

*Salvatore Ferragamo*

***Salvatore Ferragamo Group***

**Interim report as at 31 March 2015**

**Salvatore Ferragamo S.p.A.**

Florence

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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 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.ferragamo.com](http://www.ferragamo.com)

## Corporate boards

<b>Honorary Chairman</b> (1)	Wanda Miletti Ferragamo	
<b>Board of Directors</b> (1)	Ferruccio Ferragamo (4)                      Chairman Michele Norsa (4)                                Managing Director Giovanna Ferragamo (5)                      Deputy Chairman 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)	
<b>Control and Risk Committee</b>	Marzio Saà Umberto Tombari Chiara Ambrosetti	Chairman
<b>Nomination and Remuneration Committee</b>	Umberto Tombari Marzio Saà Lidia Fiori	Chairman
<b>Product and Brand Strategy Committee</b>	Ferruccio Ferragamo Michele Norsa Fulvia Ferragamo Leonardo Ferragamo	Chairman
<b>Board of Statutory Auditors</b> (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
<b>Independent Auditors</b> (3)	Reconta Ernst & Young S.p.A.	
<b>Manager responsible for corporate financial reporting</b>	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

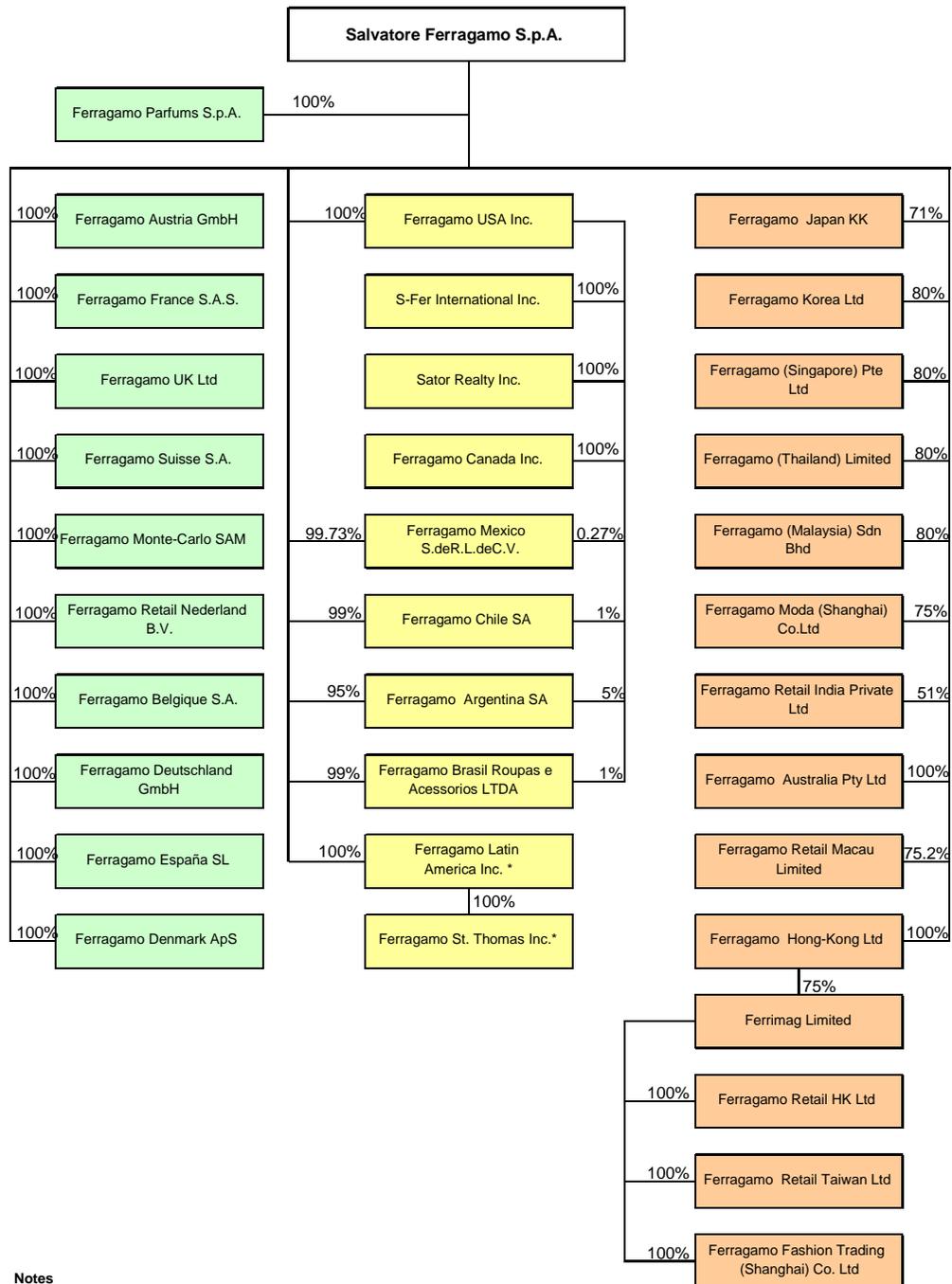
(3) Appointed for the 2011- 2019 period

(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**

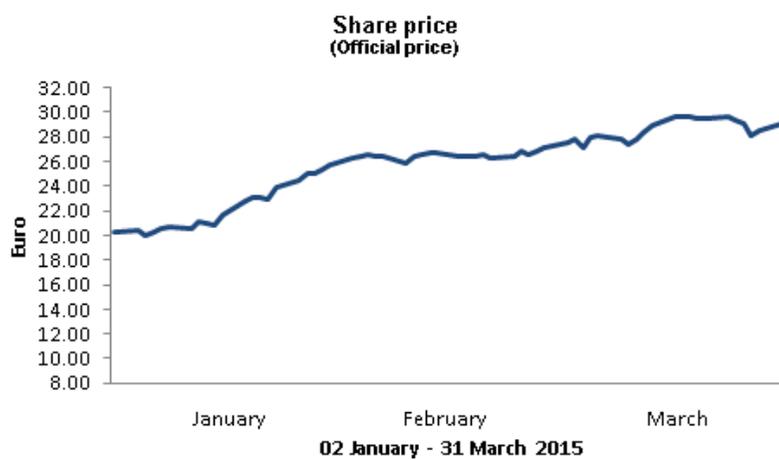
- European companies
- North/Centre/South America companies
- Far East companies
- \* Non-operating company in liquidation

## Interim Directors' report on operations

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

Official price as at 31 March 2015 in Euro	29.59467
Stock Market capitalization as at 31 March 2015 in Euro	4,984,038,375
Number of shares making up the share capital as at 31 March 2015	168,410,000
Number of outstanding shares (free float)	44,911,980

Here below is the trend in Salvatore Ferragamo's share price during the first three 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".

