



BRUNELLO CUCINELLI

Press Release

BRUNELLO CUCINELLI: the Board of Directors approves the 2015 consolidated financial statements and the draft statutory accounts.

- Net revenues €414.2 million, +16.4% at current exchange rates compared to 31st December 2014;
- EBITDA of €69.1 million, +11.0%¹;
- Net profit of €33.0 million, +5.4%¹;
- Significant revenue growth on both the international markets (+19.4%) and on the Italian market (+3.6%);
- Very positive results on all the international markets: Europe +10.5%, North America +27.4%, Greater China +23.3%, Rest of the World +18.1%;
- Growth in all distribution channels: retail monobrand +30.1%, wholesale monobrand +8.1%, wholesale multibrand +6.3%;
- Net debt of €56.4 million at 31st December 2015; significant capex of €40.8 million made in 2015 on the completion of the Company's key three year investment plan (2013-2015) totaling €120.4 million;
- The Board of Directors will make a proposal to the Shareholders' Meeting for the distribution of a dividend of €0.13 per share, equal to a payout ratio² of 26.5%.

Brunello Cucinelli, Chairman and CEO, commented as follows:

«2015 has been a “splendid” year for our company. In this year we have enjoyed a healthy growth in terms of both volumes and profitability; in this year our brand has strengthened its identity even further.»

«The Fall/Winter 2016 sales campaign has ended with “excellent” results. We have the impression that the feedback on our collections was enthusiastic both from the press and the multibrand clients. As of today, we can therefore envisage a particularly beautiful and serene 2016, with a gracious, double-digit growth.»

«We will be able to achieve these objectives thanks to the young, fresh, inquisitive minds that are attracted to both the stimuli from the Web and the craft of our artisans' skilled hands. We would like to pay special tribute to all those who somehow share our thoughts on “mankind”.»

¹ The comparison is with normalized 2014 EBITDA and net profit, meaning excluding the extraordinary items recognized last year.

² Total dividends as a percentage of consolidated net income.



BRUNELLO CUCINELLI

Solomeo, 10th March 2016 – 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 2015.

The highly positive results that have been achieved enable the Group to look to the future with further confidence, continuing uncompromisingly down the path taken over the past few years, as always in the quest for absolute quality in the whole of the production process, and with a selected presence in all of the world's most exclusive locations.

The brand is identified as the expression of an exclusive **prêt-à-porter** proposal and a sophisticated concept of **contemporary lifestyle**; the pillars of the Group's business model and its collection offering constantly remain its **manual skills**, **craftsmanship** and **Made in Italy** appeal.

The preciousness of the Group's craft-based products, wholly created and developed in Italy, and the sharing of its business philosophy with co-workers, customers and stakeholders, as also related in press articles describing the Company and the brand, further strengthen the **appeal** and **allure** of the Brunello Cucinelli "world".

Business philosophy, ethics and respect continue to accompany the earning of profit, while at the same time becoming a solid basis for the sustainability of "*humanistic capitalism*", paying respect to the people who work – directly and indirectly – with the Group and the end customer.

Revenue Performance

The Group earned net revenues of €414.2 million in the year ended 31st December 2015, an increase of 16.4% over the figure of €355.9 million posted at 31st December 2014, representing sales growth of 9.5% at constant exchange rates, as announced when approving preliminary net revenues.

Revenues, including other operating income, reached €414.9 million, a rise of €16.1% over the figure of €357.4 million earned in the previous year which included a capital gain of €0.8 million in other operating income³.

If this gain is excluded revenues rose by 16.4%.

The international markets represented 82.9% of total net revenues, rising by 19.4%; the Italian market (17.1% of the total) achieved very positive results, with sales increasing by 3.6%.

If added together the two main "traditional markets" meaning the European market (48.4% of the total, including Italy) and the North American market (37.8% of the total) – which we consider to be "domestic" – represented 86.2% of the total in 2015.

