



PRESS RELEASE

Salvatore Ferragamo S.p.A.

**The Board of Directors Approves
the Consolidated Financial Statement as of 30 June 2017**

Salvatore Ferragamo Group First Half Revenue +1.1%, Gross Operating Profit (EBITDA¹) -17.9%, Net Profit -15.4% and Positive Net Financial Position significantly increasing vs. 1H 2016

- **Revenues: 718 million Euros (+1.1% vs. 710 million Euros at 30 June 2016) with Retail Revenue +4.7% and Wholesale Revenue -4.7% due to the destocking activity**
- **Gross Operating Profit (EBITDA¹): 136 million Euros (-17.9% vs. 166 million Euros at 30 June 2016) due to a lower Gross Profit and an increase in Operating Costs related with the actions taken**
- **Operating Profit (EBIT): 105 million Euros (-22.6% vs. 135 million Euros at 30 June 2016)**
- **Net Profit: 76 million Euros (-15.4% vs. 90 million Euros at 30 June 2016)**
- **Net Financial Position: positive at 25 million Euros (increasing 100 million Euros vs. 30 June 2016)**

Florence, 31 July 2017 – The Board of Directors of Salvatore Ferragamo S.p.A. (MTA: SFER), parent company of the Salvatore Ferragamo Group, one of the global leaders in the luxury sector, in a meeting chaired by Ferruccio Ferragamo, examined and approved the Consolidated Financial Statement as of 30 June 2017, prepared according to IAS/IFRS international accounting principles (Limited Review).



Notes to the Income Statement for 1H 2017

Consolidated Revenue figures

As of 30 June 2017, the Group has posted Total Revenue of 718 million Euros, reporting a 1.1% increase (including the hedging effect), vs. the 710 million Euros recorded in 1H 2016. Revenue growth at constant exchange rates² was 0.1%.

Revenues by distribution channel³

As of 30 June 2017, the Group's Retail network counted on a total of 679 points of sales, including 401 Directly Operated Stores (DOS) and 278 Third Party Operated Stores (TPOS) in the Wholesale and Travel Retail channel, as well as the presence in Department Stores and high-level multi-brand Specialty Stores.

In 1H 2017 the Retail distribution channel posted consolidated Revenues up by 4.7% (+4.0% at constant exchange rates²), with a substantially stable growth (-0.2%) at constant exchange rates and perimeter (like-for-like) vs. 1H 2016.

The Wholesale channel, penalized by the destocking activity awaiting for the new collections and the political tensions in South Korea, registered a decrease in Revenues of 4.7% (-6.1% at constant exchange rates²) vs. 1H 2016.

Revenues by geographical area³

The Asia Pacific area is confirmed as the Group's top market in terms of Revenues, increasing by 6.1% (+4.0% at constant exchange rates²) vs. 1H 2016, despite the soft trend in South Korea, mostly due to the significant decrease of Chinese tourists, and the still negative performance in particular in Hong Kong. On the contrary the retail channel in China recorded a significant Revenue growth of 12.2% (+15.5% at constant exchange rates²) in the first six months of 2017.

Europe posted a decrease in Revenues of 2.4% (-2.0% at constant exchange rates²) compared to 1H 2016, with a solid growth in the retail channel and a negative trend for the wholesale business, negatively impacted by the destocking activity.

North America recorded a Revenue decrease of 2.2% (-4.2% at constant exchange rates²) in the first six months of 2017, also negatively impacted by the department stores sales.

The Japanese market registered a 3.4% decrease (-3.5% at constant exchange rates²) in 1H 2017, due to the strategic rationalization of the wholesale channel, while the retail stores recorded a positive performance.



Revenues in the Central and South America in 1H 2017 continued the solid growth, registering a 7.2% increase (+9.9% at constant exchange rates²).

Revenues by product category³

Among the product categories, shoes posted a 1.3% increase vs. 1H 2016, handbags and leather accessories +0.7% and fragrances +6.7%.

Gross Profit

In 1H 2017 the Gross Profit decreased by 1.5% to 468 million Euros. Its incidence on Revenues was down 180 basis points, moving to 65.2%, from 67.0% in 1H 2016, mainly due to the higher portion of sales in the secondary channel, in line with the normalization of Inventory levels.

Operating Costs

In 1H 2017 Operating Costs grew by 6.9% (+5.4% at constant exchange rates²), reaching 363 million Euros, from 340 million Euros in 1H 2016. The increase in costs is mainly due to the strengthening of the store network and of the organization and also includes some one-off expenses, in support of rationalization activities.

