Salvatore Ferragamo Group

Consolidated interim report as at 31 March 2012

Salvatore Ferragamo S.p.A.

Palazzo Feroni
Florence
Fully paid up share capital 16,841,000 Euro
Tax Code/Florence Company Register no. 02175200480

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General information

Registered office of the Parent company

Salvatore Ferragamo S.p.A.
Via Tornabuoni 2
50123 Florence

Legal information about the Parent company

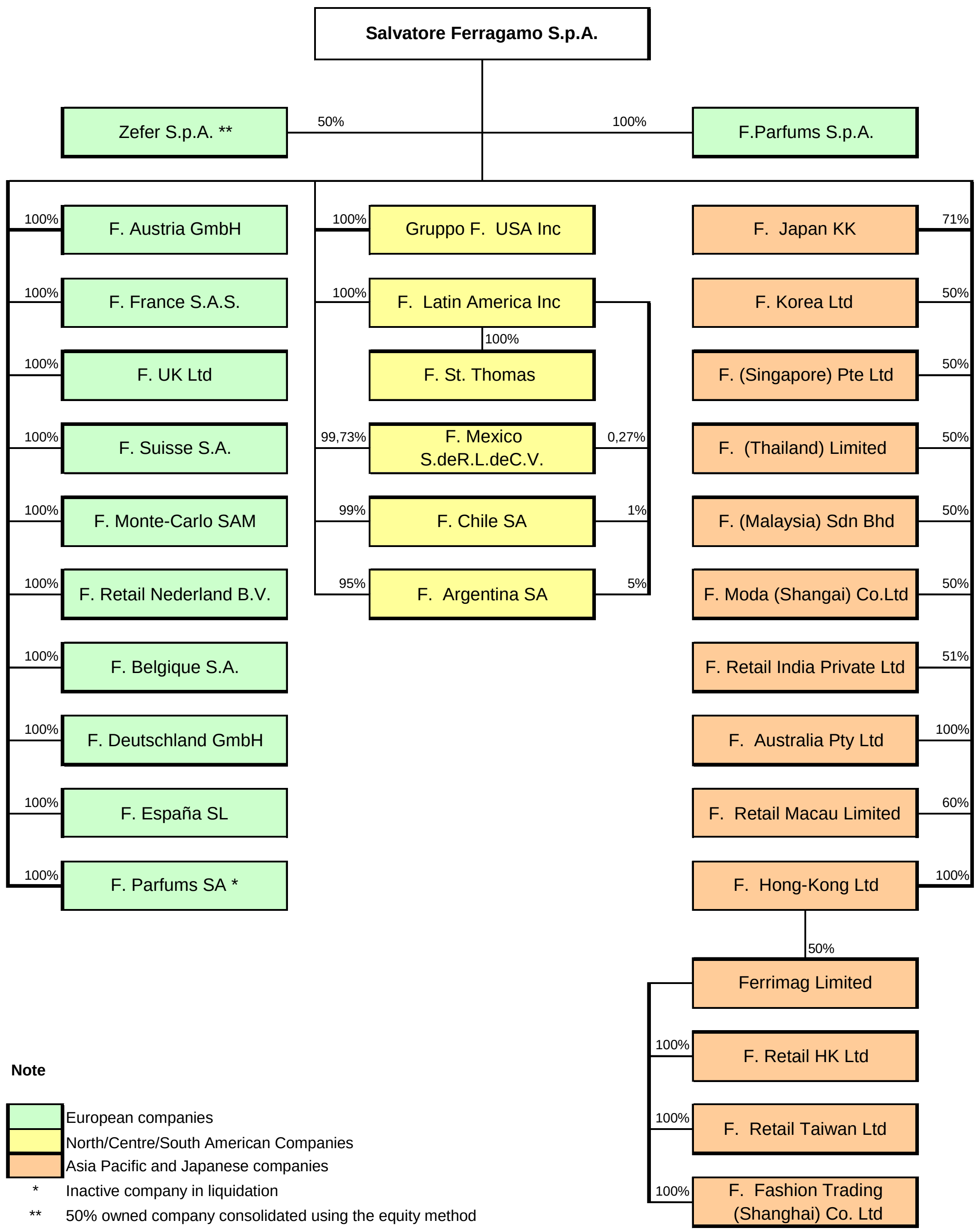
Authorized share capital 16,841,000 Euro
Subscribed and paid-up share capital 16,841,000 Euro
Tax code and Florence Company Register no.: 02175200480
Registered with the Florence Chamber of Commerce under REA (Economic and Administrative Register) no. 464724
Corporate website www.group.ferragamo.com

Corporate boards

Honorary Chairman (1)	Wanda Miletti Ferragamo	
Board of Directors (1)	Ferruccio Ferragamo (4)	Chairman
	Michele Norsa (4)	Managing Director
	Giovanna Ferragamo (5)	Deputy Chairman
	Fulvia Ferragamo (5)	
	Leonardo Ferragamo (5)	
	Francesco Caretti (5)	
	Raffaela Pedani (5)	
	Diego Paternò Castello di San Giuliano (5)	
	Peter Woo Kwong Ching (5)	
	Umberto Tombari (5)(6)	
	Marzio Saà (5)(6)	
	Piero Antinori (5)(6)	
Control and Risk Committee	Marzio Saà	
	Piero Antinori	
	Umberto Tombari	
Nomination and Remuneration Committee	Marzio Saà	
	Piero Antinori	
	Umberto Tombari	
Board of Statutory Auditors (2)	Mario Alberto Galeotti Flori	Chairman
	Gerolamo Gavazzi	Acting Statutory Auditor
	Fulvio Favini	Acting Statutory Auditor
	Deborah Sassorossi	Substitute Statutory Auditor
	Guido Alberto Gonnelli	Substitute Statutory Auditor
Independent Auditors (3)	Reconta Ernst & Young S.p.A.	
Manager responsible for corporate financial reporting	Ernesto Greco	

(1) Appointed by the shareholders' meeting on 26 April 2012 and serving for the 2012-2014 period
(2) Appointed by the shareholders' meeting on 30 March 2011 and 28 April 2011 and serving for the 2011-2013 period
(3) Appointed for the 2011-2019 period
(4) Executive director
(5) Non-executive director
(6) Independent director pursuant to art. 148, paragraph 3 of the Consolidated Law on Finance and the Code of Conduct

Group structure



Note

European companies
North/Centre/South American Companies
Asia Pacific and Japanese companies
* Inactive company in liquidation
** 50% owned company consolidated using the equity method

Disclaimer
This document contains forward-looking statements, in particular in the sections headed "Outlook" and "Significant events occurred after 31 March 2012" relating to future events and the operating, income and financial results of the Salvatore Ferragamo Group. These statements are based on the Group's current expectations and forecasts regarding future events and, by their nature, involve risks and uncertainties since they refer to events and depend on circumstances which may, or may not, happen or occur in the future and, as such, they must not be unduly relied upon. The actual results could differ significantly from those contained in these statements due to a variety of factors, including the volatility and deterioration in the performance of securities and financial markets, changes in raw material prices, changes in macroeconomic conditions and in economic growth and other changes in business conditions, in the legal and institutional framework (both in Italy and abroad), and many other factors, most of which are beyond the Group's control.

Interim directors' report on operations

Introduction

The market in which the Group operates is characterized by seasonal events that are typical of the retail and wholesale sales and which can cause an uneven monthly breakdown in the sales flow and in operating costs.
Therefore, it is important to remember that the income statement for the first three months cannot be considered as proportional to the year as a whole. The quarterly results for the period ended 31 March are, therefore, not comparable with those as at 30 June and 31 December. The quarterly figures are affected by seasonal events also in terms of equity and financial position.

