BRUNELLO CUCINELLI

Press Release Brunello Cucinelli S.p.A.

BRUNELLO CUCINELLI: The Board of Directors approved today the Consolidated Results for the six months ending on June 30, 2012 showing improving results:

- **Net revenues of Euro 135.2 million (+16.1%);**
- **Significant growth in foreign markets, where turnover reached 72.9% of total sales (vs 67.7% in 1H 2011);**
- **Consolidated revenues rose in all distribution channels with significant increases in the monobrand stores channel, both DOS (+49.4%) and franchising (+46.7%);**
- **Normalised EBITDA[1] of Euro 22.7 million (+23.5%), reported EBITDA of Euro 16.4 million in the period;**
- **Normalised net profit[1] of Euro 11.9 million (+35.1%), reported net profit of Euro 7.6 million in the period;**
- **Net financial position of Euro 14.2 million, with a significant improvement compared to Euro 58.4 million as of June 30, 2011.**

Brunello Cucinelli: "The healthy results enjoyed in the first semester of this year, both in terms of revenues and profitability, have confirmed the successful moment experienced by the Brunello Cucinelli brand globally and lead us to envisage full-year growth both in terms of sales volumes and profitability: a sustainable and gracious growth, the same we have been imagining from the very beginning".

"Worldwide we are reaping the fruits of our belief in the brand's quality, craftsmanship and exclusivity, by reminding ourselves of our work's fundamentals: simplicity, creativity and rapidity".

"Our 2013 Spring-Summer collections have stirred and are enjoying significant appreciation in terms of taste from our wholesale clients, buyers from the major department stores and shop managers of our monobrand stores. This leads us to believe that next spring our stores will display a collection which will speak of our Italian identity, culture and life".

Solomeo, 28 August 2012 – The Board of Directors of Brunello Cucinelli S.p.A. – an Italian fashion house that operates in the luxury goods sector, listed on the Electronic Stock Market (MTA) of Borsa Italiana since April 27, 2012 - today reviewed and approved the consolidated results for the first semester of 2012.

The Group's net revenues for the first half of 2012 reached Euro 135.2 million (+16.1% over the Euro 116.5 million posted in the first half of 2011); at constant exchange rates, revenues totalled Euro 134.0 million, up by 15.1%.

Revenues from sales and services, which include other operating income, amounted to Euro 136.7 million, an increase of 17.0% compared to the first half of the previous year.

[1] Normalised EBITDA and normalised net profit do not include the non-recurring costs incurred for the IPO process.

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Net Revenues performance

As already announced following the Board of Directors meeting on July 19, the Group achieved double digit growth in all its foreign markets: +23.3% In the North American market (net revenues of Euro 35.4 million compared with Euro 28.7 million in the first half of 2011), +17.3% in the European markets (net revenues of Euro 44.0 million compared with the previous Euro 37.5 million), +51.6% in Greater China (net revenues of Euro 6.2 million compared with Euro 4.1 million in the first half of 2011) and +52.9% in the Rest of the World (net revenues of Euro 12.9 million compared with the previous Euro 8.5 million).

The domestic market, with a turnover of Euro 36.6 million (slightly falling, by 2.8%, compared with the Euro 37.6 million in the first half of 2011), continued its interesting performance with positive results in the monobrand channel.

Revenues by distribution channel rose significantly as far as retail (+49.4%) and franchising (+46.7%) are concerned.
These results have been driven by the monobrand stores' new openings program (9 net new DOS and 6 net new franchised boutique since June 30, 2011) and by the like for like performance[2] of the retail network, with 12.9% growth posted in the first 33 weeks of 2012 (1 January – 19 August 2012).
The performance of sales in the multi-brand network was interesting as well (+2.2%).

By June 30, 2012 the store's network reached a total of 70 Brunello Cucinelli stores, of which 30 DOS and 40 franchised stores, compared with 55 stores as of June 30, 2011.
Two new openings have been added recently to these, Taichung in July and Lugano in August.

Further new openings are expected to take place in the current quarter, in line with the plan to develop a commercial presence in the most exclusive streets of the world's leading capital cities and resort localities, with agreements already signed for 10 new single store locations.

Analysis of operating results and net profit

Normalised EBITDA[3] reached Euro 22.7 million (16.6% of revenues), representing an increase of 23.5% compared with Euro 18.4 million for the half-year to 30 June 2011 (15.7% of revenues).

This improvement is essentially due to the increase of retail channel sales, which reached 22.5% of Net Revenues, compared with 17.5% in the corresponding period of the previous year.

EBITDA for the first half of 2012 was affected by non-recurring costs of Euro 6.2 million arising from the IPO process; reported EBITDA for the period was of Euro 16.4 million (12.0% of Revenues), decreasing 10.5% compared to the first half of 2011.

