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2015

*Testo del comunicato*

Vedi allegato.



# BRUNELLO CUCINELLI

## Press release

### **BRUNELLO CUCINELLI: the Board of Directors approves the Consolidated Interim Report at 31st March 2015**

- **Net revenues of € 111.7 million, +12.1% (current exchange rates) compared to 31st March 2014;**
- **EBITDA of € 19.2 million, +9.5%<sup>1</sup>;**
- **Net income of € 9.3 million, +3.3%<sup>1</sup>;**
- **International markets in expansion by 15.2% and the Italian market growing by 1.7%;**
- **Growth in all the international markets: North America +34.0%, Europe +5.5%, Greater China +10.2%, Rest of the World +3.8%;**
- **Revenue increases in all distribution channels: retail monobrand +33.1%, wholesale monobrand +1.3% (+7.7% excluding the conversions to the retail channel), wholesale multibrand +1.8%;**
- **Capex of € 13.6 million in the first quarter 2015 (€ 40.3 million invested over the past 12 months), as part of the Company's 2013-2015 multiyear plan (in the range of € 115 million), structural to the exclusivity of its presence and positioning and for the development of production infrastructure, the extension of the industrial factory in Solomeo and the technological platform;**
- **Net debt of € 68.2 million at 31st March 2015, consistent with the seasonality of the business, the key investment project and the exclusive expansion of the monobrand network.**

**Brunello Cucinelli**, Chairman and CEO, commented as follows:

*" We are particularly glad that 2015 was off to a good start. We are seeing powerful signs for our brand. In the light of the very positive results reported in the first quarter, having already collected all the orders for a fascinating next autumn/winter season and considering the significant spring/summer sell-out, we can expect our double-digit "pleasant" growth to be confirmed for the current year.*

*Moreover, this is the last year of the three-year plan of "great investments"; thanks to them, we now feel that our company rests on sound foundations and keeps focusing on the "artisanal" made in Italy we believe in so much.*

*We perceive that the people we work with, both in Italy and abroad, are starting to show renewed positivity and excitement for everything that comes from our land."*

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<sup>1</sup> The comparison has been done with the EBITDA and Net Income 1Q 2014 normalized, meaning net of extraordinary deals occurred during 1Q 2014.



## BRUNELLO CUCINELLI

*Solomeo, 12th May 2015* – The Board of Directors of Brunello Cucinelli S.p.A. – an Italian maison operating in the luxury goods sector listed on the Borsa Italiana Electronic Stock Exchange – today examined and approved the Company's Consolidated Interim Report for the three months ended 31st March 2015.

The year 2015 has begun with a first quarter confirming the path of “*gracious*” growth and long-term sustainability, as part of the business project that has always been founded on the solid principles and unique direction of the Company's strategy that is based on a consolidated exclusive **prêt-à-porter** proposal and a sophisticated concept of **contemporary lifestyle**.

**Excellent quality** of the fibers and materials used, the skillful **Italian craftsmanship** that produces the collections, **creativity** in design and an **exclusive presence** in the world's main luxury streets and most prestigious Luxury Department Stores: these elements have always been a feature of the Company's DNA, enabling it to achieve solid results in growth and revenues.

The dynamics of the quarter confirm the soundness of the purchasing habits of the top-end customer, limiting the effect of changes of a macroeconomic, political and monetary nature in purchasing decisions taken by both local customers and tourists.

### **Revenue performance**

The Group posted net revenues of € 111.7 million for the quarter ended 31st March 2015, a rise of 12.1% (+8.6% at constant exchange rates) over the figure of € 99.6 million at 31st March 2014.

Revenues, including other operating income, reached € 111.9 million, an increase of 11.0% over the figure of € 100.8 million for the quarter ended 31st March 2014, which included a capital gain<sup>2</sup> of € 0.8 million in other operating income.

Excluding that capital gain, revenues have risen by 11.8%.

### **Revenues by geographical area**

The reported results are positive both on the international markets, where revenues rose by 15.2% (representing 79.1% of net revenues) and on the Italian market, where sales increased by 1.7%.

These dynamics confirm the appeal of the “Brunello Cucinelli” proposal for the “absolute luxury” customer as well as the solidity of demand from the local customer and top-end tourist flow, concentrated in the most exclusive and attractive locations, whether these be in the world's leading cities or in resort localities.

