

Annual Shareholders' Meeting 2007  
of Pfleiderer AG



THE FASCINATION OF WOOD



## Operating and financial milestones in 2006

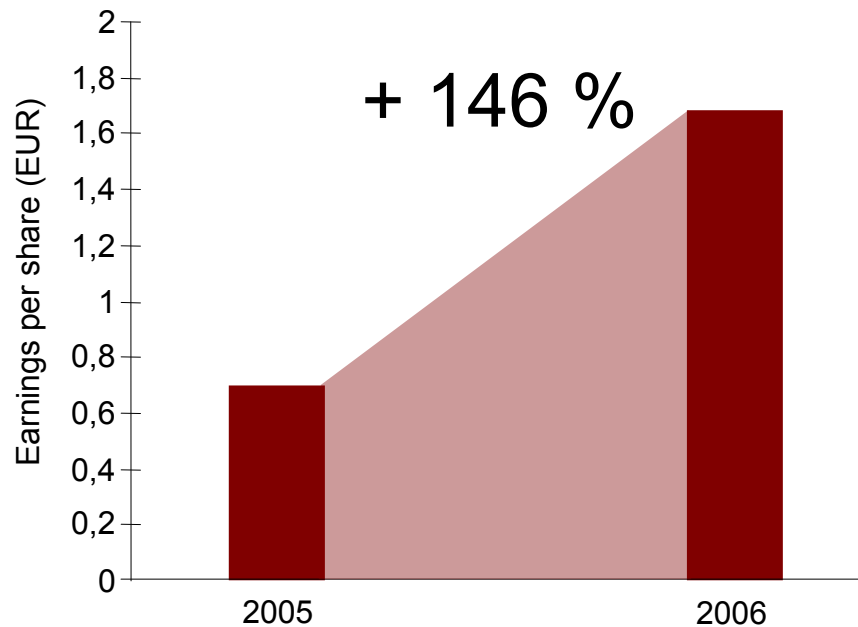
- **Best results in the company's history:** revenues and earnings surpassed targets
- **Revenues soared:** plus 71% to €1,415 million
- **Improved profitability:** EBITDA doubled to €208.1 million; EBITDA margin rose to 14.7%
- **Dynamic increase:** EBIT improved by 140% to €133 million
- **Significant improvement in operating profit:** EBT of continuing activities up by 160% to €92.4 million
- **Significant increase in the Group's net profit:** plus 191% to €83.9 million



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## Earnings per share more than doubled in 2006

Earnings per share increased to €1.67 (€0.68)

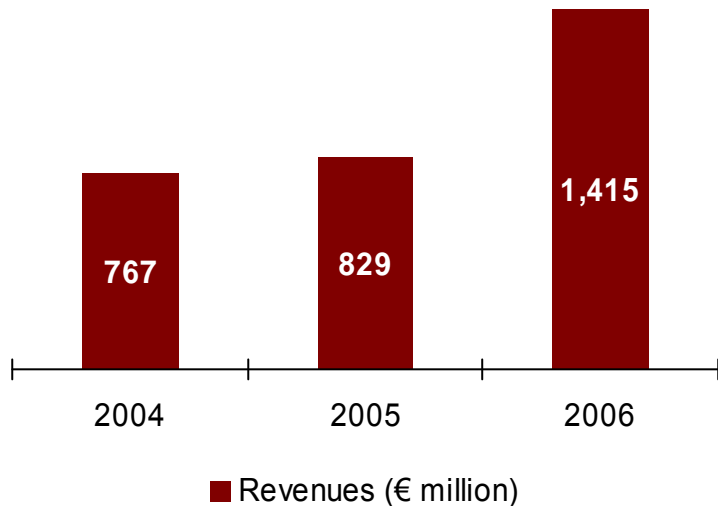




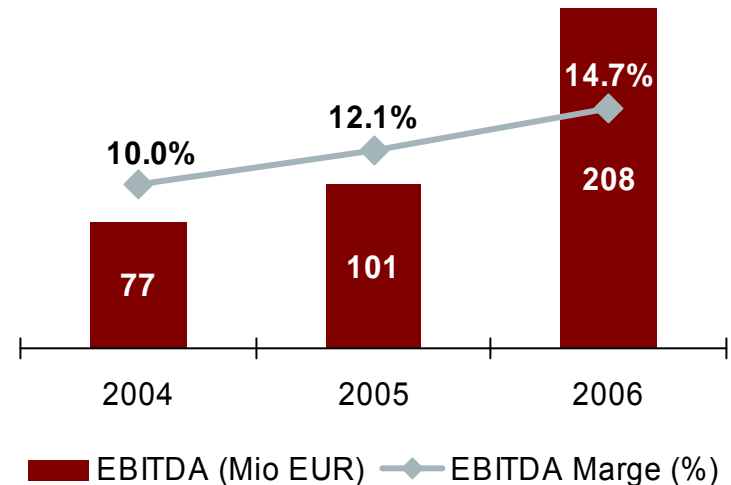
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## Significant increase in revenues and earnings since 2004

