Milan - March 29th, 2007

TOD'S S.p.A – Another year with excellent results: Revenues: +14%, EBITDA: +22%, EBIT: +26%. Dividend: 1,25 Euro per share, 25% higher than in the previous year. The Board of Directors approved the draft of the 2006 financial statements.

Group's revenues: 573 million Euros, EBITDA: 137.5 million Euros, EBIT: 113.7 million Euros, Net income: 66.1 million Euros

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 the draft of the 2006 Consolidated Financial Statements[1].

In line with management expectations, also the fiscal year 2006 has shown an outstanding growth of the Group's revenues and profitability; these results become even more significant, if considering the challenging comparison basis (in 2005 revenues and net income grew respectively by 20% and 39% versus the previous year).

The Group's turnover was 573 million Euros, increasing by 13.9% as compared to 2005; the impact of currency fluctuations is not meaningful[2].

Breakdown of Consolidated Sales by Brand: very positive results for all the brands

million Euros	FY 2006	FY 2005	% change
Tod's	326.4	288.5	+13.1%
Hogan	155.5	126.1	+23.3%
Fay	82.4	77.1	+6.8%
Roger Vivier	6.5	3.8	+69.7%
Other	2.2	7.5	n.m.
TOTAL	573.0	503.0	+13.9%

Tod's revenues grew by 13.1% in 2006 and represent 57.0% of the Group's turnover as of December 31st, 2006.

Hogan brand posted excellent results; revenues increased by 23.3% in 2006 and represent 27.1% of consolidated revenues as of December 31st, 2006.

[1] The 2006 financial statements of Tod's SpA represent the first separate report drafted in compliance with the international accounting principles IAS/IFRS. 2005 figures, which were released according to the Italian principles, have been consequently restated and adjusted, in order to be fully comparable (For further details, please refer to the Appendix included in the Tod's Group 2006 Annual Report).

[2] At constant exchange rates turnover was 573.1 million Euros.

In line with management expectations, Fay revenues grew by 6.8% in 2006. This growth rate will accelerate in future years when the expansion strategy for the brand will be fully implemented.

Finally, the Roger Vivier brand confirmed for the full year the significant growth already posted in the previous months. In 2006 the brand reached a +69.7% growth compared to 2005. This glamorous and exclusive brand of luxury shoes and accessories confirms its huge growth potential and its capacity to become, in the future, a clear reference point in the world of prestigious and high quality products. In 2006 revenues were 6.5 million Euros, or 1.1% of the Group's turnover.

Breakdown of Consolidated Sales by Product: very positive results in all the product categories

million Euros	FY 2006	FY 2005	% change
Shoes	357.5	314.8	+13.6%
Leather goods and accessories	133.5	111.9	+19.4%
Apparel	80.9	75.3	+7.4%
Other	1.1	1.0	+2.5%
TOTAL	573.0	503.0	+13.9%

All the Group's product categories achieved very positive results in 2006.

In particular, revenues from shoes grew by 13.6% in the year, significantly above the average of the industry, and represent 62.4% of the Group's turnover as of December 31st, 2006.

In 2006, revenues from leather goods and accessories increased by 19.4%, maintaining very high growth rates and validating the Group's strategy to continue to develop accessories which are coherent with the brands' philosophy. As of December 31st, 2006, leather goods and accessories globally represent 23.3% of consolidated turnover, versus 22.2% of the previous year.

Finally, sales from apparel grew by 7.4% in 2006 and broadly reflect the performance of Fay revenues.

Breakdown of Consolidated Sales by Region: significant growth in all the Group's markets

million Euros	FY 2006	FY 2005	% change
Italy	279.6	241.4	+15.8%
Europe (excl. Italy)	145.4	134.3	+8.2%
North America	60.0	57.0	+5.2%
Asia and rest of world	88.0	70.3	+25.3%
TOTAL	573.0	503.0	+13.9%

The Group achieved outstanding results in all the regions where it operates.

In particular, in 2006 revenues grew by 15.8% in Italy and by 8.2% in the rest of Europe. The growth related to the Group's brands is higher and equal to 12.9%[3].

Sales grew by 5.2% on the US market, showing encouraging improvement's signals. This represents the first step to reach, in future years, the results that the group is targeting.

Finally, revenues increased by 25.3% in the rest of the world, mainly driven by the outstanding results achieved in the Far East, where the Group is focusing the store openings.
As of December 31st, 2006, the region "Asia and rest of world" globally represents 15.4% of consolidated sales, showing a strong growth compared to the 14% as of 2005 year end.

