



PRESS RELEASE

Salvatore Ferragamo S.p.A.

**The Board of Directors Approves
the Consolidated Interim Report as of 30 September 2013**

**Growth Continues for the Salvatore Ferragamo Group: Nine Months Revenue
+10%, Operating Profit +23% and Group Net Profit +61% vs. 2012**

- **Revenues: 915 million Euros (+10% vs. 833 million Euros at 30 September 2012)**
- **EBITDA¹: 192 million Euros (+22% vs. 157 million Euros at 30 September 2012)**
- **EBIT: 162 million Euros (+23% vs. 132 million Euros at 30 September 2012)**
- **Net Profit: 120 million Euros (+41% vs. 85 million Euros at 30 September 2012), including 7 million Euros of Minority Interest**
- **Group Net Profit: 112 million Euros (+61% vs. 70 million Euros at 30 September 2012)**

Florence, 14 November 2013 – The Board of Directors of **Salvatore Ferragamo S.p.A.** (MTA: SFER), parent company of the Salvatore Ferragamo Group, one of the global leaders in the luxury sector, meeting under the chairmanship of Ferruccio Ferragamo, examined and approved the **Consolidated Interim Report as of 30 September 2013**, drafted according to IAS/IFRS international accounting principles (“non-audited”).

¹ EBITDA is measured by our management to evaluate operating performance. We define EBITDA as operating income plus (i) depreciation of property, plant and equipment, investment property, (ii) amortization of other intangible assets with definite useful life and (iii) write-downs of property, plant and equipment, investment property and other intangible assets with definite useful life and goodwill. We believe that EBITDA is an important indicator for measuring the Group’s performance as it is not influenced by various methods of calculating taxes, amortization or depreciation. As EBITDA is not an indicator defined by the accounting principles used by our Group, our method of calculating EBITDA may not be strictly comparable to that used by other companies.



Notes to the Income Statement for 9M 2013

Consolidated Revenue figures

As of 30 September 2013, the Group has posted **Total Revenue of 915 million Euros, with a 10% increase at current exchange rates**, over the 833 million Euros recorded in 9M 2012. **Revenues growth at constant exchange rates² has been 11%**.

In **3Q 2013** the **Total Revenue growth at current exchange rates** has been **8.5% (+10% at constant exchange rates)** vs. 3Q 2012, growing from 267 million Euros to **290 million Euros**.

Hereafter the variations in Revenues are calculated at constant exchange rates, unless differently indicated.

Revenues by geographical area³

The **Asia Pacific** area is confirmed as the Group's top market in terms of Revenues, further **increasing by 12%** in 9M 2013 **and by 13% in 3Q**. A major contribution came, once more, from the **retail channel in China**, that recorded a **Revenue growth of over 20%** in the first nine months of the year.

Europe, thanks to the remarkable brand awareness of Ferragamo and its ability to attract the interest of the global tourist flows, posted an **increase** in Revenues **of over 11%** compared to 9M 2012. **In 3Q 2013 the growth was 6%**, mainly due to the still difficult economic situation and to the hard comparison base (+15% in 3Q 2012).

North America recorded a Revenue **increase of 13%** in the first nine months of 2013, confirming also in **3Q 2013** the long trend of double-digit growth **(+ 11%)**.

The **Japanese market increased 2%** in 9M 2013, **growth trend confirmed also in 3Q**.

Revenues in the **Central and South America** marked an **increase of 16%** in 9M 2013, with an acceleration in **3Q 2013 (+35%)** thanks to the positive contribution of both the retail and the wholesale channel.

² Revenues at "constant exchange rates" are calculated by applying to the Revenue of the first nine months 2012, not including the "hedging effect", the average exchange rate of the first nine months 2013.

³ The variations in Revenues are calculated at constant exchange rates, unless differently indicated.



Revenues by distribution channel⁴

As of 30 September 2013, the **Group's Retail network** could count on **355 Directly Operated Stores (DOS)**, while the **Wholesale and Travel Retail channel** included **257 Third Party Operated Stores (TPOS)**, as well as presence in Department Stores and high-level multi-brand Specialty Stores.

In 9M 2013 the **Retail distribution channel** posted consolidated Revenues **up by 10%**, confirming the trend delivered in 1H.

The growth marked a **6.2% increase at constant exchange rates and perimeter (like-for-like)** in 9M 2013.

