SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q
Quarterly Report Under Section 13 or 15(d)
of the Securities Exchange Act of 1934

Quarter Ended April 29, 2000 Commission File Number 0-15898

DESIGNS, INC.
(Exact name of registrant as specified in its charter)

Delaware	04-2623104
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)
66 B Street, Needham, MA	02494
(Address of principal executive offices)	(Zip Code)

(781) 444-7222
(Registrant's telephone number, including area code)

Indicate by "X" whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding as of April 29, 2000
Common	16,441,000

DESIGNS, INC.
CONSOLIDATED BALANCE SHEETS
April 29, 2000, May 1, 1999 and January 29, 2000
(In thousands, except share data)

ASSETS	April 29, 2000 (unaudited)	May 1, 1999 (unaudited)	January 29, 2000
Current assets:			
Cash and cash equivalents	$ -	$ -	$ -
Restricted investment	-	-	2,365
Accounts receivable	27	480	83
Inventories	51,672	52,480	57,022
Income taxes refundable and deferred	1,920	802	1,920
Prepaid expenses	1,153	3,031	1,042

Total current assets	54,772	56,793	62,432
Property and equipment, net of accumulated depreciation and amortization	17,008	17,142	16,737
Other assets:			
Deferred income taxes	15,403	18,456	15,215
Intangible assets, net	-	2,549	-
Other assets	470	877	693
Total assets	$ 87,653	$ 95,817	$ 95,077

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:			
Accounts payable	$ 5,702	$ 7,926	$ 6,801
Accrued expenses and other current liabilities	10,596	6,278	8,324
Accrued rent	2,322	1,990	2,253
Reserve for severance and store closings	2,172	3,598	3,228
Notes payable	15,000	12,829	22,202
Total current liabilities	35,792	32,621	42,808
Stockholders' equity:			
Preferred Stock, $0.01 par value, 1,000,000 shares authorized, none issued			
Common Stock, $0.01 par value, 50,000,000 shares authorized, 16,441,251, 16,217,000 and 16,389,490 shares issued at April 29, 2000, May 1, 1999 and January 29, 2000, respectively	167	162	167
Additional paid-in capital	54,637	53,996	54,571
Retained earnings (deficit)	(1,113)	10,990	(639)
Treasury stock at cost, 286,650 shares	(1,830)	(1,830)	(1,830)
Deferred compensation	-	(122)	-
Total stockholders' equity	51,861	63,196	52,269
Total liabilities and stockholders' equity	$ 87,653	$ 95,817	$ 95,077

The accompanying notes are an integral part of the consolidated financial statements.

DESIGNS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)
(Unaudited)

	Three Months Ended	
	April 29, 2000	May 1, 1999
Sales	$ 39,379	$ 39,835
Cost of goods sold including occupancy	28,727	29,618
Gross profit	10,652	10,217
Expenses:		
Selling, general and administrative	9,745	9,593
Depreciation and amortization	1,269	1,726
Total expenses	11,014	11,319
Operating loss	(362)	(1,102)
Interest expense, net	415	319
Loss before income taxes	(777)	(1,421)
Benefit for income taxes	(303)	(558)
Net Loss	$ (474)	$ (863)
Loss per share- Basic and Diluted	$ (0.03)	$ (0.05)
Weighted average number of common shares outstanding:		
Basic	16,441	15,889
Diluted	16,441	15,889

The accompanying notes are an integral part of the consolidated financial statements.

DESIGNS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Three months ended April 29, 2000	Three months ended May 1, 1999
Cash flows from operating activities:		
Net loss	$ (474)	$ (863)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	1,269	1,726
Deferred income taxes	(187)	114
Issuance of common stock to Board of Directors	66	103
Loss from disposal of property and equipment	-	112
Changes in operating assets and liabilities:		
Accounts receivable	56	(302)
Inventories	5,350	5,445
Prepaid expenses	(111)	(2,120)
Other assets	171	(39)
Reserve for severance and store closings	(1,056)	(774)
Income taxes	(594)	(530)
Accounts payable	(1,099)	(3,273)
Accrued expenses and other current liabilities	2,866	2,327
Accrued rent	69	(25)
Net cash provided by operating activities	6,326	1,901
Cash flows from investing activities:		
Additions to property and equipment	(1,489)	(1,131)
Proceeds from terminated trust (Note 6)	2,365	-
Proceeds from disposal of property and equipment	-	73
Net cash provided by (used for) investing activities	876	(1,058)
Cash flows from financing activities:		
Net borrowings (repayments) under credit facility	(7,202)	(996)
Net cash used for financing activities	(7,202)	(996)
Net decrease in cash and cash equivalents	-	(153)
Cash and cash equivalents:		
Beginning of the year	-	153
End of the period	$ -	$ -

The accompanying notes are an integral part of the consolidated financial statements.

DESIGNS, INC.
Notes to Consolidated Financial Statements

1. Basis of Presentation

In the opinion of management of the Company, the accompanying unaudited consolidated financial statements contain all adjustments necessary for a fair presentation of the interim financial statements. These financial statements do not include all disclosures associated with annual financial statements and, accordingly, should be read in conjunction with the notes to the Company's audited consolidated financial statements for the year ended January 29, 2000 (filed on Form 10-K, as amended, with the Securities and Exchange Commission). The information set forth in these statements may be subject to normal year-end adjustments. The information reflects all adjustments that, in the opinion of management, are necessary to present fairly the Company's results of operations, financial position and cash flows for the periods indicated. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The Company's business historically has been seasonal in nature and the results of the interim periods presented are not necessarily indicative of the results to be expected for the full year.

