



PRESS RELEASE

Salvatore Ferragamo Sp.A.

The Board of Directors approves the Consolidated Interim Report as of 31 March 2018

Salvatore Ferragamo Group Three Months Revenue -1.7%, Gross Operating Profit (EBITDA¹) -1.9%, Net Profit -18.8% and Positive Net Financial Position of 141 million Euros

- **Revenues: 304 million Euros (-1.7% vs. 309 million Euros at 31 March 2017, +1.7% constant exchange rates²) with Retail Revenue -3.6% and Wholesale Revenue +2.6%**
- **Gross Operating Profit (EBITDA¹): 32 million Euros (-1.9% vs. 33 million Euros at 31 March 2017)**
- **Operating Profit (EBIT): 17 million Euros (+0.3% vs. 17 million Euros at 31 March 2017)**
- **Net Profit: 9 million Euros (-18.8% vs. 11 million Euros at 31 March 2017)**
- **Net Financial Position: positive at 141 million Euros (vs. 47 million Euros positive at 31 March 2017)**
- **Approval of the launch of Treasury Shares purchasing plan**

Florence, 7 May 2018 – The Board of Directors of Salvatore Ferragamo Sp.A. (MTA: SFER), parent company of the Salvatore Ferragamo Group, one of the global leaders in the luxury sector, in a meeting chaired by Ferruccio Ferragamo, examined and approved the Consolidated Interim Report as of 31 March 2018, drafted according to IAS/IFRS international accounting principles (“non-audited”).

Data as of 31 March 2017, reported as a comparable basis, has been internally elaborated by the Salvatore Ferragamo Group and has not been made public, as the Company had communicated on 15 December 2016, under the regulatory framework defined by Article 82-ter of the Issuer's Regulations, that it would not publish any additional financial report beside the yearly and half-year financial reports.



Notes to the Income Statement for 1Q 2018

Consolidated Revenue figures

As of 31 March 2018 the Salvatore Ferragamo Group reported Total Revenues of 304 million Euros down 1.7% at current exchange rates (+1.7% at constant exchange rates²) over the 309 million Euros recorded in 1Q 2017.

Revenues by distribution channel³

As of 31 March 2018, the Group's Retail network counted on a total of 678 points of sales, including 406 Directly Operated Stores (DOS) and 272 Third Party Operated Stores (TPOS) in the Wholesale and Travel Retail channel, as well as the presence in Department Stores and high-level multi-brand Specialty Stores.

In 1Q 2018 the Retail distribution channel posted consolidated Revenues down 3.6% (stable at constant exchange rates²), showing a +0.3% at constant exchange rates and perimeter (like-for-like) vs. 1Q 2017.

The Wholesale channel, registered an increase in Revenues of 2.6% at current exchange rates (+5.9% at constant exchange rates²) vs. 1Q 2017, with the travel retail channel reporting a double-digit growth.

Revenues by geographical area³

The Asia Pacific area is confirmed as the Group's top market in terms of Revenues, increasing by 1.2% (+4.6% at constant exchange rates²) vs. 1Q 2017. The retail channel in China, after a very strong 1Q 2017 (+18.1% at constant exchange rates²), recorded a stable Revenue performance in 1Q 2018 at constant exchange rates², while the trend in Hong Kong showed a significant acceleration (+34.1% at constant exchange rates², vs. -5.3% at constant exchange rates² in 1Q 2017). South Korea continued to show a weak trend, mostly due to the significant decrease of Chinese tourists and the rationalization of the store network.

Europe posted an increase in Revenues of 1.4% (+1.9% at constant exchange rates²), thanks to the positive performance of the wholesale channel.

North America in 1Q 2018 recorded a Revenue decrease of 6.1% vs. 1Q 2017, penalized by the currency trend (+2.4% at constant exchange rates²). The retail channel registered a double-digit growth at constant exchange rates², while the wholesale channel continued to show a negative trend still negatively impacted by the department stores sales.

