

Annual Shareholders Meeting 2008 of Pfleiderer AG





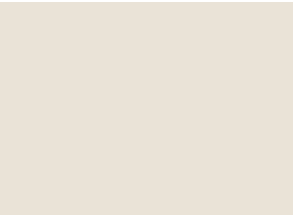
Annual shareholders meeting
2008

Milestones 2007



March

Pergo
Takeover



April

Hybrid bond
of €275 m



May

Interzum 2007
Lead fair for
Furniture suppliers



July

Decision to construc
MDF- / HDF-plant in Russia



September

Inauguration of
MDF-plant in
Grajaewo/Poland



2007 – Highlights of a successful year

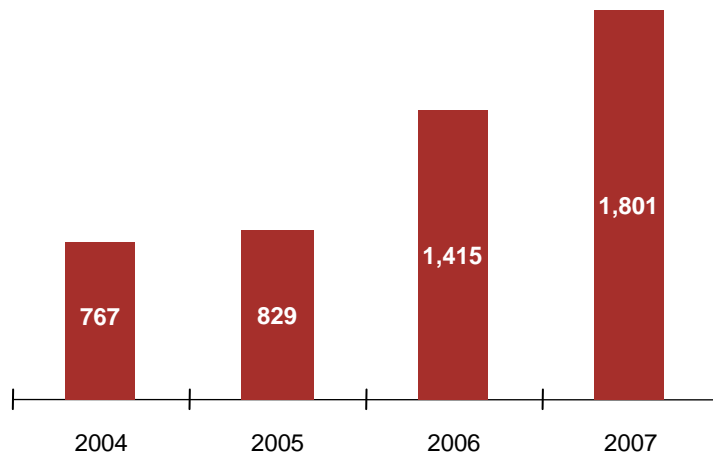
- **Strong sales growth of +27%**
thereof 11% organic
- **Achieved EBITDA target of €240 – 250m with €248.7m**
(+20% compared to 2006)
- **High EBITDA margin of 13.8%,**
despite integration- und restructuring charges of €21.6m
- **Strengthened market position:**
 - North America through Pergo acquisition (laminare flooring)
 - Eastern Europe through expansion of particleboard production in Novgorod and new MDF-plant in Poland
- **Increased productivity in Western Europe**
Significantly higher EBITDA margin of 16.3% (2006: 13.3%)



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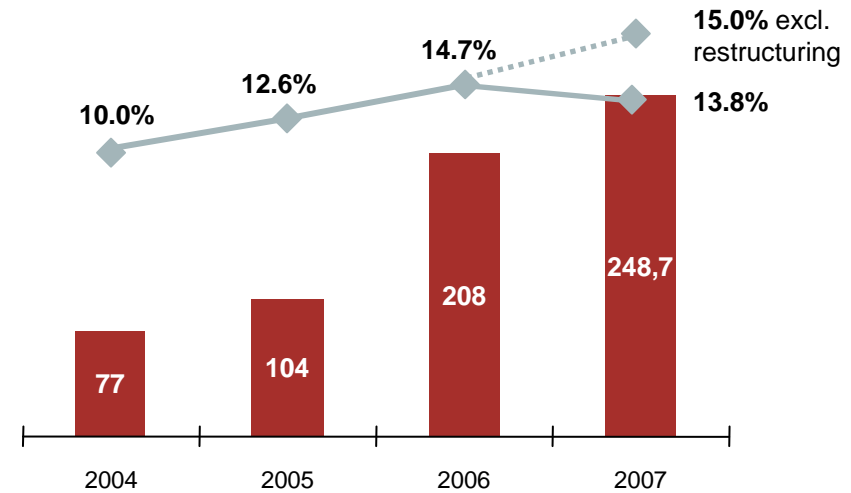
Continuation of growth story

Revenues – average growth rate 2004 – 2007
33% per annum



Revenues (€ m)

EBITDA – average growth rate 2004 – 2007
48% per annum



EBITDA (€ m)

EBITDA Margin (%)



