BRUNELLO CUCINELLI

CONSOLIDATED INTERIM REPORT AT 31st MARCH 2012

(COURTESY TRANSLATION FOR THE CONVENIENCE OF INTERNATIONAL READERS)

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FINANCIAL STATEMENTS AS AT 31st MARCH 2012

COMPANY DATA

Registered Office of the Group Holding Company

Brunello Cucinelli S.p.A.
via Dell'Industria 5, frazione Solomeo
Corciano – Perugia

Legal data of the Group Holding Company

Share capital (Resolved) € 13,600,000 (*)
Subscribed and Fully paid up Share Capital € 13,600,000 (*)
Registration number on the Perugia Business Register, 01886120540

Official website: http://investor.brunellocucinelli.com

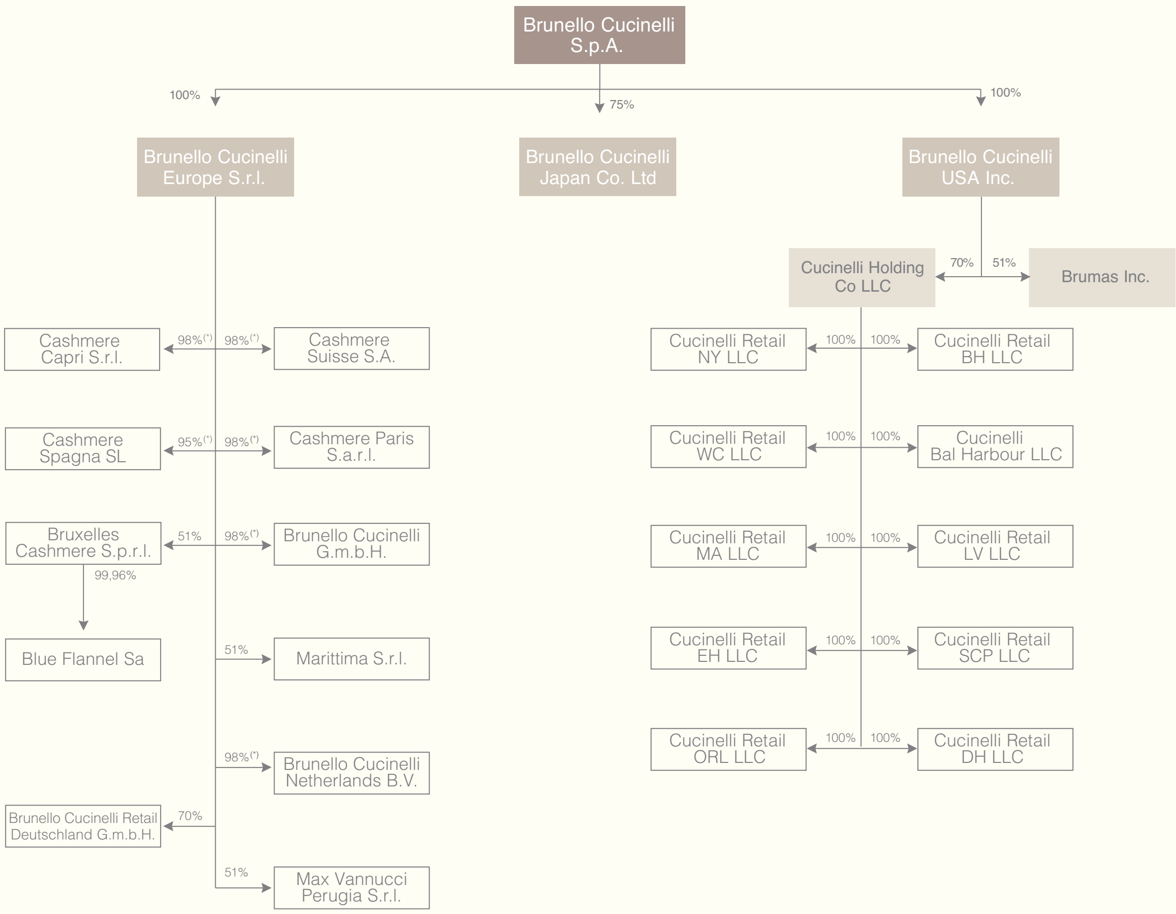
(*) it should be noted that the confirmation of the completion of the increase in share capital resolved by the Company's Extraordinary General Meeting on 27th January 2012 was registered in the Perugia Business Register on 3rd May 2012.

CORPORATE GOVERNANCE BODIES

Board of Directors	Brunello Cucinelli (1)	Chairman and M.D.
	Riccardo Stefanelli (1)	Managing Director
	Moreno Ciarapica (1)	Managing Director
	Giovanna Manfredi (1)	Director
	Enrico Vitali (1)	Director
	Candice Koo (2)	Director
	Andrea Pontremoli (2)	Director
	Matteo Marzotto (2)	Director
	Cassian Folsom (Padre Cassiano) (2)	Director
Lead Indipendent Director	Andrea Pontremoli (3)	
Control and Risks Committee	Andrea Pontremoli (3)	Chairman
	Matteo Marzotto (3)	
	Candice Koo (3)	
Remuneration Committee	Matteo Marzotto (3)	Chairman
	Andrea Pontremoli (3)	
	Candice Koo (3)	
Board of Statutory Auditors	Gerardo Longobardi (1)	Chairman
	Lorenzo Ravizza (1)	Permanent Member
	Guglielmo Castaldo (1)	Permanent Member
	Alessandro Galli (1)	Supplementary Member
	Eros Faina (4)	Supplementary Member
External Auditors	Reconta Ernst &Young S.p.A.	
Manager in charge of the corporate accounting documents	Moreno Ciarapica	

(1) Holding office since 16th June 2011
(2) Holding office since 16th March 2012
(3) Board of Directors appointed on 26th March 2012, with force and effect conditional on the initiation of trading of shares on MTA
(4) Appointed on 22nd December 2011

GROUP STRUCTURE



(*) The remaining % is held by BRUNELLO CUCINELLI S.p.A.

COMPOSITION OF THE GROUP

Name	Registered Office
Brunello Cucinelli S.p.A.	Corciano, frazione Solomeo (PG) – Italy
Brunello Cucinelli USA, Inc.	New York – USA
Cucinelli Holding Co, LLC	New York – USA
Brunello Cucinelli Europe S.r.l.	Corciano, frazione Solomeo (PG) – Italy
Brumas Inc.	New York – USA
Cashmere Capri S.r.l.	Corciano, frazione Solomeo (PG) – Italy
Cashmere Suisse SA	Lugarno – Switzerland
Cashmere Spagna SL	Madrid – Spain
Brunello Cucinelli GmbH	Munich, Bavaria – Germany
Cashmere Paris Sarl	Paris – France
Marittima S.r.l.	Forlì – Italy
Bruxelles Cashmere Sprl	Brussels, Belgium
Blue Flannel SA	Brussels, Belgium
Cucinelli Retail EH, LLC	New York – USA
Cucinelli Retail NY, LLC	New York – USA
Cucinelli Retail MA, LLC	New York – USA
Cucinelli Retail BH, LLC	New York – USA
Cucinelli Retail Bal Harbor, LLC	New York – USA
Cucinelli Retail LV, LLC	New York – USA
Cucinelli Retail SCP, LLC	New York – USA
Cucinelli Retail WC, LLC	New York – USA
Cucinelli Retail ORL, LLC	New York – USA
Max Vannucci S.r.l.	Perugia – Italy
Brunello Cucinelli Japan Co. Ltd	Tokyo – Japan
Brunello Cucinelli Retail Deutschland GmbH	Munich, Bavaria, Germany
Brunello Cucinelli Netherlands B.V.	Amsterdam

DISTRIBUTION NETWORK

The Group offers its products on the market through a number of different distribution channels.

