Three-Months-Report 2006

Januray 1 – March 31

PFLEIDERER
AKTIENGESELLSCHAFT

Three-Month Report as of March 31, 2006

- **Pfleiderer almost doubles earnings before interest, tax, depreciation and amortization compared to previous year – EBITDA margin increases to 12.2 percent**
- **Business in the Business Center Western Europe greatly improved compared to last year**
- **Focussing on Engineered Wood completed – integration of the engineered wood activities of the Kunz Group progressing successfully**

Pfleiderer Group: Key Figures as of March 31, 2006

(IFRS, previous year's figures adjusted, excl. Business Center Infrastructure Technology)

million euros		**Jan. 1 –March 31, 2006**	Jan 1 –March 31, 2005	Change in %
Revenue		**335,762**	192,840	+ 74.1
EBITDA		**41,096**	20,600	+ 99.5
EBIT		**22,097**	9,365	+ 136.0
EBT continued operations		**8,084**	6,323	+ 27.9
EBT discontinued operations		**346**	1,939	--
EBT total		**8,430**	8,262	--
Earnings per share continued operations (basic)	(in euros)	**0.08**	0.01	--
Earnings per share (basic)	(in euros)	**0.08**	0.07	--
Employees [1)]	(persons)	**5,036**	3,704	+ 36.0
• in Germany	(persons)	**2,603**	2,500	+ 4.1
• outside Germany	(persons)	**2,433**	1,204	+ 102.1

million euros		**March 31, 2006**	March 31, 2005	Change in %
Balance Sheet Total		**1,476,110**	1.442,257	+ 2.4
Equity		**274,217**	275,141	- 0.3
Equity ratio	(in percent)	**18.6**	19.1	--

1) Excluding trainees; only relates to continued operations

Pfleiderer AG on Target
Significant Improvement in Revenue and EBITDA during Q1/2006

In spite of difficult conditions and seasonal effects, the Pfleiderer Group increased corporate revenues during the 1st quarter of 2006 by 74.1 percent, closing at 335.8 million euros. Earnings before interest, tax, depreciation and amortization (EBITDA) almost doubled, rising by 99.5 percent to 41.1 million euros. Over the reporting period, the EBITDA-margin improved to 12.2 percent, after 10.7 percent during the same period of the previous year. Pfleiderer Group profitability improved during the first quarter after the Kunz takeover, as predicted, despite several setbacks which included in particular the long winter period, capital expenditure related drops in output, refitting operations and a reduction in capacity due to fire damage in Poland. The measures to enhance earnings power already started to take effect during 2005, and in March 2006 their impact became quite impressive, with a rise in the EBITDA margin to over 14 percent recorded in the single month of March. These positive effects should further intensify over the course of the year.

In addition to an obvious improvement in earnings power in the operative business during the first quarter of the current fiscal year, since the start of the year two measures have been of outstanding strategic importance for the future development of the Company: these are the sale of Pfleiderer track systems to AXA Private Equity, and the successful conclusion to the capital increase of Pfleiderer AG.

After the signing of the contract for the sale of Pfleiderer track systems to AXA Private Equity in March 2006, the transaction was closed on April 13, 2006. The resulting capital gains and cash proceeds will come during the 2nd quarter reporting period. With the sale of track systems, Pfleiderer AG has successfully completed strategic restructuring of the Group, and is now concentrating entirely on further earnings-orientated expansion of its engineered wood activities in the growth markets of Eastern Europe and North America.

To implement this profitable course of growth, Pfleiderer AG increased its registered capital by one quarter, or a total of 10.6 million no-par-value shares, as announced. Shareholders were entitled to one new share for every four shares held, the new shares being issued at a subscription price of 19.30 euros. The new shares in Pfleiderer AG started trading on April 12, 2006, with gross proceeds of 205.4 million euros on completion of the transaction. The equity basis has been sustainably strengthened, and the financing structure significantly improved, for the further international expansion of the engineered wood activities.

Objectives of the long-term, earnings-led corporate strategy

The strategic objectives for further corporate development of the Pfleiderer Group are clearly defined:

- **Enhance domestic competitive position and strengthen earnings power in Western Europe**

  The goal is to further increase the earnings power of the engineered wood operations in Western Europe. The trend during the first quarter after the merger with Kunz is already showing very positive signals. In Western Europe, the EBITDA margin of 10.4 percent from the previous year rose to 12.5 percent during the first quarter of 2005.

  In addition to the positive effects arising from the efficiency raising programme "PHW 2006", extra programmes were initiated within Business Center Western Europe with the goal of reducing the external procurement costs of energy, raw materials, pre-products and freight over both short and long term. Additional demand stemming from the merger with Kunz is helping in this respect.

- **Geographic expansion into attractive growth markets of Eastern Europe and North America**

  Pfleiderer intends to continue its growth in Eastern Europe in order to participate long-term in the dynamic market development. The new engineered wood plant in Novgorod in Russia is only a first step in a steady expansion of the company's presence throughout Eastern Europe. An additional milestone for lucrative growth was laid with the placing of the foundation stone for a new MDF plant in Poland in November 2005. In North America, capacity as a leading integrated supplier of laminate flooring was further extended. A new site in the south of the US is currently being considered.

- **Development of business activities regionally and in higher-quality product segments**

  The successful acquisitions and investments of the past two years have closed the strategic “MDF gap". With its entry into the laminate flooring segment of North America, Pfleiderer has opened up a further new, high-margin growth segment which should also gain in significance for the European divisions over the coming years. The successful trend, including investment in new plants, is to be continued in Eastern Europe through the acquisition of new sites.

Current economic situation: positive underlying economic trend

According to a report on the economic situation published by the Federal Ministry of Economics and Technology in April 2006, the positive underlying economic trend in the Federal Republic of Germany continued at the start of the year. According to the report, persistently favourable external economic conditions and the continuing, fast expanding global economy are providing reliable drive. The report paints the internal economic prospects in a friendly light, at the same time triggering a broadly-based upswing in sentiment.

In its 'ifo Konjunkturperspektiven' published in March 2006, the Munich-based ifo economic research institute underlines within the improved business climate on the back of a clearly improved business situation in Germany. The institute also does not expect any deterioration in the optimistic outlook for development in the coming six months – regarding exports, it was even slightly more confident. However, the economic indicators for the global economy (WES), as well as the ifo global economic climate index, have improved further since the start of the year.

