

STAR Company results 2002



CSP
INTERNATIONAL



Milano, 27th February 2003

Agenda

- **In short**
- **CSP Markets**
- **2002 Results**
- **Strategies and outlook 2003**
- **Financials**

In short **Mission**

**“To produce and distribute worldwide
the best products
in the medium/high quality segment,
innovating in the traditional business of hosiery
and diversifying in underwear”**

In short Structure of the CSP Group - 2003



CSP Markets Brands



- Hosiery
- Seamless
- Corsetry

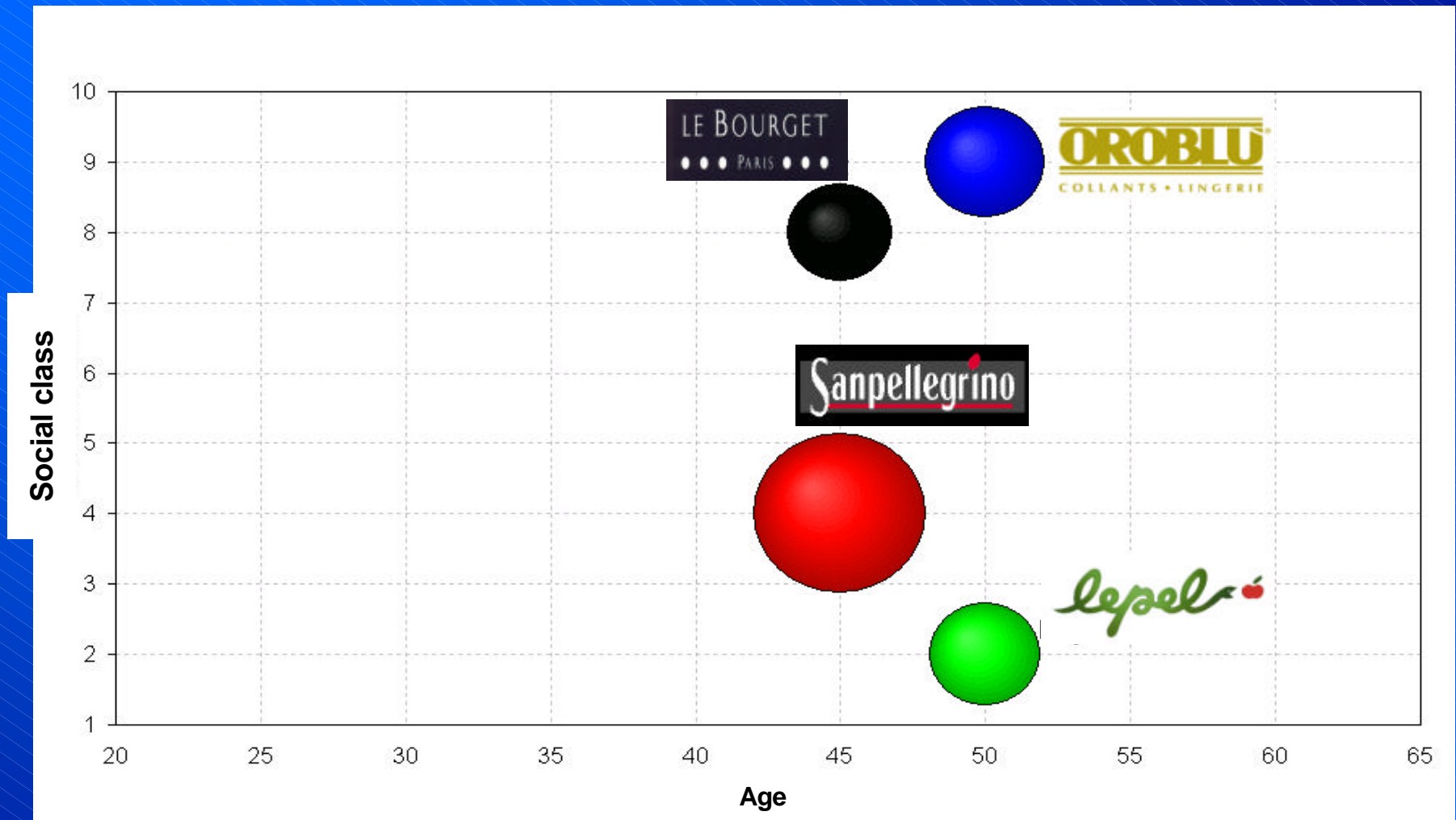
- Hosiery
- Seamless
- Corsetry

- Hosiery
- Seamless

- Corsetry
- Seamless

CSP Markets

Current positioning of CSP brands



- Sanpellegrino and Lepel are positioned in the same segment in terms of age and social class
- Le Bourget and Orobù are positioned in the same social class

CSP Markets

Brands positioning

Channels \ Positioning	Boutiques	Department stores	Mass distribution channel	Wholesalers
High price-quality	 	 		
Medium price-quality			  	 
Basic price-quality			  	

CSP Markets

HOSIERY

- ▶▶ **Concentrated market**
- ▶▶ **Decreasing consumption**
- ▶▶ **Increasing competition**
- ▶▶ **Fierce competitiveness**

UNDERWEAR

- ▶▶ **Fragmented market**
- ▶▶ **Increasing consumption**
- ▶▶ **Increasing competition**
