

QUARTERLY FINANCIAL INFORMATION

QUARTER

3

YEAR

2007

THE COMPANY:

DOGI INTERNATIONAL FABRICS, S.A.

REGISTERED OFFICE.

TAX ID

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

A08276651

A) Quarterly results

	Parent Company		Consolidated (IFRS applied)	
	Current period	Prior period	Current period	Prior period
Net turnover	42.510	45.880	111.365	99.847
Results before taxation/results before taxation of continuing activities	-15.710	-8.860	-15.464	-7.466
Results of continuing activities			-16.669	-5.914
Result for the period	-15.710	-6.645	-16.669	-5.914
Results attributable to minority interests			-29	-4
Results attributable to the parent company			-16.698	-5.918
Share capital	36.198	26.947		
Average n° of employees	465	593	-2.141	1.828

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.

B) BUSINESS DEVELOPMENT

Consolidated net turnover for the 9-month period ended 30 Sept 2007 amount to 111,3 million euros, representing a 11,5% increase over the same period last year. The net turnover reported by EFA, Inc. amount to 14,2 million euros, being net sales as from April 2007, month of acquisition.

The results during the 3rd quarter of the year has improved by 70% with respect to the 2nd quarter (3 million vs 10,5 million loss), with the ordinary/recurring results having improved by 22%, thus confirming the change in the Group's business' trend.

The net result up to September 2007 amount to 16,7 million euros loss, vis a vis 18,4 million euros loss envisaged up to the year-end, as per the Business Plan presented by the Company last July. These results include accruals for redundancy costs amounting to 3,8 million euros, in accordance with the Statutory Redundancy Procedures (ERE) being carried out by the Parent Company in Spain.

As previously published, the Group's performance to date reflects the current business situation in Spain, immediately prior to the restructuring programme currently in progress. In the month of July 2007, the Parent Company presented the Business Plan to re-orient the Group's situation in Spain which aims to consolidate its business model and get back to profit-making situation. This Business Plan is based on adjusting the production capacity to profitable levels, from the current 9,5 million metres to 5,8 million metres. This will mean the transfer of 1,4 million metres of production to the other mills, the subcontracting and the discontinuance of around 2,3 million metres in order to decrease in the complexity and concentrate efforts on target/profitable customers.

The above-mentioned measures are being carried out as planned. In October, the Labour Department approved the ERE. At 31 December 2007, the Parent Company's employees numbered 586 staff, and will be reduced to 343 at the end of November. The decrease of 243 employees is attributed to the restructuring process, as well as staff leavers who have not been replaced.

In line with the Business Plan, the civil works of new factory in Spain (DOGI II) has been completed. Works are currently underway towards the preparation of the transfer of machinery to commence on January-February 2008. DOGI II will unite the 3 production centres in one single centre of excellence. The concentration at Dogi II will mean the consolidation and the optimisation of production, improved efficiency and quality and reduced operating costs.

DOGIEFA Private Ltd, the Joint Venture in Sri Lanka has began production in September 2007. The results up to September 2007 amount to 0,5 million euros loss, corresponding to start up costs. The factory was inaugurated on 19 October with the presence of Sri Lanka's President.

EFA, Inc. (USA) included in the consolidated financial statements as from April 2007, has contributed positively to the operating results by generating operating income amounting to 1,3 million euros and net income amounting to 0,6 million euros.

In 2006, the Parent company accounted for deferred tax assets arising from tax losses to be offset against future profits, amounting to 1,5 million euros, which was reversed in the last quarter of 2006. The latest forecasts indicate that the Parent company is unlikely to generate income this year and consequently, no tax loss carried forwards have been capitalised.

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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 2007 are the same as those applied in the statutory annual accounts for the financial year 2006, i.e., in accordance with generally accepted accounting principles in Spain.

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

The bases of presentation and the accounting policies used in the preparation of the consolidated financial statements for the third quarter of 2007 are the same as those applied in the consolidated statutory annual accounts for the financial year 2006, prepared in accordance with International Financial Reporting Standards.

Dogi International Fabrics - 30 SEPTEMBER 2007

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IX. DIVIDEND DISTRIBUTION

Not applicalbe

X. Significant events

As previously reported on Oct 16, 2007, the Board of Directors, in their meeting held on Sept 20, 2007 appointed Mr. Carlos Franqués Ribera Chairman of the Audit Committee for a term of four years.

The Audit Committee is composed of the following members:

Chairman: Mr. Carlos Franqués Ribera - Independent Board Member

Secretary: Mr. Antonio Peñarroja Castell - External Board Member - Proprietary

Members: Mr. Francesc Cunill Izquierdo - External Board Member - Proprietary and Mr. Eduard Domènech Álvaro - Executive Board Member