

... every single detail

First Six Months Results 2007



August 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

First Half and Q2 2007 Highlights

Market Trends Update

First Half and Q2 2007 Financial Performance

Ownership Changes – post 1H

Dividend Policy

First Half & Q2 2007 Key Highlights

Financial Performance in 1H 2007

- Revenues growth of 1.1% yoy on the back of a higher sold tonnage
- Increase in adjusted EBITDA by 0.7% yoy
- Finance costs reduced by 17.8% yoy (incl. arrangement fee write-off)
- Net profit down by 75.0% yoy due to the impact of FX changes/ Adjusted Net profit up by 47.0% yoy
- New refinancing successfully syndicated – new spreads over Euribor reduced by double

Markets and Business

- Spunmelt nonwovens PP/PE market in Europe growing at 8.8% CAGR (2004-2006)
- PEGAS's market share in this market is estimated at 9.5% based on 2007e output and is expected to grow to 11.4% in 2008
- Spunmelt hygiene market is growing at 9.9% CAGR (2004-2006), PEGAS's market share in 2006 was 17.9% and is estimated to exceed 19.3% in 2008
- PEGAS is the 2nd largest producer in Europe in terms of installed capacity

Technology and Production

- Production output up by 5.4% yoy in 1H and by 6.7% in Q2 owing to higher production efficiencies
- Sales orders for the production of the 8th line negotiated
- Application procedure for the investment incentives for 9th line started
- Launch of new R&D projects to remain at the forefront of market development

Key Financial Highlights

| (EUR'000s) | Q2 | | | H1 | | |
|---|---------------------------------------|-----------------------------------|-----------------|----------|----------|----------|
| | 2006 | 2007 | % change | 2006 | 2007 | % change |
| Revenue | 30,527 | 29,383 | (3.7%) | 60,065 | 60,717 | 1.1% |
| Operating Costs | (20,254) | (19,331) | (4.6%) | (39,270) | (39,780) | 1.3% |
| FX gains and MtM revaluation of IRS | 1,288 | (3,236) | n/a | 5,069 | (6,006) | n/a |
| EBITDA | 11,561 | 6,816 | (41.0%) | 25,864 | 14,931 | (42.3%) |
| Adjusted EBITDA ¹ | 10,273 | 10,052 | (2.2%) | 20,795 | 20,937 | 0.7% |
| Adjusted EBITDA margin (%) ¹ | 33.7% | 34.2% | 0.5% | 34.6% | 34.5% | (0.1%) |
| Profit from operations (EBIT) | 8,473 | 3,802 | (55.1%) | 19,711 | 8,879 | (55.0) |
| Adjusted Profit from operations (EBIT) ¹ | 7,185 | 7,038 | (2.0%) | 14,642 | 14,885 | 1.7% |
| Adjusted EBIT margin (%) ¹ | 23.5% | 24.0% | 0.5% | 24.4% | 24.5% | 0.1% |
| Net Profit | 4,263 | (231) | n/a | 10,640 | 2,656 | (75.0%) |
| Net Profit Margin (%) | 14.0% | n/a | n/a | 17.7% | 4.4% | (13.3%) |
| Adjusted Net Profit ² | 2,832 | 3,005 | 6.1% | 5,894 | 8,662 | 47.0% |
| Production (tonnes net of scrap) | 13,227 | 14,118 | 6.7% | 26,446 | 27,875 | 5.4% |
| Number of Employees end of quarter | 329 | 357 | 8.5% | 329 | 357 | 8.5% |
| | December 31st, 2006 | June 30th, 2007 | % change | | | |
| Total assets | 249,025 | 232,288 | (6.7%) | | | |
| Net debt | 114,157 | 120,020 | 5.1% | | | |

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

2007 Strategic Focus

Growth

- PEGAS's core market - spunmelt hygiene nonwovens in Europe growing strongly 9.9% CAGR (2004-2006)
- PEGAS's market share in the European hygiene market expected to grow from 17.9% in 2006 to 19.3% in 2008
- Output from the 8th production line sold out for 2008

Technology Leadership

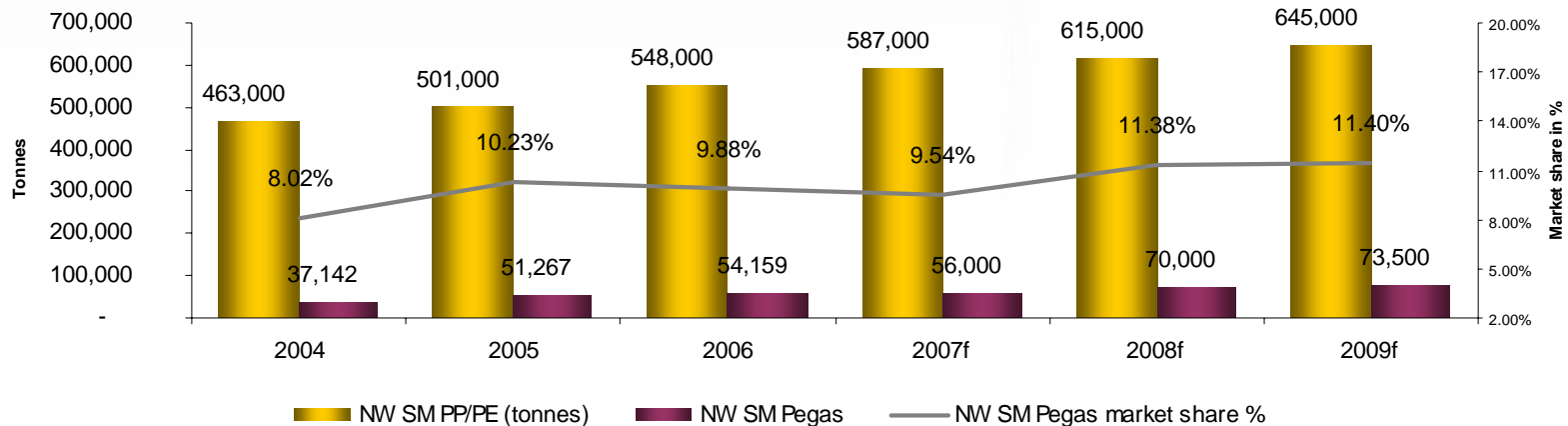
- R&D focus on different bi-co materials and elastic nonwovens to improve properties for customers
- New developments mainly for the hygiene industry (spin finishes, permanent hydrophilic treatment)

