

Half Year Results January – June 2009

Analyst Conference Call

August 27th, 2009

Cautionary Statement

This document has been prepared by PEGAS NONWOVENS SA (the “Company”) solely for use at the Presentation. Any forward looking statements concerning future economic and financial performance of the Company contained in this Presentation are based on assumptions and expectations of future development of factors having a material influence on the future economic and financial performance of the Company. These factors include, but are not limited to, the legal environment, the future macroeconomic situation, the market competition, the future demand for nonwoven textiles and other related products and services and development of raw material prices. The actual development of these factors, however, may be different. Consequently, the actual future financial performance of the Company could materially differ from that expressed in any forward looking statements contained in this Presentation.

Although the Company makes every effort to provide accurate information, we cannot accept liability for any misprints or other errors. In preparation of this document we used certain publicly available data. While the sources we used are generally regarded as reliable we did not verify their content. PEGAS does not accept any responsibility for using any such information.

This document is provided for information and as a matter of record only. It does not constitute an offer to sell or a solicitation of an offer to buy or sell securities or other financial instruments in any jurisdictions or any advice or recommendation with respect to such securities or other financial instruments of the Company.

The distribution of this document in certain jurisdictions may be restricted by law. This document may not be used for, or in connection with, and does not constitute, any offer to sell, or an invitation to purchase, any securities or other financial instruments of the Company in any jurisdiction in which such offer or invitation would be unlawful. Persons in possession of this document are required to inform themselves about and to observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Agenda

- **H1 & Q2 2009 Highlights**
- **H1 & Q2 2009 Financial Performance**
- **2009 Outlook Update**

H1 & Q2 2009 Highlights



H1 & Q2 2009 Highlights

Financial Performance

- H1 2009 total revenues EUR 63.2 million impacted by a rapid decline of polymer prices
- H1 2009 EBITDA EUR 22.4 million up by 8.2% yoy due to exceptional Q1 09 operating results
- H1 2009 EBIT EUR 14.6 million up by 17.9% yoy on the back of high EBITDA and lower EUR depreciation costs
- Net profit EUR 16.0 million impacted mainly by FX changes

Market and Business

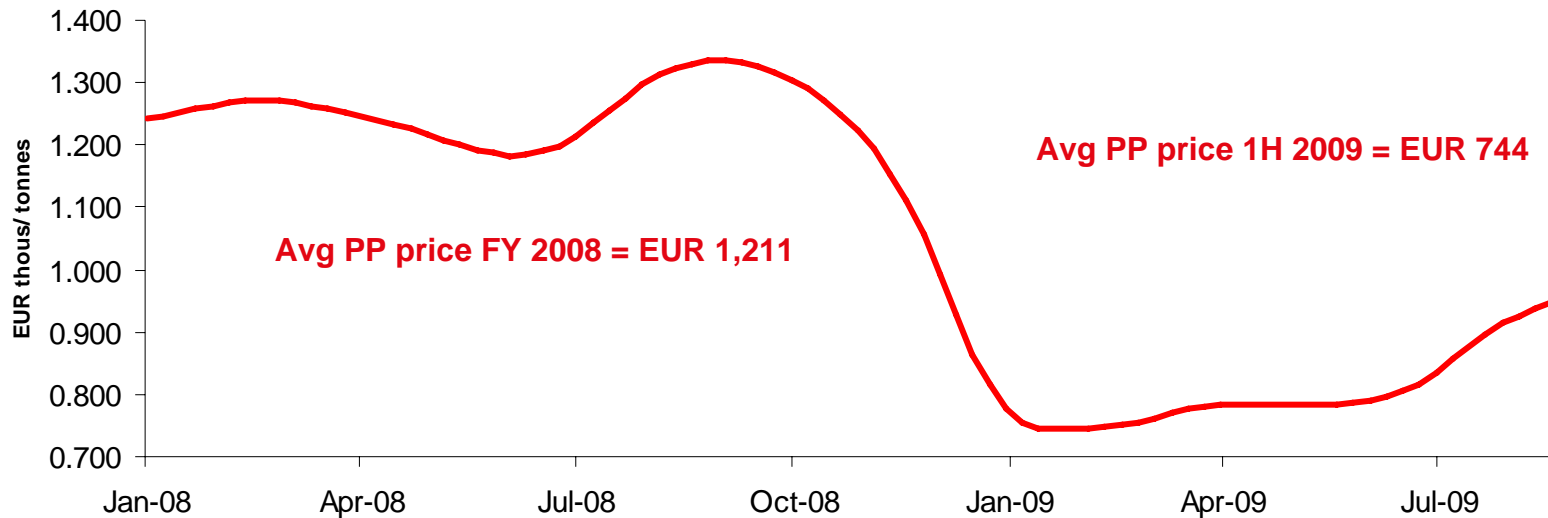
- Growing proportion of revenues of hygiene sales proving a stability of the hygiene market

