First Nine Months Results 2007

November 29th, 2007

Cautionary Statement

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Although the Company makes every effort to provide accurate information, we cannot accept liability for any misprints or other errors.

Agenda

First 9 Months 2007 Highlights

2007 Strategic Achievements

First 9 Months 2007 Financial Performance

2008 Outlook

First 9 months 2007 Highlights

First 9 Months 2007 Key Highlights

Financial Performance	• Stable Revenues – growth 0.1% yoy • Adjusted EBITDA declined by 4.6% yoy primarily due to delays in the pass-through mechanism and change of product mix • Finance costs reduced by 33.6% yoy mainly due to substantial reduction of debt at the end of December 2006, at its lowest level since the LBO • Excellent Q3 2007 Net profit of Euro 9.8 million due to FX revaluation of bank loan balances • Adjusted 9M Net profit up by 37.3% yoy to Euro 13.0 million
Markets and Business	• Negative impact of rising polymer prices in 2007 • Customer demand for new cost reducing materials • Customers are interested intextiles which will differentiate them from their competitors
Production Growth	• Production output up 3.1% yoy in the first 9 months 2007 • Commencement of production of the new 8th line in line with the plan • Strategy to invest in the most modern spunmelt technology to remain a market leader, win market share and maintain excellent financial performance • Preparation of the 9th line project

Key Financial Highlights

(EUR'000s)	Q3			9 months		
	2006	2007	% change	2006	2007	% change
Revenue	30,590	30,014	(1.9%)	90,650	90,731	0.1%
Operating Costs	(19,670)	(20,729)	5.4%	(58,955)	(60,506)	2.6%
FX changes and MtM revaluation of IRS	609	5,487	n/a	5,680	(526)	n/a
EBITDA	11,529	14,772	28.1%	37,375	29,699	(20.5%)
Adjusted EBITDA[1]	10,920	9,285	(15.0%)	31,695	30,225	(4.6%)
Adjusted EBITDA margin (%)[1]	35.7%	30.9%	(4.8%)	35.0%	33.3%	(1.7%)
Profit from operations (EBIT)	8,549	11,714	37.0%	28,242	20,589	(27.1%)
Adjusted Profit from operations (EBIT)[1]	7,940	6,227	(21.6%)	22,562	21,115	(6.4%)
Adjusted EBIT margin (%)[1]	26.0%	20.7%	(5.3%)	24.9%	23.3%	(1.6%)
Net Profit	4,127	9,840	138.4%	14,750	12,485	(15.4%)
Net Profit Margin (%)	13.5%	32.8%	19.3%	16.3%	13.8%	(2.5%)
Adjusted Net Profit[2]	3,588	4,335	20.8%	9,463	12,993	37.3%
Production (tonnes net of scrap)	14,115	13,961	(1.1%)	40,561	41,836	3.1%
Number of Employees (end of quarter)	327	376	15.0%	327	376	15.0%

	Dec 31st, 2006	Sep 30th, 2007	% change
Total assets	249,025	241,927	(2.9%)
Net debt	114,157	124,624	9.2%

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

Strategic Achievements

2007 Strategic Achievements

Growth	• Creating platform for sales and market share growth in 2008 - Delivering of new production capacities • Further investments continuation – 9th line project • Participating in growth of the European hygiene market
Technology Leadership	• Focusing on ultra light materials and elastic nonwovens • Investing in R&D for the medical and hygiene applications • Confirming a reputation for the most modern producer in the industry
Delivery of Financial Performance	• Generating solid EBITDA despite rising prices of polymers and effects of competition • Maintaining highest industry margins through high value product mix and focus on cost and operational efficiencies • Restructured external debt to reduce finance costs and enhance financial flexibility • Paid dividend of Euro 7 million (Euro 0.76 per share)

