

Milan – August 3rd, 2018

TOD'S S.p.A. – Group's sales totaled 492 million Euros in the first half of 2018 at constant exchange rates (+1.8%); net income: 33.7 million Euros - Approval of the transaction for the purchase of the entire share capital of Italiantouch S.r.l.

The Board of Directors approved Tod's Group 2018 Half-Year Report

Group's sales: 476.9 million Euros, -1.3% from H1 2017

EBITDA: 68.6 million Euros, equal to 14.4% of sales

EBIT: 46.7 million Euros, equal to 9.8% of sales

Group's Net Income: 33.7 million Euros, equal to 7.1% of sales

Net Financial Position: 50.2 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 2018 (January 1st – June 30th, 2018).

Message of the Group's Chairman and CEO

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

" Today's results are a first validation that the strategy, announced during the last Inventor Day, is beginning to work; at constant exchange rates, both Tod's and Roger Vivier's revenues have returned to grow.

We are collecting the first results of the work already done and that we intend to consistently carry on in the future.

Our new collections, currently selling in our stores, are receiving positive feedbacks from our customers, who appreciate as always their high quality and their good taste, combined with a stronger and stronger component of creativity, needed to attract also new clients. In addition to the main Fall/Winter collection, our stores will showcase some capsule collections, resulting from the collaboration with leaders of the creativity world, as part of our T Factory project, consisting in several collaborations throughout the year with leading stylists. The new management team we have chosen to develop our new business model is already partially in place and will be completed soon.

Today, the Board of Directors has also decided to initiate the integration of the related company Italiantouch, which will allow us to accelerate the implementation of the omni-channel distribution, to strengthen the e-commerce's growth and to achieve significant synergies within the Group.

I am confident about our performance in the coming months, and I believe we will achieve good results in the current year."

Comments to the Group's sales¹

In the first half of 2018, consolidated sales were 491.9 million Euros, up 1.8% from H1 2017, at constant exchange rates, meaning by using the average exchange rates of H1 2017, including the related effects of hedging contracts,.

As already commented in the first quarter release, sales have been hugely affected by currencies fluctuations, mainly for Tod's and Roger Vivier, which have the highest presence abroad. At reported rates, revenues totalled 476.9 million Euros.

Breakdown of consolidated sales by brand

(million Euros)

	H1 2018		H1 2017	% change		FY 2017
	reported rates	constant rates		reported rates	constant rates	
Tod's	256.2	265.5	265.3	- 3.4%	+0.1%	515.7
Hogan	105.2	106.2	98.7	+6.5%	+7.5%	203.9
Roger Vivier	90.4	95.0	92.6	-2.3%	+2.6%	179.3
Fay	24.7	24.8	25.9	-4.7%	-4.6%	63.5
Other	0.4	0.4	0.5	n.m.	n.m.	0.9
TOTAL	476.9	491.9	483.0	-1.3%	+1.8%	963.3

At constant exchange rates, Tod's sales totaled 265.5 million Euros in the first six months of 2018, broadly aligned with H1 2017. The brand recorded positive results in its retail network in the second quarter of the year, which offset the weakness of the wholesale channel. The new products of the Fall / Winter 2019 collection are registering good results. The brand's turnover is 256.2 million Euros at reported rates, due to the negative currencies impact.

¹ 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, it would be misleading to consider the income statement for the period as a proportional share of the entire financial year.

Hogan revenues were 106.2 million Euros at constant rates, up 7.5% from the same period of last year. The solid double-digit growth of Europe and China, which are the markets where the internationalization of the brand is currently focused, more than offsets the weakness of the Italian market.

Sales of Roger Vivier totaled 95 million Euros at constant rates, up 2.6% from H1 2017. In line with expectations, shoes recorded positive results in the second quarter, with the real start of sales for the summer season. At reported rates, revenues amounted to 90.4 million Euros.

Finally, sales of Fay were 24.8 million Euros; the decrease, as compared to H1 2017, is mainly due to the weakness of the domestic market.

Breakdown of consolidated sales by product category

(million Euros)

	H1 2018		H1 2017	% change		FY 2017
	reported rates	constant rates		reported rates	reported rates	
Shoes	383.7	395.6	386.3	-0.7%	+2.4%	757.9
Leather goods and accessories	65.5	68.4	68.1	-3.7%	+0.4%	135.8
Apparel	27.3	27.5	28.1	-3.0%	-2.4%	68.7
Other	0.4	0.4	0.5	n.m.	n.m.	0.9
TOTAL	476,9	491,9	483,0	-1,3%	+1,8%	963.3

Revenues from shoes were 395.6 million Euros at constant exchange rates, up 2.4% from H1 2017. At reported rates, the value of sales is 383.7 million Euros.

