FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001

CSP INTERNATIONAL INDUSTRIA CALZE S.p.A.
Via Piubega, 5/C - 46040 CERESARA (MN) - ITALY
Share capital € 12,740,000 fully paid-in
Mantua Companies Register no. 00226290203

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MEMBERS OF THE ADMINISTRATIVE AND SUPERVISORY BODIES OF THE PARENT COMPANY

Board of Directors

Chairman	Enzo	BERTONI (*)
Managing Director	Francesco	BERTONI (*)
Directors	Massimo	ARMANINI
	Carlo	BERTONI
	Maria Grazia	BERTONI
	Gianfranco	BOSSI
	Arturo	TEDOLDI

Board of Statutory Auditors

Chairman	Vanna	STRACCIARI
Auditors	Marco	MONTESANO
	Luca	SAVOIA
Alternate auditors	Paolo	BERTOCCO
	Luca	GASPARINI

Independent Auditors

Arthur Andersen SpA

(*) Notes on exercising power: powers of ordinary and extraordinary administration, except for those reserved to the Board of Directors as per the law or by-laws, with single signature

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2001

DIRECTORS' REPORT ON GROUP OPERATIONS

Shareholders,

2001 closed with consolidated sales of 172.50 million Euro, consolidated sales for management purposes of 163.33 million Euro, an operating profit of 8.27 million Euro, a net loss of 0.43 million Euro, shareholders' equity attributable to the Group of 59.96 million Euro and net debt of 81.17 million Euro.

Consolidated sales for management purposes differ from consolidated sales because the former excludes sales to subcontractors to raise capacity by outsourcing certain types of production (sales of yarn and production materials) All comments made below will be based on the reclassified financial statements included in this report, as it is felt that this gives the most accurate view of the Group's activities.

Events in 2001

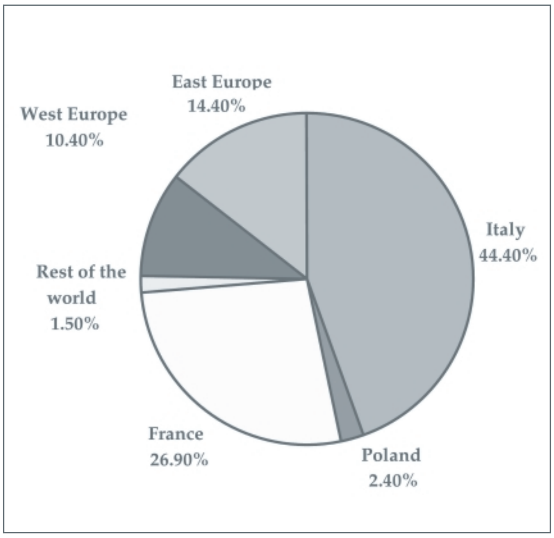
- 2001 marked a very important stage in the Group's growth strategy launched in 1999 with our first acquisition, despite the fact that the economic scenario was in a certain turmoil.
- You will remember that in 2000 we decided to diversify the Group's product line as a way of tackling the constant reduction in the consumption of stockings. Given CSP International's strength in the hosiery market, where we have significant market shares thanks to a number of well-known, high-quality brands, we decided that the lingerie market had extremely high growth potential and could develop excellent synergies with our core business. On the one hand, the lingerie market is in constant expansion (+2% in 2001); on the other hand, being contiguous to the market for stockings (which can also be considered underwear), there was always a good chance of extending the Group's product range under its existing brands. The diversification process is taking two different routes:
  a) one "internal", by developing seamless lingerie that uses technical know-how that is very similar to the technology used in making stockings;
  b) the other "external", by developing traditional foundation garments, using the skills brought to the Group through the acquisition of Lepel.
- Having held 55% of Lepel since 2000, we bought the other 45% in June 2001. This made CSP the only group in the hosiery sector with a unit that specialises in traditional foundation garments. In Italy, Lepel is the third most important brand on the market and is distributed through the wholesale and large-scale distribution channels (ranking first in the latter).
- In the Italian hosiery market, where consumption is still falling, albeit less rapidly than in the previous three years, the CSP Group has managed to stop the declining trend in its own share of the market, repeating the share achieved in 2000: 9.9% in terms of value (source: Nielsen). In France, another strategic market for the Group, we have managed to raise our share from 8.3% to 9% (source: Nielsen) at a time when consumption was stable (+1%), thanks to the efforts of our subsidiary Le Bourget, which again ranked as the third largest producer on the French market.
- In lingerie, the target of our strategic diversification plan and a market in constant growth (+5% in 2000, +2% in 2001 on the previous year, according to Nielsen), the Group has developed important programmes that involve extending the product ranges of existing brands, as well as relaunching the Lepel brand, the effects of which will be seen in the current year's sales. At the end of 2001 lingerie already represented 22.8% of total Group sales.
- Moreover, during 2001 CSP International changed its organisation so that we could manage and control large-scale distribution channels in Italy better than before. This entailed switching to a system of direct management of sales outlets, rather than selling through a network of dealers, as was the case up to the end of 2000.
- Another important result was that Le Bourget, after a long series of losses, made a net profit of 0.93 million Euro just two years after its acquisition.

1. Group performance

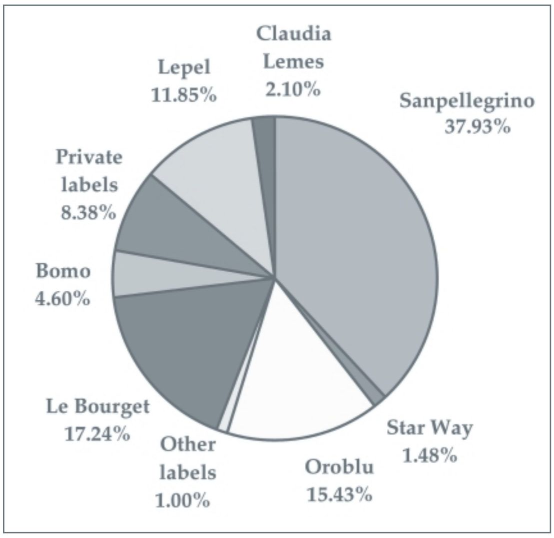
Net sales in 2001 increased from 160.34 million Euro to 163.33 million Euro (+1.9%).

This increase in sales is mainly due to growth in the French market, which at this stage represents 26.9% of the total, while sales in Italy and to countries in Eastern Europe stayed more or less flat (72.59 million Euro and 23.56 million Euro respectively). As regards sales by brand, Sanpellegrino is still the Group's main label in terms of volumes.

Group sales by area



Group sales by brand



1.a) Summary statement of income

(in millions of Euro)	2001 Value	2001 %	2000 Value	2000 %
Net sales	163.33	100.0	160.34	100.0
Cost of sales	101.63	62.2	102.58	64.0
Gross profit	**61.70**	**37.8**	**57.76**	**36.0**
Selling, general and administrative costs	53.43	32.7	50.34	31.4
Operating profit	**8.27**	**5.1**	**7.42**	**4.6**
Financial charges	4.22	2.6	3.04	1.9
Other charges	2.02	1.2	(1.76)	(1.1)
Profit before taxes	**2.03**	**1.2**	**6.14**	**3.8**
Income taxes	(2.25)	(1.4)	(2.78)	(1.7)
Net profit (loss) for the year	**(0.22)**	**(0.2)**	**3.36**	**2.1**
Net profit (loss) attributable to minority interests	(0.21)	(0.2)	(0.46)	(0.3)
Net profit (loss) attributable to the Group	**(0.43)**	**(0.3)**	**2.90**	**1.8**

Cost of sales – cost of sales in 2001 came to 101.63 million Euro, representing 62.2% of net sales compared with 64.0% the previous year. This improvement is mainly due to higher output volumes which made for a better absorption of fixed costs.

Gross profit – the gross profit margin in 2001 was 37.8%, compared with 36.0%, for the same reason mentioned above.

Selling, general and administrative costs – selling, general and administrative costs, 53.43 million Euro, represented 32.7% of net sales compared with 31.4%.
The increase on the previous year is mainly due to merchandising costs incurred by the Parent Company following the change in distribution strategy, which gave the dealer network a central role in the logistics with the points of sale.

Operating profit – The operating profit came to 8.27 million Euro, compared with 7.42 million Euro, which is 5.1% of net sales compared with 4.6% in 2000. This improvement, which is largely due to a lower cost of sales, as mentioned above, was achieved even though gross profit for the period was penalised by the 1.2 million Euro in costs involved in changing the way distribution is organised. Without this, operating profit would have come to around 6% of net sales.

Financial charges (income), net – Net financial charges amounted to 4.22 million Euro, an increase of 1.18 million Euro on the previous period, accounting for 1.9% of net sales, up from 1.5% the previous year.
The increased proportion of financial charges is mainly due to the higher overall level of net debt as a result of the acquisitions of Le Bourget and Lepel.

Other charges, net – These other net charges refer principally to the writedown by the Parent Company of own shares in portfolio, 2.39 million Euro, to adjust them to market value (average price for the month of December: 2.524 Euro per share).

Pre-tax profit – Pre-tax profit amounted to 2.25 million Euro compared with 2.78 million Euro in 2000. The high tax charge is essentially due to the IRAP (regional tax on business activities) paid by the Italian companies, for a total of 1.31 million Euro.

1.b.) Summary balance sheet

the following table gives a summarised version of the reclassified consolidated balance sheet as of 31 December 2001:

(in millions of Euro)	31 December 2001	31 December 2000
Current assets	125.01	119.25
Current liabilities	(47.26)	(49.99)
Net working capital	**77.75**	**69.26**
Equity investments (including own shares)	6.10	4.13
Tangible and intangible fixed assets	69.31	72.74
Capital employed	**153.16**	**146.13**
Other medium/long-term liabilities	(10.38)	(9.86)
Net capital employed	**142.78**	**136.27**
Net debt	81.17	67.26
Shareholders' equity attributable to minority interests	1.65	7.57
Shareholders' equity	59.96	61.44
Total	**142.78**	**136.27**

Working capital – Net working capital as of 31 December 2001, 77.75 million Euro, rose compared with the previous year mainly because of an increase in inventories as a result of the higher number of articles being offered. Talking of which, efforts are currently being made to rationalise existing assortments to concentrate on the Group's main brands and lower the complexity of operations.