The Group's activities

The Group is active in the creation, production and sale of luxury goods for men and women: footwear, clothing, leather goods, silk goods, other accessories, fragrances and jewels. The product range also includes eyewear and watches manufactured under license by third parties. The product range stands out for its uniqueness which is the result of the combination of creative and innovative style with the quality and craftsmanship that are the hallmark of luxury goods made in Italy. The Ferragamo Group carries out product sales mainly through a network of Salvatore Ferragamo monobrand stores, managed both directly (DOS) or by third parties, and, alongside this network, also through a presence in department stores and multibrand specialty stores.
As for the fragrances product category, which involves the creation, development and production (completely outsourced) of fragrances and related products under the Ferragamo brand and, on license, the Ungaro brand, sales are handled by Group distributors and third parties which serve a network of selected, mainly multibrand stores belonging to the specific fragrances channel. The Group's activities also include the licensing of the Ferragamo brand, property management and technical consultancy in relation to the 50/50 joint venture with the Zegna Group.
The Ferragamo Group is present in 92 countries worldwide through a network of directly operated stores (the so-called retail channel) which numbered 325 as at 31 March 2012. In addition, the Group distributes its products through tailored monobrand stores or stores-in-stores managed by third parties (TPOS) which, as at 31 March 2012, numbered 265, as well as through the multibrand channel (the TPOS distribution network combined with the multibrand channel form the so-called wholesale channel).

Results for the first three months of 2012

The consolidated net revenues of the Ferragamo Group, which rose in the first three months of 2012 by 23.4% compared to the prior year period, in terms of the percentage increase, are among the best results in the sector and confirm the strength of the Ferragamo brand. The world-class quality of its product range, based on "Made in Italy" excellence, together with the extensive distribution network also in countries with the highest sales growth rates in the luxury sector, contributed to achieve these outstanding results.

The sharp rise in sales volumes, a rise in gross profit together with a lower ratio of operating costs to revenues caused a rise in both operating profit (43.3%) and net profit for the period (10.2%).

In brief, net revenues and operating profit for the first quarter of 2012 confirmed the solid growth trend which has been a feature of the Group over the last three years, as shown by the following comparison:

(In millions of Euro)	Period ended 31 March			% change	% change
	2012	2011	2010	03.12 vs 03.11	03.11 vs 03.10
Revenues	260	210	165	23.4%	27.5%
Operating profit	30	21	13	43.3%	59.2%

Operating performance

The first three months of 2012 were characterized by the achievement of excellent sales levels as well as by positive income and financial results which contributed to a significant improvement in corporate indicators compared to the prior year period.

It should be noted that such results have been achieved despite renewed uncertainty perceived at macroeconomic level especially as from the last quarter of 2011, and some markets have been experiencing a gradual deterioration in the economic situation. In particular, note should be taken of the situation of European countries which, owing to high budget deficits and high levels of sovereign debt, have increased taxation with a consequent negative impact on consumption.

In addition, the economic recovery in America continues to be slower and more uncertain than previously expected and in Japan too, which was hard hit by the earthquake and damage to its nuclear power plants, there has been no sign of a solid recovery.

The table below shows the main income statement indicators together with the net financial position.

(In thousands of Euro)	Period ended 31 March				
	2012	% of revenues	2011	% of revenues	% change
Total revenues	259,633	100.0%	210,351	100.0%	23.4%
Total gross profit	163,084	62.8%	129,887	61.7%	25.6%
EBITDA*	38,166	14.7%	27,347	13.0%	39.6%
Total operating costs (net of other income)	(132,956)	(51.2%)	(108,858)	(51.8%)	22.1%
Operating profit	30,127	11.6%	21,029	10.0%	43.3%
Net profit/(loss) for the period	17,039	6.6%	15,461	7.4%	10.2%
Cash flow generated from operations	19,984		18,480		8.1%

(In thousands of Euro)	31 March 2012	31 December 2011	% change
Net financial debt	22,000	29,390	(25.1%)

(*) 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.

Revenues from sales and services in the first three months of 2012 totaled 259,633 thousand Euro compared to 210,351 thousand Euro in the first three months of 2011, up by 23.4%.

The two currencies, besides the Euro, in which most Group revenues are generated, the US dollar and the Japanese yen, performed as follows in the first three months of 2012 compared to the prior year period: appreciation of the US dollar by 4.2% ([1]) and of the Japanese yen by 7.6% ([2]) compared to the Euro, i.e. the currency in which the figures in the interim report are expressed.

Revenues, on a constant exchange rate basis (i.e. applying to the revenues for the first quarter of 2011 the average exchange rate for the first three months of 2012), recorded a total increase of 19.1%. In particular there was a rise of 32.6% in Central and South America, 26.7% in Europe, 21.5% in Asia Pacific, 16.6% in North America and a modest decrease of 0.3% in Japan. Asia Pacific contributed the most to Group revenues with 37.1%, followed by Europe (26.9%), North America (20.3%), Japan (11.7%), and Central and South America (4.0%).

The number of directly operated stores rose from 312 as at 31 March 2011 to 325 as at 31 March 2012.

The breakdown by distribution channel shows that the wholesale channel rose by 36.8% and retail by 16.9%. As a consequence, the ratio of wholesale sales to total revenues rose from 33.2% to 36.8% and the ratio of retail sales fell from 65.2% to 61.7%.

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[1] With reference to the average Euro/US$ exchange rate in the first 3 months of 2011: 1.37; first 3 months of 2012: 1.31

[2] With reference to the average Euro/Yen exchange rate in the first 3 months of 2011: 112.6; first 3 months of 2012: 104.0

Gross profit for the period ended 31 March 2012 was 163,084 thousand Euro compared to 129,887 thousand Euro in the prior year period, up by 25.6% mainly due to the increase in sales revenues.
It should be noted that, despite the distribution mix being unfavorable, in the first quarter of 2012 gross profit as a percentage of revenues rose to 62.8% from 61.7% in the prior year period.

Total operating costs (net of other income) rose by 22.1% in the first quarter of 2012 compared to the first quarter of 2011; their ratio to revenues decreased from 51.8% in the prior year period to 51.2%.
In particular, it should be noted that marketing and communication costs rose from 13,509 thousand Euro in the first quarter of 2011 to 20,446 thousand Euro in the first quarter of 2012, up by 51.4%.

The improvement in revenues and gross profit enabled better coverage of fixed costs and other variable operating costs and led to an increase in both EBITDA and operating profit which rose, respectively, from a ratio to revenues of 13.0% and 10.0% in the first quarter of 2011 to a ratio of 14.7% and 11.6% in the first quarter of 2012.

Operating profit for the period ended 31 March 2012 was 30,127 thousand Euro compared to 21,029 thousand Euro for the period ended 31 March 2011, up by 43.3%.

The estimated effective tax rate for the first three months of 2012 was 41.1%. This compares with that estimated for the first quarter of 2011 (4.6%) which was positively influenced by a tax refund of 5,575 thousand Euro. Net of this effect, the normalized tax rate for the first quarter of 2011 would have been 39.0% .

In the first three months of 2012 net profit totaled 17,039 thousand Euro compared to 15,461 thousand Euro in the previous period, while the Group's net profit, largely unchanged, was 12,015 thousand Euro compared to 12,099 thousand Euro in the previous period; this is however due to the fact that, as mentioned above, in the previous year the Group benefited from a 5,575 thousand Euro tax refund.

