Press release

The Board of Directors of LSB decides to render the capital increase null and void

The Board will study alternative forms of financing in order to carry out the Company’s plan

THE BOARD OF DIRECTORS OF LSB DECIDES TO RENDER THE CAPITAL INCREASE NULL AND VOID

El Prat de Llobregat, 10th July 2012. La Seda de Barcelona (LSB), the multinational listed on the Spanish Stock Exchange, pioneer in PET recycling and one of the European leaders in plastic packaging decided on 10th July, at a meeting of its Board of Directors, in El Prat de Llobregat (Barcelona), to render the capital increase null and void.

The Board of Directors of the Company has considered that with the subscription applications received to date it is not possible to carry out the Company’s plan or meet with the goals set out in it. Consequently, in order to protect the subscribers and the minority shareholders, the Board of Directors has decided to render the capital increase null and void.

The capital increase aimed to raise 40 million euros to finance the project for the growth of APPE, the plastic packaging division of LSB, and thus consolidate its international leadership. The total share subscription applications received by the Company were for 12,267,418 shares, for a total sum of 12,267,418 euros. All applications for shares received during all three periods of the capital increase were accepted.

The Board of Directors regrets that it has not been possible to complete the operation, which has been affected by current economic conditions in Europe.

The Board is studying alternative sources of financing in order to obtain the necessary funds to carry out the measures contemplated in LSB’s Business Plan, and consolidate its position of leadership in the international markets.

Finally, the Board of Directors of the Company will shortly convene an Extraordinary General Shareholders’ Meeting to inform on all the above and, as necessary, to ratify the resolutions passed by the Board.