Capital employed – Capital employed rose from 146.13 million Euro to 153.16 million Euro mainly because of the additional purchase of own shares.

Net debt – Net debt, as shown in the following table, is higher than the previous year because of borrowings to finance the acquisition of a further 45% of Lepel, as well as the increase in inventories.
The net financial position is made up as follows:

(in millions of Euro)	31 December 2001	31 December 2000
Short-term bank borrowings	46.36	33.45
Current portion of medium/long-term debt	16.89	12.11
Cash and banks	(5.44)	(2.01)
Net short-term debt	**57.81**	**43.55**
Medium/long-term loans, net of current portions	23.36	23.71
Net debt	**81.17**	**67.26**

2. Group performance company by company

a) Parent Company
The Parent Company's sales in 2001, net of intercompany sales, went up by 2.6% from 86.91 million Euro to 89.16 million Euro; this was achieved thanks to the positive trend in the sales of the new lines of seamless lingerie, which accounted for 15% of revenues, more than offsetting the contraction in sales of tights caused directly by the ongoing downward trend in this market.

CSP International exploited its production capacity in the best way possible during 2001, strengthening its role as the Group's core manufacturer; this situation not only enabled the Parent Company to absorb more fixed costs, but also allowed the subsidiaries to replace supplies previously bought from third parties, with a beneficial impact on both product quality and customer service.

The Parent Company's bottom line was penalised by the hefty writedown of own shares in portfolio to bring them into line with market value.

b) The Le Bourget Group
The Le Bourget Group closed the year with sales to third parties of 46.66 million Euro, +9% on the previous year, thanks to the warm reception that the new collections received from consumers, helped by wider distribution coverage.

Important results were achieved during the year from a production point of view in terms of volumes and the levels of efficiency achieved, even though the structure of the French companies was left largely unchanged.

Higher sales and greater efficiency (over the last three years, output was 8 million in 1999, 10.8 million in 2000 and 16.6 million in 2001) enabled the French group to close the year with a net profit of 0.93 million Euro, after various years making losses.

c) Lepel
With the acquisition of the residual 45% in June 2001, the Group completed the process of acquiring Lepel, a company that operates in the field of traditional foundation garments, a process that began with the purchase of a 55% majority interest in June 2000.

Lepel's sales fell by 14.6% compared with 2000, down from 26.67 million Euro to 22.78 million Euro, mainly due to different timing for the presentation of collections which led to a decrease in sales volumes in the wholesale market, only partially offset by growth in the large-scale distribution channel.

Having bought 100% of Lepel, the Group began in 2001 a project to relaunch and reposition the Lepel brand on the Italian market; at the same time, we exploited the company's specific technical know-how to develop new product ranges under various Group labels.

d) Sanpellegrino Polska
Sales to third parties by the Polish subsidiary amounted to 4.75 million Euro, +22.3% on the previous year. The positive results achieved during the year confirm our expectations, reinforcing Sanpellegrino Polska's production function within the Group, which accounts for around 50% its sales.

3. Production organisation
The three production units at Ceresara, Rivarolo del Re and Tintoria di Ceresara allow the company to enhance its quality/price ratio, which is one of CSP International's recognised market strengths.
These factories were joined by Sanpellegrino Polska, set up in 1998, which began production in the first half of 1999, Le Bourget's factory, acquired at the end of 1999, and the Lepel factory, acquired during 2000.
In the five-year period 1996-2000 CSP carried out a major programme of capital investments aimed at upgrading production capacity and automating the manufacturing cycle. From 2000, capital expenditure has been mainly on machines for the production of lingerie goods using the seamless technology and for the automation of production.

4. Research and development
As part of a marketing strategy that aims to satisfy customers' requirements with innovative and trend-setting products, the Group makes use of its own internal structures which, with the help of outside consultants, allows it to remain a pioneer in the design of new products.
We were already active in the research and development of innovative hosiery products so that we could offer high-quality, elegant and supportive products; we have now expanded our field of activity considerably to include lingerie:

- in seamless, by developing new lines of products, both supportive and fashionable, which can also be worn as tops.
- in traditional foundation garments, by setting up new external collaboration arrangements to offer the market products that are technical and functional as well as trendy and fashionable.

5. Related Party Disclosures
No atypical or unusual transactions as defined by CONSOB were carried out during the year.

Relationships between Group companies mainly involved commercial transactions related to the companies' production activity and regulated at arm's-length conditions.

6. Investments held by directors, statutory auditors and general managers (art. 33, Decree 58 of 24 February 1998
As required by CONSOB regulations, we attach the schedule on investments held by the individuals or entities stated in Resolution 11971/99.

7. Conversion to the Euro
Group companies belonging to the Euro-zone transferred their IT systems to the Euro by 31 December 2001. This process did not entail significant costs in 2001.

8. Own shares
At a General Meeting held on 17 December 2001, the Parent Company's shareholders authorised the purchase of own shares up to 10% of the share capital for a period of eighteen months.
At 31 December 2001 the Parent Company held 2,131,000 own shares, for a total par value of 1,108,120 Euro, equal to 8.7% of the share capital. In 2001 the Parent Company bought 1,378,500 own shares, for a total par value of 716,820 Euro, equal to 5.6% of share capital.

9. Significant subsequent events

Organisation
The growing complexity of the assortment, which is due to the process of diversification into lingerie, has forced the Group to take a series of measures to improve the operating efficiency of its activities, which can be summarised as follows:
- fewer but stronger brands;
- rationalisation of the assortments of best-selling articles;
- maximum exploitation of the potential of strategic distribution channels;
- lower inventory levels.

Steps have already been taken in this direction in Italy at the Parent Company, and in France at Le Bourget.

At the Parent Company, all of the lines produced under the Star Way label were closed down for this reason from January 2002, as this brand had never reached the level of sales originally hoped for.
The Sanpellegrino Élite line, which was originally created for direct distribution through the retail channel, was also suspended from the same date.
With the closure of these two lines and their sales networks, steps were taken to boost the Oroblù Dettaglio sales force, adding new agents and improving its geographical coverage.

Diversification
In January 2002, the Italian sales networks and foreign distributors saw the presentation of the first collection of foundation garments developed within the Group for sale under the Oroblù label.
The launch of this line, which will be backed by a suitable advertising campaign, represents an important step forwards for the development of the Oroblù brand: this new assortment will raise the brand's already excellent image, help develop more business with customers already dealing in Oroblù products and reach a new clientele, one that specialises more in foundation garments.
This line, which is the fruit of collaboration between the Parent Company and Lepel, is obtaining excellent results in terms of orders received.

Reorganisation in France
The Le Bourget Group decided to merge various of its French companies, EDI (the group's holding company), SOGED (a trading company based in Marseilles) and BUC (company stores), with Le Bourget, concentrating all of its activities in Fresnoy-le-Grand.
This operation, which follows the centralisation of logistics in 2001, will considerably streamline accounting procedures and make the management accounting function a great deal more efficient.
At the same time, starting with the Autumn/Winter 2002 collection, the Bomo and Le Bourget labels will be combined, making it possible for the whole of the assortment to benefit from the brand and product advertising campaign due to commence in the second half of 2002.

10. Outlook for 2002

The current year is expected to develop as follows:

Parent Company
The objective in the hosiery segment is to recover market share steadily over the next few years. This should happen thanks to the new distribution set-up using modern retailing channels and effective advertising. The goal for 2002 is to pull back one percentage point in market share.
The combined effect of recovering market share in a diminishing market (that of stockings) and the simultaneous development of the seamless and traditional foundation garment business should generate a growth in sales of not less than 2%.
Inventory levels should fall thanks to the elimination of the Star Way and Sanpellegrino Élite lines.

Le Bourget
Promotional and advertising initiatives have already been planned for the French market with a view to gaining further positions in terms of market share, as already happened in 2001. For these reasons, sales are expected to grow by around 5%.

It should be borne in mind that in 2002 Le Bourget will have to bear the costs of the reorganisation that is already underway.

Lepel
Sales are expected to rise again to the level they were in 2000, recovering the loss made in 2001.
This objective will be achieved with a new communication strategy, offering modern products that meet consumers' needs.

Ceresara, 28 March 2002

The Chairman of the Board of Directors

Attachments:
1. Reclassified Consolidated Statement of Income
2. Reclassified Consolidated Balance Sheet
3. Schedule 3C – table 3

Attachment 1

Reclassified Consolidated Statement of Income
(in thousands of Euro)

	31 December 2001 CONSOLIDATED	31 December 2000 CONSOLIDATED
Net sales	162,524	159,608
Royalty income	807	732
NET REVENUES	**163,331**	**160,340**
COST OF SALES		
Purchases	59,779	58,910
Labour cost	20,662	20,870
Services	13,863	11,452
Depreciation & amortisation	7,519	7,514
Other costs	7,555	6,806
(Increase) decrease in inventories	(7,753)	(2,968)
	101,625	**102,584**
GROSS PROFIT	**61,706**	**57,756**
SELLING, GENERAL AND ADMINISTRATIVE COSTS		
Labour cost	14,176	13,719
Advertising expenses	17,580	17,119
Commissions	3,147	3,573
Depreciation & amortisation	4,534	4,359
Other expenses	13,997	11,571
	53,434	**50,341**
OPERATING PROFIT	**8,272**	**7,415**
Financial charges (income), net	4,223	3,044
Writedown (revaluation) of investments	0	9
Other (income) and charges	2,014	(621)
	6,237	**2,432**
PROFIT (LOSS) BEFORE INCOME TAXES AND EXTRAORDINARY ITEMS	**2,035**	**4,983**
EXTRAORDINARY ITEMS	**4**	**(1,156)**
PROFIT BEFORE INCOME TAXES	**2,031**	**6,139**
Income taxes	(2,248)	(2,782)
NET PROFIT (LOSS) FOR THE YEAR	**(217)**	**3,357**
LEPEL'S PRE-ACQUISITION PROFITS BEFORE TAX	0	(331)
MINORITY INTERESTS	(209)	(129)
NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP	**(426)**	**2,897**

