



HOLDING DI PARTECIPAZIONI INDUSTRIALI S.P.A.

## PRESS RELEASE

### **HdP- Holding di Partecipazioni Industriali: FY2002 results**

***Consolidated EBIT back into the black by € 60.8 million, strongly up from loss of € -33.0 million in 2001***

***Net financial debt down from € 594.4 million to € 83.1 million***

***Strong growth of RCS bottom line***

***Definition of agreement for sale of Fila***

***Completion of concentration in core media business (RCS MediaGroup)***

The Board of Directors of HdP - Holding di Partecipazioni Industriali SpA, which met today under the chairmanship of Franco Tatò, has reviewed FY2002 consolidated and parent company results.

2002 featured continuation of the group's process of concentration in the media sector and consequent divestiture of the fashion and sportswear businesses.

In this scenario, shareholders, at the meetings held last December, approved the project, taking effect as from January 1st 2003, of partial demerger of RCS Editori to the benefit of HdP and of its subsidiary RCS Pubblicità. HdP receives the direct and indirect equity interests owner in RCS Libri, RCS Periodici, RCS Diffusione, financial investments, and non-core investments, as well as attribution of corporate functions. RCS Pubblicità instead receives the "Advertising" division.

By way of completion of this process, in the early months of 2003 agreement was reached for sale of all the Fila Group's operating businesses and the proposal was made to change the parent company's corporate name.

This means that comparability of FYs 2002 and 2001 is affected by the change in consolidation area. This features entry of the SPER Group and exit of the fashion and sportswear businesses (Fila has shifted from line-by-line to equity consolidation).

HdP • HOLDING DI PARTECIPAZIONI INDUSTRIALI S.P.A.

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## HdP Group

**Consolidated net revenues** decreased from € 3,357.2 million (mn) to € 2,214.0 mn due to the change in consolidation treatment of Fila (which contributed € 80.3 mn in FY2001) and to the € 226.8-mn decrease of GFT NET due to divestiture of the Valentino, Revedi and Facis companies. Conversely, RCS reported an increase of some € 37.0 mn

**EBITDA** totalled € 1444.6 mn, up by 24.4% vs. € 116.2 mn in FY2001.

**EBIT** returned to the black by € 60.8 mn, showing strong improvement vs. the FY2001 EBIT loss of € -33.0 mn.

**Net financial charges** were down from € 40.1 mn to € 0.7 mn. Charges relating to equity investments and to write-downs of financial assets totalled € 159.0 mn (€ 10.3 mn in 2001), inclusive of € 77.1 mn of write-downs of listed equity investments and of € 73.1 mn concerning the proportional share of Fila's result. **Net extraordinary income** amounted to € 14.0 mn (vs. net extraordinary charges of € 127.5 mn in 2001). Extraordinary charges included restructuring provision for € 15.0 mn.

The **net result before minorities**, although still negative by € -152.3 mn, improved significantly vs. the loss of € -232.1 mn in FY2001. It was determined by the write-downs of financial assets and by the provisions mentioned above.

As regards balance-sheet indicators, **net capital employed** totalled € 1,219.2 mn (€ 1,939.9 in 2001) whilst consolidated **net equity** amounted to € 971.9 mn.

**Net financial debt** went from € 594.4 mn to € 83.1 mn thanks to exit of Fila from line-by-line consolidation, divestiture of the fashion companies, and to RCS Editori's cash generation.

The group's average annual employee headcount decreased from 10,849 heads (5,313 in Italy) to 6,417 (4,046 in Italy).

## RCS Group

The RCS Group's consolidated **net revenues** grew by some € 37.0 mn to € 2,050.2 mn (€ 2,015.0 in 2001). **EBIT** totalled € 85.2 mn (€ 87.7 mn in 2001). **Net profit** increased from € 3.2 mn to € 20.1 mn.

The level of operating profitability, substantially in line with that of the previous year, demonstrates both the company's ability to react to the challenging market situation and the strategic soundness of its business mix. The operating leverage relating to brands and limitation of payroll costs, together with the increase in daily newspapers' selling prices and the downturn in paper prices, made it possible to offset the decrease in advertising revenues. Results also confirmed the rightness of a number of strategic decisions, such as recent investments in the Books sector, making

it possible to mitigate, at least in part, the negative cycle experienced by some segments in which the group is active.

**Net financial debt** amounted to € 256.6 mn (€ 361.5 mn in 2001), with decrease driven by operating flows (reflecting the decrease in working capital) notwithstanding industrial and ICT investments, as well as outlays for acquisitions.

