12
Parent company balances	31.299	225.221	(1.087)	191.849
Inter-group dividends	(27.821)	0	(31.942)	0
Share of consolidated subsidiaires net of book value of related equity interests	78.243	(10.266)	69.585	(57.410)
Allocation of the excess cost resulting from the acquisition of the subsidiaries and the corresponding Equity	530	158.350	520	157.820
Elimination of the intercompany profit and loss	(5.154)	(25.802)	(8.098)	(20.648)
Translation adjustments	0	(4.930)	0	948
Effects of other consolidation entries	(1.025)	(35.078)	(134)	(34.053)
Total Group shares	**76.072**	**307.495**	**28.844**	**238.506**
Share attributable to non-controlling interests	2.314	3.090	2.279	2.544
Total	**78.386**	**310.585**	**31.123**	**241.050**

Secondary offices

The Company does not have any secondary offices.

Certification pursuant to art. 2.6.2, paragraph 10 of the Rules of the Markets organized and managed by the Italian Stock Exchange

In relation to art. 36 of Consob Regulation 16191 of 29/10/2007, concerning the conditions for the listing of companies with subsidiaries established and regulated under the laws of countries outside the European Union and of significance to the consolidated financial statements, please note that adequate procedures to ensure full compliance with said rules have been adopted and that the conditions referred to in that Article. 36 were met.

Motion to approve the financial statements and the allocation of the profit for the year ended 31 December 2013

Shareholders,

We invite you to approve the Moncler Group consolidated financial statements as at and for the year ended 31 December 2013 and invite you to approve Moncler S.p.A.'s stand alone financial statements which show a net income of Euro 31,298,544 which we propose be allocated as follows:

- Euro 25,000,000 to be distributed as dividends, equal to Euro 0.10 per share
- Euro 6,298,544 to be carried forward

Milan, 28 March 2014

For the Board of Directors

The Chairman

Remo Ruffini

Consolidated Financial Statements

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- Consolidated Statement of Comprehensive Income
- Consolidated Statement of Financial Position
- Consolidated Statement of Changes in Equity
- Consolidated Statement of Cash Flows
- Consolidated Income Statement pursuant to Consob Resolution no. 15519 of 27 July 2006
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Moncler Group Consolidated Financial Statements

Consolidated statement of income (Euro/000)	Notes	2013	2012
Revenue	4.1	580,577	489,183
Cost of sales	4.2	(166,520)	(148,260)
Gross margin		**414,057**	**340,923**
Selling expenses	4.3	(147,643)	(115,045)
Advertising and promotion expenses	4.4	(35,985)	(28,955)
General and administrative expenses	4.5	(57,911)	(51,159)
Non recurring income/(expenses)	4.6	(6,119)	(3)
Operating result	4.7	**166,399**	**145,761**
Financial income	4.8	627	524
Financial expenses	4.8	(21,780)	(17,653)
Result before taxes		**145,246**	**128,632**
Income taxes	4.9	(50,816)	(43,942)
Net result from continuing operations		**94,430**	**84,690**
Net result from discontinued operations	6	**(16,044)**	**(53,567)**
Consolidated result		**78,386**	**31,123**
Net result, Group share		76,072	28,844
Non controlling interests		2,314	2,279
Earnings per share (unit of Euro)	5.15	**0.304**	**0.115**
Diluted earnings per share (unit of Euro)	5.15	**0.304**	**0.115**

Earnings per share - continuing operations	2013	2012
Net result of the period - continuing operations (Euro/000)	92,116	82,411
Number of shares related to parent's Shareholders	**250,000,000**	**250,000,000**
Earnings attributable to Shareholders (Unit of Euro)	**0.368**	**0.330**

Pursuant to Consob Resolution no. 15519 of 27 July 2006 the effects of related parties transactions in the consolidated statement of income are highlighted in a specific tables included hereafter and further disclosed in paragraph 11.1.

Consolidated statement of comprehensive income			
(Euro/000)	Notes	**2013**	**2012**
Net profit (loss) for the period		**78,386**	**31,123**
Gains/(Losses) on fair value of hedge derivatives	5.15	2,107	(1,954)
Gains/(Losses) on exchange differences on translating foreign operations	5.15	(5,878)	(3,292)
Items that are or may be reclassified to profito or loss		**(3,771)**	**(5,246)**
Other Gains/(Losses)	5.15	258	(540)
Items that are will never be reclassified to profito or loss		**258**	**(540)**
Other comprehensive income/(loss), net of tax		**(3,513)**	**(5,786)**
Total Comprehensive income/(loss)		**74,873**	**25,337**
Attributable to:			
Group		72,559	23,058
Non controlling interests		2,314	2,279

Consolidated statement of financial position (Euro/000)	Notes	December 31, 2013	December 31, 2012
Brands and other intangible assets – net	5.1	252.739	265.785
Goodwill	5.1	155.582	155.582
Property, plant and equipment – net	5.3	58.248	51.816
Other non-current assets	5.8	11.663	12.284
Deferred tax assets	5.4	25.133	22.561
Non-current assets		**503.365**	**508.028**
Inventories and work in progress	5.5	77.224	96.663
Trade account receivable	5.6	76.521	108.169
Income taxes	5.11	21.350	844
Other current assets	5.8	41.865	28.921
Cash and cash equivalent	5.7	105.300	94.679
Current assets		**322.260**	**329.276**
Total assets		**825.625**	**837.304**
Share capital	5.15	50.000	50.000
Share premium reserve	5.15	107.040	107.040
Other reserve	5.15	74.383	52.622
Net result, Group share	5.15	76.072	28.844
Equity, Group share		**307.495**	**238.506**
Non controlling interests		**3.090**	**2.544**
Equity		**310.585**	**241.050**
Long-term borrowings	5.14	160.116	228.088
Provisions non-current	5.12	3.162	4.509
Employees pension funds	5.13	6.455	11.936
Deferred tax liabilities	5.4	72.551	73.475
Other non-current liabilities	5.10	1.860	7.133
Non-current liabilities		**244.144**	**325.141**
Short-term borrowings	5.14	116.244	96.649
Trade accounts payables	5.9	107.077	125.080
Income taxes	5.11	13.930	21.976
Other current liabilities	5.10	33.645	27.408
Current liabilities		**270.896**	**271.113**
Total liabilities and equity		**825.625**	**837.304**

Pursuant to Consob Resolution no. 15519 of 27 July 2006, the effects of transactions with related parties on the consolidated statement of financial position are shown within the Statement of Financial Position in the following pages and are further described in note 11.1.

Consolidated statement of changes in equity (Euro/000)	Notes	Share capital	Share premium	Legal reserve	Other comprehensive income: Cumulative translation adj. reserve	Other comprehensive income: Other OCI items	Other reserves: FTA reserve	Other reserves: Retained earnings	Result of the period, Group share	Equity, Group share	Equity, non controlling interest	Total consolidated Net Equity
Group shareholders' equity at January 1, 2012	5.15	**50,000**	**107,040**	**10,000**	**4,239**	**(22)**	**1,255**	**(2,073)**	**55,032**	**225,471**	**2,751**	**228,222**
Allocation of Last Year Result		0	0	0	0	0	0	55,032	(55,032)	0	0	0
Changes in consolidation area		0	0	0	0	0	(13)	13	0	0	0	0
Dividends		0	0	0	0	0	0	0	0	0	(2,485)	(2,485)
Share premium		0	0	0	0	0	0	0	0	0	0	0
Other movements in Equity		0	0	0	0	0	0	(10,023)	0	(10,023)	0	(10,023)
Other changes of comprehensive income		0	0	0	(3,292)	(2,494)	0	0	0	(5,786)	(1)	(5,787)
Result of the period		0	0	0	0	0	0	0	28,844	28,844	2,279	31,123
Group shareholders' equity at December 31, 2012	5.15	**50,000**	**107,040**	**10,000**	**947**	**(2,516)**	**1,242**	**42,949**	**28,844**	**238,506**	**2,544**	**241,050**
Group shareholders' equity at January 1, 2013	5.15	**50,000**	**107,040**	**10,000**	**947**	**(2,516)**	**1,242**	**42,949**	**28,844**	**238,506**	**2,544**	**241,050**
Allocation of Last Year Result		0	0	0	0	0	0	28,844	(28,844)	0	0	0
Changes in consolidation area		0	0	0	0	0	0	0	0	0	490	490
Dividends		0	0	0	0	0	0	0	0	0	(2,258)	(2,258)
Share premium		0	0	0	0	0	0	0	0	0	0	0
Other movements in Equity		0	0	0	0	0	0	(3,570)	0	(3,570)	0	(3,570)
Other changes of comprehensive income		0	0	0	(5,878)	2,365	0	0	0	(3,513)	0	(3,513)
Result of the period		0	0	0	0	0	0	0	76,072	76,072	2,314	78,386
Group shareholders' equity at December 31, 2013	5.15	**50,000**	**107,040**	**10,000**	**(4,931)**	**(151)**	**1,242**	**68,223**	**76,072**	**307,495**	**3,090**	**310,585**

Consolidated statement of cash flows (Euro/000)	December 31, 2013	December 31, 2012
Cash flow from operating activities		
Consolidated result	78,386	31,123
Depreciation and amortization	19,185	21,126
Iimpairment other fixed assets	0	5,501
Impairment brands	0	55,125
Net financial (income)/expenses	21,153	18,206
Income tax expenses	50,816	36,541
Net result from discontinued operations	16,044	0
Changes in inventories - (Increase)/Decrease	(17,360)	(1,456)
Changes in trade receivables - (Increase)/Decrease	(5,573)	(16,471)
Changes in trade payables - Increase/(Decrease)	12,826	2,947
Changes in other current assets/liabilities	(6,097)	(1,547)
Cash flow generated/(absorbed) from operating activities	**169,380**	**151,095**
Interest and other bank charges paid	(14,531)	(16,522)
Interest received	624	335
Income tax paid	(65,694)	(43,246)
Royalties paid	0	(1,900)
Changes in other non-current assets/liabilities	635	(1,210)
Net cash flow from operating activities (a)	**90,414**	**88,552**
Cash flow from investing activities		
Purchase of tangible and intangible fixed assets	(34,346)	(28,984)
Proceeds from sale of tangible and intangible fixed assets	1,976	430
Net cash flow from discontinued operations	7,128	0
Net cash flow from investing activities (b)	**(25,242)**	**(28,554)**
Cash flow from financing activities		
Repayment of borrowings	(208,832)	(48,271)
Proceeds from borrowings	139,878	44,657
Short term borrowings variation	21,365	(3,269)
Dividends paid to non-controlling interests	(2,258)	(7,506)
Other changes in Net Equity	838	(2,532)
Net cash flow from financing activities (c)	**(49,009)**	**(16,921)**
Net increase/(decrease) in cash and cash equivalents (a)+(b)+(c)	**16,163**	**43,077**
Cash and cash equivalents at the beginning of the period	**83,113**	**40,036**
Net increase/(decrease) in cash and cash equivalents	16,163	43,077
Cash and cash equivalents at the end of the period	**99,276**	**83,113**

Pursuant to Consob Resolution no. 15519 of 27 July 2006, the effects of related party transactions on the consolidated statement of cash flows are presented in the statement of cash flows in the following pages.

Moncler Group Consolidated Financial Statements including transactions with related parties (pursuant to Consob Resolution no. 15519 of 27 July 2006)

Consolidated statement of income		2013		2012	
in Euro/million	Notes	Total	of which related parties (note 11.1)	Total	of which related parties (note 11.1)
Revenue	4.1	580.6	0.0	489.2	0.0
Cost of sales	4.2	(166.5)	(19.1)	(148.3)	(22.2)
Gross margin		**414.1**		**340.9**	
Selling expenses	4.3	(147.6)	(0.9)	(115.0)	(1.4)
Advertising and promotion expenses	4.4	(36.0)	0.0	(29.0)	0.0
General and administrative expenses	4.5	(57.9)	(6.2)	(51.2)	(6.5)
Non recurring income/(expenses)	4.6	(6.1)	0.0	(0.0)	0.0
Operating result	4.7	**166.4**		**145.8**	
Financial income	4.8	0.6	0.0	0.5	0.0
Financial expenses	4.8	(21.8)	(0.7)	(17.7)	(1.4)
Result before taxes		**145.2**		**128.6**	
Income taxes	4.9	(50.8)	0.0	(43.9)	0.0
Net result from continuing operations		**94.4**		**84.7**	
Net result from discontinued operations	6	**(16.0)**		**(53.6)**	
Consolidated result		**78.4**		**31.1**	
Net result, Group share		76.1		28.8	
Non controlling interests		2.3		2.3	

Consolidated statement of financial position		December 31, 2013		December 31, 2012	
in Euro/million	Notes	Total	of which related parties (note 11.1)	Total	of which related parties (note 11.1)
Brands and other intangible assets - net	5.1	252.7		265.8	
Goodwill	5.1	155.6		155.6	
Property, plant and equipment - net	5.3	58.2		51.8	
Other non-current assets	5.8	11.7		12.3	
Deferred tax assets	5.4	25.1		22.5	
Non-current assets		**503.3**		**508.0**	
Inventories and work in progress	5.5	77.2		96.7	
Trade account receivable	5.6	76.5	2.5	108.2	0.9
Income taxes	5.11	21.4		0.8	
Other current assets	5.8	41.9		28.9	
Cash and cash equivalent	5.7	105.3		94.7	
Current assets		**322.3**		**329.3**	
Total assets		**825.6**		**837.3**	
Share capital	5.15	50.0		50.0	
Share premium reserve	5.15	107.0		107.0	
Other reserve	5.15	74.4		52.6	
Net result, Group share	5.15	76.1		28.8	
Equity, Group share		**307.5**		**238.5**	
Non controlling interests		**3.1**		**2.6**	
Equity		**310.6**		**241.1**	
Long-term borrowings	5.14	160.1	18.3	228.1	10.8
Provisions non-current	5.12	3.2		4.5	
Employees pension funds	5.13	6.4		11.9	
Deferred tax liabilities	5.4	72.6		73.5	
Other non-current liabilities	5.10	1.9		7.1	
Non-current liabilities		**244.2**		**325.1**	
Short-term borrowings	5.14	116.2	1.7	96.6	7.3
Trade accounts payables	5.9	107.1	23.8	125.1	27.4
Income taxes	5.11	13.9		22.0	
Other current liabilities	5.10	33.6		27.4	
Current liabilities		**270.8**		**271.1**	
Total liabilities and equity		**825.6**		**837.3**	

Consolidated statement of cash flow in Euro/million	December 31, 2013	of which related parties (note 11.1)	December 31, 2012	of which related parties (note 11.1)
Cash flow from operating activities				
Consolidated result	78.4		31	
Depreciation and amortization	19.2		21	
Iimpairment other fixed assets	0.0		5.5	
Impairment brands	0.0		55.1	
Net financial (income)/expenses	21.2		18.2	
Income tax expenses	50.8		36.5	
Net result from discontinued operations	16.0		0.0	
Changes in inventories - (Increase)/Decrease	(17.4)		(1.5)	
Changes in trade receivables - (Increase)/Decrease	(5.6)	(1.6)	(16.5)	(0.3)
Changes in trade payables - Increase/(Decrease)	12.8	(3.6)	2.9	0.2
Changes in other current assets/liabilities	(6.1)		(1.5)	
Cash flow generated/(absorbed) from operating activities	**169.3**		**151.0**	
Interest and other bank charges paid	(14.5)		(16.5)	
Interest received	0.6		0.3	
Income tax paid	(65.7)		(43.2)	
Royalties paid	0.0		(1.9)	
Changes in other non-current assets/liabilities	0.7		(1.2)	
Net cash flow from operating activities (a)	**90.4**		**88.5**	
Cash flow from investing activities				
Purchase of tangible and intangible fixed assets	(34.3)		(28.9)	
Proceeds from sale of tangible and intangible fixed assets	2.0		0.4	
Net cash flow from discontinued operations	7.1		0.0	
Net cash flow from investing activities (b)	**(25.2)**		**(28.5)**	
Cash flow from financing activities				
Repayment of borrowings	(208.8)	(18.1)	(48.3)	(17.0)
Proceeds from borrowings	139.9	20.0	44.7	0.0
Short term borrowings variation	21.4		(3.3)	
Dividends paid to non-controlling interests	(2.3)		(7.5)	
Other changes in Net Equity	0.8		(2.5)	
Net cash flow from financing activities (c)	**(49.0)**		**(16.9)**	
Net increase/(decrease) in cash and cash equivalents (a)+(b)+(c)	**16.2**		**43.1**	
Cash and cash equivalents at the beginning of the period	**83.1**		**40.0**	
Net increase/(decrease) in cash and cash equivalents	16.2		43.1	
Cash and cash equivalents at the end of the period	**99.3**		**83.1**	

On behalf of the Boad of Directors of Moncler S.p.A.
The President - Remo Ruffini

Explanatory notes

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,with its registered office located at Via Stendhal 47 Milan, Italy, and registration number of 04642290961.

The consolidated financial statements as at and for the year ended 31 December 2013 include the parent company and its subsidiaries (hereafter referred to as the "Group").

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

In 2013, the Group implemented a corporate reorganisation with the aim of rationalising the Group's business, separating the luxury business of the Moncler division from the casual wear business of the Other Brands Division. This process was carried out by transferring the business units relating to the Other Brands division to Industries Sportswear Company S.p.A., a company today held by the parent company Moncler S.p.A. and Industries S.p.A.

On 31 October 2013, Moncler SpA and Industries Sportswear Company SpA (ISC S.p.A.), on one hand, and the company Cavaliere Brands (Italy) Srl (Sportswear Company Industries Ltd), on the other hand, have signed a contract, known as the "Business Purchase Agreement" for the sale of the company Industries Sportswear Company S.p.A. related to the Other Brands business.

The sale of the Other Brands business was finalized on 8 November 2013 and from that date the companies that were included in the Other Divisions were no longer part of the Group.

Since the Other Brands Division was considered a separate business segment, its results for the year, including the effects of the sale, and the comparative results are presented in a single line of the income statement "Net income from discontinued operations", as required by IFRS 5.

On 1 October 2013, there was an extraordinary shareholders metting in which it was agreed to change the name of the Company from Moncler S.r.l. to Moncler S.p.A.

Beginning on 16 December 2013, the company Moncler S.p.A. listed its ordinary shares on the Milan stock exchange which is managed by Borsa Italian S.p.A.

1.2. Basis for the preparation of the consolidated financial statements

1.2.1. Relevant accounting principles

The 2013 consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and endorsed by the European Union. IFRS also includes all International Accounting Standards ("IAS") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), previously known as the Standing Interpretations Committee ("SIC").

The consolidated financial statements include the consolidated statement of financial position, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows and the explanatory notes to the consolidated financial statements.

1.2.2. Presentation of the financial statements

The Group presents its consolidated income statement by destination, the method that is considered most representative for the business at hand. This method is in fact consistent with the internal reporting and management of the business. It should be noted that the presentation of the consolidated income statement has been partially revised with respect to the corresponding basis for presentation used for the consolidated financial statements as at 31 December 2012, in order to incorporate a refinement of the internal reporting basis for preparation. This change is therefore believed to be more representative of future business trends.

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, the following few paragraphs describe related party transactions with the Group and their impact, if significant, on the consolidated statement of financial position, consolidated income statement and consolidated statement of cash flows.

1.2.3. Basis for measurement

The 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 in accordance with IAS 39) and on a going concern basis.

The 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 estimate

The preparation of the consolidated financial statements and the related explanatory 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 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 expect 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 legth 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 probable 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 needs and fashion trends. As a result, it is necessary to consider the recoverability of the cost of inventories and the related required provision. 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 it is expected that they will be realised within a period that is consistent with management estimatie and business plans.

Provision for losses and contingent liabilities
The Group could be 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 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 reliably estimated. In those circumstances where the outflow of resources is possible or the amount of the obligation cannot be reliably measured, the contingent liabilities are disclosed in the notes to consolidated financial statements.

2. Summary of significant accounting principles used in the preparation of the Consolidated Financial Statements

The accounting principles set out below have been applied consistently for fiscal year 2013 and the prior year.

2.1. Basis of consolidation

The consolidated financial statements comprises those of the Parent Company and its subsidiaries, of which the Parent owns, directly or indirectly, a majority of the voting rights and over which it exercises control, or from which it is able to benefit by virtue of its power to govern the subsidiaries' financial and operating policies (as defined in IAS 27).

The financial results of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Where the Group loses control of a subsidiary, the consolidated financial statements include the results for the portion of the reporting period during which the parent company had control. In the consolidated financial statements, non-controlling interests are presented separately within equity and in the statement of income. Changes in parent's ownership interest, that do not result in a loss of control or changes that represent acquisition of non-controlling interests after the control has been obtained, are accounted for as changes in equity.

In preparing the consolidated financial statements the effects, the balances as well as the unrealized profit or loss recognized in assets resulting from intra-group transactions are fully eliminated.

Investment in associates

Investments in associates are accounted for using the equity method whereas the initial recognition is stated at acquisition cost and adjusted thereafter for the post-acquisition change in the investor's share of net assets. On acquisition of the investment any difference between the cost of the investment and the investor's share of the net fair value of the associate's assets and liabilities is included in the carrying amount of the investment. If the investor's share of losses of the associate equals or exceeds its interest in the associate, the investor's interest is reduced to zero and additional losses are provided for and a liability is recognized to the extent that the investor has incurred a legal obligation or has the intention to make payments on behalf of the associate.

2.2. Foreign currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency).

Transactions in foreign currencies

Foreign currency transactions are recorded by applying the spot exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies, which are held at year-end, are translated into the functional currency at the exchange rate ruling at the reporting date. Exchange differences arising on the settlement on the translation of monetary transactions at a rate different from those at which they were translated at initial recognition are recognized in the consolidated income statement in the period in which they arise.

Translation of the results of overseas businesses

Assets and liabilities of overseas subsidiaries included in the consolidated financial statements are translated into the Group's reporting currency of Euros at the exchange rate ruling at the reporting date. Income and expenses are translated at the average exchange rate for the reporting period, as it is considered to approximate at best the actual exchange rate at the transaction date. Differences arising on the adoption of this method are recognized separately in other comprehensive income and are presented in a separate component of equity as translation reserve until disposal of the foreign operation. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the exchange rate ruling at the reporting date.

The main exchange rates used to convert into Euro the consolidated financial statements of foreign subsidiaries as at and for the years ended 31 December 2013 and 31 December 2012 are as follows:

	Average rate		Rate at the end of the period	
	Year to 31 December 2013	Year to 31 December 2012	As at 31 December 2013	As at 31 December 2012
CHF	1.231060	1.205280	1.227600	1.207200
CNY	8.164630	8.105230	8.349100	8.220700
CZK	25.979700	25.149100	27.427000	25.151000
DKK	7.457920	7.443680	7.459300	7.461000
GBP	0.849255	0.810871	0.833700	0.816100
HKD	10.301570	9.966300	10.693300	10.226000
HUF	296.873000	289.249000	297.040000	292.300000
JPY	129.663000	102.492000	144.720000	113.610000
USD	1.328120	1.284790	1.379100	1.319400
TRY	2.533540	n/a	2.960500	n/a
BRL	3.086520	n/a	3.257600	n/a
RUB	44.074200	n/a	45.324600	n/a
TWD	40.014200	n/a	41.140000	n/a

2.3. Business combinations

Business combinations are accounted under the acquisition method.

Under this method, the identifiable assets acquired and the liabilities assumed are measured initially at their acquisition-date fair values. The costs incurred in a business combination are accounted for as expenses in the periods in which the services are rendered.

Goodwill is determined as the excess of the aggregate of the considerations transferred, of any non-controlling interests and, in a business combination achieved in stages, the fair value of previously held equity interest in the acquiree compared to the net amounts of fair value of assets transferred and liabilities assumed at the acquisition date. If the fair value of the net assets acquired is greater than the acquisition cost, the difference is recognized directly in the statement of income at the acquisition date. Non-controlling interests could be measured either at their fair value at the acquisition date or at the non-controlling interests' proportionate share of the identifiable net assets. The election of either method is done for each single business combination.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurred, the Group shall report in the financial statements provisional amounts for the items for which the accounting is incomplete. During the measurement period, that shall not exceed one year from the acquisition date, the provisional amounts are retrospectively adjusted to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of assets and liabilities recognized as of that date.

2.4. Non-current assets available for sale and discontinued operations

Non-current assets available for sale and discontinued operations are classified as available for sale when their values are recoverable mainly through a probable sale transaction. In such conditions, they are valued at the lower of their carrying value or fair value, net of cost to sell if their value is mainly recoverable through a sale transaction instead of continued use.

Discontinued operations are operations that:

- include a separate line of business or a different geographical area;
- are part of a single coordinated plan for the disposal of a separate major line of business or geographical area of activity;
- consist of subsidiaries acquired exclusively for the purpose of being sold.

In the consolidated income statement, non-current assets held for sale and disposal groups that meet the requirements of IFRS 5 to be defined as "discontinued operations", are presented in a single caption that includes both gains and losses, as well as losses or gains on disposal and the related tax effect. The comparative period is subsequently restated in accordance with IFRS 5.

As far as the financial position is concerned, non-current assets held for sale and disposal groups that meet the requirements of IFRS 5 are reclassified as current assets and liabilities in the period in which such requirements arise. The comparative finacial statements are not restated or reclassified.

2.5. Property, Plant and Equipment

Property, plant and equipment are stated at acquisition or manufacturing cost, not revalued net of accumulated depreciation and impairment losses ("impairment"). Cost includes original purchase price and all costs directly attributable to bringing the asset to its working condition for its intended use.

Depreciation

Depreciation of property, plant and equipment is calculated and recognized in the consolidated income statement on a straight-line basis over the estimated useful lives as reported in the following table:

Category	Depreciation period
Land	No depreciation
Buildings	From 25 to 33 years
Plant and equipment	From 8 to 12 years
Fixtures and fittings	From 5 to 10 years
Electronic machinery and equipment	From 3 to 5 years
Leashold imrpovements	Lower between lease period and useful life of improvements
Other fixed assets	Depending on market conditions generally within the expected utility to the entity

Leased assets are depreciated over the shorter of the lease term and their useful lives Unless it is reasonably certain that the Group will take ownership of the asset by the end of the lease term.

Depreciation methods, useful lives and residual value are reviewed at each reporting period and adjusted if appropriate.

Gain/losses on the disposal of property, plant and equipment

Gains and losses on the disposal of property, plant and equipment represent the difference between the net proceeds and net book value at the date of sale. Disposals are accounted for when the relevant transaction becomes unconditional.

2.6. Intangible assets

Goodwill

Goodwill arising from business combination is initially recognized at the acquisition date as described in the notes related to “Business combinations”.

Goodwill is included within intangible assets with an indefinite useful life, and therefore, is not amortized but subject to impairment test performed annually or more frequently if events or changes in circumstances indicate that the carrying value may not be recoverable. After the initial recognition, goodwill is measured at acquisition cost less accumulated impairment.

As part of the IFRS first time adoption, the Group chose not to apply IFRS 3 “Business Combinations” retrospectively regarding acquisitions made prior to the transition date (1 January 2009); consequently, goodwill resulting from acquisitions prior to the transition date to IFRS is still recorded under Italian GAAP, prior to any eventual impairment.

For further details please refer to section 2.7 "Impairment of non-financial assets."

Brands

Separately acquired brands are shown at historical cost. Brands acquired in a business combination are recognized at fair value at the acquisition date.

Brands have a indefinite useful life and are carried at cost less accumulated impairment. Brands are not amortized but subject to impairment test performed annually or more frequently if events or changes in circumstances indicate that the carrying value may not be recoverable.