Breakdown of Consolidated Sales by Distribution Channel: strong acceleration in the organic growth; sales are increasing in all channels

million Euros	FY 2006	FY 2005	% change
DOS	283.2	258.8	+9.4%
Franchised stores and independent retailers	289.8	244.2	+18.7%
TOTAL	573.0	503.0	+13.9%

The analysis of the revenues breakdown by distribution channel shows the first positive signal of the Group's strategy to pay also great attention to the development of both the wholesale activity and the franchised stores network: the result of this is the important growth of sales to third parties.
In 2006 the Group opened 17 franchised stores, mainly in Asia. The distribution network as of December 31st, 2006 is represented by 110 DOS and 63 franchised stores, versus 105 DOS and 46 franchised stores as of 2005 year end.

Sales to third parties globally increased by 18.7%, driven not only by the openings of franchised stores, but also by the important organic growth of the wholesale channel.

Outstanding sales results were also achieved by the directly operated stores network: revenues through DOS increased by 9.4% in 2006, primarily driven by the organic growth.

The *Same Store Sales Growth* (SSSG) rate, calculated as the worldwide average of sales growth rates reported by DOS opened as of January 1st, 2005 was 8.1% for the full year 2006, showing the expected

[3] In 2006 the Group didn't focus on the activity for third parties, due to the almost exclusively and more efficient use of the production capacity for the own brands.

strong acceleration in the last months of the year. We remind that the SSSG figure for the period January - October was 6.6%.
The fiscal year 2007 started very strongly: the SSSG figure[4] is 11.4% for the first 12 weeks of the year (from January 1st until March 25th, 2007).

As of today, in the first quarter of 2007, the Group opened 7 DOS and 2 franchised stores; the distribution network is thus represented by 117 DOS and 65 franchised stores.

Comments on the Profit & Loss key figures

In the full year 2006, the Group's EBITDA was 137.5 million Euros, increasing by 21.8% as compared to the previous year. The margin on sales was 24%, 160 basis points higher than in 2005.

The important improvement of the operating margin is mainly driven by the higher efficiency of the production, due to a further optimisation of the production process, obviously without reducing the craftsmanship and the great attention to quality, which represent typical features of the made in Italy products.

EBITDA margin benefited also by the lower incidence on sales of the labour costs (14.0% in 2006 versus 14.7% in 2005), despite the on-going growth of the Group's headcount (2,280 employees as of December 31st, 2006 versus 2,176 of 2005 year-end).

The Group's EBIT was 113.7 million Euros, increasing by 26.2% versus the previous year; EBIT margin on sales was 19.8%, almost two percentage points higher than in 2005. The margin benefited by the lower incidence on sales of depreciation and amortisation (4.1% in 2006 versus 4.5% of the previous year).

Profit before taxes was 113.2 million Euros, with a 19.8% margin on sales, in line with the EBIT margin, due to the broadly flat financial result.

Income taxes amounted to 46.4 million Euros, with a 41% tax rate, slightly better than in the previous year. The real improvement of the tax rate was 160 basis points; in fact, on a comparable basis (i.e.: net of the impact of the stock option accounting), tax rate would have been 39.8%.

Consolidated net income was 66.8 million Euros, growing by 24% as compared to 2005. Finally, net of minorities interests, the Group's net income was 66.1 million Euros, increasing by 23.8% versus 2005 and with a 11.5% margin on sales (vs 10.6% in 2005).

[4] In 2007 the SSSG figure is calculated as the worldwide average of sales growth rates reported by DOS opened as of January 1st, 2006.

Comments on the Balance Sheet and Cash Flow key figures

The total investments made by the Group in 2006 amounted to 30.5 million Euros, as compared to 21.4 million Euros of 2005. The major resources were related to tangible fixed assets, mainly for the refurbishment of the distribution network, the relocation and widening of the New York and Hong Kong offices and the investment for the new production plant in Tuscany (for leather goods). The above amount includes also the investment for a new SAP system aiming to rationalizing the data flows across the entire distribution network.

As of December 31st, 2006 the net financial position was positive and equal to 90.6 million Euros, slightly lower than at the end of 2005. Despite the important growth of the Group's cash flow (99.6 million Euros in 2006 versus 86.2 million Euros in 2005), the higher efficiency of the production process led to temporary higher working capital requirements as of the end of the year as compared to the year before[5]. In addition to the already mentioned investment activity, cash financed the dividend payment (30.2 million Euros in 2006 versus 12.7 million Euros of the previous year).

Consolidated shareholders' equity as of December 31st, 2006 was 522.9 million Euros, which compares to 478.5 million Euros as of December 31st, 2005.

Comments on the key figures of the Parent Company Tod's SpA

The Board of Director also approved the draft of the financial statements for the parent company Tod's SpA, which is the first separate report released in compliance with the international accounting principles IAS/IFRS. 2005 figures, which were previously released according to the Italian principles, have been consequently restated and adjusted, in order to be fully comparable, as detailed in the Appendix of Tod's Group 2006 Annual Report.

Sales revenues were 457.5 million Euros, increasing by 15.2% versus 2005.

EBITDA reached 105.5 million Euros, growing by 24.8% as compared to 2005, corresponding to a 23.1% margin on sales, approx. two percentage points higher than in the previous year.