The **Wholesale and Travel Retail channel** continued the solid performance marking a **13% increase** in 9M 2013 and **12% increase** in 3Q.

Revenues by product category⁴

Among the product categories, it is especially worth highlighting the increase of **footwear (+10%)**, **handbags and leather accessories (+18%)**, which together represent **over 76% of Group total turnover**, and **fragrances(+10%)**.

Gross Profit

In 9M 2013 the **Gross Profit increased by 9%**, reaching **578 million Euros**. Its **incidence on Revenues** moved to **63.2%**, from 63.8% recorded in 9M 2012, mainly due to the negative impact of exchange rates and the unfavorable channel mix.

Operating Costs

In 9M 2013 **Operating Costs grew by 4%**, reaching **416 million Euros** and thus **decreasing their incidence on Revenues to 45.5%**, from 47.9% in 9M 2012, mainly due to the further improvement in the operating leverage. **In 3Q 2013 Operating Costs grew by 5% with their incidence on Revenues down to 46.2%** (from 47.7% in 3Q 2012), despite the increase in Marketing and Communication costs (+29% vs. 3Q 2012).

⁴ The variations in Revenues are calculated at constant exchange rates, unless differently indicated.



Gross Operating Profit (EBITDA⁵)

The increase in Revenue and the operating efficiencies led to an **increase of 22% in the Gross Operating Profit (EBITDA)** that reached, over the period, **192 million Euros** from 157 million Euros of 9M 2012, with an **incidence on Revenues improving to 21.0%** from 18.9% in 9M 2012.

In 3Q 2013 the EBITDA increased 16% reaching 60 million Euros from 52 million Euros, with its **incidence on revenues increasing from 19.5% to 20.8%**

Operating Profit (EBIT)

The **Operating Profit (EBIT) increased**, over the period, from 132 million Euros in 9M 2012 to **162 million Euros (+23%)** in 9M 2013 and its **incidence on Revenues improved from 15.9% to 17.7%**

In 3Q 2013 the EBIT increased 15% reaching 51 million Euros from 44 million Euros, with its **incidence on revenues increasing from 16.4% to 17.4%**

Profit before taxes

The **Profit before taxes increased** from 130 million Euros in 9M 2012 to **168 million Euros (+28%)** in 9M 2013 and its **incidence on Revenues improved from 15.7% to 18.3%**

Net Profit for the Period

The **Net Profit for the period**, including the Minority Interest of 7 million Euros, **reached 120 million Euros**, as compared to 85 million Euros in the first nine months of 2012, marking a **41% increase**.

The **Group Net Profit** reached **112 million Euros**, as compared to 70 million Euros in 9M 2012, marking an **increase of 61%**. The improvement also **benefited from the significant reduction in the Minority Interest vs. 1H 2012**, as a consequence of the buy-back of the stakes in the distribution companies in Greater China, Korea and South East Asia.

⁵ EBITDA is measured by our management to evaluate operating performance. We define EBITDA as operating income plus (i) depreciation of property, plant and equipment, investment property, (ii) amortization of other intangible assets with definite useful life and (iii) write-downs of property, plant and equipment, investment property and other intangible assets with definite useful life and goodwill. We believe that EBITDA is an important indicator for measuring the Group's performance as it is not influenced by various methods of calculating taxes, amortization or depreciation. As EBITDA is not an indicator defined by the accounting principles used by our Group, our method of calculating EBITDA may not be strictly comparable to that used by other companies.



Notes to the Balance Sheet for 9M 2013

Net Working Capital⁶

The **Net Working Capital** went to **221 million Euros**, increasing by only **3%** from 214 million Euros at 30 September 2012.

Investments (CAPEX)

Investments (CAPEX) reached **47 million Euros** at 30 September 2013 and amounted to **22 million Euros in 3Q** (+94% vs. 3Q 2012), mainly attributable to the new stores, the enlargement and refurbishment of existing key locations, in addition to continuing logistics enhancements and digital projects ("SAP Marlin Project and e-commerce").

Net Financial Position

The **Net Financial Debt** at 30 September 2013 further **decreased to 35 million Euros**, compared to 58 million Euros at 31 December 2012, after a dividend distribution, year-to-date, of 56 million Euros.

Year-end outlook

The business trend, recorded in the first nine months of the current year, justifies expectations for growth also throughout 2013 both for Revenue and Net Profit, in the absence of severely unfavourable market conditions.