Taking a closer look at group performance:

**Daily Newspapers:** *Corriere della Sera* confirmed its leadership among national dailies in terms of average daily circulation. Its circulation reviews grew by some 26% YoY, driven by the success of add-on products (books and videotapes) and the retail price increase - and despite five days of strikes (vs. just one in FY2001) and absence of any free-of-charge nationwide promotions.

*Gazzetta dello Sport* confirmed its leadership with a 2.1% increase in average daily circulation (vs. the market average of just 0.8%) and increased its circulation revenues, notwithstanding six days of strikes.

**Magazines - Italy:** circulation revenues totalled € 126.3 mn, down YoY mainly because of lower sales of CD-Rom promotions for *Oggi* (which confirmed its leadership of the family magazine segment with some 37% of market share) and because of the change in the issue frequency of *Amica* (from weekly to monthly). The latter has been very successful, achieving circulation of some 290,000 copies already in the early months of the current year.

In the upmarket magazine segment, with a 36.7% market share, *Anna* further increased its leadership. *Max*, *Capital*, *Novella 2000* and *Il Mondo* achieved positive results in terms of circulation, going against the market trend.

**Advertising:** in an adverse market environment, the group's net advertising revenues in Italy totalled € 623.4 mn (vs. € 661.5 mn in the previous year).

In the outdoor advertising sector (where the group is present via IGP-JCDecaux) revenues were down by 5.7% YoY vs. a market decrease of 9.2%.

Blei (active in collection of advertising in foreign media) reported net revenues of € 32.5 mn (€ 39.5 mn in 2001).

**Magazines - International:** The negative trend in the German market continued, set against a general downturn in advertising spending. In this market environment both *Max* magazine and the business of Verlagsgruppe Milchstrasse (which continued company reorganisation, the economic benefits will already start to emerge as from the current year) experienced a 2.6% decrease in total revenues. *TV Spielfilm*, in the mass-market segment, confirmed its leadership in advertising collections and its No. 2 ranking in terms of circulation.

Interests in the Far East instead featured general improvement vs. 2001.

**Unedisa:** consolidated revenues increased by 3.7% in total, mainly driven by growth of the distribution business, rising to € 239.4 mn. Advertising revenues were down by just 0.8% YoY, whilst circulation revenues were in

line with those of 2001. *El Mundo* confirmed its ranking as the No. 2 Spanish daily newspaper in terms of circulation.

**Books:** the slight slippage of revenues was basically due to paperbacks' negative trend, counterbalanced by the positive performance of some hardback novelties and of some titles in the catalogue. Net sales of Flammarion (France) rose by 5.8% from € 215.9 mn to € 228.5 mn.

**Educational and Professional:** revenues improved by 1.8%, confirming the leadership of Oxford University Press, of Fabbri-Bompiani in the secondary-school segment, and of Tramontana in economic and legal subjects. RCS Scuola strengthened its position in the upper secondary-school segment thanks to the contribution of the Calderini-Edagricole catalogue.

**Partworks:** RCS Collezionabili reported a 2.9% increase in total revenues (vs. a market decrease of 2.1%) driven by a higher contribution from continuations, i.e. 41%, which offset the lower contribution from launches, down by 11%.

### **SPER Group**

The SPER Group is active in radio broadcasting via Finwork Finanziaria (RIN – Radio Italia Network), CNR (CNR*plus* national syndication) and AGR (Agenzia Giornalistica Radiofonica – radio press agency).

Pro-forma **net revenues** decreased from € 26.3 mn to € 23.3 mn, basically because of the advertising market crisis.

There was a net loss of € 8.6 mn (vs. a net profit of € 1.1 mn in FY2001, which included extraordinary income of € 7.4 mn relating to the divestiture of equity investments).

The balance sheet showed an increase net fixed assets from € 11.9 mn to € 14.9 mn, mainly because of investments in the purchase of 28 broadcasting frequencies (about € 4.5 mn).

Net financial debt amounted to € 5.6 mn (vs. € 5.0 in the previous year).

The group is investing both in programming, to widen its listener base, and in further frequencies, to improve and expand reception. RCS Pubblicità has absorbed the radio sales network, whilst AGR is activating stable working relationships with journalists of *Corriere della Sera* and *Gazzetta dello Sport*.

### **GFT NET Group**

Consolidated **revenues** amounted to € 134.9 mn (€ 361.4 mn in the previous year), thus reflecting divestiture of nearly all business operations.

Conversely, **EBITDA** grew strongly, rising from a loss of € -16.3 mn in 2001 to a profit of € 3.9 mn in 2002.

**EBIT**, although still negative, improved to € -4.9 mn (vs. a loss of € -48.0 mn in the previous year) whilst the net loss improved from € -79.1 mn to € -12.1 mn:

As regards the group's capital and financial performance, the net value of businesses divested (€ 260.4 mn) and lower working capital (€ 58.2 mn) generated funds totalling € 318.6 mn. Of this latter amount, € 41.0 mn was absorbed by use of employee severance indemnity provision and of provisions for risks and charges, whilst € 249.7 mn went to reduce net financial debt, which was down from € 281.9 mn to € 32.2 mn.

