2015 IAS/IFRS Half Year Report

(Translation of the Half Year Report as of June 30th, 2015 approved in Italian, solely for the convenience of international readers)

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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 Lee Garden One, 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 – 11/F Pax Tower 609, Eonju-ro, Gangnam-gu
	Shanghai - 1717 Nanjing West Road, Wheelock Square 45/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	Chairman
	Andrea Della Valle	Vice - Chairman
	Luigi Abete	
	Maurizio Boscarato	
	Luigi Cambri	
	Luca Cordero di Montezemolo	
	Sveva Dalmasso	
	Emanuele Della Valle	
	Romina Guglielmetti	
	Emilio Macellari	
	Vincenzo Manes	
	Cinzia Oglio	
	Pierfrancesco Saviotti	
	Michele Scannavini	
	Stefano Sincini	
Executive Committee	Diego Della Valle	Chairman
	Andrea Della Valle	
	Emilio Macellari	
	Stefano Sincini	
Compensation Committee	Luigi Abete	Chairman
	Sveva Dalmasso	
	Vincenzo Manes	
Control and Risk Committee	Luigi Cambri	Chairman
	Maurizio Boscarato	
	Romina Guglielmetti	
Independent Directors Committee	Vincenzo Manes	Chairman
	Romina Guglielmetti	
	Pierfrancesco Saviotti	
Board of statutory [2] Auditors	Giulia Pusterla	Chairman
	Enrico Colombo	Acting stat. auditor
	Fabrizio Redaelli	Acting stat. auditor
	Gilfredo Gaetani	Substitute auditor
	Myriam Amato	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: 2015-2017 (resolution of the Shareholders' meeting as of April 22nd, 2015)
[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)

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 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 Japan KK
Company that operates DOS in Japan

TOD'S Macao Ltd
Company that operates DOS in Macao

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

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 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)

Holpaf B.V.
Real estate company that operates one 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 ROGER VIVIER DOS in China

Roger Vivier UK Ltd
Company that operates DOS in Great Britain

TOD'S Georgia Inc.
Company that operates DOS in Georgia (USA)

Roger Vivier France Sas
Company that operates DOS in France

Roger Vivier Korea Inc.
Company that operates DOS in Korea and that distributes and promotes products branded ROGER VIVIER in Korea

Roger Vivier Switzerland S.A.
Company that operates DOS in Switzerland

Roger Vivier Macau Ltd.
Company that operates DOS in Macao

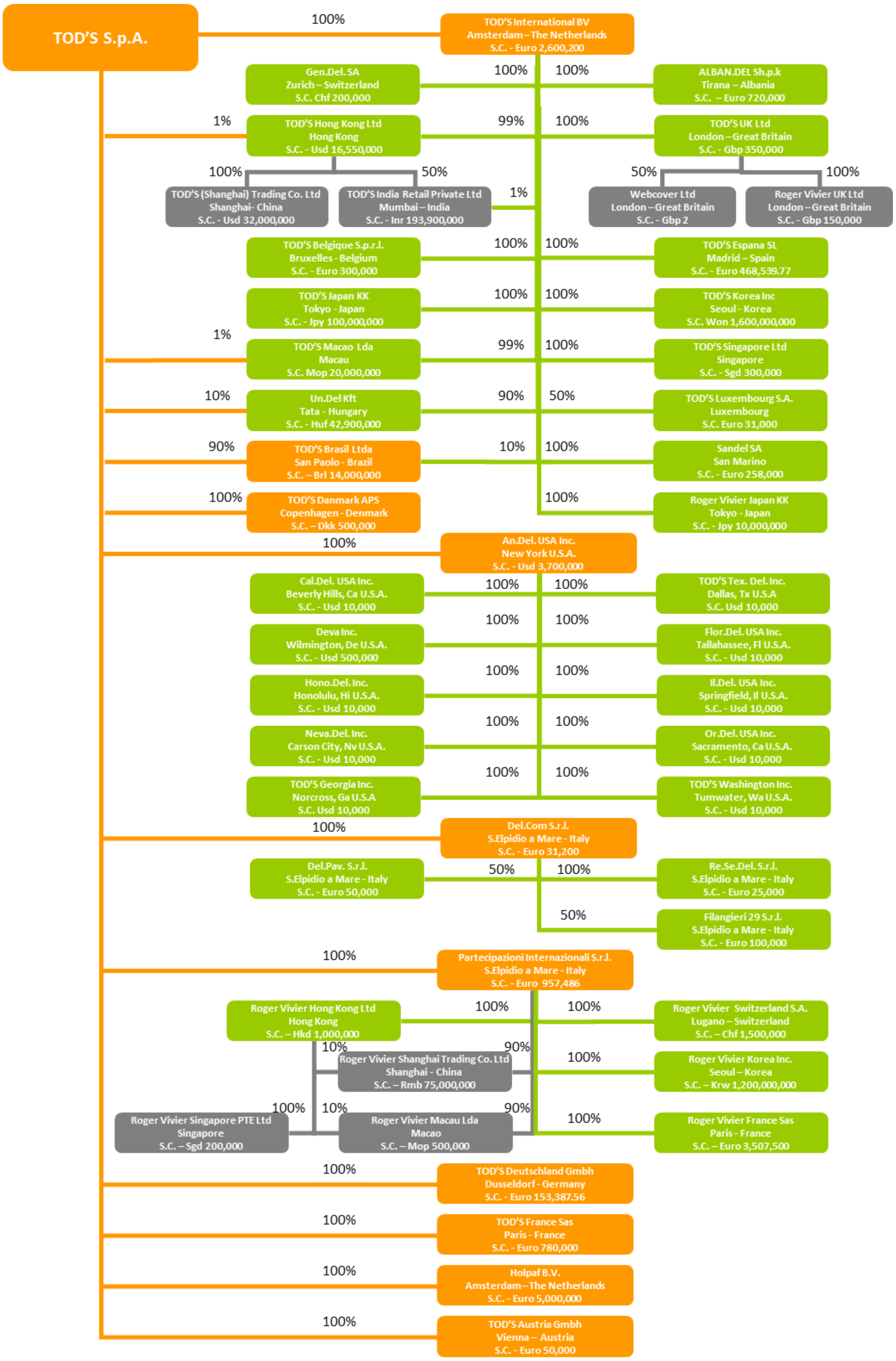
Roger Vivier Japan KK
Company that operates DOS in Japan

TOD'S Danmark APS
Company that operates DOS in Denmark

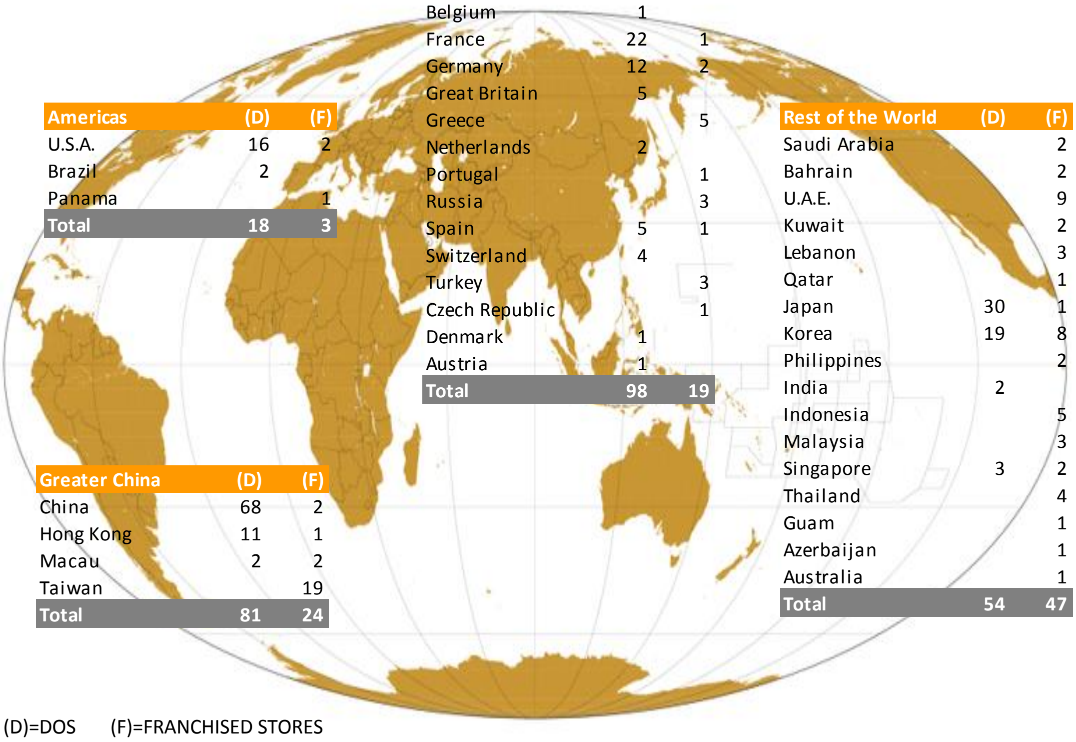
TOD'S Austria GMBH
Company that operates DOS in Austria

TOD'S Washington Inc.
Not operating company

Group's organizational chart



Distribution network as of June 30th, 2015



Europe	(D)	(F)
Italy	45	2
Belgium	1	
France	22	1
Germany	12	2
Great Britain	5	
Greece		5
Netherlands	2	
Portugal		1
Russia		3
Spain	5	1
Switzerland	4	
Turkey		3
Czech Republic		1
Denmark	1	
Austria	1	
Total	98	19

Americas	(D)	(F)
U.S.A.	16	2
Brazil	2	
Panama		1
Total	18	3

Rest of the World	(D)	(F)
Saudi Arabia		2
Bahrain		2
U.A.E.		9
Kuwait		2
Lebanon		3
Qatar		1
Japan	30	1
Korea	19	8
Philippines		2
India	2	
Indonesia		5
Malaysia		3
Singapore	3	2
Thailand		4
Guam		1
Azerbaijan		1
Australia		1
Total	54	47

Greater China	(D)	(F)
China	68	2
Hong Kong	11	1
Macau	2	2
Taiwan		19
Total	81	24

(D)=DOS (F)=FRANCHISED STORES

DOS, 2015 new openings

Italy

Monza	(Italy)
Forte dei Marmi	(Italy)

Europe

Paris	(France)
Paris	(France)
Paris	(France)
Copenhagen	(Denmark)
Geneve	(Switzerland)
Monaco	(Germany)
Parndorf	(Austria)

Greater China

Chongqing	(China)
Chongqing	(China)
Zhengzhou	(China)
Shanghai	(China)
Macao	(Macao)

Americas

Atlanta	(USA)
Houston	(USA)

Rest of the World

Gimpo	(Korea)
Seoul	(Korea)
Seoul	(Korea)
Mumbai	(India)

Franchised stores, 2015 new openings

Greater China

Sanya Haitang Bay	(China)

Europe

Mannheim	(Germany)

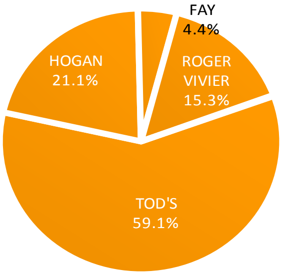
Americas

Panama	(Panama)

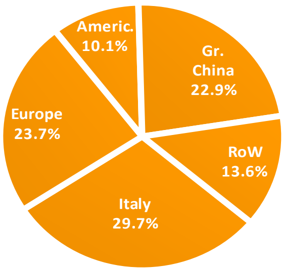
For a complete list of retail outlets operated by the DOS and franchising network, reference should be made to the corporate web site: www.todsgroup.com

Key consolidated financial figures

Revenue 2015 - % by Brand



Revenue 2015 - % by Region



Revenue 2015 - % by Product

P&L Key figures (euro millions)

	H1 15		H1 14		H1 13		H1 12	
Sales revenue	515.3		477.7		491.2		482.5	
EBITDA	103.0	20.0%	103.0	21.6%	129.5	26.4%	123.5	25.6%
EBIT	77.5	15.0%	81.1	17.0%	108.2	22.0%	103.4	21.4%
Profit before tax	74.0	14.4%	78.8	16.5%	106.8	21.7%	104.0	21.5%
Profit for the period	49.9	9.7%	55.9	11.7%	75.7	15.4%	74.1	15.4%

Main Balance Sheet indicators (euro millions)

