

2010 Preliminary Financial Results

Analyst Meeting in Znojmo

March 18, 2011

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Agenda

- **2010 Key Highlights**
- **2010 Financial Performance**
- **2011 Guidance**

Presentation Team

Mr. František Řezáč	Mr. Marian Rašík
Chief Executive Officer	Chief Financial Officer

2010 Key Highlights



2010 Key Highlights

Financial Performance

- 2010 revenues EUR 148.2 million up by 20.0% yoy due to higher polymer prices
- 2010 EBITDA EUR 35.2 million down by 9.2% yoy in line with full year guidance
- 2010 net profit EUR 21.0 million up by 1.1% yoy due to FX changes and lower interest costs

Market and Business

- Production capacity was fully utilised in 2010
- In the second half of 2010 polymer price indices stabilised and decreased slightly, however started growing sharply again in 2011

Production and Technology

- 2010 net production output of 70,182 tonnes up by 1.0% yoy remains strong and stable

Key Financial Highlights

Euro (000')	Q4			FY		
	2009	2010	% change	2009	2010	% change
Revenues	30,194	38,883	28.8%	123,447	148,150	20.0%
Operating Costs	(22,196)	(29,161)	31.4%	(84,656)	(112,932)	33.4%
EBITDA	7,998	9,722	21.6%	38,791	35,218	(9.2%)
<i>EBITDA margin (%)</i>	26.5%	25.0%	<i>(1.5 pp)</i>	31.4%	23.8%	<i>(7.6 pp)</i>
Profit from operations (EBIT)	3,931	5,698	45.0%	22,857	18,865	(17.5%)
<i>EBIT margin (%)</i>	13.0%	14.7%	<i>1.7 pp</i>	18.5%	12.7%	<i>(5.8 pp)</i>
Net Profit	(1,264)	3,449	n/a	20,802	21,039	1.1%
<i>Net Profit Margin (%)</i>	<i>(4.2%)</i>	8.9%	<i>13.1 pp</i>	16.9%	14.2%	<i>(2.7 pp)</i>
Production (tonnes net of scrap)	17,859	17,820	(0.2%)	69,462	70,182	1.0%
Number of Employees (EOP)				384	384	0%

	December 31, 2009	December 31, 2010	% change
Total assets	235,847	251,221	6.5%
Net debt	95,610	91,553	(4.2%)

