

TOD'S

TOD'S Group

D'S

QUARTERLY REPORT ON OPERATIONS
AT MARCH 31st 2011

Group

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Company's data

Registered office

TOD'S S.p.A.
Via Filippo Della Valle, 1
63811 Sant'Elpidio a Mare (Fermo) - Italy
Tel. +39 0734 8661

Legal data Parent company

Share Capital resolved euro 61,218,802
Share 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 and Showrooms

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
Milan - Via della Spiga, 22
Milan - Viale Montenero, 63
New York - 450, West 15th Street
Paris – Rue Royale, 20
Seoul – 89-10, Cheongdam-dong, Kangnam-ku
Shanghai - 1366 Nanjing West Road, Plaza 66 Tower 2
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 (FM) - 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	Chairman Vice - Chairman
Executive Committee	Diego Della Valle Andrea Della Valle Fabrizio Della Valle Emilio Macellari Stefano Sincini Vito Varvaro	Chairman
Compensation Committee	Luigi Abete Luigi Cambri Pierfrancesco Saviotti	Chairman
Internal Control and Corporate Governance Committee	Maurizio Boscarato Luigi Cambri Pierfrancesco Saviotti	Chairman
Independent Directors Committee	Luigi Abete Luigi Cambri Pierfrancesco Saviotti	Chairman
Board of statutory Auditors ⁽²⁾	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 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: 2010-2012 (resolution of the Shareholders' meeting as of April 22nd, 2010)

⁽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 TOD'S, HOGAN and FAY brands and licensee of ROGER VIVIER brand.

Del.Com. S.r.l.

Subholding for operation of national subsidiaries and DOS in Italy.

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.

Filangieri 29 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 Luxembourg S.A.

Company that operates DOS in Luxembourg.

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 Japan KK

Company that operates DOS in Japan.

TOD'S Korea Inc.

Company that promotes products in Korea.

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

TOD'S Retail India Private Ltd

Company that operates DOS in India.

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 distributes and promotes products in Great Britain and manages 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.

Not operating company.

Deva Inc.

Company that distributes and promotes products in North America, and manages 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).

TOD'S Tex. Del. Usa Inc.

Company that operates DOS in Texas (USA).

Holpaf B.V.

Real estate company.

Sandel SA

Not operating company.

Un.Del. Kft

Production company.

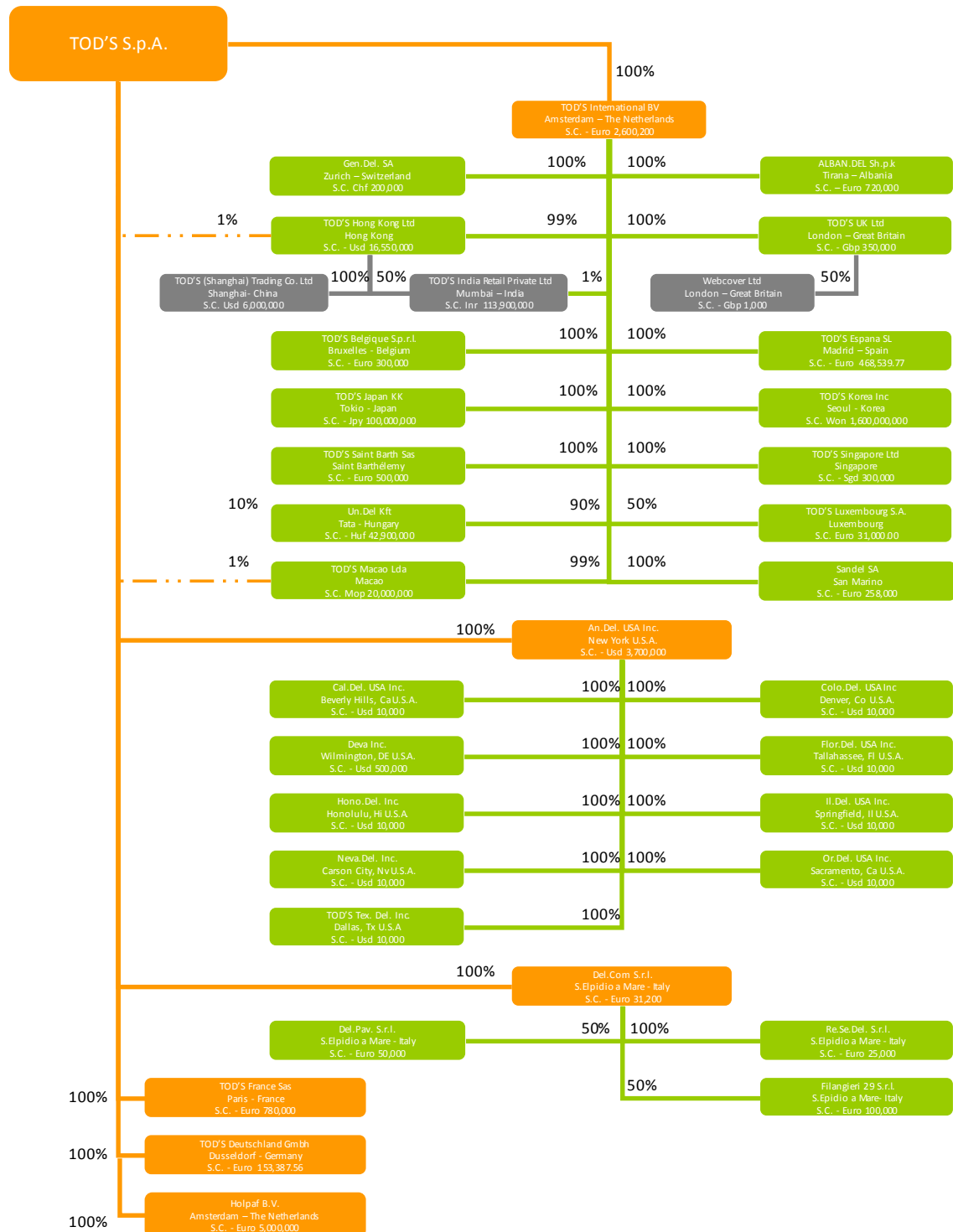
Alban.Del Sh.p.k.

