

RAVEN

| Issue No. 1 |

Headlining the Auto Industry

Sunbrella® Comes Inside

Glen Raven Transportation Rolls On

Dickson Coatings Focuses

Vision and Values Promoted



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Dear Readers:

Welcome to the first issue of Glen Raven's new magazine, the Raven.

We have created this publication to improve communications with our customers, trade partners, shareholders and employees. Each of us has a stake in the continuing success of Glen Raven and our family of brands, so I know you will be interested in reports from various aspects of our company:

Expanding Our Asian Presence

Our new facility in China began production this spring, representing another major element in our global strategy.

Headlining the Auto Industry

Glen Raven Technical Fabrics has established a leadership role in the automotive industry through a new headliner fabric.

Sunbrella® Comes Inside

Our Sunbrella brand, long respected for outdoor applications, is finding new opportunities with residential interiors.

Glen Raven Transportation Rolls On

Originally established as an internal support function, this division is exercising its entrepreneurial muscle.

Dickson Coatings Focuses

Dickson Coatings in France is proving the value of an R&D effort focused on adding value in select market segments.

Vision and Values Promoted

Glen Raven has historically been a values-driven company, and this tradition continues today with 2020 Quest.

I hope you will enjoy reading about our growing and changing company, and I invite your questions and comments at any time.



Allen E. Gant, Jr.
President



EXPANDING OUR ASIAN PRESENCE



Philippe Petot

Philippe Petot visited China for the first time in 2001 as a marketing representative for Sunbrella® fabrics, meeting with casual furniture customers who had established manufacturing operations in Asia. He returned from that visit a dedicated advocate for an expanded Glen Raven presence in Asia.

“From my very first visit to China, it wasn’t hard to see that our future had to include Asia,” Petot said.

Petot found an ally for an Asian expansion with Glen Raven President Allen Gant, who had visited China in 1998 and who became an equally strong advocate for establishing a strategic manufacturing, sourcing, marketing and product development presence based in China. Glen Raven’s Board of Directors approved construction of a facility 60 miles west of Shanghai in September 2003 and Petot was named project manager.

“I have made 32 trips to China since 2001,” said Petot, who joined Glen Raven in 1998 as part of its merger with France-based Dickson, SA. “It is a grueling travel schedule, and you need to be very healthy. Also, spending half of your time overseas does not allow for any regular social, learning or sports activities. But, if you ask me, ‘Would I do it over again?’ The answer is, ‘In a heartbeat.’”



China Plant



“From my very first visit to China, it wasn’t hard to see that our future had to include Asia.”

Philippe Petot

Creation of the new 190,000-square-foot facility in China has been a global team effort for Glen Raven. Hua Li (Wally), who had previously managed textile operations in China and Indonesia, was recruited as manager of Glen Raven Asia, working closely with Petot during design, construction, employee recruitment and start-up.

Technicians from Glen Raven’s Anderson, Elberton and Burnsville locations were called upon to assist the Chinese with equipment installation and start up, and several members of Glen Raven management – including John Gant, Scott Gilliam and Dan Crowe – were assigned to the project team.

Glen Raven employees completed more than 70 trips to China during the first four months of 2006, with 41 technicians, managers and staff undertaking the long journey, some several times. Glen Raven personnel have fulfilled assignments ranging from one to 12 weeks, with an average of four weeks.

Another critical element in this global approach to construction of the new plant has been a partnership formed with FilManMade, an Italian company that is a long-time supplier for Dickson Constant in Europe. FilManMade operates a manufacturing facility adjacent to Glen Raven’s, supplying the new weaving and finishing plant with high quality yarns.

Weaving operations for Sunbrella® fabrics began in March, with finishing online this summer.

“It is easy to look at our new facility in China and view it too narrowly as simply a manufacturing facility designed to serve our casual furniture customers who are making furniture in China,” Gant said. “That is certainly a motivating factor for our investment, but China represents much more for us.”

