Salvatore Ferragamo Group

Consolidated interim report as at 30 September 2012

Salvatore Ferragamo S.p.A.

Palazzo Feroni
Florence

Contents

General information

Registered office of the Parent company

Salvatore Ferragamo S.p.A.
Via Tornabuoni 2
50123 Florence

Legal information about the Parent company

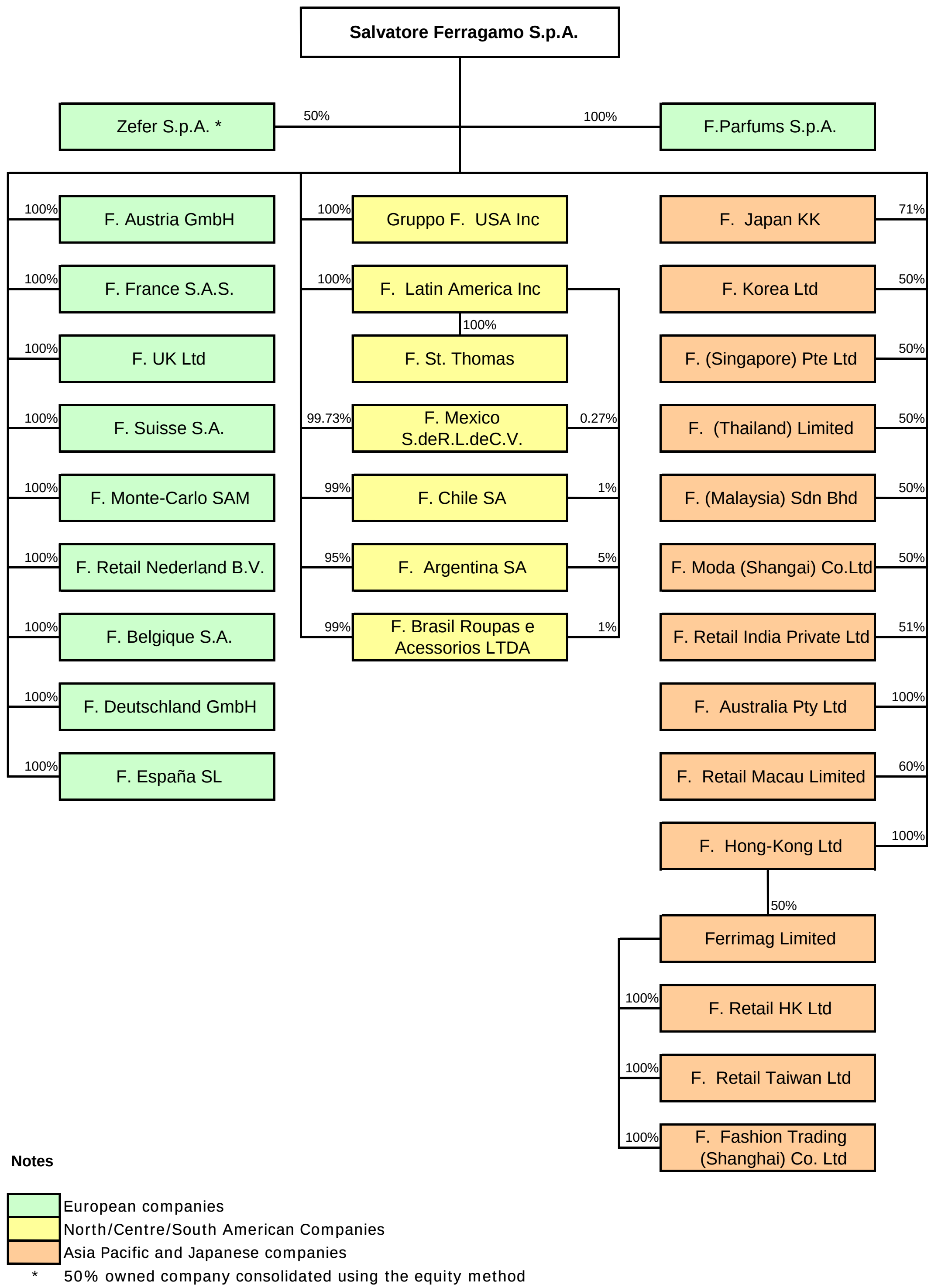
Authorized share capital 16,891,000 Euro
Subscribed and paid-up share capital 16,841,000 Euro
Tax code and Florence Company Register no.: 02175200480
Registered with the Florence Chamber of Commerce under REA (Economic and Administrative Register) no. 464724
Corporate website www.group.ferragamo.com

Corporate boards

Honorary Chairman (1)	Wanda Miletti Ferragamo	
Board of Directors (1)	Ferruccio Ferragamo (4)	Chairman
	Michele Norsa (4)	Managing Director
	Giovanna Ferragamo (5)	Deputy Chairman
	Fulvia Ferragamo (5)	
	Leonardo Ferragamo (5)	
	Francesco Caretti (5)	
	Raffaela Pedani (5)	
	Diego Paternò Castello di San Giuliano (5)	
	Peter Woo Kwong Ching (5)	
	Umberto Tombari (5)(6)	
	Marzio Saà (5)(6)	
	Piero Antinori (5)(6)	
Control and Risk Committee (1)	Marzio Saà	Chairman
	Piero Antinori	
	Umberto Tombari	
Nomination and Remuneration Committee (1)	Umberto Tombari	Chairman
	Piero Antinori	
	Marzio Saà	
Board of Statutory Auditors (2)	Mario Alberto Galeotti Flori	Chairman
	Gerolamo Gavazzi	Acting Statutory Auditor
	Fulvio Favini	Acting Statutory Auditor
	Deborah Sassorossi	Substitute Statutory Auditor
	Guido Alberto Gonnelli	Substitute Statutory Auditor
Independent Auditors (3)	Reconta Ernst & Young S.p.A.	
Manager responsible for corporate financial reporting	Ernesto Greco	

(1) Appointed by the shareholders' meeting on 26 April 2012 and serving for the 2012-2014 period
(2) Appointed by the shareholders' meeting on 30 March 2011 and 28 April 2011 and serving for the 2011-2013 period
(3) Appointed for the 2011-2019 period
(4) Executive director
(5) Non-executive director
(6) Independent director pursuant to art. 148, paragraph 3 of the Consolidated Law on Finance and the Code of Conduct

Group structure



Disclaimer

This document contains forward-looking statements, in particular in the sections headed "Outlook" and "Significant events occurred after 30 September 2012" relating to future events and the operating, income and financial results of the Salvatore Ferragamo Group. These statements are based on the Group's current expectations and forecasts regarding future events and, by their nature, involve risks and uncertainties since they refer to events and depend on circumstances which may, or may not, happen or occur in the future and, as such, they must not be unduly relied upon. The actual results could differ significantly from those contained in these statements due to a variety of factors, including the volatility and deterioration in the performance of securities and financial markets, changes in raw material prices, changes in macroeconomic conditions and in economic growth and other changes in business conditions, in the legal and institutional framework (both in Italy and abroad), and many other factors, most of which are beyond the Group's control.

Interim Directors' report on operations

Introduction

The market in which the Group operates is characterized by seasonal events that are typical of the retail and wholesale sales and which determine an uneven monthly breakdown in the sales flow and in operating costs. Therefore, it is important to remember that income statement results for the first nine months of the year cannot be considered as proportional to the year as a whole. The figures are affected by seasonal events also in terms of equity and financial position.