Delivery of Financial Performance

- Focus on stable EBITDA generation (polymer pass-through mechanism)
- Highest margins in the industry with a focus on production and cost efficiencies to mitigate pricing pressures
- Sustainable strong cash flow generation
- Commitment to the progressive dividend policy in future years

Relevant Market Overview - Spunmelt

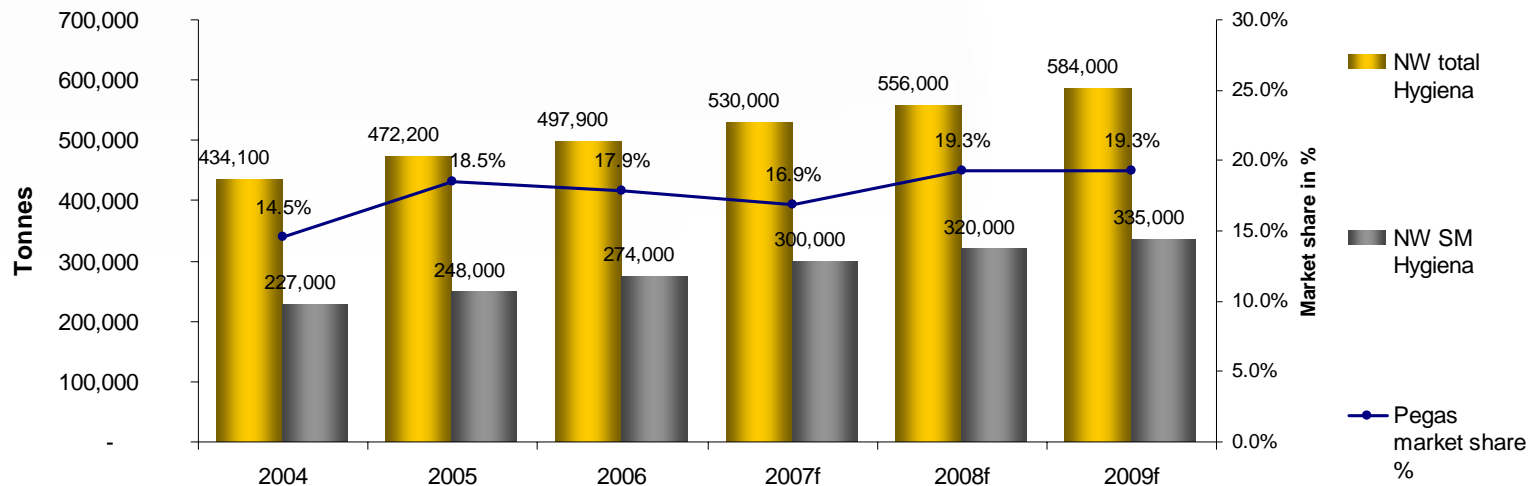
European Spunmelt Nonwovens (PP/PE) Market (2004-2009e)



- Nonwovens spunmelt PP/PE market in Europe is growing 8.8% CAGR (2004-2006)
- PEGAS market share in Europe is currently 9.9% based on 2006 production output and volume is growing 21.3% CAGR (2004-2006) – faster than its core market
- PEGAS market share in Europe is expected to grow to 11.4% when the 8th line is installed (2008)

Market Overview - Hygiene

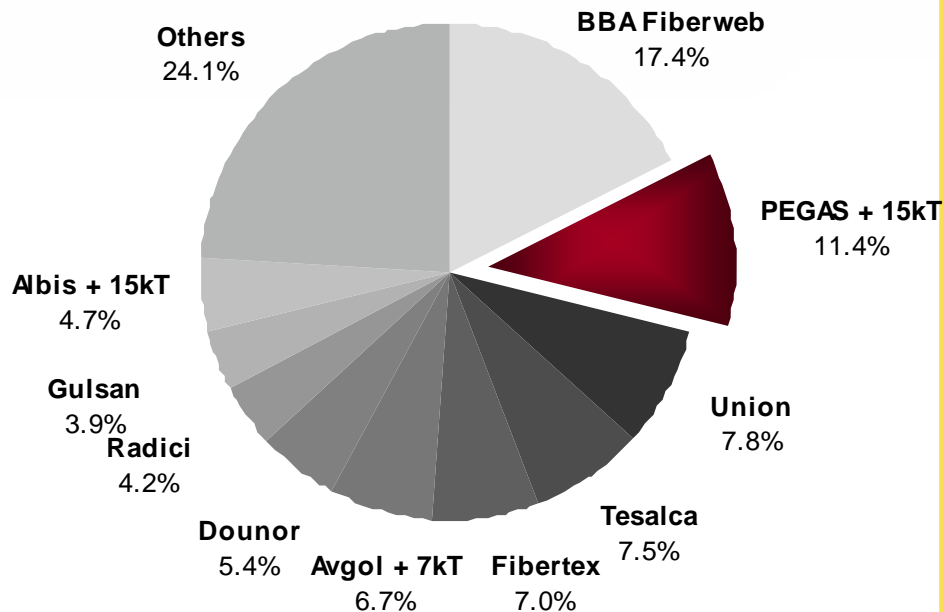
European Nonwovens Spunmelt Hygiene Market (2004-2009e)



