Quarterly Results January – March 2008

May 28th, 2008

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 in the Czech Republic, the future macroeconomic situation, the development of market competition and the related demand for nonwovens and other products and services. 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.

Agenda

Q1 2008 Highlights

Q1 2008 Financial Performance

Expected Dividend Payment

2008 Strategic Outlook

Q1 2008 Highlights

Q1 2008 Key Highlights

Financial Performance	• Revenue growth of 20.5% yoy to EUR 37.8 million on the back of new capacity • New production line enabled the Company to maintain absolute EBITDA in comparison with Q1 2007, full year EBITDA guidance remains unchanged • High net profit attributable to shareholders of EUR 11.6 million mainly due to a positive impact of FX gains and lower interest expenses
Markets and Business	• Over the last year the market for spunmelt nonwovens has become very competitive and margins of most producers have suffered • Even though supply slightly exceeds demand, PEGAS has been able to sell almost all of its production • Remaining production output is being filled up according to plan primarily through new projects
Production Growth	• The original production lines have kept their excellent performance. The increase of 20.3% yoy in production volume in Q1 2008 is attributable to the successful commissioning of new 8th production line. • The development of new products promises to increase sales in the future • The Czech Ministry of Industry and Trade is currently evaluating the permissible extent of subsidy support for the 9th line project

Key Financial Highlights

	Three Months to March 31st		
Euros '000s	**Q1 2007**	**Q1 2008**	**% change**
Revenue	31,339	37,754	20.5%
Operating Costs	(20,607)	(27,278)	32.4%
EBITDA	10,732	10,476	(2.4%)
EBITDA margin (%)	34.2%	27.7%	(6.5pp)
Profit from operations (EBIT)	7,694	6,405	(16.8%)
EBIT margin (%)	24.6%	17.0%	(7.6pp)
Net Profit	2,899	11,567	299.0%
Net Profit Margin (%)	9.3%	30.6%	21.3pp
Production (tonnes net of scrap)	13,757	16,551	20.3%
Number of Employees (end of period)	330	380	15.2%
Number of Employees (average)	331	377	13.9%

	Mar 31st, 2007	**Mar 31st, 2008**	**% change**
Total assets	247,730	278,549	12.4%
Net debt	115,427	127,604	10.5%

Note: Unaudited consolidated financial results in accordance with IFRS

Capacity vs. Demand in Europe

Position of PEGAS

Supply vs. Demand proportion creates healthy market competition

- The annual capacity increase in the European spunmelt nonwoven market between 2003 – 2007 was approx. by 44k tonnes
- In 2008 and 2009 capacity is expected to increase on average by 39k tonnes
- End market is growing by 5-6% p.a. (by 28-30k tonnes in spunbond hygiene demand), the difference is as usual balanced by less than 100% utilization of capacities and European exports

Structure of Capacity Increase is favourable for PEGAS

- 50% of new capacities to be added in 2008-2009 represent unattested technologies
- 37% of new capacities to be added in 2008-2009 represent new entrants into the industry
- Structure of new capacities to be added in 2008- 2009 is highly advantageous for PEGAS and represents new market opportunities for growth

