Nine Month Report

JANUARY 1 – SEPTEMBER 30, 2009

PFLEIDERER
AKTIENGESELLSCHAFT

Interim report on the nine months ended September 30, 2009

- Revenue in the first nine months of 2009 down by 23 percent compared with prior-year period to 1,040 million euros
- EBITDA down by 41 percent to 106 million euros
- EBITDA margin down to 10.2 percent
- Revenue in third quarter up by 3.8 percent compared with second quarter to 347 million euros
- Continuation of stable business in North America
- Strong growth again in Eastern Europe compared with previous quarter
- First signs of recovery also in Western Europe, good capacity utilization once again
- Good progress with bank negotiations on medium-term financing

Pfleiderer Group: key figures at September 30, 2009

Amounts in millions of euros except earnings per share figures (in euros)	Jan. 1 - Sept. 30, 2009	Jan. 1 - Sept. 30, 2008	July 1 - Sept. 30, 2009	July 1- Sept. 30, 2008
Revenue	1,039.7	1,353.3	347.3	436.4
International share (in percent)	72.1	72.0	73.2	72.1
EBITDA	105.5	179.7	26.4	60.2
margin (in percent)	*10.2*	*13.3*	*7.6*	*13.8*
EBIT	19.4	87.4	-3.2	32.6
EBT from continuing operations	-17.8	51.0	-14.1	28.1
Profit/loss for the period	-13.9	32.6	-17.6	16.3
Profit/loss attributable to Pfleiderer shareholders	-24.6	16.5	-21.8	11.2
Earnings per share, basic, in euros	-0.49	0.32	-0.43	0.22
Earnings per share, diluted, in euros	-0.49	0.32	-0.43	0.22
Number of employees at end of period	5,636	5,926	5,636	5,926
Germany	2,470	2,588	2,470	2,588
Outside Germany	3,166	3,338	3,166	3,338
Earnings per share, basic	50,682,642	50,814,054	50,682,642	50,814,054

Amounts in millions of euros	Sept. 30, 2009	Dec. 31, 2008	Change in percent
Total assets	1,971.9	1,887.5	4.5
Equity	685.0	710.9	-3.6
Equity ratio (in percent)	34.7	37.7	
Net debt	821.5	635.5	29.3

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Foreword by the Executive Board

Dear Shareholders, Ladies and Gentlemen,

The biggest economic slump of recent years seems to have come to an end in most countries; in fact some economies are already improving again slightly. This was also true of Pfleiderer AG in the third quarter, with revenue and orders received increasing slightly compared with the previous quarter.

The revival of business was particularly apparent in the Eastern Europe and Western Europe regions. Customers in the German furniture industry are receiving more orders again now that the car-owners' scrappage incentive has expired. That scheme probably diverted a certain amount of demand towards cars and away from furniture and other manufacturing sectors, thus distorting normal consumer behavior to the benefit of the automotive industry with its strong lobby. Demand also increased in the design-oriented project business such as shopfitting, after an investment freeze lasting for several quarters.

We posted the most significant growth in Eastern Europe. Although overall demand in the Russian market has so far barely recovered, our revenue in that market increased significantly compared with the previous quarter. The plant in Novgorod is operating at full capacity again because some other suppliers in Russia were no longer competitive with their old and inefficient plants and had to cease production. This has allowed us to penetrate some completely new target groups and to increase our market share. Business development is even better in Poland, where demand has increased again throughout the market. Another positive factor in Poland is that we have significantly improved our relative cost position due to the savings achieved in recent quarters, so we have further strengthened our position, particularly in the MDF market.

In North America, we already slightly increased our revenue in the first two quarters of this year in what is still a shrinking market; in the third quarter, revenue was the same as in the second quarter measured in local currency. There are increasing signs that the situation of the US real-estate market is stabilizing, but its recovery is a slow process. We anticipate an improvement of business particularly in the area of modernization because the number of homes subject to compulsory auction is increasing and those properties have to be improved after standing empty for a long time.

Despite revenue growth of 3.8 percent compared with the previous quarter to 347.3 million euros, third-quarter EBITDA remained constant at 26.4 million euros. One reason for this is the current level of prices. Although prices for particleboard and MDF have remained fairly stable since July, prices were lower on average in the third quarter than in the second. Excess production capacity in relation to restrained demand led to price falls in recent quarters. However, there are already the first signs that some prices are rising again: On the one hand, because plants have been closed in nearly all regions in recent quarters, reducing excess capacities; on the other hand, because demand has been rising again, although with significant differences.

It remains to be seen how sustained and strong the recovery will be. In any case, we do not intend to make Pfleiderer's improvement in earnings dependent only on hopes for a more favorable environment, but we are actively pursuing the following operating and accounting targets: cash management, cost management and capacity management.

In a cyclical industry like ours, it is crucial to have the lowest possible variable costs in order to do business and gain market share even when prices are falling because of the recession. We deliberately made use of the good years before this recession to improve our cost position to such an extent that we have been among the industry's cost leaders during the recession. We have achieved this goal, as shown recently in a study by the industry-analyst company, Pöyry. Nonetheless, we will not reduce our efforts and will continue improving all our processes. Our next goal is to reduce fixed costs so that we become profitable again as quickly as possible on a full-costing basis during the next upswing. To achieve this goal, we will make our organizational structures leaner, we will implement more streamlined management levels, and we will become more efficient in administration and sales, especially in Europe. In this context, the Executive Board has been reduced from four to three members. Dr. Robert Hopperdietzel, who hitherto held Executive Board responsibility for Technology and Operations, stepped down from his position and left the company effective November 15, 2009.

Capacity management is crucial not only because of the high burden of fixed costs connected with the capital-intensive production processes. Too little utilization of capacities throughout the industry is leading to lower prices and placing a burden on margins in addition to the lower sales volumes. It is therefore crucial for the recovery of margins that the market remains in equilibrium. This can be achieved for example when the production facilities of suppliers with the worst cost position are closed. In recent quarters, production capacity equivalent to more than one million cubic meters has already been closed in our core market of Central Europe. This represents about half of the excess capacity in this market. We have also idled our smallest and least efficient plant (Gschwend) with the help of short-time work, thus contributing to the sector's recovery. All the Group's other plants are operating with satisfactory capacity utilization of significantly more than 80 percent; some of them are actually working at full capacity.

