

Salvatore Ferragamo

Salvatore Ferragamo Group

Interim report as at 30 September 2014

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 2014</i>	6
Introduction.....	7
The Group's activities	7
Operating performance.....	8
Significant events occurred during the first nine months of 2014	13
Other information	15
Significant events occurred after 30 September 2014	16
Outlook	16
Basis of presentation.....	17
<i>Financial statements</i>	19
<i>Statement of financial position – assets</i>	19
<i>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 of 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) 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)(7)	Chairman Managing Director Deputy Chairman
Control and Risk Committee (1)	Marzio Saà Umberto Tombari Lidia Fiori (7)	Chairman
Nomination and Remuneration Committee (1)	Umberto Tombari Marzio Saà Lidia Fiori (7)	Chairman
Board of Statutory Auditors (2)	Fulvio Favini Gerolamo Gavazzi Alessandra Daccò Lorenzo Galeotti Flori Deborah Sassorossi	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 29 April 2014 and serving for the 2014-2016 period

(3) Appointed for the 2011- 2019 period

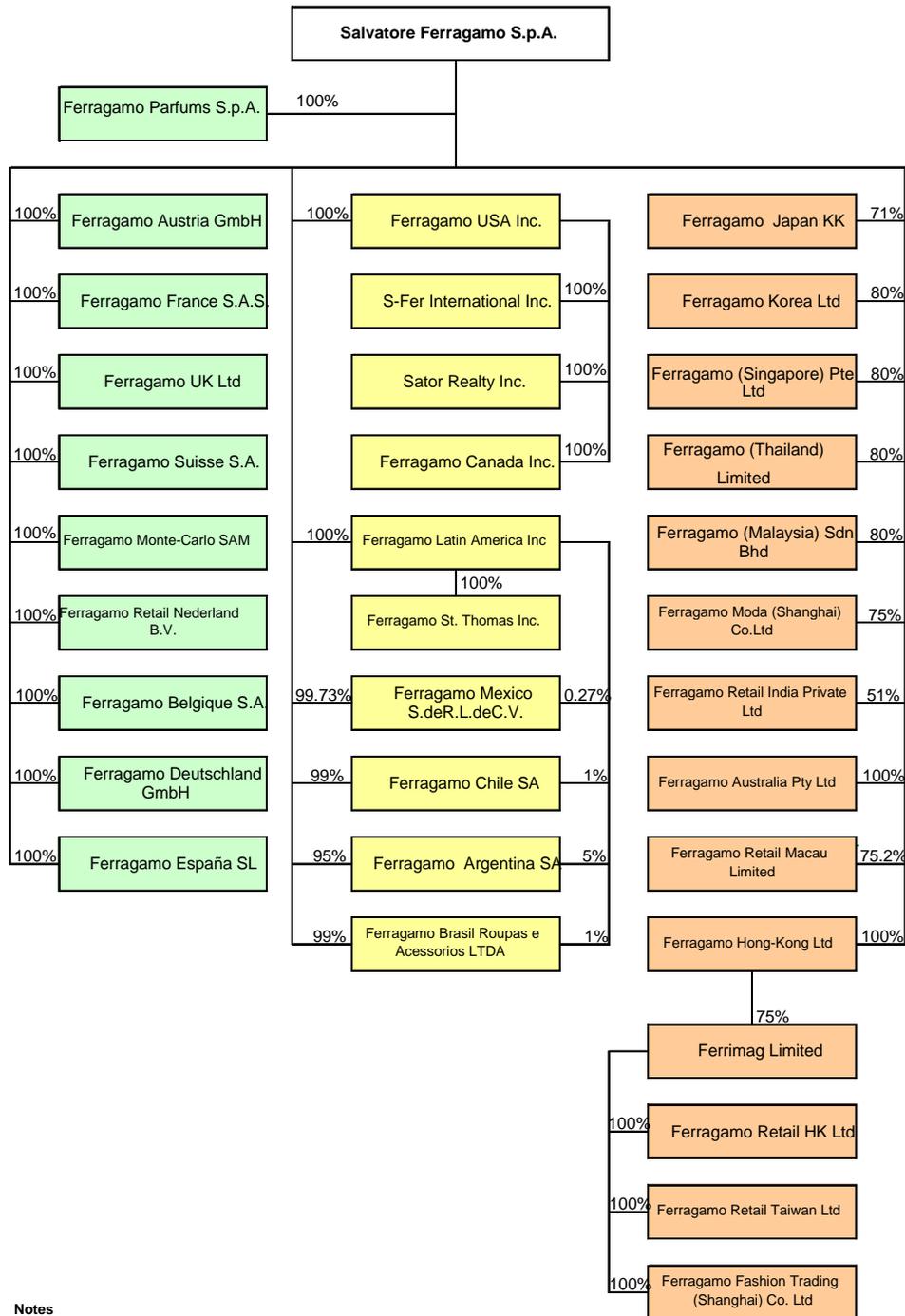
(4) Executive director

(5) Non-executive director

(6) Independent director pursuant to art. 148, paragraph 3 of the Consolidated Law on Finance and the Corporate Governance Code

(7) Appointed by the Board of Directors on 11 July 2013 by means of co-optation, confirmed by the Shareholders' Meeting held on 29 April 2014 and in office until the Shareholders' Meeting approving the Separate Annual Report as at 31 December 2014

Group structure



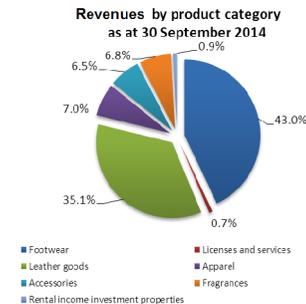
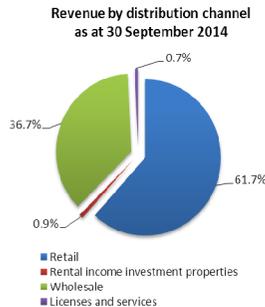
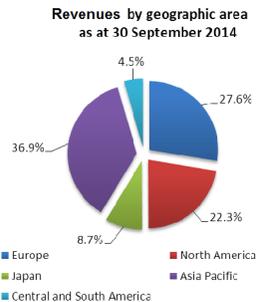
- Notes**
- European companies
 - North/Centre/South America companies
 - Far East companies

Interim Directors' report on operations

Income and financial highlights for the first nine months of 2014

(In millions of Euro)	Period ended 30 September			% change	
	2014	2013	2012	2014 vs. 2013	2013 vs. 2012
Revenues	956.6	914.8	832.6	4.6%	9.9%
Gross profit	603.4	578.4	531.0	4.3%	8.9%
EBITDA (*)	203.2	191.8	157.0	5.9%	22.2%
EBITDA (*)%	21.2%	21.0%	18.9%		
Operating profit	168.8	162.2	132.2	4.1%	22.6%
Operating profit %	17.6%	17.7%	15.9%		
Net profit/(loss) for the period	113.8	119.6	84.6	(4.8%)	41.3%
Net profit/(loss) – Group	109.5	112.4	69.6	(2.5%)	61.4%
Net profit/(loss) – minority interests	4.3	7.2	15.0	(40.4%)	(52.0%)

(*) 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.



