



· S O L O M E I ·
· A D · M C C C X C I ·

BRUNELLO CUCINELLI

1H 16 Results

August 25th, 2016

Highlights

1H 16 results confirm the positive trend and the strong appreciation for the style of our Ready-to-Wear collections, which are increasingly representative of the Italian lifestyle and a reference point for sophisticated and discerning high-end luxury consumers

The pillars upon which our company is built stand stronger than ever: uncompromising quality of raw materials, outstanding craftsmanship, know-how handed down from generation to generation, and creativity

Net Revenues €219.8mln +9.7% <small>(performance at current exchange rates)</small>	EBITDA <i>adjusted*</i> €36.8 mln +10.2%	Net Profit <i>adjusted*</i> €17.9 mln +15.7%	Investment Plan €17.9 mln in 1H 2016	Net Financial Position € 79.7 mln (€78.3 mln as of June '15)
Italian market +6.9% sales	International markets +10.4% sales	North America +9.7% Europe +8.3%	Greater China +15% RoW +17.1%	Retail monobrand +17.4% Wholesale monobrand +1.2% Wholesale multibrand + 4.8%

* Adjusted figures exclude non recurring costs and account normalized tax rate

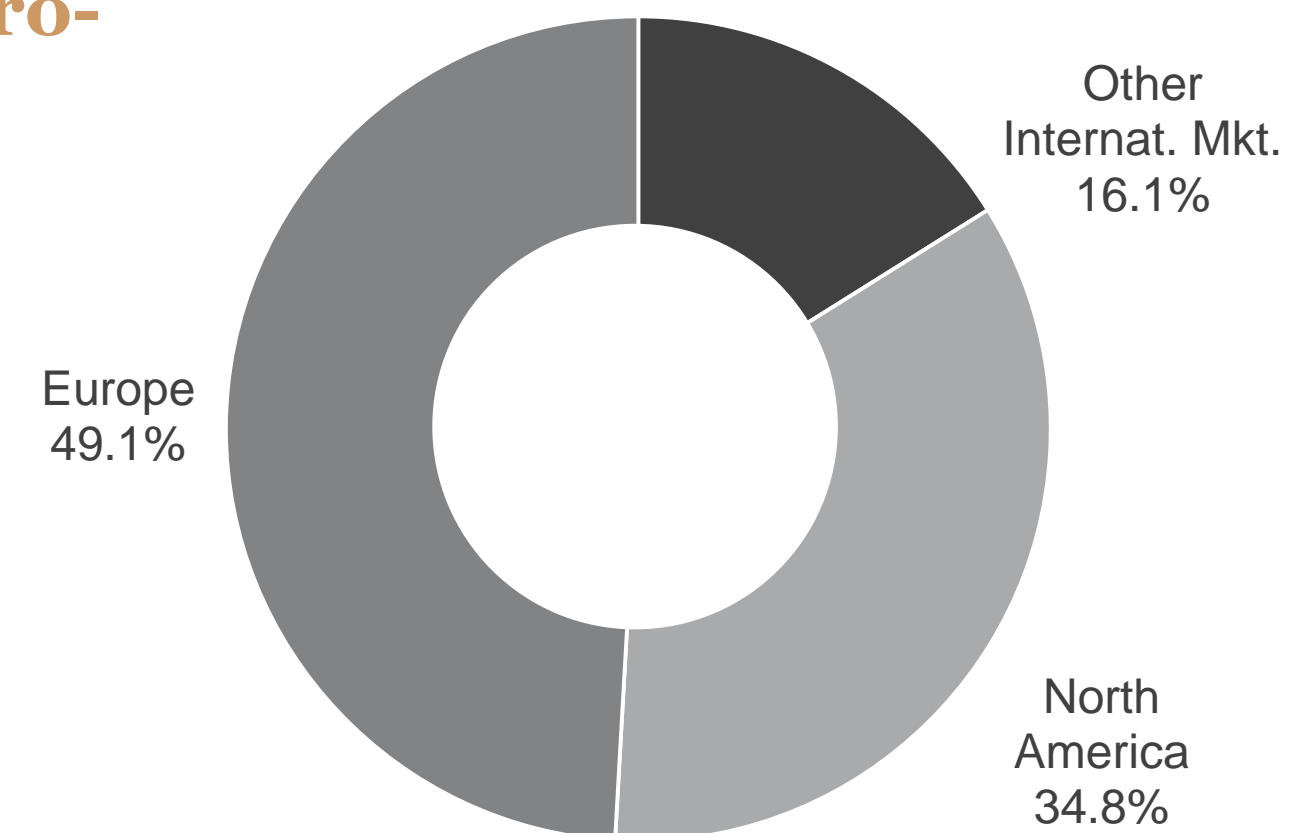




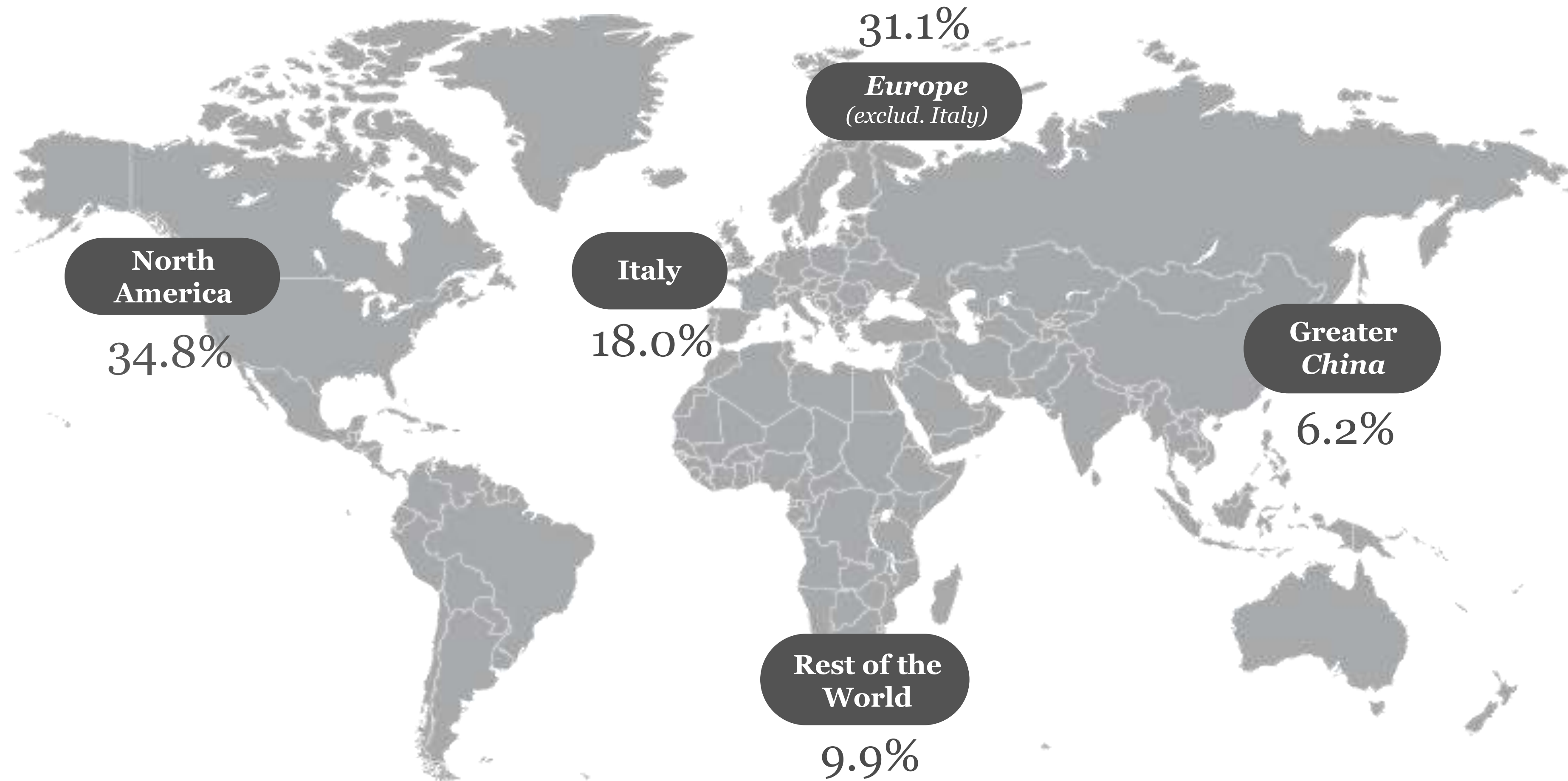
Revenues by Region

€ mln	1H 15	1H 16	YoY % Chg
Net Revenues	200.3	219.8	+9.7%
	Constant exchange rates +10.3%		
Italy	36.9	39.5	+6.9%
Rest of Europe	63.2	68.4	+8.3%
North America	69.7	76.4	+9.7%
Greater China	11.9	13.7	+15.0%
RoW	18.7	21.8	+17.1%

Breakdown by Macro-Region



Revenues Breakdown by Region





Revenues - Highlights by Region

Italy

Growth led by the performance in the major cities and tourist resorts, destinations for top-end tourism, aiming for a lifestyle experience that completes the “intrinsic” value of the product

Final customers characterized not only by their “sophisticated” taste, but also by their interest in the business philosophy and respect of “human dignity” of the production processes

North America

Results were positive both in relation to local customers, and with reference to high-profile tourist flows

Positive trend both in the monobrand channel, as well as in the multibrand channel, where Luxury Department Stores are reporting for our brand significant growth trends

Common characteristic of the way in which the company interacts with all customers always remains the “exclusive” and “discrete” approach

Greater China

Sales increase led by the positive results of the existing boutique network, unchanged in the last 12 months

Solid performance in “Mainland China” and Hong Kong

Performance supported by the presence of local customers and the flow of top-end tourism

Rest of Europe

Solidity of demand from top-end customers, looking for “special”, “unique” and “artisanal” products

The sustainability of demand involves both the flow of exclusive tourists, and local customers, who both look for a “lifestyle” experience

All geographical areas confirm the positive growth trend: Mediterranean area, Continental Europe, Eastern Europe, Russia and the former USSR countries

Rest of the World

Revenues growth driven both by very limited and selected openings of boutiques, and by the positive sales trend in existing spaces

Interesting results achieved in monobrand boutiques, as well as in the multibrand and the spaces in hard shops of the most important Luxury Department Stores where the brand is present



Distribution Channel

Monobrand Channel

122 monobrand boutiques

of which

86 DOS and **36 wholesale monobrand boutiques** in leading capitals and cities worldwide and in the most exclusive resorts



Multibrand Channel

presence in **selected multibrand boutiques**, including leading **luxury department stores**

