

Naturally positive

Lenzing Investor Presentation
Annual Result 2016
March 22, 2017

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- Certain figures in this presentation have been rounded in accordance with commercial principles and practice. Such figures that have been rounded in various tables may not necessarily add up to the exact total given in the respective table.
- Definition and further details on the calculation of financial key indicators can be derived from the Management Report and the glossary in the Annual Financial Report. This report is also available online on the website of the Lenzing Group www.lenzing.com in the section "Investors".

Highlights 2016

- Second best year in the history of Lenzing
 - Group revenue up 8% to EUR 2,13 bn y-o-y
 - Strong EBITDA improvement by 47.6% to EUR 428.3 mn y-o-y
 - ROCE at 15.1%
- Substantial progress implementing the new corporate strategy sCore TEN
 - > EUR 50 mn EBITDA improvements due to commercial and operational excellence already delivered by end of 2016
 - EUR 475 mn CAPEX commitments to grow specialty fiber capacities by 125 k tons and to debottleneck pulp sites
 - Decision to open two new application development centers in Asia
 - Successful launch of Refibra™ fiber
- Proposal¹ to increase the dividend to EUR 3.00 per share plus EUR 1.20 per share as a special dividend

1) Proposal to the Annual General Meeting on April 25, 2017

Strategy implementation and target achievement ahead of plan

	2014	2015	2016	2020 Targets
EBITDA growth	-	21%	48%	10% p.a. (vs 2014 baseline)
ROCE	(0.1)	8.1	15.1	≥10%
Net financial debt/EBITDA	1.9	1.1	0.0	<2.5

sCore TEN: Strengthen the core

- Delivered over EUR 50 mn EBITDA improvement with commercial and operational excellence already per end 2016
- Substantial progress in improving core processes such as pricing, S&OP and product launch



- Debottlenecking of pulp capacities started
 - Total increase of around 35 k tons p.a.
 - In 2017e own pulp capacity at 575 k tons, in 2018e > 600kt
 - EUR 100 mn investment
- Extension of long-term pulp supply contract

- New organization to strengthen regional decision making implemented
 - AMEA
 - North Asia
 - Europe and Americas

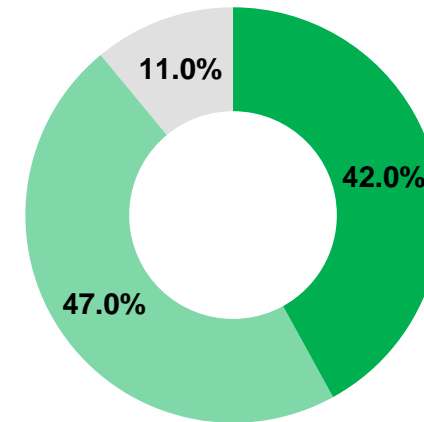


- Two new regional application development centers
 - Indonesian application center (“Fiber to Yarn”)
 - Hong Kong application center (“Yarn to Garment”)
- Investing in getting closer to our customers – focused on direct selling approach to better support our customers
 - To date three new commercial offices opened

sCore TEN: Lenzing further focused on specialties

- Specialty fiber sales accounted for 42% after 40.5% in 2015
- EUR 375 mn CAPEX committed to grow specialty fiber capacities

Share of specialty fibers 2016



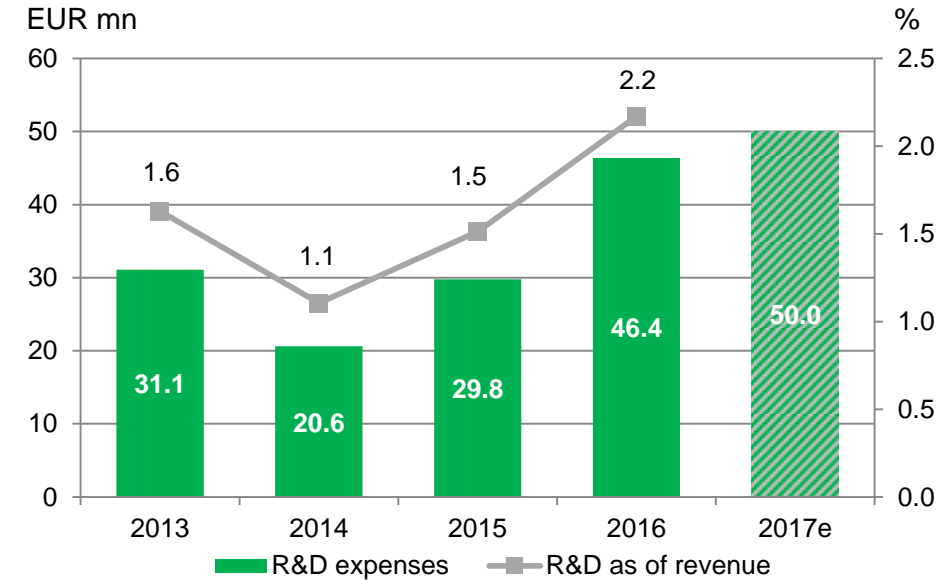
- Specialty fibers¹
- Standard fibers
- Other business areas

1) Specialty fibers: TENCEL[®] fiber, Lenzing Modal[®] fiber, Lenzing Viscose[®] fiber specialties

sCore TEN: Lenzing further focused on specialties

- R&D expenditures increased more than 50% y-o-y keeping Lenzing at the forefront of the industry
- Strong innovation pipeline
- Refibra™ fiber launch
- Latest lyocell technology to be implemented in Mobile (USA)

R&D expenses (2013-2017e)¹



1) Pursuant to Frascati; source: Lenzing

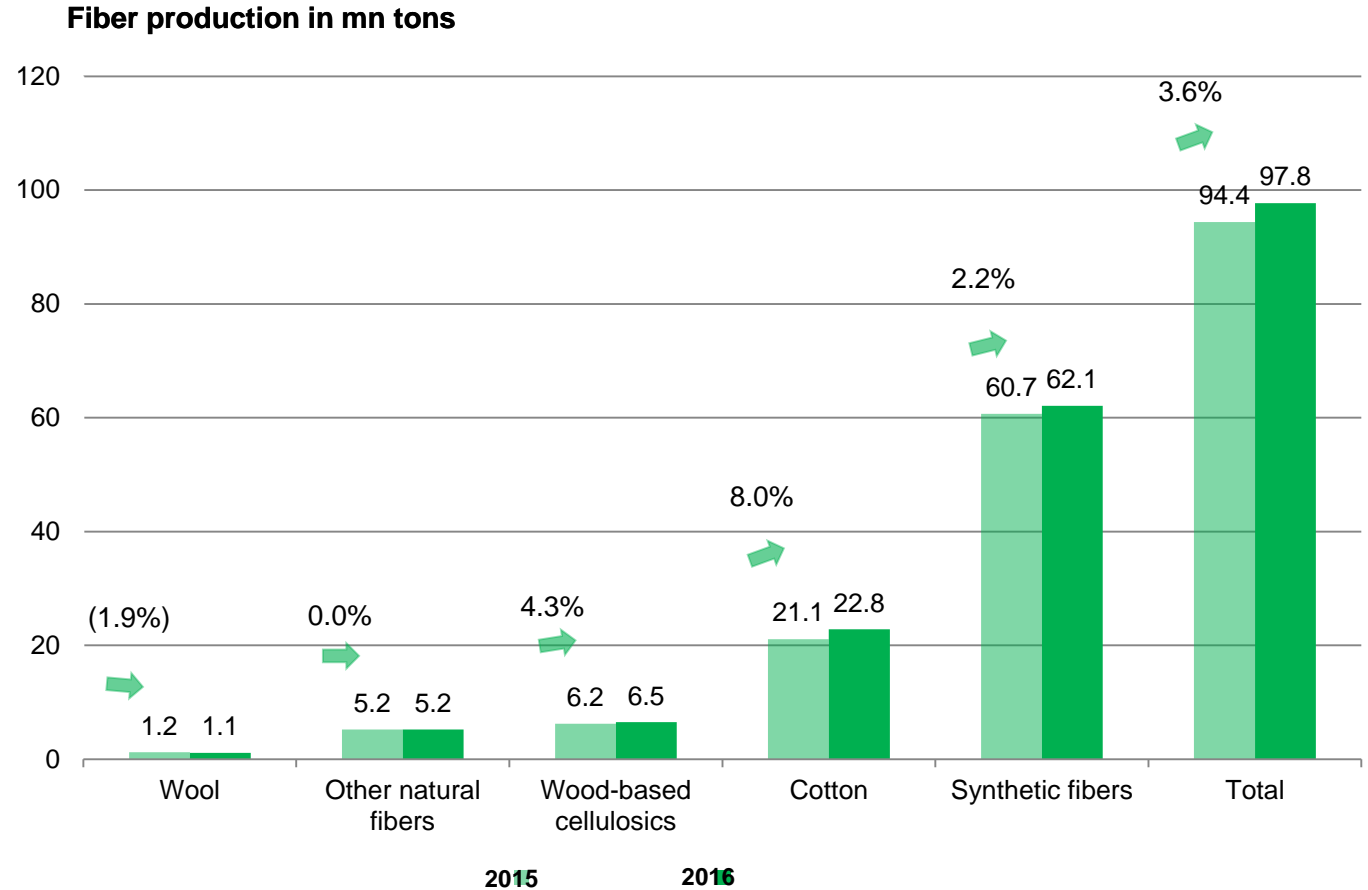
Refibra™ fiber: New sustainability innovation concept



- Major breakthrough for the ‘Circular economy’ on a big scale for wood based cellulose fibers
 - Refibra™ fiber: Combination of prize-winning lyocell technology with pioneering use of recycled cotton off-cuts. Upscaling of cotton and significant reduction of cotton scraps in the garment production
- Business model innovation “Closed loop”:
 - Cooperation with world leading retailer Inditex, first Refibra™ fibers in spring collection 2017
 - Other brands and retailers will follow
- New system to identify the fiber in finished garment

Fiber market 2016

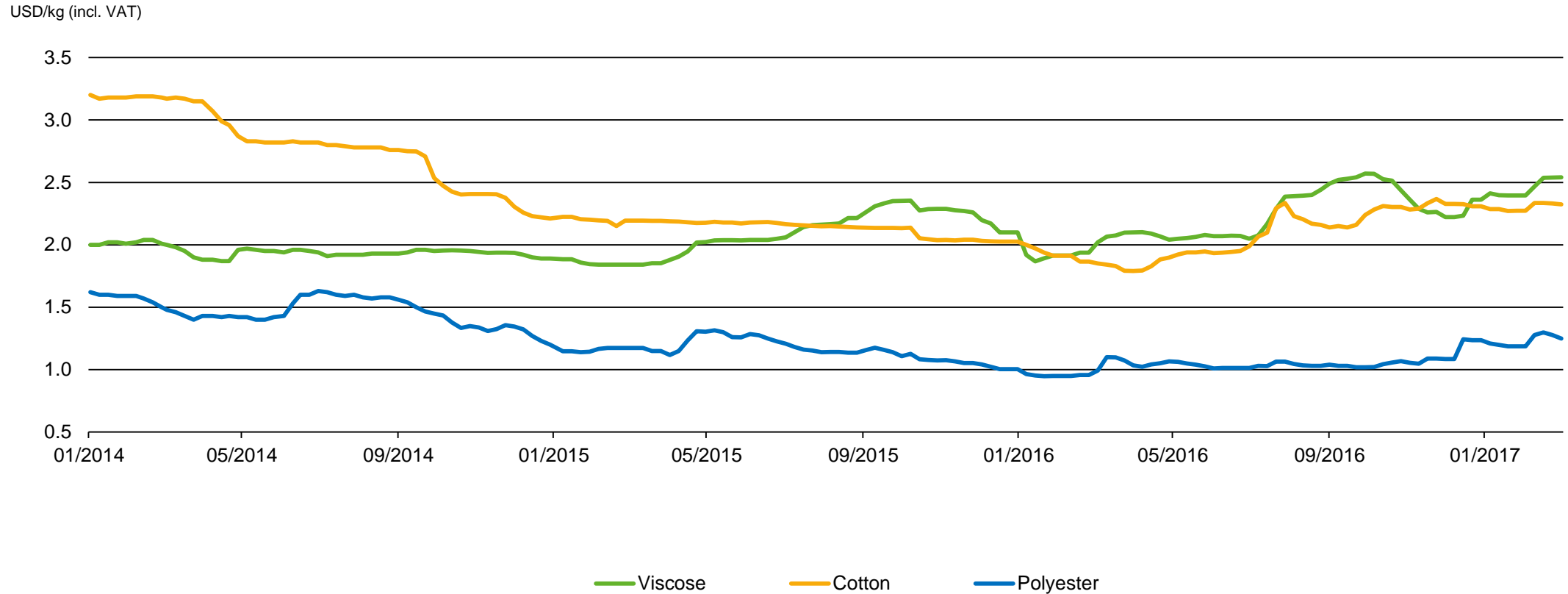
- World fiber production 2016e up 3.6% to 97.8 mn tons
 - For the 2nd consecutive year lower than consumption (2016e: 99 mn tons ; +1.5%)
- Wood-based cellulose fibers growth rate continues to outgrow the industry
- High overcapacities in synthetics



Sources: CCFG, CIRFS, Cotton Outlook, Fiber Economics Bureau, ICAC, National Statistics, The Fiber Year, Lenzing estimates. Percentage increases based on exact figures

Interfiber price development¹

Staple fiber prices - Development in China



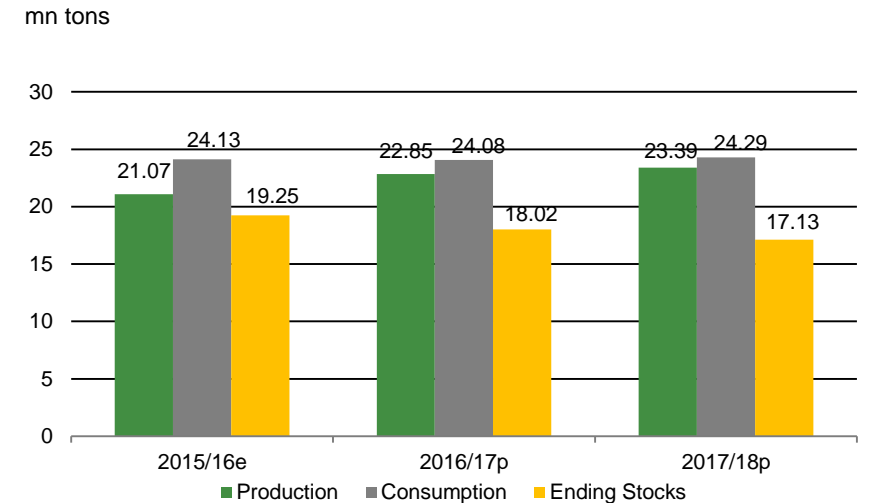
Sources: China Cotton Association, China Chemical & Fiber Economic Information Network, China Chemical Fiber Group

1) Until February 28, 2017

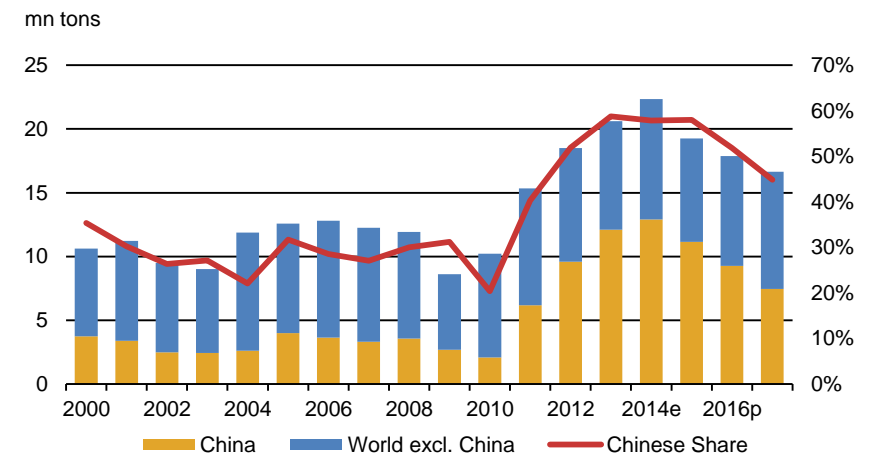
Cotton market with better supply-demand situation in 2016

- In 2016 the average Cotlook A-Index was at USD 74.3 cents/lbs which was +5.5% y-o-y
 - Chinese cotton prices still higher than world price levels
- Outlook: projected higher consumption than production in 2016/2017
 - Steady consumption around 24 mn tons
 - Production up 8%
 - Leading to a further reduction of cotton stocks at 18 mn tons, the lowest level since five years

