Milan, September 13th, 2004

TOD'S S.p.A.: consolidated EBITDA increases by 9.3% in the first half of 2004

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, today approved its consolidated results for the first half of 2004.

With Group's turnover of 198.3 million Euros, at constant exchange rates, EBITDA is 36.7 million Euros, growing by 9.3% as compared to the first half of 2003 and EBIT is 18.1 million Euros, increasing by approx. 2% as compared to the previous year.

Breakdown of consolidated sales by brand: strong growth for Tod's and Hogan

million Euros	H1 2004	H1 2003	% change	FY 2003
Tod's	115.7	103.1	+12.2%	213.7
Hogan	50.2	43.9	+14.3%	86.7
Fay	23.8	24.0	-1.1%	64.9
other	4.8	2.4	n.m.	6.1
TOTAL	194.5	173.4	+12.1%	371.4

Tod's and Hogan achieved comparable growth rates at constant exchange rates, respectively 15.5% and 15.2% in the first half of 2004. In absolute terms, Tod's gives the main contribution to the growth of the Group's turnover and remains the main brand of the Group, representing 59.5% of consolidated sales as of June 30th, 2004.

The Hogan brand confirms the positive trend, already shown in the first quarter of the year, also outside of Italy. Revenues increase by 14.3% at reported rates. As of June 30th, 2004, Hogan sales represent 25.8% of the Group's turnover.

Fay revenues are almost flat (-1.1%). In the first half of 2004 Fay consolidates the strong growth achieved in the previous year; as of June 30th, 2004 revenues of this brand represent 12.2% of consolidated turnover.

Breakdown of consolidated sales by product: strong double digit growth for shoes and leather goods

million Euros	H1 2004	H1 2003	% change	FY 2003
shoes	132.2	118.6	+11.4%	237.9
leather goods	38.6	31.6	+21.8%	69.4
apparel	23.1	23.1	-	63.3
other	0.6	0.1	n.m.	0.8
TOTAL	194.5	173.4	+12.1%	371.4

In the first half of 2004 revenues from shoes increase, at constant rates, by 13.4%; shoes remain the main product category of the Group, representing 68% of consolidated sales. The new projects launched in the first semester have received an excellent acceptance by our customers.

In line with the continuous widening of the Group's product offer, revenues from leather goods continue to grow strongly; the increase in H1 2004 is 26.5%, at constant rates. Also the relative impact of this category out of the Group's turnover is increasing: 19.8% as of June 2004, as compared to 18.3% of the previous year.

Revenues from apparel are flat as compared to the same semester of the previous year, broadly in line with Fay performance, and represent 11.9% of consolidated sales as of June 30th, 2004.

Breakdown of consolidated sales by region: all our markets are growing quite strongly, Asia: +72%

million Euros	H1 2004	H1 2003	% change	FY 2003
Italy	89.2	82.4	+8.2%	181.5
Europe (excl. Italy)	56.2	51.4	+9.4%	104.6
North America	24.9	25.5	-2.5%	53.1
Asia and rest of world	24.2	14.1	+71.9%	32.2
TOTAL	194.5	173.4	+12.1%	371.4

Italy is still the main market of the Group, representing 45.8% of consolidated sales as of June 30th, 2004; domestic revenues increase by 8.2% in the first half of 2004. The simultaneous higher growth rates posted by sales in our foreign markets causes the increase of the relative weight of non domestic turnover.

Also in the rest of Europe, revenues accelerate their growth during the second quarter; the increase in the first half of 2004, at constant rates, is 9.5%.

US market confirms also in the first half of 2004 the recovery signals already shown in the previous months. At constant rates, revenues in this region grow by 8.4% in the period; in fact, the 2.5% decrease is entirely due to the negative impact of exchange rate fluctuations.

Finally, Asian markets are still achieving excellent results, in line with our forecasts, thus confirming the enormous growth potential of all our brands in this area: the increase in the first half of 2004 is 78.7% at constant exchange rates. The total impact of this region on the Group's turnover is 12.5% as of June 30th, 2004, showing an increase as compared to 8.1% of the previous year.

Breakdown of consolidated sales by distribution channel: very strong growth of revenues through DOS, important like-for-like contribution

million Euros	H1 2004	H1 2003	% change	FY 2003
DOS	103.7	81.3	+27.5%	177.7
Franchised stores and independent retailers	90.8	92.1	-1.4%	193.7
TOTAL	194.5	173.4	+12.1%	371.4

Revenues through DOS increase by 30.9%, at constant rates, in the first half of 2004. The drivers of the strong growth are both the new openings (14 additional stores as compared to the end of June 2003), and the positive like-for-like growth trend.

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% for the first six months of the year. In July and August, SSG rate was almost in line with the first half of the year: the figure for the period January-August is 10.6%.

