



BRUNELLO CUCINELLI



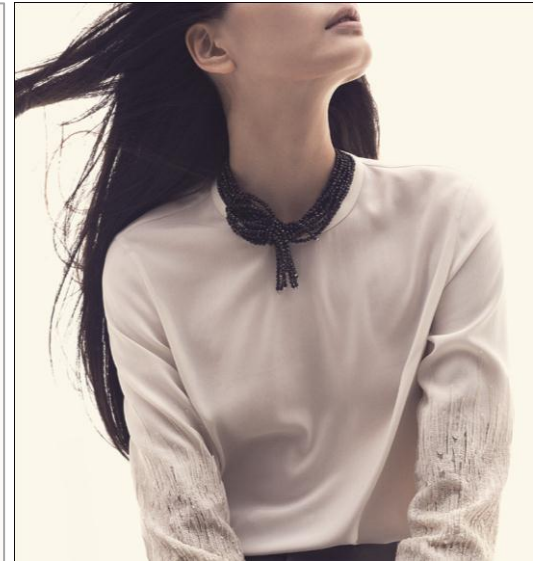
1Q 14 Results

May 12th, 2014

First Quarter 2014 - Highlights

Results in line with the Group's sustainable approach, gracious growth and healthy profitability, thus laying the foundations for long-term development within the absolute luxury segment

- ✓ Net Revenues (€99.6mIn) +12.2%
- ✓ EBITDA (€18.3mIn) +13.5%
- ✓ Significant ongoing Investment Plan: €11.7mIn in 1Q 14 (on top of €66mIn invested in last 2 years), driving D&A increase (€3.1mIn in 1Q 14 vs. €2.5mIn in 1Q 13)
- ✓ Net Income (€9.6mIn) +8.7%
- ✓ Net Debt at €28.3mIn (€14.8mIn as of 31/03/13)



SS 14 – Women's Collection

- ✓ International markets +17.6% (76.9% of total sales); USA +13.2%, Europe +16.5%, Greater China +25.9%, Rest of World +27.7%; slight decrease in Italy (-2.7%), amounting to €0.6mIn.
- ✓ All distribution channels posted meaningful growth (Retail Monobrand up 24.1%, Wholesale Monobrand up 10.4%, Wholesale Multibrand up 6.3%), driven by performance in existing boutiques and new spaces

Boutiques Network Highlights

Exclusive Distribution: 98 Monobrand Stores (85 Monobrand Stores as of 03/31/2013)

✓ **63 DOS network** (vs. 51 stores as of 31st March 2013)

6 DOS net openings over the last 12 months

6 conversions from wholesale Monobrand network

✓ **35 Wholesale Monobrand** (vs. 34 stores as of 31st March 2013)

7 net openings (between 31st March 2013 and 31st March 2014)

6 conversions to DOS, of which

- 2 boutiques in Europe - since January 1st 2014 (Cannes and Knokke)
- 4 boutiques in Greater China, in 2H 13 (3 boutiques in Hong Kong and 1 in Macao)



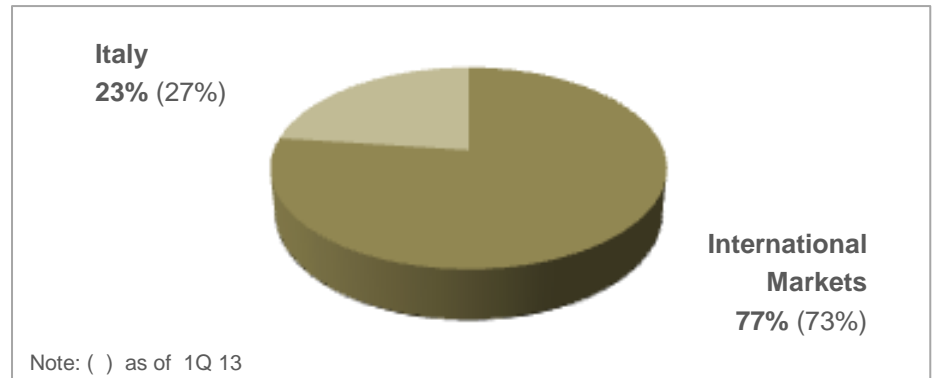
SS 14 - Collection

Revenues by Region

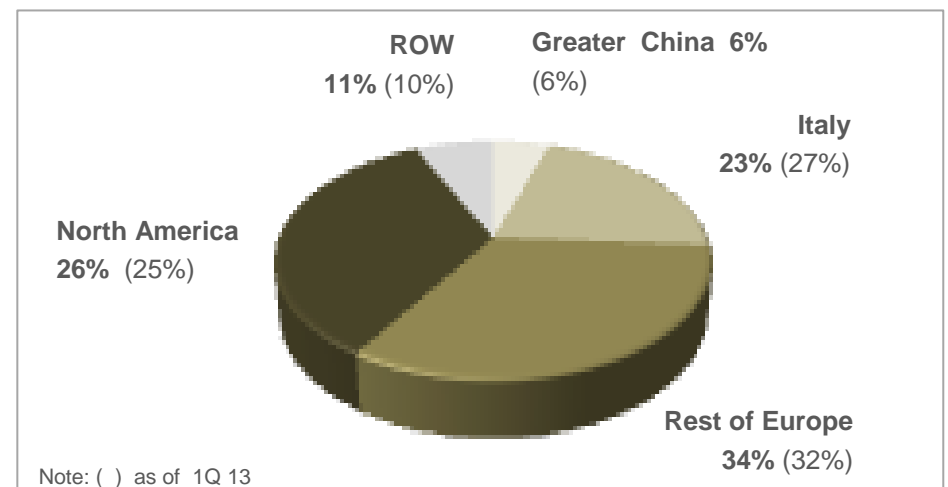
€ mln

	1Q 13	1Q 14	YoY % Chg
Net Revenues	88.8	99.6	+12.2%
<i>Constant exchange rates</i>			+13.4%
International Markets	65.2	76.6	+17.6%
Rest of Europe	28.6	33.4	+16.5%
North America	22.8	25.8	+13.2%
Greater China	5.0	6.3	+25.9%
ROW	8.8	11.3	+27.7%
Italy	23.6	23.0	(2.7%)

International Markets revenues



Breakdown by countries



Highlights by Region

North America

- Increase in sales driven by performance in the existing network, opening of new floor spaces and sell-out results
- Growth in multibrand and monobrand channel
- Positive LFL performance confirmed

Rest of Europe

- On-going program of selected monobrand stores openings in last 12 months (1 DOS opening in Munich and 4 wholesale monobrand boutiques, focusing on Emerging Markets)
- Positive performance in existing network, highlighting solid tourists demand