(In millions of Euro)	30 September 2014	31 December 2013	30 September 2013
Investments in tangible/intangible assets	50.8	82.3	47.3
Net working capital	292.4	209.4	220.6
Shareholders' equity	457.4	399.8	363.6
Net financial debt	58.2	32.6	34.7
Cash flow generated from operations	102.9	150.0	116.8

	30 September 2014	31 December 2013	30 September 2013
Staff as at the reporting date	3,809	3,764	3,563
Number of DOS	362	360	355
Number of TPOS	275	264	257

Geographical distribution of monobrand stores (30 September 2014)



637 Ferragamo monobrand stores

Disclaimer

This document contains forward-looking statements, in particular in the sections headed “Outlook” and “Significant events occurred after 30 September 2014” 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 2014 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, apparel, silk goods, other accessories, jewels and fragrances. 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 significant and well-established 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 significant divergence in the economic performance of the United States and the Eurozone is fueling expectations that the gap in interest rate cycles will increasingly grow, affecting exchange rates. Since July until September, the Euro fell by nearly 9% against the US dollar, from 1.36 to 1.25, after hitting an annual high at just below 1.40 in May. The single currency's slide – driven by the Eurozone's deteriorating macroeconomic scenario, with growth and inflation falling short of estimates, which could prod the European Central Bank into announcing a government bond purchase program – combined with the ongoing overall strengthening of the US dollar to cause a sudden exchange rate movement. Should the Federal Reserve start raising interest rates within the first half of next year, and the ECB keep them at zero, the Euro/Usd exchange rate will drop further to as low as 1.20 over the next six months according to some financial analysts.

Also Japan will markedly expand its monetary base, after confirming the ongoing stimulus program. Meanwhile, expectations of a monetary tightening in the United States caused the Yen to depreciate sharply – especially against the US dollar, from a low of 101 in February to a high of 110 in September. Such movement was partly reflected also in the Euro/Yen exchange rate. After reaching a high of over 143

in May, the single currency plateaued at 138 against the Yen during the summer. The exchange rate depreciated further to 141 in the second half of September, and then shifted back to 137 towards the end of the quarter as a result of the Euro's weakness.

While emerging countries' currencies offering high interest rates had been gaining momentum in the second quarter of the year relative to both the US dollar and the Euro, since September the overall strengthening of the US dollar has been playing a predominant role. The Chinese renminbi was an exception: after marking a record low against the US dollar in April, topping 6.26, it has been gradually appreciating again, reaching 6.15 in late September.

Operating performance

The first nine months of 2014 confirmed the growth trend in revenues registered in the first half of the year and which the Ferragamo Group has been reporting for years now. However, it should be noted that in the third quarter, which saw several adverse factors, revenues rose at a slower pace, causing EBITDA to remain substantially in line with the prior-year period.

In the first nine months of 2014, the Ferragamo Group's consolidated net revenues increased 4.6% from the same quarter last year, continuing their long-run expansion. Also operating margins increased significantly: as a matter of fact the rise in sales volumes, stable gross profit (from 63.2% to 63.1% of revenues) and a stable ratio of operating costs (net of other income) to revenues (down from 45.5% to 45.4%) resulted in an increase in both EBITDA (+5.9%) and operating profit (+4.1%).

The following table shows the main income statement data.

	Period ended 30 September				
	2014	% of revenues	2013	% of revenues	% change
Revenues	956,587	100.0%	914,815	100.0%	4.6%
Gross profit	603,437	63.1%	578,363	63.2%	4.3%
Style, product development and logistics costs	(31,858)	(3.3%)	(32,092)	(3.5%)	(0.7%)
Sales & distribution costs	(277,452)	(29.0%)	(260,835)	(28.5%)	6.4%
Marketing & communication costs	(49,192)	(5.1%)	(54,329)	(5.9%)	(9.5%)
General and administrative costs	(70,955)	(7.4%)	(68,756)	(7.5%)	3.2%
Other operating costs	(11,787)	(1.2%)	(8,708)	(1.0%)	35.4%
Other income and revenues	6,599	0.7%	8,509	0.9%	(22.4%)
Operating profit	168,792	17.6%	162,152	17.7%	4.1%
Net financial income and charges	(4,169)	(0.4%)	5,413	0.6%	(177.0%)
Profit before taxes	164,623	17.2%	167,565	18.3%	(1.8%)
Income taxes	(50,803)	(5.3%)	(47,986)	(5.2%)	5.9%
Net profit/(loss) for the period	113,820	11.9%	119,579	13.1%	(4.8%)
Net profit/(loss) – Group	109,522	11.4%	112,366	12.3%	(2.5%)
Net profit/(loss) – minority interests	4,298	0.4%	7,213	0.8%	(40.4%)
Amortization, depreciation and write-downs of tangible/intangible assets	34,376	3.6%	29,674	3.2%	15.8%
EBITDA (*)	203,168	21.2%	191,826	21.0%	5.9%

(*) 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.

In the first nine months of 2014 **revenues** totaled 956,587 thousand Euro compared to 914,815 thousand Euro in the same period last year, recording a 4.6% increase notwithstanding unfavorable exchange rates. As a matter of fact, the three currencies other than the Euro in which most Group revenues are generated, i.e. the US dollar, the Chinese renminbi and the Japanese yen, performed as follows in the first nine months of 2014 compared to the same period last year: the US dollar depreciated by 2.9% ⁽¹⁾, the Japanese

¹ With reference to the average Euro/US\$ exchange rate for the first nine months: 2014: 1.355; 2013: 1.317

yen by 9.5% ⁽²⁾ and the Chinese renminbi by 2.9% ⁽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 of the first nine months of 2013 the average exchange rate of the first nine months of 2014), showed a total increase of 6.0%, up by 6.9% in Europe, 6.7% in North America, 3.0% in Japan, 5.0% in Asia Pacific, and 11.9% in Central and South America. Asia Pacific contributed the most to Group revenues with 36.9%, followed by Europe (27.6%), North America (22.3%), Japan (8.7%), and Central and South America (4.5%).