For further details please refer to section 2.7 "Impairment of non-financial assets."

Intangible assets other than goodwill and brands

License rights are capitalized as intangible asset and amortized on a straight-line basis over their useful economic life. The useful economic life of license rights is determined on a case-by-case basis, in accordance with the terms of the underlying agreement.

Key money are capitalized in connection with the opening of new directly operated shop (“DOS”) based on the amount paid. Key money in general have a definite useful life which is generally in line with the lease period. However, in certain circumstances, Key money have an indefinite useful life due legal protection or due to the fact that a refund could be received at the end of the lease period, which is considered a common practice. In such a case, provided adequate reasons, Key money are not amortized but subject to impairment test at least annually in accordance with what set out in the note related to impairment of non-financial assets.

Software (including licenses and separately identifiable external development costs) is capitalized as intangible asset at purchase price, plus any directly attributable cost of preparing that asset for its intended use. Software and other intangible assets that are acquired by the Group and have definite useful lives are measured at cost less accumulated amortization and accumulated impairment losses.

Amortization of intangible assets with a definite useful life

Intangible assets with a definite useful life are amortized on a straight line basis over their estimated useful lives as described in the following table:

Category	Amortization period
License rights	Based on market conditions within the licence period or legal limits to use the assets
Key money	Based on market conditions generally within the lease period
Software	Generally from 3 to 5 years
Other intangible assets	Based on the market conditions within the period of control over the asset

2.7. Impairment of non-financial assets

On an annual basis, the Group tests for impairment property, plant and equipment and intangible assets with an definite useful life. Whenever events or changes in circumstance indicate that the carrying amount may not be recoverable, an impairment loss is recognized for the amount by which the carrying amount exceeds its recoverable amount.

Goodwill and assets with an indefinite useful life are not subject to amortization and are tested annually or more frequently for impairment, whenever events or changes in circumstance indicate that the carrying amount may not be recoverable.

When the recoverable amount for individual asset cannot be reliably estimated, the Group determines the recoverable amount of the cash-generating unit to which the asset belongs. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. The Group determines the value in use as the present value of future cash flows expected to be derived from the asset or from the cash-generating unit, gross of tax effects, by applying an appropriate discount rate that reflects market time value of money and the risks inherent to the asset. An impairment loss is recognized for the amount by which the carrying amount exceeds its recoverable amount.

With the exception of impairment losses recognized on goodwill, when the circumstances that led to the loss no longer exist, the carrying amount of the asset is increased to its recoverable amount and cannot exceed the carrying amount that would have been determined had there been no loss in value. The reversal of an impairment loss is recognized immediately in the consolidated income statement.

2.8. Leased assets

Financial lease

Leases for which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at the amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Operating lease

Assets under a lease contracts (i.e. rent agreements) other than finance leases are not recognized in the Group's consolidated statement of financial position. The Group lessees property and gross rent expenses related to these operating leases are recognized on a straight line basis over the period of the leases. Certain rental expenses are determined on the basis of revenue achieved in specific retail locations and are accrued for on that basis.

2.9. Inventory

Raw materials and work in progress are valued at the lower of purchase or manufacturing cost calculated using the weighted average cost method and net realizable value. The weighted average cost includes directly attributable expenditures for raw material inventories and labour cost and an appropriate portion of production overhead based on normal operating capacity.

Provision is recorded to reduce cost to net realizable value taking into consideration the age and condition of inventory, the likelihood to use raw materials in the production cycle as well as the saleability of finished products through the Group's distribution channels (outlet and stock).

2.10. Financial instruments

Financial instruments are initially recognized at fair value when the entity becomes a party to a contractual obligation of the financial instruments.

The Group's financial instruments consist primarily of cash and cash equivalents, accounts receivable, accounts payable, other current and non-current assets and liabilities, investments, borrowings and derivative financial instruments.

Cash and cash equivalents
Cash and cash equivalents include cash and short-term deposits held with banks and most liquid assets that are readily convertible into cash and that have insignificant risk of change in value. Bank overdrafts are recorded under current liabilities on the Group's consolidated statement of financial position.

Financial assets, trade receivables and other current and non-current receivables
Trade and other receivables generated when the Group provides money, goods or services directly to a third party are classified as current assets, except for items with maturity dates greater than twelve months after the reporting date.

Current and non-current financial assets, other current and non-current assets, trade receivable, excluding derivatives, with fixed maturity or determinable payment terms, are recognized at amortized cost calculated using the effective interest method. Notes receivable (due date greater than a year) with interest rate below that of the market rate are valued using the current market rate.

At the end of each reporting period the Group assesses whether there is any objective evidence that the financial asset or a group of financial assets is impaired. If any such evidence exists, an impairment loss is recognized immediately in the current period consolidated income statement.

Financial liabilities, trade payables and other current and non-current payables
Trade and other payables arise when the Group acquires money, goods or services directly from a supplier. They are included within current liabilities, except for items with maturity dates greater than twelve months after the reporting date.

Financial liabilities, excluding derivatives, are recognized initially at fair value which represents the amount at which the asset was bought in a current transaction between willing parties, and subsequently measured at amortized cost using the effective interest method. Financial liabilities that are designated as hedged items are subject to the hedge accounting requirements.

Derivatives instruments
In accordance with IAS 39, derivative instruments qualify for hedge accounting only if at the inception there is a formal designation and documentation of the hedging relationship, the hedge is expected to be highly

effective and the effectiveness of the hedge can be reliably measured throughout the financial reporting periods for which the hedge was designated.

Fair value hedge

A derivative instrument is designated as fair value hedge when it hedges the exposure to changes in fair value of a recognized asset or liability, that is attributable to a particular risk and could affect profit or loss. The gain or loss on the hedged item, attributable to the hedged risk, adjusts the carrying amount of the hedged item and is recognized in the consolidated income statement.

Cash flow hedge

A derivative instrument is designated as cash flow hedge when it hedges the exposure to variability in cash flows that is attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction and could affect profit or loss. The portion of gain or loss on the hedging instrument that is determined to be an effective hedge is recognized in equity within other comprehensive income. The cumulative gain or loss is reclassified from equity to profit or loss in the same period in which the asset acquired or liability assumed affects profit or loss. Any gain or loss on the hedging instrument that is not an effective hedge is recognized immediately in the consolidated income statement. In the event that the hedge expires or is terminated or no longer meets the criteria for hedge accounting but the forecast transaction has not yet occurred, the cumulative gain or loss recognised in other comprehensive income from the period when the hedge was effective remains separately in equity and is recognised in the consolidated income statement in the same period during which the hedged forecast transaction affects profit or loss.

When the forecast transaction is no longer expected to occur, the cumulative gain or loss recognised in other comprehensive income from the period when the hedge was effective is reclassified immediately in the income statement.

2.11. Employee benefits

Short-term employee benefits, such as wages, salaries, social security contributions, paid leave and annual leave due within twelve months of the consolidated statement of financial position date and all other fringe benefits are recognised in the year in which the service is rendered by the employee.

Benefits granted to employees which are payable on or after the termination of employment through defined benefit and contribution plans are recognised over the vesting period.

Defined benefit schemes

Defined benefit schemes are retirement plans determined based on employees’ remuneration and years of service.

The Group obligation to contribute to employees’ benefit plans and the related current service cost is determined by using an actuarial valuation defined as the projected unit credit method. The cumulative net amount of all actuarial gains and losses are recognised in equity within other comprehensive income.

With reference to defined benefit plans, the increase in present value of the defined benefit obligation for employee service in prior periods (past service cost) is accounted as an expense on a straight-line basis over the average period until the benefits become vested.

The amount recognised as a liability under the defined benefit plans is the present value of the related obligation, taking into consideration expenses to be recognised in future periods for employee service in prior periods.

Defined contribution schemes

Contribution made to a defined contribution plan is recognised as an expense in the income statement in the period in which the employees render the related service.

Up to December 31, 2006 Italian employees were eligible to defined benefit schemes referred as post-employment benefit ("TFR"). With the act n. 296 as of December 27, 2006 and subsequent decrees ("Pension Reform") issued in early 2007, the rules and the treatment of TFR scheme were changed. Starting from contribution vested on or after January 1, 2007 and not yet paid at the reporting date, referring to entities with more than 50 employees, Italian post-employment benefits is recognised as a defined contribution plan. The contribution vested up to December 31, 2006 is still recognised as a defined benefit plan and accounted for using actuarial assumptions.

2.12. Provision for risks and charges

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic resources will be required to settle the obligation and where the amount of the obligation can be reliably estimated.

Restructuring provision is recognised when the Group has a detailed formal restructuring plan and the plan has been implemented or the restructuring plan has been publicly announced. Identifiable future operating losses up to the date of a restructuring are not included in the provision.

Changes in estimates are recognised in the income statement in the period in which they occur.

2.13. Share-based payments

The fair value at grant date of the incentives granted to employees in the form of share-based payments that are equity settled is usually included in expenses, with a matching increase in equity, over the period during which the employees obtain the incentives rights. The amount recognized as an expense is adjusted to reflect the actual number of incentives for which the continued service conditions are met and the achievement of non-market conditions, so that the final amount recognized as an expense is based on the number of incentives that fulfill these conditions at the vesting date. In case the incentives granted as share-based payments whose conditions are not to be considered to maturity, the fair value at the grant date of the share-based payment is measured to reflect such conditions. With reference to the non-vesting conditions, any differences between amounts the grant date and the actual amounts will not have any impact on the consolidated financial statements.

The fair value of the amount payable to employees related to share appreciation rights, settled in cash, is recognized as an expense with a corresponding increase in liabilities over the period during which the employees unconditionally become entitled to receive the payment. The liability is valued at each balance sheet date and the settlement date based on the fair value of the share appreciation rights. Any changes in the fair value of the liability are recognized in profit or loss for the year.

2.14. Revenue recognition

Revenues are recognised when it is probable that the economic benefits associated with the transactions will flow to the Group and the amount can be reliably measured. Revenue, which is stated excluding value added tax and other sales related taxes, is the amount receivable for goods supplied less returns, trade discounts and allowances.

Wholesale sales are recognised when goods are dispatched to trade customers, reflecting the transfer of risks and rewards. The provision for returns and discounts is estimated and accounted for based on future expectation, taking into consideration historical return trends.

Retail sales are recognised at the date of transactions with final customers.

Royalties received from licensee are accrued as earned on the basis of the terms of the relevant royalty agreement which is typically based on sales volumes.

2.15. Borrowing costs

Borrowing costs are recognized on an accrual basis taking into consideration interest accrued on the net carrying amount of financial assets and liabilities using the effective interest rate method.

2.16. Taxation

Tax expense recognised in the consolidated income statement represents the aggregate amount related to current tax and deferred tax.

Current taxes are determined in accordance with enforced rules established by local tax authorities. Current taxes are recognised in the consolidated income statement for the period, except to the extent that the tax arises from transactions or events which are recognised directly either in equity or in other comprehensive income.

Deferred tax liabilities and assets are determined based on temporary taxable or deductible differences arising between the tax bases of assets and liabilities and their carrying amounts in the Group consolidated financial statements. Current and deferred tax assets and liabilities are offset when income taxes are levied by the same tax authority and when there is a legally enforceable right to offset the amounts.

Deferred tax liabilities and assets are determined using tax rates that have been enacted by the reporting date and are expected to be enforced when the related deferred income tax asset is realised or the deferred tax liability is settled. Deferred tax assets and liabilities are not discounted.

Deferred tax assets recognised on tax losses and on deductible differences are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

2.17. Earning per share

The Group presents the basic and diluted earnings per share. The basic earnings per share is calculated by dividing the profit or loss attributable to holders of the Company shares by the weighted average of the number of shares for the financial year (defined as equal to the share capital), adjusted to consider any treasury shares held. The diluted earnings per share is calculated by adjusting the profit or loss attributable to shareholders, and the weighted average of the number of company shares as defined above, to consider the effects of all potential shares with a dilution effect.

2.18. Segment information

For purposes of IFRS 8 “Operating segments,” the Group’s business is conducted as a single operating segment known as the Moncler Division. The other operating segment known as the Other Brands Division is presented separately as discontinued operations since it was disposed of on 8 November 2013..

2.19. Fair value

IFRS 13 is the only point of reference for the fair value measurement and related disclosures when such an assessment is required or permitted by other standards. Specifically, the principle defines fair value as the consideration received for the sale of an asset or the amount paid to settle a liability in a regular transaction between market participants at the measurement date. In addition, the new standard replaces and provides for additional disclosures required in relation to fair value measurements by other accounting standards, including IFRS 7.

In accordance with the transitional provisions of IFRS 13, the Group has applied the new fair value valuation method prospectively without providing comparative information related to the new disclosures. However, the change had no significant effect on the valuations of the Group's assets and liabilities.

IFRS 13 establishes a hierarchy that classifies within different levels the inputs used in the valuation techniques necessary to measure fair value. The levels, presented in a hierarchical order, are as follows:

- level 1: Fair values measured using quoted prices (unadjusted) in active markets for identicalassets or liabilities;
- level 2: it Fair values measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- level 3: Fair values measured using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

2.20. Accounting standards and recently published interpretations

Accounting standards, amendments and interpretations effective from 1 January 2013

Amendments to IAS 19 – "Employee Benefits". The standard requires that the costs related to defined benefit plans be calculated applying a discount rate to net assets/liabilities related to employee benefit plans. All actuarial gains and losses will have to be recorded in the statement of comprehensive income (OCI) without the possibility of going through the income statement. This new standard has been endorsed by the EU in 2012 and can be applied retrospectively for all years being reported. This standard did not have an impact on the consolidated financial statements since there were no changes in the way the Group presented these items in the past.

Amendment to IAS 1 – "Financial Statement Presentation Regarding Other Comprehensive Income".The amendments pertain to the grouping of OCI items into two categories, based on whether or not they can be reclassified in the income statement at a future date. The standard does not impact the possibility of presenting two statements of income and does not specify what can be reclassified in the consolidated income statement. The amendments were endorsed by the EU in 2012 and are applicable for all years presented.

IFRS 13 – "Fair Value Measurements". This standard provides a precise definition of fair value and is the only channel in which fair value is measured. The standard does not expend on the accounting of fair value but provides guidance on how they should be applied. The standard was published by the IASB in May of 2011 and was endorsed by the EU in December of 2012. This standard did not have a significant impact on the Group's consolidated financial statements since the afore-mentione method for calculating fair value does not significantly differ from those previously used by the Group.

Amendments to IFRS 7 – "Financial Instruments: Disclosures on Offsetting Financial Assets and Liabilities" The amendments are aimed to improve the current text regarding netting in order to facilitate the comparison between companies that prepare financial statements in accordance with IFRS and those preparing them in accordance with US GAAP. The standard was issued by the IASB in December 2011 and endorsed by the EU in December 2012. This standard did not have a significant impact on the Group's consolidated financial statements.

Amendments to IFRS 1 – "First Time Adoption on Government Loans". The amendments clarify how companies that adopt IFRS 1 for the first time should account for government bonds with an interest rate lower than the prevailing market rate. The amendments were endorsed by the EU in March 2013 and they did not have any impact on the Group's consolidated financial statements.

On 17 May 2012, the IASB issued the following amendments to IFRS which did not have a significant impact on the consolidated finacial statements. These amendments were endorsed by the EU in March 2013:

- IFRS 1 – "First time adoption"
- IAS 1- "Financial statement presentation"
- IAS 16 – "Property, plant and equipment"
- IAS 32 – "Financial instruments: Presentation"
- IAS 34 – "Interim financial reporting".

Finally, from 2013 onwards, the amendments to IFRS 1 "Severe hyperinflation and removal of fixed dates for first-time adopters" and IFRIC 20 "excavation costs in the production phase of an open pit mine" are also applicable. This amendment did not have a significant impact on the consolidated financial statements.

Accounting standards, amendments and interpretations effective from 1 January 2013

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New standards and interpretations not yet effective and not early-adopted by the Group

In May 2011, a package of three standards was issued: IFRS 10 – Consolidated Financial Statements, IFRS 11 – Joint Arrangements and IFRS 12 – Disclosure of Interests in Other Entities. IAS 27 – Consolidated and Separate Financial Statements (which has been renamed IAS 27 – Separate Financial Statements) and IAS 28 – Investments in Associates (which has been renamed IAS 28 – Investments in Associates and Joint Ventures) were consequently revised. Subsequently, other amendments were issued to clarify transitional guidance on the first-time adoption of the standards. The new standards are effective for annual periods beginning on or after 1 January 2013, and must be applied retrospectively. The European Union endorsed these standards by postponing their effective date to 1 January 2014, allowing early adoption from 1 January 2013. The Group will apply the new standards from 1 January 2014. In particular:

- IFRS 10 – Consolidated Financial Statements will replace SIC-12 – Consolidation: Special Purpose Entities and parts of IAS 27 – Consolidated and Separate Financial Statements (which has been renamed IAS 27 – Separate Financial Statements and addresses the accounting treatment of investments in separate financial statements). The new standard builds on existing principles by identifying a single control model applicable to all entities, including "structured entities". The standard also provides additional guidance to assist in the determination of control where this is difficult to assess. At the date of these financial statements, adoption of this new standard would have no effect as no changes to the control conclusions reached before and after the adoption of the new standard would arise.

- IFRS 11 – Joint Arrangements supersedes IAS 31 – Interests in Joint Ventures and SIC-13 – Jointly Controlled Entities: Non-monetary Contributions by Venturers. The classification will focus on the rights and obligations of the arrangements, rather than their legal form. No significant effect is expected from the application of this new standard.

- IFRS 12 – Disclosure of Interests in Other Entities, is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates, special purpose vehicles and other unconsolidated vehicles. No significant effect is expected from the application of this new standard.

On 16 December 2011, the IASB issued certain amendments to IAS 32 – Financial Instruments: Presentation to clarify the application of certain offsetting criteria for financial assets and financial liabilities in IAS 32. The amendments are effective for annual periods beginning on or after 1 January 2014 and are required to be applied retrospectively. No significant effect is expected from the first time adoption of the standard.

On 29 May 2013, the IASB issued an amendment to IAS 36 – Recoverable Amount Disclosures for Non-Financial Assets addressing the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less cost of disposal. The amendments are effective retrospectively for annual periods beginning on or after 1 January 2014. Earlier application is permitted for periods when the entity has already applied IFRS 13. No significant effect is expected from the first time adoption of the standard.

On 27 June 2013, the IASB issued narrow scope amendments to IAS 39 – Financial Instruments: Recognition and Measurement entitled "Novation of Derivatives and Continuation of Hedge Accounting". The amendments will allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met. Similar relief will be included in IFRS 9 - Financial Instruments. The amendments are effective retrospectively for annual periods beginning on or after 1 January 2014. No significant effect is expected from the first time adoption of these amendments.

In addition, the European Union had not yet completed its endorsement process for these standards and amendments at the date of these financial statements:

- On 12 November 2009, the IASB issued IFRS 9 – Financial Instruments. The new standard was reissued in October 2010 and subsequently amended in November 2013. The standard addresses the classification, measurement and recognition of financial assets and financial liabilities and hedge accounting. It replaces the relevant parts of IAS 39 – Financial Instruments: recognition and measurement. As part of the November 2013 amendments, among other, the IASB removed the standard's mandatory effective date, previously set on 1 January 2015. This date will be added to the standard when all phases of the IFRS 9 project are completed and a final complete version of the standard is issued.

- On 20 May 2013, the IASB issued the IFRIC Interpretation 21 - Levies, an interpretation of IAS 37 - Provisions, Contingent Liabilities and Contingent Assets. The interpretation sets out the accounting for an obligation to pay a levy that is not income tax. The interpretation addresses what the obligating event is that gives rise to pay a levy and when a liability should be recognized. IFRIC 21 is effective for annual periods beginning on or after 1 January 2014 with earlier adoption permitted.

- On 21 November 2013, the IASB published narrow scope amendments to IAS 19 – Employee benefits entitled "Defined Benefit Plans: Employee Contributions". These amendments apply to contributions from employees or third parties to defined benefit plans in order to simplify their accounting in specific cases. The amendments are effective, retrospectively, for annual periods beginning on or after 1 July 2014 with earlier application permitted.

- On 12 December 2013 the IASB issued the Annual Improvements to IFRSs 2010–2012 Cycle and Annual Improvements to IFRSs 2011–2013 Cycle. The most important topics addressed in these amendments are, among others, the definition of vesting conditions in IFRS 2 – Share based payment, the aggregation of operating segments in IFRS 8 – Operating Segments, the definition of key management personnel in IAS 24 – Related Party disclosures, the extension of the exclusion from the scope of IFRS 3 – Business Combinations to all types of joint arrangements (as defined in IFRS 11 – Joint arrangements) and to clarify the application of certain exceptions in IFRS 13 – Fair value Measurement.

- On 30 January 2014 the IASB issued IFRS 14 – Regulatory Deferral Accounts, applicable for annual periods beginning on or after 1 January 2016.

The Group will comply with these new standards and amendments based on their relevant effective dates when endorsed by the European Union and it will evaluate their potential impacts on the consolidated financial statements.

3. Scope for consolidation

As at 31 December 2013 the consolidated financial statements of the Moncler Group include the parent company Moncler S.p.A. and 25 consolidated subsidiaries as detailed in the following table:

Investments in subsidiaries for consolidation	Registered office	Share capital	Currency	% of ownership	Parent company
Moncler S.p.A. (***)	Milan (Italy)	50,000,000	EUR		
Industries S.p.A.	Milan (Italy)	15,000,000	EUR	100.00%	Moncler S.p.A. (****)
Moncler Enfant S.r.l.	Milan (Italy)	200,000	EUR	50.10%	Industries S.p.A.
Pepper Grenoble S.à.r.l.	Echirolles - Grenoble (France)	10,000	EUR	100.00%	Industries 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)	31,797,714	CNY	100.00%	Industries S.p.A.
Moncler Suisse SA	Chiasso (Switzerland)	1,400,000	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 CZ S.r.o.	Praga (Czech Republic)	15,000,000	CZK	100.00%	Industries S.p.A.
Moncler Lunettes S.r.l.	Milan (Italy)	300,000	EUR	51.00%	Moncler S.p.A. (****)
Moncler Istanbul Giyim ve Tekstil Ticaret Ltd. Sti. (*)	Istanbul (Turkey)	50,000	TRL	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)	20,000,000	RUB	99,99% 0,01%	Industries S.p.A. Moncler Suisse SA (**)
Moncler Brasil Comércio de moda e acessòrios Ltda.	Sao Paulo (Brazil)	2,580,000	BRL	95,00% 5,00%	Moncler USA Inc Industries S.p.A.
Moncler Taiwan Limited	Taipei (China)	10,000,000	TWD	100.00%	Industries S.p.A.
ISC S.p.A. (****)	Milan (Italy)	15,000,000	EUR	90,96% 9,04%	Industries S.p.A. Moncler S.r.l.

(*) Fully consolidated (without attribution of interest to third parties)
(**) Company previously named Retail France S.à.r.l.
(***) Company previously named Moncler S.r.l.
(****) Company previously named Industries Sportswear Company S.p.A.

As far as the scope of consolidation is concerned, the following changes occurred during fiscal year 2013 when compared to the prior year:

- Moncler Lunettes S.r.l, was established in the first quarter of 2013. This company was included in the consolidation scope starting from the date of its establishment;
- Sportswear Company S.p.A., Moncler Istanbul GiyimveTekstilTicaret Ltd. Sti. and Moncler Sylt Gmbh were established in the second quarter of 2013. These companies were included in the consolidation scope starting from the date of their establishment;
- Sportswear Industries S.r.l was acquired during the second quarter of 2013. This company was included in the consolidation scope starting from the acquisition date and it is not operative;
- Moncler Rus LLC, Moncler BrasilComércio de moda e acessòrios Ltda. e Moncler Taiwan Limited were established in the third quarter of 2013. These companies were included in the consolidation scope starting from the date of their establishment. Still in the third quarter, the Sportswear Industires S.r.l. was removed from the scope of consolidation following irìts sale to a third party;
- In the fourth quarter, following the diaposal of the Other Brands Division, Sportswear France S.a.s., Sportswear Suisse SA, Industries Sportswear Germany GmbH and Henry Cotton's Japan Corporation were removed from the scope of consolidation.

There are no subsidiaries excluded from the scope of consolidation either because they are dormant nor because they generate a negligible volume of business.

4. Comments on the consolidated statement of income

4.1. Revenues

Revenues by distribution channel

Revenue by distribution channels are broken down as follows:

Revenues (Euro/000)	**2013**	**%**	**2012**	**%**
Total revenues	**580,577**	**100.0%**	**489,183**	**100.0%**
of which				
Wholesale	247,024	42.5%	237,679	48.6%
Retail	333,553	57.5%	251,504	51.4%

Sales are generated through two main distribution channels, wholesale and retail. The retail channel pertains to stores that are directly managed by the Group (DOS, outlets, concessions and e-commerce), while the wholesale channel pertains to stores managed by third parties either single-brand (i.e. Shop-in-Shop and franchising) or multi-brand (corner or space reserved within big name stores).

The Moncler division obtained significant results while increasing revenue by 18.7% in 2013 when compared to 2012. The increase in revenues is a result of:

- growth in the retail channel of Euro 82.0 million (+32.6%) from Euro 251.5 million in 2012 to Euro 333.6 million in 2013;
- growth in the wholesale channel of Euro 9.3 million (+3.9%) from Euro 237.7 million in 2012 to Euro 247.0 in 2013.

For further detailed analysis on revenues, please refer to comments included in the Directors' Report.

Revenues by geographical area

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

Revenues by geographical area						
(Euro million)	**2013**	**%**	**2012**	**%**	**2013 vs 2012**	**%**
Italy	131.0	22.6%	128.1	26.2%	2.9	2.3%
EMEA, Italy excluded	200.4	34.5%	157.4	32.2%	43.0	27.3%
Asia and Other countries	181.6	31.3%	155.0	31.6%	26.6	17.2%
Americas	67.6	11.6%	48.7	10.0%	18.9	38.8%
Total	**580.6**	**100.0%**	**489.2**	**100.0%**	**91.4**	**18.7%**

The Moncler division grew during 2013 in all geographical areas thanks to a precise and clear strategic plan which allowed for the creation of a structure able to support all the markets (where possible with the help of local branches).

As a percentage of total revenues, the local market decreased from 26.2% in 2012 to 22.6% in 2013 due to a decision to contain the local market and focus more on the development of foreign markets.

EMEA sales (excluding Italy) show an increase of Euro 43.0 million (+27.3%) between the respective periods. This growth is linked to the performance of the French, German, Swiss and English markets, where revenues increased significantly even though the current policy aimed at reducing the number of resellers and the opening of direct point of sales.

The Asian and rest of the world markets are considered important markets given the increase in sales of Euro 26.6 million (+17.2%) between 2013 and 2012. This increase is directly linked to the Chinese and Hong Kong markets (+37.2%) through their development through the subsidiaries Moncler Shanghai Commercial Co. Ltd and Moncler Asia Pacific Ltd.

The American market is growing with an increase in sales of Euro 18.9 million between 2013 and 2012. Even though the American market is very competitive, it represents a significant opportunity for development in the future including through the retail business.

4.2. Cost of sales

In 2013, cost of sales grew by Euro 18.3 million (+12.3%) in absolute terms, going from Euro 148.3 million in 2012 to Euro 166.5 million in 2013. This overall growth is due to increased sales volumes. Cost of sales as a percentage of sales has decreased, going from 30.3% in 2012 to 28.7% in 2013. This decrease is due to the fact that the retail channel (which has higher margins than the wholesale channel) has increased in importance in relation to Group sales, going from 51.4% in 2012 to 57.5% in 2013.

