

TOD'S

TOD'S Group

D'S

INTERIM REPORT ON THE FIRST
QUARTER OF 2008

Group

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Company's data

Registered office

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

Legal data Parent company

Share capital resolved Euro 64,000,000
Share capital subscribed and paid euro 60,961,840
Fiscal Code and registration number on Company Register of Court of Ascoli Piceno: 01113570442
Registered with the Chamber of Commerce of Ascoli Piceno 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
Milano - Corso Venezia, 30
Milano - Via Savona, 56
Milano - Via Serbelloni 1-4
Milano - Via della Spiga, 22
Milano - Viale Montenero 63
New York - 450, West 15th Street
Paris – Rue Royale, 20
Tokyo – Omotesando Building, 5-1-5 Jingumae
Seoul – 89-10, Cheongdam-dong, Kangnam-ku
Shanghai - 1366 Nanjing West Road, Plaza 66 Tower 2

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 Andrea Della Valle Luigi Abete Maurizio Boscarato Luigi Cambri Luca Cordero di Montezemolo Emanuele Della Valle Fabrizio Della Valle Emilio Macellari Pierfrancesco Saviotti Stefano Sincini Vito Varvaro (4)	Chairman Vice- Chairman
Executive Committee	Diego Della Valle Andrea Della Valle Fabrizio Della Valle Emilio Macellari Stefano Sincini Vito Varvaro (5)	Chairman
Compensation Committee	Luigi Abete Luigi Cambri Pierfrancesco Saviotti	Chairman
Internal Control and Corporate Governance Committee	Maurizio Boscarato Luigi Cambri Pierfrancesco Saviotti	Chairman
Board of statutory (2) Auditors	Enrico Colombo Gian Mario Perugini Fabrizio Redaelli Massimo Foschi Gilfredo Gaetani	Chairman Acting stat. auditor Acting stat. auditor Substitute auditor Substitute auditor
Independent Auditors (3)	Deloitte & Touche S.p.a.	
Manager charged with preparing the company's financial report	Rodolfo Ubaldi	

(1) Term of the office: 2006-2008 (resolution of the Shareholders' meeting as of April 28th, 2006)

(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)

(4) Appointed by the Shareholders' meeting on April 22nd, 2008

(5) Appointed by the Board of Directors on April 22nd, 2008

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 and Derek Lam brands ()*.

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

Company that operates DOS in Saint Barth.

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 Hawaii (USA).

Il. Del. Usa Inc.

Company that operates DOS in Illinois (USA).

Neva. Del. Inc.

Company that operates DOS in Nevada (USA).

Or. Del. Usa Inc.

Company that operates DOS in California (USA).

Sandel SA

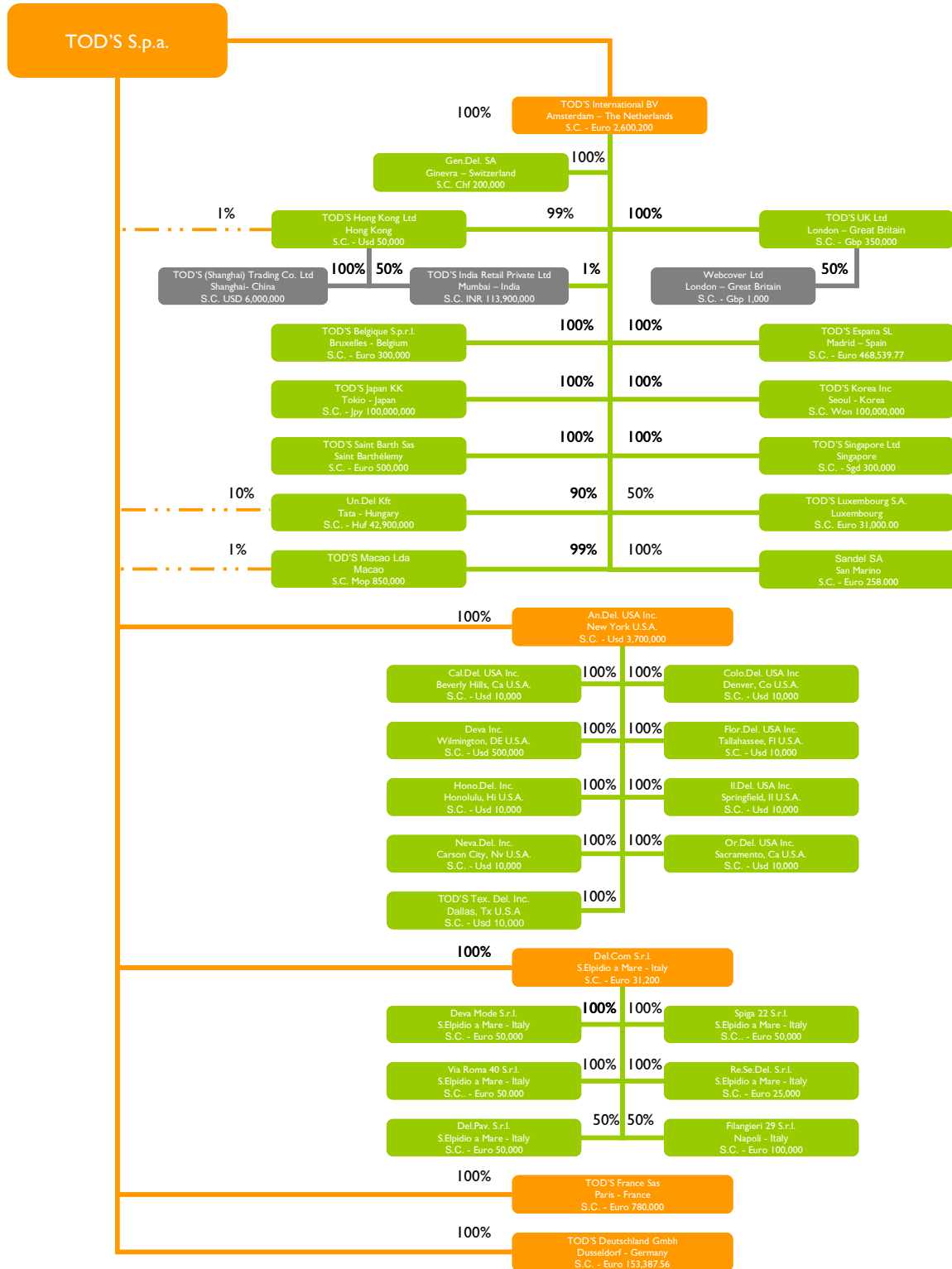
Production Company.

