QUARTERLY REPORT

AT

30 JUNE 2004

CSP GROUP

CSP INTERNATIONAL INDUSTRIA CALZE S.p.A.
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CORPORATE BODIES

Board of Directors

Chairman and Managing Director	Francesco	BERTONI (*)
Managing Director	Enzo	BERTONI (*)
Managing Director	Maria Grazia	BERTONI (**)
Managing Director	Carlo	BERTONI (**)
Managing Director	Gianfranco	BOSSI
Directors	Arturo	TEDOLDI
	Renato	ROSSI
	Luigi	BELLAVITA

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

DIRECTORS' REPORT ON GROUP OPERATIONS

The result for the first half of 2004 was a pre-tax loss of Euro 0.9 million. The losses have significantly reduced compared to the loss of Euro 7.4 million recorded in the first six months of 2003.

The losses in the first six months of 2004 were entirely recorded in the second quarter, which recorded a loss of Euro 2.4 million in the quarter compared to a loss of Euro 5.9 million in the previous year. As the second half of the year is traditionally negative due to seasonal factors, the result is in line with the business plan that provides for a pre-tax break-even for the current year.

Salient results in the half year

A summary of the results for the first half of 2004, expressed in value and percentage terms on sales and compared to the same period in the previous year is shown below:

- the net consolidated sales amounted to Euro 60.4 million compared to Euro 65.0 million in the same period in the previous year, a decrease of 7.1% (the decrease in the second quarter was contained to 1.6%);
- the gross margin (difference between net revenues and cost of sales) increased from Euro 21.6 million to Euro 22.5 million in absolute terms and approximately 4 percentage points, from 33.3% to 37.2%;
- the EBITDA doubled in both absolute and percentage terms: increasing from Euro 1.9 million to Euro 4.3 million and from 2.9% to 7.2%;
- the pre-tax result was a loss of Euro 0.9 million, compared to a loss of Euro 7.4 million in the first half of 2003. In percentage terms the loss decreased from -11.5% to -1.4%.

Progress in the Three-Year Business Plan

During the first half of 2004, as for the second part of 2003, there were some positive signs of recovery, in line with the objectives of the business plan.

The most significant results are shown in the table below.

AREA	RESULTS 1H 2004 VS. 1H 2003
Inventory	Reduction of Euro 1.1 million
Working Capital	Reduction of Euro 8.5 million
Debt	Reduction of Euro 13.0 million
Financial charges	Reduction of Euro 0.8 million
Cost of labour	Reduction of Euro 0.5 million

Further significant results are as follows.

A. Diversification: diversified products, that in the first half of the previous year accounted for 38.5% of sales, in the first half of the current year reached 39.1%.

B. The innovative products, which provide an improvement in margins, have reached the following values (the data refers only to the brands Sanpellegrino and Oroblù):
   - in quantity: 10.9%
   - in value: 26.0%

   This data indicates that a significant quota of the business derives from new products in the period 2003/2004, with prices two and a half times higher than the average. They relate to products with innovative characteristics, on which there is greater pricing freedom, as they are not directly comparable with competitor products.

C. Personnel: the employee numbers of the Parent Company reduced from 730 units (June 2003) to 702 units (June 2004), a reduction of 28 units.

D. The gross margin:
   - increased by approximately 4 percentage points in the first six months, from 33.3% to 37.2%;
   - increased by over 7 percentage points in the second quarter, from 28.9% to 36.4%;

- increased by approximately 5 percentage points compared to the previous year from 32.3% for the year 2003 to 37.2% in the first half of 2004.

