BRUNELLO CUCINELLI

PRESS RELEASE

BRUNELLO CUCINELLI: The Board of Directors approves the 2016 consolidated financial statements and the draft statutory accounts

- **Net revenues €456 million, +10.1% at current exchange rates compared to 31 December 2015;**
- **Normalized[1] EBITDA of €78.2 million, +13.2%;**
- **Normalized[1] Net profit of €39.1 million, +18.8%;**
- **Revenues increase both in the international markets, +10.7%, and in the Italian market, +7.3%;**
- **Sales growth in all geographical areas: North America +7.1%, Europe +5.8%, Greater China +21.8%, Rest of the World +39.3%;**
- **Revenues growing in all distribution channels: retail monobrand +17.1%, wholesale monobrand +2.4%, wholesale multibrand +4.3%;**
- **Net debt of €51 million at 31 December 2016, down from €56.4 million at 31 December 2016;**
- **Capex of €29.8 million completed the project started in 2014, with €150.5 million invested in the 2013-2016 four-year period to support the prestige of the brand and its exclusive positioning, in both the "traditional" and the "online" channels, to make the Company's "gracious growth" sustainable in the medium/long term;**
- **The Board of Directors will make a proposal to the Shareholders' Meeting for the distribution of a dividend of €0.16 per share, equal to a payout ratio[2] of 29.9%.**

Brunello Cucinelli, Chairman and CEO, commented as follows:

2016 ended reporting "very very positive" results in terms of both revenues and profitability. It has been yet another key year for the image of our brand, since we have completed our grand project called ***"Humanistic Artisans of the Web"*** *by launching our e-commerce platform. Moreover, our corporate philosophy kept delivering material and consistent results, and I hope it meets the expectations of all those who have decided to join us by investing in our business.*

The sales of the Spring Summer 2017 collection are going really well and since we have obtained "excellent results" in our Fall Winter 2017 sales campaign, we can be pretty certain that also the current year should deliver double-digit growth in terms of both revenues and margins.

Such results are the outcome of our ongoing efforts to combine profit-making and the concept of giving back, the great existential issue of mankind. We achieve that through offering top-notch quality, made in Italy goods, striving for exclusivity and at the same time nurturing the lifetime dream of ensuring moral and economic dignity to all the workers in our industry.

[1] Normalized EBITDA does not include non-recurring costs and normalize the tax rate, as discussed in the relevant section of the Income Statement.

[2] Total dividends as a percentage of consolidated net income; dividend per share in 2015 was €0.13, equal to a payout ratio of 26.5%.

BRUNELLO CUCINELLI

Solomeo, 9 March 2017 - The Board of Directors of Brunello Cucinelli S.p.A. – an Italian maison operating in the luxury goods sector listed on the Borsa Italiana Electronic Stock Exchange – today examined and approved the Company's consolidated financial statements and draft statutory accounts for the year ended 31st December 2016.

These "particularly positive" results continue to drive the "sustainable" and "gracious" growth that the Company achieved in the past and has always been the Company's long-term objective.

Such results also make it possible to look at the future with "strength", "confidence" and "serenity", combining the quest for "beauty" with both the excellent quality of Made in Italy high-craft products and the transmission of the Company's values and philosophy, through the traditional and digital channels.

Customers and the media consider the collection as the expression of a contemporary and refined lifestyle. The selected and prestigious publications, combined with a constantly understated communication style, enhance the allure and the appeal of the brand, which can be further appreciated by visiting the "medieval hamlet of Solomeo", for a first-hand experience of the Company's culture.

Manual skills and craftsmanship are the pillars of the daily work of Solomeo's "thinking souls" and of the skillful hands that put together technological innovation, creativity and work discipline in a harmonious combination that is rendered by the concept of "**Humanistic Enterprise**".

Profit-making always follows the ethics and moral and economic dignity with which we manage our relationships with employees, customers and stakeholders.

Revenue Performance

In the year ended 31 December 2016, net revenues amounted to €456 million, up 10.1% on the €414.2 million posted at 31 December 2015, representing an increase of 10.4% at constant exchange rates, as announced when approving preliminary net revenues.

Revenues from sales and services, including other operating income, reached €457 million, a rise of €10.1% over the figure of €414.9 million for the previous year.