These significant efficiencies were achieved through the economies of scale, which rationalised the production and provisioning process.

4.3. Selling expenses

Selling expenses grew both in absolute terms, with an increase of Euro 32.6 million between 2013 and 2012, and as a percentage of turnover, going from 23.5% in 2012 to 25.4% in 2013. This significant growth is due to the development of the retail business, which requires significant resources in terms of costs associated with rental and employees and temporary staff dedicated to sales.

4.4. Advertising expenses

During 2013, the group continued to invest in marketing and advertising in order to support and spread awareness and the prestige of the Moncler brand: alongside institutional business, communication continues in support of the retail channel. The weight of advertising expenses on turnover is equal to 6.2% in 2013 (5.9% in 2012), while in absolute value, the caption goes from Euro 29.0 million in 2012 to Euro 36.0 million in 2013, with an absolute change of Euro 7.0 million (+24.2%).

4.5. General and administrative expenses

In 2013, general and administrative expenses amount to Euro 57.9 million, up by Euro 6.8 million (+13.2%) when compared to last year. General and administrative expenses as a percentage of turnover dropped from 10.5% in 2012 to 10.0 % in 2013.

4.6. Non-recurring income /(costs)

Non-recurring income and costs for 2013 (Euro 6.1 million) mainly pertain to costs incurred for the afore-mentioned listing process and reorganization, net of the gain realized on the disposal of a store in France. There were no such costs in 2012.

4.7. Operating results (EBITDA)

In 2013, the operating results of the Moncler Group amounted to Euro 166.4 million (Euro 145.8 million in 2012) and as a percentage of revenue amounted to 28.7% (29.8% in 2012).

Operating results in 2013, net of non-recurring income and costs, amounted to Euro 172.5 million (Euro 145.8 million in 2012), and 29.7% as a percentage of revenue (29.8% in 2012), up in absolute value by Euro 26.7 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:

EBITDA (Euro/000)	**2013**	**2012**	**2013 vs 2012**	**%**
Operating result	166,399	145,761	20,638	14.2%
Non recurring income and expenses	6,119	3	6,116	n.a.
Operating result net of non recurring income and expenses	**172,518**	**145,764**	**26,754**	**18.4%**
Amortization, depreciation and impairment	19,185	15,708	3,477	22.1%
EBITDA	**191,703**	**161,472**	**30,231**	**18.7%**

In 2013, EBITDA increased by Euro 30.2 million (+18.7%), going from Euro 161.5 million (33.0% of revenue) in 2012 to Euro 191.7 million (33.0% of revenue) in 2013. This increase mainly derives from the growth of the retail channel and efficiencies of production, partly attenuated by an increase in direct selling costs (mainly staff and rental).

Amortisation/depreciation in 2013 amounted to Euro 19.2 million (Euro 15.7 million in 2012) and increased by Euro 3.5 million, mostly due to the investments made in the retail channel.

4.8. Financial income and expenses

The caption is broken down as follows:

Financial income and expenses (Euro/000)	**2013**	**2012**
Interest income and other financial income	627	215
Foreign currency differences - positive	0	309
Total financial incomes	**627**	**524**
Interests expenses and other financial charges	(18,314)	(16,893)
Bank charges	(818)	(760)
Foreign currency differences - negative	(2,648)	0
Total financial expenses	**(21,780)**	**(17,653)**
Total net	**(21,153)**	**(17,129)**

4.9. Income tax

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

Income taxes (Euro/000)	**2013**	**2012**
Current income taxes	(56,384)	(50,073)
Deferred tax (income) expenses	5,568	6,131
Income taxes charged in the income statement	**(50,816)**	**(43,942)**

As a percentage of revenue, tax went from 9.0% in 2012 to 8.8% in 2013.

The reconciliation between the theoretical tax burden by applying the theoretical rate of the parent company, and the effective tax burden is shown in the following table:

Reconciliation theoretic-effective tax rate (Euro/000)	Taxable Amount 2013	Tax Amount 2013	Tax rate 2013	Taxable Amount 2012	Tax Amount 2012	Tax rate 2012
Profit before tax	145,246			128,632		
Income tax using the Company's theoretic tax rate		**(39,943)**	**27.5%**		**(35,374)**	**27,5%**
Temporary differences		(3,380)	2.3%		(4,238)	3.3%
Permanent differences		(392)	0.3%		(2,564)	2.0%
Other differences		(12,669)	8.7%		(7,898)	6.1%
Deferred taxes recognized in the income statement		5,568	(3.8%)		6,131	(4.8%)
Income tax at effective tax rate		**(50,816)**	**35.0%**		**(43,942)**	**34.2%**

4.10. Personnel expenses

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

Employee costs (Euro/000)	2013	2012
Wages and salaries	(45,379)	(36,675)
Social security costs	(10,761)	(7,909)
Accrual for employment benefits	(1,974)	(1,535)
Total	**(58,114)**	**(46,119)**

Personnel expenses increased by 26% when compared to prior year, from Euro 46.1 million in 2012 to Euro 58.1 million in 2013. This increase is mainly due to the increase in direct and indirect sales structure and overall growth in other functions.

The following table depicts the number of employees (full-time-equivalent) in 2013 compared to the prior year (related only to the Moncler Division):

Average FTE by area Number	2013	2012
Italy	500	438
Other European countries	233	158
Americas	78	53
Asia and Japan	321	250
Total	**1,132**	**899**

The actual number of employees of the Group as at 31 December 2013 is 1.376 (1.057 as at 31 December 2012 related to the Moncler Division).

The total number of employees increased principally as a result of the openings of new stores and outlets.

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

4.11. Depreciation and amortization

Depreciation and amortization are broken down as follows:

Depreciation and amortization (Euro/000)	**2013**	**2012**
Depreciation of property, plant and equipment	(12,941)	(10,495)
Amortization of intangible assets	(5,429)	(5,213)
Sub-Total Depreciation and Amortization	**(18,370)**	**(15,708)**
Fixed assets impairment	(815)	(155)
Sub-Total Impairment	**(815)**	**(155)**
Total	**(19,185)**	**(15,863)**

The increase in both depreciation and amortization is mainly due to investments made in connection with the new store openings. Please refer to comments made in paragraphs 5.1 and 5.3 for additional details related to investments made during the year.

5. Comments on the consolidated statement of financial position

It should be noted that the tables related to fiscal year 2012 which include the comparative amounts include both the moncler Division and the Other Brands Division, while the 2013 tables pertain only to the Moncler Division since the net effect related to the disposal of the Other Brands Division is included in the caption “Discontinued Operations”.

5.1. Goodwill, brands and other intangible assets

Brands and other intangible assets	**December 31, 2013**			**December 31, 2012**
(Euro/000)	**Gross value**	**Accumulated amortization and impairment**	**Net value**	**Net value**
Brands	223,900	0	223,900	229,900
License rights	0	0	0	6,500
Key money	31,364	(10,651)	20,713	22,339
Software	12,611	(7,718)	4,893	4,233
Other intangible assets	3,984	(1,946)	2,038	2,303
Assets in progress	1,195	0	1,195	510
Goodwill	155,582	0	155,582	155,582
Total	**428,636**	**(20,315)**	**408,321**	**421,367**

Intangible assets rollforward is included in the following tables:

As at 31 December 2013

Gross value Brands and other intangible assets (Euro/000)	Brands	License rights	Key money	Software	Other intangible assets	Assets in progress and advances	Goodwill	Total
January 1, 2013	**229,900**	**13,001**	**33,868**	**10,548**	**4,581**	**510**	**155,582**	**447,990**
Discontinued operations	(6,000)	(13,001)	(3,107)	(142)	(1,265)	0	0	(23,515)
Acquisitions	0	0	3,250	2,222	746	720	0	6,938
Disposals	0	0	(2,500)	(8)	(84)	0	0	(2,592)
Translation adjustement	0	0	(147)	(27)	(14)	0	0	(188)
Impairment	0	0	0	0	0	0	0	0
Other movements, including transfers	0	0	0	18	20	(35)	0	3
December 31, 2013	**223,900**	**0**	**31,364**	**12,611**	**3,984**	**1,195**	**155,582**	**428,636**

Accumulated amortization and impairment Brands and other intangible assets (Euro/000)	Brands	License rights	Key money	Software	Other intangible assets	Assets in progress and advances	Goodwill	Total
January 1, 2013	**0**	**(6,501)**	**(11,529)**	**(6,315)**	**(2,278)**	**0**	**0**	**(26,623)**
Discontinued operations	0	6,501	2,912	103	898	0	0	10,414
Depreciation	0	0	(3,244)	(1,528)	(657)	0	0	(5,429)
Disposals	0	0	1,165	8	84	0	0	1,257
Translation adjustement	0	0	45	14	7	0	0	66
Impairment	0	0	0	0	0	0	0	0
Other movements, including transfers	0	0	0	0	0	0	0	0
December 31, 2013	**0**	**0**	**(10,651)**	**(7,718)**	**(1,946)**	**0**	**0**	**(20,315)**

As at 31 December 2012

Gross value Brands and other intangible assets (Euro/000)	Brands	License rights	Key money	Software	Other intangible assets	Assets in progress and advances	Goodwill	Total
January 1, 2012	**285,025**	**13,596**	**27,930**	**8,979**	**3,358**	**1,035**	**155,582**	**495,505**
Acquisitions	0	0	4,876	1,620	1,186	510	0	8,192
Disposals	0	(595)	(11)	(30)	(39)	0	0	(675)
Translation adjustement	0	0	38	(21)	3	0	0	20
Impairment	(55,125)	0	0	0	0	0	0	(55,125)
Other movements, including transfers	0	0	1,035	0	73	(1,035)	0	73
December 31, 2012	**229,900**	**13,001**	**33,868**	**10,548**	**4,581**	**510**	**155,582**	**447,990**

Accumulated amortization and impairment Brands and other intangible assets (Euro/000)	Brands	License rights	Key money	Software	Other intangible assets	Assets in progress and advances	Goodwill	Total
January 1, 2012	**0**	**(5,467)**	**(6,068)**	**(4,767)**	**(1,244)**	**0**	**0**	**(17,546)**
Depreciation	0	(1,629)	(4,078)	(1,547)	(801)	0	0	(8,055)
Disposals	0	595	2	15	8	0	0	620
Translation adjustement	0	0	(4)	8	(1)	0	0	3
Impairment	0	0	(1,381)	(24)	(240)	0	0	(1,645)
Other movements, including transfers	0	0	0	0	0	0	0	0
December 31, 2012	**0**	**(6,501)**	**(11,529)**	**(6,315)**	**(2,278)**	**0**	**0**	**(26,623)**

The most significant additions during the year pertain to Key money associated with the new store that was opened in Milan.

The decrease in the caption Key money pertains to the sale of a store in France.

The increase in the caption software pertains to the right of use acquired in information technology for the development and management of the business.

The increase in the caption other intangibile assets is mostly due to the capitalization of expenses associated with the design of the new stores and expenses related to trademarks.

Please refer to the Directors' report for additional information related to investments made during the year.

5.2. Impairment of intangible fixed assets with an indefinite useful life and goodwill

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

The impairment test on the brand was performed by comparing its carrying value with that derived from the discounted cash flow method applying the Royalty Relief Method, based on which the cash flows are linked to the recognition of a royalty percentage applied to revenues that the brand is able to generate.

The recoverable amount of goodwill has been tested based on the "asset side" approach which compares the value in use of the cash-generating unit with the carrying amount of its net invested capital.

For the 2013 valuation, the expected cash flows and revenues were derived from the budget for fiscal year 2014 and the business plan prepared by management and approved by the Board of Directors on 26 September 2013.

The "g" rate used was 2.5% .

The discount rate was calculated using the weighted average cost of capital ("WACC"), by weighting the expected rate of return on invested capital, net of hedging costs from a sample of companies within the same industry. The calculation took into account fluctuation in the market as compared to the previous year and the resulting impact on interest rates. The cost of capital (WACC) was calculated at 10.79%.

The results of the sensitivity analysis indicate that the carrying amount of the Moncler brand is in line with the benchmark with a “g” rate = 0% and WACC = 13.6%. These sensitivity values for the Moncler brand are below those assumed by the performance of the entire cash-generating unit and provide for the full recovery of goodwill.

It also shows that the average market capitalization of the company calculated for the period between the listing date and the first two months of 2014 indicated a significant positive difference with respect to the Group net equity.

5.3. Net property plant and equipment

Property, plant and equipment	**December 31, 2013**			**December 31, 2012**
(Euro/000)	**Gross value**	**Accumulated depreciation and impairment**	**Net value**	**Net value**
Land and buildings	3,358	(2,337)	1,021	1,117
Plant and Equipment	6,675	(5,351)	1,324	1,043
Fixtures and fittings	35,208	(15,058)	20,150	20,274
Leasehold improvements	50,442	(19,205)	31,237	27,183
Other fixed assets	8,738	(6,306)	2,432	1,579
Assets in progress	2,084	0	2,084	620
Total	**106,505**	**(48,257)**	**58,248**	**51,816**

The rollforward of property, plant and equipment is included in the following tables:

As at 31 December 2013

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**
January 1, 2013	**3,358**	**7,138**	**39,357**	**44,130**	**8,021**	**620**	**102,624**
Discontinued operations	0	(1,147)	(11,054)	(5,741)	(906)	0	(18,848)
Acquisitions	0	767	7,666	15,130	1,804	2,041	27,408
Disposals	0	(79)	(164)	(1,521)	(164)	0	(1,928)
Translation adjustement	0	(4)	(699)	(2,020)	(17)	(8)	(2,748)
Other movements, including transfers	0	0	102	464	0	(569)	(3)
December 31, 2013	**3,358**	**6,675**	**35,208**	**50,442**	**8,738**	**2,084**	**106,505**

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
January 1, 2013	**(2,241)**	**(6,095)**	**(19,083)**	**(16,947)**	**(6,442)**	**0**	**(50,808)**
Discontinued operations	0	1,022	7,842	4,075	906	0	13,845
Depreciation	(96)	(310)	(4,213)	(7,379)	(943)	0	(12,941)
Disposals	0	28	86	1,011	162	0	1,287
Translation adjustement	0	4	310	850	11	0	1,175
Impairment	0	0	0	(815)	0	0	(815)
Other movements, including transfers	0	0	0	0	0	0	0
December 31, 2013	**(2,337)**	**(5,351)**	**(15,058)**	**(19,205)**	**(6,306)**	**0**	**(48,257)**

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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
1 January 2012	**3,358**	**6,943**	**32,062**	**34,726**	**7,176**	**356**	**84,621**
Acquisitions	0	310	7,911	10,757	1,194	620	20,792
Disposals	0	(106)	(330)	(674)	(348)	0	(1,458)
Translation adjustement	0	(4)	(291)	(959)	(1)	(3)	(1,258)
Other movements, including transfers	0	(5)	5	280	0	(353)	(73)
December 31, 2012	**3,358**	**7,138**	**39,357**	**44,130**	**8,021**	**620**	**102,624**

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
1 January 2012	**(2,145)**	**(5,647)**	**(13,331)**	**(8,493)**	**(5,838)**	**0**	**(35,454)**
Depreciation	(96)	(434)	(4,046)	(7,667)	(828)	0	(13,071)
Disposals	0	66	175	512	330	0	1,083
Translation adjustement	0	4	133	351	2	0	490
Impairment	0	(85)	(2,013)	(1,650)	(108)	0	(3,856)
Other movements, including transfers	0	1	(1)	0	0	0	0
December 31, 2012	**(2,241)**	**(6,095)**	**(19,083)**	**(16,947)**	**(6,442)**	**0**	**(50,808)**

The rollforward of property plant and equipment from 2012 to 31 December 2013 shows an increase in the captions fixtures and fittings and leasehold improvements: both of these captions are mainly related to the development of the retail network.

Please refer to the Directors' report for an analysis of investments made during the year.

5.4. Defferred tax assets and deferred tax liabilities

Deferred tax assets and deferred tax liabilities are offset only when there is a law within a given tax jurisdiction that provides for such right to offset. The balances were as follows as at 31 December 2013 and 31 December 2012:

Deferred taxation (Euro/000)	December 31, 2013	December 31, 2012
Deferred tax assets	25,133	22,561
Deferred tax liabilities	(72,551)	(73,475)
Net amount	**(47,418)**	**(50,914)**

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. This temporary difference will reverse only in the event that the brand name is sold.

The rollforward of deferred tax assets and liabilities, without taking into consideration the right of offset of a given tax jurisdiction, is detailed in the following table:

Deferred tax assets (liabilities) (Euro/000)	Opening balance - January 1, 2013	Discontinued operations	Taxes charged to the income statement	Taxes accounted for in Equity	Effect of currency translation	Other movements	Closing balance - December 31, 2013
Tangible assets	680	(69)	426	0	(9)	1	1,029
Intangible assets	323	0	247	0	32	(97)	505
Financial assets	17	0	0	0	0	(17)	0
Inventories	14,037	(387)	4,243	0	(951)	267	17,209
Trade receivables	2,165	0	408	0	(9)	(4)	2,560
Derivatives	726	0	0	(736)	0	15	5
Employee benefits	472	(120)	202	(1)	(55)	131	629
Provisions	2,173	163	(206)	0	(49)	11	2,092
Trade payables	0	0	26	0	(1)	10	35
Other temporary items	1,256	(149)	251	0	(152)	(222)	984
Tax loss carried forward	712	(712)	373	0	(2)	(286)	85
Tax assets	**22,561**	**(1,274)**	**5,970**	**(737)**	**(1,196)**	**(191)**	**25,133**
Tangible assets	(1,697)	0	(41)	0	64	0	(1,674)
Intangible assets	(69,324)	1,435	(778)	0	14	0	(68,653)
Financial assets	(1)	0	0	0	0	1	0
Inventories	0	0	0	0	0	0	0
Trade receivables	0	0	0	0	0	0	0
Derivatives	(2)	0	0	(64)	0	3	(63)
Employee benefits	(1)	0	0	(19)	0	(1)	(21)
Provisions	(16)	0	0	0	0	0	(16)
Trade payables	0	0	0	0	0	0	0
Other temporary items	(1,986)	30	417	(139)	0	2	(1,676)
Tax loss carried forward	(448)	0	0	0	0	0	(448)
Tax liabilities	**(73,475)**	**1,465**	**(402)**	**(222)**	**78**	**5**	**(72,551)**
Net deferred tax assets (liabilities)	**(50,914)**	**191**	**5,568**	**(959)**	**(1,118)**	**(186)**	**(47,418)**

Deferred tax assets (liabilities) (Euro/000)	Opening balance - January 1, 2012	Discontinued operations	Taxes charged to the income statement	Taxes accounted for in Equity	Effect of currency translation	Other movements	Closing balance - December 31, 2012
Tangible assets	111	0	412	0	(47)	204	680
Intangible assets	868	(388)	(136)	0	(21)	0	323
Financial assets	0	0	0	17	0	0	17
Inventories	11,305	(2,701)	5,438	0	(16)	11	14,037
Trade receivables	4,330	(2,346)	185	0	(4)	0	2,165
Derivatives	347	0	(345)	724	0	0	726
Employee benefits	79	64	278	4	(8)	55	472
Provisions	2,196	(1,132)	638	0	4	467	2,173
Trade payables	1	0	(1)	0	0	0	0
Other temporary items	1,731	6	309	0	(123)	(667)	1,256
Tax loss carried forward	577	269	(45)	0	(89)	0	712
Tax assets	**21,545**	**(6,228)**	**6,733**	**745**	**(304)**	**70**	**22,561**
Tangible assets	(1,287)	0	(404)	0	36	(42)	(1,697)
Intangible assets	(85,113)	16,406	(620)	0	3	0	(69,324)
Financial assets	9	0	(10)	0	0	0	(1)
Inventories	(29)	4	25	0	0	0	0
Trade receivables	0	0	0	0	0	0	0
Derivatives	(2)	0	0	0	0	0	(2)
Employee benefits	(129)	59	5	38	0	26	(1)
Provisions	(16)	0	0	0	0	0	(16)
Trade payables	(11)	0	20	0	0	(9)	0
Other temporary items	(1,087)	(5)	382	(1,272)	(3)	(1)	(1,986)
Tax loss carried forward	(448)	0	0	0	0	0	(448)
Tax liabilities	**(88,113)**	**16,464**	**(602)**	**(1,234)**	**36**	**(26)**	**(73,475)**
Net deferred tax assets (liabilities)	**(66,568)**	**10,236**	**6,131**	**(489)**	**(268)**	**44**	**(50,914)**

5.5. Inventory

Inventory is broken down as follows:

Inventory (Euro/000)	December 31, 2013	December 31, 2012
Raw materials	28,567	25,989
Work-in-progress	9,991	9,064
Finished products	66,808	98,968
Inventories, gross	**105,366**	**134,021**
Obsolescence provision	(28,142)	(37,358)
Total	**77,224**	**96,663**

After netting out the effect of the disposal of the Other Brands Division as described in paragraph 6 in the amount of Euro 6.3 million, raw material increased by approximately Euro 8.9 million principally as a result of volume increases linked to purchases made for the upcoming 2014 production, in order to be ready for the market requirements. Still after netting out the effect of the sale of the Other Brands Division described in paragraph 6 in the amount of Euro 43.6 million, inventories of finished products increased by approximately Euro 11.4 million mainly due to the growth of the retail business.

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.

The rollforward of the obsolescence provision is summarized in the following table:

Obsolescence provision - movements (Euro/000)	**January 1, 2013**	**Discontinued operations**	**Accrued**	**Used**	**Translation Difference**	**December 31, 2013**
Obsolescence provision	(37,358)	14,573	(6,902)	863	682	(28,142)
Total	**(37,358)**	**14,573**	**(6,902)**	**863**	**682**	**(28,142)**

Obsolescence provision - movements (Euro/000)	**January 1, 2012**	**Discontinued operations**	**Accrued**	**Used**	**Translation Difference**	**December 31, 2012**
Obsolescence provision	(23,680)	0	(22,021)	8,344	(1)	(37,358)
Total	**(23,680)**	**0**	**(22,021)**	**8,344**	**(1)**	**(37,358)**

5.6. Trade receivables

Trade receivables are as follows:

Trade receivables (Euro/000)	**December 31, 2013**	**December 31, 2012**
Trade accounts receivable	85,786	122,295
Allowance for doubtful debt	(5,378)	(6,459)
Allowance for returns and discounts	(3,887)	(7,667)
Total, net value	**76,521**	**108,169**

Trade receivables are related to the Group's wholesale business and they include balances with a collection time not greater than three months. During 2013 and 2012, there were no concentration of credit risk greater than 10% associated to individual customers. Please refer to Section 10.1 for information regarding the exposure of trade receivables to currency risks.

The rollforward of the allowance for doubtful debt and sales return is detailed in the following tables:

Doubtful debt and sales returns allowance (Euro/000)	**January 1, 2013**	**Discontinued operations**	**Accrued**	**Used**	**Translation Difference**	**December 31, 2013**
Allowance for doubtful debt	(6,459)	895	(2,953)	3,131	8	(5,378)
Allowance for returns and discounts	(7,667)	3,950	(3,933)	3,717	46	(3,887)
Total	**(14,126)**	**4,845**	**(6,886)**	**6,848**	**54**	**(9,265)**

Doubtful debt and sales returns allowance (Euro/000)	January 1, 2012	Discontinued operations	Accrued	Used	Translation Difference	December 31, 2012
Allowance for doubtful debt	(6,314)	0	(2,395)	2,243	7	(6,459)
Allowance for returns and discounts	(8,843)	0	(7,694)	8,843	27	(7,667)
Total	**(15,157)**	**0**	**(10,089)**	**11,086**	**34**	**(14,126)**

The allowance for doubtful debt was calculated in accordance with management's best estimate based on the ageing of accounts receivable as well as the solvency of the most aged 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 bank

As at 31 December 2013 the caption cash on hand and in bank amounts to Euro 105.3 million (Euro 94.7 million as at 31 December 2012), and includes cash and cash equivalents as well as the funds available in banks.

The amount included in the 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 cah in bank as well as the bank overdrafts.

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

Cash and cash equivalents included in the consolidated statement of cash flow (Euro/000)	December 31, 2013	December 31, 2012
Cash in hand and at the bank	105,300	94,679
Bank overdraft and other short term loans	(6,024)	(11,566)
Total	**99,276**	**83,113**

5.8. Other current and non-current assets

Other current and non-current assets (Euro/000)	December 31, 2013	December 31, 2012
Prepayments and accrued income - current	14,755	19,331
Other current receivables	27,110	9,590
Other current assets	**41,865**	**28,921**
Prepayments and accrued income - non-current	2,872	3,012
Security / guarantees deposits	7,550	8,006
Other non-current receivables	1,241	1,266
Other non-current assets	**11,663**	**12,284**
Total	**53,528**	**41,205**

As at 31 December 2013, accrued income and deferred expenses amount to Euro 14.8 million (Euro19.3 million as at 31 December 2012) and mainly pertain to the samples for subsequent seasons, product style and development, advertising and communication, rent and other assets.

Other current assets mainly comprise the receivable due from the tax authority for value added tax and the receivable resulting from the disposal of the Other Brands Division amounting to Euro 6.6 million. For additional information related to the disposal of the Other Brands Division, please refer to note 6.

Prepayments and accrued income non-current amount to Euro 2.9 million (Euro 3.0 million as at 31 December 2012) 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 consolidated financial statements and their fair values.

5.9. Trade payable

Trade payables amount to Euro 107.1 million (Euro125.1 million as at 31 December 2012) and pertain to current amounts due to suppliers for goods and services. These payables pertain to amounts that are payable within the upcoming year and do not include amounts that will be paid over 12 months.

After netting out the effect of the disposal of the Other Brands Division described in paragraph 6, trade payable as at 31 December 2013 increased when compared to those as at 31 December 2012 due to increase in the Group’s business and to the afore-mentioned purchases made in order to anticipate production for 2014. There were no significant fluctuation in payment terms.

There are no difference between the amounts included in the consolidated financial statements and their respective fair values.

Please refer to paragraph 10.1 for an analysis of trade payable denominated in foreign currencies.

5.10. Other current and non-current liabilities

Other current and non-current liabilities (Euro/000)	December 31, 2013	December 31, 2012
Deferred income and accrued expenses - current	1,863	2,962
Advances and payments on account to customers	2,823	2,524
Employee and social institutions	9,973	11,030
Tax accounts payable, excluding income taxes	6,635	6,299
Other current payables	12,351	4,593
Other current liabilities	**33,645**	**27,408**
Deferred income and accrued expenses - non-current	1,860	1,528
Due to licensor	0	5,355
Other non-current payables	0	250
Other non-current liabilities	**1,860**	**7,133**
Total	**35,505**	**34,541**

The caption deferred income pertains mainly to deferred revenue on samples related to collections for upcoming Seasons.

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

The caption other current payables increased from Euro 4.6 million to Euro 12.4 million; this increase in mostly related to payable associated with the listing process.

Deferred income and accrued expenses pertain to rent payable extending over a year.

Payable to licensors pertain to the Other Brands Division, which was sold during the year. As at 31 December 2013, there are no payables to licensors included the caption.

5.11. Tax assets and liabilities

Tax assets amount to Euro 21.4 million as at 31 December 2013 (Euro 0.8 million as at 31 December 2012) and they pertain to receivables for advance payments.

Tax liabilities amounted to Euro 13.9 million as at 31 December 2013 (Euro 22.0 million as at 31 December 2012). They are recognized net of current tax assets, where the offsetting relates to the same tax jurisdiction and tax system.

