BRUNELLO CUCINELLI

Press release Brunello Cucinelli S.p.A.

BRUNELLO CUCINELLI: the B.o.D. approved the Interim Report at 30 September 2012.

- **net revenues of Euro 220.2 million (+15.2% YoY);**
- **normalised net profit[1] of Euro 21.3 million (+25.3% YoY);**
- **normalised EBITDA[1] of Euro 39.8 million (+19.7% YoY);**
- **sales rose in all distribution channels, in particular in the retail monobrand (+43.4% YoY) and wholesale monobrand channels (+36.0% YoY), with increased sales growth pace in the third quarter for the multibrand channel (+4.5% YoY);**
- **foreign market's sales rose significantly (+25.3% YoY) representing 72.9% of net revenues (vs. 67.0% in the first nine months of 2011), Italy showed a slight decrease (-5,4% YoY);**
- **foreign markets growth trends: North America +28%, Europe +17.8%, Greater China +30.9%, ROW +45.6%;**
- **net debt of Euro 14.4 million as of 30 Sept. 2012 (vs. Euro 59.6 million at 30 Sept. 2011).**

Significant investments at about Euro 16.7 million were made in the first nine months of the year.

The monobrand store's network rose from 58 at 30 September 2011 to 74 at 30 September 2012. 7 new openings are planned by the end of the year.

Brunello Cucinelli: "*We are very satisfied with our company's performance in the first 9 months of the year, both in terms of revenues and profitability. Since the end of the year is very close, we can say that everything seems to point to truly* ***special*** *2012 full-year results for our company."*

"The great 2011-2015 investment plan, whose purpose is our company's growth in the so-called ***absolute*** *made in Italy luxury segment worldwide, is bearing fruit."*

"The very strong appreciation expressed by our worldwide leading buyers for our 2013 spring-summer women's and men's collections is a source of serenity for our daily work and lets us envisage healthy results for next year."

"We do not want to hide from you our awareness and ***full gratitude*** *towards the domestic and international press, which over the years has been supporting and, we believe, appreciating our way of life and the way we work with the utmost regard for* ***man's human and economic dignity****.*"

[1] Normalised EBITDA and normalised net profit exclude the non-recurring costs incurred for the IPO process.

BRUNELLO CUCINELLI

Solomeo, 12 November 2012 – The Board of Directors of Brunello Cucinelli S.p.A. – an Italian fashion house that operates in the luxury goods sector and listed on the Electronic Stock Market (MTA) of Borsa Italiana since April 27, 2012 - today reviewed and approved the Group's interim report for the first nine months of 2012.

The Group's net revenues for the first nine months of 2012 reached euro 220.2 million, +15.2% over the euro 191.1 million posted in the corresponding period of 2011; at constant exchange rates there was a rise of 13.6%.

Revenues, which include other operating income, amounted to euro 222.2 million, an increase of 15.9% compared to the first nine months of 2011.

Revenues by Geographical Area

All the international markets posted double digit growth, representing 72.9% of net revenues compared to 67% in the same period of 2011, an increase of 25.3%.

North American market - a rise of 28% (net revenues of euro 62.1 million compared to euro 48.6 million in the first nine months of 2011) driven by increases in sales in both retail monobrand and multibrand channel, posting an acceleration compared to the growth achieved in the first half of the year. In the multibrand channel, the luxury department stores increased dedicated spaces, adding to the number of corners and hard shops in their most prestigious display areas, thanks to the brand's strength and the excellent sell-out results achieved.

European market - sales growth of 17.8% (net revenues of euro 69.1 million compared to euro 58.7 million in the first nine months of 2011); a rise in monobrand sales, thanks to new openings of directly operated stores in the most prestigious luxury shopping streets and the results of existing boutiques.
Russia and the East European countries posted especially significant increases, due to a rise in the number of wholesale monobrand stores and the results achieved in the multibrand distribution channel being developed in the countries of the former Soviet Union.

Greater China – an increase in sales of 30.9% (net revenues of euro 9.6 million compared to euro 7.4 million in the first nine months of 2011), driven by the monobrand network new openings (including Shanghai, Macao and a second opening in Hong Kong). This area represents 4.4% of the Group's net revenues.

