BRUNELLO CUCINELLI

CONSOLIDATED INTERIM REPORT AT 30TH SEPTEMBER 2014

(COURTESY TRANSLATION FOR THE CONVENIENCE OF INTERNATIONAL READERS)

CONTENTS

CORPORATE DETAILS

Registered office of the Holding Company

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

Legal information of the Holding Company

Approved share capital € 13,600,000
Subscribed and fully paid-up share capital € 13,600,000
Perugia Companies Register, no. 01886120540

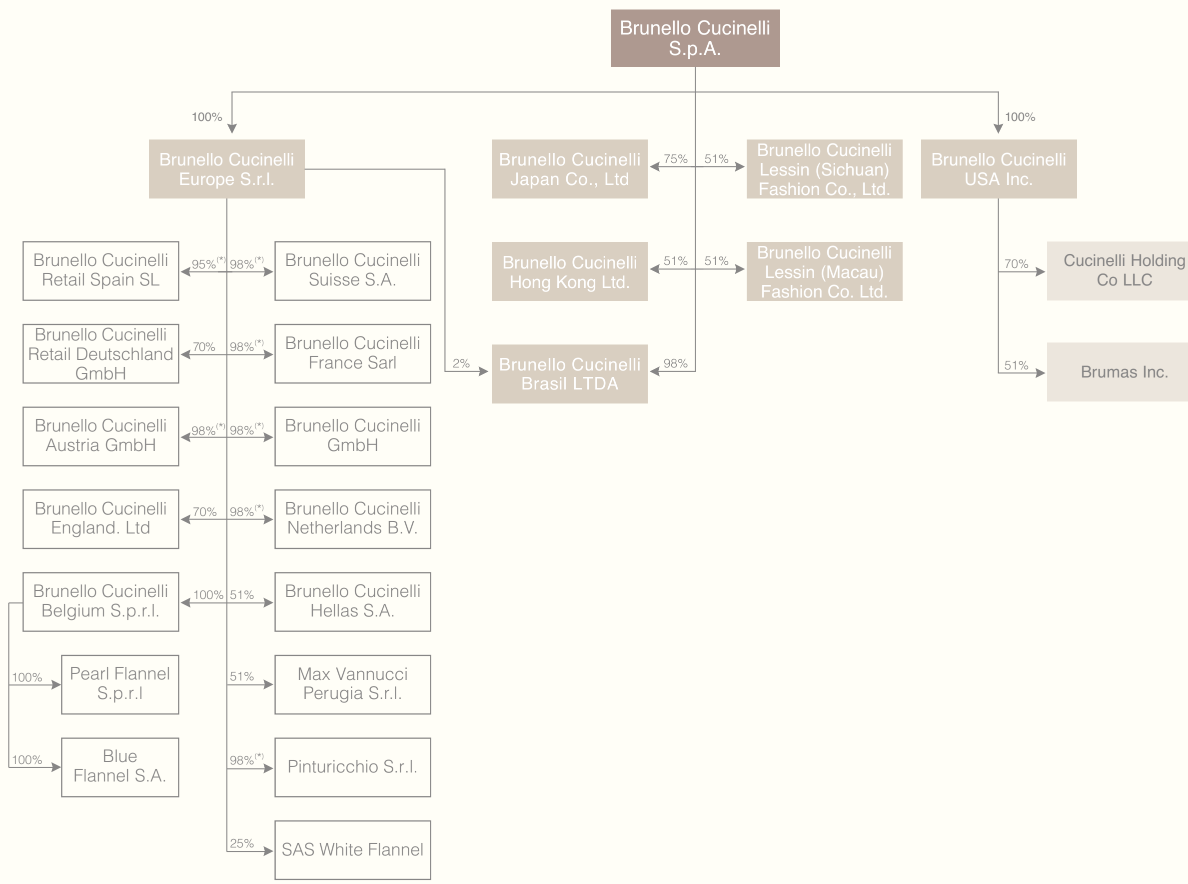
Official website http://investor.brunellocucinelli.com/ita/

CORPORATE GOVERNANCE BODIES AT 30TH SEPTEMBER 2014

Board of Directors	Brunello Cucinelli (1)	Chairman and CEO
	Moreno Ciarapica (1)	Executive director
	Riccardo Stefanelli (1)	Executive director
	Giovanna Manfredi (1)	Director
	Camilla Cucinelli (1)	Director
	Giuseppe Labianca (1)	Director
	Candice Koo (1)	Independent director
	Andrea Pontremoli (1)	Independent director
	Matteo Marzotto (1)	Independent director
Lead Indipendent Director	Andrea Pontremoli	
Control and Risks Committee	Andrea Pontremoli	Chairman
	Matteo Marzotto	
	Candice Koo	
Remuneration Committee	Matteo Marzotto	Chairman
	Andrea Pontremoli	
	Candice Koo	
Board of Statutory Auditors	Gerardo Longobardi (1)	Chairman
	Alessandra Stabilini (1)	Standing auditor
	Lorenzo Lucio Livio Ravizza (1)	Standing auditor
	Guglielmo Castaldo (1)	Substitute auditor
	Francesca Morbidelli (1)	Substitute auditor
External Auditors	Reconta Ernst &Young S,p,A,	
Manager in charge of the corporate accounting documents	Moreno Ciarapica	

(1): Appointed by shareholders at the ordinary general meeting of 23rd April 2014; will remain in office until the date of the ordinary shareholders' meeting called to approve the financial statements for the year ending 31st December 2016.

GROUP STRUCTURE AT 30TH SEPTEMBER 2014



(*) The remaining percentage is held by Brunello Cucinelli S.p.A.

COMPOSITION OF THE GROUP AT 30TH SEPTEMBER 2014

Company 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
Brunello Cucinelli Suisse S.A.	Lugano – Switzerland
Brunello Cucinelli Retail Spain SL	Madrid – Spain
Brunello Cucinelli GmbH	Munich – Germany
Brunello Cucinelli France Sarl	Paris – France
Brunello Cucinelli Belgium S.p.r.l.	Brussels – Belgium
Blue Flannel S.A.	Brussels – Belgium
Max Vannucci S.r.l.	Perugia – Italy
Brunello Cucinelli Japan Co., Ltd.	Tokyo – Japan
Brunello Cucinelli Retail Deutschland GmbH	Munich – Germany
Brunello Cucinelli Netherlands B.V.	Amsterdam – Holland
Brunello Cucinelli Lessin (Sichuan) Fashion Co., Ltd.	Chengdu – China
Brunello Cucinelli Hellas S.A.	Athens – Greece
Brunello Cucinelli Austria GmbH	Vienna – Austria
Brunello Cucinelli England Ltd.	London – United Kingdom
Brunello Cucinelli Hong Kong Ltd.	Hong Kong
Brunello Cucinelli Lessin (Macau) Fashion Co., Ltd.	Macau
Pinturicchio S.r.l.	Carrara – Italy
Brunello Cucinelli Brasil LTDA	San Paolo – Brazil
SAS White Flannel	Cannes – France
Pearl Flannel S.p.r.l.	Brussels – Belgium

DISTRIBUTION NETWORK

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

The Group is present on the market through:

- the **retail** distribution channel, namely the direct distribution channel, for which the Group uses the services of Directly Operated Stores or DOS. From 1st September 2014 the retail channel also includes the sales points in the Japanese department stores which are operated under the Group's responsibility using direct staff employed there;
- the **wholesale monobrand** channel, consisting of monobrand stores with commercial distribution agreements. The Group uses intermediaries represented by monobrand stores for sales to end users, with the result that in this case these are the Group's customers;
- the **wholesale multibrand** channel,which consists of independent multibrand stores and dedicated spaces in department stores (shop-in-shops). In this channel the Group uses intermediaries represented by independent multibrand stores for sales to end users, i.e. department stores, with the result that in this case these are the Group's customers.

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

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

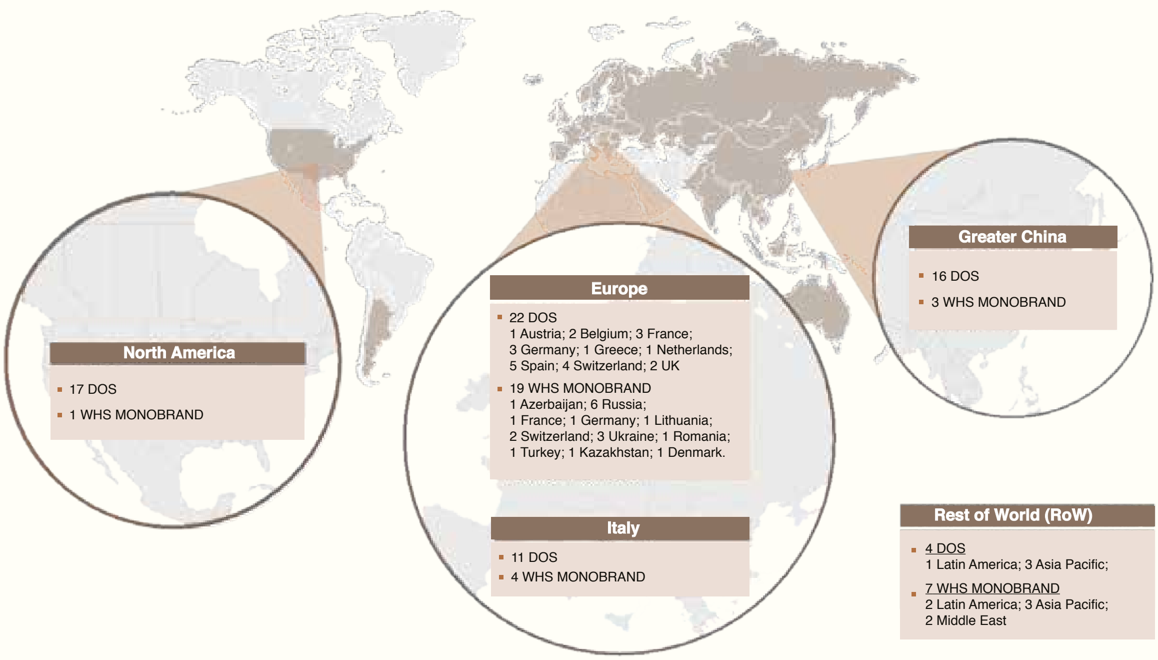
A summary is provided below of the Brunello Cucinelli Group's monobrand sales network at 30th September 2014, 31st December 2013 and 30th September 2013:

Points of sale	30th September 2014	31st December 2013	30th September 2013
DOS	70	61	58
WHOLESALE MONOBRAND	34	37	38

The following table provides an analysis of the location of points of sale by geographical area at 30th September 2014:

Points of sale	Italy	Europe	North America	Greater China	Restof the World (RoW)	Total
DOS	11	22	17	16	4	70
WHOLESALE MONOBRAND	4	19	1	3	7	34
TOTALE	**15**	**41**	**18**	**19**	**11**	**104**

The figure below sets out the DOS and wholesale monobrand points of sale at 30th September 2014 together with their geographical location:



From 1st September 2014 the revenues of the 13 Japanese sales points, which are located inside the department stores operated under the Group's responsibility, employing direct staff, are included in the retail channel.

