Six-Month-Report

JANUARY 1 – JUNE 30, 2010

PFLEIDERER AKTIENGESELLSCHAFT

Interim Report on the Six Months Ended June 30, 2010

- First-half revenue up by 6.4 percent compared with prior-year period to 737.0 million euros
- Capacity utilization improved by significantly higher volumes of surface-finished and raw panels
- EBITDA in second quarter 2010 improved to 31.5 million euros (H1 2010: 53.7 million euros)
- Gross margin in second quarter 2010 improved by 1% sequentially
- Net financial expense down from 26.3 million euros to 14.5 million euros despite higher interest
- Strong growth for panels but lower laminate volumes in North America
- Particularly strong revenue growth in Eastern Europe
- Sustained price increases for panels in Western Europe

Pfleiderer Group: Key figures for the first half of 2010

Amounts in millions of euros except per share amounts (in euros)	Jan. 1 - June 30, 2010	Jan. 1 - June 30, 2009	Apr. 1 - June 30, 2010	Apr. 1 - June 30, 2009
Revenue	737.0	692.4	381.4	334.5
International share (in percent)	71.8	71.5	72.6	72.5
EBITDA	53.7	79.1	31.5	26.4
EBITDA margin (in percent)	7.3	11.4	8.2	7.9
EBIT	-6.5	22.6	-0.4	-0.4
EBT from continuing operations	-21.0	-3.7	-2.3	-10.4
Profit/loss for the period	-18.9	3.7	-2.4	0.2
Net profit/loss attributable to shareholders of Pfleiderer AG	-27.1	-2.8	-7.2	-2.9
Earnings/loss per share – basic	-0.47	-0.06	-0.12	-0.06
Earnings/loss per share – diluted	-0.47	-0.06	-0.12	-0.06
Earnings/loss per share of discontinued operations	-0.02	-0.01	-0.02	0.00
Number of employees at end of period	5.579	5.620	5.579	5.620
Germany	2.406	2.485	2.406	2.485
Outside Germany	3.173	3.135	3.173	3.135
Average number of shares outstanding – basic	57,350,044	50,682,642	57,350,044	50,682,642

Amounts in millions of euros	June 30, 2010	Dec. 31, 2009	Change
Total assets	2,101.9	1,971.2	+6.6%
Equity	687.2	631.7	+8.8%
Equity ratio	32.7%	32.0%	
Net debt	963.4	854.2	+12.8%

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Foreword by the Chairman of the Executive Board

Dear Shareholders, Ladies and Gentlemen,

The positive trends that have been apparent for several months in our industry largely continued in the second quarter of 2010. Our revenue increased by 14.0 percent compared with the second quarter of 2009 and by 7.3 percent compared with the first quarter of this year to 381.4 million euros. The volumes of particleboard and MDF were higher than in the prior-year period. This applies in particular to value-added products such as surface-finished panels and HPL. Volume growth has been apparent not only us but to the entire industry, and has led to significantly better capacity utilization than a year ago. However, the development of laminate flooring was disappointing as it was impacted by falling volumes in North America. The main reason for that decline is that the economic recovery in the United States and the upswing in the country's real-estate market lagged behind expectations and dampened private consumption. As a result, home-improvement stores adjusted their inventories to this restrained development.

Our selling prices show another positive trend. In the context of improved capacity utilization, the level of prices was responsible for a good two thirds of our revenue growth. But prices in North America were still below the prior-year level.

And I would also like to mention exchange rates, even though we cannot claim responsibility for their positive effect. Whereas last year, we suffered from the strong euro, its weakness in the second quarter of 2010 helped to boost our revenue and earnings.

As a result of these developments, we were able to increase our operating profit: Second-quarter EBITDA amounted to 31.5 million euros and was thus well above the 26.4 million euros of Q2 2009. Despite this pleasing trend, the overall earnings situation is still dissatisfactory. This is due to the significant increase in raw-material prices compared with the prior-year period. That was responsible for the increase in material expenses as a proportion of revenue from 51.3 percent in the first quarter of 2009 to 58.1 percent in the first quarter of 2010; in the second quarter of this year, the ratio decreased to 55.5 percent. However, we do not interpret this decrease as a sign of a sustained improvement. On the contrary, we assume that raw-material prices will remain structurally higher than in earlier cycles. For us, this means that we have to continue working on our cost structures and on increasing our production efficiency in order to achieve a lasting improvement in our profitability.

The regional development of our business largely reflects the economic situation in the various markets: Russia's economy is growing strongly due to high revenue from the sale of raw materials, and Poland has been the only European country to post positive growth rates in the recent crisis. Germany is profiting from its export strength and the weak euro while the United States is suffering from the ongoing weakness of the real-estate market and the enormous debts of consumers and government.

In regional terms, the development of our business in Eastern Europe is the most encouraging. Volumes are rising there, so the earnings situation has also turned positive. In Western Europe, prices of raw panels increased, but prices of surface-finished panels were still at the prior year level in the most markets. However, prices of surface-finished panels had fallen to a much lower extent during the recession. Volume growth in Western Europe was concentrated mainly on surface-finished panels. In North America, the development was more disparate: Whereas panel volumes increased significantly, unit sales of laminate flooring declined. Both product groups had to battle with falling prices, partially offset by falling raw-material costs.

For July and August 2010, we anticipate a rather weaker business development for seasonal reasons before the typical autumn revival commences in September. We assume that the second half of the year 2010 will be stronger than the first, with contributions from higher volumes as well as higher prices.

Neumarkt, August 14, 2010

Hans H. Overdiek
Chairman of the Executive Board

Interim Group Management Report

Economic Situation

The economic situation in Germany improved in the second quarter of 2010 compared with the prior-year quarter. According to preliminary estimates by the Federal Statistical Office, gross domestic product (GDP) in Germany increased by 2.2 percent compared with the second quarter of last year, after growth of 0.5 percent (revised from 0.2 percent) in the first quarter of 2010. The unusually long and cold winter hindered construction activity, resulting in catch-up effects in the second quarter. Exports seem to have been another growth driver, profiting from the weaker euro as well as rising capital expenditure. For full-year 2010, the Federation of German Chambers of Industry and Commerce (DIHK) expects German GDP to grow by more than 2.0 percent (2009: negative growth of minus 4.7 percent). According to calculations by the Institute for Macroeconomics and Economic Research, nearly one percentage point of this growth is attributable to fiscal-policy stimulus. Exports are regarded as the other growth driver, in particular to the emerging markets. For 2011, economic growth of 1.4 percent is anticipated.

