

Sant'Elpidio a Mare – August 7th, 2013

TOD'S S.p.A. – Sales growth and profitability improvement in the second quarter of 2013 (sales: 8,4%, EBITDA: +15,9%)

The Board of Directors approved Tod's Group 2013 Half-Year Report

Group's sales: 491.2 million Euros, +1.8% compared to H1 2012

EBITDA: 129.5 million Euros, +4.8%

EBIT: 108.2 million Euros, +4.6%

Group's Net Income: 75.7 million Euros, +1.8%

Positive Net Financial Position: 118.2 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 2013 (January 1st – June 30th, 2013).

Message of the Group's Chairman and CEO

Diego Della Valle, Chairman and CEO of the Group, commented as follows: *"In line with management expectations, our Group's sales and profits registered a sound growth in the second quarter of the year. Tod's and Roger Vivier continued to achieve excellent results in the international markets, confirming the strong customer appreciation for the quality and exclusivity of our products; as we expected, Hogan and Fay performances were affected by the significant rationalization of the independent distribution, due to their higher exposure to the Italian market and to wholesale revenues. I believe that the current strategy, which develops each brand according to its DNA, is effective and is generating a huge growth potential for our Group. Therefore, I'm confident that also the second half of the year will achieve good results and I can confirm our expectations to post a further growth of revenues and profits also this year."*

Comments to the Group's sales

Consolidated sales were 491.2 million Euros in the first half of 2013, up 1.8% from H1 2012.

In line with management expectations, sales grew by 8.4% in the second quarter, compared to the 3.7% decrease in the first one, due to the different distribution channel mix of sales: higher exposure to third parties in Q1, which was consequently affected by the rationalization implemented on the wholesale distribution, and higher exposure to retail sales in Q2.

We remind that last year our Group decided to implement a significant rationalization of the wholesale distribution, mainly on the domestic market, aiming to preserve the brands' exclusivity and positioning and to maintain the quality of the credit portfolio.

The rationalization affected all the brands, but it was mainly evident on the performances of Hogan and Fay, which have the higher exposure to the Italian market and to the wholesale distribution.

In the same time, the Group continued to pursue its international expansion, with major focus on Asia and the Americas, areas where Tod's and Roger Vivier are registering excellent results.

At constant exchange rates, meaning by using H1 2012 average exchange rates, sales would have been 489.3 million Euros, up 1.4% from H1 2012¹.

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

<i>million Euros</i>	H1 2013	H1 2012	% change	FY 2012
Tod's	296.3	286.2	+3.5%	569.7
Hogan	111.3	130.6	-14.8%	243.4
Fay	23.9	32.5	-26.3%	74.5
Roger Vivier	59.0	32.7	+80.6%	74.5
Other	0.7	0.5	n.m.	1.0
TOTAL	491.2	482.5	+1.8%	963.1

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

In the first half of 2013, Tod's sales were 296.3 million Euros, up 3.5% from H1 2012.

Hogan revenues were 111.3 million Euros in H1 2013, compared to 130.6 million Euros of H1 2012. The decrease is entirely due to the Italian market, while the brand is achieving very positive results abroad. It's worth underlining the sound double-digit growth registered in Asia, which is still a small market for the brand, and where its international expansion is currently focused.

In the first half of 2013, sales of the Fay brand were 23.9 million Euros; the decrease, compared to the 32.5 million Euros of H1 2012, is due to the challenging situation of the Italian environment and to the already commented rationalization of the distribution. We remind that this brand is mainly distributed in Italy through the wholesale channel.

Finally, Roger Vivier continues to register excellent results, pursuing its growth and confirming to be one of the most prestigious maison of luxury accessories and shoes in the most exclusive segment of luxury goods in the world. In H1 2013, its sales totaled 59 million Euros, up 80.6% from H1 2012 (+77.6% at constant exchange rates).