Cotton market



Cotton stocks and China's share

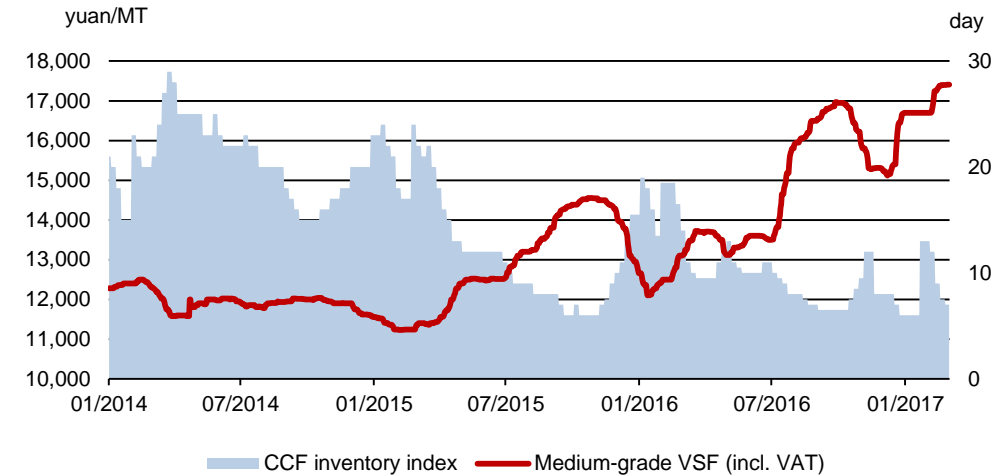


Sources: Cotton Outlook, ICAC, percentage changes based on exact figures

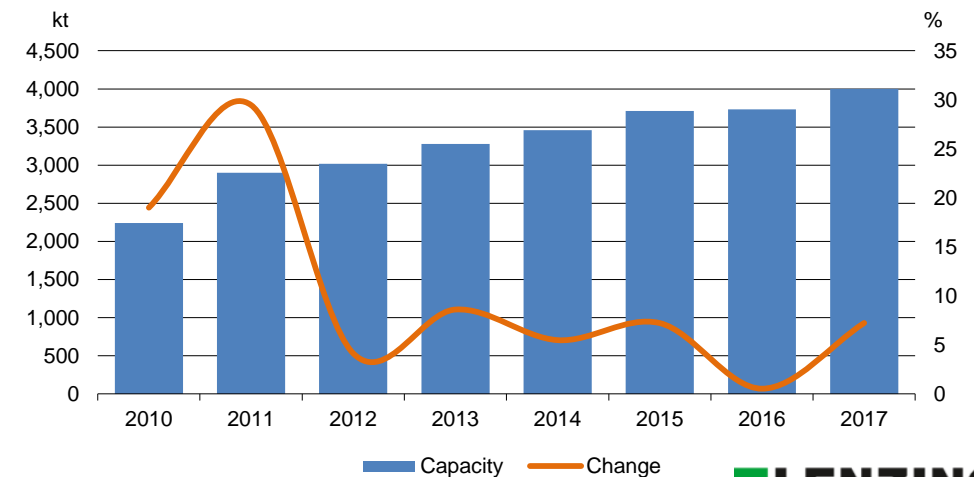
Very strong viscose pricing reflecting tight supply and increase in raw material prices

- Continuously good demand for wood-based cellulose fibers versus scarce supply
 - In 2016 inventory level decreased from 17 days to 6 days
 - In 2016 high operating rates in China (around 86%)
- Seasonal Q4 price decline stopped Mid-December 2016
- Year-end VSF price of RMB 16,700 up 32.5% vs the beginning of 2016
- Year-end dissolving wood pulp price of USD 918 up 4.3% vs the beginning of 2016

VSF¹ price trend and inventory of China

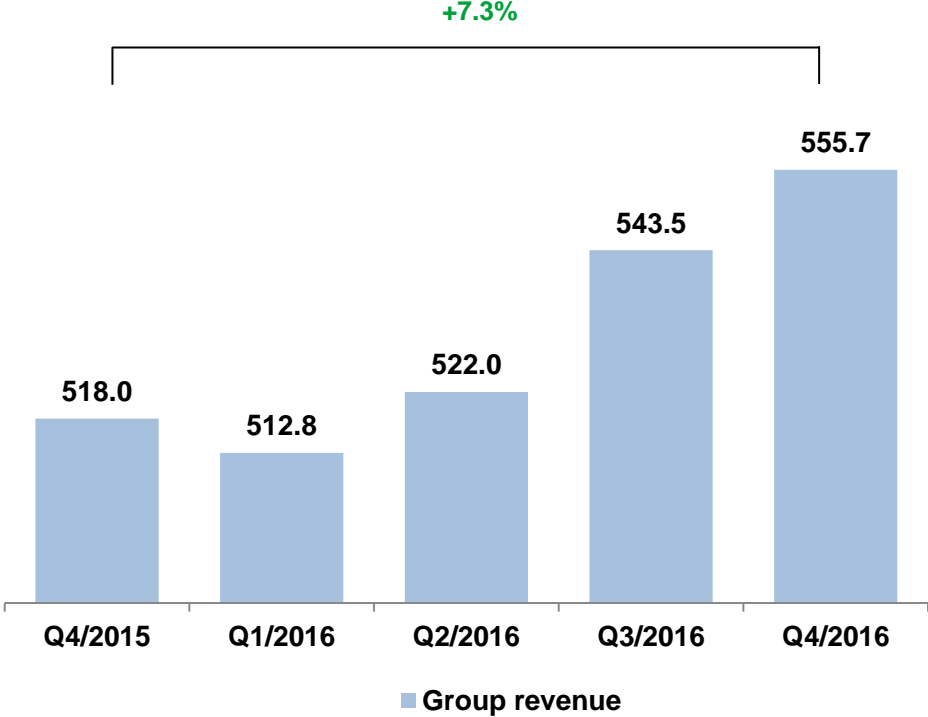
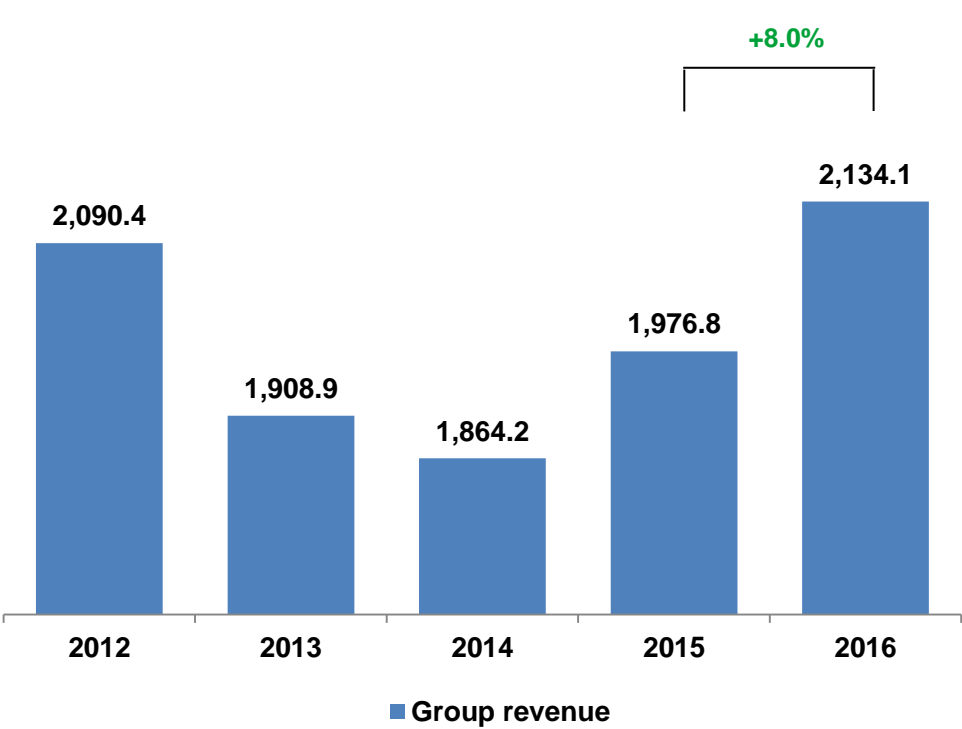


VSF capacity change of China since 2010²



1) Viscose staple fibers, price development until February 28, 2017; Source: CCFGroup
 2) Source: China Chemical Fiber Group - China Viscose Industry Annual / Outlook Report

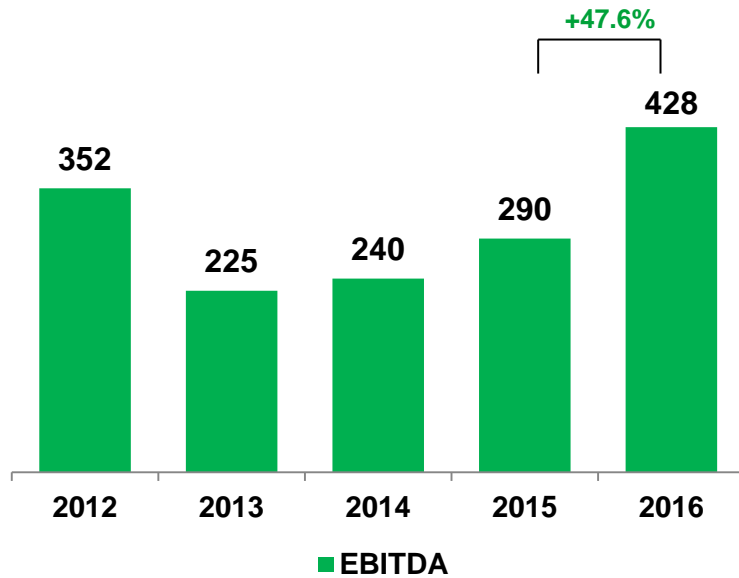
Financials 2016 - Group revenue (EUR mn)



Financials 2016 – Earnings (EUR mn)

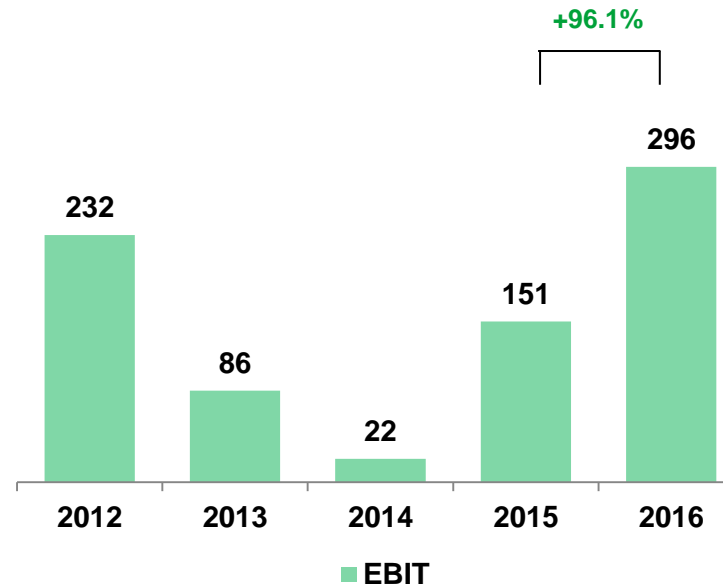
EBITDA margin

16.9% 11.8% 12.9% 14.7% 20.1%



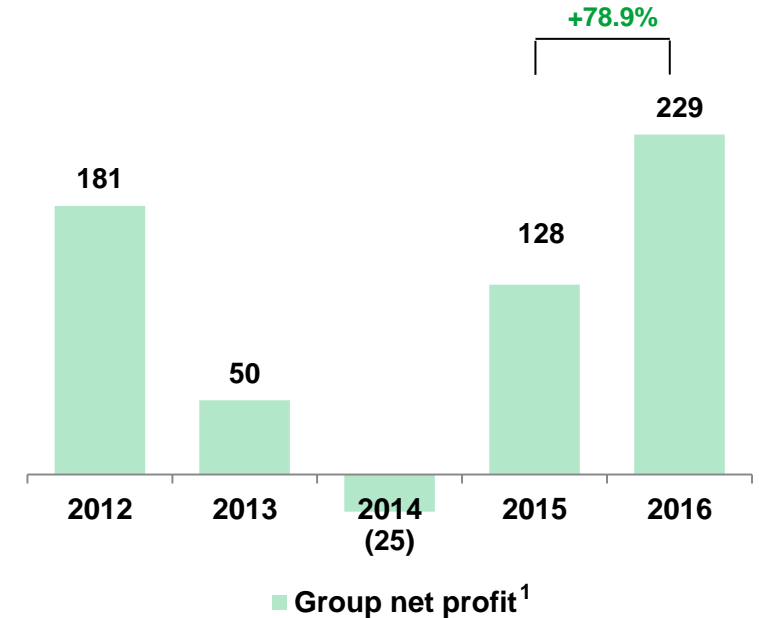
EBIT margin

11.1% 4.5% 1.2% 7.6% 13.9%



EPS^{1,2} (EUR)

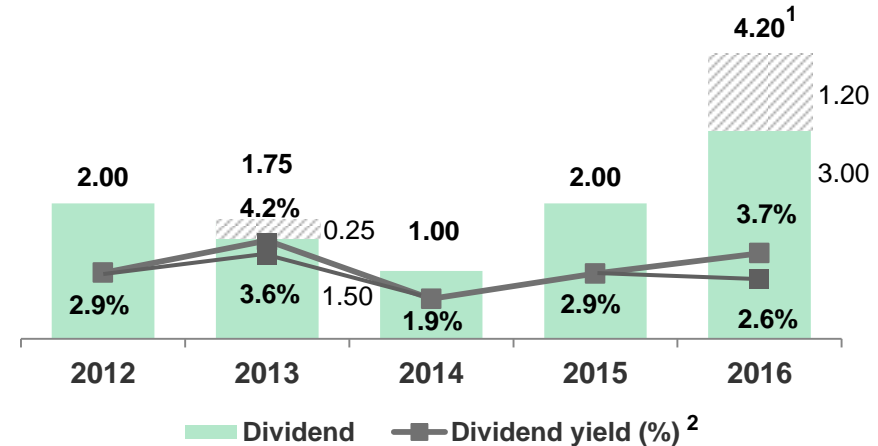
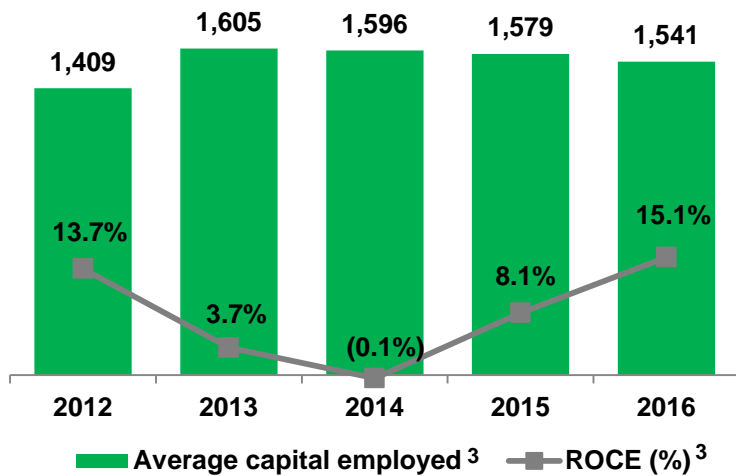
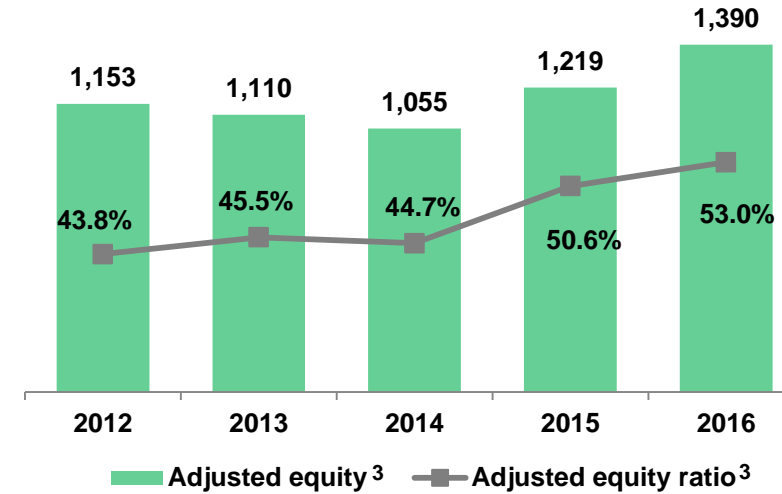
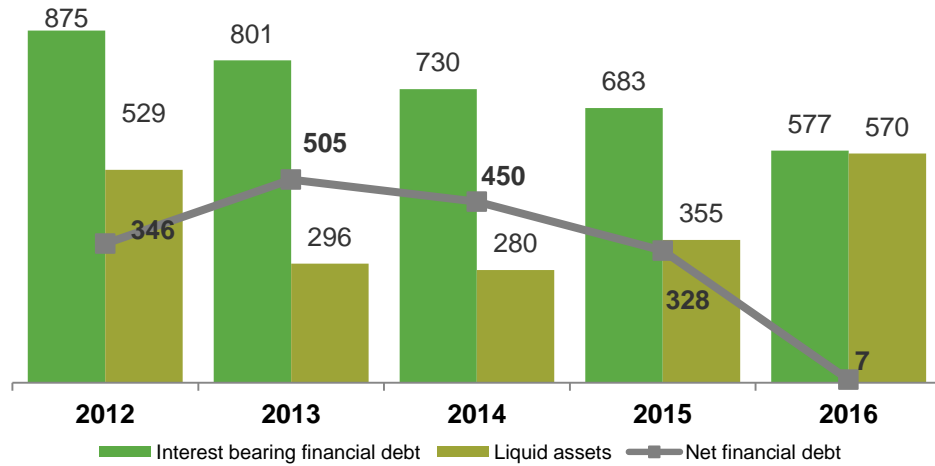
6.61 1.89 (0.92) 4.78 8.48



