

2012 Preliminary Results Presentation

Analyst Meeting Znojmo
15 March, 2013

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Agenda

- **2012 Key Highlights**
- **2012 Financial Performance**
- **2013 Guidance**
- **Update on the Investment in Egypt**

Presentation Team

Mr. František Řezáč

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Chief Executive Officer

Chief Financial Officer

2012 Key Highlights



2012 Key Highlights

Financial Performance

- Total Revenues EUR 187.7 million up by 13.2% yoy due to higher sold production volumes from the new production line
- EBITDA EUR 38.1 million up by 5.7% yoy namely due to the launch of the new production line in 2H 2011; in line with the guidance range
- EBIT EUR 26.5 million, down by 1.2% as a result of higher depreciation linked to the new line
- Net profit EUR 20.9 million up by 49.8% yoy, affected by unrealized FX gains

Market and Business

- Average ICIS in 2012 almost unchanged compared with 2011, however a sharp increase during August and September influenced 4Q results and the full year 2012 effect ended up being negative
- Polymer prices currently stabilised, but future development is uncertain

Production & Technology

- 2012 production up by 17.2%, 86,056 tonnes produced
- Egypt update: Gross assembly of the production technology completed, plant connected to power grid, launch of the line anticipated in 3Q 2013

Key Financial Highlights

Euro (000')	4Q			FY		
	2011	2012	% change	2011	2012	% change
Revenues	39,595	47,586	20.2%	165,848	187,745	13.2%
Operating Costs	(29,580)	(38,325)	29.6%	(129,782)	(149,633)	15.3%
EBITDA	10,015	9,261	(7.5%)	36,066	38,112	5.7%
EBITDA margin (%)	25.3%	19.5%	(5.8 pp)	21.7%	20.3%	(1.4 pp)
Profit from operations (EBIT)	7,212	6,711	(6.9%)	26,853	26,542	(1.2%)
EBIT margin (%)	18.2%	14.1%	(4.1%)	16.2%	14.1%	(2.1 pp)
Net Profit	(2,284)	3,226	n/a	13,966	20,924	49.8%
Net Profit Margin (%)	(5.8%)	6.8%	12.6 pp	8.4%	11.1%	2.7 pp
Production (tonnes net of scrap)	19,628	22,388	14.1%	73,412	86,056	17.2%
Number of Employees (EOP)				424	451	6.4%