Breakdown of consolidated sales by product: the Group confirms its leadership in the core business of shoes

<i>million Euros</i>	H1 2013	H1 2012	% change	FY 2012
Shoes	383.3	360.6	+6.3%	710.4
Leather goods and accessories	79.3	83.1	-4.6%	165.5
Apparel	27.9	38.3	-27.2%	86.2
Other	0.7	0.5	n.m.	1.0
TOTAL	491.2	482.5	+1.8%	963.1

Sales of shoes totaled 383.3 million Euros in H1 2013, up 6.3% from H1 2012, thus confirming the Group's leadership in the core business of shoes.

Sales of leather goods and accessories globally amounted to 79.3 million Euros in H1 2013. The 4.6% difference compared to the same period of 2012 is mainly due to the impact of the rationalization implemented on the wholesale channel.

In H1 2013, sales of apparel were 27.9 million Euros; the difference compared to the same period of 2012 broadly reflects the already commented performance of the Fay brand.

Breakdown of consolidated sales by region: solid growth in the Americas (+19.7%) and in Asia (China:+35.2%)

<i>million Euros</i>	H1 2013	H1 2012	% change	FY 2012
Italy	161.1	199.0	-19.0%	383.9
Europe (excl. Italy)	101.4	100.8	+0.6%	200.3
Americas (*)	45.6	38.1	+19.7%	81.6
Greater China (**)	127.5	94.3	+35.2%	195.9
Rest of World	55.6	50.3	+10.6%	101.4
TOTAL	491.2	482.5	+1.8%	963.1

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

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

In the first half of 2013, domestic sales were 161.1 million Euros; the difference compared to the same period of 2012 is due to the challenging situation of the Italian environment and to the already commented rationalization of the wholesale distribution.

In the rest of Europe, the Group's revenues totaled 101.4 million Euros, up 0.6% from H1 2012. The opposite quarterly performance (5.2% increase in Q2, compared to 3.7% decrease in Q1) reflects the already commented different distribution channel mix of the quarterly turnover: higher exposure to wholesale revenues in Q1, which has been consequently affected by the rationalization of the independent distribution, and higher exposure to retail sales in Q2.

The American market confirmed its solid double-digit growth; in H1 2013 sales totaled 45.6 million Euros, up 19.7% from H1 2012 (+18.9% at constant exchange rates). Outstanding results in both the channels (DOS and wholesale).

Greater China, which represents 26% of consolidated sales as of June 30th, 2013, confirms to be the fastest growing region for the Group. In H1 2013, revenues of this area totaled 127.5 million Euros, up 35.2% from H1 2012 (30.9% at constant exchange rates).

Finally, in the area "Rest of the World", the Group's sales totaled 55.6 million Euros in the first half of 2013, up 10.6% from H1 2012 (+15.5% at constant exchange rates).

Breakdown of consolidated sales by distribution channel: solid double-digit growth of DOS (+14.3%)

<i>million Euros</i>	H1 2013	H1 2012	% change	FY 2012
DOS	312.6	273.4	+14.3%	574.1
Third parties (Franchised stores + Independent retailers)	178.6	209.1	-14.5%	389.0
TOTAL	491.2	482.5	+1.8%	963.1

The DOS network continues to register very good results, driven by the widening of the DOS network and by the sound organic growth. Revenues through DOS globally amounted to 312.6 million Euros in H1 2013, up 14.3% from H1 2012 (+13.9% at constant exchange rates).

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, 2012, was 5.3% for the first 31 weeks of 2013 (from January 1st to August 4th, 2013).

As of June 30th, 2013 the Group's distribution network was composed by 200 DOS and 79 franchised stores, compared to 182 DOS and 71 franchised stores as of the end of June 2012.

As already reminded, the performance of revenues to third parties was affected by the rationalization of the independent distribution and by the tough Italian environment. Sales of this channel totaled 178.6 million Euros in the first half of 2013, down 14.5% from the same period of 2012.

