CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000

DIRECTORS' REPORT ON OPERATIONS

Shareholders,
The consolidated financial statements for the year ended 31 December 2000, prepared in Euro, are submitted for your review.
Shareholders are reminded that during September 1999 the Parent Company acquired control of the Le Bourget Group (France) and in June 2000, 55% of Lepel S.r.l. (Carpi). The consolidated report therefore includes the results of CSP International, as Parent Company, Le Bourget, Lepel and Sanpellegrino Polska.
CSP International took advantage of the possibility provided by the tax supplement to the Budget Law 2000 (Law no. 342 of 21.11.2000) to revalue its fixed assets. The revaluation only involved plant and machinery, excluding buildings and intangible assets, and has resulted in an increase in value of 15.32 million euro. Lepel has revalued its brand name by 5.16 million euro.

1. Key figures

Key figures for the Group are as follows:
- net sales of € 160.34 million;
- depreciation and amortisation of €11.87 million;
- pre-tax profit of € 6.14 million;
- income taxes of € 2.78 million (45.32% of pre-tax profit);
- net profit of € 3.36 million.

2. Historic information

It is worth remembering that the 1999 consolidated financial statements only included Le Bourget, which was acquired during the last quarter, while 2000 includes Lepel, Le Bourget, and Sanpellegrino Polska. Sales turnover increased from € 110.6 million in 1999 to € 160.34 million in 2000, a 45% increase. The pre-tax profit decreased from € 8.51million in 1999 to € 6.14 million in 2000 because 1999 consolidated Le Bourget only for the last quarter, traditionally a profitable period for seasonal reasons, whereas 2000 consolidated Le Bourget's losses for the entire year.

3. Sales revenues

Total sales revenues, before eliminating inter-company transactions, refer to:
- € 95.98 million of the parent company CSP International, with € 49.52 million realised abroad;
- € 43.77 million from Le Bourget, mainly on the French hosiery market;
- € 26.70 million from Lepel, on the Italian foundation garments market;
- € 6.12 million from Sanpellegrino Polska, 1/3 of which from supplying hosiery to the Parent Company;

For a total of € 172.56 million in total sales.

4. The statement of income

A detailed analysis of the balance sheet and statement of income balances is given in the notes attached to the financial statements. This report comments on only certain key figures.
- cost of sales accounts for 64% of the costs;
- selling, general, and administrative costs , net of advertising, represent 20.7% of net sales;
- promotional and advertising investments come to 10.7% of net sales;
- financial charges come to 1.9%;
- depreciation and amortisation come to € 11.87 million;
- pre-tax profit amounts to € 6.14 million, 3.83% of net sales.

5. The balance sheet

Highlights of the consolidated balance sheet are as follows:
- trade receivables amount to € 66.63 million;
- inventories amount to € 46.17 million;
- fixed assets amount to € 73.51 million;
- net bank borrowings amount to € 67.26 million;
- shareholders' equity is 61.44 million.

6. Acquisition of Le Bourget

The key stages in the acquisition of Le Bourget in September 1999 are outlined below.
The major objectives of this operation are:

- to acquire a significant share of the French market, the third largest European hosiery market,
- to manufacture for Le Bourget, which produced only one-quarter of its output in-house, using CSP International's automated production plant, thereby achieving benefits for Le Bourget and positive consequences for CSP International.

7. Results of Le Bourget

The recent results at Le Bourget were the following:

- the 1998 financial statements closed with a loss of € 4.03 million (not affecting CSP International);
- the 1999 financial statements cut its losses to € 1.60 million;
- the 2000 financial statements resulted in losses for € 1.31 million. In 2000, the operating profit nearly broke even (-0.29%).

From balance sheet perspective, Le Bourget has

- net payables to banks of € 17.65 million;
- trade receivables of € 19.53 million, excluding inter-company balances;
- trade payables of € 4.82 million;
- payables to associated companies of € 7.89 million;
- inventories of € 9.07 million;

on sales of € 43.77 million .

8. Acquisition of Lepel

This equity investment was acquired based on a valuation of the entire company of € 20.66 million. CSP International acquired a controlling interest of 55%. The acquisition of Lepel resulted in CSP booking € 3.20 million of goodwill in the consolidated balance sheet. The revaluation of the historic Lepel brand name for € 5.16 million led to a reduction in the cost of goodwill of € 2.15 million; the residual goodwill of € 1.05 million will therefore be amortised over a 10-year period.
The acquisition enables CSP International to begin diversifying on the lingerie market and offers Lepel further development opportunities, via product and distribution synergies.

9. Results of Lepel

Lepel turned a pre-tax profit of € 2.53 million in 1999 and € 1.25 million in 2000, equal to 4.7% of net sales. The bottom line in 2000 was affected by higher amortisation as a result of the trademark revaluation.
From balance sheet perspective, Lepel has:

- trade receivables for € 7.79 million;
- trade payables for € 2.92 million;
- inventories for € 3.91 million;
- no payables to banks;

on sales of € 26.70 million.

10. Sanpellegrino Polska

Sanpellegrino Polska was set up in 1998 and began production operations in the first half of 1999.
Sanpellegrino Polska's mission is to produce, in a country with low labour costs, the most straightforward articles for sale on the Polish market, in Eastern Europe and to the CSP International Group in general.
CSP holds a 50% interest in Sanpellegrino Polska, while our Polish distributor holds the other 50%. Its board of directors consists of two members representing CSP International and one representing our Polish partner, who also acts as the managing director.

11. Results of Sanpellegrino Polska

Sanpellegrino Polska was fully consolidated for the first time and in 2000 shows,

- sales of € 6.12 million;
- pre-tax profits of € 0.14 million, equal to 2.32 % of the sales.

From a balance sheet perspective, Sanpellegrino Polska has
- net payables to banks for € 0.18 million;
- trade receivables for € 0.98 million, excluding inter-company transactions;
- trade payables for € 0.55 million, excluding inter-company transactions;
- payables to affiliates for € 1.91 million;
- inventories for € 1.89 million.

12. CSP International product range following the acquisition of Le Bourget and Lepel
The chart illustrates CSP International's product range following the acquisition of Le Bourget and Lepel.

Brand	Market position	Characteristics	Distribution
Oroblù	Elegant comfort	The best combination of fashion and functionality	- Boutiques, - Large clothing stores
Sanpellegrino	The best quality/price ratio	Excellent results at a competitive price	- Wholesalers - Shopping centres - Retail
Star Way	Quality and fashion for a youthful clientele	The most advanced collection for its graphics and content	- Department stores, - Perfume stores, - Specialised retailers
Le Bourget	French fashion	The tradition of well-known brand, with the recent fashion trends	- Specialised retailers, - Department stores, - Large-scale distribution
Lepel	Seductive and comfortable foundation garments	Fashion lingerie at reasonable prices	- Shopping centres - Wholesalers

The following table illustrates the price position of the various brands:

Brand	Index of hosiery price	Index of lingerie price
Oroblù	200	145
Le Bourget	160	150
Star Way	150	135
Sanpellegrino	100	100
Bomo	90	–
Lepel		150

13. Related Party Disclosures
As required, we declare that there were no transactions during the year between Group companies and related parties.

14. Investments held by directors, statutory auditors and general managers as per the implementation protocol for Art. 33, Decree Law 58 of 24 February 1998
As required by Consob regulations, we attach schedule 2C on investments held by the individuals or entities stated in Art. 33.

15. Significant subsequent events in early 2001
The main events that have taken place since the end of the year are as follows.

Parent company, CSP International

New products and diversification
- In the first quarter of 2001 the lingerie collection produced using the new seamless technology (introduced in the last two months of 2000) was successfully launched, representing over 12% of the total company sales in the period.
- The excellent results attained by the basic seamless collection have enabled the company to further expand the product offering with fashion collections, marketed under the Sanpellegrino and Oroblù brands.
- CSP International has further diversified its business by directly entering the men's market with

its innovative seamless underwear collection, under the Sanpellegrino and Oroblù brands.
- CSP International has innovated its core business with three new collections of casual hosiery, a high growth sector.

Production

During the 1st quarter 2001, the company carried out its plans for upgrading the manufacturing area devoted to the seamless line, which now can handle the production capacity of the ambitious product development plans.

New distribution network in LD

CSP International, in order to build a solid direct relationships with large-scale distribution chains, a strategic channel for corporate development, has modified its distribution methods. This involves:
- direct control of contractual relationships and commercial policies through a dedicated organisation;
- reserving retail sales services for long-standing distributors..

General Management

Between April and May 2001, the CSP International Management underwent organisational changes: Massimiliano Retta took over the position of General Manager, replacing Gianfranco Bossi.
Mr. Retta takes over as General Manager of CSP International after gaining wide experience in marketing, sales and corporate management with Unilever, Beiersdorf, and Arexons.

STAR segment in the Italian Stock Exchange

CSP International entered the new STAR (securities with high requisites) segment of the Italian Stock Exchange which brings together a select group of companies subject to strict disclosure and Corporate Governance rules.

Le Bourget

- Manufacturing optimisation was aggressively promoted during the 1st quarter 2001, with positive consequences on the industrial costs of the French production.
- The seamless product line development underway at CSP International has enabled the introduction of new lingerie lines that expand the Le Bourget product assortment.

Lepel

The main events that have taken place since the end of the year are as follows:
- the new Lepel television and print advertising campaign with the participation of Natalia Estrada as the new testimonial, where the world-famous Belseno product is presented by the famous Spanish showgirl in a playful bullfight;
- expansion of the seasonal collections of foundation garments introducing new models and colours.

