

TOD

TOD'S Group

D'S

IAS/IFRS Consolidated Quarterly Report
(January 1ST - March 31ST, 2007)

Group

TABLE OF CONTENTS

Company data	3
Corporate Governance bodies	4
TOD'S Group as of March 31 st , 2007	5
Group organizational chart	6
Distribution network as of March 31 st , 2007	7
Key consolidated financial figures	11
Report on operation.....	15
Introduction	16
Group brands.....	16
Group results for the period January-March 2007	17
Significant events occurring after the end of the period	23
Business outlook	24
Financial statements	25
Profit & Loss.....	26
Balance Sheet.....	27
Funds Flow statement.....	29
Consolidated statement of changes in equity	30
Supplementary notes	31
1. General notes.....	32
2. Accounting policies	32
3. Seasonal or cyclical nature of interim transactions.....	33
4. Scope of consolidation	34
5. Segment reporting.....	35
6. Earnings per share.....	36
7. Dividends.....	37
8. Share capital	37
9. Transactions with related parties	37

Company data

Registered office

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

Legal data Parent Company

Share capital resolved Euro 64.000.000
Share capital subscribed and paid Euro 60.803.760
Fiscal Code and registration number on Company Register of Court of Ascoli Piceno: 01113570442
Registered with the Chamber of Commerce of Ascoli Piceno under n. 114030 R.E.A.

Offices and Show rooms

Dusseldorf – Kaistrasse, 2
Hong Kong – Three Pacific Place, 1 Queen's Road East
Londra – Old Bond Street, 16
Milano - Corso Venezia, 30
Milano - Via Savona, 56
Milano - Via Serbelloni 1-4
Milano - Via della Spiga, 22
Milano - Viale Montenero 63
New York - 450, West 15th Street
Parigi – Rue Royale, 20
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	
Executive Committee	Diego Della Valle	Chairman
	Andrea Della Valle	
	Fabrizio Della Valle	
	Emilio Macellari	
	Stefano Sincini	
Compensation Committee	Luigi Abete	Chairman
	Luigi Cambri	
	Pierfrancesco Saviotti	
Internal Control & Corporate Governance Committee	Maurizio Boscarato	Chairman
	Luigi Cambri	
	Pierfrancesco Saviotti	
Board of Statutory Auditors (2)	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.	

(1) Term of the office: 2006-2008 (resolution of the Shareholders' meeting as of April 28th, 2006)

(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 as of March 31st, 2007

TOD'S S.p.a.

Parent Company, owner of the Tod's, Hogan and Fay brands and licensee of the Roger Vivier and Derek Lam brands (*).

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 Korea Inc.

Company that promotes products in Korea

TOD'S Luxembourg S.A.

Company that operates DOS in Luxembourg.

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 Japan KK

Company that operates DOS in Japan.

TOD'S Saint Barth Sas

Company that operates DOS in Saint Barth.

TOD'S Singapore Pte Ltd

Company that operates DOS Singapore.

TOD'S UK Ltd

Company that operates DOS in Great Britain.

Webcover Ltd

Company that operates DOS in Great Britain.

Cal.Del. Usa Inc.

Company that operates DOS in California (USA).

Colo. Del. Usa Inc.

Company that operates DOS in Colorado (USA).

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 Hawaii (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).

Sandel SA

Production Company.

Un.Del. Kft

Production Company





(*). Shoes, leather goods, and accessory line

Group organizational chart

Parent Company TOD'S S.p.a.

100%	100%	1%	10%	1,63%
TOD'S Deutschland Gmbh Dusseldorf - Germany S.C. - Euro 153,387.56	TOD'S France Sas Paris - France S.C. - Euro 780,000	TOD'S Honk Kong Ltd Hong Kong S.C. - Usd 50,000	Un.Del Kft Tata - Hungary S.C. - Huf 42,900,000	Polimoda S.r.l. ⁽¹⁾ Firenze - Italy S.C. - Euro 588,000
100%	100%	100%	100%	100%
An.Del. USA Inc. New York U.S.A. S.C. - Usd 3,700,000	Cal.Del. USA Inc. Beverly Hills, Ca U.S.A. S.C. - Usd 10,000	Colo.Del. USA Inc. Denver, Co U.S.A. S.C. - Usd 10,000	Deva Inc. Wilmington, DE U.S.A. S.C. - Usd 500,000	Flor.Del. USA Inc. Tallahassee, Fl U.S.A. S.C. - Usd 10,000
	100%	100%	100%	100%
	Hono.Del. Inc. Honolulu, Hi U.S.A. S.C. - Usd 10,000	Il.Del. USA Inc. Springfield, Il U.S.A. S.C. - Usd 10,000	Neva.Del. Inc. Carson City, Nv U.S.A. S.C. - Usd 10,000	Or.Del. USA Inc. Sacramento, Ca U.S.A. S.C. - Usd 10,000
100%	100%	100%	100%	100%
TOD'S International BV Amsterdam - Olanda S.C. - Euro 2,600,200	Gen.Del SA Ginevra - Switzerland S.C. - Chf 200,000	Sandel SA San Marino S.C. - Euro 258,000	TOD'S Belgique S.p.r.l. Bruxelles - Belgium S.C. - Euro 300,000	TOD'S Espana SL Madrid - Spain S.C. - Euro 468,539.77
	99%	100%	100%	100%
	TOD'S Hong Kong Ltd Hong Kong S.C. - Usd 50,000	TOD'S Japan KK Tokio - Japan S.C. - Jpy 100,000,000	TOD'S Korea Inc Seoul S.C. Won 100,000,000	TOD'S Saint Barth Sas Saint Barthélemy S.C. - Euro 500,000
	100	90%	100%	50%
	TOD'S Singapore Ltd. Singapore S.C. - Sgd 300,000	Un.Del Kft Tata - Hungary S.C. - Huf 42,900,000	TOD'S UK Ltd London - Great Britain S.C. - Gbp 350,000	Webcover Ltd London - Great Britain S.C. - Gbp 1,000
	50%			
	TOD'S Luxembourg S.A. Luxembourg S.C. Euro 31,000			
100%	100%	100%	100%	100%
Del.Com S.r.l. S.Elpidio a Mare - Italy S.C. - Euro 31,200	Deva Mode S.r.l. S.Elpidio a Mare - Italy S.C. - Euro 50,000	Spiga 22 S.r.l. S.Elpidio a Mare - Italy S.C. - Euro 50,000	Via Roma 40 S.r.l. S.Elpidio a Mare - Italy S.C. - Euro 50,000	Re.Se.Del. S.r.l. S.Elpidio a Mare - Italy S.C. - Euro 25,000
	50%	50%		
	Del.Pav. S.r.l. S.Elpidio a Mare - Italy S.C. - Euro 50,000	Filangieri 29 S.r.l. Napoli - Italy S.C. - Euro 100,000		
100%	100%	100%	100%	100%
Dos Shangay ⁽¹⁾ Cina	Dos Shangay ⁽¹⁾ China	Dos Pechino ⁽¹⁾ China	Dos Hangzhou ⁽¹⁾ China	Dos Chengdu ⁽¹⁾ China

Legenda

	Direct control relationship
	First level control relationship
	Second level control relationship
	Special Purpose Entities

⁽¹⁾ Company not included in scope of consolidation

Distribution network as of March 31st, 2007

DOS in Italy

Bari
Via Sparano, 45
Bergamo
Via XX Settembre, 87
Bologna
Galleria Cavour, 2/l
Bologna
Galleria Cavour, 2/r
Bolzano
Via della Mostra, 1
Brescia
Via Palestro, 11
Cagliari
Piazza Costituzione, 12
Capri
Piazza Umberto I, 8
Firenze
Via Tornabuoni, 97/r
Firenze
Via Tornabuoni, 103/r
Forte dei Marmi
Piazza Garibaldi, 5
Genova
Via Roma, 40/42/44
Leccio Reggello(1)
The Mall
Via Europa, 2
Milano
Via della Spiga, 22
Milano
Via della Spiga, 15
Milano
Corso Vercelli, 8
Milano
Via Montenapoleone, 23
Milano
Galleria Vittorio Emanuele II
Napoli
Via Filangieri 28/33
Napoli
Via Filangieri 28/33
Padova
Piazza Garibaldi,4
Palermo
Via della Libertà, 10/a
Parma
Strada della Repubblica 26
Porto Cervo
Passeggiata
Porto Cervo
Passeggiata

Roma
Via Fontanella Borghese, 56/57
Roma
Via Borgognona, 45/46
S. Elpidio a Mare (1)
Via Filippo Della Valle
Treviso
Via XX Settembre, 1
Udine
Piazza Matteotti, 10
Varese
Corso Matteotti, 33
Venezia
Calle XXII Marzo, 2251
Vicenza
Corso Palladio, 59
Verona
Via Mazzini, 38

