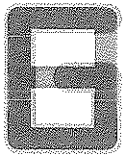


	LIQUIDATION REPORT in accordance with art. 73a of the Bankruptcy Act
Number	5
Date	14 July 2014
Company details	Pfleiderer Finance B.V. De Ketting 16A 5261 LJ VUGHT
Liquidation number	12/578 F
Date of order	Suspension of payment: 20 April 2012 Liquidation: 12 June 2012
Receiver	<i>meester</i> C.A.M. de Bruijn PO Box 127 5280 AC Boxtel Telephone: 088 – 141 08 18 Fax: 0411 – 68 48 95 e-mail: bruijn@bgadvocaten.nl
Supervisory Judge	<i>meester</i> S.J.O. de Vries
Company activities	According to the registration with the Chamber of Commerce, the activities of Pfleiderer Finance B.V. [to be referred to as: PF] consist of the establishment of, in any way participating in, the management of companies and partnerships, the furnishing of guarantees for companies and partnerships with which PF is affiliated in a group.
Turnover details	2009 € 20,312,607 2010 € 20,752,416 2011 € 21,371,469
Average number of staff members	2
Balance as at end of report period	€ 149.095,82
Report period	<i>15 February 2014 up to and including 10 July 2014</i>
Hours spent in report period	31:06 hours
Receiver and support staff	
Hours spent in report period	6:12 hours
Insolvency officer	
Total hours spent by receiver and support staff	539:24 hours
Total hours spent by insolvency officer	36:39 hours



	1. OVERVIEW
1.1 Management Board and organisation	Managing Directors for PF are Mr R.F.G.A. Sekhuis and Mr H.J. Ziems. PF's sole shareholder is Pfeiderer A.G. with its registered office in Nürnberg [to be referred to below as: PAG].
1.2 Profit and loss	<p>2010: Loss € 227,822,269. According to the notes to the annual accounts, this loss was caused by an impairment of the loan to Pfeiderer Sweden AB of € 228,200,000 in total.</p> <p>2011: Profit € 1,949,808</p> <p>2012: The profit and loss account as at 18 April 2012 shows that the interest over the loans provided amounts to € 5,323,820. The interest on the securities amounts to € 4,975,941 in the period from 1 January 2012 to 18 April 2012. As a result of an impairment of the loan to PAG to the amount of € 70,102,869 the loss over the period until the date of suspension of payments amounts to € 69,923,376.</p>
1.3 Balance sheet total	<p>2009 € 342,662,783</p> <p>2010 € 101,337,750</p> <p>2011 € 287,464,258</p>
1.4 Current proceedings	<p>1) <u>Nichtigkeitsklagen: Oberlandesgericht Frankfurt am Main case number 5 U 150/11</u> Müller c.s (plaintiffs) against PF (defendant) In proceedings before the Landgericht Frankfurt, Müller and other Security holders have invoked the nullity of the decisions from the meeting of creditors. By judgment from 15 November 2011 the Landgericht found for Müller c.s. and nullified the decisions. The motivation has largely been derived from the motivation in the Freigabe proceedings stated under 2 below. Briefly summarised, the Schuld-verschreibungsGesetz [to be referred to as: SchVG] was not deemed applicable because the terms of issue that Dutch law applies to the conditions relevant within this scope. PF subsequently appealed to the Oberlandesgericht in Frankfurt. These proceedings are still pending.</p> <p>In connection with PF's insolvency, the Oberlandesgericht suspended the proceedings. The plaintiffs have raised objections to this. On behalf of PF, a defence was set up against the statement that the proceedings were not suspended as a result of PF's liquidation. The hearing took place on 28 August 2012. The Oberlandesgericht Frankfurt am Main subsequently decided in an interlocutory order that the proceedings have been suspended.</p> <p>2) <u>Freigabeverfahren: Oberlandesgericht Frankfurt 5AktG 3/11</u> After the aforementioned creditors had invoked the nullity of the decisions, PF submitted a request for Freigabe to the Landgericht Frankfurt, which means that permission was requested to carry out the decisions,</p>



despite the nullity invoked by several creditors. After the Landgericht Frankfurt had rejected PF's request by order from 27 October 2011, PF lodged an appeal. By order from 27 March 2012 the Oberlandesgericht in Frankfurt upheld the Landgericht's decision. Proceedings concerning the order to pay costs are currently still pending. These proceedings about the costs have been suspended in connection with the liquidation of PF.

3) Nachgeschobene Nichtigkeitslagen Landgericht Frankfurt

PF's German lawyer has thus named the third category of proceedings. It concerns three proceedings in which a number of Security Holders also invoke the nullity of the particular decisions.

a. Landgericht Frankfurt 3-05 O 134/11 Knightbridge et al.

These proceedings were also terminated substantively, but several proceedings concerning the order to pay costs are still pending.

b. Landgericht Frankfurt 3-05 O 68/12 Leimeister

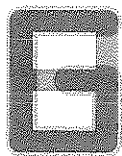
These proceedings have meanwhile been fully terminated (both substantively as with regard to the order to pay costs)

c. Landgericht Frankfurt 3-05 O 73/12 Von Bernuth

The third proceedings are still pending. This third defendant refused to declare the proceedings terminated on substantive grounds. PF has argued that the defendant no longer has any legal interest in a court ruling now that the decisions taken by the meeting of creditors will not be carried out. The Landgericht Frankfurt am Main has ruled that these proceedings have been suspended in connection with PF's liquidation.