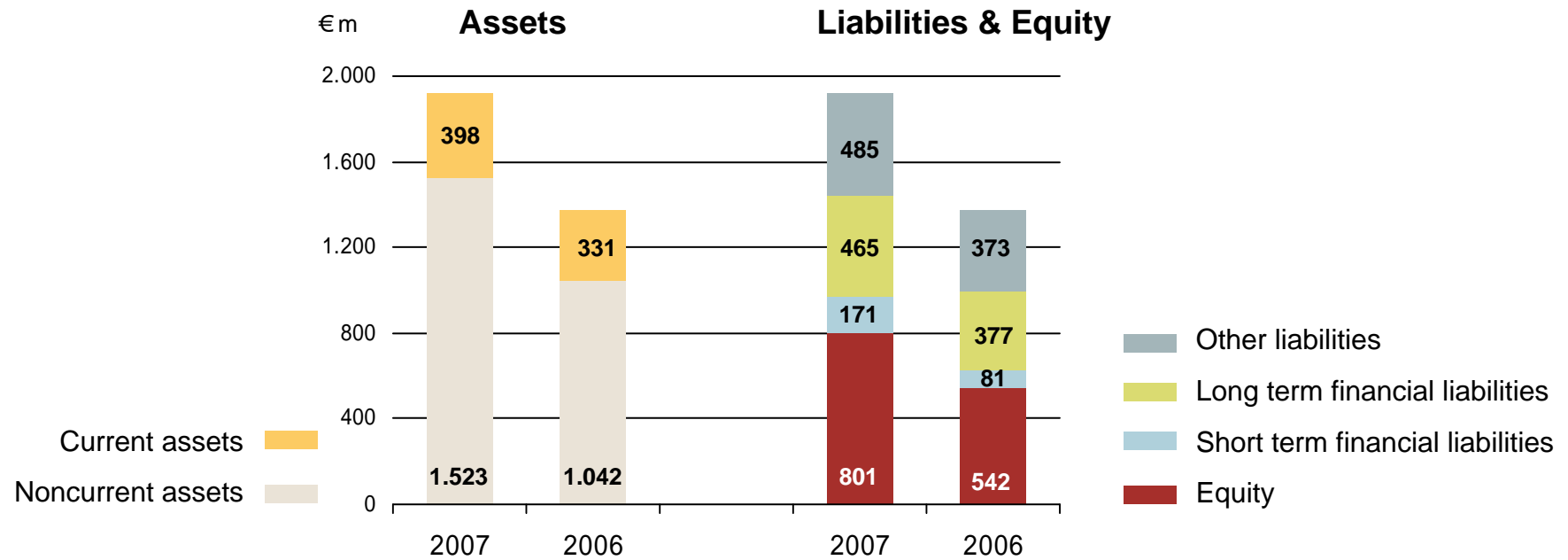
P & L Highlights

- **Increased Gross margin** from 26.8% to 27.3% despite higher raw material costs and price erosion in North America
- **Personnel costs** decreased to 14.8% of sales after 16.9% in 2006 (lay-offs in North America, Expansion in Eastern Europe)
- **Increased EBITDA** despite restructuring charges of €21.6m
- **Income tax rate** decreased to 12% due to a deferred tax credit and changes in deferred tax positions

	2007	2006
	€m	€m
Sales	1,801	1,415
Gross profit	492	379
Margin in %	27.3	26.8
Profit from operations	137	133
Financial expenses, net	-46	-40
Profit from continuing operations	80	67
Profit for the period	85	101
of which attributable to minority interests	14	17
of which attributable to hybrid capital investors	13	0
of which attributable to shareholders of Pfleiderer AG	57	84
EBT	91	92
EBIT	137	133
EBITDA	249	208
EPS continuing operations in €	1.00	1.00



Balance sheet as of December 31.





Key financial figures

		2007	2006
Net debt	€ m	618	415
Leverage	Factor	2.5	2.0
Equity ratio	%	41.7	39.5
Gearing	%	77.2	76.5
Capital Employed	€ m	1,411	1,010
Return on Capital Employed	%	9.7	13.2

- Net debt rose to €618 m as a result of Pergo acquisition
- Equity ratio improved to 41.7% through hybrid bond



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Further improvement of financial flexibility

- Issuance of a debt obligation with a volume of around € 150m in June 2008
 - Prolongation of maturity of financial liabilities
 - Improve liquidity
 - Increase financial flexibility
 - Reduce liabilities from syndicated loan