Production company.

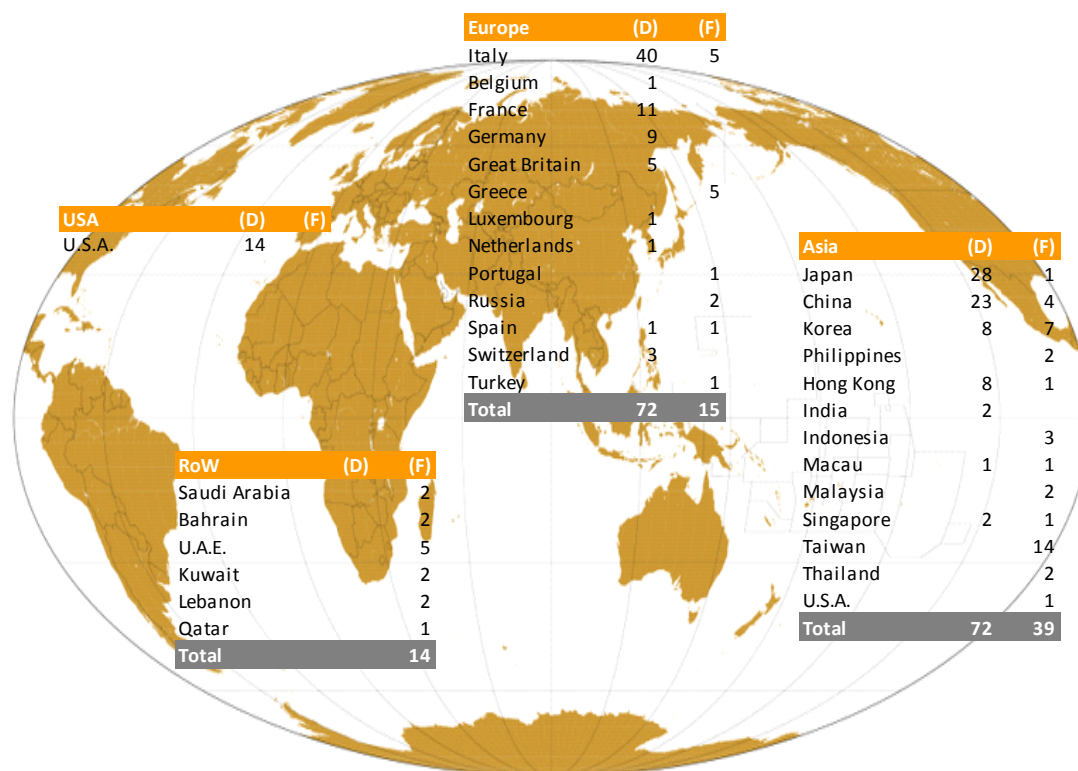
Re.Se.Del. S.r.l.

Company for services.

Group's organizational chart



Distribution network as of March 31st 2011



(D)=DOS (F)=FRANCHISED STORES

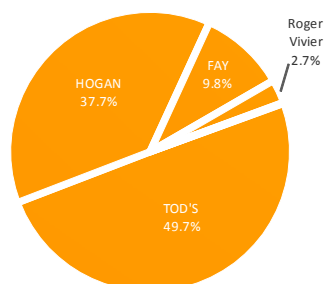
DOS, 2011 new openings

Far East
 Nanning (China)
 Zhengzhou (China)

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

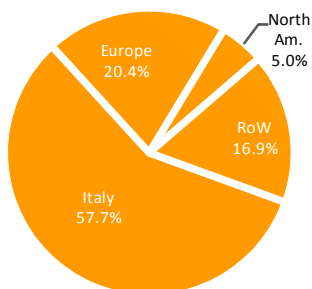
Q1 11 Revenues - % by brand



P&L key figures (Euro mn)

