

Balance Sheet Press Conference
Thursday, April 7, 2005



Core Businesses and Potential for Growth



2004: Strategic Changes

- | | |
|---------------|--|
| March 2004 | Increased free float of Pfleiderer share |
| April 2004 | Sale of Poles & Towers USA |
| May 2004 | Foundation stone laid for engineered wood plant in Novgorod (Russia) |
| June 2004 | Capital increase by Pfleiderer Grajewo S.A. |
| July 2004 | Sale of steel tower production in Leipzig |
| August 2004 | Closure of engineered wood production at Rheda-Wiedenbrück |
| November 2004 | Acquisition of MDF production at Nidda |
| November 2004 | Decision to build new MDF/HDF plant in Poland |
| December 2004 | Sale of Poles & Towers Europe |



2004: Advances on the Road to Growth and Earnings

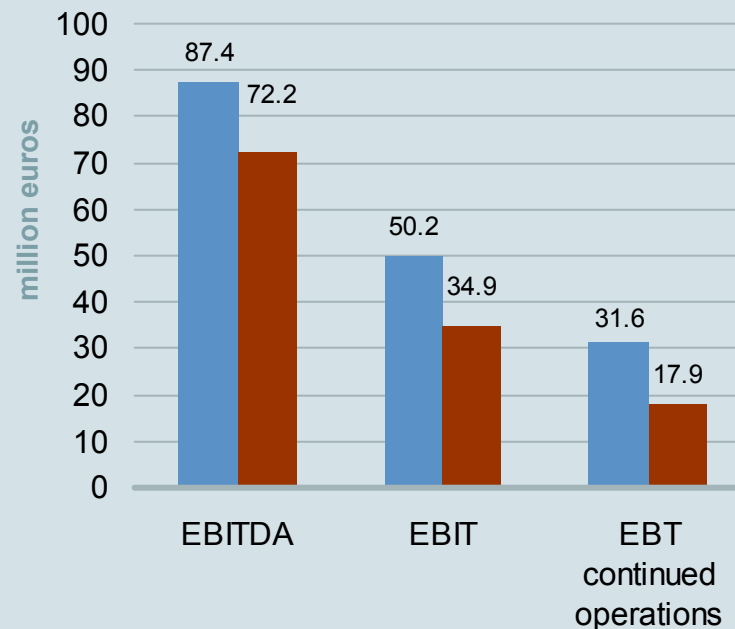
- Improved prices for engineered wood in Germany
- Major contribution to results by Engineered Wood in Eastern Europe

Pfleiderer Group		Jan. 1 - Dec. 31 2004	Jan. 1 - Dec. 31 2003	Change in %
Sales	million euros	901.0	848.2	+ 6.2
Foreign share	%	53.8	49.1	-
EBITDA	million euros	87.4	72.2	+ 21.1
EBIT	million euros	50.2	34.9	+ 43.8
EBT	million euros	58.9	-33.6	-
of which EBT continued operations	million euros	31.6	17.9	+ 76.5
of which EBT discontinued operations	million euros	27.3	-51.5	-



2004: Sales Growth and Improved Results

- Foreign share in sales increases to 53.8 percent
- Positive contribution to results from discontinued operations

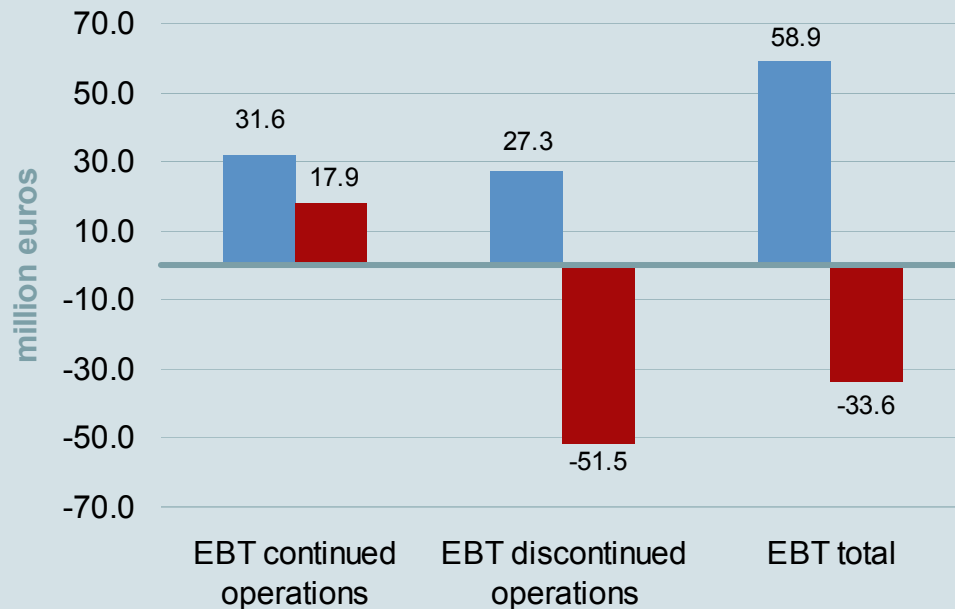


■ 2004 ■ 2003



Step Towards Further Strengthening of Earnings Power

- EBITDA margin: 9.7 percent (previous year 8.5 percent) - target > 10 percent
- Return on sales: 3.5 percent (previous year 2.1 percent) - target > 5 percent

