

Full-year results 2008  
Munich, March 31, 2009



Enhancing competitive advantage

## FY 2008 Highlights – Gained market share

- Focus on value-added products enabled market share gains
- Price erosion caused small sales decline of 3.6% to €1,735.9m
- Moncure/USA already contributed €10.4m to sales
- Lower sales and higher raw material prices reduced EBITDA to €223.7m (2007: €248.7m); EBITDA margin 12.9% (2007: 13.8%)

## FY 2008 Highlights – Cost control is key

- Cost cuts of €80m in 2008 partly absorbed increase in raw material prices
- Reduced sales and administrative cost
- FX and interest hedging losses totaling €28m burdened financial result
- Strong growth in cash-flow from operations to €228.4m (2007: €198.0m)

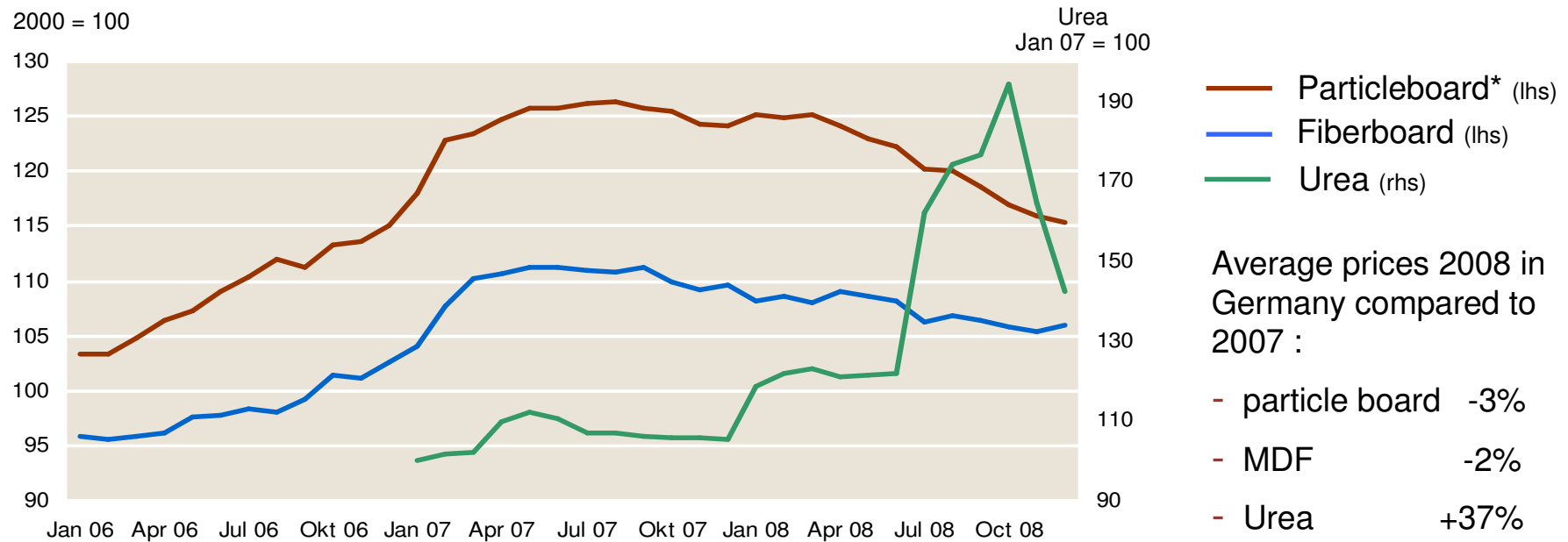
## Q4 2008 Highlights – Market deterioration

- Customer destocking brought Q4 sales down to €382.6m (-17% on Q4 2007)
- Volume decline and price erosion reduced EBITDA to €44m (-32% on Q4 2007)
- Prices of most products under pressure
- Christmas plant closures extended by one week
- Raw material prices, especially for chemicals, dropped sharply



