



PRESS RELEASE

Salvatore Ferragamo S.p.A.

**The Board of Directors Approves
the Consolidated Interim Report as of 30 September 2016**

Stable Revenue and Margins for the Nine Months 2016:

**Revenues -0.7%, Gross Operating Profit (EBITDA¹) -0.7%,
Operating Profit (EBIT) -2.1% and Group Net Profit +0.2% vs. 9M
2015**

- **Revenues: 1,014 million Euros (-0.7% vs. 1,021 million Euros as of 30 September 2015)**
- **Gross Operating Profit (EBITDA¹): 216 million Euros (-0.7% vs. 218 million Euros as of 30 September 2015)**
- **Operating Profit (EBIT): 170 million Euros (-2.1% vs. 174 million Euros as of 30 September 2015)**
- **Net Profit: 110 million Euros (-3.0% vs. 113 million Euros as of 30 September 2015), including negative 2 million Euros of Minority Interest**
- **Group Net Profit: 112 million Euros (+0.2% vs. 112 million Euros as of 30 September 2015)**

Florence, 14 November 2016 – 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,

¹ EBITDA is considered 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.



meeting under the chairmanship of Ferruccio Ferragamo, examined and approved the **Consolidated Interim Report as of 30 September 2016**, drafted according to IAS/IFRS international accounting principles (“non-audited”).

Notes to the Income Statement for 9M 2016

Consolidated Revenues

As of 30 September 2016, the Group has posted **Total Revenue of 1,014 million Euros, roughly stable (-0.7%) at current exchange rates and down 4.0% at constant exchange rates²**, over the 1,021 million Euros recorded in 9M 2015.

In **3Q 2016 Revenue totalled 304 million Euros, up 1.7% vs. 3Q 2015 at current exchange rates and down 6.2% at constant exchange rates²** with a different trend between Retail and Wholesale Business.

In particular, at constant exchange rates², the retail business was stable (+0.1%) in 3Q 2016 (-3.2% in 1H 2016), while wholesale registered a decrease of 18.6% (-3.0% in 1H 2016).

Revenues by geographical area³

Europe posted a **decrease** in Revenues of **5%** compared to 9M 2015, also due to lower tourist flows, negatively impacted by the dramatic events. 3Q 2016 saw an improvement of the retail business, down 6% (vs. -11% in 1H 2016), while wholesale decreased 12% (vs. +3% in 1H 2016).

North America recorded Revenues **up by 3% (-4% at constant exchange rates²)** in the first nine months of 2016. The retail business, despite the strong USD that negatively impacted tourist flows in the United States, reported sales up 11% in 9M 2016, while the wholesale business was down 8%, also due to the challenging comparison base (+17% in 9M 2015). At constant exchange rates² Total Revenues in 3Q 2016 were down 7%, with the retail business up 7% and wholesale down 26%.

The **Asia Pacific** area saw **stable** Revenues vs. 9M 2015, with an improvement in 3Q 2016 (+10%). At constant exchange rates² Revenues were down 4% in 9M 2016 and 3% in 3Q.

The business in Hong Kong remained negative, even if less negative than in the past. In particular, in 3Q 2016, the retail business registered a decrease of 15% at constant exchange rates² (-24% in 1H 2016).

The **retail channel in China** recorded **Revenues up 3%** at constant exchange rates² in 9M 2016, with an acceleration in 3Q 2016 (+11% vs. 3Q 2015).

² Revenues at “current exchange rates” include the “hedging effect”; while Revenues at “constant exchange rates” are calculated by applying to the Revenue of the period in 2015, not including the “hedging effect”, the average exchange rate of the related period in 2016.

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

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The **Japanese market** registered Revenues **down 2% (-9% at constant exchange rates²)** in 9M 2016, due to the lower Chinese tourist flow (impacted by the significant appreciation of the Yen vs. the Renminbi). In 3Q 2016 Revenues saw a hard comparison base (+25% at constant exchange rates² in 3Q 2015 vs 3Q 2014) and registered a decreased of 8% (-17% at constant exchange rates²).

The **Central and South America** area in 9M 2016 continued its solid growth, despite the penalization of the currencies, reporting Revenues **up by 4% at current exchange rates and by 13% at constant exchange rates⁴**. In 3Q 2016 Revenues were up 10% (+15% at constant exchange rates⁴).