DOS in Europe

Amburgo
Neuer Wall, 41
Amsterdam
PC Hoofstraat, 74
Berlino
Kurfuerstendamm 52
Bicester (1)
Pingle Drive, 50
Bruxelles
Blvd. de Waterloo, 46
Duesseldorf
Königsallee, 12
Duesseldorf
Königsallee, 30
Francoforte
Goethestrasse, 31/33
Ginevra
Rue du Rhone, 108/110
Kampen
Stroenwai
Londra
Sloane Street, 35
Londra
Sloane Street, 10
Londra
Old Bond Street, 2-5
Londra
Sloane Street, 118
Lussemburgo
4, Avenue de la Porte Neuve L
Madrid
Calle Ortega y Gasset, 17

Monaco
Maximilianstrasse, 21
Parigi
Rue du Faubourg St.Honoré, 52
Parigi
Rue du Faubourg St.Honoré, 17/21
Parigi
Rue de Grenelle
Parigi
Au Bon Marché "1"
Rue de Sèvres, 24
Parigi
Au Bon Marché "2"
Rue de Sèvres, 24
Parigi
Franck & Fils
Av. Paul Doumer, 91
Parigi
Le Printemps
Blvd. Haussmann, 64
Parigi
Le Printemps "3"
Blvd. Haussmann, 64
Parigi
Gall. La Fayette "1"
Blvd. Haussmann, 40
Parigi
Gall. La Fayette "2"
Blvd. Haussmann, 40
Saint Tropez
Rue Sibilly, 6
Saint Tropez
Place de la Garonne, 6
Saint Moritz
Badrutt's Palace
Zurigo
Bahnhofstrasse, 32

DOS in Usa

Cabazon (1)
48400 Seminole Drive,
Suite 502
Chicago
980 North Michigan Av.
Costa Mesa
3333 Bristol Street, Suite
2401 - S.Coast Plaza
Honolulu
2120 Kalakaua Avenue
Las Vegas
The Forum Shops, Suite 2
3500 Las Vegas Blvd.
South

Las Vegas (1)
32100 Las Vegas Blvd.
South, Suite 216 - Primm
Los Angeles
333 North Rodeo Drive
Miami
Bal Harbour Shops
9700 Collins Avenue
Bal Harbour
New York
650 Madison Avenue
New York
134 Spring Street
New York
750 Madison Avenue
Orlando (1)
8200 Vineland Av, Suite
1149
San José
334 Santana Row, Suite
1095
Woodbury (1)
308 Red Apple
Central Valley

DOS in Far East

Chiba
Sogo Dept.Store
1000 Shinmachi Chuo-ku,
Chiba City
Fukuoka
Mitsukoshi
2-1-1 Tenjin-Chuo-Ku
Gotemba (1)
2410 Premium Outlet
1312 Fukasawa, Gotemba,
Shizuoka Pre.
Hiroshima
Tenmaya
5-22 Ebisu-Cho-Naka-Ku
Hong Kong
Pacific Place Admiralty 1
Hong Kong
Pacific Place Admiralty 2
Hong Kong
The Landmark Central 1
Hong Kong
The Landmark Central 2
Hong Kong
Lee Garden Two
Hong Kong
Harbour City – Canton
Road

To be continued.....

Hong Kong

Harbour City, G309
Ground Floor, Gateway
Arcade

Kanazawa

Maiatoria Kanazawa
Korinbo 1F, 2-4-
3, Korinbo, Ishikawa

Kyoto

Takashimaya
2F, 52 Nishiiruchincho
Kawaramachi, Shijodoori, Shi
mogyo-ku

Kobe

Daimaru
40 Akashi-Machi, Chuo-Ku

Kobe

Daimaru
40, Akashi-Cho, Chuo-ku,
Hyogo-Ken

Nagoya

Matsuzakaya
16-1 Sakae 3-Chome,
Naka-Ku

Nagoya

Matsuzakaya
3-16-1 Sakae, Naka-Ku

Nagoya

368, Urayasu, Nagashima-
cho, Kuwana-shi, Mie-ken

Osaka

Daimaru
1-7-1 Shinsaibashi Suji,
Chuo-Ku

Osaka

Hankyu
8-7 Kakudacho, Kita-Ku

Osaka

Hankyu
8-7 Kakudacho, Kita-Ku

Sapporo

Marui Imai
2-11 Minami Ichi-Jo,
Chuo-Ku

Singapore

Paragon Unit 01-43/44
290 Orchard Road

Singapore

Takashimaya
391 Orchard Road

Singapore

Shop 1/07 Paragon 290-
300 Orchard Road Tokyo

Tokyo

5-1-5 jingumae
Shibuya-Ku

Tokyo

Shibuya Seibu
21-1 Udagawa-Cho,
Shibuya-Ku

Tokyo

Ginza Matsuzakaya
6-10-1 Ginza, Chuo-Ku

Tokyo

Isetan
3-14-1 Shinjuku, Shinjuku-
Ku (1)

Tokyo

Isetan
3-14-1 Shinjuku, Shinjuku-
Ku (2)

Tokyo

Isetan
3-14-1 Shinjuku, Shinjuku-
Ku (3)

Tokyo

Isetan
3-14-1 Shinjuku, Shinjuku-
Ku (4)

Tokyo

Tamagawa Takashimaya
3-17-1 Tamagawa
Setagaya-Ku

Tokyo

Takashimaya
2-4-1 Nihonbashi Chuo-
Ku

Tokyo

Shibuya Seibu
B-Building 2F, 21-1
Udagawa-cho, Shibuya-Ku

Tokyo

Maronouchi
3-1-1 Kokusai Building, 1F
Maronouchi Chiyoda Ward

Yokohama Sogo

Takashimaya
Takashima 2-18-1, Nishi-
Ku

DOS in Rest of World

Saint Barthélemy

Rue de la Republique
Cours Vendome Gustavia

Franchised stores in Italy

Capri

Via Camerelle, 51/a

Capri

Via Camerelle, 53

Caserta

Via Mazzini, 40

Genova

Via XXV Aprile, 47/49

Lecce

Via S. Trinchese, 46

Monza

Via Italia, 39

Napoli

Via Calabritto, 3

Pavia

Via Strada Nuova, 72

Santa Margherita di Pula
Forte Village Resort

Franchised stores in Europe

Atene

Voukourestiou, 13

Istanbul

Abdi Ipekci 14/1

Nisantasi

Londra

Heatrow Airport

Mosca

Tretjakovsky Proezd, 1

Mosca

Tsum Department

Petrovska, 2

Mosca

Barvikha Luxury Village

Rublevo Uspenskoye

Shosse d.114 str. 2

Franchised stores in Far East

Bangkok

The Emporium Shopping
Complex

622 Sukhumvit Road

Klongton, Klongtoey

Bangkok

Siam Paragon Shopping

Center

991 Rama rd. Pathumwan

Bangkok

Airport, 8 King Power

Complex Rangnam rd,

Kewang Thanon-Phayathai

Ratchathewi

Beijing

China World Shopping

Mall

1 Jian Guo Men Wai

Avenue

Chengdu

Chengdu City, Shop #

1005, 1/F, No.31

Zongfu Road, Jinjiang

District, Sichuan

Cheju

Hotel Lotte Duty Free

2812-4 Saekdal-Dong

Guam

1296 Pales San Vitores
Road, Tumon

Hangzhou

Hangzhou Tower

Shopping Centre

No. 1 Wulin Square

Hangzhou Zhejiang

Jakarta

Plaza Indonesia 1st floor

n.8

MH Thamrin

Jakarta

Plaza Senayan

Jl. Asia Afrika n.8 Senayan

Kuala Lumpur

G07A, Ground Floor,

Suria KLCC

Kuala Lumpur City Centre

Manila

Ground Floor, Greenbelt

4

Ayala Center, Makati City

Okinawa

4-1 Omoromachi

Naha-City

Pusan

Hotel Lotte Duty Free

503-15 Pujeon-Dong,

Pusankin-KU

Pusan

Hyundai Pusan 1/Floor

62-5 Beomil-Dong Dong-

Gu

Pusan

Paradise Global DF

1128-78, Joong-Dong,

Haeundae-Gu

Seoul

Hotel Lotte Duty Free

Sogong-Dong, Chung-Ku

Seoul

Lotte World Duty Free

40-1, Jamsil-Dong

Songpa-Gu

Seoul

429 Apkujung-Dong

Kangnam-Gu

Seoul

Hyundai Department

Store

159-7 Samsung-Dong

Seoul

Walker Hill DFS

21 Gwangjang-Dong

Gwangjin-gu

continua.....

