

Milan - March 30<sup>th</sup>, 2005

**TOD'S S.p.A.: the Board of Directors approved the draft of the 2004 Annual Report.  
Strong growth of margins; EBIT: +24%, net income: +19%, dividend: +20%.**

Group's turnover is 420.8 million Euros, growing by 13.3% compared to 2003.

Consolidated EBIT is 54.1 million Euros, with a 24% increase vs. 2003.

Group's net income is 30.6 million Euros, growing by 19% compared to 2003.

Proposal of a dividend of Euro 0.42 per share

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 draft of the Financial Statements for the year ending December 31<sup>st</sup>, 2004.

2004 figures confirm the strong improvement of the Group's profitability, in line with the firm's plans; the growth of operating results was higher than the already commented outstanding performance of revenues. This result clearly confirms the success of the strategic decisions made in the previous years.

Capital and financial figures attest the strong soundness of the Group.

In this press release we consider important to comment also operating results' figures at constant rates as compared with the previous year, meaning before considering the unfavourable impact of currency fluctuations, which were quite significant also in 2004. Please refer to the attachments for the complete tables of financial statements at reported rates.

## Tod's Group

### Key Profit & Loss figures

With a 2004 total turnover of 427.6 million Euros at constant rates, growing by 15.1% as compared to 371.4 million Euros of 2003, consolidated EBITDA is 92.3 million Euros, with a 20% increase compared to 2003. The corresponding margin on sales is 21.6%, showing an improvement of 100 basis points as compared to the previous year.

EBIT is 57.7 million Euros, with a 32% increase compared to 2003 and a 13.5% margin on sales. Finally, net income is 30.6 million Euros, showing a 19% increase as compared to the previous year.

The impact of currency fluctuations reduced turnover by 6.8 million Euros, EBITDA by 3.9 million Euros and EBIT by 3.6 million Euros.

**Breakdown of consolidated sales by brand: strong results for all the brands**

BRAND (million Euros)	FY 2004	FY 2003	% change
Tod's	239.9	213.7	+12.2%
Hogan	102.3	86.7	+18.0%
Fay	68.7	64.9	+5.9%
other	9.9	6.1	+62.8%
TOTAL	420.8	371.4	+13.3%

Tod's remains the main Group's brand with a turnover of 239.9 millions, which represents 57% of consolidated revenues. The sales of this brand posted an outstanding 15% growth during 2004 at constant rates.

Hogan brand confirmed throughout the entire year the excellent performance achieved in the previous months: sales increased by 18.9% at constant rates and represent 24.3% of the Group's turnover as of December 31<sup>st</sup>, 2004.

Finally, Fay revenues increased by 5.9%, which is a quite positive result, since it comes on top of the very strong performance achieved in the previous year (revenues increased by 24.5% in 2003). As of December 31<sup>st</sup>, 2004, Fay revenues represent 16.3% of consolidated turnover.

**Breakdown of consolidated sales by product: excellent results from the strategy to widen the product categories**

PRODUCT (million Euros)	FY 2004	FY 2003	% change
Shoes	268.2	237.9	+12.7%
leather goods & accessories	84.7	70.0	+21.1%
Apparel	67.2	63.3	+6.2%
Other	0.7	0.2	n.m.
TOTAL	420.8	371.4	+13.3%

All the Group's product categories achieved outstanding growth rates in 2004. In particular, shoes increased by 14.3% at constant rates, thus remaining the main Group's product category with 63.7% of consolidated revenues as of December 31<sup>st</sup>, 2004. This result is even more remarkable considering that it was achieved in a certainly not easy industry environment and proves the Group's strength as one of the primary world players.

Revenues from leather goods confirm the excellent growth rates achieved in the last few years: in 2004 sales increased by 25.2% at constant rates. This result proves the full success gained among our consumers by the new leather accessories, which we have recently launched in order to complete and widen our product offer.

Leather goods and accessories together represent 20.1% of consolidated turnover as of December 31<sup>st</sup>, 2004, growing as compared to 18.8% of the previous year, fully consistently with the Group's strategy to increase the importance of this product category.

