Six Month Report

JANUARY 1 – JUNE 30, 2009

PFLEIDERER
AKTIENGESELLSCHAFT

Interim report on the six months ended June 30, 2009

- Revenue down by 24.5 percent compared with prior-year period to 692.4 million euros
- First-half EBITDA down by 33.8 percent to 79.1 million euros
- EBITDA of 11.4 percent benefits from falling raw-material costs, cost-cutting actions and positive one-time effects
- Revenue in North America grows by 0.5 percent to 211.5 million euros despite recession, this is the Group's most profitable region in both relative and absolute terms
- Revenue in Eastern Europe particularly impacted by recession and weak currencies
- Weak demand in Western Europe spreads to domestic demand

Pfleiderer Group: key figures for the first half of 2009

Amounts in millions of euros	Jan. 1 - June 30, 2009	Jan. 1 - June 30, 2008	April 1 - June 30, 2009	April 1- June 30, 2008
Revenue	692.4	916.9	334.5	449.1
International share (in percent)	71.5	71.9	72.5	71.7
EBITDA	79.1	119.5	26.4	59.1
EBITDA margin (in percent)	11.4	13.0	7.9	13.2
EBIT	22.6	54.8	-0.4	22.6
EBT from continuing operations	-3.7	22.9	-10.4	8.5
Profit for the period	3.7	16.3	0.2	5.4
Profit attributable to Pfleiderer shareholders	-2.8	5.3	-2.9	0.0
Earnings per share, basic (in euros)	-0.06	0.10	-0.06	0.00
Earnings per share, diluted (in euros)	-0.06	0.10	-0.06	0.00
Number of employees at end of period	5,620	5,861	5,620	5,861
Germany	2,485	2,573	2,485	2,573
Outside Germany	3,135	3,288	3,135	3,288
Average number of shares outstanding, basic	50,682,642	50,953,244	50,682,642	50,953,244

In millions of euros	June 30, 2009	Dec. 31, 2008	Change in percent
Total assets	1,936.0	1,887.5	2.6
Equity	696.2	710.9	-2.1
Equity ratio (in percent)	36.0	37.7	-4.5
Net debt	797.5	635.5	25.5

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Dear Shareholders, Ladies and Gentlemen,

We already announced in the middle of July that the recovery of our markets that seemed to be starting at the beginning of the year had not continued in the second quarter. However, at least there was no further deterioration of the business situation during the second quarter and at the beginning of the third quarter. Indications are now that demand will remain flat at a low level, whereby developments have been very different from region to region.

Although the Pfleiderer Group's total revenue of 692.4 million euros in the first half of 2009 was 24.5 percent lower than in the prior-year period, the North America region posted slight growth, despite the recession in that area. In the second quarter, the North America region accounted for one third of total revenue; this demonstrates that the positive effects of our efforts of the past two years to expand market share are beginning to pay off. Western Europe was the last of our sales regions to be affected by falling demand. While weak demand initially affected our export markets, it has now spread to domestic demand, so that revenue fell by 28.4 percent compared with the first half of 2008 to 369.3 million euros. However, we now see the first signs of stabilization in Western Europe. Our volume of revenue generated in Eastern Europe is a reflection not only of the recession's impact on unit sales, but also of disadvantageous exchange-rate movements. Solely due to the depreciation of the Polish zloty and the Russian ruble, we suffered a currency-related fall in revenue of 21 percent in this region in the first half of this year. Together with the effects of falling prices and unit sales, revenue in this region fell by 39.4 percent in the reporting period. No signs of an improvement in demand in Eastern Europe in sight at present.

We reacted early, quickly and effectively to this challenging business development. We have always been aware that our markets are cyclical and that long-term success is dependent to a great extent on maintaining a competitive level of costs. Our research shows that we have achieved our goal of cost leadership in the industry. One of the factors that enabled us to do so was the implementation of a long-term strategy of controlling costs, growth, differentiating ourselves from the competition and controlling risks, as we already described in our Annual Report 2008. Another factor is that short-term cost-cutting actions such as headcount reductions, selective short-time working arrangements, efficiency improvements in production and the bundling of our procurement volumes have also contributed to reducing costs. We are confident that we will surpass our targeted savings of 80 million euros in 2009, because the savings achieved in the first half of the year already add up to more than half of that total.

Considering of the sharp drop in revenue in the first half of the year and with a view to our competitors, we can be relatively satisfied with EBITDA of 79.1 million euros, equivalent to a margin of 11.4 percent. The Group's EBIT margin fell to 3.3 percent, primarily due to the significant drop in margins in Western Europe. In North America, however, we achieved the earnings turnaround in the middle of the recession and improved out EBIT significantly, achieving EBIT profit. Measured by EBT, North America was our most profitable region in the first half of the year in both relative and absolute terms. The earnings situation in Eastern Europe remained difficult. The decline in demand and accompanying price falls are continuing, and our revenue in the region is additionally reduced by the weakness of local currencies.

This generally low level of profitability means that financial covenants defined in credit agreements have been breached. As a result, we agreed with the banks on a waiver for credit lines of 513 million euros. The banks involved temporarily waive certain rights to terminate the credit agreement. We are currently negotiating with the banks to arrange a different framework for the financing. In this context, options such as credits from Germany's KfW (*Kreditanstalt für Wiederaufbau*: Reconstruction Loan Corporation) are under consideration and will be applied for.

The ongoing short-term nature of the order situation continues to make it difficult to deliver reliable forecasts. We are therefore still unable to make any concrete statements on the further development of business this year. Both in our industry and in the entire economy, however, the first signs are apparent that the situation is no longer worsening, especially in Western Europe and North America. In the present situation, we are working improving our cost position so that we operate profitably and gain market share also with a longer period of weak demand.

Neumarkt, August 5, 2009

Hans H. Overdiek
Chief Executive

Economic environment

Large parts of the world economy continued to feature recessive tendencies in the second quarter of 2009. Gross domestic product in the euro zone contracted for the fifth quarter in succession, although at a lower rate than previously. Following a year-on-year GDP drop of 2.5 percent in the first quarter, Eurostat estimates that the reduction was only about 0.1 percent in the second quarter. In Germany, GDP grew by 0.3 percent compared to the previous quarter according to preliminary figures of the Federal Statistical Office, compared with a contraction of 3.5 percent in the previous quarter. The European Central Bank’s massive interest-rate cuts and the far-reaching economic stimulus programs are beginning to show their first effects.

The US economy also seems to be stabilizing. According to initial calculations, first-quarter GDP shrank by 1.0 percent compared with 6.4 percent in the previous quarter. The rate of job reductions in the US economy seems to have abated somewhat, orders received are stabilizing at a low level, and the slump in house building is slowing down. However, the ongoing fall in house prices in the United States will reduce private consumption and will thus hinder a rapid and strong economic recovery.

But there are still few signs of improvement in Eastern Europe, although the economic situation in Poland, our most important market in Eastern Europe, is relatively good. According to the EU office of statistics, EUROSTAT, the Polish economy grew in the first quarter of 2009 by 0.4 percent compared with the previous quarter. This is the strongest growth among all of the EU member states. For full-year 2009, EUROSTAT forecasts a drop in GDP in Poland of 1.4 percent. For Russia, our second most important production and sales market in Eastern Europe, the International Monetary Fund expects a drop in GDP of 6.0 percent compared with the previous year.