Source: Company data, consolidated unaudited results

2010 Financial Performance



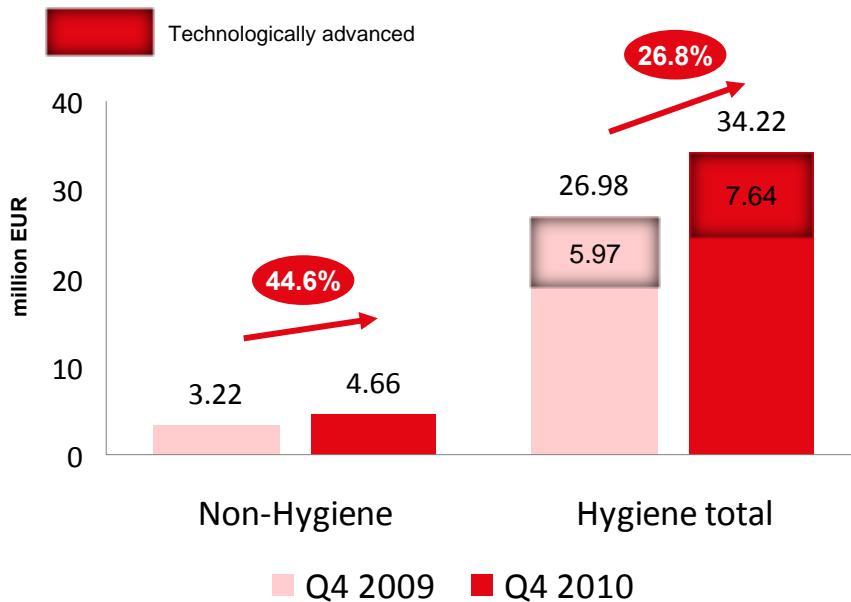
Statement of Comprehensive Income

Euro (000')	Q4			FY		
	2009 unaudited	2010 unaudited	% change	2009 audited	2010 unaudited	% change
Revenues	30,194	38,883	28.8%	123,447	148,150	20.0%
Raw materials & consumables	(20,418)	(26,756)	31.0%	(77,543)	(105,690)	36.3%
Staff costs	(1,800)	(2,318)	28.8%	(7,551)	(7,996)	5.9%
Of which Share price bonus	171	(179)	n/a	(273)	(256)	(6.2%)
Other net operating income/(expense)	22	(87)	n/a	438	754	72.1%
EBITDA	7,998	9,722	21.6%	38,791	35,218	(9.2%)
EBITDA Margin (%)	26.5%	25.0%	(1.5 pp)	31.4%	23.8%	(7.6 pp)
Depreciation	(4,067)	(4,024)	(1.1%)	(15,934)	(16,353)	2.6%
Profit from operations (EBIT)	3,931	5,698	45.0%	22,857	18,865	(17.5%)
EBIT Margin (%)	13.0%	14.7%	1.7 pp	18.5%	12.7%	(5.8 pp)
FX changes and other fin. income/(expense) (net)	(5,348)	(1,758)	(67.1%)	2,509	6,317	151.8%
Interest (expense)/income (net)	(910)	(815)	(10.4%)	(3,840)	(3,284)	(14.5%)
Income tax (expense)/income (net)	1,063	324	(69.5%)	(724)	(859)	18.6%
Net Profit	(1,264)	3,449	n/a	20,802	21,039	1.1%
Net Profit Margin (%)	(4.2%)	8.9%	13.1 pp	16.9%	14.2%	(2.7 pp)
Other comprehensive income/(expense)	(4,127)	(1,494)	(63.8%)	1,598	3,497	118.8%
Total comprehensive income	(5,391)	1,955	n/a	22,400	24,536	9.5%

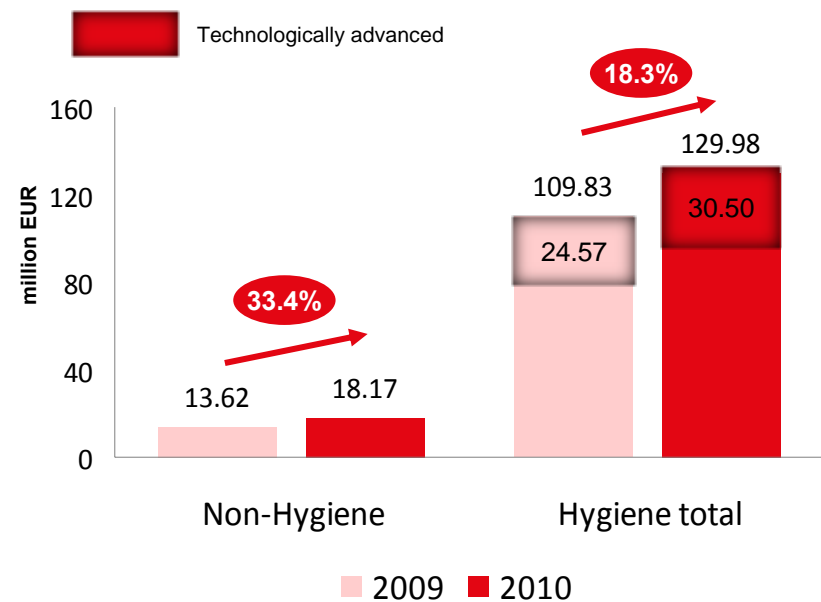
Source: Company data, unaudited

Revenue Breakdown by Product

Q4



FY

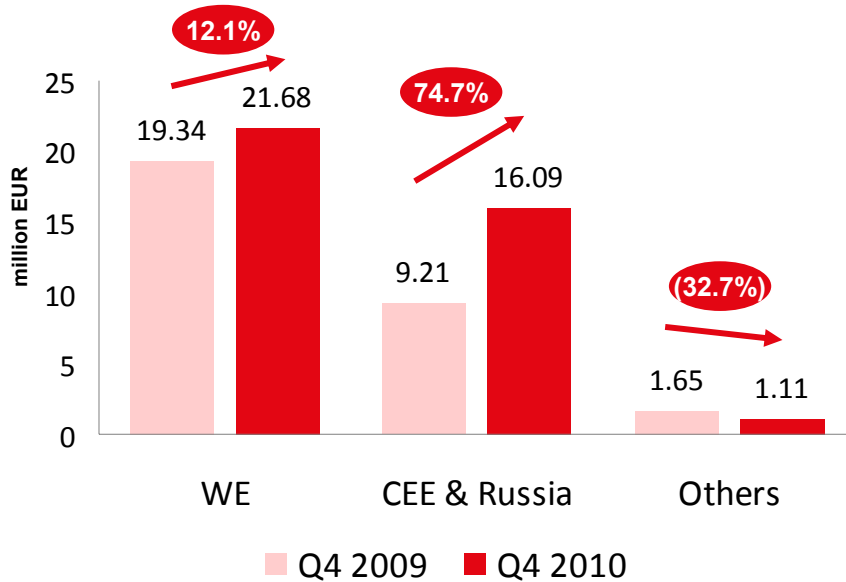


- Growth in all individual revenue categories driven by total revenue increase
- Strong position on the hygiene market

