



BRUNELLO CUCINELLI

Press Release Brunello Cucinelli S.p.A.

BRUNELLO CUCINELLI: the Board of Directors has examined the Preliminary Net Revenue of the first half of 2012

- **Preliminary Net Revenue rose by 16.1% to € 135.2 million**
- **Important results achieved in international markets, with significant increase in Europe (+17%), North America (+23%), Greater China (+52%) and in Asian markets.**
- **Turnover rose through all sales channels, with particular improvements showed by the Mono-Brand channel, at both the Retail (+49%) and Franchising (+47%) level, and a positive result achieved by the Multi-Brand network.**

“We are more than satisfied with how things are going for our business” commented Brunello Cucinelli. “We are especially pleased with the figures which, being sustained by the sales quality, point to a very interesting six months ahead in terms of profits”.

“We believe there is a great deal of interest at the international level for this impressively crafted Italian *luxury casual chic style of clothing*, which illustrates our belief in the importance of beauty, literature and science, the hallmark of our culture”.

“As regards the situation currently being experienced here in our own splendid country, we believe Italy has regained international credibility and confidence, and we feel sure that the resourceful genius of men and women that through adversity have found a sense of union and solidarity and a spirit of rebirth (in the words of our great genius Roberto Benigni) will restore the *bel paese* to greatness”.

Solomeo, 19 July 2012 – The Board of Directors of Brunello Cucinelli S.p.A. – Italian *maison* that operates in the luxury goods sector, and listed on the Electronic Stock Market (MTA) of Borsa Italiana since 27 April 2012 – today examined the preliminary consolidated net revenue from sales in 1H 2012. The Half-Year Financial Report, with the complete and definitive figures for the period, will be examined and approved by the Board of Directors in the meeting set for August 28.

Preliminary Net Revenue for 1H 2012 reached Euro 135.2 million, up 16.1% with respect to the Euro 116.5 million recorded in 1H 2011.

**The Net Revenue figures, which do not include other operating income, are preliminary figures that have not yet been certified by the audit firm.*



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Breakdown of revenue by geographical area

A closer look at the trend in revenue by geographical area shows all the international markets recorded double digit growth, accounting for 73% of total turnover in the first half of 2012, as compared to 68% in the same period of the previous year.

North American markets (+23%) showed a significant increase both in the retail sales channel, led by the existing stores network results and the opening of new stores, with the brand present in the most prestigious luxury shopping streets, and in the Multi-Brand channel, with double-digit growth thanks to the significant performance obtained in leading luxury Department Stores.

European markets (+17%) registered especially significant growth in Russia and the former Soviet Union countries; in continental Europe, revenue rose boosted by the performance of the Mono-Brand channel.

Notable results were obtained in Greater China and in the Rest of the World. Net Sales in Greater China (+52%), which still represent just 5% of total Group's sales, were led by the opening of new stores in the Mono-Brand channel (including Shanghai, Macao and a second store in Hong Kong); results in the Rest of the World (+53%) were supported both by the growth of the Mono-Brand channel, and by the rises of the Multi-Brand channel, which registered significant increases in Japan and Korea.

We believe the slight decline (- 3%) registered in the Italian market still represents a performance of particular interest (given the difficulties "*our splendid country – that has now regained a great deal of credibility - is facing*"). Positive results were registered in the Mono-Brand channel (thanks to large numbers of foreign tourists visiting the big cities and resorts), while there was a reduction in the multi-brand channel, particularly in smaller towns.

Revenue by Distribution Channel

The dynamics in the first half of 2012 underline the positive effects of the strategy adopted in the different sales channels.

Results in the Mono-Brand channel benefitted from the opening of both direct Retail stores and Franchising stores; the Retail channel in particular posted significant growth (+49%), reaching revenue of Euro 30.4 million, compared to Euro 20.4 million of 1H 2011, with a double-digit turnover increase in the existing stores network.

Equally remarkable rises (+47%) were registered in the Franchising channel, where sales amounted to Euro 21.8 million as compared to Euro 14.9 million recorded at 30 June 2011.

Sales in the Multi-Brand network totalled Euro 83.0 million, up 2% compared to Euro 81.2 million of the 1H 2011, with particularly positive results in leading international Department Stores following an exclusive distribution policy in Multi-Brand stores.

The expansion of the Mono-Brand sales channel network is in line with the Group's growth plans; thanks to the 15 new stores opening (9 in the Retail channel and 6 in the Franchising channel), the total number of stores has now reached 70 (30 direct Retail stores and 40 Franchising stores), compared to the 55 as of 30 June 2011.



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The stores opened are once again situated in the most exclusive streets of leading capital cities (more new stores in Hong Kong and Moscow, as well as stores opened in Shanghai, Baku, Mexico City, Chicago, Amsterdam, Madrid, Geneva and Florence) and exclusive resorts (St. Moritz and Porto Banus).

Pursuant to paragraph article 154-bis, para. 2, of Legislative Decree no. 58 of 1998, the Executive appointed to draw up corporate accounts, Mr. Moreno Ciarapica, stated that the accounting information herein contained tallies with the company's documentary evidence, ledgers and accounts.

Brunello Cucinelli S.p.A. is an Italian *maison* that operates in the absolute luxury goods sector, specialises in cashmere and has gradually become one of the most exclusive brands in the international informal luxury pret à porter sector.

Brunello Cucinelli, founded in 1978 by the stylist and entrepreneur of the same name reported a net turnover of Euro 243 million in 2011 (+19% compared to the previous financial year), of which 70% was achieved overseas, and an EBITDA of Euro 40 million (up by 68% compared to the previous financial year), with over 700 employees.

The Group operates in more than 50 countries worldwide through a network of 70 mono-brand stores located in the world's leading capital cities and most exclusive resorts (such as Milan, Paris, London, Madrid, New York, Los Angeles, Miami, Chicago, Mexico City, Moscow, Tokyo, Hong Kong and Shanghai) in the most exclusive resorts (such as Capri, St. Tropez, Porto Cervo, Cannes, Cortina, St. Moritz, Sylt and East Hampton), as well as through over 1,000 selected multi-brand outlets and top luxury department stores.

The success of Brunello Cucinelli S.p.A. is rooted in an Italian craft-made culture of high-quality, exclusive, contemporary products, with business conducted since the company's foundation in the mediaeval village of Solomeo, just outside Perugia.

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