First 9 Months Financial Performance

Profit and Loss Statement

(EUR'000s)	Q3			9 months		
	2006	2007	% change	2006	2007	% change
Revenue	30,590	30,014	(1.9%)	90,650	90,731	0.1%
Raw materials & consumables	(18,772)	(19,464)	3.7%	(55,651)	(57,373)	3.1%
Staff costs	(1,271)	(1,563)	23.0%	(3,733)	(4,326)	15.9%
Of which Share price bonus	0	(50)	n/a	0	(107)	n/a
Other net operating income/(expense)	982	5,785	n/a	6,109	667	n/a
Of which FX changes and MtM revaluation of IRS	609	5,487	n/a	5,680	(526)	n/a
EBITDA	**11,529**	**14,772**	**28.1%**	**37,375**	**29,699**	**(20.5%)**
Adjusted EBITDA[1]	**10,920**	**9,285**	**(15.0%)**	**31,695**	**30,225**	**(4.6%)**
Adjusted EBITDA margin (%)[1]	**35.7%**	**30.9%**	**(4.8%)**	**35.0%**	**33.3%**	**(1.7%)**
Depreciation	(2,980)	(3,058)	2.6%	(9,133)	(9,110)	(0.3%)
Profit from operations (EBIT)	**8,549**	**11,714**	**37.0%**	**28,242**	**20,589**	**(27.1%)**
Adjusted Profit from operations (EBIT) [1]	**7,940**	**6,227**	**(21.6%)**	**22,562**	**21,115**	**(6.4%)**
Adjusted EBIT margin (%)[1]	**26.0%**	**20.7%**	**(5.3%)**	**24.9%**	**23.3%**	**(1.6%)**
Finance costs	(4,491)	(1,700)	(62.1%)	(12,565)	(8,343)	(33.6%)
Income tax expense	155	(174)	n/a	(568)	239	n/a
Minority interest	(86)	0	n/a	(359)	0	n/a
Attributable Net Profit	**4,127**	**9,840**	**138.4%**	**14,750**	**12,485**	**(15.4%)**
Net Profit Margin (%)	**13.5%**	**32.8%**	**19.3%**	**16.3%**	**13.8%**	**(2.5%)**
Adjusted Net Profit[2]	**3,588**	**4,335**	**20.8%**	**9,463**	**12,993**	**37.3%**

Note: Unaudited consolidated financial results in accordance with IFRS

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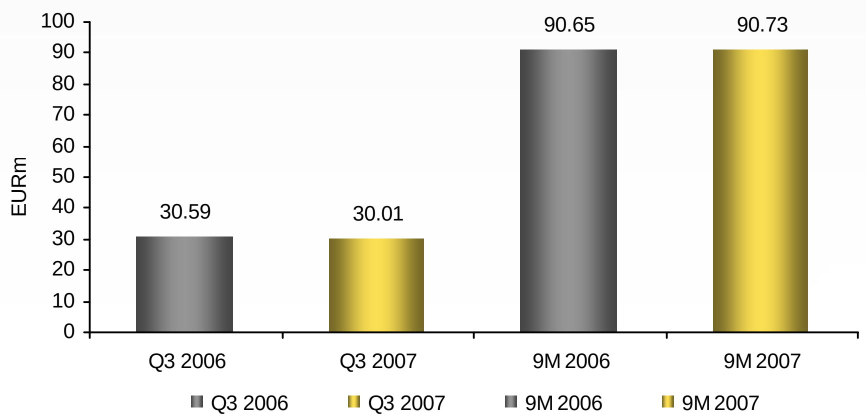
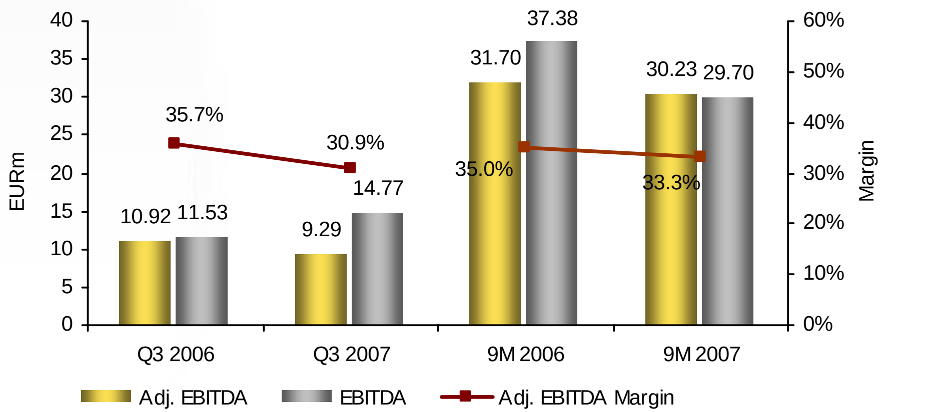
Revenues and Margins

