

The Board of Directors of PEGAS NONWOVENS has approved a prospectus for the issuance of bonds

LUXEMBOURG/ZNOJMO (20 October 2014) – The Board of Directors of PEGAS NONWOVENS SA (hereafter "PEGAS NONWOVENS" or "Company") has approved a prospectus for the issuance of bonds.

On 17 October 2014, the Board of Directors of PEGAS NONWOVENS approved a prospectus (hereafter "Prospectus") for unsecured bonds pursuant to Czech law. The Prospectus will be submitted for approval to the Czech National Bank in the upcoming days.

The bonds have a fixed rate of interest and a total nominal issuance of up to CZK 2,500,000,000 (two billion and five hundred million Czech crowns) maturing in 2018. The offer price and the interest rate on the bonds will be determined after consultation with the lead manager, Česká spořitelna, to the date of the issue on the basis of interest expressed by potential investors. The nominal value of a single bond is CZK 50,000 (fifty-thousand Czech crowns). The Company intends to offer these bonds by means of the lead manager, Česká spořitelna, and the manager, Wood & Co., to qualified local and foreign investors and also within the scope of a public offering to non-professional (retail) investors in the Czech Republic. The Company expects that these bonds will be accepted for trading on the Regulated market of the Prague Stock Exchange (PSE). The proceeds from the issuance will be used to pay down bank loans and this will not lead to an increase in the net debt of the Company.

The approval of the Prospectus does not establish an obligation for the Company to issue these bonds. The final decision of the Company regarding the issuance of bonds will be subject to the current market conditions.

Legal notice:

This notification constitutes neither a public nor another form of offer of any type of securities, nor an invitation to present an offer for the buyback or submission of any type of securities. In the event that in the future the Company takes the decision to execute any potential public offering of securities described in this notification, then such an offering will only be possible on the basis of a prospectus that is duly approved by the respective regulator and published on the Company's website www.pegas.lu (or www.pegas.cz) and on the website of Česká spořitelna, www.csas.cz, or potentially by means of another method and subject to the conditions and in accordance with the relevant provisions of relevant regulations. The potential offering of securities described in this notification and the provision of related information may, in some jurisdictions, be subject to certain limitations and/or may be restricted. The addressee of this notification should inform themselves about these limitations or restrictions and duly comply with them.

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PEGAS NONWOVENS SA, société anonyme, is a holding company based in Luxembourg with operating companies in Znojmo and Bučovice, Czech Republic and in the City of 6th of October, Egypt. PEGAS NONWOVENS is a manufacturer of polypropylene and polyethylene nonwoven textiles for the hygiene, industrial, construction, agricultural, medical and other specialised 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 570 employees. PEGAS NONWOVENS SA is a publicly traded company on the Prague and Warsaw stock exchanges.

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**