Un.Del. Kft

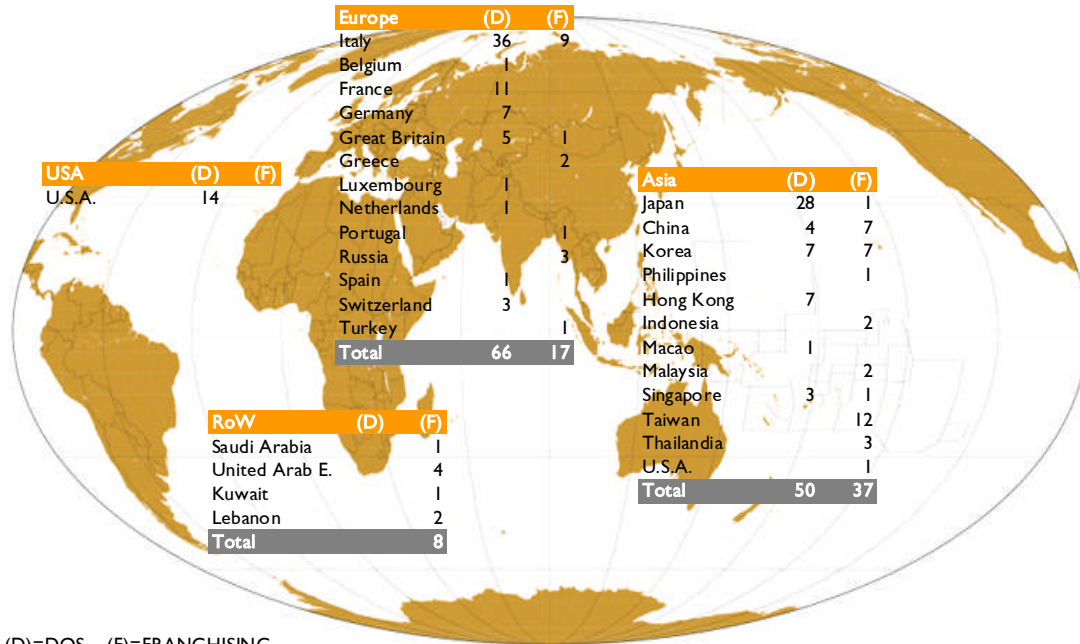
Production Company

(*) Shoes, leather goods, and accessory line

Group's organizational chart



Distribution network as of March 31st, 2008



(D)=DOS (F)=FRANCHISING

DOS, 2008 new openings

Italia

Milano
Via Sant'Andrea, 17
Roma
Via Condotti, 53/A

Usa

Dallas
8687 North Central
Expressway
Suite 1312

Far East

Beijing (*)
China World Shopping
Mall
1 Jian Guo Men Wai
Avenue
Kyoto
Isetan
2F, Shio koji kudaru
higashi kijimachi, karasuma
dori, Shimokyo-ku