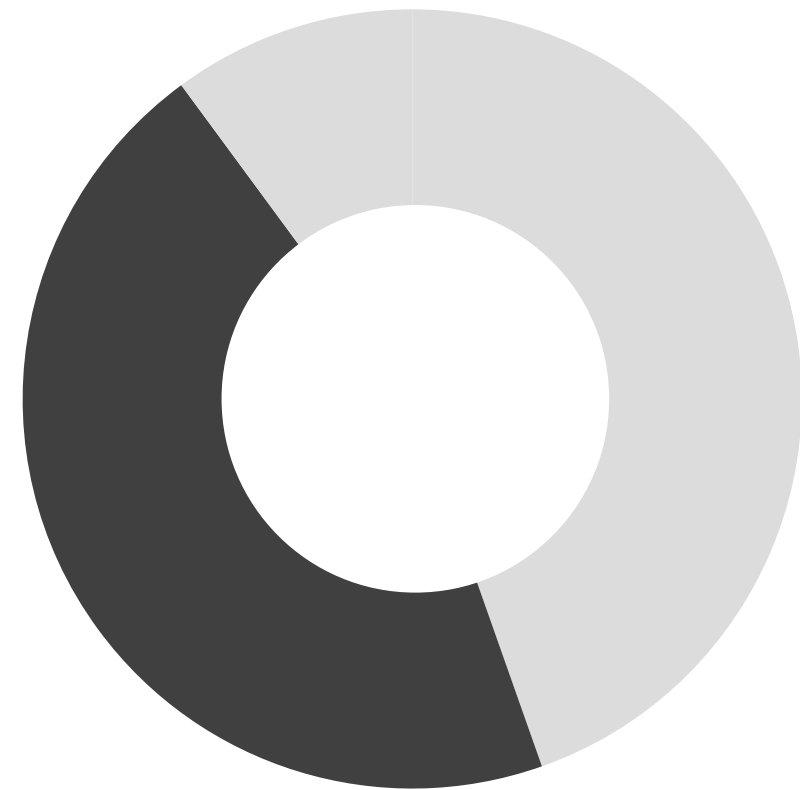


Revenues by Distribution Channel

Monobrand channel

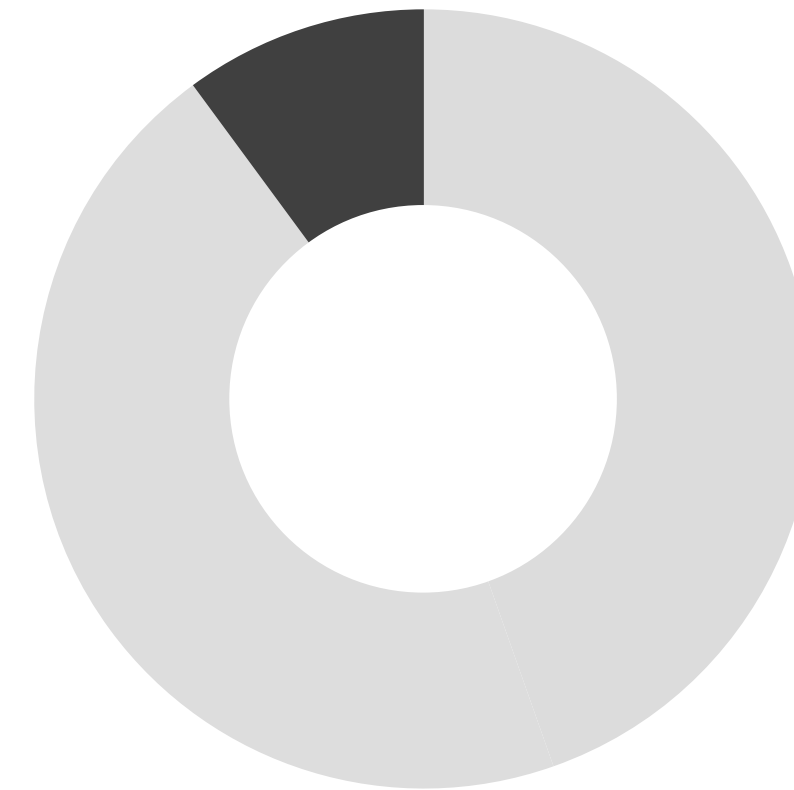
Retail Monobrand

45.3%
on sales
vs. 42.3%
in 1H 15



Wholesale Monobrand

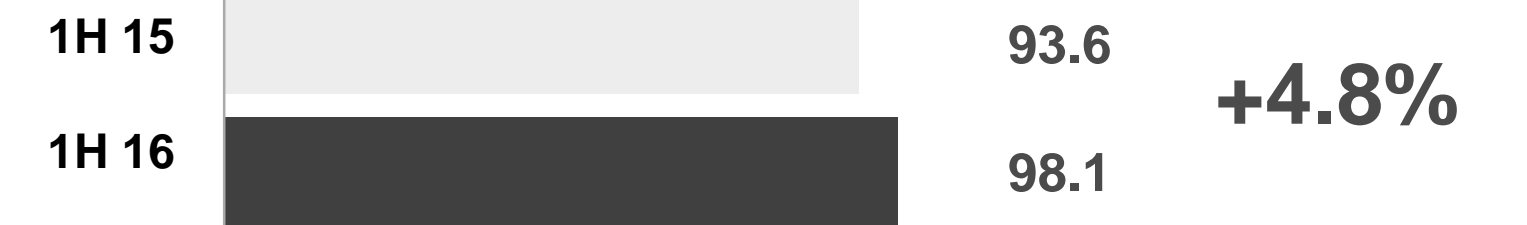
10.1%
on sales
vs. 11.0%
in 1H 15



Multibrand channel

Wholesale Multibrand

44.6%
on sales
vs. 46.7%
in 1H 15



€ mln



Monobrand Channel

Retail Monobrand

Retail network
with **86 boutiques** as of June '16
(79 boutiques as of June '15)

+3.7% LFL* in the first part of 2016 (period
between 1st January and 14th August 2016)



Wholesale Monobrand

Wholesale Monobrand network with
36 boutiques as of June '16
(36 boutiques as of June '15)



* Like-for-Like calculated as the worldwide average of sales growth, at constant exchange rates, reported by DOS opened as of 01/01/2015



Multibrand Channel

Increasing sales both in the most exclusive spaces of Luxury Department Stores and in the distinguished multibrand boutiques

The sell-out figures of the Spring/Summer 2016 collection were very positive, as were the initial sales of the Autumn/Winter 2016 collection