2. Charge for Store Closings

During the fourth quarter of fiscal 2000, the Company recorded a pre-tax charge of $15.2 million, or $0.59 per share after tax, related to inventory markdowns, the abandonment of the Company's Boston Traders(R) and related trademarks, severance, and the closure of the Company's five Buffalo Jeans (R) Factory Stores and its five remaining Designs stores. This pre-tax charge of $15.2 million included cash costs of approximately $3.6 million related to lease terminations and corporate and store severance, and approximately $11.6 million of non-cash costs related to inventory markdowns and the impairment of trademarks and store assets. At April 29, 2000, the remaining reserve balance related to this $15.2 million charge was $2.5 million, which primarily related to landlord settlements and severance.

3. Boston Trading Ltd., Inc. Litigation

On May 2, 1995, the Company acquired certain assets of Boston Trading Ltd., Inc. In accordance with the terms of the Asset Purchase Agreement dated April 21, 1995, the Company paid $5.4 million in cash, financed by operations, and delivered a non-negotiable promissory note in the original principal amount of $1 million (the "Purchase Note") payable in two equal annual installments through May 2, 1997. In the first quarter of fiscal 1996, the Company asserted rights of indemnification under the Asset Purchase Agreement. In accordance with that Agreement, the Company, when exercising its indemnification rights, has the right, among other courses of action, to offset against the payment of principal and interest due and payable under the Purchase Note, the value of its indemnification claim. Accordingly, based on these indemnification rights, the Company ultimately did not make either of the $500,000 payments of principal due on the Purchase Note on May 2, 1996 and May 2, 1997. Nevertheless, the Company continued to pay interest on the original principal amount of the Purchase Note through May 2, 1996 and continued to pay interest thereafter through November 2, 1997 on $500,000 of principal. In January 1998, Atlantic Harbor, Inc. (formerly known as "Boston Trading Ltd., Inc.") filed a lawsuit against the Company for refusing to pay the purportedly outstanding principal amount of the Purchase Note. Thereafter, the Company filed claims against Atlantic Harbor, Inc. and its stockholders alleging that the Company was damaged in excess of $1 million because of the breach of certain representations and warranties concerning, among other things, the existence and condition of certain foreign trademark registrations and license agreements. Barring unforeseen circumstances, management of the Company does not believe that the result of this litigation will have a material adverse impact on the Company's business or financial condition.

4. Credit Facility

On June 4, 1998 the Company entered into an Amended and Restated Loan and Security Agreement with BankBoston Retail Finance, Inc. (now known as Fleet Retail Finance, Inc.), as agent for the lenders named therein (the "Credit Agreement"). The Credit Agreement, which terminates on June 4, 2001, consists of a revolving line of credit permitting the Company to borrow up to $50 million. Under this credit facility, the Company has the ability to cause the lenders to issue documentary and standby letters of credit up to $5 million. The Company's obligations under the Credit Agreement are secured by a lien on all of the Company's assets. The ability of the Company to borrow under the Credit Agreement is subject to a number of conditions including the accuracy of certain representations and compliance with tangible net worth and fixed charge coverage ratio covenants. The availability of the unused revolving line of credit is limited to specified percentages of the value of the Company's eligible inventory determined under the Credit Agreement, ranging from 60% to 65%. At the option of the Company, borrowings under this facility bear interest at FleetBoston, N.A.'s (formerly known as BankBoston, N.A.) prime rate or at LIBOR-based fixed rates. These interest rates at April 29, 2000 were 9.00% for prime and 8.46% for LIBOR. The Credit Agreement contains certain covenants and events of default customary for credit facilities of this nature, including change of control provisions and limitations on payment of dividends by the Company. The Company is subject to a prepayment penalty of $250,000 if the Credit Agreement terminates prior to May 4, 2001.

In the third quarter of fiscal 1999, the Credit Agreement was amended to, among other things, permit and acknowledge the Company's acquisition of the 25 outlet stores from Levi's Only Stores, Inc. and the transactions associated with the agreement to dissolve and wind up the OLS Partnership. These amendments include an increase in the minimum tangible net worth that the Company must have, which was adjusted to recognize the value of the assets distributed to the Company by the OLS Partnership. Prior to these amendments, the tangible net worth of the OLS Partnership was excluded from the calculation of the Company's tangible net worth for purposes of these financial covenants. Subject to certain limitations and conditions, the Credit Agreement permits the Company, without the prior permission of its lenders, to consummate certain acquisitions and to repurchase shares of the Company's Common Stock. These amendments, among other things, reduced the amount that the Company may expend for such purposes without obtaining the prior permission of its lenders.

On October 14, 1999, the Company was notified that, by virtue of the recent change in the members of the Company's Board of Directors, a "Change in Control" occurred within the meaning of the Credit Agreement, giving rise to an event of default. On October 29, 1999, the lenders, the former BankBoston Retail Finance, Inc. and the Company entered into an amendment to the Credit Agreement. This amendment waives the event of default arising because of the "Change in Control," and includes new events of default for material adverse changes in the Company's financial condition or its business relationship with Levi Strauss & Co. compared to the Company's financial condition and its relationship with Levi Strauss & Co., respectively, as of October 8, 1999. On March 28, 2000, the Credit Agreement was amended to, among other things, exclude certain non-recurring charges and tax valuation reserves from the Company's financial covenants, effective for the fiscal year ending January 29, 2000.

