



PRESS RELEASE

**Salvatore Ferragamo S.p.A.:
Board of Directors Approves
the Consolidated Financial Statement as of 30 June 2012**

**Excellent Results Continue for the Salvatore Ferragamo Group: First Half Revenue
up by 22.9% and Pre-tax Profit rose by 37.7 % vs. 2011**

- **Total Revenues: 565.1 million Euros (up by 22.9% compared to 459.7 million Euros at 30 June 2011)**
- **EBITDA¹: 104.7 million Euros (up by 25% compared to 83.8 million Euros at 30 June 2011)**
- **EBIT: 88.4 million Euros (up by 24.7% compared to 70.9 million Euros at 30 June 2011)**
- **Pre-tax Profit: 88.3 million Euros (up by 37.7% compared to 64.1 million Euros at 30 June 2011)**
- **Net Profit: 55.9 million Euros (up by 22.5% compared to 45.7 million Euros at 30 June 2011), including Minority Interest Profit for 11.1 million Euros**

Firenze, 29 August 2012 – 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, meeting under the chairmanship of Ferruccio Ferragamo, examined and approved the **Consolidated Financial Statement as of 30 June 2012**, 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 2012

Consolidated Revenue figures

As of **30 June 2012**, the Salvatore Ferragamo Group has posted **Total Revenues of 565.1 million Euros, a 22.9% increase at current exchange rates**, over the 459.7 million Euros recorded in the first six months of 2011, showing significant growth in all geographical areas, product lines and distributions channels. Revenue **growth at constant exchange rate** has been **17.8%**.

In **2Q 2012** the **Total Revenue growth at current exchange rate** has been **22.5% (+16.7% at constant exchange rate)** vs. 2Q 2011, growing from 249.3 million Euros to **305.5 million Euros**. The **2-year cumulated growth rate** on 2010 shows an acceleration on 1Q 2012 (growing 57.4%) with an **increase of 61.6% in 2Q 2012**.

The Group's excellent Revenue growth – constantly over 20% for the last 9 consecutive quarters – is further confirmation of the success of *Ferragamo's* strategy: focussing on top quality products and on the “Made in Italy” image, meeting the expectations and demands of its global customers.

Revenues by geographical area

All geographical areas delivered significant growth, with the sole exception of Japan, recording an increase of at least 20% at current exchange rates.

The **Asia Pacific area** is confirmed as the Group's top market in terms of Revenues, with a turnover of **212.4 million Euros** (representing 37.6% of total), **up by 25.8%** on the revenues of the first six months of 2011. This performance was achieved also through the contribution of the **retail channel**, which **in China recorded a growth of 38%** compared to the same period in 2011.

Europe confirmed the extraordinary brand awareness of Ferragamo and its ability to attract the interest of the global tourist flows, also thanks to the Group's renovation activity of the major points of sale in strategic locations worldwide, recording an excellent revenue **growth of 26.4%** in the first six months of 2012. In **2Q 2012 growth was 25.2%** over 2Q 2011, confirming the trend already registered in the first three months.

A significant contribution to growth also came from **North America**, where revenue recorded a **growth of 20.6%** in the first six months of 2012, and **+16.1% at constant exchange rates in 2Q 2012**, in line with the 1Q trend.

The **Japanese market** registered a **surge of 9.0%** in 1H 2012, thanks to the favourable contribution of the exchange rate (**-2.3% at constant exchange rates**).

Salvatore Ferragamo

Revenues in **Central and South America** also continued the excellent growth trend, registering an **increase of 34.1%** on the first six months of 2011.

Revenues by distribution channel

As of 30 June 2012, the Salvatore Ferragamo Group's **Retail network** can count on **327 Directly Operated Stores (DOS)** from 323 at 31 December 2011, while the **Wholesale and Travel retail channel** includes **267 Third Party Operated Stores (TPOS)** from 270 at 31 December 2011.

At 30 June 2012 the **Retail distribution channel** posted consolidated Revenues of **353.9 million Euros, a 17.3% increase** over the 301.8 million Euros posted as of 30 June 2011, broadly confirming the trend already delivered in 1Q 2012.

The growth marks a **8.2% increase at constant exchange rates and perimeter** in the first six months of 2012 and a **7.0% increase in 2Q 2012** vs. 2Q 2011, which had already shown a +23.9% vs. 2Q 2010. Therefore the **2-year cumulated growth rate** on 2Q 2010 reaches **47.9% in 2Q 2012**, accelerating the +36.2% of 1Q 2012 on 1Q 2010.