	Q1 2011	Q1 2010	Q1 2009	Q1 2008
Revenues	243.7	208.1	201.3	190.9
EBITDA	65.1 26.7%	48.7 23.4%	44.7 22.2%	42.6 22.3%
EBIT	55.9 23.0%	41.1 19.7%	36.9 18.3%	36.1 18.9%

Q1 11 Revenues - % by region

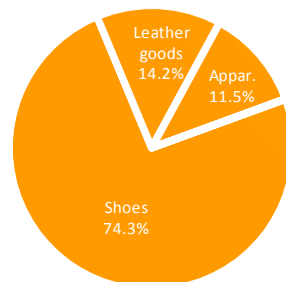


Key Balance Sheet figures (Euro mn)

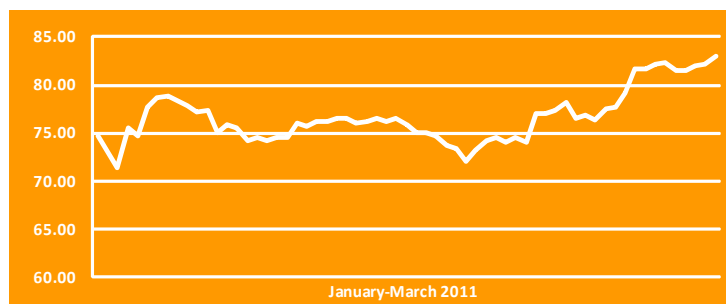
	03.31.11	12.31.10	03.31.10
Net working capital ^(*)	252.0	298.7	235.4
Net financial position	88.8	96.5	180.2
Capital expenditures	11.1	96.1	8.5

^(*)Trade receivables + inventories – trade payables

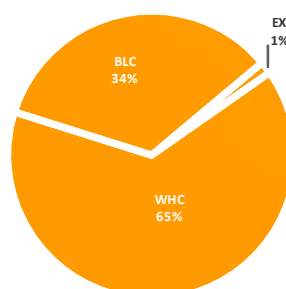
Q1 11 Revenues - % by product



Stock performance



2011 Group employees



The Group employees

	03.31.11	12.31.10	03.31.10	03.31.09
Year to date	3,297	3,194	2,958	2,838

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

Highlights of results

Revenues: revenues totalled 243.7 million euros (the effect of exchange rate fluctuations is 2.4 million euros, positive), for growth of 17.1% from Q1 2010. The sales performance of DOS network was particularly satisfying (+21.6%).

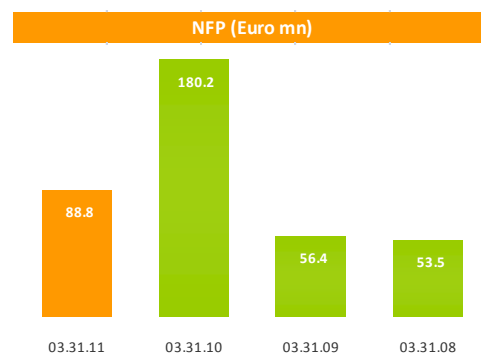
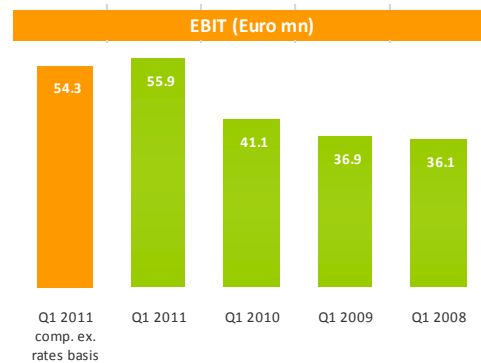
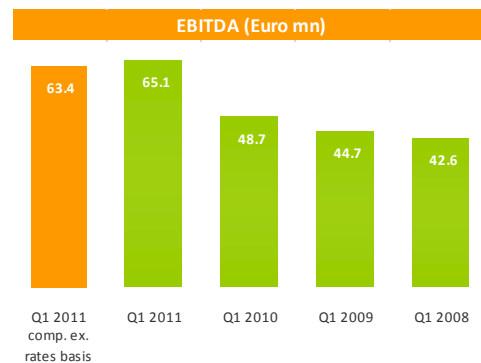
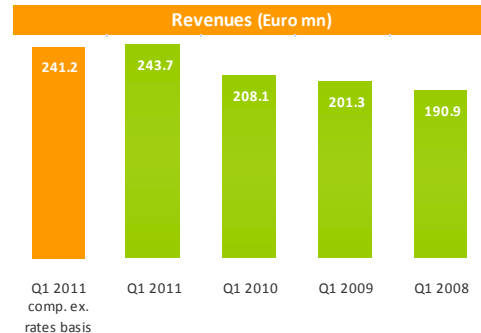
EBITDA: strong growth of this result (+33.6%), which is 65.1 million euros in Q1 2011, representing a 26.7% return on Group sales (in Q1 2010: 48.7 million euros, with a 23.4% margin).

