



LA SEDA DE BARCELONA

## LA SEDA DE BARCELONA OBTAINS A 95 MILLION EURO BRIDGE LOAN FOR THE SINES PROJECT

- *From the beginning of May, the company will take up the construction works at the Portugese PTA plant*

El Prat de Llobregat (Barcelona), 26 April 2010.- La Seda de Barcelona has signed a 95 million Euro bridge loan with Caixa Geral for immediately restarting construction works at the Sines plant (Portugal). The work schedule which has been suspended since September 2009, will **resume its activity from the beginning of May**.

The bridge loan is part of the 371 million euro Project Finance which was formalized at the end of January 2010 and which will be paid out, once having executed the Company's share capital increase.

The new resources guarantee the achievement of Company commitments with respect to the Sines project: reactivating the building schedule for the installations – which are going to be integrated in Seda Group as Artenius Sines – and facilitating the fulfillment of the fixed construction terms, in order to take up commercial activity within the second semester 2011.

The *Bridge Loan* is a new step towards stabilising LA SEDA DE BARCELONA and a significant progress in gradually achieving the Restructuring Plan, in which the company is immersed and which has been approved by its General Shareholders Assembly.

### **SINES Project**

The building of LA SEDA DE BARCELONA's MEGA PTA plant which is located in the petrochemical industrial area of SINES was started back in March 2008. It has been termed as being a Project of National Interest by the Portugese Government. Petrochemical infrastructure has the support of Portugese authorities in form of direct subsidies and fiscal benefits. These supports have been authorised by the European Commission.



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The future plant will cover the European Continent's PTA deficit, which is currently importing approx. 500.000 tons of this product from Asia. The new plant will have an annual PTA production capacity of 700.000 tons. With these capacities, Artenius Sines is shaping up as one of the the major strategic PTA producing plants worldwide.

With this new subsidiary, LA SEDA DE BARCELONA is generating 150 new direct and 200 indirect jobs, apart from a significant local activity increase during the two years of building the infrastructure.

Artenius Sines is set up as a competitive production plant on a global scale with cutting edge technology for PTA production. A technology showing considerable cost advantages with respect to the average of European plants.

Energy costs will be reduced by approx. 25%, this having an incidence on the energetic efficiency principle and positioning La Seda de Barcelona as a technological benchmark in its sector.

### **Latest advances in the Restructuring Plan**

In January, the Company agreed a 15 million Euro loan with the Institut Catalá de Finances. This credit line is necessary for undertaking LA SEDA DE BARCELONA's Restructuring Plan, which was approved by the Extraordinary Shareholders' Meeting on 17 December 2009..

At the beginning of March, after intense negotiations with the financial institutions which are making up the syndicate loan, the company achieved that 75% of the banking institutions committed to its restructuring plan, through the formalization of a *Lock-Up Agreement*. This agreement endorses the support given by the creditor banks to the chemical company's future project, and is – at the same time – the official means to opt for the Scheme of Arrangement, a British formula that allows carrying out a debt renegotiation with the support of 75% of the passive.

Internally, during the last months, the company has reorganized by means of simplifying its internal business structure and has included a new Board Director, Carlos Soria, who as independent member of the Board has also assumed the presidency of the Audit as well as of the Appointment and Retributions Committee.



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On the other hand, on 15. April, LA SEDA DE BARCELONA resumed production at its El Prat de Llobregat site. This start of production is completing a new step towards La Seda de Barcelona's normalization. By restarting production, the whole staff has been released from the Temporary Redundancy Plan which guarantees its future competitiveness.

By starting up production in El Prat, the La Seda de Barcelona subsidiary IQA, which is producing Glycol, one of the raw materials for manufacturing PET polymers, will reach production levels close to 90%, thus having their staff withdrawn from the Temporary Redundancy Plan as well.

Artenius Prat has a PET polymer production capacity of 170.000 tons / year with a staff totalling 180 people.

**SEDA GROUP is European leader and the third company worldwide in the PET Packaging sector as well as European leader in PET recycling with 30% of the market share. A major industrial group with production plants in 11 European countries.**