

TOD'S

TOD'S Group

D'S

INTERIM REPORT ON OPERATIONS
AT SEPTEMBER 30th, 2014

Group

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Company's data

Registered office

TOD'S S.p.A.
Via Filippo Della Valle, 1
63811 Sant'Elpidio a Mare (Fermo) - Italy
Tel. +39 0734 8661

Legal data Parent company

Share Capital resolved euro 61,218,802
Share 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 and Showrooms

Munich – Domagkstrasse 1/b, 2
Hong Kong – 35/F The Lee Gardens, 33 Hysan Avenue, Causeway Bay
London – Wilder Walk, 1
Milan - Corso Venezia, 30
Milan - Via Savona, 56
Milan - Via Serbelloni, 1-4
New York - 450, West 15th Street
Paris – Rue de Faubourg Saint-Honore, 29
Paris – Rue du Général FOY, 22
Paris – Rue de L'Elysée, 22
Seoul – 89-10, Cheongdam-dong, Kangnam-ku
Shanghai - 1717 Nanjing West Road, Wheelock Square 46/F
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 (FM) - 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 Andrea Della Valle Luigi Abete Maurizio Boscarato Luigi Cambri Luca Cordero di Montezemolo Emanuele Della Valle Fabrizio Della Valle Emilio Macellari Pierfrancesco Saviotti Stefano Sincini Vito Varvaro ⁽⁴⁾	Chairman Vice - Chairman
Executive Committee	Diego Della Valle Andrea Della Valle Fabrizio Della Valle Emilio Macellari Stefano Sincini Vito Varvaro ⁽⁴⁾	Chairman
Compensation Committee	Luigi Abete Luigi Cambri Pierfrancesco Saviotti	Chairman
Control and Risk Committee	Luigi Cambri Maurizio Boscarato Pierfrancesco Saviotti	Chairman
Independent Directors Committee	Pierfrancesco Saviotti Luigi Abete Luigi Cambri	Chairman
Board of statutory Auditors ⁽²⁾	Giulia Pusterla Enrico Colombo Fabrizio Redaelli Myriam Amato Gilfredo Gaetani	Chairman Acting stat. auditor Acting stat. auditor Substitute auditor Substitute auditor
Independent Auditors ⁽³⁾	PricewaterhouseCoopers S.p.A.	
Manager charged with preparing a company's financial report	Rodolfo Ubaldi	

⁽¹⁾ Term of the office: 2012-2014 (resolution of the Shareholders' meeting as of April 19th, 2012)

⁽²⁾ Term of the office: 2013-2015 (resolution of the Shareholders' meeting as of April 19th, 2013)

⁽³⁾ Term of the office: 2012-2020 (resolution of the Shareholders' meeting as of April 19th, 2012)

⁽⁴⁾ Vito Varvaro resigned on October 31st, 2014.

TOD'S Group

TOD'S S.p.A.

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

Del.Com. S.r.l.

Sub-holding for operation of national subsidiaries and DOS in Italy.

TOD'S International B.V.

Sub-holding for operation of international subsidiaries and DOS in The Netherlands.

An.Del. Usa Inc.

Sub-holding for operation of subsidiaries in the United States.

Del.Pav S.r.l.

Company that operates DOS in Italy.

Filangieri 29 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 distributes and promotes products in Spain and manages DOS in Spain.

TOD'S France Sas

Company that distributes and promotes products in France and manages DOS in France.

TOD'S Luxembourg S.A.

Company that operates DOS in Luxembourg.

TOD'S Hong Kong Ltd

Company that distributes and promotes products branded TOD'S and HOGAN in Far East and South Pacific and manages DOS branded TOD'S and HOGAN in Hong Kong. Sub-holding for operation of international subsidiaries in Asia.

TOD'S Japan KK

Company that operates DOS in Japan.

TOD'S Korea Inc.

Company that distributes and promotes products branded TOD'S in Korea and operates DOS branded TOD'S in Korea.

TOD'S Macao Ltd

Company that operates DOS in Macao.

TOD'S Retail India Private Ltd

Company that operates DOS in India.

TOD'S (Shanghai) Trading Co. Ltd

Company that operates DOS branded TOD'S and HOGAN in China.

TOD'S Singapore Pte Ltd

Company that operates DOS branded TOD'S and HOGAN in Singapore.

TOD'S UK Ltd

Company that distributes and promotes products in Great Britain and manages DOS in Great Britain.

Webcover Ltd

Company that operates DOS in Great Britain.

Cal.Del. Usa Inc.

Company that operates DOS in California (USA).

Deva Inc.

Company that distributes and promotes products in North America, and manages DOS in the State of NY (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 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).

E-TOD'S Inc.

Company under liquidation.

Holpaf B.V.

Real estate company. Company that operates DOS in Japan.

Alban.Del Sh.p.k.

Production company.

Sandel SA

Not operating company.

Un.Del. Kft

Production company.

Re.Se.Del. S.r.l.

Company for services.

TOD'S Brasil Ltda

Company that operates DOS in Brazil.

Partecipazioni Internazionali S.r.l.

Sub-holding for operation of international subsidiaries and DOS in Italy.

Roger Vivier Hong Kong Ltd

Company that distributes and promotes products branded ROGER VIVIER in Far East and South Pacific and manages DOS in Hong Kong. Sub-holding for operation of subsidiaries in Asia.

