

Salvatore Ferragamo

Salvatore Ferragamo Group

Interim report as at 30 September 2015

Salvatore Ferragamo S.p.A.

Florence

CONTENTS

<i>General information</i>	3
<i>Corporate boards</i>	4
<i>Group structure</i>	5
<i>Interim Directors' report on operations</i>	5
<i>Main Stock Market indicators – Salvatore Ferragamo S.p.A.</i>	6
<i>Income and financial highlights for the first nine months of 2015</i>	7
Introduction.....	8
The Salvatore Ferragamo Group's activities.....	8
Operating performance.....	9
Significant events occurred during the first nine months of 2015	14
Other information	15
Basis of presentation.....	15
Significant events occurred after 30 September 2015	17
Outlook	17
<i>Financial statements</i>	19
<i>Consolidated statement of financial position – assets</i>	19
<i>Consolidated statement of financial position – liabilities and shareholders' equity</i>	20
<i>Consolidated income statement</i>	21
<i>Consolidated statement of comprehensive income</i>	22
<i>Consolidated statement of cash flows</i>	23
<i>Statement of changes in consolidated shareholders' equity</i>	24
Statement pursuant to paragraph 2 of art. 154 bis of Legislative Decree 58/98 (Consolidated Law on Finance)	25

This document has been translated into English solely for the convenience of international readers.

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, subscribed and paid-up share capital 16,879,000 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.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) Piero Antinori (5) Umberto Tombari (5)(6) Marzio Saà (5)(6) Chiara Ambrosetti (5)(6) Lidia Fiori (5)(6)	Chairman Managing Director Deputy Chairman
Control and Risk Committee	Marzio Saà Umberto Tombari Chiara Ambrosetti	Chairman
Nomination and Remuneration Committee	Umberto Tombari Marzio Saà Lidia Fiori	Chairman
Product and Brand Strategy Committee	Ferruccio Ferragamo Michele Norsa Fulvia Ferragamo Leonardo Ferragamo	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 24 April 2015 and serving for the 2015-2017 period

(2) Appointed by the Shareholders' Meeting on 29 April 2014 and serving for the 2014-2016 period

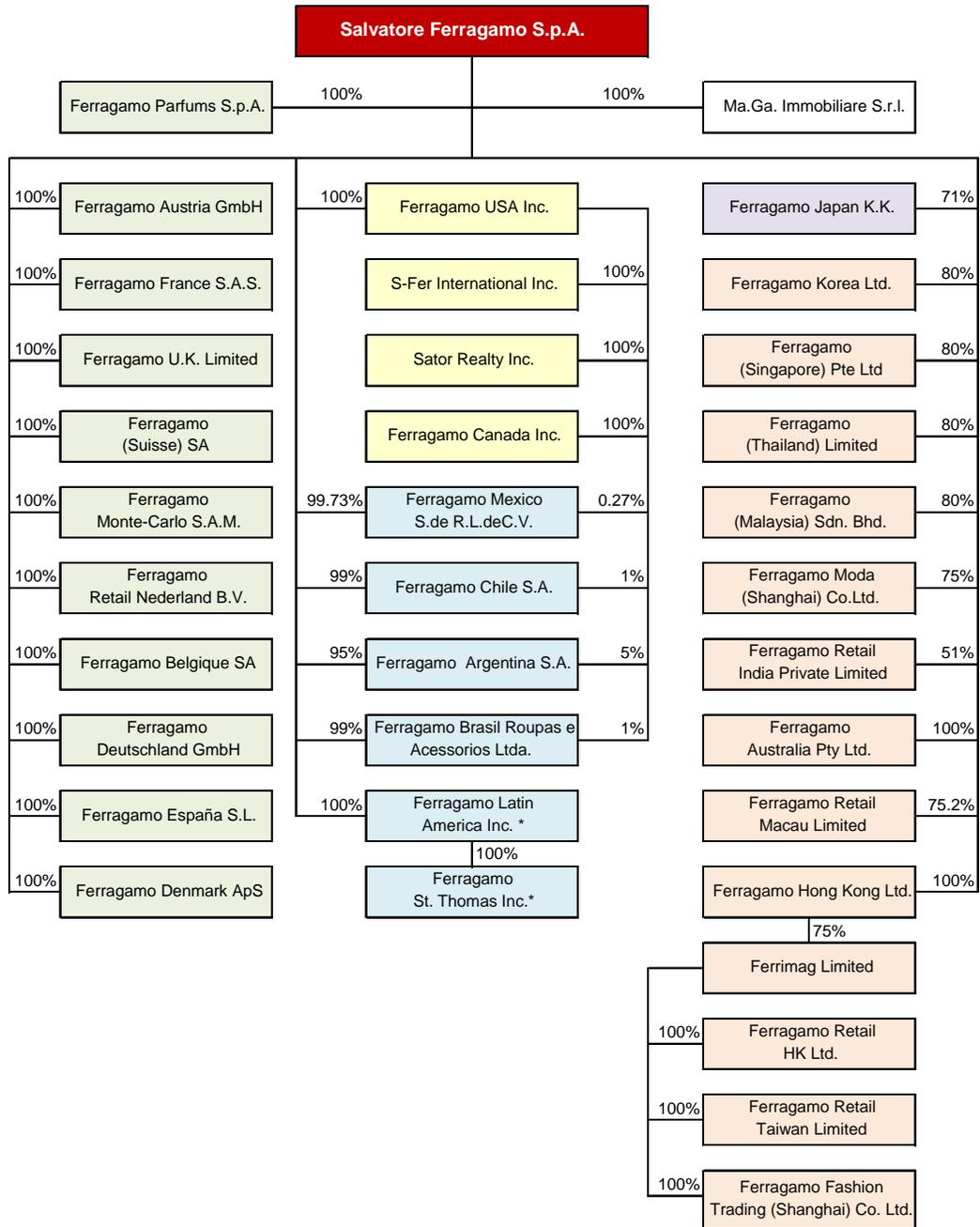
(3) Appointed for the 2011- 2019 period

(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

Group structure



- Notes**
- European companies
 - North America companies
 - Central and South America companies
 - Asia Pacific companies
 - Japanese companies
 - * Non-operating company in liquidation

Interim Directors' report on operations

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

Official price as at 30 September 2015 in Euro	23.66025
Stock Market capitalization as at 30 September 2015 in Euro	3,993,613,598
Number of shares making up the share capital as at 30 September 2015	168,790,000
Number of outstanding shares (free float)	44,747,040

Here below is the trend in Salvatore Ferragamo's share price during the first nine months of 2015.



