QUARTERLY REPORT
AT
31 MARCH 2005

CSP GROUP

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

Board of Directors

Chairman	Francesco	BERTONI (*)
Vice Chairman	Enzo	BERTONI (*)
Managing Director	Gianfranco	BOSSI
Directors	Luigi	BELLAVITA
	Carlo	BERTONI
	Maria Grazia	BERTONI
	Renato	ROSSI
	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 those reserved to the Board of Directors as per the law or by-laws, with single signature.

DIRECTOR'S REPORT ON GROUP OPERATIONS

The results of the first quarter of 2005 were:

- a decrease in sales of 12.0% compared to the same quarter in the previous year;
- a loss of Euro 2.2 million, compared to a profit of Euro 1.5 million in the first quarter of 2004.

It should be noted that the subsidiary Sanpellegrino Polska (holding equal to 50%) was excluded from the consolidation as of January 1, 2005; this choice is due to the insignificance of the Polish company in terms of both results and balance sheet values, as well as the evaluation of the reporting requirements deriving from the implementation of the transition process to the IAS/IFRS considered higher than the relative benefits in terms of financial information. Consequently, as of January 1, 2005, Sanpellegrino Polska will be consolidated under the equity method.

It should also be noted, as contained in the recent changes by the Consob regulations, that the present quarterly report was prepared in accordance with the accounting principles adopted in the previous year.
In relation to the transition process to the IAS/IFRS accounting standards, CSP has completed the identification of the principal impact on the administration, reporting and IT systems deriving from the introduction of the international accounting standards and is implementing the necessary changes to the processes and systems for the new accounting standards.
At the present moment the quantification of the adjustments to the opening balance sheet at the date of the transition is in the completion phase (January 1, 2004) and the re-elaboration of the consolidated position at December 31, 2004 is currently in progress as well as the 2004 interim results, prepared solely for comparative purposes.
Based on the current progress of the project, it is considered that the CSP Group will be able to adopt the new international accounting standards as from the consolidated half-year report at June 30, 2005.

Salient results

A summary of the results for the first quarter of 2005, compared to the same period in the previous year are shown below:

- the net sales amounted to Euro 31.4 million, compared to Euro 35.7 million in 2004 (net of the sales of Sanpellegrino Polska), with a reduction of 12.0%;
- the Ebitda was Euro 10.9 million, compared to Euro 13.8 million in 2004, with a percentage on sales that decreased from 37.7% to 34.6%;
- the results before extraordinary items was a loss of Euro 2.2 million, compared to a profit of Euro 0.1 million in 2004;
- the results after extraordinary items and pre-tax was a loss of Euro 2.2 million; the previous year was a profit of Euro 1.5 million, of which Euro 1.4 million from extraordinary income;
- the net debt decreased from Euro 59.7 million at March 31, 2004 to Euro 51.5 million.

Comments on sales

The sales in the first quarter are within a strong recessionary market situation, as indicated by the following statistics.
The latest available market information (source GFK Institute) reports a reduction in consumption, in the Italian stocking/tights market, of 22.5% in January, of 13.7% in February and of 16.5% in March, compared to the previous year.
The recession in the consumption is in fact more serious as the above figures are combined with an evident de-stocking tendency by the Retailers and, in particular, by the Wholesalers.
Also in the foreign markets there are similar recessionary trends. In Russia, according to the data of the GFK institute, consumption in January 2005 reduced by 22% compared to January 2004 in quantity and 21% in value.
The sales in the first quarter, although still negative, appear to be less recessionary compared to the general market.

Analysis of the results

In relation to the income statement, while negative, the following aspects are noted:

- the benefits deriving from the reduction in personnel were reflected only partially in the first quarter, as they commenced from January 10 for one factory and February 28 for a second factory;
- the benefits deriving from the closure of the Poggio Rusco factory and the relative operating costs commenced only from March;
- the expected benefits from the extraordinary income have not been included in the first quarter, as they will be realised during the year;
- In addition in the first quarter almost all of the Media investments planned for the year were incurred, equal to approximately Euro 1.5 million for the Lepel brand, Euro 0.4 million for the Le Bourget brand and Euro 0.4 million for the Sanpellegrino brand in Russia (while in the rest of the world promotional activities will be undertaken to support the brands).

