

Salvatore Ferragamo

Salvatore Ferragamo Group

Interim report as at 30 September 2013

Salvatore Ferragamo S.p.A.

Palazzo Feroni
Florence

CONTENTS

<i>General information</i>	3
<i>Corporate boards</i>	4
<i>Group structure</i>	5
<i>Interim Directors' report on operations</i>	6
<i>Income and financial highlights for the first nine months of 2013</i>	6
Introduction.....	7
The Group's activities	7
Results for the first nine months of 2013	8
Significant events occurred during the first nine months of 2013	13
Other information	15
Significant events occurred after 30 September 2013	16
Outlook	16
Basis of presentation.....	17
<i>Financial statements</i>	19
<i>Consolidated statement of financial position – assets</i>	19
<i>Consolidated statement of financial position – liabilities and shareholders' equity</i>	20
<i>Consolidated income statement</i>	21
<i>Consolidated statement of comprehensive income</i>	22
<i>Consolidated statement of cash flows</i>	23
<i>Statement of changes in consolidated shareholders' equity</i>	24
Statement pursuant to paragraph 2, art. 154 bis of Legislative Decree 58/98 (Consolidated Law on Finance)	25

This document has been translated into English for the convenience of international readers.
The original Italian is the authoritative version.

General information

Registered office of the Parent company

Salvatore Ferragamo S.p.A.
Via Tornabuoni, 2
50123 Florence

Legal information about the Parent company

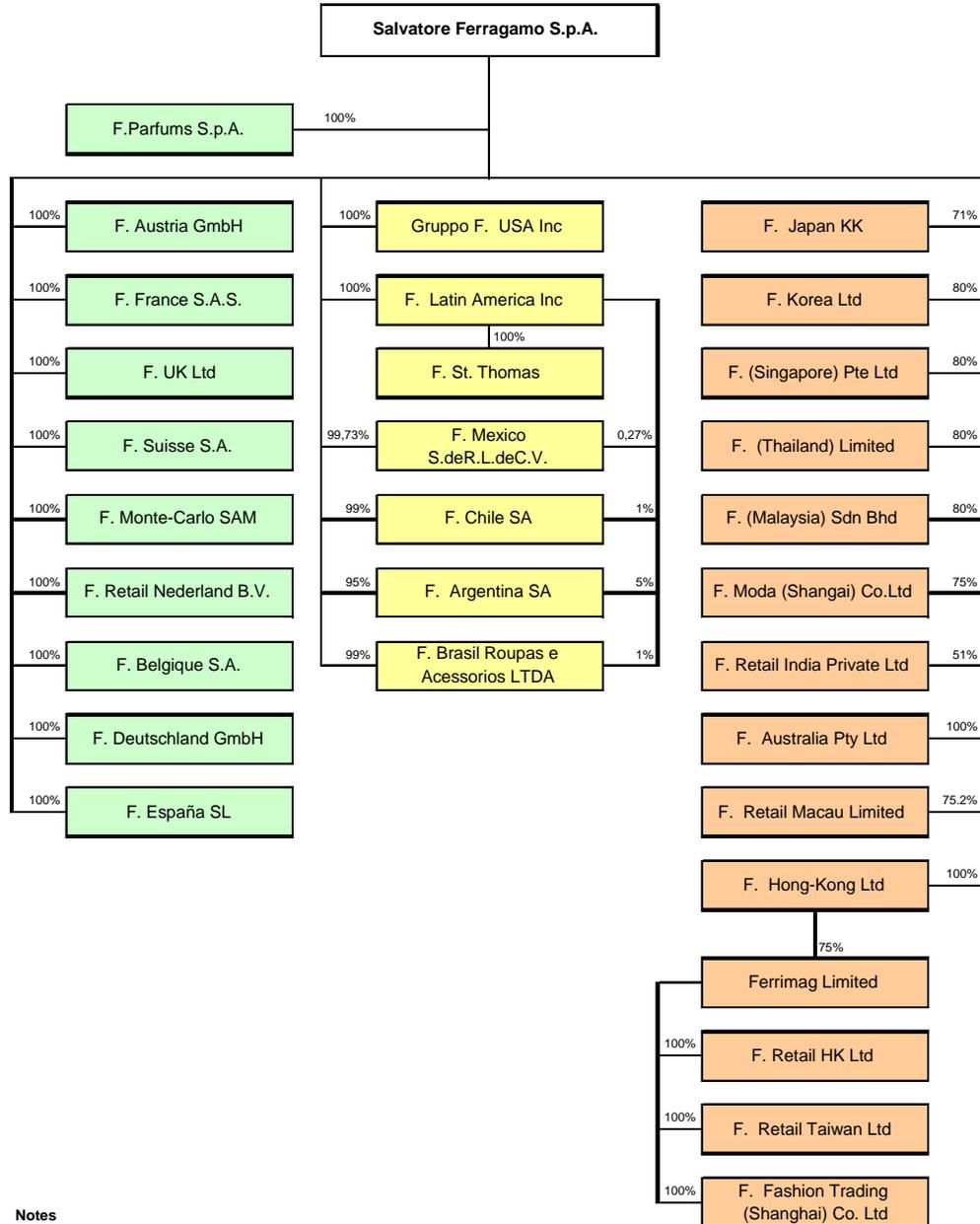
Authorized share capital 16,891,000 Euro
Subscribed and paid-up share capital 16,841,000 Euro
Tax code and Florence Company Register no.: 02175200480
Registered with the Florence Chamber of Commerce under REA (Economic and Administrative Register) no. 464724
Corporate website www.group.ferragamo.com

Corporate boards

Honorary Chairman (1)	Wanda Miletti Ferragamo	
Board of Directors (1)	Ferruccio Ferragamo (4) Michele Norsa (4) Giovanna Ferragamo (5) Fulvia Ferragamo (5) Leonardo Ferragamo (5) Francesco Caretti (5) Raffaella Pedani (5)(7) Diego Paternò Castello di San Giuliano (5) Peter Woo Kwong Ching (5) Umberto Tombari (5)(6) Marzio Saà (5)(6) Piero Antinori (5) Lidia Fiori (5)(6)(8)	Chairman Managing Director Deputy Chairman
Control and Risk Committee (1)	Marzio Saà Umberto Tombari Lidia Fiori (8)	Chairman
Nomination and Remuneration Committee (1)	Umberto Tombari Marzio Saà Lidia Fiori (8)	Chairman
Board of Statutory Auditors (2)	Mario Alberto Galeotti Flori Gerolamo Gavazzi Fulvio Favini Deborah Sassorossi Guido Alberto Gonnelli	Chairman Acting Statutory Auditor Acting Statutory Auditor Substitute Statutory Auditor Substitute Statutory Auditor
Independent Auditors (3)	Reconta Ernst & Young S.p.A.	
Manager responsible for corporate financial reporting	Ernesto Greco	

- (1) Appointed by the Shareholders' Meeting on 26 April 2012 and serving for the 2012-2014 period
(2) Appointed by the Shareholders' Meeting on 30 March 2011 and 28 April 2011 and serving for the 2011-2013 period
(3) Appointed for the 2011- 2019 period
(4) Executive director
(5) Non-executive director
(6) Independent director pursuant to art. 148, paragraph 3 of the Consolidated Law on Finance and the Code of Conduct
(7) Resigned as Director as from 11 July 2013
(8) Appointed by The Board of Directors on 11 July 2013 by means of co-optation and in office until the Shareholders' Meeting approving the Separate Annual Report as at 31 December 2013

Group structure



Notes

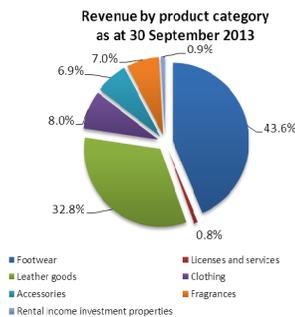
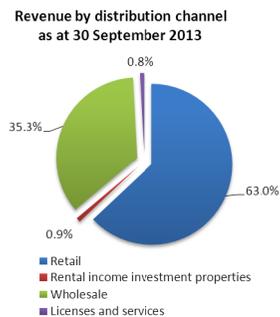
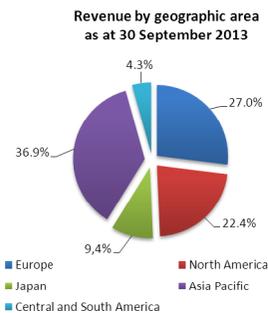
- European companies
- North/Centre/South American companies
- Asia Pacific and Japanese companies

