TOD'S Group

QUARTERLY REPORT ON OPERATIONS
AT MARCH 31st, 2009

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Company's data

Registered office

TOD'S S.p.a.
Via Filippo Della Valle, 1
63019 Sant'Elpidio a Mare (Fermo) - Italy
Tel. +39 0734 8661

Legal data Parent company

Share capital resolved euro 61,218,802
Sahare capital subscribed and paid euro 61,218,802
Fiscal Code and registration number on Company Register of Court of Fermo: 01113570442
Registered with the Chamber of Commerce of Fermo under n. 114030 R.E.A.

Offices e Show rooms	Dusseldorf – Kaistrasse, 2
	Hong Kong – Three Pacific Place, 1 Queen's Road East
	London – Old Bond Street, 16
	Milan - Corso Venezia, 30
	Milan - Via Savona, 56
	Milan - Via Serbelloni 1-4
	New York - 450, West 15th Street
	Paris – Rue Royale, 20
	Tokyo – Omotesando Building, 5-1-5 Jingumae
Production facilities	Comunanza (AP) - Via Merloni, 7
	Comunanza (AP) - Via S.Maria, 2-4-6
	Sant'Elpidio a Mare (AP) - Via Filippo Della Valle, 1
	Bagno a Ripoli, Loc. Vallina (FI) - Via del Roseto, 60
	Bagno a Ripoli, Loc. Vallina (FI) - Via del Roseto, 50
	Tolentino (MC) - Via Sacharov 41/43

Corporate Governance bodies

Board of directors (1)	Diego Della Valle	Chairman
	Andrea Della Valle	Vice- Chairman
	Luigi Abete	
	Maurizio Boscarato	
	Luigi Cambri	
	Luca Cordero di Montezemolo	
	Emanuele Della Valle	
	Fabrizio Della Valle	
	Emilio Macellari	
	Pierfrancesco Saviotti	
	Stefano Sincini	
	Vito Varvaro	
Executive Committee	Diego Della Valle	Chairman
	Andrea Della Valle	
	Fabrizio Della Valle	
	Emilio Macellari	
	Stefano Sincini	
	Vito Varvaro	
Compensation Committee	Luigi Abete	Chairman
	Luigi Cambri	
	Pierfrancesco Saviotti	
Internal Control and Corporate Governance Committee	Maurizio Boscarato	Chairman
	Luigi Cambri	
	Pierfrancesco Saviotti	
Board of statutory Auditors (2)	Enrico Colombo	Chairman
	Gian Mario Perugini	Acting stat. auditor
	Fabrizio Redaelli	Acting stat. auditor
	Massimo Foschi	Substitute auditor
	Gilfredo Gaetani	Substitute auditor
Independent Auditors (3)	Deloitte & Touche S.p.a.	
Manager charged with preparing a company's financial report	Rodolfo Ubaldi	

(1) Term of the office: 2009-2011 (resolution of the Shareholders' meeting as of April 20th, 2009)
(2) Term of the office: 2007-2009 (resolution of the Shareholders' meeting as of April 27th, 2007)
(3) Term of the office: 2006-2011 (resolution of the Shareholders' meeting as of April 28th, 2006)

TOD'S Group

TOD'S S.p.a.
Parent Company, owner of the TOD'S, HOGAN and FAY brands and licensee of the ROGER VIVIER brand.

Del.Com. S.r.l.
Subholding for operation of national subsidiaries.

TOD'S International B.V.
Subholding for operation of international subsidiaries and DOS in The Netherlands.

An.Del. Usa Inc.
Subholding for operation of subsidiaries in the United States.

Del.Pav S.r.l.
Company that operates DOS in Italy.

Deva Mode S.r.l.
Company that operates DOS in Italy.

Filangieri 29 S.r.l.
Company that operates DOS in Italy.

Re.Se.Del. S.r.l.
Company for services.

Spiga 22 S.r.l.
Company that operates DOS in Italy.

Via Roma 40 S.r.l.
Company that operates DOS in Italy.

Gen.del. SA
Company that operates DOS in Switzerland.

TOD'S Belgique S.p.r.l.
Company that operates DOS in Belgium.

TOD'S Deutschland Gmbh
Company that distributes and promotes products in Germany and manages DOS in Germany.

TOD'S Espana SL
Company that operates DOS in Spain.

TOD'S France Sas
Company that distributes and promotes products in France and manages DOS in France.

TOD'S Hong Kong Ltd
Company that distributes and promotes products in Far East and South Pacific and manages DOS in Hong Kong.

TOD'S Retail India Private Ltd
Company that operates DOS in India

TOD'S Japan KK
Company that operates DOS in Japan.

TOD'S Korea Inc.
Company that promotes products in Korea

TOD'S Luxembourg S.A.
Company that operates DOS in Luxembourg.

TOD'S Macao Ltd
Company that operates DOS in Macao.

TOD'S Saint Barth Sas
Not operating company

TOD'S (Shanghai) Trading Co. Ltd
Company that operates DOS in China

TOD'S Singapore Pte Ltd
Company that operates DOS in Singapore.

TOD'S UK Ltd
Company that operates DOS in Great Britain.

Webcover Ltd
Company that operates DOS in Great Britain.

Cal.Del. Usa Inc.
Company that operates DOS in California (USA).

Colo. Del. Usa Inc.
Company that operates DOS in Colorado (USA).

Deva Inc.
Company that distributes and promotes products in North America, and manages of DOS in New Jersey (USA).

Flor. Del. Usa Inc.
Company that operates DOS in Florida (USA).

Hono. Del. Inc.
Company that operates DOS in Hawai (USA).

Il. Del. Usa Inc.
Company that operates DOS in in Illinois (USA).

Neva. Del. Inc.
Company that operates DOS in Nevada (USA).

