

Sant'Elpidio a Mare - August 8th, 2012

TOD'S S.p.A. – Sales growth acceleration, driven by the Tod's brand (+19.4% in H1 2012). Double-digit increase of net income.

The Board of Directors approved Tod's Group 2012 Half-Year Report

Group's sales: 482.5 million Euros, +9.8% compared to H1 2011

EBITDA: 123.5 million Euros, +6.8%

EBIT: 103.4 million Euros, +7.3%

Group's Net Income: 74.4 million Euros, +13.7%

Positive Net Financial Position: 79.4 million Euros

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 report for the first half of 2012 (January 1st – June 30th, 2012).

Consolidated sales were 482.5 million Euros in the first half of 2012, up 9.8% from H1 2011. Significant acceleration in the second quarter of the year (+12% in Q2, compared to +8% in Q1), driven by the Tod's brand and the outstanding results achieved by the DOS network.

EBITDA was 123.5 million Euros in H1 2012, up 6.8% from H1 2011 and with a 25.6% margin on sales; EBIT was 103.4 million Euros, up 7.3% from H1 2011. Double-digit growth of the Group's net income, equal to 74.4 million Euros (+13.7% from H1 11); improvement also for the tax rate.

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; therefore, annualizing quarterly figures would be misleading.

At constant exchange rates, meaning by using H1 2011 average exchange rates, sales would have been 471.5 million Euros, up 7.3% from H1 2011; EBITDA and EBIT would have been, respectively, 117.7 million Euros and 98.1 million Euros¹.

¹ In this release we comment figures at reported rates, if not differently specified.

Message of the Group's Chairman and CEO

Diego Della Valle, Chairman and CEO of the Group, commented as follows: *“Half-year results confirm the sound growth of our Group in sales and profits. Consistently with our international expansion strategy, our Group continues to post outstanding results in the foreign markets, in particular in Asian and US markets. We are maintaining, and we will continue to maintain, the tight approach and the selective distribution strategy, which allow us to closely monitor all the markets, in particular the domestic one. Considering also customers' increasing appreciation for our products, thanks to their quality and their nature of timeless icons, I'm confident that also the second half of the year will achieve good results and I can confirm our expectations to post a significant growth also this year.”*

Breakdown of consolidated sales by brand: outstanding results for Tod's and Roger Vivier

<i>million Euros</i>	H1 2012	H1 2011	% change	FY 2011
Tod's	286.2	239.7	+19.4%	487.5
Hogan	130.6	148.3	-12.0%	280.9
Fay	32.5	35.4	-8.1%	87.8
Roger Vivier	32.7	15.6	+110.3%	36.5
other	0.5	0.5	n.m.	0.9
TOTAL	482.5	439.5	+9.8%	893.6

Outstanding results for Tod's in H1 2012; the brand accelerated its growth in Q2, driven by the excellent results of the DOS network. Its sales totaled 286.2 million Euros in H1 2012, up 19.4% from H1 2011 (+15.6% at constant exchange rates).

The Hogan brand totaled 130.6 million Euros of sales in H1 2012, compared to 148.3 million Euros of the same period of 2011. As already commented in the past press releases, the brand's performance reflects the Italian wholesale rationalization, implemented in order to preserve the exclusivity of the brand and the quality of the receivables. The brand continues to perform strongly abroad, following its international growth strategy.

Also the performance of the Fay brand reflects the same rationalization strategy, adopted in Italy, combined with an acceleration of the international expansion. In H1 2012, Fay revenues totaled 32.5 million Euros, compared to 35.4 million Euros of H1 2011.

Finally, Roger Vivier confirms its excellent performance. In H1 2012 its revenues totaled 32.7 million Euros, more than doubled compared to H1 2011 (the growth is 110.3%, or +101.2% at constant exchange rates). This brand is continuing its successful expansion, following its strategy to be one of the most exclusive *maison* of luxury accessories in the world.

Breakdown of consolidated sales by product: double-digit growth for shoes and leather goods

<i>million Euros</i>	H1 2012	H1 2011	% change	FY 2011
Shoes	360.6	325.5	+10.8%	646.5
Leather goods and accessories	83.1	72.7	+14.3%	144.9
Apparel	38.3	41.0	-6.5%	101.6
Other	0.5	0.3	n.m.	0.6
TOTAL	482.5	439.5	+9.8%	893.6

The strong double-digit sales growth for shoes confirms the undisputed leadership of the Group in its core business. Revenues totaled 360.6 million Euros in H1 2012, up 10.8% from H1 2011 (+8.3% at constant exchange rates).

