

Sant'Elpidio a Mare, January 24th, 2018

TOD'S S.p.A. – Group's sales totalled 963.3 million Euros in FY 2017 (973.4 million at constant rates); the trend improved in the fourth quarter of the year

The Board of Directors approved FY 2017 preliminary sales figures

The Board of Directors of Tod's S.p.A., the Italian company listed on the Milan Stock Exchange and holding of the luxury goods group of the same name operating in luxury and quality shoes, accessories and apparel with the Tod's, Hogan, Fay and Roger Vivier brands, today approved the Group's preliminary sales figures for full year 2017.

Message from the Group's Chairman and CEO

Diego Della Valle, Chairman and CEO of the Group, commented as follows:

"Today's results are in line with our expectations and they highlight improvements in the last part of the year. The results of the Vivier's brand are very good.

As mentioned during the investor day, 2018 will be a year of transition: the managers' team has changed a lot and has begun to operate; I believe that in the second part of the year we will begin to see the results of their work.

We want each brand to fully respect its values and its DNA, offering products that are totally consistent with its own history of Made in Italy and craftsmanship, with a strong component of innovation and creativity, absolutely essential for attracting new consumers.

Great is our attention to the new communication tools, especially the digital ones, and to e-commerce, which is increasingly important; we deem encouraging the double-digit growth that we are registering, which makes us confident for an even wider development of this channel, which shows its strong potential, also considering that in some markets traditional distribution will tend not to grow.

The development of our DOS network remains key, in particular the attention to the like-for-like growth that, when everything will be fully operational, will definitely contribute to the achievement of our targets.

We believe that, with the Fall/Winter season, our production structure can finally be considered fully operational, at the highest quality level, ready to satisfy a demand, which we expect to be higher and higher.

We have defined new store formats and a pop-up store project, which we will run around the world, in some cases in collaboration with our partners.

Therefore, I'm confident that we can think of the future in a very positive way."

Comments to the Group's sales

Tod's Group consolidated sales were 963.3 million Euros in FY 2017, down 4.1% from FY 2016.

In Q4 2017, sales totalled 241.1 million Euros; the trend was slightly negative, but better than in the first nine months of the year.

At constant exchange rates, meaning by using FY 2016 average exchange rates, including the related effects of hedging derivatives, sales would have been 973.4 million Euros (-3.1% from the previous year).

In the following paragraphs, the comments will refer to figures at constant exchange rates, which we believe best express the real performance of the business.

Breakdown of consolidated sales by brand

<i>million Euros</i>	FY 2017	FY 2016	% change at reported rates	% change at constant rates
Tod's	515.7	559.0	-7.7%	-6.6%
Hogan	203.9	214.2	-4.8%	-4.5%
Roger Vivier	179.3	166.3	+7.8%	+9.7%
Fay	63.5	62.6	+1.4%	+1.4%
Altro	0.9	1.9	n.m.	n.m.
TOTAL	963.3	1,004.0	-4.1%	-3.1%

Preliminary and unaudited figures

Tod's sales totalled 515.7 million Euros in FY 2017; the 6.6% decrease, as compared to the previous year, is mainly due to the trend of shoes, also penalized by some delays in deliveries, which occurred at the start of the season, and were not recovered.

Hogan revenues were 203.9 million Euros; as already commented in the previous press releases, the decrease is mainly due to the weakness of the Italian market, while the results abroad are positive, on both the retail and the wholesale channels.

Roger Vivier totalled 179.3 million Euros in sales, up 9.7% from FY 2016. Positive results in all the main markets.

Finally, revenues of the Fay brand were 63.5 million Euros, up 1.4% from FY 2016. The brand registered positive results both in Italy and in the European countries.

Breakdown of consolidated sales by product category

<i>million Euros</i>	FY 2017	FY 2016	% change at reported rates	% change at constant rates
Shoes	757.9	791.3	-4.2%	-3.2%
Leather goods and accessories	135.8	142.5	-4.7%	-3.6%
Apparel	68.7	68.3	+0.5%	+0.6%
Other	0.9	1.9	n.m.	n.m.
TOTAL	963.3	1,004.0	-4.1%	-3.1%

Preliminary and unaudited figures

Revenues from shoes were 757.9 million Euros, down 3.2% from FY 2016, but showing a visible improvement in the fourth quarter. Due to its greater exposure to the wholesale, this category is also the most affected by the weakness of this channel.

Sales of leather goods and accessories totalled 135.8 million Euros, down 3.6% from FY 2016.

Finally, sales of apparel were 68.7 million Euros, broadly in line with 2016 and reflect Fay's performance.

Breakdown of consolidated sales by region

<i>million Euros</i>	FY 2017	FY 2016	% change at reported rates	% change at constant rates
Italy	298.2	311.5	-4.3%	-4.3%
Europe (excl. Italy)	245.1	250.0	-2.0%	-0.2%
Americas (*)	78.0	96.7	-19.3%	-19.1%
Greater China (**)	212.0	210.3	+0.8%	+3.0%
Rest of World	130.0	135.5	-4.1%	-3.5%
TOTAL	963.3	1,004.0	-4.1%	-3.1%

Preliminary and unaudited figures

(*) This line includes the whole American continent (Northern and Southern America).

(**) This line includes: mainland China, Hong Kong, Macao and Taiwan.

In FY 2017, domestic sales were 298.2 million Euros; the 4.3% decrease from FY 2016 is mainly due to the weakness of the wholesale channel, mainly in secondary cities.

In the rest of Europe, the Group's revenues totalled 245.1 million Euros, broadly in line with FY 2016. The retail network posted positive results, while the wholesale channel was weak.

In the Americas sales amounted to 78 million Euros, down 19.1% from FY 2016.

The Group's revenues in Greater China totalled 212 million Euros, up 3.0% from FY 2016. Mainland China, which represents more than half of this region, registered positive results; Hong Kong and Taiwan are still negative, even if showing some timid signs of improvement.

Finally, in the area "Rest of the World" the Group's sales were 130 million Euros, down 3.5% from FY 2016. In the fourth quarter of the year, Japan recorded a strong improvement in results, while the Korean market remains difficult.

Breakdown of consolidated sales by distribution channel

<i>million Euros</i>	FY 2017	FY 2016	% change at reported rates	% change at constant rates
DOS	621.1	630.3	-1.5%	+0.1%
Third parties (Franchised stores + Independent retailers)	342.2	373.7	-8.4%	-8.4%
TOTAL	963.3	1,004.0	-4.1%	-3.1%

Preliminary and unaudited figures

In FY 2017, sales through DOS totalled 621.1 million Euros, representing approx. two thirds of consolidated turnover. At constant rates, the value is broadly in line with the figure of last year.

The *Same Store Sales Growth* (SSSG) rate, calculated as the worldwide average of sales growth rates at constant exchange rates registered by the DOS already existing as of January 1st, 2016, is -2.8% in the fiscal year.

As of December 31st, 2017 the Group's distribution network was composed by 275 DOS and 112 franchised stores, compared to 272 DOS and 107 franchised stores as of December 31st, 2016.

Revenues to third parties totalled 342.2 million Euros; the 8.4% decrease from FY 2016 is due to the already commented weakness experienced by some important markets, such as Italy and USA.

Please note that all the figures related to FY 2017 sales reported in the present press release are preliminary and unaudited. FY 2017 results will be approved by the Board of Directors scheduled on March 13th, 2018.

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

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