Sanpellegrino Polska

During the first quarter of 2001, the production capacity of Sanpellegrino Polska was increased by transferring a group of textile machines previously installed at CSP International, in order to optimise the manufacture of straightforward products, helped by the lower cost of Polish manpower.

16. Group Objectives

The main initiatives underway in the two new companies and the expected results are as follows.

Le Bourget

The current activities should lead the company to earn an operating profit in 2001, breaking even on the bottom line.
Current measures include:
- the production optimisation of the factory where, with the same number of machines and staff, output rose from 8 million pairs of hose in 1999 to 11.5 million pairs in 2000, and is expected to reach 15 million in 2001, with efficiency doubling in the two-year period;
- the synergies that have led Oroblù and Star Way to be distributed in France will encourage Le Bourget to exploit the foreign structures of CSP International;
- unification of the logistical structures of Paris, Marseilles, and Fresnoy-le-Grand in a single warehouse, to keep down costs and improve customer service.

Lepel

Among the primary initiatives in development phases, we would mention the plan for selling the Lepel line under the Sanpellegrino brand

- on the Russian market, so as to simultaneously exploit the high quality Lepel product with the high brand recognition of Sanpellegrino in Russia;
- in the large-scale distribution channel, to support the Pretty Lepel brand with the Sanpellegrino brand that will constitute two complementary collections of lingerie.

  These initiatives will enable:

- expansion of the predominantly domestic Lepel sales to foreign markets;
- reinforcement of the Lepel position in hypermarkets where the company makes 20% of its sales (the other 80% is made in wholesale).

Group Objectives

In light of the previous observations, the company forecasts an improvement in the consolidated operating margin of one point per year for the next three years.

Our sincere thanks go the statutory auditors and the external auditors for their work and to all of our staff, who made a vital contribution to the year's results.

Ceresara, 15 May 2001

The Chairman of the Board of Directors

Attachment:
1. Reclassified consolidated statement of income
2. Reclassified consolidated balance sheet
3. Summary information on the effects of the revaluation of plant and machinery (Law 342/2000)
4. Analysis of the trend in net working capital and free cash flow for the year ended 31 December 2000

Attachment 1

Reclassified Consolidated Statement of Income
(in thousands of Euro)

	31 December 2000 CONSOLIDATED	31 December 1999 CONSOLIDATED
Net sales	159,608	110,173
Income from royalties	732	424
NET REVENUES	**160,340**	**110,597**
COST OF SALES		
Purchases	58,910	36,565
Labour cost	20,870	14,311
Services	11,452	7,271
Depreciation & amortization	7,514	4,917
Other costs	6,806	4,256
(Increase) decrease in inventories	(2,968)	5,684
	102,584	**73,004**
GROSS PROFIT	**57,756**	**37,593**
SELLING, GENERAL AND ADMINISTRATIVE COSTS		
Labour cost	13,719	7,569
Advertising expenses	17,119	9,912
Commissions	3,573	2,596
Depreciation & amortization	4,359	1,456
Other expenses	11,571	6,823
	50,341	**28,356**
OPERATING PROFIT	**7,415**	**9,237**
Financial charges (income), net	3,044	1,755
Writedown (writeup) of investments	9	(51)
Other (income) and charges	(621)	(402)
	2,432	**1,302**
PROFIT BEFORE INCOME TAXES AND EXTRAORDINARY ITEMS	**4,983**	**7,935**
Accelerated depreciation	0	0
Extraordinary charges (income)	(1,156)	(577)
PROFIT BEFORE INCOME TAXES	**6,139**	**8,512**
Income taxes	(2,782)	(3,388)
NET PROFIT FOR THE YEAR	**3,357**	**5,124**
Lepel's pre-aqcuisition pre-tax profit	(331)	
Net minority interests	(129)	(9)
NET PROFIT FOR THE YEAR ATTRIBUTABLE TO THE GROUP	**2,897**	**5,115**

Attachment 2

Reclassified Consolidated Balance Sheet
(in thousands of Euro)

	31 December 2000 CONSOLIDATED	31 December 1999 CONSOLIDATED
CURRENT ASSETS		
Cash and banks	2,013	2,663
Trade receivables	66,633	63,526
Due from subsidiary and associated companies	235	1,050
Other receivables	5,319	3,458
Inventories	46,166	38,891
Accrued income and prepayments	892	836
Own shares	3,369	956
TOTAL CURRENT ASSETS	**124,627**	**111,380**
FIXED ASSETS		
Financial fixed assets:		
Financial receivables	750	682
Equity investments	14	757
Total financial fixed assets	**764**	**1,439**
Tangible fixed assets	53,387	45,178
Intangible fixed assets	19,355	14,958
TOTAL FIXED ASSETS	**73,506**	**61,575**
TOTAL ASSETS	**198,133**	**172,955**

Attachment 2

LIABILITIES & SHAREHOLDERS' EQUITY
(in thousands of Euro)

	31 December 2000 CONSOLIDATED	31 December 1999 CONSOLIDATED
CURRENT LIABILITIES		
Short-term bank borrowings	33,448	19,878
Current portion of medium/long term debt	12,112	14,731
Trade payables due to third parties	40,027	46,135
Trade payables due to subsidiary/associated companies	6	187
Taxes payable	4,052	558
Other payables	5,682	5,408
Accrued liabilities and deferred income	221	322
TOTAL CURRENT LIABILITIES	**95,548**	**87,219**
MEDIUM/LONG-TERM LIABILITIES		
Medium/long-term debt, net of the current portion	23,712	23,189
Bills payable	0	1,127
Severance indemnities	5,868	4,224
Other provisions	3,989	5,103
TOTAL MEDIUM/LONG-TERM LIABILITIES	**33,569**	**33,643**
TOTAL LIABILITIES	**129,117**	**120,862**
MINORITY INTERESTS IN CAPITAL AND RESERVES	**7,572**	**46**
SHAREHOLDERS' EQUITY		
Share capital	12,654	12,654
Legal reserve	1,330	1,137
Share premium reserve	18,076	18,076
Other reserves	26,487	15,065
Net profit for the year	2,897	5,115
TOTAL SHAREHOLDERS' EQUITY	**61,444**	**52,047**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**198,133**	**172,955**
MEMORANDUM ACCOUNTS	**42,077**	**36,393**

Attachment 3

1. Summary information on the effects of the revaluation of plant and machinery (Law 342/2000)

The Parent Company and its subsidiary Lepel both took advantage of the possibility provided under Law no. 342 of 21 November 2000 to revalue their fixed assets: CSP International revalued its "Plant and machinery" by 15.32 million euro and Lepel revalued its "Trade marks " by 5.16 million euro.
The revaluation of plant and machinery brings the net book value of the revalued plant and machinery into line with their net book value in the consolidated financial statements after the reversal of accelerated depreciation. As a result, "Shareholders' equity" now includes a revaluation reserve (in suspense for tax purposes) of 6.57 million euro, net of substitute tax for 2.91 million euro, shown under "Tax payables". The reserve for deferred taxation on accelerated depreciation has also been reduced, booking an amount of 1.11 million euro to reserves and 1.30 million euro to out-of-period income.
The revaluation of "Trademarks" brings their net book value into line with the appraisal carried out at the time of the company's acquisition and calculation of goodwill. This operation has therefore resulted in booking a higher amount to intangible fixed assets, prior to amortisation, of 3.03 million euro (of which 1.06 million euro has been booked to the consolidation reserve) compared with the figures shown in the quarterly report as of 31 December 2000, which did not reflect the revaluation as it had not yet been decided.
The revaluation brings the book value of fixed assets more into line with their market values. It will also permit significant future tax benefits.

The main effects of the revaluation are as follows (in millions of euro):

	Figures including revaluation	Figures excluding revaluation	Difference
Ordinary depreciation	11.87	9.29	2.58
Accelerated depreciation	(2.97)	(2.59)	(0.38)
Change in inventory	(1.16)	0.14	(1.30)
Total higher costs			**0.90**

2. Analysis of the results for the year ended 31 December 2000

The net profit for the period ended 31 December 2000 were 2.90 million euro, compared with the 5.12 million euro turned in the previous period.
The profit before income taxes, minority interests and Lepel's pre-acquisition profits (from here on called pre-tax profit) for the year ended 31 December 2000 was 6.14 million euro, compared with the 8.51 million euro in the previous period.
Note that the consolidated financial statements for the previous year only included the results of the Le Bourget Group for the fourth quarter, traditionally the best quarter in terms of sales and profitability; whereas they did not include the effects of consolidating Lepel, which was acquired in 2000, and Sanpellegrino Polska, which was previously consolidated at net equity.

Net sales - net sales in 2000 amounted to 160.34 million euro, compared with 110.60 million euro in the previous year. Sales to Italy, France and Poland in 2000 accounted for 71% of the total. Sales in Western Europe came to 12.6%, while sales in Eastern Europe came to 14.5% and sales in other countries to 1.9%.

Cost of sales - cost of sales in 2000 was 102.58 million euro, 64.0% of net sales, compared with 66.0% in 1999. The decrease in cost of sales as a proportion of net sales is partly due to the effects of the revaluation and partly to sales to the consolidation of Lepel, which has a cost of sales that is 58.4% of net sales.
Manufacturing cost of labour comes to 13% of net sales, in line with that of the previous year.

Gross profit – the gross profit margin was 36.0% compared with 34.0% in 1999.