The China facility is viewed as Glen Raven’s focal point in Asia. In addition to weaving Sunbrella furniture fabrics, the facility will enhance Glen Raven’s ability to source products for its customers on a global basis while also opening up opportunities to serve increasingly affluent Asian consumers who have a growing appetite for performance fabrics. The China facility also includes product showrooms and research and development capabilities for Glen Raven Technical Fabrics, which serves numerous commercial and industrial markets.

“Our expansion into Europe in 1998 and our expansion into Asia this year give us a significant presence on three continents – North America, Europe and Asia,” Gant said. “Glen Raven has become a truly global organization, and just as our competition never sleeps, neither will we.”





HEADLINING THE
AUTO INDUSTRY



“We are continuously working on improvements and upgrades in design and performance of our fabrics.”

Jeff Michel

During this year’s Ward’s Auto Interiors Show, a major trade event for automotive interiors, Glen Raven quietly celebrated its leadership role in an increasingly important niche for the company – automotive headliner fabrics.

A highlight of Ward’s Show is the presentation of Interior of the Year awards, based on voting by journalists and industry representatives. This year’s winners included the Chevy Tahoe among popular-priced trucks and the Cadillac Escalade in the premium-priced trucks category. The cause for Glen Raven’s celebration is the fact that the Tahoe and Escalade have headliner fabrics produced by Glen Raven Technical Fabrics.

“We have seen our market share in headliner fabric grow each year as overhead systems have become an important aspect of a vehicle’s interior and as car makers realize what our fabrics can do for them aesthetically and functionally,” said Harold Hill, general manager of Glen Raven Technical Fabrics.

Beginning in the late 1990s, car companies began to explore new fabric options for headliners. Automakers wanted a financially-stable supplier who could provide innovative fabrics to complement hardware installed in the roofs of new cars.

“The design inspiration was European,” said Jeff Michel, business manager for automotive fabrics at Glen Raven. “Vehicles coming from Germany, such as the Audi A6, had a technical look in the roofing systems, and this design led to new thinking throughout the automotive industry.”

While Glen Raven had been active in the automotive field for many years with its Sunbrella® fabrics for

convertible tops, the company had to assemble a special team to tackle the challenges of creating fabrics for headliners.

“Everyone addressing the headliner fabric challenge was starting from ground zero,” Michel said. “The requirements for stretch and recovery in highly-contoured roofing systems were strenuous, not to mention abrasion, colorfastness and color matching. We worked for more than two years until we had the right fabric.”

Glen Raven’s headliner fabric is a flat-knit construction formed differently for each vehicle manufacturer based on requirements for flexibility, abrasion resistance, stretch, recovery and color. Entry into the market not only required a new fabric but also the creation of a virtual vertical supply chain. Glen Raven formed a partnership with Shawmut Inc., which is responsible for laminating a foam backing to Glen Raven’s headliner fabric and supplying it to tier one manufacturers who create interior overhead systems.

The new market has also required a substantial investment in new technology. Glen Raven’s Park Avenue finishing plant has increased its production capacity with the addition of new jet dyeing and inspection capabilities.

“We are continuously working on improvements and upgrades in design and performance of our fabrics,” Michel said. “Each season, we take our customers a better product, while we also address changing color needs and increasingly contoured roof lines. This project demonstrates the opportunities that continue to exist in the textile industry for innovative companies.”

SUNBRELLA® COMES INSIDE

“We have just scratched the surface of the residential furniture fabrics market.”

Hal Hunnicutt

Since its debut in the early 1960s, Sunbrella® has earned a reputation as an incredibly durable fabric. Whether it's awnings, boat covers, deck chairs, or patio umbrellas, Sunbrella has convinced millions of consumers that they can enjoy the look and feel of a woven fabric in the great outdoors thanks to the colorfastness, durability and ease of cleaning unique to a fabric engineered for high performance.