## Material and product prices – Two storm clouds overhead

German Producer Price Index for Particle- and Fiberboard, Urea Prices



Source: German Federal Statistical Office, Pfleiderer

Average prices 2008 in Germany compared to 2007 :

- particle board -3%
- MDF -2%
- Urea +37%

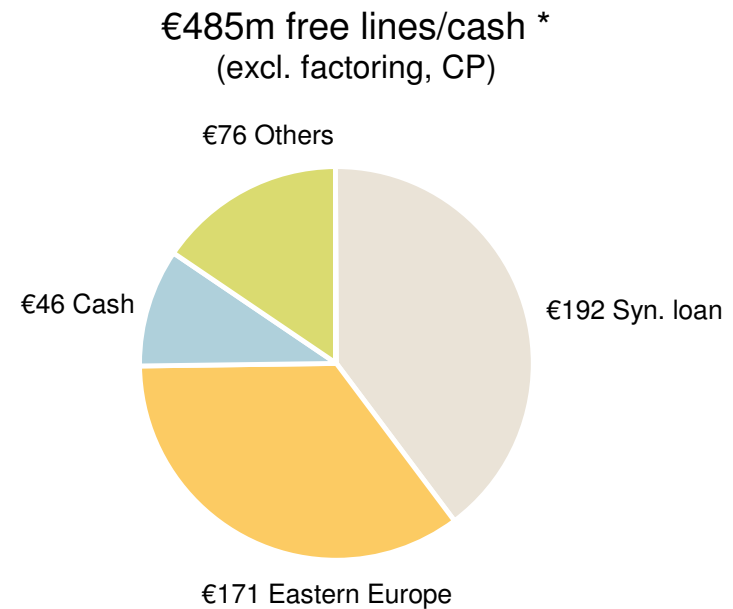
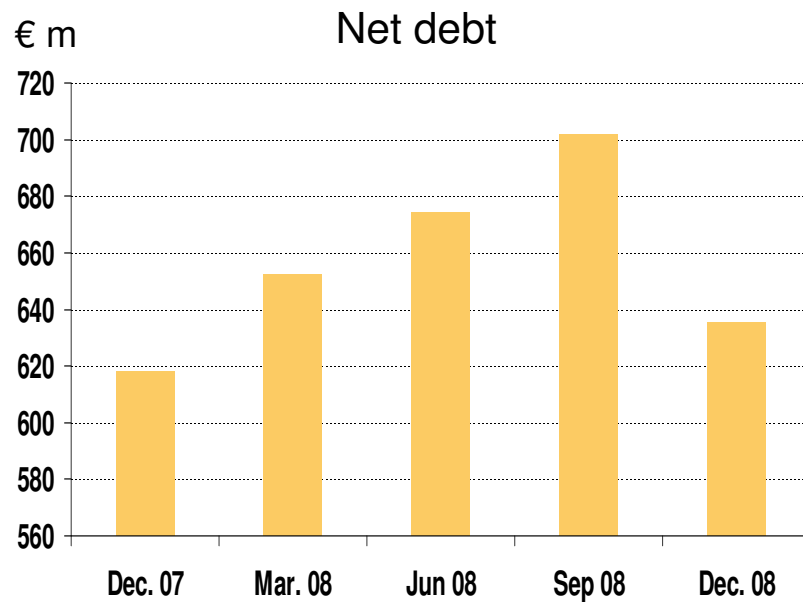
\* raw, polished, HPL + melamine-faced



## Volume and market share – Two silver linings

- Market share gains in:
  - Laminate flooring in North America (result of restructuring and import substitution)
  - Particle board in Germany (value-added products for object business, kitchen and office furniture)
  - MDF in Poland (ramping up new plant)
  
- Pfleiderer production volumes almost flat on 2007 despite shrinking markets
  - Panel market in NA: -17% yoy
  - MDF market in NA: -10% yoy
  - Laminate flooring market in NA: -15% yoy
  - Furniture industry in Poland: -15% yoy
  - German engineered wood market: -9,3% yoy

