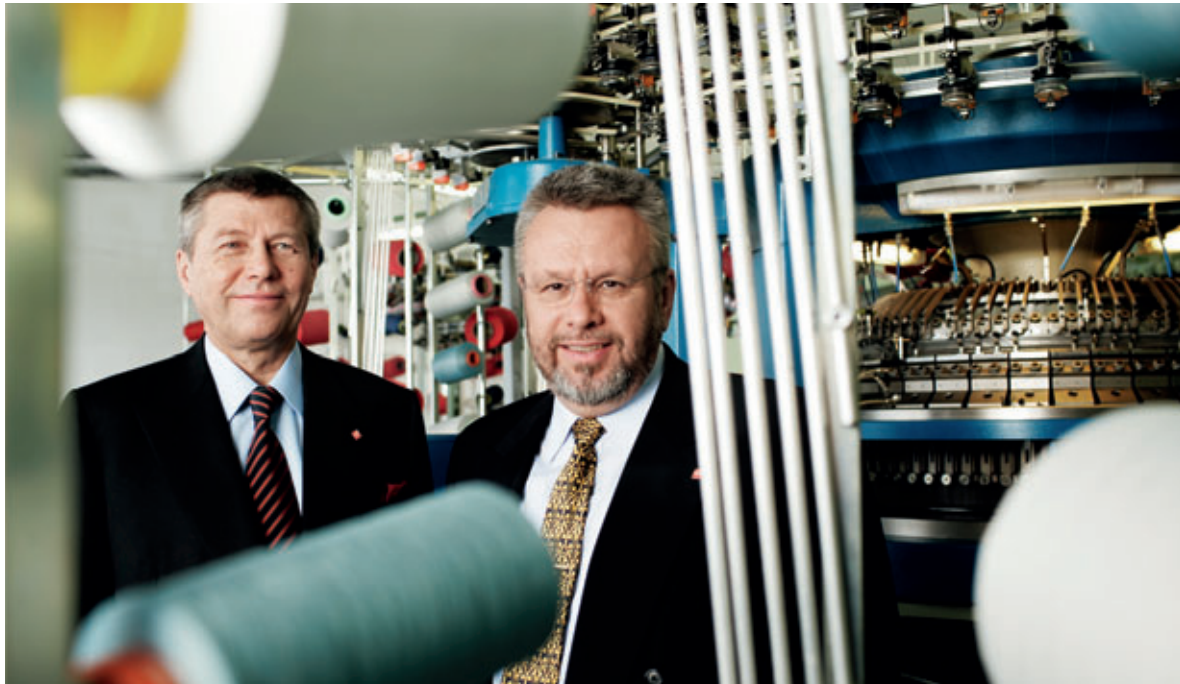


eybl
INTERNATIONAL

QUARTERLY REPORT 1 2007/08



Peter Ch. Löschl

Johannes M. Elsner

Member of the Board, Johannes M. Elsner. "We do not wish to gloss over the fact that the pressure on the automotive sub-supplier industry continues as the cost-cutting programmes of our customers have a direct effect on our results. However, I am convinced that we have found timely and correct answers to the market trend and I derive optimism from the fact that we are making rapid progress with the realisation of our defined strategies. Eybl has established an excellent reputation as a development partner to the OEMs and every day we are working towards the further strengthening of our innovative capacity and enhanced process stability."

Member of the Board, Peter Ch. Löschl. "In view of market developments, the design and prolongation of the value added chain must be Eybl International's main priority. Our efforts in this regard have already borne initial fruit within defined areas and projects. The successful linkage of the individual value added steps and the integration of all locations strengthens our market position and also offers enormous potential for the future."

Economic climate

The first six months of 2007 again failed to bring the long-awaited turnaround in the Western European car market. The trend of recent years continued with a 1.2% fall in new registrations as compared to 2006. Alone in the French market, which is of special importance to Eybl, there was a 3% dip in sales with the registrations of French-made vehicles in the domestic market dropping by 7%. At the same time, the prices for raw materials such as oil and steel continued to climb, leading to a further intensification of the already considerable cost pressure on sub-supplier companies.