Discussions with Pfleiderer's creditor banks concerning the rescheduling of large portions of our financing are well advanced and should be concluded by the end of November. This will secure our financing for the next four years, although with higher costs than hitherto. This is why debt reduction will be one of our most important goals in the coming years. The new financing arrangements include the continuation of the existing syndicated credit and of the promissory note loan, supplemented with a loan from Germany's KfW (*Kreditanstalt für Wiederaufbau*: Reconstruction Loan Corporation). With this new financing framework, we believe we are well equipped for the currently difficult markets and the time after this financial market crisis.

Neumarkt, November 16, 2009

Hans H. Overdiek
Chairman of the Executive Board (CEO)

Interim group management report

Economic environment

After some economic research institutes already announced a surprising end to the downturn in many regions in the second quarter, the situation seems to have improved again slightly in the third quarter. Nearly all our sales regions have returned to economic growth. According to Eurostat, the **euro zone's GDP** contracted by 0.2 percent in the second quarter compared with the first; in the third quarter there was growth of 0.4 percent. Positive effects are apparent from the upturn of global demand and the related restocking by our customers, from the ECB's massive interest-rate reductions, and from various governments' extensive economic-stimulus programs.

Germany's economy grew already in the second quarter by 0.3 percent compared with the previous quarter, and according to preliminary figures of Germany's Federal Office for Statistics it continued along its growth path in the third quarter with expansion of 0.7 percent compared with the second. The recovery has primarily been driven by the industrial sector, which had previously been hit particularly hard by the crisis, however.

In the **United States**, economic output in the second quarter fell by 0.7 percent at an annualized rate, but returned to growth in the third quarter. According to the first provisional estimates, the US economy expanded by an annualized 3.5 percent in the third quarter. The US real-estate market, which triggered the financial crisis, is showing some signs of stabilization.

The **Polish** economy is still one of the most robust drivers of growth in Europe. After the country's GDP expanded by 0.5 percent in the second quarter compared with the first, this growth trend is likely to have continued in the third quarter. In **Russia**, however, there are still hardly any signs of economic revival. Russian economic output probably contracted once again slightly in the third quarter.

In the German **wood industry**, sentiment improved again somewhat during the third quarter; the relevant index of the IFO Institute climbed significantly and was only marginally below zero at the end of the reporting period. Total revenues from sales of engineered wood still fell by 20.8 percent in the first six months of 2009 compared with the prior-year period. According to Germany's Federal Office for Statistics, prices of both particleboard and fiberboard fell in the third quarter of 2009 by approximately 13 percent compared with the prior-year quarter, although the rate of price falls decreased. The IFO index of business sentiment in the furniture industry improved in the third quarter, but remained negative. Whereas sales revenues in the German furniture industry in the first seven months of this year decreased by 13.0 percent compared with the prior-year period, there was a drop of 15.9 percent for office and shop furniture. Sales of kitchen furniture were down by 11.6 percent.

Revenue and earnings: comparison of Q3 2009 with Q3 2008

In the third quarter of 2009, **revenue** decreased compared with the prior-year period by 20.4 percent to 347.3 million euros, but was 3.8 percent higher than in the previous quarter. This is the first quarter-on-quarter increase in the past six quarters. Following the sharp drops of recent quarters, business is now stabilizing in all of our sales regions. In particular since September, the order situation and capacity utilization have improved significantly in our plants in Western and Eastern Europe. And the price falls with which we had constantly been confronted in the previous quarters came nearly to a standstill; in some areas it was actually possible to agree on slight price increases for the fourth quarter. Exchange-rates movements, in particular affecting the zloty, the ruble and the Swedish krone, had a negative impact on revenue of 5 million euros compared with the prior-year quarter. In the third quarter of this year, 73.2 percent of the Pfleiderer Group's revenue was generated outside Germany, compared with 72.1 percent a year ago. The growth in this percentage is primarily due to the better development of sales, particularly in North America.

The **gross margin** of 23.1 percent was lower than the 25.4 percent posted in the prior-year quarter because it was not possible to fully compensate for lower unit sales and prices by means of cost-cutting actions. But we will surpass our goal of saving 80 million euros in 2009. Purchasing has made the biggest contribution to these savings, benefiting not only from the general fall in raw-material prices, but also by achieving structural cost reductions, which are permanent.

EBITDA fell from 60.2 million euros to 26.4 million euros and the EBIT margin was down to 7.6 percent from 13.8 percent in the third quarter of 2008. A contributory factor in this development, in addition to the lower gross margin, was a total charge of 2.6 million euros from currency translation. Other operating income and expenses resulted in an expense of 3.0 million euros, compared with income of 2.1 million euros in the third quarter of last year. This includes impairments of land and buildings in La Baie of 1.7 million euros and a charge of 0.9 million euros from exchange-rate effects.

After deducting depreciation and amortization of 29.7 million euros, **EBIT** amounted to minus 3.2 million euros, compared with plus 32.6 million euros in the prior-year quarter.

The net **financial expense** of 10.8 million euros is the balance of a slightly reduced net interest expense of 12.8 million euros – because of generally lower interest rates – and other financial income of 2.0 million euros. The latter was primarily the result of adjustments to the value on the interim balance sheet date of items denominated in foreign currencies (minus 7.9 million euros), gains on exchange-rate hedges (9.5 million euros) and gains on interest-rate hedges (0.4 million euros).

The **result of continuing operations before taxes** amounted to a loss of 4.1 million euros, compared with a profit of 28.1 million euros in the prior-year quarter. Due to the regional distribution of profits and losses and limited offsetting possibilities, there was a tax expense of 3.5 million euros for the third quarter. The **loss for the period** amounted to 17.6 million euros, compared with a profit of 16.3 million euros in the prior-year quarter.

After deducting profit attributable to minority interests and the hybrid bondholders, a **loss** of 21.8 million euros is attributable to the shareholders of Pfleiderer AG, compared with a profit of 11.2 million euros in the third quarter of 2008.

The basic and diluted **loss per share** for the second quarter amounts to 43 euro cents, compared with earnings per share of 22 euro cents for the third quarter of last year.