Sales rose in all distribution channels – both monobrand and multibrand – and in all geographical areas, both in the most important luxury shopping streets and in the prestigious resorts where the brand is available.

The results of the 2016 sell-outs were very positive, confirming the expectations of a contemporary ready-to-wear offering, around which a lifestyle has been built over the years.

The allure of the brand is experiencing a highly positive moment – which makes us very happy – thanks to highly appreciated collections, which are regarded as exclusive and representative of the brand's lifestyle.

Revenues by Geographical Area

The Italian market grew significantly, with sales increasing by 7.3% to €76.2 million (16.7% of net revenues), compared to €71.0 million at 31 December 2015 (17.1%).

Attention is called to the solid sales performance in leading cities and resorts, which benefited from a larger inflow of high-end tourists, who are typically very demanding and sensitive to chic and exclusive products.

In the European market revenues rose by 5.8%, to €136.4 million, compared to €129.0 million at 31st December 2015, representing 29.9% of sales (31.2% at 31 December 2015).

Revenues rose in all the countries of the European market, in both the monobrand and the multibrand channels, thanks to high-end tourists and "local" customers, the brand's typical target.

In the North American market revenues increased substantially, by 7.1%, reaching €167.7 million compared to €156.6 million in 2015, representing 36.8% of the total (37.8% at 31 December 2015).

This very positive trend was common in both the monobrand and the multibrand channels. In the latter, in particular, operators are always looking for products marked by very high quality, craftsmanship and manual skills that project the image of "absolute luxury" attributed to our brand. Another very important factor is the "exclusivity" of distribution, a key aspect for the end customers of luxury goods, who are always eager to buy something unique and not available to everyone.

The excellent results in the multibrand channel were supported – in addition to our long-term relationships with the most prestigious department stores in the U.S., which share the Company's values and philosophy by trunk shows, resources and personnel training, especially in the area of visual merchandising and brand communication.

Sales in Greater China rose significantly, by 21.8%, to €31.3 million, compared to €25.7 million of the previous year, accounting for "only" 6.9% of total revenues (6.2% at 31 December 2015).

The growth achieved, though starting from a small base, was driven by the large increase in Greater China, given the positive performance of the monobrand boutique network and the progressive growth of prestigious multibrand shops. Hong Kong also posted positive sales results.

Lastly, emphasis has also to be placed on "exclusivity", which in our opinion is emphasized by high-end Chinese customers, who have attained considerable heights in terms of taste, sophistication and attention to details, in addition to being very connected in the digital world.

In the Rest of the World revenue posted strong growth, as they were up 39.3% (though starting from a limited base), reaching €44.4 million (9.7% of the total), compared to €31.8 million for the previous year (7.7% of the total).

The increase was driven by sales in Japan; growth was positive also in the Far East and in the Middle East, with the opening in the latter of the prestigious monobrand boutique in Dubai.

In particular, the result in Japan benefited from sales to local luxury customers and the progressive increase of high-end tourists, both looking, especially in daytime clothing, for ready-to-wear and contemporary lifestyle collections designed with care and attention to details and the main fashion trends, always mindful of the key principles of manual skills, creativity and exclusivity.

Revenues by Distribution Channel

Revenues in the retail monobrand channel rose by 17.1%, to reach €226.2 million at 31 December 2016 (49.6% of the total), compared to €193.2 million in 2015 (46.6% of the total).

Like-for-like growth in 2016 was +3.9%[3], with particularly satisfactory sell-out of the 2016 Fall-Winter collection. Directly operated stores are 86 (81 at 31 December 2015).

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[3] Like-for-like for 2016 is calculated as the rise in revenues at constant exchange rates in the DOS existing at 1st January 2015.

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The positive performance is maintained also in the early months of the new year, with a like-for-like increase of +3,8%[4] between 1 January and 26 February 2017, thanks to the warm appreciation and the sell-outs of the 2017 Spring-Summer collection.

The wholesale monobrand channel grew by 2.4%, with revenues totaling €34.2 million (representing 7.5% of the total) compared to €33.4 million at 31 December 2015 (8.1% of the total).

The results were mainly driven by the performance of existing boutiques, with sell-outs in line with those of the retail monobrand channel. At 36, the number of total boutiques remained unchanged for the past 12 months.

