



Lenzing Group

Leading Fiber Innovation

LENZING INVESTOR PRESENTATION – HALF YEAR 2015 RESULTS

August 25, 2015

LEADING FIBER INNOVATION



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H1/2015: Executive summary

Upward trend progressing

- Group revenue 6.2% higher y-o-y (EUR 955.4 mn vs. EUR 900.0 mn)
 - Tailwind through positive FX effects (USD, RMB), slightly increased volumes and a better product mix
- Strongly improved profitability
 - EBITDA +37.7% to EUR 126.5 mn y-o-y (H1/2014: EUR 91.9 mn)
- excellENZ initiative successfully on track with EUR 160 mn p.a. fully effective from 2016
- Annual General Meeting approved dividend of EUR 1.00 per share (April 22, 2015)
- Good progress on strategic portfolio realignment
 - Sale of Dolan GmbH and European Carbon Fiber GmbH (retroactive to January 1, 2015)
 - Sale of three business units of Lenzing Technik (Mechatronics, Automation/Robotics, Sheet metal)
- Refinancing of existing German Private Placement (Schuldschein) of EUR 89.5 mn and additional placement of EUR 60.5 mn
- Stefan Doboczky new CEO since June 1, 2015

Q2/2015: Executive summary

Strong quarter

- Average spot market prices for viscose (TX) in China increased toward the later part of Q2 2015
 - +3.7% y-on-y 2014/2015
 - +8.3% q1-on-q2 2015

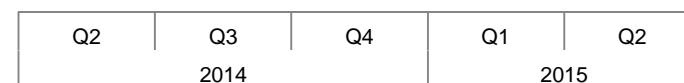
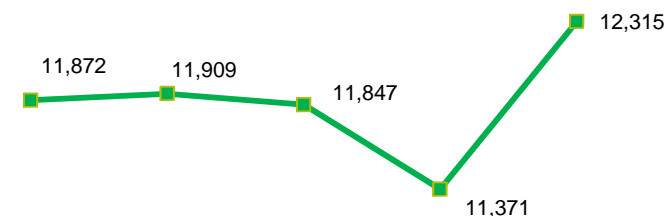
- Average quarterly imported DWP¹ price/t increased last quarter
 - -3.4% y-o-y 2014/2015
 - +1.6% q1-on-q2 2015

- Group revenue +7.3% y-o-y to EUR 480.9 mn (Q2/2014 EUR 448.3 mn)
 - Driven by slightly higher volumes, FX effects, better product mix

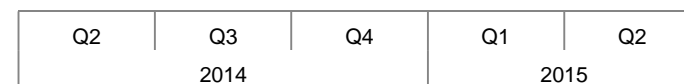
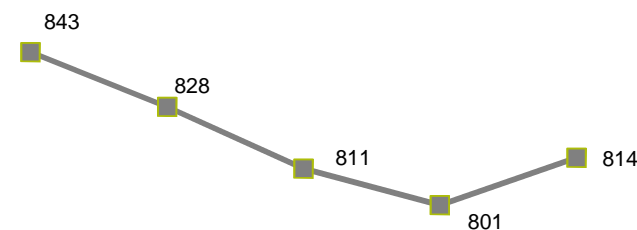
- Strong earnings improvement continues
 - EBITDA +46.8% to EUR 66.9 mn (Q2/2014: EUR 45.6 mn)
 - EBIT +113.7% to EUR 33.5 mn (Q2/2014: EUR 15.7 mn)