Rest of the world - an increase in sales of 45.6% (net revenues of euro 19.7 million compared to euro 13.5 million in the first nine months of 2011), sustained by the growth in Korea and Japan, in both the multibrand and monobrand channels.

Italian market – net revenues of euro 59.6 million representing a slight decrease of 5.4% over the euro 63.0 million for the first nine months of 2011. The positive results achieved in the monobrand channel, which benefits from tourist flows in the country's leading cities and resorts, confirm the trend seen in the first half of the year; there was a small decrease in the multibrand channel, mainly outside the bigger towns and cities.

Revenues by distribution channel

The monobrand channel grew significantly at both a DOS level, where revenues increased by 43.4% (net revenues of euro 50.1 million compared to the previous euro 35.0 million), and at a wholesale monobrand level, with a rise of 36.0% (net revenues of euro 29.5 million compared to euro 21.7 million in the first nine months of 2011).

These rises were driven by the development of the commercial network and the like for like[2] performance of the monobrand retail network, which rose by 10.1% in the first 44 weeks of 2012 (the period from 1 January - 4 November 2012).

The store opening plan continued in line with the growth projects: between 30 September 2011 and 30 September 2012 there were 11 net openings of DOS and 5 net openings of boutiques run by third party operators.
The number of stores in the monobrand commercial network therefore rose from 58 at 30 September 2011 (of which 21 DOS and 37 wholesale monobrand stores) to 74 at 30 September 2012 (of which 32 DOS and 42 wholesale monobrand stores), confirming the opening in the world's leading cities and most exclusive resorts.

In China, following agreements reached between the Group and Sichuan Lessin Department Stores Ltd., 6 stores were converted from the wholesale monobrand channel to the direct network as of 1 October 2012 and a new DOS has also been opened in Tianjin.

6 new directly operated stores are expected to be opened by the end of the year (including Aspen, Berlin and Venice together with the opening of a second boutique in Shanghai), to which will be added over the coming months new openings of monobrand boutiques in the most exclusive luxury shopping streets, for which agreements for 12 locations have already been signed.

Analysis of operating results and net profit

Normalised EBITDA[1] of euro 39.8 million representing 17.9% of revenues, rose by 19.7% compared to euro 33.3 million in the nine months ended 30 September 2011 (when it represented 17.4%).

These positive results were driven by changes in the sales channel mix, with the retail channel representing 22.8% of net revenues compared to 18.3% in the first nine months of 2011.

EBITDA for the first nine months of 2012 was affected by non-recurring costs of euro 6.2 million incurred for the IPO process; including these non-recurring expenses EBITDA reached euro 33.6 million (15,1% of revenues), being a slight increase (+0.9%) over the first nine months of 2011.

The depreciation and amortisation charge rose from euro 3.7 million for the first nine months of 2011 to euro 4.7 million for the first nine months of 2012, as the result of the commercial growth strategy and the relative investments made to develop the directly operated stores.

There was an improvement in financial activities, with financial expenses of euro 1.5 million incurred compared to euro 1.9 million in the first nine months of 2011.

Normalised net profit[1] reached euro 21.3 million, representing an increase of 25.3% over the first nine months of 2011 and a margin of 9.6%. Net profit for the period including the effect of non-recurring expenses amounted to euro 17.0 million (7.7% of revenues), in line with the first nine months of 2011 (8.9% of revenues).

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[2] Like for like is calculated as revenue growth at constant exchange rates as posted by DOS existing at 1 January 2011.

Balance sheet

Working capital of euro 73.6 million at 30 September 2012 increased by euro 19.1 million over the figure of euro 54.5 million at 30 September 2011. This was mainly due to an increase in inventories of euro 11.7 million, arising from the development of the DOS network, and a decrease of euro 2.9 million in trade payables (mainly due to the settlement of payments arising from the IPO process).
Comparing 30 September 2012 with 30 June 2012, inventories fell by euro 12.2 million (there was a fall of euro 4.9 million between 30 June 2011 and 30 September 2011); this decrease is due to the business's seasonality as well as to the increases in purchases of raw materials and production made in the second quarter of 2012 to speed up deliveries in the third quarter.