CONSOLIDATED INTERIM REPORT AT 30TH SEPTEMBER 2014

COMPANY INFORMATION

OUR COMPANY

Brunello Cucinelli S.p.A.is a company registered as a legal entity under the laws of the Republic of Italy and has its registered office at Via dell'Industria 5, Corciano – Frazione Solomeo (PG), Italy.
The Group's product range focuses on a single brand: Brunello Cucinelli, internationally recognized as one of the finest examples of absolute luxury, combining exclusive "Made in Italy" features with the ability to innovate and identify new trends.
The brand's distinctive elements are quality, craftsmanship, creativity, exclusivity, and beauty, plus a remarkable ability to "listen to" the market and its new trends. The result is a line of casual chic prèt-à-porter products that satisfy the tastes of young and less-young customers while retaining value over time. Merging old and new, business goals and human needs: the secret of a company whose innovative capacity is looked upon with interest from all sides as well as being a case study in modern economy illustrated at prestigious universities.

PRODUCT

Identity and innovation *are the principles that guide the Company in the creation of its collections.*
Brunello Cucinelli's 2014 spring-summer and 2014-2015 fall-winter collections are the expression of natural luxury, in keeping with the values of the brand, though always open to contemporariness and the quest for new techniques.
Craftsmanship is enhanced by technological innovation, in a mix of modern techniques and traditional luxury. Technology comes into play and gives a new pace to more traditional artisanal techniques: "aristocratic" fabrics and precious materials are treated with high-tech actions to give life to new collection themes.
Constantly searching for an aesthetic balance between naturalness and distinction, Brunello Cucinelli's new collections are intended for a self-aware and sophisticated target with a more urban and metropolitan offering that also includes soft colors and precious fibers and materials, striking a balance between luxury and minimalism.
A tailor-made approach and artisanal touches mix with the "active" world, turning into "soft luxury" for the day and something more important for the night.
The two lines, men and women, move in lockstep by expanding the formal offering, with an important selection of men's clothes and a broad range of evening dresses in the women's collection also to be worn at important society events.

VISUAL MERCHANDISING

In keeping with changes in taste and the trends of the new collections, visual merchandising synthesizes the brand's philosophy and traditions and the product's contemporariness.
The new displays and presentations, in line with the more minimalist and sophisticated spirit of recent collections, reflect the values of the brand in a contemporary light.
A young and constantly growing team – which is structured by geographical area to ensure a consistent yet customized expression, suited to local cultures and to the values of consumers worldwide – interacts not only with the DOS but with the multibrand universe as well.

The organization is responsible for:

– development of store design and display system coordinated with the brand's image;
– coordinated management of merchandising and assortments consistent with the reference market;
– harmonization of communication and of visual elements in each store.

COMMUNICATION

One of the "youngest" businesses to operate at the very high-end of the luxury market, Solomeo's humanist company has made its philosophy and its particular organizational form an emblem and is recognized by scholars and journalists alike as one of the most advanced companies, on the leading edge of "humanist capitalism".
The great universal values of ethics, dignity and morality combine with quality, craftsmanship and a quest for contemporariness of the product.
In this universe full of meanings, the purpose was never to design complex marketing strategies or draw up comprehensive promotion plans but rather to "tell a story" and "convey" with simplicity the legacy of the past and plans for the future.
A long-standing philosophical and cultural identity guides the choices of every single communication action, always true to the brand's identity, in a constant balance between tradition and innovation.

DISTRIBUTION

The brand is now present in over 60 countries thanks to a solid wholesale multibrand network and to an expanding distribution through the retail and wholesale monobrand channel as follows:

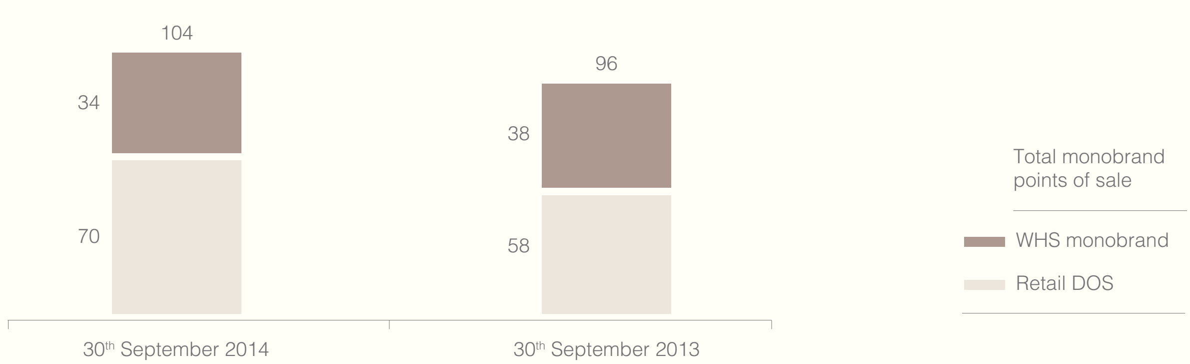
- the retail distribution channel, namely the direct distribution channel,for which the Group uses DOS (Directly Operated Stores). From 1st September 2014 the retail channel also includes the sales points in the Japanese department stores which are operated under the Group's responsibility using direct staff employed there;
- the wholesale monobrand channel, which refers to monobrand boutiques which for strategic reasons are managed by means of well-established business relations with local partners;
- the wholesale multibrand channel, which includes 650 select multibrand customers. The multibrand network includes the world's most prestigious department stores with progressively larger spaces devoted to the Company's products.

In keeping with the gracious and sustainable growth policy for the brand, distribution plans are mindful of the rarity and exclusiveness principles that are typical of the luxury sector. To this end, the Company has a policy of select openings in the most exclusive luxury addresses in the main cities of the world and in resort locations, pursuing a strategy of low-key market expansion and firming up and enlarging existing monobrand and multibrand retail locations.

Expansion
The geographical reach has expanded with a presence which following consolidations, new openings and projects is also beginning to take on good visibility in emerging markets such as Latin America (Mexico, Brazil, Peru) and South Eastern Asia (Singapore, Vietnam), without altering the Company's selective market penetration policy.

Firming up
The Company's is firming up in strategic areas through the creation of joint ventures that guarantee local expertise and ideas suited to local cultures and traditions, quality and consistency of service.

Enlargements
The brand is expanding its footprint in its markets through a policy of enlarging and refurbishing existing retailers, both monobrand and multibrand, to make room for and give visibility to new themes, including the project of the "formal" line for men.



PRODUCTION

One of the defining characteristics of Brunello Cucinelli products is the high level of craftsmanship inherent in the process, made possible thanks to the constant in-house programs of intellectual and manual training conducted by the Company.
Today the Company has direct and specific know-how not only in the production of cashmere knitwear, but also in outerwear, trousers and dresses, shirts, t-shirts, leather goods and accessories to support a coordinated total look.
Our products are truly Made in Italy, created by over 300 independent artisanal small businesses, highly qualified and extremely loyal, most of which are located in Umbria and have worked for the brand for years, combining their skills with those of our in-house workers. For our Company, the **loyalty** of these outside laboratories (called façonisti), whose value – both financial and moral – we fully acknowledge and whose operations are efficiently scheduled thanks to a constant flow of information, is a guarantee for the future.
Today, following the acquisition of a business from d'Avenza Fashion S.p.A., the Group has further expanded its manufacturing capabilities by acquiring expert workers specialized in off-the-peg and bespoke men's suits.

TECHNOLOGICAL INNOVATION

In 2014 the Company initiated a key plan for investments in technological and digital projects, considered to be of high strategic importance, whose main framework is expected to be completed by 2016.
On the information systems front it is planned to enhance the ERP system for administrative and financial management at a Group level. The project to unify the retail systems to manage the Group's DOS got under way a few months ago, and in 2015 this will be accompanied by the construction of a central CRM system. Potentially these projects could also be extended to the wholesale monobrand stores.

On the digital front, the Company continues with the development of its e-commerce system, consistent with the identity and strategy of exclusive distribution, integrating a number of omnichannel services in order to be able to offer customers a more complete purchasing experience comprising physical and online distribution.

THE SOLOMEO SCHOOL

Talking about ancient crafts today does not just mean trying to revive a craftsmanship tradition that risks being lost forever but also achieving a concrete and contemporary synthesis of the centuries-old experience of the ingenuity and work of the people and culture that has made the "Made in Italy" and Italian lifestyle famous all over the world. This is a virtuous process that intends to regenerate and rejuvenate itself also through the creation of the Crafts School: a theoretical and practical teaching activity which will enrich the **constant in-house training process**, where over 60 apprentices sit every day at their workbench next to the most qualified workers in Solomeo.

The first training and top craftsmanship courses (darning and mending) have been successfully completed and a number of the best pupils have been hired on apprenticeship contracts by the Company, thereby continuing the training path begun with the School. Cutting and clothes-making courses have also recently been startedtogether with tailoring courses.

The Solomeo School is intended to be a place where "pupils" and "teachers" meet, providing methods and tools to bring back to life ancient techniques, laying bridges between the past and the present to shape the cultural identity on which the community, local and otherwise, can make concrete plans for the future.

INTRODUCTION

This Financial Report at 30th September 2014 has been prepared pursuant to Legislative Decree no.58/1998 as amended and the Issuers' Regulations published by Consob.
The Report has been prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and adopted by the European Union and in accordance with IAS 34 *Interim Financial Reporting*, applying the same accounting principles as those used to prepared the consolidated financial statements at 31st December 2013.

SUMMARY DATA AT 30TH SEPTEMBER 2014

The following tables provide: (i) a summarized consolidated income statement for the nine months ended 30th September 2014 with comparative figures for the nine months ended 30th September 2013, (ii) a consolidated balance sheet reclassified by sources and applications at 30th September 2014 with comparative figures at 31st December 2013 and 30th September 2013 and (iii) figures for capital expenditure and operating cash flows for the nine months ended 30th September 2014 with comparative figures for the first nine months of 2013.

Summarized consolidated income statement

(In thousands of Euro)	Nine months ended 30th September				Change	
	2014	% of revenues	2013	% of revenues	2014 vs. 2013	2014 vs. 2013 %
Revenues	278,724	100.0%	253,386	100.0%	25,338	+10.0%
EBITDA (1)	48,803	17.5%	45,766	18.1%	3,037	+6.6%
Operating income	39,353	14.1%	37,469	14.8%	1,884	+5.0%
Net income for the period	25,905	9.3%	23,507	9.3%	2,398	+10.2%

(1) We define EBITDA as operating income before depreciation and amortization. EBITDA defined in this way is a measure used by our management to monitor and assess our operating performance. EBITDA is not an accounting measure in the context of IFRS and accordingly should not be considered as an alternative for assessing trends in the Group's 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.

