Quarterly Results
January – March 2007

May 30th, 2007

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 January – March 2007 Highlights

Q1 January – March 2007 Financial Performace

Strategic Outlook

First Quarter 2007 - Summary

GROWTH

- Total consolidated revenues up 6.1% yoy
- Adjusted EBITDA up 3.3% yoy
- Adjusted EBIT up 5.0% yoy
- Adjusted Net profit up 64.1% yoy/ Net profit down by 54.5% yoy

NEW ADDITIONAL CAPACITY - GROWTH

- New production line installation on schedule
- Capacity will increase by 28% as of January 1st, 2008
- First saleable production October 2007

BANK DEBT SUCCESSFULLY REFINANCED

- Old, high cost facilities replaced with cheaper debt – annual cost saving approximately Euro 1.4 million (EPS 2006 increase 5.1%)
- New debt is non amortising – PEGAS escapes from repayment obligation (Euro 13.3 million in 2007)
- Annual cashflow boost of approx. Euro 15 million
- Offers very high flexibility

FUTURE GROWTH

- Application for investment incentives for the 9th production line to be submitted

Key Financial Highlights

(EUR'000s)	Three months to March 31st Q1 2006	Q1 2007	Change in % yoy
Revenue	29,548	31,339	+6.1%
Operating Costs	(19,025)	(20,468)	+7.6%
FX gains and MtM revaluation of IRS	3,773	(2,752)	na
EBITDA	14,296	8,119	(43.2%)
Adjusted EBITDA[1]	10,523	10,871	+3.3%
Adjusted EBITDA margin (%)[1]	35.6%	34.7%	(0.9%)
Profit from operations (EBIT)	11,231	5,081	(54.8%)
Adjusted Profit from operations (EBIT) [1]	7,458	7,833	+5.0%
Adjusted EBIT margin (%)[1]	25.2%	25.0%	(0.2%)
Net Profit	6,373	2,899	(54.5%)
Net Profit Margin (%)	21.6%	9.3%	(12.3%)
Adjusted Net Profit[2]	3,327	5,461	+64.1%
Total assets	257,044	247,730	(3.6%)
Net debt	181,610	115,427	(36.4%)
Production (tonnes net of scrap)	13,219	13,757	+4.1%
Number of Employees end of quarter	318	330	+3.8%

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 operating performance of the Company

Q1 2007 Key Operating Highlights

Financial Performance

- Revenues growth of 6.1% yoy on the back of a higher sold tonnage
- Increase in adjusted EBITDA by 3.3% yoy
- Finance costs reduced by 44.5% yoy owing to substantial repayments
- Net profit down by 54.5% yoy due to the impact of FX changes/ Adjusted Net profit up by 64.1% yoy

Markets and Business

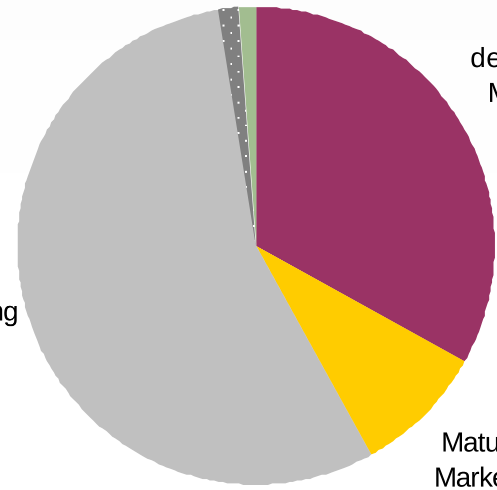
- CEE and Russia remain the fastest growing markets for end products
- Usage of nonwoven materials in baby diapers is expected to increase by 2.5% p.a.
- Demand for advanced features is driving sales in developed markets
- Installation of new capacities is proving to be the right strategy for growth

Technology and Production

- Production output increased by 4.1% yoy owing to higher production efficiencies, despite no additional capacity was added
- Imminent introduction of another world leading production line – 28% increase in production capacity in 2008
- Launch of new R&D projects to remain at the forefront of market development

Market Trends Update

Global Infant Population (up to 30 months) 2006



Source: John R. Starr
Note: (1) Mature markets incl. North America, Western Europe, Japan and other high penetration countries in Asia Pacific, Developing Markets incl. Latam, CEE, Middle East, China, India and low penetration countries in Asia Pacific, Undeveloped markets inc. Africa and rest of Asia Pacific, (2) forecast of global infant population 305 million in 2006

