

| | | |
|---|---|-----|
| Informazione Regolamentata n. 1220-4-2015 | Data/Ora Ricezione 12 Marzo 2015 17:35:47 | MTA |
|---|---|-----|

Societa' : SALVATORE FERRAGAMO
Identificativo : 54297
Informazione
Regolamentata
Nome utilizzatore : FERRAGAMON02 - Mentil
Tipologia : IRAG 01; IRED 01
Data/Ora Ricezione : 12 Marzo 2015 17:35:47
Data/Ora Inizio : 12 Marzo 2015 17:50:47
Diffusione presunta
Oggetto : Press Release 2014 Group Results

Testo del comunicato

Vedi allegato.



PRESS RELEASE

Salvatore Ferragamo S.p.A.

The Board of Directors approved the non-audited draft Company Statutory Financial Statements and the Consolidated Financial Statements for the Year 2014

Another year of growth in Revenues and Profitability for the Salvatore Ferragamo Group:

Revenues for the Year 2014 +6%,

EBITDA +13% and EBIT +12%

- **Total Revenues: 1,332 million Euros (+6% compared to 1,258 million Euros of FY 2013)**
- **EBITDA¹: 293 million Euros (+13% compared to 260 million Euros of FY 2013)**
- **EBIT: 245 million Euros (+12% compared to 219 million Euros of FY 2013)**
- **Net Profit 164 million Euros, vs. 160 million Euros that, at 31 December 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 11%**
- **Group Net Profit: 157 million Euros vs. 150 million Euros at December 2013, +13% excluding the capital gain from the disposal of the participation in Zefer**
- **Approval of Corporate Governance Report**
- **Approval of Remuneration Report pursuant to Article 123-ter of Legislative Decree 58 of February 24, 1998**
- **Notice of call of Annual Shareholders Meeting**

Florence, 12 March 2015 – 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 **non-audited draft Company Statutory Financial Statements** and the **Consolidated Financial Statements for the Year ended 31 December 2014**, both prepared according to IAS/IFRS international accounting principles.

¹ EBITDA is measured by our management to evaluate operating performance. We define EBITDA as operating income plus (i) depreciation of property, plant and equipment, investment property, (ii) amortization of other intangible assets with definite useful life and (iii) write-downs of property, plant and equipment, investment property and other intangible assets with definite useful life and goodwill. We believe that EBITDA is an important indicator for measuring the Group's performance as it is not influenced by various methods of calculating taxes, amortization or depreciation. As EBITDA is not an indicator defined by the accounting principles used by our Group, our method of calculating EBITDA may not be strictly comparable to that used by other companies.



Notes to the Income Statement for FY 2014

Consolidated Revenue figures for FY 2014

As of 31 December 2014, the Salvatore Ferragamo Group has posted **Total Revenues of 1,332 million Euros**, a **5.9% increase at current exchange rates (+9.3% in 4Q 2014)** over the 1,258 million Euros recorded in FY 2013. Revenue **growth at constant exchange rates²** has been **6.5% (+7.7% in 4Q 2014)**.

Hereafter the variations in Revenues are calculated at constant exchange rates², unless differently indicated.

Revenues by geographical area³

The **Asia Pacific** area is confirmed as the Group's top market in terms of Revenues, representing 37% of total in FY 2014, **up by over 5% (+7% in 4Q 2014)**, despite the tensions registered in Hong Kong in the last part of the year. A major contribution was given by the **retail channel in China**, which in FY 2014 **recorded a 18% growth** compared to the same period in 2013.

Europe posted an **increase** in Revenues of **9%**, compared to the same period in 2013 (**+14% in 4Q 2014**), even if penalized by the ongoing geopolitical tensions, which negatively impacted the global tourist flows, and by the enduring difficult economic situation.

North America registered an **increase** in Revenues of **5%** in FY 2014 (**+2% in 4Q 2014** that had a hard comparison base, +11% in 4Q 2013).

The **Japanese market** showed an **increase** in Revenues of **4%** in FY 2014 (**+6% in 4Q 2014**), registering a 4% decrease at current exchange rates, due to the deterioration of the Japanese currency.

Revenues in **Central and South America** showed solid results with an **increase of 14%** in FY 2014 (**+17% in 4Q 2014**).

