



PRESS RELEASE

Salvatore Ferragamo S.p.A.

**The Board of Directors Approves
the Consolidated Interim Report as of 31 March 2014**

Growth Continues for the Salvatore Ferragamo Group:

Three Months Revenue +6%, Gross Operating Profit (EBITDA¹) +10%, Operating Profit (EBIT) +7% and Group Net Profit +7% vs. 2013

- **Revenues: 299 million Euros (+6% vs. 282 million Euros at 31 March 2013)**
- **Gross Operating Profit (EBITDA¹): 53 million Euros (+10% vs. 48 million Euros at 31 March 2013)**
- **Operating Profit (EBIT): 42 million Euros (+7% vs. 39 million Euros at 31 March 2013)**
- **Net Profit: 27 million Euros (+2% vs. 27 million Euros at 31 March 2013), including 1 million Euros of Minority Interest**
- **Group Net Profit: 26 million Euros (+7% vs. 24 million Euros at 31 March 2013)**

Florence, 13 May 2014 – 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 31 March 2014**, 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 1Q 2014

Consolidated Revenue figures

As of 31 March 2014, the Group has posted **Total Revenue of 299 million Euros, registering a 6% increase at current exchange rates**, over the 282 million Euros recorded in 1Q 2013. **Revenues growth at constant exchange rates² has been over 7%**.

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 6%** in 1Q 2014, with a significant contribution from the **retail channel in China**, that recorded a **Revenue growth of over 10%** in the first three months of the year.

Europe, despite the geopolitical tensions which negatively impacted the global tourist flows, posted an **increase** in Revenues **of 9%** compared to 1Q 2013.

North America, strongly impacted by the unfavourable weather conditions, recorded a Revenue **increase of only 2%** in the first three months of 2014.

The **Japanese market** registered a double-digit growth in 1Q 2014, **increasing by 18%**.

Revenues in the **Central and South America** marked an **increase of 17%** in 1Q 2014.

Revenues by distribution channel³

As of 31 March 2014, the **Group's Retail network** could count on **356 Directly Operated Stores (DOS)**, while the **Wholesale and Travel Retail channel** included **264 Third Party Operated Stores (TPOS)**, as well as presence in Department Stores and high-level multi-brand Specialty Stores.

In 1Q 2014 the **Retail distribution channel** posted consolidated Revenues **up by 6%**. The growth marked a **3% increase at constant exchange rates and perimeter (like-for-like)**.

The **Wholesale and Travel Retail channel** continued the solid performance marking a **10% increase** in 1Q 2014.

² Revenues at "constant exchange rates" are calculated by applying to the Revenue of the first three months 2013, not including the "hedging effect", the average exchange rate of the first three months 2014.

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

Salvatore Ferragamo

Revenues by product category⁴

Among the product categories, it is especially worth highlighting the increase of **handbags and leather accessories (+17%)**, of **footwear (+6%)**, which together represent **77% of Group total turnover**, while the performance of **fragrances (-2%)**, notwithstanding the hard comparison base, was also negatively impacted by the environment in Eastern Europe.

Gross Profit

In 1Q 2014 the **Gross Profit increased by 5%**, reaching **183 million Euros**. Its **incidence on Revenues** moved to **61.3%**, from 62.1% recorded in 1Q 2013, mainly due to the negative impact of exchange rates and the unfavorable channel mix.

Operating Costs

In 1Q 2014 **Operating Costs grew by 4%**, reaching **141 million Euros** and thus **decreasing their incidence on Revenues to 47.3%**, from 48.4% in 1Q 2013, mainly due to the further improvement in the operating leverage.

Gross Operating Profit (EBITDA)⁵

The **Gross Operating Profit (EBITDA) increased by 10%** over the period, reaching **53 million Euros**, from 48 million Euros of 1Q 2013, with an **incidence on Revenues improving to 17.7%**, from 17.0% in 1Q 2013.

Operating Profit (EBIT)

The **Operating Profit (EBIT) increased**, over the period, from 39 million Euros in 1Q 2013 to **42 million Euros (+7%)** in 1Q 2014, with an **incidence on Revenues reaching 14.0%**, from 13.8% in 1Q 2013.

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

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.



Profit before taxes

The **Profit before taxes** in 1Q 2014 **increased to 40 million Euros (+4%)**, from 39 million Euros in 1Q 2013, and its **incidence on Revenues was 13.4%** vs. 13.7% in 1Q 2013.