Operational areas

Despite the negative result, some positive results were recorded of an operational nature which should be seen within a very difficult overall situation.

In millions of Euro	2002	2003	2004	Q 1 2004	Q 1 2005	Change Q 1 05/04
Stock	58.0	47.1	43.1	48.9	36.5	**- 12.4**
Working Capital	84.4	68.8	63.7	62.4	53.4	**- 9.0**
Net debt	83.7	69.6	60.1	59.7	51.5	**- 8.2**
Financial charges	4.0	3.3	2.6	0.7	0.5	**- 0.2**
Cost of labour	33.8	32.0	30.5	8.3	7.6	**- 0.7**

The data referring to the previous periods includes Sanpellegrino Polska

Group performance

Summary statement of income

(in millions of Euro)	31 March 2005		31 March 2004		31 December 2004	
	value	%	value	%	value	%
Net sales	31.44	*100.0%*	36.58	*100.0%*	126.79	*100.0%*
Cost of Sales	20.56	*65.4%*	22.79	*62.3%*	86.28	*68.0%*
Gross profit	**10.88**	*34.6%*	**13.79**	*37.7%*	**40.51**	*32.0%*
Selling, general and administrative costs	12.96	*41.2%*	13.00	*35.5%*	49.71	*39.2%*
Operating profit	**(2.08)**	*-6.6%*	**0.79**	*2.2%*	**(9.20)**	*-7.2%*
Net financial charges	0.51	*1.6%*	0.67	*1.8%*	2.58	*2.0%*
Net other (income) and charges	(0.43)	*-1.3%*	(0.02)	*0.0%*	(0.28)	*-0.2%*
Extraordinary charges and (income)	0.00	*0.0%*	(1.40)	*-3.8%*	(2.59)	*-2.0%*
Profit (loss) before taxes	**(2.16)**	*-6.9%*	**1.54**	*4.2%*	**(8.91)**	*-7.0%*
Income taxes	(*)	*(*)*	(*)	*(*)*	0.28	*0.2%*
Net profit (loss) for the period	**(2.16)**	*-6.9%*	**1.54**	*4.2%*	**(8.63)**	*-6.8%*
Minority interests	0.00	*0.0%*	(0.03)	*-0.1%*	(0.01)	*0.0%*
Net profit (loss) for the Group	**(2.16)**	*-6.9%*	**1.51**	*4.1%*	**(8.64)**	*-6.8%*

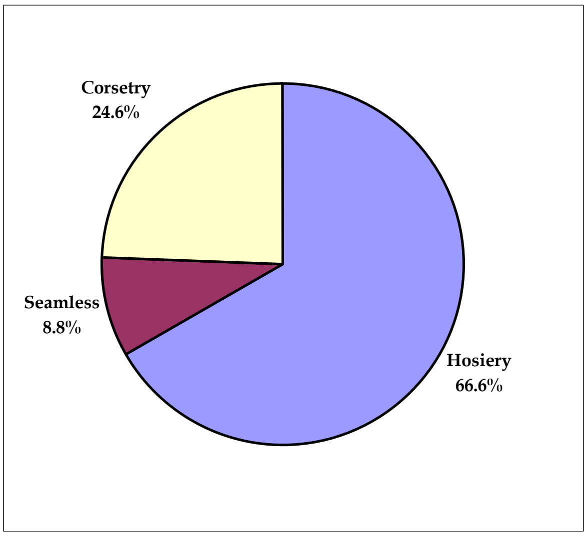
The data at March 31, 2005 does not include SP Polska, excluded from the consolidation as of January 1, 2005

