Informazione Regolamentata n. 1264-18-2017	Data/Ora Ricezione 29 Agosto 2017 17:36:18	MTA

Societa'	:	BRUNELLO CUCINELLI
Identificativo Informazione Regolamentata	:	93273
Nome utilizzatore	:	BRUNECUCIN02 - De Angelis
Tipologia	:	1.2
Data/Ora Ricezione	:	29 Agosto 2017 17:36:18
Data/Ora Inizio Diffusione presunta	:	29 Agosto 2017 17:36:19
Oggetto	:	Press Release 2017 Half Year Results

Testo del comunicato

Vedi allegato.

BRUNELLO CUCINELLI

Press release

BRUNELLO CUCINELLI: the Board of Directors has approved the 2017 Half-year Financial Report

- **Net revenues of €243.3 million, +10.7% at current exchange rates compared to 30 June 2016;**
- **EBITDA of €41.6 million, +13.1%[1];**
- **Net profit of €19.9 million, +10.6%[1];**

- **Significant growth in both international markets, +11.7%, and Italian market, +6.0%;**
- **North America +9.3%, Europe +9.9%. Greater China +34.6%, Rest of the World +11.4%;**
- **Increase in sales in all the distribution channels: retail +21.7%, *normalized* wholesale monobrand +2.6%[2], wholesale multibrand +6.7%;**

- **Net debt of €59.4 million at 30 June 2017, decreasing from €79.7 million at 30 June 2016;**
- **Capex of €22.2 million, as part of the 2017-2019 multi-year investment project, aiming to the exclusivity of the positioning and prestige and "care" of the brand, both in the "physical" channel and the "online" channel, maintaining the focus of healthy and sustainable growth.**

Brunello Cucinelli, Chairman and CEO, commented as follows:

"We are very pleased with the performance of our business in the first half of the year; both revenues and profit show strong growth. Sales of the winter collections are going very well. All this considered, we expect 2017 to display double-digit growth in both revenues and profit."

"Order intake for Summer 2018, which is now about to end, is truly positive. The feedback on our collection is particularly positive, as well as the allure surrounding our brand. As a result of a careful analysis of the above-mentioned elements, we can express a very positive view on 2018 and we keep envisaging more double-digit growth for the near future."

"We have recently celebrated our fifth anniversary since our listing on the Italian Stock Exchange. Going public has been an important choice and we are immensely glad with it; we feel we have confirmed all that we had planned back then with our co-workers, analysts and investors in terms of constant, double-digit gracious growth."

[1] The figures for the first half year of 2017 are compared with normalized EBITDA and net profit for the first half of 2016, meaning those excluding the effect of non-recurring costs. EBITDA and net profit for the first half of 2017 rose by 17.2% and 23.9% respectively over last year's reported figures.

[2] Performance based on the same perimeter, excluding from the first half of 2016 the sales made by the 4 wholesale mono-brand boutiques in Moscow and by our online boutique which were converted to direct operations from the first quarter of 2017 (reported result fell by 20.8%).

BRUNELLO CUCINELLI

Solomeo, 29 August 2017 - 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 (MTA) – today examined and approved the Company's 2017 Half-year Financial Report, drawn up in accordance with IAS / IFRS International Accounting Principles (subject to limited review).

We are *"very, very"* pleased with these results and feel that 2017 is the start of a "**new world**", where **the Internet will have an enormous impact on humanity**. We believe that this will change "**buyer/seller relationships**" forever, making it even more important to **care for** and **protect the brand**.

We believe that the next major global challenge is to try to "humanize the web"; we would like to approach the web as "humanist and contemporary artisans with a global vision", fully aware that the internet has redesigned the world map of employment, where Italy can excel in offering products featuring exquisite craftsmanship.

Solomeo is vital for the direct management of the **online boutique** as this is where we devote special attention to customer service, packaging and visual merchandising: all very important elements for conveying, as in the physical world, the taste of our collections and brand **lifestyle**.

Very interesting is the possibility to act as "**kind advisors**", also offering advice to online shoppers on a total lifestyle offering, combining the item purchased with articles of clothing that we know they have in their wardrobe, always maintaining a **courteous and respectful stance, without being too intrusive**.

We believe that another crucial aspect of operating in the digital world is delivery time and the value of waiting, which completes the luxury experience, unlike the "culture of impatience", which as reported in some of the most authoritative newspapers in the world, "*has little in common with the concept of luxury*".

