



PRESS RELEASE

Salvatore Ferragamo Sp.A.

**The Board of Directors Approves
the Consolidated Financial Statement as of 30 June 2014**

Salvatore Ferragamo Group: Growth Continues

First Half Revenues +6%, Gross Operating Profit (EBITDA¹) +9%, Operating Profit (EBIT) +8% vs. 2013

- **Total Revenues: 659 million Euros (+6% vs. 625 million Euros at 30 June 2013)**
- **EBITDA¹: 143 million Euros (+9% vs. 131 million Euros at 30 June 2013)**
- **EBIT: 121 million Euros (+8% vs. 112 million Euros at 30 June 2013)**
- **Net Profit: 82 million Euros (including 4 million Euros of Minority Interest), vs. 87 million Euros that, at 30 June 2013, included ca. 13 million Euros capital gain deriving from the disposal of the participation in Zefer; excluding the capital gain the Net Profit increased 10%**
- **Group Net Profit: 78 million Euros vs. 81 million Euros at 30 June 2013, +14% excluding the capital gain from the disposal of the participation in Zefer**

Florence, 28 August 2014 – 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, meeting under the chairmanship of Ferruccio Ferragamo, examined and approved the **Consolidated Financial Statement as of 30 June 2014**, 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 2014

Consolidated Revenue figures

As of 30 June 2014, the Salvatore Ferragamo Group has posted **Total Revenues of 659 million Euros, marking a 6% increase at current exchange rates**, over the 625 million Euros recorded in 1H 2013. **Revenue growth at constant exchange rates²** has been **8%**.

In **2Q 2014** the **Total Revenues** reached **360 million Euros** from 343 million Euros in 2Q 2013, **growing 5% at current exchange rates and 8% at constant exchange rates²**.

Hereafter the variations of 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, **increasing by 6% vs. 1H 2013**, with a significant contribution from the **retail channel in Greater China**, that recorded an **acceleration in 2Q 2014 (+15%)**, bringing the **Revenue growth to 11% in the first six months** of the year.

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

North America, strongly impacted by the unfavourable weather conditions in the first part of the year, recorded a solid Revenue growth in **2Q 2014 (+12%)**, bringing the **increase to over 7% in the first six months** of 2014.

The **Japanese market increased 6%** in 1H 2014 (**-4% in 2Q 2014**, penalized by the expected slowdown due to the consumer tax increase).

Revenues in the **Central and South America** marked an **increase of over 23%** in 1H 2014, thanks also to the reorganization in distribution in the area.

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

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



Revenues by distribution channel⁴

As of 30 June 2014, the Salvatore Ferragamo Group's **Retail network** could count on **357 Directly Operated Stores (DOS)**, while the **Wholesale and Travel Retail channel** included **269 Third Party Operated Stores (TPOS)**, as well as presence in Department Stores and high-level multi-brand Specialty Stores.

In 1H 2014 the **Retail distribution channel** posted consolidated **Revenues up 5%**. The growth **at constant exchange rates and perimeter (like-for-like)** in 2Q 2014 confirmed the trend registered in 1Q, marking a ca. **3% increase** in 1H 2014.

The **Wholesale and Travel Retail channel** continued the solid performance, **growing 12%** vs. 1H 2013 (**+14% in 2Q 2014**), also thanks to the good performance of the Travel Retail channel and of the US Department Stores.

Revenues by product category⁴

Among the product categories, it is especially worth highlighting the increase of **handbags and leather accessories (+16%)** and of **footwear (+6%)**, which together represent **over 78% of the Group total turnover**. The performance of **fragrances**, that was penalized in 1Q (-2% vs. 1Q 2013), accelerated in **2Q 2014 (+13%)**, bringing to a **5% increase in 1H 2014**.

Gross Profit

In 1H 2014 the **Gross Profit increased by 5%**, reaching **414 million Euros**, with its **incidence on Revenues** moving to **62.8%** from 63.1% in 1H 2013. In **2Q 2014** the **incidence on Revenues improved to 64.0%** from 63.8%, registered in 2Q 2013.

Operating Costs

In 1H 2014 **Operating Costs grew by 4%**, reaching **293 million Euros** and **decreasing their incidence on Revenues to 44.5%**, from 45.2% in 1H 2013.