⁶ Net working capital is calculated (in accordance with CESR Recommendation 05-054/b of February 10, 2005) as inventories and trade receivables net of trade payables (excluding other current assets and liabilities and other financial assets and liabilities). As net working capital is not an indicator defined by the accounting principles used by our Group, our method of calculating net working capital may not be strictly comparable to that used by other companies.

Salvatore Ferragamo

The manager mandated to draft the corporate accounting documents, Ernesto Greco, pursuant to article 154-bis, paragraph 2, of Legislative Decree no. 58/1998 (Consolidated Financial Law), hereby declares that the information contained in this Press Release faithfully represents the content of documents, financial books and accounting records.

Furthermore, in addition to the conventional financial indicators required by IFRS, this Press Release includes some alternative performance indicators (such as EBITDA, for example) in order to allow for a better assessment of the performance of the economic and financial management. These indicators have been calculated according to the usual market practices.

This document may contain forecasts, relating to future events and operating results, which by their very nature are uncertain, in that they depend on future events and developments that cannot be predicted with certainty. Actual results may therefore differ with those forecast, due to a variety of factors.

The Consolidated Interim Report as of 30 September 2013 is available to anyone requesting it at the headquarters of the Company and can also be consulted in the "Investor Relations/Financial Documents" section of the Salvatore Ferragamo Group's website <http://group.ferragamo.com> from 15 November 2013.

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| <p>The Results of 9M 2013 will be illustrated today, 14 November 2013, at 6:00 PM (CET) in a conference call with the financial community. The presentation will be available on the Company's website http://group.ferragamo.com in the "Investor Relations/Presentations" section.</p> |
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Salvatore Ferragamo

Salvatore Ferragamo S.p.A.

Salvatore Ferragamo S.p.A. is the parent company of the Salvatore Ferragamo Group, one of the world's leaders in the luxury goods sector and whose origins date back to 1927. The Group is active in the creation, production and sale of shoes, leather goods, clothing, silk products and other accessories, as well as women's and men's perfumes.

The Group's product range also includes eyewear and watches, manufactured by licensees.

Attention to uniqueness and exclusivity, with a perfect blend of style, creativity and innovation enriched by the quality and craftsmanship of the 'Made in Italy' tradition, have always been the hallmarks of the Group's products.

With over 3,000 employees and a network of over 610 mono-brand stores as of 30 June 2013, the Ferragamo Group operates in Italy and worldwide through companies that allow it to be a leader on European, American and Asian markets.

For further information:

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This Press Release is also available on the website <http://group.ferragamo.com>, in the section "Investor Relations/Financial Press Releases".

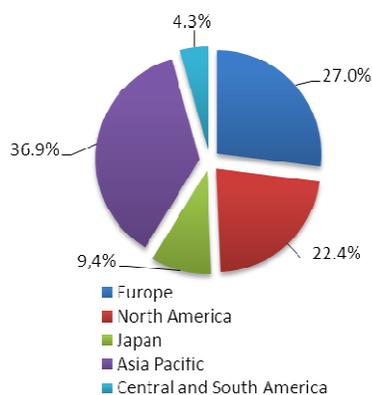
Salvatore Ferragamo

On the following pages: a more detailed analysis of Revenues, the consolidated income statement, a summary of statement of financial position, the consolidated cash flow statement, and the net financial position of the Salvatore Ferragamo Group as of 30 September 2013.

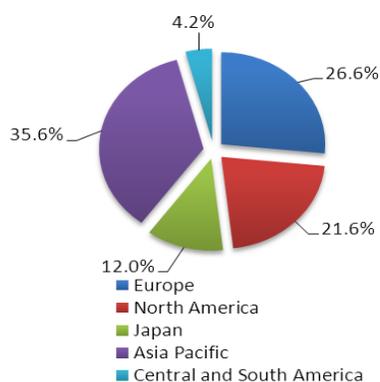
Revenue by geographic area as of 30 September 2013

| (In thousands of Euro) | Period ended at 30 September | | | | | at constant exchange rate |
|---------------------------|------------------------------|---------------|----------------|---------------|-------------|---------------------------|
| | 2013 | % on Revenue | 2012 | % on Revenue | % Change | % Change |
| Europe | 246,714 | 27.0% | 221,322 | 26.6% | 11.5% | 11.5% |
| North America | 204,509 | 22.4% | 179,677 | 21.6% | 13.8% | 13.0% |
| Japan | 86,655 | 9.4% | 99,974 | 12.0% | (13.3%) | 1.7% |
| Asia Pacific | 337,496 | 36.9% | 297,035 | 35.6% | 13.6% | 12.1% |
| Central and South America | 39,441 | 4.3% | 34,560 | 4.2% | 14.1% | 15.8% |
| Total | 914,815 | 100.0% | 832,568 | 100.0% | 9.9% | 11.2% |