² Revenues at "constant exchange rates" are calculated by applying to the Revenues of the full-year 2013, not including the "hedging effect", the average exchange rate of the full-year 2014.

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

Salvatore Ferragamo

Revenues by distribution channel⁴

As of 31 December 2014, the Salvatore Ferragamo **Group's Retail network** could count on **373 Directly Operated Stores (DOS)**, while the **Wholesale and Travel Retail channel** included **270 Third Party Operated Stores (TPOS)**, as well as presence in major Department Stores and high-end multi-brand Specialty Stores.

In FY 2014 the **Retail distribution channel** posted Consolidated Revenues **up by about 5% (+6% in 4Q 2014)** compared to the same period in 2013. The **increase at constant exchange rates and perimeter (like-for-like) was ca. 2% and 4%**, respectively in FY 2014 and in 4Q.

The **Wholesale channel** delivered in FY 2014 a growth of **10% (+12% in 4Q 2014)**, mainly thanks to the strong performance of the Travel Retail channel.

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 **78% of the Group total turnover**. The performance of **fragrances**, thanks to the expected acceleration in **4Q 2014 (+23%)**, reached an **increase of over 5% in FY 2014**.

Gross Profit

In FY 2014 the **Gross Profit** reached **848 million Euros**, recording a **6% growth**. Its **incidence on revenues** was **63.7%**, from 63.5% registered in FY 2013, and **65.3% in 4Q 2014** vs. 64.3% in 4Q 2013.

Operating Costs

In FY 2014 **Operating Costs** grew by **4%**. Their **incidence on revenues** decreased from 46.1% to **45.3%** in FY 2014, and from 47.7% to **44.9%** in 4Q 2014.

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



Gross Operating Profit (EBITDA)⁵

Gross Operating Profit (EBITDA) increased by 13% in FY 2014, from 260 million Euros to **293 million Euros with an incidence on revenues increasing from 20.7% to 22.0%**. In **4Q 2014** the EBITDA was **90 million Euros** from 68 million Euros, **up by 32%** vs. 4Q 2013, with an **incidence on revenues of 23.9%** vs. 19.9% in 4Q 2013.

Operating Profit (EBIT)

Operating Profit (EBIT) grew from 219 million Euros to **245 million Euros**, registering an **increase of 12%** and an **incidence on revenues rising to 18.4%**, from 17.4% in FY 2013.

Profit before taxes

The **Profit before taxes**, over the period, moved to **238 million Euros** from 221 million Euros in FY 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 14%**.

Net Profit for the Period

The **Net Profit for the period**, including a Minority Interest of 7 million Euros, reached **164 million Euros**, marking a 2% increase vs. FY 2013, but **up by 11% excluding the capital gain**, deriving from the disposal of the participation in ZeFer, from the result of FY 2013.

The **Group Net Profit** reached **157 million Euros**, as compared to 150 million Euros in FY 2013, up by 4%, but **increasing 13% 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 FY 2014

Net Working Capital⁶

Net Working Capital went from 209 million Euros at 31 December 2013 to **302 million Euros** at 31 December 2014, registering a variation of **+44%**, also negatively impacted by the currencies trend (**+29% at constant exchange rates⁷**).

Investments (CAPEX)

In FY 2014 **Investments (CAPEX)** amounted to **83 million Euros** (in line with the 82 million Euros registered in FY 2013), and to **32 million Euros in 4Q 2014**, 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 31 December 2014 went to **49 million Euros**, compared to 33 million Euros at 31 December 2013. For FY 2014 the Group registered a significant operating cash generation of 144 million Euros (41 million Euros in 4Q 2014, +23% vs. 4Q 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.

⁷ The net working capital at "constant exchange rates" is calculated by applying to the net working capital as of 31 December 2013, the exchange rate as of 31 December 2014.

Salvatore Ferragamo

The business trend, recorded in the first months of the current year, justifies expectations for growth also throughout 2015, in the absence of significantly adverse geopolitical conditions.

On the same meeting the Board of Directors also examined and approved the non-audited draft Company Statutory Financial for the Year ended 31 December 2014 of the Salvatore Ferragamo Sp.A., that recorded Total Revenues of 755 million Euros (up by 5% vs. FY 2013), an Operating Profit of 155 million Euros (up by 9%) and a Net Profit of 107 million Euros (up by 2%).

