TOD'S Group

2014 IAS/IFRS Half Year Report

TABLE OF CONTENTS

Company's data 1
Corporate Governance bodies 2
TOD'S Group 3
Group's organizational chart 4
Distribution network as of June 30th, 2014 5
Key consolidated financial figures 6
Highlights of results 8

Interim Report 9

Group's activity 10
Group's brands 11
Foreign currency markets 12
Main events and operations during the period 12
Group's results in HY 2014 14
Items or transactions resulting from unusual and/or exceptional transactions 21
Significant events occurred after the reporting period 21
Business Outlook 21

Half-Year Condensed Financial Statements 23

Consolidated Income Statement 24
Consolidated Statement of Comprehensive Income 25
Consolidated Statement of Financial Position 26
Consolidated Statement of Cash Flows 28
Consolidated Statement of Changes in Equity 29

Supplementary notes 30

1. General notes 31
2. Basis of preparation 31
3. Accounting policies 32
4. Seasonal or cyclical nature of interim transactions 36
5. Alternative indicators of performances 36
6. Scope of consolidation 37
7. Segment reporting 38
8. Hedging of financial risks 40
9. Intangible and Tangible fixed assets 41
10. Derivatives financial instruments 42
11. Net Financial Position 43
12. Share Capital 43
13. Earnings per share 44
14. Dividends 44
15. Provisions 44
16. Employee benefit 45
17. Transactions with related parties 45
18. Significant non-recurring transactions and events 47
19. Significant events occurred after the reporting period 47

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. 48

Company's data

Registered office

TOD'S S.p.A.

Via Filippo Della Valle, 1

63811 Sant'Elpidio a Mare (Fermo) - Italy

Tel. +39 0734 8661

Legal data Parent company

Share capital resolved euro 61,218,802

Share capital subscribed and paid euro 61,218,802

Fiscal Code and registration number on Company Register of Court of Fermo: 01113570442

Registered with the Chamber of Commerce of Fermo under n. 114030 R.E.A.

Offices and Showrooms

Munich – Domagkstrasse, 1/b, 2

Hong Kong – 35/F The Lee Gardens, 33 Hysan Avenue, Causeway Bay

London – Wilder Walk, 1

Milan - Corso Venezia, 30

Milan - Via Savona, 56

Milan - Via Serbelloni, 1-4

New York - 450, West 15th Street

Paris – Rue Royale, 20

Paris – Rue du Général FOY, 22

Seoul – 89-10, Cheongdam-dong, Kangnam-ku

Shanghai - 1717 Nanjing West Road, Wheelock Square 46/F

Tokyo – Omotesando Building, 5-1-5 Jingumae

Production facilities

Comunanza (AP) - Via Merloni, 7

Comunanza (AP) - Via S.Maria, 2-4-6

Sant'Elpidio a Mare (FM) - Via Filippo Della Valle, 1

Bagno a Ripoli, Loc. Vallina (FI) - Via del Roseto, 60

Bagno a Ripoli, Loc. Vallina (FI) - Via del Roseto, 50

Tolentino (MC) - Via Sacharov 41/43

Corporate Governance bodies

Board of Directors [(1)]	Diego Della Valle	Chairman
	Andrea Della Valle	Vice - Chairman
	Luigi Abete	
	Maurizio Boscarato	
	Luigi Cambri	
	Luca Cordero di Montezemolo	
	Emanuele Della Valle	
	Fabrizio Della Valle	
	Emilio Macellari	
	Pierfrancesco Saviotti	
	Stefano Sincini	
	Vito Varvaro	
Executive Committee	Diego Della Valle	Chairman
	Andrea Della Valle	
	Fabrizio Della Valle	
	Emilio Macellari	
	Stefano Sincini	
	Vito Varvaro	
Compensation Committee	Luigi Abete	Chairman
	Luigi Cambri	
	Pierfrancesco Saviotti	
Control and Risk Committee	Luigi Cambri	Chairman
	Maurizio Boscarato	
	Pierfrancesco Saviotti	
Independent Directors Committee	Pierfrancesco Saviotti	Chairman
	Luigi Abete	
	Luigi Cambri	
Board of statutory [(2)] **Auditors**	Giulia Pusterla	Chairman
	Enrico Colombo	Acting stat. auditor
	Fabrizio Redaelli	Acting stat. auditor
	Myriam Amato	Substitute auditor
	Gilfredo Gaetani	Substitute auditor
Independent Auditors [(3)]	PricewaterhouseCoopers S.p.A.	
Executive responsible for financial reporting	Rodolfo Ubaldi	

[(1)] Term of the office: 2012-2014 (resolution of the Shareholders' meeting as of April 19th, 2012)
[(2)] Term of the office: 2013-2015 (resolution of the Shareholders' meeting as of April 19th, 2013)
[(3)] Term of the office: 2012-2020 (resolution of the Shareholders' meeting as of April 19th, 2012)

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.
Subholding for operation of international subsidiaries and DOS in The Netherlands.

An.Del. Usa Inc.
Sub-holding for operation of subsidiaries in the United States.

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

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

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

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

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

TOD'S Espana SL
Company that distributes and promotes products in Spain and operates DOS in Spain.

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

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

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

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

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

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

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

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

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

TOD'S UK Ltd
Company that distributes and promotes products in Great Britain and manages DOS in Great Britain.

Webcover Ltd
Company that operates DOS in Great Britain.

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

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

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

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

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

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

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

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

E-TOD'S Inc.
Company under liquidation.

Holpaf B.V.
Real estate company.

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 the Asia.

Roger Vivier Singapore PTE Ltd
Company that operates DOS in Singapore.

Roger Vivier (Shanghai) Trading Co. Ltd
Company that operates DOS in China.

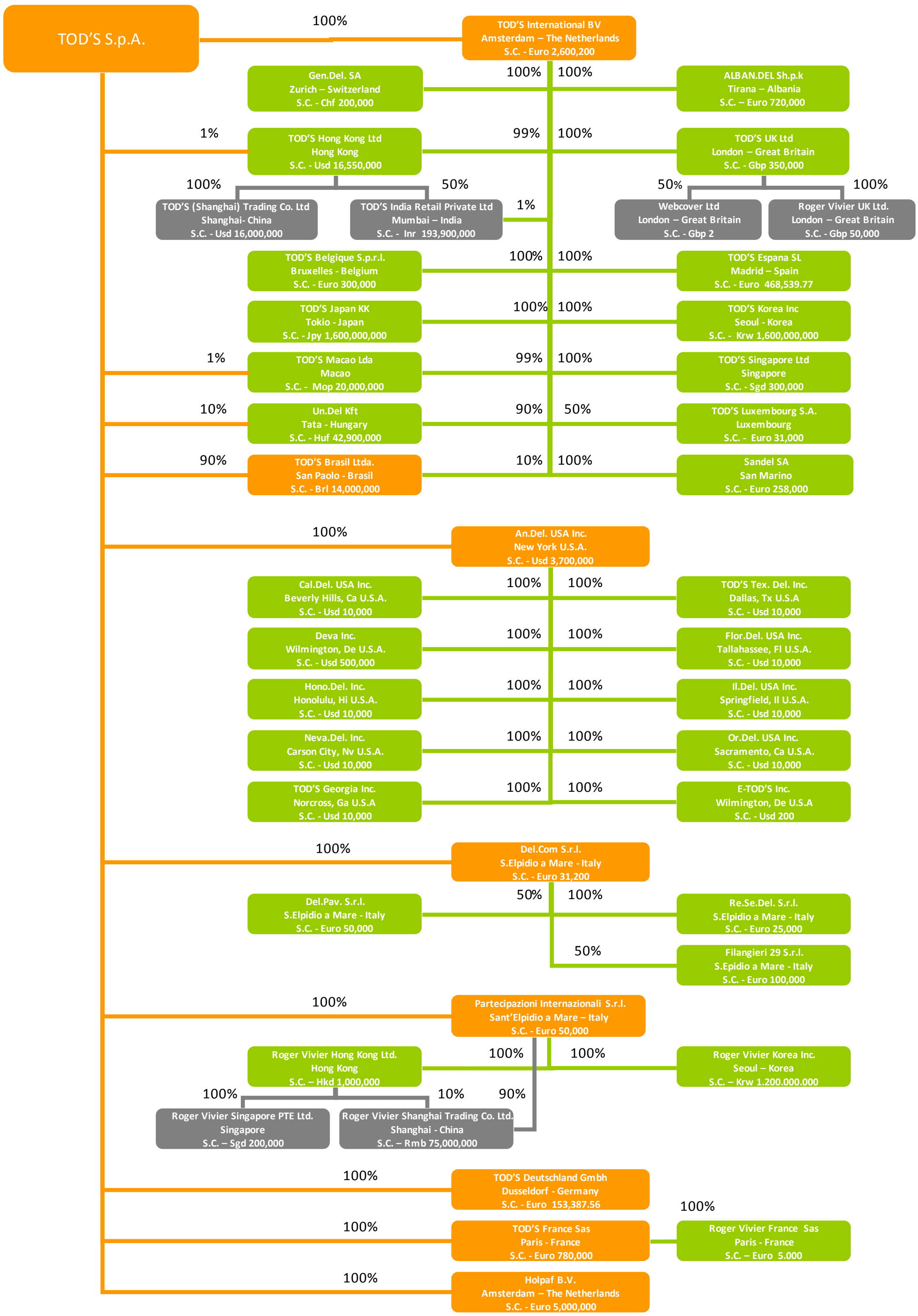
Roger Vivier UK Ltd
Not operating company.

TOD'S Georgia Inc.
Not operating company.