	31 December, 2011	31 December, 2012	% change
Total assets	302,943	374,223	23.5%
Net debt	119,490	125,946	5.4%

Source: Company data, consolidated unaudited results

2012 Financial Performance

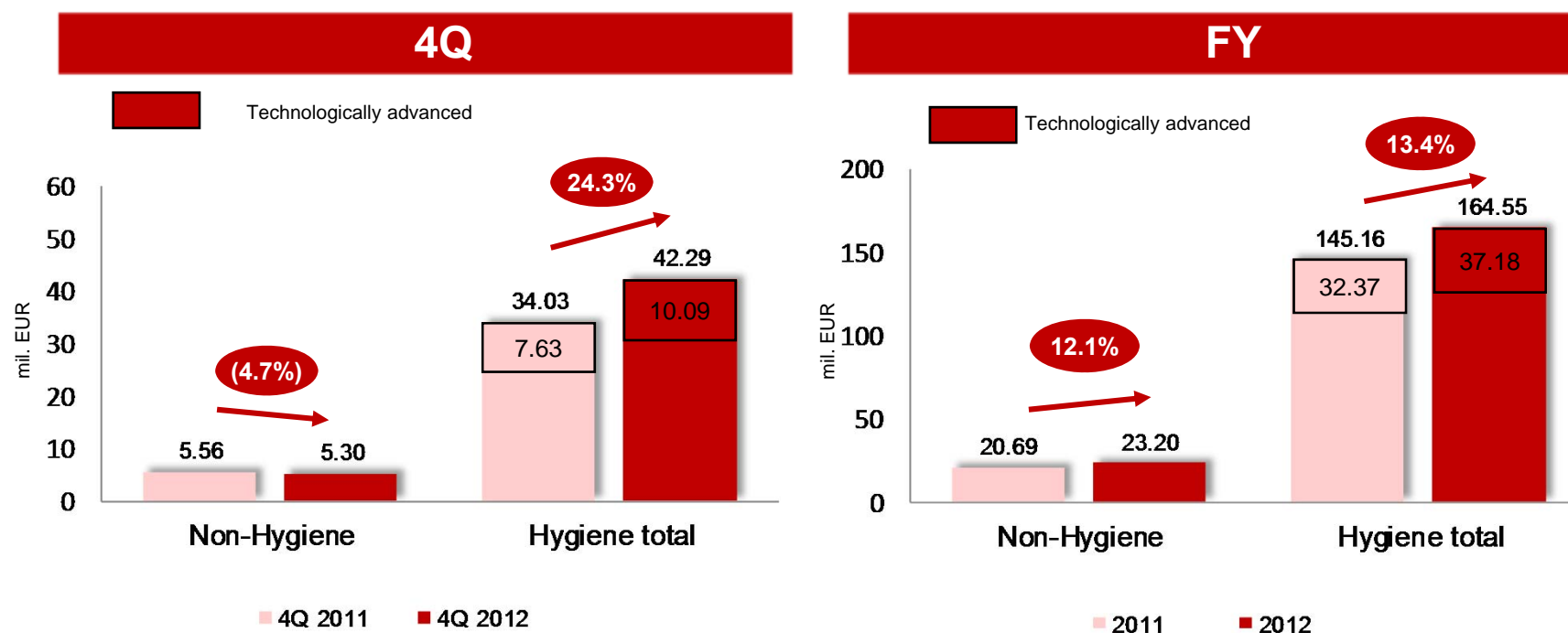


Statement of Comprehensive Income

Euro (000')	4Q			FY		
	2011	2012	% change	2011	2012	% change
Revenues	39,595	47,586	20.2%	165,848	187,746	13.2%
Raw materials & consumables	(27,596)	(36,322)	31.6%	(122,018)	(140,965)	15.5%
Staff costs	(2,253)	(1,956)	(13.2%)	(8,330)	(8,351)	0.3%
Of which Share price bonus	(138)	270	n/a	73	277	279.5%
Other net operating income/(expense)	269	(47)	n/a	566	(318)	n/a
EBITDA	10,015	9,261	(7.5%)	36,066	38,112	5.7%
EBITDA Margin (%)	25.3%	19.5%	(5.8 pp)	21.7%	20.3%	(1.4 pp)
Depreciation	(2,803)	(2,550)	(9.0%)	(9,213)	(11,570)	25.6%
Profit from operations (EBIT)	7,212	6,711	(6.9%)	26,853	26,542	(1.2%)
EBIT Margin (%)	18.2%	14.1%	(4.1 pp)	16.2%	14.1%	(2.1 pp)
FX changes and other fin. income/(expense) (net)	(5,806)	(1,685)	(71.0%)	(4,313)	2,637	n/a
Interest (expense)/income (net)	(1,169)	(1,125)	(3.8%)	(4,257)	(4,611)	8.3%
Income tax (expense)/income (net)	(2,521)	(675)	(73.2%)	(4,317)	(3,644)	(15.6%)
Net Profit	(2,284)	3,226	n/a	13,966	20,924	49.8%
Net Profit Margin (%)	(5.8%)	6.8%	12.6 pp	8.4%	11.1%	2.7 pp
Other comprehensive income/(expense)	(4,438)	(2,167)	(51.2%)	(3,014)	(503)	(83.3%)
Total comprehensive income	(6,722)	1,059	n/a	10,952	20,421	86.5%

