

Nine Months 2010 Results January – September 2010

Analyst Conference Call

November 25, 2010

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Agenda

- **Q3 2010 Highlights**
- **9M & Q3 2010 Financial Performance**
- **2010 Guidance Update**

Presentation Team

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

Q3 2010 Highlights



Q3 2010 Key Highlights

Financial Performance

- Q3 2010 revenues EUR 40.5 million up by 34.6% yoy due to higher polymer prices
- Q3 2010 EBITDA EUR 9.2 million up by 9.6% yoy due solid production & sales and minimal impact of the pass-through mechanism
- Q3 2010 net profit went up by 36.6% to EUR 8.2 million

Market and Business

- PEGAS received „Supplier of the Year“ award from Procter&Gamble
- Polymer indexes stabilized and slightly decreased since August; currently at 1,300 EUR/tonne level

Production & Technology

- Q3 2010 net production output of 17,988 tonnes remains strong and stable

Key Financial Highlights

Euro (000')	Q3			9M		
	2009	2010	% change	2009	2010	% change
Revenues	30,061	40,462	34.6%	93,255	109,253	17.2%
Operating Costs	21,670	31,268	44.3%	62,472	83,762	34.1%
EBITDA	8,391	9,194	9.6%	30,783	25,491	(17.2%)
<i>EBITDA margin (%)</i>	<i>27.9%</i>	<i>22.7%</i>	<i>(5.2 pp)</i>	<i>33.0%</i>	<i>23.3%</i>	<i>(9.7 pp)</i>
Profit from operations (EBIT)	4,271	5,084	19.0%	18,913	13,165	(30.4%)
<i>EBIT margin (%)</i>	<i>14.2%</i>	<i>12.6%</i>	<i>(1.6 pp)</i>	<i>20.3%</i>	<i>12.1%</i>	<i>(8.2 pp)</i>
Net Profit	6,017	8,222	36.6%	22,055	17,609	(20.2%)
<i>Net Profit Margin (%)</i>	<i>20.0%</i>	<i>20.3%</i>	<i>0.3 pp</i>	<i>23.7%</i>	<i>16.1 pp</i>	<i>(7.6 pp)</i>
Production (tonnes net of scrap)	17,270	17,988	4.2%	51,603	52,362	1.5%
Number of Employees (EOP)				381	381	0%

	December 31, 2009	September 30, 2010	% change
Total assets	235,847	260,179	10.3%
Net debt	95,610	89,292	(6.6%)

