

2009 Preliminary Financial Results

Analyst Meeting in Znojmo

March 19th, 2010

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Agenda

- **2009 Key Highlights**
- **2009 Financial Performance**
- **2010 Guidance**

Presentation Team

Mr František Řezáč
Chief Executive Officer

Mr Marian Rašík
Financial Director

2009 Key Highlights



2009 Key Highlights

Financial Performance

- Revenues EUR 123.4 million down by 13.5% yoy affected by drop of polymer prices
- EBITDA EUR 38.8 million down by 1.8% yoy, despite previous guidance of up to 10% yoy decline
- Net profit EUR 20.8 million up by 39.7% yoy due to FX changes and lower interest costs

Market and Business

- Nonwovens hygiene market still price sensitive
- Polymer prices increased in 2H 2009, indices in Q4 2009 were higher by approximately 30% compared with lows in Q1

Production & Technology

- Net production output of 69,462 tonnes up by 4.7% on the back of maximized utilisation, and efficiency measures

Key Financial Highlights

Euro (000')	Q4			FY		
	2008	2009	% change	2008	2009	% change
Revenues	32,011	30,194	(5.7%)	142,771	123,447	(13.5%)
Operating Costs	(22,944)	(22,196)	(3.3%)	(103,280)	(84,656)	(18.0%)
EBITDA	9,067	7,998	(11.8%)	39,491	38,791	(1.8%)
<i>EBITDA margin (%)</i>	28.3%	26.5%	<i>(1.8 pp)</i>	27.7%	31.4%	3.7 pp
Profit from operations (EBIT)	4,895	3,931	(19.7%)	22,681	22,857	0.8%
<i>EBIT margin (%)</i>	15.3%	13.0%	<i>(2.3 pp)</i>	15.9%	18.5%	2.6 pp
Net Profit	(8,595)	(1,264)	(85.3%)	14,889	20,802	39.7%
<i>Net Profit Margin (%)</i>	(26.9%)	(4.2%)	22.7 pp	10.4%	16.9%	6.5 pp
Production (tonnes net of scrap)	16,289	17,859	9.6%	66,349	69,462	4.7%
Number of Employees (EOP)				383	384	0.3%

	12/31/2008	12/31/2009	% change
Total assets	248,243	235,847	(5.0%)
Net debt	120,542	95,610	(20.7%)