Seoul

The Shilla DFS
1F, 202 Jangchung-dong 2-
ga, Jung-gu

Seoul

Galleria Department
Store Luxury Hall West
494, Apkujung-Dong
Kangnam-Gu

Seoul

Hyunday Department
Store "1"
Mok-Dong – Yangchun-Gu

Seoul

Hyunday Department
Store "2"
Mok-Dong – Yangchun-Gu

Seoul

Hyunday Coex
Sam Sung Dong, Kang-Gu

Shanghai

1266 Nan Jing Xi Lu

Shanghai

Orient Shopping Centre
1st Floor, No. 8 Caoxi
Road (North)

Shanghai

SHOP 210A
Plaza 66, 1266 NanjingXi
Road

Shenyang

Unit 19, level 1, n. 2

New World Department
Store

Nan Jing Street

Shenzhen

Seibu Futien, Shennan
Road Central
1009 1st floor, CI Area

Singapore

Unit 026-091, Lunge
North, 2nd Floor,
Terminal 2, Changi
Airport

Taipei

Mitsukoshi Tienmu
1F Building B 200, Zhong
Cheng Road, Sec 2

Taipei

Regent Galleries
Chung Shan North Road

Taipei

Taipei Airport
n.289, Shin-hu 2nd Road,
Nei-hu District,

Taipei

1F, No. 300, Section 3,
Zhongxiao East Road

Taipei

1F, no. 300, Sec.3,
Zhongxiao East Road

Taipei

Breeze Center

BI NO 39, Sec I, Fushing
South Road

Taipei

Mitsukoshi Tienmu
1F Building B 200, Zhong
Cheng Road, Sec 2

Taipei

A4 Hsing Yi Mitsukoshi I/F
19 SungKao Road

Taipei

Shin Kong Mitsukoshi
1F no. 111, chung Kang
Road Sec. 2, Taichung

Taipei

CKS International
Airport, Terminal 2, No
9, Hang-Jhan S. Rd,
Dayuan

Xian

Zhongda International
Mansion
AG05 Grand floor, 30

**Franchised stores in
Middle East**

Beirut

Foch Street Marfa, 142

Dubai

Bur Juman Centre

Dubai

Mall of the Emirates "1"
1st Floor

Dubai

Mall of the Emirates "2"
1st Floor

Dubai

Marina Mall
Ras Al Akhdar

Kuwait City

Salhiya Commercial
Complex

Jeddah

Al Khayyat Commercial
Center
Tahlia St., Al Andalus
District

(1) Outlet

DOS, 2007 new openings

Italy

Parma

Strada della Repubblica 26

Usa

New York

750 Madison Avenue

Far East

Hong Kong

Harbour City, G309
Ground Floor, Gateway
Arcade

Kanazawa

Maiatoria Kanazawa
Korinbo 1F, 2-4-
3, Korinbo, Ishikawa

Kyoto

Takashimaya
2F,52 Nishiiruchincho
Kawaramachi,Shijodoori,Shi
mogyo-ku

Tokyo

Shibuya Seibu
B-Building 2F, 21-1
Udagawa-cho, Shibuya-Ku

Tokyo

Maronouchi
3-1-1 Kokusai Building, 1F
Maronouchi Chiyoda Ward

Franchised stores, 2007 new openings

Far East

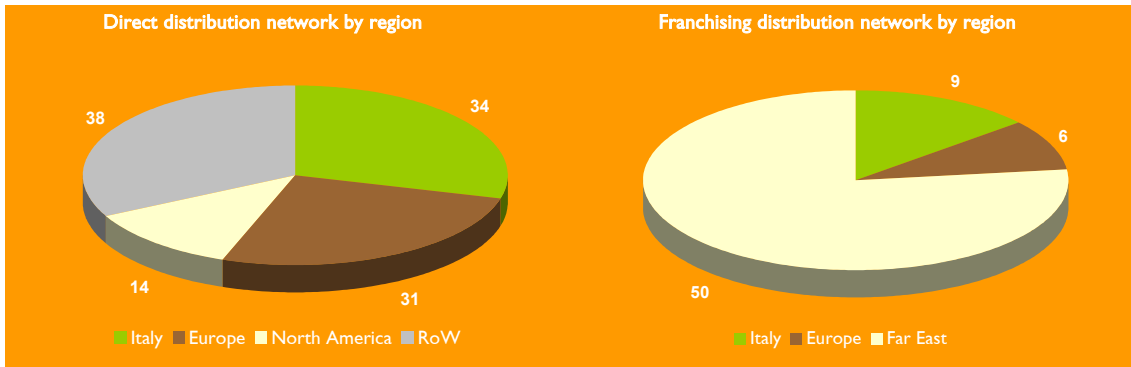
Singapore

Unit 026-091, Lunge
North, 2nd Floor,
Terminal 2, Changi
Airport

Taipei

CKS International
Airport, Terminal 2, No
9, Hang-Jhan S. Rd,
Dayuan

Distribution network by region

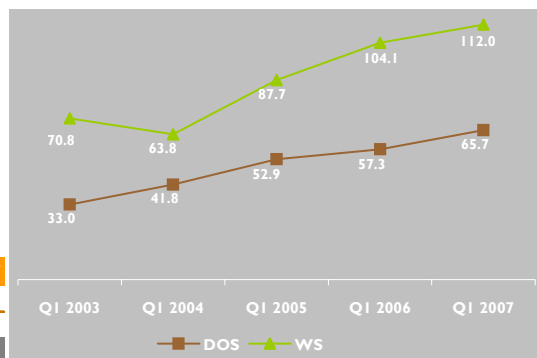


Key consolidated financial figures

Profit & loss key figures (in Euro mn)		Q1 2007	Q1 2006	Q1 2005	Q1 2004	Q1 2003
FY 06						
573.0	Revenues	177.7	161.4	140.6	105.6	103.8
137.5	EBITDA	40.5	38.2	30.0		
113.7	EBIT	34.5	32.3	24.4		
66.8	Consolidated net income	20.6	19.1	14.8		

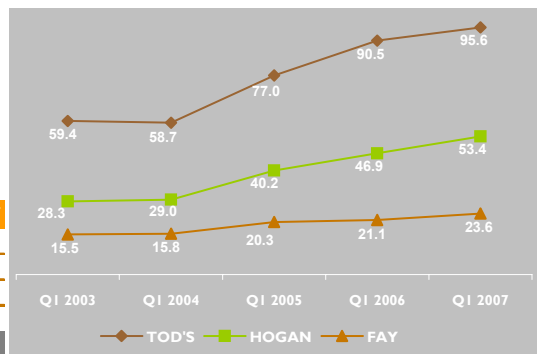
Consolidated sales by distribution channel (in euro mn)

	Q1 2003	Q1 2004	Q1 2005	Q1 2006	Q1 2007
DOS	33.0	41.8	52.9	57.3	65.7
WS	70.8	63.8	87.7	104.1	112.0
Total	103.8	105.6	140.6	161.4	177.7



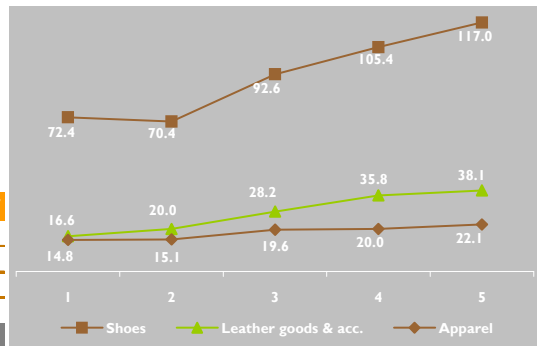
Consolidated sales by brand (in Euro mn)

	Q1 2003	Q1 2004	Q1 2005	Q1 2006	Q1 2007
TOD'S	59.4	58.7	77.0	90.5	95.6
HOGAN	28.3	29.0	40.2	46.9	53.4
FAY	15.5	15.8	20.3	21.1	23.6
Other	0.6	2.1	3.1	2.9	5.1
Total	103.8	105.6	140.6	161.4	177.7



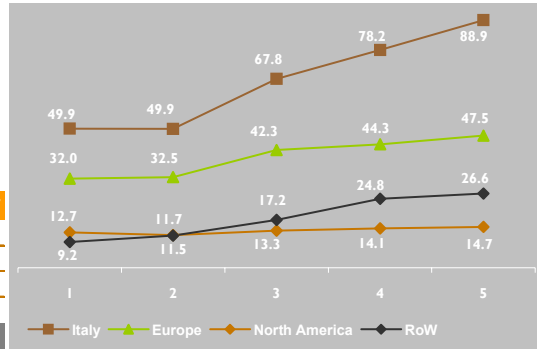
Consolidated sales by product (in euro mn)

	Q1 2003	Q1 2004	Q1 2005	Q1 2006	Q1 2007
Shoes	72.4	70.4	92.6	105.4	117.0
Leather goods & acc.	16.6	20.0	28.2	35.8	38.1
Apparel	14.8	15.1	19.6	20.0	22.1
Other		0.1	0.2	0.2	0.5
Total	103.8	105.6	140.6	161.4	177.7

