

Sant'Elpidio a Mare – August 5th, 2011

TOD'S S.p.A.: outstanding results in the first half of 2011: sales revenues +16.4%, net income: +26.7%

The Board of Directors approved the Group's 2011 Half-Year Report

Group's sales: 439.5 million Euros, +16.4% compared to H1 2010

EBITDA: 115.6 million Euros, +27.5%

EBIT: 96.4 million Euros, 29.8%

Group's Net income: 65.4 million Euros, +26.7%

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 and quality shoes, accessories and apparel with the Tod's, Hogan, Fay and Roger Vivier brands, today approved the Group's 2011 Half-Year Report.

Consolidated sales were 439.5 million Euros in the first half of 2011, up 16.4% from H1 2010.

All the distribution channels posted outstanding performances, in all the product categories and the geographical regions.

The Group achieved a strong improvement of its operating profitability¹. Consolidated EBITDA was 115.6 million Euros in the first half of 2011 (+27.5% compared to H1 2010) with a 26.3% margin on sales (+230 basis points versus H1 2010). EBIT was 96.4 million Euros (+29.8% compared to H1 2010) with a 21.9% margin on sales (19.7% EBIT margin in H1 2010). The Group's net income was 65.4 million Euros, up 26.7% from H1 2010.

At constant exchange rates, meaning by using H1 2010 average exchange rates, sales revenues would have been 438.5 million Euros, with growth of 16.2%, EBITDA and EBIT would have been 114.2 and 94.9 million Euros, respectively.

¹ As already highlighted in our previous press releases, analyzing interim figures is not fully meaningful, due to the discrepancies in the flow of industrial revenues and costs on a monthly basis; therefore, annualizing half-year figures would be misleading.

Breakdown of Consolidated Sales by Brand: outstanding results for all the Group's brands, excellent performance for Tod's

<i>million Euros</i>	H1 2011	H1 2010	% change	FY 2010
Tod's	239.7	195.9	+ 22.3%	407.0
Hogan	148.3	137.5	+ 7.9%	268.3
Fay	35.4	34.3	+ 3.3%	89.7
Roger Vivier	15.6	9.5	+ 64.3%	21.7
Other	0.5	0.3	n.m.	0.8
TOTAL	439.5	377.5	+ 16.4%	787.5

The Tod's brand achieved excellent results, showing an acceleration of its growth (+19.3% in Q1 2011, +25.6% in Q2 2011), driven by the outstanding results of the DOS network, in all the product categories and the geographical regions.

In the first half of 2011, the brand's sales totalled 239.7 million Euros, up 22.3% from H1 2010².

Revenues of the Hogan brand were 148.3 million Euros, with growth of 7.9% from H1 2010, driven by the organic growth in Italy. The brand is currently focused on its expansion abroad, with emphasis on the Asian markets, where some stores are scheduled to be opened in the next few months.

The Fay brand totalled 35.4 million Euros of sales, with growth of 3.3% from H1 2010, driven by the Italian market, as well.

Finally, the Roger Vivier brand's revenues were 15.6 million Euros in H1 2011, up 64.3% from H1 2010. This growth rate is considerable, despite we continue to remind that this brand is still consolidating its positioning among the most exclusive luxury brands worldwide.

² In this press release we comment figures at reported rates; if not evidenced differently, figures at constant rates are broadly aligned with the figures at reported rates.

Breakdown of Consolidated Sales by Product: double-digit growth for all the product categories

<i>million Euros</i>	H1 2011	H1 2010	% change	FY 2010
Shoes	325.5	282.4	+15.3%	564.6
Leather goods and accessories	72.7	57.8	+25.7%	123.2
Apparel	41.0	37.0	+10.7%	99.1
Other	0.3	0.3	n.m.	0.6
TOTAL	439.5	377.5	+16.4%	787.5

The Group confirms its leadership in the core business of shoes, thanks to the outstanding performances of the Tod's and Hogan brands.

This product category totalled 325.5 million Euros of revenues in H1 2011, up 15.3% from H1 2010.

Sales from leather goods and accessories posted a significant acceleration of their performance (+21.6% in Q1 2011, +29.7% in Q2 2011), driven by the outstanding results of the Tod's brand in the entire collection of handbags and accessories.

The Group's revenues of this product category totalled 72.7 million Euros in H1 2011, up 25.7% from H1 2010.

Finally, sales from apparel totalled 41 million Euros in H1 2011, with growth of 10.7% from H1 2010.

