TOD'S Group

INTERIM REPORT ON THE FIRST NINE MONTHS OF 2009

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Company's data

Registered office

TOD'S S.p.a.
Via Filippo Della Valle, 1
63019 Sant'Elpidio a Mare (Fermo) - Italy
Tel. +39 0734 8661

Legal data Parent company

Share capital resolved euro 61,218,802
Sahare capital subscribed and paid euro 61,218,802
Fiscal Code and registration number on Company Register of Court of Fermo: 01113570442
Registered with the Chamber of Commerce of Fermo under n. 114030 R.E.A.

Offices e Show rooms	Dusseldorf – Kaistrasse, 2
	Hong Kong – Three Pacific Place, 1 Queen's Road East
	London – Old Bond Street, 16
	Milan - Corso Venezia, 30
	Milan - Via Savona, 56
	Milan - Via Serbelloni 1-4
	Milan - Via della Spiga, 22
	Milan - Via Montenero, 63
	New York - 450, West 15th Street
	Paris – Rue Royale, 20
	Seoul – 89-10, Cheongdam-dong, Kangnam-ku
	Shanghai – 1366 Nanjing West Road, Plaza 66 Tower 2
	Tokyo – Omotesando Building, 5-1-5 Jingumae
Production facilities	Comunanza (AP) - Via Merloni, 7
	Comunanza (AP) - Via S.Maria, 2-4-6
	Sant'Elpidio a Mare (AP) - Via Filippo Della Valle, 1
	Bagno a Ripoli, Loc. Vallina (FI) - Via del Roseto, 60
	Bagno a Ripoli, Loc. Vallina (FI) - Via del Roseto, 50
	Tolentino (MC) - Via Sacharov 41/43

Corporate Governance bodies

Board of directors [1]	Diego Della Valle	Chairman
	Andrea Della Valle	Vice- Chairman
	Luigi Abete	
	Maurizio Boscarato	
	Luigi Cambri	
	Luca Cordero di Montezemolo	
	Emanuele Della Valle	
	Fabrizio Della Valle	
	Emilio Macellari	
	Pierfrancesco Saviotti	
	Stefano Sincini	
	Vito Varvaro	
Executive Committee	Diego Della Valle	Chairman
	Andrea Della Valle	
	Fabrizio Della Valle	
	Emilio Macellari	
	Stefano Sincini	
	Vito Varvaro	
Compensation Committee	Luigi Abete	Chairman
	Luigi Cambri	
	Pierfrancesco Saviotti	
Internal Control and Corporate Governance Committee	Maurizio Boscarato	Chairman
	Luigi Cambri	
	Pierfrancesco Saviotti	
Board of statutory [2] Auditors	Enrico Colombo	Chairman
	Gian Mario Perugini	Acting stat. auditor
	Fabrizio Redaelli	Acting stat. auditor
	Massimo Foschi	Substitute auditor
	Gilfredo Gaetani	Substitute auditor
Independent Auditors [3]	Deloitte & Touche S.p.a.	
Manager charged with preparing a company's financial report	Rodolfo Ubaldi	

(1) Term of the office: 2009-2011 (resolution of the Shareholders' meeting as of April 20th, 2009)
(2) Term of the office: 2007-2009 (resolution of the Shareholders' meeting as of April 27th, 2007)
(3) Term of the office: 2006-2011 (resolution of the Shareholders' meeting as of April 28th, 2006)

TOD'S Group

TOD'S S.p.a.
Parent Company, owner of the TOD'S, HOGAN and FAY brands and licensee of the ROGER VIVIER brand.

Del.Com. S.r.l.
Subholding for operation of national subsidiaries.

TOD'S International B.V.
Subholding for operation of international subsidiaries and DOS in The Netherlands.

An.Del. Usa Inc.
Subholding for operation of subsidiaries in the United States.

Del.Pav S.r.l.
Company that operates DOS in Italy.

Deva Mode S.r.l.
Company that operates DOS in Italy.

Filangieri 29 S.r.l.
Company that operates DOS in Italy.

Re.Se.Del. S.r.l.
Company for services.

Spiga 22 S.r.l.
Company that operates DOS in Italy.

Via Roma 40 S.r.l.
Company that operates DOS in Italy.

Gen.del. SA
Company that operates DOS in Switzerland.

TOD'S Belgique S.p.r.l.
Company that operates DOS in Belgium.

TOD'S Deutschland Gmbh
Company that distributes and promotes products in Germany and manages DOS in Germany.

TOD'S Espana SL
Company that operates DOS in Spain.

TOD'S France Sas
Company that distributes and promotes products in France and manages DOS in France.

TOD'S Hong Kong Ltd
Company that distributes and promotes products in Far East and South Pacific and manages DOS in Hong Kong.

TOD'S Retail India Private Ltd
Company that operates DOS in India

TOD'S Japan KK
Company that operates DOS in Japan.

TOD'S Korea Inc.
Company that promotes products in Korea

TOD'S Luxembourg S.A.
Company that operates DOS in Luxembourg.

TOD'S Macao Ltd
Company that operates DOS in Macao.

TOD'S Saint Barth Sas
Not operating company

TOD'S (Shanghai) Trading Co. Ltd
Company that operates DOS in China

TOD'S Singapore Pte Ltd
Company that operates DOS in Singapore.

TOD'S UK Ltd
Company that operates DOS in Great Britain.

Webcover Ltd
Company that distributes and promotes products in Great Britain and manage DOS in Great Britain.

Cal.Del. Usa Inc.
Company that operates DOS in California (USA).

Colo. Del. Usa Inc.
Not operating company

Deva Inc.
Company that distributes and promotes products in North America, and manages of DOS in New Jersey (USA).

Flor. Del. Usa Inc.
Company that operates DOS in Florida (USA).

Hono. Del. Inc.
Company that operates DOS in Hawai (USA).

Il. Del. Usa Inc.
Company that operates DOS in in Illinois (USA).

Neva. Del. Inc.
Company that operates DOS in Nevada (USA).

Or. Del. Usa Inc.
Company that operates DOS in California (USA).