Roger Vivier Singapore PTE Ltd

Company that operates DOS in Singapore.

Roger Vivier (Shanghai) Trading Co. Ltd

Company that operates DOS in China.

Roger Vivier UK Ltd

Not operating company.

TOD'S Georgia Inc.

Not operating company.

Roger Vivier France Sas

Not operating company.

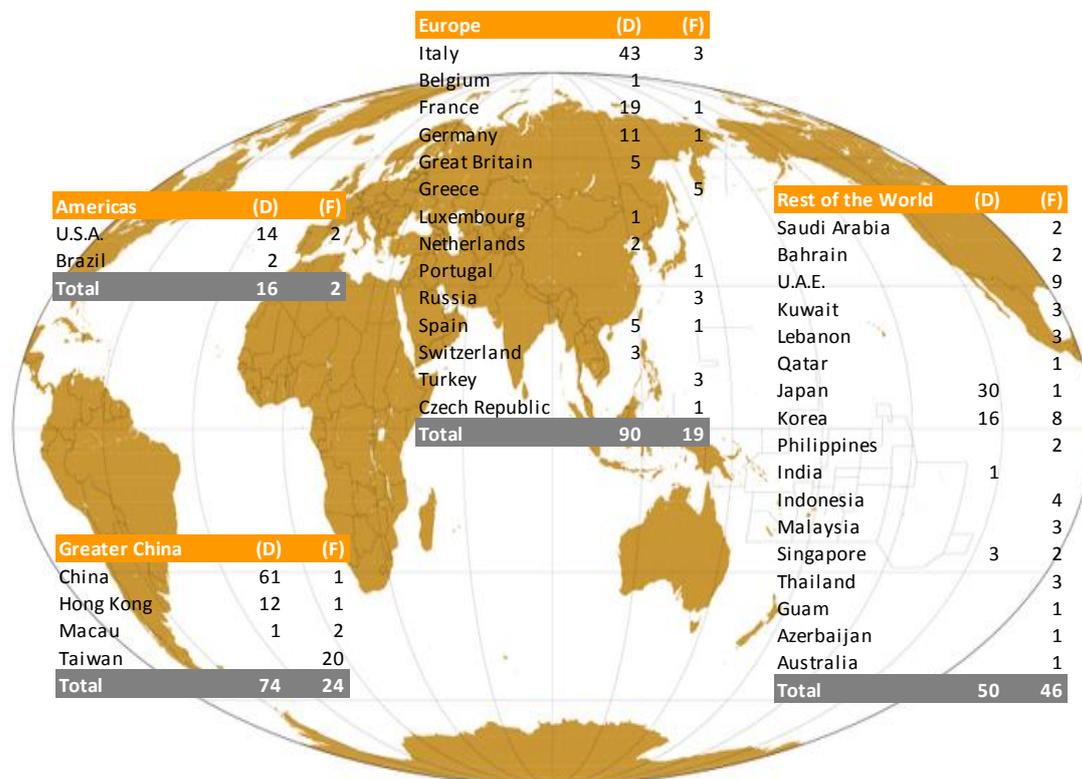
Roger Vivier Korea Inc.

Company that operates DOS in Korea.

Roger Vivier Switzerland S.A.

Not operating company.

Distribution network as of September 30th, 2014



(D)=DOS (F)=FRANCHISED STORES

DOS, 2014 new openings

Greater China

Chengdu	(China)
Chengdu	(China)
Chengdu	(China)
Chongqing	(China)
Qingdao	(China)
Suzhou	(China)
Beijing	(China)
Hong Kong	(Hong Kong)

Rest of the world

Seoul	(Korea)
Seoul	(Korea)
Okayama	(Japan)

Americas

Honolulu	(USA)
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Europe

Milan	(Italy)
Paris	(France)
Metzingen	(Germany)
Roermond	(Netherlands)

Franchised stores, 2014 new openings

Greater China

Macao	(Macao)
Kinmen	(Taiwan)

Rest of the World

Seoul	(Korea)
Seoul	(Korea)
Sidney	(Australia)
Istanbul	(Turkey)
Istanbul	(Turkey)

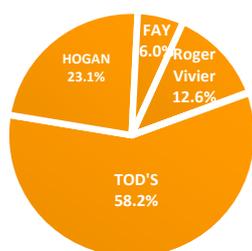
Europe

Munich	(Germany)
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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

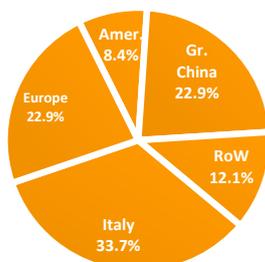
9M 2014 Revenues - % by Brand



P&L Key figures (euro millions)

	9M 2014	9M 2013	9M 2012	9M 2011
Revenues	741.0	752.6	749.9	699.0
EBITDA	156.4 21.1%	199.5 26.5%	199.5 26.6%	192.4 27.5%
EBIT	123.9 16.7%	168.5 22.4%	169.7 22.6%	164.4 23.5%

9M 2014 Revenues - % by market

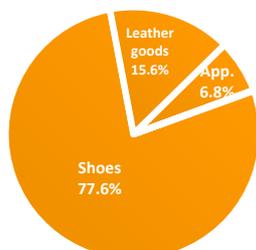


Main Balance Sheet indicators (euro millions)

