

Salvatore Ferragamo

Salvatore Ferragamo Group

Interim report as at 31 March 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 three months of 2014</i>	6
Introduction.....	7
The Group's activities	7
Results for the first three months of 2014.....	8
Significant events occurred in the first three months of 2014.....	13
Other information	14
Significant events occurred after 31 March 2014.....	15
Outlook	15
Basis of presentation.....	16
<i>Financial statements</i>	18
<i>Consolidated statement of financial position – assets</i>	18
<i>Consolidated statement of financial position – liabilities and shareholders' equity</i>	19
<i>Consolidated income statement</i>	20
<i>Consolidated statement of comprehensive income</i>	21
<i>Consolidated statement of cash flows</i>	22
<i>Statement of changes in consolidated shareholders' equity</i>	23
Statement pursuant to paragraph 2 of art. 154 bis of Legislative Decree 58/98 (Consolidated Law on Finance)	24

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 Daccò Alessandra 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

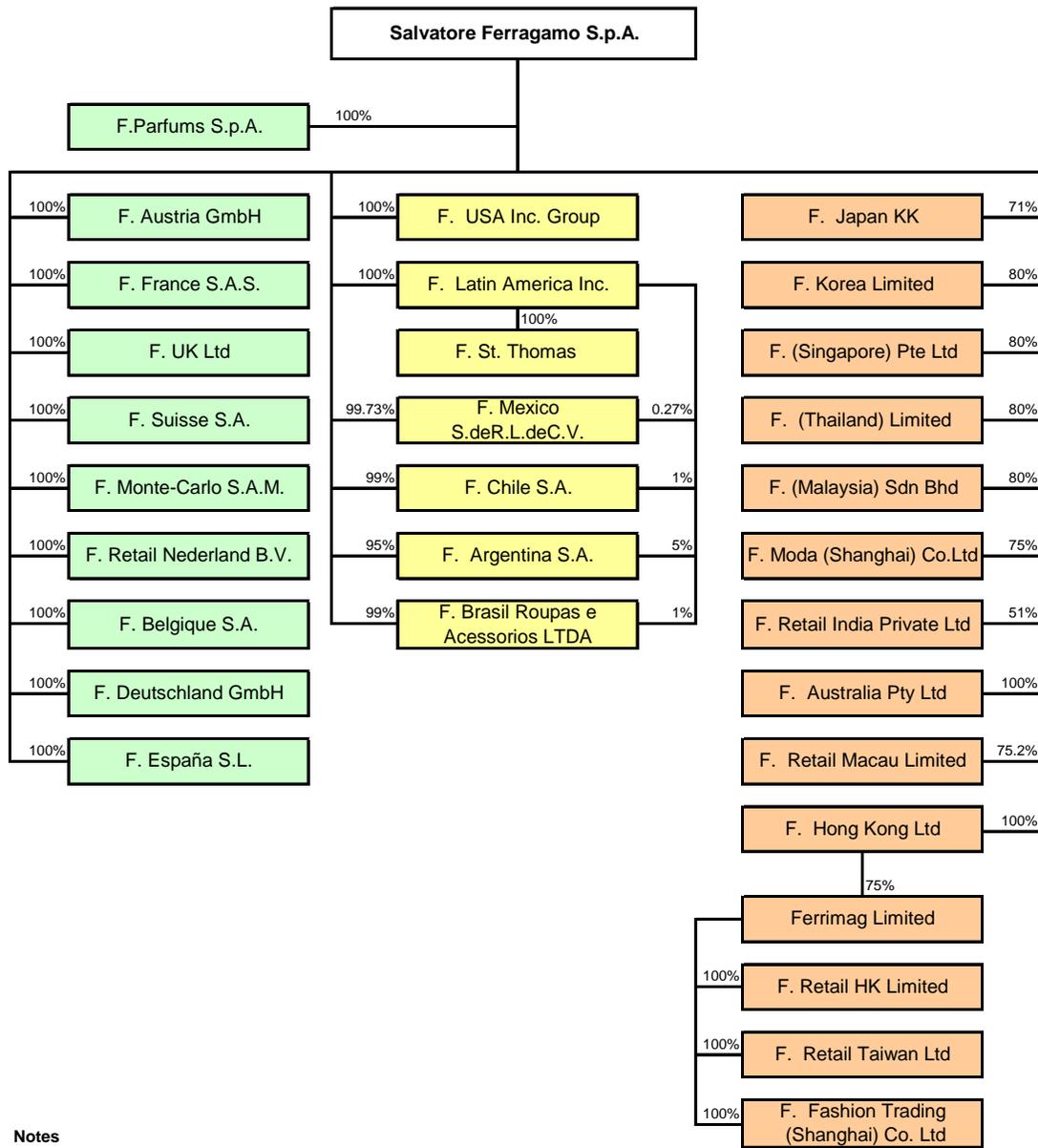
(4) Executive director

(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



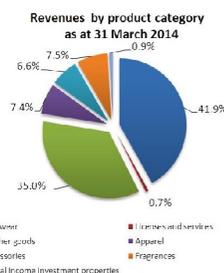
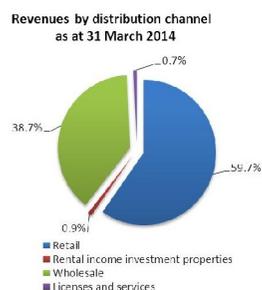
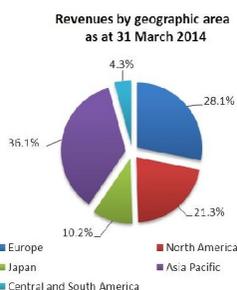
- Notes**
- European companies
 - North/Centre/South America companies
 - Far East companies