Shrinking markets for engineered wood in Europe continued to contribute to the pressure on prices of particleboard and MDF. According to Germany’s Federal Office for Statistics, total revenue generated by sales of veneered board, plywood, fiberboard and particleboard in Germany in the first four months of this year were 25.5 percent below the level of the prior-year period, but the upward trend of the first three months of the year dieses did not continue in April. Sales by the German furniture industry in the first four months of the year decreased by 14.8 percent compared with the prior-year period, with exports suffering worse than domestic demand. In the United States, industry analysts of RISI estimate that second-quarter unit sales of particleboard were 25.9 percent lower than in Q2 2008 and 18.8 percent lower for MDF. At the same time, these analysts believe that demand for particleboard and MDF bottomed out in the second quarter of 2009.

Revenue and earnings: comparison of Q2 2009 with Q2 2008

The revival of business that seemed to be occurring in the first quarter of 2009 did not continue in the second quarter. Both sales volumes and price levels decreased compared with the previous quarter and the prior-year quarter. **Revenue** fell compared with Q2 2008 by 25.5 percent to 334.5 million euros and by 6.6 percent compared with Q1 2009. Exchange-rate effects reduced second-quarter revenue by 24.8 million euros, or five percent. According to Germany’s federal Office for Statistics, prices for particleboard and MDF in Germany in the second quarter were 11 percent lower than in the prior-year period. In regional terms, the sharpest drop in revenue was of 41.1 percent in Eastern Europe, whereas growth of 7.5 percent was recorded in North America. The share of revenue generated outside Germany reached 72.5 percent, compared with 71.7 percent in the prior-year period.

The Pfleiderer Group's **gross margin** decreased only slightly from 24.9 percent to 23.7 percent, despite the sharp drop in revenue. This was primarily the result of substantial falls in material costs as well as efficiency-improving measures and consistent cost management. Falling revenue led to insufficient utilization of capacity in our plants. We reacted to this development by reducing working hours to offset overtime on employees' work accounts and by reducing the use of temporary workers, and also by the flexible, application of short-time work in various plants, depending on the order situation. As a result of the lower volume of unit sales, selling expenses fell compared with the prior-year quarter by 12.7 percent to 49.8 million euros. The cost-cutting actions reduced administrative expenses by 16.7 percent compared with the prior-year quarter to 27.1 million euros.

EBITDA fell to 26.4 million euros, compared with 59.1 million euros in the second quarter of 2008, resulting in an EBITDA margin of 7.9 percent.

The Group nearly achieved breakeven in terms of **EBIT**, with a result of minus 0.4 million euros, compared with plus 22.6 million euros in the prior-year quarter. Scheduled depreciation and amortization totaled 26.8 million euros.

The net **financial expense** of 9.9 million euros represents an improvement of 4.1 million euros compared with Q2 2008. This was due firstly to generally lower market interest rates, which reduced the interest expense from 14.0 million euros to 11.2 million euros, and secondly to a positive other financial result of 1.0 million euros. The latter was the result of currency translation (+0.5 million euros), market valuation of interest-rate hedges (+0.8 million euros), and losses from the market valuation of exchange-rate hedges (-0.6 million euros).

The **result of continuing operations before taxes** thus amounted to a loss of 10.4 million euros, compared with a profit of 8.5 million euros in the prior-year quarter. There was a tax gain of 10.6 million euros, mainly as a result of the capitalization of deferred taxes on tax-loss carryovers at our subsidiary, Pergo. The **profit for the period** amounted to 0.2 million euros, compared with 5.4 million euros in the prior-year period.

After deducting profit attributable to minority interests and the hybrid bondholders, a **loss** of 2.9 million euros is attributable to the shareholders of Pfleiderer AG, compared with breakeven in the second quarter of last year. Although Pfleiderer has decided to utilize the option of suspending the interest payment on the **hybrid bond** that is due on August 14, 2009, a share of earnings for the hybrid bondholders will still be entered in the income statement, because the hybrid bondholders are entitled to the subsequent payment of the suspended interest in accordance with the conditions stated in the prospectus. A provision in that amount will be recognized in the balance sheet. In this way, Pfleiderer is avoiding a cash outflow in the current difficult market situation.

The basic and diluted **loss per share** for the second quarter amounts to minus 6 euro cents, compared with 0 euro cents for the second quarter of last year.

Segment report on the second quarter

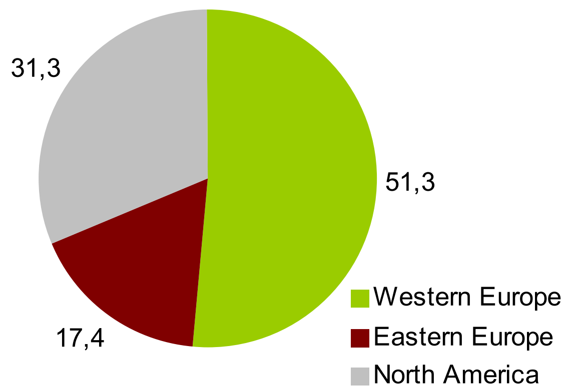
Segment overview

Amounts in millions of euros	Western Europe Q2 09	Western Europe Q2 08	Eastern Europe Q2 09	Eastern Europe Q2 08	North America Q2 09	North America Q2 08	Group* Q2 09	Group* Q2 08
Revenue	175.3	255.8	59.3	100.8	107.0	99.5	334.5	449.1
EBIT	3.3	31.7	-2.5	6.7	2.8	-14.3	-0.4	22.6
EBIT margin	*1.9%*	*12.4%*	*-4.2%*	*6.7%*	*2.6%*	*-14.4%*	*-0.1%*	*5.0%*
Capital expenditure	4.3	15.7	12.4	27.5	14.5	6.0	32.4	50.3
Number of employees	2,715	2,853	1,609	1,762	1,165	1,119	5,620	5,861

* Figures for the Group differ from the totals for the regions due to consolidation adjustments.

Due to the very different regional developments, the weighting of the regions continued to shift. In particular, Eastern Europe's share of revenue decreased, and was only 17.4 percent in the second quarter. Western Europe's share also decreased slightly to 51.3 percent. The North America region posted a significant increase, and now accounts for 31.4 percent of total revenue.

Segments' shares of total revenue (%)
Q2 2009



Western Europe

The revenue generated in the region of Western Europe in the second quarter decreased by 31.5 percent compared with the prior-year quarter to 175.3 million euros. The slump in demand that began in export markets thus spread to domestic demand. All sales segments were affected. Weak unit sales led to further decreases in price levels, in particular for raw particleboard, raw MDF and raw HDF. However, the brands wodego, Duropal, Thermopal and Pfleiderer Industrie maintained fairly stable price levels, despite the drop in sales volumes. Higher-value processed products and a sales approach focused on added value helped to stabilize their prices. Unit sales of laminated flooring continued to fall in Western Europe, and the under-utilization of capacity is still a burden on prices. However, by means of a better product mix, we were able to increase our average prices. In Berlin, Paris, Zürich and Barcelona, we have set up flooring competence centers, which are now to support sales in the respective markets with new activities.

