

INTERIM CONSOLIDATED FINANCIAL STATEMENTS
At September 30, 2001

STATEMENTS OF INCOME

(in thousands of euros)

	Notes	Six months ended Sept. 30, 2001	Twelve months ended March 31, 2001*	Six months ended Sept. 30, 2000*
Net sales of S.T. Dupont products	17 & 18	37,803	84,870	34,554
Royalties	19	2,952	4,964	2,756
Net sales	17 & 18	40,755	89,834	37,310
Cost of sales		(18,914)	(44,367)	(18,054)
Gross margin		21,841	45,467	19,256
Communication expenses		(2,625)	(5,683)	(2,053)
Selling expenses		(7,674)	(15,835)	(7,177)
Administrative expenses		(9,327)	(18,629)	(8,654)
Income/(loss) from equity investments		(10)	111	62
Operating income	17 & 18	2,205	5,431	1,434
Net interest expense	20	(359)	(767)	(389)
Non-recurring items from continuing operations	21	(108)	77	185
Income before tax		1,738	4,741	1,230
Provision for income taxes	22	(66)	(769)	(51)
Net income before goodwill amortization		1,671	3,972	1,179
Amortization of goodwill		(167)	(335)	(167)
Net income		1,504	3,637	1,012
Earnings per share (in euros)	23	0.24	0.59	0.17
Diluted earnings per share (in euros)	23	0.20	0.57	0.14

* In order to permit meaningful comparisons, the figures for the periods ended September 30, 2000 and March 31, 2001 have been restated to include royalties in net sales.

BALANCE SHEETS

(in thousands of euros)

ASSETS	Notes	At Sept. 30, 2001	At March 31, 2001	At Sept. 30, 2000
Non-current assets				
Goodwill	3	4,001	4,169	4,336
Intangible assets (net)	4	5,678	5,869	7,016
Property, plant and equipment (net)	5	9,816	10,320	10,030
Long-term investments (net)	6	904	836	996
Equity investments	7	743	864	814
Deferred tax assets		1,415	1,300	1,694
Total non-current assets		22,557	23,358	24,886
Current assets				
Inventories and work-in-progress (net)	8	28,233	23,934	26,915
Trade accounts receivable (net)	9	19,321	20,359	16,496
Other receivables and accruals	10	7,255	6,547	7,555
Cash and marketable securities	11	12,813	15,816	12,221
Total current assets		67,622	66,656	63,187
Total assets		90,179	90,014	88,073
LIABILITIES AND SHAREHOLDERS' EQUITY				
	Notes	At Sept. 30, 2001	At March 31, 2001	At Sept. 30, 2000
Shareholders' equity attributable to the Group				
Capital stock	12	9,962	9,913	9,775
Additional paid-in capital		1,019	757	18
Retained earnings		30,410	27,715	27,703
Cumulative currency translation adjustments		3,069	3,238	3,752
Net income for the period		1,504	3,637	1,012
Total shareholders' equity attributable to the Group		45,964	45,260	42,260
Reserves for contingencies and charges	13	10,159	9,847	11,016
Long-term liabilities				
Convertible bonds	14	11,991	12,305	13,193
Deferred tax liabilities		55	86	104
Total long-term liabilities		12,046	12,391	13,467
Current liabilities				
Convertible bonds		262	539	288
Short-term debt	15	4,121	5,550	5,434
Trade accounts payable		7,003	6,730	6,169
Other payables and accruals		10,624	9,697	9,439
Total current liabilities		22,010	22,516	21,330
Total liabilities and shareholders' equity		90,179	90,014	88,073

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(in thousands of euros)

	Number of shares	Capital stock	Additional paid-in capital	Consolidated retained earnings	Cumulative translation adjustments	Consolidated shareholders' equity
At March 31, 2000	6,108,649	9,774	11	27,715	2,501	40,001
Other changes	0	0	0	0	0	0
At March 31, 2000 (pro forma)	6,108,649	9,774	11	27,715	2,501	40,001
Conversion of bonds	87,033	139	746	0	0	885
Net income for the period	0	0	0	3,637	0	3,637
Translation adjustments	0	0	0	0	737	737
At March 31, 2001	6,195,682	9,913	757	31,352	3,238	45,260
Other changes	0	0	0	0	0	0
At March 31, 2001 (pro forma)	6,195,682	9,913	757	31,352	3,238	45,260
Conversion of bonds	30,500	49	262			311
Net income for the period				1,504		1,504
Translation adjustments					(182)	(182)
Dividends				(929)		(929)
Other changes	0	0	0	(13)	13	0
At September 30, 2001	6,226,182	9,962	1,019	31,914	3,069	45,964

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands of euros)