Q1 2008 Financial Performance

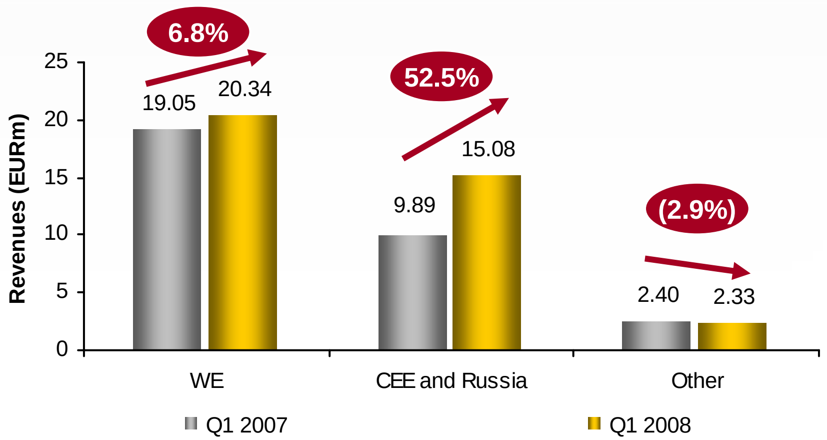
Q1 2008 Profit and Loss Statement

EUR '000s	Q1 2007 Unaudited	Q1 2008 Unaudited	% change
	Three Months to March 31st		
Revenue	31,339	37,754	20.5%
Raw materials & consumables	(19,139)	(25,654)	34.0%
Staff costs	(1,333)	(1,496)	12.2%
Of which Share price bonus	0	324	n/a
Other net operating income/(expense) (net)	(135)	(128)	(5.2%)
EBITDA	**10,732**	**10,476**	**(2.4%)**
EBITDA margin (%)	**34.2%**	**27.7%**	**(6.5pp)**
Depreciation	(3,038)	(4,071)	34.0%
Profit from operations (EBIT)	**7,694**	**6,405**	**(16.8%)**
EBIT margin (%)	**24.6%**	**17.0%**	**(7.6pp)**
FX changes and other fin. income/(expense) (net)	(2,752)	8,165	n/a
Interest (expense)/income (net)	(2,056)	(1,509)	(26.6%)
Income tax expense/(income) (net)	13	(1,494)	n/a
Net Profit	**2,899**	**11,567**	**299.0%**
Net Profit Margin (%)	**9.3%**	**30.6%**	**21.3pp**

Note: Unaudited consolidated financial results in accordance with IFRS

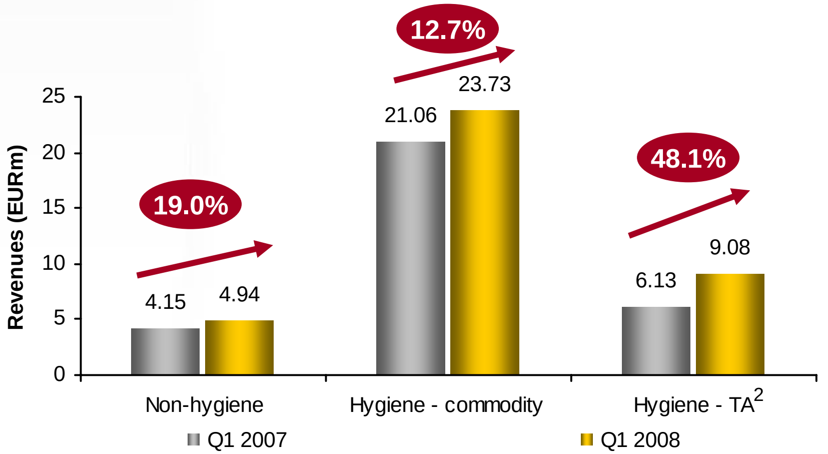
Revenue Breakdown

Revenues by Geography[1]



- **Sales to Western Europe remain a key focus**
- **Sales in CEE and Russia substantially up due to higher sales to the Czech Republic and Poland**