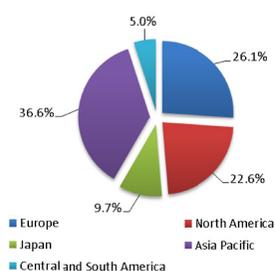
**Net invested capital:** it is the total amount of *Non current assets and Current assets, excluding financial assets (Other current financial assets and Cash and cash equivalents) net of Non current liabilities and Current liabilities, excluding financial liabilities (Current and non current interest-bearing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

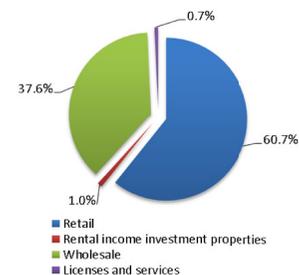
## Income and financial highlights for the first three months of 2015

(In millions of Euro)	Period ended 31 March			% change 2015 vs. 2014	% change 2014 vs. 2013
	2015	2014	2013		
Revenues	327.3	298.8	281.9	9.5%	6.0%
Gross profit	211.6	183.2	175.2	15.5%	4.6%
Gross profit %	64.7%	61.3%	62.1%		
EBITDA	61.1	52.8	48.0	15.8%	9.9%
EBITDA %	18.7%	17.7%	17.0%		
Operating profit	46.9	41.7	38.8	12.4%	7.4%
Operating profit %	14.3%	14.0%	13.8%		
Net profit/(loss) for the period	31.8	27.3	26.8	16.6%	1.8%
Net profit/(loss) – Group	31.2	26.0	24.4	19.7%	6.9%
Net profit/(loss) – minority interests	0.6	1.3	2.4	(48.3%)	(48.7%)

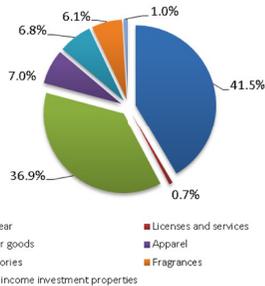
Revenues by geographic area as at 31 March 2015



Revenues by distribution channel as at 31 March 2015



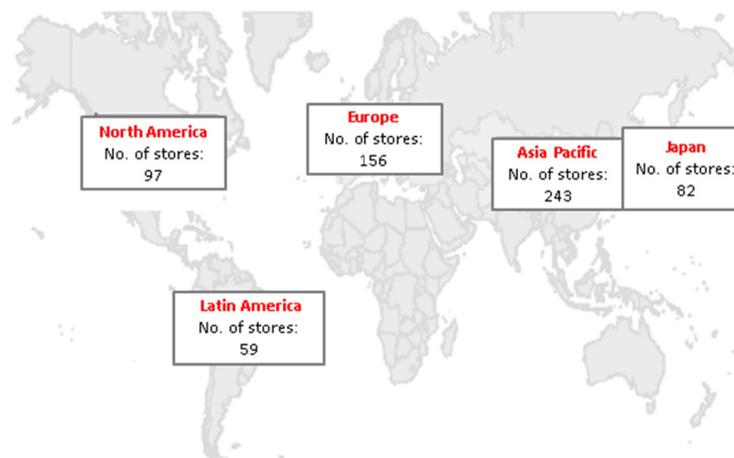
Revenues by product category as at 31 March 2015



(In millions of Euro)	31 March 2015	31 December 2014	31 March 2014
Investments in tangible/intangible assets	12.4	82.9	9.8
Net working capital	308.7	301.9	252.6
Shareholders' equity	514.9	508.2	432.9
Net financial debt	33.9	49.4	25.4
Cash flow generated from operations	45.0	143.8	15.9

	31 March 2015	31 December 2014	31 March 2014
Staff as at the reporting date	3,896	3,900	3,653
Number of DOS	375	373	356
Number of TPOS	262	270	264

### Geographical distribution of monobrand stores (31 March 2015)



637 Ferragamo monobrand stores

#### **Disclaimer**

*This document contains forward-looking statements, in particular in the sections headed "Outlook" and "Significant events occurred after 31 March 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 31 March 2015 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 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 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.

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.

#### **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 distributors of the Salvatore Ferragamo Group 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, Chinese Renminbi and the Japanese yen. Therefore, the Group is exposed both to settlement and translation risk.

This first quarter saw the definitive strengthening of the US dollar. The dollar-euro exchange rate, which in May 2014 nearly reached 1.40, quickly dipped below 1.25 in the final months of 2014, to close the year at 1.21. This change was triggered by the strengthening of the US economy, beginning with the end of the Federal Reserve's bond purchase program and the expected upcoming rise in interest rates. Notification of the decision by the European Central Bank to begin Quantitative Easing in January and the actual start of the bond purchase program further weakened the euro to its low point of 1.04 in March. The euro then found support at 1.07 on the confidence that an agreement can be reached to save Greece. The euro depreciated by about 22% against the US dollar between the end of March 2014 and March 2015. In real terms, the euro reached its lowest point since 2002. It is believed that this downward trend is going to continue based on improved growth prospects and inflationary trends in both economies. On the other hand, speculative positioning in the market still appears to be significantly oriented toward further

depreciation of the exchange rate. The Bank of Japan's ultra-expansionary economic policy as a reaction to low growth figures resulting from, among other factors, the increase in the consumption tax, has brought about an equally marked depreciation of the Japanese yen against the US dollar. However, the general depreciation of the euro resulted in the strengthening of the Japanese yen against the European single currency: at the beginning of the year parity stood at around 145, then a downward trend began, which levelled off in a range of between 127 and 130. According to market forecasts, the Japanese yen exchange rate is expected to settle around current levels. The Chinese Central Bank is also continuing to focus on an expansionary monetary policy with the effect that the renminbi, which appreciated significantly against the euro, will probably continue to depreciate against the US dollar. Most emerging economies are implementing accommodative monetary policies with the purpose of bringing down the exchange rate of their currencies, thus positioning their exports at more competitive levels, rather than implementing structural reforms aimed at stimulating internal consumption. The only country that raised its benchmark rate, in March, in response to its currency's weakness and high inflation rates was Brazil. Overall, the euro has remained relatively stable against the currencies of commodity-exporting countries, which are undergoing a downward push due to the drop in oil prices, with the exception of the Russian rouble, against which the euro has appreciated significantly due to the tensions in Ukraine.

### Operating performance

In the first three months of 2015, the positive trend continued both in terms of improved revenues and profits; consolidated net revenues grew by 9.5% compared to the prior-year period. Operating margins increased as well: EBITDA as a percentage of revenues increased from 17.7% to 18.7%, up by 15.8% in absolute terms. Operating profit as a percentage of revenues increased from 14.0% to 14.3%, up by 12.4% in absolute terms.

These positive results, supported by favorable exchange rate trends, are particularly noteworthy given that they were achieved despite market instability caused by strong geopolitical tensions (the Ukraine conflict, Russian embargo, Greek debt, and the economic slowdown in China).

Net profit for the period totaled 31.8 million Euro, up by 16.6% compared to the prior-year period.