Sales in the wholesale multibrand channel rose by 4.3%, reaching €195.6 million by the end of 2016 (42.9% as a share of total revenues), compared to €187.6 million in 2015 (45.3% of the total).

The highly positive results were due to the "exclusivity" of distribution, the presence of prestigious spaces in multibrand locations, the long-term relationships with the partner stores and, most of all, the very-high-quality contemporary-taste collections that meet the requirements of the most sophisticated customers looking for daytime ready-to-wear clothing.

Given the Company's growth potential, the multibrand channel plays a key role in the sustainability and positioning of the brand at the very top of the luxury sector, helping to maintain it contemporary and exclusive.

In view of the invaluable contribution of the multibrand channel, we look with great interest at the medium/long-term potential of "**multibrand spaces in Asia**", especially in China, where we expect them to become "protagonists" in the local market, as was the case in other international markets, including the former Soviet Union countries in the last decade.

Analysis of Results

Normalized[5] EBITDA grew by 13.2%, reaching €78.2 million, compared to €69.1 million for 2015, with a margin improvement of 40 bps (from 16.7% to 17.1%).

This increase was driven by business growth, positive sell-outs, like-for-like growth and changes in the sales channel mix. Revenues from retail activities accounted for 49.6% of the total, compared to 46.6% in the previous year, thanks to the like-for-like growth and the opening of 5 selected boutiques.

In keeping with the business growth, normalized operating costs rose by 10.6%, from €197.9 million (47.7% of the total) to €218.9 million (47.9% of the total).

In particular, the rise in revenues in the retail channel and the relevant incidence drove rental expenses, which went from €43.5 million (10.5% of the total) to €55.0 million (12% of the total), reflecting a 26.4% increase.

In fact, the increase in rental expenses is related to the opening of selected and prestigious boutiques in the most important resorts, and the repositioning and expansion of some important boutique.

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[4] Like-for-like for 2017 is calculated as the rise in revenues at constant exchange rates in the DOS existing at 1st January 2016.

[5] Normalized EBITDA for 2016 does not include non-recurring costs related to the termination of the employment contract with the sales co-manager for €1,293 thousand and the estimated fair value, in the amount of €230 thousand, of the expected future benefits arising from the assignment of a 10.3% equity interest in Swiss company Brunello Cucinelli S.A. to the manager of the monobrand boutique in Switzerland. These non-recurring costs are reported, in the financial statements, as payroll costs, under operating costs.

Normalized payroll costs amounted to €79.8 million, up 6.8% on the €74.7 million for 2015, reflecting a decline as a share of revenues from 18% to 17.5%.

A significant portion of these costs is represented by staff in directly operated stores and in certain selected multibrand locations as well as by staff in Visual Merchandising.

Specifically, we feel that "**Visual Merchandising**" is for us a strategic asset for the brand's allure and prestige, as it makes it possible to convey the magic of the collections and show as "unique" not only the monobrand boutiques but also the dedicated spaces in luxury department stores, ensuring consistency for the brand and the Company values everywhere.

Other operating costs, amounting to €84.1 million, compared to €79.7 million for the previous year, fell as a share of total revenues from 19.2% to 18.4%, with a positive operating leverage of 80 basis points.

Within these costs, investments in communication, designed to support the brand's allure and exclusivity, rose by €1.4 million, from €23.3 million to €24.7 million, accounting for 5.4% of total revenues, a level that we consider as healthy. We also consider our digital investments very important, which represent a further improvement of our ability to project the strength of the brand.

Amortization and depreciation amounted to €20 million, up 10.5% on €18.1 million for the previous year, accounting for 4.4% of total revenues, which was virtually unchanged from the previous year.

Net financial expense, amounting to €3.2 million, reflects a decrease from the €4.8 million for the previous year determined by both the reduction of average net debt and the diminished volatility of exchange rates, with its effects on the hedging instruments accounting held by the Company.

Normalized income tax was €15.8 million (tax rate of 28.7%), compared to €13.2 million for last year (tax rate of 28.6%).

Normalized Net profit grew by 18.8% to €39.1 million (8.6% of total revenues), compared to €32.9 million for 2015 (7.9% of total revenues).

Despite the presence of non-recurring costs in the amount of €1.5 million, at 31 December 2016 reported EBITDA was up 10.9% on the previous year, to €76.7 million, with the margin improving from 16.7% to 16.8%.