Consolidated balance sheet reclassified by sources and applications:

(In thousands of Euro)	Nine months ended			Change	
	30th September 2014	31st December 2013	30th September 2013	Sept 2014 vs Sept 2013	Sept 2014 vs Sept 2013 %
Net working capital	102,410	71,074	76,159	26,251	+34.5%
Fixed assets	110,818	89,158	85,209	25,609	+30.1%
Other non-current assets/(liabilities)	2,216	1,083	1,590	626	+39.4%
Net invested capital	**215,444**	**161,315**	**162,958**	**52,486**	**+32.2%**
Net debt(2)	49,450	16,101	23,565	25,885	>+100.0%
Shareholders' equity	165,994	145,214	139,393	26,601	+19.1%
Sources of funding	**215,444**	**161,315**	**162,958**	**52,486**	**+32.2%**

(2) Net debt is calculated as the sum of cash and cash equivalents, current financial assets, non-current financial liabilities, the fair value of hedginginstruments and other non-current financial assets.

Other summary data:

(In thousands of Euro)	Nine months ended		Change	
	30th September 2014	30th September 2013	2014 vs. 2013	2014 vs. 2013 %
Capex(3)	31,134	34,029	(2,895)	-8.5%
Cash flow from operating activities	(2,543)	9,001	(11,544)	<-100.0%

(3) Capex refers to investments in intangible, tangible and financial fixed assets.

THE GROUP'S RESULTS AT 30TH SEPTEMBER 2014

The Group earned revenues of € 278,724 thousand in the first nine months of 2014, representing an increase of 10.0% over the first nine months of 2013. This result was positively affected by the sale to the parent company Fedone S.r.l. of a property not situated close to the Company's manufacturing and logistical facilities, leading to a capital gain of € 755 thousand recognized as other income. As discussed in the section "Significant events during the period", this operation was carried out because the building does not form part of the extension and restructuring project involving the whole of the Solomeo site. The result for the first nine months of 2013 was positively affected by a capital gain of € 830 thousand realized on the sale of the trademarks "Solomei" and Solomei" and the "coat of arms".

Net revenues for the nine months ended 30th September 2014 rose to € 277,346 thousand, an increase of 10.2% over the figure of € 251,685 thousand for the nine months ended 30th September 2013.
The rising demand for "exclusive luxury"products confirms the evolution the customer is undergoing: a person sophisticated and attentive not only to the quality of the offer but also to the production process and the dynamics of sustainability, dignity and ethics within which the Group operates.
Demand from domestic consumers is positive, as is top-end tourist flow, which does not appear to have been significantly affected by the geo-political problems of the past few months.
Of particular interest, and showing a further improvement, were the sell-outs, with the end customer increasingly seeking a top quality crafted product that is characterized by modern and contemporary taste.

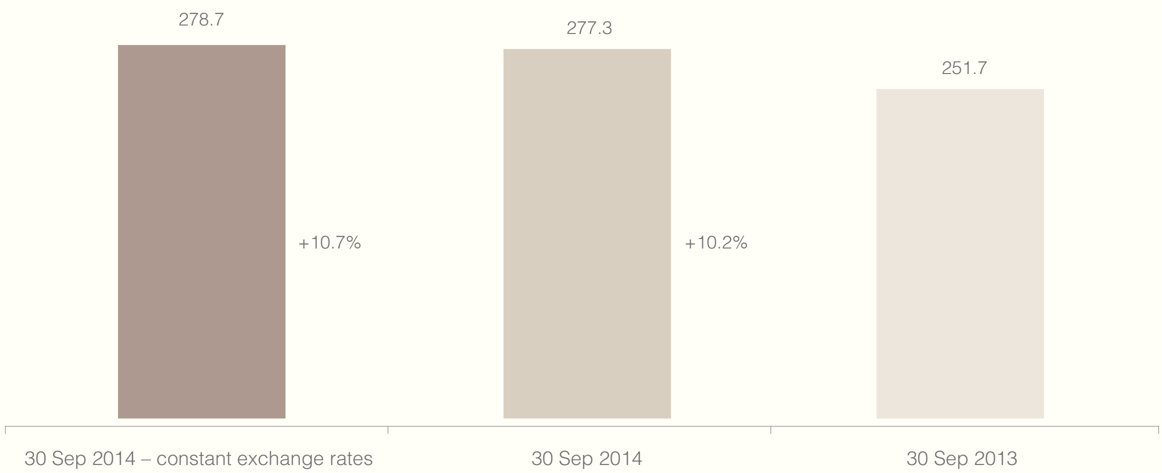
The Group earned EBITDA of € 48,803 thousand in the first nine months of 2014, representing 17.5% of revenues and an increase of 6.6% over the corresponding figure for the previous year.

Net income for the nine months amounted to € 25,905 thousand, representing 9.3% of revenues and an increase of 10.2% over the corresponding figure for the first nine months of 2013.

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

ANALYSIS OF NET REVENUES

The Group's consolidated turnover for the first nine months of the year amounted to € 277,346 thousand, a rise of 10.2% over the same period in 2013. There was solid double-digit growth in revenues in the period. At constant exchange rates, meaning the same average rates as those used for the first nine months of 2013, revenues would have been € 278,682 thousand.



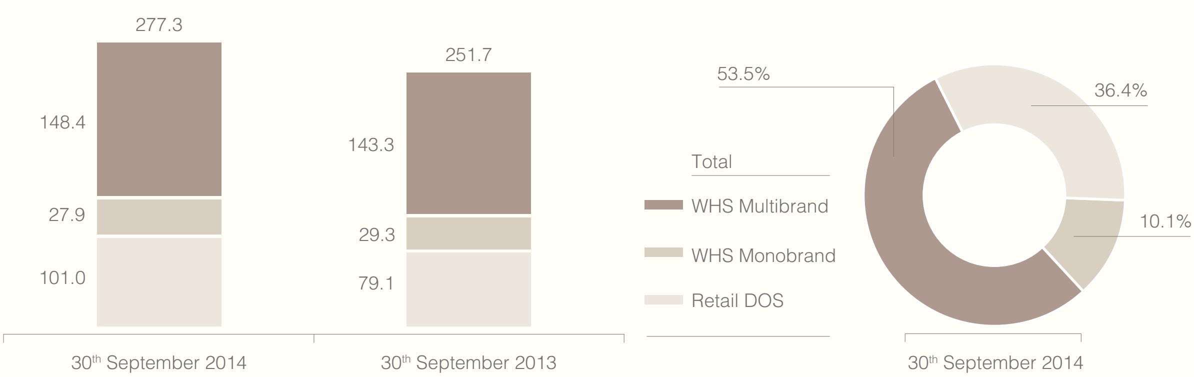
The overall increase in net revenues amounted to € 26,997 thousand at current exchange rates (+10.7%), mainly due to organic growth in the retail channel arising from the development of existing points of sale, the opening of new direct points of sale (DOS) in all geographical areas and the growth of the wholesale multibrand channel compared to the corresponding period of the previous year.

REVENUES BY DISTRIBUTION CHANNEL

Revenues rose in the retail and wholesale multibrand distribution channels in the first nine months of 2014 thanks to the results achieved by existing boutiques and locations, new and selected openings and a presence in the most prestigious spaces of luxury department stores. There was a decrease of 4.4% in the wholesale monobrand channel resulting from the conversion of the business model in Japan from wholesale to retail from 1st September 2014, as discussed further in the section "Significant events during the period".

The following table provides details of the net revenues earned by the Group in the nine months ended 30th September 2014 and 2013, analyzed by distribution channel.

(In thousands of Euro)	Nine months ended 30th September				Change	
	2014	**%**	**2013**	**%**	**2014 vs. 2013**	**2014 vs. 2013%**
Retail	100,969	36.4%	79,122	31.5%	21,847	+27.6%
Wholesale monobrand	27,957	10.1%	29,259	11.6%	(1,302)	-4.4%
Wholesale multibrand	148,420	53.5%	143,304	56.9%	5,116	+3.6%
Total	**277,346**	**100.0%**	**251,685**	**100.0%**	**25,661**	**+10.2%**



RETAIL

The retail channel earned net revenues of € 100,969 thousand, representing an increase of € 21,847 thousand or 27.6% over the corresponding period of the previous year.
A like-for-like store sale comparison, calculated as the rise in revenues at constant exchange rates posted by the DOS existing at 1st January 2013, shows an increase of 5.5% in the first 44 weeks of the year (from 1st January to 2nd November 2014).
The retail channel represented 36.4% of the Group's total net revenues for the nine months ended 30th September 2014, an increase over the figure of 31.5% for the nine months ended 30th September 2013.

The number of direct points of sale, fifty eight at 30th September 2013, rose to seventy at 30th September 2014, to which must be added the thirteen department stores directly operated since 1st September 2014 located in the most important cities in Japan.
The number of points of sale rose by twelve compared to 30th September 2013, with the opening of four new points of sale and the conversion of eight previously managed as wholesale monobrand. There was an increase of nine direct points of sale in the first nine months of 2014, with the opening of four new points of sale and the conversion of five points of sale from wholesale monobrand to DOS.

WHOLESALE MONOBRAND

Net revenues earned by the wholesale monobrand channel amounted to € 27,957 thousand, a decrease of € 1,302 thousand, or 4.4%, over the nine months ended 30th September 2013; net revenues rose by 23.4% if the eight conversions to the direct channel referred to in the previous paragraph are excluded.
Net revenues earned by sales made through the wholesale monobrand channel represented 10.1% of the total, compared to 11.6% for the corresponding period of the previous year.
The thirty eight points of sale at 30th September 2013 and thirty seven at 31st December 2013 fell to thirty four at 30th September 2014. The number of wholesale monobrand stores at 30th September 2014 decreased by three over 31st December 2013, due to the combined effect of the transfer to DOS of the two points of sale in Cannes and Knokke and the three Japanese points of sale in Tamagawa, Kobe and Tokyoand the openings in Seoul and Taipei.

WHOLESALE MULTIBRAND

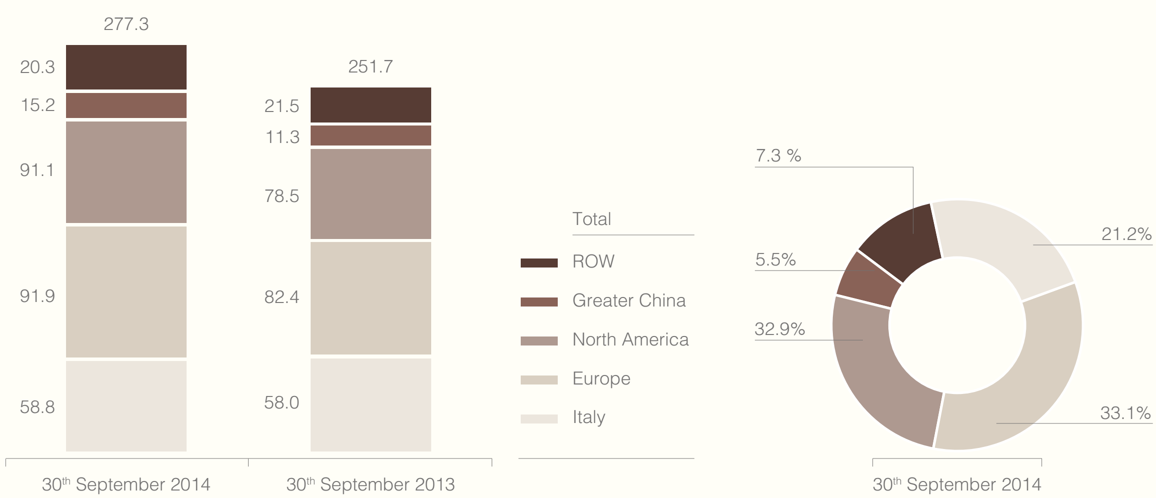
The wholesale multibrand channel earned revenues of € 148,420 thousand in the first nine months of 2014 (+ € 5,116 thousand over the nine months ended 30th September 2013, representing an increase of 3.6%.)
The proportion of revenues represented by this channel fell from 56.9% in the first nine months of 2013 to 53.5% in the first nine months of 2014.