Final customers confirm the favorable judgement already expressed by the specialized press and by the multibrand on the fashion weeks in the last January and February



Informal Luxury prêt-à-porter” collections

FW 16: Informal Luxury prêt-à-porter” collections



SS 17 collections – orders backlog

Order collection for the men’s SS 17 has been very positive, and the order collection for the women’s SS17 season is going very well

«The order collection for the spring summer 2017 season is going very well. In particular, our taste and the way we combine colors and fit have been very appreciated. This will infuse serenity in us as we know that we have embarked on the right path.»

Brunello Cucinelli





Income Statement

€ mln

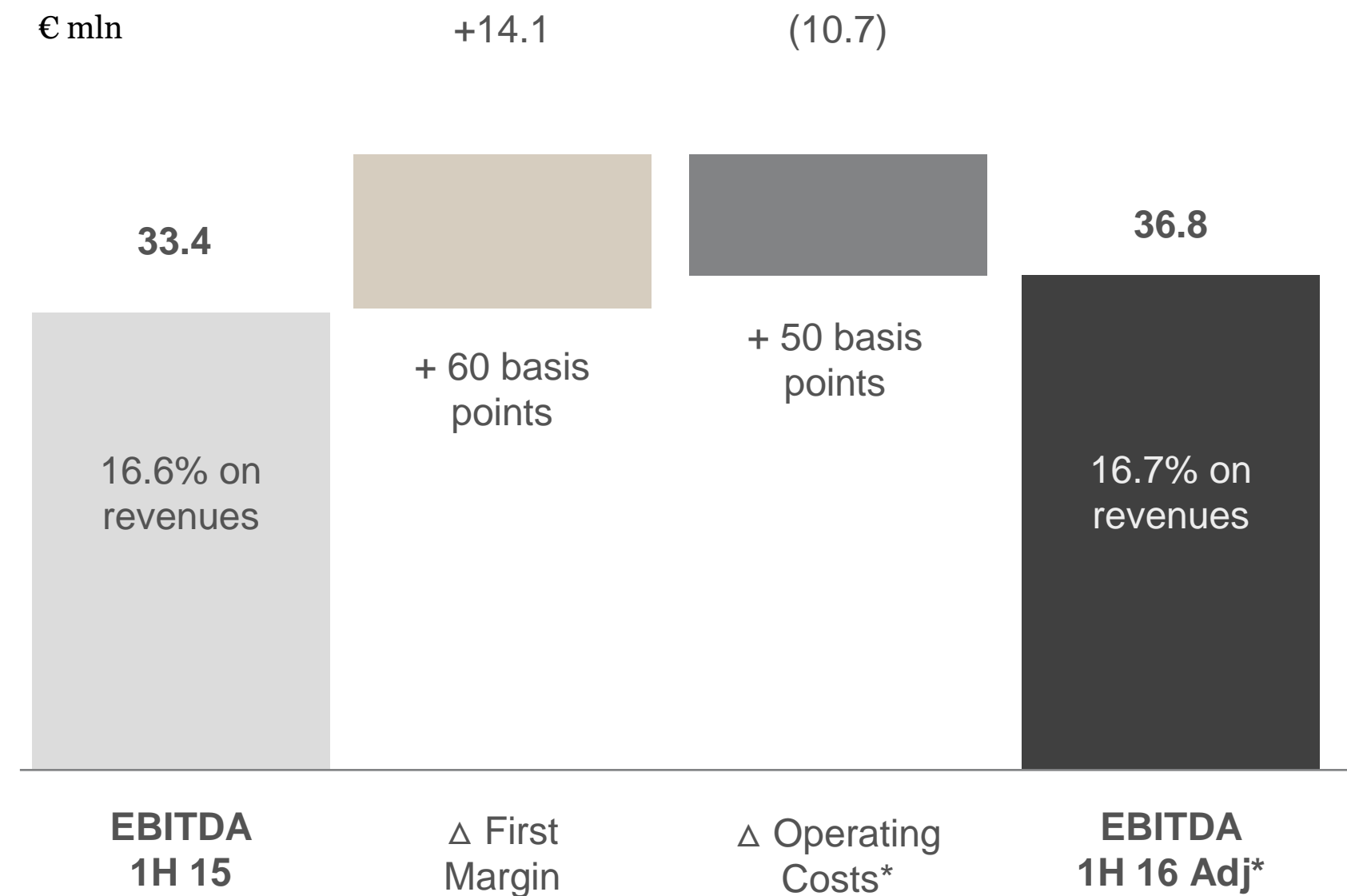
	1H 2015	1H 2016 Adj.*	Ch. %
Net Revenues	200,3	219,8	9,7%
Other operating income	0,3	0,5	56,0%
Revenues	200,6	220,3	9,8%
First Margin	128,2	142,2	10,9%
%	63,9%	64,5%	+ 60 b.p.
SG&A	-94,8	-105,4	11,1%
%	47,3%	47,8%	+ 50 b.p.
EBITDA	33,4	36,8	10,2%
%	16,6%	16,7%	+ 10 b.p.
D&A	-8,5	-9,6	12,0%
%	4,3%	4,3%	-
EBIT	24,9	27,2	9,5%
%	12,4%	12,4%	-
Income before taxation	22,3	25,4	13,9%
Net Income	15,5	17,9	15,7%
%	7,7%	8,1%	+ 40 b.p.
Tax Rate	30,5%	29,4%	

