



BRUNELLO CUCINELLI



1st Half 2015 Results

August 26th, 2015

1st Half 2015 - Highlights

First Half Results confirms the highly positive atmosphere surrounding the brand, identified as the expression of absolute luxury, founded on exclusivity, uniqueness, supreme quality, craftsmanship and a Made in Italy product, all within a prêt-à-porter proposal and a sophisticated concept of contemporary lifestyle.

✓ Net Revenues (€200.3mIn) +13.9%* ** Performance at current exchange rates*

✓ International markets in expansion by 17.1% (North America +25.8%, Europe +5.3%, Greater China +14.5%, Rest of the World +36.0%); Italian market +1.8%; Retail monobrand +36.0%, wholesale monobrand +0.6% (+4.1% excluding conversions to the direct channel), wholesale multibrand +2.2%.

✓ EBITDA (€33.4mIn) +11.8%** *** Compared with 1H 14 EBITDA Adjusted*

✓ Net Profit (€15.5mIn) +2.7%*** **** Compared with 1H 14 Net Profit Adjusted*

✓ Investment Plan: €20.7mIn in 1st Half 2015 (€37.9mIn in the last 12 months)

✓ Net Debt at €78.3mIn (€46.1mIn as of 06/30/14)



AW 15 – Women's Collection

Boutiques Network Highlights

Selected Distribution: 115 Monobrand Stores (102 Monobrand Stores as of 06/30/14 and 105 boutiques as of 01/01/15)

79 DOS network

(vs. 65 boutiques as of June '14; 71 boutiques as of 01/01/15)

- +11 net openings over the last 12 months
- +3 conversions from wholesale Monobrand Network

36 Wholesale Monobrand

(vs. 37 boutiques as of June '14; 34 boutiques as of 01/01/15)

- +2 net openings over the last 12 months
- 3 conversions to DOS

10 Monobrand openings since January 1st 2015

including New York Soho, Paris Rue Francois 1er, Montecarlo,

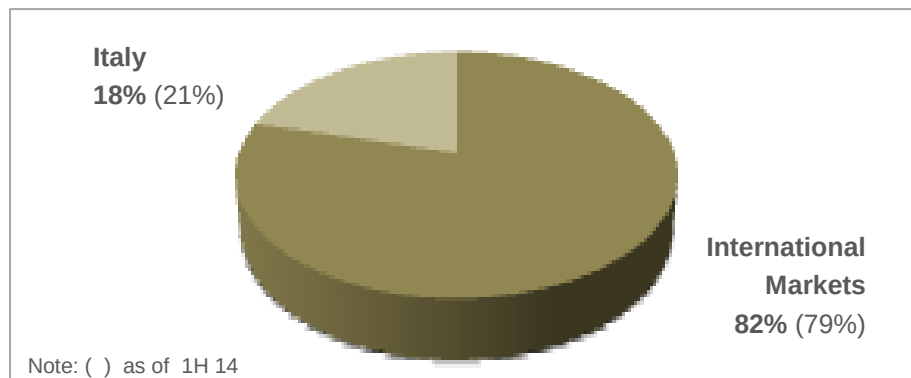


Revenues by Region

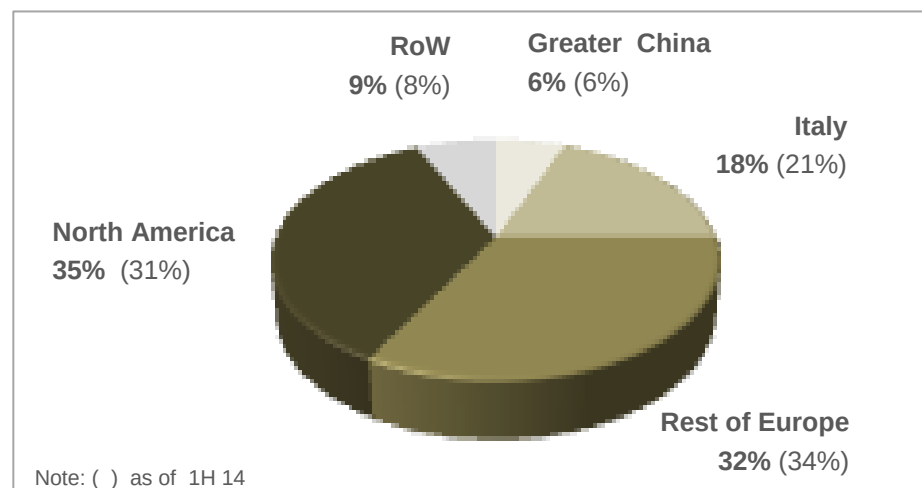
€ mln

	1H 14	1H 15	YoY % Chg
Net Revenues	175.8	200.3	+13.9%
			<i>Constant exchange rates</i> +9.3%
International Markets	139.6	163.4	+17.1%
North America	55.4	69.7	+25.8%
Rest of Europe	60.0	63.2	+5.3%
Greater China	10.4	11.9	+14.5%
RoW	13.7	18.7	+36.0%
Italy	36.3	36.9	+1.8%

International Markets revenues



Breakdown by countries



Highlights by Region

North America

- Significant growth in the direct channel supported by the increase in existing boutiques coupled with the positive contribution of the 5 openings in the last 12 months
- Rising demand for exclusive prêt-à-porter by Luxury Department Stores who allocated to the “Brunello Cucinelli” brand additional prestigious selling spaces.

Greater China

- Growth normalization, with the increase driven by the performance in both Mainland China and Greater China
- Group’s exclusive presence and sophisticated top-end customers support the growth

Italy

- Solid top-end tourist flows in our boutiques and luxury multibrand stores, and purchases by local customers supported results
- Further growth in tourist flows of top-end consumers towards the most exclusive locations

Rest of Europe

- Sales increase in existing spaces and positive contribution made by the 5 selected openings of 2015
- Solid results in Russia
- Further increase over the previous quarter of top-end tourist flows towards the most exclusive locations