Attachment 2

Reclassified Consolidated Balance Sheet - Assets
(in thousands of Euro)

	31 December 2001 CONSOLIDATED	31 December 2000 CONSOLIDATED
CURRENT ASSETS		
Cash and banks	5,435	2,013
Trade receivables	65,857	66,633
Trade receivables due from subsidiary and associated companies	235	235
Other receivables	4,292	5,319
Inventories	54,266	46,166
Accrued income and prepayments	359	892
Own shares	5,379	3,369
TOTAL CURRENT ASSETS	**135,823**	**124,627**
FIXED ASSETS		
Financial fixed assets:		
Financial receivables	602	750
Equity investments	110	14
Total financial fixed assets	**712**	**764**
Tangible fixed assets	49,601	53,387
Intangible fixed assets	19,715	19,355
TOTAL FIXED ASSETS	**70,028**	**73,506**
TOTAL ASSETS	**205,851**	**198,133**

Attachment 2

Reclassified Consolidated Balance Sheet - Liabilities & shareholders' equity (in thousands of Euro)

	31 December 2001 CONSOLIDATED	31 December 2000 CONSOLIDATED
CURRENT LIABILITIES		
Short-term bank borrowings	46,358	33,448
Current portion of medium/long term debt	16,885	12,112
Trade payables due to third parties	38,935	40,027
Trade payables due to subsidiary/associated companies	6	6
Taxes payable	2,407	4,052
Other payables	5,286	5,443
Accrued liabilities and deferred income	626	460
TOTAL CURRENT LIABILITIES	**110,503**	**95,548**
MEDIUM/LONG-TERM LIABILITIES		
Medium/long-term debt, net of the current portion	23,357	23,712
Bills payable	0	0
Severance indemnities	6,200	5,868
Other provisions	4,183	3,989
TOTAL MEDIUM/LONG-TERM LIABILITIES	**33,740**	**33,569**
TOTAL LIABILITIES	**144,243**	**129,117**
MINORITY INTERESTS IN CAPITAL AND RESERVES	1,647	7,572
SHAREHOLDERS' EQUITY		
Share capital	12,740	12,654
Legal reserve	1,365	1,330
Share premium reserve	18,076	18,076
Other reserves	28,206	26,487
Net profit (loss) for the period	(426)	2,897
TOTAL SHAREHOLDERS' EQUITY	**59,961**	**61,444**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**205,851**	**198,133**

Schedule 3C - table 3 **Attachment 3**

SHARES HELD BY DIRECTORS, STATUTORY AUDITORS AND GENERAL MANAGERS OF THE PARENT COMPANY IN 2001

NAME	COMPANY	NUMBER OF SHARES HELD AT THE END OF THE PRIOR YEAR	NUMBER OF SHARES PURCHASED	NUMBER OF SHARES SOLD	NUMBER OF SHARES HELD AT THE END OF THE CURRENT YEAR
BERTONI ENZO	CSP INTERN. IND. CALZE SpA	3,476,780	152,000	41,000	3,587,780
BERTONI FRANCESCO *	CSP INTERN. IND. CALZE SpA	3,476,780		40,000	3,436,780
	LE BOURGET	1			1
BERTONI MARIA GRAZIA	CSP INTERN. IND. CALZE SpA	2,787,470			2,787,470
	LE BOURGET	1			1
BERTONI CARLO	CSP INTERN. IND. CALZE SpA	929,896			929,896
BOSSI GIANFRANCO	CSP INTERN. IND. CALZE SpA	172,250		172,250	0
BARDINI VALTER **	CSP INTERN. IND. CALZE SpA	351,910			351,910
TEDOLDI ARTURO	CSP INTERN. IND. CALZE SpA	66,160	111,000	70,500	106,660
	LE BOURGET	1			1

NOTE:
* Giuseppina Morè, the wife of Bertoni Francesco, is the beneficiary of 2,787,470 CSP shares.
** Valter Bardini is the husband of Maria Grazia Bertoni.

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2001

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 12 2001

(amounts in Euro)

BALANCE SHEET - ASSETS				31 12 2001	31 12 2000
A)	RECEIVABLES FROM SHAREHOLDERS			0	0
B)	FIXED ASSETS				
	I.	Intangible fixed assets			
		3	industrial patents and intellectual property rights	733,319	912,460
		4	concessions, licences, trade marks and similar rights	3,216,486	4,267,145
		5	goodwill	197,121	135
		6	difference arising on consolidation	15,429,609	14,012,931
		7	others	138,178	163,860
		Total I.		**19,714,713**	**19,356,531**
	II.	Tangible fixed assets			
		1	land and buildings	20,165,068	20,904,345
		2	plant and machinery	26,080,185	29,130,150
		3	industrial and commercial equipment	792,196	1,189,153
		4	other fixed assets	1,661,883	1,585,340
		5	construction in progress and advances	901,664	577,784
		Total II.		**49,600,996**	**53,386,772**
	III.	Financial fixed assets			
		1	Equity investments in:		
			a) subsidiary companies	97,383	0
			b) associated companies	0	0
			d) other companies	12,642	12,641
		Total 1.		**110,025**	**12,641**
		2	Receivables:		
			a) subsidiary companies		
			a.a. due within 12 months	0	0
			b) associated companies		
			b.a. due within 12 months	65,009	65,009
		Total 2.		**65,009**	**65,009**
		3	Other securities	295,187	372,075
		Total III.		**470,221**	**449,725**
TOTAL FIXED ASSETS (B)				**69,785,930**	**73,193,028**

BALANCE SHEET - ASSETS				31 12 2001	31 12 2000
C)	CURRENT ASSETS				
	I.	Inventories:			
		1	raw, ancillary and consumable materials	9,279,463	9,089,869
		2	semi-finished products, work-in-progress	18,061,344	13,279,864
		4	finished products and goods	26,794,017	23,795,012
		5	advances	130,781	0
		Total I.		**54,265,605**	**46,164,745**
	II.	Receivables:			
		1	trade receivables:		
			1.a. due within 12 months	65,810,373	66,549,976
		2	subsidiary companies		
			2.a. due within 12 months	0	0
		3	associated companies		
			3.a. due within 12 months	234,781	234,781
		4	parent companies		
			4.a. due within 12 months	0	0
		5	others:		
			5.a. due within 12 months	4,299,489	5,791,233
			5.b. due beyond 12 months	241,495	312,596
		Total 5.		**4,540,984**	**6,103,829**
		Total II.		**70,586,138**	**72,888,586**
	III.	Current financial assets:			
		5	own shares	5,378,644	3,368,943
		Total III.		**5,378,644**	**3,368,943**
	IV.	Liquid funds:			
		1	cash at banks and post offices	5,377,199	1,959,129
		2	cheques	46,774	83,953
		3	cash and equivalents on hand	49,563	54,487
		Total IV.		**5,473,536**	**2,097,569**
	TOTAL CURRENT ASSETS (C)			**135,703,923**	**124,519,843**
D.	ACCRUED INCOME AND PREPAID EXPENSES			**358,607**	**891,793**
TOTAL ASSETS				**205,848,460**	**198,604,664**

LIABILITIES AND SHAREHOLDERS' EQUITY				31 12 2001	31 12 2000
A)	SHAREHOLDERS' EQUITY:				
	I.	Share capital		12,740,238	12,653,194
	II.	Share premium reserve		18,075,991	18,075,991
	III.	Revaluation reserves		13,023,280	13,023,278
	IV.	Legal reserve		1,363,768	1,330,109
	V.	Reserve for own shares		5,378,644	3,368,943
	VI.	Statutory reserves		170,669	0
	VII.	Other reserves:			
		a.	undistributed profit	6,970,946	13,321,152
		b.	capital grants reserve	205,717	205,717
	total VII.			**7,176,663**	**13,526,869**
	VIII.	Retained earnings		2,457,192	(3,431,204)
	IX.	Net profit (loss) for the year		(425,647)	2,896,952
	TOTAL SHAREHOLDERS' EQUITY (A)			**59,960,798**	**61,444,132**
		MINORITY INTERESTS		**1,647,861**	**7,572,492**
B)	ALLOWANCES FOR RISKS AND CHARGES:				
	1	pensions and similar commitments		625,040	625,040
	2	taxation		2,013,225	1,729,761
	3	other		1,608,719	1,641,603
	TOTAL ALLOWANCES FOR RISKS AND CHARGES (B)			**4,246,984**	**3,996,404**
C)	SEVERANCE INDEMNITIES			6,199,416	5,867,864
D)	PAYABLES:				
	3	banks:			
		a.	due within 12 months	63,244,646	45,559,673
		b.	due beyond 12 months	23,357,238	23,711,536
	Total 3.			**86,601,884**	**69,271,209**
	5	advances			
		a.	due within 12 months	0	81,944
	6	trade payables			
		a.	due within 12 months	38,931,981	40,026,796
	7	notes payable		0	0
	8	subsidiary companies			
		a.	due within 12 months	0	0
	9	associated companies			
		a.	due within 12 months	5,874	5,874
	10	parent companies			
		a.	due within 12 months	0	0
	11	taxes authorities:			
		a.	due within 12 months	1,435,759	2,583,153
		b.	due beyond 12 months	969,993	1,939,985
	Total 11.			**2,405,752**	**4,523,138**
	12	social security institutions			
		a.	due within 12 months	2,175,445	2,283,031
	13	other payables			
		a.	due within 12 months	3,110,901	3,071,422
	TOTAL PAYABLES (D)			**133,231,837**	**119,263,414**
E)	ACCRUED LIABILITIES AND DEFERRED INCOME			**561,564**	**460,358**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY				**205,848,460**	**198,604,664**

