

Salvatore Ferragamo

Salvatore Ferragamo Group

Interim report as at 31 March 2016

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 16,939,000 Euro
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 Miletta 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 charged with preparing Company's Financial Reports (7)	Marco Fortini	

(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

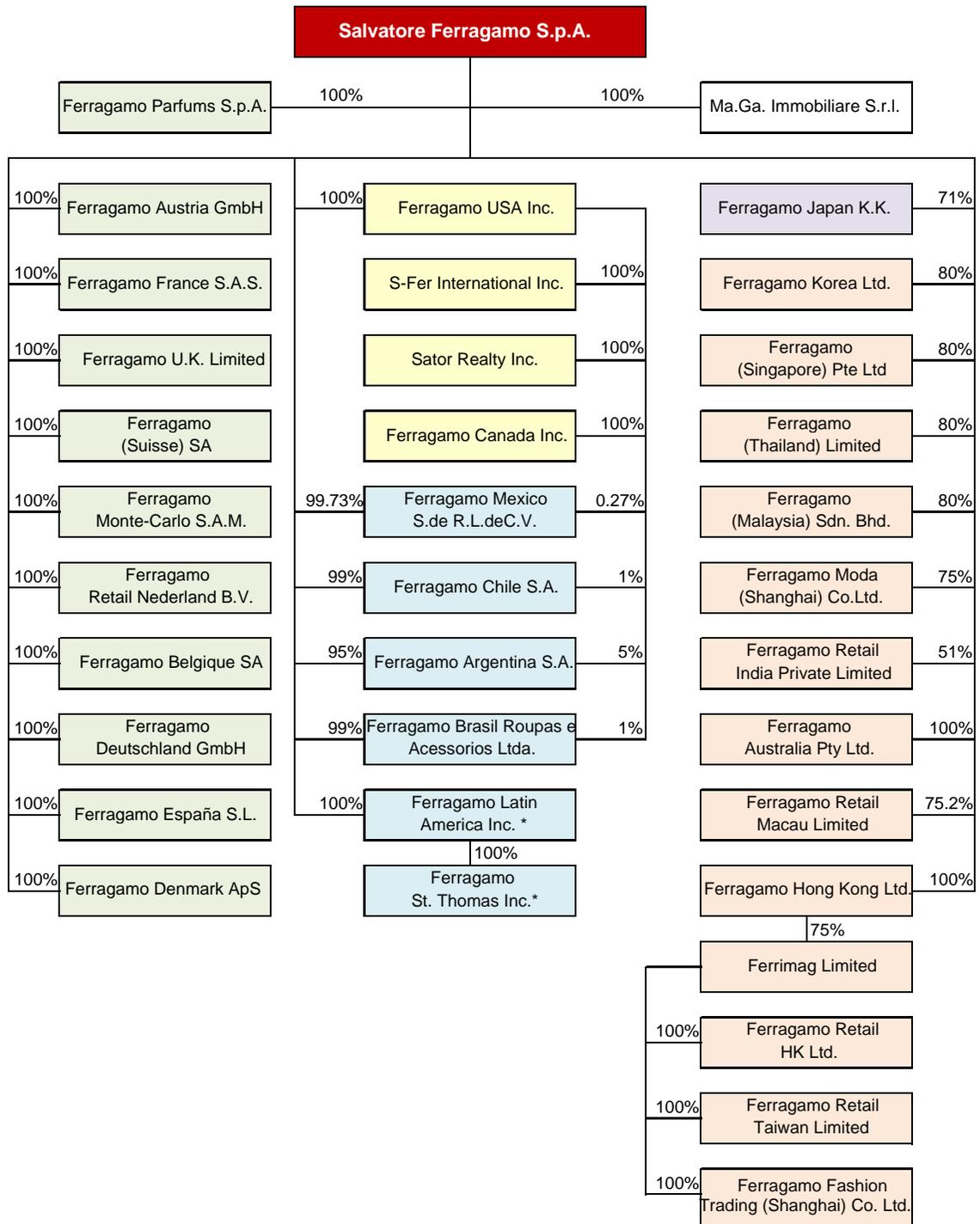
(4) Executive director

(5) Non-executive director

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

(7) Appointed by the Board of Directors on 16 December 2015

Group structure



Notes

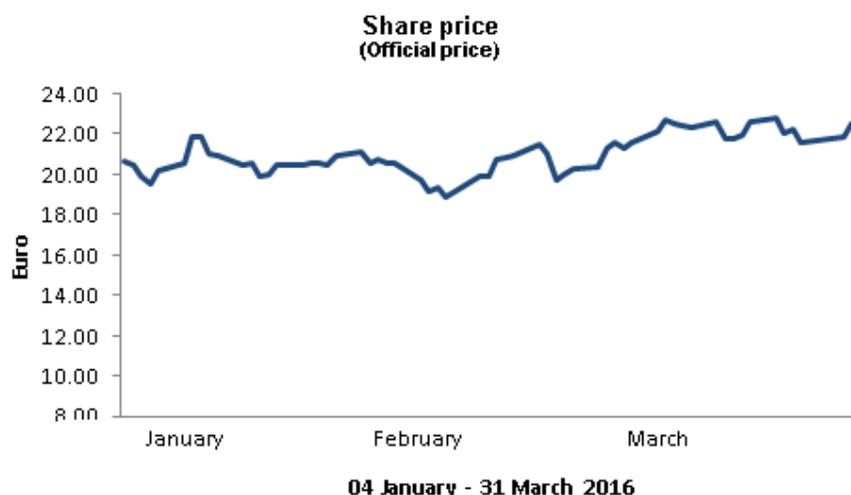
- European companies
- North America companies
- Centre and South America companies
- Asia Pacific companies
- Japan companies
- * Non-operating company in liquidation

Interim Directors' report on operations

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

Official price as at 31 March 2016 in Euro	22.4934
Stock Market capitalization as at 31 March 2016 in Euro	3,796,660,986
Number of shares making up the share capital as at 31 March 2016	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 three months of 2016.