The Board of Directors resolved to propose to the Annual Shareholders' Meeting for approval the distribution of a dividend of 0.42 Euros per ordinary share, which represents a 5% increase on the 0.40 Euros of FY 2013. The cash dividend will be payable on May 20, 2015 (with coupon detachment date May 18, 2015 and record date May 19, 2015).

The Board of Directors also verified the existence of the requirements to qualify as independent director pursuant to Article 148,-paragraph 3 of the TUF, Article 20 of the Company's By-laws and Article 3 of the Corporate Governance Code of Borsa Italiana as regards to its directors Marzio Saà, Umberto Tombari and Lidia Fiori.

Approval of Corporate Governance Report and Remuneration Report

The Board of Directors of Salvatore Ferragamo Sp.A. approved the report on corporate governance and ownership structures for 2014, in compliance with article 123-bis of Legislative Decree 58/ 1998 (Law 58/ 1998).

The Board of Directors further approved the report on remuneration of members of the Company's directors and managers with strategic responsibilities for 2015, in compliance with article 123-ter of Law 58/ 1998 and with article 84-quater and Annex 3A, Scheme 7-bis of CONSOB Regulation 11971/ 1999.

The above mentioned reports will be available at the Company registered office in Florence, Via Dei Tornabuoni n. 2 and published on the Company's website <http://group.ferragamo.com>, in the section "Governance/Shareholders' Meetings", in compliance with the applicable law.

Notice of call of Annual Shareholders Meeting

The Board of Directors has further decided to call the Annual Shareholders' Meeting of Salvatore Ferragamo Sp.A. on April 24, 2015, in order to discuss and deliberate on the following agenda:

Salvatore Ferragamo

- 1) *Financial statement of Salvatore Ferragamo Sp.A. for the year ending on 31 December 2014. Report by Board of Directors on FY2014, Report by Board of Statutory Auditors and external Auditors. Related and consequent decisions.*
- 2) *Allocation of 2014 results.*
- 3) *Determination of the number of directors.*
- 4) *Determination of the term of office of directors.*
- 5) *Appointment of directors.*
- 6) *Determination of directors remuneration.*
- 7) *Appointment of Honorary President.*
- 8) *Consultation on the Remuneration Policy for directors and managers with strategic responsibilities.*

The directors under point 5 of the Agenda will be appointed on the basis of lists presented the shareholders according to article 147-ter of Law 58/1998 and article 20 of the company By-Laws. The lists complete with all information requested will be available at the Company registered office, at the company that manage the Italian stock exchange and will also be published on the Company's website <http://group.ferragamo.com>, in the section "Governance/Shareholders' Meetings", in compliance with the applicable law.

The Notice of Call, complete with all information to shareholders required by article 125-bis of Law 58/1998, as well as all the documentation which will be submitted to the meeting, in compliance with articles 125-ter and 125-quater of Law 58/1998, will be available at the Company registered office in Florence, Via Dei Tornabuoni n. 2, 50123 Florence and published on the Company's website <http://group.ferragamo.com>, in the section "Governance/Shareholders' Meetings".

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.

Salvatore Ferragamo

The Consolidated Financial Statements for the Year ended 31 December 2014 will be available to anyone requesting it at the headquarters of the Company and can also be consulted in the "Governance/Shareholders' Meetings" section of the Salvatore Ferragamo Group's website <http://group.ferragamo.com> in compliance with the law.

The Results of FY 2014 will be illustrated today, 12 March 2015, at 6.00 pm (CET) in a conference call with the financial community. The presentation is be available on the Company's website <http://group.ferragamo.com> in the section "Investor Relations/Presentations".

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 about 4,000 employees and a network of over 640 single-brand stores as of 31 December 2014, the Ferragamo Group operates in Italy and worldwide through companies that allow it to be a leader on European, American and Asian markets.

For further information:

Salvatore Ferragamo Sp.A.