Source: Company data, consolidated unaudited results

9M & Q3 Financial Performance



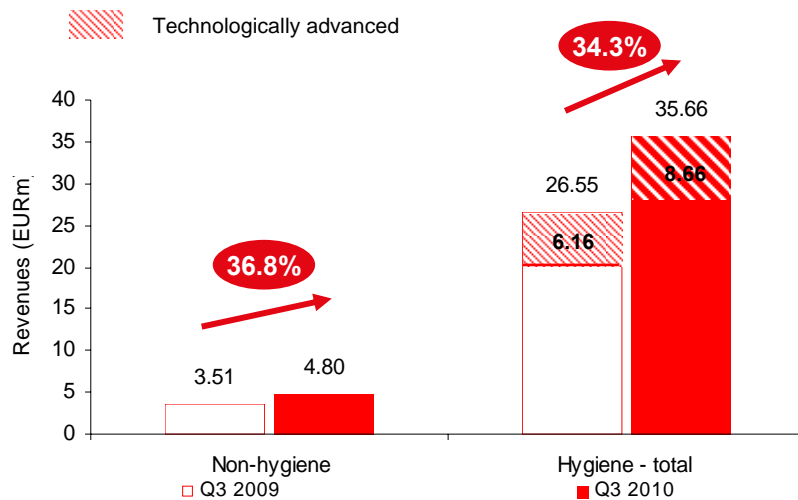
Statement of Comprehensive Income

Euro (000')	Q3			9M		
	2009	2010	% change	2009	2010	% change
Revenues	30,061	40,462	34.6%	93,255	109,253	17.2%
Raw materials & consumables	(19,723)	(29,600)	50.1%	(57,130)	(78,913)	38.1%
Staff costs	(2,282)	(2,081)	(8.8%)	(5,756)	(5,683)	(1.3%)
Of which Share price bonus	(342)	(144)	(57.9%)	(444)	(77)	(82.7%)
Other net operating income/(expense)	335	413	23.3%	414	834	101.4%
EBITDA	8,391	9,194	9.6%	30,783	25,491	(17.2%)
EBITDA Margin (%)	27.9%	22.7%	(5.2 pp)	33.0%	23.3%	(9.7 pp)
Depreciation	(4,120)	(4,110)	(0.2%)	(11,870)	(12,326)	3.8%
Profit from operations (EBIT)	4,271	5,084	19.0%	18,913	13,218	(30.1%)
EBIT Margin (%)	14.2%	12.6%	(1.6 pp)	20.3%	12.1%	(8.2 pp)
FX changes and other fin. income/(expense) (net)	3,437	4,810	39.9%	7,854	8,080	2.9%
Interest (expense)/income (net)	(973)	(862)	(11.4%)	(2,929)	(2,468)	(15.7%)
Income tax (expense)/income (net)	(718)	(810)	12.8%	(1,783)	(1,168)	(34.5%)
Net Profit	6,017	8,222	36.6%	22,055	17,609	(20.2%)
Net Profit Margin (%)	20.0%	20.3%	0.3 pp	23.7%	16.1%	(7.6 pp)
Other comprehensive income/(expense)	2,345	3,855	64.4%	5,725	4,991	(12.8%)
Total comprehensive income	8,362	12,077	44.4%	27,780	22,600	(18.6%)

