

*Salvatore Ferragamo*

## 1Q 2012 Results Update

Analyst Presentation

May 14, 2012 - 6.30 PM Italian Time



## Disclaimer

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## 1Q 2012 Market Scenario

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- Recent political and financial turmoil, especially in Southern Europe, still characterizing the macro-economic context with different “reactions” from consumers
- Luxury high-end players still outperforming the market
- China representing the growth engine with solid performances both locally and abroad, with significant contribution from 2<sup>nd</sup> and 3<sup>rd</sup> tier cities
- Korea and Taiwan markets going through a slow-down phase
- Japan still flattish and “not easy to read”
- US market “health” better than expected

# 1Q 2012 Key Facts

- 8 consecutive quarters of over 20% revenues growth for the Company
- Asia Pacific solidly confirmed as #1 Market (with China RTL growing 36% vs. 1Q'11)
- Europe outperformance (+28%) mainly fuelled by travellers in top cities and “emerging European markets”
- +17% RTL growth, despite temporary closures of key locations (NY flag., London, Munich, Cannes, Seoul, HK) for renovation and enlargement
- Resilient L-f-L retail growth (+10%) in 1Q totalling +36% on a 2-year cumulated basis
- Outstanding WHL (+37%) boosted by Chinese Sub-franchisees, Travel Retail, US Dept. Stores, former USSR markets and Fragrances



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# FINANCIALS

## 1Q 2012 Highlights

(Euro MM)			1Q		Δ %
	2012	%	2011	%	
Total revenue	259,6	100,0%	210,4	100,0%	23,4%
Gross profit	163,1	62,8%	129,9	61,7%	25,6%
Total operating costs	(133,0)	-51,2%	(108,9)	-51,8%	22,1%
EBIT	30,1	11,6%	21,0	10,0%	43,3%
Net income	17,0	6,6%	15,5	7,4%	10,2%
EBITDA	38,2	14,7%	27,3	13,0%	39,6%
Net debt	(22,0)		(47,5)		-53,7%

<i>USD</i>	1,31	1,37
<i>JPY</i>	103,99	112,57

## 1Q 2012 Revenues By Region

(Euro MM)	1Q				1Q	
	2012	2011	Δ %	Δ % Const FX	Weight on Tot 2012	Weight on Tot 2011
Europe	69,8	54,6	27,8%	26,7%	26,9%	26,0%
North America	52,8	44,9	17,6%	16,6%	20,4%	21,4%
Japan	30,3	27,6	9,9%	-0,3%	11,7%	13,1%
Asia Pacific	96,4	75,8	27,3%	21,5%	37,1%	36,0%
Latin America	10,3	7,5	37,1%	32,6%	4,0%	3,6%
<b>Total</b>	<b>259,6</b>	<b>210,4</b>	<b>23,4%</b>	<b>19,1%</b>	<b>100,0%</b>	<b>100,0%</b>

## 1Q 2012 Revenues By Distribution Channel

(Euro MM)	1Q				1Q	
	2012	2011	Δ %	Δ % Const FX	Weight on Tot 2012	Weight on Tot 2011
Retail	160,2	137,1	16,9%	11,8%	61,7%	65,2%
Wholesale	95,5	69,8	36,8%	34,3%	36,8%	33,2%
Licences	1,9	1,7	14,0%	14,0%	0,7%	0,8%
Rental income	2,0	1,8	9,5%	4,9%	0,8%	0,9%
<b>Total</b>	<b>259,6</b>	<b>210,4</b>	<b>23,4%</b>	<b>19,1%</b>	<b>100,0%</b>	<b>100,0%</b>



## 1Q 2012 Revenues By Product

(Euro MM)	1Q				1Q	
	2012	2011	Δ %	Δ % Const FX	Weight on Tot 2012	Weight on Tot 2011
Shoes	110,9	87,9	26,2%	21,7%	42,7%	41,8%
Leather goods & handbags	80,0	64,4	24,3%	19,7%	30,8%	30,6%
RTW	25,7	23,3	10,3%	5,3%	9,9%	11,1%
Silk & other accessories	19,0	16,5	14,9%	10,5%	7,3%	7,9%
Fragrances	20,1	14,8	35,7%	35,1%	7,7%	7,0%
Licences	1,9	1,7	14,0%	14,0%	0,7%	0,8%
Rental income	2,0	1,8	9,5%	4,9%	0,8%	0,9%
<b>Total</b>	<b>259,6</b>	<b>210,4</b>	<b>23,4%</b>	<b>19,1%</b>	<b>100,0%</b>	<b>100,0%</b>