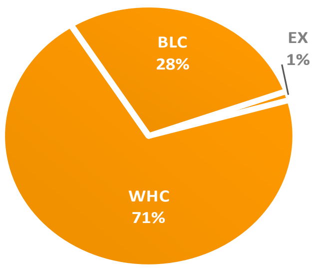
	06.30.15	12.31.14	06.30.14
Net Working Capital (*)	323.4	266.3	256.2
Intangible and tangible assets	422.5	411.4	403.6
Shareholders' equity	816.6	814.6	772.4
Net financial position	73.1	130.0	113.9
Capital expenditures	27.5	64.5	34.0

(*) Trade receivable + inventories - trade payable

Financial key indicators (euro millions)

	H1 2015	FY 2014	H1 2014
Self financing	73.8	141.1	82.2
Cash flow from operations	30.8	90.4	54.6
Free cash flow	(8.2)	(52.1)	(64.9)

Employees 2015: composition



The Group's employees

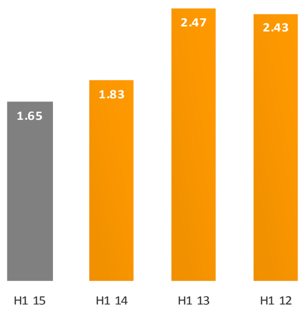
	06.30.15	12.31.14	06.30.14	06.30.13
Year to date	4,504	4,297	4,254	3,991

Key:
EX = executives
WHC = white collar employe
BLC = blue collar employees

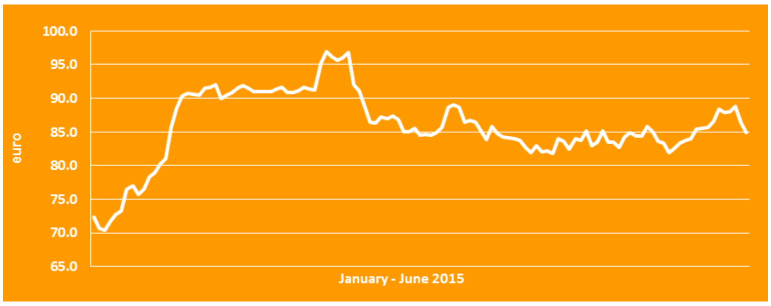
Main stock Market indicators (euro)

Share's price	
Official price at 02.01.2015	72.36
Official price at 30.06.2015	84.95
Minimum price (January - June)	68.75
Maximum price (January - June)	97.65
Market Capitalisation	
Market capitalization at 02.01.2015	2,214,770,146
Market capitalization at 06.30.2015	2,600,327,691
Dividend per share	
Dividend per share 2014	2.00
Dividend per share 2013	2.70
Ordinary shares	
Number of outstanding shares	30,609,401

Earning per share (euro)



Stock performance



Highlights of results

Revenues: revenues totalled 515.3 million euros during the period (the average change in foreign exchange rates had a positive impact of 29.2 million euros). Sales by the DOS network totalled 327.1 million euros.

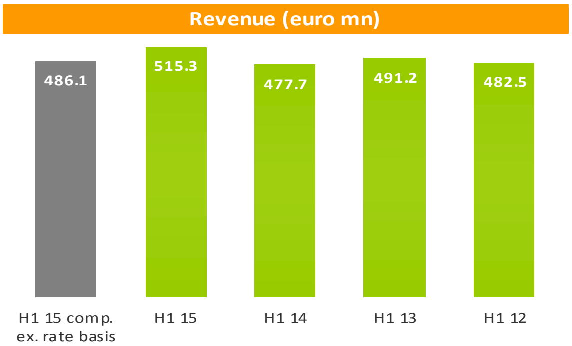
EBITDA: gross operating profit amounts to 103 million euros, (103 million euros at June 30th, 2014) and it was equivalent to 20% of sales. It amounts to 90.2 million euros on a comparable exchange rate basis.

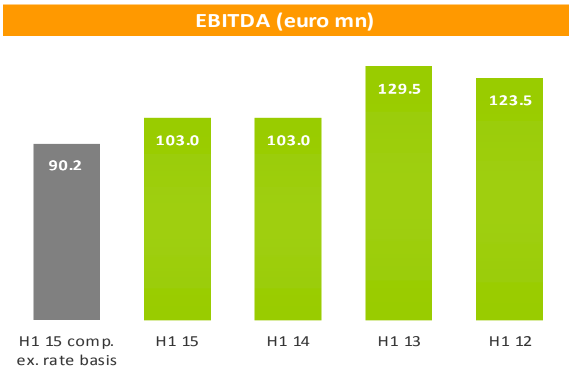
EBIT: net operating profit totalled 77.5 million euros, (81.1 million euros at June 30th, 2014). When measured on a comparable exchange rate basis, EBIT totalled 66.4 million euros.

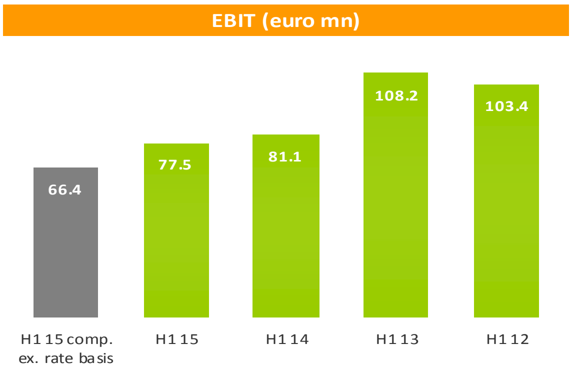
Net financial position (NFP): the Group had 159.4 million euros in liquid assets at June 30th, 2015. Its net financial position was 73.1 million euros at the same date.

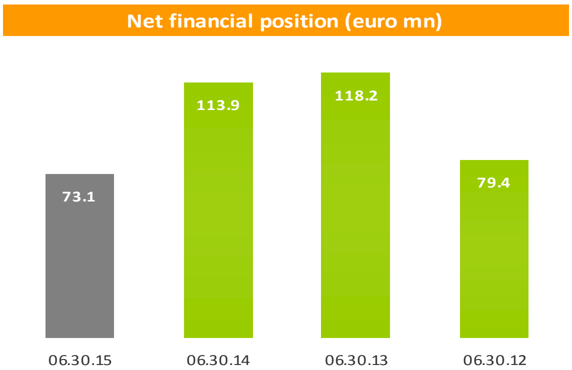
Capital expenditures: 27.5 million euros in capital expenditures were made in H1 2015, in H1 2014 amounted to 34 million euros.

Distribution network: at June 30th, 2015 the single brand distribution network comprised 251 DOS and 93 Franchised stores.









TOD'S Group

Interim Report

TOD'S 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 mission is to offer global customers top-quality products that satisfy their functional requirements and aspirations.

Organizational structure of the Group. Group's organisational configuration rotates around TOD'S S.p.A. that is at the heart of Group's organisation, its parent company that owns TOD'S, HOGAN and FAY brands, holds the licenses to the ROGER VIVIER, and manages Group's production and distribution. Through a series of sub-holdings, the organisation is rounded out by a series of commercial companies that are delegated complete responsibility for retail distribution through the DOS network. Certain of them, strategically located on international markets, are assigned major roles in product distribution, marketing and promotion, and public relations processes along the "value chain", while simultaneously guaranteeing the uniform image that Group brands must have worldwide.

Development of production. Group's production structure is based on complete control of the production process, from creation of the collections to production and then distribution of the products. This approach is considered key to assuring the prestige of its brands.
Shoes and leather goods are produced in Group-owned plants, with partial outsourcing to specialized workshops. All of these outsourcers are located in areas with a strong tradition of shoe and leather good production. This preference reflects the fact that an extremely high standard of professional quality is required to make these items, with a significantly high level of added value contributed to the final product by manual work.
The Group relies exclusively on selected specialized outsourcers, which enables it to exploit their respective specializations in crafting the individual products sold as part of the apparel line.

Distribution structure. The prestige of Group's brands and the high degree of specialization necessary to offer the respective products to customers entails distribution through a network of similarly specialized stores. Accordingly, the Group relies principally on three channels: DOS (directly operated stores), franchised retail outlets, and a series of selected, independent multibrand stores.
Group's strategy is focused on development of the DOS and franchising networks, given that these channels offer greater control and more faithful transmission of the individual brands. It is also clear that, in particular market situations, distribution through independent multibrand stores is more efficient. This channel is of key importance to the Group.

Group's brands

The TOD'S brand is known for shoes and luxury leather goods, with styles that have became 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.

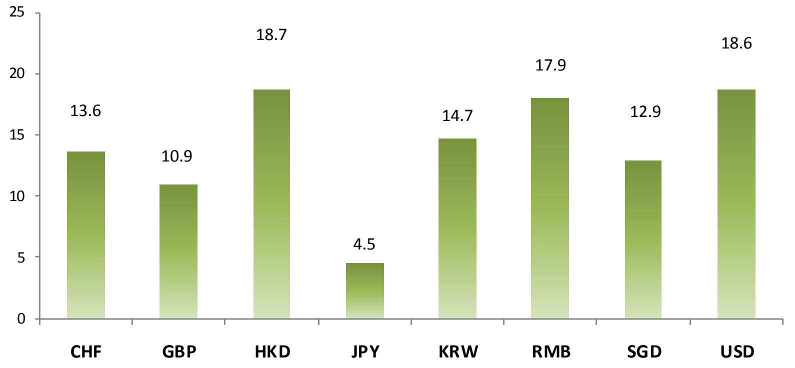
Roger Vivier
PARIS

The Fabergé of shoes, and 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 and new chapters are added to this unique life story every year, which goes beyond expertise in the craft of shoe making to include handbags, small leather goods, jewellery and sunglasses.

Foreign currency markets

Average exchange rates for the first half of 2015, compared to figures for the same period of the previous year, show a broadly and significant weakness of the euro currency in respect to the currencies with which the Group operates; in particular versus the Hong Kong dollar (HKD), the US dollar (USD) and Chinese Renminbi (RMB) which showed a revaluation in respect to the euro currency of 18.7%, 18.6% and 17.9% respectively.

Average exchange rate
H1 2015 vs H1 2014
(change %)



Main events and operations during the period

The market scenario in which the Group operates was characterized by the volatility of the global luxury goods market again in the first half of 2015. This had been a feature of the entire year 2014. The appreciation of some currencies against the euro considerably impacted growth rates, thus leading to profound imbalances between European and extra-European markets and affecting consumption in some markets, especially the market in Greater China, where a sharp decline in domestic consumption continues to be evident. This phenomenon had already affected the results of all the main brands in the sector in the previous financial year.

In this scenario, the Group recorded very good performances in the first half of 2015, which were driven, in particular, by increased sales in the second quarter, also thanks to the positive impact of the currency trends. Sales recorded double digit figures, compared to the first half of 2014, in all the international markets in which the Group operates, except for Greater China only, which, as has been said, was still affected by a general and continuing consumption decline. However, this market recorded, once again, excellent performances for the ROGER VIVIER brand, the revenues of which showed, at current exchange rates, an increase of 17.1%. More in general, the current half-year also confirmed this brand's great appeal to international customers: sales of ROGER VIVIER brand increased by 31.3% (almost 20% at constant rates) compared to the first half of 2014.

As regards the brands, HOGAN continued to grow in international markets, to which the Group expansion strategy is addressed at present: in the foreign markets in which the brand is present, sales recorded double-digit growth rates as a whole compared to the first half of 2014.

As regards business development, the TOD'S Group continued, in the half-year, to carry out its strategy of expanding its DOS network, a fundamental requirement for the pursuit of medium-term growth targets, opening 20 new DOS. Among these we mention the inauguration of the first directly-operated store in Denmark inside a prestigious Copenhagen shopping centre and the openings of new TOD'S boutiques in Houston and Atlanta, which are major cities for the US market, in which the Group has not been present up to now. As regards investments, the construction of a new building is being completed in the area in which the Group's headquarters are located, which will be mainly dedicated to host some important industrial activities.

On the other hand, in order to support the present and future development of investments connected with the Group's growth, in the first half of 2015, the parent company TOD'S S.p.A. entered into two 4-year term loan agreements with two major banks, for a total amount of euro 50 million, thus seizing the opportunity of extremely low interest rates and particularly favourable credit access conditions for the Company.

