PFLEIDERER
AKTIENGESELLSCHAFT

Full year 2009 results – March 19, 2010

Preparing for recovery

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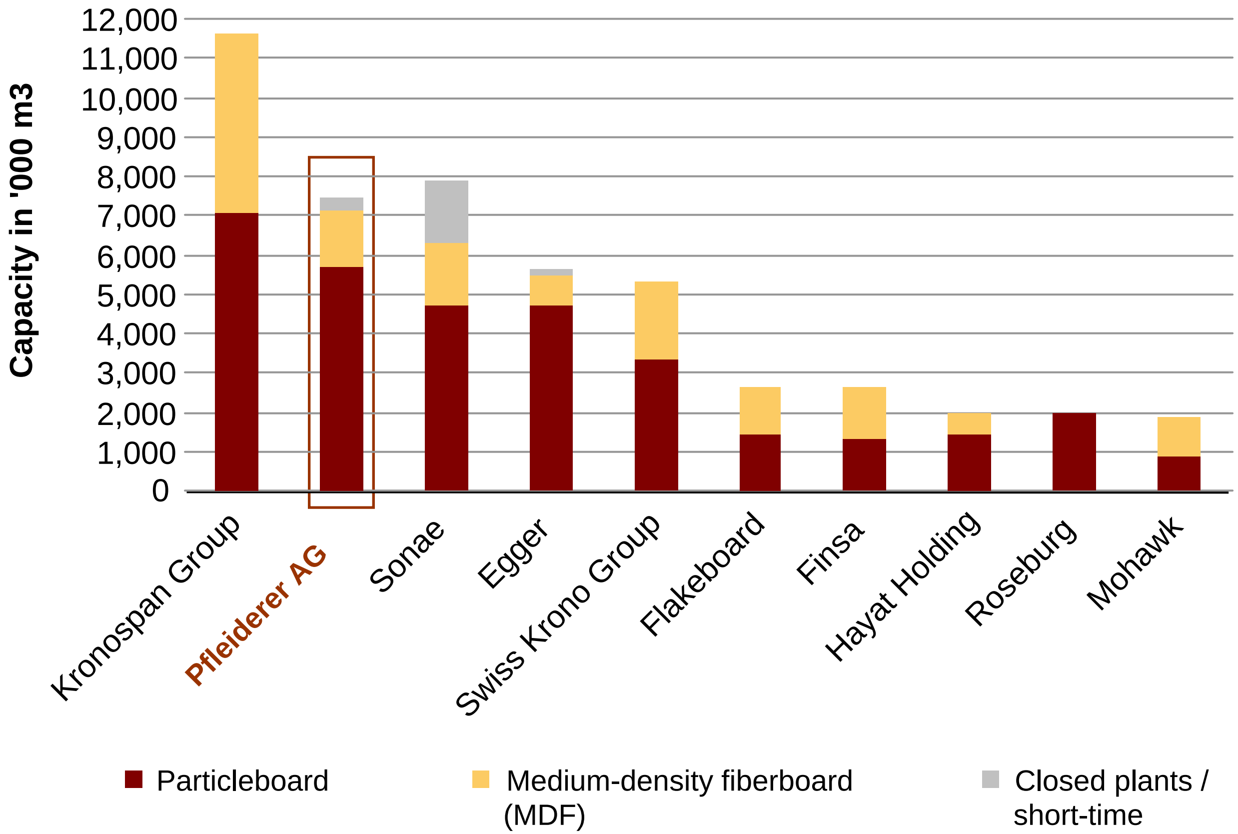
Analysts Conference
March 19, 2010

Key figures

		2009	2008	Comments
Sales	€ m	1,382	1,736	Sales decline of 20% due to volume decline of 10%, price erosion of 7% and FX effects of 3%
EBITDA	€ m	100	224	Volume decline and price erosion could not be fully offset by cost reductions Booked restructuring charges of €17.5m for further cost reductions
EBITDA Adjusted	€ m	118	224	
EBIT	€ m	-16	98	EBIT includes restructuring charges and extraordinary depreciation of €24.3m
EPS	€	-1,42	0,24	No dividend payment for 2009