Interim Directors' report on operations

Income and financial highlights for the first nine months of 2013

(In millions of Euro)	Period ended 30 September			% change 09.13 vs. 09.12	% change 09.12 vs. 09.11
	2013	2012	2011		
Revenues	914.8	832.6	701.3	9.9%	18.7%
Gross profit	578.4	531.0	448.9	8.9%	18.3%
EBITDA (*)	191.8	157.0	132.4	22.2%	18.6%
EBITDA (*)%	21.0%	18.9%	18.9%		
Operating profit	162.2	132.2	113.1	22.6%	16.9%
Operating profit %	17.7%	15.9%	16.1%		
Net profit/(loss) for the period	119.6	84.6	78.3	41.3%	8.1%
Net profit/(loss) – Group	112.4	69.6	62.7	61.4%	11.0%
Net profit/(loss) – minority interests	7.2	15.0	15.6	(52.0%)	(3.5%)

(*) EBITDA is operating profit before amortization and depreciation and write-downs of tangible/intangible assets. EBITDA so defined is a parameter used by the company's management to monitor and assess the company's 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.



(In thousands of Euro)	30 September 2013	31 December 2012	30 September 2012
Investments in tangible/intangible assets	47,321	59,393	36,598
Net working capital	220,578	197,307	214,122
Shareholders' equity	363,568	299,498	278,835
Net financial position	34,655	57,942	63,975
Cash flow generated from operations	116,750	121,140	64,303

	30 September 2013	31 December 2012	30 September 2012
Staff as at the reporting date	3,563	3,322	3,275
Number of DOS	355	338	332
Number of TPOS	257	268	271

Geographical distribution of monobrand stores (30 September 2013)



612 Ferragamo monobrand stores

Disclaimer

This document contains forward-looking statements, in particular in the sections headed “Outlook” and “Significant events occurred after 30 September 2013” relating to future events and the operating, income and financial results of the Salvatore Ferragamo Group. These statements are based on the Group’s current expectations and forecasts regarding future events and, by their nature, involve risks and uncertainties since they refer to events and depend on circumstances which may, or may not, happen or occur in the future and, as such, they must not be unduly relied upon. The actual results could differ significantly from those contained in these statements due to a variety of factors, including the volatility and deterioration in the performance of securities and financial markets, changes in raw material prices, changes in macroeconomic conditions and in economic growth and other changes in business conditions, in the legal and institutional framework (both in Italy and abroad), and many other factors, most of which are beyond the Group’s control.

Introduction

The Group’s interim report as at 30 September 2013 and comparable periods has been prepared pursuant to article 154-ter, paragraph 5, of the Consolidated Law on Finance (*Testo Unico della Finanza – TUF*) introduced by Legislative Decree 195/2007 in implementation of directive 2004/109/EC as subsequently amended and CONSOB Issuers’ Regulation.

This Interim report has not been subject to audit.

The market in which the Group operates is characterized by seasonal events that are typical of the retail and wholesale sales and which determine an uneven monthly breakdown in the sales flow and in operating costs. Therefore, it is important to remember that income statement results for the first nine months of the year cannot be considered as proportional to the year as a whole. The figures are affected by seasonal events also in terms of equity and financial position.

The Group’s activities

The Group is active in the creation, production and sale of luxury goods for men and women: footwear, leather goods, clothing, silk goods, other accessories, fragrances and jewels. The product range also includes eyewear and watches manufactured under license by third parties. The product range stands out for its uniqueness which is the result of the combination of creative and innovative style with the quality and craftsmanship that are the hallmark of luxury goods made in Italy. The Ferragamo Group carries out product sales mainly through a network of Salvatore Ferragamo monobrand stores, managed both directly (DOS) or by third parties, and, alongside this network, also through a presence in department stores and multibrand specialty stores.

As for the fragrances product category, which involves the creation, development and production (completely outsourced) of fragrances and related products under the Ferragamo brand and, on license, the Ungaro brand, sales are handled by Group distributors and third parties which serve a network of selected multibrand stores belonging to the specific fragrances channel. The Group is also active in the licensing of the Ferragamo brand and in real estate management.

Effect of exchange rate changes on operations

The Group has a strong presence on international markets, including through commercial companies located in countries which use currencies other than the Euro, mainly the US dollar and the Japanese yen. Therefore, the Group is exposed both to settlement and translation risk.

The main event for currency markets in the third quarter of 2013 was the US Federal Reserve’s meeting on 18 September, during which the market’s expectations of a reduction in monetary stimulus with the Fed cutting back on its purchases of bonds to inject liquidity into the system were not confirmed. The absence of stimulus reduction by the Fed drove up the Euro/US\$ exchange rate from 1.33 to 1.35, levels which were last seen at the start of February. The monetary policy management by the Fed is still a decisive factor in the exchange rate trend of the US dollar, together with returns on financial assets denominated in various currencies and the comparison between the different growth trends in the US and the Eurozone economies. After starting the year around 1.32 with a rising trend, reaching 1.37, the exchange rate fell back in May to levels around Euro/US\$ 1.28; the Euro strengthened in June, reaching levels around 1.34 before falling back to 1.30 and lower values, and stabilized over the summer months in the narrow range between 1.32 and 1.34. Market expectations for a possible weakening of the Euro against the US dollar in the second half of the year proved to be largely unfounded.

As regards the exchange rate of the Japanese yen against the Euro, after the sharp depreciation of the Japanese yen, which took the exchange rate from around 114 at the start of January to over 133 in May, the currency strengthened against both the US dollar and the Euro, reaching levels around 126, due to the combined effect of higher growth and inflation prospects for the Japanese economy. In the third quarter, however, the exchange rate stabilized between 96 and 100 against the US dollar, resulting in rates of

between 130 and 135 against the Euro. In order to understand the trend in the Japanese yen, the trend in international financial transactions should be monitored, especially purchases and sales of foreign assets by Japanese investors.

Between the end of July and the beginning of September the Chinese renminbi was stable against the US dollar at levels around 6.12 renminbi to the US dollar, while great turmoil affected the other currencies of emerging countries, both in Asia and Latin America, and the so-called commodity-currencies such as the Australian dollar, following the expectation of a tightening of monetary policy by the Federal Reserve. This resulted in some cases in an uneven outflow of capital and a sharp depreciation of the currencies, which in many cases forced the relevant central banks to take action on interest rates to support the exchange rates of their currencies.

Results for the first nine months of 2013

In the first nine months of 2013, thanks also to the results of the third quarter, the Ferragamo Group achieved excellent results compared to the prior-year period; consolidated net revenues rose by 9.9% compared to the prior-year period and by 30.4% compared to the first nine months of 2011. The significantly larger increase in operating margins, a marked rise in sales volumes, unchanged gross profit (over 63%) and a fall in the ratio of operating costs to revenues (from 47.9% to 45.5%) resulted in a large increase in both operating profit (+22.6%), EBITDA (+22.2%) and net profit for the period (+41.3%).

It should be noted that these results have been achieved despite difficult macroeconomic conditions and unfavorable exchange rates.

The following table shows the main income statement data.