## Financial highlights – Net debt and free lines

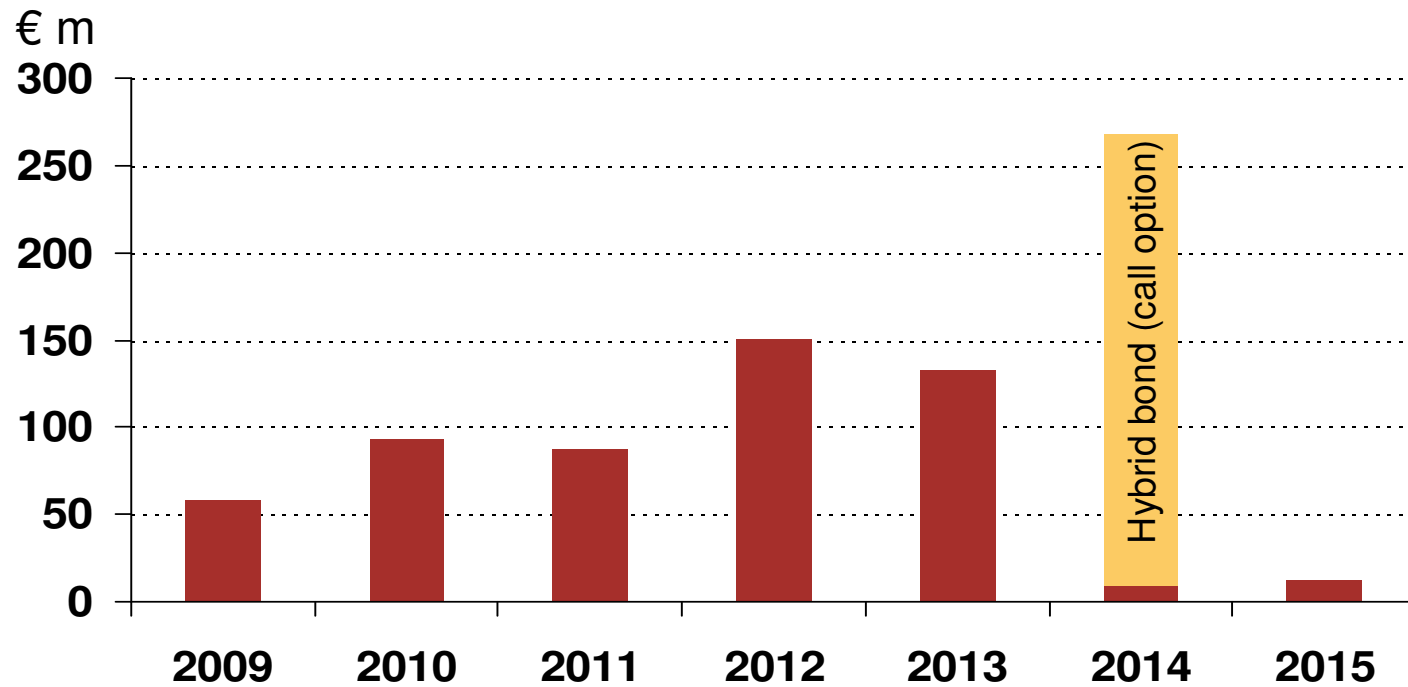


\*) as of December 31, 2008

- Only slight increase in net debt yoy
- Ample financial headroom even for difficult 2009



## Financial highlights - Profile of debt maturities



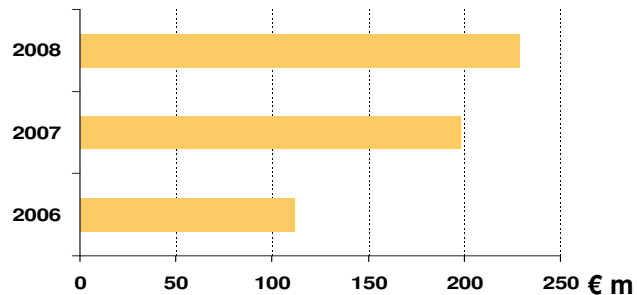
As of December 31, 2008, excluding leasing, revolving short term lines