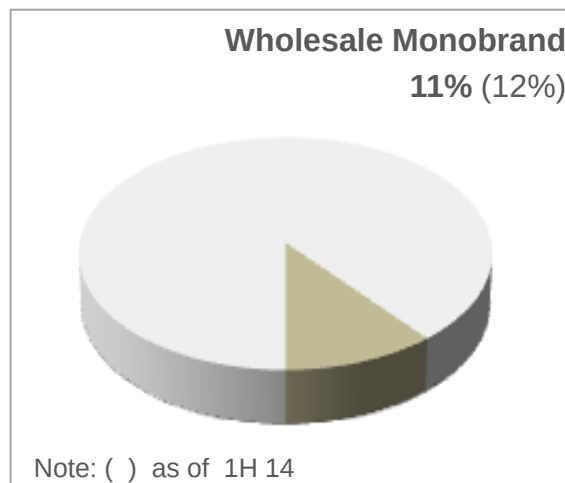
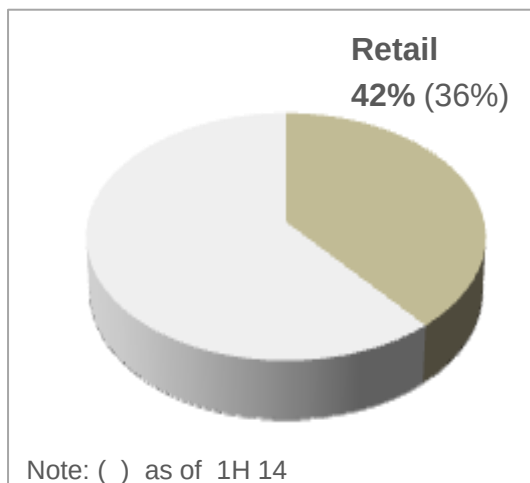
Rest of the World

- Sales affected by the conversion of the business in Japan to retail mgmt. from 1st Sept. '14 which explains acceleration in growth performance over the past 3 months
- 1H 2014 characterized by deliveries of the SS collection to whls. monobrand and multibrand (sell-in); such deliveries contributed in 1H 2015 to sell-out of the converted spaces

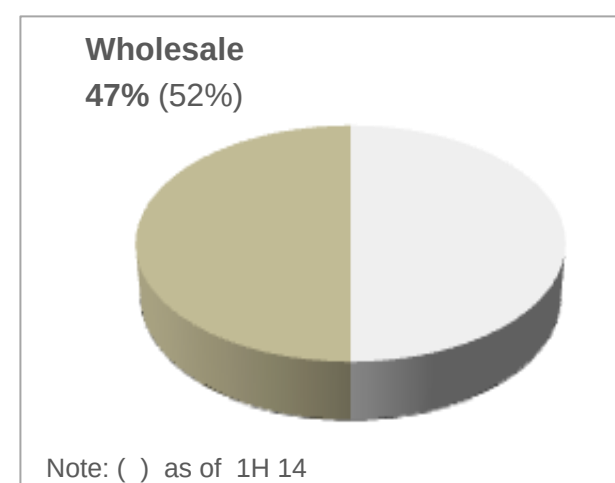
Revenues by Distribution Channel

€ mln

Monobrand



Multibrand



	1H 14	1H 15	% Chg
Retail Monobrand	62.4	84.8	+36.0%
Wholesale Monobrand*	21.8	22.0	+0.6%

*Adjusted

Wholesale Monobrand +4.1%

	1H 14	1H 15	% Chg
Wholesale Multibrand	91.6	93.6	+2.2%



Trend affected by the conversion to the retail channel of 13 dedicated spaces in the Japanese Luxury Department Stores, from 1st September 2014

* Whl. Monobrand performance excluding the conversions to the direct channel

Monobrand Channel



Monobrand Channel – Top Line growth drivers

- Positive LFL* performance (+5.1% in the first 33 weeks of 2015)
- Exclusive boutique openings (13 monobrand boutiques in the last 12 months)
- Positive impact from 13 hard-shop Luxury Dept. Store conversions in Japan since September 1st 2014
- Monobrand network with 115 boutiques as of June '15 (102 boutiques as of June '14)



Monobrand Network: 115 boutiques (as of 06/30/2015)

- ✓ DOS Network
79 Boutiques as of June '15 (65 as of June '14);
11 net openings and 3 conversions from wholesale monobrand
- ✓ Wholesale Monobrand
36 Boutiques as of June '15 (37 as of June '14);
2 net openings and 3 conversions into DOS

**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, 2014*

Selected Monobrand Boutiques Openings

Some of selected monobrand boutiques openings in the last 12 months (July '14 – June '15)



Singapore – monobr. whl. opening in Jan. '15



New York Soho – DOS opening in March '15



Paris Rue Francois 1er – DOS opening in March '15

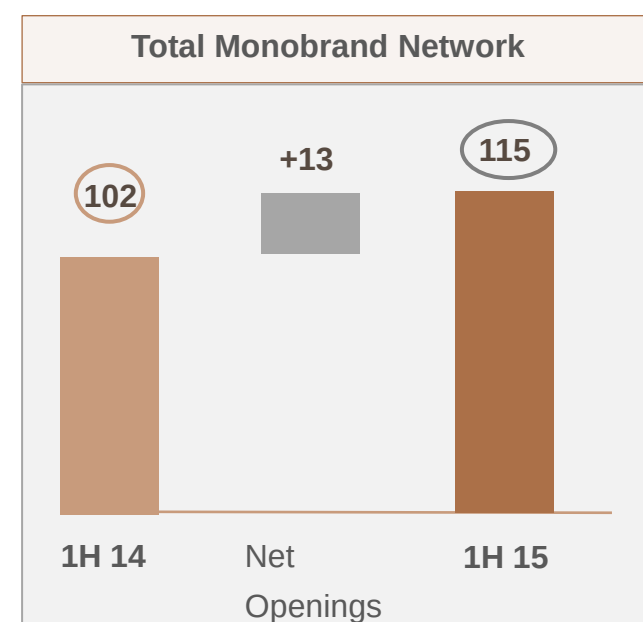
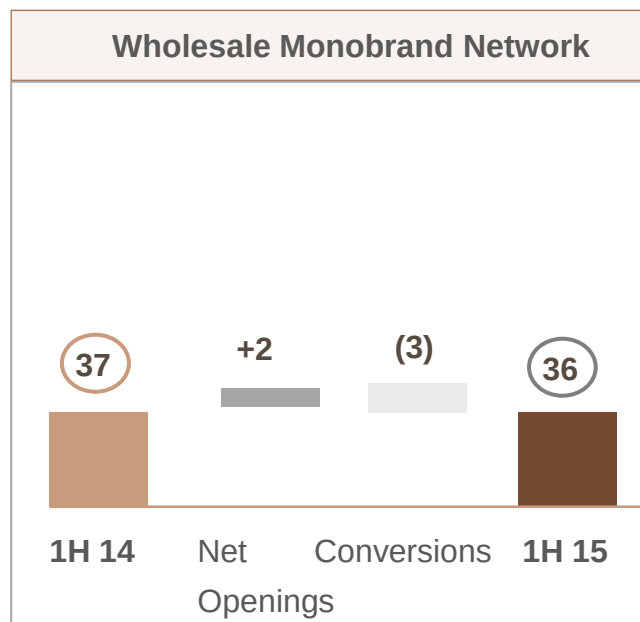
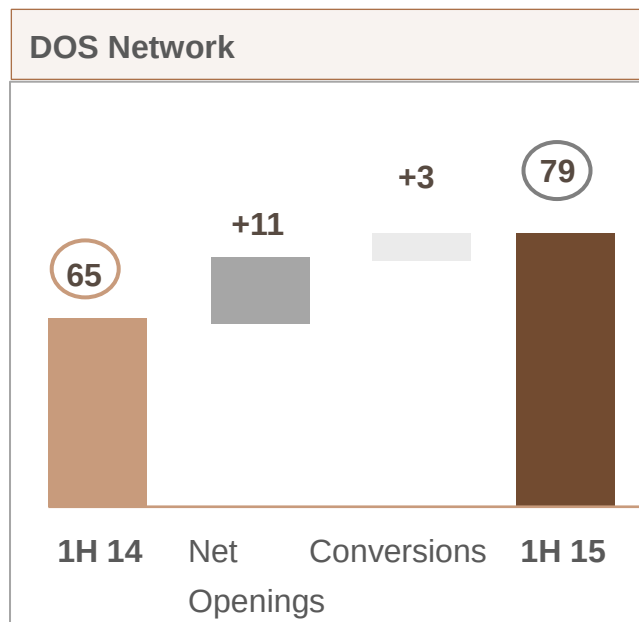


