

Sant'Elpidio a Mare – August 6th, 2015

TOD'S S.p.A. – Group's sales reached 515.3 million Euros in the first half of 2015 with a 20% EBITDA margin; solid double-digit growth of sales and profits in Q2 2015

The Board of Directors approved Tod's Group 2015 Half-Year Report

Group's sales: 515.3 million Euros, +7.9% from HI 2014; +15% in Q2

EBITDA: 103 million Euros, equal to 20% of sales

EBIT: 77.5 million Euros, equal to 15% of sales

Group's Net Income: 50.4 million Euros, equal to 9.8% of sales

Positive Net Financial Position: 73.1 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 2015 (January 1st – June 30th, 2015).

Message from the Group's Chairman and CEO

Diego Della Valle, Chairman and CEO of the Group, commented as follows:

“Our Group has performed well during the period, showing a solid double-digit growth in both sales and profits in the second quarter. These results confirm the correctness of our growth strategy; each brand is developing internationally with high quality products, recognizable and consistent with their own DNA. We are also working to a precise plan of marketing and communications, which will use the network, in addition to traditional instruments, with the aim of adding new customers. In a context that is not easy, especially on some important markets for luxury goods, such as China, considering the positive feedback received by the winter collections and our continued strong focus on cost control, I believe that our Group will achieve good results also in the second half of the year.”

Comments to the Group's sales

Consolidated sales were 515.3 million Euros in the first half of 2015, up 7.9% from HI 2014, showing a visible acceleration in the second quarter of the year (+15% in Q2 as compared to +1.5% in Q1), across all the geographical areas and product categories.

As expected, the impact of currencies fluctuations was positive: at constant exchange rates, meaning by using the average exchange rates of HI 2014, including the related effects of hedging contracts, sales would have been 486.1 million Euros, up 1.8% from HI 2014.

Breakdown of consolidated sales by brand

<i>million Euros</i>	HI 2015	HI 2014	% change at reported rates	% change at constant rates	FY 2014
Tod's	304.4	290.2	+4.9%	-2.1%	568.0
Hogan	108.8	104.5	+4.2%	+2.7%	212.3
Fay	22.9	22.8	+0.5%	+0.3%	57.3
Roger Vivier	78.6	59.8	+31.3%	+19.2%	126.9
Other	0.6	0.4	n.m.	n.m.	1.0
TOTAL	515.3	477.7	+7.9%	+1.8%	965.5

The Tod's brand totalled 304.4 million Euros in sales, up 4.9% from HI 2014 and registered a significant acceleration in the second quarter (+9.9%); positive results in all markets where the brand is distributed, with the exception of China, which continues to be affected by the overall weakness in consumer spending.

Hogan revenues were 108.8 million Euros, up 4.2% from HI 2014. Positive results in all regions; double-digit growth in Europe and in Asia.

The Fay brand registered sales of 22.9 million Euros, with a slight increase compared to the first half of 2014, also thanks to the contribution of foreign markets. The brand is in fact starting its international expansion process.

Finally, Roger Vivier revenues were 78.6 million Euros, up 31.3% from HI 2014; double-digit growth in all regions, despite the strategy of selective expansion, aimed at maintaining the unique positioning of the brand.

Breakdown of consolidated sales by product category

<i>million Euros</i>	HI 2015	HI 2014	% change at reported rates	% change at constant rates	FY 2014
Shoes	410.7	373.7	+9.9%	+3.5%	743.5
Leather goods and accessories	77.6	77.1	+0.7%	-5.9%	155.6
Apparel	26.4	26.5	-0.6%	-1.4%	65.4
Other	0.6	0.4	n.m.	n.m.	1.0
TOTAL	515.3	477.7	+7.9%	+1.8%	965.5

Sales from shoes continued their growth, confirming the Group's leadership in this category. Revenues were 410.7 million Euros (up +9.9% from HI 2014; +16.1% only in Q2).

Sales from leather goods and accessories totalled 77.6 million Euros, up 0.7% from HI 2014. As expected, revenues grew in double digits in the second quarter; we believe that this trend will continue during the year, also based on the positive feedback of the winter collections of some families of Tod's handbags.

Finally, sales from apparel were 26.4 million Euros, broadly stable compared to HI 2014.

Breakdown of consolidated sales by region

<i>million Euros</i>	HI 2015	HI 2014	% change at reported rates	% change at constant rates	FY 2014
Italy	152.9	148.5	+3.0%	+3.0%	311.1
Europe (excl. Italy)	122.2	108.0	+13.1%	+10.5%	221.3
Americas (*)	51.9	42.3	+22.7%	+6.1%	87.3
Greater China (**)	118.2	117.8	+0.3%	-12.6%	225.7
Rest of World	70.1	61.1	+14.8%	+8.1%	120.1
TOTAL	515.3	477.7	+7.9%	+1.8%	965.5

(*) 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 2015, domestic sales were 152.9 million Euros, up 3% from HI 2014, which implies a visible acceleration in Q2 (+6.2%).