MEMORANDUM ACCOUNTS	31 12 2001	31 12 2000
- Mortgages on loans	15,493,707	18,592,448
- Guarantees given by third parties	0	903,800
- Guarantees given to third parties	10,933,190	299,084
- Purchasing commitments	1,274,003	2,845,445
- Guaranteed trade receivables	17,242,238	15,725,397
- Third party assets	33,343	33,614
- Total	**44,976,481**	**38,399,788**

STATEMENT OF INCOME			2001	2000
A)		PRODUCTION VALUE		
	1	Revenues from sale of goods and services	172,504,554	174,334,577
	2	Changes in inventories of work-in-progress, semi-finished and finished products	7,571,809	2,691,565
	4	Additions to fixed assets by internal production	0	5,843
	5	Other income:		
		a. other income	2,021,990	1,857,995
		b. operating grants	0	54,154
		TOTAL PRODUCTION VALUE (A)	**182,098,353**	**178,944,134**
B)		PRODUCTION COSTS		
	6	Raw, ancillary and consumable materials and goods	69,728,839	73,578,601
	7	Services	53,557,392	47,925,588
	8	Leases and rentals	896,545	1,015,225
	9	Labour costs:		
		a. wages and salaries	23,819,182	23,650,617
		b. social security contributions	9,494,201	9,476,420
		c. severance indemnities	1,267,586	1,215,421
		e. other costs	36,785	23,195
		Total 9.	**34,617,754**	**34,365,653**
	10	Depreciation, amortisation and writedowns:		
		a. amortisation of intangible fixed assets	3,728,996	3,597,765
		b. depreciation of tangible fixed assets	8,326,597	8,275,834
		c. other writedowns of fixed assets	3,607	27,816
		d. writedown of receivables included in current assets and liquid funds	732,450	469,571
		Total 10.	**12,791,650**	**12,370,986**
	11	Changes in inventories of raw, ancillary and consumable materials and goods	(182,734)	(274,569)
	12	Provisions for risks and charges	168,332	262,366
	13	Other provisions	0	0
	14	Other operating expenses	2,064,570	1,682,538
		TOTAL PRODUCTION COSTS (B)	**173,642,348**	**170,926,388**
		DIFFERENCE BETWEEN PRODUCTION VALUE AND PRODUCTION COSTS (A - B)	**8,456,005**	**8,017,746**
C)		FINANCIAL INCOME AND CHARGES		
	15	Income from investments:		
		a. in subsidiary companies	0	0
	16	Other financial income:		
		a. income from securities held as current assets c. parent companies	0	0
		c. income from securities held as current assets not representing equity investments	0	104,406
		d. income other than above: d. from third parties	400,568	591,925
		Total 16.	**400,568**	**696,331**

STATEMENT OF INCOME	2001	2000
17 Interest and other financial charges:		
d. third parties	(4,413,894)	(3,472,050)
TOTAL FINANCIAL INCOME AND (CHARGES) (C)	**(4,013,326)**	**(2,775,719)**
D) ADJUSTMENTS TO THE VALUE OF FINANCIAL FIXED ASSETS:		
18 Revaluations	0	0
19 Writedowns:		
a. equity investments	0	(9,267)
c. income from securities held as current assets not representing equity investments	(2,386,003)	(196,535)
Total 19.	(2,386,003)	(205,802)
TOTAL ADJUSTMENTS TO THE VALUE OF FINANCIAL ASSETS (D)	**(2,386,003)**	**(205,802)**
E) NON-RECURRING INCOME AND CHARGES:		
20 Non-recurring income		
a. gains on disposals	0	26,387
b. other non-recurring income	82,021	1,507,358
Total 20.	**82,021**	**1,533,745**
21 Non-recurring charges:		
c. other non-recurring charges	(107,866)	(432,128)
Total 21.	**(107,866)**	**(432,128)**
TOTAL NON-RECURRING INCOME AND CHARGES (E)	**(25,845)**	**1,101,617**
PROFIT (LOSS) BEFORE TAXES (A-B+/-C+/-D+/-E)	**2,030,831**	**6,137,842**
22 Income taxes for the year	(2,247,746)	(2,781,165)
26 INCOME (LOSS) FOR THE YEAR	**(216,915)**	**3,356,677**
LEPEL'S PRE-ACQUISITION PROFITS BEFORE TAX	0	(330,899)
MINORITY INTERESTS	**(208,732)**	**(128,826)**
NET PROFIT (LOSS) FOR THE YEAR ATTRIBUTABLE TO THE GROUP	**(425,647)**	**2,896,952**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2001

FORM AND CONTENT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements comprise the consolidated balance sheet, the consolidated statement of income, and these explanatory notes, and are accompanied by the Group's report on operations, in compliance with the rules governing consolidated financial statements (Legislative Decree 127/91). A cash flow statement is also attached to show movements in cash flows during the year.
The accounting reference date of the consolidated financial statements, 31 December 2001, is consistent with that of CSP INTERNATIONAL INDUSTRIA CALZE SPA, the Parent Company, and all the companies included within the scope of consolidation. The financial statements used for consolidation purposes are those as of 31 December 2001 prepared by the respective Boards of Directors for approval by the shareholders.
These financial statements have been adjusted, where necessary, in order to eliminate any adjustments made solely for fiscal purposes (accelerated depreciation) and to align them with the accounting policies as per article 2426 of the Italian Civil Code, consistently applied throughout the Group, as interpreted and supplemented by the accounting principles established by the Italian Accounting Profession or, in the absence thereof, by the International Accounting Standards Board (IASB), as adopted in Italy by the CONSOB. Where applicable, the related deferred taxation has been provided on these adjustments.
A reconciliation between shareholders' equity and the net results as of 31 December 2001 reported in the financial statements of CSP INTERNATIONAL INDUSTRIA CALZE SPA and the consolidated amounts at the same date, has been presented in the commentary on consolidated shareholders' equity.
Furthermore, all the amounts in the explanatory notes are expressed in thousands of Euro.

SCOPE OF CONSOLIDATION

The consolidated financial statements as of 31 December 2001 include the line-by-line consolidation of the Parent Company's financial statements at that date and those of the following companies in which the Group directly or indirectly holds the majority of the voting rights:

Name	Address	Share capital	Controlling interest %	Shareholding %
CSP International Industria Calze Spa	Via Piubega, 5/c 46040 Ceresara (MN), Italy	Euro 12,740,000	Parent Company	
E.D.I. S.A.	Rue J.P. Saltiel- 02230- Fresnoy Le Grand, France (F)	Euro 4,374,132	100%	100%
Le Bourget S.A. (1)	Rue J.P. Saltiel- 02230- Fresnoy Le Grand, France (F)	Euro 1,531,856	99.996%	99.996%
S.A.R.L. BUC (2)	Rue J.P. Saltiel- 02230- Fresnoy Le Grand, France (F)	Euro 9,600	95%	94.996%
SOGED S.A. (2)	Techniparc de la Bastidonne Lot 7 quartier de l'aunome vieille 13400 Aubagne (F)	Euro 938,100	99.87%	99.866%
Le Bourget Benelux (2)	Rue Reigersvliet 1040 Brussels (Belgium)	Euro 182,200	70.56%	70.557%
BO.MO. Srl (3)	Via San Martino 8/12 Fraz. Borgo Poncarale 25020 Poncarale (BS), Italy	Euro 93,600	60%	59.998%
Lepel Srl	Via Nuova Ponente, 25/b 41012 Carpi (MO)	Euro 3,848,000	100%	100%
Sanpellegrino Polska Sp.z.o.o.	Ul. Lodska, 27 95-050 Konstantynow (Lodz) (PL)	Zloty 9,006,400	50%	50%

(1) Owned by E.D.I. S.A.
(2) Owned by Le Bourget S.A.
(3) Owned by SOGED S.A.

On 29 June 2001, the Parent Company completed the purchase of the remaining 45% of Lepel Srl, for an additional investment of 9,576 thousand Euro. With this operation, which follows the acquisition of 55% on 28 June 2000, the Parent Company achieved 100% control of the subsidiary.
The portion of Lepel's first-half year result attributable to the selling shareholders has been booked to "Minority interests" in the statement of income.
The difference between the price paid for the additional 45% and the book value of related net equity, namely 3,263 thousand Euro, has been booked to "consolidation difference" and amortised from the second half of the year.

CONSOLIDATION PRINCIPLES

The main consolidation principles adopted for the companies consolidated on a line-by-line basis are described below:

- The financial statements of subsidiaries are consolidated on a line-by-line basis. The book value of the investments held by the Parent Company and the other consolidated companies is eliminated against the related share of the shareholders' equity, while the assets, liabilities, costs and revenues of the subsidiaries are consolidated fully, regardless of the interest held. Any differences emerging on acquisition (or initial consolidation) of the investments following the elimination of the book value of these companies and the corresponding portion of shareholders' equity at the current values of the investments, is attributed, where possible, to the assets and liabilities of the companies concerned; the residual balance, if positive, is recorded among intangible fixed assets under "Difference arising on consolidation", if negative, among the equity accounts as the "Consolidation reserve". Difference arising on consolidation are amortised on a straight-line basis over a period of ten years, given that the Group does not expect any sudden changes in technologies or production processes in its sector, such as to change the market position achieved after being in business for several decades.
- Minority interests in shareholder's equity and the results for the year are reported separately as "Minority interests" in the consolidated balance sheet and as "Net profit (loss) attributable to minority interests" in the consolidated statement of income.
- Transactions giving rise to receivables, payables, costs and revenues, between companies consolidated line-by-line, are eliminated, as are unrealised intercompany gains included at the balance sheet date in the valuation of inventories and fixed assets.
- Dividends from consolidated companies recorded as income from equity investments in the statements of income of the Parent Company and other companies owning such interests, are eliminated against "Retained earnings".
- The financial statements of foreign subsidiaries based in countries belonging to the European Union, are translated into Euro using the related fixed conversion rates for all balances. Any differences arising as a result of the application of the above policies are classified directly as part of consolidated shareholders' equity as are the difference between the result expressed at average exchange rates and the result expressed at rates ruling at year end.
- The exchange rates used to translate the financial statements of the Polish subsidiary are as follows:

Currency	Average	Period-end
Polish Zloty	3.67214	3.4953

ACCOUNTING POLICIES

The more important accounting policies adopted for the preparation of the consolidated financial statements, which comply with those established by law and are consistent with those applied in the previous year, are as follows:

Intangible fixed assets — These are stated at purchase or production cost, including related charges. They are amortised on a straight-line basis over their estimated useful lives. In particular, goodwill is amortised over a period of five years. Applications software is recorded among intangible fixed assets and amortised over a period of three years.