- ▶▶ **Increasing competitiveness**

2002 Results Positive areas

- ▶▶ Increased market shares
 - Hosiery
 - Underwear
- ▶▶ Underwear increased its share in the product mix:
seamless +43%, corsetry +14%
- ▶▶ Rationalisation of the product ranges
- ▶▶ Reorganisation of Le Bourget

2002 Results

Problem areas

Concentration of adverse factors in 4 Q

- ▶▶ **Sharp slowdown in consumption of tights**
- ▶▶ **Price competition**
- ▶▶ **Weakeness of the dollar**
- ▶▶ **High incidence of hosiery in the product mix**
- ▶▶ **One-off costs for brand rationalisation**
- ▶▶ **Revenues lost on the 2 eliminated lines not offset by other revenues**

Strategies and outlook 2003

Strategies

Continue the implementation of the strategy:

- ▶ **diversifying and innovating in the underwear market**
- ▶ **defending volumes in the hosiery market**
- **Increase market share**
- **Innovate in all markets**
- **Improve margins**

Strategies and outlook 2003

Outlook

Top line drivers:

- ⇒ **Diversification in the underwear market**
- ⇒ **Increase distribution on potential channels**
- ⇒ **Focus on strong brands**

Profitability drivers:

- ⇒ **Change in the product mix**
- ⇒ **Cost reduction: lower complexity in production,
logistics and organisation**