Interim Directors' report on operations

Income and financial highlights for the first three months of 2014

(In millions of Euro)	Period ended 31 March			% change 2014 vs. 2013	% change 2013 vs. 2012
	2014	2013	2012		
Revenues	298.8	281.9	259.6	6.0%	8.6%
Gross profit	183.2	175.2	163.1	4.6%	7.4%
EBITDA (*)	52.8	48.0	38.2	9.9%	25.8%
EBITDA (*)%	17.7%	17.0%	14.7%		
Operating profit	41.7	38.8	30.1	7.4%	28.9%
Operating profit %	14.0%	13.8%	11.6%		
Net profit/(loss) for the period	27.3	26.8	17.0	1.8%	57.4%
Net profit/(loss) – Group	26.0	24.4	12.0	6.9%	102.9%
Net profit/(loss) – minority interests	1.3	2.4	5.0	(48.7%)	(51.3%)

(*) 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)	31 March 2014	31 December 2013	31 March 2013
Investments in tangible/intangible assets	9.8	82.3	10.3
Net working capital	252.6	209.4	219.2
Shareholders' equity	432.9	399.8	336.5
Net financial debt	25.4	32.6	32.8
Cash flow generated from operations	15.9	150.0	38.0

	31 March 2014	31 December 2013	31 March 2013
Staff as at the reporting date	3,653	3,764	3,323
Number of DOS	356	360	339
Number of TPOS	264	264	261

Geographical distribution of monobrand stores (31 March 2014)



620 Ferragamo monobrand stores

Disclaimer

This document contains forward-looking statements, in particular in the sections headed "Outlook" and "Significant events occurred after 31 March 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 31 March 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 three 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, 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 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 with currencies other than the Euro, mainly the US dollar, Chinese Renminbi and the Japanese yen. Therefore, the Group is exposed both to settlement and translation risk.

As for the currency market trends in the first three months of 2014, the Euro continued to be significantly overvalued. After a start to the year which saw the exchange rate against the US dollar around 1.37, since the start of February it continued to grow, reaching levels around 1.39, ending the quarter at 1.38 and so with an average exchange rate for the whole quarter of 1.37. This trend was partly attributable to a series of weaker than expected macroeconomic data from the United States, which were also negatively affected by weather conditions, leading to concerns about a possible postponement in the tapering policy (the gradual reduction in bond purchases by the Federal Reserve), and partly by the ECB's adoption of a monetary policy which paid little attention to exchange rate levels. The assurances of the Federal Reserve at the meeting held on 19 March regarding the growth of the US economy and the speech by ECB President Draghi in Vienna on 13 March, which explicitly addressed the effects of the strengthening of the Euro on price stability, should, according to some financial analysts, lay the groundwork for the long-awaited end of the overvaluation of the single currency, which has been much forecast, but has not occurred so far. The Japanese Yen continues to be characterized by marked depreciation, both against the US dollar and the Euro. Only the increase in risk aversion on the part of financial players, as seen in the recent Russia-Ukraine crisis, has the effect of strengthening the Japanese currency. In the first quarter of 2014 the exchange rate against the Euro reached peaks of over 143, before falling back slightly to around 141 at the end of March and bringing the average for the quarter to 140.8. An excessive fall in the exchange rate, encouraged by particularly expansive policies, could however have a negative impact on

the Japanese economy. In general, the currencies of emerging markets showed a stable trend in the first quarter, after the significant depreciation recorded at the end of 2013, caused by huge capital flight following the announcement of a more restrictive US monetary policy. As for the Chinese currency – which was allowed to abruptly fall by 1.35% as from mid-February due to the authorities’ concerns about the strengthening of the currency which had led to huge speculative capital inflows – volatility will probably be higher than in the past and some recovery led by the data from foreign transactions cannot be ruled out.

Results for the first three months of 2014

In the first three months of 2014, the positive trend continued both in terms of improved revenues and profits; consolidated net revenues grew by 6.0% compared to the prior-year period and by 15.1% compared to the first three months of 2012, thus consolidating the continuously rising trend in revenues. There was also a growth in operating margins: EBITDA as a percentage of revenues increased from 17.0% to 17.7% (+9.9%), and operating profit as a percentage of revenues rose from 13.8% to 14.0% (+7.4%).

These positive results are particularly noteworthy given that they were achieved despite market instability and persistently unfavorable exchange rates.

Net profit for the period totaled 27.3 million Euro, up by 1.8% compared to the prior-year period.

The following table shows the main income statement data.