The following table shows the main income statement data.

(In thousands of Euro)	Period ended 31 March				
	2015	% of revenues	2014	% of revenues	% change
<b>Revenues</b>	<b>327,262</b>	100.0%	<b>298,788</b>	100.0%	<b>9.5%</b>
<b>Gross profit</b>	<b>211,628</b>	64.7%	<b>183,182</b>	61.3%	<b>15.5%</b>
Style, product development and logistics costs	(10,722)	(3.3%)	(10,981)	(3.7%)	(2.4%)
Sales & distribution costs	(108,501)	(33.2%)	(88,890)	(29.8%)	22.1%
Marketing & communication costs	(17,223)	(5.3%)	(17,252)	(5.8%)	(0.2%)
General and administrative costs	(26,219)	(8.0%)	(22,608)	(7.6%)	16.0%
Other operating costs	(5,025)	(1.5%)	(3,916)	(1.3%)	28.3%
Other income and revenues	2,956	0.9%	2,203	0.7%	34.2%
<b>Operating profit</b>	<b>46,894</b>	14.3%	<b>41,738</b>	14.0%	<b>12.4%</b>
Net financial income and charges	(2,587)	(0.8%)	(1,712)	(0.6%)	51.1%
<b>Profit before taxes</b>	<b>44,307</b>	13.5%	<b>40,026</b>	13.4%	<b>10.7%</b>
Income taxes	(12,474)	(3.8%)	(12,721)	(4.3%)	(1.9%)
<b>Net profit/(loss) for the period</b>	<b>31,833</b>	9.7%	<b>27,305</b>	9.1%	<b>16.6%</b>
Net profit/(loss) – Group	31,184	9.5%	26,049	8.7%	19.7%
Net profit/(loss) – minority interests	649	0.2%	1,256	0.4%	(48.3%)
Amortization, depreciation and write-downs of tangible/intangible assets	14,187	4.3%	11,025	3.7%	28.7%
<b>EBITDA</b>	<b>61,081</b>	18.7%	<b>52,763</b>	17.7%	<b>15.8%</b>

In the first three months of 2015 **revenues** totaled 327,262 thousand Euro compared to 298,788 thousand Euro in the prior-year period: they increased by 9.5% and were positively affected by exchange rate trends. 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 2015 compared to the same period last year: the US dollar appreciated by 17.8%<sup>(1)</sup>,

<sup>1</sup> With reference to the average Euro/US\$ exchange rate for the first three months: 2015: 1.13; 2014: 1.37

the Japanese yen by 4.7%<sup>(2)</sup> and the Chinese renminbi by 16.0%<sup>(3)</sup> compared to the Euro, i.e. the currency in which the figures in the consolidated financial statements are expressed.

Revenues, at constant exchange rates (applying to the revenues – not inclusive of the hedging effect – of the first three months of 2014 the average exchange rate of the first three months of 2015), showed a total increase of 2.1%, up by 0.6% in Europe, 2.6% in North America, 5.7% in Japan, 0.2% in Asia Pacific, and 18.7% in Central and South America. Asia Pacific contributed the most to Group revenues with 36.6%, followed by Europe (26.1%), North America (22.6%), Japan (9.7%), and Central and South America (5.0%).

**Gross profit** for the period ended 31 March 2015 was 211,628 thousand Euro, up by 15.5% compared to 183,182 thousand Euro as at 31 March 2014.

Gross profit for the period ended 31 March 2015 was 64.7% of revenues compared to 61.3% the same period last year and was positively affected by exchange rate trends and the expansion of the retail channel.

**Total operating costs** (net of other income) increased by 16.5% in the first three months of 2015 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 first quarter, of the currencies in which most of the operating costs incurred by the Salvatore Ferragamo Group are denominated.

Higher revenues and gross profit steadily above 64% resulted in a significant increase in **EBITDA** from 52,763 thousand Euro to 61,081 thousand Euro (+15.8%) and its ratio to revenues increased from 17.7% in the first three months of 2014 to 18.7%.

**Operating profit** for the period ended 31 March 2015 totaled 46,894 thousand Euro compared to 41,738 thousand Euro the same period last year, up by 12.4%, accounting for 14.3% of revenues compared to 14.0% the same period last year.

**Net financial income and charges** went from net charges of 1,712 thousand Euro in the first three months of 2014 to net charges of 2,587 thousand Euro in the first three months of 2015.

(In thousands of Euro)	Period ended 31 March		
	2015	2014	% change
Net interest	(1,261)	(896)	40.7%
Other net income/(charges)	(543)	(438)	24.0%
Net gains/(losses) on exchange rate differences	11,004	(59)	n-a
Net financial income/(charges) for fair value adjustment of derivatives	(11,787)	(319)	n-a
<b>Total</b>	<b>(2,587)</b>	<b>(1,712)</b>	<b>51.1%</b>

Net gains and losses on exchange rate differences mainly reflect the impact of commercial transactions in foreign currency and went from net losses of 59 thousand Euro in the first three months of 2014 to net gains of 11,004 thousand Euro, mainly due to the appreciation of foreign currencies, in particular the US dollar, the Chinese renminbi and the Japanese yen during the two reporting periods being compared. 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.

#### Income taxes

(In thousands of Euro)	Period ended 31 March		
	2015	2014	% change
<b>Profit before taxes</b>	<b>44,307</b>	<b>40,026</b>	<b>10.7%</b>
Income taxes	(12,474)	(12,721)	(1.9%)
<b>Tax rate</b>	<b>28.2%</b>	<b>31.8%</b>	

The estimated effective tax rate for the first three months of 2015 (the best estimate of the annual expected tax rate) was 28.2% compared to 31.8% in the prior year period.

In the first three months of 2015 the Group achieved **net profit** of 31,833 thousand Euro compared to 27,305 thousand Euro in the prior-year period, up by 16.6%. The Group share of net profit amounted to 31,184 thousand Euro compared to 26,049 thousand Euro in the prior-year period, up by 19.7%.

<sup>2</sup> With reference to the average Euro/Yen exchange rate for the first three months: 2015: 134.1; 2014: 140.8

<sup>3</sup> With reference to the average Euro/Cny exchange rate for the first three months: 2015: 7.02; 2014: 8.36

## Revenues

The following table shows revenues by **geographic area** for the periods ended 31 March 2015 and 31 March 2014 and the relevant percentage changes:

(In thousands of Euro)	Period ended 31 March					at constant
	2015	% of revenues	2014	% of revenues	% change	% change
Europe	85,281	26.1%	84,012	28.1%	1.5%	0.6%
North America	74,031	22.6%	63,707	21.3%	16.2%	2.6%
Japan	31,801	9.7%	30,347	10.2%	4.8%	5.7%
Asia Pacific	119,860	36.6%	107,952	36.1%	11.0%	0.2%
Central and South America	16,289	5.0%	12,770	4.3%	27.6%	18.7%
<b>Total</b>	<b>327,262</b>	<b>100.0%</b>	<b>298,788</b>	<b>100.0%</b>	<b>9.5%</b>	<b>2.1%</b>

Revenues recorded a remarkable increase both at current and constant exchange rates in all markets.