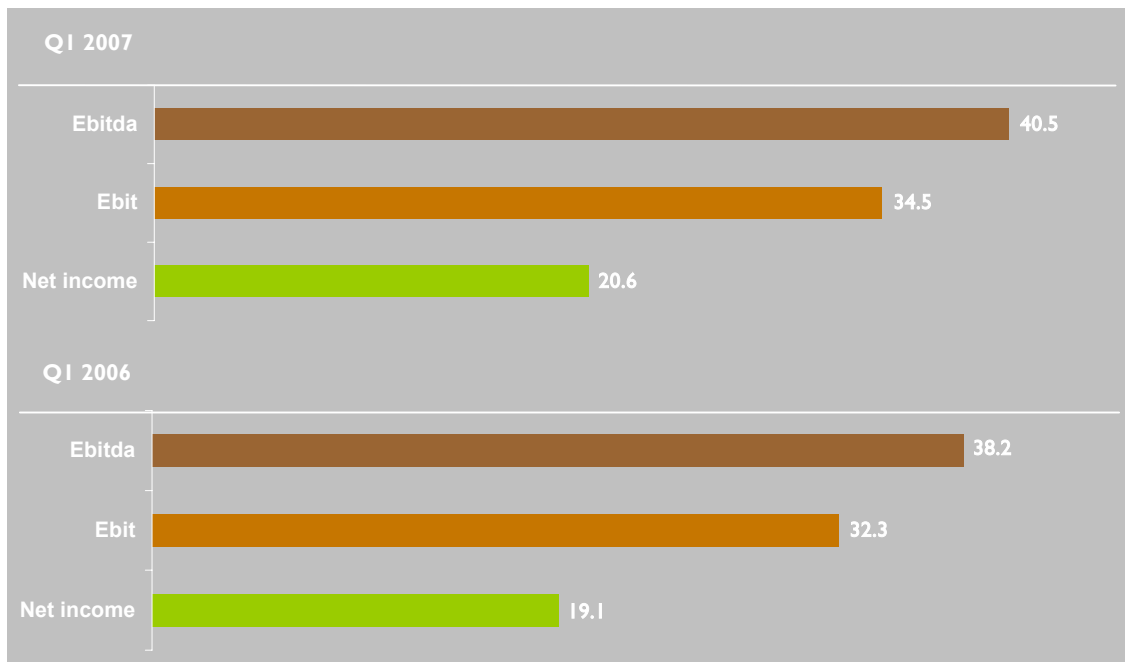


Consolidated sales by region (in euro mn)

	Q1 2003	Q1 2004	Q1 2005	Q1 2006	Q1 2007
Italy	49.9	49.9	67.8	78.2	88.9
Europe	32.0	32.5	42.3	44.3	47.5
North America	12.7	11.7	13.3	14.1	14.7
RoW	9.2	11.5	17.2	24.8	26.6
Total	103.8	105.6	140.6	161.4	177.7



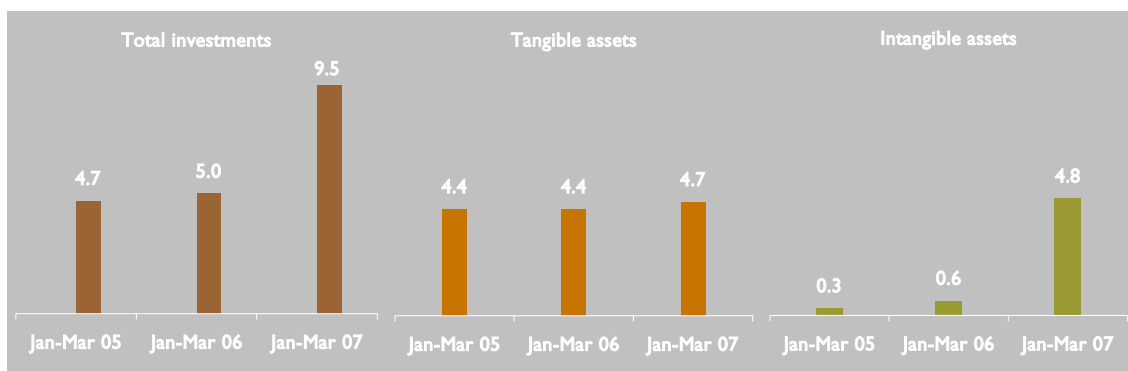
Operating results (in Euro mn)



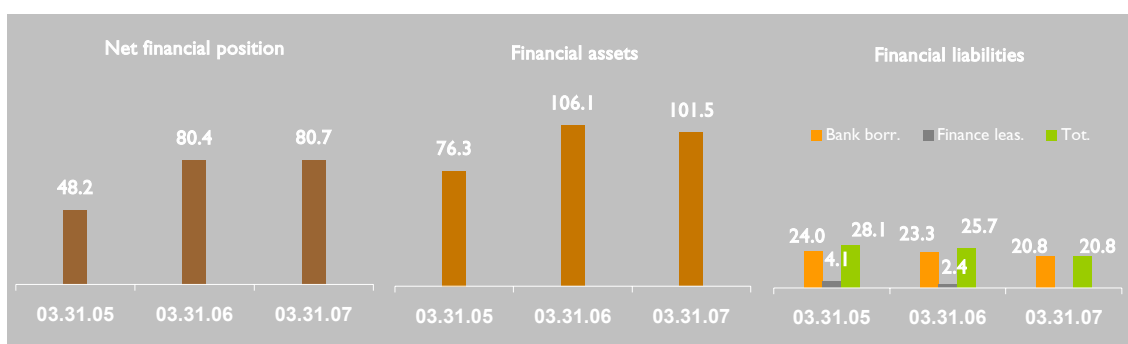
Key Balance Sheet figures (in Euro mn)

	03.31.07	12.31.06	03.31.06
Net working capital	281.4	262.0	237.7
Net fixed capital (tangible and intangible assets)	285.8	282.8	278.3
Consolidated Shareholders' equity	544.5	522.9	497.5
Net financial position	80.7	90.6	80.4
Cash flow from operation	(0.1)	46.9	(10.7)
Capital expenditures	9.5	30.5	5.0

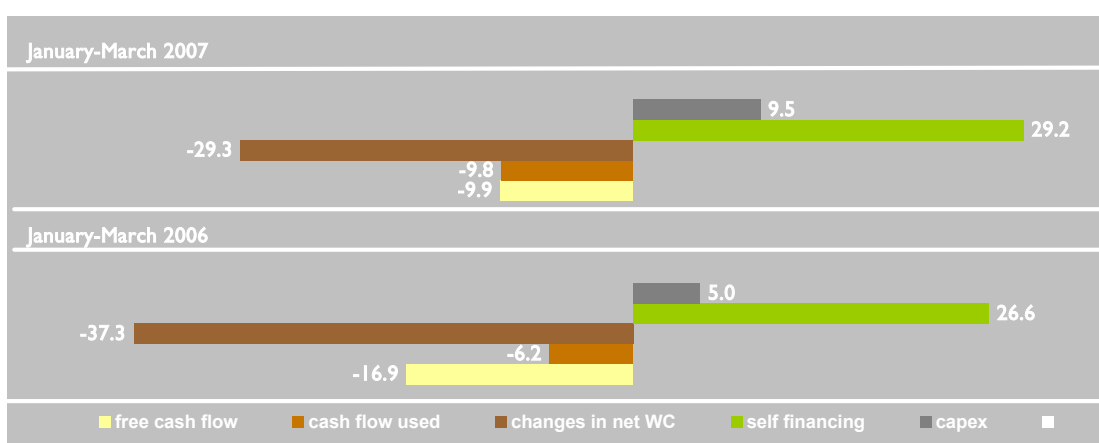
Gross investments in fixed assets (in Euro mn)



Net financial position (in Euro mn)



Cash flow statement (in Euro mn)



Principal stock market indicators (in Euro)

Official price at 01.02.2007	61.83
Official price at 03.30.2007	65.27
Minimum price in 2007	60.62
Maximum price in 2007	68.44
Market capitalization at 01.02.2007	1,879,748,240
Market capitalization at 03.30.2007	1,984,330,708
Dividend per share 2006	1.25
Dividend per share 2005	1.00
Average number of outstanding shares	30,401,880

Stock performance in 2007



Earning per share (in Euro)	Q1 2007	Q1 2006	Q1 2005
Basic earning per share	0.68	0.64	0.49
Diluted basic earning per share	0.65	0.61	0.48

The group employees	03.31.07	12.31.06	03.31.06
Year to date	2,388	2,280	2,202

TOD'S

TOD'S Group

D'S

Report on operation

Group

Introduction

The Report of the Board of Directors is based on the summary interim consolidated financial statements of the TOD'S Group at March 31st, 2007, prepared in accordance with IAS/IFRS (*International Accounting Standards – IAS – and International Financial Reporting Standards – IFRS*) issued by the IASB approved by the European Union at the same date. The Report must be read together with the Financial Statements and Notes to the Financial Statements.

The Quarterly Report at March 31st, 2007 was approved by the Board of Directors of TOD'S S.p.a. on May 14th, 2007, when its publication was authorised. It was not audited by the independent auditor Deloitte & Touche S.p.a.

Group brands



The TOD'S brand marks luxury quality shoes and leather goods. From the very beginning, it has been characterized by models that became cult items of contemporary style. It represents the perfect combination of tradition, high quality, and modernity on the luxury accessory market.

Every product is handmade by highly skilled craftsmen. After numerous stages of production and inspections, it becomes an exclusive, recognizable, ultra-modern, and functional object. Some products, such as the *Driving Shoe* or the *D-Bag*, beloved by celebrities and famous people worldwide, have become legendary, heralding a new style of elegance for men and women.



