

Milan – March 11<sup>th</sup>, 2019

**TOD'S S.p.A. – In FY2018 Group's sales totalled 958.3 million Euros at constant rates, with a 13.4% EBITDA margin. Proposal of a dividend of 1 Euro per share.**

The Board of Directors approved the draft of 2018 Annual Report

Sales revenues: 940.5 million Euros (958.3 million at constant rates)

EBITDA: 118.3 million Euros (128.3 million at constant rates)

EBIT: 71.8 million Euros (81.2 million at constant rates)

Group's net income: 47.1 million Euros

Net financial position: 75.3 million Euros

Dividend: 1.00 Euro per share

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 draft of the Group's 2018 Annual Report.

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

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

*" FY 2018 results reflect the industrial plan underway in the Group and the strategic decision to invest significant financial resources to support future revenue growth. We are working to ensure that the development plan for the coming years can be fully implemented as soon as possible. We are convinced that the business model we are developing for each brand is the right one, especially considering the world of strong and well-structured brands we are competing with. For this reason, we must increasingly highlight the excellence of our products, in terms of quality, craftsmanship, style and creativity, to make them increasingly attractive and unique in the luxury market.*

*The quality and the geographic distribution of our retail network are excellent; improving its efficiency and sales results is one of the most important objectives, which would allow us to obtain the desired results quickly.*

*The collections now in stores are collecting a very positive acceptance from our customers; the communication strategy, in all its forms and in all its channels, is appropriate and will be stronger and more focused. Excellent are the results of our e-commerce channel, which is growing very fast. Our focus is now to continue to work in this direction, targeting higher efficiency and revenue growth.*

*Given the financial stability of our Group and thanks to the high caliber of the current management team, we are confident to meet our goals."*

## Comments to the Group's sales

In fiscal year 2018, consolidated sales were 958.3 million Euros, at constant exchange rates, meaning by using the average exchange rates of FY 2017, including the related effects of hedging contracts; this value is broadly aligned with the figure registered in FY 2017.

At reported rates, revenues totalled 940.5 million Euros; Tod's and Roger Vivier were the most affected by currencies fluctuations, due to their higher presence abroad.

In the following paragraphs, the comments will refer to figures at constant exchange rates, which we believe best express the real performance of the business.

## Breakdown of consolidated sales by brand

(million Euros)	FY 2018		FY 2017	% change	
	reported rates	constant rates		reported rates	constant rates
Tod's	498.7	509.6	515.7	- 3.3%	-1.2%
Hogan	206.1	207.5	203.9	+1.1%	+1.8%
Roger Vivier	173.5	179.0	179.3	-3.2%	-0.2%
Fay	61.3	61.3	63.5	-3.5%	-3.4%
Other	0.9	0.9	0.9	n.m.	n.m.
<b>TOTAL</b>	<b>940.5</b>	<b>958.3</b>	<b>963.3</b>	<b>-2.4%</b>	<b>-0.5%</b>

Tod's sales totaled 509.6 million Euros in 2018. Good results were achieved in the Americas and in Asia, while Europe was affected by lower purchases of tourists and political and economic uncertainties in Italy and in France.

Hogan revenues were 207.5 million Euros, up 1.8% from the previous year. As already commented for the previous quarters, the weakness of the Italian market was more than offset by the solid double-digit growth recorded abroad.

Sales of Roger Vivier totaled 179 million Euros at constant rates, broadly flattish as compared to FY 2017. Revenues registered a visible improvement, with the arrival in stores of the new products designed by Gherardo Felloni, which are getting excellent feedback. Good results in Asia, while the market was weaker in Europe, especially as sales to tourists.

Finally, sales of Fay were 61.3 million Euros; the 3.4% decrease, as compared to FY 2017, is mainly due to the weakness of the domestic market.

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

<i>(million Euros)</i>	<b>FY 2018</b>		FY 2017	<b>% change</b>	
	<b>reported rates</b>	<b>constant rates</b>		<b>reported rates</b>	<b>constant rates</b>
Shoes	<b>743.7</b>	<b>758.2</b>	757.9	<b>-1.9%</b>	<b>0.0%</b>
Leather goods and accessories	<b>128.6</b>	<b>131.7</b>	135.8	<b>-5.3%</b>	<b>-3.0%</b>
Apparel	<b>67.3</b>	<b>67.5</b>	68.7	<b>-2.0%</b>	<b>-1.7%</b>
Other	<b>0.9</b>	<b>0.9</b>	0.9	<b>n.s.</b>	<b>n.s.</b>
<b>TOTAL</b>	<b>940.5</b>	<b>958.3</b>	963.3	<b>-2.4%</b>	<b>-0.5%</b>

Revenues from shoes were 758.2 million Euros in FY2018, in line with the figure registered last year.