Gross Operating Profit (EBITDA¹)

The Gross Operating Profit (EBITDA¹) decreased by 17.9% over the period, to 135 million Euros, from 166 million Euros of 1H 2016, with an incidence on Revenues down to 19.0%, from 23.4% in 1H 2016.

Operating Profit (EBIT)

The Operating Profit (EBIT) decreased from 136 million Euros in 1H 2016 to 105 million Euros (-22.6%) in 1H 2017, with an incidence on Revenues of 14.6% from 19.1%.

Profit before taxes

The Profit before taxes in 1H 2017 amounted to 98 million Euros (-23.3%), from 128 million Euros in 1H 2016, and its incidence on Revenues was 13.6% vs. 18.0% in 1H 2016.



Net Profit for the Period

The Net Profit for the period, including a negative Minority Interest of 2 million Euros, was 76 million Euros, marking a 15.4% decrease.

We remind that the Net Profit for the period benefits from a 22.2% Tax Rate, vs. 29.4% registered in 1H 2016, due to the Patent Box agreement.

The Group Net Profit was 78 million Euros, compared to 90 million Euros in 1H 2016, marking a decrease of 13.1%.

Notes to the Balance Sheet for 1H 2017

Net Working Capital⁴

The Net Working Capital as of 30 June 2017 decreased 14.1% to 331 million Euros, from 385 million Euros as of 30 June 2016. In particular the Inventory was down 12.0% (-5.4% at constant exchange rates²).

Investments (CAPEX)

Investments (CAPEX) reached 29 million Euros as of 30 June 2017 vs. 26 million Euros in 1H 2016, mainly for to the Distribution Center and the store network.

Net Financial Position

The Net Financial Position at 30 June 2017 was positive at 25 million Euros, compared to 75 million Euros Net Debt as of 30 June 2016. To be highlighted the significant operating cash generation which, in 1H 2017, reached 130 million Euros, vs. 42 million Euros in 1H 2016, also benefitting from the Patent Box agreement.



The current year is confirmed to be a transition period for the Salvatore Ferragamo Group, during which strategic initiatives in the major company's areas are going to be implemented. The resulting benefits are expected to materialize over a longer period of time.

Notes to the press release

¹ We define EBITDA as operating income plus (i) depreciation of property, plant and equipment, investment property, (ii) amortization of other intangible assets with definite useful life and (iii) write-downs of property, plant and equipment, investment property and other intangible assets with definite useful life and goodwill. EBITDA is an important managerial indicator for measuring the Group's performance. As EBITDA is not an indicator defined by the accounting principles used by our Group, our method of calculating EBITDA may not be strictly comparable to that used by other companies.

² Revenues at "constant exchange rates" are calculated by applying to the Revenue of the first six months 2016, not including the "hedging effect", the average exchange rate of the first six months 2017.

³ The variations in Revenues are calculated at current exchange rates including the hedging effect, unless differently indicated.

⁴ Net working capital is calculated (in accordance with CESR Recommendation 05-054/b of February 10, 2005) as inventories and trade receivables net of trade payables (excluding other current assets and liabilities and other financial assets and liabilities). As net working capital is not an indicator defined by the accounting principles used by our Group, our method of calculating net working capital may not be strictly comparable to that used by other companies.



Approval of the launch of Treasury Shares purchasing plan

The Board of Directors of Salvatore Ferragamo S.p.A. (MTA: SFER) has also approved the start of a plan for purchasing its own ordinary shares implementing the authorization pursuant to and in accordance with articles 2357 *et seq.* of the Italian Civil Code, as well as article 132 of Legislative Decree of 24th February 1998 no. 58 (“TUF”), and article 144-bis of the Consob Regulation adopted with resolution no. 11971/1999 as subsequently amended (the “Issuers’ Regulation”) passed by the Shareholders’ Meeting held in ordinary session on 27th April 2017.

1. Launch of Treasury Shares purchasing plan

Pursuant to article 144-bis, paragraph 3, of the Issuers’ Regulation, we report below the main characteristics of the plan.

Objectives of the plan

The plan is aimed at:

- acquiring own shares to be allocated, if appropriate, to the Stock Grant Plan 2016 - 2020 approved by the Shareholders’ Meeting on 21st April 2016, as well as to other possible share incentive plans that may be approved by the Shareholders’ Meeting in the future – long-term plans, too – to be reserved to directors and/or managers of the Company or of companies controlled by Salvatore Ferragamo;
- acquiring own shares to be allocated, if appropriate, to possible extraordinary capital transactions or financing transactions involving the allocation or disposal of own shares;
- stabilizing the security – in compliance with the provisions in force and through brokers - and regulating trading and rates, in the presence of distorting phenomena linked to excessive volatility or to limited liquidity of trading.