Regarding 2006, the estimates of leading German economic research institutes as to how GDP will develop are talking of growth between 1.4 percent (Hamburgisches Welt-Wirtschafts-Archiv) and 1.7 percent (ifo Institute, Munich). According to these sources, a continuing economic recovery can be expected. Exports are still considered to be the cornerstone in this process. According to the Federal Ministry of Economics and Technology in its annual economic report 'Jahreswirtschaftsbericht 2006', German industry has been on an upswing since the start of the year. The economic recovery is expected to continue through the year and be carried substantially by successes abroad, but also by a gradual enlivening of the domestic economy. According to this, in 2006 GDP in Germany will rise by on average 1.4 percent, price-adjusted (last year: 0.9 percent). The global economic growth prospects are described as similarly dynamic to last year in the 'Jahreswirtschaftsbericht', with global economic output in 2006 expected to grow at a real 4.25 percent, and continuing at a constantly high level.

According to the HDH (Hauptverband der deutschen Holz- und Kunststoffverarbeitenden Industrie) and the VDM (Verband der deutschen Möbelindustrie), the German furniture industry achieved increases in sales at the start of the year. In January 2006 almost all sectors of the German furniture industry reported rises in sales compared to the previous year. Adjusted figures came to a plus of 10.6 percent year-on-year. Despite a real drop in the number of kitchen furniture manufacturers registered with VDM, sales in the kitchen furniture industry rose at the start of the year. According to the reports, office and shop furniture developed particularly well at the start of the year.

The German furniture industry is assuming a slight improvement in business for 2006. The VDM also expects a slight rise in furniture industry sales of 1.5 to 2 percent – driven predominantly by rising exports and anticipatory effects in connection with the planned rise in VAT in Germany. The furniture trade association, BVDM, expects growth of 3 percent during 2006.

Business Develops Positively for Pfleiderer Group
Considerably Increase in Revenue and Earnings

The Pfleiderer Group is reporting very positive results for the first three months of fiscal 2006, with revenues and earnings clearly up – this despite loss of production due to the hard winter, damp wood and interruptions due to extensions being made to the laminate flooring capacities in North America, as well as two temporary shutdowns due to fires at Wieruszów and other stoppages due to lack of gas.

The Company continued to develop smoothly in fiscal 2005, with business reported as good during the first quarter 2006. This is borne out by the upturn in results for the Pfleiderer Group's continued operations, due to a considerable degree to positive growth in business in the Business Center Western Europe - although negative effects in terms of raw material prices had to be absorbed here, too.

Following the closing in April 2006 of the contracts to sell Pfleiderer track systems, the Business Center Infrastructure Technology was still part of the Pfleiderer Group in the first three months of 2006, and is reported under discontinued operations in accordance with IFRS 5. This means that the resulting capital gain of 45 million euros after tax following the sale to AXA Private Equity, as well as income from the disposal will be booked in the second quarter of 2006. Accordingly, the Business Center track systems no longer appears in the reporting period under the Company's operative figures, but is shown separately under discontinued operations.

In the first quarter of 2006, the Pfleiderer Group posted revenues of 335.8 million euros. Due to the stable development of sales markets, this figure is an improvement of 142.9 million euros or 74.1 percent, compared to the same reporting period of the previous year. In the Business Center Western Europe, revenues rose strongly from 135.1 million in the first quarter of 2005 to reach 192.8 million in the current reporting period. In the Business Center Eastern Europe, revenues in the first quarter of 2006 totalled 66.2 million, compared to 57.1 million euros for the same period of the previous year. The Business Center North America, consolidated into the Pfleiderer Group for the first time, reported total revenues of 81.2 million euros for the first three months of fiscal 2006.

The consolidated foreign share in revenue (i.e., for the whole Pfleiderer Group) climbed from 57.9 percent in the first three months of 2005 to 66.4 percent for the current reporting period.

Earnings before interest, tax, depreciation and amortization (EBITDA) increased more than revenues over the first three months of this fiscal year, reaching 41.1 million euros. EBITDA almost doubled during the reporting period (99.5 percent). The EBITDA margin, which stood at 10.7 percent in the comparable period of 2005, reached 12.2 percent in the 1st quarter reported here. A major part in this was due to the Business Center Western Europe, where the operating margin has risen from 10.4 percent in 2005 to currently 12.5 percent. In the Business Center Eastern Europe, the EBITDA margin during the winter quarter stood at 16.4 percent – in the Business Center North America the EBITDA margin came to 12.2 percent.

Overall, the trend in the first quarter of 2006 has been positive. Various measures introduced to increase profitability, as well as the first signs of synergies following the integration of Kunz and initial successes in combining procurement have helped to increase the EBITDA margin to over 14 percent in March 2006.

Pfleiderer Group: Key Figures for 1st Quarter 2006

Pfleiderer Group million euros	**Jan. 1 – March 31, 2006**	Jan. 1 – March 31, 2005
Revenues	**335,762**	**192,840**
Business Center Western Europe	192,838	135,121
Business Center Eastern Europe	66,217	57,130
Business Center North America	81,228	n.a.
EBITDA	**41,096**	**20,600**
Business Center Western Europe	24,015	13,988
Business Center Eastern Europe	10,829	11,230
Business Center North America	9,920	n.a.
Earnings per share continued operations, basic, in euros	0.08	0.01

As expected, consolidated interest expenses increased due to the takeover of the Kunz Group initially being financed fully by third party loans during the first quarter of 2006, with interest expense according totalling -15.1 million euros (Q1/2005: -4.6 million euros). As a result, the overall financial result in the reporting period came to -13.9 million euros (Q1/2005: -3.0 million euros). However, earnings before taxes for continued operations (EBT) was up by 1.8 million euros or 27.9 percent to 8.1 million euros, with the EBT margin at 2.4 percent of sales (Q1/2005: 3.3 percent). Following the disposal of track systems and the capital increase in April, interest expenses is expected to fall considerably.

The tax rate for the Pfleiderer Group in the first quarter of 2006 came to 24.4 percent, a big improvement compared to the figure for 2005 (Q1/2005: 28.8 percent). As a result, earnings from continued operations rose by 35.7 percent, coming to 6.1 million euros in the reporting period. Earnings per share from continued operations rose by 1 eurocent in the first quarter of the previous year to 8 Eurocents in the first quarter of 2006.

Earnings from discontinued operations, mainly attributable to the track systems business disposed of in April 2006, came to 0.3 million euros in the first quarter of 2006 (Q1/2005: 1.9 million euros). Accordingly, consolidated net income for the reporting period came to 6.1 million euros.