Sales from apparel increased by 6.2% in the year, consolidating the outstanding result of the previous year, in line with Fay revenues' trend. As of December 31<sup>st</sup>, 2004, sales of apparel represent 16% of the Group's turnover.

**Breakdown of consolidated sales by region: strong growth in all the markets at constant rates. Asia: +60%**

<i>REGION (million Euros)</i>	FY 2004	FY 2003	% change
Italy	204.5	181.5	+12.7%
Europe (excl. Italy)	116.7	104.6	+11.5%
North America	50.1	53.1	-5.6%
Asia and rest of world	49.5	32.2	+53.9%
TOTAL	420.8	371.4	+13.3%

In 2004 all the Group's markets achieved strong sales figures. Revenues increased by 12.7% in Italy and by 11.5% in the rest of Europe; it's not meaningful the currency impact in this market. This latter performance is even more remarkable considering the very tough comparison basis (revenues increased by 38% in the fourth quarter of 2003).

US market sales grew by 4% at constant rates; this market has been particularly affected by currency fluctuations, due to the strong strengthening of the Euro against the US dollar.

Finally, Asian markets confirmed throughout the year the excellent growth rates achieved in the previous months. Revenues increased by 60% at constant rates. As of December 31<sup>st</sup>, 2004, the impact of this region on the Group's turnover is 11.8%, growing as compared to 8.6% of the previous year, fully reflecting the Group's strategy to strengthen its presence in Asian markets.

**Breakdown of consolidated sales by distribution channel: acceleration of DOS organic growth; return to growth of wholesale revenues**

<i>DISTRIBUTION CHANNEL (million Euros)</i>	FY 2004	FY 2003	% change
DOS	219.6	177.7	+23.6%
Franchised stores and independent retailers	201.2	193.7	+3.9%
TOTAL	420.8	371.4	+13.3%

In 2004 the Group continued to strengthen the direct distribution network, while normalizing the number of openings, after the strong acceleration given in 2002 and 2003. With the completion of the rationalization of the independent distribution network, wholesale revenues started to grow again. This growth is expected to continue, becoming stronger and stronger in the coming years.

Sales through DOS increased by 26.4% at constant rates, fuelled both by the strong organic growth, which has further accelerated in the last months of the year as compared to the already brilliant former figures, and by the contribution of the additional 11 stores opened in 2004.

As of December 31<sup>st</sup>, 2004, revenues through DOS represent 52% of the Group's turnover, with a significant increase as compared to the 48% of the previous year, in line with the above commented distribution strategy.

The Same Store Growth (SSG) rate, calculated as the worldwide average of sales growth rates registered in the DOS opened before January 1<sup>st</sup>, 2003, is 10.9% for the full year 2004. This figure confirms that organic growth strongly accelerated in November and December (SSG was 10.3% in the first ten months of 2004), which is even more remarkable considering the already strong comparison basis represented by the last months of 2003. Organic growth remains outstanding also in 2005: the SSG rate figure for the first 12 weeks of the year is 13%; we remind that in 2005 the figure is the worldwide average of sales growth rates registered in the DOS opened before January 1<sup>st</sup>, 2004.

In 2004 sales to independent retailers increased by 4.8% at constant rates; it's not meaningful to analyze the breakdown of revenues by channel only for the fourth quarter, since this period is mainly characterized by retail sales.

As of December 31<sup>st</sup>, 2004 the Group's distribution network consists of 106 DOS and 31 franchised stores (which compares, respectively, to 95 and 29 as of the end of 2003).

Among 2004 DOS openings, we remind the inauguration in December of the Tod's Omotesando flagship store in Tokyo. This prestigious three-storey boutique with a sales area larger than 600 sqm represents the first Group's freestanding store in Japan. As expected, the flagship store has been very well received among media and customers and it will help to strengthen the brand image and visibility in Tokyo, in Japan and in part of the Far East.