Alternative performance measures

In order to better assess its performance, the 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 alternative performance measures used by the Group refer exclusively to its performance in the reporting period and the comparison periods, and not to its expected performance.

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*.

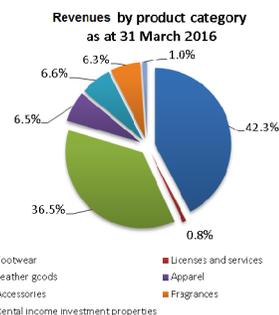
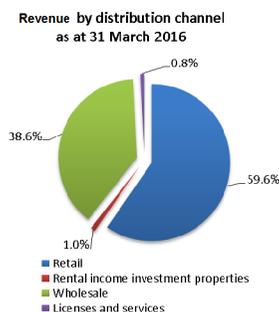
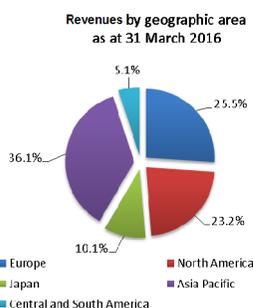
Net working capital: it is calculated as *Inventories plus Trade receivables, net of Trade payables*. It should be noted that this measure has been determined in accordance with the provisions of CESR's Recommendation 05-178/b of 3 November 2005 "CESR's Recommendation on alternative performance measures".

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 three months of 2016

(In millions of Euro)	Period ended 31 March			% change 2016 vs. 2015	% change 2015 vs. 2014
	2016	2015	2014		
Revenues	321.5	327.3	298.8	(1.8%)	9.5%
Gross profit	215.9	211.6	183.2	2.0%	15.5%
Gross profit %	67.2%	64.7%	61.3%		
EBITDA	64.3	61.1	52.8	5.3%	15.8%
EBITDA %	20.0%	18.7%	17.7%		
Operating profit	49.0	46.9	41.7	4.5%	12.4%
Operating profit %	15.2%	14.3%	14.0%		
Net profit/(loss) for the period	33.8	31.8	27.3	6.3%	16.6%
<i>Net profit/(loss) – Group</i>	<i>34.4</i>	<i>31.2</i>	<i>26.0</i>	<i>10.2%</i>	<i>19.7%</i>
<i>Net profit/(loss) – minority interests</i>	<i>(0.5)</i>	<i>0.6</i>	<i>1.3</i>	<i>(182.0%)</i>	<i>(48.3%)</i>



(In millions of Euro)	31 March 2016	31 December 2015	31 March 2015
Investments in tangible/intangible assets	9.6	80.0	12.4
Net working capital	327.5	316.9	308.7
Shareholders' equity	643.6	608.7	514.9
Net financial debt	(24.8)	9.8	33.9
Cash flow generated from operating activities*	40.7	197.5	44.5

*For a better explanation, the changes in guarantee deposits (formerly included in cash flow from investing activities) have been included in the cash flow generated from operating activities, adjusting the comparative data as at 31 March 2015 accordingly.

	31 March 2016	31 December 2015	31 March 2015
Staff as at the reporting date	3,927	4,033	3,896
Number of DOS	386	391	375
Number of TPOS	277	271	262

Geographical distribution of monobrand stores (31 March 2016)



663 Ferragamo monobrand stores

Disclaimer

This document contains forward-looking statements, in particular in the sections headed "Outlook" and "Significant events occurred after 31 March 2016" 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

In accordance with the new Transparency directive, Italian Legislative Decree no. 25 of 15 February 2016 removed the requirement to publish quarterly interim reports. However, the Salvatore Ferragamo Group decided to continue preparing quarterly interim reports on a voluntary basis. The Group reserves the option to change its decision in the upcoming months, also based on the evolution of industry practices and regulations.

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.

This Interim report must be read together with the Annual Report as at 31 December 2015 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 the 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, Chinese Renminbi and the Japanese yen. Therefore, the Group is exposed both to settlement and translation risk.

The expansion of the Quantitative Easing program announced by the ECB's Governor, combined with the rate hike in the United States, caused the Euro to depreciate by nearly 4.0% and 3.0% against the US dollar and the Japanese yen, respectively, since mid-October 2015. The EUR/USD and EUR/JPY exchange rates fell as low as 1.06 and 1.30, respectively. In early 2016, renewed concerns about the world economy resulted in heightened volatility in financial markets. The reactions of monetary authorities all went in the same direction: the Federal Reserve postponed its monetary policy normalization, while the ECB and the Bank of Japan, along with most other central banks, stepped up their stimulus measures. In January, the EUR/USD exchange rate held steady at around 1.08. A series of weaker-than-expected data releases reduced the chances that the Federal Reserve will hike rates in the US, thus causing the EUR/USD exchange rate to quickly climb back up to about 1.13. The expectations for further Quantitative Easing measures in Europe brought the exchange rate back to January's levels. In the press conference following the ECB's meeting on 10 March 2016, Mario Draghi said that interest rates on deposits, currently at -0.40%, are unlikely to fall further; this resulted in the exchange rate going back to around 1.13. At its meeting on 16 March 2016, the FED scaled back its rate rise forecasts for this year. At the

end of the quarter, the EUR/USD exchange rate traded at over 1.14. Monetary policy developments will continue affecting foreign exchange rates: the assumption that the ECB, barring a further deterioration in economic conditions, will refrain from introducing new stimulus measures in the upcoming months could temporarily support the Euro. Meanwhile, the Japanese yen is charting a different course. In January, the Bank of Japan surprised the market by imposing negative rates, but unexpectedly the Yen appreciated against both the Euro and, most significantly, the US dollar; the EUR/JPY exchange rate hit its lowest level since 2013 at around 122, while the USD/JPY exchange rate fell below 110 for the first time since October 2014. The currency's strength is not supported by economic fundamentals, and Governor Kuroda has not ruled out intervening directly in the market to drive the exchange rate down. Since the beginning of the year, the Chinese renminbi, after the significant devaluations in August and towards the end of 2015, has slightly risen against the US dollar to around 6.50, while against the Euro it has followed in the footsteps of the EUR/USD exchange rate. Pound sterling has fallen considerably, largely because of the concerns about the Brexit referendum scheduled for next June. The US dollar's weakening allowed most emerging market currencies in Latin America as well as Eastern Europe and Asia to bounce back after steadily depreciating throughout 2015. One exception was the Mexican peso, which fell to record lows against the US Dollar and the Euro as oil prices slumped.