Depreciation and amortisation rose from Euro 2.4 million (2.0% of revenues) in the first half of 2011 to Euro 3.0 million (2.2% of revenues) in the first half of 2012, due to the investments made to develop the directly operated stores, while there was a slight improvement in financial management with net financial expenses closing at Euro 0.9 million compared with Euro 1.1 million in the first half of 2011.

Normalised net profit[3] amounted to Euro 11.9 million with a margin on sales of 8.7% and a growth of 35.1% from the corresponding period of the previous year. Including the effect of the non-

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[2] 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 2011.

[3] Normalised EBITDA and normalised net profit do not include the non-recurring expenses incurred for the listing process.

recurring costs related to the IPO process, net profit moved from Euro 8.8 million in the first half of 2011 (7.5% of revenues) to Euro 7.6 million in the first half of 2012 (5.6% of revenues).

Balance sheet analysis

As of June 30, 2012, the Group's net working capital increases by Euro 16.8 million to Euro 66.3 million from Euro 49.6 million as of June 30, 2011. This change is due to an increase in inventory of Euro 19.0 million, mainly linked to the development of the DOS store network, to an increase in purchases of raw materials and to a rise in third parties production in order to speed deliveries in third quarter of 2012.
Net financial debt has improved significantly falling to Euro 14.2 million compared to Euro 58.4 million as of June 30, 2011; this was favourably affected by the cash injection linked to the capital increase from the IPO.

In conclusion, investments of Euro 8.8 million were made in the first half of 2012, of which Euro 6.5 million in commercial capex and Euro 2.3 million in production and logistics capex.

Additional information

Fedone S.r.l., the parent company of Brunello Cucinelli S.p.A., has notified the latter that it has assigned the financial resources to Parmenide S.r.l., a wholly owned subsidiary of Fedone S.r.l. outside the Brunello Cucinelli Group, required to enable Parmenide S.r.l. to make early repayment of the portion of the loan that Parmenide S.r.l. assumed as a result of the demerger from the former Brunello Cucinelli S.p.A.. In this respect reference should be made to paragraph 22.2 of the Registration Document included in the Prospectus for the IPO of the Company's shares (which may be found at http://investor.brunellocucinelli.com/ita/opvs/prospetto-informativo/). As a result, the risk - noted in paragraph 4.1.17 of the Registration Document - of any forfeiture of the benefit of the term deriving from the non-fulfilment of Parmenide S.r.l. is no longer applicable in respect of Brunello Cucinelli S.p.A..

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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, the accounting records and the accounting entries.

The Half-Year Financial Report at 30 June 2012, approved by the Board of Directors as of today's date, with the accompanying auditor's report, is lodged at the Company's registered office and is available to the public in the section "Financial Reports" of the Company's website.

The pdf document of the Analysts' Presentation regarding the results for the first half of 2012 may be consulted in the section "Presentations" of the Company's website at the address http://investor.brunellocucinelli.com/eng/presentations/.

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BRUNELLO CUCINELLI

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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The following pages consist of the attachments to the condensed consolidated half-year financial statements of the Brunello Cucinelli Group:

BRUNELLO CUCINELLI

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 30th JUNE 2012

	June 30, 2012	*related parties*	December 31, 2011	*related parties*	June 30, 2011	*related parties*
Non-current assets						
Intangible assets	13.094		11.807		12.559	
Property, plant and equipment	32.230	5.386	28.568	4.024	24.720	4.000
Other non-current financial assets	2.749	41	1.783	41	1.582	
Deferred tax asset	7.100		3.701		3.799	
Total non-current assets	**55.173**		**45.859**		**42.660**	
Current assets						
Inventories	77.019		64.708		58.013	
Trade receivables	61.327	25	48.832	12	57.837	535
Tax receivables	895		1.652		1.335	
Other receivables and other current assets	4.260		12.592		8.111	
Cash and cash equivalents	33.531		8.683		5.234	
Derivative financial instruments	33		0		1.142	
Total current assets	**177.065**		**136.467**		**131.672**	
Assets held for sale	-		3.053		-	
Total assets	**232.238**		**185.379**		**174.332**	
Shareholders' equity						
Shareholders' equity attributable to parent company shareholders						
Share capital	13.600		12.000		12.000	
Share-premium Reserve	57.039		-		-	
Reserves	22.244		4.026		7.833	
Net income for the period	7.863		20.268		8.575	
Total shareholders' equity attributable to owners of the parent	**100.746**		**36.294**		**28.408**	
Shareholders' equity attributable to non-controlling interests						
Capital and reserves attributable to non-controlling interests	1.778		933		884	
Net income for the period attributable to non-controlling interests	(225)		757		246	
Total shareholders' equity attributable to non-controlling interests	**1.553**		**1.690**		**1.130**	
Total shareholders' equity	**102.299**		**37.984**		**29.538**	
Non-current liabilities						
Employees termination indemnities	2.850		2.695		2.667	
Provisions for risks and charges	794		893		822	
Non-current payables towards banks	14.203		17.611		21.111	
Non-current financial debt	25		-		-	
Other non-current liabilities	979		723		-	
Deferred Tax liabilities	431		692		820	
Total non-current liabilities	**19.282**		**22.614**		**25.420**	
Current liabilities						
Trade payables	56.020	760	56.129	733	52.605	439
Current payables towards banks	32.808		38.539		41.534	
Current financial liabilities	23		-		808	
Income tax payables	4.409		6.821		10.452	
Derivative financial instruments	2.467		2.913		258	
Other current liabilities	14.930		20.379		13.717	
Total current liabilities	**110.657**		**124.781**		**119.374**	
Total liabilities	**129.939**		**147.395**		**144.794**	
Total equity and liabilities	**232.238**		**185.379**		**174.332**	