	9.30.14	12.31.13	9.30.13
Net Working Capital (*)	309.9	224.1	296.4
Net financial position	107.6	181.1	132.0
Capital expenditures	49.5	51.4	36.2

(*) Trade receivable + inventories - trade payable

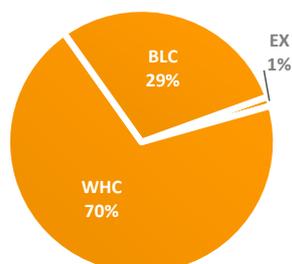
9M 2014 Revenues - % by Product



Stock performance



Employees 2014: composition



The Group's employees

	9.30.14	12.31.13	9.30.13	9.30.12
Year to date	4,305	4,144	4,085	3,861

Key:

Execut. = Executive

White Col. = White Collar

Blue Col. = Blue Collar

Highlights of results

Revenues: revenues totalled 741 million euros (at constant exchange rates they would amount to 751.8 million euros). DOS network sales totalled 449.3 million euros.

EBITDA: this result amounts to 156.4 million euros (199.5 million euros at September 30th, 2013), and represents 21.1% of Group sales. At constant exchange rates it would amount to 163.1 million euros.

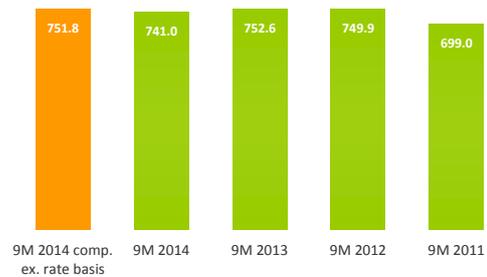
EBIT: this totalled 123.9 million euros (168.5 million euros at September 30th, 2013). At constant exchange rates it would amount to 130.3 million euros.

Net financial position (NFP): Cash and cash equivalents of the Group amount to 147.8 million euros at September 30th, 2014. Net financial position was 107.6 million euros at the same date (132 million euros at September 30th, 2013).

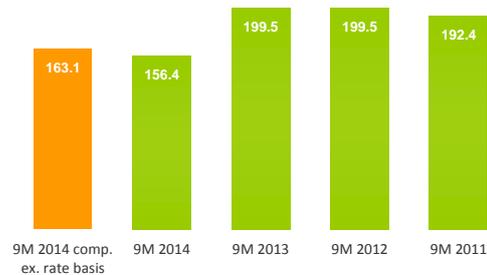
Capital expenditures: these totalled 49.5 million euros for the first nine months of 2014; they were 36.2 million euros last September 30th, 2013.

Distribution network: at September 30th, 2014 the single brand distribution network comprised 230 DOS (increased by 22 units compared to September 30th, 2013) and 91 franchised stores.

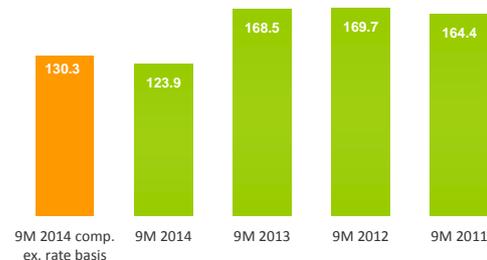
Revenue (euro mln)



EBITDA (euro mln)



EBIT (euro mln)



Net financial position (euro mln)



TOD'S

TOD'S Group

D'S

REPORT ON OPERATIONS

Group

Group's activity

TOD'S Group operates in the luxury sector under its proprietary brands (TOD'S, HOGAN, and FAY) and licensed brands (ROGER VIVIER). It actively creates, produces and distributes shoes, leather goods and accessories, and apparel. The Company's mission is to offer global customers top-quality products that satisfy their functional requirements and aspirations.

Group's brands



The TOD'S brand is known for shoes and luxury leather goods, with styles that have become icons of modern living; TOD'S is known in the luxury goods sector as a symbol of the perfect combination of tradition, quality and modernity. Each product is hand-crafted with highly-skilled techniques, intended, after laborious reworking, to become an exclusive, recognisable, modern and practical object. Some styles, like the Driving Shoe and the D bag, are cherished by celebrities and ordinary people worldwide, and have become icons and forerunners of a new concept of elegance, for both women and men.



Begun in the 80s with shoe collections for women, men and children, the HOGAN brand now also crafts various leather goods items. The HOGAN brand is distinctive for high quality, functionality and design. Every product stems from a highly skilled design technique and is created using quality materials with a particular passion for details and a search for perfection. HOGAN products are the highest expression of a "new luxury" lifestyle. HOGAN is meant for someone who cherishes the type of luxury associated with product excellence, innovative original design and consummate practicality. The Traditional and the Interactive shoe styles endure as continuing "best sellers".