North American market – growth in sales of 34.0% (€ 34.5 million compared to € 25.8 million in the first quarter of 2014, representing 30.9% of net revenues).

There was considerable revenue growth in both the direct channel, thanks to the significant results achieved by existing boutiques and the contribution made by the 3 openings taking place over the past twelve months (Atlanta and San Francisco, both in September 2014, and New York Soho at the end of March 2015), as well as in wholesale monobrand channel revenues, driven by the sell-out in the spaces in the most important Luxury Department Stores.

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<sup>2</sup> Sale of a property not in proximity to the Company's manufacturing and logistical site, as that property did not form part of the extension and renovation project regarding the entire area of the Solomeo site; the sale led to the recognition of a capital gain of € 755 thousand in the first quarter of 2014.



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The Luxury Department Stores, whose aim is to meet the needs of top-end, sophisticated customers, have continued with their decision to grant the most prestigious spaces to brands that are considered “modern and contemporary”, characterized by an offer of exclusive and unique products, while at the same time increasing their selling spaces.

The results are supported by purchases made by local customers and top-end tourist flows, constantly sustained in the most prestigious localities.

There were 19 boutiques in the monobrand network at 31st March 2015 (16 at 31st March 2014).

European market – sales rose by 5.5% (€ 35.2 million compared to € 33.4 million in the first quarter of 2014, representing 31.5% of the total).

Results were supported by the growth in revenues in existing spaces, in particular in the leading cities and in the prestigious resorts, with the contribution of new floor spaces limited to 3 openings (Vienna in April 2014, Frankfurt in January 2015 and Paris in the second half of March 2015).

Top-end tourism flows were stable (as always less subject to any volatility that may be caused by macroeconomic and currency dynamics), while the results of sales in Russia also remained solid, both in relation to the performance reported by the multibrand boutiques and with respect to the collection of orders for the Fall-Winter 2015 collections.

The direct monobrand network had 24 boutiques at 31st March 2015 (21 at 31st March 2014), while the number of boutiques in the wholesale monobrand network remained unchanged at 19.

Greater China – revenues increased by 10.2% to € 6.9 million for the quarter ended 31st March 2015 (limited to 6.2% as a proportion of the total), compared to € 6.2 million for the quarter ended 31st March 2014.

The increase in sales was driven by the performance of the existing network, with the network of direct boutiques remaining unchanged over the past 12 months; the “normalization” of the growth trend in the first quarter of 2015 differs from the increases in revenues seen in previous quarters, which were positively affected by the conversion of boutiques in the wholesale monobrand channel to the direct channel.

Exclusivity of distribution in mainland China is ensured by a presence limited to about ten boutiques, selected shop windows for top-end customers, regarding the purchases they make on the domestic market and those made in the main luxury capitals of the world – as always representative of a prestigious and unique purchasing experience.

Tourist flows of the most exclusive Asian customers, constantly directed towards the top luxury locations, remain in line with the trend seen in previous quarters, with a well-balanced pricing policy as always in the various geographical areas.

There are 19 monobrand boutiques in Greater China as a whole, with one wholesale monobrand boutique opened in Taiwan over the past 12 months.

Rest of the World – results grew by 3.8%, or € 11.7 million (10.5% of the total), in the quarter ended 31st March 2015, compared to € 11.3 million in the quarter ended 31st March 2014.

Sales dynamics were affected by the conversion of the business in Japan to directly operated stores<sup>3</sup> from 1st September 2014.

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<sup>3</sup> With effect from 1st September 2014 the 3 wholesale monobrand boutiques in Japan have been converted to directly operated stores and the 13 hard shop in the most important Luxury Department Stores have passed from wholesale



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These conversions affected the results for the first three months; the first quarter of 2014 was characterized by deliveries of the Spring-Summer collection to wholesale monobrand and multibrand customers (sell-in revenues), while the same deliveries to the sales points in the first quarter of this year will contribute to revenues for both the first and second quarters.

There were 12 monobrand stores at 31st March 2015 (9 at 31st March 2014), with 3 openings taking place over the past 12 months (San Paolo and Seoul in 2014, while the only opening in 2015 took place in Singapore).