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CONSOLIDATESD INCOME STATEMENT AS OF 30th JUNE 2012

	June 30, 2012	*related parties*	June 30, 2011	*related parties*
Net revenues	135.203		116.457	6
Other operating income	1.516	9	389	30
Revenues	**136.719**		**116.846**	
Costs of raw materials and consumables	(20.787)	(4)	(17.582)	(12)
Costs for services	(77.822)	(833)	(63.246)	(332)
Non-recurrent costs	*(6.241)*		-	
Payroll costs	(20.526)	(77)	(17.024)	(82)
Other operating (expenses)/revenues, net	(887)	(14)	(571)	(43)
Costs capitalized	92		217	
Depreciation and amortization	(2.963)		(2.389)	
Impairment of assets and other accruals	(371)		(289)	
Total operating costs	**(123.264)**		**(100.884)**	
Operating Income	**13.455**		**15.962**	
Financial expenses	(2.068)		(2.197)	
Financial income	1.204		1.077	16
Income before taxation	**12.591**		**14.842**	
Income taxes	(4.953)		(6.021)	
Net income for the period	**7.638**		**8.821**	
Net income for the period attributable to owners of the parent	7.863		8.575	
Net income for the period attributable to non-controlling interests	(225)		246	
Base earnings per share	0,12515		0,14292	
Diluted earnings per share	0,12515		0,14292	

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CONSOLIDATED STATEMENT OF CASH FLOWS AS OF 30th JUNE 2012

	June, 30, 2012	June, 30, 2011
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period	7.638	8.821
Adjustments to reconcile net income for the period to the cash flows generated by (used in) operating activities:		
Depreciation and amortization	2.963	2.389
Provisions for employees termination indemnities	177	83
Provisions for risks and charges / inventory obsolescence / doubtful accounts	481	572
Change in other non-current liabilities	105	(716)
(Gain)/Loss on disposal of Fixed assets	(1.116)	35
Termination indemnities payments	(21)	(93)
Payments of Provisions for risks and charges	-	(98)
Net change in deferred tax assets and liabilities	(3.791)	(1.883)
Change in fair value of financial instruments	(11)	(578)
Changes in operating assets and liabilities:		
Change in trade receivables	(12.809)	(10.342)
Change in inventories	(11.849)	(10.234)
Change in trade payables	(774)	9.325
Change in other current assets and liabilities	5.452	5.627
Net cash provided by/(used in) operating activities	**(13.555)**	**2.908**
CASH FLOW FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(5.720)	(4.530)
Additions to intangible assets	(2.234)	(4.200)
Additions/(disposals) of financial assets	(843)	(657)
Acquisition of Max Vannucci S.r.l. net of cash acquired	-	(308)
Acquisition of minority interest share of Cucinelli Holding LLC	-	(491)
Cash settlement from real estate demerger	-	(146)
Proceeds from disposal of property, plant and equipment	183	57
Net cash provided by/(used in) investing activities	**(8.614)**	**(10.275)**
CASH FLOW FROM FINANCING ACTIVITIES		
Medium/Long-term loans received	25	-
Repayment of medium/long-term loans	(3.472)	(3.924)
Net change in short-term financial debt	(5.707)	12.280
Dividends paid	58.639	-
Share capital and reserves increase	(2.529)	(2.457)
Net cash provided by/(used in) financing activities	**46.956**	**5.899**
TOTAL CASH FLOW FOR THE PERIOD	**24.787**	**(1.468)**
Effect of exchange rate changes on cash and cash equivalents	**61**	**(258)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**8.683**	**6.960**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**33.531**	**5.234**
Additional information:		
Interest paid	1.178	977
Income tax paid	10.361	1.669