Sant'Elpidio a Mare – August 28th, 2008

TOD'S S.p.A. – Outstanding results in H1 2008: net income increased by 16.9%
The Board of Directors approved the Group's H1 2008 results.

At reported rates, Group's revenues: 347 million Euros, increasing by 9.7% versus H1 2007; EBITDA: 77.6 million Euros, with a 10.3% growth; EBIT: 63.1 million Euros, increasing by 8.4%; Net income: 40.7 million Euros, with a 16.9% growth

The Board of Directors of Tod's S.p.A., the Italian company listed on the Milan Stock Exchange and holding of the luxury goods group of the same name operating in luxury shoes, leather goods and apparel with the Tod's, Hogan, Fay and Roger Vivier brands, today approved the Group's H1 2008 results.

As already reported at the end of July, H1 2008 consolidated turnover, calculated at constant exchange rates, meaning by using H1 2007 average exchange rates, was 355.1 million Euros, showing a 12.2% increase as compared to the first half of 2007.
At constant exchange rates, EBITDA was 81.8 million Euros, corresponding to a 23% margin on sales (with a 70 bps improvement versus H1 2007 EBITDA margin). EBIT was 66.9 million Euros, showing a 18.8% margin on sales.

H1 2008 profits posted a significant growth as compared to H1 2007 figures, confirming the effectiveness of the Group's strategy, which allowed an improvement of the operating profitability, even in a very challenging macro-economic environment.

Breakdown of Consolidated Sales by Brand: growth for all the brands

million Euros	H1 2008	H1 2007	% change	FY 2007
Tod's	180.8	174.1	3.9%	347.6
Hogan	117.1	94.8	23.5%	199.5
Fay	38.8	38.6	0.4%	90.0
Roger Vivier	9.1	7.1	26.9%	16.0
Other	1.2	1.8	n.m.	4.0
TOTAL	347.0	316.4	9.7%	657.1

In the first half of 2008, Tod's revenues were 180.8 million Euros; at constant exchange rates, the growth was 7.7%, showing a strong acceleration as compared to the first quarter of the year.

Also Hogan posted a further improvement of the excellent results achieved in the previous months; in the semester, its revenues were 117.1 million Euros and posted a 24.4% growth at constant rates.

Fay sales were 38.8 million Euros in the first half of 2008; this turnover is aligned with the corresponding figure of H1 2007, when the brand's revenues grew by 30.6% versus H1 2006.

Finally, Roger Vivier sales were 9.1 million Euros; the approx. 35% growth, at constant exchange rates, is very outstanding, even if is not fully meaningful, due to the still low volumes, on the one hand, and the start-up phase of this prestigious brand of luxury shoes and accessories, on the other hand.

Breakdown of Consolidated Sales by Product: outstanding growth for shoes

million Euros	H1 2008	H1 2007	% change	FY 2007
Shoes	242.2	210.0	+15.3%	427.2
Leather goods and accessories	65.4	69.0	-5.2%	139.2
Apparel	39.1	36.9	+6.0%	89.2
Other	0.3	0.5	n.m.	1.5
TOTAL	347.0	316.4	+9.7%	657.1

Revenues from shoes were 242.2 million Euros in the first half of 2008; at constant exchange rates, the sales growth was 17.7% and confirms the continuous increase of the Group's brands' market shares.

In line with the management expectations, revenues from leather goods and accessories showed an improvement as compared to the first quarter of the year (-0.7% in H1 2008 versus -2.8% in Q1 2008, at constant exchange rates). In the first half of 2008, sales were 65.4 million Euros. While the Pashmy line of bags is starting to achieve good results, the performance of higher priced leather bags was more influenced by the still challenging macro-economic environment.

Finally, revenues from apparel were 39.1 million Euros, posting a 6% growth in the first half of 2008.