5.12. Non-current provisions

Provision rollforward is described in the following table:

Provision for contingencies and losses (Euro/000)	January 01, 2013	Discontinued operations	Increase	Decrease	Translation differences	Other movements	December 31, 2013
Tax litigations	(1,179)	0	0	164	0	0	(1,015)
Other non current contingencies	(3,330)	1675	(957)	275	190	0	(2,147)

Total	**(4,509)**	**1,675**	**(957)**	**439**	**190**	**0**	**(3,162)**

Provision for contingencies and losses (Euro/000)	**January 01, 2012**	**Discontinued operations**	**Increase**	**Decrease**	**Translation differences**	**Other movements**	**December 31, 2012**
Tax litigations	(2,000)	0	0	821	0	0	(1,179)
Other non current contingencies	(1,869)	0	(2,468)	873	134	0	(3,330)
Total	**(3,869)**	**0**	**(2,468)**	**1,694**	**134**	**0**	**(4,509)**

The increase in the caption other non-current provision is due mostly to accruals made in connection with business reorganization.

The decrease in the caption other non-current provision is due mostly to release of the provision in connection with closing of the Grenoble site.

5.13. Pension funds and agents leaving indemnities

The rollforward of the funds are depicted in the following table:

Employees pension funds (Euro/000)	**January 01, 2013**	**Discontinued operations**	**Increase**	**Decrease**	**Translation differences**	**Other movements**	**December 31, 2013**
Pension funds	(3,762)	1892	(205)	179	0	82	(1,814)
Agents leaving indemnities	(8,174)	3646	(825)	712	0	0	(4,641)
Total	**(11,936)**	**5,538**	**(1,030)**	**891**	**0**	**82**	**(6,455)**

Employees pension funds (Euro/000)	**January 01, 2012**	**Discontinued operations**	**Increase**	**Decrease**	**Translation differences**	**Other movements**	**December 31, 2012**
Pension funds	(3,039)	0	(320)	222	0	(625)	(3,762)
Agents leaving indemnities	(7,686)	0	(975)	487	0	0	(8,174)
Total	**(10,725)**	**0**	**(1,295)**	**709**	**0**	**(625)**	**(11,936)**

The pension funds pertain mainly to the 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 which rollforward is included in the following table:.

Employees pension funds – movements (Euro/000)	December 31, 2013	December 31, 2012
Net recognized liability – opening	(3,591)	(2,913)
Discontinued operations	1,812	0
Interest costs	(91)	(192)
Service costs	(114)	(83)
Payments	154	222
Actuarial Gains/(Losses)	82	(625)
Net recognized liability – closing	**(1,748)**	**(3,591)**

5.14. Financial liabilities

Financial liabilities are detailed in the following table:

Borrowings (Euro/000)	December 31, 2013	December 31, 2012
Bank overdraft and short-term bank loans	61,514	46,347
Short-term portion of long-term bank loans	54,074	45,168
Other short-term loans	656	5,134
Short-term borrowings	**116,244**	**96,649**
Long-term borrowings	**160,116**	**228,088**
Total	**276,360**	**324,737**

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 with a due date greater than a year payable both to financial institution and third parties.

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

Ageing financial liabilities (Euro/000)	December 31, 2013	December 31, 2012
Within 2 years	38,940	74,190
From 2 to 5 years	121,176	124,520
Beyond 5 years	0	29,378
Total	**160,116**	**228,088**

On 25 October 2013, Moncler SpA paid off the outstanding amount of Euro 180.0 million related to the syndicated loan, which was set up in 2011 for a total of Euro 225.0 million, and the same date entered into a new syndicated loan with leading financial institutions in the amount of Euro 120 million, received in a lump sum, payable on a half-year basis and expiring on 30 June 2018.

These loans do not include covenants for fiscal year 2013. It should be noted that the aforementioned syndicated loan underwritten by Moncler S.p.A. will be subject to covenants beginning on 30 June 2014.

The net financial position is detailed in the following table:

Net financial position (Euro/000)	December 31, 2013	December 31, 2012
Cash and cash equivalents	105,300	94,679
Debts and other current financial liabilities	(116,244)	(96,649)
Debts and other non-current financial liabilities	(160,116)	(228,088)
Total	**(171,060)**	**(230,058)**

Net financial position (Euro/000)	December 31, 2013	December 31, 2012
A. Cash in hand	478	433
B. Cash in bank and cash equivalents	104,822	94,246
C. Available for sale securities	0	0
D. Liquidity (A)+(B)+(C)	**105,300**	**94,679**
E .Current financial assets	0	0
F. Payable to banks, current	(61,514)	(46,359)
G. Current portion of long-term debt	(54,074)	(45,168)
H. Other current financial debt	(656)	(5,122)
I. Current financial debt (F)+(G)+(H)	**(116,244)**	**(96,649)**
J. Net current financial debt (I)-(E)-(D)	**(10,944)**	**(1,970)**
K. Payable to bank, non-current	(126,081)	(197,588)
L. Bonds issued	0	0
M. Other non-current payables	(34,035)	(30,500)
N. Non-curent financial debt (K)+(L)+(M)	**(160,116)**	**(228,088)**
O. Net financial debt (J)+(N)	**(171,060)**	**(230,058)**

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

5.15. Shareholders' equity

Changes in shareholders' equity for 2013 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.

There were no dividends paid to the shareholders of the Parent company in 2013 nor 2012.

The other changes in shareholders' equity mainly relate to the impact of the change of financial liabilities connected to the booking of commitments to purchase minority shares.

The caption other reserves includes other comprehensive income comprising the exchange rate translation reserve of financial statements reported in foreign currencies, the reserve for hedging interest rate risks and the reserve for actuarial gains/losses. The conversion reserve includes the exchange differences emerging from the conversion of the financial statements of the foreign consolidated companies; the changes are mainly due to the differences resulting from the consolidation of the Japanese and American companies. The hedging reserve includes the effective portion of the net differences accumulated in the fair value of the derivative hedge instruments. Changes to these reserves were as follows:

Other comprehensive income	Cumulative translation adj. Reserve			Other OCI items		
(Euro/000)	Value before tax effect	Tax effect	Value after tax effect	Value before tax effect	Tax effect	Value after tax effect
Reserve as at January 1, 2012	**4,239**	**0**	**4,239**	**(32)**	**10**	**(22)**
Changes in the period	(3,292)	0	(3,292)	(3,319)	825	(2,494)
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
Reserve as at December 31, 2012	**947**	**0**	**947**	**(3,351)**	**835**	**(2,516)**
Reserve as at January 1, 2013	**947**	**0**	**947**	**(3,351)**	**835**	**(2,516)**
Discontinued operations	282		282	194	0	194
Changes in the period	(6,160)	0	(6,160)	354	(92)	262
Translation differences of the period	0	0	0	0	0	0
Reversal in the income statement of the period	0	0	0	2,633	(724)	1,909
Reserve as at December 31, 2013	**(4,931)**	**0**	**(4,931)**	**(170)**	**19**	**(151)**

On 1 October 2013, it was decided during an extraordinay shareholder’s meeting to change the Company’s name from Moncler S.r.l. to Moncler S.p.A. and to divide share capital of Euro 50.000.000 into 250.000.000 shares.

Earning per share

Earning per share for the years ended 31 December 2013 and 31 December 2012 is included in the following table and is based on the relationship between net income attributable to the Group and the outstanding shares, resulting from the afore-mentioned extraordinary shareholder’s meeting.

Earnings per share	2013	2012
Net result of the period (Euro/000)	76,072	28,844
Number of shares related to parent's Shareholders	**250,000,000**	**250,000,000**
Earnings attributable to Shareholders (Unit of Euro)	**0.304**	**0.115**

Earning per share – continuing operations

Earnings per share from continuing operations for the years ended 31 December 2013 and 31 December 2012 is indicated in the following table and is based on the relationship between income from continuing operations attributable to the parent and the number of shares, as described above for both periods:

Earnings per share - continuing operations	**2013**	**2012**
Net result of the period - continuing operations (Euro/000)	92,116	82,411
Number of shares related to parent's Shareholders	**250,000,000**	**250,000,000**
Earnings attributable to Shareholders (Unit of Euro)	**0.368**	**0.330**

6. Discontinued operations

The Moncler Group has since 2009 adopted a divisional organizational model creating the Moncler Division, responsible only for the Moncler brand, and the Other Brands Division, responsible for the Henry Cotton's, Marina Yachting and Coast Weber Ahaus brands. In November 2012, the Group initiated a process of reorganization so that the Moncler Division and the Other Brands Division could become autonomous and remove the latter division from the Group in order to enhance and optimize the business of the Moncler division in the luxury sector instead of in the casualwear sector represented by the Other Brands Divisions.

The reorganization was carried out during 2013 through the carve out of the branches of the company related to the Other Brands Division in favor of Industries Sportswear Company S.p.A., now known as ISC SpA, a company incorporated in April 2013 in order to transfer all assets and equity attributable to the Other Brands Division.

On 8 November 2013, the division was transferred to the company Cavaliere Brands (Italia) S.r.l., (Industries Sportswear Company S.r.l.), a company owned by the private equity Emerisque, specializing in investment operations in medium-sized companies in terms of turnover and owners of well-known brands in the West with growth potential in emerging markets.

Simultaneously with the closing of the sale transaction, the shareholders of Moncler (with the exception of Brands Partners 2 S.p.A.) signed, through the company SPW Holding S.r.l., a capital increase in Industries Sportswear Company Ltd, through the use of their own funds, in order to acquire a total stake of 30% in the share capital in that company.

The shareholders of Industries Sportswear Company S.r.l. have committed to subscribe to capital increases in proportion to their investments, in order to provide the company with the necessary means to pay the installment price, as explained hereafter.

The consideration received for the transaction amounted to Euro 22.1 million, of which Euro 8.6 million was collected in two installments within 31 December 2013 while the remaining Euro 13.5 million is due within 30 June 2014 ("Third installment").

The third installment paymnet and the actual amount are subject to the Other Brands Division achieving certain economic and financial parameters and, in particular, operating reaults (Adjusted EBITDA) for fiscal year 2013, net financial position at 31 December 2013, net working capital and shareholders equity as at that date.

In addition, the consideration could be subject to an earn-out component of up to a maximum amount of Euro 21,900,000, calculated based on profitability indicators for fiscal year 2014. In case the earn-out must be paid, it should be settled on 30 June 2015.

In addition, the Moncler Group and Industries Sportswear Company S.r.l. signed an agreement for the supply of services, under which the Moncler Group is committed to providing Industries Sportswear Company S.r.l. some services in order to facilitate the operation in the first 18 months of the sale (renewable for an additional 18 months).

As part of these services, thanks to its strong credibility achieved in the banking sector, the Moncler Group has taken on a basic supporting role in the negotiation of an extension of the existing lines of credit in favor of the purchaser.

Finally, the parties have signed an agreement for the supply of clothing known as the "Supply Agreement " related to the mutual supply of products to be sold exclusively at the outlet of Trebaseleghe.

It should be noted that there are no side agreements between Cavaliere Holding S.à.r.l., a company that owns 70% of Industries Sportswear Company S.r.l. and the Moncler Group or the major shareholders of Moncler SpA. There are no commitments and/or agreements and/or guarantees between the Moncler Group and/or major shareholders of Moncler S.p.A., on one hand, and Cavaliere Holding S.à.r.l, on the other hand, for the repurchase of Industries Sportswear Company S.r.l. and/or the Other Brands business.

The verification of the parameters related to the third installment is still ongoing and the Directors believe that there will be a reduction in the final consideration associated with the sale of the company and therefore the third installment will not be paid in full.

This is due to the deterioration of the Italian market (market of the Other Brands Division), which was noted during 2013 and continued into the first months of 2014.

Based on these assumptions, the Directors have estimated an amount of Euro 15.2 million and have not prudently considered the earn-out.

The net results of the Other Brands Division and the consideration for the sale were accounted for in accordance with IFRS 5 ("Non-current Assets Held for Sale and Discontinued Operations "), and reported in a single line in the income statement under " Net income from discontinued Operations ".

The table below shows in detail the results related to the division that was disposed of .

Statement of income (Euro/000)	**2013**	**2012**
Revenue	115,618	134,603
Costs	(117,995)	(195,571)
Result from operating activities	**(2,377)**	**(60,968)**
Income taxes	144	7,401
Result from operating activities, net of tax	**(2,233)**	**(53,567)**
Loss on sale of discontinued operation	(13,811)	0
Net result from discontinued operation	**(16,044)**	**(53,567)**

The gross loss amounts to Euro 27.9 million, the related tax effect amounts to Euro 16.5 million in addition to Euro 2.4 million of net transaction costs.

The cash flow generated by the Other Brands Division inclusive of the share price collected amounted to Euro 7.1 million.

Earnings per share - discontinued operations	**2013**	**2012**
Net result of the period - discontinued operations (Euro/000)	(16,044)	(53,567)
Number of sahres related to parent's Shareholders	**250,000,000**	**250,000,000**
Earnings attributable to Shareholders (Unit of Euro)	**(0.064)**	**(0.214)**

For the calculation of earning/(loss) per share, please refer to paragraph 5.15.

7. Segment information

For the purposes of IFRS 8 "Operating Segments", the Group's activity is part of a single operating segment refered to as the Moncler division. The other segment represented by the Other Brands Division is presented separately as discontinued operations since it was disposed of during 2013.

8. Guarantees given and commitments

8.1. Operating leases

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

As at 31 December 2013, the outstanding operating lease balance was as follows:

Operating lease commitments - future minimum payments (Euro/000)	**Less than 1 year**	**Between 1 and 5 years**	**Beyond 5 years**	**Total**
DOS	17,373	58,277	60,231	**135,882**
Outlet	1,726	6,739	6,918	**15,383**
Other buildings	6,479	19,534	10,679	**36,691**

As at 31 December 2012, the outstanding operating lease balance was as follows:

Operating lease commitments - future minimum payments (Euro/000)	**Less than 1 year**	**Between 1 and 5 years**	**Beyond 5 years**	**Total**
DOS	11,894	35,191	28,986	**76,070**
Outlet	3,040	7,656	2,847	**13,543**
Other buildings	4,591	13,725	6,055	**24,370**

8.2. Other commitments and other significant contractual rights

As of the date of the consolidated financial statements, the Group did not enter into any significant agreements and is not subject to commitments related to investments in intangible assets, property plant and equipment and investments.

8.3. Guarantees given

As at 31 December 2013, the Group had given the following guarantees:

Guarantees and bails given (Euro/000)	December 31, 2013	December 31, 2012
Guarantees and bails given for the benefit of:		
Third parties/companies	10,207	2,948
Total guarantees and bails	**10,207**	**2,948**

Guarantees pertain mainly to lease agreements for the new stores.

9. Contingent liability

As the Group operates globally, it is subject to legal and tax 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 consolidated financial statements, the provisions set up in consolidated financial statements are adequate to ensure that the consolidated financial statements give a true and fair view of the Group's financial position and results of operations.

10. Information about financial risks

The Group's financial instruments include cash and cash equivalents, loans, receivables and trade payables and other current receivables and payables and non-current assets as well as derivatives.

The Group is exposed to financial risks related to its operations: market risk (mainly related to exchange rates and interest rates), credit risk (associated with both regular client relations and financing activities), liquidity risk (with particular reference to the availability of financial resources and access to the credit market and financial instruments) and capital risk .

The financial risk management is carried out by the Group’s Financial Planning Department, which ensures primarily that there are sufficient financial resources to meet the needs of business development and that resources are properly invested in income-generating activities. Risk management is carried out in cooperation with division management, since any decisions taken are based on the operational needs of the Group, which are approved and revised by the Board of Directors.

The Group uses derivative instruments to hedge its exposure to specific market risks. Derivative financial instruments are used by the Group for hedging purposes in order to reduce interest rate risk.

In order to reduce interest rate risk, the Group hedges a portion of the financial debt at a fixed rate through an interest rate swap (IRS).

The following section provides the Group’s qualitative and quantitative disclosures related to these risks.

10.1. Market risk

Foreign exchange rate risk

The Group operates internationally and is exposed to foreign exchange rate risk primarily related to the U.S. dollars, the Japanese yen and the Chinese renminbi and to a lesser extent to the Hong Kong Dollars, the British Pounds, the Swiss Francs. Overall transactions denominated in foreign currencies are partially offset between assets and liabilities in such a way that the hedge is guaranteed in part within transactions denominated in the same currency. The Group's accounting policies related to derivative hedging instruments are included in paragraph 2 of the Explanatory Notes to the consolidated financial statements.

As at 31 December 2013 the Group had a limited disclosure of contingent assets and liabilities denominated in currencies as detailed in the following table (equivalent of their currencies in Euros):

Details of the balances expressed in foreign currency									
				December 31, 2013					
(Euro/000)	**Euro**	**Yen JP**	**Dollari US**	**Yuan CN**	**Dollari HK**	**Franchi CH**	**Sterline GB**	**Other**	**Total**
Cash and cash equivalent	36,067	30,796	12,588	5,455	7,629	4,166	4,794	3,805	105,300
Trade receivable	43,533	13,662	4,409	12,484	0	25	1,562	846	76,521
Other current assets	40,559	96	51	129	56	140	260	574	41,865
Other non-current assets	5,635	663	1,505	1,184	1,346	444	485	401	11,663
Total assets	**125,794**	**45,217**	**18,553**	**19,252**	**9,031**	**4,775**	**7,101**	**5,626**	**235,349**
Trade payables	(73,795)	(24,481)	(2,617)	(1,925)	(2,280)	(363)	(925)	(691)	(107,077)
Borrowings	(276,360)	0	0	0	0	0	0	0	(276,360)
Other current payables	(28,616)	(1,183)	(1,125)	(1,332)	(259)	(378)	(864)	112	(33,645)
Other non-current payables	0	0	(1,860)	0	0	0	0	0	(1,860)
Total liabilities	**(378,771)**	**(25,664)**	**(5,602)**	**(3,257)**	**(2,539)**	**(741)**	**(1,789)**	**(579)**	**(418,942)**
Total, net foreign positions	**(252,977)**	**19,553**	**12,951**	**15,995**	**6,492**	**4,034**	**5,312**	**5,047**	**(183,593)**

As of the date of the consolidated financial statements, the Group was not exposed to this type of hedging.

As far as the currency transactions are concerned, it should be noted that a + / -1% change in their exchange rates would have the following effects:

Details of the transactions expressed in foreign currency				
(Euro/000)	**JP Yen**	**US Dollar**	**CN Renminbi**	**Other**
Effect of an exchange rate increase amounting to +1%				
Revenue	**905**	**799**	**481**	**705**
Operating profit	**529**	**493**	**236**	**453**
Effect of an exchange rate decrease amounting to -1%				
Revenue	**(905)**	**(799)**	**(481)**	**(705)**
Operating profit	**(529)**	**(493)**	**(236)**	**(453)**

Interest rate risk

The Group's exposure to interest-rate risk is mainly related to cash, cash equivalents and bank loans.

The responsibility to manage and monitor the ongoing financial activity of the Group is delegated to the sub-holding company, Industries S.p.A. through a centralized model which allows limited autonomy to the subsidiaries . With this model the financial position (cash and loans), which is subject to interest rate risks linked to local economies, is very limited.

On 25 October 2013, Moncler SpA paid off the outstanding amount of Euro 180.0 million related to the syndicated loan, which was set up in 2011 for a total of Euro 225.0 million, and the same date entered into a new syndicated loan with leading financial institutions in the amount of Euro 120 million, received in a lump sum, payable on a half-year basis and expiring on 30 June 2018. The applicable interest rate is Euribor plus a market spread.

In order to hedge its exposure to interest rate risk, the Parent Company Moncler S.p.A., in January 2012, entered into an interest rate swap (IRS) to hedge the exposure against the banking system with the following conditions : notional amount of Euro 90 million, maturity date December 2015, fixed rate of 1.6050% adjusted every six months. As at 31 December 2013, the hedged outstanding notional amounted to Euro 72.0 million .

In addition, the subsidiary Industries S.p.A., in June 2012, following the signing of an unsecured loan for a period of 36 months amounting to Euro 10 million, entered into an Interest Rate Swap with a notional for the same amount, with a fixed rate of 0.77%, maturing on 30 June 2015 with quarterly installments. As at 31 December 2013 the hedged outstanding notional amounted to Euro 5.0 million .

As far as financial debts are concerned, a fluctuation of +/- 0.5% in the interest rate would have led to a worsening of Euro 637 thousand in financial charges and an improvement of Euro 847 thousand, respectively, on the net results for the year ended 31 December 2013, taking into consideration the effect of the IRS hedging and its fair value, resulting in a lower debt of Euro 286 thousand and a greater debt of Euro 285 thousand .

With reference to the provisions of IFRS 13, it should be pointed out that the category of financial instruments measured at fair value are mainly attributable to the hedging of interest rate risk. The valuation of these instruments is based on the discounting of future cash flows considering the interest rates at the reporting date (level 2).

10.2. Credit risk

The Group has no significant concentrations of financial assets (trade receivables and other current assets) with a high credit risk. The Group's policies related to the management of financial assets are intended to reduce the risks arising from non solvency of wholesale customers. Sales in the retail channel are made through cash and credit cards. In addition, the amount of loans outstanding is constantly monitored, so that the Group's exposure to bad debts is not significant and the percentage of writeoffs remain low. The maximum exposure to credit risk for the Group at 31 December 2013 is represented by the carrying amount of trade receivables reported in the consolidated financial statements.

As far as the credit risk arising from other financial assets other than trade receivables (including cash and short-term bank deposits) is concerned, the theoretical credit risk for the Group arises from default of the counterparty with a maximum exposure equal to the carrying amount of financial assets recorded in the consolidated financial statements, as well as the nominal value of guarantees given for third parties debts or commitments indicated in paragraph 8 of the Explanatory Notes. The Group's policies limit the amount of credit exposure in different banks.

10.3. Liquidity risk

Liquidity risk arises from the possible difficulty of obtaining financial resources at an acceptable cost in order for the Group to conduct its daily business operations. The factors that influence liquidity risk are related both to the resources generated or absorbed by operating activities, and those generated or absorbed by investing and financing activities. Liquidity risk related to financing activities pertain to the maturity or repayment of short-term and long-term borrowings and to the availability of funds in the financial market.

Following the dynamic nature of the business, the Group has centralized its treasury functions in order to maintain the flexibility in finding financial sources and maintain the availability of credit lines. The procedures in place to mitigate the liquidity risk are as follows:

- centralized treasury management and financial planning. Use of a centralized control system to manage the net financial position of the Group and its subsidiaries. Use of banking products and financial instruments in order to centralize bank accounts at the individual companies level and centralize to a maximum level payments to suppliers;
- obtaining adequate credit lines to create an adequate debt structure that will allow for a better usage within the short-term or long-term period granted by the banks;
- continuous monitoring of future cash flows based on the Group budget.

Management believes that the financial resources available today, along with those that are generated by the current operations will enable the Group to achieve its objectives and to meet its investment needs and the repayment of its debt at the agreed upon maturity date.

During 2013 the Group complied with financial parameters of covenants required by the sindicated loan that was reimbursed in October 2013.

It should also be noted, with reference to the provisions of IFRS 13, financial liabilities relating to commitment to purchase minority interests are accounted for at fair value based on valuation models primarily attributable to level 3.

10.4. Operating and capital management risks

In the management of operating risk, the Group's main objective is to manage the risks associated with the development of business in foreign markets that are subject to specific laws and regulations. The responsibility for the definition and implementation of controls is delegated to the Executive Committee and the managers of the individual divisions. The Group has implemented guidelines in the following areas:

- appropriate level of segregation of duties;
- reconciliation and constant monitoring of significant transactions;
- documentation of controls and procedures;
- technical and professional training of employees;
- periodic assessment of corporate risks and identification of corrective actions.

As far as the capital management risk is concerned, the Group's objectives are aimed at the going concern issue in order to ensure a fair economic return to shareholders and other stakeholders while maintaining a good rating in the capital debt market. The Group manages its capital structure and makes adjustments in line with changes in general economic conditions and with the strategic objectives.

11. Other information

11.1. Related party transactions

Transactions and balances with consolidated companies have been eliminated during consolidation and are therefor not commented here.

During 2013, related party transactions mainly relate to trading transactions carried out on an arm's length basis with the following parties:

- Mittel Generale Investimenti S.p.A., this company which belongs to the Mittel Group, following the reimbursement of the syndicated loan, received from the parent company Moncler S.p.A. paid in capital of Euro 12.2 million and at the same time issued a portion of the new syndicated loan for an amount of Euro 20.0 million. As at 31 December 2013, the outstanding loan balance amounts to Euro 20.0 million (Euro 13 million as at 31 December 2012). Furthermore, the subsidiary Industries S.p.A. paid off Mittel Generale Investimenti S.p.A.'s outstanding bullet loan in the amount of Euro 5 million. Total interest on the loans amounted to Euro 0.7 million in 2013 (Euro 1.4 million in 2012);
- Mittel Generale Investimenti S.p.A. also provides financial advisory services. Total costs recognized in 2013 amount to Euro 0.1 million (same amount last year) and the services are provided at market conditions;
- The companies owned by the Chairman, Remo Ruffini (National S.r.l. and R.F. RuffiniS.r.l.) provide product design and development services to the Group and rental services. Total value of the service contracts in place in 2013 amount to Euro 1.4 million (Euro 1.5 million last year);
- Altana S.p.A., counterparty to the transaction which led to the establishment of Moncler Enfant S.r.l.,provides finished products and charges rental and services to the latter pursuant to a contract agreed upon its establishment. Total costs recognized in 2013 amount to Euro 17.7 million (Euro 22.8 million in 2012). During 2013, Moncler Enfant S.r.l. also invoiced Altana S.p.A. for goods in the amount of Euro 0.9 million (Euro 0.8 million in 2012).
- Yagi Tsusho Ltd, counterparty to the transaction which led to the establishment of Moncler Japan Ltd. And Henry Cotton Japan Ltd., acquires finished products from Moncler Group companies (Euro 31.2 million in 2013 and Euro 27.6 million in 2012) and then sells them to the Japanese companies (Euro 37.3 million in 2013 and Euro 34.1 million in 2012) pursuant to contracts agreed upon the companies' establishment.
- In 2012, Yagi Tsusho Ltd also granted a loan to Moncler Japan Ltd, which was paid off during the last quarter of 2012. Total interest in 2012 on this loan amounted toEuro 0.03 million.
- Ciolina S.A., minority Shareholder of Ciolina Moncler SA, had granted a loan to the latter, which was paid off during 2013. The outstanding balance as of 31 December 2012 was Euro 0.1 million.
- The companies held by the minority holder Moncler Sylt GmbH (Meyer PotzVerwaltungsGmbH e MP Resort GmbH) provide administrative and rental servise starting from the month of June 2013. In 2013, total expense was equal to Euro 0.06 million (there were no such transactions in 2012).
- 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, engaging into trading activities and services with the latte r as well as with Industries S.p.A.. These relationships have generated net costs of Euro 0.8 million in 2013 (there were no such relationships in 2012).
- Allison S.p.A., counterparty to the transaction which led to the establishment of Moncler LunettesS.r.l., provides finished products and charges rental and services to the latter pursuant to a contract agreed upon its establishment. Total costs recognized in 2013 amount to Euro 0.9 million (there were no such relationships in 2012).

The following tables summarize the afore-mentioned related party transactions that took place during 2013 and the prior year.