Source: Company data, consolidated unaudited results

2009 Financial Performance



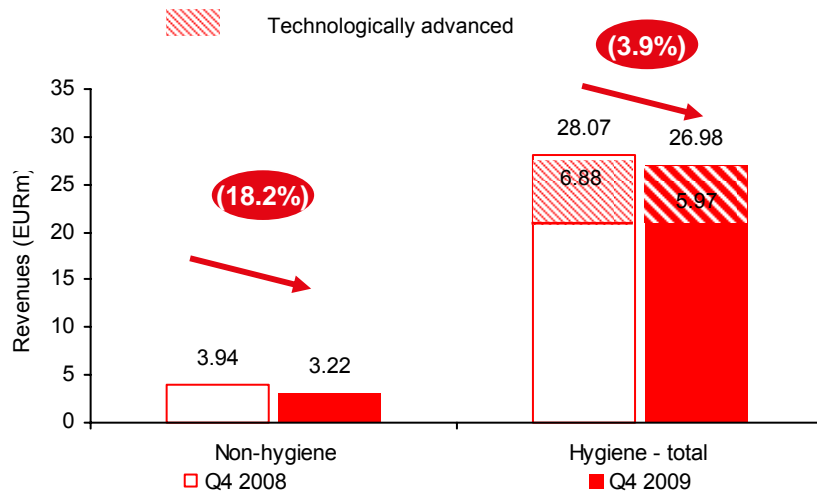
2009 P&L

Euro (000 `)	Q4			FY		
	2008 (unaudited)	2009 (unaudited)	% change	2008 (audited)	2009 (unaudited)	% change
Revenues	32,011	30,194	(5.7%)	142,771	123,447	(13.5%)
Raw materials & consumables	(21,444)	(20,418)	(4.8%)	(97,098)	(77,543)	(20.1%)
Staff costs	(1,616)	(1,800)	11.4%	(6,545)	(7,551)	15.4%
Of which Share price bonus	5	171	n/a	494	(273)	n/a
Other net operating income/(expense)	116	22	(81.0%)	363	438	20.7%
EBITDA	9,067	7,998	(11.8%)	39,491	38,791	(1.8%)
EBITDA Margin (%)	28.3%	26.5%	(1.8 pp)	27.7%	31.4%	3.7 pp
Depreciation	(4,172)	(4,067)	(2.5%)	(16,810)	(15,934)	(5.2%)
Profit from operations (EBIT)	4,895	3,931	(19.7%)	22,681	22,857	0.8%
EBIT Margin (%)	15.3%	13.0%	(2.3 pp)	15.9%	18.5%	2.6 pp
FX changes and other fin. income/(expense) (net)	(15,290)	(5,348)	(65.0%)	(2,230)	2,509	n/a
Interest (expense)/income (net)	(1,482)	(910)	(38.6%)	(6,288)	(3,840)	(38.9%)
Income tax (expense)/income (net)	3,282	1,063	(67.6%)	726	(724)	n/a
Net Profit	(8,595)	(1,264)	(85.3%)	14,889	20,802	39.7%
Net Profit Margin (%)	(26.9%)	(4.2%)	22.7 pp	10.4%	16.9%	6.5 pp

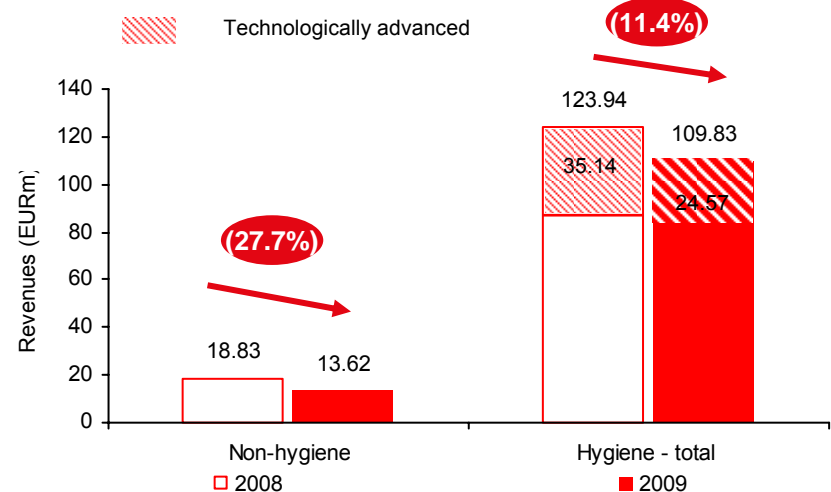
Source: Company data

Revenue Breakdown by Product

Q4



FY

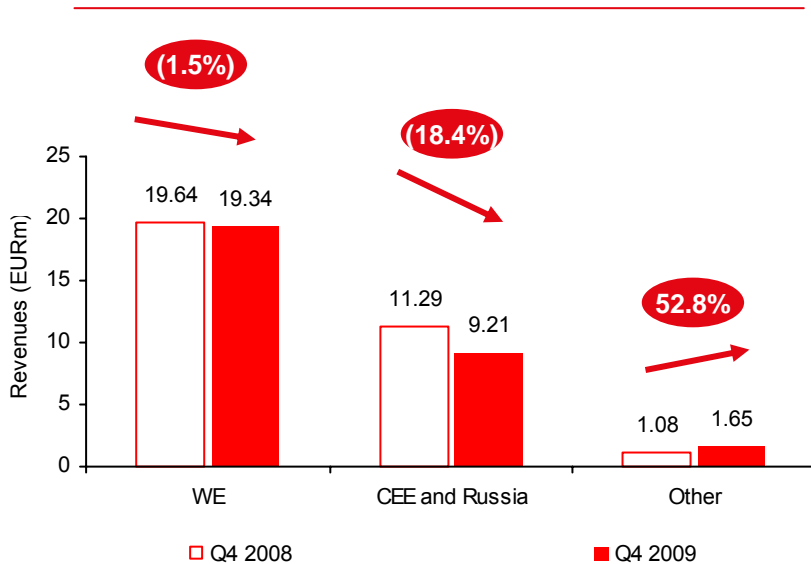


- Revenue decline due to lower polymer prices across the segments
- Share of hygiene sales remains stable and is rising slightly