Financials

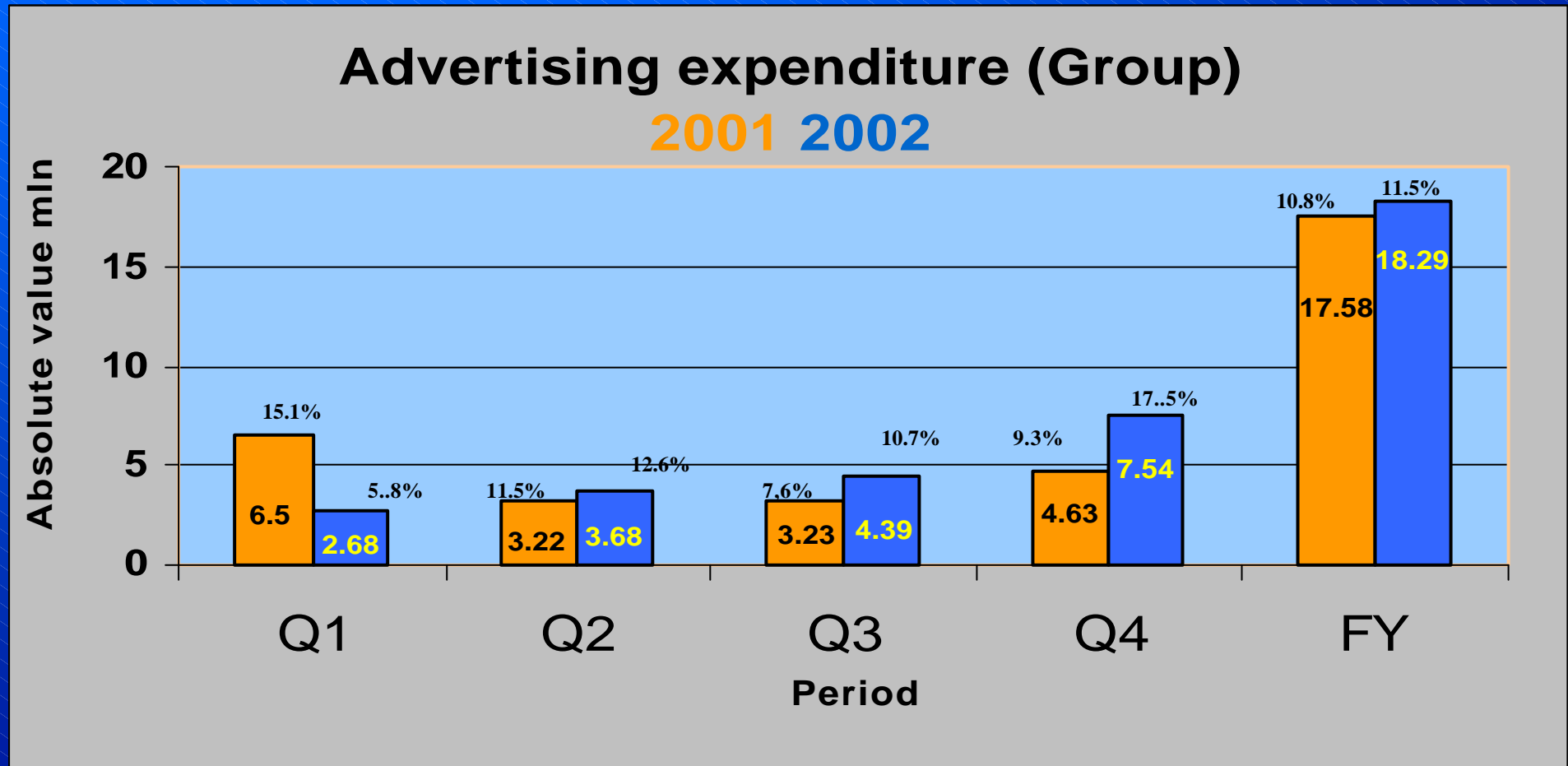
Consolidated statement of income

GROUP	2002	2001	2002	2001
	FY	FY	4Q	4Q
Net revenues	159,552	163,331	43,043	49,839
EBITDA	17,604 <i>11.0%</i>	20,325 <i>12.4%</i>	914 <i>2.1%</i>	6,958 <i>14.0%</i>
EBIT	5,481 <i>3.4%</i>	8,272 <i>5.1%</i>	(2,097) <i>-4.9%</i>	3,925 <i>7.9%</i>
EBT	(787) <i>-0.5%</i>	2,031 <i>1.2%</i>	(4,412) <i>-10.3%</i>	2,498 <i>5.0%</i>