The share of minority interests in earnings – that includes holdings in the Polish subsidiary Pfleiderer Grajewo owned by third parties – came to 2.6 million euros in the first three months of fiscal 2006, compared to 4.0 million euros in the same period of the previous year. Accordingly, consolidated net income after taxes and minority interests rose to a total of 3.5 million euros or 8 eurocents per share.

Consolidated operating cash flow rose strongly by 19.1 percent following positive growth in business in the first quarter of 2006 and reached 16.9 million euros in the reporting period.

On the other hand, the equity ratio for the Group was lower at the end of the first quarter compared to the figure for 2005, due to the takeover of the Kunz Group being financed by third party in the first step. With shareholders equity standing at 274.2 million euros, the equity ratio declined to 18.6 percent at the close of the quarter, as expected. However, the capital increase, carried out in April, has now been completed so that this figure will rise again to well over 30 percent.

Due to the Kunz transaction, which was financed initially entirely by third-party loans, net corporate indebtedness came to 651.6 million euros as of March 31, 2006, putting this figure well above the comparable figure for the previous year, as expected.

Employees and Working Hours

Following the integration of the engineered wood activities of the Kunz Group, the headcount related to continued operations rose to 5036 persons as of March 31, 2006 (2005: 3,704 persons), of which 2,433 persons are employed outside Germany. In this figure, the headcount in Germany for the “old” Pfleiderer (i.e., excluding Kunz) fell from 2,438 in the previous year to 2,152 in the current reporting period. As a result of the Kunz takeover, the figure for Germany has increased by 365 employees. Overall, 132 young persons are receiving training in commercial and skilled trades in the Pfleiderer Group.

Capital Expenditure

As of the quarterly closing date of March 31, 2006, expenses for capital expenditure in the Pfleiderer Group (continued operations) came to 21.9 million euros. Capital expenditure is supporting the growth path being pursued by the Company, with spending well above the previous year’s figure of 9.6 million euros for Q1/2005.

In the first quarter of 2006, the main focus of capital expenditure besides our capacity expansion for laminate flooring in North America was directed at the Business Center Eastern Europe, where a total of 9.6 million euros million euros was spent, mainly in the construction of the particleboard plant in Novgorod. In February 2006, surface facing of raw particleboard started in the first section of the new particleboard plant in Novgorod, Russia.

In the Business Center Western Europe, capital expenditure in the reporting period came to 6.2 million euros. And in the Business Center North America, a total of 6.0 million euros has been spent to a great extent on extending laminate flooring capacity since the beginning of the year.

Outlook

Now that focussing on its engineered wood activities has been completed and in view of the favourable market outlook as well as driven by extended capacities in North America and Eastern Europe to come on stream, the Company expects further strong business development during the second half of 2006 . This is supported by the effects of integrating Kunz, as well as measures taken to increase earnings in Western Europe.

In February 2006, surface facing of particleboard started in the first section of the new particleboard plant in Novgorod in Russia. Full production of particleboard, planned to start in the first half of 2006, may be delayed by one to two months due to an assessed damage in the transmission system of the production line. At present 95 percent of site construction has been completed. Pfleiderer has since mobilized additional construction and fitting capacities so that production can roll out as close to schedule as possible. Despite this setback, the Board of Management of Pfleiderer AG has underlined that overall earnings targets for the Pfleiderer Group for 2006 are not in jeopardy.

In view of continuing stable growth in the engineered wood markets in Eastern and Western Europe and in North America, the Board of Management is reinforcing its target for the full fiscal 2006, with revenues expected to reach 1.4 billion euros and EBITDA to come to at least 200 million euros. These figures also include an average EBITDA margin of 14.3 percent.

Consolidated Income Statement
From January 1 to March 31, 2006
(according to IFRS)

'000 euros	Jan 1. – March 31, 2006	Jan 1 – March 31, 2005
Revenues	335,762	192,840
Cost of sales	-254,993	-138,753
Gross margin	**80,769**	**54,087**
Selling expenses	-42,067	-26,710
Administrative expenses	-22,711	-16,193
Research and development costs	-325	-250
Other operating income and expenses	6,354	-1,570
Operating result	**22,021**	**9,364**
Interest income	1,085	1,537
Interest expense	-15,062	-4,556
Investment income	76	0
Other financial income	-36	-22
Financial result	**-13,937**	**-3,041**
Earnings of continued operations before taxes on income	**8,084**	**6,323**
Taxes on income	-1,974	-1,819
Earnings of continued operations	**6,110**	**4,504**
Earnings from discontinued operations	346	1,939
Taxes on income from discontinued operations	-322	516
Net income before minority interests	**6,134**	**6,959**
Minority interests	-2,596	-3,986
Net income	**3,538**	**2,973**
Earnings per share (basic)	0.08	0.07
Earnings per share (diluted)	0.08	0.07
Earnings per share continued operations	0.08	0.01
Earnings per share discontinued operations	0.00	0.06
Average number of issued shares (basic)	42,561,050	42,632,553

Consolidated Balance Sheet as of March 31, 2006
(according to IFRS)

,000 euros	31.03.2006	31.12.2005	31.03.2005
ASSETS			
Cash and cash equivalents	84,810	74,290	62,987
Securities classified as current assets	0	0	19,330
Receivables and other assets	114,007	99,007	79,294
Inventories, net	141,111	154,133	104,331
Income tax receivables	3,751	4,182	1,174
Other assets	11,924	5,577	8,982
Assets of discontinued operations	100,606	102,300	4,745
Current assets	**456,210**	**439,489**	**280,843**
Property, plant and equipment, net	649,099	648,068	368,271
Intangible assets, net	274,068	276,113	93,228
Financial assets	9,093	9,321	21,347
Deferred tax	85,097	66,329	32,442
Other non-current assets	2,543	2,937	2,962
Non-current assets	**1,019,900**	**1,002,768**	**518,250**
Total assets	**1,476,110**	**1,442,257**	**799,093**

,000 euros	31.03.2006	31.12.2005	31.03.2005
Liabilities and shareholders' equity			
Payables	184,224	191,673	118,812
Borrowings	342,150	346,068	46,019
Other provisions	90,451	72,030	56,905
Income tax payables	1,692	2,195	4,598
Other payables	3,832	2,207	1,871
Liabilities of discontinued operations	56,736	64,992	13,181
Current liabilities	**679,085**	**679,165**	**241,386**
Borrowings	394,303	355,716	217,902
Provisions for pensions	63,026	62,727	62,198
Deferred tax	42,599	45,657	23,677
Other payables	2,266	883	3,225
Other provisions	20,614	22,968	16,467
Long-term liabilities	**522,808**	**487,951**	**323,469**
Issued and paid-in capital	109,274	109,274	109,274
Capital reserve including loss carryforward			
and net income	59,851	61,948	37,100
Treasury stock	-1,614	-2,399	-2,117
Other income	5,718	6,264	-5,794
Minority interests	**100,988**	**100,054**	**95,775**
Shareholders' equity	**274,217**	**275,141**	**234,238**
Total liabilities and shareholders' equity	**1,476,110**	**1,442,257**	**799,093**

