



PRESS RELEASE

8th Nonwoven Production Line Launch and Official Opening

ZNOJMO (8th November, 2007) - The Official Opening of PEGAS NONWOVENS SA's ("the Company") new 8th production line took place on 8th November, 2007 at the plant in Znojmo, Czech Republic and was attended by top officials from the Czech Ministry of Industry and Trade.

The construction of the facility began in October 2006 and the Company expects to receive final building approval from the Building Department shortly. The installation of the production line is on time and on budget with a total investment of approximately EUR 40 million. It is now producing a small amount of commercially saleable product. The line is being fine tuned and production capacity will be steadily increased to full production which is expected in January 2008.

The production line manufactured by Reicofil is a "SSMMS 3200 Reicofil 4 Special". It is state-of-the-art technology and the very first of its kind in the world and can produce ultra light weight nonwoven textiles for the hygiene sector as well as for other applications. This further confirms the Company's strategy to invest in the latest technology whenever expanding its production capacity.

Depending on the final product mix, the new production line should increase the Company's annual production output by approximately 28% or approximately 15 thousand tons to a total of approximately 69 thousand tons annual production. Through this expansion PEGAS NONWOVENS SA has created an additional 45 production line and laboratory jobs in the South Moravian Region and currently employs some 380 people in its Znojmo and Bučovice plants.

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