EBIT: this totalled 55.9 million euros, against 41.1 million euros of Q1 2010 (+36.2%).

Net financial position (NFP): the Group had 157.5 million euros in liquid assets at March 31st, 2011. Its net financial position was 88.8 million euros at the same date (96.5 million euros at December 31st 2010).

Capital expenditures: these totalled 11.1 million euros in Q1 2011 (8.5 million euros in Q1 2010), out of which approx. 50% being invested in the distribution network.

Distribution network: at March 31st, the single brand distribution network comprised 158 DOS and 68 franchised stores.



TOD'S

TOD'S Group

D'S

REPORT ON OPERATIONS

Group

Group's activity

TOD'S Group operates in the luxury sector under its proprietary brands (TOD'S, HOGAN, and FAY) and licensed brands (ROGER VIVIER). It actively creates, produces and distributes shoes, leather goods and accessories, and apparel. The Company's mission is to offer global customers top-quality products that satisfy their functional requirements and aspirations.

Group's brands



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 *Gommino*, *Ballerina* or *D-Bag*, beloved by celebrities and leaders around the world, have become icons representing a unique and recognisably elegant style for men and women.



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.

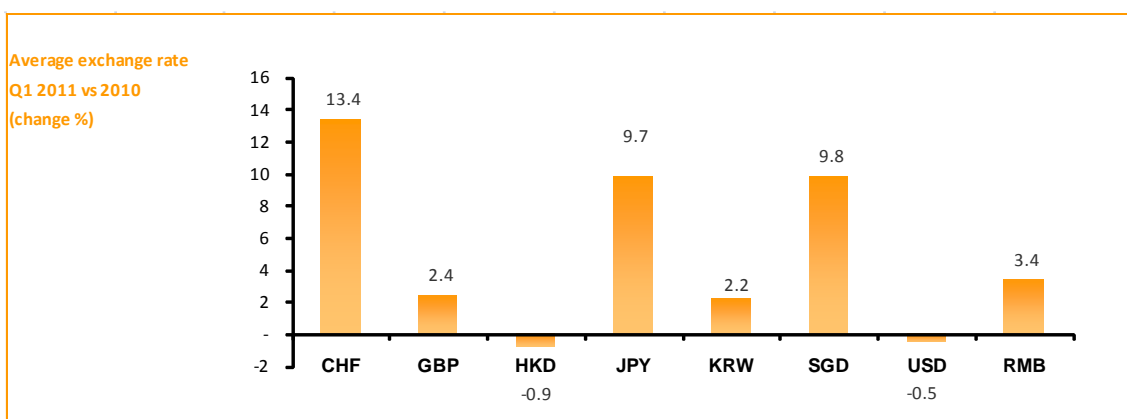
HOGAN products are trend-setters in defining an elegant and sporty look. Some of its models are best sellers, such as its *Interactive* shoes.



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

When compared to figures for the same period in the previous year, in the first quarter of 2011, the Euro remained substantially stable against the US dollar and dollar-pegged currencies, but fell against the other major non-EU currencies, especially the Swiss franc, the Japanese yen and the Singapore dollar.



Main events and operations during the period

The first quarter of 2011 marks a period of very rapid growth for the Group, with excellent performance levels in terms of sales, margins and profitability. Growth was sustained by all the brands, further confirming their potential and attractiveness to consumers on a generalised basis on all reference markets and that is to say, not only in the Far East which currently serves as the main driver of the entire luxury goods industry, but also, and above all, in Europe and the U.S. where the Group has long operated and first forged its success.

The growth witnessed during the period was supported by considerable investments, amounting to 11.1 million euros as against 8.5 million euros in first quarter of 2010. In addition to investments in the distribution network, the TOD'S, HOGAN and FAY showrooms in Milan were extended and refurbished.

Another particularly important milestone was marked by the conclusion of the widely publicized agreed, on January 21st 2011, between the parent company TOD'S S.p.A. and the Italian Ministry of Cultural Affairs ("Ministero per i Beni e le Attività Culturali") and the Rome Special Fine Arts Service for Archaeological Monuments ("Soprintendenza speciale per i beni archeologici di Roma"), for the purpose of financing restoration work on the Colosseum as sole and exclusive sponsor.

This sponsorship, to which the Group attaches significant symbolic and social value, entails an overall and all-inclusive commitment by Sponsor, in the amount of 25 million euros, to be disbursed over several years, according to the actual progress restoration work approved by delegated Commissioner and the Fine Arts Service.

Group's results in Q1 2011

In the first quarter of 2011, the TOD'S Group generated sales totalling 243.7 million euros, up by 35.6 million euros or 17.1% over figures for the same period of the previous year. Exchange-rate gains were rather insignificant: maintaining cross rates constant, sales revenues would, in fact, have amounted to 241.2 million euros, reflecting a year-on-year increase of 15.9%.

Quarterly results in terms of margins were also excellent: EBITA and EBIT stood at 65.1 million euros and 55.9 million euros respectively, up 33.6% and 36.2% respectively over figures for the first three months of 2010.

