



PRESS RELEASE

**Salvatore Ferragamo S.p.A.:
Board of Directors Approves
the Consolidated Financial Statement as of 30 June 2013**

**Excellent Results Continue for the Salvatore Ferragamo Group: First Half Revenues
+11%, Operating Profit +26% and Group Net Profit +81% vs. 2012**

- **Total Revenues: 625 million Euros (+11% vs. 565 million Euros at 30 June 2012)**
- **EBITDA¹: 131 million Euros (+26% vs. 105 million Euros at 30 June 2012)**
- **EBIT: 112 million Euros (+26% vs. 88 million Euros at 30 June 2012)**
- **Net Profit: 87 million Euros (+55% vs. 56 million Euros at 30 June 2012), including 6 million Euros of Minority Interest**
- **Group Net Profit: 81 million Euros (+81% vs. 45 million Euros at 30 June 2012)**

Florence, 29 August 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 Financial Statement as of 30 June 2013**, drafted according to IAS/IFRS international accounting principles.

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 1H 2013

Consolidated Revenue figures

As of 30 June 2013, the Salvatore Ferragamo Group has posted **Total Revenues of 625 million Euros, with a 11% increase at current exchange rates**, over the 565 million Euros recorded in 1H 2012. **Revenue growth at constant exchange rate has been 12%.**

In **2Q 2013** the **Total Revenue growth at current exchange rate** has been **12% (+13% at constant exchange rate)** vs. 2Q 2012, growing from 305 million Euros to **343 million Euros.**

The solid growth registered in the first six months of 2013 is even more relevant considering that **in the same period of 2012 Revenues had already increased by 23%.**

Revenues by geographical area²

The **Asia Pacific** area is confirmed as the Group's top market in terms of Revenues, with a turnover of **240 million Euros** (about 38% of total), further **increasing by 13%** vs. a particularly challenging comparison base (+26% in 1H 2012) and significantly accelerating the 1Q performance. A major contribution came, once more, from the **retail channel in China**, that recorded a **Revenue growth of 30%** in 2Q 2013, further confirming the strong trend registered in 1Q.

Europe, validating the exceptional brand awareness of Ferragamo and its ability to attract the interest of the global tourist flows, posted an **increase** in Revenues **of 14%** compared to the same period in 2012, accelerating the 1Q performance.

North America recorded a Revenue **increase of over 15%** in the first six months of 2013, confirming also in the 2Q the long trend of double-digit growth.

The **Japanese market increased 2% at constant exchange rates**, though registering a **decrease of 13% at current exchange rates**, due to the unfavourable impact of the Japanese Yen fluctuation vs. Euro.

Revenues in the **Central and South America** marked an **increase of over 7%** in 1H 2013, thanks to the positive contribution of the **retail channel (+17%)**, while the wholesale performance was affected by the conversion of the points of sale in Brazil to directly operated stores.

² The variations in Revenues are calculated at current exchange rate, unless differently indicated



Revenues by distribution channel³

As of 30 June 2013, the Salvatore Ferragamo **Group's Retail network** could count on **353 Directly Operated Stores (DOS)**, while the **Wholesale and Travel Retail channel** included **254 Third Party Operated Stores (TPOS)**, as well as presence in Department Stores and high-level multi-brand Specialty Stores.

In 1H 2013 the **Retail distribution channel** posted consolidated Revenues of **383 million Euros**, with a **8% increase** over the 354 million Euros posted as of 30 June 2012, accelerating the trend delivered in 1Q.

The growth marked a **7.0% increase at constant exchange rates and perimeter (like-for-like)** in 1H 2013 and **7.9% in 2Q 2013**, accelerating the +5.9% registered in 1Q 2013.

The **Wholesale and Travel Retail channel** continued the excellent performance, growing from 202 million Euros to **232 million Euros** in 1H 2013, marking a **14% increase** vs. 1H 2012, which had already recorded a 35% increase.

Revenues by product category³

Among the product categories, it is especially worth highlighting the increase of **footwear (+11%)**, **handbags and leather accessories (+15%)**, which together represent **over 76% of Group total turnover**, and **fragrances (+13%)**.

Gross Profit

In 1H 2013 the **Gross Profit increased by 10%**, reaching **394 million Euros**. Its **incidence on Revenues** moved to **63.1%**, from 63.6% recorded in 1H 2012, mainly due to the negative impact of exchange rates and the unfavorable channel mix.

Operating Costs

In 1H 2013 **Operating Costs grew by only 4%**, reaching **282 million Euros** and thus **significantly decreasing their incidence on Revenues to 45.2%**, from 48.0% in 1H 2012, mainly due to the further improvement in the operating leverage and to the shift of part of the communication costs to the second half of the year.