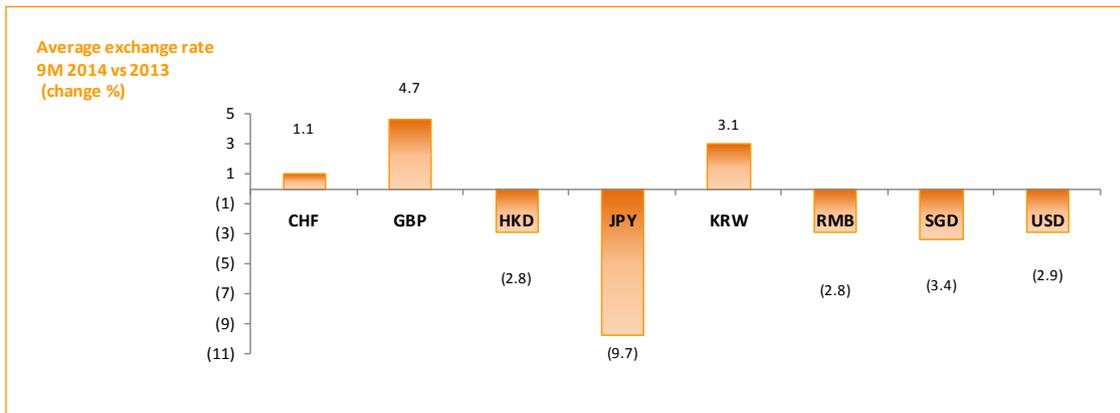
FAY is a brand created in the mid 80s with a product range of high quality casual wear. The brand is known for its quality craftsmanship, for the excellence of its materials, a meticulous attention to craft details and its high functionality without sacrificing style and quality. FAY products are wearable everywhere: from the stadium to the office, in urban areas and in the countryside. The line, which has seasonal men's, women's and junior's collections, focuses on classic evergreen styles, continuously modified and refreshed with innovative and recognisably eye-catching design.



The Fabergé of shoes creator of the first stiletto heel in the 1950's, ROGER VIVIER designed extravagant and luxuriously decorated shoes that he described as being "sculptures." The artistic heritage and excellent traditional roots of the VIVIER fashion house have been revived. Under the management of Creative Director Bruno Frisoni, VIVIER's work and vision endure. New chapters are added to this unique life story every year, which goes beyond the world of footwear to include handbags, small leather goods, jewellery and sunglasses.

Foreign currency markets

Average exchange rates for the first nine months of 2014, compared to figures for the same period of the previous year, show a broadly weakness of the main currencies with which the Group operates in respect to the European currency; particularly the Japanese currency (JPY) has suffered a devaluation of 9.7% in respect to the average trend of the previous period. Only the Great Britain currency (GBP) the Swiss currency (CHF) and Korean currency (KRW) showed an opposite trend, increasing their value respectively of 4.7%, 1.1% and 3.1% compared with the euro currency.



Main events and operations during the period

The volatility in the global luxury goods market which had already been a feature of the first part of the year, affecting the results of the leading players in this sector, persisted in the third quarter of 2014. Turnover volumes, moreover, were hit by the unfavourable exchange rate trends (the negative effect on the Group's revenues in the first nine months of the year was euro 10.8 million), which, from a more general point of view, also affected developments in international shopping tourist flows. There was a generalised improvement in the sales performance of the DOS network in the third quarter, in all the main markets. The volumes achieved by the stores in South-East Asia were excellent (double-figure growth) and also, in general, those achieved by the ROGER VIVIER network, whose revenues rose by 15.1% at a constant exchange rate, confirming the great appeal that this exclusive brand has for international customers. The HOGAN brand boutiques also recorded double-digit growth in the foreign markets in which they are present. The figures from the USA were also good: the DOS started growing again after the first part of the year which had been affected by the atrocious weather conditions on the East Coast and the temporary closure of two major stores (including the New York flagship store) for a complete renovation of the concept. There was also a slight improvement in the Greater China market, which was not only affected by the persistence of a decrease in the purchase of luxury goods on the part of local consumers, but also by extraordinary events, the last of which being the street demonstrations in Hong Kong. On the domestic front, there was growth in the indirect channel during the third quarter as a result of the final effects arising from the streamlining of the independent distribution network which had been taking place in the Italian market wholesale channel in recent years. The Group continues to invest massive resources in business development in spite of the difficult international scenario. The brand internationalisation policy continues with 15 openings of new directly-operated stores in the international markets, the constant renewal of boutique image and the conduct of a strategy of investment in

communication and human resources. Following this strategy, on July 23rd, 2014 the parent company TOD'S S.p.A. completed a loan transaction with two leading banks for an investment of euro 400 million in setting up funds to be used for supporting Group growth in the medium term. As regards social responsibility, the parent company TOD'S S.p.A. continued its commitment to financial support projects for the families of the Group's Italian employees: the measures contained in the so-called Welfare Plan have been extended to the current financial year. Moreover, also in the field of social commitment, the Board of Directors of TOD'S S.p.A. is engaged in selecting solidarity initiatives to which it can allocate the reserve fund specially set aside by the Shareholders' Meeting on April 17th, 2014.

Group's results in the first nine months of 2014

In the first nine months of 2014, TOD'S Group generated sales totalling 741 million euros while, for the same period of the previous year they were 752.6 million euros. Exchange-rate effect was negative: maintaining cross rates constant, sales revenues would increase to 751.8 million euros, substantially in line with the nine months of 2013.