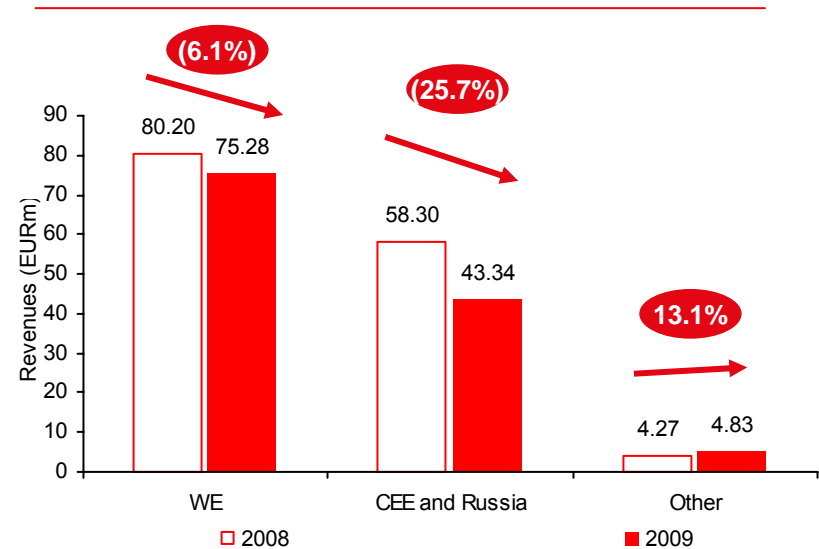
Source: Company data

Revenue Breakdown by Geography

Q4



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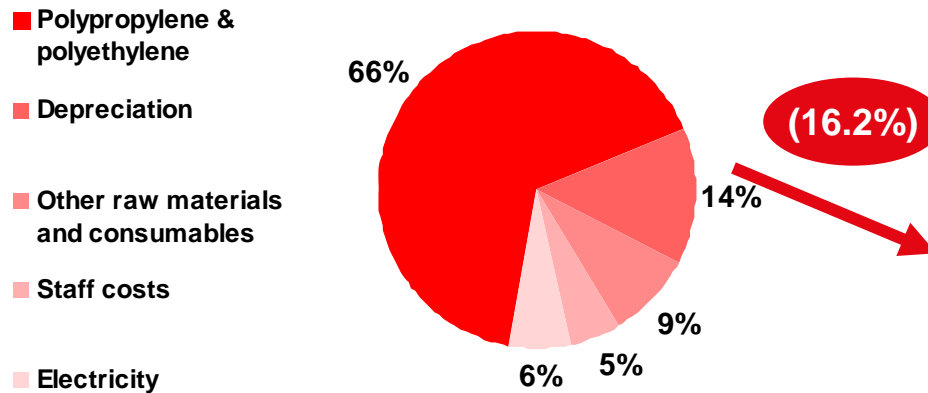


- Geographical distribution of sales confirms key focus on the broader European market