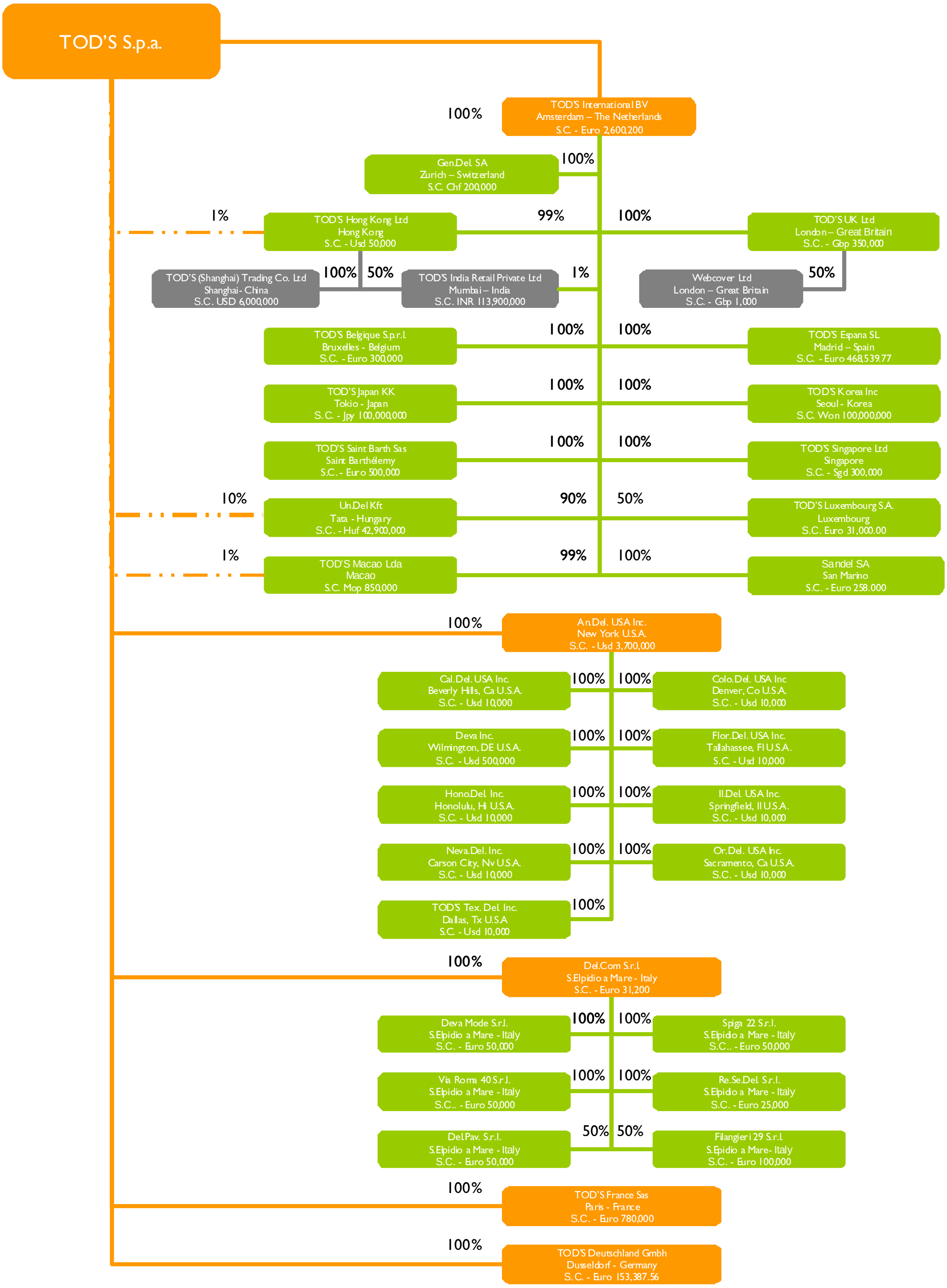
Or. Del. Usa Inc.
Company that operates DOS in California (USA).

TOD'S Tex. Del. Usa Inc.
Company that operates DOS in Texas (USA)