Group performance

Summary statement of income

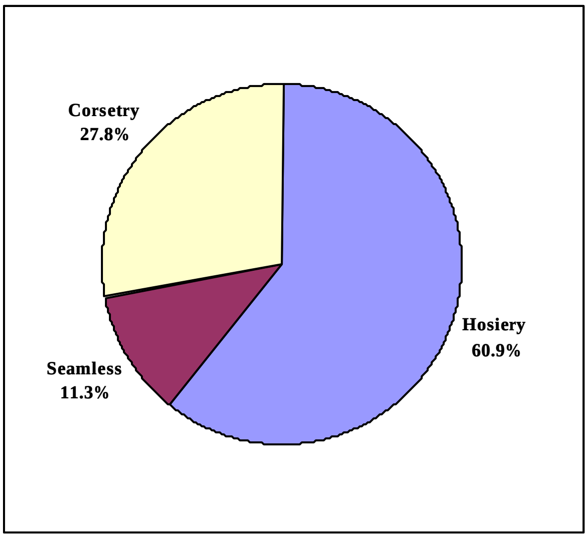
(in millions of Euro)	Quarter 01/04 - 30/06 2004		Quarter 01/04 - 30/06 2003		Period at 30 June 2004		Period at 30 June 2003		31 December 2003	
	value	***%***	**value**	***%***	**value**	***%***	**value**	***%***	**value**	***%***
Net sales	23.79	*100.0%*	24.17	*100.0%*	60.37	*100.0%*	64.99	*100.0%*	142.38	*100.0%*
Cost of Sales	15.13	*63.6%*	17.19	*71.1%*	37.92	*62.8%*	43.36	*66.7%*	96.36	*67.7%*
Gross profit	**8.66**	***36.4%***	**6.98**	***28.9%***	**22.45**	***37.2%***	**21.63**	*33.3%*	**46.02**	***32.3%***
Selling, general and administrative costs	10.53	*44.3%*	11.43	*47.3%*	23.53	*39.0%*	25.34	*39.0%*	50.47	*35.4%*
Operating profit	**(1.87)**	***-7.9%***	**(4.45)**	***-18.4%***	**(1.08)**	***-1.8%***	**(3.71)**	*-5.7%*	**(4.45)**	***-3.1%***
Net financial charges	0.47	*2.0%*	0.89	*3.7%*	1.14	*1.9%*	1.90	*2.9%*	3.26	*2.3%*
Net other (income) and charges	0.06	*0.2%*	(0.55)	*-2.3%*	0.04	*0.1%*	0.69	*1.1%*	(0.13)	*0.0%*
Extraordinary charges and (income)	0.00	*0.0%*	1.15	*4.8%*	(1.40)	*-2.3%*	1.14	*1.8%*	1.19	*0.8%*
Profit (loss) before taxes	**(2.40)**	***-10.1%***	**(5.94)**	***-24.6%***	**(0.86)**	***-1.4%***	**(7.44)**	*-11.5%*	**(8.77)**	***-6.2%***
Income taxes	(*)	*(*)*	(*)	*(*)*	(*)	*(*)*	(*)	*(*)*	(1.52)	*-1.1%*
Net profit (loss) for the period	**(2.40)**	***-10.1%***	**(5.94)**	***-24.6%***	**(0.86)**	***-1.4%***	**(7.44)**	*-11.5%*	**(10.29)**	***-7.3%***
Minority interests	0.00	*0.0%*	0.03	*0.1%*	(0.03)	*0.1%*	0.05	*0.1%*	0.36	*0.3%*
Net profit (loss) for the Group	**(2.40)**	***-10.1%***	**(5.91)**	***-24.5%***	**(0.89)**	***-1.5%***	**(7.39)**	*-11.4%*	**(9.93)**	***-7.0%***

(*) the quarterly results and as at June 30 are pre-tax

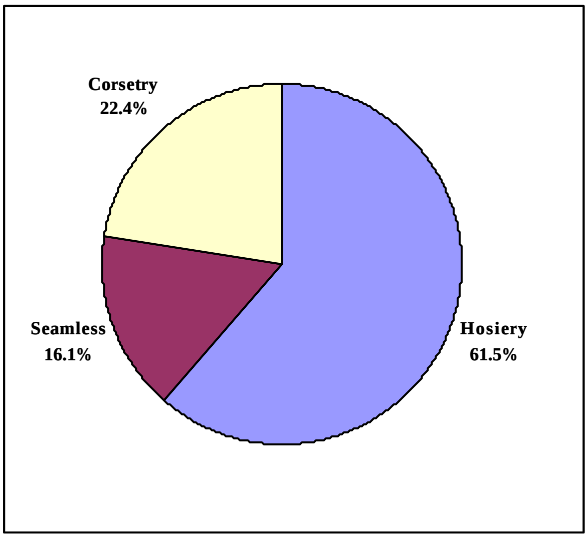
Net sales – Net sales in the second quarter of 2004 decreased from Euro 24.2 million to Euro 23.8 million with a decrease of 1.6% compared to the same period in the previous year, while for the full period sales decreased from Euro 65.0 million to Euro 60.4 million, a decrease of 7.1%. The result for the first half year was influenced by the continuing decrease in consumption especially in the hosiery market and operating problems in the first months of the year following the commencement of the new IT system. The revenues in the second quarter are substantially in line with the same period in the previous year due to the increases in corsetry and hosiery against a reduction in seamless.