³ The variations in Revenues are calculated at current exchange rate, unless differently indicated



Gross Operating Profit (EBITDA⁴)

The significant increase in Revenue and the operating efficiencies led to an **increase of 26% in the Gross Operating Profit (EBITDA)** that reached, over the period, **131 million Euros** from 105 million Euros of 1H 2012, with an **incidence on Revenues improving to 21.0%** from 18.5% in 1H 2012.

In 2Q 2013 the EBITDA increased over 25% reaching 83 million Euros from 67 million Euros, with its **incidence on revenues increasing from 21.8% to 24.4%**.

Operating Profit (EBIT)

The **Operating Profit (EBIT) increased**, over the period, from 88 million Euros in 1H 2012 **to 112 million Euros (+26%)** in 1H 2013 and its **incidence on Revenues improved** from 15.6% **to 17.9%**.

Profit before taxes

The **Profit before taxes**, over the period, **increased** from 88 million Euros in 1H 2012 **to 121 million Euros (+37%)** in 1H 2013 and its **incidence on Revenues improved** from 15.6% **to 19.4%**. The result also includes the over 12 million Euros capital gain deriving from the disposal of the participation in ZeFer to the Ermenegildo Zegna Group.

Net Profit for the Period

The **Net Profit for the period**, including the Minority Interest of 6 million Euros, **reached 87 million Euros**, as compared to 56 million Euros in the first six months of 2012, marking a **55% increase**.

The **Group Net Profit** reached **81 million Euros**, as compared to 45 million Euros in 1H 2012, marking an **increase of 81%**. The improvement, in addition to the capital gain deriving from the disposal of the participation in ZeFer, also **benefited from the 47% 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.

⁴ 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 1H 2013

Net Working Capital⁵

The **Net Working Capital** went to **241 million Euros, increasing by only 3%** from 235 million Euros at 30 June 2012, vs. 11% increase in turnover.

Investments (CAPEX)

Investments (CAPEX) reached **25 million Euros** at 30 June 2013, in line with 1H 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 June 2013 **went to 78 million Euros**, compared to 58 million Euros at 31 December 2012, after a dividend distribution of 56 million Euros.

⁵ 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.

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The business trend, recorded in the first semester 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.

During the same meeting, the Board of Directors appointed Paola Pecciarini –effective date 1 September 2013- as Group Investor Relator, replacing Alessandro Corsi, who will cover other roles within the Company.

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 Financial Statement as of 30 June 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 30 August 2013.

The Results of 1H 2013 will be illustrated today, 29 August 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.

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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 600 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.

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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".

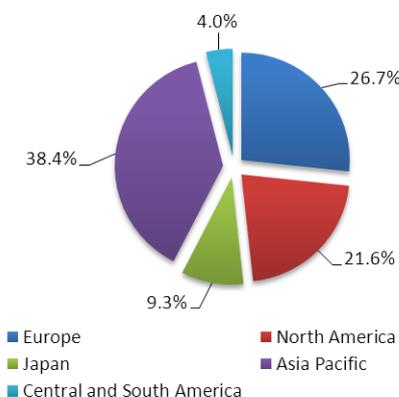
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On the following pages: a more detailed analysis of Revenues, the consolidated income statement, a summary of statement of financial position, the consolidated cash flow statement, and the net financial position of the Salvatore Ferragamo Group as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

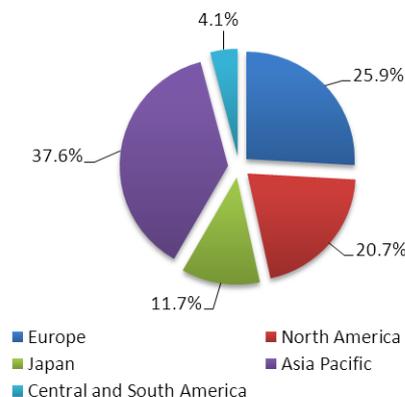
Revenue by geographic area as of 30 June 2013

(In thousands of Euro)	Half-year period ended 30 June					at constant exchange rate	
	2013	% on Revenue	2012	% on Revenue	% Change	% Change	
Europe	166,716	26.7%	146,310	25.9%	13.9%	14.2%	
North America	134,872	21.6%	116,839	20.7%	15.4%	14.0%	
Japan	58,018	9.3%	66,381	11.7%	(12.6%)	1.6%	
Asia Pacific	240,199	38.4%	212,400	37.6%	13.1%	11.7%	
Central and South America	24,848	4.0%	23,177	4.1%	7.2%	6.7%	
Total	624,653	100.0%	565,107	100.0%	10.5%	11.6%	

