



LSG improves operating margin and cash flow in a challenging year



5 March 2003

Highlights 4th quarter and full year 2002

- 4th quarter accounts for turnover of 57,6 mln euro and EBIT of 1,0 mln euro. This compares to 58,6 mln euro turnover and 0,2 mln EBIT for the 4th quarter of last year.
- Full year turnover amounts to 195,2 mln euro, a 6% decrease compared to last year.
- Full year operating profit (EBIT) reaches 5,9 mln euro, a 23% improvement over last year.
- Full year operating cash flow (EBITDA) amounts to 12,9 mln euro, a 65% improvement versus to last year
- Non-recurring costs for capital increase and debt restructuring, as well as currency losses result in net loss of 2,0 mln euro (EPS of –0,05 euro).
- A succesful capital increase as well as a decrease in working capital resulted in a significant debt reduction of 27,6 mln euro
- Operations:
 - Commercial Laundry Division made succesful turnaround at Ipso USA and Cissell and increased washer sales in the US. Operating profit is up from –1,6 mln euro last year to 3,1 mln euro this year.
 - Heavy-Duty Laundry Division was affected heavily by economic downturn, primarily in the US. Operating result decreased from 6,4 mln euro last year to 2,8 mln euro this year.

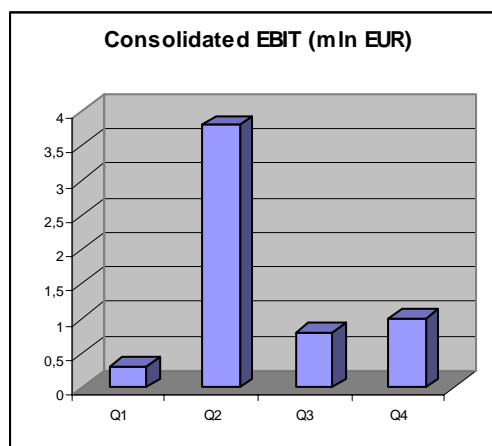
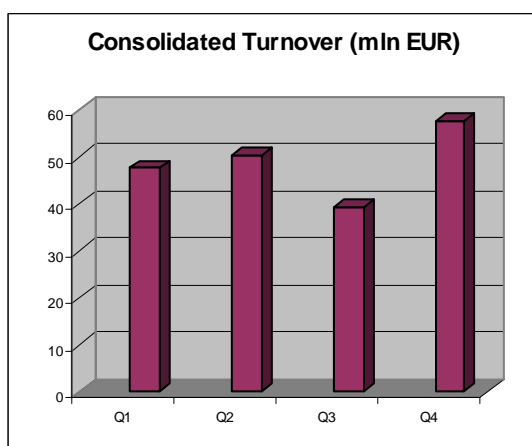
Summary overview

P&L-account as of 31/12/2002 - 31/12/2001			
Consolidated, audited key figures			
(Mln euro)	31/12/02	31/12/01	Change
	12M	12M	
Turnover	195,2	207,1	-5,75%
EBIT	5,9	4,8	22,92%
Cash flow from operations (EBITDA) ¹	12,9	7,8	65,38%
Financial result	-7,8	-6,7	16,42%
Current profit before taxes	-1,9	-1,9	0,00%
Exceptional result	-0,6	0,0	N/A
Result of the year before taxes	-2,5	-1,9	31,58%
Net income	-2,0	0,0	N/A
Current profit after taxes ²	-0,3	1,3	N/A
Net cash flow ³	6,3	4,3	48,20%

¹ EBITDA = earnings before interest, taxes, depreciation and amortization; This is operating profit plus plus depreciation and amounts written down on stocks, trade debtors and provisions for liabilities and taxes

² The current profit after tax is the net profit excluding extraordinary gains and losses (both adjusted for taxes) and excluding goodwill amortization

³ The net cash flow is the net profit excluding depreciation, amounts written down on stocks, trade debtors and provisions for liabilities and taxes, and excluding goodwill depreciation



Q2: takes full effect of 'percentage of completion' (1,3 mIn EUR)
 Q3: includes currency effect
 Q4: includes writeoffs (for the full year)

Operating activities

- **Turnover**
 - Consolidated turnover decreased by 6% from 207,1 mln euro to 195,2 mln euro
 - Main reasons are the lower heavy-duty sales in the US and the weakening of the USD versus the EUR (on average 5%)
 - Commercial laundry division realized a turnover of 69,6 mln euro
 - Heavy-Duty Laundry division had a turnover of 125,6 mln euro
- **EBIT**
 - Consolidated EBIT improved 23% from 4,8 mln euro to 5,9 mln euro
 - Application of the 'percentage of completion'-accounting method resulted in an effect of +1,3 mln euro
 - Overall EBIT was negatively influenced by the weak USD-rate (effect of -1,2 mln euro) and write-offs of stocks and receivables (-2,3 mln euro)

- o Commercial laundry division realized an EBIT of 3,1 mln euro
- o Heavy-Duty Laundry division realized an EBIT of 2,8 mln euro

Other activities

- Total financing charges amount to 7,8 mln euro. This primarily relates to charges on interest bearing debts (3,4 mln euro), goodwill amortization (1,3 mln euro), currency losses (0,9 mln euro) and non-recurring costs for capital increase and debt restructuring (1,4 mln euro).
- The extraordinary charges amount to 0,6 mln euro and are related to the restructuring of D'hooge. For the restructuring of Cissell, a provision on group level was partly used. The remaining part will be used for the restructuring of Jensen Netherlands.
- The net tax benefit amounts to 0,6 mln euro
- A successful capital increase (May 2002) and a working capital reduction program caused the net debt to decrease by 27,6 mln euro during the last year.

Outlook

The 2003 turnover is expected to be similar to 2002. Excluding significant currency movements, operating profitability is expected to be in line with 2002, but with a higher net result. The closing of Jensen Netherlands will have no impact on the 2003 accounts.

Profile

Laundry Systems Group is one of the major suppliers for the laundry industry. Customers include coin laundries, commercial laundries, on-premise laundries (hotels, hospitals, cruise ships) and textile rental companies. The product range varies from stand-alone washer extractors, dryers, ironers over transportation and handling systems, tunnel washers, separators, feeders, folders to the complete project management for fully-equipped and professionally managed industrial laundries. LSG has operations in 11 countries, serves customers in more than 80 countries and employs some 1300 employees worldwide. Since 1997 the company has been quoted on Euronext.

This press release is also available on the corporate website (www.lsg.be).

(End of press release)

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