

Milan - March 27th, 2003

**TOD'S Group: very good results in a tough environment
(Revenues: +12,5%, EBITDA: +13,9%, EBIT: +12,7%).**

TOD'S - The Board of Directors of Tod's S.p.A., the Italian company listed on the Milan Stock Exchange and the 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 the Financial Statements for the year ending December 31st, 2002.

Consolidated sales grew by 12.5%, as compared to the previous year, and were Euro 358.2 million, EBITDA was Euro 91.8 million, with a 25.6% margin on sales, EBIT was Euro 63.3 million, with a 17.7% margin on sales. Finally, net income reached Euro 35,9 million, with a 10% margin on sales, from which derives a Euro 1.19 EPS.

The Board of Directors also approved the distribution of a dividend of Euro 0.35 per share, the same as the previous year, and payable from May 22nd, 2003. Such a proposal will be submitted to the approval of the next General Shareholders' Meeting, scheduled on April 28th, at 9.00 a.m. at the registered offices (and, on second call, on May 5th, 2003, same place and time).

Diego Della Valle, Chairman and Managing Director of the Group, expressed his satisfaction with the results, which fully confirm Group capacity to reach results aligned with expectations: "The 2002 results certainly are positive for the Group and are among the best, relatively speaking, in the luxury good industry. This performance attests to the healthiness of the Group, within a general context - and particularly in this industry - that is difficult today. However, I'm satisfied and confident in maintaining that the Group has all the requisites to continue further development of its brands, which remain strong and have a great potential for growth. The season now under way has been influenced by an overall feeling of uncertainty, aggravated by the outbreak of the war, which necessitates being cautious; nevertheless, I maintain that it is important to reaffirm the strategy of development we have been following in the logic of Group valorization."

Tod's Group

With a 12.5% increase of consolidated revenues, as compared to the previous year, due to increases in all the Group brands, all the product categories and all the regions, consolidated EBITDA reached 91.8 million Euro, posting a 13.9% increase YoY; EBITDA margin on sales was 25.6%. EBITDA growth also benefited from the improvements in streamlining the operating costs' structure. Cost of labour grew by 14,2%, as compared to 2001, mainly due to the increase of almost 200 people in the Group workforce; as of December 31st, 2002 the Group numbered 1,715 employees (1,518 at the end of 2001).

Consolidated EBIT was 63.3 Euro, with a 12.7% increase, as compared to 56.1 million Euro of 2001; margin on sales was 17.7%, with a slight improvement if compared to 2001,

notwithstanding the growth of amortization related with the expansion of the direct distribution network.

Profit before taxes reached 63.2 million Euro, with a 6.2% growth as compared to 2001; the increase is remarkable considering the much lower balance of net financial income compared to 2001, when the Group benefited from interest matured on the IPO proceeds (the net balance of financial income was 0.7 million Euro in 2002, compared to 4.1 million Euro in 2001).

Finally, consolidated net income reached 35.9 million Euro; the 2.5% decrease over 2001 was due not only to the just-mentioned lower net financial income, but also to a higher tax burden (due to both lower benefits from DIT and a higher IRAP rate); the tax rate was 42.6% in 2002 compared to 37.3% in 2001.

During 2002, investments in intangible fixed assets amounted to 28.6 million Euro, mostly related to the development of the direct distribution network: in 2002 the Group opened 21 new DOS.

Investments in tangible fixed assets were 15.8 million Euro, of which approx. 6 million Euro was earmarked for the building of the new production facility near the headquarters in Sant'Elpidio a Mare and the remaining related to opening and refurbishing stores and offices and to expenditures for plants, machinery and industrial equipment.

All investments were financed through cash flows generated by the Group.

The net financial position of the Group as of December 31st, 2002 was still positive and equal to 46.7 million Euro.

Tod's SpA

The Board of Directors also approved the financial statements of the parent company Tod's SpA, which show sales revenues equal to 317.5 million Euro, with a 8.4% increase over 2001, and net income of 34.1 million Euro (representing a 10.7% margin on sales).

EBITDA reached 81.3 million Euro, with a 25.6% margin on sales, in line with the previous year.

EBIT was 61.0 million Euro, posting a 8.8% growth if compared with 2001; EBIT margin on sales was 19.2%, showing a slight improvement as compared to the previous year.

Profit before taxes reached 59.5 million Euro, with a slight increase over 2001, notwithstanding the much lower balance of net financial income compared to 2001, when the Group benefited from interest matured on the IPO proceeds (the net balance of financial income was 0.8 million Euro in 2002, compared with 4.3 million Euro in 2001).