The results were driven by an increase in orders made by the most important luxury department stores thanks to positive sell-out results and increased spaces dedicated to the brand in the desire to satisfy the rising demand for exclusive clothing products that are modern in taste and offer the utmost in quality.
The performance achieved in 2014 compared to the first nine months of 2013 was also affected by changes in the way the business is managed in Japan, characterized by the conversion of 13 sales points located in the most important luxury department stores which passed from wholesale multibrand to the retail channel on 1st September 2014. These passages and conversions had their effect on the results for the third quarter, which in 2013 included the delivery of the fall-winter collections to wholesale multibrand customers (sell-in turnover), while the same deliveries to the points of sale in the third quarter of 2014 will mainly contribute to sales in Japan in future quarters (sell-out).

REVENUES BY GEOGRAPHICAL AREA

The results achieved in the first nine months of 2014 indicate significant growth in all of the international markets, which continued their growth and development trend with a significant increase of 12.9%, while growth of 1.3% was seen in the Italian market.
The following table provides details of revenues for the nine months ended 30th September 2014 analyzed by geographical area, with comparative figures for the corresponding period of the previous year.

(In migliaia di Euro)	Nine months ended 30th September				Change	
	2014	%	2013	%	2014 vs. 2013	2014 vs. 2013 %
Italy	58,769	21.2%	58,026	23.1%	743	+1.3%
Europe	91,883	33.1%	82,346	32.7%	9,537	+11.6%
North America	91,117	32.9%	78,537	31.2%	12,580	+16.0%
Greater China	15,257	5.5%	11,257	4.5%	4,000	+35.5%
Rest of the World (RoW)	20,320	7.3%	21,519	8.5%	(1,199)	-5.6%
Total	**277,346**	**100.0%**	**251,685**	**100.0%**	**25,661**	**+10.2%**



The following is an analysis of the increase in net revenues by geographical area.

Italy

Net revenues for "Italy" represented 21.2% of total revenues (23.1% in the same period of the previous year), being anincrease of € 743 thousand in absolute terms, or 1.3%, over the period ended 30th September 2013 (€ 58,769 thousand in 2014 and € 58,026 thousand in 2013).
Sales in the monobrand channel posted sustainable growth in both the direct monobrand store network and the wholesale network, supported by the significant flow of foreign tourists whose numbers increased in the country's main cities and resorts, a trend different from that seen in the provinces.

Europe

Net revenues for “Europe” represented 33.1% of total revenues (32.7% in the same period of the previous year), rising by € 9,537 thousand in absolute terms, or 11.6%, from € 82,346 thousand to € 91,883 thousand.
These positive results are supported by the flow of top-end foreign tourists in the most exclusive locations. The increase in revenues was led by the results posted by the existing spaces, accompanied by a select number of new openings.
Sales results in Russia are on the increase, confirming the solidity of the business and the domestic demand for exclusive luxury goods; order intake was also positive for the 2015 spring-summer collection, which is displaying healthy growth.

North America

Net revenues for “North America” represented 32.9% of total revenues (31.2% in the same period of the previous year), rising by € 12,580 thousand, or 16.0%, from € 78,537 thousand to € 91,117 thousand.
There was double-digit growth in revenues in both the multibrand channel, with a presence in the most exclusive and attractive spaces of luxury department stores and in the prestigious monobrand boutiques to be found on the luxury streets of leading cities and resorts.

Greater China

Net revenues for “Greater China” represented 5.5% of total revenues (4.5% in the same period of the previous year), rising by € 4,000 thousand (+35.5%) from € 11,257 thousand to € 15,257 thousand.
The especially positive performance of sales is driven by the project started in 2013 to convert boutiques from the wholesale monobrand network to the direct network (three conversions have been carried out in Hong Kong in the past 12 months) and by the consolidation of sales in the existing network.
These results and purchasing behavior highlight the extent to which the Asian consumer will search to find exclusivityand modern taste, with increasing attention being given to the no-logo, exclusive and top quality offer in the quest for that unique purchasing experience that is also found in the world’s main luxury capitals.

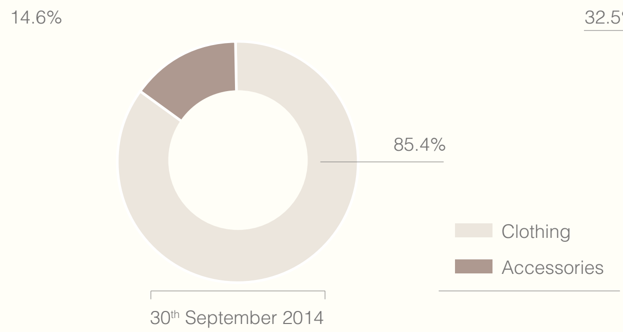
Rest of the world

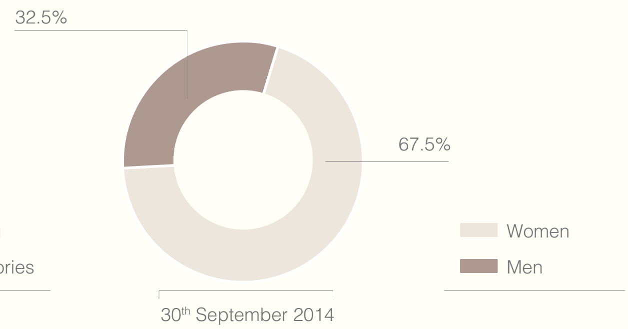
Net revenues for the “Rest of the World” in the first nine months of 2014 decreased by 5.6% over the corresponding period of the previous year, falling from € 21,519 thousand to € 20,320 thousand.

Performance in 2014 compared to the first nine months of 2013 was affected by changes in the way the business is run in Japan, which together with South Korea acts as the main country of reference for the Rest of the World; excluding sales in Japan, revenues increased by 48.9%.
The three wholesale monobrand boutiques in Japan were converted into direct stores on 1st September 2014, and the 13 dedicated spaces located in the most important luxury department stores have passed from being wholesale multibrand operations to the retail channel.
These passages and conversions had their effect on the results for the third quarter, which in 2013 included the delivery of the fall-winter collections to wholesale monobrand and multibrand customers (sell-in turnover), while the same deliveries to the points of sale in the third quarter of 2014 will mainly contribute to sales in Japan in future quarters (sell-out).

REVENUES BY PRODUCT LINE AND TYPE OF END CUSTOMER

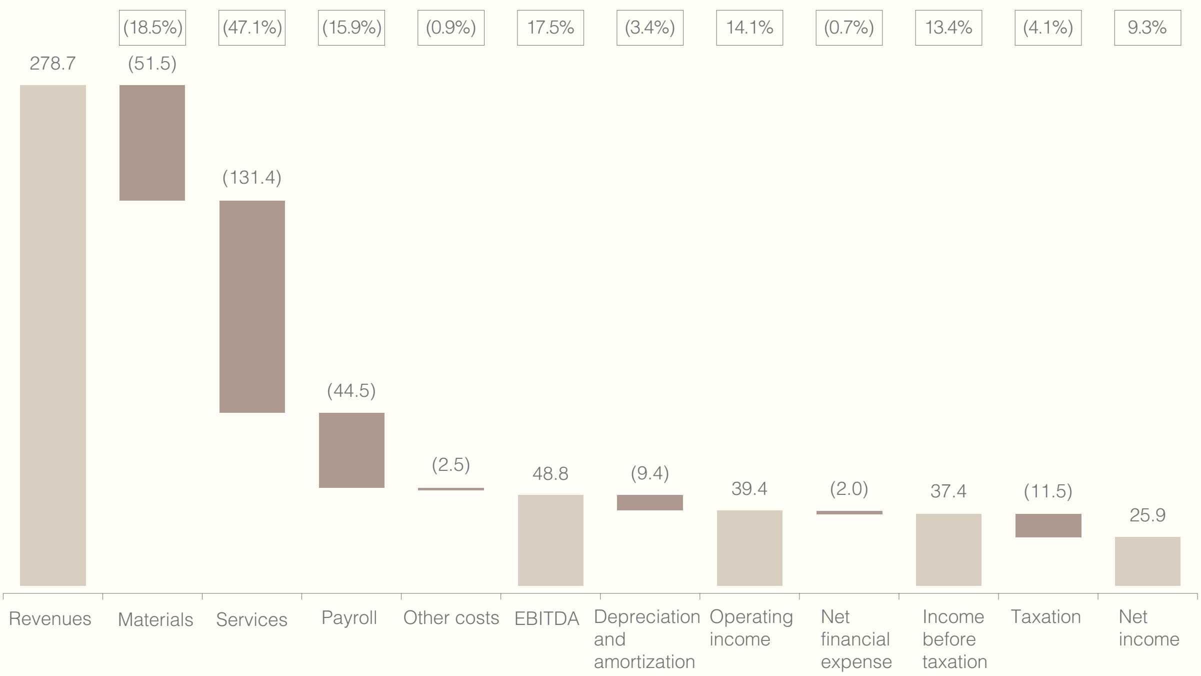
The following is a graphical representation of the Brunello Cucinelli Group's revenues for the nine months ended 30th September 2014, analyzed by product line and type of end customer:





ANALYSIS OF THE INCOME STATEMENT

Set out below is a graphical representation of income statement for the nine months ended 30th September 2014, representing the Group's performance for this period:



OPERATING RESULTS

The following table provides a summary of operating profitability (EBITDA) and operating income:

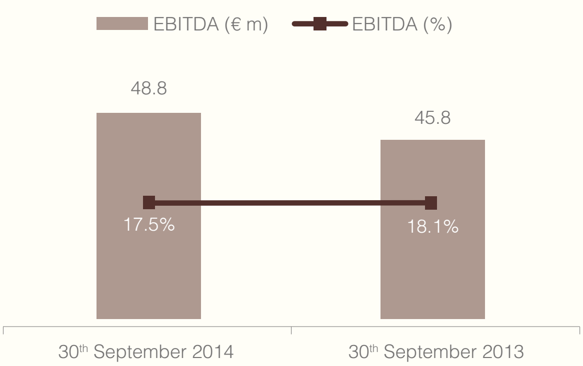
(In thousands of Euro)	Nine months ended 30th September				Change	
	2014	% of revenues	2013	% of revenues	2014 vs. 2013	2014 vs. 2013 %
Operating income	**39,353**	**14.1%**	**37,469**	**14.8%**	**1,884**	**+5.0%**
+ Depreciation and amortization	9,450	3.4%	8,297	3.3%	1,153	+13.9%
EBITDA(1)	**48,803**	**17.5%**	**45,766**	**18.1%**	**3,037**	**+6.6%**