Operating performance

In the first three months of 2016, even though sales volumes have slowed down, the Group's financial performance improved over the previous year, and net financial debt reversed course: specifically, compared to a net financial debt of 9.8 million Euro as at 31 December 2015 and 33.9 million Euro as at 31 March 2015, the Group's net financial position was positive to the tune of 24.8 million Euro as at 31 March 2016. Consolidated net revenues declined by 1.8% compared to the prior-year period due to protracted market instability, fueled by persistently modest growth rates and mounting geopolitical tensions. However, the Group's EBITDA increased by 5.3%, from 18.7% to 20.0% as a percentage of revenues, thanks to the increase in gross profit and the limited growth in operating costs.

The following table shows the main income statement data.

(In thousands of Euro)	Period ended 31 March				
	2016	% of revenues	2015	% of revenues	% change
Revenues	321,490	100.0%	327,262	100.0%	(1.8%)
Gross profit	215,927	67.2%	211,628	64.7%	2.0%
Style, product development and logistics costs	(10,338)	(3.2%)	(10,722)	(3.3%)	(3.6%)
Sales & distribution costs	(109,649)	(34.1%)	(108,501)	(33.2%)	1.1%
Marketing & communication costs	(17,856)	(5.6%)	(17,223)	(5.3%)	3.7%
General and administrative costs	(27,110)	(8.4%)	(26,219)	(8.0%)	3.4%
Other operating costs	(4,767)	(1.5%)	(5,025)	(1.5%)	(5.1%)
Other income and revenues	2,795	0.9%	2,956	0.9%	(5.4%)
Total operating costs (net of other income)	(166,925)	(51.9%)	(164,734)	(50.3%)	1.3%
Operating profit	49,002	15.2%	46,894	14.3%	4.5%
Net financial income and charges	(3,879)	(1.2%)	(2,587)	(0.8%)	49.9%
Profit before taxes	45,123	14.0%	44,307	13.5%	1.8%
Income taxes	(11,290)	(3.5%)	(12,474)	(3.8%)	(9.5%)
Net profit/(loss) for the period	33,833	10.5%	31,833	9.7%	6.3%
Net profit/(loss) – Group	34,365	10.7%	31,184	9.5%	10.2%
Net profit/(loss) – minority interests	(532)	(0.2%)	649	0.2%	(182.0%)
Amortization, depreciation and write-downs of tangible/intangible assets	15,332	4.8%	14,187	4.3%	8.1%
EBITDA	64,334	20.0%	61,081	18.7%	5.3%

Revenues in the first three months of 2016 totaled 321,490 thousand Euro compared to 327,262 thousand Euro in the first three months of 2015, down by 1.8%. 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 2016 compared to the same period last year: the US dollar appreciated by 2.1%⁽¹⁾, the Japanese yen by 5.3%⁽²⁾ and the Chinese renminbi depreciated by 2.7%⁽³⁾ against the Euro, the currency in which the figures in the consolidated financial statements are expressed.

¹ With reference to the average Euro/US\$ exchange rate for the first three months: 2016: 1.10; 2015: 1.13

² With reference to the average Euro/Yen exchange rate for the first three months: 2016: 127.0; 2015: 134.1

³ With reference to the average Euro/Cny exchange rate for the first three months: 2016: 7.21; 2015: 7.02

Revenues, at constant exchange rates (applying to the revenues – not inclusive of the hedging effect – of the first three months of 2015 the average exchange rate of the first three months of 2016), showed a decrease of 2.4%; in particular, they decreased by 4.2% in Europe, 3.8% in North America and 2.3% in Asia Pacific while they significantly improved in Central and South America (+8.4%) and they increased in Japan (+0.3%). Asia Pacific contributed the most to Group revenues with 36.1%, followed by Europe (25.5%), North America (23.2%), Japan (10.1%), and Central and South America (5.1%).

Gross profit for the period ended 31 March 2016 amounted to 215,927 thousand Euro (accounting for 67.2% of revenues), up by 2.0% compared to the period ended 31 March 2015, when it amounted to 211,628 thousand Euro (accounting for 64.7% of revenues).

Total operating costs (net of other income) for the first three months of 2016 are mostly in line with the figure for the first three months of 2015 (+1.3%).

In spite of the slowdown in revenues, **EBITDA** rose from 61,081 thousand Euro to 64,334 thousand Euro (+5.3%), and from 18.7% to 20.0% as a percentage of revenues, compared to the first quarter of 2015. This was the result of the increase in gross profit and the control of operating costs.

Operating profit for the period ended 31 March 2016 totaled 49,002 thousand Euro compared to 46,894 thousand Euro for the period ended 31 March 2015, up by 4.5%, accounting for 15.2% of revenues compared to 14.3% the same period last year.

Net financial income and charges

(In thousands of Euro)	Period ended 31 March		
	2016	2015	% change
Net interest	(1,134)	(1,261)	(10.1%)
Other net income/(charges)	(536)	(543)	(1.3%)
Net gains/(losses) on exchange rate differences	(2,841)	11,004	(125.8%)
Net financial income/(charges) for fair value adjustment of derivatives	632	(11,787)	(105.4%)
Total	(3,879)	(2,587)	49.9%

Net financial income and charges totaled 3,879 thousand Euro in charges compared to charges of 2,587 thousand Euro in the first quarter of 2015, mainly due to net gains and losses on exchange rate differences which mainly reflect the impact of commercial transactions in foreign currency.