Alternative performance measures

In order to better assess its performance, the Salvatore Ferragamo Group makes use of some alternative performance measures which are not identified as accounting measures under IFRS. Therefore, the determination criterion applied by the Group may differ from that adopted by other groups and the balance may not be comparable.

The definitions of the alternative performance measures adopted in the Interim report are provided below:

EBITDA: it is *Operating profit* before *Amortization and depreciation* and *Write-downs of tangible/intangible assets*

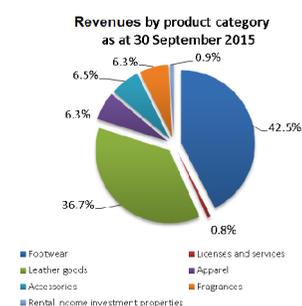
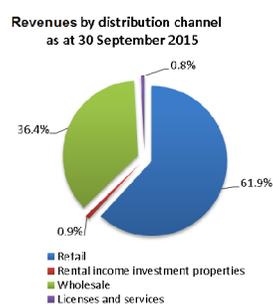
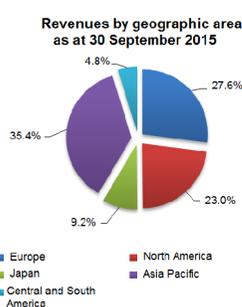
Net working capital: it is calculated as *Inventories* plus *Trade receivables*, net of *Trade payables*. It should be noted that this measure has been determined in accordance with the provisions of CESR's Recommendation 05-178/b of 3 November 2005 "CESR's Recommendation on alternative performance measures".

Net invested capital: it is the total amount of *Non current assets* and *Current assets*, excluding financial assets (*Other current financial assets* and *Cash and cash equivalents*) net of *Non current liabilities* and *Current liabilities*, excluding financial liabilities (*Current and non current interest-bearing loans & borrowings*, *Other current and non current financial liabilities*).

Net financial debt: it is calculated as *Current and non current interest-bearing loans & borrowings* plus *Other current and non current financial liabilities* including the negative fair value of derivatives (non-hedge component), net of *Cash and cash equivalents* and *Other current financial assets*, including the positive fair value of derivatives (non-hedge component). This measure 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".

Income and financial highlights for the first nine months of 2015

(In millions of Euro)	Period ended 30 September			% change	% change
	2015	2014	2013	2015 vs. 2014	2014 vs. 2013
Revenues	1,021.0	956.6	914.8	6.7%	4.6%
Gross profit	672.1	603.4	578.4	11.4%	4.3%
Gross profit %	65.8%	63.1%	63.2%		
EBITDA	217.6	203.2	191.8	7.1%	5.9%
EBITDA %	21.3%	21.2%	21.0%		
Operating profit	173.6	168.8	162.2	2.9%	4.1%
Operating profit %	17.0%	17.6%	17.7%		
Net profit/(loss) for the period	113.4	113.8	119.6	(0.3%)	(4.8%)
Net profit/(loss) – Group	112.3	109.5	112.4	2.5%	(2.5%)
Net profit/(loss) – minority interests	1.2	4.3	7.2	(72.7%)	(40.4%)



(In millions of Euro)	30 September 2015	31 December 2014	30 September 2014
Investments in tangible/intangible assets	56.2	82.9	50.8
Net working capital	293.6	301.9	292.4
Shareholders' equity	535.9	508.2	457.4
Net financial debt	38.3	49.4	58.2
Cash flow generated from operations	145.2	143.8	102.9

	30 September 2015	31 December 2014	30 September 2014
Staff as at the reporting date	3,941	3,900	3,809
Number of DOS	384	373	362
Number of TPOS	265	270	275

Geographical distribution of monobrand stores (30 September 2015)



649 Ferragamo monobrand stores

Disclaimer

This document contains forward-looking statements, in particular in the sections headed "Outlook" and "Significant events occurred after 30 September 2015" 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 Salvatore Ferragamo Group's Interim report as at 30 September 2015 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 Salvatore Ferragamo 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.

This Interim report, in addition to the indicators required for financial statements, in compliance with International Financial Reporting Standards (IFRS), also includes some alternative performance measures used by management to monitor and assess the Group's performance, as detailed in a specific section.

This Interim report must be read together with the Annual Report for as at 31 December 2014 which provides full details on the issues addressed.

The Salvatore Ferragamo Group's activities

The Salvatore Ferragamo 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 Salvatore 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 Salvatore Ferragamo Group distributors and third parties which serve a network of selected multibrand stores belonging to the specific fragrances channel. The Salvatore Ferragamo Group is also active in the licensing of the Salvatore 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, the Chinese Renminbi and the Japanese yen. Therefore, the Group is exposed both to settlement and translation risk.

In the first quarter of the year, the Euro depreciated rapidly and significantly following the launch of the European Central Bank's bond-buying programme. In particular, the exchange rate of the Euro against the US dollar started from around 1.21 at the start of the year, until recording a minimum of 1.04 in March, as from April it regained ground, leveling off in a range between 1.10 and 1.15, pending the monetary policy decisions of the Federal Reserve. The risks for the global outlook, arising from the trend in the Chinese economy, the decision to depreciate the Renminbi and the consequent turmoil on the Shanghai stock market which rapidly spread to all global financial markets, led the Fed to postpone the first interest rate hike which, until a few months ago, had been expected for September. Should the global outlook deteriorate, for its part the ECB has stated that it is willing to expand the Quantitative Easing programme in terms of its duration and the amounts involved. Consequently there has been a tighter correlation between exchange rates and the expected trends in interest rates. Exchange rates seem to remain favorable to the US dollar: a further depreciation of the Euro cannot be ruled out, in particular when the increase in

US interest rates takes place, although, probably, the extent of the depreciation will be lower than that recorded during the year. The expectations of further expansionary monetary policy measures have further weakened the Japanese yen, above all against the US dollar. The exchange rate against the Euro is affected by movements in the Euro/US\$ exchange rate: after starting the year around 145, the Euro/Yen exchange rate started to decrease, to stabilize in a range between 127 and 130; following the recovery of the Euro, the exchange rate once again rose above 140 in August, to then stabilize at around 135. The other main central banks, both in advanced economies and in developing countries, have already adopted loose monetary policy measures or they are ready to do so, or, finally, they have committed to keeping accommodative conditions for longer, if necessary. In the last two months, widespread depreciation and sharp volatility have affected the currencies of emerging countries which have weaker economic fundamentals, without distinction among different geographical areas: Asia, Europe and Latin America. In particular, since the start of the year the Malaysian currency has depreciated against the Euro by around 16%, the Russian ruble has lost 6%, and the Brazilian real has depreciated by 30%. There are just a few exceptions, such as the Indian rupee which, during the year, has appreciated around 5% against the Euro.