The first quarter of 2011 was also marked by a sharp increase in profitability, with EBITDA representing 26.7% of overall revenues, up by 330 basis points over the 23.4% figure recorded at the end of the same period in the previous year. Similar results were obtained in terms of EBIT which shows a profitability of 23.0% as against 19.7% in 2010.

(Euro 000's)					
FY 10	Main economic indicators	Q1 2011	Q1 2010	Change	%
787,539	Sales revenues	243,670	208,069	35,601	17.1
193,059	EBITDA	65,112	48,730	16,382	33.6
(33,115)	Deprec., amort. and write-downs	(9,171)	(7,652)	(1,519)	19.9
159,944	EBIT	55,941	41,078	14,863	36.2
	Foreign exchange impact on revenues	(2,422)			
	Adjusted sales revenues	241,248	208,069	33,179	15.9
	Foreign exch. impact on operating costs	670			
	Adjusted EBITDA	63,360	48,730	14,630	30.0
	Foreign exch. impact on deprec./amort.	70			
	Adjusted EBIT	54,259	41,078	13,181	32.1
	EBITDA %	26.7	23.4		
	EBIT %	23.0	19.7		
	Adjusted EBITDA %	26.3	23.4		
	Adjusted EBIT %	22.5	19.7		

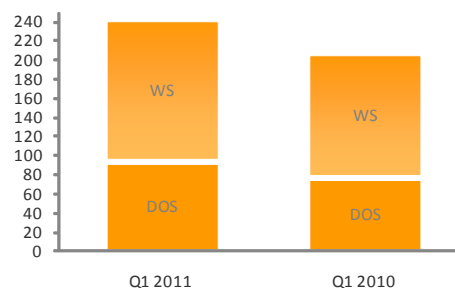
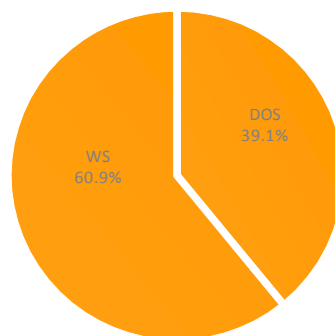
(Euro 000's)				
03.31.10	Main Balance sheet indicators	03.31.11	12.31.10	Change
235,393	Net working capital (*)	251,991	192,688	59,303
180,214	Net financial position	88,808	96,495	(7,687)
8,475	Capital expenditures	11,063	96,067	n.s.

(*) Trade receivables + Inventories – Trade payables

Revenues. Consolidated turnover in the first quarter of 2011 amounted to 243.7 million euros, up by 17.1% over the same period in 2010; at constant exchange-rates (mean exchange-rates prevailing in Q1 2010), revenues would have been equal to 241,2 million euros, reflecting an increase of 15.9%. With regard to the breakdown by distribution channel, it is important to borne in mind that most of the sales concluded in the first quarter of the year are generally in the wholesale sector. As a matter of fact, as a result of the different timing of the booking of revenues, consignments shipped to the DOS channel translate into DOS stock in trade in the consolidated accounts, and will be booked as sales revenues only in the second quarter, when the products are sold to final consumers through the outlets.

In the first three months of 2011, income generated through third-party customers totalled 148.4 million euros, reflecting a 14.4% increase over figures for the same period of the previous year.

(Euro mn)	Q1 2011	%	Q1 2010	%	Change	%
DOS	95.3	39.1	78.4	37.7	16.9	21.6
WS	148.4	60.9	129.7	62.3	18.7	14.4
Total	243.7	100.0	208.1	100.0	35.6	17.1



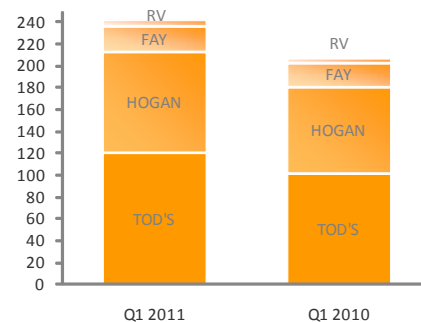
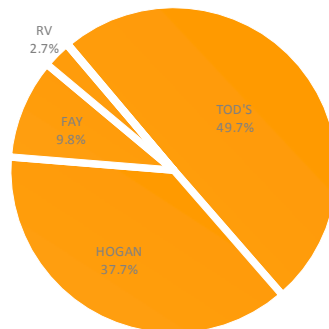
The results attained by the DOS network were excellent in all geographical areas; total revenues from the direct sales channel amounted to 95.3 million euros in the first quarter of 2011, up by 21.6% over figures for the first three months of 2010 (+18.9% at constant exchange rates).

Organic growth was also brilliant: in 2011, *Same Store Sales Growth* (SSSG), calculated as the worldwide average of growth rates recorded by the DOS operating as of January 1st 2010, amounted to 15.3% in the first 19 weeks of the year (period between 1 January and May 8th 2011). As at March 31st 2011, the Group's distribution network was made up of 158 DOS and 68 franchise outlets, while 149 DOS and 72 franchise outlets as at March 31st 2010.