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



Gross Operating Profit (EBITDA)⁵

The **Gross Operating Profit (EBITDA)** increased **9%**, reaching in 1H 2014 **143 million Euros** from 131 million Euros of 1H 2013, with an **incidence on Revenues improving to 21.7%** from 21.0% of 1H 2013. **In 2Q 2014** the EBITDA reached **90 million Euros**, improving its incidence on Revenues, from 24.4% of 2Q 2013, to **25.1%**

Operating Profit (EBIT)

The **Operating Profit (EBIT)** increased, over the period, from 112 million Euros of 1H 2013, to **121 million Euros (+8%)**, and its **incidence on Revenues improved** from 17.9% to **18.3%** (from 21.2% to 21.9% in 2Q 2014).

Profit before taxes

The **Profit before taxes**, over the period, moved to **118 million Euros** from 121 million Euros in 1H 2013, that included ca. 13 million Euros capital gain deriving from the disposal of the participation in ZeFer; **excluding the capital gain** the Profit before taxes **increased 9%**.

Net Profit for the Period

The **Net Profit for the period**, including a Minority Interest of 4 million Euros, reached **82 million Euros**, marking a 6% decrease vs. 1H 2013, but **increasing 10% excluding the capital gain**, deriving from the disposal of the participation in ZeFer, from the result of the first six months of 2013. The **Group Net Profit** reached **78 million Euros**, as compared to 81 million Euros in 1H 2013, down 3% vs. 1H 2013, but **increasing 14% excluding the capital gain** deriving from the disposal of the participation in ZeFer.

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.



Notes to the Balance Sheet for 1H 2014

Net Working Capital⁶

The **Net Working Capital** went to **301 million Euros**, increasing by **25%** from 241 million Euros at 30 June 2013 and, in particular, the Inventory went to 335 million Euros from 288 million Euros.

Investments (CAPEX)

Investments (CAPEX) reached **34 million Euros** at 30 June 2014, up **35%** vs. 1H 2013, mainly attributable to the new stores, the enlargement and refurbishment of existing key locations, in addition to continuing logistics enhancements and digital projects (Marlin Project and e-commerce).

Net Financial Position

The **Net Financial Debt** at 30 June 2014 went to **114 million Euros**, after a dividend distribution of 67 million Euros in May 2014, compared to 78 million Euros at 30 June 2013, bringing the debt/equity ratio to 27% vs. 23% at 30 June 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.

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The business trend, recorded in the first part of 2014, justifies expectations for growth also for the entire year, in the absence of severely unfavourable market conditions.

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 30 June 2014, approved by the Board of Directors on 28 August 2014, will be available to anyone requesting it at the headquarters of the Company, Via Tornabuoni nr. 2, and can also be consulted in the "Investor Relations/Financial Documents" section of the Salvatore Ferragamo Group's website <http://group.ferragamo.com> from 29 August 2014.

The Results of 1H 2014 will be illustrated today, 28 August 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.

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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 3,800 employees and a network of over 620 mono-brand stores as of 30 June 2014, 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".

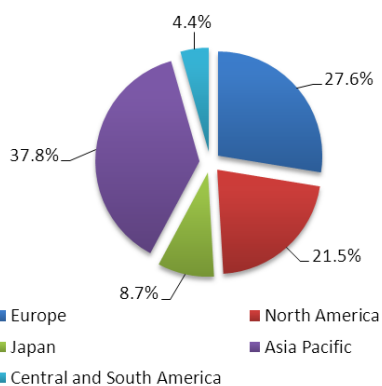
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On the following pages: a more detailed analysis of Revenues, the consolidated income statement, a summary of statement of financial position, the consolidated cash flow statement, and the net financial position of the Salvatore Ferragamo Group as of 30 June 2014.

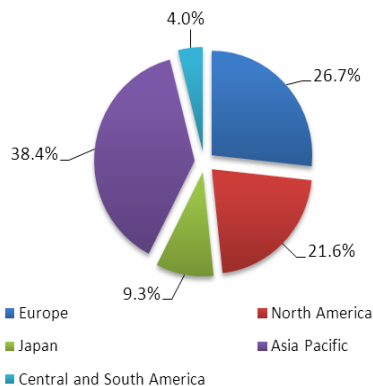
Revenue by geographic area as of 30 June 2014

(In thousands of Euro)	Half-year period ended 30 June					at constant exchange rate
	2014	% on Revenue	2013	% on Revenue	% Change	% Change
Europe	181,665	27.6%	166,716	26.7%	9.0%	8.7%
North America	141,657	21.5%	134,872	21.6%	5.0%	7.4%
Japan	57,760	8.7%	58,018	9.3%	(0.4%)	6.4%
Asia Pacific	248,928	37.8%	240,199	38.4%	3.6%	5.6%
Central and South America	29,009	4.4%	24,848	4.0%	16.7%	23.1%
Total	659,019	100.0%	624,653	100.0%	5.5%	7.6%