Comments on the Profit & Loss key figures

In H1 2013 the Group's EBITDA was 129.5 million Euros, up 4.8% from H1 2012, and with a 26.4% margin on sales (80 bps higher than in H1 2012). The industrial margin continued its improvement, driven by the more favourable distribution channel and area mix of sales.

The incidence on sales of rental costs was 10% in H1 2013; the 160 bps increase, compared to H1 2012, is mainly due to the strong expansion of the DOS network into the Asian markets. Also the incidence of labour cost slightly increased (15.6% of sales in H1 2013, compared to 14.8% of H1 2012), due to the continuous growth of the Group's headcount (3,991 employees as of June 30th, 2013, versus 3,787 as of June 30th, 2012).

The Group's EBIT was 108.2 million Euros in H1 2013, up 4.6% from H1 2012 and equal to 22% of revenues. The incidence on sales of depreciation and amortisation was 3.9%, exactly the same as in H1 2012.

At constant exchange rates, EBITDA and EBIT would have been, respectively, 124.9 million Euros and 103.5 million Euro.

After the 1.4 million Euros negative result of financial operations, entirely due to the impact of currency fluctuations, the Group's profit before taxes was 106.8 million Euros, up 2.7% from H1 2012.

Income taxes were 31.1 million Euros, with a 29.1% tax rate, broadly aligned with the one of H1 2012.

The Group's net income was 75.7 million Euros, with growth of 1.8% from H1 2012.

Comments on the Balance Sheet and Cash Flow key figures

In the first six months of 2013, the Group invested 22.2 million Euros in tangible and intangible fixed assets, compared to 26.2 million Euros of the first half of 2012. They were devoted to the widening and refurbishment of the DOS network, to the normal update of the industrial and production structures, and to the development of the company software.

As of June 30th, 2013 the net financial position was positive and equal to 118.2 million Euros, up approx. 40 million from the balance of June 2012.

Consolidated shareholders' equity as of June 30th, 2012 was 752.7 million Euros, which compares with 763.1 and 690.6 million Euros, as of December 31st and June 30th, 2012, respectively.

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 5, of the "Unified Financial Act, the half-year report as at June 30th 2013, 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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TOD'S Group Consolidated Income Statement Unaudited data

Euro 000's	H1 13	H1 12	FY 12
Revenues			
Sales Revenues	491,245	482,456	963,132
Other revenues and income	4,736	6,695	22,060
Total revenues and income	495,981	489,151	985,192
Operating Costs			
Change in inventories of work in process and finished goods	15,464	26,316	33,456
Cost of raw materials, supplies and materials for consumption	(139,098)	(145,043)	(282,779)
Costs for services	(103,073)	(119,826)	(226,049)
Costs of use of third party assets	(49,113)	(40,444)	(85,747)
Costs of labour	(76,757)	(71,288)	(143,004)
Other operating charges	(13,924)	(15,366)	(30,902)
Total operating costs	(366,501)	(365,651)	(735,025)
EBITDA	129,480	123,500	250,167
Amortisation, depreciation and write-downs			
Amortisation of intangible assets	(4,202)	(4,569)	(8,935)
Depreciation of tangible assets	(14,981)	(14,405)	(29,154)
Other adjustment	-	-	(246)
Total amortisation, depreciation and write-downs	(19,183)	(18,974)	(38,335)
Provisions	(2,105)	(1,097)	(2,995)
EBIT	108,192	103,429	208,837
Financial income and charges			
Financial income	8,848	8,746	18,174
Financial charges	(10,280)	(8,215)	(19,294)
Total financial income (charges)	(1,432)	531	(1,120)
Income (losses) from equity investments	-	-	-
Profit before taxes	106,760	103,960	207,717
Income taxes	(31,065)	(29,890)	(61,980)
Consolidated profit	75,695	74,070	145,737
Minority interests	(23)	288	(276)
Net Profit of the group	75,672	74,358	145,461
Profit used to determine basic earning per share	2.47	2.43	4.75
Dilution Effects (Continuing Operations)	2.47	2.43	4.75