- Greatest growth opportunities of personal hygiene market in developing countries
  - *Highest user (infant) population worldwide*
  - *Growing disposable income per capita*
  - *High GDP growth rates*
- Russia and Turkey represent c. 6.3 mm of infant population
- CEE has just 27% of disposable diapers consumption per capita than in Western Europe
- Nonwovens usage per diaper is to increase at an average rate of 2.5% per year on the back of higher use of advanced feature products
- Right timing of installations of the most modern technologies is crucial and will be rewarded by profit growth
- The largest players in the personal hygiene sector (P&G, Kimberly-Clark, SCA) reported double digit growth in sales from developing and emerging markets in 2006

2007 Strategic Focus

Growth	– Continue to grow in line with the market – Expect 28% production capacity growth in 2008 with new production line – Launch of project for the 9th production line
Technology Leadership	– The new line will again be a world first and will boost PEGAS's production ability to produce higher margin specialty products – New materials, such as nonwoven elastics, are currently being developed – PEGAS is a preferable supplier to the most demanding customers
Delivery of Financial Performance	– Focus on stable EBITDA generation (polymer pass-through mechanism) – Refinancing of existing debt with cheaper, non-amortizing facilities boosts cashflow by approx. Euro 15 million in total, cuts interest costs by Euro 1.4 million per annum and offers great flexibility

Q1 2007 Profit and Loss Statement

(EUR'000s)	Three months to March 31st Q1 2006	Q1 2007	Change in %
Revenue	29,548	31,339	+6.1%
Raw materials & consumables	(18,013)	(19,139)	+6.3%
Staff costs	(1,211)	(1,333)	+10.1%
Other net operating income/(expense)	3,972	(2,748)	na
Of which FX gains and MtM revaluation of IRS	3,773	(2,752)	na
EBITDA	14,296	8,119	(43.2%)
Adjusted EBITDA[1]	10,523	10,871	+3.3%
Adjusted EBITDA margin (%)[1]	35.6%	34.7%	(0.9%)
Depreciation	(3,065)	(3,038)	(0.9%)
Profit from operations (EBIT)	11,231	5,081	(54.8%)
Adjusted Profit from operations (EBIT)[1]	7,458	7,833	+5.0%
Adjusted EBIT margin (%)[1]	25.2%	25.0%	(0.2%)
Finance costs	(3,954)	(2,195)	(44.5%)
Income tax expense	(757)	13	na
Minority interest	(147)	-	na
Attributable Net Profit	6,373	2,899	(54.5%)
Net Profit Margin (%)	21.6%	9.3%	(12.3%)
Adjusted Net Profit[2]	3,327	5,461	+64.1%

Note: Unaudited consolidated financial results in accordance with IFRS

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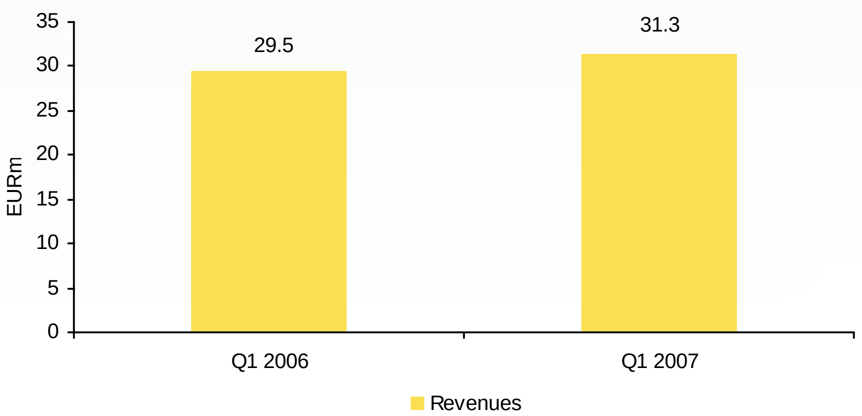
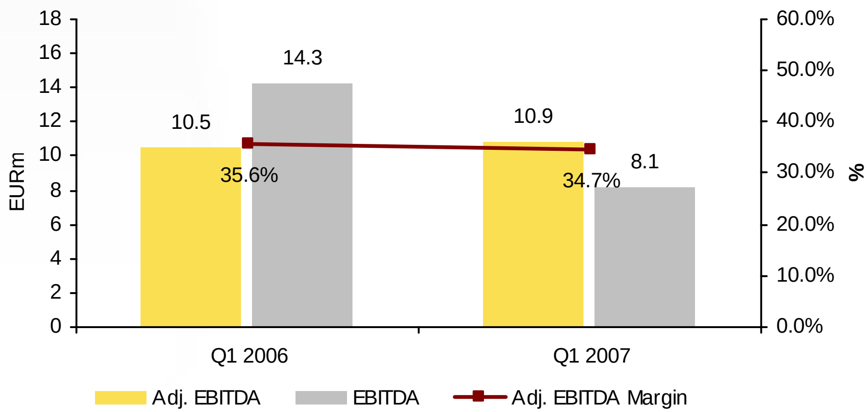
Revenues and Margins