³ Arising from the sale of a property in the first half of 2014 which led to the recognition of a capital gain of €755 thousand in "Other operating income".



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Revenues by Geographical Area

The Italian market grew significantly, with sales increasing by +3.6% to reach €71.0 million (17.1% of net revenues), compared to €68,5 million at 31st December 2014 (19,2%).

There was a solid performance in leading cities and resorts, in both the monobrand and multibrand boutiques, with a positive increase in like-for-like in the network of existing boutiques.

The first sell-out figures for the 2016 spring-summer collection are also very interesting, confirming the very favorable opinions already received from multibrand customers and the trade press during the presentation stage.

European market – revenues rose by 10.5% (€129.0 million compared to €116.7 million at 31st December 2014), representing 31.2% of sales (32.8% at 31st December 2014). These results were positively affected by the rising flow of top-end tourists seen in the leading European capitals and resorts.

The results achieved were solid in all the countries of the European market, with rising sell-out and a positive like-for-like performance.

North American market – revenues rose by 27.4% (€156.6 million compared to €122.9 million in 2014), representing 37.8% of the total (34.5% at 31st December 2014).

All the distribution channels posted growth in sales, driven by the fine performance of sell-out in existing spaces and the favorable effect of exchange rates, with an increasing demand arriving from both local customers and international tourists.

Like-for-like performance was positive in existing boutiques, as was the contribution made by selected openings.

Greater China – sales reached €25.7 million in the year ended 31st December 2015 (representing 6.2% of total revenues), a rise of 23.3% over sales of €20.9 million in 2014 (5.9% of revenues).

Sell-out in the existing boutique network increased, as did like-for-like performance in the selling spaces, unchanged over the past 12 months.

Results from the sales of the new 2016 spring-summer collection pointed to a progressive and significant appreciation by the Asian customer, fascinated by the “*Italian*” life style and increasingly prepared in terms of taste and style.

Rest of the World – turnover grew by 18.1% to reach €31.9 million in the year ended 31st December 2015 (€27.0 million at 31st December 2014), representing 7.7% of the total (7.6% in 2014).

Growth was supported by the good performance of sales in existing boutiques, the new openings and the conversion of the business in Japan to directly operated on 1 September 2014⁴, mainly encouraging growth in the first half of 2015 with the trend gradually normalizing in the second half of the year.

⁴ On 1st September 2014 the 3 wholesale monobrand boutiques in Japan were converted to directly operated stores and the 13 sales points in the most important Luxury Department Stores passed from wholesale multibrand to the retail channel.



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Revenues by Distribution Channel

Revenues in the retail monobrand channel rose by 30.1% to reach €193.2 million at 31st December 2015 (€148.5 million in 2014), representing 46.6% of the total (41.7% at 31st December 2014).

This increase is due to a like-for-like performance⁵ of +5.4% in 2015, the positive contribution of the selected openings, with the direct store network reaching 81 boutiques (71 at 31st December 2014⁶), and the foreign exchange effect.

In 2016, like-for-like performance was +4.1%⁷ at 28th February.

The wholesale monobrand channel grew by +8.1%, with revenues totaling €33.4 million (representing 8.1% of the total) compared to €30.9 million at 31st December 2014 (8.7%).

The results were mainly driven by the performance of existing boutiques, with the two net openings having a positive impact; the network consisted of 36 boutiques at 31st December 2015 (34 at 31st December 2014).

Sales in the wholesale multibrand channel rose by 6.3% to reach €187.6 million by the end of 2015 (45.3% as a proportion of total turnover), compared to €176.6 million in 2014 (49.6% of the total).

Growth in the wholesale multibrand channel accelerated particularly in the second half of the year, with increases favored by a significant exchange effect and by the homogeneity of the perimeter for comparison⁸.

Orders for the 2016 spring-summer collection have been positive, with trends in “resort” deliveries strengthening growth in the fourth quarter of 2015.