Paola Pecciarini
Group Investor Relations

Tel. (+39) 055 3562230
investor.relations@ferragamo.com

Image Building

Giuliana Paoletti, Mara Baldessari, Alfredo Mele
Media Relations

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

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

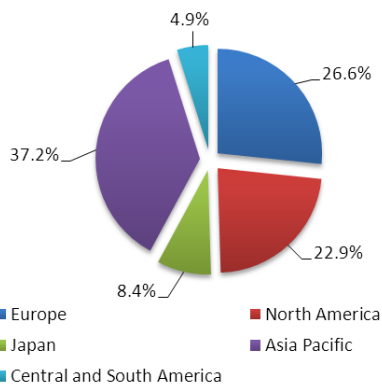
Salvatore Ferragamo

On the following pages: a more detailed analysis of revenues, the consolidated income statement, a summary of consolidated statement of financial position, the consolidated cash flow statement and the net financial position of the Salvatore Ferragamo Group as of 31 December 2014.

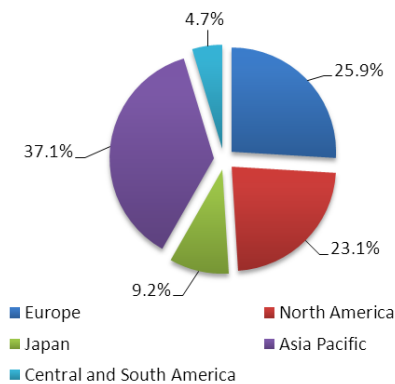
Revenue by geographic area as of 31 December 2014

| | (In thousands of Euro) | | | | | at constant |
|---------------------------|------------------------|---------------|------------------|---------------|-------------|------------------------|
| | 2014 | % of Revenues | 2013 | % of Revenues | % Change | exchange rate % Change |
| Europe | 354,816 | 26.6% | 326,365 | 25.9% | 8.7% | 8.6% |
| North America | 304,828 | 22.9% | 290,347 | 23.1% | 5.0% | 5.2% |
| Japan | 111,495 | 8.4% | 116,103 | 9.2% | (4.0%) | 3.8% |
| Asia Pacific | 496,013 | 37.2% | 466,504 | 37.1% | 6.3% | 5.4% |
| Central and South America | 64,670 | 4.9% | 58,715 | 4.7% | 10.1% | 13.5% |
| Total | 1,331,822 | 100.0% | 1,258,034 | 100.0% | 5.9% | 6.5% |

Revenue by geographic area as at 31 December 2014



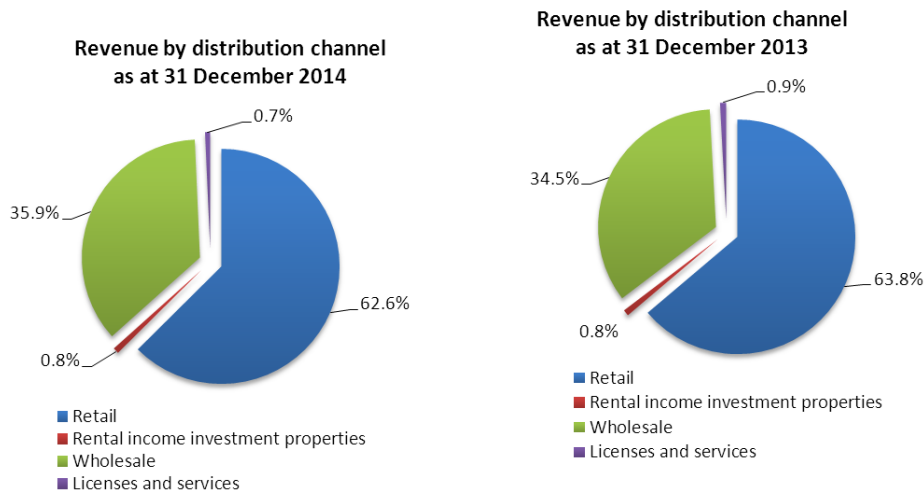
Revenue by geographic area as at 31 December 2013