Measures aimed at lengthening the value added chain take effect

Eybl International continued to counteract this prolonged negative market trend in a systematic and proactive manner. A major strategic success factor is a medium- and long-term increase in the value added contribution, which is aimed at a further strengthening of the company's negotiating position. The declared objective is an extension of the value added chain along Eybl's areas of competence and a resulting increase in the contribution to well over 30%.

Eybl can already point to initial successes in this regard, as exemplified by the leather cutting area, where throughput times have been lowered and the diversity of components used in the small batch segment reduced. Additional improvement with regard to value added distribution is anticipated in the coming months with the enlargement of the cutting centre in Körmend. Furthermore, the start-up of a two-dimensional bonding machine at the Jánosháza location will provide improvements with regard to material and process costs and reliability in the bonding of differing components such as leather and plastics, which represents another major area of Eybl competence.

The opening up of additional markets is also of great significance for successful company development and this is being pursued intensively through the targeting of new regions and customers.

Sales

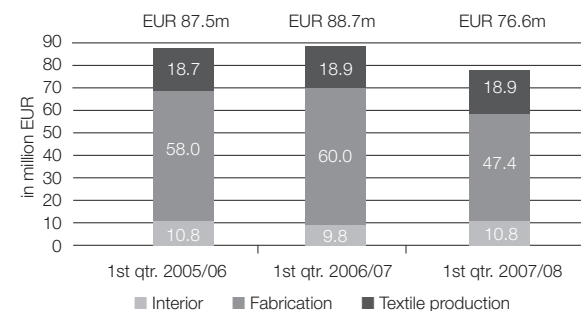
In significant parts of its business, Eybl International successfully defied the continuing negative situation in the European car market. In particular, the Interiors business area showed an increase in sales of around 26.5% and was well up on the figure for the fourth quarter of 2006/07. This positive development emanated largely from sizeable batches of leather steering wheels for the VW Passat and Polo, as well as the higher call-up for leather gear lever bellows for the successful BMW 5 series.

The most important cars in the fabrics area, the VW Passat, VW Golf and the S-Class Mercedes, were unable to emulate their share of sales in the fourth quarter of 2006/07. The adverse conditions in the market were clearly tangible in the make-up area, the sluggishness in France having an especially severe effect. This is clearly exemplified by the reduction in RENAULT Mégane production, where in particular the sales of models with leather/synthetic leather and leather/fabric seat covers were far below expectations. In addition, it was also impossible to compensate for the shifts in the BMW 3 series mix. Inevitably, these setbacks meant that the sales of the fourth quarter of 2006/07 could not be repeated and a fall of around 4% had to be registered.

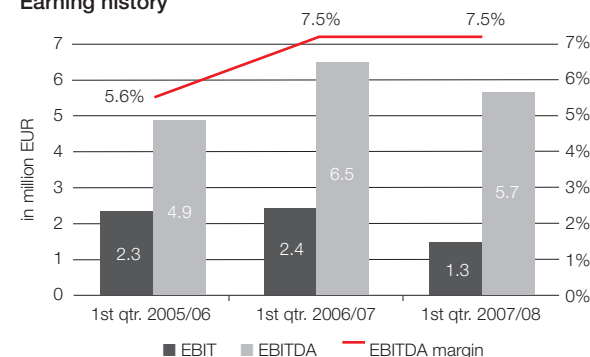
Earnings

In spite of the continuing cost pressure on the automotive sub-supplier industry, Group EBIT amounted to EUR 1.3m (Q1 2006/07: EUR 2.4m). This represented an increase of more than 20% over the preceding quarter, but a fall in earnings as compared to the same period of 2006/07 of some 46%. If other operating earnings and net IFRS capitalisation are taken into account, operating earnings capacity was also raised as compared to the previous quarter.

