

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.

QUARTERLY FINANCIAL INFORMATION

QUARTER 3 YEAR 2005

THE COMPANY:

DOGI INTERNATIONAL FABRICS, S.A.

REGISTERED OFFICE.

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

TAX ID

A08276651

A) Quarterly results

	Parent Company		Consolidated (IFRS applied)	
	Current period	Prior period	Current period	Prior period
Net turnover	48.930	55.386	104.756	106.797
Results before taxation/results before taxation of continuing activities	-1.292	-2.554	-2.120	-2.636
Results of continuing activities			-2.312	-2.724
Result for the period	-1.187	-2.384	-2.312	-2.724
Results attributable to minority interests			-27	-52
Results attributable to the parent company			-2.339	-2.776
Share capital	13.691	9.128		
Average n° of employees	579	573	1.856	1.711

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B) BUSINESS DEVELOPMENT

**The consolidated results for the nine months period ended 30 September 2005 amounted to 2,3 million Euros, a figure which signifies an improvement of 16% with respect to the same period for last year**, a year in which the losses amounted to 2,8 Million. It should be pointed out that, on evaluating the Company profits for the same period as in 2004, the Company registered an extraordinary profit of 0,8 Million Euros. This is due to the sale of one of its Mexican subsidiaries and consequently the recurring profit improvement is substantially better than the net profit.

The sales turnover of the Dogi Group at the end of September was 104,7 Million Euro, 1,9% lower than the turnover registered in 2004. However, the operating profit (EBIT) corresponding to the first nine months of the year stands at a profit of 2,3 Million Euros, 50% higher than the same period for 2004 which was 1,6 Million Euro.

The results of this third quarter have been determined by the **increase of sales in the mills based in the Asian region and the success of the “Dreamshape” products in the German mill**. The impact on the operating profit of the **reduction of turnover in Spain** has been partially compensated with the expense restraint policy and other measures orientated towards an increase in production efficiency.

Regarding Dogi's businesses in the Asian mills, an increase of over 15% has been registered, a growth which has made possible, for the first time, that **more than a quarter of the Group's sales may be carried out on the Asian continent**. In one year, these sales from the Asian mills could signify more than a third of global sales.

Moreover, the German mill has registered a sales increase of 5%, thanks to the success of the line of products “Dreamshape” part of the registered trademark of PENN ELASTIC, that groups together the more technical product range of Dogi. **The sales in this European mill have reached 27,7 Million Euro**. The positive acceptance of PENN ELASTIC – a more technological product trademark– is a good example of how the **strategy applied by Dogi, based on specialising in high range products**, is a viable form of distinguishing them and being competitive against the Asian industry.

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### III. BASIS OF PRESENTATION AND ACCOUNTING POLICIES

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

The bases of presentation and the accounting policies used in the preparation of the financial statements for the third quarter of 2005 are the same as those applied in the statutory annual accounts for the financial year 2004.

#### **Consolidated accounts (Dogi International Fabrics, S.A and Subsidiaries)**

In accordance with EC Regulation N° 1606/2002 of the European Parliament and Council dated 19 July 2002, and applied in Spain through the Provision N° 11 of Law 62/2003, 30 December and in conformity with the CNMV's Circular 1/2005, the attached consolidated financial information of the Dogi Group for the first quarter of 2005 has been prepared in accordance with International Financial Reporting Standards (IFRS), in force at 31 March 2005. Consequently, the bases of presentation of the financial information for the third quarter of 2005 are not the same as those used in the consolidated annual statutory accounts for the financial year 2004, which have been prepared in accordance with the Spanish General Accounting Plan (Principles). In addition, the comparative figures relating to the third quarter of 2004 have also be restated to comply with IFRS in force as at 31 March 2005. These 2004 comparative figures are different from the financial information previously reported/published.

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**IX. DIVIDEND DISTRIBUTION**

Not applicable

**X. Significant events**

As previously reported on 2 November 2005, the Company's Board of Directors has convened an Extraordinary Shareholders' Meeting on 18 November 2005 (first call) and 21 November 2005 (second call) so that the shareholders may discuss and approve the Board's proposal to issue debentures convertible in to Company's shares amounting to Euros68,147,379, payable in five years and respecting the pre-emptive rights of existing shareholders. The proceeds of the debenture issue will be used to repay the Syndicated Loan and other company loans, as well as to finance the Group's investment projects in Asia and in Spain.