Net Profit for the Period

The **Net Profit for the period**, including the Minority Interest of 1 million Euros, was **27 million Euros**, marking a **2% increase**.

The **Group Net Profit** reached **26 million Euros**, as compared to 24 million Euros in 1Q 2013, marking an **increase of 7%**.



Notes to the Balance Sheet for 1Q 2014

Net Working Capital⁶

The **Net Working Capital** went to **253 million Euros, increasing by 15%** from 219 million Euros at 31 March 2013, also due to a temporary increase of the inventories.

Investments (CAPEX)

Investments (CAPEX) reached **10 million Euros** at 31 March 2014, broadly in line with the first three months of 2013, 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 31 March 2014 further **decreased to 25 million Euros**, compared to 33 million Euros at 31 March 2013.

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 business trend, recorded in the first months of the current year, justify expectations for growth also throughout 2014, in the absence of severely unfavourable market conditions.

The new Board of Statutory Auditors of the Company met today, for the first time after his appointment by the Ordinary Shareholders' Meeting of April 29, 2014. In accordance with the provisions of Consob Regulation on Issuers and Italian Corporate Governance Code for listed companies, the Board of Statutory Auditors verified that all its regular members (Fulvio Favini, Alessandra Daccò, Gerolamo Gavazzi) met the independence requirements provided by art. 148, paragraph 3 of the Unified Financial Act and artt. 3.C.1. and 8.C.1. of the aforesaid Italian Corporate Governance Code for statutory auditors of listed companies.

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 31 March 2014 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 14 May 2014.

Salvatore Ferragamo

The Results of 1Q 2014 will be illustrated today, 13 May 2014, 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.

Salvatore Ferragamo Sp.A.

Salvatore Ferragamo Sp.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 3,700 employees and a network of 620 mono-brand stores as of 31 March 2014, 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:

Salvatore Ferragamo Sp.A.

Paola Pecciarini
Group Investor Relations

Tel. (+39) 055 3562230
investor.relations@ferragamo.com

Image Building

Giuliana Paoletti, Mara Baldessari, Alfredo Mele
Media Relations

Tel. (+39) 02 89011300
ferragamo@imagebuilding.it

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

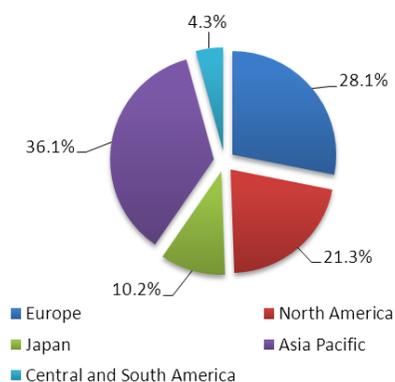
Salvatore Ferragamo

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 31 March 2014.

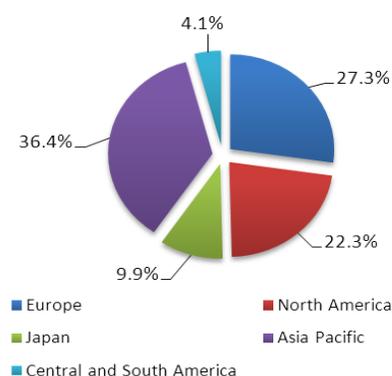
Revenue by geographic area as of 31 March 2014

(In thousands of Euro)	Period ended at 31 March					at constant exchange
	2014	% on Revenue	2013	% on Revenue	% Change	rate % Change
Europe	84,012	28.1%	76,913	27.3%	9.2%	9.0%
North America	63,707	21.3%	62,973	22.3%	1.2%	2.2%
Japan	30,347	10.2%	27,906	9.9%	8.7%	18.1%
Asia Pacific	107,952	36.1%	102,472	36.4%	5.3%	5.7%
Central and South America	12,770	4.3%	11,685	4.1%	9.3%	16.7%
Total	298,788	100.0%	281,949	100.0%	6.0%	7.4%