Revenue by geographic area as at 30 June 2014



Revenue by geographic area as at 30 June 2013

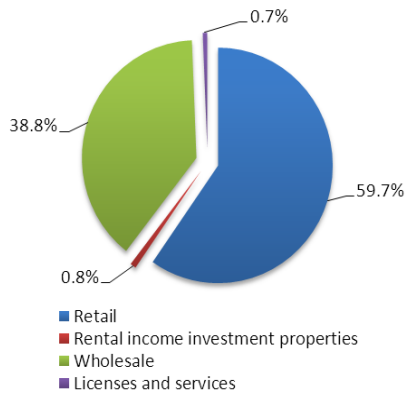


Revenue by distribution channel as of 30 June 2014

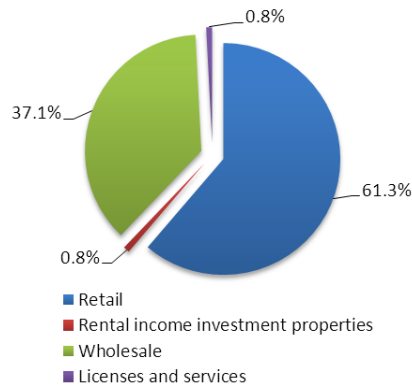
(In thousands of Euro)	Half-year period ended 30 June					at constant exchange rate
	2014	% on Revenue	2013	% on Revenue	% Change	% Change
Retail	393,361	59.7%	382,650	61.3%	2.8%	5.2%
Wholesale	255,953	38.8%	231,567	37.1%	10.5%	12.1%
Licenses and services	4,224	0.7%	5,134	0.8%	(17.7%)	(17.7%)
Rental income investment properties	5,481	0.8%	5,302	0.8%	3.4%	7.9%
Total	659,019	100.0%	624,653	100.0%	5.5%	7.6%

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Revenue by distribution channel
as at 30 June 2014



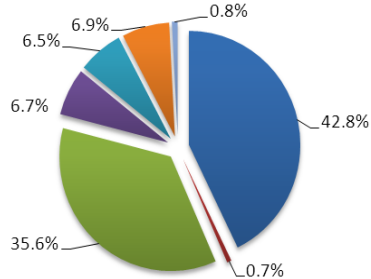
Revenue by distribution channel
as at 30 June 2013



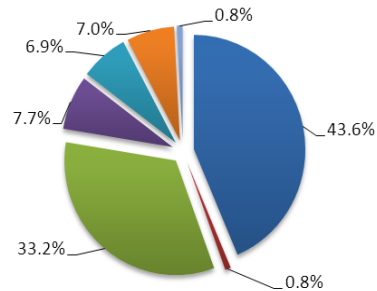
Revenue by product category as of 30 June 2014

(In thousands of Euro)	Half-year period ended 30 June				at constant exchange rate	
	2014	% on Revenue	2013	% on Revenue	% Change	% Change
Footwear	281,861	42.8%	272,325	43.6%	3.5%	5.7%
Leather goods	234,558	35.6%	207,104	33.2%	13.3%	15.5%
Apparel	44,169	6.7%	48,079	7.7%	(8.1%)	(5.9%)
Accessories	43,108	6.5%	43,190	6.9%	(0.2%)	2.0%
Fragrances	45,618	6.9%	43,519	7.0%	4.8%	5.0%
Licenses and services	4,224	0.7%	5,134	0.8%	(17.7%)	(17.7%)
Rental income investment properties	5,481	0.8%	5,302	0.8%	3.4%	7.9%
Total	659,019	100.0%	624,653	100.0%	5.5%	7.6%