We believe therefore that each order should be handled very carefully, with the desire to deliver a "special" package, perhaps accompanied by a handwritten note and with unique elements which can further enhance the direct and human relationship with the customer.

Both in the digital and physical world we are mindful that "**brand protection**" is essential and is highly topical, something to which we are committed in all our daily activities from our presence on the market to **communication**.

Regarding our presence on social networks and the internet in general we believe that we should act as we have always done, which is to strive to be **gracious in communication** and as coherent as possible with our way of living and working.

Sales performance

Net sales at 30 June 2017 rose by 10.7% to €243.3 million, compared with €219.8 million in the first half of 2016 (+9.7% at constant exchange rates). Revenues including other operating income increased by 11.0% to €244.5 million compared with €220.3 million at 30 June 2016.

Sales rose in all markets, domestic and international, and in all distribution channels, monobrand and multibrand; details of sales are provided in the following, with the commentary being that provided on the approval of the Company's preliminary net revenues.

Revenues by geographical area

Italian market – a very handsome rise of 6.0% in revenues which reached €41.8 million (17.2% on the total), compared to €39.5 million at 30 June 2016 (18.0% on the total).

The Italian market remains extremely important for the brand's image, especially within the **prêt-à-porter** offer. The success of the offering of **chic and contemporary** apparel bearing our trademark – which we imagine can be identified as one of the most exclusive symbols of **Made in Italy**, a beacon of **luxury** to be worn especially **during the day** – therefore takes on even greater importance, contributing to our success and reputation across all international markets.

In view of the role the Italian market plays for the Company and the offering of apparel, the opening of our largest "**physical**" boutique in Via Montenapoleone, Milan at the beginning of the year has taken on the meaning of high value: the desire to transfer the imagery and atmosphere of "*our land*", of *Solomeo* and of "*our way of living and working*" has been highly praised and, we imagine, has further contributed to heightening the brand's allure.

European market – very positive growth of 9.9% in revenues which reached €75.2 million (30.9%), compared to €68.4 million at 30 June 2016 (31.1%).

Positive sales results in all European countries, with substantially similar trends in the different markets, and sales growth in both the monobrand and multibrand channels.

The strength of the results achieved is supported by the presence of **local customers**, as always a target for the brand and whose demand continues to grow at a steady and "sustainable" pace, attracted by our offering of very high-quality items, the result of **Italian craftsmanship and manual skills** and above all **distributed on an exclusive basis**, with an eye to preserving the brand image.

Accompanying the local demand is an increase in **top-end tourism**, with steady growth which we believe is not affected – or only marginally – by the macroeconomic trends underlying the growth or slowdown in mid-range tourism.

Purchases made by "**young new customers**" are playing an increasingly important role; their demand for items with a refined look adds to and complements that of "**traditional customers**", both of whom sharing the desire to seek out truly special clothes.

North American market – very positive growth of 9.3% in revenues which reached €83.6 million (34.4%), compared to €76.4 million at 30 June 2016 (34.8%).

This growth confirms the positive trend in North America, a market we consider *"domestic"*, in which we remain focused on offering collections which try to stay modern and on our presence in **prestigious, selected spaces** in the monobrand and multibrand channels, while maintaining and further enhancing the allure which we feel our brand emanates.

An element which has always contributed to our success in all the sales spaces is **visual merchandising**, with a dedicated organizational structure which aims to add value to the presentation of the collections in all the exhibition areas, both in the direct and multibrand channels, as well as in the Luxury Department Stores.

This approach represents one of the distinctive elements which characterize our **relationship**, which we consider truly special, with all **Luxury Department Stores**, committed to **seeking out luxurious, never repetitive and hard-to-find offerings**, which might attract high-end customers and help make their purchasing experience in some way "unique".

Another extremely important aspect is the bond of trust and respect our people – *"pleasantly mannered"* and never inopportune - have always tried to create with customers, playing the role of **"special advisor"** and never the role of a "simple salesperson".

In this way, those in charge of our boutiques and the dedicated spaces at Luxury Department Stores have the chance to "guide" the daily management of sales areas and define shop windows and outfits sympathetic to the local context while remaining fully consistent with the taste of the collections.

The truth is that these department stores are always on the lookout for **"special, hard-to-find products"**.

Greater China – strong growth of 34.6%, even if on **limited** starting values, with revenues reaching €18.4 million (7.5%) compared to €13.7 million in the first 6 months of last year (6.2%).