Sendai

Fujisaki department store
main bldg. 4th floor,3-2-17,
Ichiban-cho, Aoba-ku
Shanghai (*)
1266 Nan Jing Xi Lu
Shanghai (*)
SHOP 210A
Plaza 66, 1266 NanjingXi
Road

Tianjin

1/F, Tianjin Friendship
Store,
21 Youyi Road

(*) Network in franchising
conversion

Franchised Stores, 2008 new openings

Europa

Salonicco
54, Proxenu Koromila
street

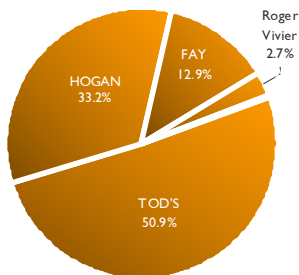
Far East

Kuala Lumpur
Pavillion
Lot 2.33.01, Level 2,

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

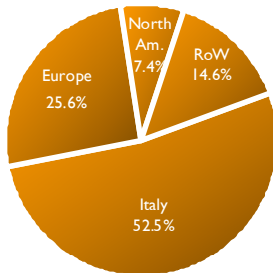
Q1 08 Revenues - % by brand



P&L key figures (in euro mn)

	Q1 2008	Q1 2007	Q1 2006	Q1 2005
Revenues	190.9	177.7	161.4	140.6
EBITDA	43.7 22.9%	40.5 22.8%	38.2 23.7%	30.0 21.3%
EBIT	37.2 19.5%	34.5 19.4%	32.3 20.0%	24.4 17.4%

Q1 08 Revenues - % by region



Key Balance Sheet figures (in euro mn)

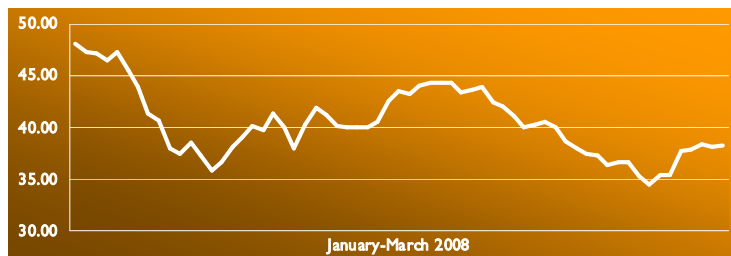
	03.31.08	12.31.07	03.31.07
Net working capital ^(*)	248.6	208.4	200.1
Net financial position	53.5	73.5	80.7
Capital expenditures	12.0	45.2	9.5

(*) Trade receivables + inventories – trade payables

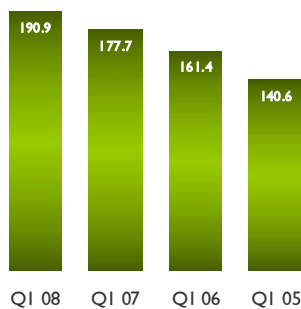
Q1 08 Revenues - % by product



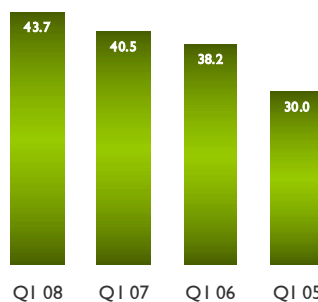
Stock performance



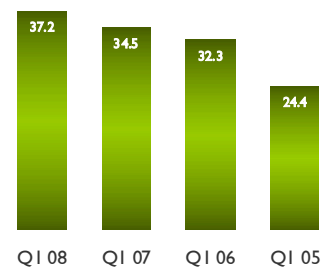
Revenues (in euro mn)



EBITDA (in euro mn)



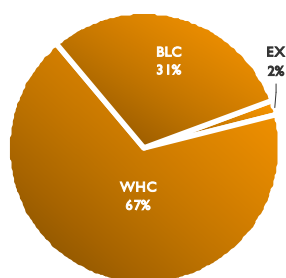
EBIT (in euro mn)



Principal Stock Market indicators (in euro)

Official price at 01.02.2008	48.11
Official price at 03.31.2008	38.25
Minimum price in 2008	32.20
Maximum price in 2008	48.45
Market capitalization at 01.02.2008	1,466,437,061
Market capitalization at 03.31.2008	1,165,895,190
Dividend per share 2007	1,25
Dividend per share 2006	1,25
Average number of outstanding shares	30,480,920
Average number of outstanding options	1,296,120
Total average number	31,777,040

2008 Group employees



The Group employees

	03.31.08	12.31.07	03.31.07	03.31.06
Year to date	2,472	2,280	2,176	2,082
Average	2,421	2,233	2,169	2,024

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

TOD'S

TOD'S Group

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Information on operating performance

Group

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 elegant luxury sportswear 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

On the currency markets, the euro continued appreciating against all of the most important foreign currencies in Q1 2008. Compared with the average values reported in Q1 2007, the U.S. dollar, the Hong Kong dollar and the British pound slipped by an average 12%, while the euro remained stable against the Japanese yen (-0.8%).