Source: Company data

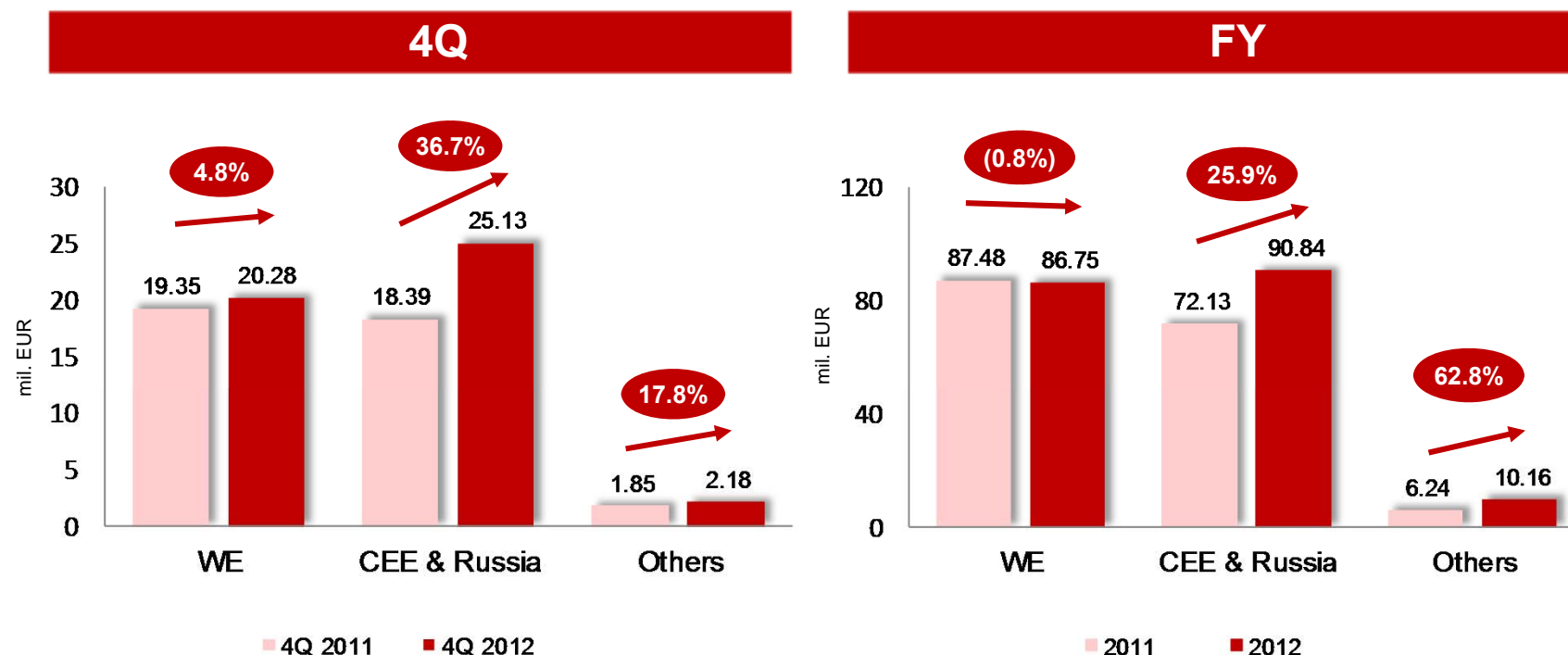
Revenue Breakdown by Product



- A continuously high proportion of hygiene sales on total revenues confirms a key focus on the hygiene market in Europe

Source: Company data

Revenue Breakdown by Geography



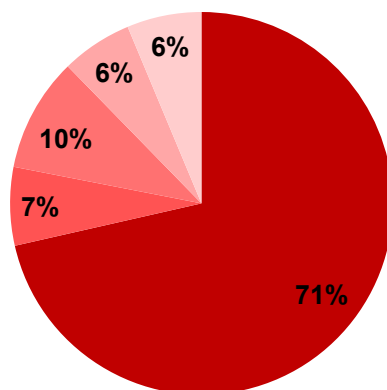
- Geographical breakdown of sales remains relatively steady
- Strong sales into CEE & Russia

Source: Company data

Cost Composition

Cost Breakdown 2011

- Polypropylene & polyethylene
- Depreciation
- Other raw materials and consumables
- Staff costs
- Electricity

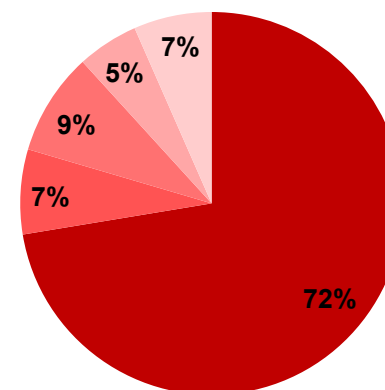


16.0%



Cost Breakdown 2012

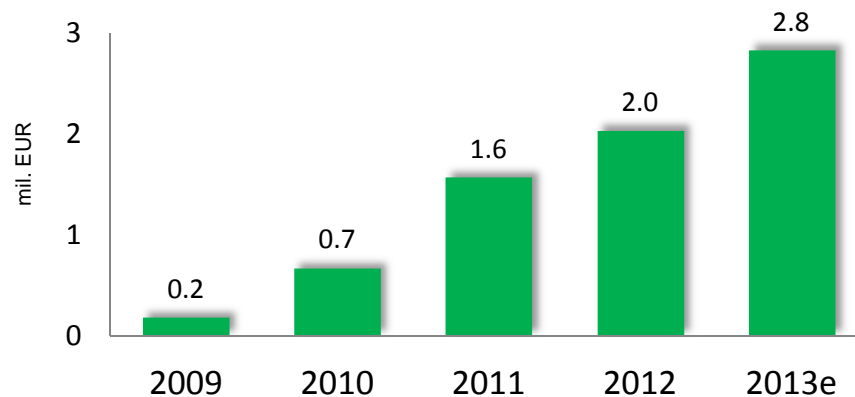
- Polypropylene & polyethylene
- Depreciation
- Other raw materials and consumables
- Staff costs
- Electricity



