

Cantoni I.T.C. SpA

A Company Profile

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# Cantoni I.T.C. SpA    A Company Profile

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## Introduction

Cantoni ITC SpA is a textiles and clothing group with over forty subsidiary companies. It is the holding company of a group active in the cotton textiles sector, from spinning (yarn), weaving, and printing fabrics to the marketing of shirts, blouses and cotton fabrics under various brandnames.

Besides textiles and clothing activities some subsidiaries of the company provide for completely other products, but in this company profile we will concentrate ourselves on the core activities of the Cantoni group: production and distribution of textiles and clothing.

### THE SECTOR IN ITALY

After three difficult years, 1994 closed positively for the (total) Italian Textile-clothing industry. Production recovered fully in a single year the drop accumulated since 1990.

The main growth factor was foreign demand, both direct (clothing and semifinished textile exports) and indirect (demand for textile products from clothing exporters). Final clothing consumption continued to stagnate, only slightly recovering at the end of the year. Exports kept up a good pace throughout 1994, becoming the motor behind the production recovery. A good part of this increase was due to the positive extra-EU markets, towards which growth was 30%, while trade flows towards EU partners only increased by 10% (3.2% in volume).

Textile-clothing prices were under a strong inflationary pressure from abroad. Prices of textile raw materials (in Lire) grew by 30.5% in 1994. In spite of this, prices in the sector's companies only increased by 3.3%, while prices of textile-clothing wholesalers (imported goods included) increased by 4.7%.

Production recovery allowed to greatly slow down the structural job losses. The work quantity actually increased. For 1995 it is expected that the growth phase will be confirmed, and that domestic consumption will slightly recover and offset a slow down in the exports growth rate<sup>1</sup>.

**Cantoni I.T.C. SpA**, was established in 1820 in Italy. 'I.T.C.' stands for: **Inghirami Textile Company**, after the family name of the founder. The company maintains its registered office in Milan.

The company is the operating holding company of a Gruppo Cantoni ITC, engaged in the manufacture of textile fibers, cotton and clothing. Activities include industrial, commercial, financial, legal, and support business. The company's major sectors of activity in the textile field are spinning, weaving finishing, converting, commercialization and sundry textile. Through "INPRODI Divisione Abbigliamento" the company controls the commercialization activities in the light-clothing division (shirt-sector).

Besides all that Cantoni I.T.C. is also involved in minor activities like: production and distribution of electrical energy, computer information systems for the group, promotional and public relations, water purification, real estate, and trading of industrial equipment. The company operates plants and sales offices in Italy, Hungary, Germany, The US, France and Brazil.

In 1993 the average number of employees was 3,795<sup>2</sup>.

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<sup>1</sup> Comitextil, Bulletin 95/1-2, p.19-37.

<sup>2</sup> Moody's, Italy, 1994, p.3533.

ITC as a Group was formed in 1963 and in its thirty years of operations, the ITC (Inghirami Textile Company) group has grown into an industry leader, with annual turnover of L700bn (55% deriving from clothing activities) and some 5,000 (1992) employees. Apart from its Italian operations it has plants in for instance France and Spain and three joint ventures in Hungary.

All companies within the group are faced with the problem of reducing costs. For some time ITC has been seeking out alliances in Eastern Europe where costs are lower. Delocalisation of plants is vital, since the Italian textiles and clothing sector has to compete with products imported from countries where labour costs are between 10 and 20 times lower than those in Italy<sup>3</sup>.

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<sup>3</sup> Il Sole 24 Ore, 16-02-1993.

## History

Cantoni I.T.C. was established in Italy in 1820.

In October 1990 the Paris commercial tribunal gave the go-ahead to Cantoni for the acquisition of the French division of Italian textile company **Pancaldi**.

Cantoni had already taken control of the parent company<sup>4</sup>.

Eight months before the shareholders' assembly of Pancaldi had decided that the company should go into liquidation and that a new SpA company, controlled by Cotonificio Cantoni, should be set up with the former shareholders in a minority. Initially the new company would rent the plants and later it would acquire the trade mark and factories. It was to be led by Sig Marco De Stefanis, managing director of Cantoni, who also reached an agreement with the trade unions on a cut back in the workforce. The new Pancaldi company would initially absorb all 199 employees and immediately start a process whereby the number of staff would be reduced to 145 within a few months<sup>5</sup>.