The Monobrand Channel Network

The monobrand network consisted of 117 boutiques at 31st December 2015, with 12 net openings taking place over the 105 stores at 31st December 2014.

There were 81 direct monobrand boutiques at 31st December 2015 (71 at 31st December 2014) and 36 boutiques in the wholesale monobrand network (34 at 31st December 2014).

⁵ Like-for-like for 2015 is calculated as the rise in revenues at constant exchange rates in the DOS existing at 1st January 2014.

⁶ In the presence of 12 openings and the conversion from the direct monobrand channel to the wholesale channel of two boutiques in “second tier” locations on the domestic market in September 2015.

⁷ Like-for-like for 2016 is calculated as the rise in revenues at constant exchange rates in the DOS existing at 1st January 2015.

⁸ The trend in the first 9 months was affected by the conversion of the 13 dedicated spaces in the Luxury Department Stores in Japan to direct operations.



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Analysis of Results

EBITDA increased to €69.1 million (16.7% of revenues), a rise of 11.0% compared to normalized⁹ EBITDA of €62.3 million in 2014 (17.5%).

Business development, like-for-like growth and changes in the sales channel mix all had a positive effect on margins. The proportion of retail sales rose from 41.7% last year to 46.6% in 2015, with the increase driven by the development of the direct network¹⁰ and the conversion of the business in Japan to direct operations from 1st September 2014¹¹.

The increase in operating costs as a proportion of revenues, from 45.2% to 47.7%, is in line with business growth, and was partially affected by changes in foreign exchange rates, consist with the corresponding currency effect on turnover.

Payroll and leasing costs represent the most significant increases, these caused by the opening of boutiques, repositioning and extensions of key selling spaces, increases in space in Luxury Department Stores, the enlargement and renovation of certain showrooms and the conversion of the business in Japan to directly operated.

The dynamics of the real estate market, with significant increases in the cost of renting in the most exclusive locations, additionally contributed to the rise of 49.8% in leasing costs from €29.0 million in 2014 (8.1% as a proportion of revenues) to €43.5 million in 2015 (10.5%).

Payroll costs rose by 19.9% from €62.3 million in 2014 (17.5% of revenues) to €74.7 million in 2015 (18.0%).

A significant number of staff were hired, taking FTE (full time equivalent) from 1,240.8 to 1,364.8, mainly personnel taken on for the new openings, showrooms and sales organization structure in Japan.

Investments in communication, designed to support the brand's allure and exclusivity, increased by €3.7 million from €19.6 million to €23.3 million, representing an essentially constant proportion of 5.6% of revenues, while the remaining operating costs fell as a proportion.

The depreciation and amortization charge of €18.2 million (4.4% of revenues) rose by 32.4% over the charge of €13.7 million in 2014 (3.8%), due to the capital expenditure incurred in 2015 as part of the important three-year plan begun in 2013 and the expenditure for doubling the size of the Solomeo manufacturing site, where depreciation started from the end of 2014.

Net financial expense rose from €2.9 million (0.8% of revenues) to €4.8 million (1.2%), in line with the increase in average net debt.

⁹ Growth over reported EBITDA for 2014 of €63.0 million (therefore including the capital gain of €755 relating to the sale of a property in the first half of 2014, recognized as other operating income) amounted to 9.6%.

¹⁰ 81 boutiques at 31st December 2015 compared to 71 boutiques at the end of 2014, with 12 openings and 2 conversions to the wholesale monobrand network in September 2015.

¹¹ 3 boutiques and 13 sales points in Japanese Luxury Department Stores.



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Taxes for the year amounted to €13.2 million, compared to €14.6 million at 31st December 2014, with a tax rate of 28.6%¹² - benefiting also of the reduction in IRAP regional production tax - compared to 31.5% in 2014, the latter impacted by some non-recurring components.

Net profit reached €33.0 million, an increase of 5.4% over normalized net profit¹³ of €31.3 million in 2014.