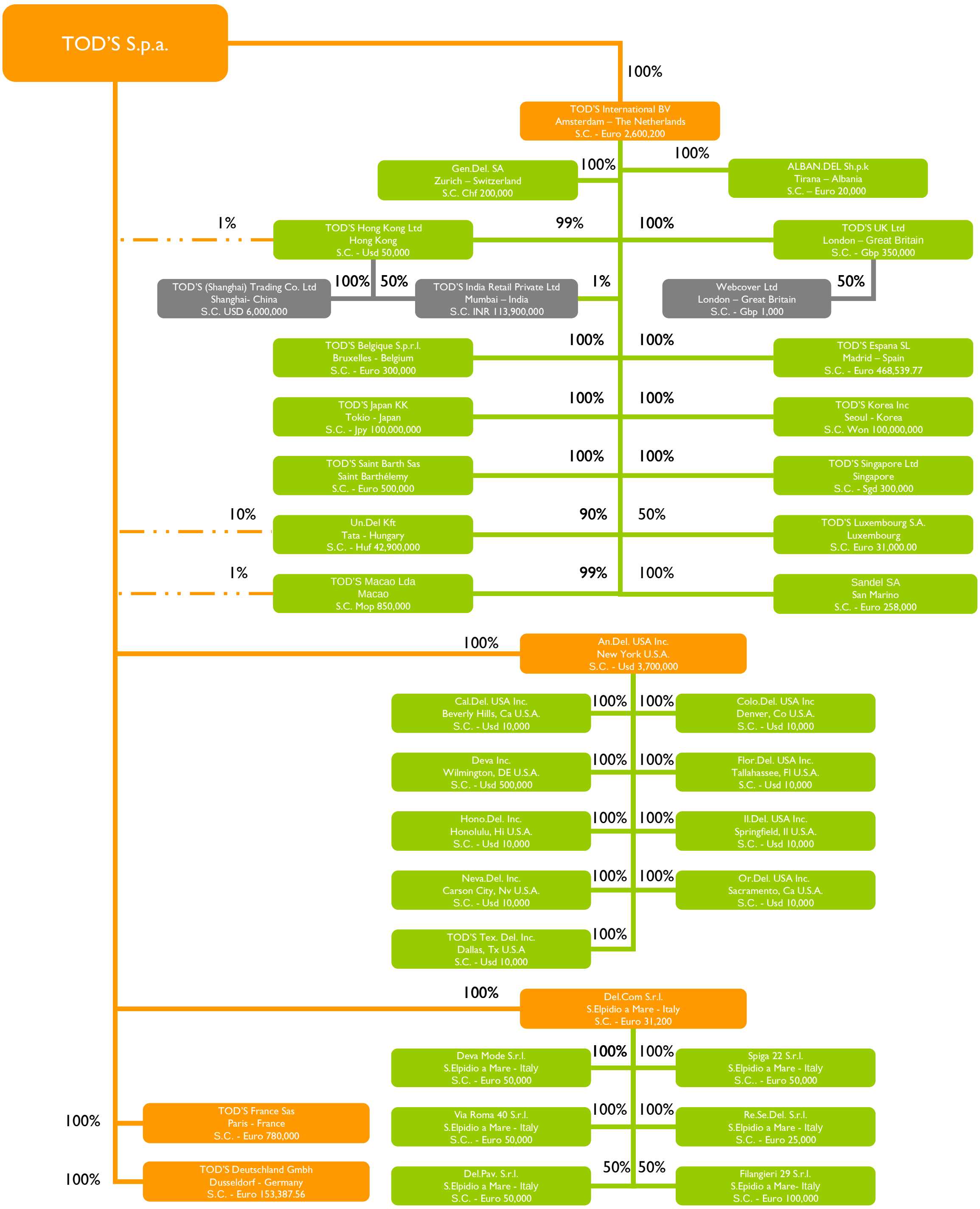
TOD'S Tex. Del. Usa Inc.
Company that operates DOS in Texas (USA)

Sandel SA
Not operating company

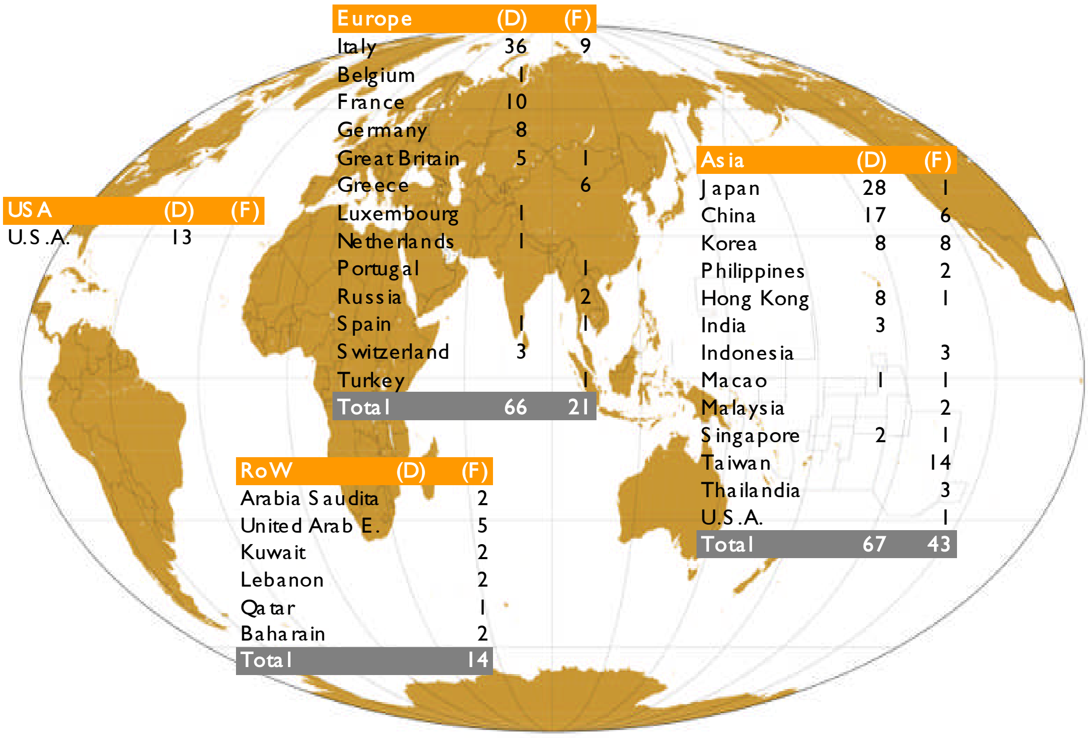
Un.Del. Kft
Production Company

ALBAN.DEL Sh.p.k.
Production Company

Group's organizational chart



Distribution network as of September 30th, 2009



Europe	(D)	(F)
Italy	36	9
Belgium	1	
France	10	
Germany	8	
Great Britain	5	1
Greece		6
Luxembourg	1	
Netherlands	1	
Portugal		1
Russia		2
Spain	1	1
Switzerland	3	
Turkey		1
Total	66	21