TOD'S Group
Consolidated statement of comprehensive income
Unaudited data

Euro 000's	H1 13	H1 12
Profit (loss) for the period (A)	75,695	74,070
Other comprehensive income that will be reclassified subsequently to profit and loss		
Gains/(losses) on derivative financial instruments (cash flow hedge) (*)	(3,928)	1,702
Gains/(losses) on currency translation of foreign subsidiaries	744	2,251
Total other comprehensive income that will be reclassified subsequently to profit and loss (B)	(3,184)	3,953
Total Comprehensive Income (A) + (B)	72,511	78,023
Of which:		
Attributable to Shareholders of Parent Company	72,522	78,291
Attributable to non-controlling interests	(11)	(268)

() Other comprehensive incomes and losses are represented net of tax effect.*

TOD'S Group
Consolidated statement of financial position
Unaudited data

Euro 000's				
	Note	06.30.13	12.31.12	06.30.12
Non current assets				
<i>Intangible fixed assets</i>				
Assets with indefinite useful life	12	149,466	149,466	149,024
Key money	12	19,573	20,557	22,571
Other intangible assets	12	29,142	28,417	28,052
Total intangible fixed assets		198,181	198,440	199,647
<i>Tangible fixed assets</i>				
Buildings and land	12	96,089	104,334	109,412
Plant and machinery	12	7,893	8,222	7,431
Equipment	12	15,385	15,060	14,674
Leasehold improvement	12	35,866	35,428	37,145
Others	12	34,462	31,678	31,073
Total tangible fixed assets		189,695	194,722	199,735
<i>Other assets</i>				
Real estate investments		37	39	41
Equity investment		20	20	20
Deferred tax assets		48,729	45,427	44,925
Others		15,263	13,403	10,995
Total others assets		64,049	58,889	55,981
Total non current assets		451,925	452,051	455,363
Current assets				
Inventories		285,012	265,389	264,221
Trade receivables		144,325	152,345	153,618
Tax receivables		12,117	15,519	20,635
Derivative financial instruments		1,813	5,370	907
Others		16,820	13,940	14,336
Cash	14	173,080	168,329	154,542
Total current assets		633,167	620,892	608,259
Total assets		1,085,092	1,072,943	1,063,622

TOD'S Group
Consolidated statement of financial position
Unaudited data

Euro 000's (continuing)	Note	06.30.13	12.31.12	06.30.12
Shareholders' equity				
Share capital	13	61,219	61,219	61,219
Treasury reserves		214,055	214,055	214,055
Hedging and traslation		(1,915)	1,235	(918)
Other reserves *		398,143	335,322	336,664
Income for the period		75,672	145,461	74,358
Group interest in Shareholders' equity		747,174	757,292	685,378
Minority interest				
Share capital and reserves		5,511	5,519	5,555
Income for the period		23	276	(288)
Total Shareholders' equity		752,708	763,087	690,645
Non-current liabilities				
Provisions for risks	16	2,562	2,969	2,111
Deferred tax liabilities		33,200	32,261	31,842
Reserve for employee *	15	11,950	12,030	11,082
Bank borrowings	14	26,082	32,023	38,782
Others		24,972	20,169	19,490
Total non-current liabilities		98,766	99,452	103,307
Current liabilities				
Trade payables		149,600	139,236	175,350
Tax payables		15,176	7,590	17,908
Derivative financial instruments		1,518	1,704	3,223
Others		38,520	29,309	36,863
Bank	14	28,804	32,565	36,326
Total current liabilities		233,618	210,404	269,670
Total Equity and liabilities		1,085,092	1,072,943	1,063,622

* Following the retrospective application of the amendment to IAS 19 from 1 January 2013 the comparative figures at 31 December 2012 and 30 June 2013 have been restated as required by IAS 1.