- An increase in PP/PE costs by 17.5% yoy due to higher material consumption for the new line
- Staff costs up by 0.3% yoy as, new hires for the 9th line set off by phantom options revaluation
- Electricity up by 21.2% yoy due to the ramp up of the new production line and a yoy price increase
- Depreciation up by 25.6% yoy due to the 9th line technology and buildings being newly depreciated

Source: Company data

Costs for Renewable Energy



- **Mandatory expenses for the support of renewable resources used in the production of electricity weighed heavily on the financial performance of the Company**

Source: Company data, consolidated results

Statement of Financial Position

Euro (000')	31 December, 2011 (audited)	31 December, 2012 (unaudited)	% change
Non-current assets	242,205	284,214	17.3%
Property, plant and equipment	151,826	191,226	26.0%
Intangible assets (including goodwill)	90,379	92,988	2.9%
Current assets	60,738	90,009	48.2%
Inventories	17,624	20,448	16.0%
Trade and other receivables	36,866	43,803	18.8%
Bank balances and cash	6,248	25,758	312.3%
Total assets	302,943	374,223	23.5%
Total share capital and reserves	130,764	141,494	8.2%
Non-current liabilities	137,904	164,376	19.2%
Bank loans due after 1 year	125,512	151,704	20.9%
Deferred tax	12,337	12,672	2.7%
Other payables	55	--	n/a
Current liabilities	34,275	68,353	99.4%
Trade and other payables	33,943	68,265	101.1%
Tax liabilities	95	86	(9.5%)
Bank overdrafts and loans	226	--	n/a
Provisions	11	2	(81.8%)

Source: Company data

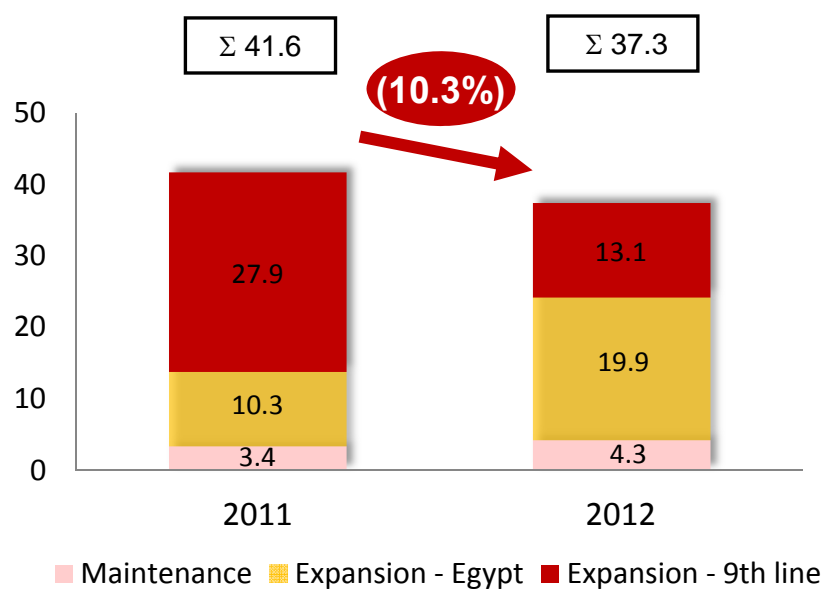
Cash Flow Statement

Euro (000')	2011 (audited)	2012 (unaudited)	% change
Profit before tax	18,283	24,568	34.4%
Amortization / Depreciation	9,213	11,570	25.6%
FX	(172)	1,622	n/a
Interest Expense	4,281	4,614	7.8%
Fair value changes of interest rate swaps	(765)	(3,313)	333.1%
Other Changes in Equity	(620)	630	n/a
Other financial income/(expense)	(55)	1,092	n/a
Change in inventories	(3,469)	(2,362)	(31.9%)
Change in receivables	(6,811)	(7,248)	6.4%
Change in payables	6,440	19,902	209.0%
Income tax paid	(5,427)	(1,506)	(72.2%)
Net Cash Flow from Operating activities	20,898	49,569	137.2%
Purchases of property, plant and equipment	(41,586)	(37,300)	(10.3%)
Net Cash Flow from Investment activities	(41,586)	(37,300)	(10.3%)
Change in bank loans	34,910	22,292	(36.1%)
Change in long term debt	(48)	(55)	14.6%
Distribution of dividends	(9,229)	(9,691)	5.0%
Interest paid	(3,437)	(4,213)	22.6%
Other financial income/(expense)	55	(1,092)	n/a
Net Cash Flow from Financing activities	22,251	7,241	(67.5%)
Bank balances and cash at the beginning of the year	4,685	6,248	33.4%
Change in cash and cash equivalents	1,563	19,510	1,148.2%
Bank balances and cash at the end of the period	6,248	25,758	312.3%