1) Error correction in accordance with IAS 8 (see Consolidated Financial Statements 2016 of the Lenzing Group)

2) Attributable to Lenzing AG shareholders

Financials 2016 – Key figures (EUR mn)



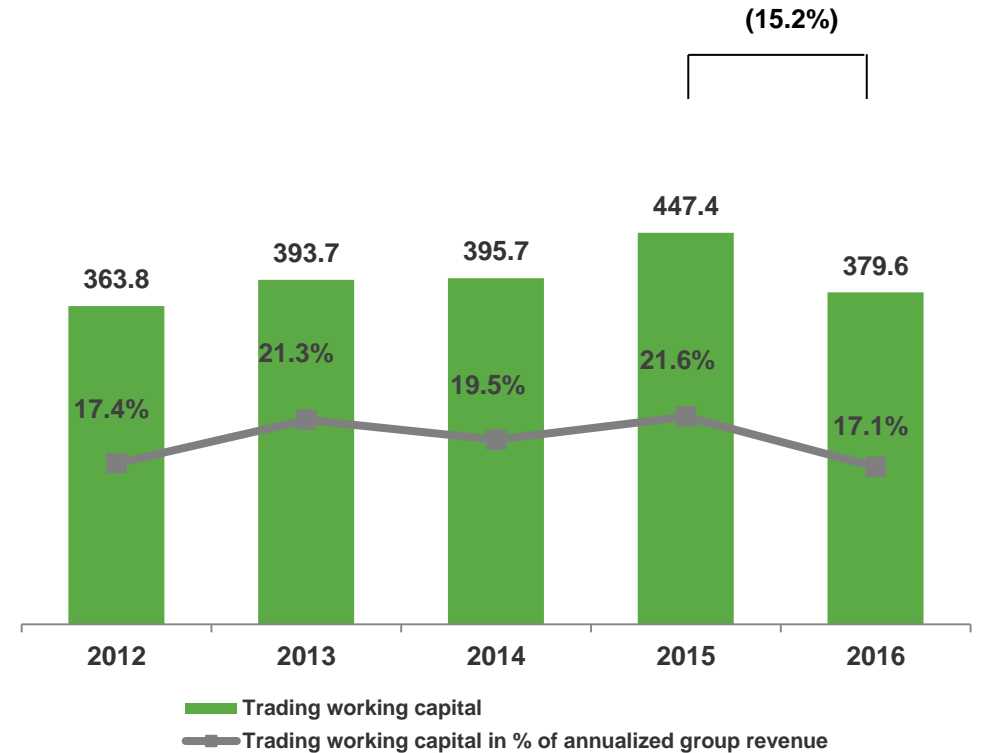
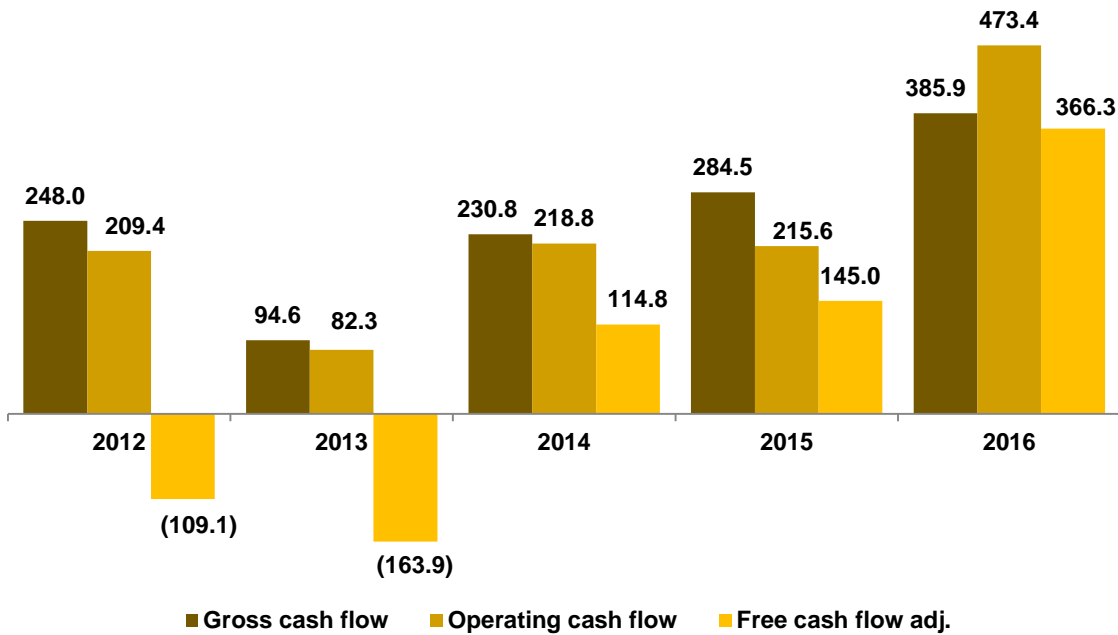
1) Proposal to AGM on April 25, 2017

2) Dividend yield based on last share price of the year

3) Error correction in accordance with IAS 8 (see Consolidated Financial Statements 2016 of the Lenzing Group)

Cash flow development and trading working capital (EUR mn)

+ 35.7% (Gross CF)
 + 119.6% (Operating CF)
 + 152.6% (Free CF adj.)



(15.2%)

Outlook 2017: Priorities

- Strengthen the core
 - Take next step on how to achieve 75% backward integration by 2020
 - Further boost continuous improvement culture
- Customer intimacy
 - Launch new brand architecture
 - Strengthen direct sales/marketing channels to customers and brands
- Specialization
 - Decide on future location of next production site of TENCEL[®] fiber in Asia
 - Unique new product launches in Q2/2017 and Q3/2017

Outlook 2017: Fiber market and Lenzing Group

- Fiber market 2017e
 - Indication for wood-based cellulose fibers to outpace the overall fiber market
 - Cotton and polyester still increasing interfiber competition
- Lenzing is very well positioned
 - Disciplined implementation of the sCore TEN strategy to continue (specialization, sustainability-driven innovations, process excellence, continuous improvement journey)
 - Strong demand for Lenzing's specialty fibers
- Under the assumption of unchanged fiber market conditions and FX relations Lenzing expects a considerable results improvement in fiscal year 2017 compared to 2016

2016 – Backup financial information



FY 2016: Consolidated Group P&L

(EUR mn)	2016	2015	Change y-o-y (%)
Revenue	2,134.1	1,976.8	8.0
Change in inventories of finished goods and work in progress	6.4	(7.3)	-
Own work capitalized	21.8	29.2	(25.4)
Other operating income	45.5	45.7	(0.4)
Cost of material and purchased services	(1.223.8)	(1.218.3)	0.5
Personnel expenses	(319.2)	(300.2)	6.3
Other operating expenses	(236.6)	(235.9)	0.3
EBITDA/Margin	428.3/20.1%	290.1/14.7%	47.6
Depreciation & amortization	(135.1)	(142.2)	(5.0)
Income from the release of investment grants	3.1	3.2	(3.6)
EBIT/Margin	296.3/13.9%	151.1/7.6%	96.1
Financial result	3.1	(3.5)	-
Allocation of profit or loss to puttable non-controlling interests	(4.8)	(0.2)	-
EBT/Margin	294.6/13.8%	147.4/7.5%	99.9
Income tax expense	(65.5)	(19.3)	239.5
Tax rate (%)	22.2	13.1	-
Net profit/Margin	229.1/10.7%	128.1/6.5%	78.9
Net profit attributable to shareholders of Lenzing AG/Margin	225.0/10.5%	127.0/6.4%	77.2
EPS (in EUR)	8.48	4.78	77.2

Error correction in accordance with IAS 8 (see Consolidated Financial Statements 2016 of the Lenzing Group)

FY 2016: Consolidated Group P&L – Quarters

(EUR mn)	Q1/2016	Q2/2016	Q3/2016	Q4/2016	Change Q4/Q3 (%)	Q4/2015	Change Q4/Q4 (%)
Revenue	512.8	522.0	543.5	555.7	2.2	518.0	7.3
Change in inventories of finished goods and work in progress	(10.4)	2.4	(3.8)	18.2	-	8.6	111.8
Own work capitalized	6.1	5.4	6.5	3.8	(42.1)	8.6	(55.9)
Other operating income	11.4	11.8	10.7	11.6	8.7	7.8	48.6
Cost of material and purchased services	(292.5)	(297.5)	(294.8)	(338.9)	15.0	(325.2)	4.2
Personnel expenses	(75.3)	(80.8)	(83.1)	(80.1)	(3.6)	(76.2)	5.0
Other operating expenses	(59.9)	(60.5)	(53.6)	(62.6)	16.9	(61.9)	1.1
EBITDA/Margin	92.2/18.0%	102.9/19.7%	125.5/23.1%	107.7/19.4%	(14.2)	79.5/15.4%	35.4
Depreciation & Amortization	(33.4)	(33.4)	(34.1)	(34.2)	0.2	(41.5)	(17.6)
Income from the release of investment grants	0.7	0.7	0.6	1.1	71.4	1.1	(2.6)
EBIT/Margin	59.5/11.6%	70.3/13.5%	92.0/16.9%	74.6/13.4%	(18.9)	39.1/7.6%	90.7
Financial result	(4.4)	(3.0)	(4.1)	14.5	-	(4.1)	-
Allocation of profit or loss to puttable non-controlling interests	0.7	(0.8)	(3.1)	(1.6)	(49.3)	(0.1)	-
EBT/Margin	55.8/10.9%	66.5/12.7%	84.8/15.6%	87.5/15.8%	3.3	35.0/6.7%	150.4
Income tax expense	(11.6)	(16.1)	(17.3)	(20.5)	19.0	8.3	-
Tax rate (%)	20.8	24.3	20.4	23.5	-	(23.7)	-
Net profit/Margin	44.2/8.6%	50.3/9.6%	67.5/12.4%	67.0/12.1%	(0.7)	43.3/8.4%	54.9
Net profit attributable to shareholders of Lenzing AG/Margin	43.5/8.5%	49.2/9.4%	66.0/12.1%	66.4/11.9%	0.6	41.0/7.9%	61.7
EPS (in EUR)	1.64	1.85	2.49	2.50	0.6	1.55	61.7

Error correction in accordance with IAS 8 (see Consolidated Financial Statements 2016 of the Lenzing Group)

FY 2016: Topline breakdown

(EUR mn)	Q1/2016	Q2/2016	Q3/2016	Q4/2016	Change Q4/Q3 (%)	Q4/2015	Change Q4/Q4 (%)	2016	2015	Change y-o-y (%)
Breakdown of Fibers segment revenue										
Textile fibers (%)	70.7	71.2	70.6	71.0	0.4	71.6	(0.6)	70.9	69.6	1.3
Nonwoven fibers (%)	29.3	28.8	29.4	29.0	(0.4)	28.4	0.6	29.1	30.4	(1.3)
Fibers only	462.3	466.8	479.1	489.0	2.1	452.2	8.1	1,897.2	1,730.4	9.6
Others ¹	48.5	52.9	62.6	64.0	2.2	64.8	(1.2)	228.0	204.2	11.6
Total segment Fibers	510.8	519.7	541.7	553.0	2.1	517.0	7.0	2,125.2	1,934.6	9.9
Total segment Lenzing Technik	8.9	8.6	7.7	10.7	38.8	12.7	(15.9)	35.9	70.6	(49.2)
Others and consolidation	(6.8)	(6.2)	(5.9)	(8.1)	36.4	(11.7)	(31.7)	(27.0)	(28.4)	(4.9)
Total Group revenue	512.8	522.0	543.5	555.7	2.2	518.0	7.3	2,134.1	1,976.8	8.0

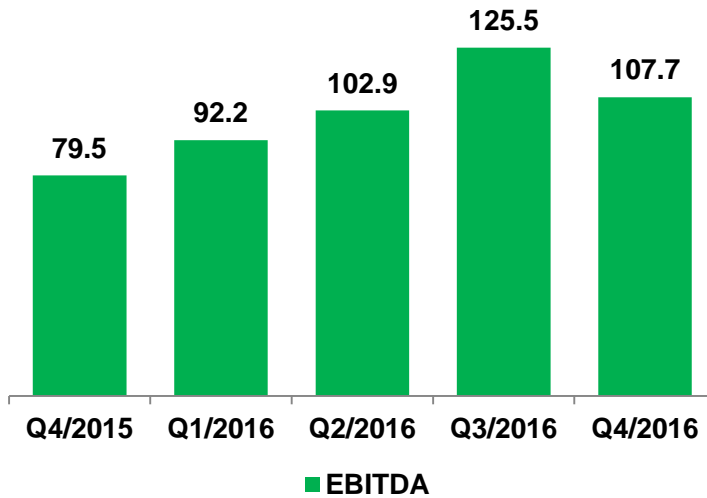
1) Includes sales of sodium sulfate and black liquor, external sales of pulp, wood and energy

Financials 2016 – Earnings per quarter (EUR mn)

EBITDA margin

15.4% 18.0% 19.7% 23.1% 19.4%

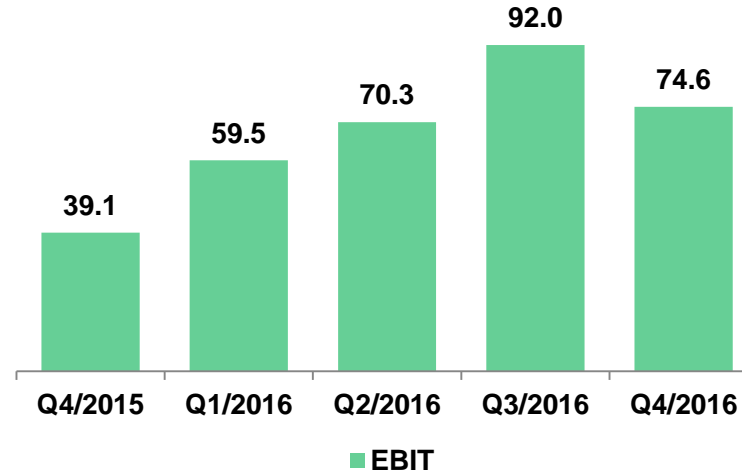
+35.4%



EBIT margin

7.6% 11.6% 13.5% 16.9% 13.4%

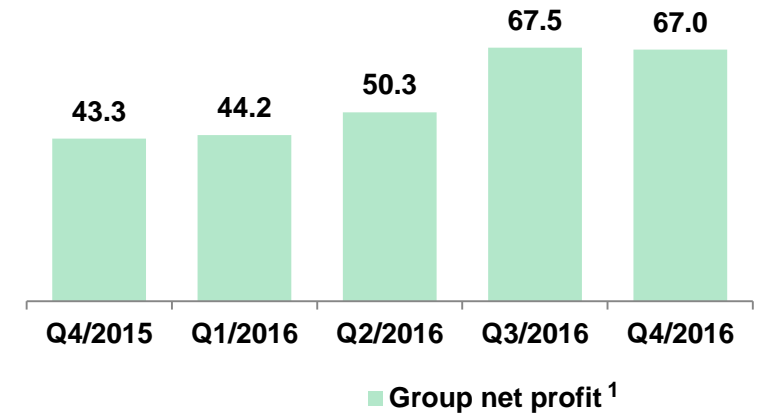
+90.7%



EPS (EUR)¹

1.55 1.64 1.85 2.49 2.50

+54.9%



1) Error correction in accordance with IAS 8 (see Consolidated Financial Statements 2016 of the Lenzing Group)

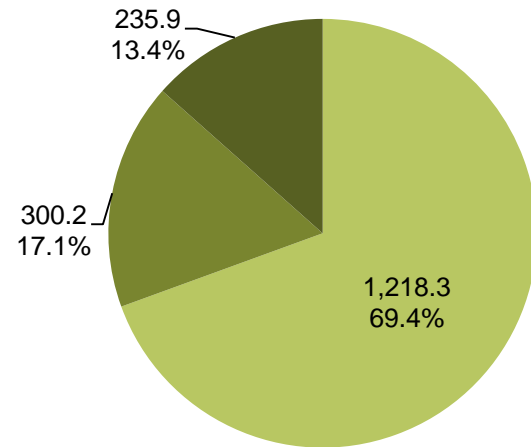
FY 2016: OPEX as of total sales

(EUR mn)	Q1/2016	Q2/2016	Q3/2016	Q4/2016	Change Q4/Q3 (%)	Q4/2015	Change Q4/Q4 (%)	2016	2015	Change y-o-y (%)
Total sales	512.8	522.0	543.5	555.7	2.2	518.0	7.3	2,134.1	1,976.8	8.0
Total OPEX¹	(427.7)	(438.8)	(431.4)	(481.6)	11.6	(463.4)	3.9	(1,779.6)	(1,754.4)	1.4
Total cost of material and purchased services	(292.5)	(297.5)	(294.8)	(338.9)	15.0	(325.2)	4.2	(1,223.8)	(1,218.3)	0.5
as % of total sales	57.0	57.0	54.2	61.0	-	62.8	-	57.3	61.6	-
Total personnel expenses	(75.3)	(80.8)	(83.1)	(80.1)	(3.6)	(76.2)	5.0	(319.2)	(300.2)	6.3
as % of total sales	14.7	15.5	15.3	14.4	-	14.7	-	15.0	15.2	-
Total other operating expenses	(59.9)	60.5	(53.6)	(62.6)	16.9	(61.9)	1.1	(236.6)	(235.9)	0.3
as % of total sales	11.7	11.6	9.9	11.3	-	12.0	-	11.1	11.9	-