USA	(D)	(F)
U.S.A.	13	

Asia	(D)	(F)
Japan	28	1
China	17	6
Korea	8	8
Philippines		2
Hong Kong	8	1
India	3	
Indonesia		3
Macao	1	1
Malaysia		2
Singapore	2	1
Taiwan		14
Thailandia		3
U.S.A.		1
Total	67	43

RoW	(D)	(F)
Arabia Saudita		2
United Arab E.		5
Kuwait		2
Lebanon		2
Qatar		1
Baharain		2
Total		14

(D)=DOS (F)=FRANCHISING

DOS, 2009 new openings

Far East

Busan	(Korea)
Seoul	(Korea)
Shanghai (*)	(PRC)
Tokyo	(Japan)
Osaka	(Japan)

(*) Outlet

Franchised stores, 2009 new openings

Europe

Malaga	(Spain)

Middle East

Manama	(Baharain)
Manama	(Baharain)
Riyadh	(Saudi Arabia)
Dubai	(United Arab Emirates)
Taipei	(Taiwan)
Taipei	(Taiwan)

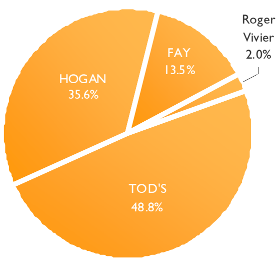
Far East

Shenyang	(PRC)
Kuwait	(Kuwait)

For a complete list of retail outlets operated by the DOS and franchising network, reference should be made to the corporate web site: www.todsgroup.com

Key consolidated financial figures

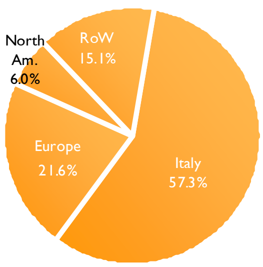
9M 09 Revenues - % by brand



P&L key figures (in euro mn)

	9M 09		9M 08		9M 07		9M 06	
Revenues	559.4		549.7		499.9		438.3	
EBITDA	129.3	23.1%	128.8	23.4%	113.6	22.7%	107.4	24.5%
EBIT	106.2	19.0%	108.2	19.7%	95.7	19.1%	89.7	20.5%

9M 09 Revenues - % by region

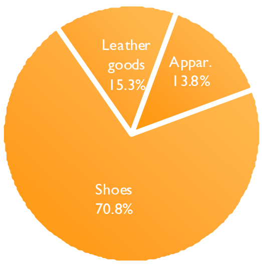


Key Balance Sheet figures (in euro mn)

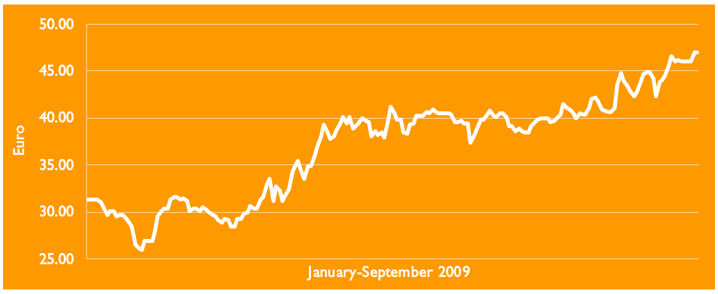
	09.30.09	12.31.08	09.30.08
Net working capital (*)	276.8	237.3	292.0
Net financial position	106.3	72.8	29.6
Capital expenditures	16.0	40.8	35.2

(*) Trade receivables + inventories – trade payables

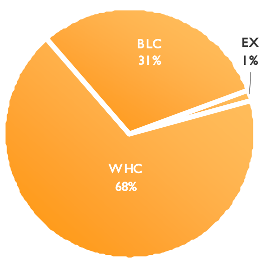
9M 09 Revenues - % by product



Stock performance



2009 Group employees



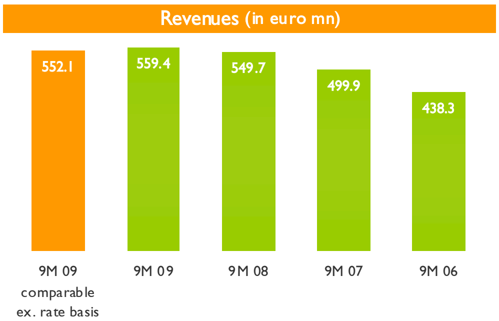
The Group employees

	09.30.09	12.31.08	09.30.08	09.30.07
Year to date	2,834	2,814	2,798	2,492

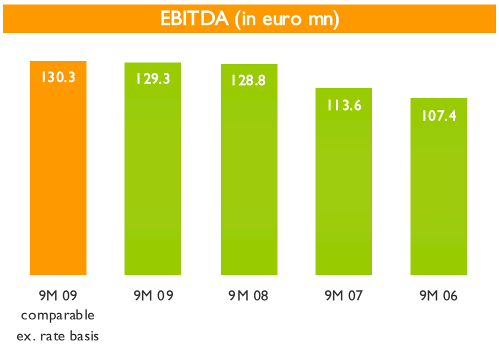
EX = executives
WHC = white collar employees
BLC = blue collar employees

Highlights of performance

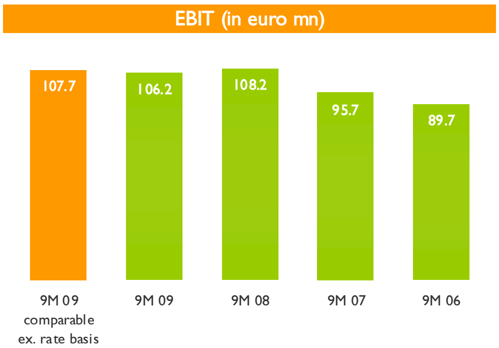
Revenues: sales totalled 559,4 million euros, up 1.8% from the first nine months of 2008. Sales by the DOS network totalled 246.9 million euros (+4.9%).