Italian market – there has been a significant growth trend on the Italian market, with revenues increasing by 1.7% to reach € 23.4 million, representing 20.9% of the total, compared to € 23.0 million in the first quarter of 2014.

This result was driven by the performance of the monobrand and multibrand boutiques in leading cities and resorts, which are benefiting from the purchases made both by local customers and the constant top-end tourist flow.

There were 13 boutiques in the direct monobrand network at 31st March 2015 (11 at 31st March 2014), with openings only taking place at Bari, in November 2014, and Palermo, at the end of March 2015, while the number of boutiques in the wholesale monobrand channel remained unchanged at 4.

### **Revenues by Distribution Channel**

Retail monobrand channel - revenues increased by 33.1% to reach € 43.8 million compared to € 32.9 million in the first quarter of 2014, representing 39.2% of the total (33.1% for the quarter ended 31st March 2014).

*Like for Like*<sup>4</sup> sales in the direct stores network increased by +4.8% in the first 18 weeks of 2015 (the period between 1st January and 3rd May 2015), in line with the trend of previous periods.

A positive contribution came from the 9 boutique openings occurred during last 12 months (of which 3 in the second half of March 2015) and the 3 conversions from the wholesale monobrand network to the direct channel (which reached 75 boutiques at 31st March 2015), to which must be added the effect of the transfer of the 13 hard shop in Japan to directly operated stores.

Wholesale monobrand channel – revenues amounted to € 12.7 million (11.4% of the total), representing an increase of 1.3% over the figure of € 12.6 million reported in the quarter ended 31st March 2014 (12.6% of the total). This result was affected by the conversions to the direct channel; excluding these conversions, revenues in the wholesale monobrand channel rose by +7.7%.

The network of wholesale monobrand boutiques remained unchanged and consisted of 35 stores at 31st March 2015, after 3 conversions to the direct channel (3 boutiques in Japan) and 3 openings taking place over the past 12 months.

Multibrand sales channel – revenues rose by 1.8%, with sales reaching € 55.1 million (49.4% of the total) compared to € 54.1 million in the quarter ended 31st March 2014 (54.3% of the total).

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multibrand to the retail channel.

<sup>4</sup> Like for Like in 2015 represents the increase in revenues at constant exchange rates in the DOS existing at 1/1/2014.



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As stated, this result was affected by the conversions of the 13 dedicated spaces in the Japanese Luxury Department Stores from the multibrand channel to the retail channel with effect from 1st September 2014.

### **The Monobrand Channel network**

The monobrand network consisted of 110 stores at 31st March 2015 (98 at 31st March 2014), with 12 net openings taking place over the past 12 months; 3 boutiques have been converted from the wholesale monobrand channel to the direct channel compared to 31st March 2014.

There were 75 direct monobrand boutiques at 31st March 2015 (63 at 31st March 2014), with 9 net openings and 3 conversions from the wholesale monobrand network taking place over the past 12 months.

There were 35 stores in the wholesale monobrand network at 31st March 2015, unchanged over 31st March 2014, with 3 new openings and 3 transfers taking place over the past 12 months.

The exclusive direct boutiques in Montecarlo and Ala Moana (Hawaii) were inaugurated in April and at the beginning of May as part of the project for selected openings planned to take place throughout 2015; to these should be added the opening of the wholesale monobrand boutique in Sofia in April.

### **Analysis of Results**

EBITDA reached € 19.2 million (17.1% of revenues), a rise of 9.5% compared to normalized EBITDA<sup>5</sup> of € 17.5 million for the quarter ended 31st March 2014 (17.5% of revenues); including the reported capital gain in the result for EBITDA for the quarter ended 31st March 2014, there was an increase of 5.0% in the first quarter of 2015 over the figure for EBITDA of € 18.3 million in the first quarter of 2014 (18.1% of revenues).

Changes in the channel mix, business development and positive like for like all had a positive effect on margins, which at the EBITDA level were affected by an increase in operating costs, these arising from the initiatives introduced to support the long-term growth project and to position the brand in the top-end luxury segment.

The changes in channel mix led to an increase in the proportion of direct sales from 33.1% to 39.2%; like for like performance and development of the presence in the retail channel made a positive contribution.

