QUARTERLY REPORT
AT
30 JUNE 2002

CSP GROUP

CSP INTERNATIONAL INDUSTRIA CALZE S.p.A.
VIA PIUBEGA, 5C - 46040 CERESARA (MN) - ITALY
Tel. (0376) 8101 - Fax (0376) 87573

CORPORATE BODIES

Board of Directors

Chairman	Enzo	BERTONI (*)
Managing Director	Francesco	BERTONI (*)
Directors	Massimo	ARMANINI
	Maria Grazia	BERTONI
	Gianfranco	BOSSI
	Arturo	TEDOLDI

Board of Statutory Auditors

Chairman	Vanna	STRACCIARI
Auditors	Marco	MONTESANO
	Luca	SAVOIA
Alternate auditors	Paolo	BERTOCCO
	Luca	GASPARINI

(*) Notes on exercising power: powers of ordinary and extraordinary administration, except for thc reserved to the Board of Directors as per the law or by-laws, with single signature

DIRECTORS' REPORT ON GROUP OPERATIONS

In an extremely complex economic context that featured a general decline in consumption of all kinds of goods, fed by fears linked to the adoption of the new currency and the depression in financial markets which undoubtedly drained economic resources, in the first half of 2002 the CSP Group managed to boost sales by 5.8% compared with the same period of the previous year, improving the operating result which went from a loss of 0.96 million Euro to a profit of 3.57 million Euro.
This positive trend is mainly due to two factors related to the Group's development: diversification into lingerie and expansion on foreign markets The significant improvement in operating profit is principally attributable to a lower proportion of advertising expenditure, which has been switched to the second, with a television campaign for Belseno Lepel and press campaigns for Sanpellegrino Metropolis (socks) and Sanpellegrino Comodo (seamless underwear); the impact of this advertising strategy will be a lot more substantial in the second half of the year.

Group performance

Summary statement of income

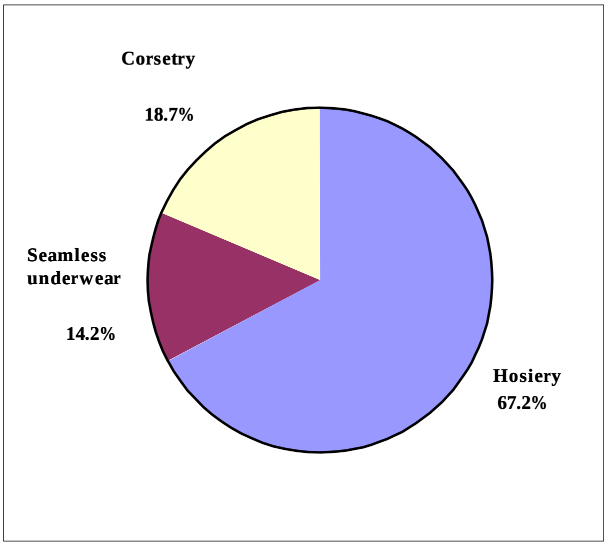
(in millions of Euro)	Quarter 01/04 - 30/06 2002		Quarter 01/04 - 30/06 2001		Period at 30 June 2002		Period at 30 June 2001		30 December 2001	
	Amount	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
Net sales	29.24	*100.0%*	28.10	*100.0%*	75.35	*100.0%*	71.22	*100.0%*	163.33	*100.0%*
Cost of Sales	18.94	*64.8%*	18.46	*65.7%*	46.92	*62.3%*	44.50	*62.5%*	101.63	*62.2%*
Gross profit	**10.30**	***35.2%***	**9.64**	***34.3%***	**28.43**	***37.7%***	**26.72**	***37.5%***	**61.70**	***37.8%***
Selling, general and administrative costs	12.55	*42.9%*	11.47	*40.8%*	24.86	*33.0%*	27.68	*38.9%*	53.43	*32.7%*
Operating profit	**(2.25)**	***-7.7%***	**(1.83)**	***-6.5%***	**3.57**	***4.7%***	**(0.96)**	***-1.3%***	**8.27**	***5.1%***
Financial expenses, net	(1.00)	*3.4%*	0.83	*3.0%*	1.98	*2.6%*	1.83	*2.6%*	4.22	*2.6%*
Other charges, net	(0.17)	*-0.6%*	0.07	*0.2%*	(0.16)	*-0.2%*	0.77	*1.1%*	2.02	*1.2%*
Non-recurring charges, net	0.07	*0.2%*	0.02	*0.1%*	0.70	*0.9%*	0.04	*0.1%*	0.00	*0.0%*
Profit (loss) before taxes	**(3.15)**	***-10.8%***	**(2.75)**	***-9.8%***	**1.05**	***1.4%***	**(3.60)**	***-5.1%***	**2.03**	***1.2%***
Income taxes	(*)	*(*)*	(*)	*(*)*	(*)	*(*)*	(*)	*(*)*	(2.25)	*-1.4%*
Net profit (loss) for the period	**(3.15)**	***-10.8%***	**(2.75)**	***-9.8%***	**1.05**	***1.4%***	**(3.60)**	***-5.1%***	**(0.22)**	***-0.1%***
Minority interests	(0.01)	*0.0%*	0.36	*1.3%*	(0.12)	*-0.2%*	(0.19)	*-0.3%*	(0.21)	*-0.1%*
Net profit (loss) for the period attributable to the Group	**(3.16)**	***-10.8%***	**(2.39)**	***-8.5%***	**0.93**	***1.2%***	**(3.79)**	***-5.3%***	**(0.43)**	***-0.3%***