Production

- Production volume in tonnes up by 4.3% in H1 2009 and 5.4% in Q2 2009 – PEGAS is producing at full capacity

Development of Polymer Prices

PP Illustrative Index



- Annual revenues decline is driven by lower polymer prices/ costs which are passed into final output prices
- In average, polymer prices declined by 39% in the first half of 2009 compared with full year 2008

Source: Company data

Key Financial Highlights

Euro (000')	Q2			H1		
	2008	2009	% change	2008	2009	% change
Revenues	37,589	27,528	(26.8%)	75,344	63,191	(16.1%)
Operating Costs	27,371	19,146	(30.1%)	54,651	40,798	(25.3%)
EBITDA	10,218	8,382	(18.0%)	20,693	22,393	8.2%
<i>EBITDA margin (%)</i>	<i>27.2%</i>	<i>30.4%</i>	<i>3.2 pp</i>	<i>27.5%</i>	<i>35.4%</i>	<i>7.9 pp</i>
Profit from operations (EBIT)	6,009	4,435	(26.2%)	12,415	14,637	17.9%
<i>EBIT margin (%)</i>	<i>16.0%</i>	<i>16.1%</i>	<i>0.1 pp</i>	<i>16.5%</i>	<i>23.2%</i>	<i>6.7 pp</i>
Net Profit	11,681	9,303	(20.4%)	23,241	16,024	(31.1%)
<i>Net Profit Margin (%)</i>	<i>31.1%</i>	<i>33.8%</i>	<i>2.7 pp</i>	<i>30.8%</i>	<i>25.4%</i>	<i>(5.4 pp)</i>
Production (tonnes net of scrap)	16,371	17,256	5.4%	32,922	34,333	4.3%
Number of Employees (EOP)				389	382	(1.8%)

	12/31/2008	06/30/2009	% change
Total assets	248,243	247,608	(0.3%)
Net debt	120,542	102,672	(14.8%)