Montecarlo – DOS opening in April '15

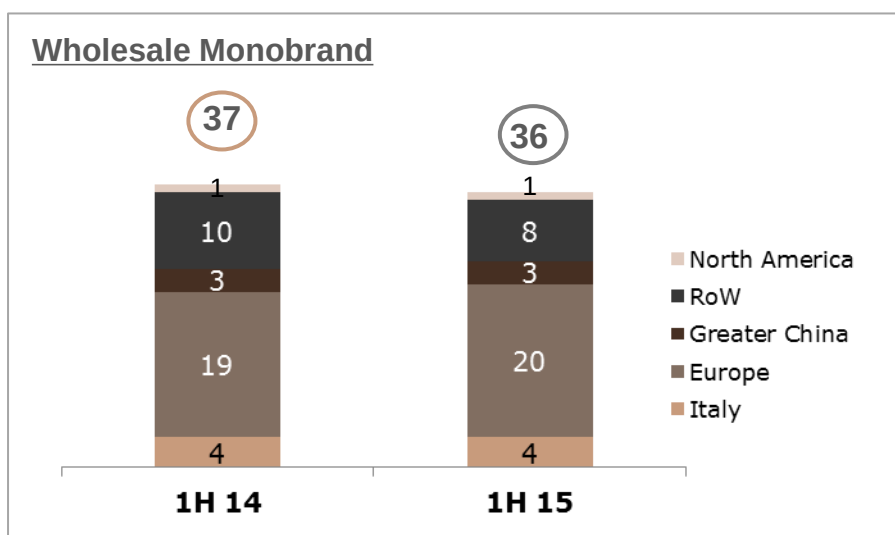
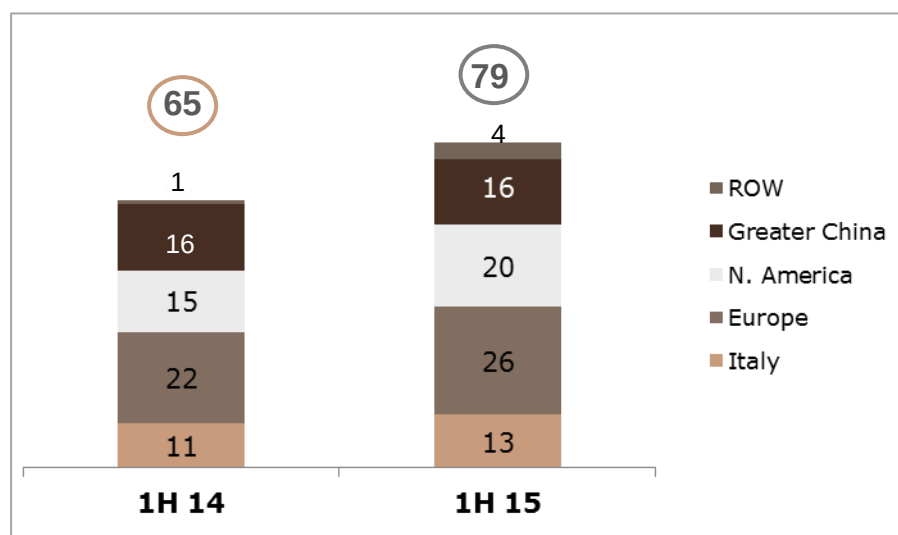


Dusseldorf – DOS openings in May '15

Boutiques Network (from 06/30/14 to 06/30/15)

