PEGAS NONWOVENS
every single detail

2007 Preliminary Financial Results

March 19th, 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

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2008 Guidance

Presentation Team

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2007 Highlights

2007 Key Highlights

Financial Performance	• Stable Revenues – growth 0.9% yoy • Adjusted EBITDA declined by 8.4% yoy due to changes in product mix, delays in the pass-through mechanism, CZK appreciation and increased operating costs • Finance costs reduced by 47.1% yoy mainly due to the most expensive debt repayment and refinancing • Net Profit attributable to shareholders up by 9.2% yoy as a result of lower finance costs and positive deferred tax • Earnings per share Euro 2.40 compared with Euro 2.20 in 2006
Markets and Business	• Rising polymer prices with subsequent delay in the pass through mechanism • Product portfolio diversification to eliminate competitive enviroment and price pressure • Customer demand for new cost reducing materials – lower basis weight
Production Growth	• Production output up 6.1% yoy in 2007 due to production efficiencies and additional 8th line capacity in Q4 2007 • Successful launch of the new 8th line which added 2,000 tonnes in Q4 2007 • Anticipation of investment incentives for the 9th line project

Key Financial Highlights

Euros '000	2006	2007	% change
Revenue	120,941	121,971	0.9%
Operating Costs	(78,881)	(83,448)	5.8%
FX changes and MtM revaluation of IRS	11,203	3,812	(66.0%)
EBITDA	53,263	42,335	(20.5%)
Adjusted EBITDA[1]	**42,060**	**38,523**	**(8.4%)**
Adjusted EBITDA margin (%)[1]	**34.8%**	**31.6%**	**(3.2pp)**
Profit from operations (EBIT)	41,111	30,002	(27.0%)
Adjusted Profit from operations (EBIT) [1]	**29,908**	**26,190**	**(12.4%)**
Adjusted EBIT margin (%)[1]	**24.7%**	**21.5%**	**(3.2pp)**
Attributable Net Profit	**20,274**	**22,138**	**9.2%**
Attributable Net Profit Margin (%)	**16.8%**	**18.2%**	**1.4pp**
Adjusted Net profit[2]	11,185	19,241	72.0%
Production (tonnes net of scrap)	54,159	57,464	6.1%
Number of Employees (end of period)	327	384	17.4%
Number of Employees (average)	328	361	10.1%

	Dec 31st, 2006	Dec 31st, 2007	% change
Total assets	249,025	263,879	6.0%
Net debt	114,157	122,547	7.3%

Note: Unaudited consolidated financial results in accordance with IFRS

(1) Adjusted EBITDA and EBIT are adjusted by the impact of FX changes and revaluation of IRS in order to show the actual operating performance of the Company

(2) Adjusted Net profit is calculated as Net profit adjusted by the impact of FX changes and revaluation of IRS after recalculation of the income tax resulted from such adjustments in order to show the actual financial performance of the Company

2007 Financial Performance

2007 Profit and Loss Statement

(EUR'000s)	2006	2007	% change
Revenue	120,941	121,971	0.9%
Raw materials & consumables	(73,739)	(78,421)	6.3%
Staff costs	(5,111)	(6,279)	22.9%
Of which Share price bonus	0	(494)	n/a
Other net operating income/(expense)	11,172	5,064	(54.7%)
Of which FX changes and MtM revaluation of IRS	11,203	3,812	(66.0%)
EBITDA	**53,263**	**42,335**	**(20.5%)**
Adjusted EBITDA[1]	**42,060**	**38,523**	**(8.4%)**
Adjusted EBITDA margin (%)[1]	**34.8%**	**31.6%**	**(3.2pp)**
Depreciation	(12,152)	(12,333)	1.5%
Profit from operations (EBIT)	**41,111**	**30,002**	**(27.0%)**
Adjusted Profit from operations (EBIT) [1]	**29,908**	**26,190**	**(12.4%)**
Adjusted EBIT margin (%)[1]	**24.7%**	**21.5%**	**(3.2pp)**
Finance costs	(18,805)	(9,955)	(47.1%)
Income tax expense / (income)	(1,601)	2,091	n/a
Minority interest	(431)	0	n/a
Attributable Net Profit	**20,274**	**22,138**	**9.2%**
Attributable Net Profit Margin (%)	**16.8%**	**18.2%**	**1.4pp**
Adjusted Net Profit[2]	11,185	19,241	72.0%