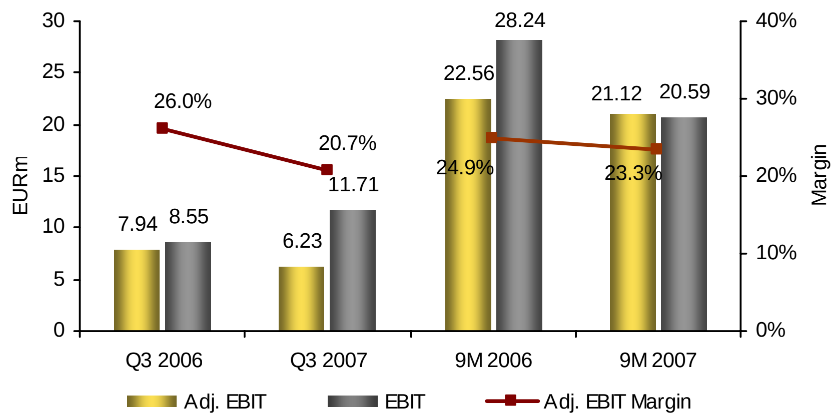
Revenues Q3 and 9M



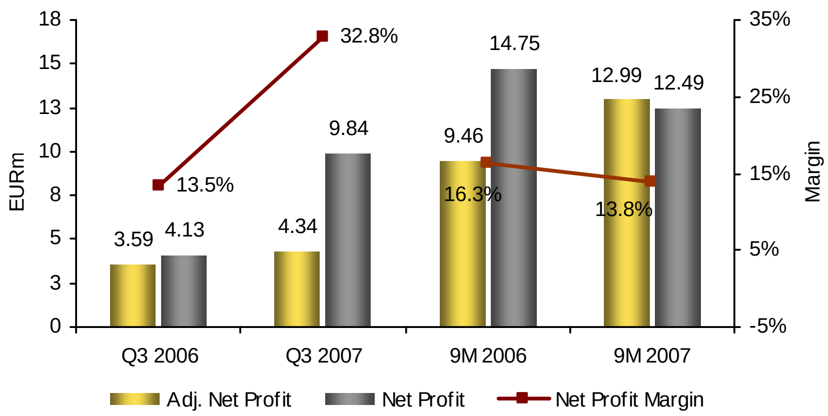
EBITDA Q3 and 9M



EBIT Q3 and 9M



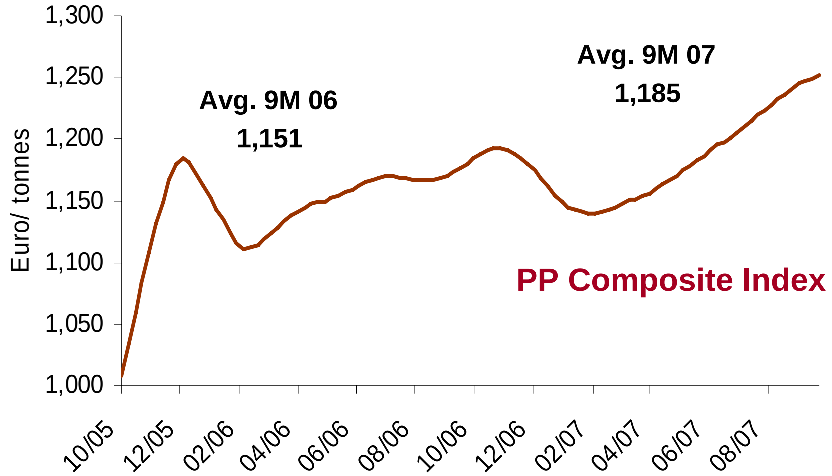
Net Profit Q3 and 9M



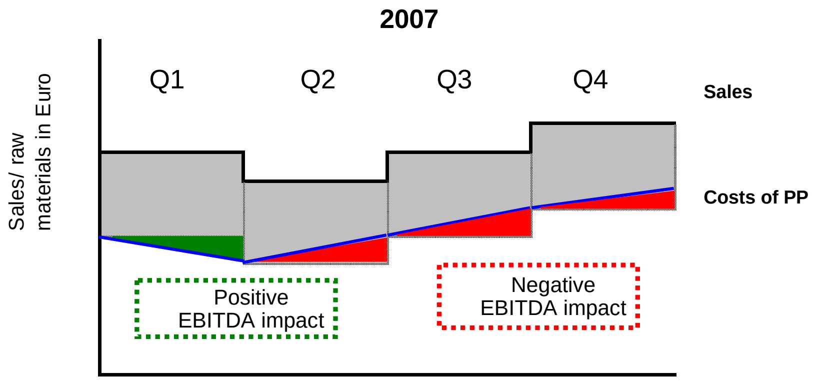
Source: Company data

Pass-through mechanism delays

Development of PP Price Level[1]



Illustrative Pass-through Delays



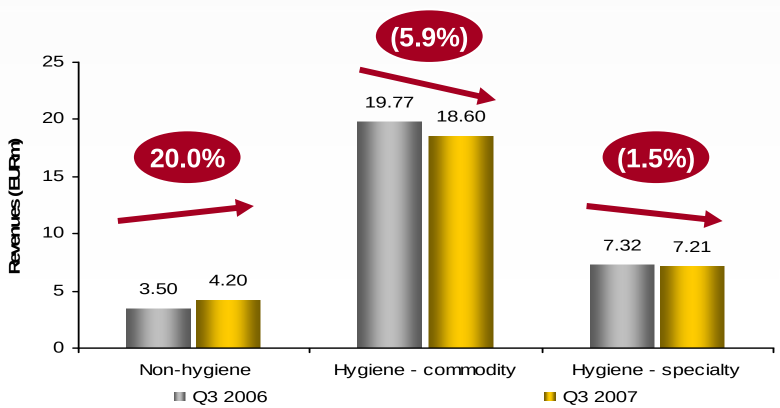
- **Avg. 9M 2007 prices of polymers increased by 3% yoy**