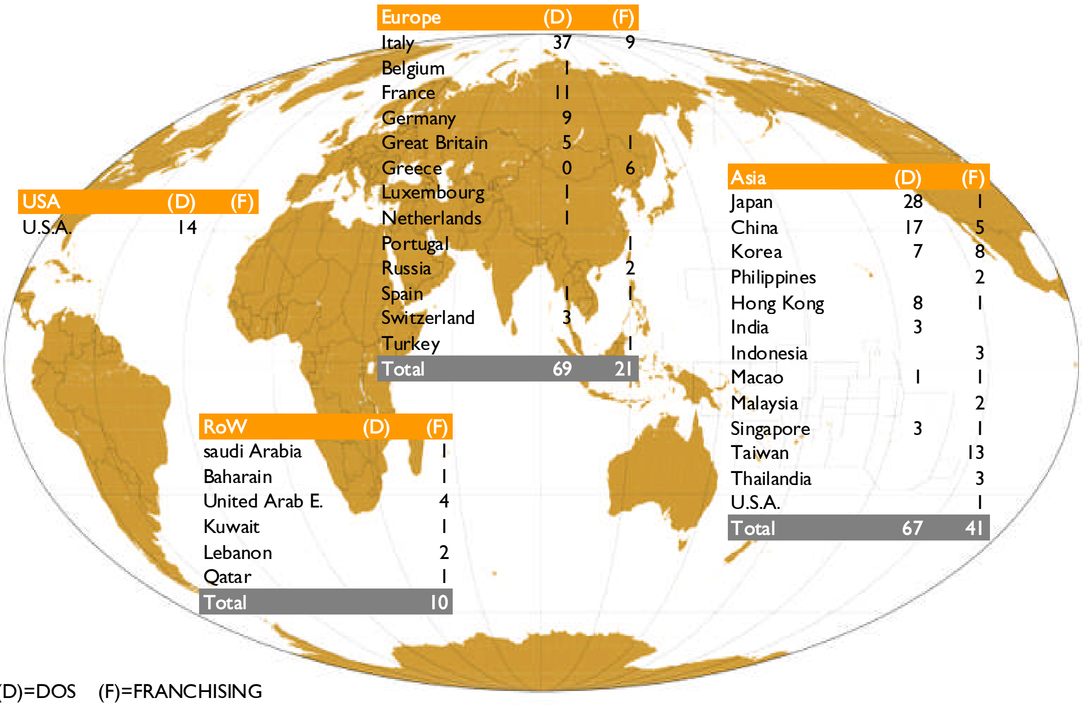
Sandel SA
Not operating company

Un.Del. Kft
Production Company

Group's organizational chart



Distribution network as of March 31st, 2009



Europe	(D)	(F)
Italy	37	9
Belgium	1	
France	11	
Germany	9	
Great Britain	5	1
Greece	0	6
Luxembourg	1	
Netherlands	1	
Portugal		1
Russia		2
Spain	1	1
Switzerland	3	
Turkey		1
Total	69	21

USA	(D)	(F)
U.S.A.	14	

Asia	(D)	(F)
Japan	28	1
China	17	5
Korea	7	8
Philippines		2
Hong Kong	8	1
India	3	
Indonesia		3
Macao	1	1
Malaysia		2
Singapore	3	1
Taiwan		13
Thailandia		3
U.S.A.		1
Total	67	41

RoW	(D)	(F)
saudi Arabia		1
Baharain		1
United Arab E.		4
Kuwait		1
Lebanon		2
Qatar		1
Total		10

(D)=DOS (F)=FRANCHISING

DOS, 2009 new openings

Far East
Busan (Korea)

Franchising, 2009 new openings

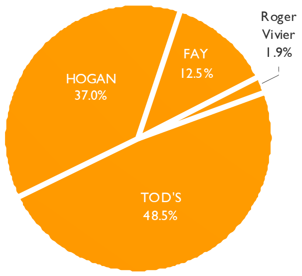
Europa
Malaga (Spain)

Middle East
Manama (Baharain)

For a complete list of retail outlets operated by the DOS and franchising network, reference should be made to the corporate web site: www.todsgroup.com

Key consolidated financial figures

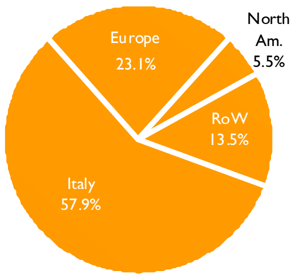
Q1 09 Revenues - % by brand



P&L key figures (in euro mn)

	Q1 2009		Q1 2008		Q1 2007		Q1 2006	
Revenues	201.3		190.9		177.7		161.4	
EBITDA	45.7	22.7%	43.7	22.9%	40.5	22.8%	38.2	23.7%
EBIT	37.9	18.8%	37.2	19.5%	34.5	19.4%	32.3	20.0%

Q1 09 Revenues - % by region

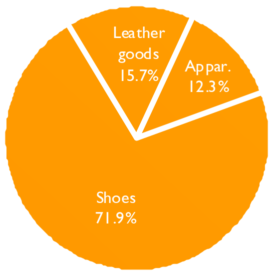


Key Balance Sheet figures (in euro mn)

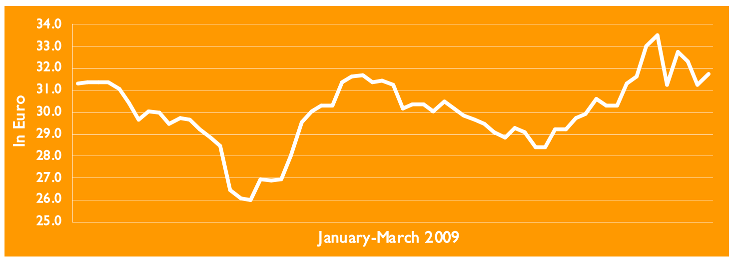
	03.31.09	12.31.08	03.31.08
Net working capital (*)	284.6	237.3	248.6
Net financial position	56.4	72.8	53.5
Capital expenditures	6.1	40.8	12.0

(*) Trade receivables + inventories – trade payables

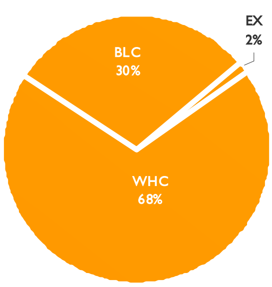
Q1 09 Revenues - % by product



Stock performance



2009 Group employees



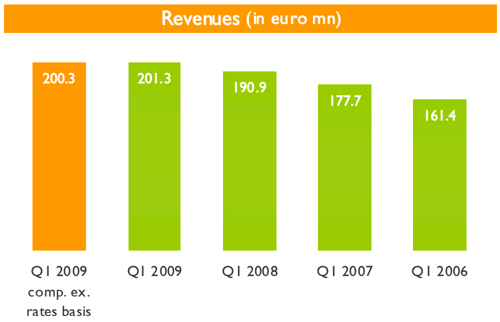
The Group employees

	03.31.09	12.31.08	03.31.08	03.31.07
Year to date	2,838	2,814	2,664	2,388

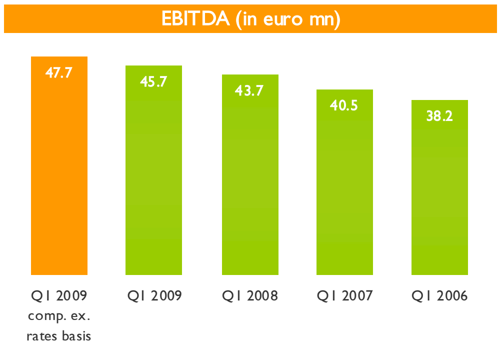
EX = executives
WHC = white collar employees
BLC = blue collar employees

Highlights of results

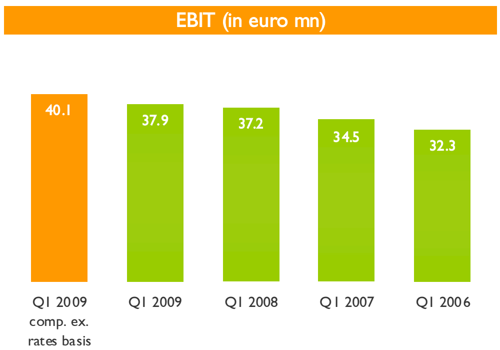
Revenues: these totalled 201.3 million euro during the period (the foreign exchange effect was a negative 1 million euro), for growth of 5.4% over the first three months of 2008. Sales on the DOS network totalled 74.1 million euro (+4.9%).