With regard to the proceedings mentioned under 1 and 2 above, it is of importance that the parties involved reached an understanding in order to terminate the pending proceedings in March 2012. According to the settlement agreement, PF was obliged to refund the plaintiffs' costs. In accordance with clause 3.3 of the settlement agreement PF was entitled to revoke the settlement agreement under particular conditions. PF takes the position that it revoked the settlement agreement timely and in a legally valid manner, so that the obligations arising from it have been cancelled. The plaintiffs contest this and take the position that, pursuant to the settlement agreement, they are entitled to reimbursement of the costs in accordance with the provisions in the settlement agreement.

1.5 Insurance	Insurance policies in force have been or will be terminated
1.6 Rent	n.a.



1.7 Cause of liquidation

PF is part of the Pfeiderer Groep. This group is a world player in the manufacture of and the trade in processed wood and laminate. Pfeiderer has 4900 employees worldwide. At the head of this group is Pfeiderer AG.

In the last few years, the Pfeiderer group has increased its market position through taking over various enterprises (incl. the Kunz group and the Pergo group). Through taking over these companies, the Pfeiderer Groep wanted to expand its position within the industrial wood and laminate market and it hoped to, besides the existing Western-European market, gain access to the markets in Eastern Europe and North-America.

PF acts as financing company within the Pfeiderer Groep. In 2007, PF issued undated, subordinated securities to the amount of € 275,000,000, hereinafter to be referred to as: "Securities". Pfeiderer AG has issued a subordinated, unconditional and irrevocable guarantee to the security holders for payment of the principal sum and interest of these Securities.

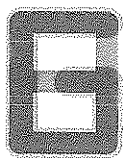
In 2007 (initially through Pfeiderer Service GmbH and from 31 October 2007 directly) PF granted loans [as at the date of suspension of payment] to the following amounts:

To Pfeiderer AG	€ 70,102,869.43
To Declam Flooring AB (previously Pfeiderer Schweden AB)	€ 288,978,037

In 2010 the Pfeiderer Groep got into financial difficulties. This led to a restructuring attempt in Germany. Because Pfeiderer AG vouched for the repayment of the Securities by PF, an arrangement was attempted to be made with these Security Holders. The receiver was told the following concerning this.

In accordance with the provisions in the Schuldverschreibungsgesetz [SchVG] a meeting of creditors took place on 20 June 2011. On 31 July 2009 the SchVG became effective in Germany. Pursuant to this law, the conditions under which securities were issued can be amended by a qualified majority of the security holders. In accordance with the SchVG the security holders can appoint an authorised representative who can bind all security holders if the appointment is made by qualified majority.

The agenda of the meeting of creditors contained a number of intended decisions that assumed that the SchVG was applicable, at least that during the meeting a legally valid decision could be taken concerning the applicability of this act.



During the [allegedly] particularly turbulent meeting of creditors a number of decisions were eventually taken with the required qualified majority of votes. Summarised, these decisions by and large concerned the following:

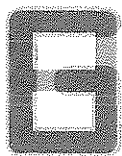
- a) The SchVG was declared applicable and the conditions for issue were amended accordingly on a number of points;
- b) The Security Holders were given the right to exchange their Securities under conditions to be determined in more detail for shares in Pfeiderer AG [a so-called Debt for Equity Swap];
- c) Mr B. Niesert was appointed authorised representative for the joint Security Holders.

During the meeting of creditors it appeared that a minority did not agree with the intended decisions. Several security holders started proceedings concerning the legal validity of the intended decisions. This concerns the proceedings mentioned above. After the Oberlandesgericht had ruled on 27 March 2012 in appeal of the Freigabe proceedings initiated by PF against the Security Holders under 1 that the decisions taken in the meeting of creditors were not permitted to be enforced, the curtain seemed to have fallen and there did not seem to be any more realistic chances for realising the restructuring as intended in Germany.

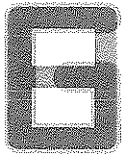
On 1 March 2012 the Gesetz zur Erleichterung der Sanierung (ESUG) came into effect in Germany. In the event of imminent inability to pay, the debtor can apply for a so-called "Eigenverwaltung". In such a case, the court suspends all execution measures for three months and the debtor must submit a debt restructuring plan within a three-month term. As from 17 April 2012 this new "Eigenverwaltung" was declared applicable to Pfeiderer AG. Debt restructuring is aimed for in this insolvency form. Mr Piepenburg was appointed administrator on the recommendation of the banks.

In the "Terms and conditions of the Securities" [the conditions for issue], article 4 under e (i) stipulates that in the event of liquidation of Pfeiderer AG an amount of € 68,750,000 becomes immediately due under the securities. As PF's assets virtually completely consist of claims on companies within the Pfeiderer group that are subject of insolvency proceedings, PF's financial situation is such that the management felt forced to request the court to grant PF provisional suspension of payments.