In 1990 the wool weaving company **Lanificio di Carignano** (Turin) was acquired by Cantoni ITC. The company had gone bankrupt in July 1989<sup>6</sup>.

In the following overview we will have a look at how the development of the size and activities of the Cantoni ITC group took place in the last five years:<sup>7</sup>

### 1991

The company reduced the share capital of subsidiary **Manar** by Lit 95,000,000, and changed the status to SrL, presently being an entity with limited liability.

Cantoni acquired 3,772 shares of subsidiary **Camme SpA**, for Lit 377,200,000; and sold 22,470 shares of **Banco di Legnano**, 1,202 shares of **Banca Popolare di Novara**, and 300 shares of **Montedison SpA**;

Company subscribed to 50,000 shares of **Tecnotessile SrL**, for lit 50 million;

Cantoni ITC merged **Cantoni Textiles Inc.** and **Sanremo Men's Wear Corp.** into: **Cantoni ITC USA Inc.**

### 1992

Company acquired additional interest in **Sanremo France S.A.**, and subsequently changed its name to **Cantoni ITC France S.A.**;

It acquired additional interest in **Camme SpA**, and changed the status of **Ge.te.ca** to a joint-stock company, SpA;

In December the company, through its subsidiary **Montereale Filati SpA**, acquired **SpA I Filati di Cordenons**.

### 1993

Cantoni sold its interest in **Montereale Filati SpA**, effective January 1st;

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<sup>4</sup> Les Echos, 18-10-1990.

<sup>5</sup> Il Sole 24 Ore, 22-02-1990.

<sup>6</sup> Chemiefasern textilindustrie, January 1990, p.24.

<sup>7</sup> Moody's, Italy, 1994, p.3533.

On April 22, the company liquidated its subsidiary **Banfi Trattamenti Tessili Spa**.  
In April too company acquired additional interest in **Sanremo Moda Uomo SpA**, for Lit4,000 million;  
Through its subsidiary Manar SpA, acquired a 51% interest in **Sea point SpA**;  
On December 23, the company merged through incorporation its subsidiary **Kernel Italiana SpA**, involving the cancellation of the share capital of Kernel Italiana SpA by establishing an exchange ratio of 1 ordinary share of Cantoni ITC par Lit3,000 for 10 ordinary shares or non-convertible savings shares of Kernel italiana SpA, par Lit500.

1994

In January the company acquired the remaining interest in **Camme SpA**.

## Structure

The Company is controlled by **FINANZIARA INGHIRAMI SRL**.

Cantoni ITC is a textiles and clothing group with over forty subsidiary companies. It is organised vertically rather than horizontally, with each company having its own market outlet and sometimes competing with another group company.

In 1993 the structure was described as follows:

Some subsidiaries are held directly by the lead company Cantoni ITC SpA:

-Geteca Srl (100%) which in turn wholly owns:

-ITP (Ind Tessile Piemontese) Srl and

-Geteca OD

-Confai Filat. Alta Italia SpA (100%),

-Banfi Tratt. Tessili SpA (95%)\*,

-Multifibre SpA (95%),

-Peplos SpA (99.9%),

-Cantoni Kabonyai KFT (50%),

-Ingram Textile GmbH(100%)\*,

-Lanificio di Carignano Srl (98.95%),

-Cantoni Data SpA (100%),

-Cantoni ITC USA Inc (51%),

-ITC Promotions(99.9%),

-Filati Cantoni (100%)\*,

-Aminvest Srl (95%) and

-Saber Srl (100%).

