

## PRESS RELEASE

### **PEGAS NONWOVENS completes negotiations relating to long-term deliveries from its Egyptian plant**

LUXEMBOURG/ZNOJMO, September 20, 2011 – PEGAS NONWOVENS (hereafter "PEGAS" or "Company") announces that it has successfully completed negotiations with a major customer relating to long-term deliveries of nonwoven textiles from its planned production plant in Egypt. The agreed conditions will undergo the standard signing process and this administrative part is expected to be finalised within the next two months.

At the beginning of June the Company announced its plan to build a new production plant in Egypt. The final confirmation of the execution of the investment was subject to the conclusion of an agreement with a major customer, who expressed interest in nonwoven textile deliveries to its Middle East production plants.

*"The conclusion of this agreement with a major customer means that an important condition necessary for the final decision regarding the investment has been met. Securing sales for a major part of our production for several years ahead provides us with a sufficient degree of certainty that the investment will be successful and motivate us in our intention to proceed with the planned 2nd Egyptian production line. We are intensively working on further project phases and we believe that we will bring to our shareholders positive news about its further developments,"* said František Řezáč, member of the Board of Directors of PEGAS NONWOVENS SA and CEO of PEGAS NONWOVENS s.r.o.

#### **Investor Contact:**

Ondřej Kouřil  
Head of External Reporting

PEGAS NONWOVENS  
Tel.: +420 515 262 408  
GSM: +420 724 311 544  
[okouril@pegas.cz](mailto:okouril@pegas.cz)

Klára Klímová  
Investor Relations Consultant

PEGAS NONWOVENS  
Tel.: +420 515 262 450  
GSM: +420 602 244 838  
[kklimova@pegas.cz](mailto:kklimova@pegas.cz)

PEGAS NONWOVENS SA, société anonyme, is a holding company based in Luxembourg with operating companies based in Znojmo and Bucovice, Czech Republic. 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 more than 420 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



## **Basic information about the project for the construction of a production plant in Egypt.**

The production plant will be located in the industrial zone near the City of 6th October near Cairo. In the first phase the value of the investment in Egypt is planned in the range of EUR 55-60 million. The first line should have an annual capacity of approximately 20 thousand tonnes (depending on the product portfolio) and it is expected to be put into operation during the course of the second half of 2013. In the case of favourable market conditions in the region, the Company expects to expand the plant by installing a second production line in 2015-2016, with which the total capacity of the Egyptian plant would grow to 45-50 thousand tonnes.

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