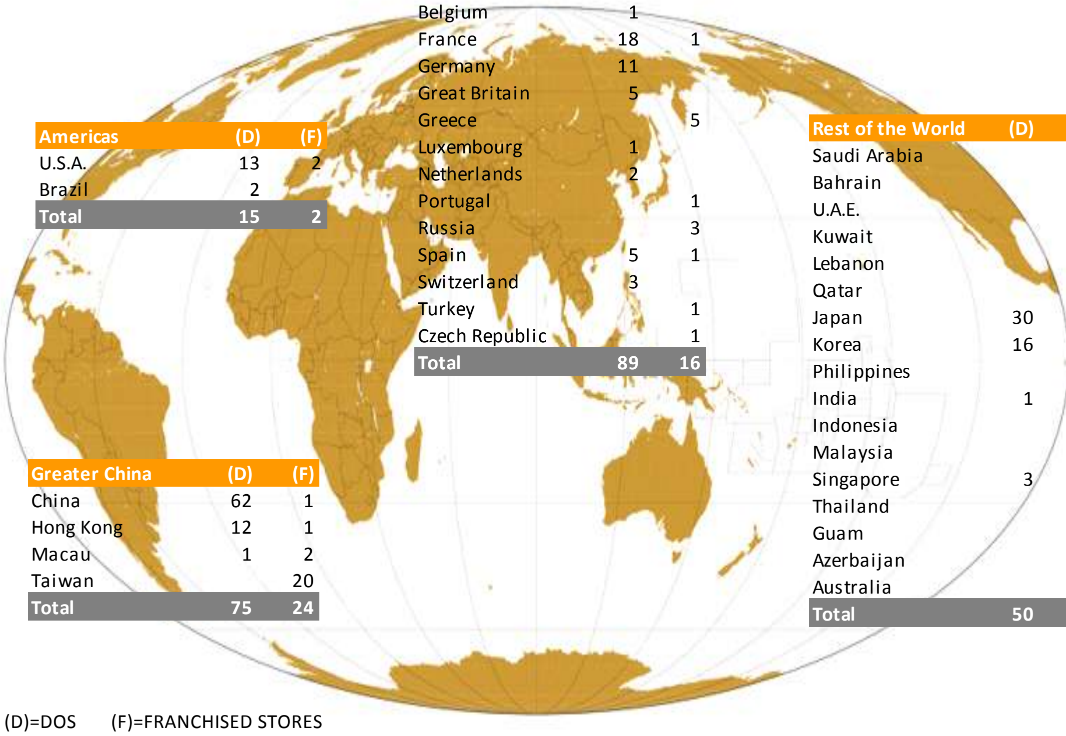
Roger Vivier France Sas
Not operating company.

Roger Vivier Korea Inc.
Company that operates DOS in Korea.

Group's organizational chart



Distribution network as of June 30th, 2014



Europe	(D)	(F)
Italy	43	3
Belgium	1	
France	18	1
Germany	11	
Great Britain	5	
Greece		5
Luxembourg	1	
Netherlands	2	
Portugal		1
Russia		3
Spain	5	1
Switzerland	3	
Turkey		1
Czech Republic		1
Total	89	16

Americas	(D)	(F)
U.S.A.	13	2
Brazil	2	
Total	15	2

Greater China	(D)	(F)
China	62	1
Hong Kong	12	1
Macau	1	2
Taiwan		20
Total	75	24

Rest of the World	(D)	(F)
Saudi Arabia		2
Bahrain		2
U.A.E.		9
Kuwait		3
Lebanon		3
Qatar		1
Japan	30	1
Korea	16	7
Philippines		2
India	1	
Indonesia		4
Malaysia		3
Singapore	3	2
Thailand		3
Guam		1
Azerbaijan		1
Australia		1
Total	50	45

(D)=DOS (F)=FRANCHISED STORES

DOS, 2014 new openings

Greater China

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

Rest of the world

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

Europe

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

Franchised stores, 2014 new openings

Greater China

Macao	(Macao)

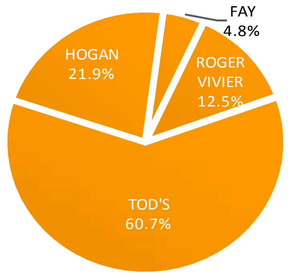
Rest of the World

Kinmen	(Taiwan)
Seoul	(Korea)
Sidney	(Australia)

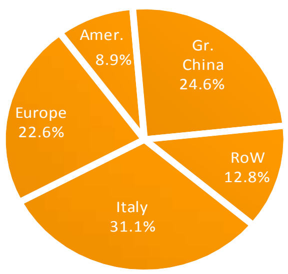
For a complete list of retail outlets operated by the DOS and franchising network, reference should be made to the corporate web site: www.todsgroup.com

Key consolidated financial figures

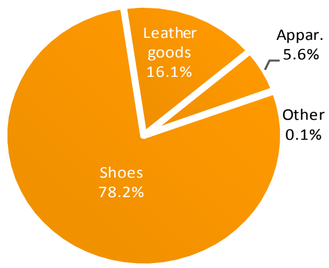
Revenue 2014 - % by Brand



Revenue 2014 - % by Region



Revenue 2014 - % by Product



P&L Key figures (euro millions)

	H1 14		H1 13		H1 12		H1 11	
Sales Revenues	477.7		491.2		482.5		439.5	
EBITDA	103.0	21.6%	129.5	26.4%	123.5	25.6%	115.6	26.3%
EBIT	81.1	17.0%	108.2	22.0%	103.4	21.4%	96.4	21.9%
Profit before taxes	78.8	16.5%	106.8	21.7%	104.0	21.5%	96.9	22.0%
Consol. Net Profit	55.9	11.7%	75.7	15.4%	74.1	15.4%	66.1	15.0%

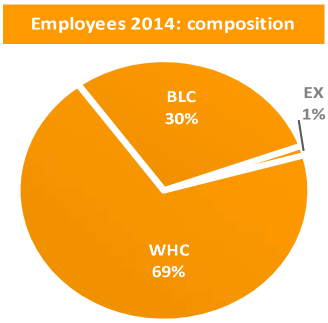
Main Balance Sheet indicators (euro millions)

	06.30.14	12.31.13	06.30.13
Net Working Capital (*)	256.2	224.1	255.9
Intangible and tangible assets	403.6	388.7	387.9
Shareholders' equity	772.4	801.1	752.7
Net financial position	113.9	181.1	118.2
Capital expenditures	34.0	51.4	22.2

(*) Trade receivable + inventories - trade payable

Financial key indicators (euro millions)

	H1 2014	FY 2013	H1 2013
Self financing	82.2	172.9	96.1
Cash flow from operations	54.6	206.9	107.6
Free cash flow	(64.9)	65.8	8.1



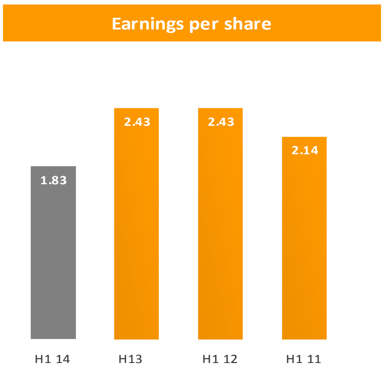
The Group's employees

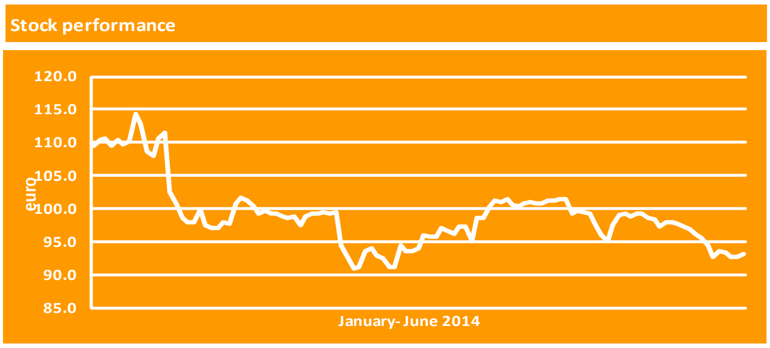
	06.30.14	12.31.13	06.30.13	06.30.12
Year to date	4,254	4,144	3,991	3,787

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

Main stock Market indicators (euro)

Share's price	
Official price at 01.09.2014	109.49
Official price at 06.30.2014	93.16
Minimum price (January - June)	90.10
Maximum price (January - June)	115.00
Market Capitalisation	
Market capitalization at 01.09.2014	3,351,446,273
Market capitalization at 06.30.2014	2,851,472,929
Dividend per share	
Dividend per share 2013	2.70
Dividend per share 2012	2.70
Ordinary shares	
Number of outstanding shares	30,609,401





Highlights of results

Revenues: revenues totalled 477.7 million euros during the period (the average change in foreign exchange rates had a negative impact of 10.9 million euros). Sales by the DOS network totalled 301.1 million euros.

EBITDA: gross operating profit amounts to 103 million euros, (129.5 million euros at June 30th, 2013) and it was equivalent to 21.6% of sales. It amounts to 109.5 million euros on a comparable exchange rate basis.

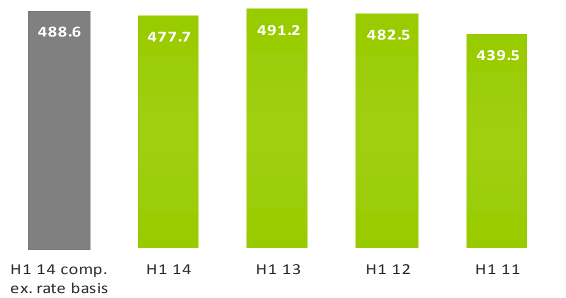
EBIT: net operating profit totalled 81.1 million euros, (108.2 million euros at June 30th, 2013). When measured on a comparable exchange rate basis, EBIT totalled 87.2 million euros.

Net financial position (NFP): the Group had 155.3 million euros in liquid assets at June 30th, 2014. Its net financial position was 113.9 million euros at the same date.

Capital expenditures: 34 million euros in capital expenditures were made in H1 2014, in H1 2013 amounted to 22.2 million euros.

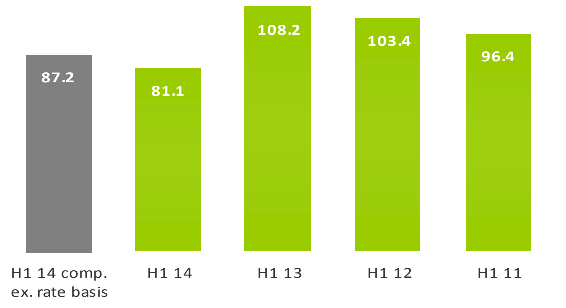
Distribution network: at June 30th, 2014 the single brand distribution network comprised 229 DOS and 87 Franchised stores.