Revenue by geographic area as of 30 September 2013



Revenue by geographic area as of 30 September 2012

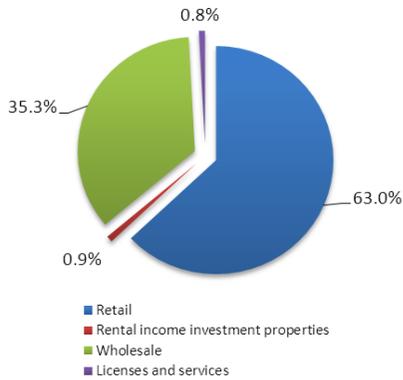


Revenue by distribution channel as of 30 September 2013

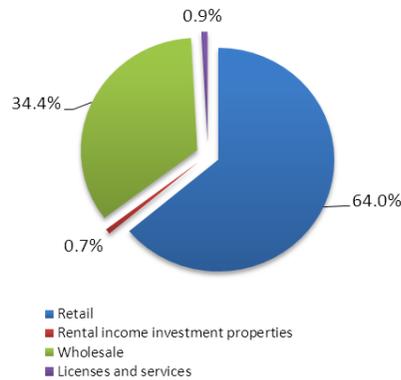
| (In thousands of Euro) | Period ended at 30 September | | | | | at constant exchange rate |
|-------------------------------------|------------------------------|---------------|----------------|---------------|-------------|---------------------------|
| | 2013 | % on Revenue | 2012 | % on Revenue | % Change | % Change |
| Retail | 576,126 | 63.0% | 532,536 | 64.0% | 8.2% | 10.2% |
| Wholesale | 322,943 | 35.3% | 286,600 | 34.4% | 12.7% | 12.8% |
| Licenses and services | 7,745 | 0.8% | 7,229 | 0.9% | 7.1% | 7.1% |
| Rental income investment properties | 8,001 | 0.9% | 6,203 | 0.7% | 29.0% | 32.6% |
| Total | 914,815 | 100.0% | 832,568 | 100.0% | 9.9% | 11.2% |

Salvatore Ferragamo

Revenue by distribution channel
as of 30 September 2013



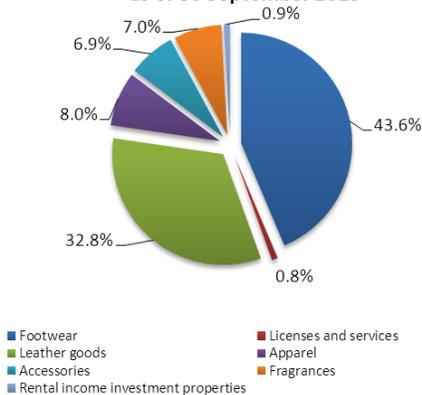
Revenue by distribution channel
as of 30 September 2012



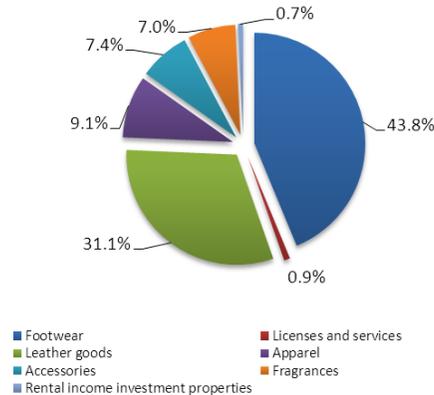
Revenue by product category as of 30 September 2013