Despite the negative impact on the wholesale channel (-5.0% at current exchange rates) of geopolitical events (Ukraine and Russia) and the Greek debt crisis, in Europe revenues increased by 1.5%, at current exchange rates, thanks to the good performance of the retail channel (+11.7% at current exchange rates) and the travel retail channel.

The North American market saw an increase of 16.2% at current exchange rates (2.6% at constant exchange rates), mainly thanks to the strong performance of the wholesale channel.

Japan, improving over previous periods, saw a significant improvement in revenues at both current and constant exchange rates.

Asia Pacific contributed once again the most to Group revenues with 36.6%, with an increase in revenues of 11.0% at current exchange rates and 0.2% at constant exchange rates.

The Central and South American market saw a sharp increase in revenues (27.6% at current exchange rates and 18.7% at constant exchange rates) bringing the ratio to total revenues from 4.3% in the first quarter of 2014 to 5.0%.

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

(In thousands of Euro)	Period ended 31 March					at constant
	2015	% of revenues	2014	% of revenues	% change	% change
Retail	198,795	60.7%	178,322	59.7%	11.5%	3.2%
Wholesale	122,923	37.6%	115,722	38.7%	6.2%	0.4%
Licenses and services	2,403	0.7%	2,101	0.7%	14.4%	14.4%
Rental income investment properties	3,141	1.0%	2,643	0.9%	18.8%	(2.3%)
<b>Total</b>	<b>327,262</b>	<b>100.0%</b>	<b>298,788</b>	<b>100.0%</b>	<b>9.5%</b>	<b>2.1%</b>

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 Salvatore Ferragamo 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 2015 retail sales rose by 11.5% at current exchange rates and 3.2% at constant exchange rates thanks to the increase in sales in Asia Pacific (+13.9% at current exchange rates and +2.1% at constant exchange rates) and Europe (+11.7% at current exchange rates and +10.2% at constant exchange rates).

During the first three months of 2015 the number of directly operated stores increased by 2 units compared to the situation as at 31 December 2014. Compared to 31 March 2014 there was a net increase in the number of directly operated stores of 19 units.

The wholesale channel increased by 6.2% at current exchange rates (mostly unchanged at constant exchange rates), mainly thanks to the contribution of the North American market.

In the first three months of 2015 revenues from licenses and services increased by 14.4%; 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 18.8% at current exchange rates (a decrease of 2.3% at constant exchange rates).

Here below is a breakdown of revenues which shows the contribution and growth by **product category** for the periods ended 31 March 2015 and 31 March 2014.

(In thousands of Euro)	Period ended 31 March					at constant
	2015	% of revenues	2014	% of revenues	% change	exchange rates % change
Footwear	135,845	41.5%	125,110	41.9%	8.6%	0.0%
Leather goods	120,870	36.9%	104,465	35.0%	15.7%	8.0%
Apparel	22,862	7.0%	22,120	7.4%	3.4%	(2.3%)
Accessories	22,107	6.8%	19,878	6.6%	11.2%	3.6%
Fragrances	20,034	6.1%	22,471	7.5%	(10.8%)	(11.7%)
Licenses and services	2,403	0.7%	2,101	0.7%	14.4%	14.4%
Rental income investment properties	3,141	1.0%	2,643	0.9%	18.8%	(2.3%)
<b>Total</b>	<b>327,262</b>	<b>100.0%</b>	<b>298,788</b>	<b>100.0%</b>	<b>9.5%</b>	<b>2.1%</b>

All the product categories, with the sole exception of fragrances (negatively affected by geopolitical tensions in Eastern Europe), saw a percentage growth in revenues at current exchange rates compared to the previous year period. In particular, note should be taken of the positive trend in leather goods which recorded a significant increase of 15.7% at current exchange rates (8.0% at constant exchange rates) and the increase in revenues from footwear (8.6% at current exchange rates, unchanged at constant exchange rates).

### Investment and financial operations

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

(In thousands of Euro)	31 March	31 December	% change
	2015	2014	
Property, plant and equipment, investment property, intangible assets with a finite useful life	263,650	248,312	6.2%
Net working capital	308,694	301,895	2.3%
Other non current assets/(liabilities), net	55,146	45,032	22.5%
Other current assets/(liabilities), net	(78,674)	(37,692)	108.7%
<b>Net invested capital</b>	<b>548,816</b>	<b>557,547</b>	<b>(1.6%)</b>
Group shareholders' equity	467,902	466,190	0.4%
Minority interests	46,973	42,004	11.8%
<b>Shareholders' equity (A)</b>	<b>514,875</b>	<b>508,194</b>	<b>1.3%</b>
<b>Net financial debt (B)</b>	<b>33,941</b>	<b>49,353</b>	<b>(31.2%)</b>
<b>Total sources of financing (A+B)</b>	<b>548,816</b>	<b>557,547</b>	<b>(1.6%)</b>
<b>Net financial debt/shareholders' equity</b>	6.6%	9.7%	

### Investments in fixed assets

During the period ended 31 March 2015, the Salvatore Ferragamo Group made investments in tangible and intangible assets for a total amount of 12,351 thousand Euro, of which 9,542 thousand Euro in tangible assets and 2,809 thousand Euro in intangible assets, compared to a total of 9,802 thousand Euro in the first three months of 2014.

The most important investments were made in the opening and refurbishment of stores (6.5 million Euro, around 68% of total investments in tangible assets), improvements to the buildings of the facility at Osmannoro-Sesto Fiorentino and, as regards investments in intangible assets, in the so-called Marlin Project, aimed at standardizing the Group's retail information systems and the development of the e-commerce platform (0.65 million Euro, around 23% of total investments in intangible assets) and key money paid during the first quarter of 2015 for the opening of new stores in Europe (1.42 million Euro, around 51% of total investments in intangible assets).

During the period ended 31 March 2015, the Group did not make any investments in financial assets.

Amortization and depreciation amounted to 14,187 thousand Euro in the first three months of 2015 and 11,025 thousand Euro in the first three months of 2014.

Tangible assets under construction (21.2 million Euro) concerned the refurbishment and opening of new stores which were not yet operational at the end of the reporting period and the construction of a new building at the Osmannoro-Sesto Fiorentino facility as part of the broader project implemented by the Parent company Salvatore Ferragamo S.p.A. 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 2015 compared with the figure as at 31 December 2014 and 31 March 2014.