Originally reserved for shoes (women's, men's, and more recently, children's), this brand has recently been extended to leather goods as well. The HOGAN brand is characterized by the high quality, design, and functionality of its products.

All products are the result of high design standards and created with a true obsession for perfection and detail. HOGAN products are the highest expression of new luxury as a lifestyle. HOGAN was conceived for consumers who place a premium on product excellence, distinctive design (that is always innovative), and great utility. The products are created using innovative

design techniques combined with manual workmanship of top quality materials. Certain models still merit the “best sold” appellation, such as the *Traditional* or *Interactive*.

Fay

This brand marks a quality apparel line that stands out not only for the know-how represented by the label but also the technical treatment of fabrics, obsession for detail, and extreme functionality of the items, which are distinguished by their excellent combination of style and quality. FAY products are characterized by the fact that they can be worn anywhere: from the stadium to the office, from the city to the countryside. The line, which includes a men’s, women’s, and children’s collection every season, is focused on “basic” models for men that have firmly established themselves on the market and are continuously updated, and on new items that simultaneously embody innovation and recognisability.

Group results for the period January-March 2007

The positive results reported in 2006 were confirmed in Q1 2007. Although the analysis of financial figures for individual quarters, especially the first quarter of the year, is not perfectly indicative, but since reference must be made to some basis for comparison, Q1 2006, which was absolutely challenging, Q1 2007 shows strong growth by all earnings figures.

Group revenues continued to grow at a double-digit rate, rising by over 10%, from Euro 161.4 million in Q1 2006 to Euro 177.7 million in Q1 2007, notwithstanding constant appreciation of the Euro (if the same average exchange rates of 2006 were used, revenues totalled Euro 179.9 million, or +11.4% from Q1 2006). EBITDA was Euro 40.5 million, while EBIT was Euro 34.5 million.

Year 06	(In Euro 000's) Principal economic indicators	Q1 2007	Q1 2006	Change	%
573,013	Sales revenues	177,738	161,431	16,307	10.1
137,474	EBITDA	40,460	38,163	2,297	6.0
(23,735)	Deprec., amort., writedowns and advances	(5,999)	(5,817)	(182)	3.1
113,739	EBIT	34,461	32,346	2,115	6.5
113,176	Pre-tax	34,776	32,279	2,497	7.7
66,816	Consolidated net income	20,554	19,110	1,444	7.6
24.0	EBITDA %	22.8	23.6		
19.8	EBIT %	19.4	20.0		

<i>(In Euro 000's)</i>				
03.31.06	<i>Principal Balance Sheet Indicators</i>	03.31.07	12.31.06	Change
158,092	Net working capital (*)	200,144	164,206	35,938
278,267	Non-current assets	285,848	282,805	3,043
(19,295)	Current assets	(23,257)	(15,712)	(7,545)
	Net assets held for sale	1,039	1,050	(11)
417,064	Invested capital	463,774	432,349	31,425
80,438	Net financial position	80,689	90,573	(9,884)
497,502	Shareholders' equity	544,463	522,922	44,421
4,959	Capital expenditures	9,461	30,504	
(11,651)	Cash flow from operations	(55)	46,940	
(16,862)	Free cash flow	(9,918)	(8,128)	

(*) Trade receivables + inventories – trade payables

Revenues. As previously mentioned, wholesale sales dominate revenues in the first quarter of the year, considering the fact that sales through the DOS channel, especially those for the spring-summer collection, are concentrated in the second quarter.

The comparison of wholesale revenues for the summer collection between Q1 2006 and Q1 2007 reflects the different timing of deliveries, since some of them were made in December, given the different stages of industrial output.

<i>(In Euro 000's)</i>							
Year 06	%		Q1 2007	%	Q1 2006	%	Change
By Distribution channel							
283,212	49.4	DOS	65,712	37.0	57,337	35.5	8,375
289,801	50.6	Third parties	112,026	63.0	104,094	64.5	7,932
573,013	100.0	Total	177,738	100.0	161,431	100.0	16,307
By brand							
326,385	57.0	TOD'S	95,621	53.8	90,547	56.1	5,074
155,487	27.1	HOGAN	53,413	30.0	46,898	29.0	6,515
82,388	14.4	FAY	23,598	13.3	21,081	13.1	2,517
6,505	1.1	ROGER VIVIER	3,731	2.1	1,808	1.1	1,923
2,248	0.4	Other	1,375	0.8	1,097	0.7	278
573,013	100.0	Total	177,738	100.0	161,431	100.0	16,307

<i>(In Euro 000's)</i>									
Year 06	%		Q1 2007	%	Q1 2006	%	Change	%	
By Product									
357,465	62.4	Shoes	116,987	65.8	105,395	65.3	11,592	11.0	
133,526	23.3	Leather goods and accessories	38,144	21.5	35,796	22.2	2,348	6.6	
80,958	14.1	Apparel	22,076	12.4	20,065	12.4	2,011	10.0	
1,064	0.2	Other sales	531	0.3	175	0.1	356	203.4	
573,013	100.0	Total	177,738	100.0	161,431	100.0	16,307	10.1	

By Region									
279,553	48.8	Italy	88,938	50.0	78,193	48.4	10,745	13.7	
145,378	25.3	Europe	47,476	26.7	44,322	27.5	3,154	7.1	
59,986	10.5	North America	14,755	8.3	14,104	8.7	651	4.6	
88,096	15.4	Rest of World	26,569	15.0	24,812	15.4	1,757	7.1	
573,013	100.0	Total	177,738	100.0	161,431	100.0	16,307	10.1	

In this context, the revenues generated by other customers grew by 7.6% overall. This result was particularly significant, considering the factors just mentioned and the challenging basis of comparison represented by Q1 2006. In Q1 2007 two franchised stores were opened, compared with six new openings in Q1 2006. These new stores brought the total of franchised stores to 65 at March 31st, 2007.

The volume of revenues generated by the DOS network was particularly significant. In the period considered, they rose by 14.6% due to the contribution made by the new store openings (seven new DOS were opened during the quarter, mainly in Japan, which brought the total of directly operated stores to 117) and, especially the strong organic growth in sales. The Same Store Sales Growth (SSSG) figure, calculated as the worldwide average of growth rates for revenues reported by the DOS existing at January 1st, 2006, was 10.1% for the period January 1st – March 31st, 2007.

All Group brands grew at strong rates. In percentage terms, considering the different basis of comparison, the figure for the ROGER VIVIER brand was very important. It confirmed the expectation of continued extraordinary growth in 2007. Sales rose by 106.4% in Q1 2007, confirming the brand's enormous growth potential. It is destined to become a benchmark in the exclusive luxury goods sector. At March 31st, 2007, Roger Vivier accounted for 2.1% of Group revenues.

Tod's brand revenues rose by 5.6% in Q1 2007 and accounted for 53.8% of consolidated revenues at March 31st, 2007.

The Hogan and Fay brands produced excellent results (with the latter brand reporting the expected growth rate over the previous year). Their revenues rose by 13.9% and 11.9% respectively in Q1 2007, and at March 31st, 2007 accounted for 30.0% and 13.3%, respectively, of Group revenues.

The analysis of revenues by merchandise category provides further confirmation for the shoe sector, which continues to post growth rates that are sharply higher than the sector average. It grew by 11% in Q1 2007, with revenues rising to Euro 95.6 million. This category represents 65.8% of consolidated revenues at March 31st, 2007.

Leather goods and accessory revenues reported what was merely an apparent slowdown in revenue growth from the brilliant performance reported in previous periods (they had grown by 27% in Q1 2006). Revenues during the period were significantly impacted by the different timing of deliveries when compared with the previous year. With revenues of Euro 38.1 million, the leather goods and accessories sector accounts for 21.5% of consolidated revenues at March 31st, 2007, in line with the corresponding figure for the previous year.

Apparel revenues rose by 10% in Q1 2007, reflecting the performance of Fay brand revenues, and account for 12.4% of Group revenues at March 31st, 2007.

All markets grew in general at the regional level. Italy reported excellent results: at March 31st, 2007, this market accounted for half of consolidated revenues, growing by 13.7% in Q1 2007, benefiting from the excellent results reported by all Group brands.

In the rest of Europe, an area that accounts for 26.7% of Group sales at March 31st, 2007, healthy growth in revenues was reported, with growth totalling 7.1%.

Confirmation also comes from the American market, where the acceleration in sales reported in the last several months of 2006 continued. Growth on a comparable exchange rate basis was 10% in Q1 2007, even if the impact of the strong Euro reduced this value to 4.6% at current exchange rates. At March 31st, 2007 this market accounted for 8.3% of consolidated revenues, and offered major growth potential.

Revenues on Asian markets, which represent 15% of Group revenues, and reported aggregate growth of 7.1%, or 12.6% at current exchange rates, increased largely due to the excellent results realized in Southeast Asia.

Operating results. As briefly mentioned during presentation of the results, both indicators of operating profitability, EBITDA and EBIT, continued to grow in Q1 2007. This figure was

particularly significant, given the challenging basis of comparison represented by the performance reported in Q1 2006, when EBITDA and EBIT grew by more than 27% and 32%, respectively.

