Milan - November 12th, 2004

TOD'S S.p.A.: excellent growth rates for all the brands, all the product categories and on all the markets. (Asia: +62%). Strong increase of operating margins.

TOD'S – 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, approved its Report for the period January 1st – September 30th, 2004.

The consolidated turnover is 336.8 million Euros at constant rates, growing by 17.6% as compared to the first nine months of 2003. Adjusted for the impact of currency fluctuations, the Group's revenues for the first nine months of 2004 are 331.6 million Euros, with a 15.8% increase as compared to the same period of 2003.

Consolidated EBITDA is 72.8 million Euros at constant rates, increasing by 18% as compared to the first nine months of 2003. EBITDA margin on sales is 21.6%, in line with 9M 2003.
EBIT is 45.1 million Euros at constant rates; EBIT growth is higher than 20% and margin on sales is 13.4%, improving as compared to 9M 2003.
Operating margins confirm a sound improvement of profitability, which benefits from the increasing maturity of the DOS network and from the growing impact of revenues from leather goods out of consolidated turnover.

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

million Euros	9M 2004	9M 2003	% change	FY 2003
Tod's	185.4	161.7	+14.7%	213.7
Hogan	82.5	69.5	+18.6%	86.7
Fay	56.4	51.6	+9.3%	64.9
other	7.3	3.6	n.s.	6.1
TOTAL	331.6	286.4	+15.8%	371.4

All the brands have shown excellent growth rates in the first nine months of 2004. In more detail, Tod's brand increased by 17.5% at constant rates and remains the main brand of the Group, representing 55.9% of consolidated revenues as of September 30th, 2004.

The Hogan brand achieved a very strong growth, as a percentage, with a 19.4% increase at constant rates. Hogan sales represent 24.9% of the Group's turnover as of September 30th, 2004.

Fay revenues increased by 9.3% in the first nine months of 2004 and represent 17% of consolidated revenues as of September 30th, 2004.

Breakdown of consolidated sales by product: excellent growth for all the product categories

million Euros	9M 2004	9M 2003	% change	FY 2003
shoes	214.1	186.0	+15.1%	237.9
leather goods & accessories	62.2	50.4	+23.3%	70.0
apparel	54.8	49.9	+9.9%	63.3
other	0.5	0.1	n.s.	0.2
TOTAL	331.6	286.4	+15.8%	371.4

All the Group's product categories achieved excellent growth rates in the first nine months of 2004. In particular, shoes increased by 16.9% at constant rates and remain the main product category of the Group, representing 64.6% of consolidated revenues as of September 30th, 2004.

The outstanding growth of revenues from leather goods, which is 26.7% at constant rates, confirms the growing success of this product category, which includes different types of accessories, all consistent with the philosophy of the brands. Revenues from leather goods represent 18.7% of the Group's turnover as of September 30th, 2004.

Sales of apparel increased by 9.9%, in line with Fay performance and represent 16.5% of consolidated revenues as of September 30th, 2004.

Breakdown of consolidated sales by region: excellent growth across all our markets, Asia: +62%

million Euros	9M 2004	9M 2003	% change	FY 2003
Italy	162.8	141.6	+15.0%	181.5
Europe (excl. Italy)	94.2	82.7	+14.0%	104.6
North America	38.0	39.5	-4.0%	53.1
Asia and rest of world	36.6	22.6	+61.7%	32.2
TOTAL	331.6	286.4	+15.8	371.4

In the first nine months of the year, revenues in Europe have shown an excellent performance: sales increased by 15% in Italy and by 14% in the rest of Europe. Sales in Italy represent 49.1% of consolidated revenues as of September 30th, 2004.

In the US market, revenues increased by 6% at constant rates, even if the change at reported rate, as shown in the above table, is different, due to the impact of currency fluctuations.

Finally, Asian markets confirm excellent growth rates: in the first nine months of 2004, revenues increased by 67.8%, at constant rates. As of September 30th, 2004, the total impact of this region on the Group's turnover is 11%, showing an increase as compared to 7.9% of the same period of the previous year, perfectly in line with our expectations.

Breakdown of consolidated sales by distribution channel: strong contribution from the wholesale channel and from like-for-like

million Euros	9M 2004	9M 2003	% change	FY 2003
DOS	153.8	122.5	+25.5%	177.7
Franchised stores and independent retailers	177.8	163.9	+8.5%	193.7
TOTAL	331.6	286.4	+15.8%	371.4

In the first nine months of 2004, sales to third parties increased by 9.4% at constant rates. The Group has almost completed the rationalization of the wholesale channel, that has been deliberated together with the strong development of the DOS network, in order to preserve the brand exclusivity. The acceleration of third parties sales growth in this quarter is consistent with the timing of the Group's industrial activity; in fact, in this period of the year, products are delivered to the distribution network.

In line with the first half performance, sales through DOS continued to grow strongly. In the first nine months of 2004, the growth is 28.6% at constant rates, driven both by the new openings (11 additional stores as compared to the end of September 2003), and by the strong organic growth.