(In thousands of Euro)	31 March 2015	31 December 2014	31 March 2014	% change 03.15 vs. 12.14	% change 03.15 vs. 03.14
Inventories	352,480	338,555	331,351	4.1%	6.4%
Trade receivables	147,038	150,895	126,377	(2.6%)	16.3%
Trade payables	(190,824)	(187,555)	(205,086)	1.7%	(7.0%)
<b>Total</b>	<b>308,694</b>	<b>301,895</b>	<b>252,642</b>	<b>2.3%</b>	<b>22.2%</b>

The increase in net working capital was 2.3% compared to 31 December 2014 and 22.2% compared to 31 March 2014. The change is mainly due to exchange rate trends. The change compared to 31 December 2014 is mainly due to the increase in stocks, in particular the stocks of raw materials used for production (up by 15,870 thousand Euro, +33.3%) while they decreased by 2,408 thousand Euro (-3.6%) compared to 31 March 2014. The stocks of finished products were mostly unchanged compared to 31 December 2014, down by 1,945 thousand Euro (-0.7%) while they increased by 23,536 thousand Euro (+8.9%) compared to 31 March 2014.

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, to the appreciation of foreign currencies, namely the US dollar and the Chinese renminbi 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.

### Net financial debt

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

(In thousands of Euro)	31 March 2015	31 December 2014	31 March 2014	Change 03.15 vs. 12.14	Change 03.15 vs. 03.14
A. Cash	818	1,073	603	(255)	215
B. Other cash equivalents	131,151	95,390	66,699	35,761	64,452
<b>C. Cash and cash equivalents (A)+(B)</b>	<b>131,969</b>	<b>96,463</b>	<b>67,302</b>	<b>35,506</b>	<b>64,667</b>
Derivatives – non-hedge component	1,055	976	1,340	79	(285)
Other financial assets	-	-	-	-	-
<b>D. Current financial receivables</b>	<b>1,055</b>	<b>976</b>	<b>1,340</b>	<b>79</b>	<b>(285)</b>
E. Current bank payables	136,732	121,083	89,764	15,649	46,968
F. Derivatives – non-hedge component	1,424	260	279	1,164	1,145
G. Other current financial payables	4,678	4,118	4,012	560	666
<b>H. Current financial debt (E)+(F)+(G)</b>	<b>142,834</b>	<b>125,461</b>	<b>94,055</b>	<b>17,373</b>	<b>48,779</b>
<b>I. Current financial debt, net (H)-(C)-(D)</b>	<b>9,810</b>	<b>28,022</b>	<b>25,413</b>	<b>(18,212)</b>	<b>(15,603)</b>
J. Non current bank payables	24,131	21,331	-	2,800	24,131
K. Derivatives – non-hedge component	-	-	-	-	-
M. Other non current payables	-	-	-	-	-
<b>N. Non current financial debt (J)+(K)+(M)</b>	<b>24,131</b>	<b>21,331</b>	<b>-</b>	<b>2,800</b>	<b>24,131</b>
<b>O. Net financial debt (I)+(N)</b>	<b>33,941</b>	<b>49,353</b>	<b>25,413</b>	<b>(15,412)</b>	<b>8,528</b>

Net financial debt for the period ended 31 March 2015 amounted to 33,941 thousand Euro (6.6% of consolidated shareholders' equity), down by 15,412 thousand Euro compared to 31 December 2014, when it totaled 49,353 thousand Euro. In the first quarter of 2015 cash flows from operating activities amounted to 45,009 thousand Euro compared to 15,932 thousand Euro the same period last year.

Compared to 31 March 2014 net financial debt increased by 8,528 thousand Euro, from 25,413 thousand Euro, accounting for 5.9% of consolidated shareholders' equity, to 33,941 thousand Euro.

## Significant events occurred in the first three months of 2015

### Investments

On 5 January 2015, the Danish company Ferragamo Denmark ApS was set up with share capital of 500,000 Danish Krone and a share premium of 5,500,000 Danish Krone, divided into 500,000 shares, with a par value of 1.00 Danish Krone each, wholly subscribed by Salvatore Ferragamo S.p.A. for a total amount of 6 million Danish Krone (equal to 807 thousand Euro). The company was established in order to open a directly operated store (DOS) in Copenhagen in March.

### 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 of the 2014 Annual Report, it is recalled that the audit ended with the notification of an initial adjustment proposal. This does not include challenges to accounting procedures and ordinary taxation, but it challenges the transfer price policy adopted between the Parent company Salvatore Ferragamo S.p.A. and Ferragamo France S.A.S.. This challenge was confirmed by a second adjustment proposal which was notified on 17 September 2012, which, however, was more favorable to the taxpayer. French law envisages complex proceedings between the tax authorities and the taxpayer, which started with the first notification and which could last some years. On 11 April 2014 the Board of Directors of Ferragamo France S.A.S. resolved to reach a settlement with French tax authorities which should in any case exclude any reason to object and should have a limited economic impact on the Company. On 12 December 2014 the French authorities informed Ferragamo France S.A.S. that they did not intend to set aside their claims and so issued to Ferragamo France S.A.S. two assessment notices to end the administrative proceedings, the first on 25 February 2015 and the second on 3 March 2015, confirming their claims as redetermined during the procedure. For Ferragamo France S.A.S. these claims would entail the payment of around 900 thousand Euro due to higher taxes on the company, penalties and interest for 2009 and 2010, as well as the redetermination of the taxable income for the years from 2011 to 2014 as a consequence of the cancellation of previous tax losses (amounting to around 8,925 thousand Euro), with a higher tax of 2,135 thousand Euro. Ferragamo France S.A.S. firmly believes it is in the right and opposed the notice through an administrative appeal which was submitted on 11 March 2015 and will be dealt with within the next 90 days. The appeal also included a request for suspension concerning the payment of disputed amounts; following the submission of an appropriate guarantee, the court granted the suspension. Should the French tax authorities reject the appeal or should it prove impossible to reach a settlement, Ferragamo France S.A.S. shall have the right to appeal to the tax court. 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.

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 for a total amount of KRW 282,162,280 (equal to around 237 thousand Euro at the exchange rate as at 31 March 2015). The sums have already been paid: should the dispute be lost, the liability would be definitively recognized; on the contrary, should it be won, Salvatore Ferragamo S.p.A. would be entitled to refund.

From 12 to 30 May 2014 the Seoul Customs Office carried out an audit at Ferragamo Korea Ltd. on transfer pricing concerning transfers of goods and the provision of services by Ferragamo Hong Kong Ltd. to the Korean company from 2009 to 2013. The audit ended with a request for further information and documents and further requests followed in this regard. The preliminary phase of the audit has ended, whilst discussions with the customs authorities on the audit's results are still underway. At present it is not possible to estimate whether and, if it is the case, to what extent import taxes and duties and/or customs penalties will be challenged.

On 19 November 2013 the Chinese subsidiary Ferragamo Fashion Trading (Shanghai) Ltd. received an information request from the Chinese customs offices on transfer pricing concerning transfers of goods and the provision of services by the subsidiary Ferragamo Hong Kong Ltd. to the Chinese company in 2013. In March 2014 customs offices requested further information and documents (extending the scope of the audit to 2011 and 2012), and further requests followed in this regard. The preliminary phase of the audit has ended, whilst discussions with the customs authorities on the audit's results are still underway. At present it is not possible to estimate whether and, if it is the case, to what extent import taxes and duties and/or customs penalties will be challenged.