In the United States, according to initial estimates, GDP grew in the second quarter of 2010 at an annualized rate of 2.4 percent, compared with 3.7 percent in the prior-year quarter. The upward trend of the US economy has thus continued, although at a significantly more moderate rate than in the two previous quarters. Growth has been supported by impetus from companies' investment activity and from investment in commercial construction. Private consumption was weak, however, as a result of ongoing high unemployment. New residential construction has stabilized at a historically low level after the discontinuation of support programs; in combination with low consumer confidence, this means that only moderate growth can be expected for the coming quarters.

The economic upswing in Eastern Europe continued. After Russia was still deep in recession last year, the Russian government now anticipates growth of 3.4% for this year. Other estimates are for significantly higher growth rates (IMF: 4.3%). Worldwide demand for raw materials is robust again and is a key driver of the country's growth. Poland was the only European country to avoid recession last year and should continue its growth in 2010 with a rate of approximately 1.8%.

The business confidence index of the German wood industry has been improving continuously in recent months and reached its highest level since June 2007 this April. In May and June, however, the index was dampened by the government debt crisis. The furniture industry's sub-index also fell in May, but climbed again in June. Business confidence in the construction industry brightened in June, according to Germany's Ifo economic institute. Both the current business situation and the outlook for the next six months were more positively assessed by the companies surveyed than in the previous month. In North America, some engineered-wood markets are starting to stabilize. According to the Composite Panel Association, the volume of demand for MDF increased in the first half of the year by a good 4 percent compared with the prior-year period. With particleboard, there was volume growth of 7.8 percent compared with the prior-year period, but low levels of consumer confidence are dampening the outlook for growth.

Revenue and Earnings – Comparison of Q2 2010 with Q2 2009

In the second quarter of 2010, the Pfleiderer Group generated **revenue** of 381.4 million euros, which is 14.0 percent higher than in the same period of last year and 7.3 percent more than in the previous quarter. Exchange-rate effects were responsible for nearly half of the increase; the rest was caused roughly equally by prices and volumes. While volumes of surface-finished panels increased by approximately 11 percent, unit sales of raw panels grew by nearly 7 percent. Unit sales of laminate flooring decreased by 8 percent. The development of both volumes and prices differed quite substantially from region to region. The proportion of revenue generated outside Germany in the second quarter was 72.6 percent, compared with 72.5 percent in the prior-year quarter.

Due to the year-on-year growth in second-quarter revenue, gross profit increased from 79.2 million euros to 83.5 million euros. The significant increase in raw-material prices – in particular for wood and chemicals (glue and input materials) – had a negative impact on the **gross margin**, however. It fell to 21.9 percent (Q2 2009: 23.7 percent) due to the 3.6 percentage-point increase in material expenses in relation to revenue. Compared with the first quarter of 2010 (58.1 percent), material expenses fell to 55.5 percent of revenue, so the gross margin increased by one percentage point compared with Q1 2010. The balance of other operating income and expenses of 4.1 million euros mainly includes insurance compensation, share-price gains and the reversal of impairments of trade receivables.

Second-quarter **EBITDA** increased to 31.5 million euros, compared with 26.4 million euros in 2009. The EBITDA margin in the second quarter was thus 8.2 percent, compared with 7.9 percent a year ago. Positive exchange-rate effects, in particular from the Polish zloty and the Canadian dollar, contributed 2.5 million euros of total earnings.

EBIT of minus 0.4 million euros was at the prior-year level (minus 0.4 million euros). Depreciation and amortization amounted to 31.9 million euros (Q2 2009: 26.8 million euros).

The **net financial expense** of 2.0 million euros includes an amount of approximately 3.1 million euros of interest expense for the recognition of accrued transaction costs for the Group's refinancing. Furthermore, other financial income of 18.0 million euros primarily comprises income from the translation into euros on the balance sheet date of financial items denominated in foreign currencies.

Due to the factors listed above, the **result of continuing operations before taxes** amounted to a loss of 2.3 million euros, compared with a loss of 10.4 million euros for the prior-year quarter. In the second quarter of this year, we recognized a **deferred tax asset,** which contributed to a net tax benefit of 0.9 million euros. Due to payments of taxes for prior periods, discontinued operations contributed a loss of 1.0 million euros to the overall loss for the period of 2.4 million euros. Of that amount, 0.2 million euros is attributable to minority interests. The statement of income also includes the claims of hybrid bondholders of 4.6 million euros; this amount was not paid out but was recognized as a liability in the balance sheet. A loss of 7.2 million euros is therefore attributable to the shareholders of Pfleiderer AG, compared with a loss of 2.9 million euros for the second quarter of 2009.

This results in a basic **loss per share from continuing activities** of 10 euro cents, compared with a loss of 6 euro cents for the prior-year quarter.

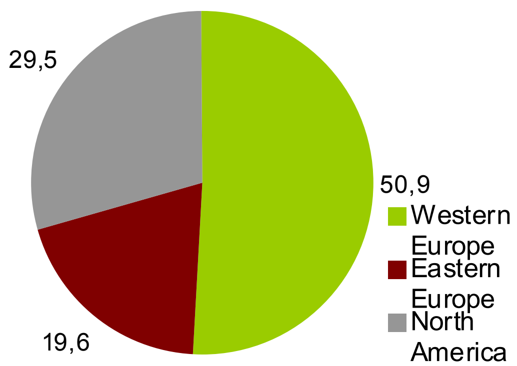
Segment Report on the Second Quarter

Segment overview

	Western Europe		Eastern Europe		North America		Group*	
Amounts in millions of euros	Q2 10	Q2 09	Q2 10	Q2 09	Q2 10	Q2 09	Q2 10	Q2 09
Revenue	202.0	175.3	77.7	59.3	117.4	107.0	381.4	334.5
EBIT	3.4	3.3	3.4	-2.5	0.7	2.8	-0.4	-0.4
EBIT margin	*1.7%*	*1.9%*	*4.4%*	*-4.2%*	*0.6%*	*2.6%*	*-0.1%*	*-0.1%*
Capital expenditure	6.1	4.3	3.6	12.4	11.3	14.5	21.1	32.4
Number of employees	2,629	2,715	1,577	1,609	1,257	1,165	5,579	5,620

* See the segment reporting for the reconciliation of the totals for the regions with the Group figures.

