

Half-Yearly Financial Report  
Thursday, August 2, 2007

THE FASCINATION OF WOOD



## Highlights

- **Outstanding operating figures in H1 2007**
  - **Revenue growth +31%**
  - **EBITDA increase +34%**
  - **EBITDA margin improves to 13.7%**
  - **EPS (continuing operations) jumps by 88%**
- **Sustained positive growth in Western and Eastern Europe**
- **Restructuring measures to increase competitiveness and profitability in North America**



## Above-average rise in H1 2007 profitability

	Jan. 1 – June 30, 2007		Jan. 1 – June 30, 2006
	€ m	Change	€ m
Revenues	886.2	+30.5%	679.3
EBITDA	121.0	+ 34.3%	90.1
EBIT	70.5	+31.8%	53.5
EBT from continuing operations	48.1	+90.1%	25.3
Consolidated profit	33.1	- 38.8%	54.1

- **Sustained increase in profitability**
- **EBT from continuing operations almost doubled**
- Prior-year consolidated profit affected by one-time factors from the sale of track systems business unit
- **EPS (continuing operations) up by 87.5% to €0.45**



## Key figures reflect significant increase in earnings

	H1 2007		H1 2006
	€ m	Change	€ m
Operating cash flow	77.9	+72.3%	45.2
Equity	788.0	+ 58.3%	497.7
Total assets	1,972.9	+ 40.4%	1,404.7
Minority interest in equity	44.1	- 52.0%	92.0
Minority interest in profit and loss statement	22.8	- 51.3%	46.8

- **Above-average increase in operating cash flow**
- **Significant rise in total assets** following acquisition of Pergo
- **Equity ratio rises to 39.9% (35.4%)**
- **Prospan transaction delivers long-term reduction in minority interest in equity and profit**



## Western Europe: Outstanding operating results

	Jan. 1 - June 30, 2007		Jan. 1 - June 30, 2006
	€ m	Change	€ m
Revenues	491.4	+28.7%	382.0
EBITDA	74.5	+52.4%	48.9

- **Success factors in Western Europe:**
  - **Sustained cost-cutting thanks to efficiency enhancement programs**
  - **Market share gains**
    - **Multi-brand strategy**
    - **Systematic focus** on customer and product groups
- **Record EBITDA margin: increase to 15.2% (12.8%)**
- **Cost increases** for energy, chemicals, and wood **offset**



## Eastern Europe: Highly profitable – Russia now delivers tangible earnings contributions

	Jan. 1 - June 30, 2007		Jan. 1 - June 30, 2006
	€ m	Change	€ m
Revenues	185.3	+40.9%	131.5
EBITDA	34.3	+35.6%	25.3

- **Sustained growth**
  - Continuing positive development of furniture industry in Poland and Russia
  - Expansion of production capacity in Eastern Europe
- **Very profitable** despite ramp-up costs for MDF Grajewo
- **Russia now with significant revenue and earnings effects**
  - EBITDA margin of over 20% in start-up phase



## North America: Restructuring program launched to enhance competitiveness

	Jan. 1 - June 30, 2007		Jan. 1 - June 30, 2006
	€ m	Change	€ m
Revenues	221.0	+25.9%	175.6
EBITDA	16.3	-31.0%	23.6

- **Slower consumer spending and negative impact of U.S. real estate sector hit business performance**
- **Restructuring measures launched to enhance competitiveness and profitability** in the course of the **Pergo integration**
  - Expected synergy effects of €25 to €30 million per year starting in 2008
  - One-time restructuring charges in H2 2007 of €20 to €25 million



## Forecast for FY2007 and 2008

### ■ 2007

- Revenues of €1.9 billion
- EBITDA expected to be €240 to €250 million incl. integration costs and restructuring measures

### ■ 2008

- Revenues of at least €2 billion
- EBITDA margin in excess of 15%



## Summary of H1 2007

- **Outstanding operating results underscore highly profitable growth strategy**
- **International competitive position systematically extended**
- **Milestones: Acquisition of Pergo, expansion of production capacity in Eastern Europe**
- **Restructuring measures in North America in the course of the Pergo integration impact earnings in H2 2007 (one-time)**
- **Significant synergies and cost reductions from 2008 onward**
- **North American operations will reach profitability targets in 2008**

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