In addition to strict cost management, Pfleiderer is combating the crisis by means of innovative product solutions in Western Europe. In May for example, Pfleiderer's new digital printing technology was presented to visitors of the Interzum furniture suppliers' trade fair in Cologne. This will allow new decors to be developed and produced faster and more cheaply in the future. The Duropal brand's product range now includes Solid Color; this ultra-modern product is a dyed-through HPL board of particular interest to architects and has meanwhile won a design prize for best product design as well as Interzum's innovation prize. Starting in Germany, Volkswagen is equipping its showrooms all over the world with this product. The Thermopal brand provided a surprise with its first "Designers' Collection" designed by internationally recognized designers, offering special solutions in particular for the project business and interior fitting. In addition, Thermopal has developed its Flame Protect product, a decorative, fire-proof board with which fire-proof walls can now be given a decorative finish for the first time. And also at Interzum, wodego presented its new decor collection for the coming four years.

The region's EBIT fell from 31.7 million euros to 3.3 million euros. Strict cost management and substantial savings in full-year 2009 were already decided upon and initiated in January. The structural measures that resulted are intended to adjust the cost position to the ongoing weak demand. The current actions being taken to counteract the crisis include capacity reductions through short-time work, savings of 30 million euros (for example from product improvements), a workforce reduction of approximately 200 persons, and sales-boosting innovations.

Eastern Europe

In Eastern Europe, we posted our biggest revenue drop of 41.1 percent compared with the prior-year period to 59.3 million euros. 24 percentage points of this reduction are accounted for by exchange-rate effects. But other factors reducing revenue were falling demand from the furniture industry due to the serious effects of the financial market crisis on this emerging region and the sharp fall in prices. Both Poland and Russia are affected, whereby the revenue slump in Russia was more severe. The new MDF plant in Novgorod, Russia will go into operation later than planned due to construction delays. As a result of these delays, we have terminated the contract with the main construction company and claimed damages from it.

EBIT in Eastern Europe amounted to minus 2.5 million euros, compared with plus 6.7 million euros in the prior-year period. The cost-cutting measures we implemented only partially offset the falling prices and revenue.

North America

In our North American sales markets, we increased our revenue in the second quarter both compared with the previous quarter (+2.3 percent) and compared with the prior-year quarter (+7.5 percent) to 107.0 million euros. This growth was primarily achieved with flooring, with which we further increased our market share in a generally shrinking market. Unit sales of boards stabilized, although the market continues to shrink. We made slight gains in particular for MDF and HDF, but particleboard volumes decreased.

EBIT for the region amounted to plus 2.8 million euros in the second quarter of this year, compared with minus 14.3 million euros in Q2 2008. The region has therefore achieved the earnings turnaround in the middle of the recession. In the fourth quarter of this year, the new MDF plant will ramp up its production, further improving our cost position.

Revenue and earnings – comparison of first half of 2009 with first half of 2008

In the first half of 2009, both revenue and earnings were significantly impacted by the economic recession. Both unit sales and price levels were lower than in the prior-year period. **Revenue** fell by 24.5 percent compared with the first half of 2008 to 692.4 million euros. Exchange-rate effects reduced revenue by 38.9 million euros or four percent. According to Germany's Federal Office for Statistics, German particleboard prices in the first half of this year were approximately 10 percent lower than in the prior-year period and MDF prices were about 9 percent lower. In regional terms, the strongest drop in revenue was of 39.4 percent in Eastern Europe, while we posted revenue growth of 0.5 percent in North America. The share of revenue generated outside Germany was 71.5 percent, compared with 71.9 percent in the first half of 2008.

Despite the sharp drop in revenue, we were able to increase our **gross margin** compared with the prior-year period thanks to lower raw-material prices – in particular for glue, glue input materials and additives – as well as efficiency improvements and consistent cost reductions - from 25.7 percent to 26.2 percent. Glue prices, which are indirectly affected by oil prices with a six-month time lag, have roughly halved compared with their peak levels of last year. An additional factor affecting the gross margin was the release of provisions for legal risks in an amount of 10.0 million euros. Falling revenue led to significant under-utilization of our plants' capacities. We reduced this impact by reducing working hours to offset overtime on employees' work accounts and by reducing the use of temporary workers, and also by the flexible application of short-time work in various plants, depending on the order situation.

As a result of lower unit sales, selling expenses decreased compared with the prior-year period by 16.0 percent to 100.4 million euros. The cost-cutting actions we implemented reduced administrative costs by 9.4 percent compared with the prior-year period to 59.6 million euros. Other operating income and expenses in a net amount of 1.8 million euros included income from guarantees of a property developer, the release of provisions and exchange-rate effects as well as expenses from the impairment of receivables and exchange-rate effects.

First-half **EBITDA** fell to 79.1 million euros, compared with 119.5 million euros in the prior-year period. The resulting EBITDA margin for the first half of this year was 11.4 percent.

EBIT fell to 22.6 million euros, from 54.8 million euros in the first half of last year. Depreciation and amortization totaled 56.5 million euros. This figure includes impairment charges of 4.0 million euros.

The **net financial expense** of 26.3 million euros represents an improvement of 5.5 million euros compared with the first half of 2008. This was due on the one hand to generally lower market interest rates, which reduced our interest expense from 27.4 million euros to 23.0 million euros, and on the other hand to a lower miscellaneous financial expense of 4.1 million euros. The latter resulted from non-operating charges of 1.9 million euros from the mark-to-market valuation on the balance sheet date of financial positions denominated in foreign currencies as well as charges of 2.4 million euros from forward exchange transactions and interest-rate hedges. In the prior-year period, the miscellaneous items under net financial result amounted to an expense of 7.9 million euros.

The **result of continuing operations before taxes** thus amounted to a loss of 3.7 million euros, compared with a profit of 22.9 million euros for the first half of 2008. Mainly due to the capitalization of tax-loss carryovers at Pergo, a Pfleiderer subsidiary, there was a tax gain of 7.9 million euros. The **profit for the period** amounted to 3.7 million euros, compared with 16.3 million euros in the prior-year period.

After deducting profit attributable to minority interests and the hybrid bondholders, a **loss** of 2.8 million euros is attributable to the shareholders of Pfleiderer AG, compared with a profit of 5.3 million euros in the first half of last year. Although Pfleiderer has decided to utilize the option of suspending the interest payment on the **hybrid bond** that is due on August 14, 2009, a share of earnings for the hybrid bondholders will still be entered in the income statement, because the hybrid bondholders are entitled to the subsequent payment of the suspended interest in accordance with the conditions stated in the prospectus. A provision in that amount will be recognized in the balance sheet. In this way, Pfleiderer is avoiding a cash outflow in the current difficult market situation.

The diluted and basic **loss per share** for the first half amounts to 6 euro cents, compared with earnings per share of 10 euro cents for the first half of last year.

Segment report on the first half

Segment overview

	Western Europe		Eastern Europe		North America		Group*	
Amounts in millions of euros	H1 09	H1 08	H1 09	H1 08	H1 09	H1 08	H1 09	H1 08
Revenue	369.3	516.0	124.9	206.0	211.5	210.4	692.4	916.9
EBIT	11.7	63.7	2.0	12.0	8.8	-13.2	22.6	54.8
EBIT margin	*3.2%*	*12.4%*	*1.6%*	*5.8%*	*4.2%*	*-6.3%*	*3.3%*	*6.0%*
Capital expenditure	10.4	24.1	17.3	36.7	32.8	8.9	61.8	70.9
Number of employees	2,715	2,853	1,609	1,762	1,165	1,119	5,620	5,861

* Figures for the Group differ from the totals for the regions due to consolidation adjustments.