Revenue by geographic area as of 30 June 2013



Revenue by geographic area as of 30 June 2012

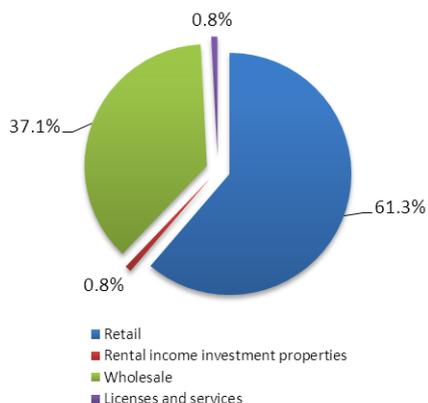


Revenue by distribution channel as of 30 June 2013

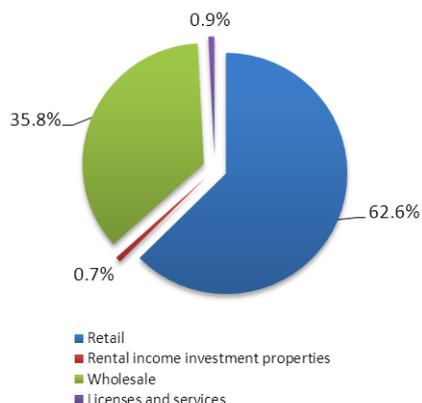
(In thousands of Euro)	Half-year period ended 30 June					at constant exchange rate	
	2013	% on Revenue	2012	% on Revenue	% Change	% Change	
Retail	382,650	61.3%	353,945	62.6%	8.1%	10.5%	
Wholesale	231,567	37.1%	202,439	35.8%	14.4%	13.2%	
Licenses and services	5,134	0.8%	4,586	0.9%	11.9%	11.9%	
Rental income investment properties	5,302	0.8%	4,137	0.7%	28.2%	29.8%	
Total	624,653	100.0%	565,107	100.0%	10.5%	11.6%	

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Revenue by distribution channel
as of 30 June 2013



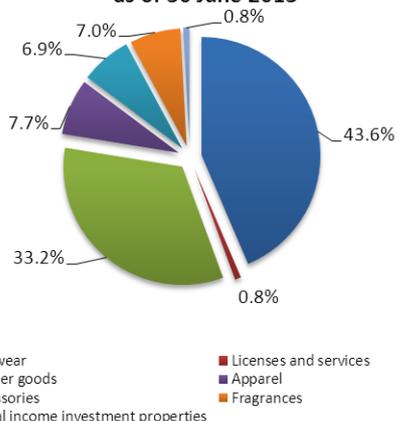
Revenue by distribution channel
as of 30 June 2012



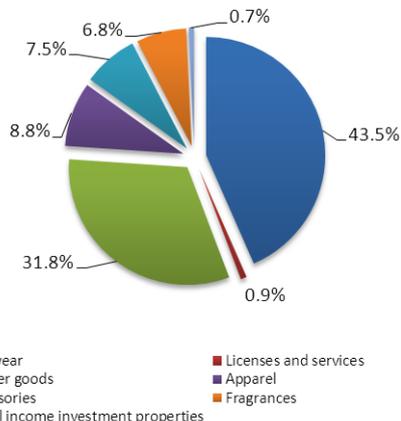
Revenue by product category as of 30 June 2013

(In thousands of Euro)	Half-year period ended 30 June				at constant exchange rate	
	2013	% on Revenue	2012	% on Revenue	% Change	% Change
Footwear	272,325	43.6%	245,549	43.5%	10.9%	11.3%
Leather goods	207,104	33.2%	179,765	31.8%	15.2%	16.0%
Apparel	48,079	7.7%	49,996	8.8%	(3.8%)	0.0%
Accessories	43,190	6.9%	42,401	7.5%	1.9%	4.6%
Fragrances	43,519	7.0%	38,673	6.8%	12.5%	13.1%
Licenses and services	5,134	0.8%	4,586	0.9%	11.9%	11.9%
Rental income investment properties	5,302	0.8%	4,137	0.7%	28.2%	29.8%
Total	624,653	100.0%	565,107	100.0%	10.5%	11.6%