'000 €

Financials

Advertising investments

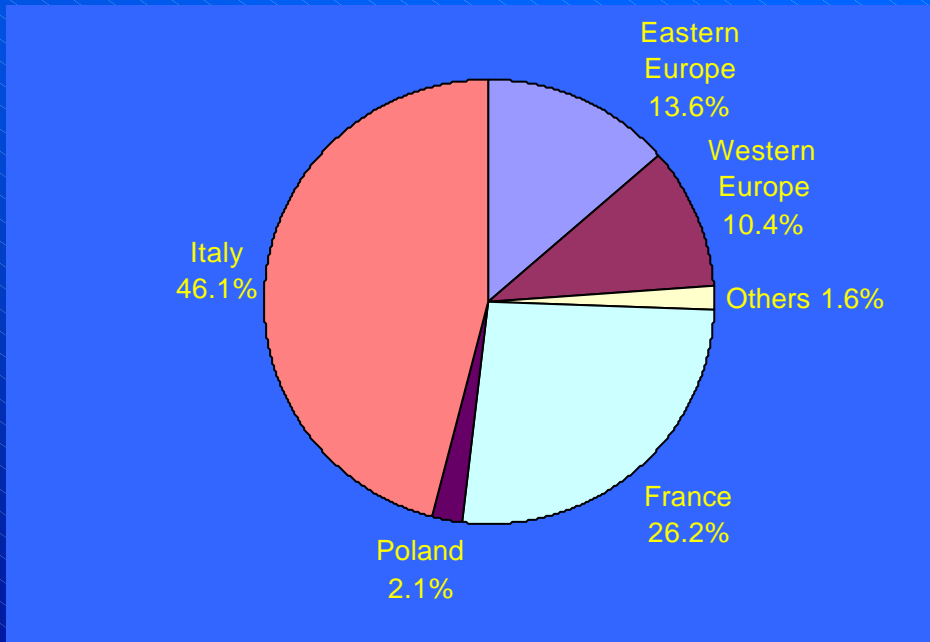


Mio €

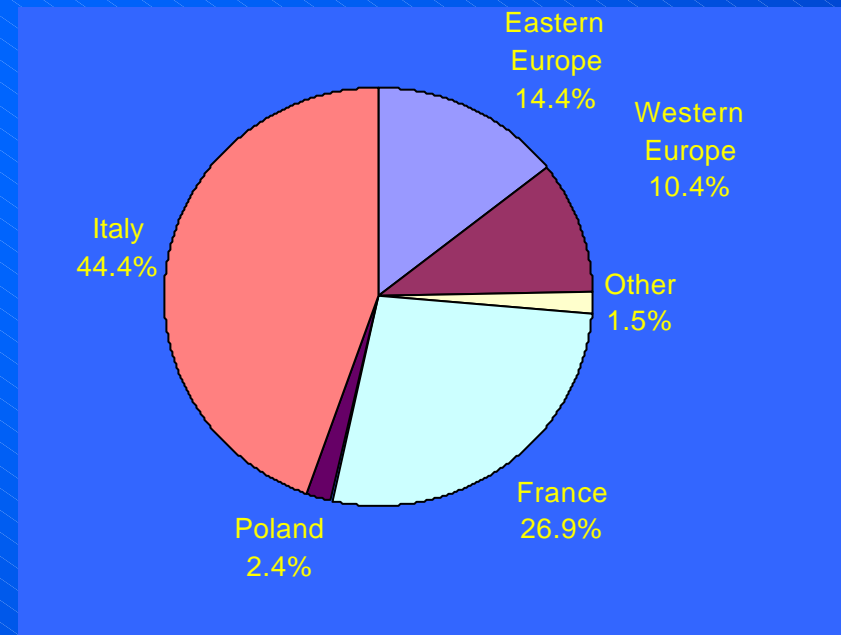
Financials