- Further net financial debt decrease from EUR 450 mn to EUR 402 mn

Average Quarterly Gross VSF (TX) CCF/CNY/t



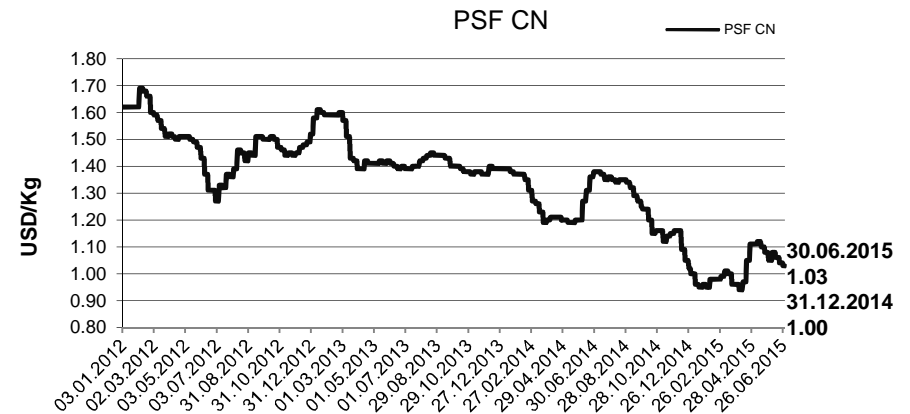
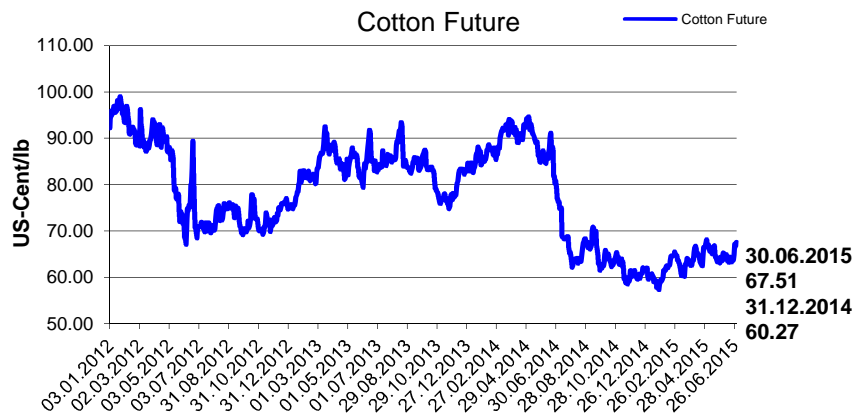
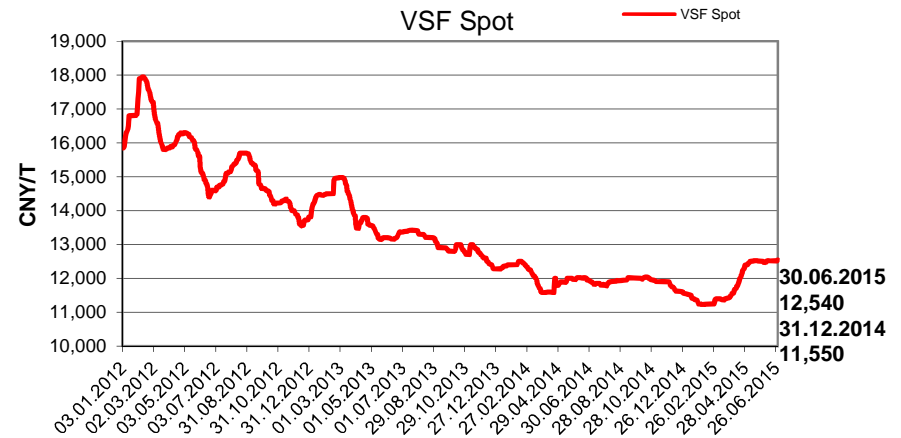
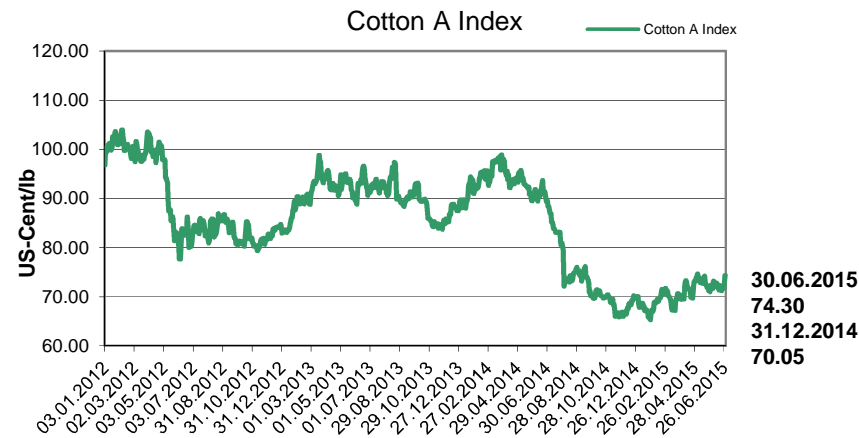
Average Quarterly Imported DWP/USD/t