EBITDA and EBIT amounted respectively to 156.4 million euros and 123.9 million euros, representing respectively 21.1% and 16.7% of consolidated sales revenues. At constant exchange rates they would amount to respectively 163.1 and 130.3 million euros representing 21.7% and 17.3% of consolidated sales revenues.

euro 000's					
FY 13	Main economic indicators	9M 2014	9M 2013	Change	%
967,490	Sales revenues	741,015	752,618	(11,603)	(1.5)
236,317	EBITDA	156,363	199,546	(43,183)	(21.6)
(43,162)	Deprec., amort., write-downs and advances	(32,424)	(31,069)	(1,355)	4.4
193,155	EBIT	123,938	168,477	(44,539)	(26.4)
	Foreign exchange impact on revenues	10,816			
	Adjusted revenues	751,831	752,618	(787)	(0.1)
	Foreign exchange impact on operating costs	(4,104)			
	Adjusted EBITDA	163,075	199,546	(36,472)	(18.3)
	Foreign exchange impact on deprec.& amort.	(344)			
	Adjusted EBIT	130,306	168,477	(38,171)	(22.7)
	EBITDA %	21.1	26.5		
	EBIT %	16.7	22.4		
	Adjusted EBITDA %	21.7	26.5		
	Adjusted EBIT %	17.3	22.4		

euro 000's				
9.30.13	Main Balance Sheet indicators	9.30.14	12.31.13	Change
296,445	Net Working Capital (*)	309,942	224,055	85,887
132,049	Net financial position	107,590	181,125	(73,535)
36,209	Capital expenditures for tangible and intangible	49,464	51,372	(1,908)

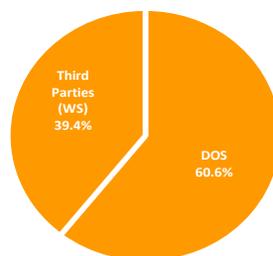
(*) Trade receivable + Inventories - Trade payable

Revenues. In the first nine months of 2014, consolidated sales totalled 751.8 million euros, at constant exchange rates, meaning by using the average exchange rates of 9 months 2013, including the related effects of hedging contracts, broadly aligned with the 9 months 2013 sales revenues. At reported rates, turnover was 741 million euros, down 1.5% from 9 months 2013. Positive the trend of the third quarter of 2014, where sales were 263.3 million euros, up 0.7% from Q3 2013.

In the first nine months of 2014, sales through DOS globally totalled 449.3 million euros, with a slight increase from 9M 2013, at constant exchange rates. In Q3 2014, sales grew by 2.3%. The Same Store Sales Growth (SSSG) rate, calculated as the worldwide average of sales growth rates at constant exchange rates registered by the DOS already existing as of January 1st, 2013, is -7.5% in the first 39 weeks of the year (from January 1st to September 29th, 2014), showing a visible improvement from the YTD at the beginning of August. The same SSSG rate is -7.8% for the first 45 weeks of the year (from January 1st to November 9th, 2014); the slowdown is mainly due to

the recent Hong Kong events. As of September 30th, 2014 the Group's distribution network was composed of 230 DOS and 91 franchised stores, compared to 208 DOS and 82 franchised stores as

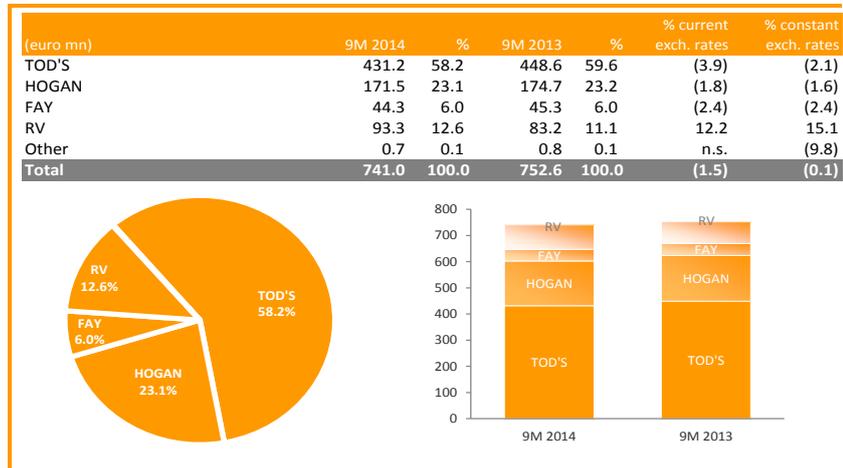
(euro mn)	9M 2014	%	9M 2013	%	% current exch. rates	% constant exch. rates
DOS	449.3	60.6	457.5	60.8	(1.8)	0.2
Third Parties (WS)	291.7	39.4	295.1	39.2	(1.2)	(0.5)
Total	741.0	100.0	752.6	100.0	(1.5)	(0.1)



of the end of September 2013. Revenues to third parties globally amounted to 291.7 million euros, with a performance broadly aligned with the one of the first half of 2014.

The TOD'S brand totalled 431.2 million euros in sales, with a slight decrease, at constant exchange rates, from 9 months 2013. The brand registered positive results in Europe and in the

area “Rest of the world”, while the Chinese market remained negative, due to the general weakness of the consumer environment. Starting from September, the brand has improved significantly its performance in the

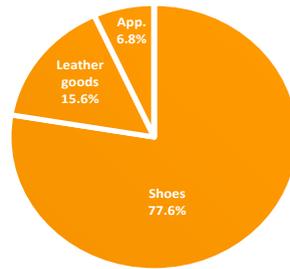


Americas, after the re-opening of the New York Madison Avenue flagship store, which remained closed until the end of August for widening and refurbishment. HOGAN revenues grew by 5.7% in Q3 2014, driven by the sound double-digit growth of foreign sales. The brand registered 171.5 million euros as turnover in the first nine months of 2014, with a decrease of 1.6% from 9M 2013, at constant rates. Also the FAY brand was beginning to grow again in Q3 2014, also thanks to the end of the rationalization of the Italian wholesale distribution, which significantly affected its turnover in the last two years. FAY sales totalled 44.3 million euros, down 2.4% from 9M 2013. Finally, ROGER VIVIER registered a double-digit growth, also driven by the openings of new DOS in China. In 9M 2014 its sales totalled 93.3 million euros, up 15.1% from 9M2013, at constant rates.