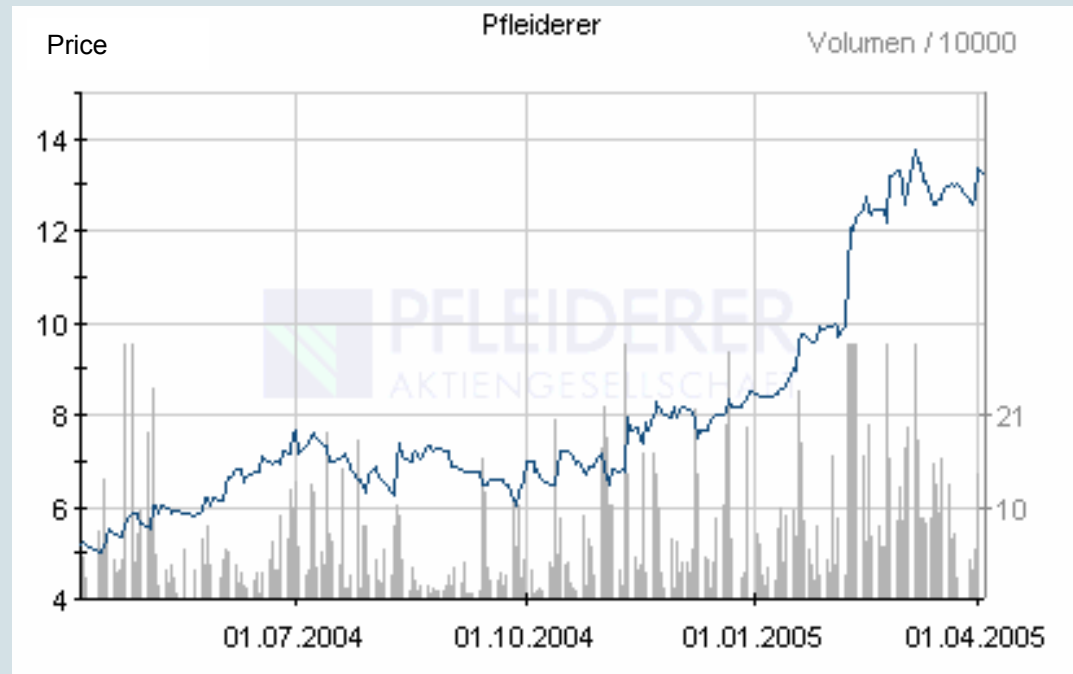
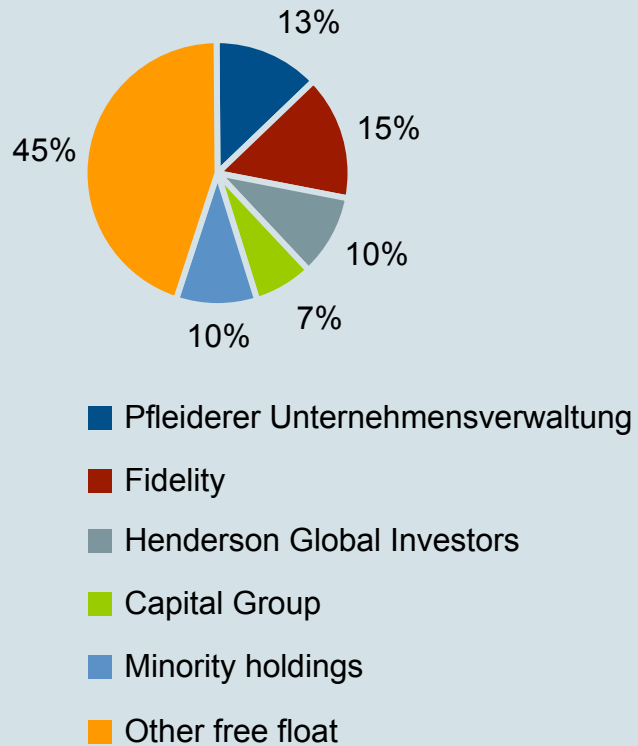




Pfleiderer Group: Share Price Movement and Shareholder Structure

Shareholder Structure (March 2005)

Price Movement Pfleiderer Share 2004-2005



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Pfleiderer Group





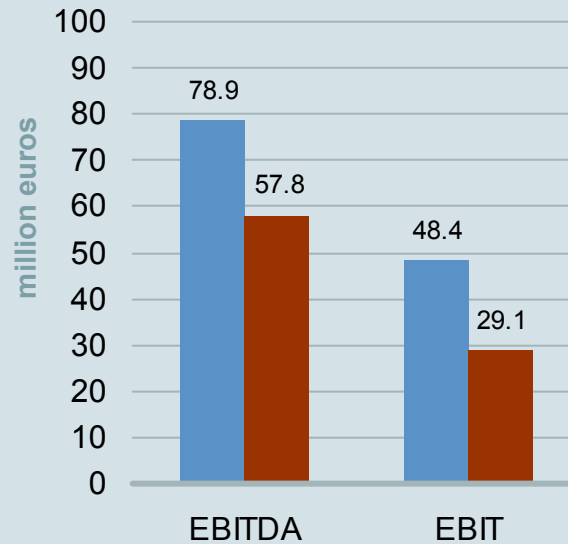
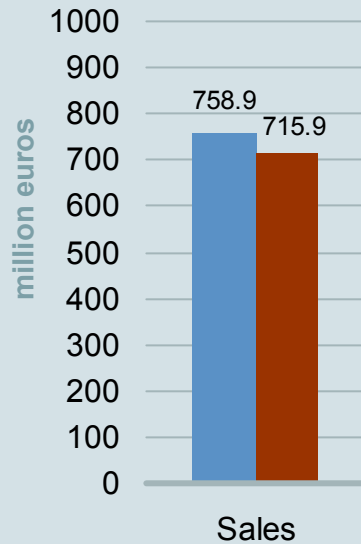
Pfleiderer Group Overview

