

PRESS RELEASE

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THE SPECIALTY GROUP EXPANDS WINDOW FURNISHING OPERATIONS

MELBOURNE – April 1st, 2008 - Moorabbin based technical textile mill, The Specialty Group, announced today that it has increased its coating and laminating manufacturing operations with the purchase and installation of a new 8 tonne crush roller system and foaming machine as an enhancement to one of the company's 3.0 m wide fabric coating lines.

The new equipment will enable The Specialty Group to expand its current portfolio of Australian made vertical blinds and roller blinds fabrics to now include foam coated Roman blinds, which it intends releasing in July 2008.

Recently appointed CEO, Daniel Leipnik, is delighted with the new equipment. "Window furnishings fabrics are one of the larger and faster growing segments of our business. Being able to offer a full range of blinds fabrics options will now mean our clients can receive verticals, roller, and roman blinds fabrics from the one source." advises Leipnik.

Strong growth in the housing and commercial sector coupled with dramatic increases in the level of renovations and retrofits in Australia over the last 5 years have seen many suppliers of window and home furnishings sales rise. "Production of our blinds fabrics have risen over 30% in the last few years and our largest customers have indicated that the greatest growth now will come from foam coated roman blinds products.

National Sales Manager, George Lucas, couldn't be happier. "The Company's decision to expand its production capability enables us to produce a larger more sophisticated range of interior furnishing fabrics. All the market trends indicate that roman blinds are the hottest commodity, adding a new level of elegance and class to the way window coverings look. We're really excited to be able to grow our business in this direction".

And Lucas may just be right in his fashion forecasts as the Company plans for an increase to its order bank of over 2 million dollars a year once the range is released.

"We will be offering an "in-stock" program of at least two roman blind fabric designs in a range of modern colours. We are also in negotiations with several major companies who require commission foam coating on their own select fabrics as well," advises Lucas.

The cost of the new custom designed equipment and associated R & D work is in excess of a quarter of a million dollars and will be partially supported through the Federal Government's SIP program of which The Specialty Group is a recipient. "The SIP program has certainly enabled us to expand our plant & equipment in this instance. With the level of new sales growth that this expansion will bring, it really shows just how beneficial the program is for both Industry and Government." asserts Leipnik.

"This recent investment in new machinery and upgrades in technology is part of our long term commitment to quality Australian made goods," he concludes.

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