As of June 30th, 2004, revenues through DOS represent 53.3% of consolidated turnover.

As far as the wholesale channel is concerned, we confirm that the rationalization of the distribution network has been almost completed, as already anticipated and consistently with the Group's plans; in fact, at constant rates, sales to third parties are almost flat in the semester, as compared to H1 2003, while revenues through DOS are strongly increasing.

In the second quarter of 2004, two stores in Naples, under the Fay and the Hogan brands, and an additional Tod's store in Hong Kong were opened.
As of June 30th, 2004 the Group's distribution network consists of 102 DOS (104 DOS as of today) and 29 franchised stores.

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

Figures at current exchange rates are shown in the attachments; in addition, we believe it's important to comment also operating results at constant rates, i.e. before the negative impact of currency fluctuations.

In the first half of 2004, consolidated EBITDA is 36.7 million Euros, growing by 9.3% as compared to H1 2003; in the second quarter of 2004, EBITDA at current rates increased by approx. 50%, as compared to the second quarter of 2003.

EBITDA margin on sales is 18.5% in the first half of 2004. The difference of about 100 basis points, as compared to H1 2003 EBITDA margin, is related to the increase of the distribution network development cost, which has more than offset the improvement of profitability obtained through the opening leverage. More in details: labour costs absorb 17.3% of revenues in H1 2004, as compared to 16.9% in H1 2003 (this increase reflects the strong growth of the Group's headcount: 2,073 employees as of June 2004 as compared to 1,851 of June 2003) and costs for locations are 7.8% of sales in H1 2004, which compares to 6.6% in H1 2003.

At constant rates, consolidated EBIT is 18.1 million Euros in the first half of 2004, increasing by 2% as compared to H1 2003; the margin on sales is 9.1%. EBIT trend reflects the strong growth of amortisation and depreciation, which increased by 16% in the first half of 2004, due to the distribution network development.

Profit before taxes amounts to 16.4 million Euros. The comparison with the H1 2003 figure clearly shows the lower contribution of net financial income, due to lower currency fluctuations as compared to the first six months of 2003 (the net balance of FX income and losses is 0.8 million Euros in H1 2004, which compares to 1.9 million Euros in H1 2003).

Finally, consolidated net income is 8 million Euros; the apparent increase of tax rate as compared to 2003 is due the recently introduced Italian fiscal laws, which seem more penalizing for the Group. In fact, lower taxes due to the new corporate tax IRES are more than offset by the abrogation of DIT, which provided a particularly convenient method of calculation for the Group. We are still considering the possibility to adopt the so-called consolidated fiscal income, which might provide some benefits in the taxation of the Group companies based in Italy.

Consistently with the Group strategy, in 2004 investment activity has been normalized, after the strong acceleration of the two previous years. In the first half of 2004, the Group invested a total amount of 14.2 million Euros, almost equally divided between intangible assets, mainly related to the development of the DOS network, and tangible assets, including amounts needed to the completion of the fixed assets realized last year and expenditures for the normal process of updating and substituting of logistic and production structures.

Finally, as of June 30th, 2004 the net financial position of the Group is positive and equal to 30.9 million Euros, almost the same as the beginning of the year. Operating cash flow, in fact, was enough to finance both the investment activities and the payment of a Euro 0.35 dividend per share, paid in May 2004.

Diego Della Valle, Chairman and Managing Director of Tod's SpA, commented as follows: "The first half sales results document the success of all our products on all markets, with this success being magnified by improvements in the worldwide distribution network. These sales results, combined with reprised growth in operating income, lead us to be very optimistic about the future. We are starting to reap the benefits of major investments made over the last several years in development of the distribution network, the hiring of qualified personnel, and expansion of production facilities. Also in light of the ongoing economic recovery, we are confident that this growth trend will continue and strengthen in the near future. Thus, we fully confirm our forecasts of higher income and profits for the entire fiscal year."