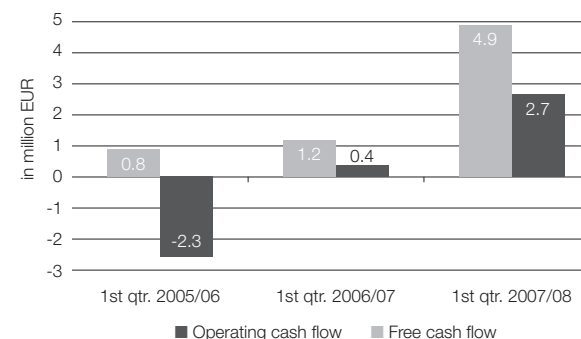
Sales trends 1st quarter of 2007/08



Earning history



Development of cash flow





Leather fabrication

The ordinary business result amounted to minus EUR 0.5m, which was more than 40% up on the reference value from last year and topped fourth quarter value of the prior financial year by EUR 1.6m. Moreover, as compared to the first quarter of last year, the loss for the period was down by almost a half at minus EUR 0.4m.

Earnings capacity

The constant strength of the self-financing capability was underlined by EBITDA of EUR 5.7m (Q1 2006/07: EUR 6.5m) and as in the preceding year, an EBITDA margin of 7.5%. Net IFRS capitalisation in the first quarter of the current financial year stood at minus EUR 0.2m and also corresponded with the value of the previous year.

Financial situation

At EUR 4.9m, operative cash flow was markedly higher than the comparable value of the preceding year (EUR 1.2m) and documented the considerable self-financing strength of the Eybl Group. As a result of the focus on liquidity, during the first quarter, free cash flow of EUR 2.7m was generated (Q1 2006/07: EUR 0.4m). This led to an increase in liquid assets to EUR 12.4m (Q1 2006/07: EUR 10.2m), which was achieved in spite of payment conduct in line with planning and additional loan repayments,

Assets and capital structure

At EUR 55.5m, or 24.2% of total assets, the equity trend showed a clearly positive tendency (Q1 2006/07: EUR 51.4m, or 20.2%) and was EUR 1.5m above the value at the start of the financial year. Taking into account the limited partnership capital of EUR 7.3m, which is reported as outside capital, the equity ratio in the first quarter of 2007/08 amounted to 27.4%. All in all, following the reduction of assets in the current financial year, the assets structure is stable with a further reduction in total assets of around EUR 4m.

Order situation

During the first quarter of 2007, Eybl International was able to capture several notable order intakes. These include the production of around 50% of the fabrics used in the AUDI Q5, which means that Eybl continues to be represented in virtually all the current AUDI models. In addition, an interesting order was obtained for the new VW Passat Coupé, involving the entire development and make-up of seat covers in co-operation with the VW subsidiary SITECH. The serial production process is to be optimised by the interlocking of the individual value added steps from development and make-up, to the finished upholstered seat. An excellent example of the gradual lengthening of the value added chain is the latest order for a ski sack module for BMW. The waterproof fabric will be manufactured in Krems, finished in Gmünd and then further processed at the Körmend plant in Hungary. This order represents a project that points the way ahead and serial production is scheduled for August 2007. In addition, for the compact BMW 1, Eybl is to produce the headliner fabrics for the M-package at Trier in Germany.

The teamwork with SEAT developed in a particularly positive manner. In just two years, Eybl has succeeded in being represented in all models with woven articles. A high-quality centre section is to be manufactured for the SEAT Altea and materials for the doors are already under development. Of special note is the fact that in all the current model updates in which Eybl has been involved, the company has also been subsequently taken into account as the outfitter.

Up to today, order intakes with a total value of almost EUR 60m have been received, which when adjusted, constitute a total order backlog of almost EUR 1 bn.

Outlook

In order to maintain and further consolidate the position that Eybl International has established over the years as a supplier of innovative developments within the European automotive sub-supplier industry, it is seeking to enhance its market strength through a strategy of systematic growth. In the 2007/08 financial year, this will mean an increase in the market addressed to almost EUR 4bn and a targeted order backlog in excess of EUR 1.1bn.

