# QUARTERLY REPORT
# AT
# 30 SEPTEMBER 2002

## CSP GROUP


***CSP INTERNATIONAL INDUSTRIA CALZE S.p.A.***

*VIA PIUBEGA, 5C - 46040 CERESARA (MN) - ITALY*

*Tel. (0376) 8101 - Fax (0376) 87573*

# CORPORATE BODIES

## Board of Directors

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

# DIRECTORS' REPORT ON GROUP OPERATIONS

The general slowdown in consumption, both in Italy and abroad, is causing widespread caution on the part of retailers, limiting their purchases. This behaviour is likely to result in a significant reduction in stocks in this section of the industry, leaving room for a considerable recovery once the present negative cycle ends, as it is expected to do in the second half of 2003.

In the first nine months of 2002 the CSP Group recorded total sales of 116.51 million Euro, showing growth of 2.6% on the same period of 2001 and an improvement in operating profit, from 4.52 million Euro to 7.58 million Euro, rising from 4.0% to 6.5% of sales.

These rates of growth are lower than were seen at 30 June of this year because of less brilliant results in the third quarter. Compared with the same period in 2001, third-quarter sales revenues slid from 42.29 million Euro to 41.16 million Euro, operating profit from 5.48 million Euro to 4.01 million Euro and pre-tax profit from 3.33 million Euro to 2.57 million Euro.
This main factors that affected this period were:

a- sales have been affected above all by the ongoing decline in hosiery consumption in Italy and abroad. In particular, we experienced a sharp drop in purchases by Russian distributors (apparently caused by an unfavourable trend in the weather), partly offset by the growth in seamless underwear and corsetry;

b- operating profit was affected by higher advertising expenditure, as expected, charged during the period by Lepel and Le Bourget, together with sales returns due to the introduction of the new packaging for Le Bourget brand lines.

c- pre-tax profit was also affected by the writedown of own shares in portfolio to market value.

## Group performance

### *Summary statement of income*

| (in millions of Euro) | Quarter 01/07 - 30/09 2002 | | Quarter 01/07 - 30/09 2001 | | Period at 30 September 2002 | | Period at 30 September 2001 | | 31 December 2001 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | amount | % | amount | % | amount | % | amount | % | amount | % |
| Net sales | 41.16 | *100.0%* | 42.29 | *100.0%* | 116.51 | *100.0%* | 113.51 | *100.0%* | 163.33 | *100.0%* |
| Cost of Sales | 24.70 | *60.0%* | 25.69 | *60.7%* | 71.62 | *61.5%* | 70.19 | *61.8%* | 101.63 | *62.2%* |
| **Gross profit** | **16.46** | ***40.0%*** | **16.60** | ***39.3%*** | **44.89** | ***38.5%*** | **43.32** | ***38.2%*** | **61.70** | ***37.8%*** |
| Selling, general and administrative costs | 12.45 | *30.2%* | 11.12 | *26.3%* | 37.31 | *32.0%* | 38.80 | *34.2%* | 53.43 | *32.7%* |
| **Operating profit** | **4.01** | ***9.7%*** | **5.48** | ***13.0%*** | **7.58** | ***6.5%*** | **4.52** | ***4.0%*** | **8.27** | ***5.1%*** |
| Financial expenses, net | 0.89 | *2.2%* | 1.19 | *2.8%* | 2.87 | *2.5%* | 3.02 | *2.7%* | 4.22 | *2.6%* |
| Other charges, net | 0.51 | *1.2%* | 1.00 | *2.4%* | 0.35 | *0.3%* | 1.77 | *1.6%* | 2.02 | *1.2%* |
| Non-recurring charges, net | 0.04 | *0.1%* | (0.04) | *-0.1%* | 0.73 | *0.6%* | 0.00 | *0.0%* | 0.00 | *0.0%* |
| **Profit (loss) before taxes** | **2.57** | ***6.2%*** | **3.33** | ***7.9%*** | **3.63** | ***3.1%*** | **(0.27)** | ***-0.2%*** | **2.03** | ***1.2%*** |
| Income taxes | (*) | *(*)* | (*) | *(*)* | (*) | *(*)* | (*) | *(*)* | (2.25) | *-1.4%* |
| **Net profit (loss) for the period** | **2.57** | ***6.2%*** | **3.33** | ***7.9%*** | **3.63** | ***3.1%*** | **(0.27)** | ***-0.2%*** | **(0.22)** | ***-0.1%*** |
| Minority interests | 0.02 | *0.0%* | (0.07) | *(0.2%)* | (0.12) | *(0.1%)* | (0.26) | *(0.2%)* | (0.21) | *(0.1%)* |
| **Net profit (loss) for the period attributable to the Group** | **2.59** | ***6.3%*** | **3.26** | ***7.7%*** | **3.51** | ***3.0%*** | **(0.53)** | ***-0.5%*** | **(0.43)** | ***-0.3%*** |