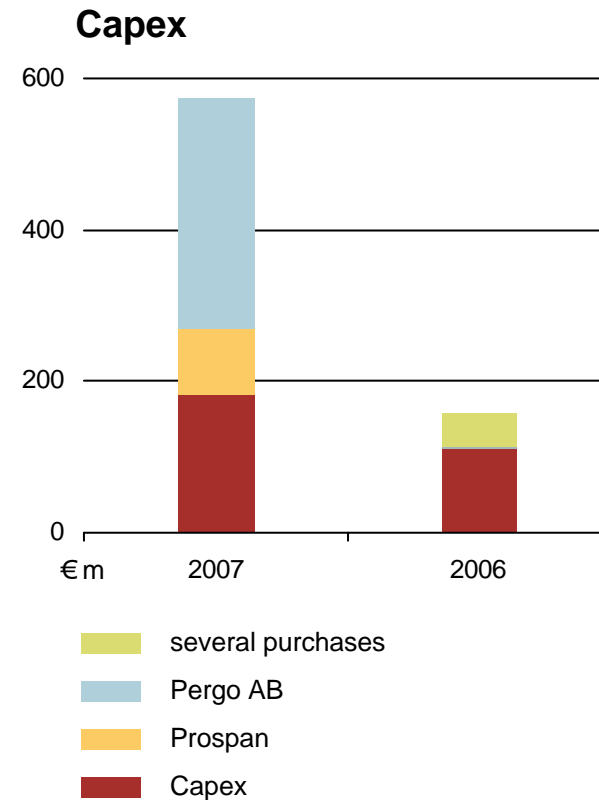
Strong operating cash flow

Strong rise in operating cash-flow
from €111 m in 2006 to €198 m in 2007

Depreciation rose from €75m to €112m

Capex of €556 m in 2007 splits into:

- € 306 m acquisition of Pergo AB
- € 86 m acquisition of state owned shares of Prospan
- € 183 m capacity expansion and maintenance
- € 19 m mainly proceeds from divestments





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Pfleiderer North America

Production sites

Site	PB	MDF/HDF	Fin Surf	FL	Resin
1 Sayabec	x		x		
2 La Baie		x			
3 Laval			x	x	
4 Mont-Laurier		x			x
5 Val D'Or	x				
Unires					x
6 Fostoria			x		
7 Raleigh			x	x	

PB = Particleboard
MDF/HDF = Medium Density Fibre Board/ High Density Fibre Board
HPL/E = High Pressure Laminate / Elements
FL = Flooring
Fin Surf = Finished Surface



North America in cyclical downturn

	North America	
	2007	2006
	million euros	
Sales	443	350
EBITDA	17	52
- margin in %	3.7	15.0
Capex	19	22
Employees	1,163	1,098

■ Market trends in flooring

- Temporarily reduced demand due to lower consumer spending in light of financial and housing crisis
- Further consolidation on supply side has stopped price erosion
- Imports suffer from weak Dollar

■ Market trends in panels

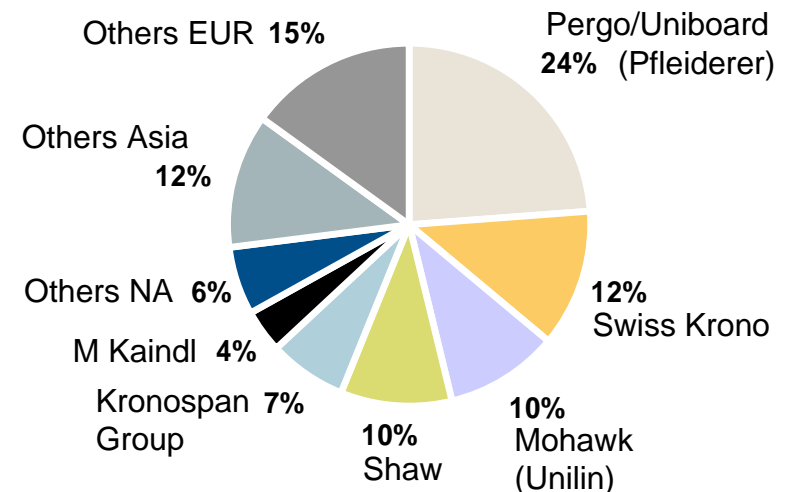
- Strength of Can \$ reduces competitiveness of exports to US
- Lower demand and oversupply lead to price erosion of -4% in 2007
- Increasing cost of raw materials, mainly fibre and resin
- Particle board mills are fully utilized