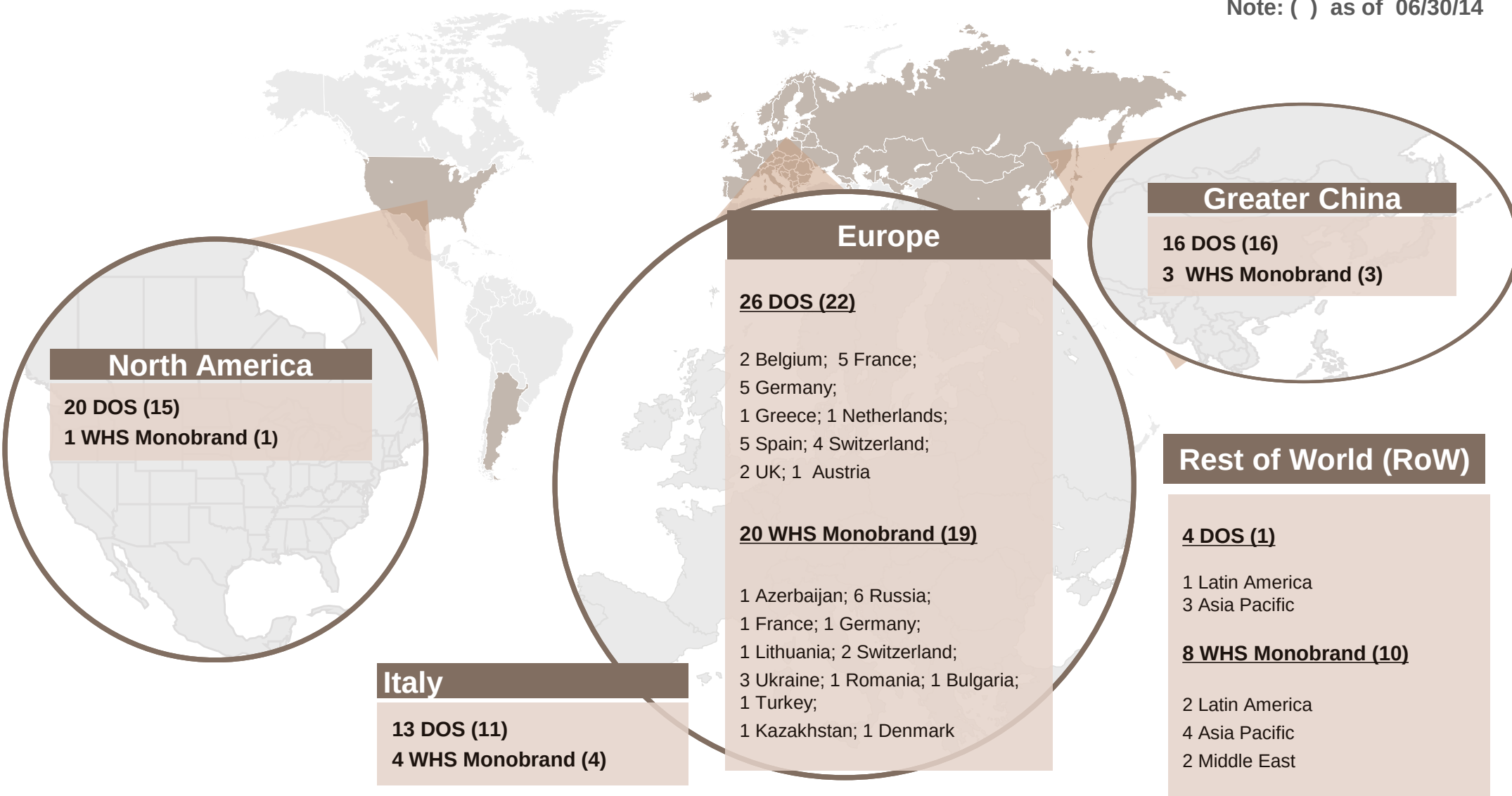


**Network
by Countries**



Monobrand Boutiques Network as of 06/30/15

Note: () as of 06/30/14



Multibrand Channel



- With a rising demand for exclusive prêt-à-porter items, Luxury Department Stores have increased their offer to top-end customers and allocated to the “Brunello Cucinelli” brand additional prestigious selling spaces

- Positive sell-out results relating Autumn/Winter 15 collections, both in the most exclusive spaces of Luxury Department Stores and in the prestigious multibrand boutiques

- The performance of the order collection of Men's and Women's Spring/Summer 2016 is confirming the very positive feedback received from experts and international press

Income Statement

€ mln

	1H 2014	1H 2015	% Chg
Net Revenues	175.8	200.3	+ 13.9%
Other operating income	1.2	0.3	- 74.1%
Revenues	177.0	200.6	+ 13.3%
First Margin	106.3	128.2	+ 20.6%
%	60.0%	63.9%	+ 390 b.p.
SG&A	-75.7	-94.8	+ 25.3%
%	42.7%	47.3%	+ 450 b.p.
EBITDA	30.6	33.4	+ 9.0%
%	17.3%	16.6%	- 70 b.p.
D&A	-6.3	-8.5	+ 35.0%
%	3.6%	4.3%	+ 70 b.p.
EBIT	24.3	24.9	+ 2.3%
%	13.7%	12.4%	- 130 b.p.
Income before taxation	23.0	22.3	- 3.0%
Net Income	15.6	15.5	- 0.7%
%	8.8%	7.7%	- 110 b.p.

	1H 14 adj.*	1H 15	% Chg
Net Revenues	175.8	200.3	+ 13.9%
Other operating income	0.5	0.3	- 31.9%
Revenues	176.3	200.6	+ 13.8%
First Margin	105.5	128.2	+ 21.5%
%	59.9%	63.9%	+ 400 b.p.
SG&A	-75.7	-94.8	+ 25.3%
%	43.0%	47.3%	+ 430 b.p.
EBITDA	29.9	33.4	+ 11.8%
%	16.9%	16.6%	- 30 b.p.
D&A	-6.3	-8.5	+ 35.0%
%	3.6%	4.3%	+ 70 b.p.
EBIT	23.5	24.9	+ 5.6%
%	13.4%	12.4%	- 100 b.p.
Income before taxation	22.3	22.3	+ 0.3%
Net Income	15.1	15.5	+ 2.7%
%	8.6%	7.7%	- 80 b.p.

*** 1H 14 Adjusted**
calculated excluding
a capital gain of
€0,76mln related to
the sale of
non-strategic
industrial building

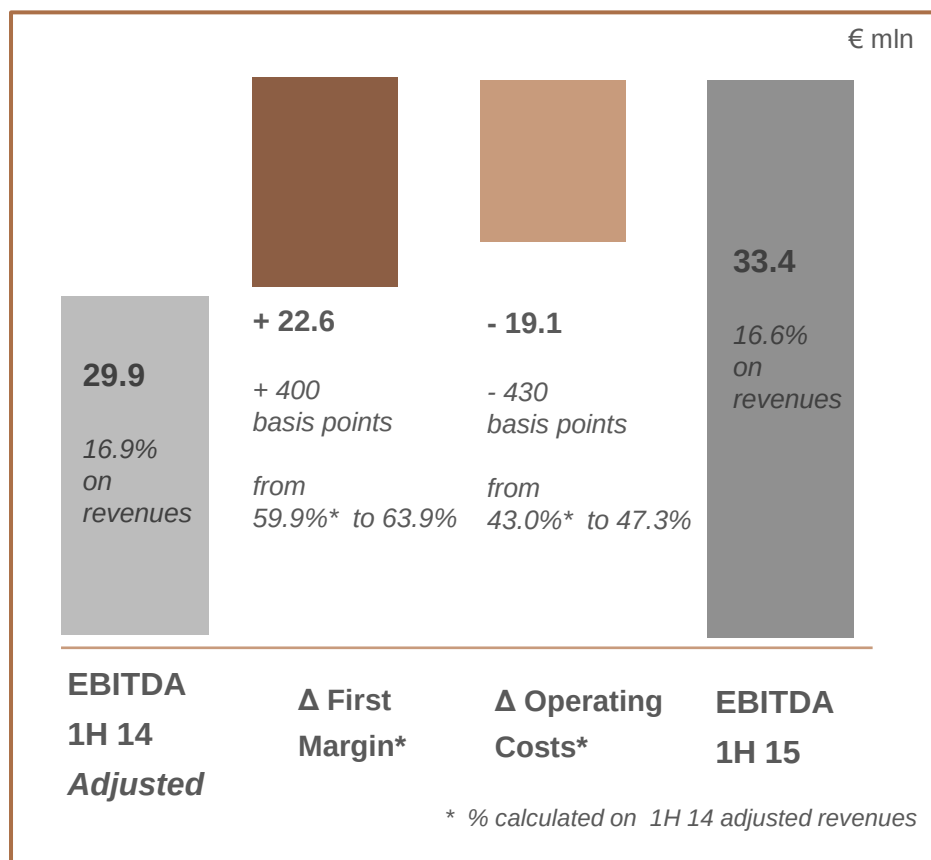
Group's quarterly results are impacted by seasonal effects, typical of our industry, and therefore cannot be projected as full year trend