Italy

- Positive impact by tourists sales in leading cities and resort locations
- Presence in monobrand boutiques and multibrand spaces is strategic for brand allure and visibility for international and sophisticated clients

Greater China

- Sales up 25.9%, supported by 4 conversion of stores from wholesale monobrand channel to DOS network and sales in existing network
- 2 selected net openings in last 12 months
- Domestic consumers continuing to support international sales

Rest of the World

- 9 wholesale monobrand boutiques as of 31st March 2014 (7 wholesale monobrand boutiques as of 31st March 2013)
- 2 new openings in Doha (April, 2013) and Riyadh (October, 2013)



SS 14 –
Collection

Revenues by Distribution Channel

€ mln

Monobrand

Retail 33% (30%)

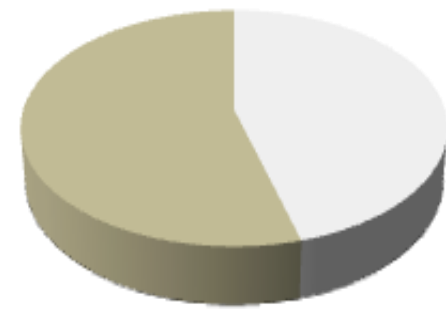


Wholesale Monobr. 13% (13%)



Multibrand

Wholesale 54% (57%)



	1Q 13	1Q 14	% Chg
Retail	26.5	32.9	+24.1%
Wholesale Monobrand	11.4	12.6	+10.4%
Wholesale Multibrand	50.9	54.1	+6.3%



Monobrand Channel



Monobrand Network as of 03/31/2014: 98 boutiques

- ✓ Revenues growth benefiting from
 - Selected boutique openings
 - Positive LFL performance
- ✓ DOS Network
63 Boutiques as of March '14 (51 as of March '13); 6 net openings and 6 conversions
- ✓ Wholesale Monobrand
35 Boutiques as of March '14 (34 as of March '13); 7 net openings and 6 conversions into DOS

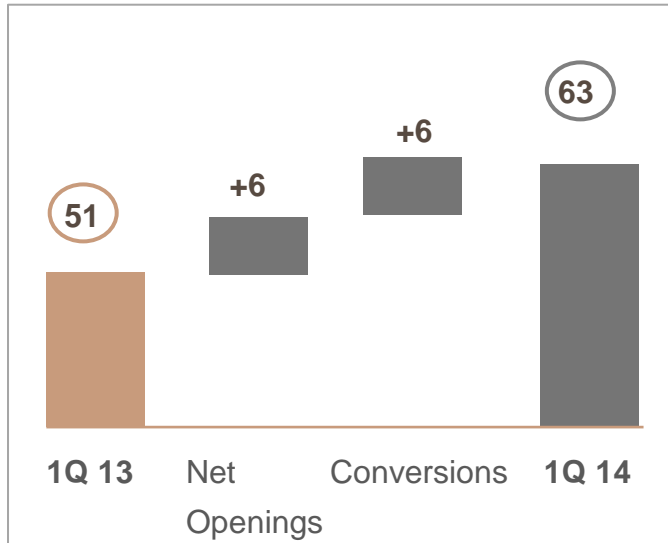
Monobrand Network as of 05/12/2014: 100 boutiques

- ✓ LFL performance* in the first 18 weeks +5.5%
- ✓ DOS Network
64 Boutiques as of 12/05/14, following new openings in Vienna (April, 2014)
- ✓ Wholesale Monobrand
36 Boutiques as of 12/05/14, including new boutique in Seoul (April, 2014)

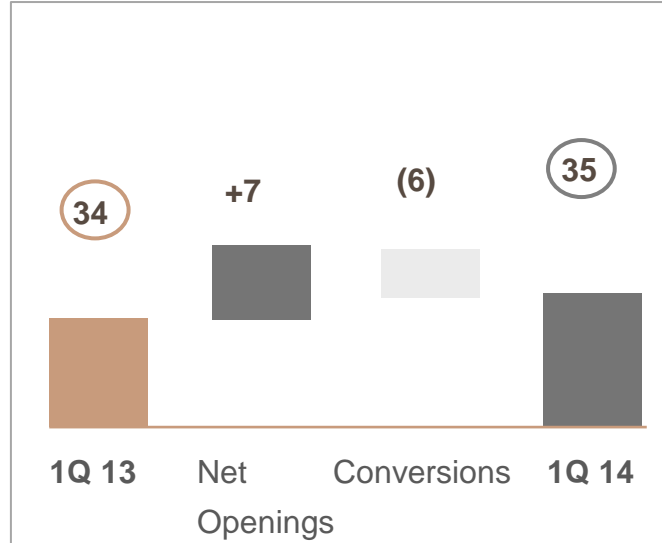
**Like-for-Like rate is calculated as the worldwide average of sales growth, at constant exchange rates, reported by DOS opened as of January 1st, 2013*

Stores Network (from 03/31/13 to 03/31/14)