Selling, general and administrative costs – selling, general and administrative costs, amounting to 50.34 million euro, represented 31.4% of net sales compared with 28.36%, or 25.6%, the previous year.
The most significant item in 2000, in addition to labour with 8.6% of net sales, was advertising and promotional expenditure, which came to 17.12 million euro, accounting for 10.7% of net sales, compared with 9% in 1999.

This increase is mainly due to the emphasis that Lepel put on advertising during the year, investing 20.3% of net sales.

Operating profit – operating profit came to 7.42 million euro, representing an operating margin of 4.6%, compared with 8.4% the previous year.
The reduced operating profit reflects the impact not only of depreciation and amortisation on the revaluations, but also the performance of the Le Bourget Group. Compared with 1999, when Le Bourget was only consolidated for the last quarter, which showed a profit of 0.79 million euro, consolidating the whole of the year 2000 meant discounting a loss of 0.13 million euro.

Financial charges (income), net – net financial charges amounted to 3.04 million euro, accounting for 1.9% of the net sales, compared with 1.6% the previous year.
The increased proportion of financial charges is due to the general increase in interest rates during 2000, as well as to the higher overall level of net debt as a result of the acquisitions of Le Bourget and Lepel.

Income taxes – income taxes came to 2.78 million euro and represented 45% of pre-tax profit.

3. Analysis of the net financial position as at 31 December 2000, with comparative figures as at 31 December 1999

The net debt situation at 31 December 2000 amounted to 67.26 million euro, compared with 55.14 million at 31 December 1999. The financial situation of the company is as follows (in millions of euro):

	31 December 2000	31 December 1999
Short-term bank borrowings	33.45	19.88
Current portion of medium/long-term debt	12.11	14.73
Cash on hand and bank accounts	(2.01)	(2.66)
Net short-term debt	**43.55**	**31.95**
Medium/long-term debt, net of the current portion	23.71	23.19
Total net debt	**67.26**	**55.14**

4. Analysis of the trend in net working capital and free cash flow for the year ended 31 December 2000

Net working capital at 31 December 2000 and 31 December 1999 is analysed in the following table (in millions of euro):

	31 December 2000	31 December 1999
Trade receivables	66.87	64.58
Other receivables, accrued income and prepayments	6.21	4.29
Inventories	46.17	38.89
	119.25	**107.76**
Trade payables	(40.03)	(46.32)
Other payables, accrued liabilities and deferred income	(9.96)	(6.29)
	(49.99)	**(52.61)**
Working capital	**69.26**	**55.15**
Net short-term borrowings	(43.55)	(31.95)
Net working capital	**25.71**	**23.20**

The considerable reduction is outsourcing to produce more internally within the Group has led to a decrease in trade payables. Inventories are stable at the Parent Company, but have gone up because of the consolidation of Lepel, which did not feature in the 1999 financial statements. Inventories are also up because of the decision to increase stocks of readily available goods at Le Bourget, where an important policy of improving customer service is currently being implemented.

Attachment 4 - table 2C - format 3

SHARES HELD BY DIRECTORS, STATUTORY AUDITORS AND GENERAL MANAGERS OF THE PARENT COMPANY IN 2000

NAME	COMPANY	NUMBER OF SHARES HELD AT THE END OF THE PRIOR YEAR	NUMBER OF SHARES PURCHASED	NUMBER OF SHARES SOLD	NUMBER OF SHARES AT THE END OF THE CURRENT YEAR
BERTONI ENZO	CSP INTERN. IND. CALZE SpA	3,476,780			3,476,780
BERTONI FRANCESCO *	CSP INTERN. IND. CALZE SpA	3,476,780			3,476,780
BERTONI MARIA GRAZIA	CSP INTERN. IND. CALZE SpA	2,787,470			2,787,470
BERTONI CARLO **	CSP INTERN. IND. CALZE SpA	929,896			929,896
BOSSI GIANFRANCO	CSP INTERN. IND. CALZE SpA	172,250			172,250
BARDINI VALTER **	CSP INTERN. IND. CALZE SpA	351,910			351,910

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

CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2000

CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2000

(amounts in euro)

BALANCE SHEET - ASSETS				31.12.2000	31.12.1999
A)	RECEIVABLES FROM SHAREHOLDERS:			0	0
B)	FIXED ASSETS				
	I.	Intangible fixed assets:			
		3.	industrial patents and intellectual property rights	912,460	470,560
		4.	concessions, licences, trade marks and similar rights	4,267,145	112,709
		5.	goodwill	135	225,834
		6.	consolidation difference	14,012,931	13,983,887
		7.	others	163,860	164,822
		Total I.		**19,356,531**	**14,957,812**
		II.	Tangible fixed assets		
		1.	land and buildings	20,904,345	19,402,553
		2.	plant and machinery	29,130,150	22,528,943
		3.	industrial and commercial equipment	1,189,153	1,399,594
		4.	other fixed assets	1,585,340	1,656,057
		5.	construction in progress and advances	577,784	190,815
		Total II.		**53,386,772**	**45,177,962**
	III.	Financial fixed assets:			
		1.	Equity investments in:		
			a) subsidiary companies	0	0
			b) associated companies	0	743,944
			d) other companies	12,641	12,547
		Total 1.		**12,641**	**756,491**
		2.	Financial receivables:		
			a) from subsidiary companies:		
			a.a. due within 12 months	0	1,134
			b) from associated companies:		
			b.a. due within 12 months	65,009	63,875
		Total 2.		**65,009**	**65,009**
		3.	Other securities	372,075	315,650
			Total III.	**449,725**	**1,137,150**
	TOTAL FIXED ASSETS (B)			**73,193,028**	**61,272,924**

BALANCE SHEET - ASSETS			31.12.2000	31.12.1999
C)	CURRENT ASSETS			
	I.	Inventories:		
		1. raw, ancillary and consumable materials	9,089,869	7,588,427
		2. semi-finished products, work-in-progress	13,279,864	7,875,967
		4. finished products and goods	23,795,012	23,426,451
		5. advances	0	0
		Total I.	**46,164,745**	**38,890,845**
	II.	Receivables:		
		1. trade accounts:		
		1.a. idue within 12 months	66,549,976	63,459,175
		2. subsidiary companies:		
		2.a. due within 12 months	0	0
		3. associated companies:		
		3.a. due within 12 months	234,781	1,050,644
		4. parent companies:		
		4.a. due within 12 months	0	0
		5. others:		
		5.a. due within 12 months	5,791,233	3,458,072
		5.b. due within 12 months	312,596	301,780
		Total 5.	**6,103,829**	**3,759,852**
		Total II.	**72,888,586**	**68,269,671**
	III.	Current financial assets:		
		5. own shares	3,368,943	956,554
		Total III.	**3,368,943**	**956,554**
	IV.	Liquid funds:		
		1. cash at banks and post offices	1.959,129	2,590,462
		2. cheques	83,953	66,432
		3. cash and equivalents on hand	54,487	72,680
		Total IV.	**2,097,569**	**2,729,574**
	TOTAL CURRENT ASSETS (C)		**124,519,843**	**110,846,644**
D.	ACCRUED INCOME AND PREPAYMENTS		**891,793**	**835,634**
TOTAL ASSETS			**198,604,664**	**172,955,202**

BALANCE SHEET - LIABILITIES				31.12.2000	31.12.1999
A)	SHAREHOLDERS' EQUITY:				
	I.	Share capital		12,653,194	12,653,194
	II.	Share premium reserve		18,075,991	18,075,991
	III.	Revaluation reserves		13,023,278	617,584
	IV.	Legal reserve		1,330,109	1,136,762
	V.	Reserve for own shares in portfolio		3,368,943	956,554
	VI.	Statutory reserves		0	0
	VII.	Other reserves:			
		a. undistributed profit		13,321,152	10,246,658
		b. capital grants reserve		205,717	205,717
		total VII.		**13,526,869**	**10,452,375**
	VIII.	Profit carried forward		-3,431,204	3,038,513
	IX.	Net profit for the year		2,896,952	5,115,127
	TOTAL SHAREHOLDERS' EQUITY (A)			**61,444,132**	**52,046,100**
		MINORITY INTERESTS IN CAPITAL AND RESERVES		**7,572,492**	**46,459**
B)	RESERVES FOR CONTINGENCIES AND OTHER CHARGES:				
	1.	pensions and similar commitments		625,040	625,040
	2.	taxation		1,729,761	3,399,541
	3.	other		1,641,603	1,078,472
	TOTAL RESERVES FOR CONTINGENCIES AND OTHER CHARGES (B)			**3,996,404**	**5,103,053**
C)	RESERVE FOR SEVERANCE INDEMNITIES			5,867,864	4,223,498
D)	PAYABLES:				
	3.	banks:			
		a.	due within 12 months	45,559,673	34,609,039
		b.	due beyond 12 months	23,711,536	23,189,918
		Total 3.		**69,271,209**	**57,798,957**
	5.	advances			
		a.	due within 12 months	81,944	134,468
	6.	trade accounts:			
		a.	due within 12 months	40,026,796	46,134,366
	7.	notes payable		0	1,126,399
	8.	subsidiary companies:			
		a.	idue within 12 months	0	0
	9.	associated companies:			
		a.	due within 12 months	5,874	187,089
	10.	parent companies:			
		a.	due within 12 months	0	0
	11.	taxes payable:			
		a.	due within 12 months	2,583,153	1,130,027
		b.	due beyond 12 months	1,939,985	
		Total 11.		**4,523,138**	**1,130,027**
	12.	social security institutions:			
		a. due within 12 months		2,283,031	2,141,980
	13.	other payables:			
		a. due within 12 months		3,310,737	2,560,502
	TOTAL PAYABLES (D)			**119,502,729**	**111,213,788**
E)	ACCRUED LIABILITIES AND DEFERRED INCOME			**221,043**	**322,304**
TOTAL LIABILITIES				**198,604,664**	**172,955,202**

