



## LA SEDA DE BARCELONA

Stock Exchange Commission approves capital increase prospectus

### LA SEDA DE BARCELONA IS LISTED AGAIN ON MONDAY

- **Capital increase will start on 19. July, ten sessions after its return to the stock exchange**
- **BA Vidro, Caixa Geral and Liquidambar commit to subscribing €100 million**
- **Syndicate loan institutions may convert up to €150 million of debt to equity**

El Prat de Llobregat, 2 July 2010- One year after having been provisionally suspended from trading, the National Stock Exchange Commission (CNMV) has approved today La Seda de Barcelona shares return to the market, which will start trading again next Monday. Moreover, the CNMV has given green light to the €300 million capital increase prospectus.

After approving the restructuring plan and adopting the necessary measures to adapt the group's commercial and financial liabilities to this realignment, the Stock Exchange Commission considers the circumstances which prompted the suspension of trading to be overcome. The company will thus trade again in order to face a capital increase that allows a successful completion of this plan.

In the last months the company has accelerated its restructuring process, which was approved by the Board of Directors and the Shareholders General Assembly, in order to rebalance its financial situation and normalize the operational activity of the chemical group.

#### **Seda Group business development**

With the progress made in the restructuring plan's implementation, the company has gradually recovered its production activity. With these measures, PET business has increased its sales volume until reaching 41.000 tonnes of PET resin by the end of May.



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Progressive normalization of activity during the last two months is allowing all the Group plants to achieve operational efficiency levels.

By restarting production in El Prat, which is currently running with full output (14.000 tonnes / month) and with all group plants - in Italy, Turkey, Greece and Portugal – operating at their maximum capacity, a 10% sales volume increase with respect to year 2009 has been registered. Besides this situation will be consolidated in the next months, thanks to the seasonal increase of demand in this time of year, to anti-dumping measures, to the euro-dollar exchange rate and the increase of demand in Europe.

With respect to the preform business, which is the company's *core* business, the Group's forecast is to surpass 12,5 billion preform units in 2010, thanks to La Seda de Barcelona's effort in enhancing the market. At present, the company has 90% of its packaging sales guaranteed for this year and 70% for 2011. Confidence in the group's viability shown by customers – the leading brands of the worldwide consumer market – as well as suppliers, has allowed the company to achieve these peak rates in its turnover.

On the other hand, the recycled PET plant in Balaguer being transferred to its new installations, with a production capacity of up to 10.000 tonnes, together with the plant in Beaune (France), will allow the group to achieve a global production of 60.000 annual tonnes, a business considered to be strategic for the Spanish corporation.

Although La Seda de Barcelona is still immersed in finalising its restructuring process, these measures are already having their positive impact on the company's P&L.

Versus a negative EBITDA of €67 million in financial year 2009, the chemical company has achieved a positive EBITDA of €18 million from January to May 2010, with a turnover of almost € 400 million euros.



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### **The capital increase is underpinning a new era**

In December 2009, the Extraordinary Shareholders Assembly approved by 88,2% of its share capital to carry out a simultaneous capital reduction and increase operation.

The company's shareholders agreed to reduce the share capital by 97.890.919,90 euros, by diminishing the nominal value of each one of the 626.873.401 ordinary shares which are entitled to vote, from 0,256157 euros to 0,10 euros, with the purpose to provide the legal reserve and the restricted reserve, according to the Companies Act.

With respect to attracting new resources, it was agreed in the same EGM to carry out a capital increase for an amount of €300 million, by issuing and circulating 3.000.000.000 new shares with a nominal value of €0,10 (taking as a reference KPMG's valuation report ).

The capital increase considers the preferential subscription right of the shareholders which is foreseen to be carried out in 3 stages:

1. First stage: preferential subscription period
2. Second stage: additional share assignment period
3. Third stage: discretionary assignment period

Moreover, the Board of Directors agreed that the disbursement of funds obtained by subscribing shares would be carried out through the agent bank and would not be transferred to the company's account until the fulfilment of conditions to which the capital increase is subject, has been verified. This is to obtain €150 million in cash contributions by shareholders and investors, the implementation of the *Scheme of Arrangement* and the debt to equity conversion of up to €150 million.

To ensure the operation's maximum success, the company has received the commitment by two of its main shareholders to participate in the subscription of shares for a total amount of €100 million, whereas a third investor has also shown interest. This subscription is subject to a series of conditions:



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- Certain shareholders of BA Vidro, through their investment vehicle BA PET, have shown interest in subscribing shares for an amount of €65 million.
- Caixa Geral informed the CNMV about its irrevocable commitment to subscribing shares for an amount of €25 million.
- Liquidambar is keeping its commitment to subscribing shares for a value of up to €10 million.

La Seda de Barcelona points out that its future is conditioned by the full subscription of this operation. By disbursing the capital increase and from the third quarter of 2010, the company is foreseeing to complete its financial and operational restructuring, thus reaching the financial balance that allows to operate in a normalized way with a new strategy that is focused on the PET-Packaging sector, industrial applications and on boosting the recycling business, by offering high added value products.

With the results achieved until May, the chemical corporation is forecasting to reach a turnover for 2010 that is next to €1 billion and an EBITDA of approx. €60 million.