(Euro million)	Type of relationship	Note	December 31, 2013	%	December 31, 2012	%
Mittel Generale Investimenti S.p.A.	Interest expense on financing agreement	a	(0.7)	3.3%	(1.4)	8.2%
Mittel Generale Investimenti S.p.A.	Consulting agreement	b	(0.1)	0.0%	(0.1)	0.0%
National S.r.l.	Product and fashion consutling agreement	b	(1.4)	0.3%	(1.5)	0.4%
Altana S.p.A.	Trade transactions	c	0.9	0.2%	0.8	0.2%
Altana S.p.A.	Supply agreement	b	(17.7)	4.3%	(22.8)	6.6%
Yagi Tsusho Ltd	Interest expense on financing agreement	a	0.0	0.0%	(0.0)	0.2%
Yagi Tsusho Ltd	Distribution agreement	c	31.2	5.4%	27.6	5.6%
Yagi Tsusho Ltd	Distribution agreement	b	(37.3)	9.0%	(34.1)	9.9%
Meyer Potz Verwaltungs GmbH	management agreement/lease agreement	b	(0.0)	0.0%	n/a	n/a
MP Resort GmbH	lease agreement	b	(0.1)	0.0%	n/a	n/a
GokseTekstil Kozmetik Sanayi ic ve dis ticaret limited sirketi	Trade transactions/service agreement	b	(0.8)	0.2%	n/a	n/a
Allison S.p.A.	Trade transactions/service agreement	b	(0.9)	0.2%	n/a	n/a
Total			**(26.9)**		**(31.5)**	

a - effect in % based on financial expenses
b - effect in % based on operating expenses
c - effect in % based on revenues

(Euro million)	Type of relationship	Note	December 31, 2013	%	December 31, 2012	%
Mittel Generale Investimenti S.p.A.	Financing	a	(20.0)	7.2%	(13.0)	4.0%
Mittel Generale Investimenti S.p.A.	Financing	a	0.0	0.0%	(5.0)	1.5%
Mittel Generale Investimenti S.p.A.	Trade payables	b	(0.1)	0.1%	(0.1)	0.1%
National S.r.l.	Trade payables	b	(0.4)	0.4%	(0.5)	0.4%
Altana S.p.A.	Trade payables	b	(0.6)	0.6%	(3.2)	2.6%
Yagi Tsusho Ltd	Trade payables	b	(22.2)	20.7%	(23.6)	18.9%
Yagi Tsusho Ltd	Trade receivables	c	2.4	3.1%	0.9	0.8%
Ciolina S.A.	Financing	a	0.0	0.0%	(0.1)	0.0%
Gokse Tekstil Kozmetik Sanayi ic ve dis ticaret limited sirketi	Trade payables	b	(0.2)	0.2%	n/a	n/a
Gokse Tekstil Kozmetik Sanayi ic ve dis ticaret limited sirketi	Trade payables	c	0.1	0.1%	n/a	n/a
Allison S.p.A.	Trade payables	b	(0.3)	0.3%	n/a	n/a
Total			**(41.3)**		**(44.6)**	

a - effect in % based on total financial debt
b - effect in % based on total trade payables
c - effect in % based on total trade receivables

The following tables summarize the weight of related party trasactions on the consolidated financial statements as at and for the years ended 31 December 2013 and 2012:

31 December 2013						
(Euro million)	**Revenues**	**Operating expenses**	**Total interest expenses**	**Total financial debt**	**Trade payables**	**Trade receivables**
Total related parties	32.1	(58.26)	(0.7)	(20.0)	(23.8)	2.5
Total consolidated financial statement	580.6	(414.2)	(21.2)	(276.4)	(107.1)	76.5
weight %	**5.5%**	**14.1%**	**3.3%**	**7.2%**	**22.2%**	**3.3%**

31 December 2012						
(Euro million)	**Revenues**	**Operating expenses**	**Total interest expenses**	**Total financial debt**	**Trade payables**	**Trade receivables**
Total related parties	28.4	(58.5)	(1.43)	(18.1)	(27.4)	0.9
Total consolidated financial statement	489.2	(343.5)	(17.1)	(324.7)	(125.1)	108.2
weight %	**5.8%**	**17.0%**	**8.4%**	**5.6%**	**21.9%**	**0.8%**

Industries S.p.A. and, beginning in 2013, ISC S.p.A. and Moncler Lunettes S.r.l. adhere to the Parent Company Moncler S.p.A. fiscal consolidation.

The process related to related party transactions is available on the Company's website (www.monclergroup.com, under "Governance/Corporate documents").

Compensation paid to directors, board of statutory auditors and executives with strategic responsibilities

Compensation paid of the members of the Board of Directors and Board of Auditors in 2013 are as follows:

Directors' emoluments

in Euro Full name	Function	Period covered by function	Term of office	Compensation	Compensation for attending committees	Non-monetary benefits (*)	Bonus and other incentives	Other compensation (**)	Group total compensation
Remo Ruffini	President	2013	Approval financial statements 31/12/2015	553,096	-	-	41,096	10,000	604,192
Virginie Morgon	Vice President	2013	Approval financial statements 31/12/2015	12,000	438	-	-	-	12,438
Nerio Alessandri	Independent director	from 16/12/2013	Approval financial statements 31/12/2015	1,315	877	-	-	-	2,192
Vivianne Akriche	Director	2013	Approval financial statements 31/12/2015	12,000	438	-	-	10,000	22,438
Alessandro Benetton	Independent director	from 16/12/2013	Approval financial statements 31/12/2015	1,315	877	-	-	-	2,192
Christian Blanckaert	Director	2013	Approval financial statements 31/12/2015	12,000	-	-	-	-	12,000
Sergio Buongiovanni	Director	from 16/12/2013	Approval financial statements 31/12/2015	13,677	-	3,401	4,384	1,248,947	1,270,408
Marco De Benedetti	Director	2013	Approval financial statements 31/12/2015	12,000	877	-	-	-	12,877
Valérie Hermann	Independent director	from 16/12/2013	Approval financial statements 31/12/2015	1,315	877	-	-	-	2,192
Pietro Ruffini	Director	2013	Approval financial statements 31/12/2015	12,000	-	-	-	-	12,000
Pier Francesco Saviotti	Director	2013	Approval financial statements 31/12/2015	12,000	-	-	-	-	12,000
Guido De Vivo	Director	through 16/12/2013	n.a.	11,507	-	-	-	-	11,507
Patrick Sayer	Director	through 16/12/2013	n.a.	11,507	-	-	-	-	11,507
Frans Tieleman	Director	through 16/12/2013	n.a.	1,447	-	-	-	959	2,405
Francesco Orsi	Director	from 13/02/2013 to 16/12/2013	n.a.	10,093	-	-	-	9,041	19,134
Total				**677,271**	**4,384**	**3,401**	**45,479**	**1,278,947**	**2,009,482**

(*) Fringe benefits (as per the taxable amount) and insurance policies
(**) Include compensation for functions held in subsidiaries, salary for employment contract and any termination allowance

Statutory auditors' emoluments in Euro Full name	Function	Period covered by function	Term of office	Compensation	Compensation for attending committees	Non-moneary benefits	Bonus and other incentives	Other compensation (*)	Group total compensation
Raul Francesco Vitulo	President effective member	from 13/02/2013 to 16/12/2013	Approval financial statements 31/12/2013	41,833	-	-	-	50,630	92,463
Lorenzo Mauro Banfi	Effective member	from 13/02/2013 to 16/12/2013	Approval financial statements 31/12/2013	59,167	-	-	-	46,067	105,234
Mario Valenti	Effective member	2013	Approval financial statements 31/12/2013	41,000	-	-	-	43,130	84,130
Total				**142,000**	**0**	**0**	**0**	**139,827**	**281,827**

(*) Include compensation for functions held in subsidiaries and for services related to matters for which the Company required the Statutory auditors' opinion

In 2013 total compensation paid to executives with strategic responsibilities amounted to Euro 891 thousand.

11.2. Significant non-recurring events and transactions

During 2013, the Group begun a reorganization process aimed at separating the Moncler luxury business division from the Other Brands casual wear division. This process was carried out by transferring the business units relating to the Other Brands Division to Industries Sportswear Company S.p.A., a company today held by the parent company Moncler S.p.A. and Industries S.p.A

On 31 October 2013, Moncler S.p.A. and Industries Sportswear Company S.p.A (ISC S.p.A.), on one hand, and Cavaliere Brands (Italy) S.r.l. (Industries Sportswear Company S.r.l.), on the other hand, have entered into an agreement known as the "Business Purchase Agreement" for the sale of Industries Sportswear Company S.p.A.'s Other Brands business.

The closing of the afore-mentioned sale took place on 8 November 2013 and from that date the companies included in the Other Brands Division are no longer included in the Group.

An extraordinary shareholders meeting was held on 1 October 2013 during which Moncler S.r.l. changed its name into Moncler S.p.A.

Beginning on 16 December 2013, Moncler S.p.A. listed its ordinary shares on the Milan stock exchange, managed by Borsa Italiana S.p.A.

Costs related to the afore-mentioned projects are included in the non-recurring costs included in paragraph 4.6.

11.3. Atypical and/or unusual transactions

It should be noted that during 2013, similar to 2012, the Group did not enter into any atypical and/or unusual transactions besides the one related to the sale of the Other Brands Division.

11.4. Fees paid to independent auditors

Fees paid to independent auditors are summarized below:

Audit and attestation services (Euro unit)	Entity that has provided the service	Company that has received KPMG services	Fees 2013
Audit	KPMG S.p.A.	Moncler S.p.A.	312,000
	KPMG S.p.A.	Subsidiaries	125,300
	Network KPMG S.p.A.	Subsidiaries	203,469
Attestation services	KPMG S.p.A.	Moncler S.p.A.	521,750
	KPMG S.p.A.	Subsidiaries	6,720
	Network KPMG S.p.A.	Subsidiaries	236,078
Other services	KPMG S.p.A.	Moncler S.p.A.	-
	Network KPMG S.p.A.	Subsidiaries	340,000
Total			**1,745,317**

11.5. Shares held by directors, board of statutory auditors and general managers

It should be noted that 31.9% of Moncler S.p.A.’s share capital is held by Ruffini Investments Ltd, 86% owned by Remo Ruffini (Chairman of the Board of Directors), and 0.25% of Moncler S.p.A.’s share capital is held by Goodjohn & Co. Ltd, owned Sergio Buongiovanni.

For more details, please refer the note on related parties.

12. Significant events after the reporting date

On 28 February 2014, during the Moncler Ordinary Shareholders' Meeting, two incentive loyalty schemes, known respectively as " Stock Option Plan for Top Management and Key People " and a " Stock Option Plan Corporate Structures " were approved.

Both plans are to be implemented through free allocation of valid options for the subscription of newly issued Moncler ordinary shares, resulting from paid in capital, excluding the option right pursuant to art. 2441, fifth, sixth and eighth paragraphs of the Civil Code.

This increase was achieved on 28th February 2014 through an increase in share capital, excluding option rights, at least once but not exceeding the maximum term of five years beginning on 16 December 2013, for a maximum nominal amount of Euro 1,500,000, which was deliberated during the shareholders’ meeting held on 1 October 2013,.

The exercise price of the options is equal to Euro 10.20 and provides for the subscription of shares in the ratio of one ordinary share for option exercised.

Within power given to the Board of Directors from the shareholders’ meeting, two stock option plans were approved for a maximum of 5,555,000 options, of which 5,030,000 as "Stock Option Plan for Top Management and Key People" and the remaining 525,000 as "Stock Option Plan Corporate Structures".

The termination of the employement relationship between management and the Company or its subsidiaries, as contemplated by the plan, could affect the exercise of the Options.

The first plan, " Stock Option Plan for Top Management and Key People ", is reserved for executive directors , employees and consultants ,as well as third party consultants of Moncler S.p.A. and its subsidiaries .

This plan is an effective tool for the motivation and the loyalty for individuals holding key positions in the Group, in order to maintain top performance and help increase the growth and success of the Group. It is also a suitable tool for linking the interests of the Company's executive directors and key management with those of shareholders , in order to create value in the medium to long term period.

The number of options granted to each beneficiary has been determined by the Board of Directors, the Nomination and Renumeration Committee and took into consideration the following: (i) Weight of the organizational role, (ii Performance track of the role holder; (iii) importance of the retention (iv) Organisational fit and trust, (v) Succession Planning, and (vi) talent and potential.

The Plan expires on 30 September 2018 and provides for a vesting period of 3 years.

Each beneficiary may exercise the Options granted as long as the specific performance goals related to Moncler's consolidated EBITDA are met. In particular, the business plan for the period 2014-2016, approved by Moncler's Board of Directors on 26 September 2013, establishes the performance targets related to Moncler's consolidated EBITDA for 2016, which are the parameters to be used for comparison with actual balances included in the consolidated financial statements for fiscal year 2016, in order to determine the percentage of options exercisable by the beneficiaries with respect to each grant cycle .

The second plan, "Stock Option Plan Structures corporate", is reserved for Corporate Italian employees of Moncler S.p.A. and its subsidiaries .

The Plan expires on 30 September 2018 and provides for a vesting period of 3 years.

Each beneficiary may exercise the Options granted as long as the specific performance goals related to Moncler's consolidated EBITDA are met. In particular, the business plan for the period 2014-2016, approved by Moncler's Board of Directors on 26 September 2013, establishes the performance targets related to Moncler's consolidated EBITDA for 2016, which are the parameters to be used for comparison with actual balances included in the consolidated financial statements for fiscal year 2016, in order to determine the percentage of options exercisable by the beneficiaries with respect to each grant cycle .

The number of options granted is predetermined in equal share for each beneficiary.

For more information on the documentation related to the above-mentioned plans, please see the company's website www.monclergroup.com under "Governance/Shareholders' Meeting" Section.

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The consolidated financial statements, comprised of the consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and explinatory 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 President - Remo Ruffini

Moncler S.p.A.
Registered office: Via Stendhal, 47 – MILANO – ITALIA
Share capital: Euro 50.000.000,00 i.v.
registrazione number CCIAA: MI-1763158
Tax code: 04642290961

Separate Financial Statements

31 December 2013

Separate Financial Statements

Moncler S.p.A. Financial Statements

Income statement (Euro)	Notes	2013	2012
Revenue	3.1	96,121,045	80,438,176
Advertising and promotion expenses	3.2	(19,024,902)	(17,002,715)
General and administrative expenses	3.3	(7,772,405)	(6,629,485)
Non-recurring income/(expenses)	3.4	**(9,050,338)**	**(436,733)**
Operating result		**60,273,400**	**56,369,243**
Financial income	3.6	183,367	177,511
Financial expenses	3.6	(13,729,524)	(12,406,361)
Result before taxes		**46,727,243**	**44,140,393**
Income taxes	3.7	(15,416,905)	(14,309,627)
Net result from continuing operations		**31,310,338**	**29,830,766**
Net result from discontinued operations	5	**(11,794)**	**(30,917,631)**
Net result		**31,298,544**	**(1,086,865)**

Pursuant to Consob Resolution no. 15519 of 27 July 2006, the effects of transactions with related parties on the income statement are shown in the income statement in the following pages and are further described in note 9.1.

Statement of comprehensive income (Euro)	Note	December 31, 2013	December 31, 2012
Net profit (loss) for the period		**31,298,544**	**(1,086,865)**
Gains/(Losses) on fair value of hedge derivatives	4.14	2,077,397	(1,909,246)
Items that are or may be reclassified to profito or loss		**2,077,397**	**(1,909,246)**
Actuarial Gains/(Losses) on pension funds		(3,901)	(41,666)
Items that are will never be reclassified to profito or loss		**(3,901)**	**(41,666)**
Other comprehensive income/(loss), net of tax		**2,073,496**	**(1,950,912)**
Total Comprehensive income/(loss)	4.14	**33,372,040**	**(3,037,777)**

Statement of financial position (Euro)	Notes	December 31, 2013	December 31, 2012
Brands and other intangible assets - net	4.1	224,795,765	230,777,832
Property, plant and equipment - net	4.3	1,040,329	1,151,710
Investments in subsidiaries	4.4	217,939,022	215,234,001
Deferred tax assets	4.5	1,968,335	777,656
Non-current assets		**445,743,451**	**447,941,199**
Trade accounts receivable	4.6	10,809	5,723
Intra-group accounts receivable	4.6	2,667,678	26,801,088
Income taxes	4.13	17,794,903	0
Other current assets	4.8	4,419,482	3,148,943
Cash and cash equivalent	4.7	4,255,736	546,406
Current assets		**29,148,608**	**30,502,160**
Total assets		**474,892,059**	**478,443,359**
Share capital	4.14	50,000,000	50,000,000
Premium reserve	4.14	107,039,683	107,039,683
Other reserve	4.14	**36,882,570**	**35,895,939**
Net result	4.14	31,298,544	(1,086,865)
Equity		**225,220,797**	**191,848,757**
Long-term borrowings	4.12	109,712,030	156,973,824
Employees pension fund	4.11	265,454	200,511
Deferred tax liabilities	4.5	70,736,342	71,587,177
Non-current liabilities		**180,713,826**	**228,761,512**
Short-term borrowings	4.12	10,175,349	35,411,227
Intra-group short-term borrowings	4.12	21,392,598	0
Trade accounts payable	4.9	7,969,091	14,621,384
Intra-group accounts payable	4.9	810,215	408,618
Income taxes	4.13	0	4,174,684
Other current liabilities	4.10	9,652,045	974,030
Other current liabilities intra-group	4.10	18,958,138	2,243,147
Current liabilities		**68,957,436**	**57,833,090**
Total liabilities and equity		**474,892,059**	**478,443,359**

Pursuant to Consob Resolution no. 15519 of 27 July 2006, the effects of transactions with related parties on the statement of financial position are shown in the Statement of Financial Position in the following pages and are further described in note 9.1.

Statement of changes in shareholders' equity (Euro)	Notes	Share capital	Premium reserve	Legal reserve	Other comprehensive income	Retained earnings	Current Year Result	Net Equity
Shareholders' equity at January 1, 2012	4.14	**50,000,000**	**107,039,683**	**10,000,000**	**(13,318)**	**1,220,205**	**26,639,964**	**194,886,534**
Allocation of Last Year Result		0	0	0	0	26,639,964	(26,639,964)	0
Other movements in Equity		0	0	0	(1,950,912)	0	0	(1,950,912)
Current Year Result		0	0	0	0	0	(1,086,865)	(1,086,865)
Shareholders' equity at December 31, 2012	4.14	**50,000,000**	**107,039,683**	**10,000,000**	**(1,964,230)**	**27,860,169**	**(1,086,865)**	**191,848,757**
Shareholders' equity at January 1, 2013	4.14	**50,000,000**	**107,039,683**	**10,000,000**	**(1,964,230)**	**27,860,169**	**(1,086,865)**	**191,848,757**
Allocation of Last Year Result		0	0	0	0	(1,086,865)	1,086,865	0
Reclassification		0	0	0	15,055	(15,055)	0	0
Other movements in Equity		0	0	0	2,073,496	0	0	2,073,496
Current Year Result		0	0	0	0	0	31,298,544	31,298,544
Shareholders' equity at December 31, 2013	4.14	**50,000,000**	**107,039,683**	**10,000,000**	**124,321**	**26,758,249**	**31,298,544**	**225,220,797**

Statement of cash flows		
(Euro)	**2013**	**2012**
Cash flow from operating activities		
Net result of the period	31,298,544	(1,086,865)
Depreciation and amortization	404,400	395,444
Impairment brands	0	55,125,000
Impairment of investments	1,651,181	0
Net financial (income)/expenses	13,144,649	12,230,498
Income tax expenses	15,858,596	878,403
Changes in trade receivables - (Increase)/Decrease	21,228,472	(15,348,607)
Changes in trade payables - Increase/(Decrease)	(2,916,932)	4,031,876
Changes in other current assets/liabilities	6,686,653	873,073
Cash flow generated/(absorbed) from operating activities	**87,355,563**	**57,098,822**
Interest paid	(8,986,268)	(12,163,699)
Interest received	97,490	175,767
Income tax paid	(21,706,513)	(11,499,949)
Changes in other non-current assets/liabilities	98,874	67,061
Net cash flow from operating activities (a)	**56,859,146**	**33,678,002**
Cash flow from investing activities		
Purchase of tangible and intangible fixed assets	(476,118)	(470,737)
Investments	(510,000)	0
Net cash flow from investing activities (b)	**(986,118)**	**(470,737)**
Cash flow from financing activities		
Repayment of borrowings	(192,143,419)	(32,856,581)
Proceeds from borrowings	118,587,124	0
Changes in intercompany short term borrowings	21,392,598	0
Net cash flow from financing activities (c)	**(52,163,697)**	**(32,856,581)**
Net increase/(decrease) in cash and cash equivalents (a)+(b)+(c)	**3,709,331**	**350,684**
Cash and cash equivalents at the beginning of the period	**546,406**	**195,721**
Net increase/(decrease) in cash and cash equivalents	3,709,331	350,684
Cash and cash equivalents at the end of the period	**4,255,736**	**546,406**

Pursuant to Consob Resolution no. 15519 of 27 July 2006, the effects of transactions with related parties on the statement of financial position are shown in the Statement of Financial Position in the following pages and are further described in note 9.1.

Moncler S.p.A. Financial Statements including transactions with related parties (pursuant to Consob Resolution no. 15519 of 27 July 2006)

Income statement (Euro unit)	Notes	2013	of which related parties (note 9.1)	2012	of which related parties (note 9.1)
Revenue	3.1	96,121,045	95,984,489	80,438,176	80,406,663
Advertising and promotion expenses	3.2	(19,024,902)		(17,002,715)	
General and administrative expenses	3.3	(7,772,405)	(224,512)	(6,629,485)	(188,420)
Non-recurring income/(expenses)	3.4	(9,050,338)	(35,690)	(436,733)	
Operating result		**60,273,400**		**56,369,243**	
Financial income	3.6	183,367		177,511	
Financial expenses	3.6	(13,729,524)	(869,851)	(12,406,361)	(1,147,691)
Result before taxes		**46,727,243**		**44,140,393**	
Income taxes	3.7	(15,416,905)		(14,309,627)	
Net result from continuing operations		**31,310,338**		**29,830,766**	
Net result from discontinued operations	5	**(11,794)**		**(30,917,631)**	
Net result		**31,298,544**		**(1,086,865)**	

Statement of financial position (Euro)	Notes	December 31, 2013	of which related parties (note 9.1)	December 31, 2012	of which related parties (note 9.1)
Brands and other intangible assets - net	4.1	224,795,765		230,777,832	
Property, plant and equipment - net	4.3	1,040,329		1,151,710	
Investments in subsidiaries	4.4	217,939,022		215,234,001	
Deferred tax assets	4.5	1,968,335		777,656	
Non-current assets		**445,743,451**		**447,941,199**	
Trade accounts receivable	4.6	10,809		5,723	
Intra-group accounts receivable	4.6	2,667,678	2,667,678	26,801,088	26,801,088
Income taxes	4.13	17,794,903		0	
Other current assets	4.8	4,419,482		3,148,943	
Cash and cash equivalent	4.7	4,255,736		546,406	
Current assets		**29,148,608**		**30,502,160**	
Total assets		**474,892,059**		**478,443,359**	
Share capital	4.14	50,000,000		50,000,000	
Premium reserve	4.14	107,039,683		107,039,683	
Other reserve	4.14	36,882,570		35,895,939	
Net result	4.14	31,298,544		(1,086,865)	
Equity		**225,220,797**		**191,848,757**	
Long-term borrowings	4.12	109,712,030	18,333,333	156,973,824	10,675,932
Employees pension fund	4.11	265,454		200,511	
Deferred tax liabilities	4.5	70,736,342		71,587,177	
Non-current liabilities		**180,713,826**		**228,761,512**	
Short-term borrowings	4.12	10,175,349	1,666,667	35,411,227	2,343,634
Intra-group short-term borrowings	4.12	21,392,598	21,392,598	0	0
Trade accounts payable	4.9	7,969,091	103,700	14,621,384	102,850
Intra-group accounts payable	4.9	810,215	810,215	408,618	408,618
Income taxes	4.13	0		4,174,684	
Other current liabilities	4.10	9,652,045		974,030	
Other current liabilities intra-group	4.10	18,958,138	18,958,138	2,243,147	2,243,147
Current liabilities		**68,957,436**		**57,833,090**	
Total liabilities and equity		**474,892,059**		**478,443,359**	

Statement of cash flows (Euro)	2013	of which related parties (note 9.1)	2012	of which related parties (note 9.1)
Cash flow from operating activities				
Net result of the period	31,298,544		(1,086,865)	
Depreciation and amortization	404,400		395,444	
Impairment brands	0		55,125,000	
Impairment of investments	1,651,181		0	
Net financial (income)/expenses	13,144,649		12,230,498	
Income tax expenses	15,858,596		878,403	
Changes in trade receivables - (Increase)/Decrease	21,228,472	21,233,558	(15,348,607)	(15,342,884)
Changes in trade payables - Increase/(Decrease)	(2,916,932)	402,447	4,031,876	169,763
Changes in other current assets/liabilities	6,686,653		873,073	
Cash flow generated/(absorbed) from operating activities	**87,355,563**		**57,098,822**	
Interest paid	(8,986,268)		(12,163,699)	
Interest received	97,490		175,767	
Income tax paid	(21,706,513)		(11,499,949)	
Changes in other non-current assets/liabilities	98,874		67,061	
Net cash flow from operating activities (a)	**56,859,146**		**33,678,002**	
Cash flow from investing activities				
Purchase of tangible and intangible fixed assets	(476,118)		(470,737)	
Investments	(510,000)		0	
Net cash flow from investing activities (b)	**(986,118)**		**(470,737)**	
Cash flow from financing activities				
Repayment of borrowings	(192,143,419)	(13,019,566)	(32,856,581)	(16,980,434)
Proceeds from borrowings	118,587,124	20,000,000	0	
Changes in intercompany short term borrowings	21,392,598	21,392,598	0	
Net cash flow from financing activities (c)	**(52,163,697)**		**(32,856,581)**	
Net increase/(decrease) in cash and cash equivalents (a)+(b)+(c)	**3,709,331**		**350,684**	
Cash and cash equivalents at the beginning of the period	**546,406**		**195,721**	
Net increase/(decrease) in cash and cash equivalents	3,709,331		350,684	
Cash and cash equivalents at the end of the period	**4,255,736**		**546,406**	

Chairman of the Board of Directors

Remo Ruffini

Explanatory notes to the separate financial statements

1. General information

1.1. Moncler S.p.A.

Moncler S.p.A. (the “Company” or “Moncler”) is a company established and domiciled in Italy, with its registered office located at Via Stendhal 47 Milan, Italy, and registration number of 04642290961.

It is the parent company for the Moncler Group (hereinafter referred to as the "Group") comprising Industries S.p.A., the Italian subsidiary, and 24 other subsidiaries.

The Company'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.

The Moncler Group companies run their businesses in accordance with the guidelines and the strategies set up by Moncler’s Board of Directors.

In 2013, the Group implemented a corporate reorganisation with the aim of rationalising the Group's business, separating the luxury business of the Moncler division from the casual wear business of the Other Brands division. This process was carried out by transferring the business units relating to the Other Brands division to Industries Sportswear Company S.p.A., a company today held by the parent company Moncler S.p.A. and Industries S.p.A.

On 31 October 2013, Moncler S.p.A. and Industries Sportswear Company S.p.A. (ISC S.p.A.), on one hand, and the company Cavaliere Brands S.r.l. (Sportswear Company Industries Ltd), on the other hand, have signed a contract, known as the "Business Purchase Agreement" for the sale of the company Industries Sportswear Company S.p.A. related to the Other Brands business.