(*) figures as of 30 June do not include income taxes

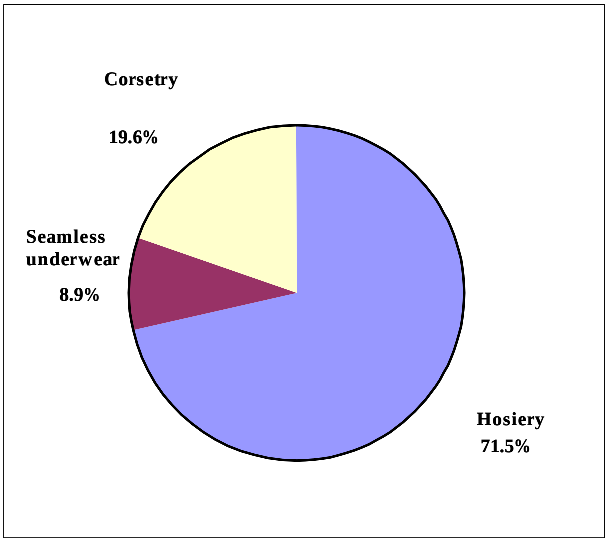
Net sales - net sales in the second quarter of 2002 passed from 28.10 million Euro to 29.24 million Euro for an increase of 4.1% on the corresponding period last year.
Net sales in the whole of the first half went from 71.22 million Euro to 75.35 million Euro, up 5.8%; This increase in sales is mainly due to growth in the seamless lingerie market, up from 6.5 million Euro to 10.7 million Euro (+65%).

The following graphs show the breakdown of sales by product sector, brand and geographical area for the half-year under review compared with those of the same period last year:

Products: % of sales at 30.06.2002

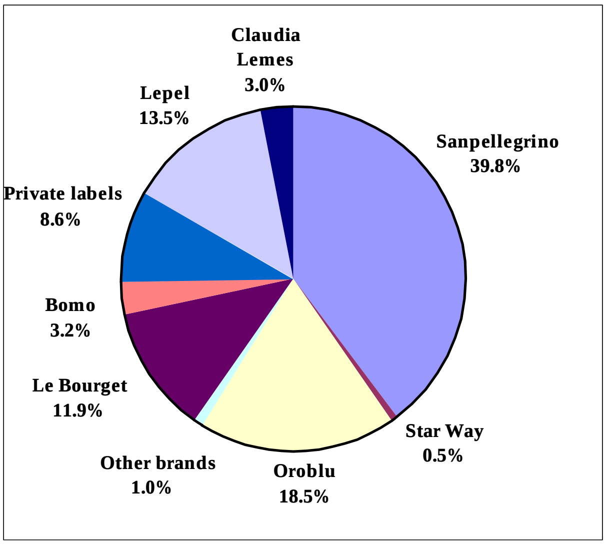


Products: % of sales at 30.06.2001

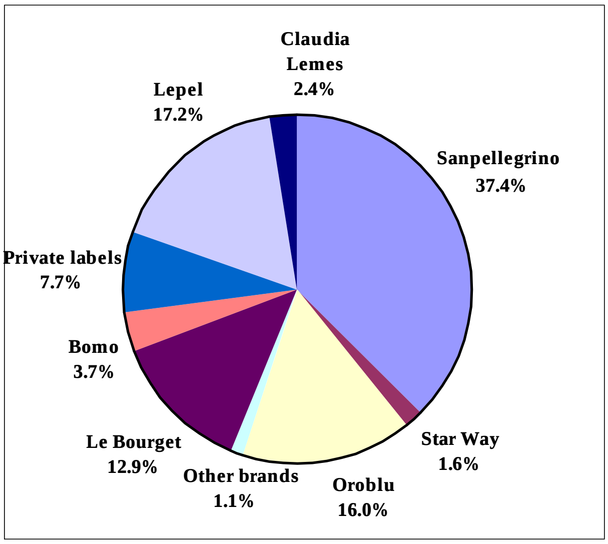


Hosiery and corsetry, stable in terms of total sales, are down in proportion due to the increase in seamless underwear.
Corsetry/seamless underwear together represent 32.9% of total turnover, compared with 28.5% in the first half of 2001.