Sales of leather goods and accessories totaled 68.4 million Euros at constant rates, registering a positive performance in the second quarter of the year. At reported rates, revenues of this category totaled 65.5 million Euros.

Finally, sales of apparel were 27.5 million Euros at constant rates; the performance broadly reflects the trend registered by the Fay brand.

Breakdown of consolidated sales by region

(million Euros)

	H1 2018		H1 2017	% change		FY 2017
	reported rates	constant rates		reported rates	constant rates	
Italy	138.4	138.4	145.4	-4.8%	-4.8%	298.2
Europe (excl. Italy)	124.9	126.7	119.3	+4.7%	+6.2%	245.1
Americas (*)	36.5	40.3	40.5	-9.8%	-0.5%	78.0
Greater China (**)	109.1	115.3	108.5	+0.6%	+6.3%	212.0
Rest of World	68.0	71.1	69.3	-1.8%	+2.7%	130.0
TOTAL	476.9	491.9	483.0	-1.3%	+1.8%	963.3

(*) 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 2018, domestic sales were 138.4 million Euros; the 4.8% decrease, as compared to the same period of 2017, is mainly due to the weakness experienced by the wholesale channel, mainly in provincial cities.

In the rest of Europe, the Group's revenues totaled 126.7 million Euros at constant rates, up 6.2% as compared to H1 2017 (124.9 million Euros at reported rates).

In the Americas sales amounted to 40.3 million Euros at constant rates, broadly aligned with the amount of the first half of 2017, for both the distribution channels. At reported rates, revenues of this region totaled 36.5 million Euros.

The Group's sales in Greater China totaled 115.3 million Euros at constant rates, up 6.3% from H1 2017; at reported rates, the value is 109.1 million Euros. Positive results in mainland China, Hong Kong and Macao.

Finally, in the area "Rest of the World" the Group's revenues were 71.1 million Euros at constant rates, up 2.7% from H1 2017 (68 million Euros at reported rates).

Breakdown of consolidated sales by distribution channel

(million Euros)

	H1 2018		H1 2017	% change		FY 2017
	reported rates	constant rates		reported rates	constant rates	
DOS	299.7	311.9	310.6	-3.5%	+0.4%	621.1
Third parties (Franchised stores + Independent retailers)	177.2	180.0	172.4	+2.8%	+4.4%	342.2
TOTAL	476.9	491.9	483.0	-1.3%	+1.8%	963.3

In the first half of 2018, sales through DOS totaled 311.9 million Euros at constant rates, showing a slight growth as compared to the same period of 2017. At reported rates, the value stands at 299.7 million Euros.

The *Same Store Sales Growth* (SSSG) rate, calculated at constant exchange rates as the worldwide average of sales growth rates registered by the DOS network, is -2.2% in the first half of the year (from January 1st to June 30th, 2018), showing a progressive improvement from the previous months.

As of June 30th, 2018 the Group's distribution network was composed by 285 DOS and 122 franchised stores, compared to 270 DOS and 108 franchised stores as of June 30th, 2017.

Revenues to third parties totaled 180 million Euros at constant rates (177.2 at reported rates), up 4.4% from the first half of 2017.

Comments on the Profit & Loss key figures

In the first half of 2018, the Group's EBITDA was 68.6 million Euros, with a 14.4% margin on sales; the industrial margin is broadly aligned with the figure of H1 2017. The sharp increase of the incidence on sales of cost for services (26.9% in H1 2018, compared to 23.7% of H1 2017) is mainly due to external productions costs; the increase of labour costs (20.9% in H1 2018, compared to 20.1% of H1 2017) is mainly related to the normal and continuous increase in the Group's workforce (4,725 employees as of June 30th, 2018, compared to 4,606 as of June 2017). The incidence of costs for the use of third parties assets is decreasing (12% in H1 2018, compared to 12.5% in H1 2017).

In the first half of 2018, the Group's EBIT was 46.7 million Euros, with a 9.8% margin on sales; the incidence on sales of depreciation, amortisation and provisions slightly decreased.