Some are held through Kernel Italiana SpA\* (60.84% owned by Cantoni ITC SpA):

-Montereale Filati SpA (83%)\*,

-Cantoni Fin. Tessili Srl (99.9%),

-Seleca Srl (99.9%)\*,

-Nikefin Srl (95%),

-Cantoni Satilai SpA (99.5%) which in turn owns:

-Cantoni Satilai GmbH (100%) and,

-Karesa Srl (99.9%),

-Duca Visconti M Velvis SpA (99%) which in turn owns:

Velvis Ecologica Srl (51.18%)

Others are held through Centrofin Srl (99% owned by Cantoni ITC SpA):

-Autostir (100%),

-Manifatt. S Stefano Srl (95%),

-Manifatt. S Giustino Srl (99.8%),

-Apollo Confezioni KFT (73.5%) and

-Finpancaldi (77.27%)\*. Finpancaldi itself owns:

-Camiceria Pancaldi Srl (66%)\*,

-Scotlan France (99.98%),

-Borgognona Srl (100%)\*,

-Pancaldi & B do Brasil (90%) and

-Immob. Pireo (100%).

The remainder are held through Camme SpA (96.23% owned by Cantoni ITC SpA):

- Socoval SA (99.99%)\*, and
- Sanremo Moda Uomo (100%). The latter owns:
  - Antica Sartoria Cav. Dall'Armi (97.5%),
  - Sanremo France (99.9%)\*, and
  - Stella d'Oro KFT (50%)\*<sup>8</sup>.

See ANNEX II for the most recent (94/95) list of subsidiaries. The companies marked with \* can't be found anymore among these subsidiaries. One of these marked subsidiary companies was liquidated 22-04-'93 (Banfi Tratt.Tessili SpA); another one (Montereale Filati SpA) was sold in Jan. 1993; Kernel italiana SpA was incorporated in the Cantoni ITC company on 23-12-1993; and the name of Sanremo France was in 1992 changed in Cantoni ITC France S.A.. Two of the missing subsidiary names (Cantoni Kabonyai KFT, and Velvis Ecologica Srl) refer to interests of respectively 50% and 51.18%, which might clarify why we don't find them in the most recent list, of main subsidiaries.

The remaining subsidiary companies not mentioned in ANNEX II, are probably sold, liquidated or merged during the past two years.

The company names missing in this 1993 structure outline, but present in ANNEX II, are: Manar Srl and Cantoni ITC France S.A.

In September 1993 the anti-trust authority approved the merger of the two quoted textile companies Kernel Italiana and Cantoni Inc.<sup>9</sup>.

Kernel ceased to be a quoted company and merged with Cantoni ITC, which launched a capital increase to fund the group's development programmes.

The boards of the two companies approved the operation, which entailed the absorption of Kernel Italiana by Cantoni ITC, its 65% parent. Cantoni ITC shares have been independently valued at L6,525 and those of Kernel Italiana at L680. The merger involved an exchange of shares on the basis of one ordinary Cantoni ITC share (nominal value L3,000) for ten of Kernel's ordinary or savings shares. Kernel shareholders could exercise withdrawal rights.

There was no change to the ownership of Cantoni ITC as a result of this operation, Sig Inghirami stated, and his family continued to hold 80% of capital<sup>10</sup>.

The document relating to the merger through absorption of Kernel Italiana into its parent company Cantoni ITC was formally signed on 23 December 1993. The act took effect with regard to third parties on 31 December<sup>11</sup>.

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<sup>8</sup> Il Sole 24 Ore, 16-02-1993, structure-outline.

<sup>9</sup> Il Sole 24 Ore, 16-09-1993.

<sup>10</sup> Il Sole 24 Ore, 27-05-1993.

<sup>11</sup> Italia Oggi, 28-12-1993.

**Board of Directors (1995)**

F. Inghirami	Chairman
L. Perugini	Managing Director
F. Franchini	Secretary
L. Ceriani	P.C. Romano
D. Inghirami	G. Inghirami
R. Lorenzani <sup>12</sup>	

Fabio Inghirami is also chairman of EMI, the Italian fashion promotion organisation<sup>13</sup>.

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<sup>12</sup> Moody's, Italy, 1994, p.3533.; and FT Analysis Report Cantoni ITC, 27-11-95.

<sup>13</sup> Corriere Dela Sera, 09-06-1994.