Balance Sheet

Net working capital amounted to €112.3 million at 31st December 2015 (€97.5 million at 31st December 2014) representing a decrease as a proportion of revenues from 27.4% at 31st December 2014 to 27.1% at the end of 2015.

Considering the “strictly” working capital, namely items relating to inventories and trading receivables and payables (and therefore excluding other receivables/payables), there was an even more significant decrease as a proportion of revenues from 30.3% to 29.2%, equal to -110 basis points.

Inventory management was positive, with the proportion of revenues falling from 35.2% last year to 34.8%; the relative increase, from €125.1 million at 31st December 2014 to €144.0 million at 31st December 2015, relates to business development, the evolution of the direct monobrand boutique network (81 stores at the end of 2015 compared to 71 at 31st December 2014¹⁴) and the conversion of the business in Japan to direct operations.

The management of trade receivables was also positive, which even if business growth and the effect of exchange rates, increased by €0.5 million (from €45.1 million at the end of 2014 to €45.6 million at 31st December 2015), benefiting from favorable cash collection management in the last few months of the year.

Trade payables rose from €62.2 million at the end of 2014 to €68.8 million at 31st December 2015; with supplier payment terms remaining unchanged, the balance increased due to purchases of raw materials, outsourced work and the particularly significant investments made in November and December.

“Other net assets/liabilities” amounted to -€8.4 million (-€10.5 million at 31st December 2014); this decrease is mainly due to the measurement at fair value¹⁵ of outstanding hedging derivatives.

¹² The Group earns the majority of its taxable income in Italy and has elected to use the “tax transparency” option (taxation in Italy at the current rates in force in Italy) for the taxable income produced in the “privileged taxation” countries in which it operates.

¹³ Growth over the reported net profit in 2014 of €31.8 million (therefore including the capital gain relating to the sale of a property in the first half of 2014) amounted to 3.7%.

¹⁴ In the presence of 12 openings and 2 conversions to the wholesale monobrand network in September 2015.

¹⁵ The change in other net assets/liabilities is due to the variation in fair value of the derivatives hedging the foreign exchange risk arising from sales transactions carried out in foreign currency. In this respect it is recalled that the Group uses cash flow hedge rules to account for these instruments.



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Net Financial Position and Capex

The Company had a net financial position of €56.4 million at 31st December 2015, compared to €42.6 million at 31st December 2014; changes in the net financial position over the year confirm its seasonality, with the peak being reached, as usual, between June and September (€83.7 million at 30th September 2015) only to fall by year end.

The increase in the net financial position between the end of December 2014 and 31st December 2015 mainly arises from capital expenditure, as the “Great Three-Year Investment Project”, which was started in 2013 and consists of investments totaling €120.4 million, came to an end; of this expenditure €40.8 million was incurred in 2015.

This key investment project, which is equivalent to 11% of accumulated sales in the three-year period, has contributed to “*strengthening*” and consolidating the Group’s foundations for medium to long term growth, further raising the brand’s prestige and the exclusivity of its positioning, in both the “traditional” and “online” channels.

Commercial investments of €71.3 million for the three years (of which €25.3 million invested in 2015) supported the opening of boutiques, the enlargement of a number of sales floor spaces in existing stores, the increase of spaces in the Luxury Department Stores and the extension and renovation of a number of important showrooms.

Investments relating to production, logistics and IT/digital amounting to €49.1 million in the three-year period that has just come to an end (of which €15.5 million invested in 2015) include the key project for enlarging the Solomeo manufacturing site.

In 2014 a project began for developing a technological platform and managing the Group’s presence in the digital world through the creation of a specifically dedicated department, with investments continuing into 2016 as part of the “**Great Internet Project**”, to be realized into 2014-2016.

Consistent with the strategic decision taken for an exclusive presence in the digital world, the project is developing reinforcing the management of the online boutique and of the relative logistical structures at the Company’s headquarters in Solomeo. This will lead to a significant commitment from the standpoint of the human resources working on the planned investments.