#### Comments on the main items of Profit & Loss

The main driver of the improvement of the Group's profitability is the strong growth of turnover and, in particular of DOS revenues, due to the operating leverage: the growth of turnover was higher than the increase of the direct costs of production. In line with the strategy to strengthen the distribution network, also in 2004 the impact on sales of the costs for the use of the locations increased (7.2% in 2004 as compared to 6.7% in 2003).

The incidence on revenues of labour cost remained the same as in the previous year, equal to 16.2%, despite a further increase on the Group's headcount: 2,082 employees as of December 31<sup>st</sup>, 2004 as compared to 1,920 people as of the end of 2003.

The improvement of profitability is even more evident at the EBIT level, since depreciation and amortisation increased by 6% (compared to the 13.3% growth of turnover) and reduced their incidence on sales (8.1% in 2004 vs. 8.7% in 2003).

Profit before taxes is 54.8 million Euros, growing by 18.5% vs. 2003. The comparison with the previous year shows the lower contribution of net financial income, mainly due to the different width of currency fluctuations.

Consolidated net income, finally, is 30.6 million Euros, with a 18.9% growth as compared to 2003; tax rate is 43.6%, in line with the previous year. For our Group fiscal benefits linked to the introduction of IRES are much less important than the disadvantages due to the contemporary abrogation of DIT.

The Group and its Italian subsidiaries exercised the option to adopt the new fiscal system called "Consolidato nazionale (National consolidation)".

#### Key figures of Balance Sheet and Cash Flow

As of December 31<sup>st</sup>, 2004 the Group's net financial position is positive and equal to 56.5 million Euros. The significant increase as compared to the end of 2003, equal to 24.8 million Euros, is due to the high cash flow generated by the operating activity, linked to the improvement in working capital management (the impact of NWC on sales is 24% in 2004 as compared to 24.7% in 2003) and to the contemporary normalisation of the investment activity made in 2004, after the strong acceleration of the two previous years.

We consider that the above commented cash will be enough to finance the Group's ordinary investment activities and to face possible extraordinary needs.

Gross investments in fixed assets made in 2004 totalled 28.5 million Euros, with a significant decrease as compared to 48.2 million Euros of the previous year.

In particular, investments in tangible fixed assets were 13.9 million Euros, related to the completion of the building projects started in the previous year and to the normal process of updating and substituting of logistic and production structures.

Investments in intangible fixed assets were 14.6 million Euros, mainly related to the development of the direct distribution network.

#### Adoption of the IFRS Accounting Standards

Due to the complexity of the transition process to the IAS/IFRS, the company has rapidly started to implement the conversion process of the consolidated financial statements to the new international standards, carrying out all the necessary activities to finalize the process.

The difficulties involved in such an extensive project, which have emerged both at a community level and at the level of the individual countries concerned, have caused the reference framework, as concerns regulatory aspects (definition of standards, impact on taxation) as well as interpretation of the rules, to be fully completed only in the first few months of 2005, making natural a gradual transition process to the new principles during 2005.

Given this context, the company has considered as a reasonable target to draw up the first financial statements according to the IAS/IFRS with the release of the First Half 2005 Report.

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

The Board of Directors also approved the draft of 2004 financial statements of the parent company Tod's SpA. Sales revenues are 343.4 million Euros, growing by 9.4% as compared to the previous year. At constant rates, turnover is 349.2 million Euros with a 11.2% increase as compared to 2003.

EBITDA is 74.3 million Euros, growing by 5% vs. 2003. At constant rates, EBITDA is 78.3 million Euros, with a 22.4% margin on sales, in line with 2003.

EBIT is 54.9 million Euros, with a 10.7% growth compared to 2003 and a 16% margin on sales. At constant rates, EBIT is 58.9 million Euros, with a 16.9% margin on sales.

Profit before taxes is 57.2 million Euros.

Finally, net income is 33.5 million Euros, corresponding to a 9.8% margin on sales. Consequently, net income per share is 1.108 Euro.