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

EBITDA & Key Income Statement Analysis

€ mln

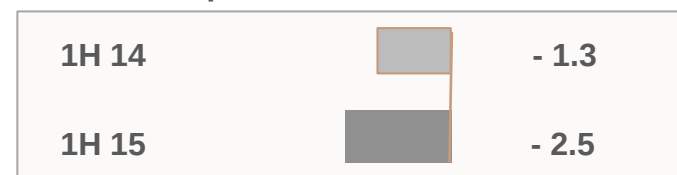
EBITDA Adjusted Analysis



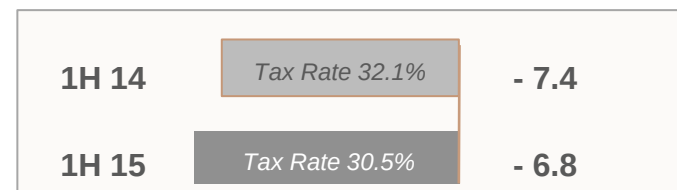
Depreciation & Amortization



Financial Expenses



Taxes



Increase in First Margin driven by channel mix, with retail sales moving up from 35.5% to 42.3% on total revenues, and could be affected by quarterly dynamics, not representative of FY trend

Increase in operating costs it's structural to the growth of business, network development, business conversion in Japan and renewal of some expiring leasing contracts

Personnel & Rent Costs

Personnel cost

from 16.7%* to 17.9% (+120 bp)

Rent cost

from 7.2%* to 11.0% (+380 bp)



Network Development

- New boutiques openings (+11)
- Japanese boutiques conversion (+3)
- Japanese hard shop conversion (+13)

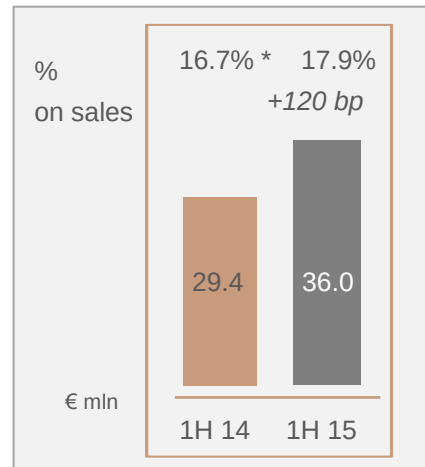
Business conversion in Japan

- Boutique and hard shop network
- Organizational structure
- New showrooms

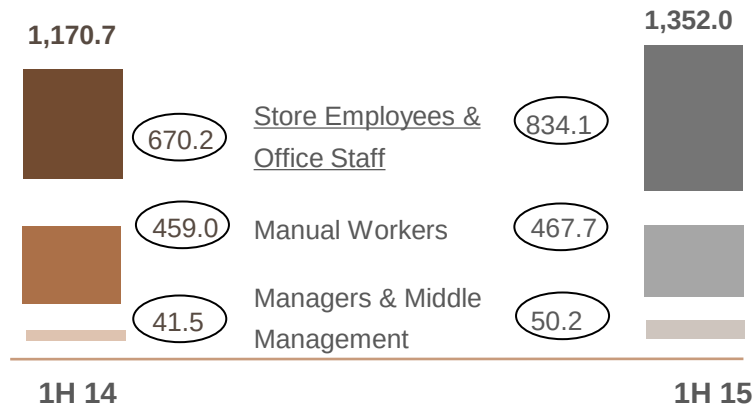
Renewal of some expiring lease contracts in the last 12 months