Pfleiderer Group				Employees: 4,429 Sales: 901 million euros	
Engineered Wood			Infrastructure Technology		
	Carriers			Surfaced Products	
Products: Raw Particleboard, Tongue & Groove Board, MDF			Products: Direct-Coated Particleboard, HPL, Postforming Elements, Films and Surfacing		
Customers: furniture industry, wood trade outlets, interior designers, Building and DIY Trade			Customers: railtrack infrastructure operators		
Employees: 3,475 Sales: 758.9 million euros (84 %)			Employees: 861 Sales: 138.2 million euros (16 %)		



Engineered Wood: Positive Trends in West and East

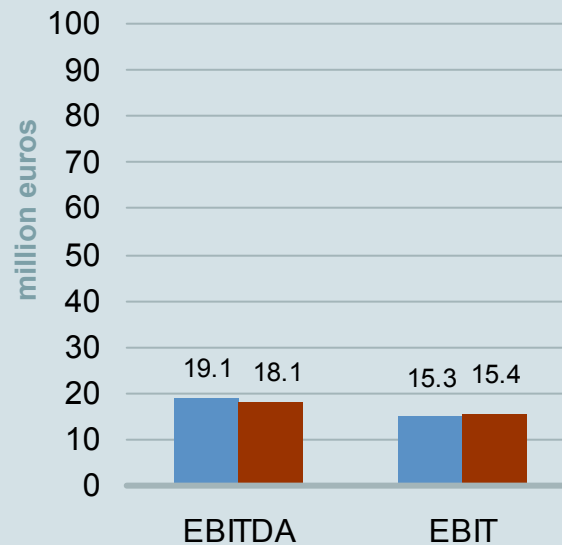
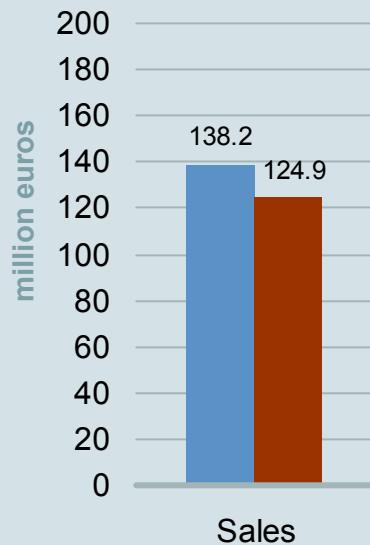
- High prices following successful market consolidation in Germany
- Sales in Eastern Europe increase by 20 percent





Infrastructure Technology: International Successes

- Participation in international high-speed projects
- Order to supply 680,000 sleepers to Turkey



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Infrastructure Technology





Sites

■ Engineered Wood

Germany

- Arnsberg
- Gütersloh
- Leutkirch
- Neumarkt
- Nidda
- Rheda-Wiedenbrück (in closure)

Poland

- Grajewo
- Wieruszów

Russia

- Novgorod (being built)