Consolidated net sales: breakdown by GEOGRAPHIC AREA

FY 2002



FY 2001

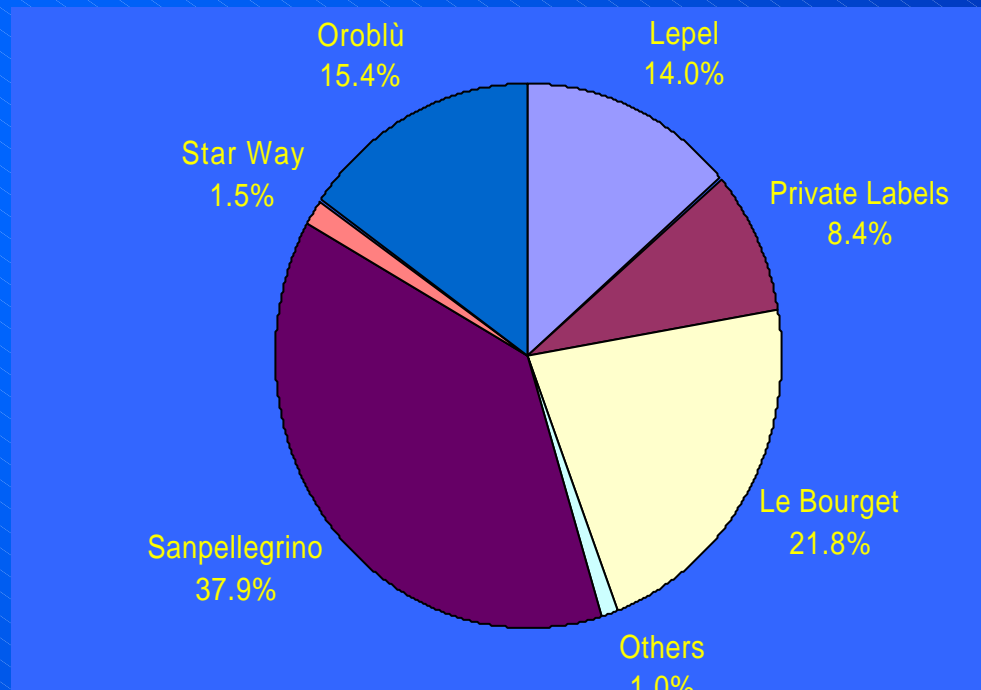
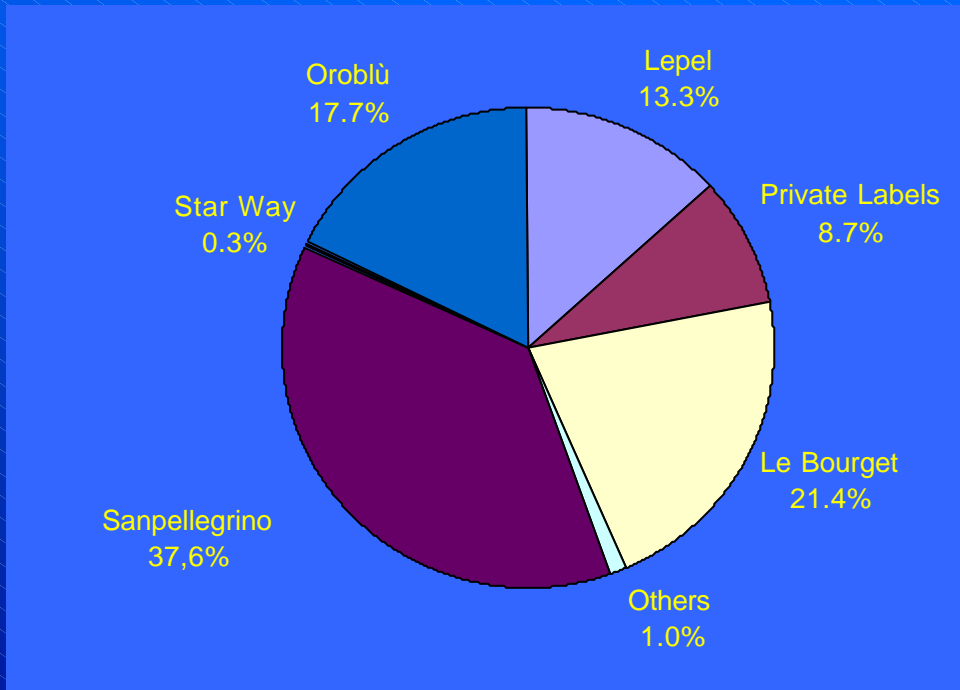