Double-digit growth also for leather goods and accessories; sales of this product category totaled 83.1 million Euros in H1 2012, up 14.3% from H1 2011 (+10.3% at constant exchange rates).

Finally, revenues from apparel were 38.3 million Euros in H1 2012; the small reduction compared to H1 2011 broadly reflects the performance of the Fay brand, as earlier commented.

Breakdown of consolidated sales by region: very strong performance of the international markets (Asia:+55.6%, USA: +30.0%)

<i>million Euros</i>	H1 2012	H1 2011	% change	FY 2011
Italy	199.0	226.1	-12.0%	449.3
Rest of Europe (excl. Italy)	100.8	91.2	+10.6%	182.0
North America	38.1	29.3	+30.0%	62.4
Asia and Rest of World	144.6	92.9	+55.6%	199.9
TOTAL	482.5	439.5	+9.8%	893.6

In line with the international growth strategy implemented by the Group, the importance of the international markets is increasing significantly: as of June 30th, 2012 foreign sales represent 58.8% of the Group's turnover, compared to 48.6% of June 2011.

In H1 2012, domestic revenues totaled 199 million Euros; the difference compared to H1 2011 reflects also the already commented rationalization of the Italian wholesale distribution.

Double-digit sales growth of the area "Rest of Europe", driven by the outstanding results of UK and France. Revenues of this area totaled 100.8 million Euros in H1 2012, up 10.6% from H1 2011 (+9.4% at constant exchange rates).

Sales on the US market accelerated their growth rate, confirming the success enjoyed by the Group's products on this important region. In H1 2012, revenues totaled 38.1 million Euros, up 30% from H1 2011 (+23.3% at constant exchange rates).

Finally, the Group registered excellent results in the area "Asia and Rest of the World", which represents approx. 30% of the Group's turnover as of June 30th, 2012. Sales of this region totaled 144.6 million Euros in H1 2012, up 55.6% from H1 2011 (+47% at constant exchange rates). We underline the outstanding results posted in Greater China, where the Group confirms its extraordinary growth rates; significant sales increase also in Japan, both at reported and at constant rates.

Breakdown of consolidated sales by distribution channel: solid double-digit sales growth of the DOS channel (+20.5%); organic growth: +10.6%

<i>million Euros</i>	H1 2012	H1 2011	% change	FY 2011
Third parties (Franchised stores + Independent retailers)	209.1	212.5	-1.6%	419.3
DOS	273.4	227.0	+20.5%	474.3
TOTAL	482.5	439.5	+9.8%	893.6

In H1 2012, revenues to third parties totalled 209.1 million Euros. The slight decrease compared to H1 2011 is mainly due to the rationalization of the Italian wholesale distribution.

Excellent results for the DOS network, which represents 56.7% of the Group's turnover as of June 30th, 2012. Sales of this channel globally amounted to 273.4 million Euros in H1 2012, up 20.5% from H1 2011 (+16% at constant exchange rates).

Significant acceleration of the organic growth: the *Same Store Sales Growth* (SSSG) rate, calculated as the worldwide average of sales growth rates reported by DOS opened as of January 1st, 2011, was 10,6% for the first 31 weeks of 2012 (from January 1st to July 29th, 2012), compared to 7.8% posted until the beginning of May.

As of June 30th, 2012 the Group's distribution network was composed by 182 DOS and 71 franchised stores, compared to 161 DOS and 70 franchised stores as of the end of June 2011.

Comments on the Profit & Loss key figures

In H1 2012 the Group's EBITDA was 123.5 million Euros, up 6.8% from H1 2011, and with a 25.6% margin on sales.

Also the half-year results confirm the significant improvement of the industrial margin, driven by the more favourable product and area mix of sales. The small difference of the EBITDA margin, compared to H1 2011, is mainly due to the higher incidence on sales of rental costs (8.4% in H1 2012, compared to 6.9% in H1 2011), related to the strong expansion of the DOS network (from 161 to 182 DOS in the period). Also the incidence of labour cost slightly increased (14.8% of sales in H1 2012, compared to 14.4% of H1 2011), mainly driven by the continuous growth of the Group's headcount (3,787 employees as of June 30th, 2012, versus 3,416 as of June 30th, 2011).

The Group's EBIT was 103.4 million Euros in H1 2012, up 7.3% from H1 2011 and with a 21.4% margin on sales. The incidence on sales of depreciation and amortisation slightly decreased: 3.9% in H1 2012, compared to 4.2% in H1 2011.

Due to the broadly flat result of financial operations, the Group's profit before taxes was 104 million Euros, up 7.3% from H1 2011.