* excluding non recurring costs and accounting normalized tax rate; more details on slide n. 17



EBITDA & Key Income Statement Analysis

EBITDA Adjusted* Analysis



* Excluding non recurring costs

First Margin

Rise driven by channel mix (retail sales from 42.3% to 45.3% on total revenues):

- DOS evolution (from 79 to 86 boutiques)
- Positive LFL performance

Operating Costs*

Increase due to the business development:

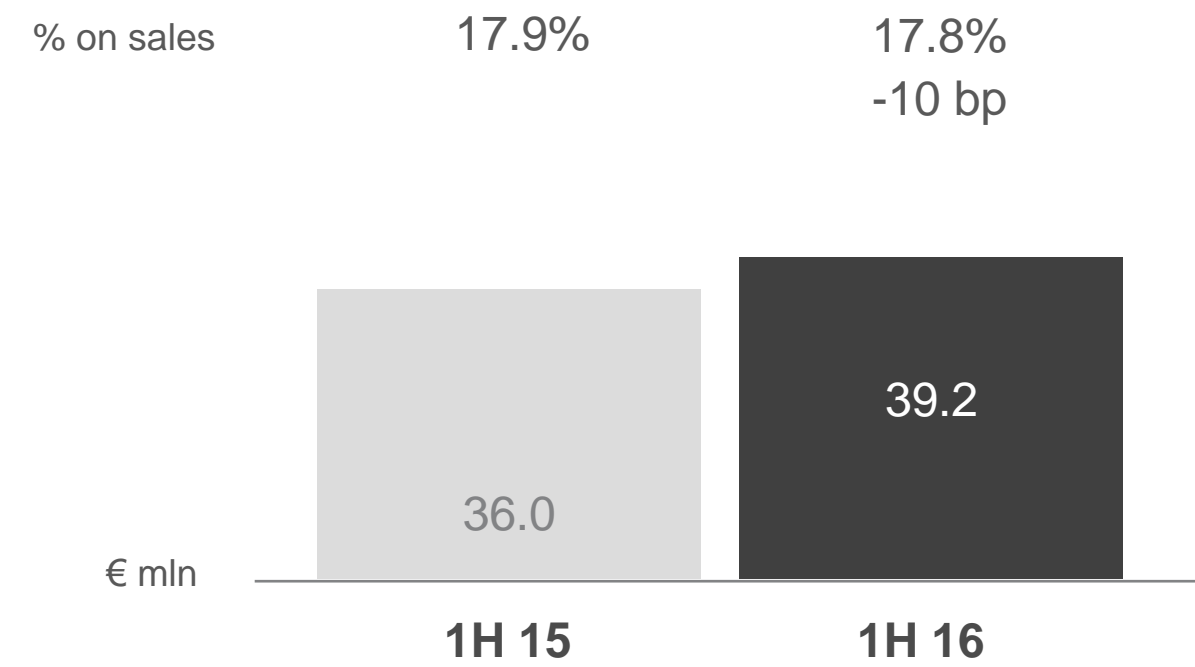
- Rents increase (incidence from 11.0% to 12.0%) affected by opening of boutiques, prestigious repositioning and extensions of key selling spaces
- Personnel costs* increase (+9.2%) proportionally to sales growth and driven by network development, reducing incidence from 17.9% to 17.8%
- Other Operating costs reduce incidence (-40 bp) on revenues from 18.4% to 18.0%