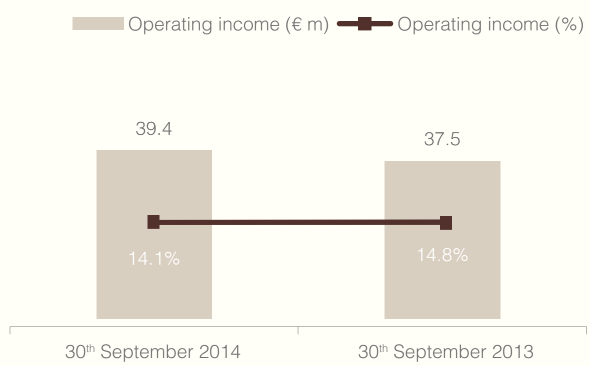
(1) EBITDA is calculated as operating income before depreciation and amortization. EBITDA defined in this way is a measure used by Company management to monitor and assess operating performance. EBITDA is not an IFRS accounting measure and accordingly should not be considered as an alternative for assessing trends in the Group's operating income. Since the composition of EBITDA is not regulated by the Group's accounting principles, the way in which the Group calculates this figure may not be consistent with that used by others and may therefore not be comparable.

EBITDA rose from € 45,766thousand in the first nine months of 2013, or 18.1% of revenues, to € 48,803thousand in the first nine months of 2014, or 17.5% of revenues.

Operating income increased from € 37,469 thousand in the first nine months of 2013, or 14.8% of revenues, to € 39,353 thousand in the first nine months of 2014, or 14.1% of revenues. Depreciation and amortization, representing 3.4% of revenues in the first nine months of 2014 and 3.3% in the first nine months of 2013, had a large effect due to the capital expenditure made by the Group.

The following table sets out in graphical form trends in the Group's EBITDA and operating income for the nine months ended 30th September 2014 and 30th September 2013:





The key factor that enabled an improvement to be achieved in the first nine months of 2014 was the increase in revenues earned through the retail channel (characterized by the higher margins there than in the wholesale channel) as a proportion of total net revenues.

For a better understanding of manufacturing costs, the following table provides a combined analysis of costs for raw materials and consumables and outsourced manufacturing costs for the first nine months of 2014 and 2013, showing the items as a percentage of revenues.

(In thousands of Euro)	Nine months ended 30th September				Change	
	2014	% of revenues	2013	% of revenues	2014 vs. 2013	2014 vs. 2013 %
Costs for raw materials and consumables	56,392	20.2%	49,206	19.4%	7,186	+14.6%
Change in inventories	(4,846)	-1.7%	3,473	1.4%	(8,319)	<-100.0%
Outsourced manufacturing costs	59,551	21.4%	54,789	21.6%	4,762	+8.7%
Total	**111,097**	**39.9%**	**107,468**	**42.4%**	**3,629**	**+3.4%**

By taking changes in these two cost items together it can be seen that the total as a percentage of revenues has fallen compared with the corresponding previous interim period (39.9% in 2014 against 42.4% in 2013). This decrease is essentially explained by the greater proportion of net revenues earned by the retail distribution channel as a percentage of total net revenues for the period (36.4% in the first nine months of 2014 against 31.5% in the first nine months of 2013).

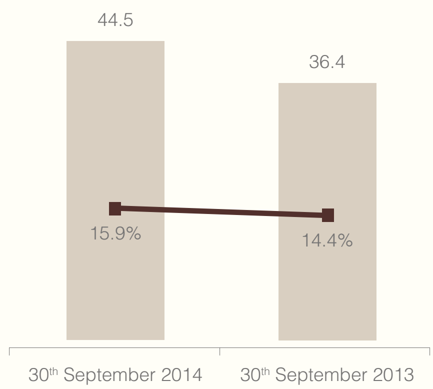
Other significant items making up operating costs are as follows:

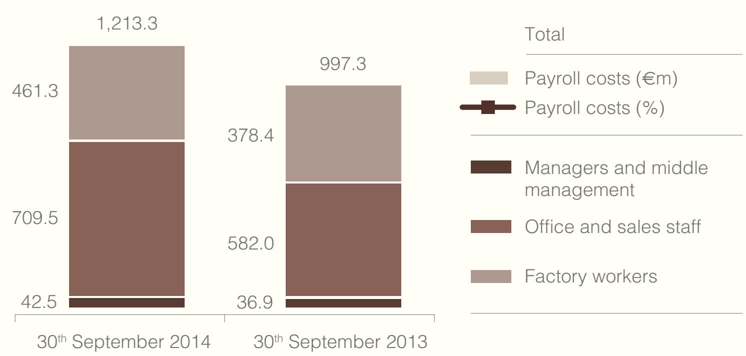
- commissions and accessory costs,being the commissions payable to the network of agents, which fell by 0.7 points as a percentage of revenues compared with the first nine months of 2013 (3.2% in 2014, 3.9% in 2013) due to the decreased share of the wholesale channel;
- advertising and other marketing costs, which rose by €1,682 thousand in absolute terms (+11.8%) but remained constant as a percentage of revenues (5.7% in 2014 and 5.6% in 2013). These costs relate to the promotional activities carried out by the Group to disseminate its image and philosophy throughout the world (more specifically these are costs incurred for the production of catalogues, advertising campaigns and fairs and exhibitions organized in Italy and abroad);
- transport and duties, which amounted to 4.5% of revenues in 2014, an increase over the figure of 4.2% in 2013;
- rental expense, which rose as a percentage from 5.5% in 2013 to 7.3% in 2014, due to the twelve new direct points of sale (4 new openings and 8 conversions from wholesale monobrand);
- credit card charges,which rose by 20.0% over the first nine months of 2013, a figure which is essentially in line with the growth in the retail channel.

The following table provides a summary of these items for the first nine months of 2014 and 2013 together with their percentage as a proportion of revenues.

(In thousands of Euro)	Nine months ended 30th September				Change	
	2014	% of revenues	2013	% of revenues	2014 vs. 2013	2014 vs. 2013 %
Commissions and accessory costs	9,028	3.2%	9,805	3.9%	(777)	-7.9%
Advertising and other marketing expenses	15,910	5.7%	14,228	5.6%	1,682	+11.8%
Transport and duties	12,438	4.5%	10,536	4.2%	1,902	+18.1%
Rental expense	20,383	7.3%	14,050	5.5%	6,333	+45.1%
Credit card charges	1,887	0.7%	1,573	0.6%	314	+20.0%

Changes in payroll costs are closely connected with the increase in the workforce, which to a large extent is the consequence of the extension of the direct monobrand store network as stated above.
The increase in the number of factory workers is on the other hand principally due to the acquisition of the d'Avenza business, for which further details may be found in the section "Significant events during the period".
Costs for wages and salaries totaled € 44,447 thousand against € 36,432 thousand in the corresponding period in the previous year, for a rise in absolute terms of € 8,015 thousand. Payroll costs represented 15.9% of revenues in the nine months ended 30th September 2014 (14.4% in the nine months ended 30th September 2013).





ANALYSIS OF NET WORKING CAPITAL, CAPITAL EXPENDITURE AND FINANCING ACTIVITIES

The following table sets out the balance sheet at 30th September 2014 reclassified into sources and applications together with comparative figures at 31st December 2013 and 30th September 2013.

(In thousands of Euro)	30th September 2014	31st December 2013	30th September 2013
Trade receivables	66,648	43,361	63,027
Inventories	102,942	94,464	77,246
Trade payables	(49,458)	(62,607)	(49,036)
Other current assets/(liabilities), net	(17,722)	(4,144)	(15,078)
Net working capital	**102,410**	**71,074**	**76,159**
Intangible assets	29,630	26,552	26,850
Property, plant and equipment	76,364	59,180	55,556
Financial fixed assets	4,824	3,426	2,803
Fixed assets	**110,818**	**89,158**	**85,209**
Other non-current assets/(liabilities), net	2,216	1,083	1,590
Net invested capital	**215,444**	**161,315**	**162,958**
Cash and cash equivalents	(32,060)	(38,676)	(38,027)
Current bank payables	41,893	29,639	45,987
Non-current bank payables	34,958	18,281	11,313
Other financial instruments, net	4,659	6,857	4,292
Net debt	**49,450**	**16,101**	**23,565**
Share capital	13,600	13,600	13,600
Reserves	119,564	97,978	98,357
Group result	26,902	30,476	24,404
Equity attributable to owners of the parent	***160,066***	***142,054***	***136,361***
Equity attributable to non-controlling interests	5,928	3,160	3,032
Shareholders' equity	**165,994**	**145,214**	**139,393**
Sources of funding	**215,444**	**161,315**	**162,958**

NET WORKING CAPITAL

Net working capital at 30th September 2014 rose by € 26,251 thousand over the corresponding figure at 30th September 2013. The increase in net operating working capital (trade receivables, trade payables and inventories) as a proportion of turnover for the previous twelve months rose from 29.4% at 30th September 2013 to 35.2% at 30th September 2014, due mainly to the increase in inventories. In addition to the growth of the business during the period, this item arose principally as a result of the following factors:

- an increase in the number of directly operated points of sale, with four new openings and eight conversions from wholesale monobrand to DOS taking place over the past twelve months;
- the conversion of the Group's business model in Japan, with the direct management of thirteen points of sale acquired in department stores located in the country's main luxury cities;
- the production of off-the-peg and bespoke men's suits as the result of acquiring the d'Avenza business, having the aim of extending the Group's offer to customers with a top quality tailoring service.

CAPEX

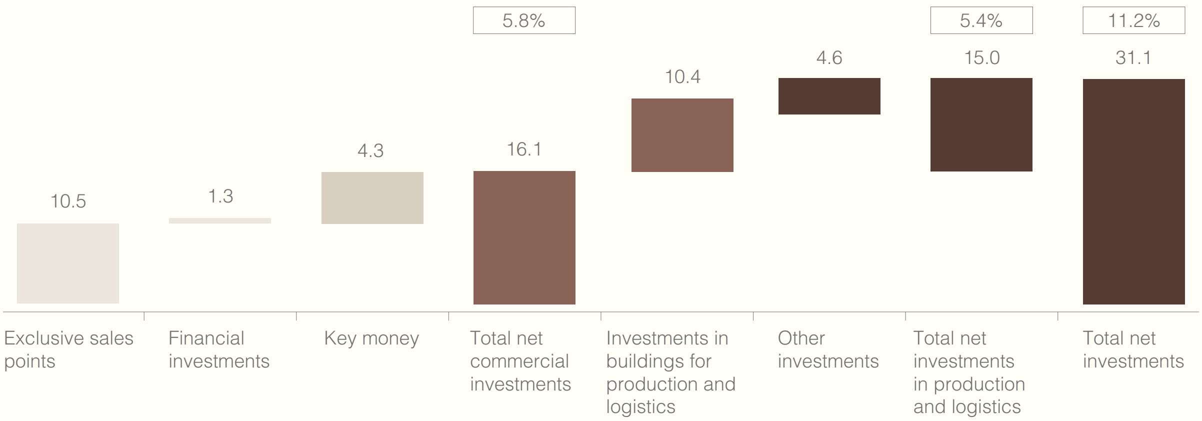
The Group made net investments in fixed assets amounting to € 31,134 thousand in the nine months ended 30th September 2014, of which € 6,179 thousand in intangible assets, € 23,622 thousand in property, plant and equipment and € 1,333 thousand in financial fixed assets (guarantee deposits).