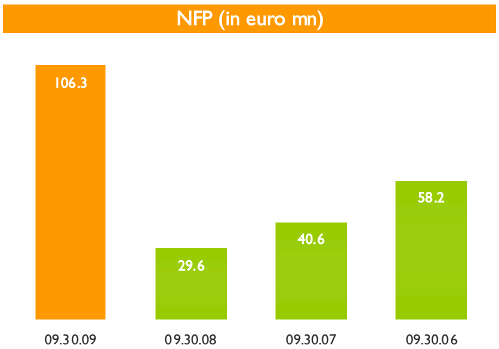
EBITDA: this item totalled 129.3 million euros. On a comparable exchange rate basis, EBITDA would have been 130.3 million euros, representing 23.6% return on sales (first nine months of 2008: 23.4%).



EBIT: this item totalled 106.2 million euros, or 107.7 million euros on a comparable average exchange rate basis.



Net financial position (NFP): the Group had 135.1 million euros in liquid assets at September 30th 2009. Its net financial position was 106.3 million euros at the same date.



Capital expenditures: these totalled 16.0 million euros in the first nine months of 2009.

Distribution network: at Setember 30th, the single brand distribution network comprised 146 DOS and 78 franchised stores.

TOD'S Group

Information on operating performance

Group's activity

The TOD'S Group operates in the luxury sector under its proprietary brands (TOD'S, HOGAN, and FAY) and licensed brands (ROGER VIVIER e DEREK LAM). It actively creates, produces and distributes shoes, leather goods and accessories, and apparel. The company's mission is to offer top-quality products that satisfy the practical demands and desires of consumers worldwide.

Group's brands

The TOD'S brand is positioned on the luxury market and combines tradition, top quality and modernity. It offers consumers shoes, leather goods, accessories and apparel whose design is exclusive, functional and never ostentatious, interpreting timeless elegance.
TOD'S products embody the high quality of goods "Made in Italy" that are handcrafted for daily use while offering a sophisticated and elegant look. Certain products, such as the *Driving Shoe* or the *D-Bag*, beloved by celebrities and leaders around the world, have become icons representing a unique and recognisably elegant style for men and women.

The HOGAN brand is positioned in the dynamic urban luxury market, offering consumers contemporary style shoes, leather goods, accessories and apparel with an international vision.
HOGAN products, which are distinguished by their innovative character and high quality, have created a unique style, contributing to changes in the fashion habits of consumers who want a functional, comfortable, but also sporty and elegant product for everyday life.
HOGAN products are trend-setters in defining an elegant and sporty look. Some of its models are best sellers, such as its *Interactive* shoes.

This brand offers consumers a line of high-quality apparel that is distinguished by the technical treatment of fabrics, obsession for detail and extreme functionality, combining style and quality with excellence. FAY products can be worn everywhere: from the sports stadium to the office, and from the city to the countryside. In every season, the FAY collection offers innovative, recognisable products for men, women and children.

Foreign currency markets

The foreign currency trends reported in the first half of the year were confirmed in the third quarter: comparison of the average exchange rates for the euro against non-EU currencies during the January-September 2009 period shows a general softening of the euro as compared with the average exchange rates for the same period of 2008, with the exception of its appreciation against the British pound and Korean won.

Principal events and operations during the period

In 3Q 2009, the Group maintained the prudent and conservative approach to operations that it has adopted for the current financial year.
First of all, it has meticulously reviewed its capital expenditure processes without interrupting or impairing development of its business (capital expenditures totalled 16.0 million euros in the first nine months of 2009). Second of all, it has pursued improvements in operating efficiency, through targeted measures to streamline costs and eliminate less efficient areas. Finally, it has placed great emphasis on processes to generate and invest liquid assets (net cash and cash equivalents totalled 106.3 million euros at September 30th 2009; whereas they totalled 29.6 million euros at the same date in 2008). This is considered to be a strategic element to guarantee the stability and development over the medium-long term.

Group's results in the first nine months of 2009

The quarterly results at September 30th confirm expectations for the evolution of business, based on the structural solidity of operating activities. The TOD'S Group has concluded the first nine months of 2009 by confirming its growth during the previous quarters of the year, both for sales and for results.
Revenues, sustained as before by the excellent performance of the HOGAN brand and stable results produced by the TOD'S and FAY brands, with aggregate performance up by 1.8 per cent.
EBITDA and EBIT remained stable at the levels reported in the first nine months of 2008, totalling 129.3 million and 106.2 million euros, respectively (in the first nine months of 2008: 128.8 million and 108.2 million euros). A major recovery in profitability was realised in 3Q 2009, in line with management expectations. Thus far in FY 2009, EBITDA equals 23.1% of sales, which is substantially the same as the figure for the first nine months of 2008 (23.4%).
On a comparable exchange rate basis (average of exchange rates measured during the first nine months of FY 2008), revenues and operating results would have been 552.1 million, 130.3 million (EBITDA) and 107.7 million (EBIT) euros.

