

The Board of Directors of PEGAS NONWOVENS SA has taken the decision to establish a subsidiary in the Republic of South Africa.

LUXEMBOURG/ZNOJMO (16 June 2016) – The Board of Directors of PEGAS NONWOVENS SA (hereinafter "PEGAS" or "Company") has decided to establish a subsidiary and to commence negotiations about the purchase of land for potential future production site in the Republic of South Africa.

The decision of the Board of Directors was preceded by a thorough analysis of all important aspects necessary for the proper assessment of investment into new production capacities. Based on this analysis and other information gained over the last year, the Board of Directors has taken the decision to establish a subsidiary in the Republic of South Africa for the purpose of purchasing a specifically identified land parcel.

"The establishment of the company represents the beginning of a project, at the end of which, I firmly believe, will be another production plant built outside the boundaries of the Czech Republic. Together with the establishment of this company, we are starting to take steps that will lead to the purchase of the identified parcel and expect that the entire land purchase process will be formally completed during the next few months. We are considering utilising the latest production line based on the COMPACT concept, which, due to its lower overall investment costs, lower demands on infrastructure and lower capacity, represents a platform which is suitable for penetrating into new, especially developing markets. At the same time, we are also entering into negotiations with customers that have expressed an interest in cooperation in this region, with the objective of filling the production capacity of this new production line. Based on the results of these negotiations, we will decide about the purchase of a new production line no later than in the first half of 2017," said František Řezáč, CEO and Member of the Board of PEGAS NONWOVENS SA.

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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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