Revenues by distribution channel⁵

As of 30 September 2016, the **Group's network** totalled **673 points of sale**, and could count on **396 Directly Operated Stores (DOS)**, while the **Wholesale and Travel Retail channel** included **277 Third Party Operated Stores (TPOS)**, as well as the presence in Department Stores and high-level multi-brand Specialty Stores.

In 9M 2016 the **Retail distribution channel** posted consolidated Revenues **up 1% (-2% at constant exchange rates⁴ and -6% at constant perimeter – like for like)**, with an improving performance in 3Q 2016 (+9% at current exchange rates and stable at constant exchange rates⁴)

The **Wholesale channel** registered a **decrease** in Revenues **of 4% (-7% at constant exchange rates⁴)** vs. 9M 2015. In 3Q 2016 Revenues decreased by 12% (-19% at constant exchange rates⁴) mainly impacted by lower tourists' flows and the cautious policy towards Department Stores.

Revenues by product category⁵

Among the product categories, **shoes** registered Revenues **up by 1%** in 9M 2016, while **handbags and leather accessories down by 1%** (vs. a hard comparison base, +11% in 9M 2015 vs 9M 2014). **Fragrances** were **down 3%** in 9M 2016, but improving in 3Q 2016 (+3%).

Gross Profit

In 9M 2016 the **Gross Profit increased 1% at 679 million Euros**, with an **incidence on Revenues up by 120 basis points to 67.0%**, from 65.8% recorded in 9M 2015.

⁴ Revenues at "current exchange rates" include the "hedging effect"; while Revenues at "constant exchange rates" are calculated by applying to the Revenue of the period in 2015, not including the "hedging effect", the average exchange rate of the related period in 2016.

⁵ The variations in Revenues are calculated at current exchange rates, unless differently indicated.



Operating Costs

In 9M 2016 **Operating Costs were up 2% at 509 million Euros**. In 3Q 2016 Operating Costs were up 7%, also penalized by operating costs related to managerial changes.

Gross Operating Profit (EBITDA)⁶

The **Gross Operating Profit (EBITDA) decreased by 0.7%** over the period, from 218 million Euros of 9M 2015 to **216 million Euros**, with an **incidence on Revenues stable at 21.3%**.

Operating Profit (EBIT)

The **Operating Profit (EBIT)**, over the period, **decreased by 2% to 170 million Euros**, with an **incidence on Revenues of 16.8%**, from 17.0% in 9M 2015.

Profit before taxes

The **Profit before taxes** in 9M 2016 was **down 4% at 158 million Euros**, from 164 million Euros in 9M 2015, and its **incidence on Revenues was 15.6%** vs. 16.1% in 9M 2015.

Income taxes

Taxes in 9M 2016 totaled 48 million Euros, vs. 51 million Euros in 9M 2015, with a tax rate of 30.3% vs. 31.0% in 9M 2015.

The Holding Company is finalizing an agreement to get the ruling the so called "Patent Box Tax Benefit" (direct utilization). The economic impact of the agreement, was not registered in 9M 2016.

In case the formalization of the agreement should occur before the end of the Fiscal Year, in 2016 Financial Statement will be booked both 2015 as well as 2016 tax benefits.

⁶ 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.



Net Profit for the Period

The **Net Profit for the period**, including the negative Minority Interest of 2 million Euros, was **110 million Euros, down 3%** vs. 9M 2015.

The **Group Net Profit** reached **112 million Euros, stable** vs. 9M 2015.

Notes to the Balance Sheet as of September 30, 2016

Net Working Capital⁷

The **Net Working Capital** went to **350 million Euros, increasing by 19%** from 294 million Euros as of 30 September 2015, with Inventories, in excess for the current sales level and subject to corrective actions, is up by 16%, mainly due to an increase in quantities and, to a lesser extent, to the exchange rates impact.

Investments (CAPEX)

Investments (CAPEX) reached **46 million Euros** as of 30 September 2016, vs. 56 million Euros as of 30 September 2015, mainly attributable to the new stores, the enlargement and refurbishment of existing key locations, in addition to continuing logistics enhancements and digital projects.

Net Financial Debt

The **Net Financial Debt** as of 30 September 2016 **decreased to 18 million Euros**, compared to 38 million Euros as of 30 September 2015, after 78 million Euros of dividend payment in the period.

The luxury market, growth in a material way in the last years, is subject to a slowdown due also to present negative events. The current market situation asks for a prudent projection for the year end results.