Segment report on the third quarter

Segment overview

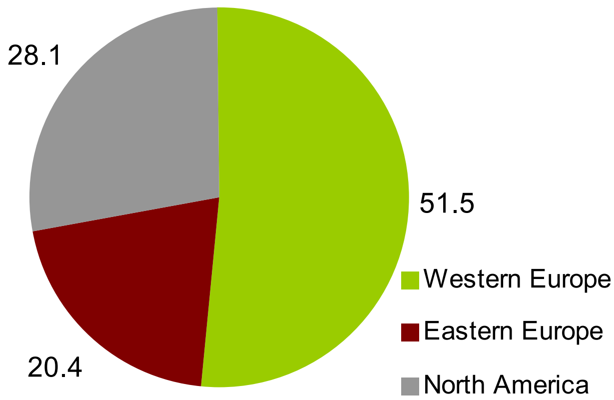
	Western Europe		Eastern Europe		North America		Group*	
Amounts in millions of euros	Q3 09	Q3 08	Q3 09	Q3 08	Q3 09	Q3 08	Q3 09	Q3 08
Revenue	189.5	233.4	74.9	112.5	103.5	100.8	347.3	436.4
EBIT	2.4	24.5	0.5	6.2	0	5.0	-3.2	32.6
EBIT margin	*1.3%*	*10.5%*	*0.7%*	*5.5%*	*0.0%*	*5.0%*	*-0.9%*	*7.5%*
Capital expenditure	3.1	15.9	1.1	18.5	19.9	32.8	24.3	65.0
Number of employees	2,833	2,994	1,593	1,753	1,210	1,179	5,636	5,926

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

Due to widely differing regional developments, the weighting of the regions shifted compared with the prior-year period. Eastern Europe's share of revenue decreased significantly to only 20.4 percent in the third quarter. Western Europe's share decreased slightly to 51.5 percent. The North America region increased however, due to its comparatively stable revenue trend, from 22.6 percent to 28.1 percent.

Segments' shares of total revenue

Q3 2009



Western Europe

In the Western Europe region, third-quarter revenue fell by 18.8 percent compared with last year to 189.5 million euros. Approximately half of this decrease was caused by falling prices – in particular for particleboard and raw MDF – and the other half by lower sales volumes. Demand was exceptionally weak from export markets such as the United Kingdom, the Netherlands, France and Southeastern Europe. Among the customer sectors, furniture manufacturers were particularly affected. But orders and revenue improved again in the second half of the quarter, so capacity utilization in our plants has returned to a satisfactory level. Only the particleboard plant in Gschwend will at first remain closed until the end of the year due to short-time work. There was positive impetus in particular from laminates (HPL) and elements, and towards the end of the quarter also from raw particleboard and raw MDF. Demand from the sectors of modernization and interior fitting also revived in September. Particleboard prices were under pressure until the summer, but have since then stabilized at a low level, and in some cases higher prices have been agreed again for the autumn. On the side of raw materials, some tendencies towards higher wood prices have been apparent, especially for sawdust.

Demand for laminate flooring in Western Europe has not yet revived significantly. Excess production capacity in the market has resulted in tough price competition, particularly in the middle and lower segments. In the upper market segment, which we serve, prices have held up comparatively well. We intend to penetrate new customer segments with new products and an intensified marketing offensive.

The Western Europe segment's EBIT fell to 2.4 million euros from 24.5 million euros in the third quarter of 2008. This reflects both lower unit sales and falling prices. The required workforce reduction of more than 200 employees was initiated in good time and is progressing according to plan: 100 persons have left the company since December 31, 2008.

Eastern Europe

Revenue generated in Eastern Europe fell by 33.4 percent compared with the prior-year quarter to 74.9 million euros. 20 percentage points of this reduction are accounted for by exchange-rate effects. After also taking the drop in prices into consideration, only a small single-digit decrease was caused by lower sales volumes. In this economic crisis, Poland has been one of the most robust economies in Europe. This is shown on the one hand by an expected drop in demand in 2009 of only approximately 4 percent compared with 2008 and on the other hand by a significant increase in demand of 26.3 percent compared with the previous quarter. Furthermore, we were able to increase our unit sales of MDF as a result of significant cost reductions and gained market share. Due to the significant increase in demand, capacity utilization is very satisfactory once again and prices have risen slightly.

In Russia, the general level of economic demand has not improved. However, approximately half of production capacity in our industry there consists of old and inefficient plants, which are ceasing production with the present level of prices and thus opening up new customer segments to Pfleiderer. Due to market gains resulting from these circumstances, our plant in Novgorod is now operating at full capacity again.

Third-quarter EBIT for the Eastern Europe region fell from 6.2 million euros to 0.5 million euros. The main factor behind this fall is the lower level of prices, although costs savings already showed benefits compared with the previous quarter.

North America

In our North American sales markets, we increased our third-quarter revenue slightly to 103.5 million euros, although the markets for panels and laminates continued to shrink. While the market for particleboard contracted by 26 percent compared with the prior-year quarter, the revenue posted by our subsidiary Uniboard performed significantly better. The market for MDF and HDF held up better with a contraction of just 10 percent; Uniboard actually increased its revenue from these products with growth in particular with HDF for the flooring market. The market for flat-pack furniture was relatively difficult, but interior fitting and do-it-yourself stores remained stable. In the third quarter, slight pressure on prices was apparent once again for the first time in several quarters.

At our site in Val d'Or, we started in August with the installation of a new short-cycle press, which will go into operation in the first quarter of 2010. Following this investment, the Uniboard facility in Val-d'Or can now expand its existing portfolio and offer more value-added products for the furniture industry as

well as for the kitchen and bathroom sectors. The new MDF plant in Moncure will go into operation on schedule in the fourth quarter of this year.
With laminate flooring, we increased our market share to more than 30 percent in the third quarter, achieving further growth in a market shrinking by 15 to 18 percent. This growth was realized primarily with the major home-improvement chains. Capacity limitations in laminating restricted the expansion, but we will have additional laminating capacity in the new MDF plant in Moncure. The excess capacity in the market is putting pressure on prices in the lower market segment, but has not affected us so far.

North America posted EBIT breakeven for the third quarter, compared to 5.0 million euros in Q3 2008. However, the prior-year result included badwill of 5.4 million euros from the acquisition of Moncure.

Revenue and earnings – comparison of 9M 2009 with 9M 2008

In the first nine months of this year, the Pfleiderer Group's **revenue** fell by 23.2 percent compared with the prior-year period to 1,039.7 million euros. Exchange-rate effects reduced revenue by 43.9 million euros or three percent. According to Germany's Federal Office for Statistics, German particleboard prices in the first nine months of this year were approximately 11 percent lower than in the prior-year period and MDF prices were about 10 percent lower. In regional terms, the strongest drop in revenue was of 37.3 percent in Eastern Europe, while we posted revenue growth of 1.2 percent in North America. The share of 72.1 percent of revenue generated outside Germany was at the prior-year level.