From the end customer standpoint, the Group is present on the market through:

- the **retail** distribution channel, that is, the direct retail sales channel. It consists of stores managed directly by the Group (the so-called "DOS" or **Directly Operated Stores**), outlets and the online boutique;
- the **wholesale monobrand** distribution channel, consisting of franchised monobrand retail stores. We use intermediaries, represented by franchised monobrand retail stores for sales to end users. Franchised stores are our customers and are therefore billed for the sale of our products;
- the **wholesale multibrand** distribution channel, which includes independent multibrand stores and dedicated spaces in department stores (corners structured as "hard shops", soft shops or icon shops). In this channel, for sale to the end users, we use intermediaries, represented by independent multibrand retail stores, i.e. department stores. In this case the multibrand retail stores are our customers (and are therefore billed for the sale of our products)

The Group use a network of agents and distributors for sales to a number of monobrand and multibrand wholesale customers.

The Group ensures that the brand image and Brunello Cucinelli style are transmitted in all distribution channels through the areas and stores dedicated to the sale of its products.

We have summarised below the Brunello Cucinelli Group's monobrand sales network updated as at 31st March 2012, 31st December 2011 and 31st March 2011:

Distribution Channel	Segment	31.03.2012	31.12.2011	31.03.2011
	DOS	21	20	13
RETAIL	E-commerce	1	1	1
	Outlet	3	2	1
WHOLESALE MONOBRAND	Franchising	38	39	36

The table that follows sets out details of DOS as at 31st March 2012 and their locations:

DOS	Location
Milan	Via della Spiga 30 and 5
Bologna	Galleria Cavour 4/G and Via Goidanich 1/G
Milano Marittima	Via Matteotti 43 and Viale Romagna 51
Capri	Via delle Camerelle 14, 14/A and 16/A
Paris	179 Boulevard de Saint Germain
Paris	Rue du Faubourg Saint-Honoré, 54-60
Brussels	Place du Grand Sablon 4-4A
Palma de Mallorca	Calle Jaime III, 4
New York	377-379 Bleecker Street
New York	683, Madison Avenue
East Hampton	39, Newton Lane
Beverly Hills	9538 Brighton Way
Miami	Bal Harbour Store – Suite 214 – 9700 Collins Avenue
Las Vegas	Crystals at City Center, Suite 263 – 3720 South Las Vegas Blvd
Costa Mesa	South Coast Plaza Retail Center, Bristol Street 3333
Ibiza	Marina Botafoch, 321-322
St. Moritz	Via Maistra 4
Geneva	Rue Robert-Céard 6
Madrid	Calle Jorge Juan 15 / Calle Lagasca 25
Porto Cervo	Piazzetta delle Chiacchiere 12
Solomeo	Piazza Alberto Dalla Chiesa 6

CONSOLIDATED INTERIM REPORT AS AT 31st MARCH 2012

GROUP'S ACTIVITIES

Brunello Cucinelli is an Italian maison operating in the absolute luxury goods sector, specialised in cashmere, and has gradually become one of the most exclusive brands in the international luxury *prêt-à-porter* sector.

It is particularly well-known for its cashmere products and it is one of the main players in apparel and accessories design, manufacturing and distribution. Its strength lies in the ability to combine its exclusive "made in Italy" features with the top-notch quality and high craftsmanship of its production, its creativity, its innovation capacity as well as its hope to remain contemporary.
The Group's product range focuses on a single brand: Brunello Cucinelli.

TheBrunello CucinelliGroup's activities are implemented according to a business model combining business efficiency, the Company's social mission and its ethical and humanistic values so strongly promoted by its founder. The blending of these elements has featured along the whole company development, enhancing the brand's highly distinctive and individual character.
The Group operates according to a business model whereby a close connection is promoted between product strategies and communication activities. This ensures their consistency with the brand image and the Brunello Cucinelli style.

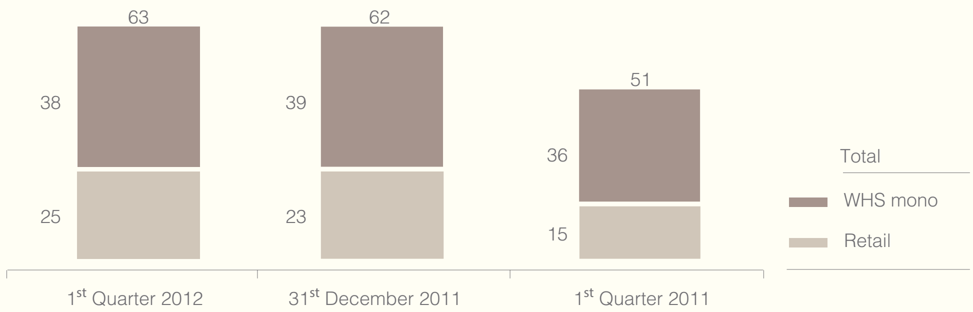
ORGANISATION OF PRODUCTION

Brunello Cucinelli products are a rigorous expression of the "Made in Italy" tradition and the production process is located exclusively in Italy. This may be broken down into various stages that are carried out under the Company's quality control. In line with sector practice, production is carried out through the use of qualified laboratories outside the Group known as façonisti (based mainly in Umbria). These are craftsmen and medium-sized businesses that are highly specialised by single product and single production stage and work mostly by using "hand-made" techniques. Production is carried out through job contracts based on orders received after the launch of each collection.

DISTRIBUTION

Product sales are seasonal and, both in Italy and abroad, realized through the retail, monobrand wholesale and multibrand wholesale channels.
The retail channel includes monobrand stores (DOS), outlet managed by the Group and the online boutique.
The wholesale monobrand distribution channel consists of monobrand stores managed in franchising.
The wholesale multibrand distribution channel includes independent multibrand stores and dedicated areas (corners or shop in shops) within department stores.

As at 31st March 2012 the Group has a presence in more than 50 countries with a network of 25 monobrand stores (21 DOS, 3 Outlets and 1 monobrand online boutique), 38 franchised monobrand stores located in the most prestigious streets of important Italian and foreign cities and a number in the most exclusive resorts. This is in addition to more than 1000 multibrand stores (including approximately 70 hard shops out of a total of more than 300 corners).



THE PRODUCTS

The range of products produced by the company consists of a "total look" which includes a complete range of clothing for both men and women (knitwear, t-shirts, shirts, trousers, skirts, women's dresses, men's suits, outer-wear, leather-wear and sports clothing) together with accessories (such as, for example, bags, shoes, jewellery, belts, scarves, hats and wallets).

COMMUNICATION

From the start the Group has been devoting effort and financial resources to the definition of its advertising strategy in support of the brand image.
The company communication staff mainly operates from the company's headquarters in Solomeo, but also in Milan and New York. They hold relations with external PR and press agencies.
Their approach to the communications strategy is consistent with the fundamental values of the Company's philosophy, in which the efficiency of industrial organisation is combined with business ethics and the promotion of values such as art, creativity, harmony and the sense of beauty.

FIRST QUARTER 2012 GROUP'S RESULTS

Over the first three months of the 2012 financial year, net revenues amounted to € 78,818 thousand, representing an increase of 18.6% compared to the first quarter of the previous financial year. The above figure was positively influenced by the disposal of a store's rent contract in Milan, Via Spiga 15, which, as will be described further below in greater detail, produced a capital gain of € 1,014 thousand in the first quarter of 2012, recorded in the Income Statement heading as "Other Income".
Net revenues as at 31st March 2012 increased by more than 17.1%, amounting to € 77,636 thousand, as compared with € 66,273 thousand of 31st March 2011.

EBITDA rose from € 10,085 thousand, representing 15.2% of net revenues for the period in 2011, to € 13,876 thousand, representing 17.6% of net revenues for the period in 2012, an increase of 37.6%. The EBITDA figure is an indicator which is not influenced by the capital gains referred to above. It represented 16.6% of net revenues, an increase of 27.5% compared to the prior year period.

The Net Income for the quarter increased from € 5,264 thousand, equal to 7.9% of net revenues for the period in 2011, to € 7,871 thousand, equal to 10.0% of net revenues for the same period in 2012. This represents an increase of 49.5% (30.3% without considering the capital gain).

We have set out the main equity and economic indicators together with the Net Financial Position in the following table.