Source: Company data

CAPEX Development

CAPEX Breakdown



- Majority of capital expenditures dedicated to the project in Egypt
- Initial 2012 CAPEX guidance of EUR 46 million was revised in 3Q to EUR 40 million maximum due to an updated payment schedule in Egypt

Source: Company data, consolidated results

2013 Guidance



2013 Guidance

- In 2013 the Company expects production volumes to increase as a result of the Egyptian production line being commissioned
- Current production capacity should be sold out
- Due to the new capacity in Egypt, the Company expects a moderate increase in inventories of finished goods in 2013 compared with the end of 2012
- Share of technologically advanced materials should increase as a result of successful commercialisation of new products
- Egyptian production plant should achieve a positive result on EBITDA level
- 2013 EBITDA expected to increase between 5 - 15% compared with 2012 (2012 EBITDA - EUR 38.1 million)
- Total capital expenditures should not exceed EUR 41 million in 2013 (FX CZK/EUR 25)

Update on the Investment in Egypt



Project development on plan

- Gross assembly of the production technology completed
- Plant connected to the power grid
- The project is proceeding according to the time schedule
- Line commissioning expected in 3Q 2013
- Total capital expenditures should reach EUR 64 – 67 million in the first phase of the project, an increase from EUR 55 – 60 million initially estimated
- Some planned investments for the 2nd phase were accelerated and moved to the first phase
- Budget increase for construction works and technology implementation due to the specific North African climate

Investment in Egypt



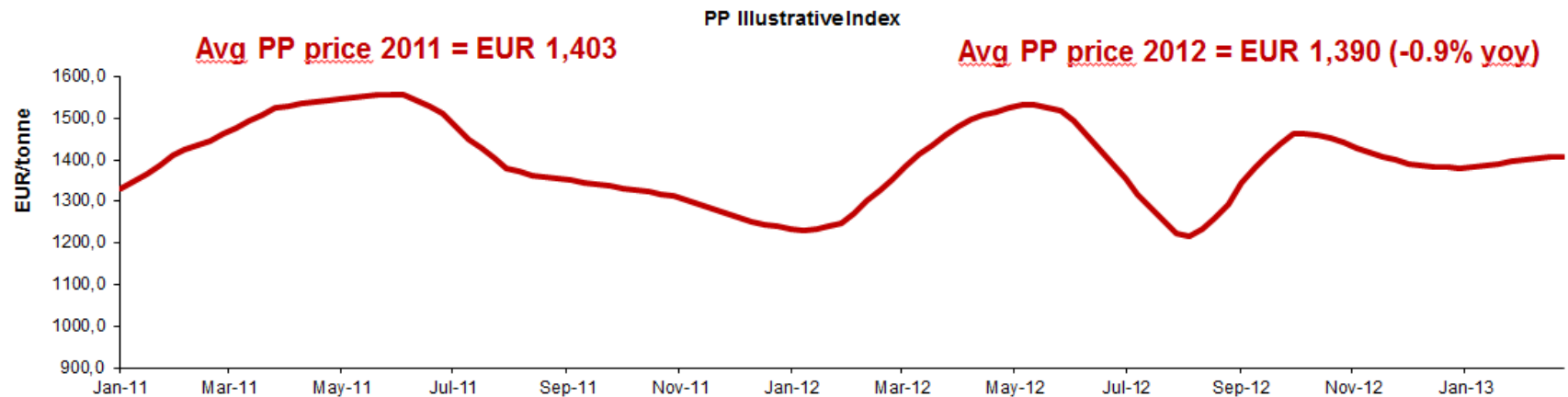
Investment in Egypt



Appendix



Development of Polymer Prices



- Average polymer price levels in 2011 and 2012 were very similar, however 2012 prices were much more volatile
- Price levels at the beginning of 2013 are similar to 4Q 2012

Source: Company data