At April 29, 2000, the Company had borrowings of approximately $14.0 million outstanding under this facility and had five outstanding standby letters of credit totaling approximately $4.0 million. Average borrowings outstanding under this credit facility for the first quarter of fiscal 2001 were approximately $17.9 million. The Company was in compliance with all debt covenants under the Credit Agreement at April 29, 2000.

5. Net Loss Per Share

Statement of Financial Accounting Standards No. 128, "Earnings Per Share" requires the computation of basic and diluted earnings per share. Basic earnings per share is computed by dividing net income (loss) by the weighted average number of shares of common stock outstanding during the year. Diluted earnings per share is determined by giving effect to the exercise of stock options using the treasury stock method. The following table provides a reconciliation of the number of shares outstanding for basic and diluted earnings per share.

	For the three months ended	
(In thousands)	April 29, 2000	May 1, 1999
Basic weighted average common shares outstanding	16,441	15,889
Stock options, excluding the effect of anti-dilutive options of 29 shares and 139 shares for April 29, 2000 and May 1, 1999, respectively	--	--
Diluted weighted average shares outstanding	16,441	15,889

Options to purchase shares of the Company's Common Stock of 348,700 and 1,867,832 for April 29, 2000 and May 1, 1999, respectively, were excluded from the computation of diluted EPS because the exercise price of the options was greater than the average market price per share of Common Stock for the periods reported.

6. Restricted Investment

In May 1999, the Company deposited $2.3 million in a trust established for the purpose of securing pre-existing obligations of the Company to certain executives under their respective employment agreements. These funds were being held in a trust to pay the amounts that may become due under their employment agreements and to pay any amounts that may become due to them pursuant to their indemnification agreements and the Company's by-laws. In March 2000, subsequent to the Company's fiscal year-end, the trust was terminated, and accordingly, the funds were no longer restricted. The proceeds from the trust were paid directly to Fleet Boston Retail, Inc. to paydown the outstanding balance on the Company's credit facility with Fleet Boston Retail Finance, Inc.

Part I. Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Results of Operations

Sales

Sales for the first quarter of fiscal 2001 were $39.4 million as compared to sales of $39.8 million in the first quarter of fiscal 2000. Comparable store sales decreased 3 percent for the first quarter of fiscal 2001 as compared with the first quarter of fiscal 2000. Comparable stores are retail locations that have been open at least 13 months. Of the 103 stores that the Company operated at April 29, 2000, 93 were comparable stores.

The decline in total sales of $400,000 or 1.1% for the three months ended April 29, 2000 as compared to the same period in the prior year is due to the comparable store decrease of 3 percent and $4.2 million related to the closed stores in fiscal 2000. This decrease was partially offset by sales generated by new stores of $5.0 million.

Gross Margin

Set forth below are merchandise and gross margin rates and occupancy costs as a percentage of total sales for the first quarter of fiscal 2001 and fiscal 2000.

	Gross Margin Rate		Percentage Change at
	April 29, 2000	May 1, 1999	April 29, 2000
Merchandise Margin	42.0%	41.4%	1.7%
Occupancy Costs	14.9%	15.7%	4.5%
Gross Margin	27.1%	25.7%	5.5%

The 1.4 percentage point increase in gross margin in the first quarter of fiscal 2001 compared to the first quarter of fiscal 2000 is primarily the result of favorable occupancy costs of 0.8 percentage points and an improved merchandise margin of 0.6 percentage points. Merchandise margin was positively impacted by merchandise mix and higher initial margins on selected merchandise

Selling, General and Administrative Expenses

Set forth below is certain information concerning the Company's selling, general and administrative expenses for the first quarter of fiscal 2001 and fiscal 2000.

(In thousands, except percentage data)	April 29, 2000 $	% of sales	May 1, 1999 $	% of sales
Selling, General and Administrative	$9,745	24.7%	$ 9,593	24.1%

Store payroll expense, the largest component of selling, general and administrative expenses, was 11.9 percent of sales, compared with 11.7 percent of sales in the prior year. Selling, general and administrative expenses were slightly higher than the prior year due to increased promotional expenses such as advertising and sales incentives for sales associates and higher insurance costs. These expenses were offset by continued cost reductions in corporate overhead.

Depreciation and Amortization

Set forth below are depreciation and amortization expenses for the Company for the first quarter of fiscal 2001 and fiscal 2000.

(In thousands, except percentage data)	April 29, 2000	May 1, 1999	Percentage Change at April 29,2000
Depreciation and Amortization	$1,269	$1,726	(26.5%)

The decrease in depreciation and amortization expenses in the first quarter of fiscal year 2001 compared to the first quarter of fiscal year 2000 is due to the write-off of fixed assets in fiscal 2000 as part of the Company's store closing program offset slightly by depreciation for new and remodeled stores.

