



PRESS RELEASE

**Salvatore Ferragamo S.p.A.:
Board of Directors Approves
the Consolidated Interim Report as of 30 September 2012**

**Positive Results Continue for the Salvatore Ferragamo Group: Nine Months
Revenue up by 18.7% and Pre-tax Profit rose by 18.7 % vs. 2011**

- **Total Revenues: 832.6 million Euros (up by 18.7% compared to 701.3 million Euros at 30 September 2011) with growth slowdown in 3Q (+10.7% vs. 3Q 2011)**
- **EBITDA¹: 157.0 million Euros (up by 18.6% compared to 132.4 million Euros at 30 September 2011)**
- **EBIT: 132.2 million Euros (up by 16.9% compared to 113.1 million Euros at 30 September 2011)**
- **Pre-tax Profit: 130.5 million Euros (up by 18.7% compared to 109.9 million Euros at 30 September 2011)**
- **Net Profit: 84.7 million Euros (up by 8.1% compared to 78.3 million Euros at 30 September 2011), including Minority Interest Profit for 15.0 million Euros**

Firenze, 13 November 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 Interim Report as of 30 September 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 9M 2012

Consolidated Revenue figures

As of 30 September 2012, the Salvatore Ferragamo Group has posted **Total Revenues of 832.6 million Euros** (including -15.7 million Euros of *"hedging impact"*² vs. +7.5 million Euros in 9M 2011), a **18.7% increase at reported exchange rates** (+22.3% excluding the *"hedging impact"*²), over the 701.3 million Euros recorded in the first nine months of 2011, showing significant growth in all geographical areas, product categories and distribution channels. Revenue **growth at constant exchange rate** has been **14.5%**.

The **2-year cumulated growth rate** on 2010 is **51.4%** in the first nine months of 2012.

In **3Q 2012 Total Revenue reached 267.5 million Euros** (including -8.1 million Euros of *"hedging impact"*² vs. +6.5 million Euros in 3Q 2011). The **reported growth**, despite a slowdown vs. the previous quarters, has been **10.7%** (+17.2% excluding the *"hedging impact"*²) and **8.0% at constant exchange rate** vs. 3Q 2011.

Revenues by geographical area³

The **Asia Pacific area** is confirmed as the Group's top market in terms of Revenues, with a **turnover of 297.0 million Euros** (representing 35.6% of total), **up by 19.5%** on the revenues of the first nine months of 2011 (**+6.1% in 3Q 2012**). This performance was achieved also through the substantial contribution of the **retail channel** which **recorded a growth of about 20% in the area**, compared to the same period in 2011, and **over 30% growth in Mainland China**.

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 stores in strategic locations worldwide, recording a **revenue growth of 22.6%** in the nine months of 2012. **In 3Q 2012 growth was 15.7%** over 3Q 2011, confirming the positive trend already registered in the first six months.

A significant contribution to growth also came from **North America**, where **revenue** recorded a **growth of 16.8%** in the nine months of 2012, and **+12.6% at constant exchange rates in 3Q 2012**.

² The *"hedging impact"* is the Revenue adjustment, in the Profit & Loss, for the amounts of the derivatives contracts related to the sales in currencies other than the Euro.

³ Revenues include the *"hedging impact"*.



The **Japanese market** registered a **surge of 9.2% (-0.9% at constant exchange rates)** in 9M 2012, thanks to the favourable trend recorded in **3Q 2012 (+2.0% at constant exchange rates)** and the positive impact of the exchange rates.

Revenues in **Central and South America** also continued the excellent growth trend, registering an **increase of 29,4%** on the nine months of 2011 (**+20.9% in 3Q 2012**).

Revenues by distribution channel⁴

As of 30 September 2012, the Salvatore Ferragamo Group's **Retail network** can count on **332 Directly Operated Stores (DOS)** from 323 at 31 December 2011, while the **Wholesale and Travel retail channel** includes **271 Third Party Operated Stores (TPOS)** from 270 at 31 December 2011.

At 30 September 2012 the **Retail distribution channel posted consolidated Revenues of 532.5 million Euros**, a **15.3% increase** over the 461.9 million Euros posted as of 30 September 2011.

In 3Q 2012 Revenues reached 178.6 million Euros from 160.1 million Euros registered in 3Q 2011, **increasing by 11.6%** and **9.4% at constant exchange rates**.

The growth marks a **8.1% increase at constant exchange rates and perimeter** in the first nine months of 2012 - and a **7.8% increase in 3Q 2012** vs. 3Q 2011 – after the 18.7% growth registered in 9M 2011.