Of particular interest is the company's commitment to pursuing **sustainable growth objectives**, seizing the potentials of an evolving market and **maintaining the allure and exclusivity of the brand and distribution**, starting from a limited presence in the whole of Greater China.

This significant potential for growth is supported by the evolution of the **end customer**, **ever more sophisticated**, with an eye on style and details, seeking "Made in Italy" offerings and a refined lifestyle, with the possibility to mix and match garments that are already in their wardrobe with new season purchases.

We are also witnessing a gradual increase in tourism of our **Chinese and Asian customers** who spend time shopping especially in the fashion and luxury capitals of the world; thanks to the variety and range of our collections, shopping abroad is also prompted by the fact that products showcased at shops in Paris or New York at a certain time of the year may not be in available at boutiques in Shanghai and Beijing.

This same approach in terms of exclusive distribution is pursued in the **multibrand** channel, which is now gradually developing in China, with massive growth potential, thanks to the presence of prestigious multibrand boutiques, which include dedicated spaces for our collections.

These new multibrand stores are playing an increasingly important role for top-end customers, who are fascinated by the opportunity to compare and mix special products from different brands, all sharing the common thread of prestige and uniqueness.

Rest of the World – revenues rose by 11.4%, with sales reaching €24.3 million (10.0%), compared to €21.8 million at 30 June 2016 (9.9%).

Growth in all core markets, thanks to the **loyal local base of customers** seeking an exclusive *prêt-à-porter* offer; these are customers who buy goods both in the monobrand boutiques and multibrand spaces of the domestic market, and when travelling for pleasure or on business; adding to the demand of traditional customers is the increasing flow of **new customers**, attracted particularly to our refined and modern "*Ready to Wear*" offer.

Our presence in the luxury streets helps to strengthen the brand's position and allure, as do the **selected press articles** published in trade magazines and the **communication** of our brand values, through events which bring to mind the spirit of Italy and of our Umbria.

Thanks to the atmosphere created around our brand, the quality level of our spaces is further enhanced which, in particular, the **Luxury Department Stores** in Japan attribute to the brand, thereby ensuring our presence on the most exclusive and prestigious "floors".

Revenues by Distribution Channel

Retail channel – an increase of 21.7% in sales, or €121.1 million, at 30 June 2017 (49.8%) compared to €99.6 million in the first half of last year (45.3%).

Like-for-like performance posted growth of 4.0%[3] (period between 1 January and 20 August 2017), a result that we consider to be very positive, with a constant growth trend in line with that of previous periods.

At 30 June 2017, the network consists of 91 direct boutiques, with just one opening over the past 12 months and with four stores in Moscow[4], being converted from the wholesale monobrand channel to the retail channel as from 1 March 2017, contributing to the expansion of the channel.
The results also benefitted from the agreement – signed on 13 March 2017 – for the passage to direct operations of 5 shop-in-shops in the Holt Renfrew Luxury Department Stores in Canada, previously run using the wholesale formula.

Wholesale monobrand channel – revenues of €17.6 million (7.2%), with like-for-like growth of 2.6% (reported performance down 20.8%[5]).

[3] Like-for-Like in 2017 is calculated as the increase in revenues at constant exchange rates in the DOS existing at 1 January 2016.

[4] As in previous conversions from the wholesale monobrand channel to the direct channel, in the first year of operations the positive contribution of the recognition of sales at retail value is partially impacted by the lower sell-in revenues, which only become sell-out revenues in the subsequent period.

[5] Reported performance, obtained by including the revenues from the converted boutiques and the online boutique (passing to direct operations as from January 2017) in those for the first half of 2016, declined 20.8% (revenues for the first half of 2017 amounted to €17.6 million compared to €22.2 million at 30 June 2016).

BRUNELLO CUCINELLI

The dynamics of the wholesale monobrand channel were affected by two important initiatives in the first quarter 2017 with our online boutique and the 4 Moscow boutiques both passing from third party management to direct management.

On a like-for-like basis the performance reported by the wholesale monobrand channel is in line with that of the direct channel, thanks to the absolute consistency of image and the presence of **customers with the same buying behavior seeking exclusive offerings.**

The wholesale monobrand network consisted of 32 boutiques at 30 June 2017, unchanged in the last 12 months, excluding the 4 conversions of boutiques to the retail channel (36 boutiques at 30 June 2016).