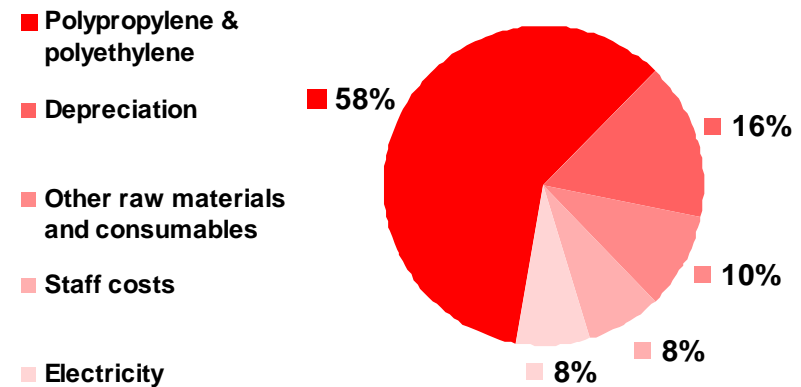
Source: Company data

Cost Composition

Cost Breakdown 2008



Cost Breakdown 2009



- Substantial decrease of PP/PE costs by 24.5% yoy due to low polymer prices
- Staff costs up due to the revaluation of the share option plan as a result of a higher share price
- Electricity costs up by 5.7% yoy due to an increase in the price of electricity

Source: Company data

Balance Sheet

Euro (000´)	Dec 31st 2008 (audited)	Dec 31st 2009 (unaudited)	% change
Non-current assets	207,843	196,739	(5.3%)
Property, plant and equipment	121,440	108,865	(10.4%)
Intangible assets (including goodwill)	86,403	87,874	1.7%
Current assets	40,400	39,108	(3.2%)
Inventories	12,731	13,652	7.2%
Trade and other receivables	27,360	24,983	(8.7%)
Bank balances and cash	309	473	53.1%
Total assets	248,243	235,847	(5.0%)
Total share capital and reserves	99,179	113,273	14.2%
Non-current liabilities	107,514	94,112	(12.5%)
Bank loans due after 1 year	96,131	82,614	(14.1%)
Deferred tax	11,378	11,471	0.8%
Other payables	5	27	440.0%
Current liabilities	41,550	28,462	(31.5%)
Trade and other payables	16,751	13,977	(16.6%)
Tax liabilities	79	1,016	1,186.1%
Bank overdrafts and loans	24,720	13,469	(45.5%)