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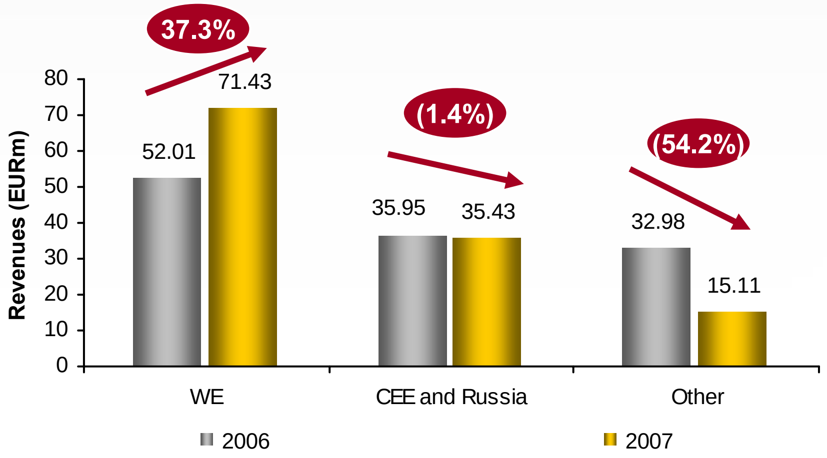
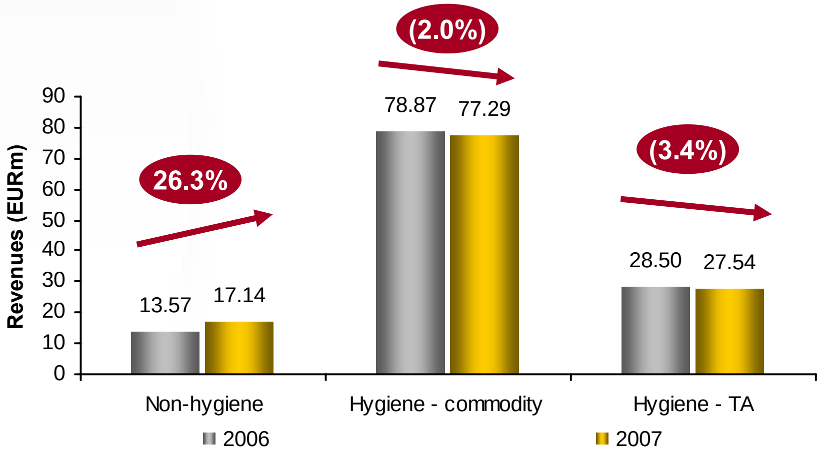
Revenue Breakdown

Revenues by Geography



Revenues by Product



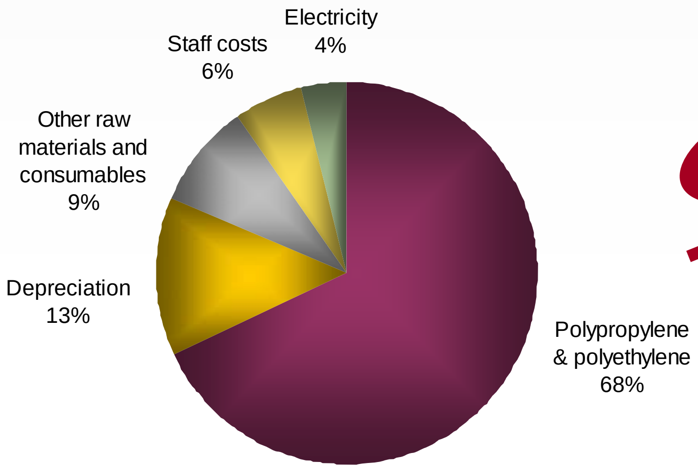
- **Proportion of sales in Western Europe substantially up**
- **Sales in other territories decreased due to the one-off order from U.S. customer in 2006**
- **Customers manufacturing facilities are located in different countries than countries of consumption**

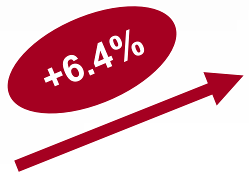
- **Hygiene segment remains crucial despite slight decrease in 2007**
- **Expected increase in non-hygiene to keep similar proportion of technical materials on total sales after start of the 8th line operations**

Note: (1) 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 by its competitors.
Source: Company data

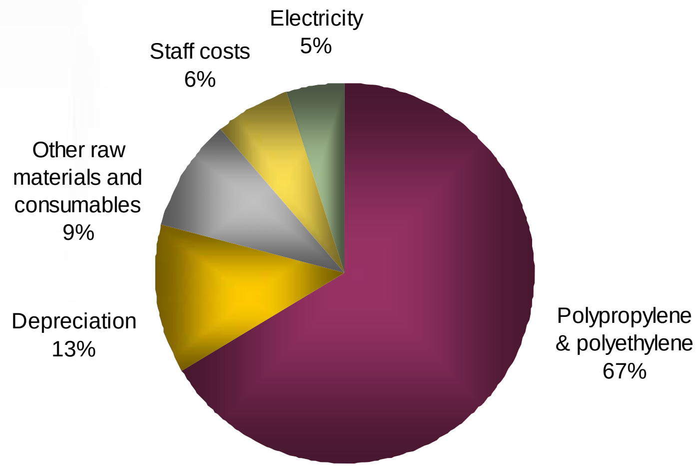
Cost Composition[1]

