Milan - March 30th, 2006

TOD'S S.p.A.: excellent results in the full year 2005 (Revenues: 19.5%, EBITDA: +27%, EBIT: +34%, net income: +39%).
2005 dividend: 1 Euro per share, more than doubled than in the previous year
The Board of Directors approved the draft of 2005 financial statements.

Group's revenues: 503 million Euros, increasing by 19.5% compared to 2004; EBITDA: 112.9 million, with a 27% growth versus 2004; EBIT: 90.1 million, growing by 34%; net income: 53.4 million, with a 39% 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 the draft of the Consolidated Financial Statements for the Group in 2005.

The consolidated financial statements for the Group have been prepared in compliance with the IAS/IFRS accounting principles; 2004 consolidated figures have been consequently restated and adjusted, in order to be fully comparable[1].

The parent company Tod's SpA will adopt the IAS/IFRS principles starting from 2006; its financial statements have been consequently drawn up in accordance with the Italian accounting principles.

The Group's turnover was 503.0 million Euros, growing by 19.5% as compared to 2004; at constant exchange rates revenues were 505.4 millions, with a 20.1% increase.

Breakdown of Consolidated Sales by Brand: strong growth for all the brands

million Euros	FY 2005	FY 2004	% change
Tod's	288.5	239.9	+20.3%
Hogan	126.1	102.3	+23.3%
Fay	77.1	68.7	+12.3%
Other	11.3	9.9	+13.4%
TOTAL	503.0	420.8	+19.5%

All the Group's brands reported strong increases in 2005 revenues. More in details, Tod's sales grew by 20.3% (21.1% at constant exchange rates), Hogan revenues increased by 23.3% (23.5% at constant exchange rates) and Fay sales grew by 12.3% (the revenues of this brand are entirely Euro denominated and, consequently, are not affected by currency fluctuations).

1 In compliance with the First time adoption provision, some of the new accounting principles (IFRS 2, IAS 32 and IAS 39) have been adopted starting from January 1st, 2005. In order to provide a complete comparison between 2004 and 2005 financial statements, 2005 figures have been calculated also adjusted to show the impact of these new principles.

As of December 31st, 2005, the three brands represented, respectively, 57.4%, 25.1% and 15.3% of the Group's turnover.

Other revenues include the revenues generated by brands produced by the Group pursuant to licensing and/or production agreements, for a total value of 11.3 millions, equal to 2.2% of consolidated sales.

Breakdown of Consolidated Sales by Product: strong growth for all the product categories, excellent figure for leather goods (+32%)

million Euros	FY 2005	FY 2004	% change
Shoes	314.7	268.2	+17.4%
Leather goods & accessories	111.9	84.7	+32.0%
Apparel	75.4	67.2	+12.2%
Other	1.0	0.7	+54.0%
TOTAL	503.0	420.8	+19.5%

All the Group's product categories posted outstanding results in 2005.

In particular, revenues from shoes, which represented 62.6% of consolidated turnover as of December 31st, 2005, increased by 17.4% (17.8% at constant exchange rates).

The revenues generated by leather goods and accessories grew by 32% (33.3% at constant exchange rates) in 2005, showing an acceleration of the growth in the last quarter of the year, thus confirming the increasing success enjoyed by the existing products and also benefiting from the continuous expansion in product categories, which are consistent with the brand philosophy. As of December 31st 2005, the aggregate revenues generated by leather goods and accessories represented 22.2% of consolidated turnover, strongly increasing in comparison with the 20.1% of the previous year, in line with the diversification strategy pursued by the Group.

Finally, apparel revenues grew by 12.2% in 2005 and represented 15% of consolidated sales as of December 31st , 2005.

Breakdown of Consolidated Sales by Region: double-digit growth in all the markets; Asia: +42%

million Euros	FY 2005	FY 2004	% change
Italy	241.4	204.5	+18.0%
Europe (excl. Italy)	134.3	116.7	+15.1%
North America	57.0	50.1	+13.7%
Asia and rest of world	70.3	49.5	+42.1%
TOTAL	503.0	420.8	+19.5%

In 2005 the Group posted double-digit growth of revenues in all the markets where it operates.

Sales increased by 18% in Italy and by 15.1% in the rest of Europe; the impact of currency fluctuations is not significant in this area, which globally represents two thirds of the Group's turnover.

The US market achieved outstanding results: sales grew by 13.7% in 2005, showing the expected acceleration in the last quarter of the year. The increase climbs to 15.7% at constant exchange rates.

Finally, the Asian markets confirmed in the full year 2005 the excellent results, already posted in the previous months, consistently with the Group's internationalization strategy, which is currently focused on this area. In 2005 revenues increased by 42.1% or by 44.7% at constant rates; as of December 31st, 2005, Asian markets represented 14% of the Group's turnover, up sharply from the 11.8% figure of the previous year.