Income taxes were 29.9 million Euros, with a 28.8% tax rate; the significant improvement of the tax rate (-300bps compared to H1 11) is mainly due to the higher incidence of foreign sales on the Group's turnover.

Consolidated net income was 74.1 million Euros in the first six months of 2012, up 12.1% from H1 2011 and with a 15.4% margin on sales. Finally, net of minorities, the Group's net income was 74.4 million Euros, with growth of 13.7% from H1 2011.

Comments on the Balance Sheet and Cash Flow key figures

In the first six months of 2012, the Group invested 26.2 million Euros in tangible and intangible fixed assets, compared to 37.7 million Euros of the first half of 2011. This latter figure includes approx. 20 million Euros of the value of the agreement for the restoration of the Coliseum, signed last year and finally started last week. Tod's Spa, which is a strong representative of *Made in Italy*, is proud to support the restoration project of one of Italy's symbols in the world.

The investments made in 2012 are mainly devoted to the widening and refurbishment of the DOS network and of the show-rooms, and to the normal update of the industrial, logistic and production structures.

As of June 30th, 2012 the net financial position was positive and equal to 79.4 million Euros; the slight decrease compared to the balance of June 2011 is mainly due to the higher amount of the dividend payment and to the temporary financing of higher working capital requirements.

Consolidated shareholders' equity as of June 30th, 2012 was 690.2 million Euros, which compares with 688.9 and 617.5 million Euros, as of December 31st and June 30th 2011, respectively.

Merger with Edmond Srl, a company wholly owned by Tod's

Today the Board of Directors also approved the merger in Tod's SpA of Edmond Srl, a company wholly owned by Tod's. This transaction will not involve any capital increase of the merging company. Pursuant to the law and bylaws, being a merger with a wholly owned subsidiary the same will be resolved, as regards Tod's SpA, by its Board of Directors.

The Company will make available to the public any documentation and information required in compliance with, and in such terms and with such modalities as set forth by the applicable law and regulation.

The manager responsible for preparing the company's financial reports, Mr. Rodolfo Ubaldi, declares, pursuant to article 154 bis, paragraph 2, of Legislative Decree n. 58/98 (the "Unified Financial Act"), 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 the "Unified Financial Act, the half-year report as at June 30th 2012, approved by the Board of Directors today, will be made available to the public at the registered office of the Company. 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) Euro 000's	H1 2012	H1 2011	Year 2011
Revenues			
Sales revenues	482,456	439,458	893,638
Other revenues and income	6,695	8,614	15,994
Total revenues and income	489,151	448,072	909,632
Operating costs			
Change in inventories (work in progr. & finished goods)	26,316	16,640	31,798
Cost of raw materials, supplies and material for consumption	(145,043)	(103,222)	(224,662)
Cost of services	(119,826)	(135,571)	(265,993)
Cost of use of third parties assets	(40,444)	(30,434)	(64,671)
Cost of labour	(71,288)	(63,125)	(126,840)
Other operating charges	(15,366)	(16,744)	(26,847)
Total operating cost	(365,651)	(332,456)	(677,215)
EBITDA	123,500	115,616	232,417
Amortization, depreciation and write-downs			
Amortization of intangible assets	(4,569)	(5,341)	(9,957)
Depreciation of tangible assets	(14,405)	(13,102)	(25,845)
Other adjustments	-	-	(86)
Total amortization, depreciation and write-downs	(18,974)	(18,443)	(35,888)
Provision	(1,097)	(757)	(1,899)
EBIT	103,429	96,416	194,630
Financial income and charges			
Financial income	8,746	8,391	18,522
Financial charges	(8,215)	(7,942)	(16,266)
Total financial income (charges)	531	449	2,256
Income (losses) from equity investments	-	-	-
Profit before taxes	103,960	96,865	196,886
Income taxes	(29,890)	(30,801)	(61,198)
Profit/(Loss) for the period	74,070	66,064	135,688
Non-controlling interest	288	(655)	(691)
Profit / (Loss) of the Group	74,358	65,409	134,997
EPS (Euro)	2.43	2.14	4.41
EPS diluted (Euro)	2.43	2.14	4.41

