



**CONSOLIDATED HALF YEAR
REPORT**

30 JUNE 2002

CSP GROUP

CORPORATE BODIES

Board of Directors

Chairman	Enzo	BERTONI (*)
Managing Director	Francesco	BERTONI (*)
Directors	Massimo	ARMANINI
	Carlo	BERTONI
	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 the reserved to the Board of Directors as per the law or by-laws, with single signature

CSP GROUP

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

Note that the figure for net sales mentioned in this report is different from the one in the consolidated financial statements and in the notes, due to the exclusion of sales of yarn and other materials to outside contractors to feed the normal production cycle. All comments made below will be based on the reclassified financial statements included in this report, as it is felt that this gives the most accurate view of the Group's activities.

Summary statement of income

(in millions of Euro)	Period at 30 June 2002		Period at 30 June 2001		31 December 2001	
	Amount	%	Amount	%	Amount	%
Net sales	75.35	100.0%	71.22	100.0%	163.33	100.0%
Cost of Sales	46.92	62.3%	44.50	62.5%	101.63	62.2%
Gross profit	28.43	37.7%	26.72	37.5%	61.70	37.8%
Selling, general and administrative costs	24.86	33.0%	27.68	38.9%	53.43	32.7%
Operating profit	3.57	4.7%	(0.96)	-1.3%	8.27	5.1%
Financial expenses, net	1.98	2.6%	1.83	2.6%	4.22	2.6%
Other charges, net	(0.16)	-0.2%	0.77	1.1%	2.02	1.2%
Non-recurring charges, net	0.70	0.9%	0.04	0.1%	0.00	0.0%
Profit (loss) before taxes	1.05	1.4%	(3.60)	-5.1%	2.03	1.2%
Income taxes	(*)	(*)	(*)	(*)	(2.25)	-1.4%
Net profit (loss) for the period	1.05	1.4%	(3.60)	-5.1%	(0.22)	-0.1%
Minority interests	(0.12)	-0.2%	(0.19)	-0.3%	(0.21)	-0.1%
Net profit (loss) for the period attributable to the Group	0.93	1.2%	(3.79)	-5.3%	(0.43)	-0.3%

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

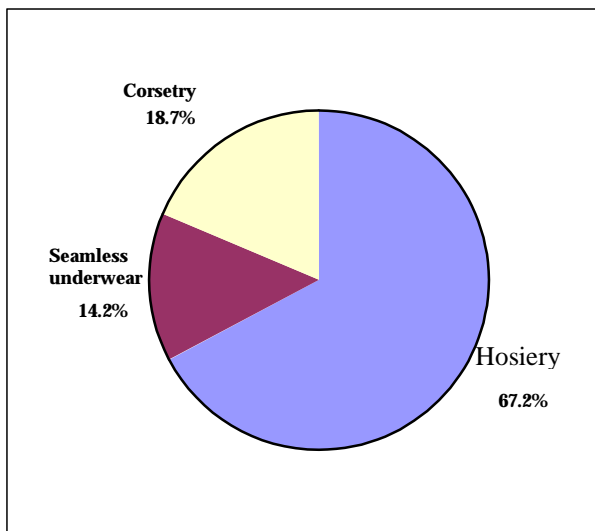
Net sales - net sales in the first half of 2002 went from 71.22 million Euro to 75.35 million Euro for an increase of 5.8% compared with the same period last year;

CSP GROUP

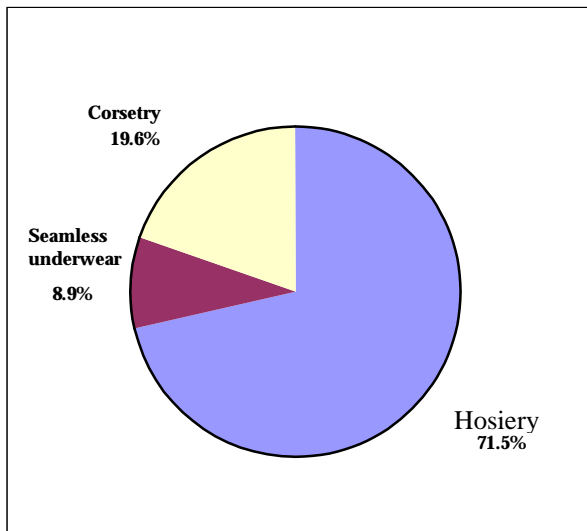
This increase in sales is mainly due to growth in the seamless underwear market, up from 6.5 million Euro to 10.7 million Euro (+65%).

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



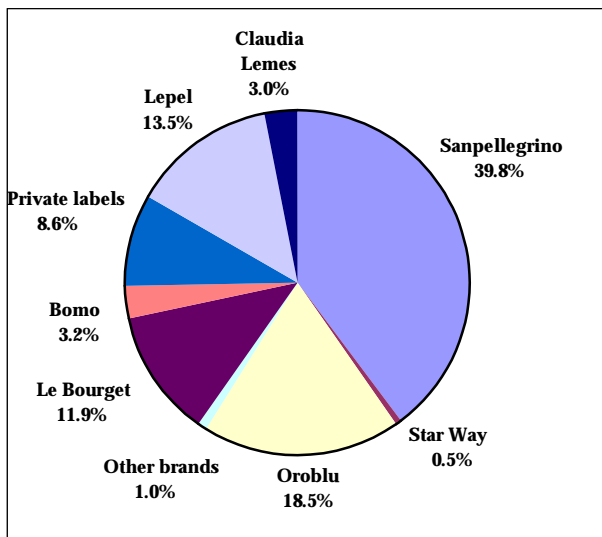
Products: % of sales at 30.06.2001



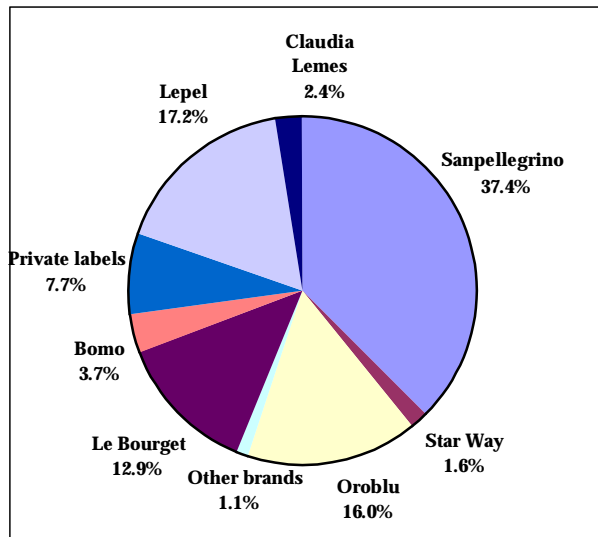
Hosiery and corsetry are stable in terms of sales, though they are down as a percentage of total sales due to the increase in seamless underwear.