The **Wholesale and Travel retail channel** marked a **25.7% increase**, growing from 228.0 million Euros, recorded over the first nine months of 2011, **to 286.6 million Euros** at 30 September 2012.

In 3Q 2012 Revenues reached 84.2 million Euros from 77.9 million Euros registered in 3Q 2011, **increasing by 8.0%** and **4.3% at constant exchange rates**. The performance is mainly attributable to a slowdown in the Travel Retail channel in the Asia Pacific area and to a different timing in deliveries.

Revenues by product category⁴

All product categories, with the sole exception of Ready to Wear, delivered a marked increase in revenues, above or close to 20%, over the nine months of 2011. Especially worth highlighting, the increased revenues in **footwear (+20.6%)** and in **handbags and leather accessories (+19.6%)**, which together **represent about 75% of Group total turnover**. Strong growth also for the **fragrances (+23.6%)**, thanks to the successful launch of the women fragrance *Signorina*.

⁴ Revenues include the "hedging impact".

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Gross Profit

The **Gross Profit**, amounting to **531.0 million Euros**, recorded a **18.3% growth** and accounts for **63.8% of revenues, broadly stable** over the 64.0% registered in 9M 2011 (showing a **decrease in 3Q 2012** from 64.9% to **64.1%**), mainly due to the negative *“hedging impact”*⁵ and the unfavourable channel mix.

Operating Costs

In 9M 2012 **Operating Costs grew by 18.8%**, including the **40.3% growth in communication expenses** in support of the medium-term business development. In fact, in the first nine months of the year an extraordinary global event has been held at the Louvre Museum in Paris, with the 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. The operating costs’ **incidence on revenues remains stable at 47.9%**, but **decreases to 41.5%** from 42.5% in 9M 2011, **excluding communication expenses**.

Gross Operating Profit (EBITDA)⁶

Gross Operating Profit (EBITDA) increased by 18.6% over the period, from 132.4 million Euros to **157.0 million Euros with a stable incidence on revenues at 18.9%**.

In 3Q 2012 the EBITDA reached 52.2 million Euros from 48.6 million Euros, **increasing by 7.5%** vs. 3Q 2011 (which had already registered a 86.0% increase). Its **incidence on revenues declines** from 20.1% to **19.5%**, mainly due to the decrease in the gross margin.

Operating Profit (EBIT)

Operating Profit (EBIT) grew, over the period, from 113.1 million Euros to **132.2 million Euros**, registering an **increase of +16.9%**, with an **incidence on revenues of 15.9%** vs. 16.1% in 9M 2011.

⁵ The *“hedging impact”* is the Revenue adjustment, in the Profit & Loss, for the amounts of the derivatives contracts related to the sales in currencies other than the Euro.

⁶ 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.



Profit before taxes

The **Profit before taxes**, over the period, **increased by 18.7%** from 109.9 million Euros in 9M 2011 to **130.5 million Euros** and with a **stable incidence on revenues at 15.7%**.

Net Profit for the Period

The **Net Profit for the Period, including the Minority Interest Profit of 15.0 million Euros**, after allocating 45.8 million Euros for income taxes, is **84.7 million Euros**, as compared to 78.3 million Euros in the first nine months of 2011, marking a **8.1% increase**.



Notes to the Balance Sheet for 9M 2012

Net Working Capital⁷

Net Working Capital went from 171.2 million Euros at 30 September 2011 to **214.1 million Euros** at 30 September 2012. This variation (**+25.1%**) is mainly due to the increased turnover and to the improved assortment into stores.

Net Financial Position

The **Net Financial Position** at 30 September 2012 is **64.0 million Euros**, compared to 43.3 million Euros at 30 September 2011, and includes the posting of the actualized financial debt of 45.0 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.

Investments (CAPEX)

Investments (CAPEX) went from 23.5 million Euros at 30 September 2011 to **36.5 million Euros** at 30 September 2012, **growing by 55.7%**, mainly driven by new stores openings, by the enlargement and refurbishment of existing stores, in addition to logistics enhancements and digital projects ("SAP Marlin Project and e-commerce").

⁷ Net working capital is calculated (in accordance with CESR Recommendation 05-054/b of February 10, 2005) as inventories and trade receivables net of trade payables (excluding other current assets and liabilities and other financial assets and liabilities). As net working capital is not an indicator defined by the accounting principles used by our Group, our method of calculating net working capital may not be strictly comparable to that used by other companies.