A key point to note is the good performance of Joseph Abboud, the only brand owned today, which delivered revenues of USD 80 mn and EBIT of USD 10.5 mn, up by € 6.6 mn over the previous year.

### **FILA Group**

Fila's consolidated **revenues** decreased from € 980.3 mn to € 913.9 mn due to (a) closure of some branches (Australia and Brazil) and (b) an adverse exchange-rate effect.

**EBIT**, which showed strong improvement, was positive by € 20.1 mn vs. a loss of € -45 mn in the previous year.

The net result, although still negative by € -80.9 mn, improved strongly versus the loss of € -139.7 mn in 2001.

Year-end net capital employed was down from € 455.7 mn to € 306.8 mn. Net financial debt decreased from € 359.2 mn to € 192.4 mn, mainly due to the effect of completion of the capital increase of € 105.5 mn.

### **HdP SpA**

The parent company ended the year with a net loss of € -194.4 mn vs. € -1223.7 mn in 2001, mainly caused by non-recurrent write-downs of financial assets totalling € 195.6 mn, restructuring provision of € 15.0 mn, and absence of dividends from subsidiaries.

Write-downs of financial assets concerned: Fila (€ 72.4 mn), GFT NET (€ 28.9 mn), HdPnet (€ 7.6 mn), Editoriale SPER (€ 6.9 mn), Banca Intesa (€ 66.1 mn), Dada (€ 5.1 mn), Poligrafici Editoriale (€ 4.0 mn), and other minor equity investments (€ 4.6 mn).

For Fila, besides alignment of book value with pertinent consolidated net equity, an amount of € 75.0 mn of provision for risks and charges was maintained in liabilities, thus aligning value with estimated value following disposal of assets.

Analysis of other P&L items shows dividends and related tax credits of € 8.7 mn (€ 135.4 mn in 2001) and net financial income of € 18.0 mn (€ 30.2 mn in 2001).

Operating costs were down from € 33.4 mn to € 30.7 mn due to the reduction in payroll costs and in leasing instalments for the Via Turati building in Milan, counterbalanced by higher consulting expenses, mainly concerning operations of a non-recurrent nature (€ 5.1 mn).

Net capital employed totalled € 957.4 mn, down by € 194.0 mn vs. 2001 (€ 1,151.4 mn).

The net financial surplus amounted to € 246.1 mn and was substantially in line with that of the previous year (€ 254.7 mn). The drivers underlying this figure were – in terms of cash-out - the acquisition of Editoriale SPER and AGR (€ 44.5 mn) and of Poligrafici Editoriale (€ 28.6 mn), subscription of capital increases in Fila (€ 105.5 mn), Editoriale SPER (€ 6.6 mn) and HdPnet (€ 5.8 mn), and share buy-back (€ 17.8 mn), and – in terms of cash-in – repayment of the loan granted to Valentino (€ 126.9 mn) and discharge of loans granted to the Fila and RCS groups (€ 39.9 mn and € 30.0 mn respectively).

## **KEY EVENTS OCCURRING AFTER YEAR-END**

- March 4th: the Board of Directors of HdP – Holding di Partecipazioni Industriali SpA approved the proposal to change the company's name to "Rizzoli Corriere della Sera MediaGroup SpA", in shortened form "RCS MediaGroup SpA" or "RCS SpA". The new corporate name, which – if approved by the extraordinary shareholders' meeting – will take effect as from May 1st 2003, is intended to confirm and underline concentration of the group's business in publishing and communication
- March 6th: RCS Editori reached agreement, thus increasing its stake in Unedisa (published of El Mundo) to 89.1%, via acquisition of 30% from the Recoletos group and 5% from the Promotores (founding shareholders). This deal is in line with the group's objectives of continuing and strengthening growth in the Spanish market
- March 7th: Fila Holding reached agreement to sell all its directly owned equity investments constituting the Fila group's present business – i.e. Fila Netherlands, Fila Sport, Ciesse Piumini, and Fila USA – to Sport Brands International LLC, controlled by the US private equity fund Cerberus. The price of sale is USD 351 mn, inclusive of net financial debt as at December 31st 2002 (€ 295 mn). HdP entered the agreement as guarantor of the commitments made by Fila and also decided to launch a bid to buy ADS/ordinary shares outstanding at a unitary price of USD 1.12.