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

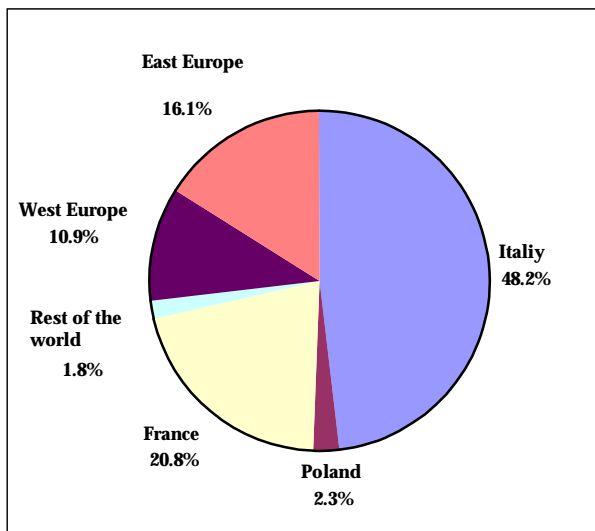


Brands: % of sales at 30.06.2001

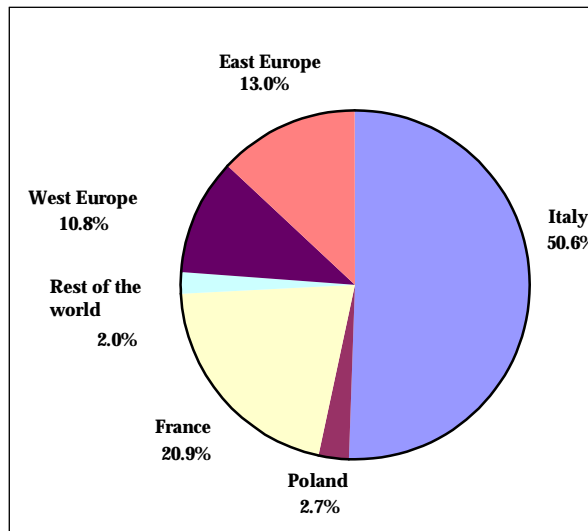


This excellent performance by seamless underwear contributed to the growth in sales of both Sanpellegrino and Orobù, the brands that have benefited the most from it. Note that the decrease in Star Way is due to the fact that this brand has been disposed of.

Areas: % of sales at 30.06.2002



Areas: % of sales at al 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 first half 2002 is in line with the corresponding period of the previous year. (37.7% compared with 37.5%). 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 to boost the Group's brands. 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.

Net financial charges - 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

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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:

(*) Amount before income taxes for the period

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

Working capital - Net operating working capital at 30 June 2002 amounts to 68.19 million Euro compared with 63.83 million Euro in the same period last year, an increase of 4.36 million Euro; this reflects a reduction in trade receivables due to the shorter credit terms granted to customers in Eastern Europe, combined with an increase in inventories and a decrease in taxes payable following payment in instalments of the substitute tax on the revaluation of certain assets as per Law no. 342/2000.

Capital employed - Capital employed has gone from 143.20 million Euro at 30 June 2001 to 141.06 million Euro, a decrease of 2.14 million Euro.

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Net debt - Net debt at 30 June 2002 has fallen with respect to the same period last year, from 74.35 million Euro to 69.53 million Euro. The net financial position is made up as follows:

(in millions of Euro)	30 June 2002	31 December 2001	30 June 2001
Short-term bank borrowings	41.70	46.36	43.25
Current portion of medium/long-term debt	13.70	16.89	19.71
Cash and banks	(3.14)	(5.44)	(1.28)
Net short-term borrowings	52.26	57.81	61.68
Medium/long-term lending, net of the current portion	17.27	23.36	12.67
Net debt	69.53	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 export 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 first half was the adoption of a new SAP-based IT system. 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 the Mass 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 the 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 France's Mass 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 private label sales, as well as the costs involved in changing the packaging of the Le Bourget collection sold to the Mass Distribution Channel 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*" through the Mass Distribution Channel.

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 Mass 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.

Intercompany and related party transactions

No atypical or unusual transactions as defined by CONSOB were carried out during the first half of 2002.

Relationships between Group companies mainly involved commercial transactions related to the companies' production activity and regulated at arm's-length conditions.

Own shares

During the first half of 2002 the Parent Company bought 327,850 shares for a total nominal value of 170.5 thousand Euro and sold 100,000 shares for a total nominal value of 50.2 thousand Euro. As a result, at 30 June 2002, the Parent Company holds 2,358,850 shares, equal to 9.628% of the share capital, at an average book value of 2.5466 Euro each.

Significant subsequent events and outlook for operations

No significant events have taken place since 30 June 2002.

We can confirm all of the advertising expenditure planned for the second half of the year to maintain growth by the Group's brands both in Italy and abroad; these investments will see all of the major brands being advertised both in the press and on television.

Hosiery inventories are expected to fall slightly in the second half, partly because of the increase in sales given the seasonal nature of our markets, and partly because of the measures introduced at the plants to reduce the level of production for stock, which will take effect from the third quarter.

During the same period, we expect there to be a modest increase in the inventories of corsetry products (Lepel), as a natural consequence of expanding the range of assortments and preparing new lines for delivery from January 2003.

Ceresara, 26 September 2002

Chairman of the Board of Directors

Attachments

1. Reclassified statement of income
2. Reclassified consolidated balance sheet

Reclassified Consolidated Statement of Income

(figures in thousands of Euro)

	30 June 2002 CONSOLIDATED	30 June 2001 CONSOLIDATED	31 December 2001 CONSOLIDATED
Net sales	74,990	70,762	162,524
Income from royalties	363	459	807
NET REVENUES	75,353	71,221	163,331
COST OF SALES			
Purchases	31,543	29,598	59,779
Labour cost	10,491	10,714	20,662
Services	7,620	6,626	13,863
Depreciation and amortisation	3,777	3,774	7,519
Other costs	4,006	3,763	7,555
(Increase) decrease in inventories	(10,513)	(9,973)	(7,753)
	46,924	44,502	101,625
GROSS PROFIT	28,429	26,719	61,706
SELLING, GENERAL AND ADMINISTRATIVE COSTS			
Labour cost	7,591	7,312	14,176
Advertising expenses	6,366	9,724	17,580
Commissions	1,505	1,566	3,147
Depreciation and amortisation	2,325	2,105	4,534
Other expenses	7,072	6,969	13,997
	24,859	27,676	53,434
OPERATING PROFIT	3,570	(957)	8,272
Financial charges (income), net	1,978	1,830	4,223
Writedown (writeup) of investments	0	0	0
Other (income) and charges	(155)	774	2,014
	1,823	2,604	6,237
PROFIT (LOSS) BEFORE INCOME TAXES AND EXTRAORDINARY ITEMS	1,747	(3,561)	2,035
Extraordinary charges and (income)	695	39	4
PROFIT (LOSS) BEFORE INCOME TAXES	1,052	(3,600)	2,031
Income taxes (*)	(*)	(*)	(2,248)
NET PROFIT (LOSS) FOR THE PERIOD	1,052	(3,600)	(217)
Minority interests	(125)	(191)	(209)
NET PROFIT (LOSS) FOR THE GROUP	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 December 2001 CONSOLIDATED	30 June 2001 CONSOLIDATED
CURRENT ASSETS			
Cash and banks	3,139	5,435	1,277
Trade receivables	46,190	65,857	51,564
Due from subsidiary and associated companies	235	235	235
Other receivables	6,563	4,292	6,817
Inventories	64,486	54,266	56,484
Accrued income and prepaid expenses	492	359	1,431
Own shares	6,007	5,379	5,128
TOTAL CURRENT ASSETS	127,112	135,823	122,936
FIXED ASSETS			
Financial fixed assets:			
Financial receivables	459	602	639
Equity investments	110	110	110
Total financial fixed assets	569	712	749
Tangible fixed assets	47,735	49,601	52,351
Intangible fixed assets	18,558	19,715	21,242
TOTAL FIXED ASSETS	66,862	70,028	74,342
TOTAL ASSETS	193,974	205,851	197,278

Reclassified Consolidated Balance Sheet - Liabilities and shareholders' equity

(figures in thousands of Euro)

