LA SEDA DE BARCELONA INCREASED ITS TURNOVER BY 11,7% IN THE FIRST QUARTER OF THE YEAR

✔️ LSB has reached a turnover of 290 million euros in the first quarter of 2012

✔️ 5.6% turnover increase in LSB’s Resin Division (Artenius)

✔️ LSB’s Plastic Packaging Division (APPE) increases its EBITDA by 18%

El Prat de Llobregat, 14 May 2012. During the first quarter of 2012 La Seda de Barcelona (LSB), has reached a consolidated turnover of 290 million Euros, which means an 11.7% increase with respect to the same period last year. LSB has achieved a recurring EBITDA of 6.7 million euros in the first three months of this year, which is equivalent to a 58.6% decrease compared to last year’s closing.

LSB’s business evolution during this first quarter has been marked by a weak demand and a PET resin oversupply in European markets. LSB has continued to meet payments to suppliers and financial backers committed since the restructuring process was completed in 2010, which have totaled 9 million euros during the first quarter of the year, that is 30% of all commitments for this financial year.

Main business magnitudes

During these months LSB’s Resin Division (Artenius) has increased its turnover by 5.6% with respect to the same period last year.

In the months to come, the development of this Division will be marked by an improvement in the supply conditions of PTA (one of the raw materials employed in the PET production process) due to having started up in March the PTA production of ARTLANT (investee of LSB) which is located in Sines (Portugal). The PTA plant has an installed capacity of 700,000 tonnes a year and is taking shape as one of the major strategic production plants worldwide, by becoming the second European manufacturer in this sector.

As for LSB’s Plastic Packaging Division (APPE), during the period of reference its turnover has increased by 3.7% with respect to the same period last year. In terms of EBITDA it has generated 9.4 million euros, which means an 18% increase compared to the same quarter in 2011.

With respect to business development, APPE is boosting its expansion in new preform markets in Eastern Europe, with the new factory APPE Polska. This new plant will be located in the city of Katowice, in the South of Poland and will provide all preform division services, including finished, semi-finished products and advanced technology such as Heat Set, DeepGrip®, barrier treatments, custom made packaging designs as well as the capacity to provide a direct integrated supply in the customers’ facilities, thus reducing transportation and logistics costs.
**Capital increase**

The General Ordinary Shareholders Meeting of La Seda de Barcelona took place on the 3\textsuperscript{rd} of May. Among the resolutions that were adopted, it is worth mentioning the 40 million euro capital increase to be carried out in the coming months.

The aim of this capital increase is to finance:

- The regional investment and development program of APPE, LSB's Plastic Packaging Division.
- The fixed cost reduction program
- The improvement of LSB's finance structure and financing conditions.

Following the statement of LSB’s chairman Carlos Moreira da Silva “LSB is prepared to significantly improve its competitive position by means of offering the best products and services to its customers and this capital injection will boost the growth strategy designed for the Company in the next years”.