Sales of leather goods and accessories totaled 131.7 million Euros, down 3% from FY 2017.

Finally, sales of apparel were 67.5 million Euros, slightly below the figure of last year; the performance broadly reflects the trend registered by the Fay brand.

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

(million Euros)	FY 2018		FY 2017	% change	
	reported rates	constant rates		reported rates	constant rates
Italy	282.2	282.2	298.2	-5.4%	-5.4%
Europe (excl. Italy)	243.9	246.4	245.1	-0.5%	+0.5%
Americas (*)	73.0	76.9	78.0	-6.5%	-1.4%
Greater China (**)	210.3	218.8	212.0	-0.8%	+3.2%
Rest of World	131.1	134.0	130.0	+0.9%	+3.1%
<b>TOTAL</b>	<b>940.5</b>	<b>958.3</b>	<b>963.3</b>	<b>-2.4%</b>	<b>-0.5%</b>

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

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

Domestic sales were 282.2 million Euros; the 5.4% decrease, as compared to 2017, is mainly due to the persistent weakness experienced by this market.

In the rest of Europe, the Group's revenues totaled 246.4 million Euros, slightly increasing compared to the previous year.

In the Americas sales amounted to 76.9 million Euros; the 1.4% decrease from 2017 is due to the wholesale channel. The retail channel registered positive results, especially thanks to purchases from local customers.

The Group's sales in Greater China totaled 218.8 million Euros, up 3.2% from 2017 and with an acceleration of the performance in the fourth quarter. Positive results in mainland China, which represents approx. 60% of this region, in Hong Kong and in Macao.

Finally, in the area "Rest of the World" the Group's revenues were 134 million Euros, up 3.1% from 2017.

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

(million Euros)	FY 2018		FY 2017	% change	
	reported rates	constant rates		reported rates	constant rates
Retail (DOS+online)	<b>607.8</b>	<b>622.4</b>	621.1	<b>-2.1%</b>	<b>+0.2%</b>
Third parties (Franchised stores + Independent retailers)	<b>332.7</b>	<b>335.9</b>	342.2	<b>-2.8%</b>	<b>-1.8%</b>
<b>TOTAL</b>	<b>940.5</b>	<b>958.3</b>	963.3	<b>-2.4%</b>	<b>-0.5%</b>

In 2018, retail sales totaled 622.4 million Euros, in line with the figure of 2017, and represent approx. two thirds of the Group's turnover.

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 -3.0% in the fiscal year (from January 1<sup>st</sup> to December 31<sup>st</sup>, 2018). The difference, compared to the 9-month figure, is mainly due to the worsening of sales in Italy and the rest of Europe, despite the improvement registered in Greater China.

As of December 31<sup>st</sup>, 2018 the Group's distribution network was composed by 284 DOS and 120 franchised stores, compared to 275 DOS and 112 franchised stores as of December 31<sup>st</sup>, 2017.

Revenues to third parties totaled 335.9 million Euros, down 1.8% from the previous year, due to the already commented weakness of this channel in some important markets, such as Italy and USA.

## **Comments on the Profit & Loss key figures**

In fiscal year 2018 the Group's EBITDA was 118.3 million Euros, with a 12.6% margin on sales; at constant exchange rates, EBITDA would have been 128.3 million Euros, with a 13.4% margin on sales.

Despite the improvement of the contribution margin, as compared to the previous year, 2018 EBITDA was affected by the sharp acceleration in communication and marketing expenses and the higher costs associated with the strengthening of the stylistic teams, started in the second half of the year.

The incidence of cost for services grew to 27.3% in 2018, compared to 24.7% in 2017, and the incidence of labour costs increased to 21.1%, from 19.9% in 2017. The Group's headcount increased to 4,705 employees, from 4,627 as of December 31<sup>st</sup>, 2017.

The incidence of costs for the use of third parties assets was broadly stable (12.5% in 2018, compared to 12.3% in 2017) and is mainly related to rents for the store locations.

In fiscal year 2018, the Group's EBIT was 71.8 million Euros, with a 7.6% margin on sales; the incidence on sales of depreciation, amortisation and provisions was broadly stable: 5% in 2018, compared to 5.1% in 2017.

At constant exchange rates, EBIT would have been 81.2 million Euros, with a 8.5% margin on sales.

Profit before taxes was 65.8 million Euros; income taxes were 19.3 million Euros, with a tax rate of 29.3% (which compares to 31.9% of 2017).

Net of minority interests, the Group's net income amounted to 47.1 million Euros, with a 5% margin on sales, which compares to the 7.4% margin of 2017.

