



MONCLER S.P.A.:  
THE BOARD OF DIRECTORS APPROVES  
THE INTERIM REPORT FOR FIRST QUARTER 2014<sup>1</sup>

### MONCLER: Q1 2014 REVENUES INCREASED 19% AT CONSTANT CURRENCIES

- **Consolidated Revenues: 145.4 million euros, +16% compared to 125.6 million euros in the first quarter of 2013; +19% at constant exchange rates**
- **EBITDA *Adjusted*<sup>2</sup>: 45.0 million euros, compared to 39.3 million euros in the first quarter of 2013, a 31.0% margin on revenues**
- **EBIT: 39.1 million euros, compared to 34.9 million euros in the first quarter of 2013, a 26.9% margin on revenues**
- **Net Income: 23.5 million euros, compared to 16.4 million euros<sup>3</sup> in the first quarter of 2013, a 16.1% margin on revenues**
- **Net Financial Debt: 163.9 million euros at 31 March 2014 (171.1 million euros at 31 December 2013)**

**Remo Ruffini, Chairman and Chief Executive Officer, commented:** “I’m very pleased with the results achieved by Moncler in the first quarter of 2014 that were ahead of our expectations and, once again, showed double-digit growth in both sales and profitability. Revenues increased by 19% at constant exchange rates driven by the strong development of our brand in all our international markets and by the excellent results in both the retail and wholesale channels. Our network of mono-brand stores reached 140 boutiques by the end of April with the opening of our first Russian store in Moscow and a new Directly Operated Store at Hong Kong Airport. As a result, I’m sure that once again this year our retail network will grow at a pace at least in line with what we have achieved historically.

But what makes me confident, in particular about the brand’s long-term growth prospects, is the number of projects we’ve begun and that are moving ahead with determination and without compromise, as well as the many new ideas to which I and my team are already devoting a great deal of energy.”

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*Milan, 15 May 2014* – The Board of Directors of Moncler S.p.A., meeting today, examined and approved the consolidated Interim Report for the first quarter of financial year 2014, ending 31 March 2014.

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<sup>1</sup> This note applies to all pages. Unaudited results, rounded figures

<sup>2</sup> Before non-cash costs related to stock option plans

<sup>3</sup> Including net losses from discontinued operations (3.3 million euros in the first quarter of 2013)

## Consolidated Revenues Analysis

In Q1 2014 Moncler generated **revenues of 145.4 million euros**, a **16% increase at current exchange rates** compared to 125.6 million euros for Q1 2013, and up **19% at constant exchange rates**.

### Revenues by Geographic Area

	Q1 2014		Q1 2013		YoY growth %	
	€ '000	%	€ '000	%	Reported	Constant currencies
Italy	32,595	22.4%	33,799	26.9%	-4%	-4%
EMEA (excl. Italy)	53,281	36.6%	44,425	35.4%	+20%	+20%
Asia & Rest of the World	45,371	31.2%	34,700	27.6%	+31%	+42%
Americas	14,166	9.7%	12,692	10.1%	+12%	+15%
<b>Total Revenues</b>	<b>145,413</b>	<b>100.0%</b>	<b>125,616</b>	<b>100.0%</b>	<b>+16%</b>	<b>+19%</b>

In Q1 2014, Moncler recorded **double-digit growth in all its international markets**.

In particular, in **Asia** Moncler's revenues grew 42% at constant exchange rates, due to the strong growth recorded in both the Japanese and Chinese markets. On a current exchange rate basis, the performance of this region has been affected by the negative trend of the yen in relation to the euro.

In the **Americas** the company registered growth of 15% at constant exchange rates, driven by the good performance of both the wholesale and retail channels.

The **EMEA** countries recorded revenues growth at constant exchange rates of 20% with good performances notably from France, Germany, Turkey and the U.K.

**Italy** showed a slightly negative trend (-4%), largely due to a different timing effect in deliveries between the first and second quarter; domestic market performance is also influenced by the ongoing selective reduction of wholesale doors.

### Revenues by Distribution Channel

	Q1 2014		Q1 2013		YoY growth %	
	€ '000	%	€ '000	%	Reported	Constant currencies
Retail	81,798	56.3%	66,363	52.8%	+23%	+28%
Wholesale	63,615	43.7%	59,253	47.2%	+7%	+9%
<b>Total Revenues</b>	<b>145,413</b>	<b>100.0%</b>	<b>125,616</b>	<b>100.0%</b>	<b>+16%</b>	<b>+19%</b>

In the course of Q1 2014, Moncler recorded **growth in both distribution channels**, and particularly in the retail channel.

As of 31 March 2014, **the retail distribution channel** recorded revenues of 81.8 million euros compared to the 66.4 million euros of Q1 2013, an increase of 23% at current exchange rates and 28% at constant exchange rates, driven by the development of our network of mono-brand retail stores and good growth at existing stores.

In the first three months of FY 2014, Comparable Store Sales growth<sup>†</sup> was +10%.