Net debt improved significantly, falling to euro 14.4 million at 30 September 2012 compared to euro 59.6 million at 30 September 2011; this was favourably affected by the cash generated from the IPO of the company's shares.

The significant programme of investments continued during the first nine months of 2012 with capital expenditure of euro 16.7 million being made in the period, an increase over the euro 14.7 million made in the first nine months of 2011; of this, euro 12.0 million related to commercial expenditure and euro 4.7 million to production and logistics.

Additional information

With effect from 1 October 2012 operations were transferred from Sichuan Lessin Department Stores Ltd. ("SLD") to Brunello Cucinelli Lessin (Sichuan) Fashion Co., Ltd., with the latter also taking over the trading contracts previously in SLD's name for running the shops previously managed by SLD. As a result, from that date the stores in Chengdu, Shangai, Dalian and Haerbin and the two boutiques in Shenyang (as well as the new opening in Tianjin) are run as new DOS of the Group.

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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 Interim Report at 30 September 2012 is not audited.

The Interim Report at 30 September 2012, approved by the Board of Directors as of today's date, is lodged at the Company's registered office and is available to the public in the section "Financial Reports" of the Company's website (http://investor.brunellocucinelli.com).

The pdf document of the Analysts' Presentation on the results for the nine months ended 30 September 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 S.p.A. is an Italian fashion house operating in the absolute luxury goods sector which specialises in cashmere and has gradually become one of the most exclusive brands in the international informal luxury prêt-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 year), of which around 70% was achieved overseas, and an EBITDA of euro 40 million (up by 68% compared to the previous year), and has over 700 employees.

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

The success of Brunello Cucinelli S.p.A. is rooted in a "Made in Italy" culture consisting of high-quality, craft-based, exclusive, contemporary products, with business since the company's foundation being conducted in the mediaeval hamlet of Solomeo, lying on the outskirts of Perugia.

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The financial statements follow as an attachment

BRUNELLO CUCINELLI

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 30 SEPTEMBER 2012

(thousand euro)	**Sept. 30, 2012**	***related parties***	**Dec. 31, 2011**	***related parties***	**Sept. 30, 2011**	***related parties***
Non-current assets						
Intangible assets	15,993		11,807		15,137	
Property, plant and equipment	34,896	5,746	28,568	4,024	26,270	3,389
Other non-current financial assets	2,890	41	1,783	41	1,760	
Deferred tax asset	6,400		3,701		3,760	
Total non-current assets	**60,179**		**45,859**		**46,927**	
Current assets						
Inventories	64,786		64,708		53,078	
Trade receivables	67,831		48,832	12	66,643	14
Tax receivables	1,853		1,652		1,525	
Other receivables and other current assets	4,627		12,592		7,210	
Cash and cash equivalents	35,879		8,683		4,929	
Derivative financial instruments	864		0		68	
Total current assets	**175,840**		**136,467**		**133,453**	
Assets held for sale	0		3,053		0	
Total assets	**236,019**		**185,379**		**180,380**	
Shareholders' equity						
Shareholders' equity attributable to parent company shareholders						
Share capital	13,600		12,000		12,000	
Share-premium Reserve	57,039		-		-	
Reserves	23,389		4,026		7,083	
Net income for the period	17,210		20,268		16,418	
Total shareholders' equity attributable to owners of the parent	**111,238**		**36,294**		**35,501**	
Shareholders' equity attributable to non-controlling interests						
Capital and reserves attributable to non-controlling interests	2,041		933		843	
Net income for the period attributable to non-controlling interests	(173)		757		594	
Total shareholders' equity attributable to non-controlling interests	**1,868**		**1,690**		**1,437**	
Total shareholders' equity	**113,106**		**37,984**		**36,938**	
Non-current liabilities						
Employees termination indemnities	2,868		2,695		2,700	
Provisions for risks and charges	794		893		858	
Non-current payables towards banks	13,655		17,611		20,018	
Non-current financial debt	217		-		-	
Other non-current liabilities	1,152		723		630	
Deferred Tax liabilities	1,411		692		632	
Total non-current liabilities	**20,097**		**22,614**		**24,838**	
Current liabilities						
Trade payables	41,936	933	56,129	733	44,822	732
Current payables towards banks	35,510		38,539		43,111	
Current financial liabilities	163		-		1,014	
Income tax payables	8,075		6,821		10,356	
Derivative financial instruments	1,074		2,913		1,482	
Other current liabilities	16,058		20,379		17,819	
Total current liabilities	**102,816**		**124,781**		**118,604**	
Total liabilities	**122,913**		**147,395**		**143,442**	
Total equity and liabilities	**236,019**		**185,379**		**180,380**	