Principal events and transactions during the period

No events or transactions took place in Q1 2008 such as would impact the assets, liabilities, financial position and operating result of the TOD'S Group as reported in the Annual Report at December 31st, 2007.

Starting from January 2008, the Group has operated directly on the Chinese market through its own network of directly operated stores (DOS). As previously mentioned, the Group formally acquired the three DOS in Shanghai and Beijing through its subsidiary TOD'S (Shanghai) Trading Co. Ltd, which were identified in the 2007 Annual Report as special purpose entities. It began expanding its distribution network by opening another three DOS: at Tianjin in January and at Kunming and Sanya after the end of the first quarter. The take-over of the two retail outlets in Hangzhou and Chengdu is currently being defined.

The impact of these new activities on the Group's organisation is insignificant.

Group's results in Q1 2008

The TOD'S Group generated 190.9 million euros in revenues in Q1 2008, up 13.2 million euros from the same period of 2007, for a 7.4% increase. First quarter EBIT totalled 37.2 million euros, up 2.8 million euros. On a comparable exchange rate basis (average of exchange rates reported during Q1 2007), revenues would have been 193.6 million euros, with a growth rate of 8.9%, while the impact of exchange rates as a percentage of operating sales results (EBIT and EBITDA) would have been virtually neutral.

(In euro 000's)					
FY 07	Principal economic indicators	Q1 2008	Q1 2007	Change	%
657,089	Sales revenues	190,922	177,738	13,184	7.4
152,973	EBITDA	43,749	40,460	3,289	8.1
(26,441)	Deprec., amort., writedowns	(6,521)	(5,999)	(522)	8.7
126,532	EBIT	37,228	34,461	2,767	8.0
	Foreign exchange impact on revenues	2,700			
	Adjusted Sales revenues	193,622	177,738	15,884	8.9
	Foreign exchange impact on operating cost	(2,100)			
	Adjusted EBITDA	44,349	40,460	3,889	9.6
	Foreign exchange impact on deprec. & amort.	(150)			
	Adjusted EBIT	37,678	34,461	3,217	9.3
	EBITDA %	22.9	22.8		
	EBIT %	19.5	19.4		
	Adjusted EBITDA %	22.9	22.8		
	Adjusted EBIT %	19.5	19.4		

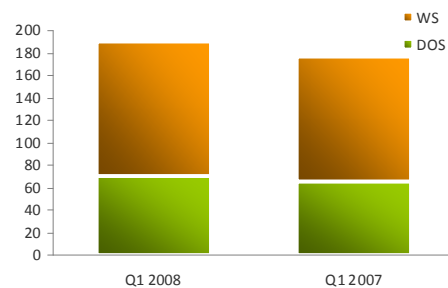
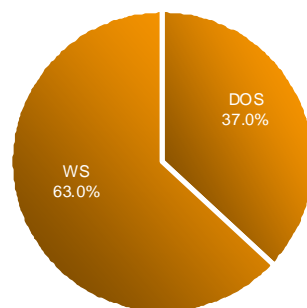
(In euro 000's)				
03.31.07	Principal Balance Sheet indicators	03.31.08	12.31.07	Change
200,144	Net working capital (*)	248,553	208,453	40,100
80,689	Net financial position	53,475	73,541	(20,066)
9,461	Capital expenditures	12,039	45,199	n.s.

(*) Trade receivables + inventories – trade payables

Revenues. Consolidated revenues totalled 190.9 million euros in Q1 2008, up 7.4% from the first quarter of 2007. On a comparable exchange rate basis, where the same average exchange rates for the January-March 2007 are used, revenues and the growth rate from the same period of the previous year would have been 193.6 million euros and 8.9%, respectively.