Source: Company data

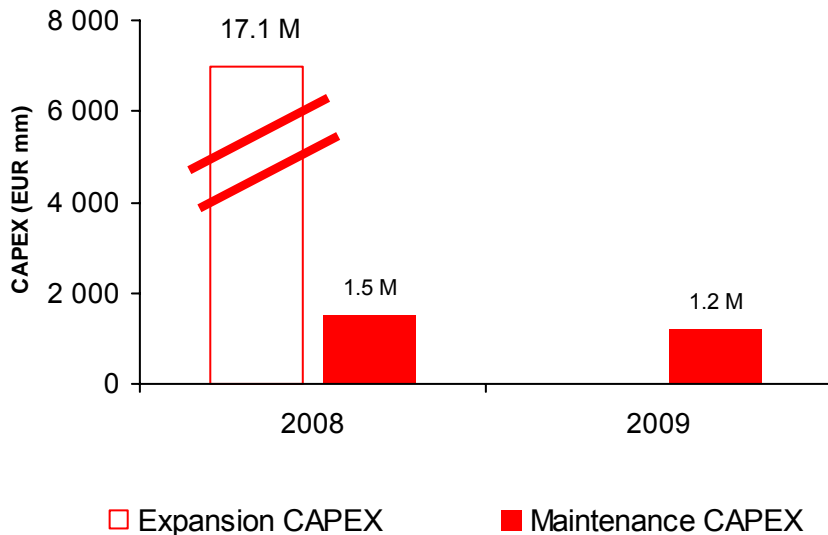
Cash Flow Statement

Euro (000')	2008 (audited)	2009 (unaudited)	% change
Profit before tax	14,163	21,526	52.0%
Amortization/ Depreciation	16,810	15,934	(5.2%)
FX	(330)	(216)	(34.5%)
Interest Expense	6,362	3,850	(39.5%)
Fair value changes of interest rate swaps	2,055	(515)	n/a
Other financial expense	2,048	(66)	n/a
Change in inventories	(495)	(698)	41.0%
Change in receivables	(798)	2,561	n/a
Change in payables	(2,581)	(2,532)	(1.9%)
Income tax paid	(2,119)	649	n/a
Net Cash Flow from Operating activities	35,115	40,493	15.3%
Purchases of property, plant and equipment	(18,619)	(1,208)	(93.5%)
Net Cash Flow from Investment activities	(18,619)	(1,208)	(93.5%)
Change in bank loans	(1,314)	(27,363)	1,982.4%
Change in long term debt	(96)	22	n/a
Distribution (dividends)	(7,845)	(8,306)	5.9%
Interest paid	(5,395)	(3,721)	(31.0%)
Other changes in equity	--	181	n/a
Other financial income	(2,048)	66	n/a
Net Cash Flow from Financing activities	(16,698)	(39,121)	134.3%
Bank balances and cash at the beginning of the year	511	309	(39.5%)
Change in cash and cash equivalents	(202)	164	n/a
Bank balances and cash at the end of the period	309	473	53.1%

Source: Company data

CAPEX Development

CAPEX Breakdown



- **2009 – maintenance CAPEX only**

Source: Company data, consolidated results

2010 Guidance



2010 Guidance

- **2010 production capacity sold out**
- **2010 EBITDA expected to decrease by up to 10% compared with 2009 (EUR 38.8 mm)**
- **Total 2010 CAPEX up to EUR 9 million at a constant FX rate CZK/ EUR 26**
- **Further reduction of external debt planned**

New Production Line Project

- Decision to commence a new production line project made
- The total invested amount will not exceed EUR 50 million
- Production capacity will increase by up to 20 thousand tonnes
- Anticipated launch in 2H 2011
- Focus on ultra-light materials, new bi-component applications and other new materials

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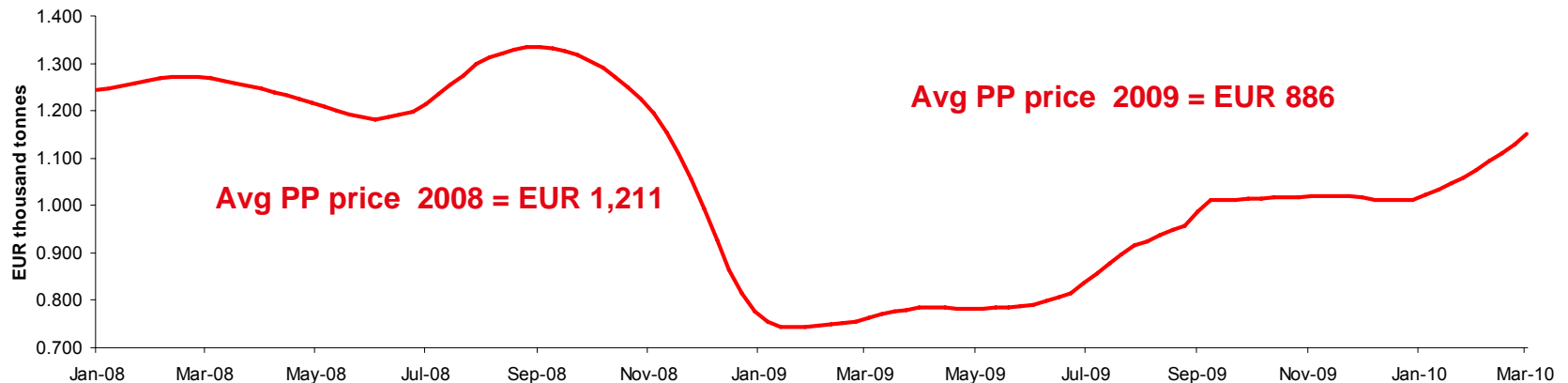
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Appendix

Development of Polymer Prices

PP Illustrative Index



- Annual decline in revenues is driven by lower polymer prices / costs which are passed into final output prices
- On average, polymer prices declined by 27% in 2009 compared with 2008
- Polymer prices increased in 2H 2009, indices in Q4 2009 were higher by approximately 30% compared with lows in Q1

Source: Company data