

# Quarterly Results January – March 2009

Analyst Conference Call

May 28th, 2009

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# Agenda

- **Q1 2009 Highlights**
- **Q1 2009 Financial Performance**
- **Expected Dividend Payment**
- **2009 Outlook Update**

# Q1 2009 Highlights



# Q1 2009 Key Highlights

## Financial Performance

- Revenues EUR 35.7 million impacted by a lower level of polymer prices
- Exceptionally high EBITDA EUR 14 mil up by 33.8% yoy due to the positive impact of low polymer prices and higher product prices
- EBIT EUR 10.2 million up by 59.3% yoy
- Net profit EUR 6.8 million impacted mainly by FX changes

## Market and Business

- Accumulated stock from the end of 2008 fully sold out earlier than anticipated
- Strong level of sales and stable share of hygiene sales proving the stability of this segment

## Production

- Production volume in tonnes higher than 2008 quarterly average

# Key Financial Highlights

Euro (000 `)	Three months to March 31st		
	Q1 2008	Q1 2009	% change
Revenue	37,754	35,662	(5.5%)
Operating Costs	(27,278)	(21,644)	(20.7%)
EBITDA	10,476	14,018	33.8%
<i>EBITDA margin (%)</i>	27.7%	39.3%	11.6pp
Profit from operations (EBIT)	6,405	10,206	59.3%
<i>EBIT margin (%)</i>	17.0%	28.6%	11.6pp
Net Profit	11,567	6,769	(41.5%)
<i>Net Profit Margin (%)</i>	30.6%	19.0%	(11.6pp)
Production (tonnes net of scrap)	16,551	17,077	3.2%
Number of Employees (end of period)	380	380	0%
	<b>03/31/2008</b>	<b>03/31/2009</b>	<b>% change</b>
Total assets	278,549	244,312	(12.3%)
Net debt	127,604	113,826	(10.8%)

Source: Company data, consolidated unaudited results

# Q1 2009 Financial Performance



# Q1 2009 Profit and Loss Statement

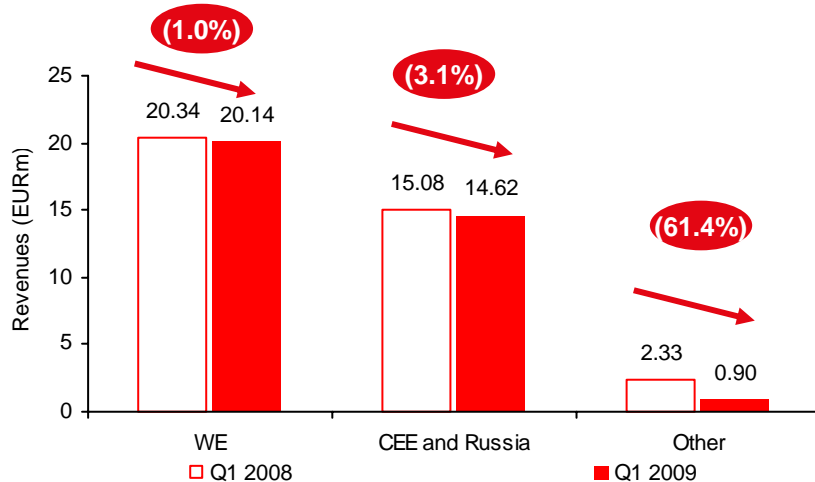
Euro (000 ')	Q1 2008	Q1 2009	
	(unaudited)	(unaudited)	% change
Revenue	37,754	35,662	(5.5%)
Raw materials & consumables	(25,654)	(20,066)	(21.8%)
Staff costs	(1,496)	(1,614)	7.9%
Of which Share price bonus	324	0	n/a
Other net operating income/(expense) (net)	(128)	36	n/a
<b>EBITDA</b>	<b>10,476</b>	<b>14,018</b>	<b>33.8%</b>
<b>EBITDA Margin (%)</b>	<b>27.7%</b>	<b>39.3%</b>	<b>11.6pp</b>
Depreciation	(4,071)	(3,812)	(6.4%)
<b>Profit from operations (EBIT)</b>	<b>6,405</b>	<b>10,206</b>	<b>59.3%</b>
<b>EBIT margin (%)</b>	<b>17.0%</b>	<b>28.6%</b>	<b>11.6pp</b>
FX changes and other fin. income/(expense) (net)	8,165	(2,679)	n/a
Interest (expense)/income (net)	(1,509)	(1,132)	(25.0%)
Income tax (expense)/income (net)	(1,494)	374	n/a
<b>Net Profit</b>	<b>11,567</b>	<b>6,769</b>	<b>(41.5%)</b>
<b>Net Profit Margin (%)</b>	<b>30.6%</b>	<b>19.0%</b>	<b>(11.6pp)</b>