The period ended 31 March 2012 recorded net financial debt of 22,000 thousand Euro, equal to 8.3% of consolidated shareholders' equity, after the payment of dividends for the period amounting to 4,080 thousand Euro.
It should also be considered that net financial debt as at 31 March 2012 includes the recognition of the discounted financial debt of 40,410 thousand Euro, relating to the signing on 28 February 2011 with Imaginex Holding Limited and Imaginex Overseas Limited of a share purchase agreement to acquire a further 25% of Ferrimag Limited, 25% of Ferragamo Moda Shanghai Co. Limited and 15.2% of Ferragamo Retail Macau Limited. The total price has already been established at 41,235 thousand Euro and shall be paid in a single amount on 1 January 2013, as set out in detail in the section "Significant events occurred during the year" of the 2011 Consolidated Annual Report.
As at 31 December 2011 the net financial debt was 29,390 thousand Euro, equal to 11.5% of consolidated shareholders' equity.

Effect of exchange rate changes on operations

The Group has a strong presence on international markets, including through commercial companies located in countries which use currencies other than the Euro, mainly the US dollar and the Japanese yen. Therefore, the Group is exposed both to settlement and translation risk.
As for the performance in the first three months of 2012, the euro remained broadly stable against the main currencies. In particular, after the start of the year which saw the exchange rate against the US dollar fall to a low of around 1.26, the exchange rate fluctuated in a range between 1.30 and 1.33, occasionally reaching highs just under 1.35. There were more significant changes against the yen, which depreciated against both the US dollar and the euro. In particular, after having recorded lows around 97 against the euro in January, the exchange rate stabilized as from mid-February at relatively higher levels (around 107), with highs of over 111. The current framework suggests that strengthening of the Japanese currency is likely to continue.
The trend in currencies was influenced above all by issues relating to the debt crisis in Europe which influenced investors' risk appetite and by disappointed expectations of further expansionary policies by the Federal Reserve, despite the economic recovery is still slowing down and unemployment rates continue to be at high levels. There is still great uncertainty about the trend in exchange rates in the near future and about the general performance of financial markets, whose focus remains the development of the European sovereign debt crisis and, in particular, the contagion effects on countries such as Spain and Italy.

Income performance

The following table shows the income statement data for the first three months of 2012 and 2011. These show that operating profit rose by 43.3% from 21,029 thousand Euro to 30,127 thousand Euro; this result was achieved mainly thanks to the sharp increase in revenues, gross profit levels of 62.8% and an increase in operating costs, to a lesser extent as compared to sales, whose ratio to revenues fell from 51.8% to 51.2%.

(In thousands of Euro)	**Period ended 31 March**				
	2012	**% of revenues**	**2011**	**% of revenues**	**% change**
Revenues from sales and services	257,619	99.2%	208,512	99.1%	23.6%
Rental income investment properties	2,014	0.8%	1,839	0.9%	9.5%
Revenues	**259,633**	100.0%	**210,351**	100.0%	**23.4%**
Cost of goods sold	(96,549)	(37.2%)	(80,464)	(38.3%)	20.0%
Gross profit	**163,084**	62.8%	**129,887**	61.7%	**25.6%**
Style, product development and logistics costs	(9,252)	(3.6%)	(7,411)	(3.5%)	24.8%
Sales & distribution costs	(78,769)	(30.3%)	(66,141)	(31.4%)	19.1%
Marketing & communication costs	(20,446)	(7.9%)	(13,509)	(6.4%)	51.4%
General and administrative costs	(23,446)	(9.0%)	(19,527)	(9.3%)	20.1%
Other operating costs	(3,206)	(1.2%)	(4,267)	(2.0%)	(24.9%)
Other income and revenues	2,162	0.8%	1,997	0.9%	8.3%
Operating profit	**30,127**	11.6%	**21,029**	10.0%	**43.3%**
Financial charges	(8,551)	(3.3%)	(6,491)	(3.1%)	31.7%
Financial income	7,138	2.7%	1,446	0.7%	393.6%
Share of net profit/(loss) on investments accounted for using the Equity Method	238	0.1%	229	0.1%	3.9%
Profit before taxes	**28,952**	11.2%	**16,213**	7.7%	**78.6%**

Income taxes	(11,913)	(4.6%)	(752)	(0.4%)	1484.2%
Net profit/(loss) for the period	**17,039**	6.6%	**15,461**	7.4%	**10.2%**
Net profit/(loss) – Group	12,015	4.6%	12,099	5.8%	(0.7%)
Net profit/(loss) – minority interests	5,024	1.9%	3,362	1.6%	49.4%
EBITDA	**38,166**	14.7%	**27,347**	13.0%	**39.6%**

Earnings per share are shown later at the foot of the consolidated income statement, to which reference should be made.

Here below is a restatement of the income statement data to show the trend in EBITDA(*).

(In thousands of Euro)	**Period ended 31 March**				
	2012	**% of revenues**	**2011**	**% of revenues**	**% change**
Revenues	259,633	100.0%	210,351	100.0%	23.4%
Cost of goods sold	(96,549)	(37.2%)	(80,464)	(38.3%)	20.0%
Gross profit	**163,084**	**62.8%**	**129,887**	**61.7%**	**25.6%**
Other income and revenues	2,162	0.8%	1,997	0.9%	8.3%
Total operating costs	(135,119)	(52.0%)	(110,855)	(52.7%)	21.9%
Operating profit	**30,127**	**11.6%**	**21,029**	**10.0%**	**43.3%**
Amortization, depreciation and write-downs of tangible/intangible assets	8,039	3.1%	6,318	3.0%	27.2%
EBITDA (*)	**38,166**	**14.7%**	**27,347**	**13.0%**	**39.6%**

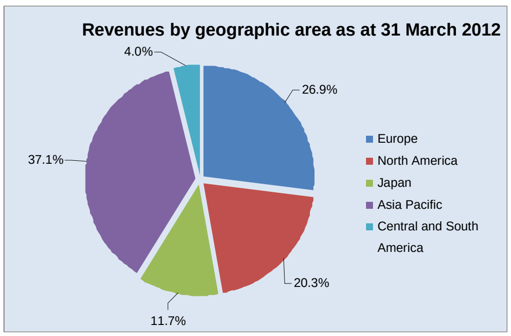
(*) EBITDA is operating profit before amortization and depreciation and write-downs of tangible/intangible assets. EBITDA so defined is a parameter used by the company's management to monitor and assess the company's operating performance and is not identified as an accounting measurement under IFRS 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.

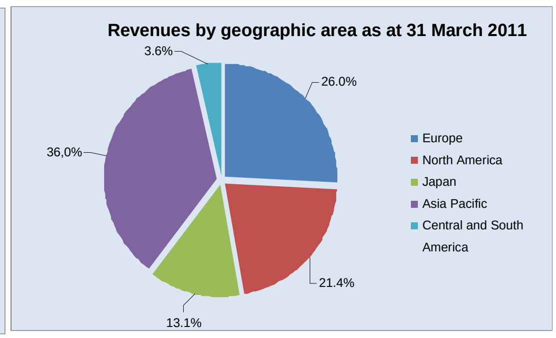
Sales performance

Revenues

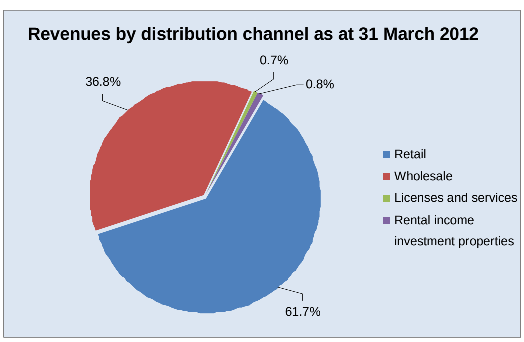
In the first quarter of 2012 revenues from consolidated sales, services and rental income on investment property reached 259,633 thousand Euro compared to 210,351 thousand Euro in the first three months of 2011, and can be broken down by geographic area, distribution channel and product category as detailed below.

