

PRESS RELEASE

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GRUPPO MOSSI & GHISOLFI

M&G to Launch a 1 Million Metric Tonnes PET Investment in North America

M&G Finanziaria announces today that the M&G Group will build a new generation technology PET plant in the United States.

The new single line plant will have a capacity of 800 kt/year (or approximately 1.8 billion lbs/year), of which 650 kt/year is scheduled to come on-stream in the first half of 2009 and the balance as required by the market.

The new plant will employ, on a larger scale, the same technology (including M&G's revolutionary EasyUpTM SSP technology) as its 450 kt/year Suape (Brazil) PET plant which came on-stream in Q1 2007 and has been successfully running at full nominal capacity.

The US location of the new plant will be announced as soon as the last site agreements and details are finalized, which is expected to require a few additional weeks.

In addition, M&G announces that it is debottlenecking its PET capacity in both its Apple Grove (W. Virginia) and Altamira (Mexico) plants and that it is expecting to increase cumulative capacity of the two sites by an additional 200 kt/year (approximately 440 million lbs/year) in the period 2007-08.

The PTA feed stock supplies necessary to support M&G's North American investment program have already been secured.

Marco Ghisolfi, CEO of M&G's Polymers Business Unit, said, "These new investments confirm M&G as the world's largest PET producer and demonstrate its commitment to the North American PET market. The investments also confirm M&G's PET technology capabilities to consistently support plant sizes twice as large as those available from the latest generation off-the-shelf technology and four times as big as the average installed base plant size". He added: "In the last years M&G has consistently implemented a technology-driven cost leadership strategy based on single line large and efficient plants. After our investments in the world's largest single line plants in Mexico in 2003 and Brazil in 2007 we now see a clear opportunity to also implement our strategy in the US. We expect that continued strong PET demand growth, partial execution and delays in our competitors' previously announced investment programs, and increasingly constrained and costly imports, will contribute to a significant PET capacity shortage in the U.S. by the year 2009. Although we believe that PET industry margins are still depressed when compared to other industries providing similar value to their customers, as industry leaders, we feel it is our responsibility to bridge the expected capacity gap to support our contract customers and the sustainability of the North American PET industry's growth".

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Notes for editors:

Additional relevant information:

- M&G Group is a family owned chemical engineering and manufacturing group headquartered in Tortona, Italy.
- M&G Group operates in the PET resin industry through its wholly-owned subsidiary Mossi & Ghisolfi International S.A. (M&G International)
- M&G International is presently the world's largest producer of PET resin for packaging applications with production capacity in 2007 of almost 1.6 million tonnes per annum (1.1 million tonnes in 2006 and 2005). After the newly announced North American investments are completed, M&G International will have a world PET capacity in excess of 2.5 million tonnes per annum.
- In the two years prior to M&G's Brazil PET plant in Suape coming on stream, M&G International posted EBITDA of \$ 140 million (in 2006) and \$ 200 million (in 2005) corresponding to an average EBITDA margin for the period of approximately 10%
- In March 2007 M&G International issued EU 200 million unsecured, subordinated Securities in the European "Hybrid" financial market.