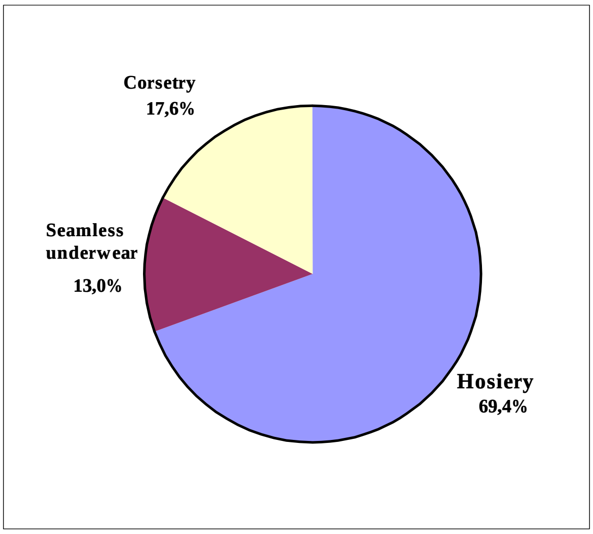
(*) the figures at 30 September do not include income taxes

**Net sales -** Net sales in the third quarter of 2002 went from 42.29 million Euro to 41.16 million Euro, with a decrease of 2.7% on the corresponding quarter of the previous year.

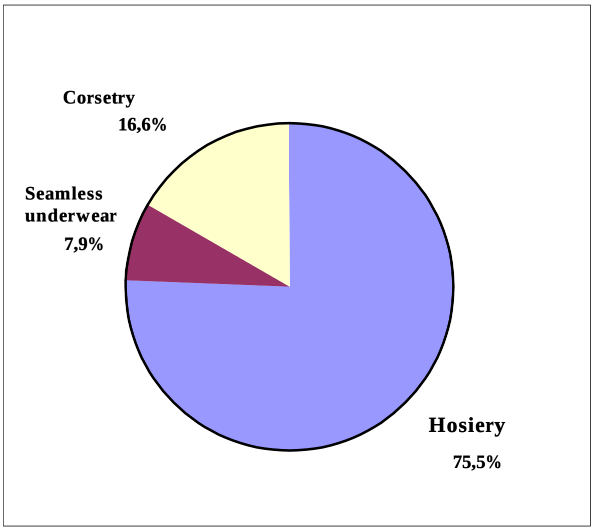
As regards the first nine months of 2002, net sales passed from 113.51 million Euro to 116.51 million Euro, a rise of 2.6%. This increase is mainly due to growth in seamless underwear sales, up from 8.9 million Euro to 15.1 million Euro (+69%).