- European hygiene nonwovens market has grown 7.1% CAGR (2004-2006)
- European spunmelt hygiene nonwovens market has grown 9.9% CAGR (2004-2006)
- PEGAS market share in European hygiene spunmelt market is anticipated to reach 16.9% in 2007
- PEGAS's production for the hygiene market is estimated to grow over 15.4% CAGR from 2004 to 2007e

Overview of European Production Capacity

Installed capacity¹ in % – 2008e EOP



- PEGAS is no. 2 producer of spunmelt nonwovens in Europe in terms of installed production capacity
- After the installation of the 8th line, PEGAS is expected to reach a 13% market share in terms of installed production capacity in Europe at the end of 2007
- In addition, European market has a stable surplus of exports over imports in spunmelt nonwovens, app. 80 thousand tonnes in 2006

Source: Edana, PEGAS, John Starr

Note: 1) Installed spunmelt production capacity in Europe estimate, end of period 2007

Profit and Loss Statement

| (EUR'000s) | Q2 | | | 1H | | |
|---|---------------|---------------|----------------|---------------|---------------|----------------|
| | 2006 | 2007 | % change | 2006 | 2007 | % change |
| Revenue | 30,527 | 29,383 | (3.7%) | 60,065 | 60,717 | 1.1% |
| Raw materials & consumables | (18,859) | (18,774) | (0.5%) | (36,865) | (37,912) | 2.8% |
| Staff costs | (1,251) | (1,431) | 14.4% | (2,462) | (2,764) | 12.3% |
| Of which Share price bonus | 0 | (57) | n/a | 0 | (57) | n/a |
| Other net operating income/(expense) | 1,144 | (2,362) | n/a | 5,126 | (5,110) | n/a |
| Of which FX gains and MtM revaluation of IRS | 1,288 | (3,236) | n/a | 5,069 | (6,006) | n/a |
| EBITDA | 11,561 | 6,816 | (41.0%) | 25,864 | 14,931 | (42.3%) |
| Adjusted EBITDA¹ | 10,273 | 10,052 | (2.2%) | 20,795 | 20,937 | 0.7% |
| Adjusted EBITDA margin (%)¹ | 33.7% | 34.2% | 0.5% | 34.6% | 34.5% | (0.1%) |
| Depreciation | (3,088) | (3,014) | (2.4%) | (6,153) | (6,052) | (1.6%) |
| Profit from operations (EBIT) | 8,473 | 3,802 | (55.1%) | 19,711 | 8,879 | (55.0%) |
| Adjusted Profit from operations (EBIT)¹ | 7,185 | 7,038 | (2.0%) | 14,642 | 14,885 | 1.7% |
| Adjusted EBIT margin (%)¹ | 23.5% | 24.0% | 0.5% | 24.4% | 24.5% | 0.1% |
| Finance costs | (4,120) | (4,429) | 7.5% | (8,075) | (6,634) | (17.8%) |
| Income tax expense | 36 | 396 | n/a | (723) | 411 | n/a |
| Minority interest | (126) | 0 | n/a | (273) | 0 | n/a |
| Attributable Net Profit | 4,263 | (231) | n/a | 10,640 | 2,656 | (75.0%) |
| Net Profit Margin (%) | 14.0% | n/a | n/a | 17.7% | 4.4% | (13.3%) |
| Adjusted Net Profit² | 2,832 | 3,005 | 6.1% | 5,894 | 8,662 | 47.0% |

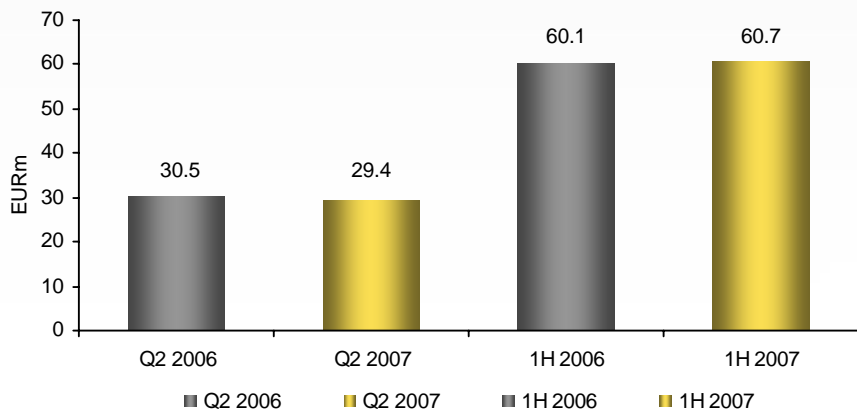
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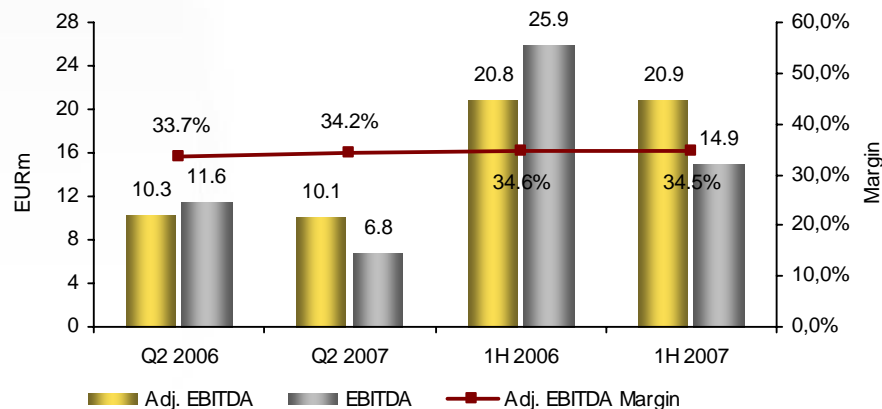
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Revenues and Margins