At 31st March 2015 the retail network consisted of 75 direct boutiques, with 9 openings and 3 conversions from the wholesale monobrand network taking place over the past 12 months, to which should be added the 13 hard shop in Japan following their passage to retail channel from 1st September 2014.

Operating costs, which rose from 38.2% to 42.7% of revenues, increased together with the growth of the business, changes in the monobrand network (new openings and conversions to the direct channel), the transfer of the way in which the business is operated in Japan to the direct channel (which took place on 1st September 2014 with the relative increase in structural costs) and the trend being followed by rents in the most exclusive localities.

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<sup>5</sup> Sale of a property not in proximity to the Company's manufacturing and logistical site, as that property did not form part of the extension and renovation project regarding the whole area of the Solomeo site; the sale led to the recognition of a capital gain of € 755 thousand in the first quarter of 2014, recognized in "Other operating income".



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On the back of these factors, payroll costs (which increased from 15.0% to 16.4% of revenues), and above all rental expenses (which increased from 6.1% to 9.3% of revenues), rose significantly: payroll costs increased from € 15.1 million to € 18.3 million while rentals increased from € 6.2 million to € 10.4 million.

The rise in payroll costs was affected by the number of employees hired over the past 12 months, with the total number of personnel increasing from 1,169 FTE (Full Time Equivalent) at 31st March 2014 to the present 1,362 FTE; these hirings mainly involved staff at the new boutiques and sales spaces and the organizational structure required for running the business in Japan and the new showrooms opened in the second half of 2014.

The development of the network led at the same time to a rise in rental expenses, also occurring due to the repositioning and enlargement of a number of the most important boutiques and the renegotiation of expiring agreements, within an overall context of growth and appreciation of the property market for the most exclusive locations.

The leverage on other operating costs remained positive, and these fell from 17.2% to 17.0% of revenues, with investments in communication rising from € 5.7 million in the first quarter of 2014 to € 6.0 million in the quarter ended 31st March 2015.

Depreciation and amortization increased by 36.5% due to the significant investments made over the past 12 months, rising from € 3.1 million for the quarter ended 31st March 2014 (3.1% of revenues) to € 4.2 million for the quarter ended 31st March 2015 (3.8% of revenues).

The increase in average debt for the period pushed up net financial expenses, which rose from € 0.7 million (0.7% of revenues) to € 1.2 million (1.1% of revenues).

Taxation decreased compared to the corresponding period in 2014, with a tax rate of 31.9% for the quarter ended 31st March 2015 compared to 33.8% for the quarter ended 31st March 2014.

Net income of € 9.3 million represents an increase of 3.3% over the normalized<sup>5</sup> net income of € 9.1 million for the first quarter of 2014; including the reported capital gain in net income for the first quarter of 2014, the corresponding figure for the quarter ended 31st March 2015 decreased by 2.3%.

### **Balance Sheet**

Working capital amounted to € 114.2 million at 31st March 2015 (31.0% of revenues for the past 12 months) compared to € 89.4 million at 31st March 2014 (26.8% of revenues).

Inventories rose from € 91.5 million (27.5% of last 12 months revenues) to € 127.6 million (34.7% of revenues); this increase is structural to the growth of the business, the development of the network of direct monobrand boutiques (9 net openings and 3 conversions over the past 12 months to reach a total of 75 boutiques) and the evolution of the way in which the business in Japan is being operated since 1st September 2014, this also including 13 spaces in the Luxury Department Stores.

The increase in inventories was partially offset by the increase in "Other net liabilities", which rose to € 20.4 million at 31st March 2015 compared to € 5.3 million at 31st March 2014 due to the assessment of outstanding derivative hedging instruments at fair value<sup>6</sup>.

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<sup>6</sup> The change in "Other net liabilities" arises from the reporting at fair value of derivatives hedging the currency risk on trading transactions in foreign currency. In this respect, it is recalled that these derivatives are accounted for as cash flow hedges, meaning that their fair value is recognized as an asset or a liability in the balance sheet (current assets – derivative financial instruments or current liabilities – derivative financial instruments) with a counter-entry made to an equity reserve for the component that is considered to be an effective hedge of the change in fair value of the derivative instruments, subsequently reclassified to profit or loss as revenues in the period when the hedged transactions affect profit or loss.



