



## **PRESS RELEASE**

### **Salvatore Ferragamo signs the advance agreement for the Patent Box regime**

*Florence, 29 December 2016* – Salvatore Ferragamo S.p.A. (MTA: SFER), parent company of the Salvatore Ferragamo Group, one of the global leaders in the luxury sector, hereby informs to have executed, with the Bureau for advance agreements and international controversies of the Italian tax authorities (*Ufficio accordi preventivi e controversie internazionali dell'Agenzia delle Entrate*), the advance agreement defining the method for the calculation of the quota of income exempt from income taxes (*Ires* and *Irap*) for the purposes of the so-called Patent Box regime, in relation to the “direct use” of intangibles. For the purposes of calculating the overall tax benefit, such part of the income (direct use) is summed to the royalties perceived for the license of the Ferragamo brand and trademarks for glasses, perfumes and watches (indirect use).

In fact, the Patent Box is a tax relief regime for the benefit of Italian enterprises producing income through the direct use or the licensing to third parties of intellectual property rights. Salvatore Ferragamo S.p.A. is entitled to the tax relief for the brand and trademarks (including the figurative ones, such as the “Vara” bow) and for design.

Salvatore Ferragamo S.p.A. opted for the regime for the fiscal years 2015-2019. According to an estimate by the Company, the tax benefit for the Fiscal year 2015 resulting from the sum of the tax relief for both the direct and the indirect use of the brand, trademarks and design is material and should be considered of price sensitive nature.

For 2016 the tax benefit shall be quantifiable after financial statements for the year are closed. Salvatore Ferragamo S.p.A. remembers that, while for fiscal year 2015 the tax benefit is calculated exempting from taxation 30% of the income attributable to the use of intangibles that fall within the scope of the regime, for fiscal year 2016 the quota shall be equal to 40% and for fiscal years 2017-2019 equal to 50%.

The tax benefit for both fiscal years 2015 and 2016 shall be accounted for in the financial statements for year 2016 and used in one go for the payment of the income taxes due for the same year.

At the expiration of the term of the advance agreement, Salvatore Ferragamo S.p.A. will be entitled to file request for renewal for a further 5-year term, effective starting from 2020.

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**Salvatore Ferragamo S.p.A.**

Salvatore Ferragamo S.p.A. is the parent Company of the Salvatore Ferragamo Group, one of the world's leaders in the luxury industry and whose origins date back to 1927.

The Group is active in the creation, production and sale of shoes, leather goods, apparel, silk products and other accessories, along with women's and men's fragrances. The Group's product offer also includes eyewear and watches, manufactured by licensees.

The uniqueness and exclusivity of our creations, along with the perfect blend of style, creativity and innovation enriched by the quality and superior craftsmanship of the 'Made in Italy' tradition, have always been the hallmarks of the Group's products.

With approximately 4,000 employees and a network over 670 mono-brand stores as of 30 September 2016, the Ferragamo Group operates in Italy and worldwide through companies that allow it to be a leader in the European, American and Asian markets.

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