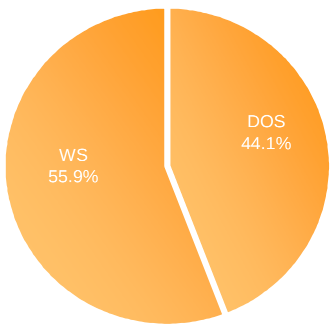
FY 08	(In euro 000's) Principal economics indicators	9M 09	9M 08	Change	%
707,553	Sales revenues	559,400	549,667	9,733	1,8
156,204	EBITDA	129,279	128,783	496	0,4
(29,603)	Depr., amort., write-downs	(23,099)	(20,566)	(2,533)	12,3
126,601	EBIT	106,180	108,217	(2,037)	(1,9)
	Foreign exch. impact on revenues	(7,300)			
	Adjusted sales revenues	552,100	549,667	2,433	0,4
	For. exch. impact on operating costs	8,300			
	Adjusted EBITDA	130,279	128,783	1,496	1,2
	For. exch. impact in depr. & amort.	550			
	Adjusted EBIT	107,730	108,217	(487)	(0,5)
	EBITDA %	23,1	23,4		
	EBIT %	19,0	19,7		
	Adjusted EBITDA %	23,6	23,4		
	Adjusted EBIT %	19,5	19,7		

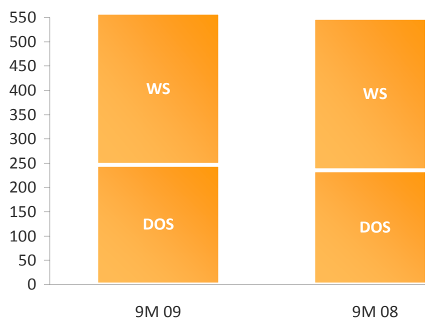
09.30.08	(In euro 000's) Principal Balance Sheet indicators	09.30.09	12.31.08	Change
292,037	Net working capital (*)	276,769	237,348	39,421
29,645	Net financial position	106,261	72,831	33,430
35,202	Capital expenditures	15,950	40,838	n.s.

(*) Trade receivables + inventories – trade payables

Revenues. In the first nine months of 2009, Group's revenues totalled 559.4 million euros, up 1.8% from the same period of 2008. On a comparable exchange rate basis, and thus using the same average exchange rates as those reported in the first nine months of 2008, revenues would have been 552.1 million euros (+0,4%).

(In euro mn)	9M 09	%	9M 08	%	Change
DOS	246.9	44.1	235.3	42.8	11.6
WS	312.5	55.9	314.4	57.2	(1.9)
Total	559.4	100.0	549.7	100.0	9.7





As previously mentioned, the third quarter of the year is dominated by sales on the wholesale channel, and thus the bulk of DOS revenues generated by the winter collection is concentrated in the fourth quarter, when the products are sold by stores to end customers. During the first nine months of 2009, revenues from non-captive customers totalled 312.5 million euros, consistent with the result for the same period for the same period of 2008, in spite of a challenging comparison basis. The third quarter performance of this distribution channel reflects the orders received for the Fall/Winter 2009-2010 collections.

The revenues generated by the DOS totalled 246.9 million euros, up 4.9% from the first nine months of 2008.

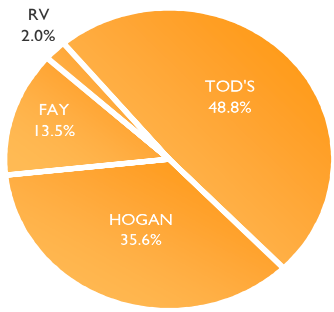
The Same Store Sales Growth (SSSG) figure, which is calculated at the global average of revenue growth rates reported by existing DOS at 1 January 2008, was -0.4% during the first 45 weeks of the current year (January 1st – November 8th 2009).

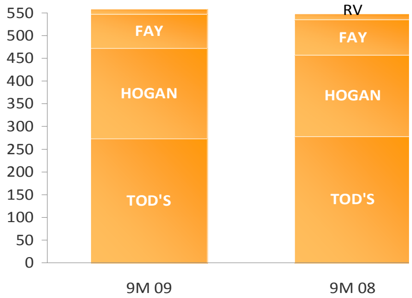
At September 30th 2009, the Group's distribution network was comprised by 146 DOS and 78 franchised stores, compared with 147 DOS and 63 franchised stores at September 30th 2008.

The break-down by brand confirms the double-digit growth in HOGAN brand sales: revenues totalled 199.3 million euros in the first nine months of 2009, up 11.4% compared with the same period of 2008.

TOD'S brand revenues totalled 272.9 million euros in the first nine months of 2009. The slight downturn from the same period of the previous year was impacted by the performance of the leather goods segment. FAY brand revenues totalled 75.3 million euros in the first nine of 2009.

(In euro mn)	9M 09	%	9M 08	%	Change
TOD'S	272.9	48.8	278.1	50.6	(5.2)
HOGAN	199.3	35.6	178.9	32.5	20.4
FAY	75.3	13.5	77.8	14.2	(2.5)
RV	11.2	2.0	13.2	2.4	(2.0)
Other	0.7	0.1	1.7	0.3	(1.0)
Total	559.4	100.0	549.7	100.0	9.7





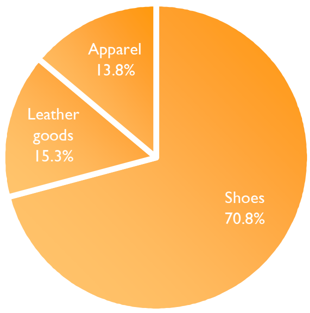
The 3.1% difference from the first nine months of 2008 is mainly attributable to the extremely challenging basis of comparison (+25% in 3Q 2008).

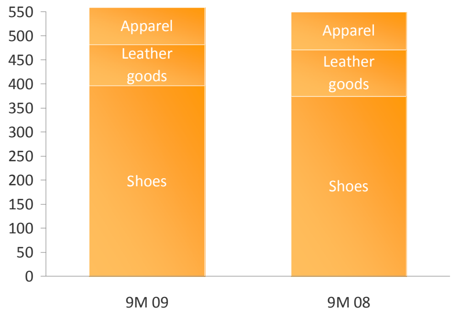
Finally, the ROGER VIVIER brand realised 11.2 million euros in revenues during the first nine months of 2009. As previously mentioned, this brand, which accounts for 2% of consolidated revenues, is still in the start-up phase.When broken down by product segments,

Group's results confirm the unchallenged leadership of its core business – shoes. Aggregate shoe sales totalled 395.8 million euros in the first nine months of 2009, up 5.8% from the same period of 2008.

Leather good and accessory revenues totalled 85.8 million euros in the first nine months of 2009. There are positive signs from the sales of some products under the TOD'S brand, such as the G-Bag made in fabric, characterized by a lower average price compared to the handbags entirely made with leather. Finally, apparel revenues totalled 77.3 million euros in the first nine months of 2009, substantially in line with the figure for the same period of the previous year.