EBIT was 95.6 million Euros, increasing by 26.7% versus 2005 and with a 20.9% margin on sales, much higher than in 2005 (19%).

[5] The increase of the Group's inventories is mainly due to the increase of the parent company's inventories of finished goods.

Profit before taxes reached 96.8 million Euros, growing by 25.7% as compared to the previous year.

Finally, net income was 56.9 million Euros, increasing by 28.6% versus 2005 and with a 12.4% margin on sales. Net income per share was 1.872 Euro.

During 2006, the parent company invested a total amount of 16.4 million Euros in fixed assets, 4.3 million Euros more than in the previous year.

As of December 31st, 2006 the parent company's net financial position was positive and equal to 48.9 million Euros, versus 65.4 million Euros of 2005 year-end.

As of December 31st, 2006 the parent company's shareholders' equity was 526 million Euros (489.6 million Euros as of 2005 year-end).

<u>Dividend proposal</u>

Considering the significant cash flow generated by the Group every year, the Board approved also to propose the distribution of a unit dividend of Euro 1.25[6], 25% higher than in the previous year (Euro 1 per share). The clipping of the coupon nr. 7 is expected on May 21st for the dividend payment on May 24th, 2007.
The corresponding pay-out is 58% calculated on the consolidated net income, slightly higher than in the previous year.
This proposal will be submitted to the approval of the Annual General Meeting, taking place in the company's registered offices next April 27th, 2007 at 9.00 a.m. on first call (and on second call on April 28th, 2007 same place and time).

Diego Della Valle, Chairman and CEO of the Group, commented as follows: "The excellent 2006 results are a clear confirmation of the validity of the investments made in the past few years, which will give more significant results in the current and in the forthcoming years. 2007 started with very strong sales results; also the next Fall/Winter collections have been received very well. Therefore I can confirm our expectations to achieve a double digit growth in revenues and profits. I'm also happy to give to our shareholders a further increase of the dividend, while preserving the Group's growth potential, thanks to our well-known sound balance sheet."

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6 Gross of withholding tax, if due.

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

Should you need explanations, please contact: Investor Relations Office - tel. +39 02 77 22 51
e-mail: c.oglio@todsgroup.com
Corporate website: **www.todsgroup.com**

ATTACHMENTS

TOD'S GROUP

Key figures of Profit & Loss (compliant with IAS/IFRS principles)

Figures in million Euros	**Full year 2006**	**Full year 2005**
Revenues	573.0	503.0
EBITDA	137.5	112.9
EBIT	113.7	90.1
Profit before taxes	113.2	91.9
Net income	66.8	53.9
Of which: Group's net income	*66.1*	*53.4*
minorities	*0.7*	*0.5*

Key figures of Balance Sheet (compliant with IAS/IFRS principles)

Figures in million Euros	**December 31st, 2006**	**December 31st, 2005**
Operating net working capital (1)	164.2	114.5
Tangible and intangible fixed assets	282.8	279.7
Other assets/(liabilities), net	(14.7)	(12.7)
Total Invested Capital	432.3	381.5
Net financial position (positive)	(90.6)	(97.0)
Consolidated Shareholders' equity	522.9	478.5

(1) Trade receivables + Inventory – Trade payables

Key figures of Cash Flow (compliant with IAS/IFRS principles)

Figures in million Euros	**Full year 2006**	**Full year 2005**
Operating Cash Flow	46.9	79.2
Cash flow generated/(used) by investing activities	(28.2)	(21.4)
Cash Flow generated/(used) by financing activities	(26.8)	(17.1)
Free Cash Flow generated/(used)	(8.1)	40.7

PARENT COMPANY TOD'S SpA

Key figures of Profit & Loss (compliant with IAS/IFRS principles)

Figures in million Euros	**Full year 2006**	**Full year 2005**
Revenues	457.5	397.0
EBITDA	105.5	84.5
EBIT	95.6	75.5
Profit before taxes	96.8	76.9
Net income	56.9	44.2

Key figures of Balance Sheet (compliant with IAS/IFRS principles)

Figures in million Euros	**December 31st, 2006**	**December 31st, 2005**
Operating net working capital (1)	168.8	138.6
Tangible and intangible fixed assets	218.6	212.6
Other assets/(liabilities), net	89.7	73.0
Total Invested Capital	477.1	424.2
Net financial position (positive)	(48.9)	(65.4)
Shareholders' equity	526.0	489.6

(1) Trade receivables + Inventory – Trade payables

Key figures of Cash Flow (compliant with IAS/IFRS principles)

Figures in million Euros	**Full year 2006**	**Full year 2005**
Operating Cash Flow	44.0	50.3
Cash flow generated/(used) by investing activities	(36.7)	(11.4)
Cash Flow generated/(used) by financing activities	(25.2)	(18.6)
Free Cash Flow generated/(used)	(17.9)	20.3