Milan - March 30th, 2004

TOD'S Group: increase of revenues (+8.1% at constant exchange rates). The strategy of strong investment growth continues. Twenty-four new stores were added in 2003.

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, 2003.

Financial figures for the year 2003 are consistent with the Group strategy to accelerate the investment strategy, both to develop the DOS network, and to strengthen the necessary production facilities, while relying on the financial soundness of the Group balance sheet.

At constant exchange rates, consolidated sales were 387 million Euros, growing by 8.1%, as compared to 2002. Consolidated EBITDA was 84.4 million Euros, at constant rates, with a 21.8% margin on sales, and EBIT was 50.9 million Euros, with a 13.1% margin on sales. Finally, net income reached 25.8 million Euros, with a 6.9% margin on sales.

<u>Tod's Group</u>

At constant exchange rates, in the year of 2003 consolidated EBITDA was 84.4 million Euros, with a 21.8% margin on sales. Adjusted for the negative currency impact, EBITDA was 76.7 million Euros, with a 20.6% margin on sales.

The decrease in profitability as compared to 2002 is primarily due to higher impact of the labor costs (16.2% on sales as compared to 14.3% in 2002), mainly caused by the development of the DOS network. Strong increase of the Group headcount; as of December 31st, 2003 the Group numbered 1,920 employees, as compared to 1,715 as of end 2002. The important development of the DOS network also caused a higher impact on sales of the costs for the use of locations (6.7% in 2003 as compared to 4.9% in 2002).

At constant exchange rates, EBIT was 50.9 million Euros, with a 13.1% margin on sales; adjusted for the currency impact, EBIT was 43.7 million Euros, with a 11.8% margin on sales. EBIT was influenced by the same items, which affected the EBITDA trend, and also by a higher impact on sales of depreciation and amortization, due to the increase of the DOS network (95 DOS at the end of 2003 as compared to 71 of the previous year), which has already been mentioned.

Profit before taxes was 46.3 million Euros, with a 12.5% margin on sales. This result benefited from the positive net financial income, generated by a careful hedging policy and a prudent liquidity management.

Finally, net income was 25.8 million Euros, with a 6.9% margin on sales; the tax rate was 43.6%.

During 2003, the Group invested a total of 48.2 million Euros in fixed assets. Specifically, investments in tangible fixed assets were 26.4 million Euros, of which approx. 14 million Euro were mainly earmarked to increase the production capacity in order to face higher requirements coming from the development plans of the next years. The Group has also continued investing in logistic and information machinery and in industrial equipment.
Investments in intangible fixed assets amounted to 21.8 million Euros, mostly related to the development of the direct distribution network: in 2003 the Group added 24 new DOS.
This process is continuing during the first months of 2004, with four further new stores; as of today the Group counts 99 DOS.

Also the sale trend is positive in the first 12 weeks of 2004; in fact, on a like-for-like basis, the organic growth, calculated as the worldwide average on DOS opened before January 1st, 2003, was 4.6%.

The net financial position of the Group as of December 31st, 2003 was still widely positive and equal to 31.7 million Euros, despite the fact that in 2003 investments remained sustained .

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 323.7 million Euros, at constant rates, with a 2% increase over the previous year. The same figure at current rates was 313.9 million Euros.

EBITDA was 78.2 million Euros, at constant rates, with a 24.2% margin on sales; adjusted for the negative impact of currencies, EBITDA was 70.8 million Euros, with a 22.6% margin on sales.

EBIT reached 57 million Euros, at constant rates, with a 17.6% margin on sales; the same figure, net of the currency impact, was 49.6 million Euros with a 15.8% margin on sales.

Profit before taxes also benefited from the positive financial income and amounted to 52.6 million Euros, with a 16.8% margin on sales.

After 21.7 million Euros as income taxes (tax rate was 41.3%, slightly improving as compared to 42.6% of the previous year), net income for the period was 30.9 million Euros, with a 9.8% margin on sales. Net income per share was Euro 1.02.

During 2003, the parent company invested a total amount of 34.5 million Euros in fixed assets (i.e.: tangible and intangible fixed assets and shareholdings).

The net financial position of the parent company shows a positive 17.3 million Euros balance as of December 31st, 2003.

Due the sound net financial position of the Group, the Board of Directors, while considering the scheduled investment plan, approved the distribution of a dividend of Euro 0.35 per share, equal to the previous year and payable from May 24nd, 2004. 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, 2004, same place and time).
On the basis of a Euro 1.02 net income per share, pay-out ratio is 34.3% as compared to 31% of the previous year.