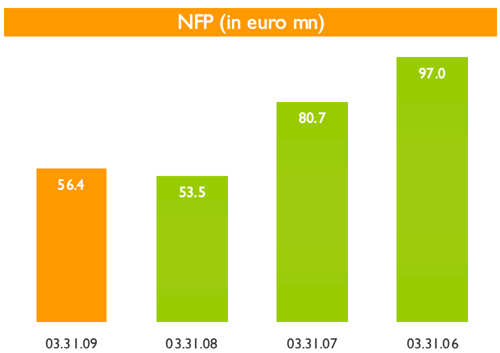
EBITDA: 45.7 million euro. On a comparable exchange rate basis, EBITDA would have been 47.7 million euro (+8.9%), for a ROS of 23.8% (QI 2008: 22.9%).



EBIT: 37.9 million euro, 40.1 million on a comparable exchange rate basis (+7.8%).



Net financial position (NFP): the Group's cash and bank accounts totalled 85.3 million at March 31st 2009. At the same date, net financial position was 56.4.



Capital expenditures: these totalled 6.1 million euro in the first three months of 2009, with over 60% being invested in the distribution network.

Distribution network: at March 31st, the monobrand distribution network was comprised of 150 DOS and 72 franchised stores.

TOD'S Group

REPORT ON OPERATION

Group's activity

The TOD'S Group operates in the luxury sector under its proprietary brands (TOD'S, HOGAN, and FAY) and licensed brands (ROGER VIVIER e DEREK LAM). It actively creates, produces and distributes shoes, leather goods and accessories, and apparel. The company's mission is to offer top-quality products that satisfy the practical demands and desires of consumers worldwide.

Group's brands

The TOD'S brand is positioned on the luxury market and combines tradition, top quality and modernity. It offers consumers shoes, leather goods, accessories and apparel whose design is exclusive, functional and never ostentatious, interpreting timeless elegance.
TOD'S products embody the high quality of goods "Made in Italy" that are handcrafted for daily use while offering a sophisticated and elegant look. Certain products, such as the *Driving Shoe* or the *D-Bag*, beloved by celebrities and leaders around the world, have become icons representing a unique and recognisably elegant style for men and women.

The HOGAN brand is positioned in the dynamic urban luxury market, offering consumers contemporary style shoes, leather goods, accessories and apparel with an international vision.
HOGAN products, which are distinguished by their innovative character and high quality, have created a unique style, contributing to changes in the fashion habits of consumers who want a functional, comfortable, but also sporty and elegant product for everyday life.
HOGAN products are trend-setters in defining an elegant and sporty look. Some of its models are best sellers, such as its *Interactive* shoes.

This brand offers consumers a line of high-quality apparel that is distinguished by the technical treatment of fabrics, obsession for detail and extreme functionality, combining style and quality with excellence. FAY products can be worn everywhere: from the sports stadium to the office, and from the city to the countryside. In every season, the FAY collection offers innovative, recognisable products for men, women and children.

Foreign currency markets

After the sharp correction in cross rates during H2 2008, exchange rates trends were much more linear in Q1 2009, with less marked fluctuations.
Compared with its average levels for Q1 2008, the euro was generally weaker against nearly all non-EU currencies, although it did continue appreciating against the British pound and Korean won.

Principal events and transactions during the period

No events or transactions took place during the first three months of 2009 as to impact the assets, liabilities, operating result and financial position of TOD'S Group as reported in its Annual Report at December 31st 2008.

Given the persistent volatility on international markets, the Group maintained a prudent approach to all capital expenditure and growth decisions, while seeking to improve its own operating efficiency and streamline its costs.

As compared with the first three months of the previous financial year, the current economic situation (Q1 2009) includes the retail activities of continental China, reflecting the changes implemented in FY 2008 (17 DOS compared with the four that existed at March 31st 2008), and India. These new activities did not have a material impact on Group's operations.

Group's results in Q1 2009

In the first three months of 2009, TOD'S Group sales totalled 201.3 million euro, or 10.4 million euro, 5.4% from the same period of 2008. On a comparable exchange rate basis, revenues would be 200.3 million euro, and the growth rate 4.9%.
EBIT in Q1 2009 was 37.9 million euro, up 0.7 million euro. The foreign exchange difference for the period had a negative impact on quarterly EBIT: on a comparable exchange rate basis (average of exchange rates reported in Q1 2008), EBIT would rise to 40.1 million euro, for growth of 7.8%.