Consolidated Statement of Cash Flows as of March 31, 2006
(according to IFRS)

'000 euros	Jan 1. – March 31, 2006	Jan 1 – March 31, 2005
Earnings before interests and taxes (EBIT)	22,097	9,365
Net income taxes paid	-2,443	-1,371
Depreciation and amortization of fixed assets	19,018	11,241
Gain / loss on disposal of fixed assets	215	525
Changes in pension provisions	641	1,112
Changes in current assets	-7,077	-9,805
Changes in sundry non-current assets	244	-791
Changes in current liabilities excluding financial liabilities	7,421	4,234
Changes in long-term liabilities excluding financial liabilities	-2,787	-489
Other non-cash expenses	-20,399	191
Cash flow from operating activities	**16,930**	**14,212**
Purchase of intangible assets	-1,864	-42
Purchase of property plant and equipment	-20,148	-13,119
Purchase of financial assets	-309	-431
Acquistion of consolidated companies and purchase of treasury stock	-9,323	0
Proceeds from sale of intangible assets	2	0
Proceeds from sale of property, plant and equipment	2,222	63
Proceeds from sale of financial assets	275	43
Cash flow from investing activities	**-29,145**	**-13,486**
Cash flow from operating activities after investing activities	**-12,215**	**726**
Change in financial liabilities	35,339	3,709
Changes in externally factored receivables	4,588	8,472
Dividends to minority shareholders	0	0
Purchase of treasury stock	551	-2,117
Interest paid	-10,773	-3,899
Interest received	1,085	1,537
Other financing activities	1	1
Cash flow from financing activities	**30,791**	**7,703**
Changes in cash and cash equivalents from cash relevant transactions	18,576	8,429
Changes in cash and cash equivalents from exchange rate fluctuations	-1,892	-14
Changes in cash and cash equivalents from discontinued operations	-6,736	-7,279
Changes in cash and cash equivalents from first-time consolidation	572	0
Cash and cash equivalents as of January 1, 2006	74,290	80,128
Cash and cash equivalents as of March 31, 2006	84,810	81,264

Consolidated Statement of Changes in Shareholders' Equity as of March 31, 2006
(according to IFRS)

’000 euros	Subscribed capital	Additional paid-in capital including balance sheet loss and net income	Treasury stock	Other comprehenseive income: Currency translation	Other comprehenseive income: Valuation of financial derivatives	Minority interests	Total
As of Jan 1, 2006	**109,274**	**61,948**	**-2,399**	**6,264**	**0**	**100,054**	**275,141**
Treasury stock		-234	785				551
Change in adjusting item from currency translation				-2,925			-2,925
Change in adjusting item from measurement of financial derivatives					2,379		2,379
Profit attributable to minority interests in change in adjusting item from foreign currency translation						934	934
Profit attributable to minority interests		3,538					3,538
Change in scope of consolidation							0
Impact of stock option plans		-5,401					-5,401
As of March 31, 2006	**109,274**	**59,851**	**-1,614**	**3,339**	**2,379**	**100,988**	**274,217**

Consolidated Statement of Changes in Shareholders' Equity as of March 31, 2005
(according to IFRS)

'000 euros	Subscribed capital	Additional paid-in capital including balance sheet loss and net income	Treasury stock	Other comprehenseive income: Currency translation	Other comprehenseive income: Valuation of financial derivatives	Minority interests	Total
As of Jan 1, 2005	**109,274**	**34,784**	**0**	**723**	**-6,411**	**92,068**	**230,438**
Treasury stock			-2,117				-2,117
Change in adjusting item from currency translation				-163			-163
Change in adjusting item from measurement of financial derivatives					57		57
Profit attributable to minority interests in change in adjusting item from foreign currency translation						3,707	3,707
Profit attributable to minority interests		2,973					2,973
Change in scope of consolidation		-848					-848
Impact of stock option plans		191					191
As of March 31, 2005	**109,274**	**37,100**	**-2,117**	**560**	**-6,354**	**97,775**	**234,238**

Consolidated Segment Reporting as of March 31, 2006
(according to IFRS)

000 euros **Pfleiderer Group**	Jan. 1. - March 31, 2006	in % of revenues	Jan. 1. - March 31, 2005
Revenues	335,762	100.0	192,840
* foreign share (percent)	66.4		57.9
EBITDA	41,096	12.2	20,600
EBIT	22,097	6.5	9,365
EBT continued operations	8,084	2.4	6,323
EBT discontinued operations	346	0.1	1,939
EBT total	8,430	2.5	8,262

Business Center Western Europe	Jan. 1. - March 31, 2006	in % of revenues	Jan. 1. - March 31, 2005
Revenues	192,838	100.0	135,121
EBITDA	24,015	12.5	13,988
EBIT	14,181	7.4	6,361
EBT	8,499	4.4	3,731

Business Center Eastern Europe	Jan. 1. - March 31, 2006	in % of revenues	Jan. 1. - March 31, 2005
Revenues	66,217	100.0	57,130
EBITDA	10,829	16.4	11,230
EBIT	7,356	11.1	8,025
EBT	6,933	10.5	8,498

Business Center North America	Jan. 1. - March 31, 2006	in % of revenues	Jan. 1. - March 31, 2005
Revenues	81,228	100.0	n.a.
EBITDA	9,920	12.2	n.a.
EBIT	4,578	5.6	n.a.
EBT	1,380	1.7	n.a.

Notes to Three-Month Report as of March 31, 2006

1. General Principles

The interim consolidated financial statements as of March 31, 2006 of Pfleiderer AG have been drawn up in accordance with IAS 34 (interim reporting), in conjunction with the currently applicable International Accounting Standards (IAS) and the International Financial Reporting Standards (IFRS) and their interpretation by the Standing Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC). The interim consolidated financial statements do not include all the notes and details required for the full year financial statements, and should therefore be regarded in connection with the full financial statements for year-ending December 31, 2005.