Interest Expense, Net

Net interest expense was $415,000 and $319,000 in the first quarter of fiscal 2001 and fiscal 2000, respectively. This increase was attributable to higher average borrowing levels under the Company's revolving credit facility for the three months ended April 29, 2000 as compared to the same period in the prior year. The Company anticipates, barring unforeseen circumstances, that interest expense for the remainder of fiscal 2001 will be greater than the prior year due to the anticipated additional borrowings under the Company's revolving credit facility. These additional borrowings primarily will fund payments necessary for capital expenditures related to new store openings and a warehouse facility, merchandise purchases for the Levi's(R) and Dockers(R) Outlets by Designs stores and lease terminations in connection with store closings that occurred in the fourth quarter of fiscal 2000.

Net Loss

Set forth below is the net loss for the Company for the first quarter of fiscal 2001 and fiscal 2000.

(In thousands, except per share data)	April 29, 2000 $	April 29, 2000 per share	May 1, 1999 $	May 1, 1999 per share
Three months ended	$ (474)	$(0.03)	$(863)	$0.05)

STORE CLOSING PROGRAMS

During the fourth quarter of fiscal 2000, the Company recorded a pre-tax charge of $15.2 million, or $0.59 per share after tax, related to inventory markdowns, the abandonment of the Company's Boston Traders(R) and related trademarks, severance, and the closure of the Company's five Buffalo Jeans (R) Factory Stores and its five remaining Designs stores. This pre-tax charge of $15.2 million included cash costs of approximately $3.6 million related to lease terminations and corporate and store severance, and approximately $11.6 million of non-cash costs related to inventory markdowns and the impairment of trademarks and store assets. At April 29, 2000, the remaining reserve balance related to this $15.2 million charge was $2.5 million, which primarily related to landlord settlements and severance.

Seasonality

Historically, the Company has experienced seasonal fluctuations in revenues and income, exclusive of non-recurring charges, with increases occurring during the Company's third and fourth quarters as a result of "Fall" and "Holiday" seasons. In recent years, the Company's focus has shifted towards its outlet store business and the percentage of mall-based business has been eliminated. Accordingly, the Company's third and fourth quarters, although continuing to generate a greater proportion of total sales, have become less significant to total sales as had previously been the case. This change is due to the seasonality of the Company's outlet business as compared with the mall-based specialty stores.

Liquidity and Capital Resources

The Company's primary cash needs have been for operating expenses, including cash outlays associated with inventory purchases, capital expenditures for new and remodeled stores, severance and lease terminations. During fiscal 2001, the Company expects to incur capital expenditures related to building new outlet stores and outlet store relocations and system enhancements of $5.6 million. The Company expects that cash flow from operations, short-term revolving borrowings and trade credit will enable it to finance its current working capital, store remodeling and opening requirements.

Working Capital and Cash Flows

To date, the Company has financed its working capital requirements, store opening and store closing programs and remodeling programs with cash flow from operations, income tax refunds, and borrowings under the Company's credit facility. Cash provided by operations for the first three months of fiscal 2001 was $6.3 million as compared to cash provided for operations of $1.9 million for the same period in the prior year. This $4.4 million change is primarily due to the timing of cash payments for merchandise and various other monthly expenses.

There was no cash and investment position at April 29, 2000 or May 1, 1999. At April 29, 2000, the Company had borrowings of $14.0 million outstanding under its revolving credit facility as compared to $11.8 million of outstanding borrowings at May 1, 1999 and $21.2 million at January 29, 2000. This decrease in the Company's net borrowing position from January 29, 2000 is primarily due to the positive cash flow from operations which was generated in the three months ended April 29, 2000.

The Company's working capital at April 29, 2000 was approximately $19.0 million, compared to $24.2 million at May 1, 1999. This decrease in working capital was primarily attributable to costs incurred as part of the Company's store closing program in fiscal 2001.

At April 29, 2000, total inventory equaled $51.7 million, compared to $52.5 million at May 1, 1999. The decrease of 1.5 percent in the Company's inventory level was primarily due to the Company's effort to improve inventory management. Total inventory per square foot is down 2.4 percent from the prior year. The Company continues to evaluate and, within the discretion of management, act upon opportunities to purchase substantial quantities of Levi's(R) and Dockers(R) brand products for its Levi's(R) and Dockers(R) Outlet by Designs stores.

The Company stocks its Levi's(R) Outlet by Designs and Dockers(R) Outlet by Designs stores with manufacturing overruns, merchandise specifically manufactured for the outlet stores and discontinued lines and irregulars purchased directly from Levi Strauss & Co. By its nature, this merchandise, including the most popular Levi Strauss & Co. styles of merchandise and the breadth of the mix of this merchandise, is subject to limited availability. The Company may act upon opportunities to purchase substantial quantities of Levi's(R) brand products for its Levi's(R) and Dockers(R) outlet stores.

At April 29, 2000, the accounts payable balance was $5.7 million as compared with a balance of $7.9 million at May 1, 1999. The Company's trade payables to Levi Strauss & Co., its principal vendor, generally are due 30 days after the date of invoice. The Company expects, barring unforeseen circumstances, that any purchases of branded merchandise from vendors other than Levi Strauss & Co. will be limited and will be in accordance with customary industry credit terms.