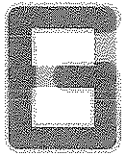
In June 2012 the administrator concluded that there was no income from which the current costs could be covered during the suspension of payment. Cover from the balance at ABN Amro bank meant that PF's disposable capital would be drawn on. In addition, there was no prospect that the creditors could eventually be satisfied. Considering the state of affairs outlined above, the conclusion was that the state of the liquidation assets was such that upholding the suspension was no longer considered desirable now that there was actually insufficient cover for the current costs while there are, moreo-



	ver, no realistic prospects that the debtor will be able to satisfy the creditors from the suspension of payment in the course of time. The court was consequently requested to withdraw the suspension of payment whilst simultaneously ordering the liquidation.
	2. STAFF MEMBERS
2.1 Number at time of liquidation	2
2.2 Number in year before liquidation	2
2.3 Date of notice of dismissal	14 June 2012
2.4 Activities	
	3. ASSETS
	Immovable property
3.1 Description	n.a.
3.2 Sales proceeds	
3.3 Mortgage amount	
3.4 Percentage of the sales proceeds paid to the trustee for his cooperation in a private sale	
3.5 Activities	
	Operating assets
3.6 Description	n.a.
3.7 Sales proceeds	
3.8 Percentage of the sales proceeds paid to the trustee for his cooperation in a private sale	
3.9 Right of seizure by the tax authorities of the tax debtor's property found on the premi-ses	
3.10 Activities	
	Inventories / work in progress
3.11 Description	n.a.
3.12 Sales proceeds	
3.13 Percentage of the sales proceeds paid to the trustee for his cooperation in a private sale	



3.14 Activities	
	Other assets
3.15 Description	n.a.
3.16 Sales proceeds	
3.17 Activities	
	4. RECEIVABLES
4.1 Volume of receivables	<p><u>PF's claim on PAG</u></p> <p>PF has a claim on PAG of € 70,102,869 pursuant to the Intercompany account agreement from 2 January 20021 [the ICA claim]. In connection with PAG's insolvency, this claim has been devalued to € 0 on the balance sheet pursuant to IFRS.</p> <p>In accordance with a security assignment agreement, PF's claim on PAG has been transferred to Commerzbank AG, Filiale Luxemburg, in its capacity as Standstill Security Agent as additional security for PF's guarantee commitments towards the Standstill Finance Parties and by PF as third party security provider as security.</p> <p>The Commerzbank AG Filiale Luxemburg in its capacity as security agent has reported receivables in PAG's Eigenverwaltung, in accordance with the Senior Credit Agreements and the Restructuring Credit Facilities Agreement to a total amount of € 1,899,829,629.</p> <p>On 16 August 2012 PAG filed an Insolvenzplan, which was approved by the majority of the creditors and shareholders. The Insolvenzplan has meanwhile been upheld by the Düsseldorf court. On the basis of the statements in the Insolvenzplan, the receiver in PF did not have any grounds to vote against the adoption of the Insolvenzplan.</p> <p><u>PF's claim on Declam Flooring AB [PSAB]</u></p> <p>PF has a claim of € 288,987,037 on the Swedish company Declam Flooring AB (previously: Pfeiderer Sweden AB to be referred to below as: PSAB).</p> <p>In 2007 PF spent € 275,000,000 on undated, subordinated securities. The amount that PF received from security holders was [initially through Pfeiderer Service GmbH and from 31-10-2007 directly] loaned to PSAB. With these loans, PSAB financed the purchase of the Pergo group. As at the date of PF's liquidation, the claim on PSAB amounted to the aforementioned amount of € 288,987,037.</p>



PSAB and its Swedish subsidiary Declam AB [previously: Pergo AB to be referred to below as PESE] have been in “voluntary liquidation” since 13 and 19 December 2011. PF’s receiver has reported the claim on PSAB with the Swedish administrator in the liquidation. Following this, the Swedish administrator communicated that it is highly unlikely that there will be any distribution for the creditors because the most important asset [that is the selling price for the shares in PESE under which the Pergo group falls] has been pledged to the banks.

At PAG’s request, a report was issued concerning the valuation of PF’s claim on PSAB. This more detailed investigation has shown that the market value of this claim is nil. This is demonstrated below.

Based on the IFRS, PF’s claim on PSAB has been devalued to € 38,900,000. This impairment was based on the assumption that the future sales proceeds of the Pergo group would fall to the stakeholders [read in this case PF]. It is apparent from the information below that this is not the case.

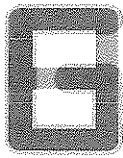
The PSAB balance sheet shows that PF’s debt by virtue of the acquisition loan forms the largest liability.

On the PSAB balance sheet, the participation in PESE has been depreciated to zero. However, from an economic perspective, the participation in PESE is PSAB’s most important asset.

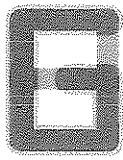
PESE’s most important asset is the selling price of the shares in Pergo Holding B.V. This purchase price [according to the report is the purchase sum is about EUR 26,000,000] has been assigned to the Commerzbank in its capacity as security agent.

The claim on PSAB was assigned as security pursuant to a security assignment agreement to the Commerzbank AG, Filiale Luxemburg in its capacity as security agent. Pursuant to the security assignment agreement PF is no longer the legal owner of the receivable.