The net financial position of the parent company shows a positive 45.7 million Euros balance as of December 31<sup>st</sup>, 2004, with a 28.4 million Euros increase as compared to the end of 2003.

During 2004, the parent company invested a total amount of 13.2 million Euros in fixed assets (i.e.: tangible and intangible fixed assets and shareholdings).

### **Dividend proposal**

Due to the Group's excellent net financial position, the Board of Directors approved also to propose the distribution of a unit dividend of Euro 0.42 per share, gross of withholding taxes, if due, with a 20% growth as compared to the previous year. The clipping of the coupon nr. 5 is expected on May 23<sup>rd</sup> for the dividend payment on May 26<sup>th</sup>, 2004.

This proposal will be submitted to the approval of the Annual General Meeting, taking place in the company's registered offices next April 27<sup>th</sup> at 9.00 a.m. on first call (and on second call on May 6<sup>th</sup> same place and time).

The pay-out corresponding to the proposed dividend is 41.5% calculated on consolidated net income.

Diego Della Valle, Chairman and CEO of the Group, commented: "I'm really satisfied with the results achieved in 2004. The outstanding revenues growth confirms the full success obtained by all our brands and product categories; the full year 2004 showed the return to growth of operating margins and net income, in line with the Group's plans and strategy. I'm fully satisfied also with the outstanding soundness of the Group's financial structure and its ability to generate high level of cash flow from the operating activity. Considering the sales figures for the first months of 2005, I'm confident that in the current year our Group can achieve a sales growth in line with 2004 and a further improvement in profitability".

**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.**

Should you need explanations, please contact: Investor Relations Office - tel. +39 02 77 22 51

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## ATTACHMENTS

### Reclassified Profit & Loss account of Tod's Group

<b>(Euro/000)</b>	<b>Year 2004</b>	<b>%</b>	<b>Year 2003</b>	<b>%</b>	<b>Change</b>	<b>%</b>
Sales revenues	420,787	100.0	371,387	100.0	49,400	13.3
Other revenues and income	4,621	1.1	5,570	1.5	(949)	(17.0)
<b>Total revenues and income</b>	<b>425,408</b>		<b>376,957</b>		<b>48,451</b>	<b>12.9</b>
Costs of raw materials, supplies, materials for consumption and changes in inventories	(122,946)	29.2	(109,707)	29.5	(13,239)	12.1
Costs for services	(108,972)	25.9	(97,967)	26.4	(11,005)	11.2
Costs of use of third-party assets	(25,429)	6.0	(21,658)	5.8	(3,771)	17.4
<b>Value added</b>	<b>168,061</b>	<b>39.9</b>	<b>147,625</b>	<b>39.8</b>	<b>20,436</b>	<b>13.8</b>
Cost of labour	(68,301)	16.2	(60,007)	16.2	(8,294)	13.8
Other charges	(11,360)	2.7	(10,946)	3.0	(414)	3.8
<b>Ebitda</b>	<b>88,400</b>	<b>21.0</b>	<b>76,672</b>	<b>20.6</b>	<b>11,728</b>	<b>15.3</b>
Amortization and depreciation	(34,255)	8.1	(32,328)	8.7	(1,927)	6.0
Other provisions and adjustments	(42)	nm	(607)	0.1	565	nm
<b>Ebit</b>	<b>54,103</b>	<b>12.9</b>	<b>43,737</b>	<b>11.8</b>	<b>10,366</b>	<b>23.7</b>
Net financial income (charges)	174	nm	3,127	0.8	(2,953)	nm
<b>Profit from ordinary operations</b>	<b>54,277</b>	<b>12.9</b>	<b>46,864</b>	<b>12.6</b>	<b>7,413</b>	<b>15.8</b>
Net extraordinary income (charges)	553	0.1	(585)	0.2	1,138	nm
<b>Pre-tax profit</b>	<b>54,830</b>	<b>13.0</b>	<b>46,279</b>	<b>12.5</b>	<b>8,551</b>	<b>18.5</b>
Net income	(23,899)	5.6	(20,201)	5.5	(3,698)	18.3
<b>Profit before minority interests</b>	<b>30,931</b>	<b>7.4</b>	<b>26,078</b>	<b>7.0</b>	<b>4,853</b>	<b>18.6</b>
Minority interests	(316)	0.1	(323)	0.1	7	(2.2)
<b>Consolidated net profit</b>	<b>30,615</b>	<b>7.3</b>	<b>25,755</b>	<b>6.9</b>	<b>4,860</b>	<b>18.9</b>