In the rest of Europe, the Group's revenues totalled 122.2 million Euros, up 13.1% from HI 2014; also in this region, the performance improved in Q2.

In the Americas, sales were 51.9 million Euros, up 22.7% from HI 2014; the visible acceleration registered in the last few months of the period was also due to the more favourable weather conditions on the Eastern Coast (+32.4% sales growth in Q2).

In Greater China the Group's sales totalled 118.2 million Euros, equal to 22.9% of consolidated turnover. Mainland China, which represents approx. half of this region, registered positive results (at reported rates), while the performance in Hong Kong was still negative, due to the general reduction in traffic and consumption.

Finally, in the area "Rest of the World" the Group's revenues were 70.1 million Euros, up 14.8% from HI 2014 (+30.2% in Q2), mainly driven by the outstanding results of Japan and Korea.

Breakdown of consolidated sales by distribution channel

<i>million Euros</i>	HI 2015	HI 2014	% change at reported rates	% change at constant rates	FY 2014
DOS	327.1	301.1	+8.6%	+0.5%	616.0
Third parties (Franchised stores + Independent retailers)	188.2	176.6	+6.6%	+4.0%	349.5
TOTAL	515.3	477.7	+7.9%	+1.8%	965.5

Sales through DOS totalled 327.1 million Euros, up 8.6% from HI 2014; the 14.3% growth registered in Q2 was driven by the organic growth and by the widening of the retail network.

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, 2014, is -5.6% in the first 31 weeks of the year (from January 1st to August 2nd, 2015). This figure shows a significant improvement as compared with the first three months of the year (it was -10.6% as of the end of March).

The SSSG would be positive at reported rates.

As of June 30th, 2015 the Group's distribution network was composed by 251 DOS and 93 franchised stores, compared to 229 DOS and 87 franchised stores as of the end of June 2014.

Revenues to third parties globally amounted to 188.2 million Euros, up 6.6% from HI 2014; also the performance of this channel registered an acceleration in the second quarter, only partially due to the different timing of deliveries.

Comments on the Profit & Loss key figures

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 half of 2015, the Group's EBITDA reached 103 million Euros, with a 20% margin on sales and a visible improvement in the second quarter of the year.

The industrial margin slightly increased as compared to HI 2014, but even greater was the growth of the incidence on sales of: cost for services (equal to 24.4% in HI 2015, compared to 23.3% in HI 2014), costs of use of third party assets (equal to 12.2% in HI 2015, compared to 11.1% in HI 2014) and labour cost (equal to 17.7% in HI 2015, compared to 16.7% in HI 2014).

Also the Group's headcount continues to grow: 4,504 employees as of June 30th, 2015, compared to 4,254 as of June 2014.

In the first half of 2015, the Group's EBIT was 77.5 million Euros, with a 15% margin on sales; the incidence on sales of depreciation, amortisation and provisions increased slightly: 5% in HI 2015 compared to 4.6% in HI 2014.

At constant exchange rates, EBITDA and EBIT would have been, respectively, 90.2 million Euros (with a 18.6% margin on sales) and 66.4 million Euro (13.7% of sales).

The Group's profit before taxes was 74 million Euros; taxes for the period amounted to 24.2 million Euros, with a tax rate of 32.6%, significantly higher than the 29.1% of HI 2014, due to a different, and less favourable, mix of markets of generation of the result (a greater part of the profits has been obtained in countries with higher taxation).

Net of minority interests, the Group's net income amounted to 50.4 million Euros, with a margin on sales of 9.8% .

Comments on the Balance Sheet and Cash Flow key figures

In HI 2015, the Group invested 27.5 million Euros in tangible and intangible fixed assets, compared to 34 million Euro of HI 2014, which were mainly devoted to the widening and refurbishment of the DOS network; they include also the expenditures for the construction of the new building within the perimeter of the Group's headquarters in the Marche region. The remaining expenditures pertain the normal update of the industrial and production structures and the development of the Company's software.

The operating working capital totalled 323.4 million Euros as of June 30th, 2015; the growth, compared to the balance as of the end of June 2014, is mainly due to the physiological increase of inventories, linked to the widening of the DOS network.

As of June 30th, 2015, the Group's net financial position was positive and equal to 73.1 million Euros, with an approx. 40 million Euros difference, compared to the balance as of the end of June 2014, which is expected to be gradually attenuated during the year.