The year started off very well indeed for the TOD'S brand: double-figure growth in all product categories, excellent results on all markets on which the brand is distributed. Brand sales amounted of 121.2 million euros in the first quarter of 2011, reflecting an increase of 19.3% over the same period in the previous year (+17.4% at constant exchange rates).

The HOGAN brand also saw double-figure growth: revenues for the first quarter of 2011 amounted to 91.8 million euros, up 14.5% over performance in the same period in the previous year, with double-figure growth in Italy and Europe, and in all product categories.

(Euro mn)	Q1 2011	%	Q1 2010	%	Change	%
TOD'S	121.2	49.7	101.6	48.8	19.6	19.3
HOGAN	91.8	37.7	80.2	38.6	11.6	14.5
FAY	23.9	9.8	21.9	10.5	2.0	9.5
RV	6.6	2.7	4.2	2.0	2.4	54.7
Other	0.2	0.1	0.2	0.1	0.0	n.s.
Total	243.7	100.0	208.1	100.0	35.6	17.1

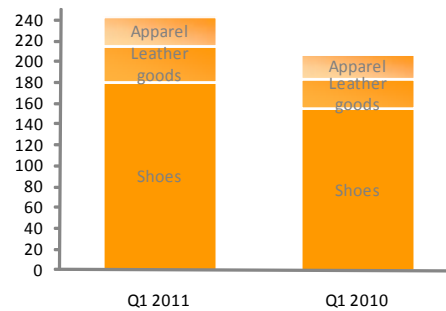
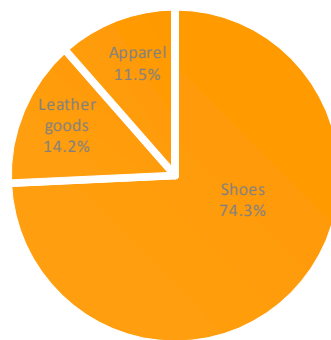


The FAY brand performed equally brilliantly, with revenues totalling 23.9 million euros in the first quarter of 2011, up by 9.5% over figures for the first quarter of 2010, driven by sales in Italy. Lastly, the ROGER VIVIER brand's revenues amounted to 6.6 million euros in the first quarter of 2011, up by 54.7% when compared to the first quarter of 2010. As repeatedly mentioned above, it is not as yet meaningful to analyse the performance of this brand which is in the process of consolidating its exclusive position on the global luxury goods market.

In terms of product category, consistent double-figure growth in the core footwear business: revenues in the first quarter of 2011 totalled 181 million euros, up by 16.2% when compared to the first three months of 2010 (+15.3% keeping exchange rates constant).

Excellent performance in terms of revenues in the leather goods sector driven primarily by the very satisfying results attained by the TOD's brand in the entire handbags and accessories collection. Overall sales in this sector

(Euro mn)	Q1 2011	%	Q1 2010	%	Change	%
Shoes	181.0	74.3	155.7	74.8	25.3	16.2
Leather goods	34.6	14.2	28.5	13.7	6.1	21.6
Apparel	28.0	11.5	23.7	11.4	4.3	17.8
Other	0.1	0.0	0.2	0.1	(0.1)	n.s.
Total	243.7	100.0	208.1	100.0	35.6	17.1

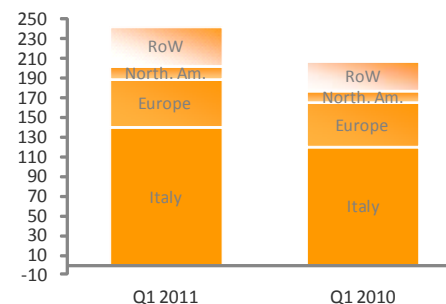
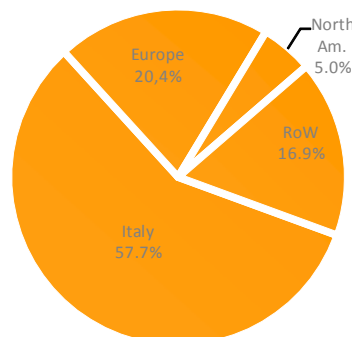


totalled 34.6 million euros in the first quarter of 2011, up by 21.6% when compared to the same period of 2010 (+18.5% keeping exchange rates constant). Double-figure growth in terms of revenues from apparel sales. In the first quarter of 2011, sales in this category amounted to 28 million euros, up by 17.8% when compared to the first three months of 2010.

Significant double-figure growth in revenues was also recorded in Italy where the Group confirmed its position as unchallenged industry lead with all its brands.