The Japanese market registered a 6.3% decrease (-8.0% at constant exchange rates²) in 1Q 2018, mainly due to the strategic rationalization of the wholesale channel.

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Revenues in the Central and South America in 1Q 2018 were down 8.3%, penalized by the currencies trend (-1.4% at constant exchange rates²) and by the hard comparison base (+12.6% at constant exchange rates² in 1Q 2017).

Revenues by product category³

Among the product categories, at constant exchange rates², footwear posted a decrease of 1.6% decrease vs. 1Q 2017, while handbags and leather accessories showed a 6.8% increase and fragrances registered a 12.7% increase.

Gross Profit

In 1Q 2018 the Gross Profit decreased by 3.6% to 189 million Euros. Its incidence on Revenues was down 130 basis points, moving to 62.3%, from 63.6% of 1Q 2017, mainly due to the unfavorable channel mix and the negative impact of currencies.

Operating Costs

In 1Q 2018 Operating Costs decreased, at current exchange rates, by 3.9% (+2.9% at constant exchange rates²), to 172 million Euros, from 179 million Euros in 1Q 2017.

Gross Operating Profit (EBITDA¹)

The Gross Operating Profit (EBITDA¹) decreased by 1.9% over the period, to 32 million Euros, from 33 million Euros of 1Q 2017, with a stable incidence on Revenues of 10.7%.

Operating Profit (EBIT)

The Operating Profit (EBIT) was stable (+0.3%) vs. 1Q 2017, at 17 million Euros, with an incidence on Revenues of 5.6% from 5.5%.

Profit before taxes

The Profit before taxes in 1Q 2018 amounted to 15 million Euros (-5.3%), with an incidence on Revenues of 4.8% vs. 5.0% in 1Q 2017.



Net Profit for the Period

The Net Profit for the period, including the Minority Interest, was 9 million Euros, marking a 18.8% decrease, vs. the 11 million Euros reported in 1Q 2017. To highlight the tax rate increase due to the lower deferred tax assets charge in the US following the change in the tax rate.

The 1Q 2018 Group Net Profit was 9 million Euros, compared to 12 million Euros in 1Q 2017, marking a decrease of 26.3%.

Notes to the Balance Sheet for FY 2017

Net Working Capital⁴

The Net Working Capital as of 31 March 2018 decreased by 11.4% to 286 million Euros, from 323 million Euros as of 31 March 2017. In particular the Inventory was down 6.4% (-6.2% at constant exchange rates).

Investments (CAPEX)

Investments (CAPEX) was 9 million Euros as of 31 March 2018 vs. 13 million Euros in 1Q 2017, mainly for the Distribution Center, the IT projects and the store network.

Net Financial Position

The Net Financial Position at 31 March 2018 was positive for 141 million Euros, compared to 47 million Euros positive as of 31 March 2017. The improvement was mainly due to the reduction of the net operating working capital.



Salvatore Ferragamo Group sales, margins and results for full year 2018 are expected to be negatively impacted by the current currencies trends and by the enduring unfavourable channel mix. In this context the company will continue to invest in a focused program aimed at relaunching the Brand and optimizing the processes.

Notes to the press release

¹ 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. EBITDA is an important managerial indicator for measuring the Group's performance. 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.

² Revenues at "constant exchange rates" are calculated by applying to the Revenue of 1Q 2017, not including the "hedging effect", the average exchange rates of 1Q 2018. Operating Costs at "constant exchange rates" are calculated by applying to the Operating Costs of 1Q 2017, the average exchange rates of 1Q 2018.

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

⁴ 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.



Approval of the launch of Treasury Shares purchasing plan

The Board of Directors of Salvatore Ferragamo Sp.A. (MTA: SFER), has approved the start of a plan for purchasing its own ordinary shares implementing the authorization pursuant to and in accordance with articles 2357 *et seq.* of the Italian Civil Code, as well as article 132 of Legislative Decree of 24th February 1998 no. 58 (“TUF”), and article 144-bis of the Consob Regulation adopted with resolution no. 11971/1999 as subsequently amended (the “Issuers’ Regulation”) passed by the Shareholders’ Meeting held in ordinary session on 20th April 2018.