Finally, net income reached 34.1 million Euro; the 7.8% decrease over 2001 was due not only to the just-mentioned lower net financial income, but also to a higher tax burden (due to both

lower benefits from DIT and a higher IRAP rate); the tax rate was 42.6% in 2002 compared with 37.4% in 2001.

During 2002, the parent company invested a total amount of 45.6 million Euro in fixed assets (including intangible, tangible and financial fixed assets), of which 31.4 million Euro are related to financing the development of the direct distribution network.

The net financial position of the parent company shows a positive 33.7 million Euro balance as of December 31st, 2002.

Please note that all figures commented in the present press release have been approved by the Board of Directors and must be submitted for approval to the next General Shareholders' Meeting, scheduled as described above.

Reclassified Profit & Loss account of Tod's Group

<i>In Euro 000's</i>	Year 2002	%	Year 2001	%	Change	%
Sales revenues	358,211	100.0	318,501	100.0	37,710	12.5
Other revenues and income	5,207	1.5	3,908	1.2	1,299	33.2
Total revenues and income	363,418	-	322,409	-	41,009	12.7
Costs of raw materials, supplies, materials for consumption and changes in inventories	(109,487)	30.6	(99,884)	31.4	(9,603)	9.6
Costs for services	(84,008)	23.5	(73,914)	23.2	(10,094)	13.7
Costs of use of third-party assets	(17,784)	5.0	(15,213)	4.8	(2,571)	16.9
Value added	152,139	42.4	133,398	41.9	18,741	14.0
Cost of labour	(51,242)	14.3	(44,869)	14.1	(6,373)	14.2
Other charges	(9,079)	2.5	(7,938)	2.5	(1,141)	14.4
Ebitda	91,818	25.6	80,591	25.3	11,227	13.9
Amortization and depreciation	(27,864)	7.8	(24,035)	7.5	(3,829)	15.9
Other provisions and adjustments	(683)	0.1	(422)	0.1	(261)	61.8
Ebit	63,271	17.7	56,134	17.6	7,137	12.7
Net financial income (charges)	667	0.2	4,075	1.3	(3,408)	(83.6)
Profit from ordinary operations	63,938	17.9	60,209	18.9	3,729	6.2
Net extraordinary income (charges)	(713)	0.2	(666)	0.2	(47)	7.1
Pre-tax profit	63,225	17.7	59,543	18.7	3,682	6.2
Income taxes	(26,949)	7.6	(22,234)	7.0	(4,715)	21.2
Profit before minority interests	36,276	10.1	37,309	11.7	(1,033)	(2.8)
Minority interests	(383)	0.1	(512)	0.1	129	(25.2)
Consolidated net profit	35,893	10.0	36,797	11.6	(904)	(2.5)

Reclassified Balance Sheet of Tod's Group

<i>In Euro 000's</i>	31 Dec 02	%	31 Dec 01	%
Cash and cash equivalents	65,757	13.3	53,323	11.6
Inventories	94,010	19.0	85,657	18.6
Trade account receivables	54,202	10.9	51,832	11.2
Other receivables (within 12 months)	19,364	3.9	22,977	5.0
Accrued income and prepayments	4,428	0.9	3,696	0.8
Current assets (a)	237,761	48.0	217,485	47.2
Intangible fixed assets	223,478	45.2	218,606	47.4
Tangible fixed assets	31,441	6.3	22,713	4.9
Equity investments	21	ns	1	-
Non-current receivables	2,524	0.5	2,469	0.5
Fixed assets (b)	257,464	52.0	243,789	52.8
Total assets (a)+(b)	495,225	100.0	461,274	100.0
Bank debt	4,054	0.8	1,945	0.4
Trade account payables	64,229	13.0	62,103	13.5
Taxes payables	4,443	0.9	12,021	2.6
Other liabilities	7,850	1.6	8,112	1.8
Accrued liabilities and deferred income	380	0.1	676	0.1
Current liabilities (c)	80,956	16.4	84,857	18.4
Net working capital (d)=(a)-(c)	156,805	31.6	132,628	28.8
Employee severance indemnity reserve	6,691	1.4	5,805	1.3
Reserves for risk and charges	1,177	0.2	1,223	0.2
Bank debt due beyond 12 months	15,000	3.0	-	-
Medium/long term liabilities (e)	22,868	4.6	7,028	1.5
Total liabilities (f)=(c)+(e)	103,824	21.0	91,885	19.9
Share capital	60,500	12.2	60,500	13.1
Reserves	294,224	59.4	271,559	58.9
Consolidated net profit	35,893	7.2	36,797	8.0
Consolidated shareholders' equity (g)	390,617	78.8	368,856	80.0
Capital and reserves of minority interests	401	0.1	21	ns
Net profit accruing to minority interests	383	0.1	512	0.1
Total minority interests (h)	784	0.2	533	0.1
Total shareholders' equity (i)=(g)+(h)	391,401	79.0	369,389	80.1
Total liabilities and equity (l)=(f)+(i)	495,225	100.0	461,274	100.0