Subsequently, on 8 November 2013, ISC S.p.A. sold the entire business unit relating to the Other Brands division to Cavaliere Brands (Italy) Srl.

For more details about the operation, please refer to Note 5 "Discontinued operations" of the explanatory notes.

In light of the above transactions, the results of the Other Brands division are presented in accordance with IFRS 5 ("Non-current Assets Held for Sale and Discontinued Operations").

The Company also prepares the consolidated financial statements and the Management Report in a single document as permitted by. 40/2 bis, letter. B Legislative Decree 127/91.

1.2. Basis for the preparation of the separate financial statements

1.2.1. Relevant accounting principles

The 2013 separate financial statements (“financial statements”) have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and endorsed by the European Union. IFRS also includes all International Accounting Standards ("IAS") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), previously known as the Standing Interpretations Committee ("SIC").

The financial statements include the statement of financial position, the income statement, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and the explanatory notes to the financial statements.

1.2.2. Financial statements

The Company presents its income statement by destination, the method that is considered most representative for the business at hand. This method is in fact consistent with the internal reporting and management of the business. It should be noted that the presentation of the income statement has been partially revised with respect to the corresponding basis for presentation used for the financial statements as at 31 December 2012, in order to incorporate a refinement of the internal reporting basis for preparation. This change is therefore believed to be more representative of future business trends.

With reference to the 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 statement of cash flows is prepared under the indirect method.

1.2.3. Basis for measurement

The 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 in accordance with IAS 39) and on a going concern basis.

The financial statements are presented in Euro thousand, which is the functional currency of the markets where the Company mainly operates.

The explanatory notes have been prepared in thousands of Euros unless stated otherwise.

1.2.4. Use of estimate

The preparation of the financial statements and the related explanatory 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 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 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 impairment of non-current assets (brand and investments) and the recoverability of deferred tax assets. Following is a brief description of these captions.

Recoverable amount of non-current assets with indefinite useful lives and investments ("impairment")
Management periodically reviews non-current assets, assets held for sale and investments in subsidiaries 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 the income statement 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.

Recoverability of deferred tax assets

The Company is subject to income taxes in numerous jurisdictions. Judgment is required in determining the provision for income taxes in each territory. The Company recognizes deferred tax assets when it is expected that they will be realised within a period that is consistent with management estimate and business plans.

2. Significant accounting principles

The accounting principles set out below have been applied consistently for fiscal year 2013 and the prior year.

2.1. Property, plant and equipment

Property, plant and equipment are stated at acquisition or manufacturing cost, not revalued net of accumulated depreciation and impairment losses ("impairment"). Cost includes original purchase price and all costs directly attributable to bringing the asset to its working condition for its intended use.

Depreciation

Depreciation of property, plant and equipment is calculated and recognized in the income statement on a straight-line basis over the estimated useful lives as reported in the following table:

Category	Depreciation period
Land	No depreciation
Buildings	From 25 to 33 years
Plant and equipment	From 8 to 12 years
Fixtures and fittings	From 5 to 10 years
Electronic machinery and equipment	From 3 to 5 years
Leashold imrpovements	Lower between lease period and useful life of improvements
Other fixed assets	Depending on market conditions generally within the expected utility to the entity

Leased assets are depreciated over the shorter of the lease term and their useful lives Unless it is reasonably certain that the Group will take ownership of the asset by the end of the lease term.

Depreciation methods, useful lives and residual value are reviewed at each reporting period and adjusted if appropriate.

Gain/losses on the disposal of property, plant and equipment

Gains and losses on the disposal of property, plant and equipment represent the difference between the net proceeds and net book value at the date of sale. Disposals are accounted for when the relevant transaction becomes unconditional.

2.2. Intangible assets

Brands

Separately acquired brands are shown at historical cost. Brands acquired in a business combination are recognized at fair value at the acquisition date.

Brands have a indefinite useful life and are carried at cost less accumulated impairment. Brands are not amortized but subject to impairment test performed annually or more frequently if events or changes in circumstances indicate that the carrying value may not be recoverable.

For further details please refer to section 2.3 "Impairment of non-financial assets."

Intangible assets with a definite useful life

Software (including licenses and separately identifiable external development costs) is capitalized as intangible asset at purchase price, plus any directly attributable cost of preparing that asset for its intended use. Software and other intangible assets that are acquired by the Group and have definite useful lives are measured at cost less accumulated amortization and accumulated impairment losses.

Amortization of intangible assets with a definite useful life

Intangible assets with a definite useful life are amortized on a straight line basis over their estimated useful lives as described in the following table:

Category	Amortization period
License rights	Based on market conditions within the license period or legal limits to use the assets
Other intangible assets	Based on the market conditions within the period of control over the asset

2.3. Non-current assets available for sale and discontinued operations

Non-current assets available for sale and discontinued operations are classified as available for sale when their values are recoverable mainly through a probable sale transaction. In such conditions, they are valued at the lower of their carrying value or fair value, net of cost to sell if their value is mainly recoverable through a sale transaction instead of continued use.

Discontinued operations are operations that:

- include a separate line of business or a different geographical area;
- are part of a single coordinated plan for the disposal of a separate major line of business or geographical area of activity;
- consist of subsidiaries acquired exclusively for the purpose of being sold.

In the income statement, non-current assets held for sale and disposal groups that meet the requirements of IFRS 5 to be defined as "discontinued operations", are presented in a single caption that includes both gains and losses, as well as losses or gains on disposal and the related tax effect. The comparative period is subsequently restated in accordance with IFRS 5.

As far as the financial position is concerned, non-current assets held for sale and disposal groups that meet the requirements of IFRS 5 are reclassified as current assets and liabilities in the period in which such requirements arise. The comparative financial statements are not restated nor reclassified.

2.4. Investments

Investments in subsidiaries, associates and others are accounted for as follows:

- al cost; or
- in accordante with IAS 39.

The Company recognizes dividends from subsidiaries, associates and others in its income statement when the right to receive such dividends has materialized.

2.5. Impairment of non-financial assets

On an annual basis, the Company tests for impairment property, plant and equipment and intangible assets with a definite useful life. Whenever events or changes in circumstance indicate that the carrying amount may not be recoverable, an impairment loss is recognized for the amount by which the carrying amount exceeds its recoverable amount.

Assets with an indefinite useful life are not subject to amortization and are tested annually or more frequently for impairment, whenever events or changes in circumstance indicate that the carrying amount may not be recoverable.

When the recoverable amount for individual asset cannot be reliably estimated, the Company determines the recoverable amount of the cash-generating unit to which the asset belongs. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. The Group determines the value in use as the present value of future cash flows expected to be derived from the asset or from the cash-generating unit, gross of tax effects, by applying an appropriate discount rate that reflects market time value of money and the risks inherent to the asset. An impairment loss is recognized for the amount by which the carrying amount exceeds its recoverable amount.

With the exception of impairment losses recognized on goodwill, when the circumstances that led to the loss no longer exist, the carrying amount of the asset is increased to its recoverable amount and cannot exceed the carrying amount that would have been determined had there been no loss in value. The reversal of an impairment loss is recognized immediately in the income statement.

2.6. Financial instruments

Financial instruments are initially recognized at fair value when the entity becomes a party to a contractual obligation of the financial instrument. A financial instrument is no longer recognized when the contractual rights to the cash flows has expired or when the Company is no longer exposed to that risk. A financial liability is no longer recognized when the obligation specified in the contract is canceled, expired or voided.

The Company's financial instruments consist primarily of cash and cash equivalents, accounts receivable, accounts payable, other current and non-current assets and liabilities, investments, borrowings and derivative financial instruments.

Cash and cash equivalents
Cash and cash equivalents include cash and short-term deposits held with banks and most liquid assets that are readily convertible into cash and that have insignificant risk of change in value. Bank overdrafts are recorded under current liabilities on the Company's statement of financial position.

Trade receivables and other current and non-current receivables
Trade and other receivables generated when the Company provides money, goods or services directly to a third party are classified as current assets, except for items with maturity dates greater than twelve months after the reporting date.

Receivables are measured at amortized cost using the effective interest method less the allowance for doubtful accounts. A provision for doubtful account is recorded when there is objective evidence that the value of the claim will not be recovered. The amount of the provision is recognized in the income statement.

Trade payables and other current and non-current payables

Trade and other payables arise when the Company acquires money, goods or services directly from a supplier. They are included in current liabilities, except for items with maturity dates greater than twelve months after the reporting date.

Payables are stated, at initial recognition, at fair value, which usually comprises the cost of the transaction, inclusive of transaction costs. Subsequently, they are stated at amortized cost using the effective interest method.

Financial liabilities

Financial liabilities, excluding derivatives, are recognized initially at fair value which represents the amount at which the asset was bought in a current transaction between willing parties, and subsequently measured at amortized cost using the effective interest method. Financial liabilities are classified as non-current if the Company has an unconditional right to defer payments of at least twelve months from the reporting date.

Derivative instruments

The Company uses derivative instruments to hedge against exchange rate and interest rate risks.

In order to reduce interest rate risk, the Company hedges part of the fixed-rate financial liabilities through an Interest Rate Swap (IRS). In accordance with IAS 39, derivative instruments qualify for hedge accounting only if at the inception there is a formal designation and documentation of the hedging relationship, the hedge is expected to be highly effective and the effectiveness of the hedge can be reliably measured throughout the financial reporting periods for which the hedge was designated. The company documents the hedging relationship between the derivative and the financial instrument.

Derivative financial instruments are initially recognized at fair value at acquisition date and are subsequently remeasured at their fair value. the subsequent gain or loss recognition depends on whether the instrument itself is defined as a hedges and the nature of the hedged item.

Fair value hedge

A derivative instrument is designated as fair value hedge when it hedges the exposure to changes in fair value of a recognized asset or liability, that is attributable to a particular risk and could affect profit or loss. The gain or loss on the hedged item, attributable to the hedged risk, adjusts the carrying amount of the hedged item and is recognized in the income statement.

Cash flow hedge

A derivative instrument is designated as cash flow hedge when it hedges the exposure to variability in cash flows that is attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction and could affect profit or loss. The portion of gain or loss on the hedging instrument that is determined to be an effective hedge is recognized in equity within other comprehensive income. The cumulative gain or loss is reclassified from equity to profit or loss in the same period in which the asset acquired or liability assumed affects profit or loss. Any gain or loss on the hedging instrument that is not an effective hedge is recognized immediately in the income statement. In the event that the hedge expires or is terminated or no longer meets the criteria for hedge accounting but the forecast transaction has not yet occurred, the cumulative gain or loss recognized in other comprehensive income from the period when the hedge was effective remains separately in equity and is recognized in the income statement in the same period during which the hedged forecast transaction affects profit or loss.

When the forecast transaction is no longer expected to occur, the cumulative gain or loss recognised in other comprehensive income from the period when the hedge was effective is reclassified immediately in the income statement.

2.7. Employee benefits

Short-term employee benefits, such as wages, salaries, social security contributions, paid leave and annual leave due within twelve months of the statement of financial position date and all other fringe benefits are recognised in the year in which the service is rendered by the employee.

Benefits granted to employees which are payable on or after the termination of employment through defined benefit and contribution plans are recognised over the vesting period.

Defined benefit schemes
Defined benefit schemes are retirement plans determined based on employees' remuneration and years of service.

The Company's obligation to contribute to employees' benefit plans and the related current service cost is determined by using an actuarial valuation defined as the projected unit credit method. The cumulative net amount of all actuarial gains and losses are recognised in equity within other comprehensive income.

With reference to defined benefit plans, the increase in present value of the defined benefit obligation for employee service in prior periods (past service cost) is accounted as an expense on a straight-line basis over the average period until the benefits become vested.

The amount recognised as a liability under the defined benefit plans is the present value of the related obligation, taking into consideration expenses to be recognised in future periods for employee service in prior periods.

Defined contribution schemes
Contribution made to a defined contribution plan is recognised as an expense in the income statement in the period in which the employees render the related service.

Up to December 31, 2006 Italian employees were eligible to defined benefit schemes referred as post-employment benefit ("TFR"). With the act n. 296 as of December 27, 2006 and subsequent decrees ("Pension Reform") issued in early 2007, the rules and the treatment of TFR scheme were changed. Starting from contribution vested on or after January 1, 2007 and not yet paid at the reporting date, referring to entities with more than 50 employees, Italian post-employment benefits is recognised as a defined contribution plan. The contribution vested up to December 31, 2006 is still recognised as a defined benefit plan and accounted for using actuarial assumptions.

2.8. Share-based payments

The fair value at grant date of the incentives granted to employees in the form of share-based payments that are equity settled is usually included in expenses, with a matching increase in equity, over the period during which the employees obtain the incentives rights. The amount recognized as an expense is adjusted to reflect the actual number of incentives for which the continued service conditions are met and the achievement of non-market conditions, so that the final amount recognized as an expense is based on the number of incentives that fulfill these conditions at the vesting date. In case the incentives granted as share-based payments whose conditions are not to be considered to maturity, the fair value at the grant date of the share-based payment is measured to reflect such conditions. With reference to the non-vesting conditions, any differences between amounts the grant date and the actual amounts will not have any impact on the financial statements.

The fair value of the amount payable to employees related to share appreciation rights, settled in cash, is recognized as an expense with a corresponding increase in liabilities over the period during which the employees unconditionally become entitled to receive the payment. The liability is valued at each balance sheet date and the settlement date based on the fair value of the share appreciation rights. Any changes in the fair value of the liability are recognized in profit or loss for the year.

2.9. Provision for risks and charges

Provisions for risks and charges are recognised when the Company has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of resources will be required to settle the obligation and where the amount of the obligation can be reliably estimated.

Changes in estimates are recognised in the income statement in the period in which they occur.

2.10. Revenue recognition

Revenues are recognised when it is probable that the economic benefits associated with the transactions will flow to the Company and the amount can be measured reliably. Revenue, which is stated excluding value added tax and other sales related taxes, is the amount receivable for goods supplied less returns, trade discounts and allowances. Royalties received from licensee are accrued as earned on the basis of the terms of the relevant royalty agreement which is typically based on sales volumes.

2.11. Borrowing costs

Borrowing costs are recognized on an accrual basis taking into consideration interest accrued on the net carrying amount of financial assets and liabilities using the effective interest rate method.

2.12. Taxation

Tax expense recognised in the consolidated income statement represents the aggregate amount related to current tax and deferred tax.

Current tax are determined in accordance with enforced rules established by local tax authorities. Current taxes are recognised in the consolidated income statement for the period, except to the extent that the tax arises from transactions or events which are recognised directly either in equity or in other comprehensive income.

Deferred tax liabilities and assets are determined based on temporary taxable or deductible differences arising between the tax bases of assets and liabilities and their carrying amounts in the Company's financial statements. Current and deferred tax assets and liabilities are offset when income taxes are levied by the same tax authority and when there is a legally enforceable right to offset the amounts.

Deferred tax liabilities and assets are determined using tax rates that have been enacted by the reporting date and are expected to be enforced when the related deferred income tax asset is realised or the deferred tax liability is settled. Deferred tax assets and liabilities are not discounted.

Deferred tax assets recognised on tax losses and on deductible differences are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

2.13. Foreign currency

The amounts included in the financial statements of each Group company are prepared using the currency of the country in which the company conducts its business.

Foreign currency transactions

Foreign currency transactions are recorded at the exchange rate in effect at the transaction date. The assets and liabilities denominated in foreign currencies at the reporting date are translated at the exchange rate prevailing at that date. Exchange differences arising from the conversion or settlement of these items due to different rates used from the time of initial recognition are recorded in the income statement.

2.14. Fair value

IFRS 13 is the only point of reference for the fair value measurement and related disclosures when such an assessment is required or permitted by other standards. Specifically, the principle defines fair value as the consideration received for the sale of an asset or the amount paid to settle a liability in a regular transaction between market participants at the measurement date. In addition, the new standard replaces and provides for additional disclosures required in relation to fair value measurements by other accounting standards, including IFRS 7.

In accordance with the transitional provisions of IFRS 13, the Company has applied the new fair value valuation method prospectively without providing comparative information related to the new disclosures. However, the change had no significant effect on the valuations of the Company's assets and liabilities.

IFRS 13 establishes a hierarchy that classifies within different levels the inputs used in the valuation techniques necessary to measure fair value. The levels, presented in a hierarchical order, are as follows:

- level 1: Fair values measured using quoted prices (unadjusted) in active markets for identical assets or liabilities;
- level 2: it Fair values measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- level 3: Fair values measured using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

2.15. Accounting standards and recently published interpretations

Accounting standards, amendments and interpretations effective from 1 January 2013

Amendments to IAS 19 – "Employee Benefits". The standard requires that the costs related to defined benefit plans be calculated applying a discount rate to net assets/liabilities related to employee benefit plans. All actuarial gains and losses will have to be recorded in the statement of comprehensive income (OCI) without the possibility of going through the income statement. This new standard has been endorsed by the EU in 2012 and can be applied retrospectively for all years being reported. This standard did not have an impact on the financial statement since there were no changes in the way the Company presented these items in the past.

Amendment to IAS 1 – "Financial Statement Presentation Regarding Other Comprehensive Income". The amendments pertain to the grouping of OCI items into two categories, based on whether or not they can be reclassified in the income statement at a future date. The standard does not impact the possibility of presenting two statements of income and does not specify what can be reclassified in the income statement. The amendments were endorsed by the EU in 2012 and are applicable for all years presented.

IFRS 13 – “Fair Value Measurements”. This standard provides a precise definition of fair value and is the only channel in which fair value is measured. The standard does not expend on the accounting of fair value but provides guidance on how they should be applied. The standard was published by the IASB in May of 2011 and was endorsed by the EU in December of 2012. This standard did not have a significant impact on the Company’s financial statements since the afore-mentioned method for calculating fair value does not significantly differ from those previously used by the Company.

Amendments to IFRS 7 – “Financial Instruments: Disclosures on Offsetting Financial Assets and Liabilities” The amendments are aimed to improve the current text regarding netting in order to facilitate the comparison between companies that prepare financial statements in accordance with IFRS and those preparing them in accordance with US GAAP. The standard was issued by the IASB in December 2011 and endorsed by the EU in December 2012. This standard did not have a significant impact on the Company’s financial statements.

Amendments to IFRS 1 – “First Time Adoption on Government Loans”. The amendments clarify how companies that adopt IFRS 1 for the first time should account for government bonds with an interest rate lower than the prevailing market rate. The amendments were endorsed by the EU in March 2013 and they did not have any impact on the Company’s financial statements.

On 17 May 2012, the IASB issued the following amendments to IFRS which did not have a significant impact on the financial statements. These amendments were endorsed by the EU in March 2013:

- IFRS 1 – “First time adoption”
- IAS 1- “Financial statement presentation”
- IAS 16 – “Property, plant and equipment”
- IAS 32 – “Financial instruments: Presentation”
- IAS 34 – “Interim financial reporting”.

Finally, from 2013 onwards, the amendments to IFRS 1 "Severe hyperinflation and removal of fixed dates for first-time adopters" and IFRIC 20 "excavation costs in the production phase of an open pit mine" are also applicable. This amendment did not have a significant impact on the financial statements.

New standards and interpretations not yet effective and not early-adopted by the Company

In May 2011, a package of three standards was issued: IFRS 10 – Consolidated Financial Statements, IFRS 11 – Joint Arrangements and IFRS 12 – Disclosure of Interests in Other Entities. IAS 27 – Consolidated and Separate Financial Statements (which has been renamed IAS 27 – Separate Financial Statements) and IAS 28 – Investments in Associates (which has been renamed IAS 28 – Investments in Associates and Joint Ventures) were consequently revised. Subsequently, other amendments were issued to clarify transitional guidance on the first-time adoption of the standards. The new standards are effective for annual periods beginning on or after 1 January 2013, and must be applied retrospectively. The European Union endorsed these standards by postponing their effective date to 1 January 2014, allowing early adoption from 1 January 2013. The Company will apply the new standards from 1 January 2014. In particular:

- IFRS 10 – Consolidated Financial Statements will replace SIC-12 – Consolidation: Special Purpose Entities and parts of IAS 27 – Consolidated and Separate Financial Statements (which has been renamed IAS 27 – Separate Financial Statements and addresses the accounting treatment of investments in separate financial statements). The new standard builds on existing principles by identifying a single control model applicable to all entities, including “structured entities”. The standard also provides additional guidance to assist in the determination of control where this is difficult to assess. At the date of these financial statements, adoption of this new standard would have no effect as no changes to the control conclusions reached before and after the adoption of the new standard would arise.

- IFRS 11 – Joint Arrangements supersedes IAS 31 – Interests in Joint Ventures and SIC-13 – Jointly Controlled Entities: Non-monetary Contributions by Venturers. The classification will focus on the rights and obligations of the arrangements, rather than their legal form. No significant effect is expected from the application of this new standard.

- IFRS 12 – Disclosure of Interests in Other Entities, is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates, special purpose vehicles and other unconsolidated vehicles. No significant effect is expected from the application of this new standard.

On 16 December 2011, the IASB issued certain amendments to IAS 32 – Financial Instruments: Presentation to clarify the application of certain offsetting criteria for financial assets and financial liabilities in IAS 32. The amendments are effective for annual periods beginning on or after 1 January 2014 and are required to be applied retrospectively. No significant effect is expected from the first time adoption of the standard.

On 29 May 2013, the IASB issued an amendment to IAS 36 – Recoverable Amount Disclosures for Non-Financial Assets addressing the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less cost of disposal. The amendments are effective retrospectively for annual periods beginning on or after 1 January 2014. Earlier application is permitted for periods when the entity has already applied IFRS 13. No significant effect is expected from the first time adoption of the standard.

On 27 June 2013, the IASB issued narrow scope amendments to IAS 39 – Financial Instruments: Recognition and Measurement entitled “Novation of Derivatives and Continuation of Hedge Accounting”. The amendments will allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met. Similar relief will be included in IFRS 9 - Financial Instruments. The amendments are effective retrospectively for annual periods beginning on or after 1 January 2014. No significant effect is expected from the first time adoption of these amendments.

In addition, the European Union had not yet completed its endorsement process for these standards and amendments at the date of these financial statements:

- On 12 November 2009, the IASB issued IFRS 9 – Financial Instruments. The new standard was reissued in October 2010 and subsequently amended in November 2013. The standard addresses the classification, measurement and recognition of financial assets and financial liabilities and hedge accounting. It replaces the relevant parts of IAS 39 – Financial Instruments: recognition and measurement. As part of the November 2013 amendments, among other, the IASB removed the standard’s mandatory effective date, previously set on 1 January 2015. This date will be added to the standard when all phases of the IFRS 9 project are completed and a final complete version of the standard is issued.

- On 20 May 2013, the IASB issued the IFRIC Interpretation 21 - Levies, an interpretation of IAS 37 - Provisions, Contingent Liabilities and Contingent Assets. The interpretation sets out the accounting for an obligation to pay a levy that is not income tax. The interpretation addresses what the obligating event is that gives rise to pay a levy and when a liability should be recognized. IFRIC 21 is effective for annual periods beginning on or after 1 January 2014 with earlier adoption permitted.

- On 21 November 2013, the IASB published narrow scope amendments to IAS 19 – Employee benefits entitled “Defined Benefit Plans: Employee Contributions”. These amendments apply to contributions from employees or third parties to defined benefit plans in order to simplify their accounting in specific cases. The amendments are effective, retrospectively, for annual periods beginning on or after 1 July 2014 with earlier application permitted.

- On 12 December 2013 the IASB issued the Annual Improvements to IFRSs 2010–2012 Cycle and Annual Improvements to IFRSs 2011–2013 Cycle. The most important topics addressed in these amendments are, among others, the definition of vesting conditions in IFRS 2 – Share based payment, the aggregation of operating segments in IFRS 8 – Operating Segments, the definition of key management personnel in IAS 24 – Related Party disclosures, the extension of the exclusion from the scope of IFRS 3 – Business Combinations to all types of joint arrangements (as defined in IFRS 11 – Joint arrangements) and to clarify the application of certain exceptions in IFRS 13 – Fair value Measurement.

- On 30 January 2014 the IASB issued IFRS 14 – Regulatory Deferral Accounts, applicable for annual periods beginning on or after 1 January 2016.

The Company will comply with these new standards and amendments based on their relevant effective dates when endorsed by the European Union and it will evaluate their potential impacts on the financial statements.

3. Comments on the statement of income

3.1. Revenue

The company's revenues mainly include royalty income from the use of trademarks, management fees and contributions for the provision of marketing services performed on behalf of Group companies.
The increase of Euro 15,683 thousand when compared to the prior year is due to greater business volume.

3.2. Advertizing expenses

Advertising expenses amount to Euro 19,025 thousand (Euro 17,003 thousand in 2012) and are mostly made up of expenses related to media-plan and trade shows.

3.3. General administrative expenses

General and administrative expenses primarily include designing and product development expenses in the amount of Euro 1,082 thousand (Euro 1,213 thousand in 2012), the personnel expenses of other functions in the amount of Euro 2,583 thousand (Euro 1,743 thousand in 2012), legal, financial and administrative expenses in the amount of Euro 1,314 thousand (Euro 1,716 thousand in 2012), directors' fees in the amount of Euro 739 thousand (Euro 499 thousand in 2012), auditing and attestation service and statutory auditors expenses in the amount of Euro 357 thousand (Euro 253 thousand in 2012).

3.4. Non-recurring income/(expenses)

The caption non-recurring income/(expenses) in 2013, amounting to Euro 9.050 thousand, pertain to expenses sustained for the listing process. The caption was not significant in 2012.

3.5. Personnel expenses, depreciation and amortization

At 31 December 2013, the Company has 33 employees (25 at 31 December 2012).

The total personnel expenses, included under general and administrative expenses, amounted to Euro 2,773 thousand (Euro 1,829 thousand in 2012) including social security contribution of Euro 622 thousand (Euro 402 thousand in 2012) and leaving indemnity expenses of Euro 134 thousand (Euro 95 thousand in 2012).

In 2013 the depreciation and amortization amount to Euro 385 thousand (Euro 308 thousand in 2012).

3.6. Financial income and expenses

The caption is broken down as follows:

Financial income and expenses (Euro/000)	2013	2012
Interest income	97	58
Exchange gains	86	120
Total financial income	**183**	**178**
Interest expense and bank fees	(13,247)	(12,293)
Exchange losses	(81)	(114)
Impairment of investments	(402)	0
Total financial expenses	**(13,730)**	**(12,407)**
Net financial income / (expenses)	**(13,547)**	**(12,229)**

Interest expenses and bank expenses increased by 7.8% when compared to prior year. This increase is related to expenses associated to the debt restructuring.

Please see note 4.12 for additional information.

The impairment of investments include the adjustment made related to the impairment of the subsidiary Moncler Lunettes S.r.l. as better described in note 4.4.