The following graphs show the breakdown of sales by product sector, brand and geographical area for the period under review compared with those of the same period of 2003:

PRODUCTS: % of sales at 30.06.04

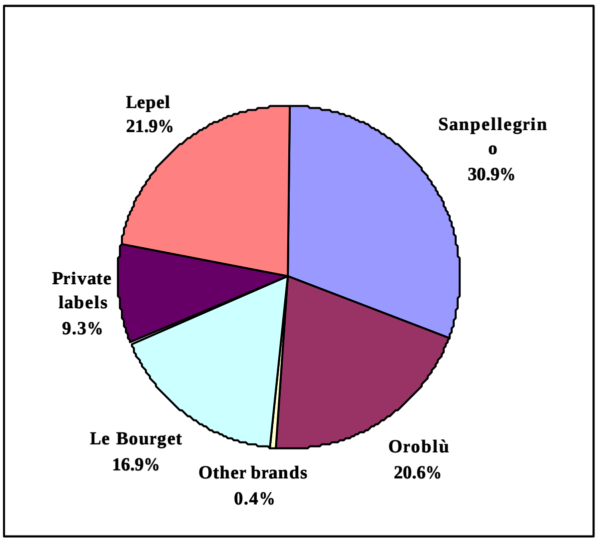


PRODUCTS: % of sales at 30.06.03

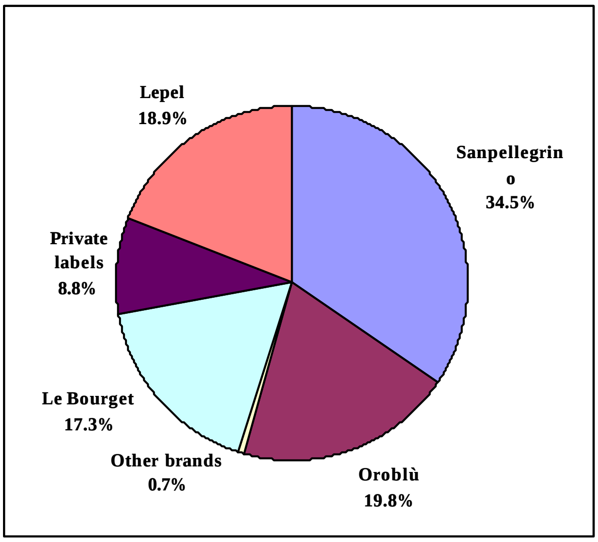


In the first six months of 2004 sales of hosiery declined by 8.0% compared to the same period in the previous year, following the chronic recessionary trend for these products. It should be noted that this decrease slowed down compared to the first half of 2003 (-21%) and the full year 2003 (-16.8%).
Corsetry recorded an increase of 15.1% in the first half of the year due to the introduction of new product lines added to the traditional Lepel articles.
In relation to seamless, sales decreased from Euro 10.5 million to Euro 6.8 million (-34.7%), principally due to the saturation of the market and reduced promotional activity of products in the wholesale channel.
As a result of the above factors the combined seamless/corsetry increased from 38.8% to 39.1% of total turnover, which in value terms is a decrease of Euro 25.0 million to Euro 23.6 million.

