

PEGAS NONWOVENS SA increased EBITDA by 15% year on year

LUXEMBOURG/ZNOJMO (August 30, 2012) – Based on unaudited results PEGAS NONWOVENS SA (hereafter "PEGAS" or "Company"), a leading European producer of nonwovens textiles, recorded EBITDA of EUR 17.6 million in the first half of 2012 and confirms its full year EBITDA guidance.

In the first half of 2012 consolidated revenues reached EUR 92.3 million, up by 11.7% yoy. The total consolidated revenues in the second quarter of 2012 were EUR 48.0 million, a 15.4% increase compared with the same period last year. This increase was the result of increased volumes of sold production thanks to the new production line, which was put into operation in the second half of 2011.

Operating profitability before depreciation and amortization, interest and taxes measured by EBITDA was EUR 17.6 million, up by 15.0% yoy. The year on year EBITDA increase was achieved namely due to the contribution of the new production line. However, the year on year comparison was negatively affected by a higher number of planned maintenance breaks and changes in inventories of finished goods. EBITDA amounted to EUR 8.1 million in the second quarter of 2012, up by 15.2% yoy thanks to the already mentioned production output from the new production line.

In the first half of 2012 profit from operations (EBIT) amounted to EUR 11.4 million, up by 3.4% over the same period in 2011. In the second quarter of 2012 profit from operations increased by 2.3% to EUR 5.0 million. The increased profit from operations was positively affected by the growth of EBITDA and negatively affected by a higher level of depreciation and amortization.

In the first half of 2012 net profit reached EUR 9.1 million, down by 15.5% yoy, primarily due to lower unrealized foreign exchange gains. In the second quarter of 2012, the Company recorded a net profit of EUR 0.4 million, down by 89.8% compared with the same period in 2011. This decrease was caused by unrealized foreign exchange differences in the compared periods.

"In the second quarter of this year we achieved a year-on-year EBITDA increase of over 15%. The production from the new production line that was put into operation in the second half of last year significantly contributed to this growth. We also positively register the reversal of the unfavourable polymer price development that occurred at the start of the year. The decline in the price of our main input raw materials recorded in recent months will provide considerable support to the financial results in the third quarter. The solid operating results achieved in the first half of the year and the positive outlook for the subsequent months provide us with the opportunity to focus our efforts and resources on the achievement of the Company's strategic objectives.

PEGAS is now entering a very important period. Construction works on the Egyptian plant are proceeding according to our time schedule and in a few weeks time we will start installing the production technology. We are well aware that the successful execution of the Egyptian production line project will play an important role in the future development of the Company and for this reason, at the current time, this project is of the utmost priority for us", said František Řezáč, CEO and member of the Board of Directors of PEGAS NONWOVENS SA.

PEGAS NONWOVENS SA (*société anonyme*) is registered in the registry of commerce and companies R.C.S. in Luxembourg under number B 112.044. The seat of the company is 68-70, boulevard de la Pétrusse, L-2320 Luxembourg, Luxembourg.

Registered at the Commission de Surveillance du Secteur Financier (CSSF) in Luxembourg under number **E-0043**

Consolidated Financial Results of PEGAS NONWOVENS SA for the Second Quarter and First Half of 2012.

In EUR mil.

	2Q 2011	2Q 2012	Change in %
Revenues	41.6	48.0	15.4%
EBITDA	7.0	8.1	15.2%
Profit from operations	4.9	5.0	2.3%
Net profit	4.4	0.4	(89.8%)

In EUR mil.

	1H 2011	1H 2012	Change in %
Revenues	82.6	92.3	11.7%
EBITDA	15.3	17.6	15.0%
Profit from operations	11.1	11.4	3.4%
Net profit	10.8	9.1	(15.5%)

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PEGAS NONWOVENS SA, société anonyme, is a holding company based in Luxembourg with operating companies based in Znojmo and Bucovice, Czech Republic. PEGAS NONWOVENS is a manufacturer of polypropylene / polyethylene nonwoven textiles for the hygiene, industrial, construction, agricultural, medical and other specialized sectors. These textiles are primarily used for the manufacture of baby diapers, feminine hygiene and adult incontinence products. The Company is active in developing new products demanded by the market and thereby maintains its position of technology leader in the European nonwovens market. PEGAS NONWOVENS currently has more than 440 employees.

PEGAS NONWOVENS SA is a publicly traded company on the Prague and Warsaw stock exchanges.

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