Strategic highlights



Source: EPF, wood based panels, Composite Panel Association, Pfleiderer research

- Moved from No. 3 to No. 2 of the engineered wood manufacturers
- Industry capacity closures of ~1.5m m^3 in western Europe
- Pfleiderer lets particle board plant in Gschwend (300,000 m^3) sitting idle
- Completed megasite in Moncure/USA with particle board and MDF plant
- Concluded new financing in early 2010 for the next four years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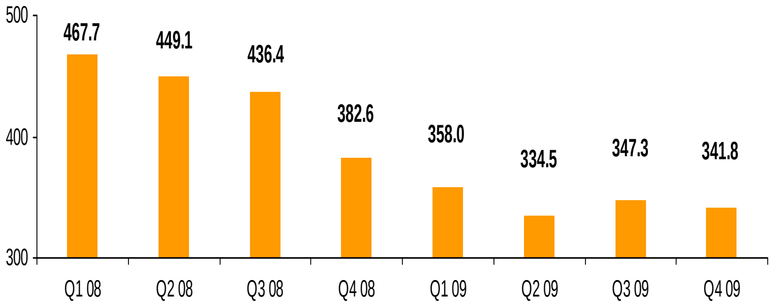
Performance by quarters

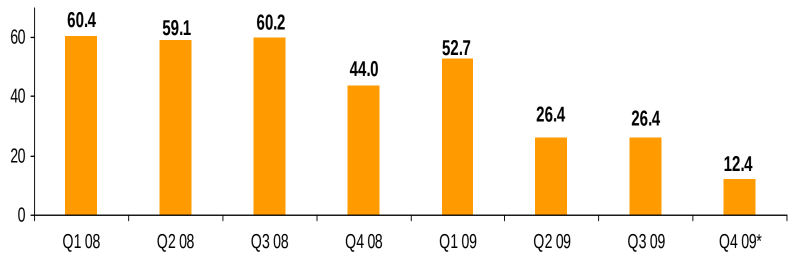
Sales have bottomed out in summer 09

€ m



EBITDA* impacted by price erosion

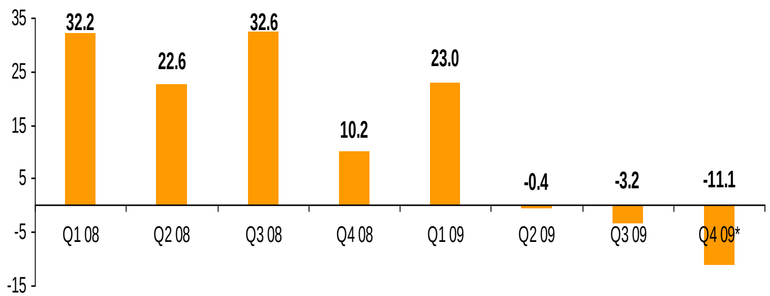
€ m



*) excluding restructuring charges of €17.5m

EBIT*

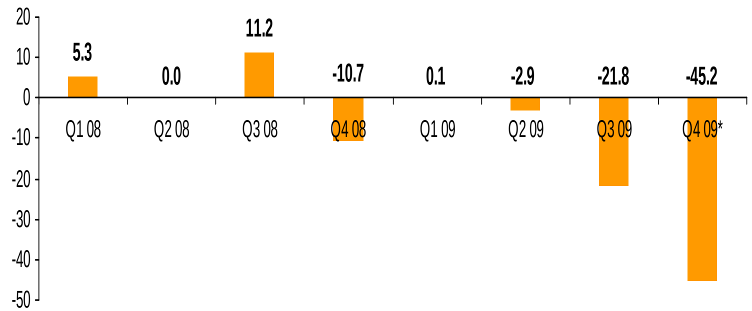
€ m



*) excluding restructuring charges and extraordinary depreciation of €24.3m

Net income* including one-off charges

€ m



*) including restructuring charges and extraordinary depreciation of €24.3m

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Profit & Loss statement

	2008	2009
	€ m	€ m
Revenues	**1,736**	**1.382**
Cost of sales	-1,301	-1,047
Gross profit	**435**	**335**
margin	25.1%	24.2%
Profit from operations	**98**	**-16**
Financial expenses, net	**-80**	**-49**
Profit before taxes from continuing operations	**18**	**-65**
Income taxes	11	8
Profit from continuing operations	**29**	**-57**
Profit for the period	**22**	**-54**
Of which attributable to minority interests	-2	-3
Of which attributable to hybrid capital investors	19	18
Of which attributable shareholders of Pfleiderer AG	**6**	**-70**
EBITDA	**224**	**100**
EPS continued operations **in €**	**0.24**	**-1.42**