## Activities

The Company is controlled by Finanziaria Inghirami Srl. The Company is the holding company of a group active in the cotton textiles sector, from the spinning and weaving to the marketing of shirts, blouses and cotton fabrics under various brands. Energy production and distribution, industrial machinery production, data management, water treatment, real estate management are also provided by some of the subsidiaries<sup>14</sup>.

As a mark of its centralized operations, Gruppo Inghirami was January 1994 completing its first corporate headquarters in Sansepolcro, near Perugia.

The 17th-century building, comprising some 450 square meters, has been fully renovated into a five-room complex that will be used for internal presentations of the company's textile and apparel brands. External operations will remain at Inghirami's Milan location, the Palazzo Acerbi.

Fabio Inghirami, chairman, said the historical connections between the two ancient structures is strong. 'The Palazzo Acerbi in the 17th century had been the base of the viceroy of Spain when Milan had been part of the Spanish and Austro-Hungarian empires. Sansepolcro is where my family has spent generations and is where I was born,' he said<sup>15</sup>.

The lead company, with the same name as the holding **Cantoni ITC SpA**, was established in 1872, in Milan. Turnover of this company was Lit 74,000 Million in 1993, of which 11% was derived from exports, to all over the world. Imports mainly came from Europe and the USA. The number of employees was 117.

**Ge.Te.Ca. SpA**, Gestioni Tessili Cantoni in Milan manufactures cotton, and cotton mixture fabrics. The company was founded in 1980, and the number of employees is 650. It exports (23%) to Europe, and had a 1992 turnover of Lit 90,000 mn.

Divisione Abbigliamento Cantoni I.T.C., **In.Pro.Di. SpA**, in Sansepolcro (AR), Italy, is a Men's, boys and Ladies' garments manufacturer. This subsidiary was founded in 1978, and employs 100 people. Turnover in 1993 was Lit80,000 mn., 30% derived from exports to Europe, USA, and the Far and Middle East, Argentina and Russia<sup>16</sup>.

In June 1991 the board of the Lombardy-based Cantoni ITC textile group, controlled by the Inghirami family, had drawn up a plan to reduce activities in four of its plants. Two of the plants concerned were to be shut down by 30 June, while the other two had to lay off part of their workforce. In total 236 out of a workforce of 670 were to lose their jobs. The plan met with opposition from the unions, which planned a one-hour strike on 19 June throughout the Inghirami group establishments. The two plants facing closure were those of **Castellanza** (Varese) and **Trecate** (Novara), with the loss of 95 and 52 workers respectively.

The planned restructuring mainly concerned the Cantoni group's weaving division, which being part of the Cantoni ITC Holding controls the entire cotton production cycle.

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<sup>14</sup> 27 Nov 95 CANTONI ITC SPA.: FT Analysis Reports - Europe.

<sup>15</sup> Daily News Record 16 January 1994 Page 32.

<sup>16</sup> Kompass Business Disc Italia.

The group at that time comprised 22 plants operating in spinning, weaving, printing and finishing, as well as clothing and marketing<sup>17</sup>.

The export share in 1991 was 20%, and the company aimed to increase this percentage to 30-35 within the following two years.

In 1992 the company aimed to introduce the menswear ready-to-wear range onto the German market, and to relaunch the San Remo range there<sup>18</sup>.

In February 1993 Cantoni ITC issued a document describing its operations. The document's title, 'Logica d'Insieme' (the togetherness logic), encompassed the group's whole managerial philosophy, which had carried it through a period of acquisitions and into a restructuring phase<sup>19</sup>.

The merger through absorption of Kernel Italiana, in December 1993, would according to Cantoni chairman Fabio Inghirami, be the last operation under the restructuring plan. It would lead to improved management of products, from spinning through to the final garment, and should be welcomed by the banks which disapproved of the existing duplication<sup>20</sup>.

## DESIGN

The Inghirami Textile Co. (ITC) tapped Milan men's wear designer **Anthony Tarassi** to design its trendy Fabio Inghirami Studi line as well as some elements of its more classic signature collection, Fabio Inghirami.

The first collection designed by Tarassi debuted in Milan during the spring/summer '95 presentations, in June 1994.