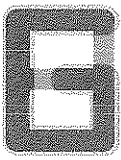
A subordination agreement was entered into between PF, PSAB and the Commerzbank AG in its capacity as security agent based on which all claims of the Finance Parties on PSAB, in respect of loans granted to the Pfeleiderer group, have premacy over PF’s claim on PSAB. Pursuant to this subordination agreement the claim on PSAB can only be paid to PF if all Finance Parties’ claims on the group have been fully paid. Now that the Finance Parties are not fully satisfied in any scenario according to PAG’s Insolvenzplan, the forced-sale value of the claim on PSAB is nil for PF.



	<p><u>PF's claim on ABN Amro bank</u></p> <p>PF had a current account with the ABN Amro bank. At the time PF's liquidation was ordered, the balance of this account was € 190,503.</p> <p>In its capacity as Standstill Security Agent, Commerzbank AG, Filiale Luxemburg closed a security pledge of bank accounts with PF in its capacity as security provider. PF's receiver contested the legal validity of this pledge based on the fact that the pledge had not been communicated to the ABN Amro bank in a legally valid manner and based on the fact that ABN Amro bank's general terms and conditions stipulate that the claim on the ABN Amro bank cannot be pledged. Within the scope of the general arrangement with the banks [see below] the bank balance has been released and is part of the liquidation assets.</p> <p><i>Engaging the services of the financial consultant of PF, objection was made in the reporting period against the corporate tax assessments over a number of years imposed by the tax authorities. The result of the objection was a net gain (after deducting the costs) to the liquidation assets of € 175,814.50.</i></p>
4.2 Proceeds	<p>€ 190,503.69</p> <p>€ 175,814.50</p>
4.3 Percentage of the sales proceeds paid to the trustee for his cooperation in a private sale	n.a.
4.4 Activities	
	5. BANK / SECURITY
5.1 Claim from bank[s]	<p>Pfleiderer AG [hereinafter to be referred to as: PAG] and a number of its group companies have borrowed amounts by various agreements from a banking consortium [to be referred to below as the Finance Parties]. This concerns the following credit facilities:</p> <p><u>Senior Credit Agreements</u></p> <p>a. Facilities Agreement from 5 December 2006 as last amended on 8 January 2010:</p> <ul style="list-style-type: none"> • EUR 400,000,000 [most recently increased to EUR 534,163,335] • EUR 268,710,000 <p>b. Bilateral Credit Agreements</p> <ul style="list-style-type: none"> • EUR 10,00,000 from 22/29 December 2009; • EUR 15,000,000 from 8 January 2010; • SEK 350,000,000 from 25 March 2008 <p>c. Certificates of Indebtedness Credit Agreements</p> <ul style="list-style-type: none"> • EUR 31,000,000 from 24 June 2008 • EUR 26,500,000 from 24 June 2008



	<ul style="list-style-type: none">• EUR 79,500,000 from 24 June 2008• EUR 18,000,000 from 24 June 2008• EUR 10,000,000 from 24 June 2008 <p>all recently amended on 8 January 2010.</p> <p><u>Restructuring Credit Facilities Agreement</u></p> <p>EUR 139,966,127 from 12 May 2011</p> <p>PF has vouched for [jointly and severally liable] for the obligations arising from the Senior Credit Agreements [with the exception of the Bilateral Credit Agreement and the Restructuring Credit Facilities Agreement.</p> <p>As additional security for the fulfilment of its obligations pursuant to the guarantee and as third party security for the financing granted to PAG and its group companies by the Finance Parties, PF has furnished the following security described below.</p>
5.2 Lease contracts	n.a.
5.3 Description of security	<p>In December 2010 agreement was reached between the Finance Parties and PAG and its group companies about a Standstill Agreement in which the Finance Parties made the demand that additional security would be furnished. To the extent that they are relevant, the following security agreements have been agreed:</p> <p>a. <u>Security assignment agreement</u></p> <p>By deed of assignment from 21 December 2010 PF transferred its inter-company receivables as security to the Commerzbank Aktiengesellschaft Filiale Luxemburg in its capacity as standstill security agent.</p> <p>b. <u>Deed of pledge according to Dutch law concerning bank accounts in the Netherlands [pledge of bank accounts]</u></p> <p>By deed from 31 January 2011 PF entered into a security agreement pledge of bank accounts with Commerzbank AG, Filiale Luxemburg in its capacity as standstill Security agent.</p> <p>c. <u>Subordination agreement</u></p> <p>On 21 December 2010, a subordination agreement was entered into between PF, Pfeiderer Sweden AB [referred to below as: PSAB] and the Commerzbank AG, Filiale Luxemburg in its capacity as standstill security Agent, in which it was agreed that the Senior Claims have premacy over the Junior Claims. Senior Claims are taken to mean [in brief] all existing and future receivables and claims from each of the Finance Parties on each of the PAG group companies. Junior Claims are taken to mean all PF's claims [existing or future] on PSAB.</p>
5.4 Secured creditor position	<p>During the meeting of creditors in Düsseldorf in September 2012 a large majority of the creditors in PAG's Eigenverwaltung voted in favour of acceptance of the Insolvenzplan. The plan could be implemented after enforcement by the Düsseldorf court. However, this enforcement could only take place after the Plan conditions were fulfilled. The Insolvenzplan contained five conditions that had to have been met. One of those conditions</p>



related to the restructuring of the debts within the group. To shape this restructuring, the following agreements were entered into:

- a. Consent declaration
- b. Debt restructuring agreement
- c. Cross collateral suspension agreement

The Consent Declaration was entered into between the various companies in the Pfeleiderer group. In this declaration, each guarantor and security grantor declared to each other that they agree with each contract takeover and/or debt takeover with regard to the various credit agreements and with each following step that enables the implementation of:

- Capital restructuring measures;
- Debt restructuring;
- Cross collateral Suspension;
- Corporate restructuring agreement;
- Restatement of Senior Debt;

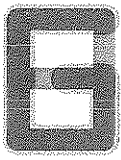
The debt restructuring agreement has split the group in two sections, i.e. the core companies and the non-core companies.