The Group's activities

The Group is active in the creation, production and sale of luxury goods for men and women: footwear, leather goods, clothing, silk goods, other accessories, fragrances and jewels. The product range also includes eyewear and watches manufactured under license by third parties. The product range stands out for its uniqueness which is the result of the combination of creative and innovative style with the quality and craftsmanship that are the hallmark of luxury goods made in Italy. The Ferragamo Group carries out product sales mainly through a network of Salvatore Ferragamo monobrand stores, managed both directly (DOS) or by third parties, and, alongside this network, also through a presence in department stores and multibrand specialty stores.
As for the fragrances product category, which involves the creation, development and production (completely outsourced) of fragrances and related products under the Ferragamo brand and, on license, the Ungaro brand, sales are handled by Group distributors and third parties which serve a network of selected multibrand stores belonging to the specific fragrances channel. The Group's activities also include the licensing of the Ferragamo brand, property management and technical consultancy in relation to the 50/50 joint venture with the Zegna Group.

Results for the first nine months of 2012

The consolidated net revenues of the Ferragamo Group rose in the first nine months of 2012 by 18.7% compared to the prior-year period, although affected by a negative amount of 15,692 thousand Euro arising from the recognition in the income statement, as an adjustment to revenues, of hedge derivative contracts on sales in currencies other than the Euro (hedging impact) against a positive value of 7,462 thousand Euro in the

prior-year period. Excluding this impact, the growth in revenues between the two periods was 22.3%.
The world-class quality of its product range, based on "Made in Italy" excellence, together with the extensive distribution network also in countries with the highest sales growth rates in the luxury sector, contributed to achieve these results.
The increase in sales volumes, together with the stable value of gross profit as a percentage of revenues and a rise in operating costs in line with the growth in revenues, resulted in a rise in both operating profit (16.9%) and net profit for the period (8.1%).

The growth in net revenues and operating profit as at 30 September 2012 is even more striking if the strong growth trend achieved over the last three years, as shown in the following table, is taken into account:

(In millions of Euro)	Period ended 30 September			% change 09.12 vs. 09.10	% change 09.12 vs. 09.11	% change 09.11 vs. 09.10
	2012	2011	2010			
Revenues	832.6	701.3	549.8	51.4%	18.7%	27.6%
Operating profit	132.2	113.1	58.6	125.6%	16.9%	93.0%

Operating performance

In the first nine months of the 2012 significant sales and positive income results were achieved compared to those recorded in the prior-year period.
It should be noted that such results have been achieved despite renewed and significant uncertainty perceived at macroeconomic level as from the last quarter of 2011 and some markets have been experiencing a gradual deterioration in the economic situation. In particular, note should be taken of the situation of European countries which, owing to high budget deficits and high levels of sovereign debt, have increased taxation with a consequent negative impact on consumption.
In addition, the economic recovery in America is still less robust than previously forecast and there is no solid recovery in Japan either. The Chinese market too, above all since the start of the summer, has shown signs of a slowdown in its economic cycle, also influenced by the forthcoming change in the political leadership of the country.

The table below shows the main income statement indicators together with the net financial position.

(In thousands of Euro)	Period ended 30 September				
	2012	% of revenues	2011	% of revenues	% change
Total revenues	832,568	100.0%	701,300	100.0%	18.7%
Total gross profit	531,038	63.8%	448,945	64.0%	18.3%
EBITDA*	156,992	18.9%	132,411	18.9%	18.6%
Total operating costs (net of other income)	(398,817)	(47.9%)	(335,843)	(47.9%)	18.8%
Operating profit	132,221	15.9%	113,102	16.1%	16.9%
Net profit/(loss) for the period	84,653	10.2%	78,320	11.2%	8.1%
Cash flow generated from operations	64,303		78,265		(17.8%)

(In thousands of Euro)	30 September 2012	30 September 2011	31 December 2011
Net financial debt	63,975	43,293	29,390

(*) EBITDA is operating profit before amortization and depreciation and write-downs of tangible/intangible assets. EBITDA so defined is a parameter used by the company's management to monitor and assess the company's 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.

Revenues from sales and services in the first nine months of 2012 totaled 832,568 thousand Euro compared to 701,300 thousand Euro in the first nine months of 2011, up by 18.7%. Revenues, on a constant exchange rate basis (applying to revenues for the first nine months of 2011 the average exchange rate of the first nine months of 2012), recorded a total increase of 14.5%. In the first nine months of 2012 revenues were affected by a negative amount of 15,692 thousand Euro arising from the recognition in the income statement, as an adjustment to revenues, of hedge derivative contracts on sales in currencies other than the Euro (hedging impact) compared to a positive amount of 7,462 thousand Euro in the prior-year period. Excluding this impact, growth in revenues was 22.3%.
With reference to the third quarter of 2012 only, revenues from sales amounted to 267,461 thousand Euro, up by 10.7% compared to the prior year quarter. In the third quarter of 2012 the hedging impact was negative at 8,074 thousand Euro compared to a positive amount of 6,463 thousand Euro in the third quarter of the previous year.

The two currencies, besides the Euro, in which most Group revenues are generated, the US dollar and the Japanese yen, performed as follows in the first nine months of 2012 compared to the prior year period: appreciation of the US dollar by 8.9% ([1]) and of the Japanese yen by 10.2% ([2]) against the Euro, i.e. the currency in which the figures in the interim report are expressed.

The number of directly operated stores rose from 317 as at 30 September 2011 to 332 as at 30 September 2012.

Gross profit for the period ended 30 September 2012 was 531,038 thousand Euro compared to 448,945 thousand Euro in the prior year period, up by 18.3% mainly due to the increase in sales revenues.
Gross profit for the period ended 30 September 2012 reached 63.8% compared to 64.0% in the previous year period and was negatively affected by the increased importance of the wholesale channel. In the third quarter of 2012 gross profit totaled 171,495 thousand Euro (64.1% compared to 64.9% in the third quarter of 2011), also as a consequence of a negative geographic mix.

Total operating costs (net of other income) rose by 18.8% for the first nine months of 2012 compared to the first nine months of 2011; their ratio to revenues stood at 47.9%, unchanged from the previous year period. There was a sharp increase in communication and marketing costs which rose from 37,870 thousand Euro to 53,138 thousand Euro (+40.3%). In the third quarter of 2012 total net operating costs rose from 114,595 thousand Euro to 127,692 thousand Euro (+11.4%).

The improvement in revenues and largely unchanged gross profit resulted in a broadly unchanged impact of EBITDA and operating profit on revenues compared to the previous year period (18.9% and 15.9% as at 30 September 2012, 18.9% and 16.1% as at 30 September 2011). With reference to the third quarter of 2012 only, EBITDA

[1] With reference to the average Euro/US$ exchange rate in the first 9 months of 2011: 1.406; first 9 months of 2012: 1.281
[2] With reference to the average Euro/Yen exchange rate in the first 9 months of 2011: 113.2; first 9 months of 2012: 101.6

amounted to 52,242 thousand Euro compared to 48,614 thousand Euro in the third quarter of 2011, up by 7.5%.

Operating profit for the period ended 30 September 2012 was 132,221 thousand Euro compared to 113,102 thousand Euro for the period ended 30 September 2011, up by 16.9%. With reference to the third quarter of 2012 only, operating profit amounted to 43,803 thousand Euro compared to 42,199 thousand Euro in the third quarter of 2011 (+3.8%).

The estimated effective tax rate for the first nine months of 2012 was 35.1% and was affected, compared to the prior year period, by previous years income taxes for a net amount of 6,283 thousand Euro recognized in the income statement in relation to the assessment with acceptance between the Parent company and the Italian tax authorities, as set out in detail in the section *"Significant events occurred during the first nine months of 2012"*. Net of this effect, the estimated effective tax rate would have been 30.3%, compared to the prior year period rate of 28.8%.

In the first nine months of 2012 the Group achieved net profit of 84,653 thousand Euro compared to 78,320 thousand Euro in the previous year period, up by 8.1%. The Group share of net profit amounted to 69,632 thousand Euro compared to 62,748 thousand Euro in the prior year period, up by 11%. In the third quarter of 2012 net profit totaled 28,744 thousand Euro compared to 32,670 thousand Euro in the third quarter of 2011, affected by net financial charges/income relating to the third quarter of 2012 (financial income of 3,534 thousand Euro in the third quarter of 2011 and financial charges of 1,654 thousand Euro in the third quarter of 2012). The total negative impact of 5,188 thousand Euro was mainly due to exchange rate differences concerning receivables and payables in foreign currency. In the third quarter of 2012, Group net profit amounted to 24,830 thousand Euro compared to 26,604 thousand Euro in the third quarter of 2011.