(In thousands of Euro)	Period ended 31 March				
	2014	% of revenues	2013	% of revenues	% change
Revenues	298,788	100.0%	281,949	100.0%	6.0%
Gross profit	183,182	61.3%	175,196	62.1%	4.6%
Style, product development and logistics costs	(10,981)	(3.7%)	(10,681)	(3.8%)	2.8%
Sales & distribution costs	(88,890)	(29.8%)	(84,235)	(29.9%)	5.5%
Marketing and communication costs	(17,252)	(5.8%)	(18,706)	(6.6%)	(7.8%)
General and administrative costs	(22,608)	(7.6%)	(22,316)	(7.9%)	1.3%
Other operating costs	(3,916)	(1.3%)	(3,069)	(1.1%)	27.6%
Other income and revenues	2,203	0.7%	2,657	0.9%	(17.1%)
Operating profit	41,738	14.0%	38,846	13.8%	7.4%
Net financial income and charges (including investments accounted for using the Equity Method)	(1,712)	(0.6%)	(308)	(0.1%)	455.8%
Profit before taxes	40,026	13.4%	38,538	13.7%	3.9%
Income taxes	(12,721)	(4.3%)	(11,715)	(4.2%)	8.6%
Net profit/(loss) for the period	27,305	9.1%	26,823	9.5%	1.8%
Net profit/(loss) – Group	26,049	8.7%	24,376	8.6%	6.9%
Net profit/(loss) – minority interests	1,256	0.4%	2,447	0.9%	(48.7%)
Amortization, depreciation and write-downs of tangible/intangible assets	11,025	3.7%	9,159	3.2%	20.4%
EBITDA (*)	52,763	17.7%	48,005	17.0%	9.9%

(*) 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 three months of 2014 revenues totaled 298,788 thousand Euro compared to 281,949 thousand Euro in the same period last year, recording a 6.0% increase notwithstanding unfavorable exchange rates. As a matter of fact, the three main currencies other than the Euro in which part of Group revenues are generated, i.e. the US dollar, the Chinese renminbi and the Japanese yen, performed as follows in the first three months of 2014 compared to the same period last year: the US dollar depreciated by 3.7% ⁽¹⁾, the Japanese yen by 15.6% ⁽²⁾ and the Chinese renminbi by 1.7% ⁽³⁾ compared to the Euro, i.e. the currency in which the figures in the consolidated financial statements are expressed.

¹ With reference to the average Euro/US\$ exchange rate for the period – first three months of 2014: 1.37; first three months of 2013: 1.32

² With reference to the average Euro/Yen exchange rate for the period – first three months of 2014: 140.8; first three months of 2013: 121.8

³ With reference to the average Euro/Cny exchange rate for the period – first three months of 2014: 8.36; first three months of 2013: 8.22

Revenues, at constant exchange rates (applying to the revenues – not inclusive of the hedging effect – of the first three months of 2013 the average exchange rate of the first three months of 2014), showed a total increase of 7.4%, up by 9.0% in Europe, 2.2% in North America, 18.1% in Japan, 5.7% in Asia Pacific, and 16.7% in Central and South America. Asia Pacific contributed the most to Group revenues with 36.1%, followed by Europe (28.1%), North America (21.3%), Japan (10.2%), and Central and South America (4.3%).

Gross profit for the period ended 31 March 2014 was 183,182 thousand Euro, up by 4.6% compared to 175,196 thousand Euro as at 31 March 2013.

Gross profit for the period ended 31 March 2014 was 61.3% of sales compared to 62.1% in the same period last year and was negatively affected by unfavorable exchange rate trends and the increased importance of the wholesale channel.

Total operating costs (net of other income) rose by 3.7% in the first three months of 2014 compared to the first three months of 2013; their ratio to revenues decreased from 48.4% in the prior year period to 47.3%.

Higher revenues, the limited increase in operating costs and gross profit steadily above 61% resulted in a significant increase in **EBITDA** from 48,005 thousand Euro to 52,763 thousand Euro (+9.9%) and its ratio to revenues increased from 17.0% in the first three months of 2013 to 17.7%.

In the first quarter of 2014 **operating profit** totaled 41,738 thousand Euro compared to 38,846 thousand Euro in the period ended 31 March 2013, up by 7.4% and its ratio to revenues increased from 13.8% to 14.0%.

Net financial income and charges went from net charges of 508 thousand Euro in the first three months of 2013 to net charges of 1,712 thousand Euro in the first three months of 2014.

(In thousands of Euro)	Period ended 31 March		
	2014	2013	% change
Net interest	(896)	(765)	17.1%
Other net income/(charges)	(438)	(489)	(10.4%)
Net gains/(losses) on exchange rate differences	(59)	2,563	(102.3%)
Net financial income/(charges) for fair value adjustment of derivatives	(319)	(1,817)	(82.4%)
Total	(1,712)	(508)	237.0%

Net gains and losses on exchange rate differences mainly reflect the impact of commercial transactions in foreign currency. The decrease compared to the first three months of 2013 was attributable to the depreciation of foreign currencies, especially the US dollar and the Japanese yen, during the two reporting periods being compared.

The item "Net financial income/(charges) for fair value adjustment of derivatives" 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.

Income taxes

(In thousands of Euro)	Period ended 31 March		
	2014	2013	% change
Profit before taxes	40,026	38,538	3.9%
Current and deferred taxes	(12,721)	(11,715)	8.6%
Tax rate	31.8%	30.4%	

The estimated effective tax rate for the first three months of 2014 was 31.8% compared to 30.4% in the prior year period.

In the first three months of 2014 the Group achieved **net profit** of 27,305 thousand Euro compared to 26,823 thousand Euro in the previous year period, up by 1.8%. The Group share of net profit amounted to 26,049 thousand Euro compared to 24,376 thousand Euro in the prior year period, up by 6.9%.