⁷ 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 manager charged with preparing the Company's Financial Reports, Marco Fortini, 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 September 2016, approved by the Board of Directors on November 14 2016, will be available to anyone requesting it at the headquarters of the Company in Florence, Via Tornabuoni n. 2, on the authorized web-storage system Bit Market Services www.emarketstorage.com, and will also be accessible on the the Salvatore Ferragamo Group's website <http://group.ferragamo.com> in the section "Investor Relations/Financial Documents", from November 15 2016.

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The Results of 9M 2016 will be illustrated today, 14 November 2016, 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 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 industry and whose origins date back to 1927.

The Group is active in the creation, production and sale of shoes, leather goods, apparel, silk products and other accessories, along with women's and men's fragrances. The Group's product offer also includes eyewear and watches, manufactured by licensees.

The uniqueness and exclusivity of our creations, along with the perfect blend of style, creativity and innovation enriched by the quality and superior craftsmanship of the 'Made in Italy' tradition, have always been the hallmarks of the Group's products.

With approximately 4,000 employees and a network ca. 670 mono-brand stores as of 30 September 2016, the Ferragamo Group operates in Italy and worldwide through companies that allow it to be a leader in the 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".

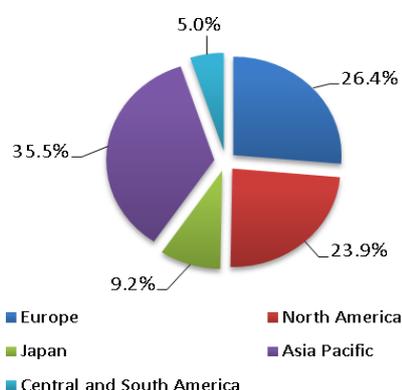
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On the following pages, a more detailed analysis of Revenues, the consolidated income statement, a summary of statement of financial position, the consolidated cash flow statement, and the net financial position of the Salvatore Ferragamo Group as of 30 September 2016.

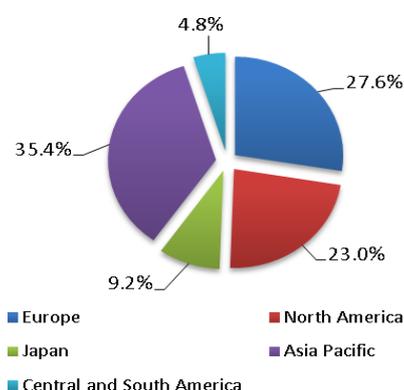
Revenue by geographic area as of 30 September 2016

(In thousands of Euro)	Period ended 30 September					at constant exchange rate % Change
	2016	% on Revenue	2015	% on Revenue	% Change	
Europe	267,686	26.4%	281,668	27.6%	(5.0%)	(4.8%)
North America	242,181	23.9%	234,702	23.0%	3.2%	(3.9%)
Japan	92,833	9.2%	94,331	9.2%	(1.6%)	(9.1%)
Asia Pacific	360,035	35.5%	360,962	35.4%	(0.3%)	(4.1%)
Central and South America	51,135	5.0%	49,370	4.8%	3.6%	12.8%
Total	1,013,870	100.0%	1,021,033	100.0%	(0.7%)	(4.0%)

Revenue by geographic area as at 30 September 2016



Revenue by geographic area as at 30 September 2015

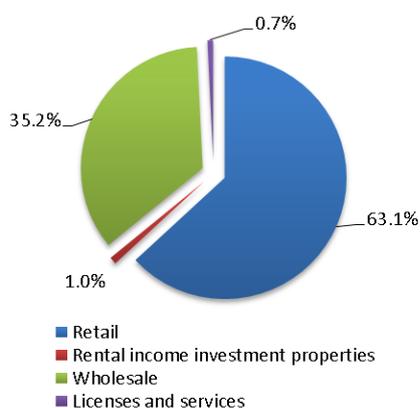


Revenue by distribution channel as of 30 September 2016

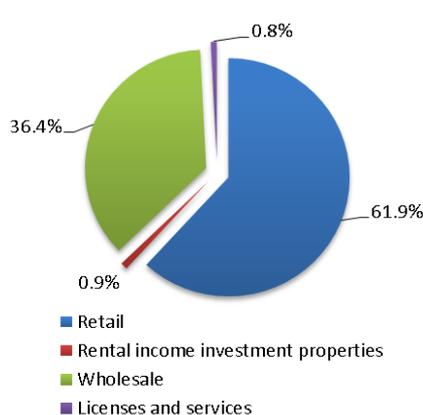
(In thousands of Euro)	Period ended 30 September					at constant exchange rate % Change
	2016	% on Revenue	2015	% on Revenue	% Change	
Retail	639,995	63.1%	631,695	61.9%	1.3%	(2.1%)
Wholesale	356,380	35.2%	371,462	36.4%	(4.1%)	(7.3%)
Licenses and services	7,843	0.7%	8,216	0.8%	(4.5%)	(4.5%)
Rental income investment properties	9,652	1.0%	9,660	0.9%	(0.1%)	0.1%
Total	1,013,870	100.0%	1,021,033	100.0%	(0.7%)	(4.0%)