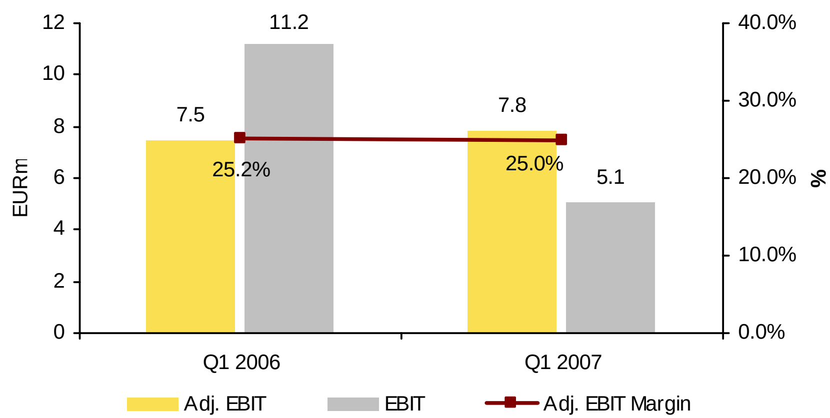
Revenues by Quarter (Q1 2006 - Q1 2007)



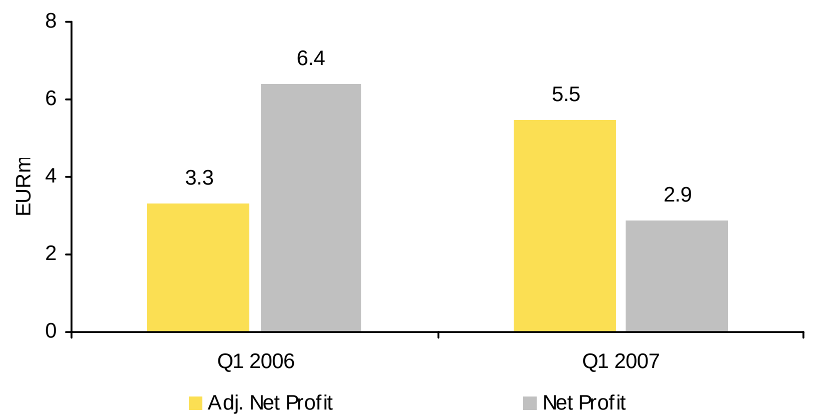
EBITDA by Quarter (Q1 2006 - Q1 2007)



EBIT by Quarter (Q1 2006 - Q1 2007)



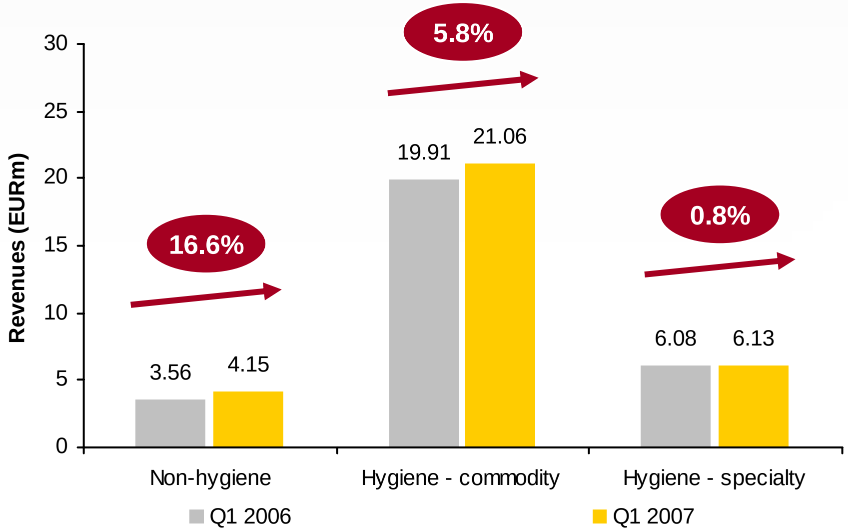
Net Profit by Quarter (Q1 2006 - Q1 2007)



