

TOD'S S.p.A.: the Board of Directors approved the Consolidated Financial Statements for the first quarter of 2005.

**Excellent results: sales revenues: +33%; EBITDA: +71%, EBIT: +157%,
net income:+163%**

The Board of Directors of Tod's S.p.A., the Italian company listed on the Milan Stock Exchange and holding of the luxury goods group of the same name operating in luxury shoes, leather goods and apparel with the Tod's, Hogan and Fay brands, today approved its Consolidated Financial Statements for the first quarter of 2005.

The Group's results are excellent at all levels. Revenues were 140.4 millions, growing by 33% as compared to 105.6 millions of the same period of 2004. EBITDA was 28.6 millions (+71% versus 16.7 millions of Q1 2004), EBIT was 20.1 millions (+157% versus 7.8 of Q1 2004) and, finally, net income was 12.5 millions (+163% versus 4.8 millions of Q1 2004). The impact of currency rate fluctuations is not meaningful: at constant rates, meaning adopting the 2004 average exchange rates, revenues were 141.5 millions (+34%), while EBITDA and EBIT were 0.6 millions higher than the above commented figures.

Breakdown of consolidated sales by brand: excellent growth for all the brands

<i>million Euros</i>	Q1 2005	Q1 2004	% change	FY 2004
Tod's	76.8	58.7	+30.9%	239.9
Hogan	40.2	29.0	+38.6%	102.3
Fay	20.3	15.8	+28.4%	68.7
other	3.1	2.1	+47.0%	9.9
TOTAL	140.4	105.6	+33.0%	420.8

All the Group's brands achieved excellent growth rates in the period. In details, Tod's revenues increased by 30.9% (32.5% at constant exchange rates). Tod's remains the Group's principal brand, representing 54.7% of consolidated sales as of March 31st, 2005.

The Hogan brand reported a 38.6% growth of revenues (39% at constant exchange rates), thus confirming also in 2005 the very positive trend already shown in the last months of the previous year. As of March 31st, 2005, Hogan sales represented 28.6% of the Group's turnover.

Also Fay posted an outstanding performance; revenues increased by 28.4% in the first quarter of 2005 and represented 14.5% of consolidated sales.

Breakdown of consolidated sales by product: very strong growth of all the product categories

<i>million Euros</i>	Q1 2005	Q1 2004	% change	FY 2004
shoes	92.4	70.4	+31.2%	268.2
leather goods & accessories	28.1	20.0	+40.5%	84.7
apparel	19.7	15.1	+30.5%	67.2
other	0.2	0.1	n.m.	0.7
TOTAL	140.4	105.6	+33.0%	420.8

All the Group's product categories posted very strong growth rates in the first quarter of 2005. In particular, revenues from shoes rose by 31.2% (32% at constant exchange rates), confirming to be the principal product of the Group, generating 65.8% of consolidated turnover as of March 31st, 2005.

The performance of leather goods and accessories was even better: revenues increased by 40.5% (43% at constant exchange rates) in the first quarter of 2005 and represented 20% of the Group's sales as of the end of the period. This result is fully in line with the Group's strategy to reinforce the offer of leather accessories and testifies the full success gained by these recently introduced products among our customers.

Apparel revenues grew by 30.5% in the period, in line with the performance of Fay, and represented 14.0% of the Group's turnover as of March 31st, 2005.

Breakdown of consolidated sales by region: double digit growth on all the markets (Asia: +52.5%)

<i>million Euros</i>	Q1 2005	Q1 2004	% change	FY 2004
Italia	67.8	49.9	+35.9%	204.5
Europe (excl. Italy)	42.1	32.5	+29.9%	116.7
North America	13.3	11.7	+13.3%	50.1
Asia and rest of world	17.2	11.5	+48.8%	49.5
TOTAL	140.4	105.6	+33.0%	420.8

In the first quarter of 2005, all the markets where the Group operates posted double digit growth rates of revenues. The performance was excellent in Europe, despite the challenging comparison basis and the still tough economic environment: sales grew by 35.9% in Italy and by 29.9% in the rest of Europe (the foreign currency impact on revenues in this area was not significant).

We deem important to underline the strong growth achieved on the American market, where revenues grew by 13.3%. Net of the impact due to the further weakening of the US dollar with respect to the Euro, the increase jumped to 18.7%.

Finally, the Asian market continued to show excellent growth results, confirming the huge potential that our Group still has in this area. In the first quarter of 2005, revenues increased by 48.8% (52.5% at constant

exchange rates). As of March 31st, 2005, Asian markets represented 12.2% of the Group's turnover, as compared to 10.9% of the same period of 2004.