BRANDS: % of sales at 30.06.04

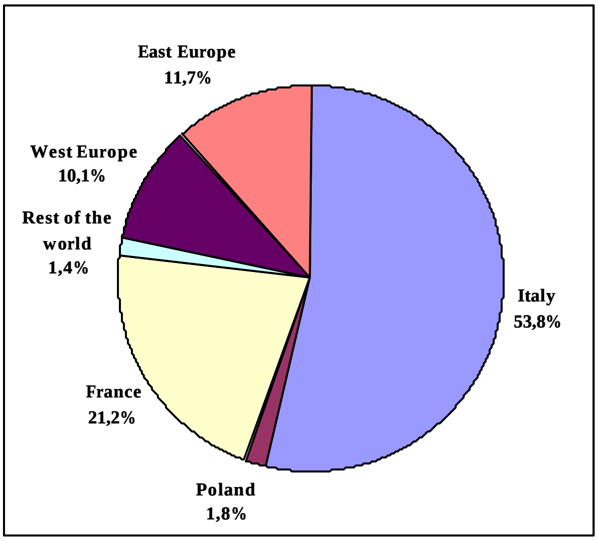


BRANDS: % of sales at 30.06.03

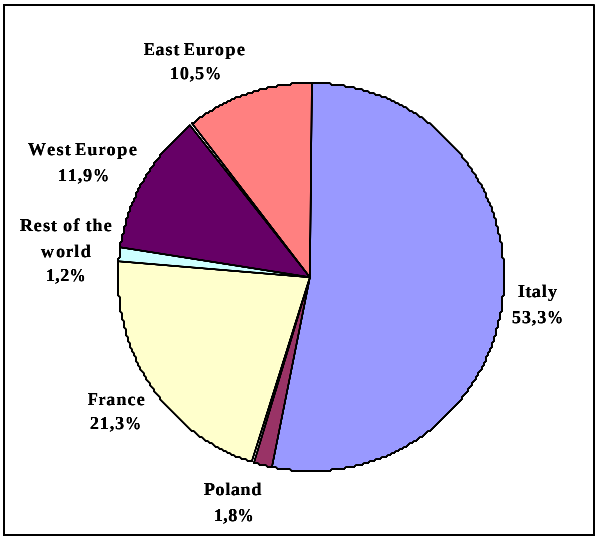


In the first six months of 2004, Sanpellegrino suffered from the negative effects of the previous mentioned drop in hosiery consumption, while Oroblù, thanks to diversification in corsetry products, maintained sales levels substantially in line with the same period in 2003.
Le Bourget recorded a decrease of 9.1% compared to the first half of 2003, particularly affected by the decline in consumption in the French market.
Lepel confirmed the growth already recorded in previous quarters, registering an increase of 7.4% compared to the first half of 2003.

AREAS: % of sales at 30.06.04



AREAS: % of sales at 30.06.03



In relation to sales by geographic area, the two principal markets, Italy and France, recorded decreases of respectively 6.0% and 7.5%, principally attributable to the previously mentioned decrease in consumption.
The third most important market, Russia, recorded an increase of 13.2% due to the reorder given to the Italy-Russia distribution system and thus confirms the signs of recovery already evident in the second part of 2003.
The Eastern European market recorded a positive result, with an overall increase of 3.0% compared to the first half of the previous year.
Sales in Western Europe recorded a decrease of Euro 1.7 million, principally due to the general decrease in consumption and organisational problems that impacted on the sales in the first two months of the year. Once these problems were overcome, the sales in the second quarter increased by Euro 0.5 million compared to the same period in 2003.

Gross margin – the gross margin for the second quarter on net sales was 36.4% compared to 28.9% in the same period in the previous year, while for the full six months the gross margin passed from 33.3% to 37.2%.
The improvement in the margin is principally due to the change in the sales mix in favour of products with higher margins and the containment of costs in part related to the restructuring plan implemented in the previous year.

Selling, general and administrative costs – Selling, general and administrative costs, equal to 39.0% of net sales in the period and in line with the same period in the previous year, reduced by Euro 1.8 million.
This reduction is substantially due to the reduced advertising investments, that represented 10.8% compared to 12.9% in the first half of 2003, and principally arises from scheduling changes in the advertising campaigns of the different brands of the Group. These costs for the full year are in line with the costs in previous years.

Operating result – The operating result in the first half of 2004 is a loss of Euro 1.1 million, an improvement of Euro 2.6 million compared to the same period in the previous year. This result is principally due to the above-mentioned improvement in margins and reduction in advertising investments.

Financial charges, net – Net financial charges in the first half of 2004 reduced by Euro 0.8 million compared to the same period in the previous year, following the improvement in the net financial position.

Other income and charges – The decrease in the other charges compared to the first half of 2003 (Euro 0.7 million) is due to the fact that 2003 included the write-down in the treasury shares held in portfolio adjusted to market value at the end of the period.
This valuation, for the period under review, did not result in the recording of significant values. At June 30, 2004 the Parent Company held treasury shares equal to 9.63% of the total with a carrying value of Euro 1.3334 per share.