Again with a view to business development, in the half-year the Group continued to expand its e-commerce channel. In implementing the development plan agreed with the industrial partner that had been selected for the online marketing of all the brands, the Group also started to distribute its products, at the same time as the 2015-2016 autumn-winter collection, on the important market of mainland China, in addition to the already active markets in Italy, the United States and the main European countries.

This significant expansion of the e-commerce channel is also expected to positively boost the "traditional" market of directly-operated stores in mainland China, through the strengthening of the brand awareness of the brands involved in the e-commerce project, also thanks to the simultaneous enhanced presence in terms of digital communication in the market.

Finally, it should be noted that the Group will be able to further boost its e-commerce channel thanks to the collaboration with Net-A-Porter and Mr. Porter, the major reference boutiques for online purchases dedicated to women's and men's fashion, which was started in the month of July of the current year. This partnership provides for these important online players to start selling the TOD'S Ready To Wear collections, which have been present until now in some international brand boutiques only, from the end of July.

As regards social responsibility, the Group continued its Welfare project which, as part of the initiatives to provide economic support to the families of the Group's Italian employees, saw the extension, also for the current financial year, of both the annual contribution of euro 1,400 and the full refund of the cost incurred by its employees' families to buy school books, together with the renewal of a significant health care protection to the benefit of its employees and their families.

Again as regards social responsibility, the Shareholders' Meeting of the parent company TOD'S S.p.A. held on April 22nd, 2015 renewed its support and resolved, as in the previous financial year, to allocate 1% of the net profit achieved by the Group in the 2014 financial year, equal to about euro 1.0 million, to a specific reserve to be used to pursue local solidarity projects.

Group's results in HY 2015

Consolidated sales were 515.3 million euros in the first half of 2015, increased by 7.9% from H1 2014. It was positive the effect deriving from variation in exchange rates: by using H1 2014 average exchange rates, sales would have been 486.1 million euros, 1.8% up compared with H1 2014 when sales were 477.7 million euros.

EBITDA and EBIT amounted to 103 and 77.5 million euros respectively, and represent 20% and 15% of consolidated revenues. By using H1 2014 average exchange rates, they would have been 90.2 and 66.4 million euros respectively, representing 18.6% and 13.7% of consolidated revenues.

FY 14	euro 000's Main economic indicators	H1 2015	H1 2014	Change	%
965,532	Sales revenue	515,310	477,747	37,563	7.9
193,547	EBITDA	103,045	102,969	76	0.1
(45,368)	Amortiz., deprec. and write-downs	(25,533)	(21,866)	(3,668)	16.8
148,179	EBIT	77,512	81,103	(3,592)	(4.4)
144,380	Profit before taxes	74,048	78,830	(4,783)	(6.1)
96,761	Profit for the period	49,870	55,854	(5,983)	(10.7)
	Foreign exchange impact on revenues	(29,183)			
	Adjusted Sales revenues	486,127	477,747	8,380	1.8
	Foreign exchange impact on operating costs	16,369			
	Adjusted EBITDA	90,231	102,969	(12,738)	(12.4)
	Foreign exchange impact on deprec.&amort	1,738			
	Adjusted EBIT	66,436	81,103	(14,668)	(18.1)
	EBITDA %	20.0	21.6		
	EBIT %	15.0	17.0		
	Adjusted EBITDA %	18.6	21.6		
	Adjusted EBIT %	13.7	17.0		
	Tax Rate %	32.6	29.1		

06.30.14	euro 000's Main Balance Sheet indicators	06.30.15	12.31.14	Change
256,155	Net Working Capital (*)	323,394	266,310	57,084
403,628	Non-current assets	422,506	411,379	11,127
(1,307)	Other current assets/liabilities	(2,363)	6,907	(9,270)
658,476	**Invested capital**	**743,537**	**684,596**	**58,941**
113,913	Net financial position	73,079	130,013	(56,933)
772,389	**Shareholders' equity**	**816,616**	**814,609**	**2,007**

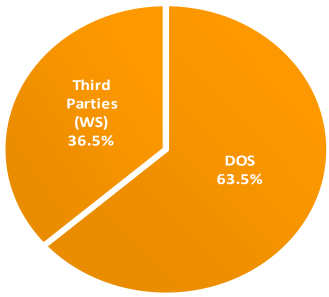
34,031	Capital expenditures	27,521	64,457	(36,936)
54,553	*Cash flow from operations*	30,841	90,411	(59,570)
(64,917)	*Free cash flow*	(8,151)	(52,140)	43,989

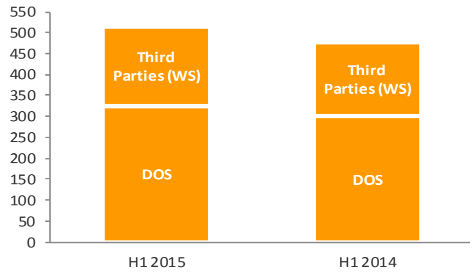
(*) Trade receivable + inventories - trade payable

Revenue. Consolidated sales were 515.3 million euros in the first half of 2015, up 7.9% from H1 2014, showing a visible acceleration in the second quarter of the year (+15% in Q2 as compared to +1.5%), across all the geographical areas and product categories. As expected, the impact of currencies fluctuations was positive: at constant exchange rates, meaning by using the average exchange rates of H1 2014, including the related effects of hedging contracts, sales would have been 486.1 million euros, up 1.8% from H1 2014. Sales through DOS totalled 327.1 million euros, up 8.6% from H1 2014; the 14.3% growth registered in Q2 was driven by the organic growth and by the widening of the retail network.

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, 2014, is -5.6% in the first 31 weeks of the year (from January 1st to August 2nd, 2015). This figure shows a significant improvement as compared with the first three months of the year (it was -10.6% as of the end of March). The SSSG would be definitely positive at reported rates. As of June 30th, 2015 the Group's distribution network was composed by 251 DOS and 93 franchised stores, compared to 229 DOS and 87 franchised stores as of the end of June 2014. Revenues to third parties globally amounted to 188.2 million euros, up 6.6% from H1 2014; also the performance of this channel registered an acceleration in the second quarter, only partially due to the different timing of deliveries.

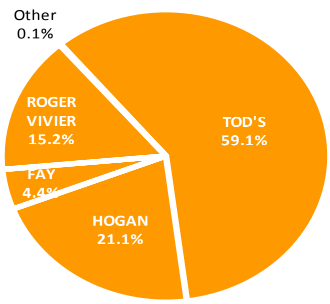
(euro mn)	H1 2015	%	H1 2014	%	% current exch. rates	% constant exch. rates
DOS	327.1	63.5	301.1	63.0	8.6	0.5
Third Parties (WS)	188.2	36.5	176.6	37.0	6.6	4.0
Total	**515.3**	**100.0**	**477.7**	**100.0**	**7.9**	**1.8**

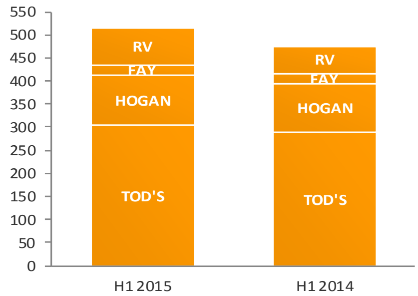




The TOD'S brand totalled 304.4 million euros in sales, up 4.9% from H1 2014 and registered a significant acceleration in the second quarter (+9.9%); positive results in all markets where the brand is distributed, with the exception of China, which continues to be affected by the overall weakness in consumer spending. HOGAN revenues were 108.8 million euros, up 4.2% from H1 2014. Positive results in all regions; double-digit growth in Europe and in Asia. The FAY brand registered sales of 22.9 million euros, with a slight

(euro mn)	H1 2015	%	H1 2014	%	% current exch. rates	% constant exch. rates
TOD'S	304.4	59.1	290.2	60.7	4.9	(2.1)
HOGAN	108.8	21.1	104.5	21.9	4.2	2.7
FAY	22.9	4.4	22.8	4.8	0.5	0.3
ROGER VIVIER	78.6	15.2	59.8	12.5	31.3	19.2
Other	0.6	0.1	0.4	0.1	n.s.	n.s.
Total	**515.3**	**100.0**	**477.7**	**100.0**	**7.9**	**1.8**

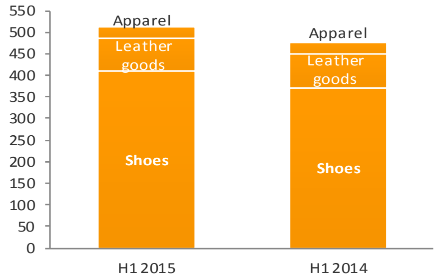




increase compared to the first half of 2014, also thanks to the contribution of foreign markets. The brand is in fact launching its international expansion process. Finally, ROGER VIVIER revenues were 78.6 million euros, up 31.3% from H1 2014; double-digit growth in all regions, despite the strategy of selective expansion, aimed at maintaining the unique positioning of the brand.

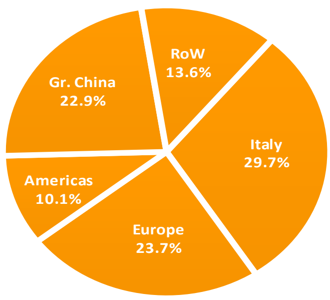
Sales from shoes continued their growth, confirming the Group's leadership in this category. Revenues were 410.7 million euros (up +9.9% from H1 2014; +16.1% only in Q2). Sales from leather goods and accessories totalled 77.6 million euros , up 0.7% from H1 2014. As expected, revenues grew in double digits in the second quarter; we believe that this improvement will continue during the year, also based on the excellent feedback of the winter collections of some families of TOD'S handbags. Finally, sales from apparel were 26.4 million euros, broadly stable compared to H1 2014.

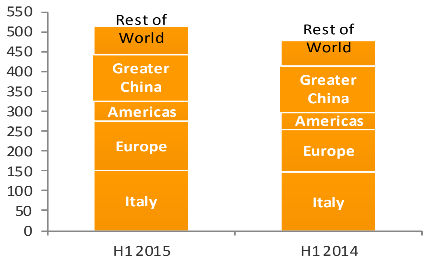
(euro mn)	H1 2015	%	H1 2014	%	% current exch. rates	% constant exch. rates
Shoes	410.7	79.7	373.7	78.2	9.9	3.5
Leather goods	77.6	15.1	77.1	16.1	0.7	(5.9)
Apparel	26.4	5.1	26.5	5.6	(0.6)	(1.4)
Other	0.6	0.1	0.4	0.1	n.s.	n.s.
Total	**515.3**	**100.0**	**477.7**	**100.0**	**7.9**	**1.8**



In the first half of 2015, domestic sales were 152.9 million euros, up 3% from H1 2014, which implies a visible acceleration in Q2 (+6.2%). In the rest of Europe, the Group's revenues totalled 122.2 million euros, up 13.1% from H1 2014; also in this region, the performance improved in Q2. In the Americas, sales were 51.9 million

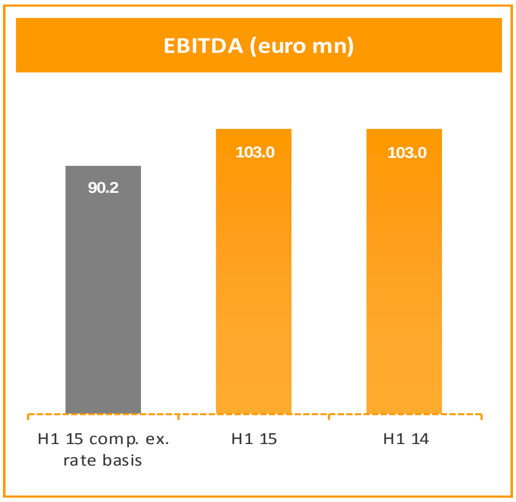
(euro mn)	H1 2015	%	H1 2014	%	% current exch. rates	% constant exch. rates
Italy	152.9	29.7	148.5	31.1	3.0	3.0
Europe	122.2	23.7	108.0	22.6	13.1	10.5
Americas	51.9	10.1	42.3	8.9	22.7	6.1
Greater China	118.2	22.9	117.8	24.6	0.3	(12.6)
Rest of World	70.1	13.6	61.1	12.8	14.8	8.1
Total	**515.3**	**100.0**	**477.7**	**100.0**	**7.9**	**1.8**



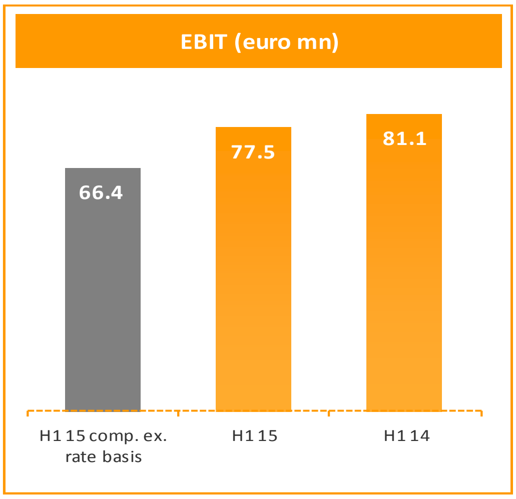


euros, up 22.7% from H1 2014; the visible acceleration registered in the last few months of the period was also due to the more favourable weather conditions on the Eastern Coast (+32.4% sales growth in Q2). In Greater China the Group's sales totalled 118.2 million euros, equal to 22.9% of consolidated turnover. Mainland China, which represents approx. half of this region, registered positive results (at reported rates), while the performance in Hong Kong was still negative, due to the general reduction in traffic and consumption. Finally, in the area "Rest of the World" the Group's revenues were 70.1 million euros, up 14.8% from H1 2014 (+30.2% in Q2), mainly driven by the outstanding results of Japan and Korea.