The **Wholesale and Travel retail channel** delivered an excellent performance, growing from 150.1 million Euros, recorded over the first six months of 2011, to **202.4 million Euros** at 30 June 2012, marking a **34.9% increase (+33.1% in 2Q 2012** vs. 2Q 2011). The Travel Retail channel continues its excellent performance, thanks to Ferragamo's widespread presence with mono-brand points of sale in major international airports and its ability to attract the interest of the global tourist flows.

Revenues by product category

All product categories, with the sole exception of Ready to Wear, delivered a marked increase in revenues, above 20%, over the first six months of 2011. Especially worth highlighting, the increased revenues in **footwear (+24.3%)** and in **handbags and leather accessories (+25.1%)**, which together **represent over 75% of Group total turnover**. Strong growth also for the **fragrances division (+29.4%)**, thanks to the successful launch of the women fragrance *Signorina*.

Gross Profit

The Gross Profit, amounting to **359.5 million Euros**, recorded a **23.1% growth** and accounts for **63.6% of revenues, stable** over 1H 2011, notwithstanding the increase of the Wholesale and Travel Retail weight on total revenue, growing from 32.7% in 1H 2011 to 35.8% in 1H 2012.

Operating Costs

In 1H 2012 **Operating Costs grew by 22.5% - but only 18.5% excluding communication expenses**, which increased by 52.9%, in support of the business development. In fact, in the first six months of the year an extraordinary global event has been held at the Louvre Museum in Paris, with the

Salvatore Ferragamo

sponsorship of the exhibition “Saint Anne – Leonardo Da Vinci’s Ultimate Masterpiece” and the Resort Collection fashion show. In June 2012, the Company also inaugurated the “Marilyn Exhibition” at the Ferragamo Museum in Florence. Operating costs reached **271.1 million Euros with a stable incidence on revenues at 48%, which decreases to 41%** from 42.5% in 1H 2011, excluding communication expenses.

Gross Operating Profit (EBITDA²)

Gross Operating Profit (EBITDA) increased by 25% over the period, from 83.8 million Euros to **104.7 million Euros** and its **incidence on revenues improved** from 18.2 to **18.5%**.

In 2Q 2012 the EBITDA increased 18.0% reaching 66.6 million Euros from 56.5 million Euros, with its **incidence on revenues declining** from 22.6% to **21.8%**, due to the decrease in the gross margin and the increase in communication costs.

Operating Profit (EBIT)

Operating Profit (EBIT) increased, over the period, from 70.9 million Euros to **88.4 million Euros**, registering an **increase of +24.7%**, with its **incidence on revenues** improving from 15.4% to **15.6%**.

Profit before taxes

The **Profit before taxes**, over the period, **increased by 37.7%** from 64.1 million Euros in 1H 2011 to **88.3 million Euros** and its **incidence on revenues improved** from 13.9% to **15.6%**.

Net Profit for the Period

The **Net Profit for the Period, including the Minority Interest Profit of 11.1 million Euros**, after allocating 32.4 million Euros for income taxes, is **55.9 million Euros**, as compared to 45.7 million Euros in the first six months of 2011, marking a **22.5% increase**.

² 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 2012

Net Working Capital³

Net Working Capital went from 158.5 million Euros at 30 June 2011 to **234.9 million Euros** at 30 June 2012. This variation (**+48.2%**) is due to the increased turnover, to the foreign exchange rates movement and to the improved assortment into stores (Inventory: +31.8% at constant exchange rates).

Net Financial Position

The Net Financial Position at 30 June 2012 is **99.9 million Euros**, compared to 71.6 million Euros at 30 June 2011, and includes the accounting of the actualized financial debt of 44.8 million Euros mainly related to the purchase of a further share in subsidiaries from the Imaginex Group, although the actual pay-out will not occur till 2013.

Therefore, **once adjusted for the effects of the purchase of the Imaginex Group subsidiaries**, the Net Financial Debt **would be 55.1 million Euros**.

Investments (CAPEX)

Investments (CAPEX) went from 12.8 million Euros at 30 June 2011 to **25.2 million Euros** at 30 June 2012, **growing by 96.3%**, mainly driven by new stores, by the enlargement and refurbishment of existing stores, in addition to logistics enhancements and digital projects ("SAP Marlin Project and e-commerce").