Income tax, including the tax effect related to non-recurring costs and the impact of lower deferred tax assets following the change in the IRES tax rate, amounted to €16.3 million (tax rate of 30.5%).

Reported Net profit at 31 December 2016, in the amount of €37.1 million, reflects a double-digit growth rate (12.7%) and an improved margin, which went from 7.9% to 8.1%, despite the impact of non-recurring costs and changes in tax effects.

Balance Sheet

Strict Working capital amounted to €138.7 million, compared to €120.8 million at 31 December 2015.

Inventory, totaling €154.8 million, reflect the organic growth determined by the Company's development and the significant deliveries of the Spring-Summer collections made in early 2017, given a very positive trend in new orders.

The €10.8 million increase in inventory, over the 144.0 million for the previous year, is due to the opening of 5 exclusive directly operated boutiques in 2016 and a hard shop in luxury department stores in Japan as well as the greater depth of our offering in the online boutique, which will be managed directly starting from the end of January 2017, for a more effective presentation of our taste and lifestyle.

As a share of total revenues, inventory fell from 34.8% to 33.9%, thanks to positive sell-out, the like-for-like growth and the attention and control in the opening of boutiques which represent fully the taste and allure of the brand.

Trade receivables rose slightly, thanks to a healthy and positive collection process, as they amounted to €47.2 million at 31 December 2016, compared to €45.6 million at 31 December 2015. Uses of the allowance for bad debts and receivable write-offs for 2016 represent 0.20% of net revenues (0.19% in 2015).

Trade payables fell from €68.8 million at 31 December 2015 to €63.4 million at 31 December 2016, with a decrease related mainly to a different approach to the management of VAT exemption for suppliers, and to lower payables arising from investing activities[6].

“Other net assets/liabilities” amounted to €9.4 million (€8.4 million at 31st December 2015); this increase is mainly due to the measurement of outstanding hedging derivatives at fair value.

Including “Other net assets/liabilities”, working capital, as considered in its trading components, amounts to €129.3 million (28.3% of total revenues), compared to €112.3 million for the previous ear (27.1%).

Net Debt and Capex

At 31 December 2016 net debt amounted to €51 million, compared to €56.4 million at 31 December 2015.

During the year net debt reflected seasonal patterns, typically reaching a peak between June and September and falling by year-end.

In 2016 capex amounted to €29.8 million, to complete the four-year plan begun in 2013 (€150.5 million invested in 2013-2016), reflecting a 10% share of cumulative sales.

This important investment plan firmed up the Company’s foundations, by laying the groundwork for the sustainability of the brand’s positioning at the very high end of the luxury sector, in relation to the “traditional” and the online channels.

In 2016, commercial investments of €12.3 million (€84 million for the entire four-year period) drove the opening of exclusive boutiques, selected and important repositioning, the expansion of certain sales facilities and dedicated spaces in luxury department stores, as well as the constant refurbishing of monobrand boutiques, with the introduction of innovative visual merchandising solutions and lay-outs that make the stores testimonials of the brand’s culture.

[6] The different approach to the declarations of intent which gives rise to VAT exemption for suppliers gives rise to a lower amount receivable from Tax Authorities and a corresponding decrease in trade payables. The lower amount in payables arising from investing activities is due to higher capital expenditure related to works performed on buildings near the closing of the previous year.

Significant investments were made also in the showrooms, which we think should be restructured every six months, when the collections are presented, to keep them constantly attuned to a contemporary world.

Investments relating to production, logistics and IT/digital amounted to €17,5 million (€66,5 million the cumulative amount for the last four years), to support the two major plans for the development and sustainability of expected growth.

With the “**Great Internet Project**” the Company implemented the technological and operational platforms for the global development of all the new information systems and software applications, at the headquarters in Solomeo and in all the locations where the brand is present. Furthermore, these investments have allowed the brand to establish its footprint in the digital world and the construction of large logistic areas and facilities in Solomeo, to manage all related activities.

The multi-year project to develop the manufacturing and logistic infrastructures – to support expected long-term growth and the spaces for the digital world – was completed in 2016, within the scope of the very important “**Doubling of the Solomeo Plant**” project.