Revenue by distribution channel as of 31 December 2014

| | (In thousands of Euro) | | | | | at constant |
|-------------------------------------|------------------------|---------------|------------------|---------------|-------------|------------------------|
| | 2014 | % of Revenues | 2013 | % of Revenues | % Change | exchange rate % Change |
| Retail | 833,101 | 62.6% | 802,821 | 63.8% | 3.8% | 4.7% |
| Wholesale | 478,425 | 35.9% | 433,861 | 34.5% | 10.3% | 10.2% |
| Licenses and services | 9,375 | 0.7% | 10,694 | 0.9% | (12.3%) | (12.3%) |
| Rental income investment properties | 10,921 | 0.8% | 10,658 | 0.8% | 2.5% | 2.5% |
| Total | 1,331,822 | 100.0% | 1,258,034 | 100.0% | 5.9% | 6.5% |

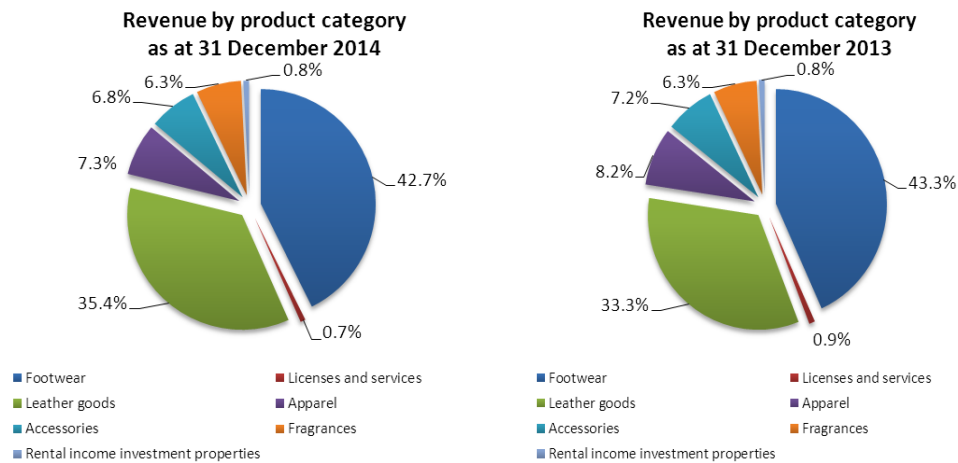
Salvatore Ferragamo



Revenue by product category as of 31 December 2014

(In thousands of Euro)

| | 2014 | % of Revenues | 2013 | % of Revenues | % Change | at constant exchange rate % Change |
|-------------------------------------|------------------|---------------|------------------|---------------|-------------|---------------------------------------|
| Footwear | 568,412 | 42.7% | 544,076 | 43.3% | 4.5% | 4.9% |
| Leather goods | 471,650 | 35.4% | 418,710 | 33.3% | 12.6% | 13.2% |
| Apparel | 97,231 | 7.3% | 103,209 | 8.2% | (5.8%) | (4.1%) |
| Accessories | 90,063 | 6.8% | 90,848 | 7.2% | (0.9%) | 0.1% |
| Fragrances | 84,170 | 6.3% | 79,839 | 6.3% | 5.4% | 5.4% |
| Licenses and services | 9,375 | 0.7% | 10,694 | 0.9% | (12.3%) | (12.3%) |
| Rental income investment properties | 10,921 | 0.8% | 10,658 | 0.8% | 2.5% | 2.5% |
| Total | 1,331,822 | 100.0% | 1,258,034 | 100.0% | 5.9% | 6.5% |





Consolidated results for Salvatore Ferragamo Group

Consolidated income statement as of 31 December 2014

(In thousands of Euro)