## **EXPECTED BUSINESS PROGRESS IN CURRENT YEAR**

The Italian and international economic picture does not show signs of recovery. It is not expected that, during the current year, effects will emerge able to improve the economic trend and permit a significant increase in advertising revenues and sales of products.

The group has completed its reorganisation and, as from the start of the current year, its activities and resources are concentrated in the publishing and media sector. This means that consolidated P&L performance will no longer be affected by the negative profit impact of businesses divestiture of which was completed in FY2002.

Given the prospects outlined above, particularly in Italy and in the European countries where the group has its biggest businesses, management effort and commitment will focus on (a) revenue growth via initiatives aiding brand development and (b) continuation of actions to improve efficiency. The programmes already launched in 2002 will continue to produce benefits in this year too, but the commitment is to achieve even more ambitious results.

Based on present knowledge, and saving extraordinary events not foreseeable today, management believes that consolidation of the operating result is possible, as is major improvement of the bottom line, which is expected to be positive.

As regards the parent company, it is believed that the flow of dividends stemming from results achieved by subsidiaries in FY2002 will improve considerably and that the negative P&L impact of businesses now divested will cease.

These factors, once again saving unforeseeable events, lead us to believe that the parent company's result too will return to profit.

\* \* \*

The Board of Directors to propose to shareholders – at the meeting already called for April 14th and 15th – an increase in the maximum number of Board members from 15 to 21, amending the relevant company by-law, so as to facilitate entry of non-executive directors when the entire Board is renewed. This item is already on the agenda for the shareholders' meeting.

The Board has also decided to call a meeting of savings shareholders to be held on May 7th, 8th and 9th, for renewal of their general category representative.

Milan, March 18th 2003

(It is pointed out that independent auditor has not yet issued an opinion on the data reported in this press release.)

# HdP Group

## RECLASSIFIED CONSOLIDATED PROFIT & LOSS ACCOUNT

<i>(€ millions)</i>		<b>FY2002</b>	<b>%</b>	<b>FY2001</b>	<b>%</b>
<b>A.</b>	<b>Net revenues</b>	<b>2 214.0</b>	100.0	<b>3 357.2</b>	100.0
	Costs of materials and services	( 1 653.5)	-74.7	( 2 665.6)	-79.4
	Change in inventories of work in process, semiprocessed, and finished goods	( 5.2)	-0.2	10.2	0.3
	Payroll costs	( 410.7)	-18.6	( 585.6)	-17.4
<b>B.</b>	<b>EBITDA</b>	<b>144.6</b>	6.5	<b>116.2</b>	3.5
	Depreciation, amortisation and write-downs	( 83.8)	-3.8	( 149.2)	-4.4
<b>C.</b>	<b>EBIT</b>	<b>60.8</b>	2.7	<b>( 33.0)</b>	-1.0
	Net financial income (charges)	( 0.7)	0.0	( 40.1)	-1.2
	Net income (charges) from equity investments and adjustments to financial assets	( 159.0)	-7.2	( 10.3)	-0.3
<b>D.</b>	<b>EBT and extraordinary items</b>	<b>( 98.9)</b>	-4.5	<b>( 83.4)</b>	-2.5
	Extraordinary income (charges)	14.0	0.6	( 127.5)	-3.8
<b>E.</b>	<b>EBT before minorities</b>	<b>( 84.9)</b>	-3.8	<b>( 210.9)</b>	-6.3
	Income tax	( 56.7)	-2.6	( 50.7)	-1.5
<b>F.</b>	<b>Net profit before minorities</b>	<b>( 141.6)</b>	-6.4	<b>( 261.6)</b>	-7.8
	Minorities' share of net profit (loss)	( 10.7)	-0.5	29.5	0.9
<b>G.</b>	<b>Net profit (loss) in period</b>	<b>( 152.3)</b>	-6.9	<b>( 232.1)</b>	-6.9