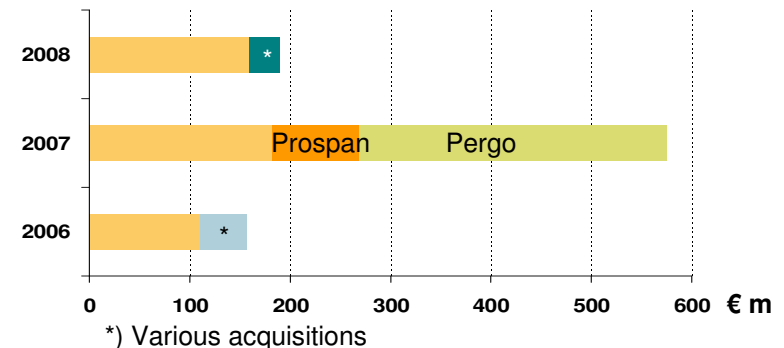
## Financial highlights – Cash flow and capex

- Strong growth in cash flow from operations by 15% to €228.4m mainly due to:
  - Reduction of inventories (€47m)
  - Reduction of receivables (€35m)
- Capex of €158.7m plus €30.6m for acquisitions well below last year's figure (2007: capex €182.6m and acquisitions €392.1m)

Cash-flow from operations



Capex and acquisitions



## Financial highlights – Interest and FX

- Net financial expenses of €-80.0m were impacted by:
  - Net interest result of €-51.6m (average interest rate: 5.75%)
  - Mark-to-market losses of €28m for:
    - FX hedges of Zloty and CAD
    - loans in foreign currencies
    - interest rate swaps
  
- No hedging of translation risks – translation differences are partly allocated to equity



## Special Projects – Update on La Baie and Novgorod

- Plant transfer from La Baie to Moncure completed
  - Currently working on foundations in Moncure
  - Completion of plant scheduled for end of 2009
  
- Construction progress in Novgorod delayed
  - Construction of building and set-up of plant will continue in the course of the year
  - Production start scheduled for 2010

## Segment overview

	Western Europe		Eastern Europe		North America	
	2007	2008	2007	2008	2007	2008
	€m		€m		€m	
Revenues	987	946	393	420	443	405
EBIT	110	113	52	29	-16	-20
- margin in %	11.1	11.9	13.2	6.9	-3.5	-5.0
Capex*	34	59	128	60	19	37
Employees	2,843	2,830	1,730	1,734	1,163	1,080

\*) before acquisitions

### Western Europe:

- Gained market share
- Record margin
- Value-added products strong
- End-year volume decline

### Eastern Europe:

- FX helped Sales growth
- Russia performed well
- Price pressure in Poland

### North America:

- Share gains in panels and laminate
- La Baie and FX burdened revenues
- Laminate revenues +24%

## 2009 – Trends and outlook

- Current trends:
  - Domestic market still relatively stable, export into Western Europe falling strongly
  - Overcapacities in all regions
  - Value-added products (melamin-faced boards etc.) holding up well
  - Weak Zloty helps demand in Poland
  
- Outlook
  - Increased price pressure and lower volumes
  - Raw material prices coming down, especially chemicals
  - No improvement in Q1 09 expected over Q4 08

## 2009 – How we are positioned

- Cost savings targets similar to 2008 (~€80m) to keep competitive cost position
  - SG&A savings amounting to ~€20m
  - Central purchasing bundles orders
  - Reduction of material consumption through plant and product benchmarking (GPPS)
  - Short-time work reduces wage bill (partly paid by the government)
- Temporary closure of plants raises pricing power and manages working capital
- Strict cash flow management
- High and increasing share of value-added products with a focus on growth customers
- Broad regional presence
- Scale operator benefiting from size

Thank you for your attention!