Significantly strengthened Market Position in Laminate Flooring

- Laminate flooring is a growth market in North America due to currently low penetration
- Increased market share in laminate flooring since acquisition of Pergo from 15% to ~24%

Market share in laminate flooring in North America in 2008



Note: Demand of laminate flooring in 2007: 160m sqm

Source: Pfleiderer estimates 2008



Turnaround in North America under way

- Sales bottomed in Q4 07
- Flooring is producing at 100% capacity in Q1 with volume and revenue above plan
- Price erosion in flooring is being reversed through selective price increases
- Panel is selling 100% of current particleboard capacity
- Successful implementation of shared services concept is leading to cost reductions in Panel and Flooring
- Problem area: MDF La Baie, relocation under review



Pfleiderer Eastern Europe

Production sites

Site	PB	MDF /HDF	Fin Surf	Resin	Impreg- nation
1 Grajewo I	x		x		x
Grajewo II		x			
2 Silekol				x	
3 Wieruszow	x		x		x
4 Novgorod I	x		x		
Novgorod II*		x			

*(Production start Q3/2009)

PB = Particleboard
MDF/HDF = Medium Density Fibre Board / High Density Fibre Board
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Eastern Europe with impressive margins in 2007

	Eastern Europe	
	2007	2006
	€m	€m
Sales	393	300
EBITDA	78	57
- margin in %	19.7	18.8
Capex	128	66
Employees	1,730	1,513

- 31% sales growth in a market with around 8% growth in 2007
- May 2007: Bought out minority shareholders of Prospan
- July 2007: Opened new MDF plant in Grajewo

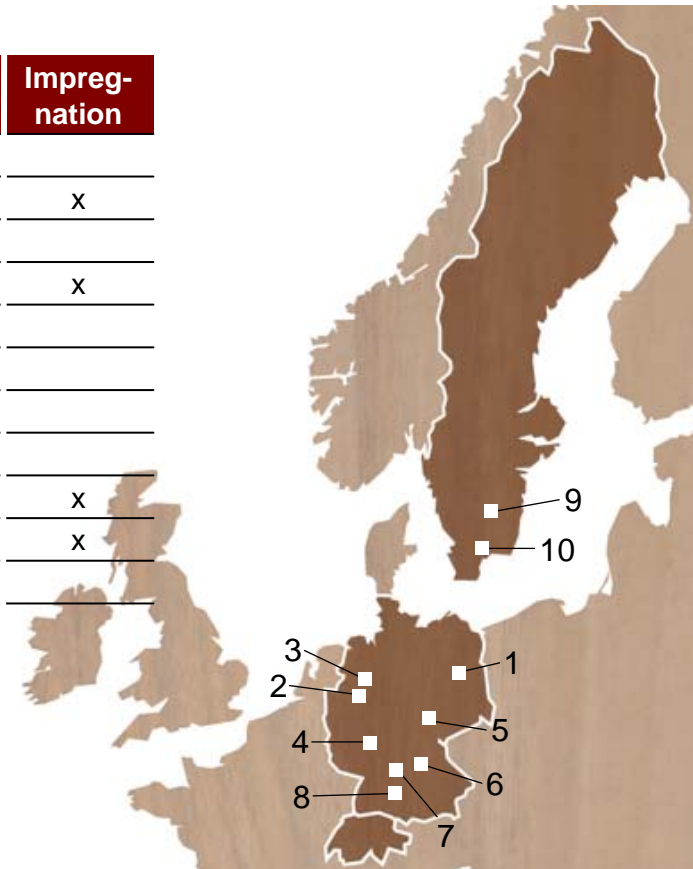


Pfleiderer Western Europe

Production sites

Site	PB	MDF/HDF	HPL/E	FL	Fin Surf	Resin	Impreg- nation
1 Baruth		x					
2 Arnsberg			x			x	x
3 Gütersloh II	x						
Gütersloh III					x		x
4 Nidda		x			x		
5 Ebersdorf	x						
6 Neumarkt	x				x		
7 Gschwend	x						
8 Leutkirch	x		x		x		x
9 Perstorp							x
10 Trelleborg			x	x			