	30 June 2002 CONSOLIDATED	31 December 2001 CONSOLIDATED	30 June 2001 CONSOLIDATED
CURRENT LIABILITIES			
Short-term bank borrowings	41,698	46,358	43,252
Current portion of medium/long term debt	13,703	16,885	19,706
Trade payables due to third parties	40,373	38,935	40,596
Due to subsidiary/associated companies	6	6	6
Taxes payable	1,749	2,407	4,552
Other payables	7,392	5,286	7,318
Accrued liabilities and deferred income	257	626	229
TOTAL CURRENT LIABILITIES	105,178	110,503	115,659
MEDIUM/LONG-TERM LIABILITIES			
Medium/long-term debt, net of the current portion	17,271	23,357	12,672
Bills payable	0	0	0
Severance indemnities	6,416	6,200	5,891
Other provisions	4,007	4,183	3,696
TOTAL MEDIUM/LONG-TERM LIABILITIES	27,694	33,740	22,259
TOTAL LIABILITIES	132,872	144,243	137,918
MINORITY INTERESTS IN CAPITAL AND RESERVES	1,555	1,647	1,523
SHAREHOLDERS' EQUITY			
Share capital	12,740	12,740	12,740
Legal reserve	1,365	1,365	1,365
Share premium reserve	18,076	18,076	18,076
Other reserves	26,439	28,206	29,447
Net profit (loss) for the period (*)	927	(426)	(3,791)
TOTAL SHAREHOLDERS' EQUITY	59,547	59,961	57,837
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	193,974	205,851	197,278

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

CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 JUNE 2002

(FIGURES IN THOUSANDS OF EURO)

BALANCE SHEET

ASSETS:

A) RECEIVABLES FROM SHAREHOLDERS:

B) FIXED ASSETS

I. Intangible fixed assets

3. industrial patents and intellectual property rights

4. concessions, licences, trade marks and similar rights

5. goodwill

6. construction in progress and advances

7. others

8. difference arising on consolidation

Total I.

II. Tangible fixed assets

1. land and buildings

2. plant and machinery

3. industrial and commercial equipment

4. other fixed assets

5. construction in progress and advances

Total II.

III. Financial fixed assets

1. Equity investments in:

a) subsidiary companies

b) associated companies

d) other companies

Total 1.

2. Financial receivables:

a) from subsidiary companies

a.a. due within 12 months

b) from associated companies

b.a. due within 12 months

Total 2.

3. Other securities

Total III.

TOTAL FIXED ASSETS (B)

C) CURRENT ASSETS

I. Inventories:

1. raw, ancillary and consumable materials

2. semi-finished products, work-in-progress

4. finished products and goods

5. advances

	30.06.2002	31.12.2001	30.06.2001
A) RECEIVABLES FROM SHAREHOLDERS:	0	0	0
B) FIXED ASSETS			
I. Intangible fixed assets			
3. industrial patents and intellectual property rights	652	733	898
4. concessions, licences, trade marks and similar rights	2,696	3,217	3,738
5. goodwill	172	197	0
6. construction in progress and advances	435	0	0
7. others	179	138	164
8. difference arising on consolidation	14,424	15,430	16,442
Total I.	18,558	19,715	21,242
II. Tangible fixed assets			
1. land and buildings	19,934	20,165	20,587
2. plant and machinery	24,816	26,080	28,560
3. industrial and commercial equipment	1,108	792	998
4. other fixed assets	1,664	1,662	1,600
5. construction in progress and advances	213	902	606
Total II.	47,735	49,601	52,351
III. Financial fixed assets			
1. Equity investments in:			
a) subsidiary companies	98	97	98
b) associated companies	0	0	0
d) other companies	12	13	12
Total 1.	110	110	110
2. Financial receivables:			
a) from subsidiary companies			
a.a. due within 12 months	0	0	0
b) from associated companies			
b.a. due within 12 months	65	65	65
Total 2.	65	65	65
3. Other securities	258	295	327
Total III.	433	470	502
TOTAL FIXED ASSETS (B)	66,726	69,786	74,095
C) CURRENT ASSETS			
I. Inventories:			
1. raw, ancillary and consumable materials	9,250	9,279	8,682
2. semi-finished products, work-in-progress	19,498	18,062	19,662
4. finished products and goods	35,528	26,794	28,140
5. advances	210	131	0

Total I.	64,486	54,266	56,484
II. Receivables:			
1. trade accounts:			
1.a. due within 12 months	46,190	65,810	51,535
2. subsidiary companies			
2.a. due within 12 months	0	0	0
3. associated companies			
3.a. due within 12 months	235	235	235
4. parent companies			
4.a. due within 12 months	0	0	0
5. others:			
5.a. due within 12 months	6,564	4,299	6,512
5.b. due beyond 12 months	135	242	247
Total 5.	6,699	4,541	6,759
Total II.	53,124	70,586	58,529
III. Current financial assets			
5. own shares	6,007	5,379	5,128
6. other securities	0	0	305
Total III.	6,007	5,379	5,433
IV. Liquid funds:			
1. cash at banks and post offices	3,053	5,377	1,228
2. cheques	50	47	29
3. cash and equivalents on hand	36	49	49
Total IV.	3,139	5,473	1,306
TOTAL CURRENT ASSETS (C)	126,756	135,704	121,752
D. ACCRUED INCOME AND PREPAYMENTS	492	358	1,431
TOTAL ASSETS	193,974	205,848	197,278

LIABILITIES

	30.06.2002	31.12.2001	30.06.2001
A) SHAREHOLDERS' EQUITY:			
I. Share capital	12,740	12,740	12,740
II. Share premium reserve	18,076	18,076	18,076
III. Revaluation reserves	13,023	13,023	13,023
IV. Legal reserve	1,364	1,364	1,364
V. Reserve for own shares in portfolio	6,007	5,379	5,128
VI. Statutory reserves	131	171	0
VII. Other reserves:			
a. undistributed profit	4,592	6,971	8,410
b. capital grants reserve	206	206	206
total VII.	4,798	7,177	8,616
VIII. Retained earnings	2,481	2,457	2,681
IX. Net profit (loss) for the period (*)	927	(426)	(3,791)
TOTAL SHAREHOLDERS' EQUITY (A)	59,547	59,961	57,837
MINORITY INTERESTS IN CAPITAL AND RESERVES	1,555	1,648	1,523
B) ALLOWANCES FOR RISKS AND CHARGES:			
1. pensions and similar commitments	625	625	625
2. taxation	1,886	2,013	1,633

3. other	1,496	1,609	1,444
TOTAL ALLOWANCES FOR RISKS AND CHARGES (B)	4,007	4,247	3,702
C) SEVERANCE INDEMNITIES	6,416	6,199	5,891
D) PAYABLES:			
3. banks:			
a. due within 12 months	55,401	63,245	62,958
b. due beyond 12 months	17,271	23,357	12,672
Total 3.	72,672	86,602	75,630
5. advances			
a. due within 12 months	0	0	0
6. trade accounts:			
a. due within 12 months	40,373	38,932	40,596
7. notes payable	0	0	0
8. subsidiary companies			
a. due within 12 months	0	0	0
9. associated companies			
a. due within 12 months	6	6	6
10. parent companies			
a. due within 12 months	0	0	0
11. taxes payable:			
a. due within 12 months	1,749	1,436	3,582
b. due beyond 12 months	0	970	970
Total 11.	1,749	2,406	4,552
12. social security institutions			
a. due within 12 months	1,715	2,175	1,886
13. other payables:			
a. due within 12 months	5,677	3,111	5,426
TOTAL PAYABLES (D)	122,192	133,232	128,096
E) ACCRUED LIABILITIES AND DEFERRED INCOME	257	561	229
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	193,974	205,848	197,278

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

MEMORANDUM ACCOUNTS

	30.06.2002	31.12.2001	30.06.2001
- Guarantees given to third parties	12,620	10,933	10,654
- Purchasing commitments	1,197	1,274	836
- Guaranteed trade receivables	5,577	17,242	4,312
- Third party assets	32	33	119
-Total	19,426	29,482	15,921

STATEMENT OF INCOME**A) PRODUCTION VALUE**

	30.06.2002	30.06.2001	31.12.2001
1. Revenues from sale of goods and services	77,321	77,081	172,505
2. Changes in inventories of work-in-progress, semi-finished and finished products	10,522	10,370	7,572
4. Additions to fixed assets by internal production	0	0	0
5. Other income:			
a. other income	751	916	2,021
b. operating grants	0	0	0
TOTAL PRODUCTION VALUE (A)	88,594	88,367	182,098