(*)The results at March 31 are shown before taxation

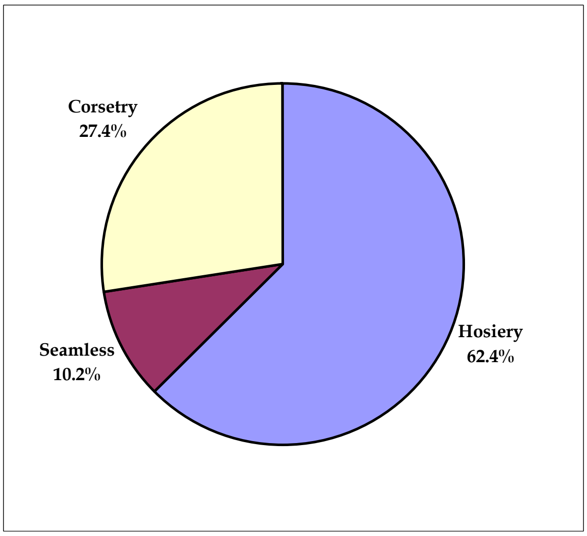
Net sales – The net sales in the first quarter of 2005 decreased from Euro 35.7 million (net of the Sanpellegrino Polska sales) to Euro 31.4 million with a decrease of 12.0% due to the continuing decrease in consumption concerning all Group merchandise.

The following graphs show the breakdown of sales by product category, brand and geographical area for the quarter under review compared with the same quarter in the previous year, excluding Sanpellegrino Polska:

PRODUCTS: % of sales at 31.03.05

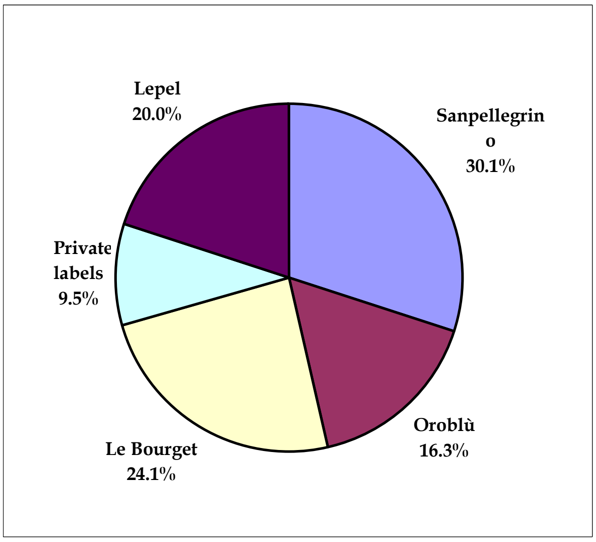


PRODUCTS: % of sales at 31.03.04

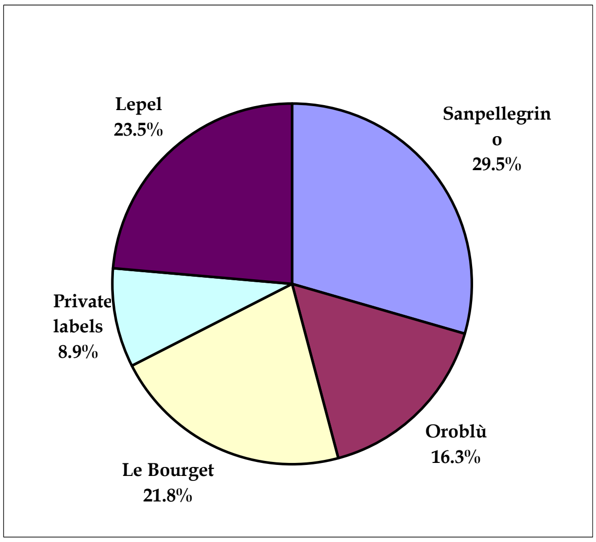


In the first quarter of 2005 sales of hosiery, equal to Euro 20.9 million, declined by 6.2% compared to the same period in 2004, confirming the chronic recessionary trend for this merchandise.
The sales of corsetry, equal to Euro 7.7 million, recorded a decrease of 20.8% compared to the same period in 2004, principally due to the different timing in the delivery of new products and low cost competition of goods from China.
In relation to seamless, sales decreased from Euro 3.6 million to Euro 2.8 million (-24.0%); the decrease is principally due to the decline in consumption related to this merchandise and to market saturation.