## Reclassified Balance Sheet of Tod's Group

<b>(Euro/000)</b>	<b>31.12.04</b>	<b>%</b>	<b>31.12.03</b>	<b>%</b>
Cash and cash equivalents	79,577	14.4	55,007	10.6
Inventories	128,900	23.3	104,450	20.1
Receivables	79,562	14.4	88,443	17.0
<b>Current assets (a)</b>	<b>288,039</b>	<b>52.1</b>	<b>247,900</b>	<b>47.7</b>
Intangible and tangible fixed assets	261,010	47.3	268,537	51.8
Financial fixed assets	3,325	0.6	2,822	0.5
<b>Fixed assets (b)</b>	<b>264,335</b>	<b>47.9</b>	<b>271,359</b>	<b>52.3</b>
<b>Total assets (a)+(b)</b>	<b>552,374</b>	<b>100.0</b>	<b>519,259</b>	<b>100.0</b>
Bank debt	8,138	1.5	8,316	1.6
Trade account payables	78,435	14.2	69,231	13.3
Other liabilities	14,069	2.5	12,085	2.3
<b>Current liabilities (c)</b>	<b>100,642</b>	<b>18.2</b>	<b>89,632</b>	<b>17.2</b>
<b>Net working capital (d)=(a)-(c)</b>	<b>187,397</b>	<b>33.9</b>	<b>158,268</b>	<b>30.5</b>
Employee severance indemnity reserve	9,599	1.7	8,256	1.6
Reserves for risk and charges	3,247	0.6	1,959	0.4
Bank debt due beyond 12 months	14,970	2.7	15,041	2.9
<b>Medium/long term liabilities (e)</b>	<b>27,816</b>	<b>5.0</b>	<b>25,256</b>	<b>4.9</b>
<b>Total liabilities (f)=(c)+(e)</b>	<b>128,458</b>	<b>23.2</b>	<b>114,888</b>	<b>22.1</b>
Share capital	60,500	11.0	60,500	11.7
Reserves	329,599	59.7	315,852	60.8
Consolidated net profit	30,615	5.5	25,755	5.0
<b>Consolidated shareholders' equity (g)</b>	<b>420,714</b>	<b>76.2</b>	<b>402,107</b>	<b>77.5</b>
Net equity minority interests (h)	3,202	0.6	2,264	0.4
<b>Total shareholders' equity (i)=(g)+(h)</b>	<b>423,916</b>	<b>76.8</b>	<b>404,371</b>	<b>77.9</b>
<b>Total liabilities and equity (l)=(f)+(i)</b>	<b>552,374</b>	<b>100.0</b>	<b>519,259</b>	<b>100.0</b>