The requirements of the applied standards were fully met and draw a realistic picture of Pfleiderer´s asset, financial- and earnings situation.

2. Summary of significant accounting policies

Accounting and valuations as well as the notes and information are based on the same accounting and valuation methods applied to the consolidated financial statements for fiscal 2005. Regarding the principles given below we therefore refer to the consolidated financial statements as of year-ending December 31, 2005.

Prior year comparative figures

To improve the comparability, the prior year comparative data in the income statement and the cash flow statement relating to the discontinued operations were adjusted in accordance with IFRS 5. In accordance with IFRS 5.40, no adjustment to the prior year comparative figures was carried out in the balance sheet. Operations that were already disposed of and deconsolidated during the reporting period are reported in the income statement for the previous year under discontinued operations.

Scope of consolidation

The interim financial statements include the financial statements of Pfleiderer AG and all majority-owned subsidiaries in which it had a controlling interest as of March 31, 2006. All significant subsidiaries, in which the Company had a direct or indirect controlling interest, are consolidated. In the first quarter of 2006, Silekol Sp. z o.o., Kedzierzyn-Kozle, Poland was included in the consolidated financial statements for the first time. Apart from that, the remaining 50 percent minority holding in MDF La Baie Inc., La Baie, Canada were acquired. No other changes to the scope of consolidation have occurred compared to the last financial statements for 2005.

Principles of consolidation

The capital consolidation is carried out by the purchase method. In accordance therewith, the acquisition costs of the acquired interests are set off against the share of the shareholders equity that is attributable to the parent company as of the acquisition date. A difference is assigned in accordance with the investment holding to the assets and liabilities of the subsidiary up to their present value (complete revaluation method). Any remaining debit difference is recognized as goodwill and is tested regularly for impairment in accordance with IAS 36, Impairment of assets.

All receivables and liabilities, revenues, expenses and income, and profits and losses between entities included in the consolidated financial statements are eliminated on consolidation.

Minority interests are determined on the basis of the equity as of the balance sheet date, and are reported in the consolidated balance sheet, together with the shares of profits and losses, within equity.

Use of estimates

The preparation of the consolidated financial statements requires to a certain degree the use of assumptions and estimates, which affect the reported amounts of assets, liabilities, revenues and expenses in the consolidated financial statements and the disclosure of contingent liabilities. The assumptions and estimates primarily relate to the assessment of the recoverability of intangible assets, the uniform definition within the Group of economic useful lives for property, plant and equipment, the collectability of receivables and the recognition and measurement of provisions. The assumptions and estimates are based on premises that are dependent on current information available at the time. Reference was made in particular with regard to the expected future development of the business to the circumstances prevailing at the time of preparation of the consolidated financial statements and the assumed future development of the industry-related environment. The actual results may vary from these estimates as a result of developments in these basic circumstances that deviate from the assumptions and that are beyond the control of management. If the actual development deviates from the expected development, the premises and, where necessary, the carrying amounts of the affected assets and liabilities are adjusted accordingly.

At the time of preparation of the consolidated financial statements, the underlying assumptions and estimates were not affected by any special circumstances, so that it is not assumed, from the present day point of view, that significant adjustments will be required to the carrying amounts of the assets and liabilities reported in the consolidated balance sheet.

Foreign currency translation

The financial statements of the subsidiaries of Pfleiderer AG were prepared in their functional currency, which was generally their local currency. With the exception of shareholders equity, which was translated at the exchange rate valid at the time of the respective transaction, all balance sheet accounts were translated to the reporting currency (euros) applying the exchanges rates in force as of the end of the reporting period. Income and expense accounts were translated at weighted average rates for the fiscal year. Any differences resulting from the foreign currency translation are recorded in a separate item under equity ("Other comprehensive income/adjustment item from foreign currency translation") until the group company is sold or liquidated.

Revenue recognition

Revenues are mainly generated from the sale of products and to a minor extent from services. These revenues are accounted excl. VAT and net of sales deductions, such as bonuses, discounts or rebates, at the date at which they are deemed to be realized under IFRS. This is generally the case when persuasive evidence of an agreement exists, delivery has occurred or services have been rendered, the price is fixed or clearly determinable and collectability is reasonably assured.

Income taxes

Income tax expense comprises both the current tax payable on income and deferred taxes. Deferred taxes on matters included in other comprehensive income are recognized directly in equity. Income taxes on discontinued operations are reported as income taxes on discontinued operations.

Deferred tax assets and liabilities are recognized for temporary differences between the carrying amounts in the consolidated balance sheet and the tax base as at the end of quarter, and for tax loss carryforwards, provided their utilization will probably result in tax benefits in future periods. The regulations that are applicable or have been enacted as of March 31, 2006 are used for the measurement of the deferred taxes. A tax rate of 37.5 percent is used to compute domestic deferred taxes. The tax rates for the specific countries provide the basis at the foreign companies.

Research and development costs

Research costs are generally recognized as expense when they arise. An exception is development costs, which fulfil the criteria defined in IAS 38, Intangible Assets, and have to be recognized as an asset. Capitalized development costs are amortized over their expected useful lives.

Liquid funds

Liquid funds comprise cash on hand and at banks, including current deposits with banks with original maturities of up to three months.

Receivables

Receivables are stated at fair value, i.e. at their value less specific and general allowances for doubtful accounts and less impairments in their value (bonuses, cash discounts and sales deductions). Specific allowances are recorded if receivables are entirely or partly non-recoverable or if it is probable that they will not be recovered, and the non-recoverable amount can be determined with sufficient accuracy. Value adjustments are made at an appropriate amount for bonuses and cash discounts.

Sales of receivables are treated within the Group in accordance with IAS 39, Financial Instruments: Recognition and Measurement. In accordance with this accounting standard, the financial assets have to be derecognized if the contractual right to cash flows resulting from these expire or if the financial asset is transferred.

Since July 2004, Pfleiderer AG has been participating in a factoring program, under which the factor purchases the Group’s receivables up to an individual or total limit, and assumes the risk for the debtor’s insolvency (nonrecourse factoring). This is accounted for as described above.

Inventories

Inventories are measured at the lower of the costs of purchase or conversion and net realizable value on the basis of individual values or the weighted average method. FIFO is also used in justified individual cases. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Costs of production comprise direct material and production costs and an adequate portion of the material and production overheads resulting from the production process.

All foreseeable risks in the inventories resulting from reduced salability or obsolescence are reflected by appropriate provisions. Markdowns are recorded for slow-moving items.