3.7. Income tax

The tax impact on the income statement is detailed as follows:

Income taxes (Euro/1000)	2013	2012
Current income taxes	(16,852)	(13,506)
Deferred tax (income) expenses	1,435	(804)
Income taxes charged in the income statement	**(15,417)**	**(14,310)**

The reconciliation between the theoretical tax burden by applying the theoretical rate of the parent company, and the effective tax burden is shown in the following table:

Reconciliation theoretic-effective tax rate (Euro/000)	Taxable Amount 2013	Tax Amount 2013	Tax rate 2013	Taxable Amount 2012	Tax Amount 2012	Tax rate 2012
Profit before tax	46,727			44,140		
Income tax using the Company's theoretic tax rate		**(12,850)**	**27.5%**		**(12,139)**	**27.5%**
Temporary differences		(68)	(0.1)%		(397)	0.9%
Permanent differences		(66)	(0.1)%		34	(0.1)%
Other differences		(2,433)	(5.2)%		(1,808)	4.1%
Income tax at effective tax rate		**(15,417)**	**33.0%**		**(14,310)**	**32.4%**

4. Comments on the statement of financial position

4.1. Brands and other intangible assets

Brands and other intangible assets	2013			2012
(Euro/000)	Gross value	Accumulated depreciation and impairment	Net value	Net value
Brands	223,900	0	223,900	229,900
Software	444	(255)	189	277
Other intangible assets	885	(397)	488	601
Assets in progress	219	0	219	0
Total	**225,448**	**(652)**	**224,796**	**230,778**

Intangible assets roll-forward is included in the following tables:

As at 31 December 2013

Gross value Brands and other intangible assets (Euro/000)	Brands	Software	Other intangible assets	Total
January 1, 2013	**229,900**	**444**	**896**	**231,240**
Discontinued operations	(6,000)	0	(252)	(6,252)
Acquisitions	0	0	241	460
Disposals	0	0	0	0
Impairment	0	0	0	0
December 31, 2013	**223,900**	**444**	**885**	**225,448**

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Accumulated amortization Brands and other intangible assets (Euro/000)	Brands	Software	Other intangible assets	Total
January 1, 2013	**0**	**(167)**	**(295)**	**(462)**
Discontinued operations	0	0	82	82
Depreciation	0	(88)	(184)	(272)
Disposals	0	0	0	0

December 31, 2013	**0**	**(255)**	**(397)**	**(652)**

As at 31 December 2012

Gross value Brands and other intangible assets (Euro/000)	**Brands**	**Software**	**Other intangible assets**	**Total**
January 1, 2012	**285,025**	**420**	**450**	**285,895**
Acquisitions	0	24	446	470
Disposals	0	0	0	0
Impairment	(55,125)	0	0	(55,125)
December 31, 2012	**229,900**	**444**	**896**	**231,240**

Accumulated amortization Brands and other intangible assets (Euro/000)	**Brands**	**Software**	**Other intangible assets**	**Total**
January 1, 2012	**0**	**(79)**	**(103)**	**(182)**
Depreciation	0	(88)	(192)	(280)
Disposals	0	0	0	0
December 31, 2012	**0**	**(167)**	**(295)**	**(462)**

4.2. Impairment of intangible fixed assets with an indefinite useful life

The Moncler brand, which has an indefinite useful life, has not been amortized, but has been tested for impairment by management.

The impairment test on the brand was performed by comparing its carrying value with that derived from the discounted cash flow method applying the Royalty Relief Method, based on which the cash flows are linked to the recognition of a royalty percentage applied to the revenues that the brand is able to generate.

For the 2013 valuation, the expected cash flows and revenues were derived from the budget for fiscal year 2014 and the business plan prepared by management and approved by the Board of Directors on 26 September 2013.

The "g" rate used was 2.5%.

The discount rate was calculated using the weighted average cost of capital (" WACC "), by weighting the expected rate of return on invested capital, net of hedging costs from a sample of companies within the same industry. The calculation took into account fluctuation in the market as compared to the previous year and the resulting impact on interest rates. The cost of capital (WACC) was calculated at 10.79%.

The results of the sensitivity analysis indicate that the carrying amount of the Moncler brand is in line with the benchmark with a “g” rate = 0% and WACC = 13.6%. These sensitivity values for the Moncler brand are below those assumed by the performance of the entire cash-generating unit and provide for the full recovery of the implicit goodwill related to the investment in Industries S.p.A..

It also shows that the average market capitalization of the company calculated for the period between the listing date and the first two months of 2014 indicate a significant positive difference with respect to the net equity.

4.3. Property, plant and equipment

Property, plant and equipment (Euro/000)	2013 Gross value	2013 Accumulated depreciation and impairment	2013 Net value	2012 Net value
Land and buildings	3,358	(2,337)	1,021	1,117
Plant and Equipment	175	(175)	0	2
Fixtures and fittings	1,142	(1,136)	6	10
Leasehold improvements	7	(7)	0	0
Other fixed assets	145	(132)	13	23
Total	**4,827**	**(3,787)**	**1,040**	**1,152**

The roll forward of property, plant and equipment from for 2013 and 2012 is included in the following tables:

As at 31 December 2013

Gross value Property, plant and equipment (Euro/000)	Land and buildings	Plant and Equipment	Fixtures and fittings	Leasehold improvements	Other fixed assets	Total
January 1, 2013	**3,358**	**175**	**1,142**	**7**	**144**	**4,826**
Discontinued operations	0	0	0	0	0	0
Acquisitions	0	0	0	0	1	1
Disposals	0	0	0	0	0	0
Other movements, including transfers	0	0	0	0	0	0
December 31, 2013	**3,358**	**175**	**1,142**	**7**	**145**	**4,827**

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Accumulated depreciation (Euro/000)	Land and buildings	Plant and Equipment	Fixtures and fittings	Leasehold improvements	Other fixed assets	Total
January 1, 2013	**(2,241)**	**(173)**	**(1,132)**	**(7)**	**(121)**	**(3,674)**
Discontinued operations	0	0	0	0	0	0
Depreciation	(96)	(2)	(4)	0	(11)	(113)
Disposals	0	0	0	0	0	0
Other movements, including transfers	0	0	0	0	0	0
December 31, 2013	**(2,337)**	**(175)**	**(1,136)**	**(7)**	**(132)**	**(3,787)**

As at 31 dicembre 2012

Gross value Property, plant and equipment (Euro/000)	Land and buildings	Plant and Equipment	Fixtures and fittings	Leasehold improvements	Other fixed assets	Total
January 1, 2012	**3,358**	**211**	**1,142**	**7**	**395**	**5,113**
Acquisitions	0	0	0	0	1	1
Disposals	0	(36)	0	0	(252)	(288)
Other movements, including transfers	0	0	0	0	0	0
December 31, 2012	**3,358**	**175**	**1,142**	**7**	**144**	**4,826**

Accumulated depreciation and impairment PPE (Euro/000)	Land and buildings	Plant and Equipment	Fixtures and fittings	Leasehold improvements	Other fixed assets	Total
January 1, 2012	**(2,145)**	**(207)**	**(1,127)**	**(7)**	**(361)**	**(3,847)**
Depreciation	(96)	(2)	(5)	0	(12)	(115)
Disposals	0	36	0	0	252	288
Other movements, including transfers	0	0	0	0	0	0
December 31, 2012	**(2,241)**	**(173)**	**(1,132)**	**(7)**	**(121)**	**(3,674)**

4.4. Investments in subsidiaries

Investments in subsidiaries are detailed in the following table:

Investments in subsidiaries		**% ownership**		**Carrying amount**	
(Euro/000)	**Country**	**December 31, 2013**	**December 31, 2012**	**December 31, 2013**	**December 31, 2012**
Industries S.p.A.	Italy	100%	100%	215,234	215,234
Moncler Lunettes	Italy	51%	na	108	na
ISC S.p.A.	Italy	9.037%	na	2,597	na
Total				**217,939**	**215,234**

Financial information related to the subsidiary Industries S.p.A. is detailed in the following table:

Summary of subsidiary's financial information	**December 31, 2013**				
(Euro/000)	**Assets**	**Liabilities**	**Net equity**	**Revenues**	**Profit/(Loss)**
Industries S.p.A.	361,055	262,230	98,825	396,075	17,822
Moncler Lunettes	4,656	3,444	1,212	2,931	(788)
ISC S.p.A.	31,626	2,889	28,737	60,782	(13,826)
Total	**397,337**	**268,563**	**128,774**	**459,788**	**3,208**

Summary of subsidiary's financial information	**December 31, 2012**				
(Euro/000)	**Assets**	**Liabilities**	**Net equity**	**Revenues**	**Profit/(Loss)**
Industries S.p.A.	432,284	351,379	80,905	416,376	17,053
Total	**432,284**	**351,379**	**80,905**	**416,376**	**17,053**

As far as Industries S.p.A. is concerned, it should be noted that the investment carrying value includes also the goodwill recognized during its acquisition and entirely attributable to the Moncler business. As at the date of the financial statements, management believed that the value of goodwill is fully recoverable given the positive performance of Moncler and the current outlook; these assumptions are also supported by the impairment test performed on the consolidated cash generating unit of the Moncler division described in the consolidated financial statements of the Moncler Group. Consequently, there were no modifications made to the carrying value of the subsidiary.

As previously described the company ISC S.p.A. was incorporated in April 2013 and subsequently, on 1 May 2013, Moncler S.p.A. conferred the Other Brands division in ISC S.p.A., raising an investment of Euro 3,846 thousand.

Moreover on 8 November 2013, the subsidiary ISC S.p.A. sold its line of business related to the Other Brands division to Cavaliere Brands (Italia) S.r.l..

The sale price was established at Euro 22,100,000, of which Euro 8,600,000 were collected prior to 31 December 2013 and Euro to be received within 30 June 2014 (third installment).

The third installment payment and the actual amount are subject to the Other Brands division achieving certain economic and financial parameters and, in particular, operating results (Adjusted EBITDA) for fiscal year 2013, net financial position at 31 December 2013, net working capital and shareholders' equity as at that date.

In addition, the consideration could be subject to an earn-out component calculated based on profitability indicators for fiscal year 2014. The verification of the parameters related to the third installment is still ongoing and the Directors believe that there will be a reduction in the final consideration associated with the sale of the company and therefore the third installment will not be paid in full. Based on these assumptions, the Directors have estimated an amount of Euro 15.2 million and have not prudently considered the earn-out.

Based on these assumptions, an impairment test was performed related to the investment of Moncler in ISC S.p.A., which was subject to a write-down due to a loss in value in the amount of Euro 1,249 thousand. This adjustment is included in the caption discontinued operations in note 5.

Moncler Lunettes S.r.l., incorporated on 26 February 2013 and 51% owned, is responsible for coordinating the production and marketing of branded eyewear products of Moncler. During the first year of operation, the company incurred a loss of Euro 788 thousand, given its start-up stage. The former carrying value of the investment equal to Euro 510 thousand was cautiously reduced by Euro 402 thousand, which corresponds to the Company's share of the loss.

Please refer to the consolidated financial statements for a complete list of the Group companies directly and indirectly controlled by the Company

4.5. Deferred tax assets and deferred tax liabilities

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. The balances were as follows as at 31 December 2013 and 31 December 2012:

Deferred taxation (Euro/000)	**December 31, 2013**	**December 31, 2012**
Deferred tax assets	1,968	778
Deferred tax liabilities	(70,736)	(71,587)
Net amount	**(68,768)**	**(70,809)**

Changes in deferred tax assets and deferred tax liabilities are detailed in the following table:

Deferred tax assets (liabilities) (Euro/000)	Opening balance - January 1, 2013	Discontinued operations	Taxes charged to the income statement	Taxes accounted for in Equity	Other movements	Closing balance - December 31, 2013
Tangible assets	0	0	0	0	0	0
Intangible assets	15	0	(2)	0	0	13
Financial assets	0	0	0	0	0	0
Inventories	0	0	0	0	0	0
Trade receivables	0	0	0	0	0	0
Derivatives	725	0	0	(724)	(1)	0
Employee benefits	4	0	0	0	2	6
Provisions	26	0	(25)	0	0	1
Trade payables	0	0	0	0	0	0
Other temporary items	8	0	1,940	0	0	1,948
Tax loss carried forward	0	0	0	0	0	0
Tax assets	**778**	**0**	**1,913**	**(724)**	**1**	**1,968**
Tangible assets	0	0	0	0	0	0
Intangible assets	(68,819)	1,392	(478)	0	(1)	(67,906)
Financial assets	(2,768)	0	0	0	2	(2,766)
Inventories	0	0	0	0	0	0
Trade receivables	0	0	0	0	0	0
Derivatives	0	0	0	(64)	0	(64)
Employee benefits	0	0	0	0	0	0
Provisions	0	0	0	0	0	0
Trade payables	0	0	0	0	0	0
Other temporary items	0	0	0	0	0	0
Tax loss carried forward	0	0	0	0	0	0
Tax liabilities	**(71,587)**	**1,392**	**(478)**	**(64)**	**1**	**(70,736)**
Net deferred tax assets (liabilities)	**(70,809)**	**1,392**	**1,435**	**(788)**	**2**	**(68,768)**

Deferred tax assets (liabilities) (Euro/000)	**Opening balance - January 1, 2012**	**Reversal Other Brands division**	**Taxes charged to the income statement**	**Taxes accounted for in Equity**	**Other movements**	**Closing balance - December 31, 2012**
Tangible assets	0	0	0	0	0	0
Intangible assets	62	(43)	(4)	0	0	15
Financial assets	0	0	0	0	0	0
Inventories	0	0	0	0	0	0
Trade receivables	0	0	0	0	0	0
Derivatives	346	0	(345)	724	0	725
Employee benefits	0	0	2	4	(2)	4
Provisions	(6)	(1)	27	0	6	26
Trade payables	0	0	0	0	0	0
Other temporary items	33	0	(15)	0	(10)	8
Tax loss carried forward	0	0	0	0	0	0
Tax assets	**435**	**(44)**	**(335)**	**728**	**(6)**	**778**
Tangible assets	0	0	0	0	0	0
Intangible assets	(84,799)	163	15,817	0	0	(68,819)
Financial assets	(2,768)	0	0	0	0	(2,768)
Inventories	0	0	0	0	0	0
Trade receivables	0	0	0	0	0	0
Derivatives	0	0	0	0	0	0
Employee benefits	(2)	0	0	0	2	0
Provisions	0	0	0	0	0	0
Trade payables	0	0	0	0	0	0
Other temporary items	3	0	0	0	(3)	0
Tax loss carried forward	0	0	0	0	0	0
Tax liabilities	**(87,566)**	**163**	**15,817**	**0**	**(1)**	**(71,587)**
Net deferred tax assets (liabilities)	**(87,131)**	**119**	**15,482**	**728**	**(7)**	**(70,809)**

4.6. Trade receivables

Trade receivables (Euro/000)	**December 31, 2013**	**December 31, 2012**
Trade receivables, third parties	18	17
Trade receivables, intra-group	2,668	26,801
Provision for impairment	(7)	(11)
Total, net value	**2,679**	**26,807**

Trade receivables are originated from the marketing and communication operations of the Company related to the brand development and Group operations and are mostly considered intercompany transactions.

There are no trade receivables with a due date greater than five years. There is no difference between the book value and the fair value of trade receivables.

4.7. Cash and cash equivalents

As at 31 December 2013, the caption cash on hand and in bank amounts to Euro 4,256 thousand (Euro 546 thousand as at 31 December 2012) and includes funds available in banks. Please refer to the statement of cash flows for further information related to cash fluctuation.

Cash and cash equivalents included in the Statement of cash flows		
(Euro/000)	December 31, 2013	December 31, 2012
Cash in hand and at the bank	1,120	546
Other financial receivables	3,136	0
Total	**4,256**	**546**

4.8. Other current assets

Other current assets		
(Euro/000)	December 31, 2013	December 31, 2012
Advances on account to vendors	46	4
Prepaid expenses	1,528	1,543
Tax receivables excluding income taxes	2,840	1,583
Other current assets	5	19
Total other current assets	**4,419**	**3,149**

As at 31 December 2013, accrued income and deferred expenses amount to Euro 1,528 thousand (Euro1,543 thousand as at 31 December 2012) and mainly pertain to advertizing and communication.

The caption other current taxes consists mainly of the receivable due from the tax authority related to IRES receivable for personnel expenses not deducted for IRAP purposes as well as the VAT receivable.

There are no other receivable with a maturity date greater than five years. There are no differences between the amounts included in the consolidated financial statements and their fair values.

4.9. Trade Payables

As at 31 December 2013, the caption trade payables pertains mostly to marketing and communication services.

Trade payables		
(Euro/000)	December 31, 2013	December 31, 2012
Trade payables, third parties	7,969	14,621
Trade payables, intra-group	810	409
Total	**8,779**	**15,030**

Details related to related to transactions with subsidiaries are included in the “Transaction with Related Parties” paragraph.

4.10. Other current payables

As at 31 December 2013, the caption other current payables included the following:

Other current liabilities (Euro/000)	**December 31, 2013**	**December 31, 2012**
Directors and statutory auditors related payables	401	241
Payable to employees and consultants	527	350
Employees taxation payables	219	193
Other current liabilities	8,505	190
Other current liabilities, intra-group	18,958	2,243
Total	**28,610**	**3,217**

As at 31 December 2013, similar to the prior year, the caption other current payables to Group companies include mainly amounts related to the fiscal consolidation.

The caption other current payables increases from Euro 190 thousand to Euro 8,505 thousand; such increase is mostly due to amounts due in connection with costs incurred for the listing process.

4.11. Pension fund (TFR)

As at 31 December 2013, the caption includes the employee pension fund as detailed in the following table:

Employees pension funds - movements (Euro/000)	**December 31, 2013**	**December 31, 2012**
Net recognized liability - opening	201	111
Discontinued operations	(33)	0
Interest costs	5	8
Service costs	104	83
Payments	(12)	(42)
Actuarial (Gains)/Losses	0	41
Net recognized liability - closing	**265**	**201**

4.12. Due to banks and financial debt

Borrowings (Euro/000)	**December 31, 2013**	**December 31, 2012**
Short-term portion of long-term bank loans	10,175	35,411
Intra-group short-term borrowings	21,393	0
Short-term borrowings	**31,568**	**35,411**
Long-term borrowings	**109,712**	**156,974**
Total	**141,280**	**192,385**

On 25 October 2013, Moncler S.p.A. paid off the outstanding amount of Euro 180.0 million related to the syndicated loan, which was set up in 2011 for a total of Euro 225.0 million, and the same date entered into a new syndicated loan with leading financial institutions in the amount of Euro 120 million, received in a lump sum, payable on a half-year basis and expiring on 30 June 2018. The current portion of the loan as at 31

December 2013 amounts to Euro 10,175 thousand while the long-term portion amounts to Euro 109,712 thousand.

Loans payable to Group companies pertain to financing issued on arm length basis by the subsidiary Industries S.p.A.. For further information, please refer to note 9.1.

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

Ageing financial liabilities (Euro/000)	**December 31, 2013**	**December 31, 2012**
Within 2 years	25,216	36,338
From 2 to 5 years	84,496	120,636
Beyond 5 years	0	0
Total	**109,712**	**156,974**

These loans do not include covenants for fiscal year 2013. It should be noted that the aforementioned syndicated loan underwritten by Moncler S.p.A. will be subject to covenants beginning on 30 June 2014.

4.13. Tax assets and liabilities

Tax assets amount to Euro 17,795 thousand as at 31 December 2013 and pertain to receivables for advance payments.

Tax liabilities amounted to Euro 4,175 thousand as at 31 December 2013, net of current tax assets. The balance pertains to IRES and IRAP payable.

4.14. Shareholders' equity

As at 31 December 2013, the subscribed share capital was fully paid and amounted to Euro 50.000.000.

Please refer to the statement of changes in shareholders' equity for detail of changes in shareholders' equity for 2013 and 2012.

There were no dividends paid to the shareholders in 2013 nor 2012.

The following table includes details about how the shareholders reserve should be used:

Information on reserves						
(Euro)	Amount	Possible use	Available amount	Restricted amount	Amounts used in the previous 3 years to hedge losses	Amounts used in the previous 3 years for other reason
Share capital	50,000,000	-	-	50,000,000	-	-
Reserves:						
Legal reserve	10,000,000	B	-	10,000,000	-	-
Share premium	107,039,683	A, B, C	107,039,683	-	-	141,740,112
OCI Reserve	124,321	-	-	124,321	-	-
FTA IFRS Reserve	-	A, B, C	-	-	-	-
Retained earnings	26,758,249	A, B, C	26,746,138	12,111	-	38,459,888
Total share capital and reserves	**193,922,253**		**133,785,821**	**60,136,432**	**-**	**180,200,000**

Non-distributable amount	**0**
Distributable remaining amount	**133,785,821**

Explanation: A) share capital increase - B) hedge of losses - C) distribution to the shareholders

Reserves available for distribution was calculated taking into consideration unrealized Exchange rates.

The caption OCI reserve includes hedging instruments against interest rate and actuarial risks related to the employee pension fund. The hedging reserve includes the effective portion of net accumulated differences in fair value of hedging instruments.

It should be noted that the aforementioned syndicated loan underwritten by Moncler S.p.A. will be subject to covenants related to equity beginning on 30 June 2014.

Changes in that reserve is as follows:

Other comprehensive income	Employees pension fund - actuarial valuation			Fair value IRS		
(Euro/000)	Value before tax effect	Tax effect	Value after tax effect	Value before tax effect	Tax effect	Value after tax effect
Reserve as at January 1, 2012	**(18)**	**5**	**(13)**	**0**	**0**	**0**
Changes in the period	(42)	0	(42)	(2,633)	724	(1,909)
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
Reserve as at December 31, 2012	**(60)**	**5**	**(55)**	**(2,633)**	**724**	**(1,909)**
Reserve as at December 31, 2013	**(60)**	**5**	**(55)**	**(2,633)**	**724**	**(1,909)**
Reclassification to Other reserves	14	1	15	0	0	0
Changes in the period	(5)	1	(4)	232	(64)	168
Translation differences of the period	0	0	0	0	0	0
Reversal in the income statement of the period	0	0	0	2,633	(724)	1,909
Reserve as at December 31, 2013	**(51)**	**7**	**(44)**	**232**	**(64)**	**168**

5. Discontinued operations

The Moncler Group has since 2009 adopted a divisional organizational model creating the Moncler division responsible for the only brand Moncler and the Other Brands division responsible for the Henry Cotton's, Marina Yachting and Coast Weber Ahaus brands. In November 2012, the Group initiated a process of reorganization so that the Moncler division and the Other Brands division could become autonomous and remove the latter division from the Group in order to enhance and optimize the business of the Moncler division in the luxury sector instead of in the casual wear sector represented by the Other Brands division.

The reorganization was carried out during 2013 through the carve out of the branches of the company related to the Other Brands division in favor of Industries Sportswear Company S.p.A., now known as ISC S.p.A., a company incorporated in April 2013 in order to transfer all assets and equity attributable to the Other Brands division.

On 8 November 2013, the division was transferred to the company Cavaliere Brands (Italia) S.r.l. (Industries Sportswear Company S.r.l.), a company owned by the private equity Emerisque, specializing in investment operations in medium-sized companies in terms of turnover and owners of well-known brands in the West with growth potential in emerging markets.

The net results of the Other Brands division and the consideration for the sale were accounted for in accordance with IFRS 5 ("Non-current Assets Held for Sale and Discontinued Operations ") and reported in a single line in the income statement under " Net income from Discontinued Operations ".

Following are the results of the division that was disposed of:

Statement of income		
(Euro/000)	**2013**	**2012**
Revenue	2,451,063	13,964,461
Costs	(2,021,165)	(58,313,317)
Result from operating activities	**429,898**	**(44,348,856)**
Income taxes	(441,692)	13,431,224
Result from operating activities, net of tax	**(11,794)**	**(30,917,632)**

Expenses include the impairment Euro 1,249 thousand of the investment in ISC S.p.A. In 2012 the expenses included the impairment of brands.

6. Guarantees given and commitments

6.1. Operating leases

The Company does not have any significant operating lease commitments.

6.2. Other significant commitments and contractual rights

During fiscal year 2014, the Company paid Euro 510 thousand on behalf of the subsidiary Moncler Lunettes S.r.l. to cover incurred losses.

As at the date of the financial statements, the Company is not party to any significant contract nor contractual commitments.

6.3. Guarantees given

As of the date of the financial statements, the Company had no guarantees toward the Group companies nor third parties.

7. Contingent liability

The Company is subject to risks which may arise during the performance of its ordinary activities. Based on information available to date, management believes that there currently are no contingent liability that need to be accrued in the financial statements.

8. Information about financial risks

The Company's financial instruments include cash and cash equivalents, loans, receivables and trade payables and other current receivables and payables and non-current assets as well as derivatives.

The Company is mostly exposed to interest rate risk, liquidity risk and capital risk. The financial risk management is carried out by the Group’s Financial Planning Department, which ensures primarily that there are sufficient financial resources to meet the needs of business development and that resources are properly invested in income-generating activities. Risk management is carried out in cooperation with division management, since any decisions taken are based on the operational needs of the Group, which are approved and revised by the Board of Directors.

8.1. Market risk

Exchange rate risk

The Company operates mostly with companies in Europe and, as such, the exposure to exchange rate risk is limited. As at 31 December 2013, a small portion of the Company's assets and liabilities (i.e. trade receivables and payables) denominated in a currency different from its functional currency.

Interest rate risk

The Company's exposure to interest rate risk is connected mostly to changes in interest rates relate to outstanding loans.

On 25 October 2013, the Company paid off the outstanding amount of Euro 180.0 million related to the syndicated loan, which was set up in 2011 for a total of Euro 225.0 million, and the same date entered into a new syndicated loan with leading financial institutions in the amount of Euro 120 million, received in a lump sum, payable on a half-year basis and expiring on 30 June 2018. The applicable interest rate is Euribor plus a market spread.

In order to hedge its exposure to interest rate risk, the Company, in January 2012, entered into an interest rate swap (IRS) to hedge the exposure against the banking system with the following conditions: notional amount of Euro 90 million, maturity date December 2015, fixed rate of 1.6050% adjusted every six months. As at 31 December 2013, the hedged outstanding notional amounted to Euro 72.0 million.

As far as financial debts are concerned, a fluctuation of +/- 0.5% in the interest rate would have led to a worsening of Euro 167 thousand in financial charges and an improvement of Euro 358 thousand, respectively, on the net results for the year ended 31 December 2013, taking into consideration the effect of the IRS hedging and its fair value, resulting in a lower debt of Euro 270 thousand and a greater debt of Euro 275 thousand.

With reference to the provisions of IFRS 13, it should be pointed out that the category of financial instruments measured at fair value is mainly attributable to the hedging of interest rate risk. The valuation of these instruments is based on the discounting of future cash flows considering the interest rates at the reporting date (level 2).

The Company is not exposed to changes in currency interest rates.

8.2. Credit risk

The Company has no significant concentrations of credit risk with companies that are not part of the Group and has in place policies which provide for a limited exposure when transacting with third parties. The maximum exposure to credit risk is represented by the amount reported in the financial statements.

As far as the credit risk arising from other financial assets other than trade receivables (including cash and short-term bank deposits) is concerned, the credit risk for the Company arises from default of the counterparty with a maximum exposure equal to the carrying amount of financial assets recorded in the financial statements.

8.3. Liquidity risk

Liquidity risk arises from the possible difficulty of obtaining financial resources at an acceptable cost in order for the Company to conduct its daily business operations. The factors that influence liquidity risk are related both to the resources generated or used by operating activities, and those generated or absorbed by investing and financing activities. Liquidity risk related to financing activities pertain to the maturity or repayment of short-term and long-term borrowings and to the availability of funds in the financial market.

Management believes that the financial resources available today, along with those that are generated by the current operations will enable the Company to achieve its objectives and to meet its investment needs and the repayment of its debt at the agreed upon maturity date.

8.4. Operating and capital management risks

In the management of operating risk, the Company's main objective is to manage the risks associated with the development of business in foreign markets that are subject to specific laws and regulations.