In the first quarter of 2011, sales on the Italian market totalled 140.5 million euros (up 15.5% when compared to the same period of the previous year). Similar trends of double-figure growth were recorded in the rest

(Euro mn)	Q1 2011	%	Q1 2010	%	Change	%
Italy	140.5	57.7	121.6	58.4	18.9	15.5
Europe	49.9	20.4	44.0	21.1	5.9	13.5
North America	12.2	5.0	11.6	5.6	0.6	5.3
RoW	41.1	16.9	30.9	14.9	10.2	32.9
Total	243.7	100.0	208.1	100.0	35.6	17.1



of Europe where the Group's overall sales reached 49.9 million euros in the first quarter of 2011 reflecting an increase of 13.5% over figures for the first three months of 2010.

Consistent double-figure growth was also attained in terms of the revenues generated by the DOS network in the U.S., even as the number of independent buyers was significantly reduced to render the wholesale channel more selective and exclusive. In the first quarter of 2011, the Group's overall revenues on this market, totalled 12.2 million euros (up 5.3% when compared to the first quarter of 2010 and 3.8% at constant exchange rates). Revenues deriving from the area "Asia and Rest of the World" amounted to 41.1 million euros in the first quarter of 2011, reflecting an increase of 32.9% over figures for the same period of the previous year (+27.3% keeping exchange rates constant). Results in China, Hong Kong and Macao were very satisfactory; Japan is enthusiastically and rapidly recovering from the tragic events that hit the country recently.

Operating results. As noted above, operating margins (EBITDA and EBIT) were excellent during the quarter, standing at much higher levels than in the first three months of 2010.

Euro 000's	Q1 2011	Q1 2010	FY 2010
Revenues			
Sales revenues	243,670	208,069	787,539
Other revenues and incomes	4,563	5,115	18,819
Total revenues	248,233	213,184	806,358
Operating costs			
Change in inventories of work in prog. and finis. goods	(8,614)	(13,814)	952
Costs for raw materials, supplies and material for cons.	(50,818)	(43,149)	(178,829)
Costs for services	(72,203)	(60,820)	(238,514)
Costs for use of third party assets	(14,651)	(13,615)	(58,714)
Costs of labour	(31,261)	(28,140)	(117,751)
Other operating charges	(5,574)	(4,916)	(20,443)
Total operating costs	(183,121)	(164,454)	(613,299)
EBITDA	65,112	48,730	193,059
Amortisation, depreciation and write-downs			
Amortisation of intangible assets	(2,490)	(1,780)	(7,599)
Depreciation of tangible assets	(6,481)	(5,722)	(24,476)
Other adjustments	-	-	-
Total amortisation, depreciation and write-downs	(8,971)	(7,502)	(32,075)
Provisions	(200)	(150)	(1,040)
EBIT	55,941	41,078	159,944

In the first quarter of 2011, EBITDA stood at 65.1 million euros and represented 26.7% of consolidated revenues, reflecting an increase of 16.4 million euros, or 33.6% over figures for the same period in the previous year (EBITDA of 48.7 million euros, accounting for 23.4% of total sales). Keeping exchange rates constant, EBITDA in the first quarter of 2011 would have amounted to 63.4 million euros and would have represented 26.3% of turnover. In absolute terms, the increase would stand at 14.6 million euros.

The net operating result for the first quarter of 2011 was also exceedingly satisfactory: +36.2% over figures for the same period of the previous year. Net of amortisation of fixed assets in the amount of about 9.0 million euros, EBIT in Q1 2011 stood at 55.9 million euros and represented 23.0% of consolidated sales, as against 41.1 million euros, accounting for 19.7% of consolidated turnover in the first quarter of 2010. At constant exchange rates, EBIT would have amounted to 54.3 million euros, representing 22.5% of turnover.

The excellent performance in terms of margins and profitability was primarily due to increased sales which were especially concentrated on markets (Asia) and in product categories (leather goods and accessories) featuring particularly high margins, with overheads playing a major role.

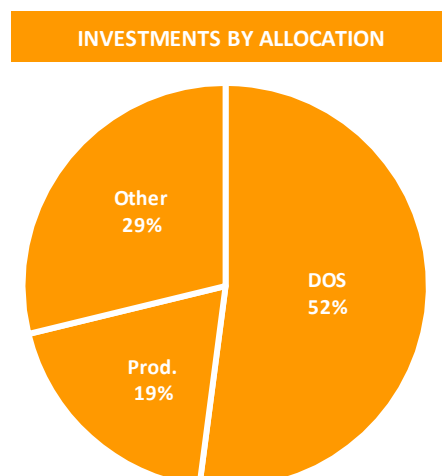
Costs sustained for the use of third-party assets (rent of locations and licensing fees and royalties) rose from 13.6 million euros or 6.5% of sales in the first quarter of 2010, to 14.7 million euros of 6.0% of sales in the first three months of 2011.

The Group's workforce was further enhanced with the recruitment of 339 new employees and amounted to a staff of 3,297 at the end of the first quarter of 2011 as against 2,958 on March 31st 2010. Overall labour costs amounted to 31.3 million euros, reflecting an increase of 11.1% over the figure of 28.1 million euros recorded in the first three months of 2010), although the extent to which labour costs account for overall revenues, fell from 13.5% in the first quarter of 2010 to 12.8% in the same period of the current year.