With reference to the third quarter of 2014 alone, revenues amounted to 297,568 thousand Euro, up by 2.6% at current exchange rates and constant exchange rates compared to the prior year quarter.

Gross profit for the period ended 30 September 2014 was 603,437 thousand Euro compared to 578,363 thousand Euro in the prior year period. The 4.3% rise was broadly in line with the increase in revenues (the ratio to revenues was 63.1% compared to 63.2%) despite the negative impact of exchange rates and the increased importance of the wholesale channel. In the third quarter of 2014 alone, gross profit was 189,696 thousand Euro, up by 2.8% compared to the prior-year period and with a ratio to revenues of 63.7% compared to 63.6% in the third quarter of 2013.

Total operating costs (net of other income) rose by 4.4% for the first nine months of 2014 compared to the first nine months of 2013; therefore, their ratio to revenues was stable (from 45.5% in the prior year period to 45.4%). In the third quarter of 2014 alone, total net operating costs rose from 133,945 thousand Euro to 141,472 thousand Euro, up by 5.6% compared to the third quarter of 2013, and their ratio to revenues increased from 46.2% to 47.5%.

Higher revenues and gross profit steadily above 63% resulted in a significant increase in **EBITDA** from 191,826 thousand Euro to 203,168 thousand Euro (+5.9%) and its ratio to revenues increased from 21.0% in the first nine months of 2013 to 21.2%.

In the third quarter of 2014 alone, EBITDA totaled 60,133 thousand Euro compared to 60,347 thousand Euro in the third quarter of 2013: it was broadly unchanged (-0.4%) and its ratio to revenues was 20.2% compared to 20.8%.

Operating profit for the period ended 30 September 2014 totaled 168,792 thousand Euro compared to 162,152 thousand Euro in the prior year period (+4.1%), accounting for 17.6% of revenues compared to 17.7% the same period last year. In the third quarter of 2014 alone, operating profit totaled 48,224 thousand Euro compared to 50,530 thousand Euro in the third quarter of 2013 (-4.6%), accounting for 16.2% of revenues compared to 17.4%.

Total net financial income and charges went from net income of 5,413 thousand Euro (including the 12,524 thousand Euro capital gain on the sale of Zefer S.p.A. shares in 2013) to net charges of 4,169 thousand Euro as at 30 September 2014.

(In thousands of Euro)	Period ended 30 September		
	2014	2013	% change
Dividends from other companies	-	600	na
Net interest	(3,034)	(2,430)	24.9%
Other net income/(charges)	(1,367)	(1,487)	(8.1%)
Net gains/(losses) on exchange rate differences	5,916	(7,114)	(183.2%)
Net financial income/(charges) for fair value adjustment of derivatives	(5,684)	3,320	(271.2%)
Gains/(losses) on disposal of investments	-	12,524	na
Total	(4,169)	5,413	(177.0%)

Net gains and losses on exchange rate differences mainly reflect the impact of commercial transactions in foreign currency. As at 30 September 2013 net losses on exchange rate differences were recorded totaling 7,114 thousand Euro while as at 30 September 2014 net gains were recorded amounting to 5,916 thousand Euro, mainly due to the appreciation of foreign currencies, especially the US dollar, during the two reporting periods being compared.

The item “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 and the changes in the fair value of non-hedge derivatives.

With reference to the third quarter of 2014 alone, financial income and charges totaled 1,720 thousand Euro in net charges, thus improving compared to net charges of 3,873 thousand Euro in the third quarter of 2013, mainly due to the positive impact of exchange rate differences.

² With reference to the average Euro/Yen exchange rate for the first nine months: 2014: 139.49; 2013: 127.38

³ With reference to the average Euro/Cny exchange rate for the first nine months: 2014: 8.354; 2013: 8.123

Income taxes

(In thousands of Euro)	Period ended 30 September		
	2014	2013	% change
Profit before taxes	164,623	167,565	(1.8%)
Income taxes	(50,803)	(47,986)	5.9%
Tax rate	30.9%	28.6%	

The tax rate for the first nine months of 2014 (the best estimate of the annual tax rate expected for the whole year) was 30.9% compared to 28.6% in the prior year period. Net of one-off effects in the previous period, the estimated tax rate for the first nine months of 2013 would have been 31.0%, in line with that of the current period.

In the first nine months of 2014 the Group recorded **net profit** of 113,820 thousand Euro compared to 119,579 thousand Euro the same period last year, down by 4.8% due to the capital gain on the sale of Zefer S.p.A. shares; net of this, net profit would have increased by 6,649 thousand Euro (6.2%). The Group's share of net profit amounted to 109,522 thousand Euro compared to 112,366 thousand Euro the same period last year, down by 2.5%; without taking into account the capital gain on Zefer S.p.A. it would have increased by 9,564 thousand Euro (9.6%).

In the third quarter of 2014 alone, net profit totaled 31,803 thousand Euro compared to 32,780 thousand Euro the same period last year, recording a slight decrease (-3.0%), while Group net profit was in line with the previous year (31,444 thousand Euro compared to 31,482 thousand Euro in the third quarter of 2013).

Revenues

The following table shows the sales by **geographic area** for the periods ended 30 September 2014 and 30 September 2013:

(In thousands of Euro)	Period ended 30 September					at
	2014	% of revenues	2013	% of revenues	% change	constant exchange rates
						% change
Europe	264,036	27.6%	246,714	27.0%	7.0%	6.9%
North America	213,490	22.3%	204,509	22.4%	4.4%	6.7%
Japan	83,546	8.7%	86,655	9.4%	(3.6%)	3.0%
Asia Pacific	352,980	36.9%	337,496	36.9%	4.6%	5.0%
Central and South America	42,535	4.5%	39,441	4.3%	7.8%	11.9%
Total	956,587	100.0%	914,815	100.0%	4.6%	6.0%

With the sole exception of Japan, all markets recorded increases in revenues both at current and constant exchange rates.