Revenues

The following table shows sales by **geographic area**, their ratio to total revenues and the percentage change for the periods ended 31 March 2014 and 31 March 2013:

(In thousands of Euro)	Period ended 31 March					at constant exchange rates % change
	2014	% of revenues	2013	% of revenues	% change	
Europe	84,012	28.1%	76,913	27.3%	9.2%	9.0%
North America	63,707	21.3%	62,973	22.3%	1.2%	2.2%
Japan	30,347	10.2%	27,906	9.9%	8.7%	18.1%
Asia Pacific	107,952	36.1%	102,472	36.4%	5.3%	5.7%
Central and South America	12,770	4.3%	11,685	4.1%	9.3%	16.7%
Total	298,788	100.0%	281,949	100.0%	6.0%	7.4%

The growth in revenues compared to the first quarter of 2013 was mainly due to organic growth and the opening of new directly operated stores.

All the markets continued to record increases in revenues both at current and constant exchange rates.

Europe saw an increase in revenues of 9.2% at current exchange rates, bringing the ratio to total revenues from 27.3% to 28.1%, thanks to the improvement in the wholesale channel.

Revenues in the North American market only recorded a slight increase by 1.2% at current exchange rates (2.2% at constant exchange rates) due to the negative impact of particularly unfavorable weather conditions.

In Japan revenues increased by 8.7% at current exchange rates and recorded a significant increase at constant exchange rates (+18.1%).

Asia Pacific contributed once again the most to Group revenues with 36.1%, almost in line with the first quarter of 2013 and an increase in revenues by 5.3% at current exchange rates and 5.7% at constant exchange rates.

The Central and South American market saw a sharp increase in revenues (9.3% at current exchange rates and 16.7% 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 31 March					at constant exchange rate % change
	2014	% of revenues	2013	% of revenues	% change	
Retail	178,322	59.7%	171,576	60.9%	3.9%	5.9%
Wholesale	115,722	38.7%	105,879	37.5%	9.3%	9.7%
Licenses and services	2,101	0.7%	2,428	0.9%	(13.5%)	(13.5%)
Rental income investment properties	2,643	0.9%	2,066	0.7%	27.9%	32.7%
Total	298,788	100.0%	281,949	100.0%	6.0%	7.4%

Retail sales refer to revenues generated by sales in directly operated Ferragamo brand 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 three months of 2014 retail sales rose by 3.9% at current exchange rates and 5.9% at constant exchange rates thanks to the increase in sales in the primary direct stores channel, in particular in Asia Pacific (+6.0% at current exchange rates and +6.8% at constant exchange rates) and Japan (+6.5% at current exchange rates and +15.7% at constant exchange rates).

During the first three months of 2014 the number of directly operated stores decreased by 4 units compared to the situation as at 31 December 2013. Compared to 31 March 2013 there was a net increase in the number of directly operated stores of 17 units.

The wholesale channel increased by 9.3% at current exchange rates and 9.7% at constant exchange rates, mainly thanks to the contribution of the European and Asiatic markets.

In the first three months of 2014 revenues from licenses and services decreased overall by 13.5% compared to the same period last year due solely to the expiry of the agreement concerning technical consulting services provided to Zefer S.p.A.; the item includes revenues from royalties concerning the licensing of the Ferragamo brand to the Marchon group in the eyewear industry and the Timex group in the watch industry (+8.4% in the first three 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 27.9% at current exchange rates and by 32.7% 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 31 March 2014 and 31 March 2013.

(In thousands of Euro)	Period ended 31 March					at constant exchange rates % change
	2014	% of revenues	2013	% of revenues	% change	
Footwear	125,110	41.9%	119,595	42.4%	4.6%	5.8%
Leather goods	104,465	35.0%	90,589	32.1%	15.3%	17.1%
Apparel	22,120	7.4%	24,466	8.7%	(9.6%)	(7.8%)
Accessories	19,878	6.6%	19,839	7.0%	0.2%	2.3%
Fragrances	22,471	7.5%	22,966	8.2%	(2.2%)	(2.0%)
Licenses and services	2,101	0.7%	2,428	0.9%	(13.5%)	(13.5%)
Rental income investment properties	2,643	0.9%	2,066	0.7%	27.9%	32.7%
Total	298,788	100.0%	281,949	100.0%	6.0%	7.4%

All the product categories, with the sole exception of apparel and, to a lesser extent, fragrances (the latter recorded a significant increase by 14.4% in the first quarter of 2013 compared to the same period of 2012) saw a percentage growth in revenues both at current exchange rates and at constant exchange rates compared to the same period last year. In particular, note should be taken of the positive trend in leather goods which recorded a significant increase by 15.3% at current exchange rates (+17.1% at constant exchange rates) and the increase in revenues from footwear (+4.6% at current exchange rates and 5.8% at constant exchange rates).

Investment and financial operations

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

(In thousands of Euro)	31 March 2014	31 December 2013	% change
Property, plant and equipment, investment property, intangible assets with a finite useful life	199,147	200,943	(0.9%)
Net working capital (1)	252,642	209,361	20.7%
Other non current assets/(liabilities), net	40,101	35,093	14.3%
Other current assets/(liabilities), net	(33,529)	(13,029)	157.3%
Net invested capital (2)	458,361	432,368	6.0%
Group shareholders' equity	398,028	365,465	8.9%
Minority interests	34,920	34,305	1.8%
Shareholders' equity (A)	432,948	399,770	8.3%
Net financial debt (B) (3)	25,413	32,598	(22.0%)
Total sources of financing (A+B)	458,361	432,368	6.0%
Net financial debt/shareholders' equity	5.9%	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 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 31 March 2014, the Group made investments in tangible and intangible assets for a total amount of 9,802 thousand Euro, of which 9,154 thousand Euro in tangible assets and 648 thousand Euro in intangible assets, compared to a total of 10,285 thousand Euro in the first three months of 2013.