1) DWP – dissolving wood pulp; source CCF Group

Fiber price development

3-year average until June 30, 2015

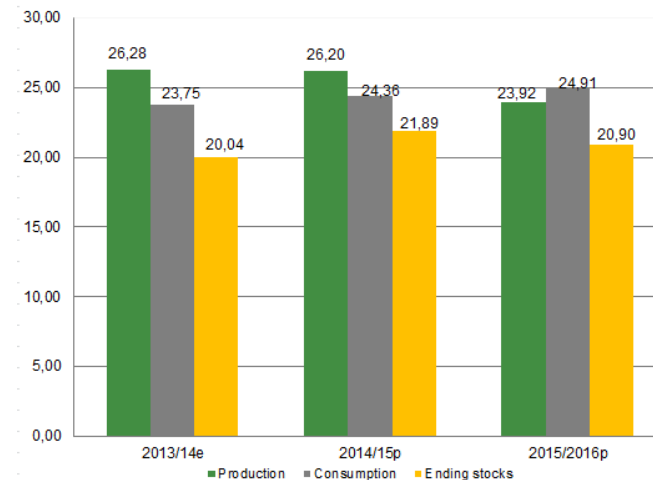


Despite decreased production cotton prices likely to remain under pressure¹

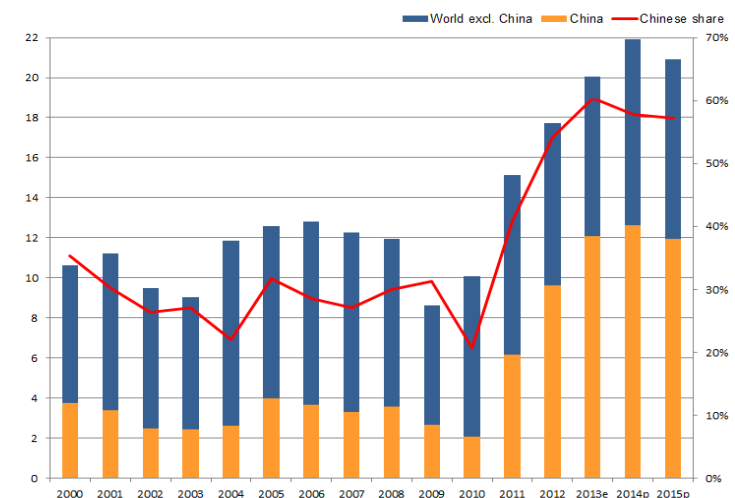
Chinas inventory policy is likely to create oversupplied market

- Cotton prices remain on a low level after the drop in July 2014
 - Average Cotton A Index currently around 70 USct/lbs
- China changed its reserve policy in 2014
 - Cotton imports limited to the volume required under its WTO obligations (894 k tons)
 - Chinese stocks still on high level
 - On July 10, 2015 China started sales from reserve
- Cotton oversupply likely to stay
 - Despite the expected more balanced consumption/production ratio in 2015/2016 Chinese inventory policies will likely to continue to put pressure on prices
 - Still Chinas stock-to-use-ratio in 2015/16e¹ will remain high at 154% compared to ROW at 52%