1) Includes cost of material and purchased services, personnel expenses and other operating expenses

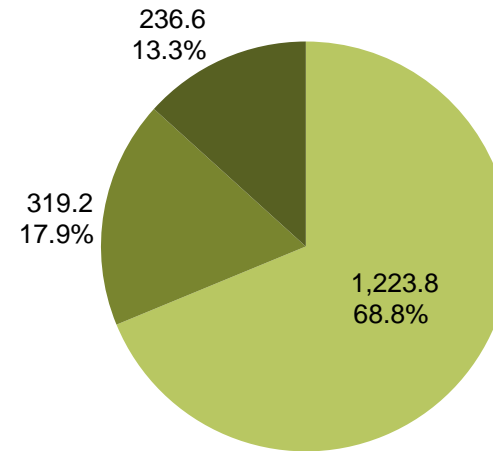
FY 2016 Total opex structure

2015 (Total Opex EUR 1,754.4 mn)



- Cost of material and purchased services
- Personnel expenses
- Other operating expenses

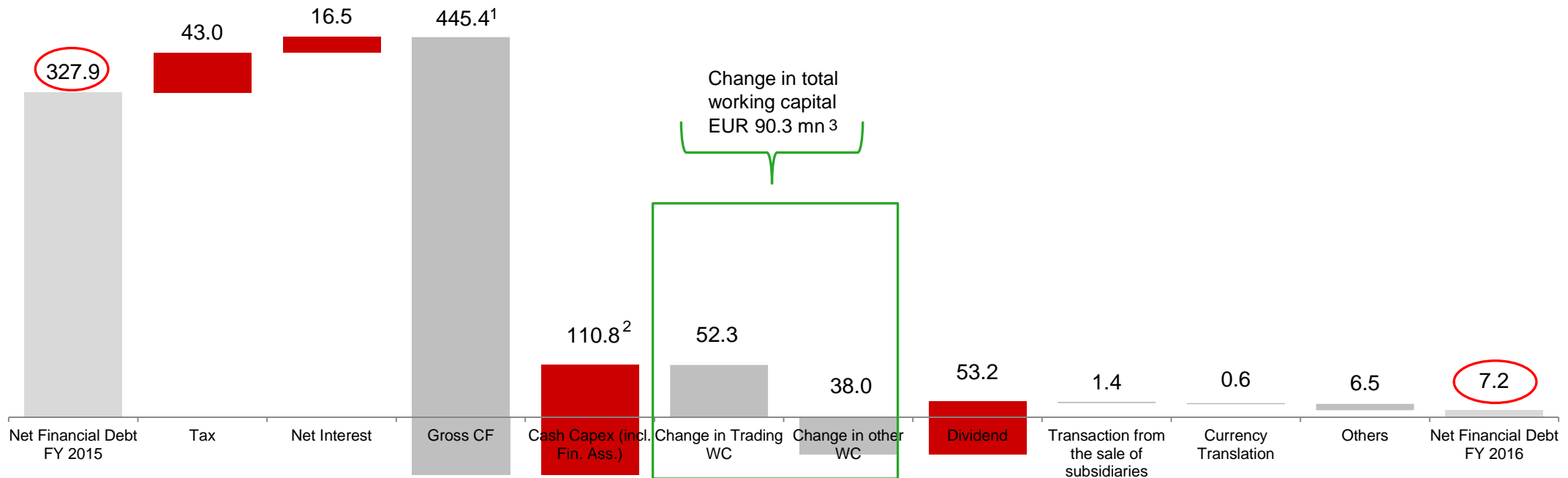
2016 (Total Opex EUR 1,779.6 mn)



- Cost of material and purchased services
- Personnel expenses
- Other operating expenses

FY 2016: Net debt bridge

EUR mn



1) Gross cash flow before taxes and interest

2) Including CAPEX of EUR (107.2) mn and financial assets of EUR (3.6) mn

3) Change in total working capital

EUR 87.5 mn (according to cash flow statement)

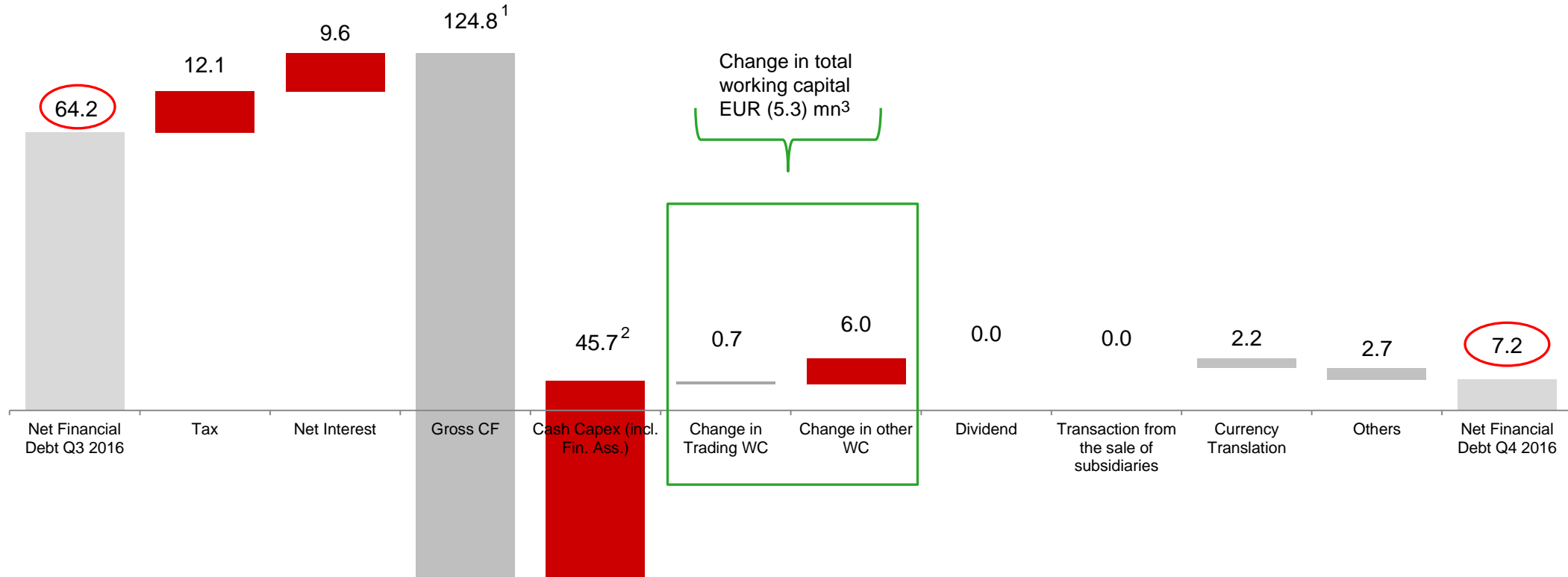
EUR 2.8 mn

EUR 90.3 mn (according to net debt)

Adjustment change in liquid bills of exchange
Change in total working capital adj.

Q4/2016: Net debt bridge

EUR mn



1) Gross cash flow before taxes and interest

2) Including CAPEX of EUR (43.0) mn and financial assets of EUR (2.7) mn

3) Change in total working capital

Adjustment change in liquid bills of exchange

Change in total working capital adj.

EUR (4.7) mn (according to cash flow statement)

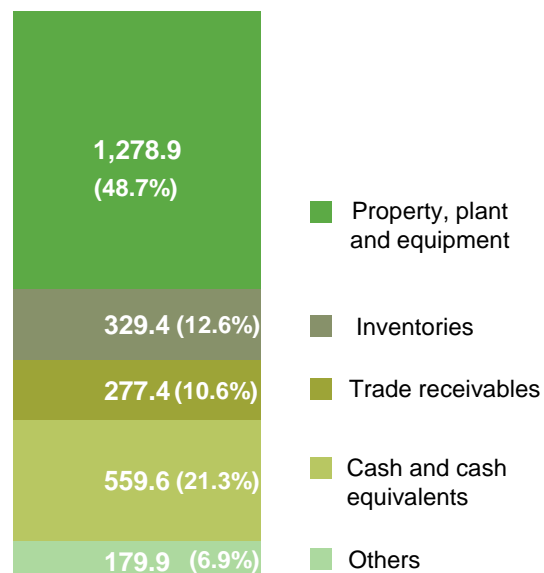
EUR (0.6) mn

EUR (5.3) (according to net debt)

FY 2016: Solid balance sheet¹

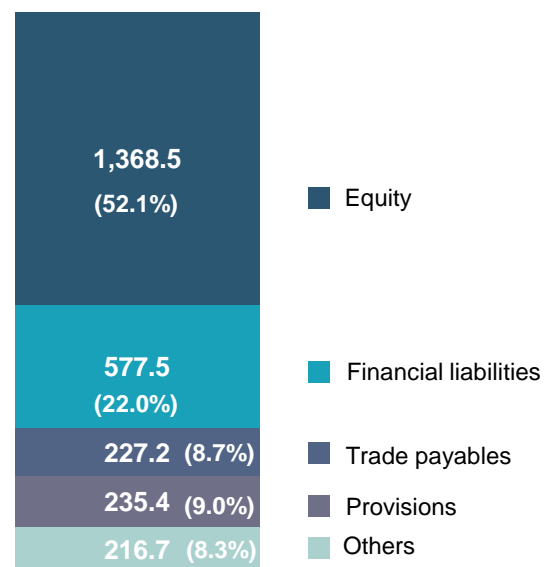
as at Dec. 31, 2016

Σ EUR 2,625.3 mn



Assets

Σ EUR 2,625.3 mn



Liabilities

According to IFRS (EUR mn)	31 Dec. 2016	31 Dec. 2015 ¹	Change in %
Total assets	2,625.3	2,410.6	8.9
Liquid assets²	570.4	355.3	60.5
thereof liquid funds	559.6	347.3	61.1
Total liabilities	1,256.8	1,211.8	3.7
thereof financial liabilities	577.5	683.2	(15.5)
Adjusted equity³	1,390.5	1,218.6	14.1
Adjusted equity ratio (%)	53.0	50.6	-
Net gearing (%)	0.5	26.9	-
Net financial debt	7.2	327.9	(97.8)
Net financial debt/EBITDA	0.0	1.1	(98.5)
ROCE	15.1%	8.1%	-

According to IFRS (EUR mn)	31 Dec. 2016	31 Dec. 2015	Change in %
Total liquidity cushion	788.0	546.2	44.3
thereof liquid assets²	570.4	355.3	60.5
thereof unused credit facilities	217.7	190.9	14.0

1) Error correction in accordance with IAS 8 (see Consolidated Financial Statements 2016 of the Lenzing Group)

2) Including cash and cash equivalents, liquid securities and liquid bills of exchange

3) Including government grants less proportionate deferred taxes on government grants

2016: Cash flow by quarters

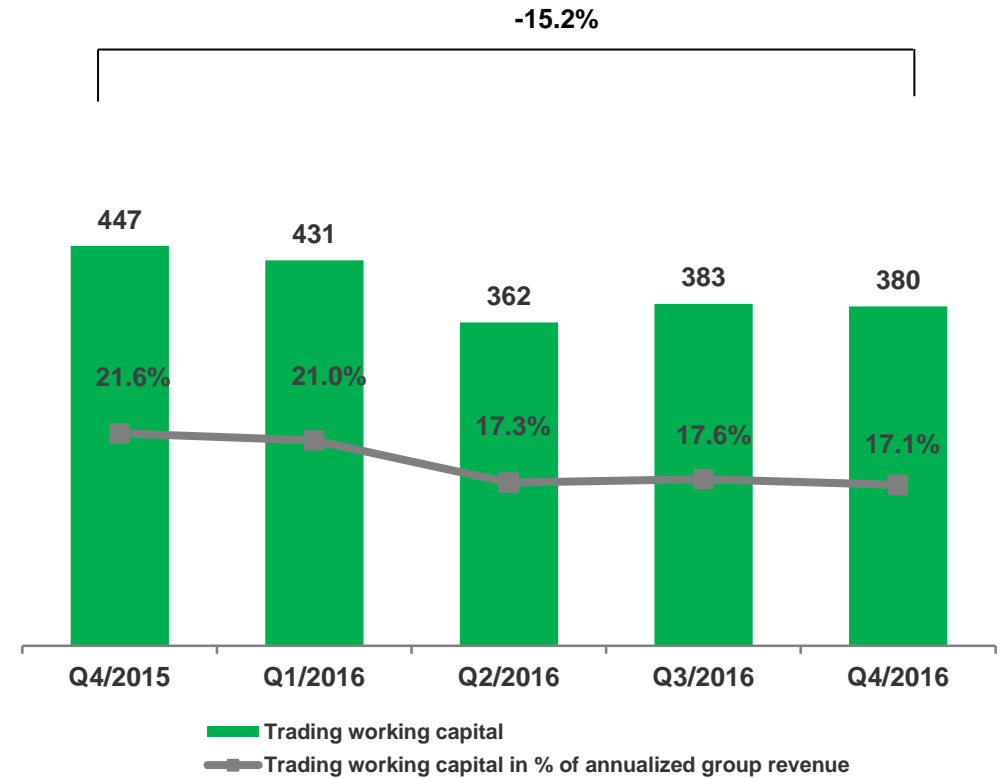
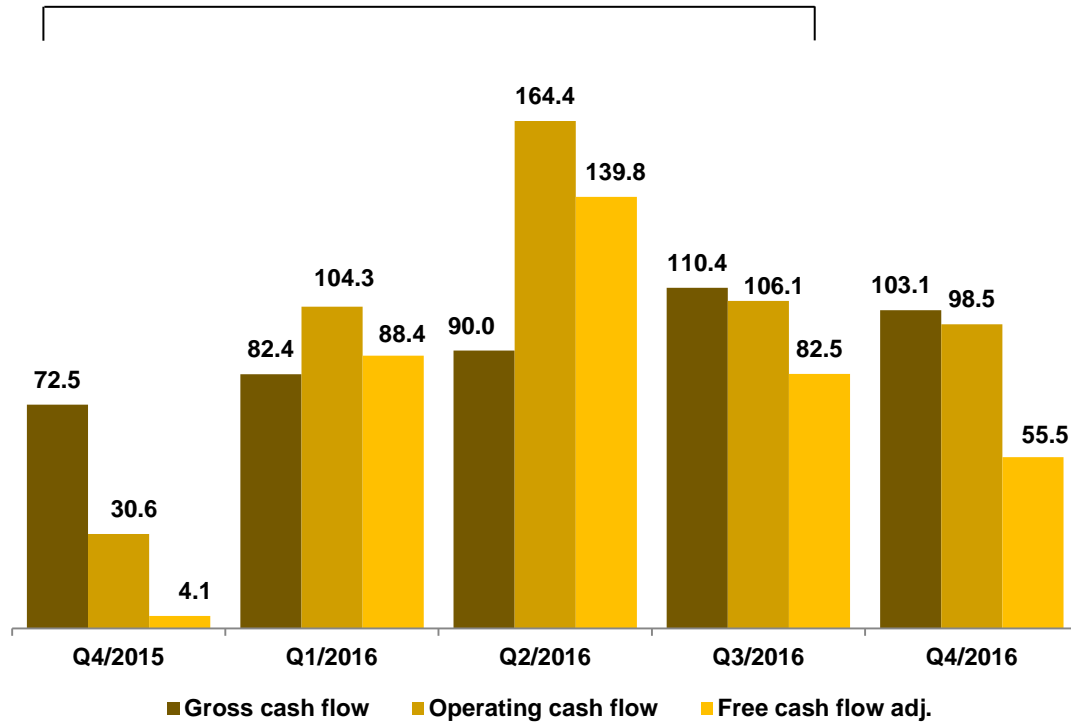
(EUR mn)	Q1/2016	Q2/2016	Q3/2016	Q4/2016	Change Q4/Q3 (%)	Q4/2015	Change y-o-y (%)	2016	2015	Change y-o-y (%)
Gross cash flow (before taxes and interest)	95.0	103.8	121.8	124.8	2.5	82.2	51.8	445.4	321.8	38.4
Taxes and interest	(12.6)	(13.8)	(11.4)	(21.7)	90.3	(9.7)	123.3	(59.5)	(37.4)	59.2
Gross cash flow (after taxes and interest)	82.4	90.0	110.4	103.1	(6.6)	72.5	42.3	385.9	284.5	35.7
Change in total working capital ²	21.9	74.5	(4.3)	(4.7)	9.7	(41.9)	(88.8)	87.5	(68.9)	-
Operating cash flow	104.3	164.4	106.1	98.5	(7.2)	30.6	221.7	473.4	215.6	119.6
Investment cash flow ³	(16.1)	(20.9)	(23.5)	(43.1)	83.5	(25.1)	71.9	(103.6)	(56.5)	83.2
Free cash flow unadj.	88.2	143.5	82.6	55.3	(33.0)	5.5	-	369.8	159.0	132.5
Net inflow from sale of subsidiary	0.0	(1.4)	0.0	0.0	-	0.8	-	(1.4)	(13.4)	(89.2)
Acquisition of other financial assets	0.4	0.2	0.2	2.7	-	2.9	(5.6)	3.5	4.9	(28.5)
Proceeds/repayments of other financial assets	(0.2)	(2.6)	(0.3)	(2.5)	-	(5.0)	(50.1)	(5.6)	(5.6)	(0.7)
Free cash flow adj.	88.4	139.8	82.5	55.5	(32.7)	4.1	-	366.3	145.0	152.6

1) Including trade and other working capital

2) Including investment in and proceeds from disposal of financial assets

Cash flow development and trading working capital (EUR mn)

+ 42.3% (Gross CF)
 + 221.7% (Operating CF)
 ↑↑↑ (Free CF adj.)