Segments' share of total revenue (%)
Q2 2010



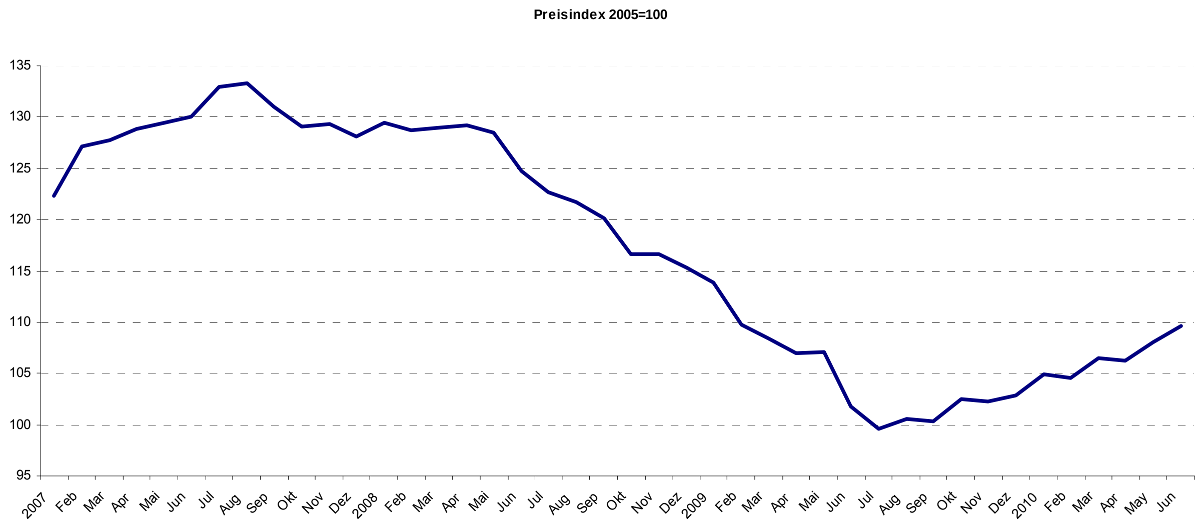
Due to disparate regional developments and the influence of exchange rates, the weighting of the regions continued to shift. Western Europe in particular decreased as a result of the depreciation of the euro, and accounted for only 50.9 percent of revenue in the second quarter. Eastern Europe increased slightly to 19.6 percent. The North America region accounted for 29.5 percent of revenue, mainly because of the strength of the US dollar.

Western Europe

The Western Europe region posted revenue growth of 15.2 percent compared with the second quarter of last year, reaching 202.0 million euros. Nearly half of that growth is the result of rising prices (see graph on page 9) and more than half of it was caused by higher unit sales. Volumes of surface-finished panels and HPL increased, while volumes of raw particleboard were still lower than in the prior-year period. Whereas prices for surface-finished panels remained largely flat, raw particleboard saw price increases at significant double-digit rates. On the customer side, the sectors of wholesale and retail, interior fitting and refurbishment have been very stable. But the construction industry is also enjoying a market revival, partially due to the German government's economic stimulus package. In the furniture industry, the production of living-room furniture in the low-price segment has come under pressure and demand from producers of office furniture has still not recovered. With laminate flooring, we have seen slight volume growth in Europe due to our new sales strategy; however, prices are still under pressure from the insufficient utilization of capacity.

The EBIT of the Western Europe region of 3.4 million euros was at the same level as in the prior-year quarter. The significant increases in raw-material costs compared with the second quarter of last year were offset by strict cost management and substantial savings.

Prices of raw particleboard in Germany



Source: Federal Statistical Office

Eastern Europe

In Eastern Europe, we posted the biggest regional growth compared with the prior-year quarter of 31.0 percent to 77.7 million euros. Of that growth, 13 percentage points were accounted for by exchange-rate effects. But volumes also increased – across all product groups and at double-digit rates.

EBIT amounted to 3.4 million euros, compared with minus 2.5 million euros a year ago. Volume growth and price gains more than offset the higher raw-material prices.

North America

Revenue in our North American sales markets increased year-on-year by 9.7 percent to 117.4 million euros in the second quarter of this year. Measured in local currencies, however, there was a slight revenue decrease of 3.0 percent. The ongoing volume growth for panels, which amounted to nearly 12 percent compared with the prior-year quarter, was more than offset by volume decreases for laminate flooring and by prices below the prior-year level for all products. Our volume growth for panels of almost 12 percent surpassed the rate of market growth, which was a good 9 percent according to the Composite Panel Association. We profited from our strong presence in the Canadian market, which was much more robust than the US market. Unit sales of MDF benefited from a temporary boost following the reduction in imports from Chile because of the earthquake there. Growth in unit sales of panels was primarily driven by the furniture segment.

With laminate flooring, we recorded decreases in both volumes and prices, whereby the lower average price was caused by a further shift in the product mix towards cheaper entry-level products. The dissatisfactory development of laminate flooring is explained by significant inventory reductions at home-improvement stores, which adjusted their stocks to the weaker-than-expected revival of demand. Furthermore, the competitive situation intensified due to imports from Europe. Overall, general economic developments and the US real-estate market in particular lagged behind expectations. This will additionally delay the recovery of our markets in this region and will put renewed pressure on prices.

Second-quarter EBIT amounted to 0.7 million euros, compared with 2.8 million euros for Q2 2009. In the second quarter of this year, the decision was made to close the plant in Fostoria (Ohio, USA) of our US subsidiary, Uniboard. Before Fostoria closes, the plant's production volumes are to be gradually transferred to other Uniboard plants. This will be possible following investment in direct surface finishing at the two plants in Moncure (North Carolina, USA) and Val d'Or (Quebec, Canada). The closure of the Fostoria plant will allow Uniboard to realize considerable cost advantages and to improve its efficiency. Meanwhile, production is being ramped up further at the MDF plant in Moncure.

Revenue and Earnings – Comparison of H1 2010 with H1 2009

The Pfleiderer Group's **revenue** of 737.0 million euros in the first half of 2010 surpassed the figure for the prior-year period by 6.4 percent. Exchange-rate effects accounted for 36.5 million euros of the increase. Volumes of surface-finished panels increased by nearly 10 percent while unit sales of raw panels grew by a good 6 percent. However, unit sales of laminate flooring decreased by approximately 11 percent. The development of both volumes and prices was very different from one regional to another. The proportion of revenue generated outside Germany was 71.8 percent in the first half of this year, compared with 71.5 percent in the same period of 2009.