Cotton market in mn tons¹



Cotton inventories in mn tons and China's share in %¹



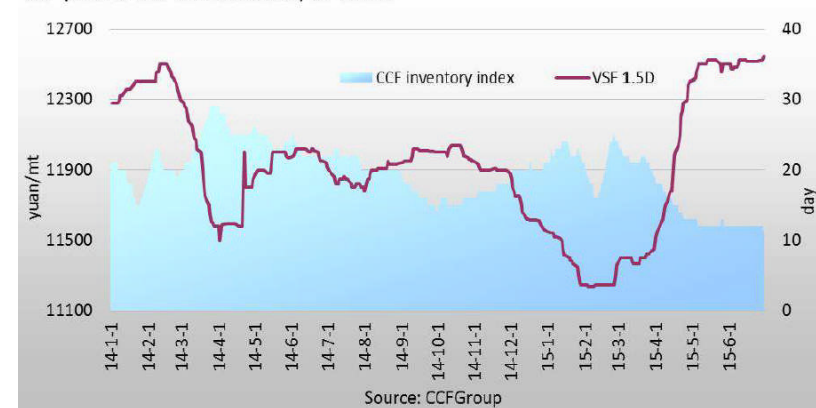
1) Source: ICAC, July 1, 2015

Competitive viscose environment

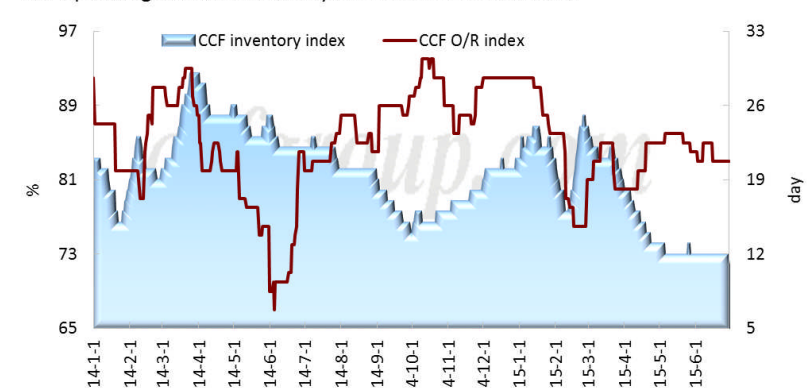
We remain cautious about a sustainable positive viscose pricing

- Remaining good demand volume paired with low inventory level at producers
- Structural overcapacities remain
 - Some capacities in China temporarily closed due to environmental pressure from authorities
 - Timing of restart uncertain
 - Announced new capacities postponed
- Viscose spot fiber market price¹ increased +9% in Q2/2015 due to temporary tightness in supply
- DWP prices¹ increased but remain below last year's level
 - y-on-y: -1%
 - q-on-q +4%

VSF price trend and inventory of China



VSF operating rate and inventory of China in 2014-Jun 2015



1) Absolute figures

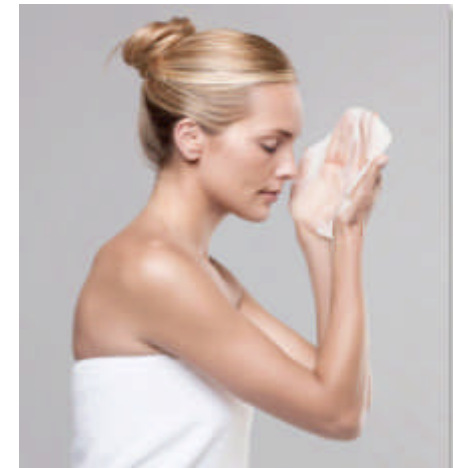
Lenzing's marketing activities

■ Textile – Apparel and Home & Interior

- Denim: Further increased position and brand recognition of TENCEL®
50 % of leading players sell TENCEL® denim fabrics
- Fiber launch: TENCEL® A100 MICRO for high-value knitted products presented to the textile trade
- Successful penetration of TENCEL® bed & bath products in the biggest home textile retail chain in Turkey (3,000 shops)
- Approval received for TENCEL® bed linen for German hospital market

■ Nonwovens

- TENCEL® SKIN: high profile presentation of facial masks in China, the potential biggest market
- Launch of TENCEL® shortcut for flushable wipes in China



Lenzing's marketing activities

■ Technical textiles

- New concept launch: botanic shoes with TENCEL® fibers
- High margin business – TENCEL® in technical devices with constant market increase in the last 6 months
- Protective concept launch for fire fighters with Lenzing FR®



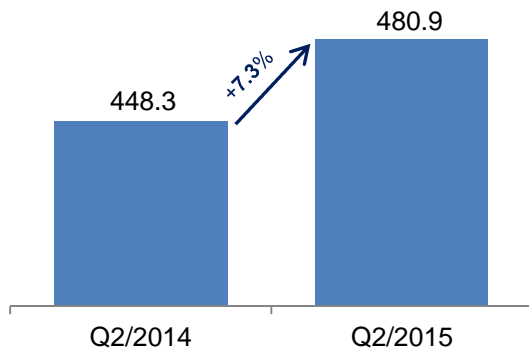
- ## ■ Further increased global brand-cooperation:
- over 270 brands are using Lenzing brands for their promotion, such as GAP, Aldi, Lidl, Amazon, Hello Kitty, Muji, Tac,....