Extraordinary income and charges – This account, equal to Euro 1.40 million, refers to income received from a settlement made relating to a previous acquisition.

Pre-tax result -The pre-tax result was a loss of Euro 0.9 million, compared to a loss of Euro 7.4 million in the first half of 2003.

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

Summary balance sheet

The following table shows the reclassified balance sheet of the Group:

(*) the quarterly results and as at June 30 are pre-tax

(in millions of Euro)	30 June 2004	31 March 2004	31 December 2003	30 June 2003
Current assets	111.31	109.39	106.57	106.58
Current liabilities	(52.01)	(47.02)	(37.81)	(38.79)
Net working capital	**59.30**	**62.37**	**68.76**	**67.79**
Equity investments (including own share	3.48	3.60	3.57	3.31
Tangible and intangible fixed assets	49.11	51.36	53.78	58.05
Capital employed	**111.89**	**117.33**	**126.11**	**129.15**
Other medium/long-term liabilities	(11.95)	(12.01)	(12.46)	(12.43)
Net capital employed	**99.94**	**105.32**	**113.65**	**116.72**
Net debt	56.67	59.74	69.60	69.73
Shareholders' equity attributable to mino	1.01	0.96	0.94	1.30
Net equity	42.26	44.62	43.11	45.69
Total	**99.94**	**105.32**	**113.65**	**116.72**

Working capital – The net working capital at June 30, 2004, amounting to Euro 59.3 million, decreased by Euro 8.5 million compared to the same period in 2003. This decrease is principally attributable to the increase in trade payables (Euro 13.3 million), due to the increase in purchases and variations in payment terms, partially compensated by an increase in trade receivables, principally due to the new distribution procedures of men's stockings under licence.
The inventory, equal to Euro 59.9 million, reduced by Euro 1.1 million compared to June 30, 2003, while increased by Euro 12.7 million compared to December 31, 2003 due to the seasonality of the business.

Capital employed – The capital employed decreased from Euro 129.2 million at June 30, 2003 to Euro 111.9 million, principally attributable to the above-mentioned reductions in working capital and reductions in fixed assets due to amortisation.

Net debt – The net debt, as shown in the table below, decreased by approximately Euro 13.0 million compared to June 30, 2003 and December 31, 2003, principally due to the above-mentioned reductions in working capital.
The net financial position is comprised of:

	30 June 2004	31 March 2004	31 December 2003	30 June 2003
Short-term bank borrowings	36.60	37.50	42.79	45.47
Current portion of medium/long-term de	7.39	9.94	11.60	15.04
Cash and banks	(1.44)	(2.73)	(1.07)	(1.39)
Net short-term borrowings	**42.55**	**44.71**	**53.32**	**59.12**
Medium/long-term lending, net of the cu	14.12	15.03	16.28	10.61
Net debt	**56.67**	**59.74**	**69.60**	**69.73**

It is recalled that the medium/long term financing includes the bond loan of Euro 5 million underwritten by a shareholder pact agreement dated April 30, 2004.

Group performance company by company

In relation to the results of the individual companies, the most significant aspects and events in the first half of the year are noted below.

Parent Company

The Parent Company includes the brands Sanpellegrino, Oroblù, Lepel and also makes intercompany sales to the subsidiaries Le Bourget and Sanpellegrino Polska. Overall, the Parent Company recorded a net result of Euro 2.8 million in the first half of the year, equal to 5.3%. The Ebitda was equal to 13.2%.

Sanpellegrino / Oroblù Division

We recall that sales of the two brands Sanpellegrino and Oroblù decreased, in the first two months of the year, due to the commencement of the new SAP system that, resulting in a compete update of the company organisation procedures, slowed down operations at the beginning of the year.
The following months, although operations returned to normal levels, did not recover the handicap at the beginning of the year. As a consequence, the first half year recorded a reduction in net sales of 11.5% compared to the previous year.

Lepel Division

The Lepel brand was not affected by the operating problems connected to the adoption of SAP, which was only adopted by the division at the beginning of the second half of the year, having benefited from the experience in the previous months by Sanpellegrino and Oroblù. The net sales in the first half of the year increased by 3.1% compared to the previous year.