| | 2014 | % of Revenues | 2013 | % of Revenues | % change |
|--|------------------|---------------|------------------|---------------|--------------|
| Revenue from sales and services | 1,320,901 | 99.2% | 1,247,376 | 99.2% | 5.9% |
| Rental income investment properties | 10,921 | 0.8% | 10,658 | 0.8% | 2.5% |
| Revenues | 1,331,822 | 100.0% | 1,258,034 | 100.0% | 5.9% |
| Cost of goods sold | (483,389) | (36.3%) | (458,955) | (36.5%) | 5.3% |
| Gross profit | 848,433 | 63.7% | 799,079 | 63.5% | 6.2% |
| Style, product development and logistics costs | (43,491) | (3.3%) | (44,383) | (3.5%) | (2.0%) |
| Sales & distribution costs | (388,308) | (29.2%) | (361,985) | (28.8%) | 7.3% |
| Marketing & communication costs | (68,047) | (5.1%) | (77,880) | (6.2%) | (12.6%) |
| General and administrative costs | (97,631) | (7.3%) | (94,292) | (7.5%) | 3.5% |
| Other operating costs | (16,421) | (1.2%) | (13,631) | (1.1%) | 20.5% |
| Other income | 10,881 | 0.8% | 12,150 | 1.0% | (10.4%) |
| Operating profit | 245,416 | 18.4% | 219,058 | 17.4% | 12.0% |
| Financial charges | (29,817) | (2.2%) | (31,475) | (2.5%) | (5.3%) |
| Financial income | 22,381 | 1.7% | 33,108 | 2.6% | (32.4%) |
| Profit before taxes | 237,980 | 17.9% | 220,691 | 17.5% | 7.8% |
| Income taxes | (74,465) | (5.6%) | (60,724) | (4.8%) | 22.6% |
| Net profit/(loss) for the period | 163,515 | 12.3% | 159,967 | 12.7% | 2.2% |
| Net profit/(loss) - Group | 156,565 | 11.8% | 150,451 | 12.0% | 4.1% |
| Net profit/(loss) - minority interests | 6,950 | 0.5% | 9,516 | 0.8% | (27.0%) |
| EBITDA(*) | 292,934 | 22.0% | 259,977 | 20.7% | 12.7% |

(*) 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 31 December 2014

| (In thousands of Euro) | 31 December 2014 | 31 December 2013 | % change |
|---|---------------------|---------------------|--------------|
| Property, plant and equipment | 212,077 | 168,398 | 25.9% |
| Investment property | 7,015 | 6,455 | 8.7% |
| Intangible assets with definite useful life | 29,220 | 26,090 | 12.0% |
| Inventories | 338,555 | 290,705 | 16.5% |
| Trade receivables | 150,895 | 121,408 | 24.3% |
| Trade payables | (187,555) | (202,752) | (7.5%) |
| Other non current assets/(liabilities), net | 45,032 | 35,093 | 28.3% |
| Other current assets/(liabilities), net | (37,692) | (13,029) | 189.3% |
| Net invested capital | 557,547 | 432,368 | 29.0% |
| Group shareholders' equity | 466,190 | 365,465 | 27.6% |
| Minority interests | 42,004 | 34,305 | 22.4% |
| Shareholders' equity (A) | 508,194 | 399,770 | 27.1% |
| Net financial debt (B) (1) | 49,353 | 32,598 | 51.4% |
| Total sources of financing (A+B) | 557,547 | 432,368 | 29.0% |

(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".

Consolidated net financial position as of 31 December 2014

| (In thousands of Euro) | 31 December 2014 | 31 December 2013 | change 2014 vs 2013 |
|---|---------------------|---------------------|------------------------|
| A. Cash | 1,073 | 848 | 225 |
| B. Other cash equivalents | 95,390 | 69,460 | 25,930 |
| C. Cash and cash equivalents (A)+(B) | 96,463 | 70,308 | 26,155 |
| Derivatives – non-hedge component | 976 | 1,928 | (952) |
| Other financial assets | - | - | - |
| D. Current financial receivables | 976 | 1,928 | (952) |
| E. Current bank payables | 121,083 | 100,052 | 21,031 |
| F. Derivatives – non-hedge component | 260 | 867 | (607) |
| G. Other current financial payables | 4,118 | 3,915 | 203 |
| H. Current financial debt (E)+(F)+(G) | 125,461 | 104,834 | 20,627 |
| I. Current financial debt, net (H)-(C)-(D) | 28,022 | 32,598 | (4,576) |
| J. Non current bank payables | 21,331 | - | 21,331 |
| K. Derivatives – non-hedge component | - | - | - |
| M. Other non current financial payables | - | - | - |
| N. Non-current financial debt (J)+(K)+(M) | 21,331 | - | 21,331 |
| O. Net financial debt (I)+(N) | 49,353 | 32,598 | 16,755 |