<sup>†</sup> *Comparable Store Sales* is based on the sales growth of DOS (excluding outlets) that have been opened for 52 weeks

As of 31 March 2014, the **wholesale channel** recorded an increase of 9% at constant exchange rates and 7% at current rates, rising to 63.6 million euros compared to 59.3 million euros in Q1 2013, despite the planned reduction of wholesale doors and the conversion from wholesale (shop-in-shops) to retail (concessions) of 5 mono-brand stores over the past 12 months.

### **Mono-brand Stores Distribution Network**

As of 31 March 2014, the **mono-brand distribution network of Moncler** totalled **138 stores**, of which 111 were directly operated stores (DOS), an increase of 4 compared to December 2013, and 27 were wholesale stores (shop-in-shops)<sup>5</sup>, one less than at 31 December 2013.

	31/03/2014	31/12/2013	Net openings Q1 2014
<b>Retail</b>	<b>111</b>	<b>107</b>	<b>+4</b>
Italy	17	17	0
EMEA (excl. Italy)	47	44	+3
Asia & Rest of the World	39	38	+1
Americas	8	8	0
<b>Wholesale</b>	<b>27</b>	<b>28</b>	<b>-1</b>
<b>Mono-brand stores</b>	<b>138</b>	<b>135</b>	<b>+3</b>

### **Analysis of Consolidated Operating Results**

In Q1 2014, the consolidated **Gross Margin** was **105.2 million euros** equivalent to 72% of revenues compared to 71% in Q1 2013. The improvement of the gross margin is to be ascribed chiefly to the development of the retail channel.

During Q1 2014, **selling expenses** were 26.5% of revenues, up from 25.0% in Q1 2013, primarily due to the expansion of the retail channel. **General and administrative expenses** were 11.3% of revenues compared to the 10.7% in Q1 2013. Q1 2014 **advertising expenses** were 10.5 million euros, or 7.2% of sales, compared to 9.4 million euros in Q1 2013.

Adjusted **EBITDA**<sup>6</sup> rose to **45.0 million euros**, compared to 39.3 million euros in Q1 2013, resulting in a margin on revenues of 31.0%, stable with respect to Q1 2013.

**EBIT** rose to **39.1 million euros**, compared to 34.9 million euros in Q1 2013, resulting in a margin on revenues of 26.9% (27.7% in Q1 2013). EBIT for Q1 2014 includes 0.6 million euros of non-cash costs related to stock option plans.

**Net Income** reached **23.5 million euros**, resulting in a margin on revenues of 16.1%, compared to Q1 2013 Net Income of 16.4 million euros, which included net losses from discontinued operations of 3.3 million euros. Excluding these losses, Q1 2013 Net Income has been equal to 19.7 million euros.

<sup>5</sup> Including one franchise store in Korea

<sup>6</sup> Before 0.6 million euros of non-cash costs related to the stock option plans

## **Consolidated Balance Sheet and Cash Flow Analysis**

Moncler **Net Financial Indebtedness** at 31 March 2014 was equal to **163.9 million euros**, compared to 171.1 million euros at 31 December 2013.

In Q1 2014, **Capex** was **9.0 million euros**, compared to 6.4 million euros in Q1 2013, largely related to the development of our network of mono-brand stores, a new showroom location in Milan and investments in IT infrastructure.

**Net Working Capital** was **47 million euros** at 31 March 2014, equal to 8% of last twelve months revenues. The increase in inventory is mainly linked to the anticipation of the production cycle and the expansion of the retail channel.

## 1) Consolidated Income Statement

	Q1 2014		Q1 2013	
	€ Million	%	€ Million	%
<b>Revenues</b>	<b>145.4</b>	<b>100.0%</b>	<b>125.6</b>	<b>100.0%</b>
<i>YoY growth</i>	15.8%		16.2%	
Cost of sales	(40.2)	(27.7%)	(36.4)	(29.0%)
<b>Gross margin</b>	<b>105.2</b>	<b>72.3%</b>	<b>89.2</b>	<b>71.0%</b>
Selling expenses	(38.6)	(26.5%)	(31.4)	(25.0%)
General & Administrative expenses	(16.4)	(11.3%)	(13.5)	(10.7%)
Advertising & Promotion	(10.5)	(7.2%)	(9.4)	(7.5%)
<b>EBIT Adjusted</b>	<b>39.7</b>	<b>27.3%</b>	<b>34.9</b>	<b>27.7%</b>
Non-recurring items <sup>7</sup>	(0.6)	(0.4%)	0.0	0.0%
<b>EBIT</b>	<b>39.1</b>	<b>26.9%</b>	<b>34.9</b>	<b>27.7%</b>
Net financial result	(3.1)	(2.1%)	(3.8)	(3.0%)
<b>EBT</b>	<b>36.0</b>	<b>24.8%</b>	<b>31.1</b>	<b>24.7%</b>
Taxes	(12.6)	(8.7%)	(10.8)	(8.6%)
<i>Tax Rate</i>	35.1%		34.6%	
<b>Net Income from Continuing Operations</b>	<b>23.4</b>	<b>16.1%</b>	<b>20.3</b>	<b>16.2%</b>
Net Result from discontinued operations	0.0	0.0%	(3.3)	(2.7%)
<b>Consolidated Net Income</b>	<b>23.4</b>	<b>16.1%</b>	<b>17.0</b>	<b>13.5%</b>
Minority result	0.1	0.1%	(0.6)	(0.5%)
<b>Net Income</b>	<b>23.5</b>	<b>16.1%</b>	<b>16.4</b>	<b>13.0%</b>
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<b>EBITDA Adjusted</b>	<b>45.0</b>	<b>31.0%</b>	<b>39.3</b>	<b>31.2%</b>
<i>YoY growth</i>	14.7%		18.9%	