This is to be achieved through the consolidation of market positions in existing fields of competence, the targeted development of additional product segments in the Interiors business area and the optimisation of the entire value added process. In a parallel move, the entire services strategy in the product development field is to be focused even more closely on the OEMs and services assumed during the fulfilment process. The Eybl International management anticipates that the package of measures approved for the current financial year will lead to an improvement in core business and an increase in return on capital.

Eybl International share price (in EUR)



Share price trend

On the reporting date of 30 June 2007, the Eybl International share price stood at EUR 15.19. The trend during the year (30 June 2006 – 30 June 2007) showed a marked increase of around 6%. Average daily turnover for the first quarter stood at 6,268 shares (double counted).

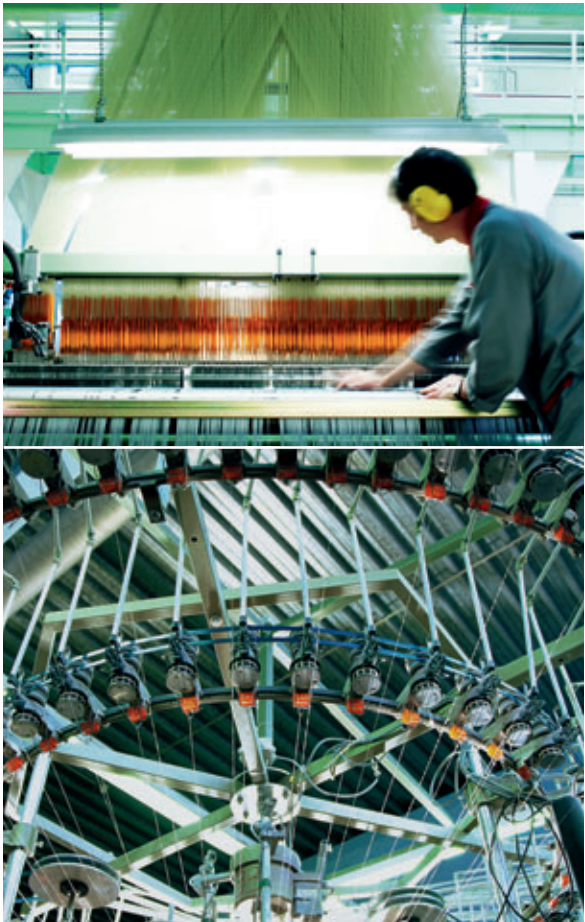
Key share data

Number of shares: 3,600,000 ordinary bearer shares
ISIN Code 908157
Reuters RIC Eybl.VI

Financial calendar

- 24 Oct. 2007 Financial results for the half of the 2007/08 business year
- 24 Jan. 2008 Financial results for the first three quarters of 2007/08
- 19 May 2008 Publication of the preliminary results for 2007/08
- 25 June 2008 Publication of the results for 2007/08
- 26 June 2008 18th Regular Shareholder's General Meeting

The dates provided are provisional and subject to confirmation.



Above : loom ; Below: circular knitting machine

**Consolidated profit-and-loss statement for the first quarter of 2007/08
according to International Financial Reporting Standards (IFRS)**

	01/04-30/06 2007 EUR '000	01/01-31/03 2007 EUR '000	01/04-30/06 2006 EUR '000
Sales Revenues	76,603	79,550	88,661
Other operating income	2,304	4,989	2,021
Changes in inventories of work in progress and finished goods	2,126	-464	-1,002
Other work performed by the enterprise and capitalised	2,072	5,494	2,001
Raw materials and services used	-54,355	-60,059	-62,373
Staff costs	-14,961	-14,219	-14,354
Depreciation and amortisation of tangible and intangible non-current assets	-4,430	-5,379	-4,111
Other operating expenses	-8,053	-8,850	-8,433
Operating profit (EBIT)	1,306	1,061	2,410
Other interest and similar income	-1,779	-1,533	-1,590
Other financial income	0	181	-15
Balance sheet date SWAP evaluation	0	-1,739	-1,630
Financial profit	-1,779	-3,091	-3,235
Profits from ordinary activities before taxes (and before minorities)	-473	-2,030	-825
Taxes on income	100	160	186
Profits before minorities	-373	-1,869	-639
Net profit (loss) for the period	-373	-1,869	-639
Profit per share (in EUR)	-0.10	-0.52	-0.18
Average number of shares in circulation	3,600,000	3,600,000	3,600,000