Consolidated statement of cash flows as of 31 December 2014

| (In thousands of Euro) | 2014 | 2013 |
|---|-----------------|------------------|
| Net profit / (loss) for the period | 163,515 | 159,967 |
| Depreciation, amortization and write down of property, plant and equipment, intangible assets and investment properties | 47,518 | 40,919 |
| Net change in deferred taxes | (5,306) | (13,990) |
| Net change in provision for employee benefit plans | 186 | (611) |
| Loss/(gain) on disposal of tangible and intangible assets | 728 | 636 |
| Other non cash items | 3,796 | (10,166) |
| Net change in net working capital | (59,991) | (14,844) |
| Net change in other assets and liabilities | (6,671) | (11,926) |
| NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES | 143,775 | 149,985 |
| Purchase of tangible assets | (73,126) | (69,707) |
| Purchase of intangible assets | (9,745) | (12,554) |
| Net change in non current assets and liabilities | (1,777) | (2,057) |
| Proceeds from the sale of tangible and intangible assets | 301 | 160 |
| Proceeds from the sale of Investments in associated and jointly controlled companies | - | 13,855 |
| NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES | (84,347) | (70,303) |
| Net change in financial receivables | 1,010 | (96) |
| Net change in financial payables | 35,802 | (62,569) |
| Payment of dividends | (69,787) | (62,217) |
| Purchase of minority interests in companies consolidated on a line-by line basis | - | (779) |
| NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES | (32,975) | (125,661) |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 26,453 | (45,979) |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR | 70,292 | 110,808 |
| Net increase / (decrease) in cash and cash equivalents | 26,453 | (45,979) |
| Net effect of translation of foreign currencies | (290) | 5,463 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | 96,455 | 70,292 |



On the following pages: the income statement, a summary of statement of financial position, the cash flow statement and the net financial position of the Salvatore Ferragamo Sp.A as of 31 December 2014.

Salvatore Ferragamo Sp.A
Income statement as of 31 December 2014

| (In thousands of Euro) | 2014 | % of revenues | 2013 | % of revenues | % change |
|---|------------------|----------------|------------------|----------------|-------------|
| Revenues from sales (<i>Whl, Rtl, E-commerce</i>) | 736,115 | 97.5% | 701,165 | 97.2% | 5.0% |
| Revenues from royalties | 7,387 | 1.0% | 6,558 | 0.9% | 12.6% |
| Other income and services | 11,699 | 1.5% | 13,369 | 1.9% | (12.5%) |
| Total revenues from sales and services | 755,201 | 100.0% | 721,092 | 100.0% | 4.7% |
| Change in inventories of finished products | 2,300 | 0.3% | 3,486 | 0.5% | (34.0%) |
| Costs for raw materials, goods and consumables | (226,494) | (30.0%) | (218,803) | (30.3%) | 3.5% |
| Costs for services | (302,581) | (40.1%) | (296,815) | (41.2%) | 1.9% |
| Personnel costs | (59,604) | (7.9%) | (59,041) | (8.2%) | 1.0% |
| Amortization, depreciation and write-downs | (13,053) | (1.7%) | (11,365) | (1.6%) | 14.9% |
| Other operating costs | (6,476) | (0.9%) | (2,892) | (0.4%) | 123.9% |
| Other income and revenues | 6,091 | 0.8% | 6,326 | 0.9% | (3.7%) |
| Total operating costs (net of other income) | (599,817) | (79.4%) | (579,104) | (80.3%) | 3.6% |
| Operating profit | 155,384 | 20.6% | 141,988 | 19.7% | 9.4% |
| Financial income (charges) | 9,398 | 1.2% | 14,140 | 2.0% | (33.5%) |
| Profit before taxes | 164,782 | 21.8% | 156,129 | 21.7% | 5.5% |
| Income taxes | (57,607) | (7.6%) | (50,658) | (7.0%) | 13.7% |
| Net profit/(loss) for the period | 107,176 | 14.2% | 105,470 | 14.6% | 1.6% |
| EBITDA (*) | 168,437 | 22.3% | 153,353 | 21.3% | 9.8% |

(*) 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 Company's performance. Since the composition of EBITDA is not regulated by reference accounting standards, the determination criterion applied by the Company may differ from that adopted by others and therefore may not be comparable.