- **Regardless of other factors impacting the total costs, polymer costs remain its key driver**
- **Changes in polypropylene prices are transferred to revenues with a delay according to the contracts with customers**
- **Negative EBITDA impact of the delays for 9M 2007 were Euro 0.5 million, outlook for the full year loss of Euro 0.8 million**

Source: Company data

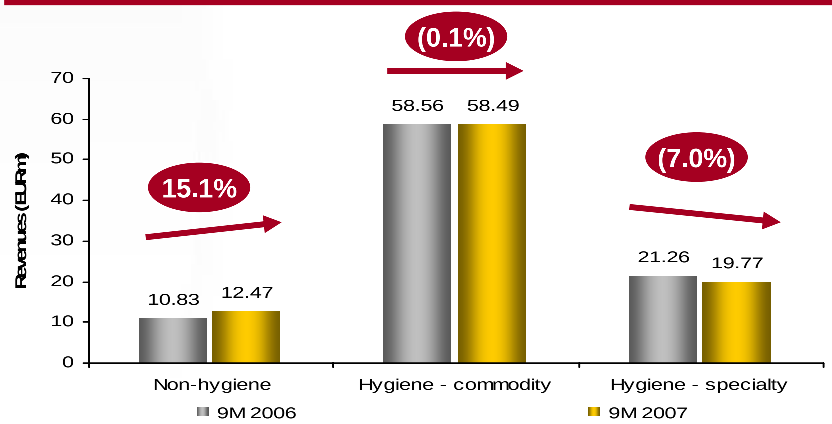
Note: (1) PP price level calculated on internal documents of PEGAS