## 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. will pay 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.

### 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](http://www.ferragamo.com) in the Investor Relations section.

### Stakes in the Company

As at 31 March 2015, Ferragamo Finanziaria S.p.A. held a majority stake in the share capital of Salvatore Ferragamo S.p.A. with 57.748% 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 31 March 2015, 31 December 2014 and 31 March 2014.

Staff	31 March 2015	31 December 2014	31 March 2014
Top managers, middle managers and store managers	667	668	625
White collars	2,978	2,987	2,796
Blue collars	251	245	232
<b>Total</b>	<b>3,896</b>	<b>3,900</b>	<b>3,653</b>

## **Significant events occurred after 31 March 2015**

### **Shareholders' Meeting**

#### **Approval of the 2014 Separate Financial Statements**

On 24 April 2015 the shareholders' meeting of the Parent company Salvatore Ferragamo S.p.A. approved the financial statements for the year ended 31 December 2014 and approved the distribution of a dividend of 0.42 Euro per share as indicated in detail in the specific section "Dividends".

#### **Appointment of Corporate Boards**

On the same date the Shareholder's Meeting resolved that the members of the Board of Directors be thirteen and it appointed the Board of Directors which shall be in office for the 2015-2017 three-year period until the Shareholders' Meeting approving the financial statements for the year ending 31 December 2017. In addition, it confirmed Wanda Miletta Ferragamo as the Company's Honorary Chairman for the same period.

#### **Board of Directors**

On the same date, 24 April 2015, the Board of Directors confirmed the appointment of Ferruccio Ferragamo as Chairman, Giovanna Ferragamo as Deputy Chairman and Michele Norsa as Managing Director. In addition, it confirmed the Control and Risk Committee comprising the independent directors Marzio Saà (Chairman), Umberto Tombari and Chiara Ambrosetti, the Nomination and Remuneration Committee comprising the independent directors Umberto Tombari (Chairman), Marzio Saà and Lidia Fiori as well as the Product and Brand Strategy Committee comprising Ferruccio Ferragamo (Chairman), Michele Norsa, Fulvia Ferragamo and Leonardo Ferragamo.

## **Outlook**

During the first few months of the year global economic growth continued to be moderate. Signs of recovery that had spread some optimism among analysts seem to have withered, mostly due to the widespread prevalence of negative results of economic analyses. Short- and medium-term prospects remain uncertain, negatively affected by geopolitical tensions in some areas of the globe, financial market volatility, low growth potential in advanced economies and the persistent slowdown in emerging markets, characterized by differing trends, with Asia improving and Latin America still weak. If, on the one hand, the strong drop in oil prices might contribute to growth, on the other, it entails some risks for the stability of exporting countries. The only large economy where projections have been revised upwards is represented by the United States. The economic data released in February and March turned out to be fairly weak, with the strong dollar slowing exports of goods and services. The cycle has been supported by employment trends, with an unemployment rate that has dropped further, reaching 5.5%. The Eurozone and Japan run specific risks due to stunted growth and low inflation. In particular, if, on the one hand, there has been growing confidence among households and businesses in the Eurozone, in absolute terms economic growth is sluggish, with marked differences among different countries. Many are the exogenous factors capable of driving the economic cycle, such as: the Quantitative Easing policy announced in January and adopted as from March by the European Central Bank, interest rates staying very low in all segments of the curve even with negative values in short-term maturities, the general depreciation of the euro and the drop in energy prices. Volatility on financial markets increased after the elections in Greece, with results that feed rumors on the cohesion of the area. High rates of unemployment have slowed domestic consumption significantly and this resulted in persistently low inflationary pressure. Regardless of the many favorable economic factors, benefits for the Italian economy, lacking structural reforms, seem limited. Foreign demand continues to be the decisive factor sustaining the economy and employment, given the long lasting crisis in domestic consumption. In Japan, the strongly expansionary monetary and fiscal policy has had as its main effect up to now a significant depreciation of the yen, especially against the US dollar. Only credible structural reforms will be able to pull the country out of its deflationary and low growth spiral. The 2015 forecast for an increase in GDP in emerging economies is around +4.3%. The scenario continues to develop with marked differences between areas and single nations. Those economies showing truly positive growth trends are Thailand, Chile and Mexico, with Russia, Indonesia and China bringing up the rear. The persistent drop in raw material prices is proving to be an important divide, which is significantly adversely affecting exporting countries to the advantage of those countries in deficit. Russia is also weighed down by the troubles in Ukraine. The slowdown and adjustment process continues in China, with a growth rate that should hit 6.8%. Instead, figures and prospects are improving for India, both due to the new political context and because of the benefits from the drop in the costs of imports. Disinflationary trends have not left these markets unscathed either. Many central banks have returned to action with interest rate cuts, injections of liquidity or with more accommodating measures. In addition to

the instability in the Middle East and the greater risk of terror attacks, which strongly affects tourism, there is the resurgence of the crisis in Libya.

Operators in the luxury goods sector are predicting stability in the market if not a moderate upswing for all of 2015, mainly due to the positive influence of the exchange rates. Especially in Europe, thanks to an increase in tourism flows and greater competitiveness of consumer prices, there should be a significant rise in revenues. Instead, the Chinese area ought to be negatively affected by the slowdown in the economy and the increased propensity to make purchases on international markets by travelers. Regardless of the improved economic backdrop in America, there is only moderate market growth expected because of the priority that consumers will give to durable goods in this initial phase of the economic recovery.

As concerns the Salvatore Ferragamo Group, in view of first quarter results, wholesale orders and current sales figures suggest that, provided that no negative events occur which currently cannot be foreseen, there will be growth in both revenues and profits.

### **Basis of presentation**

The Interim report was approved by the Board of Directors of Salvatore Ferragamo S.p.A. on 13 May 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 31 March 2014 and the consolidated income statement as at 31 March 2014.

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

### **Accounting standards**

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

#### ***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 2015 no indicators of impairment emerged from the analyses carried out.