On June 4, 1998 the Company entered into an Amended and Restated Loan and Security Agreement with BankBoston Retail Finance, Inc. (now known as Fleet Retail Finance, Inc.), as agent for the lenders named therein (the "Credit Agreement"). The Credit Agreement, which terminates on June 4, 2001, consists of a revolving line of credit permitting the Company to borrow up to $50 million. Under this credit facility, the Company has the ability to cause the lenders to issue documentary and standby letters of credit up to $5 million. The Company's obligations under the Credit Agreement are secured by a lien on all of the Company's assets. The ability of the Company to borrow under the Credit Agreement is subject to a number of conditions including the accuracy of certain representations and compliance with tangible net worth and fixed charge coverage ratio covenants. The availability of the unused revolving line of credit is limited to specified percentages of the value of the Company's eligible inventory determined under the Credit Agreement, ranging from 60% to 65%. At the option of the Company, borrowings under this facility bear interest at FleetBoston, N.A.'s (formerly known as BankBoston, N.A.) prime rate or at LIBOR-based fixed rates. These interest rates at April 29, 2000 were 9.00% for prime and 8.46% for LIBOR. The Credit Agreement contains certain covenants and events of default customary for credit facilities of this nature, including change of control provisions and limitations on payment of dividends by the Company. The Company is subject to a prepayment penalty of $250,000 if the Credit Agreement terminates prior to May 4, 2001.

In the third quarter of fiscal 1999, the Credit Agreement was amended to, among other things, permit and acknowledge the Company's acquisition of the 25 outlet stores from Levi's Only Stores, Inc. and the transactions associated with the agreement to dissolve and wind up the OLS Partnership. These amendments include an increase in the minimum tangible net worth that the Company must have, which was adjusted to recognize the value of the assets distributed to the Company by the OLS Partnership. Prior to these amendments, the tangible net worth of the OLS Partnership was excluded from the calculation of the Company's tangible net worth for purposes of these financial covenants. Subject to certain limitations and conditions, the Credit Agreement permits the Company, without the prior permission of its lenders, to consummate certain acquisitions and to repurchase shares of the Company's Common Stock. These amendments, among other things, reduced the amount that the Company may expend for such purposes without obtaining the prior permission of its lenders.

On October 14, 1999, the Company was notified that, by virtue of the recent change in the members of the Company's Board of Directors, a "Change in Control" occurred within the meaning of the Credit Agreement, giving rise to an event of default. On October 29, 1999, the lenders, the former BankBoston Retail Finance, Inc. and the Company entered into an amendment to the Credit Agreement. This amendment waives the event of default arising because of the "Change in

Control," and includes new events of default for material adverse changes in the Company's financial condition or its business relationship with Levi Strauss & Co. compared to the Company's financial condition and its relationship with Levi Strauss & Co., respectively, as of October 8, 1999.

On March 28, 2000, the Credit Agreement was amended to, among other things, exclude certain non-recurring charges and tax valuation reserves from the Company's financial covenants, effective for the fiscal year ending January 29, 2000.

At April 29, 2000, the Company had borrowings of approximately $14.0 million outstanding under this facility and had five outstanding standby letters of credit totaling approximately $4.0 million. Average borrowings outstanding under this credit facility for the first quarter of fiscal 2001 were approximately $17.9 million.

Capital Expenditures

Total cash outlays for capital expenditures for the first three months of fiscal 2001 were $1,488,000, which represents the cost of new and remodeled stores. Total cash outlays for the first three months of fiscal 2000 were $1,131,000. During the first three months of fiscal 2001, the Company remodeled two Levi's(R) Outlet stores, both located in Florida.

The Company's present plans for expansion for the remainder of fiscal 2001, barring unforeseen circumstances, include remodeling an additional nine Levi's(R) Outlet stores and opening five new Levi's(R)/Dockers(R) Outlet by Designs stores.

On October 31, 1998 the Company and Levi Strauss & Co. amended the trademark license agreement (as amended, the "Outlet License Agreement") that authorizes the Company to use certain Levi Strauss & Co. trademarks in connection with the operation of the Company's Levi's(R) Outlet by Designs and Dockers(R) Outlet by Designs stores in 25 states in the eastern portion of the United States. Section 19 of this agreement was subsequently amended on March 22, 2000 to change certain of the Change in Control provisions. Subject to certain default provisions, the term of the Outlet License Agreement was extended to September 30, 2004, and the license for any particular store is the period co-terminous with the lease term for such store (including extension options). Beginning with the amendment to the Outlet License Agreement effective on October 31, 1998, the Outlet License Agreement provides that the Company has the opportunity to extend the term of the license associated with one or more of the Company's older Levi's(R) Outlet by Designs stores by either renovating the store or replacing the store with a new store with an updated format and fixturing. In order to extend the license associated with each of the Company's 59 older outlet stores, the Company must, subject to certain grace periods, complete these renovations or the construction of replacement stores by December 31, 2004.

The Company, with the approval of Levi Strauss & Co., initiated a program to remodel or replace its 59 oldest Levi's(R) Outlet by Designs stores over a five year period, beginning in fiscal 1999. As of April 29, 2000, the Company had closed two of its older 59 Levi's(R) Outlet stores, remodeled eight of the older Levi's Outlet stores and opened ten new Levi's(R)/Dockers(R) Outlet by Designs stores and two Dockers(R) Outlet stores.