Launch of Treasury Shares purchasing plan

Pursuant to article 144-bis, paragraph 3, of the Issuers’ Regulation, we report below the main characteristics of the plan.

Objectives of the plan

The plan is aimed at:

- acquiring own shares to be allocated, if appropriate, to the Stock Grant Plan 2016 - 2020 approved by the Shareholders’ Meeting on 21st April 2016, as well as to other possible share incentive plans that may be approved by the Shareholders’ Meeting in the future – long-term plans, too – to be reserved to directors and/or managers of the Company or of companies controlled by Salvatore Ferragamo;
- acquiring own shares to be allocated, if appropriate, to possible extraordinary capital transactions or financing transactions involving the allocation or disposal of own shares;
- stabilizing the security – in compliance with the provisions in force and through brokers - and regulating trading and rates, in the presence of distorting phenomena linked to excessive volatility or to limited liquidity of trading.

Maximum number of shares, maximum exchange value, procedures and purchase price

The plan contemplates the purchase of own shares to the extent that, at any time, and considering the Salvatore Ferragamo ordinary shares held in portfolio at any time by the Company and by the companies controlled by it, said shares do not exceed on the whole 1% of the share capital of the Company, totally amounting to no. 1,687,900 shares. To date the Company does not hold its own shares and the subsidiaries of the company Salvatore Ferragamo SpA do not hold its shares too.

The maximum total exchange value of the shares to be purchased will be equal to 41,883,381 Euros.

In compliance with art. 2357, paragraph 1, of the Civil Code, the purchases of own shares shall in any case be made within the limits of distributable profits and available reserves as per the latest approved financial statements on the date of performance of each transaction.

Purchase transactions will be made in compliance with the principle of treatment of shareholders provided for by article 132 of the TUF, in accordance with any of the terms indicated of article 144-

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bis of the Issuers Regulation (also through subsidiaries) to be identified, from time to time, and therefore, at the moment:

- (a) by way of a public bid for the acquisition or exchange;
- (b) through purchases made on regulated markets, or on multilateral trading systems, according to the procedures defined by Borsa Italiana SpA, that do not allow the direct matching of trading proposals to purchase and pre-determined trading proposals to sell;
- (c) through the purchase and sale of derivative instruments traded on regulated markets or multilateral trading systems, providing for the physical delivery of the underlying shares and under the conditions determined by Borsa Italiana Sp.A.;
- (d) by way of a proportional allocation to the shareholders of a sale option to be exercised within the term of the authorization.

Purchases may also take place in accordance with the procedures determined by Consob pursuant to article 13 of EU Regulation n. 596 / 2014.

The share purchase price shall be determined from time to time for each single transaction, being understood that:

- with reference to the terms of article 144-bis, letters a) and d), of Issuers Regulation abovementioned share purchases shall be made at a price not lower in the minimum than 20%, nor higher than 20% of the average Stock Exchange price that the shares shall have recorded in the month preceding each single transaction;
- with reference to the terms of article 144-bis, letters b) and c), of Issuers Regulation abovementioned share purchases shall be made at a price not lower in the minimum than 20% nor higher than 20% of the reference price recorded by the share on the Stock Exchange session of the day preceding each single transaction.

Duration

The purchases of own shares must be made within 20th October 2019, i.e. within 18 months from the date of the above-mentioned Shareholders' Meeting resolution.

Other information

Purchase transactions may be made in compliance with the conditions set out in art. 3 of EU Commission Delegated Regulation no. 2016/1052 in order to obtain, if applicable, the exemption provided for in Article 5, paragraph 1, of EU Regulation no. 596/2014 on market abuse with regard to abuse of privileged information and market manipulation.

Within the plan framework, in case of purchases, the company will notify Consob and the market of the transactions made in accordance with the terms and conditions laid down by the legislation in force.