Revenue by geographic area as at 31 March 2014



Revenue by geographic area as at 31 March 2013

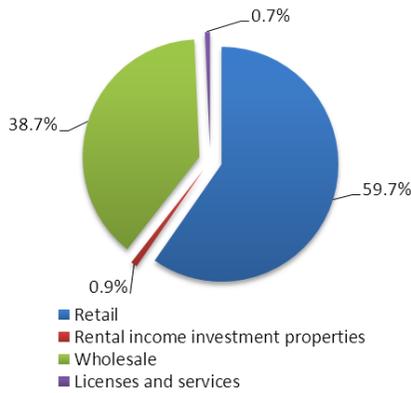


Revenue by distribution channel as of 31 March 2014

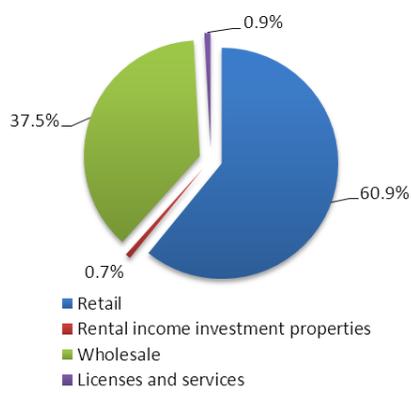
(In thousands of Euro)	Period ended at 31 March					at constant exchange
	2014	% on Revenue	2013	% on Revenue	% Change	rate % Change
Retail	178,322	59.7%	171,576	60.9%	3.9%	5.9%
Wholesale	115,722	38.7%	105,879	37.5%	9.3%	9.7%
Licenses and services	2,101	0.7%	2,428	0.9%	(13.5%)	(13.5%)
Rental income investment properties	2,643	0.9%	2,066	0.7%	27.90%	32.7%
Total	298,788	100.0%	281,949	100.0%	6.0%	7.4%

Salvatore Ferragamo

Revenue by distribution channel
as at 31 March 2014



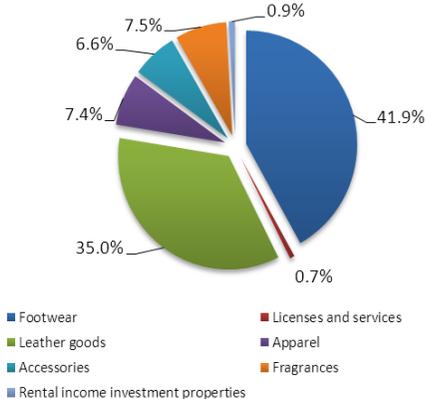
Revenue by distribution channel
as at 31 March 2013



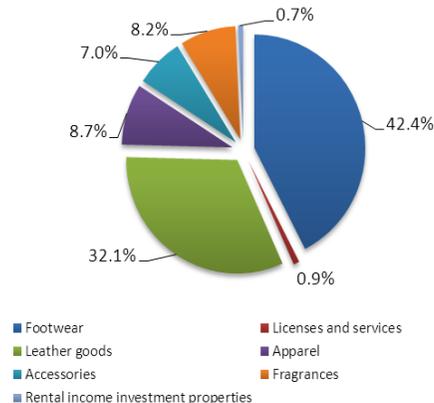
Revenue by product category as of 31 March 2014

(In thousands of Euro)	Period ended at 31 March				% Change	at constant exchange rate % Change
	2014	% on Revenue	2013	% on Revenue		
Footwear	125,110	41.9%	119,595	42.4%	4.6%	5.8%
Leather goods	104,465	35.0%	90,589	32.1%	15.3%	17.1%
Apparel	22,120	7.4%	24,466	8.7%	(9.6%)	(7.8%)
Accessories	19,878	6.6%	19,839	7.0%	0.2%	2.3%
Fragrances	22,471	7.5%	22,966	8.2%	(2.2%)	(2.0%)
Licenses and services	2,101	0.7%	2,428	0.9%	(13.5%)	(13.5%)
Rental income investment properties	2,643	0.9%	2,066	0.7%	27.9%	32.7%
Total	298,788	100.0%	281,949	100.0%	6.0%	7.4%

