

**The Board of Directors of PEGAS NONWOVENS SA has taken the final decision regarding the location of the new production line.**

**LUXEMBOURG/ZNOJMO (16 June 2016) – PEGAS NONWOVENS SA (hereinafter "PEGAS" or "Company") has decided to locate the new production line in the Czech Republic.**

In May 2016, the Company announced that it was reassessing the location for the new production line. After comprehensive assessment, the Board of Directors decided to install the new **S-TwinMB-S 2600 RF4s Compact BiCo** production line with an approximate annual production capacity of 10 thousand tonnes at its production plant in Znojmo-Přímětice. It is expected that it will be put into commercial operation at the beginning of the third quarter of 2017. The production line will be installed in the new warehouse building, where the installation of a Compact type production line was considered as an option from the beginning.

*"The decision to locate the new production line in the Czech Republic was based on a number of factors, primarily, though, on the product mix development and the related expected commercialisation of several technical projects that necessitate the installation of specialised technological equipment. Of no less importance is also the development of the demand situation in Europe and the lack of production capacities in the Czech Republic, that would enable us to meet this demand for technologically advanced products. A significant aspect affecting our decision-making was also the opportunity to benefit from investment incentives in the Czech Republic, for which we have already applied and, the potential approval of which, would further improve the return on investment of this new production line,"* said František Řezáč, CEO and Member of the Board of PEGAS NONWOVENS SA.

16 June 2016

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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**

PEGAS NONWOVENS SA, société anonyme, is a holding company based in Luxembourg with operating companies in Znojmo, Czech Republic and in the 6th of October City, Egypt. 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 approximately 570 employees.

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

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