Diego Della Valle, Chairman and CEO of the Group, commented: " In 2003, we emphasized implementing a strong investment plan to develop the distribution network as well as for new product research and new market penetration. This occurred despite a difficult global economy, which, however, offered opportunities we took advantage of. The expected reduction in profitability for the last financial year is compensated for by further Group consolidation, which will play an ever increasing and vital role in the luxury goods industry. The value of this strategy will be especially evident once markets recover and initial signs of a recovery now exist, confirmed by a positive sales trend in the first part of this year."

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

In Euro 000's	Year 2003		Year 2002	%	Change	%
Sales revenues	371.387	100,0	358.211	100,0	13.176	3,7
Other revenues and income	5.570	1,5	5.207	1,5	363	7,0
Total revenues and income	**376.957**	**-**	**363.418**	**-**	**13.539**	**3,7**
Costs of raw materials, supplies, materials for consumption and changes in inventories	(109.707)	29,5	(109.487)	30,6	(220)	0,2
Costs for services	(97.967)	26,4	(84.008)	23,5	(13.959)	16,6
Costs of use of third-party assets	(21.658)	5,8	(17.784)	5,0	(3.874)	21,8
Value added	**147.625**	**39,8**	**152.139**	**42,4**	**(4.514)**	**(3,0)**
Cost of labor	(60.007)	16,2	(51.242)	14,3	(8.765)	17,1
Other charges	(10.946)	3,0	(9.079)	2,5	(1.867)	20,6
Ebitda	**76.672**	**20,6**	**91.818**	**25,6**	**(15.146)**	**(16,5)**
Amortization and depreciation	(32.328)	8,7	(27.864)	7,8	(4.464)	16,0
Other provisions and adjustments	(607)	0,1	(683)	0,1	76	(11,1)
Ebit	**43.737**	**11,8**	**63.271**	**17,7**	**(19.534)**	**(30,9)**
Net financial income (charges)	3.127	0,8	667	0,2	2.460	ns
Profit from ordinary operations	**46.864**	**12,6**	**63.938**	**17,9**	**(17.074)**	**(26,7)**
Net extraordinary income (charges)	(585)	0,2	(713)	0,2	128	(18,0)
Pre-tax profit	**46.279**	**12,5**	**63.225**	**17,7**	**(16.946)**	**(26,8)**
Income taxes	(20.201)	5,5	(26.949)	7,6	6.748	(25,0)
Profit before minority interests	**26.078**	**7,0**	**36.276**	**10,1**	**(10.198)**	**(28,1)**
Minority interests	(323)	0,1	(383)	0,1	60	(15,7)
Consolidated net profit	**25.755**	**6,9**	**35.893**	**10,0**	**(10.138)**	**(28,2)**

Reclassified Balance Sheet of Tod's Group

In Euro 000's	31 Dec 03	%	31 Dec 02	%
Cash and cash equivalents	55.007	10,6	65.757	13,3
Inventories	104.450	20,1	94.010	19,0
Receivables	88.443	17,0	77.994	15,7
Current assets (a)	**247.900**	**47,7**	**237.761**	**48,0**
Intangible and tangible fixed assets	268.537	51,8	254.919	51,5
Shareholding and long term receivables	2.822	0,5	2.545	0,5
Fixed assets (b)	**271.359**	**52,3**	**257.464**	**52,0**
Total assets (a)+(b)	**519.259**	**100,0**	**495.225**	**100,0**
Bank debt	8.316	1,6	4.054	0,8
Trade account payables	69.231	13,3	64.229	13,0
Other liabilities	12.085	2,3	12.673	2,6
Current liabilities (c)	**89.632**	**17,2**	**80.956**	**16,4**
Net working capital (d)=(a)-(c)	**158.268**	**30,5**	**156.805**	**31,6**
Employee severance indemnity reserve	8.256	1,6	6.691	1,4
Reserves for risk and charges	1.959	0,4	1.177	0,2
Bank debt due beyond 12 months	15.041	2,9	15.000	3,0
Medium/long term liabilities (e)	**25.256**	**4,9**	**22.868**	**4,6**
Total liabilities (f)=(c)+(e)	**114.888**	**22,1**	**103.824**	**21,0**
Share capital	60.500	11,7	60.500	12,2
Reserves	315.852	60,8	294.224	59,4
Consolidated net profit	25.755	5,0	35.893	7,2
Consolidated shareholders' equity (g)	**402.107**	**77,5**	**390.617**	**78,8**
Net equity minority interests (h)	2.264	0,4	784	0,2
Total shareholders' equity (i)=(g)+(h)	**404.371**	**77,9**	**391.401**	**79,0**
Total liabilities and equity (l)=(f)+(i)	**519.259**	**100,0**	**495.225**	**100,0**

