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TOD'S S.p.A. – Group's sales totalled 758 million Euros in the first 9 months of 2016

The Board of Directors approved Tod's Group 9 months 2016 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 sales figures for the first nine months of 2016 (January 1st – September 30th, 2016).

As communicated on April 21st, 2016 Tod's S.p.A. decided to implement the recent legislative changes in Italy, in compliance with the new Transparency Directive (Italian Legislative Decree no 25 of February 15th, 2016 in implementation of 2004/109/EU) and, consequently, it will no longer publish its first quarter and third quarter interim reports.

Message from the Group's Chairman and CEO

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

"As expected, the sales figures for the nine months reflect a volatile and uncertain economic and financial environment, characterized by the persistent weakness of consumption in many important markets for luxury goods. The Fall/Winter season started only in the second half of September; the collections now in stores are registering a positive feedback. Customers appreciate their focus on high-quality products, shoes, handbags and small leather goods in the first place, all of them well reflecting the craftsmanship, the Italian way of life and the strong innovation that characterize our brands.

We think to be in the right direction in our strategic growth plan for the coming years and we are continuing with determination on this road. We remain focused on organic growth of the stores, accompanied by a selective and prudent strategy of network development, limiting ourselves to few openings and to special projects. We attribute also great importance to the wholesale channel, which is evolving continuously and which we carefully monitor in order to react to its dynamics. We continue to invest in communication and in marketing, with the same investments as in the past years, giving particular emphasis to digital. To implement our plan, we are hiring, as we did in the past, people with the necessary characteristics, in particular from a stylistic and marketing perspective. We are also maintaining a strong attention to operating cost control.

We are therefore confident on the performance of the last part of the year and on the Group's future results".

Comments to the Group's sales

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 on a monthly basis. In fact, even small temporal variations of shipments may have an impact on the numbers.

Consolidated sales were 757.7 million Euros in the first nine months of 2016, down 3.7% from 9M 2015. At constant exchange rates, meaning by using the average exchange rates of 9M 2015, including the related effects of hedging contracts, sales would have been 751.9 million Euros, down 4.4% from last year.

Breakdown of consolidated sales by brand

<i>million Euros</i>	9 months 2016	9 months 2015	% change at reported rates	% change at constant rates	FY 2015
Tod's	419.4	453.3	- 7.5%	- 8.4%	599.0
Hogan	171.9	176.8	-2.8%	-2.9%	221.4
Fay	45.5	43.8	+4.1%	+4.0%	59.4
Roger Vivier	119.8	112.1	+6.9%	+5.5%	156.0
Other	1.1	0.9	n.m.	n.m.	1.2
TOTAL	757.7	786.9	-3.7%	-4.4%	1,037.0

The Tod's brand registered 419.4 million Euros in sales in the first nine months of 2016; the decrease compared to 2015 reflects the weakness in consumption in major markets for luxury goods, mainly due to the sharp decline of tourist flows.

Hogan sales were 171.9 million Euros, down 2.8% from 9M 2015. The brand has been particularly affected by the weakness of the Italian market, also accentuated by the sharp decline in tourist flows, driven in 2015 by the holding of the Expo in Milan.

Revenues of the Fay brand were 45.5 million Euros, up 4.1%. All the geographical areas, where Fay is distributed, were positive; strong results in the Asian markets, which grew double-digit, even if on very small volumes.

Finally, Roger Vivier registered 119.8 million Euros in sales, up 6.9% from 9M 2015. This performance implies a visible acceleration in the third quarter. All the markets were positive, with the exception of US.

Breakdown of consolidated sales by product category

<i>million Euros</i>	9 months 2016	9 months 2015	% change at reported rates	% change at constant rates	FY 2015
Shoes	603.3	621.3	-2.9%	-3.5%	811.7
Leather goods and accessories	103.8	115.7	-10.3%	-11.8%	157.2
Apparel	49.5	49.0	+0.9%	+0.8%	66.9
Other	1.1	0.9	n.m.	n.m.	1.2
TOTAL	757.7	786.9	-3.7%	-4.4%	1,037.0

Revenues from shoes were 603.3 million Euros, with a small decrease compared to the same period of 2015.

Sales of leather goods and accessories totalled 103.8 million Euros, showing a slight improvement in the third quarter, driven by the success registered by the new products of the Fall Winter collections, which are now hitting the stores.

Finally, sales of apparel were 49.5 million Euros, slightly higher than in the same period of 2015.

Breakdown of consolidated sales by region

<i>million Euros</i>	9 months 2016	9 months 2015	% change at reported rates	% change at constant rates	FY 2015
Italy	243.9	254.1	-4.0%	-4.0%	322.8
Europe (excl. Italy)	188.3	189.7	-0.7%	-0.4%	248.6
Americas (*)	69.5	73.9	-6.0%	-8.0%	105.6
Greater China (**)	152.9	167.8	-8.9%	-10.4%	225.8
Rest of World	103.1	101.4	+1.6%	-0.7%	134.2
TOTAL	757.7	786.9	-3.7%	-4.4%	1,037.0

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

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

In the first nine months of 2016, domestic sales were 243.9 million Euros. The 4% decrease from 9M 2015 is also due to lower purchases from tourists, which in 2015 were also driven by the Milan Expo.

In the rest of Europe, the Group's revenues totalled 188.3 million Euros, broadly flattish compared to 9M 2015. France and UK were the countries that more suffered from the decline of sales to tourists.

In the Americas sales totalled 69.5 million Euros, down 6% from 9M 2015. This performance is mainly due to the weakness in consumption, especially with regard to tourists; better performance of the domestic demand.

The Group's revenues in Greater China totalled 152.9 million Euros. The 8.9% decrease is almost entirely due to the weakness in Hong Kong and Taiwan, while mainland China, which represents slightly more than half of this region, is showing some signs of improvement.

Finally, in the area "Rest of the World" the Group's sales were 103.1 million Euros, up 1.6% from 9M 2015. Solid double-digit growth of revenues in Korea.

Breakdown of consolidated sales by distribution channel

<i>million Euros</i>	9 months 2016	9 months 2015	% change at reported rates	% change at constant rates	FY 2015
DOS	453.6	482.8	-6.1%	- 6.8%	658.4
Third parties (Franchised stores + Independent retailers)	304.1	304.1	+0.0%	-0.6%	378.6
TOTAL	757.7	786.9	-3.7%	-4.4%	1,037.0

In the first nine months of 2016, sales through DOS totalled 453.6 million Euros, down 6.1% 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 1st, 2015, is -14.6% in the period under consideration (January 1st - September 30th, 2016). The slight deterioration compared with the first half is entirely attributable to the months of July and August, and linked to the weakness in consumption on the main luxury markets. Starting from September, the figure is better; the positive trend is continuing in the current month of October.

As of September 30th, 2016 the Group's distribution network was composed by 266 DOS and 103 franchised stores, compared to 255 DOS and 95 franchised stores as of September 30th, 2015.

Revenues to third parties totalled 304.1 million Euros, stable in comparison with the same period of 2015.

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.

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