

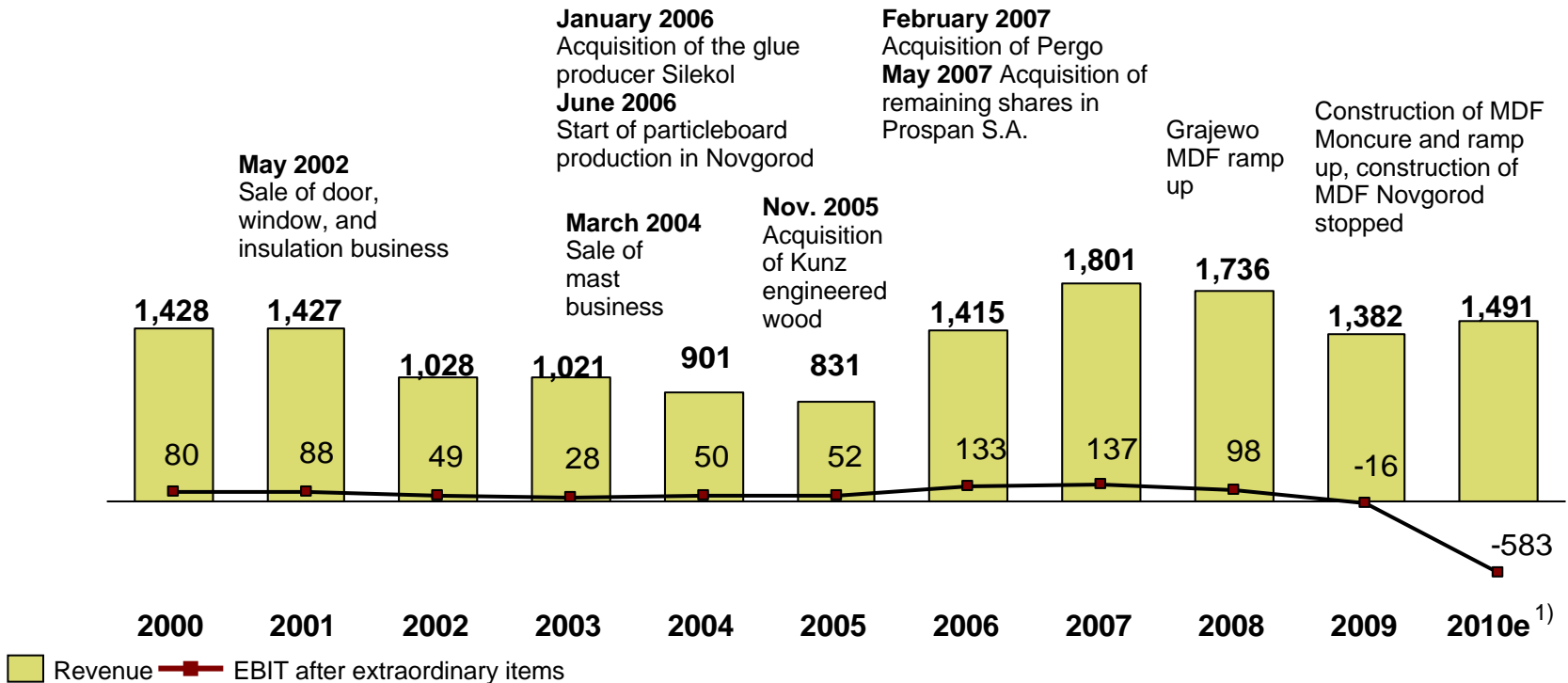
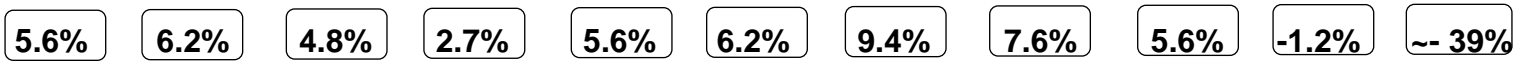
Pfleiderer AG
Extraordinary Shareholders' Meeting on July 21, 2011

Hans Overdiek, Chief Executive Officer, Pfleiderer AG



Eroding sales volume and margins as the primary causes of the crisis

EBIT margin



1) Incl. impairments and extraordinary expenses. Figures for 2010 are from the preliminary and unaudited consolidated financial statements for 2010 and are therefore not final.