BRUNELLO CUCINELLI

CONSOLIDATED INCOME STATEMENTS AS OF 30 SEPTEMBER 2012

(thousand euro)	**Sept. 30, 2012**	***related parties***	**Sept. 30, 2011**	***related parties***
Net revenues	220,165	46	191,143	6
Other operating income	2,024	13	565	31
Revenues	**222,189**		**191,708**	
Costs of raw materials and consumables	(44,095)	(28)	(32,123)	(17)
Costs for services	(111,538)	(1,219)	(98,132)	(591)
Non-recurrent costs	*(6,241)*		*0*	
Payroll costs	(31,285)	(116)	(27,101)	(114)
Other operating (expenses)/revenues, net	(1,205)	(3)	(827)	
Costs capitalized	167		217	
Depreciation and amortization	(4,699)		(3,685)	
Impairment of assets and other accruals	(671)		(476)	
Total operating costs	**(193,326)**		**(162,127)**	
Operating Income	**28,863**		**29,581**	
Financial expenses	(2,719)		(2,873)	
Financial income	1,241		992	16
Income before taxation	**27,385**		**27,700**	
Income taxes	(10,348)		(10,688)	
Net income for the period	**17,037**		**17,012**	
Net income for the period attributable to owners of the parent	17,210		16,418	
Net income for the period attributable to non-controlling interests	(173)		594	
Base earnings per share	0.26653		0.27363	
Diluted earnings per share	0.26653		0.27363	

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CONSOLIDATED STATEMENTS OF CASH FLOWS AS OF 30 SEPTEMBER 2012

(thousand euro)	**Sept. 30, 2012**	**Sept. 30 2011**
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period	17,037	17,012
Adjustments to reconcile net income for the period to the cash flows generated by (used in) operating activities:		
Depreciation and amortization	4,699	3,685
Provisions for employees termination indemnities	210	120
Provisions for risks and charges / inventory obsolescence / doubtful accounts	781	847
Change in other non-current liabilities	396	(245)
(Gain)/Loss on disposal of Fixed assets	(1,093)	69
Termination indemnities payments	(37)	(97)
Payments of Provisions for risks and charges	(3)	(97)
Net change in deferred tax assets and liabilities	(2,585)	(1,608)
Change in fair value of financial instruments	(462)	478
Changes in operating assets and liabilities:		
Change in trade receivables	(19,671)	(18,593)
Change in inventories	(104)	(4,635)
Change in trade payables	(14,248)	210
Change in other current assets and liabilities	8,732	10,001
Net cash provided by/(used in) operating activities	**(6,348)**	**7,147**
CASH FLOW FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(9,813)	(6,830)
Additions to intangible assets	(5,732)	(7,203)
Additions/(disposals) of financial assets	(1,109)	(640)
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	274	180
Net cash provided by/(used in) investing activities	**(16,380)**	**(15,438)**
CASH FLOW FROM FINANCING ACTIVITIES		
Medium/Long-term loans received	217	-
Repayment of medium/long-term loans	(4,565)	(4,998)
Net change in short-term financial debt	(2,269)	13,941
Dividends paid	(2,817)	(2,567)
Share capital and reserves increase	59,357	-
Net cash provided by/(used in) financing activities	**49,923**	**6,376**
TOTAL CASH FLOW FOR THE PERIOD	**27,195**	**(1,915)**
Effect of exchange rate changes on cash and cash equivalents	**1**	**(116)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**8,683**	**6,960**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**35,879**	**4,929**
Additional information:		
Interest paid	1,518	1,425
Income tax paid	11,843	6,207