Significant Subsequent Events

On 28th January 2016 the Company signed an agreement for the sale of a boutique (as a going concern) in Italy.

A price of €765 thousand has been agreed for the sale which in accordance with IFRS 5 has been classified under “Assets held for sale” in the financial statements at 31st December 2015.

As part of this transaction the Company has also received an amount of €95 thousand as reimbursement of the rent deposit paid to the lessor to secure the commitments undertaken in the lease contract.



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Business Outlook

The very positive results achieved by the Group in 2015 represent another step along its growth path, sustained and consolidated by the sound principles that are a feature of its DNA, in the constant quest for respect for the economic and moral dignity of all those people who work directly or indirectly with the business and the end customer.

The year 2015 was also extremely important from the standpoint of the taste and positioning of the brand, which, thanks to the exclusivity of the offer, characterized by manual skills, craftsmanship and Made in Italy appeal, is increasingly identified as representative of absolute luxury.

Aware of the appeal and the allure that surround the Brunello Cucinelli “world” and the changes in taste experienced by top-end customers – people increasingly seeking unique products and attentive to and informed about the manufacturing process used to produce articles and what is a just profit – we believe that 2016 will be another “very positive” year filled with satisfaction.

We will therefore continue with our sustainable growth and healthy profitability through growth and increases in margins, thanks also to the important investments that were a feature of the 2013-2015 period, strengthening the foundations of the business, with the doubling in size of the Solomeo factory, and further raising the brand’s prestige, with benefits also to be achieved over the next few years.

In the light of these considerations, and with investment plans which over the next three years will support the Great Internet Project and the opening of selected, exclusive boutiques, we believe that we will see cash generation beginning in 2016, leading to a positive and progressive effect on the Group’s net financial position.

Proposal for the Payment of a Dividend

The Board of Directors will propose the payment of a dividend of €0.13 per share (gross of any amounts withheld by law) to shareholders at their next general meeting, to be held at Corciano, Solomeo (PG) on 21st April 2016 in first call, equal to a pay-out of 26.5% of the Company’s net profit for the year.

The dividend will be put into payment on 25th May 2016 with the share going ex-dividend on 23th May 2016 (detachment of coupon no. 4). The dividend record date, which determines the shareholders entitled to receive the dividend, will be 24th May 2016.

Corporate Governance

The Board of Directors has approved the 2015 Report on Corporate Governance and Ownership Structures and the Remuneration Report. 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.



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Notice of Call for the Shareholders' Meeting

The Board of Directors has resolved to call a shareholders' meeting on 21st April 2016 in first call (and if necessary on 28th April 2016 in second call) to approve the financial statements for the year ended 31st December 2015, to allocate the net profit for the year, to approve the first section of the Remuneration Report and to resolve upon the proposal to increase the number of the Board members from 9 to 10 and so to appoint as new Board member Mr. Luca Lisandrone, who will be also hired as manager of the Company effective from 18 April 2016.

The Board of Directors intends to grant to Luca Lisandrone, once appointed by the Shareholders' Meeting, management powers to properly run his mandate. Lisandrone Luca (37 years old) will have the role of Co-CEO and in that capacity will work together with the other Co-CEO in charge, Riccardo Stefanelli (34 years old). Both will co-operate with the President and CEO, Brunello Cucinelli, in the current management of the Company.

The appointment of Luca Lisandrone and his role as Co-CEO - as that of Riccardo Stefanelli since 2013 – falls under the plan called "Generational Transition", approved by the Board on 13 December 2013.

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 extract will also be published in the daily papers Il Sole 24 Ore and MF-Milano Finanza.

Documentation

The 2015 Annual Financial Report together with the Report of the Board of Statutory Auditors, the Report of the External Auditors, the 2015 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".

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 2015 in pdf format may be consulted in the "Presentations" section of the Company's website at <http://investor.brunellocucinelli.com/ita/presentazioni/>.