Operating Costs

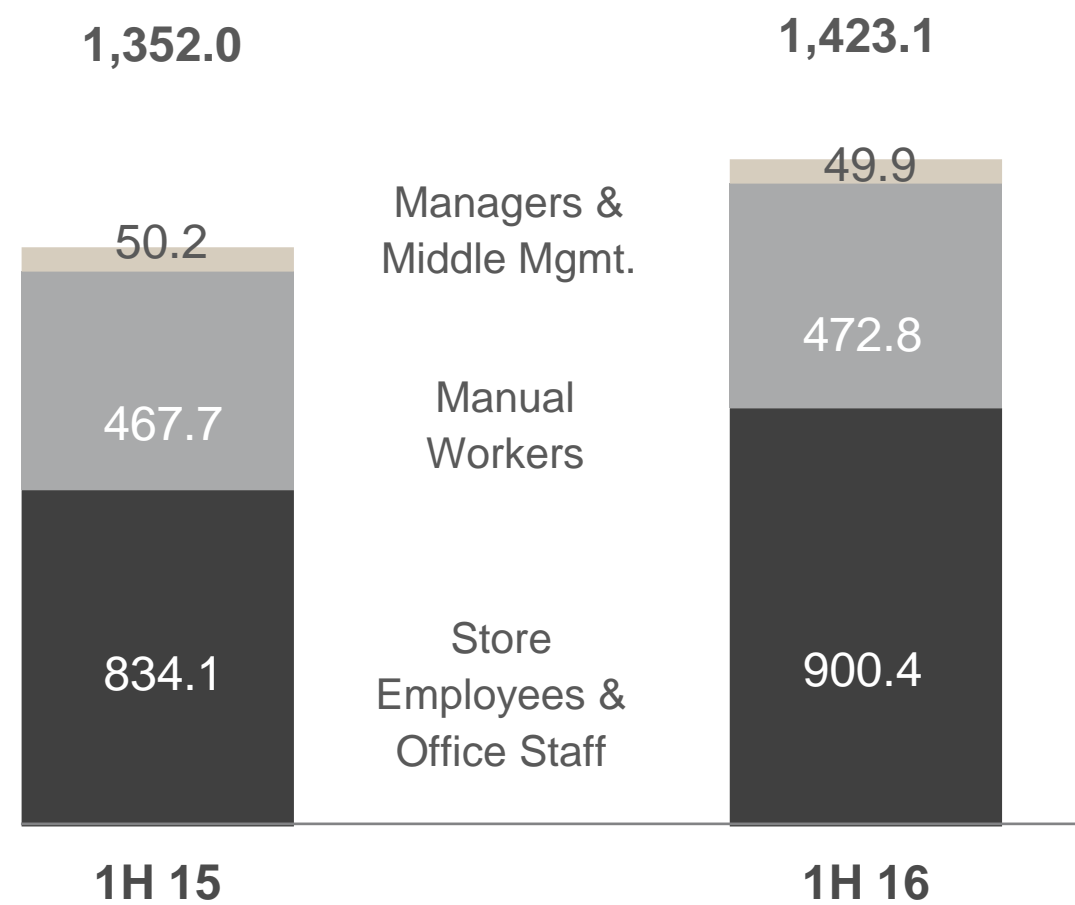
€ mln

Personnel cost*

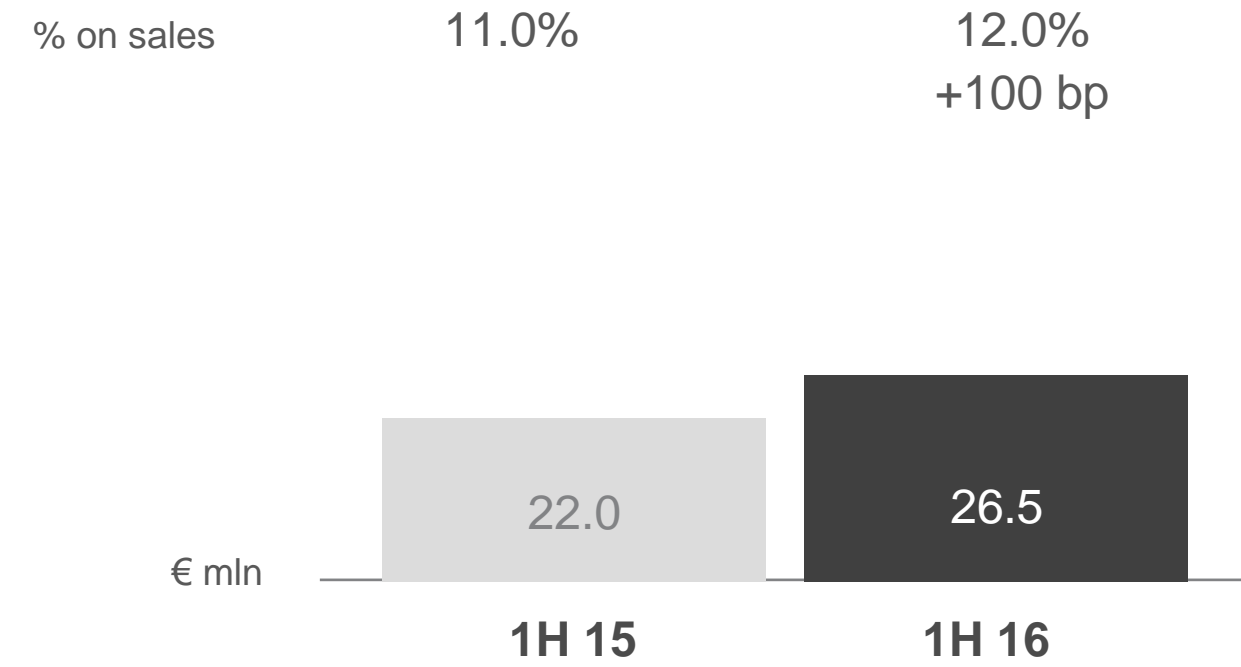


* Excluding non recurring costs

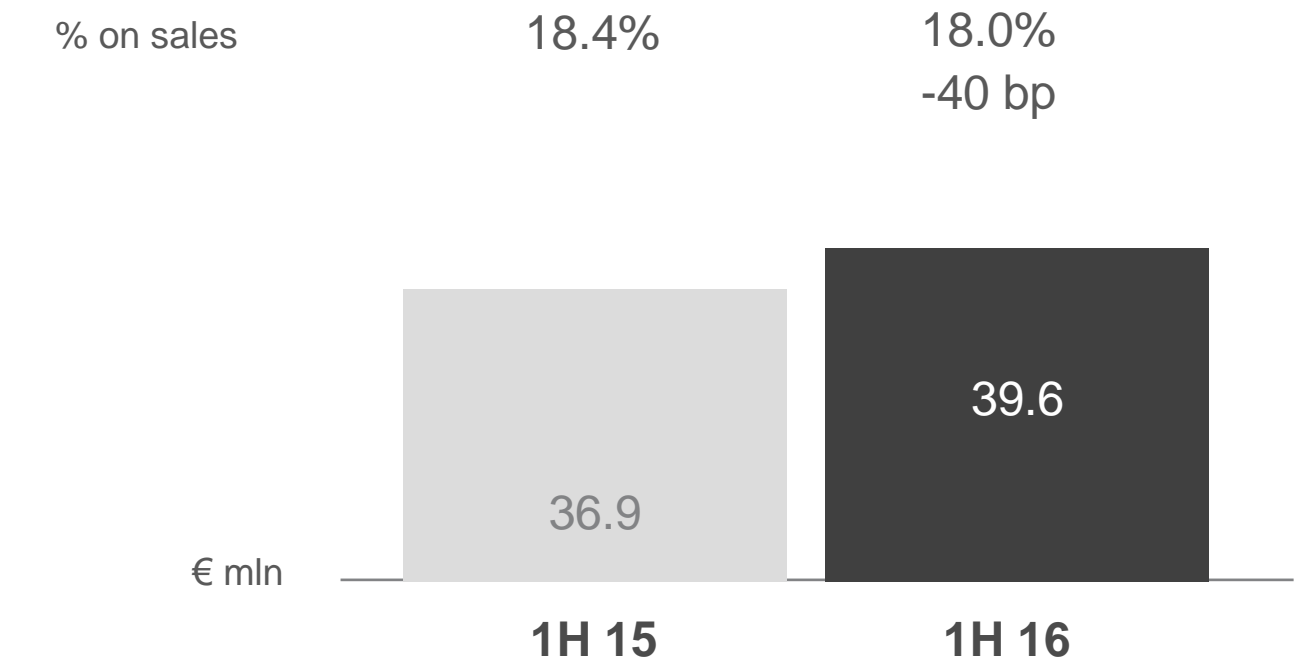
Average FTE - Workforce Analysis



Rent cost