Despite the sharp drop in revenue, we were able to keep our **gross margin** at 25.2 percent, close to the level of the prior-year period (25.6 percent) thanks to lower raw-material prices – in particular for glue, glue input materials and additives – as well as efficiency improvements and consistent cost reductions. Prices of chemicals and glue, which are affected by oil prices with a certain 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, but this has improved again significantly since September. We mitigated the impact of under-utilized capacities by reducing working hours to offset overtime on employees' work accounts and by reducing the use of temporary workers, and also by some flexible application of temporary short-time work in selected plants, depending on the order situation. At present, only the Gschwend plant is affected by short-time work.

As a result of lower unit sales, selling expenses decreased compared with the prior-year period by 14.2 percent to 149.4 million euros. Administrative expenses of 90.0 million euros were close to the prior-year level of 90.6 million euros. Other operating income and expenses in a net amount of minus 1.2 million euros included currency losses of 1.4 million euros, impairments of land and buildings of 5.7 million euros, impairments of receivables, income from guarantees from a property developer and from the release of provisions.

Nine-month **EBITDA** fell to 105.5 million euros, compared with 179.7 million euros in the prior-year period. The resulting EBITDA margin for the first nine months of this year was 10.2 percent. Exchange-rate effects reduced EBITDA by 6.2 million euros.

EBIT fell to 19.4 million euros, from 87.4 million euros in the first nine months of last year. Depreciation and amortization totaled 86.2 million euros. This figure includes impairment charges of 5.7 million euros.
The **net financial expense** of 37.1 million euros was only slightly higher than the prior-year figure of minus 36.2 million euros. This result reflects generally lower market interest rates (which reduced our interest expense by 2.4 million euros) and a lower miscellaneous financial expense of 2.1 million euros. The latter resulted primarily from non-operating charges of 9.8 million euros from the mark-to-market valuation on the balance sheet date of financial positions denominated in foreign currencies, gains on forward exchange transactions of 6.4 million euros and on interest-rate hedges of 1.2 million euros. In the prior-year period, the miscellaneous items under net financial result amounted to income of 1.3 million euros.

The **result of continuing operations before taxes** thus amounted to a loss of 17.8 million euros, compared with a profit of 51.0 million euros for the first nine months of 2008. The balance of tax payments and tax benefits resulting from the capitalization of tax-loss carryovers at Pergo, a Pfleiderer subsidiary, was a net tax benefit of 4.4 million euros. The **loss for the period** amounted to 13.9 million euros, compared with a profit for the prior-year period of 32.6 million euros.

After deducting loss attributable to minority interests and the interest for hybrid bondholders, a **loss** of 24.6 million euros is attributable to the shareholders of Pfleiderer AG, compared with a profit of 16.5 million euros in the first nine months of last year. Although Pfleiderer decided to utilize the option of suspending the interest payment on the **hybrid bond** that was due on August 14, 2009, a share of earnings for the hybrid bondholders is still 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 is 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 nine months of 2009 amounts to 49 euro cents, compared with earnings per share of 32 euro cents for the first half of last year.

Segment report on the first nine months

Segment overview

	Western Europe		Eastern Europe		North America		Group*	
Amounts in millions of euros	9M 09	9M 08	9M 09	9M 08	9M 09	9M 08	9M 09	9M 08
Revenue	558.8	749.4	199.8	318.6	314.9	311.2	1,039.7	1,353.3
EBIT	14.1	88.3	2.5	18.2	8.9	-8.2	19.4	87.4
EBIT margin	*2.5%*	*11.8%*	*1.3%*	*5.7%*	*2.8%*	*-2.6%*	*1.9%*	*6.5%*
Capital expenditure	14.3	42.5	18.4	55.2	52.7	41.7	86.1	137.8
Number of employees	2,833	2,994	1,593	1,753	1,210	1,179	5,636	5,926

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

Western Europe
In the first nine months of 2009, the Western Europe region posted a revenue decrease compared with the prior-year period of 25.4 percent to 558.8 million euros. All sales segments and regions were af-

fected, although the impact on export markets was stronger than on domestic markets. Demand for furniture in the first half of the year probably suffered at least partially also from the scrappage incentives for car owners, which artificially diverted demand in favor of the automotive industry. Sales of office furniture have suffered particularly in this economic downswing, although demand increased again somewhat towards the end of the third quarter. The fall in prices for standard products continued for a large part of the reporting period. Flooring volumes continued to fall in Europe, and under-utilization of capacity is still a burden on prices in the lower and medium market segments. In the main, Pergo is able to avoid this price pressure with its products in the upper market segment. In Berlin, Paris, Zurich and Barcelona, we have opened flooring competence centers, which now support sales activities in their respective markets. Furthermore, we expect to increase our revenue as a result of new products and marketing activities.

EBIT for the first nine months fell from 88.3 million euros in 2008 to 14.1 million euros this year. 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 weak level of 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. Half of the planned headcount reduction has already been implemented.

Eastern Europe

In Eastern Europe, we posted a revenue decline of 37.3 percent compared with the first nine months of last year to 199.8 million euros. Exchange-rate effects accounted for 49.4 million euros or 15.5 percentage points of the decrease. The furniture industry, our most important target sector in Eastern Europe, struggled with significant drops in revenue due to the financial market crisis. Falling prices also had a negative impact on the development of revenue and earnings. In Poland, unit sales of MDF held up relatively well, and due to significant cost-cutting actions we were able to further improve our market position in that market. In Russia, the demand situation was very difficult in the first half of the year, but we were able to increase our capacity utilization significantly once again during the third quarter by forcing competitors out of the market.

EBIT for the first nine months amounted to 2.5 million euros, compared with 18.2 million euros in the prior-year period.

North America

In our North American sales markets, we increased our revenue in the first nine months of the year by 1.2 percent to 314.9 million euros. Flooring posted revenue growth, against the market trend, so we further expanded our share of a shrinking market to more than 30 percent. Unit sales of particleboard decreased by 18 percent; however, this is less than the average for the market, which shrank by 25 percent. The revenue fluctuations are primarily due to changes in volumes, while prices remained fairly stable.

EBIT for the nine-month period amounted to plus 8.9 million euros, compared with minus 8.2 million euros in the prior year.