At constant exchange rates, EBITDA and EBIT would have been, respectively, 74.7 million Euros (with a 15.2% margin on sales) and 52.1 million Euros (10.6% margin on sales).

The Group's profit before taxes was 43.4 million Euros; taxes for the period amounted to 10.2 million Euros, with a tax rate of 23.5%, significantly lower than in the first half of the previous year.

Net of minority interests, the Group's net income amounted to 33.7 million Euros, with a margin on sales of 7.1%, broadly aligned with H1 2017 .

Comments on the Balance Sheet and Cash Flow key figures

In the first six months of 2018, the Group invested 20.1 million Euros in tangible and intangible fixed assets, compared to 16.4 million Euros in H1 2017. As usual, the majority of these investments were devoted to the widening and update of the DOS network; as an example, we mention the renewal of the Tod's boutique in London, Sloane Street. The rest of the investments are, as usual, referred to the continuous renewal at industrial and corporate level.

The net operating working capital totalled 312.3 million Euros as of June 30th, 2018, higher than the figure as of June 2017, mainly related to higher inventories of the winter collections, due to linked to the more favorable trend in production processes.

As of June 30th, 2018, the Group's net financial position shows a negative balance of 50.2 million Euros, lower than the balance as of June 2017, due to the temporary financing of the working capital.

As of June 30th, 2018, consolidated shareholders' equity was 1,072.3 million Euros, compared to the 1,061 million balance as of June 2017.

Approval of the transaction for the purchase of the entire share capital of Italiantouch S.r.l.

The Board of Directors also resolved to approve the transaction for the acquisition, from its related company Diego Della Valle & C. S.r.l. ("DDV & C"), of the entire share capital of Italiantouch S.r.l., an e-commerce company, which, from the end of 2012, through its technological platform, sells online the products under the four brands of Tod's Group (the "Transaction").

The Transaction aims to internalize inside Tod's Group the long digital experience of Italiantouch in the e-commerce field and, therefore, represents an important opportunity to accelerate the sales growth of this channel, thanks to the direct management of the related activities, in close coordination with the communication and customer relationship management ("CRM") functions of the Group.

The consideration agreed for the Transaction is 25 million Euros², wholly funded using the available financial resources. The signing of the transfer of shares is expected to take place within the next month of September.

As of December 31st, 2017, Italiantouch S.r.l. balance sheet was 11.4 million Euros, consolidated shareholders' equity was of 6.5 million Euros and total revenues (of the company and its subsidiaries) were 21.2 million Euros.

The Transaction represents a "related parties transaction of lesser importance", as defined by Consob Regulation 17221/2010 (and following modifications and integrations) and by the procedure regarding transactions with related parties adopted by Tod's S.p.A. (the "Procedure"), as Italiantouch S.r.l. is wholly controlled by Diego Della Valle & C. S.r.l., headed by the Directors Diego and Andrea Della Valle and controlled by the former (which is also the controlling shareholder of Tod's S.p.A.).

The Operation was approved by the Board of Directors of Tod's S.p.A., upon unanimous favorable opinion of the Control and Risk Committee, which was assisted by an independent advisor (Prof. Mauro Bini) to support its assessments.

We hereby inform you that, pursuant to article 3 of Consob resolution n. 18079 dated January 20th, 2012, the Company adopts the waiver provided by art. 70, paragraph 8 and art. 71, paragraph 1-bis, of Consob regulation n. 11971/99 (and following modifications and integrations) in regard to the documents made available to the public at the registered office and concerning mergers, demergers, capital increases, acquisitions and disposals.

The figures commented in this press release have not been audited yet.

The Financial Report for the first half of 2018 will be released according to the law provisions.

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.

² Value calculated on the basis of the Financial Statements of Italiantouch as of December 31st, 2017.

Should you need explanations, please contact: Investor Relations Office - tel. +39 02 77 22 51
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**THE FOLLOWING PAGES CONTAIN THE CONSOLIDATED FINANCIAL
STATEMENTS**