### **Comments on the Balance Sheet and Cash Flow key figures**

In 2018 investments in tangible and intangible fixed assets amounted to 44 million Euros, compared to 36.6 million Euros of 2017. They were mainly devoted to the widening and refurbishment of the DOS network; as an example, we mention the renovation of the Tod's boutique in London, Sloane Street, made in collaboration with the famous architect India Madhavi. The remaining part is related to the normal update of the industrial and production structures and to the development of Company's software.

As of December 31<sup>st</sup>, 2018 the operating working capital (trade receivables + inventories – trade payables) totalled 314.4 million Euros, with a 33.4% incidence on sales. The increase of inventories, as compared to 2017, is mainly due to the growth in stocks of the summer collections, and is also related to the faster trend in production processes.

As of December 31<sup>st</sup>, 2018, the Group's net financial position was negative and equal to 75.3 million Euros, compared to a positive balance of 9.3 million Euros as of the end of 2017. The difference reflects the temporary financing of the net working capital and the outlay for the acquisition of Italiantouch.

As of December 31<sup>st</sup>, 2018, consolidated shareholders' equity was 1,064.7 million Euros, broadly aligned with the balance as of the end of 2017.

### **Comments on the key figures of the Parent Company Tod's SpA**

The Board of Directors also approved the draft of the 2018 Annual Report for the parent company Tod's SpA, whose sales were 636.9 million Euros, compared to the 662.6 million Euros revenues registered in 2017.

Net income was 68.7 million Euros, or 10.8% of sales; earning per share was 2.08 Euro.

In 2018, the parent company invested a total amount of 17.6 million Euros in tangible and intangible fixed assets, compared to 15.7 million Euros invested in the previous year.

As of December 31<sup>st</sup>, 2018 the parent company's net financial position was negative and equal to 159.5 million Euros; the shareholders' equity of the parent company was 925.2 million Euros.

### **Dividend proposal**

The Board approved also to propose the distribution of a dividend of Euro 1.00<sup>1</sup> per share, which corresponds to a pay-out of 70.2%, slightly higher than in the previous year (65.2%).

The dividend will be paid on May 22<sup>nd</sup>, 2019 (coupon nr. 20; ex-dividend date: May 20<sup>th</sup>, 2019, record date: May 21<sup>st</sup>, 2019).

This proposal will be submitted to the approval of the Annual General Meeting, taking place in the company's registered office next April 18<sup>th</sup>, 2019, at 11.00 a.m. on first call (and on second call on April 29<sup>th</sup>, 2019, same place and time), as well as the proposal to allocate 1% of consolidated net income – which corresponds to 464,578 Euros, to pursue solidarity projects.

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<sup>1</sup> Gross of withholding tax, if due.

## **Other resolutions**

### **Sell of Omotesando real estate**

Consistently with the regular monitoring of its distribution network, the Group has decided to move the location of the flagship store of the Tod's brand in Tokyo, from Omotesando to another area of the city which has greater traffic; a similar example is the decision to move the flagship store in Milan from Via della Spiga to via Montenapoleone, a store that will open soon.

It then caught the opportunity to sell the property of Omotesando in a moment that sees the Japanese real estate market at its all-time highs.

On March 7<sup>th</sup>, 2019, the company Holpaf BV, a wholly-owned subsidiary of Tod's, signed a preliminary agreement concerning the sale of the property of Omotesando - Tokyo, Shibuya-ku, Jingūmae 5-1-5, which hosts the Japanese flagship store of the Tod's brand and the Group's regional offices. The price agreed for the sale of the real estate is equal to 156 million euros, of which one third was cashed in at the signing of the preliminary, as a deposit and advanced payment, and the remaining two thirds at the time of the closing, with the definitive transfer of the real estate. The completion of the sale will result in a gross gain of around 100 million euros, compared to the book value accounted in the financial statements.

The Group will maintain the availability of the property until the date of the closing that will take place, upon indication of the Group, when it will have available both the new store and the new offices, anyway by October 31<sup>st</sup>, 2019; considering that the ownership will be held by the Group until then, there is no additional charge for the use of the spaces until closing.

In addition to the above, there are no other suspensive conditions, or termination conditions, other than the customary ones in such kind of transactions. The proceeds from the sale are destined to merge into the Group's resources, reinforcing the already solid financial position.

It is specified that, pursuant to art. 3 of Consob Resolution no. 18079 of January 20<sup>th</sup>, 2012, the Company avails itself of the exception provided for in articles 70, paragraph 8, and 71, paragraph 1-bis, of Consob Regulation no. 11971/99 (and subsequent amendments and additions) with reference to the making available to the public at the registered office of the documentation relating to mergers, demergers, capital increases, acquisitions, sales.

