

## ANNOUNCEMENT

### **PEGAS NONWOVENS SA recorded EBITDA of EUR 8.8 million in the first quarter of 2010**

**LUXEMBOURG/ZNOJMO (May 20, 2010) – PEGAS NONWOVENS SA („PEGAS” or „the Company”), a leading European producer of nonwoven textiles, recorded EBITDA of EUR 8.8 million in the first quarter of 2010, based on the consolidated unaudited results.**

In the first quarter of 2010 consolidated revenues reached EUR 34.4 million, which is 3.5% less compared with the first quarter of 2009. The annual revenue decrease was primarily driven by lower volumes sold in tonnes, as at the beginning of 2009 the accumulated stock of finished goods from 2008 was sold out. The operating profit before depreciation, interests and taxes measured by EBITDA amounted to EUR 8.8 million in the first quarter of 2010 and declined by 37.0% yoy. The annual comparison was influenced by the extraordinarily high EBITDA achieved in the first quarter of 2009 when the Company benefited from a drop in polymer prices, high sales prices and from the accelerated clearance of the stock of finished goods. Profit from operations (EBIT) amounted to EUR 4.8 million in the first quarter of this year, down by 53.3% yoy. The Company's net profit went up by 13.0% yoy to EUR 7.7 million as the FX gains and low interest expenses mitigated the above mentioned decrease in the operating profit.

*„In the first quarter of the year we achieved solid results at the EBITDA level of EUR 8.8 million, which is in line with the Company's outlook. This EBITDA was achieved on the back of strong production output, good sales performance and the minimal impact of external factors and one-off items. Given the significant increase in polymer prices, which will have a negative impact on the Company's economic performance in the second quarter, meeting our full year guidance remains our main goal.*

*The key event of the first quarter was our decision to commence with the construction of a new production facility in Znojmo – Přímětice. We believe, this investment will strengthen our position of a technological leader in the industry and the Company has already started financing this expansion,” said František Řezáč, member of the Board of PEGAS NONWOVENS SA and CEO of PEGAS NONWOVENS s.r.o.*

#### **Investor Contact:**

Ondřej Kouřil  
Head of External Reporting PEGAS NONWOVENS

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

Klára Klímová  
IR Consultant

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

PEGAS NONWOVENS SA (*société anonyme*) is registered with R.C.S. Luxembourg under number B 112.044. Its registered office is at 68-70, boulevard de la Pétrusse, L-2320 Luxembourg, Grand Duchy of Luxembourg.

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PEGAS NONWOVENS SA is a holding company based in Luxembourg with operating companies based in Znojmo, 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.

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