

EXTRACT OF THE FINANCIAL INFORMATION SUBMITTED TO THE COMISIÓN NACIONAL DEL MERCADO DE VALORES. THIS IS A FREE TRANSLATION OF THE ORIGINAL IN SPANISH. IN CASE OF DISCREPANCY, THE SPANISH VERSION PREVAILS.

HALF YEAR (SEMESTRAL) INFORMATION

SEMESTER	1	YEAR	2005
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THE COMPANY:

DOGI INTERNATIONAL FABRICS, S.A.

REGISTERED OFFICE.

CALLE PINTOR DOMÉNECH FARRÉ, 13, EL MASNOU, 08320 BARCELONA

TAX ID

A08276651

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Dogi International Fabrics - 6 months ended 30 June 2005

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CHANGES IN THE COMPANIES THAT FORM PART OF THE CONSOLIDATED GROUP

As previously reported (2002 3rdQuarter Annex to Significant Events), the Company started the liquidation of its subsidiary Dogi Holding B.V. (The Netherlands), which owns the shares of some of the companies of the Group. In 2005, the liquidation process has been finalised and all the assets and liabilities of Dogi Holding has been transferred to Dogi International Fabrics, S.A., the sole shareholder. Consequently, the following subsidiaries are now directly owned by Dogi International Fabrics, S.A.: Societe Nouvelle Elastelle, Dogi USA, Inc., Dogi Hong Kong Ltd., Dogi UK, Ltd., Textiles ATA, S.A. de C.V. y Textiles Hispanoamericanos, S.A. de C.V.

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III. BASIS OF PRESENTATION AND ACCOUNTING POLICIES

Parent Company (Dogi International Fabrics, S.A.)

The attached financial statements of the parent company has been prepared on the same base used in the annual accounts for the year ended 31 December 2004, i.e., in accordance with accepted accounting principles in Spain (Spanish GAAPs).

Consolidated Annual Accounts

The attached consolidated financial information has been prepared in accordance with International Financial Reporting Standards, in compliance with EEC Regulations and using the format required by the CNMV. The Company has applied the IFRS in place as at 1 March 2005. Consequently, the accounting policies for the preparation of financial information for the six months ended 30 June 2005 are not those applied in the preparation of the consolidated annual accounts for the year ended 31 December 2004, prepared in accordance with Spanish GAAPs. The comparative financial information for the six months ended 30 June 2004 have also been prepared in accordance with IFRS in place as at 30 June 2005, in order to be able to present comparative information. These June 2004 comparative figures are different from what was published last year.

The effect of the application of IFRS in the consolidated Shareholders' Funds at 1 January 2005 has been a decrease of 4 million euros and consists principally of the following items: revaluation of intangible assets and buildings (€+3M), cancellation of establishment expenses, capital increase and debt formalization expenses (-€4,5M) and recognition of the financial instruments to hedge against foreign currency and interest risks associated arising from the Syndicated loan (-€2,5M).

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IV. BALANCE SHEET OF THE PARENT COMPANY

In thousands of Euros

ASSETS		Current year	Prior year
A) UNCALLED SHARE CAPITAL			
I.	Formation costs	2.002	598
II.	Intangible assets	2.880	3.569
II.1	Assets held under finance lease	0	0
II.2	Other intangible assets	2.880	3.569
III.	Tangible fixed assets	17.621	19.390
IV.	Long-term investments	60.875	61.010
V.	Long-term Treasury stock	203	506
VI.	Long-term accounts receivables		
B) TOTAL FIXED AND NON-CURRENT ASSETS		83.581	85.073
C) DEFERRED EXPENSES		1.643	1.675
I.	Called up share capital not paid		
II.	Inventories	21.563	23.077
III.	Accounts receivable-	28.820	35.933
IV.	Short-term investments	26.651	8.989
V	Short-term treasury stocks	0	0
VI.	Cash	168	633
VII	Prepayments and accrued income	760	96
D) CURRENT ASSETS		77.962	68.728
TOTAL ASSETS		163.186	155.476

