

Salvatore Ferragamo

1H 2014 Results Update

Analyst Presentation

August 28, 2014 - 6.00 PM Italian Time



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This presentation contains forward-looking statements regarding future events and results of the Company that are based on the current expectations, projections and assumptions of the management of the Company.

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The Manager in Charge of preparing the Company financial reports hereby certifies pursuant to paragraph 2 of art. 154-bis of Legislative Decree no. 58 of February 24, 1998, that the accounting disclosures of this document are consistent with the accounting documents, ledgers and entries.

1H 2014 Market Scenario

- Difficult market scenario: unstable and unclear geopolitical picture with major economic indicators below expectations
- Global luxury market turnover up low/mid single-digit in 1H 2014, with major companies reporting weaker tourism spending in 2Q (Global Blue data down 4% in Europe)
- Chinese domestic consumption still mixed, Hong Kong data weakening with lower average spending travelers
- Europe continuing weak economics and domestic consumption, with geopolitical tensions and currency strength penalizing tourists flows
- US macro data mixed, but luxury companies benefitting from improved consumer confidence and travelers, especially from Asia
- Japan slowdown in 2Q expected after the high double-digit growth posted in 1Q in anticipation of the VAT increase in April
- Travel Retail still best opportunity for perimeter growth in all major business locations, particularly in Asia and Middle East

1H 2014 Salvatore Ferragamo Key Facts (1/2)

- Good and steady sales trend in 1H: +8% at constant FX and +6% at current FX
- RTL growing by 5% at constant FX, with ca. +3% L-f-L
- Strong performance for WHL & Travel Retail channel (+12% at constant FX)
- Good performance in Europe (+9% at constant FX) thanks WHL & Travel Retail, while RTL penalized by geopolitical tensions, tourist flows and negative perimeter
- US back to double-digit growth in 2Q (+12% at constant FX) and Latam further accelerating the strong trend (+29% at constant FX in 2Q vs. +17% in 1Q)
- APAC up 6% at constant FX, with Greater China RTL overperforming



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1H 2014 Salvatore Ferragamo Key Facts (2/2)

- Japan (+6% at constant FX), with the expected slowdown in 2Q (-4%) due to the consumer tax increase
- Leather goods overperforming in line with strategy (+16% at constant FX)
- Operating leverage further improving: OpEx up by 4%, with incidence on Revenues down to 44.5% from 45.2% of 1H 2013
- EBITDA increasing by 9% on hard comparison base (+26% in 1H 2013), with incidence on Revenues up from 21.0% to 21.7% (from 24.4% to 25.1% in 2Q)
- Group Net Profit reaching 78 million Euros, up 14% vs. 1H 2013 adjusted for the capital gain deriving from the disposal of the participation in ZeFer



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FINANCIALS

1H 2014 Revenue By Region

| (Euro MM) | June YTD | | | Δ % Const FX | Weight on Tot 2014 | Weight on Tot 2013 |
|---------------|--------------|--------------|-------------|------------------------|-----------------------|-----------------------|
| | 2014 | 2013 | Δ % | | | |
| Europe | 181,7 | 166,7 | 9,0% | 8,7% | 27,6% | 26,7% |
| North America | 141,7 | 134,9 | 5,0% | 7,4% | 21,5% | 21,6% |
| Japan | 57,8 | 58,0 | -0,4% | 6,4% | 8,8% | 9,3% |
| Asia Pacific | 248,9 | 240,2 | 3,6% | 5,6% | 37,8% | 38,5% |
| Latin America | 29,0 | 24,8 | 16,7% | 23,1% | 4,4% | 4,0% |
| Total | 659,0 | 624,7 | 5,5% | 7,6% | 100,0% | 100,0% |

1H 2014 Revenue By Distribution Channel

| (Euro MM) | June YTD | | | | Weight on Tot 2014 | Weight on Tot 2013 |
|-----------------------|--------------|--------------|-------------|-----------------|-----------------------|-----------------------|
| | 2014 | 2013 | Δ % | Δ % Const FX | | |
| Retail | 393,4 | 382,6 | 2,8% | 5,2% | 59,7% | 61,3% |
| Wholesale | 256,0 | 231,6 | 10,5% | 12,1% | 38,8% | 37,1% |
| Licences & Other Rev. | 4,2 | 5,1 | -17,7% | -17,7% | 0,6% | 0,8% |
| Rental income | 5,5 | 5,3 | 3,4% | 7,9% | 0,8% | 0,8% |
| Total | 659,0 | 624,7 | 5,5% | 7,6% | 100,0% | 100,0% |

