

**REPORT OF THE DIRECTORS RELATING TO ITEM 9 OF THE AGENDA OF THE ORDINARY  
SHAREHOLDERS MEETING CONVENED FOR 10<sup>TH</sup> APRIL 2008 ON FIRST CALL AND FOR  
11<sup>TH</sup> APRIL 2008 ON SECOND CALL**

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***Item of the Agenda:***

Authorization to the Board of Directors so that it may proceed to the derivative acquisition of own shares, within the limits and subject to the requisites of Article 75 of the ruling Companies Act.

***Directors' Report and proposed resolution:***

**REPORT SUBMITTED BY THE DIRECTORS OF DOGI INTERNATIONAL FABRICS, S.A. IN  
RELATION TO THE PROPOSED RESOLUTION GRANTING AUTHORIZATION FOR THE  
ACQUISITION OF OWN SHARES REFERRED TO IN ITEM 9 OF THE AGENDA OF THE  
GENERAL SHAREHOLDERS' MEETING CONVENED FOR 10<sup>TH</sup> APRIL ON FIRST CALL AND  
11<sup>TH</sup> APRIL ON SECOND CALL**

It is ongoing practice for the company's General Shareholders' Meeting to authorize the Board of Directors to acquire own shares, either directly or through subsidiaries, under the provisions of article 75 of the Companies Act and concordant legal provisions.

The new authorization proposed has the following conditions:

- a. **Acquiring company:** DOGI INTERNATIONAL FABRICS, S.A. or any of the wholly owned subsidiaries of DOGI INTERNATIONAL FABRICS, S.A. whether directly or indirectly.
- b. **Maximum number of shares to be acquired:** 5% of the share capital of DOGI INTERNATIONAL FABRICS, S.A.
- c. **Minimum cost price:** Par value of the shares acquired.
- d. **Maximum cost price:** Listed price of the own shares at the time of acquisition.
- e. **Term of the authorization:** Eighteen months as of the date this resolution is passed.
- f. **Form of acquisition:** Purchase or any other type of acquisition for valuable consideration.
- g. **Appropriation to non-distributable reserve:** A non-distributable reserve will be established in the net equity of the balance sheet of the acquiring company and of the controlling company for an amount equal to the amount of the shares in the controlling company stated under assets. This reserve must be maintained until the assets acquired are disposed of, all the foregoing being in compliance with the provisions of Articles 75, 79 and other concordant articles of the Companies Act.

It is hereby stated, for the purposes of the provisions of Article 75 of the Companies Act, that the shares acquired, in full or in part, may be used for the purpose of delivering them

to employees or directors of the company, directly, or as a result of exercising share purchase option rights they may hold.

El Masnou (Barcelona) \_\_\_\_ February 2008

The Chairman  
Mr Josep Domenech Giménez

The Secretary  
Mr Antonio Peñarroja Castell