RECLASSIFIED PROFIT & LOSS ACCOUNT OF TOD'S GROUP

Year 03	%	*In Euro 000's*	H1 2004	%	H1 2003	%	Change	%
371,387	100.0	Sales revenues	194,456	100.0	173,412	100.0	21,044	12.1
5,570	1.5	Other revenues and income	2,348	1.2	2,299	1.3	49	2.1
376,957	**-**	**Total revenues and income**	**196,804**	**-**	**175,711**	**-**	**21,093**	**12.0**
(109,707)	29.5	Costs of raw materials, supplies, materials for consumption and changes in inventories	(55,296)	28.4	(50,149)	28.9	(5,147)	10.3
(97,967)	26.4	Costs for services	(55,570)	28.6	(47,379)	27.3	(8,191)	17.3
(21,658)	5.8	Cost of use of third-party assets	(12,317)	6.3	(10,108)	5.8	(2,209)	21.9
147,625	**39.8**	**Value added**	**73,621**	**37.9**	**68,075**	**39.3**	**5,546**	**8.1**
(60,007)	16.2	Cost of labour	(33,851)	17.4	(29,213)	16.9	(4,638)	15.9
(10,946)	3.0	Other charges	(5,447)	2.8	(5,284)	3.0	(163)	3.1
76,672	**20.6**	**Ebitda**	**34,323**	**17.7**	**33,578**	**19.4**	**745**	**2.2**
(32,328)	8.7	Amortization and depreciation	(18,084)	9.3	(15,545)	9.0	(2,539)	16.3
(607)	0.1	Other provision and adjustments	(345)	0.2	(240)	0.1	(105)	43.8
43,737	**11.8**	**Ebit**	**15,894**	**8.2**	**17,793**	**10.3**	**(1,899)**	**(10.7)**
3,127	0.8	Net financial income (charges)	877	0.4	2,229	1.2	(1,352)	(60.7)
46,864	**12.6**	**Profit from ordinary operations**	**16,771**	**8.6**	**20,022**	**11.5**	**(3,251)**	**(16.2)**
(585)	0.1	Net extraordinary income (charges)	(372)	0.2	(219)	0.1	(153)	69.9
46,279	**12.5**	**Pre-tax profit**	**16,399**	**8.4**	**19,803**	**11.4**	**(3,404)**	**(17.2)**
(20,201)	5.5	Income taxes	(8,190)	4.2	(8,836)	5.1	646	(7.3)
26,078	**7.0**	**Profit before minority interests**	**8,209**	**4.2**	**10,967**	**6.3**	**(2,758)**	**(25.1)**
(323)	0.1	Minority interests	(207)	0.1	(127)	n.s.	(80)	63.0
25,755	**6.9**	**Consolidated net profit**	**8,002**	**4.1**	**10,840**	**6.3**	**(2,838)**	**(26.2)**

RECLASSIFIED BALANCE SHEET OF TOD'S GROUP

In Euro 000's	30 June 04	%	31 Dec 03	%	30 June 03	%
Cash and cash equivalents	54,894	10.3	55,007	10.6	56,842	11.3
Inventories	125,108	23.5	104,450	20.1	103,689	20.5
Receivables	85,527	16.0	88,443	17.0	78,416	15.5
Current assets (a)	**265,529**	**49.8**	**247,900**	**47.7**	**238,947**	**47.3**
Intangible and tangible fixed assets	264,602	49.6	268,537	51.8	263,115	52.2
Shareholding and long term receivables	3,415	0.6	2,822	0.5	2,627	0.5
Fixed assets (b)	**268,017**	**50.2**	**271,359**	**52.3**	**265,742**	**52.7**
Total assets (a)+(b)	**533,546**	**100.0**	**519,259**	**100.0**	**504,689**	**100.0**
Bank debt	8,092	1.5	8,316	1.6	3,372	0.7
Trade account payables	81,740	15.3	69,231	13.3	74,648	14.7
Other liabilities	14,148	2.7	12,085	2.3	11,029	2.2
Current liabilities (c)	**103,980**	**19.5**	**89,632**	**17.2**	**89,049**	**17.6**
Net working capital (d)=(a)-(c)	**161,549**	**30.3**	**158,268**	**30.5**	**149,898**	**29.7**
Employee severance indemnity reserve	9,003	1.7	8,256	1.6	7,371	1.5
Reserves for risk and charges	1,967	0.3	1,959	0.4	1,705	0.3
Bank debt due beyond 12 months	15,877	3.0	15,041	2.9	15,833	3.2
Medium/long term liabilities (e)	**26,847**	**5.0**	**25,256**	**4.9**	**24,909**	**5.0**
Total liabilities (f)=(c)+(e)	**130,827**	**24.5**	**114,888**	**22.1**	**113,958**	**22.6**
Share capital	60,500	11.3	60,500	11.7	60,500	12.0
Reserves	331,384	62.1	315,852	60.8	317,417	62.9
Consolidated net profit	8,002	1.5	25,755	5.0	10,840	2.1
Consolidated shareholders' equity (g)	**399,886**	**74.9**	**402,107**	**77.5**	**388,757**	**77.0**
Net equity minority interests (h)	2,833	0.6	2,264	0.4	1,974	0.4
Total shareholders' equity (i)=(g)+(h)	**402,719**	**75.5**	**404,371**	**77.9**	**390,731**	**77.4**
Total liabilities and equity (l)= (f)+(i)	**533,546**	**100.0**	**519,259**	**100.0**	**504,689**	**100.0**