

COMMERCE

Eraldo Poletto to become Ferragamo CEO amid profits

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Handbags from the Sara Battaglia for Salvatore Ferragamo capsule

By STAFF REPORTS

Italian leather goods brand Salvatore Ferragamo will bring Eraldo Poletto on board as CEO effective Aug. 2.

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Earlier this month, Ferragamo confirmed its interest in Mr. Poletto, who had recently stepped down as CEO of accessories maker Furla, saying that its May 12 board meeting would touch on how to best incorporate Mr. Poletto into the fold after current CEO Michele Norsa exits ([see story](#)). In addition to the top management succession plan, the board meeting also discussed Ferragamo's financial results for the quarter ending March 31.

Taking the reigns in good times

During the first quarter of 2016, Ferragamo saw a slight decrease in top-line, but operating and net profits increased.

In the three-month period, Ferragamo's revenue declined by 1.8 percent to \$353.1 million from \$366.6 million in March 2015. The reason for the decrease, per Ferragamo, is continuing geopolitical instability, which has slowed tourism, paired with a weak economic climate.

Despite a revenue decline, Ferragamo's gross operating profits increased 5.3 percent to \$72 million, up from \$68 million a year-ago. Likewise, Ferragamo's net profit increased 6.3 percent to \$38 million from \$36 million in March 2015.



Hikari Yokoyama for Ferragamo and Wallpaper magazine*

In total the Ferragamo Group saw a group net profit of \$38.9 million or 10.2 percent, from the year-ago's \$35 million.

While markets such as North America, Japan and Central and South America all marked revenue increases, Asia Pacific and Europe continue to show signs of struggling.



Ferragamo handbags

In Asia Pacific, Ferragamo saw a 3 percent decrease in revenue for the quarter, due to the slowing of the Hong Kong and Macau markets. In China, Ferragamo's revenues are down 6 percent.

Europe fared similarly, with a revenue decrease of 4 percent compared to Q1 2015. The revenue decrease is being attributed to lower tourist numbers in response to terror-related events.

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