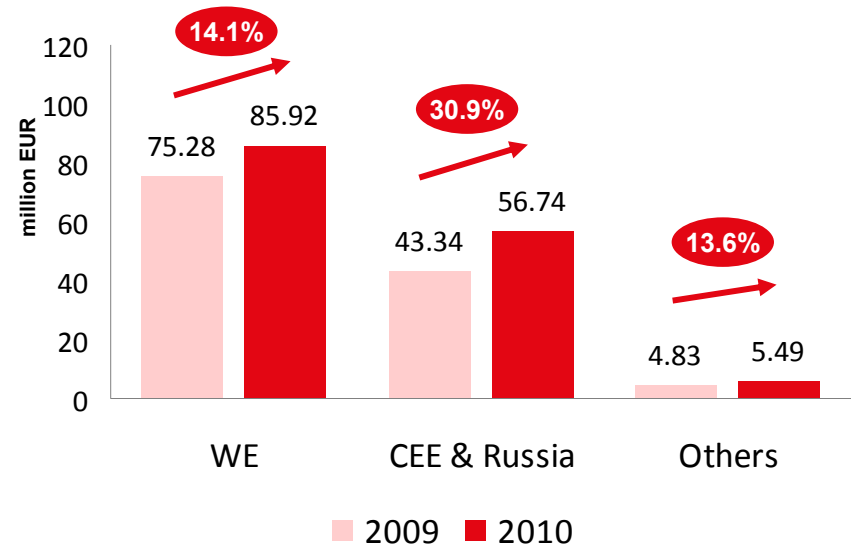
Source: Company data

Revenue Breakdown by Geography

Q4



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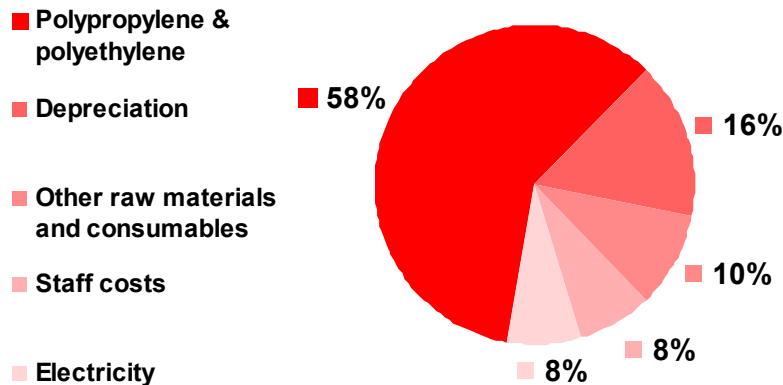


- Growth in all individual revenue categories driven by total revenue increase
- Company continues in its key focus on the European market

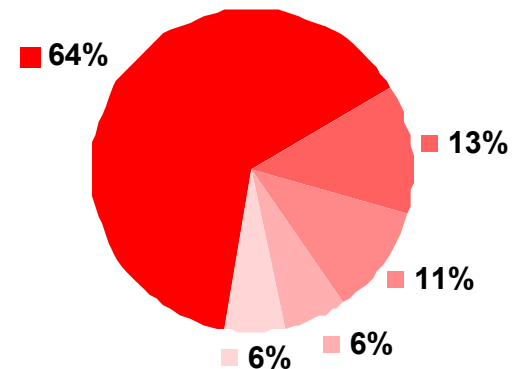
Source: Company data

Cost Composition

Cost Breakdown 2009



Cost Breakdown 2010



- Substantial increase in PP/PE costs by 39% yoy due to higher polymer prices
- Electricity up by 5% yoy due to an increase in prices charged for distribution and due to FX rate movements

Source: Company data

Statement of Financial Position

Euro (000')	Dec 31, 2009 (audited)	Dec 31, 2010 (unaudited)	% change Dec 10/Dec 09
Non-current assets			
Property, plant and equipment	108,865	107,713	(1.1%)
Intangible assets (including goodwill)	87,874	92,802	5.6%
Current assets			
Inventories	13,652	14,741	8.0%
Trade and other receivables	24,983	31,280	25.2%
Bank balances and cash	473	4,685	890.5%
Total assets			
Total share capital and reserves			
Non-current liabilities			
Bank loans due after 1 year	82,614	95,365	15.4%
Deferred tax	11,471	10,686	(6.8%)
Other payables	27	103	281.5%
Current liabilities			
Trade and other payables	13,977	13,419	(4.0%)
Tax liabilities	1,016	1,734	70.7%
Bank overdrafts and loans	13,469	873	(93.5%)