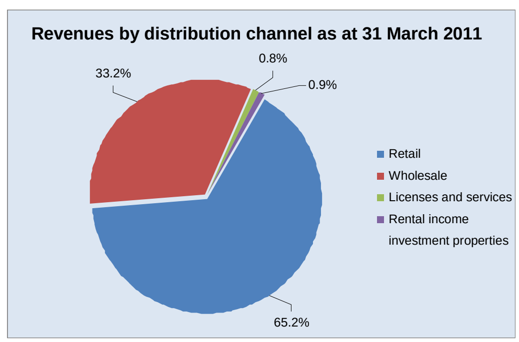
Revenues by geographic area as at 31 March 2012 and 31 March 2011



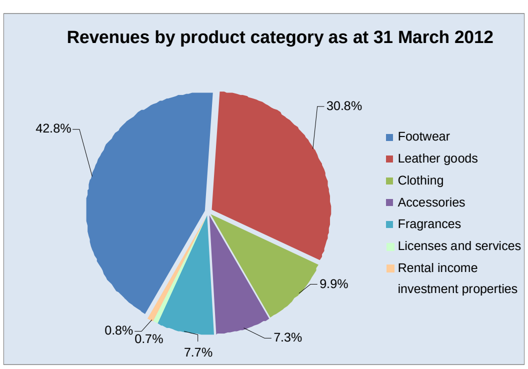


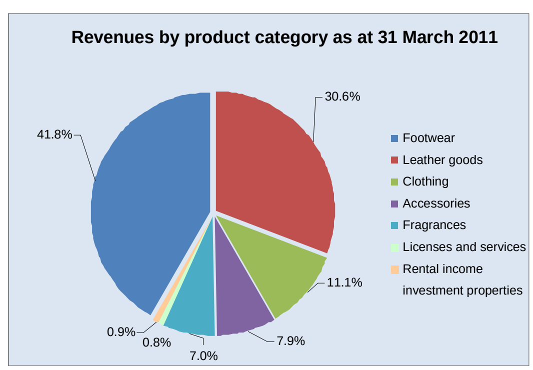
Revenues by distribution channel as at 31 March 2012 and 31 March 2011





Revenues by product category as at 31 March 2012 and 31 March 2011





The following table shows the sales by geographic area and the change at current and constant exchange rates for the periods ended 31 March 2012 and 31 March 2011:

(In thousands of Euro)	**Period ended 31 March**					**at constant exchange rates**
	2012	**% of revenues**	**2011**	**% of revenues**	**% change**	**% change**
Europe	69,775	26.9%	54,602	26.0%	27.8%	26.7%
North America	52,844	20.3%	44,920	21.4%	17.6%	16.6%
Japan	30,291	11.7%	27,551	13.1%	9.9%	(0.3%)
Asia Pacific	96,409	37.1%	75,758	36.0%	27.3%	21.5%
Central and South America	10,314	4.0%	7,520	3.5%	37.1%	32.6%
Total	**259,633**	**100.0%**	**210,351**	**100.0%**	**23.4%**	**19.1%**

The growth in revenues was mainly due to organic growth and the opening of new directly operated stores.

During the first quarter of 2012, all markets recorded a double-digit increase in turnover both at current and constant exchange rates, with the sole exception of Japan where sales increased by 9.9% at current exchange rates and remained broadly stable at constant exchange rates at -0.3%.

Europe saw an increase in revenues of 27.8% at current exchange rates, bringing the ratio to total revenues to 26.9%, also thanks to the positive trend in sales strictly connected to tourist flows.
The North American market saw an increase in revenues of 17.6% at current exchange rates (16.6% at constant exchange rates), thanks also to the marked improvement in the wholesale channel.
Japan saw revenues rise at current exchange rates and a largely unchanged result at constant exchange rates.
The Asia Pacific region was the fastest growing market (20,651 thousand Euro, equal to 27.3% at current exchange rates and 21.5% at constant exchange rates) and accounted for 37.1% of total revenues.
The Central and South American market recorded the highest percentage growth rate of revenues (37.1% at current exchange rates and 32.6% at constant exchange rates), reaching 4.0% of total revenues.

Sales by distribution channel can be broken down as follows:

(In thousands of Euro)	**Period ended 31 March**					**at constant exchange rates**
	2012	**% of revenues**	**2011**	**% of revenues**	**% change**	**% change**
Retail	160,218	61.7%	137,050	65.2%	16.9%	11.8%
Wholesale	95,472	36.8%	69,770	33.2%	36.8%	34.3%
Licenses and services	1,929	0.7%	1,692	0.8%	14.0%	14.0%
Rental income investment properties	2,014	0.8%	1,839	0.8%	9.6%	4.9%
Total	**259,633**	**100.0%**	**210,351**	**100.0%**	**23.4%**	**19.1%**

Retail sales refer to revenues generated by sales in directly operated stores.

Wholesale sales refer solely to retailer operators, except for the fragrances product category. Wholesale customers consist of:

- specialist retailers or luxury chain stores, in order to strengthen the presence in countries where the Group has its own network of directly operated stores; the business in the United States is of particular importance;
- franchisees, which ensure the presence on markets and/or in cities which are still not sufficiently large or developed to justify a direct retail presence, and in particular in the People's Republic of China.

Licenses and services refer mainly to the licensing of the Ferragamo brand. In addition, it includes the fees for technical consultancy for Zefer S.p.A.

Rental income investment properties refer solely to property located in the United States and leased/sub-leased to third parties.

Retail

During the first three months of 2012 retail sales rose by 16.9% at current exchange rates and 11.8% at constant exchange rates thanks to the increase in sales in primary direct stores channel, in particular in Asia Pacific with an increase of 22.8% at current exchange rates and 16.7% at constant exchange rates.
During the first three months of 2012 the number of directly operated stores rose by 2 units compared to 31 December 2011, with 4 new openings and 2 closures. Compared to 31 March 2011 there was a net increase in the number of DOS of 13 stores.

Wholesale

The wholesale channel rose by 36.8% at current exchange rates and 34.3% at constant exchange rates. In particular, the European market grew by 42.9% at current exchange rates and the Asia Pacific market rose by 37.6% at current exchange rates and 32.7% at constant exchange rates.

Licenses and services

Revenues from licenses and services in the first three months of 2012 rose by 14.0% compared to the first quarter of 2011; the license assessment mechanism is proportional to the revenues earned by the licensee and therefore licenses were positively affected by the general increase in demand.

Rental income investment properties

Revenues from rental income investment properties refer solely to property located in the United States and leased/sub-leased to third parties; the item increased by 9.6% at current exchange rates and by 4.9% at constant exchange rates.

Here below is a breakdown of revenues from sales and services which shows the contribution and growth by product category for the quarters ended 31 March 2012 and 31 March 2011.

(In thousands of Euro)	Period ended 31 March					at constant exchange rates
	2012	% of revenues	2011	% of revenues	% change	% change
Footwear	110,927	42.8%	87,865	41.8%	26.2%	21.7%
Leather goods	80,043	30.8%	64,371	30.6%	24.3%	19.7%
Clothing	25,652	9.9%	23,266	11.1%	10.3%	5.3%
Accessories	18,990	7.3%	16,521	7.9%	14.9%	10.5%
Fragrances	20,078	7.7%	14,797	7.0%	35.7%	35.1%
Licenses and services	1,929	0.7%	1,692	0.8%	14.0%	14.0%
Rental income investment properties	2,014	0.8%	1,839	0.8%	9.5%	4.9%
Total	**259,633**	**100.0%**	**210,351**	**100.0%**	**23.4%**	**19.1%**

All the product categories saw double-digit growth both at current exchange rates and at constant exchange rates. In particular, note should be taken of the positive trend in footwear which rose by 26.2% at current exchange rates (21.7% at constant exchange rates). Significant increases were also recorded by revenues from leather goods (+ 24.3% at current exchange rates and + 19.7% at constant exchange rates) and fragrances (+ 35.7% at current exchange rates).