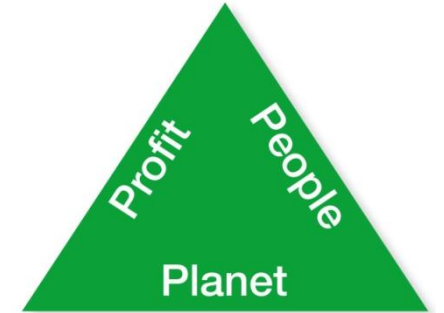


Appendix – Equity story



Lenzing – Our mission

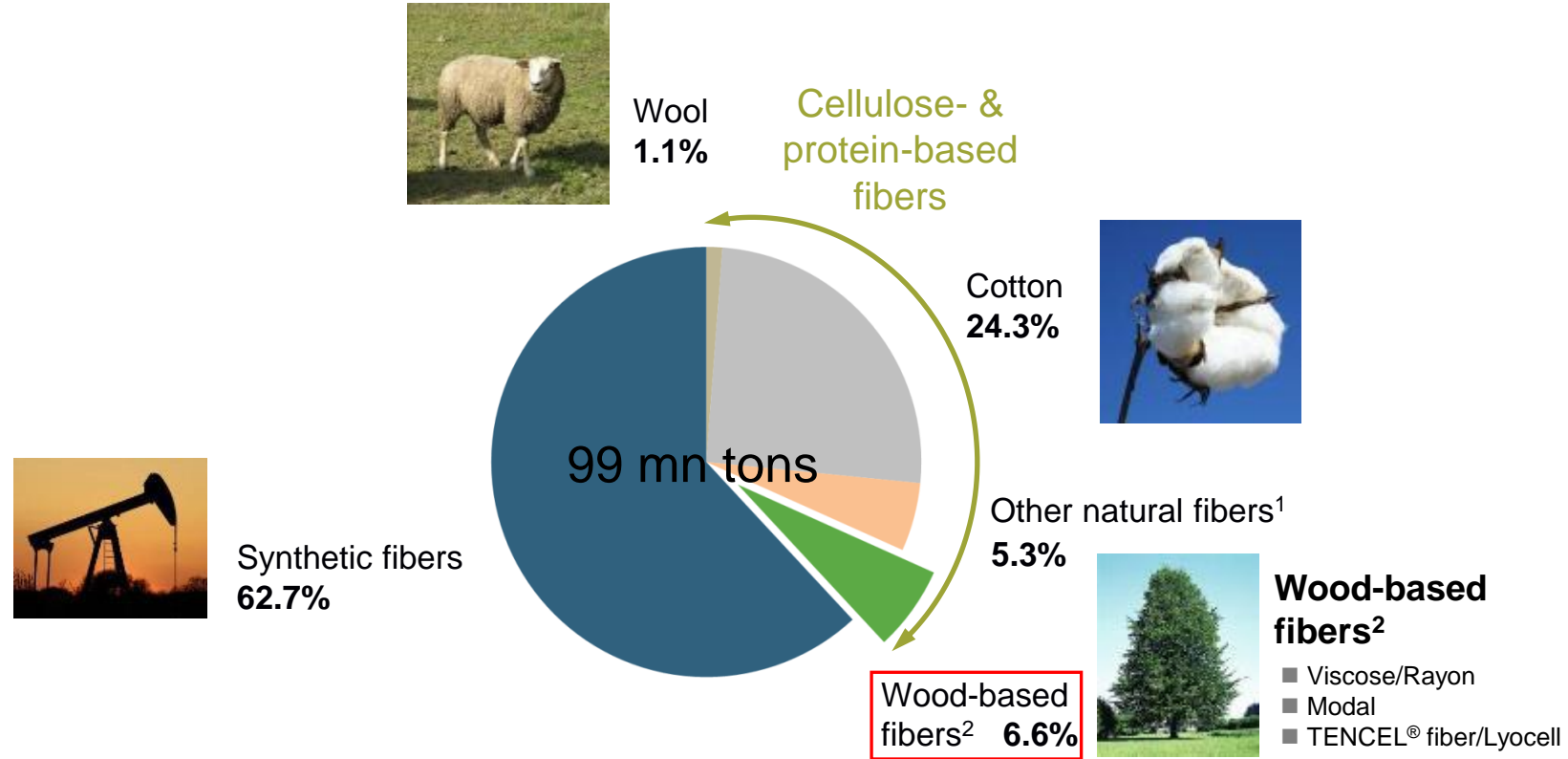
“Lenzing is a performance materials company that turns CO₂ and sunlight into highly functional, emotional and aesthetic products across the globe”



1) Lenzing brands
LEADING FIBER INNOVATION

Global fiber market at a glance

2016e consumption numbers









1) Incl. bast, flax, hemp, jute, silk and allied fibers

2) Wood-based and cotton linter-based cellulose fibers, previously named man-made cellulose

Source: CIRFS, The Fiber Year, The Fiber Organon, Lenzing estimates

Lenzing - Market leader in all three fiber generations

Brands	Market Position	Competitive Intensity	
 TENCEL®	# 1	Low	
 LENZING Modal®	# 1	Medium	
 LENZING Viscose®	# 2	High	

Source: Lenzing data, CCFG, CCFEI

TENCEL® fiber, Lenzing Modal® fiber and Lenzing Viscose® fiber are registered trademarks of the Lenzing Group

Lenzing is innovation leader in lyocell with TENCEL® fiber

- TENCEL® fiber: Outstanding functionality and highly eco-friendly
- Lenzing has strong global footprint and cost leadership
- Excellent in shaping and creating lyocell market through
 - Branding: TENCEL® fiber
 - Application development and downstream partnerships
 - Pioneering the technology and successful scale-up
- Very strong pipeline of product and process innovation

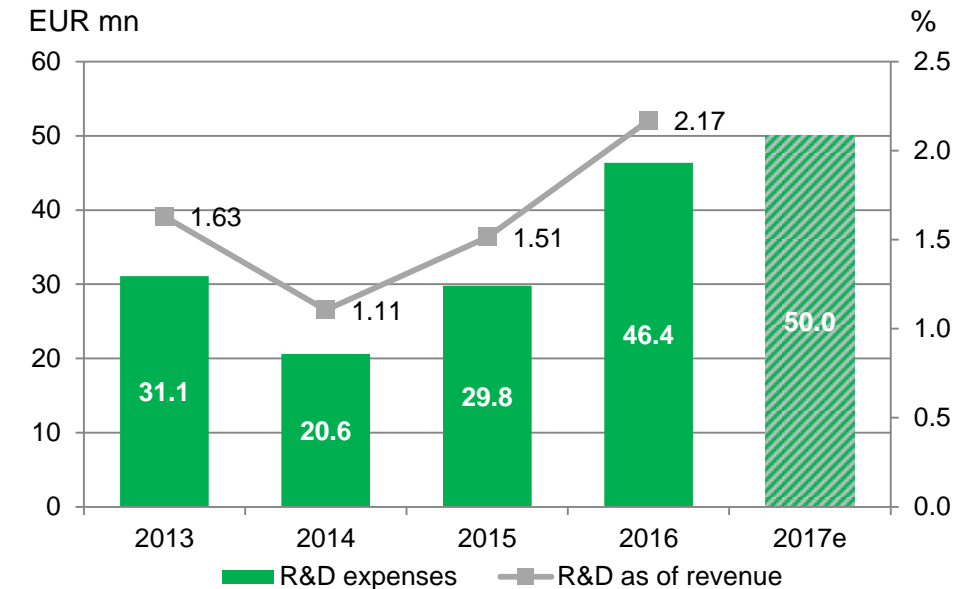


1) Lenzing brand

Focus on innovations: Industry leading R&D spend

- R&D is an essential part of the sCore TEN strategy
 - R&D expenditures increased more than 50%
- Strong innovation pipeline
- New testing facilities and pilot plants
- Refibra™ fiber: milestone in lyocell fiber production
- R&D spending commitments expected to increase to about EUR 50 mn as per Frascati definition for 2017
- As of December 2016, Lenzing owned
 - approx. 1,140 patent applications/ patents in 50 countries belonging to 189 patent families
 - approx. 2,040 trademark applications and trademarks in 113 countries belonging to 115 trademark families

R&D expenses (2013-2017e)¹



Source: Lenzing

1) Pursuant Frascati

Textile and Nonwovens are the two main applications

Textile



Size



88.6 mt (~90% of fiber market)

Regional focus



Over 90% in China, India and Asia-Pacific

Fragmentation



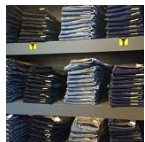
High

Decision making



Brands/retailers with some influence of fabric makers

Key drivers



- Ongoing trend towards **lower cost fashion**
- Trends towards **sustainability, convenience and functionality**
- **Volatile demand** due to fast fashion and changing trends

End users



Markets strongly driven by **end-consumers**

Nonwovens



9.2 mt (~10% of fiber market)



Mainly a **regional market** (due to high logistic costs)



Low: Top 5 to 10 players hold between 60-80% share



Brands and converters



- Due to disposability of products **high focus on cost**
- **Flushability and bio-degradable** is an emerging differentiator
- **Wood-based fibers¹** adding performance to products

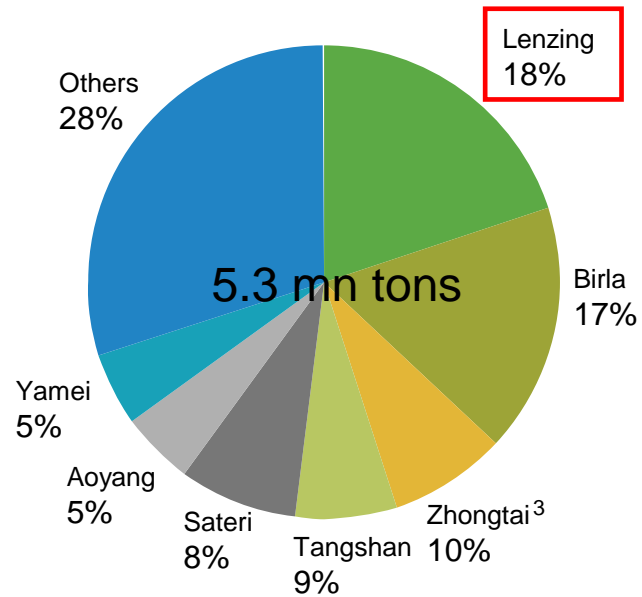


Strong focus on **application of product**

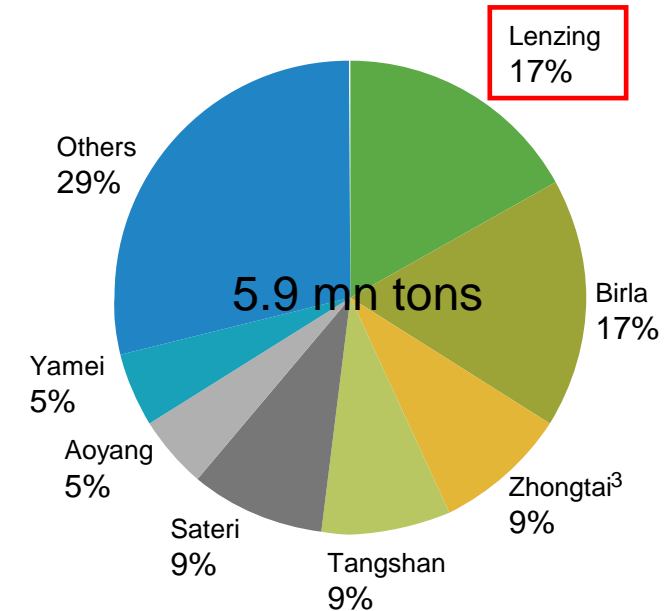
1) Wood-based and cotton linter-based cellulose fibers, previously named man-made cellulose
Source: Lenzing data 2016

Lenzing is the only player with European roots in the viscose staple fibers market¹ (2016e) ...

Lenzing with 18% share of production



Lenzing with 17% share of capacities²



Source: CIRFS, FEB, Trade statistics, Company estimates

1) Viscose staple fibers (including Modal and TENCEL® fiber), excluding viscose filaments, acetate tow, cigarette filters

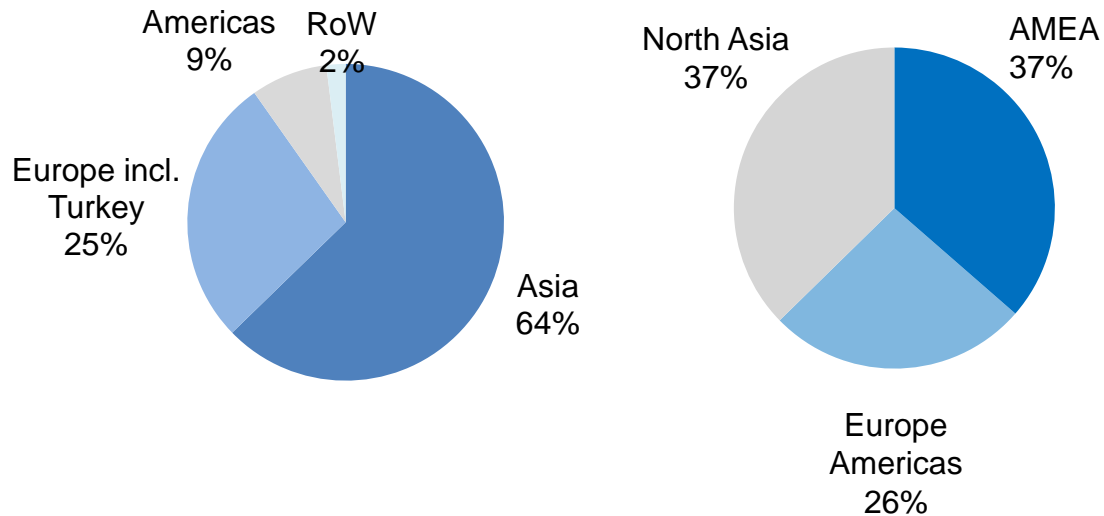
2) Based on latest available company information from company websites and annual/interim reports

3) Fulida Kuerle, Tiantai Xinjiang, Fulida Alaer, Shunguan Manasi

... and is the global leader in wood-based cellulose fibers

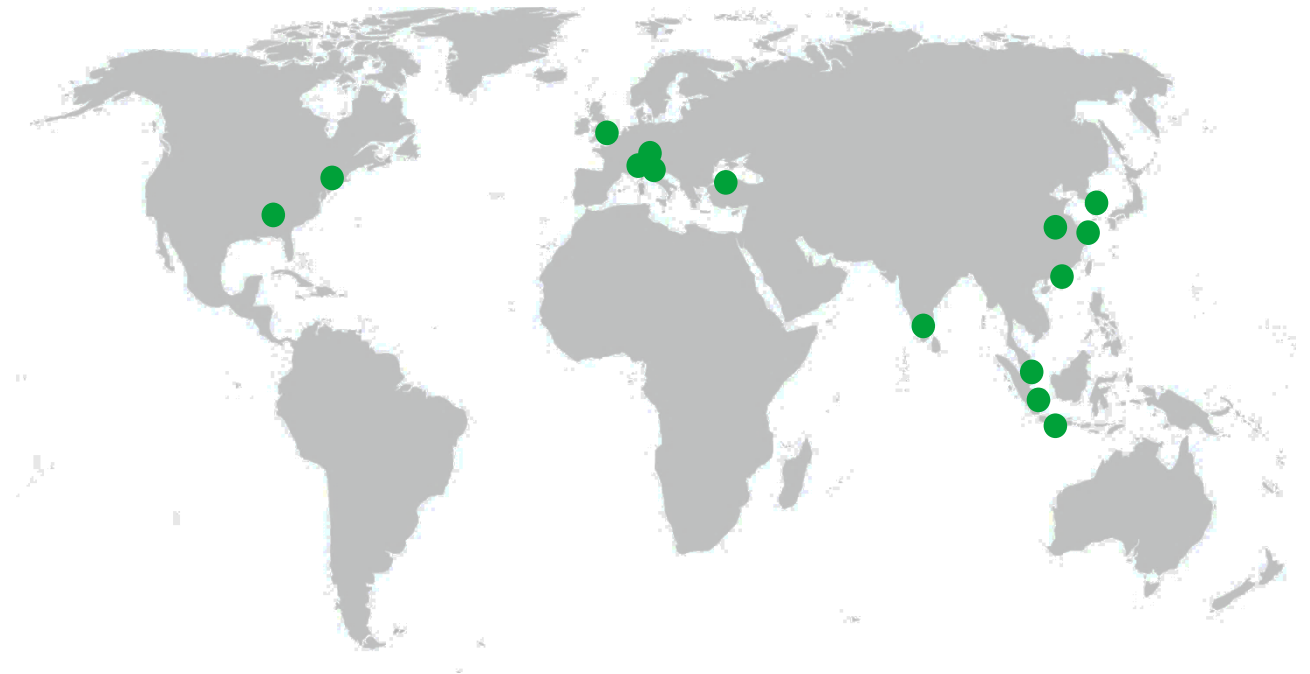
Balanced exposure to matured and emerging markets