## 1Q 2012 P&L

(Euro MM)	1Q				
	2012	%	2011	%	Δ %
<b>Total revenue</b>	<b>259,6</b>	<b>100,0%</b>	<b>210,4</b>	<b>100,0%</b>	<b>23,4%</b>
Cost of goods sold	(96,5)	-37,2%	(80,5)	-38,3%	20,0%
<b>Gross profit</b>	<b>163,1</b>	<b>62,8%</b>	<b>129,9</b>	<b>61,7%</b>	<b>25,6%</b>
Total operating costs	(133,0)	-51,2%	(108,9)	-51,8%	22,1%
<b>EBIT</b>	<b>30,1</b>	<b>11,6%</b>	<b>21,0</b>	<b>10,0%</b>	<b>43,3%</b>
Financial income (expenses)	(1,4)	-0,5%	(5,0)	-2,4%	-72,0%
Companies valued with the Equity Method	0,2	0,1%	0,2	0,1%	3,6%
<b>EBT</b>	<b>29,0</b>	<b>11,2%</b>	<b>16,2</b>	<b>7,7%</b>	<b>78,6%</b>
Taxes	(11,9)	-4,6%	(0,8)	-0,4%	nm
<b>Net income</b>	<b>17,0</b>	<b>6,6%</b>	<b>15,5</b>	<b>7,4%</b>	<b>10,2%</b>
Group net income	12,0	4,6%	12,1	5,8%	-0,7%
Income to minorities	5,0	1,9%	3,4	1,6%	49,4%
<b>EBITDA</b>	<b>38,2</b>	<b>14,7%</b>	<b>27,3</b>	<b>13,0%</b>	<b>39,6%</b>

## 1Q 2012 Balance Sheet

(Euro MM)	1Q 12	1Q 11	Δ %	FY 11	Δ %
Tangible assets	124,3	109,8	13,2%	128,2	-3,1%
Intangible assets	17,2	14,6	17,8%	18,1	-4,9%
Financial assets	1,6	1,4	18,8%	1,4	17,1%
<b>Fixed assets</b>	<b>143,1</b>	<b>125,8</b>	<b>13,8%</b>	<b>147,7</b>	<b>-3,1%</b>
Inventory	261,6	188,6	38,7%	242,6	7,9%
Trade receivables	94,4	71,4	32,2%	97,7	-3,4%
Trade payables	(167,3)	(121,8)	37,3%	(154,3)	8,4%
<b>Operating working capital</b>	<b>188,7</b>	<b>138,2</b>	<b>36,5%</b>	<b>185,9</b>	<b>1,5%</b>
Other assets (liabilities)	(16,6)	(30,8)	-46,2%	(23,3)	-28,9%
Severance indemnity	(10,7)	(9,2)	16,6%	(10,7)	0,2%
Risk funds	(16,0)	(4,9)	nm	(14,1)	13,0%
<b>Net invested capital</b>	<b>288,6</b>	<b>219,1</b>	<b>31,7%</b>	<b>285,5</b>	<b>1,1%</b>
<b>Shareholders' equity (A)</b>	<b>266,6</b>	<b>171,6</b>	<b>55,4%</b>	<b>256,1</b>	<b>4,1%</b>
Group equity	225,1	147,1	53,0%	211,4	6,5%
Minority interest	41,5	24,4	69,9%	44,7	-7,2%
Current financial liabilities	(110,2)	(117,1)	-5,9%	(105,2)	4,7%
Non current financial liabilities	–	(39,3)	nm	(0,0)	nm
Cash & equivalents	88,2	108,9	-19,0%	75,8	16,2%
<b>Net debt (B)</b>	<b>(22,0)</b>	<b>(47,5)</b>	<b>-53,7%</b>	<b>(29,4)</b>	<b>-25,1%</b>
<b>Financial sources (A-B)</b>	<b>288,6</b>	<b>219,1</b>	<b>31,7%</b>	<b>285,5</b>	<b>1,1%</b>