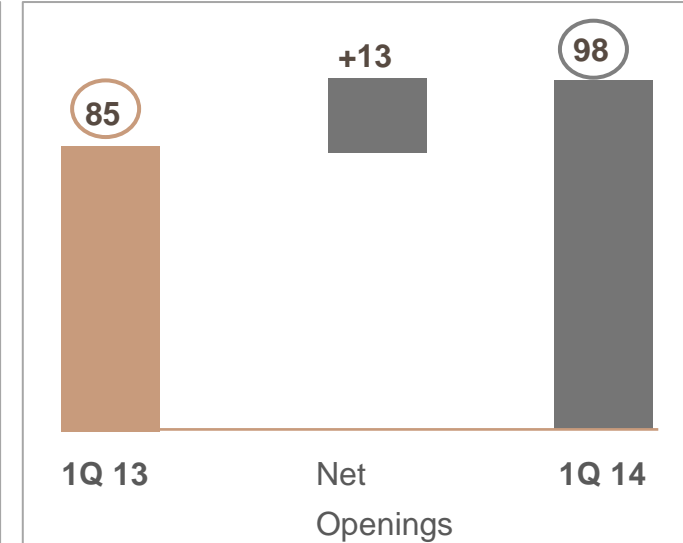
DOS Network



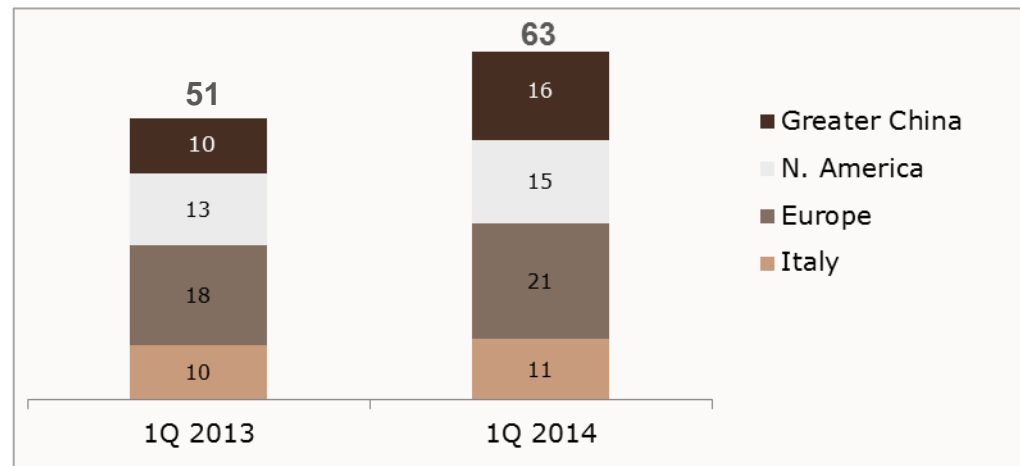
Wholesale Monobrand Network



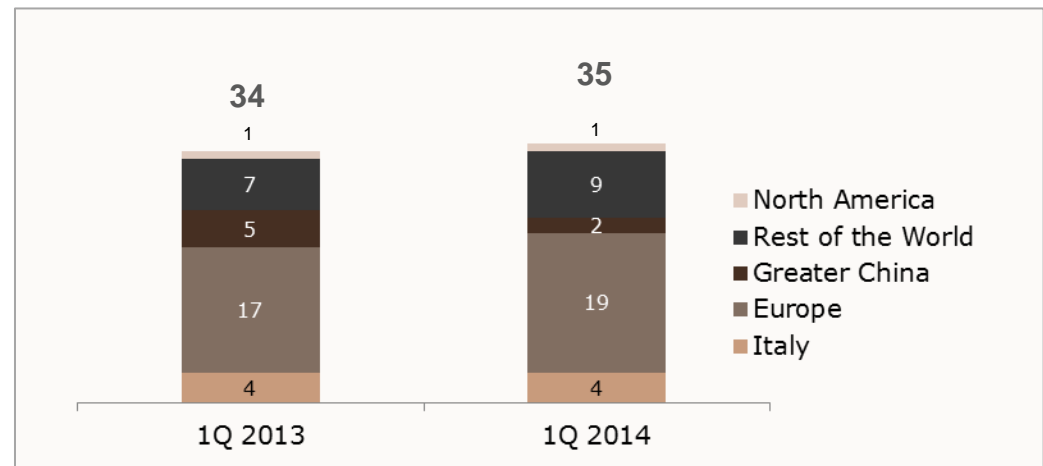
Total Monobrand Network



DOS Network by Countries

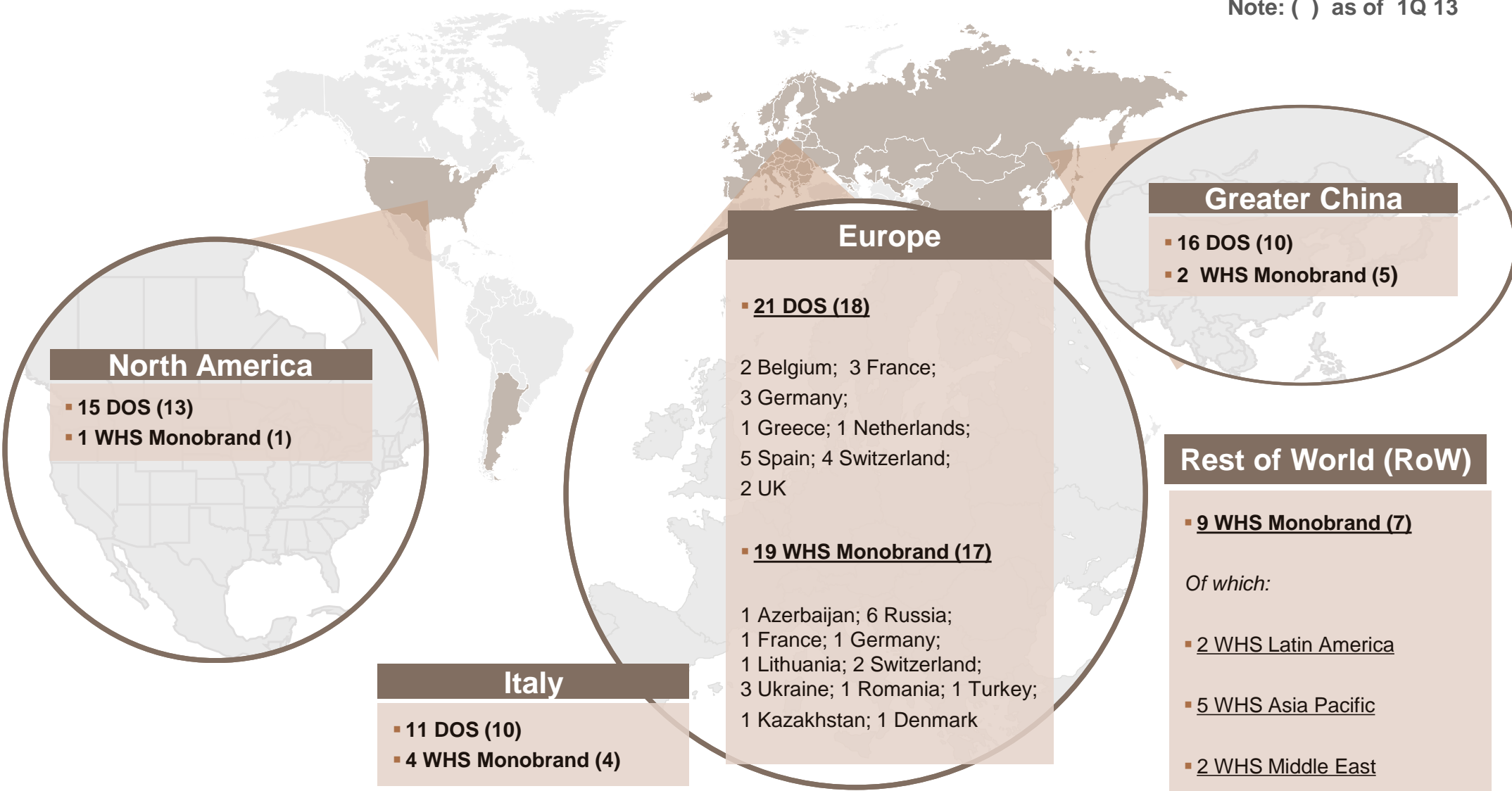


Wholesale Monobrand Network by Countries



Stores Network as of 03/31/14

Note: () as of 1Q 13



Multibrand Channel



Results achieved in the quarter confirm:

- the extreme attractiveness of the most prestigious luxury department stores
- the exciting allure in the leading cities and resorts of consolidated markets and emerging markets
- importance of multibrand boutiques in all geographical areas

Income Statement

€ mln

	1Q 2013	1Q 2014	% Chg
Net Revenues	88,8	99,6	+ 12,2%
Other operating income	1,1	1,2	+ 10,4%
Revenues	89,9	100,8	+ 12,1%
First Margin	49,5	56,7	+ 14,7%
%	55,0%	56,3%	+ 130 b.p.
SG&A	-33,4	-38,5	+ 15,3%
%	37,1%	38,2%	+ 110 b.p.
EBITDA	16,1	18,3	+ 13,5%
%	17,9%	18,1%	+ 20 b.p.
D&A	-2,5	-3,1	+ 22,0%
%	2,8%	3,0%	+ 20 b.p.
EBIT	13,6	15,2	+ 11,9%
%	15,1%	15,1%	-
Income before taxation	13,1	14,5	+ 10,5%
Net Income	8,8	9,6	+ 8,7%
%	9,8%	9,5%	- 30 b.p.

Other Operating Income

1Q 13 – including capital gain equal to €0.83€mln, related the sale of the trademarks “Solomei”, “Solomeo” and relative coat of arms to Fedone S.r.l.

1Q 14 – including capital gain equal to €0.75mln, related the sale of non-strategic industrial building, not included in Company Manufacturing and Logistic Area

- Group's quarterly results are impacted by seasonal effects, typical of our industry, and therefore cannot be projected as full year trend.

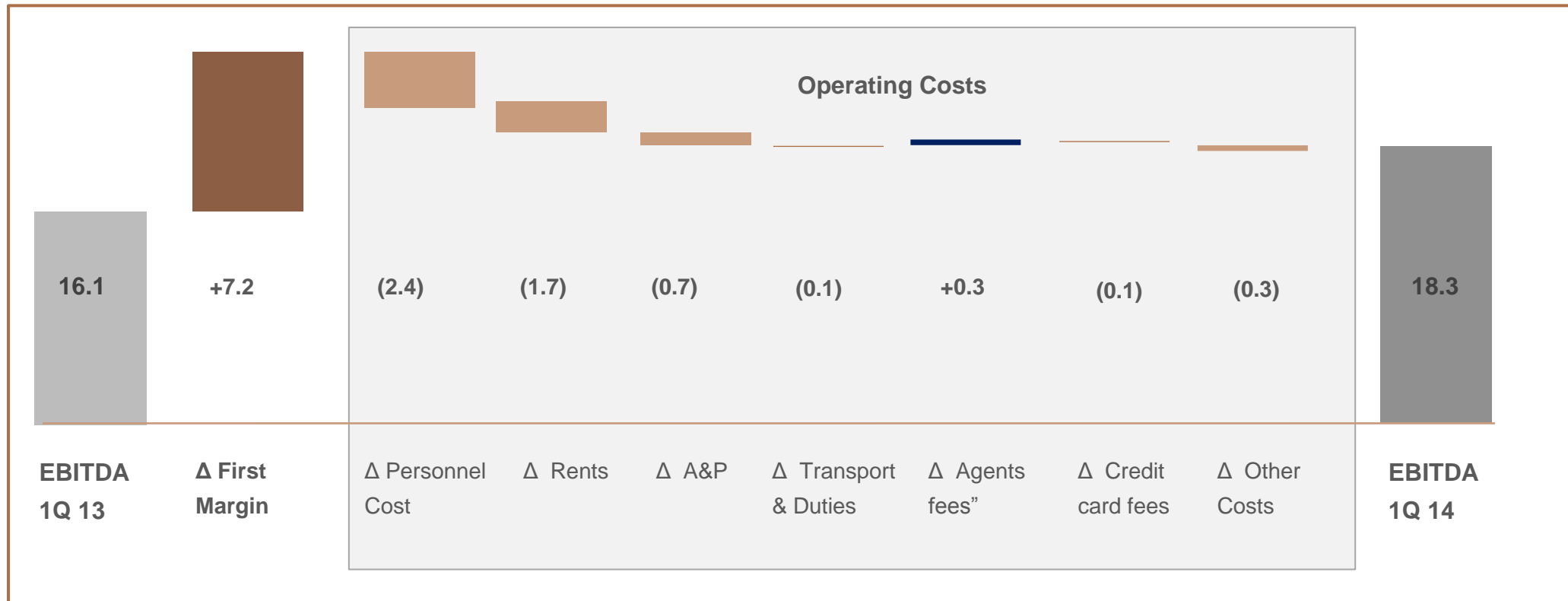
- First Margin includes raw material consumptions, third party manufacturing and R&D costs.