It was only a matter of time before Sunbrella's legendary performance would find its way inside the home, where increased light exposure, pets, kids and active lifestyles make durability and cleanability desirable. The only missing element – styling sophistication associated with fine interior fabrics – has been answered through the creative talents of leading designers, coupled with innovative jacquard weaving, advanced fabric finishes and unique yarn combinations.

“It is amazing what can be done with Sunbrella through weaving technology and fabric constructions that give it the look and feel of silk, damask, chenille, velvet or linen,” said Joe Ruggiero, a nationally-recognized home authority who has created a Sunbrella fabrics collection.

Ruggiero introduced a collection of Sunbrella fabrics for his furniture lines at Norwalk Furniture retail outlets in 2002. In addition to Ruggiero's work, Design Director Gina Wicker has expanded Glen Raven's in-house design team and enlisted the expertise of Richard Frinier, a leading international designer who has created a collection of Sunbrella fabrics.

In growing its residential interiors business, Glen Raven's greatest challenge has been to convince residential furniture manufacturers and consumers that Sunbrella fabrics, legendary for outdoor performance, are elegant enough to grace their interior sofas and chairs.

“The one comment we hear time and time again is, ‘Is this really Sunbrella?’” said Hal Hunnicutt, product manager for Sunbrella residential fabrics. “All Sunbrella fabrics are created using materials and techniques that assure performance, and with the creativity of Joe Ruggiero, Richard Frinier and our own design team, there are no limits as to where Sunbrella can go inside the home.”

Sunbrella has created a permanent showroom in High Point and is an active participant in furniture markets and supplier conferences. Sunbrella furniture fabrics are featured by Norwalk, Hickory Hill, Craftmaster and Storehouse. In addition, Calico Corners, a leading retail fabrics and furniture outlet, offers an extensive Sunbrella collection to consumers, and Silver State, a supplier to the trade, has increased its offering of Sunbrella furniture fabrics.

Complementing the growth of Sunbrella furniture fabrics are licensing agreements for furniture trims issued to Bomar Trimming, Ardwyn and Phoenix Trim Works. These licenses assure the availability of color coordinated trims for Sunbrella with the same performance characteristics as the fabric.

“We have just scratched the surface of the residential furniture fabrics market,” Hunnicutt said. “We have better information on the patterns and colors that sell at retail, and we are learning what ‘performance’ means to this market. We continue to refine our furniture offerings, balancing casual and residential furniture lines with an increasing number of fabrics crossing over from one market to the other.”



GLEN RAVEN TRANSPORTATION ROLLS ON



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“Our new location not only provides the space we need for current operations, but also opens up new opportunities.”

Charlie Edgerton



Charlie Edgerton, director of
Glen Raven Transportation.

When Glen Raven formed its transportation division in the mid-1960s, it had relatively modest ambitions for the trucking operation – ship raw materials and finished goods between the company’s plants and to its customers in a timely and efficient manner. Transportation was seen strictly as an internal support function.

Glen Raven Transportation today has far exceeded those original goals, evolving into a rapidly growing less-than-truck-load carrier that operates routes to Mexico, the Northeast, Midwest and California. This Glen Raven subsidiary, which has seen its revenues quadruple during the past 11 years, is preparing for yet another growth spurt following its move to a new location this summer.

“Our new location not only provides the space we need for current operations, but also opens up new opportunities with the addition of a 150,000-square-foot warehouse facility,” said Charlie Edgerton, director of Glen Raven Transportation.

The new location for Glen Raven Transportation is a former Glen Raven manufacturing facility in the community of Altamahaw, N.C. which is adjacent to the original site of Glen Raven’s founding more than 125 years ago. Most recently, the facility had been operated as a manufacturing site by Unifi.

“Renovations included the construction of 10 loading docks, conversion of manufacturing areas for warehousing, relocation of our shop facilities and remodeling of the offices,” Edgerton said. “We are also bringing in new technology for the tracking of customer shipments.”