## Reclassified Cash Flow of Tod's Group

<b>(Euro/000)</b>	<b>31.12.04</b>	<b>31.12.03</b>
<b>Profit (loss) for the period</b>	<b>30,615</b>	<b>25,755</b>
Amortisation, depreciation, revaluations and write-downs	33,854	31,060
Change in deferred tax liabilities/assets	(755)	(448)
Increase (reduction) in reserves for risk and charges and in Employee severance indemnity reserve	1,281	1,494
<b>Cash Flow (a)</b>	<b>64,995</b>	<b>57,861</b>
(Increase) reduction in current assets	(13,065)	(18,319)
Increase (reduction) in current liabilities	11,188	4,414
<b>Change in operating working capital (b)</b>	<b>(1,877)</b>	<b>(13,905)</b>
<b>Cash flow from operations (c)=(a)+(b)</b>	<b>63,118</b>	<b>43,956</b>
Net investments in fixed assets	(27,287)	(46,654)
Other changes in fixed assets	58	430
<b>Cash Flow generated (used) in investment activity (d)</b>	<b>(27,229)</b>	<b>(46,224)</b>
Changes in long term loans		935
Short term instalments of long term loans	(71)	(894)
Other changes in shareholders' equity	(1,420)	(3,677)
Dividends paid	(10,588)	(10,588)
Changes in minority interests	938	1,480
<b>Cash Flow generated (used) in financing (e)</b>	<b>(11,141)</b>	<b>(12,744)</b>
<b>Cash Flow generated (used)(f)=(c)+(d)+(e)</b>	<b>24,748</b>	<b>(15,012)</b>
Cash and cash equivalents at the beginning of the period	46,691	61,703
Cash and cash equivalents at the end of the period	71,439	46,691
<b>Change in net current financial position</b>	<b>24,748</b>	<b>(15,012)</b>

## Reclassified Profit & Loss account of Tod's SpA

<b>(Euro/000)</b>	<b>Year 2004</b>	<b>%</b>	<b>Year 2003</b>	<b>%</b>	<b>Change</b>	<b>%</b>
Sales revenues	343,416	100.0	313,863	100.0	29,553	9.4
Other revenues and income	3,728	1.1	4,570	1.5	(842)	(18.4)
<b>Total revenues and income</b>	<b>347,144</b>	<b>101.1</b>	<b>318,433</b>	<b>-</b>	<b>28,711</b>	<b>9.0</b>
Costs of raw materials, supplies, materials for consumption and changes in inventories	(124,989)	36.4	(111,014)	35.4	(13,975)	12.6
Costs for services	(95,911)	27.9	(91,041)	29.0	(4,870)	5.3
Costs of use of third-party assets	(4,644)	1.4	(4,290)	1.4	(354)	8.3
<b>Value added</b>	<b>121,600</b>	<b>35.4</b>	<b>112,088</b>	<b>35.7</b>	<b>9,512</b>	<b>8.5</b>
Cost of labour	(37,657)	11.0	(33,233)	10.6	(4,424)	13.3
Other charges	(9,598)	2.8	(8,038)	2.5	(1,560)	19.4
<b>Ebitda</b>	<b>74,345</b>	<b>21.6</b>	<b>70,817</b>	<b>22.6</b>	<b>3,528</b>	<b>5.0</b>
Amortization and depreciation	(19,404)	5.6	(20,628)	6.6	1,224	(5.9)
Other provisions and adjustments	-	-	(564)	0.2	564	nm
<b>Ebit</b>	<b>54,941</b>	<b>16.0</b>	<b>49,625</b>	<b>15.8</b>	<b>5,316</b>	<b>10.7</b>
Net financial income (charges)	2,294	0.7	1,898	0.6	396	20.9
Adjustments to value of financial assets	(5)	nm	1,007	0.3	(1,012)	nm
<b>Profit from ordinary operations</b>	<b>57,230</b>	<b>16.7</b>	<b>52,530</b>	<b>16.7</b>	<b>4,700</b>	<b>8.9</b>
Net extraordinary income (charges)	(3)	nm	90	0.1	(93)	nm
<b>Pre-tax profit</b>	<b>57,227</b>	<b>16.7</b>	<b>52,620</b>	<b>16.8</b>	<b>4,607</b>	<b>8.8</b>
Income taxes	(23,718)	6.9	(21,740)	7.0	(1,978)	9.1
<b>Net income</b>	<b>33,509</b>	<b>9.8</b>	<b>30,880</b>	<b>9.8</b>	<b>2,629</b>	<b>8.5</b>