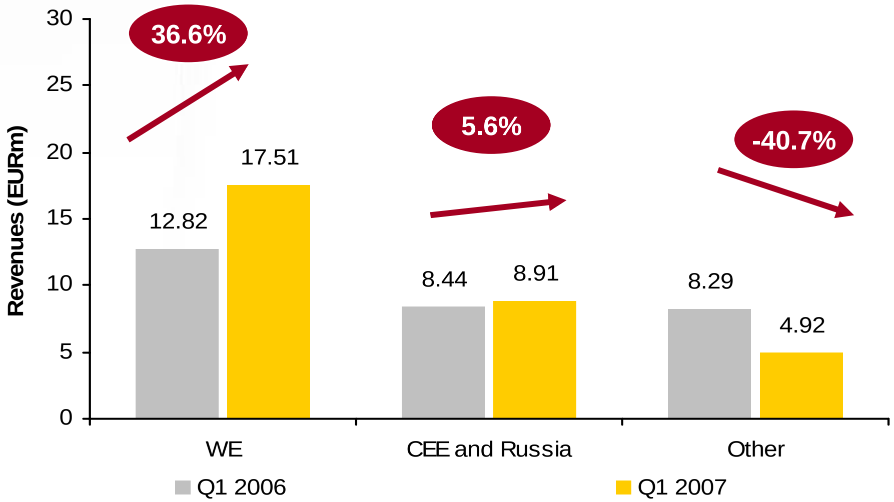
Source: Company data

Revenue Breakdown

Revenue Breakdown by Product Type



Revenue Breakdown by Geography

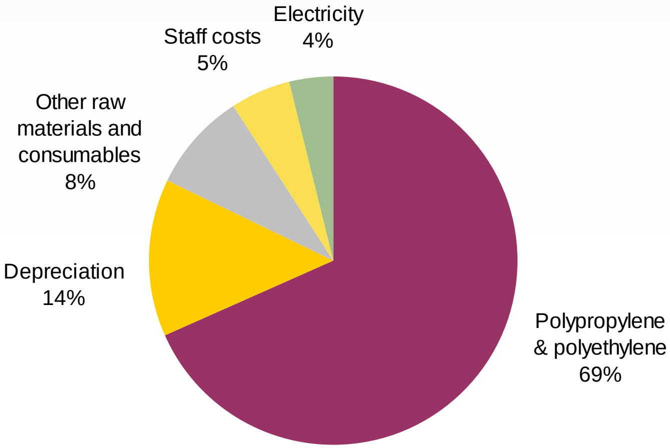


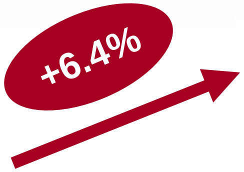
- Total revenues up 6.1% yoy
- Growth driven by rising sales in our core markets - Western Europe (up 36.6% yoy) and CEE & Russia (up 5.6% yoy)
- Specialty hygiene sales grew modestly by 0.8% yoy as a result of the planned replacement of one-off orders from other territories by local manufacturers

Source: Company data

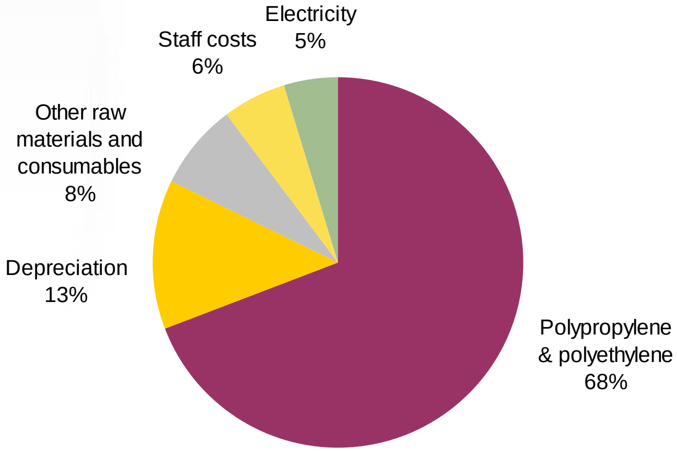
Cost Composition

Cost Breakdown in Q1 2006





Cost Breakdowns in Q1 2007



Source: Company data

- **Cost composition remains stable on yoy basis, annual increase of 6.4% in line with the sales growth**
- **Polymer expenses up by 7.7% yoy**
- **Electricity expenses up by 29.7% yoy**
- **Staff costs remain significantly below those of main Western European competitors, up by 10.1% yoy**