	Period ended 30 September				
	2013	% of revenues	2012	% of revenues	% change
Revenues	914,815	100.0%	832,568	100.0%	9.9%
Gross profit	578,363	63.2%	531,038	63.8%	8.9%
Style, product development and logistics costs	(32,092)	(3.5%)	(28,322)	(3.4%)	13.3%
Sales & distribution costs	(260,835)	(28.5%)	(250,757)	(30.1%)	4.0%
Marketing & communication costs	(54,329)	(5.9%)	(53,138)	(6.4%)	2.2%
General and administrative costs	(68,756)	(7.5%)	(65,639)	(7.9%)	4.7%
Other operating costs	(8,708)	(1.0%)	(9,708)	(1.2%)	(10.3%)
Other income and revenues	8,509	0.9%	8,747	1.1%	(2.7%)
Operating profit	162,152	17.7%	132,221	15.9%	22.6%
Net financial income and charges (including investments accounted for using the Equity Method)	5,413	0.6%	(1,749)	(0.2%)	(409.5%)
Profit before taxes	167,565	18.3%	130,472	15.7%	28.4%
Income taxes	(47,986)	(5.2%)	(45,819)	(5.5%)	4.7%
Net profit/(loss) for the period	119,579	13.1%	84,653	10.2%	41.3%
Net profit/(loss) – Group	112,366	12.3%	69,632	8.4%	61.4%
Net profit/(loss) – minority interests	7,213	0.8%	15,021	1.8%	(52.0%)
Amortization, depreciation and write-downs of tangible/intangible assets	29,674	3.2%	24,771	3.0%	19.8%
EBITDA (*)	191,826	21.0%	156,992	18.9%	22.2%

(*) EBITDA is operating profit before amortization and depreciation and write-downs of tangible/intangible assets. EBITDA so defined is a parameter used by the company's management to monitor and assess the company's 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.

In the first nine months of 2013 **revenues** totaled 914,815 thousand Euro compared to 832,568 thousand Euro in the same period last year, recording a 9.9% increase notwithstanding unfavorable exchange rates. As a matter of fact, the three currencies, besides the Euro, in which most Group revenues are generated, the US dollar, the Chinese Renminbi and the Japanese yen, performed as follows in the first nine months of 2013 compared to the prior year period: the US dollar depreciated by 2.8%⁽¹⁾, the Japanese yen by 25.4%⁽²⁾, and the Chinese renminbi by 0.2%⁽³⁾, compared to the Euro, i.e. the currency in which the figures in the consolidated financial statements are expressed.

Revenues, at constant exchange rates (applying to the revenues – not inclusive of the hedging effect – of the first nine months of 2012 the average exchange rate of the first nine months of 2013), showed a total increase of 11.2%, up by 11.5% in Europe, 13.0% in North America, 1.7% in Japan, 12.1% in Asia Pacific, and 15.8% in Central and South America. Asia Pacific contributed the most to Group revenues with 36.9%, followed by Europe (27.0%), North America (22.4%), Japan (9.4%), and Central and South America (4.3%).

With reference to the third quarter of 2013 alone, revenues amounted to 290,162 thousand Euro, up by 8.5% at current exchange rates and 10.4% at constant exchange rates compared to the prior year quarter.

Gross profit for the period ended 30 September 2013 was 578,363 thousand Euro compared to 531,038 thousand Euro in the prior year period, up by 8.9% almost in line with the increase in revenues.

Gross profit for the period ended 30 September 2013 was 63.2% of sales compared to 63.8% in the previous year period and was negatively affected by unfavorable exchange rate trends and the increased importance of the wholesale channel. In the third quarter of 2013 gross profit was 184,475 thousand Euro, up by 7.6% compared to the prior-year period and with a ratio to revenues of 63.6% compared to 64.1% in the third quarter of 2012.

Total operating costs (net of other income) rose by 4.4% for the first nine months of 2013 compared to the first nine months of 2012; their ratio to revenues decreased from 47.9% in the prior year period to 45.5%. In the third quarter of 2013 total net operating costs rose from 127,692 thousand Euro to 133,945 thousand Euro (+4.9%), a much lower increase than that in sales, and their ratio to revenues decreased from 47.7% to 46.2%.

Higher revenues, as well as gross profit steadily above 63% as a percentage of revenues, enabled better absorption of fixed costs and other variable operating costs, thus resulting in a significant increase in **EBITDA**, rising from 156,992 thousand Euro to 191,826 thousand Euro (+22.2%) and accounting for 21.0% of revenues compared to 18.9% in the first nine months of 2012.

In the third quarter of 2013 EBITDA totaled 60,347 thousand Euro compared to 52,242 thousand Euro in the third quarter of 2012 (+15.5%), and its ratio to revenues increased from 19.5% to 20.8%.

Operating profit for the period ended 30 September 2013 was 162,152 thousand Euro compared to 132,221 thousand Euro for the period ended 30 September 2012, up by 22.6% and its ratio to revenues increased from 15.9% to 17.7%. With reference to the third quarter of 2013 alone, operating profit amounted to 50,530 thousand Euro compared to 43,803 thousand Euro in the third quarter of 2012 (+15.4%) and the ratio to revenues rose from 16.4% to 17.4%.

Net financial income and charges totaled 5,413 thousand Euro in income, benefiting from the 12,524 thousand Euro capital gain on the sale of Zefer S.p.A. shares.

(In thousands of Euro)	Period ended 30 September		
	2013	2012	% change
Dividends from other companies	600	-	na
Net interest	(2,430)	(2,803)	(13.3%)
Other net income/(charges)	(1,487)	(2,109)	(29.5%)
Net gains/(losses) on exchange rate differences	(7,114)	3,261	(318.2%)
Net financial income/(charges) for fair value adjustment of derivatives	3,320	(665)	(599.2%)
Gains/(losses) on disposal of investments	12,524	-	na
Total	5,413	(2,316)	(333.7%)

Net gains and losses on exchange rate differences mainly reflect the impact of commercial transactions in foreign currency. The decrease compared to the first nine months of 2012 was attributable to the depreciation of foreign currencies, especially the Japanese yen and the US dollar, during the two reporting periods being compared.

¹ With reference to the average Euro/US\$ exchange rate for the period – first nine months of 2013: 1.317; first nine months of 2012: 1.281

² With reference to the average Euro/Yen exchange rate for the period – first nine months of 2013: 127.38; first nine months of 2012: 101.61

³ With reference to the average Euro/Cny exchange rate for the period – first nine months of 2013: 8.123; first nine months of 2012: 8.106

Net financial income/(charges) for fair value adjustment of derivatives mainly refers to the premium or discount on transactions to hedge the exchange rate risk undertaken by the Parent company.

In the third quarter of 2013 net financial charges totaled 3,873 thousand Euro compared to 1,654 thousand Euro in 2012, mainly due to the net negative impact of exchange rate differences and the net positive impact of the fair value adjustment of derivatives.

Income taxes

(In thousands of Euro)	Period ended 30 September		
	2013	2012	% change
Profit before taxes	167,565	130,472	28.4%
Income taxes	(47,986)	(45,819)	4.7%
Tax rate	28.6%	35.1%	

The estimated effective tax rate for the first nine months of 2013 was 28.6% compared to 35.1% in the prior year period. Net of one-off effects in the current and previous periods, the estimated tax rate would have been 31.0% for the first nine months of 2013 and 30.3% for the prior year period.

In the first nine months of 2013 the Group achieved **net profit** of 119,579 thousand Euro compared to 84,653 thousand Euro in the previous year period, up by 41.3%. The Group share of net profit amounted to 112,366 thousand Euro compared to 69,632 thousand Euro in the prior year period, up by 61.4%. The rise reflected also the increase in the stake held in Asian companies (the stake in companies in Greater China rose from 50% to 75%, and in companies in Korea and South-East Asia from 50% to 80%), as indicated in the Board of Directors' Report on operations included in the 2012 Consolidated Annual Report.

With reference to the third quarter of 2013 alone, net profit was 32,780 thousand Euro compared to 28,744 thousand Euro in the third quarter of 2012 (+14.0%).