Revenues by Product

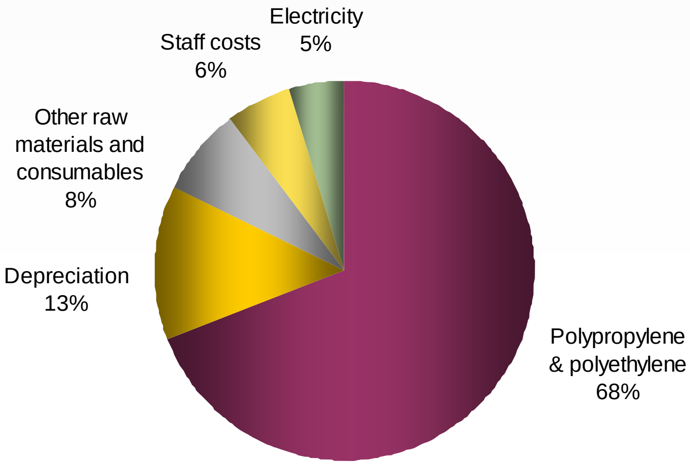


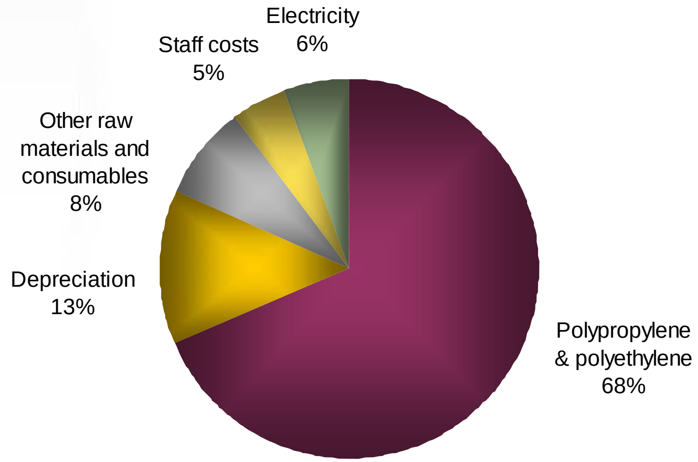
- **Focus on hygiene market confirmed**
- **Proportion of technologically advanced materials on total sales at 24.1% in Q1 2008 up from 19.6% of the full year 2007**
- **Retention of customers through higher added value products with still satisfactory margins**

Note: (1) Revenues by georgraphy are based on the final location of delivery. In the previous periods, the Company calculated those revenues based on the seat of the invoiced entity (2) Company defines technologically advanced products as those with higher added value in terms of either higher margins or material properties that protect the Company from easy substitution of its products by its competitors.

Cost Composition

Cost Breakdown in Q1 2007	Cost Breakdown in Q1 2008





- **Overall cost level and consumed volumes impacted by additional production capacity and CZK appreciation**
- **Positive impact of the fair value of phantom share option plan on staff costs in Q1 2008**
- **Polymers and electricity up by 32.1% and 60.5% respectively, due to higher consumed volumes based on the new production line and higher energy prices**

Balance Sheet

(EUR'000s)	Mar 31st, 2007 Unaudited	Mar 31st, 2008 Unaudited	Change in %
Non-current assets	**193,210**	**232,466**	**20.3%**
Property, plant and equipment	110,256	140,700	27.6%
Intangible assets (including goodwill)	82,954	91,766	10.6%
Current assets	**54,520**	**46,083**	**(15.5%)**
Inventories	6,698	12,962	93.5%
Trade and other receivables	26,954	32,409	20.2%
Bank balances and cash	20,868	712	n/a
Total assets	**247,730**	**278,549**	**12.4%**
Total share capital and reserves	**79,419**	**108,074**	**36.1%**
Non-current liabilities	**138,310**	**123,405**	**(10.8%)**
Bank loans due after 1 year	122,975	110,719	(10.0%)
Deferred tax	15,060	12,644	(16.0%)
Other payables	275	42	(84.7%)
Current liabilities	**30,001**	**47,070**	**56.9%**
Trade and other payables	16,501	26,350	59.7%
Tax liabilities	180	3,123	n/a
Bank overdrafts and loans	13,320	17,597	32.1%

- **Property, plant and equipment up by 27.6% yoy due to new production line**
- **Goodwill increase caused by FX recalculation**
- **Inventories went up due to additional raw material stock and goods produced by the new production line. The level of inventories is expected to be decreased in Q2 2008**
- **Trade and other payables increased mainly due to final payable to the machinery supplier**
- **Tax liabilities in 2008 comprise of income tax payable related to 2007 and 2008**

