Sant'Elpidio a Mare – August 26th, 2010

TOD'S S.p.A.: strong growth of net income in H1 2010 (+21.6%); significant cash generation; important extra dividend (3.50 Euro per share)

Consolidated sales: 377.5 million Euros (+5.2%); EBITDA: 90.7 million Euros (+14.9%); EBIT: 74.3 million Euros (+ 17.5%); Net income: 52.4 million Euros (+21.6%)[1]

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 results for the first half of 2010.

As already released at the end of July, in the first six months of 2010, consolidated sales were 377.5 million Euros, with growth of 5.2% from H1 2009, posting a strong acceleration in Q2 (+3.4% in Q1, +7.4% in Q2).

The operating profitability showed a significant improvement: EBITDA was 90.7 million Euros, with growth of 14.9% from H1 2009 and with a 24% margin on sales, 200 bps higher than in H1 2009.
The EBIT growth was even faster: EBIT was 74.3 million Euros, (+17.5% versus H1 2009) and with a 19.7% margin on sales (versus 17.6% of H1 2009).

The strong growth of profits was mainly driven by the ongoing sales growth, combined with their better quality (higher incidence of full price sales) and the increased operating efficiency.

At constant exchange rates, meaning by using H1 2009 average exchange rates, sales revenues would have been 374 million Euros, with growth of 4.2%; EBITDA and EBIT would have been, respectively, 88.5 and 72.2 million Euros.

[1] The not meaningful differences between H1 2009 figures commented in this press release and the figures released in H1 2009 interim report, are due to the application of an amendment to IAS 38, with retroactive effect. For more details, please refer to H1 2010 report.

Consolidated Sales Breakdown by Brand: outstanding results for Tod's

million Euros	H1 2010	H1 2009	% change	FY 2009
Tod's	195.9	180.7	+8.4%	348.8
Hogan	137.5	131.9	+4.2%	256.9
Fay	34.3	38.5	-11.0%	91.6
Roger Vivier	9.5	7.4	+28.3%	15.0
Other	0.3	0.5	n.m.	0.8
TOTAL	377.5	359.0	+5.2%	713.1

Tod's brand revenues totalled 195.9 million Euros in the first six months of 2010, with growth of 8.4% from H1 2009. The growth was mainly driven by shoes and handbags.

The Hogan brand totalled 137.5 million Euros in sales, with growth of 4.2% from H1 2009. This performance has been driven by the strategic goal to preserve its long term exclusivity and image.

Fay brand revenues were 34.3 million Euros in the first six months of 2010; as already communicated in Q1 10 results release, H1 2010 sales has been negatively affected also by a different timing in Spring/Summer deliveries.

Finally, the Roger Vivier brand realized 9.5 million Euros in revenues in H1 2010, with growth of 28.3% from H1 2009. In the next few seasons, the brand will remain focused on consolidating its exclusivity and prestige; therefore, the analysis of the sales trends is not fully meaningful.

Consolidated Sales Breakdown by Product: positive trend for leather goods and further strengthening of the Group's core business

million Euros	H1 2010	H1 2009	% change	FY 2009
Shoes	282.4	260.9	+8.3%	506.1
Leather goods and accessories	57.8	59.2	-2.4%	111.4
Apparel	37.0	38.5	-3.7%	95.0
Other	0.3	0.4	n.m.	0.6
TOTAL	377.5	359.0	+5.2%	713.1

The Group confirmed once more its undisputed leadership in its core business of shoes. In the first six months of 2010, sales from this product category totalled 282.4 million Euros, with growth of 8.3% from H1 2009.

In line with management expectations, the performance of the leather division showed a significant acceleration in the second quarter, driven by the outstanding results of the DOS network. Revenues from leather goods and accessories totalled 57.8 million Euros in H1 2010 (-9.9% in Q1; +6% in Q2).

Finally, sales from apparel were 37 million Euros in the first six months of 2010; positive results for the Hogan apparel collections.