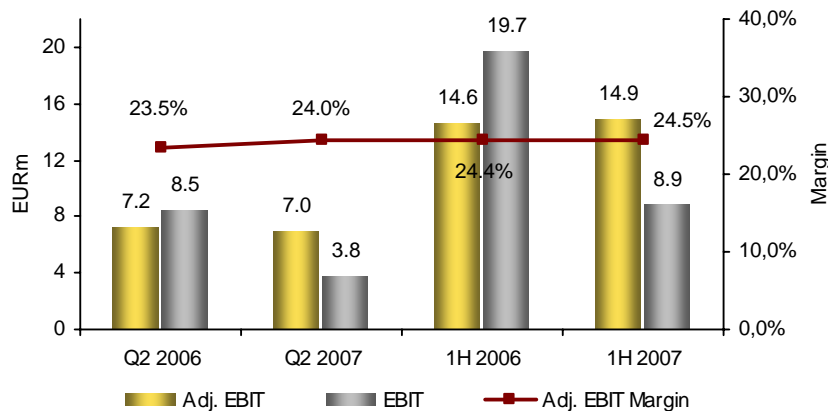
Revenues Q2 and 1H



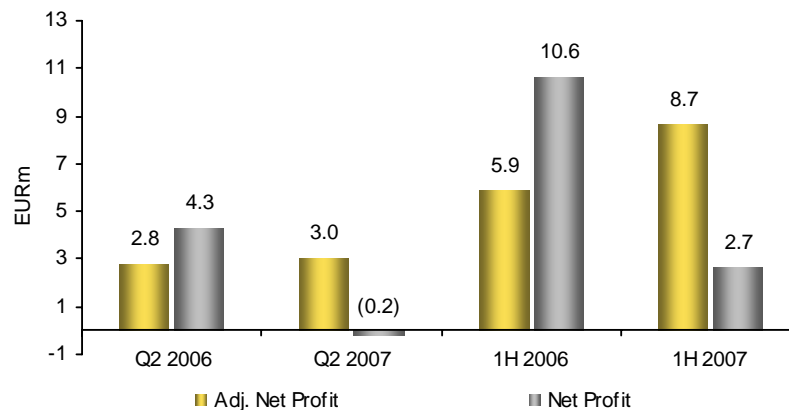
EBITDA Q2 and 1H, EBITDA margin



EBIT Q2 and 1H, EBIT margin

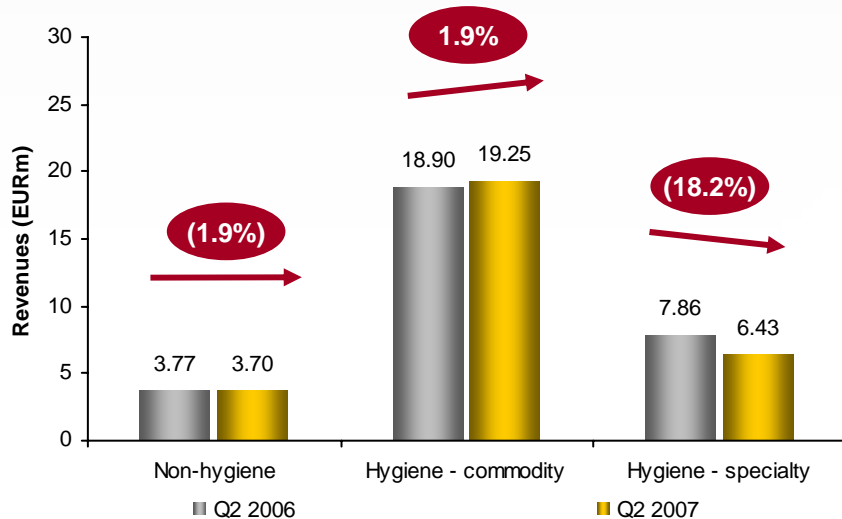


Net Profit Q2 and 1H



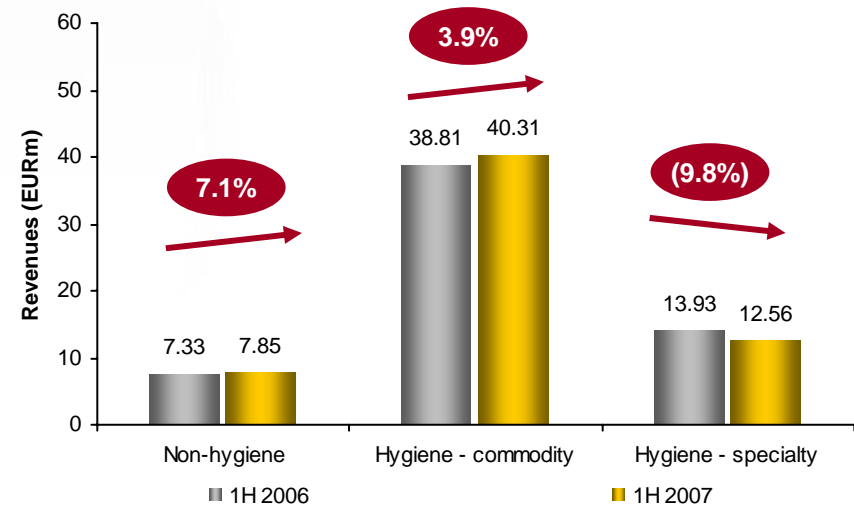
Revenue Breakdown by Product

Q2



Source: Company data

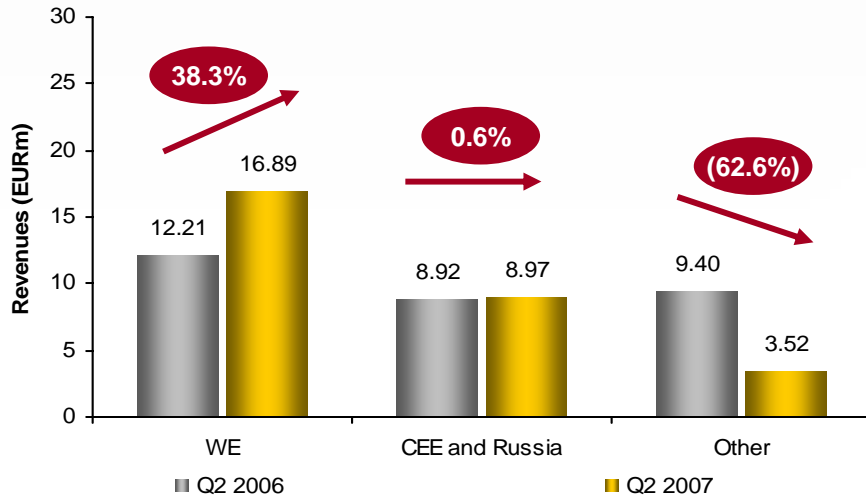
1H



- The decline in specialty sales by 9.8% in the first half and by 18.2% in the second quarter is related to a one-off contract with a overseas customer which was not repeated as fully anticipated