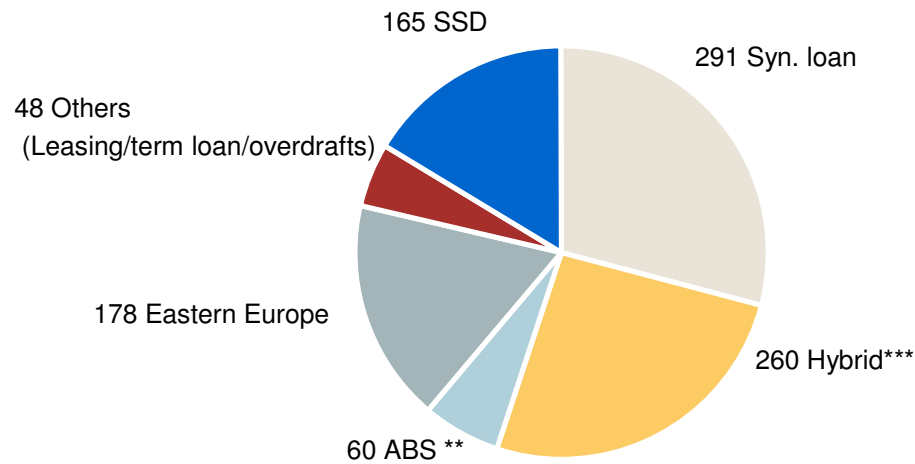


# Appendix

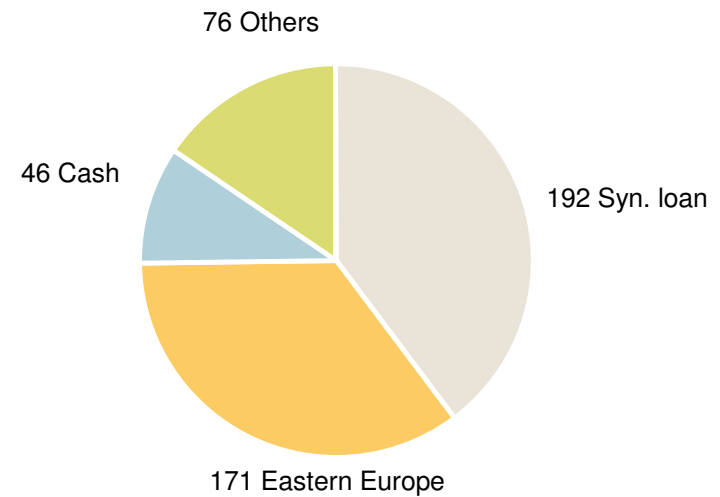


## Financial liabilities in €m\*

€1.001m financial liabilities



€485m free lines/cash  
(excl. factoring, CP)



\*) as of end of December 2008

\*\* off-balance \*\*\* allocated to equity

## Profit & Loss Statement

	2008	2007
	million euros	million euros
<b>Revenues</b>	<b>1,736</b>	<b>1,801</b>
Cost of sales	-1,301	-1,309
<b>Gross profit margin</b>	<b>435</b> 25.1%	<b>492</b> 27,3%
<b>Profit from operations</b>	<b>98</b>	<b>137</b>
<b>Financial expenses, net</b>	<b>-80</b>	<b>-46</b>
<b>Profit before taxes from continuing operations</b>	<b>18</b>	<b>91</b>
Income taxes	11	-11
<b>Profit from continuing operations</b>	<b>29</b>	<b>80</b>
<b>Profit for the period</b>	<b>22</b>	<b>85</b>
Of which attributable to minority interests	-2	14
Of which attributable to hybrid capital investors	19	13
<b>Of which attributable shareholders of Pfleiderer AG</b>	<b>6</b>	<b>57</b>
<b>EBT</b>	<b>18</b>	<b>91</b>
<b>EBIT</b>	<b>98</b>	<b>137</b>
<b>EBITDA</b>	<b>224</b>	<b>249</b>
<b>EPS continued operations</b>	<b>0.24</b>	<b>1.00</b>