Increasing selling spaces for selected boutiques and relocation

Personnel cost

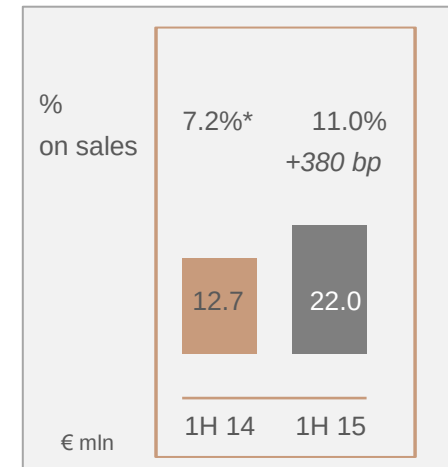


Average FTE - Workforce Analysis

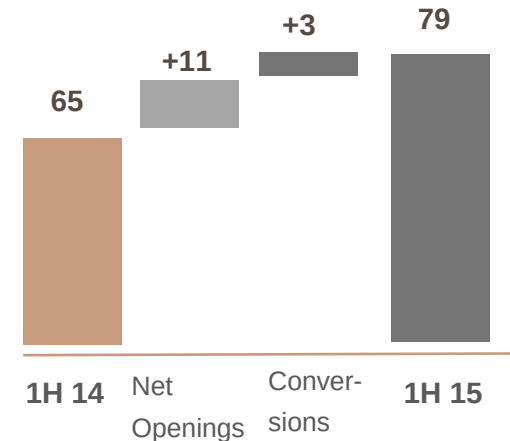


Rent cost

€ mln



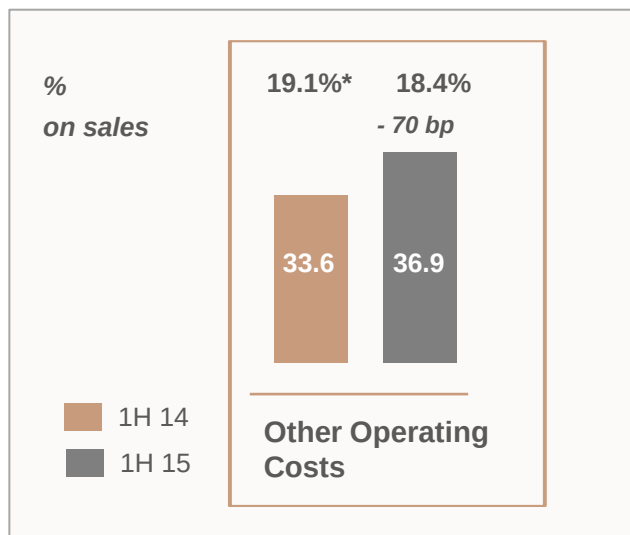
DOS Network – from 06/30/14 to 06/30/15



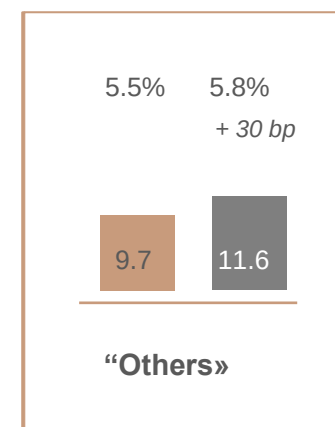
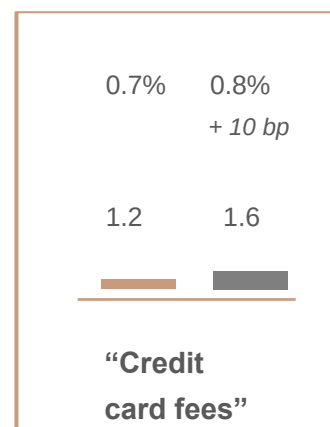
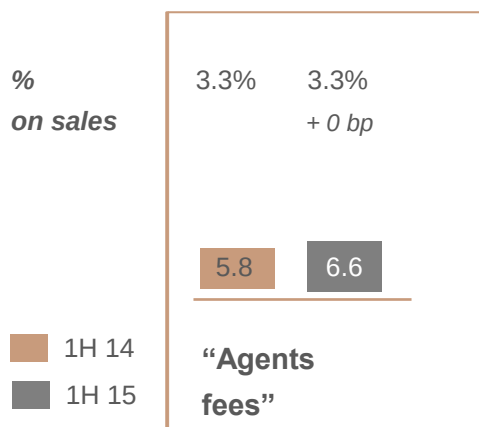
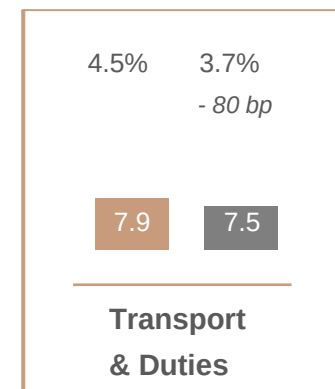
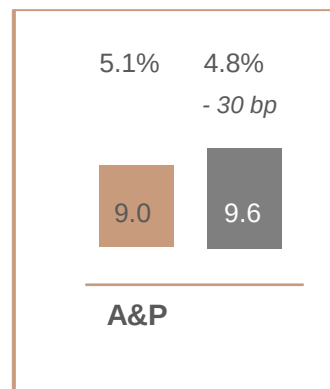
Other Operating Costs

€ mln

Other Operating Costs: decreasing % on sales (-70 basis points, from 19.1% to 18.4%)



* % calculated on
1H 14 adjusted revenues



Net Working Capital

€ mln

	1H 14	1H 15	delta	FY 14
Net Working Capital	96.7	122.5	25.8	97.5
- Trade Receivables	60.1	64.9	4.8	45.1
- Inventories	107.3	141.9	34.6	125.1
- Trade Payables	-62.5	-59.8	2.7	-62.2
- Other Credits/(Debts)	-8.2	-24.4	-16.2	-10.5

NWC increase
(+25,8€ mln) mainly
related to inventory
growth (+34.6€ mln)

Inventory

DOS Network increase
from 65 to 79 boutiques

- 11 net openings
- 3 conversions in Japan

Japan Business Conversion
from whl. monobrand and
multibrand channel **to Retail mgmt.**
(since 1st September 2014),
including 13 hard-shops in Luxury
Dept. Stores

Trade Receivables & Payables

Trend related to
commercial business
development

Other Debts*

* Move to slide 21 for
some more comments

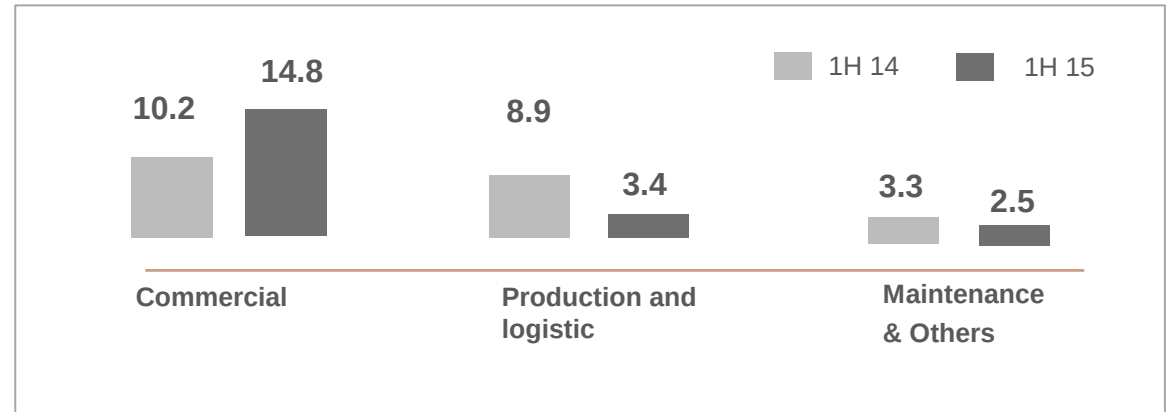
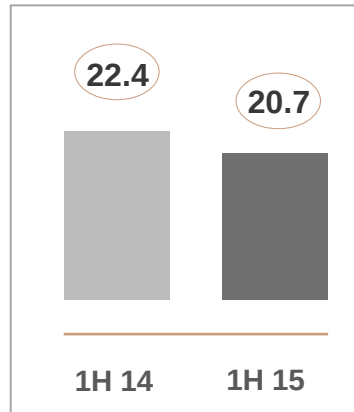
Increase* in “Other Debts” mainly related to
the fair value of the currency forwards
derivatives, underwritten as per the Company
standard practice at the time price lists are
defined and **with the only purpose to hedge
the non-euro commercial fx exposure.**