Sales revenue (euro mln)

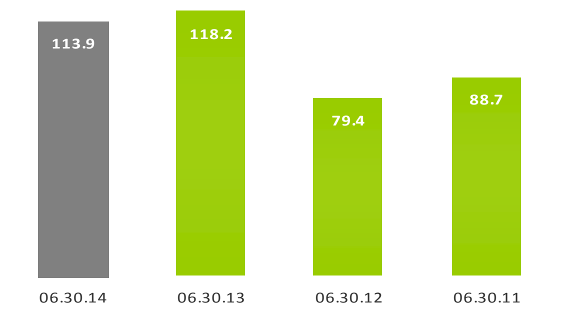


EBITDA (euro mln)

EBIT (euro mln)



Net financial position (euro mn)



TOD'S Group

Interim Report

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.

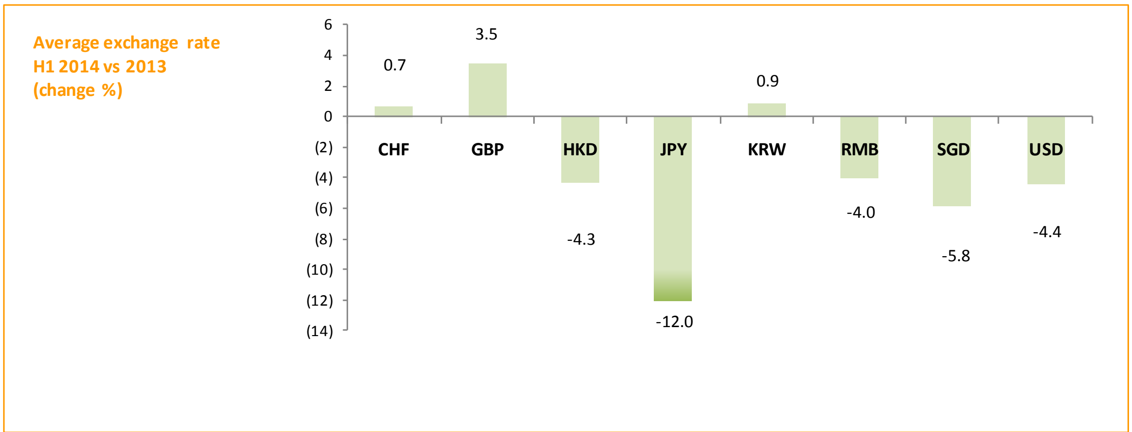
Begun in the 80s with shoe collections for women, men and children, the HOGAN brand now also crafts various leather goods items. The HOGAN brand is distinctive for high quality, functionality and design. Every product stems from a highly skilled design technique and is created using quality materials 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.

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 year of 2014, compared to figures for the same period of the previous year, show a broadly weakness of the main currencies with which the Group operates in respect to the European currency; particularly the Japanese currency (JPY) has suffered a devaluation of 12% in respect to the average trend of the previous half year. Only the Great Britain currency (GBP) the Swiss currency (CHF) and Korean currency (KRW) showed an opposite trend, increasing their value respectively of 3.5%, 0.7% and 0.9% compared with the euro currency.



Main events and operations during the period

The first half of 2014 was marked by a progressive intensification of the volatility of the global luxury goods market, in particular in the Asia Pacific region, and of the signs of weakness that have affected the results reported by the main brands in the sector since 2013. Furthermore, the sales of luxury goods were considerably affected by the fluctuations in exchange rates, which adversely affected, first of all, the value of turnover (the negative effect on the Group's revenues in the first half of the year was equal to 10.9 million euros); but, above all, they entailed

significant changes in tourist flows (to destinations where exchange rates are more favourable) and a reduction in the spending power of some important international shoppers (from Russia, Brazil, Japan and India).
In this worldwide, challenging scenario (at unchanged exchange rates, the Group achieved revenues of 488.6 million euros in the first half of the year, a figure that is substantially in line with that recorded in the first half of 2013), the Group retained its sales strategies unaltered, consistently with the strategic positioning of its brands, and increased the number of resources engaged in communication to build on and enhance its image and the appeal of its brands.
The sales figures for the DOS network were favourable on the whole thanks to the contribution from new openings, the exception being the Greater China network, strongly affected by the corruption crackdown policy adopted by the Chinese authorities which is causing, in the first part of 2014 as well, a generalised fall in the purchase of luxury goods, in particular of gifting goods in the Mainland China, as well as in the neighbouring areas of Hong Kong and Macau. The trend of sales was also positive in Japan, where revenues from the DOS network recorded double-digit growth. The figures from Japan were particularly striking; here, thanks to their established image, the Group's brands are benefiting from the trend towards "local versus overseas" consumption linked to the marked drop in the value of the yen, in addition to a return of interest in luxury goods on the part of Japanese consumers. There were also encouraging signals from the Italian network, where the Group's shops reported a slight increase in their revenues.

The overview on the international markets confirms good growth values in the half-year, both in Europe and in the Rest of the World: at unchanged exchange rates, growth rates were +6.7% and +16%, respectively, compared to the first half of 2013. Revenues from the North and South American markets were practically stable (at unchanged exchange rates). This area was seriously affected by the very bad weather conditions on the Eastern coast and also by the temporary closure of the New York flagship shop of TOD'S for extension and restyling and of the Honolulu DOS for relocation.
On the domestic front, after having talked about the DOS network, the performances of the wholesale channel were still conditioned by the strategy of streamlining of the independent distribution system, which continued throughout 2013.
The HOGAN brand performed very well indeed on international markets, to which the brand development strategy is addressed at present and where sales recorded double-digit growth rates compared to the same period of 2013. The performances of the ROGER VIVIER brand continued to be excellent; here sales felt the effects of the DOS in Greater China, to confirm the

great appeal that the brand has for global customers, who see ROGER VIVIER as one of the most prestigious *maison* in the most exclusive luxury segment.

Finally, the Group's commitment in the field of corporate social responsibility continues without interruption. On April 17th, 2014, the Shareholders' Meeting of the Parent Company, TOD'S S.p.A., renewed its commitment to support the local community, approving (as in the previous year) the allocation of 1% of the profit earned by the Group in 2013, 1.3 million euros, to a specific reserve intended to be used to pursue solidarity projects in the community.

Group's results in HY 2014

Consolidated sales were 477.7 million euros in the first half of 2014, decreased for 2.7% from H1 2013. It was negative the effect deriving from variation in exchange rates: by using H1 2013 average exchange rates, sales would have been 488.6 million euros, in line with H1 2013 when sales were 491.2 million euros.

EBITDA and EBIT amounted to 103 and 81.1 million euros respectively, and represent 21.6% and 17% of consolidated revenues. By using H1 2013 average exchange rates, they would have been 109.5 and 87.2 million euros respectively, representing 22.4% and 17.9% of consolidated revenues.

FY 13	euro 000's Main economic indicators	H1 2014	H1 2013	Change	%
967,490	Sales Revenues	477,747	491,245	(13,499)	(2.7)
236,317	EBITDA	102,969	129,480	(26,511)	(20.5)
(43,162)	Amortiz., deprec. and write-downs	(21,866)	(21,289)	(577)	2.7
193,155	EBIT	81,103	108,192	(27,089)	(25.0)
191,172	Profit before taxes	78,830	106,760	(27,931)	(26.2)
134,000	Consolidated Net Profit	55,854	75,695	(19,841)	(26.2)
	Foreign exch. impact on revenues	10,804			
	Adjusted Sales Revenue	488,551	491,245	(2,694)	(0.5)
	Foreign exch. impact on op. costs	(4,315)			
	Adjusted EBITDA	109,458	129,480	(20,022)	(15.5)
	Foreign exch. impact on dep.&amort.	(350)			
	Adjusted EBIT	87,242	108,192	(20,950)	(19.4)
	EBITDA %	21.6	26.4		
	EBIT %	17.0	22.0		
	Adjusted EBITDA %	22.4	26.4		
	Adjusted EBIT %	17.9	22.0		
	Tax Rate	29.1	29.1		

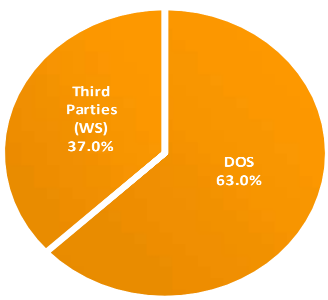
06.30.13	euro 000's Main Balance Sheet indicators	06.30.14	12.31.13	Change
255,934	Net Working Capital (*)	256,155	224,055	32,100
387,876	Non-current assets	403,628	388,693	14,935
(9,297)	Other current assets/liabilities	(1,307)	7,231	(8,538)
634,514	**Invested capital**	**658,476**	**619,979**	**38,496**
118,194	Net financial position	113,913	181,125	(67,212)
752,708	**Shareholders' equity**	**772,389**	**801,104**	**(28,715)**
22,226	Capital expenditures	34,031	51,372	(17,341)
107,555	*Cash flow from operations*	54,554	206,930	(152,376)
8,134	*Free cash flow*	(64,917)	65,796	(130,713)

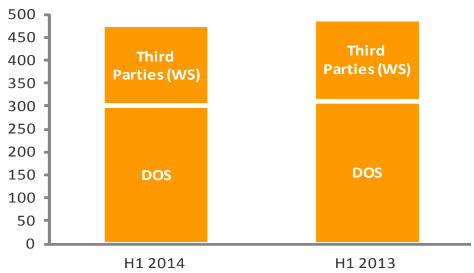
(*) Trade receivable + inventories - trade payable

Revenue. Consolidated sales were 477.7 million euros in the first half of 2014, down 2.7% from H1 2013. The trend of the second quarter is mainly due to the slowdown of some important markets (China and especially Italy), in addition to the challenging comparison basis (8.4% growth in Q2 2013, compared to 3.7% decrease in Q1). At constant exchange rates, meaning by using the average exchange rates of H1 2013, including the related effects of hedging contracts, sales would have been 488.6 million euros, down 0.5% from H1 2013. The current semester will be the last one to be impacted by the Group's strategic decision, started in 2012, to rationalize the wholesale distribution, mainly on the domestic market, with the goal to preserve the brands' exclusivity and positioning, but also to improve the already very good quality of the credit portfolio. The rationalization affected all the brands, but it was mainly evident in the results of HOGAN and FAY, which are the brands, among the Group's portfolio, with the higher exposure to the Italian market and to the wholesale channel.

