



LA SEDA DE BARCELONA

Agreed Lock-up Agreement

75% OF THE BANK INSTITUTIONS COMMIT TO LA SEDA DE BARCELONA'S RESTRUCTURING PLAN

- ***The Company guarantees the restructuring plan's execution through the so-called Lock-Up Agreement***
- ***The banks will nominate up to two new board members to represent the syndicate debt***

Barcelona, 2. March 2010.- In order to assure the Restructuring Plan's continuity and to guarantee its feasibility, La Seda de Barcelona has achieved a commitment of more than 75% of the bank syndicate for executing the *Lock-Up Agreement*. This agreement is a definitive step towards culminating the group's financial restructuring, whereas it also stresses the creditor banks' support to the Company's future project.

With the *Lock-Up Agreement*, formalities are put in place to extend the *Term Sheet*, which have been presented by La Seda de Barcelona and approved in January by 84,7% of the creditors (6,5% voted in favour with conditions). The new refinancing conditions of the syndicate loan, Term Sheet, as set forth by the Company, include the 150 million euro debt-into-capital-conversion; a 250 million loan for a term of 8 years, with a grace period of 2 years for paying off the principal as well as a 200 million euro loan for a term of 5 years with its repay conditioned by the company's profitability.

Moreover, the *Lock-Up Agreement* does also include the bank institutions commitment not to sell their participation in the syndicate until having concluded the restructuring plan.

The *Lock-Up Agreement* is an indispensable condition for the Company to adhere to the *Scheme of Arrangement*, a British formula that allows renegotiating the debt with a 75% support of the debt capital. In this sense, La Seda de Barcelona does already count on three quarters of the debt capital and more than half of the lenders which are necessary for automatically extending their vote to the entire loan. The next days the banks will nominate two directors as new Board Members of the chemical corporation.



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In a short term, the financial restructuring agreement reached in the Lock-Up Agreement is supposed to be ratified by the British Court.

On the other hand, the achievement of the *Lock-Up Agreement* is releasing the Project Finance for the Sines plant; thus guaranteeing the investments made up to this moment and securing the commitments with the Portuguese project, by means of starting up the plant in the second semester of 2011.

With respect to other financial progresses made in the plan, the company is currently in a process of redefining terms and conditions for bilateral credits, which have been approved by the Extraordinary General Shareholders Assembly held in December.

With the banks' commitment and the current support of almost all suppliers –the recently signed agreement with Veolia Environment to continue with the Sines plant implementation schedule, is an example of this - the company continues to intensify its efforts for rebalancing the Group's financial stability.

Finally, we have to bear in mind that the last General Shareholders Assembly approved a capital increase of 300 million euro, 150 million of which are guaranteed as a contribution by the agreement reached with the banks, which are going to be added up to the 100 million to be disbursed by a shareholder group lead by BA Vidro.