- When compared with Q1 2007, sales breakdown was more favourable in Q2, specialty sales in Q2 increased by 4.9% qoq

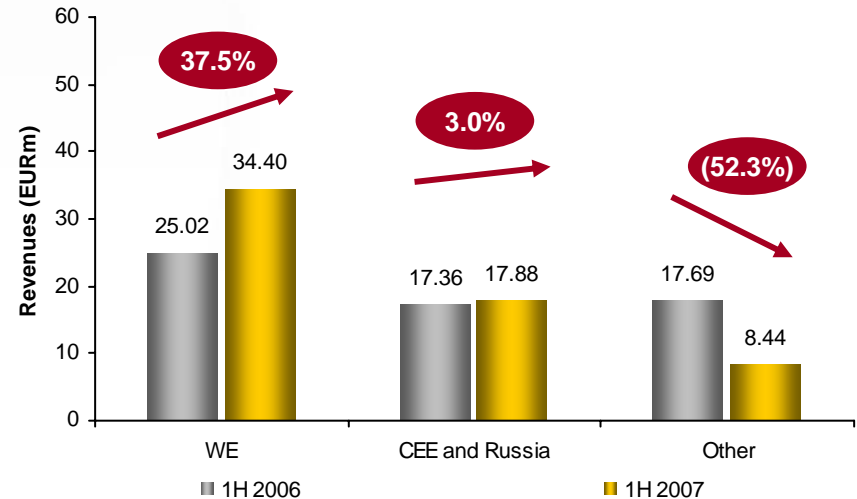
Revenue Breakdown by Geography

Q2



Source: Company data

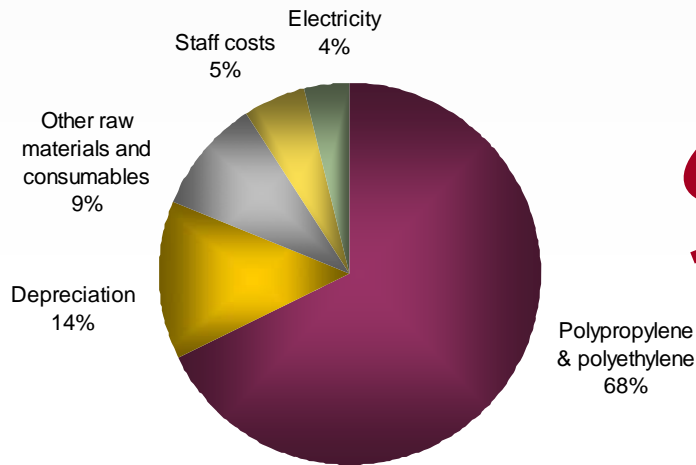
1H



- Geographical breakdown confirms a shift of orders from other regions to Western Europe
- Europe remains a key market for PEGAS – most production capacities are still located in the western part of the continent
- Decline of sales to other territories fully in line with company's European focus and replacement of one-off contract with the overseas customer