The most important investments were made in the opening and refurbishment of stores (around 73.5% of total tangible assets) and, to a lesser extent, to improvements to the buildings of the industrial complex at Osmannoro and, as far as investments in intangible assets are concerned, in the so-called Marlin Project, aimed at standardizing the Group's retail information systems (around 24.5% of total investments in intangible assets).

During the period ended 31 March 2014, the Group did not make any investments in financial assets.

Amortization and depreciation amounted to 11,025 thousand Euro in the first three months of 2014 and 9,159 thousand Euro in the first three months of 2013.

Investments in tangible assets under construction concerned the refurbishment and opening of new stores that had not yet started operations as at the reporting date as well as improvements to the buildings of the facility at Osmannoro-Sesto Fiorentino, which are part of the broader project undertaken by the Parent company to expand and renovate the whole industrial complex.

Net working capital

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

(In thousands of Euro)	31 March 2014	31 December 2013	31 March 2013	% change 03.14 vs. 12.13	% change 03.14 vs. 03.13
Inventories	331,351	290,705	284,069	14.0%	16.6%
Trade receivables	126,377	121,408	109,361	4.1%	15.6%
Trade payables	(205,086)	(202,752)	(174,266)	1.2%	17.7%
Total	252,642	209,361	219,164	20.7%	15.3%

The increase in net working capital was 20.7% compared to 31 December 2013 and 15.3% compared to 31 March 2013. The change is mainly due to the increase in stocks. Inventories rose by 14.0% (+16.6% compared to 31 March 2013) and concerned the stocks of raw materials used for production with an increase of 13,032 thousand Euro and stocks of finished products which rose by 27,614 thousand Euro. Trade receivables mainly refer to wholesale sales and the increase compared to 31 March 2013 is mainly due to the increase in the relevant turnover and, to a lesser extent, to the increase in average collection days. Trade payables are mainly due to purchases of production materials, products and manufacturing in outsourcing and their increase compared to 31 March 2013 is connected to the rise in production and investments in tangible assets.

Net financial debt

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

(In thousands of Euro)	31 March 2014	31 December 2013	31 March 2013	% change 03.14 vs. 12.13	% change 03.14 vs. 03.13
A. Cash	603	848	554	(245)	49
B. Other cash equivalents	66,699	69,460	73,784	(2,761)	(7,085)
C. Cash and cash equivalents (A)+(B)	67,302	70,308	74,338	(3,006)	(7,036)
Derivatives – non-hedge component	1,340	1,928	1,589	(588)	(249)
Other financial assets	-	-	13	-	(13)
D. Current financial receivables	1,340	1,928	1,602	(588)	(262)
E. Current bank payables	89,764	100,052	104,381	(10,288)	(14,617)
F. Derivatives – non-hedge component	279	867	156	(588)	123
G. Other current financial payables	4,012	3,915	4,223	97	(211)
H. Current financial debt (E)+(F)+(G)	94,055	104,834	108,760	(10,779)	(14,705)
I. Current financial debt, net (H)-(C)-(D)	25,413	32,598	32,820	(7,185)	(7,407)
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)	25,413	32,598	32,820	(7,185)	(7,407)

Net financial debt for the period ended 31 March 2014 amounted to 25,413 thousand Euro (5.9% of consolidated shareholders' equity), down compared to 31 December 2013, when it totaled 32,598 thousand Euro. The decrease by 7,185 thousand Euro was achieved notwithstanding the significant increase in working capital and investments in tangible and intangible assets in the first three months of 2014.

Compared to 31 March 2013 net financial debt fell by 7,407 thousand Euro, falling from 32,820 thousand Euro, accounting for 9.8% of consolidated shareholders' equity, to 25,413 thousand Euro.

Significant events occurred in the first three months of 2014

Investments

On 19 February 2014 the company Ferragamo Brasil Roupas e Acessorios Ltda. resolved to increase its share capital by 14,500,000 Reals (equal to 4.5 million Euro) to 39,215,000 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

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 included in the 2013 Consolidated Annual Report, it should be noted that the audit ended with the notification of an initial adjustment proposal. This did not include challenges to accounting procedures and ordinary taxation, but it challenged 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 usually last some years. Ferragamo France S.A.S. was requested to participate in an Interlocution with the tax authorities dealing with tax audits (DIRCOFI - *Direzione controlli fiscali*) on 30 April 2014 and is currently awaiting further developments. Since the outcomes of these proceedings are highly unpredictable, currently it is not possible to make estimates regarding any tax liabilities arising from the audit.

As already pointed out in the Directors' report on operations included in the 2013 Consolidated Annual Report, 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 192 thousand Euro at the exchange rate as at 31 March 2014).

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 concerns the main cost items and relationships with Group companies and foreign entities and is still underway.

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. will pay 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.

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 the Company

As at 31 March 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 31 March 2014: 21.14701 Euro

Stock Market capitalization as at 31 March 2014: 3,561,367,954.10 Euro

As at 31 March 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 31 March 2014, 31 December 2013 and 31 March 2013.

Staff	31 March 2014	31 December 2013	31 March 2013
Top managers, middle managers and store managers	625	617	569
White collars	2,796	2,925	2,544
Blue collars	232	222	210
Total	3,653	3,764	3,323

Significant events occurred after 31 March 2014

Shareholders' Meeting

On 29 April 2014 the Parent company Salvatore Ferragamo S.p.A. approved the Separate Annual Report 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 approved the appointment of the Board of Statutory Auditors which will be in office for the next three-year period until the Shareholders' Meeting approving the Separate Annual Report as at 31 December 2016 and confirmed Lidia Fiori as Director serving until the Shareholders' Meeting approving the Separate Annual Report as at 31 December 2014 – the same term of office of the other Directors.