Consolidated Sales Breakdown by Region: growth in all markets; USA: +11.2%, Asia: +17.3%

million Euros	H1 2010	H1 2009	% change	FY 2009
Italy	203.7	200.5	+1.6%	405.1
Europe (excl. Italy)	80.3	77.6	+3.4%	150.7
North America	25.5	22.9	+11.2%	46.4
Asia and Rest of World	68.0	58.0	+17.3%	110.9
TOTAL	377.5	359.0	+5.2%	713.1

The Group continues its growth on the domestic market. In the first half of 2010, the Group's sales in Italy were 203.7 million Euros, up 1.6% from H1 2009. This result is affected also by the trend of Fay, which is leader on this market.

In the rest of Europe, sales totalled 80.3 million Euros, with growth of 3.4% from H1 2009. The strong acceleration posted in the second quarter was mainly driven by the outstanding results of the DOS network.

The US market achieved excellent results, with a significant acceleration of its growth. In the first half of 2010, the Group's sales totalled 25.5 million Euros, with growth of 11.2% from H1 2009 (+11.9% at constant exchange rates).

Also the "Asia and Rest of World" area accelerated its growth; the Group posted extremely positive results in China, Hong Kong, Korea and Taiwan. In H1 2010, aggregate revenues for that area were 68 million Euros, with growth of 17.3% from H1 2009 (+11.7% at constant rates).

Consolidated Sales Breakdown by Distribution Channel: excellent results in the DOS network; all channels are growing

million Euros	H1 2010	H1 2009	% change	FY 2009
Third parties (Franchised stores + Independent retailers)	192.0	188.4	+1.9%	363.8
DOS	185.5	170.6	+8.8%	349.3
TOTAL	377.5	359.0	+5.2%	713.1

In the first half of 2010, revenues to third parties totalled 192 million Euros, with growth of 1.9% from H1 2009.

The DOS network posted excellent results, with a further improvement compared to the first quarter of the year. In the first six months of 2010, revenues through DOS globally amounted to 185.5 million Euros, with a growth of 8.8% from H1 2009.

The organic growth was brilliant: the *Same Store Sales Growth* (SSSG) rate, calculated as the worldwide average of sales growth rates reported by DOS opened as of January 1st, 2009 , was 10.6% for the first

34 weeks of the year (from January 1st to August 22nd, 2010), showing a strong acceleration versus the first months of the year.

As of June 30th, 2010, the Group's distribution network is represented by 151 DOS and 71 franchised stores, compared to 147 DOS and 76 franchised stores as of June 30th, 2009.

Comments on the Profit & Loss key figures

As already highlighted in our previous press releases, there are discrepancies in the flow of industrial revenues and costs on a monthly basis; therefore, analyzing quarterly figures is not fully meaningful and annualizing quarterly figures might be misleading.

In H1 2010 the Group's EBITDA was 90.7 million Euros, with growth of 14.9% from H1 2009, much higher than the sales increase, thanks to a better quality of sales and the improvement of the production efficiency. Therefore, the EBITDA margin significantly increased: 24% in H1 2010 compared to 22% in H1 2009.

The openings and refurbishment of DOS caused a physiologic increase of rental costs, whose incidence on sales was 7.5% in H1 2010 from 7.3% in H1 2009. Also the incidence on sales of labour costs slightly increased (15.3% in H1 2010 versus 15.2% in H1 2009), also due to the continuous growth of the Group's headcount (3,102 employees as of June 30th, 2010, versus 2,820 as of June 30th, 2009).

The Group's EBIT was 74.3 million Euros in H1 2010, with growth of 17.5% from H1 2009, and with a 19.7% margin on sales, compared to 17.6% of H1 2009.
In the first six months of 2010, the incidence on sales of amortisation and depreciation was 4.2%, slightly lower than in H1 2009 (4.3%).

The Group's profit before taxes was 77 million Euros, with growth of 23.2% from H1 2009, and benefitted also by the positive results of financial operations, mainly due to the favourable currency movements.

Income taxes were 24.5 million Euros, with a 31.9% tax rate, the same of full year 2009.