Price erosion and volume effects not fully compensated by cost cuts of >€100m
Low capacity utilization required temporary plant shutdowns
Includes positive one-off effects of €7m
(Harsh winter led to rising wood costs and increased energy consumption)

Includes restructuring charges and one-time depreciation of €24.3m

Low interest rate level and positive effects from currencies of €2.7m

Capitalizing deferred taxes on losses carry forward from Pergo

No cash-outflow for interest on hybrid bond, Interest accrued on balance sheet

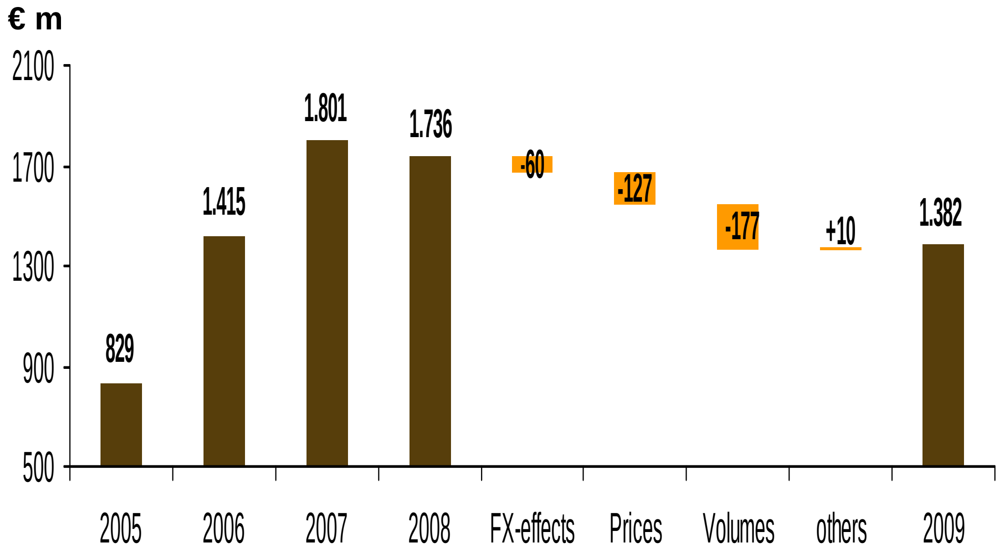
Includes restructuring charges of €17.5m

Sales development

Volumes

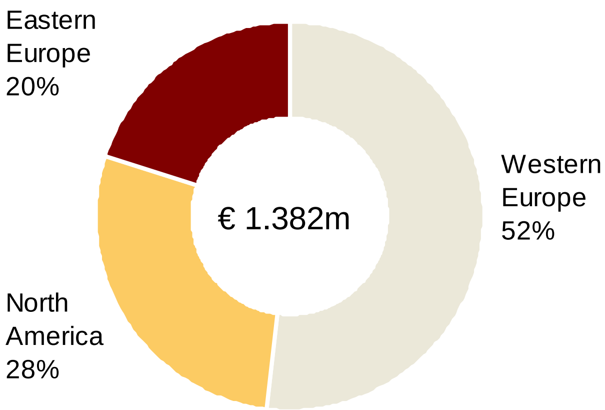
	% change YoY
Raw particleboard	-16%
Raw MDF/HDF	+1%
Laminated board	-11%
Flooring	-0%