### **Other deliberations**

Furthermore, the Board of Directors approved: (i) the Report on Corporate Governance and Ownership Structures for fiscal year 2018 prepared pursuant to article 123-bis of Legislative Decree no. 58/1998, and (ii) the Remuneration Report prepared pursuant to Article 123-ter of Legislative Decree no. 58/1998.

The above documents shall be made available to the public, together with the 2018 Financial Annual Report (including, the non-financial statement pursuant to Legislative Decree no. 254/16) and with the Lists for the renewal of the Board of Statutory Auditors, by March 28<sup>th</sup>, 2019, at the Company's registered office, in the Company's website [www.todsgroup.com](http://www.todsgroup.com) and in the authorized storage device 1info at [www.1info.it](http://www.1info.it).



**Please note that the audit process on the data presented in this press release has not been completed yet.**

*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.*

Should you need explanations, please contact: Investor Relations Office - tel. +39 02 77 22 51  
e-mail: [c.oglio@todsgroup.com](mailto:c.oglio@todsgroup.com)  
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**THE FOLLOWING PAGES CONTAIN THE CONSOLIDATED AND TOD'S S.P.A. FINANCIAL STATEMENTS**

# TOD'S Group

## Consolidated Income Statement

Unaudited

euro 000's	Year 18	Year 17
<b>Revenues</b>		
Sales revenues	940,499	963,287
Other income	9,706	19,451
<b>Total revenues and income</b>	<b>950,205</b>	<b>982,738</b>
<b>Operating Costs</b>		
Change in inventories of work in progress and finished goods	47,033	12,871
Cost of raw materials, supplies and materials for consumption	(272,656)	(255,290)
Costs for services	(257,158)	(237,871)
Costs of use of third party assets	(117,444)	(118,229)
Personnel costs	(198,368)	(191,540)
Other operating charges	(33,275)	(32,188)
<b>Total operating costs</b>	<b>(831,870)</b>	<b>(822,245)</b>
<b>EBITDA</b>	<b>118,335</b>	<b>160,492</b>
<b>Amortisation, depreciation and write-downs</b>		
Amortisation of intangible assets	(9,073)	(8,814)
Depreciation of tangible assets	(34,001)	(35,405)
Other adjustments	(1,402)	(2,453)
<b>Total amortisation, depreciation and write-downs</b>	<b>(44,475)</b>	<b>(46,672)</b>
Provisions	(2,100)	(2,060)
<b>EBIT</b>	<b>71,760</b>	<b>111,760</b>
<b>Financial income and expenses</b>		
Financial income	21,818	17,341
Financial expenses	(27,827)	(26,541)
<b>Total financial income (expenses)</b>	<b>(6,009)</b>	<b>(9,199)</b>
Income (losses) from equity investments		(664)
<b>Profit before taxes</b>	<b>65,751</b>	<b>101,897</b>
Income taxes	(19,293)	(32,535)
<b>Profit/(loss) for the period</b>	<b>46,458</b>	<b>69,362</b>
Non-controlling interests	688	1,645
<b>Profit/(loss) of the Group</b>	<b>47,146</b>	<b>71,007</b>
EPS (in euro)	1.42	2.15
EPS diluted (in euro)	1.42	2.15

# TOD'S Group

## Consolidated Statement of Comprehensive Income

Unaudited

euro 000's	Year 18	Year 17
<b>Profit (loss) for the period (A)</b>	<b>46,458</b>	<b>69,362</b>
<b>Other comprehensive income that will be reclassified subsequently to profit and loss:</b>		
Gains/(Losses) on derivative financial instruments (cash flow hedge)	(81)	750
Gains/(Losses) on currency translation of foreign subsidiaries	5,069	(19,992)
Gains/(Losses) on net investments in foreign operations	(59)	4,275
<b>Total other comprehensive income that will be reclassified subsequently to profit and loss (B)</b>	<b>4,930</b>	<b>(14,967)</b>
<b>Other comprehensive income that will not be reclassified subsequently to profit and loss:</b>		
Cumulated actuarial gains/(losses) on defined benefit plans	183	(12)
<b>Total other comprehensive income that will not be reclassified subsequently to profit and loss (C)</b>	<b>183</b>	<b>(12)</b>
<b>Total Comprehensive Income (A) + (B) + (C)</b>	<b>51,570</b>	<b>54,383</b>
Of which:		
Attributable to Shareholders of the Parent company	52,247	56,123
Attributable to non-controlling interests	(677)	(1,739)