Difference arising on consolidation are amortised on a straight-line basis over the expected useful life, which is estimated as ten years.

Tangible fixed assets — These are stated at purchase or production cost. This cost is adjusted for certain assets in application of specific revaluation laws (as detailed in the attached schedule). Cost includes the related charges, direct costs and the share of indirect costs that is reasonably attributable to the asset.

Tangible fixed assets are depreciated every year on a straight-line basis using rates that reflect the residual technical and economic useful lives of the assets concerned. The rates applied are indicated in the relevant section of the notes. If, independently of the depreciation already accounted for, there is a permanent loss in value, the asset's value is written down accordingly; if, in the future, the bases for the writedown no longer apply, the original value is reinstated, as adjusted for accumulated depreciation.

Ordinary maintenance costs are wholly expensed to income as incurred. Maintenance costs which improve assets, are capitalised and depreciated using the rates applied to those assets over their residual useful lives.

Financial assets — Equity investments in subsidiaries and associated companies that are not consolidated line-by-line (usually companies of little significance) are carried at cost.

Cost is written down where there is a permanent loss in value and when there is no prospect of the company in question earning future profits, which would absorb the losses. The original value is reinstated if, in the future, the bases for the writedown no longer apply; the resulting valuation is not materially different from applying the equity method.

Inventories — Inventories are stated at the lower of purchase or production cost, determined on the basis of weighted average cost, and their estimated realisable value taking account of market trends. Cost is calculated using the same criteria as that applied to fixed assets. Estimated realisable value is calculated taking account of manufacturing costs to be incurred and direct selling costs. Obsolete and slow-moving items are written down to their utilisable or realisable value.

Receivables — Receivables are stated at their estimated realisable value.

Own shares – Own shares, classified among current assets since they represent a temporary investment of liquidity, are stated at the lower of weighted average purchase cost and their corresponding market value. For the purposes of determining market value, reference is made to the average listed stockmarket price struck in the last month of the accounting period.

Accruals and deferrals — Income and expenses which relate to more than one accounting period are recorded in these captions in order to respect the principle of matching income and expenses to the period to which they refer.

Allowances for risks and charges — These allowances cover known or probable losses, whose timing and amount could not be determined at the year end. Provisions reflect the best estimate based on the information available.

Certain French companies belonging to the Group, are obliged to pay pension and similar commitments to employees in specific circumstances. The estimated liability at the balance sheet date, which is correlated to the death-rate and employee turnover, is recorded among the allowances for risks and charges under "pensions and similar commitments".

Severance indemnities — The allowance for severance indemnities is provided to cover the liability maturing in respect of employees. It is accrued in accordance with Italian current legislation, collective labour contracts and in-house agreements. The liability is subject to annual revaluations using officially-established indices.

Payables — Payables are stated at their nominal value.

Revenue recognition — Revenues from product sales are recognised at the time ownership passes, which is generally upon shipment to the customer.

Advertising, research and development costs — Advertising and promotional costs not benefiting future accounting periods are expensed to income in period incurred; any costs relating to advertising campaigns spanning several accounting periods are recorded on an accruals basis by booking accruals or deferrals as appropriate.

Research and development costs are fully expensed as operating costs in the period they incurred.

Lease contracts – Operating assets, acquired under financial leases, are reflected in the consolidated financial statements in accordance with the financial lease methodology. This involves capitalising the assets and depreciating them over their residual useful life, while the related financial payable is recorded among liabilities.
Income taxes for the year – Current income taxes are provided with reference to the taxable income of each consolidated subsidiary, determined in accordance with local tax regulations. Provision is also made for deferred taxes on temporary differences between the value attributed to an asset or liability using statutory criteria and the corresponding value for tax purposes, and where applicable on consolidation adjustments. Deferred tax assets are recorded, where applicable, if there is reasonable certainty that they will reverse in future accounting periods.

TRANSLATION OF FOREIGN CURRENCY BALANCES
Receivables and payables originally denominated in foreign currency (concerning countries not belonging to the European Union) are translated into Euro using the exchange rates prevailing at the transaction dates. Exchange differences realised upon collection of receivables or the settlement of payables are recorded in the statement of income, after taking account of any provisions already accrued in the exchange fluctuation reserve.
If the translation of short and long term foreign currency receivables and payables at the period-end exchange rate results in a net loss, it is debited to the statement of income for the period and credited to the exchange fluctuation reserve.

OTHER INFORMATION
Comparison with the prior year financial statements - "Other payables" and "Accrued liabilities and deferred income" have been reclassified in the prior year financial statements for Euro 239 thousand in order to make them comparable with those as of 31 December 2001.

ANALYSIS OF THE CAPTIONS REPORTED IN THE FINANCIAL STATEMENTS
BALANCE SHEET

COMMENTS ON THE MAIN ASSET CAPTIONS

B. FIXED ASSETS

B.I- Intangible fixed assets
Movements in intangible fixed assets during the period are set out in Attachment 1. The amortisation rates applied are as follows:

	Rate
- Software	33.33%
- Goodwill	20%
- Brand	20%
- Consolidation difference	10%
- Deferred charges	20%

The balance recorded under the caption "Difference arising on consolidation" essentially relates to the acquisition of the E.D.I. Group (5,212 thousand Euro), Le Bourget (5,460 thousand Euro) and Lepel (3,978 thousand Euro).
Concessions, licenses, trademarks and similar rights mainly include the value attributed by the company Lepel Srl to its trademark. During the year 2000, this company took advantage of the possibility under Law 342 of 21 November 2000 to revalue its "Lepel" trademark by 5,165 thousand Euro.
Other intangible fixed assets include costs incurred for the registration and renewal of trade marks, and for the raising of finance. The latter is amortised over the life of the related loans while the former are amortised over 5 years.

B.II- Tangible fixed assets
Movements, increases and decreases, in tangible fixed assets are set out in Attachment 2.
The main increases concerned investments made by the Parent Company for the purchase of machines dedicated to the production of underwear using the new seamless technology.

In the previous financial year, the Parent Company revalued its plant and machinery purchased from 1988 to 1999, as permitted by Law 342/2000.
Ordinary depreciation has been calculated using rates considered reflecting the residual useful lives of the related assets. The rates applied are as follows:

	Rate
- Buildings	3% - 10%
- Plant and machinery	5% - 15%
- Industrial equipment	10% - 25%
- Electronic office machines	15% - 33%
- Office furniture and fittings	10% - 33%
- Vehicles	20% - 25%

Mortgages and charges over tangible fixed assets are detailed in the section on memorandum accounts. In addition, tangible fixed assets include fixed assets (acquired under finance lease agreements), which have been recorded as described in the accounting policies.
The Parent Company has lent assets free of charge to third parties, namely portable PCs and printers to sales representatives for 363 thousand Euro as at 31 December 2001 (391 thousand Euro as at 31 December 2000).

B.III- Financial fixed assets
Equity investments in subsidiary companies, totalling 97 thousand Euro, refer to Le Bourget (UK) Ltd in liquidation.
Attachments 3a and 3b set out both the movements in financial fixed assets (consisting of equity investments and loans) and the information required by article 38 of D.Lgs. 127/91 for each associated company.

C. CURRENT ASSETS

C.I. Inventories:
Inventories are made up as follows:

	31 12 2001	31 12 2000
Gross value	56,645	47,951
Allowance for obsolescence	(2,379)	(1,786)
Net value	**54,266**	**46,165**

The increase in the value of inventories with respect to the previous year, 8,101 thousand Euro, is essentially due to the higher number of products on offer.
The allowance for obsolescence is determined on a specific basis and takes into account the possibility of utilisation of products on alternative markets or their re-processing.
At the year-end goods on deposit with third parties amount to a total of 5,568 thousand Euro, which includes 3,977 thousand Euro (2,658 thousand Euro at 31 December 2000) of goods sent to subcontractors for processing and 1,591 thousand Euro of finished products stocked with distributors.

C.II.1. Trade receivables
Trade receivables may be analysed as follows:

	31 12 2001	31 12 2000
Trade receivables – Italy	30,467	32,090
Trade receivables - France	11,989	14,322
Trade receivables – other countries	11,346	10,951
Bills subject to collection	16,474	13,190
Customers - invoices to be issued	634	1,223
Credit notes to be issued	(2,295)	(2,781)
Allowance for doubtful accounts	(2,805)	(2,445)
Total	**65,810**	**66,550**

The slight decline in receivables (740 thousand Euro) with respect to the previous year is in line with the sales trend. Trade receivables due from foreign customers do not include significant exposures towards countries at risk.
All amounts are due within 12 months.
Movements during the year in the allowance for doubtful accounts are as follows:

	01 01 2001	Utilisations	Provisions	31 12 2001
Allowance for doubtful accounts	2,445	(388)	748	2,805

During the year, the allowance was used to cover receivables deemed to be completely unrecoverable; it was increased on the basis of future forecast losses on receivables outstanding at the balance sheet date.

C.II.3. Due from associated companies

These refer to trade receivables due from Rozal S.a.r.l. and CSP Hosiery (UK).

C.II.5. Other receivables

The balance includes various receivables comprised as follows:

	31 12 2001	31 12 2000
VAT credits	1,028	1,510
Advances on income taxes	1,129	2,182
Advances to suppliers	70	323
Employees' travel advances	4	7
Deferred tax assets	1,480	1,300
Other current receivables	561	455
Foreign VAT credits	27	14
Total other current receivables	**4,299**	**5,791**
Guarantee deposits	242	313
Total other non-current receivables	**242**	**313**
Total other receivables	**4,541**	**6,104**

The item "advances on income taxes for the year" mainly refers to tax advances and withholdings paid over by various companies, net of any related tax liabilities, where applicable.
"Deferred tax assets" refer to the positive balance of deferred taxation arising on temporary differences between the accounting values of assets and liabilities and their corresponding value for tax purposes.
The guarantee deposits are due within 5 years.

