

Lenzing AG

18.05.2007 – 07:48 Uhr

euro adhoc: Lenzing AG / Financial Figures/Balance Sheet / Lenzing Group: Dynamic growth and record result for the first quarter of 2007

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3-month report

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Strong organic growth of the core business cellulose fibers, important acquisitions at Lenzing Plastics and the very good development of business operations characterized the first quarter of 2007.

Consolidated sales of the Group rose by 13.8% to EUR 297.2 mill. (2006: EUR 261.2 mill.). The increase in sales was mainly the result of further production increases in core business fibers. EBIT for the quarter improved by 42.5% to a new record level of EUR 32.5 mill. (2006: EUR 22.8 mill.). Financial income and expense improved to minus EUR 2.2 mill. (2006: EUR minus 3.2 mill.) Net income increased by 62.4% to EUR 23.0 mill (2006: EUR 14.1 mill). This corresponds to earnings per share of EUR 5.78 for the quarter (2006: EUR 3.31).

The EBIT margin was 11.0% (2006: 8.8%) and the EBITDA margin 16.5% (2006: 14.8%).

The staff of the Lenzing Group at the end of the quarter was 5,288 (31 December 2006: 5,044). The increase is mainly due to the start-up of production at the new viscose fiber production plant in Nanjing (China).

Strong fiber business sustains sales and results

The strong demand for viscose fibers benefited Business Unit Textile Fibers as well as Business Unit Nonwoven Fibers. Lenzing used the favorable market development to further improve its product mix in favor of high-quality fiber specialities and to implement price increases. All production plants are running at full capacity. Orders are booked for weeks in advance.

Lenzing Plastics placed a new emphasis on growth with the acquisition of the German Hahl Group GmbH (first consolidation as of 1 April 2007) and with its entry into the carbon fiber business. Segment Engineering was in line with the good results of the previous quarters. Operating results of Segment Paper remain unsatisfactory.

Outlook

The positive market environment is expected to continue in the second quarter of 2007. Uncertainty in the market could be caused by trade policy discussions in the USA on undue subsidies for the Chinese textile industry, the continuing weakness of the US dollar towards the euro, and the high US cotton stock.

Lenzing will continue to grow in 2007 and will achieve quarterly results in line with last year's, provided the current favorable economic conditions persist.

Key Group figures (IFRS) in EUR mill.	1-3/2007	1-3/2006
Consolidated sales	297.2	261.2
EBITDA	49.1	38.6
EBIT	32.5	22.8
EBT	30.3	19.6
Net income	23.0	14.1