Humanist Web Craftsmen

The **brand’s new websites** went live at the end of January. This significant milestone of the Great Internet Project enhanced the Company’s presence on the internet and is now organized and managed directly by the Company in Solomeo.

The new project involves two different sites: the first one dedicated to the **philosophy** and the second one to the **boutique** (the new great **e-commerce**) Both the corporate and the e-commerce websites were set up to bring to the fore the philosophy that is at the basis of the Company, combining digital contemporaneity with the narrative of the history and ideals of our reality, as well as with the presentation of our collections and our lifestyle.

Thus, they are the last of a series of projects designed to reinvigorate our Company’s founding values: humanistic capitalism, the moral and economic dignity of work, quality, manual skills and the bond with the territory, themes and concepts present in all the pages.

Against this backdrop, the new websites were created with the **Humanist Web Craftsmen** in mind, professionals who take their inspiration from the past to face current and future challenges.

We feel that this approach might constitute a structural and fundamental element for the “**brand protection**” on the web, in the conviction that the prestige of a brand is dictated by the exclusivity of its presence in the physical world and in the digital world, to create and maintain its allure.

Thus, the approach to the digital is marked by the same values as those that characterize the daily life of the Humanistic Enterprise. First of all, comes the respect for time, which is always devoted to the more human aspect of digital relationships, trying to weigh and measure the resources of the internet, so that it does not become too disruptive, and focusing on fundamental themes and elements.

The new flagship store in via Montenapoleone

We regard our new **online boutique** as our “**universal store**” in Solomeo, to offer a “special” and “human” experience to all those who wish to get to know our brand and culture through the internet.

Our **new boutique in Montenapoleone** 27, in Milan - which was opened at the end of January 2017, following our relocation from the store in Via della Spiga - is instead the largest "**physical store**" and a very important selling space, considering Milan as the heart of Italianness, where the purchase of Made-in-Italy products takes on a special significance of exclusivity and allure.

The new opening confirms and provides greater depth to the philosophy of the Brunello Cucinelli monobrand boutiques, which spread the history, ideals and results of the work of the humanistic enterprise in the world's most important cities and capitals.

Significant Subsequent Events

Acquisition of a controlling interest in "Perugia OOO"

On 2 March 2017 the Company purchased from Mrs. Victoria Vasilievna Saava – head of the Cashmere & Silk group, with which the Brunello Cucinelli Group has had business relationships for twenty years – a 62% equity interest in "Perugia OOO", a limited liability Company organized under the laws of Russia that operates one boutique on street and three on the most prestigious mall of the city of Moscow. Following this acquisition, the monobrand stores are transferred from the wholesale monobrand channel to the retail monobrand channel.

The purchase price was €7,085 thousand, with a possible adjustment determined on the basis of the accounts as of 28 February 2017.

The acquisition was funded through equity. The remaining shares of "Perugia 000" continue to be held by Mrs. Victoria Vasilievna Saava.

Start of direct e-commerce activities

At the end of January 2017 the Company started the direct operation of its online boutique –previously managed by YNAP – so as to make the brand increasingly exclusive and "artisanal" also online, trying to convey through the internet the culture that marks our daily life.

The relationship with the YNAP group, which we consider "serious" and "very interesting", will continue, in light of the mutual esteem, with sales of our products on NET-A-PORTER and MR PORTER, which we consider among the World's most exclusive multibrand platforms.

Patent Box

On 26 January 2017 the first meeting was held with the Revenue Agency, after the submission of an application for an agreement related to fiscal years 2015-2016-2017-2018 and 2019, filed by the Company on 29 December 2015, to access the lower tax regime applicable to income attributable to certain intangibles (so-called "Patent Box") under article 1, paragraphs 37-44 of law no. 190 of 23 December 2014.

The meeting was intended to "…define/examine, in joint consultation, a number of aspects necessary to establish the methods and criteria with which the intangibles generate corporate income…".

As of the 2016 balance sheet approval date, the ruling was still pending.

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Outlook

The year 2016 ended with very positive results in terms of revenues and profit. It was also another fundamental year for our brand's image, as it saw the completion of our great "Humanist Web Craftsmen" project with the start of our e-commerce platform. Our business philosophy continued to produce concrete and constant results, prompted by the desire to satisfy all the people that invested in our Company.

Thus, in 2016 the brand continued to grow, thanks to the continuing enhancement of its allure and appeal, which can be further appreciated by visiting the "medieval hamlet of Solomeo".