Income taxes

(In thousands of Euro)	Period ended 31 March		
	2016	2015	% change
Profit before taxes	45,123	44,307	1.8%
Income taxes	(11,290)	(12,474)	(9.5%)
Tax rate	25.0%	28.2%	

The estimated effective tax rate for the first three months of 2016 (the best estimate of the full-year expected tax rate) was 25.0% compared to 28.2% in the prior-year period. The decrease was partly due to the reduction in the tax rate of the Parent company Salvatore Ferragamo S.p.A. as a result of the removal of Hong Kong, Singapore and Malaysia from the black list of countries for the purposes of the taxation of Controlled Foreign Subsidiaries (CFC) in Italy. This caused the Group companies that reside in those countries to be no longer taxed as fiscally transparent entities in Italy.

In the first three months of 2016 the Group achieved **net profit** of 33,833 thousand Euro compared to 31,833 thousand Euro in the first three months of 2015, up by 6.3%. The Group share of net profit amounted to 34,365 thousand Euro compared to 31,184 thousand Euro in the prior-year period, up by 10.2%.

Revenues

The following table shows revenues by **geographic area** for the periods ended 31 March 2016 and 31 March 2015 and the relevant percentage changes:

(In thousands of Euro)	Period ended 31 March					at constant
	2016	% of Revenues	2015	% of Revenues	% change	exchange rates % change
Europe	81,869	25.5%	85,281	26.1%	(4.0%)	(4.2%)
North America	74,629	23.2%	74,031	22.6%	0.8%	(3.8%)
Japan	32,419	10.1%	31,801	9.7%	1.9%	0.3%
Asia Pacific	116,262	36.1%	119,860	36.6%	(3.0%)	(2.3%)
Central and South America	16,311	5.1%	16,289	5.0%	0.1%	8.4%
Total	321,490	100.0%	327,262	100.0%	(1.8%)	(2.4%)

Europe was significantly hampered not only by the persistently muted economic recovery, but also, and most importantly, by terrorist attacks that caused the flow of non-European tourists, especially from Asia and the US, to drop dramatically.

The North American market, where the strong dollar certainly held back tourist flows, posted a 0.8% rise at current exchange rates (-3.8% at constant exchange rates), mainly thanks to the improvement in the retail channel.

The Japanese market continued the recovery that began during 2015, with revenues up at both current and constant exchange rates.

The Asia Pacific area, despite the sharp decline in sales in Hong Kong and Macau, accounted once again for most of the revenues, i.e. 36.1%.

The Central and South American market saw revenues rise at both current and constant exchange rates (+0.1% and +8.4%, respectively), thanks to Mexico's buoyant performance.

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

(In thousands of Euro)	Period ended 31 March					at constant
	2016	% of Revenues	2015	% of Revenues	% change	exchange rates % change
Retail	191,657	59.6%	198,795	60.7%	(3.6%)	(4.2%)
Wholesale	124,029	38.6%	122,923	37.6%	0.9%	0.2%
Licenses and services	2,560	0.8%	2,403	0.7%	6.5%	6.6%
Rental income investment properties	3,244	1.0%	3,141	1.0%	3.3%	1.1%
Total	321,490	100.0%	327,262	100.0%	(1.8%)	(2.4%)

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.

In the first three months of 2016, retail sales declined by 3.6% at current exchange rates and 4.2% at constant exchange rates. Europe and Asia slowed down amid particularly unstable geo-socio-political conditions, while North America grew by 6.3% at current exchange rates and 1.2% at constant exchange rates.

During the first three months of 2016 the number of directly operated stores decreased by 5 units compared to the situation as at 31 December 2015. Compared to 31 March 2015 there was a net increase in the number of directly operated stores of 11 units.

The wholesale channel increased by 0.9% at current exchange rates (mostly unchanged at constant exchange rates), mainly thanks to the contribution of Asia Pacific (+11.6% at current exchange rates, +13.2% at constant exchange rates).

In the first three months of 2016 revenues from licenses and services increased by 6.5%; this item mainly refers to revenues from royalties concerning the licensing of the Salvatore Ferragamo brand in the eyewear and watch industries.

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 3.3% at current exchange rates and by 1.1% at constant exchange rates.

Here below is a breakdown of revenues which shows the contribution and growth by **product category** in the periods ended 31 March 2016 and 2015:

(In thousands of Euro)	Period ended 31 March					at constant
	2016	% of Revenues	2015	% of Revenues	% change	exchange rates % change
Footwear	135,979	42.3%	135,845	41.5%	0.1%	(1.0%)
Leather goods	117,299	36.5%	120,870	36.9%	(3.0%)	(3.4%)
Apparel	20,916	6.5%	22,862	7.0%	(8.5%)	(9.6%)
Accessories	21,112	6.6%	22,107	6.8%	(4.5%)	(3.8%)
Fragrances	20,380	6.3%	20,034	6.1%	1.7%	1.6%
Licenses and services	2,560	0.8%	2,403	0.7%	6.5%	6.6%
Rental income investment properties	3,244	1.0%	3,141	1.0%	3.3%	1.1%
Total	321,490	100.0%	327,262	100.0%	(1.8%)	(2.4%)

The fragrances product category increased at both current exchange rates (+1.7%) and constant exchange rates (+1.6%) compared to the same period last year; the footwear category is mostly unchanged compared to the first quarter of 2015 while the other product categories decreased at both current and constant exchange rates compared to the same period last year.

Statement of financial position and Investments

Here below is the statement of financial position as at 31 March 2016 reclassified by sources and uses, compared to the position as at 31 December 2015:

(In thousands of Euro)	31 March	31 December	% change
	2016	2015	
Property, plant and equipment, investment property, intangible assets with a finite useful life	266,724	277,518	(3.9%)
Net working capital	327,511	316,896	3.3%
Other non current assets/(liabilities), net	52,439	52,885	(0.8%)
Other current assets/(liabilities), net	(27,884)	(28,798)	(3.2%)
Net invested capital	618,790	618,501	0.0%
Group shareholders' equity	600,637	563,926	6.5%
Minority interests	42,930	44,815	(4.2%)
Shareholders' equity (A)	643,567	608,741	5.7%
Net financial debt (B)	(24,777)	9,760	(353.9%)
Total sources of financing (A+B)	618,790	618,501	0.0%
Net financial debt/shareholders' equity	(3.8%)	1.6%	

Investments in fixed assets

During the period ended 31 March 2016, the Salvatore Ferragamo Group made investments in tangible and intangible assets for a total amount of 9,643 thousand Euro, of which 8,942 thousand Euro in tangible assets and 701 thousand Euro in intangible assets, compared to a total of 12,351 thousand Euro in the first three months of 2015.