The Group has further strengthened its leadership in the core business of shoes; sales of this category totalled 574.9 million euros in the first 9 months of 2014, with a slight increase, at constant exchange rates, from the corresponding value of 2013. The performance of sales from leather goods and accessories was also affected by a different timing of wholesale shipments.

Revenues of this category totalled 115.3 million euros, down 2%, at constant rates. Finally, sales of apparel were 50.1 million euros, down 1.8% from 9M 2013, at constant exchange rates; the performance broadly reflects the FAY brand's dynamics.

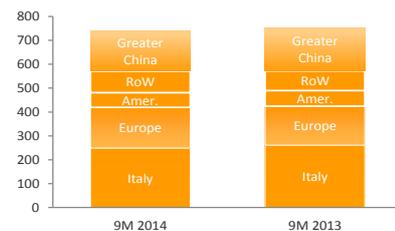
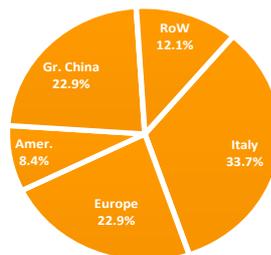
(euro mn)	9M 2014	%	9M 2013	%	% current exch. rates	% constant exch. rates
Shoes	574.9	77.6	580.1	77.1	(0.9)	0.5
Leather goods	115.3	15.6	120.6	16.0	(4.4)	(2.0)
Apparel	50.1	6.8	51.1	6.8	(2.0)	(1.8)
Other	0.7	0.0	0.8	0.1	n.s.	(10.1)
Total	741.0	100.0	752.6	100.0	(1.5)	(0.1)



In line with management expectations, domestic sales are beginning to increase again in Q3 2014, also thanks to the end of the rationalization of the Italian wholesale distribution; also the retail performance is positive. In 9 months 2014, Italian revenues were 249.4 million euros, down 4.4%

from the same period of 2013. In the rest of Europe, sales totalled 169.9 million euros, up 4% from 9 months 2013. Positive trend in all the countries, with the only exception of France, which is slightly negative. The Group's sales in the Americas totalled 62 million

(euro mn)	9M 2014	%	9M 2013	%	% current exch. rates	% constant exch. rates
Italy	249.4	33.7	260.8	34.7	(4.4)	(4.4)
Europe	169.9	22.9	163.4	21.7	4.0	4.0
Americas	62.0	8.4	66.2	8.8	(6.3)	(3.1)
Greater China	169.9	22.9	180.8	24.0	(6.0)	(3.3)
Rest of the World	89.8	12.1	81.4	10.8	10.3	14.9
Total	741.0	100.0	752.6	100.0	(1.5)	(0.1)



euros, down 3.1% at constant exchange rates. As already commented in the half-year report, the performance of the wholesale channel is positive, while the retail results have been affected by the temporary closing of two important boutiques, including the New York Madison Avenue flagship store, which was closed until the end of August for widening and refurbishment. Net of the impact of these two stores, the performance of the American sales would have been positive, at constant rates. The Chinese market is showing some signals of improvement, even if the

mood of the consumer spending remains weak and the store traffic is stabilizing at much lower levels than in the past few years. The Group's sales in Greater China were 169.9 million euros, down 3.3% from 9M 2013, at constant exchange rates, and represent 22.9% of consolidated turnover. Finally, in the area "Rest of the World" sales totalled 89.8 million euros, up 14.9% at constant exchange; positive results in all the Far Eastern countries.

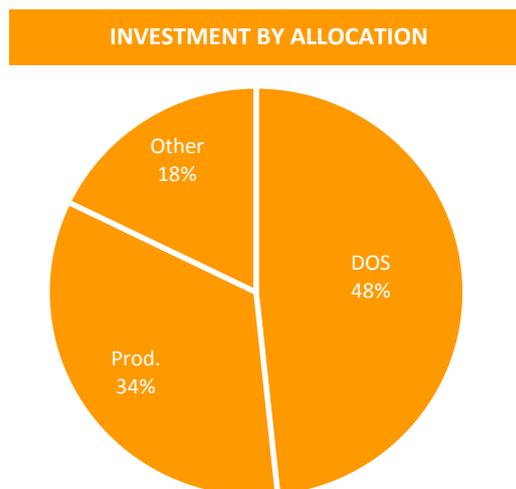
Operating results. EBITDA and EBIT confirm, even for the third quarter, the trend registered during the first half of 2014 and they amount respectively to 156.4 million euros and 123.9 million euros.