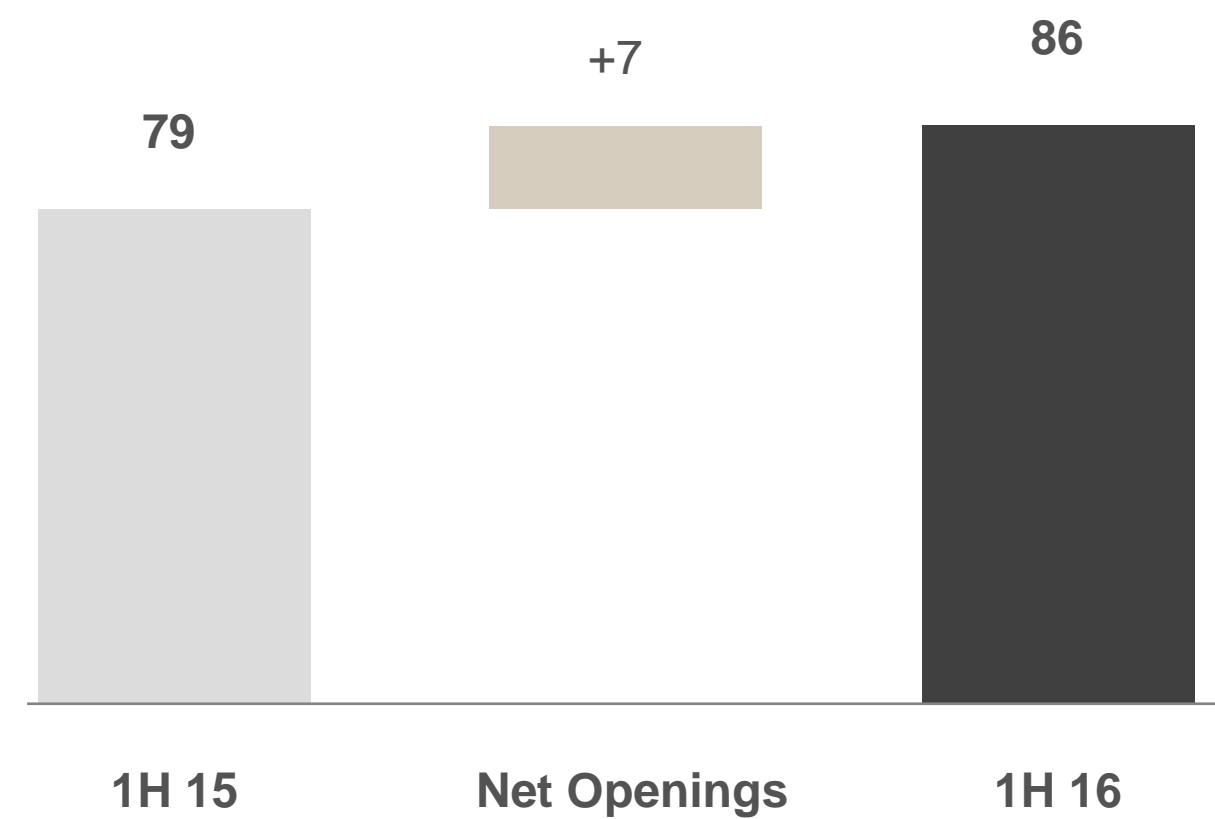
Other Operating Costs



Other operating costs decreased from 18.4% to 18.0%

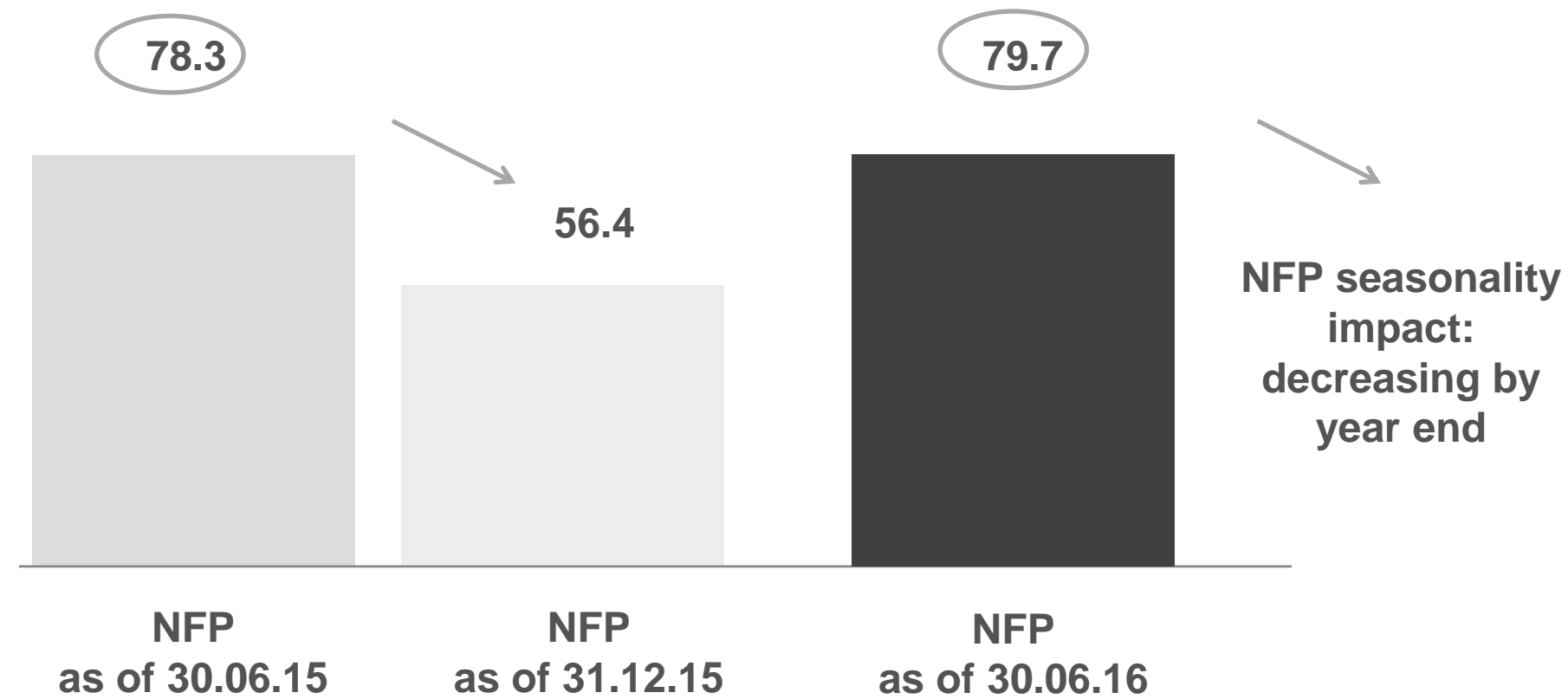
Investments in communication increased from 9.6€ mln (4.8% on revenues) to 11.2€ mln (5.1% on revenues)