The foregoing discussion of the Company's results of operations, liquidity, capital resources and capital expenditures includes certain forward-looking information. Such forward-looking information requires management to make certain estimates and assumptions regarding the Company's expected strategic direction and the related effect of such plans on the financial results of the Company. Accordingly, actual results and the Company's implementation of its plans and operations may differ materially from forward-looking statements made by the Company. The Company encourages readers of this information to refer to Exhibit 99 of the Company's Annual Report on Form 10-K, previously filed with the United States Securities and Exchange Commission on April 28, 2000, which identifies certain risks and uncertainties that may have an impact on future earnings and the direction of the Company.

ITEM 3. Quantitative and Qualitative Disclosures About Market Risk

In the normal course of business, the financial position and results of operations of the Company are routinely subject to a variety of risks, including market risk associated with interest rate movements on borrowings. The Company regularly assesses these risks and has established policies and business practices to protect against the adverse effect of these and other potential exposures.

The Company utilizes cash from operations and short-term borrowings to fund its working capital needs. This debt instrument is viewed as risk management tools and is not used for trading or speculative purposes. In addition, the Company has available letters of credit as sources of financing for its working capital requirements. Borrowings under this credit agreement, which expires in June 2001, bears interest at variable rates based on FleetBoston, N.A.'s prime rate or the London Interbank Offering Rate ("LIBOR"). These interest rates at April 29, 2000 were 9.0% for prime and 8.42% for LIBOR. Based upon sensitivity analysis as of April 29, 2000, a 10% increase in interest rates would result in a potential loss to future earnings of approximately $161,000 on an annualized basis. .

Part II. Other Information

ITEM 1. Legal Proceedings

In January 1998 Atlantic Harbor, Inc. (formerly known as "Boston Trading Ltd., Inc.") filed a lawsuit against the Company for failing to pay the outstanding principal amount of the Purchase Note. Thereafter, the Company filed claims against Atlantic Harbor, Inc. and its stockholders alleging that the Company was damaged in excess of $1 million because of the breach of certain representations and warranties concerning the existence and condition of certain foreign trademark registrations and license agreements. Barring unforeseen circumstances, management of the Company does not believe that the result of this litigation will have a material adverse effect on the Company's business or financial condition.

The Company is a party to other litigation and claims arising in the normal course of its business. Barring unforeseen circumstances, management does not expect the results of these actions to have a material adverse effect on the Company's business or financial condition.

ITEM 2. Changes in Securities and Use of Proceeds

None.

ITEM 3. Default Upon Senior Securities

None.

ITEM 4. Submission of Matters to a Vote of Security Holders

None.

ITEM 6. Exhibits and Reports on Form 8-K

A. Reports on Form 8-K:

The Company reported under Item 6 of Form 8-K, dated April 11, 2000, that the Company announced that Mr. James Mitarotonda had resigned as a Director of the Company's Board of Directors on April 4, 2000 and that on April 10, 2000 the Company announced the election of Seymour Holtzman to the Board of Directors to fill the vacancy created by Mr. Mitarotonda.

The Company reported under Item 5 of Form 8-K, dated April 28, 2000, that the Company announced that Seymour Holtzman was elected Chairman of the Board of Directors. In addition, the Company also announced that David A. Levin, President and Chief Executive Officer and Stanley I. Berger, one of the Company's original founders, were appointed as Directors of the Company, increasing the Company's Board of Directors to nine members.

The Company reported under Item 5 of Form 8-K, dated May 26, 2000, that the Company announced on May 5, 2000 that Alan Cohen was appointed a Director of the Company's Board of Directors, increasing the board to ten members.

B. Exhibits:

3.1 Restated Certificate of Incorporation of the Company, as amended (included as Exhibit 3.1 to Amendment No. 3 of the Company's Registration Statement on Form S-1 (No. 33-13402), and incorporated herein by reference). *

3.2 Certificate of Amendment to Restated Certificate of Incorporation, as amended, dated June 22, 1993 (included as Exhibit 3.2 to the Company's Quarterly Report on Form 10-Q dated June 17, 1996, and incorporated herein by reference). *

3.3 Certificate of Designations, Preferences and Rights of a Series of Preferred Stock of the Company established Series A Junior Participating Cumulative Preferred Stock dated May 1, 1995(included as Exhibit 3.2 to the Company's Annual Report on Form 10-K dated May 1, 1996 and incorporated herein by reference). *

3.4 By-Laws of the Company, as amended (included as Exhibit 3.4 to the Company's Amendment No. 1 to Annual Report on Form 10-K/A dated May 28, 1999, and incorporated herein by reference). *

4.1 Shareholder Rights Agreement dated as of May 1, 1995 between the Company and its transfer agent (included as Exhibit 4.1 to the Company's Current Report on Form 8-K dated May 1, 1995, and incorporated herein by reference). *

4.2 First Amendment dated as of October 6, 1997 to the Shareholder Rights Agreement dated as of May 1, 1995 between the Company and its transfer agent (included as Exhibit 4.1 to the Company's Current Report on Form 8-K dated October 9, 1997, and incorporated herein by reference). *

4.3 Second Amendment dated as of May 19, 1999 to the Shareholder Rights Agreement between the Company and its transfer agent, as amended (included as Exhibit 4.1 to the Company's Current Report on Form 8-K dated May 25, 1999, and incorporated herein by reference). *

4.4 Third Amendment dated as of July 7, 1999 to the Shareholder Rights Agreement between the Company and its transfer agent, as amended (included as Exhibit 4.1 to the Company's Current Report on Form 9-K dated July 13, 1999, and incorporated herein by reference). *

