Lenzing AG

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euro adhoc: Lenzing AG / quarterly or semiannual financial statement / Lenzing Group: 2007 half-year record results

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6-month report

27.08.2007

Strong demand for Lenzing fibers continues - segment Plastics grows due to acquisitions - expansion to continue in second half

Business developed successfully in all relevant segments, and especially in core segment Fibers, in the first half of 2007. The dynamic expansion of segments Fibers and Plastics continued, resulting in the best half-year result in the history of the company.

Consolidated sales went up by 15.9% to EUR 618.2 mill. for the first six months of 2007 (reference period 2006: EUR 533.5 mill.). The increase in sales was due to increased production, further product mix improvements, price adaptations in core segment fibers and strong growth through acquisitions in segment Plastics.

EBIT improved by 31.5% to a new half-year record of EUR 66.3 mill. (reference period 2006: EUR 50.4 mill.). The financial result improved from minus EUR 6.4 mill. to minus EUR 4.6 mill. EBT was EUR 61.7 mill. (reference period 2006: EUR 44.0 mill.). The period net income of EUR 46.1 mill. was 45.4% higher than that of the first six months of 2006 (EUR 31.7 mill.). At the end of June 2007 the Lenzing Group employed a staff of 5,820 (31 December 2006:5.044). This increase was caused by the start-up of production at the new viscose fiber plant in Nanjing (China) and by company acquisitions in segment Plastics.

Excellent development of segment Fibers

The business development of segment Fibers was characterized by the positive economic environment of the fiber industry, and in particular by the continuing strong demand for high-quality cellulose fibers in the emerging markets, wich was strong for textile fibers as well as for nonwoven fibers. Raw material and energy price increases were absorbed by fiber price adaptations. All fiber production facilities of the Lenzing Group continue to run at full capacity. Stock levels are at an all-time low, despite continuous production increases. Orders have been booked for many weeks in advance.

Good performance of Segments Plastics und Engineering

Segment Plastics continued its gratifying business development. Three acquisitions of strategic importance (Hahl Group GmbH, assets of Glassmaster und Pedex + Co. GmbH) were realized in the first six months of 2007, making the company a global supplier of monofilament-based industrial brushes with an attractive position in the market

Another strategic milestone and growth leap was the entry into the business field carbon fibers, a manufacturing material with great economic potential due to its high strength.

Segment Engineering obtained strong order bookings against the background of the good investment climate in the international cellulose and viscose industries and achieved a satisfactory result. There was no change in the result of segment Paper.

Outlook

The positive general economic situation will continue throughout the second half of 2007. Recent uncertainty in US capital markets has so far had no negative impact on the business segments of the Lenzing Group. Increased raw material and energy prices can be absorbed by product price increases due to good demand. Cost savings were implemented by internal efficiency increases. The weakening dollar, however, will exert increasing pressure on the European textile fiber market.

Lenzing will continue its course of expansion in the second half of the year as well. The excellent development of segment Fibers and the very good performance of Plastics and Engineering lead us to expect a new record result for 2007, provided there will be no significant change in the global economic climate.

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|Key Group figures (IFRS) in EUR mill.
                                       |1-6/ |1-6/ |
                          |2007 |2006 |
                                 |618.2 |533.5 |
|Consolidated sales
JEBITDA
                              |99.1 |81.8 |
IEBIT
                            |66.3 |50.4 |
IEBT
                            |61.7 |44.0 |
|Net income
                               |46.1 |31.7 |
|Gross cash flow
                                |82.4 |76.2 |
|Capital expenditure for intangibles,
                                     |72.6 |36.4 |
|property, plant and equipment
                          |30/6/ |31/12/|
                          |2007 |
                               [2006]
                                |533.2 |542.9 |
|Equity adjusted *
|Staff
                            |5,820 |5,044 |
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Further inquiry note:

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