QUARTERLY REPORT
AT
31 DECEMBER 2001

CSP GROUP

CSP INTERNATIONAL INDUSTRIA CALZE S.p.A.
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CORPORATE BODIES

Board of Directors

Chairman	Enzo	BERTONI (*)
Managing Director	Francesco	BERTONI (*)
Directors	Massimo	ARMANINI
	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

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

DIRECTORS' REPORT ON OPERATIONS

The report on the financial statements for the 4th quarter of 2001 is prepared in euro.

During the period from October to December 2001, the CSP Group improved its results considerably compared with the same period of the previous year, growing in terms of both net sales and profitability.
The scope of consolidation includes CSP International (Parent Company), Le Bourget, Lepel and Sanpellegrino Polska.
The Group's reference markets confirm the trends that were already seen during the course of the year: growth in the lingerie market (foundation garments and briefs) and a contraction in the stocking market, tights in particular; the one exception in Italy is the growth in the Mass Retailing channel.
We would remind you that since June 2001 the Parent Company controls 100% of Lepel, Italy's leading company in the lingerie market, foundation garments to be precise, which are distributed through the Mass Retailing and Wholesale channels.

The Group's financial results during the quarter were mainly achieved thanks to the following situations:

- rapid progress in the diversification in the field of seamless lingerie, which allowed the Parent Company to offset the contraction in the tights segment caused by the general trend in the market. Today, seamless products represent 15% of net sales for the year;
- the growth of Le Bourget, the French subsidiary, leading to a substantial increase in the market share in hosiery, which still represents 98% of the business;
- the significant turn-around of the newly acquired Lepel, thanks to the launch of new product lines.

Thanks to this positive trend in the fourth quarter, the Group closes 2001 with a 1,9% increase in consolidated net sales. At an individual company level, prior to intercompany eliminations, the sales results are as follows:

- Parent company +13% (after 3 years without growth);
- Le Bourget: +11%;
- Lepel: -14.6%, an improvement, as expected, on the -19.6% at 30.09.01;
- Sanpellegrino Polska: + 51.4%.

Profit for the quarter more than doubled compared with the same period in 2000, thanks to the positive trend in normal operations; as regards the whole of the year, the bottom line was penalised by the increase in financial charges and by the writedown on own shares in portfolio, as well as by the impact of the change in the way our mass retailing distribution is organised (from "indirect" to "direct" from 1 January 2001, as explained in the notes to the financial statements.

1. Key figures

The key figures in 2001 are the following:

- net sales for € 163.35 million, with an increase of 1.9%
- depreciation and amortisation of € 12.05 million.
- a pre-tax result, before minority interests, of € 2.23 million.

2. The statement of income

A detailed analysis of the balance sheet and statement of income figures is given in the notes attached to the financial statements. In this report we will only highlight certain key aspects, comparing them with the same period in 2000:

- net sales of € 163.35 million, compared with € 160.34 million. As at 31 December 2001, the percentage of net sales by the main brands is as follows:
    - Sanpellegrino 37.93%
    - Le Bourget 17.24%
    - Oroblù 15.43%
    - Lepel 11.85%
- manufacturing labour cost of € 20.67 million, compared with € 20.87 million, around 12,65%;
- depreciation and amortisation of € 12.05 million, compared with € 11.87 million.
- advertising expenditure of € 17.59 million, compared with € 17.12 million, + 2.77% on the same period in 2000:
- financial charges of € 4.22 million, versus € 3.04 million; this increase is mainly due to the financing of the Lepel acquisition;
- a pre-tax result, before minority interests, of € 2.23 million, versus € 6.14 million. This result is affected by the following factors:
    - € 1.2 million of costs for reorganizing the distribution system for mass retailing sales of the Parent Company in Italy;
    - € 2.39 million due to the adjustment of own shares in portfolio to market value.
    - € 1.18 million of higher financial charges.

3. The Balance Sheet

The key figures of the Parent Company, CSP International, as of 31.12.2001, compared with the same period last year, are as follows:

- trade receivables of € 64.56 million, versus € 66.63 million;
- inventories of € 54.13 million versus € 46.17 million;
- short-term debt of € 79.84 million, versus € 67.26 million;
- trade payables of € 38.78 million, versus € 40.02 million;
- shareholders' equity of € 62.29 million, compared with € 61.44 million.

