

Lenzing AG

15.05.2006 – 08:02 Uhr

euro adhoc: Lenzing AG / quarterly or semiannual financial statement / Lenzing Group: Marked increase in first quarter sales

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

15.05.2006

Raw material prices exerting pressure

The Lenzing Group started business year 2006 with a marked increase in sales due to significantly higher production at all sites of the cellulose fiber core business. Consolidated sales went up by 11.8% to EUR 261.2 mill. for the first quarter of 2006 (compared to EUR 233.8 mill. for the reference period of 2005). EBIT correspondingly declined to EUR 22.8 mill. (reference period 2005: EUR 27.4 mill.) with the relative decline of 16.6% highlighting the best-ever quarterly performance of the 2005 reference period in company history. Net income for the first quarter was EUR 14.1 mill (reference period 2005: EUR 20.5 mill.).

The EBIT margin for the first quarter of 2006 was at 8.8% (reference period 2005: 11.7% and all of 2005: 8.7%). The corresponding EBITDA margin was 14.8% (reference period 2005: 18.4% and all of 2005: 15%).

The equity ratio improved to 49.0% (31 December 2005: 48.0%). Net debt at the end of the first quarter of 2006 was reduced to EUR 141.3 mill, down from EUR 169.0 mill. as at 31 December 2005.

Favorable trend for viscose

Textile fiber demand stabilized, stopping last years downward trend. The first quarter saw new fiber production records at several Lenzing sites. All plants ran at full capacity. The market received new products and fiber applications positively, making them contributors to the rising business volume.

The economic activity of Business Unit Nonwoven Fibers was characterized by very good quantity demand. Price levels, however, are still unsatisfactory.

Sectors Plastics and Technik achieved good results. Sector Paper was finally able to implement at least partial price increases. The results situation, however, is still unsatisfactory.

Outlook The positive market environment is expected to continue into the second quarter of 2006. The reduction of capacities in the European textile industry, caused by the heavy import pressure of Asian textiles at the start of 2005, has come to a preliminary end.

Asian demand will remain strong. The market presence in Asia is to be further consolidated by a new sales office in Mumbai/India, to be opened in the first half of 2006. Production at the Lenzing viscose fiber production plant at Nanjing/China will start at the beginning of 2007.

Lenzing will counter the heavy cost pressure exerted by energy and raw material prices by price adaptations and an ambitious cost reduction program. The Group is confident to achieve another good result for 2006 by the implementation of all these measures.

Key company group figures for the

first quarter of 2006 (IFRS) in EUR mill. 1-3/2006 1-3/2005

Sales	261.2	233.8
EBITDA	38.6	42.9

EBIT	22.8	27.4
EBT	19.6	27.3
Net income	14.1	20.5

end of announcement euro adhoc 15.05.2006 07:25:05

Further inquiry note:

Lenzing AG
Mag. Angelika Guldts
Tel.: +43 (0) 7672-701-2713
Fax: +43 (0) 07672-96301
mailto:a.guldt@lenzing.com

Branche: Chemicals
ISIN: AT0000644505
WKN: 852927
Index: WBI
Börsen: Börse Berlin-Bremen / free trade
Baden-Württembergische Wertpapierbörse / free trade
Bayerische Börse / free trade
Wiener Börse AG / official dealing

Original content of: Lenzing AG, transmitted by news aktuell

Diese Meldung kann unter <https://www.presseportal.de/en/pm/9785/822878> abgerufen werden.