



PRESS RELEASE

Salvatore Ferragamo S.p.A.

**The Board of Directors Approves
the Consolidated Interim Report as of 30 September 2017**

Salvatore Ferragamo Group nine months Revenue -0.9%, Gross Operating Profit (EBITDA¹) -25.1%, Net Profit -28.3% and Positive Net Financial Position further increasing vs. 1H 2017

- **Revenues: 1,005 million Euros (-0.9% vs. 1,014 million Euros at 30 September 2016) with Retail Revenue +1.2% and Wholesale Revenue -4.7% due to the destocking activity**
- **Gross Operating Profit (EBITDA¹): 162 million Euros (-25.1% vs. 216 million Euros at 30 September 2016)**
- **Operating Profit (EBIT): 115 million Euros (-32.2% vs. 170 million Euros at 30 September 2016)**
- **Net Profit: 79 million Euros (-28.3% vs. 110 million Euros at 30 September 2016)**
- **Net Financial Position: positive at 100 million Euros (increasing 119 million Euros vs. 30 September 2016)**

Florence, 14 November 2017 – The Board of Directors of Salvatore Ferragamo S.p.A. (MTA: SFER), parent company of the Salvatore Ferragamo Group, one of the global leaders in the luxury sector, in a meeting chaired by Ferruccio Ferragamo, examined and approved the Consolidated Interim Report as of 30 September 2017, prepared according to IAS/IFRS international accounting principles (“non-audited”).



Notes to the Income Statement for 9M 2017

Consolidated Revenue figures

As of 30 September 2017, the Group has posted Total Revenue of 1,005 million Euros, reporting a 0.9% decrease (including the hedging effect), vs. the 1,014 million Euros recorded in 9M 2016. Revenue growth at constant exchange rates² was 0.2%.

In 3Q 2017 Total Revenue amounted to 287 million Euros, down 5.5% (including the hedging effect), due to the negative impact of currencies (+0.5% at constant exchange rates²).

Revenues by distribution channel³

As of 30 September 2017, the Group's Retail network counted on a total of 687 points of sales, including 407 Directly Operated Stores (DOS) and 280 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 9M 2017 the Retail distribution channel posted consolidated Revenues up by 1.2% (+2.9% at constant exchange rates²), with a decrease of 1.0% at constant exchange rates and perimeter (like-for-like) vs. 9M 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 of 4.7% both at current and constant exchange rates² vs. 9M 2016.

Revenues by geographical area³

The Asia Pacific area is confirmed as the Group's top market in terms of Revenues, increasing by 2.8% (+3.5% at constant exchange rates²) vs. 9M 2016, despite 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 recorded a significant Revenue growth of 8.1% (+15.5% at constant exchange rates²) in the first nine months of 2017.

Europe posted a decrease in Revenues of 1.6% (-0.9% at constant exchange rates²) compared to 9M 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 decrease of 4.3% (-3.3% at constant exchange rates²) in the first nine months of 2017, also negatively impacted by the department stores sales.



The Japanese market registered a 6.7% decrease (-4.0% at constant exchange rates²) in 9M 2017, due to the strategic rationalization of the wholesale channel, while the retail stores recorded a stable performance.

Revenues in the Central and South America in 9M 2017 continued to grow, registering a 3.1% increase (+6.9% at constant exchange rates²), decelerating in 3Q due to the earthquake in Mexico in September.

Revenues by product category³

Among the product categories, footwear posted a 1.2% decrease vs. 9M 2016, handbags and leather accessories -0.6%, while fragrances a 3.2% increase.

Gross Profit

In 9M 2017 the Gross Profit decreased by 5.1% to 645 million Euros. Its incidence on Revenues was down 280 basis points, moving to 64.2%, from 67.0% in 9M 2016, mainly due to the higher portion of sales in the secondary channel, in line with the normalization of Inventory levels, to the negative impact of currencies (particularly significant in 3Q 2017) and to the higher provisions for obsolete inventory.

Operating Costs

In 9M 2017 Operating Costs grew by 4.0% (+4.4% at constant exchange rates²), reaching 530 million Euros, from 510 million Euros in 9M 2016. The increase in costs is mainly due to the strengthening of the store network and of the organization and also includes some one-off expenses, in support of rationalization activities, and in particular 3 million Euros for the planned disposal of Ferragamo Retail India Private Limited.