Notes	Six months ended Sept. 30, 2001	Twelve months ended March 31, 2001	Six months ended Sept. 30, 2000
I - Cash flows from operating activities			
Net income for the period	1,504	3,637	1,012
Depreciation and amortization	1,636	3,898	1,628
Amortization of goodwill	167	335	167
Change in allowances	284	(2,112)	(1,328)
Gains and losses on disposals	68	566	206
Deferred taxes	(146)	19	(79)
(Income)/loss from equity investments, net of dividends received	120	(91)	(62)
Working capital provided by operations	3,633	6,252	1,544
(Increase)/decrease in inventories and work-in-progress	(4,355)	1,012	(2,003)
(Increase)/decrease in trade accounts receivable	377	(2,725)	2,453
(Increase)/decrease in other receivables	(332)	(634)	(1,596)
Increase/(decrease) in trade accounts payable	291	302	(352)
Increase/(decrease) in other payables	(44)	(439)	(520)
(Increase)/decrease in operating working capital requirement	(4,064)	(2,484)	(2,119)
Net cash (used)/provided by operating activities	(431)	3,768	(574)
II - Cash flows from investing activities			
Additions to intangible assets	(217)	(766)	(574)
Additions to property, plant and equipment	(863)	(3,041)	(1,209)
Additions to other non-current assets	(15)	(53)	0
Acquisitions of subsidiaries, net of cash acquired	0	0	0
Cash used by investing activities	(1,095)	(3,860)	(1,783)
Proceeds from disposals of intangible assets	0	1,664	
Proceeds from disposals of property, plant and equipment	55	88	1,014
Proceeds from disposals of other non-current assets	0	0	0
Proceeds from sales of subsidiaries, net of cash transferred	0	0	0
Cash provided by investing activities	55	1,752	1,014
Net cash used by investing activities	(1,040)	(2,108)	(769)
III - Cash flows from financing activities			
Increase/(decrease) in borrowings	(13)	0	
Repayments of borrowings	(432)	(212)	(328)
Net cash used by financing activities	(445)	(212)	(328)
Effect of exchange rate changes on cash and cash equivalents	169	642	227
(Decrease)/increase in cash and cash equivalents	(1,747)	2,090	(1,443)
Cash and cash equivalents at beginning of period	10,439	8,349	8,349
Cash and cash equivalents at end of period	8,692	10,439	6,906

In the above statements of cash flows, cash and cash equivalents at the end of the period include the following:

Notes	At Sept. 30, 2001	At March 31, 2001	At Sept. 30, 2000
Cash and marketable securities	12,813	15,816	12,221
Bank overdrafts	(4,121)	(5,377)	(5,315)
Total net cash and cash equivalents	8,692	10,439	6,906

NOTES

All amounts referred to in these notes are in thousands of euros, unless otherwise indicated.

The S.T. Dupont Group manufactures luxury goods both directly and indirectly and markets its products worldwide. The Group's final parent company is Broad Gain Investments Ltd., based in Hong Kong. The latter is owned by a trust, the beneficiaries of which are, among others, Mr. Dickson Poon and members of his family.

S.T. Dupont is listed on the second market of the Paris stock exchange.

1. ACCOUNTING PRINCIPLES

1.1 Overview

The consolidated financial statements of the S.T. Dupont Group comply with the new provisions of regulation 99-02 regarding consolidated financial statements of private- and public-sector companies, issued by the French accounting regulations committee (Comité de Réglementation Comptable) and approved by ministerial order of June 22, 1999. As regards international accounting standards defined by the IASC applicable for the twelve months to March 31, 2002, S.T. Dupont's financial statements do not comply with IAS 14 "Segment reporting" in terms of the required level of detail and disclosure, IAS 32 "Financial instruments: disclosure and presentation" due to the presentation of S.T. Dupont stock held by the Group as marketable securities rather than as a deduction from shareholders' equity and because the bond issue has not been broken down into liability and shareholders' equity components, IAS 37 "Provisions, contingent liabilities and contingent assets" in terms of the definition of provisions, nor with IAS 38 "Intangible assets" insofar as leasehold rights are not amortized. Consequently, these financial statements also do not comply with IAS 1 revised "Presentation of financial statements". All other IASC standards and interpretations applicable at March 31, 2002 have been followed by S.T. Dupont.

Accounting entries are based on the historical cost convention.

The financial statements of consolidated companies, drawn up according to the rules

applicable in their respective countries, are restated to comply with Group principles.

The consolidated financial statements of the S.T. Dupont Group for the six month periods ended September 30, 2001 and 2000 comply with the French regulations applicable to interim financial statements, as well as with IAS 34 "Interim financial reporting". They have been prepared using the same principles and accounting methods as the annual consolidated financial statements, as explained above. Comparisons between the interim and annual financial statements may be affected by the seasonal nature of the Group's business. In normal business conditions, sales volumes are generally higher in the second half of the financial year than in the first half.