■ Infrastructure Technology

Germany

- Brandenburg-Kirchmöser
- Coswig
- Gernsbach
- Langen
- Neumarkt

Hungary

- Lábatlan

Rumania

- Buzău

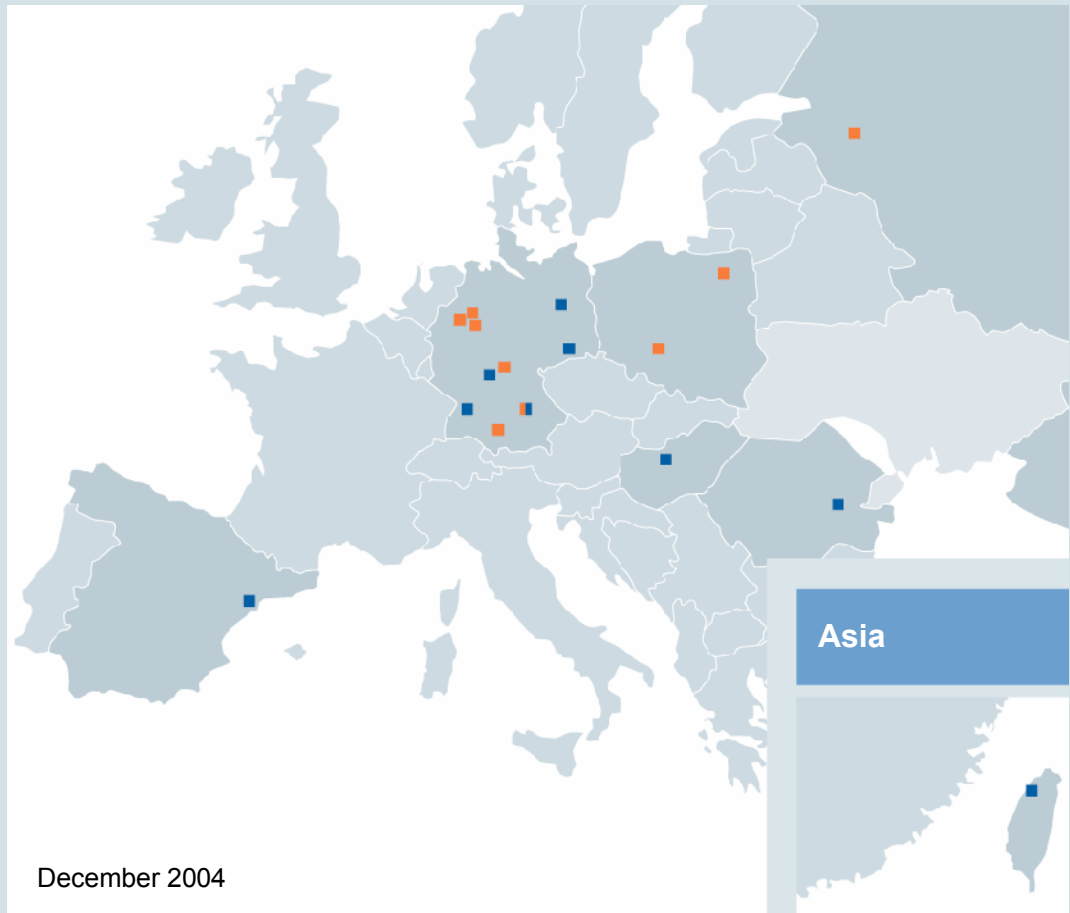
Taiwan

- Yang Mei Town (transferred 2004)

Spain

- Constanti

Europe



Asia

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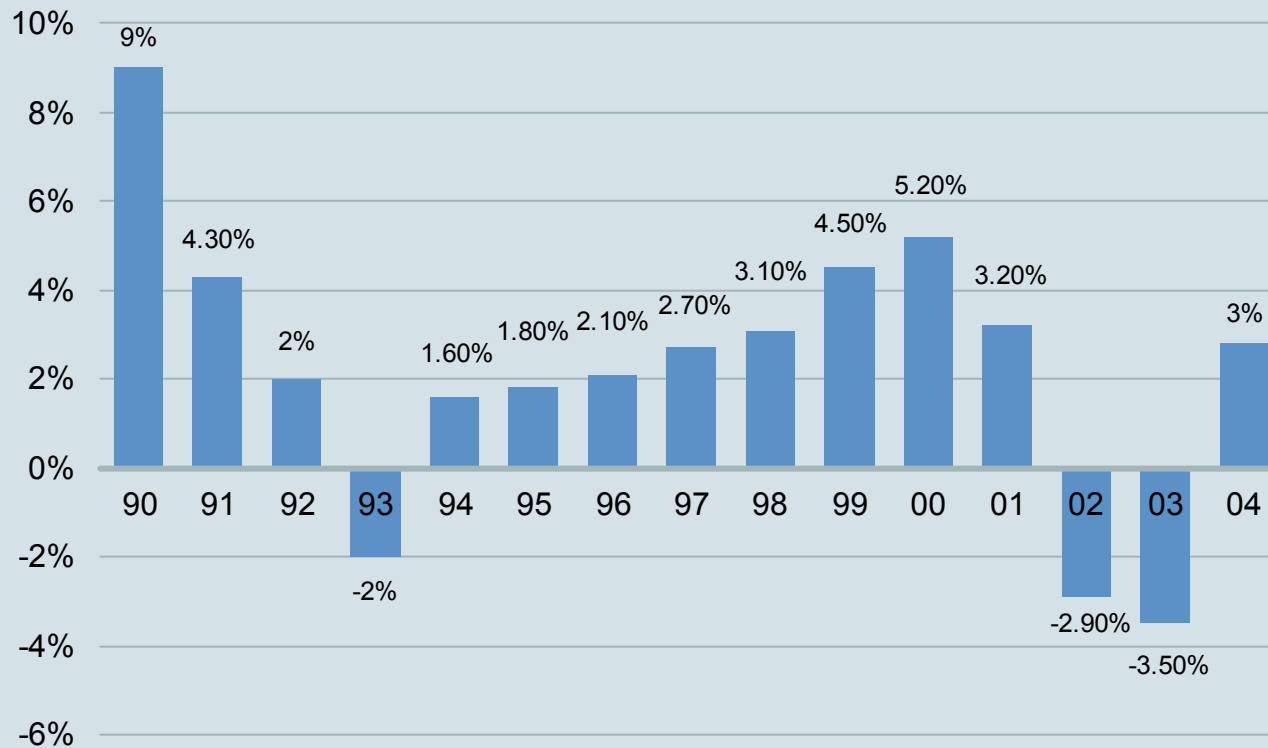