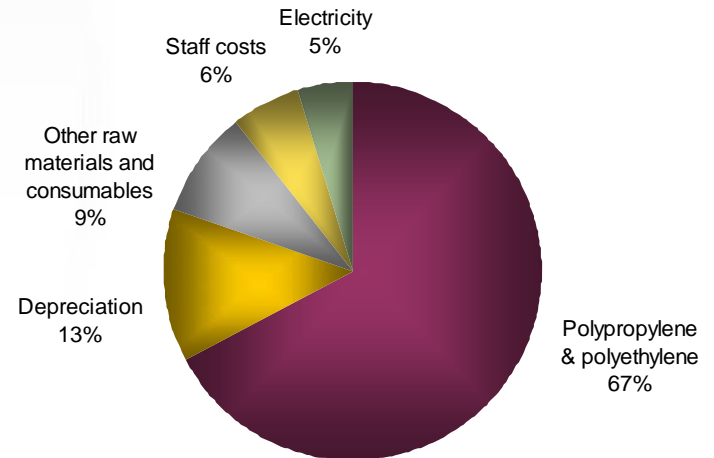
Cost Composition

Cost Breakdown in 1H 2006



+3.1%

Cost Breakdowns in 1H 2007



Source: Company data

- Increase in staff costs by 12.3% yoy at the back on new corporate governance structure and management remuneration after the IPO and new hiring for the 8th line
- Polymer costs up by 2.4% yoy at the back of rising polymer indices
- Electricity prices went up by 26.6% yoy due to higher of electricity prices and higher consumed volumes

Balance Sheet

| (EUR'000s) | Jun 30 th , 2006 Unaudited | Dec 31 st , 2006 Audited | Jun 30 th , 2007 Unaudited | Jun 30 th , 2007/ Dec 31 st , 2006 change in % |
|---|--|--|--|--|
| Non-current assets | 192,628 | 195,008 | 197,309 | 1.2% |
| Property, plant and equipment | 111,133 | 110,522 | 116,437 | 5.4% |
| Intangible assets | 81,495 | 84,486 | 80,872 | (4.3%) |
| Current assets | 60,448 | 54,017 | 34,979 | (35.2%) |
| Inventories | 7,379 | 8,363 | 7,595 | (9.2%) |
| Trade and other receivables | 24,777 | 23,640 | 26,146 | 10.6% |
| Bank balances and cash | 28,292 | 22,014 | 1,238 | (94.4%) |
| Total assets | 253,076 | 249,025 | 232,288 | (6.7%) |
| Total share capital and reserves | 14,081 | 76,950 | 78,521 | 2.0% |
| Non-current liabilities | 205,753 | 138,351 | 129,664 | (6.3%) |
| Bank loans due after 1 year | 152,958 | 122,851 | 115,493 | (6.0%) |
| Deferred tax | 15,184 | 15,225 | 14,171 | (6.9%) |
| Other payables | 37,611 | 275 | 0 | n/a |
| Current liabilities | 33,242 | 33,724 | 24,103 | (28.5%) |
| Trade and other payables | 18,992 | 20,212 | 18,338 | (9.3%) |
| Tax liabilities | 0 | 192 | 0 | n/a |
| Bank overdrafts and loans | 14,250 | 13,320 | 5,765 | (56.7%) |