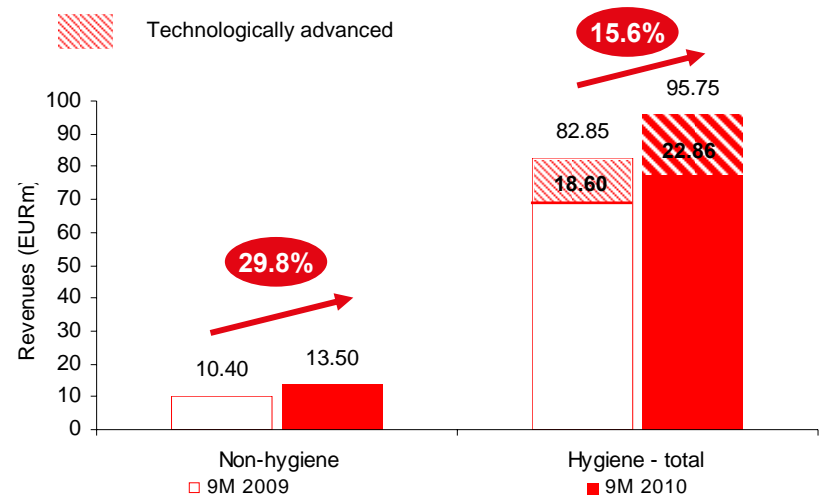
Source: Company data, unaudited

Revenue Breakdown by Product

Q3



9M

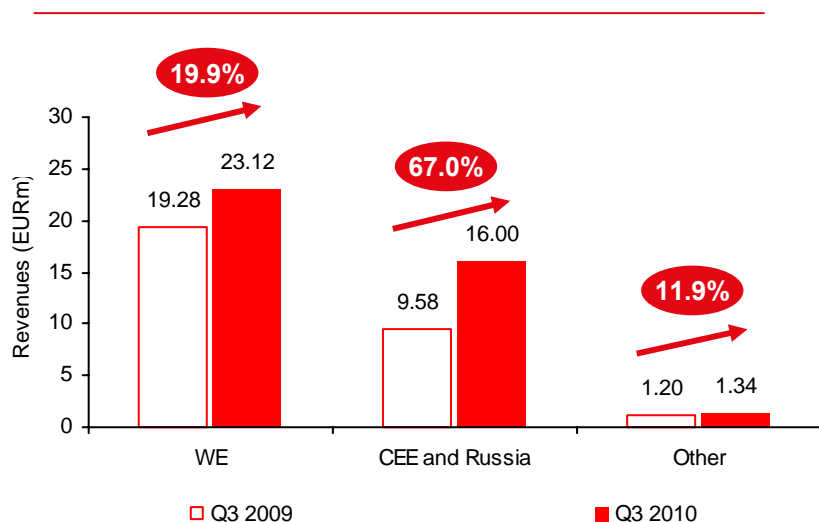


- Growth in all individual revenue categories driven by total revenue increase
- Continuing focus on the hygiene market

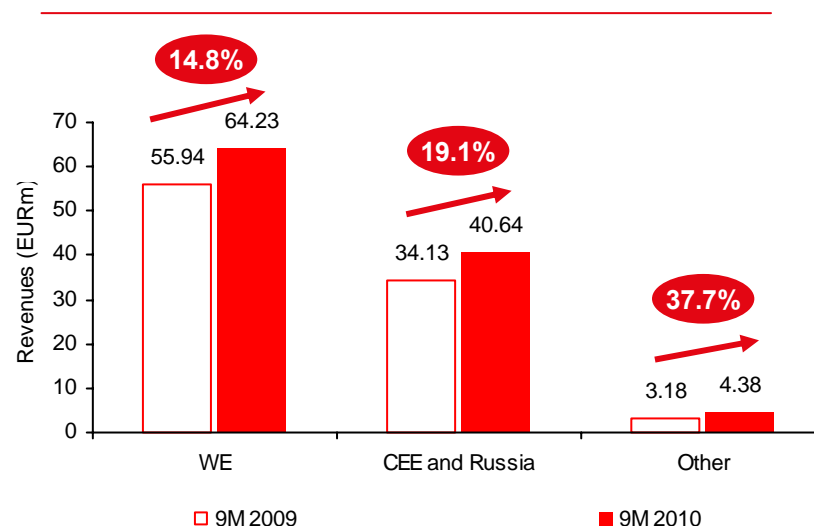
Source: Company data

Revenue Breakdown by Geography

Q3



9M

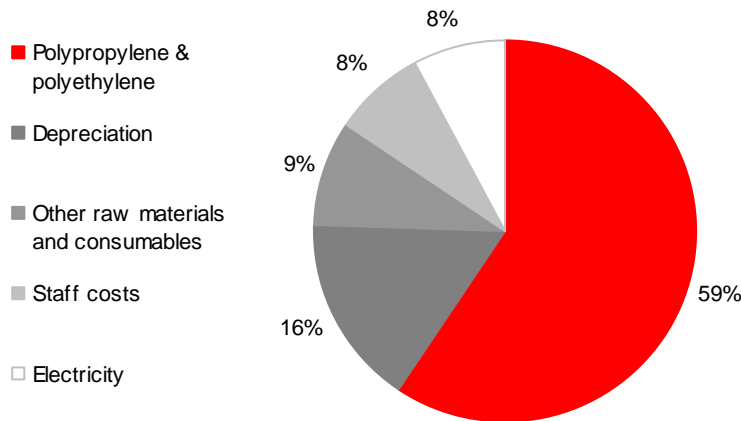


- Growth in all individual revenue categories driven by total revenue increase
- Company continues in its key focus on the European market