4.5 Notice to Holder of Rights dated November 10, 1999 regarding termination of the Shareholder Rights Agreement (included as Exhibit 4.5 to the Company's Form 10-K dated April 28, 2000, and incorporated herein by reference). *

10.1 1987 Incentive Stock Option Plan, as amended (included as Exhibit 10.1 to the Company's Annual Report on Form 10-K dated April 29, 1993, and incorporated herein by reference). *

10.2 1987 Non-Qualified Stock Option Plan, as amended (included as Exhibit 10.2 to the Company's Annual Report on Form 10-K dated April 29, 1993, and incorporated herein by reference). *

10.3 1992 Stock Incentive Plan, as amended (included as Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q dated June 16, 1998, and incorporated herein by reference). *

10.4 Senior Executive Incentive Plan for the fiscal year ending January 29, 2000 (included as Exhibit 10.4 to the Company's Annual Report on Form 10-K dated April 30, 1999, and incorporated herein by reference). *

10.5 License Agreement between the Company and Levi Strauss & Co. dated as of April 14, 1992 (included as Exhibit 10.8 to the Company's Annual Report on Form 10-K dated April 29, 1993, and incorporated herein by reference). *

10.6 Amended and Restated Trademark License Agreement between the Company and Levi Strauss & Co. dated as of October 31, 1998 (included as Exhibit 10.4 to the Company's Current Report on Form 8-K dated December 3, 1998, and incorporated herein by reference). *

10.7 Amendment to the Amended and Restated Trademark License Agreement dated March 22, 2000 (included as Exhibit 10.7 to the Company's Form 10-K dated April 28, 2000, and incorporated herein by reference). *

10.8 Amended and Restated Loan and Security Agreement dated as of June 4, 1998, between the Company and BankBoston Retail Finance Inc., as agent for the Lender(s) identified therein ("BBRF") and the Lender(s) (included as Exhibit 10.1 to the Company's Current Report on Form 8-K dated June 11, 1998, and incorporated herein by reference). *

10.9 Fee letter dated as of June 4, 1998, between the Company and BBRF (included as Exhibit 10.2 to the Company's Current Report on Form 8-K dated June 11, 1998, and incorporated herein by reference). *

10.10 First Amendment to Loan and Security Agreement dated as of September 29, 1998 among the Company, BBRF and the Lender(s) identified therein (included as Exhibit 10.5 to the Company's Current Report on Form 8-K dated December 3, 1998, and incorporated herein by reference). *

10.11 Second Amendment to Loan and Security Agreement dated as of October 31, 1998 among the Company, BBRF and the Lender(s) identified therein (included as Exhibit 10.6 to the Company's Current Report on Form 8-K dated December 3, 1998, and incorporated herein by reference). *

10.12 Third Amendment to Loan and Security Agreement dated as of October 28, 1999 among the Company, BBRF and the Lender(s) identified therein (included as Exhibit 10.9 to the Company's Form 10-Q dated December 14, 1999, and incorporated herein by reference). *

10.13 Fourth Amendment to Loan and Security Agreement dated as of March 20, 2000 among the Company, Fleet Retail Finance (f/k/a BankBoston Retail Finance) and the Lender(s) identified therein (included as Exhibit 10.13 to the Company's Form 10-K dated April 28, 2000, and incorporated herein by reference). *

10.14 Amendment and Distribution Agreement dated as of October 31, 1998 among the Designs Partner, the LOS Partner and the OLS Partnership (included as Exhibit 10.2 to the Company's Current Report on Form 8-K dated December 3, 1998, and incorporated herein by reference). *

10.15 Guaranty by the Company of the indemnification obligation of the Designs Partner dated as of October 31, 1998 in favor of LS & Co. (included as Exhibit 10.3 to the Company's Current Report on Form 8-K dated December 3, 1998, and incorporated herein by reference). *

10.16 Asset Purchase Agreement between LOS and the Company relating to the sale by the Company of stores located in Minneapolis, Minnesota dated January 28, 1995 (included as Exhibit 10.9 to the Company's Current Report on Form 8-K dated April 24, 1995, and incorporated herein by reference). *

10.17 Asset Purchase Agreement among Boston Trading Ltd., Inc., Designs Acquisition Corp., the Company and others dated April 21, 1995 (included as Exhibit 10.16 to the Company's Quarterly Report on Form 10-Q dated September 12, 1995, and incorporated herein by reference). *

10.18 Non-Negotiable Promissory Note between the Company and Atlantic Harbor, Inc., formerly know as Boston Trading Ltd., Inc., dated May 2, 1995 (included as Exhibit 10.17 to the Company's Quarterly Report on Form 10-Q dated September 12, 1995, and incorporated herein by reference). *

10.19 Asset Purchase Agreement dated as of September 30, 1998 between the Company and LOS relating to the purchase by the Company of 16 Dockers(R)Outlet and nine Levi's(R)Outlet stores (included as Exhibit 10.1 to the Company's Current Report on Form 8-K dated December 6, 1995, and incorporated herein by reference). *

10.20 Consulting Agreement dated as of October 28, 1999 between the Company and Jewelcor Management, Inc. (included as Exhibit 10.20 to the Company's Form 10-K dated April 28, 2000, and incorporated herein by reference). *