* Following the retrospective application of the amendment to IAS 19 from 1 January 2013 the comparative figures at 31 December 2012 and 30 June 2013 have been restated as required by IAS 1.

TOD'S Group
Consolidated Statement of Cash Flows
Unaudited data

Euro 000's	Note	Period	Period
		Jan. - Jun. 13	Jan. - Jun. 12
Profit/(Loss) for the period		75,695	74,070
Non-cash adjustments:			
Amortizat., deprec., revaluat., and write-downs		23,831	23,128
Change in employee severance indemnity reserve		(80)	-
Change in deferred tax/liabilities		(2,363)	(4,382)
Increase/(Decrease) provision for risks and other changes		(407)	197
Cash flow (A)		96,676	93,013
Change in current assets and liabilities:			
Trade receivables		7,513	(4,443)
Other current assets		679	(435)
Inventories		(23,764)	(30,908)
Tax receivables		3,402	(7,796)
Trade payables		10,364	15,470
Other current liabilities		9,025	1,800
Tax payables		7,586	1,454
Change in operating working capital (B)		14,805	(24,854)
Cash flow from operations (C) = (A)+(B)		111,481	68,159
Net investments in intangible and tangible assets	12	(21,720)	(24,746)
Other changes in fixed assets		7,822	(730)
(Increase) decrease of other non-current assets		(1,858)	(1,333)
Cash flow generated (used) in investment activities (D)		(15,756)	(26,809)
Dividends paid	10	(82,895)	(76,524)
Others change in Equity		(3,179)	3,953
Changes in long term loans/other non-current liabilities		(1,139)	(2,720)
Capital increase		-	-
Cash flow generated (used) in financing (E)		(87,213)	(75,291)
Cash flow from continuing operations (F)=(C)+(D)+(E)		8,512	(33,941)
Cash flow generated (used)		8,512	(33,941)
Current net financial position at the beginning of the period		135,764	152,157
Current net financial position at the end of the period		144,276	118,216
Change in current net financial position		8,512	(33,941)

TOD'S Group
Consolidated Statement of Equity
Unaudited data

January - June 2013 Euro 000's	Share Capital	Capital reserves	Hedging and transaltion reserves	Other reserves	Group Interests	Non- controlling interests	Total
Balances as of 01.01.13	61,219	214,055	1,235	481,690	758,199	5,788	763,987
Changes in accounting standards (IAS 19)				(907)	(907)	7	(900)
Balances as of 01.01.13	61,219	214,055	1,235	480,783	757,292	5,795	763,087
Profit & Loss account				75,672	75,672	23	75,695
Other incomes/(losses)			(3,150)		(3,150)	(34)	(3,184)
Total comprehensive income			(3,150)	75,672	72,522	(11)	72,511
Dividend paid				(82,645)	(82,645)	(250)	(82,895)
Other				5	5		5
Balances as of 06.30.13	61,219	214,055	(1,915)	473,815	747,174	5,534	752,708

January - June 2012 Euro 000's	Share Capital	Capital reserves	Hedging and transaltion reserves	Other reserves	Group Interests	Non- controlling interests	Total
Balances as of 01.01.12	61,219	214,055	(4,851)	412,739	683,162	5,625	688,787
Changes in accounting standards (IAS 19)				449	449	34	483
Balances as of 01.01.12	61,219	214,055	(4,851)	413,188	683,611	5,659	689,270
Profit & Loss account				74,358	74,358	(288)	74,070
Other incomes/(losses)			3,933		3,933	20	3,953
Total comprehensive income			3,933	74,358	78,291	(268)	78,023
Dividend paid				(76,524)	(76,524)	(124)	(76,648)
Other							
Balances as of 06.30.12	61,219	214,055	(918)	411,022	685,378	5,267	690,645