Breakdown of Consolidated Sales by Distribution Channel: all the distribution channels are growing, strong acceleration of the organic growth

million Euros	FY 2005	FY 2004	% change
DOS	258.8	219.6	+17.9%
Franchised stores and Independent Retailers	244.2	201.2	+21.4%
TOTAL	503.0	420.8	+19.5%

In line with the already commented strategy of expansion into the Asian markets, the Group is continuing its strategy of store openings. In the year 2005 the Group opened 15 franchised stores in this area, 4 of which in China. Consistently with the mentioned strategy, revenues from sales to third parties globally increased by 21.4% (21.7% at constant exchange rates).

Also revenues generated by DOS posted outstanding results, growing by 17.9% (18.6% at constant rates) in the year 2005, mostly driven by the organic growth of sales in existing stores.
As of December 31st , 2005, revenues generated by the direct distribution channel represented 51.4% of the Group's turnover.

The Same Store Growth figure, calculated as the worldwide average of revenue growth rates reported by the DOS open as of January 1st, 2004, was 13.6% in the full year 2005. SSG remains double-digit also at the beginning of the current year, despite the wider and challenging comparison basis: the figure for the first 11 weeks of 2006 is 10.6%. We remind that in 2006 SSG will be calculated as the worldwide average of revenue growth rates reported by the DOS open as of January 1st, 2005.

As of December 31st, 2005 the Group's distribution network is composed by 105 DOS and 46 franchised stores. In the first quarter of 2006, the Group opened 6 stores.

Comments on the Profit & Loss key figures

In the full year 2005, the Group's EBITDA was 112.9 million, growing by 27% as compared to 2004. The margin on sales was 22.4%, with a strong improvement versus 2004 (21.1%). The fair comparison, made adopting the same accounting principles, shows a 210 basis points growth of EBITDA margin. In fact, EBITDA climbs to 117.1 million, with a 23.2% margin, if adjusted for the stock options costs and for the expenses due to the accounting of derivatives in compliance with IAS 32 and 39, both of them absent in 2004.

EBITDA grew faster than revenues, benefiting by the operating leverage. In particular, the comparison between the two years shows the significant reduction of the incidence on sales of the labour costs (14.8% in 2005 versus 16.1% in 2004), despite the on-going growth of the Group's headcount (2,176 employees as of December 31st, 2005 versus 2,082 of 2004 year-end).

The Group's EBIT was 90.1 million in 2005, increasing by 34.3% as compared to 2004, and with a 17.9% margin on sales, 200 basis points higher than the 2004 figure. This result benefited by the reduction of the incidence on sales of depreciation and amortisation:, which was 4.5% in 2005 versus 5.1% of the previous year.

Adjusted for the impact of the adoption of the new accounting principles, EBIT was 94.3 million, growing by 40.5% compared to the previous year and with a 18.7% margin on sales (versus 15.9% of 2004).

In 2005 the net balance of financial operations was positive and equal to 1.8 million, mainly related to the interest matured on the liquidity.

Profit before taxes was 91.9 million, growing by 37.3% compared to 2004; margin on sales was 18.3%, with a strong improvement as compared to 15.9% of 2004.

Income taxes were 38 million; the consolidated net income was 53.9 million, growing by 39% as compared to 2004. Tax rate was 41.4%, showing an improvement versus 2004 (42.1%), which is more evident, if calculated using the same accounting principles. Adjusted for the already mentioned effects, profit before taxes was 93.8 million, and tax rate decreases to 40.3% with a 180 basis points improvement versus 2004; in fact, the amount of income taxes is broadly the same.
Finally, net of minorities interests, the Group's net income was 53.4 million, with a 10.6% margin on sales, showing a significant growth versus 2004 (9.1%).

Comments on the Balance Sheet and Cash Flow key figures

The total investments made in 2005 amounted to 21.4 million, compared to 27.3 millions of 2004. They were mainly related to tangible fixed assets, for the refurbishment of the DOS network and for the normal updating of logistic and production structures. Among others, we remind the important refurbishments of the boutiques in Dusseldorf, Hong Kong Landmark, Geneva and the enlargement of the Tod's flagship store in New York.

In 2005 operating cash flow was 76.7 million, growing by approx. 13 million compared to the previous year, and totally financed the investment activities.

Operating working capital management was extremely positive; as of December 31st, 2005 the net balance[2] was 114.5 million, corresponding to 22.8% of turnover, showing a strong improvement versus 2004 (24%).

As of December 31st, 2005 net financial position is positive and equal to 97 million, almost doubled as compared to balance at the beginning of the year (51.9 million).

Consolidated shareholders' equity was 478.5 million, compared to 435.4 million as of December 31st, 2004.