(In thousand of euro)	1st Quarter closing on 31st March				Changes over the period	
	2012	% of Income	2011	% of income	2012 vs. 2011	2012 vs. 2011 %
Net revenues	78,818	100.0%	66,468	100.0%	12,350	18.6%
EBITDA (1)	13,876	17.6%	10,085	15.2%	3,791	37.6%
Operating Income	12,458	15.8%	8,976	13.5%	3,482	38.8%
Net Income for the period	7,871	10.0%	5,264	7.9%	2,607	49.5%
Capex (2)	3,115	4.0%	4,555	6.9%	(1,440)	–31.6%
Operating Cash Flow	(3,629)	– 4.6%	2,396	3.6%	(6,025)	> –100%

(1) We define EBITDA as Operating Income before Depreciation and Ammortization. EBITDA defined in this way is a measure used by our management to monitor and assess our operating performance. EBITDA is a not an accounting measure in the context of IFRS and accordingly should not be considered as an alternative for assessing trends in our operating income. Since the composition of EBITDA is not regulated by the accounting principles adopted, the means of calculating this figure used by us might not be consistent with that used by others and might therefore not be comparable. EBITDA as a percentage of net revenues is calculated by the Group as the ratio between EBITDA and net revenues.

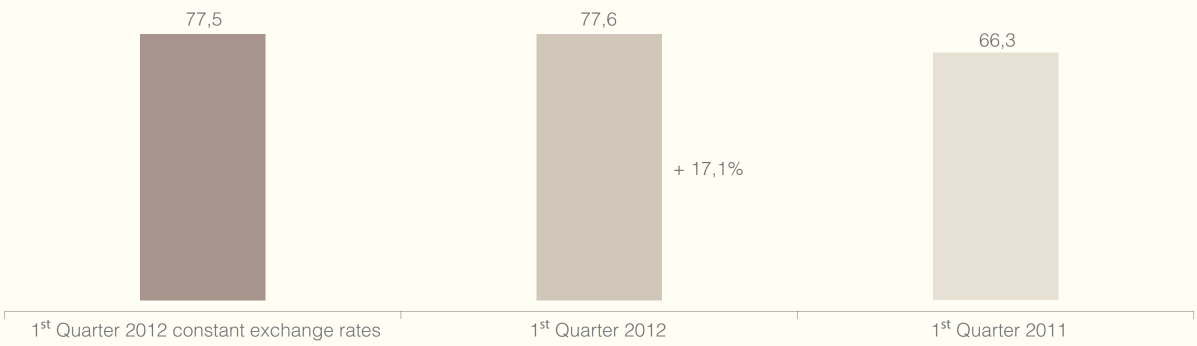
(2) Capex refer to gross capex in tangible and intangible assets.

(In thousands of euro)	31.03.2012	31.12.2011
Net financial Position (3)	57,847	47,994

(3) Net Financial Position has been calculated as the sum of cash and cash equivalents, current financial assets, non-current financial liabilities, the fair value of hedging financial instruments and other non-current financial assets.

NET REVENUES

The Group's consolidated net revenues for the first quarter amounted to € 77,636 thousand, with a growth of 17.1% compared to the same period in 2011. The first quarter of the year demonstrates solid double-digit growth. At constant exchange rates (using the same average exchange rates as those applicable over the first three months of 2011), net revenues would amount to € 77,547 thousand.

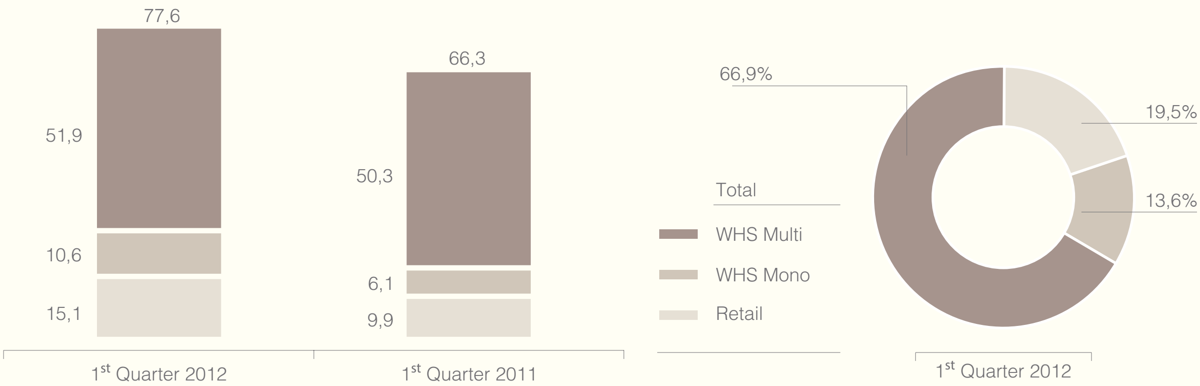


The total increase in net revenues was € 11,363 thousand at current exchange rates (+17.1%), mainly attributable to the following factors: (i) organic growth of the retail channel related to the opening dynamics of new directly operated stores (DOS), particularly in Europe and North America as well as to development of the existing directly operated stores, (ii) the expansion of new locations in the monobrand and multibrand wholesale channels, particularly in the North American and Asian markets, (iii) the growth in the number of doors at department stores where the Group already distributed its products, and (iv) the availability of larger and better-placed display areas within Department stores as a result of the brand's consolidation.

NET REVENUES BREAK-DOWN BY DISTRIBUTION CHANNEL

All sales channels experienced growth over the first quarter of 2012, particularly marked in the monobrand channel. The following table shows net revenues generated by the Group over the first quarters of 2012 and 2011, broken down by distribution channel.

(In thousands of euro)	1st Quarter closing on 31st March				Changes over the period	
	2012	**%**	**2011**	**%**	**2012 vs. 2011**	**2012 vs. 2010 %**
Retail	15,103	19.5%	9,873	14.9%	5,230	+53.0%
Wholesale Monobrand	10,588	13.6%	6,082	9.2%	4,506	+74.1%
Wholesale Multibrand	51,945	66.9%	50,318	75.9%	1,627	+3.2%
Total	**77,636**	**100.0%**	**66,273**	**100.0%**	**11,363**	**+17.1%**



RETAIL

Net revenues generated by the retail channel amounted to € 15,103 thousand, an increase of € 5,230 thousand, equal to +53.0% as compared with the same period in the previous year.
€ 1,790 thousand of the increase can be ascribed to the consolidation of stores already existing at the beginning of the period and € 3,440 thousand to the opening of new stores (8 DOS and 2 Outlets).
As at 31st March 2012 the retail channel generated 19.5% of the Group's net revenues, an increase with regard to the 14.9% as at 31st March 2011.
The directly operated stores (DOS, Outlets and e-commerce), 15 on 31st March 2011, had increased to 25 by 31st March 2012. This means that there was an increase of 10 points of sale from those existing on 31st March 2011 with 11 openings and one closure. Over the first three months of 2012 the number of directly operated stores (DOS) increased by 2 with respect to the number existing as at 31st December 2011, with the opening of three new points of sale and the closure on 31st January 2012 of the store at Malpensa. An outlet was also opened over the same period.

WHOLESALE MONOBRAND

Net revenues generated through the monobrand wholesale channel amounted to € 10,588 thousand (+ € 4,506 thousand compared to 31st March 2011), corresponding to an increase of +74.1%.

The net revenues generated by monobrand wholesale sales represented 13.6% of total net revenues, an upwards trend with respect to the figure of 9.2% of the prior year period.
The franchising network's stores increased from 36 as at 31st March 2011 to 38 as at 31st March 2012. Over the first three months of 2012 the monobrand wholesale stores reduced by one with respect to the number existing on 31st December 2011 resulting from the conversion of the Porto Cervo shop to a DOS.