Brands: % of sales at 30.06.2002

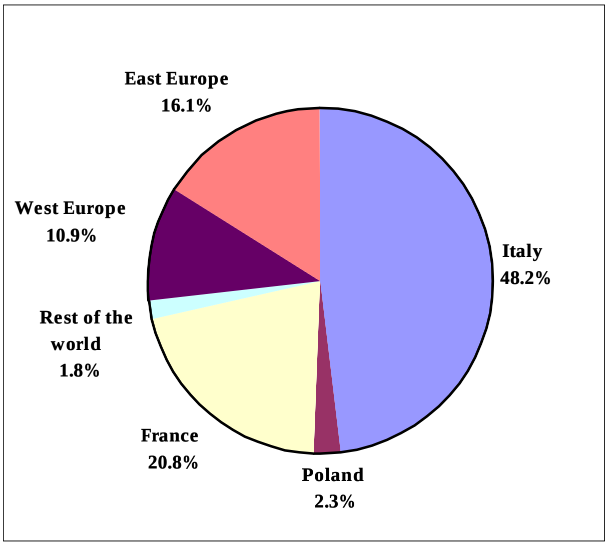


Brands: % of sales at 30.06.2001

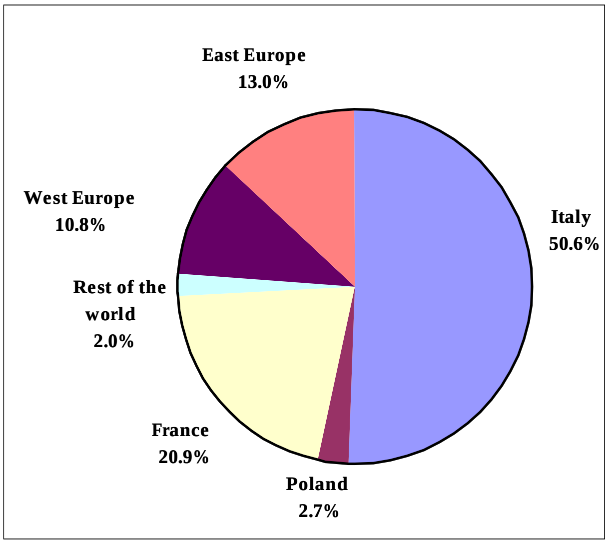


This excellent performance by seamless underwear contributed to the growth in sales of both the Sanpellegrino and Oroblù brands, the two that benefit most from it. Note that the decline in Star Way is due to the fact that this brand has been discontinued.

Areas: % of sales at 30.06.2002



Areas: % of sales at 30.06.2001



It is worth mentioning that in absolute terms, the 30.8% increase in total sales in Eastern European (2.8 million Euro) was mostly achieved by the Sanpellegrino brand.

Cost of sales - cost of sales in the first half of 2002 was 46.92 million Euro, 62.3% of net sales, compared with 62.5% in 1st half 2001.

Gross profit – the gross profit margin for the second quarter was 35.2% compared with 34.3% in the corresponding period of the previous year. The gross profit margin for the whole of the first half was 37.7%, compared with 37.5 % in the corresponding period last year. Note that the higher profit margins deriving from the growth in sales of *seamless* products was partly absorbed by expenses involved in brand rationalisation.

Selling, general and administrative costs – selling, general and administrative costs, amounting to 24.86 million Euro, represented 33.0% of net sales compared with 38.9% for the first half of 2001.
The decrease was caused essentially by lower advertising expenditure, due to scheduling changes in the campaigns planned for the Group's trademarks. In any case, advertising expenditure for the full year should be in line with previous years.

Operating profit – the operating profit in the first half of 2002 reached 3.57 million Euro, 4.7% of net sales, compared with an operating loss of 0.96 million Euro in the corresponding six months of the previous year. The improvement owes mostly to the reduction in selling, general and administrative costs mentioned above.

Financial charges, net- Net financial charges in the first half of 2002 amounted to 1.98 million Euro, compared with 1.83 million Euro in the same period a year ago. While the average level of debt for the period was higher, financial charges remained more or less stable thanks to the favourable trend in interest rates.

Other net income and charges – During the first half of 2002, this item shows net income of 0.16 million Euro; in the first quarter of 2001, on the other hand, the caption mainly contained charges relating to the writedown of own shares in portfolio to market value.

Non-recurring charges – non-recurring charges of 0.70 million Euro refer to the reorganisation currently underway at the Le Bourget Group: in particular, on 2 July 2002 the operating companies SOGED and BUC were merged with Le Bourget S.A. This transaction will allow significant organisational, managerial and logistics advantages, resulting in reduced purchases and improved services.

Income taxes – the quarterly financial statements do not include any provision for income taxes, as permitted by CONSOB regulations applicable in the circumstances.

Summary balance sheet

The following table gives a summarized version of the reclassified consolidated balance sheet:

(in millions of Euro)	**30 June 2002**	**31 March 2002**	**31 December 2001**	**30 June 2001**
Current assets	117.97	120.87	125.01	116.73
Current liabilities	(49.78)	(44.80)	(47.26)	(52.90)
Net working capital	**68.19**	**76.07**	**77.75**	**63.83**
Equity investments (including own shares)	6.58	6.54	6.1	5.78
Tangible and intangible fixed assets	66.29	67.95	69.31	73.59
Capital employed	**141.06**	**150.56**	**153.16**	**143.2**
Other medium/long-term liabilities	(10.42)	(10.37)	(10.38)	(9.49)
Net capital employed	**130.64**	**140.19**	**142.78**	**133.71**
Net debt	69.53	74.45	81.17	74.35
Shareholders' equity attributable to minority interests	1.56	1.73	1.65	1.52
Net equity	59.55	64.01	59.96	57.84
Total	**130.64**	**140.19**	**142.78**	**133.71**

Working capital - net working capital at 30 June 2002 amounts to 68.19 million Euro versus 77.75 million Euro at 31 December 2001, showing a decrease of 9.56 million Euro. This decrease, in line with the seasonal nature of the business, is due to the combined effect of a reduction in trade receivables, thanks to shorter collection terms from Eastern European customers, and higher inventories.