Breakdown of Consolidated Sales by Region: growth of sales volumes in all the Group's markets

million Euros	H1 2008	H1 2007	% change	FY 2007
Italy	182.1	155.2	+17.3%	333.5
Europe (excl. Italy)	83.5	81.4	+2.6%	160.8
North America	30.0	31.5	-4.9%	66.3
Asia and rest of world	51.4	48.3	+6.6%	96.5
TOTAL	347.0	316.4	+9.7%	657.1

In the first half of 2008, revenues on the domestic market were 182.1 million Euros, showing a 17.3% growth versus the first six months of 2007.

Also in the rest of Europe, the Group posted positive results; revenues totalled 83.5 million Euros, with a 3.7% growth at constant exchange rates.

Sales on the US market grew by 8.2% in H1 2008, at constant exchange rates. Revenues on this market were 30 million Euros.

Finally, sales in the Rest of World totalled 51.4 million Euros; the growth at constant exchange rates was 12.9% and was mainly due to the outstanding results achieved in Far East and Middle East, where the Group is currently focusing the development of the distribution network.

<u>Breakdown of Consolidated Sales by Distribution Channel: similar double-digit growth in all the channels</u>

million Euros	H1 2008	H1 2007	% change	FY 2007
DOS	162.3	149.9	+8.3%	318.1
Third parties (Franchised stores and independent retailers)	184.7	166.5	+10.9%	339.0
TOTAL	347.0	316.4	+9.7%	657.1

Revenues through DOS totalled 162.3 million Euros; at constant exchange rates, the 12.3% increase was driven both by the organic growth of the existing stores and by the new openings made in the period.

The *Same Store Sales Growth* (SSSG) rate, calculated on comparable figures as the worldwide average of sales growth rates reported by DOS opened as of January 1st, 2007 , was 3.4% for the first 32 weeks of 2008 (from January 1st to August 3rd, 2008).

As already reported in our previous press releases, in the first half of 2008 the Group made important inaugurations, such as: the Rome flagship store, in Via dei Condotti, entirely dedicated to women's collections; the large restructuring according to the new concept of the largest Tod's boutique of the world, located in Milan, Via della Spiga; and the opening of the "*maison*" Roger Vivier in Milan, spread on four stories in a prestigious XVIII century building in Via Sant'Andrea.
In addition, the Group strongly enhanced its presence in mainland China, with nine new DOS openings (four of which were conversions of franchised stores) and opened the first two DOS in India, with prestigious locations in Mumbay and Bangalore.

As of June 30th, 2008 the Group's distribution network is therefore composed by 138 DOS and 63 franchised stores, compared to 116 DOS and 68 franchised stores as of June 30th, 2007.

In July and in August six DOS[1] and one franchised store were added; as of today, the Group's distribution network includes 144 DOS and 63 franchised stores.

Revenues to third parties totalled 184.7 million Euros in H1 2008; the growth versus the first half of 2007 was 12.2%, at constant exchange rates.

<u>Comments on the Profit & Loss key figures</u>

As already highlighted in our previous press releases, analyzing quarterly figures is not fully meaningful, due to the discrepancies in the flow of industrial revenues and costs on a monthly basis; therefore, annualizing half-year figures would be misleading.

At reported exchange rates, in the first half of 2008, the Group's EBITDA was 77.6 million Euros, showing a 10.3% growth versus H1 2007 and a 22.4% margin on sales, slightly improving as compared to the H1 2007 EBITDA margin.

In the first six months of 2008, raw material costs represented 30.3% of revenues, in line with the H1 2007 figure. Costs for services represented 34.1% of sales; the approx. 100 bps increase versus the H1 2007 figure is due to the increase in costs for external production. The incidence on revenues of rents was 6%, the same as the H1 2007 figure.

Labour costs represented 15% of sales; the approx. 100 bps increase versus the H1 2007 figure is mainly due to the important increase of the Group's headcount (2,743 employees as of June 30th, 2008, versus 2,473 as of June 30th, 2007), attributable to the widening of the DOS network.
In the comparison between the two years, it should be also considered that the H1 2008 figure includes a "una tantum item", represented by a one-off gratuity given in 2008 to Group's employees as an extraordinary economic support (approx. 2.8 million Euros for the full year).