Analysis of the revenues of distribution channel shows that the first three months of the year were characterised by the prevalence of sales on the wholesale channel. In Q1 2008, wholesale revenues

(In euro mn)	Q1 2008	%	Q1 2007	%	Change	%
DOS	70.6	37.0	65.7	37.0	4.9	7.5
WS	120.3	63.0	112.0	63.0	8.3	7.4
Total	190.9	100.0	177.7	100.0	13.2	7.4



grew by 7.4% (8.4% on a comparable exchange rate basis), due to the organic growth in sales to independent customers. This growth figure assumes even more significance if one considers that revenues in Q1 2007 included the wholesale component of sales to the ten franchised stores in South Korea and China, which were converted into DOS in August 2007 (South Korea) and January 2008 (China). Following those conversions, there were three fewer franchised stores at March 31st, 2008 than a year earlier.

The DOS network generated major results, with revenues totalling 70.6 million euros in Q1 2008, up 7.5% (or 9.8% on a comparable exchange rate basis) from the first three months of 2007, partly due to the higher number of retail outlets.

The same store sales growth (SSSG) figure, calculated as the worldwide average of revenue growth rates reported by DOS existing at January 1st, 2007, was 2.6% in the first 19 weeks of the year (January 1st – May 4th, 2008).

A total of nine DOS were opened in Q1 2008, including the new TOD'S boutique on Via dei Condotti in Rome, dedicated entirely to women's fashion, and on Via Sant'Andrea in Milan, the first Italian boutique of ROGER VIVIER.

At March 31st, 2008 the Group's distribution network was comprised by 130 DOS and 62 franchised stores, compared with 117 DOS and 65 franchised stores on March 31st, 2007.

TOD'S brand revenues totalled 97.2 million euros in Q1 2008, up 1.7% from the first three months of 2007. On a comparable exchange rate basis, the increase would have been 3.8%.

The HOGAN brand confirmed the excellent results realised in 2007, with revenues of 63.3 million euros in Q1 2008, up 18.6% from the first three months of 2007.

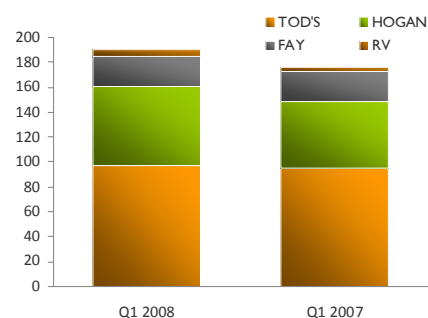
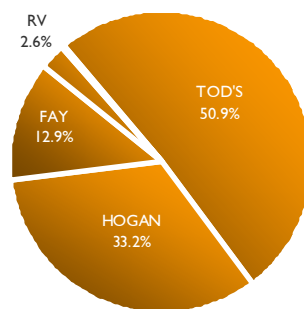
FAY brand revenues were 24.5 million euros in Q1 2008, for an increase of

4% from Q1 2007.

Finally, the ROGER VIVIER brand confirmed its excellent growth potential, by posting 5.1 million euros in revenues during the period, up 35.6% from Q1 2007.

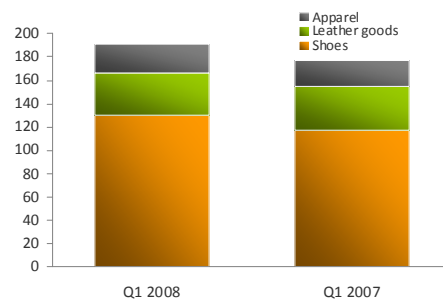
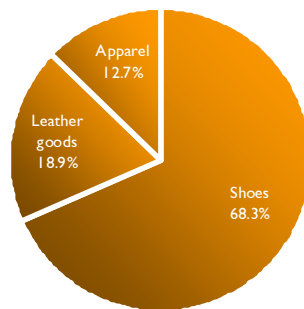
At the individual segment level, shoe revenues rose sharply this year, signalling the ongoing reinforcement of the Group's leadership in this merchandise segment. In Q1 2008, segment revenues totalled 130.4 million euros, up 11.5% (or 12.9% on a comparable exchange rate basis) from Q1 2007.

(In euro mn)	Q1 2008	%	Q1 2007	%	Change	%
TOD'S	97.2	50.9	95.6	53.8	1.6	1.7
HOGAN	63.3	33.2	53.4	30.0	9.9	18.6
FAY	24.5	12.9	23.6	13.3	0.9	4.0
RV	5.1	2.6	3.7	2.1	1.3	35.6
Other	0.8	0.4	1.4	0.8	(0.6)	(45.3)
Total	190.9	100.0	177.7	100.0	13.2	7.4



Leather goods and accessory revenues totalled 36 million euros. On a comparable exchange rate basis, they fell by 2.8%. At the beginning of the season, leather goods showed signs of weakness, suffering much more than shoes