Property, plant and equipment

Property, plant and equipment is valued at either cost of purchase or manufacture and depreciated systematically using the straight-line method over the normal useful lives of the assets for the business. In addition to direct material and production costs, the production costs of assets constructed by the Company itself also include an appropriate portion of the allocable material and production overheads and, if construction takes place over a longer period of time, interest on borrowings from third parties during the construction period. Repairs and maintenance are only capitalized if they are directly related to the construction process, unless they are capitalized applying the component approach.

Systematic depreciation is based on the following useful lives:

Buildings	14 – 25 years
Technical plant and machines	8 – 21 years
Other equipment, furniture and fixtures	3 – 11 years

Where an asset carried under property, plant and equipment comprises several different components with different useful economic lives, each individual component is depreciated over its useful life. The component approach is applied when determining the depreciation term.

Leasing

Leasing transactions are classified either as finance leases or as operating leases. Economic ownership of the assets is assigned to the contractual partner that bears the significant rewards and risks associated with the leased item.

If the lessor bears the main risks and rewards (operating lease), the leased item is recognized by the lessor. The lease payments are recognized as income. The lessee in an operating lease recognized the lease payments made during the term of the lease as expense.

If the lessee bears the main risks and rewards incidental to ownership finance lease, the lessee has to recognize the leased item as an asset. The leased item is measured with its fair value at the inception of the lease or with the lower present value of the minimum lease payments and depreciated over the estimated useful life or the shorter term of the lease. The lessee recognizes a leasing liability in the same amount at the inception of the lease. The leasing liability is amortized and rolled forward applying the effective interest rate method.

Intangible assets

Intangible assets acquired for a consideration are capitalized at acquisition cost and amortized systematically straight-line over their useful lives.

Expenses incurred in connection with the purchase and own development of computer software used by the Company, including the costs incurred to enable this software to be operated in the manner intended, are capitalized and amortized systematically over its estimated useful life. The estimated useful life of software, patents, licenses and similar rights is generally three to five years. Other useful lives can arise on first-time consolidation of intangible assets that are acquired as part of a business combination.

Capitalized development costs include costs for materials and services and costs for employee benefits arising from their generation and other directly attributable costs. They are amortized over their expected useful lives. Research costs are reported as current expenditure.

In the absence of an IFRS ruling, emission certificates are mainly carried in accordance with the usual German accounting rules. The emission certificate is shown under intangible assets. Certificates which have been obtained either by cash payment or free of charge are shown at cost of acquisition. In the case of certificates which have been granted free of charge, a liability is created to the amount of the capitalized fair value of the certificate. When certificates are sold, the profit or loss is shown in the income statement. In the first quarter of 2006, Pfleiderer realized earnings totalling approx. 2.4 million euros from the sale of emission certificates.

Impairment of property, plant and equipment and intangible assets (excluding goodwill)

An assessment is made as of every balance sheet date as to whether there are indications for the impairment of an asset. If indications exist for the impairment of property, plant and equipment or intangible assets, the carrying amount of an asset is compared with its recoverable amount. The recoverable amount is the higher of its fair value less costs to sell and its value in use.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties less the costs of disposal.

Value in use is the present value of the future cash flows expected to be derived from an assets.
If the carrying amount exceeds the higher of the two amounts (fair value less costs to sell or value in use), an impairment loss is recognized to the lower realizable value.

If the reason for an earlier impairment loss recognized in prior periods on property, plant and equipment and intangible assets (excluding goodwill) no longer exists, the impairment loss is reversed up to its amortized cost.

Goodwill

Goodwill acquired for a consideration is capitalized and in accordance with IAS 36, subjected to an impairment test at least yearly or whenever there is an indication that the unit is impaired. Impairment of the goodwill is tested in a single step procedure at the level of the cash-generating unit to which it is assigned. In accordance with the definition of a cash-generating unit, the strategic business units of the Pfleiderer Group are used as cash-generating units. They represent the reporting level below the Business Center.

Thereby, the carrying amount of the cash-generating unit is compared with its recoverable amount. If the carrying amount exceeds the recoverable amount, impairment has occurred and an impairment loss must be recognized down to its recoverable amount.

The recoverable amount of a cash-generating unit is the higher of fair value less costs to sell and its value in use.

Subsequent reversal if the reason for an earlier impairment loss ceases to exist is not permissible in the case of goodwill.

Financial assets

In particular securities and other investments are reported under the financial assets.
Financial instruments are generally recognized in the case of a normal purchase or sale as of the settlement date, i.e. on the date on which the asset is delivered.

A distinction is made in accordance with IAS 39 under the financial assets between financial assets at fair value through profit and loss, securities that are held to maturity, loans and receivables and available-for-sale assets.

The financial assets reported under the long-term loans are governed by IAS 39 and are classified as loans and receivables. They are measured at amortized cost. Amortized cost is the amount at which the asset is measured at initial recognition minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction for impairment or non-collectability.

Liabilities and financial liabilities

Current and non-current liabilities are recognized at their face value or settlement amount. Noncurrent financial liabilities are measured at amortized cost using the effective interest method.

Provisions for pensions and similar obligations

Provisions for pensions and similar obligations are measured in accordance with the projected unit credit method. Thereby, both the pensions and acquired expectancies known about at the balance sheet date and expected future increases in salaries and pensions are taken into account. Differences between the systematically determined pension obligations and the actual projected benefit obligation (actuarial gains and losses) are only recognized within profit or loss if they are outside a range of ten percent of the total obligation. In this case, they are allocated from the following year over the average periods of service of the entitled employees. The net amount of the pension costs including interest expense is recorded as pension expense. Effects from adjustments to the discounting rate are also personnel expenses.

Other provisions

Provisions, including provisions for environmental protection, that result from obligations to third parties due to legal claims, local authority regulations or another basis are set up at the date when it is probable that they have been incurred and their amount can be reasonably estimated. The settlement amount is determined on the basis of the best estimate. In the case of the provision for a large number of circumstances, this is the expected amount. Provisions with a remaining term of over a year are discounted applying market interest rates that reflect the risk and the time period, provided the effect of this is material. The related expense is recorded under the respective expense caption.

Use of financial instruments

Financial instruments are contractual arrangements that include rights to cash and cash equivalents. In accordance with IAS 32 and IAS 39, these include both primary and derivative financial instruments. Primary financial instruments include especially cash at banks, all receivables, liabilities, securities, credits and loans. Derivative financial instruments comprise for instance options or swaps.

