



RELEASE

**THE DMC GROUP HAS SET IN PLACE A MAJOR FINANCIAL
RESTRUCTURING PROGRAMME TO ENSURE ITS DEVELOPMENT**

Following refocusing on three activities where the Group has a leadership position, i.e. Craft, Sportswear and the Loisirs & Créations Chain, and after a significant reduction in its debt (-170 million euros in 5 years), the DMC group has decided to strengthen its shareholders funds.

The Group opened negotiations with its lenders and its main shareholder, which have led to the signing of a protocol agreement.

The terms of this agreement anticipate a relative stability of the share and the stock market and should provide the possibility to the market to subscribe to a capital increase and to the issue of convertible bonds, both guaranteed to at least 75 % by the lenders as well as the Group's leading shareholder, Pienza International BV (Guinness Peat Group).

These various issues will be proposed with the maintaining of the preferential subscription right, in favour of the current shareholders.

An Extraordinary General Assembly will be held on 27 February 2006 to pronounce on these operations, which should be proposed to the market during March 2006 at the earliest.

Following these market operations, DMC's protocol bank debt should be reduced from €56 M to €20 M. The remaining €20 M will be paid off to the current lenders, DMC having undertaken an engagement to structure new financing prior to the market operations.

2005 was highlighted by a euro/dollar exchange rate which was still unfavourable and by the explosion of Asian imports, and should close for DMC with a loss higher than that recorded in 2004, but which was nevertheless controlled given the harsh economic and monetary environment.

With a financial structure which has been fundamentally strengthened and the actions carried out in 2005, the DMC Group will face the coming years under much better conditions.