As at 30 September 2012 net financial debt amounted to 63,975 thousand Euro (22.9% of consolidated shareholders' equity), net of the payment of dividends totaling 57,908 thousand Euro and the recognition of discounted financial payables amounting to 40,961 thousand Euro (40,136 thousand Euro as at 31 December 2011), relating to the signing on 28 February 2011 with Imaginex Holding Limited and Imaginex Overseas Limited of a contract to buy a further 25% of Ferrimag Limited, 25% of Ferragamo Moda Shanghai Co. Limited and 15.2% of Ferragamo Retail Macau Limited. The total price has already been established at 41,235 thousand Euro and shall be paid in a single amount on 1 January 2013, as set out in detail in the section "Significant events occurred during the year" of the 2011 Consolidated Annual Report. As at 31 December 2011 net debt amounted to 29,390 thousand Euro, equal to 11.5% of consolidated shareholders' equity. Compared to 30 June 2012 net financial debt fell by 35,926 thousand Euro, falling from 99,901 thousand Euro to 63,975 thousand Euro.

Effect of exchange rate changes on operations

The Group has a strong presence on international markets, including through commercial companies located in countries which use currencies other than the Euro, mainly the US dollar and the Japanese yen. Therefore, the Group is exposed both to settlement and translation risk.

The Euro, which had already weakened considerably in the final months of 2011 against the main currencies, started the year at 1.2935 against the US dollar and 99.52 against the yen. It then regained ground in the first half of 2012, with the currency trading in a range mainly between 1.30 and 1.35 against the US dollar and around 110 against the Japanese yen. Exchange rates peaked in March and April. High levels of risk aversion, following the uncertainty relating to the outcome of the Greek elections and the possible systemic effects on the whole area and the difficulties of the Spanish banking system, increased in the following months and led as from May to a rapid depreciation of the Euro to 1.25 and 98 against the US dollar and the Japanese yen. In the final week of July the exchange rate reached the lowest levels against the US dollar at around 1.2050 and against the yen at around 94.

At its September meeting the ECB announced its plan to buy Government bonds on the secondary market (Outright Monetary Transactions), with the stated intent of offsetting the distorting effects on transmission mechanisms of monetary policy due to the high risk premiums that the market was requesting for some European countries. During the same month, the Federal Reserve launched its quantitative easing program based on non-conventional models, i.e. the purchase of securities for 40 billion US dollars per month for an indefinite period. These measures restored market confidence and led to a rebalancing of key investors’ portfolios, including sovereign funds and central banks, in favor of the Euro, to which they had been underweighted. This resulted in a sudden appreciation in the exchange rate of the Euro against the US dollar, as it returned to maximum levels over 1.30. The exchange rate of the Euro against the Japanese Yen was more stable and, after peaking at around 104, it stabilized around 100.

In the next months the trend in the Euro exchange rate will continue to be determined by the strategies for the management of the European sovereign debt crisis and expectations about the economic policy decisions which will be taken by the main central banks.

Income performance

Here below are the income figures for the periods ended 30 September 2012 and 30 September 2011. These data show that operating profit, up from 113,102 thousand Euro to 132,221 thousand Euro, was achieved thanks to the increase in revenues and broadly unchanged gross profit (over 63%), while the ratio of operating costs to revenues was unchanged at 47.9%.

(In thousands of Euro)	Period ended 30 September				
	2012	% of revenues	2011	% of revenues	% change
Revenues 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%
Revenues	**832,568**	100.0%	**701,300**	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 and revenues	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%**

Earnings per share are shown later at the foot of the consolidated income statement, to which reference should be made.

Here below is a restatement of the income statement data to show the trend in EBITDA(*).

(In thousands of Euro)	Period ended 30 September				
	2012	% of revenues	2011	% of revenues	% change
Revenues	832,568	100.0%	701,300	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%**
Other income and revenues	8,747	1.1%	7,286	1.0%	20.1%
Total operating costs	(407,564)	(49.0%)	(343,129)	(48.9%)	18.8%
Operating profit	**132,221**	**15.9%**	**113,102**	**16.1%**	**16.9%**
Amortization, depreciation and write-downs of tangible/intangible assets	24,771	3.0%	19,309	2.8%	28.3%
EBITDA (*)	**156,992**	**18.9%**	**132,411**	**18.9%**	**18.6%**

(*) EBITDA is operating profit before amortization and depreciation and write-downs of tangible/intangible assets. EBITDA so defined is a parameter used by the company's management to monitor and assess the company's 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.

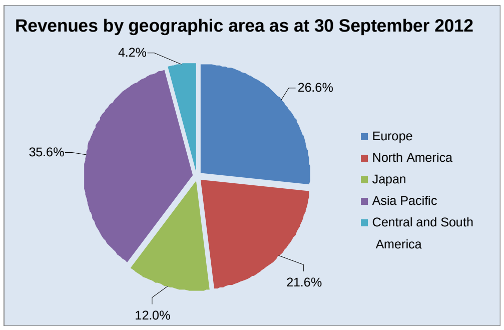
EBITDA as a percentage of revenues was unchanged at 18.9% compared to the first nine months of 2011.

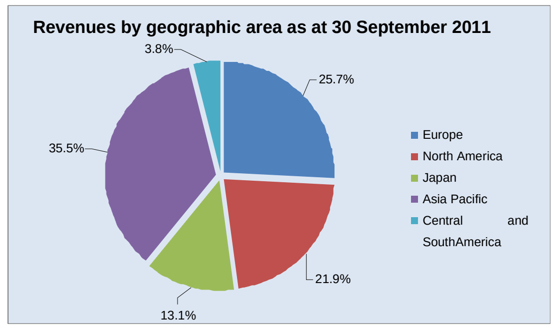
Sales performance

Revenues

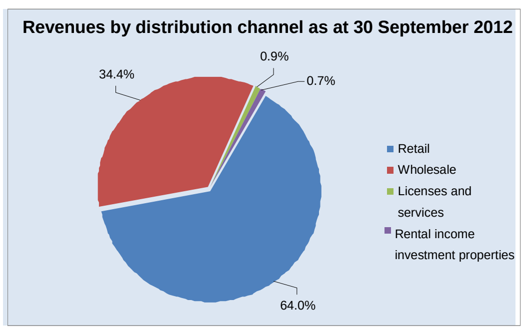
In the first nine months of 2012 consolidated revenues from sales, services and rental income on investment property reached 832,568 thousand Euro compared to 701,300 thousand Euro in the previous year period, and can be broken down by geographic area, distribution channel and product category as detailed below.