Salvatore Ferragamo Sp.A.
Summary of statement of financial position as of 31 December 2014

| (In thousands of Euro) | 31 December 2014 | 31 December 2013 | % change |
|---|---------------------|---------------------|----------------|
| Property, plant and equipment | 58,604 | 46,662 | 25.6% |
| Intangible assets with definite useful life | 17,361 | 14,455 | 20.1% |
| Inventories | 96,588 | 101,704 | (5.0%) |
| Trade receivables | 154,727 | 140,187 | 10.4% |
| Trade payables | (126,748) | (134,686) | (5.9%) |
| Other non current assets/(liabilities), net | 172,015 | 155,217 | 10.8% |
| Other current assets/(liabilities), net | (39,570) | (8,792) | 350.1% |
| Net invested capital | 332,977 | 314,747 | 5.8% |
| Shareholders' equity (A) | 310,921 | 289,445 | 7.4% |
| Net financial debt (B) (1) | 22,056 | 25,302 | (12.8%) |
| Total sources of financing (A+B) | 332,977 | 314,747 | 5.8% |

(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".

Salvatore Ferragamo Sp.A.
Net financial position as of 31 December 2014

| (In thousands of Euro) | 31 December 2014 | 31 December 2013 | change 2014 vs 2013 |
|---|---------------------|---------------------|------------------------|
| A. Cash | 26 | 27 | (1) |
| B. Other cash equivalents | 8,089 | 3,821 | 4,268 |
| C. Cash and cash equivalents (A)+(B) | 8,115 | 3,848 | 4,267 |
| Derivatives – non-hedge component | 11 | - | 11 |
| Other financial assets | - | 1 | (1) |
| D. Current financial receivables | 11 | 1 | 10 |
| E. Current bank payables | 29,200 | 28,500 | 700 |
| F. Derivatives – non-hedge component | 982 | 651 | 331 |
| G. Other current financial payables | - | - | - |
| H. Current financial debt (E)+(F)+(G) | 30,182 | 29,151 | 1,031 |
| I. Current financial debt, net (H)-(C)-(D) | 22,056 | 25,302 | (3,246) |
| J. Non current bank payables | - | - | - |
| K. Derivatives – non-hedge component | - | - | - |
| M. Other non current financial payables | - | - | - |
| N. Non-current financial debt (J)+(K)+(M) | - | - | - |
| O. Net financial debt (I)+(N) | 22,056 | 25,302 | (3,246) |



Salvatore Ferragamo Sp.A.
Statement of cash flows as of 31 December 2014

| (In thousands of Euro) | 2014 | 2013 |
|--|-----------------|-----------------|
| Net profit / (loss) for the period | 107,176 | 105,470 |
| Depreciation, amortization and write down of property, plant and equipment and intangible assets | 13,053 | 11,365 |
| Net change in deferred taxes | (461) | 921 |
| Net change in provision for employee benefit plans | (6) | (233) |
| Loss/(gain) on disposal of tangible and intangible assets | (21) | (13) |
| Write-down / (revaluation) of investments in subsidiaries | (1,828) | (7,303) |
| Other non cash items | 3,051 | (5,942) |
| Net change in net working capital | (8,072) | (15,658) |
| Net change in other assets and liabilities | (6,577) | (7,627) |
| NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES | 106,315 | 80,980 |
| Purchase of tangible assets | (20,472) | (15,964) |
| Purchase of intangible assets | (7,447) | (6,154) |
| Purchase of financial assets (investments in subsidiaries) | (7,497) | (13,613) |
| Net change in non current assets and liabilities | (9) | (53) |
| Proceeds from the sale of tangible and intangible assets | 39 | 26 |
| Proceeds from the sale of Investments in associated and jointly controlled companies | - | 13,855 |
| NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES | (35,386) | (21,903) |
| Net change in financial receivables | 2 | (1) |
| Net change in financial payables | 700 | (4,610) |
| Payment of dividends | (67,364) | (55,575) |
| NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES | (66,662) | (60,186) |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 4,267 | (1,109) |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR | 3,848 | 4,957 |
| Net increase / (decrease) in cash and cash equivalents | 4,267 | (1,109) |
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | 8,115 | 3,848 |

Fine Comunicato n.1220-4

Numero di Pagine: 18