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

Compared with the end of 2008, the balance sheet total increased by 4.5 percent to 1,971.9 million euros. On the **assets side**, this was due almost solely to current assets, which rose by a strong 20.7 percent to 453.9 million euros. This increase resulted on the one hand from growth in cash and cash equivalents by 75.9 percent to 81.4 million euros, and on the other hand from increased receivables and other assets, which rose by 42,7 percent to 175.9 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 non-current financial liabilities will now be classified as current until new long-term loans are agreed upon. One of the results of this effect is that current liabilities increased by 432.6 million euros compared with the end of 2008 to 948.8 million euros. Current financial liabilities also increased as a result of greater utilization of credit lines. One of the factors responsible for this development was the increase in liquidity; another factor was the cash outflow from operating activities.

Equity decreased by 3.6 percent to 685.0 million euros, primarily due to the net loss for the third quarter. The equity ratio was thus 34.7 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 821.5 million euros, whereby the ratio of net debt to equity (gearing) rose to 119.9 percent.

Cash flows

In the first nine months of this year, the net cash outflow from operating activities amounted to 26.3 million euros, compared with a net cash inflow of 142.9 million euros in the prior-year period. This was partially due to the reduction in EBIT of 68.1 million euros as well as the change in current liabilities of 113.0 million euros. The latter primarily reflects a decrease in trade liabilities of 50.9 million euros as well as a reduction in debt-collection liabilities from factoring of 34.5 million euros.

Capital expenditure

Capital expenditure including advance payments made fell by 37.5 percent compared with the first none months of last year to 86.1 million euros. 14.3 million euros was accounted for by the Western Europe region. 52.7 million euros was invested in North America, mainly for the development of the MDF plant in Moncure, North Carolina. Investment of 18.4 million euros in Eastern Europe includes the expenditure for the development of the MDF plant in Novgorod, Russia.

Workforce

The number of 5,636 employees at the end of the period was 4.9 percent lower than at September 30, 2008. While the headcount in North America increased by 2.6 percent due to preparations for the start of production of the MDF plant relocated to Moncure, there was a reduction of 9.1 percent in Eastern Europe as a consequence of cost-cutting actions. The number of employees in Western Europe decreased by 5.4 percent.

Events after the interim balance sheet date

Pfleiderer AG is in ongoing negotiations with its lending banks in order to continue the financing of its business operations. These negotiations are meanwhile at an advanced stage, and we anticipate their successful conclusion towards the end of November 2009.

Due to the planned streamlining and realignment of the entire organizational structure of the Pfleiderer Group, Dr. Robert Hopperdietzel decided to step down from his position on the Executive Board with effects as of November 15, 2009. Dr. Hopperdietzel, who was Deputy Chairman of the Executive Board, was responsibility for the areas of Technology and Operations/Plants as well as recently also for Business Center Western Europe.

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. The financing banks have so far temporarily waived these covenants for credits with a volume of 531 million euros as of June 30, 2009. Pfleiderer is participating in discussions at an advanced stage with the aim of rescheduling the credit lines. For this reason, no waiver has been requested for the covenants that were breached as of September 30, 2009. For the breach of the financial covenants in Business Center Eastern Europe as of September 30, 2009, the lending banks have granted a waiver. Also in this respect, Pfleiderer is holding discussions aimed at restructuring the respective loans.

The discussions started with the banks will therefore be continued also in the fourth quarter of 2009.

If the banks called in the loans for repayment, this could jeopardize the existence of Pfleiderer AG and major companies of the Group. According to the information available to us, however, we expect a positive conclusion to the talks in the fourth quarter of 2009 leading to a successful extension of the credit lines with improved financial conditions or a rescheduling of our debts to the lending banks.

In addition to the risks resulting from the recession, we also see opportunities in this crisis to efficient and competitive companies such as Pfleiderer. The US economy and most of the industrialized countries seem to have escaped from the recession in the summer of 2009. But following the sharp slump during the recession, growth rates are still too weak to boost demand sufficiently to eliminate the current under-utilization of production capacities for particleboard and MDF in the short term. However, in Germany, our core market, we estimate that half of the excess capacity has already been removed from the market by permanent plant closures. If the current level of prices prevails in the market for much longer, we anticipate further plant closures by competitors. This could return the market to equilibrium even without a significant upturn in demand, leading to significantly better margins. Russia has not yet been able to emerge from the recession. However, about half of the installed production capacity in our industry in Russia consists of old, inefficient plants, which are currently leaving the market with the consequence of full capacity utilization in our plant in Novgorod once again, without any upturn in demand. In Poland, excess capacity in our industry is significantly lower than in other markets, and should disappear next year due to the expected market growth. In North America, we anticipate a slow improvement in demand and the exit of some more of our competitors. With a general improvement in capacity utilization, the prices of our products should recover again.

Outlook

The short-term nature of order situations in our industry means it is difficult to make reliable forecasts. Statements on periods beyond four to eight weeks are largely speculative. In the medium term, the earnings situation will depend to a large extent on the development of raw-material prices, the prices of our products, and capacity utilization in the industry.

The latter could profit on the one hand from rising demand. However, most of the economic research institutes' growth forecasts for next year are for only a moderate recovery of demand in Germany. Nevertheless, demand for furniture should increase again next year. In Germany, one factor is the end of the car-scrappage incentive; another is that the return to an increase in numbers of building permits granted will have a positive impact on demand in the construction and furniture industries with a time lag of approximately one year. Building permit numbers have been rising again also in North America, so that stronger demand for furniture can be expected again next year. Furthermore, the increased numbers of compulsory home auctions in the US real-estate market will lead to an greater need for modernization, because those properties have to be improved after standing empty for a long time.

Capacity utilization in our industry could also improve because the present level of prices could induce some competitors with an unfavorable cost position to close some more of their plants. This would return the engineered wood market to equilibrium even with only a slight upturn in demand.

As these positive factors will probably only occur in the medium term, in the coming quarters we continue to anticipate a difficult market and earnings situation. In view of these general conditions, strict cost and cash-flow management will continue to have top priority.

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 North America, we anticipate a recovery of business volumes due to our new plant in Moncure, North Carolina. At the end of the fourth quarter of 2009, we plan to put the plant transferred from

La Baie in Canada into operation again at our new site in Moncure. In our flooring business, we intend to mesh our European and North American operations more intensively and to expand our presence in Europe.

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. The focus will be on best-practice transfer based on our Global Pfleiderer Production System (GPPS) and on achieving further reductions in specific material consumption.

