THE SHAREHOLDERS MEETING OF LA SEDA DE BARCELONA SUPPORTS THE COMPANY’S PROJECT FOR THE FUTURE

- LSB shareholders approve the 40 million Euros capital increase
- Capital increase boosts expansion towards new markets as well as the innovation of products, materials and services
- The General Assembly has approved the Accounts for financial year 2011, in which LSB reached a turnover of 1,172 billion Euros (+17.6%) and reduced its net consolidated debt by 42%

**El Prat de Llobregat, 3. May 2012.** In today’s General Shareholders Meeting, La Seda de Barcelona (LSB), a traded company at the Spanish Stock Exchange, who is pioneer in PET recycling and one of the European leaders in plastic packaging, has approved to carry out a 40 million Euros capital increase, that will allow the company to finance its growth project as well as its consolidation as an international leader.

The operation consists in issuing new shares for a nominal amount, up to a maximum disbursement of 40 million Euros. Capital increase will be carried out by the issuance of preemptive rights for a nominal value that allows a maximum disbursement of 40 million Euros. The capital increase will be made with preemptive rights and the new shares will belong to the same series and class than the old ones, having the same rights than the outstanding shares.

Moreover and previous to the capital increase, shareholders have approved the grouping of shares for their cancellation and exchange for new shares (reverse split).

LSB’s chairman Carlos Moreira da Silva commented that “the shareholders have given their support to this new phase. Capital inflow will boost the growth strategy we have outlined for LSB, allowing us to be more competitive and to create a higher value for the Company’s shareholders.”

**Capital increase for financing the growth strategy**
Capital increase is aimed at consolidating LSB’s leadership in the plastic packaging sector, where it holds a 15% share of all the markets in which it is operating, with an annual production of more than 2 billion units. Financing will enable the Company to expand towards new markets as well as the innovation of products, materials and services.
LSB’s new Corporate strategy for the Packaging Division implies accessing to new markets with growth potential. For this purpose investments for a new production plant in Poland (which will be operating in the first quarter of 2013) are being carried out, including new investments in Italy and in the North of Africa.

Moreover APPE will focus on opportunities in new sectors such as food, personal care or dairy products. In response to the specific needs of these sectors LSB will be preparing the market launch of products based on innovative technologic developments as well as new plastic materials.

**Results at the end of FY 2011**
Shareholders have also approved the Statement of Accounts and the Annual Report for the Company as well as its Consolidated Group for financial year closing at 31. December 2011. The Company closed its financial year with a consolidated turnover of 1,172 billion Euros, a 17,6% increase with respect to the previous year. LSB was also successful in reducing net consolidated losses by 42% up to 49,6 million Euros.

LSB closed 2011 with a recurrent EBITDA of 57,8 million Euros, that is 15,9% less than in 2010, mainly as a consequence of the context of weakened demand in which LSB has been operating during the second semester of the year. Notwithstanding this, it has to be pointed out that all LSB businesses made a positive contribution to the Group EBITDA in 2011.