

#### Article 7.1.2:

##### Publication of the Annual Financial Statements 2004

Publication of the Annual Financial Statements 2004 will not be made within 90 days of the end of the fiscal year. Due to the Easter holidays in spring 2005, publication of the Annual Financial Statements will exceptionally be made at the beginning of April 2005.

##### Performance-Linked Compensation of the Board of Management

Compensation received by the members of the Board of Management of Pfeleiderer AG comprises a fixed component and variable components. In addition to the variable bonus, members of the Board of Management may participate in the Company's Long Term Incentive Plan as a further variable long-term incentive component. The criteria applied when deciding to award options depend on the duties and performance of the individual board member, as well as the Company's economic state, its success and future perspectives. These factors are calculated using Nopat and the Economic Value Added of the Group, as well as taking into account personal targets.

In fiscal 2004, the Board of Management received compensation amounting to 3.222 million euros. This figure includes a variable component of 2.240 million euros. After adjustment for elapsed options to former board members, in 2004 members of the Board of Management received a total of 386,260 stock options which can be purchased at own cost.

##### Stock Option Plan

On July 10, 2001, the Pfeleiderer General Meeting approved a stock option scheme which covers a maximum 4,268,500 no-par value shares (corresponding to 10 percent of capital stock) which may be issued as part of the Pfeleiderer stock option scheme. The Company decides annually at its own discretion whether a stock option scheme is to be run, who will participate and how many shares each individual entitled to participate may receive. Stock options are issued on condition that the person entitled make an own investment in the Company. The stock options have a currency period of 6 years. The option may only be exercised for the first time 3 years after it has been granted. The number of stock options is calculated from the amount of the individual's own investment in the Company, divided by a base value and then multiplied by a factor of 12. The base value is determined from the average price of the Company's share in the months September through November. Stock options can be exercised when an exercise threshold of between 110 – 125 percent of the base value has been reached.

Element	Hans H. Overdiek	Michael Ernst	Dr Jürgen Koch
Fixed salary component	■	■	■
Variable components:			
Nopat Group	■	■	■
EVA® Group	■	■	■
Delta EVA® to previous year EVA® Group	■	■	■
Personal targets		■	■

(EVA® is a registered trademark of Stern Stewart & Co.)

### **Stock Option Program 2004 (Continuation of SOP 2001)**

Based on the 2001 Stock Option Plan formally adopted by the Company on July 10, 2001, the Stock Option Plan for 2004 was confirmed on August 10, 2004 by the Board of Management, and on August 23, 2004 by the working Committee of the Supervisory Board. Accordingly, the Company's Board of Management is authorized to grant those entitled to take up the Company's remaining non-assignable stock options. In total, 24 members of the Board of Management/senior management participated in 536,016 options in the SOP 2004. The base value was 6.99 euros. The exercise price lies between 7.69 euros and 8.74 euros with a weighted average exercise price of 8.22 euros.

A full list of the stock options granted is shown in the Notes to the consolidated Financial Statements (pages 92 ff.) of the Pfeleiderer Group.