Europe saw an increase in revenues of 7.0% at current exchange rates, bringing the ratio to total revenues from 27.0% to 27.6%, in particular thanks to the positive trend in sales to tourists.

The North American market saw an increase in revenues of 4.4% at current exchange rates (6.7% at constant exchange rates), thanks also to the positive performance of the wholesale channel.

In Japan revenues decreased by 3.6% at current exchange rates and increased by 3.0% at constant exchange rates.

In Asia Pacific revenues increased by 4.6% (+5.0% at constant exchange rates); therefore, Asia Pacific continues to be the geographic area contributing the most to Group revenues (36.9% – unchanged from the same period last year).

The Central and South American market saw a significant increase in revenues (7.8% at current exchange rates and 11.9% at constant exchange rates) and accounted for 4.5% of total revenues.

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

(In thousands of Euro)	Period ended 30 September					at
	2014	% of Revenues	2013	% of Revenues	% change	constant exchange rates % change
Retail	590,381	61.7%	576,126	63.0%	2.5%	4.1%
Wholesale	351,071	36.7%	322,943	35.3%	8.7%	9.8%
Licenses and services	7,073	0.7%	7,745	0.8%	(8.7%)	(8.7%)
Rental income investment properties	8,062	0.9%	8,001	0.9%	0.8%	3.6%
Total	956,587	100.0%	914,815	100.0%	4.6%	6.0%

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.

In the first nine months of 2014 retail sales increased by 2.5% at current exchange rates and by 4.1% at constant exchange rates; worthy of note is the improvement in Asia Pacific, up by 7.0% at current exchange rates and by 7.2% at constant exchange rates.

During the first nine months of 2014 the number of directly operated stores increased by 2 units compared to the situation as at 31 December 2013. Compared to 30 September 2013 there was a net increase in the number of directly operated stores of 7 units.

Also thanks to the good performance of the travel retail channel, the wholesale channel rose by 8.7% at current exchange rates and 9.8% at constant exchange rates; in particular, the European market increased by 17.1% and the North American market increased by 8.1% at current exchange rates and by 10.1% at constant exchange rates.

In the first nine months of 2014 revenues from licenses and services decreased by 8.7% compared to the same period last year due solely to the expiry, at the end of 2013, of the agreement concerning technical consulting services provided to Zefer S.p.A.. As a matter of fact, revenues from royalties concerning the licensing of the Ferragamo brand in the eyewear and watch industry totaled 3,915 thousand Euro as at 30 September 2014 (+18.2% in the first nine months of 2014 compared to the same period last year).

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 0.8% at current exchange rates and by 3.6% 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 2014 and 30 September 2013.

(In thousands of Euro)	Period ended 30 September					at
	2014	% of Revenues	2013	% of Revenues	% change	constant exchange rates % change
Footwear	411,286	43.0%	399,217	43.6%	3.0%	4.6%
Leather goods	335,835	35.1%	300,329	32.8%	11.8%	13.3%
Apparel	66,943	7.0%	72,814	8.0%	(8.1%)	(6.1%)
Accessories	62,675	6.5%	62,669	6.9%	0.0%	1.5%
Fragrances	64,713	6.8%	64,040	7.0%	1.1%	1.1%
Licenses and services	7,073	0.7%	7,745	0.8%	(8.7%)	(8.7%)
Rental income investment properties	8,062	0.9%	8,001	0.9%	0.8%	3.6%
Total	956,587	100.0%	914,815	100.0%	4.6%	6.0%

All the product categories, with the sole exception of apparel, 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 leather goods which recorded a significant increase of 11.8% at current exchange rates (13.3% at constant exchange rates) and the increase in revenues from footwear (3.0% at current exchange rates and 4.6% at constant exchange rates).

Investment and financial operations

Here below is the statement of financial position as at 30 September 2014 reclassified by sources and uses, compared to the position as at 31 December 2013:

(In thousands of Euro)	30 September 2014	31 December 2013	% change
Property, plant and equipment, investment property, intangible assets with a finite useful life	227,015	200,943	13.0%
Net working capital (1)	292,387	209,361	39.7%
Other non current assets/(liabilities), net	50,036	35,093	42.6%
Other current assets/(liabilities), net	(53,856)	(13,029)	313.4%
Net invested capital (2)	515,582	432,368	19.2%
Group shareholders' equity	418,776	365,465	14.6%
Minority interests	38,651	34,305	12.7%
Shareholders' equity (A)	457,427	399,770	14.4%
Net financial debt (B) (3)	58,155	32,598	78.4%
Total sources of financing (A+B)	515,582	432,368	19.2%
Net financial debt/shareholders' equity	12.7%	8.2%	

(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, current and 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 2014, the Group made investments in tangible and intangible assets for a total amount of 50,843 thousand Euro, of which 45,828 thousand Euro in tangible assets and 5,015 thousand Euro in intangible assets, compared to a total of 47,321 thousand Euro in the first nine months of 2013.

The most important investments were made in the opening and refurbishment of stores (around 71.1% of total tangible assets), while investments in intangible assets continued to concern the so-called "Marlin Project", aimed at integrating information systems, and the development of the e-commerce platform.

Amortization and depreciation amounted to 34,376 thousand Euro as at 30 September 2014 compared to 28,279 thousand Euro as at 30 September 2013, up by 21.6% thanks to the significant investments made in recent years.

Investments in tangible assets under construction mainly concerned the refurbishment and opening of new stores which were not yet operational at the end of the reporting period and the construction of a new building at the Osannoro-Sesto Fiorentino facility as part of the broader project implemented by the Parent company to expand and renovate the whole industrial complex.

During the period ended 30 September 2014, the Group did not make any investments in financial assets.

Net working capital

Here below is the breakdown and change in net working capital as at 30 September 2014 compared with the figure as at 31 December 2013 and 30 September 2013.