4. CSP International

The key figures in the statement of income of the Parent company, CSP International for 2001, compared with the same period of the previous year, are the following:

- Net sales, gross of eliminations for intercompany transactions, of € 108.41 million versus € 95.98 million in the same period of 2000, an improvement of 13%;
- depreciation and amortisation of € 9.15 million, € 1.28 million of which is accelerated depreciation, versus € 9,94 million;
- advertising expenses of € 8.34 million, compared with € 7.79 million, up 7%, to provide support during the market launch of the new Sanpellegrino and Oroblù brand lingerie lines.
- a pre-tax result of € 0.96 million versus € 4.15 million.

The key figures in the balance sheet of the Parent Company, CSP International, for 2001, compared with the same period last year, are as follows:

- trade receivables of € 35.49 million, versus € 38.38 million;
- inventories of € 36.53 million versus € 31.50 million;
- own shares of € 5.38 million (or 2,131,000 shares, corresponding to 8.7% of share capital), versus € 3.37 million: The Company continued to buy back its own shares, as authorised by the shareholders in a buy-back resolution approved at the meetings held on 27.04.2000 and 17.12.2001, the latter due to expire on 17.06.2003;
- equity investments of € 35.46 million, versus € 22.81 million, an increase of € 12.65 million, following the acquisition of the other 45% of Lepel and the increase in capital by Le Bourget ;

- tangible fixed assets of € 38.92 million, versus € 43.58 million. After the total reorganisation of its production facilities, which entailed considerable technological evolution with the automation of all the phases of production, involving huge investments during the four-year period 1997-2000, the Company is not expected to make further significant capital investments over the coming years;
- short-term debt of € 65.93 million, versus € 50.25 million;
- trade payables of € 29.04 million, versus € 31.67 million;
- shareholders' equity of € 61.00 million, compared with € 61.23 million.

5. Le Bourget

The key figures in the statement of income of Le Bourget for 2001, compared with the same period last year, are as follows:

- net sales of € 48.57 million, versus € 43.77 million, up 11%, all achieved in hosiery, the core business.
- advertising expenditure of € 4.69 million, compared with € 3.81 million
- financial charges of € 0.91 million, versus € 1.03 million;
- pre-tax result of € 1.01 million, which enables the company to close the year with a profit after only two years of management by CSP, against a loss in 2000 of € 1.24 million.

The key figures in the balance sheet of Le Bourget for 2001, compared with the same period last year, are as follows:

- trade receivables of € 20.50 million, versus € 19.53 million;
- inventories of € 11.62 million versus € 9.01 million;
- short-term debt of € 16.52 million, versus € 17.65 million;
- trade payables of € 4.75 million, versus € 4.82 million;
- shareholders' equity of € 3.70 million, compared with € (0.30) million.

6. Lepel

The key figures in Lepel's statement of income for 2001, compared with the same period last year, are as follows:

- net sales of € 22.80 million, versus € 26.70 million in 2000, a decrease of 14.6%, even though the company operates in a growth market (+3% in value during 2000). As forecast, the good result in the fourth quarter allowed us to reduce the shortfall accumulated in the first part of the year. The positive impact of the new initiatives introduced once we had total control of Lepel will only give significant results from the first quarter of 2002;
- depreciation and amortisation of € 1.29 million, versus € 1.32 million.
- advertising expenditure of € 4.44 million, compared with € 5.43 million;
- pre-tax profit of € 0.82 million, versus € 1.25 million.

The key figures in Lepel's balance sheet for 2001, compared with the same period last year, are as follows:

- trade receivables of € 6.72 million, versus € 7.79 million;
- inventories of € 4.04 million versus € 3.91 million;
- cash on hand and banks of € 3.44 million, versus € 0.65 million;
- trade payables of € 3.66 million, versus € 2.92 million;
- shareholders' equity of € 14.79 million, compared with € 13.97 million.

7. Sanpellegrino Polska

The key figures in the statement of income of Sanpellegrino Polska for 2001, compared with the same period last year, are as follows:

- net sales of € 9.27 million, compared with € 6.12 million.
- depreciation and amortisation of € 0.25 million, versus € 0.20 million.
- pre-tax profit of € 0.65 million, versus € 0.14 million.