Revenues

The following table shows sales by **geographic area**, their ratio to total revenues and the percentage change for the periods ended 30 September 2013 and 30 September 2012:

(In thousands of Euro)	Period ended 30 September					at
	2013	% of revenues	2012	% of revenues	% change	constant exchange rates
Europe	246,714	27.0%	221,322	26.6%	11.5%	11.5%
North America	204,509	22.4%	179,677	21.6%	13.8%	13.0%
Japan	86,655	9.4%	99,974	12.0%	(13.3%)	1.7%
Asia Pacific	337,496	36.9%	297,035	35.6%	13.6%	12.1%
Central and South America	39,441	4.3%	34,560	4.2%	14.1%	15.8%
Total	914,815	100.0%	832,568	100.0%	9.9%	11.2%

The growth in revenues was mainly due to organic growth and the opening of new directly operated stores.

With the sole exception of Japan, all the markets continued to record double-digit increases in revenues both at current and constant exchange rates.

Europe saw an increase in revenues of 11.5% at current exchange rates, bringing the ratio to total revenues from 26.6% to 27.0%, also thanks to the positive trend in sales to tourists.

The North American market saw an increase in revenues of 13.8% at current exchange rates (13.0% at constant exchange rates), thanks also to the marked improvement in the wholesale channel.

In Japan revenues decreased by 13.3% at current exchange rates and increased slightly at constant exchange rates (+1.7%).

The Asia Pacific region recorded once again the highest growth (40,461 thousand Euro, equal to 13.6% at current exchange rates and 12.1% at constant exchange rates) and accounted for 36.9% of total revenues.

The Central and South American market saw a sharp increase in revenues (14.1% at current exchange rates and 15.8% at constant exchange rates) and accounted for 4.3% of total revenues.

Sales by **distribution channel** can be broken down as follows:

(In thousands of Euro)	Period ended 30 September					at constant exchange rates
	2013	% of revenues	2012	% of revenues	% change	% change
Retail	576,126	63.0%	532,536	64.0%	8.2%	10.2%
Wholesale	322,943	35.3%	286,600	34.4%	12.7%	12.8%
Licenses and services	7,745	0.8%	7,229	0.9%	7.1%	7.1%
Rental income investment properties	8,001	0.9%	6,203	0.7%	29.0%	32.6%
Total	914,815	100.0%	832,568	100.0%	9.9%	11.2%

Retail sales refer to revenues generated by sales in directly operated stores.

Wholesale sales are targeted mainly at retailers and, to a lesser extent, at distributors. Wholesale customers consist of:

- franchisees, which ensure the presence on markets which are still not sufficiently large or developed to justify a direct retail presence, for example in some areas of the People's Republic of China;
- stores opened inside airports (travel retail/duty free);
- specific operators in the fragrances sector;
- department stores and luxury specialist retailers, in order to strengthen the presence in countries where the Group has its own network of directly operated stores; the business in the United States is of particular importance.

During the first nine months of 2013 retail sales rose by 8.2% at current exchange rates and 10.2% at constant exchange rates thanks to the increase in sales in primary direct stores channel, in particular in Asia Pacific with an increase of 16.5% at current exchange rates and 14.9% at constant exchange rates.

During the first nine months of 2013 the number of directly operated stores rose by 17 units compared to the situation as at 31 December 2012. Compared to 30 September 2012 there was a net increase in the number of directly operated stores of 23 units. The wholesale channel rose by 12.7% at current exchange rates and 12.8% at constant exchange rates. In particular, the European market grew by 19.2% and the North American market by 16.1% at current exchange rates and by 15.7% at constant exchange rates.

Revenues from licenses and services in the first nine months of 2013 rose by 7.1% compared to the first nine months of 2012; in particular, the revenues for the licensing of the Ferragamo brand to the Marchon group in the eyewear industry and the Timex group in the watch industry are proportional to the revenues earned by the licensee. Therefore, licenses were positively affected by the general increase in demand.

Revenues from rental income investment properties refer solely to property located in the United States and leased/sub-leased to third parties; the item increased by 29.0% at current exchange rates and by 32.6% at constant exchange rates.

Here below is a breakdown of revenues from sales and services which shows the contribution and growth by **product category** for the periods ended 30 September 2013 and 30 September 2012.

(In thousands of Euro)	Period ended 30 September					at constant exchange rates
	2013	% of revenues	2012	% of revenues	% change	% change
Footwear	399,217	43.6%	364,411	43.8%	9.6%	10.0%
Leather goods	300,329	32.8%	258,523	31.1%	16.2%	17.7%
Clothing	72,814	8.0%	75,972	9.1%	(4.2%)	(0.4%)
Accessories	62,669	6.9%	61,854	7.4%	1.3%	4.5%
Fragrances	64,040	7.0%	58,376	7.0%	9.7%	10.4%
Licenses and services	7,745	0.8%	7,229	0.9%	7.1%	7.1%
Rental income investment properties	8,001	0.9%	6,203	0.7%	29.0%	32.6%
Total	914,815	100.0%	832,568	100.0%	9.9%	11.2%

All the product categories, with the sole exception of clothing, saw a percentage growth in revenues both at current exchange rates and at constant exchange rates compared to the previous year period. In particular, note should be taken of the positive trend in footwear which rose by 9.6% at current exchange rates (10.0% at constant exchange rates). Significant increases were also recorded by revenues from leather goods (+ 16.2% at current exchange rates) and fragrances (+9.7% at current exchange rates).

Investment and financial operations

Here below is the statement of financial position as at 30 September 2013 reclassified by sources and uses, compared to the position as at 31 December 2012:

(In thousands of Euro)	30 September 2013	31 December 2012	% change
Property, plant and equipment, investment property, intangible assets with a finite useful life	180,540	167,297	7.9%
Net working capital (1)	220,578	197,307	11.8%
Other non current assets/(liabilities), net	25,804	18,700	38.0%
Other current assets/(liabilities), net	(28,699)	(25,864)	11.0%
Net invested capital (2)	398,223	357,440	11.4%
Group shareholders' equity	330,312	267,290	23.6%
Minority interests	33,256	32,208	3.3%
Shareholders' equity (A)	363,568	299,498	21.4%
Net financial debt (B) (3)	34,655	57,942	(40.2%)
Total sources of financing (A+B)	398,223	357,440	11.4%
Net financial debt/shareholders' equity	(9.5%)	(19.3%)	

(1) Net working capital is calculated as inventories plus trade receivables, net of trade payables, excluding other current assets and liabilities and financial assets and liabilities. It should be noted that it has been determined in accordance with the provisions of CESR's Recommendation 05-178/b of 3 November 2005 "CESR's Recommendation on alternative performance measures". Working capital is not identified as an accounting measurement under IFRS. The determination criterion applied by the Group may differ from that adopted by other groups and, therefore, the balance may not be comparable.

(2) Net invested capital is calculated as working capital, tangible assets, investment property, intangible assets with a finite useful life and goodwill, other current and non current assets, net of other current and non current liabilities. Net invested capital is not identified as an accounting measurement under IFRS. The determination criterion applied by the Group may differ from that adopted by other groups and, therefore, the balance may not be comparable.

(3) 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, non current financial liabilities and the negative fair value of financial instruments and has been determined in accordance with the provisions of CESR's Recommendation on alternative performance measures 05-178/b of 3 November 2005.

Investments in fixed assets

During the period ended 30 September 2013, the Group made investments in tangible and intangible assets for a total amount of 47,321 thousand Euro, of which 41,023 thousand Euro in tangible assets and 6,298 thousand Euro in intangible assets, compared to a total of 36,598 thousand Euro in the first nine months of 2012.

The most important investments were made in the opening and refurbishment of stores (around 70.2% of investments in tangible assets), while investments in intangible assets concerned the so-called "Marlin Project", aimed at standardizing the Group's retail information systems, and key money paid during the first half of 2013 as a consequence of taking over the direct management of stores on the Brazilian market which were previously managed by a franchisee, as indicated in the section "Significant events occurred during the first nine months of 2013" (around 80% of total investments in intangible assets).

During the period ended 30 September 2013, the Group did not make any investments in financial assets. Amortization and depreciation amounted to 28,279 thousand Euro as at 30 September 2013 and 24,771 thousand Euro as at 30 September 2012.

Investments in tangible assets under construction mainly concerned the refurbishment and opening of new stores that had not yet started operations as at the reporting date.