Maximum number of shares, maximum exchange value, procedures and purchase price

The plan contemplates the purchase of own shares to the extent that, at any time, and considering the Salvatore Ferragamo ordinary shares held in portfolio at any time by the Company and by the companies controlled by it, said shares do not exceed on the whole 1% of the share capital of the Company, totally amounting to no. 1,687,900 shares. To date the Company does not hold its own shares and the subsidiaries of the company Salvatore Ferragamo SpA do not hold its shares too. The maximum total exchange value of the shares to be purchased will be equal to 41.252.377 Euros.

In compliance with art. 2357, paragraph 1, of the Civil Code, the purchases of own shares shall in any case be made within the limits of distributable profits and available reserves as per the latest approved financial statements on the date of performance of each transaction.

Purchase transactions will be made in compliance with the principle of treatment of shareholders provided for by article 132 of the TUF, in accordance with any of the terms indicated of article 144-bis of the Issuers Regulation (also through subsidiaries) to be identified, from time to time, and therefore, at the moment:

(a) by way of a public bid for the acquisition or exchange;

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- (b) through purchases made on regulated markets, or on multilateral trading systems, according to the procedures defined by Borsa Italiana SpA, that do not allow the direct matching of trading proposals to purchase and pre-determined trading proposals to sell;
- (c) through the purchase and sale of derivative instruments traded on regulated markets or multilateral trading systems, providing for the physical delivery of the underlying shares and under the conditions determined by Borsa Italiana S.p.A.;
- (d) by way of a proportional allocation to the shareholders of a sale option to be exercised within the term of the authorization.

Purchases may also take place in accordance with the procedures determined by Consob pursuant to article 13 of EU Regulation n. 596 / 2014.

The share purchase price shall be determined from time to time for each single transaction, being understood that:

- with reference to the terms of article 144-bis, letters a) and d), of Issuers Regulation abovementioned share purchases shall be made at a price not lower in the minimum than 20%, nor higher than 20% of the average Stock Exchange price that the shares shall have recorded in the month preceding each single transaction;
- with reference to the terms of article 144-bis, letters b) and c), of Issuers Regulation abovementioned share purchases shall be made at a price not lower in the minimum than 20% nor higher than 20% of the reference price recorded by the share on the Stock Exchange session of the day preceding each single transaction.

Duration

The purchases of own shares must be made within 27th October 2018, i.e. within 18 months from the date of the above-mentioned Shareholders' Meeting resolution.

Other information

Purchase transactions may be made in compliance with the conditions set out in art. 3 of EU Commission Delegated Regulation no. 2016/1052 in order to obtain, if applicable, the exemption provided for in Article 5, paragraph 1, of EU Regulation no. 596/2014 on market abuse with regard to abuse of privileged information and market manipulation.

Within the plan framework, in case of purchases, the company will notify Consob and the market of the transactions made in accordance with the terms and conditions laid down by the legislation in force.

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The manager charged to prepare the corporate accounting documents, Ugo Giorcelli, pursuant to article 154-bis, paragraph 2, of Legislative Decree no. 58/1998 (Consolidated Financial Law), hereby declares that the information contained in this Press Release faithfully represents the content of documents, financial books and accounting records.

Furthermore, in addition to the conventional financial indicators required by IFRS, this Press Release includes some alternative performance indicators (such as EBITDA, for example) in order to allow for a better assessment of the performance of the economic and financial management. These indicators have been calculated according to the usual market practices.

This document may contain forecasts, relating to future events and operating results, which by their very nature are uncertain, in that they depend on future events and developments that cannot be predicted with certainty. Actual results may therefore differ with those forecasted, due to a variety of factors.

The Consolidated Financial Statement as of 30 June 2017, approved by the Board of Directors on July 31 2017, will be available to anyone requesting it at the headquarters of the Company in Florence, Via Tornabuoni n. 2, on the authorized web-storage system eMarket STORAGE www.emarketstorage.com, and will also be accessible on the the Salvatore Ferragamo Group's website <http://group.ferragamo.com> in the section "Investor Relations/Financial Documents", from 1 August 2017.