MEMORANDUM ACCOUNTS	31.12.2000	31.12.1999
- Mortgages for loans	18,592,448	18,592,448
- Guarantees given by third parties	903,800	297,823
- Guarantees given to third parties	299,084	0
- Assets held by third parties	390,617	313,200
- Commitments to sell foreign currency	0	0
- Purchasing commitments	2,845,445	725,105
- Assets deposited with third parties	3,286,659	2,258,875
- Trade receivables pledged	15,725,397	14,131,696
- Third party assets	33,614	73,583
- Total	**42,077,064**	**36,392,730**

STATEMENT OF INCOME		2000	1999
A)	PRODUCTION VALUE:		
	1. Revenues from sale of goods and services	174,334,577	126,001,732
	2. Changes in inventories of work-in-progress, semi-finished and finished products	2,691,565	-4,747,779
	4. Additions to fixed assets by internal production	5,843	2,698
	5. Other income:		
	a. other income	1,857,995	1,302,256
	b. operating grants	54,154	0
	TOTAL PRODUCTION VALUE (A)	**178,944,134**	**122,558,907**
B)	PRODUCTION COSTS:		
	6. Raw, ancillary and consumable materials and goods	73,578,601	52,180,923
	7. Services	47,925,588	30,058,819
	8. Use of third party assets	1,015,225	245,143
	9. Labour costs:		
	a. wages and salaries	23,650,617	15,170,138
	b. social security contributions	9,476,420	5,576,700
	c. severance indemnities	1,215,421	991,373
	e. other costs.	23,195	12,675
	Total 9.	**34,365,653**	**21,750,886**
	10. Depreciation, amortisation and writedowns:		
	a. amortisation of intangible fixed assets	3,597,765	1,769,312
	b. depreciation of tangible fixed assets	8,275,834	5,299,917
	c. other writedowns of fixed assets	27,816	7,703
	d. writedown of doubtful accounts included in current assets and of liquid funds	469,571	720,092
	Total 10.	**12,370,986**	**7,797,024**
	11. Changes in inventories of raw, ancillary and consumable materials and goods	-274,569	936,907
	12. Provisions for contingencies and other charges	262,366	173,495
	13. Other provisions	0	0
	14. Other operating expenses	1,682,538	819,871
	TOTAL PRODUCTION COSTS (B)	**170,926,388**	**113,963,068**
	DIFFERENCE BETWEEN PRODUCTION VALUE AND PRODUCTION COSTS (A - B)	**8,017,746**	**8,595,839**
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	104,406	62,930
	d. other than above:		
	d. from third parties	591,925	447,885
	Total 16.	**696,331**	**510,815**

STATEMENT OF INCOME			2000	1999
	17.	Interest and other financial charges:		
		d. from third parties	-3,472,050	-1,976,311
	TOTAL FINANCIAL INCOME AND (CHARGES) (C)		**-2,775,719**	**-1,465,496**
D)	ADJUSTMENTS TO THE VALUE OF FINANCIAL ASSETS:			
	18.	Writeups:		
		a. of equity investments	0	56,214
	19.	Writedowns:		
		a. of equity investments	-9,267	-5,508
		c. of securities booked under current assets not held as equity investments	-196,535	0
		Total 19.	-205,802	-5,508
	TOTAL ADJUSTMENTS TO THE VALUE OF FINANCIAL ASSETS (D)		**-205,802**	**50,706**
E)	NON-RECURRING INCOME AND CHARGES:			
	20.	Non-recurring income:		
		a. gains on disposals	26,387	0
		b. other non-recurring income.	1,507,358	1,345,470
		Total 20.	**1,533,745**	**1,345,470**
	21.	Non-recurring charges:		
		c. other non-recurring charges.	-432,128	-14,464
		Total 21.	**-432,128**	**-14,464**
	TOTAL NON-RECURRING INCOME AND (CHARGES) (E)		**1,101,617**	**1,331,006**
	PROFIT BEFORE TAXES (A-B+/-C+/-D+/-E)		**6,137,842**	**8,512,055**
	22.	Income taxes for the year	-2,781,165	-3,387,465
	26.	**NET PROFIT FOR THE YEAR**	**3,356,677**	**5,124,590**
	LEPEL'S PRE-ACQUISITION PRE-TAX PROFIT		-330.899	0
	(PROFIT) LOSS FOR THE YEAR ATTRIBUTABLE TO MINORITY INTERESTS		-128,826	-9,463
	NET PROFIT FOR THE YEAR ATTRIBUTABLE TO THE GROUP		**2,896,952**	**5,115,127**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000

The consolidated financial statements as of 31 December 2000 of the CSP INTERNATIONAL GROUP, have been drawn up directly in Euro following the early adoption of this currency for accounting purposes as from December 2000, as permitted by the specific provisions related to transition to the Euro

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).
The accounting reference date of the consolidated financial statements, 31 December 2000, 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 2000 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 Committee (IASC), assimilated 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 2000 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 2000 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)	Euro 12,653,194.03	Parent Company	
E.D.I. S.A. (*)	Rue J.P. Saltiel- 02230- Fresnoy Le Grand (F)	F.F. 28,015,274	100%	100%
Le Bourget S.A. (1) (*)	Rue J.P. Saltiel- 02230- Fresnoy Le Grand (F)	F.F 16,604,544	99.996%	99.996%
S.A.R.L. BUC (2) (*)	Rue J.P. Saltiel- 02230- Fresnoy Le Grand (F)	F.F. 60,000	95%	94.996%
SOGED S.A. (2)	Petite Route d'Aubagne, 32 13821 La Penne Sur Huveaune (F)	FF. 6,153,533	99.87%	99.866%
Le Bourget Benelux (2)	Rue Reigersvliet 1040 Bruxelles (B)	F.B. 9,000,000	70.56%	70.557%
Le Bourget (uk) Ltd (2)	8 Canons Road Old Wolverton Milton Keynes MK 12 5TL Buckinghamshire (UK)	£ 150,000	99.99%	99.986%
BO.MO. Srl 3)	Via San Martino 8/12 Fraz. Borgo Poncarale 25020 Poncarale (BS)	Lire 180,000,000	60%	59.998%
Lepel Srl	Via Nuova Ponente, 25/b 41012 Carpi (MO)	Euro 3,848,000	55%	55%
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 28 June 2000, the Parent Company acquired control of Lepel Srl (55% shareholding). These consolidated financial statements include the effects of consolidating this company for the period 1 January 2000 – 31 December 2000: the economic result for the first half of the year has been allocated to the minority shareholder or rather considered in the allocation of the price paid (and in the determination of the consolidation difference). The cost for the acquisition amounted to Euro 11,455 thousand. The additional price paid with respect to the book value of the shareholders' equity at the time of acquisition and inclusion within the scope of consolidation, was allocated (Euro 1,054 thousand) to 'consolidation differences' and amortized from the second half of the year onwards.
Sanpellegrino Polska, the 50% owned subsidiary, is included in the scope of consolidation on a line-by-line basis for the first time in these consolidated financial statements. The change in the consolidation method compared to the previous year, when the company was carried at equity, is justified by the increased volume of activities carried out by the company and by the effective control exercised by the Parent Company. In fact, during the course of the year the subsidiary was essentially run by the Parent Company both with regard to the composition of the Board of Directors (where CSP appoints the majority of members), and in relation to the dependency of the subsidiary on the Company for the definition of investment, production and sales policies.

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 'Consolidation differences', if negative, among the equity accounts as the "Consolidation reserve". Consolidation differences are amortised on a straight-line basis over a period of ten years.
- Minority interests in shareholder's equity and the results for the year are reported separately as "Minority interests in capital and reserves" 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 not belonging to the European Union, are translated into Euro using year-end exchange rates for balance sheet and average exchange rates for statement of income items. 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 under "Retained earnings" as part of consolidated shareholders' equity; the difference between the result expressed at average exchange rates and the result expressed at rates ruling at year end is also booked to "retained earnings". The exchange rates used to translate foreign currency financial statements are as follows:

Currency	Average	Year-end
French Franc	6.55957	6.55957
Pound Sterling	0.6079	0.6241
Polish Zloty	3.8498	4.0055
Belgian Franc	40.3399	40.3399

- 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 recorded at purchase or production cost, including related charges. They are amortised on a systematic 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. Consolidation differences are amortised on a straight-line basis over the expected useful life, which is estimated as ten years.

Tangible fixed assets -- These are recorded 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 may be written back, 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 applying to those assets over the residual useful lives.

Investments in non-consolidated companies -- Minor investments are stated 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 may be written back if, in the future, the bases for the writedown no longer apply.

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

Reserves for contingencies and other charges -- These reserves 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 Group companies, located abroad, are obliged to pay a severance indemnity 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 reserves for contingencies and other charges under 'pensions and similar commitments'.

Reserve for severance indemnities -- The reserve for severance indemnities is provided to cover the liability maturing in respect of employees. It is accrued in accordance with current legislation, collective labour contracts and in-house agreements. The liability is subject to annual revaluations using officially-established indices. The severance indemnity reserve provided for employees of the French affiliated company has been recorded among the liability reserves on the basis of a forecast of the liability which the Group will have to honour with reference to a specific estimate.