BRANDS: % of sales at 31.03.05

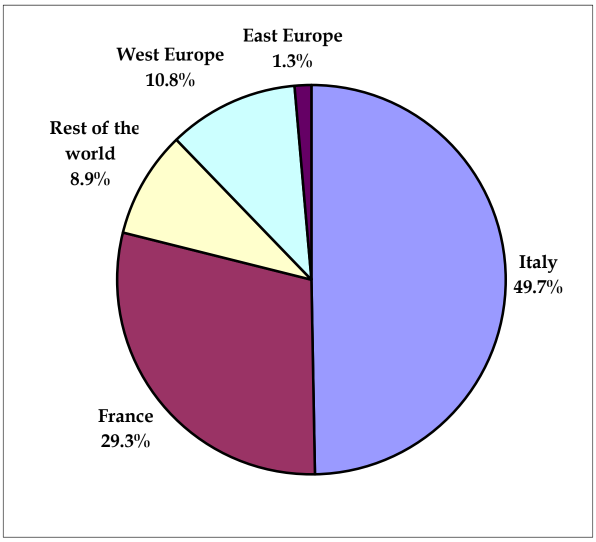


BRANDS: % of sales at 31.03.04

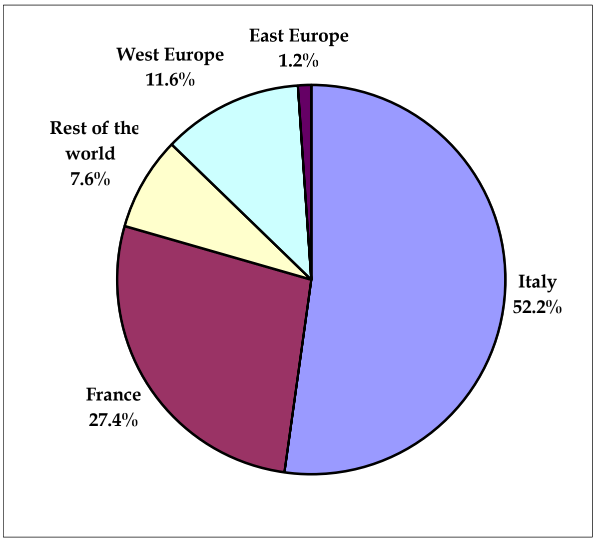


In the first quarter of 2005 all of the Group brands were impacted by the above mentioned decrease in consumption; Le Bourget contained the reduction to 2.6% compared to the same period in the previous year while Lepel recorded the largest decrease (-25.4%) due to the corsetry market as previously commented upon.

AREAS: % of sales at 31.03.05



AREAS: % of sales at 31.03.04



As for the breakdown of sales by geographical area, the Italian market recorded a decrease of 16.3% due to the decrease in consumption and the different timing for the delivery of corsetry products.
In Eastern Europe the reduction was 17.7% principally in Russia due to competition from local producers.
In the French market the Group contained the decrease in sales to 5.7% compared to a considerably higher reduction in consumption in the country.

Cost of sales – The cost of sales in the first quarter of 2005 amounted to Euro 20.6 million, with a percentage on net sales of 65.4% compared to 62.3% in the same period in the previous year.

Gross profit – the gross profit margin was 34.6% compared to 37.7% in the same period in the previous year.
The reduction, due both to the different sales mix and to the decrease in sales volumes which did not permit the absorption of fixed production costs, was in any case less than proportional compared to the decrease in sales thanks to the initial benefits deriving from the reorganisation in progress.

Selling, General and Administrating Costs – Selling, General and Administrating costs equal to Euro 13 million were substantially in line with the corresponding quarter in the previous year; following the reduction in sales, as a percentage on net sales these costs increased from 35.5% to 41.2%.

Operating result – The operating result was a loss of Euro 2.1 million, compared to an operating profit of Euro 0.8 million in the same period in the previous year. This result is principally due to the decrease in sales volumes that did not permit the absorption of fixed costs.

Financial charges, net – Net financial charges, equal to Euro 0.5 million, reduced by Euro 0.2 million compared to the first quarter of the previous year principally due to the reduction in net debt.