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Revenue by distribution channel
as at 30 September 2016



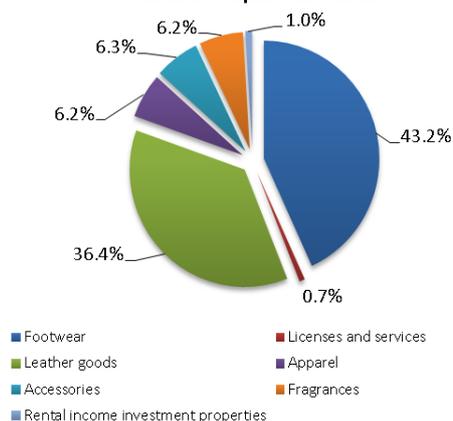
Revenue by distribution channel
as at 30 September 2015



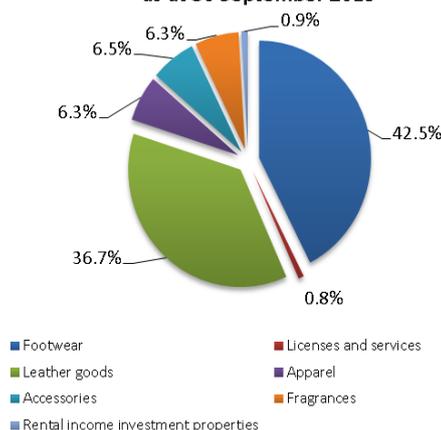
Revenue by product category as of 30 September 2016

	Period ended 30 September					
	2016	% on Revenue	2015	% on Revenue	% Change	at constant exchange rate % Change
Footwear	437,836	43.2%	433,667	42.5%	1.0%	(2.7%)
Leather goods	369,684	36.4%	374,090	36.7%	(1.2%)	(4.7%)
Apparel	62,397	6.2%	64,533	6.3%	(3.3%)	(7.0%)
Accessories	63,753	6.3%	66,171	6.5%	(3.7%)	(7.0%)
Fragrances	62,705	6.2%	64,696	6.3%	(3.1%)	(3.0%)
Licenses and services	7,843	0.7%	8,216	0.8%	(4.5%)	(4.5%)
Rental income investment properties	9,652	1.0%	9,660	0.9%	(0.1%)	0.1%
Total	1,013,870	100.0%	1,021,033	100.0%	(0.7%)	(4.0%)

Revenue by product category
as at 30 September 2016



Revenue by product category
as at 30 September 2015





Consolidated results for Salvatore Ferragamo Group

Consolidated income statement as of 30 September 2016

(In thousands of Euro)	Period ended 30 September				
	2016	% on Revenue	2015	% on Revenue	% Change
Revenue from sales and services	1,004,218	99.0%	1,011,373	99.1%	(0.7%)
Rental income investment properties	9,652	1.0%	9,660	0.9%	(0.1%)
Revenues	1,013,870	100.0%	1,021,033	100.0%	(0.7%)
Cost of goods sold	(334,394)	(33.0%)	(348,935)	(34.2%)	(4.2%)
Gross profit	679,476	67.0%	672,098	65.8%	1.1%
Style, product development and logistics costs	(31,999)	(3.2%)	(31,717)	(3.1%)	0.9%
Sales & distribution costs	(336,498)	(33.2%)	(332,533)	(32.6%)	1.2%
Marketing & communication costs	(51,969)	(5.1%)	(50,678)	(5.0%)	2.5%
General and administrative costs	(83,088)	(8.2%)	(78,391)	(7.7%)	6.0%
Other operating costs	(15,203)	(1.5%)	(14,249)	(1.4%)	6.7%
Other income	9,293	0.9%	9,080	0.9%	2.3%
Total operating costs (net of other income)	(509,464)	(50.2%)	(498,488)	(48.8%)	2.2%
Operating profit	170,012	16.8%	173,610	17.0%	(2.1%)
Financial charges	(29,413)	(2.9%)	(44,928)	(4.4%)	(34.5%)
Financial income	17,281	1.7%	35,684	3.5%	(51.6%)
Profit before taxes	157,880	15.6%	164,366	16.1%	(3.9%)
Income taxes	(47,796)	(4.7%)	(50,927)	(5.0%)	(6.1%)
Net profit/(loss) for the period	110,084	10.9%	113,439	11.1%	(3.0%)
Net profit/(loss) - Group	112,457	11.1%	112,265	11.0%	0.2%
Net profit/(loss) - minority interests	(2,373)	(0.2%)	1,174	0.1%	(302.1%)
EBITDA(*)	216,068	21.3%	217,613	21.3%	(0.7%)