Outlook

As already pointed out, in the first months of 2014 sales were negatively affected both by weather conditions and extraordinary political events and were characterized by high volatility levels. This trend could occur again in the next months and the uncertainty surrounding consumption of luxury goods by the Chinese market could have a negative impact on sales. Moreover, the global macroeconomic scenario is still very volatile and there are obstacles to expansion: signs of an improvement in the economic situation alternated with a further slowdown in recovery, with widely varying performances even in the same geographic area. The most significant uncertainty is currently represented by financial stability in China, which depends on the high percentage of investments compared to GDP and the difficulties that the authorities are facing in containing non-bank lending. Data continue to show a slowdown in the economy: in 2013 GDP increased by only 7.7%, supported by Government spending and exports; it is difficult to provide an analysis of the situation for the first months of 2014 due to the different schedule for the Chinese New Year's holidays. Nonetheless, output is expected to fall for at least all the first half of the year. The Government seems to have no intention of easing the squeeze on lending aimed at reducing the imbalances arising from the unofficial financial sector, in order to guarantee a sustainable rate of economic growth in the long term. As for the United States, most of the economic indicators released in March were below expectations. Weather conditions, which were particularly adverse in February, had a negative impact on the whole first quarter. The economic fundamentals, however, remain basically positive. The labor market – the gradual improvement of which will support income and consumption levels and lead to a recovery in salary trends which could offset possible deflation – is the key element for the sustainability of the macroeconomic scenario and for monetary policy decisions, which will probably remain expansive until the end of 2015. Among the factors favoring the global recovery is the trend in the Eurozone which, in this first quarter, showed moderate growth in line with expectations, as part of a stabilization trend which is still uneven across the various countries. The main weakness continues to be the high unemployment rate, which is around 12%, and access to credit by the private sector, in particular by businesses. The recovery in foreign demand should be supported by a recovery in domestic demand, which is being encouraged by expansive monetary and fiscal policies, in a context in which inflation is expected to remain below 1%. In the fourth quarter of 2013 Japanese GDP was below expectations, more due to a decrease in international trade flows rather than a fall in domestic demand. The situation in emerging countries remains complex: in March, the first signs of stabilization emerged and the volatility of exchange rates fell markedly. A cyclical slowdown in these countries, whose imports generally account for only a small part of the GDP of advanced economies, would not be sufficient to hinder recovery. The worst scenario would be a financial crisis affecting one or more emerging countries, triggered by huge capital outflows, given the high risk of contagion, due to the impact both on confidence and on global output. There are various issues connected to the slowdown in growth (India, Indonesia and Brazil), high

inflation (India and Indonesia) and tensions on currency and interbank markets (Turkey and South Africa). Currently it is hard to assess what the real repercussions of the Ukrainian crisis might be. Note should be taken, given its considerable economic importance, of the continuing strength of the Euro against the other main currencies and, in particular, its rate against the US dollar and the Japanese yen.

As for the Ferragamo Group, the results for the first quarter of 2014 and the portfolio of wholesale orders collected so far suggest that, in the absence of significant market downturns and extraordinary events, revenues and profits for the whole year may improve on the prior year.

Basis of presentation

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

Accounting standards

The equity, income and financial data as at 31 March 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.

The procedures used for making estimates and assumptions are the same as those used in preparing the consolidated 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 31 March 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 estimated annual average of the effective tax rate applied to the pre-tax profit of the interim period.

Consolidation area

During the first three 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		
	31 March	31 March	31 March	31 December	31 March
	2014	2013	2014	2013	2013
US Dollar	1.36963	1.32063	1.3788	1.3791	1.2805
Swiss Franc	1.22370	1.22840	1.2194	1.2276	1.2195
Japanese Yen	140.7979	121.7950	142.4199	144.7201	120.8700
Pound Sterling	0.8279	0.8511	0.8282	0.8337	0.8456
Australian Dollar	1.5275	1.2714	1.4941	1.5423	1.2308
South Korean Won	1,465.35	1,433.10	1,465.97	1,450.94	1,425.03
Hong Kong Dollar	10.6287	10.2428	10.6973	10.6933	9.9420
Mexican Peso	18.1299	16.7042	18.0147	18.0731	15.8146
New Taiwanese Dollar	41.4905	38.9284	41.9963	41.0869	38.3395
Singapore Dollar	1.7381	1.6345	1.7366	1.7414	1.5900
Thai Baht	44.7221	39.3613	44.7090	45.1780	37.4230
Malaysian Ringgit	4.5184	4.0699	4.4976	4.5221	3.9650
Indian Rupee	84.5795	71.5389	82.5784	85.3660	69.5660
Macau Pataca	10.9396	10.5396	11.0032	10.9955	10.2457
Chinese Renminbi	8.3576	8.2209	8.5754	8.3491	7.9600
Chilean Peso	755.727	623.605	762.428	723.688	605.481
Argentine Peso	10.412	6.616	11.031	8.980	6.569
Brazilian Real	3.2399	2.6368	3.1276	3.2576	2.5703
Canadian Dollar	1.5107	1.3313	1.5225	1.4671	1.3021