Other income and charges – This account, equal to Euro 0.4 million, refers to gains realised on the sale of machinery no longer used by the Parent Company**.**

Extraordinary income and charges – In the current quarter there were no extraordinary items; in the first quarter 2004 this account, equal to Euro 1.4 million, referred to income received from a settlement made relating to a previous equity acquisition.

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

Summary balance sheet

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

(in millions of Euro)	31 March 2005	31 March 2004	31 December 2004
Current assets	91.38	109.39	101.03
Current liabilities	(38.01)	(47.02)	(37.35)
Net working capital	**53.37**	**62.37**	**63.68**
Equity investments (including own shares)	1.34	3.60	0.30
Tangible and intangible fixed assets	41.47	51.36	44.66
Capital employed	**96.18**	**117.33**	**108.64**
Other medium/long-term liabilities	(12.19)	(12.01)	(12.83)
Net capital employed	**83.99**	**105.32**	**95.81**
Net financial debt	51.53	59.74	60.11
Shareholders' equity attributable to minority interests	0.00	0.96	1.09
Net equity	32.46	44.62	34.61
Total	**83.99**	**105.32**	**95.81**

The data at March 31, 2005 does not include SP Polska, excluded from the consolidation as of January 1, 2005
(*)The results at March 31 are shown before taxation

Working Capital – The net working capital at March 31, 2005 amounts to Euro 53.4 million compared to Euro 62.4 million at March 31, 2004; this decrease is principally due to the reduction in trade receivables, in line with the decrease in sales, and the containment of inventory levels.

Capital invested – The capital invested decreased from Euro 117.3 million at March 31, 2004 to Euro 96.2 million, a decrease of Euro 21.1 million. This reduction, in addition to the above-mentioned decrease in working capital, is due to the decrease in fixed assets relating to amortisation and depreciation.

Net debt – The net debt, as shown in the table below, decreased compared to March 31, 2004 by Euro 8.2 million, principally due to the above-mentioned reductions in working capital. Compared to December 31, 2004 the reduction in the net debt was Euro 8.6 million.
The net financial position is comprised of:

	31 March 2005	31 March 2004	31 December 2004
Short-term bank borrowings	21.76	37.50	28.77
Current portion of medium/long-term debt	6.48	9.94	6.51
Cash and banks	(4.13)	(2.73)	(3.75)
Net short-term borrowings	**24.11**	**44.71**	**31.53**
Medium/long-term lending, net of the current portion	22.42	15.03	23.58
	5.00	0,00	5.00
Net debt	**51.53**	**59.74**	**60.11**

The data at March 31, 2005 does not include SP Polska, excluded from the consolidation as of January 1, 2005

Group performance company by company

In relation to the results of the individual companies of the Group, the most significant aspects in the first quarter are noted below recalling that the data referred to is before consolidation adjustments.

Parent Company
The parent company includes the brands Sanpellegrino, Oroblù and Lepel and also includes intercompany sales with the subsidiaries Le Bourget and Sanpellegrino Polska.

Sanpellegrino and Oroblù
The sales amounted to Euro 18.7 million (net of intercompany Euro 15 million).
In the first quarter of the previous year the sales were Euro 18.7 million (net of intercompany Euro 16.4 million). The aggregated sales are stable, while there is a decrease of 8.4% net of intercompany.
Despite the decrease in sales the market share of the Sanpellegrino and Oroblù brands in the stockings/tights market were stable in quantity and improved in value.