Due to the increase in material expenses in relation to revenue by 5.2 percentage points to 56.8 percent, first-half gross profit decreased from 181.7 million euros to 157.8 million euros. The **gross margin** fell to 21.4 percent (H1 2009: 26.2 percent). The balance of other operating income and expense of 6.3 million euros mainly includes insurance compensation, share-price gains and the reversal of impairments of trade receivables.

EBITDA for the first half of 2010 fell to 53.7 million euros, from 79.1 million euros for the first half of last year. The EBITDA margin for the reporting period was thus 7.3 percent, compared with 11.4 percent a year ago. Positive exchange-rate effects, in particular relating to the Polish zloty and the Canadian dollar, accounted for 4.1 million euros of EBITDA.

EBIT of minus 6.5 million euros was lower than the prior-year figure (22.6 million euros). Depreciation and amortization amounted to 60.2 million euros (H1 2009: 56.5 million euros).

The **net financial expense** of 14.5 million euros (H1 2009: 26.3 million euros) includes an amount of approximately 6.1 million euros of interest expense for the recognition of accrued transaction costs for the Group's refinancing. Furthermore, other financial income of 24.7 million euros primarily comprises income from the translation into euros on the balance sheet date of financial items denominated in foreign currencies.

The **result of continuing operations before taxes** amounted to a loss of 21.0 million euros, compared with a loss of 3.7 million euros for the first half of last year. In the first half of the year, we recognized a **deferred tax asset**, which led to an overall tax benefit of 3.1 million euros. Due to payments of taxes for prior periods, discontinued operations contributed a loss of 1.0 million euros to the overall loss for the period of 18.9 million euros. Of that amount, 1.0 million euros is attributable to minority interests. The statement of income also includes the claims of hybrid bondholders of 9.2 million euros; this amount was not paid out but was recognized as a liability in the balance sheet. A loss of 27.1 million euros is therefore attributable to the shareholders of Pfleiderer AG, compared with a loss of 2.8 million euros for the second quarter of 2009.

This results in a basic **loss per share from continuing activities** of 45 euro cents, compared with a loss of 5 euro cents for the prior-year period.

Segment Report on the First Half

Segment overview

	Western Europe		Eastern Europe		North America		Group*	
Amounts in millions of euros	H1 10	H1 09	H1 10	H1 09	H1 10	H1 09	H1 10	H1 09
Revenue	395.7	369.3	154.2	124.9	212.5	211.5	737.0	692.4
EBIT	9.1	11.7	0.0	2.0	-3.5	8.8	-6.5	22.6
EBIT margin	*2.3%*	*3.2%*	*0.0%*	*1.6%*	*-1.6%*	*4.2%*	*-0.9%*	*3.3%*
Capital expenditure	9.0	10.4	7.3	17.3	29.2	32.8	45.7	61.8
Number of employees	2,629	2,715	1,577	1,609	1,257	1,165	5,579	5,620

* See the segment reporting for the reconciliation of the totals for the regions with the Group figures.

Western Europe

The Western Europe region posted revenue growth of 7.1 percent compared to the first half of last year, reaching 395.7 million euros. Nearly half of that growth resulted from rising prices and to a smaller extent higher unit sales. Volumes of surface-finished panels and HPL increased, while volumes of raw particleboard were still lower than in the prior-year period. Whereas prices for surface-finished panels remained lower than in the prior-year period, prices of raw panels increased. On the customer side, the sectors of wholesale and retail, interior fitting and refurbishment have been very stable. But the construction industry is also enjoying a market revival, partially due to the German government's economic stimulus package. In the furniture industry, the production of living-room furniture in the low-price segment has come under pressure and demand from producers of office furniture has still not recovered. With laminate flooring, we saw slight volume decreases in Europe in the first half of 2010; however, our new sales strategy had positive effects already in the second quarter and led to growth. But prices are still under pressure from insufficient utilization of capacity.

EBIT of the Western Europe region of 9.1 million euros were slightly below the prior-year level (11.7 million euros). The significant increases in raw-material costs compared with the second quarter of last year were not fully offset by strict cost management and substantial savings.

Eastern Europe

In Eastern Europe, we posted the biggest regional growth compared with the prior-year quarter of 23.3 percent to 154.2 million euros. Of that growth, 12.1 percentage points were accounted for by ex-change-rate effects. Volumes increased across all product groups.

EBIT amounted to 0.0 million euros, compared with 2.0 million euros a year ago. Volume growth was insufficient to compensate for the increases in raw-material costs.

North America

In our North American sales markets, we increased our revenue compared with the first half of last year by 0.5 percent to 212.5 million euros. Measured in the respective local currencies, however, revenue decreased by 7.8 percent. The ongoing volume growth for panels was more than offset by volume decreases for laminate flooring and by prices below the prior-year level for all products. Our volume growth of 11.5 percent for panels was about twice as high as the overall market growth, according to the Composite Panel Association (market growth of 4.0 percent for MDF and 7.8 percent for particleboard). With laminate flooring, we recorded decreases in both volumes and prices, whereby the lower average price was caused by a further shift in the product mix towards cheaper entry-level products. The dissatisfactory development of laminate flooring is explained by the significant inventory reductions at home-improvement stores, which adjusted their stocks to the weaker-than-expected revival of demand. Overall, general economic developments and the real-estate market in particular lagged behind expectations.

EBIT for the first half of 2010 amounted to minus 3.5 million euros, compared with plus 8.8 million euros for the prior-year period.

Financial Position – Comparison of June 30, 2010 with December 31, 2009

Compared with the end of 2009, the balance sheet total increased by 6.6 percent to 2.101.9 million euros. On the **assets side**, current assets accounted for nearly a third of this increase, while non-current assets were responsible for a good two thirds. Current assets increased by 9.7 percent to 463.6 million euros. On the one hand, receivables and other assets increased by 16.5 percent to 206.2 million euros, because for seasonal reasons, business volumes in the last few weeks of a year are always very weak while revenue is strong in the last few weeks of the first half of the year. The increase in receivables is largely due to this seasonal effect. On the other hand, the inventory increase was caused by the higher volume of business and higher raw-material prices, as well as by currency-translation effects on the foreign subsidiaries' inventories due to the weak euro.

Non-current assets increased by 5.8 percent to 1,638.3 million euros, mainly due to the positive effects of currency translation following exchange-rate movements.