## Cash Flow Statement

	2008	2007
	€m	€m
EBIT	97.6	136.8
Net income taxes paid	-20.5	-14.1
Depreciation, amortization and impairments	126.1	111.9
Gain/Loss on the disposal of non-current assets	-2.3	-18.3
Change in pension provisions	-0.2	0.3
<b>Operating cash flow</b>	<b>200.7</b>	<b>216.5</b>
Changes in assets and liabilities	35.7	-19.9
Other non-cash income and expenses	-8.1	1.4
<b>Cash flow from operations</b>	<b>228.4</b>	<b>198.0</b>
<b>Cash flow from investing activities</b>	<b>-190.6</b>	<b>-556.4</b>
Change in financial liabilities and in externally factored receivables	-76.7	185.1
Issue of Schuldschein	165.0	0
Dividend payment to the shareholders of Pfleiderer AG	-15.3	-13.2
Dividend payment to minorities	-16.8	-5.8
Dividend payment to hybrid bondholders	-19.4	-5.9
Proceeds from hybrid bond	0	269.5
Payment for share buyback	-5.0	-44.7
Selling own shares	3.2	0
Change in interests	-43.9	-38.5
Other financial activities	-0.4	0.3
<b>Net cash inflow from financing activities</b>	<b>-9.4</b>	<b>346.8</b>
Net change in cash and cash equivalents	28.4	-11.6
Effects of exchange rate changes on cash held in foreign currencies	0.7	-0.1
Change in cash and cash equivalents from discontinued activities	0	-16.7
Change in cash and cash equivalents from additions to the consolidated group	0	10.2
<b>Cash and cash equivalents at January 1</b>	<b>17.2</b>	<b>35.4</b>
<b>Cash and cash equivalents at September 30</b>	<b>46.3</b>	<b>17.2</b>

## Assets

	31.12.2008	31.12.2007
	million euros	million euros
Cash and cash equivalents	46	17
Receivables and other assets	126	121
Inventories, net	182	230
Current tax receivables	6	5
Other current assets	6	11
Noncurrent assets held for sale	10	15
<b>Current assets</b>	<b>376</b>	<b>398</b>
Property, plant and equipment, net	829	869
Intangible assets, net	541	564
Noncurrent financial assets	5	5
Deferred tax assets	123	61
Other noncurrent assets	14	24
<b>Noncurrent assets</b>	<b>1,512</b>	<b>1,523</b>
<b>Total assets</b>	<b>1,888</b>	<b>1,921</b>

## Liabilities and equity

	30.12.2008	30.12.2007
	million euros	million euros
Current liabilities and other liabilities	279	267
Current financial liabilities	153	171
Other current provisions	52	61
Current tax payables	13	7
Miscellaneous other current liabilities	1	2
Liabilities associated with noncurrent assets held for sale	18	16
<b>Current liabilities</b>	<b>516</b>	<b>524</b>
Noncurrent financial liabilities	528	464
Pension provisions	15	18
Deferred tax liabilities	86	59
Other noncurrent liabilities	11	26
Other noncurrent provisions	20	29
<b>Noncurrent liabilities</b>	<b>660</b>	<b>596</b>
<b>Equity</b>	<b>711</b>	<b>801</b>
<b>Total Liabilities and Equity</b>	<b>1,888</b>	<b>1,921</b>

## Our Management Team



Hans H. Overdiek  
CEO



Heiko Graeve  
CFO



Dr. Robert Hopperdietzel  
CTO



Pawel Wyrzykowski  
Sales & Marketing

- Management board with extensive experience in engineered wood and related industries
- Business Unit management are experts in their industry and have full responsibility for their business
- Proven track record of successful turnaround and integrations

## Disclaimer

This document has been prepared by Pfleiderer AG (the "Company") solely for use as a presentation and is furnished only to you solely for your information and may not be reproduced or redistributed or published, in whole or in part, to any other person, for any purpose.