Sanpellegrino + Oroblù Stockings/tights market	**Year ended March 2004**	**Year ended March 2005**
Quantity	7.5	7.5
Value	8.9	9.5
Price index	119	126

Lepel
The corsetry division recorded sales of Euro 6.7 million.
The sales in the previous year amounted to Euro 8.9 million. The reduction was equal to 25.1%.
The loss of sales is related to the timing in the delivery to the market of the new products Revolution Comfort and Belseno Pleasure which only had a partial impact in the first quarter.
In addition, the advertising support in the previous year began in January, while in the current year it began in March. Finally the entire underwear sector is significantly impacted by Chinese import, as previously mentioned.
The latest market share, as recorded by the GFK Institute, is shown in the table below:

TOTAL WOMEN'S UNDERWEAR MARKET	**2003**	**2004**
Value of Lepel share	3.1%	3.9%
Volumes of Lepel share	2.1%	2.6%

BRASSERIE MARKET	**2003**	**2004**
Value of Lepel share	6.3%	6.3%
Volumes of Lepel share	6.6%	6.7%

Le Bourget
The French subsidiary recorded sales of Euro 9.8 million (Euro 9.7 million net of intercompany). The sales for the year 2004 amounted to Euro 10.4 million. The decrease is equal to 5.9% (6.4% net of intercompany).
Also for Le Bourget, as for the brands Sanpellegrino and Oroblù, the decrease is due to the recession in the consumption of tights which for two years has seen a decrease of around 15% (source Nielsen Institute Hyper and Supermarket channel).
The quarter recorded a loss of Euro 357 thousand, compared to a loss of Euro 45 thousand in the same quarter in the previous year.
The difference compared to the previous year is due to the advertising campaign for the launch of the first Le Bourget lingerie collection.
The 2005 budget is for a breakeven result which will be achieved also with the insertion of sales from the "Les dessous chic" lingerie collection.

New products and advertising communication

The new products were supported by important advertising campaigns:
- the launch of the Le Bourget "Les dessous chic" lingerie collection was sustained with billboards in January/February in France;

- the launch of Lepel Revolution Comfort, positioned in the comfort segment of the market, was sustained by a TV campaign in March, in Italy;
- the launch of Lepel Belseno Pleasure, positioned in the seduction segment of the market, was supported by a TV campaign in March/April, in Italy;
- in Russia, the Sanpellegrino brand was sustained by a TV campaign in the period March/April.

In the stocking/tights market two new products were presented (with medium/high prices and good margins); Oroblù Lady Form

- Sanpellegrino Su Misura

Conceived for consumers with generous sizes.

Brand shops

The Oroblù shops are currently 32, of which 6 in Italy, 19 in Poland, 3 in Russia, 2 in Croatia and 2 in China (another opening at Shenzen in 2005). In addition to the Oroblù shops there are 6 outlets, of which 3 Le Bourget, 1 CSP International and 2 Lepel. Finally, a Le Bourget outlet was opened in South Korea.
The shops in Italy, France and Poland are managed directly by the Company, while in the other countries they are managed by third parties.
The plan provides for brand shops

- Oroblù, for a high positioning;
- Lepel Store, for a convenience positioning.

Production rationalisation

The principal actions in relation to the production organisation already carried.

MERCHANDISE	PRODUCTION UNIT	ACTIONS	REDUCTION PERSONNEL
Stockings & tights	Le Bourget	- Textile production capacity closed and maintenance of the logistical service for the French market	- 25 in 2002 - 30 in 2003 - 88 in 2004
	Parent Company	- Rationalisation of the 2 factories at Rivarolo del Re and Ceresara (January 2005)	- 47 in 2002 - 43 in 2003 - 4 in 2004 - 65 in 2005
Corsetry	Lepel	- Unification of the 2 factories at Carpi and Poggio Rusco (February 2005)	- 7 in 2003 - 10 in 2004 - 50 in 2005

The personnel reorganisation that was implemented at the beginning of 2005, equal to 115 units, consists of 65 employees in the Special Temporary Redundancy Scheme and 50 employees made redundant.

Forecast for 2005

The Plan for 2005 provides for a mix of operational and extraordinary interventions.
The extraordinary income will have a positive impact in 2005, and also a permanent effect in reducing the organisational structure, with benefits for future years in the ordinary operations.

In addition, the sale of non-strategic assets will permit the integration and co-ordination of production sites and, in particular:

- the rationalisation of the entire production for stockings/tights;
- the delocalization of procurement for corsetry.

We recall that <u>the guidelines of the Plan</u> are as follows:

- Less costs, through streamlining of the production structure;
- More margins, through new products and the containment of operating expenses;
- Sales support, including through own shops;
- less payables, through reduced working capital.