Balance Sheet

(EUR'000s)	Three months to March 31st Q1 2006	Q1 2007	Change in %
Non-current assets	**193,174**	**193,210**	**0.0%**
Property, plant and equipment	111,956	110,256	(1.5%)
Intangible assets	81,218	82,954	+2.1%
Current assets	**63,870**	**54,520**	**(14.6%)**
Inventories	7,131	6,698	(6.1%)
Trade and other receivables	27,767	26,954	(2.9%)
Bank balances and cash	28,972	20,868	(28.0%)
Total assets	**257,044**	**247,730**	**(3.6%)**
Total share capital and reserves	**9,695**	**79,419**	**na**
Non-current liabilities	**212,151**	**138,310**	**(34.8%)**
Bank loans due after 1 year	159,709	122,975	(23.0%)
Deferred tax	15,085	15,060	(0.2%)
Other payables	37,357	275	na
Current liabilities	**35,198**	**30,001**	**(14.8%)**
Trade and other payables	21,291	16,501	(22.5%)
Tax liabilities	29	180	na
Bank overdrafts and loans	13,878	13,320	(4.0%)

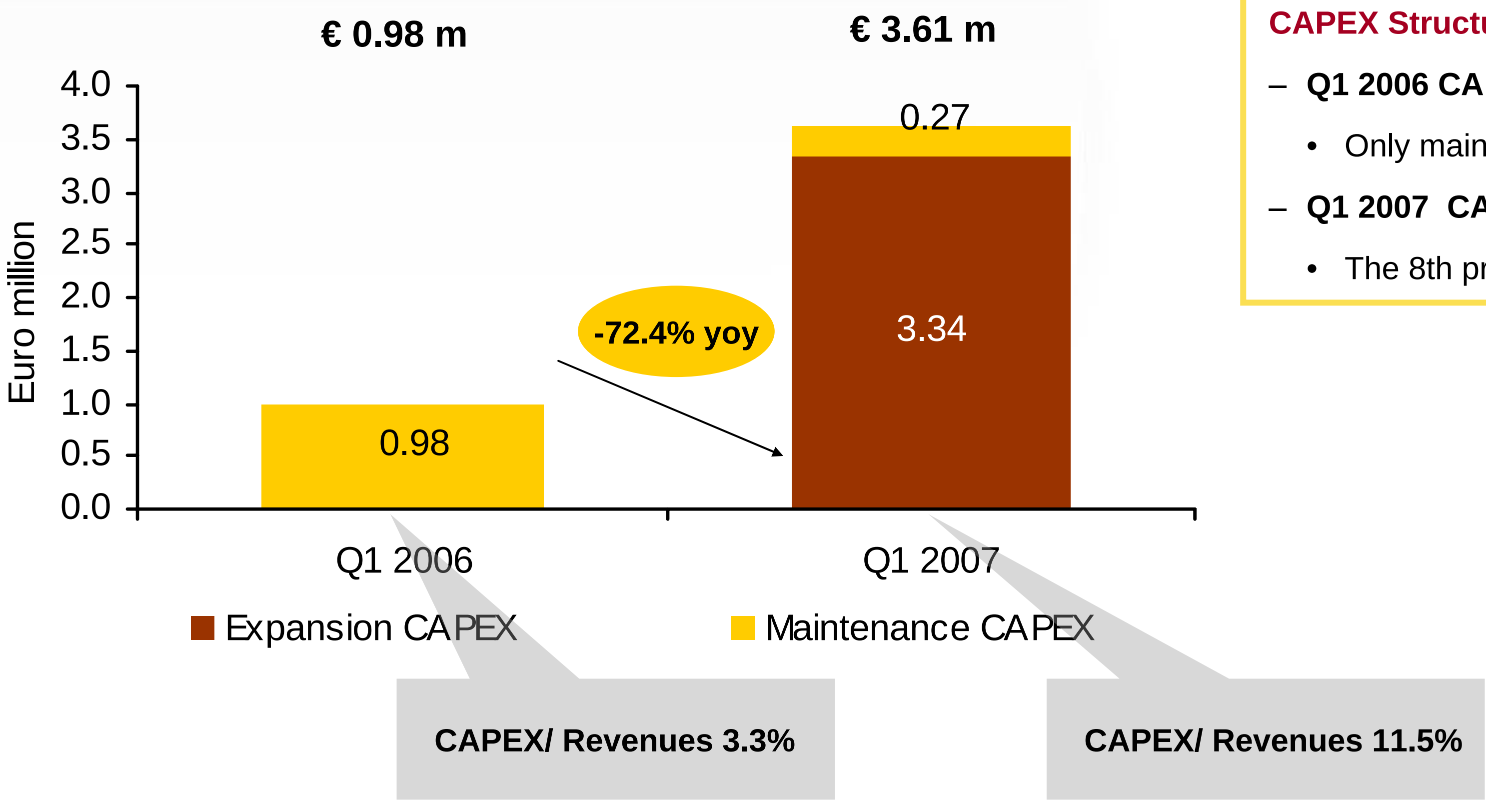
Note : Unaudited consolidated financial results in accordance with IFRS