As of June 30th, 2015, consolidated shareholders' equity was 816.6 million Euros, which compares to 772.4 million Euros as June 30th, 2014.

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 2015, 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 Income Statement Unaudited data

euro 000's	H1 15	H1 14	FY 14
Revenue			
Sales revenue	515,310	477,747	965,532
Other income	4,959	4,909	10,476
Total revenue and income	520,269	482,656	976,008
Operating Costs			
Change in inventories of work in progress and finished goods	30,987	15,533	31,944
Cost of raw materials, supplies and materials for consumption	(151,026)	(134,448)	(278,912)
Costs for services	(125,545)	(111,174)	(231,436)
Costs of use of third party assets	(63,106)	(53,196)	(109,665)
Personnel costs	(91,422)	(79,584)	(160,386)
Other operating charges	(17,112)	(16,818)	(34,005)
Total operating costs	(417,224)	(379,687)	(782,461)
EBITDA	103,045	102,969	193,547
Amortisation, depreciation and write-downs			
Amortisation of intangible assets	(4,271)	(4,377)	(8,792)
Depreciation of tangible assets	(19,060)	(16,444)	(32,791)
Other adjustment	(204)		(2,339)
Total amortisation, depreciation and write-downs	(23,535)	(20,821)	(43,922)
Provisions	(1,998)	(1,045)	(1,447)
EBIT	77,512	81,103	148,179
Financial income and expenses			
Financial income	19,920	6,979	23,403
Financial expenses	(23,384)	(9,252)	(27,202)
Total financial income (expenses)	(3,464)	(2,273)	(3,799)
Income (losses) from equity investments			
Profit before taxes	74,048	78,830	144,380
Income taxes	(24,177)	(22,976)	(47,619)
Profit/(loss) for the period	49,870	55,854	96,761
Non-controlling interests	508	300	353
Profit/(loss) of the Group	50,379	56,154	97,114
EPS in (euro)	1.65	1.83	3.17
EPS diluted in (euro)	1.65	1.83	3.17

TOD'S Group
Consolidated statement of comprehensive income
Unaudited data

euro 000's	H1 15	H1 14
Profit (loss) for the period (A)	49,870	55,854
Other comprehensive income that will be reclassified subsequently to profit and loss:		
Gain/(Losses) on derivative financial instruments (cash flow hedge)	3,161	1,233
Gain/(Losses) on currency translation of foreign subsidiaries	10,291	(2,900)
Total other comprehensive income that will be reclassified subsequently to profit and loss (B)	13,452	(1,667)
Other comprehensive income that will not be reclassified subsequently to profit and loss:		
Cumulated actuarial gains/(losses) on defined benefit plans		
Total other comprehensive income that will not be reclassified subsequently to profit and loss (C)		
Total Comprehensive Income (A) + (B) + (C)	63,323	54,187
Of which:		
Attributable to Shareholders of the Parent company	63,753	54,447
Attributable to non-controlling interests	(430)	(260)

TOD'S Group
Consolidated statement of financial position
Unaudited data

euro 000's	06.30.15	12.31.14	06.30.14
Non current assets			
<i>Intangible fixed assets</i>			
Assets with indefinite useful life	149,466	149,466	149,466
Key money	15,941	16,676	17,249
Other intangible assets	26,470	27,411	27,414
Total Intangible fixed assets	191,878	193,553	194,129
<i>Tangible fixed assets</i>			
Buildings and land	107,546	95,111	98,198
Plant and machinery	12,509	8,550	8,484
Equipment	15,362	16,082	16,581
Leasehold improvement	46,765	43,361	40,386
Others	48,446	54,722	45,850
Total Tangible fixed assets	230,628	217,826	209,499
<i>Other assets</i>			
Investment properties	30	32	34
Equity investments	20	20	20
Deferred tax assets	53,032	48,237	52,971
Others	20,718	18,535	16,372
Total others assets	73,800	66,824	69,397
Total non current assets	496,306	478,203	473,025
Current assets			
Inventories	357,346	327,085	304,000
Trade receivables	112,569	99,445	98,871
Tax receivables	23,227	30,698	11,939
Derivative financial instruments	925	1,751	429
Others	39,505	37,229	39,111
Cash and cash equivalents	159,434	165,949	155,295
Total current assets	693,006	662,159	609,645
Total assets	1,189,312	1,140,362	1,082,670

