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euro adhoc: Lenzing AG / quarterly or semiannual financial statement / Lenzing continues success into third quarter

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9-month report

08.11.2007

Positive economic environment for the fiber industry - strong Asian demand for Lenzing fibers - expansion continues with acquisitions in Segment Plastics

The Lenzing Group continues its success in the first two quarters into the third quarter of 2007 and is heading for a new annual record result. Consolidated sales for the first nine months of 2007 rose by 18.7% to EUR 966.2 mill. (2006: EUR 814.1 mill.). This increase is due to the strong growth in core business fibers and the inclusion of the new companies acquired by Business Unit Plastics in 2007.

The nine-month EBIT of 2007 increased by 41.6% to EUR 113.4 mill., a record result already exceeding the EBIT of EUR 107.1 mill. for all of 2006, a very good business year in itself. Period net income increased by 54.1% to EUR 80.6 mill. (2006: EUR 52.3 mill.).

"We benefit from the continuing boom in the global fiber industry, as well as from the fact that the strong organic growth of our core business fibers has laid the foundation for making optimum use of this boom." is how Thomas Fahnemann, chairman of the Lenzing management board, describes the current development. "Moreover, the decision to develop Lenzing Plastics as another platform for growth is the first step towards widening our business base and covering attractive niche areas."

The nine-month EBIT margin for 2007 was 11.7% (2006: 9.8%) and the EBITDA margin 16.7% (2006: 15.6%). The third-quarter EBIT and EBITDA margins reached record highs of 13.5% and 18.0%, respectively.

As at 30 September 2007 the Lenzing Group employed a staff of 5,919 (31 December 2006: 5,044). The increase is a result of the start of operations at the new viscose fiber production plant in Nanjing and the acquisitions by Business Unit Plastics.

Asian boom creates strong demand in Segment Fibers

The business development of the first nine months was dominated by continuing strong demand from Asia. Prices for pulp and chemicals reached historic highs which were passed on to the market through price increases. Fiber production is running at full capacity at all sites with stock at lowest levels.

The new fiber plant in Nanjing was inaugurated in September, after six months of trial runs were successfully concluded resulting in excellent fiber quality. The additional capacity of the new plant is urgently required to meet market demands.

Plastics also developed well, even with the raw material price for thermoplastics at a new high. The development of Business Unit Engineering continued to be positive with good order bookings. Segment Paper managed to achieve good sales as well as price increases in individual sectors at high production levels.

Outlook

The current positive development is expected to continue throughout

Lenzing will continue its expansion in the fourth quarter as well, provided the general economic situation will remain good. New records are expected for our 2007 sales and earnings which will be significantly higher than those of the previous year.

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