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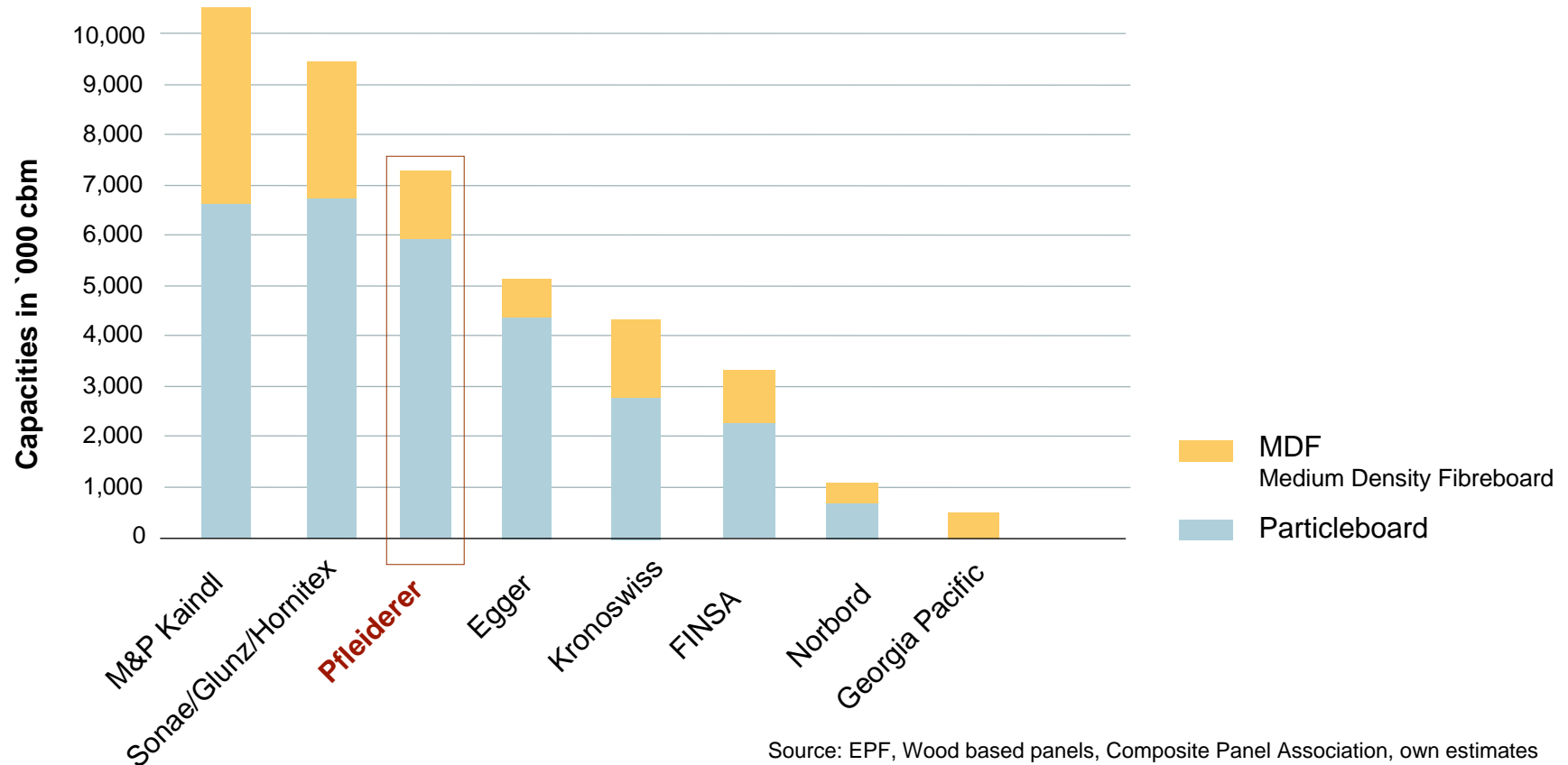
Record margin in Western Europe

	Western Europe	
	2007	2006
	€m	€m
Sales	987	782
EBITDA	161	104
- margin in %	16.3	13.3
Capex	34	26
Employees	2,843	2,484