Operating performance

The first nine months of 2015 confirmed the positive trend which the Salvatore Ferragamo Group has been reporting for years now, with increasing revenues and the achievement of significant results; in particular, consolidated revenues grew by 6.7% compared to the prior-year period. Despite the negative effect of the hedging impact, EBITDA too rose from 21.2% to 21.3% of revenues, up by 7.1% compared to the first nine months of 2014.

At the same time note should be taken of the strengthening of the Group's financial position with a marked reduction in net financial debt mainly due to significant cash flows from operations in the first nine months of 2015 totaling 145,158 thousand Euro compared to 102,861 thousand Euro in the prior-year period. These good results, which were positively affected by exchange rate trends and partly offset by a difficult third quarter, are noteworthy since they were achieved despite long-standing market instability and significant geopolitical tensions (the Ukraine crisis and the embargo on Russia, the Greek crisis, the difficulties on the Hong Kong market and, finally, the slowdown in the Chinese economy).

The following table shows the main income statement data.

	Period ended 30 September				
	2015	% of revenues	2014	% of revenues	% change
Revenues	1,021,033	100.0%	956,587	100.0%	6.7%
Gross profit	672,098	65.8%	603,437	63.1%	11.4%
Style, product development and logistics costs	(31,717)	(3.1%)	(31,858)	(3.3%)	(0.4%)
Sales & distribution costs	(332,533)	(32.6%)	(277,452)	(29.0%)	19.9%
Marketing & communication costs	(50,678)	(5.0%)	(49,192)	(5.1%)	3.0%
General and administrative costs	(78,391)	(7.7%)	(70,955)	(7.4%)	10.5%
Other operating costs	(14,249)	(1.4%)	(11,787)	(1.2%)	20.9%
Other income and revenues	9,080	0.9%	6,599	0.7%	37.6%
Operating profit	173,610	17.0%	168,792	17.6%	2.9%
Net financial income and charges	(9,244)	(0.9%)	(4,169)	(0.4%)	121.7%
Profit before taxes	164,366	16.1%	164,623	17.2%	(0.2%)
Income taxes	(50,927)	(5.0%)	(50,803)	(5.3%)	0.2%
Net profit/(loss) for the period	113,439	11.1%	113,820	11.9%	(0.3%)
Net profit/(loss) – Group	112,265	11.0%	109,522	11.4%	2.5%
Net profit/(loss) – minority interests	1,174	0.1%	4,298	0.4%	(72.7%)
Amortization, depreciation and write-downs of tangible/intangible assets	44,003	4.3%	34,376	3.6%	28.0%
EBITDA	217,613	21.3%	203,168	21.2%	7.1%

In the first nine months of 2015 **revenues** totaled 1,021,033 thousand Euro compared to 956,587 thousand Euro in the prior-year period: they increased by 6.7% and they were positively affected by exchange rate trends and negatively affected by the hedging impact. 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 nine months of 2015 compared to the same period last year: the US dollar appreciated by 17.8%⁽¹⁾, the Japanese yen by 3.4%⁽²⁾ and the Chinese Renminbi by

¹ With reference to the average Euro/US\$ exchange rate for the first nine months: 2015: 1.114; 2014: 1.355

² With reference to the average Euro/Yen exchange rate for the first nine months: 2015: 134.78; 2014: 139.49

16.6%⁽³⁾ against the Euro, the currency in which the figures in the consolidated financial statements are expressed. Revenues recorded a total increase of 1.1% at constant exchange rates (applying to revenues for the first nine months of 2014 – net of the hedging impact – the average exchange rate of the first nine months of 2015). The breakdown by geographical area shows an increase of 5.4% in Europe, 15.6% in Japan and 11.2% in Central and South America, and a decrease of 4.5% in Asia Pacific and 0.9% in North America. Asia Pacific contributed the most to Group revenues with 35.4%, followed by Europe (27.6%), North America (23.0%), Japan (9.2%), and Central and South America (4.8%). With reference to the third quarter of 2015 only, revenues amounted to 298,658 thousand Euro, in line with the prior-year period (+0.4%) at current exchange rates and slightly down at constant exchange rates (-1.0%).

Gross profit for the period ended 30 September 2015 amounted to 672,098 thousand Euro, up by 11.4% compared to the same period last year (603,437 thousand Euro); it was 65.8% of revenues compared to 63.1% the same period last year and was positively affected by exchange rate trends and the expansion of the retail channel. In the third quarter of 2015 alone, gross profit was 196,866 thousand Euro, up by 3.8% compared to the prior-year period and with a ratio to revenues of 65.9% compared to 63.7% in the third quarter of 2014.

Total operating costs (net of other income) in the first nine months of 2015 amounted to 498,488 thousand Euro, up by 14.7% compared to the same period last year, both due to higher costs arising from the expansion of the distribution network and the appreciation, during the period, of the currencies in which part of the operating costs incurred by the Salvatore Ferragamo Group are denominated. In the third quarter of 2015 alone, total net operating costs rose from 141,472 thousand Euro to 158,807 thousand Euro, up by 12.3% compared to the third quarter of 2014, and their ratio to revenues increased from 47.5% to 53.2%.

Higher revenues and gross profit sharply improving above 65% (compared to 63% as at 30 September 2014) resulted in a significant increase in **EBITDA** from 203,168 thousand Euro to 217,613 thousand Euro (+7.1%) and its ratio to revenues increased from 21.2% in the first nine months of 2014 to 21.3%. In the third quarter of 2015 alone, EBITDA totaled 52,972 thousand Euro compared to 60,133 thousand Euro in the third quarter of 2014: it decreased by 11.9% and its ratio to revenues was 17.7% compared to 20.2%. As noted previously, the hedging impact negatively affected the results, in particular the negative impact on the third quarter alone amounted to 20,527 thousand Euro.

Operating profit for the period ended 30 September 2015 totaled 173,610 thousand Euro compared to 168,792 thousand Euro in the prior year period (+2.9%), accounting for 17.0% of revenues compared to 17.6% the same period last year. This was also due to higher amortization and depreciation in the first nine months of 2015 compared to the same period last year (+28.0%). In the third quarter of 2015 alone, operating profit, including the negative hedging impact, totaled 38,059 thousand Euro compared to 48,224 thousand Euro in the third quarter of 2014 (-21.1%), accounting for 12.7% of revenues compared to 16.2%.

