

THE INSOLVENCY PROCESS MOVES FORWARD

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Barcelona, 8 June 2.009.- Dogi International Fabrics is finalizing its Feasibility Plan which will be presented shortly before the Mercantile Court Nº 5. On June 4 this Court approved the Voluntary Insolvency Process which the Company requested on May 27, 2009. The Company's intention is to adopt the modality of "Early offer of Agreement", as this is the quickest way to reach an agreement with the creditors and shorten and accelerate this process.

The **main performance lines of the Feasibility Plan** that the Company is going to present to the Judge for his approval, are the following:

1. Divesting and integration of activities in the subsidiaries and/or Joint Ventures, trying to maintain the Group's strategic positioning and the global capacity to offer service. In this context, **the local partner in Sri Lanka, Mas Holdings, supports the project and has just increased his participation in DOGIEFA, from 50% to 59,2%.**
2. **Radical reduction of the structure of fixed costs and of investments**, taking into consideration only **investments that guarantee the return of the investment** and at the same time **reinforce the leadership of the DOGI/PENN product in the market**
3. Adjustment of salary cost, focusing on the **reduction of the wage sum in Spain through a new Statutory Redundancy Procedure (ERE), the realignment of wages, the implementation of partial time working hours.** Adjustments are also foreseen for the staff at the subsidiaries in Germany (Penn Elastic) and China (Dogi China)
4. Focus on the pillars on which the company's mission is supported
 - ✓ Make the Group **more industrially robust** in each and every subsidiary and JV, and focused on customers and profitable products.
 - ✓ **More autonomous subsidiaries and JV**, maintaining the Group discipline
 - ✓ Entrepreneur and loyal Management
 - ✓ Light Corporate Structure



PRESS RELEASE

The DOGI Group, in spite of the actual circumstances in the market, possesses the necessary capacity to be competitive on a short-term basis:

- ✓ Leadership in the elastic fabric market and specially in intimate apparel.
- ✓ Strategic and global positioning
- ✓ New mill in El Masnou, that integrates all activities with big possibilities of improving efficiency.
- ✓ Availability of all the involved to confront the definite restructures by means of the Feasibility Plan.

The company, as indicated by the Groups CEO, Jordi Torras in the General Shareholders Meeting on 4 June 2009, has started meetings today with Dogi Spain's Works Council.

The DOGI group is a world leader in elastic fabrics, especially for intimate apparel applications. The Spanish-based multinational is the only supplier in the industry with a global presence. It develops, produces and markets innovative products for the underwear, swimwear, activewear and outer clothing markets. The group has over 1.500 employees and a production capacity of 40 million metres a year, which is distributed through its brands: DOGI (creative elastic fabrics), PENN ELASTIC (specialist elastic fabrics) and EFA (functional elastic fabrics).

Contact

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