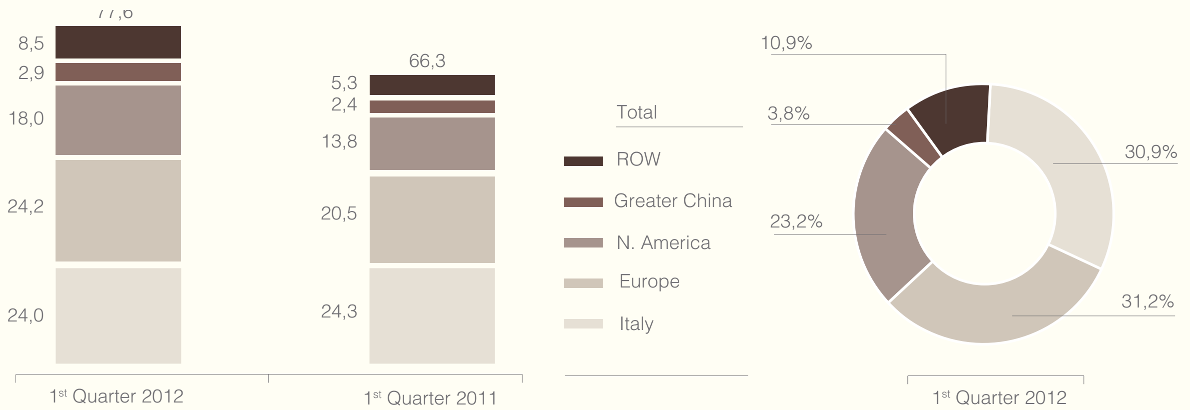
WHOLESALE MULTIBRAND

Net revenues coming from the multibrand wholesale channel amounted to € 51,945 thousand (+1,627 thousand as compared with 31st March 2011, with an increase of +3.2% over the same period in 2011). As a consequence, the channel's percentage contribution to total net revenues dropped from 75.9% as at 31st March 2011 to 66.9% as at 31st March 2012.

NET REVENUES BREAK-DOWN BY GEOGRAPHICAL AREA

Over the first quarter of 2012, the Brunello Cucinelli Group, in the context of a substantial consolidation of the domestic market, continued with its development, and hence its growth, in international markets. The figures for 31st March 2012 has been showed in the table below, compared to the prior year period, broken down by geographical area.

(In thousands of euro)	**1st Quarter closing on 31st March**				**Changes over the period**	
	2012	**% of net revenues**	**2011**	**% of net revenues**	**2012 vs. 2011**	**2012 vs. 2011 %**
Italy	24,000	30.9%	24,292	36.6%	(292)	–1.2%
Europe	24,211	31.2%	20,512	31.0%	3,699	+18.0%
North America	18,007	23.2%	13,784	20.8%	4,223	+30.6%
Greater China	2,946	3.8%	2,385	3.6%	561	+23.5%
Rest of World	8,472	10.9%	5,300	8.0%	3,172	+59.8%
Total	**77,636**	**100.0%**	**66,273**	**100.0%**	**11,363**	**+17.1%**



Following an analysis of the increase in net revenues by geographical area as follows:

Italy

Sales from "Italy" represented 30.9% of net revenues (36.6% in the same period of the previous year). The figures are substantially in line with those of the previous period, with a reduction in absolute value of € 292 thousand, equal to -1.2% (€ 24,000 thousand in 2012; € 24,292 thousand in 2011).

Europe

Sales from "Europe" represented 31.2% of net revenues (31.0% over the same period of the previous year). This amounts to an increase of +18.0%, increasing from € 20,512 thousand to € 24,211 thousand, with an absolute increase in value of € 3,699 thousand.

North America

Sales from "North America" represented 23.2% of net revenues (20.8% over the same period of the previous year). There was an increase from € 13,784 thousand to € 18,007 thousand, representing an increase of € 4,223 thousand, equal to +30.6%.

The figure for income expressed directly in foreign currency, converted into Euros at the moment of the drafting of this intermediate report, amounted to US$22,944 thousand (the average exchange rate for the 2012 quarter was 1.310823).

Greater China

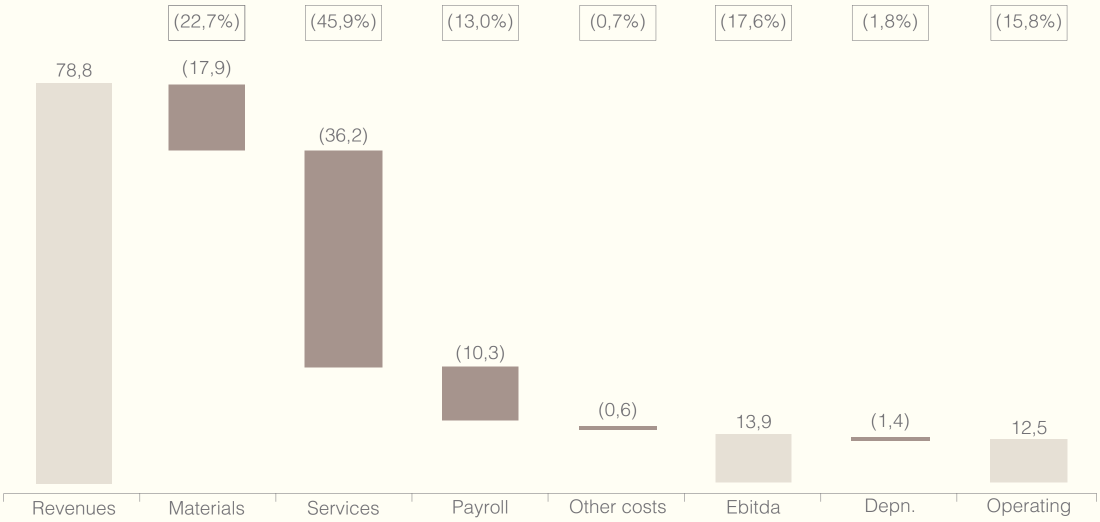
Sales from "Greater China" represented 3.8% of net revenues (3.6% over the same period of the previous year). This means that there has been an increase of € 561 thousand (+23.5%), from € 2,385 thousand to € 2,946 thousand.

The Rest of the World

Sales from the "Rest of the World" increased by 59.8% during the first quarter of 2012 as compared to the prior year period, continuing to maintain a high growth rate, increasing from € 5,300 thousand to € 8,472 thousand. The positive trend in this geographical area has been driven by the increase of sales in Japan and Korea, particularly by the growth in sales achieved by the department stores.

OPERATING INCOME

We have set out below a graphical representation of the economic data as at 31st March 2012 aimed at representing the trends in EBITDA (an indicator of operating profitability) and in Operating income:

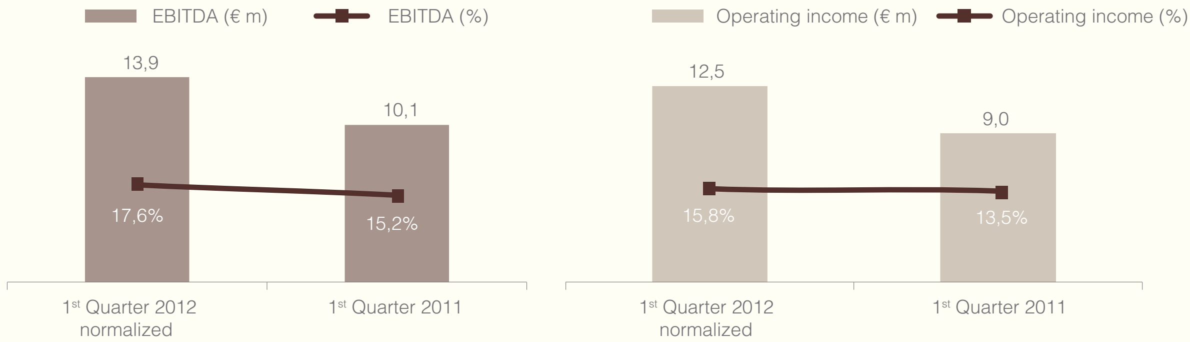


(In thousands of euro)	**1st Quarter closing on 31st March**				**Changes over the period**	
	2012	**% of net revenues**	**2011**	**% of net revenues**	**2012 vs. 2011**	**2012 vs. 2011 %**
Operating Income	**12,458**	**15.8%**	**8,976**	**13.5%**	**3,482**	**38.8%**
+ Amortization	1,418	1.8%	1,109	1.7%	309	27.9%
EBITDA (*)	**13,876**	**17.6%**	**10,085**	**15.2%**	**3,791**	**37.6%**

(1) We define EBITDA as Operating Income before Depreciation and Ammortization. EBITDA defined in this way is a measure used by our management to monitor and assess our operating performance. EBITDA is a not an accounting measure in the context of IFRS and accordingly should not be considered as an alternative for assessing trends in our operating income. Since the composition of EBITDA is not regulated by the accounting principles adopted, the means of calculating this figure used by us might not be consistent with that used by others and might therefore not be comparable. EBITDA as a percentage of net revenues is calculated by the Group as the ratio between EBITDA and net revenues.