Following the completion of financing negotiations during the first quarter of 2010, the structure of the **liabilities side** normalized. As the credit agreements are linked to financial covenants, one of which was breached as of June 30, 2009, those non-current financial liabilities were reclassified as current until a new long-term agreement was reached. Mainly as a result of the new credit agreements, current financial liabilities decreased by 563.7 million euros while non-current financial liabilities increased by 644.2 million euros. Equity increased by 55.5 million euros to 687.2 million euros. While the earnings development reduced equity by 27.1 million euros, the 10 percent capital increase and the sale of treasury shares raised equity by 52.4 million euros. Currency translation accounted for 28.6 million euros of the increase. As a result, the equity ratio improved from 32.0 percent to 32.7 percent.

The Group's **net debt** increased compared with the end of 2009 by 109.2 million euros to 963.4 million euros. This was the result of the loss for the period (18.9 million euros), the increase in receivables and other assets described above (29.2 million euros), the increase in inventories due to higher prices and volumes (15.4 million euros), and exchange-rate effects from the translation into euros of financial liabilities denominated in foreign currencies (42.6 million euros). There were positive effects from the capital increase and the sale of treasury shares (52.4 million euros). The ratio of net debt to equity (gearing) increased from 135.2 percent to 140.2 percent.

Cash Flows

In the first half of 2010, the net cash inflow from operating activities amounted to 10.8 million euros, compared with a net cash outflow of 54.0 million euros in the first half of last year. This cash inflow is mainly due to EBITDA for the period of 53.7 million euros and the increase in current liabilities of 40.6 million euros. There were opposing effects primarily from the increases in inventories and receivables.

Capital Expenditure

Capital expenditure including advance payments in the first half of 2010 fell compared with the prior-year period by 26.1 percent to 45.7 million euros. Of that total, 9.0 million euros was invested in the Western Europe region. In North America, 29.2 million euros was invested, most of which was for the completion of the MDF plant in Moncure. A total of 7.3 million euros was invested in Eastern Europe.

Workforce

The number of 5,579 employees at the end of the reporting period was 0.7 percent lower than a year earlier. The North American workforce expanded by 7.9 percent due to the start of production of the MDF plant transferred to Moncure. There was a reduction of 2.0 percent in Eastern Europe as a result of cost-cutting actions, while the number of employees in Western Europe decreased by 3.1 percent due to economy measures. Compared with the end of 2009, the size of the Group's worldwide workforce decreased slightly by 13 persons.

Events after the Interim Balance Sheet Date

As of August 14, 2010, no events worth reporting had occurred since the interim balance sheet date of June 30, 2010.

Risk Report

One of the fundamental management tasks is to establish and implement an effective internal control (IC) and risk-management (RM) system complying with the requirements of corporate governance and best practices.

Like other companies, Pfleiderer is exposed to a large number of risks connected with entrepreneurial activities. In order to counteract such uncertainties and to meet the requirements of constant changes in the applicable laws and regulations of various jurisdictions, the Pfleiderer Group has established IC, RM and internal auditing systems that are uniform throughout the Group. These instruments are continually further developed and regularly adapted to changing conditions.

As part of the existing process, the Executive Board and the Supervisory Board are informed, regularly and if required ad hoc, about risks that could significantly influence the business development of the business units or of the entire Group.

The tasks and organization of risk management at Pfleiderer and the risks to which the company is exposed were described in detail in the Management Report of Annual Report 2009. That document can be seen on the website of Pfleiderer AG at *www.pfleiderer.com* under the heading “Investor Relations/Reports and Presentations,” and can be downloaded if required.

Within the context of an anti-trust investigation, offices of Pfleiderer AG, some subsidiaries and competing companies in the engineered-wood industry were searched on March 4, 2009. Already in Three-Month Report 2010 and in an ad-hoc disclosure on March 10, 2010, Pfleiderer AG announced in this context that it had received notifications of accusations and hearings from Germany’s Federal Antitrust Authority; those letters have been replied to. Due to the pending proceedings, the company cannot make any further statements on this matter.

As already disclosed in Three-Month Report 2010, following successful negotiations, Pfleiderer agreed with its banks in January 2010 on new credit conditions for an amount of approximately 800 million euros. These new conditions apply until the end of 2013. In addition, the Polish subsidiary reached an agreement with its banks on March 16, 2010 on further credit of approximately 180 million euros. Financial covenants that are usual in the market were also agreed upon and must be observed during the term of the credit.

Observance of the financial covenants is continuously monitored and controlled with suitable instruments. However, as the consequences of the global crisis and the continuation of economic growth cannot be conclusively assessed, the fulfillment of our projected figures is subject to a degree of uncertainty. Significant deviation from projections for one or several key figures can lead to a breach of the agreed financial covenants. In turn, this could lead to our credit lines becoming more expensive or even being called due.

On the basis of the information currently available, the risk situation as described in Three-Month Report 2010 did not change significantly in the second quarter of 2010.

Opportunities and Outlook

Pfleiderer plans to focus its business on the three regions of Western Europe, Eastern Europe and North America also in the future. In both Western Europe and North America, we anticipate ongoing market consolidation along with a reduction in production capacities. This will present us with opportunities to raise our sale prices and to pass on rising raw-material costs, even if the revival of demand is only moderate.

The consequences of the financial market crisis will affect economic growth in our sales markets also in 2010. Banks and companies will continue to reduce their levels of debt in 2010 and some countries will reduce their new borrowing. This will dampen growth and keep it to less than its actual potential. For these reasons, we anticipate a regionally differentiated development of demand in 2010.

Demand in Western Europe in the first half of 2010 developed better than we expected and it can be hoped that this development will continue from the present level during the rest of the year. In Eastern Europe, demand should continue to grow and we should continue to have good utilization of capacity. One risk factor is the development of the zloty's exchange rate against the euro, because our Polish customers export a large proportion of their production to Western Europe. In North America, there are indications from the real-estate market of stabilization or even slight revival of new construction activity, which should lead – after a certain time lag – to increasing demand for our products in the second half of 2010. However, this revival has so far not fulfilled our expectations. Furthermore, growing substitution of solid-wood or plywood furniture with less expensive particleboard furniture is taking place in the United States. Our revenue in North America will be additionally boosted by the ramping up of MDF production in Moncure in the second half of this year.

Total revenue in 2010 should be higher than in 2009, whereas profitability will probably remain unsatisfactory. Despite additional cost reductions of up to 30 million euros solely in administrative areas, a further net loss is likely in 2010, due not least to higher interest expenses. We therefore assume that it will not be possible to pay a dividend for the year 2010. But in 2011, significantly better prices for our products, a further revival of demand and lower interest expenses due to gradual debt reduction should lead to positive earnings once again.