Source: Company data, consolidated unaudited results

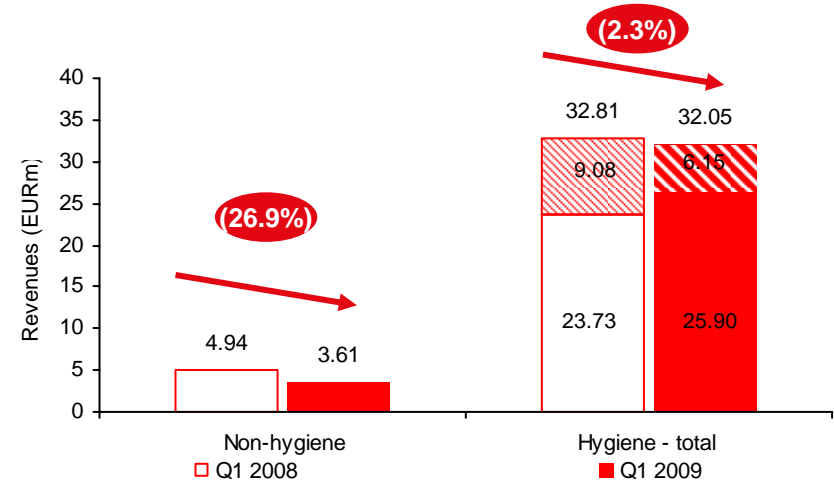


# Revenue Breakdown

## Revenues by Geography



## Revenues by Product

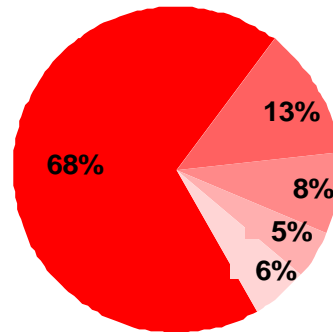
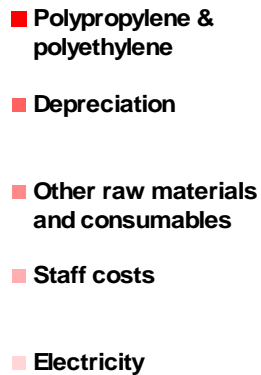


- Geographical breakdown of sales remained steady and unchanged
- A high share of hygiene sales of total revenues confirms a key focus on the hygiene market in Europe

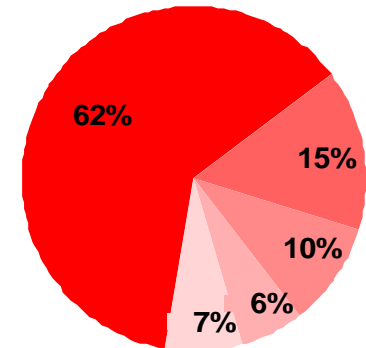
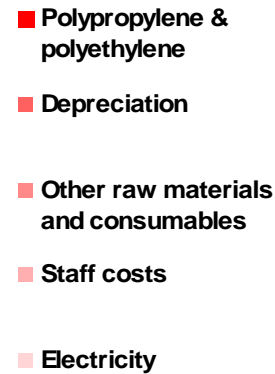
Source: Company data

# Cost Composition

## Cost Breakdown in Q1 2008



## Cost Breakdown in Q1 2009



- Substantial decrease of PP/PE costs by 26.6% yoy due to the low polymer prices
- Staff costs and electricity costs up yoy
- Depreciation decrease as a result of CZK/ EUR development

Source: Company data

# Balance Sheet

Euro (000 ')	March 31st 2008	March 31st 2009	% change
	(unaudited)	(unaudited)	
<b>Non-current assets</b>	<b>232,466</b>	<b>200,613</b>	<b>(13.7%)</b>
Property, plant and equipment	140,700	115,642	(17.8%)
Intangible assets (including goodwill)	91,766	84,971	(7.4%)
<b>Current assets</b>	<b>46,083</b>	<b>43,699</b>	<b>(5.2%)</b>
Inventories	12,962	12,288	(5.2%)
Trade and other receivables	32,409	31,074	(4.1%)
Bank balances and cash	712	337	(52.7%)
<b>Total assets</b>	<b>278,549</b>	<b>244,312</b>	<b>(12.3%)</b>
<b>Total share capital and reserves</b>	<b>108,074</b>	<b>104,955</b>	<b>(2.9%)</b>
<b>Non-current liabilities</b>	<b>123,405</b>	<b>102,124</b>	<b>(17.2%)</b>
Bank loans due after 1 year	110,719	91,300	(17.5%)
Deferred tax	12,644	10,814	(14.5%)
Other payables	42	10	(76.2%)
<b>Current liabilities</b>	<b>47,070</b>	<b>37,233</b>	<b>(20.9%)</b>
Trade and other payables	26,350	14,314	(45.7%)
Tax liabilities	3,123	56	(98.2%)
Bank overdrafts and loans	17,597	22,863	29.9%