Breakdown of Consolidated Sales by Region: outstanding performance across all the markets, double-digit growth in all the regions

<i>million Euros</i>	H1 2011	H1 2010	% change	FY 2010
Italy	226.1	203.7	+11.0%	425.7
Europe (excl. Italy)	91.2	80.3	+13.5%	163.7
North America	29.3	25.5	+15.2%	53.4
Asia and Rest of World	92.9	68.0	+36.6%	144.7
TOTAL	439.5	377.5	+16.4%	787.5

All the regions, where the Group operates, posted double-digit growth rates.

The Group confirmed its leadership in Italy, with all its brands. In H1 2011 sales on the domestic market totalled 226.1 million Euros (up +11% from H1 2010).

Sales in the rest of Europe totalled 91.2 million Euros in H1 2011, with growth of 13.5% from H1 2010.

Strong acceleration of the US market (+5.3% in Q1 2011, +23.5% in Q2 2011), driven by the excellent results of the DOS channel. In H1 2011, the Group's sales in the US totalled 29.3 million Euros (up 15.2% from H1 2010; +18% at constant exchange rates).

Finally, revenues for the area "Rest of World" totalled 92.9 million Euros in H1 2011, with growth of 36.6% from H1 2010. The acceleration of the Asian performance was driven by the excellent results of mainland China and Hong Kong. Japanese revenues grew in H1 2011, despite the tragic events which hit the country, mainly due to the more favourable currency exchange rate.

Breakdown of Consolidated Sales by Distribution Channel: double-digit growth in both the channels; excellent organic growth

<i>million Euros</i>	H1 2011	H1 2010	% change	FY 2010
Third parties (Franchised stores + Independent retailers)	212.5	192.0	+10.7%	383.7
DOS	227.0	185.5	+22.4%	403.8
TOTAL	439.5	377.5	+16.4%	787.5

In the first half of 2011, revenues to third parties totalled 212.5 million Euros, with growth of 10.7% from H1 2010.

The DOS network posted excellent results; in the first six months of 2011, revenues through DOS globally amounted to 227 million Euros, with growth of 22.4% from H1 2010 (+21.6% in Q1 2011, +22.9% in Q2 2011).

As of June 30th, 2011, the Group's distribution network was represented by 161 DOS and 70 franchised stores, compared to 151 DOS and 71 franchised stores as of June 30th, 2010.

The organic growth was brilliant: the *Same Store Sales Growth* (SSSG) rate, calculated as the worldwide average of sales growth rates reported by DOS opened as of January 1st, 2010 , was 17.2% for the first 31 weeks of the year (from January 1st to July 31st, 2011), showing an acceleration versus the first months of the year, despite a more challenging comparison basis.

Comments on the Profit & Loss key figures

In H1 2011 the Group's EBITDA was 115.6 million Euros, with growth of 27.5% from H1 2010, and with a 26.3% margin on sales, 230 basis points higher than in H1 2010. The main driver was the significant improvement of the industrial margin, mainly due to the more favourable product and area mix of sales.

Also the operating leverage had a positive effect and contributed to reduce the incidence on sales of rental costs (6.9% in H1 2011, compared to 7.5% in H1 2010) and of the labour cost (14.4% of sales in H1 2011, compared to 15.3% of H1 2010), despite the continuous growth of the Group's headcount (3,416 employees as of June 30th, 2011, versus 3,102 as of June 30th, 2010).

The Group's EBIT was 96.4 million Euros in H1 2011, up 29.8% from H1 2010 and with a 21.9% margin on sales, higher by more than 200 basis points compared to the H1 2010 EBIT margin. The incidence on sales of depreciation and amortisation was 4.2% in H1 2011, the same as in H1 2010.

Due to the broadly flat result of financial operations, the Group's profit before taxes was 96.9 million Euros, with growth of 25.8% from H1 2010.

Income taxes were 30.8 million Euros, with a 31.8% tax rate, slightly better than in full year 2010 (32.2%).

Consolidated net income was 66.1 million Euros in the first six months of 2011, up 26% from H1 2010 and with a 15% margin on sales. Finally, net of minorities, the Group's net income was 65.4 million Euros, with growth of 26.7% from H1 2010.

Comments on the Balance Sheet and Cash Flow key figures

In the first six months of 2011, the Group invested 37.7 million Euros in tangible and intangible fixed assets, including approx. 20 million Euros of the value of the agreement, signed with the Ministry of Cultural Affairs

(Ministero per i Beni e le Attività Culturali) and the Supervisor for Central Rome's Archaeological Area (Soprintendenza speciale per i beni archeologici), as sole sponsor for restoration of the Coliseum.