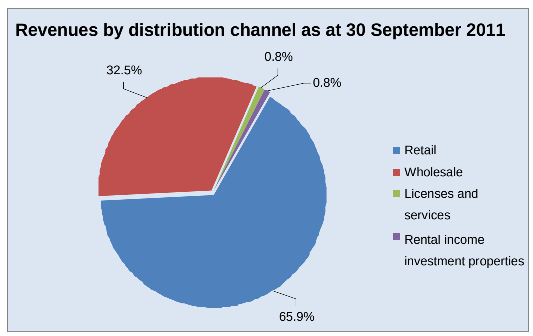
Revenues by geographic area as at 30 September 2012 and 30 September 2011



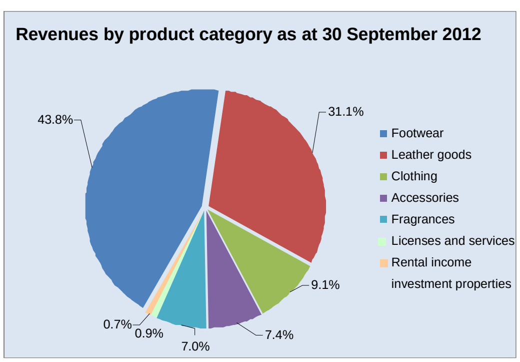


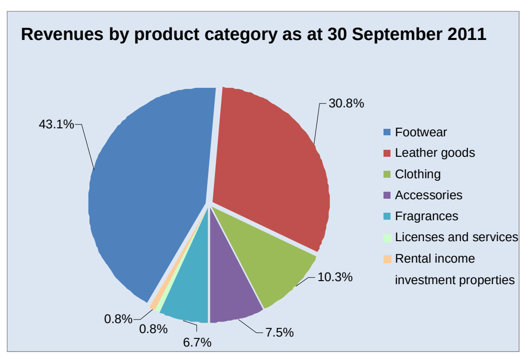
Revenues by distribution channel as at 30 September 2012 and 30 September 2011





Revenues by product category as at 30 September 2012 e 30 September 2011





The following table shows sales by geographic area, their ratio to total revenues and the percentage change for the periods ended at 30 September 2012 and 30 September 2011:

(In thousands of Euro)	Period ended 30 September					at constant exchange rates
	2012	% of revenues	2011	% of revenues	% 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**	**100.0%**	**701,300**	**100.0%**	**18.7%**	**14.5%**

The growth in revenues was mainly due to organic growth and the opening of new directly operated stores.

With the sole exception of Japan, all the markets continued to record double-digit increases in revenues both at current and constant exchange rates.
Europe saw an increase in revenues of 22.6% at current exchange rates, bringing the ratio to total revenues from 25.7% to 26.6%, also thanks to the positive trend in sales to tourists.

The North American market saw an increase in revenues of 16.8% at current exchange rates (15.2% at constant exchange rates), thanks also to the marked improvement in the wholesale channel.

In Japan revenues increased by 9.2% at current exchange rates and were mainly stable at constant exchange rates (slight fall of 0.9%).

The Asia Pacific region recorded once again the highest growth (48,425 thousand Euro, equal to 19.5% at current exchange rates and 13.6% at constant exchange rates) and accounted for 35.6% of total revenues.

The Central and South American market saw a sharp increase in revenues (29.4% at current exchange rates and 26.7% at constant exchange rates) and accounted for 4.2% of total revenues.

Sales by distribution channel can be broken down as follows:

(In thousands of Euro)	Period ended 30 September					at constant exchange rates
	2012	% of revenues	2011	% of revenues	% 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**	**100.0%**	**701,300**	**100.0%**	**18.7%**	**14.5%**

Retail sales refer to revenues generated by sales in directly operated stores.

Wholesale sales are targeted mainly at retailers and, to a lesser extent, at distributors. Wholesale customers consist of:

- franchisees, which ensure the presence on markets which are still not sufficiently large or developed to justify a direct retail presence, for example in some areas of the People's Republic of China;
- stores opened inside airports (travel retail/duty free);
- specific operators in the fragrances sector;
- department stores and luxury specialist retailers, in order to strengthen the presence in countries where the Group has its own network of directly operated stores; the business in the United States is of particular importance.

Licenses and services mainly refer to revenues for the licensing of the Ferragamo brand that was granted to the Marchon Group in the eyewear sector and to the Timex Group in the watch sector. In addition, it includes the fees for technical consultancy rendered to the company Zefer S.p.A.

Rental income investment properties refer solely to property located in the United States and leased/sub-leased to third parties.

<u>Retail</u>

During the first nine months of 2012 retail sales rose by 15.3% at current exchange rates and 10.4% at constant exchange rates thanks to the increase in sales in primary direct stores channel, in particular in Asia Pacific with an increase of 19.2% at current exchange rates and 12.7% at constant exchange rates. In the first nine months of 2012 these sales were affected by a negative amount of 11,592 thousand Euro arising from the recognition in the income statement, as an adjustment to revenues, of hedge derivative contracts on sales in currencies other than the Euro (hedging impact) compared to a positive amount of 3,000 thousand Euro in the prior-year period. Excluding this impact, the growth in revenues was 18.6%.

During the first nine months of 2012 the number of directly operated stores rose by 9 units compared to the situation as at 31 December 2011. Compared to 30 September 2011 there was a net increase in the number of directly operated stores of 15 units.

<u>Wholesale</u>

The wholesale channel rose by 25.7% at current exchange rates and 23.0% at constant exchange rates. In particular, the European market grew by 33.7% and the North American market by 23.9% at current exchange rates and by 22.2% at constant exchange rates. In the first nine months of 2012 these sales were affected by a negative amount of 4,100 thousand Euro arising from the recognition in the income statement, as an adjustment to revenues, of hedge derivative contracts on sales in currencies other than the Euro (hedging impact) compared to a positive amount of 4,462 thousand Euro in the prior-year period. Excluding this impact, the growth in revenues was 30.0%.

Licenses and services

Revenues from licenses and services in the first nine months of 2012 rose by 22.1% compared to the previous year period; the license assessment mechanism is proportional to the revenues earned by the licensee and therefore licenses were positively affected by the general increase in demand.

Rental income investment properties

Revenues from rental income investment properties refer solely to property located in the United States and leased/sub-leased to third parties; the item increased by 13.7% at current exchange rates and by 3.5% at constant exchange rates.

Here below is a breakdown of revenues from sales and services which shows the contribution and growth by product category for the periods ended 30 September 2012 and 30 September 2011.

(In thousands of Euro)	**Period ended 30 September**					**at constant exchange rates**
	2012	**% of revenues**	**2011**	**% of revenues**	**% 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**	**100.0%**	**701,300**	**100.0%**	**18.7%**	**14.5%**

All the product categories, with the sole exception of clothing, saw double-digit percentage growth in revenues both at current exchange rates and at constant exchange rates compared to the previous year period. In particular, note should be taken of the positive trend in footwear which rose by 20.6% at current exchange rates (16.1% at constant exchange rates). Significant increases were also recorded by revenues from fragrances (23.6% at current exchange rates) and leather goods (19.6% at current exchange rates and 15.4% at constant exchange rates).

Investment and financial operations

Here below is the statement of financial position as at 30 September 2012 reclassified by sources and uses, compared to the position as at 31 December 2011:

(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 a finite 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) (1)	**63,975**	**29,390**	**117.7%**
Total sources of financing (A+B)	**342,810**	**285,509**	**20.1%**

(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.

Investments

During the period ended 30 September 2012, the Group made investments in tangible and intangible assets for a total amount of 36,598 thousand Euro, of which 32,595 thousand Euro in tangible assets and 4,003 thousand Euro in intangible assets, compared to a total of 23,494 thousand Euro in the first nine months of 2011.

The most significant investments concerned the opening and restructuring of stores (around 77% of total tangible assets) and the so-called "Marlin Project", aimed at standardizing the Group's retail information systems (around 45% of total intangible assets). During the period ended 30 September 2012, the Group did not make any investments in financial assets.
Amortization and depreciation amounted to 24,771 thousand Euro as at 30 September 2012 and 19,309 thousand Euro as at 30 September 2011.

Investments in tangible assets under construction mainly concerned the refurbishment and opening of new stores and showrooms, while the main investments in intangible assets were represented mainly by the so-called "Marlin Project", aimed at standardizing the Group's retail information systems.