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Among the other items of working capital, changes in trade receivables and payables follow business performance; trade receivables rose from € 59.8 million at 31st March 2014 to € 64.2 million at 31st March 2015 due to changes in receipts over the various quarters, while trade payables increased from € 56.6 million at 31st March 2014 to € 57.3 million at 31st March 2015.

### **Net Financial Position and Investment Plan**

The Company had a net financial position of € 68.2 million at 31st March 2015 compared to € 28.3 million at 31st March 2014.

The significant multiyear investment project which began in 2013 and will be completed by 2015, amounts in total to approximately € 115 million, continued in the first quarter of 2015.

Capex of € 13.6 million was made in the quarter ended at 31st March 2015 (€ 12.9 million in the quarter ended 31st March 2014); investments over the past 12 months therefore total € 40.3 million.

Commercial investments amounted to € 9.1 million for the quarter ended 31st March 2015 and related mainly to the opening of exclusive boutiques and the increase in certain relative sales floor spaces and spaces in the most prestigious Luxury Department Stores.

Investments relating to production and logistics amounted to € 4.5 million and included capex for the technological platform as part of the key multiyear enhancement and development project that began in 2014 and will be completed next year.

This project also includes the investments made to strengthen the digital presence of the brand, consistent with its positioning of exclusivity and prestige.

### **Corporate Governance**

The Company's Board of Directors also resolved, with the favorable opinion of the Control and Risks Committee (consisting of three independent directors), to make changes to the related party transactions procedure prepared pursuant to Consob regulations, the text of which was last updated on 9th May 2012 (immediately after the start of trading in the Company's shares on the Electronic Stock Exchange). The changes made, together with certain steps taken to simplify and update the references, regard a better definition of transactions of small amount and the clarification that transactions forming part of framework resolutions may consist not only of the provision of services (also of a consultancy nature) but also the execution of works.

The updated version of the procedure is published in the "Corporate Governance" section of the Company's website <http://investor.brunellocucinelli.com/it>.

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*The manager in charge of preparing the corporate accounting documents, Moreno Ciarapica, declares pursuant to and to the effects of article 154-bis, paragraph 2 of Legislative Decree no. 58 of 1998 that the disclosures included in this release correspond to the balances on the books of account and the accounting records and entries.*

*The Consolidated Interim Report prepared pursuant to article 154-ter, paragraph 5 of Legislative Decree no. 58 of 1998 has not been audited.*

*The pdf version of the presentation to analysts of the results at 31st March 2015 may be found in the section "Presentations" of the Company's website:*  
<http://investor.brunellocucinelli.com/en/services/archive/investor/presentations>.





# BRUNELLO CUCINELLI

*This document may contain forward-looking statements on future events regarding the Brunello Cucinelli S.p.A. Group and its operating, economic and financial results. By their nature these forecasts contain an element of risk and uncertainty, as they depend on the occurrence of future events and developments. The actual figures could differ, even materially, from those stated for a variety of reasons.*

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**Brunello Cucinelli S.p.A.** is an Italian maison operating in the absolute luxury goods sector which specializes in cashmere and is now one of the most exclusive brands in the international informal luxury **prêt-à-porter** sector, the expression of *everyday luxury*.

Brunello Cucinelli, founded in 1978 by the eponymous stylist and entrepreneur, posted a net turnover of € 355.9 million in 2014 (+10.4% compared to the previous year), of which 80.8% was achieved overseas, and an EBITDA of € 63.0 million (up by 8.4% over 2013), and currently has over 1,200 employees. Brunello Cucinelli's success is rooted in the history and legacy of great craftsmanship as well as in modern design: a quality strategy founded on a combination of innovation and artisan skill.

The attention and care taken in manufacturing the product are expressed through the use of the highest quality raw materials, tailoring and **craftsmanship** of exclusively Made in Italy production, combined with *savoir faire* and **creativity**; all of this makes the Solomeo-based company one of the most exclusive testimonials of Italian **lifestyle** worldwide.

Company business has always been conducted in the medieval hamlet of Solomeo, on the outskirts of Perugia. Today the brand is distributed internationally in over 60 countries through 110 monobrand boutiques in leading capitals and cities worldwide and in the most exclusive resorts, with a significant presence in approximately 650 selected multibrand stores, including leading luxury department stores.

