

Milan – November 6<sup>th</sup>, 2017

**TOD'S S.p.A. - Group's sales totalled 722.2 million Euros in the first nine months of  
2017**

**Introduction of the new Managing Director  
2018 Financial calendar approved.**

The Board of Directors approved Tod's Group 9M 2017 sales figures  
Introduction of the new Managing Director  
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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 2017 (January 1<sup>st</sup> – September 30<sup>th</sup>, 2017) <sup>1</sup>.

These results will be commented tomorrow during the Capital Market day, scheduled in Milan, during which the strategy for both the Group and its brands will be presented.

**Message of the Group's Chairman and CEO**

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

*"The results are partially affected by some unexpected late deliveries and by some weakness in the wholesale channel, that in certain markets suggested a prudent approach due to its financial troubles.*

*Our Group is totally focused on executing the previously defined new business model, and we deem the strategy chosen for the future development of our Brands right and coherent.*

*Key points to the success of our plan are both the awareness of consumers more and more innovation/creativity-oriented and the new channels of communication and distribution, needed to capture their interest. We are growing our web and e-commerce presence very fast and we are developing our 'stores of the future', ready to embrace all*

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<sup>1</sup> As communicated on April 21<sup>st</sup>, 2016 Tod's S.p.A. decided to implement the legislative changes in Italy, in compliance with the new Transparency Directive (Italian Legislative Decree no 25 of February 15<sup>th</sup>, 2016 in implementation of 2004/109/EU) and, consequently, it will no longer publish its first quarter and third quarter interim reports.

*the new distribution channels, without leaving behind the exaltation of the excellence, the quality and the style, which are unique elements of our products.*

*For the current year, we are confident to deliver results in line with market expectations.”*

## **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 quarterly results.

Consolidated sales were 722.2 million Euros in the first nine months of 2017, down 4.7% from the same period of 2016.

At constant exchange rates, meaning by using the average exchange rates of 9 months 2016, including the related effects of hedging contracts, sales would have been 725.6 million Euros, down 4.2% from last year.

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

<i>million Euros</i>	<b>9 months 2017</b>	9 months 2016	% change at reported rates	% change at constant rates	FY 2016
Tod's	<b>388.6</b>	419.4	- 7.4%	- 6.9%	559.0
Hogan	<b>156.8</b>	171.9	-8.8%	- 8.6%	214.2
Roger Vivier	<b>131.3</b>	119.8	+9.6%	+10.5%	166.3
Fay	<b>44.8</b>	45.5	-1.7%	- 1.7%	62.6
Other	<b>0.7</b>	1.1	n.m.	n.m.	1.9
<b>TOTAL</b>	<b>722.2</b>	757.7	-4.7%	-4.2%	1,004.0

Tod's sales totalled 388.6 million Euros in the first nine months of 2017; the slowdown registered in the third quarter is mainly due to the different timing of deliveries of the Fall Winter collections.

Hogan revenues were 156.8 million Euros; as already commented in the previous press releases, the decrease is mainly due to the weakness of the Italian market, mainly in the wholesale channel.

Roger Vivier totalled 131.3 million Euros in sales, up 9.6% from the same period of 2016. Strong results in all markets, excepted for the US one, which continued to be penalized by the sharp drop of traffic in the stores.

Finally, revenues of the Fay brand were 44.8 million Euros, slightly lower than in 9 months 2016. The brand registered positive results in Europe, where its internationalization is currently focused.

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

<i>million Euros</i>	<b>9 months 2017</b>	9 months 2016	% change at reported rates	% change at constant rates	FY 2016
Shoes	<b>573.7</b>	603.3	-4.9%	-4.4%	791.3
Leather goods and accessories	<b>99.8</b>	103.8	-3.8%	-3.4%	142.5
Apparel	<b>47.9</b>	49.5	-3.2%	-3.2%	68.3
Other	<b>0.8</b>	1.1	n.m.	n.m.	1.9
<b>TOTAL</b>	<b>722.2</b>	757.7	-4.7%	-4.2%	1,004.0

Revenues from shoes were 573.7 million Euros. The decrease from the same period of 2016 is due to the prudent attitude taken toward the wholesale channel and to a different timing of deliveries.

Sales of leather goods and accessories totalled 99.8 million Euros; the 3.8% decrease, compared to the first nine months of 2016, is mainly due to a different timing of deliveries. Tod's handbags are receiving positive feedback from clients.

Finally, sales of apparel were 47.9 million Euros; the 3.2% decrease, from the same period of 2016, broadly reflects Fay's performance.