Fiber revenue by region



Global network of production sites and sales offices

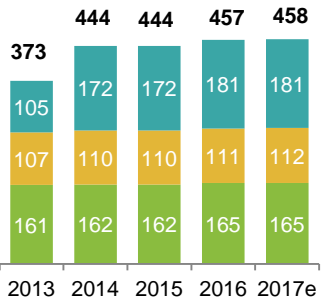
2016 footprint



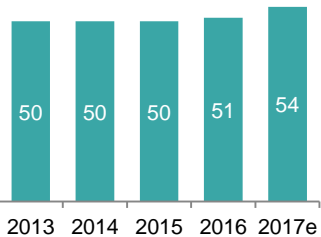
Source: Lenzing data as at December 31, 2016

Capacity 2017¹: A global footprint

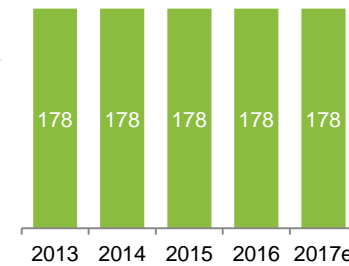
Europe² CAGR 5.3%



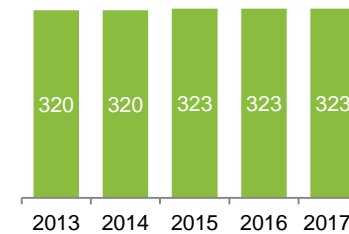
USA CAGR 1.9%



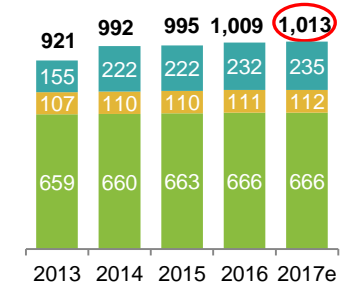
China CAGR 0%



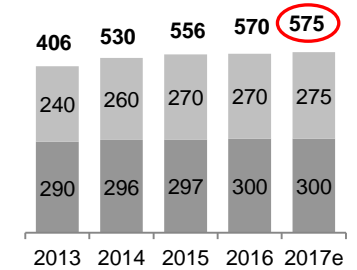
Indonesia CAGR 0.2%



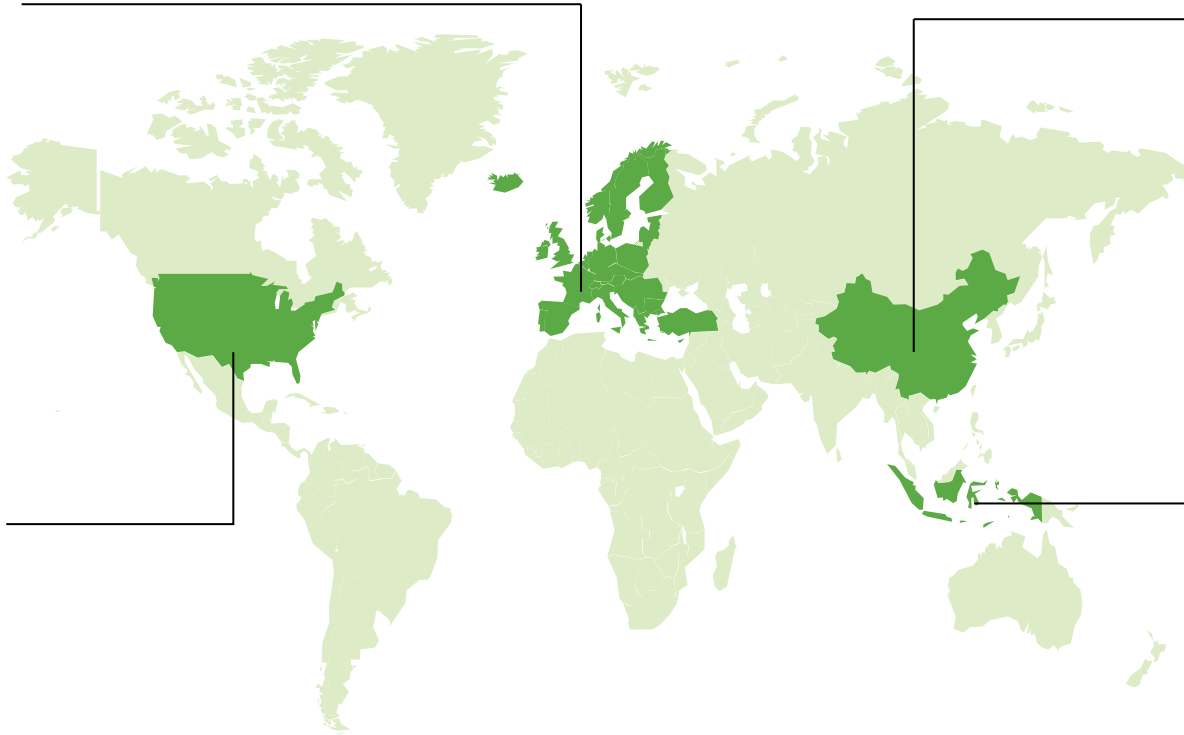
Total capacity at year end CAGR 2.4%



Total pulp capacity CAGR 2.1%



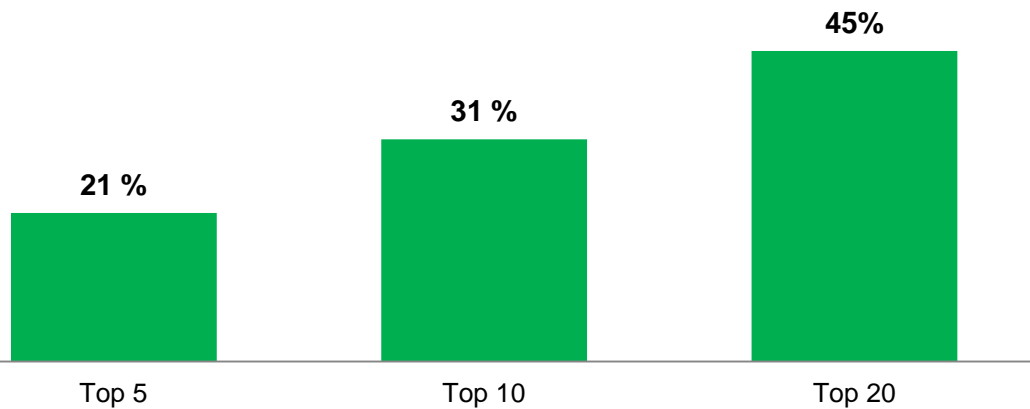
Lenzing (A) dissolving pulp capacity
 Paskov (CZ) dissolving pulp capacity



1) Figures are shown in k metric tons; CAGR 2013-2017e
 2) Includes Lenzing (A), Heiligenkreuz (A) and Grimsby (UK)
 3) Lenzing brands

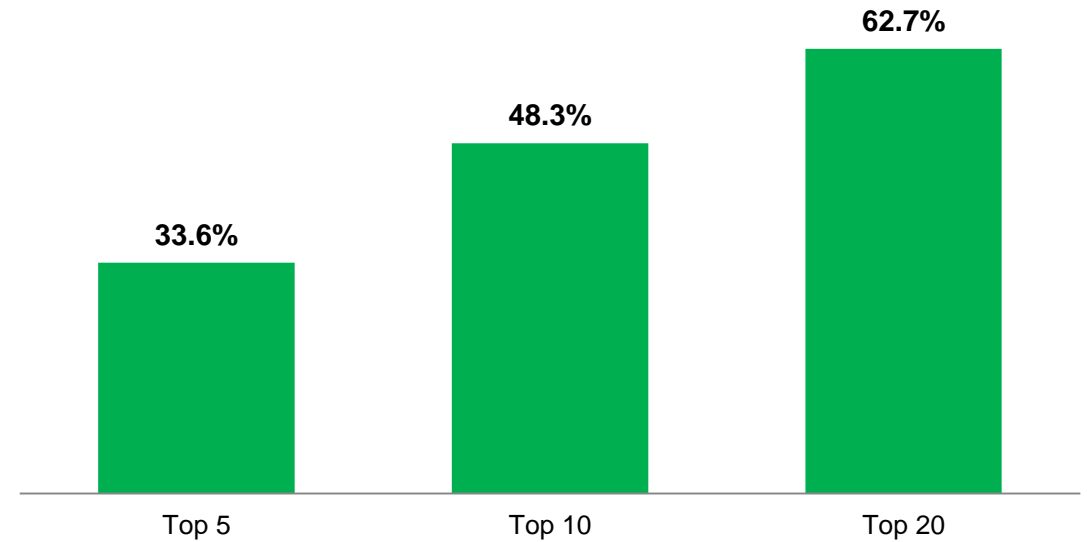
Sales and marketing - Customer concentration

Textiles – Percent of sales by customers
(2016¹)



Source: Lenzing data 2016

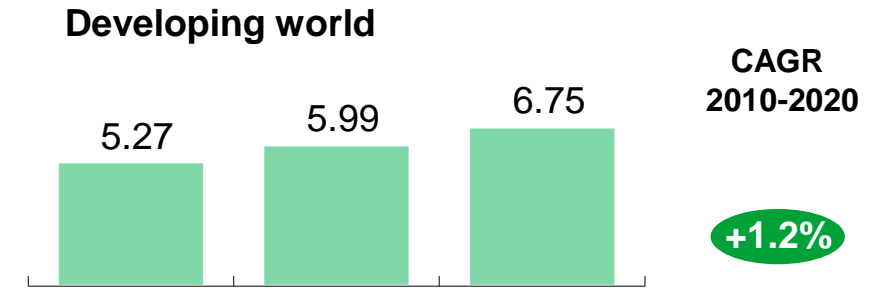
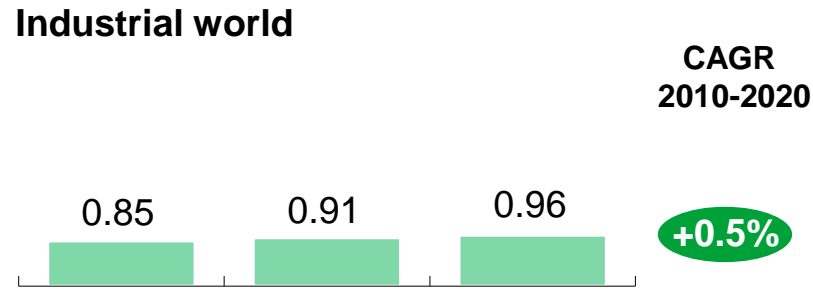
Nonwoven – Percent of sales by customers
(2016¹)



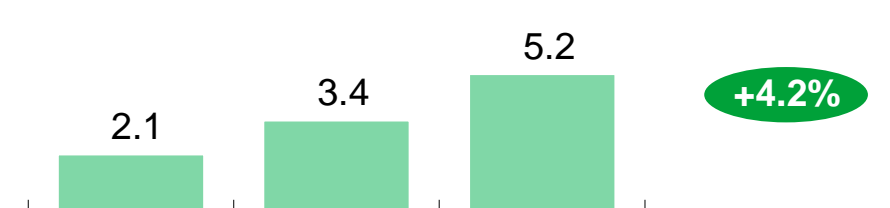
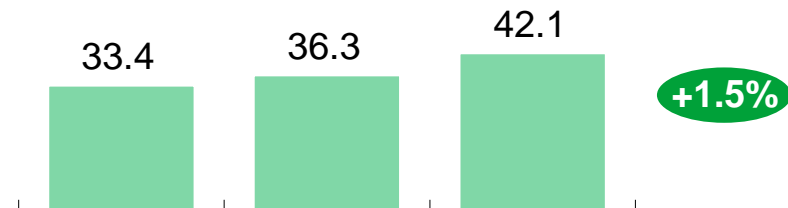
Looking forward: Megatrends support fiber demand growth

Population growth and higher purchasing power in the emerging markets drive overall fiber growth

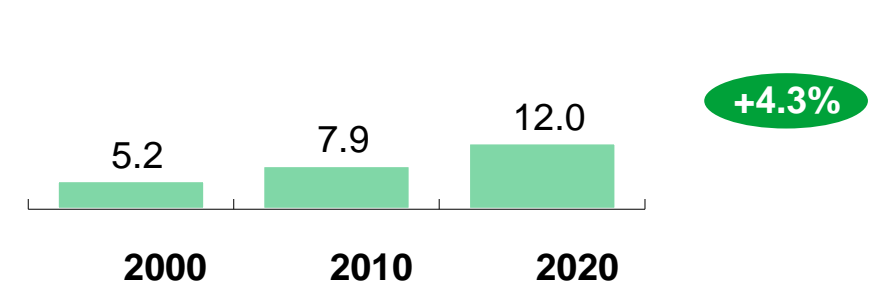
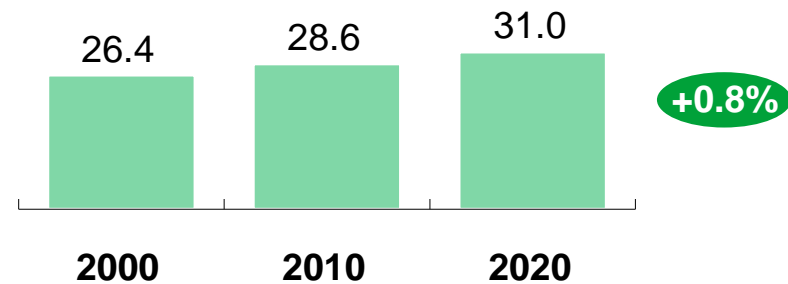
Population
in bn



GDP growth
in real USDk/capita



Textile consumption
in kg/capita



Source: IHS, ICAC, Lenzing data 2015

Distinct trends are emerging

■ Textiles

- Need for sustainable supply chains across the globe
- Fast fashion
- Focus on functionality



■ Nonwovens

- Need for higher cleanliness
- Need to improve eco-footprint of downstream products
- High innovation headroom



Sustainability is gaining importance

Less than 1% of global water resources is available as fresh water for people

- But water consumption is rising due to population growth and changing consumption habits



Arable land is decreasing due to erosion and urbanization

- With a growing global population, this intensifies the competition for farm land



Oil is a finite resource causing negative externalities

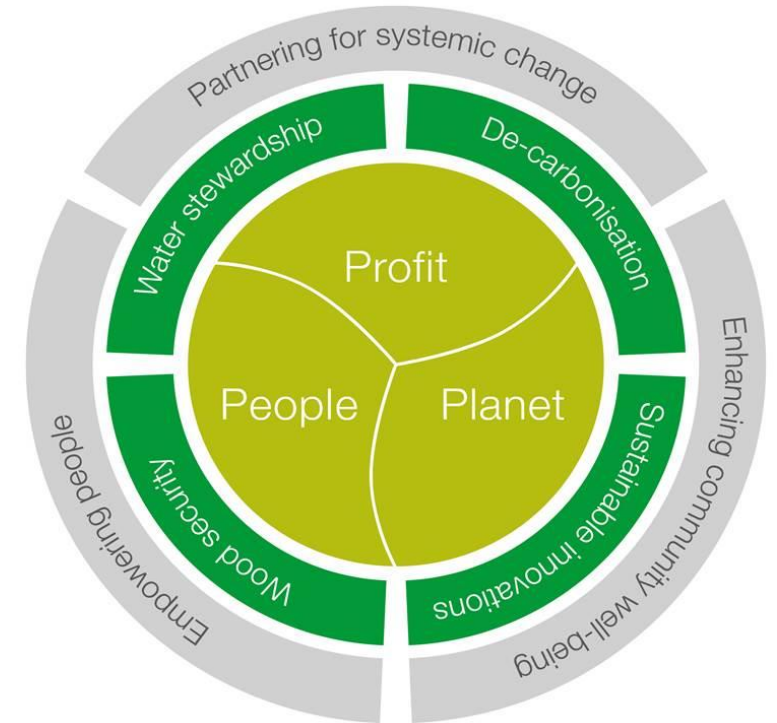
- Sooner or later “peak oil” will be reached
- New sources can only be tapped by taking high ecological risks



Lenzing's sustainability strategy

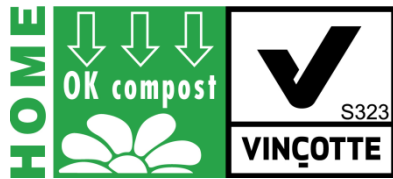
“Lenzing balances the needs of society, the environment and shareholders and is a sustainability leader in its industry. Creating substantially more positive impacts or benefits is the guiding torch for our innovation and business practices.”