The key figures in the balance sheet of Sanpellegrino Polska for 2001, compared with the same period last year, are as follows:

- trade receivables of € 1.86 million, versus € 0.98 million;
- inventories of € 2.58 million versus € 1.89 million;
- trade payables of € 1.34 million, versus € 0.55 million;
- shareholders' equity of € 3.18 million, compared with € 2.48 million.

During the course of 2001, the number of machines installed at Sanpellegrino Polska almost doubled: this will allow the Group to benefit from a more favourable labour cost, especially for certain types of processing which require a high degree of manual work.

8. Strategies and prospects for 2002

In 2002, as part of the strategy to transform CSP International from a producer of tights to an innovative firm in the lingerie market, the Group has already got all of its subsidiaries, both in Italy and abroad, involved in a number of projects to improve operational efficiency and raise market share.

More precisely, as regards improving efficiency:

- rationalisation of existing assortments to reduce their complexity, improving stock levels by lowering them;
- better distribution management by outlining new organisations to bring the Company closer to the market, both in traditional and non-traditional sales channels;
- reorganisation of certain activities (e.g. Le Bourget) to improve its internal efficiency and its effectiveness in the marketplace, reducing fixed costs, where possible;
- concentration of investments in communication and promotion on the Group's better-known brands to develop brand synergies.

As regards boosting market share:

- rapid development of diversification into seamless lingerie by expanding the distribution of existing product lines and launching new ones;
- development of traditional lingerie by launching innovative products and reinforcing and revamping brand image;
- introduction of new professional skills that are heavily market and customer service oriented.

The combined impact of the above activities should lead to better net sales and higher profitability.

Ceresara (MN), 14 February 2002

Chairman of the Board of Directors

CSP GROUP

OPERATING REPORT FOR THE FOURTH QUARTER OF 2001

COMMENTS ON THE FINANCIAL STATEMENTS

Introduction

These notes refer to the results of the fourth quarter of 2001 and to the 12-month period from 1 January to 31 December 2001; they have been prepared in accordance with current legislation, providing comparative figures for the same quarter of the previous year, as well as for the whole of 2000.

The accounting and consolidation policies used in preparing these financial statements have been applied consistently with the previous year's consolidated financial sheets as of 31 December 2000, except for the following differences:

INCOME TAXES FOR THE PERIOD: no provisions have been made for either current or deferred income taxes for the individual consolidated companies, as allowed under CONSOB's rules on the preparation of half-yearly reports, which the Company believes also apply to quarterly reports.

These amounts will be determined upon preparation of the financial statements as at 31 December 2001.

This method guarantees consistency in the figures with the consolidated annual report for the previous year, taking into account the above differences in accounting treatment.

Reclassified Consolidated Statement of Income

(figures in thousands of Euro)

	Quarter 01/10 - 31/12 2001 CONSOLIDATED	Quarter 01/10 - 31/12 2000 CONSOLIDATED	Period at 31 Dec. 2001 CONSOLIDATED	Period at 31 Dec. 2000 CONSOLIDATED
Net sales	**49,577**	48,108	**162,540**	159,608
Income from royalties	**262**	212	**807**	732
NET REVENUES	**49,839**	48,320	**163,347**	160,340
COST OF SALES				
Purchases	**14,573**	15,803	**59,754**	58,910
Labour cost	**5,429**	5,649	**20,671**	20,870
Services	**4,044**	2,493	**13,834**	11,452
Depreciation and amortisation	**1,816**	1,598	**7,524**	7,514
Other costs	**2,171**	2,095	**7,569**	6,806
(Increase) decrease in inventories	**3,379**	3,781	**(7,747)**	(2,968)
	31,412	**31,419**	**101,605**	**102,584**
GROSS PROFIT	**18,427**	**16,901**	**61,742**	**57,756**
SELLING, GENERAL AND ADMINISTRATIVE COSTS				
Labour cost	**3,881**	4,163	**14,179**	13,719
Advertising expenses	**4,638**	5,598	**17,593**	17,119
Commissions	**827**	842	**3,169**	3,573
Depreciation and amortisation	**1,217**	907	**4,528**	4,359
Other expenses	**3,939**	3,460	**13,824**	11,571
	14,502	**14,970**	**53,293**	**50,341**
OPERATING PROFIT	**3,925**	**1,931**	**8,449**	**7,415**
Financial charges (income), net	**1,202**	990	**4,224**	3,044
Writedown (writeup) of investments	**54**	44	**0**	9
Other (income) and charges	**168**	(19)	**1,989**	(621)
	1,424	**1,015**	**6,213**	**2,432**
PROFIT (LOSS) BEFORE INCOME TAXES AND EXTRAORDINARY ITEMS	**2,501**	**916**	**2,236**	**4,983**
Extraordinary charges and (income)	**3**	(100)	**4**	(1,156)
PROFIT (LOSS) BEFORE INCOME TAXES	**2,498**	**1,016**	**2,232**	**6,139**
Income taxes (*)	**0**	0	**0**	(2,782)
NET PROFIT (LOSS) FOR THE PERIOD	**2,498**	**1,016**	**2,232**	**3,357**
LEPEL'S PRE-ACQUISITION PROFITS BEFORE TAX	**0**	0	**0**	(331)
Net minority interests	**(75)**	83	**(337)**	(129)
NET PROFIT (LOSS) FOR THE GROUP	**2,423**	**1,099**	**1,895**	**2,897**