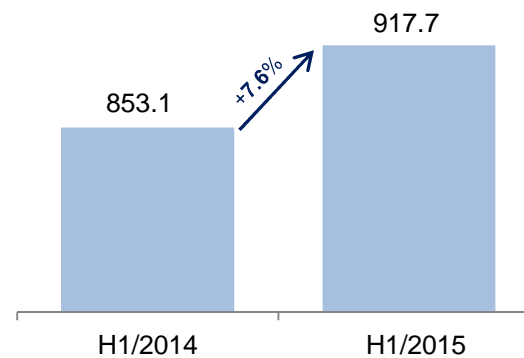
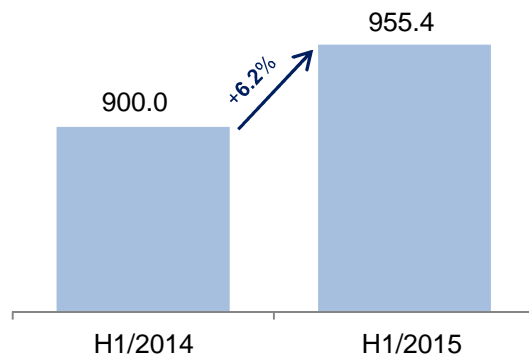
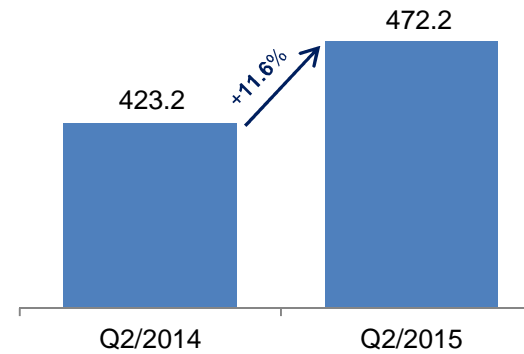
Financials – Revenue

Tailwind due to FX effects, slightly increased volumes, better product mix

Group Revenue



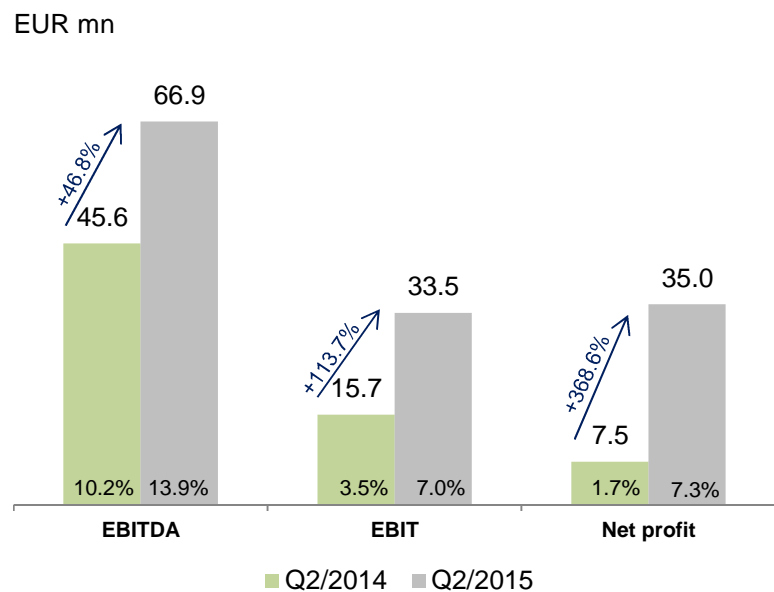
Segment Fibers Revenue



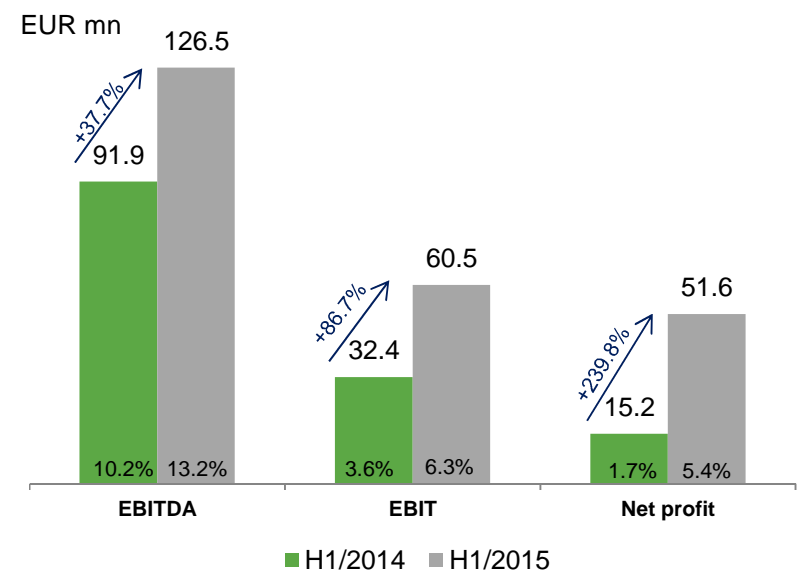
Financials – Earnings

Strong improvement – H1/2015 EPS at EUR 1.99 (H1/2014: EUR 0.57)