C.III.5. Own shares

As of 31 December 2001, the Parent Company owned n. 2,131,000 of its own shares, with a par value of 1,108 thousand Euro, corresponding to 8.7% of the share capital.
During the period under review, n. 1,378,500 own shares were purchased for an aggregate value of 716 thousand Euro equal to 5.6% of the share capital.
As of 31 December 2001, a writedown of 2,386 thousand Euro was also made to adjust the value of the shares held in portfolio to their market value, namely 2.524 thousand Euro. The investment in own shares was authorised by the ordinary shareholders' meeting held on 17 December 2001, involving a limit of 10% of the share capital of the Parent Company. This authorization extends over for 18 months and allows transactions with prices ranging between 0.52 and 10.33 Euro.

C.IV. Liquid funds

These represent cash on hand and bank current accounts at 31 December 2001.

D. ACCRUED INCOME AND PREPAID EXPENSES

This item is comprised as follows:

	31 12 2001	31 12 2000
Prepaid TV commercials	0	263
Prepayments	217	527
Others	142	102
Total	359	892

Other prepayments refer to the breakdown by related period of normal operating costs for services.

COMMENTS ON THE MAIN LIABILITY CAPTIONS

A. SHAREHOLDERS' EQUITY

A.I. Share capital

The share capital as of 31 December 2001 consists of n. 24,500,000 ordinary shares with a par value of 0.52 Euro each, fully subscribed and paid-in. The Board Meeting held on 15 May 2001, resolved the conversion of the share capital into Euro in compliance with article 17 of Legislative Decree 213/1998. The par value of each share has therefore been changed from 1,000 Lire to 0.52 Euro. As a consequence of the rounding up of the par value of share (from 0.516457 Euro to 0.52 Euro) the capital was increased by 87 thousand Euro by use of the legal reserve.

A.II. Share premium reserve

The share premium reserve refers to the increase in share capital resolved in 1997 when the Parent Company went public on the Italian Stock Exchange.

A.III. Revaluation reserves

These reserves are broken down as follows:

	31 12 2001	31 12 2000
Revaluation Law 596/75	32	32
Revaluation Law 72/83	192	192
Revaluation Law 413/91	393	393
Revaluation Law 342/00	12,406	12,406
Total	**13,023**	**13,023**

Reconciliation between statutory and consolidated balances

The reconciliation between shareholders' equity and the net results as of 31 December 2001 reported in the financial statements of CSP INTERNATIONAL INDUSTRIA CALZE SPA and the corresponding consolidated amounts at the same date, is reported below (in thousands of Euro):

Description	Net profit (loss) 2001	Shareholders' equity at 31 12 2001	Net profit (loss) 2000	Shareholders' equity at 31 12 2000
As per the Parent Company's financial statements	(563)	59,482	2,946	61,233
Increase (Decrease)				
Difference between the net equity of consolidated subsidiaries carried at cost in the Parent Company's financial statements and the respective book values of the investments, net of amortisation of the Difference arising on consolidation	(369)	(2,086)	729	897
Effect of initial consolidation of investments	0	0	70	(2,771)
Reversal of intercompany dividends	0	0	(2,841)	0
Reversal of adjustments of a fiscal nature (accelerated depreciation), net of the related tax effect, when applicable	816	3,180	2,727	2,364
Other consolidation adjustments, net of the related tax effect	(310)	(615)	(734)	(279)
As per the consolidated financial statements	**(426)**	**59,961**	**2,897**	**61,444**

B. ALLOWANCES FOR RISKS AND CHARGES

Changes in this item are set out below:

	01 01 2001	Provisions	Utilisations	31 12 2001
Allowance for pensions and similar commitments	**625**	0	0	**625**
Taxation	**1,730**	562	(279)	**2,013**
Others:				
- Exchange fluctuation allowance	45	27	(7)	65
- Allowance for future contingencies	600	72	(95)	577
- Returns allowance	66	144	(67)	143
- Restructuring provision	16	0	(16)	0
- Rehabilitation provision	78	123	(115)	86
- Agents' supplementary indemnity provision	836	126	(224)	738
Total others	**1.641**	**492**	**(524)**	**1,609**
Total	**3,996**	**1,054**	**(803)**	**4,247**

The allowance for pensions and similar commitments includes the liability estimated in relation to indemnities which certain Group companies are obliged to pay to employees in the event of termination of employment due to retirement. The amount of this indemnity and the related entitlement depend on various conditions, including death-rate and staff turnover; the amount recorded in the financial statements represents an estimate of the liability whose maximum amount (in the hypothesis that all the current employees of the companies earn the right to the pension without prejudice to their employment relationship) totals 755 thousand Euro. The Directors believe the reserve reflected in the financial statements to be adequate.
Taxation relates to deferred taxes mainly referring to consolidation adjustments (elimination of adjustments made for tax purposes, and other minor items) and gains on the disposal of assets which benefit from a deferred tax treatment.
The agents' supplementary indemnity has been accrued in accordance with current legislation and the collective agents contract.

C. SEVERANCE INDEMNITIES

Movements during the year have been as follows:

	01 01 2001	Provisions	Utilisations	31 12 2001
Severance indemnity	5,868	(800)	1,131	6,199

D. PAYABLES

D.3. Short-term bank borrowings

Indebtedness to banks amounts to 86,602 thousand Euro. The change compared to 31 December 2000 totals 17,331 thousand Euro and is essentially attributable to the increase in short-term indebtedness linked to the financing of the purchase of the remaining 45% of Lepel, as well as to the increase in inventories.
With the exception of loans, all amounts due to banks are repayable within one year.
The overall trend of changes in financial flows is analysed in the cash flow statement.
The due dates of the loans are set out below:

	Within 1 year	Within 5 years	Beyond 5 years	Total
Loans	16,886	23,205	152	40,243

Two new unsecured loans, for a total of 15,493 thousand Euro were raised during 2001. They are all at market conditions and fall due within five years.
Mortgage guarantees have been given as security against certain loans drawn in previous years. These guarantees are dealt with in greater detail in the section on memorandum accounts.
During 1995, Le Bourget launched a reorganisation plan, leading to an agreement for the restructuring of its debt with its main financial creditors. The related agreement included a "retour à meilleur fortune" (turnaround to profit) clause entitling the creditors to receive an amount equal to 5% of the net profit for each accounting period

from 1997-2001, should this profit be greater than F 6,000,000 (915 thousand Euro). As of 31 December 2001, the conditions for recording a liability in favour of these financial institutions did not exist. Furthermore, guarantees on property and machinery have been given in respect of certain of these restructured loans.

D.6 Trade payables

This item decreased by Euro 1,095 thousand, mainly as a result of variations in the timing of purchases.

D.11 Taxes authorities

These comprise:

	31 12 2001	31 12 2000
Tax liability	634	1,784
Withholding taxes on payments to consultants/agents	106	104
Withholding on wages and salaries	696	695
Total	**1,436**	**2,583**
Tax liability beyond 12 months	970	1,940
Total	**2,406**	**4,523**

Tax liabilities beyond 12 months concern the third tranche of the substitute tax on the asset revaluation (Law 342/00).
The caption also includes the liability for current taxation relating to the consolidated companies.

D.12. Social security institutions

These include the following items:

	31 12 2001	31 12 2000
Social security institutions	2,101	2,208
Agents' social security (Enasarco)	31	47
Agents' social security (F.I.R.R.)	43	28
Total	**2,175**	**2,283**

D.13 Other payables

These comprise:

	31 12 2001	31 12 2000
Payable to employees	2,063	2,120
Other payables	1,048	952
Total	**3,111**	**3,072**

E. ACCRUED LIABILITIES AND DEFERRED INCOME

This caption mainly refers to accrued bank interest payable, 178 thousand Euro, and staff bonuses (237 thousand Euro).

MEMORANDUM ACCOUNTS

Mortgages on loans — These are mortgages on company assets in guarantee of loans granted by banks, whose residual value amounts to 1,430 thousand Euro.

Guarantees given to third parties — The caption relates to guarantees granted to third parties.

Purchasing commitments — At 31 December 2001, there are commitments based on signed contracts for the purchase of tangible fixed assets amounting to 1,274 thousand Euro. These commitments refer to plant enhancements and the purchase of new machines.

Third party assets — This caption includes third party goods for re-packaging and re-dyeing.

Guaranteed trade receivables — The caption refers to forms of guarantees given by the French subsidiary to the banking system in relation to loans received.

COMMENTS ON THE MAIN STATEMENT OF INCOME CAPTIONS

For a more detailed analysis of the statement of income and the events which have influenced the performance of operations of the year, reference should be made to the comments included in the report on operations which supplement those contained in these explanatory notes.

A. PRODUCTION VALUE

A.1. Revenues from sales of goods and services

Revenues are analysed by geographical area and by type of product below:

		2001	2000
- Italy:			
	- stockings	42,728	53,600
	- seamless underwear	9,314	1,422
	- corsetry	22,440	26,427
	- yarn	5,169	5,155
	- raw materials/other	1,022	1,029
- France:			
	- stockings	42,996	38,086
	- seamless underwear	940	0
	- other	211	222
- Western Europe:			
	- stockings	15,527	19,412
	- seamless underwear	1,146	109
	- corsetry	117	33
	- yarn	4	20
	- other	330	241
- Eastern Europe:			
	- stockings	24,349	25,392
	- seamless underwear	2,867	143
	- corsetry	76	21
	- yarn	91	2
	- other	726	68
- Non-European countries:			
	- stockings	2,364	2,881
	- seamless underwear	82	17
	- corsetry	0	47
	- other	6	8
Total		**172,505**	**174,335**

Net sales of stockings went from 139,371 thousand Euro to 127,964 thousand Euro, a decrease of 11,407 thousand Euro on the previous year, due to the continuing decline in demand for women's stockings all over the world.