## RECLASSIFIED CONSOLIDATED BALANCE SHEET

<i>(€ millions)</i>		<b>31/12/2002</b>	<b>%</b>	<b>31/12/2001</b>	<b>%</b>
	Intangible non-current assets	353.0		578.7	
	Tangible non-current and fixed assets	154.6		333.1	
	Non-current financial assets	545.5		431.5	
<b>A.</b>	<b>Net non-current and fixed assets</b>	<b>1 053.1</b>	86.4	<b>1 343.3</b>	69.2
	Inventory balances (1)	167.7		474.0	
	Trade receivables (2)	656.9		932.7	
	Trade payables	( 539.6)		( 733.6)	
	Other assets/liabilities (3)	146.1		219.4	
<b>B.</b>	<b>Working capital</b>	<b>431.1</b>	35.4	<b>892.5</b>	46.0
	Provisions for risks and charges	( 265.0)	-21.6	( 295.9)	-15.2
<b>C.</b>	<b>Net capital employed</b>	<b>1 219.2</b>	100.0	<b>1 939.9</b>	100.0
	<i>Funded by:</i>				
	Group net equity	971.9	79.7	1 138.8	58.7
	Minorities' net equity	52.8		77.0	
	Employee severance indemnity provision	111.4	9.1	129.7	6.7
	Non-current financial debt	277.1		316.5	
	Current financial debt	118.0		683.5	
	Cash, cash equivalents, and current financial receivables	( 312.0)		( 405.6)	
<b>D.</b>	<b>Net financial indebtedness (surplus)</b>	<b>83.1</b>	6.8	<b>594.4</b>	30.6
<b>E.</b>	<b>Total sources of funding</b>	<b>1 219.2</b>	100.0	<b>1 939.9</b>	100.0
(1)	Net of provisions and write-downs totalling:	49.5		83.0	
(2)	Net of provisions and write-downs totalling:	189.0		245.6	
(3)	Net of provisions and write-downs totalling:	67.6		65.1	

## HdP SpA

### RECLASSIFIED PROFIT & LOSS ACCOUNT

<i>(€ millions)</i>	<b>2002</b>	<b>2001</b>	<b>Change</b>
Dividends and tax credits	8.7	135.4	(126.7)
Net financial income	18.0	30.2	(12.2)
Revenues from sales and services plus other income	10.1	10.6	(0.5)
Depreciation, amortisation and write-downs	(0.8)	(1.1)	0.3
Operating costs	(30.7)	(33.4)	2.7
Other sundry operating costs	(1.7)	(2.2)	0.5
Write-downs/(write-ups) of financial assets	(195.6)	(199.7)	4.1
<b>EBT and extraordinary items</b>	<b>(192.0)</b>	<b>(60.2)</b>	<b>(131.8)</b>
Extraordinary income (charges)	(1.1)	(75.3)	74.2
<b>EBT</b>	<b>(193.1)</b>	<b>(135.5)</b>	<b>(57.6)</b>
Taxes	(1.3)	11.8	(13.1)
<b>Net profit/(loss)</b>	<b>(194.4)</b>	<b>(123.7)</b>	<b>(70.7)</b>

### RECLASSIFIED BALANCE SHEET

<i>(€ millions)</i>	<b>31/12/02</b>	<b>31/12/01</b>	<b>Change</b>
Non-current and fixed assets	733.8	906.1	(172.3)
Net working capital	74.5	70.1	4.4
Provisions for risks and charges	(97.0)	(79.5)	(17.5)
Net financial liquidity	246.1	254.7	(8.6)
<b>Net capital employed</b>	<b>957.4</b>	<b>1.151.4</b>	<b>(194.0)</b>
<b>Funded by:</b>			
Net shareholders' equity	954.4	1.148.8	(194.4)
Other liabilities	3.0	2.6	0.4

## RCS

### RECLASSIFIED CONSOLIDATED PROFIT & LOSS ACCOUNT

<i>(€ millions)</i>	2002	%	2001	%
<b>Net revenues <sup>(1)</sup></b>	<b>2 052.0</b>	<b>100.0</b>	<b>2 015.0</b>	<b>100.0</b>
Costs of materials and services	(1 548.6)	(75.4)	(1 503.4)	(74.6)
Change in inventories of work in process, semiprocessed, and finished goods	6.4	0.3	6.6	0.3
Payroll costs	(358.6)	(17.5)	(362.3)	(18.0)
<b>EBITDA</b>	<b>151.2</b>	<b>7.4</b>	<b>155.9</b>	<b>7.7</b>
Depreciation, amortisation and write-downs	(66.0)	(3.2)	(68.2)	(3.3)
<b>EBIT</b>	<b>85.2</b>	<b>4.2</b>	<b>87.7</b>	<b>4.4</b>
Net financial income (charges)	(10.4)	(0.5)	(11.1)	(0.6)
Net income (charges) from equity investments and adjustments to financial assets	0.1	0.0	(11.5)	(0.6)
<b>EBT and extraordinary items</b>	<b>74.9</b>	<b>3.7</b>	<b>65.1</b>	<b>3.2</b>
Extraordinary income/(charges)	4.9	0.2	(5.3)	(0.2)
<b>EBT before minorities</b>	<b>79.8</b>	<b>3.9</b>	<b>59.8</b>	<b>3.0</b>
Income tax	(48.0)	(2.3)	(47.9)	(2.4)
<b>Net profit before minorities</b>	<b>31.8</b>	<b>1.6</b>	<b>11.9</b>	<b>0.6</b>
Minorities' share of net profit (loss)	(11.7)	(0.6)	(8.7)	(0.4)
<b>Net profit (loss) in period</b>	<b>20.1</b>	<b>1.0</b>	<b>3.2</b>	<b>0.2</b>
<i>(1) Of which to HdP Group companies</i>	<b>0.9</b>		<b>2.3</b>	