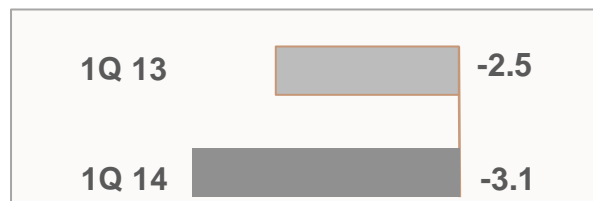
EBITDA & Key Income Statement Analysis

€ mln

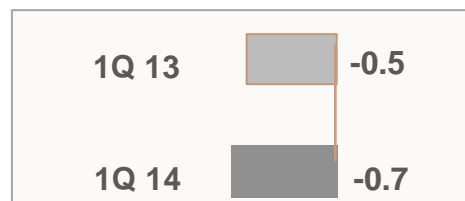
EBITDA Analysis



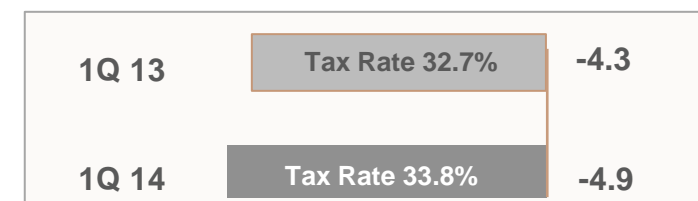
Depreciation & Amortization



Financial Expenses



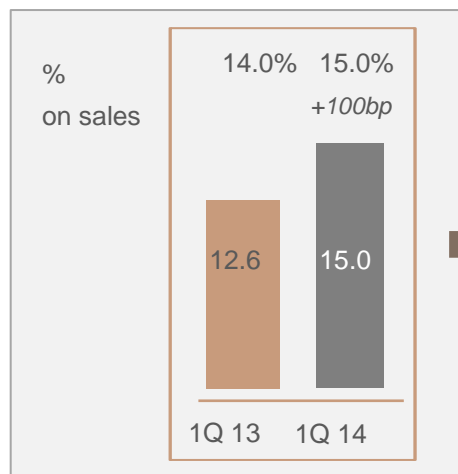
Taxes



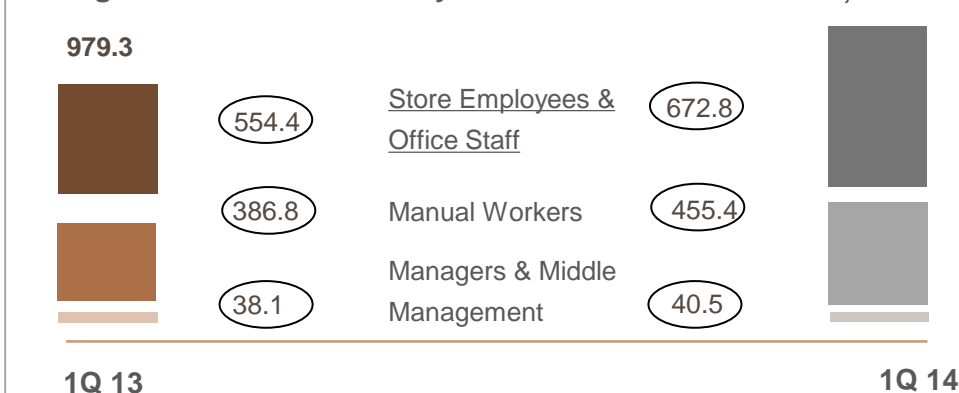
Personnel and Rent Costs

€ mln

Personnel Cost



Average FTE - Workforce Analysis

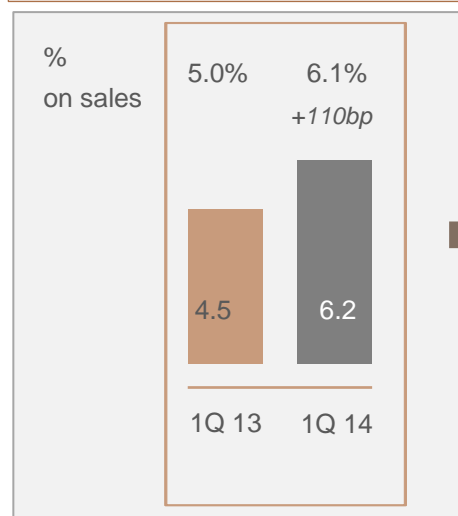


SG&A increase +110 bp

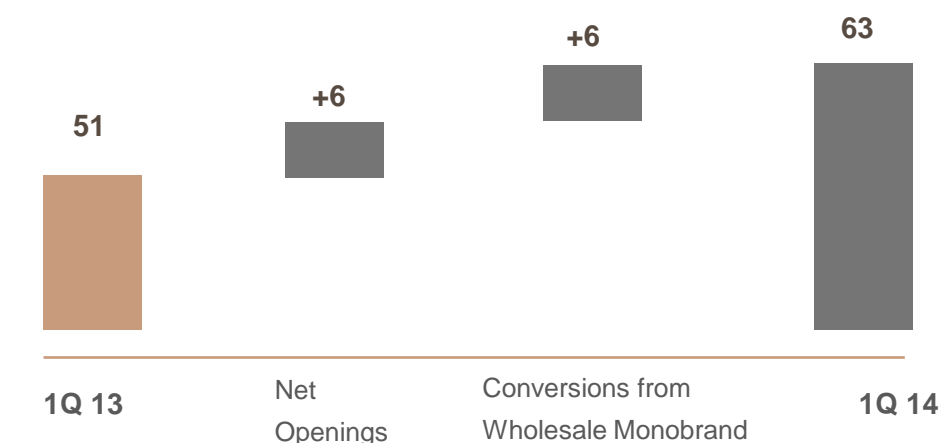
(from 37.1% to 38.2% on total sales):

- Increase of related cost for network development (Personnel & Rent): +210 bp

Rents



DOS Network – from 31/03/13 to 31/10/14



Personnel Cost

+100 bp, related increase in Store Employees & Office Staff (new boutique openings) and Manual Workers (d'Avenza know how and tailors acquired)