To be continued

TOD'S Group
Consolidated statement of financial position
Unaudited data

euro 000's	06.30.15	12.31.14	06.30.14
Equity			
Share capital	61,219	61,219	61,219
Capital reserves	214,055	214,055	214,055
Hedging and traslation	4,627	(8,747)	(12,609)
Retained earnings	481,787	445,889	448,431
Profit/(loss) attributable to the Group	50,379	97,114	56,154
Total Equity attributable to the Group	812,068	809,531	767,250
Non-controlling interest			
Share capital and reserves	5,057	5,431	5,439
Profit/(loss) attributable to non-controlling interests	(508)	(353)	(300)
Total Equity attributable to non-controlling interests	4,549	5,078	5,139
Total Equity	816,616	814,609	772,389
Non-current liabilities			
Provisions for risks	4,552	3,417	3,454
Deferred tax liabilities	29,249	29,360	36,565
Employee benefits	12,687	12,582	11,406
Bank borrowings	63,891	20,298	22,777
Others	16,508	16,619	19,637
Total non-current liabilities	126,887	82,276	93,839
Current liabilities			
Trade payables	146,521	160,220	146,716
Tax payables	15,314	9,015	8,658
Derivative financial instruments	15,936	17,258	1,619
Others	45,574	41,345	40,844
Bank	22,464	15,638	18,605
Total current liabilities	245,809	243,477	216,442
Total Equity and liabilities	1,189,312	1,140,362	1,082,670

TOD'S Group
Consolidated Statement of Cash Flows
Unaudited data

euro 000's	Jan. - Jun. 15	Jan. - Jun. 14
Profit/(Loss) for the period	49,870	55,854
Non-cash adjustments:		
Amortizat., deprec., revaluat., and write-downs	24,947	23,374
Change in employee benefits	106	272
Change in deferred tax/liabilities	(4,906)	(2,092)
Other non monetary expenses/(income)	3,800	4,780
Cash flow (A)	73,817	82,188
Change in current assets and liabilities:		
Trade receivables	(13,291)	(4,286)
Other current assets	(2,276)	(4,317)
Inventories	(31,709)	(24,464)
Tax receivables	7,471	4,920
Trade payables	(13,700)	(5,903)
Other current liabilities	4,229	5,566
Tax payables	6,299	849
Change in operating working capital (B)	(42,976)	(27,635)
Cash flow from operations (C) = (A)+(B)	30,841	54,553
Net investments in intangible and tangible assets	(26,647)	(33,360)
(Increase) decrease of equity investments		
Other changes in fixed assets		
Reduction (increase) of other non-current assets	(2,183)	(1,010)
Cash flow generated (used) in investing activities (D)	(28,830)	(34,370)
Dividends paid	(61,319)	(82,895)
Others change in Equity	2	(8)
Changes in long term loans/other non-current liabilities	47,457	2,048
Capital increase		
Changes in non controlling-interests		
Cash flow generated (used) in financing (E)	(13,859)	(80,855)
Translation differences (F)	3,696	(4,245)
Cash flow from continuing operations (G)=(C)+(D)+(E)+(F)	(8,151)	(64,917)
Cash flow from assets held for sale (H)		
Cash flow generated (used) (I)=(G)+(H)	(8,151)	(64,917)
Net cash and cash equivalents at the beginning of the period	154,961	207,101
Net cash and cash equivalents at the end of the period	146,810	142,184
Change in net cash and cash equivalents	(8,151)	(64,917)

TOD'S Group
Consolidated Statement of Changes in Equity
Unaudited data

January - June 2015	euro 000's							
	Share capital	Capital reserves	Hedging and reserve for translation	Retained earnings	Group interests	Non-controlling interests	Total	
Balances as of 01.01.15	61,219	214,055	(8,747)	543,003	809,531	5,078	814,609	
Profit & Loss account				50,379	50,379	(508)	49,870	
Direct in Equity			13,374		13,374	78	13,452	
Total Comprehensive Income			13,374	50,379	63,753	(430)	63,323	
Dividend paid				(61,219)	(61,219)	(100)	(61,319)	
Other				2	2		2	
Capital increase								
Share based payments								
Balances as of 06.30.15	61,219	214,055	4,627	532,166	812,068	4,549	816,616	

January - June 2014	euro 000's							
	Share capital	Capital reserves	Hedging and reserve for translation	Retained earnings	Group interests	Non-controlling interests	Total	
Balances as of 01.01.14	61,219	214,055	(10,902)	531,084	795,456	5,648	801,104	
Profit & Loss account				56,154	56,154	(300)	55,854	
Direct in Equity			(1,707)		(1,707)	40	(1,667)	
Total Comprehensive Income			(1,707)	56,154	54,447	(260)	54,187	
Dividend paid				(82,645)	(82,645)	(250)	(82,895)	
Other				(8)	(8)		(8)	
Capital increase								
Share based payments								
Balances as of 06.30.14	61,219	214,055	(12,609)	504,584	767,250	5,139	772,389	