

Press Release
Tod's S.p.A. Board of Directors - March 21, 2001

The Board of Directors of Tod's S.p.A. approved on March 21, 2001 the preliminary financial results for the Fiscal Year 2000. Consolidated sales increased to ITL 487.2 billion (€ 251.6 million), EBITDA was equal to ITL 118.7 billion (€ 61.3 million) and EBIT equal to ITL 77.7 billion (€ 40.1 million), which is a 15.9% EBIT margin (pro-forma numbers).

The Board has decided to propose at the Shareholders' Meeting, scheduled for April 26, 2001, the distribution of a dividend of € 0.13 per each of the 30,250,000 existing shares (par value of € 2), with an ex-dividend date of May 21, 2001 and payment due on May 24, 2001.

The Chairman of the Group, Mr. Diego Della Valle, expressed full satisfaction at the complete achievement of the company's goals for the year. He commented:

"Fiscal Year 2000 has been extremely important for our Group, as it was the first Fiscal Year closed after the IPO of Tod's S.p.A., where trading began on November 6, 2000.

The results achieved were positive, especially considering the efforts made this year, from both an organisational and financial perspective (investments for the year were equal to ITL 347.0 billion (€ 179.2 million)), to support the Group's strong but controlled expansion, in Italy and around the world. In particular, these investments were made in the opening of new DOS in some of the most prestigious domestic and international locations.

I would also add that these positive results have been achieved without fully benefiting from new stores recently opened."

Tod's Group

(Below are the financial highlights for Fiscal Year 2000; the Group's Profit & Loss figures are Pro-Forma in order to compare these figures with those reported in the IPO Prospectus)

The consolidated net sales were equal to ITL 487.2 billion (€ 251.6 million), representing an increase of 14.5% compared to 1999, or ITL 61.8 billion (€ 31.9 million) in absolute terms.

This is mainly due to DOS sales growth; DOS accounted for 31% of total Group sales, compared to 21.1% one year ago.

The increase in volumes was mainly in the international markets. The relative weight of domestic sales has decreased from 54.1% in 1999 to 49.3% this year, while sales in Europe and in North America have increased by ITL 27.2 billion (€ 14.0 million) and ITL 15.9 billion (€ 8.2 million) respectively. Europe represented 30.5% and North America 15.5% of total net sales. The Rest of the World was equal to 4.7% of sales this year, compared to 3.4% in 1999, mainly due to strong expansion in the Far East.

EBITDA was ITL 118.7 billion (€ 61.3 million), representing an increase of ITL 8.5 billion (€ 4.4 million) (or 7.7%) and an EBITDA margin of 24.4% (25.9% in 1999). Operating costs have increased by 16.6%. The major increases were in "Labour Costs", with an increase of 34.3% (or ITL 17.5 billion (€ 9.0 million)), mainly due to new work force hired in order to support the expansion of the Group, both in production and distribution. The increase in "Costs for Services" is mainly due to advertising costs for our brands, in order to maintain constant sales growth.

EBIT was ITL 77.7 billion (€ 40.1 million), which is an increase of 3.8% (or ITL 2.9 billion (€ 1.5 million)). The EBIT margin was equal to 15.9% (compared to 17.6% in 1999).

PBT was ITL 75.2 billion (€ 38.8 million), which is an increase of ITL 1.5 billion (€ 0.8 million) compared to 1999. The extraordinary items include all costs related to the Initial Public Offering, as specified in the comments on Tod's S.p.A. financial results.

Income taxes were ITL 38.1 billion (€ 19.7 million), compared to ITL 32.7 billion (€ 16.9 million) in 1999. Net Income for the year was ITL 36.2 billion (€ 18.7 million), compared to ITL 40.9 billion (€ 21.1 million) in 1999.

At December 31, 2000, the Net Cash position was equal to ITL 413 billion (€ 213,3 million), compared to ITL 22.7 billion (€ 11.7 million), including the IPO proceeds (ITL 391.8 billion (€ 202.3 million)).

Tod's Spa

The parent company's sales were ITL 441.3 billion (€ 227.9 million), an increase of ITL 39.8 billion (€ 20.6 million) (+9.9%) compared to 1999 (ITL 401.5 billion (€ 207.4 million)).

EBITDA decreased 3.4% to ITL 79.2 billion (€ 40.9 million) (1999: ITL 82 billion (€ 42.3 million)) with an EBITDA margin of 17.9%, down from 20.4% in 1999. Labour costs increased by 19.8% to ITL 46 billion (€ 23.8 million), mainly due to an increase in the number of employees (+120 people), as a consequence of the planned expansion of the company.

EBIT decreased from ITL 64.5 billion (€ 33.3 million) in 1999 to ITL 59 billion (€ 30.5 million) in 2000 (-8.6%). The EBIT margin decreased to 13.4% from 16% in 1999.

Extraordinary expenses were ITL 5.0 billion (€ 2.6 million), resulting from a gain on the disposal of leasing contracts for ITL 17 billion (€ 8.8 million) and listing-related expenses of ITL 22 billion (€ 11.4 million).

Profit before tax in 2000 was ITL 52.8 billion (€ 27.3 million), compared to ITL 69.8 billion (€ 36.0 million) in 1999. The decrease can be explained by the impact of the extraordinary expenses, which were ITL 5 billion (€ 2.6 million) in 2000, whereas in 1999 extraordinary income of ITL 5.3 billion (€ 2.7 million) had been reported. The PBT margin was 12% (17.4% in 1999).

Net Income was ITL 23.5 billion (€ 12.1 million), (1999: ITL 39.5 billion, € 20.4 million), after taxes of ITL 29.3 billion (€ 15.1 million) (1999: ITL 30.3 billion, € 15.6 million).

Cash flow (net income plus depreciation and amortisation) was ITL 43.1 billion (€ 22.3 million) (1999: ITL 56.5 billion, € 29.2 million).

Net Cash position was ITL 388 billion (€ 200.4 million), (1999: ITL 14.3 billion, € 7.4 million), including the IPO proceeds (ITL 391.8 billion, € 202.3 million).