Net sales of seamless underwear rose from 1,691 thousand Euro to 14,349 thousand Euro (+12,658 thousand Euro on the previous year) confirming the importance that these new lines of products have for the Group and for the market. These sales effectively offset the ongoing decline in stocking sales.

Sales of traditional corsetry went from 26,528 thousand Euro to 22,633 thousand Euro, a decrease of 3,895 thousand Euro on the previous year. This decrease in sales is mainly due to different timing for the presentation of collections on the wholesale market, only partially offset by growth in the mass distribution channel.

As for sales by geographical area, the emphasis is on the consolidation of sales in Eastern Europe, especially in Russia, which is the Group's third largest market in volume terms after Italy and France.

Sales of yarn in Italy, worth 5,114 thousand Euro, consist of the Parent Company selling raw materials to subcontractors, that bill back with the processing mark up.

Revenues are shown net of returns, discounts and allowances.

A.5.a. Other income

This item is comprised as follows:

	2001	2000
Freight and processing charges billed to customers	286	213
Advertising contributions	553	180
Expenses reinvoiced to customers	58	47
Royalty income	807	732
Gains on disposal of assets	93	252
Out-of-period income for taxes	222	431
Other income	3	3
Total	**2,022**	**1,858**

The most significant items are royalty income from licenses reimbursement for advertising costs shared with suppliers.

B. PRODUCTION COSTS

This item is comprised as follows:

	2001	2000
Raw materials	58,430	63,048
Packaging and consumable materials	11,299	10,531
Total	**69,729**	**73,579**

Purchases decreased by 3,850 thousand Euro with respect to the previous year.

B.7. Services

This item is comprised as follows:

	2001	2000
- Outside contractors	13,344	10,871
- Advertising	18,293	17,520
- Independent sale agents and merchandising	6,171	4,114
- Transport	3,559	3,154
- Power and heating	4,645	4,289
- Directors' emoluments	980	1,141
- Statutory Auditors' emoluments	63	70
- Maintenance	2,109	2,142
- Insurance	524	652
- General and commercial advice	1,089	1,147
- Travel	804	844
- Postage	477	470
- Other transport costs	245	255
- Legal	68	66
- Commercial information and communications costs	228	151
- Bank charges	279	266
- Other	679	774
Total	**53,557**	**47,926**

This caption has increased by 5,631 thousand Euro compared with the previous year.

The most significant increases are:
- costs for outside contractors (up by 2,473 thousand Euro), due to higher recourse to outsourcing mainly for processing seamless underwear;
- costs for independent sale agents and merchandising (+ 2,057 thousand Euro) in connection with the important change made by the Parent Company starting in 2001 in the organisation of its sales through the large-scale distribution channel. The dealer network has taken on a different role in logistics and management of the point of sale, while the Company now handles directly the relationship with customers as regards contracts and marketing

policies. The fees paid for these services are therefore only visible from the current year, whereas previously the Company invoiced the products to the dealers, who then sold them on to the mass retailing chains.
- costs for advertising (up 773 thousand Euro):
- costs for power and heating (+356 thousand Euro) because of the increase both in oil prices and in consumption due to higher plant exploitation compared with the previous year.
In compliance with the provisions of article 38.1 letter o) of Decree Law 127/91, the total amount of compensation of Directors and statutory auditors of the Parent Company in relation to offices held in all the consolidated companies, amount to 568 thousand Euro and 56 thousand Euro, respectively. The schedule required by CONSOB Resolution 11971/99 is also attached to the notes.

B.9. Labour costs

This caption includes all the costs incurred on an on-going basis which directly concern employees in 2001. The detail of this caption is set out on the face of the statement of income.
Movements in staff numbers during the year are set out below:

	01 01 01	New recruits	Leavers	31 12 01	Average
- Managers	17	3	(4)	16	17
- Supervisors	49	7	(7)	49	49
- Office staff	365	39	(48)	356	361
- Workers	1,071	114	(165)	1,020	1,046
Total	**1,502**	**163**	**(224)**	**1,441**	**1,473**

The new recruits and leavers categories also include internal promotions.

B.10. Depreciation, amortisation and writedowns

These comprise:

a. Amortisation of intangible fixed assets

This item consists of the followings:

	2001	2000
- Software	722	676
- Goodwill	232	359
- Deferred charges	64	73
- Difference arising on consolidation	1,663	1,477
- Brand	1,037	1,002
- Other	11	11
Total	**3,729**	**3,598**

b. Depreciation of tangible fixed assets

This item consists of the followings:

	2001	2000
- Buildings	960	973
- Light constructions	24	53
- Plant/machinery	6,148	5,865
- Equipment	488	538
- Furniture, office machines	168	171
- Electronic office machines	276	361
- Cars	143	161
- Vehicles	82	103
- Low-value assets	38	51
Total	**8,327**	**8,276**

d. Writedown of receivables included in current assets

The caption "Writedown of receivables included in current assets and of liquid funds" consists of the provision required to adjust the value of receivables to their estimated realisable value. Losses during the year have been expensed to income with a corresponding utilisation of the allowance for doubtful accounts.

B.12. Provisions for risks and charges

This caption mainly relates to the provision for risks and to charges for the agents' supplementary indemnity maturing in the year and the provision of 67 thousand Euro for contingencies arising as a result of current legal disputes.

B.14. Other operating expenses

This item is comprised as follows:

	2001	2000
- Entertaining	174	140
- Membership fees	131	131
- Stationery and other materials	296	240
- Non deductible VAT on gifts	41	33
- Taxes and duties	1,155	842
- Losses on the sale of assets	61	64
- General expenses	117	58
- Other charges	90	175
Total	**2,065**	**1,683**

C. FINANCIAL INCOME AND CHARGES

C.16.d.d. Other financial income from third parties

This caption is analysed as follows:

	2001	2000
- Interest receivable on current accounts	28	120
- Interest receivable from customers	18	51
- Exchange gains	297	304
- Other interest receivable	58	107
- Discounts & positive roundings	0	10
Total	**401**	**592**

C.17.d Interest and other financial charges from third parties

This caption comprises:

	2001	2000
- Interest payable on current accounts	677	283
- Interest payable on borrowings	1,168	700
- Interest payable on loans	1,709	1,654
- Other interest and charges payable	590	701
- Provision to the exchange fluctuation reserve	0	7
- Exchange losses	270	127
Total	**4,414**	**3,472**

The increase in financial charges is mainly due to higher indebtedness following the acquisition of Lepel.

D. ADJUSTMENTS TO THE VALUE OF FINANCIAL ASSETS

D.19.c. Writedowns of securities booked under current assets not representing equity investments

This caption comprises the writedown of own shares held in portfolio to market value, as specified in the comment on item 'C III 5.' on the assets side of the balance sheet.

E. NON-RECURRING INCOME AND CHARGES

E.21.c Other non-recurring charges

This item mainly includes charges incurred by the French subsidiary following the reorganisation of a Group company.

E.22 Income taxes for the year

Income taxes amount to 2,248 thousand Euro, of which current taxes (2,172 thousand Euro) and deferred taxes (76 thousand Euro).
Certain companies in Le Bourget Group have suffered significant losses during the current and prior years, which have resulted in a considerable amount of accumulated losses for tax purposes. In addition, these companies use the option to calculate taxable income at sub-consolidated level, so-called "fiscal integration", and therefore the taxable profit of these companies is reduced by the aforesaid accumulated losses. No deferred tax assets have been provided for prudent reasons on the above-mentioned accumulated losses.

ATTACHMENTS

These attachments contain supplementary information to that provided in the Notes, of which they form an integral part.

This information is included in the following attachments:

1. Schedule of movements in intangible fixed assets for the year ended 31 December 2001
2. Schedule of movements in tangible fixed assets for the year ended 31 December 2001
3. 3a) Schedule of movements in financial fixed assets for the year ended 31 December 2001
   3b) List of equity investments in subsidiary and associated companies at 31 December 2001 (art. 2427 paragraph 5 of the Civil Code)
4. Statement of changes in shareholders' equity for the year ended 31 December 2001
5. Statement of consolidated cash flow for the year ended 31 December 2001 and 31 December 2000
6. Schedule of remuneration paid to the Directors, Statutory Auditors and General Managers for the year ended 31 December 2001

Attachment 1

Schedule of movements in intangible fixed assets for the year ended 31 December 2001 (IN THOUSANDS OF EURO)

Description	Historical cost	Amortisation at 31 12 2000	Revaluations at 31 12 2000	Net book value at 31 12 2000	Additions 2001	Reclassif. 2001	Amortisation 2001	Net book value at 31 12 2001
Industrial patents and intellectual property rights								
-Software	3,590	(2,678)	-	912	545	(4)	(720)	733
Concessions, licences, trade marks & similar rights								
- CSP trade mark	5,194	(6,092)	5,165	4,267	14	(1)	(1,063)	3,217
Goodwill	-	-	-	-	246	-	(49)	197
Difference arising on consolidation	16,719	(2,706)	-	14,013	3,263	-	(1,846)	15,430
Other								
- Deferred loan costs	65	(39)	-	26	-	-	(11)	15
- Other intangible fixed assets	396	(258)	-	138	49	-	(64)	123
Total others	461	(297)	-	164	49	-	(75)	138
Total	**25,964**	**(11,773)**	**5,165**	**19,356**	**4,117**	**(5)**	**(3,753)**	**19,715**

Attachment 2

Schedule of movements in tangible fixed assets for the year ended 31 December 2001 (IN THOUSANDS OF EURO)

Summary of assets

	Opening balances				Movements during the year						
Description	Historical cost	Revaluation	Acc. deprec. at 01 01 2001	Net book value at 01 01 2001	Additions 2001	Disposals 2001	Revaluation decreases	Depreciation reversal	(*)	(*)	Depreciation 2001
Land & buildings	27,722	2,550	(9,368)	20,904	64	(11)	-	(5)	55	(12)	(841)
Plant & machinery	41,032	15,810	(27,712)	29,130	3,328	(771)	(146)	(766)	93	(20)	(6,298)
Equipment	14,233	59	(13,103)	1,189	87	(1,423)	-	(1,413)	17	(4)	(487)
Other assets	6,767	83	(5,264)	1,586	829	(536)	-	(490)	6	(2)	(712)
Constr. in progress	577	-	-	577	668	(364)	-	-	21	-	-
Total	90,331	18,502	(55,447)	53,386	4,976	(3,105)	(146)	(2,674)	192	(38)	(8,338)