10.21 Consulting Agreement dated as of October 29, 1999 between the Company and John J. Schultz (included as Exhibit 10.21 to the Company's Form 10-K dated April 28, 2000, and incorporated herein by reference). *

10.22 Consulting Agreement dated as of December 15, 1999 between the Company and George T.Porter, Jr. (included as Exhibit 10.22 to the Company's Form 10-K dated April 28, 2000, and incorporated herein by reference). *

10.23 Consulting Agreement dated as of November 14, 1999 between the Company and Business Ventures International, Inc. (included as Exhibit 10.23 to the Company's Form 10-K dated April 28, 2000, and incorporated herein by reference). *

10.24 Employment Agreement dated as of October 16, 1995 between the Company and Joel H. Reichman (included as Exhibit 10.1 to the Company's Current Report on Form 8-K dated December 6, 1995, and incorporated herein by reference). *

10.25 Employment Agreement dated as of October 16, 1995 between the Company and Scott N. Semel(included as Exhibit 10.2 to the Company's Current Report on Form 8-K dated December 6, 1995, and incorporated herein by reference). *

10.26 Employment Agreement dated as of May 9, 1997 between the Company and Carolyn R. Faulkner(included as Exhibit 10.23 to the Company's Quarterly Report on Form 10-Q dated June 17,1997, and incorporated herein by reference). *

10.27 Employment Agreement dated as of March 31, 2000 between the Company and David A. Levin (included as Exhibit 10.27 to the Company's Form 10-K dated April 28, 2000, and incorporated herein by reference). *

10.28 Severance Agreement dated as of January 12, 2000 between the Company and Joel H. Reichman (included as Exhibit 10.23 to the Company's Form 10-K dated April 28, 2000, and incorporated herein by reference). *

10.29 Severance Agreement dated as of January 20, 2000 between the Company and Scott N. Semel (included as Exhibit 10.23 to the Company's Form 10-K dated April 28, 2000, and incorporated herein by reference). *

10.30 Severance Agreement dated as of January 15, 2000 between the Company and Carolyn R. Faulkner (included as Exhibit 10.23 to the Company's Form 10-K dated April 28, 2000, and incorporated herein by reference). *

10.31 Indemnification Agreement between the Company and James G. Groninger, dated December 10, 1998 (included as Exhibit 10.30 to the Company's Annual Report on Form 10-K dated April 30, 1999 and incorporated herein by reference). *

10.32 Indemnification Agreement between the Company and Bernard M. Manuel, dated December 10, 1998 (included as Exhibit 10.31 to the Company's Annual Report on Form 10-K dated April 30, 1999 and incorporated herein by reference). *

10.33 Indemnification Agreement between the Company and Peter L. Thigpen, dated December 10, 1998 (included as Exhibit 10.32 to the Company's Annual Report on Form 10-K dated April 30, 1999 and incorporated herein by reference). *

10.34 Indemnification Agreement between the Company and Melvin I. Shapiro, dated December 10, 1998 (included as Exhibit 10.33 to the Company's Annual Report on Form 10-K dated April 30, 1999 and incorporated herein by reference). *

10.35 Indemnification Agreement between the Company and Joel H. Reichman, dated December 10, 1998(included as Exhibit 10.34 to the Company's Annual Report on Form 10-K dated April 30, 1999 and incorporated herein by reference). *

10.36 Indemnification Agreement between the Company and Scott N. Semel, dated December 10, 1998 (included as Exhibit 10.35 to the Company's Annual Report on Form 10-K dated April 30, 1999 and incorporated herein by reference). *

10.37 Indemnification Agreement between the Company and Carolyn R. Faulkner, dated December 10, 1998 (included as Exhibit 10.36 to the Company's Annual Report on Form 10-K dated April 30, 1999 and incorporated herein by reference). *

11 Statement re: computation of per share earnings.

27 Financial Data Schedule.

99 Report of the Company on Form 8-K, dated April 28, 2000 concerning certain cautionary statements of the Company to be taken into account in conjunction with consideration and review of the Company's publicly-disseminated documents (including oral statements made by others on behalf of the Company) that include forward looking information. *

* Previously filed with the Securities and Exchange Commission.

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

DESIGNS, INC.

June 13, 2000

By: /s/ DAVID A. LEVIN

David A. Levin, President,
Chief Executive Officer and
Director

(In thousands)	For the three months ended April 29, 2000	May 1, 1999
Basic EPS Computation		
Numerator:		
Net Loss	$ (474)	$ (863)
Denominator:		
Weighted average common shares outstanding	16,441	15,889
Basic EPS	$(0.03)	$ (0.05)
Diluted EPS Computation		
Numerator:		
Net Loss	$ (474)	$ (863)
Denominator:		
Weighted average common shares outstanding	16,441	15,889
Stock options, excluding the effect of anti-dilutive options of 29 shares and 139 shares for April 29, 2000 and May 1, 1999, respectively	--	--
Diluted weighted average shares outstanding	16,441	15,889
Diluted EPS:	$ (0.03)	$ (0.05)

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This Schedule Contains Summary Financial Information Extracted from the Consolidated Balance Sheets of Designs Inc. as of April 29, 2000 and the Consolidated Statements of Operations for the three months ending April 29, 2000 and is qualified in its entirety by reference to such financial statements.

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FEB-03-2001
JAN-30-2000
APR-29-2000
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(303)
(474)
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0
(474)
(0.03)
(0.03)