Wholesale multibrand channel – the growth of 6.7% was especially positive, with revenues accordingly reaching €104.6 million at 30 June 2017 (43.0%) compared to €98.1 million at 30 June 2016 (44.6%).

We continue to consider the multibrand channel **extremely important** for the **exclusivity** attributed to the brand, thanks to a presence in "prestigious" areas, as well as for its maintenance of a **Ready To Wear** offer that is always **contemporary and fresh**, never repetitive, which evolves while keeping the "*Brunello Cucinelli taste*" sought by the higher range customer.

The **relationship** we believe we have successfully created over the years with the most beautiful luxury multi-brand boutiques and the major Luxury Department Stores is particularly **special;** this has been combined with the wish to always have the very highest luxury offer.

Lastly, the areas destined to the brand in the multibrand channel in **Asia,** which have **great growth potential** over the medium to long-term, have also contributed to the growth.

Income Statement Analysis

EBITDA of €41.6 million posted an increase of 13.1% over the normalized figure of €36.8 million for the first half of 2016[6], with a margin improvement of 30 basis points (from 16.7% to 17.0%).

The growth of the business, the positive sell-outs, like-for-like performance and the channel mix all had a positive effect on profitability, with retail revenues rising from 45.3% to 49.8% of the total.

Operating costs – in line with the development of activities – amounted to €117.1 million (47.9%) rising by 11.1% over the normalized figure of €105.4 million for the first half of 2016 (47.8%).

Rental expense at €28.8 million (11.8%) increased by 8.6% compared to €26.5 million (12.0%) for the first half of last year, with growth correlated to the development of the retail network (1 net opening and 4 conversions from the wholesale monobrand channel in the past 12 months) and to some repositionings and increases in sales spaces.

[6] The normalized figures for 2016 exclude the effect of the non-recurring costs of €1,293 thousand arising from the leaving agreement entered into with the co-sales manager. These non-recurring costs are classified as payroll costs in the income statement, accordingly forming part of operating costs.

Payroll costs rose to €43.4 million, an increase of 10.6% over the normalized figure of €39.3 million at 30 June 2016, given the presence of personnel dedicated to 5 new directly managed spaces (4 conversions and one net opening) and the 5 shop-in-shops in Holt Renfrew's Luxury Department Stores in Canada, previously run using as wholesale business.

Payroll costs therefore, as a percentage of total sales, remained essentially constant (17.7% compared to 17.8% for the first half of last year).

Other operating costs reached €44.9 million (18.4%) compared to €39.6 million (18.0%), including costs related to the network evolution and the management of our presence in the digital world.

As part of these costs **investments in communication** rose from €11.2 million to €12.5 million (incidence on revenues stable at 5.1%) as support of the **prestige**, strengthening and protection of the **brand's image**; digital investments, as part of the "**Great Digital Project**", are equally important for the communication of values, lifestyle and brand exclusivity.

Depreciation, related to commercial, digital, production and logistical investments, amounted to €10.6 million, posted a rise of 10.6% over the charge of €9.6 million incurred in the first half of 2016 (with the proportion remaining constant at 4.3%).

Net financial expense rose to €3.0 million (1.2%) compared to €1.8 million in the first half of last year (0.8%); this increase, in a situation where there was a reduction in the Company's net financial position and a relative fall in interest expense, is due to exchange rate fluctuations[7].

Income taxes amounted to €8.1 million (tax rate of 29.1%) compared to the normalized figure of €7.5 million for the first half of 2016 (tax rate 29.4%).

Net profit rose to €19.9 million, an increase of 10.6% over normalized net profit of €17.9 million for the first half of 2016, representing an unchanged 8.1% of the total.

EBITDA increased by 17.2% over last year's reported figure, rising from €35.5 million in the first half of 2016 to €41.6 million at 30 June 2017.

Including in the first half of 2016 the tax effect of non-recurring costs and the impact of lower deferred tax assets (following changes made to the IRES corporate income tax rate), the reported income tax charge at 30 June 2016 amounts to €8.1 million (tax rate of 33.6%).

The increase in net profit over the reported balance is therefore 23.9%, rising from €16.0 million in the first half of 2016 to €19.9 million at 30 June 2017.

Balance Sheet

Strict net working capital fell to €151.0 million at 30 June 2017 (31.5% of last twelve months revenues) from €155.2 million at 30 June 2016 (35.8%).