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 2001:

**Products: % of sales at 30.09.2002**

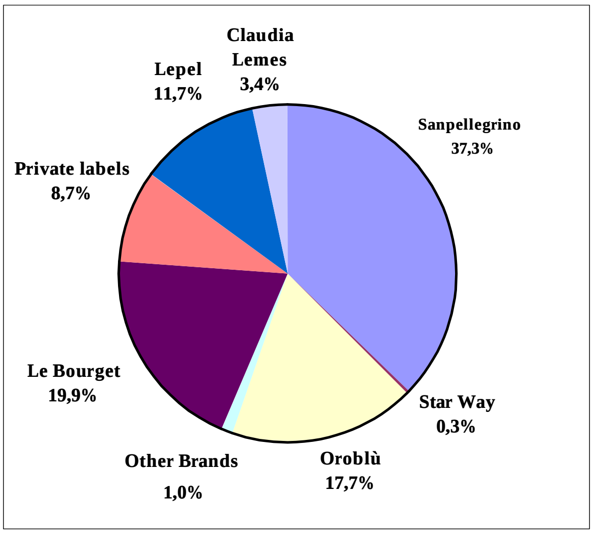



**Products: % of sales at 30.09.2001**

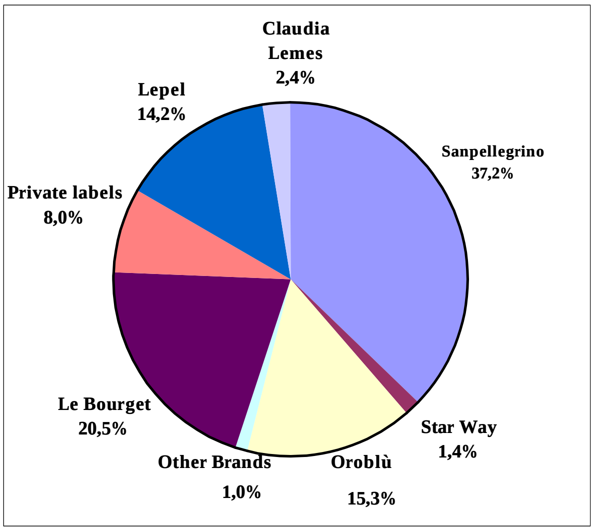



In the period ended 30 September 2002, hosiery sales decreased by 6% with respect to the same period a year earlier, offset by 10% growth in corsetry as well as the rise in seamless underwear.
Corsetry and seamless underwear together represent 30.6% of total turnover, compared with 24.5% in 2001.