Reclassified Profit & Loss account of Tod's SpA

<i>In Euro 000's</i>	Year 2002	%	Year 2001	%	Change	%
Sales revenues	317.488	100,0	292.995	100,0	24.493	8,4
Other revenues and income	4.296	1,4	3.011	1,0	1.285	42,7
Total revenues and income	321.784	-	296.006	-	25.778	8,7
Costs of raw materials, supplies, materials for consumption and changes in inventories	(116.286)	36,6	(107.505)	36,7	(8.781)	8,2
Costs of use of third-party assets	(4.224)	1,3	(4.119)	1,4	(105)	2,6
Costs for services	(83.325)	26,3	(76.615)	26,1	(6.710)	8,8
Value added	117.949	37,2	107.767	36,8	10.182	9,4
Cost of labour	(30.035)	9,5	(27.175)	9,3	(2.860)	10,5
Other charges	(6.646)	2,1	(5.486)	1,9	(1.160)	21,2
Ebitda	81.268	25,6	75.106	25,6	6.161	8,2
Amortization and depreciation	(19.623)	6,2	(18.584)	6,3	(1.039)	5,6
Other provisions and adjustments	(619)	0,2	(422)	0,1	(197)	46,6
Ebit	61.026	19,2	56.100	19,1	4.926	8,8
Net financial income (charges)	787	0,2	4.258	1,5	(3.471)	(81,5)
Adjustments to value of financial assets	(1.760)	0,5	(912)	0,3	(848)	93,0
Profit from ordinary operations	60.053	18,9	59.446	20,3	607	1,0
Net extraordinary income (charges)	(534)	0,2	(274)	0,1	(260)	95,0
Pre-tax profit	59.519	18,7	59.172	20,2	347	0,6
Income taxes	(25.375)	8,0	(22.123)	7,6	(3.252)	14,7
Net income	34.144	10,7	37.049	12,6	(2.905)	(7,8)

Reclassified Balance Sheet of Tod's SpA

<i>In Euro 000's</i>	31 Dec 02	%	31 Dec 01	%
Cash and cash equivalents	48,663	10.0	39,487	8.7
Inventories	70,091	14.4	67,530	14.9
Trade account receivables	52,151	10.7	50,436	11.1
Amounts due from subsidiaries	37,460	7.7	34,195	7.5
Other receivables (within 12 months)	7,001	1.4	13,960	3.1
Accrued income and prepayments	1,282	0.3	1,037	0.2
Current assets (A)	216,648	44.7	206,645	45.6
Intangible fixed assets	164,775	34.0	177,362	39.1
Tangible fixed assets	23,969	4.9	17,271	3.8
Equity investments	79,060	16.3	49,379	10.9
Non-current receivables	666	0.1	2,423	0.5
Fixed assets (B)	268,470	55.3	246,435	54.4
Total assets (A)+(B)	485,118	100.0	453,080	100.0
Bank debt	7	ns	1,040	0.2
Trade account payables	58,374	12.0	56,231	12.4
Amounts due to subsidiaries	2,832	0.6	3,580	0.8
Taxes payables	3,854	0.8	10,863	2.4
Other liabilities	5,583	1.2	6,160	1.4
Accrued liabilities and deferred income	14	ns	12	-
Current liabilities (C)	70,664	14.6	77,885	17.2
Net working capital (D)=(A)-(C)	145,984	30.1	128,760	28.4
Employee severance indemnity reserve	6,205	1.3	5,426	1.2
Reserves for risk and charges	465	0.1	542	0.1
Bank debt due beyond 12 months	15,000	3.1	-	-
Medium/long term liabilities (E)	21,670	4.5	5,968	1.3
Total liabilities (F)=(C)+(E)	92,334	19.1	83,853	18.5
Share capital	60,500	12.5	60,500	13.4
Reserves	298,140	61.4	271,678	60.0
Net profit	34,144	7.0	37,049	8.2
Total shareholders' equity (G)	392,784	80.9	369,227	81.5
Total liabilities and equity (H)=(F)+(G)	485,118	100.0	453,080	100.0