---

[7] Such increase is mainly correlated to the accounting treatment of currency hedges and in particular to the recognition of unrealized exchange losses on intercompany currency loans which by their nature are of a temporary character, being valued at the exchange rate as of the end of each reporting period.

Inventories slightly increased in absolute terms to €158.6 million from €154.7 million at 30 June 2016. These fell as a percentage of sales (33.1% at 30 June 2017) thanks to a very positive sell-out and were in line with the corresponding figure of 33.9% at 31 December 2016.

Trade receivables fell to €54.4 million at 30 June 2017 from €63.1 million at 30 June 2016.

This decrease arises from healthy and positive collection management and the passages from third party management to direct management of our online boutique, four boutiques in Moscow and the 5 shop-in-shops in Holt Renfrew's Luxury Department Stores in Canada, previously run using the wholesale formula.

Trade payables remained stable, amounting to €61.9 million at 30 June 2017 compared to €62.5 million at 30 June 2016.

"Other net assets/liabilities" amounted to -€9.5 million compared to -€19.4 million at 30 June 2016, the change being due to the measurement at fair value of outstanding hedging derivatives.

Net working capital, including "Other net assets/liabilities", totaled €141.6 million (29.5%) compared to last year's figure of €135.8 million (31.3%).

Net Debt and Capex

The Company's net financial position was €59.4 million at 30 June 2017, a significant decrease over the figure of €79.7 million al 30 June 2016.

This decrease arises from the generation of cash from operating activities and benefits from changes in net working capital.

It should be remembered that the net financial position reaches a seasonal peak in the period between June and September, falling again in the last quarter of the year.

The downwards trend, which we believe to be very interesting, will therefore continue in the second half of the year with the net financial position at year end expected to be lower than that at 31 December 2016.

Capital expenditure of €22.2 million was made in the first six months of 2017 (€17.9 million at 30 June 2016), forming part of the investments scheduled in the 2017-2019 program following the completion of the **Four-year 2013-2016 Grand Project** with €150.5 million invested (10% of accumulated sales).

The assumptions underlying the new investment plan for 2017-2019 are based on safeguarding the exclusivity and prestige of the brand and brand protection in both the "physical" and "online" channels.

Commercial investments amounted to €18.0 million in the first six months of 2017; the major part of these relate to investments made in Russia for the conversion of the 4 Moscow boutiques from third party management to direct management, as well as investments for renovating existing boutiques, carrying out selected openings and repositionings and increasing the area of the sales floors in the Luxury Department Stores.

Investments for production, logistics and IT/Digital amounted to €4.2 million, for the majority relate to those made in technological platforms linked to the **"Great Digital Project"**, which initiated a few years ago represents absolute importance for the Company in the endeavor to make our web presence exclusive and sought-after as in the "physical" channel.

Subsequent events

On 20 July 2017 Brunello Cucinelli S.p.A. finalized the purchase of the minority interest in its Chinese subsidiary "Brunello Cucinelli (Sichuan) Fashion Co. Ltd.", taking its holding to 100.0%. The purchase price was determined as the amount corresponding to the subsidiary's net equity.

***

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 Analysts' Presentation in pdf format relating to the results at 30 June 2017 may be consulted in the "Presentations" section of the Company's website at http://investor.brunellocucinelli.com/en.

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 statements contain an element of risk and uncertainty as they depend on the occurrence of future events and developments.

The Company informs that the Half-Yearly Financial Report as of June 30, 2017, approved by the Board of Directors on August 29, 2017, will be available to the public on August 30, 2017 at the Company's registered office in Viale Parco dell'Industria, 5, Solomeo (Perugia), at the storage circuit managed by Spafid Connect SpA "EMarket Storage" (www.emarketstorage.com) and can also be consulted in the "Financial Results" section of the Company's website (investor.brunellocucinelli.com).

***

BRUNELLO CUCINELLI

Brunello Cucinelli S.p.A. is an Italian maison operating in the absolute luxury goods sector; specializing in cashmere it is now one of the most exclusive brands in the international informal luxury **prêt-à-porter** chic sector, the expression of *everyday luxury*. Brunello Cucinelli, founded in 1978 by the eponymous stylist and entrepreneur, posted net revenues of €456 million in 2016 (+10.1% compared to the previous year), of which 83.3% was achieved overseas, and a normalized EBITDA of €78.2 million (up by 13.2% compared to the previous year), and currently has approximately 1,600 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 123 monobrand boutiques (91 direct boutiques and 32 monobrand wholesalers) in leading capitals and cities worldwide and in the most exclusive *resort*s, with a significant presence in approximately 650 selected multibrand stores, including leading luxury department stores.