All the reported financial information of this document refers to the 2015 consolidated financial statements.

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

The 2015 consolidated financial statements and draft statutory 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 €414.2 million in 2015 (+16.4% compared to the previous year), of which 82.9% was achieved overseas, and an EBITDA of €69.1 million (up by 11.0% over 2014), and currently has around 1,400 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 117 monobrand boutiques (81 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.

Contacts: **Investor Relations**

Pietro Arnaboldi
Brunello Cucinelli S.p.A.
Tel. +39 075/69.70.079

Media

Vittoria Mezzanotte
Brunello Cucinelli S.p.A.
Tel. +39 02/34.93.34.78

Ferdinando de Bellis
Barabino & Partners
Tel. +39 02/72.02.35.35

Corporate web-site: www.brunellocucinelli.com

The financial statements are attached



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CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31ST DECEMBER 2015

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>(Euro/000)</i>	December 31, 2015	<i>related parties</i>	December 31, 2014	<i>related parties</i>
Non-current assets				
Intangible assets	31,479		29,649	
Property, plant and equipment	101,045	14,212	80,157	11,475
Other non-current financial assets	5,429	32	4,786	32
Deferred tax asset	15,678		13,307	
Total non-current assets	153,631		127,899	
Current assets				
Inventories	143,957		125,114	
Trade receivables	45,628	21	45,051	31
Tax receivables	2,157		1,023	
Other receivables and other current assets	15,843		14,873	
Other current financial assets	86		44	
Cash and cash equivalents	48,075		53,635	
Derivative financial instruments	961		495	
Total current assets	256,707		240,235	
Assets held for sale	765		-	
Total assets	411,103		368,134	

	December 31, 2015	<i>related parties</i>	December 31, 2014	<i>related parties</i>
Shareholders' equity				
Shareholders' equity attributable to parent company shareholders				
Share capital	13,600		13,600	
Share-premium Reserve	57,915		57,915	
Reserves	85,380		60,182	
Net income for the period	33,338		33,060	
Total shareholders' equity attributable to owners of the parent	190,233		164,757	
Shareholders' equity attributable to non-controlling interests				
Capital and reserves attributable to non-controlling interests	6,934		6,841	
Net income for the period attributable to non-controlling interests	(389)		(1,273)	
Total shareholders' equity attributable to non-controlling interests	6,545		5,568	
Total shareholders' equity	196,778		170,325	
Non-current liabilities				
Employees termination indemnities	3,033		3,310	
Provisions for risks and charges	648		947	
Non-current payables towards banks	52,742		42,450	
Non-current financial debt	1,799		2,663	
Other non-current liabilities	7,486		4,908	
Deferred Tax liabilities	2,370		3,280	
Non-current derivative financial instruments	412		467	
Total non-current liabilities	68,490		58,025	
Current liabilities				
Trade payables	68,826	1,767	62,185	625
Current payables towards banks	47,782		48,709	
Current financial liabilities	1,405		1,682	
Income tax payables	1,575		1,152	
Current derivative financial instruments	4,182		6,244	
Other current liabilities	22,065		19,812	
Total current liabilities	145,835		139,784	
Total liabilities	214,325		197,809	
Total equity and liabilities	411,103		368,134	



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CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2015

<i>(Euro/000)</i>	December 31, 2015	<i>related parties</i>	December 31, 2014	<i>related parties</i>
Net revenues	414,151	31	355,909	21
Other operating income	786	36	1,474	792
Revenues	414,937		357,383	
Costs of raw materials and consumables	(65,534)	(22)	(51,289)	(85)
Costs for services	(200,060)	(2,535)	(176,131)	(1,743)
Payroll costs	(74,668)	(395)	(62,273)	(253)
Other operating (expenses)/revenues, net	(4,791)		(3,379)	(7)
Costs capitalized	843		1,021	
Depreciation and amortization	(18,149)		(13,712)	
Impairment of assets and other accruals	(1,603)		(2,291)	
Total operating costs	(363,962)		(308,054)	
Operating Income	50,975		49,329	
Financial expenses	(29,938)		(10,642)	
Financial income	25,106		7,739	
Income before taxation	46,143		46,426	
Income taxes	(13,194)		(14,639)	
Net income for the period	32,949		31,787	
Net income for the period attributable to owners of the parent	33,338		33,060	
Net income for the period attributable to non-controlling interests	(389)		(1,273)	
Base earnings per share	0.49026		0.48618	
Diluted earnings per share	0.49026		0.48618	