Capital employed - capital employed passes from 153.16 million Euro 2001 to 141.06 million Euro, with a decline of 12.1 million Euro.

Net debt - as shown in the following table, net debt fell by 11.64 million Euro compared with 31 December 2001 as a logical consequence of the seasonal trend in sales and a lower level of capital expenditure.
The net financial position is made up as follows:

(in millions of Euro)	**30 June 2002**	**31 March 2002**	**31 December 2001**	**30 June 2001**
Short-term bank borrowings	41.70	43.92	46.36	43.25
Current portion of medium/long-term debt	13.70	12.50	16.89	19.71
Cash and banks	(3.14)	(3.85)	(5.44)	(1.28)
Net short-term borrowings	**52.26**	**52.57**	**57.81**	**61.68**
Medium/long-term lending, net of the current portion	17.27	21.88	23.36	12.67
Net debt	**69.53**	**74.45**	**81.17**	**74.35**

Group performance company by company

Parent Company

During the first half of 2002 the Parent Company's sales revenues, net of intercompany sales, increased by 9.8%, from 38.92 million Euro to 42.71 million Euro; these positive results are due to the 50.5% growth in seamless underwear sales (from 6.49 million Euro to 9.77 million Euro), to the increase in export sales of the Sanpellegrino brand on the domestic market and of the Oroblù brand on both the domestic and overseas market. As regards market share, the Sanpellegrino brand confirms last year's level on the domestic market, with its 8.7% share in terms of volume and 10.4% in terms of value.

Operating profit passed from 1.57 million Euro to 5.98 million Euro, which is 11.7% of net sales; this significant improvement is principally due to the different timing of advertising expenditure, which this year will be more concentrated in the second half compared with last year, as well as the improvement in gross profit, going from 31.1% to 32.8%.

Inventories have increased with respect to the same period in 2001 to satisfy the sales volumes expected in the second half. The benefits of brand rationalisation that involved closing Star Way and Sanpellegrino Elite at the end of period under review are still to be felt. The positive sales expectations mentioned above are confirmed by an order backlog which is up on 2001, helped by the new momentum given to the Italian wholesale channel.

At the beginning of June, the Company signed an important agreement with the Armando Testa advertising agency, leader in the communication market. The aim is to give our brands a significant contribution from a strategic point of view, especially in terms of communication and its consistency with the brand's market positioning.

Another key moment during the last quarter was the adoption of a new SAP-based IT system which is still in its initial stages. This project will absorb everyone in the company over the coming months, but thanks to the integration of information and operating flows, it will enable us to make a quantum leap in terms of business control, operational efficiency and our ability to respond to market needs: all in all, it is a step that has to be taken on the road to growth.
At the same time, the entire hardware infrastructure has undergone a radical modernisation to bring it into line with future requirements: the most recent IBM solutions have been chosen for this area.

A significant and qualifying step forward in our relationship with large-scale distribution channel, which are becoming increasingly important for the Parent Company's products, was becoming a member of Centromarca, an association of important brand product manufacturers which, among other things, aims to create a more balanced and professional relationship between industry and distribution, also through cooperation projects, both nationally and internationally, designed to improve relationships with the consumer.

We have continued with our policy of keeping personnel as low as possible: thanks to further automation of production processes, the number of employees at the end of June came to 625 compared with 648 at the end of June 2001, a reduction of 3.5%.

Le Bourget Group

Sales revenues of the Le Bourget Group during first half of 2002, net of intercompany sales, passed from 16.09 million Euro to 16.68 million Euro, with a rise of 3.7%, mainly thanks to supplies of private label goods to French large-scale distribution channel.