Western Europe
In the Western Europe region, the Pfleiderer Group posted a revenue decline of 28.4 percent compared with the first half of 2008 to 369.3 million euros. All sales sectors and regions are meanwhile affected by the decline. The fall in prices of standard products is continuing, whereas prices of higher-value processed products are fairly stable. Unit sales of laminated flooring continued to fall in Western Europe, and the under-utilization of capacity is still a burden on prices. In Berlin, Paris, Zürich and Barcelona, we have set up flooring competence centers, which are now to support sales in the respective markets with new activities.

EBIT fell from 63.7 million euros to 11.7 million euros. Strict cost management and substantial savings in full-year 2009 were already decided upon and initiated in January. The structural measures that resulted are intended to adjust the cost position to the ongoing weak demand. The current actions being taken to counteract the crisis include capacity reductions through short-time work, savings of 30 million euros (for example from product improvements), a workforce reduction of approximately 200 persons, and sales-boosting innovations.

Eastern Europe
In Eastern Europe, we posted a revenue decrease of 39.4 percent compared with the prior-year period to 124.9 million euros. Exchange-rate effects accounted for 42.1 million euros or 21 percentage points of the decrease. Other factors reducing revenue were falling demand from the furniture industry due to the serious effects of the financial market crisis on this emerging region and the sharp fall in prices. Both Poland and Russia are affected, whereby the situation in Russia is more difficult. In Poland, unit sales of MDF developed relatively well, but revenue in that market also fell.

EBIT amounted to 2.0 million euros, compared with 12.0 million euros in the prior-year period.

North America
In our North American sales markets, we increased our revenue in the first half of the year by 0.5 percent compared with the prior-year period to 211.5 million euros. Flooring posted revenue growth, so we further expanded our share of a shrinking market. Total unit sales of panels declined, but at a lower rate than the market average. We achieved a little growth with MDF and HDF, but unit sales of raw particleboard decreased.

EBIT for the first half of the year amounted to 8.8 million euros, compared with an EBIT loss of 13.2 million euros in the prior-year period.

Assets position – comparison of June 30, 2009 with December 31, 2008

Compared with the end of 2008, the balance sheet total increased by 2.6 percent to 1,936.0 million euros. On the **assets side**, this was primarily due to current assets, which rose by a strong 16.7 percent to 438.5 million euros. This increase mainly resulted from receivables and other assets, which rose by 29.0 percent to 162.3 million euros, other assets, which rose by 19.7 million euros to 25.4 million euros, and cash and cash equivalents, which rose by 34.8 percent.

There was a slight opposing effect from non-current assets, which decreased by 0.9 percent to 1,497.5 million euros. This decrease was due in particular to property, plant and equipment, which were down by 2.8 percent to 805.9 million euros.

Significant changes occurred on the **liabilities side**. As credit agreements are linked to financial covenants, which were breached as of June 30, 2009, these financial liabilities will now be classified as current. Until new credit parameters are agreed upon, the relevant financial liabilities will be reclassified from non-current to current liabilities. One of the results of this effect is that current liabilities increased by 409.9 million euros compared with the end of 2008. Furthermore, current financial liabilities increased as a result of greater utilization of credit lines. One of the factors responsible for this development was the intended increase in liquidity; another factor was the cash outflow from operating activities.

Equity decreased by 2.1 percent to 696.2 million euros, primarily as a result of translating balance sheet items denominated in foreign currencies into euros (minus 10.2 million euros) and also due to changes in the value of derivative financial instruments not recognized in the statement of income. The equity ratio was thus 36.0 percent at the end of the period.

The Group's **net debt** increased compared with the end of 2008 from 635.5 million euros to 797.5 million euros, whereby the ratio of net debt to equity (gearing) rose to 114.5 percent.

Cash flows

In the first half of the year, the net cash outflow from operating activities amounted to 54.0 million euros, compared with a net cash inflow of 35.5 million euros in the prior-year period. This was partially due to the reduction in EBIT of 32.2 million euros as well as the change in current liabilities. The latter primarily reflects a decrease in trade liabilities of 57.6 million euros.

Capital expenditure

Capital expenditure including advance payments fell by 12.8 percent compared with the first half of last year to 61.8 million euros. 10.4 million euros was accounted for by the Western Europe region. 32.8 million euros was invested in North America, mainly for the development of the MDF plant in Moncure, North Carolina. Investment of 17.3 million euros in Eastern Europe includes the expenditure for the development of the MDF plant in Novgorod, Russia.

Workforce

The number of 5,620 employees at the end of the period was 4.1 percent lower than at June 30, 2008. While the headcount in North America increased by 4.1 percent due to the acquisition of the facility in Moncure and the preparations for the start of production of the MDF plant relocated to Moncure, there was a reduction of 8.7 percent in Eastern Europe as a consequence of cost-cutting actions. The number of employees in Western Europe decreased by 4.8 percent.

Events after the balance sheet date

Until August 5, 2009, as a result of breaching financial covenants specified in credit agreements, Pfleiderer AG received from the lending banks a waiver for credits with a volume of approximately 513 million euros. This means that those banks refrain for a limited period from exercising certain termination rights relating to those agreements.

Opportunities and risks

The tasks and organization of risk management at Pfleiderer and the risks to which the Group is exposed were described in detail in Pfleiderer's 2008 group management report, which is a part of Annual Report 2008. The document can be viewed on the website of Pfleiderer AG in the section "Investor Relations/Reports and Presentations" and can be downloaded if required.

As we already reported in this year's first interim report (Q1 2009), on March 4, 2009, the premises of various companies in the engineered wood industry, including Pfleiderer, were searched due to suspicion of anticompetitive behavior. The investigations are continuing.

According to the available figures, the risk of continued market weakening still exists. This means that both unit sales and price levels are subject to risk. On the cost side, no significant relief can be expected from raw-material prices.

As already described in the ad-hoc announcement published on June 17, 2009, as a result of market-related earnings developments, the key financial figures contractually agreed upon (covenants) for the syndicated loan agreement of 452 million euros, the promissory note loan of 165 million euros and the bilateral credit lines of 46 million euros were breached as of June 30, 2009. This can lead to the loans becoming due for repayment. The financing banks have so far temporarily waived these covenants for credits with a volume of 513 million euros as of June 30, 2009. Pfleiderer is currently holding discussions with the aim of achieving waivers for the remaining credit lines or of rescheduling them. In connection with the existing credit agreements at Business Center Eastern Europe in an amount of 172 million euros, there is a risk that the agreed covenants will be breached in the future.

In the third quarter of 2009 therefore, the discussions that have been started with the banks will be continued with the goal of extending our corporate financing for the future.

If the banks called in the loans for repayment, this could jeopardize the existence of Pfleiderer AG and major companies of the Group. Pfleiderer assumes it will be able to achieve a successful extension of the credit lines along with improved key financial figures or that it will be able to reschedule the loans with the respective banks.