DOS Network from 30/06/15 to 30/06/16



Net Financial Position

NFP increase related capex made over the past 12 months and NWC increase; NFP confirm its seasonality, with the peak reached, as usual, between June and September, only to fall by year end (in 2015 NFP was €83.7 million as of 30th September 2015 and €56.4 million at 31st December 2015)



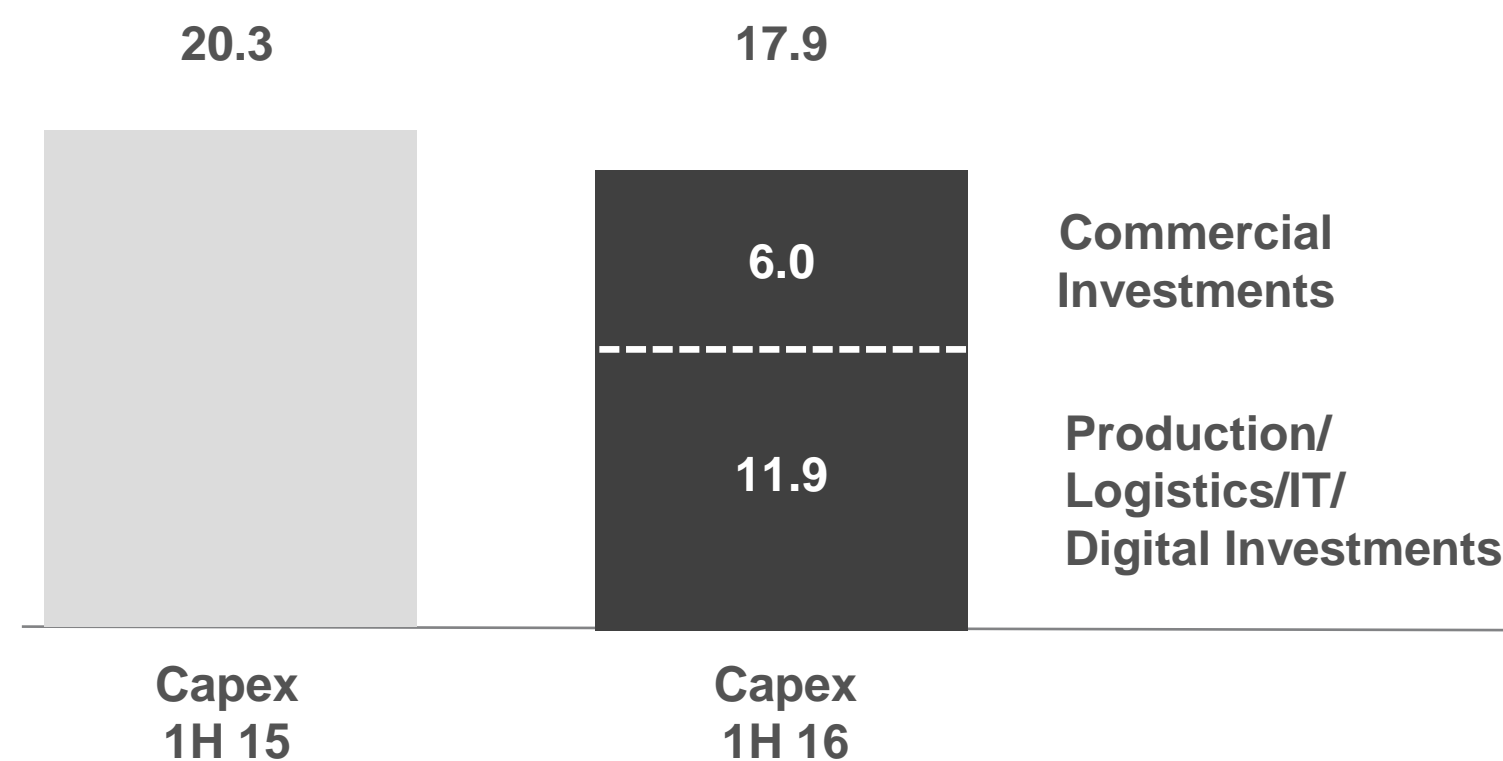
Investments Project

- Selective monobrand boutiques openings
- IT and Digital Platform Development

NWC Increase

- Development of Network (DOS network from 79 to 86 boutiques)
- Working capital increase (€135.8 million at 30th June 2016 compared to € 122.5 million at 30th June 2015), showing % decrease of turnover for the past 12 months (from 32.2% to 31.3%)

Investments Project



Commercial investments

- Boutiques opening
- Enlargement and prestigious repositioning of a number of sales floor spaces in existing stores
- Increase of spaces in the Luxury Department Stores

Production/Logistics/IT/ Digital Investments

- IT and Digital Platform Development, including the “Great Internet Project”:
 - reinforcing the management of the online boutique
 - strengthening logistical structures at the Company’s headquarter in Solomeo



Net Working Capital

€ mln

	1H 2015	1H 2016	delta	FY 15
Trade Receivables	64.9	63.1	-1.9	45.6
Inventories	141.9	154.7	12.8	144.0
Trade Payables	-59.8	-62.5	-2.7	-68.8
Strict Net Working Capital	146.9	155.2	8.3	120.8
<i>Incidence on Sales</i>	38.6%	35.8%		29.2%
Other Credits/(Debts)	-24.4	-19.4	5.0	-8.4
Net Working Capital	122.523	135.834	13.3	112.3
<i>Incidence on Sales</i>	32.2%	31.3%		27.1%

NWC increase related business development and “Other Credits/(Debts)” trend

Strict Net Working Capital incidence* - excluding “Other Credits/(Debts) - decreased from 38.6% to 35.8%

Inventory

Increase driven by business development and DOS trend (from 79 to 86 boutiques)

Incidence* decreased from 37.3% to 35.7%

Trade Receivables & Payables

Fair and positive trade receivable management; payables increase related to business growth

Other Debts

Trend related to the fair value of the currency forwards derivatives**



* incidence over 12 months rolling sales

** underwritten as per the Company standard practice at the time price lists are defined and with the only purpose to hedge the non-euro commercial fx exposure; move to slide 19 for details