Revenue Breakdown by Product

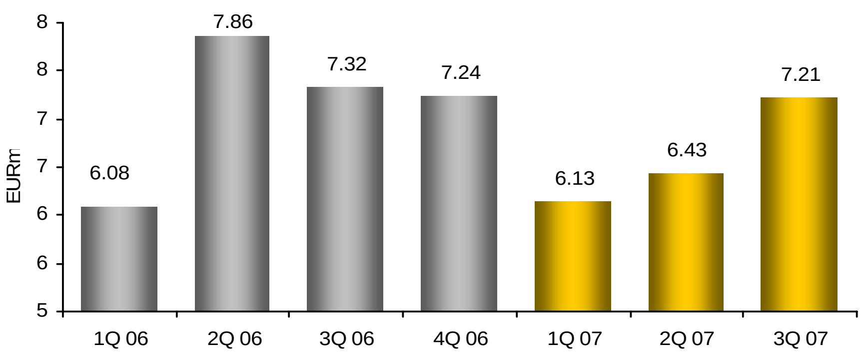
Q3



9M



Specialty[1] Quarterly

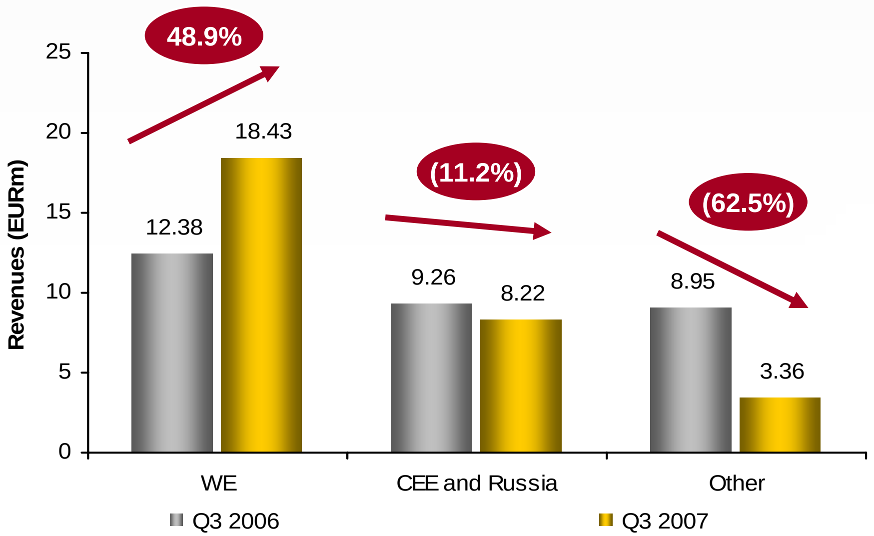


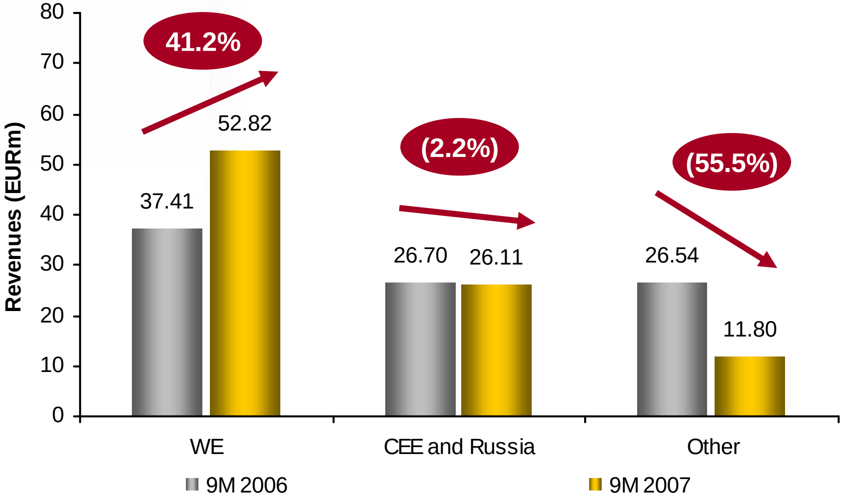
- **Substantial improvement of specialty sales in Q3 compared with the Q2 2007 – increase of 12.1% qoq and 17.6% if compared with Q1 2007**
- **The yoy comparison is still impacted by the one-off contract with an overseas customer in 2006**