As noted previously, the hedging impact⁽⁴⁾ was significant and, above all in the third quarter, had a significant negative effect on the results which, without this impact, would have been markedly up on the previous year, both over the nine months and in the third quarter alone. The following table shows this effect.

(In thousands of Euro)	Period ended 30 September			Third quarter		
	2015	2014	% change	2015	2014	% change
Revenues	1,021,03	956,587	6.7%	298,658	297,568	0.4%
Reversal of the hedging impact included in revenues	43,633	(14,971)	(391.5%)	20,527	(3,953)	(619.3%)
Adjusted revenues	1,064,66	941,616	13.1%	319,185	293,615	8.7%
Cost of goods sold	(348,935)	(353,150)	(1.2%)	(101,792)	(107,872)	(5.6%)
Adjusted gross profit	715,731	588,466	21.6%	217,393	185,743	17.0%
Total operating costs (net of other income)	(498,488)	(434,645)	14.7%	(158,807)	(141,472)	12.3%
Adjusted operating profit	217,243	153,821	41.2%	58,586	44,271	32.3%
Adjusted EBITDA	261,246	188,197	38.8%	73,499	56,180	30.8%

Net financial income and charges went from net charges of 4,169 thousand Euro in the first nine months of 2014 to net charges of 9,244 thousand Euro in the first nine months of 2015.

³ With reference to the average Euro/Cny exchange rate for the first nine months: 2015: 6.964; 2014: 8.354

⁴ For details on foreign exchange risk management policies reference should be made to the Annual Report as at 31 December 2014, section 15 “Main risks and uncertainties”

(In thousands of Euro)	Period ended 30 September		
	2015	2014	% change
Net interest	(3,810)	(3,034)	25.6%
Other net income/(charges)	(1,633)	(1,367)	19.5%
Net gains/(losses) on exchange rate differences	3,954	5,916	(33.2%)
Net financial income/(charges) for fair value adjustment of derivatives	(7,756)	(5,684)	36.5%
Gains/(losses) on disposal of investments	1	-	na
Total	(9,244)	(4,169)	121.7%

Net gains and losses on exchange rate differences mainly reflect the impact of commercial transactions in foreign currency and went from net gains of 5,916 thousand Euro in the first nine months of 2014 to net gains of 3,954 thousand Euro. Changes in net gains and losses should be correlated with the item "Net financial income/(charges) for fair value adjustment of derivatives", which 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 2015 alone, financial income and charges totaled 3,557 thousand Euro in net charges, up compared to net charges of 1,720 thousand Euro in the third quarter of 2014 and the change is mainly due to the net negative impact of exchange rate differences in the period.

Income taxes

(In thousands of Euro)	Period ended 30 September		
	2015	2014	% change
Profit before taxes	164,366	164,623	(0.2%)
Income taxes	(50,927)	(50,803)	0.2%
Tax rate	31.0%	30.9%	

The estimated effective tax rate for the first nine months of 2015 (the best estimate of the annual tax rate expected for the whole year) was 31.0% compared to 30.9% in the prior-year period.

In the first nine months of 2015 the Salvatore Ferragamo Group achieved **net profit** of 113,439 thousand Euro compared to 113,820 thousand Euro in the prior-year period. The Group share of net profit amounted to 112,265 thousand Euro compared to 109,522 thousand Euro in the prior-year period, up by 2.5%.

With reference to the third quarter of 2015 alone, net profit was 23,600 thousand Euro compared to 31,803 thousand Euro in the third quarter of 2014 (-25.8%). Group net profit amounted to 24,112 thousand Euro compared to 31,444 thousand Euro in the third quarter of 2014, down by 23.3%.

Revenues

The following table shows revenues by **geographic area** for the periods ended 30 September 2015 and 30 September 2014 and the relevant percentage changes:

(In thousands of Euro)	Period ended 30 September					at constant exchange rates
	2015	% of revenues	2014	% of revenues	% change	% change
Europe	281,668	27.6%	264,036	27.6%	6.7%	5.4%
North America	234,702	23.0%	213,490	22.3%	9.9%	(0.9%)
Japan	94,331	9.2%	83,546	8.7%	12.9%	15.6%
Asia Pacific	360,962	35.4%	352,980	36.9%	2.3%	(4.5%)
Central and South America	49,370	4.8%	42,535	4.5%	16.1%	11.2%
Total	1,021,033	100.0%	956,587	100.0%	6.7%	1.1%

Revenues increased at current exchange rates in all markets, while note should be taken of the positive trend of Europe, Japan, Central and South America at constant exchange rates.

Despite the negative impact of the weak economic backdrop and of geopolitical events in the area (the Ukraine crisis, the embargo on Russia and the Greek crisis), in Europe revenues increased by 6.7% at current exchange rates, thanks to the good trend in sales from the retail channel (+13.1% at current exchange rates) and the good performance of the travel retail channel.

The North American market saw an increase in revenues of 9.9% at current exchange rates (mostly unchanged at constant exchange rates), which was positively affected by the wholesale channel.

In keeping with the trend in the first half of the year, the acceleration in Japan continued at both current (+12.9%) and constant (+15.6%) exchange rates.

Asia Pacific saw an increase in revenues of 2.3% (-4.5% at constant exchange rates) and was negatively affected by the drop in sales on the Hong Kong market and the slowdown in the Chinese economy; however, Asia Pacific contributed once again the most to Group revenues with 35.4%.

The Central and South American market recorded once again a double-digit percentage increase in revenues at both current and constant exchange rates, accounting for 4.8% of total revenues thanks to the good performance of the Mexican market.

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

(In thousands of Euro)	Period ended 30 September					at constant
	2015	% of revenues	2014	% of revenues	% change	exchange rates % change
Retail	631,695	61.9%	590,381	61.7%	7.0%	1.5%
Wholesale	371,462	36.4%	351,071	36.7%	5.8%	0.2%
Licenses and services	8,216	0.8%	7,073	0.7%	16.2%	16.2%
Rental income investment properties	9,660	0.9%	8,062	0.9%	19.8%	(1.5%)
Total	1,021,033	100.0%	956,587	100.0%	6.7%	1.1%

Retail sales refer to revenues generated by sales in directly operated Ferragamo brand stores (DOS).

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 Salvatore Ferragamo Group has its own network of directly operated stores; the business in the United States is of particular importance.