The most important investments were made in the opening and refurbishment of stores (7.6 million Euro, approximately 85% of total investments in tangible assets).

During the period ended 31 March 2016, the Group did not make any investments in financial assets.

Amortization and depreciation amounted to 15,332 thousand Euro in the first three months of 2016 and 14,187 thousand Euro in the first three months of 2015.

Tangible assets under construction (10.3 million Euro) concerned the refurbishment and opening of new stores which were not yet operational at the end of the reporting period and the investments made in the Osmannoro-

Sesto Fiorentino facility aimed at the construction of the new logistics center by the Parent company Salvatore Ferragamo S.p.A..

Net working capital

Here below is the breakdown and change in net working capital as at 31 March 2016 compared with the figure as at 31 December 2015 and 31 March 2015:

(In thousands of Euro)	31 March 2016	31 December 2015	31 March 2015	% change 03.16 vs. 12.15	% change 03.16 vs. 03.15
Inventories	376,283	351,132	352,480	7.2%	6.8%
Trade receivables	140,236	167,912	147,038	(16.5%)	(4.6%)
Trade payables	(189,008)	(202,148)	(190,824)	(6.5%)	(1.0%)
Total	327,511	316,896	308,694	3.3%	6.1%

The increase in net working capital was 3.3% compared to 31 December 2015 and 6.1% compared to 31 March 2015. The change compared to 31 December 2015 is mainly due to the increase in stocks, in particular the stocks of raw materials used for production, up by 13,167 thousand Euro (+26.0%) while they are mostly unchanged compared to 31 March 2015. The stocks of finished products increased by 11,983 thousand Euro (+4.0%) compared to 31 December 2015 and by 23,514 thousand Euro (+8.1%) compared to 31 March 2015.

Trade receivables mainly refer to wholesale sales and they decreased compared to 31 March 2015 and 31 December 2015.

Trade payables mainly refer to purchases of production materials, products and costs relating to manufacturing in outsourcing.

Net financial debt

Net financial debt as at 31 March 2016, 31 December 2015 and 31 March 2015 was as follows:

(In thousands of Euro)	31 March 2016	31 December 2015	31 March 2015	Change 03.16 vs. 12.15	Change 03.16 vs. 03.15
A. Cash	593	1,019	818	(426)	(225)
B. Other cash equivalents	185,820	141,102	131,151	44,718	54,669
C. Cash and cash equivalents (A)+(B)	186,413	142,121	131,969	44,292	54,444
Derivatives – non-hedge component	382	291	1,055	91	(673)
Other financial assets	-	-	-	-	-
D. Current financial receivables	382	291	1,055	91	(673)
E. Current bank payables	133,245	123,641	136,732	9,604	(3,487)
F. Derivatives – non-hedge component	214	70	1,424	144	(1,210)
G. Other current financial payables	5,233	5,149	4,678	84	555
H. Current financial debt (E)+(F)+(G)	138,692	128,860	142,834	9,832	(4,142)
I. Current financial debt, net (H)-(C)-(D)	(48,103)	(13,552)	9,810	(34,551)	(57,913)
J. Non current bank payables	23,326	23,312	24,131	14	(805)
K. Derivatives – non-hedge component	-	-	-	-	-
M. Other non current payables	-	-	-	-	-
N. Non current financial debt (J)+(K)+(M)	23,326	23,312	24,131	14	(805)
O. Net financial debt (I)+(N)	(24,777)	9,760	33,941	(34,537)	(58,718)

Net financial debt for the period ended 31 March 2016 amounted to a positive value of 24,777 thousand Euro, up by 34,537 thousand Euro compared to 31 December 2015, mainly due to significant cash flows from operating activities during the period (40,654 thousand Euro), net of investments in tangible/intangible assets in the period, amounting to 9,643 thousand Euro.

The improvement was even more significant if compared to 31 March 2015, when net financial debt amounted to 33,941 thousand Euro.

Significant events occurred in the first three months of 2016

Tax and customs disputes and audits (update)

Following a documentary inspection started in July 2014, on 1 December 2015 the Regional Unit of the Tuscany Inland Revenue Office issued to Salvatore Ferragamo S.p.A. an assessment notice relating to the fiscal transparency of income in Italy of the subsidiary Ferragamo Hong Kong Ltd. for the 2010 tax year, pursuant to

Italian rules and regulations on controlled foreign companies. In the assessment notice the tax base of Ferragamo Hong Kong Ltd. was redetermined and the credit for taxes paid abroad and used for tax return purposes was partly rejected, and more income tax (IRES) was claimed to the tune of around 170 thousand Euro, plus interest and sanctions for approximately 55 thousand Euro. The Company filed a request for assessment with acceptance on 19 January 2016. In the proceedings the Company reaffirmed its position also in relation to manifest and valid reasons to exclude altogether the application of sanctions. The Company has not reached a settlement with Italian tax authorities, which did not receive any indication from the Central Assessment Department of the Italian Inland Revenue Office, even though it was consulted on the matter. Therefore, on 2 May 2016, the Company appealed against the assessment notice within the time allowed by law, while maintaining a constructive dialog with tax authorities.

As for the tax audit carried by the French tax authorities and involving Ferragamo France S.A.S., reference should be made to the Annual Report as at 31 December 2015, as there were no new developments during the first quarter of 2016.