Capital expenditures. Capital investments amounted to 11.1 million euros in the first quarter of 2011 as against 8.5 million euros in the same period of 2010. Investments in the distribution network under direct management, totalled about 5.8 million euros.

In addition to the efforts dedicated to opening the two new DOS in China, the extension of the sales surface area of the TOD'S outlet in Madrid and the refurbishment of the TOD'S store in Dusseldorf, are also worthy of mention.

The remaining investments effected during the period under examination that were not dedicated to routine updating of infrastructure and industrial equipment (mainly dies, die-cutting tools and molds), were targeted mainly at extending the Milan showroom and developing proprietary software.



The net financial position. At the end of the quarter under consideration, net cash balances totalled 88.8 million euros (as against 96.5 million euros on December 31st 2010), inclusive of assets valued at 157.5 million euros and liabilities of 68.7 million euros.

Net financial position (Euro 000's)				
03.31.10		03.31.11	12.31.10	Change
Current financial assets				
209,833	Cash and cash equivalents	157,546	171,729	(14,183)
209,833	Cash	157,546	171,729	(14,183)
Current financial liabilities				
(21,279)	Current account overdraft	(25,648)	(27,283)	1,635
(1,521)	Current share of medium-long term financing	(4,818)	(5,146)	328
(22,800)	Current financial liabilities	(30,466)	(32,429)	1,963
187,033	Current net financial position	127,080	139,300	(12,220)
Non-current financial liabilities				
(6,819)	Financing	(38,272)	(42,805)	4,533
(6,819)	Non-current financial liabilities	(38,272)	(42,805)	4,533
180,214	Net financial position	88,808	96,495	(7,687)

The movement in net cash flow when compared to the figure as at December 31st 2010, reflects typical operating financial trends. The first three months of the year are in fact marked by the use of resources, due to the temporary financing of the working capital growth, mainly due trade receivables, resulting from the wholesale component of revenues, which will free up cash resources in the following quarter.

Net working capital (Euro 000's)				
03.31.10		03.31.11	12.31.10	Change
186,243	Inventories	198,113	203,136	(5,023)
176,135	Trade receivables	192,296	119,560	72,736
(126,985)	Trade payables	(138,418)	(130,008)	(8,410)
235,393	Net working capital	251,991	192,688	59,303

At the financial level, the FY 2010 dividend coupon is scheduled to be paid on May 23th, as approved by the Shareholders' Meeting of the parent company TOD'S S.p.A. on April 20th, 2011. The dividend, totalling 61.2 million euros, at the rate of 2.00 (two/00) per each of the 30,609,401 shares comprising the share capital at the payment date, will be paid to all the 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 the Group's activities since March 31st 2011.

Business outlook

The excellent results attained in this early part of the year, in terms of both sales and margins, seem to confirm the positive signs first observed by the distribution network at the beginning of the sales season. At this juncture, it is therefore reasonable to confirm the forecasts projected when approving the Financial Statements for 2010, and that is to say, expectations of exceedingly satisfactory results in the current year 2011.

Guidelines for preparation of the Quarterly Report

TOD'S Group Quarterly Report on Operations at March 31st 2011 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"). Quarterly reports were approved by the Board of Directors of TOD'S S.p.A. on May 12th, 2011, 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 2011 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 2010 were used to prepare this Report.

Preparation of the financial figures reported on the Quarterly Report at March 31st 2011 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. 2011		Jan. - Mar. 2010	
		Exch. Rate at March 31 st	Average exch. rate	Exch. Rate at March 31 st	Average exch. rate
US Dollar	1	0.704	0.710	0.742	0.723
UK Pound	1	1.132	1.155	1.124	1.128
Swiss Franc	1	0.769	0.775	0.705	0.683
Hong Kong Dollar	100	9.045	9.230	9.555	9.311
Japanese Yen	100	0.850	0.874	0.794	0.796
Hungarian Fiorint	1,000	3.763	3.720	3.763	3.723
Singapore Dollar	1	0.559	0.566	0.530	0.515
Korean Won	1,000	0.643	0.646	0.657	0.632
Chinese Renminbi	100	10.749	10.941	10.869	10.584
Indian Rupia	100	1.579	1.589	1.653	1.574
Macao Pataca	100	8.782	8.966	9.284	9.042

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 2010 from the results for the three months of 2011, the typical economic indicators (Revenues, EBITDA, EBIT) have been recalculated by applying the average exchange rates for the three months of 2010, 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 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

On November 26th 2010, the Group acquired full ownership of Holpaf B.V., the real estate company that owns the Tokyo building that, since 2005, pursuant to a lease agreement, houses both TOD'S Japan KK's administrative offices and the largest TOD'S flagship store in Japan (for further details see the financial statements for 2010). The entire absorption of this company represents the only change in the reporting entity covered under the interim report as at March 31st 2010. The reporting entity remains unchanged as of the annual financial statements for the year ended on December 31st 2010.

Milan, May 12th 2011

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