Revenues – average growth rate  
**35.8% per annum**



EBITDA – average growth rate  
**64.4% per annum**





## Successful strategic realignment in 2006

- Sale of Pfleiderer track systems to AXA private equity
  - Capital gain of €45 million
- Successful capital increase in spring 2006
  - Issue of **10.6 million** new no-par-value **shares**
  - **Increase** in Pfleiderer's **capital stock** to €136.5 million
  - Gross issue proceeds of approximately €205 million
- Group net debt reduced to €414.6 million
- Pfleiderer Group equity ratio reaches nearly 40%
- Leverage (net debt in relation to EBITDA) reduced from 6.2 to 2.0
- Return on capital employed increases to 13.2% (6.0%)



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## Market capitalization increased by 58% to more than €1 billion

- Dividend proposal for the year 2006: 25 euro cents
- Significantly increased trading volume: improvement to 29th place (38) in the MDAX ranking of Deutsche Börse (May 2007)





## Stock-option plan and share buyback

- Share-based compensation model for executives
  - Share options with mit three to six-year holding period
- Authorization to launch a new stock-option plan in 2006
- Share buyback program to fulfill subscription rights
  - Buyback of a total of 460,000 treasury shares between March 1 and 9, 2007
  - Average price: €21.65
  - Buyback according to the stipulations of the safe-haven regulations of the German Securities Trading Act (WpHG)



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## Operating milestones in 2006

- **New organizational structure with three business centers:** Western Europe, Eastern Europe and North America, each with its own business units
- In addition to the successful **integration of Kunz**, the improvement is due to the profitability of **sustained organic growth**





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## BC Western Europe: substantial increase in earnings in 2006

According to IFRS	Jan. 1 – Dec. 31, 2006		Jan. 1 – Dec. 31, 2005	
	€ million	in %	€ million	in %
Revenues	781.5	100.0	560.4	100.0
EBITDA (earnings before interest, taxes, depreciation and amortization)	103.6	13.3	63.0	11,2

- BC Western Europe has 5 independent business units and is the biggest business center of the Pfleiderer Group
- Good development of the furniture industry and of demand for engineered wood
- Strong revenue growth: + 39.5% to €781.5 million
- BC West Plus program leading to higher operating efficiency



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## Good development of furniture industry in Germany

- Significant increase in profitability despite massive rises in raw-material prices: EBITDA margin up to 13.3%
- EBITDA grew faster than revenues: +64.4% to €103.6 million
- Goal for 2007: EBITDA margin of 15%





## BC Eastern Europe: dynamic market growth

According to IFRS	Jan. 1 – Dec. 31, 2006		Jan. 1 – Dec. 31, 2005	
	€ million	in %	€ million	in %
Revenues	300.3	100.0	247.8	100.0
Earnings before interest, taxes, depreciation and amortization (EBITDA)	56.5	18.8	48.0	19.4

- **Successful startup** of fiberboard plant in **Novgorod, Russia: 26% EBITDA margin** in first quarter of 2007
- **Continuing dynamism of furniture industry: full order books** for existing plants in Grajewo and Wieruszów
- Significant **21% increase in revenues** to €300.3 million
- **EBITDA margin at a high level** - lower decrease due to one-time effects (stock option plan) and startup costs of BU Russia



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## BC Eastern Europe: startup, takeover and acquisitions

- Takeover of the Polish glue manufacturer **Silekol** in January 2006: **securing a long-term stable supply of basic material glue** and increased “independence” of market-related price fluctuations
- **Acquisition of the 43.15% Polish state stake in Pfeleiderer Prospan S.A.** substantially **improves minority position** of the Pfeleiderer Group
- **Successful startup** of the fiberboard plant in **Russia**: EBITDA margin reaches 26% in startup phase in Q1 2007

Grajewo



Wieruszów



Kędzierzyn-Koźle



Novgorod





## BC North America – well positioned

According to IFRS	Jan. 1 – Dec. 31, 2006		Jan. 1 – Dec. 31, 2005	
	in Mio Euro	in %	in Mio Euro	in %
Revenues	349.6	100.0	22.9	100.0
Earnings before interest, taxes, depreciation and amortization (EBITDA)	52.5	15.0	-0.2	-0.9