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 31 March 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 three 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 May 2014

The Chairman of the Board of Directors
Ferruccio Ferragamo

Financial statements

Consolidated statement of financial position – assets

(In thousands of Euro)	31 March 2014	<i>of which with related parties</i>	31 December 2013	<i>of which with related parties</i>	31 March 2013	<i>of which with related parties</i>
NON CURRENT ASSETS						
Property, plant and equipment	167,680		168,398		142,667	
Investment property	6,387		6,455		7,178	
Intangible assets with a finite useful life	25,080		26,090		20,371	
Available-for-sale financial assets	25		25		26	
Other non current assets	5,940		6,271		4,626	
Other non current financial assets	11,495	1,348	11,538	1,382	10,589	215
Deferred tax assets	81,101		78,537		69,610	
TOTAL NON CURRENT ASSETS	297,708	1,348	297,314	1,382	255,067	215
CURRENT ASSETS						
Inventories	331,351		290,705		284,069	
Trade receivables	126,377	191	121,408	66	109,361	2,477
Tax receivables	7,306		10,071		8,541	
Other current assets	38,203	2,070	42,773	2,426	30,301	2,082
Other current financial assets	1,340		1,928		1,602	
Cash and cash equivalents	67,302		70,308		74,338	
TOTAL CURRENT ASSETS	571,879	2,261	537,193	2,492	508,212	4,559
Non current assets classified as held for sale	-		-		1,531	
Total non current assets classified as held for sale	-		-		1,531	
TOTAL ASSETS	869,587	3,609	834,507	3,874	764,810	4,774

Consolidated statement of financial position – liabilities and shareholders' equity

(In thousands of Euro)	31 March 2014	<i>of which with related parties</i>	31 December 2013	<i>of which with related parties</i>	31 March 2013	<i>of which with related parties</i>
SHAREHOLDERS' EQUITY						
GROUP SHAREHOLDERS' EQUITY						
Share capital	16,841		16,841		16,841	
Reserves	355,138		198,173		260,273	
Net profit/(loss) – Group	26,049		150,451		24,376	
TOTAL GROUP SHAREHOLDERS' EQUITY	398,028		365,465		301,490	
MINORITY INTERESTS						
Share capital and reserves – minority interests	33,664		24,789		32,562	
Net profit/(loss) – minority interests	1,256		9,516		2,447	
TOTAL MINORITY INTERESTS	34,920		34,305		35,009	
TOTAL SHAREHOLDERS' EQUITY	432,948		399,770		336,499	
NON CURRENT LIABILITIES						
Provisions for risks and charges	5,334		5,348		4,874	
Employee benefit liabilities	10,048		10,092		11,478	
Other non current liabilities	37,382		38,671		41,542	
Deferred tax liabilities	5,696		7,167		4,662	
TOTAL NON CURRENT LIABILITIES	58,460		61,278		62,556	
CURRENT LIABILITIES						
Trade payables	205,086	133	202,752	294	174,266	31
Interest-bearing loans & borrowings	89,764		100,052		104,381	
Tax payables	24,416		22,401		21,768	
Other current liabilities	54,622	16,746	43,472	10,539	60,961	20,208
Other current financial liabilities	4,291		4,782		4,379	
TOTAL CURRENT LIABILITIES	378,179	16,879	373,459	10,833	365,755	20,239
TOTAL LIABILITIES	436,639	16,879	434,737	10,833	428,311	20,239
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	869,587	16,879	834,507	10,833	764,810	20,239

Consolidated income statement

(In thousands of Euro)	Period ended 31 March			
	2014	of which with related parties	2013	of which with related parties
Revenues from sales and services	296,145	258	279,883	1,363
Rental income investment properties	2,643		2,066	
Revenues	298,788		281,949	
Cost of goods sold	(115,606)		(106,753)	
Gross profit	183,182		175,196	
Style, product development and logistics costs	(10,981)	(133)	(10,681)	(132)
Sales & distribution costs	(88,890)	(3,657)	(84,235)	(3,178)
Marketing & communication costs	(17,252)	(4)	(18,706)	(5)
General and administrative costs	(22,608)	(1,919)	(22,316)	(2,962)
Other operating costs	(3,916)	(53)	(3,069)	(2)
Other income and revenues	2,203		2,657	12
Operating profit	41,738		38,846	
Financial charges	(6,092)		(10,077)	
Financial income	4,380		9,569	
Share of net profit/(loss) on investments accounted for using the Equity Method	-		200	
Profit before taxes	40,026		38,538	
Income taxes	(12,721)		(11,715)	
Net profit/(loss) for the period	27,305		26,823	
Net profit/(loss) – Group	26,049		24,376	
Net profit/(loss) – minority interests	1,256		2,447	

(In Euro)	Period ended 31 March	
	2014	2013
Basic earnings per share – ordinary shares	0.155	0.145
Diluted earnings per share – ordinary shares	0.154	0.145

Consolidated statement of comprehensive income

(In thousands of Euro)	Period ended 31 March	
	2014	2013
Net profit/(loss) for the period (A)	27,305	26,823
<i>Other income/(losses) that will be subsequently reclassified to net profit/(loss) for the period</i>		
- Currency translation differences of foreign operations	9,986	14,856
- Net gain/(loss) from cash flow hedge	(6,222)	(5,674)
- Income taxes	1,711	1,560
	<u>(4,511)</u>	<u>(4,114)</u>
Total other income/(losses) that will be subsequently reclassified to net profit/(loss) for the period, net of taxes (B1)	5,475	10,742
<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	113	(90)
- Income taxes	(31)	24
	<u>82</u>	<u>(66)</u>
Total other income/(losses) that will not be subsequently reclassified to net profit/(loss) for the period, net of taxes (B2)	82	(66)
Total other income/(losses) for the period, net of taxes (B1+B2 = B)	5,557	10,676
Total comprehensive income for the period, net of taxes (A+B)	32,862	37,499
Group	31,942	34,696
Minority interests	920	2,803

