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**FILA\* ANNOUNCES FIRST QUARTER 2003 RESULTS AND CONFIRMS THE POSITIVE TREND STARTED IN THE THIRD QUARTER 2002**

(Biella, Italy, May 9th, 2003) - Fila Holding S.p.A. (NYSE: FLH) today reported its unaudited results for the first quarter ended March 31, 2003.

Key highlights for the quarter were the following:

- Gross profit as a percentage of total net revenues was 40.4% compared to 36.3% in first quarter 2002.
- Income from operations was €6.2 million compared to €2.2 million in the first quarter of 2002.
- Net result is a loss of €6.4 million improving from a net loss of €31.6 million for the same quarter of 2002.
- Worldwide revenues were €206.2 million, down compared to €258.7 million in the same quarter of 2002 due to the discontinuation of some subsidiaries and to an exchange rate effect of approximately € 20 million (mainly caused by depreciation of U.S. dollars versus Euro).
- Major achievements in working capital management.

Backlog of customer orders\*\*

Total backlog as of March 31<sup>st</sup>, 2003, scheduled for delivery from April through September 2003, was down by 26% in Euro compared to the corresponding period of 2002, while on a constant exchange rate basis it would have decreased by 16%, with apparel and footwear reducing at the same pace.

U.S. backlog decreased by 12% in U.S. dollars (with apparel and footwear down by 12% and 13% respectively), reversing the positive trend of recent quarters.

Outside the U.S. and excluding the markets where Fila sells its products on a delivery basis (including Korea), backlog decreased by 22% (in Euro).

Total Revenues and net direct sales

Worldwide revenues for the first quarter were €206.2 million, down 20% from €258.7 million in the corresponding period of 2002; if expressed in terms of constant exchange rate and continuing operations (i.e. excluding those subsidiaries discontinued at the end of 2002) the reduction would have been 10%.

Net direct sales in the first quarter of 2003 totaled €198.2 million compared to €249.4 million in the corresponding period of 2002.





Apparel sales were €114.5 million and footwear sales were €83.6 million, down by 15% and 27% respectively compared with the first quarter of 2002.

Sales in the U.S. were €75.8 million in the quarter, decreasing by 11% from €85.4 million despite a 20% increase of Fila Brand apparel that only partially offset reductions in both footwear (-20%) and Enyce (-16%). In Europe sales decreased by 27% to €66.3 million, with all countries, except Spain, showing performances in line with the negative market trends. Sales in the Rest of the World decreased by 23%.

Royalty income in the quarter was €6.0 million compared with €6.4 million in the first quarter of 2002.

#### Net Loss per ADS

In U.S. dollars, first quarter net loss was U.S.\$ 6.9 million compared with a net loss of U.S.\$ 27.7 million in the first quarter of 2002.

On a per ADS/per ordinary share basis, net loss was U.S. \$0.07 per ADS/share in the first quarter of 2003 compared with U.S. \$0.91 per ADS/share in the same period of 2002. The shares outstanding for the three months ended March 31, 2003 and 2002 were 96,497,325 and 30,555,206 respectively.

The Euro appreciated by 22% against the U.S. dollar on a quarterly average basis; the average exchange rate was € 1= U.S.\$ 1.073 in the first quarter of 2003 and € 1= U.S.\$ 0.876 in the corresponding quarter of 2002.

#### Income statement review

Gross profit for the quarter was €83.3 million, representing 40.4% of total net revenues, compared to €93.9 million (36.3% of total net revenues) in the first quarter of 2002.

The higher profit margin is primarily due to the combined effects of previously implemented efficiency actions, the closure/discontinuation of some less-profitable subsidiaries, reductions in inventory and consequently in sales of obsolete products and a more selective distribution.

SG&A expenses for the quarter totaled €77.1 million (representing 37.4% of net revenues), down by 16% versus €91.7 million (or 35.4% of net revenues) in the previous year; part of this improvement (€9 million) is the result of exchange rate effects.

According to Marco Isaia, Fila's CEO: "The positive results Fila continues to report despite the critical economic scenario confirm the validity of the long-term strategy adopted by management, improving the sales mix despite the volume reduction, with a strong focus on more highly profitable brands and products and on constant supervision of all activities with a view to healthy corporate management. This confirms our conviction that the company has all the right fundamentals to react swiftly and effectively to unfavorable economic conditions and to pursue its mission to reinforce and reposition the brand internationally".

As a consequence of the above mentioned factors, income from operations in the quarter was €6.2 million compared with €2.2 million in the first quarter of 2002.

Other expenses for the quarter were €10.1 million compared with €29.5 million for the corresponding quarter of last year. In 2002, €18 million of other expenses were attributable to foreign exchange differences recorded in Argentina.

Loss before income taxes in the first quarter of 2003 was €3.9 million compared with €27.3 million in the same quarter of 2002.



Income taxes were €2.6 million compared with €4.4 million in the corresponding quarter of 2002, mainly thanks to a reduction in Korean taxes.

Net loss for the quarter was €6.4 million compared with €31.6 million in the first quarter of 2002.

#### Balance sheet review

Net working capital as of March 31<sup>st</sup>, 2003 was €210.0 million compared with €288.9 million as of March 31<sup>st</sup>, 2002 (a 27% decrease). Inventory as of March 31<sup>st</sup>, 2003 was €144.6 million, compared with €160.7 million as of December 31<sup>st</sup>, 2002 and with €200.7 million as of March 31<sup>st</sup>, 2002. Trade receivables as of March 31<sup>st</sup>, 2003 were €171.1 million compared with €228.4 million on that date in the prior year. Net financial indebtedness as of March 31<sup>st</sup>, 2003 was €214.2 million compared with €370.3 million as of March 31<sup>st</sup>, 2002 and €189.9 as of December 31<sup>st</sup>, 2002.