# TOD'S Group

## Consolidated Statement of Financial Position

Unaudited

euro 000's	12.31.18	12.31.17
<b>Non current assets</b>		
<i>Intangible fixed assets</i>		
Assets with indefinite useful life (1)	565,934	565,934
Key money	13,510	14,427
Other intangible assets	25,264	21,644
<b>Total Intangible fixed assets</b>	<b>604,708</b>	<b>602,005</b>
<i>Tangible fixed assets</i>		
Buildings and land	112,587	109,966
Plant and machinery	12,169	13,124
Equipment	11,498	10,800
Leasehold improvement	33,867	34,259
Others	33,769	32,783
<b>Total Tangible fixed assets</b>	<b>203,890</b>	<b>200,932</b>
<i>Other assets</i>		
Investment properties	18	22
Equity investments		
Deferred tax assets	56,151	50,411
Others	19,598	18,547
<b>Total other assets</b>	<b>75,767</b>	<b>68,979</b>
<b>Total non current assets</b>	<b>884,364</b>	<b>871,916</b>
<b>Current assets</b>		
Inventories	362,168	312,263
Trade receivables	101,222	107,471
Tax receivables	11,577	18,241
Derivative financial instruments	1,998	2,763
Others	64,326	50,271
Cash and cash equivalents	191,268	221,609
<b>Total current assets</b>	<b>732,559</b>	<b>712,618</b>
<b>Total assets</b>	<b>1,616,923</b>	<b>1,584,534</b>

To be continued

Note:

(1) This figure includes for 415 million euros, the amount of ROGER VIVIER brand acquired through a related party transaction occurred on January 2016.

# TOD'S Group

## Consolidated Statement of Financial Position

Unaudited

euro 000's (continuing)	12.31.18	12.31.17
<b>Equity</b>		
Share capital	66,187	66,187
Capital reserves	416,588	416,588
Treasury stock		
Hedging and translation reserves	11,348	6,360
Other reserves	523,882	526,130
Profit/(loss) attributable to the Group	47,146	71,007
<b>Total Equity attributable to the Group</b>	<b>1,065,151</b>	<b>1,086,272</b>
<b>Non-controlling interests</b>		
Share capital and reserves	236	2,526
Profit/(loss) attributable to non-controlling interests	(688)	(1,645)
<b>Total Equity attributable to non-controlling interests</b>	<b>(452)</b>	<b>880</b>
<b>Total Equity</b>	<b>1,064,699</b>	<b>1,087,152</b>
<b>Non-current liabilities</b>		
Provisions for risks	5,476	5,385
Deferred tax liabilities	47,740	37,968
Employee benefits	14,189	13,157
Others	14,569	15,795
Derivative financial instruments	672	1,197
Bank borrowings	77,804	147,617
<b>Total non-current liabilities</b>	<b>160,450</b>	<b>221,119</b>
<b>Current liabilities</b>		
Trade payables	148,989	158,388
Tax payables	5,851	5,575
Derivative financial instruments	3,170	2,459
Others	43,850	40,563
Banks	188,715	64,654
Provisions for risks	1,200	4,626
<b>Total current liabilities</b>	<b>391,774</b>	<b>276,263</b>
<b>Total Equity and liabilities</b>	<b>1,616,923</b>	<b>1,584,534</b>

# TOD'S Group

## Consolidated Statement of Cash Flow

Unaudited

euro 000's	12.31.18	12.31.17
<b>Profit/(Loss) for the period</b>	<b>46,458</b>	<b>69,362</b>
<b>Adjustments to reconcile net profit (loss) to net cash provided by (used in) operating activities:</b>		
Amortizat., deprec., revaluat., and write-downs	47,448	48,274
Other non monetary expenses/(income)	(7,528)	1,756
Income taxes for the period	19,293	32,535
<b>Changes in operating assets and liabilities:</b>		
Trade receivables	6,011	9,898
Inventories	(52,640)	(21,200)
Tax receivables and tax payables	(3,237)	1,006
Trade payables	(14,401)	27,584
Other assets and liabilities	(12,030)	(1,808)
Change in reserve for employee	1,266	(1,641)
<b>Cash flows from operating activities</b>	<b>30,640</b>	<b>165,764</b>
Interests (paid)/collected	(124)	(1,189)
Income taxes (paid)/refunded	(5,085)	(16,380)
<b>Net cash flows from operating activities (A)</b>	<b>25,431</b>	<b>148,195</b>
Net investments in intangible and tangible assets	(41,116)	(35,868)
Acquisition of Italianouch group	(19,350)	
Acquisition of other subsidiaries	(1,150)	
Other changes in fixed assets		
<b>Cash flows generated (used) in investing activities (B)</b>	<b>(61,615)</b>	<b>(35,868)</b>
Dividends paid	(46,331)	(56,259)
Capital increase		
Others change in Equity		
Changes in other financial liabilities		
Repayments of financial liabilities	(48,883)	(49,713)
Proceeds from financial liabilities	100,000	
<b>Cash flows generated (used) in financing (C)</b>	<b>4,786</b>	<b>(105,972)</b>
Translation differences (D)	(956)	(12,648)
<b>Cash flows from continuing operations (E)=(A)+(B)+(C)+(D)</b>	<b>(32,355)</b>	<b>(6,293)</b>
Cash flow from assets held for sale (F)		
<b>Cash flows generated (used) (G)=(E)+(F)</b>	<b>(32,355)</b>	<b>(6,293)</b>
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	173,344	205,699
<b>Change in net cash and cash equivalents</b>	<b>(32,355)</b>	<b>(6,293)</b>