1.2 Basis of consolidation

The consolidated financial statements include the financial statements of S.T. Dupont S.A. and all companies over which S.T. Dupont S.A. exercises direct exclusive control or significant influence. Subsidiaries are consolidated from the date of transfer of effective control to the Group and cease to be consolidated from the date of disposal. Companies that are exclusively controlled by S.T. Dupont S.A. are fully consolidated. Companies over which S.T. Dupont S.A. exercises significant influence are accounted for by the equity method. Due to the nature of the statement of income and of the activities of equity-accounted companies, the Group's equity in their net results has been included in the operating income of the S.T. Dupont Group.

1.3 Fiscal year-end

S.T. Dupont S.A. and all of its subsidiaries have a March 31 year-end. The consolidated financial statements for the six months ended September 30, 2001 have been prepared on the basis of individual interim financial statements closed at that date.

1.4 Consolidation adjustments

All intercompany profits are eliminated in consolidation. Intercompany receivables and payables and income and expenses arising from transactions between fully consolidated companies are also eliminated in full. The same applies to gains and losses on disposal of shares in consolidated companies or advances to these companies and releases of allowances for losses on these investments. Interim and final dividends received from consolidated companies are eliminated for the purpose of calculating consolidated net income. The book value of S.T. Dupont S.A.'s investment in its subsidiaries and its equity in the post-acquisition reserves of each subsidiary are also eliminated.

1.5 Foreign currency translation

The financial statements of foreign subsidiaries are translated into euros as follows:

- balance sheet items are translated at the period-end rate.
- statement of income items are translated at the average rate for the period.

The average rate is determined based on the average of the month-end rates, weighted by reference to monthly sales. Differences arising from the retranslation of opening balances at the period-end rate and the use of different exchange rates for the statement of income and the balance sheet are recorded as a separate component of shareholders' equity under "Cumulative currency translation adjustments".

Translation rates of currencies outside the euro zone are shown in the following table:

	Average rate, 6 months ended Sept. 30, 2001	Period-end rate Sept. 30, 2001	Average rate, 12 months ended Sept. 30, 2001	Year-end rate March 31, 2001	Average rate, 6 months ended Sept. 30, 2000	Period-end rate Sept. 30, 2000
1 Swiss franc	0.661415	0.676212	0.653334	0.655936	0.646769	0.654923
1 yen	0.009275	0.009178	0.009857	0.009176	0.012080	0.010489
1 pound sterling	1.624326	1.611360	1.622710	1.612720	1.623925	1.650330
1 US dollar	1.092925	1.092925	1.128181	1.128181	1.127747	1.127747
1 Hong Kong dollar	0.144891	0.140119	0.147650	0.144639	0.139189	0.144639
1 new Taiwan dollar	0.032780	0.031485	0.034456	0.034352	0.035000	0.035986
1 Singapore dollar	0.632748	0.621006	0.632533	0.629322	0.628009	0.648993
1 Malaysian ringgit	0.296196	0.288784	0.290783	0.298100	0.287241	0.648993

1.6 Financial instruments

Financial instruments recorded at the period-end include cash, bank balances, short-term investments, trade receivables, supplier payables and borrowings. The specific accounting methods applied to each are described as part of the presentation of the methods concerning each item.

The Group also uses various financial instruments to hedge its exposure to currency and interest rate risk. Hedging positions are taken with leading financial institutions, thereby eliminating any counterparty risk on these positions. The accounting principles and methods applied are as follows:

Currency hedges

Currency risks arising on commercial transactions are assessed and hedged by the Parent Company in accordance with the principle of prudence. The Company uses various financial instruments to hedge its positions, primarily forward purchases and sales of foreign currencies and currency options. Pursuant to the financial commitments charter approved by Company management, S.T. Dupont may use financial derivatives. These instruments are never used for speculative purposes but solely to hedge current or future transactions based on spot or forward exchange rates in order to fix exchange rates or revenue streams arising from S.T. Dupont's industrial and marketing activities in the normal course of business.

Unrealized gains or losses on forward currency contracts are netted against the unrealized losses or gains on the hedged assets or liabilities, except where the contracts have been acquired as hedges for firm transactions due to take place the following period, in which case recognition of the unrealized gain or loss is deferred.

Translation gains and losses are recorded under interest income.

Hedging of interest-rate risk

When the Group has taken out short-term variable-rate borrowings, it may decide to hedge its positions or decide to benefit from opportunities in the event of a decrease in interest rates.

Gains and losses on interest rate swaps and PIBOR contracts are recognized in the statement of income on an accruals basis.

1.7 Intangible assets

Intangible assets are identifiable, non-monetary assets without any physical substance which the S.T. Dupont Group uses or intends to use over a period of more than one year in connection with the manufacture or supply of goods and services.