Engineered Wood





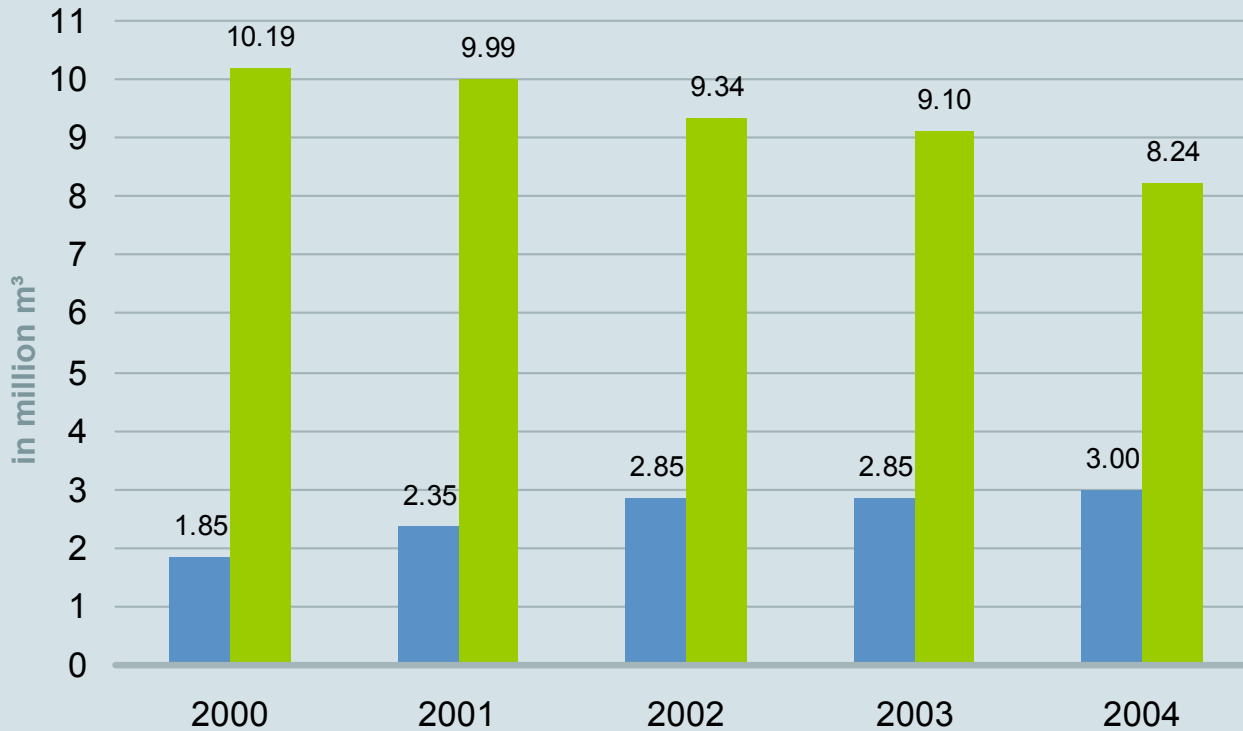
Development of Furniture Production in Europe