In the cross collateral suspension agreement, the Financial Institutions dismissed the companies in the Core companies group from the liability [after the restructuring] for? debts of the non-core group and vice versa.

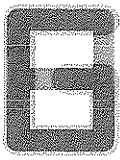
Between PF's receiver and the Finance Parties a determination agreement was entered into with the following content:

- ✓ The receiver renders assistance to the debt restructuring agreement;
- ✓ The receiver agrees with upholding the furnished security being the security assignment of the claim on Declam Flooring AB and the security assignment of the claim on PAG;
- ✓ PF will enter into the suspension agreement as guarantor and security grantor;
- ✓ PF renders assistance to the assignment of the claim on Declam Flooring AB;
- ✓ The Finance Parties render assistance to transferring the ABN Amro bank balance and no longer take the position that this balance has been pledged;
- ✓ PF is dismissed from its obligations pursuant to the guarantees issued under the Senior Credit Agreements on the understanding that the security assignment remains valid;
- ✓ Parties mutually waive any claims on each other or on PAG.

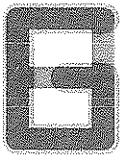
This agreement and any agreements arising from it are in the interest of PF's liquidation assets. After all, extensive research has shown that the possibilities for contesting the Finance Parties' position were extremely limited.



	<p>Within this scope, reference is made to the statements below under items 7.5 and 7.6. To the extent that there were possibilities for contesting the security, it applies that after a successful destruction of that security, the assets gained by that for PF's liquidation assets would accrue to the banks as long as they would not waive their guarantee claims pursuant to the Facilities Agreement from December 2006. PF's liquidation assets would therefore successfully annul the furnished security in the best scenario, after which the income realised for the liquidation assets with that should be paid out to the banks as unsecured creditors.</p> <p>Extensive investigation has taken place to answer the question whether the several liability PF agreed in 2006 could be contested, but there were no real possibilities to do so.</p> <p>After approval obtained from the Supervisory Judge, the determination agreement and the agreements arising from it were entered into with the parties involved and implemented to this effect.</p> <p>On 9 January 2013 the executed copy of the PF release agreement was received in which it is recorded that PF was dismissed from its obligations as guarantor.</p>
5.5 Percentages of the sales proceeds paid to the trustee for his cooperation in a private sale	n.a.
5.6 Retention of title	n.a.
5.7 Right of retention	n.a.
5.8 Right of recovery	n.a.
5.9 Activities	
	6. RELAUNCH / CONTINUATION OF COMPANY
	Continuation
6.1 Operations/security	During the suspension of payment period, operations were continued in order to explore whether the creditors could be satisfied from the suspension of payments. After it appeared in June that the prospects looked this way, the liquidation was ordered.
6.2 Financial reporting	
6.3 Activities	
	Relaunch
6.4 Description	N.a.
6.5 Justification	
6.6 Proceeds	



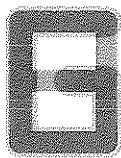
6.7 Percentage of the sales proceeds paid to the trustee for his cooperation in a private sale	
6.8 Activities	
	7. LEGITIMACY
7.1 Accounting obligation	The audit into the structure of the financial accounts showed that the company's rights and duties can be ascertained from these accounts so that the obligation to keep books has been met.
7.2 Filing of annual accounts	The annual accounts most recently deposited are the accounts for the year 2010. These annual accounts were deposited on 1 February 2012.
7.3 Unqualified audit opinion	A compilation report was issued
7.4 Payment obligation shares	PF was established in 1993 so that any claim to pay up shares has already expired.
7.5 Mismanagement	<p>A. <u>Prospectus liability</u></p> <p>The possibilities for holding liable the parties involved in the prospectus from 25 April 2007 that led to issue of the subordinated securities by PF.</p> <p>Parties: Pfeiderer Finance B.V. (PFI) (Issuer) Pfeiderer AG (Guarantor) ABN AMRO Bank N.V./Barclays Bank PLC Deutsche Bank Luxembourg S.A. (Listing/Paying agent Luxembourg)</p> <p><u>Facts: content of the prospectus</u></p> <p>On 25 April 2007, PFI issued a debenture loan for a total amount of € 275,000,000 for which a public prospectus was written. This prospectus stated that it was governed by the Directive 2003/71/EC of the European Parliament and of the Council.</p> <p>In the prospectus PFI and Pfeiderer AG issued a "Responsibility Statement", implying that they are responsible for the <u>full and accurate content</u> of the prospectus.</p> <p>The securities</p> <ol style="list-style-type: none"> 1. The securities were issued in denominations of € 50,000 each and were sold in full. 2. The securities have no end date and holders cannot enforce redemption (perpetuals). 3. Only the issuer may determine whether repayments are made on the securities. 4. They are entitled to an interest that is fixed for 7 years, and sub-