In the first half of 2014, sales through DOS globally totalled 301.1 million euros, down 0.8% at constant exchange rates from H1 2013. The Same Store Sales Growth (SSSG) rate, calculated as the worldwide average of

(euro mn)	H1 2014	%	H1 2013	%	% current exch. rates	% constant exch. rates
DOS	301.1	63.0	312.6	63.6	(3.7)	(0.8)
Third Parties (WS)	176.6	37.0	178.6	36.4	(1.1)	(0.2)
Totale	**477.7**	**100.0**	**491.2**	**100.0**	**(2.7)**	**(0.5)**

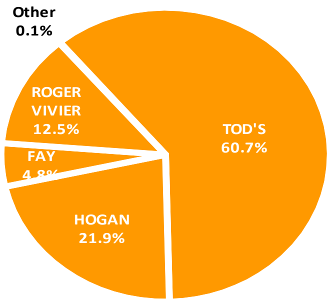


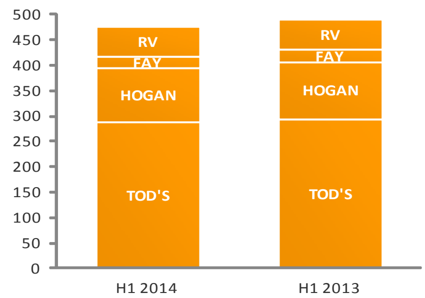


sales growth rates at constant exchange rates registered by the DOS already existing as of January 1st, 2013, is -8.3% in the first 31 weeks of the year (from January 1st to August 3rd, 2014). The slowdown, compared to the previous months, is mainly due to the weakness of the Chinese market and is even more evident, due to the challenging comparison basis. As of June 30th, 2014 the Group's distribution network was composed of 229 DOS and 87 franchised stores, compared to 200 DOS and 79 franchised stores as of the end of June 2013. Revenues to third parties globally amounted to 176.6 million euros, broadly flattish compared to H1 2013. The effect of the Italian rationalization has been offset by the equivalent growth of foreign markets.

The TOD'S brand totalled 290.2 million euros in sales, up 0.8% at constant exchange rates from H1 2013. The brand registered positive results in Europe and in the area "Rest of the world", but it was negative in Greater China, due to the already commented temporary weak consumer environment. In the Americas, sales of TOD'S brand have been impacted, as already said, by the unfavourable weather conditions in the first months of the year and by the temporary closure of the of two major boutiques, including the New York Madison Avenue flagship store, under refurbishment. HOGAN revenues were 104.5 million euros, with a decrease of approx. 6%. Sales of FAY brand were 22.8 million euros, with an approx. 5% decrease. Both brands have been impacted by the already commented rationalization of the domestic market wholesale distribution. Finally, the ROGER,VIVIER totalled 59.8 million euros in revenues up 5% at constant rates from H1 2013. This brand has been visibly affected by the slowdown experienced by the luxury goods industry in the Chinese market. Positive results on all the other markets, where the brand is distributed, as further confirmation of the huge potential of this prestigious maison of luxury accessories and shoes in the most exclusive segment of luxury goods, worldwide.

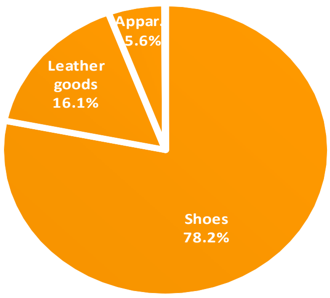
(euro mn)	H1 2014	%	H1 2013	%	% current exch. rates	% constant exch. rates
TOD'S	290.2	60.7	296.3	60.3	(2.0)	0.8
HOGAN	104.5	21.9	111.3	22.7	(6.1)	(5.8)
FAY	22.8	4.8	23.9	4.9	(4.9)	(4.9)
ROGER VIVIER	59.8	12.5	59.0	12.0	1.4	5.0
Other	0.4	0.1	0.7	0.1	n.s.	n.s.
Total	**477.7**	**100.0**	**491.2**	**100.0**	**(2.7)**	**(0.5)**

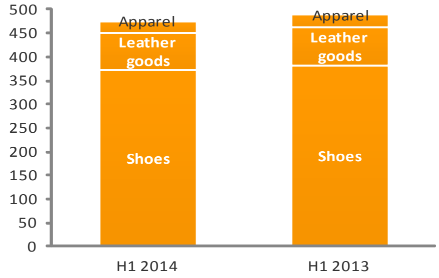




The Group consolidated its leadership in the core business of shoes; revenues of this category totalled 373.7 million euros in the first half of 2014, broadly aligned with the value registered in H1 2013, at constant exchange rates. Slightly positive performance of sales from leather goods and accessories, despite the weak consumer environment in Greater China, which is one of the most important markets for this kind of products. Revenues of this category totalled 77.1 million euros, up 0.7%, at constant rates. Finally, sales of apparel were 26.5 million euros; the difference, as compared to H1 2013, broadly reflects the performance of the FAY brand.

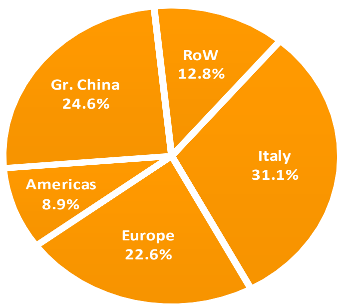
(euro mn)	H1 2014	%	H1 2013	%	% current exch. rates	% constant exch. rates
Shoes	373.7	78.2	383.3	78.0	(2.5)	(0.4)
Leather goods	77.1	16.1	79.3	16.1	(2.8)	0.7
Apparel	26.5	5.6	27.9	5.7	(4.9)	(4.5)
Other	0.4	0.1	0.7	0.2	n.s.	n.s.
Total	**477.7**	**100.0**	**491.2**	**100.0**	**(2.7)**	**(0.5)**

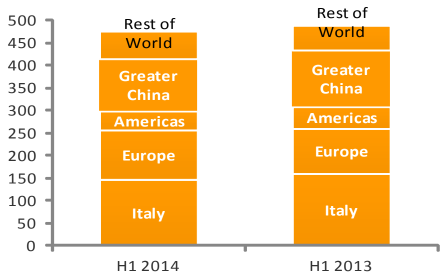




In the first half of 2014, domestic sales were 148.5 million euros; the decrease, compared to H1 2013, is mainly due to the already commented rationalization of the wholesale distribution. Positive performance of the Italian DOS network. The Group achieved brilliant results in the rest of Europe; revenues of this area totalled 108 million euros, up approx. 7%, at constant exchange rates. Favourable market conditions in the Americas, with positive performance of the wholesale channel; the results of the retail network

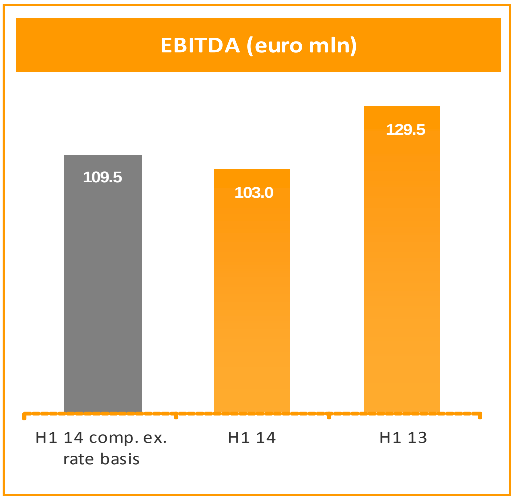
(euro mn)	H1 2014	%	H1 2013	%	% current exch. rates	% constant exch. rates
Italy	148.5	31.1	161.1	32.8	(7.8)	(7.8)
Europe	108.0	22.6	101.4	20.6	6.4	6.7
Americas	42.3	8.9	45.6	9.3	(7.2)	(2.7)
Greater China	117.8	24.6	127.5	26.0	(7.6)	(3.6)
Rest of World	61.1	12.8	55.6	11.3	9.9	16.0
Total	**477.7**	**100.0**	**491.2**	**100.0**	**(2.7)**	**(0.5)**



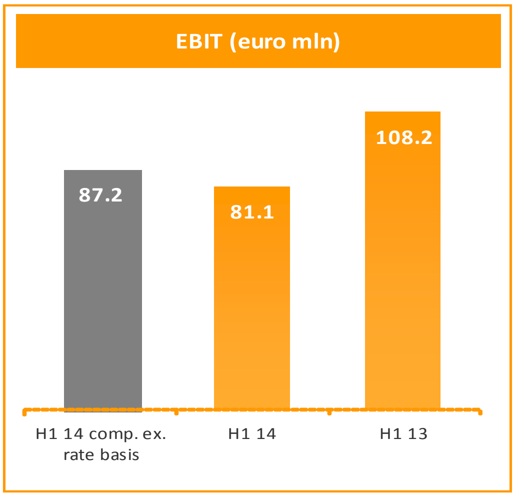


were affected, as already said, by the contemporary refurbishments of two important boutiques including the New York Madison Avenue flagship store. Net of these two temporary closing, the results of this area would be positive, at constant exchange rates.. The Group's sales in this market were 42.3 million euros. Greater China confirmed the weakness of the last few months, due to the general and deep contraction of luxury goods consumption; on top of this situation, the Group is also facing a very challenging comparison basis. Sales in Greater China were 117.8 million euros, down 3.6% from H1 2013, at constant exchange rates. Finally, the area "Rest of the World" registered brilliant results, driven by the solid double-digit growth of all the main countries where the Group operates. Sales of this area totalled 61.1 million euros, up 16% at constant exchange rates.