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 incurred. **Lease contracts --** Operating assets, acquired under financial lease, are reflected in the consolidated financial statements in accordance with 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 timing 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. Foreign currency receivables and payables are translated using the average exchange rate in the last month of the period (in accordance with article 72 of the Tax Consolidation Act). Net losses arising from this translation are charged to the period's statement of income with the contra-entry being booked to the exchange fluctuation reserve. Any net gains are not recognised.

OTHER INFORMATION

Exceptions allowed under article 2423.4 -- No exceptions have been made in the application of the established accounting principles, as would be permitted in certain circumstances under article 2423.4 of the Italian Civil Code.

The Euro: In December 2000, the entire computer system changed over to the Euro with conversion of the historical archives. Therefore, as from that period the accounts and all other management activities have been prepared in Euro. The financial statements for the period ended 31 December 2000 show the 1999 balances converted into Euro for comparative purposes.

ANALYSIS OF THE CAPTIONS APPEARING IN THE FINANCIAL STATEMENTS
BALANCE SHEET

COMMENTS ON THE PRINCIPAL 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%
- Trademarks	20%
- Consolidation differences	10%
- Deferred operating charges	20%
- Flotation costs	33.33%

"Goodwill" refers to the excess purchase price of Tintoria di Ceresara S.r.l., a company acquired in 1996, compared with its actual value, which was formulated by a third party expert. Amortisation of goodwill, which lasts 5 years, was completed during the period under review.

The balance recorded under the caption "consolidation differences" essentially relates to the acquisition of the E.D.I. Group (Euro 5,885 thousand), Le Bourget (Euro 6,164 thousand) and Lepel (Euro 1,001 thousand). Consolidation differences are amortised on a straight-line basis over their useful life, estimated as ten years.

Consolidation differences, in the year of acquisition of the related companies, are amortised in proportion to the months elapsing between the date of acquisition and the accounting reference date. Concessions, licenses, trademarks and similar rights mainly include the value attributed by the company Lepel Srl to its trademark. During the year, this company took advantage of the possibility under Law 342 of 21 November 2000 to revalue its 'Lepel' trademark by Euro 5,165 thousand. The recording of the revaluation with effect from 1 January 2000 led to a higher amortisation charge for the period of Euro 1,002 thousand. 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 lingerie using the new seamless technology, as well as the revaluation made in accordance with Law 342/00 recorded in the annual financial statements.

The revaluation, made in observance of the maximum limit represented by the market value shown in an independent expert appraisal, concerned only the plant and machinery acquired during the period from 1988 to 1999. This revaluation led to the booking of a higher value for tangible fixed assets of Euro 15,316 thousand.

Moreover, the revaluation recorded in the financial statements of the Parent Company led to an alignment of the net book value of the plant and machinery after the revaluation to its net book value as recorded in the consolidated financial statements, where fixed assets are recorded at a higher value following the reversal of the accelerated depreciation charged in previous years.

Therefore, the transaction in total led to the recording in the consolidated financial statements of a higher value of net tangible fixed assets for a value of Euro 9,483 thousand, a reduction in the reserve for deferred taxation due to accelerated depreciation reabsorbed by the revaluation, which involved charging reserves an amount of Euro 1,108 thousand and out-of-period income of Euro 1,298 thousand, as well as booking to shareholders' equity a net revaluation reserve of Euro 7,680 thousand.

This operation was subject to review by the Board of Statutory Auditors.

Ordinary depreciation has been calculated using rates considered to reflect 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%

The recording of the revaluation led to a higher depreciation charge for the year of around Euro 1.7 million. 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.

B.III- Financial fixed assets

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 2427.5 of the Italian Civil Code for each associated company. The equity investment in Rozal S.a.r.l. has been written down (Euro 9 thousand), since the losses accumulated during the last approved accounting period and the suspension of distribution activities for France, a market on which the Company now distributes its own-brand products by means of the sales organizations of the Le Bourget Group, does not lead us to foresee sufficient profits over the short-term to cover the accumulated losses. The book value, taking into account the writedown, corresponds to that which would have derived from application of the equity method.

The 50% owned subsidiary Sanpellegrino Polska is included in the scope of consolidation on a line-by-line basis for the first time in these consolidated financial statements. The change in the consolidation method with respect to the previous year, when the company was carried at equity, is justified by the effective control undertaken by the Parent Company during the year.

C. CURRENT ASSETS

C.I. Inventories:

Inventories are made up as follows :

	31/12/2000	31/12/1999
Gross value	47,951	40,752
Writedown reserve	(1,786)	(1,861)
Net value	**46,165**	**38,891**

The increase in the value of inventories with respect to the previous year, Lire 7,274 thousand on net sales revenues which have risen by 38%, is essentially explained by the change in the scope of consolidation: in particular, the inventories of Lepel and Sanpellegrino Polska amounted to Euro 5,802 thousand in total. The writedown reserve was determined on a specific basis and takes into account the possibility of utilization of products on alternative markets or their re-processing.
The decrease, even more significant in consideration of the change in the scope of consolidation, reflects the continual improvement of production scheduling and the careful monitoring of stock levels, especially of finished products, and to de-stocking operations carried out during 2000.

C.II.1. Trade accounts

Trade receivables may be analysed as follows:

	31/12/2000	31/12/1999
Trade receivables - Italy	32,090	25,582
Trade receivables - France	14,322	12,274
Trade receivables - abroad	10,951	11,487
Bills subject to collection	13,190	17,659
Customers - invoices to be issued	1,223	839
Credit notes to be issued	(2,781)	(2,508)
Reserve for doubtful accounts	(2,445)	(1,873)
Total	**66,550**	**63,459**

The net increase in receivables appears modest (Euro 3,091 thousand) if we take into account the change in the scope of consolidation. The receivables of Lepel alone, in fact, total Euro 7,790 thousand as of 31 December 2000. Therefore, from an operational point of view, there has been a continual improvement in the management of working capital due to faster collection of receivables and an improvement in customer quality. Furthermore, the level of receivables has been positively influenced by the recovery of sales in Eastern Europe, in particular in Russia, where payment terms essentially coincide with the shipment of the goods.
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 doubtful receivables reserve are as follows:

	Reserve at 1/1/00	Change in scope of consolidation	Utilisation	Provision	Reserve at 31/12/00
Reserve for doubtful receivables	1,931	207	(188)	495	2,445

During the year, the reserve 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. The effect of the change in the scope of consolidation as of 31 December 2000 amounting to Euro 207 thousand, was more or less entirely ascribable to the new subsidiary Lepel.

■ 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

	31/12/2000	31/12/1999
VAT credits	1,510	1,136
Advances on income taxes for the year	2,182	395
Advances to suppliers	323	45
Employees' travel advances	7	6
Deferred tax assets	1,300	1,202
Other current receivables	455	652
Foreign VAT credits	14	22
Total other current receivables	**5,791**	**3,458**
Guarantee deposits	313	302
Total other non-current receivables	**313**	**302**
Total other receivables	**6,104**	**3,760**

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.

The "deferred tax assets" refer to the positive balance of deferred taxation arising on timing 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 2000, the Parent Company owned 752,500 of its own shares, with a par value of Euro 389 thousand, corresponding to 3.071% of the share capital.

During the period under review, 742,000 own shares were purchased and 192,000 were sold, resulting in a net capital gain of Euro 112 thousand.

As of 31 December 2000, a writedown of Euro 197 thousand was also made in order to adjust the value of the shares held in the portfolio to their market value.

The investment of liquidity in own shares was authorised by the ordinary shareholders' meeting held on 27 April 2000, involving a limit of 10% of the share capital of the Parent Company. This authorization is valid until 27 October 2001 and enables transactions with prices ranging between Lire 1,000 Lire and Lire 20,000.

■ C.IV. Liquid funds :

These represent cash on hand and bank current accounts open at 31 December 2000.

■ D. ACCRUED INCOME AND PREPAYMENTS

This caption is comprised as follows :

	31/12/2000	31/12/1999
Prepaid TV commercial	263	503
Prepayments	527	318
Others	102	15
Total	**892**	**836**

The caption prepaid TV commercial refers to the making of the new Sanpellegrino Seamless advertisement by the Parent Company, whose cost pertains to 2001.

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

COMMENTS ON THE PRINCIPAL LIABILITY CAPTIONS

■ A. SHAREHOLDERS' EQUITY

■ A.I. Share capital

The share capital at 31 December 2000, which is fully subscribed and paid-in, comprises 24,500,000 ordinary shares with a par value of Lire 1,000 each, unchanged with respect to the previous year. During the Board Meeting held on 15 May 2001, the conversion of the Parent Company's share capital into Euro was resolved, in compliance with the matters anticipated by article 17 of Legislative Decree 213/1998. Therefore the par value of each share corresponds to Euro 0.52.

■ A.II. Share premium reserve

The share premium reserve refers to the increase in share capital carried out in 1997 when the Parent Company was floated on the screen-traded market of the Italian Stock Exchange.

■ A.III. Revaluation reserves :

These reserves are broken down as follows

	31/12/2000	31/12/1999
Revaluation Law 596/75	32	32
Revaluation Law 72/83	192	192
Revaluation Law 413/91	393	393
Revaluation Law 320/00	12,406	0
Total	**13,023**	**617**

During the year, certain Group companies took advantage of the chance to revalue company assets (Law 342 of 21 November 2000), as more fully specified in the commentary on tangible fixed assets in this document. No provision has been made for taxation on these revaluation reserves, which are not subject to equalization tax, since the companies do not intend to distribute dividends or carry out any other transactions which would result in their taxation..