During the first nine months of 2015 retail sales grew by 7.0% at current exchange rates and by 1.5% at constant exchange rates thanks to the increase in sales on the European market (with an increase at current and constant exchange rates of 13.1% and 11.5% respectively) and the Japanese market (+11.2% at current exchange rates and +14.6% at constant exchange rates), while the Asia Pacific region saw an increase of 3.3% at current exchange rates and a decrease of 4.1% at constant exchange rates.

During the first nine months of 2015 the number of directly operated stores (DOS) increased by 11 units compared to the situation as at 31 December 2014. Compared to 30 September 2014 there was a net increase in the number of directly operated stores of 22 units.

The wholesale channel increased by 5.8% at current exchange rates (mostly unchanged at constant exchange rates), also thanks to the good performance of the travel retail channel; in particular, note should be taken of the positive trend of the North American market at both current (+17.4%) and constant (+5.4%) exchange rates, while Asia Pacific recorded a negative performance (-0.1% at current exchange rates and -5.7% at constant exchange rates).

In the first nine months of 2015 revenues from licenses and services sharply increased by 16.2% (at current and constant exchange rates); this item mainly refers to revenues from royalties concerning the licensing of the Salvatore Ferragamo brand to the Marchon group in the eyewear industry and the Timex group in the watch industry.

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 19.8% at current exchange rates (a decrease of 1.5% at constant exchange rates).

Here below is a breakdown of revenues which shows the contribution and growth by **product category** for the periods ended 30 September 2015 and 30 September 2014.

(In thousands of Euro)	Period ended 30 September					at constant
	2015	% of revenues	2014	% of revenues	% change	exchange rates % change
Footwear	433,667	42.5%	411,286	43.0%	5.4%	(0.7%)
Leather goods	374,090	36.7%	335,835	35.1%	11.4%	6.0%
Apparel	64,533	6.3%	66,943	7.0%	(3.6%)	(6.9%)
Accessories	66,171	6.5%	62,675	6.5%	5.6%	1.0%
Fragrances	64,696	6.3%	64,713	6.8%	0.0%	(6.1%)
Licenses and services	8,216	0.8%	7,073	0.7%	16.2%	16.2%
Rental income investment properties	9,660	0.9%	8,062	0.9%	19.8%	(1.5%)
Total	1,021,033	100.0%	956,587	100.0%	6.7%	1.1%

All the product categories, with the sole exception of apparel and fragrances, saw a percentage growth in revenues at current exchange rates compared to the previous period. In particular, note should be taken of the positive trend in leather goods which recorded an increase of 11.4% at current exchange rates (+6.0% at constant exchange rates) and the increase in revenues from footwear (5.4% at current exchange rates, mostly unchanged at constant exchange rates).

Investment and financial operations

Here below is the statement of financial position as at 30 September 2015 reclassified by sources and uses, compared to the position as at 31 December 2014:

(In thousands of Euro)	30 September 2015	31 December 2014	% change
Property, plant and equipment, investment property, intangible assets with a finite useful life	265,711	248,312	7.0%
Net working capital	293,635	301,895	(2.7%)
Other non current assets/(liabilities), net	52,112	45,032	15.7%
Other current assets/(liabilities), net	(37,226)	(37,692)	(1.2%)
Net invested capital	574,232	557,547	3.0%
Group shareholders' equity	492,676	466,190	5.7%
Minority interests	43,258	42,004	3.0%
Shareholders' equity (A)	535,934	508,194	5.5%
Net financial debt (B)	38,298	49,353	(22.4%)
Total sources of financing (A+B)	574,232	557,547	3.0%
Net financial debt/shareholders' equity	7.1%	9.7%	

Investments in fixed assets

During the period ended 30 September 2015, the Salvatore Ferragamo Group made investments in tangible and intangible assets for a total amount of 56,243 thousand Euro, of which 48,293 thousand Euro in tangible assets and 7,950 thousand Euro in intangible assets, compared to a total of 50,843 thousand Euro in the first nine months of 2014.

The most important investments in tangible assets were made in the opening and refurbishment of stores (27.2 million Euro, approximately 56% of total investments in tangible assets) and the completion of a new building inside the facility at Osmannoro-Sesto Fiorentino, which is part of the broader project undertaken by the Parent company to expand and renovate the whole industrial complex. In addition, in July 2015 the Parent company purchased some plots of land near the current facility at Osmannoro and the relevant building rights to implement the logistics center project. Investments in intangible assets mainly concerned the so-called "Marlin Project", aimed at standardizing the Group's retail information systems and the development of the e-commerce platform.

Amortization and depreciation amounted to 44,003 thousand Euro in the first nine months of 2015 and 34,376 thousand Euro in the first nine months of 2014.

Net working capital

Here below is the breakdown and change in net working capital as at 30 September 2015 compared with the figure as at 31 December 2014 and 30 September 2014.

(In thousands of Euro)	30 September 2015	31 December 2014	30 September 2014	% change 09.15 vs. 12.14	% change 09.15 vs. 09.14
Inventories	340,174	338,555	347,689	0.5%	(2.2%)
Trade receivables	121,845	150,895	114,010	(19.3%)	6.9%
Trade payables	(168,384)	(187,555)	(169,312)	(10.2%)	(0.5%)
Total	293,635	301,895	292,387	(2.7%)	0.4%

As shown in the table, inventories decreased by 2.2% compared to 30 September 2014 while trade receivables increased by 6.9% , mostly in line with the increase in revenues.

Net financial debt

Net financial debt as at 30 September 2015, 31 December 2014 and 30 September 2014 was as follows:

(In thousands of Euro)	30 September 2015	31 December 2014	30 September 2014	Change 09.15 vs. 12.14	Change 09.15 vs. 09.14
A. Cash	581	1,073	602	(492)	(21)
B. Other cash equivalents	120,822	95,390	67,281	25,432	53,541
C. Cash and cash equivalents (A)+(B)	121,403	96,463	67,883	24,940	53,520
Derivatives – non-hedge component	295	976	2,082	(681)	(1,787)
Other financial assets	-	-	-	-	-
D. Current financial receivables	295	976	2,082	(681)	(1,787)
E. Current bank payables	132,325	121,083	116,349	11,242	15,976
F. Derivatives – non-hedge component	82	260	69	(178)	13
G. Other current financial payables	4,847	4,118	4,252	729	595
H. Current financial debt (E)+(F)+(G)	137,254	125,461	120,670	11,793	16,584
I. Current financial debt, net (H)-(C)-(D)	15,556	28,022	50,705	(12,466)	(35,149)
J. Non current bank payables	22,742	21,331	7,450	1,411	15,292
K. Derivatives – non-hedge component	-	-	-	-	-
M. Other non current payables	-	-	-	-	-
N. Non current financial debt (J)+(K)+(M)	22,742	21,331	7,450	1,411	15,292
O. Net financial debt (I)+(N)	38,298	49,353	58,155	(11,055)	(19,857)

Net financial debt for the period ended 30 September 2015 amounted to 38,298 thousand Euro (7.1% of consolidated shareholders' equity), down by 11,055 thousand Euro compared to 31 December 2014, when it totaled 49,353 thousand Euro, and down by 19,857 thousand Euro compared to 30 September 2014. This improvement is attributable to cash flows from operations amounting to 145,158 thousand Euro (102,861 thousand Euro in the first nine months of 2014) net of the dividends paid in 2015 and the investments in tangible and intangible assets as at 30 September 2015.