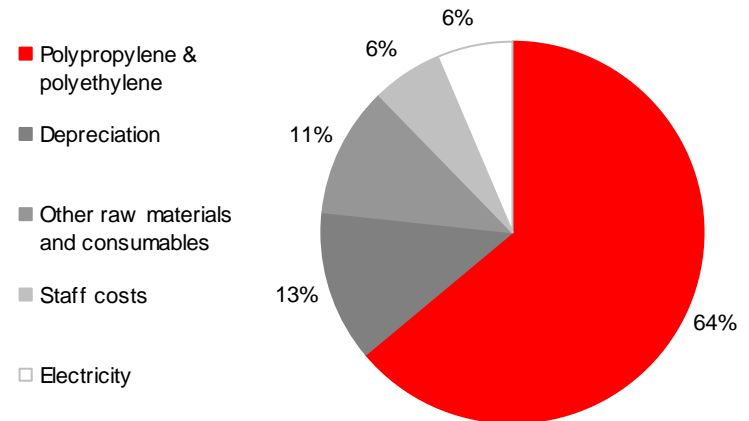
Source: Company data

Cost Composition

Cost Breakdown in 9M 2009



Cost Breakdown in 9M 2010



29.3%



- Substantial increase in PP/PE costs by 39% yoy due to higher polymer prices
- Electricity up by 7% 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')	Sep 30, 2009 (unaudited)	Dec 31, 2009 (audited)	Sep 30, 2010 (unaudited)	% change Sep 10/Dec09
Non-current assets	210,456	196,739	205,194	4.3%
Property, plant and equipment	118,032	108,865	110,720	1.7%
Intangible assets (including goodwill)	92,424	87,874	94,474	7.5%
Current assets	40,774	39,108	54,985	40.6%
Inventories	14,944	13,652	14,496	6.2%
Trade and other receivables	25,467	24,983	31,576	26.4%
Bank balances and cash	363	473	8,913	1,784.4%
Total assets	251,230	235,847	260,179	10.3%
Total share capital and reserves	118,653	113,273	135,873	20.0%
Non-current liabilities	99,907	94,112	109,312	16.2%
Bank loans due after 1 year	87,495	82,614	98,205	18.9%
Deferred tax	12,207	11,471	11,021	(3.9%)
Other payables	205	27	86	218.5%
Current liabilities	32,670	28,462	14,994	(47.3%)
Trade and other payables	14,225	13,977	12,945	(6.7%)
Tax liabilities	1,915	1,016	2,049	101.7%
Bank overdrafts and loans	16,530	13,469	--	n/a

