



**DMC launches the last phase of its financial restructuring,
with a capital increase and the issuing of convertible bonds.**

Total amount: €45.1 million - Subscription period: from 13 to 28 July 2006

These market operations, authorised by the Extraordinary General Meeting held on 27 February 2006, will allow DMC to substantially reduce its debt, restore its shareholders' equity and provide itself with the necessary means for its future development.

They include

- a capital increase in the amount of €15.6 million, while maintaining the preferential subscription right,
- and
- the issuing of bonds convertible into new shares in the amount of €29.5 million, while maintaining the preferential subscription right.

At the end of these operations, respectively 84% and 91% guaranteed by the Group's lenders and by its new leading shareholder, Pienza International BV, the "protooled" debt of €56.8 million will be reduced to a maximum of €20 million, and the shareholders equity will simultaneously be considerably strengthened.

As indicated during the General Meeting on 26 June 2006, these financial operations will support DMC's development strategy, which includes:

- the search for a capital partnership for the Sportswear division,
- the continued development of the chain of Loisirs & Création stores, the leading handicrafts distributor in France,
- strengthening the coordination of the worldwide market in order to generate growth for DMC Creative World.

The financial operations launched on 13 July 2006 are the subject of an operation memo that received approval No. 06-258 from the Financial Markets Authority (AMF) on 10 July 2006 and will be published in the Journal of Mandatory Legal Announcements (BALO) on Friday 14 July 2006.

Paris, 11 July 2006