*- Taxes*

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

### Consolidation area

During the first quarter of 2015 the structure of the Salvatore Ferragamo Group underwent the following change: in January 2015 the Danish company Ferragamo Denmark ApS was set up (100% owned by Salvatore Ferragamo S.p.A.); for further details reference should be made to the section "Significant events occurred in the first three 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		
	31 March	31 March	31 March	31 December	31 March
	2015	2014	2015	2014	2014
US Dollar	1.1261	1.36963	1.0759	1.2141	1.3788
Swiss Franc	1.07221	1.22370	1.0463	1.2024	1.2194
Japanese Yen	134.121	140.7979	128.9501	145.2300	142.4199
Pound Sterling	0.7434	0.8279	0.7273	0.7789	0.8282
Danish Krone	7.4502	7.4625	7.4697	7.4453	7.4659
Australian Dollar	1.4313	1.5275	1.4154	1.4829	1.4941
South Korean Won	1,240.16	1,465.35	1,192.58	1,324.80	1,465.97
Hong Kong Dollar	8.7339	10.6287	8.3422	9.4170	10.6973
Mexican Peso	16.8275	18.1299	16.5124	17.8679	18.0147
New Taiwanese Dollar	35.5194	41.4905	33.5849	38.3711	41.9963
Singapore Dollar	1.5273	1.7381	1.4774	1.6058	1.7366
Thai Baht	36.7655	44.7221	35.0180	39.9100	44.7090
Malaysian Ringgit	4.0772	4.5184	3.9873	4.2473	4.4976
Indian Rupee	70.0867	84.5795	67.2738	76.7190	82.5784
Macau Pataca	8.9910	10.9396	8.5820	9.6875	11.0032
Chinese Renminbi	7.0231	8.3576	6.6710	7.5358	8.5754
Chilean Peso	703.12	755.727	673.510	736.290	762.428
Argentine Peso	9.780	10.412	9.473	10.158	11.031
Brazilian Real	3.2236	3.2399	3.4958	3.2207	3.1276
Canadian Dollar	1.3957	1.5107	1.3738	1.4063	1.5225

### 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 2015 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 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 three 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.

Florence, 13 May 2015

On behalf of the Board of Directors

The Chairman  
Ferruccio Ferragamo

## Financial statements

### Consolidated statement of financial position – assets

<b>(In thousands of Euro)</b>	<b>31 March 2015</b>	<i>of which with related parties</i>	<b>31 December 2014</b>	<i>of which with related parties</i>	<b>31 March 2014</b>	<i>of which with related parties</i>
<b>NON CURRENT ASSETS</b>						
Property, plant and equipment	225,028		212,077		167,680	
Investment property	7,827		7,015		6,387	
Intangible assets with a finite useful life	30,795		29,220		25,080	
Available-for-sale financial assets	26		25		25	
Other non current assets	8,231		6,683		5,940	
Other non current financial assets	16,917	1,709	14,668	1,522	11,495	1,348
Deferred tax assets	108,889		95,274		81,101	
<b>TOTAL NON CURRENT ASSETS</b>	<b>397,713</b>	<b>1,709</b>	<b>364,962</b>	<b>1,522</b>	<b>297,708</b>	<b>1,348</b>
<b>CURRENT ASSETS</b>						
Inventories	352,480		338,555		331,351	
Trade receivables	147,038	44	150,895	54	126,377	191
Tax receivables	13,732		13,488		7,306	
Other current assets	34,379	2,075	34,058	2,025	38,203	2,070
Other current financial assets	1,055		976		1,340	
Cash and cash equivalents	131,969		96,463		67,302	
<b>TOTAL CURRENT ASSETS</b>	<b>680,653</b>	<b>2,119</b>	<b>634,435</b>	<b>2,079</b>	<b>571,879</b>	<b>2,261</b>
<b>TOTAL ASSETS</b>	<b>1,078,366</b>	<b>3,828</b>	<b>999,397</b>	<b>3,601</b>	<b>869,587</b>	<b>3,609</b>

## Consolidated statement of financial position – liabilities and shareholders' equity

(In thousands of Euro)	<b>31 March 2015</b>	<i>of which with related parties</i>	<b>31 December 2014</b>	<i>of which with related parties</i>	<b>31 March 2014</b>	<i>of which with related parties</i>
<b>SHAREHOLDERS' EQUITY</b>						
<b>GROUP SHAREHOLDERS' EQUITY</b>						
Share capital	16,841		16,841		16,841	
Reserves	419,877		292,784		355,138	
Net profit/(loss) – Group	31,184		156,565		26,049	
<b>TOTAL GROUP SHAREHOLDERS' EQUITY</b>	<b>467,902</b>		<b>466,190</b>		<b>398,028</b>	
<b>MINORITY INTERESTS</b>						
Share capital and reserves – minority interests	46,324		35,054		33,664	
Net profit/(loss) – minority interests	649		6,950		1,256	
<b>TOTAL MINORITY INTERESTS</b>	<b>46,973</b>		<b>42,004</b>		<b>34,920</b>	
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>514,875</b>		<b>508,194</b>		<b>432,948</b>	
<b>NON CURRENT LIABILITIES</b>						
Non current interest-bearing loans & borrowings	24,131		21,331		-	
Provisions for risks and charges	7,725		7,106		5,334	
Employee benefit liabilities	12,211		11,583		10,048	
Other non current liabilities	54,618		48,758		37,382	
Deferred tax liabilities	4,363		4,171		5,696	
<b>TOTAL NON CURRENT LIABILITIES</b>	<b>103,048</b>	-	<b>92,949</b>	-	<b>58,460</b>	-
<b>CURRENT LIABILITIES</b>						
Trade payables	190,824	166	187,555	326	205,086	133
Interest-bearing loans & borrowings	136,732		121,083		89,764	
Tax payables	20,642		21,528		24,416	
Other current liabilities	106,143	14,435	63,710	8,859	54,622	16,746
Other current financial liabilities	6,102		4,378		4,291	
<b>TOTAL CURRENT LIABILITIES</b>	<b>460,443</b>	<b>14,601</b>	<b>398,254</b>	<b>9,185</b>	<b>378,179</b>	<b>16,879</b>
<b>TOTAL LIABILITIES</b>	<b>563,491</b>	<b>14,601</b>	<b>491,203</b>	<b>9,185</b>	<b>436,639</b>	<b>16,879</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>1,078,366</b>	<b>14,601</b>	<b>999,397</b>	<b>9,185</b>	<b>869,587</b>	<b>16,879</b>

## Consolidated income statement

(In thousands of Euro)	Period ended 31 March			
	2015	of which with related parties	2014	of which with related parties
Revenues from sales and services	324,121	35	296,145	258
Rental income investment properties	3,141		2,643	
<b>Revenues</b>	<b>327,262</b>		<b>298,788</b>	
Cost of goods sold	(115,634)		(115,606)	
<b>Gross profit</b>	<b>211,628</b>		<b>183,182</b>	
Style, product development and logistics costs	(10,722)	(211)	(10,981)	(133)
Sales & distribution costs	(108,501)	(6,139)	(88,890)	(3,657)
Marketing & communication costs	(17,223)	(8)	(17,252)	(4)
General and administrative costs	(26,219)	(1,766)	(22,608)	(1,919)
Other operating costs	(5,025)	(60)	(3,916)	(53)
Other income and revenues	2,956	1	2,203	
<b>Operating profit</b>	<b>46,894</b>		<b>41,738</b>	
Financial charges	(20,604)		(6,092)	
Financial income	18,017		4,380	
<b>Profit before taxes</b>	<b>44,307</b>		<b>40,026</b>	
Income taxes	(12,474)		(12,721)	
<b>Net profit/(loss) for the period</b>	<b>31,833</b>		<b>27,305</b>	
Net profit/(loss) – Group	31,184		26,049	
Net profit/(loss) – minority interests	649		1,256	