**Brands: % of sales at 30.09.2002**

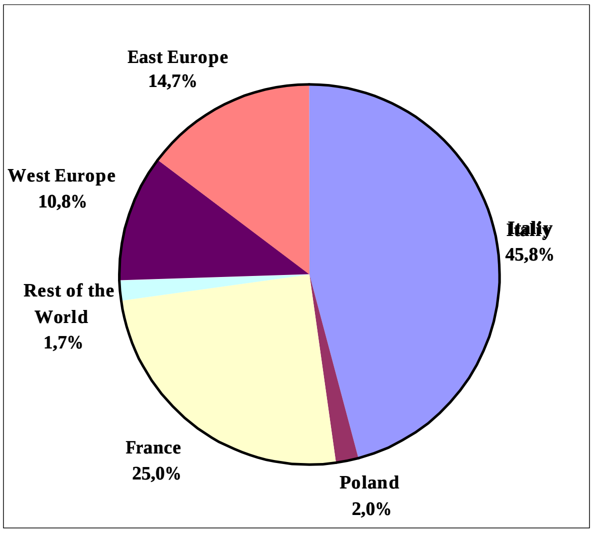



**Brands: % of sales at 30.09.2001**

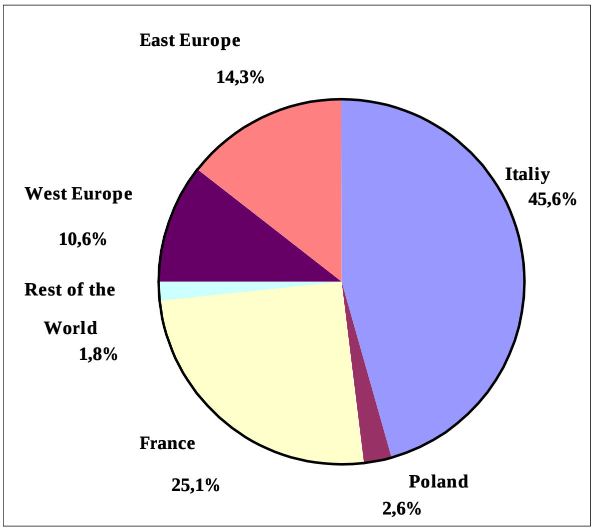



As regards our brands, the first nine months of 2002 showed substantial stability on the part of Sanpellegrino, a positive trend on the part of Oroblù, thanks to the growth in seamless underwear and corsetry, but a decrease on the part of Lepel, partly offset by an increase in sales of the Claudia Lemes brand.

**Areas: % of sales at 30.09.2002**




**Areas: % of sales at 30.09.2001**




The first nine months of 2002 confirmed a breakdown by geographical area more or less in line with the corresponding period last year; in particular, the main increase in value terms was on the Italian market (+3%).

**Cost of sales -** Cost of sales in the first nine months of 2002 was 71.62 million Euro, 61.5% of net sales, compared with 61.8% in corresponding period of last year.

**Gross profit** – The gross profit margin for the third quarter was 40.0% compared with 39.3% in the corresponding period of the previous year. Gross profit for the first nine months of 2002 came to 38.5% of net sales compared with 38.2% in the corresponding period a year earlier. 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 in the first nine months of 2002, totalling 37.31 million Euro, represented 32.0% of net sales for the period, compared with 34.2% in the same period last year.
The decrease with respect to the first nine months of 2001 is mainly due to lower advertising expenditure, down from 12.96 million Euro to 10.75 million Euro, due to scheduling changes in the campaigns to boost the Group's brands. However, advertising expenditure for the whole year is not expected to be lower than in the past.

**Operating profit** – The operating profit for the first nine months of 2002, 7.58 million Euro, represents 6.5% of net sales, compared with 4.0% of the corresponding period a year earlier (4.52 million Euro). The improvement owes mostly to the reduction in advertising expenditure mentioned above.

**Net financial charges -** Net financial charges in the first nine months of 2002 amounted to 2.87 million Euro, compared with 3.02 million Euro in the same period a year ago. The decrease in financial charges is due to a more favourable trend in interest rates, as well as the decline in net debt.

**Other net income and charges** – In the first nine months of 2002 this item was represented by 0.35 million Euro of net charges compared with 1.82 million Euro in the corresponding period a year earlier; this reduction is due principally to the writedown of own shares in portfolio (2.325 Euro per share) to adjust them to their market value at period-end.

**Non-recurring charges** – Non-recurring charges amount to 0.73 million Euro, and relate to the restructuring plan underway at Le Bourget Group. This operation will allow us to achieve significant organizational, management and logistical benefits, which will lead to a reduction in costs and an improvement in the level of service provided.

**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*

| (in millions of Euro) | **30 September 2002** | **30 June 2002** | **31 December 2001** | **30 September 2001** |
|---|---|---|---|---|
| Current assets | 127.11 | 117.97 | 125.01 | 123.85 |
| Current liabilities | (42.81) | (49.78) | (47.26) | (46.42) |
| **Net working capital** | **84.30** | **68.19** | **77.75** | **77.43** |
| Equity investments (including own shares) | 6.04 | 6.58 | 6.10 | 5.83 |
| Tangible and intangible fixed assets | 64.57 | 66.29 | 69.31 | 71.22 |
| **Capital employed** | **154.91** | **141.06** | **153.16** | **154.48** |
| Other medium/long-term liabilities | (10.63) | (10.42) | (10.38) | (9.67) |
| **Net capital employed** | **144.28** | **130.64** | **142.78** | **144.81** |
| | | | | |
| Net debt | 80.72 | 69.53 | 81.17 | 83.54 |
| Shareholders' equity attributable to minority interests | 1.52 | 1.56 | 1.65 | 1.74 |
| Net equity | 62.04 | 59.55 | 59.96 | 59.53 |
| **Total** | **144.28** | **130.64** | **142.78** | **144.81** |