- Four focus areas
 - Wood security
 - Water stewardship
 - De-carbonization
 - Sustainable innovations
- Reinforce the spheres of influence
 - Partnering for systemic change
 - Empowering people
 - Enhancing community well-being



Certificates and recognitions

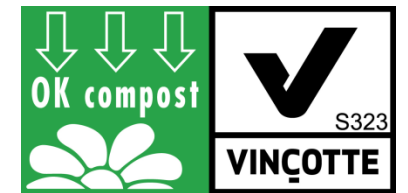
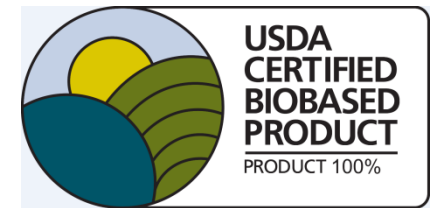
- VÖNIX (Austrian Sustainability Index)
- The European Eco-Label (European Flower)
- Responsible Care
- OEKO-TEX Standard 100
- European Award for the Environment (TENCEL® fibers)
- PEFC™ (Chain of Custody)
- FSC® (Chain of Custody)
- 100% USDA Biobased certification for all Lenzing fibers (Lenzing FR® fiber at 99%)
- OK compost HOME (Vincotte)
- OK biodegradable SOIL (Vincotte)
- OK biodegradable MARINE
- Food contact compliance (mainly based on European legislation / certain standard fibers)
- MEDICALLY TESTED – TESTED FOR TOXINS (Nonwoven fibers, Standard textile TENCEL® fiber)
- FAIRTRADE INTERNATIONAL Textile Standard Responsible Fibres (Lenzing Viscose® fiber, Lenzing Modal® fiber, TENCEL® fibers)



The mark of responsible forestry

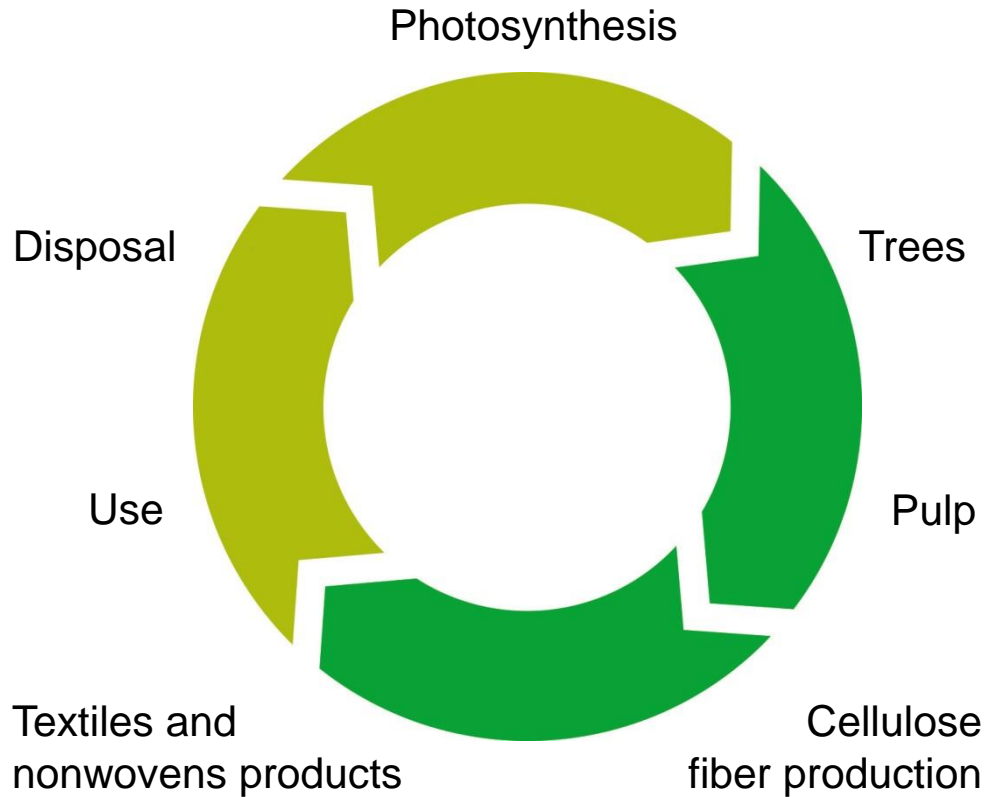


Promoting Sustainable Forest Management

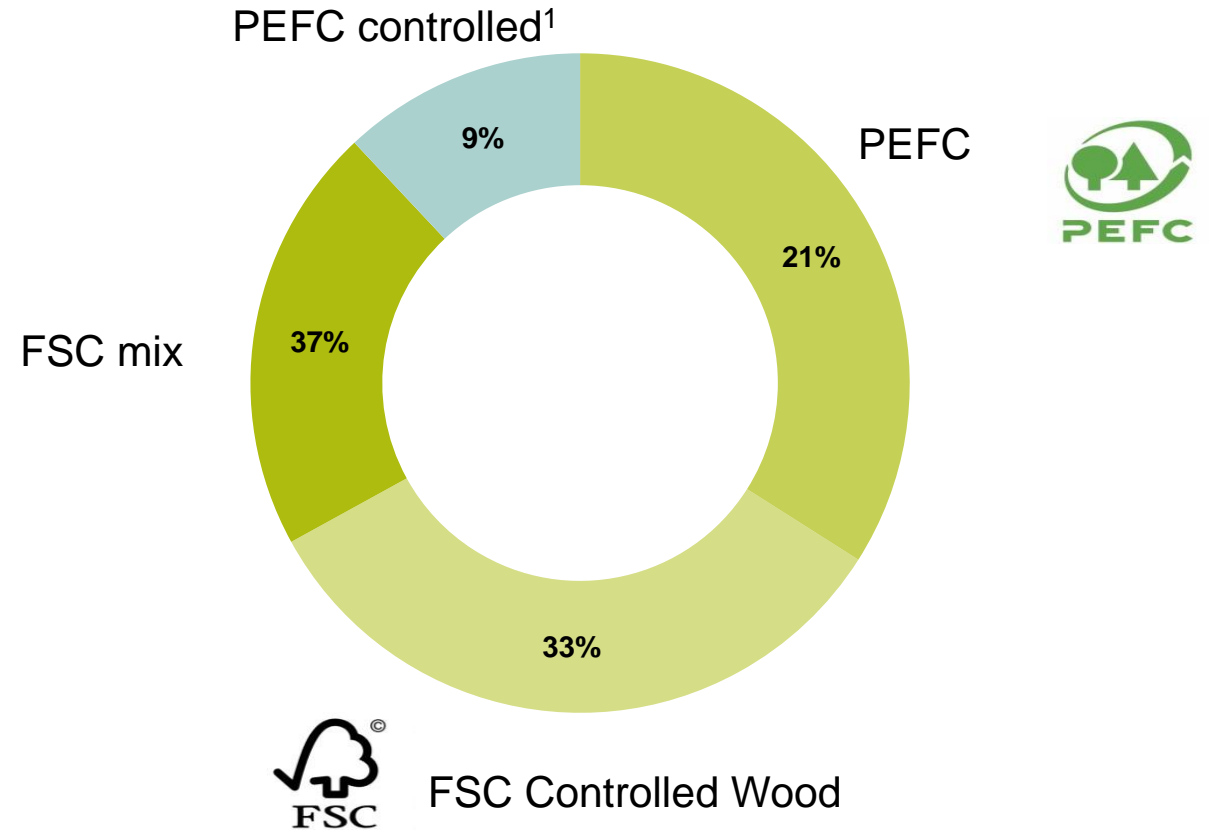


Dissolving wood pulp is the basis for our sustainable products

Our business is part of a natural closed cycle



We only use wood from sustainable forestry



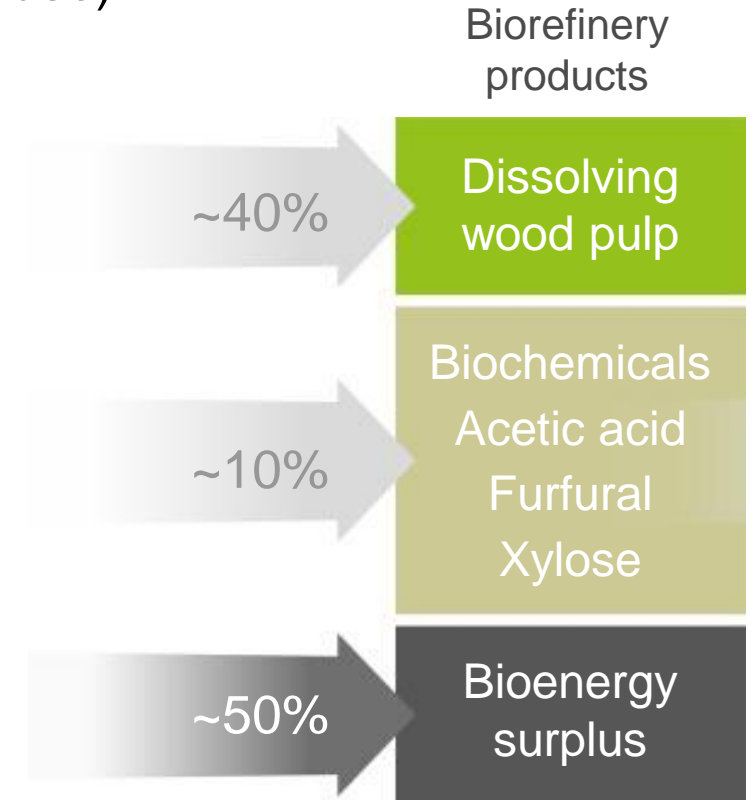
1) Controlled = Internally audited according to the standards of the wood certifiers and externally verified

Highly efficient use of the raw materials

The Lenzing site is fully integrated. Dissolving wood pulp production at the Lenzing and Paskov sites achieve a wood utilization rate of about 100% (incl. energy use).

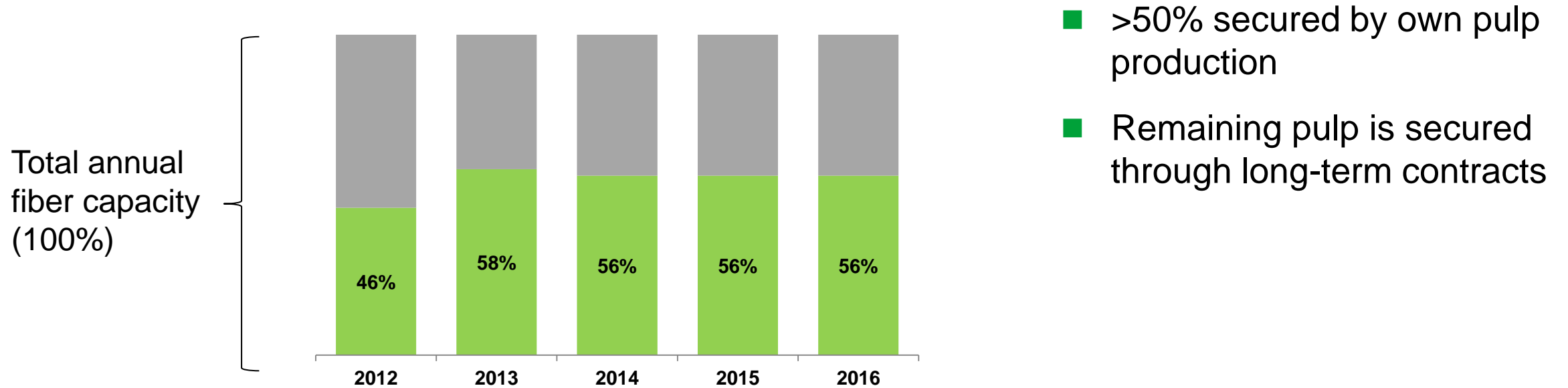


Dissolving
wood pulp
production



Fiber production fully secured by a robust pulp supply

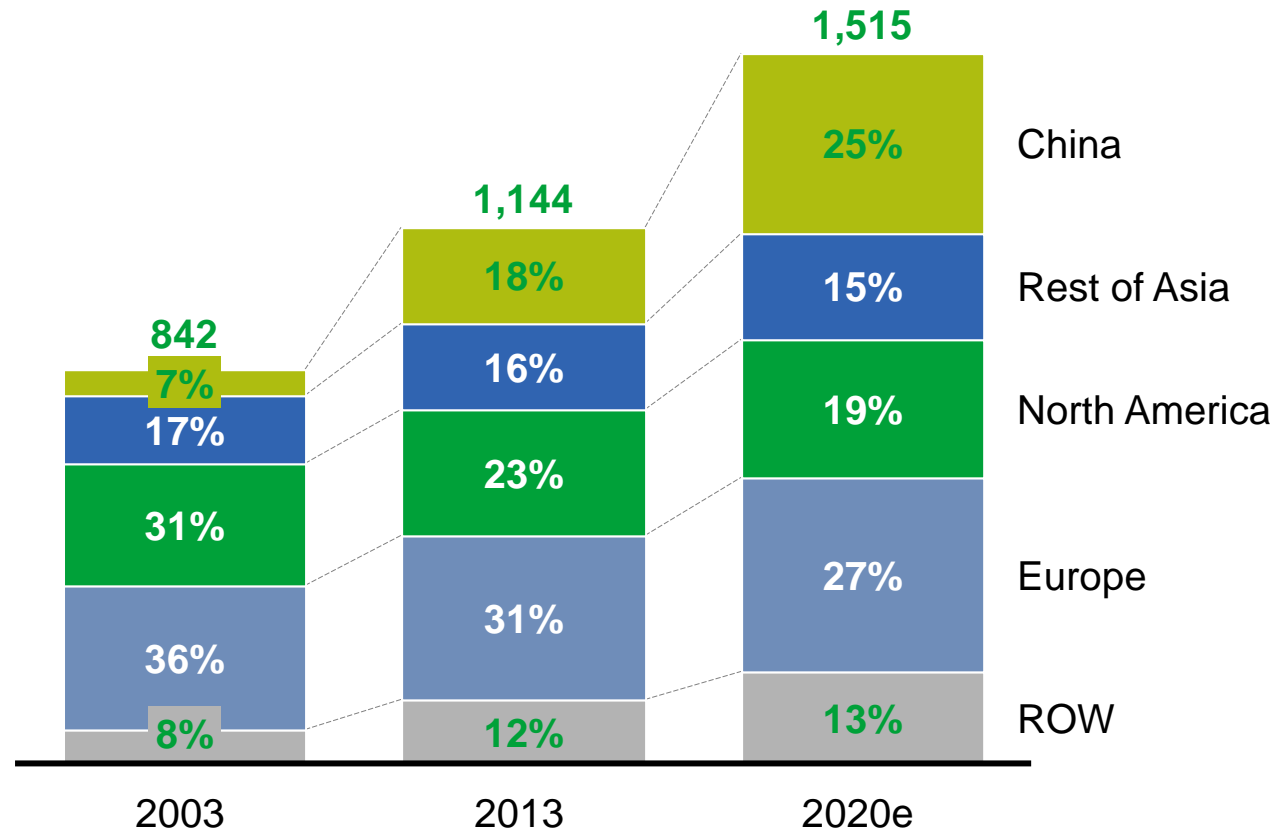
Level of backward integration: Own pulp supply in percentage of annual fiber capacity



China remains the growth engine in global textiles

Global textile demand by value (2003-2020)

EUR bn



CAGR
(2013-2020e)