Net financial debt as at 30 September 2012 and 31 December 2011 was as follows:

(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 payables	-	-	-
N. Non current financial debt (J)+(K)+(M)	**-**	**3**	**(3)**
O. Net financial debt (I)+(N)	**63,975**	**29,390**	**34,585**

Significant events occurred during the first nine months of 2012

By means of a deed dated 19 April 2012, which was registered on 25 April 2012, Ferragamo Brasil Roupas e Acessorios Ltda. was incorporated with an initial share capital of 1,000.00 Brazilian Real (around 400.00 Euro) divided into 1,000 shares, with a nominal value of 1.00 Brazilian Real each, subscribed for 99.0% by Salvatore Ferragamo S.p.A. (990 shares) and 1.0% by Ferragamo Latin America Inc. (10 shares). On 26 July 2012 the Brazilian company Ferragamo Brasil Roupas e Acessorios Ltda. resolved to increase its share capital from 1,000 Real to 715,000 Real (288 thousand Euro), subscribed for 99.0% by the Parent company, following the resolution of the Board of Directors of 11 July 2012, and for the remaining 1.0% by Ferragamo Latin America Inc. The company was incorporated with a view to the Group's potential direct presence on the Brazilian market.

In June 2012 the liquidation of Ferragamo Parfums S.A. was completed and the company was excluded from consolidation.

Appointment of corporate boards

On 26 April 2012 the Shareholders' Meeting of the Parent company Salvatore Ferragamo SpA appointed the Company's Board of Directors for the 2012-2014 period and confirmed Ms. Wanda Miletti Ferragamo as the Company's Honorary Chairman for the same period.

On the same date the Board of Directors confirmed the appointment of Ferruccio Ferragamo as Chairman, Giovanna Ferragamo as Deputy Chairman and Michele Norsa as Managing Director assigning the related powers, and also approved the establishment of the Control and Risk Committee and the Nomination and Remuneration Committee, both consisting of the independent directors Piero Antinori, Marzio Saà and Umberto Tombari.

Approval of the 2012-2014 Stock Grant Plan

On 26 April 2012 the Shareholders' Meeting approved a Stock Grant Plan for the three-year period 2012-2013-2014, concerning the allocation to the top management of the Ferragamo Group of the right to receive free of charge a maximum of 500,000 ordinary

shares of the company subject to the achievement of set performance conditions at the end of the 2012-2013-2014 period, and transferred to the Board of Directors all the powers needed for implementation of the plan. At the same time a resolution was approved to set up a specific profit reserve relating to the free increase in share capital in order to service the aforementioned Plan.
Therefore, the extraordinary shareholders' meeting approved the free share capital increase as an instrument to implement the 2012 Stock Grant Plan, pursuant to article 2349 of the Italian Civil Code, in tranches, for a nominal maximum amount of 50,000 Euro, corresponding to a maximum number of 500,000 ordinary shares of the company with a nominal value of 0.10 Euro each, to be issued by the Board of Directors in a single tranche, within the timeframes and pursuant to the terms provided for by the Plan.
On 26 April 2012 the Board of Directors identified 14 beneficiaries of the Plan and determined the rights assigned to them for a total of 440,000 ordinary shares.

Tax dispute

With reference to the tax audit carried out on the Parent company Salvatore Ferragamo S.p.A. by agents of the Florence Tax Police from 6 October 2010 to 17 October 2011 and the assessment notices relating to the 2006 tax year received on 27 December 2011, reference should be made to the detailed analysis included in the Directors' Report on operations as at 31 December 2011 and the Half-year report as at 30 June 2012. In particular, it should be recalled that on 17 February 2012 the Company, in order to see its reasons against these notices acknowledged, submitted petitions for assessment with acceptance in order to verify the possibility of reaching an out-of-court settlement of the tax claims and sanctions issued by tax authorities, in relation both to 2006 and to the other years subject to tax audit.
This out-of-court settlement was reached on 16 May 2012 concerning the enforceability of the so-called CFC provisions with regard to the subsidiary Ferragamo Hong Kong Limited for the years from 2006 to 2009, by means of an assessment with acceptance (for 2006) and the acceptance of three summons to appear (for the years 2007, 2008 and 2009), in which the Financial administration recognized the validity of many objections raised by the Company against the grounds for the related assessment notice, first of all that which requested the non-application of the administrative sanctions. This agreement does not imply acceptance of the grounds of the Financial administration's claims, either in terms of personal responsibility or the purely objective aspect. In particular, the Company is certain that it has always run its business correctly and in good faith, as proven by the non-application of administrative sanctions. Nonetheless, an assessment with acceptance was deemed appropriate, which is based on an assessment of economic nature and business efficiency, in particular to eliminate the risk of facing a long and costly tax dispute.
The agreement reached entails the payment of 13.6 million Euro (for taxes and interest as at 31 May 2012) in 12 quarterly installments, and has the legal effect of making distributable – without Italian taxes being applied – the retained earnings set aside by Ferragamo Hong Kong in relation to the years covered by the assessment with acceptance, for a total amount of around 59.9 million US dollars.
The economic impact on the result for the period amounted to 7.6 million Euro, considering the allocation to the provision for previous years income taxes of 6 million Euro recorded in 2011.
As regards the alleged omitted withholding taxes on fees for artistic and independent services provided to the Company by non-resident subjects, the Company complied with the notice relating to 2006 and to the order applying the related sanctions, paying a total amount of 88,208 thousand Euro. Regarding the withholding taxes, whose omission was

challenged for 2007, 2008 and 2009, proceedings were started; for details reference should be made to the section “Significant events occurred after 30 September 2012”.

On 26 April 2012 Salvatore Ferragamo S.p.A. received an assessment notice from the Municipality of Sesto Fiorentino, claiming higher property tax (ICI - for 2007), with sanctions and interest, for a total of 90 thousand Euro. The amount claimed relates to building areas which, as from 2008, are no longer owned by the Company. The notice contains material errors and, in addition, does not match the value of the property subject to the assessment which was determined by the Municipality of Sesto Fiorentino for the previous tax years. On 12 June 2012 the Company, in order to see its reasons acknowledged, submitted petitions for assessment with acceptance. For details on the outcome, reference should be made to the section “Significant events occurred after 30 September 2012”.

As regards the tax audit carried out on Ferragamo France S.A.S., relating to the tax years 2008-2010 that was started in 2011, and which was referred to in the Directors’ Report as at 31 December 2011 and in the Half-year Report as at 30 June 2012, it should be noted that the audit ended with the notification of an initial adjustment proposal. This does not include challenges to accounting procedures and ordinary taxation, but it challenges the transfer price policy adopted between the Parent company and Ferragamo France S.A.S. French law envisages complex proceedings between the tax authorities and the taxpayer, which started with the notification and which could last some years. Since, as already pointed out, the outcomes of these proceedings are not foreseeable at this initial stage, it is not possible to make estimates regarding any tax liabilities arising from the audit.

Other information

Dividends

In order to implement the resolution of the Shareholders’ Meeting of 26 April 2012, the Parent company Salvatore Ferragamo S.p.A. arranged to pay shareholders a single dividend of 0.28 Euro per share, relating to the profit for 2011, for a total amount of 47,154,800 Euro, with coupon detachment on 21 May 2012 and payment of the dividend as from 24 May.
Moreover, other Group companies, in the first nine months of 2012, paid third-party shareholders dividends amounting to 10,753 thousand Euro.

Financial reporting and Investor relations

Salvatore Ferragamo, in order to maintain constant dialogue with its Shareholders, potential investors and financial analysts and in compliance with the recommendation of CONSOB, has set up the Investor Relations function which ensures continuous information exchange between the Group and financial markets.
Financial data, corporate presentations, interim reports, official press releases and updates in real time on the share price are available on the Group’s website www.ferragamo.com in the Investor Relations section.