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. After the long preliminary phase of the audit, the Company discussed the case with customs authorities, which eventually did not assess any transfer pricing violations but adjusted the import value of metal and other spare parts, assessing nearly 25 thousand Euro (30,967,450 KRW) in duties, import taxes, and customs penalties. Ferragamo Korea Ltd. paid said amount in the first quarter of 2016, settling all pending claims.

As for the inspection of Ferragamo Fashion Trading (Shanghai) Co. Ltd. by Chinese customs authorities, reference should be made to the Annual Report as at 31 December 2015, as there were no new developments during the first quarter of 2016.

Patent Box (update)

As regards Salvatore Ferragamo S.p.A.'s submission in December 2015 of the electronic form for the optional preferential tax regime for income generated from intangible assets (the so-called Patent Box), reference should be made to the Annual Report as at 31 December 2015, as there were no new developments during the first quarter of 2016.

International standard ruling on transfer pricing (update)

On 11 August 2014, Salvatore Ferragamo S.p.A. requested an international standard ruling from the Italian Inland Revenue Office – Central Assessment Department – International Ruling Office, pursuant to Art. 8 of Italian Law Decree no. 269 dated 30 September 2003 (converted into law no. 326/2003), as implemented by the Decision of the Head of the Inland Revenue Office dated 23 July 2004. The request concerned the setting of transfer prices for the products sold by Salvatore Ferragamo S.p.A. to its foreign subsidiaries. The goal is reaching an agreement that would last five years between tax authorities and the taxpayer on how to set prices for such transactions. On 5 September 2014, the International Ruling Office accepted the request, formally starting the international standard ruling procedure, which is currently underway and usually lasts around two years. The Office staff visited the Company's headquarters on 21 and 22 April 2016, interviewing the Company's management as per standard practice. The visit and the subsequent submission of the documents requested on said date should mark the end of the preliminary phase of the audit. The next step consists of negotiations towards a settlement. The Company cannot estimate how long it will take to complete the procedure.

Other significant events

On 22 March 2016, the Parent Company Salvatore Ferragamo S.p.A. entered into the new agreement for the exercise of the option for the Italian fiscal unity (as provided for by articles 117 ff. of the TUIR-Presidential Decree no. 917 of 22 December 1986) with the Holding company Ferragamo Finanziaria S.p.A. (the consolidating company) and Ferragamo Parfums S.p.A. for the 2016-2018 period, following the expiry of the option exercised for the 2013-2015 period.

Other information

Dividends

In order to implement the resolution of the Shareholders' Meeting of 21 April 2016, the Parent company Salvatore Ferragamo S.p.A. will pay Shareholders a single dividend of 0.46 Euro per share, relating to the profit for 2015, for a total amount of 77,643,400 Euro, with coupon detachment on 23 May 2016 and payment of the dividend as from 25 May 2016.

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 Relator function, which ensures continuous information exchange between the Group and financial markets.

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

Stakes in the Company

As at 31 March 2016, 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 31 March 2016, 31 December 2015 and 31 March 2015.

Staff	31 March 2016	31 December 2015	31 March 2015
Top managers, middle managers and store managers	724	719	667
White collars	2,933	3,052	2,978
Blue collars	270	262	251
Total	3,927	4,033	3,896

Basis of presentation

The Interim report was approved by the Board of Directors of Salvatore Ferragamo S.p.A. on 12 May 2016 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 2015 and 31 March 2015 and the consolidated income statement as at 31 March 2015.

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

As regards **accounting standards**, the equity, income and financial data as at 31 March 2016 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 2015 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 2016.

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 quarter of 2016 the structure of the Salvatore Ferragamo Group underwent no changes.

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

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

	Average rates		Exchange rates at the end of the reporting period		
	31 March	31 March	31 March	31 December	31 March
	2016	2015	2016	2015	2015
US Dollar	1.1020	1.1261	1.1385	1.0887	1.0759
Swiss Franc	1.09599	1.07221	1.0931	1.0835	1.0463
Japanese Yen	126.997	134.1207	127.90	131.0700	128.9501
Pound Sterling	0.7704	0.7434	0.7916	0.7340	0.7273
Danish Krone	7.4605	7.4502	7.4512	7.4626	7.4697
Australian Dollar	1.5293	1.4313	1.4807	1.4897	1.4154
South Korean Won	1,324.35	1,240.16	1,294.88	1,280.79	1,192.58
Hong Kong Dollar	8.5683	8.7339	8.8282	8.4376	8.3422
Mexican Peso	19.898	16.8275	19.5903	18.9145	16.5124
New Taiwanese Dollar	36.452	35.5194	36.5985	35.8160	33.5849
Singapore Dollar	1.5467	1.5273	1.5304	1.5417	1.4774
Thai Baht	39.2820	36.7655	40.0180	39.2480	35.0180
Malaysian Ringgit	4.6232	4.0772	4.4078	4.6959	3.9873
Indian Rupee	74.4270	70.0867	75.4298	72.0215	67.2738
Macau Pataca	8.817	8.9910	9.0986	8.6849	8.5820
Chinese Renminbi	7.2101	7.0231	7.3514	7.0608	6.6710
Chilean Peso	772.53	703.121	761.92	772.881	673.510
Argentine Peso	15.912	9.780	16.581	14.131	9.473
Brazilian Real	4.3040	3.2236	4.1174	4.3117	3.4958
Canadian Dollar	1.5149	1.3957	1.4738	1.5116	1.3738

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 2016 bank guarantees issued in favor of Palazzo Feroni Finanziaria S.p.A. totaled 1,329 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 2016, 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 31 March 2016

Shareholders' Meeting

Approval of the 2015 Separate Financial Statements

On 21 April 2016 the Shareholders' Meeting of the Parent company Salvatore Ferragamo S.p.A. approved the financial statements for the year ended 31 December 2015 and approved the distribution of a dividend of 0.46 Euro per share as indicated in detail in the specific section "Dividends".