LIABILITIES		Current Year	Prior year
I.	Share capital	13.691	9.128
II.	Reserves	59.869	35.529
III.	Retained earnings	-27.319	-20.672
IV.	Profit / (loss) for the year	-1.372	-2.089
V	Interim Dividend		
A) SHAREHOLDERS' FUNDS		44.869	21.896
B) DEFERRED INCOME		40	143
C) PROVISIONS FOR LIABILITIES AND CHARGES		7.413	6.744
I.	Debenture loans and other marketable securities		
II.	Bank Loans	50.022	59.605
III.	Amounts owed to Group companies	2.778	4.194
IV.	Long-term trade payables		501
V	Other payables	14.757	
D) LONG-TERM DEBT		67.557	64.300
I.	Debenture loans and other marketable securities		
II.	Bank Loans	24.973	18.917
III.	Payable to Group companies	2.820	10.763
IV.	Trade accounts payable	10.953	11.572
V	Other short-term debts	4.561	20.697
VI.	Accruals		
E) SHORT-TERM DEBTS		43.307	61.949
F) PROVISIONS FOR LIABILITIES AND CHARGES SHC		0	444
TOTAL LIABILITIES		163.186	155.476



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V. PROFIT AND LOSS ACCOUNT OF THE PARENT COMPANY

In thousands of Euros

	Current Year		P
	Amount	%	
+ Net Turnover	33.282	100,00%	38.775
+ Other Income	1.744	5,24%	1.757
+/- Variation in Finished Goods and Work in progress Inventories	572	1,72%	2.828
= Total Value of Goods Produced	35.598	106,96%	43.360
- Net Purchases	-14.521	-43,63%	-18.496
+/- Variation in Supplies, raw materials inventories	1.567	4,71%	0
- Other external costs and operating expenses	-9.630	-28,93%	-8.885
= Adjusted value added of goods produced	13.014	39,10%	15.979
+/- Other income and expenses	0	0,00%	0
- Personnel/Staff costs	-9.789	-29,41%	-10.117
= Gross Operating Profit/ (Loss)	3.225	9,69%	5.862
-Depreciation expense	-2.324	-6,98%	-2.470
-Charges to the Reversion Fund	0	0,00%	0
+/- Variation in Trade provisions	-841	-2,53%	-1.003
= Net Operating Profit / (Loss)	60	0,18%	2.389
+ Financial income	849	2,55%	4.921
- Financial expenses	-2.602	-7,82%	-6.045
+ Interest and exchange differences capitalised	0	0,00%	0
+/- Provision for financial investments	0	0,00%	0
= Ordinary income / (loss)	-1.693	-5,09%	1.265
+/- Results from sale of assets	106	0,32%	35
+/- Variation in controlling portfolio allowances	0	0,00%	-3.787
+/- Results arising from Treasury stock transactions	2	0,01%	337
+/- Prior year results	10	0,03%	145
+/- Other extraordinary items	-36	-0,11%	-81
= Profit / (loss) before taxes	-1.611	-4,84%	-2.086
+/- Corporate income tax and other tax charge	239	0,72%	-3
= Profit / (loss) for the period	-1.372	-4,12%	-2.089

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-26,09%
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6,16%
12,69%
-15,59%
0,00%
0,00%
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0,09%
-9,77%
0,87%
0,37%
-0,21%
-5,38%
-0,01%
-5,39%

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IV. CONSOLIDATED BALANCE SHEET (International Financial Reporting Standards)

In thousands of Euros

ASSETS	Current year	Prior year
Plant, property and equipment	60429	61412
Goodwill		
Intangible assets	4.891	5.406
Other intangible assets	1.607	1.724
Financial assets, non-current		
Investments accounted for using equity method		
Deferred Tax assets	11.063	6.386
Other non current assets		506
TOTAL NON-CURRENT ASSETS	77.990	75.434
Inventories	39.423	40.739
Accounts receivable-	32.523	34.993
Financial assets - current	18.769	1.057
Deferred tax assets - short- term	871	3.457
Other current assets	1.461	615
Prepayments and accrued income	5.214	3.668
SUB-TOTAL CURRENT ASSETS	98.261	84.529
Available for sale assets		
TOTAL CURRENT ASSETS	98.261	84.529
TOTAL ASSETS	176.251	159.963

LIABILITIES	Current Year	Prior year
Share capital	13.691	9.128
Other reserves	48.265	23.925
Retained earnings (accumulated losses)	-7.108	3.048
Cummulative Translation Differences	-13.861	-16.414
Treasury shares	0	0
Cummulative Translation Differences	0	0
Other fair value adjustments	-130	
Shareholders' funds attributable to the Parent Company	40.857	19.687
MINORITY INTERESTS	758	87
Shareholders' funds	41.615	19.774
Debenture loans and other marketable securities	0	0
Bank Loans	50.602	61.149
Other financial liabilities	3.971	0
Deferred tax liability		
Provisions for Liabilities & Charges Short term	1.013	590
Other non-current liabilities	15.988	2.084
Non-current liabilities	71.574	63.823
Debenture loans and other marketable securities	0	0
Bank Loans	28.033	21.890
Trade accounts payable	22.836	24944
Other financial liabilities	429	0
Provisions	0	557
Current tax payables	2.011	1.995
Other current liabilities	9.753	26.980
Sub-total Current liabilities	63.062	76.366
Liabilities associated with non current assets available for sale		
TOTAL CURRENT LIABILITIES	63.062	76.366
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	176.251	159.963