Outlook

The economies of the United States and most of the other industrialized countries have been in recession since 2008. As a result, most of our markets are simultaneously affected by a weakening of demand. According to the International Monetary Fund (IMF), the industrialized countries' economic output will shrink by 3.8 percent in 2009, while growth of 1.6 percent is still expected for the developing countries and emerging economies. Overall, the IMF anticipates contraction of the global economy of 1.3 percent this year, compared with growth of 3.2 percent in 2008. For the United States, the IMF forecasts a 2.8 percent reduction in GDP this year. This would be a significant weakening compared with growth of 0.9 percent in 2008. The euro zone is also likely to be affected by economic contraction in 2009: The IMF forecasts shrinkage of 4.2 percent after expansion of 0.9 percent in 2008. The German economy will be largely to blame for this development: From today's perspective, its economy will probably shrink by about 5.6 percent in 2009 (2008: growth of 1.3 percent). The IMF assumes that gross domestic product in the countries of Eastern Europe will decline by 3.7 percent this year. Russia is likely to perform rather worse, with shrinkage of around 6 percent.

The IMF estimates that the worsening of economic conditions in 2009 will be only temporary. With a gradual economic upturn, markets for engineered wood should therefore return to their growth path during 2010. A structural rise in demand is expected especially in Eastern Europe, with the furniture industry once again proving to be the main growth driver. From today's perspective, Pfleiderer anticipates long-term market growth of approximately 5 percent in Poland and roughly 10 percent in Russia. In North America, the economy may well have bottomed out in the middle of this year, presenting growth opportunities also for engineered-wood markets once again as of 2010. Risks exist in Europe primarily in the field of private-sector residential construction, while the area of renovations is to be assessed as a stabilizing factor in view of the high proportion of older buildings.

Probable development of the Pfleiderer Group

Against the backdrop of the ongoing financial market crisis, which is also affecting the markets for engineered wood, Pfleiderer continues to anticipate difficult business development in the second half of 2009. Whereas a stabilization of demand is indicated for Western Europe and North America, demand in Eastern Europe is likely to remain weak.

In view of these general conditions, strict cost and cash-flow management will have top priority in 2009. In order to maintain our leading position on the cost side, we will continue the cost-cutting actions we started in 2008, and plan to save at least an additional 80 million euros in 2009.

The new construction of an MDF plant in Novgorod will be continued more slowly than originally planned. The weak currencies of Eastern Europe will continue to dampen our revenue trend in the region.

For Western Europe in full-year 2009, we expect demand to decrease with declining margins compared with 2008. We intend to counteract this development by continuously improving the productivity of our plants, thus achieving lower production costs. In this environment, the market for surface-finished boards, in which Pfleiderer can make full use of its strengths, is likely to develop better than the markets for raw particleboard and raw fiberboard.

In our flooring business, we intend to mesh our European and North American operations more intensively and to expand our presence in Europe. All market players will continue to be faced by great challenges in North America in 2009, because due to the real-estate crisis the market for engineered wood is likely to shrink for the third year in succession. For Pfleiderer however, we expect a moderate recovery of revenue – against the market trend – as a result of gaining market share and the effect of our new plant in Moncure, USA. The plant transferred from La Baie in Canada to the new location of Moncure is scheduled to go into operation in the fourth quarter of 2009.

Our capital expenditure planning calls for significantly reduced Group-wide investment compared with 2008 of approximately 140 million euros in 2009. Of that total, about 30 million euros will be for replacement investment and most of the rest will flow into the two major projects of the La Baie/Moncure plant relocation and the new plant in Novgorod. On the production side, we will continue the optimization of processes and thus of production costs at all our sites in 2009. The focus will be on best-practice transfer on the basis of our Global Pfleiderer Production System (GPPS) and on achieving further reductions in specific material consumption.

We anticipate a revival of the world economy in the second half of 2010, and thus also of our sales volumes. Our priorities will be to gain market share and to increase the profitability of all our business operations. In Eastern Europe, we will expand our market presence above all through the new plant in Novgorod, Russia. In Western Europe, we aim to expand our export business from Germany.

Disclaimer

This report contains forward-looking statements that are based on current assessments by the Pfleiderer management and on specific assumptions concerning future developments. Such statements are subject to risks and uncertainties that are beyond Pfleiderer's ability to control and/or its sphere of influence, and that therefore cannot be precisely assessed by Pfleiderer. These risks and uncertainties may lead to actual developments differing substantially from our assessments. Among other things, such risks and uncertainties include the future market environment and economic conditions, the behavior of other market players, the successful integration of new acquisitions, and the realization of expected synergy effects.

Neumarkt, August 5, 2009

Hans H. Overdiek Heiko Graeve Dr. Robert Hopperdietzel Pawel Wyrzykowski

Statement pursuant to Section 37y of the German Securities Trading Act (WpHG) in connection with Section 37w, Subsection 2, No. 3 of the WpHG

To the best of our knowledge, and in accordance with the applicable accounting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the Group's interim management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group in the remaining months of the financial year.

Neumarkt, August 5, 2009

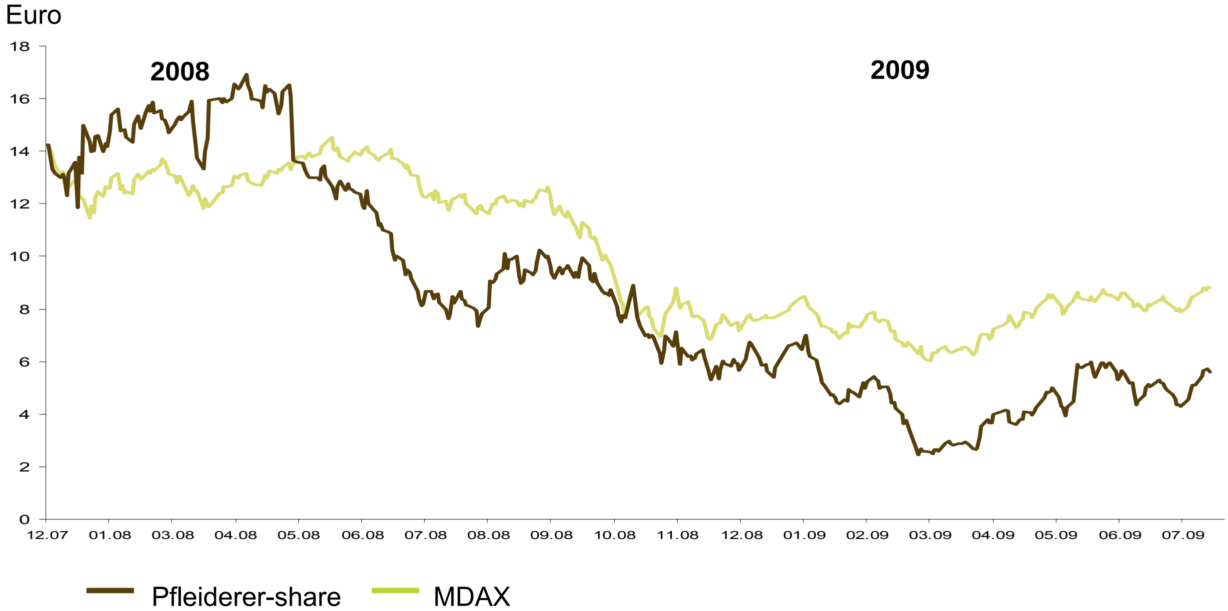
Hans H. Overdiek	Heiko Graeve	Dr. Robert Hopperdietzel	Pawel Wyrzykowski

Pfleiderer shares

In the first half of 2009, markets were still affected by the financial crisis. In March, the most important indices and also our share price reached their lowest point and then recovered to the extent that concern about a collapse of the financial system increasingly dispersed. Our share price came under particular pressure in March, because our activities in Eastern Europe were assessed as particularly risky. Investors put all the countries of Eastern Europe into one basket and at first had an excessively critical view of the comparatively stable situation in our main market in the region, Poland. As a result of this exaggeration, Pfleiderer's share price fell by approximately 63 percent between the beginning of the year and the end of March. By the end of the second quarter, it had gained 113 percent again. Nonetheless, our share price fell by a good 21 percent in the first half of the year, compared with no change for the DAX and a gain of nearly 3 percent for the MDAX.

