



PRESS RELEASE

Salvatore Ferragamo S.p.A.

**The Board of Directors Approves
the Consolidated Interim Report as of 30 September 2014**

Growth Continues for the Salvatore Ferragamo Group:

Nine Months Revenue +5%, Gross Operating Profit (EBITDA¹) +6%, Operating Profit (EBIT) +4% vs. 2013

- **Revenues: 957 million Euros (+5% vs. 915 million Euros at 30 September 2013)**
- **EBITDA¹: 203 million Euros (+6% vs. 192 million Euros at 30 September 2013)**
- **EBIT: 169 million Euros (+4% vs. 162 million Euros at 30 September 2013)**
- **Net Profit: 114 million Euros (including 4 million Euros of Minority Interest), vs. 120 million Euros that, at 30 September 2013, included ca. 13 million Euros capital gain deriving from the disposal of the participation in Zefer; excluding the capital gain the Net Profit increased 6%**
- **Group Net Profit: 110 million Euros vs. 112 million Euros at 30 September 2013, +10% excluding the capital gain from the disposal of the participation in Zefer**

Florence, 13 November 2014 – 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 2014**, drafted according to IAS/IFRS international accounting principles (“non-audited”).

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 2014

Consolidated Revenue figures

As of 30 September 2014, the Group has posted **Total Revenue of 957 million Euros, with a 5% increase at current exchange rates**, over the 915 million Euros recorded in 9M 2013 (that had already increased 10% vs. 9M 2012). **Revenues growth at constant exchange rates² has been 6%**.

In **3Q 2014** the **Total Revenue grew 3%, both at current and constant exchange rates**, from 290 million Euros to **298 million Euros**.

Hereafter the variations in Revenues are calculated at constant exchange rates, unless differently indicated.

Revenues by geographical area³

The **Asia Pacific** area is confirmed as the Group's top market in terms of Revenues, further **increasing by 5%** in 9M 2014 **and by 3% in 3Q** (over the 13% increase already registered in 3Q 2013). A major contribution came, once more, from the **retail channel in China**, that recorded a **Revenue growth 16%** in the first nine months of the year.

Europe posted an **increase** in Revenues **of 7%** in 9M 2014 **and 3% in 3Q**, penalized by both the ongoing geopolitical tensions, which negatively impacted the global tourist flows, and by the enduring difficult economic situation.

North America recorded a Revenue **increase of 7%** in the first nine months of 2014 **and of 5% in 3Q**.

The **Japanese market increased 3%** in 9M 2014 **(-4% in 3Q)**.

Revenues in the **Central and South America** marked an **increase of 12%** in 9M 2014, with an **decrease of 7% in 3Q**, mainly due to the hard comparison base (+35% in 3Q 2013).

² Revenues at "constant exchange rates" are calculated by applying to the Revenue of the first nine months 2013, not including the "hedging effect", the average exchange rate of the first nine months 2014.

³ The variations in Revenues are calculated at constant exchange rates, unless differently indicated.

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Revenues by distribution channel⁴

As of 30 September 2014, the **Group's Retail network** could count on **362 Directly Operated Stores (DOS)**, while the **Wholesale and Travel Retail channel** included **275 Third Party Operated Stores (TPOS)**, as well as presence in Department Stores and high-level multi-brand Specialty Stores.

In 9M 2014 the **Retail distribution channel** posted consolidated Revenues **up by 4% (+2% in 3Q)**, marking a ca. **2% increase at constant exchange rates and perimeter (like-for-like)**.

The **Wholesale and Travel Retail channel** marked a **10% increase** in 9M 2014 and **4% increase** in 3Q.

Revenues by product category⁴

Among the product categories, it is especially worth highlighting the increase of **handbags and leather accessories (+13%)** and of **footwear (+5%)**, which together represent **over 78% of the Group total turnover**.