Pfleiderer reduces various market risks such as the interest rate risk and the foreign currency risk through the use of derivative financial instruments. An interest rate risk results from changes in the interest rate level of financial assets and financial liabilities. Through the use of interest derivatives such as interest swaps, Pfleiderer AG pursues the aim of limiting the risk of a change in the interest rates. A foreign currency risk exists for transactions settled in a foreign currency. Cash flows are hedged at head office through forward exchange contracts.

Derivative financial instruments that have been concluded are reported in accordance with IAS 39 at their market value as of the balance sheet date like the hedged item. Financial instruments are recognized on a normal purchase or sale as of the settlement date, i.e. on the date on which the asset is delivered.

The market value of a financial instrument is the price at which a party would take over the rights and/or obligations under these financing instruments from another party. The Company has the measurement of the financial instruments carried out by the respective contracting partners, which are generally banks.

The carrying amount of liabilities under finance leases roughly corresponds with the fair value, based on the market value for similar financing transactions. The same also applies to the other financial instruments.

Depending on the nature of the hedged item, a distinction is made between a fair value hedge, a cash flow hedge and a hedge of a net investment in a foreign operation. The latter is not used at Pfleiderer. A fair value hedge is used to hedge the fair value of assets or liabilities recognized in the balance sheet or of firm obligations that have not yet been recognized in the balance sheet. Every change in the fair value of the derivative employed as a hedging instrument has to be recognized as profit or loss in the income statement. The hedged item also has to be measured with regard to the hedged risk at fair value, recognizing profits or losses in the income statement. Future cash flows from assets and liabilities recognized in the balance sheet or from planned transactions that are highly likely to occur are hedged with the help of a cash flow hedge. If a cash flow hedge exists, the effective portion of the gain or loss on the derivative is recognized directly in equity (other comprehensive income/measurement of financial derivatives) until the result of the hedged item is recorded. The ineffective portion of the gain or loss on the derivative is always recognized in profit or loss.

Share-based compensation

Two different share-based compensation models have been established in the Group. Stock options are offered to members of the board of management and top executives of the Pfleiderer Group in Germany and Stock Appreciation Rights are offered to top executives of the Polish companies, Pfleiderer Grajewo S.A. and Pfleiderer Prospan S.A.

Stock options allow Pfleiderer shares to be purchased at a certain pre-determined exercise price following a waiting period of three years. The purchase of stock options is linked to a personal contribution. Stock options (share-based transactions with compensation through equity instruments) are measured at the time they are granted with the fair value. The fair value is recorded in profit and loss as personnel expenses over the period until they are exercised. Fair value is determined by internationally acknowledged measurement methods (Black-Scholes method).

Stock Appreciation Rights (SARs) entitle the holders, following a waiting period, to cash compensation for the difference between a certain pre-determined exercise price and the share price as of that date. The proportionate fair value is recorded in profit and loss. Fair value is determined by internationally acknowledged measurement methods (Black-Scholes method).

Treasury stock

The shares were recognized applying a moving average price. The total amount of the shares acquired was deducted from equity. The applicable option still available at the time under SIC-16-10 was used for the deduction of the treasury shares, in that the total cost of the treasury shares was deducted from equity in a single amount.

The shares were repurchased for the sole purpose of using the acquired treasury stock to fulfil subscription rights for shares in the Company for stock options issued in conjunction with the Pfleiderer 2001 and 2002 stock option plans.

Earnings per share

Earnings per share were calculated in accordance with IAS 33, Earnings per Share. The accounting standard prescribes the presentation of the earnings per share for all companies that have issued ordinary shares. Basic earnings per share represents the earnings for the period from continuing operations that are attributable to the parent company less minority interests, divided by the weighted average number of ordinary shares in circulation during the year. Securities equivalent to shares for compensation in stock options can result in so-called dilution. If a diluting effect arises, earnings per share must also be presented diluted.

Consolidated Capital Flows

Cash and cash equivalents in the cash flow statement comprise the sum of the balance sheet item „Liquid funds and securities“. In the previous year, there is a difference between cash and cash equivalents and the respective balance sheet item due to the separate presentation of the discontinued operations

Cash flows attributable to the discontinued operations are as follows: cash flow from operating activities amounted to -5,998 thousand euros (Q1/2005: -6,531 thousand euros; cash flows from investing activities to -360 thousand euros (Q1/2005: -267 thousand euros) and cash flows from financing activities -378 thousand euros (Q1/2005: -481 thousand euros)

Segment reporting

Segment reporting is presented observing IAS 14. In the Pfleiderer Group, the primary segment is defined in accordance with the Business Centers, which are classified by the regions in which the services are performed. The secondary reporting is based on the Panel and Flooring product segments. Earnings before interest, taxes, depreciation and amortization (EBITDA) and earnings before interest and taxes (EBIT) are disclosed as the segment results.

3. Significant changes to the Company's assets, financial and earnings position

The increase in interest expenses is particularly due to the completely changed financing structure of Pfleiderer compared to the previous quarter. The increase in other operating income is in particular due to the assumption of bad will from the initial consolidation of MDF La Baie, Canada (see item 4), having an effect on profits and losses as well as from income arising from the sale of emission certificates.

4. Acquisitions and discontinued operations

In a contract signed on December 30, 2005 Pfleiderer Grajewo S.A. – a subsidiary of Pfleiderer AG – acquired 99 percent of the shares in the Polish glue manufacturer Silekol Sp.z o.o. As a result, Pfleiderer Grajewo S.A. now holds 100 percent of the shares in Silekol. The acquisition was closed on January 2, 2006. The purchase price came to around 23.2 million PLN including ancillary costs. At initial consolidation, other operating income was generated to the amount of 96 thousand euros. Other details were waived – such as would apply under IFRS 3.66 to 3.73 – as this information was practically impossible to obtain.

In accordance with a notification made on February 21, 2006, via its subsidiary Uniboard Canada Inc., Canada, Pfleiderer AG has acquiried the minority interests (just on 50 percent) of the previous co-owners SGF and Amsik of the company MDF La Baie, Canada. As a result, Uniboard Canada Inc., is the sole owner of MDF La Baie. The purchase price (fair value) of the acquisition including ancillary costs came to 8.5 million CAD. The transaction closed on February 21, 2006. At initial consolidation, other operating income (bad will) was generated to the amount of 5.4 million CAD. Apart from that tax income of 10.4 million euros applied. Other details were waived – such as would apply under IFRS 3.66 to 3.73 – as this information was practically impossible to obtain.
Under „Discontinued operations" in the balance sheet and the income state is the Business Center Infrastructure Technology.