Approval of the 2016-2020 Stock Grant Plan and Authorization to purchase and dispose of Treasury Shares

On 21 April 2016, in order to adopt a medium/long-term incentive system for the Ferragamo Group's top management, the Shareholders' Meeting approved the 2016-2020 Stock Grant Plan, which consists of two three-year cycles. The performance period for the first cycle goes from 2016 to 2018, while that of the second cycle from 2017 to 2019. Under the Plan, beneficiaries are entitled to receive up to 600,000 ordinary shares for free, subject to the achievement of specific performance targets for each cycle. The Board of Directors will have all powers required to implement the Plan.

The shares for servicing the Plan may consist of shares issued as part of a free share capital increase pursuant to article 2349, paragraph 1 of the Italian Civil Code, and/or any treasury shares held by the Company.

In addition, for the purposes of implementing said Plan, the Shareholders' Meeting resolved to:

- create a specific 60,000 Euro reserve to service the free share capital increase;
- authorize the Board of Directors to purchase, including in multiple rounds, ordinary shares of Salvatore Ferragamo S.p.A. with a par value of 0.10 Euro each, up to 1% of the Parent Company's Share Capital (i.e. 1,687,900 ordinary shares), considering also the treasury shares held from time to time by the Parent Company and its subsidiaries. Furthermore, the Meeting authorized the Board of Directors to dispose of treasury shares.

The Extraordinary Shareholders' Meeting approved the free share capital increase pursuant to article 2349 of the Italian Civil Code up to a nominal amount of 60,000 Euro, corresponding to 600,000 ordinary shares in the Company, to service the 2016-2020 Stock Grant Plan, amending the Company's Bylaws accordingly.

For further details on the resolutions approved by the Shareholders' Meeting of 21 April 2016, reference should be made to the documents published on the Company's website www.ferragamo.com under *Investor Relations, Governance, Shareholders' Meeting*.

Board of Directors

Salvatore Ferragamo S.p.A., in full agreement with its CEO Michele Norsa, has started preparing for the latter's succession. It plans to appoint a new CEO this year.

Investments

The liquidation of Ferragamo Latin America Inc. (100%-owned by Salvatore Ferragamo S.p.A.) and its subsidiary Ferragamo St. Thomas Inc. was completed in April 2016.

Outlook

The start to the year saw heightened uncertainty in financial markets, as stock indexes around the world corrected sharply and growth prospects – especially in emerging countries – deteriorated rapidly. Geopolitical factors such as the migrant crisis and terrorist attacks, which affect tourist flows, further complicated the situation.

The above considerations explain why most luxury companies, including Ferragamo, have recently voiced caution about the business outlook. Market volatility seems certain to continue, and geopolitical tensions may flare up again, further hampering already weak tourism flows.

Florence, 12 May 2016

On behalf of the Board of Directors

The Chairman
Ferruccio Ferragamo

Financial statements

Consolidated statement of financial position – assets

(In thousands of Euro)	31 March 2016	<i>of which with related parties</i>	31 December 2015	<i>of which with related parties</i>	31 March 2015	<i>of which with related parties</i>
NON CURRENT ASSETS						
Property, plant and equipment	227,896		236,452		225,028	
Investment property	7,059		7,470		7,827	
Intangible assets with a finite useful life	31,769		33,596		30,795	
Available-for-sale financial assets	20		20		26	
Other non current assets	7,884		7,453		8,231	
Other non current financial assets	16,463	1,790	16,874	1,600	16,917	1,709
Deferred tax assets	107,323		107,538		108,889	
TOTAL NON CURRENT ASSETS	398,414	1,790	409,403	1,600	397,713	1,709
CURRENT ASSETS						
Inventories	376,283		351,132		352,480	
Trade receivables	140,236	67	167,912	79	147,038	44
Tax receivables	16,650		19,123		13,732	
Other current assets	38,484	2,089	33,839	2,420	34,379	2,075
Other current financial assets	382		291		1,055	
Cash and cash equivalents	186,413		142,121		131,969	
TOTAL CURRENT ASSETS	758,448	2,156	714,418	2,499	680,653	2,119
TOTAL ASSETS	1,156,862	3,946	1,123,821	4,099	1,078,366	3,828

Consolidated statement of financial position – liabilities and shareholders' equity

(In thousands of Euro)	31 March 2016	<i>of which</i> <i>with related</i> <i>parties</i>	31 December 2015	<i>of which</i> <i>with related</i> <i>parties</i>	31 March 2015	<i>of which</i> <i>with related</i> <i>parties</i>
SHAREHOLDERS' EQUITY						
GROUP SHAREHOLDERS' EQUITY						
Share capital	16,879		16,879		16,841	
Reserves	549,393		374,314		419,877	
Net profit/(loss) – Group	34,365		172,733		31,184	
TOTAL GROUP SHAREHOLDERS' EQUITY	600,637		563,926		467,902	
MINORITY INTERESTS						
Share capital and reserves – minority interests	43,462		43,098		46,324	
Net profit/(loss) – minority interests	(532)		1,717		649	
TOTAL MINORITY INTERESTS	42,930		44,815		46,973	
TOTAL SHAREHOLDERS' EQUITY	643,567		608,741		514,875	
NON CURRENT LIABILITIES						
Non current interest-bearing loans & borrowings	23,326		23,312		24,131	
Provisions for risks and charges	8,286		8,025		7,725	
Employee benefit liabilities	11,473		11,664		12,211	
Other non current liabilities	53,298		55,387		54,618	
Deferred tax liabilities	6,194		3,924		4,363	
TOTAL NON CURRENT LIABILITIES	102,577	-	102,312	-	103,048	-
CURRENT LIABILITIES						
Trade payables	189,008	148	202,148	344	190,824	166
Interest-bearing loans & borrowings	133,245		123,641		136,732	
Tax payables	18,070		22,648		20,642	
Other current liabilities	64,948	28,059	59,112	18,461	106,143	15,969
Other current financial liabilities	5,447		5,219		6,102	
TOTAL CURRENT LIABILITIES	410,718	28,207	412,768	18,805	460,443	16,135
TOTAL LIABILITIES	513,295	28,207	515,080	18,805	563,491	16,135
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,156,862	28,207	1,123,821	18,805	1,078,366	16,135