Significant events occurred during the first nine months of 2015

For information on significant events occurred in the first six months of the year, reference should be made to the Half-year report as at 30 June 2015. Here below are the main events occurred during the third quarter of 2015.

Tax and customs disputes and audits

In regard to tax and customs disputes, reference should be made to the Half-year report as at 30 June 2015 since there were no changes, except for the dispute involving Ferragamo France SAS with the French tax authorities. In October 2015 Ferragamo France SAS filed a “*Requête Sommaire*”, i.e. a preliminary deed relating to the appeal, which must be filed within 4 months. Nonetheless, the company still has the possibility of trying to reach a settlement with the French tax authorities at any stage of the proceedings. Therefore, it is not possible to make estimates regarding any tax liabilities arising from the procedure. In addition, on 31 July 2015 Ferragamo France S.A.S. received notice of the opening of a general tax inspection relating to the years 2012 to 2014. The first inspection was carried out in early September.

Project to expand the facility at Osmannoro

In reference to the project of the Parent company Salvatore Ferragamo S.p.A. to expand the facility at Osmannoro building there a logistics center, on 15 July 2015 the Board of Directors approved:

- the transfer of ownership from Ferragamo Finanziaria S.p.A. of building plots and building rights;
- the purchase of all the stakes of Ma.Ga Immobiliare S.r.l., thus ensuring availability of additional building plots owned by the aforementioned company which are needed to implement the aforementioned project.

The above transactions were registered on 27 July 2015 through deeds of the Notary Mr. F. Steidl, and entailed an outlay of 9,127,373 Euro for the purchase of the land and building rights to implement the aforementioned expansion project.

It was also agreed between Ferragamo Finanziaria S.p.A. and Salvatore Ferragamo S.p.A. that, should it prove impossible to obtain building permits for the area, Ferragamo Finanziaria S.p.A. will arrange to buy back the land it sold and the stakes in Ma.Ga Immobiliare S.r.l. at the same price incurred for these purchases.

Other information

Dividends

In order to implement the resolution of the Shareholders' Meeting of 24 April 2015, the Parent company Salvatore Ferragamo S.p.A. paid Shareholders a single dividend of 0.42 Euro per share, relating to the profit for 2014, for a total amount of 70,732,200 Euro, with coupon detachment on 18 May 2015 and payment of the dividend as from 20 May 2015.

Moreover, other Group companies, during the first nine months of 2015, paid Third-Party Shareholders dividends amounting to 664 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 Company 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 2015, Ferragamo Finanziaria S.p.A. held a majority stake in the share capital of Salvatore Ferragamo S.p.A. with 57.618% as per the communication of Ferragamo Finanziaria S.p.A. pursuant to art. 120 A of the CONSOB Issuers' Regulation.

Treasury shares and shares or stakes in parent companies

It should be noted that the Salvatore Ferragamo 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 Salvatore Ferragamo Group's staff divided by category as at 30 September 2015, 31 December 2014 and 30 September 2014.

Staff	30 September	31 December	30 September
	2015	2014	2014
Top managers, middle managers and store managers	711	668	643
White collars	2,963	2,987	2,918
Blue collars	267	245	248
Total	3,941	3,900	3,809

Basis of presentation

The Interim report was approved by the Board of Directors of Salvatore Ferragamo S.p.A. on 12 November 2015 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 2014 and 30 September 2014 and the consolidated income statement as at 30 September 2014.

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

The equity, income and financial data as at 30 September 2015 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 2014 Consolidated Financial Statements of the Salvatore Ferragamo Group, 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 2015.

The procedures used for making estimates and assumptions are the same as those used in preparing the Annual Consolidated Financial Statements.

Consolidation area

During the first nine months of 2015 the structure of the Salvatore Ferragamo Group underwent the following changes:

- in January 2015 the Danish company Ferragamo Denmark ApS was set up (100% owned by Salvatore Ferragamo S.p.A.);
- in July 2015 all the stakes of Ma.Ga. Immobiliare S.r.l. were bought in order to make available further building plots of land owned by said company and needed for the expansion of the Osmannoro facility in order to build the new logistics center.

For further details reference should be made to the section “Significant events occurred during the first nine months of 2015”.

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

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

	Average rates		Exchange rates at the end of the reporting period		
	30 September	30 September	30 September	31 December	30 September
	2015	2014	2015	2014	2014
US Dollar	1.1144	1.3549	1.1203	1.2141	1.2583
Swiss Franc	1.06211	1.21801	1.0915	1.2024	1.2063
Japanese Yen	134.778	139.4860	134.69	145.2300	138.1099
Pound Sterling	0.7272	0.8118	0.7385	0.7789	0.7773
Danish Krone	7.4581	7.4590	7.4598	7.4453	7.4431
Australian Dollar	1.4631	1.4760	1.5939	1.4829	1.4442
South Korean Won	1,252.63	1,411.61	1,328.27	1,324.80	1,330.34
Hong Kong Dollar	8.6397	10.5067	8.6824	9.4170	9.7740
Mexican Peso	17.365	17.7719	18.9768	17.8679	16.9977
New Taiwanese Dollar	35.065	40.8237	36.8730	38.3711	38.3172
Singapore Dollar	1.5201	1.7040	1.5921	1.6058	1.6063
Thai Baht	37.6150	43.9071	40.7120	39.9100	40.8000
Malaysian Ringgit	4.2163	4.3925	4.9237	4.2473	4.1314
Indian Rupee	70.8549	82.2624	73.4805	76.7190	77.8564
Macau Pataca	8.893	10.8129	8.9306	9.6875	10.0437
Chinese Renminbi	6.9641	8.3544	7.1206	7.5358	7.7262
Chilean Peso	713.24	759.867	782.40	736.290	755.099
Argentine Peso	9.990	10.813	10.545	10.158	10.677
Brazilian Real	3.5257	3.1028	4.4808	3.2207	3.0821
Canadian Dollar	1.4038	1.4819	1.5034	1.4063	1.4058

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 2015 bank guarantees issued in favor of Palazzo Feroni Finanziaria S.p.A. totaled 1,304 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 Salvatore Ferragamo 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 2015, the Salvatore 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.