(*) the figures at 31 December 2001 do not include income taxes.

Reclassified Consolidated Balance Sheet - Assets

(figures in thousands of Euro)

	31 December 2001 CONSOLIDATED	30 September 2001 CONSOLIDATED	31 December 2000 CONSOLIDATED
CURRENT ASSETS			
Cash and banks	6,358	2,370	2,013
Trade receivables	64,561	58,748	66,633
Due from subsidiary and associated companies	235	235	235
Other receivables	6,315	6,940	5,319
Inventories	54,126	57,245	46,166
Accrued income and prepaid expenses	436	683	892
Own shares	5,379	5,090	3,369
TOTAL CURRENT ASSETS	**137,410**	**131,311**	**124,627**
FIXED ASSETS			
Financial fixed assets:			
Financial receivables	598	629	750
Equity investments	110	110	14
Total financial fixed assets	**708**	**739**	**764**
Tangible fixed assets	49,605	50,618	53,387
Intangible fixed assets	19,714	20,600	19,355
TOTAL FIXED ASSETS	**70,027**	**71,957**	**73,506**
TOTAL ASSETS	**207,437**	**203,268**	**198,133**

Reclassified Consolidated Balance Sheet - Liabilities and shareholders' equity

(figures in thousands of Euro)

	31 December 2001 CONSOLIDATED	30 September 2001 CONSOLIDATED	31 December 2000 CONSOLIDATED
CURRENT LIABILITIES			
Short-term bank borrowings	45,960	55,181	33,448
Current portion of medium / long term debt	16,881	20,085	12,112
Trade payables due to third parties	38,781	35,951	40,027
Due to subsidiary / associated companies	6	6	6
Taxes payable	2,628	2,730	4,052
Other payables	5,274	7,311	5,682
Accrued liabilities and deferred income	562	427	221
TOTAL CURRENT LIABILITIES	**110,092**	**121,691**	**95,548**
MEDIUM/LONG-TERM LIABILITIES			
Medium / long-term debt, net of the current portion	23,357	10,639	23,712
Bills payable	0	0	0
Severance indemnities	6,201	6,010	5,868
Other provisions	3,728	3,662	3,989
TOTAL MEDIUM/LONG-TERM LIABILITIES	**33,286**	**20,311**	**33,569**
TOTAL LIABILITIES	**143,378**	**142,002**	**129,117**
MINORITY INTERESTS IN CAPITAL AND RESERVES	1,765	1,741	7,572
SHAREHOLDERS' EQUITY			
Share capital	12,740	12,740	12,654
Legal reserve	1,365	1,365	1,330
Share premium reserve	18,076	18,076	18,076
Other reserves	28,218	27,872	26,487
Net profit (loss) for the period (*)	1,895	(528)	2,897
TOTAL SHAREHOLDERS' EQUITY	**62,294**	**59,525**	**61,444**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**207,437**	**203,268**	**198,133**

(*) the figures at 31 December 2001 and at 30 September 2001 do not include income taxes.