Operating results. EBITDA in H1 2014 at constant exchange rates totalled 109.5 million euros, changed for 20 million euros from the amount reported in H1 2013, when it was 129.5 million euros. Gross operating profit was thus equivalent to 22.4% of consolidated revenue (H1 2013: 26.4%). EBITDA at current exchange rate amounted to 103 million euros, representing 21.6% of consolidated revenues.

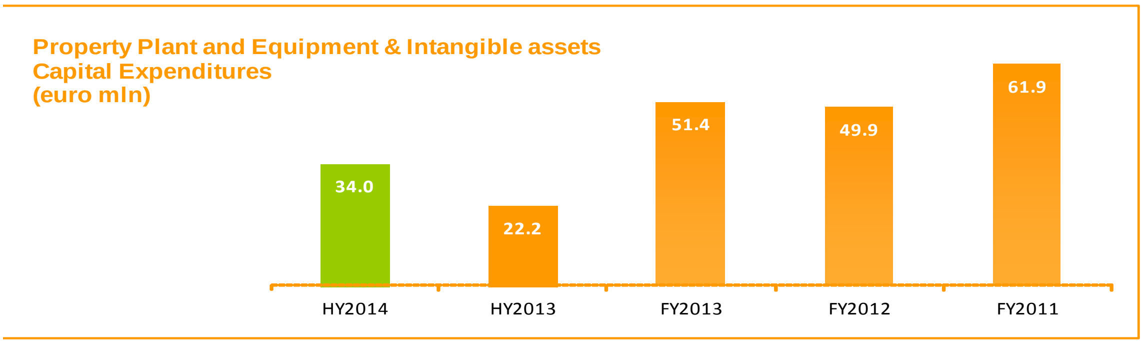


The lower margins and profitability mainly arose from a fall in revenues. Profits at the gross margin level were consolidated, as confirmation of the excellent positions of the Group's brands at the high end of the luxury brands sector and of the ability to generate revenues in the products segments and in the geographical areas with higher margins. In a scenario of falling revenues, with this result the Group managed partly to absorb the impact of rising operating costs linked to i) the expansion strategy of the DOS network (the increase in the number of DOS recorded in the period from July 2013 to June 2014 was equal to 29) and ii) to greater communication investments. Lease and rental expenses (leases of locations and royalties for use of ROGER VIVIER license) totalled 53.2 million euros at June 30th, 2014, up 4.1 million euros from 2013, and represented 11.1% of revenue at June 30th, 2014 against 10% at June 30th, 2013. The growth is mainly attributed to the significant expansion in sales by the direct distribution network. Increased even the personnel costs which totalled 79.6 million euros in the first half of year 2014, compared with 76.8 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 4,254 employees at June 30th, 2014, or 110 and 263 persons more than at December 31st and June 30th, 2013, respectively. At June 30th, 2014, employee costs equalled 16.7% of Group revenue, as compared with 15.6% in the first six months of 2013. Increased the costs for depreciation, amortization and impairment, amounting to 20.8 in H1 2014, against 19.2 million euros in H1 2013; the ratio on revenue is 4.4% (3.9% in the first half of 2013). Net of additional operating provisions of 1 million euros, EBIT in H1 2014 totalled 81.1 million euros (108.2 million euros at June 30th, 2013), representing 17% of consolidated revenues (22% at June 30th, 2013). At June 30th, 2014, consolidated net profit was equal to 55.9 million euros, against 75.7 million euros at June 30th of the previous year.

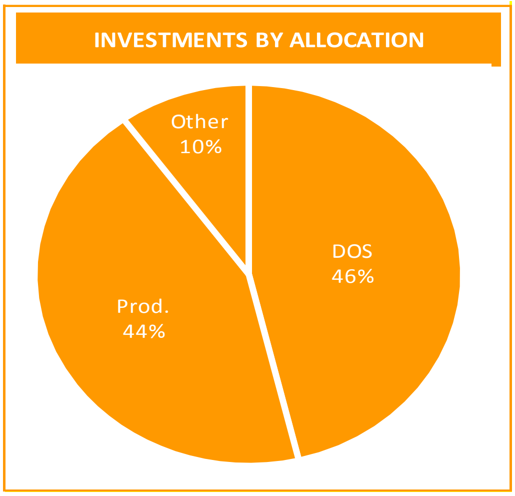


At June 30th net profit represents the 11.7% of revenues (15.4% for the first six months of 2013). The result is net of income taxes for the period (including the effects of deferred taxes) totalling 23 million euros, for a tax rate of 29.1% (29.1% in the first half 2013).

Capital expenditures. Capital expenditure in H1 2014 totalled 34 million euros, increased by 11.8 million euros, when they totalled 22.2 million euros at June 30th, 2013.



The capital expenditures during the period by the DOS network totalled about 15.7 million euro, primarily used for both new DOS openings and for renovation activities performed during the period; among which, the flagship TOD'S of Madison Avenue in New York which include even an increase of the sale surface. Capital expenditures for 10.3 million euros have been designated for the increase, in the short run, of the internal production capacity through the acquisition of a new plant and the construction of a further plant, both of them located next to the Group headquarter and the second inside its perimeter.



The remaining investment quota in the period regarded not only the normal processes of modernising the structures and industrial equipment, but also the development activities of company management software.

Net financial position (NFP). At June 30th, 2014, net financial position was positive and equal to 113.9 million euros (181.1 million euros and 118.2 million euros at December 31st and June 30th 2013 respectively), including liquid assets (cash and bank deposits) for 155.3 million euros, and liabilities for 41.4 million euros, of which 22.8 million euros for long-term exposures.

Net financial position (euro 000's) 06.30.13		06.30.14	12.31.13	Change
Current financial assets				
173,080	Current assets	155,295	228,178	(72,883)
173,080	**Cash**	**155,295**	**228,178**	**(72,883)**
Current financial liabilities				
(23,642)	Current account overdrafts	(13,111)	(21,077)	7,966
(5,162)	Current portion of long term debt	(5,494)	(4,889)	(605)
(28,804)	**Current financial liabilities**	**(18,605)**	**(25,966)**	**7,361**
144,276	**Current net financial position**	**136,690**	**202,212**	**(65,522)**
Non-current financial liabilities				
(26,082)	Long term debt	(22,777)	(21,087)	(1,690)
(26,082)	**Non-current financial liabilities**	**(22,777)**	**(21,087)**	**(1,690)**
118,194	**Net financial position**	**113,913**	**181,125**	**(67,212)**

Gross of dividends paid, net financial position would be equal to 196.8 million euros (+15.7 million in respect to December 31st, 2013).

euro 000's Statement of cash Flows	H1 2014	H1 2013
Profit/(Loss) for the period	**55,854**	**75,695**
Non-cash adjustments	26,334	20,426
Cash flow	**82,187**	**96,121**
Change in operating working capital	(27,635)	11,434
Cash flow from operations	**54,553**	**107,555**
Cash flow generated (used) in investment activities	(34,370)	(23,580)
Cash flow generated (used) in financing	(80,855)	(80,391)
Translation differences	(4,245)	4,550
Cash flow generated (used)	**(64,917)**	**8,134**
Net Cash and cash equivalents at the beginning of the period	207,101	141,304
Net Cash and cash equivalents at the end of the period	142,184	149,438
Change in net cash and cash equivalents	**(64,917)**	**8,134**

The operating activities for the period generated cash of 54.6 million euros, net of an amount of 27.6 million euros used to finance a temporary growth in working capital. The resources generated were used to self-finance the investment expenditure for the period (Euro 34 million) and the distribution of dividends to the parent company's shareholders.

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

On July 23rd, 2014 TOD'S S.p.A. entered into a loan agreement with two leading banks, which was aimed at setting aside funds in favour of the company for a maximum amount of 400 million euros intended to support the Group's future development. The funds will remain available for a period of eighteen months from the date of the execution of the agreement, during which the company may require the disbursement of the loan in one or more than one tranche at the terms and conditions laid down therein.

Business Outlook

Within this challenging environment, the Group continues to pursue mid-term development plan, making all the investments necessary to support a solid growth of sales and EBITDA, also thanks to a careful cost control. The Group continues to carefully develop the distribution network and to invest in human resources and in production capacity, in order to face the growing demand. Attention for quality and exclusivity increase more and more the respect and the loyalty of clients; the decision to make the Fashion shows contributes to increase the attention of consumers for the Group brands. The decision to give priority to the mid-term development of the Group is correct and will bear fruits in the nearest future. The first feedback of clients to the Fall Winter collections is very encouraging and, if this trend will continue, the Group can look at the yearly performance with a positive stance.

Sant'Elpidio a Mare, August 7th, 2014

The Chairman of the Board of Directors
Diego Della Valle

Half-year Interim Report
Financial Statements

Consolidated Income Statement

euro 000's	H1 14	H1 13	FY 13
Revenues			
Sales Revenues	477,747	491,245	967,490
Other revenues and income	4,909	4,736	15,630
Total revenues and income	**482,656**	**495,981**	**983,120**
Operating Costs			
Change in inventories of work in process and finished goods	15,533	15,464	16,549
Cost of raw materials, supplies and materials for consumption	(134,448)	(139,098)	(267,948)
Costs for services	(111,174)	(103,073)	(211,761)
Costs of use of third party assets	(53,196)	(49,113)	(101,778)
Costs of labour	(79,584)	(76,757)	(151,665)
Other operating charges	(16,818)	(13,924)	(30,200)
Total operating costs	**(379,687)**	**(366,501)**	**(746,803)**
EBITDA	**102,969**	**129,480**	**236,317**
Amortisation, depreciation and write-downs			
Amortisation of intangible assets	(4,377)	(4,202)	(8,889)
Depreciation of tangible assets	(16,444)	(14,981)	(30,395)
Other adjustment			
Total amortisation, depreciation and write-downs	**(20,821)**	**(19,183)**	**(39,284)**
Provisions	(1,045)	(2,105)	(3,878)
EBIT	**81,103**	**108,192**	**193,155**
Financial income and charges			
Financial income	6,979	8,848	18,201
Financial charges	(9,252)	(10,280)	(20,184)
Total financial income (charges)	**(2,273)**	**(1,432)**	**(1,983)**
Income (losses) from equity investments			
Profit before taxes	**78,830**	**106,760**	**191,172**
Income taxes	(22,976)	(31,065)	(57,172)
Profit/(loss) for the period	**55,854**	**75,695**	**134,000**
Non-controlling interests	300	(23)	(220)
Profit/(loss) of the Group	**56,154**	**75,672**	**133,780**
EPS in (euro)	1.83	2.47	4.37
EPS diluted in (euro)	1.83	2.47	4.37

Consolidated Statement of Comprehensive Income

euro 000's	H1 14	H1 13
Profit (loss) for the period (A)	**55,854**	**75,695**
Other comprehensive income that will be reclassified subsequently to profit and loss:		
Gain/(Losses) on derivative financial instruments (cash flow hedge) (*)	1,233	(3,928)
Gain/(Losses) on currency translation of foreign subsidiaries	(2,900)	744
Total other comprehensive income that will be reclassified subsequently to profit and loss (B)	**(1,667)**	**(3,184)**
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)	**54,187**	**72,511**
Of which:		
Attributable to Shareholders of the Parent company	54,447	72,522
Attributable to non-controlling interests	(260)	(11)

(*) Other comprehensive income and charges are represented net of tax effetct.