The following table sets out the gross and net capital expenditure made by the Group in the nine months ended 30th September 2014 and 2013, analyzed by type and category.

(In thousands of Euro)	30th September 2014		30th September 2013	
	Net	Gross	Net	Gross
Capex in intangible assets	6,179	6,179	13,468	13,752
Capex in property, plant and equipment	22,228	23,622	19,061	19,385
Capex in financial fixed assets	1,197	1,333	(246)	892
Total capex	**29,604**	**31,134**	**32,283**	**34,029**

The most significant investments made were for the opening and structuring of points of sale, to a large extent due to the entry into the consolidation scope of SAS White Flannel and Pearl Flannel S.p.r.l. (as discussed in further detail in the section "Significant events during the period") and the opening of new stores directly operated by the Group in Europe, the United States and Brazil. Capital expenditure also regarded the extension and structuring of buildings used for production and logistics at the Group's headquarters.
Investments were additionally made in information technology for a total of € 2,274 thousand, of which € 1,342 thousand recognized as intangible assets and € 932 thousand as property, plant and equipment.

Below is a graphical representation of the capital expenditure made by the Group in the first nine months of 2014, analyzed by investment type:



Depreciation and amortization (€ 9,450 thousand for the nine months ended 30th September 2014 and € 8,297 thousand for the corresponding period of the previous year) amounted to 3.4% of revenues in the first nine months of 2014 and 3.3% in the first nine months of 2013; the increase of € 1,153 thousand in absolute terms is mainly due to investments in key money paid to take over agreements for the monobrand stores and investments in directly operated stores.

FINANCING ACTIVITIES

The following table provides details of net debt at 30th September 2014, 31st December 2013 and 30th September 2013.

(In thousands of Euro)	30th September 2014	31st December 2013	30th September 2013
A. Cash	(152)	(101)	(131)
B. Cash equivalents	(31,908)	(38,575)	(37,896)
C. Cash and cash equivalents (A)+(B)	**(32,060)**	**(38,676)**	**(38,027)**
D. Current financial receivables	(33)	-	-
E. Current bank payables	41,893	29,639	45,987
F. Other current financial liabilities	564	3,150	400
G. Current payables (E)+(F)	**42,457**	**32,789**	**46,387**
H. Net current debt (G)+(D)+(C)	**10,364**	**(5,887)**	**8,360**
I. Non-current bank payables	34,958	18,281	11,313
J. Other non-current liabilities	4,128	3,707	3,892
K. Non-current debt (I)+(J)	**39,086**	**21,988**	**15,205**
L. Net debt (H) + (K) (1)	**49,450**	**16,101**	**23,565**

(1) Current and non-current debt are not IFRS accounting measures. The way in which the Group calculates this figure may not be consistent with that used by others and may therefore not be comparable.

At 30th September 2014, the net debt of the Brunello Cucinelli Group had increased by €33,349 thousand over the balance at 31st December 2013.
New loans with a nominal value of € 11.7 million were taken out during the third quarter of 2014 in order to achieve a better balance in the Group's long-term exposure. Changes in the net debt balance are moreover closely connected with the investments made during the period and trends in ordinary operations (in which the volume of activity is always increasing), as well as with the variations in net working capital discussed above.

In addition:
– "Non-current financial liabilities"consist of the liability arising from the possibility that the minority shareholders of Brunello Cucinelli England Ltd. may exercise their put option, and the liability arising from the loan obtained from the minority shareholder of the subsidiary Brunello Cucinelli Hong Kong Ltd. to the extent of the portion attributable;
– the decrease in the balance for "Other current financial liabilities" compared to 31st December 2013 is due to the conversion to equity of the loan obtained in the past year from the minority shareholder in the subsidiary Brunello Cucinelli Lessin (Sichuan) Fashion Co., Ltd. to the extent of the portion attributable.

The following table sets out the results from financing activities, separating out the effect of foreign exchange differences and the fair value of derivative contracts from changes in financial income and expense:

(In thousands of Euro)	30th September				Change	
	2014	% of revenues	2013	% of revenues	2014 vs 2013	2014 vs 2013 %
Loan interest	751	0.2%	265	0.1%	486	>+100.0%
Other net (income)/expense	804	0.3%	609	0.2%	195	+32.0%
Financial (income)/expense	**1,555**	**0.5%**	**874**	**0.3%**	**681**	**+77.9%**
Exchange (gains)/losses	150	0.1%	204	0.1%	(54)	-26.5%
Financial (income)/expense arising from adjusting derivatives on loans to fair value	287	0.1%	365	0.2%	(78)	-21.4%
Total net financial expense	**1,992**	**0.7%**	**1,443**	**0.6%**	**549**	**+38.0%**

PERFORMANCE OF THE COMPANY'S SHARE ON THE BORSA ITALIANA S.P.A. MTA (ELECTRONIC STOCK EXCHANGE)

On 30th September 2014, the final trading day for the period, the official closing price of the Brunello Cucinelli share was € 16.52. Market capitalization at 30th September 2014 was € 1,123 million.

The following table provides details of the company's share price and performance between 1st January 2014 and 30th September 2014:

	Euro	Date
IPO price	7.75	-
Minimum price(1)	15.75	19-Jun-14
Maximum price(1)	26.50	03-Jan-14
Official price	16.52	30-Sep-14
Capitalization	1,123,360,000	30-Sep-14
Number of outstanding shares	22,392,000	30-Sep-14
Free float	369,915,840	30-Sep-14

(1) Minimum and maximum prices recorded during daily trading which therefore do not coincide with the official reference prices for the day.

SIGNIFICANT EVENTS DURING THE PERIOD

Acquisition of a business from d'Avenza Fashion S.p.A.

On 15th January 2014 the Brunello Cucinelli Group acquired though its wholly-owned subsidiary Pinturicchio S.r.l. the manufacturing operations of d'Avenza Fashion S.p.A. specializing in the production of off-the-peg and bespoke men's suits, wishing to extendits offer to customers through a top-quality tailoring service.
A price of € 84 thousand was paid for this business, and a summary of the fair value of the assets and liabilities acquired at the acquisition date and the net cash used for the acquisition are as follows:

	Fair value on acquisition
Property, plant and equipment	454
TOTAL NON-CURRENT ASSETS	**454**
TOTAL ASSETS	**454**
Liabilities for employee benefits	323
TOTAL NON-CURRENT LIABILITIES	**323**
Other current liabilities	47
TOTAL CURRENT LIABILITIES	**47**
TOTAL LIABILITIES	**370**
TOTAL IDENTIFIABLE NET ASSETS AT FAIR VALUE	**84**
GOODWILL ARISING FROM THE ACQUISITION	**-**
Purchase price:	**84**
Consideration paid	84
Debt	-
Analysis of cash flows for the acquisition:	
Net cash acquired with the business (included in cash flows from investing activities)	-
Consideration paid	(84)
NET CASH FLOW FOR THE ACQUISITION	**(84)**

At the same date Brunello Cucinelli S.p.A. entered a preliminary agreement with Spring Immobiliare S.r.l. (a company belonging to the same group as d'Avenza Fashion S.p.A.), subject to certain conditions precedent, for the purchase of a real estate complex in the district of Avenza in the municipality of Carrara where the business in question is situated. On signing the preliminary agreement Spring Immobiliare S.r.l. leased these assets to Pinturicchio S.r.l. while waiting to sign the final agreement. At the date of this consolidated interim report a series of administrative formalities still had to be completed to satisfy the conditions precedent.

Purchase of 49% of Brunello Cucinelli Belgium S.p.r.l. (Brussels)

In January 2014, Brunello Cucinelli Europe S.r.l. acquired from an independent third party 49% of Brunello Cucinelli Belgium S.p.r.l, a company organized under the laws of Belgium, which manages the monobrand store in Brussels. The Brunello Cucinelli Group already held an interest of 51% in the company and accordingly became the company's sole shareholder.

Purchase of quotas in Pearl Flannel S.p.r.l. (store in Knokke – Belgium)

In January 2014, at the same time as the operation discussed in the previous paragraph, Brunello Cucinelli Belgium S.p.r.l. acquired 100% of Pearl Flannel S.p.r.l.from the independent third party mentioned above. A price of € 493 thousand was paid for the company which is also organized under the laws of Belgium and manages a monobrand store in the seaside town of Knokke (Belgium).

While the valuation of this operation for this consolidated interim report was computed in a detailed manner, accounting standards allow the provisional amounts arising to be adjusted within a period of 12 months from the acquisition date. All the assets acquired and liabilities assumed have been assigned a fair value for initial recognition and an amount of € 677 thousand has been added to the fair value of the assets acquired and liabilities assumed as key money, calculated as shown in the following table:

	Thousands of Euro
Purchase price for 100% of the investment	493
Total carrying amount of the investment (A)	**493**
Net assets at the acquisition date (B)	**46**
Excess to be allocated (A - B)	**447**
Allocation of the excess:	
Key money	677
Deferred tax liabilities	(230)

The fair value of the assets and liabilities acquired at the acquisition date and the net cash used for the acquisition are as follows:

	Fair value on acquisition
Other intangible assets	56
Property, plant and equipment	152
TOTAL NON-CURRENT ASSETS	**208**
Inventories	302
Trade receivables	9
Other current receivables and assets	38
Cash and cash equivalents	50
TOTAL CURRENT ASSETS	**399**
TOTAL ASSETS	**607**
Non-current bank payables	54
TOTAL NON-CURRENT LIABILITIES	**54**
Trade payables	433
Current bank payables	14
Tax payables	13
Other current liabilities	47
TOTAL CURRENT LIABILITIES	**507**
TOTAL LIABILITIES	**561**
Net assets attributable to non-controlling interests	**-**
TOTAL IDENTIFIABLE NET ASSETS AT FAIR VALUE	**46**
GOODWILL ARISING FROM THE ACQUISITION	**447**
Purchase price:	
Consideration paid	493
Debt	-
Analysis of cash flows for the acquisition:	
Net cash acquired with the business (included in cash flows from investing activities)	50
Consideration paid	(493)
NET CASH FLOW FOR THE ACQUISITION	**(443)**

Purchase of quotas in SAS White Flannel (store in Cannes)

In February 2014 Brunello Cucinelli Europe S.r.l. acquired from the same independent third party mentioned above 25% of SAS White Flannel, the company organized under the laws of France that has been operating the monobrand store in Cannes for a considerable length of time. By way of agreements between the shareholders and amendments to the bylaws Brunello Cucinelli Europe S.r.l. acquired de facto control of the company.