FY 2008	(In Euro 000's) Principal P&L indicators	Q1 2009	Q1 2008	Change	%
707,553	Sales revenues	201,277	190,922	10,355	5.4
156,204	EBITDA	45,668	43,749	1,919	4.4
(29,603)	Deprec., amort. and write-downs	(7,759)	(6,521)	(1,238)	19.0
126,601	EBIT	37,909	37,228	681	1.8
	Foreign exchange impact on revenues	(1,020)			
	Adjusted sales revenues	200,257	190,922	9,335	4.9
	Foreign exch. impact on operating costs	3,010			
	Adjusted EBITDA	47,658	43,749	3,909	8.9
	Foreign exchange impact on deprec./amort.	250			
	Adjusted EBIT	40,149	37,228	2,921	7.8
	EBITDA %	22.7	22.9		
	EBIT %	18.8	19.5		
	Adjusted EBITDA %	23.8	22.9		
	Adjusted EBIT %	20.0	19.5		

03.31.08	(In Euro 000's) Principal Balance sheet indicators	03.31.09	12.31.08	Change
248,553	Net working capital (*)	284,589	237,348	47,241
53,475	Net financial position	56,395	72,831	(16,436)
12,039	Capital expenditures	6,072	40,838	n.m.

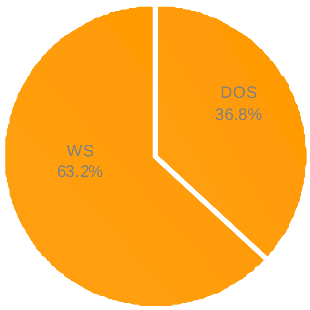
(*) Trade receivables + inventories – trade payables

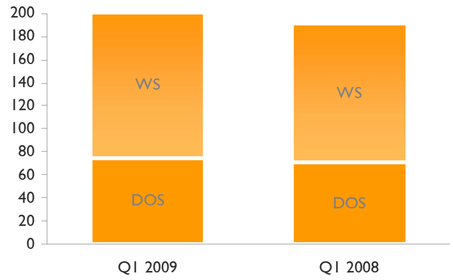
Revenues. Consolidated revenues totalled 201.3 million euro in Q1 2009, up 5.4% from the same period of the previous year; on a comparable exchange rate basis (average exchange rates for January-March 2008), revenues would be 200.3 million euro, and the growth rate would fall to 4.9%.

The change in sales on the Group's two distribution channels was substantially parallel. It must be kept in mind that results in the first quarter of every year are dominated by sales on the wholesale channel. Due to the different timing for accounting of revenues, deliveries made to the DOS channel translate into inventory entries upon consolidation, and become sales revenues only in Q2, when the products are sold by stores to end customers.

In Q1 2009, sales revenues from third parties totalled 127.2 million euro, up 5.7% from the same period of 2008. Revenues on the DOS network totalled 74.1 million euros, up 4.9% from Q1 2008.

(In euro mn)	Q1 2009	%	Q1 2008	%	Change	%
DOS	74.1	36.8	70.6	37.0	3.5	4.9
WS	127.2	63.2	120.3	63.0	6.9	5.7
Total	201.3	100.0	190.9	100.0	10.4	5.4





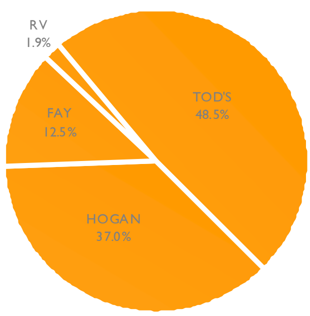
Same Store Sales Growth (SSSG), which is the global average of revenue growth rates reported by DOS existing at January 1st 2008, was -0.4% in the first 18 weeks of the current year (January 1st – May 3rd 2009). At March 31st 2009, the Group's distribution network was composed of 150 DOS and 72 franchised stores, compared with 130 DOS and 62 franchised stores at March 31st 2008.

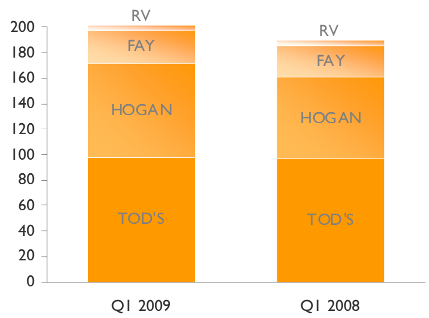
TOD'S brand revenues totalled 97.5 million euro in Q1 2009, substantially unchanged from the same period a year earlier.

The HOGAN brand continued to produce excellent results: sales were 74.5 million euro in Q1 2009, up 17.5% from the same period of 2008.

The FAY brand also had positive results: in the first three months of 2009, revenues totalled 25.2 million euro, up 2.7% from

(In euro mn)	Q1 2009	%	Q1 2008	%	Change	%
TOD'S	97.5	48.5	97.2	50.9	0.3	0.3
HOGAN	74.5	37.0	63.3	33.2	11.2	17.5
FAY	25.2	12.5	24.5	12.8	0.7	2.7
RV	3.9	1.9	5.1	2.7	(1.2)	(22.8)
Other	0.2	0.1	0.8	0.4	(0.6)	n.s.
Total	201.3	100.1	190.9	100.0	10.4	5.4



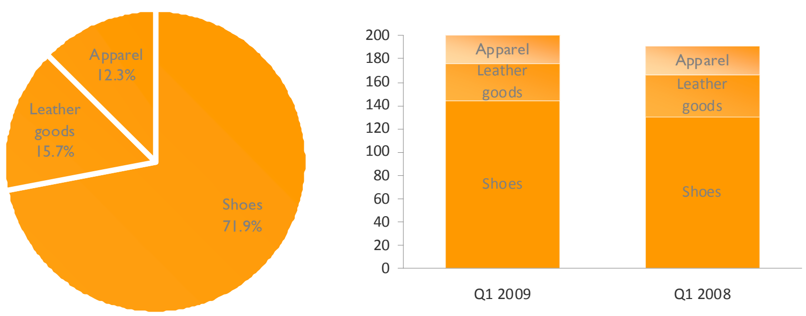


Q1 2008. Finally, the ROGER VIVIER brand had revenues of 3.9 million euro in Q1 2009, or 1.9% of consolidated sales, down 1.2 million euro from Q1 2008.

Shoe sales – the Group's core business – remained strong, and demand for this particular product category was the strongest of any at this particular time.