Note: (1) The company defines specialty 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

Revenue Breakdown by Geography

Q3	9M



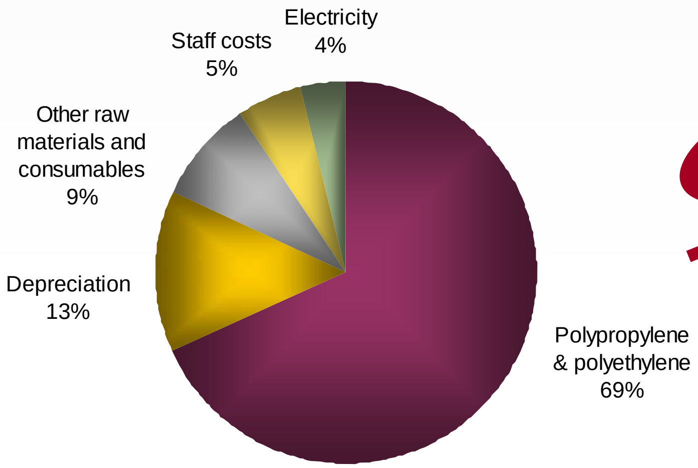


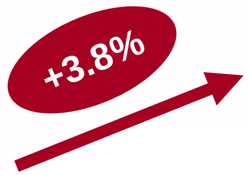
Source: Company data

- **Geographical sales mix confirms strategic focus on the European market**
- **Geographical sales development driven by allocation strategy of customers**
- **Replacement of one-off overseas contract from 2006 resulted in anticipated decline of sales in other territories**

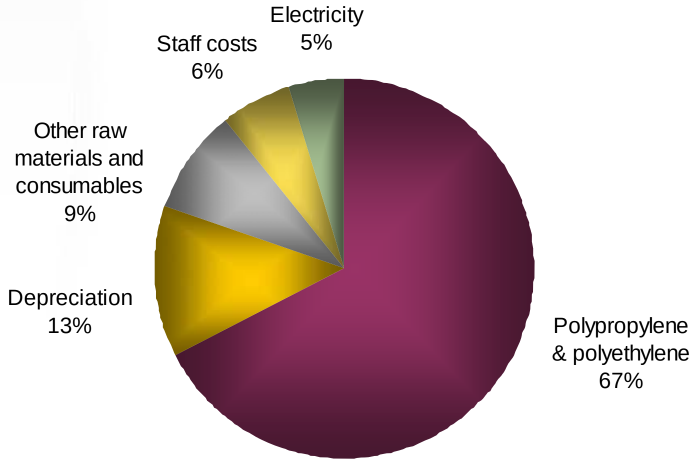
Cost Composition

Cost Breakdown in 9M 2006





Cost Breakdown in 9M 2007



Source: Company data

- **Major cost item - polymer costs up by by 2.3% yoy on the back of rising polymer indices**
- **Increase in staff costs by 15.9% yoy due to new remuneration scheme and newly hired employees (mainly for the 8th line)**
- **Cost of electricity went up by 24.3% yoy due to higher market prices and consumed volumes**