Net working capital

Here below is the breakdown and change in net working capital as at 30 September 2013 compared with the figure as at 31 December 2012 and 30 September 2012.

(In thousands of Euro)	30 September 2013	31 December 2012	30 September 2012	% change 09.13 vs. 12.12	% change 09.13 vs. 09.12
Inventories	285,731	249,804	259,638	14.4%	10.0%
Trade receivables	98,074	105,184	87,404	(6.8%)	12.2%
Trade payables	(163,227)	(157,681)	(132,920)	3.5%	22.8%
Total	220,578	197,307	214,122	11.8%	3.0%

Net working capital increased by 11.8% compared to 31 December 2012 and 3.0% compared to 30 September 2012, mainly due to the increase in inventories. Inventories rose by 14.4% (+10.0% compared

to 30 September 2012) and concerned the stocks of raw materials used for production with an increase of 13,414 thousand Euro and stocks of finished products which rose by 22,513 thousand Euro.

Trade receivables mainly refer to wholesale sales and the increase compared to 30 September 2012 is in line with the improvement in turnover. Trade payables are mainly due to purchases of production materials, products and manufacturing in outsourcing and their increase compared to 30 September 2012 is connected to the rise in production and investment in tangible assets.

Net financial debt

Net financial debt as at 30 September 2013 and 31 December 2012 was as follows:

(In thousands of Euro)	30 September 2013	31 December 2012	Change 2013 vs. 2012
A. Cash	435	488	(53)
B. Other cash equivalents	61,413	110,376	(48,963)
C. Cash and cash equivalents (A)+(B)	61,848	110,864	(49,016)
Derivatives – non-hedge component	1,332	1,925	(593)
Other financial assets	13	17	(4)
D. Current financial receivables	1,345	1,942	(597)
E. Current bank payables	92,809	125,133	(32,324)
F. Derivatives – non-hedge component	1,141	440	701
G. Other current financial payables	3,898	45,175	(41,277)
H. Current financial debt (E)+(F)+(G)	97,848	170,748	(72,900)
I. Current financial debt, net (H)-(C)-(D)	34,655	57,942	(23,287)
J. Non current bank payables	-	-	-
K. Derivatives – non-hedge component	-	-	-
M. Other non current payables	-	-	-
N. Non current financial debt (J)+(K)+(M)	-	-	-
O. Net financial debt (I)+(N)	34,655	57,942	(23,287)

Net financial debt for the period ended 30 September 2013 amounted to 34,655 thousand Euro (9.5% of consolidated shareholders' equity), sharply down compared to 31 December 2012, when it totaled 57,942 thousand Euro, despite the payment of dividends for 55,575 thousand Euro in the first nine months of 2013, the increase in working capital (23,271 thousand Euro) and investments in intangible and tangible assets in the first nine months of 2013 (47,321 thousand Euro), net of divestments following the sale of Zefer S.p.A. shares. The relevant consideration, amounting to 13,855 thousand Euro, was already received in full.

Compared to 30 June 2013 net financial debt fell by 43,174 thousand Euro, falling from 77,829 thousand Euro, accounting for 23.0% of consolidated shareholders' equity, to 34,655 thousand Euro.

Significant events occurred during the first nine months of 2013

Purchase of minority interests

On 3 January 2013 the agreement signed on 28 February 2011 with Imaginex Holding Ltd. and Imaginex Overseas Ltd. was implemented regarding the increase to 75% of the Group's stake in the distribution companies operating on the strategic market of Greater China, with payment of the agreed price of 41,235,000 Euro, as indicated in the Directors' report on operations under "Significant events occurred during the year" included in the 2011 Consolidated Annual Report. The agreement involved 25% of Ferrimag Limited of Hong Kong (a holding company which owns 100% of Ferragamo Retail Hong Kong Ltd., Ferragamo Fashion Trading (Shanghai) Ltd. and Ferragamo Retail Taiwan Ltd), 25% of Ferragamo Moda (Shanghai) Ltd. and 15.2% of Ferragamo Retail Macau Ltd..

On 10 July 2013 the Parent company Salvatore Ferragamo S.p.A. paid US\$ 531,600 (415 thousand Euro) as the supplement – as set out in the purchase contract of 20 December 2012 – relating to the further 30% stake in Ferragamo Korea Ltd, Ferragamo Singapore Pte Ltd, Ferragamo Malaysia Sdn Bhd and Ferragamo Thailand Limited on the basis of the final net depreciated asset value as at 31 December 2012, which had previously been estimated, as already indicated in the Half-year report as at 30 June 2013.

Domestic fiscal unity

Following expiry of the option exercised for the 2010-2012 period, on 22 March 2013 the Parent company Salvatore Ferragamo S.p.A. entered into the new fiscal unity agreement regarding exercise of the option for the Italian fiscal unity (as provided for by articles 117 ff. of the TUIR-Presidential Decree no. 117 of 22 December 1986) with the holding company Ferragamo Finanziaria S.p.A. (the consolidating company) and Ferragamo Parfums S.p.A. This agreement shall be in force for the 2013-2015 period.

Zefer S.p.A.

Under the agreement entered into on 20 March 2013, which was executed on 15 April 2013 (the date of the notary deed for the sale and transfer of the shares), the Parent company Salvatore Ferragamo S.p.A. sold the 250,000 shares it held in Zefer S.p.A. (equal to 50% of the company's share capital) to Zeleco S.p.A. (a company part of the Ermenegildo Zegna Group). Starting from 15 April 2013, Zeleco S.p.A. acquired full ownership and availability of all the shares purchased, with dividend rights as from 1 January 2013. The sale price of the shares was set at 13,855,000.00 Euro and was paid in full on 15 April 2013.

Shareholders' Meeting

On 23 April 2013 the Parent company Salvatore Ferragamo S.p.A. approved the financial statements for the year ended 31 December 2012 and approved the distribution of a dividend of 0.33 Euro per share as indicated in detail in the specific section "Dividends".

Investments

On 2 May 2013 Ferragamo Brasil Roupas e Acessorios Ltda signed a settlement and asset purchase agreement with the previous franchisee Brasil Fashion Comércio de Roupas Ltda which includes, among other things, the assignment of some lease contracts relating to stores previously managed as franchises. The aim is to boost sales thanks to directly operated stores in the Brazilian market. Pursuant to this plan, on 3 May 2013 the company Ferragamo Brasil Roupas e Acessorios Ltda. resolved to increase its share capital by 14,000,000 Reals (5.3 million Euro), from 715,000 Reals to 14,715,000 Reals, subscribed for 99.0% by the Parent company Salvatore Ferragamo S.p.A and for the remaining 1.0% by Ferragamo Latin America Inc.

Tax dispute

On 12 September 2013, after having heard the parties, the Korean authorities issued Salvatore Ferragamo S.p.A. an assessment notice concerning the Securities transaction tax (STT) totaling KRW 282,162,280 (approximately 194 thousand Euro at the exchange rate on 30 September). The STT is due in Korea for sales of shares in Korean companies, but the tax authorities claim that the tax is also due for the transfer of 50% of Ferragamo Korea Ltd. from Ferragamo International BV to Salvatore Ferragamo Italia S.p.A. (now Salvatore Ferragamo S.p.A.) due to the legal effect of the cross-border merger of the former into the latter which took effect on 16 November 2010.

Despite the only similar case currently before the Korean Supreme Court having been won by the taxpayer before the first, second and third instance courts, the tax authorities issued the assessment notice to Salvatore Ferragamo S.p.A. pending the decision of the Supreme Court. The company believes that the STT is not due, but in Korea sums due pursuant to an assessment notice must be paid even if the party plans to appeal. The company, therefore, paid the sums due on 30 September and will file an appeal against the assessment notice in coming weeks within the legal deadlines.