ATTACHMENTS

TOD'S Group

Consolidated Income Statement

Unaudited data

euro 000's	H1 18	H1 17	FY 17
Revenue			
Sales revenue	476,949	483,043	963,287
Other income	3,855	4,998	19,451
Total revenue and income	480,803	488,041	982,738
Operating Costs			
Change in inventories of work in progress and finished goods	32,116	(5,195)	12,871
Cost of raw materials, supplies and materials for consumption	(142,853)	(118,491)	(255,290)
Costs for services	(128,416)	(114,501)	(237,871)
Costs of use of third party assets	(57,253)	(60,432)	(118,229)
Personnel costs	(99,666)	(96,913)	(191,540)
Other operating charges	(16,148)	(16,823)	(32,188)
Total operating costs	(412,220)	(412,355)	(822,245)
EBITDA	68,584	75,686	160,492
Amortisation, depreciation and write-downs			
Amortisation of intangible assets	(4,244)	(4,318)	(8,814)
Depreciation of tangible assets	(16,875)	(18,213)	(35,405)
Other adjustment			(2,453)
Total amortisation, depreciation and write-downs	(21,119)	(22,531)	(46,672)
Provisions	(790)	(838)	(2,060)
EBIT	46,675	52,317	111,760
Financial income and expenses			
Financial income	7,352	10,513	17,341
Financial expenses	(10,643)	(15,770)	(26,541)
Total financial income (expenses)	(3,290)	(5,257)	(9,199)
Income (losses) from equity investments	(4)	(625)	(664)
Profit before taxes	43,380	46,436	101,897
Income taxes	(10,182)	(11,986)	(32,535)
Profit/(loss) for the period	33,198	34,450	69,362
Non-controlling interests	455	262	1,645
Profit/(loss) of the Group	33,653	34,711	71,007
EPS in (euro)	1.02	1.05	2.15
EPS diluted in (euro)	1.02	1.05	2.15

TOD'S Group

Consolidated Statement of Comprehensive Income

Unaudited data

euro 000's	H1 18	H1 17
Profit (loss) for the period (A)	33,198	34,450
Other comprehensive income that will be reclassified subsequently to profit and loss:		
Gain/(Losses) on derivative financial instruments (cash flow hedge)	(700)	3,093
Gain/(Losses) on currency translation of foreign subsidiaries	4,305	(12,377)
Gains/(Losses) on net investments in foreign operations	(568)	2,155
Total other comprehensive income that will be reclassified subsequently to profit and loss (B)	3,037	(7,129)
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)	36,234	27,321
Of which:		
Attributable to Shareholders of the Parent company	36,689	27,679
Attributable to non-controlling interests	(455)	(358)

TOD'S Group

Consolidated Statement of Financial Position

Unaudited data

euro 000's	06.30.18	12.31.17	06.30.17
Non current assets			
<i>Intangible fixed assets</i>			
Assets with indefinite useful life	565,934	565,934	565,881
Key money	13,494	14,427	16,597
Other intangible assets	22,858	21,644	22,432
Total Intangible fixed assets	602,285	602,005	604,910
<i>Tangible fixed assets</i>			
Buildings and land	111,411	109,966	111,572
Plant and machinery	12,726	13,124	12,241
Equipment	10,808	10,800	11,060
Leasehold improvement	35,091	34,259	36,882
Others	32,296	32,783	34,431
Total Tangible fixed assets	202,332	200,932	206,186
<i>Other assets</i>			
Investment properties	20	22	23
Equity investments			
Deferred tax assets	56,969	50,411	60,275
Others	18,501	18,547	20,037
Total other assets	75,489	68,979	80,335
Total non current assets	880,107	871,916	891,431
Current assets			
Inventories	350,928	312,263	299,172
Trade receivables	106,940	107,471	104,685
Tax receivables	20,803	29,805	22,553
Derivative financial instruments	1,789	2,763	5,635
Others	37,298	38,706	39,651
Cash and cash equivalents	238,781	221,609	203,343
Total current assets	756,539	712,618	675,040
Total assets	1,636,646	1,584,534	1,566,471

To be continued

TOD'S Group

Consolidated Statement of Financial Position

Unaudited data

euro 000's (continuing)	06.30.18	12.31.17	06.30.17
Equity			
Share capital	66,187	66,187	66,187
Capital reserves	416,588	416,588	416,588
Hedging and translation reserves	9,396	6,360	16,318
Retained earnings	546,130	526,130	524,907
Profit/(loss) attributable to the Group	33,653	71,007	34,711
Total Equity attributable to the Group	1,071,954	1,086,272	1,058,711
Non-controlling interest			
Share capital and reserves	880	2,526	2,521
Profit/(loss) attributable to non-controlling interests	(455)	(1,645)	(262)
Total Equity attributable to non-controlling interests	425	880	2,260
Total Equity	1,072,379	1,087,152	1,060,971
Non-current liabilities			
Provisions for risks and charges	5,129	5,385	4,839
Deferred tax liabilities	40,893	37,968	39,035
Employee benefits	13,888	13,157	15,040
Derivative financial instruments	996	1,197	1,767
Bank borrowings	98,008	147,617	172,436
Others	15,198	15,795	15,075
Total non-current liabilities	174,112	221,119	248,193
Current liabilities			
Trade payables	145,566	158,388	138,126
Tax payables	5,680	7,932	5,529
Derivative financial instruments	3,915	2,459	3,677
Others	42,738	38,205	42,492
Banks	191,019	64,654	66,444
Provisions for risks and charges	1,235	4,626	1,040
Total current liabilities	390,154	276,263	257,308
Total Equity and liabilities	1,636,646	1,584,534	1,566,471