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The Revenue figures recorded in the first nine months 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 September 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 14 November 2012.

The Results of 9M 2012 will be illustrated today, 13 November 2012, at 6.30 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.

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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 603 single-brand stores as of 30 September 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

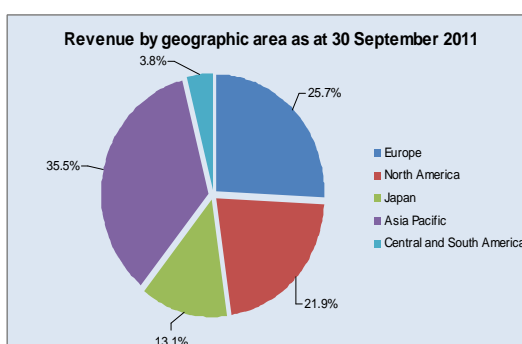
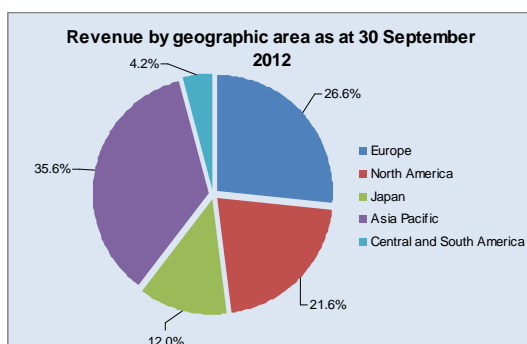
This Press Release is also available on the website <http://group.ferragamo.com>, in the section "Investor Relations".

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On the following pages: a more detailed analysis of revenues, the consolidated income statement, a summary of statement of financial position, the consolidated cash flow statement, and the net financial position of the Salvatore Ferragamo Group at of 30 September 2012.

Revenue by geographic area as of 30 September 2012

(In thousands of Euro)	Period ended at 30 September					at constant
	2012	% on Revenue	2011	% on Revenue	% Change	% Change
Europe	221,322	26.6%	180,562	25.7%	22.6%	21.8%
North America	179,677	21.6%	153,864	21.9%	16.8%	15.2%
Japan	99,974	12.0%	91,558	13.1%	9.2%	(0.9%)
Asia Pacific	297,035	35.6%	248,610	35.5%	19.5%	13.6%
Central and South America	34,560	4.2%	26,706	3.8%	29.4%	26.7%
Total	832,568⁽⁸⁾	100.0%	701,300⁽⁹⁾	100.0%	18.7%	14.5%



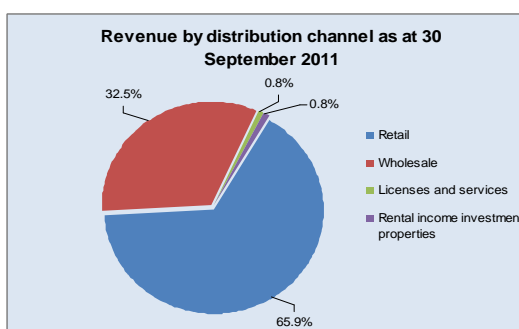
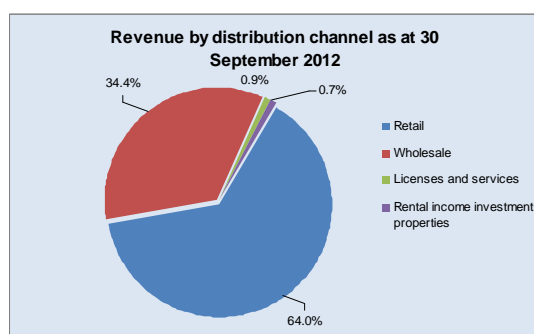
⁸ Including -15.7 million Euros of "hedging impact"

⁹ Including +7.5 million Euros of "hedging impact"

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Revenue by distribution channel as of 30 September 2012

(In thousands of Euro)	Period ended at 30 September					at constant exchange rate	
	2012	% on Revenue	2011	% on Revenue	% Change	% Change	
Retail	532,536	64.0%	461,878	65.9%	15.3%	10.4%	
Wholesale	286,600	34.4%	228,044	32.5%	25.7%	23.0%	
Licenses and services	7,229	0.9%	5,921	0.8%	22.1%	22.1%	
Rental income investment properties	6,203	0.7%	5,457	0.8%	13.7%	3.5%	
Total	832,568⁽¹⁰⁾	100.0%	701,300⁽¹¹⁾	100.0%	18.7%	14.5%	