(In euro mn)	Q1 2008	%	Q1 2007	%	Change	%
Shoes	130.4	68.3	117.0	65.8	13.4	11.5
Leather goods	36.0	18.9	38.1	21.5	(2.1)	(5.5)
Apparel	24.3	12.7	22.1	12.4	2.2	9.9
Other	0.2	0.1	0.5	0.3	(0.4)	(66.1)
Total	190.9	100.0	177.7	100.0	13.2	7.4

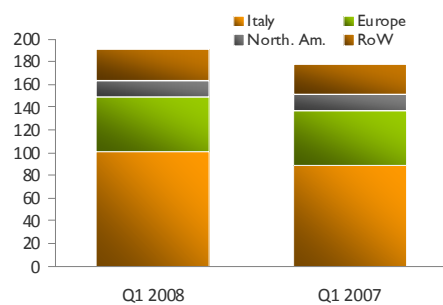
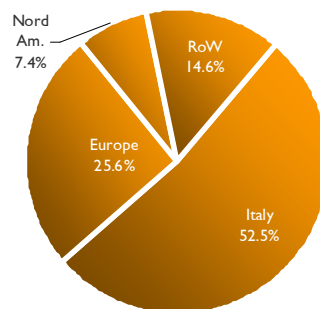


from the effects of intense competition and the challenging foreign currency and macroeconomic situation.

Apparel revenues reflected the performance of FAY brand sales. In Q1 2008, they totalled 24.3 million euros, up 9.9% from the same period of the previous year.

On a comparable exchange rate basis, revenues grew on all the markets where the Group operates. Excellent results were generated in Italy, as a result of the leadership of the Group's three principal brands. Revenues in Q1 2008 totalled 100.3

(In euro mn)	Q1 2008	%	Q1 2007	%	Change	%
Italy	100.3	52.5	88.9	50.0	11.3	12.7
Europe	48.8	25.6	47.5	26.7	1.4	2.9
North America	14.0	7.4	14.7	8.3	(0.7)	(4.8)
RoW	27.8	14.6	26.6	15.0	1.3	4.7
Total	190.9	100.0	177.7	100.0	13.2	7.4



million euros, up 12.7% from Q1 2007.

In the rest of Europe, sales totalled 48.8 million euros, up 2.9% from Q1 2007 (3.5% on a comparable exchange rate basis).

The figure for the American market was heavily impacted by the sharp appreciation of the euro against the dollar. On a comparable exchange rate basis, revenues in this area were 16 million euros, up 8.2% from Q1 2007.

Finally, sales on Asian markets totalled 27.8 million euros, up 4.7% from Q1 2007, stemming from the excellent results realised in Southeast Asia. Growth was 6.6% on a comparable exchange rate basis.

Operating results. Both earnings indicators, EBITDA and EBIT, show growth from the level reported in Q1 2007, consistently with management expectations.

(In euro 000's)	Q1 2008	Q1 2007	FY 2007
Revenues			
Sales revenues	190,922	177,738	657,089
Others revenues and income	3,207	2,124	12,965
Totale ricavi	194,129	179,862	670,054
Operating Costs			
Change in inventories of work in proc. and finis. goods	4,594	755	30,296
Costs of raw materials, supplies and material for cons.	(50,685)	(48,021)	(187,103)
Costs for services	(63,296)	(56,474)	(213,991)
Costs of use of third party assets	(10,277)	(9,435)	(38,660)
Costs of labour	(25,691)	(22,107)	(89,327)
Other operating charges	(5,025)	(4,120)	(18,296)
Total operating costs	(150,380)	(139,402)	(517,081)
EBITDA	43,749	40,460	152,973
Amortization, depreciation and write-downs			
Amortization of intangible assets	(1,443)	(1,241)	(5,141)
Depreciation of tangible assets	(5,078)	(4,758)	(20,423)
Other adjustments	-	-	(494)
Total amortization, depreciation and write-downs	(6,521)	(5,999)	(26,058)
Provisions	-	-	(383)
EBIT	37,228	34,461	126,532

EBITDA during the period was 43.7 million euros, representing 22.9% of consolidated revenues at 31 March. In Q1 2007, the same indicator was 40.5 million euros, representing 22.8% of revenues for the same period.