1H 2014 Revenue By Product

| (Euro MM) | June YTD | | | | Weight on Tot 2014 | Weight on Tot 2013 |
|--------------------------|--------------|--------------|-------------|-----------------|-----------------------|-----------------------|
| | 2014 | 2013 | Δ % | Δ % Const FX | | |
| Shoes | 281,9 | 272,3 | 3,5% | 5,7% | 42,8% | 43,6% |
| Leather goods & handbags | 234,6 | 207,1 | 13,3% | 15,5% | 35,6% | 33,2% |
| RTW | 44,2 | 48,1 | -8,1% | -5,9% | 6,7% | 7,7% |
| Silk & other access. | 43,1 | 43,2 | -0,2% | 2,0% | 6,5% | 6,9% |
| Fragrances | 45,6 | 43,5 | 4,8% | 5,0% | 6,9% | 7,0% |
| Licences & Other Rev. | 4,2 | 5,1 | -17,7% | -17,7% | 0,6% | 0,8% |
| Rental income | 5,5 | 5,3 | 3,4% | 7,9% | 0,8% | 0,8% |
| Total | 659,0 | 624,7 | 5,5% | 7,6% | 100,0% | 100,0% |

1H 2014 P&L

| (Euro MM) | June YTD | | | | |
|---|--------------|---------------|--------------|---------------|--------------|
| | 2014 | % | 2013 | % | Δ % |
| Total revenue | 659,0 | 100,0% | 624,7 | 100,0% | 5,5% |
| Cost of goods sold | (245,3) | -37,2% | (230,8) | -36,9% | 6,3% |
| Gross profit | 413,7 | 62,8% | 393,9 | 63,1% | 5,0% |
| Total operating costs | (293,2) | -44,5% | (282,3) | -45,2% | 3,9% |
| EBIT | 120,6 | 18,3% | 111,6 | 17,9% | 8,0% |
| Financial income (expenses) (*) | (2,4) | -0,4% | 9,3 | 1,5% | -126,4% |
| Companies valued with the Equity Method | – | 0,0% | – | 0,0% | 0,0% |
| EBT (*) | 118,1 | 17,9% | 120,9 | 19,4% | -2,3% |
| Taxes | (36,1) | -5,5% | (34,1) | -5,5% | 5,8% |
| Net income (*) | 82,0 | 12,4% | 86,8 | 13,9% | -5,5% |
| Group net income (*) | 78,1 | 11,8% | 80,9 | 12,9% | -3,5% |
| Income to minorities | 3,9 | 0,6% | 5,9 | 0,9% | -33,4% |
| EBITDA | 143,0 | 21,7% | 131,5 | 21,0% | 8,8% |

(*) Including, in 1H 2013, the capital gain deriving from the disposal of the participation in ZeFer.

Excluding the capital gain the EBT in 1H 2014 increased 9%, the Net income 10% and the Group net income 14%.

1H 2014 Balance Sheet

| (Euro MM) | June 14 YTD | June 13 YTD | % |
|-----------------------------------|------------------|-----------------|--------------|
| Tangible assets | 189,213 | 147,924 | 27,9% |
| Intangible assets | 25,315 | 22,765 | 11,2% |
| Financial assets | – | – | |
| Fixed assets | 214,529 | 170,689 | 25,7% |
| Inventory | 334,703 | 288,339 | 16,1% |
| Trade receivables | 158,341 | 140,627 | 12,6% |
| Trade payables | (192,017) | (187,598) | 2,4% |
| Operating working capital | 301,027 | 241,369 | 24,7% |
| Other assets (liabilities) | 34,650 | 19,894 | 74,2% |
| Severance indemnity | (10,300) | (10,385) | -0,8% |
| Risk funds | (6,532) | (4,748) | 37,6% |
| Net invested capital | 533,375 | 416,820 | 28,0% |
| Shareholders' equity (A) | 419,378 | 338,991 | 23,7% |
| Group equity | 382,677 | 301,501 | 26,9% |
| Minority interest | 36,702 | 37,490 | -2,1% |
| Current financial liabilities | (182,830) | (149,748) | 22,1% |
| Non current financial liabilities | – | – | |
| Cash & equivalents | 68,833 | 71,919 | -4,3% |
| Net debt (B) | (113,996) | (77,829) | 46,5% |
| Financial sources (A-B) | 533,375 | 416,820 | 28,0% |