With reference to the tax audit carried out on Ferragamo France S.A.S., relating to the tax years 2008-2010 that was started in 2011, and which was referred to in the Directors' report on operations as at 31 December 2012 and as at 30 June 2013, it should be noted that the audit ended with the notification of an initial adjustment proposal. This does not include challenges to accounting procedures and ordinary taxation, but it challenges the transfer price policy adopted between the Parent company Salvatore Ferragamo S.p.A. and Ferragamo France S.A.S. French law envisages complex proceedings between the tax authorities and the taxpayer, which started with the notification and which could last some years. Since, as already pointed out, the outcomes of these proceedings are not foreseeable at this initial stage, it is not possible to make estimates regarding any tax liabilities arising from the audit.

Co-opting of a Director and other resolutions

On 11 July 2013 the Board of Directors of the Parent company Salvatore Ferragamo S.p.A. co-opted Lidia Fiori as director in place of Raffaella Pedani who resigned on the same date, as set out in detail in the "Corporate Governance" section of the Half-year report as at 30 June 2013.

In addition, at the same meeting the Board of Directors approved the project to enlarge the industrial facility at Osmannoro-Sesto Fiorentino, which includes among other things, the construction of a new building in the area currently occupied by three buildings which will be demolished.

Other information

Dividends

In order to implement the resolution of the Shareholders' Meeting of 23 April 2013, the Parent company Salvatore Ferragamo S.p.A. arranged to pay shareholders a single dividend of 0.33 Euro per share, relating to the profit for 2012, for a total amount of 55,575,300 Euro, with coupon detachment on 20 May 2013 and payment of the dividend as from 23 May 2013.

Moreover, other Group companies, in the first nine months of 2013, paid third-party shareholders dividends amounting to 5,809 thousand Euro.

Financial reporting and Investor relations

Salvatore Ferragamo, in order to maintain constant dialogue with its Shareholders, potential investors and financial analysts and in compliance with the recommendation of CONSOB, has set up the Investor Relator function, which ensures continuous information exchange between the Group and financial markets.

Financial data, corporate presentations, interim reports, official press releases and updates in real time on the share price are available on the Group's website www.ferragamo.com in the Investor Relations section.

Stakes in the Company

As at 30 September 2013 Ferragamo Finanziaria S.p.A. held a majority stake in the share capital of Salvatore Ferragamo S.p.A. equal to 57.748% as per the communication received from Ferragamo Finanziaria S.p.A. pursuant to art. 120 A of the CONSOB Issuers' Regulation.

Main Stock Market indicators – Salvatore Ferragamo S.p.A.

Official price as at 30 September 2013: 25.11913 Euro

Stock Market capitalization as at 30 September 2013: 4,230,312,683.30 Euro

As at 30 September 2013, share capital consisted of 168,410,000 shares, of which 43,007,440 outstanding (free float)



Treasury shares and shares or stakes in parent companies

It should be noted that the Group does not hold directly or indirectly treasury shares or shares in parent companies and that during the period it did not buy or sell treasury shares or shares in parent companies.

Staff

Here below is the Group's staff divided by category as at 30 September 2013 and 31 December 2012.

Staff	30 September 2013	31 December 2012
Top managers, middle managers and store managers	605	570
White collars	2,736	2,545
Blue collars	222	207
TOTAL	3,563	3,322

Significant events occurred after 30 September 2013

No significant events occurred after 30 September 2013.

Outlook

In the first half of 2013 global economic growth was still weak and was held back above all by the Eurozone's problems. During the third quarter global economic indicators improved markedly, led by the confidence indices in the US manufacturing sector and by the first signs of recovery in the Eurozone which seems to be coming out of the recession resulting from the debt crisis, after six quarters of continuous contraction. Leading indicators also point to an improvement as we move towards the end of the year. The good news is that for the first time in many years, and bucking the main trends in emerging countries, the improvement in economic conditions is driven by advanced economies, whose leading role will result in a recovery in their imports, with a positive impact on world trade, favoring those emerging countries which are the most actively involved in international trade, such as China and Korea. Despite the general increase in the aggregate GDP figures worldwide during the year, the pace of economic growth remains low. The monetary policies adopted by the main central banks will still be accommodative, at least throughout 2014. The risk factors in this new scenario are a crisis in emerging countries and a resurgence of the debt crisis in the Eurozone, which is negatively affected by the recent developments in the Italian political situation and the US fiscal impasse.

In the United States growth will continue to be supported by increased consumption driven by the improvement in labor market conditions, the recovery in investment and the growth in the real estate sector.

In the Eurozone the aggregate GDP growth forecast remains negative for 2013 at -0.4%, adversely affected by the negative trend in the first few months of the year and the sharp drop in Italian GDP to -1.7%. A positive growth rate is expected for Germany (+0.6%), where Chancellor Merkel's party won the elections and for France (+0.3%).

Japan experienced strong recovery in the first half of the year and economic data suggest that this positive trend will continue in coming months, thanks to the recovery in private consumption and investment and the return of inflation expectations. However, the situation is very uncertain, above all due to the possible impact of fiscal policy following the rise in the consumption tax.

In China, the recovery in confidence indices, the acceleration of industrial production and the improvement in foreign trade are reducing fears of a hard landing for China's economy, and point to accelerated growth in the second half of the year. Nonetheless, the marked slowdown in the middle of the year will result in an average growth rate of just over 7.0% for 2013 as a whole.

The luxury sector, which has once again proved greater resilience to the economic crisis compared to other sectors, has shown signs of slowing down in recent months.

In addition, the depreciation of some important currencies against the Euro will, in all likelihood, lead to a rise in consumer prices with a possible negative impact on sales volumes.

As for the Ferragamo Group, the results achieved so far and the prospects for the coming months suggest that, provided that no negative events occur which currently cannot be foreseen, it is possible to achieve a further rise in sales volumes and profits for 2013 as a whole.

Basis of presentation

The interim report was approved by the Board of Directors of Salvatore Ferragamo S.p.A. on 14 November 2013 and on the same date the Board authorized its disclosure.

Accounting standards

The equity, income and financial data as at 30 September 2013 have been prepared according to the International Financial Reporting Standards (IFRS), and the related interpretations issued by the International Accounting Standards Board (IASB) and adopted by the European Union, in force at the end of the reporting period.

In preparing the interim report the same accounting standards have been applied as those adopted in drawing up the 2012 Consolidated Annual Report, to which reference should be made, except for the adoption of new or amended standards issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), which have been applied as from 1 January 2013 as already indicated in the Half-year report as at 30 June 2013 and to which reference should be made.

The procedures used for making estimates and assumptions are the same as those used in preparing the annual report.

Discretionary valuations and significant accounting estimates

The preparation of the interim report required the use of estimates and assumptions based on the best possible assessment.

If, in the future, these estimates and assumptions should differ from actual circumstances, they will be changed in the relevant period.

- Impairment/Restatement of Property, plant and equipment, Investment property, Intangible assets with a finite useful life, Investments

The book value of Property, plant and equipment, Investment property, Intangible assets with a finite useful life, and Investments is subject to impairment testing when there are indicators of impairment which require an immediate assessment of impairment losses, or when events have occurred which require the procedure to be repeated. As at 30 September 2013 no indicators of impairment emerged from the analyses carried out.

- Taxes

The tax burden relating to interim periods is determined using the tax rate which would be applicable to the forecast annual total profit, i.e. the estimated annual average of the effective tax rate applied to the pre-tax profit of the interim period.

- Other estimates

With reference to the item "buildings", in the first nine months of 2013 the company revised the useful life of three buildings in the industrial complex located in Osmannoro-Sesto Fiorentino: as at 30 September 2013 they were no longer available to the Company because they will be demolished over the next few months as part of the Parent Company's project to expand and renovate said industrial complex.

