

Milan - March 28th, 2002

TOD'S Group announces excellent financial results for the year 2001: almost doubled Net Result.

(Sales: +26.6%, EBITDA: +31.5%, EBIT: +39.9%, Net Result: +96.6%).

TOD'S – The Board of Directors of Tod's S.p.A., the Italian luxury goods Group, listed on the Milan Stock Exchange, and operating in luxury shoes, leather goods and apparel with the Tod's, Hogan and Fay brands, has approved today the Financial Statements for the year ending December 31st, 2001. Consolidated sales grew by 26.6%, compared to the previous year, net result for the Group boosted by 96.6%, reaching Euro 36.8 million, or 1.22 Euro per share.

Consolidated EBITDA grew to Euro 80.6 million, with a 25.3% margin on sales, and EBIT reached Euro 56.1 million, with a 17.6% margin on sales.

The Board of Directors also approved the distribution of a dividend of Euro 0.35 per share, almost three times higher than the previous year (Euro 0.13 per share) and payable from May 23rd, 2002. Such a proposal will be submitted to the approval of the next General Shareholders' Meeting, scheduled for next April 29th, at 9.00 a.m. at the registered offices (and. on second call, for May 6th, 2002, same place and time).

Diego Della Valle, Chairman and Chief Executive Officer of the Group, was extremely satisfied with the achieved results, which are fully in line with the objectives announced during the IPO, despite a deteriorated general environment: "2001 was a positive year for our Group, both in terms of sales growth, and of profitability; the achieved results confirm the strength of the strategy in progress. I believe that our Group obtained one of the best results in the luxury goods industry, comparatively speaking. Encouraged by the results of the first months of 2002, I'm still confident that our Group is showing the necessary requirements to pursue its growing path, also in the current year, notwithstanding a not entirely propitious economic environment and considering also that the current year is the most challenging in the process of development of DOS network, out of our three-year plan."

Tod's Group

Higher than the 26.6% growth of consolidated sales, EBITDA increased by 31.5%, compared to the previous year, reaching Euro 80.6 million. The improvement of almost 100 basis points of the margin on sales is a further confirmation of the growing trend of profitability, stemming from a better exploitation of operating leverage.

Even stronger is the increase of EBIT, almost 40% on the previous year, mainly due to a smaller impact, in percentage on sales, of trademarks amortisation (steady while sales increased).

Profit before taxes reached Euro 59.5 million, with a 53.2% growth on the previous year. Moreover, it should be pointed out the positive result deriving from financial operations (+ Euro 4.1 million of net financial income vs Euro 0.4 million of net charges in the previous year), which benefited by cash stemming from the IPO, in the first half of 2001.

Group Net Result, finally, achieved Euro 36.8 million, almost doubled if compared with the previous year: quite important was the benefit descending from DIT (an Italian fiscal facilitation related to capital increases), which helped in reducing the Group effective tax rate from 50.6% in 2000 to 37.3% in 2001.

During 2001 investments in intangible fixed assets amounted to Euro 29.6 million, mainly referable to the development of the distribution network: in 2001 DOS network increased by 12 new stores and franchising network grew by 11 stores.

Investments in tangible fixed assets, equal to Euro 8.7 million, are related to expenses incurred for the opening and refurbishment of stores and offices, in addition to purchase of plants, machineries and industrial equipment.

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

Net financial position of the Group as at December 31st, 2001 continues to be positive, equal to Euro 51.4 million; the deep decrease (Euro 161.5 million) vs 2000 is mainly due to the payment of the Euro 154.9 million debt for the acquisition of the Hogan and Fay trademarks.

Tod's SpA

The Board of Directors also approved the Financial Statements of the parent company, showing sales up to Euro 293 million (+28.5% compared with the previous year) and net result boosted up to Euro 37 million (+122.6% vs 2000).

EBITDA grew by 40.7%, up to Euro 75.1 million, with a 25.6% margin on sales, showing an improvement higher than 200 basis points on the previous year, due to a better exploitation of operating leverage.

EBIT reached Euro 56.1 million, with an almost 60% increase vs the previous year, mainly due to a smaller impact of trademarks amortisation, in percentage on sales, as already mentioned while commenting the consolidated results .

Profit before taxes rose by 72.9%, up to Euro 59.2 million; as already pointed out, significant was the positive contribution stemming from the financial operations (with Euro 4.3 million net financial income in 2000 vs Euro 0.4 million of net charges in the previous year), due to the cash deriving from the IPO, for the first half of the year.

Finally, net result was Euro 37 million, more than doubled compared to the previous year: it was strongly pushed by DIT benefit (related to the capital increases), which helped in reducing the effective tax rate levying on the parent company from 51.4% of 2000 to 37.4% of 2001.

During 2001, the parent company invested a total amount of Euro 8.3 million in tangible and intangible fixed assets, of which Euro 5.6 million are related to tangible fixed assets, and mostly due to the reformatting of logistic and industrial facilities.

Net financial position for the parent company as at December 31st, 2001, shows a positive balance of Euro 38.4 million; as already mentioned, the deep decrease in financial resources (Euro 162 million) includes the payment of the Euro 154.9 million debt for the acquisition of the Hogan and Fay trademarks.

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.

All references to 2000 Profit & Loss are made to pro-forma figures.