The operating loss went from 1.45 million Euro to 2.48 million Euro, a deterioration that was caused mainly by lower profit margins on the private labels sales, as well as the costs involved in changing the packaging of the Le Bourget collection sold to large-scale distribution and replacing the Bomo collection with the new Le Bourget Bomo collection. This reorganisation of collections, which involved handling and repackaging costs for returns, will ensure positive results in terms of sales of the whole Autumn/Winter collection. The production of the new collections is also the main reason for the increase in inventories, considering above all the strict delivery terms of the "*entrée de saison*" at large-scale distribution.

SOGED and BUC's merger with Le Bourget became fully operative from 2 July 2002. This meant that from that date the marketing offices in Marseilles were transferred and centralised at Fresnoy-le-Grand, where Le Bourget's administration and production are located. This will result in future benefits from an organisational and cost saving point of view. Talking of Fresnoy-le-Grand, the modernisation and reorganisation work on the shipping warehouses has now been finished, making it possible to concentrate logistics in one place with a higher daily shipping capacity which helps us provide a better service to customers.

Lepel

Sales revenues in the first half of 2002, net of intercompany sales, amounts to 13.71 million Euro, substantially stable with respect to the same period last year. Operating profit went from 0.29 million Euro to 1.07 million Euro essentially due to lower advertising expenditure in the first part of the year. Since the end of May, Lepel has started advertising again with a new spot for Belseno, heavily product oriented and further enhanced by Natalia Estrada as testimonial.
These investments in first half 2002 put Lepel in first place in the lingerie/corsetry sector (with a share of 12.5%) and third place in hosiery/lingerie: this demonstrates the vigour with which the Company wants to achieve its growth targets.

The order backlog is well up on 2001, thanks to the introduction of new product lines and the preparation of a private label line for a leading large-scale distribution chain (for which the first order of a series was shipped in July): the level of visibility that derives from this suggests that sales will rise over the whole year.

Sanpellegrino Polska

Sanpellegrino Polska has total sales, net of intercompany sales, that are substantially stable compared with the same period of 2001, with an operating result that has grown considerably thanks to the economies of scale achieved by manufacturing on behalf of the Group.
Five new Oroblù outlets have been opened, the objective being to open 15 by the end of the year, mainly located in shopping centres.

Prospects

All of the investments planned to sustain the development of the Group's brands, both in Italy and abroad, are confirmed. This will entail advertising campaigns in the press and on television for all of our more important labels during the second half of the year.
Inventories are expected to fall in the second half, partly because of the increase in sales given the seasonal nature of our markets (tights in particular), and partly because of the measures introduced at the plants to reduce the level of production for stock, which will already take effect from the third quarter.

Ceresara, 7 August 2002

Chairman of the Board of Directors

Attachments

1. Reclassified statement of income
2. Reclassified balance sheet

Reclassified Consolidated Statement of Income

(figures in thousands of Euro)