As a result, as of 1st February 2014 the boutique in Cannes was converted from a wholesale monobrand store to a DOS. The Group paid € 700,000 for the investment.

While the valuation of this operation for this consolidated interim report was computed in a detailed manner, accounting standards allow the provisional amounts arising to be adjusted within a period of 12 months from the acquisition date. All the assets acquired and liabilities assumed have been assigned a fair value for initial recognition and an amount of € 966 thousand has been added to the fair value of the assets acquired and liabilities assumed as key money, calculated as shown in the following table:

	Thousands of Euro
Purchase price for 25% of the investment	700
Total carrying amount of the investment (A)	**700**
Net assets (25%) at the acquisition date (B)	**56**
Excess to be allocated (A - B)	**644**
Allocation of the excess:	
Key money	966
Deferred tax liabilities	(322)

The fair value of the assets and liabilities acquired at the acquisition date and the cash used for the acquisition are as follows:

	Fair value on acquisition
Other intangible assets	1,500
Property, plant and equipment	327
Other non-current financial assets	90
TOTAL NON-CURRENT ASSETS	**1,917**
Inventories	601
Other current receivables and assets	57
Cash and cash equivalents	151
TOTAL CURRENT ASSETS	**809**
TOTAL ASSETS	**2,726**
Non-current bank payables	424
TOTAL NON-CURRENT LIABILITIES	**424**
Trade payables	1,084
Current bank payables	15
Other current liabilities	980
TOTAL CURRENT LIABILITIES	**2,079**
TOTAL LIABILITIES	**2,503**
Net assets attributable to non-controlling interests (75% of the fair value of the net assets)	**167**
TOTAL IDENTIFIABLE NET ASSETS AT FAIR VALUE	**56**
GOODWILL ARISING FROM THE ACQUISITION	**644**
Purchase price:	**700**
Consideration paid	700
Debt	-
Analysis of cash flows for the acquisition:	
Net cash acquired with the business (included in cash flows from investing activities)	151
Consideration paid	(700)
NET CASH FLOW FOR THE ACQUISITION	**(549)**

Opening of a boutique in Sao Paolo, Brazil

In February 2014 the Group paid 1,500,000.00 BRL as share capital into Brunello Cucinelli Brasil – Comercio de Artigos de Vestuario e Acessorios de Luxo LTDA, and since June 2014 this Brazilian subsidiary has been operating a monobrand store in the renowned shopping mall of Cidade Jardim in San Paolo.

Purchase of real estate

On 28th March 2014 the Company entered a preliminary agreement with Fedone S.r.l. (which controls the Company and which at that date – meaning before the transfer of 100% of Fedone S.r.l. to Esperia Trust Company S.r.l. – was controlled by Cav. Lav. Brunello Cucinelli) for the sale to Fedone S.r.l. of a building which is suitable for industrial activities and has all the relevant connections but is not close to the Company's manufacturing and logistical facilities. As this property does not have significant importance for the Company as part of the project for extending and restructuring the Solomeo site, it decided to sell it at a price of € 1,790 thousand, transferring the significant risks and rewards connected with the ownership of the assets as of the date of the preliminary agreement. The final agreement was signed on 12th June 2014, with the full price paid at that date.

As this is a related party transaction of minor importance the sale was reviewed by the Control and Risks Committee, as required and in accordance with the related party procedures adopted by the Company on 9th May 2012, and the Committee's three members expressed a unanimous favorable opinion, also on the basis of a technical appraisal carried out on the signing of the preliminary agreement. The operation was accordingly approved by the Board of Directors.

Agreement for the distribution of products bearing the Brunello Cucinelli brand name in Japan

Following an agreement reached between its shareholders Brunello Cucinelli S.p.A. and Itochu Corporation, Brunello Cucinelli Japan Co., Ltd. ("BC Japan") exercised its right to acquire from Woollen Co. Ltd. (the Group's sub-distributor in Japan) the business organized by that company for distributing Brunello Cucinelli branded goods in Japan. The call option was included in the original agreements entered into by BC Japan with Woollen Co. Ltd.

BC Japan continues to be controlled by Brunello Cucinelli S.p.A. with a 75% interest, while the remaining 25% is held by Itochu Corporation.

BC Japan and Woollen Co. Ltd. completed the transfer of the business with effect from 1st September 2014; as a consequence, the Brunello Cucinelli Group (through BC Japan) has taken over the management of the two monobrand stores in Tokyo and the monobrand store in Kobe from Woollen Co. Ltd., together with the direct management of the 13 sales points in the department stores located in some of the most important Japanese cities.

SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

In October 2014 the Company signed an agreement for the lease of a monobrand store situated at 745 Thurlow Street, Vancouver, Canada, which will be opened in the second half of 2015.
This will be the first boutique opened by the Group in Canada and an ad hoc company will be formed to look after the management of the business.

BUSINESS OUTLOOK

When it reaches the end this will have been a "fundamental" year for our industry, not only due to the constant growth in results in terms of revenues and profits but also to the visibility and positioning that our brand continues to have at the top of the luxury range.

The sustainability project for the Group's growth path, which is based on fundamental essentials such as exclusive distribution, excellence in quality, craftsmanship, creativity and Made in Italy production, has been confirmed by the results that have been achieved in the first nine months.
The prestige that the top-range customer recognizes in the brand, identifying the whole Brunello Cucinelli world as the essence of an exclusive **prêt-à-porter** proposal and the expression of a sophisticated concept of **contemporary lifestyle**, supports the results achieved and represents the basis for long-term sustainable growth.
This range of top quality manufactured goods with exclusive distribution acts as the Group's tradition and identity, combining with a humanistic business model which finds its roots in respect for the **economic and moral dignity** of all those people who contribute to the business's creation of value.

Backed by results which are once again making headway, also in Italy, and by the 2015 spring-summer collection which has been highly appreciated by customers and observers alike, we believe that this path of healthy and gracious two-digit growth in turnover and profits will also continue in 2015.

BASIS OF PREPARATION OF THE CONSOLIDATED INTERIM REPORT

The Group's interim report for the nine months ended 30th September 2014 has been prepared in accordance with article 154-ter, paragraph 5 of the Consolidated Finance Law (TUF) introduced by Legislative Decree no. 195/2007 in implementation of Directive 2004/109/EC.The Board of Directors of Brunello Cucinelli S.p.A approved this consolidated interim report on 11th November 2014 and authorized its distribution to the public at the same date.

SCOPE OF CONSOLIDATION

The scope of consolidation for the nine months ended 30th September 2014 was extended following the purchase of the subsidiaries Pearl Flannel S.p.r.l. and SAS White Flannel and the formation of Brunello Cucinelli Brasil LTDA, as discussed in the section "Significant events during the period".
The new investments are consolidated on a line-by-line basis.

ACCOUNTING STANDARDS

The Group's financial position, results and cash flows for the nine months ended 30th September 2014 have been prepared in accordance with the International Accounting Standards (IAS), the International Financial Reporting Standards (IFRS) and the related interpretations issued by the IASB and adopted by the European Union that are applicable at the balance sheet date. The accounting standards used to prepare these statements are the same as those used to prepare the consolidated financial statements at 31st December 2013.

DISCRETIONAL MEASUREMENTS AND SIGNIFICANT ACCOUNTING ESTIMATES

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

The preparation of the quarterly report also requires the parent company's directors to make discretional measurements, estimates and assumptions that affect the amounts of revenues, expenses, assets and liabilities and contingent liabilities at the reporting date. The actual results could differ from these estimates. The main discretional estimates and measurements relate to the recognition and measurement of the following items.

Deferred tax assets
Deferred tax assets are recognized for deductible temporary differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases and unused tax losses to the extent that it is probable that sufficient taxable profit will be available against which these losses can be offset. The directors are required to make a discretional assessment 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 profit.

The employees'termination indemnity (TFR) liability and the agents' supplementary indemnity provision

The employees' termination indemnity (TFR) and the agents' supplementary indemnity provision for the Group's Italian companies are measured using actuarial valuations. These valuations require a number of assumptions to be made about discount rates, future salary increases (only for the TFR), staff turnover and mortality rates. Because of the long-term nature of these plans, these estimates are subject to a significant degree of uncertainty.

Provision for bad debts

The provision for bad debts represents management's best estimate of the amount required to adjust receivables to their realizable value, based on information available at the time of preparing the financial statements.

Depreciation and amortization periods for tangible and intangible fixed assets

The directors are required to make discretional estimates to determine the depreciation and amortization of property, plant and equipment and intangible assets with a finite useful life. Such estimates are reviewed at every balance sheet date to ensure that the carrying amounts reflect the best estimates of the costs to be incurred by the Group, and in the case of significant differences the amounts are revised and updated.

Derivative instruments

The measurement of derivatives as assets and liabilities requires the use of estimates and assumptions. These estimates and assumptions are constantly reviewed and the effects of any changes are immediately recognized in the financial statements.

The directors make estimates and assumptions with the support of the company functions and, where appropriate, independent professionals.

The exchange rates used for translating the financial statements of subsidiaries denominated in a foreign currency into Euro are shown in the following table (currency per 1 Euro):

	Average exchange rate		End of period exchange rate		
	30th September 2014	30th September 2013	30th September 2014	31st December 2013	30th September 2013
U.S. dollar	1.35487	1.317106	1.2583	1.3791	1.3505
Swiss franc	1.218013	1.231615	1.2063	1.2276	1.2225
Japanese yen	139.485916	127.379581	138.11	144.72	131.78
Renmimbi (yuan)	8.354406	8.122515	7.7262	8.3491	8.2645
British pound	0.81182	0.852109	0.7773	0.8337	0.83605
Hong Kong dollar	10.506656	10.217591	9.774	10.6933	10.4722
Real	3.102823	(*)	3.0821	(*)	(*)

(*) Exchange rate not used in the stated period.

RELATED PARTY TRANSACTIONS

Except for the matters discussed in the section "Significant events during the period", no other related party transactions were performed during the nine months ended 30th September 2014 which had unusual features or involved significant amounts, other than those carried out on a continuing basis.