Revenue by product category
as at 31 March 2014



Revenue by product category
as at 31 March 2013





Consolidated results for Salvatore Ferragamo Group

Consolidated income statement as of 31 March 2014

(In thousands of Euro)	Period ended at 31 March				
	2014	% on Revenue	2013	% on Revenue	% change
Revenue from sales and services	296,145	99.1%	279,883	99.3%	5.8%
Rental income investment properties	2,643	0.9%	2,066	0.7%	27.9%
Revenues	298,788	100.0%	281,949	100.0%	6.0%
Cost of goods sold	(115,606)	(38.7%)	(106,753)	(37.9%)	8.3%
Gross profit	183,182	61.3%	175,196	62.1%	4.6%
Style, product development and logistics costs	(10,981)	(3.7%)	(10,681)	(3.8%)	2.8%
Sales & distribution costs	(88,890)	(29.8%)	(84,235)	(29.9%)	5.5%
Marketing & communication costs	(17,252)	(5.8%)	(18,706)	(6.6%)	(7.8%)
General and administrative costs	(22,608)	(7.6%)	(22,316)	(7.9%)	1.3%
Other operating costs	(3,916)	(1.3%)	(3,069)	(1.1%)	27.6%
Other income	2,203	0.7%	2,657	0.9%	(17.1%)
Operating profit	41,738	14.0%	38,846	13.8%	7.4%
Financial charges	(6,092)	(2.0%)	(10,077)	(3.6%)	(39.5%)
Financial income	4,380	1.5%	9,569	3.4%	(54.2%)
Share of net profit/(loss) on investments accounted for using the Equity Method	-	-	200	0.1%	(100.0%)
Profit before taxes	40,026	13.4%	38,538	13.7%	3.9%
Income taxes	(12,721)	(4.3%)	(11,715)	(4.2%)	8.6%
Net profit/(loss) for the period	27,305	9.1%	26,823	9.5%	1.8%
Net profit/(loss) - Group	26,049	8.7%	24,376	8.6%	6.9%
Net profit/(loss) - minority interests	1,256	0.4%	2,447	0.9%	(48.7%)
EBITDA(*)	52,763	17.7%	48,005	17.0%	9.9%

(*) 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 31 March 2014

(In thousands of Euro)	31 March	31 December	% change
	2014	2013	
Property, plant and equipment	167,680	168,398	(0.4%)
Investment property	6,387	6,455	(1.1%)
Intangible assets with definite useful life	25,080	26,090	(3.9%)
Inventories	331,351	290,705	14.0%
Trade receivables	126,377	121,408	4.1%
Trade payables	(205,086)	(202,752)	1.2%
Other non current assets/(liabilities), net	40,101	35,093	14.3%
Other current assets/(liabilities), net	(33,529)	(13,029)	157.3%
Net invested capital	458,361	432,368	6.0%
Group shareholders' equity	398,028	365,465	8.9%
Minority interests	34,920	34,305	1.8%
Shareholders' equity (A)	432,948	399,770	8.3%
Net financial debt (B) (1)	25,413	32,598	(22.0%)
Total sources of financing (A+B)	458,361	432,368	6.0%

(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 of Cesr on alternative performance measures".

Net financial position as of 31 March 2014

(In thousands of Euro)	31 March	31 December	change
	2014	2013	2014 vs 2013
A. Cash	603	848	(245)
B. Other cash equivalents	66,699	69,460	(2,761)
C. Cash and cash equivalents (A)+(B)	67,302	70,308	(3,006)
Derivatives – non-hedge component	1,340	1,928	(588)
Other financial assets	-	-	-
D. Current financial receivables	1,340	1,928	(588)
E. Current bank payables	89,764	100,052	(10,288)
F. Derivatives – non-hedge component	279	867	(588)
G. Other current financial payables	4,012	3,915	97
H. Current financial debt (E)+(F)+(G)	94,055	104,834	(10,779)
I. Current financial debt, net (H)-(C)-(D)	25,413	32,598	(7,185)
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)	25,413	32,598	(7,185)



Consolidated statement of cash flows as of 31 March 2014

(In thousands of Euro)	Period ended at 31 March	
	2014	2013
Net profit / (loss) for the period	27,305	26,823
Depreciation, amortization and write down of property, plant and equipment, intangible assets and investment properties	11,025	9,159
Net change in deferred taxes	(2,410)	(1,538)
Net change in provision for employee benefit plans	63	(39)
Loss/(gain) on disposal of tangible and intangible assets	319	190
Share of net (profit)/loss on investments accounted for using the equity method	-	(200)
Other non cash items	439	344
Net change in net working capital	(34,367)	(3,402)
Net change in other assets and liabilities	13,558	6,654
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	15,932	27,221
Purchase of tangible assets	(9,154)	(9,282)
Purchase of intangible assets	(648)	(1,003)
Net change in non current assets and liabilities	(43)	(467)
Proceeds from the sale of tangible and intangible assets	188	23
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(9,657)	(10,729)
Net change in financial receivables	591	431
Net change in financial payables	(9,871)	(66,261)
Purchase of minority interests in companies consolidated on a line-by line basis	-	(1,001)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(9,280)	(66,831)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(3,005)	(39,569)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	70,292	110,808
Net increase / (decrease) in cash and cash equivalents	(3,005)	(39,569)
Net effect of translation of foreign currencies	15	939
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	67,302	72,178