Gross Profit

In 9M 2014 the **Gross Profit increased by 4%**, reaching **603 million Euros**, with a **stable incidence on Revenues of 63.1%** (63.2% in 9M 2013). In 3Q the **Gross Profit incidence on Revenues** moved from 63.6% of 3Q 2013 to **63.7%**.

Operating Costs

In 9M 2014 **Operating Costs grew by 4%**, reaching **435 million Euros**, with a **stable incidence on Revenues of 45.4%**.

⁴ The variations in Revenues are calculated at constant exchange rates, unless differently indicated.

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Gross Operating Profit (EBITDA)⁵

The **Gross Operating Profit (EBITDA)** increased 6%, reaching **203 million Euros** in 9M 2014, from 192 million Euros of 9M 2013, with an **incidence on Revenues of 21.2%** from 21.0% of 9M 2013. **In 3Q 2014** the EBITDA was **about stable (-0.4%) at 60 million Euros** vs. 3Q 2013 (that had already registered a 16% increase), **with an incidence on Revenues of 20.2%** from 20.8% of 3Q 2013.

Operating Profit (EBIT)

The **Operating Profit (EBIT)** increased, over the period, from 162 million Euros in 9M 2013 to **169 million Euros (+4%)**, with a stable **incidence on Revenues of 17.6%** (from 17.4% to **16.2% in 3Q 2014**).

Profit before taxes

The **Profit before taxes**, over the period, moved to **165 million Euros** from 168 million Euros in 9M 2013, that included ca. 13 million Euros capital gain deriving from the disposal of the participation in ZeFer; **excluding the capital gain** the Profit before taxes **increased by 6%**

Net Profit for the Period

The **Net Profit for the period**, including a Minority Interest of 4 million Euros, reached **114 million Euros**, marking a 5% decrease vs. 9M 2013, but **increasing by 6% excluding the capital gain**, deriving from the disposal of the participation in ZeFer, from the result of the first nine months of 2013.

The **Group Net Profit** reached **110 million Euros**, as compared to 112 million Euros in 9M 2013, down 3%, but **increasing 10% excluding the capital gain** deriving from the disposal of the participation in ZeFer.

⁵ 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 9M 2014

Net Working Capital⁶

The **Net Working Capital** went to **292 million Euros, increasing by 31%** from 221 million Euros at 30 September 2013 and, in particular, the Inventory went to 348 million Euros from 286 million Euros.

Investments (CAPEX)

Investments (CAPEX) reached **51 million Euros** at 30 September 2014 (+7% vs. 9M 2013) and amounted to **17 million Euros in 3Q**, mainly attributable to the new stores, the enlargement and refurbishment of existing key locations, in addition to continuing logistics enhancements and digital projects (Marlin Project and E-commerce).

Net Financial Position

The **Net Financial Debt** at 30 September 2014 went to **58 million Euros**, after a dividend distribution of 67 million Euros in May 2014, compared to 35 million Euros at 30 September 2013, with a significant operating cash generation in 3Q 2014 (79 million Euros, +14% vs. 3Q 2013).

⁶ 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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Despite the uncertainty of the market general conditions, reasonable projections justify, for the fourth quarter 2014, expectations of growth at least in line with the first nine months.

The Company's Board of Directors also approved, in line with the recommendation of the *Internal Control Committee*, exclusively composed by independent directors, the review of the "Related Party Transactions Procedure" (the "Procedure").

The Procedure is available to the public at the registered office and on the Company's website at <http://group.ferragamo.com>, in the section "Governance/Corporate Governance/Procedures".

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 Interim Report as of 30 September 2014, approved by the Board of Directors on 13 November 2014, will be available to anyone requesting it at the headquarters of the Company, Via Tornabuoni nr. 2, and can also be consulted in the "Investor Relations/Financial Documents" section of the Salvatore Ferragamo Group's website <http://group.ferragamo.com> from 14 November 2014.

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The Results of 9M 2014 will be illustrated today, 13 November 2014, 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 Sp.A.