New products of the Parent Company

The collection of Sanpellegrino and Oroblù cosmetic tights were further enriched by new articles, presented to the market in the first half of the year;

- Sanpellegrino BioComplex, developed in collaboration with the Herbal Institute Angelica, now includes a Rinfrescante article, with extracts of mint and eucalyptol, Cell-Control, assists in anti-cellulite and Epil-Control, that controls the development of piliferous for legs;
- Oroblù BioAction, developed in collaboration with the Swiss institute Transvital, now includes the new products Refresh, Cellu-Light and Epil-Retard, with similar characteristics to the corresponding Sanpellegrino articles.

In addition, two new Sanpellegrino products were presented:

- Sanpellegrino Pocket Tights, compact pocket tights, presented in an innovative plastic package;
- the Sanpellegrino "Invisible no-sign" seamless that does not leave outline marks on the skin.

Also in relation to the Sanpellegrino brand, the classic Support article was re-launched, under the name Support Tripla Azione, which provides gradable compression, retention bodice and aromatizer.

Finally, the Lepel brand presented the sportive underwear collection of Play Lepel.

Advertising activity of the Parent Company

The new products presented in recent months were supported by important advertising campaigns, in the following chronological order:

- in January/February Lepel Revolution TV campaign;
- in March/April Sanpellegrino BioComplex press campaign; Oroblù Futurity press campaign and Lepel Belseno billboard advertising with Natalia Estrada.

The Le Bourget Group

The subsidiary Le Bourget operates in the French market, which is the most important after Italy for the Group. The sales in the half year decreased by 6.5% compared to the same period in the previous year which is in line with the reduction in consumption in the market. After the result of substantial break-even in the first quarter of 2004, the second quarter reduced the losses compared to the same period in the previous year, which decreased from Euro 3.0 million to Euro 2.4 million. It is forecast that the second half of the year, which in the previous year produced a profit of Euro 2 million, can provide an overall break-even result for the year.

Sanpellegrino Polska

The Polish company is held 50% by CSP International, in a joint venture with an operator from Lodz. The sales in the first half of 2003 reduced by 5.8%, principally due to the reduced opportunities in the other Eastern European countries. Sanpellegrino Polska, after recording a profit in the first quarter of the year, again recorded a small profit. Overall, the net result for the first half of 2004 was Euro 65,000 compared to a loss of Euro 141,000 in the first half of 2003.

Licences

We recall that the current licenses produced sales of over Euro 13 million in 2003, providing royalties of Euro 0.5 million. In the first half of 2004 royalties were recorded of Euro 220,000. The half year results do not include the royalties from Lepel, as illustrated below. In addition, the results do not include the royalties relating to the pullovers of Oroblù Pul-Lovers & Co., which mature in the second half of the year.

Meanwhile, three new licences have commenced in the swim wear market, respectively with the brands

- Oroblù Mare for the Retail channel;
- Sanpellegrino Beach Time for the Wholesale channel;
- Sanpellegrino Beach Time for the Large Retail Chain Stores channel.

The royalties for these three collections will mature in 2005.

Finally, further licences, currently in the finalisation phase, will be signed by the end of 2004, for Oroblù, Sanpellegrino and Lepel, relating to complementary merchandise and in cohesion with the respective brand images.

Brand shops

There are presently 3 Oroblù outlets open in Italy, 16 in Poland and 3 in Russia. Preparations are underway for 2 openings in Italy and 2 in Poland for autumn 2004. New openings in other countries are expected from 2005.

Subsequent events to June 30, 2004

Medium-term loan

At the beginning of the second half of the year a medium-term loan was received, with a duration of 8 years, for a value of Euro 18 million. The loan does not result from the necessity for an increase in debt, which is in reduction, but rather the objective of rationalising the debt, through increasing the level of medium-term debt compared to short-term debt. Currently, after the above-mentioned operation, the debt of the Parent Company is divided approximately equally between medium-term and short-term.

Lepel in the UK and Canada

The licence agreement with Sherwood Group, currently in force relating to the Lepel brand in UK and Canada, was transformed into a sale of the brand, limited to the territory covered by the licence: CSP

International received a payment of Euro 1.5 million that will be recorded in the income statement in the third quarter. The agreement provided that royalties would no longer be paid as of January 1, 2004.

Extraordinary items
The presence of extraordinary items in the income statement warrants the following observations:
- firstly, it can be considered as positive that there are no negative extraordinary items in a restructuring phase;
- secondly, the positive extraordinary items result from specific initiatives undertaken by the Group;
- thirdly, if the break-even objective in 2004 is achieved with the assistance of some extraordinary items, this does not modify out forecast for a return to profit in 2005.

