

Lenzing AG

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euro adhoc: Lenzing AG / Financial Figures/Balance Sheet / Lenzing Group: Preliminary 2005 results Successful growth in difficult environment

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Lenzing Group expansion continued in 2005, despite a difficult fiber business environment.

Sales by the Lenzing Group increased by 8.2% to EUR 942.6 mill. (compared to EUR 871.1 mill. in 2004) according to preliminary figures. EBIT at EUR 81.8 mill. was below the 2004 record figure of EUR 104.3 mill. Share of net income of shareholders came to EUR 56.9 mill. after 67.7 mill.

Lenzing increased production in its cellulose fiber core business by 9.5% to about 454,000 tons. The core business fibers in 2005 was characterized by good demand but falling fiber prices and rising production costs. The rise in raw material and energy prices in 2005 burdened the business with additional EUR 35 mill.

In front of this background, Lenzings successful countersteering strategy produced a satisfactory result in 2005. The company again succeeded in improving its textile market position in 2005 by developing new fields of application and markets for the fibers, by product innovation, and by intensive global marketing efforts. Nonwovens saw an increase in market share as well and new products for medical and technical applications were introduced successfully.

The contribution of core business fiber and pulp to company group sales was 81%.

Once again: Good development of Lenzing Technik and Lenzing Plastics Engineering and systems construction company Lenzing Technik and Lenzing Plastics, the successful producer of plastics niche applications, once again produced good results. There was no change in the poor economic conditions of the paper industry. The result of Lenzing Paper was therefore not satisfactory, despite extensive cost savings.

Outlook: Good prospects for continued growth All in all, growth prospects for business year 2006 are considered to be good. Results will depend on successful internal measures and price adaptations to reduce the cost-price squeeze.

Company group key figures (IFRS)
in EUR mill. 2005 2004*

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Sales	942.6	871.1
EBITDA	141.6	160.4
EBIT	81.8	104.3
Share of net income of shareholders	56.9	67.7
EBITDA margin in %	15.0	18.4
EBIT margin in %	8.7	12.0
EBT	79.3	103.5
Equity ratio in %	48.0	48.7
Staff	4,860	4,845
Investments	82.4	60.9
Net cash flow from operating activities	124.3	95.3

* adapted according to IFRS

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