(In thousands of Euro)	Period ended at 30 September						%Change		%Change at const. exchange rate
	2012			2011			Gross	Net	
	Gross	Hedging Impact	Net	Gross	Hedging Impact	Net			
Retail	544,1	-11,6	532,5	458,9	3,0	461,9	18.6%	15.3%	10.4%
Wholesale	290,7	-4,1	286,6	223,6	4,5	228,0	30.0%	25.7%	23.0%
Licenze e prestazioni	7,2	0,0	7,2	5,9	0,0	5,9	22.1%	22.1%	22.1%
Locazioni immobiliari	6,2	0,0	6,2	55	0,0	5,5	13.7%	13.7%	3.5%
Totale	848,3	-15,7	832,6	693,8	7,5	701,3	22.3%	18.7%	14.5%

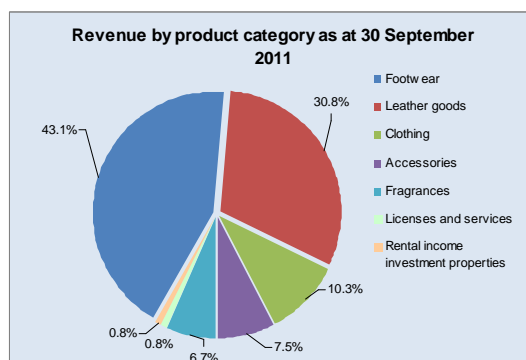
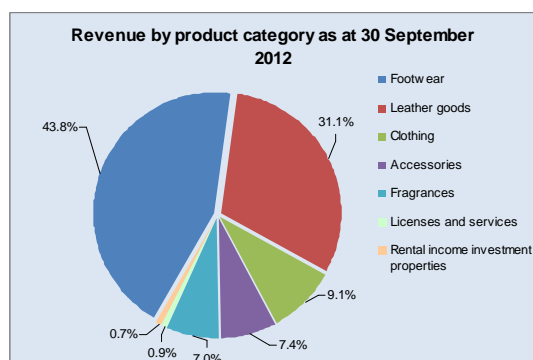
¹⁰ Including -15.7 million Euros of "hedging impact"

¹¹ Including +7.5 million Euros of "hedging impact"

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Revenue by product category as of 30 September 2012

(In thousands of Euro)	Period ended at 30 September				at constant exchange rate	
	2012	% on Revenue	2011	% on Revenue	% Change	% Change
Footwear	364,411	43.8%	302,065	43.1%	20.6%	16.1%
Leather goods	258,523	31.1%	216,106	30.8%	19.6%	15.4%
Clothing	75,972	9.1%	71,888	10.3%	5.7%	1.0%
Accessories	61,854	7.4%	52,633	7.5%	17.5%	13.2%
Fragrances	58,376	7.0%	47,230	6.7%	23.6%	22.6%
Licenses and services	7,229	0.9%	5,921	0.8%	22.1%	22.1%
Rental income investment properties	6,203	0.7%	5,457	0.8%	13.7%	3.5%
Total	832,568⁽¹²⁾	100.0%	701,300⁽¹³⁾	100.0%	18.7%	14.5%



¹² Including -15.7 million Euros of "hedging impact"

¹³ Including +7.5 million Euros of "hedging impact"



Consolidated results for Salvatore Ferragamo Group

Consolidated Income statement as of 30 September 2012

(In thousands of Euro)	Period ended at 30 September				
	2012	% on Revenue	2011	% on Revenue	% change
Revenue from sales and services	826,365	99.3%	695,843	99.2%	18.8%
Rental income investment properties	6,203	0.7%	5,457	0.8%	13.7%
Total revenue	832,568⁽¹⁴⁾	100.0%	701,300⁽¹⁵⁾	100.0%	18.7%
Cost of goods sold	(301,530)	(36.2%)	(252,355)	(36.0%)	19.5%
Gross profit	531,038	63.8%	448,945	64.0%	18.3%
Style, product development and logistics costs	(28,322)	(3.4%)	(24,175)	(3.4%)	17.2%
Sales & distribution costs	(250,757)	(30.1%)	(209,451)	(29.9%)	19.7%
Marketing & communication costs	(53,138)	(6.4%)	(37,870)	(5.4%)	40.3%
General and administrative costs	(65,639)	(7.9%)	(61,627)	(8.8%)	6.5%
Other operating costs	(9,708)	(1.2%)	(10,006)	(1.4%)	(3.0%)
Other income	8,747	1.1%	7,286	1.0%	20.1%
Operating profit	132,221	15.9%	113,102	16.1%	16.9%
Financial charges	(23,487)	(2.8%)	(15,604)	(2.2%)	50.5%
Financial income	21,171	2.5%	11,825	1.7%	79.0%
Share of net profit/(loss) on investments accounted for using the Equity Method	567	0.1%	627	0.1%	(9.6%)
Profit before taxes	130,472	15.7%	109,950	15.7%	18.7%
Income taxes	(45,819)	(5.5%)	(31,630)	(4.5%)	44.9%
Net profit/(loss) for the period	84,653	10.2%	78,320	11.2%	8.1%
Net profit/(loss) - Group	69,632	8.4%	62,748	8.9%	11.0%
Net profit/(loss) - minority interests	15,021	1.8%	15,572	2.2%	(3.5%)
EBITDA	156,992	18.9%	132,411	18.9%	18.6%