Comments on the financial statements

1. Introduction

In 2000, the Parent Company and the subsidiary Lepel S.r.l. took advantage of the possibility under Law no. 342 of 21 November 2000 to revalue "Plant and machinery" by a total of 15.32 million euro, and "Concessions, licenses, trade marks and similar rights" by 5.16 million euro. The effects of these revaluations are explained in the consolidated financial statements at 31 December 2000. Given that the new accounting bases for the calculation of depreciation and amortisation were only defined at the time the financial statements as of 31 December 2000 were being prepared, depreciation and amortisation for the whole of 2000 and 2001 are comparable, while those for fourth quarter 2001 are not comparable with those for the same period of 2000, because the latter did not yet reflect the impact of the revaluation.

During the first four months of 2001, the Parent Company has also made a major change to its distribution system, whereby the network of distributors has taken on an important role in the logistics and management of the retail outlets, leaving the Company to handle direct relations with mass retailing chains for all matters concerning contracts and marketing policies.
This will result in more efficient communication to consumers of new initiatives and proposals, as well as better control over the sales side of the business.

2. Analysis of the results for the quarter and the twelve-month period ended 31 December 2001 compared with the same periods of the previous year

The fourth quarter and the whole of 2001 ended with a profit of 2.50 and 2.23 million euro, compared with a profit in the corresponding periods of the previous year of 1.02 and 6.14 million euro.

The profit for the fourth quarter has more than doubled with respect to the same period last year thanks to the positive trend in normal operations; whereas for the entire year, this positive result was penalised by the increase in financial charges and by the writedown of own shares in portfolio, as well as by the effects of the change in the distribution policy mentioned in the introduction.

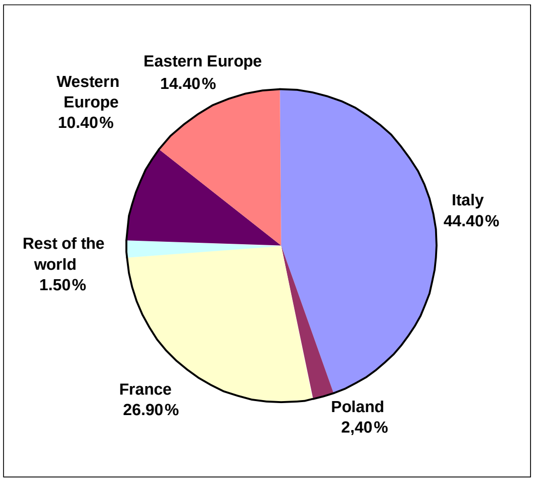
Net sales - net sales for the quarter to 31 December 2001 and for the full year 2001 total 49.84 million euro and 163.35 million euro respectively, which compare with 48.32 million euro and 160.34 million euro for the equivalent periods last year.
Total sales for the period, net of intercompany transactions, increased by 1.9% on the previous year; This resulted from the combined impact of the following aspects relating to the various Group companies:

- the Parent Company's sales increased by 2.6% compared with the same period in 2000, following the positive trend of sales of the new seamless lingerie lines, which offset the contraction in sales of tights, a market that confirmed that it is in a phase of ongoing decline.
- The subsidiary Le Bourget managed to increase its sales by 8.8% thanks to consumers' appreciation of the new collections, as well as the extension of the distribution network. It should also be mentioned that this increase in sales was

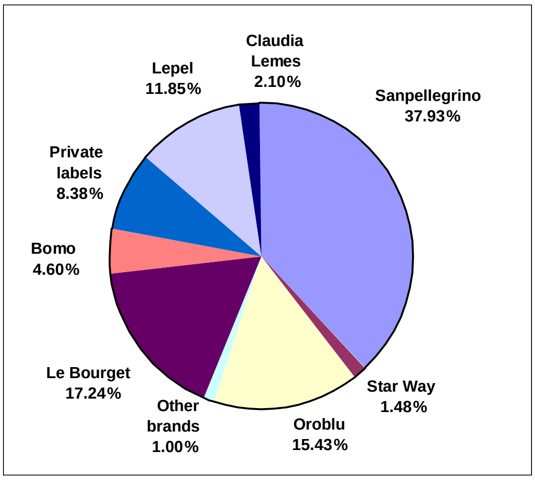
possible thanks to more than 18 million euro of supplies bought from the Parent Company, which replaced the previous third-party suppliers.
- As expected, Lepel managed during fourth quarter to reduce the shortfall in sales accumulated during the first nine months of the year. The projects launched after taking over total control (in June 2001) aim to relaunch the Lepel brand and create synergies with the Group's sales force and are expected to produce significant results from the first quarter of 2002 onwards.
- Sanpellegrino Polska boosted its sales by 22.3%, confirming expectations and strengthening its production function within the Group.