| (In thousands of Euro) | Period ended at 30 September | | | | at constant exchange rate | |
|-------------------------------------|------------------------------|---------------|----------------|---------------|---------------------------|--------------|
| | 2013 | % on Revenue | 2012 | % on Revenue | % Change | % Change |
| Footwear | 399,217 | 43.6% | 364,411 | 43.8% | 9.6% | 10.0% |
| Leather goods | 300,329 | 32.8% | 258,523 | 31.1% | 16.2% | 17.7% |
| Apparel | 72,814 | 8.0% | 75,972 | 9.1% | (4.2%) | (0.4%) |
| Accessories | 62,669 | 6.9% | 61,854 | 7.4% | 1.3% | 4.5% |
| Fragrances | 64,040 | 7.0% | 58,376 | 7.0% | 9.7% | 10.4% |
| Licenses and services | 7,745 | 0.8% | 7,229 | 0.9% | 7.1% | 7.1% |
| Rental income investment properties | 8,001 | 0.9% | 6,203 | 0.7% | 29.0% | 32.6% |
| Total | 914,815 | 100.0% | 832,568 | 100.0% | 9.9% | 11.2% |

Revenue by product category
as of 30 September 2013



Revenue by product category
as of 30 September 2012





Consolidated results for Salvatore Ferragamo Group

Consolidated income statement as of 30 September 2013

| (In thousands of Euro) | Period ended at 30 September | | | | |
|---|------------------------------|---------------|----------------|---------------|--------------|
| | 2013 | % on Revenue | 2012 | % on Revenue | % change |
| Revenue from sales and services | 906,814 | 99.1% | 826,365 | 99.3% | 9.7% |
| Rental income investment properties | 8,001 | 0.9% | 6,203 | 0.7% | 29.0% |
| Revenues | 914,815 | 100.0% | 832,568 | 100.0% | 9.9% |
| Cost of goods sold | (336,452) | (36.8%) | (301,530) | (36.2%) | 11.6% |
| Gross profit | 578,363 | 63.2% | 531,038 | 63.8% | 8.9% |
| Style, product development and logistics costs | (32,092) | (3.5%) | (28,322) | (3.4%) | 13.3% |
| Sales & distribution costs | (260,835) | (28.5%) | (250,757) | (30.1%) | 4.0% |
| Marketing & communication costs | (54,329) | (5.9%) | (53,138) | (6.4%) | 2.2% |
| General and administrative costs | (68,756) | (7.5%) | (65,639) | (7.9%) | 4.7% |
| Other operating costs | (8,708) | (1.0%) | (9,708) | (1.2%) | (10.3%) |
| Other income | 8,509 | 0.9% | 8,747 | 1.1% | (2.7%) |
| Operating profit | 162,152 | 17.7% | 132,221 | 15.9% | 22.6% |
| Financial charges | (25,067) | (2.7%) | (23,487) | (2.8%) | 6.7% |
| Financial income | 30,480 | 3.3% | 21,171 | 2.5% | 44.0% |
| Share of net profit/(loss) on investments accounted for using the Equity Method | - | - | 567 | 0.1% | (100.0%) |
| Profit before taxes | 167,565 | 18.3% | 130,472 | 15.7% | 28.4% |
| Income taxes | (47,986) | (5.2%) | (45,819) | (5.5%) | 4.7% |
| Net profit/(loss) for the period | 119,579 | 13.1% | 84,653 | 10.2% | 41.3% |
| Net profit/(loss) - Group | 112,366 | 12.3% | 69,632 | 8.4% | 61.4% |
| Net profit/(loss) - minority interests | 7,213 | 0.8% | 15,021 | 1.8% | (52.0%) |
| EBITDA(*) | 191,826 | 21.0% | 156,992 | 18.9% | 22.2% |

(*) EBITDA is operating profit before amortization and depreciation and write-downs of tangible/intangible assets. EBITDA so defined is a parameter used by the company's management to monitor and assess the company's operating performance and is not identified as an accounting measurement under IFRS and, therefore, must not be considered as an alternative measurement to assess Group performance. Since the composition of EBITDA is not regulated by reference accounting standards, the determination criterion applied by the Group may differ from that adopted by others and therefore may not be comparable.



