



LSG records further improvement in operating margins



13 May 2003

Highlights 1st quarter 2003

- 1st quarter accounts for turnover of 44,5 mio euro and EBIT of 1,4 mio euro. This compares to 47,7 mio euro turnover and 0,3 mio EBIT for the 1st quarter of last year.
- Turnover is lower than last year because of the depreciation of the USD versus the euro (effect 3,2 mio euro).
- Profitability improved as a result of higher activity in washer extractor and finishing technology and a continued focus on cost reduction
- Order backlog at the end of the quarter is 22% higher than in the same period last year
- Operations:
 - Commercial Laundry Division further improved results
 - Heavy-Duty Laundry Division returned to a normal activity level in finishing technology and is showing improved profitability compared to last year
 - Sales through own heavy-duty channels as well as heavy-duty sales in the US were low during quarter 1. Several large orders were in progress in quarter 1 and will result in increased invoicing in quarter 2 and 3.
 - Jensen NL has been closed and activities transferred to other LSG manufacturing plants as of April 1, 2003

Summary overview

P&L-account as of 31/03/2003 - 31/03/2002			
Consolidated, unaudited key figures			
(Mio euro)	31/03/03	31/03/02	Change
	3M	3M	
Turnover	44,5	47,7	-6,71%
EBIT	1,4	0,3	366,67%
Cash flow from operations (EBITDA) ¹	2,6	1,5	73,33%
Financial result	-1,3	-1,4	-7,14%
Current profit before taxes	0,1	-1,2	N/A
Exceptional result	0,0	0,0	N/A
Result of the year before taxes	0,1	-1,2	N/A
Net income	0,0	-0,9	N/A
Current profit after taxes ²	0,3	-0,6	N/A
Net cash flow ³	1,6	0,6	166,67%

¹ EBITDA = earnings before interest, taxes, depreciation and amortization; This is operating profit 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

Operating activities

- **Turnover**
 - Consolidated turnover decreased by 7% from 47,7 mio euro to 44,5 mio euro
 - Main reason is the weakening of the USD versus the euro (effect of 3,2 mio euro)
 - Commercial laundry division realized a turnover of 18,9 mio euro
 - Heavy-Duty Laundry division had a turnover of 25,6 mio euro
- **EBIT**
 - Consolidated EBIT improved from 0,3 mio euro to 1,4 mio euro
 - Commercial laundry division realized an EBIT of 0,9 mio euro
 - Heavy-Duty Laundry division realized an EBIT of 0,5 mio euro

Other activities

- Total financing charges amount to 1,3 mio euro. This relates to charges on interest bearing debts (0,6 mio euro), goodwill amortization (0,3 mio euro), currency losses (0,2 mio euro) and other financial charges (0,2 mio euro).
- The restructuring charges at Jensen Netherlands are offset by the use of a provision for the same amount.
- As a result of the above, the net result shows a break-even.

Outlook for the rest of the year

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, since adequate provisions have been made

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 1250 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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