B) PRODUCTION COSTS

6. Raw, ancillary and consumable materials and goods	33,807	35,935	69,729
7. Services	25,109	27,372	53,557
8. Lease and rentals	450	429	897
9. Labour costs:			
a. wages and salaries	12,492	12,458	23,819
b. social security contributions	4,805	4,803	9,494
c. severance indemnities	668	645	1,268
e. other costs	3	2	37
Total 9.	17,968	17,908	34,618
10. Depreciation, amortisation and writedowns:			
a. amortisation of intangible fixed assets	1,907	1,712	3,729
b. depreciation of tangible fixed assets	4,195	4,214	8,327
c. other writedowns of fixed assets	16	0	4
d. writedown of receivables included in current assets and liquid funds	411	215	732
Total 10.	6,529	6,141	12,792
11. Changes in inventories of raw, ancillary and consumable materials and goods	9	398	(183)
12. Provisions for risks and charges	48	48	168
13. Other provisions	0	0	0
14. Other operating expenses	1,122	972	2,064
TOTAL PRODUCTION COSTS (B)	85,042	89,203	173,642

DIFFERENCE BETWEEN PRODUCTION VALUE AND PRODUCTION COSTS (A-B)**3,552** **(836)** **8,456****C) FINANCIAL INCOME AND (CHARGES)**

15. Income from investments:			
a. in subsidiary companies	0	0	0
16. Other financial income:			
a. income from securities held as current assets			
c. parent companies	0	0	0
c. income from securities held as current assets not representing equity investments	0	0	0
d. other than above:			
d. from third parties	445	312	401
Total 16.	445	312	401

17. Interest and other financial charges:			
d. third parties	(2,274)	(2,040)	(4,414)
TOTAL FINANCIAL INCOME AND (CHARGES) (C)	(1,829)	(1,728)	(4,013)
D) ADJUSTMENTS TO THE VALUE OF FINANCIAL ASSETS:			
18. Revaluations:			
a. equity investments	0	0	0
19. Writedowns:			
a. equity investments	0	0	0
c. income from securities held as current assets not representing equity investments	0	(980)	(2,386)
Total 19.	0	(980)	(2,386)
TOTAL ADJUSTMENTS TO THE VALUE OF FINANCIAL ASSETS (D)	0	(980)	(2,386)
E) NON-RECURRING INCOME AND CHARGES:			
20. Non-recurring income			
a. gains on disposals	0	0	0
b. other non-recurring income	67	40	82
Total 20.	67	40	82
21. Non-recurring charges:			
c. other non-recurring charges	(738)	(96)	(108)
Total 21.	(738)	(96)	(108)
TOTAL NON-RECURRING INCOME AND (CHARGES) (E)	(671)	(56)	(26)
PROFIT (LOSS) BEFORE TAXES (A-B+/-C+/-D+/-E)	1,052	(3,600)	2,031
22. Income taxes for the period	(*)	(*)	(2,248)
26. INCOME (LOSS) FOR THE PERIOD	1,052	(3,600)	(217)
MINORITY INTERESTS	(125)	(191)	(209)
NET PROFIT FOR THE PERIOD ATTRIBUTABLE TO THE GROUP	927	(3,791)	(426)

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT 30 JUNE 2002**

COMMENTS ON THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared using the formats established by Decree 127 of 9 April 1991 for balance sheets and statements of income. The related comments have been drawn up in compliance with CONSOB resolution No. 11971 of 14 May 1999 and subsequent legislation.

The attached financial statements have been presented on a comparative basis with 30 June 2001 and 31 December 2001.

All of the amounts in the explanatory notes are expressed in thousands of Euro.

FORM AND CONTENT OF THE HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements comprise the consolidated balance sheet, the consolidated statement of income, and these explanatory notes, and are accompanied by the Group's report on operations.

The accounting principles used for the preparation of the balance sheet and statement of income as of 30 June 2002 are the same as those adopted for the financial statements as of 31 December 2001.

These financial statements have been adjusted, where necessary, in order to eliminate any adjustments made solely for fiscal purposes (accelerated depreciation) and to align them with the accounting policies as per article 2426 of the Italian Civil Code, consistently applied throughout the Group, as interpreted and supplemented by the accounting principles established by the Italian Accounting Profession or, in the absence thereof, by the International Accounting Standards Committee (IASC), assimilated in Italy by CONSOB.

A reconciliation between shareholders' equity and the net results as of 30 June 2002 reported in the financial statements of CSP International Industria Calze S.p.A. and the consolidated amounts at the same date, has been presented in the commentary on consolidated shareholders' equity.

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SCOPE OF CONSOLIDATION

The consolidated financial statements as of 30 June 2002 include the line-by-line consolidation of the Parent Company's financial statements at that date and those of the following companies in which the Group directly or indirectly holds the majority of the voting rights:

Name	Address	Share capital	Controlling interest %	Shareholding %
CSP International Industria Calze SpA	Via Piubega, 5/c, 46040 Ceresara (Mantua - Italy)	Euro 12,740,000	Parent Company	
E.D.I. S.A.	Rue J.P. Saltiel- 02230- Fresnoy Le Grand, France	Euro 4,374,132	100%	100%
Le Bourget S.A. (1)	Rue J.P. Saltiel- 02230- Fresnoy Le Grand, France	Euro 1,531,856	99.996%	99.996%
S.A.R.L. BUC (2) (*)	Rue J.P. Saltiel- 02230- Fresnoy Le Grand, France	Euro 9,600	95%	94.996%
SOGED S.A. (2) (*)	Petite Route d' Aubagne, 32 13821 La Penne Sur Huveaune, France	Euro 938,100	99.87%	99.866%
Le Bourget Benelux (2)	Rue Reigersvliet 1040 Brussels (Belgium)	Euro 182,200	70.56%	70.557%
BO.MO. Srl (3)	Via San Martino 8/12 Fraz. Borgo Poncarale 25020 Poncarale (BS), Italy	Euro 93,600	60%	59.998%
Lepel Srl	Via Nuova Ponente, 25/b 41012 Carpi (MO) Italy	Euro 3,848,000	100%	100%
Sanpellegrino-Polska Sp.z.o.o.	Ul. Lodska, 27 95-050 Konstanynow (Lodz) (PL)	Zloty 9,006,400	50%	50%

(1) Owned by E.D.I. S.A.

(2) Owned by Le Bourget S.A.

(3) Owned by SOGED S.A. (from 02.07.2002 owned by Le Bourget S.A.)

(*) Company absorbed by Le Bourget S.A. from 02.07.2002

Le Bourget (UK) Ltd is carried at cost, as it is not operating.

CONSOLIDATION PRINCIPLES

The consolidation principles used for these half-year financial statements are the same as those adopted for the consolidated financial statements as of 31 December 2001.

The exchange rates used to translate the financial statements of the Polish subsidiary are as follows:

Currency	Average	Period-end
Polish Zloty	3.6690	4.0598

ACCOUNTING POLICIES

The accounting principles used for the preparation of the balance sheet and statement of income as of 30 June 2002 are the same as those adopted for the financial statements as of 31 December 2001, with the exception of the following:

Income taxes for the period: the half-year financial statements do not include any provision for income taxes, nor deferred tax assets and liabilities as allowed by CONSOB instructions.

They will be provided at year-end.

OTHER INFORMATION

Exceptions allowed under article 2423.4 -- No exceptions have been made in the application of the established accounting principles, as would be permitted in certain circumstances under article 2423.4 of the Italian Civil Code.