Financial crisis exacerbates operating and strategic problems

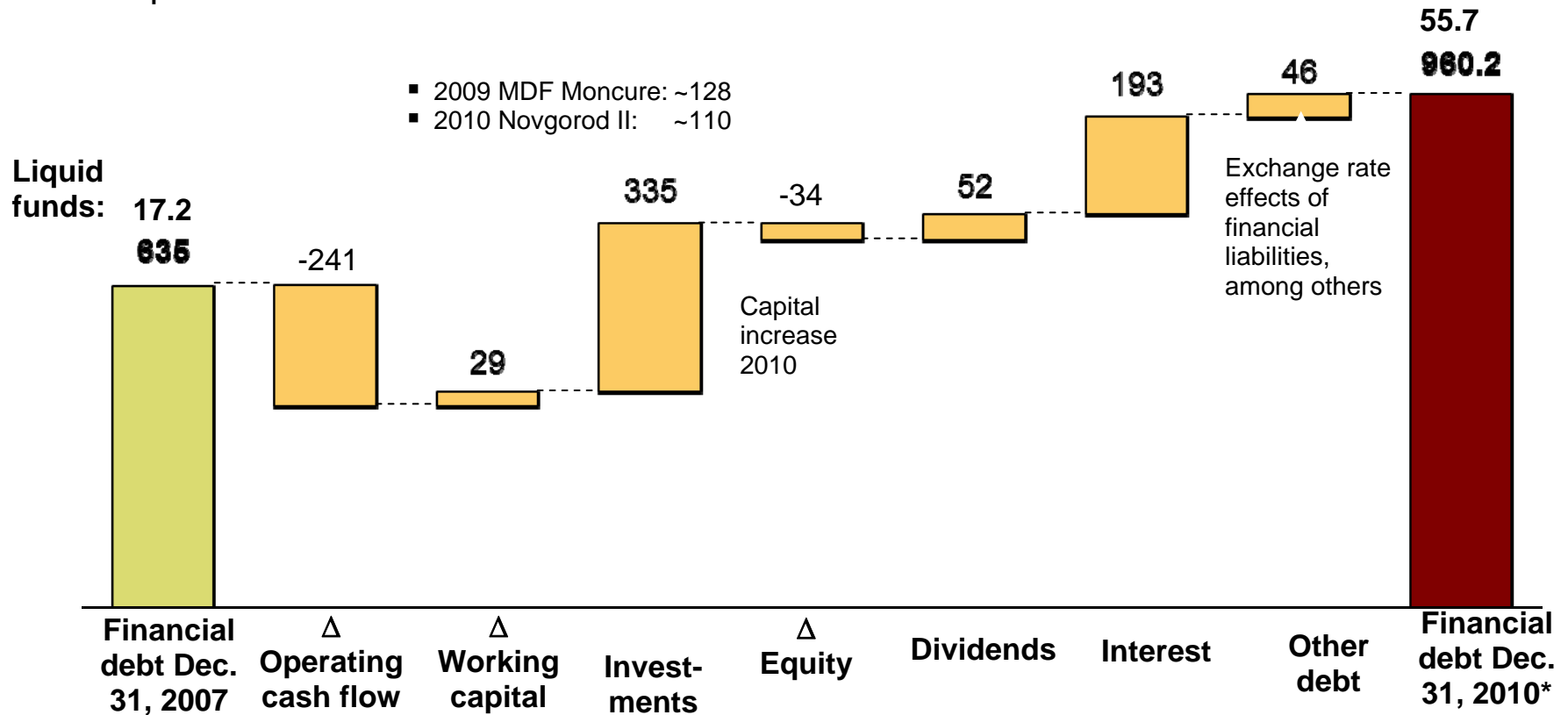
- **Complex structures** and **limited synergies** lead to **higher administrative costs** than the competition.
- Eroding sales volume resulted in **overcapacities**, adversely affecting plants' **capacity utilization**
- **Difficulties** ramping up the **Moncure** plant
- **North American acquisitions** confronted with **strategic problems**
 - Pergo is the **leading US laminate supplier**, but under exchange rate-induced cost pressure from China and Europe
 - Production distributed over **three sites**; Canadian dollar costs no longer competitive for North America
 - **Highly dependent** on major home improvement chains
 - Modified business model (Internet sales) made **logistics very challenging**

Significant increase in net debt and debt servicing



Low cash flow and high investments drive net debt

Development of financial debt 2007-2010e in €m*



*) Figures for 2010 are from the preliminary and unaudited consolidated financial statements for 2010 and are therefore not final.



The need for the fastest possible restructuring...

...in terms of cash flow

- The financing requirements for the 2011 come to more than €200 million.

...in terms of bottom-line performance

- Debt capacity shrank by more than €500 m in the last three years
- Based on estimated EBITDA for 2011, the current **leverage ratio** is about 20
- Without financial restructuring, the equity of shareholders would amount to around minus €390 million in 2011