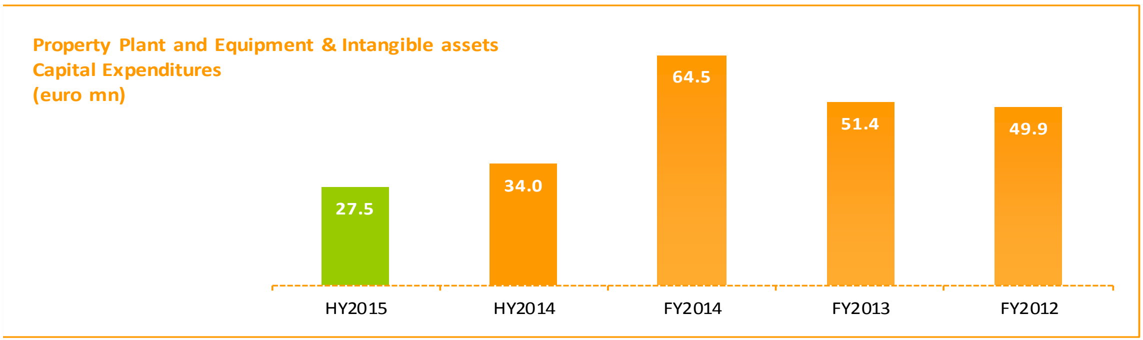
Operating results. EBITDA in H1 2015 totalled 103 million euros, unchanged in respect to the amount reported in H1 2014. Gross operating profit was thus equivalent to 20% of consolidated revenue (H1 2014: 21.6%). EBITDA at constant exchange rate amounted to 90.2 million euros, representing 18.6% of consolidated revenues. Profits at the gross margin level were consolidated, as confirmation of the excellent positions of the Group's brands at the high end of the luxury brands sector and of the ability to generate revenues in the products segments and in the geographical areas with higher margins. This result absorbed the main impact of rising operating costs linked to the expansion strategy of the DOS network (the increase in the number of DOS recorded in the period from July 2014 to June 2015 was equal to 22). Lease and rental expenses (leases of locations and royalties for use of licensed brands) totalled 63.1 million euros at June 30th, 2015, up 9.9 million euros from H1 2014, mainly due to the expansion of distribution network; they represented 12.2% of revenue at June 30th, 2015 against 11.1% at June 30th, 2014. Increased even the personnel costs which totalled 91.4 million euros in the first half of year 2015, compared with 79.6 million euros in the first six months of the previous year. The change is mainly connected with the increase in headcount (mainly due to the expansion of the direct distribution network), with a total of 4,504 employees at June 30th, 2015, or 207 and 250 persons more than at December 31st and June 30th, 2014, respectively. At June 30th, 2015, employee costs equalled 17.7% of Group revenue, as compared with 16.7% in the first six months of 2014.



Increased the costs for depreciation, amortization and impairment, amounting to 23.5 in H1 2015, against 20.8 million euros in H12014; the ratio on revenue is 4.6% (substantially in line with the first half of 2014 when it was 4.4%). Net of additional operating provisions of 2 million euros, EBIT in H1 2015 totalled 77.5 million euros (81.1 million euros at June 30th, 2014), representing 15% of consolidated revenues (17% at June 30th, 2014). At June 30th, 2015, consolidated net profit was equal to 49.9 million euros, against 55.9 million euros at June 30th of the previous year. At June 30th net profit represents the 9.7% of revenues (11.7% for the first six months of 2014). The result is net of income taxes for the period (including the effects of deferred taxes) totalling 24.2 million euros, for a tax rate of 32.6%, increased in respect to the first half 2014 (when it was 29.1%), mainly due to a different geographical mix of results.

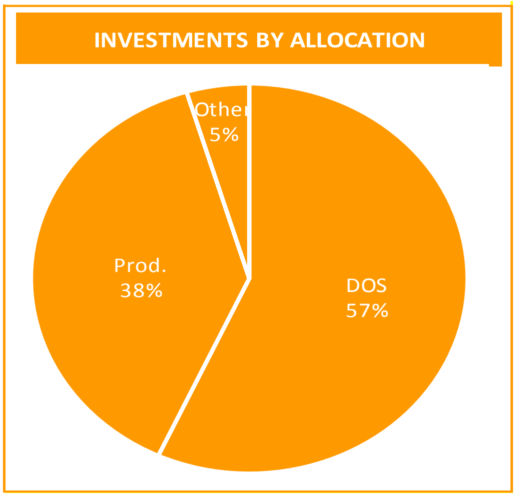


Capital expenditures. Capital expenditure in H1 2015 totalled 27.5 million euros, while they were 34 million euros at June 30th, 2014.



Capital expenditures during the period for the DOS network totalled about 15.6 million euro (15.7 million euros in the first half 2014), primarily used for both new DOS openings, among which the most relevant are Houston and Atlanta stores, and for renovation activities of the existing stores.

The remaining investment quota in the period regarded not only the normal processes of modernising the structures and industrial equipment (mainly lasts and moulds) but also the continuation of construction activities for the building located inside the perimeter of TOD'S Group headquarter, which was started last year, and to the development of the company management software.



Net financial position (NFP). At June 30th, 2015, net financial position was positive and equal to 73.1 million euros (130 million euros and 113.9 million euros at December 31st and June 30th, 2014 respectively), including liquid assets (cash and bank deposits) for 159.4 million euros, and liabilities for 86.3 million euros, of which 63.9 million euros for long-term exposures.

Net financial position (euro 000's)				
06.30.14		**06.30.15**	**12.31.14**	**Change**
Current financial assets				
155,295	Cash and cash equivalents	159,434	165,949	(6,515)
155,295	**Cash**	**159,434**	**165,949**	**(6,515)**
Current financial liabilities				
(13,111)	Current account overdrafts	(12,592)	(10,988)	(1,603)
(5,494)	Current share of medium-long term financing	(9,872)	(4,650)	(5,223)
(18,605)	**Current financial liabilities**	**(22,464)**	**(15,638)**	**(6,826)**
136,690	**Current net financial position**	**136,970**	**150,311**	**(13,341)**
Non-current financial liabilities				
(22,777)	Financing	(63,891)	(20,298)	(43,593)
(22,777)	**Non-current financial liabilities**	**(63,891)**	**(20,298)**	**(43,593)**
113,913	**Net financial position**	**73,079**	**130,013**	**(56,933)**

Gross of dividends paid, net financial position would be equal to 134.4 million euros (+4.4 million in respect to December 31st, 2014).

Financial liabilities include, among others, two loan agreements signed by TOD'S S.p.A. in the first half 2015 with both BNL S.p.A. (BNP Paribas Group) and Intesa San Paolo S.p.A. respectively, for an amount of 25 million euros each, which will be reimbursed paying 16 quarterly instalments and in one single payment at the end of the fourth year.

euro 000's Statement of cash flows	H1 2015	H1 2014
Profit/(Loss) for the period	**49,870**	**55,854**
Non-cash items	23,947	26,334
Cash flow	**73,817**	**82,188**
Change in operating net working capital	(42,976)	(27,635)
Cash flow from operations	**30,841**	**54,553**
Cash flow generated (used) in investment activities	(28,830)	(34,370)
Cash flow generated (used) in financing activities	(13,859)	(80,855)
Cash flow generated (used) from continuing operations	**(11,848)**	**(60,673)**
Translation differences	3,696	(4,245)
Cash flow generated (used)	**(8,151)**	**(64,917)**
Net Cash and cash equivalents at the beginning of the period	154,961	207,101
Net Cash and cash equivalents at the end of the period	146,810	142,184
Change in net cash and cash equivalents	**(8,151)**	**(64,917)**

The operating activities for the period generated cash for 30.8 million euros, net of an amount of 43 million euros used to finance a temporary growth in working capital, mainly due to the physiological growth of inventories related to the DOS network expansion. The resources generated were used to self-finance the investment expenditure for the period (euro 27.5 million).

Items or transactions resulting from unusual and/or exceptional transactions

There were no items or transactions resulting from unusual and/or exceptional transactions during the first half.

Significant events occurred after the reporting period

No significant events occurred after the end of the period.

Business Outlook

The Group has performed well during the period, showing a solid double-digit growth in both sales and profits in the second quarter. These results confirm the correctness of the Group growth strategy; each brand is developing internationally with high quality products, recognizable and consistent with their own DNA. The Group is also working to a precise plan of marketing and communications, which will use the network, in addition to the traditional instruments, with the aim of adding new customers. In a context that is not easy, especially on some important markets for luxury goods, such as China, considering the positive feedback received by the winter collections and the continuous strong focus on cost control, the Group will achieve good results also in the second half of the year.

Sant'Elpidio a Mare, August 6th, 2015

The Chairman of the Board of Directors
Diego Della Valle

TOD'S Group

Half-year Interim Report
Financial Statements

TOD'S Group

Consolidated Income Statement

euro 000's	H1 15	H1 14	FY 14
Revenue			
Sales revenue	515,310	477,747	965,532
Other income	4,959	4,909	10,476
Total revenue and income	**520,269**	**482,656**	**976,008**
Operating Costs			
Change in inventories of work in progress and finished goods	30,987	15,533	31,944
Cost of raw materials, supplies and materials for consumption	(151,026)	(134,448)	(278,912)
Costs for services	(125,545)	(111,174)	(231,436)
Costs of use of third party assets	(63,106)	(53,196)	(109,665)
Personnel costs	(91,422)	(79,584)	(160,386)
Other operating charges	(17,112)	(16,818)	(34,005)
Total operating costs	**(417,224)**	**(379,687)**	**(782,461)**
EBITDA	**103,045**	**102,969**	**193,547**
Amortisation, depreciation and write-downs			
Amortisation of intangible assets	(4,271)	(4,377)	(8,792)
Depreciation of tangible assets	(19,060)	(16,444)	(32,791)
Other adjustment	(204)		(2,339)
Total amortisation, depreciation and write-downs	**(23,535)**	**(20,821)**	**(43,922)**
Provisions	(1,998)	(1,045)	(1,447)
EBIT	**77,512**	**81,103**	**148,179**
Financial income and expenses			
Financial income	19,920	6,979	23,403
Financial expenses	(23,384)	(9,252)	(27,202)
Total financial income (expenses)	**(3,464)**	**(2,273)**	**(3,799)**
Income (losses) from equity investments			0
Profit before taxes	**74,048**	**78,830**	**144,380**
Income taxes	(24,177)	(22,976)	(47,619)
Profit/(loss) for the period	**49,870**	**55,854**	**96,761**
Non-controlling interests	508	300	353
Profit/(loss) of the Group	**50,379**	**56,154**	**97,114**
EPS in (euro)	1.65	1.83	3.17
EPS diluted in (euro)	1.65	1.83	3.17