Intangible assets meeting the criteria for capitalization are stated at cost, including all direct costs incurred to permit their use for their intended purpose.

Intangible assets are amortized by the straight-line method over their estimated useful lives as follows:

<i>Intangible assets</i>	<i>Period</i>
Patents	15 years
Know-how	5 years
Purchased software	5 years
Internally-developed software	3-5 years

Leasehold rights are stated at the lower of cost and probable realizable value. They are not amortized insofar as they can be resold.

Trademarks are stated at the lower of cost and fair market value.

1.8 Goodwill

The difference between the cost of shares in newly-consolidated subsidiaries and the Company's equity

in the underlying net assets is analyzed and allocated between:

- positive or negative fair value adjustments to certain identifiable assets and liabilities.
- goodwill.

Positive fair value adjustments are amortized in the same way as the assets to which they relate.

Goodwill is amortized over 20 years. However, if the results of the acquired companies indicate that the goodwill has been impaired, an additional write-down is recorded.

1.9 Property, plant and equipment

Property, plant and equipment are stated at historical cost and depreciated by the straight-line method over their estimated economic lives as follows:

<i>Property, plant and equipment</i>	<i>Period</i>
Buildings	20-25 years
Building and leasehold improvements	20-25 years
Furniture	5-10 years
Machinery and equipment	3-10 years
Fixtures and fittings	5-10 years
Vehicles	5 years
Office and computer equipment, other than PCs	5 years
Personal computer equipment	5 years

Non-current assets in progress are classified by type of asset.

1.10 Research and development costs

Research and development costs are expensed as incurred.

1.11 Collection costs

Costs related to the men's ready-to-wear collections are expensed in the period of sale.

1.12 Inventories and Work-In-Progress

Inventories and work-in-progress are stated at the lower of acquisition or production cost and net realizable value.

Cost is calculated by the standard cost method and adjusted for differences between standard and actual cost using the FIFO method.

Differences between standard and actual cost are determined based on normal capacity utilization levels.

An allowance is recorded, if necessary, to reduce inventories to their net realizable value at the end of each period.

1.13 Trade and Other Accounts Receivable

Trade and other accounts receivable are recorded at their nominal value. Allowances are recorded for doubtful accounts based on the estimated risk of non-recovery as determined on an individual account basis.

1.14 Cash and marketable securities

This item corresponds to cash in hand and short-term bank deposits realizable on demand. Bank overdrafts, spot credits and credit lines are classified under short-term borrowings and liabilities.

Short-term investments in marketable securities are stated at their market value at the period-end. Treasury shares acquired with the aim of stabilizing share prices are recorded under marketable securities and are valued at the average stock market prices of the last month of the period.

Allowances for decline in value are charged to interest expense.

1.15 Deferred Charges

Deferred charges primarily correspond to the cost of S.T. Dupont stands in foreign retail outlets and molds supplied to outside contractors. They are written off over three years.

1.16 Retirement benefits and other post-retirement obligations

S.T. Dupont S.A. and its subsidiaries operate a number of defined benefit and defined contribution pension plans throughout the world. The assets of

funded plans are held in separate trustee-administered funds or by insurance companies.

Defined benefit plans are assessed each year by independent actuaries using the projected unit credit method. Under this method, the cost of providing pensions is charged to the statement of income so as to spread the regular cost over the service lives of employees. The pension obligation is measured as the present value of the estimated future cash outflows using interest rates of government securities which have terms to maturity approximating the terms of the related liability. All actuarial gains and losses are spread forward over the average remaining service lives of employees.

As from fiscal 1999, the Group implemented International Accounting Standard (IAS) 19 (revised), *Employee Benefits*, and accounted for the transitional liability (change in commitments prior to fiscal 1999) by adjusting retained earnings at April 1, 1998.

The Group's contributions to the defined contribution plans are charged to the statement of income in the period to which they relate.

The Group also runs a health insurance plan for retired employees of S.T. Dupont S.A. who retired prior to January 1, 2001. Prior to fiscal 1999, the expected cost of these benefits was accrued at the time an employee retired. Following the implementation of IAS 19 (revised) in fiscal 1999, the expected cost of these benefits is now accrued over the period of employment, using an accounting methodology similar to that for defined benefit pension plans. The valuation of this obligation is carried out by an independent actuary. The Group accounted for the transitional liability resulting from implementation of IAS 19 (revised) by adjusting retained earnings at April 1, 1998.

1.17 Other reserves

Reserves for contingencies and charges booked at the period-end are intended to cover risks and charges that past or current events make probable and which are clearly defined in terms of their nature, even though their actual occurrence, their date and amount remain uncertain.

In addition, the Group recognizes its estimated liability for all products under warranty at the period-end. The amount of this reserve is determined based on prior statistics.