Consolidated Statement of Financial Position

euro 000's	Notes	06.30.14	12.31.13	06.30.13
Non current assets				
Intangible fixed assets				
Assets with indefinite useful life	9	149,466	149,466	149,466
Key money	9	17,249	18,419	19,573
Other intangible assets	9	27,414	28,455	29,142
Total Intagible fixed assets		**194,129**	**196,340**	**198,181**
Tangible fixed assets				
Buildings and land	9	98,198	90,225	96,089
Plant and machinery	9	8,484	8,472	7,893
Equipment	9	16,581	16,002	15,385
Leasehold improvement	9	40,386	37,460	35,866
Others	9	45,850	40,194	34,462
Total Tangible fixed assets		**209,499**	**192,353**	**189,695**
Other assets				
Real estate investments		34	36	37
Equity investments		20	20	20
Deferred tax assets		52,971	49,568	48,729
Others		16,372	15,362	15,263
Total others assets		**69,397**	**64,986**	**64,049**
Total non current assets		**473,025**	**453,679**	**451,925**
Current assets				
Inventories		304,000	282,348	285,012
Trade receivables		98,871	94,326	120,522
Tax receivables		11,939	9,050	12,117
Derivative financial instruments	10	429	4,430	1,813
Others		39,111	34,793	40,622
Cash	11	155,295	228,178	173,080
Total current assets		**609,645**	**653,125**	**633,167**
Total assets		**1,082,670**	**1,106,804**	**1,085,092**

To be continued

euro 000's (continuing)	Notes	06.30.14	12.31.13	06.30.13
Equity				
Share capital	13	61,219	61,219	61,219
Capital reserves		214,055	214,055	214,055
Hedging and traslation		(12,609)	(10,902)	(1,915)
Retained earnings		448,431	397,304	398,143
Profit/(loss) attributable to the Group		56,154	133,780	75,672
Total Equity attributable to the Group		**767,250**	**795,456**	**747,174**
Non-controlling interest				
Share capital and reserves		5,439	5,428	5,511
Profit/(loss) attributable to non-controlling interests		(300)	220	23
Total Equity attributable to non-controlling interests		**5,139**	**5,648**	**5,534**
Total Equity		**772,389**	**801,104**	**752,708**
Non-current liabilities				
Provisions for risks	15	3,454	3,651	2,562
Deferred tax liabilities		36,565	35,254	33,200
Reserve for employee	16	11,406	11,134	11,950
Bank borrowings	11	22,777	21,087	26,082
Others		19,637	18,835	24,972
Total non-current liabilities		**93,839**	**89,961**	**98,766**
Current liabilities				
Trade payables		146,716	152,619	149,600
Tax payables		8,658		15,176
Derivative financial instruments	10	1,619	1,876	1,518
Others		40,844	35,278	38,520
Bank	11	18,605	25,966	28,804
Total non-current liabilities		**216,442**	**215,739**	**233,618**
Total Equity and liabilities		**1,082,670**	**1,106,804**	**1,085,092**

Consolidated Statement of Cash Flows

euro 000's	Notes	Jan. - Jun. 14	Jan. - Jun. 13
Profit/(Loss) for the period		**55,854**	**75,695**
Non-cash adjustments:			
Amortizat., deprec., revaluat., and write-downs		23,374	23,831
Change in reserve for employee		272	(80)
Change in deferred tax/liabilities		(2,092)	(2,363)
Other non monetary expenses/(income)		4,780	(962)
Cash flow (A)		**82,188**	**96,121**
Change in current assets and liabilities:			
Trade receivables		(4,286)	8,705
Other current assets		(4,317)	(4,071)
Inventories		(24,464)	(23,764)
Tax receivables		(2,889)	3,402
Trade payables		(5,903)	10,364
Other current liabilities		5,566	9,211
Tax payables		8,658	7,586
Change in operating working capital (B)		**(27,635)**	**11,434**
Cash flow from operations (C) = (A)+(B)		**54,553**	**107,555**
Net investments in intangible and tangible assets	11	(33,360)	(21,720)
(Increase) decrease of equity investments			
Other changes in fixed assets			
Reduction (increase) of other non-current assets		(1,010)	(1,860)
Cash flow generated (used) in investment activities (D)		**(34,370)**	**(23,580)**
Dividends paid	14	(82,895)	(82,895)
Others change in Equity		(8)	5
Changes in long term loans/other non-current liabilities		2,048	2,499
Capital increase			
Changes in non controlling-interests			
Cash flow generated (used) in financing (E)		**(80,855)**	**(80,391)**
Translation differences (F)		(4,245)	4,550
Cash flow from continuing operations (G)=(C)+(D)+(E)+(F)		**(64,917)**	**8,134**
Cash flow from assets held for sale (H)			
Cash flow generated (used) (I)=(G)+(H)		**(64,917)**	**8,134**
Net cash and cash equivalents at the beginning of the period		207,101	141,304
Net cash and cash equivalents at the end of the period		142,184	149,438
Change in net cash and cash equivalents		**(64,917)**	**8,134**

Consolidated Statement of Changes in Equity

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**

January - June 2013 euro 000's	Share capital	Capital reserves	Hedging and reserve for translation	Retained earnings	Group interests	Non-controlling interests	Total
Balances as of 01.01.13	**61,219**	**214,055**	**1,235**	**480,783**	**757,292**	**5,795**	**763,087**
Profit & Loss account				75,672	75,672	23	75,695
Direct in Equity			(3,150)		(3,150)	(34)	(3,184)
Total Comprehensive Income			**(3,150)**	**75,672**	**72,522**	**(11)**	**72,511**
Dividend paid				(82,645)	(82,645)	(250)	(82,895)
Other				5	5		5
Capital increase							
Share based payments							
Balances as of 06.30.13	**61,219**	**214,055**	**(1,915)**	**473,815**	**747,174**	**5,534**	**752,708**

TOD'S Group

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, 2014 the 53.66% 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, 2014 was approved by the Board of Directors of TOD'S S.p.A. on August 7th, 2014, 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, 2014, 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, 2013.

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, 2014 (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, 2013.

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, 2014.

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.

3. Accounting policies

The accounting standards used to prepare this half-year condensed financial statements are consistent with those used to prepare the consolidated annual report at December 31st, 2013, to which reference is made for full treatment, except for what here following reported regarding amendments and interpretations applicable from January 1st, 2014:

•IFRS 10 – Consolidated Financial Statements. This standard introduces a new principle of control and establishes control as the basis for determining which entities must be consolidated. This standard sets out three elements of control: the power, the exposure to variable returns from involvement with the investee and the connection between power and returns, i.e. the ability to use power over the investee to affect variable returns. IFRS 10 replaces SIC-12 "Consolidation - Special Purpose Entities", as well as any relevant provisions under IAS 27 "Consolidated and Separate Financial Statements". The IASB required an entity to apply this standard retrospectively for periods beginning on January 1st, 2013. The competent bodies of the European Union have completed the process for endorsement of this standard and have postponed the related date of first-time adoption to January 1st, 2014, with early application permitted. The new standard has had no impact on the Group.

•IAS 27 Revised – Separate Financial Statements. This standard was amended in 2011, as a result of the issue of IFRS 10. The scope of application of IAS 27 is limited to separate financial statements only. This standard prescribes the accounting for investments in subsidiaries, joint ventures and associates in separate financial statements. The IASB required an entity to apply this standard retrospectively for periods beginning on January 1st, 2013. The competent bodies of the European Union have completed the process for endorsement of this standard and have postponed the related date of first-time adoption to January 1st, 2014, with early application permitted. The new standard has had no impact on the Group.

•IFRS 11 – Joint Arrangements. This standard replaces IAS 31 – Interests in Joint Ventures and SIC-13 – Jointly Controlled Entities – Non-Monetary Contributions by Venturers. Specifically, this standard classifies joint arrangements into two types: joint operations and joint ventures. According to IFRS 11, joint ventures must be accounted for using the equity method; therefore, the method of proportionate consolidation provided for in IAS 31 for this type of joint arrangement is no longer permitted as an alternative valuation method. The IASB required an entity to apply this standard retrospectively for periods beginning on January 1st, 2013. The competent bodies of the European Union have completed the process for endorsement of this standard and have postponed the related date of first-time adoption to January 1st, 2014, with early application permitted. The new standard has had no impact on the Group.

•IAS 28 Revised – Investments in Associates and Joint Ventures. This standard was amended in 2011, as a result of the issue of IFRS 10 and IFRS 11. This standard prescribes the accounting for investments in associates and joint ventures and sets out the requirements for the application of the equity method. The IASB required an entity to apply this standard retrospectively for periods beginning on January 1st, 2013. The competent bodies of the European Union have completed the process for endorsement of this standard and have postponed the related date of first-time adoption to January 1st, 2014, with early application permitted. The new standard has had no impact on the Group.