³ 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.

Salvatore Ferragamo

The Revenue figures recorded in the first part of the current year, justify expectations for significant growth also throughout 2012, 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 Financial Statement as of 30 June 2012 is available to anyone requesting it at the headquarters of the Company and can also be consulted in the “Investor Relations/Financial Press & Reports” section of the Salvatore Ferragamo Group's website <http://group.ferragamo.com> from 30 August 2012.

The Results of 1H 2012 will be illustrated today, 29 August 2011, at 6.00 pm (CET) in a conference call with the financial community. The presentation is be available on the Company's website <http://group.ferragamo.com> in the “Investor Relations/Financial Press & Reports” 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 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 3,000 employees and a network of 594 single-brand stores as of 30 June 2012, the Ferragamo Group operates in Italy and worldwide through companies that allow it to be a leader on European, American and Asian markets

For further information:

Salvatore Ferragamo S.p.A.

Alessandro Corsi
Group Investor Relations Director

Paola Pecciarini
Group Investor Relations

Tel. (+39) 055 3562428
investor.relations@ferragamo.com

Image Building

Giuliana Paoletti, Mara Baldessari, Alfredo Mele
Media Relations

Tel. (+39) 02 89011300
ferragamo@imagebuilding.it

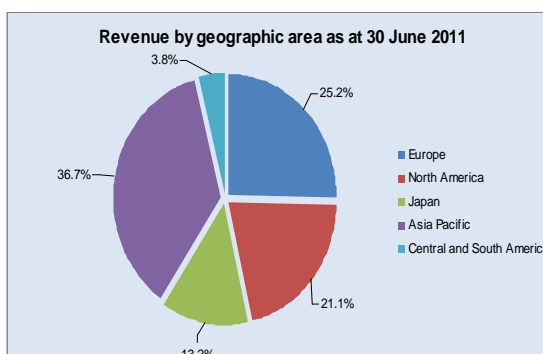
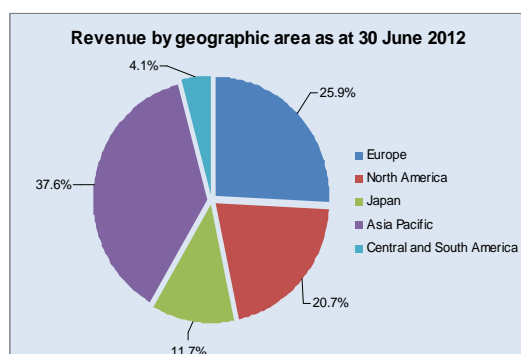
This Press Release is also available on the website <http://group.ferragamo.com>, in the section "Investor Relations".

Salvatore Ferragamo

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 at of 30 June 2012.

Revenue by geographic area as of 30 June 2012

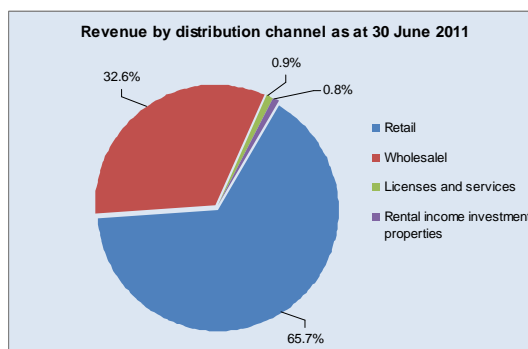
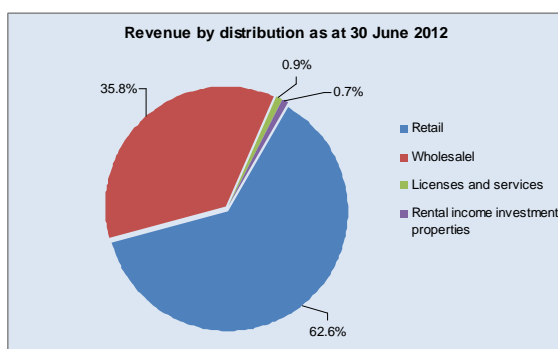
(In thousands of Euro)	Half-year ended at 30 June				at constant exchange rate	
	2012	% on Revenue	2011	% on Revenue	% Change	% Change
Europe	146,310	25.9%	115,746	25.2%	26.4%	25.4%
North America	116,839	20.7%	96,896	21.1%	20.6%	16.4%
Japan	66,381	11.7%	60,903	13.2%	9.0%	(2.3%)
Asia Pacific	212,400	37.6%	168,846	36.7%	25.8%	20.1%
Central and South America	23,177	4.1%	17,286	3.8%	34.1%	31.1%
Total	565,107	100.0%	459,677	100.0%	22.9%	17.8%



