



DMC's Supervisory Board alters the Group's strategy to take account of its results and the economic context

At its meeting held on 21 February 2008, the Supervisory Board of the DMC Group announced its conclusions following an in-depth appraisal of the company's position:

- the increasing Asian imports in the clothing market, compounded by the threat posed to the sector by the abolition of European quotas since 1 January 2008,
- the dollar's collapse against the euro, depreciating from USD 0.80 to the EUR to USD 1.45 in 6 years,
- and a certain move away from corduroy fabrics owing to changing fashions and the climatic conditions of recent winters,

have had a negative impact on the Group's sales which were down 18.9% to EUR 145.5 M for the 2007 financial year.

In order to address this situation, the Group has introduced a strategy to ensure its future:

- On 31 January 2008, DMC executed a debt rescheduling agreement with all its creditors for an overall amount of approximately EUR 14 M on total bank debt of EUR 20.8 M. This agreement aims to enable the required restructuring work to be continued and should allow all the bank loans to be repaid by 2012.

This agreement followed-on from the signing of an agreement for the renegotiation of the bank loans of the Loisirs & Création chain store on 29 January 2008. Within the framework of Loisirs & Création's shareholders' agreement, DMC decided, together with its financial investors, to initiate the sale of its 66% stake in the chain store.

- On 15 January 2008, two job-preservation plans were launched:
 - o For DMC Tissus (sportswear business), 139 people to be laid off in anticipation of a 30% fall in business activity, stabilising it at a level which is in line with market development and providing favourable conditions for the current search for a new shareholder;
 - o For DMC Creative World (stitching and needlework thread business), 65 people to be laid off in accordance with the major investment plan, already carried out in logistics and ongoing in the Mulhouse plant, which will very significantly improve productivity and reduce buffer stocks.

In this context, the Supervisory Board and Executive Board have stepped up their efforts in respect of all Group operating expenses and committed fixed costs. In particular, the Supervisory Board decided to discharge Jacques Boubal, Chairman of the Executive Board, from his duties. The Supervisory Board has expressed its gratitude to him for his 35 years of work serving the Group.

François Demoulin was appointed Chairman of the Executive Board as from 21 February 2008. Apart from continuing with the restructuring plan begun, he shall have the task of further developing and improving the profitability of DMC Creative World, which holds leading positions in the needlework thread market in many countries.

The Group will present its 2007 financial statements during March 2008 as scheduled.

Paris, 21 February 2008

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François Demoulin
Chairman of DMC's Executive Board
as from 21 February 2007

Ecole Centrale (Lyon), Economics (Lyon II), CPA (Paris)

In 1977, François Demoulin joined CFR (Total Group) as area manager and then in 1978 S.E.H. Pompes Salmson (Thomson group) as Export Manager (SEH Pompes Salmon: maker of hydro-electric pumps, 800 staff and EUR 70 M in sales).

In 1982, he moved to SKM Kremlin, where he was Vice-President in charge of foreign subsidiaries. Kremlin is France's leading maker of painting and finishing equipment. François Demoulin was responsible for the US, Canada, the UK, Germany, Italy, Switzerland, Denmark and Spain.

In 1986, he became head of the Automobile Division at Knorr-Dahl Freinage S.A.

Then, from 1990 to 1991, he was Operations Manager at PPM S.A. (a subsidiary of the Legris Industrie group, maker of mobile cranes: 200 employees and EUR 200 M in revenues).

From 1992 to 1995, he was an independent consultant, working in technology transfer operations and reaching licensing deals in Asia and the Middle East for various manufacturing companies.

From 1996 to 2001, he was Chief Executive Officer of Peugeot-Citroën's Faurecia Business Unit (car seat activity, 2,400 staff and 12 production sites).

In 2002, he then became Chief Executive Officer of Gantois, originally a family group that is now stock market listed, employing 1,900 people and reporting EUR 165 M sales in 2001.

Lastly, from 2006 to 2007, he was Chairman and Chief Executive Officer of the Parisot Group (maker of furniture in kits sold via large outlets - EUR 400 M in revenues and 5,000 employees, including 2,000 in Romania and 500 in Asia).