Investment and financial operations

Here below is the statement of financial position as at 31 March 2012 reclassified by sources and uses, compared to the position as at 31 December 2011:

(In thousands of Euro)	31 March 2012	31 December 2011	% change
Property, plant and equipment	117,119	120,768	(3.0%)
Investment property	7,170	7,476	(4.1%)
Intangible assets with a finite useful life	17,159	18,051	(4.9%)
Inventories	261,615	242,564	7.9%
Trade receivables	94,366	97,711	(3.4%)
Trade payables	(167,262)	(154,343)	8.4%
Other non current assets/(liabilities), net	18,744	21,071	(11.0%)
Other current assets/(liabilities), net	(60,348)	(67,789)	(11.0%)
Net invested capital	**288,563**	**285,509**	**1.1%**
Group shareholders' equity	225,078	211,403	6.5%
Minority interests	41,485	44,716	(7.2%)
Shareholders' equity (A)	**266,563**	**256,119**	**4.1%**
Net financial debt (B) (1)	**22,000**	**29,390**	**(25.1%)**
Total sources of financing (A-B)	**288,563**	**285,509**	**1.1%**

(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, 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.

Investments

During the first quarter of 2012, the Group made investments in tangible and intangible assets for a total amount of 8,542 thousand Euro, of which 8,053 thousand Euro in tangible assets and 489 thousand Euro in intangible assets, compared to 5,111 thousand Euro in the first three months of 2011.

The most significant investments concerned the opening and restructuring of stores (around 90% of total tangible assets) and the so-called “Marlin Project”, aimed at standardizing the Group’s retail information systems.

During the first quarter of 2012, the Group did not make any investments in financial assets.

Depreciation and amortization totaled 8,039 thousand Euro as at 31 March 2012 and 6,318 thousand Euro as at 31 March 2011.

Investments in tangible assets under construction mainly concerned the refurbishment and opening of new stores and showrooms, while the main investments in intangible assets were represented mainly by the so-called “Marlin Project”, aimed at standardizing the Group’s retail information systems; this project is being developed over the 2011-2013 period.

Net financial debt as at 31 March 2012 and 31 December 2011 was as follows:

(In thousands of Euro)	**31 March 2012**	**31 December 2011**	**Change 2012 vs 2011**
A. Cash	391	553	(162)
B. Other cash equivalents	87,027	72,924	14,103
C. Cash and cash equivalents (A)+(B)	**87,418**	**73,477**	**13,941**
Derivatives – non-hedge component	715	2,338	(1,623)
Other financial assets	34	35	(1)
D. Current financial receivables	**749**	**2,373**	**(1,624)**
E. Current bank payables	65,341	59,394	5,947
F. Derivatives – non-hedge component	11	1,014	(1,003)
G. Other current financial payables	44,815	44,829	(14)
H. Current financial debt (E)+(F)+(G)	**110,167**	**105,237**	**4,930**
I. Current financial debt, net (H)-(C)-(D)	**22,000**	**29,387**	**(7,387)**
J. Non current bank payables	-	-	-
K. Derivatives – non-hedge component	-	3	(3)
M. Other non current payables	-	-	-
N. Non current financial debt (J)+(K)+(M)	**-**	**3**	**(3)**
O. Net financial debt (I)+(N)	**22,000**	**29,390**	**(7,390)**

Significant events occurred during the first three months of 2012

With reference to the tax audit carried out on the Parent company Salvatore Ferragamo S.p.A. by agents of the Florence Tax Police from 6 October 2010 to 17 October 2011 and the assessment notices relating to the 2006 tax year received on 27 December 2011, reference should be made to the detailed analysis included in the Directors’ Report on operations as at 31 December 2011. In particular, it should be recalled that on 17 February 2012 the Company, although insisting on seeing its reasons against these

notices acknowledged, submitted petitions for assessment with acceptance in order to verify the possibility of reaching an out-of-court settlement of the tax claims and sanctions issued by tax authorities, in relation both to 2006 and to the other years subject to tax audit.
Following discussion with the Regional Inland Revenue Office regarding the proceedings for assessment with acceptance, as at 31 March 2012 the Company decided to increase the provision for risks and charges by 2 million Euro with reference to the sum set aside for the tax audit; this increase was recognized in the income statement under "income taxes".

Regarding the tax audit involving Ferragamo France SAS relating to the 2008-2010 tax years which was started in 2011 and which has already been commented on in the Directors’ Report on operations included in the 2011 Consolidated Annual Report, it should be noted that the tax audit is still ongoing and that currently the inspectors have completed the examination of the documentation relating to the accounting record keeping and current taxation. The tax audit should end by the summer of 2012. Since, so far, no irregularities or violations have been claimed by the French tax authority, it is impossible to make any estimate regarding any tax liabilities arising from the tax audit.

Other information

Dividends

The shareholders' meeting of the Parent company Salvatore Ferragamo S.p.A. held on 26 April 2012 resolved to approve the financial statements for the year ended 31 December 2011 and to distribute a dividend of 0.28 Euro per share for total of 47,154,800 Euro, with coupon detachment date on 21 May 2012 and payment of the dividend as from 24 May 2012.
Moreover, other Group companies, in the first three months of 2012, paid third-party shareholders dividends amounting to 4,080 thousand Euro.

Financial reporting and Investor relations

Salvatore Ferragamo, in order to maintain constant dialogue with its Shareholders, potential investors and financial analysts and in compliance with the recommendation of CONSOB, has set up the Investor Relations function which ensures continuous information exchange between the Group and financial markets.

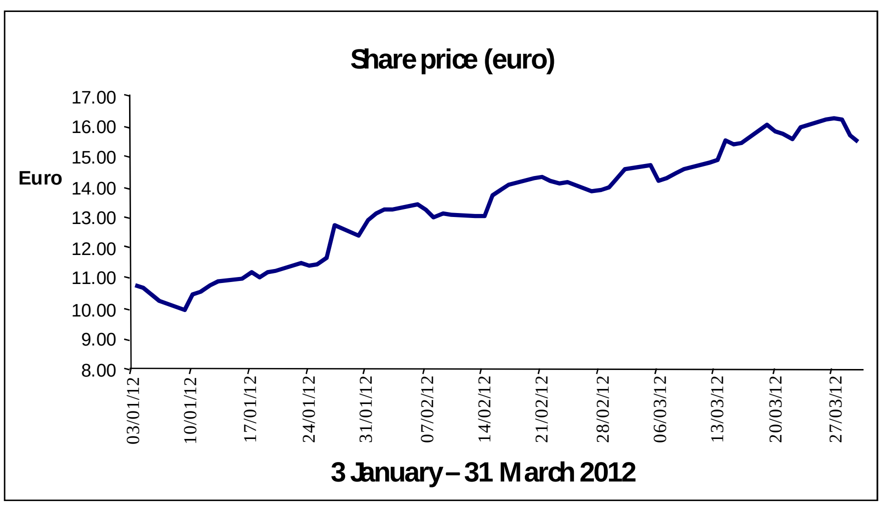
Financial data, corporate presentations, interim reports, official press releases and updates in real time on the share price are available on the Group's website www.group.ferragamo.com in the Investor Relations section.