→ **The company's very existence is at imminent risk**



The five core points of the restructuring concept

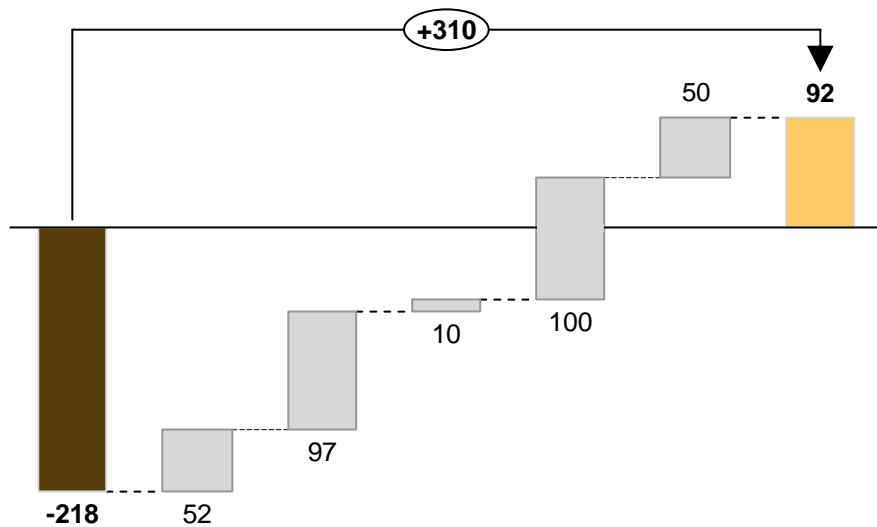
Concept	Strategy	Effects
Financial restructuring concept	① Secure short-term liquidity Secure long-term financial stability → Gain room to maneuver for the operating business	Short-term Long-term (<i>Achieve turnaround</i>)
Strategic and operational restructuring concept	② Sell the North American business → Stop the losses and reduce complexity	Short-/midterm
	③ Restructure BC West / Flooring Europe → Restore stable cash flows in Western Europe	Short-term Mid-/ long-term
	④ Increase the efficiency of indirect functions → Downsize and rationalize support functions	Short-term
	⑤ Participate in Eastern Europe's growth → Invest in future cash flow	Mid-/ long-term

Source: Roland Berger Restructuring Concept



Effects of the new capital structure

Coverage of financing requirements for 2011 (in m€)



Required liquidity Dec. '11 before refinance

Reduction cash interest

Exempted repayments

Fee reduction*

Capital increase + possibly a loan tranche***

Super Senior**

Available liquidity

Premises

- Financing banks waive claims to around €305 m in receivables, plus accumulated interests and fees
- On the basis of the new financing structure, the interest burden is reduced by €52 m (another €30 m in 2012)
- In this context, contractual payments on principle of €97 m (another €102 m in 2012) are exempted and fees reduced by around €10 million on balance
- The restructuring also calls for a capital increase of €100 m and fresh capital by way of a super senior credit line of €100 m (before a €50 m extraordinary redemption of the super senior loan after the capital increase)
- Given a maximum capital increase, available liquidity will increase to around €92 million in 2011 overall

* Special fee waiver of approx. +23 m €, compensated in part by new fees of approx. -12 m € (refinancing fee, backstop fee, standstill fee, arrangement fee);

** Free line super senior; after implemented capital increase (CI); *** €60 m guaranteed by alternative investors, €40 m will be offered to old shareholders and third parties; to the extent that neither purchases these shares, the alternative investors have agreed to provide a further loan tranche of up to €40 m

Source: Pfliederer AG



The five core points of the restructuring concept

Concept	Strategy	Effects
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Procedure and effect of planned capital measures

1

Simplified capital reduction

1. Reduction of the par value per share from €2.56 to €1.00
2. Amalgamation of shares at a ratio of 1:150
3. Share capital amounts to €391,058

2

Capital increase against cash contributions of up to €100 m

- Up to €52 m share capital following the capital increase
- Purchase of new shares by old shareholders or third parties (up to 15% of share capital) at €5.11 each, (0.8% of share capital at 0% subscription)
- Purchase of new shares by alternative investors (at least 84.2% of share capital) at around €1.37 each, plus waiver of claims
- Alternative investors agree to provide new funding equal to the amount of shares not acquired by old shareholders

3

Swap of the hybrid bond

- Exchange of the bond for the right to purchase new shares (around 4% of share capital)



Calculated share subscription prices in context of the capital increase

- €1.37: Price at which the settlement agent subscribes to all shares

- €1.37: Subscription price for creditors
 - Result of negotiations among creditor groups participating in the restructuring
 - Takes into account all contributions to the restructuring on the part of creditors
 - Creditors pay for shares for hybrid bondholders
 - A Fairness Opinion confirms the appropriateness of the subscription price

- €5.11: Subscription price for old shareholders
 - According to an evaluation, the subscription is still below the intrinsic value of the new shares
 - Opportunity to benefit from the value that restructuring adds to the company



Operational restructuring starting to pay off

- Better utilization of manufacturing capacity
- Margins in Europe improve
- Consolidated revenue up 10% to €390 million in the Q1 2011
- EBITDA at €20 million in the first quarter



Industry average EBITDA margin expected over the midterm



- Pfleiderer AG is capable of being turned around.
- A viable restructuring concept is at hand.
- We have already achieved initial successes with the operational restructuring.
- The creditors are prepared to make a substantial contribution.
- Successful restructuring requires everyone's participation.



Thank you for your attention!