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

**Working capital -** Net working capital at 30 September 2002 amounts to 84.30 million Euro versus 77.75 million Euro at 31 December 2001, for an increase of 6.55 million Euro. This increase is due to higher inventories, as well as the seasonal nature of the business.

**Capital employed -** Capital employed passes from 153.16 million Euro at 31 December 2001 to 154.91 million Euro, an increase of 1.75 million Euro.

**Net debt -** Net debt, as shown in the following table, is in line with 31 December 2001. The net financial position is made up as follows:

| (in millions of Euro) | 30 September 2002 | 30 June 2002 | 31 December 2001 | 30 September 2001 |
|---|---|---|---|---|
| Short-term bank borrowings | 50.72 | 41.70 | 46.36 | 55.18 |
| Current portion of medium/long-term debt | 12.69 | 13.70 | 16.89 | 20.09 |
| Cash and banks | (1.39) | (3.14) | (5.44) | (2.37) |
| **Net short-term borrowings** | **62.02** | **52.26** | **57.81** | **72.90** |
| | | | | |
| Medium/long-term lending, net of the current portion | 18.70 | 17.27 | 23.36 | 10.64 |
| **Net debt** | **80.72** | **69.53** | **81.17** | **83.54** |

## Group performance company by company

### *Parent Company*

In the first nine months of 2002, the Parent Company's sales revenues, net of intercompany sales, increased by 3.4%, going from 60.76 million Euro to 62.81 million Euro; this excellent result was due to 47.5% growth in seamless underwear sales (from 8.94 million Euro to 13.19 million Euro), and 0.71 million Euro of corsetry sales, which were launched in 2002.
This growth is offset by a reduction in hosiery sales, where consumption is decreasing steadily, but where the Company kept its average selling prices in line with the previous year, despite the decline in quantities sold.

Operating profit went from 4.38 million Euro to 7.82 million Euro, namely 10.3% of net sales (5.9% at 30 September 2001); this is a significant improvement which is mainly due to a temporary dip in the proportion of advertising expenditure by the Parent Company (caused by different scheduling: more concentrated in the last quarter compared with 2001) and a substantial improvement in gross profit, which passed from 30.9% of net sales to 32.3%.

The growth in total sales in the first half of the year was partly offset by the trend in the third quarter, which was affected by the slowdown in hosiery sales in Russia. This situation also had a significant impact on stocks which rose when the demand for exports to Russia during the third quarter turned out to be lower than expected.

As regards the organization, 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 September came to 614 compared with 650 at the end of September 2001, a reduction of 5.5%.

### *Le Bourget Group*

Sales revenues of Le Bourget Group, net of intercompany sales, for the first nine months of 2002 passed from 30.39 million Euro to 30.70 million Euro, with a rise of 1.0%.

The operating result went from a profit of 0.71 million Euro to a loss of 0.82 million Euro, the deterioration being mainly due to the cost of changing the packaging for the Le Bourget collection sold through the mass distribution channel and to the replacement of the Bomo collection with the new Le Bourget Bomo collection. The positive effects on sales of reorganising the collections, as mentioned above, will be seen in future periods, though the effect will be offset to a certain extent by a reduction in private label sales.

An original style of communication addressed to consumers was introduced in September to support the introduction of the new Le Bourget line: a pocket-size magazine illustrating the entire range of Le Bourget products, from tights to seamless underwear, was designed and distributed together with Elle Magazine, a market leader in France.