- sequently dependent on the three-month Euribor.
- 5. The issuer may decide independently each quarter whether the rent will be paid or suspended, so that this accrues.
- 6. Security holder entitlements are completely subordinated to all the issuer's existing and future subordinated and unsubordinated debts.
- 7. The securities have equal ranks and only have premacy over the shareholder.
- 8. The shareholder has issued a fully subordinated guarantee for repayment.
- 9. The prospectus provides that in the event of the issuer's insolvency, the security holders may only be repaid if all other subordinated and unsubordinated debts have been paid in full.
- 10. German law applies to the debenture loan and the shareholder's guarantee, while the subordination is governed by Dutch law.
- 11. The prospectus states the risk factors for the PFI (market);
- 12. The loan is issued to repay a bridging loan for the purchase of the Pergo shares and to provide a small share of the working capital for PFI;

PFI's financial position as described in the prospectus:

- 1. PFI is a financing vehicle that takes loans to second the funds in the group.
- 2. The issued share capital amounts to € 453,780.22.
- 3. A layout in figures is given, but this does not show the off-balance obligations.
- 4. Page 91 of the prospectus states the loans that PAG has taken from banks to an amount of EUR 400 million and CAD 269 million. It also says:
"The loan agreement is, except for guarantees given by certain Pfeleiderer Group entities, unsecured"
- 5. It is stated that PAG took out a bridging loan to purchase Pergo to the amount of € 236,500,000, which is paid off with the proceeds from the debenture loan.
- 6. Page 101 of the prospectus shows an extract from the selected data from PAG's consolidated annual accounts. Here it is observed:
"Investors should read the information below together with the consolidated Financial statements of Pfeleiderer, including the notes thereto,... that is incorporated in this prospectus by reference".
- 7. Page 116 of the prospectus states under the chapter Incorporation by Reference:
"The following documents which have been published previously and filed with CSSF shall be incorporated



in and form part of this prospectus:

(a) the audited annual financial statements of Pfeiderer Finance B.V. for the financial year ended December 31, 2006 Notes (pages 8 to 18)".

8. On page 14 of PFI's annual accounts from 2006 the off-balance obligations are stated.

Legal

Directive 2003/71:

In the directive, the objective of the directive itself is clarified:
protection of investors by publishing a reliable prospectus making public all relevant information about the issuer.

However, article 29 of the preamble to the directive says:

"The opportunity of allowing issuers to incorporate by reference documents containing the information to be disclosed in a prospectus, ..., should facilitate the procedure of drawing up a prospectus and lower the costs for the issuers without endangering investors protection".

This shows that incorporation by reference is possible if at least the reference is clear and the documents to which reference is made were published beforehand.

Annexe I to the directive, which deals with the prospectus, states under item IV which "Key Information" must be included:

"The purpose is to summarise key information about the company's financial condition, capitalisation and risk factors".

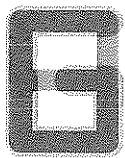
Article 6 of the directive indicates who is responsible for the content of the prospectus:

"... the issuer or its administrative, management or supervisory bodies, the offerer, the person asking for the admission of trading on a regulated market and the guarantor".

Legal precedents:

The Supreme Court ruling that provides most direction for the legal precedents concerning the prospectus liability is the World Online ruling (HR 27-11-2009/LJN: BH2162, 07/11104).

In legal ground (r.o.) 4.10.3 concerning the prospectus liability, the Supreme



Court considers:

"When answering the question whether a prospectus is misleading in the sense of art. 6:194 of the Civil Code, the answer must be based on the probable expectation of an average informed, prudent and careful normal investor at whom the notification is aimed or is reached (comp. HR 30 May 2008, no. C06/302, LJN BD2820).

This description of the 'reference person', as derived from the ruling HvJEG 16 July 1998, case C-210/96, Gut Springenheide, NJ 2000, 374, was described in somewhat different terms, but not deviating with regard to content, in the ruling HvJEG 19 September 2006, case C-356/04, Lidl, NJ 2007, 18.

This 'reference person investor' may be expected to be prepared to immerse himself in the information offered, but not that he disposes of specialist or special knowledge and experience (barring the case that the advertising is only aimed at people with such knowledge and experience).

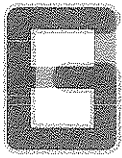
In legal ground 4.10.4 the Supreme Court continues:

"The court will only be able to qualify an inaccurate or incomplete notification as misleading, if it can be assumed in fairness that the notification, read in the context in which it was placed, is of substantial importance for the 'reference person investor's' investment decision. In that case it is after all plausible that the inaccuracy or incompleteness can in fairness influence the 'reference person investor's' economic behaviour. For the qualification of the notification as misleading, and therefore as unlawful, it is not required that the investor has actually taken cognizance of or has actually been influenced by the notification, but only that the inaccuracy or incompleteness of the notification is of sufficient substantial importance to be able to mislead the 'reference person investor'. It is consequently about whether the notification in itself has a misleading character. If this is the case, then the issuing institution should refrain from disclosing it due to its misleading character, and it will act unlawfully if it discloses the notification anyway. Only within the scope of the determination of the scope of the liability towards an individual investor it is an issue if, and if so, to what extent the investor was actually influenced by the misleading announcement in his investment decision and was disadvantaged as a result of this"

Conclusion:

The question is whether reference to the PF annual accounts is sufficient for the security holders to be able to determine their position, i.e. that they are subordinated to the guarantee obligations, or that these obligations should have been mentioned explicitly.