The effects of the revaluations have been described in the commentary accompanying fixed assets.

■ A.IX. Net profit for the year :

This caption refers to the net profit for the 2000 financial year

■ Reconciliation between statutory and consolidated balances :

A reconciliation between the net profit and shareholders' equity recorded in the statutory financial statements of the Parent Company CSP INTERNATIONAL INDUSTRIA CALZE SPA and the corresponding consolidated amounts is presented below in thousands of Euro

Description	Net profit 2000	Shareholders 'equity at 31.12.2000	Net profit 1999	Shareholders 'equity at 31.12.1999
As per the financial statements of the Parent Company	2,946	61,233	3,225	47,118
Increase (Decrease)				
Difference between the 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 consolidation differences	729	897	218	300
Effect of initial consolidation of investments	70	(2,771)	0	0
Elimination of intercompany dividends	(2,841)	0	0	0
Elimination of adjustments of a fiscal nature (accelerated depreciation), net of the related tax effect	2,727	2,364	1,467	4,357
Other consolidation adjustments	(734)	(279)	205	271
As per the consolidated financial statements	2,897	61,444	5,115	52,046

B. RESERVES FOR CONTINGENCIES AND OTHER CHARGES:

Changes in this item are set out below :

	01/01/2000	Changes in the scope of consolidation	Provisions	Utilisation	31/12/2000
Reserve for pensions and similar commitments	625	0	0	0	625
Taxation reserve	3,400	23	1,022	(2,715)	1,730
Other:					
- Exchange fluctuation reserve	0	0	45	0	45
- Reserve for future contingencies	230	36	352	(19)	600
- Reserve for returns	146	0	66	(146)	66
- Euro reserve	2	0	0	(2)	0
- Re-organisation reserve.	22	0	0	(5)	17
- Rehabilitation reserve	0	30	98	(50)	78
- Agents' supplementary indemnity reserve	678	136	217	(195)	836
Total other	**1,078**	**202**	**778**	**(417)**	**1,641**
Total	**5,103**	**225**	**1,800**	**(3,132)**	**3,996**

The reserve for pensions and similar commitments includes the liability estimated in relation to indemnities which certain Group companies are obliged to pay employees in the event of termination of employment due to retirement. The size 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 Euro 1,143 thousand. The directors believe the reserve reflected in the financial statements to be adequate.

The taxation reserve 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 decrease is mainly attributable to the effects of the revaluation made by the Parent Company which has been described in the commentary accompanying fixed assets.

In addition, a contingency reserve amounting to Euro 352 thousand has been provided for potential future liabilities which may arise on outstanding legal disputes.

The agents' supplementary indemnity has been accrued in accordance with current legislation and the collective labour contract.

C. RESERVE FOR SEVERANCE INDEMNITIES :

Movements during the year have been as follows

	01/01/00	Change in the scope of consolidation	Utilisation	Provisions	31/12/00
Severance indemnity.	4,224	1,125	(691)	1,210	**5,868**

The amount of Euro 1,125 thousand refers to the severance indemnity at the beginning of the year of Lepel.

D. PAYABLES

D.3. Banks:

Indebtedness to banks amounts to Euro 69,271 thousand. The change, compared to 31 December 1999, totals Euro 11,472 thousand and is essentially attributable to the increase in short-term indebtedness linked to the financing of the purchase of Lepel, the loan granted to the French subsidiary and the purchase of own shares. 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, attached to these explanatory notes.

The due dates of the loans are set out below:

	During 2001	Within 5 years	Beyond 5 years	Total
Loans	11,982	22,762	949	**35,693**

Three new unsecured loans, totalling Euro 12,655 thousand were raised during 2000. They all bear market rates.
Mortgage guarantees have been given as security against certain loans stipulated in previous years. These guarantees are dealt with in greater detail in the section on memorandum accounts.
During 1995, Le Bourget launched a re-organisation plan, leading to an agreement for the restructuring of its debt with its main banking creditors. The related agreement included a 'retour a meilleur fortune' (return to better fortunes) 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. As of 31 December, the conditions for recording a liability in favour of these finance institutions did not exist. Furthermore, guarantees on property and machines have been given in respect of certain of these restructured loans.
As of 31 December 2000, there were no forward currency hedging transactions or transactions in financial derivatives.

D.6 Trade accounts :
This item has decreased by Euro 6,108 thousand, mainly as a result of variations in the timing of capital investments.

D.11 Taxes payable :
Taxes payable are made up as follows:

	31/12/2000	31/12/1999
Tax liability	3,724	622
Withholding taxes on payments to consultants/agents	104	41
Withholding on wages and salaries	695	467
Total	**4,523**	**1,130**

Tax liabilities mainly concern the substitute tax on revaluations (Law 342/00); the non-current portion of this liability amounts to Euro 1,94c thousand.
The caption also includes the liability for current taxation relating to the consolidated companies.

■ D.12. Payables to social security institutions :
These include the following items:

	31/12/2000	31/12/1999
Social security institutions	2,208	2,099
Agents' social security (Enasarco)	47	10
Agents' social security (F.I.R.R.)	28	33
Total	**2,283**	**2,142**

■ D.13 Other payables :
These comprise :

	31/12/2000	31/12/1999
Payable to employees	2,359	2,016
Other payables	952	545
Total	**3,311**	**2,561**

■ E. ACCRUED LIABILITIES AND DEFERRED INCOME :
This caption mainly refers to accrued bank interest payable.

MEMORANDUM ACCOUNTS

Mortgages for loans -- These are mortgages on company assets in guarantee of loans granted by banks, whose residual value amounts to Euro 2,427 thousand.

Guarantees received from third parties-- This caption relates to guarantees received from third parties in relation to acquisitions of subsidiary companies.

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

Assets held by third parties -- These mainly relate to portable computers and printers on loan to agents.

Purchasing commitments -- At 31 December 2000, there are commitments based on signed contracts for the purchase of tangible fixed assets amounting to Euro 2,845 thousand.

These commitments refer to plant enhancements and the purchase of new machines, mainly used for the production of lingerie using the new seamless technology, Euro 2,313 thousand, while the remaining balance refers to software purchases.

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

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

STATEMENT OF INCOME

COMMENTS ON THE PRINCIPAL STATEMENT OF INCOME CAPTIONS:

As already stated, the consolidated statement of income includes the costs and revenues of the Parent Company for the entire accounting period. The results for the first six months of Lepel have been take into consideration within the shareholders' equity as of 30 June 2000 for the purpose of determining 'Consolidation differences. For a more detailed analysis of the statement of income and the events which have influenced the performance of operations during 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:

	2000	1999
- Italy:		
- stockings	55,022	63,292
- foundation garments	26,427	0
- woven products	5,155	7,647
- raw materials/other	1,029	258
- France:		
- stockings	38,086	13,433
- foundation garments	0	0
- woven products	0	0
- other	222	47
- Western Europe		
- stockings	19,521	23,320
- foundation garments	33	0
- woven products	20	0
- other	241	280
- Eastern Europe		
- stockings	25,535	14,131
- foundation garments	21	0
- woven products	2	0
- other	68	1,156
- Non-European countries		
- stockings	2,898	2,408
- foundation garments	47	0
- woven products	0	0
- other	8	30
Total	**174,335**	**126,002**

The change in the scope of consolidation, with the consequent inclusion of the financial statements of Lepel and Sanpellegrino Polska, led to an increase in revenues from sales and services of Euro 30,479 thousand, mainly attributable to sales of foundation garments.
Revenues for sales of stockings in Italy have been influenced by the matter of reinvoicing to large-scale retailers. This operation, representing Euro 8,431 thousand, involves the Parent Company repurchasing stockings sold to some dealers with their subsequent resale to large-scale retailers. Sales of woven products, amounting to Euro 5,155 thousand, consist of sales of raw materials to sub-contractors, who in turn reinvoice them together with the cost of the work performed.
Revenues are shown net of returns, discounts and allowances.
Net sales of stocking amounted to Euro 141,062 thousand.

A.5.a. Other income:

This caption is made up as follows :

	2000	1999
Transport & production expenses reinvoiced to customers	213	262
Advertising	180	258
Expenses reinvoiced to customers	47	61
Royalty income	732	424
Gains on disposal of assets	252	42
Out-of-period income for taxes	431	88
Other	3	167
Total	**1,858**	**1,302**

B. PRODUCTION COSTS

This caption comprises:

	2000	1999
Raw materials	63,048	44,349
Packaging and consumable materials	10,531	7,832
Total	**73,579**	**52,181**

■ **B.7. Services:**

This caption is made up as follows:

	2000	1999
- Outside contractors	10,871	7,139
- Advertising	17,520	10,533
- Agents	3,897	2,740
- Transportation	3,154	2,201
- Power and heating	3,194	2,005
- Directors’ emoluments	1,141	517
- Statutory Auditors’ emoluments	70	37
- Maintenance	2,142	1,299
- Heating	1,095	840
- Insurance	652	340
- General and commercial advice	1,147	894
- Travel	844	356
- Postage	470	238
- Other transport costs	255	165
- Legal	66	39
- Commercial information and communications costs	368	101
- Bank charges	266	227
- Other	774	388
Total	**47,926**	**30,059**

In compliance with the provisions of article 38.1 letter o) of Decree Law 127/91, the total amount of remuneration owing to the directors and statutory auditors of the Parent Company in relation to offices held in all the consolidated companies, came to Euro 524 thousand and Euro 32 thousand respectively.