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, November 16, 2009

Hans H. Overdiek | Heiko Graeve | Pawel Wyrzykowski

Responsibility statement

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, November 16, 2009

Hans H. Overdiek

Heiko Graeve

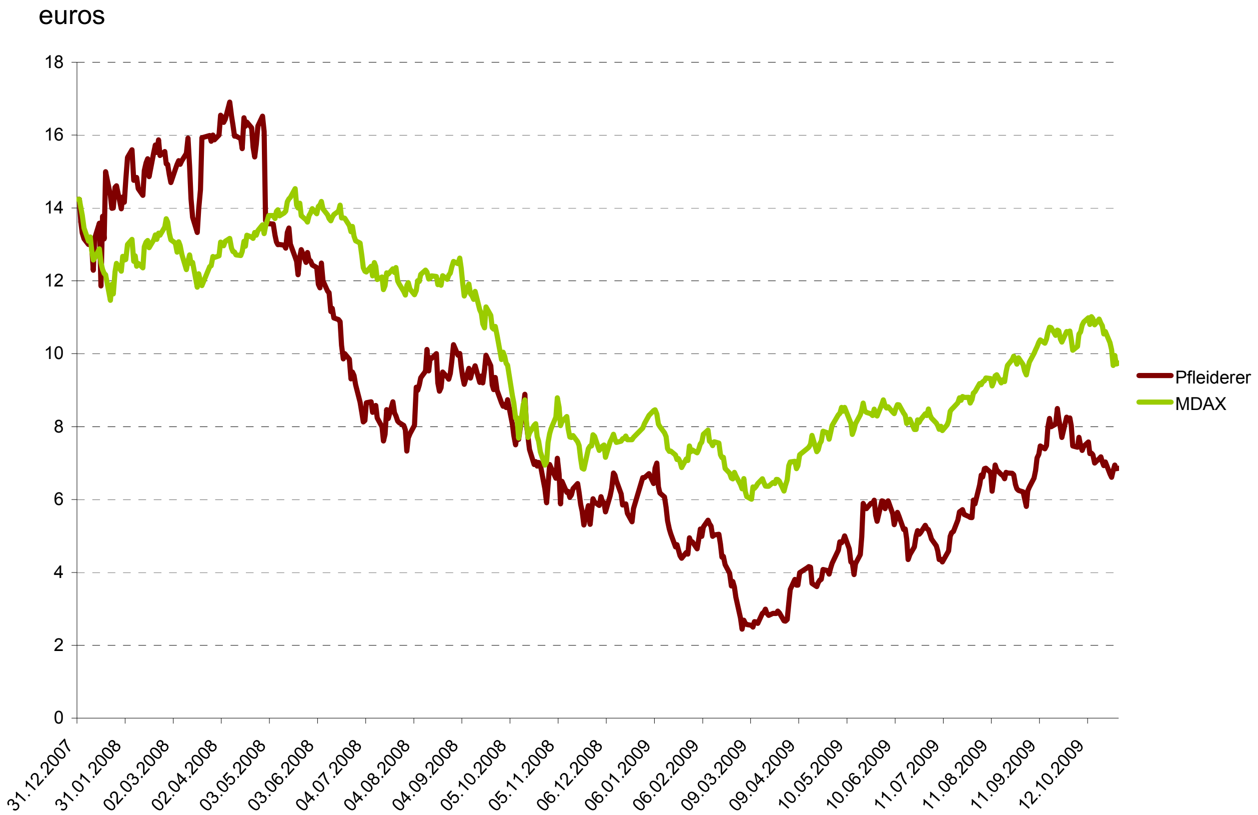
Pawel Wyrzykowski

Pfleiderer shares

Since the sharp drop in share prices in the first quarter of 2009 caused by the financial market crisis, the price of Pfleiderer shares has recovered again significantly. 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. In the context of this overreaction, Pfleiderer's share price fell by approximately 63 percent between the beginning of the year and the end of March. Between the end of March and the end of the third quarter, it had gained 238 percent again. In the first nine months of this year, our share price gained 25 percent overall, compared with gains of 31 percent for the MDAX and 18 percent for the DAX.

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 55th at the end of September. However, this fall in the MDAX ranking is partially due to the three-percent decrease in the free float. Measured by the criterion of liquidity, our position worsened from 42nd to 54th place. This reflects the significantly lower volume of trading in our shares.

Pfleiderer share and MDAX indexed



Key figures

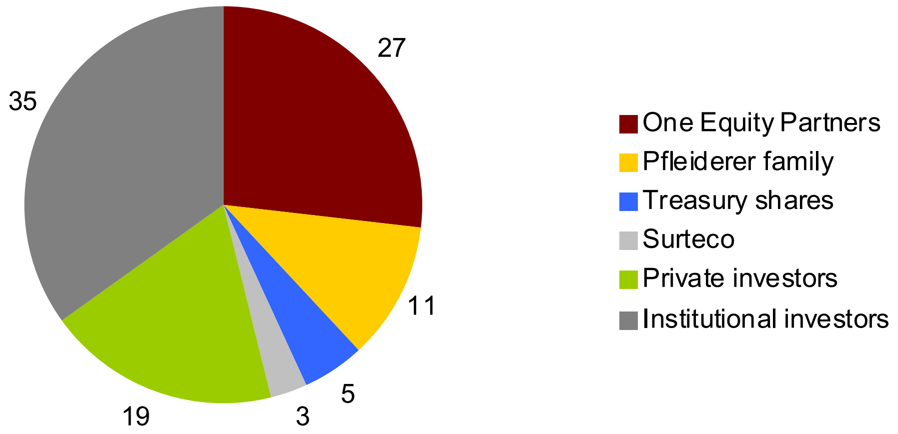
		9M 2009	2008
Share price:			
lowest	euros	2.44	5.30
highest	euros	8.26	16.91
closing	euros	8.24	6.60
Number of shares at end of period		53,326,100	53,326,100
Market capitalization at September 30 and December 31	million euros	439	352
Earnings per share (continuing activities)	euros	-0.49	0.24
Average daily trading [1]	shares	172,500	392,500

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 September 30, 2009	percent	63
MDAX weighting at September 30, 2009	percent	0.52
Stock-exchange segment		Prime Standard

1) Per day on Xetra

Shareholder structure

In percent



As of September 2009

Condensed interim consolidated financial statements

Consolidated income statement (IFRS)

