

Milan – November 12th, 2014

TOD'S S.p.A. – sales grew by approx. 1% in Q3 2014; 21.7% EBITDA margin in 9M 2014, at constant rates

The Board of Directors approved Tod's Group 9 months 2014 Interim Report

Group's sales: 741 million Euros, -1.5% from 9M 2013 (or -0.1% at constant exchange rates)

EBITDA: 156.4 million Euros, equal to 21.1% of sales

EBIT: 123.9 million Euros, equal to 16.7% of sales

Positive Net Financial Position: 107.6 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 interim report for the first nine months of 2014 (January 1st – September 30th, 2014).

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 reflect the impact of our strategic decision to continue to pursue the Group's growth, by investing in the distribution network and in production capacity, despite the current high market volatility. We remain focused on the improvement of the DOS productivity and organic growth potential. We are also continuing to give priority to the mid-term development plan, with particular attention to preserve the brands' quality and prestige, fully consistently with our business model. We are starting to collect the first results of our entrance in the world of the Fashion Shows, which will support the performance of all our product categories, and in particular, of leather goods, by strengthening our brands' visibility. Also the feedback of the 2015 Spring Summer orders' collections is encouraging and confirms the strong appeal of our brands. Finally, I'm also proud to remind the Group's strong commitment for social responsibility, which includes different projects and initiatives, which contribute to improve the quality of life of many people."

Comments to the Group's sales

In the first nine months of 2014, consolidated sales totalled 751.8 million Euros, at constant exchange rates, meaning by using the average exchange rates of 9 months 2013, including the related effects of hedging contracts, broadly aligned with the 9 months 2013 sales revenues.

At reported rates, turnover was 741 million Euros, down 1.5% from 9 months 2013.

In the third quarter of 2014, sales were 263.3 million Euros, up 0.7% from Q3 2013.

Breakdown of consolidated sales by brand: Hogan and Fay return to growth in Q3 2014

<i>million Euros</i>	9 months 2014	9 months 2013	% change at reported rates	% change at constant rates	FY 2013
Tod's	431.2	448.6	-3.9%	-2.1%	578.1
Hogan	171.5	174.7	-1.8%	-1.6%	217.0
Fay	44.3	45.3	-2.4%	-2.4%	57.6
Roger Vivier	93.3	83.2	+12.2%	+15.1%	113.7
Other	0.7	0.8	n.m.	n.m.	1.1
TOTAL	741.0	752.6	-1.5%	-0.1%	967.5

The Tod's brand totalled 431.2 million Euros in sales, with a slight decrease, at constant exchange rates, from 9 months 2013. The brand registered positive results in Europe and in the area "Rest of the world", while the Chinese market remained negative, due to the general weakness of the consumer environment. Starting from September, the brand has improved significantly its performance in the Americas, after the re-opening of the New York Madison Avenue flagship store, which remained closed until the end of August for widening and refurbishment.

Hogan revenues grew by 5.7% in Q3 2014, driven by the sound double-digit growth of foreign sales. The brand registered 171.5 million Euros as turnover in the first nine months of 2014, with a decrease of 1.6% from 9M 2013, at constant rates.

Also the Fay brand returned to growth in Q3 2014, also thanks to the end of the rationalization of the Italian wholesale distribution, which significantly affected its turnover in the last two years. Fay sales totalled 44.3 million Euros, down 2.4% from 9M 2013.

Finally, Roger Vivier registered a double-digit growth, driven also by the openings of new DOS in China. In 9M 2014 its sales totalled 93.3 million Euros, up 15.1% from 9M 2013, at constant rates.

Breakdown of consolidated sales by product category: growth of sales from shoes and apparel in Q3 2014

<i>million Euros</i>	9 months 2014	9 months 2013	% change at reported rates	% change at constant rates	FY 2013
Shoes	574.9	580.1	-0.9%	+0.5%	739.7
Leather goods and accessories	115.3	120.6	-4.4%	-2.0%	160.9
Apparel	50.1	51.1	-2.0%	-1.8%	65.8
Other	0.7	0.8	n.m.	n.m.	1.1
TOTAL	741.0	752.6	-1.5%	-0.1%	967.5

The Group has further strengthened its leadership in the core business of shoes; sales of this category totalled 574.9 million Euros in the first 9 months of 2014, with a slight increase, at constant exchange rates, from the corresponding value of 2013.

The performance of sales from leather goods and accessories was also affected by a different timing of wholesale shipments. Revenues of this category totalled 115.3 million Euros, down 2%, at constant rates.

Finally, sales of apparel were 50.1 million Euros, down 1.8% from 9M 2013, at constant exchange rates; the performance broadly reflects the Fay brand's dynamics.

Breakdown of consolidated sales by region: positive trend across in the different regions in Q3 2014

<i>million Euros</i>	9 months 2014	9 months 2013	% change at reported rates	% change at constant rates	FY 2013
Italy	249.4	260.8	-4.4%	-4.4%	323.0
Europe (excl. Italy)	169.9	163.4	+4.0%	+4.0%	207.8
Americas (*)	62.0	66.2	-6.3%	-3.1%	90.3
Greater China (**)	169.9	180.8	-6.0%	-3.3%	237.5
Rest of World	89.8	81.4	+10.3%	+14.9%	108.9
TOTAL	741.0	752.6	-1.5%	-0.1%	967.5

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

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

In line with management expectations, domestic sales returned to growth in Q3 2014, also thanks to the end of the rationalization of the Italian wholesale distribution; also the retail performance is positive. In 9 months 2014, Italian revenues were 249.4 million Euros, down 4.4% from the same period of 2013.