During Q1 2009, shoe revenues totalled 144.7 million euro, up 11% from Q1 2008.
Sales of leather goods and accessories totalled 31.6 million euro in Q1 2009. The 12.4% drop from the same period of 2008 also reflects the greater success of certain iconic products in the handbag segment, but at a lower average price, on which the Group has focused over the past several months (e.g. the Pashmy line and the fabric G-Bag). Apparel revenues totalled 24.8 million euro in Q1 2009, up 2.2% from the same period of the previous year.

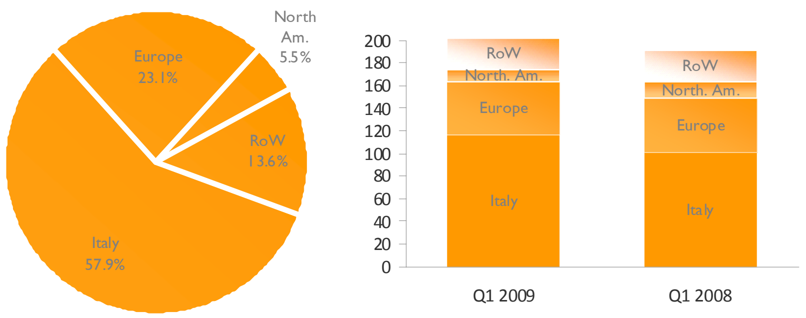
(In euro mn)	Q1 2009	%	Q1 2008	%	Change	%
Shoes	144.7	71.9	130.4	68.3	14.3	11.0
Leather goods	31.6	15.7	36.0	18.9	(4.4)	(12.4)
Apparel	24.8	12.3	24.3	12.7	0.5	2.2
Other	0.2	0.1	0.2	0.1	0.0	2.2
Total	201.3	100.0	190.9	100.0	10.4	5.4



As expected, all Group's brands have confirmed their great success on the domestic market, holding on to their leadership in the various merchandise segments.

Revenues in Italy totalled 116.5 million euro in Q1 2009, up 16.2% from the same period of 2008. Elsewhere in Europe, Group's sales were down slightly (-4.8%) to 46.5 million euro. Results on the American market, which ac-

(In euro mn)	Q1 2009	%	Q1 2008	%	Change	%
Italy	116.5	57.9	100.3	52.5	16.2	16.2
Europe	46.5	23.1	48.8	25.6	(2.3)	(4.8)
North America	11.0	5.5	14.0	7.3	(3.0)	(21.6)
RoW	27.3	13.5	27.8	14.6	(0.5)	(1.9)
Total	201.3	100.0	190.9	100.0	10.4	5.4



count for 5.5% of Group's sales, with million euro, reflect the persistent revenues of 11.0 contraction in consumer spending in the United States, caused in turn by the severe recession there. In the Rest of the World,revenues totalled 27.3 million euro in Q1 2009, down slightly from the same period a year earlier.

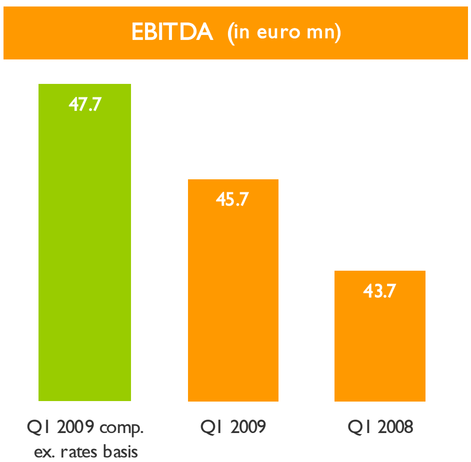
Operating results. The indicators of profitability EBITDA and EBIT, were both up in Q1 2009 as compared with the first three months of the previous year.

(In euro 000's)	Q1 2009	Q1 2008	FY 08
Revenues			
Sales revenues	201,277	190,922	707,553
Other evenues and income	4,235	3,207	14,772
Total revenues	205,512	194,129	722,325
Operating costs			
Change in invent. of work in progr. and finished goods	(11,403)	5,838	20,542
Costs for raw materials, supplies and material for cons.	(44,298)	(51,929)	(180,465)
Costs for services	(58,402)	(63,296)	(236,402)
Costs for use of third party assets	(12,730)	(10,277)	(44,473)
Costs of labour	(28,218)	(25,691)	(104,597)
Other operating charges	(4,793)	(5,025)	(20,726)
Total operating costs	(159,844)	(150,380)	(566,121)
EBITDA	45,668	43,749	156,204
Amortization, depreciation and write-downs			
Amortization of intangible assets	(1,737)	(1,443)	(6,611)
Depreciation of tangible assets	(5,971)	(5,078)	(22,509)
Other adjustments	-	-	242
Total amortization, depreciation and write-downs	(7,708)	(6,521)	(28,878)
Provisions	(51)	-	(725)
EBIT	37,909	37,228	126,601

EBITDA for the period was 45.7 million euro, for a consolidated ROS of 22.7%. In Q1 2008, EBITDA was 43.7 million euro, with a return on sales of 22.9%.

On a comparable exchange rate basis, EBITDA would rise to 47.7 million euro, with consolidated ROS of 23.8%. In absolute terms, growth would be 3.9 million euro from the same period of 2008.

The cost structure did not change significantly: consistently with the trend for FY 2008, costs in Q1 2009 rose for lease of the locations used by the directly operated store (DOS) network, which was

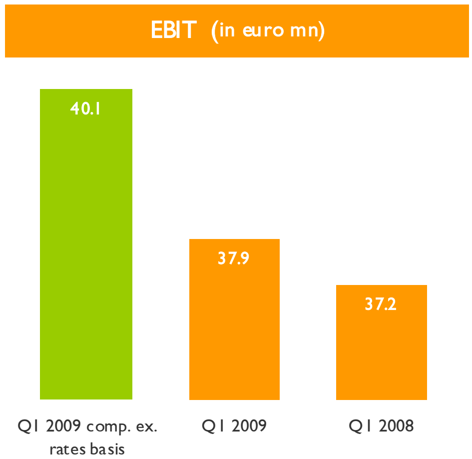


the effect of growth in the number of stores (following new openings) from Q1 2008, and the renewal of several expiring leases.