Note : Consolidated in accordance with IFRS

Cash Flow Statement

Six months to June 30th

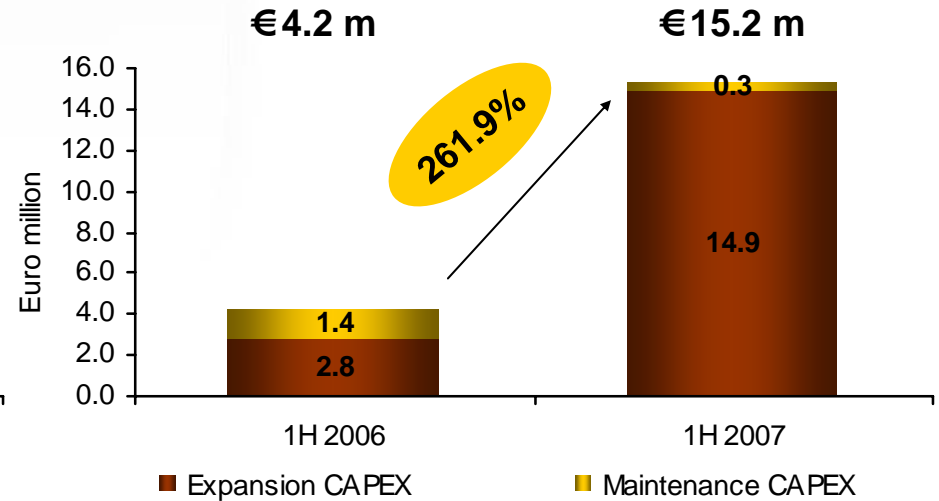
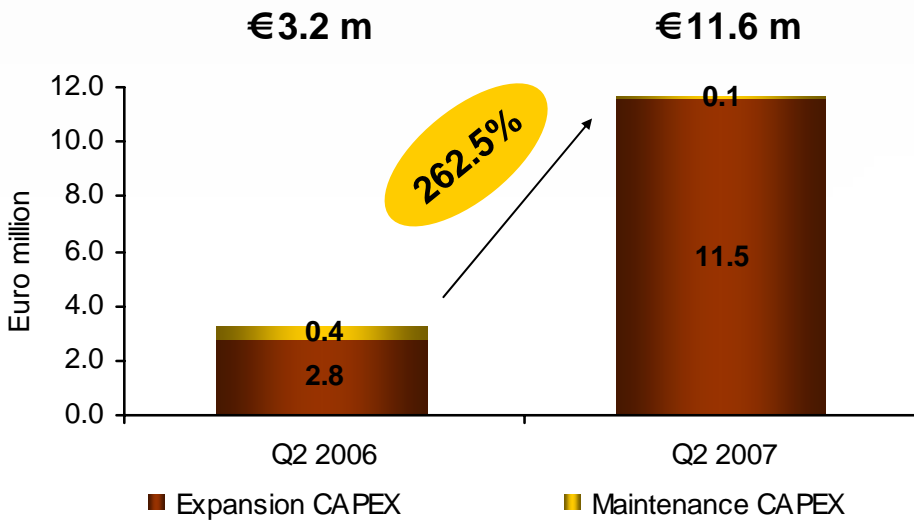
| (EUR'000s) | 1H 2006 | 1H 2007 | Change in % |
|--|-----------------|-----------------|----------------|
| Profit before tax | 11,636 | 2,245 | (80.7%) |
| Amortization/ Depreciation | 6,153 | 6,052 | (1.6%) |
| FX | (3,482) | 7,426 | n/a |
| Interest Expense | 8,075 | 6,634 | (17.8%) |
| Fair value changes of interest rate swaps | 1,775 | 809 | (54.4%) |
| Change in inventories | 1,243 | 768 | (38.2%) |
| Change in receivables | (2,767) | (3,315) | 19.8% |
| Change in payables | (5,050) | 102 | n/a |
| Change in arrangement fees | 0 | (2,458) | n/a |
| Income tax paid | (528) | (4) | (99.2%) |
| IPO related costs paid | 0 | (2,389) | n/a |
| Net Cash Flow from Operating activities | 17,055 | 15,870 | (6.9%) |
| Purchases of property, plant and equipment | (4,171) | (15,218) | 264.9% |
| Net Cash Flow from Investment activities | (4,171) | (15,218) | 264.9% |
| Change in bank loans | (7,825) | (15,645) | 99.9% |
| Change in long term liabilities | 0 | (275) | n/a |
| Interest paid | (3,801) | (5,508) | 44.9% |
| Cash Flow from Financial activities | (11,626) | (21,428) | 84.3% |
| Bank balances and cash at the beginning of the period | 27,034 | 22,014 | (18.6%) |
| Change in cash and cash equivalents | 1,258 | (20,776) | n/a |
| Bank balances and cash at the end of the period | 28,292 | 1,238 | (95.6%) |

Note : Unaudited consolidated financial results in accordance with IFRS

CAPEX Development

CAPEX Breakdown Q2

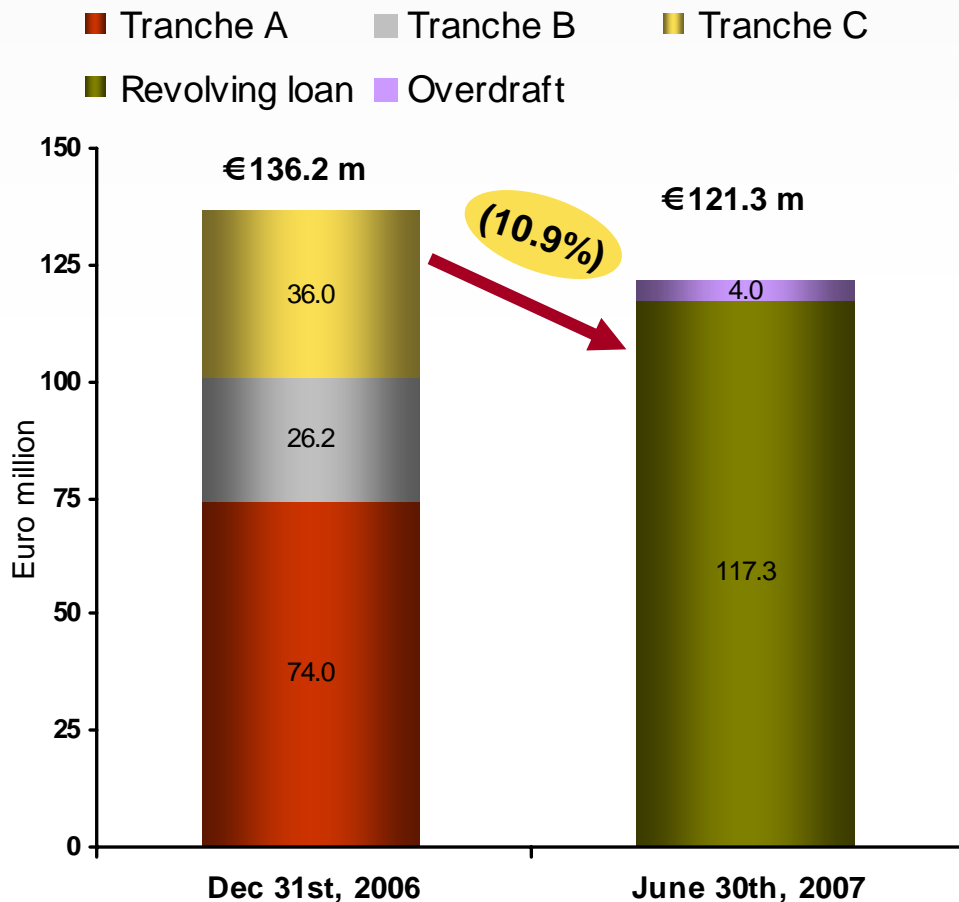
CAPEX Breakdown 1H



Source: Company data

- CAPEX in 2007 related mainly to the 8th production line project
- Investments in 2007 are concentrated mainly in the first nine months of the year
- Full 2007 CAPEX guidance remains Euro 20 m