The indications of the First quarter

The First quarter saw:

- a decrease in sales,
- a net loss,
- improvement in some important operational indicators,
- improvement in the market share of our brands,
- promising orders received for Oroblù, that are above those of the previous year.

In view of these results and the comments in the previous points, the breakeven objective for the year 2005 appears problematic, as this would require at least the following conditions:

- no further loss in sales in the year and the recovery in sales loss in the first quarter;
- concentrate in the year 2005 all of the extraordinary operations planned for the two year period 2005-2006.

The inability to maintain sales, already demonstrated in the first quarter and continued also in April, will render the practicality for the realisation of the objective difficult.

General outlook

The actions taken by the company are at three levels simultaneously:

A. The first level is the management, in the best possible manner in relation to the market situation, the brands and the relative distribution channels.
B. The second level is the sale of non strategic assets in order to
   - record extraordinary income, to be included in the year 2005;
   - reduce fixed costs, also for the years after 2005;
   - rationalise the internal production for stockings/tights and permit the outsourcing of production for all of the other merchandise.
C. The third level is the research for strategic solutions to the problems of the market/company, that is now made necessary by the current market changes in course. This results in the identification of an
   - industrial partner in order to achieve synergies, and/or
   - financial partner to share the resources for the development.

Subsequent events after the end of the quarter

In relation to the extraordinary actions, that are an integral part of the 2005 Plan, we have signed a preliminary sales contract, for the sale of non strategic assets.

The salient points of the contract are as follows:

- contract signed by December 15, 2005;
- price of the building sold: Euro 6 million;
- deposit of 15%: Euro 0.9 million;
- gain compared to the book value: over Euro 2.5 million.

The effects of the contract on the financial statements will be recorded on the signing of the contract.

Ceresara, May 13, 2005

Chairman of the Board of Directors
Francesco Bertoni

Attachments:

1. Reclassified Income Statement
2. Reclassified Balance Sheet

Reclassified Consolidated Statement of Income

(figures in thousands of Euro)

	31 March 2005 (**) CONSOLIDATED	31 March 2004 CONSOLIDATED	31 December 2004 CONSOLIDATED
Net sales	31,310	36,439	126,338
Income from royalties	133	141	451
NET REVENUES	**31,443**	**36,580**	**126,789**
COST OF SALES			
Purchases	7,421	13,038	40,519
Labour cost	3,733	4,526	16,283
Services	2,435	3,494	12,447
Depreciation and amortisation	1,316	1,536	6,011
Other costs	1,584	1,991	6,647
(Increase) decrease in inventories	4,074	(1,798)	4,369
	20,563	**22,787**	**86,276**
GROSS PROFIT	**10,880**	**13,793**	**40,513**
SELLING, GENERAL AND ADMINISTRATIVE COSTS			
Labour cost	3,880	3,755	14,191
Advertising expenses	4,023	3,935	15,523
Commissions (**)	789	915	3,052
Depreciation and amortisation	1,089	1,157	4,906
Other expenses (**)	3,179	3,236	12,038
	12,960	**12,998**	**49,710**
OPERATING PROFIT	**(2,080)**	**795**	**(9,197)**
Financial charges (income), net	505	666	2,583
Writedown (writeup) of investments	16	0	0
Other (income) and charges	(442)	(19)	(276)
	79	**647**	**2,307**
PROFIT (LOSS) BEFORE INCOME TAXES AND EXTRAORDINARY ITEMS	**(2,159)**	**148**	**(11,504)**
Extraordinary charges and (income)	(2)	(1,397)	(2,594)
PROFIT (LOSS) BEFORE INCOME TAXES	**(2,157)**	**1,545**	**(8,910)**
Income taxes (*)	0	(*)	276
NET PROFIT (LOSS) FOR THE PERIOD	**(2,157)**	**1,545**	**(8,634)**
Minority interests	0	(31)	(10)
NET PROFIT (LOSS) FOR THE GROUP	**(2,157)**	**1,514**	**(8,644)**

EBITDA (Operating Profit + Amortisation and Depreciation)	**325**	**3,488**	**1,720**

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

(**) the figures at 31 March 2005 do not include Sanpellegrino Polska, no longer consolidated from January 1, 2005.

