

Milan - May 15th, 2003

TOD'S Group: 2003 first quarter EBITDA and net income increase.

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 2003.

Net of the negative impact of the currency rate exchange, Group sales amounted to 103.8 million Euro. At constant exchange rates, consolidated revenues would have been 108.1 million Euro, increasing by 3% compared to the first quarter of 2002, thus further consolidating the growth achieved in the previous year (+17%).

In examining the results for the period, it must be taken into consideration that streams of costs and revenues are not aligned, due to the intrinsic nature of the business and the strong expansion in the retail network; therefore, annualising first quarter results would not be meaningful.

In the first quarter of 2003, consolidated EBITDA reached 21.7 million Euro, higher in absolute terms than 2002, with a slight improvement as margin on sales, which was 20.9%. At constant exchange rates, EBITDA would have been approx. 2 million Euro higher and the EBITDA margin would have been approx. 21.9%.

Consolidated EBIT amounted to 14.1 million Euro, with a 13.6% margin on sales. Amortisation increased, due to the strategy to greatly expand the direct distribution network (in the 12 month-period from March 2002 to March 2003, the DOS network increased from 55 to 78 points of sales). At constant exchange rates, EBIT also would have been approx. 2 million Euro higher and EBIT margin would have been approx. 14.9%.

Profit before taxes grew by 3.9%, to 15 million Euro; a relevant factor was the contribution of the net balance between FX income and expenses (0.9 million Euro in the first quarter of 2003, against 0.2 million Euro in the first quarter of 2002), derived from a carefully unspeculative hedging policy.

Finally, consolidated net income reached Euro 8.4 million; the tax rate, which is normally higher in the first quarter than over the full year, was 45%.

During the first quarter of 2003, total net investments amounted to 13.5 million Euro (compared to 9.0 million Euro in 2002), of which 6.4 million Euro were intangible fixed assets, mainly related to the expansion of the distribution network, and 7.1 million Euro were tangible fixed assets. The latter include approx. 4 million Euro of expenses for building the new production plant and other investments incurred for the refurbishment and replacement of logistic and production structures.

Net financial position of the Group as of March 31st, 2003 was positive and equalled 31.2 million Euro, registering a 15.5 million Euro decrease if compared to December 31st, 2002.

The decrease is mainly due to the financing of the working capital requirements during the first quarter, when the Group delivers Spring/Summer collections, which are cashed in during the following months.

Breakdown of consolidated sales by Brand (Euro mn):

<i>BRAND</i>	Q1 2003	Q1 2002	change %	FY 2002
Tod's	59.4	57.7	+3.0%	213.1
Hogan	28.3	35.1	-19.5%	90.6
Fay	15.5	12.3	+26.8%	52.1
other	0.6	0.1	n.m.	2.4
TOTAL	103.8	105.2	-1.3%	358.2

Fay made the strongest contribution to the consolidated sales growth, with a 26.8% increase in the first quarter; at the end of March 31st, 2003 Fay represented 14.9% of the Group turnover. Tod's once again was the main Group brand, representing 57.3% of consolidated revenues; growth rate was 3% in the period.

The 19.5% decrease incurred by Hogan is partly due to different production and delivery timing, which is quite marked for this brand; more anticipated deliveries in 2002 for Hogan products were made.

Breakdown of consolidated sales by Product (Euro mn):

<i>PRODUCT</i>	Q1 2003	Q1 2002	change %	FY 2002
shoes	72.4	77.9	-7.0%	247.1
leather goods	16.6	15.0	+10.9%	58.5
apparel	14.8	12.2	+20.8%	52.3
other sales	0	0.1	n.m.	0.3
TOTAL	103.8	105.2	-1.3%	358.2

Revenues of apparel products experienced an outstanding 20.8% growth and represented 14.2% of total turnover as of March 31st, 2003. Shoes again were the most important product category, with 69.8% of consolidated sales as of March 31st, 2003. Revenues of leather goods continued their positive performance, increasing by 10.9% in the quarter and representing 16% of the Group turnover as of March 31st, 2003.