Debt and Borrowings Development



- Bank loans were reduced over the last six months by 11% using free cash, hence further reducing finance costs
- A comfortable level of debt for the company with well sufficient level of financial reserve
- Net debt increased to Euro 120.0 million due to extended CAPEX

Source: Company data

Debt Refinancing

- On May 10th, 2007, PEGAS signed a 5- year, 150 million Euro, non-amortising syndicated loan agreement
- Used to repay all former outstanding debt
- The new facilities consist of an 130 million Euro revolving facility and a 20 million Euro overdraft
- Main benefits:
 - Cash flow flexibility
 - Average margin over Euribor 120 bps
 - Commitment fees of the undrawn amounts - 35% of the margin
- Overdraft facility being utilized as daily cash management tool

Debt Overview prior and post refinancing

| December 31 st , 2006 | Bank loan | Arr. fees | Due amount | Short-term | Long-term | Interest rate | Interest rate at 31/12/06 |
|----------------------------------|----------------|----------------|----------------|---------------|----------------|----------------|---------------------------|
| Revolver | -- | (126) | (126) | -- | (126) | -- | -- |
| Credit tranche A | 75,485 | (1,504) | 73,981 | 13,320 | 60,661 | 1,3,6M E+2.00% | 5.674 % |
| Credit tranche B | 26,781 | (464) | 26,317 | -- | 26,317 | 1,3,6M E+2.75% | 6.424% |
| Credit tranche C | 36,648 | (649) | 35,999 | -- | 35,999 | 1,3,6M E+3.25% | 6.924 % |
| Bank loans total | 138,914 | (2,743) | 136,171 | 13,320 | 122,851 | | |

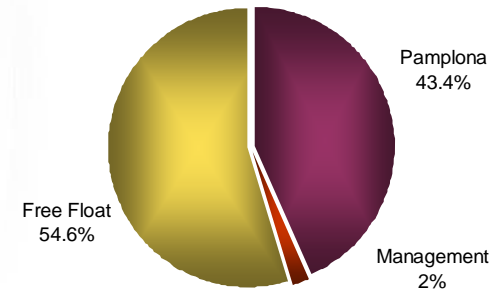
| June 30 th , 2007 | Drawdown limit | Bank loan outstanding | Available to draw | Arr. fees and related costs | Due amount | Short-term | Long-term | Interest rate var. | Interest rate |
|------------------------------|----------------|-----------------------|-------------------|-----------------------------|----------------|--------------|----------------|--------------------|---------------|
| Revolving | 130,000 | 119,000 | 11,000 | (1,742) | 117,258 | 1,765 | 115,493 | 1,2,3,6 ME + 1.2% | 5.315% |
| Overdraft | 20,000 | 4,268 | 15,732 | (268) | 4,000 | 4,000 | -- | 1,2,3,6 ME + 1.25% | 5.364% |
| Bank loans total | 150,000 | 123,268 | 26,732 | (2,010) | 121,258 | 5,765 | 115,493 | | |

Source: Company data

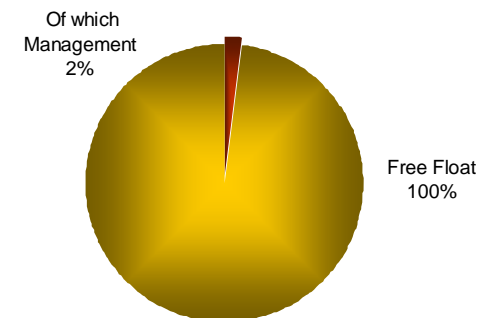
Ownership Changes – post Q2 2007

- On July 11th, Pamplona sold all of its 43.4% stake in the accelerated bookbuild, following a short investor roadshow at a price of CZK 780
- The placement did not included a retail offering
- On July 16th, shares were transferred and transaction settled
- Most of the shares were placed to institutional investors in the UK, Czech Republic and Poland, rest evenly distributed among other European investors
- Following Pamplona's sale, 100% of the shares are now free float, of which 2% is held by the senior management of PEGAS

Ownership Structure June 30th, 2007



Current Ownership Structure



Source: Company data

Dividend Policy

- PEGAS NONWOVENS SA announced a dividend payment of Euro 7,014,344 , i .e . Euro 0.76 per share (based on a total number of shares being 9,229,400)
- The Company will continue with a progressive dividend policy in the next years subject to maintaining satisfactory financial performance
- No specific pay-out ratio in terms of Net Profit or an anticipated dividend yield for future years is decided
 - **Payment Date is 27th September 2007**
 - **Record Date is 20th September 2007**
- The share will trade ex-dividend next day after the record date

Reporting Schedule and Investor Relations Contact

Reporting Schedule

9M 2007 Results - November 29th, 2007

Investor Relations :

Tel: +420 515 262 450/ 460

Fax: +420 515 262 505

E-mail: IRO@pegas.cz