TOD'S GROUP

Consolidated Statement of Financial position

(Unaudited) Euro 000's	06.30.12	12.31.11	06.30.11
Non current-assets			
<i>Intangible fixed assets</i>			
Asset with indefinite useful life	149,024	149,024	149,024
Key money	22,571	23,731	25,605
Others	28,052	29,250	29,688
Total intangible fixed assets	199,647	202,005	204,317
<i>Tangible fixed assets</i>			
Building and lands	109,412	109,787	100,660
Plant and machinery	7,431	7,031	4,311
Equipment	14,674	13,613	12,902
Leasehold improvements	37,145	33,496	30,351
Others	31,073	27,072	22,870
Total tangible fixed assets	199,735	190,999	171,094
<i>Other assets</i>			
Real estate investments	41	42	44
Equity investments	20	20	20
Deferred tax assets	44,925	39,603	36,647
Others	10,995	9,661	8,393
Total other assets	55,981	49,326	45,104
Total non-current assets	455,363	442,330	420,515
Current-assets			
Inventories	264,221	236,631	227,689
Trade receivables	153,618	150,011	126,468
Tax receivables	20,635	12,839	7,246
Derivative financial instruments	907	1,320	3,506
Others	14,336	13,488	12,565
Cash and cash equivalents	154,542	187,756	157,017
Total current assets	608,259	602,045	534,491
Assets held for sale	-	-	-
Total assets	1,063,622	1,044,375	955,006

TOD'S GROUP

Consolidated Statement of Financial position (continuing)

(Unaudited) Euro 000's	06.30.12	12.31.11	06.30.11
Equity			
Share capital	61,219	61,219	61,219
Capital reserves	214,055	214,055	214,055
Treasury stock	-	-	-
Hedging and translation reserves	(918)	(4,851)	(6,915)
Retained earnings	336,215	277,742	277,962
Accumulated earnings/losses	-	-	-
Profit attributable to the Group	74,358	134,997	65,409
Total Equity attributable to the Group	684,929	683,162	611,730
Non controlling interests			
Share capital and reserves	5,521	4,934	5,077
Profit attributable to non controlling interests	(288)	691	655
Total Equity attributable to non controlling interests	5,233	5,625	5,732
Total Equity	690,162	688,787	617,462
Non current liabilities			
Provisions for risks	2,111	1,914	1,515
Deferred tax liabilities	31,842	30,902	28,749
Retirement benefit obligation	11,565	11,565	11,233
Others	19,490	19,584	20,280
Bank borrowings	38,782	41,408	37,758
Total non-current liabilities	103,790	105,373	99,535
Current liabilities			
Trade payables	175,350	159,876	144,347
Tax payables	17,908	16,454	18,105
Derivative financial instruments	3,223	6,957	1,769
Others	36,863	31,329	43,277
Banks	36,326	35,599	30,511
Total current liabilities	269,670	250,215	238,009
Liabilities held for sale	-	-	-
Total Equity and liabilities	1,063,622	1,044,375	955,006

TOD'S GROUP

Consolidates Statement of Cash Flows

(Unaudited) Euro 000's	Period Jan. – Jun. 12	Period Jan. – Jun. 11
Profit (loss) attributable the Group	74,358	65,409
Non cash adjustments:		
Amortization, depreciation, revaluation and write-downs	23,128	21,370
Change in employee severance indemnity reserve	-	499
Change in deferred tax assets/liabilities	(4,382)	(3,593)
Other changes	197	7
Cash Flow (a)	93,301	83,692
Changes in current assets and liabilities:		
Inventories	(30,908)	(27,317)
Trade receivables	(4,443)	(7,071)
Tax receivables	(7,796)	(3,390)
Other current assets	(435)	(1,724)
Trade Payables	15,474	14,339
Tax payables	1,454	(1,959)
Other current liabilities	1,800	13,607
Change in operating working capital (b)	(24,854)	(13,515)
Cash flow from operating activities (c)=(a)+(b)	68,447	70,177
Net investments in tangible and intangible assets	(24,622)	(36,819)
(Increase) reduction of equity investments	-	-
Other changes in fixed assets	(730)	6,151
Reduction (increase) of other non current assets	(1,333)	(602)
Cash Flow from (used in) investment activities (d)	(26,685)	(31,270)
Dividends paid	(76,524)	(61,219)
Changes in long term loans	(2,720)	14,687
Capital increase	-	-
Other changes in shareholders equity	3,933	(3,998)
Changes in non-controlling interests	(392)	(1,171)
Cash Flow from (used in) financing activities (e)	(75,703)	(51,701)
Cash Flow from continuing operations (f)=(c)+(d)+(e)	(33,941)	(12,794)
Cash flow from assets held for sale (g)	-	-
Net Cash Flow (h)=(f)+(g)	(33,941)	(12,794)
Net current financial position at the beginning of the period	152,157	139,300
Net current financial position at the end of the period	118,216	126,506
Change in current net financial position	(33,941)	(12,794)