EBITDA during the period totalled Euro 40.5 million, Euro 2.3 million more than the figure for the same period of 2006. At March 31st, it equalled 22.8% of consolidated revenues. In Q1 2006, this figure was Euro 38.2 million, or 23.6% of revenues.

Analysis of the breakdown of costs for the period by type of expense does not show significant variations from Q1 2006. The overall cost structure shows substantial stability, both in terms of the productive component and the commercial, administrative, marketing and promotion components.

Rental costs for the commercial spaces used by the Group to carry on its distribution activity at the retail and wholesale levels (rising by Euro 1.4 million, or +18.1%, from 2006), was largely the result of new store openings during the period in question and a series of lease renewals (extensions) at particularly important locations. The proportion of these costs to revenues rose from 4.9% in Q1 2006 to 5.3% in Q1 2007.

On the other hand, the proportion of personnel costs as a percentage of consolidated revenues continued to decline, from 13.2% to 12.4%. The total cost incurred in Q1 2007 was Euro 22.1 million, compared with Euro 21.2 million in Q1 2006 (for growth of 4.1%).

At March 31st, the Group had 2,388 employees, 186 and 108 persons more than at March 31st and December 31st, 2006, respectively.

Amortisation and depreciation expenses continued the trend reported throughout 2006. This expense, totalling Euro 6.0 million, equalled 3.4% of Group revenues during the period, for an additional recovery of 0.2 points in profitability (amortisation and depreciation equalled 3.6% of consolidated revenues in Q1 2006).

Net of amortisation, depreciation and writedowns, EBIT totalled Euro 34.5 million, compared with Euro 32.3 million in the same period of the same year. At March 31st, 2007, net operating income was 19.4% of revenues during the period, compared with 20% in Q1 2006.

The substantial balance of financial income and expenses during the period (positive balance of Euro 0.3 million), brought pre-tax profit to Euro 34.8 million, showing growth of Euro 2.5 million

from the corresponding figure for Q1 2006 (+7.7%), with it being virtually unchanged from 2006 as a percentage of revenues (19.6%, compared with 20%).

Income taxes during the quarter, including deferred tax liabilities, totalled Euro 14.2 million, for an effective tax rate of 40%, if the effect resulting from booking of stock options is stripped from the denominator. The nominal tax rate was 40.8% during the same period, the same as in Q1 2006 (when income taxes totalled Euro 13.2 million).

After discounting income taxes, consolidated net income was Euro 20.6 million, up Euro 1.4 million from 2006. At March 31st, 2007 this result accounted for 11.6% of consolidated revenues. This figure was 11.8% in Q1 2006.

Investments. Investments in fixed assets during the period totalled Euro 9.5 million. These assets were dedicated principally to expansion of the DOS network. A total of approximately Euro 7 million were dedicated during the quarter to the DOS network, both in support of the costs for setting up the seven new boutiques during the period and for acquisition of new commercial spaces.

Net financial position and changes in cash flow. The net financial position at March 31st reflects the particular dynamic of cash flows that characterise the first (and third) quarter of every year, a period when major resources are allocated to financing of the temporary growth in net working capital, particularly in terms of exposure to wholesale customers.

Net financial position (in Euro 000's)				
03.31.06		03.31.07	12.31.06	Change
	<i>Current financial assets</i>			
106,077	Cash and cash equivalents	101,532	111,335	(9,803)
106,077	Cash	101,532	111,335	(9,803)
	<i>Current financial liabilities</i>			
(8,148)	Current account overdraft	(7,089)	(6,943)	(146)
(2,028)	Current share of medium-long term financing	(2,061)	(2,103)	42
(2,346)	Financial leasing			
(12,522)	Current financial liabilities	(9,150)	(9,046)	(104)
93,555	Current net financial position	92,382	102,289	(9,907)
	<i>Non-current financial liabilities</i>			
(30)	Financial leasing			
(13,087)	Financing	(11,693)	(11,716)	23
(13,117)	Non-current financial liabilities	(11,693)	(11,716)	23
80,438	Net financial position	80,689	90,573	(9,884)

While remaining at absolutely significant levels, the decreased value of net cash and cash equivalents from December 31st was thus structural: at March 31st, the Group's cash position totalled Euro 80.7 million, compared with Euro 90.6 million at December 31st, 2006. The figure was substantially in line compared with March 31st of the previous year, when net cash and cash equivalents totalled Euro 80.4 million.

The changes in cash flow during the year show further growth in cash flow, which rose from Euro 26.6 million in Q1 2006 to Euro 29.2 million in Q1 2007.

<i>(In Euro 000's)</i>	Period	Period
Cash flow statement	Jan.-Mar.07	Jan.-Mar.06
Profit (loss) for the period of the Group	20,744	19,387
Non-cash items	8,483	7,235
Cash Flow	29,227	26,622
Change in operating net working capital	(29,282)	(37,282)
Cash Flow from operations	(55)	(10,660)
Cash Flow generated (used) in investment activity	(9,886)	(4,491)
Cash Flow generated (used) in financing activity	23	(1,711)
Cash Flow received (used) continuing operations	(9,918)	(16,862)
Cash flow from assets held for sale	11	
Cash Flow received (used)	(9,907)	(16,862)
Net financial position at the beginning of the period	102,289	110,417
Net financial position at the end of the period	92,382	93,555
Change in current net financial position	(9,907)	(16,862)

As previously mentioned, and for the reasons given in the comments on the Group's financial position, the absorption of resources by working capital was structural in this period of the year, although it was lower in Q1 2007 than in Q1 2006. Operating cash flow during the period was a negative Euro 0.1 million, while the figure was a negative Euro 10.7 million in Q1 2006.

The cash and cash equivalents on hand at December 31st, 2006 were consequently used to cover the investments in fixed assets made during the period, entirely accounting from the temporary contraction in overall cash.

Significant events occurring after the end of the period

No significant events occurred after March 31st, 2007 that involved Group activities.

Business outlook

The positive sales figures reported by the DOS network in the first few months of the year and the positive conclusion of the sales campaign for the next winter collection lead us to believe that fiscal 2007 will end with further growth in Group revenues and profits.

Milan, May 14th, 2007

The Chairman of the Board of Directors
Diego Della Valle

TOD'S

TOD'S Group

D'S

Financial Statements

Group

Profit & Loss

In Euro 000's	Q1 2007	Q1 2006	Year 06
Revenues			
Sales revenues	177,738	161,431	573,013
Other revenues and income	2,124	1,728	9,216
Total revenues and income	179,862	163,159	582,229
Operating Costs			
Change in inventories of work in process and finished goods	755	3,487	35,751
Costs of raw materials, supplies and material for consumption	(48,021)	(47,378)	(170,867)
Costs for services	(56,474)	(48,297)	(180,274)
Costs of use of third party assets	(9,435)	(7,989)	(32,898)
Costs of labour	(22,107)	(21,237)	(80,409)
Other operating charges	(4,120)	(3,582)	(16,058)
Total Operating Costs	(139,402)	(124,996)	(444,755)
EBITDA	40,460	38,163	137,474
Amortisation, Depreciation and Write-downs			
Amortisation of intangible assets	(1,241)	(1,131)	(4,740)
Amortisation of tangible assets	(4,758)	(4,636)	(18,639)
Other adjustments			
Total amortisation, Depreciation and Write-downs	(5,999)	(5,767)	(23,379)
Provision		(50)	(356)
EBIT	34,461	32,346	113,739
Financial income and charges			
Financial income	2,451	781	9,701
Financial charges	(2,136)	(848)	(10,264)
Total financial income (charges)	315	(67)	(563)
Income (losses) from equity investments			
Profit before taxes	34,776	32,279	113,176
Income taxes	(14,222)	(13,169)	(46,360)
Consolidated net income	20,554	19,110	66,816
Minority interests	190	277	(704)
Net income of the Group	20,744	19,387	66,112
EPS (in Euro)	0.68	0.64	2.18
EPS diluted (in Euro)	0.65	0.61	2.08

Note: the transactions with related parties are reported in detail at Note 9.