Lastly, a reserve is booked for estimated liabilities resulting from paid holiday entitlements, seniority-based holidays and holiday credit stemming from reductions in working hours, based on services rendered by employees up to the period-end.

1.18 Convertible bond issues

Convertible bond issues are stated at their discounted face value, under convertible bonds. The bond discount is amortized on an accruals basis, based on the rate announced to the market at the time of issue. In the event of conversion of bonds into stock, liabilities are transferred to capital stock and additional paid-in capital and the bond discount, net of accrued amortization, is reclassified as a conversion premium.

Issue costs and discounts on convertible bond issues are taken to the statement of income under interest expense, based on the number of outstanding bonds.

1.19 Recognition of revenues

Net sales represent deliveries from the Group's brand portfolio, made up of manufactured or purchased products and related accessories. Sales are recognized at the time of delivery of products. Net sales are stated prior to deduction of rebates, which are recognized under interest income, after deduction of any discounts granted.

License fees are recognized based on the latest statement of actual sales and are calculated in accordance with the terms of the relevant contracts. They include non-recurring setup charges negotiated as part of new agreements. These up-front revenues will not generate any future costs.

Invoicing for after-sales service is deducted from selling expenses alongside related costs.

1.20 Non-recurring items from continuing operations

Non-recurring income and expense in the consolidated statement of income includes non-recurring items from continuing operations as well as exceptional items. Non-recurring items from continuing operations are classified as such when they are not related to standard company

operations, either because the amounts or circumstances involved are unusual, or because they occur rarely. Gains and losses on asset disposals and on sales of marketable securities are also recorded under non-recurring items.

1.21 Provision for income taxes

The provision for income taxes charged to the statement of income corresponds to the current and deferred tax liabilities of the Group companies arising during the period. Deferred taxes are calculated for all timing differences at the rate in force at the period-end or the enacted rate applicable in future years.

Provisions for deferred taxes set up in prior years are adjusted based on the latest known tax rate, in accordance with the liability method. Deferred tax assets and liabilities have not been discounted, as the repayment schedule was not sufficiently reliable. Deferred tax assets are recognized only in cases where it is probable that the related benefit will be realized. Deferred tax liabilities have not been determined for withholdings at source and other taxes due on non-distributed reserves booked by certain subsidiaries, because these amounts are constantly re-invested.

1.22 Earnings per share

In accordance with IAS 33, earnings per share are calculated by dividing net income attributable to the Group by the weighted average number of outstanding shares during the period.

Diluted earnings per share are calculated as described above, but also taking into account the maximum impact of conversion of all convertible bonds and the exercise of stock options if the latter seems likely based on a comparison of the share price with the exercise price. This calculation takes into account the cancellation of interest expense, the decrease in bond discounts and the resulting tax effect.

1.23 Statement of cash flows

The statement of cash flows is presented based on the indirect method. This method consists of presenting adjustments to reconcile net income to net cash provided by operations, investing and financing activities.

Cash is defined as the sum of cash accounts, current accounts at banks and marketable

securities, less bank overdrafts and short-term financing instruments.

2. CHANGES IN SCOPE OF CONSOLIDATION

No changes in the scope of consolidation have taken place since September 30, 2000.

3. GOODWILL

	At Sept. 30, 2001	At March 31, 2001	At Sept. 30, 2000
S.T. Dupont Marketing Ltd (Hong Kong)	10,336	10,336	10,336
S.T. D. Investment Pte Ltd (Singapore-Taiwan branch)	863	863	863
S.T. Dupont Distribution Pte Ltd	212	212	212
S.T. Dupont (Malaysia) Sdn Bhd	170	170	170
Total, at cost	11,581	11,581	11,581
S.T. Dupont Marketing Ltd (Hong Kong)	(6,589)	(6,460)	(6,331)
S.T. D. Investment Pte Ltd (Singapore-Taiwan branch)	(863)	(863)	(863)
S.T. Dupont Distribution Pte Ltd	(71)	(49)	(28)
S.T. Dupont (Malaysia) Sdn Bhd	(57)	(40)	(23)
Total amortization and allowances	(7,580)	(7,412)	(7,245)
Total, net book value	4,001	4,169	4,336

In 1998 an exceptional write-down of goodwill in an amount of € 5,450 thousand was recorded (respectively € 4,651 thousand for S.T. Dupont Marketing Ltd. and € 799 thousand for S.T. D. Investment Pte Ltd.), as a result of applying standard multipliers to revised operations forecasts. The same method was applied at March 31, 2001 and at September 30, 2001, and in both cases no further write-down was required.

No restatements were required following the implementation of CRC regulation 2000-06 concerning liabilities, as goodwill recognized in the Group's accounts does not include the type of reserves booked following acquisitions which the new standard disallows.