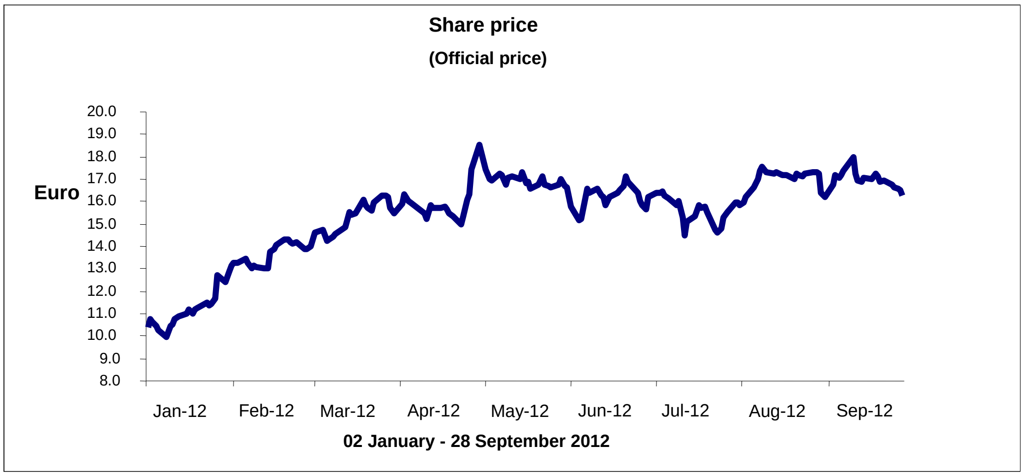
It should be noted that, pursuant to art. 3 of CONSOB Resolution no. 18079 of 20 January 2012, Salvatore Ferragamo S.p.A. adopted the opt-out regime provided for by articles 70, paragraph 8, and 71, paragraph 1-bis of CONSOB Reg. no. 11971/99 (as subsequently integrated and amended), making use of the option of exempting itself from the obligation to disclose information documents concerning significant mergers and demergers, share capital increases through non-monetary contributions, acquisitions and disposals.

Stakes in the Company

As at 30 September 2012 Ferragamo Finanziaria S.p.A. held a majority stake in the share capital of Salvatore Ferragamo S.p.A. equal to 57.748% ([3]).

Main Stock Market indicators – Salvatore Ferragamo S.p.A.

Official price as at 29 September 2012: 16.29392 Euro
Stock Market capitalization as at 30 September 2012: 2,744,059,067.20 Euro
As at 30 September 2012 share capital consisted of 168,410,000 shares, of which 42,095,397 outstanding (free float 25%)



Treasury shares and shares or stakes in parent companies

It should be noted that the Group does not hold directly or indirectly treasury shares or shares in parent companies and that during the period it did not buy or sell treasury shares or shares in parent companies.

Non recurring costs and revenues

In the first nine months of 2012 the Group did not incur any non recurring costs and no non recurring revenues and income were recorded.

Staff

Here below is the Group's staff divided by category as at 30 September 2012 and 31 December 2011.

Average staff	30 September 2012	31 December 2011
Top managers, middle managers and store managers	569	568
White collars	2,503	2,315
Blue collars	203	242
TOTAL	**3,275**	**3,125**

[3] As per the last Spafid recording of 30 September 2012.

Significant events occurred after 30 September 2012

With reference to the tax audit carried out on the Parent company Salvatore Ferragamo S.p.A. by agents of the Florence Tax Police from 6 October 2010 to 17 October 2011, and in particular regarding the withholding taxes, whose omission has been challenged for 2007, 2008 and 2009, the Company received three different notices to appear from the Regional Tax Office, in which the reasons put forward by the Company during the proceedings were partially acknowledged. On 23 October 2012 the Company declared acceptance of these notices pursuant to art. 5 of Legislative Decree no. 218/1997 and so benefited from a reduction to 1/6 of the applicable sanctions. The Regional Tax Office also notified the Company of three different orders imposing sanctions concerning failure to pay, which by law cannot be reduced or made part of a settlement.
This agreement does not imply acceptance of the grounds of the tax authorities. Nevertheless, following an assessment of cost-effectiveness and business efficiency, in particular to eliminate the risk of facing a long and costly tax dispute, it was deemed appropriate to accept the notices and consequently accept the orders imposing sanctions.
This implies the total payment of 1.6 million Euro (for taxes, sanctions and interest as at 23 October 2012), of which 1.3 million Euro was paid on 30 October 2012 and the remainder shall be paid by 22 December 2012.

As for the assessment with acceptance relating to the property tax (ICI) for 2007, on 2 November 2012 the Parent company reached an agreement with the Municipality of Sesto Fiorentino which entails the obligation to pay around 31 thousand Euro (for tax, sanctions and interest).

Outlook

Industrial activity and, more generally, the global economic situation remain depressed and during the third quarter, especially in the luxury goods sector, this resulted in a certain slowdown in purchases by customers. The financial crisis in Europe and its impact on growth, the uncertainty over fiscal policy in the United States (the so-called fiscal cliff) and the slowdown in emerging countries and especially in China, are the main drivers of this trend. During the summer very expansive monetary policies were announced, with the activation of non-conventional intervention models both by the Federal Reserve (Quantitative Easing) and by the ECB (Outright Monetary Transactions), while the Bank of Japan enhanced its financing program for the economic system through the acquisition of financial assets.
In the United States recovery continues, albeit at a slower rate compared to the average levels of the last three years, and is characterized by modest growth in domestic demand in the private sector and risks of a reduction in foreign demand. The recent improvement in the real estate sector should result in an increase in household wealth and so, encourage spending. GDP should grow by 2.1% over the year as a whole, with downside risks in the final part of the year. An acceleration will probably be seen during 2013, if the new Congress manages to agree a credible fiscal reform.
2012 continues to be a positive year for the Japanese economy, with growth which should be around 2%, largely driven by reconstruction work. However, the third quarter started weakly, with a simultaneous fall in industrial production and retail sales. The risks of an economic downturn remain high, starting from the final quarter of the current year.
The macroeconomic data show a longer and deeper slowdown in the Chinese economy than was forecast, thus putting at risk the achievement of the minimum GDP growth

target of 7.5%. The Government's response will be on a large scale, above all through the implementation of infrastructure investment plans.
The growth in emerging countries was slower than expected. The reason for the cutting of growth forecasts for major markets such as Brazil and India in coming months is the simultaneous fall in domestic demand and foreign trade. The slowdown in advanced economies will also limit the expansion of economies with higher growth rates due to the fall in demand. The geopolitical tensions in North Africa and the Middle East could amplify this trend through a possible oil price shock.
The Ferragamo Group enjoys a favorable and balanced geographic distribution and effective product diversification; these characteristics and the positive results achieved in the first three quarters of the year suggest that, provided that no negative events occur which currently cannot be foreseen, there will be a further increase in both sales volumes and profits for the whole of 2012 too.

Basis of presentation

The Group's interim report as at 30 September 2012 and comparable periods has been prepared pursuant to article 154-ter, paragraph 5, of the Consolidated Law on Finance (*Testo Unico della Finanza* – TUF) introduced by Legislative Decree 195/2007 in implementation of directive 2004/109/EC.
The interim report was approved by the Board of Directors of Salvatore Ferragamo S.p.A. on 13 November 2012 and on the same date the Board authorized its disclosure.

Consolidation area

During the first nine months of 2012 the composition of the Group saw the following changes:

- in April 2012 Ferragamo Brasil Roupas e Acessorios Ltda was set up; it is 99% owned by Salvatore Ferragamo S.p.A. and the remaining 1% is held by Ferragamo Latin America Inc;
- in June 2012 the liquidation of Ferragamo Parfums S.A. was completed and the company was excluded from consolidation.

Accounting principles

The equity, income and financial data as at 30 September 2012 have been prepared according to the International Accounting Standards (IAS), the International Financial Reporting Standards (IFRS), and the related interpretations issued by the International Accounting Standards Board (IASB) and adopted by the European Union, in force at the end of the reporting period.
In preparing the interim report the same accounting standards have been applied as adopted in drawing up the 2011 Consolidated Annual Report.
The procedures used for making estimates and assumptions are the same as those used in preparing the annual report.

Discretionary valuations and significant accounting estimates

The preparation of the consolidated interim report required the use of estimates and assumptions based on the best possible assessment.
If, in the future, these estimates and assumptions should differ from actual circumstances, they will be changed in the relevant period.