Significant events occurred after 30 September 2015

No significant events occurred after 30 September 2015.

Outlook

The economic cycle shows signs of slowing down due to temporary conditions in advanced economies and structural factors in emerging countries. Growth prospects are affected by the risks of a slowdown in China, the trend in raw material prices, the US monetary policy normalization and renewed geopolitical tensions. Supported by an exceptional combination of positive factors (fall in energy prices, particularly accommodative monetary and fiscal policies) and despite the lower contribution to growth of emerging countries, global GDP continues to be driven by the United States and by the recovery in Europe and Japan. The deliberate depreciation of the renminbi and the consequent turmoil which hit the Chinese stock markets in August have had a knock-on effect on all the financial markets of advanced economies. Central banks have continued to inject liquidity into the economy, keeping interest rates at very low levels. The US economy growth rate is stable at around 3.0%. All the domestic demand components are increasing and the labor market data is constantly improving. Despite inflation still being low, the real economy is in line with the start of a monetary policy normalization. In Europe the combined effect of the fall in the oil price, the depreciation of the exchange rate, the Quantitative Easing programme, and a more flexible interpretation of the 'Stability Pact' are all stimulating economic growth which is estimated for the current year to be around 1.5%. The tensions arising from the negotiations over the Greek debt have eased, but the geopolitical situation creates uncertainty. The Italian economy too shows signs of moderate recovery as regards private consumption and employment. Japan, after the slowdown in the second quarter, is speeding up again slightly: investments and exports, which are supported by accommodative financial conditions and a weak yen, should make a positive contribution; the dependence on Asian economies is mitigated by the increase in trade with the United States, while domestic consumption is recovering. Data relating to manufacturing, consumption and exports reflects the weakness of the Chinese economy, in contrast with previous market forecasts. Falling back from levels around 7.0%, the growth path for coming years seems to be tracking towards 5.0%. The main emerging countries showed different trends, but they shared significant currency volatility. For some countries, such as Russia, the fall in oil prices, the exports of which no longer allow the domestic problems to be offset, further increases the risk. In India, on the other hand, the economy has seen growth, which was supported by expected structural reforms. In Brazil the economic situation has continued to deteriorate and the country is in need of reforms.

The luxury sector slowed down in the third quarter, with the general weakness of the macroeconomic situation and specific factors (Ukraine crisis, difficulties on the Hong Kong market, embargo on Russia, tensions in the Middle East, international terrorism, etc.) joining the slowdown of the Chinese economy which resulted in lower sales to Chinese customers. Currently, it is difficult to make forecasts about the duration or size of this phenomenon.

As regards the Salvatore Ferragamo Group, the results achieved so far, together with reasonable business prospects, suggest that, barring a further deterioration in market conditions that cannot be predicted at the moment, revenues will grow over the previous year.

Florence, 12 November 2015

On behalf of the Board of Directors

The Chairman
Ferruccio Ferragamo

Financial statements

Consolidated statement of financial position – assets

(In thousands of Euro)	30 September 2015	<i>of which</i> <i>with</i> <i>related</i> <i>parties</i>	31 December 2014	<i>of which</i> <i>with</i> <i>related</i> <i>parties</i>	30 September 2014	<i>of which</i> <i>with</i> <i>related</i> <i>parties</i>
NON CURRENT ASSETS						
Property, plant and equipment	227,543		212,077		193,850	
Investment property	7,345		7,015		6,845	
Intangible assets with a finite useful life	30,823		29,220		26,320	
Available-for-sale financial assets	20		25		25	
Other non current assets	7,578		6,683		6,469	
Other non current financial assets	17,197	1,591	14,668	1,522	14,403	1,487
Deferred tax assets	104,640		95,274		94,335	
TOTAL NON CURRENT ASSETS	395,146	1,591	364,962	1,522	342,247	1,487
CURRENT ASSETS						
Inventories	340,174		338,555		347,689	
Trade receivables	121,845	119	150,895	54	114,010	81
Tax receivables	11,062		13,488		10,593	
Other current assets	35,100	2,060	34,058	2,025	30,023	2,069
Other current financial assets	295		976		2,082	
Cash and cash equivalents	121,403		96,463		67,883	
TOTAL CURRENT ASSETS	629,879	2,179	634,435	2,079	572,280	2,150
TOTAL ASSETS	1,025,025	3,770	999,397	3,601	914,527	3,637

Consolidated statement of financial position – liabilities and shareholders' equity

(In thousands of Euro)	30 September 2015	<i>of which with related parties</i>	31 December 2014	<i>of which with related parties</i>	30 September 2014	<i>of which with related parties</i>
SHAREHOLDERS' EQUITY						
GROUP SHAREHOLDERS' EQUITY						
Share capital	16,879		16,841		16,841	
Reserves	363,532		292,784		292,413	
Net profit/(loss) – Group	112,265		156,565		109,522	
TOTAL GROUP SHAREHOLDERS' EQUITY	492,676		466,190		418,776	
MINORITY INTERESTS						
Share capital and reserves – minority interests	42,084		35,054		34,353	
Net profit/(loss) – minority interests	1,174		6,950		4,298	
TOTAL MINORITY INTERESTS	43,258		42,004		38,651	
TOTAL SHAREHOLDERS' EQUITY	535,934		508,194		457,427	
NON CURRENT LIABILITIES						
Non current interest-bearing loans & borrowings	22,742		21,331		7,450	
Provisions for risks and charges	7,525		7,106		6,286	
Employee benefit liabilities	11,831		11,583		10,722	
Other non current liabilities	53,935		48,758		43,924	
Deferred tax liabilities	4,032		4,171		4,264	
TOTAL NON CURRENT LIABILITIES	100,065	-	92,949	-	72,646	-
CURRENT LIABILITIES						
Trade payables	168,384	1,800	187,555	326	169,312	2,800
Interest-bearing loans & borrowings	132,325		121,083		116,349	
Tax payables	20,292		21,528		23,395	
Other current liabilities	63,096	22,524	63,710	8,859	71,077	18,856
Other current financial liabilities	4,929		4,378		4,321	
TOTAL CURRENT LIABILITIES	389,026	24,324	398,254	9,185	384,454	21,656
TOTAL LIABILITIES	489,091	24,324	491,203	9,185	457,100	21,656
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,025,025	24,324	999,397	9,185	914,527	21,656