(In thousands of Euro)	30 September 2014	31 December 2013	30 September 2013	% change 09.14 vs. 12.13	% change 09.14 vs. 09.13
Inventories	347,689	290,705	285,731	19.6%	21.7%
Trade receivables	114,010	121,408	98,074	(6.1%)	16.2%
Trade payables	(169,312)	(202,752)	(163,227)	(16.5%)	3.7%
Total	292,387	209,361	220,578	39.7%	32.6%

The increase in net working capital as at 30 September 2014 compared to 30 September 2013 (+32.6%) is mainly due to the increase in inventories, in particular of finished products, which increased by 61,336 thousand Euro (of which 14,272 thousand Euro attributable to exchange rate changes, accounting for 23.3% of the total increase). Trade receivables mainly refer to wholesale sales; they decreased by 7,398 thousand Euro compared to 31 December 2013, mainly due to the seasonality in related sales while they increased by 15,936 thousand Euro compared to 30 September 2013, mainly due to the increase in wholesale sales and, to a lesser extent, to the increase in the number of days for collection.

Trade payables are mainly due to purchases of production materials, products and manufacturing in outsourcing.

Net financial debt

Net financial debt as at 30 September 2014, 31 December 2013 and 30 September 2013 was as follows:

(In thousands of Euro)	30 September 2014	31 December 2013	30 September 2013	Change 09.14 vs. 12.13	Change 09.14 vs. 09.13
A. Cash	602	848	435	(246)	167
B. Other cash equivalents	67,281	69,460	61,413	(2,179)	5,868
C. Cash and cash equivalents (A)+(B)	67,883	70,308	61,848	(2,425)	6,035
Derivatives – non-hedge component	2,082	1,928	1,332	154	750
Other financial assets	-	-	13	-	(13)
D. Current financial receivables	2,082	1,928	1,345	154	737
E. Current bank payables	116,349	100,052	92,809	16,297	23,540
F. Derivatives – non-hedge component	69	867	1,141	(798)	(1,072)
G. Other current financial payables	4,252	3,915	3,898	337	354
H. Current financial debt (E)+(F)+(G)	120,670	104,834	97,848	15,836	22,822
I. Current financial debt, net (H)-(C)-(D)	50,705	32,598	34,655	18,107	16,050
J. Non current bank payables	7,450	-	-	7,450	7,450
K. Derivatives – non-hedge component	-	-	-	-	-
M. Other non current payables	-	-	-	-	-
N. Non current financial debt (J)+(K)+(M)	7,450	-	-	7,450	7,450
O. Net financial debt (I)+(N)	58,155	32,598	34,655	25,557	23,500

Net financial debt for the period ended 30 September 2014 amounted to 58,155 thousand Euro (12.7% of consolidated shareholders' equity), up by 25,557 thousand Euro compared to 31 December 2013, mainly due to the distribution of dividends declared by the Parent company (67,364 thousand Euro), the increase in net working capital (83,026 thousand Euro) and investments in tangible/intangible assets in the first nine months of 2014 (50,843 thousand Euro).

Compared to 30 September 2013 net financial debt increased by 23,500 thousand Euro, from 34,655 thousand Euro, accounting for 9.5% of consolidated shareholders' equity, to 58,155 thousand Euro.

Significant events occurred during the first nine months of 2014

Investments

On 19 February 2014 the company Ferragamo Brasil Roupas e Acessorios Ltda resolved a share capital increase for a total amount of 14,500,000 Reals (equal to 4.4 million Euro), increasing the share capital of the Brazilian subsidiary to 39,215,000 Reals. The share capital increase was 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 and customs disputes and audits

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 of the 2013 Consolidated Annual Report and in the Half-year report as at 30 June 2014, it is recalled 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. On 30 April Ferragamo France held a meeting with the French tax authorities in order to reach a settlement of the dispute. On 11 April 2014 the Board of Directors of Ferragamo France S.A.S. resolved to reach a settlement which should in any case exclude any reason to object and should have a limited economic impact on the Company. Since the French tax authorities have not yet proposed a settlement to Ferragamo France, it is not possible to make estimates regarding any tax liabilities arising from the audit.

On 6 March 2014, the Provincial Unit of the Florence Inland Revenue Office started to carry out a tax audit at the operating headquarters of Ferragamo Parfums S.p.A. relating to the 2011 tax year for the purposes of IRES and IRAP taxes and VAT. The tax audit primarily concerned the main cost items and relationships with Group companies and foreign entities. The audit procedure was completed on 2 October 2014, without any findings.

As already pointed out in the Directors' report on operations of the 2013 Consolidated Annual Report and in the Half-year report as at 30 June 2014, to which reference should be made for further details, the dispute with the Korean authorities is still pending: it concerns an assessment notice relating to the Securities transaction tax (STT) for a total amount of KRW 282,162,280 (equal to around 212 thousand Euro at the exchange rate as at 30 September 2014). The sums have already been paid: should the dispute be lost, the liability would be definitively recognized; on the contrary, should it be won, Salvatore Ferragamo S.p.A. would be entitled to refund.

From 12 to 30 May 2014 the Seoul Customs Office carried out an audit at Ferragamo Korea Ltd. on transfer pricing concerning transfers of goods and the provision of services by Ferragamo Hong Kong Ltd. to the Korean company from 2009 to 2013. The audit ended with a request for further information and documents and further requests followed in this regard. Ferragamo Korea Ltd. is awaiting the conclusion of the ongoing audit, before completion of which it is not possible to estimate whether and, if it is the case, to what extent import taxes and duties and/or customs penalties will be challenged.

On 19 November 2013 the Chinese subsidiary Ferragamo Fashion Trading (Shanghai) Ltd. received an information request from the Chinese customs offices on transfer pricing concerning transfers of goods and the provision of services by the Group subsidiary Ferragamo Hong Kong Ltd. to the Chinese company in 2013. In March 2014 customs offices requested further information and documents (extending the scope of the audit to 2011 and 2012), and further requests followed in this regard. Ferragamo Fashion Trading (Shanghai) Ltd. is awaiting the conclusion of the ongoing audit, before completion of which it is not possible to estimate whether and, if it is the case, to what extent import taxes and duties and/or customs penalties will be challenged.

International standard ruling on transfer pricing

On 11 August 2014, Salvatore Ferragamo S.p.A. requested an international standard ruling from the Italian Inland Revenue Office – Central Assessment Department – International Ruling Office, pursuant to Art. 8 of Italian Law Decree no. 269 dated 30 September 2003 (converted into law no. 326/2003) as implemented by the Decision of the Head of the Inland Revenue Office dated 23 July 2004. The request concerned the setting of transfer prices for the products sold by Salvatore Ferragamo S.p.A. to its foreign subsidiaries. The goal is reaching an agreement that would last five years between tax authorities and the taxpayer on how to set prices for such transactions. On 5 September 2014, the International Ruling Office accepted the request, formally starting the international standard ruling procedure.