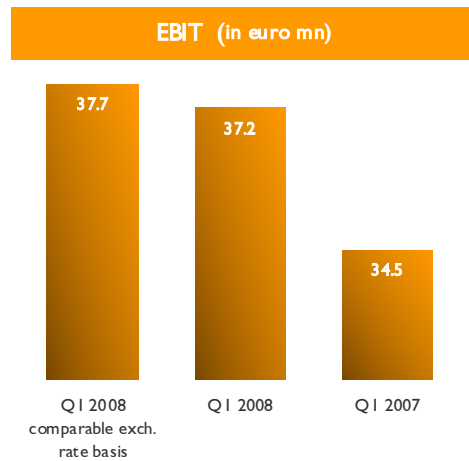
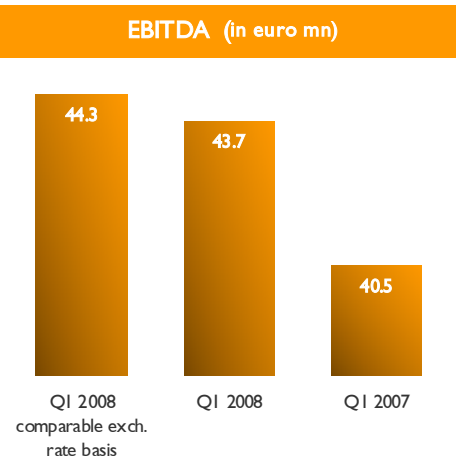
The effects of changes in exchange rates from the average rates for the previous reference period were insignificant. EBITDA would climb another 0.6 million euros, to 44.3 million euros (with its proportion of revenues remaining unchanged at 22.9%).

The cost structure does not show significant changes. The quarter showed growth in spending for personnel, which reflected the increase in number of employees,

especially in consequence of the major expansion in the DOS network compared with the situation at 31 March 2007, and the systematic evolution in compensation dynamics. In Q1 2008, labour costs totalled 25.7 million (including 0.7 million euros for the portion of a bonus recognised for all of FY 2008), compared with 22.1 million in Q1 2007. At 31 March 2008 this component represented 13.5% of revenues (Q1 2007: 12.4%). At the same date, the Group had 2,664 employees, 276 more than at 31 March 2007.

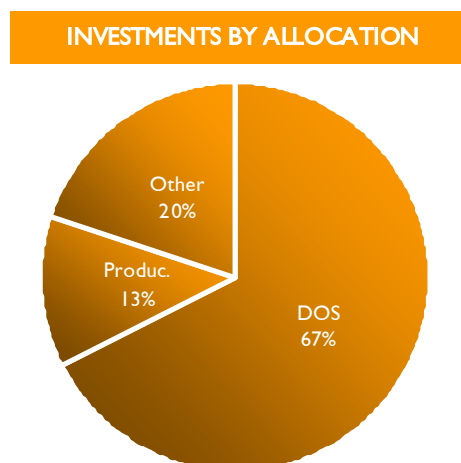
The impact of amortisation and depreciation of non-current assets (intangible assets and property, plant and equipment) was largely unchanged.

EBIT for Q1 2008 was 37.2 million (34.5 million in 2007), representing 19.5% of consolidated sales (19.4% in Q1 2007). It was 2.8 million euros higher (+8%) than in the same period a year earlier, with these values climbing to 3.2 million and 9.3% on a comparable exchange rate basis. The impact of the change in exchange rates on profitability was irrelevant for EBIT as well, which remained unchanged at 19.5%.



Capital expenditure. The Group invested 12.0 million euros in non-current assets during Q1 2008, up from the figure for the previous reference period, when the outlay for capital expenditures was 9.5 million euros. Significant resources (more than 8 million euros) were allocated to the DOS network.

These were focused on the execution of three important projects: set-up of the new TOD'S DONNA boutique in Rome and the ROGER VIVIER boutique in Milan, with the latter occupying a prestigious 18th century palace, and the opening in Milan of the restyled flagship store of TOD'S (in terms of image and size) on Via della Spiga, which marked the first application of the new concept realised for the brand.



Net financial position. This totalled 53.5 million euros at the end of the period: cash and cash equivalents totalled 76.6 million euros, as compared with total liabilities of 23.1 million euros, of which 10.2 million euros are payable from FY 2009.

At 31 December 2007 the net financial position was 73.5 million euros, with 95.8 million euros in assets and 22.2 million in liabilities.

Net financial position (in euro 000's)				
03.31.07		03.31.08	12.31.07	Change
Current financial assets				
101,532	Cash and cash equivalents	76,608	95,753	(19,145)
101,532	Cash	76,608	95,753	(19,145)
Current financial liabilities				
(7,089)	Current account overdraft	(11,423)	(10,496)	(927)
(2,061)	Current share of medium-long term financing	(1,482)	(1,482)	-
(9,150)	Current financial liabilities	(12,905)	(11,978)	(927)
92,382	Current net financial position	63,703	83,775	(20,072)
Non-current financial liabilities				
(11,693)	Financing	(10,228)	(10,234)	6
(11,693)	Non-current financial liabilities	(10,228)	(10,234)	6
80,689	Net financial position	53,475	73,541	(20,066)

The changes in net financial position were consistent with the financial dynamics for the period in question. The first quarter of every year is structurally characterised by the investment of resources to finance the temporary increase in net working capital (trade receivables and inventories net of trade payables), generated by the high exposure to independent customers resulting from the wholesale component of revenues and the accumulation of inventories for the Spring-Summer 2008 collection on the DOS network, which will free up cash resources in the following quarter.