(In euro mn)	9M 09	%	9M 08	%	Change	%
Shoes	395.8	70.8	374.3	68.1	21.5	5.8
Leather goods	85.8	15.3	96.9	17.6	(11.1)	(11.4)
Apparel	77.3	13.8	78.1	14.2	(0.8)	(1.0)
Other	0.5	0.1	0.4	0.1	0.1	n.s.
Total	559.4	100.0	549.7	100.0	9.7	1.8

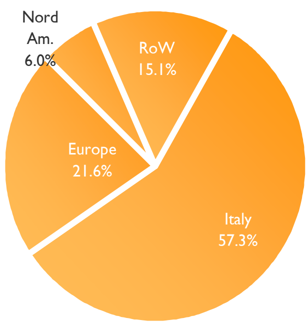


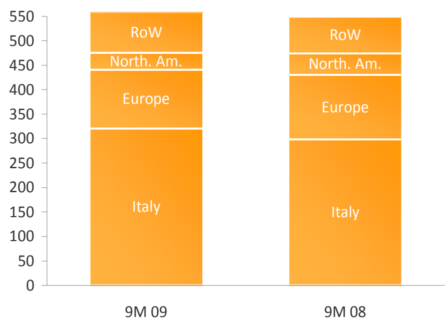


When broken down on a regional basis, the Group's results continued growing at a steady pace on the Italian market. Aggregate revenues totalled 320.4 million euros in the first nine months of 2009, up 7.3% from the same period of 2008.

Elsewhere in Europe during the first nine months of the year, Group's sales totalled 120.9 million euros, down by 8.3% from the first nine months of 2008. Extremely timid signs of recovery were received from the United States market, which represents 6% of consolidated sales. During the first nine months of 2009, Group's revenues totalled 33.8 million euros, down by 22.9% from the same period of 2008. The double-digit growth rates previously

(In euro mn)	9M 09	%	9M 08	%	Change	%
Italy	320.4	57.3	298.5	54.3	21.9	7.3
Europe	120.9	21.6	131.9	24.0	(11.0)	(8.3)
North America	33.8	6.0	43.8	8.0	(10.0)	(22.9)
RoW	84.3	15.1	75.5	13.7	8.8	11.7
Total	559.4	100.0	549.7	100.0	9.7	1.8





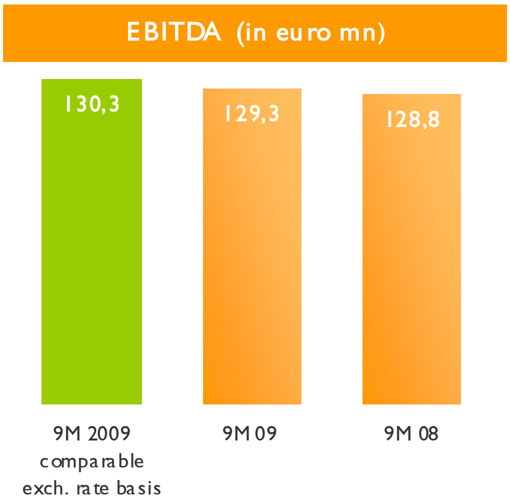
reported in the Rest of the World were confirmed instead, with extremely positive results being posted in China and Hong Kong. Aggregate revenues for that area totalled 84.3 million euros in the first nine months of 2009, with growth of 11.7% from the same period of 2008.

Operating results. The results for 3Q 2009 confirm the trend reported for 1H 2009. EBITA and EBIT remained steady at the same levels for the same period of the previous year, both in absolute and percentage terms.

in euro 000's	9M 2009	9M 2008	FY. 08
Revenues			
Sales revenues	559,400	549,667	707,553
Other revenues and income	10,899	11,211	14,772
Total revenues	570,299	560,878	722,325
Operating costs			
Change in inventories of work in proc. and finis. goods	(42,932)	18,827	20,542
Costs of row materials, supplies and material for cons.	(113,640)	(147,715)	(180,465)
Costs for services	(154,598)	(179,792)	(236,402)
Costs of use of third party assets	(38,566)	(31,623)	(44,473)
Costs of labour	(80,246)	(77,292)	(104,597)
Other operating charges	(11,038)	(14,500)	(20,726)
Total operating costs	(441,020)	(432,095)	(566,121)
EBITDA	129,279	128,783	156,204
Amortization, depreciation and write-downs			
Amortization of intangible assets	(5,329)	(4,871)	(6,611)
Depreciation of tangible assets	(17,309)	(16,406)	(22,509)
Other adjustments	(91)	1,175	242
Total amortization, depreciation and write-downs	(22,729)	(20,102)	(28,878)
Accantonamenti	(370)	(464)	(725)
EBIT	106,180	108,217	126,601

EBITDA for the first nine months of 2009 was 129.3 million euros, amounting to 23.1% of consolidated revenues. During the same period of 2008, the same item totalled 128.8 million euros, representing 23.4% of Group's sales.

The fluctuations in foreign exchange rates had a negative impact on this result. On a comparable exchange rate basis (average exchange rates for the period January-September 2008), EBITDA would have been 130.3 million euros. In this case, the percentage value of revenues would climb to 23.6%, more than in the previous year. The trends reported for the first



half of the year were confirmed in the third quarter, pointing at slight growth in the reduction in margins due to production costs, partly on account of the cyclical changes in sales trends at the regional level and in terms of merchandise categories, and in lease and rental costs. This last item changed markedly from the same period of 2008, mainly due to the 27 new boutiques (DOS) opened during the first nine months of 2008. Their rent fees had only a pro-rated impact on income last year.

The aggregate cost recognised during the period for leases and rentals (which also include royalties for use of licenses) was 38.6 million euros, up 6.9 million euros from the figure for the first three quarters of 2008 (first nine months of 2008: 31.6 million euros). The percentage of these costs in terms of revenues thus rose from 5.8% at September 30th 2008 to 6.9% at September 30th 2009.