Shareholders' Meeting

On 29 April 2014 the Parent company Salvatore Ferragamo S.p.A. approved the financial statements for the year ended 31 December 2013 and approved the distribution of a dividend of 0.40 Euro per share as indicated in detail in the specific section "Dividends".

In addition, on the same date the Shareholders' Meeting appointed the Board of Statutory Auditors which shall be in office for the next three years until the Shareholders' Meeting approving the financial statements for the year ending 31 December 2016 and confirmed Lidia Fiori as Director. The term of office of Lidia Fiori and of the other Directors shall expire upon approval of the financial statements for the year ending 31 December 2014 by the Shareholders' Meeting.

Other information

Dividends

In order to implement the resolution of the Shareholders' Meeting of 29 April 2014, the Parent company Salvatore Ferragamo S.p.A. paid shareholders a single dividend of 0.40 Euro per share, relating to the profit for 2013, for a total amount of 67,364,000 Euro, with coupon detachment on 19 May 2014 and payment of the dividend as from 22 May 2014.

Moreover, other Group companies, during the first nine months of 2014, paid third-party shareholders dividends amounting to 1,787 thousand Euro.

Financial reporting and Investor relations

Salvatore Ferragamo S.p.A., 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 Relations 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 Salvatore Ferragamo S.p.A.

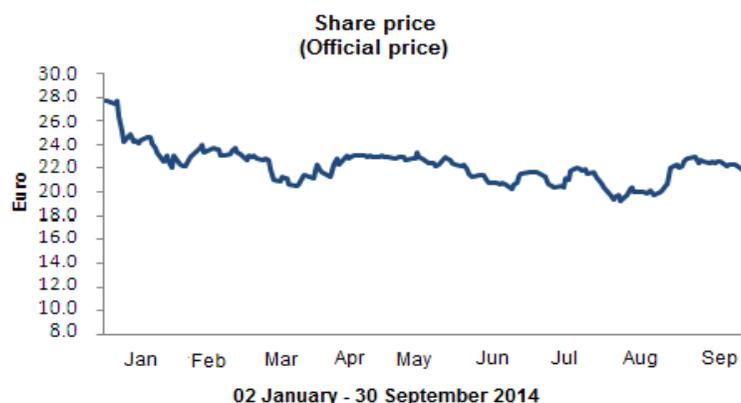
As at 30 September 2014 Ferragamo Finanziaria S.p.A. held a majority stake in the share capital of Salvatore Ferragamo S.p.A. equal to 57.748% as per the communication received from Ferragamo Finanziaria S.p.A. pursuant to art. 120 A of the CONSOB Issuers' Regulation.

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

Official price as at 30 September 2014: 21.63057 Euro

Stock Market capitalization as at 30 September 2014: 3,642,804,293.70 Euro

As at 30 September 2014, 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 2014, 31 December 2013 and 30 September 2013.

Staff	30 September 2014	31 December 2013	30 September 2013
Top managers, middle managers and store managers	643	617	605
White collars	2,918	2,925	2,736
Blue collars	248	222	222
Total	3,809	3,764	3,563

Significant events occurred after 30 September 2014

No significant events occurred after 30 September 2014.

Outlook

The overall macroeconomic scenario is characterized by significant uncertainty and low expectations, against a backdrop in which investments have not recovered despite loose monetary policies; this is not consistent with interest rates stuck at zero and central banks massively expanding the monetary base. In July, the International Monetary Fund lowered its growth forecast by 0.3% to 3.4%. The world economy was weighed down by the adverse weather in the United States during the first quarter; a sorely disappointing second quarter in the Eurozone, due to the conflict between Russia and Ukraine, the fiscal tightening and the still limited availability of credit; and, last but not least, the lower than expected contribution to global GDP growth from emerging countries, especially Russia, Brazil, South Africa and Mexico. On the other hand, China, with the growth rate stabilizing at 7-7.5%, and India, growing by 5 to 6.5%, had a relatively strong performance. The expected end of the Federal Reserve's accommodating monetary policy and the exceptional stimulus measures announced between June and September by the European Central Bank, aimed at enhancing the flow of credit to the real economy and stave off the risk of deflation, significantly affected interest rates, exchange rates, capital flows, and aggregate demand in several emerging countries. In the United States, the slump registered in the first quarter was confirmed as temporary: all spending sectors rebounded strongly in the second quarter, and the growth rate should stabilize at around 3% also for the next year. The labor market continues to improve, but the moderate wage growth is contributing to an inflation rate stuck at below 2%. In October, the Federal Reserve will bring its Quantitative Easing to an end, and may raise official interest rates by as soon as mid-2015. The Eurozone will miss growth expectations for the second half of the year, showing substantial divergence among the block's countries: growth will resume in Germany, whereas it will be stifled by structural hurdles in Spain and France, and may even fall back into negative territory in Italy. Inflation will remain below 2%. Domestic demand will determine the pace of the recovery for the next year. Japan continues to grow steadily, although amid strong volatility fueled by the hike in the consumption tax. Thanks to the credible expansionary monetary policy, prices are rising relentlessly; the growth outlook for the next two years remains favorable. In August, China's manufacturing index dropped to the lowest level in three months, while consumption and exports hold steady. Growth is forecast to top 7% both this year and the next. Brazil and Russia were the most underperforming among big emerging countries, with the latter suffering from the crisis in Ukraine. Industrial production is expected to grow strongly year-on-year in Indonesia, Canada, Australia, Korea and India.

In these months, the luxury sector, although it has historically always proven quite resistant to economic crises, certainly more so than other business sectors, must face not only the persistent limited economic growth but also the negative impact of socio-political crises (for example in Ukraine and Hong Kong) and tensions in the Middle East which seem to be turning into actual local conflicts. Over the last few months, concerns over the Ebola virus and potential terrorist attacks added to the uncertainty. Of course, this makes it difficult to make reliable estimates on the luxury industry's outlook for the full year.

As for the Ferragamo Group, which enjoys a favorable and balanced geographic distribution and effective product diversification, the results achieved in the year to date, together with reasonable business prospects, suggest that, barring a further deterioration in market conditions that cannot be predicted at the moment, both revenues and profits will grow over the previous year.

Basis of presentation

The interim report was approved by the Board of Directors of Salvatore Ferragamo S.p.A. on 13 November 2014 and on the same date the Board authorized its disclosure.