•IFRS 12 – Disclosure of Interests in Other Entities. This standard sets out any and all disclosure requirements laid down in consolidated financial statements, in relation to subsidiaries, joint arrangements, associates and unconsolidated structured entities. The disclosure is more extensive than that currently required by IAS 27, IAS 28 and IAS 31 in force. The IASB required an entity to apply this standard retrospectively for periods beginning on January 1st, 2013. The competent bodies of the European Union have completed the process for endorsement of this standard and have postponed the related date of first-time adoption to January 1st, 2014, with early application permitted. The effects of the adoption of the new standard are limited to the disclosure relating to interests in other entities to be provided in the explanatory notes to the annual consolidated financial statements.

•Amendments to IFRS 10, IFRS 12 and IAS 27 "Investment Entities". This standard was issued in October 2012. The amendment provides an exception to the consolidation of subsidiaries for any entities that qualify as "investment entities", except when subsidiaries provide services that relate to the investment activities carried out by said entities. Unconsolidated subsidiaries must be valued according to IFRS 9. Instead, a parent entity of an "investment entity", which is not an "investment entity" itself, must consolidate all entities that it controls (including those controlled through an investment entity). These amendments are required to be applied retrospectively from January 1st, 2014 and have had no impact on the Group.

•Amendments to IAS 32 – Financial Instruments. These amendments set out the requirements for offsetting the financial instruments referred to in IAS 32. They are applicable retrospectively from January 1st, 2014 and have had no significant impact on the Group.

•Amendments to IAS 36 – Impairment of Assets. The amendments were issued in May 2013 in relation to the recoverable amount disclosures for non-financial assets. Specifically, they clarify the disclosures required in the case of impairment or reversals of non-financial assets at fair value, less costs of disposal. They are applicable retrospectively from January 1st, 2014. The effects of the adoption of the new standard are limited to the disclosure relating to interests in other entities to be provided in the explanatory notes to the annual consolidated financial statements.

•Amendments to IAS 39 – Financial Instruments: Recognition and Measurement. These amendments were issued in June 2013 in relation to the novation of derivatives recognised according to hedge accounting. Under the amendments there would be no need to discontinue hedge accounting if a hedging derivative was novated with a central counterparty (CCP), as a consequence of laws or regulations. The amendments are applicable from January 1st, 2014 and have had no significant impact on the Group.

Furthermore, the competent bodies of the European Union have not yet completed the process for endorsement required for the adoption of the amendments and standards described below:

•IFRS 9 – Financial Instruments. This standard is the first step of a multi-phase project aimed at replacing IAS 39 in full and 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. In November 2013 a new section was introduced in relation to hedge accounting; the main developments entail:

- 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.

•IFRIC 21 – Levies. This interpretation was published in 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. The interpretation should have been applied retrospectively, subject to prior endorsement, for periods beginning on January 1st, 2014. The process for endorsement completed in the first half of 2014 delayed its application on the part of the European Union.

•"Annual Improvements to IFRSs: 2010-2012 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 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.

• "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 paragraph 52 (portfolio exception); IAS 40 Investment Property - Interrelationship between IFRS 3 and IAS 40.

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. 2014		Jan. - Jun. 2013	
	Exch. rates as of end of period	Average exch. rate	Exch. rates as of end of period	Average exch. rate
U.S. dollar	1.366	1.370	1.308	1.313
UK pound sterling	0.802	0.821	0.857	0.851
Swiss franc	1.216	1.221	1.234	1.230
Hong Kong dollar	10.586	10.629	10.148	10.189
Japanese yen	138.440	140.378	129.390	125.287
Hungarian forint	309.300	306.950	294.850	296.012
Singapor dollar	1.705	1.728	1.655	1.633
Korean WON	1,382.040	1,437.571	1,494.240	1,450.078
Macao Pataca	10.904	10.948	10.451	10.494
Chinese Renmimbi	8.472	8.449	8.028	8.127
Indian Rupia	82.202	83.258	77.721	72.235
Albanian Lek	140.301	140.209	141.072	140.223
Brazilian real	3.000	3.146	2.890	2.665

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 2014 from the results for the six months of 2013, the typical economic indicators (Revenues, EBITDA, EBIT) have been recalculated by applying the average exchange rates for the six months of 2013, thereby rendering them fully comparable with those of the previous period.
These criteria for measuring business performance must not be considered alternative to those established by IFRS.
Furthermore – as it has already been mentioned in the preceding paragraph, the Group's cash flow is uneven from quarter to quarter, largely on account of its industrial activity. Consequently, the analysis of interim results and financial statement indicators (EBITDA, EBIT, financial position and working capital) cannot be considered fully representative, and it would thus be improper to consider the indicators for the reference period to be in proportion to the results for the entire financial year.

6. Scope of consolidation

The scope of consolidation at June 30th, 2014 changed in respect to June 30th, 2013 due to the project of Group reorganisation, started last year, which will ultimately result in the ROGER VIVIER brand having its own, autonomous corporate organisation. To execute this reorganisation, the following companies were formed: Roger Vivier Hong Kong Ltd., incorporated on July 11th, 2013 and 100% owned by Partecipazioni Internazionali S.r.l.; Roger Vivier Singapore Pte Ltd. incorporated on July 18th, 2013 and 100% owned by Roger Vivier Hong Kong Ltd.; Roger Vivier (Shanghai) Trading Co. Ltd., incorporated on November 28th, 2013, 90% owned by Partecipazioni Internazionali S.r.l. and 10% owned by Roger Vivier Hong Kong Ltd.; Roger Vivier UK Ltd., incorporated on November 18th, 2013 and 100% owned by Tod's UK Ltd, Roger Vivier France Sas incorporated on April 30th, 2014 and 100% owned by TOD'S France, Roger Vivier Korea Inc., incorporated on June 9th, 2014 and 100% owned by Partecipazioni Internazionali S.r.l.. The companies Roger Vivier UK Ltd. and Roger Vivier France Sas were not operative at June 30th, 2014. In addition, on March 11th, 2014 it was incorporated TOD'S Georgia Inc., which is not operative at June 30th, 2014.

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

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

The following list illustrates the entire consolidation scope at June 30th, 2014:

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 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%
E-TOD'S Inc. Wilmington, De - U.S.A. S.C. - Usd 200 % held: 100%	**Gen.Del SA** Geneva - Switzerland S.C. - Chf 200,000 % held: 100%	**Sandel SA** San Marino S.C. - euro 258,000 % held: 100%	**TOD'S Belgique S.p.r.l.** Bruxelles - Belgium S.C. - euro 300,000 % held: 100%
TOD'S Espana SL Madrid - Spain S.C. - euro 468,539.77 % held: 100%	**TOD'S Hong Kong Ltd** Hong Kong S.C. - Usd 16,550,000 % held: 100%	**TOD'S Japan KK** Tokyo - Japan S.C. - Jpy 1,600,000,000 % 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 350,000.00 % held: 100%	**Webcover Ltd** London - Great Britain S.C.- Gbp 2 % held: 50%
TOD'S Luxembourg SA Luxembourg S.C. - euro 31,000.00 % 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 16,000,000 % 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 25,000.00 % held: 100%	**Del.Pav. S.r.l.** S.Elpidio a Mare - Italy S.C. - euro 50,000 % held: 50%	**Filangieri 29 S.r.l.** Napoli - 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 5,000 % held: 100%	**Roger Vivier Korea Inc.** Seoul – Korea S.C. – Won 1,200,000,000 % 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.

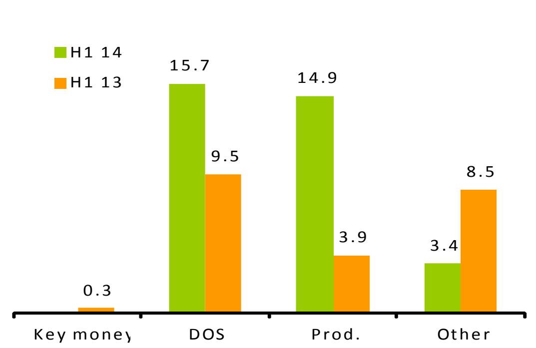
At the operating level, the Group's organisation is based on an articulated matrix structure according to the different functions/activities in the value chain, alternatively according to brand, product, channel and geographical area. The overall organisation envisages a unified strategic vision of the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

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

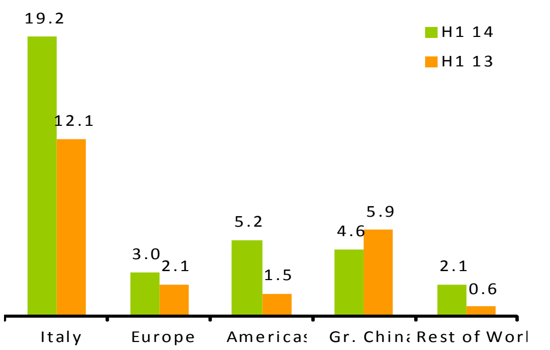
The economic disclosure set out in the Interim Report includes operating information, including a break-down of consolidated revenues by BRAND, CHANNEL, PRODUCT TYPE and REGION. Below are provided some further details for completion:

2014 *Capital expenditures*

By investment allocation (euro mn)

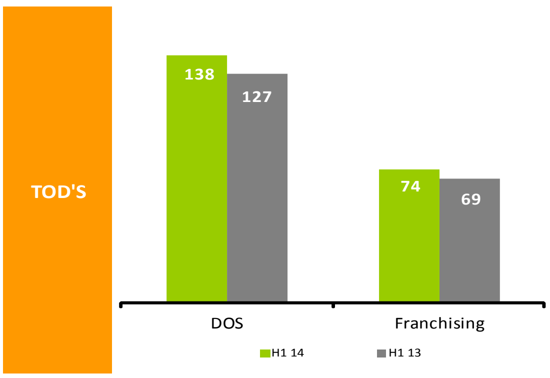


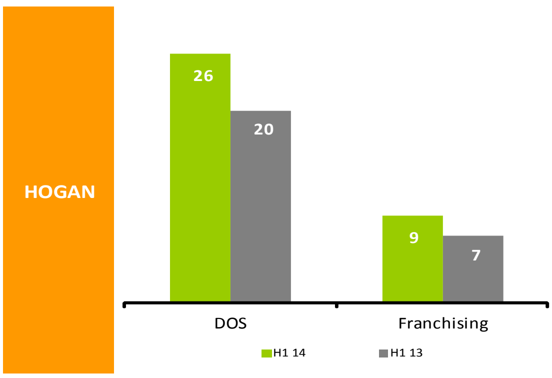
By Region (euro mn)