Sale of treasury shares
The Parent Company sold treasury shares, amounting to 4.9% of the total share capital, to primary institutional investors. The operation was undertaken by Banca Leonardo, through a private placement, at a price of Euro 1.350 per share, for a total value of Euro 1,620,000.
It is recalled that the treasury shares held by CSP International had a carrying value, expressed in the quarterly report at 30.06.2004, equal to Euro 1.333. The operation therefore results in a small gain.
Following the sale, CSP International holds treasury shares amounting to 4.7% of the share capital.

Shareholders' Meeting
On August 6, 2004 the CSP International ordinary and extraordinary shareholders' meeting was held.
In the ordinary session two resolutions were approved:
- the appointment of a second non-executive independent director, in the person of Luigi Bellavita; Mr. Bellavita, together with the other independent director, Mr. Renato Rossi, are the members of the Internal Control Committee, in accordance with the Corporate Governance provisions - required by the Star segment of Borsa Italiana;
- the purchase of treasury shares by CSP International, up to a maximum of 10% of the nominal value of the share capital and authorisation for their sale.

In the extraordinary session two other resolutions were approved:
- the change in the bye-laws of the company, in accordance with the company law reform of January 17, 2003;
- the casting vote to the Chairman of the BoD, in the case of parity of votes of the Board.

Future Outlook

We recall the forecasts formulated one year ago, on the occasion of the presentation of the results for the first half of 2003:
- containment of the losses in the second half of 2003, compared to the first half year;
- pre-tax break-even in 2004;
- return to net profit after taxes in 2005.

One year on we reconfirm these objectives, as the results recorded in the second half of 2003, in the first half of 2004 and the actions in course, are in line with the objectives of the Plan.

Ceresara, August 6, 2004

Chairman of the Board of Directors

Attachments:
1. Reclassified income statement
2. Reclassified balance sheet

Reclassified Consolidated Statement of Income

(figures in thousands of Euro)

	Quarter 01/04 - 30/06 2004 CONSOLIDATED	Quarter 01/04 - 30/06 2003 CONSOLIDATED	Period at 30 June 2004 CONSOLIDATED	Period at 30 June 2003 CONSOLIDATED	31 December 2003 CONSOLIDATED
Net sales	23,706	23,985	60,145	64,667	141,840
Income from royalties	79	180	220	321	543
NET REVENUES	**23,785**	**24,165**	**60,365**	**64,988**	**142,383**
COST OF SALES					
Purchases	13,695	12,673	26,733	22,684	41,511
Labour cost	4,530	4,773	9,056	9,648	18,154
Services	4,421	3,385	7,915	7,426	13,195
Depreciation and amortisation	1,510	1,681	3,046	3,459	6,621
Other costs	1,816	1,736	3,807	3,666	6,681
(Increase) decrease in inventories	(10,845)	(7,063)	(12,643)	(3,522)	10,201
	15,127	**17,185**	**37,914**	**43,361**	**96,363**
GROSS PROFIT	**8,658**	**6,980**	**22,451**	**21,627**	**46,020**
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES					
Labour cost	3,362	3,270	7,117	7,067	13,854
Advertising expenses	2,610	3,957	6,545	8,385	16,401
Commissions	676	721	1,591	1,756	3,475
Depreciation and amortisation	1,225	1,069	2,382	2,131	4,269
Other expenses	2,660	2,414	5,896	6,001	12,473
	10,533	**11,431**	**23,531**	**25,340**	**50,472**
OPERATING PROFIT	**(1,875)**	**(4,451)**	**(1,080)**	**(3,713)**	**(4,452)**
Net Financial charges (income)	471	893	1,137	1,903	3,257
Writedown (writeup) of investments	0	0	0	0	0
Net other (income) and charges	61	(546)	42	685	(128)
	532	**347**	**1,179**	**2,588**	**3,129**
PROFIT (LOSS) BEFORE INCOME TAXES AND EXTRAORDINARY ITEMS	**(2,407)**	**(4,798)**	**(2,259)**	**(6,301)**	**(7,581)**
Extraordinary charges and (income)	(3)	1,140	(1,400)	1,143	1,191
PROFIT (LOSS) BEFORE INCOME TAXES	**(2,404)**	**(5,938)**	**(859)**	**(7,444)**	**(8,772)**
Income taxes (*)	0	0	0	0	(1,523)
NET PROFIT (LOSS) FOR THE PERIOD	**(2,404)**	**(5,938)**	**(859)**	**(7,444)**	**(10,295)**
Minority interests	(1)	32	(32)	55	365
NET PROFIT (LOSS) FOR THE GROUP	**(2,405)**	**(5,906)**	**(891)**	**(7,389)**	**(9,930)**

