Milan – May 14th, 2007

TOD'S S.p.A.: revenues and profits continue to grow

The Board of Directors approved Tod's Group Q1 2007 results.

Q1 2007 Group's revenues: 177,7 million Euros, increasing by 10% versus Q1 2006; EBITDA: 40.5 million Euros, with a 6% growth; EBIT: 34.5 million Euros with a 6.5% increase; Net income: 20.7 million Euros, growing by 7%

The Board of Directors of Tod's S.p.A., the Italian company listed on the Milan Stock Exchange and holding of the luxury goods group of the same name operating in luxury shoes, leather goods and apparel with the Tod's, Hogan and Fay brands, today approved the Group's results for the first quarter of 2007 (January 1st – March 31st, 2007).

The first three months show the continuous and steady growth of the Group's revenues and profits; this performance is even more meaningful, considering the comparison basis.[1]

As already highlighted in our previous press releases, analyzing quarterly figures is not fully meaningful, due to the discrepancies in the flow of industrial revenues and costs on a monthly basis – and this situation is particularly evident in the first quarter, when volumes are not significant in absolute terms. Therefore, annualizing quarterly figures would be misleading.

In the first quarter of 2007, consolidated turnover was 177.7 million Euros, increasing by 10.1% as compared to Q1 2006; at constant exchange rates, meaning by using 2006 average exchange rates, revenues were 179.9 million Euros, with a 11.4% growth versus the same period of the previous year[2].

Breakdown of Consolidated Sales by Brand: significant growth rates for all the brands

million Euros	Q1 2007	Q1 2006	% change	FY 2006
Tod's	95.6	90.5	+5.6%	326.4
Hogan	53.4	46.9	+13.9%	155.5
Fay	23.6	21.1	+11.9%	82.4
Roger Vivier	3.7	1.8	+106.4%	6.5
Other	1.4	1.1	+25.4%	2.2
TOTAL	177.7	161.4	+10.1%	573.0

All the Group's brands grew significantly.

[1] In Q1 2006 revenues grew by 15% vs the previous year, EBITDA and EBIT increased respectively by 27% and 33%.

[2] In the press release, we comment the growth rates at current rates; the figures at constant exchange rates are indicated only if they are meaningful.

In particular, Tod's revenues increased by 5.6% in Q1 2007, or 7.7% at constant exchange rates, and represent 53.8% of consolidated turnover as of March 31st, 2007.

Hogan achieved excellent sales results: revenues grew by 13.9% in the first three months of the year and represent 30.0% of the Group's turnover as of March 31st, 2007.

Fay revenues posted outstanding results, with a 11.9% growth in Q1 2007, which confirms the expected acceleration compared to 2006. This brand represents 13.3% of consolidated sales as of March 31st, 2007.

Finally, Roger Vivier continues its growth also in 2007; the 106.4% sales growth posted in the first quarter is a further confirmation of the huge potential of this brand, which will become a reference point in the world of luxury and exclusivity. As of March 31st, 2007 Roger Vivier represents 2.1% of the Group's turnover.

Breakdown of Consolidated Sales by Product: growth in all the product categories; outstanding results, in particular, for shoes and apparel

million Euros	Q1 2007	Q1 2006	% change	FY 2006
Shoes	117.0	105.4	+11.0%	357.5
Leather goods and accessories	38.1	35.8	+6.6%	133.5
Apparel	22.1	20.0	+10.0%	80.9
Other	0.5	0.2	n.m.	1.1
TOTAL	177.7	161.4	+10.1%	573.0

Also in 2007 revenues from shoes are growing much more than the industry average; the increase in the first quarter is 11%, or 12% at constant exchange rates. This product category represents 65.8% of the Group's turnover as of March 31st, 2007.

Revenues from leather goods and accessories posted a sound 6.6% growth in the first quarter, or 9.7% at constant exchange rates.
This lower growth has to be analyzed together with the continuous strengthening of the Euro, which did not favour the competitiveness of some of our leather goods products positioned in the high-end of the market, in particular in the US and in Japan.
The new leather goods Fall/Winter collection, designed for the first time by Derek Lam, has received strong orders and outstanding acceptance from the international press.
Revenues from leather goods and accessories globally represent 21.5% of consolidated turnover as of March 31st, 2007, in line with the same figures as of the end of March 2006.

Finally, revenues from apparel grew by 10% in the first three months of 2007, reflecting Fay's performance, and represent 12.4% of the Group's turnover as of March 31st, 2007.

Breakdown of Consolidated Sales by Region: significant growth in all the Group's markets; outstanding performance in Italy

million Euros	Q1 2007	Q1 2006	% change	FY 2006
Italy	88.9	78.2	+13.7%	279.6
Europe (excl. Italy)	47.5	44.3	+7.1%	145.4
North America	14.7	14.1	+4.6%	60.0
Asia and rest of world	26.6	24.8	+7.1%	88.0
TOTAL	177.7	161.4	+10.1%	573.0

Revenues grew in all the markets where the Group operates.

Italy, which accounts for half of the consolidated sales as of March 31st, 2007, achieved excellent results, posting a 13.7% growth in Q1 2007, driven by the outstanding results of all the Group's brands.

Sales posted positive results also in the rest of Europe, increasing by 7.1% globally[3]. This region represents 26.7% of the Group's turnover as of March 31st, 2007.

The US market confirmed also in the first three months of 2007 the acceleration shown in the last few months of 2006. In the first quarter the growth was 10% at constant exchange rates or 4.6% at reported rates, due to the strengthening of the Euro against the USD. As of March 31st, 2007, the US market represents 8.3% of the Group's turnover and shows a huge growth potential.