As a result of this relative underperformance, our stock slipped in the MDAX by the criterion of market capitalization from 52nd position at the end of 2008 to 62nd at the end of June. However, this fall in the MDAX ranking is also due to the three-percent decrease in the free float. Measured by the criterion of liquidity, our position worsened from 42nd to 51st place.

Pfleiderer and MDAX indexed as of December 31, 2007



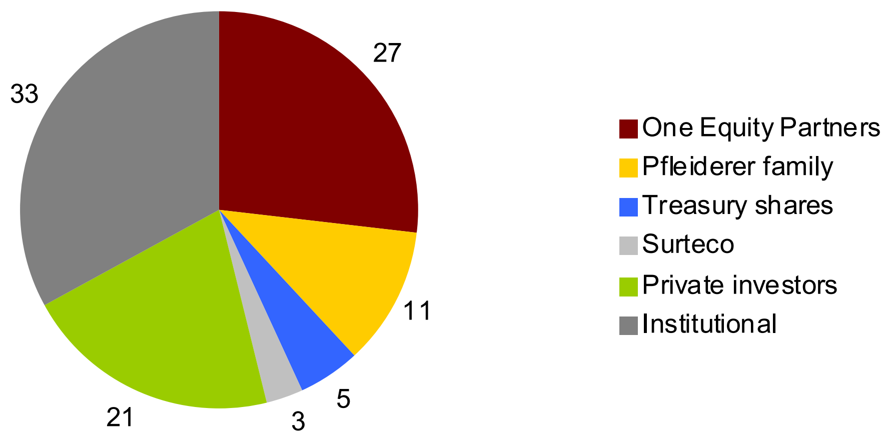
Key figures

		H1 2009	FY 2008
Share price:			
lowest	euros	2.44	5.30
highest	euros	6.86	16.91
closing	euros	5.20	6.60
Number of shares at end of period		53,326,100	53,326,100
Market capitalization at June 30 and December 31	million euros	277.3	352
Earnings per share (continuing activities)	euros	-0.06	0.24
Average daily trading [1]	shares	182,700	532,700

German securities identification number		676474
ISIN		DE0006764749
Reuters symbol		PFDGn.DE
Bloomberg symbol		PFD4 GY
Stock exchanges		Xetra, Frankfurt am Main, regional stock exchanges
Free float at June 30, 2009	percent	63
MDAX weighting at June 30, 2009	percent	0.46
Stock-exchange segment		Prime Standard

1 per day on Xetra

Shareholder structure
In percent



As of June 2009

Consolidated income statement (IFRS)

Amounts in thousands of euros except earnings per share figures (in euros)	Jan. 1 - June 30, 2009	Jan. 1 - June 30, 2008	April 1 - June 30, 2009	April 1- June 30, 2008
Revenue	692,427	916,860	334,473	449,140
Cost of sales	-510,689	-680,968	-255,292	-337,507
Gross profit	**181,738**	**235,892**	**79,181**	**111,633**
Selling expenses	-100,426	-119,553	-49,787	-57,050
Administrative expenses	-59,567	-65,741	-27,090	-32,506
Research and development expenses	-988	-2,082	-196	-1,081
Other operating income and expenses	1,814	6,145	-2,552	1,480
Operating profit	**22,571**	**54,661**	**-444**	**22,476**
Interest income	787	3,446	308	1,938
Interest expense	-22,997	-27,449	-11,179	-14,009
Net income from investments	0	93	0	93
Other financial expense/income	-4,071	-7,900	964	-2,041
Financial expense, net	**-26,281**	**-31,810**	**-9,907**	**-14,019**
Profit from continuing operations before taxes	**-3,710**	**22,851**	**-10,351**	**8,457**
Income taxes	7,920	-6,633	10,588	-3,193
Profit from continuing operations	**4,210**	**16,218**	**237**	**5,264**
Loss from discontinued operations	-134	-105	0	-31
Income tax on discontinued operations	-414	153	1	153
Profit for the period	**3,662**	**16,266**	**238**	**5,386**
attributable to minority interests	-2,686	1,290	-1,438	548
attributable to hybrid bondholders	9,151	9,680	4,601	4,795
attributable to shareholders of Pfleiderer AG	**-2,803**	**5,296**	**-2,925**	**43**
Earnings per share (basic)	-0.06	0.10	-0.06	0.00
Earnings per share (diluted)	-0.06	0.10	-0.06	0.00
Earnings per share from continuing operations				
after minority interest	-0.06	0.10	-0.06	0.00
Earnings per share from discontinued operations	-0.01	0.00	0.00	0.00
Average number of shares outstanding (basic)	50,682,642	50,953,244	50,682,642	50,953,244

Consolidated statement of comprehensive income (IFRS)

Amounts in thousands of euros	Jan. 1 - June 30, 2009	Jan. 1 - June 30, 2008	Apr. 1 - June 30, 2009	Apr. 1- June 30, 2008
Profit for the period after taxes	**3,662**	**16,266**	**238**	**5,386**
Currency translation differences	-10,174	-476	3,762	5,850
Derivative financial instruments	-272	0	3,317	0
Total of income and expense recognized directly in equity (after taxes)	**-10,446**	**-476**	**7,079**	**5,850**
Total of income and expense recognized in equity	**-6,784**	**15,790**	**7,317**	**11,236**
Thereof attributable to:				
minority interest	-7,610	4,292	2,293	3,351
hybrid bondholders	9,151	9,680	4,601	4,795
shareholders of Pfleiderer AG	-8,325	1,818	423	3,090
	-6,784	**15,790**	**7,317**	**11,236**

Consolidated balance sheet (IFRS)

Assets

Amounts in thousands of euros	June 30, 2009	Dec. 31, 2008
Cash and cash equivalents	62,393	46,288
Receivables and other assets	162,317	125,835
Inventories, net	171,130	182,078
Income tax receivables	6,937	5,652
Other assets	25,409	5,747
Assets from discontinued operations	10,280	10,280
Current assets	**438,466**	**375,880**
Property, plant and equipment, net	805,869	829,305
Intangible assets, net	543,571	540,636
Financial assets	4,790	4,665
Deferred tax assets	131,695	123,171
Other assets	11,603	13,845
Non-current assets	**1,497,528**	**1,511,622**
Total assets	**1,935,994**	**1,887,502**