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The manager charged to prepare the corporate accounting documents, Ugo Giorcelli, 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 forecasted, due to a variety of factors.

The Consolidated Interim Report as of 31 March 2018, approved by the Board of Directors on May 7 2018, 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 eMarket STORAGE www.emarketstorage.com, and will also be accessible on the Salvatore Ferragamo Group's website <http://group.ferragamo.com> in the section "Investor Relations/Financial Documents", in compliance with the law.

<p>The Results of 1Q 2018 will be illustrated today, 7 May 2018, 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 Sp.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 of 678 mono-brand stores as of 31 March 2018, 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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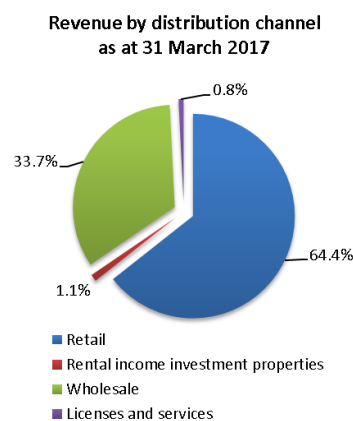
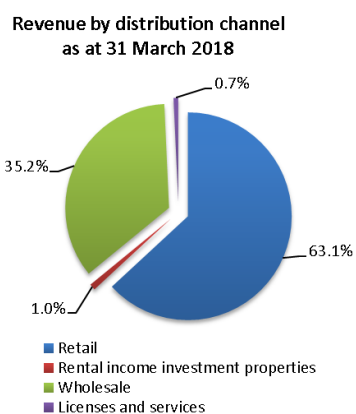
This Press Release is also available on the website <http://group.ferragamo.com>, in the section "Investor Relations/Financial Press Releases".

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On the following pages, a more detailed analysis of Revenues, the consolidated income statement, the summary of statement of financial position, the net financial position, and the consolidated cash flow statement of the Salvatore Ferragamo Group as of 31 March 2018.

Revenue by distribution channel as of 31 March 2018

(In thousands of Euro)	Period ended at 31 March					at constant exchange rate % Change
	2018	% on Revenue	2017	% on Revenue	% Change	
Retail	191,856	63.1%	199,111	64.4%	(3.6%)	(0.2%)
Wholesale	106,920	35.2%	104,180	33.7%	2.6%	5.9%
Licenses and services	2,218	0.7%	2,488	0.8%	(10.8%)	(10.8%)
Rental income investment properties	2,917	1.0%	3,370	1.1%	(13.4%)	(0.1%)
Total	303,911	100.0%	309,149	100.0%	(1.7%)	1.7%

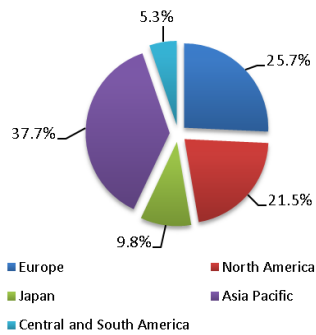


Revenue by geographic area as of 31 March 2018

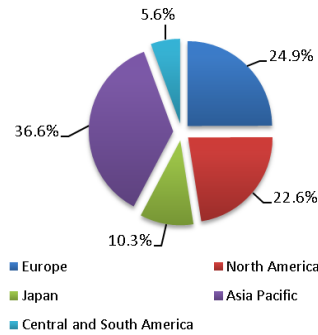
(In thousands of Euro)	Period ended at 31 March					at constant exchange rate % Change
	2018	% on Revenue	2017	% on Revenue	% Change	
Europe	78,223	25.7%	77,110	24.9%	1.4%	1.9%
North America	65,450	21.5%	69,716	22.6%	(6.1%)	2.4%
Japan	29,717	9.8%	31,714	10.3%	(6.3%)	(8.0%)
Asia Pacific	114,539	37.7%	113,179	36.6%	1.2%	4.6%
Central and South America	15,982	5.3%	17,430	5.6%	(8.3%)	(1.4%)
Total	303,911	100.0%	309,149	100.0%	(1.7%)	1.7%