Amounts in thousands of euros except earnings per share figures (in euros)	Jan. 1 - Sept. 30, 2009	Jan. 1 - Sept. 30, 2008	July 1 - Sept. 30, 2009	July 1- Sept. 30, 2008
Revenue	1,039,689	1,353,284	347,263	436,424
Cost of sales	-777,646	-1,006,491	-266,958	-325,523
Gross profit	**262,043**	**346,793**	**80,305**	**110,901**
Selling expenses	-149,439	-174,136	-49,012	-54,583
Administrative expenses	-89,994	-90,605	-30,427	-24,864
Research and development expenses	-2,089	-3,118	-1,101	-1,036
Other operating income and expenses	-1,166	8,239	-2,980	2,094
Operating profit	**19,355**	**87,173**	**-3,215**	**32,512**
Interest income	1,143	4,783	356	1,337
Interest expense	-36,196	-42,273	-13,199	-14,824
Net income from investments	0	0	0	-93
Other financial expense/income	-2,072	1,309	1,999	9,209
Financial expense, net	**-37,125**	**-36,181**	**-10,844**	**-4,371**
Profit from continuing operations before taxes	**-17,770**	**50,992**	**-14,059**	**28,141**
Income taxes	4,391	-18,461	-3,529	-11,828
Profit from continuing operations	**-13,379**	**32,531**	**-17,588**	**16,313**
Loss from discontinued operations	-134	-132	0	-27
Income tax on discontinued operations	-414	151	0	0
Profit for the period	**-13,927**	**32,550**	**-17,588**	**16,286**
attributable to minority interests	-3,109	1,713	-422	423
attributable to hybrid bondholders	13,802	14,374	4,651	4,694
attributable to shareholders of Pfleiderer AG	**-24,620**	**16,463**	**-21,817**	**11,169**
Earnings per share (basic)	-0.49	0.32	-0.43	0.22
Earnings per share (diluted)	-0.49	0.32	-0.43	0.22
Earnings per share from continuing operations				
after minority interest	-0.48	0.32	-0.42	0.22
Earnings per share from discontinued operations	-0.01	0.00	0.00	0.00
Average number of shares outstanding (basic)	50,682,642	50,814,054	50,682,642	50,814,054

Consolidated statement of comprehensive income (IFRS)

In thousands of euros	Jan. 1 - Sept. 30, 2009	Jan. 1 - Sept. 30, 2008	July 1 - Sept. 30, 2009	July 1- Sept. 30, 2008
Profit for the period after taxes	**-13,927**	**32,550**	**-17,588**	**16,286**
Currency translation differences	-1,183	-2,969	8,991	-2,495
Derivative financial instruments	1,325	0	1,596	0
Total of income and expense recognized directly in equity (after taxes)	**142**	**-2,969**	**10,587**	**-2,495**
Total of income and expense recognized in equity	**-13,785**	**29,581**	**-7,001**	**13,791**
Thereof attributable to:				
minority interest	-6,303	4,481	1,307	189
hybrid bondholders	13,802	14,374	4,651	4,694
shareholders of Pfleiderer AG	-21,284	10,726	-12,959	8,908
	-13,785	**29,581**	**-7,001**	**13,791**

Consolidated balance sheet (IFRS)

Assets

In thousands of euros	Sept. 30, 2009	Dec. 31, 2008
Cash and cash equivalents	81,432	46,288
Receivables and other assets	179,527	125,835
Inventories, net	168,971	182,078
Income tax receivables	2,030	5,652
Other assets	10,338	5,747
Assets from discontinued operations	11,553	10,280
Current assets	**453,851**	**375,880**
Property, plant and equipment, net	818,977	829,305
Intangible assets, net	548,153	540,636
Financial assets	4,824	4,665
Deferred tax assets	127,800	123,171
Other assets	18,308	13,845
Non-current assets	**1,518,062**	**1,511,622**
Total assets	**1,971,913**	**1,887,502**

Equity and liabilities

In thousands of euros	Sept. 30, 2009	Dec. 31, 2008
Payables and other debts	200,770	278,956
Financial liabilities	694,007	153,408
Provisions	25,139	52,155
Tax liabilities	9,919	12,556
Other liabilities	906	1,019
Liabilities from discontinued operations	18,031	18,032
Current liabilities	**948,772**	**516,126**
Financial liabilities	208,929	528,362
Retirement benefit obligation	15,255	14,983
Deferred tax liabilities	84,090	86,167
Other liabilities	10,638	11,306
Provisions	19,183	19,620
Non-current liabilities	**338,095**	**660,438**
Capital contributions and subscribed capital	136,515	136,515
Reserves including retained earnings and profit for the period	346,145	369,070
Treasury shares	-43,073	-43,073
Other comprehensive income	-42,187	-45,523
Hybrid capital	260,204	260,204
Minority interest	27,442	33,745
Equity	**685,046**	**710,938**
Total equity and liabilities	**1,971,913**	**1,887,502**

Consolidated statement of cash flows (IFRS)

In thousands of euros	Jan. 1 - Sept. 30, 2009	Jan. 1 - Sept. 30, 2008
Earnings before interest and taxes (EBIT)	19,355	87,407
Net income taxes paid	-4,639	-10,118
Depreciation, amortization and impairments	86,194	92,281
Gain/loss on the disposal of fixed assets	-101	-2,445
Change in retirement benefit obligation	-833	224
Net cash inflow	**99,976**	**167,349**
Change in current assets	-18,779	-10,682
Change in other non-current assets	-3,868	13,407
Change in current liabilities excluding financial liabilities	-112,978	-7,274
Change in non-current liabilities excluding financial liabilities	8,320	-13,981
Other non-cash expenses and income	1,042	-5,898
Net cash outflow/inflow from operating activities	**-26,287**	**142,921**
Payments for intangible assets	-1,476	-3,516
Payments for property, plant and equipment	-87,719	-107,684
Payments for financial assets	0	0
Payments for the acquisition and proceeds from the sale of companies and equity interests in companies	-370	-30,624
Proceeds from the sale of intangible assets	666	495
Proceeds from the sale of property, plant and equipment	1,484	5,744
Proceeds from the sale of financial assets	33	269
Net cash outflow from investing activities	**-87,382**	**-135,316**
Net cash outflow/inflow from operating and investing activities	**-113,669**	**7,605**
Change in financial liabilities	207,109	104,108
Change in externally factored receivables	-31,539	1,066
Dividend payments to minority interests	0	-16,887
Dividend payments to hybrid bondholders	0	-19,407
Dividend payments to shareholders of Pfleiderer AG	0	-15,290
Interest paid	-28,446	-34,614
Interest received	1,143	4,783
Other financing activities	0	5,876
Net cash inflow from financing activities	**148,267**	**29,635**
Net change in cash and cash equivalents	34,598	37,240
Effect of exchange-rate changes on cash held in foreign currencies	1,099	-1,355
Change in cash and cash equivalents from discontinued operations	-549	465
Changes in cash and cash equivalents from additions to the consolidated group	-4	11
Cash and cash equivalents at January 1	46,288	17,197
Cash and cash equivalents at September 30	81,432	53,558