The responsibility for the definition and implementation of controls is delegated to the Executive Committee and the managers of the individual divisions. The Group has implemented guidelines in the following areas:

- appropriate level of segregation of duties;
- reconciliation and constant monitoring of significant transactions;
- documentation of controls and procedures;
- technical and professional training of employees;
- periodic assessment of corporate risks and identification of corrective actions.

As far as the capital management risk is concerned, the Company's objectives are aimed at the going concern issue in order to ensure a fair economic return to shareholders and other stakeholders while maintaining a good rating in the capital debt market. The Company manages its capital structure and makes adjustments in line with changes in general economic conditions and with the strategic objectives.

9. Other information

9.1. Related party transactions

Transactions with subsidiaries are of a commercial nature and are conducted at market conditions similar to those conducted with third parties and are detailed as follows:

Intercompany balances	**December 31, 2013**		
(Euro/000)	**Receivables**	**Payables**	**Net value**
Industries S.p.A.	0	(23,488)	(23,488)
Moncler Enfant S.r.l.	2,343	(12)	2,331
Moncler Lunettes S.r.l.	325	(293)	32
Moncler USA Inc.	0	(125)	(125)
ISC S.p.A.	0	(17,243)	(17,243)
Total	**2,668**	**(41,161)**	**(38,493)**

Intercompany transactions	**2013**		
(Euro/000)	**Revenues**	**Expenses**	**Net value**
Industries S.p.A.	91,402	(493)	90,909
Moncler Enfant S.r.l.	4,343	(22)	4,321
Moncler Lunettes S.r.l.	369	(6)	363
Moncler USA Inc.	0	(127)	(127)
Total	**96,114**	**(648)**	**95,466**

Moncler S.p.A. granted to the subsidiary Industries S.p.A. a license to use the Moncler brand. Based on the license agreement, the Company is remunerated through payments of royalties and advertising contributions.

In addition, the Company has entered into a legal, fiscal and administrative consulting agreement with Industries S.p.A. The total amount of royalties, advertising contributions and consulting fees for fiscal year 2013 amounted to Euro 90.9 million.

In 2013, Moncler S.p.A. granted a license to use the Moncler brand kids line to the subsidiary Moncler Enfant S.r.l for an amount of Euro 4.3 million; in 2013, Moncler S.p.A. granted a license to the Moncler brand glasses line to Moncler Lunettes S.r.l. for an amount of 0.4 million.

Please note that Moncler S.p.A. is part of the Group's fiscal consolidation and is responsible for taxes payable and the related interests associated with taxable income of Industries S.p.A., ISC S.p.A. and Moncler Lunettes S.r.l..

Other related party transactions pertained to:

- Mittel Generale Investimenti S.p.A.; this company, which belongs to the Mittel Group, following the reimbursement of the syndicated loan, received from the parent company Moncler S.p.A., paid in capital of Euro 12.2 million. As at 31 December 2013, the outstanding loan balance amounts to Euro 20.0 million (Euro 13 million as at 31 December 2012). Total interest on the loans amounted to Euro 0.5 million in 2013 (Euro 1.1 million in 2012);
- Mittel Generale Investimenti S.p.A. also provides financial advisory services. Total costs recognized in 2013 amount to Euro 0.1 million (same amount last year) and the services are provided at market conditions;

The following tables summarize the afore-mentioned related party transactions that took place during 2013 and the prior year:

(Euro thousand)	Type of relationship	Note	December 31, 2013	%	December 31, 2012	%
Industries S.p.A.	Trade transactions	c	91,352	95.0%	76,024	94.5%
Industries S.p.A.	Trade transactions	b	50	-0.1%	0	0.0%
Industries S.p.A.	Trade transactions	b	(149)	0.4%	(83)	0.3%
Industries S.p.A.	Interest expense on financing agreement	a	(344)	2.5%	0	0.0%
Moncler Enfant S.r.l.	Trade transactions	c	4,343	4.5%	4,383	5.4%
Moncler Enfant S.r.l.	Trade transactions	b	(22)	0.1%	(21)	0.1%
Moncler Lunettes S.r.l.	Trade transactions	c	290	0.3%	0	0.0%
Moncler Lunettes S.r.l.	Trade transactions	b	79	-0.2%	0	0.0%
Moncler Lunettes S.r.l.	Trade transactions	b	(6)	0.0%	0	0.0%
Moncler USA Inc.	Trade transactions	b	(127)	0.4%	0	0.0%
Mittel Generale Investimenti S.p.A.	Interest expense on financing agreement	a	(526)	3.9%	(1,148)	9.4%
Mittel Generale Investimenti S.p.A.	Consulting agreement	b	(85)	0.2%	(85)	0.4%
Total			**94,855**		**79,070**	

a- % calculated based on total financial costs
b- % calculated on operating costs
c- % calculated on revenues

(Euro thousand)	Type of relationship	Note	December 31, 2013	%	December 31, 2012	%
Industries S.p.A.	Trade receivables	c	0	0.0%	24,405	91.0%
Industries S.p.A.	Trade payables	b	(673)	7.7%	(388)	2.6%
Industries S.p.A.	Financial debt	a	(21,393)	15.1%	0	0.0%
Industries S.p.A.	Debt from fiscal consolidation	d	(1,422)	5.0%	(2,243)	69.7%
Moncler Enfant S.r.l.	Trade receivables	c	2,343	87.5%	2,383	8.9%
Moncler Enfant S.r.l.	Trade payables	b	(12)	0.1%	(20)	0.1%
Moncler Lunettes S.r.l.	Trade receivables	c	325	12.1%	n.a.	n.a.
Moncler Lunettes S.r.l.	Debt from fiscal consolidation	d	(293)	1.0%	n.a.	n.a.
Moncler USA Inc.	Trade receivables	c	0	0.0%	13	0.0%
Moncler USA Inc.	Trade payables	b	(125)	1.4%	(1)	0.0%
ISC S.p.A.	Debt from fiscal consolidation	d	(17,243)	60.3%	n.a.	n.a.
Mittel Generale Investimenti S.p.A.	Financial debt	a	(20,000)	14.2%	(13,020)	6.8%
Mittel Generale Investimenti S.p.A.	Trade payables	b	(104)	1.2%	(103)	0.7%
Total			**(58,597)**		**11,026**	

a- % calculated on total financial debt
b- % calculated on trade payable
c- % calculated on trade receivable
d- % calculated on other current payable

The following tables summarize the weight of related party transactions on the financial statements as at and for the years ended 31 December 2013 and 2012:

	31 December 2013						
(Euro thousand)	Revenues	Operating expenses	Total interest expenses	Total financial debt	Trade payables	Other payables, current	Trade receivables
Total related parties	95,985.0	(260.00)	(870.0)	(41,393.0)	(914.0)	(18,958.0)	2,668.0
Total financial statement	96,121.0	(35,848.0)	(13,546.0)	(141,280.0)	(8,779.0)	(28,610.0)	2,678.0
weight %	**99.9%**	**0.7%**	**6.4%**	**29.3%**	**10.4%**	**66.3%**	**99.6%**

	31 December 2012						
(Euro thousand)	Revenues	Operating expenses	Total interest expenses	Total financial debt	Trade payables	Other payables, current	Trade receivables
Total related parties	80,407.0	(189.00)	(1,148.0)	(13,020.0)	(512.0)	(2,243.0)	26,801.0
Total financial statement	80,438.0	(24,069.0)	(12,229.0)	(192,385.0)	(15,030.0)	(3,217.0)	26,807.0
weight %	**100.0%**	**0.8%**	**9.4%**	**6.8%**	**3.4%**	**69.7%**	**100.0%**

In 2013, compensation paid to the members of the Board of Directors amounted to Euro 727 thousand.

In 2013, fees paid to the Board of Statutory Auditors amounted to Euro 142 thousand.

The process related to related party transactions is available on the Company's website (www.monclergroup.com)

9.2. Significant non-recurring events and transactions

During 2013, the Group begun a reorganization process aimed at separating the Moncler luxury business division from the Other Brands casual wear division. This process was carried out by means of the transfer of business units relating to the Other Brands division to Industries Sportswear Company S.p.A., a company today held by the parent company Moncler S.p.A. and Industries S.p.A

On 31 October 2013, Moncler S.p.A. and Industries Sportswear Company S.p.A (ISC S.p.A.), on one hand, and Cavaliere Brands (Italy) S.r.l. (Industries Sportswear Company S.r.l.), on the other hand, have entered into an agreement known as the "Business Purchase Agreement" for the sale of Industries Sportswear Company S.p.A.'s Other Brands business.

The closing of the afore-mentioned sale took place on 8 November 2013 and from that date the companies included in the Other Brands division are no longer included in the Group.

An extraordinary shareholders meeting was held on 1 October 2013 during which Moncler S.r.l. changed its name into Moncler S.p.A.

Beginning on 16 December 2013, Moncler S.p.A. listed its ordinary shares on the Milan stock exchange, managed by Borsa Italiana S.p.A.

Costs related to the afore-mentioned projects are included in the non-recurring costs included in paragraph 3.4.

9.3. Atypical and/or unusual transactions

It should be noted that during 2013, similar to 2012, the Company did not enter into any atypical and/or unusual transactions besides the one related to the sale of the Other Brands division.

9.4. Fees paid to independent auditors

Fees paid to independent auditors are summarized below:

Audit and attestation services (Euro unit)	Entity that has provided the service	Fees 2013
Audit	KPMG S.p.A.	312,000
	Network KPMG S.p.A.	79,571
Attestation services	KPMG S.p.A.	521,750
	Network KPMG S.p.A.	232,887
Other services	KPMG S.p.A.	-
	Network KPMG S.p.A.	340,000
Total		**1,486,208**

10. Significant events after the reporting date

On 28 February 2014, during the Moncler Ordinary Shareholders' Meeting, two incentive loyalty schemes, known respectively as "Stock Option Plan for Top Management and Key People " and a " Stock Option Plan Corporate Structures" were approved.

Both plans are to be implemented through free allocation of valid options for the subscription of newly issued Moncler ordinary shares, resulting from paid in capital, excluding option rights.

The exercise price of the options is equal to Euro 10.20 and provides for the subscription of shares in the ratio of one ordinary share for option exercised and provides for the granting of a maximum of 5,555,000 options. The vesting period is three years and each beneficiary may exercise the options granted as long as the specific performance goals related to Moncler's consolidated EBITDA for 2014-2016 are met.

For information about the plan, please see the "Governance" Section on the company's website www.monclergroup.com.

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The financial statements, comprised of the statement of financial position, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and explanatory notes to the financial statements give a true and fair view of the financial position and the results of operations and cash flows and corresponds to the Company's accounting records.

On behalf of the Board of Directors

the President
Remo Ruffini

ATTESTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO ART. 154 BIS OF LEGISLATIVE DECREE NO. 58/98

1. The undersigned, Remo Ruffini, in his capacity as the Chief Executive Officer of the Company, and Luciano Santel, as the executive officer responsible for the preparation of Moncle S.p.A.'s financial statements, pursuant to the provisions of Article 154-bis, clauses 3 and 4, of Legislative Decree no. 58 of 1998, hereby attest:

- the adequacy with respect to the Company structure
- and the effective application

of the administrative and accounting procedures applied in the preparation of the Company's consolidated financial statements at 31 December 2013.

2. The assessment of the adequacy of the administrative and accounting procedures used for the preparation of the consolidated financial statements at 31 December 2013 was based on a process defined by Moncler S.p.A. in accordance with the Internal Control – Integrated Framework model issued by the Committee of Sponsoring Organizations of the Treadway Commission, an internationally-accepted reference framework.

3. The undersigned moreover attest that:

3.1 the consolidated financial statements:

a) have been prepared in accordance with International Financial Reporting Standards, as endorsed by the European Union through Regulation (EC) 1606/2002 of the European Parliament and Council, dated 19 July 2002
b) correspond to the amounts shown in the Company's accounts, books and records; and
c) provide a fair and correct representation of the financial conditions, results of operations and cash flows of the Company and its consolidated subsidiaries as of 31 December 2013 and for the year then ended.

3.2 the director's report includes a reliable operating and financial review of the Company and of the Group as well as a description of the main risks and uncertainties to which they are exposed.

28 March 2014

CHAIRMAN OF THE BOARD OF DIRECTORS AND CHIEF EXECUTIVE OFFICER

Remo Ruffini

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

Luciano Santel

KPMG S.p.A.
Revisione e organizzazione contabile
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(Translation from the Italian original which remains the definitive version)

Report of the auditors in accordance with articles 14 and 16 of Legislative decree no. 39 of 27 January 2010

To the shareholders of
Moncler S.p.A.

1 We have audited the consolidated financial statements of the Moncler Group as at and for the year ended 31 December 2013, comprising the statement of financial position, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes thereto. The parent's directors are responsible for the preparation of these financial statements in accordance with the International Financial Reporting Standards endorsed by the European Union. Our responsibility is to express an opinion on these financial statements based on our audit.

2 We conducted our audit in accordance with the auditing standards recommended by Consob, the Italian Commission for Listed Companies and the Stock Exchange. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement and are, as a whole, reliable. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by directors. We believe that our audit provides a reasonable basis for our opinion.

The consolidated financial statements present the prior year corresponding figures for comparative purposes. As disclosed in the notes, the parent's directors restated some of the corresponding figures included in the prior year consolidated financial statements. We audited such financial statements and issued our report thereon on 4 April 2013. We have examined the methods used to restate the prior year corresponding figures and related disclosures for the purposes of expressing an opinion on the consolidated financial statements at 31 December 2013.

3 In our opinion, the consolidated financial statements of the Moncler Group as at and for the year ended 31 December 2013 comply with the International Financial Reporting Standards endorsed by the European Union. Therefore, they are clearly stated and give a true and fair view of the financial position of the Moncler Group as at 31 December 2013, the results of its operations and its cash flows for the year then ended.

4 The directors of Moncler S.p.A. are responsible for the preparation of a board of directors' report on the financial statements and a report on the corporate governance and shareholding structure, published in the "Governance/Documenti societari" section of Moncler S.p.A.'s website, in accordance with the applicable laws and regulations. Our

responsibility is to express an opinion on the consistency of the board of directors' report and the information required by article 123-bis.1.c/d/f/l/m and article 123-bis.2.b of Legislative decree no. 58/98 disclosed in the report on the corporate governance and shareholding structure with the financial statements to which they refer, as required by the law. For this purpose, we have performed the procedures required by the Italian Standard on Auditing 001 issued by the Italian Accounting Profession and recommended by Consob. In our opinion, the board of directors' report and the information required by article 123-bis.1.c/d/f/l/m and article 123-bis.2.b of Legislative decree no. 58/98 disclosed in the report on the corporate governance and shareholding structure are consistent with the consolidated financial statements of the Moncler Group as at and for the year ended 31 December 2013.

Treviso, 7 April 2014

KPMG S.p.A.

(signed on the original)

Francesco Masetto
Director of Audit

ATTESTATION OF THE SEPARATE FINANCIAL STATEMENTS PURSUANT TO ART. 154 BIS OF LEGISLATIVE DECREE NO. 58/98

1. The undersigned, Remo Ruffini, in his capacity as the Chief Executive Officer of the Company, and Luciano Santel, as the executive officer responsible for the preparation of Moncle S.p.A.'s financial statements, pursuant to the provisions of Article 154-bis, clauses 3 and 4, of Legislative Decree no. 58 of 1998, hereby attest:

- the adequacy with respect to the Company structure
- and the effective application

of the administrative and accounting procedures applied in the preparation of the Company's consolidated financial statements at 31 December 2013.

2. The assessment of the adequacy of the administrative and accounting procedures used for the preparation of the separate financial statements at 31 December 2013 was based on a process defined by Moncler S.p.A. in accordance with the Internal Control – Integrated Framework model issued by the Committee of Sponsoring Organizations of the Treadway Commission, an internationally-accepted reference framework.

3. The undersigned moreover attest that:

3.1 the separate financial statements:

a) have been prepared in accordance with International Financial Reporting Standards, as endorsed by the European Union through Regulation (EC) 1606/2002 of the European Parliament and Council, dated 19 July 2002
b) correspond to the amounts shown in the Company's accounts, books and records; and
c) provide a fair and correct representation of the financial conditions, results of operations and cash flows of the Company as of 31 December 2013 and for the year then ended.

3.2 the director's report includes a reliable operating and financial review of the Company, as well as a description of the main risks and uncertainties to which they are exposed.

28 March 2014

CHAIRMAN OF THE BOARD OF DIRECTORS AND CHIEF EXECUTIVE OFFICER	EXECUTIVE OFFICER RESPONSIBLE FOR FOR THE PREPARATION OF THE COMPANY'S FINANCIAL STATEMENTS
Remo Ruffini	Luciano Santel

KPMG S.p.A.
Revisione e organizzazione contabile
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PEC kpmgspa@pec.kpmg.it

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

Report of the auditors in accordance with articles 14 and 16 of Legislative decree no. 39 of 27 January 2010

To the shareholders of
Moncler S.p.A.

1 We have audited the separate financial statements of Moncler S.p.A. as at and for the year ended 31 December 2013, comprising the statement of financial position, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes thereto. The company's directors are responsible for the preparation of these financial statements in accordance with the International Financial Reporting Standards endorsed by the European Union. Our responsibility is to express an opinion on these financial statements based on our audit.

2 We conducted our audit in accordance with the auditing standards recommended by Consob, the Italian Commission for Listed Companies and the Stock Exchange. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the separate financial statements are free of material misstatement and are, as a whole, reliable. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by directors. We believe that our audit provides a reasonable basis for our opinion.

The separate financial statements present the prior year corresponding figures for comparative purposes. As disclosed in the notes, the company's directors restated some of the corresponding figures included in the prior year separate financial statements. We audited such financial statements and issued our report thereon on 4 April 2013. We have examined the methods used to restate the prior year corresponding figures and related disclosures for the purposes of expressing an opinion on the separate financial statements at 31 December 2013.

3 In our opinion, the separate financial statements of Moncler S.p.A. as at and for the year ended 31 December 2013 comply with the International Financial Reporting Standards endorsed by the European Union. Therefore, they are clearly stated and give a true and fair view of the financial position of Moncler S.p.A. as at 31 December 2013, the results of its operations and its cash flows for the year then ended.

4 The directors of Moncler S.p.A. are responsible for the preparation of a board of directors' report on the financial statements and a report on the corporate governance and shareholding structure, published in the "Governance/Documenti societari" section of Moncler S.p.A.'s website, in accordance with the applicable laws and regulations. Our

responsibility is to express an opinion on the consistency of the board of directors' report and the information required by article 123-bis.1.c/d/f/l/m and article 123-bis.2.b of Legislative decree no. 58/98 disclosed in the report on the corporate governance and shareholding structure with the financial statements to which they refer, as required by the law. For this purpose, we have performed the procedures required by the Italian Standard on Auditing 001 issued by the Italian Accounting Profession and recommended by Consob. In our opinion, the board of directors' report and the information required by article 123-bis.1.c/d/f/l/m and article 123-bis.2.b of Legislative decree no. 58/98 disclosed in the report on the corporate governance and shareholding structure are consistent with the separate financial statements of Moncler S.p.A. as at and for the year ended 31 December 2013.

Treviso, 7 April 2014

KPMG S.p.A.

(signed on the original)

Francesco Masetto
Director of Audit

MONCLER S.p.A.

Share Capital Euro 50.000.000,00 fully paid in

Registered office in Milan, via Stendhal, 47

Registered with the Milan Registry of Trading Companies

and fiscal code 04642290961

REA 1763158

* * *

REPORT OF THE BOARD OF STATUTORY AUDITORS
TO THE SHAREHOLDERS' MEETING

Pursuant to art. 153 of legislative decree of 24 February 1998, no. 58 and art. 2429 C.C.

Dear Shareholders,

During the fiscal year as at 31 December 2013, we performed our supervisory activities pursuant to legislative decree no. 58 of 24 February 1998 (hereafter "T.U.F.") as further amended, as well as the activities provided for by – insofar as applicable – the Italian Civil Code and the legislative decree no. 39/2010.

The Financial Statements of Moncler S.p.A. as at 31 December 2013, submitted to your examination, is drawn up in accordance with the international accounting principles ("I.F.R.S.") adopted by the European Union and show a profit of Euro 31.298.544.

As regards the control tasks on the accounting registers and the Financial Statements, we wish to point out that pursuant to art. 14 of legislative decree no. 39/2010, these were assigned to the Audit Firm KPMG S.p.A., which reports (on the Financial Statements and Consolidated Financial Statements), issued on 7 April 2014, we make reference to.

Please note that the IPO procedure of the Company's ordinary shares listed on the MTA (Mercato Telematico Azionario) managed by Borsa Italiana Milano was completed on 16 December 2013.

Based on the activities performed and taking into account the instructions provided by CONSOB announcements, we point out the following:

a) We attended the Board of Directors' meetings and timely obtained punctual and even direct information (as provided for by the Company's bylaws) from the Directors on the activity carried out by Moncler S.p.A. and its subsidiaries, with particular regard to the most significant economic and financial transactions resolved upon and undertaken during the fiscal year, also through the Company's subsidiaries.

   In this respect we verified that the above mentioned transactions were compliant with Law and the Company's bylaws and were not so manifestly imprudent and highly risky to affect the Company's financial position or in conflict with the resolutions taken by the Shareholders' Meetings. We can consequently assure that the main actions undertaken during the fiscal year 2013 and in the current year as described in the Directors' Report – which we make reference to –

were compliant with the principles of fair management and no conflicts of interest emerged there from.

The Board of Directors and the Audit Firm did not disclose, nor we assessed, any atypical and/or unusual transactions (also with respect to intercompany – or related parties operations) having a significant impact on the economic situation, save the case for the transaction concerning the Company's reorganization which led to the disposal of the "Other Brands Division". This transaction (specifically described under point 6 of the Explanatory Notes to the Consolidated Financial Statements) was completed on 8 November 2013; the effects of this transaction on the Consolidated Profit and Loss Account 2013 amounted to Euro 16,0 Million including Euro 13,8 Million as a loss on sale of discontinued operations.

b) The intercompany or related parties transactions performed in 2013 were of recurring nature and were carried out under fair market conditions in compliance with the congruity principles and in the Company's interest. The relevant information was contained in the Directors' Report and in the Notes to the Financial Statements and to the Consolidated Financial Statements (note 11.1 of the Consolidated Financial Statements e note 9.1 of the Financial Statements) which we make reference to and resulted to be adequate. The Company adopted also a "Procedure regulating the transactions with related parties".

c) We acknowledged and checked, to the extent of our responsibility, the adequacy of the organisational structure as well as the compliance with the principles of fair management. These tasks were executed on the basis of direct observations as well as the information collected from the competent managers of the organisational function and the Audit Firm.

The administrative and accounting system and its reliability to fairly represent operating events, to timely update the Company's accounting registers and ledgers results to be adequate considering the existence of documentary evidence referring to the fulfillment of tax and social security obligations. No issues arose from the Report of the Audit Firm with regard to these aspects.

During the Listing Procedure the Company strengthened all the administrative and management procedures.

d) The supervisory activity performed on the adequacy of the administrative structure and the compliance with the principles of fair management allowed the Board of Statutory Auditors to reach both a direct opinion on the Company's internal control system and an indirect opinion on the group control system.

The Statutory Auditors evaluated and supervised, to the extent of their responsibility and pursuant to art. 19 of legislative decree 39/2010, the effectiveness of internal quality control reviews and also on the basis of the meetings held with the Audit Firm, which did not report any significant criticalities.

The Statutory Auditors directly ascertained the existence of adequate professional requirements as well as of the operating instructions aiming at assuring the compliance with provisions and directives, the maintenance of the capital stock asset, the timing of resolutions and the reliability of information. As regards the Group companies, the Statutory Auditors directly ascertained the adequacy of the instructions given.

e) The Statutory Auditors examined the statements issued by the Managing Director (and Chairman of the Board of Directors) and by the Manager charged with preparing the Company's financial reports pursuant to Art. 154 bis of T.U.F. which *inter alia* did not disclose any irregularities or significant issues as regards the administrative and accounting procedures.

f) On 7 April 2014 the Audit Firm KPMG S.p.A. issued - pursuant to Art. 14 of legislative decree 39/2010 - the reports from which it emerges that the Financial Statements and the Consolidated Financial Statements as at 31 December 2013 are drawn up with clarity and represent in a true and correct manner the financial and economic situation, the equity movements and cash flows of Moncler S.p.A. and of the Group as of 31 December 2013.

   The Audit Firm additionally confirmed to the Statutory Auditors not to have issued any further opinions during the fiscal year 2013 as no significant issues had arisen.

   The Statutory Auditors supervised the exchange of financial information, internal audit and risk management, audit of the annual accounts and independence or existence of causes of incompatibility of the Audit Firm pursuant to articles 10 and 17 of Legislative Decree 39/2010. No remarks were reported in the relevant written statement.

g) The Statutory Auditors acknowledge that the Company drew up pursuant to Art. 114, par. 2, of T.U.F., a structured complex of instructions for the companies of the Group defining the criteria to be followed for the purpose of providing homogenous information. These instructions undergo necessary steady updates and include the criteria to be followed for the purpose of providing information to the public pursuant to art. 114, par. 1, of T.U.F..

h) We verified, also thanks to the information received from the Audit Firm, that the law provisions regarding the drawing up of the Financial Statements, the Consolidated Financial Statements and the Directors' Report, had been respected.

Also as regards the recommendations issued by CONSOB, we wish to inform you that:

- During the year 2013 we attended no. 8 shareholders' meetings and no. 15 Board of Directors' meetings;
- During 2013 we held no. 9 meetings of the Statutory Auditors; the Audit Firm attended three of them;
- The Notes to the Consolidated Financial Statements disclose under point 11.4 the remuneration received by the Audit Firm and the KPMG network.
- The Audit Firm with which – pursuant to art. 150, par. 3, of TU.F. – we had frequent meetings and talks for the purpose of mutual exchange of relevant data and information, confirmed that neither from the performance of their activity of examination and control of the Financial Statements and of the Consolidated Financial Statements nor from the

quarterly checks emerged any censurable acts or facts to be reported as per art. 155, par. 2, of T.U.F..

- We acknowledge that the Company implemented the Code of Conduct of listed companies approved in December 2011 by the Body of Corporate Governance and promoted by Borsa Italiana S.p.A.
- No claims or petitions as per art. 2408 Cod. Civ. were served.
- During the fiscal year 2013 we submitted a proposal for the appointment of the Audit Firm pursuant to Art. 13, par. 1, of legislative decree 39/ 2010. Furthermore we provided our opinion in compliance with Section IA.1.1 of the Instructions of the Stock Exchange Regulations on the System of Management Control.
- The Directors' report on the Corporate Governance System, drawn up pursuant to Art. 123 bis of T.U.F., accompanying the Financial Statements as of 31 December 2013 of Moncler S.p.A., provides exhaustive information on the state of implementation of the principles stated by the Code of Conduct.

From the supervisory activity performed and based on the information made available by the Audit Firm, no omissions and/or violations and/or irregularities emerged nor significant events which might require the reporting to the Control Bodies or the mentioning in this report.

As regards the Financial Statements as of 31 December 2013 of Moncler S.p.A., from the supervisory activity performed and from the Reports issued by the Audit Firm, we inform the Shareholders' Meeting that we do not envisage any obstacles to the approval of Financial Statements and the relevant profit allocation as proposed by the Board of Directors.

We wish to remind to the Shareholders that our mandate is expiring and therefore you are invited to proceed with the appointment of a new Board of Statutory Auditors.

Milan, 7 April 2014

THE BOARD OF STATUTORY AUDITORS

Dr. Raoul F. Vitulo (Chairman)

Dott. Mario Valenti

Dott. Lorenzo Mauro Banfi