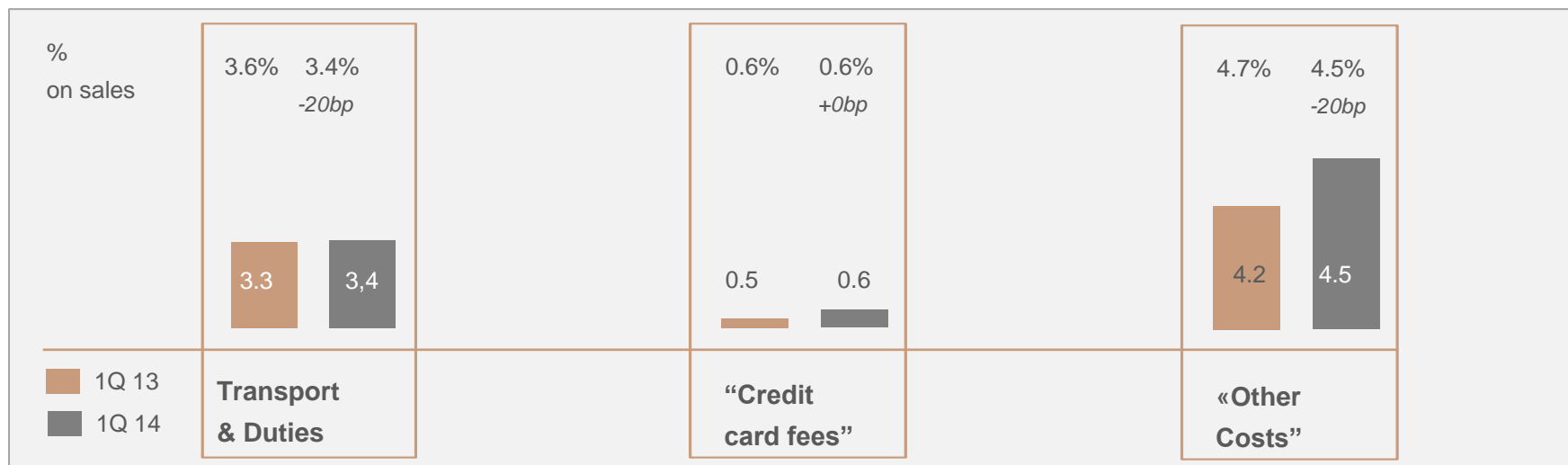
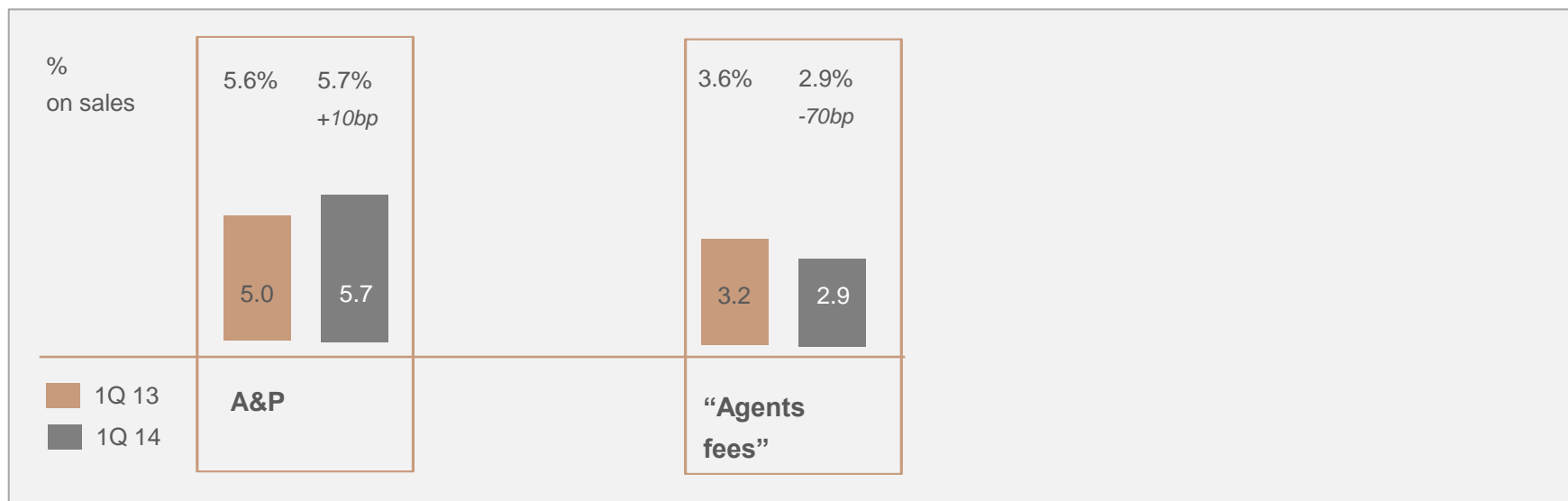
Rent Cost

+110 bp due to selected and prestigious boutiques development

- Offset by decrease in other operating costs (-100 bp), from 18.1% to 17,1%

Analysis of other Operating Costs

€ mln

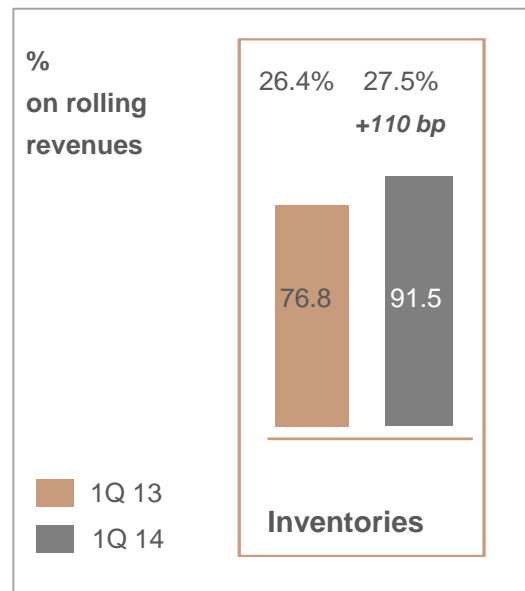


Net Working Capital

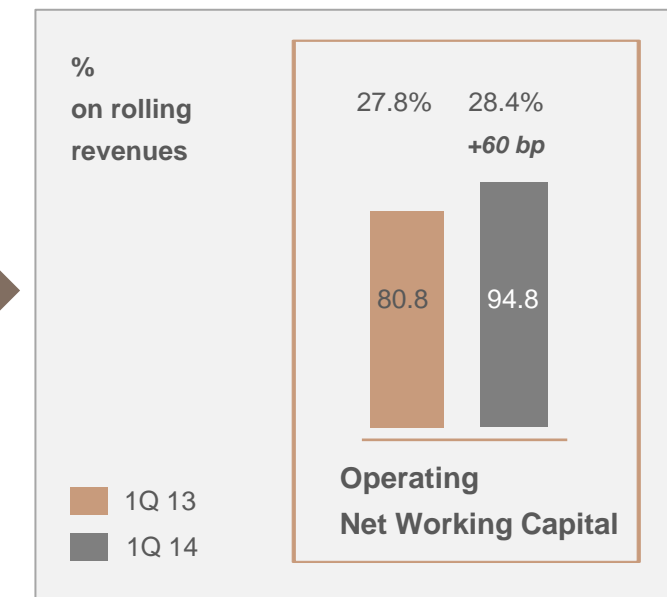
€ mln

	1Q 13	1Q 14	delta
Net Working Capital	70,2	89,4	19,2
- Trade Receivables	58,3	59,8	1,5
- Inventories	76,8	91,5	14,8
- Trade Payables	-54,3	-56,6	-2,3
- Other Credits/(Debts)	-10,6	-5,4	5,2