■ Percentage change over previous year



Changes in Particleboard Production Capacity in Europe

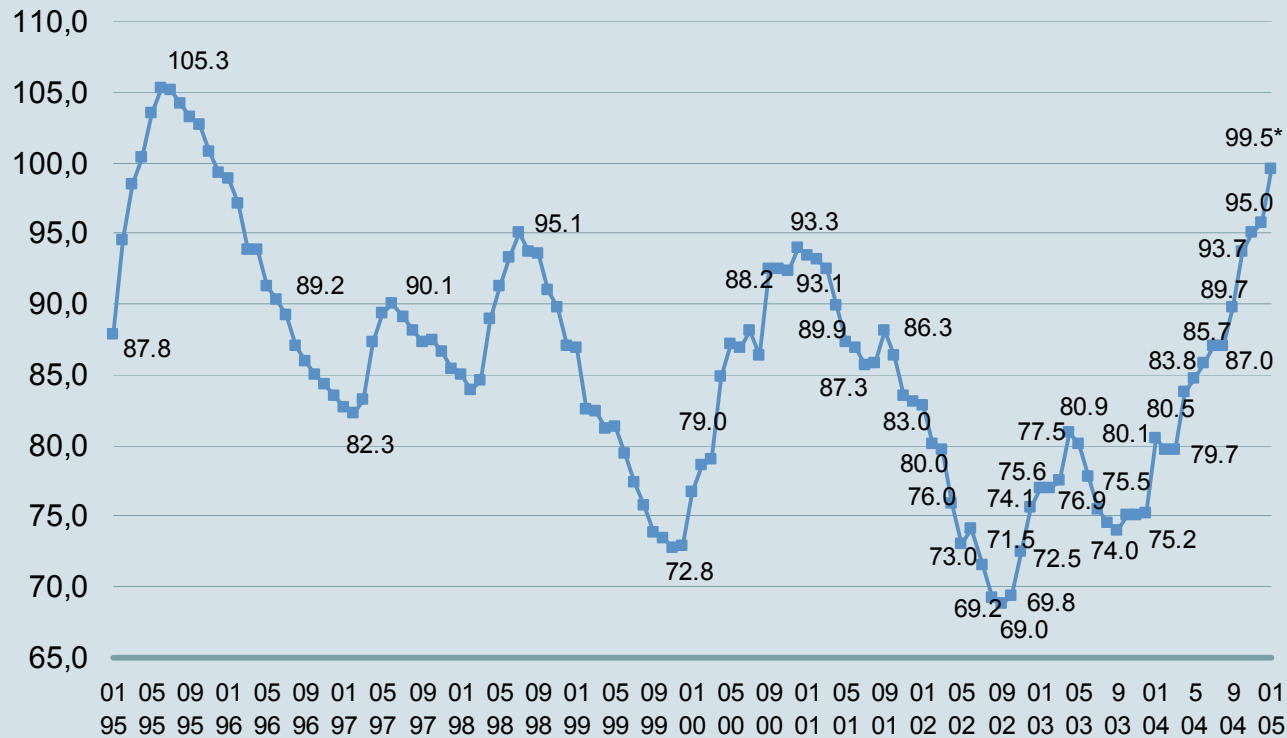


EPF countries overall

	in million m³
2000	40.02
2001	41.40
2002	40.60
2003	39.90
2004	39.22



Market Price Movement* for Raw Particleboard in Germany



* Price index: Calendar year 1995 = 100%, data as of January 2005

Source: own study



Pfleiderer Engineered Wood: Price Movement in Germany

Selling price* raw particleboard

	euro per m ³ *			+ / -
	2003	2004	2005	
July	112	124		+10.7%
August	105	122		+16.2%
September	104	127		+22.1%
October	107	134		+25.2%
November	108	136		+25.9%
December	106	138		+30.2%
January		113	144	+27.4%
February		113	148	+31.0%

* Pfleiderer selling price for raw particleboard, excluding tongue and groove board and MFP

Source: own study

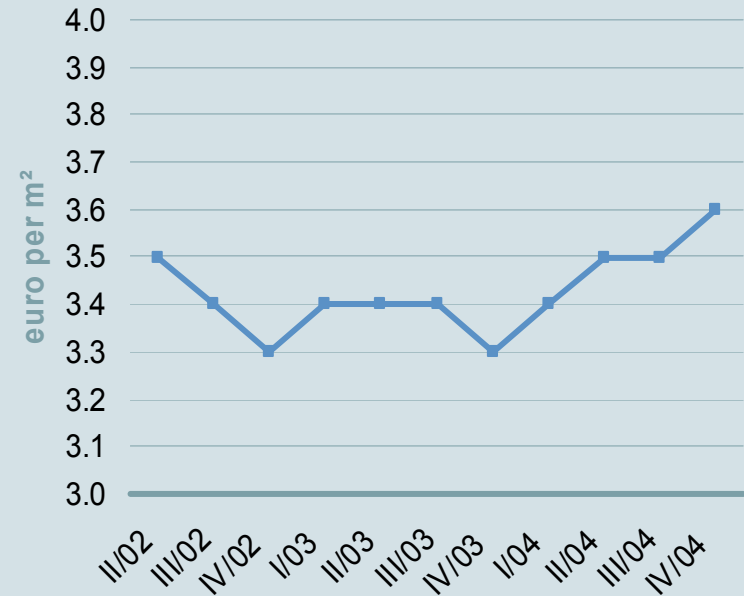


Pfleiderer Engineered Wood: Price Movement in Germany

Selling price* MDF



Selling price* DBS





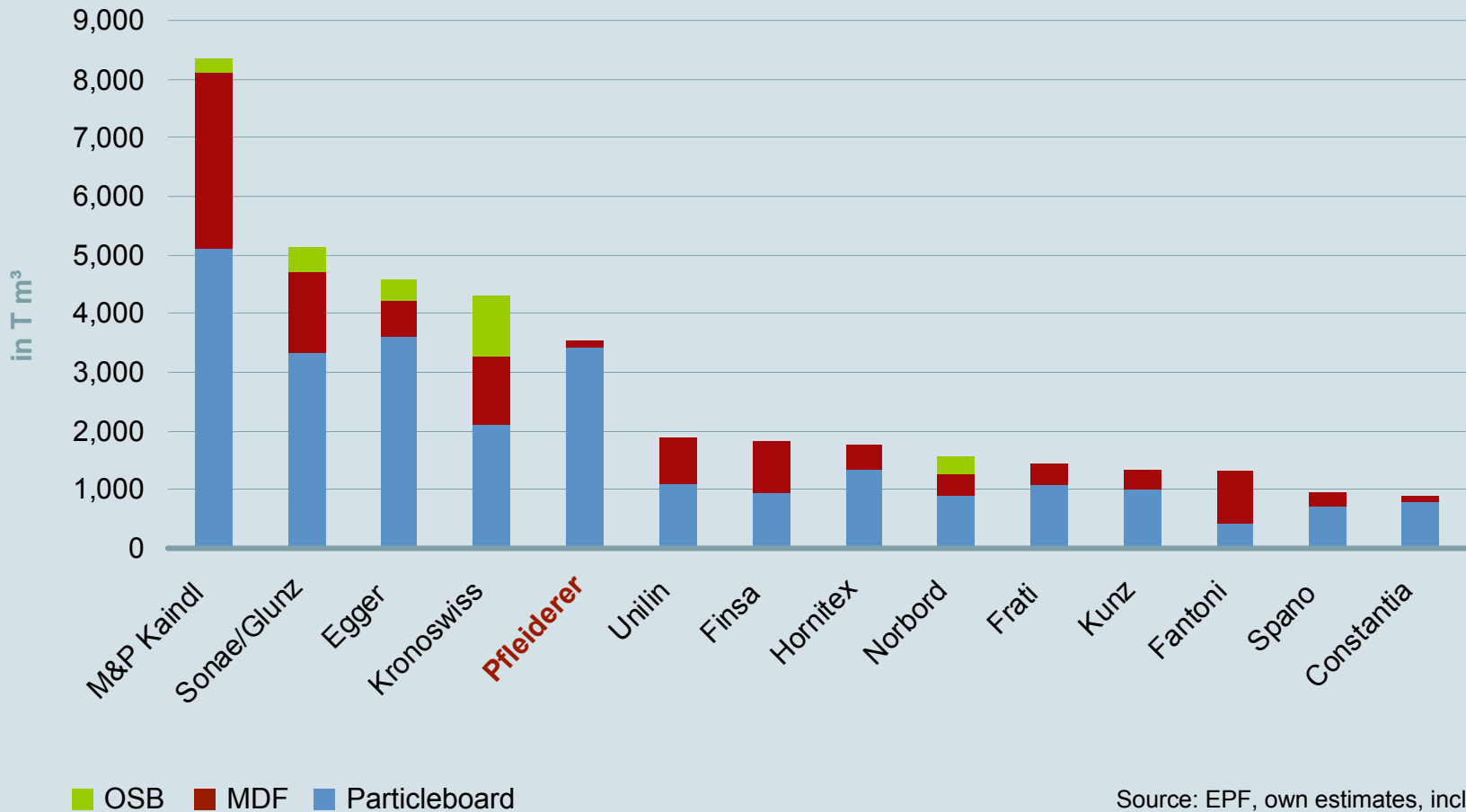
Pfleiderer Engineered Wood: Price Movement in Poland