For the years 2010 and 2011, we do not plan any investment in capacity expansion, but only expenditure for the maintenance of existing plants and for rationalization, which should be significantly less than 100 million euros each year. In the second half of 2010, we will reassess our options for further procedure with regard to the MDF plant in Novgorod, Russia, and will decide accordingly.

The capital expenditure of the past three years will provide us with significant growth opportunities, as we now have more and more efficient production plants than in the particularly successful year 2007 for example. In comparison with then, we now have the capacity of the MDF plant in Grajewo, Poland, the particleboard plant and the MDF plant in Moncure, USA, and additional surface-finishing capacity in Novgorod, Russia and Val d'Or, Canada. At a later date, we will also have the new MDF plant in Novgorod.

The Pfleiderer Group will focus in the coming years on debt reduction, cash management and further strengthening its market position. Despite the difficult market situation, we believe that compared with our competitors, we are well prepared to achieve our goals.

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 14, 2010

Hans H. Overdiek | Heiko Graeve | Pawel Wyrzykowski

Responsibility Statement

Statement pursuant to Section 37y of the German Securities Trading Act (WpHG) in conjunction 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 14, 2010

Hans H. Overdiek	Heiko Graeve	Pawel Wyrzykowski

Pfleiderer shares

In the first half of 2010, our share price profited only at the beginning of the year from the positive stock-exchange sentiment and the news that the financing negotiations had been completed. After that, the share price came under pressure because shareholders expected first-quarter earnings to be reduced by increased raw-material prices and some investors disliked the Group's ongoing high level of debt. Compared with the end of 2009, the share price had fallen by 32.7 percent as of June 30, 2010, compared with a performance of plus 6.7 percent for the MDAX, plus 10.0 percent for the SDAX and plus 0.1 percent for the DAX.

Our share price was also depressed by the move from the MDAX to the SDAX. Recent initial public offerings had created some new candidates for inclusion in the MDAX. The relative underperformance caused our stock to fall – measured by the criterion of market capitalization – from 61st position in the MDAX/SDAX ranking at the end of 2009 to 75th at the end of the reporting period. By the criterion of liquidity, however, our position improved from 50th to 48th. Trading volume in our shares in the first half of 2010 was an average of 401,600 shares traded each day, compared with the annual average for 2009 of 182,760 shares per day.

PFLEIDERER-AKTIE, SDAX UND MDAX INDIZIERT
1. Januar 2009 – 16. Juli 2010

Key figures

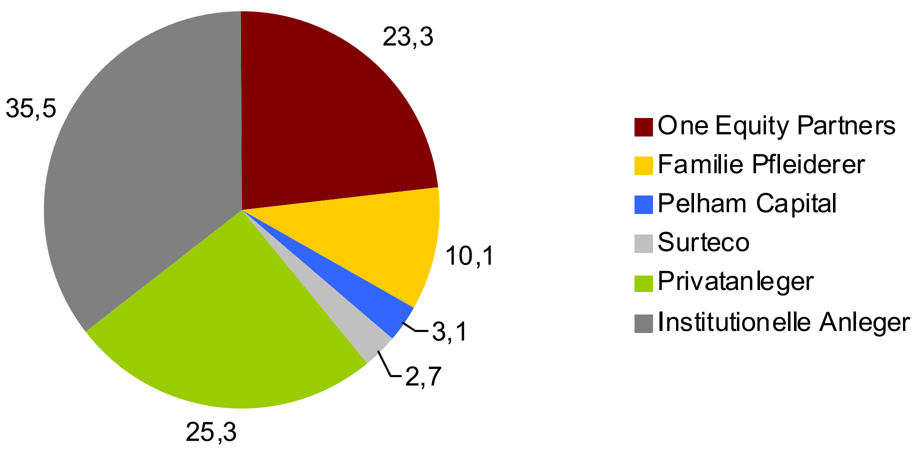
		H1 2010	2009
Share price:			
lowest	euros	3.60	2.44
highest	euros	7.33	8.26
closing	euros	4.13	6.14
Number of shares at end of period		58,658,700	53,326,100
Market capitalization at end of period	million euros	242	327
Earnings per share (continuing operations)	euros	-0.45	-1.42
Average daily trading [1]		401,600	182,760

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 on June 30, 2010	percent	70.7
SDAX weighting on June 30, 2010	percent	1.81
Stock-exchange segment		Prime Standard

1) Per day on Xetra

Shareholder Structure

In percent



As of June 2010

Condensed Interim Consolidated Financial Statements

Consolidated Statement of Income (IFRS) (IFRS)

In thousands of euros, except per share amounts (in euros)	Jan. 1 - June 30, 2010	Jan. 1 - June 30, 2009	Apr. 1 - June 30, 2010	Apr. 1 - June 30, 2009
Revenue	736,972	692,427	381,392	334,473
Cost of sales	-579,155	-510,689	-297,930	-255,292
Gross profit	**157,817**	**181,738**	**83,462**	**79,181**
Selling expenses	-109,764	-100,426	-56,774	-49,787
Administrative expenses	-59,559	-59,567	-30,682	-27,090
Research and development expenses	-1,289	-988	-463	-196
Other operating income and expenses	6,271	1,814	4,078	-2,552
Operating profit	**-6,524**	**22,571**	**-379**	**-444**
Interest income	135	787	68	308
Interest expense	-39,344	-22,997	-20,007	-11,179
Other financial income/expense	24,745	-4,071	17,970	964
Financial expense, net	**-14,464**	**-26,281**	**-1,969**	**-9,907**
Profit/loss from continuing operations before taxes	**-20,988**	**-3,710**	**-2,348**	**-10,351**
Income taxes	3,120	7,920	906	10,588
Profit/loss from continuing operations	**-17,869**	**4,210**	**-1,442**	**237**
Profit/loss from discontinued operations	-1,004	-134	-1,004	0
Income tax on discontinued operations	0	-414	0	1
Profit/loss for the period	**-18,873**	**3,662**	**-2,446**	**238**
thereof attributable to minority interests	-950	-2,686	163	-1,438
thereof attributable to hybrid bondholders	9,151	9,151	4,601	4,601
thereof attributable to shareholders of Pfleiderer AG	**-27,074**	**-2,803**	**-7,210**	**-2,925**
Earnings/loss per share – basic	-0.47	-0.06	-0.12	-0.06
Earnings/loss per share – diluted	-0.47	-0.06	-0.12	-0.06
Earnings/loss per share from continuing operations after minority interests	-0.45	-0.05	-0.10	-0.06
Earnings/loss per share from discontinued operations	-0.02	-0.01	-0.02	0.00
Average number of shares issued (basic)	57,350,044	50,682,642	57,350,044	50,682,642