EBITDA (Operating profit + Depreciation and amortisation)	**860**	**(1,701)**	**4,348**	**1,877**	**6,438**

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

Reclassified Consolidated Balance Sheet - Assets

(figures in thousands of Euro)

	30 June 2004 CONSOLIDATED	31 March 2004 CONSOLIDATED	31 December 2003 CONSOLIDATED	30 June 2003 CONSOLIDATED
CURRENT ASSETS				
Cash and banks	1,440	2,731	1,065	1,389
Trade receivables	45,545	55,655	55,131	40,602
Trade receivables due from subsidiary and associated companies	100	100	100	100
Other receivables	4,483	3,257	2,899	4,484
Inventories	59,863	48,906	47,141	60,986
Accrued income and prepaid expenses	1,321	1,475	1,297	411
Own shares	3,145	3,288	3,316	2,988
TOTAL CURRENT ASSETS	**115,897**	**115,412**	**110,949**	**110,960**
FIXED ASSETS				
Financial fixed assets:				
Financial receivables	188	214	241	311
Equity investments	145	99	11	10
Total financial fixed assets	**333**	**313**	**252**	**321**
Tangible fixed assets	35,609	37,124	38,792	42,169
Intangible fixed assets	13,500	14,233	14,988	15,884
TOTAL FIXED ASSETS	**49,442**	**51,670**	**54,032**	**58,374**
TOTAL ASSETS	**165,339**	**167,082**	**164,981**	**169,334**

Reclassified Consolidated Balance Sheet - Liabilities and shareholders' equity

(figures in thousands of Euro)

	30 June 2004 CONSOLIDATED	31 March 2004 CONSOLIDATED	31 December 2003 CONSOLIDATED	30 June 2003 CONSOLIDATED
CURRENT LIABILITIES				
Short-term bank borrowings	36,602	37,499	42,787	45,471
Current portion of medium / long term debt	7,391	9,945	11,604	15,035
Trade payables due to third parties	44,381	38,616	30,328	31,042
Trade payables due to subsidiary / associated companies	0	0	0	0
Taxes payable	911	2,268	2,071	790
Other payables	6,563	5,640	5,086	6,774
Accrued liabilities and deferred income	156	489	324	191
TOTAL CURRENT LIABILITIES	**96,004**	**94,457**	**92,200**	**99,303**
MEDIUM/LONG-TERM LIABILITIES				
Medium / long-term debt, net of the current portion	14,116	15,032	16,278	10,612
Severance indemnities	7,193	7,099	7,239	7,023
Other provisions	4,762	4,914	5,224	5,404
TOTAL MEDIUM/LONG-TERM LIABILITIES	**26,071**	**27,045**	**28,741**	**23,039**
TOTAL LIABILITIES	**122,075**	**121,502**	**120,941**	**122,342**
MINORITY INTERESTS IN CAPITAL AND RESERVES	1,006	961	**935**	1,304
SHAREHOLDERS' EQUITY				
Share capital	12,740	12,740	12,740	12,740
Legal reserve	1,359	1,359	1,359	1,359
Share premium reserve	18,076	18,076	18,076	18,076
Other reserves	10,974	10,930	20,860	20,902
Net profit (loss) for the period (*)	(891)	1,514	(9,930)	(7,389)
TOTAL SHAREHOLDERS' EQUITY	**42,258**	**44,619**	**43,105**	**45,688**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**165,339**	**167,082**	**164,981**	**169,334**

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

NOTES TO THE FINANCIAL STATEMENTS

Content and bases of the financial statements

These notes refer to the results of the second quarter of 2004 and the first half 2004. They have been prepared in accordance with current legislation, with comparative figures for the corresponding period of 2003 and the full year 2003.

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 2003, 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 2004.
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.