BALANCE SHEET

COMMENTS ON THE PRINCIPAL ASSET CAPTIONS :

■ B. FIXED ASSETS

B.I- Intangible fixed assets

Movements in intangible fixed assets during the period are set out below:

Gross value				
	Balance 01.01.02	Additions 1st half 2002	Other movements 1st half 2002	Balance 30.06.02
Industrial patents and intellectual property rights	4,069	224	0	4,293
Concessions, licences, trade marks & similar rights	10,372	12	0	10,384
Goodwill	246	0	0	246
Construction in progress and advances	0	435	0	435
Other	510	79	0	589
Consolidation difference	19,950	0	0	19,950
Total	35,147	750	0	35,897

Accumulated amortisation					Net value
	Balance 01.01.02	Amortisation 1st half 2002	Other movements 1st half 2002	Balance 30.06.02	Balance 30.06.02
Industrial patents and intellectual property rights	(3,336)	(305)	0	(3,641)	652
Concessions, licences, trade marks & similar rights	(7,155)	(533)	0	(7,688)	2,696
Goodwill	(49)	(25)	0	(74)	172
Construction in progress and advances	0	0	0	0	435
Other	(372)	(38)	0	(410)	179
Consolidation difference	(4,520)	(1,006)	0	(5,526)	14,424
Total	(15,432)	(1,907)	0	(17,339)	18,558

The main additions for the period refer to advances paid for implementation by the Parent Company of the new integrated IT system based on the SAP platform; this began during the current year and should be completed during 2003.

Intangible fixed assets at 30 June 2002 include 2,660 thousand Euro of the revaluation of the Lepel brand carried

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out in accordance with Law no. 342/2000.

The amortisation rates applied are as follows:

	Rate
- Software	33.33%
- Brand	20%
- Consolidation difference	10%
- Goodwill	20%
- Deferred charges	20%

B.II- Tangible fixed assets

Movements, increases and decreases, in tangible fixed assets are set out in Attachment 2.

Gross value					
	Balance 01.01.02	Additions 1st half 02	Disposals 1st half 02	Other movements 1st half 02 (1)	Balance 30.06.02
Land & buildings	30,380	39	(20)	145	30,544
Plant and machinery	59,347	1,773	(516)	0	60,604
Equipment	12,973	560	(99)	(27)	13,407
Other assets	7,150	371	(153)	(9)	7,359
Construction in progress and advances	902	145	(100)	(734)	213
Total	110,752	2,888	(888)	(625)	112,127

Accumulated depreciation						Net value
	Balance 01.01.02	Deprec- iation 1st half 02	Utilisations 1st half 02	Other movements 1st half 02 (1)	Balance 30.06.02	Balance 30.06.02
Land & buildings	(10,216)	(421)	0	27	(10,610)	19,934
Plant and machinery	(33,265)	(3,181)	606	52	(35,788)	24,816
Equipment	(12,181)	(239)	114	7	(12,299)	1,108
Other assets	(5,489)	(354)	144	4	(5,695)	1,664
Construction in progress and advances	0	0	0	0	0	213
Total	(61,151)	(4,195)	864	90	(64,392)	47,735

(1) the column comprises reclassifications, revaluations, writedowns and exchange differences arising on translation of financial statements in foreign currency

The most significant additions refer to investments made by the Parent Company for the purchase of machinery and

for completion of the new electricity sub-station.

Tangible fixed assets at 30 June 2002 include revaluations carried out in compliance with specific laws, as follows:

Land & buildings	2,550
Plant and machinery	15,357
Equipment	59
Other assets	83
Construction in progress and advances	0
Total	18,049

Ordinary depreciation has been calculated using rates considered to reflect the residual useful lives of the related assets. The rates applied are as follows:

	Rate
- Buildings	3% - 15%
- Plant and machinery	5% - 17.5%
- Industrial equipment	10% - 25%
- Electronic office machines	15% - 33%
- Office furniture and fittings	10% - 33%
- Vehicles	20% - 25%

At 30 June 2002 tangible fixed assets are burdened with mortgages in favour of banks for 15,493 thousand Euro in guarantee for loans received, the residual amount of which at the end of the period comes to 1,430 thousand Euro.

We would remind you that the Company took advantage of the possibility provided under Law no. 342 of 21 November 2000 to revalue its plant and machinery purchased between 1988 and 1999.

The Parent Company has lent assets free of charge to third parties, namely portable PCs and printers on loan to sales representatives for 248 thousand Euro as at 30 June 2002.

■ **C. CURRENT ASSETS**

■ **C.I. Inventories**

Inventories are made up as follows:

	30/06/02	31/12/01	30/06/01
Gross value	67,857	56,645	58,650
Writedown reserve	(3,371)	(2,379)	(2,166)
Net value	64,486	54,266	56,484

Inventories have increased with respect to 30 June 2001 to satisfy the sales volumes expected in the second half. This is confirmed by a growing order backlog compared with last year. The rise in inventories is also due to the fact that we have expanded the range of products offered by all Group companies to customers. They do not yet reflect the benefits of product rationalisation that involved closing down certain marginal brands.

■ **C.II.1. Trade receivables**

Trade receivables may be analysed as follows:

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	30/06/02	31/12/01	30/06/01
Trade receivables – Italy	26,532	30,467	30,234
Trade receivables - France	2,850	11,989	3,427
Trade receivables – abroad	10,137	11,346	9,234
Bills subject to collection	11,379	16,474	12,145
Customers - invoices to be issued	559	634	717
Credit notes to be issued	(2,068)	(2,295)	(1,564)
Reserve for doubtful accounts	(3,199)	(2,805)	(2,658)
Total	46,190	65,810	51,535

The decrease in trade receivables at 30 June 2002 with respect to the same period last year mainly derives from the increase in the percentage of sales to customers in Eastern Europe, as their credit terms are particularly short compared with other customers.

Trade receivables due from foreign customers do not include significant exposures towards countries at risk.

All amounts are due within 12 months.

Movements during the period in the doubtful accounts reserve are as follows:

	01/01/02	Provisions	Utilisations	30/06/02
Doubtful accounts reserve	2,805	411	(17)	3,199

During the period, the reserve was increased on the basis of future forecast losses on receivables outstanding at 30 June 2002.

■ C.II.5. Other receivables :

The balance includes various receivables comprised as follows:

	30/06/02	31/12/01	30/06/01
VAT credits	2,981	1,028	2,634
Advances on income taxes	1,671	1,129	1,713
Advances to suppliers	17	70	153
Employees' travel advances	4	4	7
Deferred tax assets	1,480	1,480	1,300
Other current receivables	386	561	467
Foreign VAT credits	25	27	238
Total other current receivables	6,564	4,299	6,512
Guarantee deposits	135	242	247
Total other non-current receivables	135	242	247
Total other receivables	6,699	4,541	6,759

Other receivables at 30 June 2002 are substantially in line with the corresponding period last year. The rise in VAT credits compared with 31 December 2001 is mainly due to the seasonal nature of the business.

■ C.III.5 Own shares

As of 30 June 2002, the Parent Company owned 2,358,850 of its own shares, with a par value of Euro 1,226.6 thousand, corresponding to 9.628% of the share capital.

During the period under review, 327,850 own shares were purchased and 100,000, were sold. This resulted in a net

capital gain of Euro 31 thousand.

Given that the average book value of own shares at 30 June 2002 (2,5466 Euro) is lower than their average market value for the month of June 2002, we did not make any additional writedowns to adjust them to market value (compared with writedowns totalling 2,583 thousand Euro at 31 December 2001).

Following the general decline in financial markets during the second half of the current year, valuing own shares in portfolio at their market value at the date that this report was prepared would have resulted in a further writedown of around 450 thousand Euro.

The investment of liquidity in own shares was authorised by the ordinary shareholders' meeting held on 17 December 2001, with a limit of 10% of the share capital. This authorization is valid until 17 June 2003 and enables the Company to buy and sell shares at prices ranging between Euro 0.52 and Euro 10.33.