- Significant sales growth 2007
 - Strong market position (Nr. 1 in Germany, >30% market share)
 - Successful market segmentation
 - Successful positioning of product brands
- Disproportionately high earnings improvement
 - growing share of high margin products
 - further increase productivity through investments and rationalization



Pfleiderer among top 3 of industry

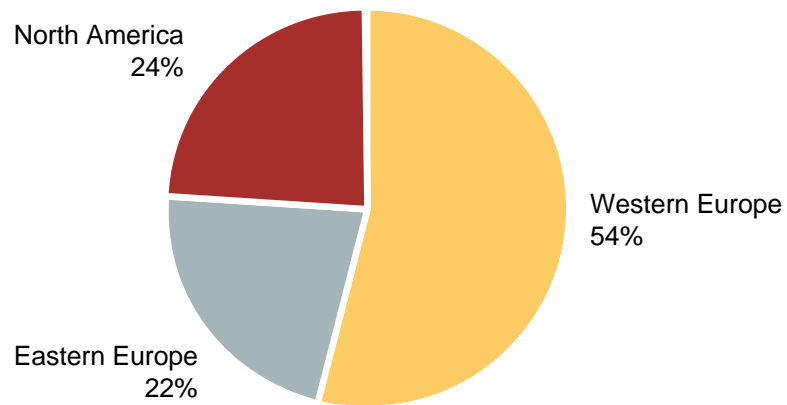


Source: EPF, Wood based panels, Composite Panel Association, own estimates

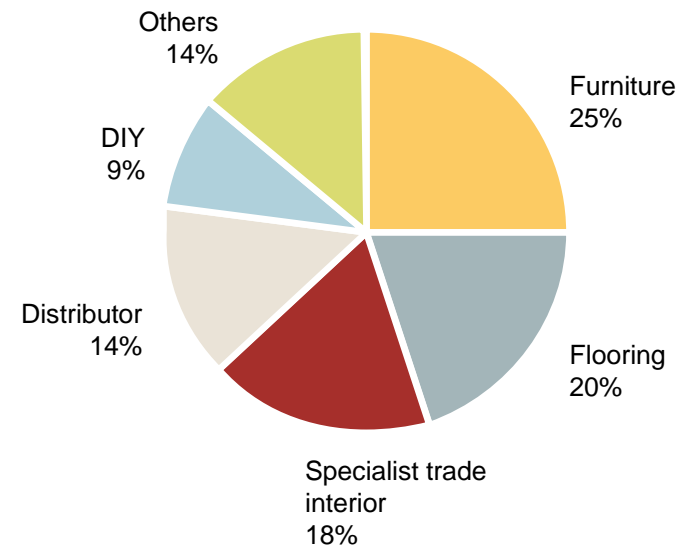


Diversification of sales

Revenue split by region 2007



Revenue split by industry 2007

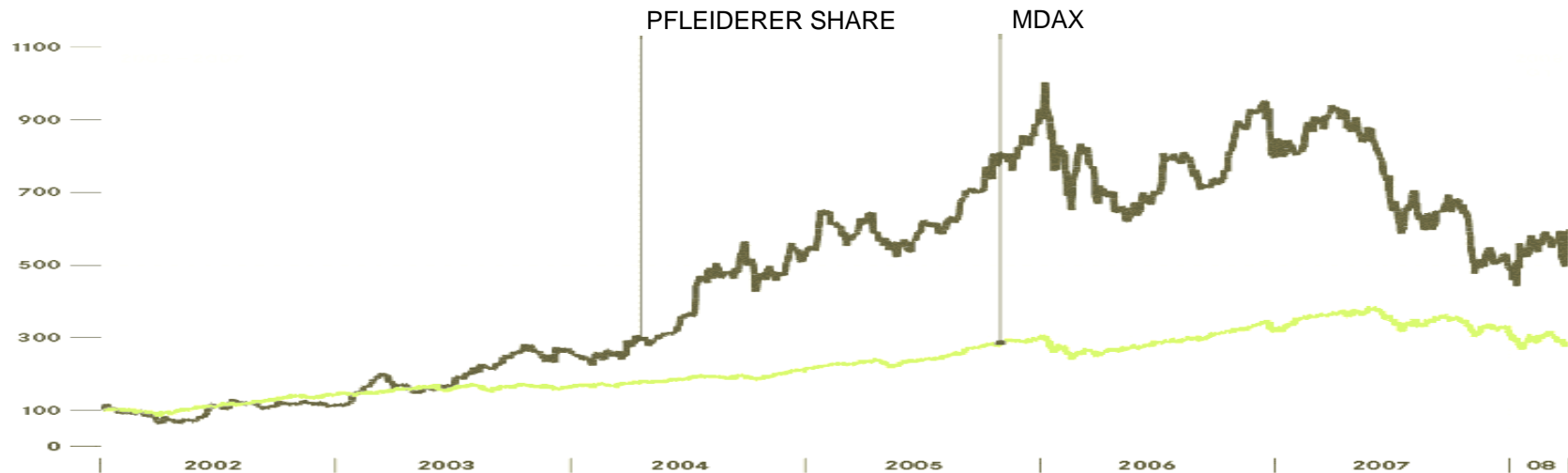


Top 10 customers represent 18.6% of sales



Pfleiderer-share hit by subprime crisis

- Year end market capitalization decreased from € 1.091m to € 752m
- Investors pay lower PE ratios in current environment



Pfleiderer and MDAX indexed, 5 years; 31. Dec. 2002 = 100



Approval of share buy-back

- Renewal of 2007 AGM decision with an extension until Dec. 11. 2009
- In fiscal 2007 we purchased 2,415,444 own shares (4.5% of total shares outstanding) for an average price of € 17.67
- In 2007 117,445 shares were used to service stock option plans
- Use of own shares for:
 - Servicing stock option plans
 - Acquisitions



Key figures 1st quarter 2008

	Q1 08	Q1 07	% change
	€m	€m	
Sales	468	428	9.4
EBITDA	60	56	7.1
EBITDA margin in %	12.9	13.2	
EBIT	32	34	-5.5
EBT	14	25	-42.4
EPS (not diluted) in €	0.10	0.24	-58.3
EPS (diluted) in €	0.10	0.23	-56.5

- Sales grew by 9% compared to previous year to € 468m
- EBITDA grew by 7% to € 60 Mio.
- One-time-charges of €6m burden financial result



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P&L highlights

- Growth in all regions
- Share of foreign sales climbed to 72.2% in Q1/08 (68.1% in Q1/07) fueled by growth in Eastern Europe and the Pergo-acquisition

Earnings

- EBITDA of €60.4m (+7% compared to Q1/07)