Stakes in the Company

As at 31 March 2012 Ferragamo Finanziaria S.p.A. held a majority stake in the share capital of Salvatore Ferragamo S.p.A. equal to 56.24%([3]).

Main Stock Market indicators – Salvatore Ferragamo S.p.A.

Official price as at 30 March 2012: 15.49651 Euro
Stock Market capitalization as at 31 March 2012: 2,609,767,249.10 Euro
Number of shares in circulation: 42,102,500 (free float)
Number of shares making up the share capital as at 31 March 2012: 168,410,000



3As per the last Spafid recording of 31 March 2012

Treasury shares and shares or stakes in parent companies

It should be noted that the Parent Company Salvatore Ferragamo S.p.A. does not hold directly or indirectly treasury shares or shares in parent companies and that during the period it did not buy or sell treasury shares or shares in parent companies.

Non recurring costs and revenues

In the first quarter of 2012 the Group did not incur any non recurring costs and no non recurring revenues and income were recorded.

Staff

Here below is the Group's staff divided by category as at 31 March 2012 and 31 December 2011.

Staff	31 March 2012	31 December 2011
Top managers, middle managers and store managers	564	568
White collars	2,347	2,315
Blue collars	227	242
TOTAL	**3,138**	**3,125**

Significant events occurred after 31 March 2012

By means of a deed dated 19 April 2012, which was registered on 25 April 2012, Ferragamo Brasil Roupas e Acessorios Ltda. was incorporated with an initial share capital of 1,000.00 Brazilian Real (around 400.00 Euro) divided into 1,000 shares, with a nominal value of 1.00 Brazilian Real each, subscribed for 99.0% by Salvatore Ferragamo SpA (990 shares) and 1.0% by Ferragamo Latin America Inc. (10 shares).
The company was incorporated with a view to the Group's potential direct presence on the Brazilian market.

Appointment of corporate boards

On 26 April 2012 the shareholders' meeting of the Parent company Salvatore Ferragamo SpA appointed the Company's Board of Directors for the 2012-2014 period and confirmed Ms. Wanda Miletti Ferragamo as the Company's Honorary Chairman for the same period.
On the same date the Board of Directors confirmed the appointment of Ferruccio Ferragamo as Chairman, Giovanna Ferragamo as Deputy Chairman and Michele Norsa as Managing Director, and also approved the establishment of the Control and Risk Committee and the Nomination and Remuneration Committee, both consisting of the independent directors Piero Antinori, Marzio Saà and Umberto Tombari.

Approval of the 2012-2014 Stock Grant Plan

On 26 April 2012 the shareholders' meeting approved a Stock Grant Plan for the three-year period 2012-2013-2014, concerning the allocation to the top management of the Ferragamo Group of the right to receive free of charge a maximum of 500,000 ordinary shares of the company subject to the achievement of set performance objectives at the

end of the 2012-2013-2014 period, and transferred to the Board of Directors all the powers needed for implementation of the plan. At the same time a resolution was approved to set up a specific profit reserve relating to the free increase in share capital in order to service the aforementioned Plan.
Therefore, the extraordinary shareholders' meeting approved the free share capital increase as an instrument to implement the 2012 Stock Grant Plan, pursuant to article 2349 of the Italian Civil Code, in tranches, for a nominal maximum amount of 50,000 Euro, corresponding to a maximum number of 500,000 ordinary shares of the company with a nominal value of 0.10 Euro each, to be issued by the Board of Directors in a single tranche, within the timeframes and pursuant to the terms provided for by the Plan.

Outlook

The global economic cycle lost its impetus in the final quarter of 2011 and was affected by the drop-off in business in Europe and Japan and by the slowdown in emerging economies. There are still numerous uncertainty factors, mainly due to the unresolved tensions over sovereign debt in the eurozone, which worsened at the end of March, and to trends in raw material prices which started to rise again in the first quarter.
Despite the expansionary policies adopted, as well as the greater use of non-standard measures, fiscal restrictions and limited access to credit by the private sector will continue to impact on the real economy of the eurozone, which is already experiencing a slight recession. Italy in particular is expected to see negative growth of around -1% throughout 2012.
The US economic outlook will probably be favorable and the same applies to Japan, thanks to the rise in domestic demand supported by the post-earthquake reconstruction process.
In emerging countries the economic indicators show a further slowdown. In particular, China recorded a slowdown in GDP growth to 8.1% in the first quarter, affected by the drop in the industrial sector as a result of the continuing weakness of foreign demand. The greatest downside risk for Chinese growth prospects continues to be a bigger than expected slowdown in the real estate sector.
As for currency trends, at the beginning of the year the euro fluctuated: after the rapid rise in the first half of January, the exchange rate against the US dollar stabilized in a range between 1.30 and 1.35 and that against the Yen at around 107. There remain uncertainties about the outlook for the Euro. Above all in regard to the US dollar, fluctuations will probably be determined by growth differentials and the monetary policies adopted in the two areas. The Yen, on the other hand, should gradually depreciate against both the US dollar and the Euro, especially in the case of financial tensions easing following the sovereign debt crisis.

As for the Ferragamo Group, the results for the first quarter of 2012 and the portfolio of wholesale orders collected so far suggest that, in the absence of significant market downturns and extraordinary events, revenues and profits for the whole year may improve on the prior year.

Basis of presentation

The Group's interim report as at 31 March 2012 and comparable periods has been prepared pursuant to article 154-ter, paragraph 5, of the Consolidated Law on Finance (*Testo Unico della Finanza* – TUF) introduced by Legislative Decree 195/2007 in implementation of directive 2004/109/EC.

The interim report was approved by the Board of Directors of Salvatore Ferragamo S.p.A. on 14 May 2012 and on the same date the Board authorized its disclosure.

Consolidation area

The consolidation area did not change compared to 31 December 2011, 30 September 2011 and 30 June 2011.

Accounting principles

The equity, income and financial data as at 31 March 2012 have been prepared according to the International Accounting Standards (IAS), the International Financial Reporting Standards (IFRS), and the related interpretations issued by the International Accounting Standards Board (IASB) and adopted by the European Union, in force at the end of the reporting period. The accounting standards and valuation criteria applied in the preparation of the interim report are the same as those used in preparing the consolidated annual report as at 31 December 2011.

Discretionary valuations and significant accounting estimates

The preparation of the consolidated interim report has entailed the use of estimates and assumptions, both in determining some assets and liabilities, and in assessing contingent assets and liabilities. If, in the future, these estimates and assumptions should differ from actual circumstances, they will be changed in the relevant period.

- *Impairment/Restatement of Property, plant and equipment, Investment property, Intangible assets with a finite useful life, Investments*
The book value of Property, plant and equipment, Investment property, Intangible assets with a finite useful life, and Investments is subject to impairment testing when there are indicators of impairment which require an immediate assessment of impairment, or when events have occurred which require the procedure to be repeated. As at 31 March 2012 no indicators of impairment emerged from the analyses carried out.

- Taxes
The tax burden relating to interim periods is determined using the tax rate which would be applicable to the forecast annual total profit, i.e. the estimated annual average of the effective tax rate applied to the pre-tax profit of the interim period.