Note: Unaudited consolidated financial results in accordance with IFRS

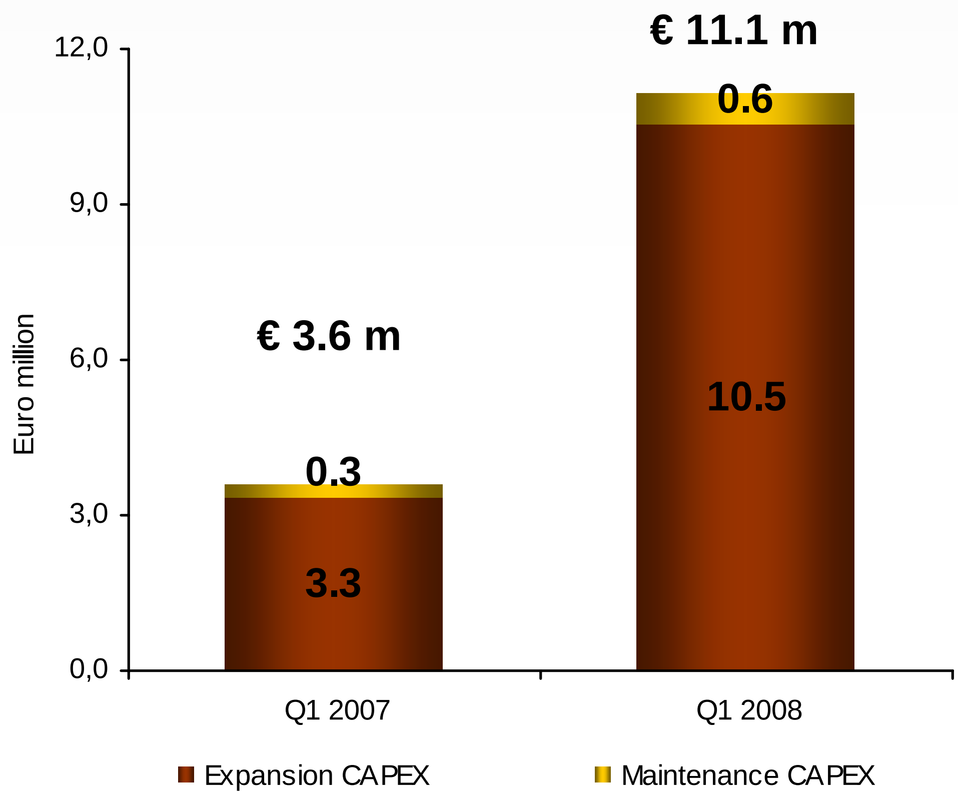
Cash Flow Statement

(EUR '000s)	Q1 2007 Unaudited	Q1 2008 Unaudited	Change in %
	Three Months to March 31st		
Profit before tax	2,886	13,061	352.6%
Amortization/ Depreciation	3,038	4,071	34.0%
FX	3,092	(2,294)	n/a
Interest Expense	2,195	1,510	(31.2%)
Fair value changes of interest rate swaps	(246)	347	n/a
Other financial expense	(130)	14	n/a
Change in inventories	1,665	83	(95.0%)
Change in receivables	(3,053)	(4,904)	60.6%
Change in payables	(4,939)	2,342	n/a
Income tax paid	(2)	(2)	0.0%
Net Cash Flow from Operating activities	**4,506**	**14,228**	**215.8%**
Purchases of property, plant and equipment	(3,607)	(11,133)	208.6%
Net Cash Flow from Investment activities	**(3,607)**	**(11,133)**	**208.6%**
Change in bank loans	0	(1,074)	n/a
Change in long term debt	0	(59)	n/a
Interest paid	(2,175)	(1,747)	(19.7%)
Other financial income	130	(14)	n/a
Net Cash Flow from Financing activities	**(2,045)**	**(2,894)**	**41.5%**
Bank balances and cash at the beginning of the year	22,014	511	(97.7%)
Change in cash and cash equivalents	(1,146)	201	n/a
Bank balances and cash at the end of the year	**20,868**	**712**	(96.6%)

Note : Unaudited consolidated financial results in accordance with IFRS

CAPEX Development

CAPEX Breakdown in Q1 2007 and Q1 2008



- **Expansion CAPEX in 2008 related to the remaining payments for the 8th line project**
- **Full year 2008 CAPEX Guidance of Euro 18 million**

Expected Dividend Payment

Expected Dividend Payment

- The Company expects to pay out a dividend of Euro 7.8 million, i.e. Euro 0.85 per share assuming that no extraordinary event, which could prevent the dividend payment, occurs
- The source of the dividend would be the share premium account
- The expected dividend payment to shareholders would occur in the third quarter of 2008