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Corporate web-site: [www.brunellocucinelli.com](http://www.brunellocucinelli.com)

The financial statements are attached



# BRUNELLO CUCINELLI

## CONSOLIDATED BALANCE SHEET AS OF 31<sup>ST</sup> MARCH 2015

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

|  | March 31, 2015 | <i>related parties</i> | December 31, 2014 | <i>related parties</i> | March 31, 2014 | <i>related parties</i> |
|--|----------------|------------------------|-------------------|------------------------|----------------|------------------------|
| <b>Non-current assets</b>                  |                |                        |                   |                        |                |                        |
| Intangible assets                          | 32,759         |                        | 29,649            |                        | 30,269         |                        |
| Property, plant and equipment              | 88,464         | 11,904                 | 80,157            | 11,475                 | 63,427         | 8,912                  |
| Other non-current financial assets         | 5,891          | 32                     | 4,786             | 32                     | 3,992          | 41                     |
| Deferred tax asset                         | 12,851         |                        | 13,307            |                        | 9,316          |                        |
| <b>Total non-current assets</b>            | <b>139,965</b> |                        | <b>127,899</b>    |                        | <b>107,004</b> |                        |
| <b>Current assets</b>                      |                |                        |                   |                        |                |                        |
| Inventories                                | 127,615        |                        | 125,114           |                        | 91,527         |                        |
| Trade receivables                          | 64,234         | 16                     | 45,051            | 31                     | 59,793         | 13                     |
| Tax receivables                            | 2,133          |                        | 1,023             |                        | 2,158          |                        |
| Other receivables and other current assets | 15,723         |                        | 14,873            |                        | 13,352         | 1,790                  |
| Other current financial assets             | 78             |                        | 44                |                        | -              |                        |
| Cash and cash equivalents                  | 52,050         |                        | 53,635            |                        | 42,512         |                        |
| Derivative financial instruments           |                |                        | 495               |                        | 789            |                        |
| <b>Total current assets</b>                | <b>261,833</b> |                        | <b>240,235</b>    |                        | <b>210,131</b> |                        |
| <b>Total assets</b>                        | <b>401,798</b> |                        | <b>368,134</b>    |                        | <b>317,135</b> |                        |

|   | March 31, 2015 | <i>related parties</i> | December 31, 2014 | <i>related parties</i> | March 31, 2014 | <i>related parties</i> |
|---|----------------|------------------------|-------------------|------------------------|----------------|------------------------|
| <b>Shareholders' equity</b>   |                |                        |                   |                        |                |                        |
| <b>Shareholders' equity attributable to parent company shareholders</b>     |                |                        |                   |                        |                |                        |
| Share capital   | 13,600         |                        | 13,600            |                        | 13,600         |                        |
| Share-premium Reserve   | 57,915         |                        | 57,915            |                        | 57,915         |                        |
| Reserves  | 86,458         |                        | 60,182            |                        | 69,909         |                        |
| Net income for the period   | 9,858          |                        | 33,060            |                        | 9,732          |                        |
| <b>Total shareholders' equity attributable to owners of the parent</b>      | <b>167,831</b> |                        | <b>164,757</b>    |                        | <b>151,156</b> |                        |
| <b>Shareholders' equity attributable to non-controlling interests</b>       |                |                        |                   |                        |                |                        |
| Capital and reserves attributable to non-controlling interests              | 7,997          |                        | 6,841             |                        | 6,824          |                        |
| Net income for the period attributable to non-controlling interests         | (509)          |                        | (1,273)           |                        | (161)          |                        |
| <b>Total shareholders' equity attributable to non-controlling interests</b> | <b>7,488</b>   |                        | <b>5,568</b>      |                        | <b>6,663</b>   |                        |
| <b>Total shareholders' equity</b>   | <b>175,319</b> |                        | <b>170,325</b>    |                        | <b>157,819</b> |                        |
| <b>Non-current liabilities</b>  |                |                        |                   |                        |                |                        |
| Employees termination indemnities   | 3,329          |                        | 3,310             |                        | 3,180          |                        |
| Provisions for risks and charges  | 962            |                        | 947               |                        | 831            |                        |
| Non-current payables towards banks  | 52,355         |                        | 42,450            |                        | 18,173         |                        |
| Non-current financial debt  | 2,887          |                        | 2,663             |                        | 3,493          |                        |
| Other non-current liabilities   | 6,032          |                        | 4,908             |                        | 2,162          |                        |
| Deferred Tax liabilities  | 251            |                        | 3,280             |                        | 4,085          |                        |
| Non-current derivative financial instruments                                | 504            |                        | 467               |                        | 249            |                        |
| <b>Total non-current liabilities</b>  | <b>66,320</b>  |                        | <b>58,025</b>     |                        | <b>32,173</b>  |                        |
| <b>Current liabilities</b>  |                |                        |                   |                        |                |                        |
| Trade payables  | 57,258         | 322                    | 62,185            | 625                    | 56,569         | 1,119                  |
| Current payables towards banks  | 62,423         |                        | 48,709            |                        | 48,522         |                        |
| Current financial liabilities   | 1,776          |                        | 1,682             |                        | 178            |                        |
| Income tax payables   | 5,400          |                        | 1,152             |                        | 5,351          |                        |
| Current derivative financial instruments                                    | 18,799         |                        | 6,244             |                        | 317            |                        |
| Other current liabilities   | 14,503         |                        | 19,812            |                        | 16,206         |                        |
| <b>Total current liabilities</b>  | <b>160,159</b> |                        | <b>139,784</b>    |                        | <b>127,143</b> |                        |
| <b>Total liabilities</b>  | <b>226,479</b> |                        | <b>197,809</b>    |                        | <b>159,316</b> |                        |
| <b>Total equity and liabilities</b>   | <b>401,798</b> |                        | <b>368,134</b>    |                        | <b>317,135</b> |                        |



