

REGULATORY ANNOUNCEMENT

PEGAS NONWOVENS received a decision regarding a commitment for investment incentives

LUXEMBOURG/ZNOJMO, 10 October 2016 – PEGAS NONWOVENS SA (hereinafter "PEGAS" or "Company") announces that it has received a decision regarding a commitment for investment incentives.

The decision regarding the commitment for investment incentives was issued by the Ministry of Industry and Trade to the subsidiary PEGAS – NW a.s. in connection with the expansion of nonwoven textile production at the production plant in Znojmo-Přímětice by means of investment into a new S-TwinMB-S 2600 FR4s Compact BiCo production line with an estimated annual production of 10 thousand tonnes.

The commitment for investment incentives is provided in the form of an income tax relief in the amount of 25 % of the total value of qualified expenses and for the maximum amount of CZK 148.05 million, whilst the relief may be exercised for a period of ten directly consecutive taxation periods.

"The option to utilise investment incentives in the Czech Republic represented one of the important aspects in our decision-making process regarding the final installation location of the new production line and I am, therefore, glad that we managed to obtain this commitment," said František Řezáč CEO of PEGAS NONWOVENS s.r.o. and member of the PEGAS NONWOVENS S.A. Board of Directors.

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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**