Tarassi replaced **Quirino Conti**, who designed the Fabio Inghirami Studi line for two years and has since returned to his former post as head of the men's wear design team at Valentino. The change in designer represented a change in ITC's strategy for the Fabio Inghirami Studi line in an effort to bring it closer to the market, rather than keeping it as a more image-oriented, fashion forward collection with little commercial value.

'The Fabio Inghirami Studi line will be young, simple and fresh; it won't be inspired by grand philosophies, but by the concrete value of the product given today's way of dressing,' said ITC chairman Fabio Inghirami. This change of strategy fitted into a general trend in the business of looking more to the market for input and inspiration in the development of brand names.

'Our point of departure is the culture of the product. This strategy is exactly the opposite of a 'designer' strategy,' Inghirami said.

Tarassi, who also continues to design his own men's wear collection, said he was working to give the Inghirami collections a high-quality, yet saleable, image. He said he put a lot of emphasis on fabrics and simple lines. 'When I design the line, I am also keeping in mind the objective of distribution,' Tarassi said. He added that the collection took its inspiration

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<sup>17</sup> Il Sole 24 Ore, 13-06-1991.

<sup>18</sup> Texti-Wirtschaft, 19 march 1992, p.104.

<sup>19</sup> Il Sole 24 Ore, 16-02-1993.

<sup>20</sup> Il Sole 24 Ore, 27-05-1993.

from a young, European artist, though he declined to give away details in advance of the Milan presentation in June.

The Fabio Inghirami Studi collection is targeted at a young, yet sophisticated consumer. Prices of the collection are positioned slightly above the more classic Fabio Inghirami line, in which a suit ranges from 600.000 lire to 800.000 lire retail, depending on fabrics.

The Fabio Inghirami line will continue to be the group's classic, signature line, yet it too will benefit from Tarassi's input, ITC said, to make it a little more modern<sup>21</sup>.

## PRODUCTION

Production takes place in Italy, but also in Hungary, Brazil and since recently also in China.

**Brands** of the company include the labels Flag, Reporter, Pancaldi and sanRemo.

It's the **details** that count at Fabio Inghirami, from the carefully chosen fabrics to the type and number of buttons, giving new twists to traditional, tailored jackets, suits, trousers and coats. This season, three-button jackets are made from subtle wool/mohair tweeds, worn with velvet trousers and six-button, woven Shetland wool waistcoats. But top sellers are the classic three-piece suits, in hand stitched, Tasmanian wool flannel<sup>22</sup>.

**Great explorers**-from Marco Polo to mountaineer Reinhold Messner - are the inspirations for Fabio Inghirami Studi's fine sportswear collection. Fashion forward fabrics like metallic wool flannel, shaved boucle and faux bear fur are used in deconstructed yet shapely suits and coats. Colours are those of the icecaps, ocean deeps and unexplored earth: blues, greys, browns and natural tones<sup>23</sup>.

### China

The Cantoni group of Italy started producing clothing in early this year (1995) at its plant at **Pudong**, an industrial zone near Shanghai. The plant costed around L35bn and is 65% owned by Cantoni and 35% by the local authorities. The plant would produce 3,000 shirts and 1,000 other garments per day, of which 35% would be sold locally and the rest exported to other Far Eastern markets.

Fabio Inghirami, who heads the Cantoni group, is seeking a Hong Kong base in order to support marketing operations in the Pacific area<sup>24</sup>.

Italy's Inghirami Group has set up a US\$ 7mn garment making joint-venture in **Shanghai**. **Sage Dream Garment Corp** covers an area of 1.64 hectares and is expected to produce

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<sup>21</sup> Daily News, 22 June 1994.

<sup>22</sup> ITC Promotion, Daily News, 6 Feb. 1995.

<sup>23</sup> Daily news, 6 Feb. 1995.

<sup>24</sup> Corriere Della Sera, 09-06-1994.

150,000 suits and 300,000 cotton and silk shirts annually<sup>25</sup>.

#### WHOLESALE

**Cantoni Satilai SpA** in Italy is a textile piece good wholesaler, employing 48 staff. The company was incorporated (100%) in the Cantoni group on 26-06-1985. 25% of products is imported, mainly from the Middle and Far East, and 30% is exported towards Europe. Managing Director of the company is Marco de Stefanis.