Salvatore Ferragamo Sp.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 3,800 employees and a network of over 630 mono-brand stores as of 30 September 2013, the Ferragamo Group operates in Italy and worldwide through companies that allow it to be a leader on 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".

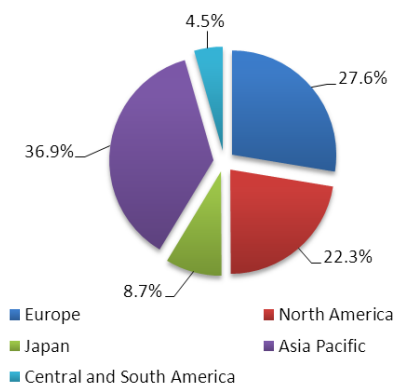
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On the following pages: a more detailed analysis of Revenues, the consolidated income statement, a summary of statement of financial position, the consolidated cash flow statement, and the net financial position of the Salvatore Ferragamo Group as of 30 September 2014.

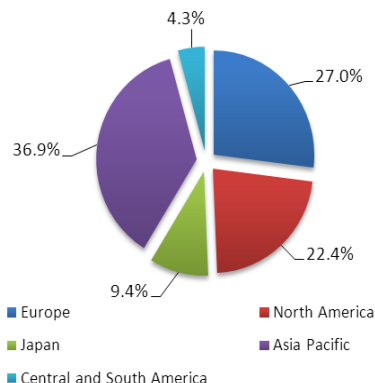
Revenue by geographic area as of 30 September 2014

(In thousands of Euro)	Period ended at 30 September					at constant exchange rate
	2014	% on Revenue	2013	% on Revenue	% Change	% Change
Europe	264,036	27.6%	246,714	27.0%	7.0%	6.9%
North America	213,490	22.3%	204,509	22.4%	4.4%	6.7%
Japan	83,546	8.7%	86,655	9.4%	(3.6%)	3.0%
Asia Pacific	352,980	36.9%	337,496	36.9%	4.6%	5.0%
Central and South America	42,535	4.5%	39,441	4.3%	7.8%	11.9%
Total	956,587	100.0%	914,815	100.0%	4.6%	6.0%

Revenue by geographic area as at 30 September 2014



Revenue by geographic area as at 30 September 2013

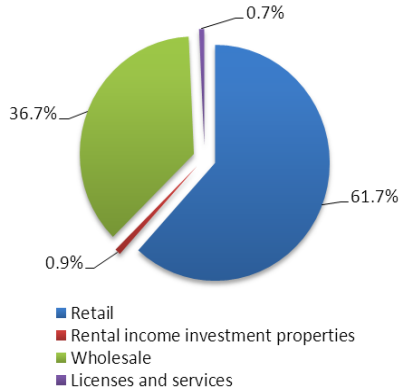


Revenue by distribution channel as of 30 September 2014

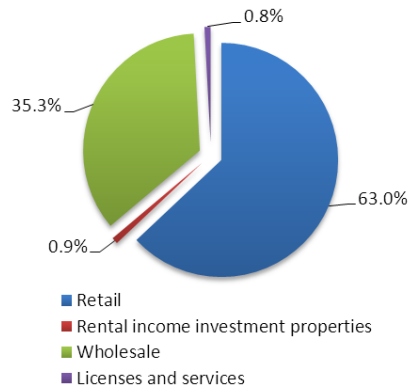
(In thousands of Euro)	Period ended at 30 September					at constant exchange rate
	2014	% on Revenue	2013	% on Revenue	% Change	% Change
Retail	590,381	61.7%	576,126	63.0%	2.5%	4.1%
Wholesale	351,071	36.7%	322,943	35.3%	8.7%	9.8%
Licenses and services	7,073	0.7%	7,745	0.8%	(8.7%)	(8.7%)
Rental income investment properties	8,062	0.9%	8,001	0.9%	0.8%	3.6%
Total	956,587	100.0%	914,815	100.0%	4.6%	6.0%

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Revenue by distribution channel
as at 30 September 2014