BRUNELLO CUCINELLI

1H 16

Annex

Income Statement Reported Vs. Adjusted

€ mln

	1H 2015	1H 2016	Ch. %	1H 2015	1H 2016 Adj.*	Ch. %
Net Revenues	200.3	219.8	9.7%	200.3	219.8	9.7%
Other operating income	0.3	0.5	56.0%	0.3	0.5	56.0%
Revenues	200.6	220.3	9.8%	200.6	220.3	9.8%
First Margin	128.2	142.2	10.9%	128.2	142.2	10.9%
%	63.9%	64.5%	+ 60 b.p.	63.9%	64.5%	+ 60 b.p.
SG&A	-94.8	-106.7	12.5%	-94.8	-105.4 *	11.1%
%	47.3%	48.4%	+ 110 b.p.	47.3%	47.8%	+ 50 b.p.
EBITDA	33.4	35.5	6.3%	33.4	36.8	10.2%
%	16.6%	16.1%	- 50 b.p.	16.6%	16.7%	+ 10 b.p.
D&A	-8.5	-9.6	12.0%	-8.5	-9.6	12.0%
%	4.3%	4.3%	-	4.3%	4.3%	-
EBIT	24.9	25.9	4.3%	24.9	27.2	9.5%
%	12.4%	11.8%	- 60 b.p.	12.4%	12.4%	-
Income before taxation	22.3	24.1	8.1%	22.3	25.4	13.9%
Net Income	15.5	16.0	3.3%	15.5	17.9	15.7%
%	7.7%	7.3%	- 40 b.p.	7.7%	8.1%	+ 40 b.p.
Tax Rate	30.5%	33.6%		30.5%	29.4% **	

Adjusted figures due to non-recurring costs and normalized tax rate

* SG&A adjusted does not include one-off costs related to the termination of employment payment of former co-Chief Commercial Officer

** Tax Rate adjusted does not include one-off costs related tax and accounts a normalized IRES tax rate (the IRES tax rate cut from 27.5% to 24.0% affecting deferred tax assets in 1H 16)

Net Income Adj. as of 30/06/2016 equal to €17.9 mln composed by

Group Net Income Adj. equal to €18.1 mln and €(0.2) mln Minority Interest



Detailed Income Statement Reported

€ mln

	1H 2015	1H 2016
Net Revenues	200.3	219.8
Other operating income	0.3	0.5
Revenues	200.6	220.3
Consumption Costs	(29.2)	(33.3)
Raw Material Cost	(42.1)	(43.6)
Inventories Change	13.0	10.3
Outsourced Manufacturing	(43.3)	(44.8)
First Margin	128.2	142.2
Services Costs (excl. Out. Manuf.)	(57.0)	(63.5)
Personnel costs	(36.0)	(40.5)
Other operating costs	(2.1)	(2.3)
Increase in tangible assets	0.6	0.5
Bad Debt and other provisions	(0.3)	(0.8)
EBITDA	33.4	35.5
D&A	(8.5)	(9.6)
EBIT	24.9	25.9
Financial expenses	(18.3)	(11.3)
Financial income	15.7	9.5
EBT	22.3	24.1
Income taxes	(6.8)	(8.1)
<i>Tax rate</i>	<i>30.5%</i>	<i>33.6%</i>
Net Income	15.5	16.0
Minority Interest	(1.9)	(0.2)
Group Net Profit	17.4	16.2



Detailed Balance Sheet & Cash Flow Statement

€ mln

	1H 2015	1H 2016
Trade receivables	64.9	63.1
Inventories	141.9	154.7
Trade payables (-)	(59.8)	(62.5)
Other current assets/(liabilities)	(24.4)	(19.4)
Net Working Capital	122.5	135.8
Intangible assets	32.6	30.5
Tangible assets	90.4	109.6
Financial assets	5.8	5.5
Total Assets	128.7	145.6
Other assets/(liabilities)	5.9	2.5
Net Invested Capital	257.1	284.0
Cash & Cash equivalents (-)	(57.3)	(42.3)
Short term Debt	77.5	74.6
Long term Debt	58.0	47.4
Net Financial Position	78.3	79.7
Shareholders Capital	13.6	13.6
Share-premium Reserve	57.9	57.9
Reserves	84.1	110.7
Group Net Profit	17.4	16.2
Group Equity	173.1	198.5
Minority shareholders	5.8	5.8
Total Equity	178.9	204.2
Total Funds	257.1	284.0

	1H 2015	1H 2016
Net Profit	15.5	16.0
D&A	8.5	9.6
Ch. In NWC and other	(31.1)	(21.2)
Cash flow from operations	(7.0)	4.3
Tangible and intangible investments	(19.6)	(18.0)
Other (investments)/divestments	(0.6)	1.1
Cash flow from investments	(20.2)	(16.8)
Dividends	(8.2)	(8.9)
Equity Increase	0.0	(0.8)
Net change in financial debt	38.0	16.2
Free Cash Flow	2.6	(6.0)

The change in "Other net liabilities" is due to the reporting at fair value of derivatives underwritten with the only purpose of hedging the exchange risk on commercial transactions in foreign currency. These derivatives are accounted following the "cash flow hedge" rules, which provide for the fair value to be booked as an asset or liability item on the Balance Sheet (Asset or Liabilities for current financial instruments), with a corresponding balancing reserve in Shareholders' equity to reflect the effective component of the change in fair value of derivatives, which will be reversed through revenues in the income statement at the point when the transaction being hedged is recognised for accounting purposes.



Investor Relations

Significant Shareholdings*

Trust Brunello Cucinelli (Fedone s.r.l.)	57.0%
FMR LLC (Fidelity)	9.3%
Monterubello SS (E. Zegna Holditalia S.p.A)	3.0%
Other	30.7%

* As of the date of this document

Head of Investor Relations

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Board of Directors

Brunello Cucinelli	Chairman and C.E.O.
Moreno Ciarapica	Director and C.F.O.
Riccardo Stefanelli	Director and Co-C.E.O.
Luca Lisandrone	Director and Co-C.E.O.
Camilla Cucinelli	Director
Giovanna Manfredi	Director
Giuseppe Labianca	Director
Andrea Pontremoli	Lead Independent Director
Candice Koo	Independent Director
Matteo Marzotto	Independent Director





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This presentation may contain forward looking statements which reflect Management's current views and estimates. The forward looking statements involve certain risks and uncertainties that could cause actual results to differ materially from those contained in the forward looking statements. Potential risks and uncertainties include such factors as general economic conditions, foreign exchange fluctuations, competitive product and pricing pressures and regulatory developments.

Figures as absolute values and in percentages are calculated using precise financial data. Some of the differences found in this presentation are due to rounding of the values expressed in millions of Euro.

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.