Balance Sheet

In Euro 000's			
	03.31.07	12.31.06	03.31.06
Non current assets			
Intangible fixed assets			
Assets with indefinite useful life	148,312	148,114	148,005
Key money	29,821	26,968	29,615
Others	5,502	4,981	3,043
Total intangible fixed assets	183,635	180,063	180,663
Property, plant and equipment			
Buildings and land	41,403	41,704	39,569
Plant and machinery	7,653	8,034	9,140
Equipment	10,011	9,775	8,905
Leasehold improvement	29,221	29,219	26,992
Others	13,925	14,010	12,998
Total property, plant and equipment	102,213	102,742	97,604
Other assets			
Real estate investments	59	60	62
Equity investments	20	20	20
Deferred tax assets	17,672	17,245	19,498
Others	5,003	4,158	3,572
Total other assets	22,754	21,483	23,152
Total non-current assets	308,602	304,288	301,419
Current assets			
Inventories	185,986	183,656	144,228
Trade receivables	134,972	85,328	116,857
Tax receivables	5,484	5,815	5,423
Derivative financial instruments	716	1,219	5,085
Others	21,006	18,260	11,731
Cash	101,532	111,335	106,077
Total current assets	449,696	405,613	389,401
Assets held for sale	1,066	1,081	
Total assets	759,364	710,982	690,820

In Euro 000's			
	03.31.07	12.31.06	03.31.06
Shareholders' Equity			
Group interest			
Share capital	60,804	60,804	60,500
Capital reserves	211,389	210,638	203,012
Treasury stock			
Hedging and translation reserve	(965)	(1,406)	(2,153)
Retained earnings	249,612	183,705	213,990
Income for period	20,744	66,112	19,387
Group interest in shareholders' equity	541,584	519,853	494,736
Minority interest			
Minority interest in share capital and reserves	3,069	2,365	3,043
Minority interest in income for the period	(190)	704	(277)
Minority interest in shareholders' equity	2,879	3,069	2,766
Total Shareholders' equity	544,463	522,922	497,502
Non-current liabilities			
Provision for risks	351	403	463
Deferred tax liabilities	22,588	20,516	17,037
Reserve for employee severance indemnity	11,929	11,789	11,008
Bank borrowings	11,693	11,716	13,117
Total non-current liabilities	46,561	44,424	41,625
Current liabilities			
Trade payables	120,814	104,778	102,993
Tax payables	24,443	14,265	21,560
Derivative financial instruments	553	518	4,476
Other	13,353	14,998	10,142
Banks	9,150	9,046	12,522
Total current liabilities	168,313	143,605	151,693
Liabilities held for sale	27	31	
Total shareholders' equity and liabilities	759,364	710,982	690,820

Note: the transactions with related parties are reported in detail at Note 9.

Funds Flow statement

In Euro 000's	Jan.-Mar. 07	Jan.-Mar. 06
Profit (loss) for the period of the Group	20,744	19,387
Adjustments to the items without effect on liquidity:		
Amortisation, depreciation, revaluation and write-downs	5,999	6,483
Change in employee severance indemnity reserve	140	307
Change in deferred tax/liabilities	1,645	(546)
Other	699	991
Cash Flow (a)	29,227	26,622
Changes in current assets and liabilities:		
Inventories	(2,330)	(364)
Trade receivables	(49,644)	(55,302)
Tax receivables	331	(1,209)
Other current assets	(2,243)	(3,068)
Trade payables	16,036	11,358
Tax payables	10,178	11,088
Other current liabilities	(1,610)	215
Change in operating working capital (b)	(29,282)	(37,282)
Cash Flow from operation (c)=(a)+(b)	(55)	(10,660)
Net investments in intangible and tangible assets	(9,260)	(4,802)
Other changes in fixed assets	218	499
(Increase) reduction of equity investments		
Reduction (increase) of other non current assets	(844)	(188)
Cash Flow generated (used) in investment activities (d)	(9,886)	(4,491)
Changes in long terms loans	(23)	(334)
Other changes in shareholders' equity	236	(1,119)
Changes in minority interests	(190)	(258)
Cash Flow generated (used) in financing (e)	23	(1,711)
Cash Flow from continuing operations (f)=(c)+(d)+(e)	(9,918)	(16,862)
Cash flow from assets held for sale	11	
Cash Flow generated (used)	(9,907)	(16,862)
Net financial position at the beginning of the period	102,289	110,417
Net financial position at the end of the period	92,382	93,555
Change in current net financial position	(9,907)	(16,862)

Consolidated statement of changes in equity

Jan. - Mar. 2007 (In Euro 000's)							
	Share capital	Capital reserves	Reserve for traslation	Retained earnings	Group interest	Minority interest	Total
Balance as of 01.01.07	60,804	210,638	(1,406)	249,817	519,853	3,069	522,922
Increase in fair value of derivatives			391		391		391
Transfers of hedging derivatives to Profit & Loss account			(478)		(478)		(478)
Translation differences			528		528		528
Other movements				(205)	(205)		(205)
Result for the period				20,774	20,774	(190)	20,554
Total profit (loss) recognized in the period	60,804	210,638	(965)	270,356	540,833	2,879	543,712
Share-based payments		751			751		751
Options exercised							
Contribution							
Dividends							
Balance as of 03.31.07	60,804	211,389	(965)	270,356	541,584	2,879	544,463

Jan. - Mar. 2006 (In Euro 000's)							
	Share capital	Capital reserves	Reserve for traslation	Retained earnings (*)	Group interest	Minority interest	Total
Balance as of 01.01.06	60,500	202,021	(1,014)	213,970	475,477	3,024	478,501
Increase in fair value of derivatives			535		535		535
Transfers of hedging derivatives to Profit & Loss account			338		338		338
Translation differences			(2,012)		(2,012)		(2,012)
Other movements				20	20	19	39
Result for the period				19,387	19,387	(277)	19,110
Total profit (loss) recognized in the period	60,500	202,021	(2,153)	233,377	493,745	2,766	496,511
Share-based payments		991			991		991
Contribution							
Dividends							
Balance as of 03.31.06	60,500	203,012	(2,153)	233,377	494,736	2,766	497,502

TOD'S

TOD'S Group

D'S

Supplementary notes

Group

1. General notes

The consolidated Quarterly Report of the TOD'S Group at March 31st, 2007 was drafted pursuant to Article 82 of CONSOB Regulation no. 11971 of May 14th, 1999, as amended, and complies with *International Accounting Standards 34 (IAS 34) – Interim Financial Reporting* – adopted in accordance with the procedure set forth in Article 6 of EC Regulation no. 1606/2002.

It includes the financial statements of TOD'S S.p.a. and its Italian and foreign subsidiaries, together identified as the TOD'S Group, drafted with the reference date of March 31st, 2007 (January 1st – March 31st).

The financial statements (profit and loss account, balance sheet, funds flow statement, and statement of change in equity) were drafted in the long form and are the same as those used for the consolidated financial statements at December 31st, 2006.

As envisaged in IAS 34, the notes to the financial statements were drafted in summary form and refer only to the components of the profit and loss account, balance sheet, and funds flow statement, whose composition or change in amount or nature was significant. Thus, they illustrate additional information for accurate comprehension of the Group's financial position at March 31st, 2007.

2. Accounting policies

The Quarterly Report at March 31st, 2007 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, 2006 were used to prepare this Quarterly Report. The following came into effect on January 1st, 2007:

i. **IFRIC 10, Interim Financial Reporting and Impairment.** This interpretation provides indications on certain aspects of reporting and reversing impairment losses on the balance sheet

involving goodwill and certain financial assets. Application of this principle did not impact the Group financial statements.

ii. **IFRIC 7, IFRIC 8, and IFRIC 9.** These interpretations of existing standards, whose application became mandatory at January 1st, 2007, did not apply to the Group financial statements.

Preparation of the interim financial statements 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:

	Base	Jan.-Mar. 2007		Jan.-Mar. 2006	
		Exch. rates as of year end	Average Exch. rate	Exch. rates as of year end	Average Exch. rate
U.S. dollar	1	0.751	0.763	0.826	0.832
UK pound sterling	1	1.471	1.492	1.436	1.458
Swiss franc	1	0.615	0.619	0.633	0.642
Hong Kong dollar	100	9.609	9.774	10.647	10.724
Japanese yen	100	0.636	0.639	0.702	0.712
Hungarian forint	1,000	4.035	3.963	3.763	3.933
Singapor dollar	1	0.495	0.498	0.511	0.511
Korean WON	1,000	0.798	0.813	-	-

3. Seasonal or cyclical nature of interim transactions

The TOD'S Group engages in a business that, while not manifesting significant seasonal or cyclical changes in overall annual sales, is impacted by monthly differences in the flows of revenues and costs generated by its industrial activity over the course of the year.

4. Scope of consolidation

Compared with the Quarterly Report at March 31st, 2006, the scope of consolidation includes the subsidiary TOD'S Korea Inc., which was incorporated in July 2006. There was no change instead from the 2006 statutory financial statements.