4. INTANGIBLE ASSETS

	At Sept. 30, 2001	At March 31, 2001	At Sept. 30, 2000
Patents, trademarks and know-how	884	872	824
Leasehold rights	3,827	3,827	4,726
Other	4,061	3,936	3,982
Total, at cost	8,772	8,635	9,532
Patents, trademarks and know-how	(769)	(746)	(746)
Leasehold rights	0	0	0
Other	(2,325)	(2,020)	(1,790)
Total amortization and allowances	(3,094)	(2,766)	(2,516)
Patents, trademarks and know-how	115	126	98
Leasehold rights	3,827	3,827	4,726
Other	1,736	1,916	2,192
Total, net book value	5,678	5,869	7,016

The item "Patents, trademarks and know-how" corresponds primarily to trademarks purchased either to secure their legal protection or for their future use.

Leasehold rights concern the S.T. Dupont retail boutiques in Europe.

Other intangible assets correspond mainly to computer software and organization expenses.

The increase in net book value of intangible assets since March 31, 2001 primarily reflects software acquisitions.

5. PROPERTY, PLANT AND EQUIPMENT

	At Sept. 30, 2001	At March 31, 2001	At Sept. 30, 2000
Land	162	162	162
Buildings	3,933	3,925	3,716
Leasehold improvements	8,669	8,323	8,758
Machinery and equipment	19,818	19,421	19,303
Other	6,395	6,513	5,606
Total, at cost	38,977	38,344	37,545
Buildings	(2,266)	(2,213)	(2,156)
Leasehold improvements	(5,808)	(5,518)	(5,561)
Machinery and equipment	(16,347)	(15,916)	(15,535)
Other	(4,740)	(4,377)	(4,263)
Total amortization and allowances	(29,161)	(28,024)	(27,515)
Land	162	162	162
Buildings	1,667	1,712	1,560
Leasehold improvements	2,861	2,805	3,197
Machinery and equipment	3,471	3,505	3,768
Other	1,655	2,136	1,343
Total, net book value	9,816	10,320	10,030

This item primarily corresponds to the property, plant and equipment of S.T. Dupont S.A. and its manufacturing facility.

Other property, plant and equipment mainly consists of furniture and stands.

The main movements in property, plant and equipment during the period were acquisitions of industrial equipment and fixtures and fittings, for boutique and shop-in-shop openings.

6. OTHER NON CURRENT ASSETS

Long-term investments consist almost entirely of guarantee deposits.

7. EQUITY INVESTMENTS

	At Sept. 30, 2001	At March 31, 2001	At Sept. 30, 2000
Orfarlabo	736	857	807
S.T. Dupont Export Ltd	7	7	7
Equity in net assets	743	864	814

8. INVENTORIES AND WORK-IN-PROGRESS

	At Sept. 30, 2001	At March 31, 2001	At Sept. 30, 2000
Raw materials	3,606	3,638	3,021
Work-in-progress and semi-finished products	8,410	7,439	7,835
Finished products and goods for resale	20,789	17,924	21,444
Replacement parts and supplies	1,340	1,104	1,195
Total, at cost	34,145	30,105	33,495
Raw materials	(1,250)	(1,274)	(1,155)
Work-in-progress and semi-finished products	(1,542)	(1,538)	(1,368)
Finished products and goods for resale	(3,019)	(3,250)	(3,845)
Replacement parts and supplies	(101)	(109)	(212)
Total amortization and allowances	(5,912)	(6,171)	(6,580)
Total, net	28,233	23,934	26,915

The increase in inventories at September 30, 2001, compared to March 31, 2001, reflects the seasonal nature of the Group's sourcing.

At September 30, 2001, allowances for impairment in value of inventories represented 44% of the cost of the inventories concerned (against 46% at March 31, 2001).

9. TRADE ACCOUNTS RECEIVABLE

	At Sept. 30, 2001	At March 31, 2001	At Sept. 30, 2000
Trade accounts receivable	17,863	17,873	15,120
Bills of exchange receivable	2,350	3,348	1,993
Receivables from related parties:			
• Harvey Nichols	6	7	9
• Dickson Concepts Ltd.	0	3	0
• Other	138	52	0
Total, at cost	20,357	21,283	17,122
Allowances for doubtful accounts	(1,036)	(924)	(626)
Total, net	19,321	20,359	16,496

Net trade accounts receivable due in more than one year amounted to € 1,404 thousand at September 30, 2001.

10. OTHER RECEIVABLES

	At Sept. 30, 2001	At March 31, 2001	At Sept. 30, 2000
Refundable income tax	1,341	1,485	1,493
Other receivables	3,701	2,943	3,568
Prepaid expenses	1,099	789	1,104
Bond discount	125	153	184
Deferred charges	989	1,177	1,206
Total	7,255	6,547	7,555

Refundable income taxes correspond to the excess of tax prepayments over the amount of income taxes payable and also reflect the recognition of a € 865 thousand carry-back credit in S.T. Dupont S.A.'s financial statements at March 31, 1999, usable up to March 31, 2004.