Revenues in the Asian markets grew by 12.6% at constant exchange rates, or 7.1% reported; this region represents 15% of consolidated turnover. The growth was mainly driven by the outstanding results posted in the Far Eastern countries.

Breakdown of Consolidated Sales by Distribution Channel: strong growth in all channels

million Euros	Q1 2007	Q1 2006	% change	FY 2006
DOS	65.7	57.3	+14.6%	283.2
Third parties (Franchised stores and independent retailers)	112.0	104.1	+7.6%	289.8
TOTAL	177.7	161.4	+10.1%	573.0

[3] The increase related only to the Group's brands was 8.7% in Q1 2007.

As already underlined several times, turnover in the first quarter is mainly generated by the wholesale channel, due to the different timing in accounting Group's revenues. In fact, deliveries made to DOS are accounted as stock inventory in the consolidated results as of the end of March and are translated into revenues only in the second quarter, when the products are sold to the final customers.

Sales to third parties globally increased by 7.6%, posting a quite significant result, if considering the above mentioned timing issues and the challenging comparison basis. We remind that in Q1 2007 the Group opened 2 franchised stores, while 6 stores were opened in Q1 2006.

Revenues through DOS posted excellent results: the 14.6% growth registered in the first quarter – or 17.4% at constant exchange rates - was driven both by the very strong organic growth and by the DOS openings.

The *Same Store Sales Growth* (SSSG) rate, calculated as the worldwide average of sales growth rates reported by DOS opened as of January 1st, 2006 , was 10.6% for the first four months of 2007 (from January 1st to April 29th, 2007).

In the first quarter of 2007 the Group opened 7 DOS; as of March 31st, 2007, the distribution network numbered 117 DOS and 65 franchised stores (compared to 105 DOS and 52 franchised stores as of the end of March 2006).

Comments to the main Profit & Loss figures

In the first quarter of 2007 the Group's EBITDA was 40.5 million Euros, increasing by 6% as compared to Q1 2006 and with a 22.8% margin on sales.

While reminding that in the first quarter of the year analysing profit and loss figures is not fully meaningful, we note that, due to higher deliveries of Spring Summer products made in December, the inventory of finished goods is lower in Q1 2007.
Despite the continuing growth of the Group's headcount (2,388 employees as of March 31st, 2007 versus 2,202 employees as of March 31st, 2006), the incidence on sales of labour costs was lower (12.4% in Q1 2007 versus 13.2% in Q1 2006).

The Group's EBIT was 34.5 million Euros in Q1 2007, growing by 6.5% versus the Q1 2006 figure and with a 19.4% margin on sales. Also in the current year, the incidence on sales of depreciation and amortisation is decreasing (3.4% in Q1 2007 vs 3.6% in Q1 2006).

Profit before taxes was 34.8 million Euros, with a 19.6% margin on sales, in line with the EBIT margin, due to the broadly flat result of financial operations.

After 14.2 million Euros as income taxes, consolidated net income was 20.6 million Euros, increasing by 7.6% versus Q1 2006. Finally, net of minorities, the Group's net income was 20.7 million Euros, with a 11.7% margin on sales, in line with the figure of the first three months of 2006.

Comments on the Balance Sheet and Cash Flow key figures

The total investments in fixed assets made in the first three months of 2007 amounted to 9.5 million Euros, almost doubled compared to Q1 2006. They were mainly related to the widening and refurbishment of the DOS network (including the investments for the seven new DOS opened in Q1 2007).

As of March 31st, 2007 the net financial position is positive and equal to 80.7 million, in line with March 2006. The 9.9 million change versus the balance as of December 31st, 2006 is due to the physiological and temporary financing of trade receivables, which will be cashed in in the following quarter.

Consolidated shareholders' equity was 544.5 million Euros (which compares to 497.5 and 522.9 million Euros as of March 31st and December 31st, 2006, respectively).

Diego Della Valle, Chairman and CEO of the Group, commented as follows: "First quarter 2007 results confirm the soundness of our Group, which continues to post strong results, in line with our strategies. The outstanding sales growth registered at our DOS and the excellent final orders' results for the Fall-Winter collection, allow me to confirm our expectations for full year 2007 to achieve a double-digit growth in revenues and a consequent increase in profits."

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ATTACHMENTS

TOD'S GROUP

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

Figures in million Euros	**Q1 2007**	**Q1 2006**	**FY 2006**
Revenues	177.7	161.4	573.0
EBITDA	40.5	38.2	137.5
EBIT	34.5	32.3	113.7
Profit before taxes	34.8	32.3	113.2
Net income	20.6	19.1	66.8
Of which: Group's net income	*20.8*	*19.4*	*66.1*
minorities	*(0.2)*	*(0.3)*	*0.7*

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

Figures in million Euros	**March 31st, 2007**	**March 31st, 2006**	**December 31st, 2006**
Operating net working capital (1)	200.1	158.1	164.2
Tangible and intangible fixed assets	285.8	278.3	282.8
Other assets/(liabilities), net	(22.1)	(19.3)	(14.7)
Total Invested Capital	463.8	417.1	432.3
Net financial position (positive)	(80.7)	(80.4)	(90.6)
Consolidated Shareholders' equity	544.5	497.5	522.9

(1) Trade receivables + Inventory – Trade payables

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

Figures in million Euros	**3 months 2007**	**3 months 2006**	**12 months 2006**
Operating Cash Flow	0	(11.7)	46.9
Cash flow generated/(used) by investing activities	(9.9)	(4.5)	(28.2)
Cash Flow generated/(used) by financing activities	0	(0.7)	(26.8)
Free Cash Flow generated/(used)	(9.9)	(16.9)	(8.1)