	Quarter 01/04 - 30/06 2002 CONSOLIDATED	Quarter 01/04 - 30/06 2001 CONSOLIDATED	Period at 30 June 2002 CONSOLIDATED	Period at 30 June 2001 CONSOLIDATED	31 Dicember 2001 CONSOLIDATED
Net sales	29,061	27,837	74,990	70,762	162,524
Income from royalties	178	263	363	459	807
NET REVENUES	**29,239**	**28,100**	**75,353**	**71,221**	**163,331**
COST OF SALES					
Purchases	18,166	16,021	31,543	29,598	59,779
Labour cost	5,337	5,409	10,491	10,714	20,662
Services	3,759	3,401	7,620	6,626	13,863
Depreciation and amortisation	1,869	1,787	3,777	3,774	7,519
Other costs	1,947	1,559	4,006	3,763	7,555
(Increase) decrease in inventories	(12,141)	(9,719)	(10,513)	(9,973)	(7,753)
	18,937	**18,458**	**46,924**	**44,502**	**101,625**
GROSS PROFIT	**10,302**	**9,642**	**28,429**	**26,719**	**61,706**
SELLING, GENERAL AND ADMINISTRATIVE COSTS					
Labour cost	3,706	3,388	7,591	7,312	14,176
Advertising expenses	3,682	3,222	6,366	9,724	17,580
Commissions	694	625	1,505	1,566	3,147
Depreciation and amortisation	1,165	1,042	2,325	2,105	4,534
Other expenses	3,303	3,198	7,072	6,969	13,997
	12,550	**11,475**	**24,859**	**27,676**	**53,434**
OPERATING PROFIT	**(2,248)**	**(1,833)**	**3,570**	**(957)**	**8,272**
Financial charges (income), net	996	830	1,978	1,830	4,223
Writedown (writeup) of investments	0	(41)	0	(41)	0
Other (income) and charges	(167)	111	(155)	815	2,014
	829	**900**	**1,823**	**2,604**	**6,237**
PROFIT (LOSS) BEFORE INCOME TAXES AND EXTRAORDINARY ITEMS	**(3,077)**	**(2,733)**	**1,747**	**(3,561)**	**2,035**
Extraordinary charges and (income)	77	15	695	39	4
PROFIT (LOSS) BEFORE INCOME TAXES	**(3,154)**	**(2,748)**	**1,052**	**(3,600)**	**2,031**
Income taxes (*)	0	0	0	0	(2,248)
NET PROFIT (LOSS) FOR THE PERIOD	**(3,154)**	**(2,748)**	**1,052**	**(3,600)**	**(217)**
Minority interests	(5)	364	(125)	(191)	(209)
NET PROFIT (LOSS) FOR THE GROUP	**(3,159)**	**(2,384)**	**927**	**(3,791)**	**(426)**

(*) the figures at 30 June do not include income taxes.

Reclassified Consolidated Balance Sheet - Assets

(figures in thousands of Euro)

	30 June 2002 CONSOLIDATED	31 March 2002 CONSOLIDATED	31 December 2001 CONSOLIDATED	30 June 2001 CONSOLIDATED
CURRENT ASSETS				
Cash and banks	3,139	3,853	5,435	1,277
Trade receivables	46,190	62,790	65,857	51,564
Trade receivables due from subsidiary and associated companies	235	235	235	235
Other receivables	6,563	4,153	4,292	7,019
Inventories	64,486	53,088	54,266	56,484
Accrued income and prepaid expenses	492	609	359	1,431
Own shares	6,007	5,907	5,379	5,128
TOTAL CURRENT ASSETS	**127,112**	**130,635**	**135,823**	**123,138**
FIXED ASSETS				
Financial fixed assets:				
Financial receivables	459	526	602	544
Equity investments	110	109	110	110
Total financial fixed assets	**569**	**635**	**712**	**654**
Tangible fixed assets	47,735	48,920	49,601	52,351
Intangible fixed assets	18,558	19,027	19,715	21,242
TOTAL FIXED ASSETS	**66,862**	**68,582**	**70,028**	**74,247**
TOTAL ASSETS	**193,974**	**199,217**	**205,851**	**197,385**

Reclassified Consolidated Balance Sheet - Liabilities and shareholders' equity

(figures in thousands of Euro)