- **With a 15% EBITDA margin**, business in North America developed **better than the competition**
- **Effective utilization of additional sales opportunities** due to the resumption of operations at a second press in Sayabec, Canada



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## Anticipated market development creates significant organic growth

- Expansion of laminated flooring capacities
- Takeover of remaining minority stake in MDF La Baie, Canada, which is now a 100% subsidiary of the Pfeiderer Group

La Baie



Val d'Or



Lac des Iles



Mont Laurier





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## Q1 2007: sharp increase in profitability in first quarter

	Jan. 1 – Mar. 31, 2007		Jan. 1– Mar. 31, 2006
	€ million	change	in Mio Euro
Revenues	427.6	+27.7%	334.8
EBITDA	56.4	+35.3%	41.7
EBIT	34.1	+50.2%	22.7
EBT	24.9	+194.7%	8.7
Group net profit	12.4	+251.7%	3.5

- **Strong revenue growth** to €427.6 million (+ 27.7 %)
- **Even stronger growth in earnings**  
Substantial increases in EBITDA, EBIT and EBT
- **Group net profit more than tripled** (+251.7%)



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## Significant increase in earnings per share in Q1 2007

	Jan. 1 – Mar. 31, 2007		Jan. 1 – Mar. 31, 2006
	€	change	€
Earnings per share, basic	0.24	+200.0%	0.08
Earnings per share, diluted	0.23	+187.5%	0.08
EPS from continuing operations	0.24	+140.0%	0.10

- Earnings per share **tripled**
- **Earnings per share** from continuing operations **rose by a factor of 2.4** .



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## Strong Group Performance in first 5 Months 2007

	Jan. 1 – May 31, 2007		Jan. 1 – May 31, 2006
	€ million	change	€ million
Revenues	734.5	+32.0%	556.4
EBITDA	99.0	+40.0%	70.7
EBIT	58.1	+44.5%	40.2
EBT	42.2	+199.3%	14.1

- **Significant increase in revenues in 5-month period**
- **Strong profitability increase of Pfeiderer Group**  
EBITDA, EBIT and EBT with significant y-o-y growth



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## Strategic goals

- **Further strengthening of the Pfleiderer Group** as one of the world's leading manufacturers of engineered wood
- Improved position due to further **gains in efficiency and effectiveness**
- Organic growth through **innovation and investment**
- Penetrating new regional markets and product segments as a result of **targeted acquisitions**

## Acquisition of PERGO AB





## Pergo takeover

- **Cash offer** for all shares in Pergo AB
  - Pfeiderer Sweden AB is a 100% subsidiary of Pfeiderer AG
- **Offer price of SEK 51** per share **in cash**
- **Offer value** of Pergo: SEK 2,732 million (approximately **€300 million**)
- **Offer unanimously recommended** by Pergo board
- Formal initiation of a **squeeze-out** process on March 6, 2007
- **Delisting of Pergo shares** on the Nordic Stock Exchange on March 30, 2007
- **Acceptance rate** on May 9, 2007: **99.5%** of Pergo's equity capital



## Pergo overview

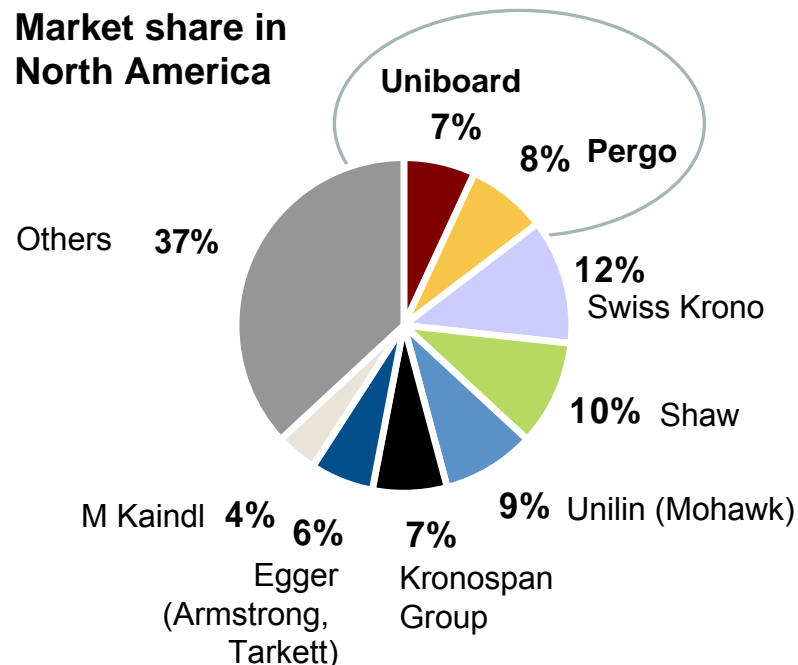
- **Inventor** of laminated flooring
- Manufacturer of **high-value laminated flooring** in the upper price segment
- **Significant market position** in North America and Europe
- Pergo stands for **technological leadership** in the industry:  
Attractive portfolio of more than 800 patents and protected rights
- **Innovative products** and solutions, extensive patent portfolio