Source: Company data

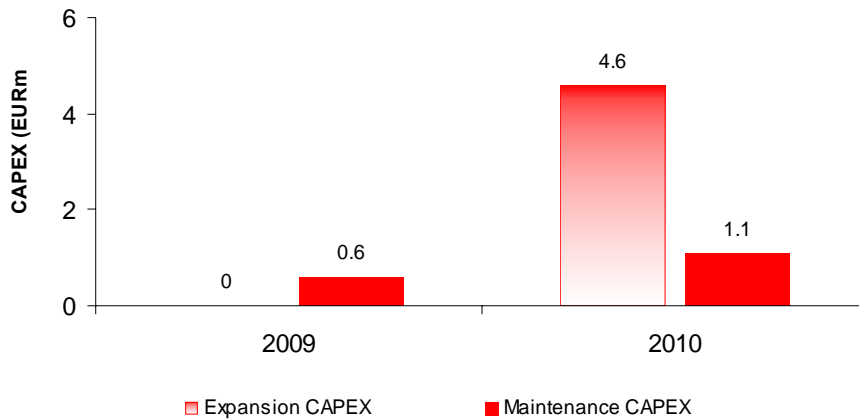
Cash Flow Statement

Euro (000')	Nine months to Sep 30		
	2009 (unaudited)	2010 (unaudited)	% change
Profit before tax	23,838	18,777	(21.2%)
Amortization/ Depreciation	11,870	12,326	3.8%
FX	(1,905)	(1,527)	(19.8%)
Interest Expense	2,938	2,477	(15.7%)
Fair value changes of interest rate swaps	175	(1,246)	n/a
Other financial expense	262	6	(97.7%)
Change in inventories	(1,247)	179	n/a
Change in receivables	3,676	(4,442)	n/a
Change in payables	(4,380)	(4,166)	(4.9%)
Income tax paid	648	(1,123)	n/a
Net Cash Flow from Operating activities	35,875	21,261	(40.7%)
Purchases of property, plant and equipment	(551)	(5,711)	936.5%
Net Cash Flow from Investment activities	(551)	(5,711)	936.5%
Change in bank loans	(24,257)	(5,302)	(78.1%)
Change in long term debt	200	59	(70.5%)
Distribution of Dividend	(8,306)	--	n/a
Interest paid	(2,645)	(1,861)	(29.6%)
Other financial income	(262)	(6)	(97.7%)
Net Cash Flow from Financing activities	(35,270)	(7,110)	(79.8%)
Bank balances and cash at the beginning of the year	309	473	53.1%
Change in cash and cash equivalents	54	8,440	n/a
Bank balances and cash at the end of the period	363	8,913	2,355.4%

Source: Company data

CAPEX Development

9M CAPEX Breakdown



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

Source: Company data

Dividend Payment

- **PEGAS paid out a dividend of EUR 8,767,930 or EUR 0.95 per share on October 29th, 2009**
- **Source of the dividend payment was the Company's share premium account**
- **No withholding tax on dividend was applied in Luxembourg**

2010 Guidance Update



2010 Guidance Confirmation

PEGAS confirms its full year guidance:

- **2010 EBITDA expected to decrease by up to 10% compared with 2009 (2009 EBITDA: EUR 38.8 million)**
- **Total 2010 CAPEX up to EUR 9 million at a constant FX rate of CZK/EUR 26**

Reporting Schedule

IR Contact Details

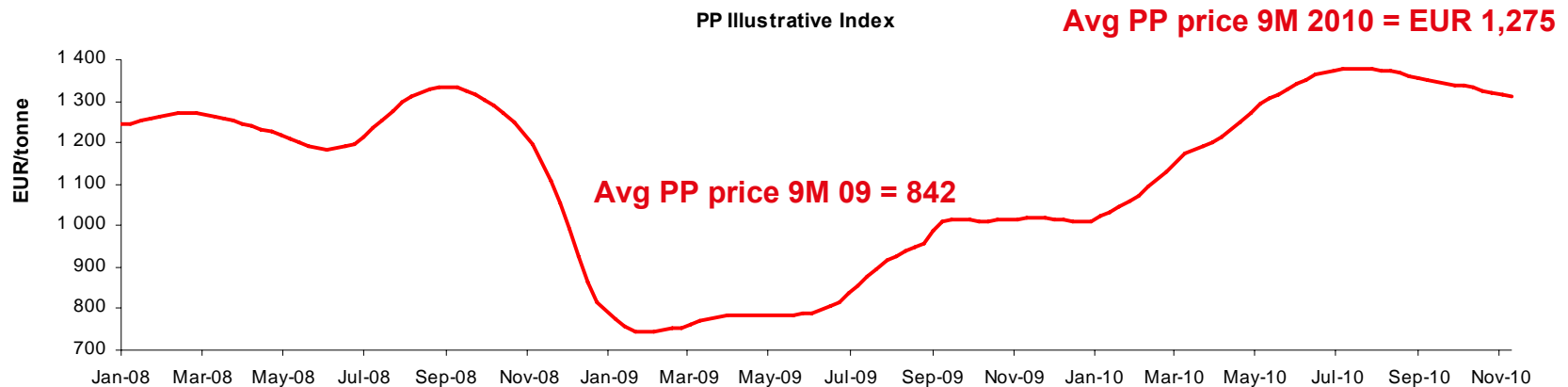
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Appendix

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 50%, when first 9M of 2009 and 2010 are compared

Source: Company data