

**euro adhoc: Lenzing AG / Quarterly or Semiannual Financial Statements /
Lenzing AG Satisfactory First Quarter 2003 after 2002 - the Best Business
Year in the Company's History (E)**

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With the first quarter 2003, Lenzing was able to link up to the record results of fiscal 2002. While, in fact, sales remained unchanged, amounting to EUR 150.7 mill. (after EUR 150.8 mill. in the same quarter of the previous year), it was possible to improve the income from operations (EBIT) by about 9% to EUR 20.7 mill. The EBITDA rose by about 8% to EUR 31.7 mill. The net income before taxes and minority interest (EBT) improved by 13% and amounted to EUR 21.3 mill. In addition to the good results obtained by the fibers operations, the other business sectors of Lenzing AG also continue to contribute good results.

Results of the business sectors

During the first quarter 2003, it was possible to decouple the fibers sector of Lenzing AG to a very large extent from the unfavorable overall environment. In the first quarter, too, fiber production lines at Lenzing AG worked to full capacity.

Demand for Lenzing Lyocell fibers continues to be positive, the production line at the Heiligenkreuz site is working to full capacity. In spite of the pressure, caused by currency factors, it was possible to improve the result for the first quarter, compared to the first quarter of the previous year, on account of larger quantities.

South Pacific Viscose (SPV), our Indonesian associate, recorded a very good result for the first quarter 2003. The sales obtained by Lenzing Fibers Corporation, our US minority share holding, for the first quarter were satisfactory, especially in the nonwovens sector. However, there is some pressure on margins, due to massive increases

in raw-material prices.

Lenzing Technik succeeded in continuing the good development of the last year. During the first quarter 2003, the level of incoming orders was altogether positive. Due to cyclical reasons, the market situation of Lenzing Plastics was unsatisfactory. The income situation developed according to plan and was once more clearly positive for the first quarter 2003. The result obtained by Lenzing Paper was satisfactory.

2002 - The best result in the company's history

The Lenzing Group succeeded in obtaining the best result in the company's history for fiscal 2002, in spite of the overall difficult cyclical situation. With sales amounting to EUR 625.6 mill. (after EUR 622.7 mill. for fiscal 2001), it was possible to clearly improve all income-related key figures. Income before taxes, depreciation and amortisation (EBITDA) rose by 19% and amounted to EUR 121.3 mill., income from operations (EBIT) went up by 21% and amounted to EUR 78.4 mill.

Outlook: Overall conditions continue to be difficult. Fiscal 2003 will be a difficult year for the fiber industry. The Lenzing Group will continue, with consistency, on its course of decoupling itself, as much as possible, from the cyclical business trend. The noticeable decline in the demand for fibers in Europe, as well as the dollar exchange rate, which is likely to continue to be poor, will be aggravating factors in this connection. On account of the excellent positioning, the consistently improving product mix and the control over costs which the Lenzing Group exercises, the Board of Management expects to again obtain satisfactory results for the coming months.

Important Key Figures for the 1st Quarter 2003

US-GAAP, on a Group basis, in EUR mill.

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	1-3/2003	1-3/2002
Income from sales	150.7	150.8
EBITDA	31.7	29.5
EBIT	20.7	19.0
Income before taxes and minority interest (EBT)	21.3	18.9
Net income	14.8	11.2

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Important Key Figures of the Result for 2002
US-GAAP, on a Group basis

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	1-12/2002	1-12/2001
Sales in EUR mill.	626	623
EBITDA in EUR mill.	121	102
EBIT in EUR mill.	78	65
EBT in EUR mill.	72	65

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Please visit <http://www.lenzing.com> for further information.

Further inquiry note:

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Börsen: official dealing Wiener Börse AG; free trade Berliner

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