Source: Company data

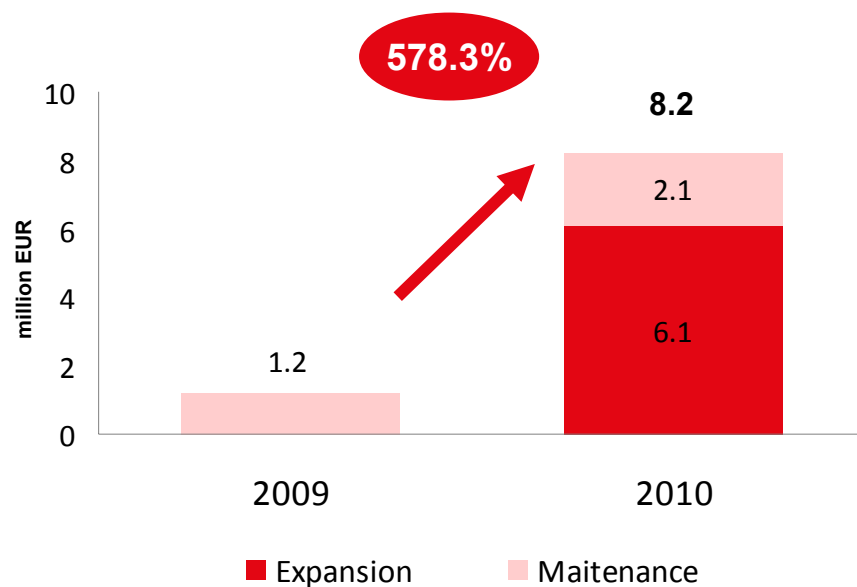
Cash Flow Statement

Euro (000´)	2009 (audited)	2010 (unaudited)	% change
Profit before tax	21,526	21 898	1.7%
Amortization/ Depreciation	15,934	16 353	2.6%
FX changes	(216)	(2 095)	869.9%
Interest Expense	3,850	3 300	(14.3%)
Fair value changes of interest rate swaps	(515)	(1 162)	125.6%
Other changes in equity	181	(938)	n/a
Other financial expense	(66)	8	n/a
Change in inventories	(698)	(320)	(54.2%)
Change in receivables	2,561	(4 511)	n/a
Change in payables	(2,532)	(1 680)	(33.6%)
Income tax paid	649	(1 358)	n/a
Net Cash Flow from Operating activities	40,674	29,495	(27.5%)
Purchases of property, plant and equipment	(1,208)	(8,194)	578.3%
Net Cash Flow from Investment activities	(1,208)	(8,194)	578.3%
Change in bank loans	(27,363)	(5,657)	(79.3%)
Change in long term debt	22	76	245.5%
Distribution of Dividend	(8,306)	(8,768)	5.6%
Interest paid	(3,721)	(2,732)	(26.6%)
Other financial income	66	(8)	n/a
Net Cash Flow from Financing activities	(39,302)	(17,089)	(56.5%)
Bank balances and cash at the beginning of the year	309	473	53.1%
Change in cash and cash equivalents	164	4,212	2,468.3%
Bank balances and cash at the end of the period	473	4,685	890.5%

Source: Company data

CAPEX Development

2010 CAPEX Breakdown



- 2009 – maintenance CAPEX only
- 2010 – down payments related to the 9th production facility project
- 2010 higher maintenance CAPEX in line with plan
- Full year CAPEX guidance up to EUR 9 million met

Source: Company data

2011 Guidance



2011 Guidance

- **2011 production capacity sold out including the 9th line**
- **Launch of 9th production line expected in 3Q 2011**
- **2011 EBITDA expected to increase between 2 - 7% compared with 2010 (2010 - EUR 35.2 million)**
- **Further volatility of polymer prices expected**
- **Total 2011 CAPEX up to EUR 32 million at a constant FX rate CZK/EUR 24.50**

Reporting Schedule

Event	Date
2010 Annual Report	April 29, 2011
Q1 2011 Results	May 26, 2011
AGM	June 15, 2011
2011 Half Year Report	August 25, 2011
Q3/9M 2011 Results	November 24, 2011

Appendix

Development of Polymer Prices



- The annual rise in revenues is driven by higher polymer prices / costs which are passed into final output prices
- On average, polymer prices went up by 45%, when 2009 and 2010 are compared

Source: Company data