Consolidated Statement of Comprehensive Income

euro 000's	H1 15	H1 14
Profit (loss) for the period (A)	**49,870**	**55,854**
Other comprehensive income that will be reclassified subsequently to profit and loss:		
Gain/(Losses) on derivative financial instruments (cash flow hedge)	3,161	1,233
Gain/(Losses) on currency translation of foreign subsidiaries	10,291	(2,900)
Total other comprehensive income that will be reclassified subsequently to profit and loss (B)	**13,452**	**(1,667)**
Other comprehensive income that will not be reclassified subsequently to profit and loss:		
Cumulated actuarial gains/(losses) on defined benefit plans		
Total other comprehensive income that will not be reclassified subsequently to profit and loss (C)		
Total Comprehensive Income (A) + (B) + (C)	**63,323**	**54,187**
Of which:		
Attributable to Shareholders of the Parent company	63,753	54,447
Attributable to non-controlling interests	(430)	(260)

Consolidated Statement of Financial Position

euro 000's	Note	06.30.15	12.31.14	06.30.14
Non current assets				
Intangible fixed assets				
Assets with indefinite useful life	9	149,466	149,466	149,466
Key money	9	15,941	16,676	17,249
Other intangible assets	9	26,470	27,411	27,414
Total Intangible fixed asset		**191,878**	**193,553**	**194,129**
Tangible fixed assets				
Buildings and land	9	107,546	95,111	98,198
Plant and machinery	9	12,509	8,550	8,484
Equipment	9	15,362	16,082	16,581
Leasehold improvement	9	46,765	43,361	40,386
Others	9	48,446	54,722	45,850
Total Tangible fixed assets		**230,628**	**217,826**	**209,499**
Other assets				
Investment properties		30	32	34
Equity investments		20	20	20
Deferred tax assets		53,032	48,237	52,971
Others		20,718	18,535	16,372
Total others assets		**73,800**	**66,824**	**69,397**
Total non current assets		**496,306**	**478,203**	**473,025**
Current assets				
Inventories		357,346	327,085	304,000
Trade receivables		112,569	99,445	98,871
Tax receivables		23,227	30,698	11,939
Derivative financial instruments	10	925	1,751	429
Others		39,505	37,229	39,111
Cash and cash equivalents	11	159,434	165,949	155,295
Total current assets		**693,006**	**662,159**	**609,645**
Total assets		**1,189,312**	**1,140,362**	**1,082,670**

To be continued

euro 000's (continuing)	Note	06.30.15	12.31.14	06.30.14
Equity				
Share capital	13	61,219	61,219	61,219
Capital reserves		214,055	214,055	214,055
Hedging and traslation		4,627	(8,747)	(12,609)
Retained earnings		481,787	445,889	448,431
Profit/(loss) attributable to the Group		50,379	97,114	56,154
Total Equity attributable to the Group		**812,068**	**809,531**	**767,250**
Non-controlling interest				
Share capital and reserves		5,057	5,431	5,439
Profit/(loss) attributable to non-controlling interests		(508)	(353)	(300)
Total Equity attributable to non-controlling interests		**4,549**	**5,078**	**5,139**
Total Equity		**816,616**	**814,609**	**772,389**
Non-current liabilities				
Provisions for risks	15	4,552	3,417	3,454
Deferred tax liabilities		29,249	29,360	36,565
Employee benefits	16	12,687	12,582	11,406
Bank borrowings	11	63,891	20,298	22,777
Others		16,508	16,619	19,637
Total non-current liabilities		**126,887**	**82,276**	**93,839**
Current liabilities				
Trade payables		146,521	160,220	146,716
Tax payables		15,314	9,015	8,658
Derivative financial instruments	10	15,936	17,258	1,619
Others		45,574	41,345	40,844
Bank	11	22,464	15,638	18,605
Total current liabilities		**245,809**	**243,477**	**216,442**
Total Equity and liabilities		**1,189,312**	**1,140,362**	**1,082,670**

Consolidated Statement of Cash Flows

euro 000's	Note	Jan. - Jun. 15	Jan. - Jun. 14
Profit/(Loss) for the period		**49,870**	**55,854**
Non-cash adjustments:			
Amortizat., deprec., revaluat., and write-downs		24,947	23,374
Change in employee benefits		106	272
Change in deferred tax/liabilities		(4,906)	(2,092)
Other non monetary expenses/(income)		3,800	4,780
Cash flow (A)		**73,817**	**82,188**
Change in current assets and liabilities:			
Trade receivables		(13,291)	(4,286)
Other current assets		(2,276)	(4,317)
Inventories		(31,709)	(24,464)
Tax receivables		7,471	4,920
Trade payables		(13,700)	(5,903)
Other current liabilities		4,229	5,566
Tax payables		6,299	849
Change in operating working capital (B)		**(42,976)**	**(27,635)**
Cash flow from operations (C) = (A)+(B)		**30,841**	**54,553**
Net investments in intangible and tangible assets	9	(26,647)	(33,360)
(Increase) decrease of equity investments			
Other changes in fixed assets			
Reduction (increase) of other non-current assets		(2,183)	(1,010)
Cash flow generated (used) in investing activities (D)		**(28,830)**	**(34,370)**
Dividends paid	14	(61,319)	(82,895)
Others change in Equity		2	(8)
Changes in long term loans/other non-current liabilities		47,457	2,048
Capital increase			
Changes in non controlling-interests			
Cash flow generated (used) in financing (E)		**(13,859)**	**(80,855)**
Translation differences (F)		3,696	(4,245)
Cash flow from continuing operations (G)=(C)+(D)+(E)+(F)		**(8,151)**	**(64,917)**
Cash flow from assets held for sale (H)			
Cash flow generated (used) (I)=(G)+(H)		**(8,151)**	**(64,917)**
Net cash and cash equivalents at the beginning of the period		154,961	207,101
Net cash and cash equivalents at the end of the period		146,810	142,184
Change in net cash and cash equivalents		**(8,151)**	**(64,917)**

Consolidated Statement of Changes in Equity

January - June 2015 euro 000's	Share capital	Capital reserves	Hedging and reserve for translation	Retained earnings	Group interests	Non-controlling interests	Total
Balances as of 01.01.15	**61,219**	**214,055**	**(8,747)**	**543,003**	**809,531**	**5,078**	**814,609**
Profit & Loss account				50,379	50,379	(508)	49,870
Direct in Equity			13,374		13,374	78	13,452
Total Comprehensive Income			**13,374**	**50,379**	**63,753**	**(430)**	**63,323**
Dividend paid				(61,219)	(61,219)	(100)	(61,319)
Other				2	2		2
Capital increase							
Share based payments							
Balances as of 06.30.15	**61,219**	**214,055**	**4,627**	**532,166**	**812,068**	**4,549**	**816,616**

January - June 2014 euro 000's	Share capital	Capital reserves	Hedging and reserve for translation	Retained earnings	Group interests	Non-controlling interests	Total
Balances as of 01.01.14	**61,219**	**214,055**	**(10,902)**	**531,084**	**795,456**	**5,648**	**801,104**
Profit & Loss account				56,154	56,154	(300)	55,854
Direct in Equity			(1,707)		(1,707)	40	(1,667)
Total Comprehensive Income			**(1,707)**	**56,154**	**54,447**	**(260)**	**54,187**
Dividend paid				(82,645)	(82,645)	(250)	(82,895)
Other				(8)	(8)		(8)
Capital increase							
Share based payments							
Balances as of 06.30.14	**61,219**	**214,055**	**(12,609)**	**504,584**	**767,250**	**5,139**	**772,389**

Half-year Interim Report
Supplementary notes

1. General notes

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 mission is to offer global customers top-quality products that satisfy their functional requirements and aspirations.

The parent company TOD'S S.p.A., with legal residence in Sant'Elpidio a Mare (Fermo) in via Filippo Della Valle 1, is listed in the Mercato telematico Azionario (MTA market) of Borsa Italiana S.p.A.

At June 30th, 2015 the 54.37% of share capital of TOD'S S.p.A. is owned by DI.VI. FINANZIARIA DI DIEGO DELLA VALLE & C. S.r.l.

The half-year condensed financial statements at June 30th, 2015 was approved by the Board of Directors of TOD'S S.p.A. on August 6th, 2015, when its publication was authorized. It was audited (limited review) by the independent auditor PricewaterhouseCoopers S.p.A.

2. Basis of preparation

The half-year Financial Report, which includes the half-year condensed financial statements of TOD'S Group at June 30th, 2015, has been prepared in accordance with Article 154 ter (2, 3 and 4) of the Consolidated Law on Financial Intermediation ("TUF"), introduced by Legislative Decree 195/2007 in implementation of Directive 2004/109/EC (the "Transparency" directive). The half-year condensed financial statements complies with IAS 34 – Interim Financial Reporting, adopted according to the procedure envisaged in Article 6 of EC Regulation no. 1606/2002. Consequently, it does not include all the information required for the annual report and must be read together with the annual report prepared for the financial year at December 31st, 2014.

The half-year condensed financial statements include the half-year condensed financial statements of TOD'S S.p.A. and its Italian and foreign subsidiaries, together identified as TOD'S Group, drafted with the reference date of June 30th, 2015 (January 1st – June 30th).

The half-year condensed financial statements (profit and loss account, comprehensive income, Consolidated Statement of Financial position, Consolidated Statement of Cash Flows, and Consolidated statement of changes in equity) were drafted in the long form and are the same as those used for the consolidated financial statements at December 31st, 2014.

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, Statement of Financial position, and Statement of Cash Flows, whose composition or change in amount or nature was significant. Thus, they illustrate additional information for accurate comprehension of Group's financial position at June 30th, 2015.

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. If it proves necessary or appropriate to amend items in the half-year Financial Report as a result of the application of a new accounting standard, a change in the nature of a transaction or an accounts review, in order to provide reliable and more relevant information for the users of the half-year Financial Report, the comparative data will be reclassified accordingly in order to improve the comparability of the information between one financial year and another. In this case, if the changes are significant, they will be suitably disclosed in the notes to the half-year Financial Report.

3. Accounting standards

The accounting standards and principles of consolidation applied to the preparation of these Condensed Consolidated Half-year Financial Statements are consistent with those applied to the preparation of the Consolidated Financial Statements at 31 December 2014, except for the new standards or interpretations endorsed by the European Union and applicable from 1 January 2015.

Accounting standards, amendments and interpretations endorsed by the European Union, which will be applicable from 1 January 2015 and which were first adopted in the TOD'S Group's Condensed Consolidated Half-Year Financial Statements at 30 June 2015.

• IFRIC 21 – Levies. This interpretation was published on 20 May 2013 and provides guidance on when to recognise a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 - Provisions, Contingent Liabilities and Contingent Assets and those where the timing and amount of the levy is certain. Specifically, this interpretation states that a liability must be recognised at the time of the occurrence of the event, which is normally specified in the legislation introducing a new duty/tax generating the obligation, even if the obligation is measured on past performances. The interpretation should have been applied retrospectively, subject to prior endorsement, for periods beginning on 1 January 2014. The process for endorsement that was completed with the publication in the Official Journal on 14 June 2014 delayed its application on the part of the European Union and has been applicable for periods beginning on or after 17 June 2014 (for the TOD'S Group, from 1 January 2015). The new standard has had no impact on the Group.

• "Annual Improvements to IFRSs: 2011-2013 Cycle" – This document, which was published in December 2013, was aimed at adopting the proposed amendments to the standards within the annual improvements process. The main amendments involve the IAS/IFRS and the issues reported below: IFRS 1 First-time Adoption of International Financial Reporting Standards – Meaning of "effective IFRSs; IFRS 3 – Business Combinations - Scope exception for joint ventures; IFRS 13 Fair Value Measurement - Scope of portfolio exception; IAS 40 Investment Property - Interrelationship between IFRS 3 and IAS 40. The process for endorsement by the European Union was completed with the publication in the Official Journal on 19 December 2014. The amendments will be applicable for periods beginning on or after 1 July 2014 (for the TOD'S Group, from 1 January 2015). The new standard has had no impact on the Group.