Consolidated income statement

(In thousands of Euro)	Period ended 30 September			
	2015	of which with related parties	2014	of which with related parties
Revenues from sales and services	1,011,373	195	948,525	1,172
Rental income investment properties	9,660		8,062	
Revenues	1,021,033		956,587	
Cost of goods sold	(348,935)		(353,150)	
Gross profit	672,098		603,437	
Style, product development and logistics costs	(31,717)	(546)	(31,858)	(404)
Sales & distribution costs	(332,533)	(17,723)	(277,452)	(12,651)
Marketing & communication costs	(50,678)	(31)	(49,192)	(38)
General and administrative costs	(78,391)	(5,055)	(70,955)	(5,211)
Other operating costs	(14,249)	(60)	(11,787)	(53)
Other income and revenues	9,080	15	6,599	25
Operating profit	173,610		168,792	
Financial charges	(44,928)		(22,159)	
Financial income	35,684		17,990	
Profit before taxes	164,366		164,623	
Income taxes	(50,927)		(50,803)	
Net profit/(loss) for the period	113,439		113,820	
Net profit/(loss) – Group	112,265		109,522	
Net profit/(loss) – minority interests	1,174		4,298	

(In Euro)	Period ended 30 September	
	2015	2014
Basic earnings per share – ordinary shares	0.666	0.650
Diluted earnings per share – ordinary shares	0.665	0.649

Consolidated statement of comprehensive income

(In thousands of Euro)	Period ended 30 September	
	2015	2014
Net profit/(loss) for the period (A)	113,439	113,820
<i>Other income/(losses) that will be subsequently reclassified to net profit/(loss) for the period</i>		
- Currency translation differences of foreign operations	(25,744)	38,388
- Net gain/(loss) from cash flow hedge	15,892	(35,175)
- Income taxes	(4,371)	9,673
	<u>11,521</u>	<u>(25,502)</u>
Total other income/(losses) that will be subsequently reclassified to net profit/(loss) for the period, net of taxes (B1)	(14,223)	12,886
<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	(134)	(382)
- Income taxes	(80)	159
	<u>(214)</u>	<u>(223)</u>
Total other income / (losses) that will not be subsequently reclassified to net profit/(loss) for the period, net of taxes (B2)	(214)	(223)
Total other income/(losses) for the period, net of taxes (B1+B2 = B)	(14,437)	12,663
Total comprehensive income for the period, net of taxes (A+B)	99,002	126,483
Group	96,343	119,424
Minority interests	2,659	7,059

Consolidated statement of cash flows

(In thousands of Euro)	Period ended 30 September			
	2015	of which with related parties	2014	of which with related parties
NET PROFIT / (LOSS) FOR THE PERIOD	113,439		113,820	
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	44,003		34,376	
Allocation / (use) of deferred taxes	(12,076)		(6,392)	
Provision for employee benefit plans	577		563	
Allocation to / (use of) the provision for obsolete inventory	6,309		9,642	
Losses and provision for bad debt	839		832	
Losses / (gains) on disposal of tangible and intangible assets	1,036		651	
Other non-monetary items	1,240		2,284	
Changes in operating assets and liabilities:				
Trade receivables	30,804	(65)	9,677	(15)
Inventories	(37,886)		(34,651)	
Trade payables	(21,074)	1,474	(34,992)	2,506
Tax receivables	3,003		234	
Tax payables	(2,052)		(1,252)	
Employee benefits payments	(649)		(491)	
Other assets and liabilities	17,834	13,630	8,920	8,674
Other – net	(189)		(360)	
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	145,158	15,039	102,861	11,165
Cash flow from investing activities:				
Purchase of tangible assets	(48,293)		(45,828)	
Purchase of intangible assets	(7,950)		(5,015)	
Net change in non current assets and liabilities	(1,122)	(69)	(1,846)	(105)
Proceeds from the sale of tangible and intangible assets	258		98	
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(57,107)	(69)	(52,591)	(105)
Cash flow from financing activities:				
Net change in financial receivables	228		(12)	
Net change in financial payables	8,284		16,361	
Dividends paid to shareholders of the Parent company	(70,732)	(52,117)	(67,364)	(49,617)
Dividends paid to minority shareholders	(664)	(664)	(1,787)	(1,787)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(62,884)	(52,781)	(52,802)	(51,404)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	25,167		(2,532)	
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	96,455		70,292	
Increase/(decrease) in cash and cash equivalents	25,167		(2,532)	
Effect of exchange rate translation differences	(219)		122	
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	121,403		67,882	
ADDITIONAL INFORMATION				
Interest paid	4,179		3,598	
Income taxes paid	41,798		49,649	
Interest received	369		190	
Dividends received	-		-	

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	Net profit/(loss) for the period	Group shareholders' equity	Minority interests	Total shareholders' equity
As at 01.01.2015	16,841	2,995	4,188	155,220	(15,698)	(317)	129,861	19,081	(2,546)	156,565	466,190	42,004	508,194
Allocation of results	-	-	-	36,443	-	-	120,122	-	-	(156,565)	-	-	-
Net profit/(loss) for the period	-	-	-	-	-	-	-	-	-	112,265	112,265	1,174	113,439
Other comprehensive income/(loss)	-	-	-	-	11,521	(25,688)	(1,544)	-	(211)	-	(15,922)	1,485	(14,437)
Total comprehensive income (loss)	-	-	-	-	11,521	(25,688)	(1,544)	-	(211)	112,265	96,343	2,659	99,002
Distribution of dividends	-	-	-	-	-	-	(70,732)	-	-	-	(70,732)	(664)	(71,396)
Purchase of minority interests in companies consolidated on a line-by-line basis and accounting of options on minority interests	-	-	-	-	-	-	89	-	-	-	89	(741)	(652)
Stock Grant Reserve	-	-	-	-	-	-	-	786	-	-	786	-	786
Reclassifications	38	-	-	12	-	-	5,037	(5,087)	-	-	-	-	-
As at 30.09.2015	16,879	2,995	4,188	191,675	(4,177)	(26,005)	182,833	14,780	(2,757)	112,265	492,676	43,258	535,934

(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	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

**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, 12 November 2015

Manager responsible for corporate financial reporting
Ernesto Greco