While Glen Raven Transportation will continue to build its core business of less-than-truck-load shipping, the addition of a warehouse has opened up new business opportunities. Edgerton envisions providing order fulfillment and “pick and pack” services for companies importing from overseas.

Glen Raven Transportation began aggressive diversification in 1995, expanding beyond its transportation services for other Glen Raven divisions. One of its first ventures was into Mexico, with the opening of a terminal in Laredo, Texas and a sales office in Mexico City.

“We identified this lane as one with growth potential because of NAFTA and because no one else was serving this area,” Edgerton said. “Our approach included a complete logistics package, assisting clients with regulations related to trade with Mexico.”

Today, the service in and out of Mexico remains prosperous, not only meeting the needs of textile and apparel companies, but other types of manufacturers as well. Other key routes for Glen Raven Transportation include the Northeast, Midwest and West Coast. A subspecialty in automotive components is also growing.

“With so many automotive suppliers in the South, there is a need for an efficient service to deliver these goods to Detroit,” Edgerton said. “We are filling this niche.” Glen Raven Transportation operates 25 tractors and 160 trailers and has continuing contracts with 25 owner-operators who serve West Coast customers. Because of the diversification of services and customers, only about 20 percent of the freight hauled today by Glen Raven Transportation originates from Glen Raven manufacturing facilities.

According to Edgerton, Glen Raven Transportation anticipates continuing growth in its niche markets.

“The outlook for transportation services is positive because demand is outpacing supply – the result of closure of some trucking companies – and a continuing strong economy,” Edgerton said. “Also contributing to our success is the emergence of the Triad region of North Carolina as a logistics hub, with four major interstates, 100 trucking companies and corporate expansions, such as Dell and FedEx. We are located within 650 miles of half of the U.S. population.”

(above) The new location for Glen Raven Transportation is a former manufacturing facility, which is located adjacent to the original location of Glen Raven, a building dating back to the 1880s and today used as a corporate conference center.



DICKSON COATINGS FOCUSES

Matthew Watson, general manager of Dickson Coatings, insists that the company's list of research and development projects fits on a single sheet of paper. This disciplined approach is challenging for a company such as Dickson with R&D labs and a team of research specialists.

"There was a time when we pursued every impossible idea that our salesmen brought to the table, but no more," Watson said. "We select priorities carefully and limit ourselves to no more than five major development programs at one time. Our approach is disciplined, based on market potential and competitive advantages."

Watson's disciplined approach to technical fabrics development appears to be paying off as evidenced by products and markets with significant growth potential – release liners for tires, printable fabrics and protective garments for extreme heat and cold.

"We have the potential for increasing our sales by 50 percent over the next three to five years without any significant investment," Watson said. "Our mentality is that of a start-up company – that we have something fresh to offer our customers."

One of the most recent examples of this start-up mentality at Dickson Coatings is release liners for the manufacture of tires – a laminated fabric used to store freshly extruded rubber to protect it and assure that it doesn't stick to itself. Dickson is marketing the product throughout Europe and North America, achieving a 78 percent increase in sales over the past year. The "release liners" business has grown from 10 percent to 30 percent of Dickson PTL's total sales in the past three years.



“Our mentality is that of a start-up company – that we have something fresh to offer our customers.”

Matthew Watson

Primary customers for release liners are Michelin, Goodyear, Bridgestone, Pirelli and Continental, serving all of Europe, North America, South America, Russia, China, India, Pakistan, Africa and soon Japan. The newest development is a release liner for Formula 1 race car tires, which are extremely tacky and difficult to handle.

“While other release liners on the market just happen to work with rubber, our release liner was designed specifically for that purpose, which means it lasts longer and performs better,” Watson said.

This same value proposition – better performance from fabrics tailored for a specific end use – is also the secret to success of Dickson Coatings printable fabrics, which are used in upscale retail and commercial locations. Marketed under the brand name “Evergreen,” Dickson’s Jet Tex fabric media not only offers high levels of print clarity, but is also environmentally friendly. Unlike vinyl, Dickson Evergreen fabrics are free from PVCs and heavy metals and require 80 percent less energy during manufacturing.