Financials

Consolidates net sales: breakdown by BRAND

FY 2002

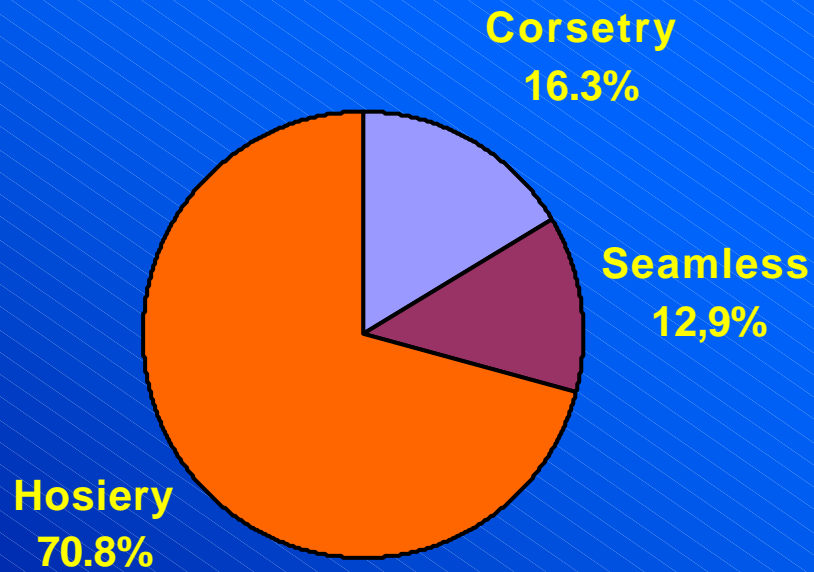
FY 2001



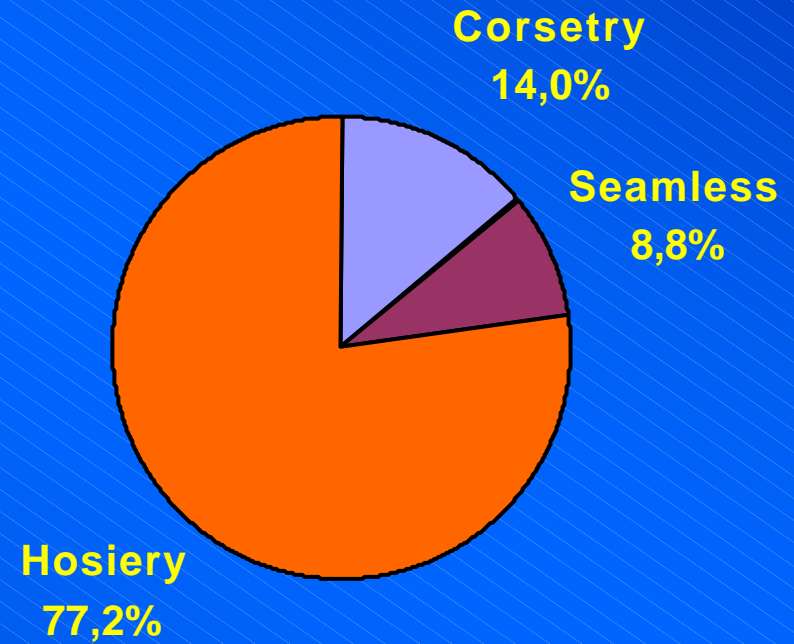
Financials

Consolidated net sales: breakdown by **PRODUCT TYPE**

FY 2002



FY 2001



Financials

Consolidated balance sheet

	31/12/02	31/12/01
Current assets	130.09	125.01
Current liabilities	(42.94)	(47.26)
Net working capital	87.15	77.75
Equity investments (including own shares)	4.12	6.10
Tangible and intangible fixed assets	62.63	69.31
Capital employed	153.90	153.16
Other medium/long-term liabilities	(10.95)	(10.38)
Net capital employed	142.95	142.78
Net financial position	83.74	81.17
Shareholders' equity attributable to minority interests	1.54	1.65
Net equity(*)	57.67	59.96
Total	142.95	142.78

(*) Data as at 31/12/2002 do not include income taxes

Mio €

Financials

Net working capital

	2002	2001
	FY	FY
Trade receivables	64,241	66,092
Other receivables	7,749	4,651
Inventories	58,096	54,266
Trade payables due to third parties	35,415	38,941
Other payables	7,525	8,319
Net working capital	87,146	77,749
<i>Net revenues</i>	<i>159,552</i>	<i>163,331</i>

'000 €

Thank you

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