Revenue by product category
as of 30 June 2013



Revenue by product category
as of 30 June 2012





Consolidated results for Salvatore Ferragamo Group

Consolidated income statement as of 30 June 2013

(In thousands of Euro)	Half-year period ended 30 June				
	2013	% on Revenue	2012	% on Revenue	% change
Revenue from sales and services	619,351	99.2%	560,970	99.3%	10.4%
Rental income investment properties	5,302	0.8%	4,137	0.7%	28.2%
Revenues	624,653	100.0%	565,107	100.0%	10.5%
Cost of goods sold	(230,765)	(36.9%)	(205,564)	(36.4%)	12.3%
Gross profit	393,888	63.1%	359,543	63.6%	9.6%
Style, product development and logistics costs	(22,863)	(3.7%)	(19,877)	(3.5%)	15.0%
Sales & distribution costs	(174,137)	(27.9%)	(166,394)	(29.4%)	4.7%
Marketing & communication costs	(36,627)	(5.9%)	(39,447)	(7.0%)	(7.1%)
General and administrative costs	(47,423)	(7.6%)	(45,643)	(8.1%)	3.9%
Other operating costs	(6,329)	(1.0%)	(6,603)	(1.2%)	(4.1%)
Other income	5,113	0.8%	6,839	1.2%	(25.2%)
Operating profit	111,622	17.9%	88,418	15.6%	26.2%
Financial charges	(16,521)	(2.6%)	(16,619)	(2.9%)	(0.6%)
Financial income	25,807	4.1%	15,957	2.8%	61.7%
Share of net profit/(loss) on investments accounted for using the Equity Method	-	-	531	0.1%	(100.0%)
Profit before taxes	120,908	19.4%	88,287	15.6%	36.9%
Income taxes	(34,109)	(5.5%)	(32,378)	(5.7%)	5.3%
Net profit/(loss) for the period	86,799	13.9%	55,909	9.9%	55.3%
Net profit/(loss) - Group	80,884	12.9%	44,802	7.9%	80.5%
Net profit/(loss) - minority interests	5,915	0.9%	11,107	2.0%	(46.7%)
EBITDA(*)	131,479	21.0%	104,750	18.5%	25.5%

(*) 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 June 2013

(In thousands of Euro)	30 June 2013	31 December 2012	% change
Property, plant and equipment	140,971	139,580	1.0%
Investment property	6,953	7,039	(1.2%)
Intangible assets with definite useful life	22,765	20,678	10.1%
Inventories	288,339	249,804	15.4%
Trade receivables	140,627	105,184	33.7%
Trade payables	(187,598)	(157,681)	19.0%
Other non current assets/(liabilities), net	24,233	18,700	29.6%
Other current assets/(liabilities), net	(19,470)	(25,864)	(24.7%)
Net invested capital	416,820	357,440	16.6%
Group shareholders' equity	301,501	267,290	12.8%
Minority interests	37,490	32,208	16.4%
Shareholders' equity (A)	338,991	299,498	13.2%
Net financial debt (B) (1)	77,829	57,942	34.3%
Total sources of financing (A+B)	416,820	357,440	16.6%

(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".

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Net financial position as of 30 June 2013

(In thousands of Euro)	30 June 2013	31 December 2012	change 2013 vs 2012
A. Cash	574	488	86
B. Other cash equivalents	69,026	110,376	(41,350)
C. Cash and cash equivalents (A)+(B)	69,600	110,864	(41,264)
Derivatives – non-hedge component	2,306	1,925	381
Other financial assets	13	17	(4)
D. Current financial receivables	2,319	1,942	377
E. Current bank payables	145,798	125,133	20,665
F. Derivatives – non-hedge component	9	440	(431)
G. Other current financial payables	3,941	45,175	(41,234)
H. Current financial debt (E)+(F)+(G)	149,748	170,748	(21,000)
I. Current financial debt, net (H)-(C)-(D)	77,829	57,942	19,887
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)	77,829	57,942	19,887



Consolidated statement of cash flows as of 30 June 2013

(In thousands of Euro)	Half-year period ended 30 June	
	2013	2012
Net profit / (loss) for the period	86,799	55,909
Depreciation, amortization and write down of property, plant and equipment, intangible assets and investment properties	19,857	16,332
Net change in deferred taxes	(4,761)	(2,989)
Net change in provision for employee termination indemnities	(86)	417
Loss/(gain) on disposal of tangible and intangible assets	187	45
Share of net (profit)/loss on investments accounted for using the equity method	-	169
Other non cash items	(11,527)	(5,979)
Net change in net working capital	(36,369)	(47,197)
Net change in other assets and liabilities	(7,097)	(4,309)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	47,003	12,398
Purchase of tangible assets	(20,007)	(22,668)
Purchase of intangible assets	(5,267)	(2,480)
Net change in non current assets and liabilities	(1,691)	(1,126)
Proceeds from the sale of tangible and intangible assets	78	8
Proceeds from the sale of Investments in associated and jointly controlled companies	13,855	-
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(13,032)	(26,266)
Net change in financial receivables	(390)	2,666
Net change in financial payables	(21,305)	54,755
Payment of dividends	(55,575)	(56,139)
Purchase of minority interests in companies consolidated on a line-by line basis	(777)	-
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(78,047)	1,282
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(44,076)	(12,586)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	110,808	73,179
Net increase / (decrease) in cash and cash equivalents	(44,076)	(12,586)
Net effect of translation of foreign currencies	2,868	(1,256)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	69,600	59,337