

Sant'Elpidio a Mare – July 21<sup>st</sup>, 2016

## **TOD'S S.p.A. – Group's sales totaled 497.6 million Euros in the first half of 2016.**

### The Board of Directors approved Tod's Group 2016 Half-Year Preliminary Sales figures

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 preliminary sales figures for the first half of 2016 (January 1<sup>st</sup> – June 30<sup>th</sup>, 2016).

### **Message from the Group's Chairman and CEO**

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

*"First half 2016 sales figures reflect an industry and market environment still characterized by instability and uncertainty. Even in this scenario, our plan of development continues: we are investing for growth in the coming years with ever more innovative products and with a very important marketing and communication strategy, on all channels. At the same time, the cost rationalization and containment is proving successful.*

*The development of the distribution network continues with caution: we are considering only the most particular and necessary locations; primary goal is to improve the organic growth.*

*The new products of the winter collections, which are coming in the stores, are welcome by the consumers and the market, confirming that we are on the right way. Therefore, we are continuing in this direction."*

### **Comments to the Group's sales**

Consolidated sales were 497.6 million Euros in the first half of 2016, down 3.4% from H1 2015.

At constant exchange rates, meaning by using the average exchange rates of H1 2015, including the related effects of hedging contracts, sales would have been 493.2 million Euros, down 4.3% from last year.

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.

### **Breakdown of consolidated sales by brand**

<i>million Euros</i>	<b>H1 2016</b>	H1 2015	% change at reported rates	% change at constant rates	FY 2015
Tod's	<b>282.5</b>	304.4	-7.2%	-8.1%	599.0
Hogan	<b>106.1</b>	108.8	-2.5%	-2.8%	221.4
Fay	<b>24.9</b>	22.9	+8.8%	+8.8%	59.4
Roger Vivier	<b>83.4</b>	78.6	+6.2%	+4.5%	156.0
Other	<b>0.7</b>	0.6	n.m.	n.m.	1.2
<b>TOTAL</b>	<b>497.6</b>	515.3	-3.4%	-4.3%	1.037.0

*Preliminary figures, not revised yet*

Revenues for the Tod's brand amounted to 282.5 million euros in the first half of 2016; the decrease in sales compared to last year, despite the difficult comparison basis, was mainly due to the sharp fall in purchases by tourists in Europe and the USA, and to the persistent weakness of the Greater China market.

Hogan sales were 106.1 million Euros, down 2.5% from H1 2015, mainly due to the slowdown in consumption registered in the second quarter in the Italian market, by tourists, but also by local clients; positive results in the other regions.

Revenues for the Fay brand were 24.9 million Euros, up 8.8% from H1 2015. All the geographical areas, where Fay is distributed, registered positive results; double-digit growth in the Asian markets, where, however, volumes are not very significant yet.

Finally, Roger Vivier registered 83.4 million Euros in sales, up 6.2% from H1 2015. The performance was positive in all geographic areas, except for the American market. The apparent slowdown in the second quarter growth rate was only due to the slightly different timing of deliveries between the quarters.

### **Breakdown of consolidated sales by product category**

<i>million Euros</i>	<b>H1 2016</b>	H1 2015	% change at reported rates	% change at constant rates	FY 2015
Shoes	<b>400.3</b>	410.7	-2.5%	-3.4%	811.7
Leather goods and accessories	<b>69.3</b>	77.6	-10.7%	-12.0%	157.2
Apparel	<b>27.3</b>	26.4	+3.7%	+3.6%	66.9
Other	<b>0.7</b>	0.6	n.m.	n.m.	1.2
<b>TOTAL</b>	<b>497.6</b>	515.3	-3.4%	-4.3%	1.037.0

*Preliminary figures, not revised yet*

Revenues from shoes were 400.3 million Euros, down 2.5% from H1 2015, also due to the very challenging comparison basis, linked to the different timing of deliveries.

Sales of leather goods and accessories totalled 69.3 million Euros. The figure for the first half reflects the negative trend of a part of the Tod's collection.

Finally, sales of apparel were 27.3 million Euros, up 3.7% from H1 2015.

### **Breakdown of consolidated sales by region**

<i>million Euros</i>	<b>H1 2016</b>	H1 2015	% change at reported rates	% change at constant rates	FY 2015
Italy	<b>148.8</b>	152.9	-2.7%	-2.7%	322.8
Europe (excl. Italy)	<b>120.1</b>	122.2	-1.7%	-2.0%	248.6
Americas (*)	<b>48.7</b>	51.9	-6.0%	-8.6%	105.6
Greater China (**)	<b>107.0</b>	118.2	-9.5%	-11.7%	225.8
Rest of World	<b>73.0</b>	70.1	+4.1%	+3.9%	134.2
<b>TOTAL</b>	<b>497.6</b>	515.3	-3.4%	-4.3%	1.037.0

*Preliminary figures, not revised yet*

(\*) 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 2016, domestic sales were 148.8 million Euros. The 2.7% decrease from H1 2015 is mainly due to the already commented performance of the Hogan brand.

In the rest of Europe, the Group's revenues totalled 120.1 million Euros, down 1.7% from H1 2015, mainly due to the sharp slowdown in consumption, especially of tourists, registered in the second quarter for the entire sector, in addition to a very challenging comparison basis (+22% in Q2 2015).

In line with the industry, the weakest countries were France and UK, which are the ones with the higher exposure to tourist flows.

In the Americas sales totalled 48.7 million Euros, down 6.0% from H1 2015. As already commented for Europe, this decrease reflects the sharp slowdown in consumption registered in the second quarter of the year.

The Group's revenues in Greater China totalled 107 million Euros. The 9.5% decrease is mainly due to the weakness in Hong Kong; sales in mainland China, which represents slightly more than half of this region, were slightly negative.

Finally, in the area "Rest of the World" the Group's sales were 73 million Euros, up 4.1% from H1 2015, mainly driven by Korea.

### **Breakdown of consolidated sales by distribution channel**

<i>million Euros</i>	<b>H1 2016</b>	H1 2015	% change at reported rates	% change at constant rates	FY 2015
DOS	<b>311.2</b>	327.1	-4.9%	-5.7%	658.4
Third parties (Franchised stores + Independent retailers)	<b>186.4</b>	188.2	-1.0%	-1.9%	378.6
<b>TOTAL</b>	<b>497.6</b>	515.3	-3.4%	-4.3%	1.037.0

*Preliminary figures, not revised yet*

In the first half of 2016, sales through DOS totalled 311.2 million Euros, down 4.9% from the same period of 2015.

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 1<sup>st</sup>, 2015, is -14.3% in the semester. This figure reflects the above commented weakness of consumption and the visible slowdown registered in the second quarter in some important markets for luxury goods.

As of June 30<sup>th</sup>, 2016 the Group's distribution network was composed by 261 DOS and 103 franchised stores, compared to 251 DOS and 93 franchised stores as of June 30<sup>th</sup>, 2015.

Revenues to third parties totalled 186.4 million Euros, slight lower than in the first six months of 2015.

**The above commented H1 2016 sales figures are preliminary and not yet revised. The Financial Report for the first half of 2016, with the complete and definitive figures for the period, will be examined and approved by the Board of Directors at the meeting planned for September 14<sup>th</sup>, 2016.**

*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.*

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