Contacts: **Investor Relations**
Pietro Arnaboldi
Brunello Cucinelli S.p.A.
Tel. +39 075/69.70.079

Media

Vittoria Mezzanotte	Ferdinando de Bellis
Brunello Cucinelli S.p.A.	Barabino & Partners
Tel. +39 02/34.93.34.78	Tel. +39 02/72.02.35.35

Corporate website: www.brunellocucinelli.com

The financial statements are attached

BRUNELLO CUCINELLI

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2017

(Euro/000)	June 30, 2017	*related parties*	December 31, 2016	*related parties*	June 30, 2016	*related parties*
Non-current assets						
Goodwill	7,045		-		-	
Intangible assets	26,540		28,823		30,510	
Property, plant and equipment	113,229	15,903	111,348	16,100	109,633	15,463
Other non-current financial assets	7,142	32	5,740	32	5,476	32
Deferred tax asset	17,653		15,709		16,614	
Total non-current assets	**171,609**		**161,620**		**162,233**	
Current assets						
Inventories	158,556		154,814		154,701	
Trade receivables	54,396	4	47,231	24	63,060	10
Tax receivables	1,176		1,986		1,241	
Other receivables and other current assets	13,691		14,693		11,745	
Other current financial assets	1,990		1,980		58	
Cash and cash equivalents	50,005		46,428		42,222	
Current derivative financial instruments	5,767		932		1,424	
Total current assets	**285,581**		**268,064**		**274,451**	
Assets held for sale	-		210		-	
Total assets	**457,190**		**429,894**		**436,684**	

(Euro/000)	June 30, 2017	*related parties*	December 31, 2016	*related parties*	June 30, 2016	*related parties*
Shareholders' equity						
Shareholders' equity attributable to parent company shareholders						
Share capital	13,600		13,600		13,600	
Share-premium Reserve	57,915		57,915		57,915	
Reserves	138,316		111,031		110,738	
Net income for the period	19,580		36,397		16,217	
Total shareholders' equity attributable to owners of the parent	**229,411**		**218,943**		**198,470**	
Shareholders' equity attributable to non-controlling interests						
Capital and reserves attributable to non-controlling interests	7,636		6,217		5,967	
Net income for the period attributable to non-controlling interests	272		722		(192)	
Total shareholders' equity attributable to non-controlling interests	**7,908**		**6,939**		**5,775**	
Total shareholders' equity	**237,319**		**225,882**		**204,245**	
Non-current liabilities						
Employees termination indemnities	3,080		3,065		3,209	
Provisions for risks and charges	804		659		607	
Non-current payables towards banks	55,063		37,567		45,125	
Non-current financial debt	1,718		1,921		1,792	
Other non-current liabilities	9,445		8,017		7,780	
Deferred Tax liabilities	3,079		2,519		2,512	
Non-current derivative financial instruments	72		252		487	
Total non-current liabilities	**73,261**		**54,000**		**61,512**	
Current liabilities						
Trade payables	61,932	216	63,356	291	62,525	901
Current payables towards banks	53,489		58,452		72,910	
Current financial liabilities	698		772		1,213	
Income tax payables	4,388		1,104		9,992	
Current derivative financial instruments	417		4,258		2,112	
Other current liabilities	25,686	48	22,070	45	22,175	49
Total current liabilities	**146,610**		**150,012**		**170,927**	
Total liabilities	**219,871**		**204,012**		**232,439**	
Total equity and liabilities	**457,190**		**429,894**		**436,684**	