Consolidated Statement of Comprehensive Income

In thousands of euros	Jan. 1 - June 30, 2010	Jan. 1 - June 30, 2009	Apr. 1 - June 30, 2010	Apr. 1 - June 30, 2009
Profit/loss for the period	**-18,873**	**3,662**	**-2,446**	**238**
Currency translation differences	28,645	-10,174	-868	3,762
Derivative financial instruments	1,005	-272	502	3,317
Total of income and expense recognized directly in equity (after taxes)	**29,650**	**-10,446**	**-366**	**7,079**
Total of income and expense recognized in equity	**10,777**	**-6,784**	**-2,812**	**7,317**
Thereof attributable to:				
Minority interests	3,187	-7,610	-764	2,293
Hybrid bondholders	9,151	9,151	4,601	4,601
Shareholders of Pfleiderer AG	-1,561	-8,325	-6,649	423
Total of income and expense recognized in equity	**10,777**	**-6,784**	**-2,812**	**7,317**

Consolidated Balance Sheet

Assets

In thousands of euros	June 30, 2010	Dec. 31, 2009
Cash and cash equivalents	30,534	59,292
Receivables and other assets	206,216	177,011
Inventories, net	199,231	166,386
Income tax receivables	1,941	2,460
Other assets	16,879	5,806
Assets from discontinued operations	8,760	11,602
Current assets	**463,561**	**422,557**
Property, plant and equipment, net	918,941	866,084
Intangible assets, net	566,644	535,173
Financial assets	5,018	4,888
Deferred tax assets	127,828	128,862
Other assets	19,866	13,652
Non-current assets	**1,638,297**	**1,548,659**
Total assets	**2,101,858**	**1,971,216**

Equity and liabilities

In thousands of euros	June 30, 2010	Dec. 31, 2009
Payables and other debt	243,973	234,834
Financial liabilities	236,490	800,202
Provisions	29,300	46,880
Tax liabilities	9,995	8,604
Other debt	760	468
Liabilities from discontinued operations	11,463	14,331
Current liabilities	**531,981**	**1,105,319**
Financial liabilities	757,457	113,294
Retirement benefit obligation	18,863	15,800
Deferred tax liabilities	80,771	81,761
Other debt	6,923	5,684
Provisions	18,682	17,659
Non-current liabilities	**882,696**	**234,198**
Share capital	150,166	136,515
Reserves including retained earnings and profit for the period	272,136	302,078
Treasury shares	0	-43,073
Other comprehensive income	-27,056	-52,569
Equity of shareholders of Pfleiderer AG	**395,246**	**342,951**
Hybrid capital	260,204	260,204
Minority interests	31,731	28,544
Total equity	**687,181**	**631,699**
Total equity and liabilities	**2,101,858**	**1,971,216**

Consolidated Statement of Cash Flows (IFRS)

In thousands of euros	Jan. 1 - June 30, 2010	Jan. 1 - June 30, 2009
Earnings before interest and taxes (EBIT)	-6,524	22,571
Net income taxes paid	-41	-5,789
Depreciation and amortization	60,224	56,487
Gain/loss on the disposal of fixed assets	-550	-9
Change in retirement benefit obligation	800	-522
Cash inflow	**53,909**	**72,738**
Change in current assets	-87,512	-40,678
Change in other non-current assets	3,756	643
Change in current liabilities excluding financial debt	40,585	-102,371
Change in non-current liabilities excluding financial debt	1,680	15,085
Other non-cash expense and income	-1,661	555
Cash flow from operating activities	**10,757**	**-54,028**
Payments for intangible assets	-242	-1,347
Payments for property, plant and equipment	-62,291	-62,175
Payments and proceeds for the acquisition and sale of companies		
and interests in consolidated companies	0	-370
Proceeds from the sale of intangible assets	0	640
Proceeds from the sale of property, plant and equipment	1,219	1,285
Cash flow from investing activities	**-61,314**	**-61,967**
Cash flow from operating activities and investing activities	**-50,557**	**-115,995**
Change in financial liabilities	24,904	181,557
Change in externally factored receivables	-22,333	-24,942
Capital increase	34,229	0
Sale of treasury shares	18,165	0
Interest paid	-33,247	-20,533
Interest received	135	787
Other financing activities	-26	-4,072
Cash flow from financing activities	**21,827**	**132,797**
Net change in cash and cash equivalents	-28,730	16,802
Effects of exchange-rate changes on cash held in foreign currencies	3,844	-145
Change in cash and cash equivalents from discontinued operations	-3,872	-549
Change in cash and cash equivalents from first-time consolidation		
and deconsolidation	0	-3
Cash and cash equivalents at January 1	59,292	46,288
Cash and cash equivalents at June 30	30,534	62,393

Consolidated Statement of Changes in Equity (IFRS)

In thousands of euros	Issued share capital	Reserves including retained earnings and profit for the period	Treasury shares	Other comprehensive income: Foreign currency translation	Other comprehensive income: Valuation of financial derivates	**Subtotal**	Hybrid capital	Minority interests	Total
Balance at January 1, 2010	**136,515**	**302,078**	**-43,073**	**-50,533**	**-2,036**	**342,951**	**260,204**	**28,544**	**631,699**
Increase in issued capital	13,651	20,700				**34,351**			34,351
Treasury shares		-24,908	43,073			**18,165**			18,165
Change in adjustment item from currency translation				24,508		**24,508**		4,137	28,645
Valuation of financial derivatives					1,005	**1,005**			1,005
Profit/loss for the period		-27,074				**-27,074**	9,151	-950	-18,873
Deferred payment to hybrid bondholders						**0**	-9,151		-9,151
Effect of stock option plans		1,340				**1,340**			1,340
Balance at June 30, 2010	**150,166**	**272,136**	**0**	**-26,025**	**-1,031**	**395,246**	**260,204**	**31,731**	**687,181**

In thousands of euros	Issued share capital	Reserves including retained earnings and profit for the period	Treasury shares	Other comprehensive income: Foreign currency translation	Other comprehensive income: Valuation of financial derivates	**Subtotal**	Hybrid capital	Minority interests	Total
Balance at January 1, 2009	**136,515**	**369,070**	**-43,073**	**-41,730**	**-3,793**	**416,989**	**260,204**	**33,745**	**710,938**
Increase in issued capital						**0**			0
Treasury shares						**0**			0
Change in adjustment item from currency translation				-5,663		**-5,663**		-4,511	-10,174
Valuation of financial derivatives					141	**141**		-413	-272
Profit/loss for the period		-2,803				**-2,803**	9,151	-2,686	3,662
Deferred payment to hybrid bondholders						**0**	-9,151		-9,151
Effect of stock option plans		1,208				**1,208**			1,208
Balance at June 30, 2009	**136,515**	**367,475**	**-43,073**	**-47,393**	**-3,652**	**409,872**	**260,204**	**26,135**	**696,211**