Gross Operating Profit (EBITDA¹)

The Gross Operating Profit (EBITDA¹) decreased by 25.1% over the period, to 162 million Euros, from 216 million Euros of 9M 2016, with an incidence on Revenues down to 16.1%, from 21.3% in 9M 2016. Excluding the 3 million Euros negative impact for the planned disposal of the Subsidiary in India, the EBITDA¹ would total to 165 million Euros (-23.7% vs. 9M 2016) with a 16.4% incidence on Revenues.



Operating Profit (EBIT)

The Operating Profit (EBIT) decreased from 170 million Euros in 9M 2016 to 115 million Euros (-32.2%) in 9M 2017, with an incidence on Revenues of 11.5% from 16.8%.

Profit before taxes

The Profit before taxes in 9M 2017 amounted to 106 million Euros (-32.6%), from 158 million Euros in 9M 2016, and its incidence on Revenues was 10.6% vs. 15.6% in 9M 2016.

Net Profit for the Period

The Net Profit for the period, including a negative Minority Interest of 3 million Euros, was 79 million Euros, marking a 28.3% decrease.

To note that the Net Profit for the period benefits from a 25.8% Tax Rate, vs. 30.3% registered in 9M 2016, due to the Patent Box agreement.

The Group Net Profit was 82 million Euros, compared to 112 million Euros in 9M 2016, marking a decrease of 26.8%.



Notes to the Balance Sheet for 9M 2017

Net Working Capital⁴

The Net Working Capital as of 30 September 2017 decreased by 22.4% to 272 million Euros, from 350 million Euros as of 30 September 2016. In particular the Inventory was down 14.8% (-8.8% at constant exchange rates²).

Investments (CAPEX)

Investments (CAPEX) reached 51 million Euros as of 30 September 2017 vs. 46 million Euros in 9M 2016, mainly for to the Distribution Center and the store network.

Net Financial Position

The Net Financial Position at 30 September 2017 was positive at 100 million Euros, compared to 18 million Euros Net Debt as of 30 September 2016. To highlight the significant cash generation, mainly driven by the improvement in Working Capital, which reached 219 million Euros in 9M 2017, vs. 118 million Euros in 9M 2016, which also benefits from the Patent Box agreement.



The current year is confirmed to be a transition period for the Salvatore Ferragamo Group, during which strategic initiatives in the major company's areas are going to be implemented.

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 the first nine months 2016, not including the "hedging effect", the average exchange rate of the first nine months 2017.

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.



Verification of Statutory Auditor's requirements

The Board of Directors, during the meeting held today, has verified the possession of the requirements of professionalism, integrity and independence of the Statutory Auditor Paola Caramella, who replaced the resigning Statutory Auditor Alessandra Daccò pursuant to the combined provisions of Article 2401 of the Italian Civil Code and Article 30 of the Company's By-laws, with effect as of 11th October 2017. In particular, with reference to the requirement of independence, the Board of Directors has verified the possession of the requirements envisaged by Article 148 of the Italian Legislative Decree of 24th February 1998, n. 58 and Article 3 of Corporate Governance Code of Borsa Italiana S.p.A.. The abovementioned verification has been performed on the basis of the information currently available to the Company, as well as on the basis of the documents and declarations provided by the Board of Statutory Auditors to the outcome of the evaluations it has conducted.

Assignments for communication of non-financial information

The Company also informs that the Board of Directors has resolved to confer to the Audit Firm Ernst Young S.p.A., already engaged for the statutory audit of annual and consolidated financial statements of the Company, the additional assignment of verifying the preparation, every financial year starting from the current one, of the consolidated non-financial statement containing information relating to environmental, social and employee-related matters, respect for human rights, anti-corruption and bribery matters in compliance with the Italian Legislative Decree n. 254/2016 (the "Decree 254"), which has implemented the Directive 2014/95/UE. The Board of Directors has also resolved to engage the audit firm Deloitte & Touche S.p.A. to certify the compliance of the information provided with the abovementioned statement compared to the requirements of Decree 254 as well as to the principles, methodologies and reporting arrangements adopted.