euro 000's	9M 2014	9M 2013	FY 13
Revenues			
Sales Revenues	741,015	752,618	967,490
Other revenues and income	6,584	7,284	15,630
Total revenues and income	747,599	759,902	983,120
Operating Costs			
Change in inventories of work in prog. and finis. goods	11,914	7,159	16,549
Cost of raw materials, supplies and materials for cons.	(207,784)	(202,211)	(267,948)
Costs for services	(171,357)	(157,074)	(211,761)
Costs for use of third party assets	(80,588)	(74,413)	(101,778)
Costs of labour	(118,507)	(112,860)	(151,665)
Other operating charges	(24,913)	(20,957)	(30,200)
Total Operating costs	(591,236)	(560,356)	(746,803)
EBITDA	156,363	199,546	236,317
Amortisation, depreciation and write-downs			
Amortisation of intangible assets	(6,523)	(6,356)	(8,889)
Depreciation of tangible assets	(24,835)	(22,444)	(30,395)
Other adjustment			
Total amortisation, depreciation and write-downs	(31,357)	(28,800)	(39,284)
Provisions	(1,067)	(2,269)	(3,878)
EBIT	123,938	168,477	193,155

EBITDA of the first nine months of 2014 amounts to 156.4 million euros and it represents 21.1% of consolidated revenue. On a comparable exchange rate basis, EBITDA for the period January-September 2014 would have been 163.1 million euros, representing 21.7% of consolidated revenue. Confirmed the excellent profitability at a gross margin level, generated by the consolidated positioning of the Group brands in the most exclusive luxury segment, with a slight decrease driven by the composition of revenues in the last quarter; operating margins has been significantly affected by, in respect to 2013, some operating costs related: i) to the international DOS network expansion strategy (the increase of DOS observed from October 2013 to September 2014 is equal to 22) ii) to the strengthen of capital expenditures in communication to support the

brands, and the consequently increase of the cost structure components on revenues, particularly related to the cost for services, cost for use of third parties assets (leases and royalties) and costs of labour. Lease and rental expenses (leases of locations and royalties for ROGER VIVIER) totalled 80.6 million euros up 6.2 million euros in respect to the first nine months of 2013 (74.4 million euros), mainly due to the already commented significant expansion of the direct distribution network. The ratio of lease and rental expenses on consolidated sales revenues is 10.9%, compared with 9.9% of previous September 30th, 2013. Personnel costs also showed an increase and it amounts to 118.5 million euros for the first nine months of 2014, compared to 112.9 million euros of the first nine months of 2013. During the period such costs represented 16% of consolidated revenues (15% for the first nine months of 2013). The headcount at September 30th, 2014 consists of 4,305 employees or 161 and 220 people more than at December 31st and September 30th, 2013, respectively. The costs for depreciation and amortization amounted to 31.4 million euros for the first nine months of 2014 increased by 2.6 million euros in respect to the previous period when it was 28.8 million euros, representing 4.2% of consolidated revenues (3.8% at September 30th, 2013). Net of additional operating provisions of 1.1 million euros (2.3 million euros at September 30th, 2013), EBIT totalled 123.9 million euros (168.5 million euros at September 30th, 2013), representing 16.7% of consolidated revenues (22.4% at September 30th, 2013). On a comparable exchange rate basis, EBIT would have been 130.3 million euros, and would be equal to 17.3% of consolidated revenues.

Capital expenditures. Capital expenditure for the first nine months of 2014 totalled 49.5 million euros, while the comparative figure amounted to 36.2 at September 30th, 2013. Capex used for the direct distribution network amounted to 23.9 million euros (20.1 million euros for the first nine months of 2013) which was used primarily for both new DOS openings and for renovation activities performed during the period; among which, the already commented TOD'S flagship of Madison Avenue in New York within which it has been realized even an increase of the sale surface. Capital expenditures for 11.8 million euros have been designated for the increase, in the short run, of the internal production capacity; in addition to



the acquisition of a new plant, a further plant is being constructed, both of them located next to the Group headquarter and the second inside its perimeter. The remaining investments of the period regarded the normal processes of modernising the structures and industrial equipment and also the development activities of company management software.

The net financial position. At September 30th, 2014 net financial position was positive and equal to 107.6 million euros (132 million euros at September 30th, 2013), including cash and cash equivalents for 147.8 million euros, and liabilities for 40.2 million euros, of which 21.2 million euros for long-term exposures.

Net financial position (euro 000's)				
9.30.13		9.30.14	12.31.13	Change
Current financial assets				
183,862	Cash and cash equivalents	147,810	228,178	(80,368)
183,862	Cash	147,810	228,178	(80,368)
Current financial liabilities				
(22,918)	Current account overdrafts	(13,516)	(21,077)	7,561
(4,949)	Current share of medium-long term financing	(5,483)	(4,889)	(594)
(27,867)	Current financial liabilities	(18,999)	(25,966)	6,967
155,995	Current net financial position	128,811	202,212	(73,401)
Non-current financial liabilities				
(23,946)	Financing	(21,222)	(21,087)	(135)
(23,946)	Non-current financial liabilities	(21,222)	(21,087)	(135)
132,049	Net financial position	107,589	181,125	(73,536)

Gross of dividends distributed during the period, net financial position would amount to 190.5 million euros (+9.4 million euros in respect to the beginning of the year).

It should be noted that the 3rd quarter is characterized by a temporary physiological increase of net operating working capital mainly due to the exposure versus independent customers resulting from the wholesale component of revenues, which will free up cash resources in the last quarter of the year.