(*) amounts relating to translation differences

	Closing balances			
	Historical cost	Revaluation	Acc. deprec. at 31 12 2001	Net book value at 31 12 2001
Land & buildings	27,830	2,550	(10,216)	20,164
Plant & machinery	43,682	15,664	(33,264)	26,082
Equipment	12,914	59	(12,181)	792
Other assets	7,066	83	(5,488)	1,661
Constr. in progress	902	-	-	902
Total	92,394	18,356	(61,149)	49,601

Attachment 3a

SCHEDULE OF MOVEMENTS IN FINANCIAL FIXED ASSETS FOR THE YEAR ENDED 31 DECEMBER 2001

(IN THOUSANDS OF EURO)

	OPENING BALANCE				MOVEMENTS DURING THE YEAR					CLOSING BALANCE	
DESCRIPTION	HISTORICAL COST	REVALUATION	WRITEDOWN	BALANCE 31 12 2000	INCREASE	RECLASSIFICATION	DECREASE	REVALUATION	WRITEDOWN	BALANCE 31 12 2001	OF WHICH REVALUED
EQUITY INVESTMENTS											
SUBSIDIARY COMPANIES											
LE BOURGET (UK) LTD - BUCKINGHANSHIRE (UK) 8 Canons Road - Old Wolverton -Milton Keynes	220		(123)	97						97	
TOTAL SUBSIDIARY COMPANIES	**220**	**0**	**(123)**	**97**	**0**	**0**	**0**	**0**	**0**	**97**	**0**
ASSOCIATED COMPANIES											
ROZAL SARL - PARIS (F) Rue Turbigo, 30	9		(9)	0						0	
CSP HOSIERY (UK) LTD - LONDON (UK) Action Park, 28	3		(3)	0						0	
TOTAL ASSOCIATED COMPANIES	**12**	**0**	**(12)**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	
OTHER COMPANIES	**16**		**(3)**	**13**						**13**	
TOTAL OTHER EQUITY INVESTMENTS	**16**	**0**	**(3)**	**13**	**0**	**0**	**0**	**0**	**0**	**13**	**0**
TOTAL EQUITY INVESTMENTS	**248**	**0**	**(138)**	**110**	**0**	**0**	**0**	**0**	**0**	**110**	**0**
RECEIVABLES											
SUBSIDIARY COMPANIES											
BENETTON LEGS LOAN				1						1	
TOTAL RECEIVABLES FROM SUBSIDIARY COMPANIES	**0**	**0**	**0**	**1**	**0**	**0**	**0**	**0**	**0**	**1**	**0**
ASSOCIATED COMPANIES											
ROZAL SARL LOAN				31						31	
CSP HOSIERY (UK) LTD LOAN				33						33	
TOTAL RECEIVABLES FROM ASSOCIATED COMPANIES	**0**	**0**	**0**	**64**	**0**	**0**	**0**	**0**	**0**	**64**	**0**
TOTAL RECEIVABLES	**0**	**0**	**0**	**65**	**0**	**0**	**0**	**0**	**0**	**65**	**0**

Attachment 3b

LIST OF EQUITY INVESTMENTS IN SUBSIDIARY AND ASSOCIATED COMPANIES AT 31 DECEMBER 2001 (ART. 2427 paragraph 5 of the Civil Code)

(IN THOUSANDS OF EURO)

NAME	SHARE CAPITAL IN LOCAL CURRENCY	SHAREHOLDERS' EQUITY Euro/mgl	PROFIT OR LOSS	STAKE-HOLDING %	INTEREST IN SHAREHOLDERS' EQUITY Euro/mgl	INTEREST IN PROFIT/LOSS Euro/mgl	BOOK VALUE	DIFFERENCE BETWEEN BOOK VALUE AND INTEREST IN SHAREHOLDERS' EQUITY
EQUITY INVESTMENTS								
SUBSIDIARY COMPANIES								
LE BOURGET (UK) LTD - BUCKINGHANSHIRE (UK)	LGS	***						
8 Canons Road - Old Wolverton -Milton Keynes	150,000	100	0	99.99	100	0	97	(3)
ASSOCIATED COMPANIES								
ROZAL SARL - PARIS (F)	F.F	*						
Rue Turbigo, 30	300,000	(100)	(179)	20	(20)	(36)	0	(20)
CSP HOSIERY (UK) LTD - LONDON (UK)	LGS	**						
Acton Park, 28	10,000	(383)	(257)	20	(77)	(51)	0	(77)

NOTES:

*	as per the financial statements at 30 June 2000
**	as per financial statements at 31 March 1999, translated at exchange rates ruling on that date
***	as per financial statements at 31 December 2001 (company in liquidation)

Attachment 4 (IN THOUSANDS OF EURO)

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS AT 31 DECEMBER 2001

Description	Share capital	Share premium	Reserve for own shares	Revaluation reserves	Legal reserve	Other reserves	Net profit (loss) for the year	Total shareholders' equity
Balances at 1 January 2001	**12,653**	**18,076**	**3,369**	**13,023**	**1,330**	**10,096**	**2,897**	**61,444**
Allocation of 2000 net profit								
- 5% to legal reserve					153		(153)	0
- Dividends							(1,187)	(1,187)
- Profits carried forward						1,557	(1,557)	0
- Conversion of share capital in Euro	87				(87)			0
Increase in reserve for own shares			2,010			(2,010)		0
Other					(32)	162		130
Net profit (loss) for the year							(426)	(426)
Balances at 31 December 2001	**12,740**	**18,076**	**5,379**	**13,023**	**1,364**	**9,805**	**(426)**	**59,961**

Attachment 5 (IN THOUSANDS OF EURO)

STATEMENT OF CONSOLIDATED CASH FLOW
for the years ended 31 December 2001 and 31 December 2000

		2001	2000
A.	**OPENING NET FINANCIAL POSITION**	**(43,461)**	**(31,879)**
B.	**CASH FLOWS FROM (FOR) OPERATING ACTIVITIES**		
	Net profit (loss) attributable to the Group	(426)	2,897
	Depreciation, amortisation and writedowns	12,056	11,228
	Net change in severance indemnities for employees and agents	233	695
	Net change in allowances for risks and charges	348	(378)
	Writedown of equity investments	0	9
	Cash flows from operating activities before changes in working capital	**12,211**	**14,451**
	(Increase) decrease in trade receivables	740	12,182
	(Increase) decrease in inventories	(8,101)	(3,141)
	Increase (decrease) in trade and other payables	(3,263)	(10,634)
	(Increase) decrease in own shares	(2,010)	(2,412)
	Changes in other working capital items	2,098	(2,055)
	Total change in working capital	**(10,536)**	**(6,060)**
		1,675	**8,391**
C.	**CASH FLOWS FROM (FOR) INVESTMENT ACTIVITIES**		
	(Purchase) disposal of fixed assets:		
	Intangible	(825)	(1,744)
	Tangible	(4,541)	(4,853)
	Financial	(20)	784
	Acquisition of Lepel	(9,576)	(11,455)
		(14,962)	**(17,268)**
D.	**CASH FLOWS FROM (FOR) FINANCING ACTIVITIES**		
	New loans (repayments) net of the current portion of loans transferred to current payables	(355)	522
	Dividends paid	(1,187)	(1,237)
	Other changes in shareholders' equity and minority interests	519	(3,838)
		(1,023)	**(4,553)**
E.	**TOTAL CASH FLOWS FOR THE YEAR (B+C+D)**	**(14,310)**	**(13,430)**
F.	**Net liquidity (debt) of purchased companies at the acquisition date**	**0**	**1,848**
G.	**CLOSING NET FINANCIAL POSITION (A+E+F)**	**(57,771)**	**(43,461)**

Attachment 6

(IN THOUSANDS OF EURO)

SCHEDULE OF REMUNERATION PAID TO THE DIRECTORS, STATUTORY AUDITORS AND GENERAL MANAGERS FOR THE YEAR ENDED 31 DECEMBER 2001

PERSON	DESCRIPTION OF OFFICE		REMUNERATION				
NAME	OFFICE HELD	TERM OF OFFICE	COMPENSATION		FRINGE BENEFITS	BONUSES AND OTHER INCENTIVES	OTHER REMUNERATION
			IN PARENT COMPANY	IN SUBSIDIARIES			
ENZO BERTONI	Chairman of the Board	27.04.00 for 3 years	243		use of cell phone		
FRANCESCO BERTONI	Managing Director **	27.04.00 for 3 years	303		use of cell phone		
MARIA GRAZIA BERTONI	Director	27.04.00 for 3 years			use of cell phone	4	52*
CARLO BERTONI	Director	27.04.00 for 3 years			use of cell phone	5	47*
GIANFRANCO BOSSI ***	Director & General Manager **	27.04.00 for 3 years	9		use of cell phone	65	101*
MASSIMO ARMANINI	Director	27.04.00 for 3 years	13				
ARTURO TEDOLDI	Director	15.06.01 for 2 years			use of cell phone	33	124*
VANNA STRACCIARI	Chairman of Statutory Auditors	27.04.00 for 3 years	17	9			
MARCO MONTESANO	Statutory Auditor	27.04.00 for 3 years	12	6			
LUCA SAVOIA	Statutory Auditor	27.04.00 for 3 years	12				
MASSIMILIANO RETTA ****	General Manager **	hired 02.05.2001			use of cell phone	21	111*

NOTE: figures are expressed in thousands of Euro
* salary
** member of the executive committee
*** Gianfranco Bossi retired as general manager as of 14 04 2001
**** Massimiliano Retta was hired as general manager from 02 05 2001

REPORT OF THE BOARD OF STATUTORY AUDITORS

REPORT OF THE INDEPENDENT AUDITORS