Source: Company data, consolidated unaudited results

H1 & Q2 2009 Financial Performance



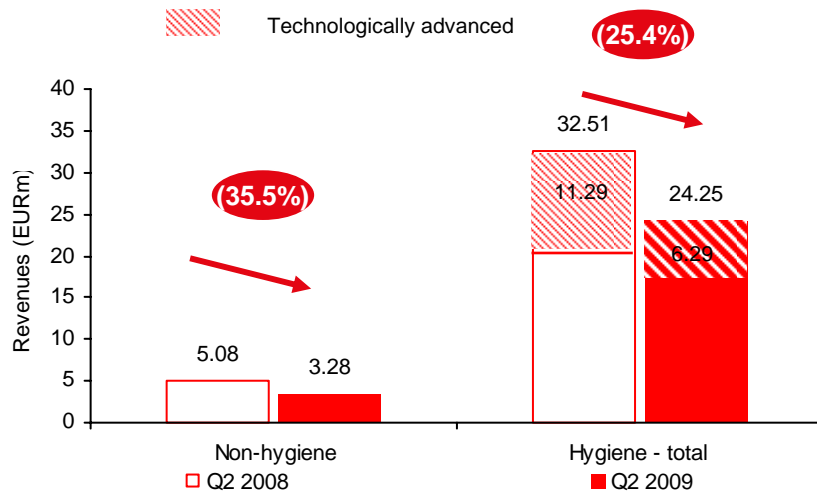
H1 and Q2 2009 P&L

Euro (000 `)	Q2			H1		
	2008 (unaudited)	2009 (unaudited)	% change	2008 (unaudited)	2009 (unaudited)	% change
Revenues	37,589	27,528	(26.8%)	75,344	63,191	(16.1%)
Raw materials & consumables	(25,749)	(17,326)	(32.7%)	(51,404)	(37,403)	(27.2%)
Staff costs	(1,624)	(1,875)	15.5%	(3,120)	(3,485)	11.7%
Of which Share price bonus	154	(102)	n/a	478	(102)	n/a
Other net operating income/(expense)	2	55	n/a	(127)	90	n/a
EBITDA	10,218	8,382	(18.0%)	20,693	22,393	8.2%
EBITDA Margin (%)	27.2%	30.4%	3.2 pp	27.5%	35.4%	7.9 pp
Depreciation	(4,209)	(3,947)	(6.2%)	(8,278)	(7,756)	(6.3%)
Profit from operations (EBIT)	6,009	4,435	(26.2%)	12,415	14,637	17.9%
EBIT Margin (%)	16.0%	16.1%	0.1 pp	16.5%	23.2%	6.7 pp
FX changes and other fin. income/(expense) (net)	9,391	7,162	(23.7%)	17,538	4,414	(74.8%)
Interest (expense)/income (net)	(1,664)	(816)	(51.0%)	(3,171)	(1,955)	(38.3%)
Income tax (expense)/income (net)	(2,055)	(1,478)	(28.1%)	(3,541)	(1,072)	(69.7%)
Net Profit	11,681	9,303	(20.4%)	23,241	16,024	(31.1%)
Net Profit Margin (%)	31.1%	33.8%	2.7 pp	30.8%	25.4%	(5.4pp)

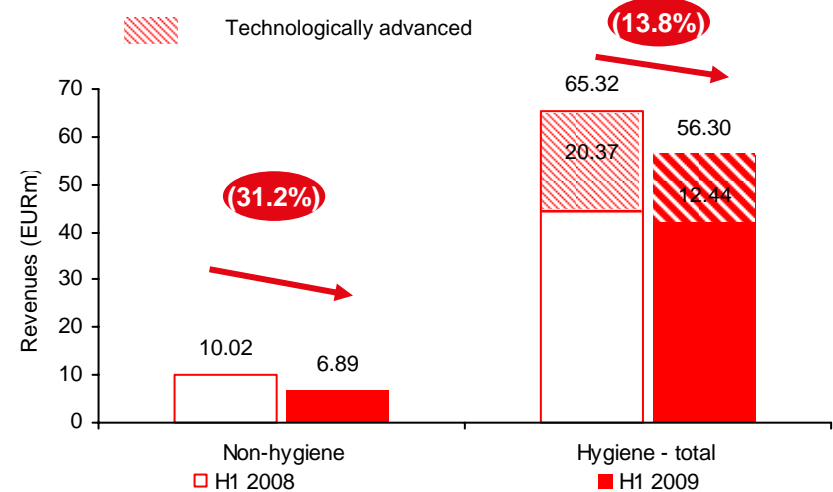
Source: Company data, consolidated unaudited results

Revenue Breakdown by Product

Q2



H1

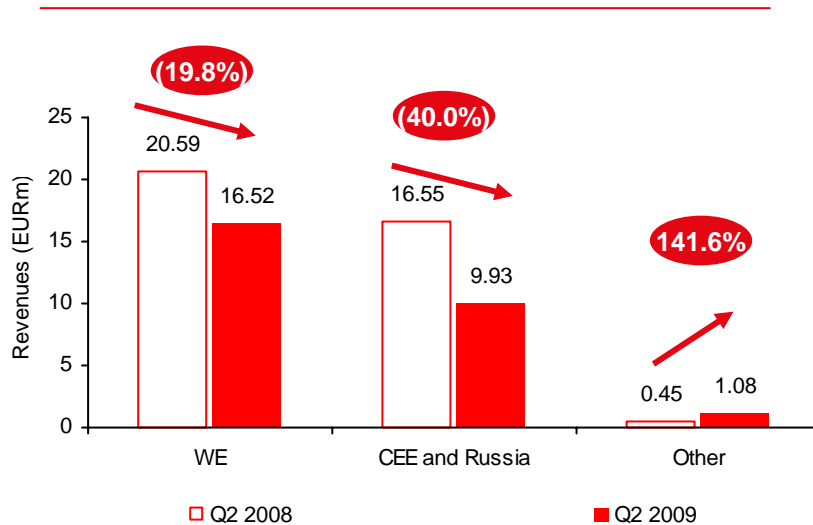


- Revenue decline due to lower polymer prices across the segments
- Proportion of hygiene segment on total sales is rising due to weak demand in construction