Tod's Group, which is a strong representative of *Made in Italy*, believes that it's both an honour and a duty to contribute to the support of the Italian image all over the world, and, consequently, has committed to finance a total amount of 25 million Euros, which will be disbursed in instalments, on the basis of the restoration timing, as approved by the Delegated Commissioner and Supervisor.

The remaining part of the investments were devoted to the openings of new DOS (with focus on the Chinese market, where the Group intends to add a significant number of stores to the 38 existing ones), to the refurbishment of some important boutiques and to the industrial and logistic structures.

The Group maintained its excellent management of working capital requirements; the balance of the operating working capital (trade receivables + inventories – trade payables) was 209.8 million Euros as of June 30th, 2011, compared to 193.4 million Euros as of the end of June 2010, with a significant decrease of the incidence on sales.

As of June 30th, 2011 the net financial position was positive and equal to 88.7 million Euros, broadly in line with the balance of the end of 2010, even after the payment of the 61.2 million Euros ordinary dividend and the financing of the already detailed investment activity. The difference, compared to the 200.3 million Euros balance of June 2010, is mainly due to the extra-dividend of 107.1 million Euros, paid in October 2010.

Consolidated shareholders' equity as of June 30th, 2011 was 617.5 million Euros, which compares with 618.4 and 667 million Euros, as of December 31st and June 30th 2010, respectively.

Diego Della Valle, Chairman and CEO of the Group, commented as follows: "Half-year results confirm once more the effectiveness of our strategy, which allows our Group to continue to grow double-digit its revenues and to further improve its good profitability. The strong results achieved by our stores, in all the product categories and the areas where we operate, demonstrate that our customers increasingly appreciate the superior quality of our products and their iconic image, both being even more important to face challenging moments, as the current one. Our brands are increasingly appreciated in all the markets, with no exception. Considering the strong results of the Fall Winter orders' collection, I'm confident that also the second half of the year will deliver great results."

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.

Pursuant to article 154 ter, paragraph 2, of Legislative Decree n. 58/98 (the "Unified Financial Act") the half-year report as at June 3rd 2011, approved by the Board of Directors today, will be made available to Shareholders and the public at the registered office of the Company and at Borsa Italiana S.p.A, according to the law provisions. The document will also be published under the Section "Financial Statements" on the website of the Company www.todsgroup.com.

Should you need explanations, please contact: Investor Relations Office - tel. +39 02 77 22 51
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ATTACHMENTS

TOD'S GROUP

Consolidated Profit & Loss

(Unaudited) In Euro 000's	H1 2011	H1 2010	Year 10
Revenues			
Sales revenues	439,458	37,462	787,539
Other revenues and income	8,614	9,610	18,819
Total revenues and income	448,072	387,072	806,358
Operating costs			
Change in inventories (work in progr. & fin. goods)	16,640	1,888	952
Cost of raw materials, supplies, and material for cons.	(103,222)	(86,837)	(178,829)
Cost of services	(135,571)	(115,808)	(238,514)
Cost of use of third parties assets	(30,434)	(28,151)	(58,714)
Cost of labour	(63,125)	(57,862)	(117,751)
Other operating charges	(16,744)	(9,609)	(20,443)
Total operating cost	(332,456)	(296,379)	(613,299)
EBITDA	115,616	90,693	193,059
Amortization, depreciation and write-downs			
Amortization of intangible assets	(5,341)	(3,695)	(7,599)
Depreciation of tangible assets	(13,102)	(12,093)	(24,476)
Other adjustments			
Total amortization, depreciation and write-downs	(18,443)	(15,788)	(32,075)
Provision	(757)	(637)	(1,040)
EBIT	96,416	74,268	159,944
Financial income and charges			
Financial income	8,391	10,853	19,371
Financial charges	(7,942)	(8,152)	(15,963)
Total financial income (charges)	449	2,701	3,408
Income (losses) from equity investments			
Profit before taxes	96,865	76,969	163,352
Income taxes	(30,801)	(24,548)	(52,566)
Profit/(Loss) for the period	66,064	52,421	110,786
Non-controlling interest	(655)	(803)	(1,710)
Profit /(Loss) of the group	65,409	51,618	109,076
EPS (Euro)	2.14	1.69	3.56
EPS diluted (Euro)	2.14	1.69	3.56