Reclassified Consolidated Balance Sheet - Assets

(figures in thousands of Euro)

	31 March 2005 (**) CONSOLIDATED	31 March 2004 CONSOLIDATED	31 December 2004 CONSOLIDATED
CURRENT ASSETS			
Cash and banks	4,132	2,731	3,752
Trade receivables	49,282	55,655	51,923
Due from subsidiary and associated companies	527	100	0
Other receivables	3,735	3,257	4,828
Inventories	36,463	48,906	43,103
Accrued income and prepaid expenses	1,372	1,475	1,175
Own shares	0	3,288	0
TOTAL CURRENT ASSETS	**95,511**	**115,412**	**104,781**
FIXED ASSETS			
Financial fixed assets:			
Financial receivables	153	214	168
Equity investments	1,188	99	135
Total financial fixed assets	**1,341**	**313**	**303**
Tangible fixed assets	30,107	37,124	32,418
Intangible fixed assets	11,367	14,233	12,243
TOTAL FIXED ASSETS	**42,815**	**51,670**	**44,964**
TOTAL ASSETS	**138,326**	**167,082**	**149,745**

Reclassified Consolidated Balance Sheet - Liabilities and shareholders' equity

(figures in thousands of Euro)

	31 March 2005 (**) CONSOLIDATED	31 March 2004 CONSOLIDATED	31 December 2004 CONSOLIDATED
CURRENT LIABILITIES			
Short-term bank borrowings	21,766	37,499	28,772
Current portion of medium / long term debt	6,480	9,945	6,515
Trade payables due to third parties	30,412	38,616	31,039
Due to subsidiary / associated companies	135	0	0
Taxes payable	920	2,268	845
Other payables	5,976	5,640	5,127
Accrued liabilities and deferred income	570	489	336
TOTAL CURRENT LIABILITIES	**66,259**	**94,457**	**72,634**
MEDIUM/LONG-TERM LIABILITIES			
Medium / long-term debt, net of the current portion	22,416	15,032	23,578
	5,000	0	5,000
Severance indemnities	6,867	7,099	7,449
Other provisions	5,327	4,914	5,381
TOTAL MEDIUM/LONG-TERM LIABILITIES	**39,610**	**27,045**	**41,408**
TOTAL LIABILITIES	**105,869**	**121,502**	**114,042**
MINORITY INTERESTS IN CAPITAL AND RESERVES	0	961	**1,090**
SHAREHOLDERS' EQUITY			
Share capital	12,740	12,740	12,740
Legal reserve	1,359	1,359	1,359
Share premium reserve	18,076	18,076	18,076
Other reserves	2,439	10,930	11,082
Net profit (loss) for the period (*)	(2,157)	1,514	(8,644)
TOTAL SHAREHOLDERS' EQUITY	**32,457**	**44,619**	**34,613**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**138,326**	**167,082**	**149,745**

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

(**) the figures at 31 March 2005 do not include Sanpellegrino Polska, no longer consolidated from January 1, 2005.

NOTES TO THE FINANCIAL STATEMENTS

Content and bases of the financial statements

These notes refer to the results of the first quarter 2005. They have been prepared in accordance with current legislation, with comparative figures for the corresponding period of 2004 and the full year 2004.

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 2004, 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 2005.
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 consolidation scope as at 31 March 2005 changed compared to December 31, 2004 because the controlled company Sanpellegrino Polska Sp.z.o.o. is no longer consolidated from January 1, 2005.

This equity investment as at 31 March 2005 has been recorded in the quarterly report under the net equity method.

Consequently, the scope of consolidation include the following companies:

Denominazione	Sede	Controlling interest %
CSP International Industria Calze SpA	Via Piubega, 5/c 46040 Ceresara (MN)	Parent company
Le Bourget S.A.	Rue J.P. Saltiel 02230- Fresnoy Le Grand (F)	99.97%