Taking stock, the receiver thinks that there were insufficient grounds to state



that the prospectus has been misleading.

To the extent that third parties could even be held liable, the receiver in PF's liquidation does not play a part within this context. The receiver acts on behalf of the joint creditors and not on behalf of individual or groups of [subordinated] creditors that could possibly have been disadvantaged.

B. Directors' and officers' liability

Facts:

PAG has been the sole shareholder of PF since 29 May 1998.

In the course of time, PAG's CFOs, besides Mr R. Sekhuis, have always been director of PFI.

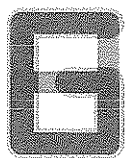
Pfleiderer Finance B.V.

15-3-1993	today	R.F.G.A. Sekhuis
26-5-2011	today	H.J. Ziems
1-1-2009	17-10-2011	H. Graeve
15-1-2008	17-03-2010	U. Rolf
1-9-2001	31-12-2008	E. Michael
15-3-2006	16-1-2008	D.G.Noë
26-4-2007	14-12-2007	J. Schuhoff
15-3-1993	26-10-2006	M. Fleischer
1-12-2001	31-3-2006	J.K. Koch
1-9-2001	1-9-2003	R.W. Bufe
15-3-1993	1-9-2001	H.X.J. Rauscher
15-3-1993	1-9-2001	M. Fleischer

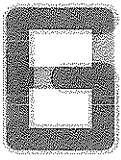
Annual accounts were filed on the following dates:

Annual accounts	date of filing
2010	01-02-2012
2009	07-12-2012
2008	29-01-2010
2007	25-03-2009
2006	12-02-2008
2005	02-04-2007

The above demonstrates that a number of annual accounts were not filed within the statutory term. This means that pursuant to article 2:248 Civil Code, mismanagement took place and that this is considered to be an important cause of the liquidation. The director under the articles of associa-



	<p>tion may provide proof to the contrary. This will receive more attention in the coming period.</p> <p><i>It was erroneously stated in the previous bankruptcy report that the 2009 financial statements had been filed as late as 2012. However, the 2009 financial statements were filed in December 2010, so therefore on time. This means that it was wrong to state in the previous report that there had been improper management and that there was a legal presumption that this had been an important cause of the bankruptcy. The bankruptcy trustee must now provide the facts and evidence regarding the question whether there has been improper management. It is not apparent from the audit performed to date that there are sufficient facts and circumstances on the basis of which it could be argued that there was improper management. The bankruptcy trustee refers in this regard to what is stated in this chapter.</i></p>
7.6 Acting fraudulently in respect of creditors	<p>Acting fraudulently in respect of creditors</p> <p>It was investigated in the reporting period whether the Security Assignment Agreement and the Subordination Agreement can be impaired by the actio pauliana.</p> <p><u>Applicable law:</u> Supreme Court, NJ 1999, 316, Gustafsen q.q./ Mosk Supreme Court, NJ 2003, 128 Ciekam/Siemon T&C with article 42 note 8</p> <p>The law applicable to liquidation [the lex concursus] determines the existence and content of the receiver's powers. This law should therefore be applied to a liquidation pauliana instituted by a foreign receiver in the Netherlands. If this is different law from the law that governs the contested legal act (the lex causa), the requirements of both legal systems must be met.</p> <p>The possibility of annulling the agreements due to prejudice to creditors has been firstly assessed in accordance with Dutch law.</p> <p>Requirements:</p> <ul style="list-style-type: none">• <u>Voluntary legal act:</u> To the extent that this is known until today, there was no legal duty that obliged PF to enter into the security assignment agreement and the subordination agreement. One or more legal acts are involved. The Facilities Agreement together with the Subordination Agreement and the Security Assignment Agreement. These were all entered into by PF on 21-12-2010.• <u>Prejudice to creditors</u><ul style="list-style-type: none">○ Prejudice in the sense of article 42 of the Bankruptcy Act applies if creditors have been disadvantaged in their recovery opportunities.



- Prejudice must be present at the moment on which the creditor or the receiver enforces his rights. It suffices that the prejudice is present at the moment on which the actio pauliana is invoked or the decision is given on the appeal to the actio pauliana.
- Prejudice applies if the creditors concerned had received less than had been the case without this legal act.

The question is whether prejudice to creditors occurred. After all, if and as long as the banks did not relinquish their rights pursuant to the Facilities Agreement entered into in 2006, based on which PF was jointly and severally liable as guarantor for the repayment of the Facilities Agreement, the banks could claim to rank as unsecured creditors in PF's liquidation and any proceeds could benefit them.

- Awareness of prejudice

Awareness of prejudice applies if at the time of the legal act the liquidation and the deficit in it could have been foreseen with a reasonable level of probability for the debtor and the person with or towards whom he performed the legal act.

The Subordination Agreement and the Security Assignment Agreement were entered into in December 2010. At that moment the assumption was still that an extrajudicial restructuring would take place. It is therefore debatable whether the receiver can demonstrate that the liquidation and the deficit in it could have been foreseen with a reasonable level of probability as early as in 2010. The requirement that awareness of prejudice has to exist has therefore not been met.