Cash Flow Statement

(EUR'000s)	Q1 2006	Q1 2007	Change in %
	Three months to March 31st		
Profit before tax	7,349	2,886	(60.7%)
Amortization/ Depreciation	3,065	3,038	(0.9%)
FX	(3,864)	3,092	na
Interest Expense	3,954	2,195	(44.5%)
Change in inventories	1,491	1,665	11.7%
Change in receivables	(4,065)	(3,299)	(18.8%)
Change in payables	(966)	(4,939)	na
Income tax paid	(1,329)	(2)	(99.8%)
Interest paid	(2,015)	(2,175)	7.9%
Net Cash Flow from Operating activities	**3,620**	**2,461**	**(32.0%)**
Purchases of property, plan and equipment	(982)	(3,607)	267.3%
Net Cash Flow from Investment activity	**(982)**	**(3,607)**	**267.3%**
Change in loans	(700)	0	na
Issuance of share capital	0	0	na
Cash Flow from Financial activity	**(700)**	**0**	**na**
Bank balances and cash at the beginning of the period	27,034	22,014	(18.6%)
Change in cash and cash equivalents	1,938	(1,146)	na
Bank balances and cash at the end of the period	**28,972**	**20,868**	**(28.0%)**

Note : Unaudited consolidated financial results in accordance with IFRS

CAPEX Development

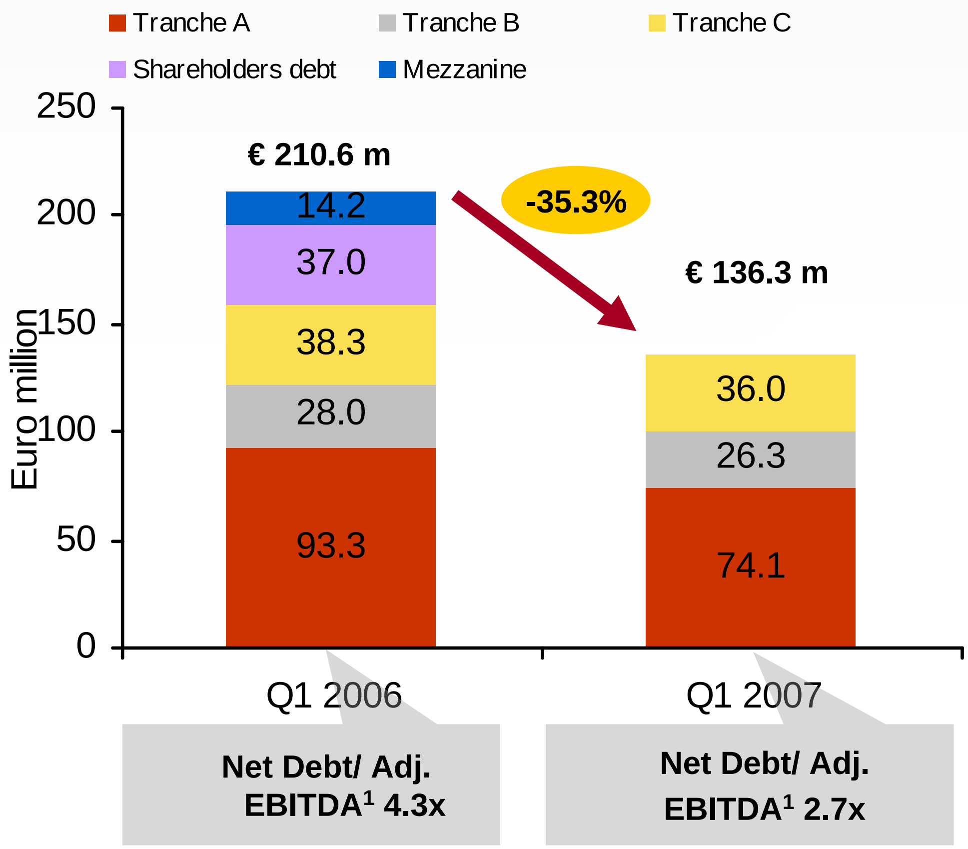


CAPEX Structure Summary

- **Q1 2006 CAPEX included**:
  - Only maintenance CAPEX
- **Q1 2007 CAPEX included**:
  - The 8th production line project

Source: Company data

Debt and Borrowings Development



- **Pegas has reduced its absolute level of debt by 35.3% yoy**
- **The most expensive debt (Mezzanine Debt and Shareholder debt) has been fully repaid**
- **Interest costs have therefore been reduced by 44.5% yoy**
- **YoY decrease of Debt/ 12-months adj. EBITDA by 37.2%**
- **In May 2007, PEGAS replaced all of its Bank Debt with new Bank Debt Facilities (details on next slide)**

Source: Company data

(1) Adjusted EBITDA calculated for the last 12-months from April 1st, 2006 to March 31st, 2007

Debt Refinancing (post Q1)

- On May 10th, 2007, PEGAS signed a 5- year, Euro 150 million, non-amortising syndicated loan agreement
- The facilities were used to refinance all of the former outstanding debt
- The new Facilities consist of a Euro 130 million revolving facility and a Euro 20 million overdraft
- Main benefits:
  - Cash Flow boost - non-amortization which results in cash flow savings of Euro 13.3 million in 2007