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

FINANCIAL STATEMENTS AT 30TH SEPTEMBER 2014

CONSOLIDATED BALANCE SHEET AT 30TH SEPTEMBER 2014

(In thousands of Euro)	**30th September 2014**	***Related parties***	**31st December 2013**	***Related parties***	**30th September 2013**	**Related parties**
NON-CURRENT ASSETS						
Intangible assets	29,630		26,552		26,850	
Property, plant and equipment	76,364	10,575	59,180	8,252	55,556	7,717
Other non-current financial assets	4,824	41	3,426	41	2,803	41
Deferred tax assets	14,717		10,082		9,448	
TOTAL NON-CURRENT ASSETS	**125,535**		**99,240**		**94,657**	
CURRENT ASSETS						
Inventories	102,942		94,464		77,246	
Trade receivables	66,648	27	43,361	99	63,027	61
Tax receivables	3,289		1,094		1,212	
Other current receivables and assets	13,182		14,186		8,797	
Other current financial assets	33		-		-	
Cash and cash equivalents	32,060		38,676		38,027	
Derivative instruments – current assets	85		1,658		1,443	
TOTAL CURRENT ASSETS	**218,239**		**193,439**		**189,752**	
TOTAL ASSETS	**343,774**		**292,679**		**284,409**	

(In thousands of Euro)	30th September 2014	*Related parties*	31st December 2013	*Related parties*	30th September 2013	Related parties
SHAREHOLDERS' EQUITY						
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT						
Share capital	13,600		13,600		13,600	
Share premium reserve	57,915		57,915		57,915	
Other reserves	61,649		40,063		40,442	
Net income for the period attributable to owners of the parent	26,902		30,476		24,404	
TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	**160,066**		**142,054**		**136,361**	
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS						
Capital and reserves attributable to non-controlling interests	6,925		4,061		3,929	
Net income for the period attributable to non-controlling interests	(997)		(901)		(897)	
TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	**5,928**		**3,160**		**3,032**	
TOTAL SHAREHOLDERS' EQUITY	**165,994**		**145,214**		**139,393**	
NON-CURRENT LIABILITIES						
Employees' termination indemnities	3,278		2,854		2,951	
Provisions for risks and charges	813		831		944	
Non-current bank debt	34,958		18,281		11,313	
Non-current financial liabilities	3,709		3,477		3,637	
Other non-current liabilities	4,703		2,006		1,482	
Deferred tax liabilities	3,707		3,308		2,481	
Derivative instruments – non-current liabilities	419		230		254	
TOTAL NON-CURRENT LIABILITIES	**51,587**		**30,987**		**23,062**	
CURRENT LIABILITIES						
Trade payables	49,458	571	62,607	753	49,036	857
Current bank debt	41,893		29,639		45,987	
Current financial liabilities	215		2,955		133	
Tax payables	10,675		1,562		8,059	
Derivative instruments – current liabilities	3,977		311		402	
Other current liabilities	19,975		19,404		18,337	
TOTAL CURRENT LIABILITIES	**126,193**		**116,478**		**121,954**	
TOTAL LIABILITIES	**177,780**		**147,465**		**145,016**	
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**343,774**		**292,679**		**284,409**	

CONSOLIDATED INCOME STATEMENT FOR THE NINE MONTHS ENDED 30TH SEPTEMBER 2014

(In thousands of Euro)	Nine months ended 30th September			
	2014	***Related parties***	**2013**	***Related parties***
Net revenues	277,346	9	251,685	56
Other operating income	1,378	781	1,701	925
Revenues	**278,724**		**253,386**	
Costs for raw materials and consumables	(51,546)	(68)	(52,679)	(48)
Costs for services	(131,417)	(1,336)	(115,947)	(1,169)
Payroll costs	(44,447)	(181)	(36,432)	(142)
Other operating costs	(2,165)	(7)	(1,743)	(1)
Own work capitalized	738		432	
Depreciation and amortization	(9,450)		(8,297)	
Impairment of assets and other accruals	(1,084)		(1,251)	
Total operating costs	**(239,371)**		**(215,917)**	
Operating income	**39,353**		**37,469**	
Financial expense	(5,637)		(5,340)	
Financial income	3,645		3,897	
Income before taxation	**37,361**		**36,026**	
Income taxes	(11,456)		(12,519)	
Net income for the period	**25,905**		**23,507**	
Net income for the period attributable to owners of the parent	26,902		24,404	
Net income for the period attributable to non-controlling interests	(997)		(897)	
Basic earnings per share (Euro)	0.39562		0.35888	
Diluted earnings per share (Euro)	0.39562		0.35888	

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE NINE MONTHS ENDED 30TH SEPTEMBER 2014

(In thousands of Euro)	Nine months ended 30th September	
	2014	2013
Net income for the period (A)	**25,905**	**23,507**
Other components of comprehensive income:		
Items that may be classified subsequently to profit or loss	**(717)**	**(479)**
Gains/(losses) on cash flow hedges	(3,102)	(352)
Tax effect	853	97
Total gains/(losses) on cash flow hedges	**(2,249)**	**(255)**
Exchange differences on translating foreign operations	1,532	(224)
Items that will not be reclassified to profit or loss	**(69)**	**31**
Employees' termination indemnities (IAS 19 revised)	(95)	42
Tax effect	26	(11)
Total other gains/(losses) net of tax (B)	**(786)**	**(448)**
Total comprehensive income net of tax (A) + (B)	**25,119**	**23,059**
Attributable to:		
Owners of the parent	25,794	24,000
Non-controlling interests	(675)	(941)

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE NINE MONTHS ENDED 30TH SEPTEMBER 2014

(In thousands of Euro)	Nine months ended 30th September	
	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period	25,905	23,507
Adjustments to reconcile net income for the period to cash flows from (used in) operating activities:		
Depreciation and amortization	9,450	8,297
Provisions for employees' termination indemnities	128	111
Provisions for risks and charges / inventory obsolescence / doubtful accounts	908	1,287
Change in other non-current liabilities	2,162	290
(Gains)/losses on the disposal of fixed assets	(722)	(885)
Payment of termination indemnities	(122)	(72)
Payment of provisions for risks and charges	(130)	-
Net change in deferred tax assets and liabilities	(3,807)	(1,644)
Change in fair value of financial instruments	2,327	(225)
Change in operating assets and liabilities:		
Trade receivables	(23,613)	(16,355)
Inventories	(4,702)	3,522
Trade payables	(17,769)	(14,685)
Other current assets and liabilities	7,442	5,853
NET CASH FROM (USED IN) OPERATING ACTIVITIES (A)	**(2,543)**	**9,001**
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(22,689)	(18,641)
Additions to intangible assets	(2,979)	(6,220)
Additions to financial assets	(1,243)	378
Acquisition of White Flannel net of cash acquired	(549)	-
Acquisition of Pearl Flannel net of cash acquired	(443)	-
Acquisition of the business from d'Avenza Fashion S.p.A. net of cash acquired	(84)	-
Acquisition of Brunello Cucinelli (England) Ltd. net of cash acquired	-	(3,197)
Acquisition of minority interest in Brunello Cucinelli Marittima	-	(82)
Disposal of property, plant and equipment and key money	2,252	1,216
NET CASH (USED IN) INVESTING ACTIVITIES (B)	**(25,735)**	**(26,546)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Disbursement of long-term loans	51,642	3,600
Repayment of long-term loans	(14,353)	(4,326)
Net change in short-term financial liabilities	(11,944)	16,217
Net change in long-term financial liabilities	-	3,418
Capital increase, additional paid-in capital and other changes in shareholders' equity	3,518	2,562
Dividends paid	(7,955)	(5,794)
NET CASH FROM FINANCING ACTIVITIES (C)	**20,908**	**15,677**
TOTAL CASH FLOW (D=A+B+C)	**(7,370)**	**(1,868)**
EFFECT OF EXCHANGE RATES ON CASH AND CASH EQUIVALENTS (E)	**754**	**(150)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD (F)	**38,676**	**40,045**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (G=D+E+F)	**32,060**	**38,027**
Additional information:		
Interest paid	1,445	1,207
Income tax paid	8,577	9,701

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE NINE MONTHS ENDED 30TH SEPTEMBER 2014

(In thousands of Euro)	Share capital	Legal reserve	Share premium reserve	Additional paid-in capital	Translation reserve	Other reserves	Net income for the period	Total Group equity	Total non-controlling interests' equity	Total shareholders' equity
31st December 2013	**13,600**	**2,361**	**57,915**	**-**	**(240)**	**37,942**	**30,476**	**142,054**	**3,160**	**145,214**
Net income for the period							26,902	26,902	(997)	25,905
Other gains/(losses)					1,210	(2,318)		(1,108)	322	(786)
Total comprehensive income	**-**	**-**	**-**	**-**	**1,210**	**(2,318)**	**26,902**	**25,794**	**(675)**	**25,119**
Allocation of net income		359				30,117	(30,476)	-	-	-
Dividends paid						(7,480)		(7,480)	(475)	(7,955)
Payments made by non-controlling interests (Brunello Cucinelli Lessin (Sichuan) Fashion Co., Ltd and Brunello Cucinelli Japan Co., Ltd.)								-	3,519	3,519
Operation under common control (Brunello Cucinelli Belgium S.p.r.l.)						(233)		(233)	232	(1)
Change in consolidation scope (SAS White Flannel)								-	167	167
Other changes						(69)		(69)	-	(69)
30th September 2014	**13,600**	**2,720**	**57,915**	**-**	**970**	**57,959**	**26,902**	**160,066**	**5,928**	**165,994**

(In thousands of Euro)	Sharc capital	Legal reserve	Share premium reserve	Additional paid-in capital	Translation reserve	Other reserves	Net income for the period	Total Group equity	Total non-controlling interests' equity	Total shareholders' equity
31st December 2012	**13,600**	**1,210**	**57,915**	**-**	**151**	**22,463**	**22,484**	**117,823**	**1,794**	**119,617**
31st December 2012 (restated)	**13,600**	**1,210**	**57,915**	**-**	**151**	**22,317**	**22,630**	**117,823**	**1,794**	**119,617**
Net income for the period							24,404	24,404	(897)	23,507
Other gains/(losses)					(180)	(224)		(404)	(44)	(448)
Total comprehensive income	**-**	**-**	**-**	**-**	**(180)**	**(224)**	**24,404**	**24,000**	**(941)**	**23,059**
Allocation of net income		1,151				21,479	(22,630)	-	-	-
Dividends paid						(5,440)		(5,440)	(354)	(5,794)
Share capital increase								-	-	-
Change in consolidation scope: Brunello Cucinelli Hellas S.A., Brunello Cucinelli Lessin (Sichuan) Fashion Co., Ltd, Brunello Cucinelli Lessin (Macau) Fashion Co., Ltd., Brunello Cucinelli Hong Kong Ltd., Brunello Cucinelli Marittima S.r.l.						(53)		(53)	2,533	2,480
Other changes						31		31	-	31
30th September 2013	**13,600**	**2,361**	**57,915**	**-**	**(29)**	**38,110**	**24,404**	**136,361**	**3,032**	**139,393**

CERTIFICATION PURSUANT TO ARTICLE 154-BIS, PARAGRAPH 2 OF THE CONSOLIDATED FINANCE LAW (TUF)

Pursuant to article 154-bis, paragraph 2 of the Consolidated Finance Law (TUF) the manager in charge of the corporate accounting documents hereby declares that the accounting information contained in this document corresponds to the documentary evidence and to the accounting books and records.

Manager in charge of the corporate
accounting documents

Moreno Ciarapica