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V. CONSOLIDATED PROFIT AND LOSS ACCOUNT (International Financial Reporting Standard)

In thousands of Euros

	Current Year		Prior Year	
	Amount	%	Amount	%
+ Net Turnover	70.254	100,00%	72.836	100,00%
+ Other Income	452	0,64%	1.174	1,61%
+/- Variation in Finished Goods and Work in progress Inventories	2.837	4,04%	3.582	4,92%
- Net Purchases	-30.560	-43,50%	-35.487	-48,72%
-Staff costs	-18.845	-26,82%	-19.262	-26,45%
-Depreciation expense	-4.300	-6,12%	-4.492	-6,17%
-Other expenses	-18.832	-26,81%	-17.304	-23,76%
= Gross Operating Profit/ (Loss)	1.006	1,43%	1.047	1,44%
+ Financial income	653	0,93%	312	0,43%
- Financial expenses	-3.275	-4,66%	-3.409	-4,68%
+/-Net exchange differences	489	0,70%	616	0,85%
+/-Gain/losses of stating financial instruments at fair value	-184	-0,26%		0,00%
+/-Gain/losses of stating non- financial assets at fair value		0,00%		0,00%
+/-Gain/losses arising from evaluation of impairment of assets rules		0,00%		0,00%
+/-Share of profit/loss in investments accounted for using the equity method		0,00%		0,00%
+/-Gain/losses arising from sale of non current assets or valuation of non current assets available for sale and not used in ordinary business activities.		0,00%		0,00%
+/-Other gains or losses (net)	-537	-0,76%	-106	-0,15%
= Profit/(loss) before taxation of continuing activities	-1.848	-2,63%	-1.540	-2,11%
Taxation	114	0,16%	-233	-0,32%
= Profit/(loss) of continuing activities	-1.734	-2,47%	-1.773	-2,43%
+/-After tax results of discontinued activities	0	0,00%	0	0,00%
= Profit/(loss) for the period	-1.734	-2,47%	-1.773	-2,43%
+/- Results attributable to minority interests	-34	-0,05%	-3	0,00%
= Profit / (loss) attributable to the Parent Company	-1.768	-2,52%	-1.776	-2,44%

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IV. COMPARATIVE CONSOLIDATED BALANCE SHEETS (International Financial Reporting Standards and Spanish Accounting Standards)

In thousands of Euros

ASSETS		Opening figures	Closing figures at
		as at 1 Jan 2005 (NIIFs)	31 Dec 2004 (Spanish GAAPs)
	Formation costs		2.188
	Tangible fixed assets	56.677	53.960
	Goodwill		507
	Other intangible assets	4.578	4.578
	Financial assets, non-current	1.920	12.983
	Long-term Treasury stock		227
	Other non current assets	11.063	0
	TOTAL FIXED AND NON-CURRENT ASSETS	74.238	74.443
	DEFERRED EXPENSES		1.984
	Inventories	36.767	36.767
	Accounts receivable-	33.875	33.875
	Financial assets - current	25.830	25.830
	Short-term treasury stocks		0
	Other current assets	799	753
	Cash	4.812	4.812
	CURRENT ASSETS	102.083	102.037
	TOTAL ASSETS	176.321	178.464

LIABILITIES		Current Year	Prior year
			Share capital
	Reserves	25.765	32.502
	<i>Includes adjustments for first time adoption to IFRS</i>	-4.396	
	Treasury shares		
	Fair value adjustments		
	Results for the period		-2.341
	Interim dividends		
	SHAREHOLDERS' FUNDS ATTRIBUTABLE TO THE PARENT CO.	39.456	43.852
	MINORITY INTERESTS	644	644
	SHAREHOLDERS' FUNDS ACCORDING TO NIIFs	40.100	
	CONSOLIDATION SURPLUS		
	DEFERRED INCOME	35	42
	Debenture loans and other marketable securities	0	0
	Bank Loans	53.075	55.683
	Provisions	930	2.483
	Long-term trade payables	21.049	14628
	LONG-TERM DEBT	75.054	72.794
	Debenture loans and other marketable securities	0	0
	Bank Loans	30.240	30.240
	Trade accounts payable	22.221	22.221
	Provisions for Liabilities & Charges Short term	101	101
	Other current liabilities	8.570	8.570
	Sub-total Current liabilities	61.132	61.132
	Liabilities associated with non current assets available for sale		
	TOTAL CURRENT LIABILITIES	61.132	61.132
	TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	176.321	178.464