EBITDA increased from € 10,085 thousand, equal to 15.2% of net revenues, for the first quarter of 2011 to € 13,876 thousand, equal to 17.6% of net revenues, for the first quarter of 2012, delivering a growth of 37.6%.

Operating Income increased from € 8,976 thousand, equal to 13.5% of net revenues, for the first quarter of 2011, to € 12,458 thousand, equal to 15.8% of net revenues, for the first quarter of 2012, delivering a growth of 38.8%.



The key factors leading to the EBITDA and Operating Income growth over the first quarter of 2012 can be summarised as follows:

(i) A greater proportion of net revenues came from sales through the Retail channel (because of the greater number of DOS in 2012 and the greater margins available in the Retail channel as compared with Wholesale);

(ii) The capital gain obtained from the disposal of the store's rent contract in Milan, Via Spiga 15, accounted on the 13th of January 2012 under"Other Income" in the Income Statement;

(iii) A lower ratio of Operating Costs to net revenues. Over the first three months of 2012 they increased by € 8,868 thousand, amounting to 84.2% of net revenues as compared with 86.5% for the first quarter of 2011.

To provide a more precise understanding of the Production Costs line we have set out below a combined analysis of Consumption Costs and Ousourced Manufacturing Costs over the first quarters of 2012 and 2011, also indicating their value expressed as a percentage of net revenues.

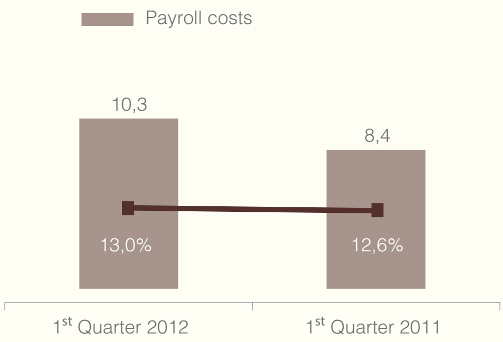
(In thousands of euro)	1st Quarter closing on 31st March				Changes over the period	
	2012	**% of income**	**2011**	**% of income**	**2012 vs. 2011**	**2012 vs. 2011 %**
Costs of raw materials and consumables	15,274	19.4%	10,647	16.0%	4,627	+43.5%
Inventories change	2,650	3.4%	4,811	7.2%	(2,161)	–44.9%
Outsourced Manufacturing Costs	20,054	25.4%	18,362	27.6%	1,692	+9.2%
Total	**37,978**	**48.2%**	**33,820**	**50.9%**	**4,158**	**+12.3%**

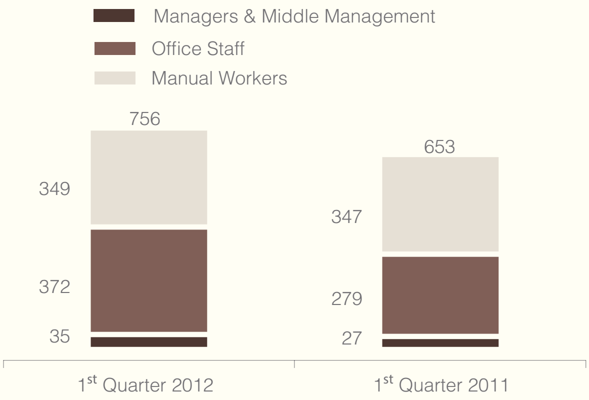
The joint consideration of these two Income Statement line items demonstrates that their value as a percentage of net revenues has reduced compared to the previous year period (48.2% in 2012 against 50.9% in 2011). This percentage decrease can essentially be explained by the greater proportion of net revenues generated by the retail distribution channel out of total net revenues for the period (19.5% in the first quarter of 2012 against 14.9% in the first quarter of 2011).
The other main Income Statement line items which determines Operating Costs have been summarised as follows. The first was Commission, that is, the fees paid to the agent's network. Then there were Advertising costs and other commercial costs incurred for promotional activities carried out by the Group with a view to communicating its image and philosophy throughout the world. More specifically, these latter costs relate to the production of catalogues, advertising campaigns, events and trade fairs organised in Italy and abroad. Finally there were the costs of Transport, duties and Rental and leasing costs.

We have set out below a summary of these headings for the first quarters of 2012 and 2011, also indicating their value as a percentage of net revenues.

(In thousands of euro)	1st Quarter closing on 31st March				Changes over the period	
	2012	% of net revenues	2011	% of net revenues	2012 vs. 2011	2012 vs. 2011 %
Commission and accessory charges	3,669	4.7%	4,200	6.3%	(531)	–12.6%
Advertising and other commercial costs	3,822	4.8%	3,248	4.9%	574	+17.7%
Transport and duties	2,479	3.1%	2,321	3.5%	158	+6.8%
Rents payable	2,659	3.4%	1,455	2.2%	1,204	+82.7%

The changes in payroll costs are mainly related to increases in employed staff. The costs incurred for remuneration amounted to € 10,254 thousand as compared with € 8,362 thousand for the same quarter in the previous year. This represented a growth in the absolute value of € 1,892 thousand. As at 31st March 2012 the payroll cost's percentage of net revenues was 13.0%, as compared with 12.6% for 31st March 2011.





CAPEX AND FINANCIAL POSITION

Below we have reclassified the Balance Sheet and Financial position as at 31st March 2012, compared to the position at 31st December 2011.

(In thousands of euro)	**As at 31.03.2012**	**As at 31.12.2011**	**As at 31.03.2011**
Trade receivables	58,541	48,832	52,924
Inventories	61,800	64,708	42,904
Trade payables	(47,559)	(56,129)	(39,455)
Other net current assets/liabilities	(14,882)	(11,193)	(11,594)
Net circulating assets	**57,900**	**46,218**	**44,779**
Intangible Fixed Assets	11,562	11,807	11,256
Tangible Fixed Assets	30,212	28,568	36,369
Financial Fixed Assets	2,241	1,783	1,174
Fixed Assets	**44,015**	**42,158**	**48,799**
Other net, non-current assets/liabilities	282	(2,398)	(1,016)
Net invested Capital	**102,197**	**85,978**	**92,562**
Cash at banks	(6,493)	(8,683)	(5,693)
Current payables due to banks	46,989	38,539	34,066
Non-current payables due to banks	16,732	17,611	27,248
Other net financial instruments	619	527	842
Net financial position	**57,847**	**47,994**	**56,463**
	12,000	12,000	4,600
	22,750	4,026	25,232
	7,946	20,268	5,070
	42,696	36,294	34,902
	1,654	1,690	1,197
	44,350	**37,984**	**36,099**
	102,197	**85,978**	**92,562**