■ C.IV. Liquid funds :

These represent cash on hand and bank current accounts open at 30 June 2002.

■ D. ACCRUED INCOME AND PREPAYMENTS

This item is made up as follows:

	30/06/02	31/12/01	30/06/01
Prepaid insurance	124	0	101
Prepayments	343	217	1,236
Others	25	141	94
Total	492	358	1,431

The decrease in accrued income and prepayments compared with 30 June 2001 is mainly due to advertising billed in advance as of that date.

COMMENTS ON THE PRINCIPAL LIABILITY CAPTIONS

■ A. SHAREHOLDERS' EQUITY

■ A.I. Share capital

The share capital at 30 June 2002, which is fully subscribed and paid-in, comprises 24,500,000 ordinary shares with a par value of Euro 0.52 each.

■ A.II. Share premium reserve

The share premium reserve (Euro 18,076 thousand) refers to the increase in share capital carried out in 1997 when the company was floated on the screen-traded market of the Italian Stock Exchange.

■ Reconciliation between statutory and consolidated balances

A reconciliation between the net profit and shareholders' equity recorded in the statutory financial statements of the Parent Company CSP International Industria Calze S.p.A. and the corresponding consolidated amounts is presented below:

	Net profit 1st half 2002	Shareholders' equity at 30.06.2002	Net profit 2001	Shareholders' equity at 31.12.2001
As per the financial statements of the Parent Company (*)	4,257	62,631	(563)	59,482
Increase (Decrease)				
Difference between the equity of consolidated subsidiaries carried at cost in the Parent Company's financial statements and the respective book values of the investments, net of amortisation of the consolidation differences	(3,237)	(5,556)	(369)	(2,086)
Elimination of adjustments of a fiscal nature (accelerated depreciation)	148	3,328	816	3,180
Other consolidation adjustments	(241)	(856)	(310)	(615)
As per the consolidated financial statements (*)	927	59,547	(426)	59,961

(*) figures as at 30 June 2002 do not include income taxes

■ B. RESERVES FOR CONTINGENCIES AND OTHER CHARGES

Changes in this item are set out below:

	01/01/02	Provisions	Utilisations	30/06/02
Reserve for pensions and similar commitments	625	0	0	625
Taxation reserve	2,013	0	(127)	1,886
Others:				
- Exchange fluctuation reserve	65	35	(65)	35
- Reserve for future contingencies	577	52	(39)	590
- Agents' supplementary indemnity reserve	738	48	(69)	717
-Other provisions	229	98	(173)	154
Total other	1,609	233	(346)	1,496
Total reserves for contingencies and other charges	4,247	233	(473)	4,007

■ C. RESERVE FOR SEVERANCE INDEMNITIES

Movements during the period have been as follows:

	01/01/02	Provisions	Utilisations	30/06/02
- Severance indemnity	6,199	599	(382)	6,416

■ D. PAYABLES

■ D.3. Short-term bank borrowings

Indebtedness to banks at 30 June 2002 amounts to 72,672 thousand Euro.

The breakdown of amounts due to banks by repayment deadline is the following:

	30/06/02	31/12/01	30/06/01
Current payables	41,559	46,359	43,126
Loans:			
- due within 1 year	13,842	16,886	19,832
- due from 1 to 5 years	17,271	23,205	12,520
- due beyond 5 years	0	152	152
Total	72,672	86,602	75,630

During the period under review, the Parent Company stipulated a new loan of 3,000 thousand Euro repayable by 30 June 2005.

D.11 Taxes payable

The most significant item is the Parent Company's liability for the third instalment of substitute tax on revalued fixed assets (Law no. 342 of 21.11.2000), of 970 thousand Euro. The decrease with respect to the same period a

year ago is due to payment of the first two instalments after 30 June 2001.

■ D.12. Payables to social security institutions

The most significant item is the liability for social security contributions (1,652 thousand Euro).

■ D.13 Other payables

These comprise:

	30/06/02	31/12/01	30/06/01
Payable to employees	4,888	2,063	4,450
Other payables	789	1,048	976
Total	5,677	3,111	5,426

■ n E. ACCRUED LIABILITIES AND DEFERRED INCOME

This caption mainly refers to accrued bank interest payable.

MEMORANDUM ACCOUNTS

Guarantees given to third parties -- The caption relates to guarantees granted to third parties.

Purchasing commitments -- At 30 June 2002, there are commitments based on signed contracts for the purchase of tangible fixed assets amounting to Euro 1,197 thousand. These commitments refer principally to the adoption of a new IT system (hardware and software) and the purchase of machinery.

Guaranteed trade receivables -- The caption refers to forms of guarantees given by the French subsidiary to the banking system in relation to loans received.

Third party assets -- This caption includes third party goods for re-packaging and re-dyeing.

STATEMENT OF INCOME

COMMENTS ON THE PRINCIPAL STATEMENT OF INCOME CAPTIONS

■ A. PRODUCTION VALUE

■ A.1. Revenues from sales of goods and services

Revenues are analysed by geographical area and by type of product below:

	1st half 2002	1st half 2001	2001
- Italy:			
- stockings	16,933	20,117	42,728
- seamless underwear	5,624	4,322	9,314
- corsetry	13,495	13,828	22,440
- yarn/other	1,606	3,353	6,191
- France:			
- stockings	15,119	14,883	42,996
- seamless underwear	541	0	940
- yarn/other	142	14	211
- Other Western Europe countries:			
- stockings	6,102	6,628	15,527
- seamless underwear	1,506	979	1,146
- corsetry	553	45	117
- yarn/other	116	260	334
- Eastern Europe:			
- stockings	10,932	9,974	24,349
- seamless underwear	2,861	1,152	2,867
- corsetry	7	37	76
- yarn/other	450	54	817
- Non-European countries:			
- stockings	1,180	1,397	2,364
- seamless underwear	137	37	82
- yarn/other	17	1	6
Total	77,321	77,081	172,505

Revenues are shown net of returns, discounts and allowances.

Revenues from stockings amount to 50,266 thousand Euro, a decrease of 2,733 thousand Euro with respect to the same period last year. This fall in the hosiery market was more than offset by sales of seamless underwear, which went up from 6,490 thousand Euro in the first half of 2001 to 10,669 thousand Euro in the same period of 2002, an increase of 65%. Sales of corsetry, equal to 14,055 thousand Euro in the first half 2002, are in line with those of the same period last year.

A.5.a. Other income

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This item is made up as follows:

	1st half 2002	1st half 2001	2001
Transport & production expenses re invoiced to customers	68	180	285
Advertising contributions	82	124	553
Expenses re invoiced to customers	29	28	58
Royalty income	363	459	807
Gains on disposal of assets	85	74	93
Out-of-period income	122	50	222
Other	2	1	3
Total	751	916	2,021

B. PRODUCTION COSTS

■ B.6. Cost of raw, ancillary and consumable materials and goods

This item is made up as follows:

	1st half 2002	1st half 2001	2001
Raw materials	28,434	30,673	58,430
Packaging and consumable materials	5,373	5,262	11,299
Total	33,807	35,935	69,729

The decrease in the cost of raw materials compared with the first half of 2001 is mainly the result of measures designed to reduce inventories.

■ B.7. Services

This item is made up as follows:

	1st half 2002	1st half 2001	2001
- Outside contractors	7,393	6,380	13,344
- Advertising	6,580	9,932	18,293
- Agents and merchandising	3,125	2,883	6,171
- Transport	1,766	1,482	3,559
- Power and heating	2,242	2,419	4,645
- Other	4,003	4,276	7,545
Total	25,109	27,372	53,557

The decrease in the cost of services compared with 30 June 2001 was caused essentially by lower advertising expenditure in 2002, due to scheduling changes in the campaigns to boost the Group's brands. In any case, advertising expenditure for the full year should be in line with previous years.