### RECLASSIFIED CONSOLIDATED BALANCE SHEET

<i>(€ millions)</i>	31.12.2002	%	31.12.2001	%
Intangible non-current assets	251.8	41.3	249.7	36.1
Tangible non-current and fixed assets	105.3	17.3	104.8	15.1
Non-current financial assets	70.4	11.6	81.5	11.8
<b>Net non-current and fixed assets</b>	<b>427.5</b>	<b>70.2</b>	<b>436.0</b>	<b>63.0</b>
Inventory balances	150.2	24.7	150.0	21.7
Trade receivables	619.0	101.6	665.6	96.1
Trade payables	(508.0)	(83.4)	(471.7)	(68.1)
Other assets/liabilities	79.4	13.0	89.8	13.0
<b>Net working capital</b>	<b>340.6</b>	<b>55.9</b>	<b>433.7</b>	<b>62.6</b>
Provisions for risks and charges	(159.3)	(26.1)	(177.2)	(25.6)
<b>Net capital employed</b>	<b>608.8</b>	<b>100.0</b>	<b>692.5</b>	<b>100.0</b>
Group net equity	205.6	33.7	187.1	27.0
Minorities' net equity	44.4	7.3	40.5	5.8
Employee severance indemnity provision	102.2	16.8	103.4	14.9
Non-current financial debt	207.0	34.0	164.1	23.7
Current financial debt	101.0	16.6	276.9	40.0
Cash, cash equivalents, and current financial receivables	(51.4)	(8.4)	(79.5)	(11.5)
<b>Net financial indebtedness <sup>(1)</sup></b>	<b>256.6</b>	<b>42.2</b>	<b>361.5</b>	<b>52.2</b>
<b>Liabilities and net shareholders' equity</b>	<b>608.8</b>	<b>100.0</b>	<b>692.5</b>	<b>100.0</b>
<i>(1) Of which towards parent company</i>	15.1		40.6	

## SPER

### RECLASSIFIED CONSOLIDATED PROFIT & LOSS ACCOUNT

<i>(€ millions)</i>	2002	%	2001	%
<b>Net revenues <sup>(1)</sup></b>	<b>23.3</b>	<b>100.0</b>	<b>26.3</b>	<b>100.</b>
Costs of materials and services	(23.4)	(100.4)	(24.3)	(92.4)
Change in inventories of work in process, semiprocessed, and finished goods	-	-	-	-
Payroll costs	(3.5)	(15.0)	(4.0)	(15.2)
<b>EBITDA</b>	<b>(3.6)</b>	<b>(15.4)</b>	<b>(2.0)</b>	<b>(7.6)</b>
Depreciation, amortisation and write-downs	(4.0)	(17.2)	(2.8)	(10.6)
<b>EBIT</b>	<b>(7.6)</b>	<b>(32.6)</b>	<b>(4.8)</b>	<b>(18.2)</b>
Net financial income (charges)	(0.8)	(3.4)	(1.3)	(4.9)
Net income (charges) from equity investments and adjustments to financial assets	-	-	-	-
<b>EBT and extraordinary items</b>	<b>(8.4)</b>	<b>(36.0)</b>	<b>(6.1)</b>	<b>(23.1)</b>
Extraordinary income/(charges)	(0.1)	(0.4)	7.4	28.1
<b>EBT before minorities</b>	<b>(8.5)</b>	<b>(36.4)</b>	<b>1.3</b>	<b>5.0</b>
Income tax	(0.2)	(0.9)	(0.2)	(0.8)
<b>Net profit before minorities</b>	<b>(8.7)</b>	<b>(37.3)</b>	<b>1.1</b>	<b>4.2</b>
Minorities' share of net profit (loss)	0.1	0.4	-	-
<b>Net profit (loss) in period</b>	<b>(8.6)</b>	<b>(36.9)</b>	<b>1.1</b>	<b>4.2</b>
<i>(1) Of which to HdP Group companies</i>	<b>0.2</b>	-	-	-