BRUNELLO CUCINELLI

CONSOLIDATED INCOME STATEMENT AT 30 JUNE 2017

(Euro/000)	1st half, ending on 30th June			
	June 30, 2017	*related parties*	**June 30, 2016**	*related parties*
Net revenues	243,327	7	219,840	12
Other operating income	1,176	15	493	20
Revenues	**244,503**		**220,333**	
Costs of raw materials and consumables	(37,919)	(4)	(33,336)	(8)
Costs for services	(117,880)	(1,408)	(108,383)	(1,557)
Payroll costs	(43,392)	(251)	(40,539)	(274)
of which non-recurring	-		*(1,293)*	
Other operating (expenses)/revenues, net	(2,557)		(2,262)	
Costs capitalized	697		482	
Depreciation and amortization	(10,567)		(9,558)	
Impairment of assets and other accruals	(1,860)		(811)	
Total operating costs	**(213,478)**		**(194,407)**	
Operating Income	**31,025**		**25,926**	
Financial expenses	(13,115)		(11,307)	
Financial income	10,079		9,499	
Income before taxation	**27,989**		**24,118**	
Income taxes	(8,137)		(8,093)	
Net income for the period	**19,852**		**16,025**	
Net income for the period attributable to owners of the parent	19,580		16,217	
Net income for the period attributable to non-controlling interests	272		(192)	
Base earnings per share	0.28794		0.23849	
Diluted earnings per share	0.28794		0.23849	

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Euro/000)	1st half, ending on 30th June	
	2017	**2016**
Net profit (loss) for the year (A)	**19,852**	**16,025**
Other items of comprehensive income:		
Other items of comprehensive income that will later be reclassified on the income statement:	**1,419**	**1,204**
Cash flow hedge	6,354	1,654
Income taxes	(1,525)	(466)
Effect of changes in cash flow hedge reserve	**4,829**	**1,188**
Translation differences on foreign financial statements	(2,523)	16
Profit / (Losses) on net investment in a foreign operation	(1,166)	-
Tax effect	279	-
Other items of comprehensive income that will not later be reclassified on the income statement:	**(18)**	**(119)**
Remeasurement of defined benefit plans (IAS 19)	(18)	(159)
Tax effect	-	40
Total other comprehensive income net of tax effect (B)	**1,401**	**1,085**
Total comprehensive income net of tax (A) + (B)	**21,253**	**17,110**
Attributable to:		
Shareholders of parent company	21,347	17,502
Non-controlling interests	(94)	(392)

BRUNELLO CUCINELLI

CONSOLIDATED STATEMENT OF CASH FLOWS AT 30 JUNE 2017

(Euro/000)

CONSOLIDATED STATEMENTS OF CASH FLOWS	June 30, 2017	June 30, 2016
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period	19,852	16,025
Adjustments to reconcile net income for the period to the cash flows generated by (used in) operating activities:		
Depreciation and amortization	10,567	9,558
Provisions for employees termination indemnities	32	33
Provisions for risks and charges / inventory obsolescence / doubtful accounts	1,858	883
Change in other non-current liabilities	2,100	431
(Gain)/Loss on disposal of Fixed assets	138	76
Termination indemnities payments	(44)	(16)
Payments of Provisions for risks and charges	(295)	-
Net change in deferred tax assets and liabilities	(2,970)	(1,229)
Change in fair value of financial instruments	(2,502)	(804)
Changes in operating assets and liabilities:		
Change in trade receivables	(5,970)	(17,775)
Change in inventories	(7,218)	(10,258)
Change in trade payables	3,394	(6,268)
Change in other current assets and liabilities	7,577	13,683
Net cash provided by/(used in) operating activities	**26,519**	**4,339**
CASH FLOW FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(12,106)	(15,868)
Additions to intangible assets	(1,404)	(2,110)
Additions/(disposals) of financial assets	(1,253)	119
Acquisition of business from Brunello Cucinelli Russ OOO, net of cash acquired	(8,334)	-
Proceeds from disposal of property, plant and equipment	348	245
Assets held for sale	-	765
Net cash provided by/(used in) investing activities	**(22,749)**	**(16,849)**
CASH FLOW FROM FINANCING ACTIVITIES		
Medium/Long-term loans received	35,000	-
Repayment of medium/long-term loans	(9,504)	(7,828)
Issue/(Repayment) of short-term loans	(26,591)	402
Net change in short-term financial debt	13,945	23,599
Net change in long-term financial debt	(632)	30
Dividends paid	(10,905)	(8,889)
Share capital and reserves increase	-	(784)
Net cash provided by/(used in) financing activities	**1,313**	**6,530**
TOTAL CASH FLOW FOR THE PERIOD	**5,083**	**(5,980)**
Effect of exchange rate changes on cash and cash equivalents	**(1,506)**	**127**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**46,428**	**48,075**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**50,005**	**42,222**
Additional information:		
Interest paid	**1,069**	**966**
Income tax paid	**6,756**	**473**

Fine Comunicato n.1264-18	Numero di Pagine: 15