The increase in labour costs stemmed largely from the changes in exchange rates, with the aforementioned expansion of the distribution network having a lesser impact (hiring of sales staff assigned to new stores). During the period, these costs totalled 80.2 million euros, compared with 77.3 million in the first nine months of the previous year. During the first nine months of 2009, this cost amounted to 14.3% of Group's revenues (in the first nine months of 2008, it was 14.1%).

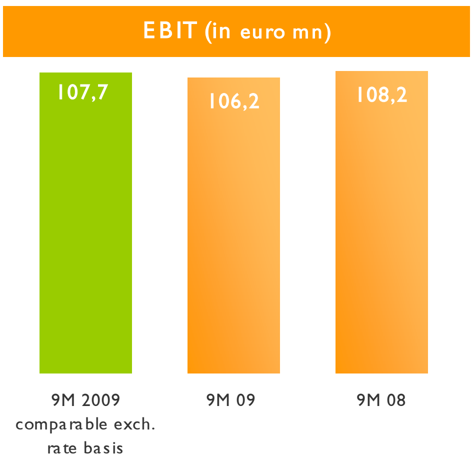
At September 30th 2009, the Group's headcount was 2,834, or 20 and 26 employees more than at December 31st and September 30th 2008, respectively.

The reduction in other operating costs was confirmed, which benefited from non-recurring income of 2.1 million euros for FY 2007 and 2008. This figure was recognised in favour of the parent company (as a tax credit), pursuant to a recent law designed to promote research and development costs.

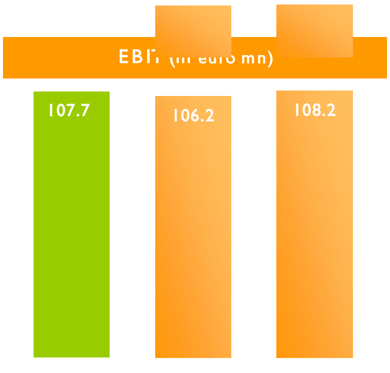
The growth in amortisation and depreciation costs for fixed assets was not significant, rising from 21.3 million euros in the first nine months of 2008 to 22.6 million in the current period. It partly benefited from the prudent strategy adopted by the Group for capital expenditures.

EBIT during the period totalled 106.2 million euros (108.2 million euros during the first nine months of 2008), or 19.0% of Group's sales (19.7% in the first nine months of 2008). On a comparable exchange rate basis, EBIT would climb to 107.7 million euros, consistently with the absolute value and percentage of revenues (19.5%) reported for the same period of 2008.

It should be mentioned that EBIT for the first nine months of 2008 benefited from 1.3 million euros in an extraordinary gain resulting from the sale of real estate (San Marino plant).



Capital expenditures. Capital expenditures were once again limited in the first nine months of 2009, particularly in consequence of management's focus on investment decisions during this unusual phase in the development process.



The Group's capital expenditures totalled 16.0 million euros. During the same period of the previous year (January-September 2008), capital expenditure totalled 35.2 million euros instead.
The allocation of capital expenditures did not change from the first half. Resources were largely allocated to carrying out planned restyling and renovation projects at DOS, as well as routine modernisation of production facilities and industrial equipment (particularly moulds, templates and lasts necessary for actual production of the collections).

Net financial position (NFP): The growth in net cash balances was confirmed in 3Q 2009. The Group had 106.3 million euros in liquid assets at September 30th 2009. This reflected a 33.4 million euro increase from December 31st 2008 (72.8 million euros).

09.30.08	Net financial position (in euro 000's)	09.30.09	12.31.08	Change
	Current financial assets			
55,879	Cash and cash equivalent	135,137	101,276	33,861
55,879	Total cash and cash equivalent	135,137	101,276	33,861
	Current financial liabilities			
(15,257)	Current account overdraft	(19,802)	(18,651)	(1,151)
(1,422)	Current share of medium-long term financing	(1,487)	(1,454)	(33)
(16,679)	Current financial liabilities	(21,289)	(20,105)	(1,184)
39,200	Current net financial position	113,848	81,171	32,677
	Non-current financial liabilities			
(9,555)	Financing	(7,587)	(8,340)	753
(9,555)	Non-current financial liabilities	(7,587)	(8,340)	753
29,645	Net financial postion	106,261	72,831	33,430

The changes in cash flows during 3Q 2009 was more significant. The net result showed a positive balance of 6.3 million euros, during a period characterised by a momentary contraction in liquidity. This result was achieved principally by reducing investments in working capital and streamlining capital expenditures.

Net working capital (in euro 000's)	09.30.09	12.31.08	Change
Inventories	196,740	242,076	(45,336)
Trade receivables	174,743	108,386	66,357
Trade payables	(94,714)	(113,114)	18,400
Net workin capital	276,769	237,348	39,421

Net of dividend payments (38.5 million), the cash generated during the period (short-term change) would have been 71.5 million euros. By using the same criterion for performance during the first nine months of 2008, net cash flow was a negative 6.2 million euros.

The financial balance at the end of the period also included the contribution of 4.7 million euros from the capital increase following exercise of some of the residual options granted to Group's directors, employees and independent contractors.

Significant events occurring after the end of the period

No significant events occurred after the end of the period.

Business outlook

Although it is presently difficult to argue that a change in trends is underway, the signals received from the various markets suggest that the end of the recessionary cyle is at hand.

In market segment – luxury goods – afflicted by a severe contraction in consumer spending, the TOD'S Group managing to maintain its own performance levels during the first three quarters of 2009. It did so by exploiting the strength and appeal of its brands and its highly flexible operating structure, which enabled it to efficiently modify business strategies in response to changed market conditions.

Its half-year results, and its even more positive third quarter results, combined with its high degree of financial independence, allow it to look forward to the end of the financial year with optimism and confirm that it will meet its targets of maintaining and consolidating Group's market share and profitability, as previously illustrated in the Half-year Report.

Guidelines for preparation of the Quarterly Report

The TOD'S Group Quarterly Report on Operations at September 30th, 2009 was prepared pursuant to Article 154 ter (5) of the Consolidated Law on Financial Intermediation ("TUF") introduced by Legislative Decree 195/2007, in implementation of Directive 2004/109/EC (the "Transparency Directive").