¹⁴ Including -15.7 million Euros of "hedging impact"

¹⁵ Including +7.5 million Euros of "hedging impact"



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

(In thousands of Euro)	30 September 2012	31 December 2011	% change
Property, plant and equipment	130,399	120,768	8.0%
Investment property	7,257	7,476	(2.9%)
Intangible assets with definite useful life	18,470	18,051	2.3%
Inventories	259,638	242,564	7.0%
Trade receivables	87,404	97,711	(10.5%)
Trade payables	(132,920)	(154,343)	(13.9%)
Other non current assets/(liabilities), net	20,809	21,071	(1.2%)
Other current assets/(liabilities), net	(48,247)	(67,789)	(28.8%)
Net invested capital	342,810	285,509	20.1%
Group shareholders' equity	229,086	211,403	8.4%
Minority interests	49,749	44,716	11.3%
Shareholders' equity (A)	278,835	256,119	8.9%
Net financial debt (B)	63,975	29,390	117.7%
Total sources of financing (A+B)	342,810	285,509	20.1%



Net financial position as of 30 September 2012

(In thousands of Euro)	30 September 2012	31 December 2011	change 2012 vs 2011
A. Cash	380	553	(173)
B. Other cash equivalents	55,089	72,924	(17,835)
C. Cash and cash equivalents (A)+(B)	55,469	73,477	(18,008)
Derivatives – non-hedge component	735	2,338	(1,603)
Other financial assets	36	35	1
D. Current financial receivables	771	2,373	(1,602)
E. Current bank payables	74,092	59,394	14,698
F. Derivatives – non-hedge component	531	1,014	(483)
G. Other current financial payables	45,592	44,829	763
H. Current financial debt (E)+(F)+(G)	120,215	105,237	14,978
I. Current financial debt, net (H)-(C)-(D)	63,975	29,387	34,588
J. Non current bank payables	-	-	-
K. Derivatives – non-hedge component	-	3	(3)
M. Other non current financial payables	-	-	-
N. Non-current financial debt (J)+(K)+(M)	-	3	(3)
O. Net financial debt (I)+(N)	63,975	29,390	34,585



Consolidated statement of cash flows as of 30 September 2012

(In thousands of Euro)	Period ended at 30 September	
	2012	2011
Net profit / (loss) for the period	84,653	78,320
Depreciation, amortization and write down of property, plant and equipment, intangible assets and investment properties	24,771	19,309
Net change in deferred taxes	(2,414)	(2,177)
Net change in provision for employee termination indemnities	312	567
Loss/(gain) on disposal of tangible and intangible assets	28	179
Share of net (profit)/loss on investments accounted for using the equity method	133	(177)
Other non cash items	(3,168)	2,442
Net change in net working capital	(44,566)	(17,518)
Net change in other assets and liabilities	4,554	(2,680)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	64,303	78,265
Purchase of tangible assets	(32,595)	(20,016)
Purchase of intangible assets	(4,003)	(3,478)
Net change in non current assets and liabilities	(1,674)	(661)
Cash from disposal of tangible and intangible assets	156	435
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(38,116)	(23,720)
Net change in financial receivables	431	(2,493)
Net change in financial payables	14,990	(68,596)
Payment of dividends	(57,908)	(39,526)
Other net changes in shareholders' equity	-	(60)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(42,487)	(110,675)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(16,300)	(56,130)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	73,179	132,469
Net increase / (decrease) in cash and cash equivalents	(16,300)	(56,130)
Effect of exchange rate translation differences	(1,921)	(3,972)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	54,958	72,367