• "Annual Improvements to IFRSs: 2010-2012 Cycle" - This document, which was published on December 2013, was aimed at adopting the proposed amendments to the standards within the annual improvements process. The main amendments involve the IAS/IFRS and the issues reported below: IFRS 2 Share-based Payment - Definition of vesting conditions; IFRS 3 Business Combinations – Accounting for contingent consideration; IFRS 8 Operating Segments - Aggregation of operating segments; IFRS 8 Operating Segments - Reconciliation of the total of the reportable segments' assets to the entity's assets; IFRS 13 Fair Value Measurement - Short-term receivables and payables; IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets - Revaluation method: proportionate restatement of accumulated depreciation; IAS 24 Related Party Disclosures - Key management personnel. The process for endorsement by the European Union was completed with the publication in the Official Journal on 9 January 2015. The amendments will be applicable for periods beginning on or after 1 July 2014 (for the TOD'S Group, from 1 January 2015). The new standard has had no impact on the Group.

• Amendments to IAS 19 – Employee contributions to defined benefit plans. On 21 November 2013, the IASB published some minor amendments to IAS 19 – Employee benefits, concerning the accounting for contributions to defined benefit plans from employees or third parties in specific cases, to be recognised as a reduction in the service cost for the period. The process for endorsement by the European Union was completed with the publication in the Official Journal on 9 January 2015. These amendments will be applicable retrospectively for periods beginning on or after 1 July 2014 (for the TOD'S Group, from 1 January 2015). The new standard has had no impact on the Group.

Accounting standards, amendments and interpretations published by the IASB but not yet endorsed by the European Union and not adopted in the preparation of these financial statements.

• IFRS 14 – Regulatory Deferral Accounts. On 30 January 2014 the IASB published the document as the first step in the wider rate-regulated activities project, which was started by the IASB in September 2012. IFRS 14 allows entities, but only those which are first-time adopters of IFRS, to continue to recognise the amounts of assets/liabilities subject to rate regulation according to the accounting standards previously adopted. In order to enhance comparability with entities that already apply IFRS and do not recognise these amounts separately, the standard requires the effect of rate-regulated activities to be presented separately from other items in the statement of financial position, the income statement and the statement of comprehensive income. The IASB expects to adopt it from 2016.

• Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations (issued on 6 May 2014). The IASB expects to adopt it from 2016.

• IFRS 15 – Revenue from Contracts with Customers. On 28 May 2014 the IASB published a document which requires an entity to recognise revenue at the time the control of goods or services is transferred to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for these goods or services. The new revenue recognition model sets out a process in five steps. The new standard also requires additional disclosures regarding the nature, amount, timing and uncertainty of the revenue and cash flows arising from these contracts with customers. The IASB expects to adopt it from 2017.

• Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation (issued on 12 May 2014). The IASB expects to adopt it from 2016.

• Amendments to IAS 16 and IAS 41: Bearer Plants (issued on 30 June 2014). The IASB expects to adopt it from 2016.

• IFRS 9 – Financial Instruments. On 24 July 2014 the IASB published the final document constituting the conclusion of the process, divided into three phases: Classification and Measurement, Impairment and General Hedge Accounting, entirely revising IAS 39. The document introduces new requirements for classifying and measuring financial assets and liabilities. Specifically, as regards financial assets, the new standard adopts a single approach based on how the financial instruments are managed and on the contractual cash flow characteristics of the financial assets themselves in order to determine the related valuation method, aiming at eventually replacing the various rules laid down under IAS 39. As regards financial liabilities, the main amendment concerns the method of accounting for fair value changes in a financial liability designated as at fair value through profit or loss, which are due to own credit of the financial liability itself. According to the new standard, these changes must be recognised in other comprehensive income, without affecting profit or loss. The main development relating to hedge accounting are:

- Changes in the type of transactions that qualify for hedge accounting; specifically, a more extensive range of risks has been introduced for non-financial assets/liabilities that qualify for hedge accounting;
- A change in the method of accounting for forward contracts and options included in a hedge accounting relationship, in order to reduce profit or loss volatility;
- Changes in the effectiveness test by replacing the current methods based on the 80-125% range with the principle of the "economic relationship" between the hedged item and the hedging instrument; furthermore, entities are no longer required to perform an assessment of the retrospective effectiveness of the hedging relationship;
- A greater flexibility of the accounting methods is offset by improved disclosures on the risk management activities carried out by entities.

The new document includes a single model for the impairment of financial assets based on expected losses.

The IASB expects to adopt it from 2018.

• Amendments to IAS 27: Equity Method in Separate Financial Statements (issued on 12 August 2014). The IASB expects to adopt it in 2016.

• Amendments to IFRS 10 and IAS 28: Sale or Contribution of Asset between an Investor and its Associate or Joint Venture (issued on 11 September 2014). The IASB expects to adopt it in 2016.

• Annual Improvements to IFRSs: 2012-2014 Cycle (issued on 25 September 2014). The IASB expects to adopt it in 2016.

• Amendments to IAS 1: Disclosure Initiative (issued on 18 December 2014). The IASB expects to adopt it in 2016.

• Amendments to IFRS 10, IFRS 12 and IAS 28: Investment Entities: Applying the Consolidation Exception (issued on 18 December 2014). The IASB expects to adopt it in 2016.

The standards listed above are not applicable as they have not been endorsed by the European Union, which, during the process of endorsement, could adopt these standards only partially or could not adopt them at all. On the other hand, from a first preliminary review it results that a future adoption of the new standards should have no significant impact on the Group's consolidated financial statements.

Estimates and assumptions. Preparation of the financial figures reported on the half-year condensed financial statements 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.

Presentation of financial statements drafted in foreign currency. 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. - Jun. 2015		Jan. - Jun. 2014	
	Exch. rates as of end of period	Average exch. rate	Exch. rates as of end of period	Average exch. rate
U.S. dollar	1.119	1.115	1.366	1.370
British pound	0.711	0.732	0.802	0.821
Swiss franc	1.041	1.055	1.216	1.221
Hong Kong dollar	8.674	8.644	10.586	10.629
Japanese yen	137.010	134.046	138.440	140.378
Hungarian forint	314.930	307.307	309.300	306.950
Singapor dollar	1.507	1.505	1.705	1.728
Korean won	1,251.270	1,225.897	1,382.040	1,437.571
Macao pataca	8.935	8.904	10.904	10.948
Chinese renminbi	6.937	6.935	8.472	8.449
Indian rupee	71.187	70.055	82.202	83.258
Albanian lek	140.106	140.373	140.301	140.209
Brazilian real	3.470	3.299	3.000	3.146

4. Seasonal or cyclical nature of interim transactions

TOD'S Group engages in a business that, despite the effects related to monthly differences in the flows of revenues and costs generated by its industrial activity over the course of the year, it does not manifest significant seasonal or cyclical changes in overall annual sales.

5. Alternative indicators of performances

In order to strip the effects of changes in exchange rates from the average values of the first six months of 2015 from the results for the six months of 2014, the typical economic indicators (Revenues, EBITDA, EBIT) have been recalculated by applying the average exchange rates for the six months of 2014, 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.

6. Scope of consolidation

The scope of consolidation at June 30th, 2015 changed in respect to June 30th, 2014 mainly due to the project of Group reorganisation, started in 2013, which will ultimately result in the ROGER VIVIER brand having its own, autonomous corporate organization of distribution activities. To execute this reorganisation, the following companies were formed: Roger Vivier Switzerland S.A. incorporated on June 17th, 2014 and 100% owned by Partecipazioni Internazionali S.r.l., Roger Vivier Japan KK incorporated on October 1st, 2014 and 100% owned by TOD'S International BV and Roger Vivier Macau Lda incorporated on November 14th, 2014 and 90% owned by Partecipazioni Internazionali S.r.l. and 10% owned by Roger Vivier Hong Kong. In addition, the following companies have been incorporated: on November 25th, 2014 TOD'S Danmark APS has been incorporated and it is 100% owned by TOD'S S.p.A., on February 20th, 2015 TOD'S Washington Inc. has been incorporated and it is 100% owned by An.Del Inc. and on March 5th, 2015 TOD'S Austria Gmbh has been incorporated and it is 100% owned by TOD'S S.p.A. The company TOD'S Washington Inc. is not operating at June 30th, 2015.
In respect to December 31st, 2014 the scope of consolidation changed due to the incorporation of TOD'S Washington Inc. and TOD'S Austria Gmbh.

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 is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee, as defined by IFRS 10 – Consolidated Financial Statements.

The following list illustrates the entire consolidation scope at June 30th, 2015:

Parent Company

TOD'S S.p.A.
S.Elpidio a Mare - Italy
Share Capital (S.C.) - euro 61,218,802

Direct Subsidiaries

TOD'S Deutsch. Gmbh Dusseldorf - Germany S.C. - euro 153,387.56 % 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 International BV** Amsterdam – Netherland 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%	**Holpaf B.V.** Amsterdam – Netherlands S.C. - euro 5,000,000 % held: 100%	**TOD'S Brasil Ltda** San Paolo – Brasil S.C. – Real 14,000,000 % held: 100%	**Partecipazioni Int. S.r.l.** S.Elpidio a Mare – Italy S.C. – euro 957,486 % held: 100%
TOD'S Danmark APS Copenhagen - Denmark S.C. – Dkk 500,000 % held: 100%	**TOD'S Austria Gmbh** Vienna - Austria S.C. – euro 50,000 % held: 100%		

Indirect subsidiaries

Cal.Del. USA Inc. Beverly Hills, Ca - U.S.A. S.C. - Usd 10,000 % held: 100%	**TOD'S Tex Del USA Inc.** Dallas, Tx - 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. - Usd 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 Zurich - 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 Washington Inc.** Tumwater, WA – USA S.C. – Usd 10,000 % 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 16,550,000 % held: 100%	**TOD'S Japan KK** Tokyo - Japan S.C. - Jpy 100,000,000 % held: 100%	**Alban.Del Sh.p.k.** Tirana - Albania S.C. - euro 720,000 % 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 - Great Britain S.C. - Gbp 350,000 % held: 100%	**Webcover Ltd** London - Great Britain S.C.- Gbp 2 % held: 50%

Indirect subsidiaries

TOD'S Luxembourg SA Luxembourg S.C. - euro 31,000 % held: 50%	**TOD'S Korea Inc.** Seoul - Korea S.C. - Won 1,600,000,000 % held: 100%	**TOD'S Macao Ltd** Macao S.C. - Mop 20,000,000 % held: 100%	**TOD'S (Shan.) Tr. Co.** Shanghai - China S.C. - Usd 32,000,000 % held: 100%
TOD'S India Retail Pte Ltd Mumbai - India S.C. - Inr 193,900,000 % held: 51%	**Re.Se.Del. S.r.l.** S.Elpidio a Mare - Italy S.C. - euro 25,000 % held: 100%	**Del.Pav. S.r.l.** S.Elpidio a Mare - Italy S.C. - euro 50,000 % held: 50%	**Filangieri 29 S.r.l.** S.Elpidio a Mare - Italy S.C. - euro 100,000 % held: 50%
Roger Vivier Hong Kong Ltd Hong Kong S.C. – Hkd 1,000,000 % held: 100%%	**Roger Vivier Sing. PTE Ltd** Singapore S.C. – Sgd 200,000 % held: 100%	**Roger Vivier (Shan.) Tr.Co.** Shanghai – China S.C. – Rmb 75,000,000 % held: 100%	**Roger Vivier UK Ltd** London – Great Britain S.C. – Gbp 50,000 % held: 100%
TOD'S Georgia Inc. Norcross, GA – USA S.C. – Usd 10,000 % held: 100%	**Roger Vivier France SaS** Paris – France S.C. – euro 3,507,500 % held: 100%	**Roger Vivier Korea Inc.** Seoul – Korea S.C. – Won 1,200,000,000 % held: 100%	**Roger Vivier Switz. S.A.** Lugano – Switzerland S.C. – Chf 1,500,000 % held: 100%
Roger Vivier Macau Lda Macao S.C. – Mop 500,000 % held: 100%	**Roger Vivier Japan KK** Tokyo – Japan S.C. – Jpy 10,000,000 % held: 100%		

7. Segment reporting

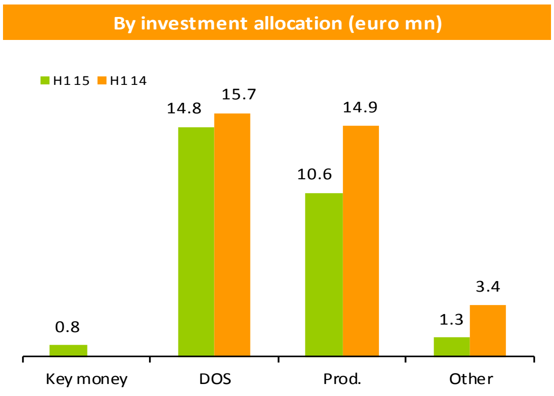
The search for higher levels of operating efficiency has identified as key element for maximising profitability via the condivision of a significant portion of service activities (first and foremost production), both at the central and peripheral levels; on the contrary, aggressive segmentation of the business appears uneconomical, under current circumstances.