**Operating
Net Working Capital**



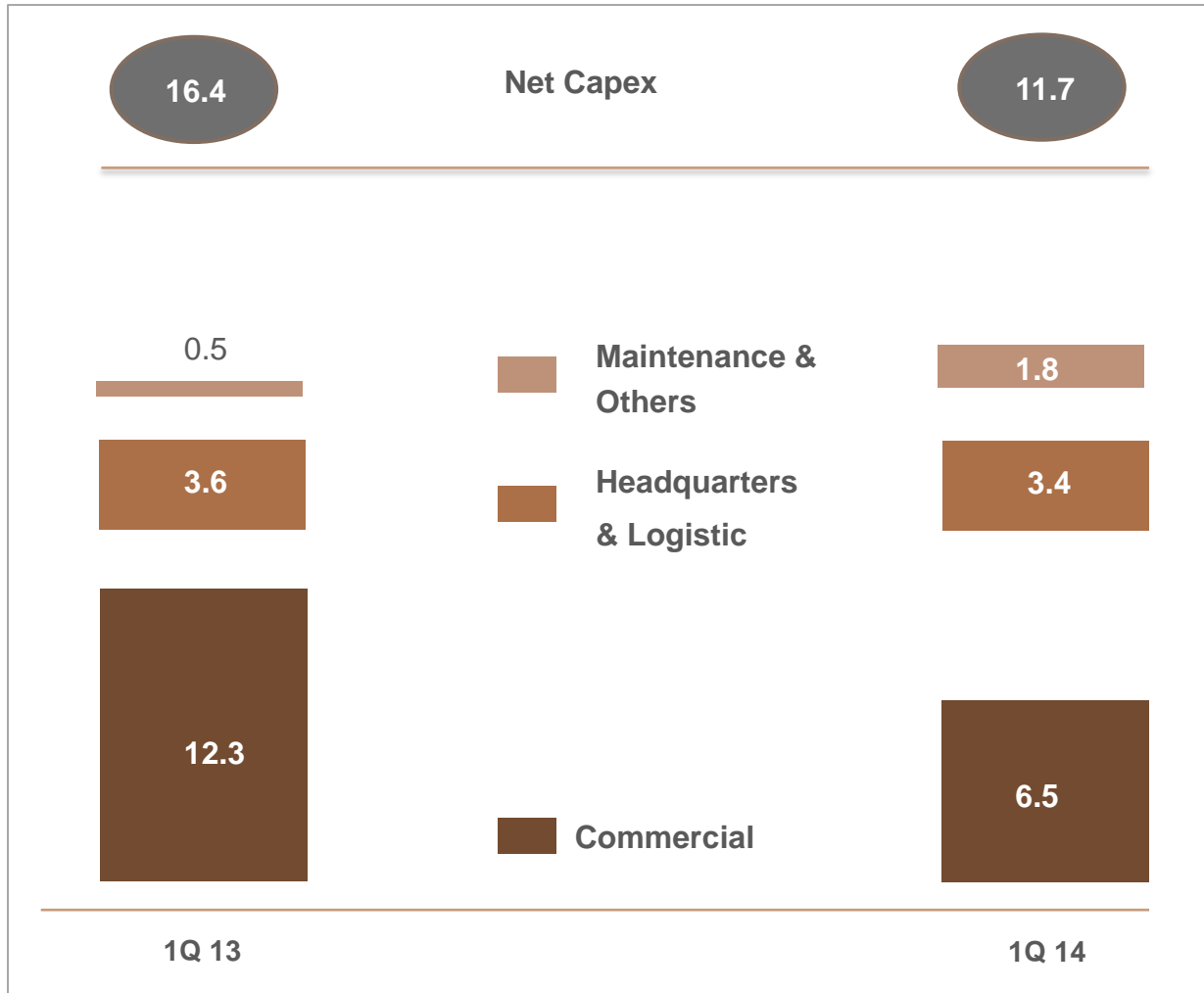
- ✓ **Structural increase in inventories**
 - Business growth
 - development of Retail Network
- ✓ **Sound working capital management**
 - Operating Net Working Capital increase limited to +60 bp from 27.8% of turnover (as of 31st march, 2013) to 28.4% (as of 31st march, 2014)



Capex Analysis

€ mln

Capex Breakdown Analysis & Trend



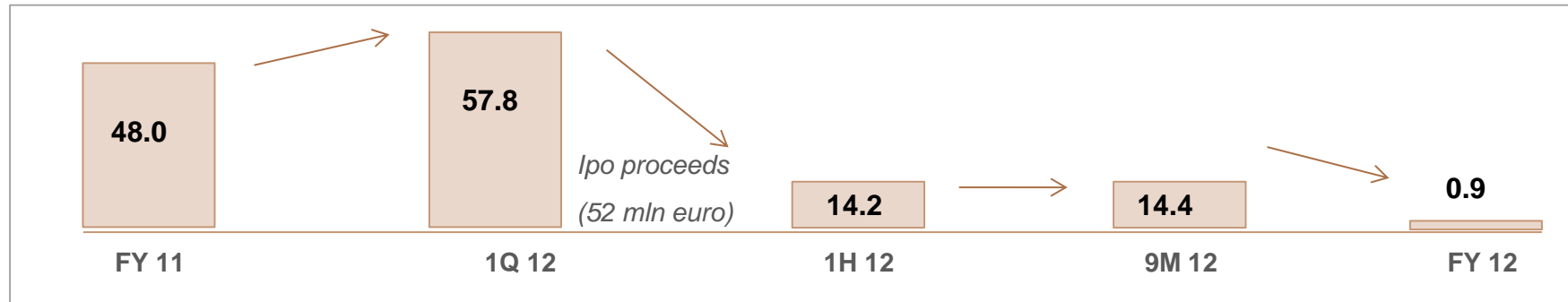
- ✓ **Net Capital Expenditure of 11.7€ m, following 66€ mln already invested in the last 2 years**
- ✓ **Commercial Capex**
 - Selected development of DOS boutiques
 - Expanding selling surface in most important Luxury Department Stores
 - International show-rooms and others
- ✓ **Headquarters & Logistic**
 - Extension of the factory in Solomeo, to cater for company needs for the next few years
 - The company has been using the new developed area since April; process will be completed in next months