Sales

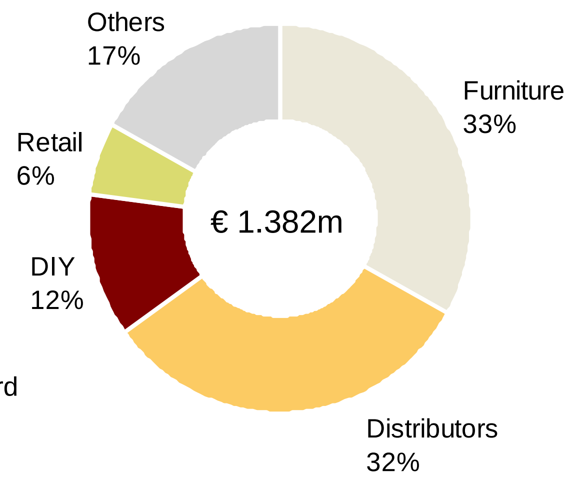


Composition of sales 2009

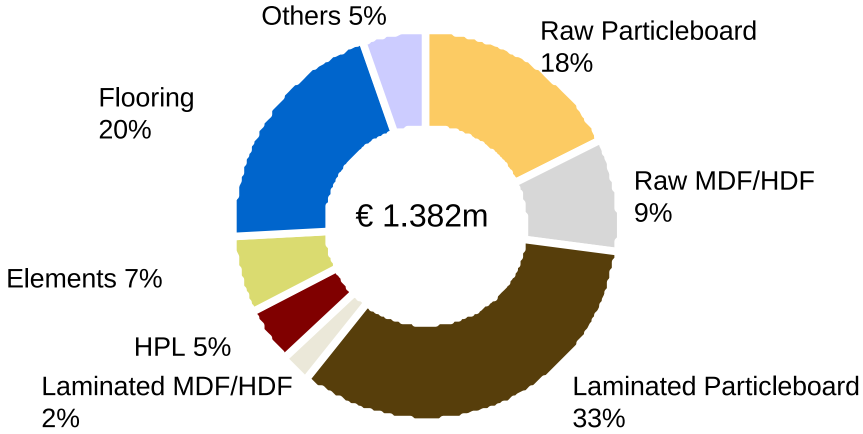
by regions



by industries



by products



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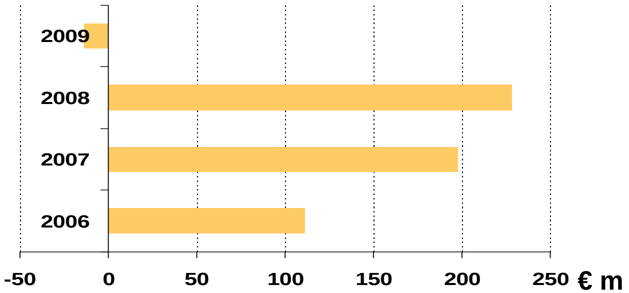
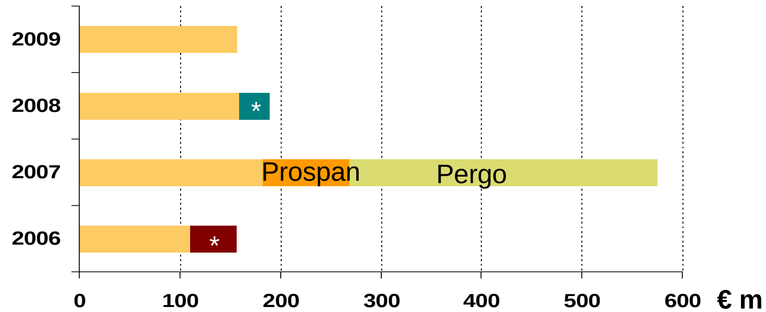
Capex & cash flow

- Capex of €157.7m strongly affected by investments for new plants in Russia and USA
- Future investment needs will be limited to maintenance capex (~€60m) as growth can be fuelled by plants built in the recent past (Moncure panel & MDF, Grajewo MDF, productivity improvements in Germany, lamination capacity in Novgorod & Val d'Or)
- Operating cash flow of €-13.7m due to lower profitability and an increase in working capital

Cash flow from operations



Capex and acquisitions



*) Various acquisitions

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Balance sheet

Assets

	31.12.2009	31.12.2008
	€ m	€ m
Cash and cash equivalents	59	46
Receivables and other assets	177	126
Inventories, net	166	182
Other current assets	8	11
Noncurrent assets held for sale	12	10
Current assets	**423**	**376**
Property, plant and equipment, net	866	829
Intangible assets, net	535	541
Deferred tax assets	129	123
Other noncurrent assets	19	19
Noncurrent assets	**1,549**	**1,512**
Total assets	**1,971**	**1,888**

- Had we concluded the financing by the end of 2009, the current financial liabilities would have been lower by €426m and the noncurrent financial liabilities higher by the same amount

