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GRUPPO MOSSI & GHISOLFI

M&G Announces 200 kMT Capacity Expansion in Brazil

The M&G Group today announced that it has started an investment to expand the capacity of its single reactor Brazilian PET plant to 650 kt/year from its current 450 kt/year rate.

The expansion investment is expected to require 12-15 months before it comes on stream; necessary equipment parts orders have already been placed.

With the expansion, M&G Brazil PET plant, located in Ipojuca in the State of Pernambuco, will remain by far the largest single reactor PET plant in the world.

M&G Brazil plant is also the most innovative in the industry, as it employs M&G's unique and proprietary technologies such as FlexPET™ - designed to achieve large scale, economically viable barrier-enhanced PET production - and EasyUp™ - M&G's innovative viscosity upgrading process which substantially reduces the costs, while retaining the flexibility benefits of the SSP manufacturing step.

Marco Ghisolfi, CEO of M&G's Polymers Business Unit said, "I am very happy to be able to re-confirm M&G Group's commitment to Brazil and to the PET industry". He added "Even if growing significantly, we estimate that Brazil's PET market will only reach 650 kt/year in 2012 or 2013. However, we have decided to anticipate our plant capacity expansion to ensure that we continue to provide stability, support and technological leadership for the growth plans of the many M&G customers who have entered into medium term contract commitments with us in Brazil.

Notes for editors:

Additional relevant information relating to the M&G Group:

- M&G is a family owned chemical company headquartered in Tortona, Italy. It develops innovative and cost effective PET resins for container packaging and is presently the world's first largest producer of PET for packaging applications with production capacity of 1.65 million tonnes per annum. Group sales proceeds in 2007 were \$2.8 billions of which around 90% came from sales of PET resin.
- The Group has manufacturing assets in Brazil, Italy, Mexico, and the USA. The Group supports R&D Facilities in Italy and in the USA.