Analysis of Net Financial Position

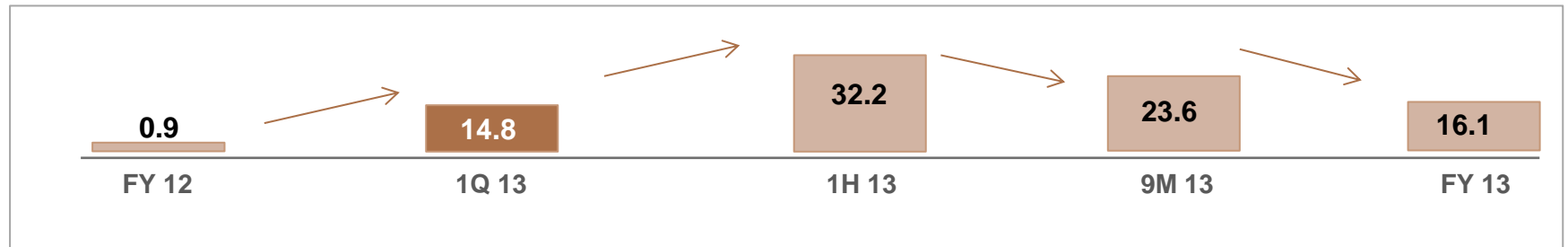
€ mln

Net Debt Evolution

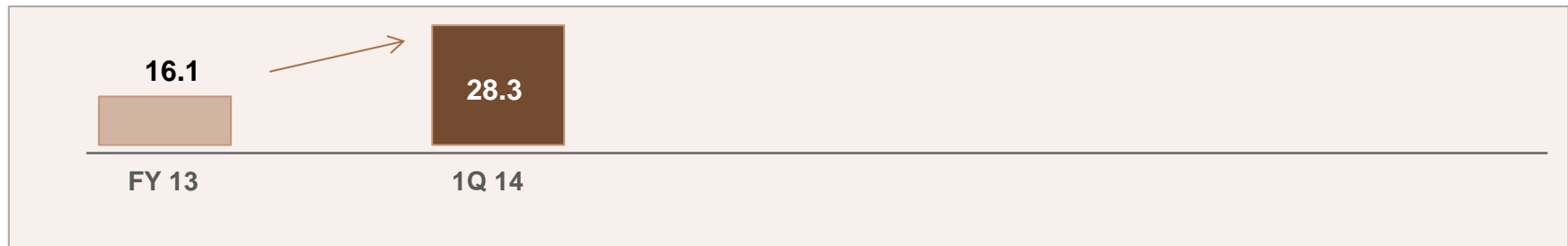
FY 2012



FY 2013



FY 2014





BRUNELLO CUCINELLI



Annex

Detailed Income Statement

€ mln	1Q 2013	1Q 2014
Net Revenues	88,8	99,6
Other operating income	1,0	1,2
Revenues	89,9	100,8
Consumption Costs	(22,7)	(23,2)
<i>Raw Material Cost</i>	(17,8)	(19,6)
<i>Inventories Change</i>	(4,8)	(3,6)
Outsourced Manufacturing	(17,8)	(20,8)
First Margin	49,5	56,7
Services Costs (excl. Out. Manuf.)	(20,4)	(22,9)
Personnel costs	(12,6)	(15,1)
Other operating costs	(0,3)	(0,6)
Increase in tangible assets	0,2	0,3
Bad Debt and other provisions	(0,3)	(0,3)
EBITDA	16,1	18,3
D&A	(2,5)	(3,1)
EBIT	13,6	15,2
Financial expenses	(1,9)	(1,8)
Financial income	1,4	1,1
EBT	13,1	14,5
Income taxes	(4,3)	(4,9)
<i>Tax rate</i>	<i>32,7%</i>	<i>33,8%</i>
Net Income	8,8	9,6
Minority Interest	0,0	(0,2)
Group Net Profit	8,8	9,7

Detailed Balance Sheet & Cash Flow Statement

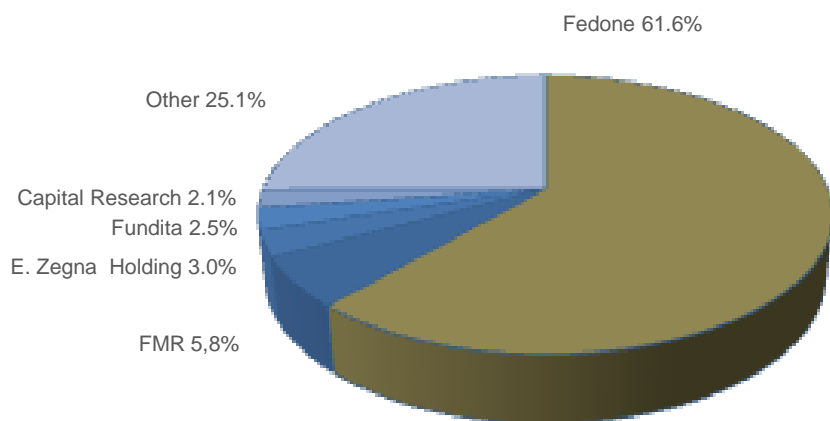
<i>€ mln</i>	1Q 2013	1Q 2014
Trade receivables	58,3	59,8
Inventories	76,8	91,5
Trade payables (-)	(54,3)	(56,6)
Other current assets/(liabilities)	(10,6)	(5,4)
Net Working Capital	70,2	89,4
Intangible assets	26,0	30,3
Tangible assets	46,5	63,4
Financial assets	3,3	4,0
Total Assets	75,8	97,7
Other assets/(liabilities)	(1,2)	(0,9)
Net Invested Capital	144,8	186,1
Cash & Cash equivalents (-)	(38,5)	(42,5)
Short term Debt	39,8	48,9
Long term Debt	13,5	21,9
Net Financial Position	14,8	28,3
Shareholders Capital	13,6	13,6
Share-premium Reserve	57,9	57,9
Reserves	45,3	69,9
Group Net Profit	8,8	9,7
Group Equity	125,6	151,2
Minority shareholders	4,3	6,7
Total Equity	129,9	157,8
Total Funds	144,8	186,1

<i>€ mln</i>	1Q 2013	1Q 2014
Net Income	8,8	9,6
D&A	2,5	3,1
Ch. In NWC and other	(16,2)	(19,8)
Cash flow from operations	(4,8)	(7,2)
Tangible and intangible investments	(7,4)	(8,2)
Other (investments)/divestments	(3,8)	0,4
Cash flow from investments	(11,2)	(7,8)
Dividends	0,0	0,0
Share capital and reserves increase	2,4	3,3
Net change in financial debt	12,0	15,5
Total Cash Flow	(1,6)	3,9

Investor Relations

Shareholdings

Fedone s.r.l.	61.6%
Ermenegildo Zegna Holding s.p.a.	3.0%
Fundita s.r.l.	2.5%
FMR LLC	5.8%
Capital Research & Mgmt. Company	2.1%
Other	25.1%



Total n° of shares: 68,000,000

Board of Directors

Brunello Cucinelli	Chairman and C.E.O
Moreno Ciarapica	Director and C.F.O.
Giovanna Manfredi	Director
Riccardo Stefanelli	Director
Camilla Cucinelli	Director
Giuseppe Labianca	Director
Candice Koo	Independent Director
Andrea Pontremoli	Lead Independent Director
Matteo Marzotto	Independent Director

Investor Relations

Pietro Arnaboldi

Mail: pietro.arnaboldi@brunellocucinelli.it

Tel. +39 075 6970079

Brunello Cucinelli S.p.A.

Via dell'Industria, 5

Solomeo (PG)

Italia

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Figures as absolute values and in percentages are calculated using precise financial data. Some of the differences found in this presentation are due to rounding of the values expressed in millions of Euro.