***Lepel***

Sales revenues for the first nine months of 2002, net of intercompany sales, went from 18.82 million Euro to 19.79 million Euro, a rise of 5.2%, mainly due to growth in the mass distribution channel thanks to the Claudia Lemes and Sanpellegrino brands, as well as private labels. The increase in sales during the quarter compared with the same period of 2001 came to 41.7%.

Operating profit passed from 0.97 million Euro to 1.88 million Euro mainly because of the combined effect of the decrease in advertising expenditure (from 3.77 million Euro to 3.17 million Euro) and the reduction in gross profit largely due to the costs involved in developing the new collections, which enlarged the Company's traditional business. In addition to the new collections designed for the Lepel brand, new collections for other Group brands (Oroblù and Sanpellegrino) were also launched. These helped generate gross intercompany sales that were 12.5% higher with respect to the same period a year earlier.

September saw the start of an important press campaign to support the company's leading product, Belseno (already in television last spring), with a new testimonial, Natalia Estrada, and with 2 million mini-brochures distributed as inserts in magazines, making women more aware of the full range of Belseno products and allowing them to make a better choice.

***Sanpellegrino Polska***

Sales by the Polish company in the first nine months of 2002, net of intercompany sales, went from 3.55 million Euro to 3.21 million Euro; operating profit grew from 0.42 million Euro to 0.50 million Euro.

**Significant subsequent events and outlook for operations**

On 26 September 2002 the Board of Directors decided to propose the merger plan for CSP International to absorb Lepel S.r.l., already a wholly-owned subsidiary, to an Extraordinary Shareholders' Meeting.
Integrating Lepel with CSP will help achieve strategic synergies and greater operating efficiency in IT systems, marketing, sales, management accounting and purchases, with benefits also in terms of costs.

During the last quarter of 2002 an important advertising budget was prepared, based on two television commercials, one for Sanpellegrino stockings and tights; the other for Sanpellegrino seamless underwear. The amount of this investment and the strong impact of the commercials will undoubtedly give a boost to sales of these products, which have not had any support from television advertising for over a year.

All activities related to the world of lingerie, corsetry and seamless underwear point to a year-end result with significant growth for all Group brands (Oroblu, Sanpellegrino, Lepel, Claudia Lemes and Le Bourget).
At the same time, sales of stockings and tights will follow the trend in consumption, not helped by the uncertainty on the Russian market.

Ceresara, 7 November 2002

Chairman of the Board of Directors

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

## Reclassified Consolidated Statement of Income

(figures in thousands of Euro)