## TOD'S Group

### Consolidated Statement of changes in equity

Unaudited

Year 2018 euro 000's	Share Capital	Capital reserves	Hedging and reserve for translation	Retained earnings	Group interests	Non- controlling interests	Total
<b>Balances as of 01.01.18</b>	<b>66,187</b>	<b>416,588</b>	<b>6,360</b>	<b>597,137</b>	<b>1,086,272</b>	<b>880</b>	<b>1,087,152</b>
Changes accounting standards (IFRS 15)				(4,334)	(4,334)		(4,334)
<b>Saldo al 01.01.18</b>	<b>66,187</b>	<b>416,588</b>	<b>6,360</b>	<b>592,803</b>	<b>1,081,938</b>	<b>880</b>	<b>1,082,818</b>
Profit & Loss account				47,146	47,146	(688)	46,458
Directly in equity			4,988	113	5,101	11	5,112
<b>Total Comprehensive Income</b>			<b>4,988</b>	<b>47,259</b>	<b>52,247</b>	<b>(677)</b>	<b>51,570</b>
Dividend paid				(46,331)	(46,331)		(46,331)
Capital increase							
Share based payments							
Other (1)				(22,704)	(22,704)	(655)	(23,359)
<b>Balances as of 12.31.18</b>	<b>66,187</b>	<b>416,588</b>	<b>11,348</b>	<b>571,027</b>	<b>1,065,150</b>	<b>(452)</b>	<b>1,064,699</b>

Year 2017 euro 000's	Share Capital	Capital reserves	Hedging and reserve for translation	Retained earnings	Group interests	Non- controlling interests	Total
<b>Balances as of 01.01.17</b>	<b>66,187</b>	<b>416,588</b>	<b>25,505</b>	<b>578,932</b>	<b>1,087,212</b>	<b>3,269</b>	<b>1,090,481</b>
Profit & Loss account				71,007	71,007	(1,645)	69,362
Directly in equity			(19,145)	4,261	(14,884)	(94)	(14,978)
<b>Total Comprehensive Income</b>			<b>(19,145)</b>	<b>75,268</b>	<b>56,123</b>	<b>(1,739)</b>	<b>54,383</b>
Dividend paid				(56,259)	(56,259)		(56,259)
Capital increase							
Share based payments							
Other				(804)	(804)	(649)	(1,453)
<b>Balances as of 12.31.17</b>	<b>66,187</b>	<b>416,588</b>	<b>6,360</b>	<b>597,137</b>	<b>1,086,272</b>	<b>880</b>	<b>1,087,152</b>

Note:

(1) They mainly include the use of the specific reserve for promoting territorial solidarity projects, the effects of the acquisition of 100% of quotas representing the share capital of the company Italiantouch S.r.l., and its subsidiaries, and the effects of a further acquisition of 50% of quotas representing the share capital of Delpav S.r.l. (already consolidated in accordance with the global integral method).

# TOD'S S.p.A.

## Income Statement

Unaudited

euro 000's	Year 18	Year 17
<b>Revenues</b>		
Sales revenues (1)	636,863	662,576
Other income	5,973	7,807
<b>Total revenues and income</b>	<b>642,837</b>	<b>670,383</b>
<b>Operating costs</b>		
Change in inventories of work in progress and finished goods	42,084	3,665
Cost of raw materials, supplies and material for consumption	(250,682)	(232,158)
Costs for services	(193,228)	(178,984)
Costs of use of third party assets	(26,293)	(24,859)
Personnel costs	(88,704)	(86,823)
Other operating charges	(16,507)	(18,831)
<b>Total operating costs</b>	<b>(533,330)</b>	<b>(537,990)</b>
<b>EBITDA</b>	<b>109,506</b>	<b>132,393</b>
<b>Amortisation, depreciation and write-downs</b>		
Amortisation of intangible assets	(7,157)	(6,501)
Depreciation of tangible assets	(10,863)	(11,145)
Other adjustment		
<b>Total amortisation, depreciation and write-downs</b>	<b>(18,020)</b>	<b>(17,645)</b>
Provisions	(1,774)	(2,002)
<b>EBIT</b>	<b>89,712</b>	<b>112,746</b>
<b>Financial income and expenses</b>		
Financial income	14,689	10,556
Financial expenses	(19,824)	(18,719)
<b>Total financial income (expenses)</b>	<b>(5,135)</b>	<b>(8,164)</b>
Income (losses) from equity investments	6,072	7,283
<b>Profit before taxes</b>	<b>90,650</b>	<b>111,866</b>
Income taxes	(21,954)	(26,889)
<b>Profit for the period</b>	<b>68,696</b>	<b>84,977</b>
EPS (Euro)	2.08	2.57
EPS diluted (Euro)	2.08	2.57