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	Parent company		Consolidated
	Current year	Prior Year	Current year
Intimate wear	24.605	27.281	61.165
Swim wear and sports wear	6.977	9.951	7.092
Pret-a porter	1.534	1.348	1.803
Services and other sales	166	195	194
Net turnover	33.282	38.775	70.254
Internal sales	12.693	15.210	13.209
Export : European Economic Community	12.424	12.438	25.352
OMC member states	4.038	1.243	5.902
Other countries	4.127	9.884	25.791
	0	0	0

	Parent company		Consolidated
	Current year	Prior Year	Current year
Total persons employed	580	571	1.795

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VIII. BUSINESS DEVELOPMENT

During the first semester of 2005 the Dogi Group has managed to control its losses to 1,8 million euros, in line with the results reported in the same period in 2004, and with turnover of 70,2 million euros.

The evolution of the results for this first semester has been characterised by the positive track of the mills in the Asian region and the increase of the profitability of the German mill against the French mill. The Spanish mill is suffering with respect to its sales due to the existing pressure from the importation from China.

In this sense, the mills in the **Asian region have increased sales by 14%** achieving turnover of 18,2 Million Euros. The performance of the Dogi Group in this area is currently marked by the : newly installed capacity in the China mill which will become operative in September, and will allow the Group to continue growing in Asia. This growth in volume in the Asian region is based on demand, as demographic and economic growth is on the rise, and also the increase in the number of European garment makers who have moved to the region to take advantage of the lower labour costs.

In addition, German mill has reported a **6% sales increase, reaching** 19 Million Euro, thanks to the success "Dreamshape" product range belonging to the PENN ELASTIC trademark, which groups the more technological products of Dogi International Fabrics, specially designed to carry out support and control functions. The growing consolidation of the PENN ELASTIC trademark, as a result of the segment is a good example of how the distinctive and focalising strategy in high range products decided upon by the Dogi Group, is the way to be competitive against the Asian competition. Finally, the sales have decreased with respect to the same period in 2004 and are situated at 33 Million Euros. The reduction in sales volume has been partially compensated with expense control policies measures orientated towards an increase in efficiency in the mill.

The positive evolution of the Asian and German mills, along with the perspectives of a more favourable second semester for the Spanish mill permits the **Company to maintain its year end for clear improvement versus 2004**. At this point it is worth mentioning that the sales of the Dogi Group in July have been higher than the ones registered for the same period in 2004.

The **Dogi Group** on a strategic level sustains its product offer with the two trademarks: **DOGI** and **PENN ELASTIC**. **DOGI** is the trademark that covers the more creative and novel range of products for the Group and the **PENN ELASTIC** trademark focuses on more technological products for control functions.

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Dogi International Fabrics - 6 months ended 30 June 2005

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XIII. Significant events

1. Changes in the Board of Directors

The Annual General Shareholders' meeting held on 26 May 2005 appointed FIATC Mutua de Seguros y Reaseguros a Prima Fija as member of the Board of Directors. FIATC is represented by Mr. Joan

2. Dogi Fabrics Jiangsu Company Lt.d (Dogi China)

In the month of July 2005, the Company was in the process of acquiring 5,6% of the share capital of China, currently owned by the local partners. After this acquisition, Dogi International Fabrics, S.A. own 100% of Dogi China's share capital.

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XV RELATED PARTY TRANSACTIONS

1 Transactions with significant shareholders of the Company

Description of the transaction	Total/Individual Information	Current/Prior Yr	Amount in thousands of euros
Remuneration	T	C	147
Rental contracts	T	C	843
Loan contract	T	PY	11766
Interest accrued and not paid	T	C	157

2 Transactions with members of the Board of Directors and Executive Management

Description of the transaction	Total/Individual Information	Current/Prior Yr	Amount in thousands of euros
Remuneration	T	C	584
Loans	T	PY	76

4 Transactions with other related parties

Description of the transaction	Total/Individual Information	Current/Prior Yr	Amount in thousands of euros
Sales of goods	T	C	2146
Services received	T	C	596

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Profit/loss	Short-term/Long-term
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- 0 ST
- 0 LT
- 0 LT

Profit/loss	Short-term/Long-term
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- 0 ST
- 0 LT

Profit/loss	Short-term/Long-term
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- 0 CP
- 0 CP