| | Quarter 01/07 - 30/09 2002 CONSOLIDATED | Quarter 01/07 - 30/09 2001 CONSOLIDATED | Period at 30 September 2002 CONSOLIDATED | Period at 30 September 2001 CONSOLIDATED | 31 December 2001 CONSOLIDATED |
|---|---|---|---|---|---|
| Net sales | 41,023 | 42,201 | 116,013 | 112,963 | 162,524 |
| Income from royalties | 133 | 86 | 496 | 545 | 807 |
| **NET REVENUES** | **41,156** | **42,287** | **116,509** | 113,508 | **163,331** |
| **COST OF SALES** | | | | | |
| Purchases | 13,832 | 15,583 | 45,375 | 45,181 | 59,779 |
| Labour cost | 4,249 | 4,528 | 14,740 | 15,242 | 20,662 |
| Services | 3,322 | 3,164 | 10,942 | 9,790 | 13,863 |
| Depreciation and amortisation | 1,877 | 1,934 | 5,654 | 5,708 | 7,519 |
| Other costs | 1,638 | 1,635 | 5,644 | 5,398 | 7,555 |
| (Increase) decrease in inventories | (222) | (1,153) | (10,735) | (11,126) | (7,753) |
| | **24,696** | **25,691** | **71,620** | **70,193** | **101,625** |
| **GROSS PROFIT** | **16,460** | **16,596** | **44,889** | **43,315** | **61,706** |
| **SELLING, GENERAL AND ADMINISTRATIVE COSTS** | | | | | |
| Labour cost | 3,048 | 2,986 | 10,639 | 10,298 | 14,176 |
| Advertising expenses | 4,385 | 3,231 | 10,751 | 12,955 | 17,580 |
| Commissions | 684 | 776 | 2,189 | 2,342 | 3,147 |
| Depreciation and amortisation | 1,133 | 1,206 | 3,458 | 3,311 | 4,534 |
| Other expenses | 3,202 | 2,916 | 10,274 | 9,885 | 13,997 |
| | **12,452** | **11,115** | **37,311** | **38,791** | **53,434** |
| **OPERATING PROFIT** | **4,008** | **5,481** | **7,578** | **4,524** | **8,272** |
| Financial charges (income), net | 894 | 1,192 | 2,872 | 3,022 | 4,223 |
| Writedown (writeup) of investments | 0 | (54) | 0 | (54) | 0 |
| Other (income) and charges | 503 | 1,047 | 348 | 1,821 | 2,014 |
| | **1,397** | **2,185** | **3,220** | **4,789** | **6,237** |
| **PROFIT (LOSS) BEFORE INCOME TAXES AND EXTRAORDINARY ITEMS** | **2,611** | **3,296** | **4,358** | **(265)** | **2,035** |
| **Extraordinary charges and (income)** | 38 | (38) | 733 | 1 | 4 |
| **PROFIT (LOSS) BEFORE INCOME TAXES** | **2,573** | **3,334** | **3,625** | **(266)** | **2,031** |
| Income taxes (*) | 0 | 0 | 0 | 0 | (2,248) |
| **NET PROFIT (LOSS) FOR THE PERIOD** | **2,573** | **3,334** | **3,625** | **(266)** | **(217)** |
| Minority interests | 12 | (71) | (113) | (262) | (209) |
| **NET PROFIT (LOSS) FOR THE GROUP** | **2,585** | **3,263** | **3,512** | **(528)** | **(426)** |

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

**Reclassified Consolidated Balance Sheet - Assets**
**(figures in thousands of Euro)**

| | 30 September 2002 CONSOLIDATED | 30 June 2002 CONSOLIDATED | 31 December 2001 CONSOLIDATED | 30 September 2001 CONSOLIDATED |
|---|---|---|---|---|
| **CURRENT ASSETS** | | | | |
| Cash and banks | 1,385 | 3,139 | 5,435 | 2,370 |
| Trade receivables | 54,711 | 46,190 | 65,857 | 58,748 |
| Trade receivables due from subsidiary and associated companies | 235 | 235 | 235 | 235 |
| Other receivables | 7,199 | 6,563 | 4,292 | 6,940 |
| Inventories | 64,464 | 64,486 | 54,266 | 57,245 |
| Accrued income and prepaid expenses | 501 | 492 | 359 | 683 |
| Own shares | 5,484 | 6,007 | 5,379 | 5,090 |
| **TOTAL CURRENT ASSETS** | **133,979** | **127,112** | **135,823** | **131,311** |
| **FIXED ASSETS** | | | | |
| Financial fixed assets: | | | | |
| Financial receivables | 448 | 459 | 602 | 629 |
| Equity investments | 110 | 110 | 110 | 110 |
| Total financial fixed assets | **558** | **569** | **712** | **739** |
| Tangible fixed assets | 46,843 | 47,735 | 49,601 | 50,618 |
| Intangible fixed assets | 17,724 | 18,558 | 19,715 | 20,600 |
| **TOTAL FIXED ASSETS** | **65,125** | **66,862** | **70,028** | **71,957** |
| **TOTAL ASSETS** | **199,104** | **193,974** | **205,851** | **203,268** |