The following charts give a breakdown of Group sales by market and by brand:

Sales breakdown by geographical area



Sales breakdown by brand



Cost of sales - cost of sales in the quarter and twelve-month period ending 31 December 2001 amounts to 31.41 million euro and 101.61 million euro respectively, versus 31.42 million euro and 102.58 million euro in the corresponding periods last year. Cost of sales as a percentage of net sales was 63.98% as of 31 December 2000 compared with 62.20% in the same period in 2001.
This improvement is mainly attributable to higher output volumes which permitted a better absorption of fixed costs.

Gross profit – the gross profit margin for the fourth quarter and the twelve-month period as of 31 December 2001 was 36.97% and 37.80% compared with 34.98% and 36.02% in the corresponding periods of the previous year.
Selling, general and administrative costs – selling, general and administrative costs, totalling 14.50 million euro for the period and 53.29 million euro for the entire year, representing 29.10% and 32.63% of net sales for the period respectively, compared with 30.98% and 31.40% in the corresponding periods of last year.

The increase in the proportion of these costs is mainly due to the cost of merchandising, included under "other expenses" after the change in distribution strategy.

Operating profit – the year to 31 December 2001 closes with an operating profit of 8.45 million euro compared with one of 7.42 million euro the previous year. As a percentage of net sales, operating profit has gone from 4.62% in 2000 to 5.17% in

2001. This result was achieved despite the fact that the first half of the year was penalised by lower margins of around 1.2 million euro following the change in distribution strategy. Net of these factors, operating profit as a percentage of sales would have come to around 6%.

Net financial charges – net financial charges for the period amounted to 4.22 million euro, which is 2.59% of net sales compared with 1.90% the previous year .
This increase is mainly due to the loan to finance the purchase of Lepel.

Other charges, net – other net charges mainly include the effects of the writedown of own shares in portfolio to adjust them to market value, i.e. the average stock exchange price for December 2001.

3. Analysis of the net financial position as at 31 December 2001

The net debt situation at 31 December 2001 amounted to 79.84 million euro, compared with 67.26 million at 31 December 2000. The Group's financial position at that date is analysed as follows (in millions of euro):

	31 December 2001	**31 December 2000**
Short-term bank borrowings	45.96	33.45
Current portion of medium/long-term debt	16.88	12.11
Cash and banks	(6.36)	(2.01)
	----------	----------
Net short-term debt	56.48	43.55
Medium/long-term lending, net of the current portion	23.36	23.71
	---------	---------
Total net debt	79.84	67.26
	=====	=====

Net debt increased with respect to the corresponding period last year mainly because of the loan used to finance the acquisition of a further 45% in Lepel, as well as the increase in inventories due to the higher number of products on offer. In this regard, we should mention that the Group is making a major effort to rationalise stocks with a view to concentrating on its main brands, at the same time simplifying its overall product range. We are convinced that this will enable us to reduce stocks significantly, while still maintaining a high level of customer service.

4. Analysis of the trend in net working capital and free cash flow for the year ended 31 December 2001

Net working capital at 31 December 2001 and 31 December 2000 is analysed in the following table (in millions of euro):

	31 December 2001	31 December 2000
Trade receivables	64.80	66.87
Other receivables, accrued income and prepayments	6.75	6.21
Inventories	54.13	46.17
	----------	----------
	125.68	119.25
Trade payables	(38.79)	(40.03)
Other payables, accrued liabilities and deferred income	(8.46)	(9.96)
	----------	----------
	(47.25)	(49.99)
	----------	----------
Working capital	**78.43**	**69.26**
Net short-term debt	(56.48)	(43.55)
	----------	----------
Net working capital	**21.95**	**25.71**
	=====	=====

Net equity

Shareholders' equity at 31 December 2001, amounting to 62.29 million euro, did not change significantly with respect to 31 December 2000, except for the distribution of dividends by the Parent Company and the current year's result.