### RECLASSIFIED CONSOLIDATED BALANCE SHEET

<i>(€ millions)</i>	31.12.2002	%	31.12.2001	%
Intangible non-current assets	11.8	86.8	8.9	59.3
Tangible non-current and fixed assets	2.9	21.3	2.6	17.3
Non-current financial assets	0.2	1.5	0.4	2.7
<b>Net non-current and fixed assets</b>	<b>14.9</b>	<b>109.6</b>	<b>11.9</b>	<b>79.3</b>
Inventory balances	-	-	-	-
Trade receivables	10.6	77.9	13.3	88.7
Trade payables	(11.0)	(80.9)	(9.7)	(64.7)
Other assets/liabilities	0.4	3.0	0.7	4.7
<b>Net working capital</b>	<b>0.0</b>	<b>-</b>	<b>4.3</b>	<b>28.7</b>
Provisions for risks and charges	(1.3)	(9.6)	(1.2)	(8.0)
<b>Net capital employed</b>	<b>13.6</b>	<b>100.0</b>	<b>15.0</b>	<b>100.0</b>
Group and minorities' net shareholders' equity	7.4	54.4	9.4	62.7
Employee severance indemnity provision	0.6	4.4	0.6	4.0
Non-current financial debt	0.2	1.5	0.3	2.0
Current financial debt	5.5	40.4	13.9	92.7
Cash, cash equivalents, and current financial receivables	(0.1)	(0.7)	(9.2)	(61.4)
<b>Net financial indebtedness <sup>(1)</sup></b>	<b>5.6</b>	<b>41.2</b>	<b>5.0</b>	<b>33.3</b>
<b>Liabilities and net shareholders' equity</b>	<b>13.6</b>	<b>100.0</b>	<b>15.0</b>	<b>100.0</b>
<i>(1) Of which towards parent company</i>	<b>2.4</b>	-	-	-

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### RECLASSIFIED CONSOLIDATED PROFIT & LOSS ACCOUNT

(€ millions)

	2002	%	2001	%
<b>Net revenues</b>	<b>134.9</b>	<b>100.0</b>	<b>361.4</b>	<b>100.0</b>
Costs of materials and services	(72.5)	-53.7	(279.8)	-77.4
Change in inventories of work in process, semiprocessed, and finished goods	(18.4)	-13.6	(6.2)	-1.7
Payroll costs	(40.1)	-29.8	(91.7)	-25.4
<b>EBITDA</b>	<b>3.9</b>	<b>2.9</b>	<b>(16.3)</b>	<b>-4.5</b>
Depreciation, amortisation and write-downs	(8.8)	-6.5	(31.7)	-8.8
<b>EBIT</b>	<b>(4.9)</b>	<b>-3.7</b>	<b>(48.0)</b>	<b>-13.3</b>
Net financial income (charges)	(1.7)	-1.2	(13.2)	-3.7
Net income (charges) from equity investments and adjustments to financial assets	(6.8)	-5.0	(8.0)	-2.2
<b>EBT and extraordinary items</b>	<b>(13.4)</b>	<b>-9.9</b>	<b>(69.2)</b>	<b>-19.1</b>
Extraordinary income/(charges)	3.0	2.2	(9.1)	-2.5
<b>EBT before minorities</b>	<b>(10.4)</b>	<b>-7.7</b>	<b>(78.3)</b>	<b>-21.7</b>
Income tax	1.7	1.3	1.5	0.4
<b>Net profit before minorities</b>	<b>(12.1)</b>	<b>-9.0</b>	<b>(79.8)</b>	<b>-22.1</b>
Minorities' share of net profit (loss)		0.0	0.2	0.1
<b>Net profit (loss) in period</b>	<b>(12.1)</b>	<b>-9.0</b>	<b>(79.6)</b>	<b>-22.0</b>

### RECLASSIFIED CONSOLIDATED BALANCE SHEET

(€ millions)

	2002	%	2001	%
Intangible non-current assets	17.6	25.4	41.6	11.6
Tangible non-current and fixed assets	55.0	79.3	295.4	82.2
Non-current financial assets	6.5	9.4	2.6	0.7
<b>Net non-current and fixed assets</b>	<b>79.2</b>	<b>114.1</b>	<b>339.6</b>	<b>94.5</b>
Inventory balances	18.8	27.0	86.5	24.1
Trade receivables	26.4	38.1	69.2	19.3
Trade payables	(19.1)	(27.5)	(76.4)	-21.3
Other assets/liabilities	(14.7)	(21.2)	(9.6)	-2.7
<b>Net working capital</b>	<b>11.4</b>	<b>16.4</b>	<b>69.6</b>	<b>19.4</b>
Provisions for risks and charges	(21.2)	(30.5)	(50.1)	-13.9
<b>Net capital employed</b>	<b>69.4</b>	<b>100.0</b>	<b>359.2</b>	<b>100.0</b>
Group net shareholders' equity	31.6	45.5	59.5	16.6
Employee severance indemnity provision	5.7	8.2	17.8	5.0
Non-current financial debt	16.7	24.1	16.7	4.7
Current financial debt	30.6	44.1	279.8	77.9
Cash, cash equivalents, and current financial receivables	(15.1)	(21.9)	(14.6)	-4.1
<b>Net financial indebtedness <sup>(1)</sup></b>	<b>32.2</b>	<b>46.3</b>	<b>281.9</b>	<b>78.5</b>
<b>Equity and indebtedness</b>	<b>69,4</b>	<b>100,0</b>	<b>359,2</b>	<b>100,0</b>