Adoption of IAS/IFRS accounting principles

The 2005 consolidated financial statements have been prepared in compliance with *International Accounting Standards* (IAS), *International Financial Reporting Standards* (IFRS) and the interpretative documents issued by IFRIC. All these principles have been applied homogeneously also to the corresponding figures as of

2 Trade receivables + Inventory – Trade payables

December 31st, 2004. On the contrary, the effects of IAS 32 and 39 principles (accounting of derivatives) and of IFRS 2 principle (related to payments based on shares, such as Stock options plans) start from January 1st, 2005.

Please refer to the specific section in 2005 annual report, for further details on the transition from Italian GAAPs to the new principles and for the related economic effects.

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; in 2005 sales revenues were 399.6 million, growing by 16.4% as compared to 2004.

EBITDA was 86.7 million, with a 16.9% growth versus 2004 and a 21.7% margin on sales, aligned to the previous year.

EBIT was 67.5 million, with a 23.2% growth versus 2004 and a 16.9% margin, higher than in 2004 (15,9%).

Profit before taxes was 66.8 million.

Finally, net income was 38.6 million, with a 9.7% margin on sales; net income per share is Euro 1.276.

As of December 31st, 2005 the parent company's net financial position is positive and equal to 68.1 million, growing by 22.4 million as compared to the 2004 year-end.

During 2005, the parent company invested a total of 12.1 million in fixed assets (i.e.: tangible and intangible fixed assets and shareholdings).

Dividend proposal

Considering the significant liquidity of the Group as of December 31st, 2005 and the strong yearly cash generation, the Board approved also to propose the distribution of a unit dividend of Euro 1[3], more than doubled as compared to the previous year (Euro 0,42 per share). The clipping of the coupon nr. 6 is expected on May 22nd for the dividend payment on May 25th, 2006.

3 Gross of withholding tax, if due.

The corresponding pay-out is 78% calculated on the parent company's net income, much higher than in the previous year (38%).
This proposal will be submitted to the approval of the Annual General Meeting, taking place in the company's registered offices next April 28th, 2006 at 9.00 a.m. on first call (and on second call on May 5th, 2006 same place and time).

Diego Della Valle, President and Chief Executive Officer of Tod's Group, commented as follows: "The outstanding results released today confirm the effectiveness of the strategy in progress, which is fuelling a continuous growth of revenues and profits . On the back of the Group's sound Balance Sheet, we have significantly increased the dividend pay-out, more than doubling the remuneration for our shareholders, while preserving the growth potential of the business. As far as the current year is concerned, considering the positive signals from the store network and the strong success enjoyed by the winter collections, I'm confident that our Group will achieve a further significant growth of revenues and a more than proportional increase of margins."

Please note that all the 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

TOD'S GROUP

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

Figures in million Euros	**Full year 2005**	**Full year 2004**
Revenues	503.0	420.8
EBITDA	112.9	88.9
EBIT	90.1	67.1
Profit before taxes	91.9	66.9
Net income	53.9	38.8
Of which: Group's net income	*53.4*	*38.5*
minorities	*0.5*	*0.3*

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

Figures in million Euros	**December 31st, 2005**	**December 31st, 2004**
Operating net working capital (1)	114.5	101.1
Tangible and intangible fixed assets	279.7	281.0
Other assets/(liabilities), net	(12.7)	1.4
Total Invested Capital	381.5	383.5
Net financial position (positive)	(97.0)	(51.9)
Consolidated Shareholders' equity	478.5	435.4

(1) Trade receivables + Inventory – Trade payables

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

Figures in million Euros	**Full year 2005**	**Full year 2004**
Operating Cash Flow	76.7	63.8
Cash flow generated/(used) by investing activities	(21.4)	(26.2)
Cash Flow generated/(used) by financing activities	(14.6)	(13.0)
Free Cash Flow generated/(used)	40.7	24.6

PARENT COMPANY TOD'S SpA

Key figures of Profit & Loss (compliant with Italian GAAPs)

Figures in million Euros	**Full year 2005**	**Full year 2004**
Revenues	399.6	343.4
EBITDA	86.7	74.2
EBIT	67.5	54.8
Profit before taxes	66.8	57.2
Net income	38.6	33.5

Key figures of Balance Sheet (compliant with Italian GAAPs)

Figures in million Euros	**December 31st, 2005**	**December 31st, 2004**
Fixed assets	268.4	275.9
Other assets/(liabilities), net	125.4	114.4
Total Invested Capital	393.8	390.3
Net financial position (positive)	(68.1)	(45.7)
Consolidated Shareholders' equity	461.9	436.0

Key figures of Cash Flow (compliant with Italian GAAPs)

Figures in million Euros	**Full year 2005**	**Full year 2004**
Operating Cash Flow	46.5	51.5
Cash flow generated/(used) by investing activities	(11.3)	(12.6)
Cash Flow generated/(used) by financing activities	(13.9)	(11.2)
Free Cash Flow generated/(used)	21.3	27.8