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Revenue by geographic area as at 31 March 2018



Revenue by geographic area as at 31 March 2017

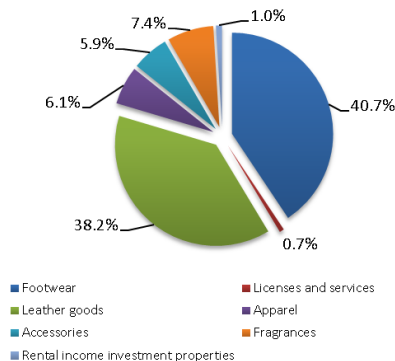


Revenue by product category as of 31 March 2018

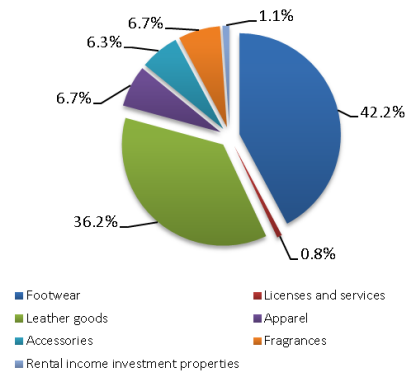
(In thousands of Euro)

	Period ended at 31 March					at constant exchange rate % Change
	2018	% on Revenue	2017	% on Revenue	% Change	
Footwear	123,522	40.7%	130,500	42.2%	(5.3%)	(1.6%)
Leather goods	116,184	38.2%	112,019	36.2%	3.7%	6.8%
Apparel	18,609	6.1%	20,576	6.7%	(9.6%)	(7.7%)
Accessories	17,910	5.9%	19,424	6.3%	(7.8%)	(4.9%)
Fragrances	22,551	7.4%	20,772	6.7%	8.6%	12.7%
Licenses and services	2,218	0.7%	2,488	0.8%	(10.8%)	(10.8%)
Rental income investment properties	2,917	1.0%	3,370	1.1%	(13.4%)	(0.1%)
Total	303,911	100.0%	309,149	100.0%	(1.7%)	1.7%

Revenue by product category as at 31 March 2018



Revenue by product category as at 31 March 2017





Consolidated results for Salvatore Ferragamo Group

Consolidated income statement as of 31 March 2018

(In thousands of Euro)	Period ended at 31 March		2017	% on Revenue	% Change
	2018	% on Revenue			
Revenue from sales and services	300,994	99.0%	305,779	98.9%	(1.6%)
Rental income investment properties	2,917	1.0%	3,370	1.1%	(13.4%)
Revenues	303,911	100.0%	309,149	100.0%	(1.7%)
Cost of goods sold	(114,470)	(37.7%)	(112,683)	(36.4%)	1.6%
Gross profit	189,441	62.3%	196,466	63.6%	(3.6%)
Style, product development and logistics costs	(11,173)	(3.7%)	(10,694)	(3.5%)	4.5%
Sales & distribution costs	(107,895)	(35.5%)	(118,533)	(38.3%)	(9.0%)
Marketing & communication costs	(19,990)	(6.6%)	(18,095)	(5.9%)	10.5%
General and administrative costs	(32,213)	(10.6%)	(30,173)	(9.8%)	6.8%
Other operating costs	(3,845)	(1.3%)	(4,996)	(1.6%)	(23.0%)
Other income	2,741	0.9%	3,039	1.0%	(9.8%)
Total operating costs (net of other income)	(172,375)	(56.7%)	(179,452)	(58.0%)	(3.9%)
Operating profit	17,066	5.6%	17,014	5.5%	0.3%
Financial charges	(10,348)	(3.4%)	(10,741)	(3.5%)	(3.7%)
Financial income	7,846	2.6%	9,110	2.9%	(13.9%)
Profit before taxes	14,564	4.8%	15,383	5.0%	(5.3%)
Income taxes	(5,619)	(1.8%)	(4,367)	(1.4%)	28.7%
Net profit/(loss) for the period	8,945	2.9%	11,016	3.6%	(18.8%)
Net profit/(loss) - Group	9,169	3.0%	12,447	4.0%	(26.3%)
Net profit/(loss) - minority interests	(224)	(0.1%)	(1,431)	(0.5%)	(84.3%)
EBITDA(*)	32,437	10.7%	33,066	10.7%	(1.9%)