Q2/2014 vs. Q2/2015



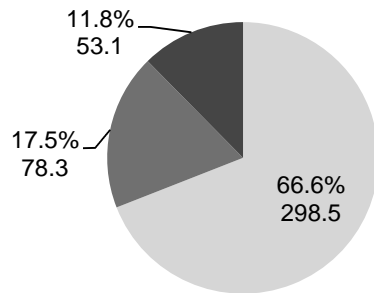
H1/2014 vs. H1/2015



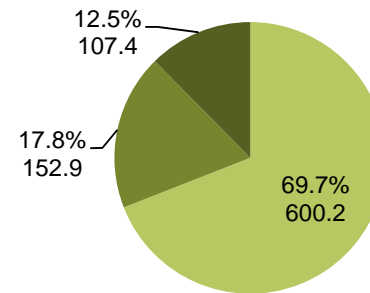
Margin

Total Opex structure

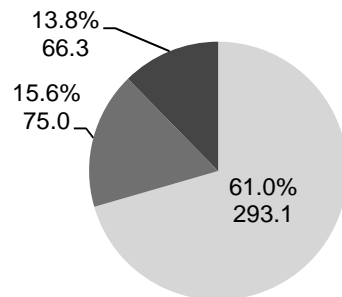
Q2/2014
(Total Opex EUR 429.9 mn)



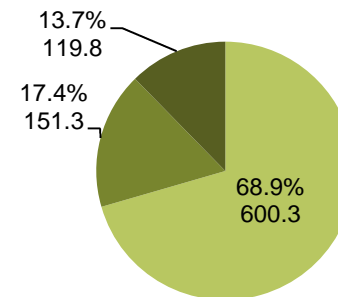
H1/2014
(Total Opex EUR 860.4 mn)



Q2/2015
(Total Opex EUR 434.4 mn)



H1/2015
(Total Opex EUR 871.4 mn)



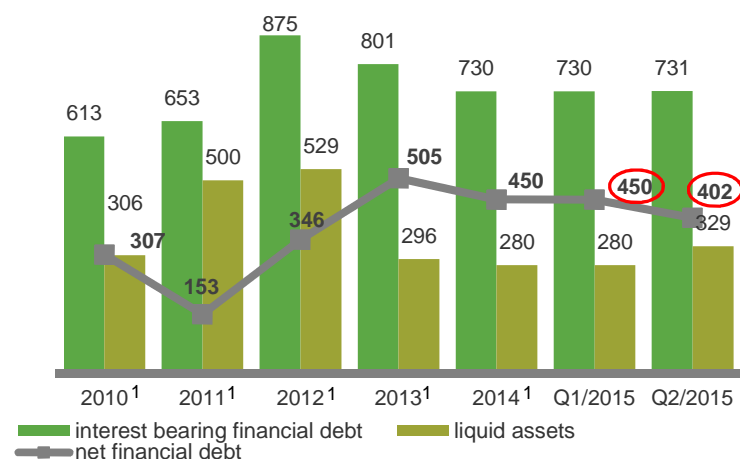
Material cost
 Personal cost
 Other cost