Condensed Group Segment Report (IFRS)

Jan. 1 - June 30, 2010 In thousands of euros	External revenue	Internal revenue	Segment earnings EBIT	Segment assets at June 30, 10
Region Western Europe	377,600	18,129	9,143	674,772
Region Eastern Europe	146,412	7,822	-32	537,202
Region North America	212,509	0	-3,482	688,055
Subtotal	**736,521**	**25,951**	**5,629**	**1,900,029**
Headquarters	0	37,244	-12,201	50,758
Other	450	184	-399	8,552
Discontinued operations	0	0	-1,004	8,760
Consolidation	0	-63,379	1,451	133,759
Pfleiderer Group	**736,971**	**0**	**-6,524**	**2,101,858**

Jan. 1 - June 30, 2009 In thousands of euros	External revenue	Internal revenue	Segment earnings EBIT	Segment assets at June 30, 10
Region Western Europe	365,353	3,952	11,681	647,884
Region Eastern Europe	115,542	9,316	1,963	520,253
Region North America	211,460	0	8,837	554,523
Subtotal	**692,355**	**13,268**	**22,481**	**1,722,660**
Headquarters	0	36,649	443	50,514
Other	72	184	-796	9,104
Discontinued operations	0	0	-133	11,602
Consolidation	0	-50,101	576	177,336
Pfleiderer Group	**692,427**	**0**	**22,571**	**1,971,216**

Condensed Group Segment Report (IFRS)

Apr. 1 - June 30, 2010 In thousands of euros	External revenue	Internal revenue	Segment earnings EBIT	Segment assets at June 30, 10
Region Western Europe	189,757	12,263	3,442	674,772
Region Eastern Europe	74,044	3,608	3,435	537,202
Region North America	117,430	0	721	688,055
Subtotal	**381,231**	**15,871**	**7,598**	**1,900,029**
Headquarters	0	14,882	-7,952	50,758
Other	161	92	-400	8,552
Discontinued operations	0	0	0	8,760
Consolidation	0	-30,845	375	133,759
Pfleiderer Group	**381,392**	**0**	**-379**	**2,101,858**

Apr. 1 - June 30, 2009 In thousands of euros	External revenue	Internal revenue	Segment earnings EBIT	Segment assets at June 30, 10
Region Western Europe	173,391	1,918	3,314	647,884
Region Eastern Europe	53,970	5,343	-2,462	520,253
Region North America	106,957	0	2,758	554,523
Subtotal	**334,318**	**7,261**	**3,610**	**1,722,660**
Headquarters	0	14,855	-4,427	50,514
Other	155	92	-403	9,104
Discontinued operations	0	0	-133	11,602
Consolidation	0	-22,208	909	177,336
Pfleiderer Group	**334,473**	**0**	**-444**	**1,971,216**

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 holding-company functions are reported under “Headquarters.” “Other” includes those companies that do not fulfill the defining criteria of a reportable segment.

Notes to the Condensed Interim Consolidated Financial Statements for the Six Months Ended June 30, 2010

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 2009 for further information. The consolidated financial statements and the group management report for the year ended December 31, 2009, as published in our Annual Report 2009, form the basis for these interim consolidated financial statements.

These interim consolidated financial statements have been prepared in accordance with Section 315a of the German Commercial Code (HGB) "Consolidated Financial Statements According to International Accounting Standards" and in accordance with the International Financial Reporting Standards (IFRS) and the interpretations of the International Accounting Standards Board (IASB), as adopted by the European Union under Regulation No. 1606/2002 of the European Parliament and the European Council concerning the application of international accounting standards in the EU. The requirements of the applied standards have been entirely fulfilled and allow the presentation of the actual situation with regard to the assets, liabilities, financial position and profit or loss Pfleiderer AG.

The consolidation methods have not changed compared with December 31, 2009.

The condensed 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, 2009 (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, 2009.

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 2009. Please therefore refer to Annual Report 2009. Various new or amended standards and interpretations of the IASB or of the IFRIC have been recognized by the European Union. The effects of these standards and interpretations are only of minor importance for the financial statements of the Pfleiderer Group.

3. Dividend

Pfleiderer AG has not paid a dividend for the year 2009, neither was a dividend paid for the year 2008.

4. Shares held by Executive Board and Supervisory Board members and stock option plans

At June 30, 2010, the members of the Executive Board of Pfleiderer AG held 552,794 shares (prior year: 552,794) and 1,134,504 share options (prior year: 1,134,504). The members of the Supervisory Board held 10,563 shares (prior year: 1,877,468) and 6,580 options (prior year: 6,580).

Within the framework of the stock option plan of Pfleiderer AG, the members of the Executive Board were not granted any options to subscribe for shares in return for an equity investment in the first six months of 2010.

No share options were “in the money” at June 30, 2010; therefore, no share options contributed towards an arithmetical dilution of earnings per share.

5. Treasury shares

All of the 2,643,458 treasury shares were sold through the stock exchange on January 19, 2010, resulting in sale proceeds of 18.5 million euros.

6. Changes in the Supervisory Board

Effective at the end of the Annual Shareholders’ Meeting held on June 23, 2010, Mr. Ernst-Herbert Pfleiderer stepped down from his position as Chairman of the Supervisory Board of Pfleiderer AG. The shareholders attending that meeting elected Mr. Hans Theodor Pfleiderer as a new member of the Supervisory Board. Mr. Christopher von Hugo was elected as the new Chairman of the Company’s Supervisory Board.

Neumarkt, August 14, 2010

Hans H. Overdiek | Heiko Graeve | 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, 2010, which are part of the half-year financial report pursuant to Section 37w of the German Securities Trading Act (WpHG) / Quarterly Financial Reports pursuant to Section 37x Subsection 3 of the 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.

Nuremberg, August 16, 2010

KPMG AG
Wirtschaftsprüfungsgesellschaft
(German firm of accountants)

Kozikowski
Wirtschaftsprüfer
(German public auditor)

Rupprecht
Wirtschaftsprüfer
(German public auditor)