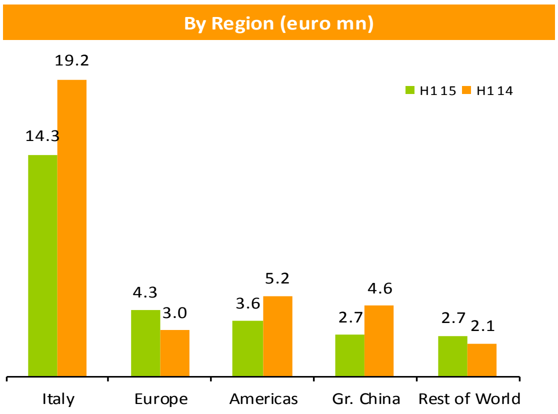
At the operating level, the Group's organisation is based on an articulated matrix structure according to the different functions/activities in the value chain, alternatively according to brand, product, channel and geographical area. The overall organisation envisages a unified strategic vision of the business.

This type of organisation is reflected in the ways in which management monitors and strategically focuses the Group's activities.

The economic disclosure set out in the Interim Report includes operating information, including a break-down of consolidated revenues by BRAND, CHANNEL, PRODUCT TYPE and REGION. Below are provided some further details for completion:

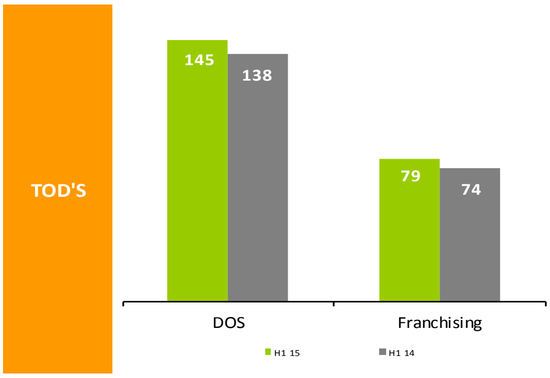
2015 *Capital expenditures*

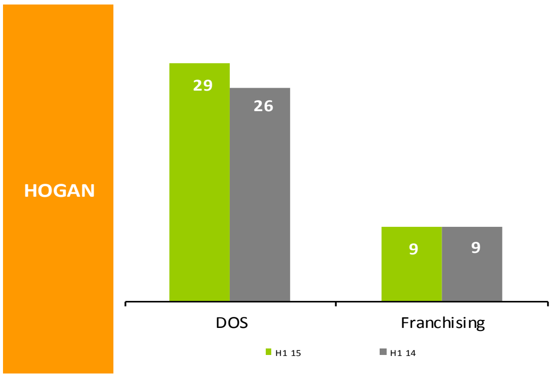


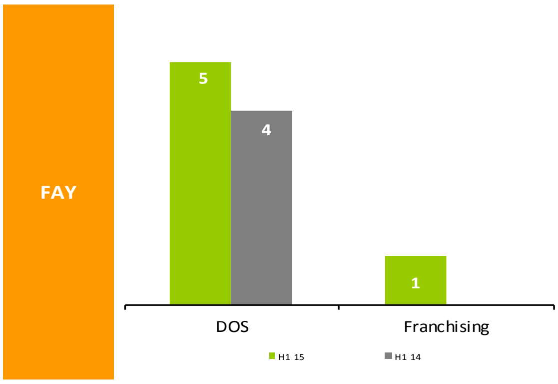


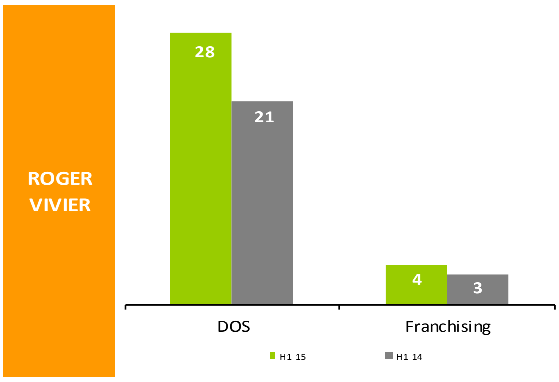
Distribution network

TOD'S GROUP - Distribution channel		06.30.15	06.30.14
Italy	DOS	45	43
	FRANCHISED STORES	2	3
Europe	DOS	53	46
	FRANCHISED STORES	17	13
Americas	DOS	18	15
	FRANCHISED STORES	3	2
Greater China	DOS	81	75
	FRANCHISED STORES	24	24
RoW	DOS	54	50
	FRANCHISED STORES	47	45
Total DOS		**251**	**229**
Totale Franchised stores		**93**	**87**









8. Management of financial risks

Consistently with the provisions of the Code of Self-discipline of Listed Companies, TOD'S Group has set up a system for monitoring the financial risks to which it is exposed. These can be identified as follows:

i. **Credit risk.** This represents the exposure of TOD'S Group to potential losses stemming from default on the obligations assumed by commercial counterparties.

ii. **Liquidity risk.** This represents the risk stemming from the unavailability of financial resources as necessary to meet the short-term commitments assumed by the Group and its own financial requirements. The main factors that determine the Group's degree of liquidity are the resources generated or used by operating and investment activities and, on the other hand, the due dates or renewal dates of its payables or the liquidity of its financial investments and market conditions.

    It is noted that the parent company TOD'S S.p.A., during the half year 2015, catching the opportunity of extremely low interest rates and banking conditions particularly favorable for the Company, it entered into two loan agreements, with two leading banks, for a total amount of 50 million euros (Note 11) with a duration of 4 years, which were aimed to finance the construction, already started last year, of a new production plant in the area in which the Group's headquarter is situated, and more generally, to support the future investments related to the Group development.

    The Group's profitability, together with its current and historic capacity to generate cash and considering the exposure to the banking system, these are factors that lead to the conclusion that it faces no liquidity risk over the foreseeable future.

    Finally, it should be noted that on July 23rd, 2014 the parent company TOD'S S.p.A. entered into a loan agreement with two leading banks, which was aimed at setting aside funds for a maximum amount of 400 million euros intended to support the Group's future development. At June 30th, 2015, the Company did not request any sum.

iii. **Market risk.** This type of risk includes those risks that are directly or indirectly tied with the fluctuation of physical and financial market prices to which a company is exposed:

– exchange rate risk;

– interest rate risk;

– commodity risk, which is tied to the volatility of prices for the raw materials used in the production process.

The policy adopted for management of the aforementioned risks, provides that the Group constantly monitors the financial risks connected with its operations, so that it can assess their potential negative effects in advance and take the necessary actions to mitigate them.

Particularly in regard to exchange rate risk, the Group, due to its commercial operations, is exposed to fluctuations in the exchange rates for currencies in which some of its commercial transactions are denominated (particularly USD, GBP, CHF and Far East countries), against a cost structure that is concentrated principally in the euro zone. Changes in the exchange rate between the euro and the aforementioned currencies can impact the Group's results. Moreover, due to the geographical composition of the Group structure, which is formed by subsidiaries with different currencies, the Group is exposed to exchange rate risk related to intercompany financial flows (mainly dividends, loans, transactions on share capital). The Group's risk management policy, in connection to the exchange rate risk on commercial transactions, pursues the objective of guaranteeing that the value in euro of the receipts from wholesale sales in foreign currency of each collection (Spring-Summer and Fall-Winter) is equal or better on average to what would be obtained by applying the set target exchange rates. The foregoing purposes are pursued by executing forward contracts for each individual currency in which the Group operates, in order to hedge a specific percentage of revenue volumes (and costs) expected in the individual currencies other than the functional currency, without any speculative or trading purpose, consistently with the strategic policies adopted for prudential management of cash flows. This might involve foregoing opportunities, but also avoids incurring speculative risks.

In connection with the exchange rate risk on financial intercompany transactions, the Group monitors the risk underlying outstanding liabilities (loans) and forecast liabilities (dividends and capital increases), in view of guaranteeing that no material operating and financial impact for the entities involved results from these transactions in relation to fluctuations in exchange rates. These goals are pursued by the Group through monitoring the foreign exchange rate trends related to outstanding or expected capital transactions and entering into forward contracts if they will have material contingent effects. These forward contracts are made to hedge the individual transactions, and not for speculation or trading. This is consistent with the strategic policies focused on prudent management of cash flows.

In addition, TOD'S Group is exposed to interest rate fluctuations, limited to its variable-rate debt instruments. Interest rate risk is managed in conformity to long-established practice with the aim of cutting down the risk of interest rate volatility, at the same time pursuing the goal of reducing the financial costs involved to a minimum.

At June 30th, 2015 there were two derivative contracts in being (interest rate swaps - IRSs), which were entered into on July 23rd, 2014, to hedge the risk of possible changes in the interest rates on the financing transaction aimed at setting aside funds for a maximum amount of 400 million euros. These derivatives protect the Group from the risk of a generalised rise in interest rates, swapping the variable rate on the loan for a contractually fixed rate. Considering that no amounts had yet been drawn as at June 30th, 2015 in relation to the loan underlying the abovementioned hedging transactions, it should be noted that the effects arising from the IRSs in 2015 have been recognized under an equity reserve for cash flow hedge, net of tax effects.

9. Intangible and Tangible fixed assets

Intangible assets with undefined useful life includes the values of the Group own brands, for about 137 million euros, and value of goodwill, for about 12 million euros, related to acquisitions of controlled companies and they have been determined in accordance with the acquisition method (IFRS 3).

Key money include the amounts paid for this purpose by the Group to take over certain leases of commercial spaces where some DOS operate.

Other intangible assets with definite useful life include long-term amounts to protect the brands owned by the Group, software and other intangible assets. This item include the net book value related to the agreement signed by the holding TOD'S S.p.A. for financing the restoration work on the Coliseum, amounting to 10.4 million euros.

Capital expenditure in H1 2015 totalled 27.5 million euros, of which 2.5 million euros of intangible assets and 25 million euros of tangible assets. The capital expenditures of the DOS network totalled about 15.6 million euros. This amount was used primarily for both new DOS openings, among which the most relevant are Houston and Atlanta stores, and for renovation activities of the existing stores. The remaining investment quota in the period regarded not only the normal processes of modernising the structures and industrial equipment (mainly lasts and moulds) but also the continuation of construction activities for the building located inside the perimeter of TOD'S Group headquarter, which was started last year, and to the development of the company management software.

10. Derivatives financial instruments

At the closing date of the half-year condensed financial statements, the notional amount of the currency futures agreements (sale and purchase) entered into by the Group are summarized as follows:

Currency 000's	Sales		Purchases	
	Notional in currency	Notional in euro	Notional in currency	Notional in euro
U.S. dollar	35,300	31,549	1,000	894
Hong Kong dollar	763,000	87,964	40,000	4,611
Japanese yen	1,704,000	12,437	4,800,000	35,034
British pound	19,000	26,708		
Swiss franc	9,500	9,123		
Chinese renmimbi	483,000	69,631		
Singapore dollar	3,730	2,475	375	249
Euro	14,090	14,090	20,890	20,890
Canadian dollar	5,020	3,627		
Brazilian real	1,810	522		
Australian dollar	2,080	1,430		
Total		**259,556**		**61,678**

At each reporting date, the hedge accounting method is applied. This requires recognition of the derivatives in equity at their fair value and recognition of the changes in fair value, which varies according to the type of hedge at the valuation date. The fair value of derivative financial instruments existing at June 30th, 2015 is classified as Level 2 and has been determined using exchange rate that are quoted in active markets.

At June 30th, 2015 the net fair value of derivatives used to hedge exchange risks reported is negative, on the whole, of 10,248 thousand euros, i.e. the balance of assets of 925 thousand euros (compared to 1,751 thousand euros at December 31st, 2014) and liabilities of 11,173 thousand euros (compared to 11,422 thousand euros at December 31st, 2014).