Selling price* raw particleboard

	euro per m ³			+ / -
	2003	2004	2005	
July	84	102		+21.6%
August	84	98		+16.6%
September	84	101		+20.3%
October	87	102		+18.0%
November	87	107		+23.7%
December	85	107		+25.9%
January		89	116	+30.3%
February		82	119	+45.1%



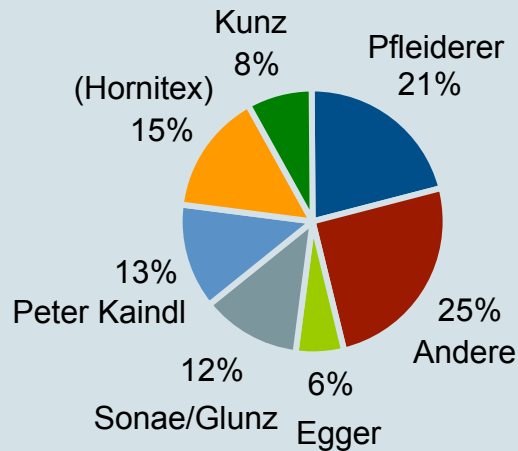
Consolidation Pressure in European Competition



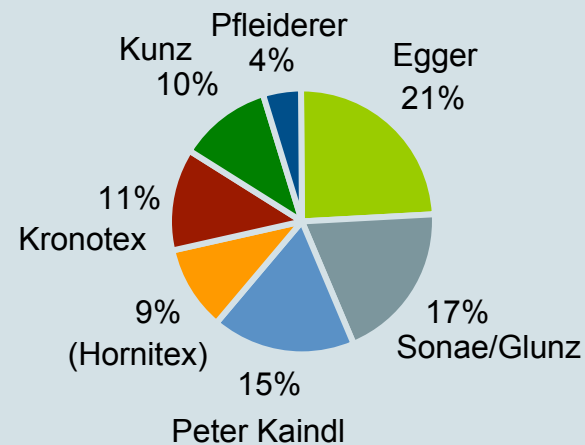


Breakdown of Market for Engineered Wood in Germany

Raw Particleboard



MDF

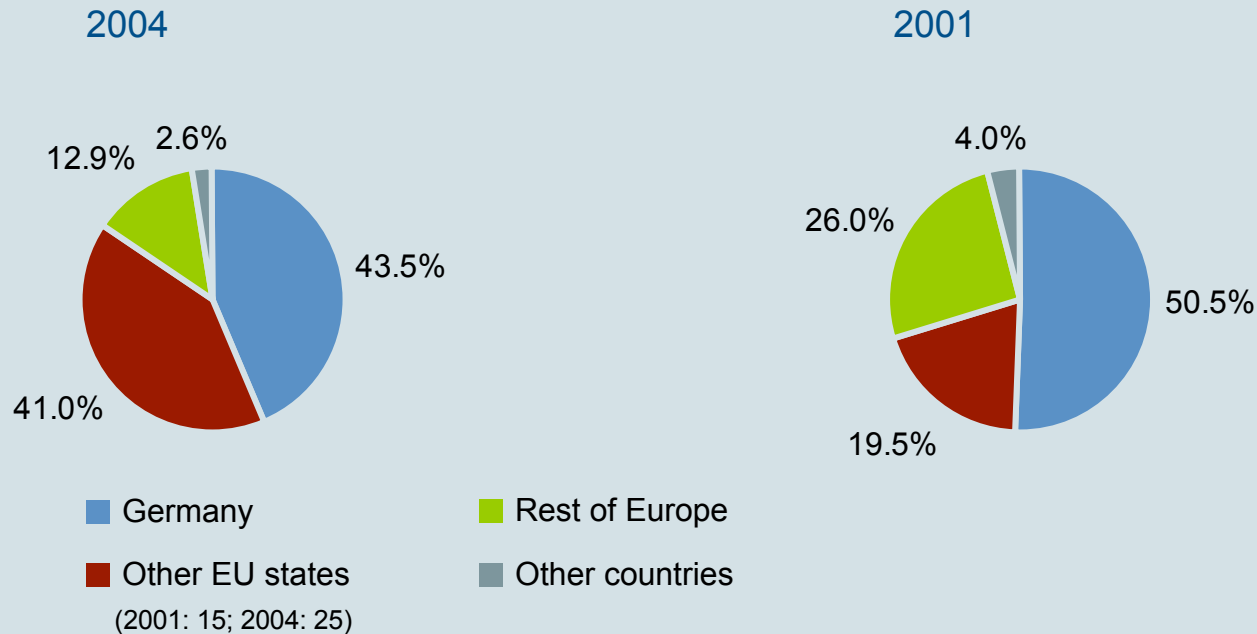


Aims of Pfleiderer Engineered Wood:

- Secure leading market position for raw particleboard and DBS
- Expand market share for MDF



Pfleiderer Engineered Wood: Sales by Region



Construction of a new engineered wood plant in Novgorod (Russia)

- Start of production: end of 2005, capacity: 500,000 m³ raw particleboard
- Entry into the Russian market “well prepared”



Growth of Raw Particleboard Consumption in Russia

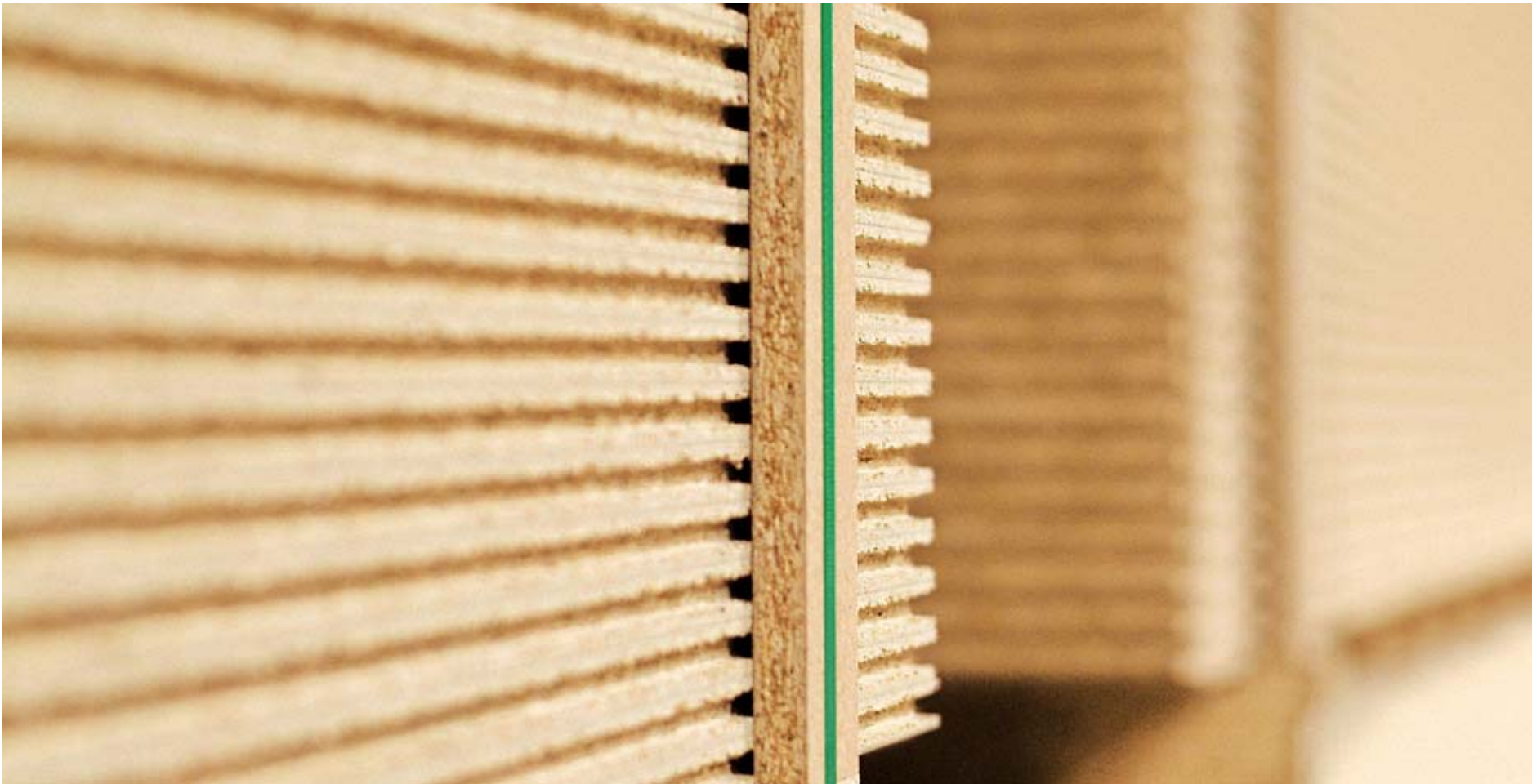


- Many existing plants are outdated and now longer conform to increase quality standards

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Engineered Wood





Pfleiderer Group: Targets 2005

- Greater earnings for engineered wood in Germany by improved cost structures:
 - “PHW 2006” initiative
 - Increased normal working hours

- Sales and earnings targets for 2005:
 - Sales: well over 900 million euros
 - EBITDA margin > 10 percent
 - Operative EBT > 40 million euros

- New scope for further growth and a sustained increase in earnings power.

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Thank you!



Contact

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