(*)EBITDA is operating profit before amortization and depreciation and write-downs of tangible/intangible assets. EBITDA so defined is a parameter used by the management to monitor and assess the 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 2016

(In thousands of Euro)	30 September	31 December	% Change
	2016	2015	
Property, plant and equipment	235,247	236,452	(0.5%)
Investment property	7,028	7,470	(5.9%)
Intangible assets with definite useful life	32,501	33,596	(3.3%)
Inventories	393,075	351,132	11.9%
Trade receivables	113,857	167,912	(32.2%)
Trade payables	(156,475)	(202,148)	(22.6%)
Other non current assets/(liabilities), net	54,075	52,885	2.3%
Other current assets/(liabilities), net	(19,618)	(28,798)	(31.9%)
Net invested capital	659,690	618,501	6.7%
Group shareholders' equity	598,697	563,926	6.2%
Minority interests	42,798	44,815	(4.5%)
Shareholders' equity (A)	641,495	608,741	5.4%
Net financial debt (B) (1)	18,195	9,760	86.4%
Total sources of financing (A+B)	659,690	618,501	6.7%

(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 EMSA/2015/1415's on Recommendations on alternative performance measures, implemented by Consob with a resolution 92543 dated December 3rd, 2015.

Consolidated net financial position as of 30 September 2016

(In thousands of Euro)	30 September	31 December	Change 2016 vs 2015
	2016	2015	
A. Cash	752	1,019	(267)
B. Other cash equivalents	128,743	141,102	(12,359)
C. Cash and cash equivalents (A)+(B)	129,495	142,121	(12,626)
Derivatives – non-hedge component	203	291	(88)
Other financial assets	-	-	-
D. Current financial receivables	203	291	(88)
E. Current bank payables	115,371	123,641	(8,270)
F. Derivatives – non-hedge component	838	70	768
G. Other current financial payables	6,124	5,149	975
H. Current financial debt (E)+(F)+(G)	122,333	128,860	(6,527)
I. Current financial debt, net (H)-(C)-(D)	(7,365)	(13,552)	6,187
J. Non current bank payables	25,484	23,312	2,172
K. Derivatives – non-hedge component	76	-	76
M. Other non current financial payables	-	-	-
N. Non-current financial debt (J)+(K)+(M)	25,560	23,312	2,248
O. Net financial debt (I)+(N)	18,195	9,760	8,435



Consolidated statement of cash flows as of 30 September 2016

(In thousands of Euro)	Period ended 30 September	
	2016	2015
Net profit / (loss) for the period	110,084	113,439
Depreciation, amortization and write down of property, plant and equipment, intangible assets and investment properties	46,056	44,003
Net change in deferred taxes	(7,258)	(12,076)
Net change in provision for employee benefit plans	(49)	(72)
Loss/(gain) on disposal of tangible and intangible assets	577	1,036
Other non cash items	1,784	1,240
Net change in net working capital	(26,229)	(21,008)
Net change in other assets and liabilities	(6,595)	17,468
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	118,370	144,030
Purchase of tangible assets	(40,341)	(48,293)
Purchase of intangible assets	(5,900)	(7,950)
Net change in non current assets and liabilities	-	6
Proceeds from the sale of tangible and intangible assets	29	258
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(46,212)	(55,979)
Net change in financial receivables	90	228
Net change in financial payables	(7,632)	8,284
Payment of dividends	(77,643)	(71,396)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(85,185)	(62,884)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(13,027)	25,167
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	142,121	96,455
Net increase / (decrease) in cash and cash equivalents	(13,027)	25,167
Net effect of translation of foreign currencies	395	(219)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	129,489	121,403