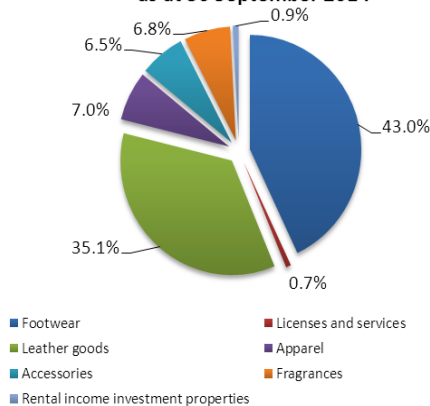
Revenue by distribution channel
as at 30 September 2013



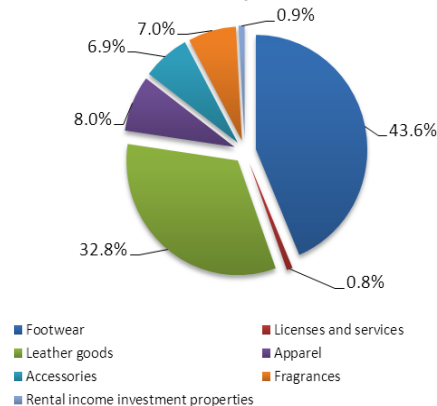
Revenue by product category as of 30 September 2014

(In thousands of Euro)	Period ended at 30 September				at constant exchange rate	
	2014	% on Revenue	2013	% on Revenue	% Change	% Change
Footwear	411,286	43.0%	399,217	43.6%	3.0%	4.6%
Leather goods	335,835	35.1%	300,329	32.8%	11.8%	13.3%
Apparel	66,943	7.0%	72,814	8.0%	(8.1%)	(6.1%)
Accessories	62,675	6.5%	62,669	6.9%	0.0%	1.5%
Fragrances	64,713	6.8%	64,040	7.0%	1.1%	1.1%
Licenses and services	7,073	0.7%	7,745	0.8%	(8.7%)	(8.7%)
Rental income investment properties	8,062	0.9%	8,001	0.9%	0.8%	3.6%
Total	956,587	100.0%	914,815	100.0%	4.6%	6.0%

Revenue by product category
as at 30 September 2014



Revenue by product category
as at 30 September 2013





Consolidated results for Salvatore Ferragamo Group

Consolidated income statement as of 30 September 2014

(In thousands of Euro)	Period ended at 30 September				
	2014	% on Revenue	2013	% on Revenue	% change
Revenue from sales and services	948,525	99.1%	906,814	99.1%	4.6%
Rental income investment properties	8,062	0.9%	8,001	0.9%	0.8%
Revenues	956,587	100.0%	914,815	100.0%	4.6%
Cost of goods sold	(353,150)	(36.9%)	(336,452)	(36.8%)	5.0%
Gross profit	603,437	63.1%	578,363	63.2%	4.3%
Style, product development and logistics costs	(31,858)	(3.3%)	(32,092)	(3.5%)	(0.7%)
Sales & distribution costs	(277,452)	(29.0%)	(260,835)	(28.5%)	6.4%
Marketing & communication costs	(49,192)	(5.1%)	(54,329)	(5.9%)	(9.5%)
General and administrative costs	(70,955)	(7.4%)	(68,756)	(7.5%)	3.2%
Other operating costs	(11,787)	(1.2%)	(8,708)	(1.0%)	35.4%
Other income	6,599	0.7%	8,509	0.9%	(22.4%)
Operating profit	168,792	17.6%	162,152	17.7%	4.1%
Financial charges	(22,159)	(2.3%)	(25,067)	(2.7%)	(11.6%)
Financial income	17,990	1.9%	30,480	3.3%	(41.0%)
Profit before taxes	164,623	17.2%	167,565	18.3%	(1.8%)
Income taxes	(50,803)	(5.3%)	(47,986)	(5.2%)	5.9%
Net profit/(loss) for the period	113,820	11.9%	119,579	13.1%	(4.8%)
Net profit/(loss) - Group	109,522	11.4%	112,366	12.3%	(2.5%)
Net profit/(loss) - minority interests	4,298	0.4%	7,213	0.8%	(40.4%)
EBITDA(*)	203,168	21.2%	191,826	21.0%	5.9%