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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 30 September 2017, approved by the Board of Directors on November 14 2017, 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 the Salvatore Ferragamo Group's website <http://group.ferragamo.com> in the section "Investor Relations/Financial Documents", from November 15, 2017.

The Results of 9M 2017 will be illustrated today, 14 November 2017, at 6:00 PM (CET) in a conference call with the financial community. The presentation will be available on the Company's website <http://group.ferragamo.com> in the "Investor Relations/Presentations" section.

Salvatore Ferragamo

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 687 mono-brand stores as of 30 September 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.

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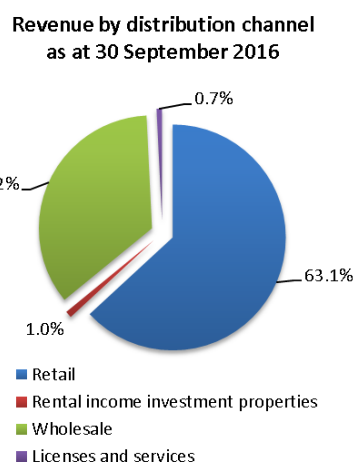
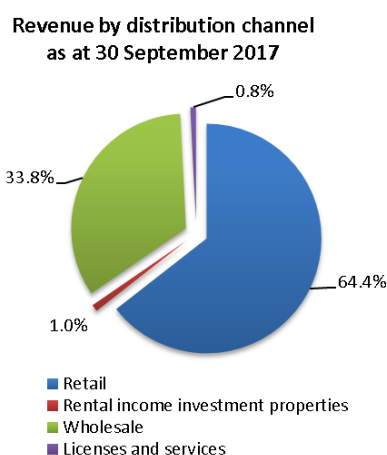
This Press Release is also available on the website <http://group.ferragamo.com>, in the section "Investor Relations/Financial Press Releases".

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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 net financial position, and the consolidated cash flow statement of the Salvatore Ferragamo Group as of 30 September 2017.

Revenue by distribution channel as of 30 September 2017

(In thousands of Euro)	Period ended 30 September					at constant exchange rate % Change
	2017	% on Revenue	2016	% on Revenue	% Change	
Retail	647,662	64.4%	639,995	63.1%	1.2%	2.9%
Wholesale	339,514	33.8%	356,380	35.2%	(4.7%)	(4.7%)
Licenses and services	8,060	0.8%	7,843	0.7%	2.8%	2.8%
Rental income investment properties	9,661	1.0%	9,652	1.0%	0.1%	(0.1%)
Total	1,004,897	100.0%	1,013,870	100.0%	(0.9%)	0.2%

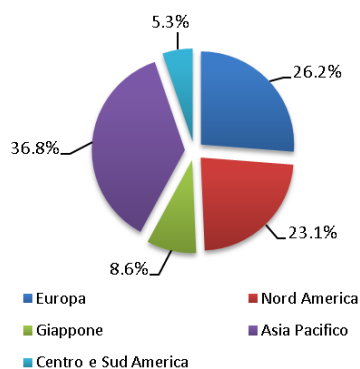


Revenue by geographic area as of 30 September 2017

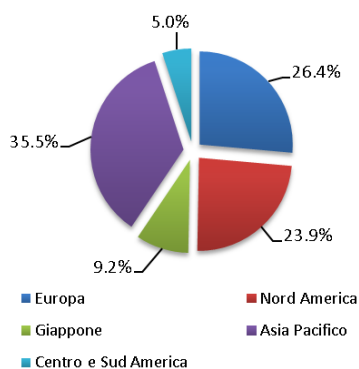
(In thousands of Euro)	Period ended 30 September					at constant exchange rate % Change
	2017	% on Revenue	2016	% on Revenue	% Change	
Europe	263,515	26.2%	267,686	26.4%	(1.6%)	(0.9%)
North America	231,875	23.1%	242,181	23.9%	(4.3%)	(3.3%)
Japan	86,651	8.6%	92,833	9.2%	(6.7%)	(4.0%)
Asia Pacific	370,123	36.8%	360,035	35.5%	2.8%	3.5%
Central and South America	52,733	5.3%	51,135	5.0%	3.1%	6.9%
Total	1,004,897	100.0%	1,013,870	100.0%	(0.9%)	0.2%

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Revenue by geographic area as at 30 September 2017