Revenue by distribution channel as of 30 June 2012

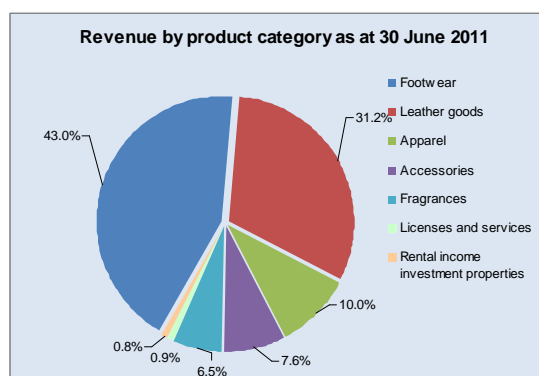
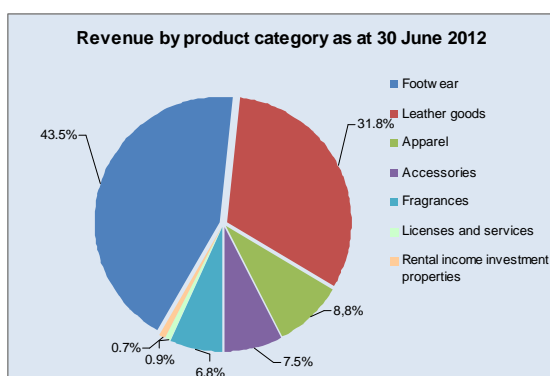
(In thousands of Euro)	Half-year ended at 30 June				at constant exchange rate	
	2012	% on Revenue	2011	% on Revenue	% Change	% Change
Retail	353,945	62.6%	301,826	65.7%	17.3%	10.9%
Wholesale	202,439	35.8%	150,107	32.6%	34.9%	32.5%
Licenses and services	4,586	0.9%	4,135	0.9%	10.9%	10.9%
Rental income investment properties	4,137	0.7%	3,609	0.8%	14.6%	5.9%
Total	565,107	100.0%	459,677	100.0%	22.9%	17.8%

Salvatore Ferragamo



Revenue by product category as of 30 June 2012

(In thousands of Euro)	Half-year ended at 30 June				at constant exchange rate	
	2012	% on Revenue	2011	% on Revenue	% Change	% Change
Footwear	245,549	43.5%	197,467	43.0%	24.3%	18.7%
Leather goods	179,765	31.8%	143,698	31.2%	25.1%	20.2%
Apparel	49,996	8.8%	45,959	10.0%	8.8%	2.6%
Accessories	42,401	7.5%	34,916	7.6%	21.4%	16.2%
Fragrances	38,673	6.8%	29,893	6.5%	29.4%	28.1%
Licenses and services	4,586	0.9%	4,135	0.9%	10.9%	10.9%
Rental income investment properties	4,137	0.7%	3,609	0.8%	14.6%	5.9%
Total	565,107	100.0%	459,677	100.0%	22.9%	17.8%





Consolidated results for Salvatore Ferragamo Group

Consolidated Income statement as of 30 June 2012

(In thousands of Euro)	Half-year ended at 30 June				
	2012	% on Revenue	2011	% on Revenue	% change
Revenue from sales and services	560,970	99.3%	456,068	99.21%	23.0%
Rental income investment properties	4,137	0.7%	3,609	0.79%	14.6%
Total revenue	565,107	100.0%	459,677	100.00%	22.9%
Cost of goods sold	(205,564)	(36.4%)	(167,526)	(36.4%)	22.7%
Gross profit	359,543	63.6%	292,151	63.56%	23.1%
Style, product development and logistics costs	(19,877)	(3.5%)	(16,090)	(3.5%)	23.5%
Sales & distribution costs	(166,394)	(29.4%)	(137,874)	(30.0%)	20.7%
Marketing & communication costs	(39,447)	(7.0%)	(25,801)	(5.6%)	52.9%
General and administrative costs	(45,643)	(8.1%)	(41,241)	(9.0%)	10.7%
Other operating costs	(6,603)	(1.2%)	(5,535)	(1.2%)	19.3%
Other income	6,839	1.2%	5,293	1.2%	29.2%
Operating profit	88,418	15.6%	70,903	15.4%	24.7%
Financial charges	-16,619	(2.9%)	(11,519)	(2.5%)	44.3%
Financial income	15,957	2.8%	4,206	0.9%	279.4%
Share of net profit/(loss) on investments accounted for using the Equity Method	531	0.1%	526	0.1%	1.0%
Profit before taxes	88,287	15.6%	64,116	13.9%	37.7%
Income taxes	(32,378)	(5.7%)	(18,466)	(4.0%)	75.3%
Net profit (loss) for the year	55,909	9.9%	45,650	9.9%	22.5%
Net profit/(loss) - Group	44,802	7.9%	36,144	7.9%	24.0%
Net profit/(loss) - minority interests	11,107	2.0%	9,506	2.1%	16.8%
EBITDA	104,750	18.5%	83,797	18.2%	25.0%