The growth in personnel costs was tied to development of the distribution network and systematic evolution in payroll dynamics. Aggregate personal costs for the period were 28.2 million euro, as compared with 25.7 million in Q1 2008. At March 31st 2009, the cost of labour was 14.0% of revenues (13.5% in Q1 2008). At the same date, the Group had 2,838 employees, or 24 and 174 persons more than at December 31st 2008 and March 31st 2008, respectively.

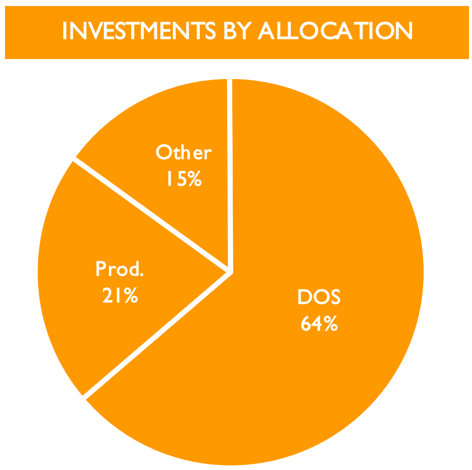
Net of Euro 7.7 million euro in amortisation and depreciation costs, Q1 2009 EBIT was 37.9 million euro, for a consolidated ROS of 18.8% (37.2 million euro in 2008, or 19.5% of consolidated sales).

On a comparable exchange rate basis, EBIT would be 40.1 million euro, with ROS of 20.0%. In absolute terms, compared with the first three months of 2008, growth would be 2.9 million euro (+7.8%).



Capital expenditure. Consistently with the strategy adopted in response to the current volatility on international markets, the Group is prudently targeting its capital expenditures in view of streamlining the use of available resources as much as possible, although the Group's traditionally solid cash position remains strong, as illustrated below.Investments of resources, which totalled 6,1 million euro in Q1 2009 (Q1 2008: 12.0 million euro), were concentrated in certain projects deemed strategic or that could not be delayed, principally on the DOS network (approximately 3.5 million).

The most important capital expenditures were made at the flagship stores in Paris and New York (soft restyling) and the principal retail outlet in Singapore, whose sales space was expanded significantly.



Net financial position. At March 31st 2009, net cash and cash equivalents totalled 56,4 million euro, up slightly from March 31st 2008, when the value of financial resources was 53.5 million euro. At December 31st 2008 the net financial position was 72.8 million euro, and was composed of 101.3 million euro in assets and 28.5 million euro in liabilities.

Net financial position (in euro 000's) 03.31.08		03.31.09	12.31.08	Change
	Current financial assets			
76,608	Cash and cash equivalents	85,287	101,276	(15,989)
76,608	Cash	85,287	101,276	(15,989)
	Current financial liabilities			
(11,423)	Current account overdraft	(19,098)	(18,651)	(447)
(1,482)	Current share of medium-long tern financing	(1,454)	(1,454)	-
(12,905)	Current financial liabilities	(20,552)	(20,105)	(447)
63,703	Current net financial position	64,735	81,171	(16,436)
	Non-current financial liabilities			
(10,228)	Financing	(8,340)	(8,340)	-
(10,228)	Non-current financial liabilities	(8,340)	(8,340)	-
53,475	Net financial position	56,395	72,831	(16,436)

The contraction in liquidity during Q1 was normal, reflecting the typical financial dynamics of operations during that period. The first several months of the year are characterised by the investment of resources to finance the temporary increase in net working capital, which was accounted for by exposure to third parties customers during the period in question, stemming from the wholesale component of revenues.

Net working capital (in euro 000's)	03.31.09	12.31.08	Change
Inventories	228,677	242,076	(13,399)
Trade receivables	170,596	108,386	62,210
Trade payables	(114,684)	(113,114)	(1,570)
Net working capital	284,589	237,348	47,241

At the financial level, the FY 2008 dividend coupon is scheduled to be paid on May 18th, as approved by the Shareholders' Meeting of the parent company TOD'S S.p.a. on April 20th 2009. The dividend, totalling 38,261,751.25 euro, at the rate of 1.25 (one and 25/100) euro for each of the 30,609,401 shares comprising the share capital at the payment date (as determined following the exercise of options upon expiration of the 2005-2009 stock options plan), will be paid to all shareholders entered on the Register of Shareholders at the coupon payment date.

Significant events occurring after the end of the period

There have not been any significant operating events affecting Group's activities since March 31st 2009.

The Stock Options Plan for directors, employees and independent contractors approved by the TOD'S s.p.a. Board of Directors in 2005 to promote their loyalty over the medium term ended in April, upon conclusion of the last exercise period.

Following exercise of the remaining options, another 128,481 shares were subscribed at a par value of 2 euro each, raising the share capital of TOD'S s.p.a. to 61,218,802 euro.

Business outlook

The results for Q1 2009 were positive and confirmed the Group's operating flexibility and solidity and appeal that its brands have on the market and consumers. However, the economic situation remains particularly difficult. Although timid signs of recovery can be detected, they still do not offer clear and reliable indications of what to expect.

Once again, given the uncertain outlook for operations during this year, the Group's management confirms its commitment to maintaining and consolidating its market share and profitability.

Guidelines for preparation of the Quarterly Report

The TOD'S Group Quarterly Report on Operations at March 31st, 2009 was prepared pursuant to Article 154 ter (5) of the Consolidated Law on Financial Intermediation ("TUF") introduced by Legislative Decree 195/2007, in implementation of Directive 2004/109/EC (the "Transparency Directive").

