



ANNOUNCEMENT

Commencement of building works connected with the construction of new production facility

LUXEMBOURG/ZNOJMO (August 12, 2010) – PEGAS NONWOVENS SA (hereafter "PEGAS" or "Company") announces the commencement of building works connected with the project for the construction of new production facility.

The general contractor of the building works is the company PSG – International a.s., a leading company in the construction industry in the Czech Republic and abroad.

The operations of the 9th production line will be located in Znojmo – Přímětice, Czech Republic. The production line will produce materials namely for the hygiene segment with the option of production for other applications. The total investment amount connected with the new facility will not exceed EUR 50 million. The new production line will enable the expansion of the Company's annual production capacity by up to 20 thousand tonnes (depending on the product portfolio) and the Company expects to launch production on the line in the second half of 2011.

„The project for the construction of new production facility is running according to plan and by concluding the contract for the supply of building works we have taken another significant step towards its final completion,“ said František Řezáč, member of the board of PEGAS NONWOVENS SA and CEO of PEGAS NONWOVENS s.r.o.

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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 approximately 380 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.

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