



LA SEDA DE BARCELONA

A clear shift in the Group's results

LA SEDA DE BARCELONA IS INCREASING ITS EBITDA BY 123% UP TO 30,3 MILLION EUROS

- The company has doubled its EBITDA in the first six months of 2010, thus complying with the objectives established for this financial year.
- Following the financial restructuring process, Seda Group's debt has been reduced by more than 26%

El Prat de Llobregat, 31 August 2010.- La Seda de Barcelona closed the first six months of 2010 with a **consolidated EBITDA of 30,3 million euro**. This figure means a 123 percent increase with respect to the results registered in the same period of last year, when 13,6 million euro were achieved.

This increase shows a **change in trend and confirms the good evolution of the Group's business**, by reaching a **consolidated turnover for this period of 473 million euro**. Moreover, compared to the same period last year, PET resin sales increased by more than 30 percent in June up to 45.000 tonnes, the highest figure in 16 months.

Due to the improved demand and current production level – plants are working almost to 100% of their capacity – the company is foreseeing to achieve sales ranging between 950 million and 1 billion euro, implying an improvement of 16 percent with respect to the previous financial year.

Besides, these results have endured the production stop of the San Giorgio (Italy) plant, as well as of Artenius San Roque and the El Prat plant, which resumed its activity in the month of April.

Positive outlook

In relation to the pressure from imports, the ocean freight cost increase from the main Asian port to Europe, the gradual strengthening of the dollar against the euro and the imposition of new customs rates and almost certainly, the anti-dumping measures, have caused the **Asian imports to decline** considerably



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In line with this **strategy towards profitability** improvement, La Seda de Barcelona expects to receive in 2010 an EBITDA ranging between 61 and 66 million euro, against 67 million negative in 2009.

PET resin does also expect to increase its gross margin by 33 percent by means of selling the less efficient plants, launching new products and introducing recycling, among other measures.

Debt reduction

After the 300 million euro capital increase, carried out some days ago, La Seda de Barcelona has achieved its financial restructuring. This financial restructuring has allowed to **reduce its debt figure by 26,6%** (at present the Group's net consolidated debt amounts to 763 million euro against 1.040 million in June 2010).

Moreover, it is not only important to highlight the debt figure reduction, but also the fact that its rating will improve the company's financial position significantly, as the major part of the debt, 749 million euro, is rated as long term, once the financial restructuring has been carried out, whereas by 30. June 2010 only 49 million euro had a longer maturity than 12 months. It is thus estimated that in the second half of this financial year, the company's working capital will be positive.

New stage

The company is now starting a new era with a **new management team and a solid industrial project**, which commits to strengthening its leadership in the markets where it operates (Packaging, PET resin and recycled PET) and gives up the raw material production.

In this sense, after carrying out the company's share capital increase, the **first Project Finance disbursement** – for an amount of 226 million euro – took place recently. It is led by the Portuguese institution Caixa Geral, which is backing and guaranteeing the viability of the new company plant at Sines (Portugal).