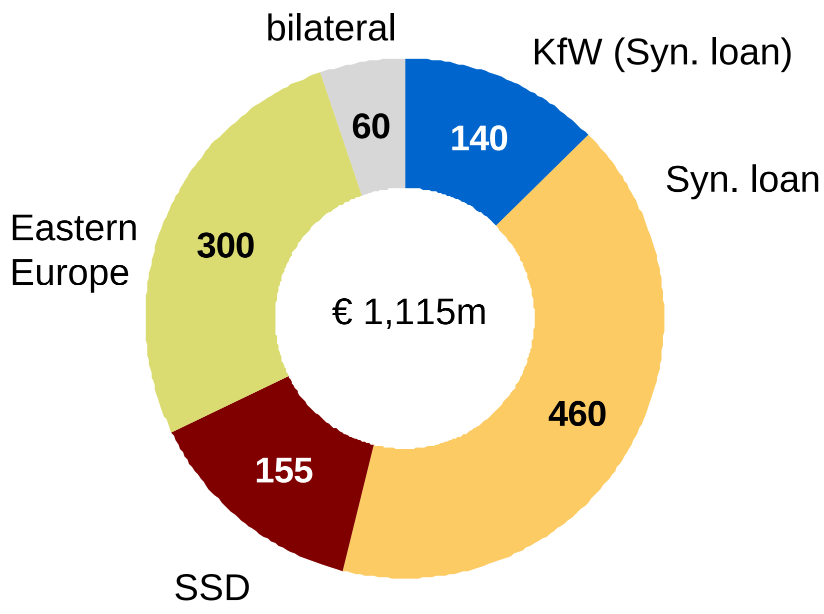
Liabilities

	31.12.2009	31.12.2008
	€ m	€ m
Current liabilities and other liabilities	235	279
Current financial liabilities	800	153
Other current provisions	47	52
Current tax payables	9	13
Miscellaneous other current liabilities	0	1
Liabilities associated with noncurrent assets held for sale	14	18
Current liabilities	**1,105**	**516**
Noncurrent financial liabilities	113	528
Pension provisions	16	15
Deferred tax liabilities	82	86
Other noncurrent liabilities	6	11
Other noncurrent provisions	18	20
Noncurrent liabilities	**234**	**660**
Equity	**632**	**711**
Total Liabilities and Equity	**1,971**	**1,888**

Key financing figures

		2009	2008
Net debt	€ m	854.2	635.5
Net leverage		8.5	2.8
Equity ratio	%	32.0	37.7
Gearing	%	135.2	89.4

Credit facilities



- Financing secured until the end of 2013
- Target to reduce debt over next four years through operating cash flow by > €350m and net leverage to <2

→ Reduction of debt lowers margin spread and increases profitability

Segmental overview

	Western Europe		Eastern Europe		North America		Group*	
	2008	2009	2008	2009	2008	2009	2008	2009
	€ m		€ m		€ m		€ m	
Sales	945.8	741.9	420.3	285.0	404.9	401.8	1,735.9	1,381.5
EBIT	112.5	1.3	28.9	2.6	-20.2	4.3	97.6	-16.1
- margin in %	11.9	0.2	6.9	0.9	-5.0	1.1	5.6	-1.2
Capex	58.7	16.6	60.3	37.7	37.4	101.1	158.7	157.7
Employees	2,830	2,663	1,734	1,584	1,080	1,212	5,777	5,592

*) Figures for the Group differ from the total for the regions due to consolidation adjustments

- North America was the region with the best relative performance – Sales almost on last year’s levels and strong turnaround on an EBIT level
- Eastern Europe showed highest sales decline, but this decline resulted mainly from FX-effects and price erosion – volumes held up fairly well
- Western Europe saw strong volume and price declines until late summer 09 – since then pick up in volumes and prices

Western Europe

Market

- The German engineered wood industry experienced a decline of 17.5%
- Some export markets disappeared completely (e.g. UK)
- Demand from furniture industry dropped by 11.5%, kitchen -9.2%, office furniture -15.6%

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- Sales decline of 21.6% due to 9% price erosion and 13% volume decline
- MDF-volumes almost stable while raw particleboard declined most
- Volume pick up since August 09 – probably more than just inventory restocking
- Prices show slight increases
- Booked restructuring charges and one-off depreciation on assets of €13.7m
- Particle board plant in Gschwend sitting idle as a reaction to price and volume situation