Cost Breakdown in 2006





Cost Breakdown in 2007



- **No major changes in cost composition compared with 2006**
- **Polymer costs up by 4.1% yoy due to rising polymer prices and higher production**
- **Electricity up by 31.1% yoy due higher prices and consumed volumes**
- **Staff costs up by 22.9% yoy due to new hires and management compensation**

Note: (1) Cost composition without the effect of the FX changes and IRS revaluation and compensation from arbitration proceeds
Source: Company data

Balance Sheet

(EUR'000s)	Dec 31st, 2006 Audited	Dec 31st, 2007 Unaudited	Change in %
Non-current assets	**195,008**	**224,708**	**15.2%**
Property, plant and equipment	110,522	137,355	24.3%
Intangible assets	84,486	87,353	3.4%
Current assets	**54,017**	**39,171**	**(27.5%)**
Inventories	8,363	12,416	48.5%
Trade and other receivables	23,640	26,244	11.0%
Bank balances and cash	22,014	511	(97.7%)
Total assets	**249,025**	**263,879**	**6.0%**
Total share capital and reserves	**76,950**	**93,885**	**22.0%**
Non-current liabilities	**138,351**	**128,799**	**(6.9%)**
Bank loans due after 1 year	122,851	116,508	(5.2%)
Deferred tax	15,225	12,190	(19.9%)
Other payables	275	101	(63.3%)
Current liabilities	**33,724**	**41,195**	**22.2%**
Trade and other payables	20,212	33,218	64.3%
Tax liabilities	192	1,427	n/a
Bank overdrafts and loans	13,320	6,550	(50.8%)

- **Fixed assets up by 24.3% yoy due to new production line**
- **Inventories up by 48.5% as a result of increased stock in connection with new production line**
- **Trade and other payables up by 64.3% as a result of due payments for the new production line**