Net sales of Cantoni Satilai SpA in 1994 amounted to Lit48,568 million, and the company returned for the first time in years to a (small) profit of Lit40 million.

100% Subsidiaries of this subsidiary of Cantoni ITC, are: **Cantoni Satilai GmbH**, in Neuss, Germany; and **Karesa Srl**, in Saronno Italy<sup>26</sup>.

**Cantoni ITC France S.A.** in France is a Mens and Boys Clothing Wholesaler, with only 4 employees. (1995). The company was incorporated in Cantoni ITC in 1987, and exports mainly to Italy. The parent company of this wholesale company is **Sanremo Moda Uomo SpA**, in Caerano di San Marco, Italy. Sales in 1992 amounted to FFr.5,295,874, and in 1993 to FFr.5,876,789. After having been loss making in 1991 and 1992, the company returned to profit again in 1993: FFr.64,258<sup>27</sup>.

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<sup>25</sup> South China Morning Post, 03 Apr 1995, BP p.4.

<sup>26</sup> CANTONI SATILAI SPA, Italy (No: 43-101-5742), D&B European Financial Records.

<sup>27</sup> CANTONI ITC FRANCE, France (no.38-064-0615: D&B European Financial Records.

## Financial Data

In 1990 the group's turnover amounted to 459,218 million Lit.; and net income was: 8,776 million Lit. for that year. After 1990 the results went into the red<sup>28</sup>.

Interim results for the first six months of 1992 recorded a decrease in turnover to Lit 222bn; Net loss was recorded. The AGM on 30/06/93 had to approve the 1992 accounts and also the use of revaluation reserves to cover losses for 1992.

The interim results for the six months period ending 30/06/93 showed again a decrease in turnover to Lit 201bn; The net loss went down to Lit 5.7bn<sup>29</sup>.

In January 1993 the group made enormous investments which exceeded L250bn, according to Fabio Inghirami (founder and head of the group); although a loss was likely to be reported for 1992 due to the effect of restructuring, the current year (1993) was supposed to see a return to profit thanks to improved competitiveness<sup>30</sup>.

In the next table we can see that this prediction was too optimistic and the group remained in negative figures in 1993.

### Consolidated Income Account, years ended Dec.31

(in millions of Italian Lire)

	1994	1993	1992	1991
Turnover	428,674	375,724	412,139	444,514
Net income(loss)	480	(11,670)	(23,414)	(6,059)
Tot Personn. Exp.	--	108,120	127,493	--

Cantoni ITC closed 1993 with consolidated losses of L11.67bn, half the previous year's loss of L23.41bn. Turnover fell by 8.8% to L375.72bn due to a restructuring exercise which commenced in 1992, but was compensated by a 13.5% reduction in costs. Own funds increased by 14.3% to L194.3bn, thanks to the absorption of Kernel by Cantoni ITC in 1993.

At lead company level turnover amounted Lit74,000 mn., and losses were reduced by 47% to L4.5bn. The loss was covered from the reserves. This improvement was largely due to financial revenues of L7.2bn from profits made on currency exchanges, dividends and tax credits (L4.2bn), revenue from controlled companies (L6.3bn) and a 2.3% fall in interest payments<sup>31</sup>.

The merger of Cantoni ITC and (absorption of) Kernel Italiana in December 1993, involved an exchange of shares on the basis of one ordinary Cantoni ITC share (nominal value L3,000) for ten of Kernel's ordinary or savings shares. For the exchange operation, Cantoni ITC used the 419,533 shares it owned itself, but further shares were needed. For this a L103bn capital increase was to be launched, with a maximum of 4,545,812 new shares

<sup>28</sup> 27 Nov 95 CANTONI ITC SPA.: FT Analysis Reports - Europe.

<sup>29</sup> 27 Nov 95 CANTONI ITC SPA.: FT Analysis Reports - Europe.

<sup>30</sup> Il Sole 24 Ore, 16-02-1993.

<sup>31</sup> Il Sole 24 Ore, 28 June 1994.