## Reclassified Balance Sheet of Tod's SpA

<b>(Euro/000)</b>	<b>31.12.04</b>	<b>%</b>	<b>31.12.03</b>	<b>%</b>
Cash and cash equivalents	60,706	11.1	32,316	6.3
Inventories	91,870	16.8	74,341	14.5
Receivables	118,921	21.7	124,356	24.2
<b>Current assets (A)</b>	<b>271,497</b>	<b>49.6</b>	<b>231,013</b>	<b>45.0</b>
Intangible and tangible fixed assets	186,692	34.1	193,368	37.6
Financial fixed assets	89,174	16.3	89,343	17.4
<b>Fixed assets (B)</b>	<b>275,866</b>	<b>50.4</b>	<b>282,711</b>	<b>55.0</b>
<b>Total assets (A)+(B)</b>	<b>547,363</b>	<b>100.0</b>	<b>513,724</b>	<b>100.0</b>
Bank debt	1,341	0.2	750	0.1
Trade account payables	74,361	13.6	68,891	13.4
Other liabilities	11,694	2.2	9,037	1.8
<b>Current liabilities (C)</b>	<b>87,396</b>	<b>16.0</b>	<b>78,678</b>	<b>15.3</b>
<b>Net working capital (D)=(A)-(C)</b>	<b>184,101</b>	<b>33.6</b>	<b>152,335</b>	<b>29.7</b>
Employee severance indemnity reserve	8,362	1.5	7,390	1.4
Reserves for risk and charges	1,949	0.4	330	0.1
Bank debt due beyond 12 months	13,659	2.5	14,250	2.8
<b>Medium/long term liabilities (E)</b>	<b>23,970</b>	<b>4.4</b>	<b>21,970</b>	<b>4.3</b>
<b>Total liabilities (F)=(C)+(E)</b>	<b>111,366</b>	<b>20.4</b>	<b>100,648</b>	<b>19.6</b>
Share capital	60,500	11.0	60,500	11.8
Reserves	341,988	62.5	321,696	62.6
Net income	33,509	6.1	30,880	6.0
<b>Shareholders' equity (G)</b>	<b>435,997</b>	<b>79.6</b>	<b>413,076</b>	<b>80.4</b>
<b>Total liabilities and equity (H)=(F)+(G)</b>	<b>547,363</b>	<b>100.0</b>	<b>513,724</b>	<b>100.0</b>

## Reclassified Cash Flow of Tod's SpA

<b>(Euro/000)</b>	<b>31.12.04</b>	<b>31.12.03</b>
<b>Profit (loss) for the period</b>	<b>33,509</b>	<b>30,880</b>
Amortisation, depreciation, revaluations and write-downs	19,079	19,036
Change in deferred tax liabilities/assets	2,230	649
Increase (reduction) in reserves for risk and charges and in Employee severance indemnity reserve	965	1,050
<b>Cash Flow (a)</b>	<b>55,783</b>	<b>51,615</b>
(Increase) reduction in current assets	(12,368)	(30,776)
Increase (reduction) in current liabilities	8,127	7,269
<b>Change in operating working capital (b)</b>	<b>(4,241)</b>	<b>(23,507)</b>
<b>Cash flow from operations (c)=(a)-(b)</b>	<b>51,542</b>	<b>28,108</b>
Net investments in fixed assets	(12,728)	(25,252)
Net investments in equity investments		(8,595)
Other changes in fixed assets	164	(13)
<b>Cash Flow generated (used) in investment activity (d)</b>	<b>(12,564)</b>	<b>(33,860)</b>
Changes in long term loans		
Short term instalments of long term loans	(591)	(750)
Dividends paid	(10,588)	(10,588)
<b>Cash Flow generated (used) in financing (e)</b>	<b>(11,179)</b>	<b>(11,338)</b>
<b>Cash Flow generated (used) (f)=(c)+(d)+(e)</b>	<b>27,799</b>	<b>(17,090)</b>
Cash and cash equivalents at the beginning of the period	31,566	48,656
Cash and cash equivalents at the end of the period	59,365	31,566
<b>Change in net current financial position</b>	<b>27,799</b>	<b>(17,090)</b>