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euro adhoc: Lenzing AG / Financial Figures/Balance Sheet / Lenzing Group: Consolidated sales 1-9/2008 up by 10%

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9-month report

10.11.2008

The Lenzing Group further enhanced its position as the world market leader in cellulose fibers in the first nine months of 2008 despite the dramatic unfolding of the financial market crisis and difficult global economic conditions.

Consolidated sales rose by 10% from EUR 920.5 mill. to EUR 1,012.1 mill. due to improved fiber prices in the first half of the year, the expansion of production capacity, which resulted in higher shipments, and the first-time full consolidation of the acquisitions made by segment Plastics in 2007

Cost of material and purchased services rose by 16% to EUR 607.3 mill., mainly due to higher prices for energy, chemicals and other raw materials. Cost could not be fully passed on to the market. Moreover, and as expected, fiber prices started to decline in the third quarter.

For this reason EBIT declined by 6% from EUR 114.0 mill. to EUR 107.1 mill. Higher cost of finance and volatility of the currency markets led to a financial result of minus EUR 18.4 mill. (2007: minus EUR 7.9 mill.) and EBT of EUR 88.7 mill. (2007: EUR 106.1 mill.). Period net income declined by 23% to EUR 62.8 mill (2007: EUR 80.6 mill.).

As at 30 September 2008, the Lenzing Group employed a staff of 5,992 (31 December 2007: 5,918) in its continuing business operations.

Segment Fibers After an excellent first quarter, the global fiber business markedly cooled down in the second. As was to be expected, prices began to decline. The fiber boom of the past two years has come to an end. The rise in prices for energy and raw materials could not be passed on the market to the same extent and further depressed the result situation after record year 2007.

Fiber production operated at full capacity at all sites. Stock levels currently are average. Business Unit Textile Fibers had excellent sales results with specialty fibers TENCEL® and Lenzing Modal® with international brand producers in sportswear and womens' wear. Lenzing was well positioned in the new collections of leading Asian lingerie manufactures. The home textile business was gratifying. Overheated European demand in 2007 and the first quarter of 2008 was followed by more balanced supply and demand.

Segments Plastics and Engineering The business development of segment Plastics was satisfactory. Product diversity helped to compensate declining demand in some sectors by growing demand in others. Business unit Performance Polymers and business unit Filaments and Fibers had to cope with the first signs of economic downturn, despite gratifying developments in specialty sectors. The business development of segment Engineering was stable at a satisfactory level of order bookings.

Outlook The international financial market crisis decidedly accelerated the slow-down of the economy that had already been on the horizon by the middle of the year. The drastic impact on the real economies of Europe and the USA is clearly visible. The Lenzing Group expects business development for the remaining weeks of the year to be satisfactory despite weakening business.

The continuing trend towards high-quality fiber products and specialty products will enable Lenzing to maintain its global market leadership even through challenging times. The following months will see the inevitable decline of fiber margins along with weaker growth. Segment Plastics will improve results by restructuring measures. As seen from today, Lenzing is likely to achieve its second-best EBIT result in history despite the current difficult economic situation.

Consolidated company key figures (IFRS)

(EUR mill.)	1-9/08	1-9/07
Sales*	1,012.1	920.5
EBITDA*	160.1	161.2
EBIT*	107.1	114.0
Net income of the period*	62.8	80.6
EBITDA margin in %*	15.8	17.5
EBIT margin in %*	10.6	12.4
Capital expenditure (intangibles, property, plant and equipment)*	108.9	105.1
Operating cash flow*	62.5	142.1
	30.09.08	

31.12.07

Adjusted equity **	597.6	586.4
Staff*	5,992	5,918

*from continuing business operations; due to the sale of segment Paper, comparative figures were adjusted

**Equity including government grants less proportionate deferred taxes

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