



it's about a new  
beginning.



THE DIXIE GROUP



#### THE DIXIE GROUP, INC.

The Dixie Group manufactures and markets floorcovering products to select market segments. Its brand names are well recognized for their leadership in product styling, marketing and customer service. Dixie is a leading carpet and rug supplier to the factory-built housing and recreational vehicle markets through Carriage Carpets, to consumers through major retailers under the Bretlin, Globaltex, and Alliance Mills brands, to high-end residential and commercial customers serviced by Masland Carpets, and to the specialty carpet yarn market through Candlewick Yarns.



#### MASLAND CARPETS/MASLAND CONTRACT

Making fine carpets since 1866, Masland continues to enhance its reputation as a preeminent manufacturer of design-driven specialty carpets and rugs for the residential and commercial marketplace. Its high-style products are marketed through interior designers, specifiers and specialty floorcovering showrooms.



#### BRET LIN/GLOBALTEX

Bretlin manufactures residential indoor/outdoor needlebond carpet and runners, utility and decorative mats and commercial/industrial needlebond carpet. Its Globaltex brand produces residential tufted products. Both these brands market their products to home centers, mass merchants, floorcovering buying groups/co-ops, distributors and independent floorcovering retailers. Bretlin and Globaltex have earned an industry reputation for relentless customer focus and speed of delivery.



#### CARRIAGE CARPETS

Carriage manufactures tufted broadloom carpets with innovative styling for customers in the factory-built housing, recreational vehicle and exposition trade show industries. Carriage is known for its ability to provide its customers with floorcovering solutions and outstanding service.



#### ALLIANCE MILLS

Alliance Mills is targeting floorcovering specialty retailers with a value-added carpet program delivered and serviced by selected distributors who are full partners in this new distribution approach.



#### CANDLEWICK YARNS

Candlewick is one of the nation's largest manufacturers of high-end quality specialty yarns for residential and commercial carpet, bath and decorative accent rugs and automotive floorcovering. The company produces a complex variety of filament and spun yarns. It continues to expand its filament yarn extrusion capabilities. Much of its production goes into the making of Dixie Group products.



# it's about style.

## High-Style Residential Masland Carpets

Masland Carpets has been crafting distinctive floorcoverings since 1866. The Company's style, design and color capabilities have long been attractive to interior design professionals. Masland is now reaching affluent homeowners by offering merchandising and products in premiere floorcovering and home furnishing showrooms.

This retail growth strategy has increased the Company's market share in this segment as well as formed new partnerships for sales of additional Company products such as stylish rugs.

Masland began the year by introducing its "Threads Collection" which offers six very distinct products that received high praise at "Surfaces 2000" floorcovering show.

This is the largest residential product collection Masland has ever offered, and we expect to attract consumers who want their floors to be as fashionable as the rest of their homes.







## Specified Contract Masland Contract

Masland's ability to design and produce striking products appealing to the most highly regarded specifiers in the commercial community explains why Masland's contract sales increased when industry sales in this segment were down.

The architectural and design communities have learned that Masland's products and services offer them solutions for their customers' applications as well as trend-setting styling, remarkable performance and exceptional quality.

You can discover Masland's Contract products in the most prestigious corporate offices, commer-

cial buildings, and hospitality establishments in the world. These establishments put a premium on elegance and performance. They require a product that promotes their own identity and style and portrays an image they wish to communicate to their customers.



it's about  
solutions.



## Factory-Built Housing/Recreational Vehicles

# Carriage Carpets

Carriage Carpets has been a leader in the factory-built housing market for over 30 years. We earn our leadership position by focusing on delivering exceptional products and services to our customers. This is no small task. The factory-built housing industry utilizes an assembly line process that leaves no room for deviation and demands the best value carpets made.

The Company's customer service department works in teams dedicated to specific customers. This team approach ensures quick solutions and timely service. Dixie's company fleet of nearly 100 trucks and safe, professional drivers, deliver products to provide critical "just-in-time" delivery.

In addition, Carriage customers include the recreational vehicle and trade show industries where service and specialized products are paramount.

Factory-built housing, recreational vehicles and trade shows are not just market segments to Carriage, they are the reasons Carriage exists.



it's about  
COMMITMENT.





## Home Centers/Mass Merchants Bretlin

The home center and mass merchants market continues to be one of tremendous growth for The Dixie Group. Bretlin, which serves as the umbrella company for Bretlin Needlebond, Globaltex Carpets and Tribune Carpets, offers more diverse, innovative product lines than any other company in Dixie. This is one of the keys to Bretlin's success in home centers and mass merchants.

Bretlin has become the leading supplier in the domestic needle-bond market. Its products include indoor/outdoor carpet for pool areas, decks, patios; utility and decorative mats; runners; and do-it-yourself carpet tiles for dens, playrooms, and other applications.

The year's merger with Globaltex dramatically added to Bretlin's ability to compete in the tufted carpet business at home centers/mass merchants. The merger enabled us to become a full product line supplier by packaging Globaltex's broad-loom residential carpets with Bretlin's diverse product line.



it's about **innovation.**



# it's about partnerships.

## Floorcovering Distributors: Alliance Mills

While other carpet companies are competing with independent floorcovering distributors, we are enhancing each other's skills to bring value to customers. The Company created Alliance Mills after careful planning and research with floorcovering distributors nationwide.

Alliance is targeting floorcovering specialty retailers with a value-added carpet program delivered and serviced by selected distributors

who are full partners in the new program. Alliance offers distributors a complete carpet program that includes the ColorFirst™ and Candlewick Berbers™ collections. The program also includes indoor/outdoor carpet and synthetic carpet pad.

Alliance Mills, as the name implies, is creating an alliance between the mill, floorcovering distributors and specialty floorcovering retailers.

## Specialty Fabrics

Bretlin services several technical and original equipment manufacturing markets with a range of non-woven fabrics designed for custom end use. These products include acoustical wall coverings, headliners, commercial

matting fabric as well as an array of specialized fabrics for other customers requiring tailored solutions. In addition, Bretlin recycles raw material waste from all of Dixie's companies into synthetic carpet pad.



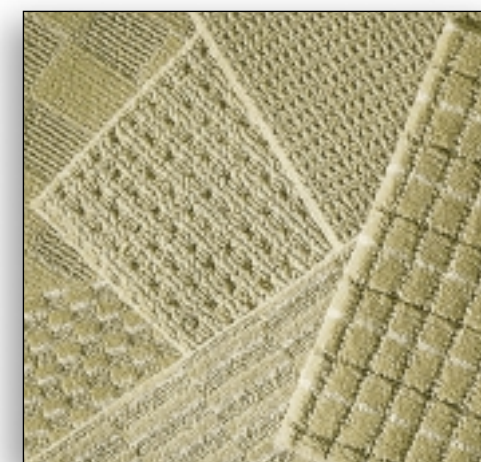




## Specialty Yarns Candlewick Yarns

Candlewick Yarns has a long-standing reputation for quality and innovation. It continues to increase its capacity and product offerings to support Dixie's growth and its ability to offer differentiated products. The Company continues to support important external customers who make broadloom carpet, bath and decorative rugs and automotive floorcovering.

lower costs. Candlewick's associates have performed admirably throughout this transformation, and Dixie's bottom line will reflect it as the year progresses.



Candlewick's big story this year is the start-up of its extrusion operation that is as flexible and state of the art as any in the industry. Candlewick is going through a dramatic expansion and facilities realignment that will give Dixie much more yarn capacity with

it's about  
quality.