Marco Isaia added: "The improvement in the income situation is accompanied by an equally significant improvement on the equity and financial front, further confirming that all business variables are firmly under control and are being exploited to their best advantage in the process of returning the company to stable profitability and positive cash flow."

Fila Holding S.p.A., headquartered in Biella (Italy), is a leading designer and marketer of athletic and casual footwear and of activewear, casualwear and sportswear. Fila has created strong brand recognition by marketing products with a high design and style content and by securing professional athletic endorsements.

*\* Any reference to Fila is to Fila Holding S.p.A. and its subsidiaries.*

*\*\* Backlog of customer orders is not necessarily indicative of total revenues for the respective periods, as the mix of future and "at once" orders may vary significantly from quarter to quarter and certain customer orders are cancelable.*

*This press release includes forward-looking statements, including statements concerning Fila's current expectations about its financial results for future periods. Due to various risks and uncertainties, including those discussed in the reports filed from time to time by Fila with the Securities and Exchange Commission, actual events and results could differ materially from those described in this press release. Fila will not update any forward-looking statements in this press release to reflect future events or developments.*



## FILA GROUP'S NET DIRECT SALES (Euro)

**FIRST QUARTER  
ended March 31  
(unaudited)**

<u>Euro million</u>	<u>2003</u>	<u>2002</u>	
UNITED STATES			
Apparel	41.0	42.1	-3%
Footwear	<u>34.8</u>	<u>43.3</u>	-20%
Total	75.8	85.4	-11%
EUROPE			
Apparel	33.6	44.3	-3%
Footwear	<u>32.7</u>	<u>47.1</u>	-31%
Total	66.3	91.3	-27%
REST OF WORLD			
Apparel	40.0	48.6	-18%
Footwear	<u>16.2</u>	<u>24.1</u>	-33%
Total	56.1	72.7	-23%
TOTAL FILA GROUP			
Apparel	114.5	135.0	-15%
Footwear	<u>83.6</u>	<u>114.4</u>	-27%
Total	198.2	249.4	-21%

*Figures may not add due to rounding.*

## BALANCE SHEET SUMMARY

<u>Euro million</u>	<u>March 31, 2003</u> <u>(unaudited)</u>	<u>March 31, 2002</u> <u>(unaudited)</u>
Trade receivables	171.1	228.4
Inventories	144.6	200.7
Other current assets	76.1	87.0
Accounts payable	(181.7)	(227.2)
<b>Working Capital (*)</b>	<b>210.0</b>	<b>288.9</b>
Net fixed and non current assets	<u>114.0</u>	<u>161.2</u>
<b>TOTAL NET ASSETS</b>	<b>324.0</b>	<b>450.2</b>
<b>Net Financial Position (**)</b>	<b>214.2</b>	<b>370.3</b>
Provision and Other Liabilities	15.5	17.2
Shareholders' Equity	<u>94.3</u>	<u>62.6</u>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>324.0</b>	<b>450.2</b>

\* Excluding cash and short term loans.

\*\* Short term and long term financial indebtedness less cash.

*Figures may not add due to rounding.*



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**KEY FIGURES IN U.S. DOLLARS**  
***for the first quarter ended March 31, 2003.***

We publish our financial statements in Euro. For convenience, however, certain key results are presented herein as translated into U.S. dollars at the average exchange rates in effect for the respective periods. Converting Fila's consolidated results from Euro into U.S. dollars at the average exchange rate for each period, rather than at the period-end rate, is consistent with Fila's practice of converting the income statements of its foreign subsidiaries into Euro at the respective average exchange rates during the applicable period.

	<b>FIRST QUARTER ended March 31 (unaudited)</b>	
	<b><u>2003</u></b>	<b><u>2002</u></b>
Net Revenues (U.S.\$/million)	221.3	226.6
Net Loss (U.S.\$/million)	(6.9)	(27.7)
Net Loss per ADS (*) (U.S.\$/ADS)	(0.07)	(0.91)
Number of ADSs outstanding:	96,497,325	30,555,206
Average exchange rate (U.S. dollars per Euro)	1.073	0.876

*\* Losses per ADS were calculated by dividing Net Loss by the number of ADSs outstanding during the period (each ADS representing 1 ordinary share).*



**FILA HOLDING S.p.A.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)**

	FOR THE THREE MONTHS ENDED MARCH 31,	
	2003	2002
	(in thousands of Euro, except for earnings per share)	
<b>Net revenues:</b>		
Net direct sales	198,157	249,430
Royalty income	5,993	6,376
Other revenues	2,073	2,894
	206,223	258,700
 Cost of sales	 122,914	 164,809
<b>Gross profit</b>	<b>83,309</b>	<b>93,891</b>
 Selling, general and administrative expenses	 77,073	 91,701
<b>Income from operations</b>	<b>6,236</b>	<b>2,190</b>
 <b>Other income (expense):</b>		
Interest income	153	405
Interest expense	(4,361)	(6,215)
Foreign exchange losses	(1,467)	(18,651)
Other expense - net	(4,441)	(4,993)
	(10,116)	(29,454)
 Loss before income taxes	 (3,880)	 (27,264)
 Income taxes	 2,567	 4,363
<b>Net loss</b>	<b>(6,447)</b>	<b>(31,627)</b>
 Loss per share	 -0.07	 -1.04
 Average number of ordinary shares outstanding (1)	 96,497,325	 30,555,206

(1) Average number of ordinary shares outstanding in 2002 have been restated to reflect the reverse stock split in accordance with the Shareholders' meeting resolution dated September 23, 2002.