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## RECLASSIFIED CONSOLIDATED PROFIT & LOSS ACCOUNT

<i>(€ millions)</i>	<b>2002</b>	<b>%</b>	<b>2001</b>	<b>%</b>
<b>Net revenues <sup>(1)</sup></b>	<b>913.9</b>	<b>100.0</b>	<b>980.3</b>	<b>100.0</b>
Costs of goods and services	(712.5)	(78.0)	(876.1)	(89.4)
Change in inventories of work in process, semiprocessed and finished goods	( 49.0)	( 5.4)	9.2	0.9
Payroll costs	(102.7)	(11.2)	(115.0)	(11.7)
<b>EBITDA</b>	<b>49.7</b>	<b>5.4</b>	<b>( 1.6)</b>	<b>( 0.2)</b>
Depreciation, amortisation and write-downs	( 29.6)	( 3.2)	( 43.5)	( 4.4)
<b>EBIT</b>	<b>20.1</b>	<b>2.2</b>	<b>( 45.1)</b>	<b>( 4.6)</b>
Net financial income/(charges)	( 49.8)	( 5.4)	( 38.9)	( 4.0)
Net income/(charges) from equity investments and adjustments to financial assets	( 15.2)	( 1.7)	( 2.9)	( 0.3)
<b>EBT and extraordinary items</b>	<b>( 44.9)</b>	<b>( 4.9)</b>	<b>( 86.9)</b>	<b>( 8.9)</b>
Extraordinary income/(charges)	( 16.4)	( 1.8)	( 25.2)	( 2.6)
<b>EBT before minorities</b>	<b>( 61.3)</b>	<b>( 6.7)</b>	<b>(112.1)</b>	<b>(11.4)</b>
Income tax	( 18.9)	( 2.1)	( 27.0)	( 2.8)
<b>Net profit before minorities</b>	<b>( 80.2)</b>	<b>( 8.8)</b>	<b>(139.1)</b>	<b>(14.2)</b>
Minorities' share of net profit (loss)	( 0.7)	( 0.1)	( 0.6)	( 0.1)
<b>Net profit (loss) in period</b>	<b>( 80.9)</b>	<b>( 8.9)</b>	<b>(139.7)</b>	<b>(14.3)</b>
<sup>(1)</sup> Of which sales to HdP Group companies	0.1	0.0	0.5	0.1

## RECLASSIFIED CONSOLIDATED BALANCE SHEET

<i>(€ millions)</i>	<b>31.12.2002</b>	<b>%</b>	<b>31.12.2001</b>	<b>%</b>
Intangible non-current assets	18.4	6.0	30.8	6.8
Tangible non-current and fixed assets	87.9	28.7	113.6	24.9
Non-current financial assets	0.4	0.1	3.3	0.7
<b>Net non-current and fixed assets</b>	<b>106.7</b>	<b>34.8</b>	<b>147.7</b>	<b>32.4</b>
Inventory balances	162.7	53.0	237.6	52.1
Trade receivables	147.3	48.0	204.8	44.9
Trade payables	(142.5)	- 46.4	(186.4)	- 40.9
Other assets/liabilities	40.0	13.0	61.1	13.4
<b>Net working capital</b>	<b>207.5</b>	<b>67.6</b>	<b>317.1</b>	<b>69.6</b>
Provisions for risks and charges	( 7.4)	- 2.4	( 9.1)	- 2.0
<b>Net capital employed</b>	<b>306.8</b>	<b>100.0</b>	<b>455.7</b>	<b>100.0</b>
Group net shareholders' equity	106.5	34.7	88.6	19.4
Minorities' net shareholders' equity	2.4	0.8	2.4	0.5
Employee severance indemnity provision	5.5	1.8	5.5	1.2
Non current financial debt	3.4	1.1	12.4	2.7
Current financial debt	294.2	95.9	384.5	84.4
Cash, cash equivalents and current financial receivables	(105.2)	- 34.3	( 37.7)	- 8.3
<b>Net financial indebtedness/(surplus) <sup>(1)</sup></b>	<b>192.4</b>	<b>62.7</b>	<b>359.2</b>	<b>78.8</b>
<b>Liabilities and net shareholders' equity</b>	<b>306.8</b>	<b>100.0</b>	<b>455.7</b>	<b>100.0</b>
<sup>(1)</sup> Of which vs. HdP Group companies	36.8		76.6	