

## euro adhoc: Lenzing AG / Quarterly or Semiannual Financial Statements / Result of First Quarter 2004 (E)

Disclosure announcement transmitted by euro adhoc.  
The issuer is responsible for the content of this announcement.

&#61550; 2004 is off to a satisfactory start  
&#61550; Dollar exchange rate and special factors affect development of result

The business year 2004 has been off to a satisfactory start for the Lenzing Group. On account of larger production volumes at the Lenzing site, the Group's sales went up by 4.4% and amounted to EUR 157.4 mill. The net income before taxes and minority interests amounted to EUR 18.4 mill., which is below the previous year's value of EUR 21.3 mill. The net income after minority interests amounted to EUR 12.6 mill. (after EUR 14.8 mill. for the same quarter last year).

The weaker dollar/euro exchange rate, a basic effect (the comparable figures for the first quarter 2003 showed a record value for operations), as well as the expenses for the Tencel acquisition were the reasons for the decrease of the result which, however, continues to be at a high level. The EBIT margin for the first quarter 2004 was 10.9% (2003: 13.7%), and the EBITDA margin was 18.7% (after 21.0%).

### Vigorous Fiber Demand - Good Business in Asia

The Lenzing Group recorded a vigorous demand for fibers, its core business, which was the result of the internationally good cyclical development of this industry. Especially in Asia, business took a positive course. The sale of Modal fibers, in particular, developed positively, with prices moving in the upward direction. Lenzing is reacting to this trend by making additional Modal capacities available by an investment package for reconstructions at the Lenzing site of EUR 15 mill. All Viscose and Modal fiber lines worked to full capacity. At Lenzing Lyocell, Heiligenkreuz, the second production line was taken into operation. As expected, the characteristic of the start-up curve affected the result of Lenzing Lyocell in the beginning.

### Non-Fiber-Specific Business Sectors

Lenzing Plastics, one of the non-fiber-specific sectors, can look back on a gratifying first quarter 2004. After the order boom of the previous year and the completion of large-scale projects within the Lenzing Group, the sector has swung back to the level of a good "standard year". The paper division of Lenzing AG did not record a satisfactory result for the first quarter 2004, since the cyclical slackness in Europe is continuing.

### Outlook 2004

Lenzing expects an altogether satisfactory development of the fibers sector in the further course of the present business year. Further price increases are being planned. The integration of Tencel into the Group's structure and the start-up of the second production line at Heiligenkreuz are further main activities for the weeks to come. A positive development is expected for the non-fiber-specific sectors Lenzing Technik and Lenzing Plastics. On account of the cyclical situation, Lenzing Paper will have to face a difficult year.

Important Key Data 1-3/2004  
according to US-GAAP, on a Group basis

in EUR mill.	1-3/2004	1-3/2003
--------------	----------	----------

Sales	157.4	150.7
EBITDA	29.4	31.7
EBIT	17.1	20.7
Net income before taxes and minority interest (EBT)	18.4	21.3
Net income after minority interest	12.6	14.8

end of announcement      euro adhoc 12.05.2004

Further inquiry note:

Angelika Guldtt

Branche: Chemicals

ISIN: AT0000644505

WKN: 064450

Index: WBI

Börsen: Wiener Börse AG / official dealing

Berliner Wertpapierbörse / free trade

Bayerische Börse / free trade

Baden-Württembergische Wertpapierbörse / free trade

Original content of: Lenzing AG, transmitted by news aktuell

Diese Meldung kann unter <https://www.presseportal.de/en/pm/9785/555751> abgerufen werden.