The exchange rates used to determine the value in Euro of subsidiaries' reports expressed in foreign currency were (to 1 Euro) as follows:

	Average rates		Exchange rates at the end of the reporting period		
	31 March 2012	**31 March 2011**	**31 March 2012**	**31 December 2011**	**31 March 2011**
US Dollar	1.31082	1.36799	1.3356	1.29390	1.42070
Swiss Franc	1.20799	1.28714	1.2045	1.21560	1.30050
Japanese Yen	103.99324	112.57027	109.5600	100.20000	117.60998
Pound Sterling	0.834480	0.85386	0.8339	0.83530	0.88370
Australian Dollar	1.24247	1.36135	1.2836	1.27230	1.37360
South Korean Won	1,482.76	1,530.78	1,512.97	1,498.69	1,554.51
Hong Kong Dollar	10.1725	10.65350	10.3705	10.05100	11.05590
Mexican Peso	17.0195	16.50071	17.0222	18.05120	16.92760
New Taiwanese Dollar	38.9011	40.07733	39.35170	39.19400	41.67000
Singapore Dollar	1.65729	1.74671	1.6775	1.68190	1.79020
Thai Baht	40.6300	41.77116	41.1770	40.99100	42.97600
Malaysian Ringgit	4.01215	4.16676	4.0916	4.10550	4.29830
Indian Rupee	65.89903	61.92552	68.04202	68.71299	63.34498
Macau Pataca	10.46302	10.96364	10.65730	10.35190	11.35860
Chinese Renminbi	8.26924	9.00285	8.40890	8.15880	9.30360
Chilean Peso	640.143	658.8570	648.189	670.96982	681.90962
Argentine Peso	5.68377	5.48749	5.82825	5.56829	5.73814
Canadian Dollar	1.3311	1.34838	1.3128	1.3215	1.3785

Transactions with related parties

Sales and purchases between related parties are carried out at normal market prices. The outstanding balances at the end of the period are not backed by guarantees, nor do they generate interest and are settled in cash. There are no guarantees, given or received, relating to receivables and payables with related parties. The Group has not set aside any provision for bad debts in relation to amounts due from related parties.

Transactions arising from atypical and/or unusual transactions

The Group did not undertake atypical and/or unusual transactions, i.e. those transactions which, due to their importance/size, the counterparties involved, the subject of the transaction, the means of determining the transfer price and the timing of the event, may give rise to doubts about the correctness/completeness of the information provided in the consolidated interim report, conflicts of interest, the safeguarding of the company's equity and the protection of minority interests.

Florence, 14 May 2012

The Chairman of the Board of Directors
Ferruccio Ferragamo

Financial statements

Consolidated statement of financial position – assets

(In thousands of Euro)	**31 March 2012**	*of which with related parties*	**31 December 2011**	*of which with related parties*	**31 March 2011**	*of which with related parties*
NON CURRENT ASSETS						
Property, plant and equipment	117,119		120,768		102,816	
Investment property	7,170		7,476		7,015	
Intangible assets with a finite useful life	17,159		18,051		14,565	
Investments in associated and jointly controlled companies	1,631		1,393		1,373	
Available-for-sale financial assets	20		20		49	
Other non current assets	4,856		4,909		4,851	
Other non current financial assets	8,888	*104*	7,793	*109*	6,987	
Deferred tax assets	66,949		69,997		61,342	
TOTAL NON CURRENT ASSETS	**223,792**	***104***	**230,407**	***109***	**198,998**	***-***
CURRENT ASSETS						
Inventories	261,615		242,564		188,610	
Trade receivables	94,366	*976*	97,711	*2,348*	71,388	*424*
Tax receivables	8,578		10,239		12,740	
Other current assets	21,081	*16*	18,978	*116*	28,885	*2,177*
Other current financial assets	749		2,373		1,142	
Cash and cash equivalents	87,418		73,477		107,770	
TOTAL CURRENT ASSETS	**473,807**	***992***	**445,342**	***2,464***	**410,535**	***2,601***
TOTAL ASSETS	**697,599**	***1,096***	**675,749**	***2,573***	**609,533**	***2,601***

Consolidated statement of financial position – liabilities and shareholders' equity

(In thousands of Euro)	**31 March 2012**	*of which with related parties*	**31 December 2011**	*of which with related parties*	**31 March 2011**	*of which with related parties*
SHAREHOLDERS' EQUITY						
GROUP SHAREHOLDERS' EQUITY						
Share capital	16,841		16,841		16,841	
Reserves	196,222		113,272		118,207	
Net profit/(loss) – Group	12,015		81,290		12,099	
TOTAL GROUP SHAREHOLDERS' EQUITY	**225,078**		**211,403**		**147,147**	
MINORITY INTERESTS						
Share capital and reserves – minority interests	36,461		22,747		21,057	
Net profit/(loss) – minority interests	5,024		21,969		3,362	
TOTAL MINORITY INTERESTS	**41,485**		**44,716**		**24,419**	
TOTAL SHAREHOLDERS' EQUITY	**266,563**		**256,119**		**171,566**	
NON CURRENT LIABILITIES						
Provisions for risks and charges	15,971		14,131		4,920	
Employee benefit liabilities	10,715		10,695		9,187	
Other non current liabilities	34,049		35,196		31,599	
Non current financial liabilities	-		3		39,332	*39,309*
Deferred tax liabilities	2,865		3,019		9,223	
TOTAL NON CURRENT LIABILITIES	**63,600**	**-**	**63,044**	**-**	**94,261**	**39,309**
CURRENT LIABILITIES						
Trade payables	167,262	*7*	154,343	*323*	121,786	*167*
Interest-bearing loans & borrowings	65,943	*602*	60,017	*623*	115,866	*848*
Tax payables	20,222		20,968		15,244	
Other current liabilities	69,785	*28,574*	76,038	*18,264*	89,580	*34,995*
Other current financial liabilities	44,224	*40,410*	45,220	*40,136*	1,230	
TOTAL CURRENT LIABILITIES	**367,436**	***69,288***	**356,586**	***59,346***	**343,706**	***36,010***
TOTAL LIABILITIES	**431,036**	***69,288***	**419,630**	***59,346***	**437,967**	***75,319***
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**697,599**	***69,288***	**675,749**	***59,346***	**609,533**	***75,319***

Consolidated income statement

(In thousands of Euro)	**Period ended 31 March**			
	2012	*of which with related parties*	**2011**	*of which with related parties*
Revenues from sales and services	257,619	*1,212*	208,512	*543*
Rental income investment properties	2,014	-	1,839	-
Revenues	**259,633**	***1,212***	**210,351**	***543***
Cost of goods sold	(96,549)		(80,464)	-
Gross profit	**163,084**	***1,212***	**129,887**	***543***
Style, product development and logistics costs	(9,252)	*(92)*	(7,411)	*(99)*
Sales & distribution costs	(78,769)	*(2,938)*	(66,141)	*(1,320)*
Marketing & communication costs	(20,446)	*(18)*	(13,509)	*(3)*
General and administrative costs	(23,446)	*(5,104)*	(19,527)	*(2,951)*
Other operating costs	(3,206)	*(5)*	(4,267)	*(5)*
Other income and revenues	2,162	-	1,997	-
Operating profit	**30,127**	***(6,946)***	**21,029**	***(3,835)***
Financial charges	(8,551)	*(277)*	(6,491)	*(95)*
Financial income	7,138	-	1,446	-
Share of net profit/(loss) on investments accounted for using the Equity Method	238	-	229	-
Profit before taxes	**28,952**	***(7,223)***	**16,213**	***(3,930)***
Income taxes	(11,913)	-	(752)	-
Profit (loss) from continuing operations	**17,039**	***(7,223)***	**15,461**	***(3,930)***
Net profit/(loss) from discontinued operations	-	-	-	-
Net profit/(loss) for the period	**17,039**	***(7,223)***	**15,461**	***(3,930)***
Net profit/(loss) – Group	12,015		12,099	
Net profit/(loss) – minority interests	5,024		3,362	

(In Euro)	**Period ended 31 March**	
	2012	**2011**
Earnings per share –ordinary shares (*)	0.071	0.069
Earnings per share – preferred shares (*)	-	0.074
Diluted earnings per share – ordinary shares (*)	0.071	0.069
Diluted earnings per share – preferred shares (*)	-	0.074

(*) The amount considers retroactively the split of the shares approved by the extraordinary Shareholders' Meeting of the Parent company on 30 March 2011 and the conversion of the preferred shares into ordinary shares as from the first day of trading on the stock market (29 June 2011).