Consolidated statement of cash flows

(In thousands of Euro)	Period ended 31 March			
	2014	of which with related parties	2013	of which with related parties
NET PROFIT/(LOSS) FOR THE PERIOD	27,305		26,823	
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	11,025		9,159	
Allocation / (use) of deferred taxes	(2,410)		(1,538)	
Provision for employee benefit plans	219		128	
Allocation to / (use of) the provision for obsolete inventory	3,782		2,376	
Losses and provision for bad debt	525		304	
Losses / (gains) on disposal of tangible and intangible assets	319		190	
Share of net loss / (profit) on investments accounted for using the Equity Method	-		(200)	
Other non-monetary items	439		344	
Changes in operating assets and liabilities:				
Trade receivables	(6,331)	(125)	204	(129)
Inventories	(34,711)		(22,815)	
Trade payables	2,368	(161)	16,529	(702)
Tax receivables	3,100		809	
Tax payables	910		(694)	
Employee benefits payments	(156)		(167)	
Other assets and liabilities	9,569	6,563	7,106	6,548
Other – net	(21)		(567)	
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	15,932	6,277	37,991	5,717
Cash flow from investing activities:				
Purchase of tangible assets	(9,154)		(9,282)	
Purchase of intangible assets	(648)		(1,003)	
Net change in non current assets and liabilities	(43)	34	(467)	
Proceeds from the sale of tangible and intangible assets	188		23	
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(9,657)	34	(10,729)	-
Cash flow from financing activities:				
Net change in financial receivables	591		431	
Net change in financial payables	(9,871)	-	(66,261)	(41,235)
Purchase of minority interests in companies consolidated on a line-by-line basis	-		(1,001)	
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(9,280)	-	(66,831)	(41,235)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(3,005)		(39,569)	
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	70,292		110,808	
Increase/(decrease) in cash and cash equivalents	(3,005)		(39,569)	
Effect of exchange rate translation differences	15		939	
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	67,302		72,178	
ADDITIONAL INFORMATION				
Interest paid	1,083		968	
Income taxes paid	3,344		4,744	
Interest received	69		93	
Dividends received	-		-	

Statement of changes in consolidated shareholders' equity

Period ended 31 March 2014	Share capital	Share capital contributi ons	Legal reserve	Extraordi nary reserve	Cash flow hedge reserve	Translation reserve	Retained earnings	Other reserves	Effect IAS 19 Equity	Effect IAS 28 (Common Control) Equity	Net profit/(los s) for the period	Group sharehold ers' equity	Minority interests	Total sharehold ers' equity
(In thousands of Euro)														
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	-	-	-	-	-	-	150,451	-	-	-	(150,451)	-	-	-
Net profit/(loss) for the period	-	-	-	-	-	-	-	-	-	-	26,049	26,049	1,256	27,305
Other comprehensive income/(loss)	-	-	-	-	(4,511)	10,494	(172)	-	82	-	-	5,893	(336)	5,557
Total comprehensive income (loss)	-	-	-	-	(4,511)	10,494	(172)	-	82	-	26,049	31,942	920	32,862
Purchase of minority interests in companies consolidated on a line-by-line basis and accounting of options on minority interests	-	-	-	-	-	-	230	-	-	-	-	230	(305)	(75)
Stock Grant Reserve	-	-	-	-	-	-	-	391	-	-	-	391	-	391
As at 31.03.2014	16,841	2,995	4,188	117,114	8,860	(29,017)	234,839	17,887	(1,728)	-	26,049	398,028	34,920	432,948
Period ended 31 March 2013	Share capital	Share capital contributi ons	Legal reserve	Extraordi nary reserve	Cash flow hedge reserve	Translation reserve	Retained earnings	Other reserves	Effect IAS 19 Equity	Effect IAS 28 (Common Control) Equity	Net profit/(los s) for the period	Group sharehold ers' equity	Minority interests	Total sharehold ers' equity
(In thousands of Euro)														
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	-	-	-	-	-	-	105,552	-	-	-	(105,552)	-	-	-
Net profit/(loss) for the period	-	-	-	-	-	-	-	-	-	-	24,376	24,376	2,447	26,823
Other comprehensive income/(loss)	-	-	-	-	(4,114)	14,551	(51)	-	(66)	-	-	10,320	356	10,676
Total comprehensive income (loss)	-	-	-	-	(4,114)	14,551	(51)	-	(66)	-	24,376	34,696	2,803	37,499
Purchase of minority interests in companies consolidated on a line-by-line basis and accounting of options on minority interests	-	-	-	-	-	(35)	(795)	(2)	-	-	-	(832)	(2)	(834)
Stock Grant Reserve	-	-	-	-	-	-	-	336	-	-	-	336	-	336
As at 31.03.2013	16,841	2,995	4,188	65,812	3,075	(21,692)	197,625	16,418	(2,224)	(5,924)	24,376	301,490	35,009	336,499

**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 May 2014

Manager responsible for corporate financial reporting
Ernesto Greco