TOD'S Group

Consolidated Statement of Cash Flows

Unaudited data

euro 000's	Jan. - Jun. 18	Jan. - Jun. 17
Profit/(Loss) for the period	33,198	34,450
Adjustments to reconcile net profit (loss) to net cash provided by (used in) operating activities:		
Amortizat., deprec., revaluat., and write-downs	26,769	23,146
Other non monetary expenses/(income)	(6,084)	(2,682)
Income taxes for the period	10,182	11,986
Changes in operating assets and liabilities:		
Trade receivables	(119)	12,959
Inventories	(43,665)	(7,398)
Tax receivables and tax payables	(7,899)	(1,190)
Trade payables	(12,822)	7,322
Other assets and liabilities	5,478	4,188
Change in reserve for employee	731	253
Cash flows from operating activities	5,769	83,034
Interests (paid)/collected	(709)	(886)
Income taxes (paid)/refunded	834	(2,508)
Net cash flows from operating activities (A)	5,894	79,640
Net investments in intangible and tangible assets	(19,781)	(16,216)
Reduction (increase) of other non-current assets		
Other changes in fixed assets		20
Cash flows generated (used) in investing activities (B)	(19,781)	(16,196)
Dividends paid	(46,331)	(56,259)
Capital increase		
Others change in Equity		
Changes in other financial liabilities		
Repayments of financial liabilities	(24,402)	(24,906)
Proceeds from financial liabilities	100,000	
Cash flows generated (used) in financing (C)	29,267	(81,165)
Translation differences (D)	1,268	(7,834)
Cash flows from continuing operations (E)=(A)+(B)+(C)+(D)	16,649	(25,555)
Cash flow from assets held for sale (F)		
Cash flows generated (used) (G)=(E)+(F)	16,649	(25,555)
Net cash and cash equivalents at the beginning of the period	205,699	211,993
Net cash and cash equivalents at the end of the period	222,348	186,438
Change in net cash and cash equivalents	16,649	(25,555)

TOD'S Group

Consolidated Statement of Changes in Equity

Unaudited data

January - June 2018	euro 000's	Share capital	Capital reserves	Hedging and reserve for translation	Retained earnings	Group interests	Non-controlling interests	Total
Balances as of 01.01.18		66,187	416,588	6,360	597,137	1,086,272	880	1,087,152
Changes in accounting standards (IFRS 15)					(4,566)	(4,566)		(4,566)
Balances as of 01.01.18		66,187	416,588	6,360	592,571	1,081,706	880	1,082,586
Profit & Loss account					33,653	33,653	(455)	33,198
Direct in Equity				3,037		3,037		3,037
Total Comprehensive Income				3,037	33,654	36,689	(455)	36,234
Dividend paid					(46,331)	(46,331)		(46,331)
Capital increase								
Share based payments								
Other					(110)	(110)		(110)
Balances as of 06.30.18		66,187	416,588	9,396	579,783	1,071,954	425	1,072,379

January - June 2017	euro 000's	Share capital	Capital reserves	Hedging and reserve for translation	Retained earnings	Group interests	Non-controlling interests	Total
Balances as of 01.01.17		66,187	416,588	25,505	578,932	1,087,212	3,269	1,090,481
Profit & Loss account					34,711	34,711	(262)	34,450
Direct in Equity				(9,188)	2,155	(7,032)	(96)	(7,129)
Total Comprehensive Income				(9,188)	36,866	27,679	(358)	27,321
Dividend paid					(56,259)	(56,259)		(56,259)
Capital increase								
Share based payments								
Other					79	79	(652)	(573)
Balances as of 06.30.17		66,187	416,588	16,318	559,618	1,058,711	2,260	1,060,971