(*) 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 2014

(In thousands of Euro)	30 September 2014	31 December 2013	% change
Property, plant and equipment	193,850	168,398	15.1%
Investment property	6,845	6,455	6.0%
Intangible assets with definite useful life	26,320	26,090	0.9%
Inventories	347,689	290,705	19.6%
Trade receivables	114,010	121,408	(6.1%)
Trade payables	(169,312)	(202,752)	(16.5%)
Other non current assets/(liabilities), net	50,036	35,093	42.6%
Other current assets/(liabilities), net	(53,856)	(13,029)	313.4%
Net invested capital	515,582	432,368	19.2%
Group shareholders' equity	418,776	365,465	14.6%
Minority interests	38,651	34,305	12.7%
Shareholders' equity (A)	457,427	399,770	14.4%
Net financial debt (B) (1)	58,155	32,598	78.4%
Total sources of financing (A+B)	515,582	432,368	19.2%

(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 CESR's Recommendation on alternative performance measures 05-178/b of 3 November 2005 "Recommendations of Cesr on alternative performance measures".

Net financial position as of 30 September 2014

(In thousands of Euro)	30 September 2014	31 December 2013	change 2014 vs 2013
A. Cash	602	848	(246)
B. Other cash equivalents	67,281	69,460	(2,179)
C. Cash and cash equivalents (A)+(B)	67,883	70,308	(2,425)
Derivatives – non-hedge component	2,082	1,928	154
Other financial assets	-	-	0
D. Current financial receivables	2,082	1,928	154
E. Current bank payables	116,349	100,052	16,297
F. Derivatives – non-hedge component	69	867	(798)
G. Other current financial payables	4,252	3,915	337
H. Current financial debt (E)+(F)+(G)	120,670	104,834	15,836
I. Current financial debt, net (H)-(C)-(D)	50,705	32,598	18,107
J. Non current bank payables	7,450	-	7,450
K. Derivatives – non-hedge component	-	-	-
M. Other non current financial payables	-	-	-
N. Non-current financial debt (J)+(K)+(M)	7,450	-	7,450
O. Net financial debt (I)+(N)	58,155	32,598	25,557



Consolidated statement of cash flows as of 30 September 2014

(In thousands of Euro)	Period ended at 30 September	
	2014	2013
Net profit / (loss) for the period	113,820	119,579
Depreciation, amortization and write down of property, plant and equipment, intangible assets and investment properties	34,376	29,674
Net change in deferred taxes	(6,392)	(5,907)
Net change in provision for employee benefit plans	72	(594)
Loss/(gain) on disposal of tangible and intangible assets	651	253
Other non cash items	2,284	(11,453)
Net change in net working capital	(49,492)	(19,926)
Net change in other assets and liabilities	7,542	5,124
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	102,861	116,750
Purchase of tangible assets	(45,828)	(41,023)
Purchase of intangible assets	(5,015)	(6,298)
Net change in non current assets and liabilities	(1,846)	(2,986)
Proceeds from the sale of tangible and intangible assets	98	57
Proceeds from the sale of Investments in associated and jointly controlled companies	-	13,855
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(52,591)	(36,395)
Net change in financial receivables	(12)	543
Net change in financial payables	16,361	(71,098)
Payment of dividends	(69,151)	(61,384)
Purchase of minority interests in companies consolidated on a line-by line basis	-	(1,087)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(52,802)	(133,026)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,532)	(52,671)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	70,292	110,808
Net increase / (decrease) in cash and cash equivalents	(2,532)	(52,671)
Net effect of translation of foreign currencies	122	3,711
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	67,882	61,848