Revenue by product category
as at 30 June 2014



Revenue by product category
as at 30 June 2013





Consolidated results for Salvatore Ferragamo Group

Consolidated income statement as of 30 June 2014

(In thousands of Euro)	Half-year period ended 30 June				
	2014	% on Revenue	2013	% on Revenue	% change
Revenue from sales and services	653,538	99.2%	619,351	99.2%	5.5%
Rental income investment properties	5,481	0.8%	5,302	0.8%	3.4%
Revenues	659,019	100.0%	624,653	100.0%	5.5%
Cost of goods sold	(245,278)	(37.2%)	(230,765)	(36.9%)	6.3%
Gross profit	413,741	62.8%	393,888	63.1%	5.0%
Style, product development and logistics costs	(22,723)	(3.4%)	(22,863)	(3.7%)	(0.6%)
Sales & distribution costs	(184,314)	(28.0%)	(174,137)	(27.9%)	5.8%
Marketing & communication costs	(34,586)	(5.2%)	(36,627)	(5.9%)	(5.6%)
General and administrative costs	(47,671)	(7.2%)	(47,423)	(7.6%)	0.5%
Other operating costs	(8,586)	(1.3%)	(6,329)	(1.0%)	35.7%
Other income	4,707	0.7%	5,113	0.8%	(7.9%)
Operating profit	120,568	18.3%	111,622	17.9%	8.0%
Financial charges	(10,851)	(1.6%)	(16,521)	(2.6%)	(34.3%)
Financial income (*)	8,402	1.3%	25,807	4.1%	(67.4%)
Profit before taxes (*)	118,119	17.9%	120,908	19.4%	(2.3%)
Income taxes	(36,102)	(5.5%)	(34,109)	(5.5%)	5.8%
Net profit/(loss) for the period (*)	82,017	12.4%	86,799	13.9%	(5.5%)
Net profit/(loss) – Group (*)	78,078	11.8%	80,884	12.9%	(3.5%)
Net profit/(loss) - minority interests	3,939	0.6%	5,915	0.9%	(33.4%)
EBITDA(**)	143,035	21.7%	131,479	21.0%	8.8%

(*) Including, in 1H 2013, the capital gain deriving from the disposal of the participation in ZeFer. Excluding the capital gain the Profit before taxes in 1H 2014 increased 9%, the Net profit for the period 10% and the Group Net profit 14%.

(**) 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 2014

(In thousands of Euro)	30 June 2014	31 December 2013	% change
Property, plant and equipment	182,837	168,398	8.6%
Investment property	6,377	6,455	(1.2%)
Intangible assets with definite useful life	25,315	26,090	(3.0%)
Inventories	334,703	290,705	15.1%
Trade receivables	158,341	121,408	30.4%
Trade payables	(192,017)	(202,752)	(5.3%)
Other non current assets/(liabilities), net	45,490	35,093	29.6%
Other current assets/(liabilities), net	(27,671)	(13,029)	112.4%
Net invested capital	533,375	432,368	23.4%
Group shareholders' equity	382,677	365,465	4.7%
Minority interests	36,702	34,305	7.0%
Shareholders' equity (A)	419,379	399,770	4.9%
Net financial debt (B) (1)	113,996	32,598	249.7%
Total sources of financing (A+B)	533,375	432,368	23.4%

(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 30 June 2014

(In thousands of Euro)	30 June 2014	31 December 2013	change 2014 vs 2013
A. Cash	675	848	(173)
B. Other cash equivalents	66,713	69,460	(2,747)
C. Cash and cash equivalents (A)+(B)	67,388	70,308	(2,920)
Derivatives – non-hedge component	1,445	1,928	(483)
Other financial assets	-	-	-
D. Current financial receivables	1,445	1,928	(483)
E. Current bank payables	178,184	100,052	78,132
F. Derivatives – non-hedge component	512	867	(355)
G. Other current financial payables	4,133	3,915	218
H. Current financial debt (E)+(F)+(G)	182,829	104,834	77,995
I. Current financial debt, net (H)-(C)-(D)	113,996	32,598	81,398
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)	113,996	32,598	81,398



Consolidated statement of cash flows as of 30 June 2014

(In thousands of Euro)	Half-year period ended 30 June	
	2014	2013
Net profit / (loss) for the period	82,017	86,799
Depreciation, amortization and write down of property, plant and equipment, intangible assets and investment properties	22,467	19,857
Net change in deferred taxes	(6,958)	(4,761)
Net change in provision for employee benefit plans	(33)	(86)
Loss/(gain) on disposal of tangible and intangible assets	484	187
Other non cash items	2,191	(11,527)
Net change in net working capital	(75,943)	(36,369)
Net change in other assets and liabilities	(715)	(7,097)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	23,510	47,003
Purchase of tangible assets	(31,749)	(20,007)
Purchase of intangible assets	(2,524)	(5,267)
Net change in non current assets and liabilities	(329)	(1,691)
Proceeds from the sale of tangible and intangible assets	144	78
Proceeds from the sale of Investments in associated and jointly controlled companies	-	13,855
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(34,458)	(13,032)
Net change in financial receivables	515	(390)
Net change in financial payables	77,466	(21,305)
Payment of dividends	(69,130)	(55,575)
Purchase of minority interests in companies consolidated on a line-by line basis	-	(777)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	8,851	(78,047)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,097)	(44,076)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	70,292	110,808
Net increase / (decrease) in cash and cash equivalents	(2,097)	(44,076)
Net effect of translation of foreign currencies	(812)	2,868
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	67,383	69,600