The Results of 1H 2017 will be illustrated today, 31 July 2017, at 6:00 PM (CET) in a conference call with the financial community. The presentation will be available on the Company's website <http://group.ferragamo.com> in the "Investor Relations/Presentations" section.

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Salvatore Ferragamo S.p.A.

Salvatore Ferragamo S.p.A. is the parent Company of the Salvatore Ferragamo Group, one of the world's leaders in the luxury industry and whose origins date back to 1927.

The Group is active in the creation, production and sale of shoes, leather goods, apparel, silk products and other accessories, along with women's and men's fragrances. The Group's product offer also includes eyewear and watches, manufactured by licensees.

The uniqueness and exclusivity of our creations, along with the perfect blend of style, creativity and innovation enriched by the quality and superior craftsmanship of the 'Made in Italy' tradition, have always been the hallmarks of the Group's products.

With approximately 4,000 employees and a network of ca. 680 mono-brand stores as of 30 June 2017, the Ferragamo Group operates in Italy and worldwide through companies that allow it to be a leader in the European, American and Asian markets.

For further information:

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This Press Release is also available on the website <http://group.ferragamo.com>, in the section "Investor Relations/Financial Press Releases".

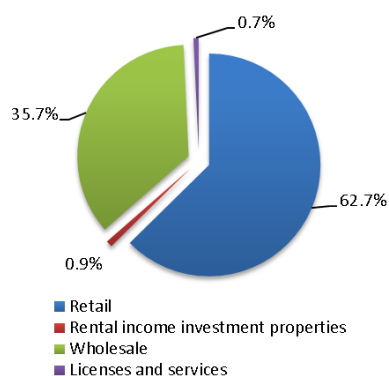
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On the following pages, a more detailed analysis of Revenues, the consolidated income statement, a summary of statement of financial position, the consolidated cash flow statement, and the net financial position of the Salvatore Ferragamo Group as of 30 June 2017.

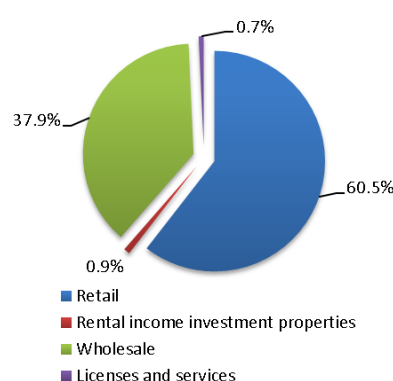
Revenue by distribution channel as of 30 June 2017

(In thousands of Euro)	Half-year period ended 30 June				% Change	at constant exchange rate % Change
	2017	% on Revenue	2016	% on Revenue		
Retail	449,695	62.7%	429,665	60.5%	4.7%	4.0%
Wholesale	256,308	35.7%	268,853	37.9%	(4.7%)	(6.1%)
Licenses and services	5,288	0.7%	5,207	0.7%	1.6%	1.6%
Rental income investment properties	6,632	0.9%	6,438	0.9%	3.0%	(0.0%)
Total	717,923	100.0%	710,163	100.0%	1.1%	0.1%

Revenue by distribution channel as at 30 June 2017



Revenue by distribution channel as at 30 June 2016

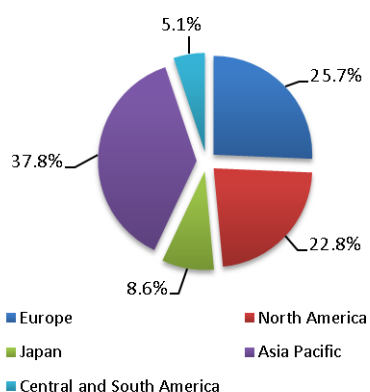


Revenue by geographic area as of 30 June 2017

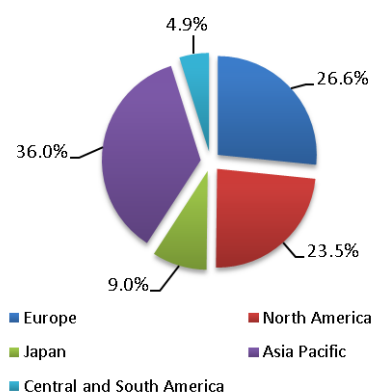
(In thousands of Euro)	Half-year period ended 30 June				% Change	at constant exchange rate % Change
	2017	% on Revenue	2016	% on Revenue		
Europe	184,351	25.7%	188,945	26.6%	(2.4%)	(2.0%)
North America	163,838	22.8%	167,475	23.5%	(2.2%)	(4.2%)
Japan	61,432	8.6%	63,614	9.0%	(3.4%)	(3.5%)
Asia Pacific	271,341	37.8%	255,641	36.0%	6.1%	4.0%
Central and South America	36,961	5.1%	34,488	4.9%	7.2%	9.9%
Total	717,923	100.0%	710,163	100.0%	1.1%	0.1%