Material cost
 Personal cost
 Other cost

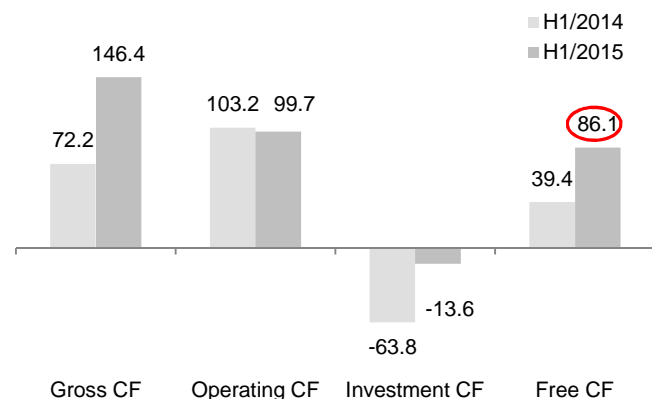
Financials – KPI

Strong financial position

Further net financial debt reduction



Strong free cash flow⁴



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| According to IFRS (EUR mn) | 30.06.2015 | 31.12.2014 | Change in % |
|------------------------------------|------------|------------|-------------|
| Total assets | 2,419.2 | 2,375.1 | 1.9 |
| Property, plant and equipment | 1,320.3 | 1,322.5 | (0.2) |
| Total liquidity cushion | 537.2 | 478.8 | 12.2 |
| Thereof liquid assets ² | 329.2 | 280.3 | 17.5 |
| Thereof open credit facilities | 208.0 | 198.5 | 4.8 |
| Non-current liabilities | 778.1 | 753.9 | 3.2 |
| Adjusted equity ³ | 1,132.7 | 1,066.1 | 6.2 |
| Adjusted equity ratio (%) | 46.8 | 44.9 | - |
| Net gearing (%) | 35.4 | 42.2 | - |
| Net financial debt | 401.5 | 449.5 | (10.7) |
| Net financial debt/EBITDA | - | 1.9 | - |

1) FY figures as at December 31

2) Including cash and cash equivalents (EUR 321.7 mn), liquid securities and liquid bills of exchange

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

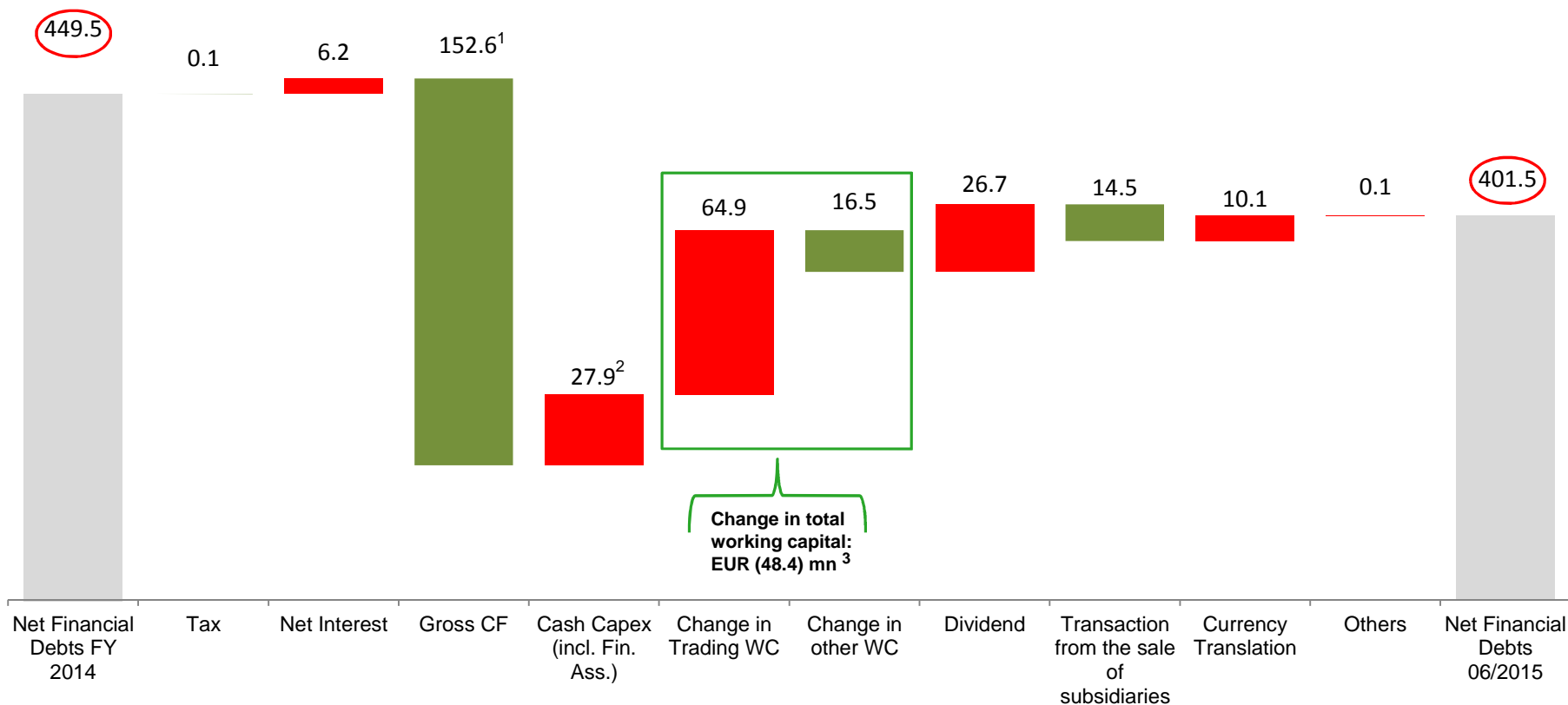
4) Cash flow details on page 20

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Financials – Net financial debt bridge