Breakdown of consolidated sales by Region (Euro mn):

<i>REGION</i>	Q1 2003	Q1 2002	change %	FY 2002
Italy	49.9	51.9	-3.8%	169.2
Europe (excl. Italy)	32.0	32.6	-1.9%	107.0
North America	12.7	14.1	-10.0%	59.2
Asia and rest of world	9.2	6.6	+40.5%	22.8
TOTAL	103.8	105.2	-1.3%	358.2

Revenue growth in the region called "Asia and rest of world" was quite important, while the decrease of Italian and European markets should not be considered significant. More

specifically, revenues in Italy decreased by 3.8%; nonetheless, Italy remains the main Group market with 48.1% of consolidated sales. Revenues in the rest of Europe decreased by 1.9% if compared to the first quarter of 2002 and represented 30.8% of total turnover. Sales in the US market, which were more heavily influenced by the war, were also affected by the currency effect. The decrease was in any event a modest 10%; at constant exchange rates, sales would have posted double digit growth. Finally, revenues in Asia and RoW registered an excellent 40.5% increase and, as a whole, represented 8.9% of consolidated revenues as of March 31st, 2003, mainly referable to Japan.

Breakdown of consolidated sales by Distribution Channel (Euro mn):

<i>DISTRIBUTION CHANNEL</i>	Q1 2003	Q1 2002	change %	FY 2002
DOS	33.0	26.2	+25.9%	141.8
FS & Independent retailers	70.8	79.0	-10.3%	216.4
TOTAL	103.8	105.2	-1.3%	358.2

Sales through DOS grew by 25.9% compared with the first quarter of 2002, mainly due to new openings. On a like-for-like basis, the growth rate (averaged on a world-wide basis, as usual, on DOS opened before January 1st, 2002), was 1.4% in the first twelve weeks of the year.

Revenues to third parties decreased by 10.3%, mainly due to lack of uniformity in the basis of comparison, due both to different timing in delivering Spring/Summer collections compared to the first quarter of 2002, also aiming at facilitating third parties, and to the Group strategy to shift the distribution towards DOS, by converting franchised stores into DOS and by terminating relationships with third parties. This strategy obviously resulted in a different basis of comparison.

In the first quarter of 2003, the Group opened 4 DeV stores in Italy, one Tod's in Zurich, one Hogan in Miami and two stores in Japan (one Tod's and one Hogan). As of March 31st, 2003 the Group controlled distribution network consisted of 78 DOS and 34 franchised stores.

Diego Della Valle, Chairman and Managing Director of Tod's SpA, noted: "The Group continues to create respectable results, even in a market context that does not show signs of improvements. We expect to be able to confirm a growth trend for the whole financial year, thanks mostly to the strong contribution of the expansion of the DOS network. Positive results in a situation like the present, together with the timely implementation of our growth strategy, makes us even more confident about Group potential in the near future."

ATTACHMENTS:

Key figures of Consolidated Riclassified Profit & Loss account of Tod's Group						
<i>in EUR 000's</i>	Q1 2003	%	Q1 2002	%	FY 2002	%
Sales revenues	103,802	100.0	105,160	100.0	358,211	100.0
EBITDA	21,674	20.9	21,602	20.5	91,818	25.6
EBIT	14,062	13.6	14,496	13.8	63,271	17.7
Profit before taxes	14,954	14.4	14,392	13.7	63,225	17.7
Net income before minority interests	8,210	7.9	8,198	7.8	36,276	10.1
Net income	8,367	8.0	8,337	7.9	35,893	10.0

Key figures of Consolidated Balance Sheet of Tod's Group						
<i>in EUR 000's</i>	March 31 st , 2003		March 31 st , 2002		December 31 st , 2002	
Net working capital	100,675		95,523		83,983	
Net tangible fixed assets	36,791		25,086		31,441	
Net intangible fixed assets	224,167		218,319		223,478	
Net financial position (positive)	(31,167)		(43,308)		(46,703)	
Shareholders' equity (net of minorities)	397,888		377,392		390,617	