Consolidated statement of changes in equity (IFRS)

In thousands of euros	Issued capital	Reserves, including retained earnings and profit for the period	Treasury shares	Other comprehensive income: Currency translation	Other comprehensive income: 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				2,032			-3,215	-1,183
Valuation of financial derivatives					1,304		21	1,325
Profit for the period		-24,620				13,802	-3,109	-13,927
Hybrid bond buyback								0
Profit attributable to hybrid bondholders						-13,802		-13,802
Dividends paid								0
Dividends approved								0
Effect of stock option plans		1,695						1,695
Balance at September 30, 2009	**136,515**	**346,145**	**-43,073**	**-39,698**	**-2,489**	**260,204**	**27,442**	**685,046**

In thousands of euros	Issued capital	Reserves, including retained earnings and profit for the period	Treasury shares	Other comprehensive income: Currency translation	Other comprehensive income: 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		-2,164	359					-1,805
Change in adjustment item for								
currency translation				-5,737			2,768	-2,969
Valuation of financial derivatives								0
Profit for the period		16,463				14,374	1,713	32,550
Hybrid bond buyback						-10,712		-10,712
Profit attributable to hybrid bondholders						5,033		5,033
Dividends paid		-15,290				-19,407	-16,887	-51,584
Dividends approved		126		-10				116
Effect of stock option plans		1,521						1,521
Balance at September 30, 2008	**136,515**	**380,531**	**-43,073**	**-7,638**	**0**	**260,203**	**46,651**	**773,189**

Consolidated segment report (IFRS)

Jan. 1 – Sept. 30, 2009 In thousands of euros	External revenue	Internal revenue	Segment earnings (EBIT)	Segment assets at Sept. 30, 2009
Region Western Europe	538,155	20,606	14,082	854,070
Region Eastern Europe	185,971	13,818	2,500	542,569
Region North America	314,947	0	8,852	586,312
Total of regions	**1,039,073**	**34,424**	**25,434**	**1,982,951**
Headquarters	0	53,283	-6,022	894,820
Miscellaneous	616	275	-798	60,166
Discontinued activities	0	0	-133	3,217
Consolidation	0	-87,982	874	-969,227
Pfleiderer Group	**1,039,689**	**0**	**19,355**	**1,971,927**

Jan. 1 – Sept. 30, 2008 In thousands of euros	External revenue	Internal revenue	Segment earnings (EBIT)	Segment assets at Sept. 30, 2008
Region Western Europe	739,988	9,392	88,264	972,983
Region Eastern Europe	301,502	17,067	18,209	546,429
Region North America	311,198	0	-8,170	488,757
Total of regions	**1,352,688**	**26,459**	**98,303**	**2,008,169**
Headquarters	0	37,604	-11,394	840,177
Miscellaneous	599	292	-319	69,181
Discontinued activities	0	0	-132	3,217
Consolidation	0	-64,355	949	-1,033,242
Pfleiderer Group	**1,353,287**	**0**	**87,407**	**1,887,502**

Consolidated segment report (IFRS)

July 1 – Sept. 30, 2009 In thousands of euros	External revenue	Internal revenue	Segment earnings (EBIT)	Segment assets at Sept. 30, 2009
Region Western Europe	172,802	16,654	2,401	854,070
Region Eastern Europe	70,428	4,503	537	542,569
Region North America	103,487	0	15	586,312
Total of regions	**346,717**	**21,157**	**2,953**	**1,982,951**
Headquarters	0	16,634	-6,465	894,820
Miscellaneous	546	92	-2	60,166
Discontinued activities	0	0	0	3,217
Consolidation	0	-37,883	299	-969,227
Pfleiderer Group	**347,263**	**0**	**-3,215**	**1,971,927**

Jan. 1 – Sept. 30, 2008 In thousands of euros	External revenue	Internal revenue	Segment earnings (EBIT)	Segment assets at Sept. 30, 2008
Region Western Europe	229,848	3,572	24,537	972,983
Region Eastern Europe	105,188	7,339	6,188	546,429
Region North America	100,829	0	5,021	488,757
Total of regions	**435,865**	**10,911**	**35,746**	**2,008,169**
Headquarters	0	12,638	-3,827	840,177
Miscellaneous	558	97	-49	69,181
Discontinued activities	0	0	-27	3,217
Consolidation	0	-23,646	749	-1,033,242
Pfleiderer Group	**436,423**	**0**	**32,592**	**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 nine months ended September 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). In the third quarter, Heller Holz GmbH, Neumarkt, was merged into Heller Forstservice GmbH, Neumarkt, and Kunz Informatik GmbH was merged into Pfleiderer Holzwerkstoffe Gschwend GmbH, Neumarkt.

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 September 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. Unlike in previous 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

Amounts in thousands of euros except earnings per share figures (in euros)	**Jan: 1 – Sept. 30, 2009**	Jan. 1 – Sept. 30, 2008
Profit for the period	-13,927	32,550
Less profit attributable to minority interest	3,109	-1,713
Less profit attributable to hybrid bondholders	-13,802	-14,374
Profit attributable to shareholders of Pfleiderer AG	**-24,620**	**16,463**
Average number of shares outstanding, basic	50,682,642	50,814,054
Average number of shares outstanding, diluted	50,682,642	50,814,054
Earnings per share, basic	**-0.49**	**0.32**
Earnings per share, diluted	**-0.49**	**0.32**

4. Dividends

Pfleiderer AG has not paid a dividend for the year 2008. Last year, Pfleiderer AG paid a dividend for the year 2007 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 September 30, 2009, the members of the Executive Board of Pfleiderer AG held 679,880 shares and 1,079,576 options. The members of the Supervisory Board held 75,333 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 nine months of 2009.

No shares were in the money at September 30, 2009; therefore, no share options contributed towards an arithmetical dilution of earnings per share.

6. Treasury shares

At September 30, 2009, the number of treasury shares held by Pfleiderer AG was 2,643,458, which is the same as at December 31, 2008.

Neumarkt, November 16, 2009

Hans H. Overdiek

Heiko Graeve

Pawel Wyrzykowski