<sup>7</sup> Non-cash costs related to stock option plans

## 2) Consolidated Balance Sheet Statement

	31/03/2014	31/12/2013	31/03/2013
	€ Million	€ Million	€ Million
Intangible Assets	407.5	408.3	410.6
Tangible Assets	62.6	58.2	46.1
Other Non-current Assets/(Liabilities)	(37.4)	(37.8)	(44.8)
<b>Total Non-current Assets</b>	<b>432.7</b>	<b>428.7</b>	<b>411.9</b>
Net Working Capital	47.0	46.9	43.0
Other Current Assets/(Liabilities)	6.1	(5.9)	(15.7)
Assets/(Liabilities) related to Other Brands Division	22.2	21.6	45.4
<b>Total Current Assets</b>	<b>75.3</b>	<b>62.6</b>	<b>72.7</b>
<b>Invested Capital</b>	<b>508.0</b>	<b>491.3</b>	<b>484.6</b>
Net Debt	163.9	171.1	216.8
Pension and Other Provisions	9.4	9.6	8.8
Shareholders' Equity	334.7	310.6	259.0
<b>Total Sources</b>	<b>508.0</b>	<b>491.3</b>	<b>484.6</b>

## 3) Consolidated Cash Flow Statement

	Q1 2014	Q1 2013
	€ Million	€ Million
EBITDA Adjusted	45.0	39.3
Change in NWC	(0.1)	(6.5)
Change in other curr./non-curr. assets/(liabilities)	(13.4)	(1.1)
Capex	(9.0)	(6.4)
Disposals	0.1	0.0
<b>Operating Cash Flow</b>	<b>22.7</b>	<b>25.3</b>
Net financial result	(3.1)	(3.8)
Taxes	(12.6)	(10.8)
<b>Free Cash Flow</b>	<b>7.1</b>	<b>10.8</b>
Net cash from disposal of Other Brands Division	0.0	0.0
Other changes related to Other Brands Division	0.0	1.4
Non-recurring items	(0.6)	0.0
Other changes in equity	0.7	1.1
Dividends paid	0.0	0.0
<b>Net Cash Flow</b>	<b>7.2</b>	<b>13.3</b>
Net Financial Position - Beginning of Period	171.1	230.1
Net Financial Position - End of Period	163.9	216.8
<b>Change in Net Financial Position</b>	<b>7.2</b>	<b>13.3</b>

*The manager in charge of preparing corporate accounting documents, Luciano Santel, declares, pursuant to paragraph 2 of article 154-bis of the Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the accounting figures, books and records.*

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*Moncler S.p.A. informs that the interim financial report at March 31st, 2014, provided for by art. 154-ter, paragraph 5, of the Legislative Decree n. 58 of February 24th, 1998, is available to the public as of today at the Company's registered office and in the relevant section of the internet website ([www.monclergroup.com](http://www.monclergroup.com), Section Investor/Financial Documents).*

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**FOR FURTHER INFORMATION:**

**Paola Durante**  
*Investor Relations*  
Tel. +39 02 42204095  
[investor.relations@moncler.com](mailto:investor.relations@moncler.com)

**Italy: Image Building**  
Simona Raffaelli – Emanuela Borromeo  
Tel. +39 02 89011300  
[moncler@imagebuilding.it](mailto:moncler@imagebuilding.it)

**Domenico Galluccio**  
*Press Office*  
Tel. +39 02 42204425  
[domenico.galluccio@moncler.com](mailto:domenico.galluccio@moncler.com)

**International: Stockwell Communications**  
Laura Gilbert – Zoe Watt  
Tel. +44 20 72402486  
[moncler@stockwellgroup.com](mailto:moncler@stockwellgroup.com)

***About Moncler***

*Moncler was founded at Monestier-de-Clermont, Grenoble, France, in 1952 and is currently headquartered in Italy. Over the years the brand has combined style with constant technological research assisted by experts in activities linked to the world of the mountain. The Moncler collections marry the extreme demands of outerwear for nature with those of city life. In 2003, Remo Ruffini took over the company and is now Chairman and CEO. Moncler manufactures and directly distributes the Moncler clothing and accessories collections Moncler Gamme Rouge, Moncler Gamme Bleu and Moncler Enfant through its boutiques and in exclusive international department stores and multi-brand outlets.*