(nominal value L3,000) issued<sup>32</sup>.

The operating profit for 6 months to 30-06-1994 was Lire 4.7bn (Lire 4.1bn loss) and pre-tax profit was Lire 1.9bn. Consolidated sales for these 6 months rose to Lit 224bn from Lit 200bn one year earlier.

Nil dividend for 1993 and 1994 was paid<sup>33</sup>.

Textiles group Cantoni ITC closed its consolidated balance sheet for 1994 with net profits of L480m, against a loss of L11.7bn last time.

Consolidated turnover rose 14% to L429bn, and increased by a further 10% in the first four months of 1995. Net debt to banks fell to L82bn from L110bn<sup>34</sup>.

#### Geographical analysis of 1994 turnover (mn Lit)

Italy	284,900
Abroad	143,800
TOTAL	428,700

#### Divisional analysis of 1994 turnover (mn Lit)

Textiles	229,100
Clothing	199,000
Other	600
TOTAL	428,700 <sup>35</sup>

Cantoni ITC (Inghirami Textiles Company) closed the first half of the year 1995 with group pre-tax profits of L3.8bn, compared with L1.9bn twelve months earlier. The operating profit leapt to L11.7bn from L4.7bn (equal to 5% of turnover) despite a hike in the price of raw materials.

Consolidated turnover rose by 5.3% to L236bn, while aggregate turnover rose to L308bn from L291bn. Cash flow amounted to L13.3bn.

The lead company Cantoni ITC SpA recorded a profit of L39.4bn (L38.5bn) and gross pre-tax profits of L300m (L100m)<sup>36</sup>.

The SHARE PRICE on 27 NOV 95 was 2.45 (L 000s).

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<sup>32</sup> Il Sole 24 Ore, 27-05-1993.

<sup>33</sup> 27 Nov 95 CANTONI ITC SPA.: FT Analysis Reports - Europe.

<sup>34</sup> Il Sole 24 Ore, 26 May 1995.

<sup>35</sup> 27 Nov 95 CANTONI ITC SOPA.: FT Analysis Reports - Europe.

<sup>36</sup> Il Sole 24 Ore, 29 Sep 1995.

**Net sales and profit (loss) 1991 - 1994 Cantoni Satilai SpA**  
(in million Lit)

	Net sales	Profit (Loss)
1991	54,870	(1,128)
1992	48,659	(3,371)
1993	44,938	(1,799)
1994	48,568	40 <sup>37</sup>

## Employment

In 1990 the company acquired the French division of Italian Textile Company Pancaldi. After the take-over the number of employees was reduced from 199 to 145<sup>38</sup>.

Unfortunately there is very little information on the developments concerning personnel of the Cantoni ITC SpA group. In 1992 the company had about 5,000 staff<sup>39</sup>. But in the year before closures and job cuts in Italy took place. In total 236 of a workforce of 670 lost their jobs<sup>40</sup>. These restructurings took place while there were acquisitions as well.

In 1993 at the year end there was an average number of employees of: 3,795. One year later this number had risen to 4,080 (average). This rise was probably due to the incorporation of Kernel Italiana.

In 1994 at the lead company 117 employees were employed<sup>41</sup>.

Gestioni Tessili Cantoni (Ge.Te.Ca.) employed: 650 staff;  
and Sanremo Moda Uomo SpA, in 31031 Caerano di San Marco (TV), had a number of employees between 500-1000 (1993)<sup>42</sup>.

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<sup>37</sup> CANTONI SATILAI SPA, Italy (No: 43-101-5742), D&B European Financial Records.

<sup>38</sup> Il Sole 24 Ore, 22-02-1990.

<sup>39</sup> Il Sole 24 Ore, 16-02-1993.

<sup>40</sup> Il Sole 24 Ore, 13-06-1991.

<sup>41</sup> Kompass Business Disc Italia, 1995.

<sup>42</sup> Kompass Italia, 1994.