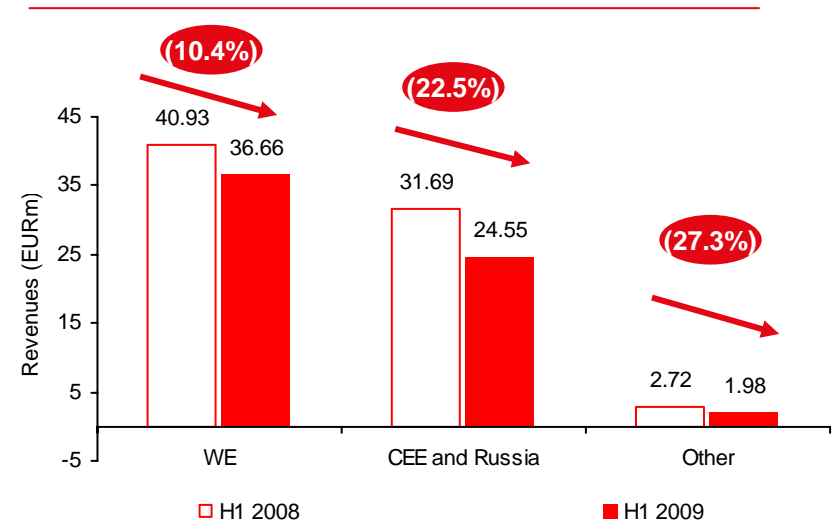
Source: Company data

Revenue Breakdown by Geography

Q2



H1

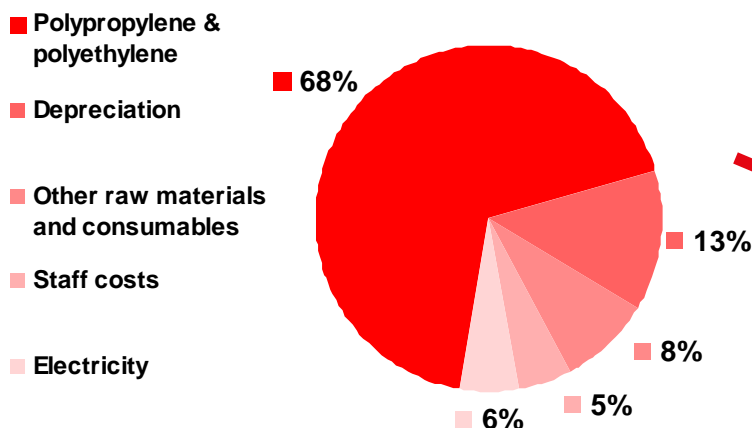


- Company continues in its key focus on European market

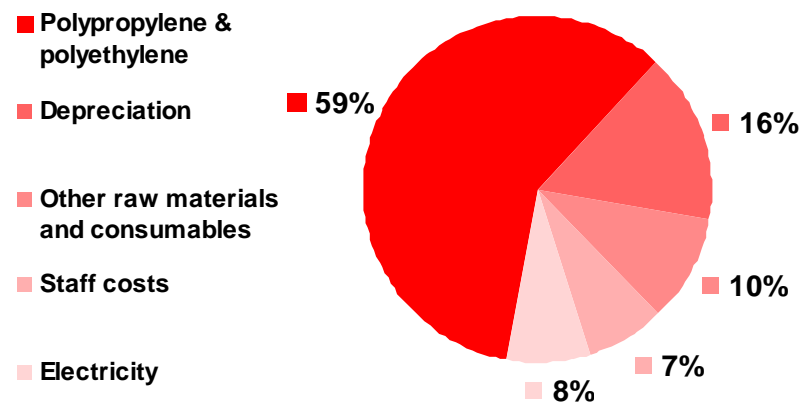
Source: Company data

Cost Composition

Cost Breakdown in H1 2008



Cost Breakdown in H1 2009



- Substantial decrease of PP/PE costs by 32.7% yoy due to the low polymer prices
- Staff costs up due to the revaluation of the share option plan as a results of higher share price
- Electricity costs up by 6.5% yoy due to electricity price increase

Source: Company data

Balance Sheet

Euro (000´)	June 30th 2008 (unaudited)	Dec 31st 2008 (audited)	June 30th 2009 (unaudited)	% change Jun09/ Dec08
Non-current assets	242,469	207,843	208,531	0.3%
Property, plant and equipment	145,187	121,440	118,683	(2.3%)
Intangible assets (including goodwill)	97,282	86,403	89,848	4.0%
Current assets	44,631	40,400	39,077	(3.3%)
Inventories	13,362	12,731	14,909	17.1%
Trade and other receivables	31,142	27,360	23,900	(12.6%)
Bank balances and cash	127	309	268	(13.3%)
Total assets	287,100	248,243	247,608	(0.3%)
Total share capital and reserves	124,087	99,179	118,583	19.6%
Non-current liabilities	116,639	107,514	95,468	(11.2%)
Bank loans due after 1 year	103,204	96,131	83,480	(13.2%)
Deferred tax	13,432	11,378	11,938	4.9%
Other payables	3	5	50	n/a
Current liabilities	46,374	41,550	33,557	(19.2%)
Trade and other payables	21,682	16,751	13,697	(18.2%)
Tax liabilities	3,971	79	400	406.3%
Bank overdrafts and loans	20,721	24,720	19,460	(21.3%)