Parent company

TOD'S S.p.a.
S.Elpidio a Mare - Italy
Share Capital (C.S.) - Euro 60,803,760

Direct subsidiaries

TOD'S Deutsch. Gmbh
Dusseldorf - Germany
S.C. - Euro 15,387.56
% held: 100%

TOD'S France Sas
Paris - France
S.C. - Euro 780,000
% held: 100%

An.Del. USA Inc.
New York - U.S.A
S.C. - Usd 3,700,000
% held: 100%

TOD'S Internat. BV
Amsterdam - Netherlands
S.C. - Euro 2,600,200
% held: 100%

Del.Com S.r.l.
S.Elpidio a Mare - Italy
S.C. - Euro 31,200
% held: 100%

Indirect subsidiaries

Cal.Del. USA Inc.
Beverly Hills, Ca - U.S.A.
S.C. - Usd 10,000
% held: 100%

Colo.Del. USA Inc.
Denver, Co - U.S.A.
S.C. - Usd 10,000
% held: 100%

Deva Inc.
Wilmington, DE - U.S.A.
S.C. - Usd 500,000
% held: 100%

Flor.Del. USA Inc.
Tallahassee, Fl - U.S.A.
S.C. - Usd 10,000
% held: 100%

Hono.Del. Inc.
Honolulu, Hi - U.S.A.
S.C. - 10,000
% held: 100%

Il.Del. USA Inc.
Springfield, Il - U.S.A.
S.C. - Usd 10,000
% held: 100%

Neva.Del. Inc.
Carson City, Nv - U.S.A.
S.C. - Usd 10,000
% held: 100%

Or.Del. USA Inc.
Sacramento, Ca - U.S.A.
S.C. - Usd 10,000
% held: 100%

Gen.Del SA
Ginevra - Switzerland
S.C. - Chf 200,000
% held: 100%

Sandel SA
San Marino
S.C. - Euro 258,000
% held: 100%

TOD'S Belgique S.p.r.l.
Bruxelles - Belgium
S.C. - Euro 300,000
% held: 100%

TOD'S Espana SL
Madrid - Spain
S.C. - Euro 468,539.77
% held: 100%

TOD'S Hong Kong Ltd
Hong Kong
S.C. - Usd 50,000
% held: 100%

TOD'S Japan KK
Tokio - Japan
S.C. - Jpy 10,000,000
% held: 100%

TOD'S Saint Barth Sas
Saint Barthelemy
S.C. - Euro 500,000
% held: 100%

TOD'S Singapore Pte Ltd
Singapore
S.C. - Sgd 300,000
% held: 100%

Un.Del Kft
Tata - Hungary
S.C. - Huf 42,900,000
% held: 100%

TOD'S UK Ltd
London - Gret Britain
S.C. - Gbp 350,000.00
% held: 100%

Webcover Ltd
London - Gret Britain
S.C. - Gbp 1,000.00
% held: 50%

TOD'S Luxembourg SA
Luxembourg
S.C. - Euro 31.000.00
% held: 50%

TOD'S Korea Inc. (1)
Seoul - Korea
S.C. - Won 100,000,000
% held: 100%

Deva Mode S.r.l.
S.Elpidio a Mare - Italy
S.C. - Euro 50,000
% held: 100%

Spiga 22 S.r.l.
S.Elpidio a Mare - Italy
S.C. - Euro 50,000
% held: 100%

Via Roma 40 S.r.l.
S.Elpidio a Mare - Italia
S.C. - Euro 50,000 Italy
% held: 100%

Filangieri 29 S.r.l.
Napoli - Italy
S.C. - Euro 100,000
% held: 50%

Del.Pav. S.r.l.
S.Elpidio a Mare - Italy
S.C. - Euro 50,000
% held: 50%

Re.Se.Del. S.r.l.
S.Elpidio a Mare - Italy
S.C. - Euro 25,000
% held: 100%

It is assumed that the Group controls those companies in which it does not own more than 50% of the capital, and thus disposes of the same percentage of voting power at the Shareholders' Meeting, where the Group has the power to exercise direct or indirect control of those companies' financial and operating policies in view of realizing benefits from their activities.

The special purpose entities have been temporarily excluded from the scope of consolidation due to their insignificant dimensions and irrelevance to operations.

5. Segment reporting

In order to provide information of the balance sheet, profit and loss account, and financial position by sector, the Group has chosen a regional breakdown as the primary reporting format for illustrating sector figures. This representation stems from the consideration that the risks and benefits of the Group, at the current stage in the development process, are significantly influenced by the regions where it operates. The regions identified for presentation are as follows:

- Italy
- Europe
- North America
- Rest of World

In the secondary reporting format, for sectors of activity, the information is illustrated according to distribution channel, identified as follows:

- wholesale distribution
- direct distribution through DOS

Primary reporting format - Result by geographical segments

Q1 2007						
(In Euro mn)		North Italy	Rest of Europe	Not America	Total World	localized
Revenues	88.9	47.5	14.8	26.5		177.7
Inter-segment sales						
Operating costs	(52.7)	(31.4)	(15.1)	(17.7)	(26.3)	(143.2)
Operating result (EBIT)	36.2	16.1	(0.3)	8.8	(26.3)	34.5
Financial income (charges)						(0.3)
Income before taxes					34.8	
Income taxes						(14.2)
Consolidated net income						20.6

Q1 2006						
<i>(In Euro mn)</i>	Italy	Europe	North America	Rest of World	Not localized	Total
Revenues	78.2	44.3	14.1	24.8		161.4
Inter-segment sales						
Operating costs	(44.4)	(29.9)	(13.1)	(15.6)	(26.1)	(129.1)
Operating result (EBIT)	33.8	14.4	1.0	9.2	(26.1)	32.3
Financial income (charges)						n.s.
Income before taxes					32.3	
Income taxes						(13.2)
Consolidated net income						19.1

Secondary reporting format – business segment

Year 06	%	<i>(In Euro 000's)</i>	Q1 2007	%	Q1 2006	%	Change	%
283,212	49.4	DOS	65,712	37.0	57,337	35.5	8,375	14.6
289,801	50.6	Third parties	112,026	63.0	104,094	64.5	7,932	7.6
573,013	100.0	Total	177,738	100.0	161,431	100.0	16,307	10.1

6. Earnings per share

The calculation of base and diluted earnings per share is based on the followings:

<i>In Euro 000's</i>			
For continuing and discontinued operations		Q1 2007	Q1 2006
Profit used to determine basic earning per share		20,774	19,387
Dilution effects		-	-
Profit used to determine diluted earning per share		20,774	19,387

<i>In Euro 000's</i>			
For continuing operations		Q1 2007	Q1 2006
Profit attributable to equity holders of the Company		20,774	19,387
Income (loss) from discontinued operations		-	-
Profit used to determine basic earning per share		20,774	19,387
Dilution effects		-	-
Profit used to determine diluted earning per share		20,774	19,387

Average number of shares		
	Q1 2007	Q1 2006
Weighted average number of shares to determine basic earning per share (*)	30,401,880	30,250,000
Share options	1,375,160	1,572,400
Weighted average number of shares to determine diluted earning per share	31,777,040	31,822,400

In both periods, first quarter 2007 and 2006, there were no dilutions of net consolidated earnings, partly as a result of activities that were discontinued during the periods in question. The options assigned in execution of the stock options plan represent the only potential ordinary shares that could have a diluting effect.

7. Dividends

The Shareholders' Meeting of the controlling company TOD'S S.p.a. held on April 27th, 2007 approved distribution of Euro 38,002,350 in dividends, at the rate of Euro 1.25 for each of the 30,401,880 shares. The proposed dividend will be paid to all shareholders entered in the Register of Shareholders at the ex-coupon date (May 21st, 2007).

8. Share capital

The subscribed and paid-in capital stock totalled Euro 60,803,760, and was comprised by 30,401,880 ordinary shares with a par value of Euro 2 each. A total of Euro 64,000,000 in capital stock has been approved.

	Subscribed		Resolved	
	N° of shares	Euro	N° of shares	Euro
Capital stock	30,401,880	60,803,760	32,000,000	64,000,000

9. Transactions with related parties

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 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, and purchase of buildable land adjacent to the Group headquarters.

The following table illustrates the details of these transactions: the transactions amongst Group companies included in the scope of consolidation were eliminated from the consolidated financial statements, and thus they are not shown in these notes.

Commercial transaction with unconsolidated subsidiaries

<i>Revenues and costs (In Euro 000's)</i>	Q1 2007			Q1 2006		
	Costs	Revenues	Capitalized expenses	Costs	Revenues	Capitalized expenses
Selling of products						
<i>Special Purpose Entities</i>		941			583	
Total		941			583	

<i>Receivables and payables (In Euro 000's)</i>	03.31.07		03.31.06	
	Receivables	Payables	Receivables	Payables
<i>Special Purpose Entities</i>	4,281		1,899	
Total	4,281		1,899	

Commercial transactions with other related entities – revenues and costs

<i>(In Euro 000's)</i>	Q1 2007		Q1 2006	
	Costs	Revenues	Costs	Revenues
Selling of products				
Roger Vivier Paris S.a.s	20	523		423
Ordinary leases				
Immobiliare De.Im. S.r.l.	796	30	560	31
Difran S.a.s.	47		43	
Holpaf BV	725		754	
User license contract "Roger Vivier"				
Gousson - Consultadoria & Mark. Lda	448	1.192	197	500
Advertising services				
Forma Pura S.r.l.	462		441	
Total	2,498	1,745	1,995	954

Commercial transactions with other related entities – receivables and payables

<i>(In Euro 000's)</i>	03.31.07		03.31.06	
	Receivables	Payables	Receivables	Payables
Roger Vivier Paris S.a.s	638	153	503	158
Immobiliare De.Im. S.r.l.	21	303	112	
Difran S.a.s.				52
Holpaf BV		6		6
Gousson - Consultadoria & Mark. Lda	2.611	448	1,868	419
Forma Pura S.r.l.		798	5	154
Total	3,270	1,708	2,488	789