In the rest of Europe, sales totalled 169.9 million Euros, up 4% from 9 months 2013. Positive trend in all the countries, with the only exception of France, which is slightly negative.

The Group's sales in the Americas totalled 62 million Euros, down 3.1% at constant exchange rates. As already commented in the half-year report, the performance of the wholesale channel is positive, while the retail results have been affected by the temporary closing of two important boutiques, including the New York Madison Avenue flagship store, which was closed until the end of August for widening and refurbishment. Net of the impact of these two stores, the performance of the American sales would have been positive, at constant rates.

The Chinese market is showing some signals of improvement, even if the mood of the consumer spending remains weak and the store traffic is stabilizing at much lower levels than in the past few years. The Group's sales in Greater China were 169.9 million Euros, down 3.3% from 9M 2013, at constant exchange rates, and represent 22.9% of consolidated turnover.

Finally, in the area "Rest of the World" sales totalled 89.8 million Euros, up 14.9% at constant exchange rates; positive results in all the Far Eastern countries.

Breakdown of consolidated sales by distribution channel: improvement of the organic growth in Q3 2014

<i>million Euros</i>	9 months 2014	9 months 2013	% change at reported rates	% change at constant rates	FY 2013
DOS	449.3	457.5	-1.8%	+0.2%	617.7
Third parties (Franchised stores + Independent retailers)	291.7	295.1	-1.2%	-0.5%	349.8
TOTAL	741.0	752.6	-1.5%	-0.1%	967.5

In the first nine months of 2014, sales through DOS globally totalled 449.3 million Euros, with a slight increase from 9M 2013, at constant exchange rates. In Q3 2014, sales grew by 2.3%.

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, 2013, is -7.5% in the first 39 weeks of the year (from January 1st to September 29th, 2014), showing a visible improvement from the YTD at the beginning of August. The same SSSG rate is -7.8% for the first 45 weeks of the year (from January 1st to November 9th, 2014); the recent slowdown is mainly due to the recent Hong Kong events.

As of September 30th, 2014 the Group's distribution network was composed of 230 DOS and 91 franchised stores, compared to 208 DOS and 82 franchised stores as of the end of September 2013.

Revenues to third parties globally amounted to 291.7 million Euros, with a performance broadly aligned with the one of the first half of 2014.

Comments to the operating and financial interim results

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.

In the first nine months of 2014, the Group's EBITDA was 156.4 million Euros, with a 21.1% margin on sales; at constant exchange rates, EBITDA would have been 163.1 million Euros, with a 21.7% margin.

The industrial margin decreased slightly, as compared to 9M 2013, mainly due to the unfavourable sales mix; on top of this, the EBITDA margin was also affected by the higher incidence on sales of cost for services and labour costs. As already commented in the latest quarterly releases, this trend is also due to the strategic decision to continue to invest in the development of the DOS network, in communication and in human resources, in order to sustain the mid-term growth potential of the Group.

As already commented for the last few quarters, the incidence on sales of rental costs is increasing (10.9% in 9M 2014, compared to 9.9% of 9M 2013), due to the strong expansion of the DOS network into the Asian markets. Also the incidence of labour cost is growing (16% of sales in 9M 2014, compared to 15% of 9M 2013), due to the continuous growth of the Group's headcount (4,305 employees as of September 30th, 2014, versus 4,085 as of September 30th, 2013).

The Group's EBIT was 123.9 million Euros in the first nine months of 2014, with a 16.7% margin on sales; Slight increase of the incidence on sales of depreciation and amortisation (4.4% in 9M 2014, compared to 4.1% of 9M 2013).

At constant exchange rates, EBIT would have been 130.3 million Euros, with a 17.3% margin on sales.

In the first nine months of 2014, the Group invested 49.5 million Euros in tangible and intangible fixed assets; the significant increase, compared to 36.2 million Euros of the same period of 2013, is mainly due to the acquisition of a new plant, close to the Company's offices, and the building of an additional large factory for the production of shoes, inside the perimeter of Group's headquarters, in the Marche region.

The Group continued also to invest for the widening and refurbishment of the DOS network, the normal update of the industrial structures and the development of the company's software.

The operating working capital totalled 309.9 million Euros as of September 30th, 2014, with a physiological increase of inventories, linked to the widening of the DOS network.

As of September 30th, 2014, the Group's net financial position was positive and equal to 107.6 million Euros, with a slight decrease, compared to the balance as of the end of September 2013, also due to higher investments.

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 5, of Legislative Decree n. 58/98 (the "Unified Financial Act") the interim management statement as of September 30th, 2014, approved by the Board of Directors today, is available to Shareholders and the public at the registered office of the Company and it will also be published under the Section "Financial Reports" on the website of the Company www.todsgroup.com.

Please note that the interim management statement as of September 30th, 2014, drafted pursuant to article 154 ter, paragraph 5, is not subject to audit.

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

OPERATING AND FINANCIAL INTERIM FIGURES OF THE TOD'S GROUP

<i>Million Euros</i>	9M 2014	9M 2013	FY 2013
Sales revenues	741.0	752.6	967.5
EBITDA	156.4	199.5	236.3
EBIT	123.9	168.5	193.2

<i>Million Euros</i>	September 30th, 2014	September 30 th , 2013	December 31 st , 2013
Net operating working capital (1)	309.9	296.4	224.1
Positive Net Financial Position	107.6	132.0	181.1
Investments	49.5	36.2	51.4

(1) Trade receivables + Inventories – Trade payables