For comparative purposes, the consolidated financial statements show the comparison with the consolidated statement of financial position as at 31 December 2013 and 30 September 2013 and the consolidated income statement as at 30 September 2013.

All amounts are expressed in Euro and are rounded to the nearest thousand Euro, unless otherwise indicated.

Accounting standards

The equity, income and financial data as at 30 September 2014 have been prepared in compliance with the International Financial Reporting Standards (IFRS), and the relevant 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 2013 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 2014 as already indicated in the Half-year report as at 30 June 2014 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, or when events have occurred which require the procedure to be repeated. As at 30 September 2014 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 best estimate of the annual average expected tax rate applied to the pre-tax profit of the interim period.

Consolidation area

During the first nine months of 2014 the Group structure underwent no changes.

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 2014	30 September 2013	30 September 2014	31 December 2013	30 September 2013
US Dollar	1.3549	1.31711	1.2583	1.3791	1.3505
Swiss Franc	1.21801	1.23162	1.2063	1.2276	1.2225
Japanese Yen	139.4860	127.3796	138.1099	144.7201	131.7801
Pound Sterling	0.8118	0.8521	0.7773	0.8337	0.8361
Australian Dollar	1.4760	1.3480	1.4442	1.5423	1.4486
South Korean Won	1,411.61	1,456.73	1,330.34	1,450.94	1,451.84
Hong Kong Dollar	10.5067	10.2176	9.7740	10.6933	10.4722
Mexican Peso	17.7719	16.7064	16.9977	18.0731	17.8462
New Taiwanese Dollar	40.8237	39.1491	38.3172	41.0869	40.0221
Singapore Dollar	1.7040	1.6489	1.6063	1.7414	1.6961
Thai Baht	43.9071	40.0518	40.8000	45.1780	42.2640
Malaysian Ringgit	4.3925	4.1259	4.1314	4.5221	4.4103
Indian Rupee	82.2624	75.7604	77.8564	85.3660	84.8440
Macau Pataca	10.8129	10.5122	10.0437	10.9955	10.8092
Chinese Renminbi	8.3544	8.1225	7.7262	8.3491	8.2645
Chilean Peso	759.867	643.306	755.099	723.688	683.611
Argentine Peso	10.813	6.953	10.677	8.980	7.845
Brazilian Real	3.1028	2.7934	3.0821	3.2576	3.0406
Canadian Dollar	1.4819	1.3486	1.4058	1.4671	1.3912

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.

As at 30 September 2014 bank guarantees issued in favor of Palazzo Feroni Finanziaria S.p.A. totaled 1,255 thousand Euro and concerned lease of properties owned by said company. There are no other 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 2014, 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, 13 November 2014

The Chairman of the Board of Directors
Ferruccio Ferragamo

Financial statements

Statement of financial position – assets

(In thousands of Euro)	30 September 2014	<i>of which</i> <i>with</i> <i>related</i> <i>parties</i>	31 December 2013	<i>of which</i> <i>with</i> <i>related</i> <i>parties</i>	30 September 2013	<i>of which</i> <i>with</i> <i>related</i> <i>parties</i>
NON CURRENT ASSETS						
Property, plant and equipment	193,850		168,398		151,839	
Investment property	6,845		6,455		6,663	
Intangible assets with a finite useful life	26,320		26,090		22,038	
Available-for-sale financial assets	25		25		26	
Other non current assets	6,469		6,271		6,032	
Other non current financial assets	14,403	1,487	11,538	1,382	10,911	485
Deferred tax assets	94,335		78,537		71,223	
TOTAL NON CURRENT ASSETS	342,247	1,487	297,314	1,382	268,732	485
CURRENT ASSETS						
Inventories	347,689		290,705		285,731	
Trade receivables	114,010	81	121,408	66	98,074	208
Tax receivables	10,593		10,071		9,771	
Other current assets	30,023	2,069	42,773	2,426	38,843	2,025
Other current financial assets	2,082		1,928		1,345	
Cash and cash equivalents	67,883		70,308		61,848	
TOTAL CURRENT ASSETS	572,280	2,150	537,193	2,492	495,612	2,233
TOTAL ASSETS	914,527	3,637	834,507	3,874	764,344	2,718

Statement of financial position – liabilities and shareholders' equity

(In thousands of Euro)	30	<i>of which</i>	31	<i>of which</i>	30	<i>of</i>
	September	<i>with</i>	December	<i>with</i>	September	<i>which</i>
	2014	<i>related</i>	2013	<i>related</i>	2013	<i>with</i>
		<i>parties</i>		<i>parties</i>		<i>related</i>
						<i>parties</i>
SHAREHOLDERS' EQUITY						
GROUP SHAREHOLDERS' EQUITY						
Share capital	16,841		16,841		16,841	
Reserves	292,413		198,173		201,105	
Net profit/(loss) – Group	109,522		150,451		112,366	
TOTAL GROUP SHAREHOLDERS' EQUITY	418,776		365,465		330,312	
MINORITY INTERESTS						
Share capital and reserves – minority interests	34,353		24,789		26,043	
Net profit/(loss) – minority interests	4,298		9,516		7,213	
TOTAL MINORITY INTERESTS	38,651		34,305		33,256	
TOTAL SHAREHOLDERS' EQUITY	457,427		399,770		363,568	
NON CURRENT LIABILITIES						
Non current interest-bearing loans & borrowings	7,450		-		-	
Provisions for risks and charges	6,286		5,348		4,481	
Employee benefit liabilities	10,722		10,092		10,337	
Other non current liabilities	43,924		38,671		40,732	
Deferred tax liabilities	4,264		7,167		6,838	
TOTAL NON CURRENT LIABILITIES	72,646	-	61,278	-	62,388	-
CURRENT LIABILITIES						
Trade payables	169,312	2,800	202,752	294	163,227	2,633
Interest-bearing loans & borrowings	116,349		100,052		92,809	
Tax payables	23,395		22,401		25,686	
Other current liabilities	71,077	18,856	43,472	10,539	51,627	18,177
Other current financial liabilities	4,321		4,782		5,039	
TOTAL CURRENT LIABILITIES	384,454	21,656	373,459	10,833	338,388	20,810
TOTAL LIABILITIES	457,100	21,656	434,737	10,833	400,776	20,810
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	914,527	21,656	834,507	10,833	764,344	20,810