5. Significant additions to assets

Additions to assets in the first three months of fiscal 2006 relate to payments made for construction of the new particleboard production plant in Novgorod, Russia, as well as payments for real estate and plant acquired by Pfleiderer Holzwerkstoffe GmbH & Co. KG.

6. Other financial commitments

The Group is leasing property, plant and equipment under rental and leasing agreements that do not qualify under IFRS as finance leases, but as operating leases. Additionally, the Group has entered into contracts for the maintenance of property, plant and equipment and for various services.

7. Dividends

Pfleiderer AG will pay a dividend for fiscal 2005. The dividend will amount to 0.15 euros for every no-par value share entitled to dividends. No dividend was paid by Pfleiderer AG in the corresponding prior year period.

8. Transactions with related entities and persons

All delivery and service transactions within the framework of the normal business activities are performed in accordance with the terms and conditions normal in the market as also customary with third parties.

Transactions with related entities

Pfleiderer Unternehmensverwaltung GmbH & Co. KG held a substantial investment in Pfleiderer AG (subsidiary) until March 22, 2004. Business relations existed with this company and its subsidiaries during the previous fiscal year. Business relations continued in 2006.

Transactions with related persons

In accordance with IAS 24, Pfleiderer AG is also reporting on transactions between Pfleiderer AG and related persons or close members of their families. Related persons are defined as members of the Board of Management and the Supervisory Board and their families.

In addition to their salaries, members of the Board of Management are also granted other benefits. These primarily comprise the use of company cars, the reimbursement of travelling expenses and the refund of telephone expenses. The Board of Management was not granted any new stock option rights in 2006.

9. Shares held by members of the Board of Management and the Supervisory Board and stock options

As of March 31, 2006 members of the Board of Management of Pfleiderer AG held a total of 430,530 shares and 576,196 options. Members of the Supervisory Board held a total of 25,615 shares and 11,556 options.

In the first quarter of 2006, members of the Board of Management were not granted options to subscribe to shares against a personal contribution in conjunction with the Pfleiderer Stock Option Plan

At the General Meeting of June 13, 2006, the Board of Management and the Supervisory Board will propose the creation of Conditional Capital to service the Pfleiderer Stock Option Plan 2006, as well as a new authorization to grant subscription rights in order to perform the above mentioned Stock Option Plan.

Following approval by the Supervisory Board, since 2001 Pfleiderer AG is entitled to grant non-transferable options to acquire Company shares annually to the Board of Management and members of senior management. Participation in the Stock Option Plan is conditional on the beneficiary making an own personal investment in the Company. The reference price is based on the average share price whereby the option may first be exercised when the share price has reached 110-125 percent of the reference price.

As a result of the increase in the price in the Pfleiderer share during the past months, as of March 31, 2006 a total of 747,312 stock options were in the money and thus resulted in a dilution in earnings per share.

In the case of the Polish subsidiaries Pfleiderer Grajewo S.A. and Pfleiderer Prospan S.A. a bonus scheme has been in existence since 2004 for senior management. As a result, 53,480 stock appreciation rights for the Pfleiderer Grajewo S.A. share have been issued. The reference price is 167 PLN. The exercise price is 120 percent of the reference price. The lock-up period ends on October 31, 2006. As of March 31, 2006, the share price of Pfleiderer Grajewo S.A. stood at 38.50 PLN. Accordingly, no dilution occurred.

10. Repurchase of own shares to service subscription rights arising from stock options

Based on the resolution adopted by the Board of Management on March 21, 2005, in the period between March 21 to April 30, 2005 the Company was entitled to acquire up to 271,000 own shares. In the period from March 22 up to and including April 26, 2005 Pfleiderer AG subsequently acquired 266,876 own shares. In this matter, Pfleiderer AG is using the authorization granted by the General Meeting on June 15, 2004 to acquire own shares in accordance with Sec. 71 (1) No. 8 German Stock Corporation Act (“AktG”).

Repurchase of own shares is solely fort he purpose of using these shares („treasury stock“) to service subscription rights to the Company‘s shares arising from stock options granted in conjunction with the Pfleiderer Stock Option 2001. The transaction to acquire own shares was performed by the Dresdner Bank via the exchange during XETRA trading and has since been completed.

Own shares have been set off against subscription rights. The total amount of newly acquired shares was deducted from equity.

11. Post-closure events

On March 10, 2006 Pfleiderer AG notified that it had signed a contract with AXA Private Equity for the transfer of the Business Center track systems. The transaction was closed on April 13, 2006.
On March 22, 2006 the Board of Management and the Supervisory Board notified that they will be proposing to the General Meeting payment of a dividend of 0.15 euros for fiscal 2005. The proposal to pay a dividend will be made in the General Meeting on June 13, 2006.

On March 27, 2006, Pfleiderer AG stated in a press release that the Board of Management resolved on March 27, 2006, with the approval of the Supervisory Board, to increase registered capital of Pfleiderer AG by a total amount of 27,241,216 euros, divided into 10,641,100 no-par value ordinary shares. The subscription price is 19.30 euros. The subscription period for the new Pfleiderer shares started on March 29 and ended on April 11, 2006. The capital increase was entered into the Commercial Registered on April 10, 2006. The new shares were included in the existing stock exchange listing of Pfleiderer shares on April 12, 2006. The Company will receive around 205.4 million euros from the capital increase. After the capital increase, Pfleiderer AG's registered capital will amount to 136,514,816 euros divided into 53,326,100 no-par value shares. The new shares will result in a dilution in earnings per share.

Important Note:
The Three-Month Report 2006 will be published on May 9, 2006.

The Pfleiderer Share

XETRA closing price on March 31, 2006:	21.50 euros
High / Low in 1st Quarter 2006:	22.50 euros / 16.10 euros
Average daily trading:	3,972,814.98 euros / 198,074 units
Index:	MDAX
Segment:	Industrial Products and Services
No. of shares as of March 31, 2006:	42,685,000 units
Market capitalization as of March 31, 2006:	918 million euros
Exchange code:	PFD4
WKN:	676 474
ISIN:	DE0006764749
Designated Sponsor:	Bayerische Landesbank
Dividend 2004:	none
Proposed dividend for 2005	0.15 euros

Financial Calendar 2006

Tuesday, June 13, 2006:	Annual Shareholder Meeting, Munich
Tuesday, August 8, 2006:	Six-Month Report 2006
Wednesday, November 8, 2006:	Nine-Month Report 2006

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