2008 Strategic Outlook

2008 Guidance Confirmation

	FY 2007	FY 2008 E
Revenues	EURO 122.0 million	~ 21 – 25 % growth yoy
EBITDA	EURO 38.4 million	~ 5 – 9 % growth yoy
CAPEX	EURO 18.9 million	EURO 18 million

The Company is pleased to confirm its full year guidance for 2008

2008 Outlook

2008 Strategic Outlook

- Focus on production efficiencies and cost reductions to retain margins
- Intensive negotiations with customers focused on technologically advanced products
- Goal to increase proportion of technologically advanced products
- Negotiations with suppliers of raw materials
- R&D to support product differentiation
- Completion of the 9th line investment incentive process
- Create a strong platform for 2009 and 2010

Reporting Schedule and Investor Relations Contact

Reporting Schedule

Q1 2008 Results - unaudited

May 28th, 2008

1H 2008 Results - unaudited

August 27th, 2008

9M 2008 Results – unaudited

November 27th, 2008

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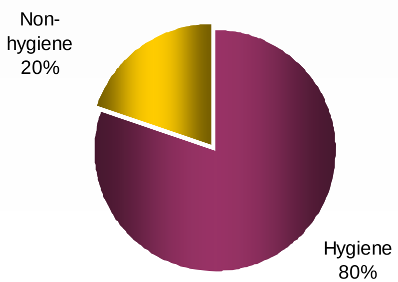
Appendix

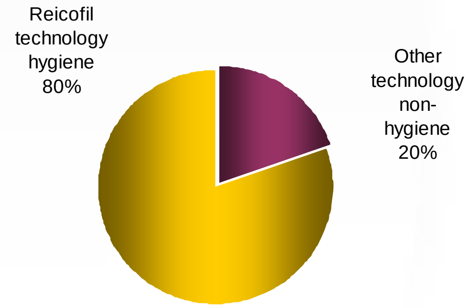
European SB New Capacity Overview

2006-2007 by Segment

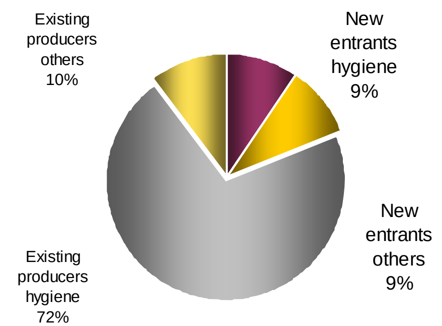
Total new capacity 96,000 tonnes



2006-2007 by Technology

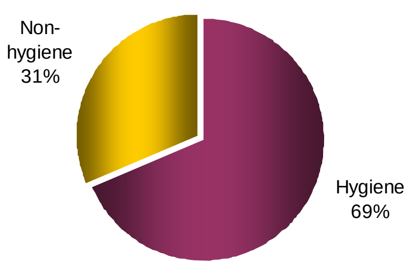


2006-2007 by New Entrants

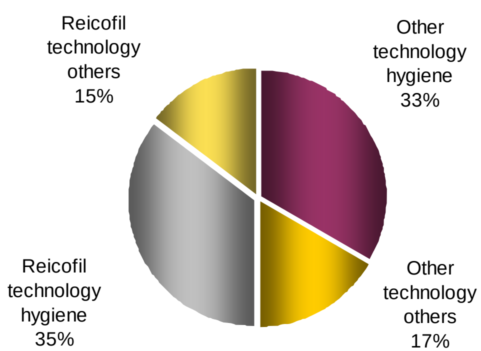


2008-2009 by Segment

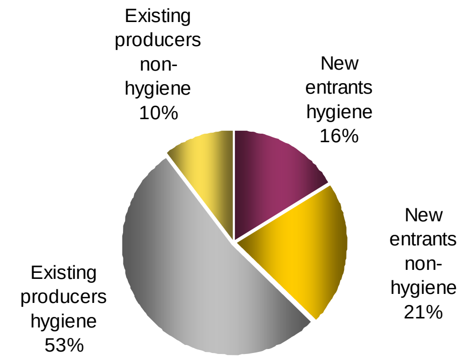
Total new capacity 78,000 tonnes



2008-2009 by Technology



2008-2009 by New Entrants



Source: John Star, Company data