(*) EBITDA is operating profit before amortization and depreciation and write-downs of tangible/intangible assets. EBITDA so defined is a parameter used by the 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 31 March 2018

(In thousands of Euro)	31 March 2018	31 December 2017	% Change
Property, plant and equipment	243,911	249,600	(2.3%)
Investment property	5,898	6,139	(3.9%)
Intangible assets with definite useful life	42,009	43,593	(3.6%)
Inventories	359,189	325,516	10.3%
Trade receivables	122,299	148,583	(17.7%)
Trade payables	(195,420)	(203,613)	(4.0%)
Other non current assets/(liabilities), net	11,962	7,963	50.2%
Other current assets/(liabilities), net	35,998	42,169	(14.6%)
Assets/(Liabilities) held for sale, net	846	990	(14.5%)
Net invested capital	626,692	620,940	0.9%
Group shareholders' equity	741,520	722,250	2.7%
Minority interests	26,456	26,181	1.1%
Shareholders' equity (A)	767,976	748,431	2.6%
Net financial debt (B) (1)	(141,284)	(127,491)	10.8%
Total sources of financing (A+B)	626,692	620,940	0.9%

(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 31 March 2018

(In thousands of Euro)	31 March 2018	31 December 2017	Change 2018 vs 2017
A. Cash	1,132	1,909	(777)
B. Other cash equivalents	207,652	210,179	(2,527)
C. Cash and cash equivalents (A)+(B)	208,784	212,088	(3,304)
Derivatives – non-hedge component	476	341	135
Other financial assets	-	-	-
D. Current financial receivables	476	341	135
E. Current bank payables	49,179	66,529	(17,350)
F. Derivatives – non-hedge component	128	226	(98)
G. Other current financial payables	3,322	3,276	46
H. Current financial debt (E)+(F)+(G)	52,629	70,031	(17,402)
I. Current financial debt, net (H)-(C)-(D)	(156,631)	(142,398)	(14,233)
J. Non current bank payables	15,250	14,814	436
K. Derivatives – non-hedge component	97	93	4
M. Other non current financial payables	-	-	-
N. Non-current financial debt (J)+(K)+(M)	15,347	14,907	440
O. Net financial debt (I)+(N)	(141,284)	(127,491)	(13,793)



Consolidated statement of cash flows as of 31 March 2018

(In thousands of Euro)	Period ended 31 March	
	2018	2017
Net profit / (loss) for the period	8,945	11,016
Depreciation, amortization and write down of property, plant and equipment, intangible assets and investment properties	15,371	16,052
Net change in deferred taxes	388	(2,763)
Net change in provision for employee benefit plans	32	(98)
Loss/(gain) on disposal of tangible and intangible assets	1	297
Other non cash items	527	490
Net change in net working capital	7,024	47,798
Net change in other assets and liabilities	(899)	1,674
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	31,389	74,466
Purchase of tangible assets	(14,512)	(12,062)
Purchase of intangible assets	(1,411)	(1,157)
Proceeds from the sale of tangible and intangible assets	26	16
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(15,897)	(13,203)
Net change in financial payables	(17,363)	(6,100)
Purchase of minority interests in companies consolidated on a line-by line basis	-	(804)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(17,363)	(6,904)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,871)	54,359
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	212,088	117,249
Net increase / (decrease) in cash and cash equivalents	(1,871)	54,359
Net effect of translation of foreign currencies	(1,433)	(2,700)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	208,784	168,908