Net working capital (euro 000's)				
9.30.13		9.30.14	12.31.13	Change
276,279	Inventories	310,502	282,348	28,154
146,301	Trade receivables	140,931	94,325	46,606
(126,136)	Trade payables	(141,491)	(152,619)	11,128
296,444	Net working capital	309,942	224,054	85,888

Significant events occurring after the end of the period

There have not been any significant operating events affecting the Group's activities since September 30th, 2014.

Business outlook

Results of the first nine months of the year are in line with our expectations and reflect the impact of the strategic decision to continue to pursue the Group's growth, by investing in the distribution network and in production capacity, despite the current high market volatility. The Group remains focused on the improvement of the DOS productivity and organic growth potential, and continues to give priority to the mid-term development plan, with particular attention to preserve the brands' quality and prestige, fully consistently with its business model. Begin to become evident the first results of the entrance in the world of the Fashion Shows, which will support the performance of all product categories, and in particular, of leather goods, by strengthening the brands' visibility. Also the feedback of the 2015 Spring Summer orders' collections is encouraging and confirms the strong appeal of Group's brands.

Guidelines for preparation of the Quarterly Report

TOD'S Group Quarterly Report on Operations at September 30th, 2014 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").

Quarterly report were approved by the Board of Directors of TOD'S S.p.A. on November 12th, 2014, and on the same date that body authorized its publication.

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

Accounting policies

The accounting policies applied to prepare the financial figures reported on the Quarterly Report at September 30th, 2014 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 accounting policies used to prepare this report are consistent with the ones adopted to prepare the consolidated financial statements at December 31st, 2013 and with what has been commented in the half year report at June 30th, 2014 relating to amendments and interpretation applicable from the January 1st, 2014.

Preparation of the financial figures reported on the Quarterly Report at September 30th, 2014 entails making estimates and assumptions based on the management's best valuation. Estimates and assumptions are reviewed regularly. 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 with 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 are available, unless there are indications that require immediate valuation of eventual impairment losses or the occurrence of events that required reiteration of the procedure. The analyses carried out at this reporting date have not revealed any impairment indicators.

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. 2014		Jan. - Sep. 2013	
	Exch. rates at period end	Average exch. rate	Exch. rates at period end	Average exch. rate
U.S. dollar	1.258	1.355	1.351	1.317
UK pound sterling	0.777	0.812	0.836	0.852
Swiss franc	1.206	1.218	1.223	1.231
Hong Kong dollar	9.774	10.506	10.472	10.216
Japanese yen	138.110	139.486	131.780	127.146
Hungarian forint	310.570	308.709	298.150	296.676
Singapor dollar	1.606	1.704	1.696	1.648
Korean WON	1,330.340	1,410.917	1,451.840	1,456.138
Macao Pataca	10.060	10.821	10.786	10.523
Chinese Renminbi	7.726	8.352	8.265	8.122
Indian Rupee	77.856	82.245	84.844	75.302
Brazilian Real	3.082	3.101	3.041	2.776
Albanian Lek	139.420	140.032	141.307	140.247

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 2014 from the results for the nine months of 2013, the typical economic indicators (Revenues, EBITDA, EBIT) have been recalculated by applying the average exchange rates for the nine months of 2013, thereby rendering them fully comparable with those of the previous period. These criteria for measuring business performance must not be considered alternative to those established by IFRS.

Furthermore – as it has already been mentioned in the preceding paragraph, the Group's cash flow is uneven from quarter to quarter, largely on account of its industrial activity. Consequently, the analysis of interim results and financial statement indicators (EBITDA, EBIT, financial position and working capital) cannot be considered fully representative, and it would thus be improper to consider the indicators for the reference period to be in proportion to the results for the entire financial year.

Scope of consolidation

The scope of consolidation at September 30th, 2014 changed in respect to September 30th, 2013 due to the project of Group reorganisation, started last year, which will ultimately result in the ROGER VIVIER brand having its own, autonomous corporate organisation. To execute this reorganisation, the following companies were formed: Roger Vivier (Shanghai) Trading Co. Ltd., incorporated on November 28th, 2013, 90% owned by Partecipazioni Internazionali S.r.l. and 10% owned by Roger Vivier Hong Kong Ltd.; Roger Vivier UK Ltd., incorporated on November 18th, 2013 and 100% owned by Tod's UK Ltd., Roger Vivier France Sas incorporated on April 30th, 2014 and 100% owned by TOD'S France, Roger Vivier Korea Inc. incorporated on June 9th, 2014 and 100% owned by Partecipazioni Internazionali S.r.l.; Roger Vivier Switzerland S.A. incorporated on June 17th, 2014 and TOD'S Georgia Inc. incorporated on March 10th, 2014 and 100% owned by An. Del. Inc. The companies Roger Vivier UK Ltd., Roger Vivier France Sas, Roger Vivier Switzerland S.A. and TOD'S Georgia Inc. were not operative at September 30th, 2014.

In respect to December 31st, 2013 the scope of consolidation changed due to the incorporation of Roger Vivier France Sas, Roger Vivier Korea Inc., Roger Vivier Switzerland S.A. and TOD'S Georgia Inc.

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, and it has the ability to affect the returns of the investee.

Milan, November 12th, 2014

The Chairman 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