Breakdown of consolidated sales by distribution channel: strong organic growth in all the channels; SSG: +13%

<i>million Euros</i>	Q1 2005	Q1 2004	% change	FY 2004
DOS	52.8	41.8	+26.2%	219.6
Franchised stores and independent retailers	87.6	63.8	+37.4%	201.2
TOTAL	140.4	105.6	+33.0%	420.8

It's not fully meaningful to analyse the breakdown of revenues by distribution channel with respect to the first quarter of the year. In this period turnover is mainly represented by wholesale revenues, due to the different booking timing of sales. In fact, deliveries made to DOS are booked as DOS stock inventory under the consolidation process and are translated into revenues only in the second quarter, when the products are sold to the final customers.

Revenues generated by the DOS network increased by 26.2% in the first quarter of 2005, or by 28.2% at constant exchange rates. The Same Store Growth figure, calculated as the worldwide average of revenue growth rates reported by the DOS open as of January 1st, 2004, was 13% throughout the entire quarter. Also the month of April showed exactly the same SSG figure.

Particularly strong was the increase of wholesale revenues, which was 37.4% in the period.

As of March 31st, 2005 the Group's distribution network consisted of 105 DOS and 36 franchised stores. The latter channel grew by five points of sale in the first quarter of the year; all of them are located in Asia and include the third store in mainland China (Hangzhou).

The strong expansion on the Asian markets, where sometimes it's better to operate with primary local partners, implies a big number of openings under franchise agreements, without producing a change in the Group's distribution strategy.

Comments on the main items of Profit & Loss

Before analysing the quarterly financial figures, it must be borne in mind that the very nature of the industrial activities leads to discrepancies in month-on-month revenue and cost fluxes. As a result, it would be misleading to annualise quarterly results.

In the first quarter of 2005, the Group's EBITDA was 28.6 millions, growing by 71% as compared to 16.7 millions of the same quarter of the previous year.

Operating leverage was the main growth driver: the increase of indirect costs was lower than turnover's growth. Labour cost grew by 9.5%, linked to the further increase of the Group's headcount (2,118 employees as of March 31st, 2005 versus 2,013 as of end of March 2004). As a result, the incidence on sales decreased sharply: 12.9% in Q1 2005 versus 15.6% in Q1 2004.

Also the impact on revenues of the costs of rents decreased (6.2% in Q1 2005 versus 6.8% in Q1 2004), despite the continuing widening of the DOS network (105 stores as of March 31st, 2005 as compared to 99 as of end of March 2004).

EBIT was 20.1 millions, more than doubled figure as compared to 7.8 millions of Q1 04. The 157% EBIT growth is due to the already mentioned contribution from the operating leverage and to the effect of the normalization of the investment activity. The incidence on sales of depreciation and amortization was 6%, showing a decrease as compared to 8.2% of Q1 2004.

Profit before taxes was 21.1 millions, more than the double, as well, compared to 9.1 millions of the same period of the previous year.

Finally, consolidated net income was 12.5 millions, almost three times the 4.8 million Q1 04 figure. Tax rate for the period was 40.8% versus 48.9% of Q1 2004.

Comments on the key figures of Balance Sheet and Cash Flow

As of March 31st, 2005, the Group's net financial position was positive and amounted to 51.8 millions, with a strong growth as compared to the same period of 2004. The 4.6 million decrease versus December 31st, 2004 was due to the normal and temporary financing of the increase of trade receivables to the wholesale channel; in fact, Spring Summer collections has been already shipped, while their revenues will be cashed in only in the following months.

In the first quarter of 2005 net investments totalled 4.7 millions, lower than 8.8 millions of the same period of 2004.

Diego Della Valle, Chairman and Managing Director, commented as follows: "The results we are releasing today are for sure very satisfactory. Sales figures confirm the full success of our collections in all the product categories and across all the markets, further emphasizing the respect which our consumers attribute to all of our brands. The Group's business continues according to the already announced

strategies and the results, which are not influenced by extraordinary events, confirm that we are absolutely on the right way.”

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ATTACHMENTS:

Reclassified Profit & Loss account of Tod's Group

Year 04	%	P & L figures (Euro/000)	Q1 05	%	Q1 04	%	Change	%
420,787	100.0	Sales revenues	140,367	100.0	105,573	100.0	34,794	33.0
4,621	1.1	Other revenues and income	593	0.4	1,062	1.0	(469)	(44.2)
425,408	-	Total revenues and income	140,960	-	106,635	-	34,325	32.2
		Costs of raw materials, supplies, materials for consumption and						
(122,946)	29.2	changes in inventories	(51,474)	36.7	(33,144)	31.4	(18,330)	55.3
(108,972)	25.9	Costs for services	(33,222)	23.7	(31,148)	29.5	(2,074)	6.7
(25,429)	6.0	Costs of use of third-party assets	(6,667)	4.7	(6,058)	5.7	(609)	10.1
168,061	39.9	Value added	49,597	35.3	36,285	34.4	13,312	36.7
(68,301)	16.2	Cost of labour	(18,070)	12.9	(16,500)	15.6	(1,570)	9.5
(11,360)	2.7	Other charges	(2,963)	2.1	(3,084)	3.0	121	(3.9)
88,400	21.0	Ebitda	28,564	20.3	16,701	15.8	11,863	71.0
(34,255)	8.1	Amortization and depreciation	(8,384)	6.0	(8,704)	8.2	320	(3.7)
(42)	nm	Other provisions and adjustments	(55)	nm	(162)	0.2	107	(66.0)
54,103	12.9	Ebit	20,125	14.3	7,835	7.4	12,290	156.9
174	nm	Net financial income (charges)	835	0.6	1,284	1.2	(449)	(35.0)
54,277	12.9	Profit from ordinary operations	20,960	14.9	9,119	8.6	11,841	129.8
553	0.1	Net extraordinary income (charges)	131	0.1	-	-	131	ns
54,830	13.0	Pre-tax profit	21,091	15.0	9,119	8.6	11,972	131.3
(23,899)	5.6	Income taxes	(8,605)	6.1	(4,461)	4.2	(4,144)	92.9
30,931	7.4	Profit before minority interests	12,486	8.9	4,658	4.4	7,828	168.1
(316)	0.1	Minority interests	27	nm	106	0.1	(79)	(74.5)
30,615	7.3	Consolidated net profit	12,513	8.9	4,764	4.5	7,749	162.7

Reclassified Balance Sheet of Tod's Group

31.03.04	%	Balance Sheet figures (Euro/000)	31.03.05	%	31.12.04	%
41,402	7.7	Cash and cash equivalents	75,830	13.2	79,577	14.4
108,840	20.2	Inventories	117,619	21.0	128,900	23.3
117,266	21.7	Receivables	120,404	20.4	79,562	14.4
267,508	49.6	Current assets (a)	313,853	54.6	288,039	52.1
268,801	49.8	Intangible and tangible fixed assets	257,534	44.8	261,010	47.3
3,452	0.6	Shareholding and long term receivables	3,156	0.6	3,325	0.6
272,253	50.4	Fixed assets (b)	260,690	45.4	264,335	47.9
539,761	100.0	Total assets (a)+(b)	574,543	100.0	552,374	100.0
9,694	1.8	Bank debt	9,244	1.6	8,138	1.5
81,608	15.1	Trade account payables	80,066	13.9	78,435	14.2
12,765	2.4	Other liabilities	20,324	3.6	14,069	2.5
104,067	19.3	Current liabilities (c)	109,634	19.1	100,642	18.2
163,441	30.3	Net working capital (d)=(a)-(c)	204,219	35.5	187,397	33.9
8,696	1.6	Employee severance indemnity reserve	9,930	1.7	9,599	1.7
2,019	0.4	Reserves for risk and charges	3,290	0.6	3,247	0.6
15,374	2.8	Bank debt due beyond 12 months	14,758	2.6	14,970	2.7
26,089	4.8	Medium/long term liabilities (e)	27,978	4.9	27,816	5.0
130,156	24.1	Total liabilities (f)=(c)+(e)	137,612	24.0	128,458	23.2
60,500	11.2	Share capital	60,500	10.5	60,500	11.0
342,169	63.4	Reserves	360,993	62.8	329,599	59.7
4,764	0.9	Consolidated net profit	12,513	2.2	30,615	5.5
407,433	75.5	Consolidated shareholders' equity (g)	434,006	75.5	420,714	76.2
2,172	0.4	Net equity minority interests (h)	2,925	0.5	3,202	0.6
409,605	75.9	Total shareholders' equity (i)=(g)+(h)	436,931	76.0	423,916	76.8
539,761	100.0	Total liabilities and equity (l)=(f)+(i)	574,543	100.0	552,374	100.0

Reclassified Cash Flow of Tod's Group

Cash flow (Euro/000)	31.03.05	31.03.04
Profit (loss) of the Group for the period	12,513	4,764
Amortisation, depreciation and write-downs	8,881	9,420
Change in deferred tax liabilities/assets	(1,589)	(3,080)
Increase (reduction) in reserves for risk and charges and in employee severance indemnity reserve	372	431
Cash Flow (a)	20,177	11,535
(Increase) reduction in current assets	(28,467)	(30,780)
Increase (reduction) in current liabilities	7,886	13,057
Change in operating working capital (b)	(20,581)	(17,723)
Cash flow from operations (c)=(a)+(b)	(404)	(6,188)
Net investments in fixed assets	(4,739)	(9,598)
Cash flow generated (used) in investment activity (d)	(4,739)	(9,598)
Changes in long term loans		1,179
Short term instalments of long term loans	(212)	(846)
Changes in Shareholders' Equity	779	562
Changes in minority interests	(277)	(92)
Cash flow generated (used) in financing (e)	290	803
Cash flow generated (used) (f)=(c)+(d)+(e)	(4,853)	(14,983)
Cash and cash equivalents at the beginning of the period	71,439	46,691
Cash and cash equivalents at the end of the period	66,586	31,708
Change in net current financial position	(4,853)	(14,983)