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Revenue by geographic area
as at 30 June 2017



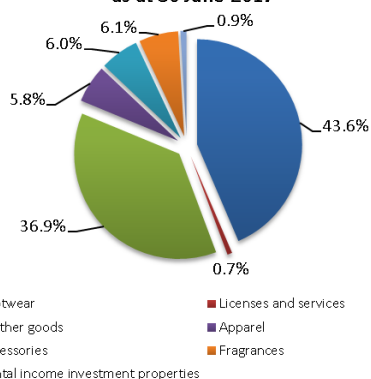
Revenue by geographic area
as at 30 June 2016



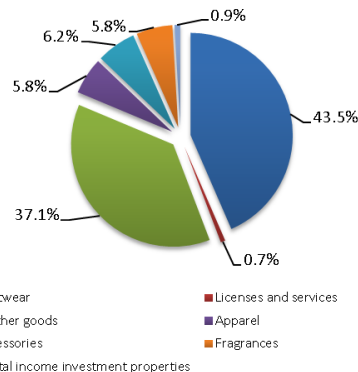
Revenue by product category as of 30 June 2017

(In thousands of Euro)	Half-year period ended 30 June				% Change	at constant exchange rate % Change
	2017	% on Revenue	2016	% on Revenue		
Footwear	312,692	43.6%	308,682	43.5%	1.3%	0.4%
Leather goods	265,267	36.9%	263,473	37.1%	0.7%	(0.6%)
Apparel	41,657	5.8%	41,300	5.8%	0.9%	(0.0%)
Accessories	42,829	6.0%	44,243	6.2%	(3.2%)	(4.1%)
Fragrances	43,558	6.1%	40,820	5.8%	6.7%	6.3%
Licenses and services	5,288	0.7%	5,207	0.7%	1.6%	1.6%
Rental income investment properties	6,632	0.9%	6,438	0.9%	3.0%	(0.0%)
Total	717,923	100.0%	710,163	100.0%	1.1%	0.1%

Revenue by product category
as at 30 June 2017



Revenue by product category
as at 30 June 2016





Consolidated results for Salvatore Ferragamo Group

Consolidated income statement as of 30 June 2017

(In thousands of Euro)	Half-year period ended 30 June				
	2017	% on Revenue	2016	% on Revenue	% Change
Revenue from sales and services	711,291	99.1%	703,725	99.1%	1.1%
Rental income investment properties	6,632	0.9%	6,438	0.9%	3.0%
Revenues	717,923	100.0%	710,163	100.0%	1.1%
Cost of goods sold	(249,691)	(34.8%)	(234,614)	(33.0%)	6.4%
Gross profit	468,232	65.2%	475,549	67.0%	(1.5%)
Style, product development and logistics costs	(22,101)	(3.1%)	(21,987)	(3.1%)	0.5%
Sales & distribution costs	(243,458)	(33.9%)	(223,567)	(31.5%)	8.9%
Marketing & communication costs	(34,644)	(4.8%)	(35,837)	(5.0%)	(3.3%)
General and administrative costs	(57,860)	(8.1%)	(55,194)	(7.8%)	4.8%
Other operating costs	(10,285)	(1.4%)	(10,180)	(1.4%)	1.0%
Other income	4,939	0.7%	6,712	0.9%	(26.4%)
Total operating costs (net of other income)	(363,409)	(50.6%)	(340,053)	(47.9%)	6.9%
Operating profit	104,823	14.6%	135,496	19.1%	(22.6%)
Financial charges	(28,502)	(4.0%)	(21,334)	(3.0%)	33.6%
Financial income	21,653	3.0%	13,523	1.9%	60.1%
Profit before taxes	97,974	13.6%	127,685	18.0%	(23.3%)
Income taxes	(21,741)	(3.0%)	(37,563)	(5.3%)	(42.1%)
Net profit/(loss) for the period	76,233	10.6%	90,122	12.7%	(15.4%)
Net profit/(loss) - Group	78,410	10.9%	90,214	12.7%	(13.1%)
Net profit/(loss) - minority interests	(2,177)	(0.3%)	(92)	(0.0%)	2266.3%
EBITDA(*)	136,331	19.0%	166,125	23.4%	(17.9%)

(*) EBITDA is operating profit before amortization and depreciation and write-downs of tangible/intangible assets. EBITDA so defined is a parameter used by the management to monitor and assess the operating performance and is not identified as an accounting measurement under IFRS and, therefore, must not be considered as an alternative measurement to assess Group performance. Since the composition of EBITDA is not regulated by reference accounting standards, the determination criterion applied by the Group may differ from that adopted by others and therefore may not be comparable.