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

<i>million Euros</i>	<b>9 months 2017</b>	9 months 2016	% change at reported rates	% change at constant rates	FY 2016
Italy	<b>227.6</b>	243.9	-6.7%	-6.7%	311.5
Europe (excl. Italy)	<b>182.9</b>	188.3	-2.9%	-1.1%	250.0
Americas (*)	<b>57.6</b>	69.5	-17.0%	-18.4%	96.7
Greater China (**)	<b>155.1</b>	152.9	+1.4%	+2.5%	210.3
Rest of World	<b>99.0</b>	103.1	-4.0%	-4.6%	135.5
<b>TOTAL</b>	<b>722.2</b>	757.7	-4.7%	-4.2%	1,004.0

(\*) *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 2017, domestic sales were 227.6 million Euros; the performance reflects the weakness of the wholesale channel, mainly in secondary cities, and have been exacerbated by the different timing of deliveries.

In the rest of Europe, the Group's revenues totalled 182.9 million Euros, slightly lower than in the first nine months of 2016. The retail network posted positive results, while the wholesale channel was weak.

In the Americas sales amounted to 57.6 million Euros, down 17% from the first nine months of 2016. We confirmed what already told in the previous quarters: low traffic in the stores and difficulties faced by major department stores.

The Group's revenues in Greater China totalled 155.1 million Euros, up 1.4% from the first nine months of 2016. Mainland China registered positive results; Hong Kong is still negative, even if confirms the timid signs of improvement registered in the last few months.

Finally, in the area "Rest of the World" the Group's sales were 99 million Euros, down 4% from the first nine months of 2016. Japan was positive, while the sales performance in Korea was still negative.

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

<i>million Euros</i>	<b>9 months 2017</b>	9 months 2016	% change at reported rates	% change at constant rates	FY 2016
DOS	<b>449.3</b>	453.6	-0.9%	+0.1%	630.3
Third parties (Franchised stores + Independent retailers)	<b>272.9</b>	304.1	-10.3%	-10.7%	373.7
<b>TOTAL</b>	<b>722.2</b>	757.7	-4.7%	-4.2%	1,004.0

In the first nine months of 2017, sales through DOS totalled 449.3 million Euros, broadly in line with the figure of the same period of 2016.

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>, 2016, is -2.7% in the first nine months of the year (January 1<sup>st</sup> – September 30<sup>th</sup>, 2017).

As of September 30<sup>th</sup>, 2017 the Group's distribution network was composed by 272 DOS and 114 franchised stores, compared to 266 DOS and 103 franchised stores as of September 30<sup>th</sup>, 2016.

Revenues to third parties totalled 272.9 million Euros; the sharp slowdown experienced in the third quarter is almost entirely due to the different timing of deliveries, but also reflects the weakness experienced by some important markets.

## **Introduction of the new Managing Director**

During today's meeting, the current CEO, Stefano Sincini, shared with the Board his decision, fully supported by the controlling shareholders, of his future replacement in the role of Managing Director with Umberto Macchi di Cellere, previously Managing Director Worldwide Sales for all product categories for the Bulgari brand.

Mr Macchi di Cellere brings to the Group a long and solid managerial experience and a strong marketing and commercial skills matured in one of the most important global luxury brands.

Mr Macchi di Cellere has reached an agreement with the Company to join on December 1<sup>st</sup>, as General Manager with appropriate operational powers. The replacement process will be completed, with the appointment as Managing Director, at the next Shareholders' Meeting, that will be convened for approval of the 2017 Annual Report, as Tod's controlling shareholder has already expressed his consensus on this.

All the information and data, in compliance with art. IA.2.6.7 of the Rules and Instructions of the markets organized and managed by Borsa Italiana S.p.A. and the Corporate Governance Code, will be disclosed during the next Shareholders' Meeting, to be convened for approval of the 2017 Annual Report.

The Board of Directors of the Company takes the opportunity to thank Mr. Sincini for his 33-year collaboration with the Group.

The Chairman Diego Della Valle and the Vice-Chairman Andrea Della Valle declare:

*"It's neither easy nor possible to say goodbye with only a few words to a person, who worked for so many years in our company and contributed to reach many and important achievements.*

*We wish him all the best in his professional future endeavors and greet him friendly."*

### **2018 Financial Calendar for Tod's S.p.A. has been approved**

The Board of Directors has approved the 2018 Financial calendar as follows:

January 24 <sup>th</sup> 2018	Preliminary consolidated sales results
March 13 <sup>th</sup> 2018	FY 2017 consolidated results
April 19 <sup>th</sup> 2018	Shareholders' Meeting for the approval of the FY 2017 financial statements
May 9 <sup>th</sup> 2018	Q1 2018 consolidated sales results
August 3 <sup>rd</sup> 2018	Half Year 2018 Financial Report
November 7 <sup>th</sup> 2018	9 Months 2018 consolidated sales results

*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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