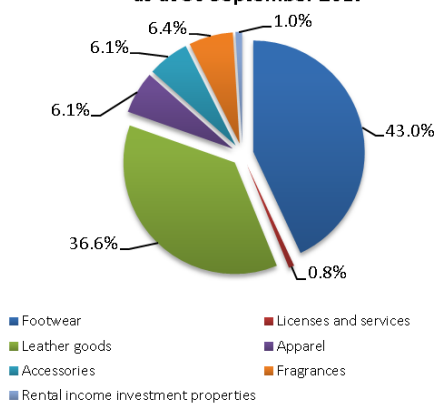
Revenue by geographic area as at 30 September 2016



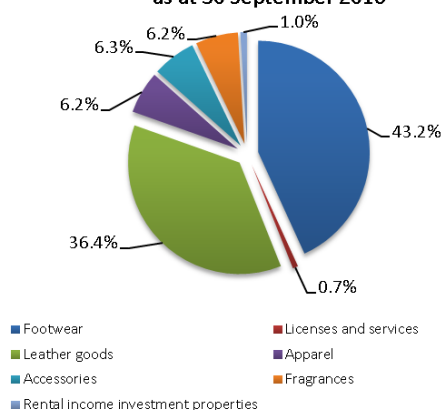
Revenue by product category as of 30 September 2017

(In thousands of Euro)	Period ended 30 September					at constant exchange rate % Change
	2017	% on Revenue	2016	% on Revenue	% Change	
Footwear	432,424	43.0%	437,836	43.2%	(1.2%)	0.1%
Leather goods	367,395	36.6%	369,684	36.4%	(0.6%)	0.3%
Apparel	61,814	6.1%	62,397	6.2%	(0.9%)	0.4%
Accessories	60,817	6.1%	63,753	6.3%	(4.6%)	(3.3%)
Fragrances	64,726	6.4%	62,705	6.2%	3.2%	3.5%
Licenses and services	8,060	0.8%	7,843	0.7%	2.8%	2.8%
Rental income investment properties	9,661	1.0%	9,652	1.0%	0.1%	(0.1%)
Total	1,004,897	100.0%	1,013,870	100.0%	(0.9%)	0.2%

Revenue by product category as at 30 September 2017



Revenue by product category as at 30 September 2016





Consolidated results for Salvatore Ferragamo Group

Consolidated income statement as of 30 September 2017

(In thousands of Euro)	Period ended 30 September				
	2017	% on Revenue	2016	% on Revenue	% Change
Revenue from sales and services	995,236	99.0%	1,004,218	99.0%	(0.9%)
Rental income investment properties	9,661	1.0%	9,652	1.0%	0.1%
Revenues	1,004,897	100.0%	1,013,870	100.0%	(0.9%)
Cost of goods sold	(359,795)	(35.8%)	(334,394)	(33.0%)	7.6%
Gross profit	645,102	64.2%	679,476	67.0%	(5.1%)
Style, product development and logistics costs	(32,144)	(3.2%)	(31,999)	(3.2%)	0.5%
Sales & distribution costs	(353,446)	(35.2%)	(336,498)	(33.2%)	5.0%
Marketing & communication costs	(48,145)	(4.8%)	(51,969)	(5.1%)	(7.4%)
General and administrative costs	(86,269)	(8.6%)	(83,088)	(8.2%)	3.8%
Other operating costs	(17,199)	(1.7%)	(15,203)	(1.5%)	13.1%
Other income	7,347	0.7%	9,293	0.9%	(20.9%)
Total operating costs (net of other income)	(529,856)	(52.7%)	(509,464)	(50.2%)	4.0%
Operating profit	115,246	11.5%	170,012	16.8%	(32.2%)
Financial charges	(41,183)	(4.1%)	(29,413)	(2.9%)	40.0%
Financial income	32,334	3.2%	17,281	1.7%	87.1%
Profit before taxes	106,397	10.6%	157,880	15.6%	(32.6%)
Income taxes	(27,472)	(2.7%)	(47,796)	(4.7%)	(42.5%)
Net profit/(loss) for the period	78,925	7.9%	110,084	10.9%	(28.3%)
Net profit/(loss) - Group	82,333	8.2%	112,457	11.1%	(26.8%)
Net profit/(loss) - minority interests	(3,408)	(0.3%)	(2,373)	(0.2%)	43.6%
EBITDA(*)	161,791	16.1%	216,068	21.3%	(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 management to monitor and assess the operating performance and is not identified as an accounting measurement under IFRS and, therefore, must not be considered as an alternative measurement to assess Group performance. Since the composition of EBITDA is not regulated by reference accounting standards, the determination criterion applied by the Group may differ from that adopted by others and therefore may not be comparable.