B.9. Labour costs:

This caption includes all the costs incurred on an on-going basis which directly concern employees in 2000. 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:

	01/01/00	Change in scope of consolidation	New recruits	Leavers	31/12/00	Average
- Managers	8	3	6	0	17	13
- Supervisors	58	0	2	(11)	49	54
- Office staff	315	37	56	(43)	365	340
- Workers	824	295	146	(194)	1,071	948
Total	**1,205**	**335**	**210**	**(248)**	**1,502**	**1,355**

The new recruits and leavers categories also include internal promotions. With regard to the caption 'change in the scope of consolidation', the information refers to the consolidation of Lepel and S.P. Polska, which took place for the first time this year.

■ B.10. Depreciation, amortisation and writedowns

These comprise:

■ a. amortisation of intangible fixed assets

	2000	1999
- Software	676	448
- Goodwill	359	217
- Deferred charges	73	58
- Flotation costs	0	697
- Consolidation differences	1,477	330
- Trademark	1,002	0
- Other	11	19
Total	**3,598**	**1,769**

■ b. Depreciation of tangible fixed assets

	2000	1999
- Buildings	973	533
- Light constructions	53	3
- Plant/machinery	5,865	3,820
- Equipment	538	266
- Furniture, mechanical equipment	171	99
- Electronic office machines	361	224
- Cars	161	141
- Vehicles	103	122
- Assets worth under 1 million	51	92
Total	**8,276**	**5,300**

■ d. Writedown of doubtful accounts included in current assets :

The caption "Writedown of doubtful accounts 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 reserve for doubtful accounts.

■ B.12. Provisions for contingencies and other charges :

This caption mainly relates to the provision for contingencies and to charges for the agents' supplementary indemnity maturing in the year and the provision of Euro 165 thousand for contingencies linked to potential future liabilities arising as a result of current legal disputes.

■ B.14. Other operating expenses:

This item is comprised as follows:

	2000	1999
- Entertaining	140	192
- Membership fees	131	69
- Stationery & other materials	240	134
- Non deductible VAT on gifts	33	24
- Taxes and duties	842	279
- Losses on the sale of assets	64	38
- General expenses	58	40
- Other charges	175	44
Total	**1,683**	**820**

■ C. FINANCIAL INCOME AND CHARGES

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

This caption is analysed as follows :

	2000	1999
- Interest receivable on current accounts	120	21
- Interest receivable from customers	51	113
- Exchange gains	304	255
- Other interest receivable	107	58
- Discounts & positive roundings	10	1
Total	**592**	**448**

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

	2000	1999
- Interest payable on current accounts	283	288
- Interest payable on borrowings	700	440
- Interest payable on loans	1,654	989
- Other interest and charges payable	701	197
- Provision to exchange fluctuation reserve	7	0
- Exchange losses	127	62
Totale	**3,472**	**1,976**

■ E. NON-RECURRING INCOME AND CHARGES

■ E.20.b Other non-recurring income:

This caption essentially comprises the amount (Euro 1,298 thousand) concerning the reversal of deferred taxation linked to accelerated depreciation absorbed by the revaluation under Law 342/2000.

■ E.21.c Other non-recurring charges:

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

■ E.22 Income taxes for the year:

The caption comprises the current and deferred taxation of the Group companies and deferred taxes provided on consolidation adjustments.

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 afore-said accumulated losses. No deferred tax assets have been provided for prudent reasons on the above-mentioned accumulated losses. The combination of all these effects has produced a tax rate of 46%.

Ceresara, Italy, 15 May 2001

The Board of Directors

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 2000
2. -Schedule of movements in tangible fixed assets for the year ended 31 December 2000
3. -3a) Schedule of movements in financial fixed assets for the year ended 31 December 2000
   -3b) List of equity investments in accordance with article 2427.5 of the Italian Civil Code
4. -Schedule of changes in shareholders' equity for the year ended 31 December 2000
5. -Cash flow statement for the year ended 31 December 2000

Attachment 1

Schedule of movements in intangible fixed assets for the year ended 31 December 2000 (in thousands of Euro)

Description	Historical cost	Amortisation at 31.12.99	Writedowns at 31.12.99	Net book value at 31.12.99	Net value 01.01.00 (a)	Net value 2000	Revaluations 2000	Reclassifications 2000	Amortisation 2000	Net book value at 31.12.2000
Industrial patents and intellectual property rights										
-Software	2,440	-1,970	0	470	41	1,079	0	-3	-675	912
Concessions, licences, trade marks & similar rights										
-CSP trade mark	283	-170	0	113	0	57	5,165	-1	-1,067	4,267
Goodwill	847	-677	0	170	0	0	0	0	-170	0
Consolidation difference	15,114	-1,130	0	13,984	0	1,606	0	-1	-1,576	14,013
Other										
-Flotation costs	2,091	-2,091	0	0	0	0	0	0	0	0
-Deferred loan costs	65	-28	0	37	0	0	0	0	-11	26
-Other intangible fixed assets	344	-159	0	185	7	44	0	0	-98	138
Total others	2,500	-2,278	0	222	7	44	0	0	-109	164
Total	**21,184**	**-6,225**	**0**	**14,959**	**48**	**2,786**	**5,165**	**-5**	**-3,597**	**19,356**

(a) Companies consolidated during the year - Change in scope of consolidation

Attachment 2

Schedule of movements in tangible fixed assets for the year ended 31 December 2000

(in thousand of Euro)

	Opening balances				Balances at 01.01.2000 (a)			
Description	Historical cost	Revaluations	Accumulated depreciations at 31.12.99	Net book value at 31.12.99	Historical cost	Revaluations	Accumulated depreciations at 31.12.99	Net book value at 31.12.99
Land & buildings	25,209	630	-6,435	19,404	3,219	1,920	-2,462	2,677
Plant & machinery	42,045	106	-19,622	22,529	3,400	418	-2,894	924
Equipment	14,226	15	-12,843	1,398	272	44	-155	161
Other assets	5,846	22	-4,213	1,655	627	62	-518	171
Construction in prog.	191	0	0	191	0	0	0	0
Total	**87,517**	**773**	**-43,113**	**45,177**	**7,518**	**2,444**	**-6,029**	**3,933**

(a) Companies consolidated during the year - Change on the scope of consolidation

	Movements during the year							Closing balances			
Description	Additions 2000	Additions Revaluations	Disposal 2000	Writedown Revaluations	Reversal depreciation	Reclassification 2000	Depreciation 2000	Historical cost	Revaluations	Acc. depreciations at 31.12.2000	Net book value at 31.12.2000
Land & buildings	47	0	-758	0	-377	5	-848	27,722	2,550	-9,368	20,904
Plant & machinery	2,357	15,316	-931	-30	-845	-5,839	-6,041	41,032	15,810	-27,712	29,130
Equipment	187	0	-452	0	-452	0	-557	14,233	59	-13,103	1,189
Other assets	609	0	-315	-1	-297	0	-830	6,767	83	-5,264	1,586
Construction in prog.	391	0	0	0	0	-5	0	577	0	0	577
Total	**3,591**	**15,316**	**-2,456**	**-31**	**-1,971**	**-5,839**	**-8,276**	**90,331**	**18,502**	**-55,447**	**53.386**

Attachment 3a

SCHEDULE OF MOVEMENTS IN FINANCIAL FIXED ASSETS FOR THE YEAR ENDED 31 DECEMBER 2000

(IN THOUSANDS OF EURO)

	OPENING BALANCE				MOVEMENTS DURING THE YEAR					CLOSING BALANCE	
DESCRIPTION	ORIGINAL COST	REVALUATION	WRITEDOWNS	BALANCE AT 31.12.99	INCREASES	RECLASSIFICATIONS	(*) DECREASES	REVALUATIONS	WRITEDOWNS	BALANCE AT 31.12.2000	OF WHICH REVALUED
EQUITY INVESTMENTS											
ASSOCIATED COMPANIES											
ROZAL SARL - PARIS (F) Rue Turbigo, 30	9			9					(9)		
CSP HOSIERY (UK) LTD - LONDON (UK) Action Park, 28	3		(3)								
SANPELLEGRINO POLSKA Sp.Z.o.o. Ul.Lodzka, 27-KONSTANTYNOW (LODZ) (PL)	791	56	(112)	735			(735)				
TOTAL ASSOCIATED COMPANIES	**803**	**56**	**(115)**	**744**	**0**	**0**	**(735)**	**0**	**(9)**	**0**	**0**
OTHER COMPANIES	16			16					(3)	13	
TOTAL OTHER EQUITY INVESTMENTS	**16**	**0**	**0**	**16**	**0**	**0**	**0**	**0**	**(3)**	**13**	**0**
TOTAL EQUITY INVESTMENTS	**819**	**56**	**(115)**	**760**	**0**	**0**	**(735)**	**0**	**(12)**	**13**	**0**
FINANCIAL RECEIVABLES											
SUBSIDIARY COMPANIES											
BENETTON LEGS loan				1						1	
TOTAL RECEIVABLES FROM SUBSIDIARIES	**0**	**0**	**0**	**1**	**0**	**0**	**0**	**0**	**0**	**1**	**0**
ASSOCIATED COMPANIES											
Finanz. ROZAL SARL				31						31	
Finanz. CSP HOSIERY (UK) LTD				33						33	
TOTAL RECEIVABLES FROM ASSOCIATES	**0**	**0**	**0**	**64**	**0**	**0**	**0**	**0**	**0**	**64**	**0**
TOTAL RECEIVABLES	**0**	**0**	**0**	**65**	**0**	**0**	**0**	**0**	**0**	**65**	**0**

