

27.11.2006 – 07:57 Uhr

euro adhoc: Lenzing AG / quarterly or semiannual financial statement / Lenzing Group: dynamic growth continues

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The Lenzing Group continued on its path of dynamic growth in the first nine months of 2006, thanks to very good results in the fiber core business. Company group sales rose by 16.7% to EUR 814.1 mill. as compared to the reference period 2005. EBIT improved to EUR 80.1 mill., an increase of 16.4%. EBT at EUR 72.2 mill. was 7.0% higher than last year, despite a less favorable financial result.

Thomas Fahnemann, chairman of the Lenzing AG management board, comments the current business development: "Our strong sales growth up to this point in 2006 is essentially a result of increased fiber output at all our production sites and the successful implementation of price adjustments that had recently become necessary to compensate for the increase in raw material prices." According to him, fiber business in the recent months has gained added momentum: "Although third quarters as a rule are weak due to seasonal reasons, Lenzing was able to report a record result for the third quarter of 2006."

Quarterly sales rose by 20.3% from EUR 233.2 mill. to EUR 280.6 mill., EBIT increased by 59.7% from EUR 18.6 mill. to EUR 29.7 mill. Third quarter net income increased by even 66.1% to EUR 20.6 mill. (2005: EUR 12.4 mill.).

The Lenzing Group at the reporting date 30 September 2006 employed a staff of 4,907 (year end 2005: 4,860)

Business Units Textile Fibers and Nonwoven Fibers The strong demand for Lenzing textile products reflects the good global market situation, but is also a result of a whole range of Lenzing Group product innovations. Lenzing continued to gain market share, especially in high-quality fiber applications and fiber blends, as well as brand sportswear and brand lingerie products. Accordingly, the product mix has recently been shifted even further towards specialty products with strong margins. The technical textile fibers sector developed very well, too.

Sector nonwovens showed first signs of recovery. The price adaptations in this sector, however, were largely absorbed by the strong increase in pulp prices. The sales development of Lyocell-based nonwovens continued to be positive.

Lenzing Plastics and Lenzing Engineering again positive The development of Lenzing Plastics continued to be positive. The demand for construction and insulation material, as well as for cable films and PTFE-based products is good. Lenzing Engineering managed to obtain good order bookings in the third quarter again. Lenzing Paper managed to implement first price increases and cost savings, the result for the first nine months of 2006, however, was still negative.

Outlook continues to be favorable The further development of business year 2006 and the first months of 2007 are expected to be characterized by a continued good market environment and strong demand for Lenzing fiber products. Even if energy prices consolidate on a high level, further price increases for important raw materials such as wood, pulp and caustic soda cannot be excluded. Chairman Thomas Fahnemann: "From today's perspective, a gratifying annual result, possibly in line with that of record year 2004, can be

expected. This, however, depends on the development of raw material prices in the fourth quarter."

Key group figures (IFRS) in EUR mill. 1-9/ 2006 1-9/ 2005

Sales	814.1	697.6
EBITDA	127.1	115.5
EBIT	80.1	68.8
EBT	72.2	67.4
Net income	52.3	50.8
Gross cash flow	119.0	98.3
Investments	60.5	47.9
	30/09/06	31/12/05
Equity	480.7	455.5
Staff	4,907	4,860

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

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