“Our Evergreen fabrics are very popular with high-end retail companies that not only appreciate the print quality, but also support the environment,” Watson said. “Some of the leading brands using our fabrics are Cartier, Louis Vuitton, Diesel, Nike, Starbucks, BMW, Apple and Levis.”

The Evergreen product line has been so successful in Europe that Dickson Coatings opened an office in Atlanta to target the North American market for fabric media. After three years of operations, this office is selling \$1 million annually of eco-friendly media fabrics. The Atlanta office will soon be selling a third new product

line from Dickson Coatings – apparel fabrics for protection from extreme heat and cold.

“A few years ago, we were asked to look into a replacement fabric for leather firemen’s gloves,” Watson said. “Quality leather is getting difficult to find, plus leather becomes stiff and shiny when dry and soggy and uncomfortable when wet.”

The result was an aramid knit fabric with a silicon coating that, when fabricated into a poncho, can protect a fire fighter for up to 15 minutes at 900 degrees centigrade. Dickson Coatings has developed prototypes of the fabric in gloves and ponchos and is marketing them throughout Europe. The gloves serve as a replacement for leather, offering better grip, more dexterity and improved comfort.

On the other extreme of protective apparel – extreme cold – Dickson Coatings has created an offering of knitted cotton fabric with a silicon coating. This fabric, ideal for healthcare settings that involve cryogenics, provides protection at temperatures as low as -200 degrees centigrade. Again, Dickson is marketing prototype gloves and clothing.

“We are very creative when it comes to the development of textile products,” Watson said. “Our reputation in Europe is for quality products and services with highly technical fabric solutions. We are positioned for growth in North America and around the world.”



(left to right) Dickson Coatings fabrics for fire protection apparel and Dickson fabric media for banners.

VISION AND VALUES PROMOTED

Glen Raven has recently unveiled its vision and values statement under the program name, “2020 Quest.” Originally launched four years ago as 2010 Quest, the new program includes updates to the original program, including the addition of “Innovation” as a core value.

“Innovation is the core value that got us where we are today and it’s a value that will sustain us in the future,” said Glen Raven President Allen E. Gant, Jr. “While we touched on innovation in our original 2010 program, we wanted it to have even greater prominence in the revised vision and values statement.”

2020 Quest is being communicated to Glen Raven associates throughout the company, encouraging everyone to approach their jobs and daily decision making through this filter.

Vision Statement

Glen Raven will enhance the lives of global consumers through our relentless development and marketing of the world’s most innovative fabric-based solutions.

Core Values

Integrity Above all else, integrity in the way we treat our customers and stand behind our products and services.

Quality Absolute dedication to quality that exceeds customer expectations:

- Motivating us to make quality an integral part of every product and service we offer
- Committing us to the never-ending pursuit of quality-enhancing technology
- Making quality the top priority of every job, every day

Innovation We recognize innovation as the single greatest competitive advantage for ourselves and for our customers.

- Committing to a disciplined and continuous focus on innovation
- Driving us to seek out new solutions ahead of our customers’ current needs
- Creating a sense of urgency in successfully bringing new ideas to market





Glen Raven Vision

“Glen Raven will enhance the lives of global consumers through our relentless development and marketing of the world’s most innovative fabric-based solutions.”

Marketing A marketing culture based on understanding and satisfying customer and consumer needs:

- Inspires us to build enduring brands, products and markets
- Leads us to make appropriate acquisitions
- Demands that we demonstrate pioneering leadership

Finance Sound management that ensures our financial strength and stability:

- Secures our global competitiveness in premium market segments
- Leverages growth in our core competencies
- Invests in opportunities for long-term growth

Associates Respect for associates who are skillfully trained, highly motivated and rewarded for exceeding the needs of our customers.

Safety and Environment Stewardship of the safety of our associates and the health of our environment while being a responsible world citizen.

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