	30 June 2002 CONSOLIDATED	31 March 2002 CONSOLIDATED	31 December 2001 CONSOLIDATED	30 June 2001 CONSOLIDATED
CURRENT LIABILITIES				
Short-term bank borrowings	41,698	43,923	46,358	43,252
Current portion of medium / long term debt	13,703	12,497	16,885	19,706
Trade payables due to third parties	40,373	34,802	38,935	40,596
Trade payables due to subsidiary / associated companies	6	6	6	6
Taxes payable	1,749	2,372	2,407	4,552
Other payables	7,392	6,904	5,286	7,520
Accrued liabilities and deferred income	257	720	626	229
TOTAL CURRENT LIABILITIES	**105,178**	**101,224**	**110,503**	**115,861**
MEDIUM/LONG-TERM LIABILITIES				
Medium / long-term debt, net of the current portion	17,271	21,883	23,357	12,672
Bills payable	0	0	0	0
Severance indemnities	6,416	6,342	6,200	5,796
Other provisions	4,007	4,033	4,183	3,696
TOTAL MEDIUM/LONG-TERM LIABILITIES	**27,694**	**32,258**	**33,740**	**22,164**
TOTAL LIABILITIES	**132,872**	**133,482**	**144,243**	**138,025**
MINORITY INTERESTS IN CAPITAL AND RESERVES	1,555	1,727	1,647	1,523
SHAREHOLDERS' EQUITY				
Share capital	12,740	12,740	12,740	12,740
Legal reserve	1,365	1,365	1,365	1,365
Share premium reserve	18,076	18,076	18,076	18,076
Other reserves	26,439	27,741	28,206	29,447
Net profit (loss) for the period (*)	927	4,086	(426)	(3,791)
TOTAL SHAREHOLDERS' EQUITY	**59,547**	**64,008**	**59,961**	**57,837**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**193,974**	**199,217**	**205,851**	**197,385**

(*) the figures at 30 June and at 31 March do not include income taxes.

NOTES TO THE QUARTERLY FINANCIAL STATEMENTS

Content and bases of the financial statements

These notes refer to the results of the second quarter of 2002 and the first half of 2002. They have been prepared in accordance with current legislation, with comparative figures for the corresponding period of the previous year as well as for the whole of 2001.

The accounting and consolidation policies used in preparing these financial statements have been applied consistently with the previous year's consolidated financial sheets as of 31 December 2001, except for the following difference:

INCOME TAXES: no provisions have been made against the income taxes of the individual consolidated companies or against deferred tax assets and liabilities pertaining to the period under review, as permitted by CONSOB regulations for the preparation of interim financial statements, which we deemed applicable to this document as well.

These amounts will be determined upon preparation of the financial statements as at 31 December 2002.
This method guarantees consistency in the figures with the consolidated annual report for the previous year, taking into account the above difference in accounting treatment.

Scope of consolidation

The scope of consolidation as of 30 June 2002, unchanged with respect to the financial statements as of 31 December 2001, is made up as follows:

Name	Address	Controlling interest %
CSP International Industria Calze Spa	Via Piubega, 5/c 46040 Ceresara (MN), Italy	Parent Company
E.D.I. S.A.	Rue J.P. Saltiel 02230- Fresnoy Le Grand, France	100%
Le Bourget S.A. (1)	Rue J.P. Saltiel 02230- Fresnoy Le Grand, France	99.996%
S.A.R.L. BUC (*) (2)	Rue J.P. Saltiel 02230- Fresnoy Le Grand, France	95%
SOGED S.A. (*) (2)	Techniparc de la Bastidonne Lot 7 quartier de l'aunome vieille 13400 Aubagne, France	99.87%
Le Bourget Benelux (2)	Rue Reigersvliet 1040 Brussels, Belgium	70.56%
BO.MO. Srl (3)	Via San Martino 8/12 Fraz. Borgo Poncarale 25020 Poncarale (BS), Italy	60%
Lepel Srl	Via Nuova Ponente, 25/b 41012 Carpi (MO), Italy	100%
Sanpellegrino Polska Sp.z.o.o.	Ul. Lodska, 27 95-050 Konstantynow (Lodz), Poland	50%

(1) Owned by E.D.I. S.A.
(2) Owned by Le Bourget S.A.

(3) Owned by SOGED S.A. (and by Le Bourget S.A. from 02.07.2002)
(*) Company absorbed by Le Bourget S.A. from 02.07.2002