At September 30, 2001, other receivables primarily included recoverable value-added taxes in an amount of € 1,152 thousand and royalties receivable in an amount of € 1,392 thousand. Other receivables due in more than one year amounted to € 629 thousand.

Deferred charges correspond primarily to molds used in production and marketing stands owned by S.T. Dupont SA and shipped abroad, as well as productivity studies. At September 30, 2001, the portion due in more than one year amounted to € 720 thousand.

11. CASH AND MARKETABLE SECURITIES

	At Sept. 30, 2001	At March 31, 2001	At Sept. 30, 2000
Marketable securities	1,028	486	1,632
Time deposits	7,673	9,544	7,667
Bank current accounts	4,224	5,903	3,003
Total, at cost	12,925	15,933	12,302
Allowances for decline in value of marketable securities	(111)	(117)	(81)
Total, net	12,813	15,816	12,221

Marketable securities correspond primarily to mutual funds and S.T. Dupont shares held in treasury stock. The allowance concerns treasury stock. At September 30, 2001, the stock market face value used for S.T. Dupont shares was € 9.31.

12. SHAREHOLDERS' EQUITY

At September 30, 2001, the capital stock of S.T. Dupont S.A. amounted to € 9,961,891.2, breaking down into 6,226,182 ordinary shares with a par value of € 1.6. During first-half 2001-2002, 30,500 bonds were converted into shares.

These shares are fully paid up.

13. RESERVES FOR CONTINGENCIES AND CHARGES

	Warranty reserves	Other reserves for contingencies	Reserves for charges	Reserves for retirement benefits	Total
At September 30, 2000	1,638	3,581	925	4,872	11,016
Charges	623	552	231	265	1,671
Releases (used)	(569)	(718)	(510)	(52)	(1,849)
Releases (not used)		(438)			(438)
Other		(380)		(8)	(388)
Translation adjustments		(2)		(163)	(165)
At March 31, 2001	1,692	2,595	646	4,914	9,847
Charges	21	644	83	195	943
Releases (used)		(22)	(96)	(22)	(140)
Releases (not used)		(347)	(129)		(476)
Other					
Translation adjustments		(14)		(1)	(15)
At September 30, 2001	1,713	2,856	504	5,086	10,159

Statistically, the warranty reserve can be released within a five-year time frame.

Reserves for charges mainly concern the balance of the restructuring plan in France, to be released by the end of fiscal 2001-2002 at the latest.

Movements in "Other reserves for contingencies" principally reflect the updating of reserves for tax risks in Germany and Hong Kong, a reserve recorded to cover the impairment in value of assets in Southern Europe and the release of a reserve for claims and litigation no longer required.

14. BONDS ISSUE

30,500 bonds were converted into shares during first-half 2001-2002. The impact on the financial statements was as follows:

- increase in capital stock of € 49 thousand (30,500 shares at € 1.6);
- the difference between the € 10.10 face value of the convertible bonds and the € 1.6 par value of the shares was credited to additional paid-in capital in an amount of € 259 thousand (30,500 bonds times € 8.5);
- the unamortized bond discount was credited to the bond conversion premium account in an amount of € 3,000 (30,500 bonds at € 0.2)

The fair value of the bond issue (excluding accrued interest and the bond discount) on the Paris market at September 30, 2001 amounted to € 8,964 thousand for 1,164,204 bonds.

15. BORROWINGS

	At Sept. 30, 2001	At March 31, 2001	At Sept. 30, 2000
Due in more than one year:			
Borrowings denominated in Italian lira	0	0	170
Borrowings denominated in French francs	0	0	0
Total debt due in more than one year	0	0	170
Due in less than one year:			
Current portion of long-term debt:			
- borrowings denominated in Italian lira	0	173	118
- borrowings denominated in French francs	0	0	0
Bank overdrafts in new Taiwan dollars	2,125	2,250	2,537
Bank overdrafts	1,996	3,127	2,779
Total debt due in less than one year	4,121	5,550	5,434

At September 30, 2001, unused credit lines amounted to € 17,142 thousand.

The long-term loan denominated in Italian lira, contracted by S.T. Dupont S.A., was repaid in full during first-half 2001-2002.