Summary of consolidated statement of financial position as of 30 September 2017

(In thousands of Euro)	30 September 2017	31 December 2016	% Change
Property, plant and equipment	237,026	243,692	(2.7%)
Investment property	6,318	7,350	(14.0%)
Intangible assets with definite useful life	36,077	37,576	(4.0%)
Inventories	334,742	374,710	(10.7%)
Trade receivables	100,235	179,678	(44.2%)
Trade payables	(162,896)	(180,256)	(9.6%)
Other non current assets/(liabilities), net	32,582	41,042	(20.6%)
Other current assets/(liabilities), net	35,290	26,820	31.6%
Assets/(Liabilities) held for sale, net	(4,886)	-	na
Net invested capital	614,488	730,612	(15.9%)
Group shareholders' equity	688,667	693,138	(0.6%)
Minority interests	26,195	29,476	(11.1%)
Shareholders' equity (A)	714,862	722,614	(1.1%)
Net financial debt /(surplus) (B) (1)	(100,374)	7,998	(1355.0%)
Total sources of financing (A+B)	614,488	730,612	(15.9%)

(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.

Net financial position as of 30 September 2017

(In thousands of Euro)	30 September 2017	31 December 2016	Change 2017 vs 2016
A. Cash	1,001	1,855	(854)
B. Other cash equivalents	196,635	115,394	81,241
C. Cash and cash equivalents (A)+(B)	197,636	117,249	80,387
Derivatives – non-hedge component	311	264	47
Other financial assets	-	-	-
D. Current financial receivables	311	264	47
E. Current bank payables	79,022	121,251	(42,229)
F. Derivatives – non-hedge component	233	526	(293)
G. Other current financial payables	3,260	3,379	(119)
H. Current financial debt (E)+(F)+(G)	82,515	125,156	(42,641)
I. Current financial debt, net (H)-(C)-(D)	(115,432)	7,643	(123,075)
J. Non current bank payables	15,058	-	15,058
K. Derivatives – non-hedge component	-	355	(355)
M. Other non current financial payables	-	-	-
N. Non-current financial debt (J)+(K)+(M)	15,058	355	14,703
O. Net financial debt (I)+(N)	(100,374)	7,998	(108,372)
Net financial Debt subsidiary held for sale	5,766	-	5,766



Consolidated statement of cash flows as of 30 September 2017

(In thousands of Euro)	Period ended 30 September	
	2017	2016
Net profit / (loss) for the period	78,925	110,084
Depreciation, amortization and write down of property, plant and equipment, intangible assets and investment properties	46,545	46,056
Net change in deferred taxes	(2,251)	(7,258)
Net change in provision for employee benefit plans	(124)	(49)
Loss/(gain) on disposal of tangible and intangible assets	523	577
Impairment on Net assets held for sale	3,058	-
Other non cash items	1,583	1,784
Net change in net working capital	70,556	(26,229)
Net change in other assets and liabilities	20,515	(6,595)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	219,330	118,370
Purchase of tangible assets	(40,525)	(40,341)
Purchase of intangible assets	(7,189)	(5,900)
Net change in non current assets and liabilities	5	-
Proceeds from the sale of tangible and intangible assets	30	29
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(47,679)	(46,212)
Net change in financial receivables	(131)	90
Net change in financial payables	(14,000)	(7,632)
Payment of dividends	(77,643)	(77,643)
Purchase of minority interests in companies consolidated on a line-by line basis	(804)	-
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(92,578)	(85,185)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	79,073	(13,027)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	117,249	142,121
Net increase / (decrease) in cash and cash equivalents	79,073	(13,027)
Net effect of translation of foreign currencies	2,796	395
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD *	199,118	129,489

* Cash and Cash Equivalents at the end of the period include 1,760 thousand Euros pertaining to subsidiary Ferragamo Retail India Private Limited held for sale.