Equity and liabilities

Amounts in thousands of euros	June 30, 2009	Dec. 31, 2008
Payables and other debts	197,532	278,956
Financial liabilities	672,771	153,408
Provisions	26,589	52,155
Tax liabilities	10,300	12,556
Other liabilities	847	1,019
Liabilities from discontinued operations	18,031	18,032
Current liabilities	**926,070**	**516,126**
Financial liabilities	187,109	528,362
Retirement benefit obligation	15,020	14,983
Deferred tax liabilities	82,255	86,167
Other liabilities	10,183	11,306
Provisions	19,146	19,620
Non-current liabilities	**313,713**	**660,438**
Capital contributions and subscribed capital	136,515	136,515
Reserves including retained earnings and profit for the period	367,475	369,070
Treasury shares	-43,073	-43,073
Other comprehensive income	-51,045	-45,523
Hybrid capital	260,204	260,204
Minority interest	26,135	33,745
Equity	**696,211**	**710,938**
Total equity and liabilities	**1,935,994**	**1,887,502**

Consolidated statement of cash flows (IFRS)

For the period of January 1 to June 30

Amounts in thousands of euros	Jan. 1 - June 30, 2009	Jan. 1 - June 30, 2008
Earnings before interest and taxes (EBIT)	22,571	54,816
Net income taxes paid	-5,789	-4,764
Depreciation, amortization and impairments	56,487	64,640
Gain/loss on the disposal of fixed assets	-9	-264
Change in retirement benefit obligation	-522	412
Net cash inflow	**72,738**	**114,840**
Change in current assets	-40,678	-30,903
Change in other non-current assets	643	12,681
Change in current liabilities excluding financial liabilities	-102,371	-49,465
Change in non-current liabilities excluding financial liabilities	15,085	-9,900
Other non-cash expenses and income	555	-1,738
Net cash outflow/inflow from operating activities	**-54,028**	**35,515**
Payments for intangible assets	-1,347	-4,146
Payments for property, plant and equipment	-62,175	-38,170
Payments for financial assets	0	0
Payments for the acquisition and proceeds from the sale of companies and equity interests in companies	-370	-14,364
Proceeds from the sale of intangible assets	640	598
Proceeds from the sale of property, plant and equipment	1,285	1,523
Proceeds from the sale of financial assets	0	1,093
Net cash outflow from investing activities	**-61,967**	**-53,466**
Net cash outflow from operating and investing activities	**-115,995**	**-17,951**
Change in financial liabilities	181,557	180,865
Change in externally factored receivables	-24,942	-403
Dividend payments to shareholders of Pfleiderer AG	0	-15,290
Interest paid	-20,533	-24,084
Interest received	787	3,446
Other financing activities	-4,072	-5,972
Net cash inflow from financing activities	**132,797**	**138,562**
Net change in cash and cash equivalents	16,802	120,611
Effect of exchange-rate changes on cash held in foreign currencies	-145	144
Change in cash and cash equivalents from discontinued operations	-549	689
Changes in cash and cash equivalents from additions to the consolidated group	-3	23
Cash and cash equivalents at January 1	46,288	17,197
Cash and cash equivalents at June 30	62,393	138,664

Consolidated statement of changes in equity (IFRS)

For the period of January 1 to June 30

				Other comprehensive income				
Amounts in thousands of euros	Issued capital	Reserves, including retained earnings and profit for the period	Treasury shares	Currency translation	Valuation of financial derivatives	Hybrid capital	Minority interests	Total
Balance at January 1, 2009	**136,515**	**369,070**	**-43,073**	**-41,730**	**-3,793**	**260,204**	**33,745**	**710,938**
Treasury shares								0
Change in adjustment item for								
currency translation				-5,663			-4,511	-10,174
Valuation of financial derivatives					141		-413	-272
Profit for the period		-2,803				9,151	-2,686	3,662
Hybrid bond buyback								0
Profit attributable to hybrid bondholders						-9,151		-9,151
Dividends paid								0
Dividends approved								0
Effect of stock option plans		1,208						1,208
Balance at June 30, 2009	**136,515**	**367,475**	**-43,073**	**-47,393**	**-3,652**	**260,204**	**26,135**	**696,211**

				Other comprehensive income				
Amounts in thousands of euros	Issued capital	Reserves, including retained earnings and profit for the period	Treasury shares	Currency translation	Valuation of financial derivatives	Hybrid capital	Minority interests	Total
Balance at January 1, 2008	**136,515**	**379,875**	**-43,432**	**-1,891**	**0**	**270,915**	**59,057**	**801,039**
Treasury shares		-151	395					244
Change in adjustment item for								
currency translation				-3,478			3,002	-476
Valuation of financial derivatives								0
Profit for the period		5,296				9,680	1,290	16,266
Hybrid bond buyback						-3,961		-3,961
Profit attributable to hybrid bondholders								
Dividends paid						-9,680		-9,680
Dividends approved		-15,290						-15,290
Effect of stock option plans							-16,885	-16,885
Balance at June 30, 2008		1,000						1,000
Amounts in thousands of euros	**136,515**	**370,730**	**-43,037**	**-5,369**	**0**	**266,954**	**46,464**	**772,257**

Consolidated segment report (IFRS)

For the period of January 1 to June 30

January 1 – June 30, 2009 In thousands of euros	External revenue	Internal revenue	Segment earnings (EBIT)	Segment-assets at June 30
Region Western Europe	365,353	3,952	11,681	869,607
Region Eastern Europe	115,542	9,316	1,963	511,819
Region North America	211,460	0	8,837	569,977
Total of regions	**692,355**	**13,268**	**22,481**	**1,951,403**
Headquarters	0	36,649	443	876,639
Miscellaneous	72	184	-796	59,523
Discontinued activities	0	0	-133	3,217
Consolidation	0	-50,101	576	-954,788
Pfleiderer Group	**692,427**	**0**	**22,571**	**1,935,994**

April 1 – June 30, 2009 In thousands of euros	External revenue	Internal revenue	Segment earnings (EBIT)	Segment-assets at December 31
Region Western Europe	510,139	5,820	63,727	972,983
Region Eastern Europe	196,313	9,728	12,021	546,429
Region North America	210,368	0	-13,191	488,757
Total of regions	**916,820**	**15,548**	**62,557**	**2,008,169**
Headquarters	0	24,966	-7,568	840,177
Miscellaneous	40	195	-271	69,181
Discontinued activities	0	0	-105	3,217
Consolidation	0	-40,709	203	-1,033,242
Pfleiderer Group	**916,860**	**0**	**54,816**	**1,887,502**

Consolidated segment report (IFRS)

For the period of April 1 to June 30

April 1 – June 30, 2009 In thousands of euros	External revenue	Internal revenue	Segment earnings (EBIT)	Segment-assets at June 30
Region Western Europe	173,391	1,918	3,314	869,607
Region Eastern Europe	53,970	5,343	-2,462	511,819
Region North America	106,957	0	2,758	569,977
Total of regions	**334,318**	**7,261**	**3,610**	**1,951,403**
Headquarters	0	14,855	-4,427	876,639
Miscellaneous	155	92	-403	59,523
Discontinued activities	0	0	-133	3,217
Consolidation	0	-22,208	909	-954,788
Pfleiderer Group	**334,473**	**0**	**-444**	**1,935,994**

April 1 – June 30, 2008 In thousands of euros	External revenue	Internal revenue	Segment earnings (EBIT)	Segment-assets at December 31
Region Western Europe	252,854	2,933	31,681	972,983
Region Eastern Europe	96,792	3,960	6,747	546,429
Region North America	99,494	0	-14,280	488,757
Total of regions	**449,140**	**6,893**	**24,148**	**2,008,169**
Headquarters	0	12,701	-1,656	840,177
Miscellaneous	0	97	-105	69,181
Discontinued activities	0	0	-31	3,217
Consolidation	0	-19,691	275	-1,033,242
Pfleiderer Group	**449,140**	**0**	**22,631**	**1,887,502**

Internal reporting takes place on the basis of IAS-/IFRS financial statements. Therefore, no explanation of the reconciliation to the consolidated financial statements is necessary. The composition of the segments has not changed compared with the previous periods. Corporate financing activities and the holding-company functions are reported under headquarters. Miscellaneous includes those companies that do not fulfill the definition criteria of a reportable segment.