(In Euro)	Period ended 31 March	
	2015	2014
Basic earnings per share – ordinary shares	0.185	0.155
Diluted earnings per share – ordinary shares	0.185	0.154

## Consolidated statement of comprehensive income

(In thousands of Euro)	Period ended 31 March	
	2015	2014
<b>Net profit/(loss) for the period (A)</b>	<b>31,833</b>	<b>27,305</b>
<i>Other income/(losses) that will be subsequently reclassified to net profit/(loss) for the period</i>		
- Currency translation differences of foreign operations	2,777	9,986
- Net gain/(loss) from cash flow hedge	(38,024)	(6,222)
- Income taxes	10,456	1,711
	<u>(27,568)</u>	<u>(4,511)</u>
<b>Total other income/(losses) that will be subsequently reclassified to net profit/(loss) for the period, net of taxes (B1)</b>	<b>(24,791)</b>	<b>5,475</b>
<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	(313)	113
- Income taxes	92	(31)
	<u>(221)</u>	<u>82</u>
<b>Total other income / (losses) that will not be subsequently reclassified to net profit/(loss) for the period, net of taxes (B2)</b>	<b>(221)</b>	<b>82</b>
<b>Total other income/(losses) for the period, net of taxes (B1+B2 = B)</b>	<b>(25,012)</b>	<b>5,557</b>
<b>Total comprehensive income for the period, net of taxes (A+B)</b>	<b>6,821</b>	<b>32,862</b>
Group	1,605	31,942
Minority interests	5,216	920

## Consolidated statement of cash flows

(In thousands of Euro)	Period ended 31 March			
	2015	of which with related parties	2014	of which with related parties
<b>NET PROFIT / (LOSS) FOR THE PERIOD</b>	<b>31,833</b>		<b>27,305</b>	
<b>Adjustments to reconcile net profit (loss) to net cash provided by (used in) operating activities:</b>				
Amortization, depreciation and write-downs of tangible and intangible assets and investment property	14,187		11,025	
Allocation / (use) of deferred taxes	809		(2,410)	
Provision for employee benefit plans	201		219	
Allocation to / (use of) the provision for obsolete inventory	6,710		3,782	
Losses and provision for bad debt	490		525	
Losses / (gains) on disposal of tangible and intangible assets	321		319	
Other non-monetary items	584		439	
<b>Changes in operating assets and liabilities:</b>				
Trade receivables	9,330	10	(6,331)	(125)
Inventories	(24,630)		(34,711)	
Trade payables	(727)	(160)	2,368	(161)
Tax receivables	814		3,100	
Tax payables	(2,475)		910	
Employee benefits payments	(201)		(156)	
Other assets and liabilities	7,858	5,526	9,569	6,563
Other – net	(95)		(21)	
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<b>45,009</b>	<b>5,376</b>	<b>15,932</b>	<b>6,277</b>
<b>Cash flow from investing activities:</b>				
Purchase of tangible assets	(9,542)		(9,154)	
Purchase of intangible assets	(2,809)		(648)	
Net change in non current assets and liabilities	(534)	(187)	(43)	34
Proceeds from the sale of tangible and intangible assets	6		188	
<b>NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>	<b>(12,879)</b>	<b>(187)</b>	<b>(9,657)</b>	<b>34</b>
<b>Cash flow from financing activities:</b>				
Net change in financial receivables	114		591	
Net change in financial payables	5,062		(9,871)	
<b>NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>	<b>5,176</b>	<b>-</b>	<b>(9,280)</b>	<b>-</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>37,306</b>		<b>(3,005)</b>	
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>96,455</b>		<b>70,292</b>	
Increase/(decrease) in cash and cash equivalents	37,306		(3,005)	
Effect of exchange rate translation differences	(1,792)		15	
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>131,969</b>		<b>67,302</b>	
<b>ADDITIONAL INFORMATION</b>				
Interest paid	1,398		1,083	
Income taxes paid	4,226		3,344	
Interest received	136		69	
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
<b>As at 01.01.2015</b>	<b>16,841</b>	<b>2,995</b>	<b>4,188</b>	<b>155,220</b>	<b>(15,698)</b>	<b>(317)</b>	<b>129,861</b>	<b>19,081</b>	<b>(2,546)</b>	<b>156,565</b>	<b>466,190</b>	<b>42,004</b>	<b>508,194</b>
Allocation of results	-	-	-	-	-	-	156,565	-	-	(156,565)	-	-	-
Net profit/(loss) for the period	-	-	-	-	-	-	-	-	-	31,184	31,184	649	31,833
Other comprehensive income/(loss)	-	-	-	-	(27,568)	(684)	(1,106)	-	(221)	-	(29,579)	4,567	(25,012)
<b>Total comprehensive income (loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(27,568)</b>	<b>(684)</b>	<b>(1,106)</b>	<b>-</b>	<b>(221)</b>	<b>31,184</b>	<b>1,605</b>	<b>5,216</b>	<b>6,821</b>
Purchase of minority interests in companies consolidated on a line-by-line basis and accounting of options on minority interests	-	-	-	-	-	-	(284)	-	-	-	(284)	(247)	(531)
Stock Grant Reserve	-	-	-	-	-	-	-	391	-	-	391	-	391
<b>As at 31.03.2015</b>	<b>16,841</b>	<b>2,995</b>	<b>4,188</b>	<b>155,220</b>	<b>(43,266)</b>	<b>(1,001)</b>	<b>285,036</b>	<b>19,472</b>	<b>(2,767)</b>	<b>31,184</b>	<b>467,902</b>	<b>46,973</b>	<b>514,875</b>

(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
<b>As at 01.01.2014</b>	<b>16,841</b>	<b>2,995</b>	<b>4,188</b>	<b>117,114</b>	<b>13,371</b>	<b>(39,511)</b>	<b>84,330</b>	<b>17,496</b>	<b>(1,810)</b>	<b>150,451</b>	<b>365,465</b>	<b>34,305</b>	<b>399,770</b>
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
<b>Total comprehensive income (loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,511)</b>	<b>10,494</b>	<b>(172)</b>	<b>-</b>	<b>82</b>	<b>26,049</b>	<b>31,942</b>	<b>920</b>	<b>32,862</b>
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
<b>As at 31.03.2014</b>	<b>16,841</b>	<b>2,995</b>	<b>4,188</b>	<b>117,114</b>	<b>8,860</b>	<b>(29,017)</b>	<b>234,839</b>	<b>17,887</b>	<b>(1,728)</b>	<b>26,049</b>	<b>398,028</b>	<b>34,920</b>	<b>432,948</b>

**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 2015

Manager responsible for corporate financial reporting  
Ernesto Greco