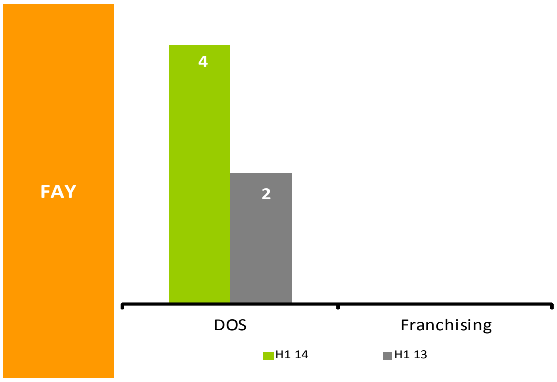


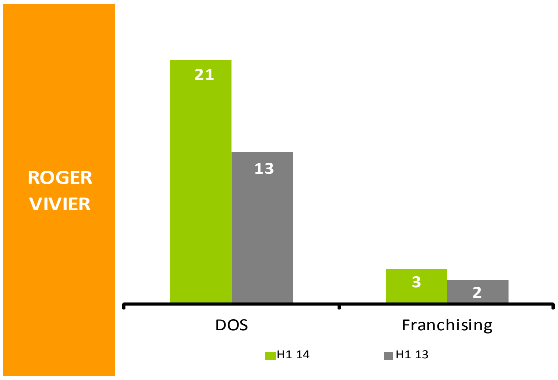
Distribution network

TOD'S GROUP - Distribution channel		06.30.14	06.30.13
Italy	DOS	43	45
	FRANCHISED STORES	3	3
Europe	DOS	46	37
	FRANCHISED STORES	13	12
Americas	DOS	15	15
	FRANCHISED STORES	2	2
Greater China	DOS	75	58
	FRANCHISED STORES	24	22
RoW	DOS	50	45
	FRANCHISED STORES	45	40
Total DOS		**229**	**200**
Totale Franchised stores		**87**	**79**









8. Hedging 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.

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 eurozone. 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.

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 11.9 million euros.

Capital expenditure in H1 2014 totalled 34 million euros, of which 2.3 million euros of intangible assets and 31.7 million euros of tangible assets. The capital expenditures of the DOS network totalled about 15.7 million euros. This amount was used primarily for both new DOS openings and for renovation activities performed during the period; among which, renovation for the flagship TOD'S of Madison Avenue in New York with which it will be increased the selling surface. Capital expenditure, still in progress, for about 10.3 million euros have been dedicated to properties for the expansion of internal production capacity through both the acquisition of a new plant and the construction of new production plant, both of them located next to the Group headquarter and the second inside its perimeter.

The remaining investment quota in the period regarded not only the normal processes of modernising the structures and industrial equipment, but also the development activities of 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	20.300	14.863		
Hong Kong dollar	505.000	47.706	59.000	5.574
Japanese yen	1.040.000	7.512	1.500.000	10.835
British pound	10.600	13.225		
Swiss franc	8.450	6.951		
Chinese renmimbi	428.000	50.518	12.000	1.416
Singapore dollar	4.700	2.757		
Euro	13.350	13.350	15.360	15.360
Canadian dollar	2.500	1.714		
Australian dollar	2.300	1.582		
Total		**160.178**		**33.185**

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, 2014 is classified as Level 2 and has been determined using exchange rate that are quoted in active markets.

At June 30th, 2014, the net fair value of foreign currency hedges was negative for 1,191 thousand euros, including assets for 429 thousand euros (December 31st, 2013: 4,430 thousand euros) and liabilities for 1,619 thousand euros (December 31st, 2013: 1,876 thousand euros). The hedging reserve related to derivatives financial instruments for the hedging of forecast transactions (cash flow hedge), net of tax effect, is negative for 139 thousand euros (was negative for 1,372 thousand euros at December 31st, 2013). Such reserve includes even a portion related to hedging agreements on intercompany transactions expired at June 30th, 2013. This portion will be reversed in the income statements when sales to final customers will be fulfilled.

In relation of the above mentioned hedged instruments, which were closed between January and June 2014, the effect of hedging transactions transferred in the income statements amount to 1,456 thousand euros, including 1,551 thousand euros recognised as an increase in revenues and 95 thousand as an increase in costs.

11. Net Financial Position

Net financial position (euro 000's) 06.30.13		06.30.14	12.31.13	Change
Current financial assets				
173,080	Current assets	155,295	228,178	(72,883)
173,080	**Cash**	**155,295**	**228,178**	**(72,883)**
Current financial liabilities				
(23,642)	Current account overdrafts	(13,111)	(21,077)	7,966
(5,162)	Current portion of long term debt	(5,494)	(4,889)	(605)
(28,804)	**Current financial liabilities**	**(18,605)**	**(25,966)**	**7,361**
144,276	**Current net financial position**	**136,690**	**202,212**	**(65,522)**
Non-current financial liabilities				
(26,082)	Long term debt	(22,777)	(21,087)	(1,690)
(26,082)	**Non-current financial liabilities**	**(22,777)**	**(21,087)**	**(1,690)**
118,194	**Net financial position**	**113,913**	**181,125**	**(67,212)**

At June 30th, 2014, net financial position was positive and equal to 113.9 million euros (181.1 million euros at December 31st, 2013). Gross of dividends paid in the first half of 2014 the net financial position would be 196.8 million euros (+15.7 million from December 31st, 2013).
In respect to the net financial position of December 31st, 2013, the financial liabilities at June 30th, 2014 include, for 3.5 million euros, the residual debt of two lease agreements with which TOD'S S.p.A. has succeeded with the acquisition of the industrial plant already described in Note 9. Negative for 1 million euros the effect of the exchange rates in the financial liabilities carried in foreign currency.

12. Share Capital

At June 30th, 2014, 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 discontined operations	H1 2014	H1 2013
Profit used to determine basic earning per share	56,154	75,672
Dilution effects		
Profit used to determine diluted earning per share	**56,154**	**75,672**

euro/000's From continuing operations	H1 2014	H1 2013
Profit attribuitable to equity holders of the Company	56,154	75,672
Income (Loss) from discontinued operations		
Profit used to determine basic earning per share	**56,154**	**75,672**
Dilution effects		
Profit used to determine diluted earning per share	**56,154**	**75,672**

In both periods, first half 2014 and 2013, 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 2014	H1 2013
Weighted average number of shares to determine basic earning per shai	30,609,401	30,609,401
Share Options		
Weighted average number of shares to determine diluted earning per sh	30,609,401	30,609,401

14. Dividends

Pursuant to a resolution by the Shareholders' Meeting of April 17th, 2014, the parent company TOD'S S.p.A. paid its shareholders dividends in May for the net profit realised in FY 2013. The aggregate value of dividends paid totals 82,645,382.70 euros, at the rate of 2.70 euros for each of the 30,609,401 shares comprising share capital at the ex dividend date (May 19th, 2014). Moreover, other Group companies paid 250 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 545 thousand euros (505 thousand euros the provision of the first half of 2013), while the fund has been reversed for 748 thousand euros (899 thousand euros in the first half 2013) against the settlement of some litigations previously accrued.

16. Employee benefit

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 are summarized below:

- Discounting rate: 3.17%

It is related to the average yield curve from IBOXX Eurozone Corporates AA of December 2013.

- Inflation rate: 2.00%
- TFR incremental rate: 3.00%

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 Commettee 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 2014, no related party transaction has been carried out by the Group.
In continuation of contractual relationships already existing in 2013, TOD'S Group continued to maintain a series of contractual relationship with related parties (directors/controlling or significant shareholders) in the first half of 2014. 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 – Revenues

euro 000's	Sales of Product	Rendering of services	Royalties	Operating lease	Other operations
30 June 2014					
Parent Company (*)	5,954	25			
Directors					
Other related parties					
Total	**5,954**	**25**	**-**	**-**	**-**
30 June 2013					
Parent Company (*)	4,130			28	35
Directors					
Other related parties					
Total	**4,130**	**-**	**-**	**28**	**35**

ii Commercial transactions with related parties – Costs

euro 000's	Costs of product	Rendering of services	Royalties	Operating lease	Other operations
30 June 2014					
Parent Company (*)	408	157	4,692	2,118	5
Directors					
Other related parties					
Total	**408**	**157**	**4,692**	**2,118**	**5**
30 June 2013					
Parent Company (*)	252	14	3,904	2,049	2
Directors					
Other related parties					
Total	**252**	**14**	**3,904**	**2,049**	**2**

iii Commercial transactions with related parties – Receivables and payables

Receivables and payables	06.30.14		06.30.13	
euro 000's	Receivables	Payables	Receivables	Payables
Parent Company (*)	2,126	5,791	2,222	3,323
Directors				
Other related parties				
Total	**2,126**	**5,791**	**2,222**	**3,323**

(*) 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. For the first half of 2014 (including compensation for the activities performed at subsidiaries) compensation amount to respectively 2.1 million euros and 0.3 million euros.

Compensation for Statutory Auditors of TOD'S S.p.A. at June 30th, 2014 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 2014.

19. Significant events occurred after the reporting period

On July 23rd, 2014 TOD'S S.p.A. entered into a loan agreement with two leading banks, which was aimed at setting aside funds in favour of the company for a maximum amount of 400 million euros intended to support the Group's future development. The funds will remain available for a period of eighteen months from the date of the execution of the agreement, during which the company may require the disbursement of the loan in one or more than one tranche at the terms and conditions laid down therein.

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 2014 Half Year condensed financial statements during the period January 1st, 2014 to June 30th, 2014.

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 7th, 2014

Chief Executive Officer
Stefano Sincini

Manager responsible for drawing up of the financial report
Rodolfo Ubaldi