

PEGAS NONWOVENS SA recorded an EBITDA of EUR 11.3 million in the third quarter of 2012

LUXEMBOURG/ZNOJMO (November 22, 2012) – Based on unaudited results PEGAS NONWOVENS SA (hereafter "PEGAS" or "Company"), a leading European producer of nonwovens textiles, recorded an EBITDA of EUR 28.9 million in the first nine months of 2012 and confirms its full year EBITDA guidance.

In the first nine months of 2012 consolidated revenues reached EUR 140.2 million, up by 11.0% yoy. The total consolidated revenues in the third quarter of 2012 were EUR 47.9 million, a 9.7% increase compared with the same period last year. The year on year increase in revenues was the result of increased volumes of sold production thanks to the new production line, which was put into operation in the second half of 2011.

Operating profitability before depreciation and amortization, interest and taxes measured by EBITDA was EUR 28.9 million, up by 10.8% yoy. The year on year EBITDA increase was achieved namely due to the contribution of the new production line. Conversely, the year on year comparison was negatively impacted by the increased number of days required for regular maintenance breaks, lower than planned production and higher electricity prices. EBITDA amounted to EUR 11.3 million in the third quarter of 2012, up by 4.8% yoy thanks to the already mentioned production output from the new production line. On the other hand, lower than planned production output lowered the yoy growth of this indicator.

In the first nine months of 2012 profit from operations (EBIT) amounted to EUR 19.8 million, up by 0.9% over the same period in 2011. Profit from operations in the third quarter of 2012 decreased by 2.1% to EUR 8.4 million. The profit from operations was affected by the level of EBITDA and by an increase in amortization and depreciation.

Net profit in the first nine months of 2012 reached EUR 17.7 million, up by 8.8% yoy, primarily due to higher unrealized foreign exchange gains. In the third quarter of 2012, the Company recorded a net profit of EUR 8.6 million, up by 56.8% compared with the same period in 2011. This increase was caused by unrealized foreign exchange differences in the compared periods.

"In the third quarter of this year, the Company achieved an EBITDA of EUR 11.3 million. Naturally, this solid result was supported by the capacity from the production line that was put into operation last year and by the decline in polymer prices, which positively compensated the impact of the second quarter.

Despite the continuing volatility of input material prices and the subsequent negative effect of their recent increase on the results in the fourth quarter, I am happy to be able to confirm the full year EBITDA guidance, albeit at the lower end of the announced range.

At the present time, we are focusing our efforts on finalising the budget for 2013 and it is pleasing to note that based on the current state of negotiations with our business partners, we believe that the Company's production capacity in 2013 should be sold out.

Total production capacity should be supported by the start-up of the new Egyptian production line. This project represents a key priority for us, and with a certain level of

satisfaction, I can confirm that we are successful in meeting the very demanding installation schedule and we expect the first commercial production to come off the line in the third quarter of 2013.

Securing sales for next year as well as the successful launch of the new Egyptian production line are tasks that still await us. If I am to mention significant events that occurred in the third quarter of this year or recently, it would most certainly be the "Excellence Award" that we received from Procter & Gamble for the fifth year in a row and of course the dividend payout in the amount of EUR 1.05 per share", said František Řezáč, CEO and member of the Board of Directors of PEGAS NONWOVENS SA.

Consolidated Financial Results of PEGAS NONWOVENS SA for the third quarter and first nine months of 2012.

In EUR mil.

	3Q 2011	3Q 2012	Change in %
Revenues	43.7	47.9	9.7%
EBITDA	10.8	11.3	4.8%
Profit from operations	8.6	8.4	(2.1%)
Net profit	5.5	8.6	56.8%

In EUR mil.

	9M 2011	9M 2012	Change in %
Revenues	126.3	140.2	11.0%
EBITDA	26.0	28.9	10.8%
Profit from operations	19.7	19.8	0.9%
Net profit	16.3	17.7	8.8%

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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 almost 440 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