16. COMMITMENTS RECEIVED AND GIVEN

16.1 Commitments received

	At Sept. 30, 2001	At March 31, 2001	At Sept. 30, 2000
Commitments received	0	0	0

16.2 Commitments given

	At Sept. 30, 2001	At March 31, 2000	At Sept. 30, 2000
Bank guarantees given on behalf of subsidiaries	10,410	10,800	10,616
Other bank guarantees	1,188	1,220	177
Firm orders for fixed assets	583	448	345

17. INFORMATION BY BUSINESS SEGMENT

	Six months ended Sept 30, 2001	Twelve months ended March 31, 2001	Six months ended Sept. 30, 2000
Net sales			
Lighters and pens	22,893	54,824	21,794
Leather goods and other	14,910	30,046	12,760
Royalties	2,952	4,964	2,756
Total	40,755	89,834	37,310
Operating income/(loss)			
Gross margin on lighters and pens	11,291	26,308	11,105
Gross margin on leather goods and other	7,598	14,195	5,395
Royalties	2,952	4,964	2,756
Unallocated costs	(19,636)	(40,036)	(17,822)
Total	2,205	5,431	1,434

18. INFORMATION BY GEOGRAPHICAL AREA – TARGET MARKETS

	Six months ended Sept. 30, 2001	Twelve months ended March 31, 2001	Six months ended Sept. 30, 2000
Net sales			
Europe	17,310	41,797	16,594
Asia	19,348	39,612	17,299
Other regions	4,097	8,425	3,417
Total	40,755	89,834	37,310
Operating income/(loss)			
Gross margin on Europe sales	8,251	18,562	7,582
Gross margin on Asia sales	11,434	22,511	9,955
Gross margin on sales to other regions	2,156	4,304	1,719
Unallocated costs	(19,636)	(40,036)	(17,822)
Total	2,205	5,431	1,434

19. ROYALTIES

Royalties include revenues from licenses with third parties as well as revenues generated under the contract signed with a Dickson Group subsidiary to develop the Chinese market.

They are allocated to different geographical areas, based on the countries from which the licenses are paid.

20. INTEREST INCOME AND EXPENSE

	Six months ended Sept. 30, 2001	Twelve months ended March 31, 2001	Six months ended Sept. 30, 2000
Interest income	265	963	501
Interest expense	(649)	(1 771)	(849)
Exchange gains/(losses), net	25	41	(41)
Total	(359)	(767)	(389)

21. NON-RECURRING ITEMS FROM CONTINUING OPERATIONS

	Six months ended Sept. 30, 2001	Twelve months ended March 31, 2001	Six months ended Sept. 30, 2000
Non-recurring income/(expense), net	(154)	643	185
Net gains/(losses) on disposals of assets	46	(566)	0
Total	(108)	77	185

For the six months ended September 30, 2001, non-recurring income items included:

- € 305 thousand released from a reserve for claims and litigation no longer required;
- updating the reserve for German tax risks, in the amount of € 207 thousand;
- € 108 thousand in new contingency reserves booked to cover impairment in value of assets in Southern Europe.

22. PROVISION FOR INCOME TAXES

	Six months ended Sept. 30, 2001	Twelve months ended March 31, 2001	Six months ended Sept. 30, 2000
Current income taxes	(212)	(750)	(130)
Deferred income taxes	146	(19)	79
Total	(66)	(769)	(51)

The net tax charge resulting from non-recurring items was not material.

23. EARNINGS PER SHARE

Earnings per share have been calculated by dividing net income by the weighted average number of shares outstanding during the period.

	Six months ended Sept. 30, 2001	Twelve months ended March 31, 2001	Six months ended Sept. 30, 2000
Net income	1,504	3,637	1,012
Weighted average number of shares outstanding	6,206,947	6,112,862	6,109,017
Earnings per share, in EUR	0.24	0.59	0.17

Diluted earnings per share have been calculated based on the weighted average number of shares outstanding plus the number of shares to be issued on conversion of dilutive instruments. At September 30, 2001, dilutive instruments consisted of convertible bonds.

The convertible bonds have been treated as having been converted into shares as of the date of issue and net income has been adjusted to eliminate interest expense on the bonds and amortization of redemption premiums, net of taxes where applicable.

	Six months ended Sept. 30, 2001
Net income	1,504
Interest expense	262
Amortization of bond redemption premiums	25
Adjusted net income	1,791
Weighted average number of shares outstanding	6,206,947
Weighted average number of outstanding bonds	1,183,439
Diluted number of shares	7,390,386
Diluted earnings per share, in EUR	0.20

24. RELATED-PARTY TRANSACTIONS

Financial transactions with related parties are presented in note 16 to the consolidated financial statements.

Related-party purchases and sales of goods and services are as follows:

	Six months ended Sept. 30, 2001
Sales to the boutique networks of related companies (Hong Kong)	8
Sales to an associated company (Spain)	1,449
Purchases of services (Hong Kong)	(131)
Sales of services (Hong Kong)	15
Rent (Hong Kong)	11
Royalties received (Hong Kong)	807
Other	(30)

25. SUBSEQUENT EVENTS

The Group has not identified any events occurring after September 30, 2001 which impact the consolidated financial statements for the six-month period then ended.