Consolidation area

During the first nine months of 2013 the composition of the Group saw the following changes:

- on 3 January 2013 the agreement signed on 28 February 2011 with Imaginex Holding Ltd. and Imaginex Overseas Ltd. was implemented regarding the increase to 75% of the Group's stake in the distribution companies operating on the market of Greater China, as indicated in the Directors' report on operations under "Significant events occurred during the year" included in the 2011 Consolidated Annual Report. The agreement involved 25% of Ferrimag Limited of Hong Kong (a holding company which owns 100% of Ferragamo Retail Hong Kong Ltd., Ferragamo Fashion Trading (Shanghai) Ltd. and Ferragamo Retail Taiwan Ltd), 25% of Ferragamo Moda (Shanghai) Ltd. and 15.2% of Ferragamo Retail Macau Ltd.
- On 15 April 2013 (the date of the notary deed and transfer of shares), the Parent company Salvatore Ferragamo S.p.A. sold the 250,000 shares it held in Zefer S.p.A. (equal to 50% of the company's share capital) to the Zegna Group (which already owned 50% of the company), as detailed in the Directors' report on operations under "Significant events occurred during the first nine months of 2013". Said sale did not have any impact on the Group's structure.

Translation of financial statements in currencies other than the Euro and of items denominated in foreign currency

The exchange rates used to determine the value in Euro of subsidiaries' financial statements expressed in foreign currency were (to 1 Euro) as follows:

	Average rates		Exchange rates at the end of the reporting period		
	30 September	30 September	30 September	31 December	30 September
	2013	2012	2013	2012	2012
US Dollar	1.31711	1.28082	1.3505	1.3194	1.2930
Swiss Franc	1.23162	1.20437	1.2225	1.2072	1.2099
Japanese Yen	127.3796	101.6149	131.7801	113.6100	100.3700
Pound Sterling	0.8521	0.8120	0.8361	0.8161	0.7980
Australian Dollar	1.3480	1.2381	1.4486	1.2712	1.2396
South Korean Won	1,456.73	1,458.79	1,451.84	1,406.23	1,439.33
Hong Kong Dollar	10.2176	9.9381	10.4722	10.2260	10.0258
Mexican Peso	16.7064	16.9437	17.8462	17.1845	16.6086
New Taiwanese Dollar	39.1491	38.0463	40.0221	38.3758	37.8861
Singapore Dollar	1.6489	1.6121	1.6961	1.6111	1.5848
Thai Baht	40.0518	39.9774	42.2640	40.3470	39.8110
Malaysian Ringgit	4.1259	3.9686	4.4103	4.0347	3.9596
Indian Rupee	75.7604	68.0616	84.8440	72.5600	68.3480
Macau Pataca	10.5122	10.2239	10.8092	10.5379	10.3124
Chinese Renminbi	8.1225	8.1058	8.2645	8.2207	8.1261
Chilean Peso	643.306	626.135	683.611	631.999	611.531
Argentine Peso	6.953	5.709	7.845	6.494	6.062
Brazilian Real	2.7934	2.4556	3.0406	2.7036	2.6232
Canadian Dollar	1.3486	1.2839	1.3912	1.3137	1.2684

Transactions with related parties

Sales and purchases between related parties are carried out at normal market prices. The outstanding balances at the end of the period are not backed by guarantees, nor do they generate interest and are settled in cash. There are no guarantees, given or received, relating to receivables and payables with related parties. The Group has not set aside any provision for bad debt in relation to amounts due from related parties.

Significant non-recurring events and transactions

During the first nine months of 2013, the Ferragamo Group did not carry out significant non-recurring transactions.

Transactions arising from atypical and/or unusual transactions

The Group did not undertake atypical and/or unusual transactions, i.e. those transactions which, due to their importance/size, the counterparties involved, the subject of the transaction, the means of determining the transfer price and the timing of the event, may give rise to doubts about the correctness/completeness of the information provided in the interim report, conflicts of interest, the safeguarding of the company's equity and the protection of minority interests.

Florence, 14 November 2013

The Chairman of the Board of Directors
Ferruccio Ferragamo

Financial statements

Consolidated statement of financial position – assets

(In thousands of Euro)	30 September 2013	<i>of which with related parties</i>	31 December 2012	<i>of which with related parties</i>	30 September 2012	<i>of which with related parties</i>
NON CURRENT ASSETS						
Property, plant and equipment	151,839		139,580		130,399	
Investment property	6,663		7,039		7,257	
Intangible assets with a finite useful life	22,038		20,678		18,470	
Investments in associated and jointly controlled companies	-		1,331		1,260	
Available-for-sale financial assets	26		27		20	
Other non current assets	6,032		4,430		4,863	
Other non current financial assets	10,911	485	9,915	172	9,708	107
Deferred tax assets	71,223		67,745		69,396	
TOTAL NON CURRENT ASSETS	268,732	485	250,745	172	241,373	107
CURRENT ASSETS						
Inventories	285,731		249,804		259,638	
Trade receivables	98,074	208	105,184	2,348	87,404	1,698
Tax receivables	9,771		9,157		12,205	
Other current assets	38,843	2,025	34,932	2,040	24,075	80
Other current financial assets	1,345		1,942		771	
Cash and cash equivalents	61,848		110,864		55,469	
TOTAL CURRENT ASSETS	495,612	2,233	511,883	4,388	439,562	1,778
TOTAL ASSETS	764,344	2,718	762,628	4,560	680,935	1,885

Consolidated statement of financial position – liabilities and shareholders' equity

(In thousands of Euro)	30 September 2013	<i>of which with related parties</i>	31 December 2012	<i>of which with related parties</i>	30 September 2012	<i>of which with related parties</i>
SHAREHOLDERS' EQUITY						
GROUP SHAREHOLDERS' EQUITY						
Share capital	16,841		16,841		16,841	
Reserves	201,105		144,897		142,613	
Net profit/(loss) – Group	112,366		105,552		69,632	
TOTAL GROUP SHAREHOLDERS' EQUITY	330,312		267,290		229,086	
MINORITY INTERESTS						
Share capital and reserves – minority interests	26,043		12,481		34,728	
Net profit/(loss) – minority interests	7,213		19,727		15,021	
TOTAL MINORITY INTERESTS	33,256		32,208		49,749	
TOTAL SHAREHOLDERS' EQUITY	363,568		299,498		278,835	
NON CURRENT LIABILITIES						
Provisions for risks and charges	4,481		5,424		6,417	
Employee benefit liabilities	10,337		11,429		11,680	
Other non current liabilities	40,732		41,212		43,131	
Deferred tax liabilities	6,838		6,683		3,210	
TOTAL NON CURRENT LIABILITIES	62,388	-	64,748	-	64,438	-
CURRENT LIABILITIES						
Trade payables	163,227	2,633	157,681	733	132,920	2,649
Interest-bearing loans & borrowings	92,809		125,133		74,713	622
Tax payables	25,686		21,036		26,657	
Other current liabilities	51,627	18,177	48,917	13,575	57,870	19,019
Other current financial liabilities	5,039	-	45,615	41,235	45,502	40,961
TOTAL CURRENT LIABILITIES	338,388	20,810	398,382	55,543	337,662	63,251
TOTAL LIABILITIES	400,776	20,810	463,130	55,543	402,100	63,251
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	764,344	20,810	762,628	55,543	680,935	63,251

Consolidated income statement

(In thousands of Euro)	Period ended 30 September			
	2013	of which with related parties	2012	of which with related parties
Revenues from sales and services	906,814	2,264	826,365	3,388
Rental income investment properties	8,001		6,203	
Revenues	914,815		832,568	
Cost of goods sold	(336,452)		(301,530)	
Gross profit	578,363		531,038	
Style, product development and logistics costs	(32,092)	(415)	(28,322)	(286)
Sales & distribution costs	(260,835)	(9,597)	(250,757)	(9,433)
Marketing & communication costs	(54,329)	(48)	(53,138)	(48)
General and administrative costs	(68,756)	(6,302)	(65,639)	(9,239)
Other operating costs	(8,708)	(10)	(9,708)	(8)
Other income and revenues	8,509	13	8,747	42
Operating profit	162,152		132,221	
Financial charges	(25,067)		(23,487)	(834)
Financial income	30,480		21,171	
Share of net profit/(loss) on investments accounted for using the Equity Method	-		567	
Profit before taxes	167,565		130,472	
Income taxes	(47,986)		(45,819)	
Net profit/(loss) for the period	119,579		84,653	
Net profit/(loss) – Group	112,366		69,632	
Net profit/(loss) – minority interests	7,213		15,021	