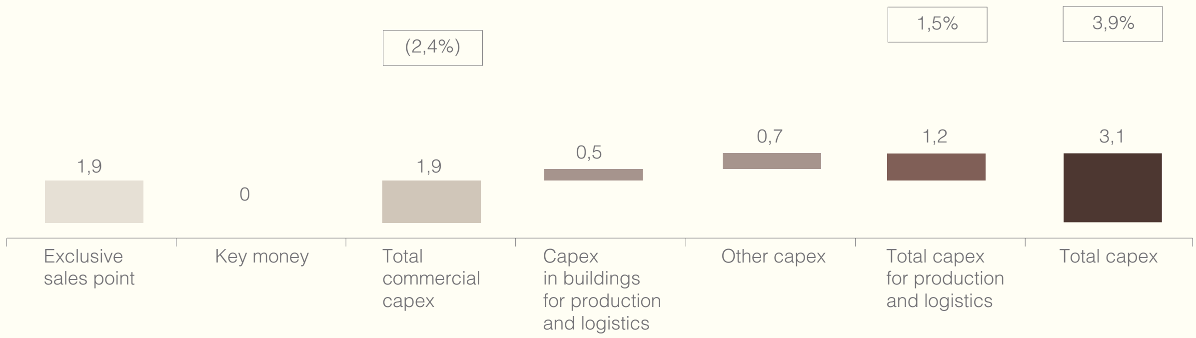
CAPEX

During the interim period ended 31st March 2012, the Group made capex in non-current assets for a total of € 3,115 thousand, of which € 190 thousand in intangible assets and € 2,925 thousand in property, plant and equipment.
The following table shows the breakdown of capex made by the Group by type and category during the quarters ended 31st March 2012 and 2011.

(in thousands of euro)	**at 31st March**	
	2012	**2011**
Capex in intangible assets	190	2,430
Capex in property, plant and equipment	2,925	2,125
Total Capex	**3,115**	**4,555**

The most significant capex concerned the opening and setting up of retail stores, mainly relating to the opening of new stores directly operated by the Group in North America, Europe and Italy. They also concerned renovation for the headquarters' production and logistics activities.

Below is a graphical presentation of the capital expenditure incurred by the Group in the first quarter of 2012 broken down by investment type:



Amortization and Depreciation (€ 1,418 thousand at 31st March 2012 and € 1,109 thousand in the previous interim period) accounted for 1.8% of net revenues in the first quarter of 2012 and 1.7% in the first quarter of 2011; the increase in absolute value, of € 309 thousand, is due primarily to capital expenditures in Key money made to take over the contracts relating to monobrand stores and to capex made in relation with the directly operated stores.

FINANCING ACTIVITIES

The following is a breakdown of Net Financial Position at 31st March 2012, 31st December 2011 and 31st March 2011.

Net financial debt:

(in thousands of euro)	**at 31.03.2012**	**at 31.12.2011**	**at 31.03.2011**
A. Cash	(116)	(93)	(144)
B. Other cash equivalents	(6,377)	(8,590)	(5,549)
C. Cash and cash equivalents (A)+(B)	**(6,493)**	**(8,683)**	**(5,693)**
D. Current financial receivables	–	–	26
E. Current bank payables	46,989	38,539	34,066
F. Other current financial payables	594	527	557
G. Current payables (E)+(F)	**47,583**	**39,066**	**34,623**
H. Net current debt (G)+(D)+(C)	**41,090**	**30,383**	**28,956**
I. Non-current bank payables	16,732	17,611	27,248
H. Other non-current payables	25	–	259
K. Net non-current debt (I)+(J)	**16,757**	**17,611**	**27,507**
L. Net debt (H)+(K)	**57,847**	**47,994**	**56,463**

At 31st March 2012, Brunello Cucinelli Group's debt increased over the corresponding figure at 31st December 2011 and 31st March 2011, respectively by € 9,853 thousand and € 1,384 thousand.
The change in net debt is closely related to the financial dynamics resulting from normal business operations which, given the growth in business volumes, are characterized in the first months of the year by the use of resources to finance the temporary growth in net working capital.

DIVIDENDS

The Holding Company Brunello Cucinelli S.p.A., pursuant to the shareholders' meeting resolution of 27th February 2012, paid dividends to shareholders of € 2,500 thousand.

LISTING ON THE MTA (ITALIAN ELECTRONIC STOCK EXCHANGE) OF BORSA ITALIANA S.P.A.

On 27th January 2012 the Board of Directors of Brunello Cucinelli S.p.A approved, among other things, the application for listing of Brunello Cucinelli S.p.A. shares on the MTA (Italian Electronic Stock Exchange), managed and run by Borsa Italiana S.p.A. For the listing purposes, on the same date the Extraordinary Shareholders' Meeting approved the capital increase up to € 13,600,000.

The company's global share offering consisted of a public offer for subscription (*OPS*) and sale (*OPV*) to the general public in Italy, and a concurrent private placement reserved for:

- qualified investors in Italy and institutional investors abroad pursuant to Regulation S of the 1933 **United States Securities Act**, as amended, with the exception of Canada, Japan and Australia and any other country in which the offering of securities is not permitted without authorization by the competent authorities, subject to any exemptions under existing laws; and
- "**Qualified Institutional Buyers**" in the United States of America pursuant to Rule 144 A of the 1933 United States Securities Act, as amended.

On 2nd February 2012 the application for admission to the MTA of Brunello Cucinelli S.p.A. ordinary shares was submitted to Borsa Italiana S.p.A. On the same date the disclosure provided for by Article 94 of the CFA (Italian consolidated finance act) was submitted to Consob, in relation to the aforementioned public offering.

As at 31st March 2012 the costs incurred for the listing project amounted to € 4,201 thousand. In compliance with IAS 32, following the positive outcome of the listing, the ratio between the number of new shares/number of post-listing shares will determine the percentage of costs that will be directly booked as a reduction in equity.

On 10th April 2012 Borsa Italiana S.p.A. approved the listing of Brunello Cucinelli S.p.A. ordinary shares on the Italian Electronic Stock Exchange (**MTA**). On 11th April 2012 Consob approved the public offering prospectus.

27th April 2012 was the first day of trading of the company's shares on the MTA.

On 3rd May 2012 the statement of execution of the capital increase, approved by a resolution of the company's extraordinary meeting on 27th January 2012, was entered in the Perugia Corporate's Register. Therefore, the share capital of Brunello Cucinelli S.p.A. amounts to € 13,600,000 divided into 68,000,000 ordinary shares, without par value.

SIGNIFICANT EVENTS OCCURRED DURING THE FIRST QUARTER OF 2012

Brunello Cucinelli Lessin

On 26th January 2012 the Company entered into a framework agreement with the Chinese trading company Sichuan Lessin Department Stores Co., Ltd. (hereinafter "SLD"), whose controlling shareholder is Mr. Chen Long; in the agreement, the parties have outlined the essential terms and conditions for setting up a new company, 51% controlled by the Brunello Cucinelli Group and the remaining 49% owned by SLD.

In implementation of the agreements reached, on 26th March 2012 the Company and SLD entered into a joint venture agreement governing their respective rights and obligations, in their capacity as shareholders of the new "Brunello Cucinelli Lessin" company, which will be headquartered in Chengdu. The parties aim at making the joint venture operational as from July 2012. When operations begin, the *boutiques* currently operating under a franchise arrangement will become DOS of the Group in all respects, as will the new *boutiques* that Brunello Cucinelli Lessin will open and manage in the future.

Brunello Cucinelli Japan Co., Ltd.

In January 2012 the Company acquired a 75% share in Brunello Cucinelli Japan Co., Ltd., pursuant to an agreement signed between Brunello Cucinelli S.p.A. and Itochu Corporation, a Japanese company which, on the basis of previous agreements, already operated as exclusive importer and distributor for Japan of Brunello Cucinelli brand products. The remaining 25% stake is held by Itochu Corporation.

Brunello Cucinelli Retail Deutschland GmbH

As part of its development in the German market, the Group has set up Brunello Cucinelli Retail Deutschland GmbH, 70% owned by Brunello Cucinelli Europe S.r.l. and 30% by Michael Meyer – the Group's commercial partner in Germany. The newly-formed subsidiary's mission is to manage the Group's DOS in Germany (Monaco being the only exception), including the store in Hamburg, which was previously operated under a franchise agreement.