PEGAS NONWOVENS every single detail

Balance Sheet

(EUR'000s)	Sep 30th, 2006 Unaudited	Dec 31th, 2006 Audited	Sep 30th, 2007 Unaudited	Change in % Sep 07/ Dec 06
Non-current assets	**190,822**	**195,008**	**204,965**	**5.1%**
Property, plant and equipment	108,808	110,522	120,735	9.2%
Intangible assets	82,014	84,486	84,230	(0.3%)
Current assets	**49,561**	**54,017**	**36,962**	**(31.6%)**
Inventories	9,132	8,363	10,195	21.9%
Trade and other receivables	23,575	23,640	26,200	10.8%
Bank balances and cash	16,854	22,014	567	(97.4%)
Total assets	**240,383**	**249,025**	**241,927**	**(2.9%)**
Total share capital and reserves	**18,334**	**76,950**	**82,550**	**7.3%**
Non-current liabilities	**188,591**	**138,351**	**132,210**	**(4.4%)**
Bank loans due after 1 year	135,518	122,851	117,225	(4.6%)
Deferred tax	15,216	15,225	14,912	(2.1%)
Other payables	37,857	275	73	(73.5%)
Current liabilities	**33,458**	**33,724**	**27,167**	**(19.4%)**
Trade and other payables	19,988	20,212	19,156	(5.2%)
Tax liabilities	150	192	45	(76.6%)
Bank overdrafts and loans	13,320	13,320	7,966	(40.2%)

- **Property, plant and equipment rose by 9.2% due to expansion CAPEX**
- **Inventories up by 21.9% because of additional raw material stock for the new 8th line**
- **Receivables were impacted by increase of trade receivables and partly by revaluation of the IRS**
- **Long and short term bank loans down by 8.1% and bank balances and cash down by 97.4% due to new cash management procedures in connection with refinancing**
- **Euro 23 million of available credit facilities undrawn as at September 30th, 2007**

Note: Consolidated financial results in accordance with IFRS

Cash Flow Statement

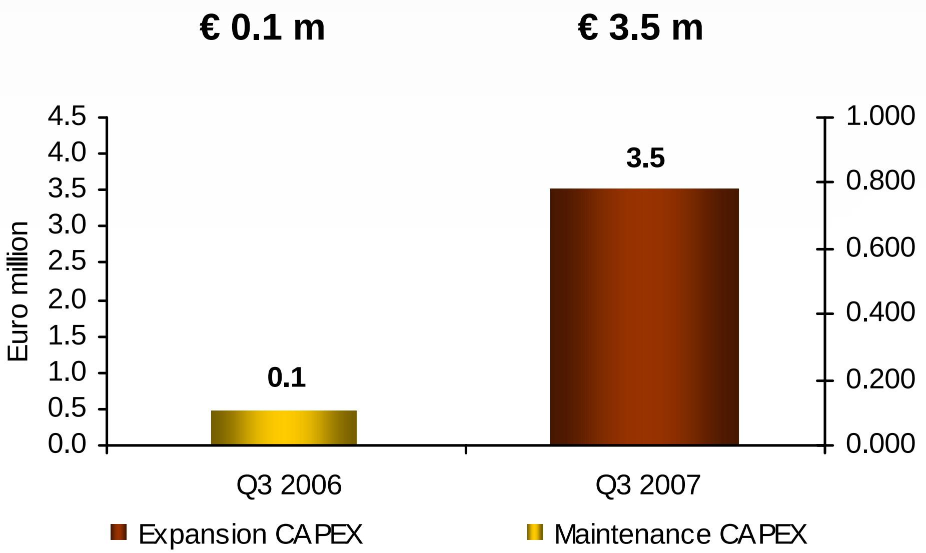
(EUR'000s)	2006	2007	Change in %
	9 months to September 30th		
Profit before tax	15,677	12,246	(21.9%)
Amortization/ Depreciation	9,133	9,110	(0.3%)
FX	(4,513)	727	n/a
Interest Expense	12,565	8,343	(33.6%)
Fair value changes of interest rate swaps	(1,200)	(455)	(62.1%)
Change in inventories	(510)	(1,832)	259.2%
Change in receivables	1,410	(2,105)	n/a
Change in payables	(3,306)	160	n/a
Income tax paid	(1,592)	(120)	n/a
IPO related costs paid	0	(2,389)	n/a
Net Cash Flow from Operating activities	**27,664**	**23,685**	**(14.4%)**
Purchases of property, plant and equipment	(4,275)	(18,678)	336.9%
Net Cash Flow from Investment activities	**(4,275)**	**(18,678)**	**336.9%**
Change in bank loans	(27,427)	(11,817)	(56.9%)
Change in long term debt	0	(202)	n/a
Interest paid	(6,142)	(7,421)	20.8%
Dividend payout	0	(7,014)	n/a
Net Cash Flow from Financing activities	**(33,569)**	**(26,454)**	**(21.2%)**
Bank balances and cash at the beginning of the period	27,034	22,014	(18.6%)
Change in cash and cash equivalents	(10,180)	(21,447)	110.7%
Bank balances and cash at the end of the period	**16,854**	**567**	**(96.6%)**