There has also been an increase in outside contractors (1,013 thousand Euro) due to a higher recourse to outsourcing, above all in the production of seamless underwear.

■ B.9. Labour costs

This caption includes all the costs incurred on an on-going basis which directly concern employees. The detail of

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this caption is set out on the face of the statement of income.

Movements in staff numbers during the period are set out below:

	01/01/02	New recruits	Leavers	30/06/02	Average
- Managers	16	1	(2)	15	16
- Supervisors	49	1	(1)	49	49
- Office staff	356	23	(22)	357	356
- Workers	1,020	49	(65)	1,004	1,012
Total	1,441	74	(90)	1,425	1,433

The new recruits and leavers categories also include internal promotions.

B.10. Depreciation, amortisation and writedowns

These comprise:

■ a. Amortisation of intangible fixed assets

	1st half 2002	1st half 2001	2001
- Software	323	322	722
- Goodwill	107	92	232
- Deferred charges	25	31	64
- Brand	517	520	1,037
- Consolidation differences	923	742	1,663
- Other	12	5	11
Total	1,907	1,712	3,729

■ b. Depreciation of tangible fixed assets

	1st half 2002	1st half 2001	2001
- Buildings and light constructions	480	510	984
- Plant/machinery	3,131	3,064	6,148
- Equipment	228	236	488
- Furniture, office machines	102	95	168
- Electronic office machines	117	167	276
- Cars	80	73	143
- Vehicles	42	43	82
- Low-value assets	15	26	38
Total	4,195	4,214	8,327

■ d. Writedown of doubtful accounts included in current assets and of liquid funds

The caption "Writedown of doubtful accounts included in current assets and of liquid funds" consists of the

provision required to adjust the value of receivables to their estimated realisable value.

■ **B.12. Provisions for contingencies and other charges**

This caption relates to the provision for the agents' supplementary indemnity maturing in the period.

■ **B.14. Other operating expenses**

This item is made up as follows:

	1st half 2002	1st half 2001	2001
- Entertaining	69	51	174
- Membership fees	90	73	131
- Stationery & other materials	128	138	296
- Non deductible VAT on gifts	19	24	41
- Taxes and duties	634	579	1,155
- Losses on the sale of assets	82	26	61
- General expenses	37	25	117
- Other charges	63	56	89
Total	1,122	972	2,064

■ **C. FINANCIAL INCOME AND CHARGES**

■ **C.16.d.d. Other financial income from third parties**

This caption comprises:

	1st half 2002	1st half 2001	2001
- Interest on current accounts	16	11	28
- Interest from customers	11	7	18
- Exchange gains	375	249	297
- Other interest income	10	40	58
- Gains on disposal of securities	31	0	0
- Discounts & positive roundings	2	5	0
Total	445	312	401

■ **C.17.d Interest and other financial charges from third parties**

This caption comprises:

	1st half 2002	1st half 2001	2001
- Interest on current accounts	393	381	677

CSP GROUP

- Interest on borrowings	397	330	1,168
- Interest on loans	730	915	1,709
- Other interest and charges	343	314	590
- Provision to exchange fluctuation	35	0	0
- Exchange losses	376	100	270
Total	2,274	2,040	4,414

Net financial charges in the first half of 2002 are substantially in line with those in the corresponding period of the previous year, despite a higher average level of debt during the period, thanks to the favourable trend in interest rates.

■ D.19.c. Writedowns of securities booked under current assets not representing equity investments

The reduction in this caption is due to the fact that the Parent Company's own shares in portfolio did not have to be written down during the first half 2002, as explained in the note to item "C III 5." on the assets side of the balance sheet.

■ E.21.c Other non-recurring charges

This caption refers to the reorganisation currently underway at the Le Bourget Group; 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.

Ceresara, 26 September 2002

The Board of Directors

ATTACHMENTS

These attachments contain supplementary information to that provided in the Notes, of which they form an integral part.

This information is included in the following attachments:

1. Schedule of changes in shareholders' equity for the period ended 30 June 2002
2. Cash flow statement as at 30 June 2002

CSP GROUP

Attachment 1

SCHEDULE OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2002

(in thousands of Euro)

Description	Share capital	Share premium reserve	Reserve for own shares	Revaluation reserves	Legal reserve	Other reserves	Net profit (loss) for the period	Total shareholders' equity
Balances at 1 January 2002	12,740	18,076	5,379	13,023	1,364	9,805	(426)	59,961
Coverage of 2001 loss								
- Allocation to "Undistributed profit"						(426)	426	0
- Dividends						(1,108)		(1,108)
Increase in reserve for own shares			628			(628)		0
Translation differences						(233)		(233)
Net profit at 30 June 2002 (*)							927	927
Balances at 30 June 2002	12,740	18,076	6,007	13,023	1,364	7,410	927	59,547

(*) Net profit at 30 June 2002 does not include income taxes

STATEMENT OF CONSOLIDATED CASH FLOW

at 30 June 2002

(in thousands of Euro)

	30 June 2002	31 December 2001
A. OPENING NET FINANCIAL POSITION	(57,771)	(43,461)
B. CASH FLOWS FROM (FOR) OPERATING ACTIVITIES		
Net profit (loss) for the year	927	(426)
Depreciation, amortization and writedowns	6,102	12,056
Net change in severance indemnities for employees and agents	196	233
Net change in allowances for risks and charges	(219)	348
Writedown of equity investments	0	0
<i>Cash flows from operating activities before changes in working capital</i>	7,006	12,211
(Increase) decrease in trade receivables	19,620	740
(Increase) decrease in inventories	(10,220)	(8,101)
Increase (decrease) in trade and other payables	2,585	(3,263)
Increase (decrease) in own shares	(628)	(2,010)
Changes in other working capital items	(2,292)	2,098
<i>Total changes in working capital</i>	9,065	(10,536)
	16,071	1,675
C. CASH FLOWS FROM (FOR) INVESTMENT ACTIVITIES		
(Purchase) disposal of fixed assets:		
Intangible	(750)	(825)
Tangible	(2,329)	(4,541)
Financial	37	(20)
Lepel's acquisition	0	(9,576)
	(3,042)	(14,962)
D. CASH FLOWS FROM (FOR) FINANCING ACTIVITIES		
New loans net of the current portion of loans transferred to current payables	(6,086)	(355)
Dividends paid	(1,108)	(1,187)
Other changes in shareholders' equity, and changes in minority interests	(326)	519
	(7,520)	(1,023)
E. TOTAL CASH FLOWS FOR THE YEAR (B+C+D)	5,509	(14,310)
F. Net liquidity (debt) of purchased companies at the acquisition date	0	0
G. CLOSING NET FINANCIAL POSITION (A+E+F)	(52,262)	(57,771)



**HALF YEAR
FINANCIAL STATEMENTS
OF THE PARENT COMPANY**

AS AT

30 JUNE 2002

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

CSP INTERNATIONAL INDUSTRIA CALZE S.P.A.