Capex Analysis

€ mln

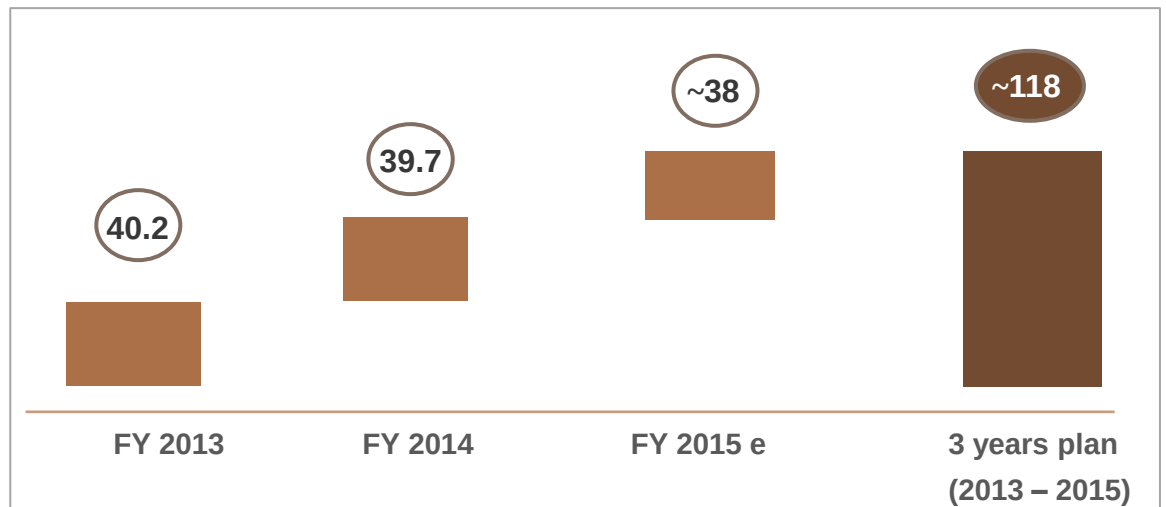
Capex – 1H 15 vs 1H 14



Multiyear Capex Project (2013 -2015)

CAPEX invested in the semester and in the last 12 months (37.9€ mln) as a part of 2013-2015 multiyear plan, ~118€ mln, structural to:

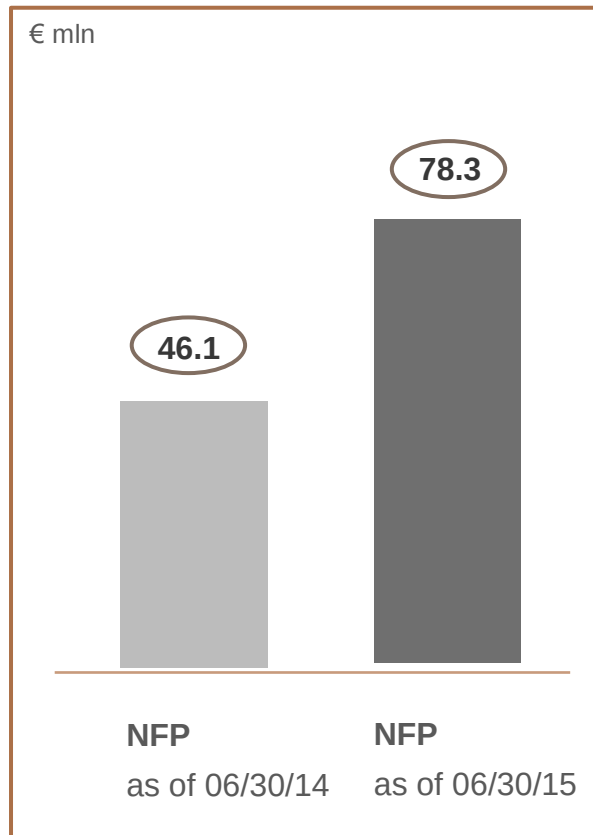
- exclusivity of its presence and positioning
- development of production infrastructure and extension of the industrial factory in Solomeo
- the technological and digital platform



Analysis of Net Financial Position

€ mln

Net Financial Position Evolution



Net Financial Position increase driven by:

NWC Increase

Structural increase in inventories, relating

- *Development of Network (DOS network from 65 to 79, including 11 net opening and 3 conversions)*
- *Japan Business Conversion (since 1st September 2014), including 13 hard-shops in Luxury Dept. Stores)*

On-going Investment Project

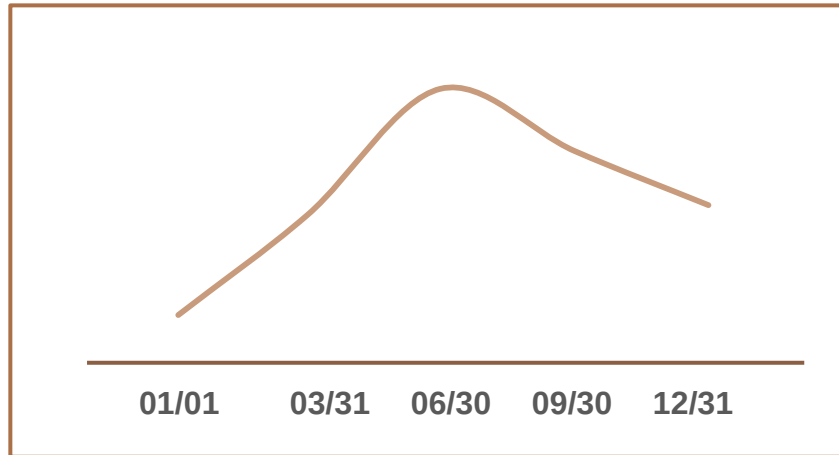
- Opening of monobrand boutiques and selective commercial presence in the market
- IT and Digital Platform Development

Business Seasonality , as showed in the following slide

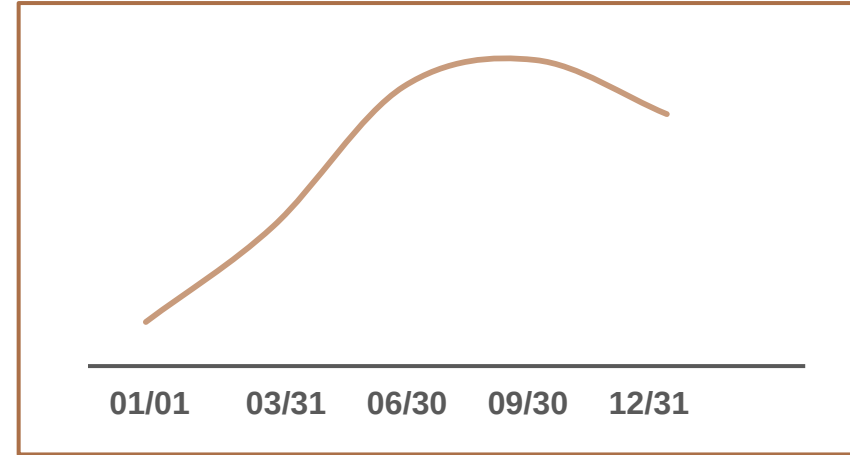
Net Financial Position Seasonality

€ mln

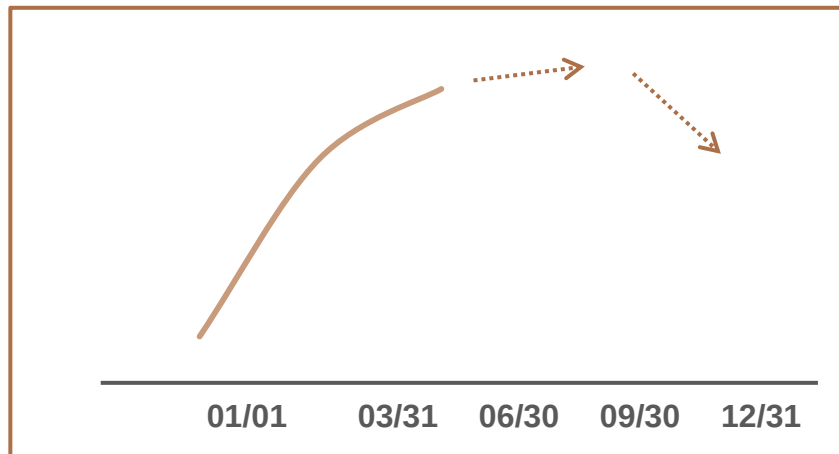
NFP seasonality in FY 2013



NFP seasonality in FY 2014



NFP seasonality in FY 2015 and trend expected



Business Seasonality

NFP trend during the year driven by business seasonality, reaching the peak between June and September, and declining in the last quarter of the year