(In euro 000's)			
Net working capital	31.03.08	12.31.07	Change
Inventories	223,383	218,731	4,652
Trade receivables	157,351	108,410	48,941
Trade payables	(132,181)	(118,688)	(13,493)
Net working capital	248,553	208,453	40,100

May 19th is the ex-coupon date for the FY 2007 dividend, resolved by the Shareholders' Meeting of the parent company TOD'S S.p.a. on April 22nd, 2008. The dividend, totalling 38,101,150.00 euros, at the rate of 1.25 (one and 25/100) euros for each of the 30,480,920 shares of capital stock at the payment date, will be paid to all shareholders entered on the Register of Shareholders at the ex-coupon date.

Significant events occurring after the end of the period

No significant events involving the Group's activities have occurred since March 31st, 2008.

Business outlook

Analysis of the current situation of markets and the figures presented for the first quarter allow us to look forward to a positive change in performance for the whole year, with strong growth in revenues and profits.

Guidelines for preparation of the Quarterly Report

The TOD'S Group Quarterly Report on Operations at March 31st, 2008 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 14th, 2008, 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, 2008 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, 2007 were used to prepare this Report.

Preparation of the financial figures reported on the Quarterly Report at March 31st, 2008 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:

	Base	Jan.-Mar. 2008		Jan.-Mar. 2007	
		Exch. Rate at March 31 st	Average exch. rate	Exch. Rate at March 31 st	Average exch. rate
US Dollar	1	0.632	0.625	0.751	0.763
UK pound	1	1.257	1.320	1.471	1.492
Swiss franc	1	0.635	0.625	0.615	0.619
Hong Kong dollar	100	8.125	8.560	9.609	9.774
Japanese yen	100	0.635	0.634	0.636	0.639
Hungarian forint	1000	3.855	3.856	4.035	3.963
Singapor dollar	1	0.458	0.474	0.495	0.498
Korean WON	1.000	0.638	0.698	0.798	0.813
Chinese Renminbi	100	9.019	9.317		
Macao Pataca	100	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 2007 from the results for the three months of 2008, the typical economic indicators (Revenues, EBITDA, EBIT) have been recalculated by applying the average exchange rates for the three months of 2007, 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

Compared with March 31st, 2007, the scope of consolidation includes the subsidiaries TOD'S Macao Ltd, TOD'S (Shanghai) Trading Co Ltd and TOD'S India Retail Pte Ltd. There was no change instead from the Statutory Financial Statements at December 31st, 2007. The activities of the special purpose entities in Shanghai and Beijing were also included in the scope of consolidation. These entities were acquired by TOD'S (Shanghai) Trading Co Ltd at January 1st, 2008.

Transactions with related parties

In the first three months of 2008, 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

Revenues and costs (In euro 000's)	Q1 2008			Q1 2007		
	Costs	Revenues	Capitalized expenses	Costs	Revenues	Capitalized expenses
Selling products						
Special Purpose Entities		782			941	
Total		782			941	

Receivables and payables (In euro 000's)	03.31.08		03.31.07	
	Receivables	Payables	Receivables	Payables
Special Purpose Entities				4,281
Total	4,251			4,281

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

Revenues and costs (In euro 000's)	Q1 2008		Q1 2007	
	Costs	Revenues Capitalized expenses	Costs	Revenues Capitalized expenses
Selling products				
Roger Vivier Paris S.a.s.		373 459	20	523
Ordinary leases				
Immobiliare De.Im. S.r.l.		672 27	796	30
Difran S.a.s.			47	
Holpaf BV		766	725	
User license contract "Roger Vivier"				
Gousson - Consultadoria & Mark. Lda		618 1,717	448	1,192
Advertising services				
Forma Pura S.r.l.		315	462	
Total		2,744 2,203	2,498	1,745

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

Receivables and payables (In euro 000's)	03.31.08		03.31.07	
	Receivables	Payables	Receivables	Payables
Roger Vivier Paris S.a.s.	912	407	638	153
Immobiliare De.Im. S.r.l.	320		21	303
Difran S.a.s.		56		
Holpaf BV		6		6
Gousson - Consultadoria & Mark. Lda	7,887	1,429	2,611	448
Forma Pura S.r.l.	7	453		798
Total	9,126	2,351	3,270	1,708

Milan, May 14st, 2008

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