Consolidated net income was 52.4 million Euros in the first six months of 2010, with growth of 21.6% from H1 2009 and with a 13.9% margin on sales. Finally, net of minorities, the Group's net income was 51.6 million Euros, with growth of 21% from H1 2009 and with a 13.7% margin on sales.

Comments on the Balance Sheet and Cash Flow key figures

The total investments made by the Group in the first six months of 2010 amounted to 16.1 million Euros, compared to 21.3 million Euros of full year 2009. As usual, the most of them were related to the widening and refurbishment of the DOS network. They include the openings made in Asia, the enlargement of the Tod's boutique in Munich and the complete refurbishment of the Tod's store in Rodeo Drive, Los Angeles, reopened in April with the new *Tod's Home* format.

In 2010 the Group further consolidated its already very sound cash position.

As of June 30th, 2010 the net financial position was positive and equal to 200.3 million Euros, the double than the balance as of June 30th, 2009 (100 million Euros), also thanks to the excellent management of working capital requirements.
The balance of the operating working capital (trade receivables + inventories – trade payables) was 193.4 million Euros as of June 30th, 2010, compared to 228.1 million Euros as of the end of June 2009.

Consolidated shareholders' equity as of June 30th, 2010 was 667 million Euros, which compares to 616.1 and 659.9 million Euros as of June 30th and December 31st, 2009, respectively.

Dividend proposal

Considering the Group's sound balance sheet and the potential of further significant cash generation, the Board approved also to propose the distribution of an extra dividend of Euro 3.50[2] per share, for a total amount of 107.1 million Euros.

[2] Gross of withholding tax, if due.

The clipping of the coupon nr. 11 is scheduled on October 11th, 2010 for the dividend payment on October 14th, 2010.

This proposal will be submitted to the approval of the Annual General Meeting, taking place in the company's registered offices next September 21st, 2010, at 9.00 a.m. on first call (and on second call on September 28th, 2010 same place and time).

Diego Della Valle, Chairman and CEO of the Group, commented as follows: "The first half of 2010 delivered excellent results, in line with our expectations: acceleration of the sales growth, with a strong predominance of full price sales versus promotional ones, significant increase of the operating profitability. Considering the enthusiastic feedback of the next Fall-Winter collections and the stronger and stronger appreciation of our products received by clients, we are confident to achieve even better results in the second half of the year. Given the sound balance sheet of our Group and its capacity to further generate significant cash, the Board is proposing the distribution of an important extra dividend, which will grant an interesting return for our shareholders, while leaving our Group all the resources necessary to continue its solid growth and its international expansion."

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.

Should you need explanations, please contact: Investor Relations Office - tel. +39 02 77 22 51
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ATTACHMENTS

TOD'S GROUP

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

Figures in million Euros	H1 2010	H1 2009	FY 2009
Sales	377.5	359.0	713.1
EBITDA	90.7	78.9	158.7
EBIT	74.3	63.2	126.4
Profit before taxes	77.0	62.5	126.5
Net income	52.4	43.1	86.1
of which: Group's net income	*51.6*	*42.6*	*85.7*
minorities	*0.8*	*0.5*	*0.4*

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

Figures in million Euros	June 30th, 2010	June 30th, 2009	December 31st, 2009
Operating net working capital (1)	193.4	228.1	200.1
Tangible and intangible fixed assets	301.6	303.6	297.4
Other assets/(liabilities), net	(28.3)	(15.6)	(14.8)
Total Invested Capital	466.7	516.1	482.7
Net financial position (positive)	(200.3)	(100.0)	(177.2)
Consolidated Shareholders' equity	667.0	616.1	659.9

(1) Trade receivables + Inventory – Trade payables

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

Figures in million Euros	H1 2010	H1 2009	FY 2009
Operating Cash Flow	89.6	67.0	154.2
Cash flow generated/(used) by investing activities	(17.2)	(10.4)	(20.1)
Cash Flow generated/(used) by financing activities	(50.1)	(30.2)	(31.2)
Free Cash Flow generated/(used)	22.3	26.4	102.8

H1 2009 figures have been amended in compliance with the retroactive IAS 38 amendment. For more details, please refer to the Supplementary notes of H1 2009 Report.