Note: Consolidated financial results in accordance with IFRS

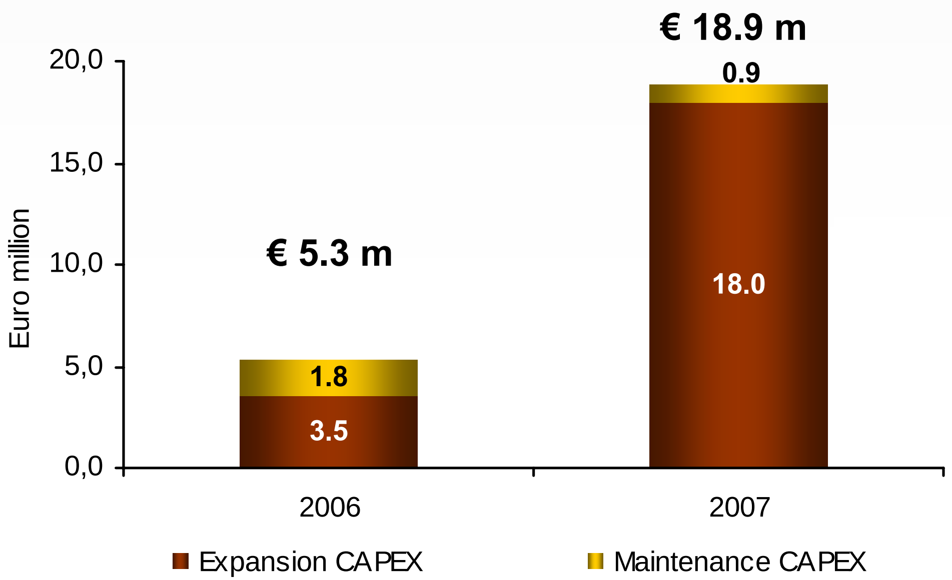
Cash Flow Statement

(EUR'000s)	2006 audited	2007 unaudited	Change in %
Profit before tax	22,306	20,047	(10.1%)
Amortization/ Depreciation	12,152	12,333	1.5%
FX	(6,894)	(1,529)	(77.8%)
Interest Expense	18,805	9,955	(47.1%)
Fair value changes of interest rate swaps	(1,869)	(36)	(98.1%)
Other financial expense	(1,068)	(251)	(76.5%)
Change in inventories	259	(3,623)	n/a
Change in receivables	2,013	(1,753)	n/a
Change in payables	662	(1,073)	n/a
Income tax paid	(1,601)	(140)	(91.3)%
IPO related costs paid	(2,146)	(2,389)	11.3%
Net Cash Flow from Operating activities	**42,619**	**31,541**	**(26.0%)**
Purchases of property, plant and equipment	(5,265)	(18,878)	258.6%
Net Cash Flow from Investment activities	**(5,265)**	**(18,878)**	**258.6%**
Change in bank loans	(34,381)	(17,735)	(48.4%)
Change in long term debt	(28,104)	(174)	(99.4%)
Interest paid	(18,801)	(9,490)	(49.5%)
Share premium account repayment	0	(7,014)	n/a
Issuance of share capital	40,513	0	n/a
Repayment of convertible debt	(1,460)	0	n/a
Other financial expense	1,068	251	(76.5%)
Net Cash Flow from Financing activities	**(41,165)**	**(34,162)**	**(17.0%)**
Bank balances and cash at the beginning of the year	27,034	22,014	(18.6%)
Change in cash and cash equivalents	(3,811)	(21,499)	n/a
Effect of FX rate on cash held	(1,209)	(4)	n/a
Bank balances and cash at the end of the year	**22,014**	**511**	(97.7%)

Note : Unaudited consolidated financial results in accordance with IFRS

CAPEX Development

CAPEX Breakdown 2006 and 2007



2006 CAPEX / Revenues
4.4%

2007 CAPEX / Revenues
15.5%

- **Company realized all neccessary investment activities in 2007**
- **Full year CAPEX of Euro 18.9 lower than indicated guidance of Euro 20 million, savings achieved in maintenance**
- **CAPEX in 2007 related to the 8th production line project**

Source: Company data

Change in P&L presentation

Changes in P&L presentation

(EUR'000s)	2006			2007		
	Audited	Newly presented	Difference	Unaudited	Newly presented	Difference
Revenue	120,941	120,941	--	121,971	121,971	--
Raw materials & consumables	(73,739)	(73,739)	--	(78,421)	(78,421)	--
Staff costs	(5,111)	(5,111)	--	(6,279)	(6,279)	--
Other net operating income / (expense)	11,172	(189)	(11,361)	5,064	1,105	(3,959)
EBITDA	**53,263**	**41,902**	(11,361)	**42,335**	**38,376**	(3,959)
Depreciation	(12,152)	(12,152)	--	(12,333)	(12,333)	--
Profit from operations (EBIT)	**41,111**	**29,750**	(11,361)	**30,002**	**26,043**	(3,959)
FX gains and other financial income (net)	--	10,748	10,748	--	3,760	3,760
Interest costs (net)	(18,805)	(18,192)	613	(9,955)	(9,756)	199
Income tax (expense) / income	(1,601)	(1,601)	--	2,091	2,091	--
Net Profit	**20,705**	**20,705**	**--**	**22,138**	**22,138**	--
Minority interest	(431)	(431)	--	--	--	--
Attributable Net Profit	**20,274**	**20,274**	--	**22,138**	**22,138**	--

- **Item "FX changes and IRS revaluation" and some other minor items will no longer be included in the "Other operating income/ (expense) net" and will be removed from operating results**
- **As a result, PEGAS will no longer report Adjusted EBITDA and Adjusted EBIT**
- **The change will be effective as of publication of the audited consolidated 2007 statements**

2008 Guidance

Guidance 2008

	FY 2007	FY 2008 E
Revenues	EURO 122.0 MM	~ 21 – 25 % growth yoy
EBITDA[1]	EURO 38.5 MM	~ 5 – 9 % growth yoy
CAPEX	EURO 18.9 MM	EURO 18 MM

Note: [1] adjusted EBITDA

Guidance Explanation

- **Anticipated revenue increase in 2008 between 21-25% yoy is in line with the capacity increase**
- **Anticipated EBITDA in 2008 is driven by external and internal factors**

I. Nonwovens Market Development

- PEGAS is benefiting from superior margins among its peers in the industry
- Pricing level corresponds with the current market situation
- Market share in terms of volume and sales can only be maintained by adding additional capacities
- No capacity increase would result in both revenues and margin deterioration

II. Product Portfolio and External Factors

- At an early stage, the new production line will be chiefly filled with technologically less demanding materials
- Proportion of technologically advanced materials on total revenues is expected to be increasing in 2008
- CZK appreciation boosts CZK denominated costs when translated into Euro
- Significant increase of energy prices

2008 Outlook

- 8th line at its full production from January 2008 with the annual capacity increase of 24-28% (based on the current product mix)
- 95% of 2008 total production sold out
- Intensive negotiations with customers focused on technologically advanced products
- Goal to increase proportion of technologically advanced products
- Continuous focus on R&D
- Investment incentives process for the 9th line to be finalized
- Create a strong platform for 2009 and 2010

Reporting Schedule and Investor Relations Contact

Reporting Schedule

Consolidated Audited 2007 Results

April 30th, 2008

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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