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## Leading laminated flooring manufacturer in North America with a market share of 15%

### Market share in North America



- **No. 1** in North America with **15% market share**
- Combination of **market** and **production advantages**
  - **state-of-the-art production facilities** allowing extensive integration
  - better **utilization of** established and **renowned brands Pergo and Uniboard** in North America
  - **complementary distribution channels**
  - **significant synergy potential**

## Investment project “FUTURE BC WEST”

- **Securing the long-term competitiveness of the German sites**
- **Investment totaling €31 million in various sites in Germany by 2009**
- **Investment and cost-reducing measures will lead to achievement of the Group targets of 16% EBITDA margin and 20% ROCE in the medium term**

Nidda



Gschwend



Leutkirch



Arnsberg





## Hybrid bond to strengthen Pfeiderer's capital structure

- **Emission of a hybrid bond** on the Luxembourg Stock Exchange in a volume of **€275 million**
- **Order book 10-fold oversubscribed** after just 4 days of a pan-European roadshow
- **Rating agencies reward** the Group's **creditworthiness and financial development**: Moody's rates hybrid bond with "B1" and Fitch with "BB-"
- Senior ratings of the Pfeiderer Group:  
**Upgrade by Fitch** to BB+ in April, **Moody's** rating of "**Ba2**"
- Application of funds:
  - **Refinancing** the Pergo acquisition
  - **Higher financial flexibility**

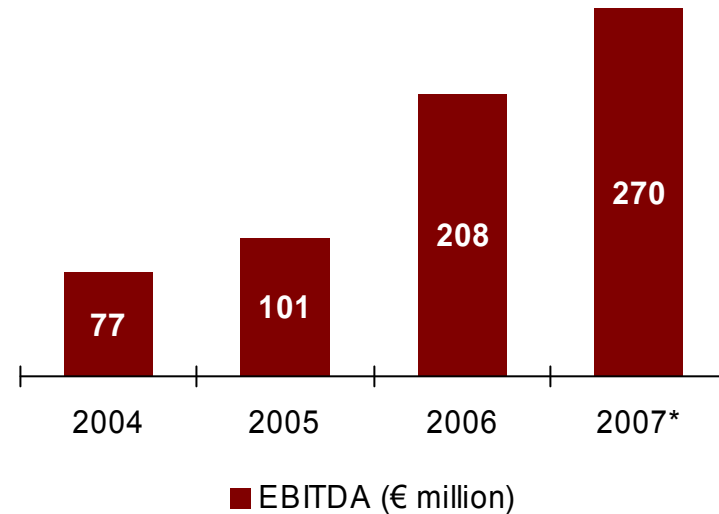
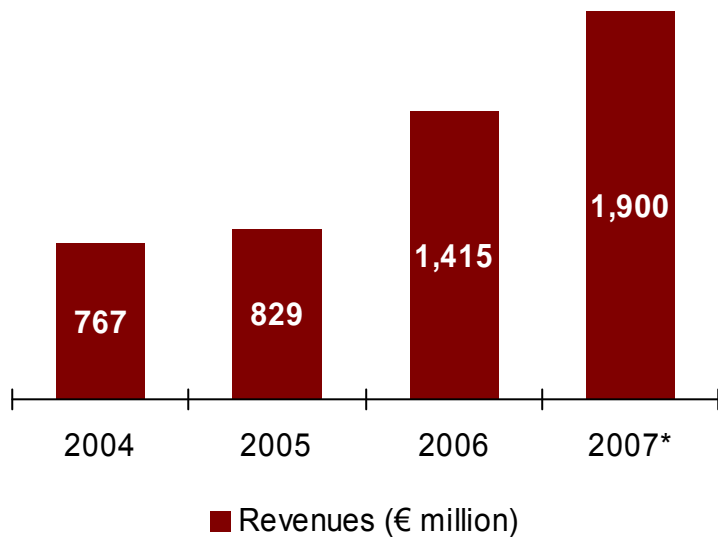
# Outlook for full-year 2007





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## Guidance 2007



\* estimated

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