The consolidated financial statements were approved by the Board of Directors of TOD'S S.p.a. on November 11th, 2009, and on the same date that body authorized its publication.

Accounting policies

The accounting policies applied to prepare the financial figures reported on the Quarterly Report at September 30th, 2009 was prepared by applying IAS/IFRS, issued by IASB and approved by the European Union at the reporting date. IAS/IFRS refers to the *International Accounting Standards* (IAS), *International Financial Reporting Standards* (IFRS), and all interpretative documents issued by the IFRIC (previously called the Standing Interpretations Committee).

The same accounting standards used to prepare the consolidated financial statements at December 31st, 2008 were used to prepare this Report.

Preparation of the financial figures reported on the Quarterly Report at September 30th, 2009 entails making estimates and assumptions based on the management's best valuation. If these estimates and assumptions should change in future from the actual circumstances, they will obviously be modified for the period in which those circumstances changed.

Specifically in regard to determination of eventual impairment losses affecting fixed assets, complete tests are performed only when the annual report is prepared, when all information as might be necessary is available, unless there are indications that require immediate valuation of eventual impairment losses or the occurrence of events that required repetition of the procedure.

The rates applied for translation of the financial statements of subsidiaries using a functional currency other than the currency used for consolidation, are illustrated in the following table and compared with those used in the previous period:

		Jan.-Sep. 2009		Jan.-Sep. 2008	
	Base	Ex. Rate at Sep. 30th	Average exch. rate	Ex. Rate at Sep. 30th	Average exch. rate
US dollar	1	0,683	0,734	0,699	0,657
UK pound	1	1,099	1,129	1,265	1,279
Swiss franc	1	0,663	0,662	0,633	0,622
Hong Kong dollar	100	8,811	9,471	8,999	8,436
Japanese yen	100	0,763	0,775	0,664	0,621
Hungarian forint	1000	3,707	3,531	4,118	4,042
Singapor dollar	1	0,484	0,497	0,489	0,472
Korean WON	1.000	0,580	0,559	0,579	0,650
Chinese Renminbi	100	10,004	10,744	10,208	9,418
Macao Pataca	100	8,559	9,197	8,743	8,189
Indian rupia	100	1,428	1,499	1,506	1,577
Albanian Lek	100	0,742	0,764		

Alternative indicators of performances

In order to strip the effects of changes in exchange rates from the average values of the first nine months of previous year from the results for the period January-September 2009, the typical economic indicators (Revenues, EBITDA, EBIT) have been recalculated by applying the average exchange rates for the first nine months of 2008, thereby rendering them fully comparable with those of the previous period.

However, it should be pointed out that these principles for measuring corporate performance represent a method of interpreting results that is not envisaged in IAS/IFRS, while they must not be considered substitutes for the results calculated according to those principles.

Furthermore, although the aggregate annual sales of the TOD'S Group are not subject to severe seasonal or cyclical variations in aggregate annual sales, its revenues and costs do fluctuate from quarter to quarter, largely in tandem with changes in the volumes of its industrial activity.
For this reason, analysis of the interim operating results and financial indicators (revenues, EBITDA, EBIT, financial position and working capital) cannot be considered fully representative, and it would be incorrect to consider the period indicators referred to in this report as proportionate to the whole year's results.

Scope of consolidation

Compared with September 30th and December 31st 2008, the scope of consolidation includes the new addition of the subsidiary ALBAN.DEL. sh.p.k.

Transactions with related parties

In the first nine months of 2009, the TOD'S Group participated in a number of transactions with parties that have an interest in the Group itself (mainly directors). These transactions, which were all exclusively in the Group's interest, were carried out by applying contractual conditions that would theoretically be applied in an arm's length transaction, in compliance with the governance rules aimed at assuring their regularity, transparency, and substantial fairness.
The principal object of transactions with related parties was the sale of products, lease of spaces for retail outlets, show rooms, and offices, the user license for the ROGER VIVIER brand, provision of advertising services.
The following table illustrates the details of these transactions: the transactions amongst Group's companies included in the scope of consolidation were eliminated from the consolidated financial statements, and thus they are not shown in these notes.

i. Commercial transactions with unconsolidated subsidiaries

Recaivables and payables (in Euro 000's)	09.30.09 Receivables	09.30.09 Payables	09.30.08 Receivables	09.30.08 Payables
Special Purpose Entities	800	502	3,132	2,841
Total	800	502	3,132	2,841

ii Commercial transactions with other related entities – Revenues and costs

(in Euro 000's)	9M 09 Costs	9M 09 Revenues	9M 08 Costs	9M 08 Revenues
Selling products				
Roger Vivier Paris S.a.s		787	163	1,231
Ordinary leases				
Immobiliare De.Im. S.r.l.	2,091		2,080	81
Difran S.a.s.	154		146	
Holpaf BV	2,984		2,255	
User license contract "ROGER VIVIER"				
Gousson - Consultadoria & Mark. Lda	878	6,284	1,276	6,858
User license contr. "TOD'S" and "HOGAN" (glasses)				
Marcolin S.p.a.	586	141		
Adverting services				
Forma Pura S.r.l.	2,555	32	1,132	
Total	9,248	7,244	7,052	8,170

iii Commercial transactions with other related entities – receivables and payables

(in Euro 000's)	09.30.09 Receivables	09.30.09 Payables	09.30.08 Receivables	09.30.08 Payables
Roger Vivier Paris S.a.s	666		358	65
Immobiliare De.Im. S.r.l.		625		184
Difran S.a.s.				178
Holpaf BV		7		
Gousson - Consultadoria & Mark. Lda	6,261	306	6,877	2,087
Marcolin S.p.a.	152	390		
Forma Pura S.r.l.	4	832		281
Total	7,083	2,160	7,235	2,795

Milan, November 11th, 2009

The Cairman of the Board of Directors
Diego Della Valle

Declaration pursuant to Article 154bis(2) of the Consolidated Law on Financial Intermediation

The manager charged with preparing the company's financial reports certifies, pursuant to Article 154bis(2) of the Consolidated Law on Financial Intermediation, that the accounting information presented in this document corresponds to the accounting documents, books, and ledger entries.

The manager charged with preparing the company's financial reports
Rodolfo Ubaldi