 - Q1 typically seasonally weakest quarter
 - Early Easter in March 08 did cost about €4m in earnings
 - Cost of sales impacted by temporary higher raw material costs
- Financial result burdened by €6m as a result of extraordinary costs for interest rate swaps and exchange rate hedging
- EPS from continuing operations €0.10 (€0.24 in Q1/07)



Segmental overview

	Western Europe		Eastern Europe		North America	
	Q1 08	Q1 07	Q1 08	Q1 07	Q1 08	Q1 07
	million euros		million euros		million euros	
Revenues	260	239	105	93	111	101
EBITDA	45	33	13	18	9	8
- margin in %	17.1	14.0	12.6	19.1	7.9	7.7
EBT	22	18	1	11	-9	-1
Capex*	8.4	2.4	9.2	31.7	2.9	4.3

*) before acquisitions

- Growth in all regions
- Strong margin improvement in Western Europe
- Margin pressure in Poland, strong performance in Russia
- Operating turnaround in North America overshadowed by extraordinary costs for interest rate swaps and exchange rate hedging



Current business trends

Western Europe	<ul style="list-style-type: none">▪ Efficiency improvements maintain margin quality▪ Demand in Germany and major export markets remains healthy▪ However soft demand in Spain and UK
Eastern Europe	<ul style="list-style-type: none">▪ Decrease in raw material prices▪ Price pressure on raw particleboard due to capacity increases in regional market▪ Strong Zloty hampers customers export business
North America	<ul style="list-style-type: none">▪ Strong start of FY 08 with growing volumes in panels & flooring despite weak market environment▪ Market share gains in panels and flooring▪ Selective price increases



Forecast for FY 2008

- Growth continues, markets more demanding
- Turnaround in North America makes good progress, market position of Pfleiderer strengthened
- Cost cutting program of over € 20m initiated in Eastern Europe
- Group revenues 2008 in the magnitude of €2 billion
- EBITDA margin of around 15% targeted
- Financing of growth secured

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