**Reclassified Consolidated Balance Sheet - Liabilities and shareholders' equity**
**(figures in thousands of Euro)**

| | 30 September 2002 CONSOLIDATED | 30 June 2002 CONSOLIDATED | 31 December 2001 CONSOLIDATED | 30 September 2001 CONSOLIDATED |
|---|---|---|---|---|
| **CURRENT LIABILITIES** | | | | |
| Short-term bank borrowings | 50,716 | 41,698 | 46,358 | 55,181 |
| Current portion of medium / long term debt | 12,688 | 13,703 | 16,885 | 20,085 |
| Trade payables due to third parties | 33,486 | 40,373 | 38,935 | 35,951 |
| Trade payables due to subsidiary / associated companies | 6 | 6 | 6 | 6 |
| Taxes payable | 1,676 | 1,749 | 2,407 | 2,730 |
| Other payables | 7,166 | 7,392 | 5,286 | 7,311 |
| Accrued liabilities and deferred income | 474 | 257 | 626 | 427 |
| **TOTAL CURRENT LIABILITIES** | **106,212** | **105,178** | **110,503** | **121,691** |
| **MEDIUM/LONG-TERM LIABILITIES** | | | | |
| Medium / long-term debt, | | | | |
| net of the current portion | 18,700 | 17,271 | 23,357 | 10,639 |
| Bills payable | 0 | 0 | 0 | 0 |
| Severance indemnities | 6,598 | 6,416 | 6,200 | 6,010 |
| Other provisions | 4,035 | 4,007 | 4,183 | 3,662 |
| **TOTAL MEDIUM/LONG-TERM LIABILITIES** | **29,333** | **27,694** | **33,740** | **20,311** |
| **TOTAL LIABILITIES** | **135,545** | **132,872** | **144,243** | **142,002** |
| MINORITY INTERESTS IN CAPITAL AND RESERVES | 1,524 | 1,555 | 1,647 | 1,741 |
| **SHAREHOLDERS' EQUITY** | | | | |
| Share capital | 12,740 | 12,740 | 12,740 | 12,740 |
| Legal reserve | 1,365 | 1,365 | 1,365 | 1,365 |
| Share premium reserve | 18,076 | 18,076 | 18,076 | 18,076 |
| Other reserves | 26,342 | 26,439 | 28,206 | 27,872 |
| Net profit (loss) for the period (*) | 3,512 | 927 | (426) | (528) |
| **TOTAL SHAREHOLDERS' EQUITY** | **62,035** | **59,547** | **59,961** | **59,525** |
| **TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY** | **199,104** | **193,974** | **205,851** | **203,268** |

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

# NOTES TO THE QUARTERLY FINANCIAL STATEMENTS

## Content and bases of the financial statements

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

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

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

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

## Scope of consolidation

The scope of consolidation as of 30 September 2002 changed with respect to the financial statements as of 31 December 2001 becuase of the merge of SOGED S.A. and S.A.R.L. BUC into Le Bourget S.A., from 2 July 2002, is made up as follows:

| Name | Address | Controlling interest % |
|---|---|---|
| CSP International Industria Calze SpA | Via Piubega, 5/c, 46040 Ceresara (Mantua - Italy) | Parent Company |
| E.D.I. S.A. | Rue J.P. Saltiel- 02230- Fresnoy Le Grand, France | 100% |
| Le Bourget S.A. | Rue J.P. Saltiel- 02230- Fresnoy Le Grand, France | 99.996% (1) |
| Le Bourget Benelux (2) | Rue Reigersvliet 1040 Brussels (Belgium) | 70.56% |
| BO.MO. Srl (3) | Via San Martino 8/12 Fraz. Borgo Poncarale 25020 Poncarale (BS), Italy | 60% |
| Lepel Srl | Via Nuova Ponente, 25/b 41012 Carpi (MO) Italy | 100% |
| Sanpellegrino-Polska Sp.z.o.o. | Ul. Lodska, 27 95-050 Konstantynow (Lodz) (PL) | 50% |

(1) Of wich, 22.95% owned through E.D.I. S.A.

(2) Owned by Le Bourget S.A.

(3) Owned by Le Bourget S.A