# BRUNELLO CUCINELLI

## CONSOLIDATED INCOME STATEMENT AS OF 31ST MARCH 2015

### CONSOLIDATED INCOME STATEMENTS

|   | March 31, 2015  | <i>related parties</i> | March 31, 2014  | <i>related parties</i> |
|---|-----------------|------------------------|-----------------|------------------------|
| Net revenues  | 111,701         | 7                      | 99,643          | 3                      |
| Other operating income  | 188             | 10                     | 1,155           | 762                    |
| <b>Revenues</b>   | <b>111,889</b>  |                        | <b>100,798</b>  | <b>765</b>             |
| Costs of raw materials and consumables                              | (23,533)        |                        | (23,231)        | (26)                   |
| Costs for services  | (50,026)        | (479)                  | (43,676)        | (429)                  |
| Payroll costs   | (18,315)        | (76)                   | (15,083)        | (61)                   |
| Other operating (expenses)/revenues, net                            | (969)           |                        | (557)           | (2)                    |
| Costs capitalized   | 251             |                        | 254             |                        |
| Depreciation and amortization                                       | (4,197)         |                        | (3,074)         |                        |
| Impairment of assets and other accruals                             | (130)           |                        | (250)           |                        |
| <b>Total operating costs</b>  | <b>(96,919)</b> |                        | <b>(85,617)</b> | <b>(518)</b>           |
| <b>Operating Income</b>   | <b>14,970</b>   |                        | <b>15,181</b>   | <b>247</b>             |
| Financial expenses  | (8,795)         |                        | (1,794)         |                        |
| Financial income  | 7,554           |                        | 1,069           |                        |
| <b>Income before taxation</b>                                       | <b>13,729</b>   |                        | <b>14,456</b>   | <b>247</b>             |
| Income taxes  | (4,380)         |                        | (4,885)         |                        |
| <b>Net income for the period</b>                                    | <b>9,349</b>    |                        | <b>9,571</b>    | <b>247</b>             |
| Net income for the period attributable to owners of the parent      | 9,858           |                        | 9,732           |                        |
| Net income for the period attributable to non-controlling interests | (509)           |                        | (161)           |                        |
| Base earnings per share   | 0.14147         |                        | 0.14312         |                        |
| Diluted earnings per share  | 0.14147         |                        | 0.14312         |                        |