Eastern Europe

Russia

- Demand and prices in Russia collapsed in the first half of 2009 which led to inefficient competitors leaving the market
- In the second half of 2009 Pfleiderer was again fully booked in Russia and prices started to improve
- Construction of the MDF plant in Novgorod halted until market stabilizes – ~€60m required to complete construction

Poland

- Polish operations significantly cut costs and increased volumes of HDF by 10%
- Laminated board volumes declined by 12% due to lower exports into Baltic states
- Currently generally healthy volumes with still weak pricing

North America

Market

- North American markets did not recover as expected at the beginning of 2009
- Market turnover declined by 24% for particleboard and by 16% for MDF
- Prices for particleboard declined by 11% and for MDF by 6%

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- Sales in North America almost reached last year's level
- Laminate flooring volumes grew by 5% → this led to our market share rising to >30%
- Decline of raw particleboard volumes but growth in MDF/HDF and laminated boards
- Startup of new MDF plant in Moncure delayed by one quarter – operations started February 2010

Product highlights

Subsidiaries furnishes Volkswagen showrooms, Duropal delivers high pressure laminate, wodego decorative panels and Pergo fits trading places

Esprit, Fotograf: Chris Chan, Hongkong

Duropal fits ESPRIT flagship stores with HPL decor “Illusion”

Pfleiderer subsidiary Thermopal fits out the world’s biggest cruise ship „Oasis of the Seas“

Construction-Expert Bien-Zenker builds Ikea-Haus „Boklok“ with LIVINGBOARD panels from Pfleiderer

LIVINGBOARD

Operating strategy

Balance sheet

- The short-term focus remains on cost control, cash management and strengthening of the balance sheet
- Sale of treasury shares and 10% capital increase raised €53m in Q1 2010
- Earnings pick-up not expected before H2 2010
- Further debt reduction will be mainly driven by future free cash flow generation

Operations

- Cost cutting will continue and focus on fixed cost reduction
- Equally importantly, further industry capacity reduction is essential for healthy margins
- Price increases necessary to compensate for rising raw material costs
- Market penetration of laminate flooring will continue to drive sales growth
- Pushing green and sustainable products (Living board, NU green)

Outlook

	2010	2011
Sales	↗	↗
Net profit	→	↗
Capex	↘	→

- Expect slight sales growth driven by volume growth in Eastern Europe and new MDF plant in North America
- Stagnating sales in Western Europe expected
- Growth in housing starts in North America and Germany should support demand in H2 2010
- Still loss-making on net earnings level in 2010
- Capex will come down to maintenance level of €60-70m

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Company Profile

The MDAX-listed Pfleiderer Group is one of the worldwide leading providers for engineered wood. The company with close to 5,800 employees operates 22 sites in North America, Western and Eastern Europe producing engineered wood, surface finished products as well as laminate flooring. Pfleiderer is a preferred partner of the furniture industry, specialist and home improvement stores, and interior design suppliers.

Board of Management

Hans H. Overdiek (CEO)

Heiko Graeve (CFO)

Pawel Wyrzykowski (Sales, Marketing)

Analyst coverage

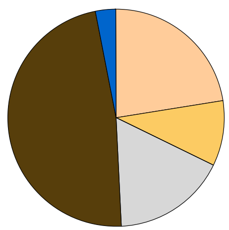
Bankhaus Lampe
Bayern LB
Berenberg Bank
BHF
Cheuvreux
Deutsche Bank
DZ-Bank
Equinet
Exane BNP Paribas
HSBC Trinkaus & Burkhardt
Independent Research
Kepler
Merck Finck & Co
Norddeutsche LB
UniCredit
WestLB

Share Data

ISIN	DE 000 676 474 9
Share class	No-par-value shares
Index	MDAX
Trading venues	XETRA, Frankfurt, regional exchanges
No. of shares	58,658,700 shares
Dividend	€0.00 for fiscal year 2008

Shareholder structure as of March 2010

- One Equity Partners 23.3%
- Pfleiderer family 10.0%
- Private shareholders 17.3%
- Institutional shareholders 49.4%
- Pelham Capital 3.17%



Financial Calendar 2010

19/03/2010	Full year results
7/5/2010	Q1 report
23/6/2010	Annual General Meeting
19/8/2010	Q2 report
11/11/2010	Q3 report

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Full year 2009 results - March 19, 2010



Thank you for your attention!

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