(In Euro)	Period ended 30 September	
	2013	2012
Earnings per share – ordinary shares	0.667	0.413
Diluted earnings per share – ordinary shares	0.667	0.413

Consolidated statement of comprehensive income

(In thousands of Euro)	Period ended 30 September	
	2013	2012
Net profit/(loss) for the period (A)	119,579	84,653
<i>Other income (losses) that will be subsequently reclassified to net profit/(loss) for the period</i>		
- Currency translation differences of foreign operations	917	(12,219)
- Net gain / (loss) from cash flow hedge	6,489	12,853
- Income taxes	(1,785)	(3,535)
	4,704	9,318
<i>Total other income (losses) that will be subsequently reclassified to net profit/(loss) for the period, net of taxes (B1)</i>	5,621	(2,901)
<i>Other income (losses) that will not be subsequently reclassified to net profit/(loss) for the period</i>		
- Net gain / (loss) from recognition of defined-benefit plans for employees	323	(669)
- Income taxes	(95)	184
	228	(485)
<i>Total other income (losses) that will not be subsequently reclassified to net profit/(loss) for the period, net of taxes (B2)</i>	228	(485)
Total other income (losses) for the period, net of taxes (B1+B2 = B)	5,849	(3,386)
Total comprehensive income for the period, net of taxes (A+B)	125,428	81,267
Group	118,289	65,113
Minority interests	7,139	16,154

Consolidated statement of cash flows

(In thousands of Euro)	Period ended 30 September			
	2013	of which with related parties	2012	of which with related parties
NET PROFIT / (LOSS) FOR THE PERIOD	119,579		84,653	
Adjustments to reconcile net profit (loss) to net cash provided by (used in) operating activities:				
Amortization, depreciation and write-downs of tangible and intangible assets and investment property	29,674		24,771	
Allocation / (use) of deferred taxes	(5,907)		(2,414)	
Provision for employee severance indemnities	450		3,797	
Allocation to / (use of) the provision for obsolete inventory	6,603		5,247	
Losses and provision for bad debt	410		1,331	
Losses / (gains) on disposal of tangible and intangible assets	253		28	
Share of net loss / (profit) on investments accounted for using the Equity Method	-		133	
Other non-monetary items	(11,453)		(3,168)	825
Changes in operating assets and liabilities:				
Trade receivables	8,488	2,140	4,827	650
Inventories	(42,221)		(34,331)	
Trade payables	6,794	1,900	(21,640)	2,326
Tax receivables	(840)		(1,911)	
Tax payables	1,560		5,507	
Employee benefits payments	(1,044)		(3,485)	
Other assets and liabilities	5,219	4,617	3,898	793
Other – net	(815)		(2,940)	
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	116,750	8,657	64,303	4,594
Cash flow from investing activities:				
Purchase of tangible assets	(41,023)		(32,595)	
Purchase of intangible assets	(6,298)		(4,003)	
Net change in non current assets and liabilities	(2,986)	(313)	(1,674)	
Proceeds from the sale of tangible and intangible assets	57		156	
Proceeds from the sale of investments in associated and jointly controlled companies	13,855		-	
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(36,395)	(313)	(38,116)	-
Cash flow from financing activities:				
Net change in financial receivables	543		431	
Net change in financial payables	(71,098)	(41,235)	14,990	(1)
Dividends paid to shareholders of the Parent company	(55,575)	(41,383)	(47,155)	(35,086)
Dividends paid to minority shareholders	(5,809)		(10,753)	(10,753)
Purchase of minority interests in companies consolidated on a line-by-line basis	(1,087)		-	
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(133,026)	(82,618)	(42,487)	(45,840)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(52,671)		(16,300)	
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	110,808		73,179	
Increase/(decrease) in cash and cash equivalents	(52,671)		(16,300)	
Effect of exchange rate translation differences	3,711		(1,921)	
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	61,848		54,958	
ADDITIONAL INFORMATION				
Interest paid	2,954		2,120	
Income taxes paid	39,120		45,316	
Interest received	235		449	
Dividends received	600		700	

Statement of changes in consolidated shareholders' equity

Period ended 30 September 2013 (In thousands of Euro)	Share capital	Share capital contributions	Legal reserve	Extraordinary reserve	Cash flow hedge reserve	Translation reserve	Retained earnings	Other reserves	Effect IAS 19 Equity	Effect IAS 28 (Common Control) Equity	Net profit/(loss) for the period	Group shareholders' equity	Minority interests	Total shareholders' equity
As at 01.01.2013	16,841	2,995	4,188	65,812	7,189	(36,208)	92,919	16,084	(2,158)	(5,924)	105,552	267,290	32,208	299,498
Allocation of results	-	-	-	51,302	-	-	54,250	-	-	-	(105,552)	-	-	-
Net profit/(loss) for the period	-	-	-	-	-	-	-	-	-	-	112,366	112,366	7,213	119,579
Other comprehensive income (loss)	-	-	-	-	4,704	2,091	(1,099)	-	227	-	-	5,923	(74)	5,849
Total comprehensive income (loss)	-	-	-	-	4,704	2,091	(1,099)	-	227	-	112,366	118,289	7,139	125,428
Distribution of dividends	-	-	-	-	-	-	(55,575)	-	-	-	-	(55,575)	(5,809)	(61,384)
Purchase of minority interests in companies consolidated on a line-by-line basis and accounting of options on minority interests	-	-	-	-	-	(35)	(669)	(3)	-	-	-	(707)	(282)	(989)
Stock Grant Reserve	-	-	-	-	-	-	-	1,015	-	-	-	1,015	-	1,015
Reclassifications	-	-	-	-	-	-	(5,924)	-	-	5,924	-	-	-	-
As at 30.09.2013	16,841	2,995	4,188	117,114	11,893	(34,152)	83,902	17,096	(1,931)	-	112,366	330,312	33,256	363,568
Period ended 30 September 2012 (In thousands of Euro)	Share capital	Share capital contributions	Legal reserve	Extraordinary reserve	Cash flow hedge reserve	Translation reserve	Retained earnings	Other reserves	Effect IAS 19 Equity	Effect IAS 28 (Common Control) Equity	Net profit/(loss) for the period	Group shareholders' equity	Minority interests	Total shareholders' equity
As at 01.01.2012	16,841	2,995	4,188	36,686	(15,152)	(17,654)	95,386	14,422	(1,675)	(5,924)	81,290	211,403	44,716	256,119
Allocation of results	-	-	-	76,331	-	-	4,959	-	-	-	(81,290)	-	-	-
Net profit/(loss) for the period	-	-	-	-	-	-	-	-	-	-	69,632	69,632	15,021	84,653
Other comprehensive income (loss)	-	-	-	-	9,318	(12,122)	(1,230)	-	(485)	-	-	(4,519)	1,133	(3,386)
Total comprehensive income (loss)	-	-	-	-	9,318	(12,122)	(1,230)	-	(485)	-	69,632	65,113	16,154	81,267
Distribution of dividends	-	-	-	(47,155)	-	-	-	-	-	-	-	(47,155)	(12,045)	(59,200)
Purchase of minority interests in companies consolidated on a line-by-line basis and accounting of options on minority interests	-	-	-	-	-	-	(1,064)	-	-	-	-	(1,064)	924	(140)
Stock Grant Reserve	-	-	-	-	-	-	-	789	-	-	-	789	-	789
Specific reserve for share capital increase to serve the Stock Grant Plan	-	-	-	(50)	-	-	-	50	-	-	-	-	-	-
As at 30.09.2012	16,841	2,995	4,188	65,812	(5,834)	(29,776)	98,051	15,261	(2,160)	(5,924)	69,632	229,086	49,749	278,835

**Statement pursuant to paragraph 2, art. 154 bis of Legislative Decree 58/98
(Consolidated Law on Finance)**

The manager responsible for corporate financial reporting states, pursuant to paragraph 2, article 154 bis of the Consolidated Law on Finance, that the accounting information contained in this document is in line with accounting books and records.

Florence, 14 November 2013

Manager responsible for corporate financial reporting
Ernesto Greco