Consolidated income statement

(In thousands of Euro)	Period ended 31 March			
	2016	of which with related parties	2015	of which with related parties
Revenues from sales and services	318,246	52	324,121	35
Rental income investment properties	3,244		3,141	
Revenues	321,490		327,262	
Cost of goods sold	(105,563)		(115,634)	
Gross profit	215,927		211,628	
Style, product development and logistics costs	(10,338)	(123)	(10,722)	(211)
Sales & distribution costs	(109,649)	(5,786)	(108,501)	(6,139)
Marketing & communication costs	(17,856)	(7)	(17,223)	(8)
General and administrative costs	(27,110)	(2,384)	(26,219)	(2,311)
Other operating costs	(4,767)	-	(5,025)	(60)
Other income and revenues	2,795	1	2,956	1
Operating profit	49,002		46,894	
Financial charges	(11,425)		(20,604)	
Financial income	7,546	-	18,017	
Profit before taxes	45,123		44,307	
Income taxes	(11,290)		(12,474)	
Net profit/(loss) for the period	33,833		31,833	
Net profit/(loss) – Group	34,365		31,184	
Net profit/(loss) – minority interests	(532)		649	

(In Euro)	Period ended 31 March	
	2016	2015
Basic earnings per share – ordinary shares	0.204	0.185
Diluted earnings per share – ordinary shares	0.204	0.185

Consolidated statement of comprehensive income

(In thousands of Euro)	Period ended 31 March	
	2016	2015
Net profit/(loss) for the period (A)	33,833	31,833
<i>Other income/(losses) that will be subsequently reclassified to net profit/(loss) for the period</i>		
- Currency translation differences of foreign operations	(9,565)	2,777
- Net gain/(loss) from cash flow hedge	14,209	(38,024)
- Income taxes	(3,626)	10,456
	<u>10,583</u>	<u>(27,568)</u>
Total other income/(losses) that will be subsequently reclassified to net profit/(loss) for the period, net of taxes (B1)	1,018	(24,791)
<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	60	(313)
- Income taxes	(26)	92
	<u>34</u>	<u>(221)</u>
Total other income/(losses) that will not be subsequently reclassified to net profit/(loss) for the period, net of taxes (B2)	34	(221)
Total other income/(losses) for the period, net of taxes (B1+B2 = B)	1,052	(25,012)
Total comprehensive income for the period, net of taxes (A+B)	34,885	6,821
Group	36,519	1,605
Minority interests	(1,634)	5,216

Consolidated statement of cash flows

(In thousands of Euro)	Period ended 31 March			of which with related parties
	2016	of which with related parties	2015	
NET PROFIT / (LOSS) FOR THE PERIOD	33,833		31,833	
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	15,332		14,187	
Allocation / (use) of deferred taxes	(2,655)		809	
Provision for employee benefit plans	199		201	
Allocation to / (use of) the provision for obsolete inventory	2,244		6,710	
Losses and provision for bad debt	434		490	
Losses / (gains) on disposal of tangible/intangible assets	-		321	
Other non-monetary items	636		584	
Changes in operating assets and liabilities:				
Trade receivables	27,287	12	9,330	10
Inventories	(34,240)		(24,630)	
Trade payables	(12,286)	(196)	(727)	(160)
Tax receivables	2,236		814	
Tax payables	(4,187)		(2,475)	
Employee benefits payments	(249)		(201)	
Other assets and liabilities*	12,070	9,739	7,324	5,339
Other – net	-		(95)	
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	40,654	9,555	44,475	5,189
Cash flow from investing activities:				
Purchase of tangible assets	(8,942)	(11)	(9,542)	
Purchase of intangible assets	(701)		(2,809)	
Proceeds from the sale of tangible and intangible assets	27		6	
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(9,616)	(11)	(12,345)	-
Cash flow from financing activities:				
Net change in financial receivables	16		114	
Net change in financial payables	12,229	-	5,062	-
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	12,245	-	5,176	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	43,283		37,306	
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	142,121		96,455	
Increase/(decrease) in cash and cash equivalents	43,283		37,306	
Effect of exchange rate translation differences	1,009		(1,792)	
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	186,413		131,969	
ADDITIONAL INFORMATION				
Interest paid	1,307		1,398	
Income taxes paid	5,622		4,226	
Interest received	173		136	
Dividends received	-		-	

*For a better explanation, the changes in guarantee deposits (formerly shown in the cash flow from investing activities) have been included in the cash flow from operating activities, adjusting comparative data relating to the first quarter of 2015 by 534 thousand Euro accordingly.

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 01.01.2016	16,879	2,995	4,188	191,676	(4,486)	(15,208)	182,959	14,780	(2,590)	172,733	563,926	44,815	608,741
Allocation of results	-	-	-	-	-	-	172,733	-	-	(172,733)	-	-	-
Net profit/(loss) for the period	-	-	-	-	-	-	-	-	-	34,365	34,365	(532)	33,833
Other comprehensive income/(loss)	-	-	-	-	10,583	(8,620)	157	-	34	-	2,154	(1,102)	1,052
Total comprehensive income (loss)	-	-	-	-	10,583	(8,620)	157	-	34	34,365	36,519	(1,634)	34,885
Purchase of minority interests in companies consolidated on a line-by-line basis and accounting of options on minority interests	-	-	-	-	-	-	192	-	-	-	192	(251)	(59)
As at 31.03.2016	16,879	2,995	4,188	191,676	6,097	(23,828)	356,041	14,780	(2,556)	34,365	600,637	42,930	643,567

(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	-	-	-	-	-	-	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)
Total comprehensive income (loss)	-	-	-	-	(27,568)	(684)	(1,106)	-	(221)	31,184	1,605	5,216	6,821
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
As at 31.03.2015	16,841	2,995	4,188	155,220	(43,266)	(1,001)	285,036	19,472	(2,767)	31,184	467,902	46,973	514,875

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

The manager charged with preparing Company's Financial Reports 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 May 2016

Manager charged with preparing Company's Financial Reports
Marco Fortini