Reclassified Profit & Loss account of Tod's SpA

In Euro 000's	Year 2003	%	Year 2002	%	Change	%
Sales revenues	313.863	100,0	317.488	100,0	(3.625)	(1,1)
Other revenues and income	4.570	1,5	4.296	1,4	274	46,4
Total revenues and income	**318.433**	**-**	**321.784**	**-**	**(3.351)**	**(1,0)**
Costs of raw materials, supplies, materials for consumption and changes in inventories	(111.014)	35,4	(116.286)	36,6	5.272	(4,5)
Costs of use of third-party assets	(4.290)	1,4	(4.224)	1,3	(66)	1,6
Costs for services	(91.041)	29,0	(83.325)	26,3	(7.716)	9,3
Value added	**112.088**	**35,7**	**117.949**	**37,2**	**(5.861)**	**(5,0)**
Cost of labor	(33.233)	10,6	(30.035)	9,5	(3.198)	10,6
Other charges	(8.038)	2,5	(6.646)	2,1	(1.392)	20,9
Ebitda	**70.817**	**22,6**	**81.268**	**25,6**	**(10.451)**	**(12,9)**
Amortization and depreciation	(20.628)	6,6	(19.623)	6,2	(1.005)	5,1
Other provisions and adjustments	(564)	0,2	(619)	0,2	55	(8,9)
Ebit	**49.625**	**15,8**	**61.026**	**19,2**	**(11.401)**	**(18,7)**
Net financial income (charges)	1.898	0,6	787	0,2	1.111	ns
Adjustments to value of financial assets	1.007	0,3	(1.760)	0,5	2.767	ns
Profit from ordinary operations	**52.530**	**16,7**	**60.053**	**18,9**	**7.523**	**(12,5)**
Net extraordinary income (charges)	90	0,1	(534)	0,2	624	ns
Pre-tax profit	**52.620**	**16,8**	**59.519**	**18,7**	**(6.899)**	**(11,6)**
Income taxes	(21.740)	7,0	(25.375)	8,0	3.635	(14,3)
Net income	**30.880**	**9,8**	**34.144**	**10,7**	**(3.264)**	**(9,6)**

Reclassified Balance Sheet of Tod's SpA

In Euro 000's	31 Dec 03	%	31 Dec 02	%
Cash and cash equivalents	32.316	6,3	48.663	10,0
Inventories	74.341	14,5	70.091	14,4
Receivables	124.356	24,2	97.894	20,3
Current assets (A)	**231.013**	**45,0**	**216.648**	**44,7**
Intangible and tangible fixed assets	193.368	37,6	188.744	38,9
Financial fixed assets	89.343	17,4	79.726	16,4
Fixed assets (B)	**282.711**	**55,0**	**268.470**	**55,3**
Total assets (A)+(B)	**513.724**	**100,0**	**485.118**	**100,0**
Bank debt	750	0,1	7	ns
Trade account payables	68.891	13,4	61.206	12,6
Other liabilities	9.037	1,8	9.451	2,0
Current liabilities (C)	**78.678**	**15,3**	**70.664**	**14,6**
Net working capital (D)=(A)-(C)	**152.335**	**29,7**	**145.984**	**30,1**
Employee severance indemnity reserve	7.390	1,4	6.205	1,3
Reserves for risk and charges	330	0,1	465	0,1
Bank debt due beyond 12 months	14.250	2,8	15.000	3,1
Medium/long term liabilities (E)	**21.970**	**4,3**	**21.670**	**4,5**
Total liabilities (F)=(C)+(E)	**100.648**	**19,6**	**92.334**	**19,1**
Share capital	60.500	11,8	60.500	12,5
Reserves	321.696	62,6	298.140	61,4
Net income	30.880	6,0	34.144	7,0
Shareholders' equity (G)	**413.076**	**80,4**	**392.784**	**80,9**
Total liabilities and equity (H)=(F)+(G)	**513.724**	**100,0**	**485.118**	**100,0**