FINANCIAL STATEMENTS AS AT 30 JUNE 2002

(FIGURES IN THOUSANDS OF EURO)

BALANCE SHEET

	30.06.2002	31.12.2001	30.06.2001
ASSETS:			
A) RECEIVABLES FROM SHAREHOLDERS:	0	0	0
B) FIXED ASSETS			
I. Intangible fixed assets			
3. industrial patents and intellectual property rights	625	686	840
4. concessions, licences, trade marks and similar rights	0	0	1
5. goodwill	172	197	0
6. construction in progress and advances	435	0	0
7. others	173	132	157
Total I.	1,405	1,015	998
II. Tangible fixed assets			
1. land and buildings	16,029	16,056	16,415
2. plant and machinery	19,800	21,402	24,503
3. industrial and commercial equipment	301	72	97
4. other fixed assets	648	580	602
5. construction in progress and advances	89	814	456
Total II.	36,867	38,924	42,073
III. Financial fixed assets			
1. Equity investments in:			
a) subsidiary companies	35,456	35,456	35,456
b) associated companies		0	0
d) other companies	3	3	3
Total 1.	35,459	35,459	35,459
2. Financial receivables:			
a) from subsidiary companies			
a.a. due within 12 months		0	0
b) from associated companies			
b.a. due within 12 months	65	65	65
Total 2.	65	65	65
3. Other securities	176	208	232
Total III.	35,700	35,732	35,756
TOTAL FIXED ASSETS (B)	73,972	75,671	78,827
C) CURRENT ASSETS			
I. Inventories:			
1. raw, ancillary and consumable materials	5,470	6,687	6,425
2. semi-finished products, work-in-progress	14,527	14,360	14,744
4. finished products and goods	21,223	15,140	16,255
5. advances		0	0
Total I.	41,220	36,187	37,424

II. Receivables:			
1. trade accounts:			
1.a. due within 12 months	30,200	35,485	32,609
2. subsidiary companies			
2.a. due within 12 months	9,277	10,762	8,244
3. associated companies			
3.a. due within 12 months	235	235	235
4. parent companies			
4.a. due within 12 months		0	0
5. others:			
5.a. due within 12 months	4,413	2,360	4,972
5.b. due beyond 12 months	30	56	56
Total 5.	4,443	2,416	5,028
Total II.	44,155	48,898	46,116
III. Current financial assets			
5. own shares	6,007	5,379	5,128
6. other securities		0	0
Total III.	6,007	5,379	5,128
IV. Liquid funds:			
1. cash at banks and post offices	4	1,705	241
2. cheques	0	0	0
3. cash and equivalents on hand	12	24	26
Total IV.	16	1,729	267
TOTAL CURRENT ASSETS (C)	91,398	92,193	88,935
D. ACCRUED INCOME AND PREPAYMENTS	131	114	884
TOTAL ASSETS	165,501	167,978	168,646

LIABILITIES

	30.06.2002	31.12.2001	30.06.2001
A) SHAREHOLDERS' EQUITY:			
I. Share capital	12,740	12,740	12,740
II. Share premium reserve	18,076	18,076	18,076
III. Revaluation reserves	13,023	13,023	13,023
IV. Legal reserve	1,359	1,359	1,359
V. Reserve for own shares in portfolio	6,007	5,379	5,128
VI. Statutory reserves		0	0
VII. Other reserves:			
a. undistributed profit	6,963	9,262	10,701
b. capital grants reserve	206	206	206
total VII.	7,169	9,468	10,907
VIII. Retained earnings		0	0
IX. Net profit (loss) for the period	4,257	(563)	(1,167)
TOTAL SHAREHOLDERS' EQUITY (A)	62,631	59,482	60,066
B) ALLOWANCES FOR RISKS AND CHARGES			
1. pensions and similar commitments	0	0	0
2. taxation	283	283	325
3. other	872	861	879
TOTAL ALLOWANCES FOR RISKS AND CHARGES (B)	1,155	1,144	1,204

C) RESERVE FOR SEVERANCE INDEMNITIES

D) PAYABLES:

	4,942	4,806	4,548
3. banks:			
a. due within 12 months	46,861	48,886	54,809
b. due beyond 12 months	13,786	18,781	7,860
Total 3.	60,647	67,667	62,669
5. advances			
a. due within 12 months	0	0	0
6. trade accounts:			
a. due within 12 months	28,710	29,048	32,076
7. notes payable			
8. subsidiary companies			
a. importi esigibili entro 12m	2,607	1,856	1,389
9. associated companies			
a. due within 12 months	6	6	6
10. parent companies			
a. due within 12 months	0	0	0
11. taxes payable:			
a. due within 12 months	1,578	1,221	2,497
b. due beyond 12 months		970	970
Total 11.	1,578	2,191	3,467
12. social security institutions			
a. due within 12 months	487	748	570
13. other payables:			
a. due within 12 months	2,603	615	2,529
TOTAL PAYABLES (D)	96,638	102,131	102,706
E) ACCRUED LIABILITIES AND DEFERRED INCOME	135	415	122
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	165,501	167,978	168,646

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

MEMORANDUM ACCOUNTS

	30.06.2002	31.12.2001	30.06.2001
- Guarantees given to third parties	12,620	10,933	10,654
- Purchasing commitments	1,197	1,274	836
- Third party assets	32	33	119
- Total	13,849	12,240	11,609

STATEMENT OF INCOME

A) PRODUCTION VALUE

	30.06.2002	30.06.2001	31.12.2001
1. Revenues from sale of goods and services	57,286	55,967	122,991
2. Changes in inventories of work-in-progress, semi-finished and finished products	6,249	6,345	4,847
4. Additions to fixed assets by internal production			
5. Other income:			
a. other income	615	785	1,736
b. operating grants	0	0	0
TOTAL PRODUCTION VALUE (A)	64,150	63,097	129,574

B) PRODUCTION COSTS

6. Raw, ancillary and consumable materials and goods	28,266	30,829	60,798
7. Services	14,574	16,240	33,387
8. Use of third party assets	43	0	53
9. Labour costs:			
a. wages and salaries	6,646	6,744	13,116
b. social security contributions	2,217	2,224	4,276
c. severance indemnities	511	527	1,042
e. other costs	0	1	30
Total 9.	9,374	9,496	18,464
10. Depreciation, amortisation and writedowns:			
a. amortisation of intangible fixed assets	361	333	789
b. depreciation of tangible fixed assets	3,929	3,997	8,359
c. other writedowns of fixed assets	0	0	0
d. writedown of doubtful accounts included in current assets and of liquid funds	278	179	696
Total 10.	4,568	4,509	9,844
11. Changes in inventories of raw, ancillary and consumable materials and goods	1,217	421	159
12. Provisions for contingencies and other charges	37	37	80
13. Other provisions	0	0	0
14. Other operating expenses	399	307	675
TOTAL PRODUCTION COSTS (B)	58,478	61,839	123,460
DIFFERENCE BETWEEN PRODUCTION VALUE AND PRODUCTION COSTS	5,672	1,258	6,114

C) FINANCIAL INCOME AND (CHARGES)

15. Income from investments:			
a. in subsidiary companies	0	0	0
16. Other financial income:			
a. income from securities held as current assets			
c. parent companies	0	0	0
c. income from securities held as current assets not representing equity investments	0	0	0
d. other than above:			
d. from third parties	67	18	34
Total 16.	67	18	34

17. Interest and other financial charges:			
d. from third parties	(1,483)	(1,463)	(3,152)
TOTAL FINANCIAL INCOME AND (CHARGES) (C)	(1,416)	(1,445)	(3,118)
D) ADJUSTMENTS TO THE VALUE OF FINANCIAL ASSETS:			
18. Revaluations:			
a. of equity investments	0	0	0
19. Writedowns:			
a. of equity investments	0	0	0
c. income from securities held as current assets not representing equity investments	0	(980)	(2,386)
Total 19.	0	(980)	(2,386)
TOTAL ADJUSTMENTS TO THE VALUE OF FINANCIAL ASSETS (D)	0	(980)	(2,386)
E) NON-RECURRING INCOME AND CHARGES:			
20. Non-recurring income			
a. gains on disposals	0	0	0
b. other non-recurring income	1	0	0
Total 20.	1	0	0
21. Non-recurring charges:			
c. other non-recurring charges	0	0	0
Total 21.	0	0	0
TOTAL NON-RECURRING INCOME AND (CHARGES) (E)	1	0	0
PROFIT BEFORE TAXES (A-B+/-C+/-D+/-E)	4,257	(1,167)	610
22. Income taxes for the period	(*)	(*)	(1,173)
26. NET PROFIT FOR THE PERIOD	4,257	(1,167)	(563)

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