BRUNELLO CUCINELLI



Annex

Detailed Income Statement

<i>€ mln</i>	1H 2014	1H 2015
Net Revenues	175.8	200.3
Other operating income	1.2	0.3
Revenues	177.0	200.6
Consumption Costs	(28.2)	(29.2)
<i>Raw Material Cost</i>	(40.0)	(42.1)
<i>Inventories Change</i>	11.8	13.0
Outsourced Manufacturing	(42.5)	(43.3)
First Margin	106.3	128.2
Services Costs (excl. Out. Manuf.)	(44.6)	(57.0)
Personnel costs	(29.4)	(36.0)
Other operating costs	(1.3)	(2.1)
Increase in tangible assets	0.5	0.6
Bad Debt and other provisions	(0.8)	(0.3)
EBITDA	30.6	33.4
D&A	(6.3)	(8.5)
EBIT	24.3	24.9
Financial expenses	(3.0)	(18.3)
Financial income	1.7	15.7
EBT	23.0	22.3
Income taxes	(7.4)	(6.8)
<i>Tax rate</i>	32.1%	30.5%
Net Income	15.6	15.5
Minority Interest	(1.0)	(1.9)
Group Net Profit	16.6	17.4

<i>€ mln</i>	1H 2014	1H 2015
EBITDA Adj.	29.9	33.4
EBIT Adj.	23.5	24.9
Net Income Adj.	15.1	15.5

Detailed Balance Sheet & Cash Flow Statement

€ mln	1H 2014	1H 2015
Trade receivables	60.1	64.9
Inventories	107.3	141.9
Trade payables (-)	(62.5)	(59.8)
Other current assets/(liabilities)	(8.2)	(24.4) *
Net Working Capital	96.7	122.5
Intangible assets	30.2	32.6
Tangible assets	69.8	90.4
Financial assets	4.0	5.8
Total Assets	104.0	128.7
Other assets/(liabilities)	1.2	5.9
Net Invested Capital	201.9	257.1
Cash & Cash equivalents (-)	(43.6)	(57.3)
Short term Debt	55.1	77.5
Long term Debt	34.6	58.0
Net Financial Position	46.1	78.3
Shareholders Capital	13.6	13.6
Share-premium Reserve	57.9	57.9
Reserves	62.3	84.1
Group Net Profit	16.6	17.4
Group Equity	150.4	173.1
Minority shareholders	5.4	5.8
Total Equity	155.8	178.9
Total Funds	201.9	257.1

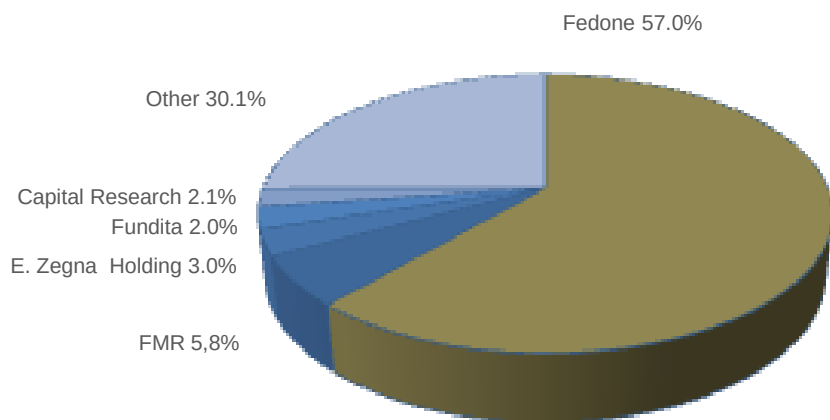
€ mln	1H 2014	1H 2015
Net Income	15.6	15.5
D&A	6.3	8.5
Ch. In NWC and other	(29.6)	(31.1)
Cash flow from operations	(7.6)	(7.0)
Tangible and intangible investments	(17.7)	(19.6)
Other (investments)/divestments	0.5	(0.6)
Cash flow from investments	(17.3)	(20.2)
Dividends	(8.0)	(8.2)
Share capital and reserves increase	3.3	0.0
Net change in financial debt	34.4	38.0
Total Cash Flow	4.9	2.6

* The change in "Other net liabilities" arises from the reporting at fair value of derivatives hedging the currency risk on trading transactions in foreign currency. In this respect, it is recalled that these derivatives are accounted for as cash flow hedges, meaning that their fair value is recognized as an asset or a liability in the balance sheet (current assets – derivative financial instruments or current liabilities – derivative financial instruments) with a counter-entry made to an equity reserve for the component that is considered to be an effective hedge of the change in fair value of the derivative instruments, subsequently reclassified to profit or loss as revenues in the period when the hedged transactions affect profit or loss.

Investor Relations

Shareholdings

Fedone s.r.l.	57.0%
Ermenegildo Zegna Holding s.p.a.	3.0%
Fundita s.r.l.	2.0%
FMR LLC	5.8%
Capital Research & Mgmt. Company	2.1%
Other	30.1%



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

Head of Investor Relations

Pietro Arnaboldi

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Brunello Cucinelli S.p.A.

Via dell'Industria, 5

Solomeo (PG)

Italia



This presentation contains forward looking statements which reflect Management's current views and estimates. The forward looking statements involve certain risks and uncertainties that could cause actual results to differ materially from those contained in the forward looking statements. Potential risks and uncertainties include such factors as general economic conditions, foreign exchange fluctuations, competitive product and pricing pressures and regulatory developments.

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.

A high-angle photograph of a shepherd in a dark coat herding a long line of sheep across a vast, snow-covered mountain slope. The sheep are moving from the upper right towards the lower left, leaving a trail of footprints in the snow. A small, light-colored dog stands near the middle of the flock. The background shows more snow-covered ridges and some evergreen trees on the left side.

La natura non fa nulla di inutile
— ARISTOTELE —



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