TOD'S GROUP

Consolidated Statement of Financial position

(Unaudited)			
In Euro 000's	06.30.11	12.31.10	06.30.10
Non current-assets			
Intangible fixed assets			
Asset with indefinite useful life	149,024	149,024	149,024
Key money	25,605	27,679	29,765
Others	29,688	12,380	11,151
Total intangible fixed assets	204,317	189,083	189,940
Tangible fixed assets			
Building and lands	100,660	105,721	40,099
Plant and machinery	4,311	3,962	4,757
Equipment	12,902	12,573	12,380
Leasehold improvements	30,351	30,595	34,380
Others	22,870	21,252	20,065
Total tangible fixed assets	171,094	174,103	111,681
Other assets			
Real estate investments	44	46	47
Equity investments	20	20	20
Deferred tax assets	36,647	32,027	28,772
Others	8,393	7,789	9,004
Total other assets	45,104	39,882	37,843
Total non-current assets	420,515	403,068	339,464
Current-assets			
Inventories	227,689	203,136	205,938
Trade receivables	126,468	119,560	116,907
Tax receivables	7,246	3,856	3,026
Derivative financial instruments	3,506	2,084	898
Others	12,565	12,263	9,916
Cash and cash equivalents	157,017	171,729	232,119
Total current assets	534,491	512,628	568,804
Assets held for sale	-	-	-
Total assets	955,006	915,696	908,268

TOD'S GROUP

Consolidated Statement of Financial position (continuing)

(Unaudited) In Euro 000'	06.30.11	12.31.10	06.30.10
Equity			
Share capital	61,219	6,219	61,219
Capital reserves	214,055	21,055	214,055
Treasury stock	-	-	-
Hedging and translation reserves	(6,915)	(4,263)	(4,783)
Retained earnings	277,962	231,451	338,745
Accumulated earnings/losses	-	-	-
Profit attributable to the Group	65,409	109,076	51,618
Total Equity attributable to the Group	611,730	611,538	660,854
Non controlling interests			
Share capital and reserves	5,077	5,193	5,345
Profit attributable to non controlling interests	655	1,710	803
Total Equity attributable to non controlling interests	5,732	6,903	6,148
Total Equity	617,462	618,441	667,002
Non current liabilities			
Provisions for risks	1,515	1,369	1,073
Deferred tax liabilities	28,749	27,722	24,187
Retirement benefit obligation	11,233	11,419	11,450
Others	20,280	-	-
Bank borrowings	37,758	42,805	6,032
Total non-current liabilities	99,535	83,315	42,742
Current liabilities			
Trade payables	144,347	130,008	129,463
Tax payables	18,105	20,064	13,523
Derivative financial instruments	1,769	2,333	5,101
Others	43,277	29,106	24,649
Banks	30,511	32,429	25,788
Total current liabilities	238,009	213,940	198,524
Liabilities held for sale	-	-	-
Total Equity and liabilities	955,006	915,696	908,268

TOD'S GROUP

Consolidates Statement of Cash Flows

(Unaudited) In Euro 000's	Jan.-Jun. 11	Jan.-Jun. 10
Profit (loss) attributable the Group	65,409	51,618
Non cash adjustments		
Amortization, depreciation, revaluation and write-downs	21,370	13,397
Change in employee severance indemnity reserve	499	558
Change in deferred tax assets/liabilities	(3,593)	(4,482)
Other changes	7	610
Cash Flow (a)	83,692	61,701
Changes in current assets and liabilities:		
Inventories	(27,317)	(7,658)
Trade receivables	(7,071)	(8,747)
Tax receivables	(3,390)	(811)
Other current assets	(1,724)	(1,214)
Trade Payables	14,339	25,542
Tax payables	(1,959)	9,353
Other current liabilities	13,607	11,387
Change in operating working capital (b)	(13,515)	27,852
Cash flow from operating activities (c)=(a)+(b)	70,177	89,553
Net investments in tangible and intangible assets	(36,819)	(15,757)
(Increase) reduction of equity investments	-	-
Other changes in fixed assets	6,151	-
Reduction (increase) of other non current assets	(602)	(1,423)
Cash Flow from (used in) investment activities (d)	(31,270)	(17,180)
Dividends paid	(61,219)	(45,914)
Changes in long term liabilities	14,687	(1,217)
Capital increase	-	-
Other changes in shareholders equity	(3,998)	(3,785)
Changes in non-controlling interests	(1,171)	866
Cash Flow from (used in) financing activities (e)	(51,701)	(50,050)
Cash Flow from continuing operations (f)=(c)+(d)+(e)	(12,794)	22,323
Cash flow from assets held for sale (g)	-	-
Net Cash Flow (h)=(f)+(g)	(12,794)	22,323
Net financial position at the beginning of the period	139,300	184,008
Net financial position at the end of the period	126,506	206,331
Change in current net financial position	(12,794)	22,323