China 9.2%

Rest of Asia 3.1%

North America 1.4%

Europe 2.4%

ROW 5.3%

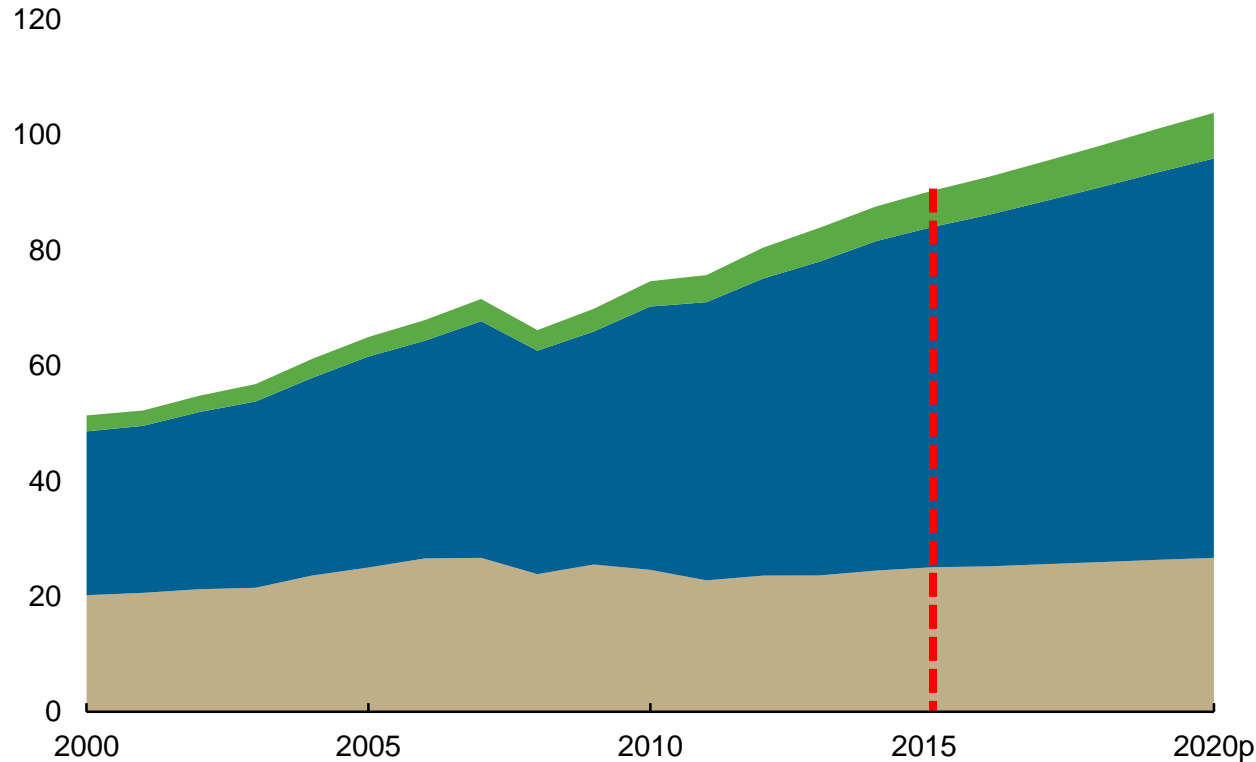


Source: ICAC World Textile Demand, Euromonitor, Lenzing data 2015

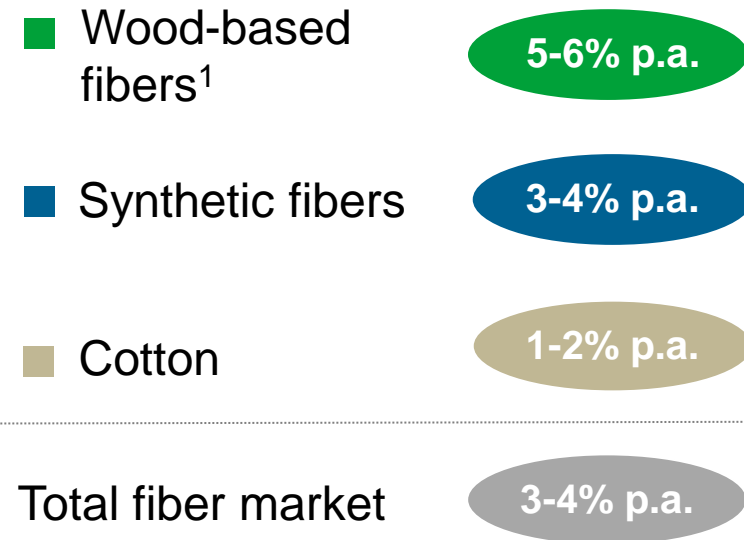
Wood-based fibers¹ outgrow market

Expected growth of global fiber demand until 2020

Million metric tons²



**CAGR
(2015 – 2020p)**



1) Wood-based and cotton linter-based cellulose fibers, previously named man-made cellulose (viscose, modal and lyocell only – excluding acetate, tow and filament)

2) Without wool and other natural fibers

Source: ICAC, CIRFS, Fiber Economics Bureau, National Statistics, The Fiber Year, Lenzing data 2015

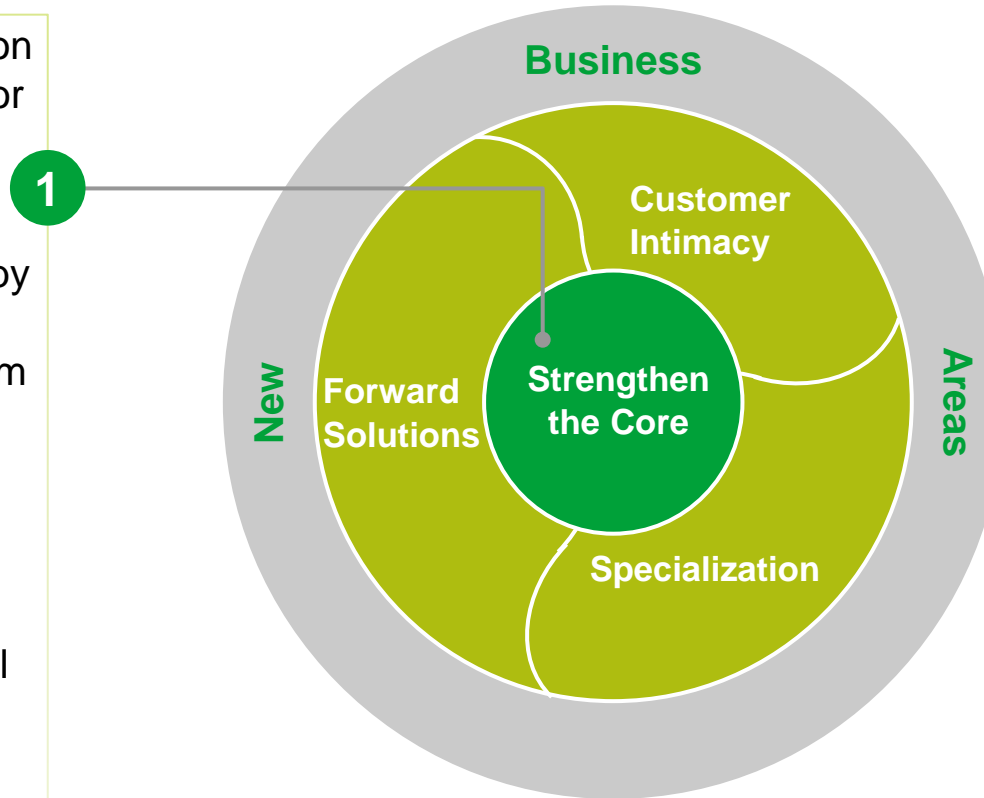
The new strategy – driving value growth



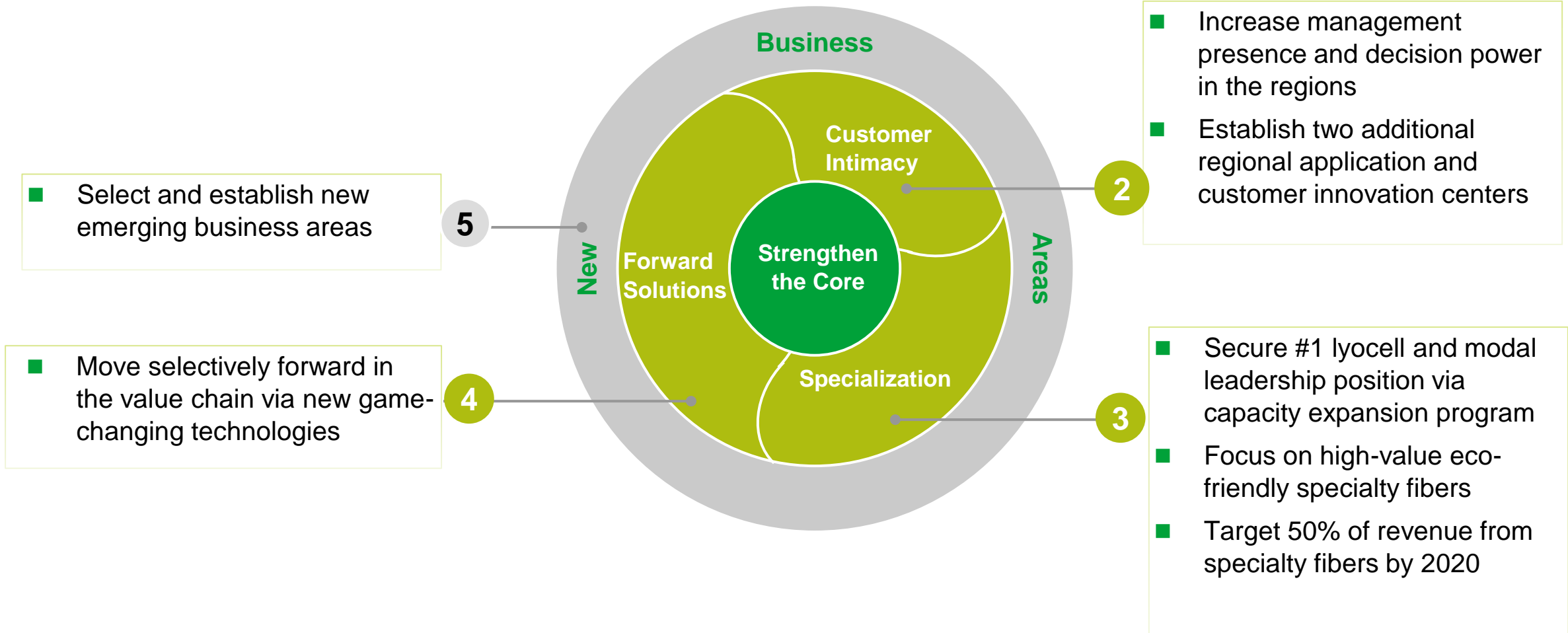
sC  reTEN

Strengthen the Core

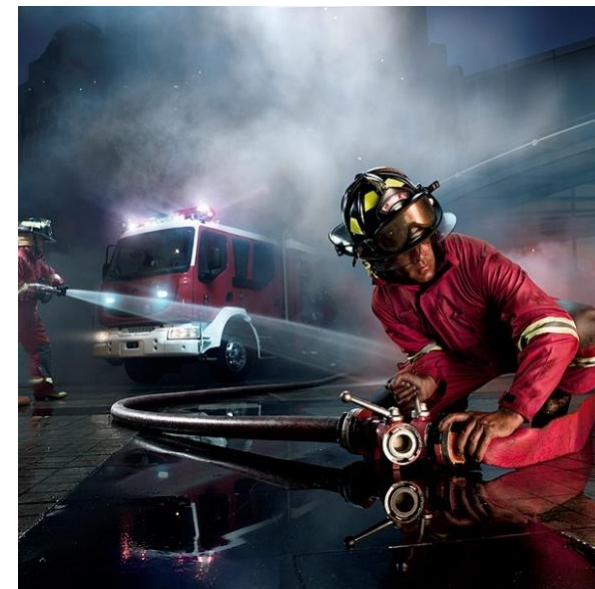
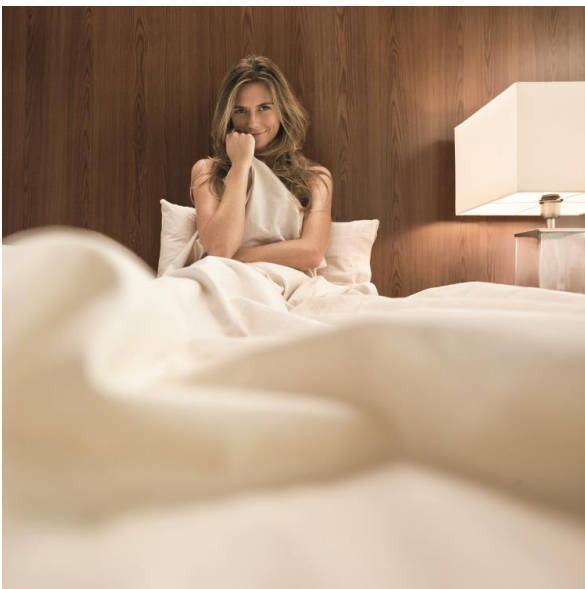
- Further strengthen pulp position via backward integration and/or strategic co-operations
- Maintain quality leadership
- Deliver EUR 50 mn EBITDA by 2017 with commercial and operational excellence program
- Strengthen our co-products business
- Grow viscose position via strategic partnerships
- Finalize restructuring technical units



Customer Intimacy, Specialization, Forward Solutions and New Business Areas



Backup



Where you can find our fibers

Apparel/Home & Interiors - close to skin



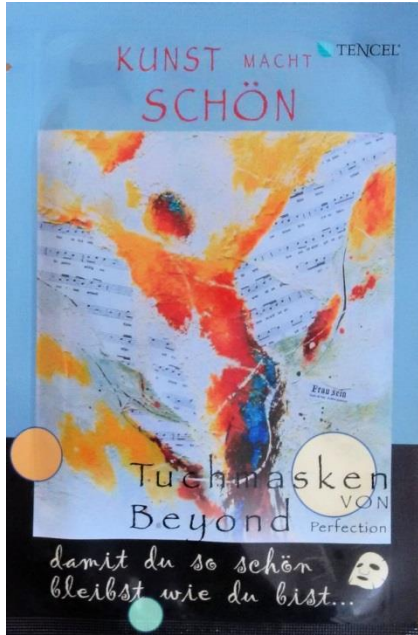
DL
1961



Where you can find our fibers

Nonwovens

■ Facial masks



■ Wipes



■ Hygiene articles



Where you can find our fibers

New Business Development & Technical textiles

- In automotive (car seats, tires, injection molding, ...)



- Packing solutions with Lenzing Modal® COLOR fiber (vegetable and fruit nets – eg. at REWE Austria and ALDI Austria – Hofer)

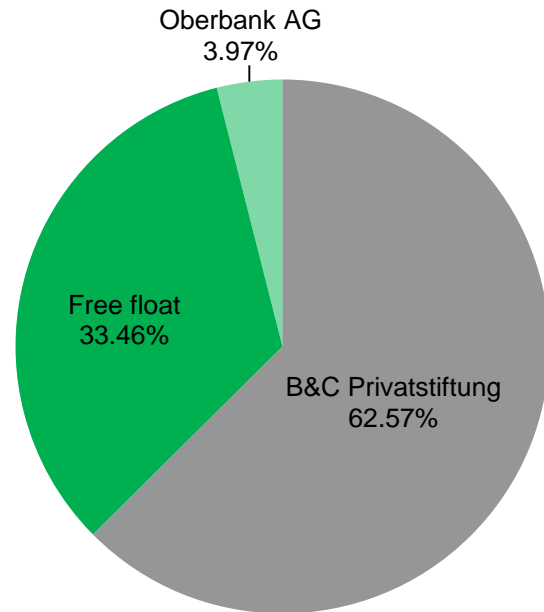


- Botanic Shoe with TENCEL® fiber (shoe soles, lining, upper fabric and shoe laces)



Lenzing share information

Shareholder structure
as at March 10, 2017



Overview of B & C Privatstiftung¹

- 62.57% owner of Lenzing is B & C Privatstiftung (B & C Private Foundation). Its purpose is the promotion of Austrian entrepreneurship.
- B & C Industrieholding GmbH is the management holding of B & C Foundation with 3 representatives on Lenzing's Supervisory Board.
- As the core shareholder, B & C takes a long-term view and supports the strategy of Lenzing Group.

1) Link to B & C Privatstiftung website: <http://www.bcprivatstiftung.at> (only in German)

ISIN	LNZ / AT0000644505
Bloomberg	LNZ:AV
Reuters	LNZNF.PK
Indices	ATX Prime, ATX Global Players, VÖNIX Sustainability Index
Number of shares	26,550,000
Share price Dec. 30, 2016	EUR 115.00
Market capitalization Dec. 30, 2016	EUR 3,053.25 mn

Coverage as at March 9, 2017:

Baader Bank	Buy
Berenberg Bank	Buy
Deutsche Bank	Hold
Erste Group	Hold
Kepler Cheuvreux	Buy
Landesbank Baden-Württemberg	Buy
Raiffeisen Centrobank AG	Hold

Contacts and financial calendar

Investor Relations contact

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Head of Investor Relations
Corporate Communications & Investor Relations
 - Phone: +43 7672 701 4032
 - Fax: +43 7672 918 4032
 - E-Mail: s.kniep@lenzing.com

- Visit our IR website
<http://www.lenzing.com/en/investors/financial-publicationsad-hoc.html>
- Visit our SRI sites – a new sustainability report will be published in 2017
<http://www.lenzing.com/en/responsibility/our-approach.html>
<http://www.lenzing.com/en/press/publications/sustainability-reports.html>

Financial calendar

Full year result 2016	March 22, 2017
73rd Annual General Meeting	April 25, 2017
Result 01-03/2017	May 16, 2017
Half-year result 2017	August 23, 2017
Result 01-09/2017	November 15, 2017