The consolidated financial statements were approved by the Board of Directors of TOD'S S.p.a. on May 13th, 2009, and on the same date that body authorized its publication.

Accounting policies

The accounting policies applied to prepare the financial figures reported on the Quarterly Report at March 31st, 2009 was prepared by applying IAS/IFRS, issued by IASB and approved by the European Union at the reporting date. IAS/IFRS refers to the *International Accounting Standards* (IAS), *International Financial Reporting Standards* (IFRS), and all interpretative documents issued by the IFRIC (previously called the Standing Interpretations Committee).

The same accounting standards used to prepare the consolidated financial statements at December 31st, 2008 were used to prepare this Report.

Preparation of the financial figures reported on the Quarterly Report at March 31st, 2009 entails making estimates and assumptions based on the management's best valuation. If these estimates and assumptions should change in future from the actual circumstances, they will obviously be modified for the period in which those circumstances changed.
Specifically in regard to determination of eventual impairment losses affecting fixed assets, complete tests are performed only when the annual report is prepared, when all information as might be necessary is available, unless there are indications that require immediate valuation of eventual impairment losses or the occurrence of events that required repetition of the procedure.

The rates applied for translation of the financial statements of subsidiaries using a functional currency other than the currency used for consolidation, are illustrated in the following table and compared with those used in the previous period:

		Jan.-Mar. 2009		Jan.-Mar. 2008	
	Base	Exch. Rate at March 31st	Average exch. rate	Exch. Rate at March 31st	Average exch. rate
U.S. dollar	1	0.751	0.768	0.632	0.625
UK pound sterling	1	1.074	1.102	1.257	1.320
Swiss franc	1	0.660	0.668	0.635	0.625
HK dollar	100	9.696	9.909	8.125	8.560
Japanese Yen	100	0.762	0.822	0.635	0.634
Hungarian forint	1,000	3.244	3.406	3.855	3.856
Singapor dollar	1	0.494	0.508	0.458	0.474
Korean WON	1,000	0.543	0.542	0.638	0.698
Chinese renminbi	100	10.996	11.233	9.019	9.317
Indian Rupia	100	1.484	1.546		
Macao Pataca	100	9.413	9.614	7.890	8.308

Alternative indicators of performances

In order to strip the effects of changes in exchange rates from the average values of the first three months of 2008 from the results for the three months of 2009, the typical economic indicators (Revenues, EBITDA, EBIT) have been recalculated by applying the average exchange rates for the three months of 2008, thereby rendering them fully comparable with those of the previous period.

However, it should be pointed out that these principles for measuring corporate performance represent a method of interpreting results that is not envisaged in IAS/IFRS, while they must not be considered substitutes for the results calculated according to those principles.

Furthermore, although the aggregate annual sales of the TOD'S Group are not subject to severe seasonal or cyclical variations in aggregate annual sales, its revenues and costs do fluctuate from quarter to quarter, largely in tandem with changes in the volumes of its industrial activity.
For this reason, analysis of the interim operating results and financial indicators (revenues, EBITDA, EBIT, financial position and working capital) cannot be considered fully representative, and it would be incorrect to consider the period indicators referred to in this report as proportionate to the whole year's results.

Scope of consolidation

There was no change in the consolidation scope compared to 2008 Financial Statements and Quarterly Report at March 31st, 2008

Transactions with related parties

In the first three months of 2009, the TOD'S Group participated in a number of transactions with parties that have an interest in the Group itself (mainly directors). These transactions, which were all exclusively in the Group's interest, were carried out by applying contractual conditions that would theoretically be applied in an arm's length transaction, in compliance with the governance rules aimed at assuring their regularity, transparency, and substantial fairness.
The principal object of transactions with related parties was the sale of products, lease of spaces for retail outlets, show rooms, and offices, the user license for the Roger Vivier brand, provision of advertising services.
The following table illustrates the details of these transactions: the transactions amongst Group's companies included in the scope of consolidation were eliminated from the consolidated financial statements, and thus they are not shown in these notes.

i. Commercial transactions with unconsolidated subsidiaries

Receivables and payables	03.31.09		03.31.08	
(In euro 000's)	Receivables	Payables	Receivables	Payables
Special Purpose Entities	2.699	1.485	4.251	

ii. Commercial transactions with other related entities – Revenues and costs

(In euro 000's)	Q1 2009		Q1 2008	
	Costs	Revenues	Costs	Revenues
Selling products				
Roger Vivier Paris S.a.s	139	434	373	459
Ordinary leases				
Immobiliare De.Im. S.r.l.	1,341		672	27
Difran S.a.s.	51			
Holpaf BV	1,055		766	
User license contract "Roger Vivier"				
Gousson - Consultadoria & Mark. Lda	325	2,307	618	1,717
Advertising services				
Forma Pura S.r.l.	632		315	
Total	3,543	2,741	2,744	2,203

iii. Commercial transactions with other related entities – receivables and payables

(In euro 000's)	03.31.09		03.31.08	
	Receivables	Payables	Receivables	Payables
Roger Vivier Paris S.a.s	853	189	912	407
Immobiliare De.Im. S.r.l.		783	320	
Difran S.a.s.		61		56
Holpaf BV		7		6
Gousson - Consultadoria & Mark. Lda	8,159	1,059	7,887	1,429
Forma Pura S.r.l.	21	591	7	453
Total	9,033	2,690	9,126	2,351

Milan, May 13th, 2009

The Chairman of the Board of Directors
Diego Della Valle

Declaration pursuant to Article 154bis(2) of the Consolidated Law on Financial Intermediation

The manager charged with preparing the company's financial reports certifies, pursuant to Article 154bis(2) of the Consolidated Law on Financial Intermediation, that the accounting information presented in this document corresponds to the accounting documents, books, and ledger entries.

The manager charged with preparing the company's financial reports
Rodolfo Ubaldi