## ANNEX I List of available addresses

### Italy

#### Cantoni I.T.C. SpA (Headquarter and Lead company)

Via Marzorati 24  
21047 Saronno (VA)

tel.: 02/96 76 21  
fax.: 02/96 70 18 05

Number of employees: 117 (1994)

#### **ITC Promotion**

Corso di Porta Romana 3  
20122 Milan

tel.: 39 2/ 86450037  
Information officer: Laura Inghirami

#### IN.PRO.DI. SpA

Divisione Abbigliamento Cantoni I.T.C.  
Zona Industrielle Trieste  
52037 Sansepolcro (AR)

tel.: 0575/74 81  
fax.: 0575/73 31 67

Number of employees: 100

#### GE.TE.CA. SpA

Gestioni Tessili Cantoni  
Via Don Mazorati 24  
21047 Saronno (VA)

tel.: 02/96 76 21

Number of employees: 650

#### Cantoni Ge.Te.Ca. Srl

Via Jucker 8  
20025 Legnano (MI)

tel.: 0331/465161

fax.: 0331/464634

Number of employees: 500 - 1000 (1993)

Cantoni Finiture Tessili Srl

Via Don Marzorati 24  
21047 Saronno (VA)

tel.: 02/967621

Cantoni Satilai Spa

Via Don Marzorati 24  
21047 Saronno (VA)  
(former address: Castellanza Via Matteotti 22)

tel.: 02/967621

fax.: 02/96702909

Number of employees: 48

Karesa Srl

Via Don Marzorati 24  
Saronno, 21047

Sanremo Moda Uomo SpA

31031 Caerano di San Marco (TV)  
Via San Marco 4

tel.: 0423/6591 (71)

fax.: 0423/858026

Number of employees: 500-1000 (1993)

Saber Srl

24020 Villa Di Serio (BG)  
Via Anselmo Cortesi 1

tel.: 035/665817 (21)

fax.: 035/655762

Number of employees: 1-9 (1993)

Peplos SpA

21053 Castellanza (VA)  
Via Bettinelli 8

tel.: 0331/504311 (31)

fax.: 0331/503968

Number of employees: 50-99 (1993)

## **USA**

### Cantoni ITC USA

30 West 57th Street,  
New York, NY 10019

tel.: 212-245 4015

## **Germany**

### Cantoni Satilai GmbH

Carl-Schurz Strasse 7  
Neuss

Number of employees: unknown

## **France**

### Cantoni ITC France

123 Avenue des Champs Elysees  
75008 Paris  
(former address: 16 Rue du Louvre 75001 Paris)

tel.: 1 40 70 14 50

Number of employees: 4 (1993)

## ANNEX II List of subsidiaries and associations

The main subsidiaries are:

Aminvest Srl;  
Antica Sartoria Cav. A.Dall'Armi SpA (98.11%);  
Apollo Kft (89.04%, Hungary);  
Autostir SpA;  
Batex ITC Srl;  
C.a.m.m.e. SpA;  
Cantoni Data SpA;  
Cantoni Finiture Tessili Srl (99.99%);  
Cantoni ITC France SA (99.98%, France);  
Cantoni ITC USA Inc (USA);  
Cantoni Satilai SpA (99.98%);  
Cantoni Satilai GmbH (Germany);  
Centrofin Srl (99%);  
Confai Filatori Alta Italia SpA;  
Duca Visconti di Modrone-Velvis SpA;  
GeTeCa SpA;  
GeTeCa Sofia ood (Bulgaria);  
Immobiliare Pireo Srl;  
ITC Promotion Srl;  
I.T.P. Srl;  
Karesa Srl (99.9%);  
Lanificio di Carignano Srl (99%);  
Manar Srl (99.9%);  
Manifattura di Santo Stefano Srl (94.05%);  
Manifattura di San Giustino Srl (98.8%);  
Multifibre SpA (95%);  
Nikefin Srl;  
Pancaldi do Brasil Ltda (90%, Brazil);  
Peplos SpA (99.9%);  
Saber Srl;  
Sanremo Moda Uomo SpA;  
Scotlan France SA (99.98%, France)<sup>43</sup>.

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<sup>43</sup> 27 Nov 95 CANTONI ITC SPA.: FT Analysis Reports - Europe, Moody's, Who Owns Whom, and Il Sole 24 Ore 16-02-1993 structure outline.