Summary of consolidated statement of financial position as of 30 September 2013

| (In thousands of Euro) | 30 September 2013 | 31 December 2012 | % change |
|---|----------------------|---------------------|----------------|
| Property, plant and equipment | 151,839 | 139,580 | 8.8% |
| Investment property | 6,663 | 7,039 | (5.3%) |
| Intangible assets with definite useful life | 22,038 | 20,678 | 6.6% |
| Inventories | 285,731 | 249,804 | 14.4% |
| Trade receivables | 98,074 | 105,184 | (6.8%) |
| Trade payables | (163,227) | (157,681) | 3.5% |
| Other non current assets/(liabilities), net | 25,804 | 18,700 | 38.0% |
| Other current assets/(liabilities), net | (28,699) | (25,864) | 11.0% |
| Net invested capital | 398,223 | 357,440 | 11.4% |
| Group shareholders' equity | 330,312 | 267,290 | 23.6% |
| Minority interests | 33,256 | 32,208 | 3.3% |
| Shareholders' equity (A) | 363,568 | 299,498 | 21.4% |
| Net financial debt (B) (1) | 34,655 | 57,942 | (40.2%) |
| Total sources of financing (A+B) | 398,223 | 357,440 | 11.4% |

(1) Pursuant to the provisions of CONSOB Communication no. DEM/6064293 of 28 July 2006, it should be noted that net financial debt is calculated as the sum of cash and cash equivalents, current financial receivables including the positive fair value of financial instruments and current financial assets, current and non-current financial liabilities and the negative fair value of financial instruments and has been determined in accordance with the provisions of CESR's Recommendation on alternative performance measures 05-178/b of 3 November 2005 "Recommendations for the consistent implementation of the European Commission's Regulation on Prospectuses".



Net financial position as of 30 September 2013

| (In thousands of Euro) | 30 September 2013 | 31 December 2012 | change 2013 vs 2012 |
|---|----------------------|---------------------|------------------------|
| A. Cash | 435 | 488 | (53) |
| B. Other cash equivalents | 61,413 | 110,376 | (48,963) |
| C. Cash and cash equivalents (A)+(B) | 61,848 | 110,864 | (49,016) |
| Derivatives – non-hedge component | 1,332 | 1,925 | (593) |
| Other financial assets | 13 | 17 | (4) |
| D. Current financial receivables | 1,345 | 1,942 | (597) |
| E. Current bank payables | 92,809 | 125,133 | (32,324) |
| F. Derivatives – non-hedge component | 1,141 | 440 | 701 |
| G. Other current financial payables | 3,898 | 45,175 | (41,277) |
| H. Current financial debt (E)+(F)+(G) | 97,848 | 170,748 | (72,900) |
| I. Current financial debt, net (H)-(C)-(D) | 34,655 | 57,942 | (23,287) |
| J. Non current bank payables | - | - | - |
| K. Derivatives – non-hedge component | - | - | - |
| M. Other non current financial payables | - | - | - |
| N. Non-current financial debt (J)+(K)+(M) | - | - | - |
| O. Net financial debt (I)+(N) | 34,655 | 57,942 | (23,287) |



Consolidated statement of cash flows as of 30 September 2013

| (In thousands of Euro) | Period ended at 30 September | |
|---|------------------------------|-----------------|
| | 2013 | 2012 |
| Net profit / (loss) for the year | 119,579 | 84,653 |
| Depreciation, amortization and write down of property, plant and equipment, intangible assets and investment properties | 29,674 | 24,771 |
| Net change in deferred taxes | (5,907) | (2,414) |
| Net change in provision for employee termination indemnities | (594) | 312 |
| Loss/(gain) on disposal of tangible and intangible assets | 253 | 28 |
| Share of net (profit)/loss on investments accounted for using the equity method | - | 133 |
| Other non cash items | (11,453) | (3,168) |
| Net change in net working capital | (19,926) | (44,566) |
| Net change in other assets and liabilities | 5,124 | 4,554 |
| NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES | 116,750 | 64,303 |
| Purchase of tangible assets | (41,023) | (32,595) |
| Purchase of intangible assets | (6,298) | (4,003) |
| Net change in non current assets and liabilities | (2,986) | (1,674) |
| Proceeds from the sale of tangible and intangible assets | 57 | 156 |
| Proceeds from the sale of Investments in associated and jointly controlled companies | 13,855 | - |
| NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES | (36,395) | (38,116) |
| Net change in financial receivables | 543 | 431 |
| Net change in financial payables | (71,098) | 14,990 |
| Payment of dividends | (61,384) | (57,908) |
| Purchase of minority interests in companies consolidated on a line-by line basis | (1,087) | - |
| NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES | (133,026) | (42,487) |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | (52,671) | (16,300) |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR | 110,808 | 73,179 |
| Net increase / (decrease) in cash and cash equivalents | (52,671) | (16,300) |
| Net effect of translation of foreign currencies | 3,711 | (1,921) |
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | 61,848 | 54,958 |