Note:

(1) Sales revenues include transactions with the Group entities for 278.7 e 277.8 million euros, respectively in the fiscal year 2018 and 2017.



**TOD'S S.p.A.**  
**Statement of Comprehensive Income**

*Unaudited*

euro 000's	Year 18	Year 17
<b>Profit/(loss) for the period (A)</b>	<b>68,696</b>	<b>84,977</b>
<b>Other Comprehensive Income that will be reclassified subsequently to profit and loss:</b>		
Gain/(Losses) on derivative financial instruments (cash flow hedge)	(270)	1,400
<b>Total other Comprehensive Income that will be reclassified subsequently to profit and loss (B)</b>	<b>(270)</b>	<b>1,400</b>
<b>Other Comprehensive Income that will not be reclassified subsequently to profit and loss:</b>		
Cumultated actuarial gains/(losses) on defined benefit plans	156	(17)
<b>Total other Comprehensive Income that will not be reclassified subsequently to profit and loss (C)</b>	<b>156</b>	<b>(17)</b>
<b>Total Comprehensive Income (A)+(B)+(C)</b>	<b>68,582</b>	<b>86,360</b>

# TOD'S S.p.A.

## Statement of Financial position

Unaudited

euro 000's	12.31.18	12.31.17
<b>Non current assets</b>		
<i>Intangible fixed assets</i>		
Assets with indefinite useful life	150,919	150,919
Others	22,431	20,949
<b>Total intangible fixed assets</b>	<b>173,350</b>	<b>171,868</b>
<i>Tangible fixed assets</i>		
Buildings and land	56,353	57,602
Plant and machinery	11,171	12,050
Equipment	9,061	8,559
Leasehold improvement	3,173	3,662
Others	4,576	4,902
<b>Total property, plant and equipment</b>	<b>84,335</b>	<b>86,776</b>
<i>Other assets</i>		
Investments properties	18	22
Investments in subsidiaries	608,734	583,059
Deferred tax assets		
Others	2,020	2,588
<b>Total other assets</b>	<b>610,772</b>	<b>585,669</b>
<b>Total non-current assets</b>	<b>868,457</b>	<b>844,312</b>
<b>Current assets</b>		
Inventories	233,277	164,421
Trade receivables (1)	211,575	182,687
Tax receivables	11	9,506
Derivative financial instruments	1,307	2,688
Others	46,768	41,974
Cash and cash equivalents	66,703	100,802
<b>Total current assets</b>	<b>559,642</b>	<b>502,078</b>
<b>Total assets</b>	<b>1,428,099</b>	<b>1,346,390</b>

to be continued

Note:

(1) Trade receivables include receivables from Group's entities for 138.4 and 99.9 million euros, respectively at December 31<sup>st</sup>, 2018 and December 31<sup>st</sup>, 2017.

**TOD'S S.p.A.**  
**Statement of Financial position**

*Unaudited*

euro 000's	12.31.18	12.31.17
<b>Shareholders' equity</b>		
Share Capital	66,187	66,187
Capital reserves	416,507	416,507
Treasury stock		
Hedging reserve	(456)	(186)
Other reserves	374,291	340,728
Profit/(Loss) for the period	68,696	84,977
<b>Shareholders' equity</b>	<b>925,225</b>	<b>908,213</b>
<b>Non-current liabilities</b>		
Provisions for risks	5,394	5,210
Deferred tax liabilities	16,261	13,241
Employee benefits	7,586	7,370
Derivative financial instruments	672	1,197
Bank borrowings	69,666	137,572
Other	14,476	14,340
<b>Total non-current liabilities</b>	<b>114,055</b>	<b>178,928</b>
<b>Current liabilities</b>		
Trade payables (2)	145,665	157,268
Tax payables	6,142	3,767
Derivative financial instruments	2,842	2,020
Other	65,516	46,533
Bank	167,999	46,176
Provisions for risks	655	3,485
<b>Total current liabilities</b>	<b>388,818</b>	<b>259,250</b>
<b>Total Shareholders' equity and liabilities</b>	<b>1,428,099</b>	<b>1,346,390</b>

Note:

(2) Trade payables include payables to Group's entities for 26,7 e 19,2 million euros, respectively at December 31<sup>st</sup>, 2018 and December 31<sup>st</sup>, 2017.