The cash flow hedge reserve related to hedging instruments used to hedge forecast transactions, net of related tax effects, is negative for 2,552 thousand euros (it was negative for 4,935 thousand euros at December 31st, 2014). Such reserve include even a portion related to intercompany transactions of the period, of which the related hedging instruments are closed at June 30th, 2015, and it will be reversed to the income statements when sales to third parties customers will be realized.

As regards the latter hedging contracts related to commercial transactions, which were closed in the period from January to June 2015, the transfer of the effect of the hedging transactions to the income statement was equal to 11,399 thousand euros, of which 11,043 thousand euros were entered as a reduction in revenues and 356 thousand euros as an increase in costs.

At June 30th, 2015 two derivative contracts (interest rate swaps - IRSs) were also in place, which were entered into on July 23rd, 2014 to hedge the risk associated with fluctuations in the interest rates on a variable rate loan transaction that was completed on the same date in order to set aside funds to a maximum amount of 400 million euros (Note 11). These derivative contracts, having an overall notional amount equal to the maximum value of the amounts made available to TOD'S S.p.A. (of which an amount of 200 million euros was raised from Crédit Agricole and an amount of 200 million euros was raised from Mediobanca), protect the Group from the risk of a generalised rise in interest rates, swapping the variable rate on the loan for a contractually fixed rate. Considering that no amounts had yet been requested by the Company as at June 30th, 2015 in relation to the loan underlying the abovementioned hedging transactions, the fair value of these derivatives, which was negative for 4,763 thousand euros at June 30th, 2015, was fully recognized under the equity reserve for cash flow hedge, net of the related tax effect.

11. Net Financial Position

Net financial position (euro 000's) 06.30.14		06.30.15	12.31.14	Change
Current financial assets				
155,295	Cash and cash equivalents	159,434	165,949	(6,515)
155,295	**Cash**	**159,434**	**165,949**	**(6,515)**
Current financial liabilities				
(13,111)	Current account overdrafts	(12,592)	(10,988)	(1,603)
(5,494)	Current share of medium-long term financing	(9,872)	(4,650)	(5,223)
(18,605)	**Current financial liabilities**	**(22,464)**	**(15,638)**	**(6,826)**
136,690	**Current net financial position**	**136,970**	**150,311**	**(13,341)**
Non-current financial liabilities				
(22,777)	Financing	(63,891)	(20,298)	(43,593)
(22,777)	**Non-current financial liabilities**	**(63,891)**	**(20,298)**	**(43,593)**
113,913	**Net financial position**	**73,079**	**130,013**	**(56,933)**

At June 30th, 2015, net financial position was positive and equal to 73.1 million euros (130 million euros at December 31st, 2014). Gross of dividends paid, net financial position would be equal to 134.4 million euros (+4.4 million in respect to December 31st, 2014).

In the first half 2015 the parent company TOD'S S.p.A. entered into two loan agreements with BNL S.p.A. (BNP Paribas Group) and Intesa San Paolo S.p.A. respectively, for an amount of 25 million euros each. The agreement with BNL S.p.A. provides that the reimbursement of 25 million euros, borrowed on May 4th, 2015, will be in four years with a payment of 16 instalments at the end of every quarter including interests calculated applying a variable interest rate equal to the EURIBOR 3m plus a spread. The agreement with Intesa San Paolo S.p.A. provides that the reimbursement of 25 million euros, borrowed on May 11th, 2015, will be in one single payment at the expiry date April 27th, 2019. Such agreement provides that interests will be paid quarterly applying a variable interest rate equal to the EURIBOR 3m plus a spread.

12. Share Capital

At June 30th, 2015, the company share capital totalled 61,218,802 euros, and was divided into 30,609,401 shares having a par value of 2 euros each, fully subscribed and paid in. No variations occurred in the current period, not even in the previous. The Group did not own treasury shares in the parent TOD'S S.p.A., and it did not execute any transactions on those shares during the period. No stock option plans are currently in place.

13. Earnings per share

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

i. Reference profit

euro 000's For continuing and discontinued operations	H1 2015	H1 2014
Profit used to determine basic earning per share	50,379	56,154
Dilution effects		
Profit used to determine diluted earning per share	**50,379**	**56,154**

euro 000's For continuing operations	H1 2015	H1 2014
Profit for the period	50,379	56,154
Income (Loss) from discontinued operations		
Profit used to determine basic earning per share	**50,379**	**56,154**
Dilution effects		
Profit used to determine diluted earning per share	**50,379**	**56,154**

In both periods, first half 2015 and 2014, there were no dilutions of net consolidated earnings, partly as a result of activities that were discontinued during the periods in question.

ii. Reference number of shares

	H1 2015	H1 2014
Weighted average number of shares to determine basic earning per share	30.609.401	30.609.401
Share Options		
Weighted average number of shares to determine diluted earning per share	30.609.401	30.609.401

14. Dividends

Pursuant to a resolution by the Shareholders' Meeting of April 22nd, 2015, the parent company TOD'S S.p.A. paid its shareholders dividends in May for the net profit realised in FY 2014. The aggregate value of dividends paid totals 61,218,802 euros, at the rate of 2 euros for each of the 30,609,401 shares comprising share capital at the ex dividend date (May 18th, 2015). Moreover, other Group companies paid 100 thousand euros in dividends to their own minority shareholders.

15. Provisions

They include the prudent estimate of liabilities that the Group might incur on pending lawsuits. Provisions for the period amounted to 1,285 thousand euros (545 thousand euros the provision of the first half of 2014), while the fund has been reversed for 150 thousand euros (748 thousand euros in the first half 2014) against the settlement of some litigations previously accrued. During the period the parent company TOD'S S.p.A. was subject to a tax inspection (assessment) by the tax authorities ("Agenzia delle Entrate") for the fiscal year 2010, 2011 and 2012 which was concluded in July 2015 when it was issued a tax report ("Processo Verbale di Constatazione"). The Company is still evaluating both the remarks arose from the tax report and the possible actions to be undertaken. Based on the first estimates on the validity of the requests made by the tax authorities no provision for risks has been recognized in the half-year condensed financial statements at June 30th, 2015. Moreover, it is noted that in case contingent liabilities will arise from the tax inspection they would be not significant.

16. Employee benefits

This item mainly consists of post-employment benefits, measured by using the actuarial method of measuring the unit projection of the receivable applied by independent actuaries on the basis of IAS 19, and is mainly represented by the provisions for staff leaving indemnities (TFR) recognised by the Italian companies. The charge for the financial year was recognised under personnel expense.

The main actuarial assumptions used for the valuation at December 31st, 2014, unchanged for HY 20215, are summarized below:

- Discounting rate: 1.49% it is related to the average yield curve from IBOXX Eurozone Corporates AA of December 2014.
- Inflation rate: 0.6% for the year 2015, 1.2% for the year 2016, 1.50% for the year 2017 and 2018, 2% for the year 2019 on;
- TFR incremental rate: 1.950% for the year 2015, 2.4% for the year 2016, 2.625% for the year 2017 and 2018, 3% for the year 2019 on.

17. Transactions with related parties

The Group's related parties transactions were executed in compliance with the procedural sequence and implementing procedures set out in the Related Parties Transactions Procedure approved by the TOD'S S.p.A. Board of Directors in implementation of the Related Parties Regulation adopted by CONSOB with Resolution no. 17221 of March 12th, 2010, as amended by Resolution no. 17389 of June 23rd, 2010. In accordance with market best practices, significant related party transactions are subject to an in-depth review involving, inter alia: (i) complete, prompt transmission of material information to the delegated Board of Directors committees (the Control and Risk Committee and the Independent Directors Committee, each within the ambit of their delegated responsibilities, where the majority and all members of these committees are independent directors), who in the performance of their functions also avail themselves of the assistance of independent experts; (ii) the issuance of an opinion (either binding or non-binding, as applicable) before approval of the transaction by the Board of Directors (or, if appropriate, by the body delegated to resolve on the transaction).

Without prejudice to the principles of procedural fairness cited hereinabove, no unusual or atypical related party transactions, or other related party transactions that might compromise corporate assets or the completeness and fairness of Group accounting and other information were executed during the period.

Transactions concluded during the period.

During the first half of 2015, no related party transaction has been carried out by the Group.

In continuation of contractual relationships already existing in 2014, TOD'S Group continued to maintain a series of contractual relationship with related parties (directors/controlling or significant shareholders) in the first half of 2015. The main object of the transactions was the sale of products, lease of sales spaces, show rooms and offices, use of the ROGER VIVIER brand license and the provision of advertising services.

i Commercial transactions with related parties – Revenue

euro 000's	Sales of Product	Rendering of services	Royalties	Operating lease	Other operations
30 June 2015					
Parent Company (*)	7,568				
Directors					
Other related parties					
Total	**7,568**	**-**	**-**	**-**	**-**
30 June 2014					
Parent Company (*)	5,954	25			
Directors					
Other related parties					
Total	**5,954**	**25**	**-**	**-**	**-**

ii Commercial transactions with related parties – Costs

euro 000's	Costs of product	Rendering of services	Royalties	Operating lease	Other operations
30 June 2015					
Parent Company (*)	945	27	6,383	2,231	1
Directors					
Other related parties					
Total	**945**	**27**	**6,383**	**2,231**	**1**
30 June 2014					
Parent Company (*)	408	157	4,692	2,118	5
Directors					
Other related parties					
Total	**408**	**157**	**4,692**	**2,118**	**5**

iii Commercial transactions with related parties – Receivables and payables

Receivables and payables	06.30.15		06.30.14	
euro 000's	Receivables	Payables	Receivables	Payables
Parent Company (*)	3,426	6,965	2,126	5,791
Directors				
Other related parties				
Total	**3,426**	**6,965**	**2,126**	**5,791**

(*) Companies directly or indirectly controlled by Chairman of the Board of Directors Diego Della Valle.

Given the insignificance of these amounts, they have not been separately listed on the face of the financial statements, in accordance with CONSOB resolution n. 15519 of July 27th, 2006. Transactions between Group companies included in the scope of consolidation have been eliminated from the half-year condensed financial statements. Consequently, they have not been highlighted in these notes.

Compensation of Directors, Statutory Auditors and General Managers

Compensation of Directors and Executives with strategic responsibilities of TOD's S.p.A. have been determined in accordance with the Compensation Policy adopted by TOD'S S.p.A. Board of Directors resolution at November 11st, 2011 as amended on November 12nd, 2014. For the first half of 2015 (including compensation for the activities performed at subsidiaries) compensation amount to respectively 2 million euros and 0.3 million euros.
Compensation for Statutory Auditors of TOD'S S.p.A. at June 30th, 2015 amount to 0.2 million of euro.

18. Significant non-recurring transactions and events

The Group did not carry out any significant non-recurring operations in the first half of year 2015.

19. Significant events occurred after the reporting period

No significant events occurred after the end of the reporting period.

Attestation of the Half-Year condensed financial statements of TOD'S Group pursuant article 154 bis of D.LGS. 58/98 and of article 81-ter of Consob Regulation n. 11971 of May 14th 1999 and further modifications and integrations.

1. The undersigned Stefano Sincini, Chief Executive Officer of TOD'S S.p.A., and Rodolfo Ubaldi, manager responsible for the drawing up of the financial reports of TOD'S S.p.A., certify, in accordance with the provisions of Article 154-bis, subsections 3 and 4, of Legislative Decree no. 58 of February 24th, 1998:

- the adequacy in terms of the company's characteristics and
- effective application

of administrative and accounting procedures for preparation of the 2015 Half Year condensed financial statements during the period January 1st, 2015 to June 30th, 2015.

2. They also certify that Half-Year condensed financial statements:

   a) have been prepared in accordance with International Financial Reporting Standards, as endorsed by the European Union through Regulation (EC) 1606/2002 of the European Parliament and Counsel, dated 19th July 2002;

   b) correspond with the account book and ledger entries;

   c) give a true and fair view of the assets, liabilities, income and financial position of the issuer and entities included in the scope of consolidation.

3. Interim report provides a reliable analysis of the significant events for the first six months of the current fiscal year and the impact of such events on the Half year condensed financial statements as well as a description of the main risks and uncertainties for the second half of the year in addition to a reliable analysis of the information on the significant related party transactions.

Sant'Elpidio a Mare, August 6th, 2015

Chief Executive Officer	*Manager responsible for drawing up of the financial report*
Stefano Sincini	Rodolfo Ubaldi