Constant attention is paid to innovation and ongoing research in Visual Merchandising, trying to offer always something special and unique, exclusive and familiar at the same time, which can project the brand's lifestyle, our philosophy, our way of life and our culture.

The possibility to live a first-hand experience of the brand and to be part of this philosophy is an additional and very important reason why very-high end customers, who typically look for unique products, enter our world, aware that our collection offerings are the offspring of such concepts as ethical profit and "Humanistic Enterprise".

Within this philosophy, we feel that the Company's results stem from the constant attempt to put into perspective the large existential theme of man, which is the identification of the proper balance between profit and gift, by providing high-quality craft products made in Italy. All this is done in pursuit of exclusivity but also of the respect of the moral and economic dignity of all those who work with our Company.

In 2016, the last year of the important four-year investment plan begun in 2013, the cash generated made it possible to reduce net debt, further attesting to the benefits of the undertaking.

We think that the expected cash inflows in the next few years might result in a further and progressive reduction of debt, even though there are still "ordinary but important" investments to be made. This is further testimony to our approach, whereby, also in the absence of special or extraordinary projects, the structural investment level should be around 5% of sales, to keep the Company always contemporary and innovative.

Thanks to the positive cash generation, we think that the increase of dividends and the expected payout in the medium-term is sustainable, in the desire to share with all our Shareholders the "healthy profits" that we expect in the next few years.

Dividend Proposal

The Board of Directors will propose the payment of a dividend of €0.16 per share (gross of any amounts withheld by law) to shareholders at their next general meeting, to be held on 20 April 2017 in first call, equal to a pay-out of 29.9% of the Group's net profit for the year, compared to 26.5% for the previous year.
The dividend will be put into payment on 24 May 2017 with the share going ex-dividend on 22 May 2017 (detachment of coupon no. 5). The record date will be 23 May 2017.

Corporate Governance

The Board of Directors has approved the 2016 Report on Corporate Governance and Ownership Structures and the Remuneration Report.

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At its meeting the Board of Directors also carried out a check to ensure that board members hold the independence requirements pursuant to the Corporate Governance Code and Legislative Decree no. 58/1998. As a result of this procedure it was confirmed that the following directors are independent: Matteo Marzotto, Andrea Pontremoli and Candice Koo.

Notice of Call for the Shareholders' Meeting

The Board of Directors has resolved to call a shareholders' meeting on 20 April 2017 in first call (and if necessary on 27 April 2017 in second call) to approve the financial statements for the year ended 31st December 2016, to allocate the net profit for the year, to approve the first section of the Remuneration Report and to appoint the new Board of Directors and Board of Statutory Auditors (considering that their terms of office will expire with the approval of the financial statements for the year ended 31 December 2016).

The notice calling the shareholders' meeting will be published within the time limits laid down by law on the website (http://investor.brunellocucinelli.com), and an excerpt will also be published in the papers Il Sole 24 Ore and MF-Milano Finanza.

Documentation

The 2016 Annual Financial Report together with the Report of the Board of Statutory Auditors, the Report of the External Auditors, the 2016 Report on Corporate Governance and Ownership Structures, the Remuneration Report and the illustrative reports prepared by the directors on the matters on the agenda (also approved at today's meeting of the Board of Directors) will be made available to the public within the time limits and by the means laid down by current law at the Company's registered office in Corciano, Solomeo (PG), Italy, on the "eMarket Storage" system (www. emarketstorage.com) and in the dedicated sections of the Company's website (http://investor.brunellocucinelli.com) under "governance/shareholders' meetings".

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The manager in charge of preparing the corporate accounting documents, Moreno Ciarapica, declares pursuant to and to the effects of article 154-bis, paragraph 2 of Legislative Decree no. 58 of 1998 that the disclosures included in this release correspond to the balances on the books of account and the accounting records and entries. The Analysts' Presentation of the results at 31st December 2016 in pdf format may be consulted in the "Presentations" section of the Company's website at http://investor.brunellocucinelli.com/ita/presentazioni/.

The data shown in this press release refer to the 2016 consolidated accounts.

This document may contain forward-looking statements on future events regarding the Brunello Cucinelli S.p.A. Group and its operating results, financial conditions and cash flows. By their nature these statements contain an element of risk and uncertainty, as they depend on the occurrence of future events and developments.