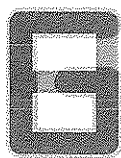
To the extent that the receiver would want to annul the guarantee obligations included in the Facilities Agreement based on prejudice to creditors, the following applies. The Facilities Agreement was entered into in 2006. At that moment the liquidation and the deficit in it were not foreseeable.

Conclusion

Based on the above, the receiver has concluded that the, in accordance with Dutch law, chance of an actio pauliana being successful was extremely low. An assessment according to German law could therefore be dispensed with. It has therefore been decided not to invoke the annulment of the furnished security.



	<p>Transgression of the object</p> <p><u>Object description in accordance with the articles of association</u></p> <p>Clause 2 of the articles of association stipulate that the company's objectives are, inter alia, the furnishing of guarantees and the binding of the company or company assets for the benefit of companies and partnerships with which the company is affiliated in a group.</p> <p>During the reporting period, it was assessed whether it was possible to annul the Facilities Agreement based on transgression of the object in accordance with the articles of association.</p> <p>The chance of success of such an act is extremely low now that:</p> <ul style="list-style-type: none"> ➤ The object description explicitly permits the furnishing of guarantees, loans etc.; ➤ The case law of the Supreme Court concerning transgression of the object relates to situations in which the particular legal act was not explicitly included in the object description. Then article 2:7 Civil Code has a supplementary effect, but the question is whether article 2:7 Civil Code has a derogatory effect.
7.7 Activities	
	8. CREDITORS
8.1 Claims against the insolvent company	€ 10,892.75
8.2 Preferential debts to the tax authorities	€ 6.959.00
8.3 Preferential debts to the Employee Insurance Agency	€ 2,537.18
8.4 Other pref. creditors	Not yet reported.
8.5 Number of unsecured creditors	41
8.6 Amount for unsecured creditors	<p><i>As a result of the agreements concluded between the bankruptcy trustee and the Finance Parties, including the Release Agreement, the Finance Parties have not presented claims in the bankruptcy proceedings.</i></p> <p><i>Reference is made to paragraph 14 of the notes to the fourth public report. During the reporting period the creditors mentioned in the notes to the public have presented for validation their claims concerning the claims for compensation of the costs of legal proceedings. In total 41 creditors have filed their claims for a total amount of € 1.029.776,66.</i></p> <p><i>Three claims for a total amount of € 22.363,01 have been placed on the list of provisionally disputed claims.</i></p>



8.7 Subordinated creditors

To date, 95 Security Holders [“Wertpapiergläubiger”] have filed claims to a total amount of € 33.390.710.69.

As far as it concerns the subordinated claims, it is stated in the annex at the public report in which way, and for which amount claims can be allowed. Reference is made paragraph 7-11 of the Annex of the fourth public report [<http://bgadvocaten.nl/nl/nieuws/kantoornieuwspfleiderer-finance-bv/>]. According to these paragraphs any Holder may in any proceedings against the Issuer protect and enforce in its own name its rights arising under its Securities by submitting the following documents:

- a. A certificate issued by its depositary bank
 - I. Stating the full name and address of the Holder*
 - II. Specifying an aggregate principal amount of Securities credited on the date of such certificate to such Holder’s securities account maintained with such depositary bank and*
 - III. Confirming that the depositary bank has given a written notice to the clearing System as well as to the Paying Agent containing the information pursuant to (I) and (II) and bearing acknowledgment of the Clearing System and the relevant Clearing System accountholder as well as**
- b. A copy of the Global Security certified by a duly authorised officer of the Clearing System of the Principal Paying Agent as being a true copy.*

Taken into account that none of the subordinated creditors have submitted the afore mentioned documents, all claims of Security Holders have been taken up the list of provisionally disputed subordinated claims. If these documents will be submitted, the provisionally, disputed subordinated claims will be provisionally acknowledged.

Nevertheless, reference is made to the fourth public report and annex in which it is mentioned several times that, if the unsecured claims are allowed, there are insufficient funds to pay any distribution to the subordinated creditors.

As soon as the District Court has fixed a date for the creditors meeting, all the creditors will be informed.

8.8 Activities

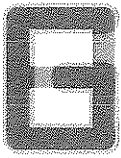
9. PROCEEDINGS

9.1 Name of other party/parties

Reference is made to the statements under item 1.4.

9.2 Nature of proceedings

9.3 Status of proceedings




9.4 Activities	
	10. OTHER
10.1 Term for settlement of liquidation	
10.2 Plan of approach	<i>The District Court has been asked to fix a date for the creditors meeting. It is expected that this creditors meeting will be scheduled for September/October 2014. The creditors will be informed as soon as a date has been fixed.</i>
10.3 Submittance of next report	<i>12 December 2014</i>
10.4 Activities	

Disclaimer

The public report and the related financial report are not a prospectus or annual accounts. Although the information in this public report has been compiled with the greatest of care, the receiver does not guarantee its completeness and accuracy. It is possible that, inter alia, particular information is not yet available, cannot be made public yet, or must be – subsequently – revised. This may have drastic consequences for the creditors' prospects outlined in this report. No rights may therefore be derived from this report.

Boxtel, 14 July 2014


meester C.A.M. de Bruijn,
receiver