(*) the company Sanpellegrino Polska has been consolidated on a line-by-line basis as from the year 2000. The effects on the caption 'Equity investments' have been included under the column 'Decreases'

Attachment 3b

LIST OF EQUITY INVESTMENTS IN ASSOCIATED COMPANIES AT 31 DECEMBER 2000 (IN ACCORDANCE WITH ARTICLE 2427.5 OF THE ITALIAN CIVIL CODE)

(in thousands of Euro)

NAME	SHARE CAPITAL IN LOCAL CURRENCY	SHAREHOLDERS' EQUITY Euro/000	PROFIT OR LOSS	STAKE HOLDING %	INTEREST IN SHAREHOLDERS' EQUITY Euro/000	INTEREST IN PROFIT/LOSS Euro/000	BOOK VALUE	DIFFERENCE BETWEEN BOOK VALUE AND INTEREST IN SHAREHOLDERS' EQUITY
EQUITY INVESTMENTS								
ASSOCIATED COMPANIES								
ROZAL SARL - PARIS (F) Rue Turbigo, 30	F.F 300,000	* (100)	(179)	20	(20)	(36)	0	(20)
CSP HOSIERY (UK) LTD - LONDON (UK) Acton Park, 28	LGS 10,000	** (383)	(257)	20	(77)	(51)	0	(77)

NOTE:

* **as per the financial statements at 30 June 2000**
(the value of the equity investments as of 31.12.2000 has been written downs as more fully described in the explanatory notes)

** **as per financial statements at 31 March 1999, translated at exchange rates ruling on that date**

Attachment 4

SCHEDULE OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2000
(in thousands of Euro)

Description	Share capital	Share premium reserve	Reserve for own share	Revaluation reserves	Legal reserve	Other reserves	Net profit (loss) for the year	Total shareholders' equity
Balances at 01.01.2000	**12,654**	**18,076**	**956**	**618**	**1,137**	**13,491**	**5,115**	**52,047**
Allocation of 1999 net profit (General meeting of 27 April 2000)								
- 5% allocation to legal reserve					161		- 161	0
- Dividends distributed							- 1,237	- 1,237
- Dividends on own shares held in portfolio						28	-28	0
- Profits carried foward						3,689	- 3,689	0
Increase in reserve for own shares			2,413			- 2,413		0
Increase in revaluation reserve low 342/2000				12,406		- 4,726		7,680
Other changes					32	25		57
Net profit for the year							2,897	2,897
Balances at 31.12.2000	**12,654**	**18,076**	**3,369**	**13,024**	**1,330**	**10,094**	**2,897**	**61,444**

Attachment 5

CONSOLIDATED CASH FLOW STATEMENT
for the years ended 31 December 2000 and 1999
(in thousands of Euro)

			31.12.2000		31.12.1999
A.	**OPENING NET DEBT**		**-31,879**		**-35,888**
B.	**CASH FLOWS FROM (FOR) OPERATING ACTIVITIES**				
	Net profit for the year		2,897		5,115
	Depreciation, amortization and writedowns		11,228		7,069
	Net change in severance indemnities for employees and agents		695		638
	Net change in reserves for contingencies and other charges		-378		853
	Writedown of equity investments		9		0
	Cash flows from operating activities before changes in working capital		**14,451**		**13,675**
	(Increase) decrease in trade receivables		12,182		1,748
	(Increase) decrease in inventories		-3,141		5,737
	Increase (decrease) in trade and other payables		-10,634		5,014
	Changes in other working capital items		-4,467		1,866
			8,391		**28,040**
C.	**CASH FLOWS FROM (FOR) INVESTMENT ACTIVITIES**				
	(Purchase) disposal of fixed assets:				
	Intangible		-1,744		- 489
	Tangible		-4,853		- 5,121
	Financial		784		28
	Effect of consolidating newly acquired companies:				
	- Assets and liabilities acquired:				
	- - debt at acquisition date	0		17,944	
	- - fixed assets	- 6,807		-5,133	
	- - current assets	- 21,754		-26,288	
	- - trade payables and other current liabilities	9,649		13,648	
	- Goodwill booked as a consolidation difference	-1,054		-13,218	
	- Minority interests in the companies acquired	8,511		0	
	Total		**-11,455**		**-13,047**
			-17,268		**-18,629**
D.	**CASH FLOWS FROM (FOR) FINANCING ACTIVITIES**				
	New borrowings net of the current portion of loans transferred to current payables		522		6,104
	Dividends paid		-1,237		- 630
	Other changes in shareholders' equity, mainly substitute tax and minority interests		-3,838		- 211
			-4,553		**5,263**
E.	**TOTAL CASH FLOWS FOR THE YEAR (B+C+D)**		**-13,430**		**14,674**
F.	Net liquidity (debt) of purchased companies at the acquisition date		1,848		- 10,665
G.	**CLOSING NET DEBT (A+E+F)**		**-43,461**		**-31,879**

REPORT OF THE BOARD OF STATUTORY AUDITORS

REPORT OF THE BOARD OF STATUTORY AUDITORS ON THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2000

Shareholders,
The consolidated financial statements as at 31 December 2000 have been prepared in compliance with current law.
The directors' report on operations explains the events involving the Group, satisfying the legal requirement to be consistent with the consolidated financial statements.
The notes to the financial statements describe the accounting principles and policies adopted for their preparation, with particular reference to the principles and scope of consolidation and the financial statements used in them.
The Statutory Auditors agree with the principles and policies indicated in the notes and adopted to define the scope of consolidation and the valuation of the various captions. The Statutory Auditors therefore AFFIRM that the consolidated financial statements have been properly prepared and that they correspond to the accounting records of the Parent Company and information submitted by Group companies.
The consolidated financial statements are audited by Arthur Andersen S.p.A.

Ceresara - Mantua, Italy, 28 May 2001

The Statutory Auditors:

Vanna Stracciari
Marco Montesano
Luca Savoia

REPORT OF INDIPENDENT AUDITORS

ARTHUR ANDERSEN

Arthur Andersen SpA
Via Albere 19
37138 Verona

(Translation from the original issued in Italian)

Report of the Independent Auditors pursuant to art. 156 of Legislative Decree no. 58 of February 24, 1998

To the Shareholders of
CSP International Industria Calze S.p.A.,

We have audited the financial statements of CSP International Industria Calze S.p.A. and subsidiaries as of and for the year ended December 31, 2000. These consolidated financial statements are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in Italy as recommended by the Italian Regulatory Commission for Companies and the Stock Exchange ("Consob"). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and are, as a whole, reliable. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the adequacy and the fairness of the accounting principles used and the reasonableness of the estimates made by the Directors. We believe that our audit provides a reasonable basis for our opinion.

For our opinion on the prior year's consolidated financial statements, which are presented for comparative purposes as required by law, reference should be made to our auditors' report dated April 6, 2000.

In our opinion, the consolidated financial statements of CSP International Industria Calze S.p.A. and subsidiaries as of and for the year ended December 31, 2000, comply with the Italian statutory provisions related to consolidated financial statements; therefore, they give a true and fair view of the financial position and results of operations of the Group.

For a better understanding of the financial statements, we wish to draw your attention on the following information described in detail in the notes to the consolidated financial statements:

a. Intangible and tangible assets reflected in the financial statements as of December 31, 2000, include the effects of the restatement recorded by some Italian companies on the basis of the provisions of the Law n. 342 of November 21, 2000, for an amount of Euro 12,509 thousands. More specifically, plants and machinery have been restated by Euro 9,483 thousands and trademarks have been restated by Euro 3,026 thousands. The mentioned values represent the excess of the revaluation booked in the financial statements of each entity compared to the corresponding values in the consolidated financial statements, taking into consideration the effects of the offsetting of the accelerated depreciation (plants and machinery) and of the purchase accounting of Lepel acquisition (trademarks). The upward revaluation determined the booking of a revaluation reserve of Euro 6,573 thousands, net of the applicable substitute tax of Euro 3,891 thousands, recorded in the caption tax payable.

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Partita IVA 09869140153
Capitale Sociale Lire 3.000.000.000 i.v.

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Moreover, the revaluation resulted in a reduction of the deferred tax liabilities, previously booked on the accelerated depreciation offset, of Euro 2,406 thousands, of which Euro 1,298 thousands credited to the consolidated income statement as extraordinary item and Euro 1,108 thousands credited to net equity.

The revaluation determined an increase of the depreciation and amortization charged to the consolidated income statement of the year ended December 31, 2000, by Euro 2.7 millions.

b. In June 2000 the Company acquired the 55% of the share capital of Lepel S.r.l. The excess of the purchase price compared to the pro-quota Shareholders' equity of the acquired company at the time of the acquisition, amounting to Euro 3,193 thousands, has been allocated on trademarks for Euro 2,139 thousands and on "difference arising on consolidation" for the residual Euro 1,054 thousands, depreciated starting from the second half-year on the basis of a useful life estimated by the Directors in a ten years period.

Verona, Italy
May 16, 2001

Arthur Andersen SpA

Giancarlo De Marchi - Partner