- Impairment/Restatement of Property, plant and equipment, Investment property, Intangible assets with a finite useful life, Investments

The book value of Property, plant and equipment, Investment property, Intangible assets with a finite useful life, and Investments is subject to impairment testing when there are indicators of impairment which require an immediate assessment of impairment, or when events have occurred which require the procedure to be repeated. As at 30 September 2012 no indicators of impairment emerged from the analyses carried out.

- *Taxes*

The tax burden relating to interim periods is determined using the tax rate which would be applicable to the forecast annual total profit, i.e. the estimated annual average of the effective tax rate applied to the pre-tax profit of the interim period.

The exchange rates used to determine the value in Euro of subsidiaries' reports expressed in foreign currency were (to 1 Euro) as follows:

	Average rates		Exchange rates at the end of the reporting period		
	30 September 2012	30 September 2011	30 September 2012	31 December 2011	30 September 2011
US Dollar	1.28082	1.40648	1.2930	1.29390	1.35030
Swiss Franc	1.20437	1.23370	1.2099	1.21560	1.21700
Japanese Yen	101.61486	113.19247	100.3700	100.20000	103.79000
Pound Sterling	0.812030	0.87140	0.7980	0.83530	0.86665
Australian Dollar	1.23813	1.35398	1.2396	1.27230	1.38740
South Korean Won	1,458.79	1,540.69	1,439.33	1,498.69	1,594.92
Hong Kong Dollar	9.9381	10.95175	10.0258	10.05100	10.52130
Mexican Peso	16.9437	16.92734	16.6086	18.05120	18.59360
New Taiwanese Dollar	38.0463	40.92664	37.88611	39.19400	41.04181
Singapore Dollar	1.61212	1.75354	1.5848	1.68190	1.75890
Thai Baht	39.9774	42.64027	39.8110	40.99100	42.04801
Malaysian Ringgit	3.96861	4.25913	3.9596	4.10550	4.31120
Indian Rupee	68.06157	63.67581	68.34798	68.71299	66.11898
Macau Pataca	10.22388	11.26958	10.31240	10.35190	10.80350
Chinese Renminbi	8.10578	9.13784	8.12610	8.15880	8.62070
Chilean Peso	626.135	666.5067	611.531	670.96982	701.61160
Argentine Peso	5.709	5.7446	6.062	5.56829	5.66447
Brazilian Real	2.45555	2.29418	2.62320	2.41590	2.50670
Canadian Dollar	1.28394	1.37522	1.26840	1.32150	1.41050

Transactions with related parties

Sales and purchases between related parties are carried out at normal market prices. The outstanding balances at the end of the period are not backed by guarantees, nor do they generate interest and are settled in cash. There are no guarantees, given or received, relating to receivables and payables with related parties. The Group has not set aside any provision for bad debt in relation to amounts due from related parties.

Transactions arising from atypical and/or unusual transactions

The Group did not undertake atypical and/or unusual transactions, i.e. those transactions which, due to their importance/size, the counterparties involved, the subject of the transaction, the means of determining the transfer price and the timing of the event, may give rise to doubts about the correctness/completeness of the information provided in the consolidated interim report, conflicts of interest, the safeguarding of the company's equity and the protection of minority interests.

Florence, 13 November 2012

The Chairman of the Board of Directors
Ferruccio Ferragamo

Financial statements

Consolidated statement of financial position – assets

(In thousands of Euro)	**30 September 2012**	*of which with related parties*	**31 December 2011**	*of which with related parties*	**30 September 2011**	*of which with related parties*
NON CURRENT ASSETS						
Property, plant and equipment	130,399		120,768		109,259	
Investment property	7,257		7,476		7,235	
Intangible assets with a finite useful life	18,470		18,051		15,647	
Investments in associated and jointly controlled companies	1,260		1,393		1,320	
Available-for-sale financial assets	20		20		53	
Other non current assets	4,863		4,909		5,033	
Other non current financial assets	9,708	*107*	7,793	*109*	7,551	
Derivatives	-		-		2	
Deferred tax assets	69,396		69,997		64,703	
TOTAL NON CURRENT ASSETS	**241,373**	***107***	**230,407**	***109***	**210,803**	***-***
CURRENT ASSETS						
Inventories	259,638		242,564		225,902	
Trade receivables	87,404	*1,698*	97,711	*2,348*	83,043	*1,848*
Tax receivables	12,205		10,239		6,735	
Other current assets	24,075	*80*	18,978	*116*	19,440	*163*
Other current financial assets	771		2,373		3,513	
Cash and cash equivalents	55,469		73,477		74,689	
TOTAL CURRENT ASSETS	**439,562**	***1,778***	**445,342**	***2,464***	**413,322**	***2,011***
TOTAL ASSETS	**680,935**	***1,885***	**675,749**	***2,573***	**624,125**	***2,011***

Consolidated statement of financial position – liabilities and shareholders' equity

(In thousands of Euro)	30 September 2012	*of which with related parties*	31 December 2011	*of which with related parties*	30 September 2011	*of which with related parties*
SHAREHOLDERS' EQUITY						
GROUP SHAREHOLDERS' EQUITY						
Share capital	16,841		16,841		16,841	
Reserves	142,613		113,272		111,083	
Net profit/(loss) – Group	69,632		81,290		62,748	
TOTAL GROUP SHAREHOLDERS' EQUITY	**229,086**		**211,403**		**190,672**	
MINORITY INTERESTS						
Share capital and reserves – minority interests	34,728		22,747		20,915	
Net profit/(loss) – minority interests	15,021		21,969		15,572	
TOTAL MINORITY INTERESTS	**49,749**		**44,716**		**36,487**	
TOTAL SHAREHOLDERS' EQUITY	**278,835**		**256,119**		**227,159**	
NON CURRENT LIABILITIES						
Provisions for risks and charges	6,417		14,131		6,598	
Employee benefit liabilities	11,680		10,695		10,012	
Other non current liabilities	43,131		35,196		34,836	
Non current financial liabilities	-		3		40,118	*39,859*
Deferred tax liabilities	3,210		3,019		5,397	
TOTAL NON CURRENT LIABILITIES	**64,438**	**-**	**63,044**	**-**	**96,961**	**39,859**
CURRENT LIABILITIES						
Trade payables	132,920	*2,649*	154,343	*323*	137,782	*2,667*
Interest-bearing loans & borrowings	74,713	*622*	60,017	*623*	77,288	*895*
Tax payables	26,657		20,968		19,170	
Other current liabilities	57,870	*19,019*	76,038	*18,264*	61,676	*24,041*
Other current financial liabilities	45,502	*40,961*	45,220	*40,136*	4,089	
TOTAL CURRENT LIABILITIES	**337,662**	***63,251***	**356,586**	***59,346***	**300,005**	***27,603***
TOTAL LIABILITIES	**402,100**	***63,251***	**419,630**	***59,346***	**396,966**	***67,462***
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**680,935**	***63,251***	**675,749**	***59,346***	**624,125**	***67,462***

Consolidated income statement

(In thousands of Euro)	Period ended 30 September			
	2012	*of which with related parties*	2011	*of which with related parties*
Revenues from sales and services	826,365	*3,388*	695,843	*1,563*
Rental income investment properties	6,203		5,457	
Revenues	**832,568**	***3,388***	**701,300**	***1,563***
Cost of goods sold	(301,530)		(252,355)	
Gross profit	**531,038**	***3,388***	**448,945**	***1,563***
Style, product development and logistics costs	(28,322)	*(286)*	(24,175)	*(282)*
Sales & distribution costs	(250,757)	*(9,433)*	(209,451)	*(6,486)*
Marketing & communication costs	(53,138)	*(48)*	(37,870)	*(62)*
General and administrative costs	(65,639)	*(9,239)*	(61,627)	*(10,607)*
of which non recurring costs	-		(4,531)	-
Other operating costs	(9,708)	*(8)*	(10,006)	*(9)*
Other income and revenues	8,747	*42*	7,286	*12*
Operating profit	**132,221**	***(15,584)***	**113,102**	***(15,871)***
Financial charges	(23,487)	*(834)*	(15,604)	*(652)*
Financial income	21,171		11,825	
Share of net profit/(loss) on investments accounted for using the Equity Method	567		627	
Profit before taxes	**130,472**	***(16,418)***	**109,950**	***(16,523)***
Income taxes	(45,819)		(31,630)	
Net profit/(loss) for the period	**84,653**	***(16,418)***	**78,320**	***(16,523)***
Net profit/(loss) – Group	69,632		62,748	
Net profit/(loss) – minority interests	15,021		15,572	

