



**PRESS RELEASE**

**Salvatore Ferragamo S.p.A.**

**FY 2017 Group Preliminary Consolidated Revenue Figures**

**Salvatore Ferragamo Group Consolidated Revenues<sup>1</sup> -3.1% in FY 2017 (-1.4% at constant exchange rates<sup>2</sup>) vs. FY 2016**

*Florence, 31 January 2018* – The Salvatore Ferragamo Group, one of the global leaders in the luxury sector, released the Group's Preliminary Consolidated Revenues<sup>1</sup> for Fiscal Year 2017, which amount to 1,393 million Euros down 3.1% at current exchange rates and 1.4% at constant exchange rates<sup>2</sup> vs. FY 2016.

**Preliminary Consolidated Revenue<sup>1</sup> figures for FY 2017**

As of 31 December 2017 the Salvatore Ferragamo Group reported Total Revenues<sup>1</sup> of 1,393 million Euros down 3.1% at current exchange rates (-1.4% at constant exchange rates<sup>2</sup>) over the 1,438 million Euros recorded in FY 2016. Revenues<sup>1</sup> in 4Q 2017 registered a 8.4% decrease, penalized by the currencies trend (-5.1% at constant exchange rates<sup>2</sup>) and by the lower incidence of promotional sales in the primary channel vs. last year, thanks to the optimization of the stock, that further decreased vs. September 30, 2017.

**Revenues<sup>1</sup> by distribution channel<sup>3</sup>**

As of 31 December 2017, the Group's Retail network counted on a total of 685 points of sales, including 410 Directly Operated Stores (DOS) and 275 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 FY 2017 the Retail distribution channel posted consolidated Revenues<sup>1</sup> down 0.8% (+1.3% at constant exchange rates<sup>2</sup>), with a decrease of -1.7% at constant exchange rates and perimeter (like-for-like) vs. FY 2016.

The Wholesale channel, penalized by the destocking activity, the political tensions in South Korea and the strategic rationalization in Japan, registered a decrease in Revenues<sup>1</sup> of 7.4% at current exchange rates (-6.2% at constant exchange rates<sup>2</sup>) vs. FY 2016.



### **Revenues<sup>1</sup> by geographical area<sup>3</sup>**

The Asia Pacific area is confirmed as the Group's top market in terms of Revenues, decreasing by 2.1% (-0.4% at constant exchange rates<sup>2</sup>) vs. FY 2016, penalized by the soft trend in South Korea, mostly due to the significant decrease of Chinese tourists, and the ongoing negative performance in particular in Hong Kong. On the contrary, the retail channel in China continued to record a solid Revenue growth of 2.5% (+7.0% at constant exchange rates<sup>2</sup>) in FY 2017.

Europe posted a decrease in Revenues<sup>1</sup> of 3.6% (-3.0% at constant exchange rates<sup>2</sup>) compared to FY 2016, with a positive performance for the retail channel and a negative trend for the wholesale business, negatively impacted by the destocking activity.

North America recorded a Revenue<sup>1</sup> decrease of 4.2% (-2.2% at constant exchange rates<sup>2</sup>) in FY 2017, also negatively impacted by the department stores sales.

The Japanese market registered a 5.6% decrease (-3.1% at constant exchange rates<sup>2</sup>) in FY 2017, due to the strategic rationalization of the wholesale channel, while the retail stores recorded a positive performance at constant exchange rates<sup>2</sup>.

Revenues<sup>1</sup> in the Central and South America in FY 2017 grew by 2.0% increase (+6.5% at constant exchange rates<sup>2</sup>), despite the earthquake in Mexico in September.

### **Revenues<sup>1</sup> by product category<sup>3</sup>**

Among the product categories, at constant exchange rates<sup>2</sup>, footwear posted a decrease of 1.7% decrease vs. FY 2016 and handbags and leather accessories of 0.8%, while fragrances registered a 2.2% increase.



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## Notes to the press release

<sup>1</sup> Preliminary/Non-Audited Revenues drafted according to IAS/IFRS International Accounting Principles.

<sup>2</sup> Revenues at “constant exchange rates” are calculated by applying to the Revenue of FY 2016, not including the “hedging effect”, the average exchange rate of FY 2017.