Summary of consolidated statement of financial position as of 30 June 2017

(In thousands of Euro)	30 June 2017	31 December 2016	% Change
Property, plant and equipment	233,877	243,692	(4.0%)
Investment property	6,620	7,350	(9.9%)
Intangible assets with definite useful life	36,657	37,576	(2.4%)
Inventories	349,915	374,710	(6.6%)
Trade receivables	163,765	179,678	(8.9%)
Trade payables	(182,524)	(180,256)	1.3%
Other non current assets/(liabilities), net	33,587	41,042	(18.2%)
Other current assets/(liabilities), net	41,976	26,820	56.5%
Net invested capital	683,873	730,612	(6.4%)
Group shareholders' equity	681,879	693,138	(1.6%)
Minority interests	27,119	29,476	(8.0%)
Shareholders' equity (A)	708,998	722,614	(1.9%)
Net financial debt (B) (1)	(25,125)	7,998	(414.1%)
Total sources of financing (A+B)	683,873	730,612	(6.4%)

(1) Pursuant to the provisions of CONSOB Communication no. DEM/6064293 of 28 July 2006, it should be noted that net financial debt is calculated as the sum of cash and cash equivalents, current financial receivables including the positive fair value of financial instruments and current financial assets, current and non current financial liabilities and the negative fair value of financial instruments and has been determined in accordance with the provisions of EMSA/2015/1415's on Recommendations on alternative performance measures, implemented by Consob with a resolution 92543 dated December 3rd, 2015.

Net financial position as of 30 June 2017

(In thousands of Euro)	30 June 2017	31 December 2016	Change 2017 vs 2016
A. Cash	1,055	1,855	(800)
B. Other cash equivalents	122,310	115,394	6,916
C. Cash and cash equivalents (A)+(B)	123,365	117,249	6,116
Derivatives – non-hedge component	514	264	250
Other financial assets	-	-	-
D. Current financial receivables	514	264	250
E. Current bank payables	95,264	121,251	(25,987)
F. Derivatives – non-hedge component	136	526	(390)
G. Other current financial payables	3,354	3,379	(25)
H. Current financial debt (E)+(F)+(G)	98,754	125,156	(26,402)
I. Current financial debt, net (H)-(C)-(D)	(25,125)	7,643	(32,768)
J. Non current bank payables	-	-	-
K. Derivatives – non-hedge component	-	355	(355)
M. Other non current financial payables	-	-	-
N. Non-current financial debt (J)+(K)+(M)	-	355	(355)
O. Net financial debt (I)+(N)	(25,125)	7,998	(33,123)



Consolidated statement of cash flows as of 30 June 2017

(In thousands of Euro)	Half-year period ended 30 June	
	2017	2016
Net profit / (loss) for the period	76,233	90,122
Depreciation, amortization and write down of property, plant and equipment, intangible assets and investment properties	31,508	30,629
Net change in deferred taxes	(1,448)	(5,342)
Net change in provision for employee benefit plans	(115)	(106)
Loss/(gain) on disposal of tangible and intangible assets	338	435
Other non cash items	1,277	860
Net change in net working capital	8,649	(54,676)
Net change in other assets and liabilities	13,448	(19,467)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	129,890	42,455
Purchase of tangible assets	(19,846)	(23,063)
Purchase of intangible assets	(4,820)	(3,108)
Net change in non current assets and liabilities	5	-
Proceeds from the sale of tangible and intangible assets	27	29
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(24,634)	(26,142)
Net change in financial receivables	(142)	200
Net change in financial payables	(22,839)	19,033
Payment of dividends	(77,643)	(77,643)
Purchase of minority interests in companies consolidated on a line-by line basis	(804)	-
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(101,428)	(58,410)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,828	(42,097)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	117,249	142,121
Net increase / (decrease) in cash and cash equivalents	3,828	(42,097)
Net effect of translation of foreign currencies	2,288	484
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	123,365	100,508