Lease agreement for the store in 15 Via della Spiga, Milan

The Company received a proposal from a third-party company during November 2011 to take over the lease agreement of the monobrand store located in.15 Via della Spiga, Milan. The proposal provided that the party would take over the lease agreement upon satisfaction of a number of conditions that were outside the Company's control. Among these, the acceptance by the property owner to enter into a new lease agreement with the proposing company took place on 13th January 2012 when the agreement was executed. The Company continued to carry on its retail business in the store located in 15 Via della Spiga until 7th January 2012. It should be noted that since September 2011 the company has opened a new DOS in Milan, also located in Via della Spiga, at no. 30.

The lease disposal in the first quarter of 2012 generated a capital gain of € 1,014 thousand.

SIGNIFICANT EVENTS AFTER 31st MARCH 2012

Since 1st April 2012, Brunello Cucinelli Retail Deutschland GmbH, which was set up to strengthen and develop the company's presence in the German market, has been operating themonobrand store in Hamburg; this store, which was previously operated under a franchise arrangement, has now become effectively a Group's DOS.
With regard to the Group's activities after 31st March 2012, no other significant operating events occurred that should be mentioned in addition to what has already been described in this quarterly report.

BUSINESS OUTLOOK

The sound results achieved in this first quarter, both in terms of net revenues and margins, have confirmed the current positive momentum recorded by the Brunello Cucinelli's brand on an international level.
The product and its marketing seem to be well accepted by the market, as it is the life-style evoked by this made in Italy product that features high quality, craftsmanship and a contemporary look.

We therefore look to the future with reasonable optimism, envisaging a 2012 in line with our expectations of sustainable and healthy growth.

ACCOUNTING POLICIES

The Group quarterly report at 31st March 2012 has been prepared in accordance with Art. 154 ter, paragraph 5 of the Consolidated Finance Act (Italian *TUF*) introduced by Legislative Decree 195/2007 implementing Directive 2004/109/EC.
On 9th May 2012 the Board of Directors of Brunello Cucinelli S.p.A approved this quarterly report and on the same date the BoD authorized its distribution to the public.

SCOPE OF CONSOLIDATION

The scope of consolidation at 31st March 2012 was expanded following the incorporation of the subsidiaries Brunello Cucinelli Japan Co. Ltd, Brunello Cucinelli Deutschland GmbH and Brunello Cucinelli Netherlands BV, which are commented on above in the section "Significant events that occurred during the first quarter of 2012."
The new capex were consolidated using the line-by-line consolidation method.

ACCOUNTING STANDARDS

The quantitative data on the company's financial and operating situation at 31st March 2012 were prepared on the basis of the International Accounting Standards (IAS), the International Financial Reporting Standards (IFRS) and the related interpretations, issued by the IASB and endorsed by the European Union, in force at the date of this Report. The accounting standard used to prepare this quarterly financial statements are consistent with those used to prepare the consolidated annual report at 31st December 2011.

DISCRETIONAL MEASUREMENTS AND SIGNIFICANT ACCOUNTING ESTIMATES

It should be noted that the Group's business, while not showing sharp seasonal or cyclical variations in total annual sales, are affected, in the course of the various quarters of the year, by net revenues and costs that are not perfectly homogeneous owing primarily to industrial operations. Consequently, the analysis of interim results and financial and profitability indicators cannot be considered as fully representative, and therefore it is not advisable to consider the period indicators as a proportional share of the full year.

The preparation of the quarterly report also requires that the holding company's directors make discretional measurements, estimates and assumptions that affect the values of net revenues, expenses, assets and liabilities and contingent liabilities at the reporting date. Actual results may therefore differ from these estimates. The primary discretional estimates and measurements relate to the recognition and valuation of the following items in the quarterly report.

Deferred tax assets
Deferred tax assets are recognized to take account of tax losses carried forward and deductible temporary differences between the values of assets and liabilities in the financial statements and the corresponding tax values, to the extent that future taxable profits will probably be available against which these losses can be offset. A discretional assessment is required to directors to determine the amount of deferred tax assets that can be recognized, which is based on an estimate of the likely timing and amount of future taxable profits.

Liabilities for employees termination indemnity (employees termination indemnity – "T.F.R.") and provisions for supplementary termination indemnity due to agents
The measurement of the employees termination indemnity (T.F.R.) and the provision for the supplementary indemnity due to agents, for the Group's Italian companies, is made using actuarial valuations. This actuarial evaluation requires that a number of assumptions be made about discount rates, future salary increases (only for the employees termination indemnity), staff turnover and mortality rates. Because of the long-term nature of these plans, the related estimates are subject to a significant degree of uncertainty.

Provision for bad debts
The Provision for bad debts represents the best estimate made by management, on the basis of information available at the time of preparing this Report, in order to bring the value of the receivables into line with their estimated realisable value.

The exchange rates used for determining the equivalent in euros of the subsidiaries' financial statements denominated in a foreign currency (currency per 1 euro) are shown in the following table:

	Average exchange rates		End of period exchange rates		
	31.03.2012	31.03.2011	31.03.2012	31.12.2011	31.03.2011
U.S. dollar	1.310823	1.367989	1.3356	1.2939	1.4207
Swiss Franc	1.20799	(*)	1.2045	1.2156	(*)
Japanese Yen	103.99323	(*)	109.56	(*)	(*)

(*) Exchange rate not used during this period.

TRANSACTIONS WITH RELATED PARTIES

Sales and purchases between related parties are made at the normal market price. As at 31st March 2012 no transactions with related parties were carried out with unusual features or for significant amounts, other than those carried out on an on-going basis.

Cav. Lav. Brunello Cucinelli
The Chairman of the Board of Directors

FINANCIAL STATEMENTS AS AT 31st MARCH 2012

CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES AS AT 31st MARCH 2012

(In thousands of euro)	**31.03.2012**	**of which with related parties**	**31.12.2011**	**of which with related parties**	**31.03.2011**	**of which with related parties**
NON-CURRENT ASSETS						
Intangible assets	11,562		11,807		11,256	
Property, plant and equipment	30,212	4,435	28,568	4,024	36,369	2,294
Other non-current financial assets	2,241		1,783	41	1,174	
Deferred tax assets	3,157		3,701		2,299	
TOTAL NON-CURRENT ASSETS	**47,172**		**45,859**		**51,098**	
CURRENT ASSETS						
Inventories	61,800		64,708		42,904	
Trade receivables	58,541	30	48,832	12	52,924	33
Tax receivables	1,835		1,652		855	
Other receivables and other current assets	9,507		12,592		7,253	
Cash and cash equivalents	6,493		8,683		5,693	
Current assets – Derivative financial instruments	–		0		1,757	
TOTAL CURRENT ASSETS	**138,176**		**136,467**		**111,386**	
Assets held for sale	–		3.053		–	
TOTAL ASSETS	**185,348**		**185,379**		**162,484**	

(In thousands of euro)	31.03.2012	of which with related parties	31.12.2011	of which with related parties	31.03.2011	of which with related parties
SHAREHOLDERS' EQUITY						
GROUP SHAREHOLDERS' EQUITY						
Share capital	12,000		12,000		4,600	
Reserves	22,750		4,026		25,232	
Group net profit (loss)	7,946		20,268		5,070	
TOTAL GROUP SHAREHOLDERS' EQUITY	**42,696**		**36,294**		**34,902**	
MINORITY INTERESTS						
Capital and reserves attributable to minority interests	1,729		933		1,003	
Net profit (loss) attributable to minority interests	(75)		757		194	
TOTAL MINORITY INTERESTS	**1,654**		**1,690**		**1,197**	
TOTAL SHAREHOLDERS' EQUITY	**44,350**		**37,984**		**36,099**	
NON-CURRENT LIABILITIES						
Liabilities for employee benefits	2,766		2,695		2,708	
Provision for liabilities and charges	890		893		833	
Non-current payables to banks	16,732		17,611		27,248	
Non-current financial payables	25		–		259	
Other non-current liabilities	803		723		562	
Deferred tax liabilities	523		692		835	
TOTAL NON-CURRENT LIABILITIES	**21,739**		**22,614**		**32,445**	
CURRENT LIABILITIES						
Trade payables	47,559	987	56,129	733	39,455	
Current payables to banks	46,989		38,539		34,066	
Current financial payables	–		–		336	
Income tax payables	11,387		6,821		6,521	
Current liabilities – Derivative financial instruments	713		2.913		259	
Other current liabilities	12,611		20,379		13,303	1,859
TOTAL CURRENT LIABILITIES	**119,259**		**124,781**		**93,940**	
TOTAL LIABILITIES	**140,998**		**147,395**		**126,385**	
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**185,348**		**185,379**		**162,484**	