  - Lower finance costs - annual savings in the interest cost of Euro 1.4 million (almost Euro 15 million total benefit including interest savings)
  - Greater Flexibility – the large increase in cash flow may allow PEGAS to:
    - Accelerate CAPEX, or
    - Pay dividends earlier, or
    - Repay debt, or
    - A combination of all three

Source: Company data

Debt Overview prior and after refinancing

March 31, 2007	Bank loan	Arr. fees	Due amount	Short-term	Long-term	Interest rate	Interest rate at 31/3/07
Revolver	--	(120)	(120)	--	(120)	--	--
Credit tranche A	75 485	(1 429)	74 056	13 320	60 736	1,3,6M E+2.00%	5.855 %
Credit tranche B	26 781	(445)	26 336	--	26 336	1,3,6M E+2.75%	6.605%
Credit tranche C	36 648	(625)	36 023	--	36 023	1,3,6M E+3.25%	7.105 %
Bank loans total	138 914	(2 619)	136 295	13 320	122 975		

After refinancing*	Available facility	Arr. fees	Short-term	Long-term	Interest rate var.	Interest rate
Revolving	130 000	na	na	na	na	na
Overdraft	20 000	na	na	na	na	na
Bank loans total	150 000					

*Note: *Details of refinancing cannot be disclosed at this stage due to on-going syndication process*

2007 Strategy and Outlook

STRATEGY - GROWTH

- PEGAS has again achieved sales growth out of "fully utilised" production equipment based on better operating efficiencies
- New 8th production line on schedule and will be operational in October, 2007
- New 8th production line will increase capacity by 28% in 2008
- Management highly confident of selling 100% of the new 8th line's output
- Project for the 9th production line launched - application for investment incentives to be submitted

STRATEGY – TECHNOLOGICAL LEADERSHIP

- New 8th line is again a world first - maintains PEGAS' technological leadership
- New R&D projects in progress – focus on added value specialty products

STRATEGY – SUPERIOR FINANCIAL RETURNS

- Growing revenues and Adjusted EBITDA
- Highest margins in the industry
- Financial flexibility in terms of cash usage

Q1 2007 – Summary Recap

GROWTH

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Reporting Schedule and Investor Relations Contact

Reporting Schedule

6M 2007 Results – August 30th, 2007

9M 2007 Results - November 29th, 2007

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