Notes to the condensed interim consolidated financial statements for the six months ended June 30, 2009

1. Basis of presentation

The condensed interim consolidated financial statements and the interim group management report have been prepared in accordance with IAS 34 “Interim Reporting” and German Accounting Standard No. 16 (DRS 16). Please refer to our Annual Report 2008 for further information. The consolidated financial statements and the group management report for the year ended December 31, 2008, as published in our Annual Report 2008, form the basis for these interim consolidated financial statements.

The condensed interim consolidated financial statements have been prepared in compliance with the International Accounting Standards / International Financial Reporting Standards (IAS/IFRS) and their interpretations, which have to be applied according to Regulation No. 1606/2002 of the European Parliament and Council on the application of international accounting standards in the EU.

The consolidation methods have not changed compared with December 31, 2008.

In the second quarter, one company was sold and therefore deconsolidated (Pergo do Brazil Ltd., domiciled in Sao Paulo, Brazil).

The interim consolidated financial statements do not contain all of the notes and disclosures that are required for annual consolidated financial statements, and should therefore be read in conjunction with the consolidated financial statements for the year ended December 31, 2008 (www.pfleiderer.com). Where no notes or disclosures have been made in this first-half report, no material changes have occurred compared with the notes and disclosures contained in the consolidated financial statements for the year ended December 31, 2008.

Material occurrences and transactions are explained in the interim group management report.

2. Accounting principles

Recognition and measurement, as well as the notes and disclosures, are based on the same accounting policies and calculation methods that were applied in the preparation of the consolidated financial statements for the year 2008. Please therefore refer to Annual Report 2008. At June 30, 2009, all of the liabilities from the promissory note and liabilities from the syndicated credit are classified as current, because at that time some of the contractually agreed covenants had been breached. In this context, we refer to the details provided in the Pfleiderer Group's interim management report. Unlike in pervious financial statements, income from the sale of emission certificates (€4,213 thousand) is classified as reducing cost of sales.

IAS 1 “Presentation of Financial Statements,” IAS 23 “Borrowing Costs,” IAS 34 “Interim Reporting” and IFRS 8 “Operating Segments” are applied for the first time in 2009. The application of these standards has led to changes in presentation. The first application of IFRIC 16 “Hedges of a Net Investment in a Foreign Operation" and the amendments to IAS 32 and IAS 1 "Puttable Instruments and Obligations Arising on Liquidation" have not led to any changes.

3. Earnings per share

	Jan: 1 - June 30, 2009	Jan. 1 - June 30, 2008
Profit for the period (in thousands of euros)	3,662	16,266
Less profit attributable to minority interest (in thousands of euros)	2,686	-1,290
Less profit attributable to hybrid bondholders (in thousands of euros)	-9,151	-9,680
Profit attributable to shareholders of Pfleiderer AG (in thousands of euros)	**-2,803**	**5,296**
Average number of shares outstanding, basic	50,682,642	50,953,244
Average number of shares outstanding, diluted	50,682,642	51,123,765
Earnings per share, basic (in euros)	**-0.06**	**0.10**
Earnings per share, diluted (in euros)	**-0.06**	**0.10**

4. Dividends

Pfleiderer AG will not pay a dividend for the year 2008. Last year, Pfleiderer AG paid a dividend of 0.30 euros per no-par-value share entitled to dividends.

5. Shareholdings of Executive Board and Supervisory Board members and stock option plans

At June 30, 2009, the members of the Executive Board of Pfleiderer AG held 679,880 shares and 908,640 options. The members of the Supervisory Board held 105,533 shares and 12,984 options. Within the framework of the stock option plan of Pfleiderer AG, the members of the Executive Board were not granted any options to subscribe to shares in return for an equity investment in the first half of 2009. No shares were in the money at June 30, 2009; therefore, no share options contributed towards an arithmetical dilution of earnings per share.

6. Treasury shares

At June 30, 2009, the number of treasury shares held by Pfleiderer AG was 2,643,458, which is the same as at the end of the previous quarter.

Neumarkt, August 5, 2009

Hans H. Overdiek | Heiko Graeve | Dr. Robert Hopperdietzel | Pawel Wyrzykowski

Auditors' review report

To Pfleiderer Aktiengesellschaft, Neumarkt, Oberpfalz
We have reviewed the interim condensed consolidated financial statements – comprising the consolidated balance sheet, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of cash flows, the consolidated statement of changes in equity, the condensed consolidated segment report and explanatory notes – and the interim group management report of Pfleiderer Aktiengesellschaft, Neumarkt, Oberpfalz, for the period of January 1, 2009 to June 30, 2009, which are part of the half-year financial report pursuant to Section 37w of the German Securities Trading Act (WpHG). The preparation of the interim condensed consolidated financial statements in accordance with IFRS on interim financial reporting as adopted by the EU and of the group management report in accordance with the requirements of the WpHG applicable to interim group management reports is the responsibility of the Company's management. Our responsibility is to issue a report on the interim condensed consolidated financial statements and the interim group management report based on our review.

We conducted our review of the interim condensed consolidated financial statements and the interim group management report in accordance with German generally accepted standards for the review of financial statements as promulgated by the German Institute of Public Auditors (IDW). Those standards require that we plan and perform the review to obtain a certain level of assurance in our critical appraisal to preclude that the interim condensed consolidated financial statements have not been prepared, in all material respects, in accordance with IFRS on interim financial reporting as adopted by the EU and that the interim group management report has not been prepared, in all material respects, in accordance with the applicable provisions of the WpHG. A review is primarily limited to making inquiries of company staff and applying analytical procedures, and thus does not provide the assurance that would be obtained from an audit of the financial statements. In accordance with our engagement, we did not perform an audit, and we therefore do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements have not been prepared, in all material respects, in accordance with IFRS on interim financial reporting as adopted by the EU, and that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the WpHG applicable to interim group management reports.

Without qualifying our review report on the interim condensed consolidated financial statements and the interim group management report as of June 30, 2009, we refer to the statements made by the Executive Board of the company in the interim group management report for the period of January 1 to June 30, 2009 under the heading of “Opportunities and risks.” There it is stated that if the company’s banks called in credit lines for repayment due to the breach of financial covenants, this could jeopardize the existence of Pfleiderer AG and of major companies of the group. Pfleiderer assumes that it will be able to achieve a successful extension of the credit lines along with improved key financial figures or that it will be able to reschedule the loans with the creditor banks.

Nuremberg, August 6, 2009

KPMG AG
Wirtschaftsprüfungsgesellschaft
(German firm of accountants)

Zehnder
Wirtschaftsprüfer
(German public auditor)

Rupprecht
Wirtschaftsprüfer
(German public auditor)