Consolidated statement of comprehensive income

(In thousands of Euro)	**Period ended 31 March**	
	2012	**2011**
Net profit/(loss) for the period (A)	**17,039**	**15,461**
Currency translation differences of foreign operations	(8,038)	(13,783)
Net gain /(loss) from cash flow hedge	13,212	18,820
Income taxes	(3,633)	(5,175)
	9,579	13,645
Net gain /(loss) from recognition of defined-benefit plans for employees	(220)	(48)
Income taxes	61	13
	(159)	(35)
Total other income (losses) for the period, net of taxes (B)	**1,382**	**(173)**
Total comprehensive income for the period, net of taxes (A+B)	**18,421**	**15,288**
Group	13,868	13,672
Minority interests	4,553	1,616

Consolidated statement of cash flows

(In thousands of Euro)	Period ended 31 March			
	2012	*of which with related parties*	2011	*of which with related parties*
Net profit (loss) for the period	**17,039**		**15,461**	
Adjustments to reconcile net profit (loss) to net cash provided by (used in) operating activities:				
Amortization, depreciation and write-downs of tangible and intangible assets and investment property	8,039		6,318	
Allocation/(use) of deferred taxes	(1,340)		(2,920)	
Refund of taxes			(5,575)	
Provision for employee severance indemnities	1,042		811	
Allocation to /(use of) the provision for obsolete inventory	376		1,767	
Losses and provision for bad debt	541		428	
(Losses) / gains on disposal of tangible and intangible assets	30		(1)	
Share of net (profit)/loss on investments accounted for using the Equity Method	(238)		(229)	
Other non-monetary items	2,320	274	-	
Changes in operating assets and liabilities:				
Trade receivables	(2,175)	1,372	3,604	(389)
Inventories	(26,271)		(17,591)	
Trade payables	13,478	(316)	18,813	(3)
Tax receivables	1,626		(1,468)	
Tax payables	(470)		(11,354)	
Advance payments and settlements of employee severance indemnities	(1,105)		(867)	
Other assets and liabilities	7,204	10,415	11,389	19,929
Other – net	(112)		(106)	
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	**19,984**		**18,480**	
Cash flow from investing activities:				
Purchase of tangible assets	(8,053)		(4,273)	
Purchase of intangible assets	(489)		(838)	
Net change in non current assets and liabilities	(1,173)		(321)	
Cash from disposal of tangible and intangible assets	80		6	
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	**(9,635)**		**(5,426)**	
Cash flow from financing activities:				
Net change in financial receivables	411		2,021	
Net change in financial payables	6,754	(21)	(29,932)	40,157
Payment of dividends to minority interests	(4,080)	(4,080)	(3,980)	(3,980)
Other net changes to Group shareholders' equity			(64)	
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	**3,085**		**(31,955)**	
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**13,434**		**(18,901)**	
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	**73,179**		**132,469**	
Increase/(decrease) in cash and cash equivalents	13,434		(18,901)	

Effect of exchange rate translation differences	626	(6,157)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**87,239**	**107,411**

ADDITIONAL INFORMATION		
Interest paid	612	580
Income taxes paid	4,980	10,453
Interest received	171	171
Dividends received		-

Statement of changes in consolidated shareholders' equity

Period ended 31 March 2012 (In thousands of Euro)	**Share capital**	**Share capital contributions**	**Legal reserve**	**Extraordinary reserve**	**Cash flow hedge reserve**	**Translation reserve**	**Retained earnings**	**Other reserves**	**Effect IAS 19 Equity**	**Effect IAS 28 (Common Control) Equity**	**Profit/ (loss) for the period**	**Group shareholders' equity**	**Minority interests**	**Total shareholders' equity**
As at 01.01.2012	**16,841**	**2,995**	**4,188**	**36,686**	**(15,152)**	**(17,654)**	**95,386**	**14,422**	**(1,675)**	**(5,924)**	**81,290**	**211,403**	**44,716**	**256,119**
Allocation of results	-	-	-	-	-	-	81,290	-	-	-	(81,290)	-	-	-
Profit/(loss) for the period		-	-	-	-	-	-		-	-	12,015	12,015	5,024	17,039
Other comprehensive income(loss)	-	-	-	-	9,579	(7,062)	(505)	-	(159)	-	-	1,853	(471)	1,382
Total comprehensive income(loss)	**-**	**-**	**-**	**-**	**9,579**	**(7,062)**	**(505)**	**-**	**(159)**	**-**	**12,015**	**13,868**	**4,553**	**18,421**
Distribution of dividends	-	-	-	-	-	-	-	-	-	-	-	-	(8,265)	(8,265)
Purchase of minority interests in companies consolidated on a line-by-line basis and accounting of options on minority interests	-	-	-	-	-		(193)	-	-	-	-	(193)	481	288
As at 31.03.2012	**16,841**	**2,995**	**4,188**	**36,686**	**(5,573)**	**(24,716)**	**175,978**	**14,422**	**(1,834)**	**(5,924)**	**12,015**	**225,078**	**41,485**	**266,563**

Period ended 31 March 2011 (In thousands of Euro)	**Share capital**	**Share capital contributions**	**Legal reserve**	**Extraordinary reserve**	**Cash flow hedge reserve**	**Translation reserve**	**Retained earnings**	**Other reserves**	**Effect IAS 19 Equity**	**Effect IAS 28 (Common Control) Equity**	**Profit/ (loss) for the period**	**Group shareholders' equity**	**Minority interests**	**Total shareholders' equity**
As at 01.01.2011	**16,841**	**2,995**	**4,188**	**31,933**	**(2,266)**	**(27,288)**	**110,303**	**14,446**	**(1,035)**	**(5,924)**	**48,877**	**193,070**	**47,366**	**240,436**
Allocation of results	-	-	-	28,768		-	20,109	-	-	-	(48,877)	-	-	-
Profit/(loss) for the period		-	-	-	-	-			-	-	12,099	12,099	3,362	15,461
Other comprehensive income(loss)	-	-	-	-	13,645	(11,973)	(64)	-	(35)	-	-	1,573	(1,746)	(173)
Total comprehensive income(loss)	**-**	**-**	**-**	**-**	**13,645**	**(11,973)**	**(64)**	**-**	**(35)**	**-**	**12,099**	**13,672**	**1,616**	**15,288**
Distribution of dividends	-	-	-	(24,015)	-	-	-	-	-	-	-	(24,015)	(20,928)	(44,943)
Purchase of minority interests in companies consolidated on a line-by-line basis and accounting of options on minority interests	-	-	-	-	-	(336)	(35,221)	(23)	-	-	-	(35,580)	(3,635)	(39,215)
As at 31.03.2011	**16,841**	**2,995**	**4,188**	**36,686**	**11,379**	**(39,597)**	**95,127**	**14,423**	**(1,070)**	**(5,924)**	**12,099**	**147,147**	**24,419**	**171,566**

Statement pursuant to paragraph 2, art. 154 bis of Legislative Decree 58/98 (Consolidated Law on Finance)

The manager responsible for corporate financial reporting states, pursuant to paragraph 2, article 154 bis of the Consolidated Law on Finance, that the accounting information contained in this document is in line with accounting books and records.

Florence, 14 May 2012

Manager responsible for corporate financial reporting
Ernesto Greco