- **Change in inventories impacted by additional stock levels for the 8th production line**
- **Interest paid increased 20.8% yoy due to arrangement fee paid for refinancing**
- **Dividend payout of Euro 7.0 million – distributed from the Share premium account**

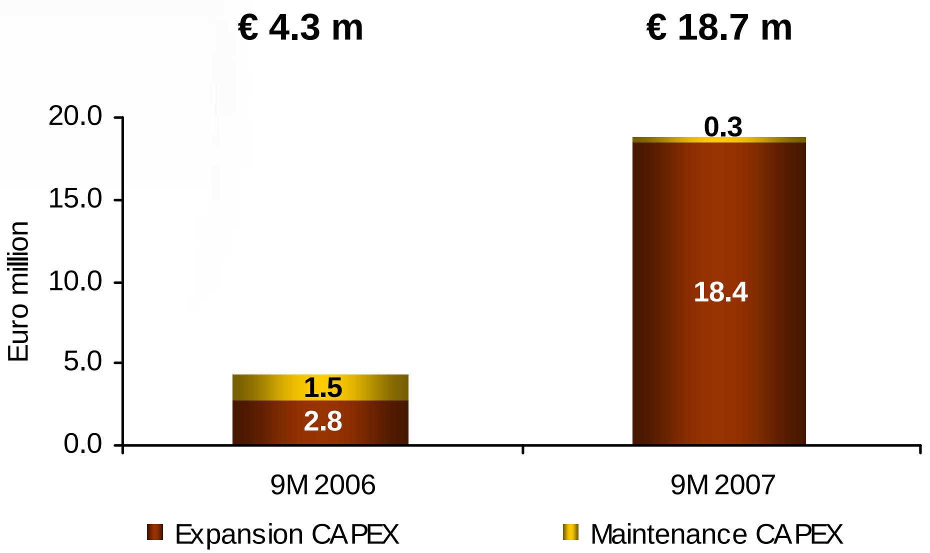
Note : Unaudited consolidated financial results in accordance with IFRS

CAPEX Development

CAPEX Breakdown Q3



CAPEX Breakdown 9 months



- **CAPEX in 2007 related to the 8th production line project**
- **Full year 2007 CAPEX guidance remains at Euro 20 million**
- **CAPEX/ Revenues 9M 2007 at 20.6% compared with 4.7% in 2006**

Source: Company data

2008 Outlook

2008 Outlook

- 8th line at its full production from January 2008 with the annual capacity of approx. 15 thousand tonnes (based on the current product mix)
- 95% of 2008 production sold out
- Completion of remaining negotiations to be finalized soon and further work on new projects during 2008 which could lead to a total production capacity of 70 thousand tons.
- Absolute level of specialty products is expected to increase
- Continuous focus on medical and elastic textiles
- Investment incentives process for the 9th line to be finalized

Reporting Schedule and Investor Relations Contact

Reporting Schedule

Preliminary Full Year 2007 Results

- March, 2008

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