CONSOLIDATED INCOME STATEMENT AS AT 31st MARCH 2012

(In thousands of euro)	Period ended 31st March			
	2012	**of which with related parties**	**2011**	**of which with related parties**
Net revenues	77,636		66,273	4
Other operating income	1,182	8	195	8
Revenue from sales and services	**78,818**		**66,468**	
Costs for raw materials and consumables	(17,924)	(1)	(15,458)	(9)
Costs for services	(36,191)	(396)	(32,167)	(157)
Personnel costs	(10,254)	(38)	(8,362)	(37)
Other operating costs	(457)		(301)	
Increases in non-current assets from internal production	117		55	
Depreciation and amortisation	(1,418)		(1,109)	
Value adjustments to assets and other allocations	(233)		(150)	
Total Operating Costs	**(66,360)**		**(57,492)**	
Operating profit (loss)	**12,458**		**8,976**	
Financial charges	(678)		(835)	
Financial income	162		318	
Pre-tax profit (loss)	**11,942**		**8,459**	
Income taxes	(4,071)		(3,195)	
Net Profit (loss) for the period	**7,871**		**5,264**	
Net profit (loss) attributable to the Group	7,946		5,070	
Net profit (loss) attributable to minority interests	(75)		194	

EARNINGS PER SHARE AS AT 31st MARCH 2012

(In euro)	Period ended 31st March	
	2012	**2011**
Basic earnings per share	0.13240	0.08450
Diluted earnings per share	0.13240	0.08450

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AS AT 31st MARCH 2012

(In thousands of euro)	Period ended 31st March	
	2012	**2011**
Net profit (loss) for the period (A)	**7,871**	**5,264**
Items of Other Comprehensive Income		
Cash flow hedge	1,633	1,145
Income taxes	(449)	(315)
Effect of change in Cash flow hedge reserve	**1,184**	**830**
Translation differences on foreign financial statements	(222)	(157)
Total other comprehensive income/(loss) net of tax (B)	**962**	**673**
Total comprehensive income net of tax (A) + (B)	**8,833**	**5,937**
Attributable to		
The Group	8,952	5,774
Minority interests	(119)	163

CONSOLIDATED STATEMENT OF CASH FLOWS AS AT 31st MARCH 2012

(In thousands of euro)	Period ended 31st March	
	2012	**2011**
CASH FLOW FROM OPERATIONS		
Net Profit for the Year	7,871	5,264
Adjustments to reconcile net profit with cash generated/(absorbed) by operations:		
Depreciation and amortisation	1,418	1,109
Allocation to provisions for employee benefits;	76	51
Allocation to provisions for liabilities and charges, /provision for inventory obsolescence/ and provision for bad debts	233	150
Change in Other non-current liabilities	94	45
Losses/(Gains) on disposal of non-current assets	(990)	40
Payment of employee benefits;	(5)	(21)
Payments from provisions for liabilities and charges		(98)
Net change in deferred tax assets and liabilities	(76)	(602)
Change in fair value of financial instruments	(568)	(303)
Changes in operating assets and liabilities:		
Trade receivables	(10,218)	(5,290)
Inventories	2,650	5,095
Trade payables	(8,098)	(3,981)
Other current assets and liabilities	3,984	937
NET CASH FLOW GENERATED FROM OPERATIONS (A)	**(3,629)**	**2,396**
CASH FLOW FROM CAPEX		
Capex in property, plant and equipment	(2,925)	(2,125)
Capex in Intangible assets	(190)	(2,430)
Capex in Financial assets	(554)	(203)
Acquisition of Max Vannucci S.r.l,, net of cash acquired		(308)
Acquisition of minority interest in Cucinelli Holding LLC		(491)
Disposal of Property, Plant and Equipment and key money	34	26
Cessione di Immobili, impianti e macchinari e key money	274	180
NET CASH FLOW ABSORBED BY CAPEX (B)	**(3,635)**	**(5,531)**
CASH FLOW FROM LOANS		
Medium-long term loans received	25	-
Repayment of medium-long term loans	(1,077)	(1,109)
Net change in short-term loans	8,710	3,721
Dividends paid	(2,500)	(535)
NET CASH FLOW ABSORBED BY LOANS (C)	**5,158**	**2,077**
TOTAL CASH FLOW (D = A+B+C)	**(2,106)**	**(1,058)**
EFFECT OF EXCHANGE RATES ON NET CASH AND CASH EQUIVALENTS (E)	**(84)**	**(209)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR (F)	**8,683**	**6,960**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (G = D+E+F)	**6,493**	**5,693**
Additional disclosures:		
Interest paid	556	310
Income tax paid	308	1,061

CHANGES IN SHAREHOLDERS' EQUITY AS AT 31st MARCH 2012

(In thousands of euro)	Share capital	Legal reserve	Share Premium Reserve	Sharehoders' capital advances	Translation Reserve	Other Reserves	Profit for the period	Total Group Shareholders' Equity	Total Minority Interests	Total Shareholders' equity
Balance at 31st December 2010	**4,600**	**191**	**-**	**-**	**12**	**13,018**	**9,576**	**27,397**	**5,049**	**32,446**
Profit for the period							20,268	20,268	757	21,025
Other profits/(losses)					321	(1,476)		(1,155)	82	(1,073)
Total comprehensive income/(loss)	**-**	**-**	**-**	**-**	**321**	**(1,476)**	**20,268**	**19,113**	**839**	**19,952**
Allocation of profit for the period		64				9,512	(9,576)			
Dividends paid						(4,609)		(4,609)	(457)	(5,066)
Share capital increase	7,400					(7,400)				
Effects of operations under common control (merger with Gunex S.p.A.)						3,956		3,956	(3,956)	
Effects of real estate spin-off						(9,079)		(9,079)		(9,079)
Effects of operations under common control (19% Acquisition of Cucinelli Holding LLC)						(395)		(395)		(395)
Change in scope of consolidation (19% acquisition of Cucinelli Holding LLC)									(96)	(96)
Other changes						(89)		(89)	(3)	(92)
Change in scope of consolidation (49% minority interest in Max Vannucci S.r.l.)									314	314
Balance at 31st December 2011	**12,000**	**255**	**-**	**-**	**333**	**3,438**	**20,268**	**36,294**	**1,690**	**37,984**
Profit for the period							7,946	7,946	(75)	7,871
Other profits/(losses)					(178)	1,184		1,006	(44)	962
Total comprehensive income/(loss)	**-**	**-**	**-**	**-**	**(178)**	**1,184**	**7,946**	**8,952**	**(119)**	**8,833**
Allocation of profit for the period		955				19,313	(20,268)	-		-
Dividends paid						(2,500)		(2,500)	-	(2,500)
Change in scope of consolidation (minority interest in Brunello Cucinelli Deutschland Gmbh)									60	60
Change in scope of consolidation (minority interest in Brunello Cucinelli Japan co, Ltd)									23	23
Other changes						(50)		(50)	-	(50)
Balance at 31st March 2012	**12,000**	**1,210**	**-**	**-**	**155**	**21,385**	**7,946**	**42,696**	**1,654**	**44,350**

CERTIFICATION PURSUANT TO ART.154 BIS PARAGRAPH 2 OF THE CFA

The Financial Reporting Officer, pursuant to Article 154 bis paragraph 2 of the Consolidated Finance Act, hereby declares that the accounting information contained in this document corresponds to the documentary evidence and to the accounting books and records.

Moreno Ciarapica
The Financial Reporting Officer