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

|  | March, 31      |              |
|--|----------------|--------------|
|  | 2015           | 2014         |
| <b>Net income for the period</b>   | <b>9,349</b>   | <b>9,571</b> |
| <b>Effects with possible future impact on the income statement</b>             | <b>(4,402)</b> | <b>(470)</b> |
| Profit/(Loss) from fair value adjustments related to hedging instruments       | (9,533)        | (479)        |
| Tax Effect   | 2,622          | 132          |
| Total Profit/(Loss) from fair value adjustments related to hedging instruments | <b>(6,911)</b> | <b>(347)</b> |
| Exchange differences on translation of foreign operations                      | 2,509          | (123)        |
| <b>Effects that do not have future impact on the income statement</b>          | -              | -            |
| Profit / (loss) from effects of employee benefit remeasurement                 | -              | -            |
| Tax Effect   | -              | -            |
| <b>Total other profit/(loss), net of taxation</b>                              | <b>(4,402)</b> | <b>(470)</b> |
| <b>Total net comprehensive income, net of taxation</b>                         | <b>4,947</b>   | <b>9,101</b> |
| <i>Attributable to:</i>  |                |              |
| Owners of the parent   | 5,107          | 9,333        |
| Non-controlling interests  | (160)          | (232)        |



# BRUNELLO CUCINELLI

## CONSOLIDATED STATEMENT OF CASH FLOWS AS OF 31ST MARCH 2015

| CONSOLIDATED STATEMENTS OF CASH FLOWS  | March 31, 2015  | March 31, 2014 |
|--|-----------------|----------------|
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>   |                 |                |
| Net income for the period  | 9,349           | 9,571          |
| <i>Adjustments to reconcile net income for the period to the cash flows generated by (used in) operating activities:</i> |                 |                |
| Depreciation and amortization  | 4,197           | 3,074          |
| Provisions for employees termination indemnities   | 21              | 23             |
| Provisions for risks and charges / inventory obsolescence / doubtful accounts  | 122             | 250            |
| Change in other non-current liabilities  | 517             | 156            |
| (Gain)/Loss on disposal of Fixed assets  | 12              | (726)          |
| Termination indemnities payments   | (2)             | (21)           |
| Payments of Provisions for risks and charges   |                 |                |
| Net change in deferred tax assets and liabilities  | 264             | 1,124          |
| Change in fair value of financial instruments  | 3,553           | 416            |
| <i>Changes in operating assets and liabilities:</i>  |                 |                |
| Change in trade receivables  | (18,076)        | (16,660)       |
| Change in inventories  | 3,050           | 3,746          |
| Change in trade payables   | (11,583)        | (7,518)        |
| Change in other current assets and liabilities   | (3,362)         | (605)          |
| <b>Net cash provided by/(used in) operating activities</b>   | <b>(11,938)</b> | <b>(7,170)</b> |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>   |                 |                |
| Additions to property, plant and equipment   | (9,073)         | (6,594)        |
| Additions to intangible assets   | (3,631)         | (1,622)        |
| Additions/(disposals) of financial assets  | (863)           | (525)          |
| Acquisition of SAS White Flannel , net of cash acquired  |                 | (549)          |
| Acquisition of Pearl Flannel S.p.r.l., net of cash acquired  |                 | (443)          |
| Acquisition of d'Avenza Fashion S.p.A. , net of cash acquired  |                 | (84)           |
| Proceeds from disposal of property, plant and equipment  | 291             | 2,034          |
| <b>Net cash provided by/(used in) investing activities</b>   | <b>(13,276)</b> | <b>(7,783)</b> |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>   |                 |                |
| Medium/Long-term loans received  | 17,430          | 10,000         |
| Repayment of medium/long-term loans  | (12,432)        | (528)          |
| Net change in short-term financial debt  | 16,991          | 6,002          |
| Net change in long-term financial debt   | 16              |                |
| Dividends paid   |                 |                |
| Share capital and reserves increase  | 47              | 3,335          |
| <b>Net cash provided by/(used in) financing activities</b>   | <b>22,052</b>   | <b>18,809</b>  |
| <b>TOTAL CASH FLOW FOR THE PERIOD</b>  | <b>(3,162)</b>  | <b>3,856</b>   |
| <b>Effect of exchange rate changes on cash and cash equivalents</b>  | <b>1,577</b>    | <b>(20)</b>    |
| <b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>  | <b>53,635</b>   | <b>38,676</b>  |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>  | <b>52,050</b>   | <b>42,512</b>  |
| Additional information:  |                 |                |
| Interest paid  | 481             | 310            |
| Income tax paid  | 1,021           | 1,141          |

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