This document constitutes neither an offer to sell or issue nor a solicitation to buy, acquire or subscribe any securities of the Company, and neither this document nor anything contained herein nor the fact of its distribution shall form the basis of or be relied upon in connection with any contract or commitment whatsoever. In particular, these materials are not an offer for the sale of securities or an invitation to purchase any securities in any jurisdiction, in particular in the United States. The securities of the Company have not been registered under the United States securities laws and may not be offered, sold or delivered within the United States or to or for the account or benefit of "U.S. persons" (in the meaning of Regulation S of the US Securities Act of 1933 as amended from time to time) absent from registration under or an applicable exemption from the registration requirements of the United States securities laws. Neither this document nor any copy of it may be taken or transmitted into the United States nor distributed in the United States. Any failure to comply with this restriction may constitute a violation of the U.S. securities laws.

This document is being distributed in the United Kingdom only to investment professionals falling within article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"), high net worth companies and other persons to whom it may be lawfully communicated falling within article 49(2)(a) to (d) of the Order. The distribution of this document in other jurisdictions may also be restricted by law, and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions.

Whilst reasonable care has been taken to ensure that facts stated herein are accurate and that the opinions contained herein are fair and reasonable, this document is selective in nature and is solely intended to provide an introduction to, and overview of, the business of the Company. Where any information and statistics are quoted from any external source, such information or statistics should not be interpreted as having been adopted or endorsed by the Company as being accurate.

Certain statements in this presentation constitute forward-looking statements and information, including statements regarding the group's (i.e. the Company and its subsidiary undertakings) financial position, business strategy, plans and objectives of management for future operations. Particularly those statements which contain the words "expects", "looks forward to", "anticipates", "intends", "plans", "believes", "seeks", "estimates", "will" and similar expressions, reflect the Company's current expectations and are based on certain assumptions and are, therefore, subject to risks and uncertainties that may cause actual results to differ materially from the forward-looking statements. The forward-looking statements, including assumptions, opinions and views of the Company or cited from third party sources, contained in this presentation are solely based on current opinions, plans, estimates, assumptions and forecasts which are uncertain and subject to risks. A multitude of factors, many of which are beyond the Company's control, affect the Company's operations, performance, business strategy and results and can cause actual events to differ significantly from any anticipated development. None of the Company or any of its shareholders or subsidiary undertakings or any of such person's representatives, advisors or employees guarantees that the assumptions underlying such forward looking statements are free from errors nor do they accept any responsibility for the future accuracy of the opinions expressed in this presentation or the actual occurrence of the forecasted developments.

The information contained in this document has not been independently verified. No representation or warranty (express or implied) is made as to, and no reliance should be placed on, any information, including projections, estimates, targets and opinions, contained herein, and no liability whatsoever (in negligence or otherwise) is accepted as to any errors, omissions or misstatements contained herein, and, accordingly, none of the Company or any of its shareholders or subsidiary undertakings or any of such person's representatives, advisors or employees accepts any liability whatsoever arising directly or indirectly from any use of this document or its content or otherwise arising in connection with this document. By accepting this presentation you acknowledge that you will be solely responsible for your own assessment of the market and the market position of the Company and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of the Company's business.

This document speaks as of March 31, 2009. Neither the delivery of this presentation nor any further discussions of the Company with any of the recipients shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since such date.

## Contact

Pfleiderer AG  
Ingolstädter Str. 51  
92318 Neumarkt

### **Lothar Sindel**

Head of Investor Relations  
Tel.: + 49 (0) 91 81 / 28 80 44  
Fax: + 49 (0) 91 81 / 28 60 6  
E-Mail: [lothar.sindel@pfleiderer.com](mailto:lothar.sindel@pfleiderer.com)

### **Fabian Schiffer**

Head of Corporate Communication  
Tel.: + 49 (0) 91 81 / 28 84 91  
Fax: + 49 (0) 91 81 / 28 60 6  
E-Mail: [fabian.schiffer@pfleiderer.com](mailto:fabian.schiffer@pfleiderer.com)