Consolidated income statement

(In thousands of Euro)	Period ended 30 September			
	2014	of which with related parties	2013	of which with related parties
Revenues from sales and services	948,525	1,172	906,814	2,264
Rental income investment properties	8,062		8,001	
Revenues	956,587		914,815	
Cost of goods sold	(353,150)		(336,452)	
Gross profit	603,437		578,363	
Style, product development and logistics costs	(31,858)	(404)	(32,092)	(415)
Sales & distribution costs	(277,452)	(12,651)	(260,835)	(9,597)
Marketing & communication costs	(49,192)	(38)	(54,329)	(48)
General and administrative costs	(70,955)	(5,211)	(68,756)	(6,302)
Other operating costs	(11,787)	(53)	(8,708)	(10)
Other income and revenues	6,599	25	8,509	13
Operating profit	168,792		162,152	
Financial charges	(22,159)		(25,067)	
Financial income	17,990		30,480	
Profit before taxes	164,623		167,565	
Income taxes	(50,803)		(47,986)	
Net profit/(loss) for the period	113,820		119,579	
Net profit/(loss) – Group	109,522		112,366	
Net profit/(loss) – minority interests	4,298		7,213	

(In Euro)	Period ended 30 September	
	2014	2013
Basic earnings per share – ordinary shares	0.650	0.667
Diluted earnings per share – ordinary shares	0.649	0.667

Consolidated statement of comprehensive income

(In thousands of Euro)	Period ended 30 September	
	2014	2013
Net profit/(loss) for the period (A)	113,820	119,579
<i>Other income/(losses) that will be subsequently reclassified to net profit/(loss) for the period</i>		
- Currency translation differences of foreign operations	38,388	917
- Net gain/(loss) from cash flow hedge	(35,175)	6,489
- Income taxes	9,673	(1,785)
	<u>(25,502)</u>	<u>4,704</u>
Total other income/(losses) that will be subsequently reclassified to net profit/(loss) for the period, net of taxes (B1)	12,886	5,621
<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	(382)	323
- Income taxes	159	(95)
	<u>(223)</u>	<u>228</u>
Total other income/(losses) that will not be subsequently reclassified to net profit/(loss) for the period, net of taxes (B2)	(223)	228
Total other income/(losses) for the period, net of taxes (B1+B2 = B)	12,663	5,849
Total comprehensive income for the period, net of taxes (A+B)	126,483	125,428
Group	119,424	118,289
Minority interests	7,059	7,139

Consolidated statement of cash flows

(In thousands of Euro)	Period ended 30 September			
	2014	<i>of which with related parties</i>	2013	<i>of which with related parties</i>
NET PROFIT / (LOSS) FOR THE PERIOD	113,820		119,579	
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	34,376		29,674	
Allocation / (use) of deferred taxes	(6,392)		(5,907)	
Provision for employee benefit plans	563		450	
Allocation to / (use of) the provision for obsolete inventory	9,642		6,603	
Losses and provision for bad debt	832		410	
Losses / (gains) on disposal of tangible and intangible assets	651		253	
Other non-monetary items	2,284		(11,453)	
Changes in operating assets and liabilities:				
Trade receivables	9,677	(15)	8,488	2,140
Inventories	(34,651)		(42,221)	
Trade payables	(34,992)	2,506	6,794	1,900
Tax receivables	234		(840)	
Tax payables	(1,252)		1,560	
Employee benefits payments	(491)		(1,044)	
Other assets and liabilities	8,920	8,674	5,219	4,617
Other – net	(360)		(815)	
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	102,861	11,165	116,750	8,657
Cash flow from investing activities:				
Purchase of tangible assets	(45,828)		(41,023)	
Purchase of intangible assets	(5,015)		(6,298)	
Net change in non current assets and liabilities	(1,846)	(105)	(2,986)	(313)
Proceeds from the sale of tangible and intangible assets	98		57	
Proceeds from the sale of investments in associated and jointly controlled companies	-		13,855	
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(52,591)	(105)	(36,395)	(313)
Cash flow from financing activities:				
Net change in financial receivables	(12)		543	
Net change in financial payables	16,361	-	(71,098)	(41,235)
Dividends paid to shareholders of the Parent company	(67,364)	(49,617)	(55,575)	(41,383)
Dividends paid to minority shareholders	(1,787)	(1,787)	(5,809)	(5,809)
Purchase of minority interests in companies consolidated on a line-by-line basis	-		(1,087)	
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(52,802)	(51,404)	(133,026)	(88,427)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,532)		(52,671)	
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	70,292		110,808	
Increase/(decrease) in cash and cash equivalents	(2,532)		(52,671)	
Effect of exchange rate translation differences	122		3,711	
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	67,882		61,848	
ADDITIONAL INFORMATION				
Interest paid	3,598		2,954	
Income taxes paid	49,649		39,120	
Interest received	190		235	
Dividends received	-		600	

Statement of changes in consolidated shareholders' equity

(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 01.01.2014	16,841	2,995	4,188	117,114	13,371	(39,511)	84,330	17,496	(1,810)	-	150,451	365,465	34,305	399,770
Allocation of results	-	-	-	38,106	-	-	112,345	-	-	-	(150,451)	-	-	-
Net profit/(loss) for the period	-	-	-	-	-	-	-	-	-	-	109,522	109,522	4,298	113,820
Other comprehensive income/(loss)	-	-	-	-	(25,502)	35,311	318	-	(225)	-	-	9,902	2,761	12,663
Total comprehensive income (loss)	-	-	-	-	(25,502)	35,311	318	-	(225)	-	109,522	119,424	7,059	126,483
Distribution of dividends	-	-	-	-	-	-	(67,364)	-	-	-	-	(67,364)	(2,382)	(69,746)
Purchase of minority interests in companies consolidated on a line-by-line basis and accounting of options on minority interests	-	-	-	-	-	-	66	-	-	-	-	66	(331)	(265)
Stock Grant Reserve	-	-	-	-	-	-	-	1,185	-	-	-	1,185	-	1,185
As at 30.09.2014	16,841	2,995	4,188	155,220	(12,131)	(4,200)	129,695	18,681	(2,035)	-	109,522	418,776	38,651	457,427

(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	-	-	-	-	-	(55,5)	(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

**Statement pursuant to paragraph 2 of 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, 13 November 2014

Manager responsible for corporate financial reporting
Ernesto Greco