The Group's EBIT was 63.1 million Euros in the first half of 2008, showing a 8.4% growth versus the H1 2007 figure and a 18.2% margin on sales, in line with the H1 2007 EBIT margin.

The incidence on revenues of amortisation and depreciation was 4.1%, slightly higher than in H1 2007.

Profit before taxes amounted to 61.9 million Euros, with a 17.8% margin on sales; the approx. 100 bps difference versus the H1 2007 figure is due to the result of financial operations, which was affected by the currencies fluctuations.

[1] Including one conversion in China.

Income taxes were 20.6 million Euros; the tax rate is 33.2%, showing an higher than 700 bps improvement versus H1 2007.

Consolidated net income amounted to 41.3 million Euros, with a 17% growth versus H1 2007. Finally, net of minorities, the Group's net income was 40.7 million Euros, with a 11.7% margin on sales, significantly higher than in H1 2007.

Comments on the Balance Sheet and Cash Flow key figures

In the first half of 2008, the Group invested a total amount of 22.9 million Euros in tangible and intangible assets (compared to 23.6 million Euros in H1 2007), mainly related to the widening and refurbishment of the DOS network (including the already mentioned prestigious locations in Milan and in Rome).

As of June 30th, 2008 the Group's net financial position was positive and equal to 52.8 million Euros; in line with the figure of June 2007.

Consolidated Shareholders' Equity was 568 million Euros, compared to 566.8 million Euros as of December 31st, 2007.

Diego Della Valle, Chairman and CEO of the Group, commented as follows: "The outstanding H1 2008 sales results and the improvement of the operating profitability, together with the continuous investment activity and the strengthening of the Group's financial soundness, confirmed the effectiveness of the Group's strategy, which is allowing us to improve continuously our results, despite the challenging economic environment. Based on the total Fall/Winter orders' backlog, I can confirm our expectations to achieve a good growth in revenues and profits in the full year 2008".

The manager responsible for preparing the company's financial reports, Mr. Rodolfo Ubaldi, declares, pursuant to paragraph 2 of Article 154-bis of the Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the document results, books and accounting records.

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ATTACHMENTS

TOD'S GROUP

Key figures of Profit & Loss (compliant with IAS/IFRS principles)

Figures in million Euros	**H1 2008**	**H1 2007**	**FY 2007**
Revenues	347.0	316.4	657.1
EBITDA	77.6	70.4	153.0
EBIT	63.1	58.2	126.5
Profit before taxes	61.9	59.1	126.7
Net income	41.3	35.3	78.7
Of which: Group's net income	*40.7*	*34.8*	*77.3*
minorities	*0.6*	*0.5*	*1.4*

Key figures of Balance Sheet (compliant with IAS/IFRS principles)

Figures in million Euros	**June 30th, 2008**	**June 30th, 2007**	**December 31st, 2007**
Operating net working capital (1)	223.0	183.1	208.5
Tangible and intangible fixed assets	305.9	292.7	299.2
Other assets/(liabilities), net	(13.7)	(9.6)	(14.4)
Total Invested Capital	515.2	466.2	493.3
Net financial position (positive)	(52.8)	(56.1)	(73.5)
Consolidated Shareholders' equity	568.0	522.3	566.8

(1) Trade receivables + Inventory – Trade payables

Key figures of Cash Flow (compliant with IAS/IFRS principles)

Figures in million Euros	**H1 2008**	**H1 2007**	**FY 2007**
Operating Cash Flow	44.1	24.9	60.5
Cash flow generated/(used) by investing activities	(21.9)	(22.6)	(42.7)
Cash Flow generated/(used) by financing activities	(43.7)	(37.5)	(36.5)
Free Cash Flow generated/(used)	(21.5)	(35.2)	(18.5)