The Same Store Growth (SSG) rate, calculated as the worldwide average of sale growth rates registered in the 71 DOS opened before January 1st, 2003, is 10.3% for the first ten months of the year.

The openings made during the third quarter are: two Dev stores in Italy (namely in Verona and Bolzano), an additional Tod's store in Milan, located in Galleria Vittorio Emanuele, and a new Tod's store in Japan, in Osaka.

As of September 30th, 2004 the Group's distribution network consists of 104 DOS and 29 franchised stores.

During the month of October, two Tod's franchised stores were opened in Bangkok and in Beijing. The latter is the second Tod's store in main land China, after the one in Shanghai.

Next December we will open the Tod's *flagship* store in Tokyo, located in Omotesando: it's a prestigious three-story boutique with a sale area larger than 600 sqm and will be the first Group's freestanding store in Japan. This opening is very important for our Group, since it will strengthen the brand image in Tokyo, in Japan and in part of Far East.

Before examining the other financial figures of the period, it must be borne in mind that the income statement of nine months cannot be annualized, due to the lack of uniformity of industrial and commercial activities over the months.

The following analysis is focused on figures of margins at constant rates, meaning before the impact of currency fluctuations; please refer to the attached tables for all the figures at current exchange rates.

EBITDA is 72.8 million Euros, growing by 18% as compared to the first 9 months of 2003. EBITDA margin on sales is 21.6%, in line with the same period of 2003.

The Group's revenues increased more than proportionally versus costs, thus causing the above underlined improvement of margins.
Among costs we want to comment the physiological growth of the impact on revenues of rents for sale locations, related to the DOS network development (the percentage is 6.8% in 9M 04 as compared to 6.2% in 9M 2003). This increase is partially offset by the decrease of the impact of labour costs, which is 15.1% in the first nine months of 2004.

The Group's EBIT is 45.1 million Euros, growing by 20% as compared to 9M 2003. EBIT margin on sales is 13.4%, improving as compared to the previous year: the increase of depreciation and amortization, which are 3 million Euros higher in 9M 2004 as compared to 9M 2003, is proportionally lower than the sale growth.

Profit before taxes amounts to 42 million Euros, with a 3% growth as compared to 9M 2003. The comparison with the previous year clearly shows the sharp decrease of net financial income (0.3 million Euros in 9M 2004 as compared to 3.4 million Euros in 9M 2003), mainly due to lower currency fluctuations (the net balance of FX income and losses is 0.6 million Euros in 9M 2004, which compares to 2.7 million Euros in 9M 2003).

Finally, consolidated net income is 22.9 million Euros, broadly in line with 9M 2003. The tax rate, which is 46% for the period, is affected by the new Italian fiscal laws, introduced in 2004. In fact, lower taxes due to the new corporate tax IRES are fully offset by the abrogation of DIT, which provided a particularly convenient method of calculation for the Group. The tax rate for the period has been calculated, without considering some benefits, which might be provided by adopting the so-called consolidated fiscal income for the Group companies based in Italy.

After the strong acceleration of the previous years, in the third quarter of the year, the Group has come back to the ordinary investment activity. In the first nine months of 2004, the Group invested a total amount of 18.4 million Euros. In more detail, 9.7 million Euros were invested in tangible assets, for the normal process of updating and substituting of logistic and production structures, and 8.7 million Euros were invested in intangible assets, mainly related to the development of the DOS network.

Finally, as of September 30th, 2004 the net financial position of the Group is positive and equal to 14.8 million Euros, higher by 1.7 million Euros as compared to the same figure as of the end of September 2003.

Diego Della Valle, Chairman and Managing Director of Tod's SpA, commented as follows: "We are totally satisfied with the excellent results achieved in the first nine months of this year. Figures show that sales are accelerating with respect to the first half results, which were already excellent in themselves, confirming the widening success of all our products on all markets and the major contribution made by expansion of the directly operated store network. Operating margins have also improved, as previously forecast. Thus, we remain extremely optimistic about overall performance for all of 2004 and future years as well."

ATTACHMENTS:

Tod's Group - Key figures of Consolidated Riclassified Profit & Loss account						
in EUR 000's	9 months 2004	%	9 months 2003	%	FY 2003	%
Sales revenues	331,598	100.0	286,398	100.0	371,387	100.0
EBITDA	69,630	21.0	61,675	21.5	76,672	20.6
EBIT	42,068	12.7	37,547	13.1	43,737	11.8
Profit before taxes	41,999	12.7	40,753	14.2	46,279	12.5
Net income before minority interests	22,663	6.8	23,003	8.0	26,078	7.0
Net income	22,949	6.9	22,906	8.0	25,755	6.9

Tod's Group - Key figures of Consolidated Balance Sheet						
in EUR 000's	September 30th, 2004		September 30th, 2003		December 31st, 2003	
Net working capital	148,338		122,948		91,615	
Net tangible fixed assets	51,734		41,489		48,996	
Net intangible fixed assets	208,183		222,830		219,541	
Net financial position (positive)	(14,764)		(13,066)		(31,650)	
Shareholders' equity (net of minorities)	414,453		400,720		402,107	