# TOD'S S.p.A.

## Statement of Cash flow

Unaudited

euro 000's	12.31.18	12.31.17
<b>Profit/(Loss) for the period</b>	<b>68,696</b>	<b>84,977</b>
<b>Adjustments to reconcile net profit (loss) to net cash provided by (used in) operating activities:</b>		
Amortizat., deprec., revaluat., and write-downs	23,520	27,543
Change in deferred tax/liabilities		
Other non monetary expenses/(income)	(1,117)	(1,755)
Income taxes for the period	21,954	26,889
<b>Changes in operating assets and liabilities:</b>		
Trade receivables	(29,100)	5,378
Other current assets		
Inventories	(73,447)	(22,469)
Tax receivables and tax payables	(1,685)	361
Trade payables	(11,604)	25,791
Other assets and liabilities	12,097	(26,848)
Change in reserve for employee	372	(1,492)
<b>Cash flows from operating activities</b>	<b>9,686</b>	<b>118,375</b>
Interests (paid)/collected	(121)	(518)
Income taxes (paid)/refunded	(5,378)	(23,366)
<b>Net cash flows from operating activities (A)</b>	<b>4,187</b>	<b>94,490</b>
Net investments in intangible and tangible assets	(17,058)	(14,857)
Acquisition of Italianouch group	(24,101)	
(Increase) decrease of equity investments	(2,272)	(378)
Reduction (increase) of other non-current assets	569	66
<b>Cash flows generated (used) in investing activities (B)</b>	<b>(42,863)</b>	<b>(15,169)</b>
Dividends paid	(46,331)	(56,259)
Capital increase		
Others change in Equity		
Loans to subsidiaries	(2,842)	36,000
Repayments of financial liabilities	(46,250)	(46,250)
Proceeds from financial liabilities	100,000	
<b>Cash flows generated (used) in financing (C)</b>	<b>4,577</b>	<b>(66,509)</b>
Translation differences (D)		
<b>Cash flows from continuing operations (E)=(A)+(B)+(C)+(D)</b>	<b>(34,099)</b>	<b>12,813</b>
Cash flow from assets held for sale (F)		
<b>Cash flows generated (used) (G)=(E)+(F)</b>	<b>(34,099)</b>	<b>12,813</b>
Net cash and cash equivalents at the beginning of the period	100,802	87,989
Net cash and cash equivalents at the end of the period	66,703	100,802
<b>Change in net cash and cash equivalents</b>	<b>(34,099)</b>	<b>12,813</b>

# TOD'S S.p.A.

## Statement of changes in equity

Unaudited

Year 2018 euro 000's	Share capital	Capital reserves	Hedging reserve	Retained earnings	Total
<b>Balances as of 01.01.18</b>	<b>66,187</b>	<b>416,507</b>	<b>(186)</b>	<b>425,705</b>	<b>908,213</b>
Changes accounting standards (IFRS 15)				(4,545)	(4,545)
<b>Balances as of 01.01.18</b>	<b>66,187</b>	<b>416,507</b>	<b>(186)</b>	<b>421,160</b>	<b>903,668</b>
<b>Profit/(Loss) recognized in the period</b>					
Profit & Loss account				68,696	68,696
Directly in equity			(270)	156	(114)
<b>Total Comprehensive Income</b>			<b>(270)</b>	<b>68,852</b>	<b>68,582</b>
Dividends				(46,331)	(46,331)
Capital increase					
Share based payments					
Other (1)				(694)	(694)
<b>Balances as of 12.31.18</b>	<b>66,187</b>	<b>416,507</b>	<b>(456)</b>	<b>442,986</b>	<b>925,225</b>

Year 2017 euro 000's	Share capital	Capital reserves	Hedging reserve	Retained earnings	Total
<b>Balances as of 01.01.17</b>	<b>66,187</b>	<b>416,507</b>	<b>(1,586)</b>	<b>397,862</b>	<b>878,970</b>
<b>Profit/(Loss) recognized in the period</b>					
Profit & Loss account				84,977	84,977
Directly in equity			1,400	(17)	1,383
<b>Total Comprehensive Income</b>			<b>1,400</b>	<b>84,960</b>	<b>86,360</b>
Dividends				(56,259)	(56,259)
Capital increase					
Share based payments					
Other				(858)	(858)
<b>Balances as of 12.31.17</b>	<b>66,187</b>	<b>416,507</b>	<b>(186)</b>	<b>425,705</b>	<b>908,213</b>

Note:

(1) They include the use of the specific reserve for promoting territorial solidarity projects.