Source: Company data, consolidated unaudited results

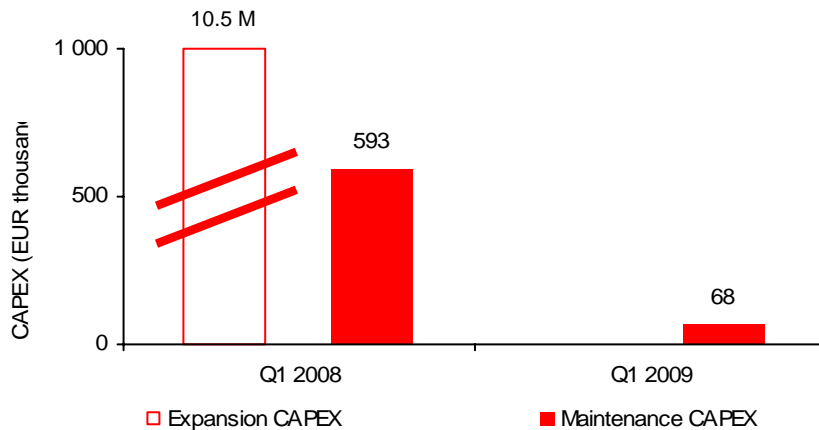
# Cash Flow Statement

Euro (000')	Three months to March 31st		
	2008 (unaudited)	2009 (unaudited)	% change
<b>Profit before tax</b>	<b>13,061</b>	<b>6,395</b>	<b>(51.0%)</b>
Amortization/ Depreciation	4,071	3,812	(6.4%)
FX	(2,294)	666	n/a
Interest Expense	1,510	1,138	(24.6%)
Fair value changes of interest rate swaps	347	214	(38.3%)
Other financial expense	14	241	n/a
Change in inventories	83	232	n/a
Change in receivables	(4,904)	(4,126)	(15.9%)
Change in payables	2,342	(2,206)	n/a
Income tax paid	(2)	(3)	50.0%
<b>Net Cash Flow from Operating activities</b>	<b>14,228</b>	<b>6,363</b>	<b>(55.3%)</b>
Purchases of property, plant and equipment	(11,133)	(68)	(99.4%)
<b>Net Cash Flow from Investment activities</b>	<b>(11,133)</b>	<b>(68)</b>	<b>(99.4%)</b>
Change in bank loans	(1,074)	(4,772)	n/a
Change in long term debt	(59)	5	n/a
Interest paid	(1,747)	(1,259)	(27.9%)
Other financial income	(14)	(241)	n/a
<b>Net Cash Flow from Financing activities</b>	<b>(2,894)</b>	<b>(6,267)</b>	<b>116.6%</b>
<b>Bank balances and cash at the beginning of the year</b>	<b>511</b>	<b>309</b>	<b>(39.5%)</b>
<b>Change in cash and cash equivalents</b>	<b>201</b>	<b>28</b>	<b>(86.1%)</b>
<b>Bank balances and cash at the end of the period</b>	<b>712</b>	<b>337</b>	<b>(52.7%)</b>

Source: Company data, consolidated unaudited results

# CAPEX Development

## CAPEX Breakdown



- 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

# Expected Dividend Payment



# Expected Dividend

## 2009 Dividend

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- Progressive dividend policy remains unchanged
- BoD of PEGAS intends to pay out an increased dividend of:
  - EUR 0.9 per one share
  - EUR 8.3 million in total
- It represents a 7.1% dividend yield (price CZK 337, CZK/ EUR 26.7)
- Dividend will be paid out from the share premium account if no extraordinary events occur
- Payment is expected in the third quarter of 2009



# 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 CAPEX<sup>1</sup> 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

Q1 2009 Results – May 28th, 2009

1H 2009 Results – August 27th, 2009

9M 2009 Results – November 26th, 2009

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