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

<i>(Euro/000)</i>	December, 31	
	2015	2014
Net income for the period	32,949	31,787
Effects with possible future impact on the income statement	1,364	(806)
Profit/(Loss) from fair value adjustments related to hedging instruments	(23)	(3,604)
Tax Effect	(23)	991
Total Profit/(Loss) from fair value adjustments related to hedging instruments	(46)	(2,613)
Exchange differences on translation of foreign operations	1,410	1,807
Effects that do not have future impact on the income statement	131	(102)
Profit / (loss) from effects of employee benefit remeasurement	192	(141)
Tax Effect	(61)	39
Total other profit/(loss), net of taxation	1,495	(908)
Total net comprehensive income, net of taxation	34,444	30,879
<i>Attributable to:</i>		
Owners of the parent	34,750	31,764
Non-controlling interests	(306)	(885)



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CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2015

<i>(Euro/000)</i>	December 31, 2015	December 31, 2014
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period	32,949	31,787
<i>Adjustments to reconcile net income for the period to the cash flows generated by (used in) operating activities:</i>		
Depreciation and amortization	18,149	13,712
Provisions for employees termination indemnities	58	170
Provisions for risks and charges / inventory obsolescence / doubtful accounts	1,620	1,999
Change in other non-current liabilities	2,011	2,447
(Gain)/Loss on disposal of Fixed assets	42	(673)
Termination indemnities payments	(134)	(178)
Payments of Provisions for risks and charges	(354)	(130)
Net change in deferred tax assets and liabilities	(3,214)	(2,611)
Change in fair value of financial instruments	(2,607)	3,728
<i>Changes in operating assets and liabilities:</i>		
Change in trade receivables	(603)	(2,113)
Change in inventories	(14,083)	(25,945)
Change in trade payables	1,549	(6,664)
Change in other current assets and liabilities	494	(1,758)
Net cash provided by/(used in) operating activities	35,877	13,771
CASH FLOW FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(32,340)	(29,601)
Additions to intangible assets	(7,797)	(4,351)
Additions/(disposals) of financial assets	(696)	(1,369)
Acquisition of SAS White Flannel, net of cash acquired		(549)
Acquisition of Pearl Flannel S.p.A., net of cash acquired		(443)
Acquisition of d'Avenza Fashion S.p.A., net of cash acquired		(84)
Proceeds from disposal of property, plant and equipment	260	2,464
Net cash provided by/(used in) investing activities	(40,573)	(33,933)
CASH FLOW FROM FINANCING ACTIVITIES		
Medium/Long-term loans received	39,430	80,120
Repayment of medium/long-term loans	(27,923)	(42,641)
Issue/(Repayment) of short-term loans	11,690	8,028
Net change in short-term financial debt	(16,047)	(6,132)
Net change in long-term financial debt	(1,061)	(1,025)
Dividends paid	(8,435)	(7,955)
Share capital and reserves increase	444	3,518
Net cash provided by/(used in) financing activities	(1,902)	33,913
TOTAL CASH FLOW FOR THE PERIOD	(6,598)	13,751
Effect of exchange rate changes on cash and cash equivalents	1,038	1,208
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	53,635	38,676
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	48,075	53,635
<i>Additional information:</i>		
Interest paid	2,577	2,079
Income tax paid	17,192	17,765