Summary of consolidated statement of financial position as of 30 June 2012

(In thousands of Euro)	30 June 2012	31 December 2011	% change
Property, plant and equipment	128,755	120,768	6.6%
Investment property	7,530	7,476	0.7%
Intangible assets with definite useful life	18,274	18,051	1.2%
Inventories	282,824	242,564	16.6%
Trade receivables	117,895	97,711	20.7%
Trade payables	(165,803)	(154,343)	7.4%
Other non current assets/(liabilities), net	24,943	21,071	18.4%
Other current assets/(liabilities), net	(53,496)	(67,789)	(21.1%)
Net invested capital	360,922	285,509	26.4%
Group shareholders' equity	213,098	211,403	0.8%
Minority interests	47,923	44,716	7.2%
Shareholders' equity (A)	261,021	256,119	1.9%
Net financial indebtedness (B)	99,901	29,390	239.9%
Total financing sources (A+B)	360,922	285,509	26.4%

Salvatore Ferragamo

Net financial position as of 30 June 2012

(In thousands of Euro)	30 June 2012	31 December 2011	change 2012 - 2011
A. Cash	450	553	(103)
B. Other cash equivalents	59,518	72,924	(13,406)
C. Cash and cash equivalents (A)+(B)	59,968	73,477	(13,509)
Derivatives – non-hedge component	941	2,338	(1,397)
Other financial assets	37	35	2
D. Current financial receivables	978	2,373	(1,395)
E. Current bank payables	115,330	59,394	55,936
F. Derivatives – non-hedge component	94	1,014	(920)
G. Other current financial payables	45,423	44,829	594
H. Current financial debt (E)+(F)+(G)	160,847	105,237	55,610
I. Current financial indebtedness (H)-(C) –(D)	99,901	29,387	70,514
J. Non current bank payables	0	0	-
K. Derivatives – non-hedge component	0	3	(3)
M. Other non current financial payables	0	0	-
N. Non-current financial indebtedness (J)+(K)+(M)	0	3	(3)
O. Net financial indebtedness (I)+(N)	99,901	29,390	70,511



Consolidated statement of cash flows as of 30 June 2012

(In thousands of Euro)	Half-year ended at 30 June	
	2012	2011
Net profit / (loss) for the year	55,909	45,650
Depreciation, amortization and write down of property, plant and equipment, intangible assets and investment properties	16,332	12,894
Net change in deferred taxes	(2,989)	(3,440)
Net change in provision for employee termination indemnities	417	(137)
Loss/(gain) on disposal of tangible and intangible assets	45	72
Share of net loss/(profit) on investments accounted for using the equity method	169	(76)
Other non cash items	(5,979)	368
Net change in net working capital	(47,197)	(14,141)
Net change in other assets and liabilities	(4,309)	(8,286)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	12,398	32,904
Purchase of tangible assets	(22,668)	(11,001)
Purchase of intangible assets	(2,480)	(1,823)
Net change in non current assets and liabilities	(1,126)	(537)
Cash from disposal of tangible and intangible assets	8	39
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(26,266)	(13,322)
Net change in financial receivables	2,666	(285)
Net change in financial payables	54,755	(28,990)
Payment of dividends	(56,139)	(31,402)
Other net changes in shareholders' equity	-	(196)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	1,282	(60,873)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(12,586)	(41,291)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	73,179	132,469
Net increase / (decrease) in cash and cash equivalents	(12,586)	(41,291)
Net effect of translation of foreign currencies	(1,256)	(7,182)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	59,337	83,996