The 2016 consolidated financial statements and draft separate accounts are currently subject to an audit which had not yet been completed at today's date.

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Brunello Cucinelli S.p.A. is an Italian maison operating in the absolute luxury goods sector which specializes in cashmere and is now one of the most exclusive brands in the international informal luxury **prêt-à-porter** sector, the expression of everyday luxury. Brunello Cucinelli, founded in 1978 by the eponymous stylist and entrepreneur, posted net revenues of €456 million in 2016 (+10.1% compared to the previous year), of which 83.3% was achieved overseas, and a normalized EBITDA of €78.2 million (up by 13.2% over 2015), and currently has around 1,500 employees. Brunello Cucinelli's success is rooted in the history and legacy of great craftsmanship as well as in modern design: a quality strategy founded on a combination of innovation and artisan skill.

The attention and care taken in manufacturing the product are expressed through the use of the highest quality raw materials, tailoring and **craftsmanship** of exclusively **Made in Italy** production, combined with *savoir faire* and **creativity**; all of this makes the Solomeo-based Company one of the most exclusive testimonials of Italian **lifestyle** worldwide.

Company business has always been conducted in the medieval hamlet of Solomeo, on the outskirts of Perugia. Today the brand is distributed internationally in over 60 countries through 122 monobrand boutiques (86 direct monobrand stores and 36 wholesale monobrand stores), in leading capitals and cities worldwide and in the most exclusive resorts, with a significant presence in approximately 650 selected multibrand stores, including leading luxury department stores

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The following financial statements are attached

BRUNELLO CUCINELLI

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31ST DECEMBER 2016

(Euro/000)	**December 31, 2016**	***related parties***	**December 31, 2015**	***related parties***
Non-current assets				
Intangible assets	28,823		31,479	
Property, plant and equipment	111,348	16,100	10,1045	14,212
Other non-current financial assets	5,740	32	5,429	32
Deferred tax asset	15,709		1,5678	
Total non-current assets	**16,1620**		**15,3631**	
Current assets				
Inventories	154,814		143,957	
Trade receivables	47,231	24	45,628	21
Tax receivables	1,986		2,157	
Other receivables and other current assets	14,693		15,843	
Other current financial assets	1,980		86	
Cash and cash equivalents	46,428		48,075	
Current derivative financial instruments	932		961	
Total current assets	**268,064**		**256,707**	
Assets held for sale	210		765	
Total assets	**429,894**		**411,103**	

(Euro/000)	**December 31, 2016**	***related parties***	**December 31, 2015**	***related parties***
Shareholders' equity				
Shareholders' equity attributable to parent company shareholders				
Share capital	13,600		13,600	
Share-premium Reserve	57,915		57,915	
Reserves	111,031		85,380	
Net income for the period	36,397		33,338	
Total shareholders' equity attributable to owners of the parent	**218,943**		**190,233**	
Shareholders' equity attributable to non-controlling interests				
Capital and reserves attributable to non-controlling interests	6,217		6,934	
Net income for the period attributable to non-controlling interests	722		-389	
Total shareholders' equity attributable to non-controlling interests	**6,939**		**6,545**	
Total shareholders' equity	**225,882**		**196,778**	
Non-current liabilities				
Employees termination indemnities	3,065		3,033	
Provisions for risks and charges	659		648	
Non-current payables towards banks	37,567		52,742	
Non-current financial debt	1,921		1,799	
Other non-current liabilities	8,017		7,486	
Deferred Tax liabilities	2,519		2,370	
Non-current derivative financial instruments	252		412	
Total non-current liabilities	**54,000**		**68,490**	
Current liabilities				
Trade payables	63,356	291	68,826	1,767
Current payables towards banks	58,452		47,782	
Current financial liabilities	772		1,405	
Income tax payables	1,104		1,575	
Current derivative financial instruments	4,258		4,182	
Other current liabilities	22,070	45	22,065	
Total current liabilities	**150,012**		**145,835**	
Total liabilities	**204,012**		**214,325**	
Total equity and liabilities	**429,894**		**411,103**	