Cash flow statement

	01/04-30/06 2007 EUR '000	01/01-31/03 2007 EUR '000	01/04-30/06 2006 EUR '000
Liquid funds	11,371	8,161	10,968
Cash flow from profit	3,626	3,801	3,258
Cash flow from operating activities	4,893	35,433	1,216
Cash flow from investment activities	-2,227	-7,823	-811
Free cash flow	2,666	27,610	405
Cash flow from financial activities	-1,604	-24,400	-1,173
Changes in liquid funds	1,062	3,210	-768
Liquid funds	12,433	11,371	10,200

Statement of changes in equity

	01/04-30/06 2007 EUR '000	01/01-31/03 2007 EUR '000	01/04-30/06 2006 EUR '000
Equity	53,997	54,124	53,651
Profits before minorities	-373	-1,870	-639
Currency conversion differences	1,846	1,743	-1,566
Other changes not affecting profit	0	0	-55
Equity	55,470	53,997	51,391

Key figures

	01/04-30/06 2007 EUR '000	01/01-31/03 2007 EUR '000	01/04-30/06 2006 EUR '000
EBIT margin	1.7%	1.3%	2.7%
EBITDA (EUR '000)	5,736	6,440	6,521
EBITDA margin	7.5%	8.1%	7.5%
Return on Sales	-0.6%	-2.6%	-0.9%
	30/06/2007	31/03/2007	30/06/2006
Equity ratio on the reporting date	24.2%	23.2%	20.2%
Gearing ratio on the reporting date	155.9%	165.1%	223.9%

Consolidated balance sheet as of 30/06/2007 according to International Financial Reporting Standards (IFRS)

	30/06/2007 EUR '000	31/03/2007 EUR '000	30/06/2006 EUR '000
ASSETS			
Goodwill	0	0	0
Other intangible assets	19,955	20,085	18,084
Tangible assets	91,365	93,209	100,361
Financial assets	7,955	7,728	382
Non-current assets	119,275	121,022	118,827
Deferred taxes	19,029	18,929	17,509
Total non-current assets	138,304	139,951	136,336
Inventories	38,868	36,063	33,902
Trade receivables	25,574	29,972	55,516
Receivables from Group companies	0	0	0
Other receivables and assets	12,439	15,071	16,962
Liquid funds	12,433	11,371	10,200
Accruals and deferrals	1,379	455	1,097
B, Total current assets	90,693	92,932	117,677
	228,997	232,883	254,013
LIABILITIES			
Share capital	26,162	26,162	26,162
Capital reserves	19,264	19,264	19,264
Other consolidation reserves and exchange conversion differences	10,371	7,062	6,570
Minorities	51	48	42
Consolidated profit after minorities	-378	1,461	-647
A, Capital and reserves	55,470	53,997	51,391
Non-current financial liabilities	78,875	84,941	114,416
Non-current provisions	4,611	6,199	5,371
Other non-current liabilities	11,420	14,716	5,175
B, Non-current liabilities	94,906	105,855	124,962
Current financial liabilities	20,020	15,598	10,840
Trade liabilities	48,866	48,218	54,150
Current provisions	593	637	1,426
Other current liabilities	9,142	8,578	11,244
C, Current liabilities	78,621	73,031	77,660
	228,997	232,883	254,013

Quarterly and annual reports are available from:

Eybl International AG
Investor Relations
Dr. Franz Wilhelm-Strasse 2
A-3500 Krems
Phone: +43 (0) 2732-881-300
Fax: +43 (0) 2732-881-78
e-mail: ir.pr@eybl-international.com
www.eybl-international.com

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Dr. Franz Wilhelm-Strasse 2
A-3500 Krems
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Fax: +43 (0) 2732-881-86
www.eybl-international.com

Consulting and layout

Agentur4 Design GmbH
Hauptstrasse 44b
3550 Gobelsburg
www.agentur4.at