Source: Company data, consolidated unaudited results

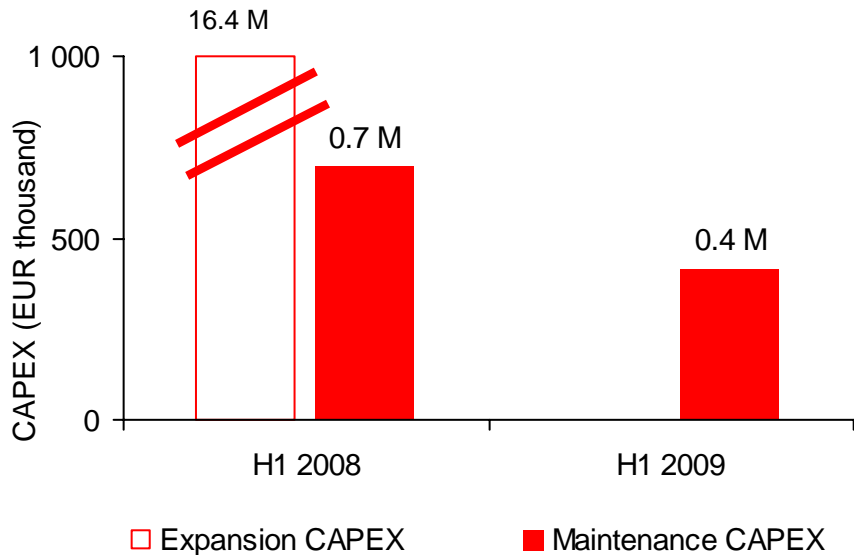
Cash Flow Statement

Euro (000')	Six months to June 30th		
	2008 (unaudited)	2009 (unaudited)	% change
Profit before tax	26,782	17,096	(36.2%)
Amortization/ Depreciation	8,278	7,756	(6.3%)
FX	(5,544)	(1,213)	(78.1%)
Interest Expense	3,179	1,961	(38.3%)
Fair value changes of interest rate swaps	(90)	244	n/a
Other financial expense	24	256	966.7%
Change in inventories	445	(1,589)	n/a
Change in receivables	(1,294)	4,345	n/a
Change in payables	2,263	(4,158)	n/a
Income tax paid	(1,396)	(7)	n/a
Net Cash Flow from Operating activities	32,647	24,691	(24.4%)
Purchases of property, plant and equipment	(17,124)	(415)	(97.6%)
Net Cash Flow from Investment activities	(17,124)	(415)	(97.6%)
Change in bank loans	(12,591)	(21,935)	74.2%
Change in long term debt	(98)	45	n/a
Interest paid	(3,194)	(2,171)	(32.0%)
Other financial income	(24)	(256)	n/a
Net Cash Flow from Financing activities	(15,907)	(24,317)	52.9%
Bank balances and cash at the beginning of the year	511	309	(39.5%)
Change in cash and cash equivalents	(384)	(41)	(89.3%)
Bank balances and cash at the end of the period	127	268	111.0%

Source: Company data, consolidated unaudited results

CAPEX Development

CAPEX Breakdown H1



- **No expansion CAPEX until a decision about new line is made**
- **Full year CAPEX guidance remains EUR 2 million (CZK/ EUR 26)**

Source: Company data, consolidated unaudited results

2009 Outlook Update



2009 Outlook Update

PEGAS confirms its initial full year outlook:

- **Total sales in tonnes likely to be higher than in 2008**
- **2009 EBITDA expected to be lower than in 2008 (up to 10% decrease)**
- **Total 2009 CAPEX¹ planned at EUR 2 mil unless a decision to start with the construction of the new line is made**

Note 1 : At the constant FX rate of CZK/EUR 26

Reporting Schedule

2009 Reporting Calendar

1H 2009 Results – August 27th, 2009

9M 2009 Results – November 26th, 2009

IR Contact Details

Tel: +420 515 262 450

Fax: +420 515 262 505

E-mail: IRO@pegas.cz