BRUNELLO CUCINELLI

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2016

(Euro/000)	December 31, 2016	*related parties*	December 31, 2015	*related parties*
Net revenues	455,971	14	414,151	31
Other operating income	1,058	40	786	36
Revenues	**457,029**		**414,937**	
Costs of raw materials and consumables	-72,888	-13	-65,534	-22
Costs for services	-219,884	-2969	-200,060	-2535
Payroll costs	-81,358	-446	-74,668	-395
of which non-recurring	*-1,523*			
Other operating (expenses)/revenues, net	-5,302		-4,791	
Costs capitalized	1,325		843	
Depreciation and amortization	-20,047		-18,149	
Impairment of assets and other accruals	-2,230		-1603	
Total operating costs	**-400,384**		**-363,962**	
Operating Income	**56,645**		**50,975**	
Financial expenses	-18,044		-29,938	
Financial income	14,799		25,106	
Income before taxation	**53,400**		**-46,143**	
Income taxes	-16,281		-13,194	
Net income for the period	**37,119**		**32,949**	
Net income for the period attributable to owners of the parent	36,397		33,338	
Net income for the period attributable to non-controlling interests	722		-389	
Base earnings per share	0,53525		0,49026	
Diluted earnings per share	0,53525		0,49026	

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Euro/000)	December, 31 2016	2015
Net profit (loss) for the year (A)	**37,119**	**32,949**
Other items of comprehensive income:		
Other items of comprehensive income that will later be reclassified on the income statement:	**1,575**	**1,364**
Cash flow hedge	1,300	-23
Income taxes	-401	-23
Effect of changes in cash flow hedge reserve	**899**	**-46**
Translation differences on foreign financial statements	676	1,410
Other items of comprehensive income that will not later be reclassified on the income statement:	**-52**	**131**
Remeasurement of defined benefit plans (IAS 19)	-68	192
Tax effect	16	-61
Total other comprehensive income net of tax effect (B)	**1,523**	**1,495**
Total comprehensive income net of tax (A) + (B)	**38,642**	**34,444**
Attributable to:		
Shareholders of parent company	38,067	34,750
Non-controlling interests	575	-306

BRUNELLO CUCINELLI

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2016

(Euro/000)

CONSOLIDATED STATEMENTS OF CASH FLOWS	December 31, 2016	December 31, 2015
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period	37,119	32,949
Adjustments to reconcile net income for the period to the cash flows generated by (used in) operating activities:		
Depreciation and amortization	20,047	18,149
Provisions for employees termination indemnities	69	58
Provisions for risks and charges / inventory obsolescence / doubtful accounts	2,363	1,620
Change in other non-current liabilities	271	2,011
(Gain)/Loss on disposal of Fixed assets	124	42
Termination indemnities payments	-105	-134
Payments of Provisions for risks and charges	-	-354
Net change in deferred tax assets and liabilities	-255	-3,214
Change in fair value of financial instruments	1,251	-2,607
Changes in operating assets and liabilities:		
Change in trade receivables	-1,410	-603
Change in inventories	-8,903	-14,083
Change in trade payables	-6,916	1,549
Change in other current assets and liabilities	884	494
Net cash provided by/(used in) operating activities	**44,539**	**35,877**
CASH FLOW FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	-25,393	-32,340
Additions to intangible assets	-4,220	-7,797
Additions/(disposals) of financial assets	-165	-696
Additions to available for sale securities	-1,964	-
Proceeds from disposal of property, plant and equipment	360	260
Assets held for sale	765	-
Net cash provided by/(used in) investing activities	**-30,617**	**-40,573**
CASH FLOW FROM FINANCING ACTIVITIES		
Medium/Long-term loans received	-	39,430
Repayment of medium/long-term loans	-15,524	-27,923
Issue/(Repayment) of short-term loans	1,860	11,690
Net change in short-term financial debt	7,203	-16,047
Net change in long-term financial debt	68	-1,061
Dividends paid	-8,889	-8,435
Share capital and reserves increase	-731	444
Net cash provided by/(used in) financing activities	**-16,013**	**-1,902**
TOTAL CASH FLOW FOR THE PERIOD	**-2,091**	**-6,598**
Effect of exchange rate changes on cash and cash equivalents	**444**	**1,038**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**48,075**	**53,635**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**46,428**	**48,075**
Additional information:		
Interest paid	**2,174**	**2,577**
Income tax paid	**17,511**	**17,192**