(In Euro)	Period ended 30 September	
	2012	2011
Earnings per share – ordinary shares	0.413	0.373
Diluted earnings per share – ordinary shares	0.413	0.373

Consolidated statement of comprehensive income

(In thousands of Euro)	**Period ended 30 September**	
	2012	**2011**
Net profit/(loss) for the period (A)	**84,653**	**78,320**
Currency translation differences of foreign operations	(12,219)	(3,591)
Net gain / (loss) from cash flow hedge	12,853	(5,972)
Income taxes	(3,535)	1,642
	9,318	(4,330)
Net gain / (loss) from recognition of defined-benefit plans for employees	(669)	(17)
Income taxes	184	6
	(485)	(11)
Total other income (losses) for the period, net of taxes (B)	**(3,386)**	**(7,932)**
Total comprehensive income for the period, net of taxes (A+B)	**81,267**	**70,388**
Group	65,113	56,495
Minority interests	16,154	13,893

Consolidated statement of cash flows

(In thousands of Euro)	Period ended 30 September			
	2012	*of which with related parties*	2011	*of which with related parties*
NET PROFIT / (LOSS) FOR THE PERIOD	**84,653**		**78,320**	
Adjustments to reconcile net profit (loss) to net cash provided by (used in) operating activities:				
Amortization, depreciation and write-downs of tangible and intangible assets and investment property	24,771		19,309	
Allocation / (use) of deferred taxes	(2,414)		(2,177)	
Provision for employee severance indemnities	3,797		3,538	
Allocation to / (use of) the provision for obsolete inventory	5,247		1,090	
Losses and provision for bad debt	1,331		855	
Losses / (gains) 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-monetary items	(3,168)	825	2,442	
Changes in operating assets and liabilities:				
Trade receivables	4,827	650	(8,716)	(1,813)
Inventories	(34,331)		(45,140)	
Trade payables	(21,640)	2,326	34,393	2,497
Tax receivables	(1,911)		(1,046)	
Tax payables	5,507		(7,991)	
Advance payments and settlements of employee severance indemnities	(3,485)		(2,971)	
Other assets and liabilities	3,898	793	7,233	(1,728)
Other – net	(2,940)		(876)	
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	**64,303**	**4,594**	**78,265**	**(1,044)**
Cash flow from investing activities:				
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)**	**-**
Cash flow from financing activities:				
Net change in financial receivables	431		(2,493)	
Net change in financial payables	14,990	(1)	(68,596)	
Payment of dividends to Group shareholders	(47,155)	(35,086)	(24,015)	(24,015)
Payment of dividends to minority interests	(10,753)	(10,753)	(15,511)	(12,752)
Other net changes to Group shareholders' equity	-		103	
Other net changes to minority interests	-		(163)	
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	**(42,487)**	**(45,840)**	**(110,675)**	**(36,767)**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(16,300)**	**(41,246)**	**(56,130)**	**(37,811)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	**73,179**		**132,469**	
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**

ADDITIONAL INFORMATION

Interest paid	2,120	1,993
Income taxes paid	45,316	43,123
Interest received	449	619
Dividends received	700	450

Statement of changes in consolidated shareholders' equity

Period ended 30 September 2012 (In thousands of Euro)	Share capital	Share capital contributions	Legal reserve	Extraordinary reserve	Cash flow hedge reserve	Translation reserve	Retained earnings	Other reserves	Effect IAS 19 Equity	Effect IAS 28 (Common Control) Equity	Net profit/(loss) for the period	Group shareholders' equity	Minority interests	Total shareholders' equity
As at 01.01.2012	**16,841**	**2,995**	**4,188**	**36,686**	**(15,152)**	**(17,654)**	**95,386**	**14,422**	**(1,675)**	**(5,924)**	**81,290**	**211,403**	**44,716**	**256,119**
Allocation of results	-	-	-	76,331	-	-	4,959	-	-	-	(81,290)	-	-	-
Net profit/(loss) for the period		-	-	-	-	-	-		-	-	69,632	69,632	15,021	84,653
Other comprehensive income (loss)	-	-	-		9,318	(12,122)	(1,230)	-	(485)	-	-	(4,519)	1,133	(3,386)
Total comprehensive income (loss)	**-**	**-**	**-**	**-**	**9,318**	**(12,122)**	**(1,230)**	**-**	**(485)**	**-**	**69,632**	**65,113**	**16,154**	**81,267**
Distribution of dividends	-	-	-	(47,155)	-	-	-	-	-	-	-	(47,155)	(12,045)	(59,200)
Purchase of minority interests in companies consolidated on a line-by-line basis and accounting of options on minority interests	-	-	-	-	-	-	(1,064)	-	-	-	-	(1,064)	924	(140)
Stock Grant Reserve								789				789	-	789
Specific reserve for share capital increase to serve the Stock Grant Plan	-	-	-	(50)	-	-	-	50	-	-		-	-	-
As at 30.09.2012	**16,841**	**2,995**	**4,188**	**65,812**	**(5,834)**	**(29,776)**	**98,051**	**15,261**	**(2,160)**	**(5,924)**	**69,632**	**229,086**	**49,749**	**278,835**

Period ended 30 September 2011 (In thousands of Euro)	Share capital	Share capital contributions	Legal reserve	Extraordinary reserve	Cash flow hedge reserve	Translation reserve	Retained earnings	Other reserves	Effect IAS 19 Equity	Effect IAS 28 (Common Control) Equity	Net profit/(loss) for the period	Group shareholders' equity	Minority interests	Total shareholders' equity
As at 01.01.2011	**16,841**	**2,995**	**4,188**	**31,933**	**(2,266)**	**(27,288)**	**110,303**	**14,446**	**(1,035)**	**(5,924)**	**48,877**	**193,070**	**47,366**	**240,436**
Allocation of results	-	-	-	28,768		-	20,109	-	-	-	(48,877)	-	-	-
Net profit/(loss) for the period		-	-	-	-	-			-	-	62,748	62,748	15,572	78,320
Other comprehensive income (loss)	-	-	-		(4,330)	(2,015)	103	-	(11)	-	-	(6,253)	(1,679)	(7,932)
Total comprehensive income (loss)	**-**	**-**	**-**	**-**	**(4,330)**	**(2,015)**	**103**	**-**	**(11)**	**-**	**62,748**	**56,495**	**13,893**	**70,388**
Distribution of dividends	-	-	-	(24,015)	-	-	-	-	-	-	-	(24,015)	(20,440)	(44,455)
Purchase of minority interests in companies consolidated on a line-by-line basis and accounting of options on minority interests	-	-	-	-	-	-	(34,854)	(24)	-	-	-	(34,878)	(4,332)	(39,210)
As at 30.09.2011	**16,841**	**2,995**	**4,188**	**36,686**	**(6,596)**	**(29,303)**	**95,661**	**14,422**	**(1,046)**	**(5,924)**	**62,748**	**190,672**	**36,487**	**227,159**

Statement pursuant to paragraph 2, art. 154 bis of Legislative Decree 58/98 (Consolidated Law on Finance)

The manager responsible for corporate financial reporting states, pursuant to paragraph 2, article 154 bis of the Consolidated Law on Finance, that the accounting information contained in this document is in line with accounting books and records.

Florence, 13 November 2012

Manager responsible for corporate financial reporting
Ernesto Greco