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

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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.*

*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.*

### **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 of 685 mono-brand stores as of 31 December 2017, the Ferragamo Group operates in Italy and worldwide through companies that allow it to be a leader in the European, American and Asian markets.

# Salvatore Ferragamo

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## For further information:

**Salvatore Ferragamo S.p.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".

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On the following pages, a more detailed analysis of Revenues<sup>1</sup> of the Salvatore Ferragamo Group as of 31 December 2017.

### Revenue<sup>1</sup> by distribution channel as of 31 December 2017

|               | 2017             | %weight<br>on tot | 2016             | %weight<br>on tot | 2017 vs<br>2016 % | Constant Rates<br>2017 vs 2016 % |
|---------------|------------------|-------------------|------------------|-------------------|-------------------|----------------------------------|
| Retail        | 905.334          | 65,0%             | 912.361          | 63,4%             | -0,8%             | 1,3%                             |
| Wholesale     | 465.295          | 33,4%             | 502.647          | 35,0%             | -7,4%             | -6,2%                            |
| Licences      | 10.150           | 0,7%              | 9.960            | 0,7%              | 1,9%              | 1,9%                             |
| Rental income | 12.693           | 0,9%              | 12.954           | 0,9%              | -2,0%             | 0,0%                             |
| <b>Total</b>  | <b>1.393.472</b> | <b>100,0%</b>     | <b>1.437.923</b> | <b>100,0%</b>     | <b>-3,1%</b>      | <b>-1,4%</b>                     |

### Revenue<sup>1</sup> by geographic area as of 31 December 2017

|               | 2017             | %weight<br>on tot | 2016             | %weight<br>on tot | 2017 vs<br>2016 % | Constant Rates<br>2017 vs 2016 % |
|---------------|------------------|-------------------|------------------|-------------------|-------------------|----------------------------------|
| Europe        | 351.259          | 25,2%             | 364.292          | 25,3%             | -3,6%             | -3,0%                            |
| North America | 333.673          | 23,9%             | 348.347          | 24,2%             | -4,2%             | -2,2%                            |
| Japan         | 119.546          | 8,6%              | 126.689          | 8,8%              | -5,6%             | -3,1%                            |
| Asia Pacific  | 510.620          | 36,6%             | 521.743          | 36,3%             | -2,1%             | -0,4%                            |
| Latin America | 78.375           | 5,6%              | 76.852           | 5,3%              | 2,0%              | 6,5%                             |
| <b>Total</b>  | <b>1.393.472</b> | <b>100,0%</b>     | <b>1.437.923</b> | <b>100,0%</b>     | <b>-3,1%</b>      | <b>-1,4%</b>                     |



Revenue<sup>1</sup> by product category as of 31 December 2017

|                          | 2017             | %weight<br>on tot | 2016             | %weight<br>on tot | 2017 vs<br>2016 % | Constant Rates<br>2017 vs 2016 % |
|--------------------------|------------------|-------------------|------------------|-------------------|-------------------|----------------------------------|
| Shoes                    | 589.229          | 42,3%             | 611.151          | 42,5%             | -3,6%             | -1,7%                            |
| Leather goods & handbags | 516.026          | 37,0%             | 528.952          | 36,8%             | -2,4%             | -0,8%                            |
| RTW                      | 89.859           | 6,4%              | 93.550           | 6,5%              | -3,9%             | -2,2%                            |
| Silk & other access.     | 86.363           | 6,2%              | 93.259           | 6,5%              | -7,4%             | -5,5%                            |
| Fragrances               | 89.152           | 6,4%              | 88.097           | 6,1%              | 1,2%              | 2,2%                             |
| Licences                 | 10.150           | 0,7%              | 9.960            | 0,7%              | 1,9%              | 1,9%                             |
| Rental income            | 12.693           | 0,9%              | 12.954           | 0,9%              | -2,0%             | 0,0%                             |
| <b>Total</b>             | <b>1.393.472</b> | <b>100,0%</b>     | <b>1.437.923</b> | <b>100,0%</b>     | <b>-3,1%</b>      | <b>-1,4%</b>                     |