Further reduction

EUR mn



1) Gross CF before taxes and interest

2) Including CAPEX of EUR (26.0) mn and financial assets of EUR (1.9) mn

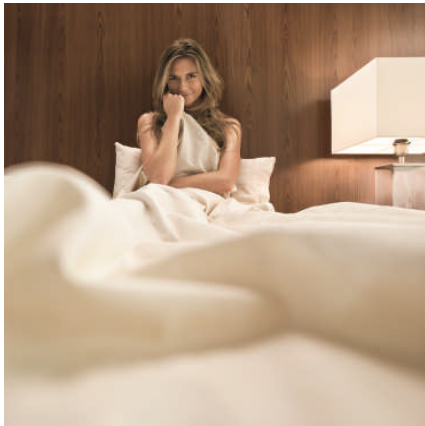
3) Change in total working capital as per cash flow statement EUR (46.7) mn does not include adjustment change in liquid bills of exchange of EUR (1.7) mn

Outlook: Full Year 2015

- Short term development H2/2015
 - Geo-political situation, Chinese economic development and unforeseeable FX fluctuations remain as uncertain factors
 - Slightly better market environment for MMC¹ compared to the end of Q1/2015
 - First price increases implemented following continuous solid volume demand
 - Timing of restart of temporarily idle VSF capacities unclear
- Outlook Lenzing Group 2015
 - Despite the volatile market environment we expect
 - an improved operating result y-o-y
 - a further net financial debt reduction
 - Net financial debt/EBITDA < 2, CAPEX <EUR 100 mn
- Long-term prospects for the MMC¹ market to remain positive with estimated growth rates above the global fiber market

1) Man Made Cellulosics

Q2/2015 – Financial information



Q2/2015: Consolidated Group P&L

| (EUR mn) | Q2/2015 | Q1/2015 | Q2/2014 | H1/2015 | H1/2014 |
|--|-------------------|-------------------|------------------|--------------------|----------------------|
| Revenue | 480.9 | 474.6 | 448.3 | 955.1 | 900.0 |
| Change in inventories of finished goods and work in progress | (1.9) | (4.2) | 5.9 | (6.1) | 5.9 |
| Work performed by the Group and capitalized | 7.1 | 5.9 | 10.6 | 13.0 | 23.2 |
| Other operating income | 15.2 | 20.5 | 10.7 | 35.6 | 23.2 |
| Cost of material and purchased services | (293.1) | (307.2) | (298.5) | (600.3) | (600.2) |
| Personnel expenses | 75.0 | (76.3) | (78.3) | (151.3) | (152.9) |
| Other operating expenses | (66.3) | (53.5) | (53.1) | (119.8) | (107.4) |
| EBITDA/Margin | 66.9/13.9% | 59.6/12.6% | 45.6/10.2 | 126.5/13.2% | 91.9/10.2% |
| Depreciation & Amortization | (34.1) | (33.3) | (30.6) | (67.4) | (60.9) |
| Income from the release of investment grants | 0.7 | 0.7 | 0.7 | 1.4 | 1.4 |
| EBIT/Margin | 33.5/7.0% | 27.0/5.7% | 15.7/3.5 | 60.5/6.3% | 32.4/3.6% |
| Financial result | 10.0 | (3.1) | (5.3) | 6.9 | (11.7) |
| Allocation of profit or loss to puttable non-controlling interests | (0.1) | 1.0 | 1.3 | 0.9 | 2.1 |
| EBT/Margin | 43.4/9.0% | 24.8/5.2% | 11.6/2.6% | 68.3/7.1% | 22.8/2.5% |
| Income tax expense | (8.5) | (8.2) | (4.1) | (16.7) | (7.7) |
| Tax rate (%) | 19.6 | 33.0 | 35.7 | 24.5% | 33.5 |
| Net income/Margin | 35.0/7.3% | 16.6/3.5% | 7.5/1.7% | 51.6/5.4% | (15.2)/(1.7%) |
| Net income after minorities/Margin | 35.3/7.3% | 17.5/3.7% | 7.7/1.7% | 52.7/5.5% | (15.2)/(1.7%) |
| EPS (in EUR) | 1.33 | 0.66 | 0.29 | 1.99 | 0.57 |

Q2/2015: Topline breakdown

Fibers going up y-o-y, still strong Nonwoven business

| (EUR mn) | Q2/2015 | Q1/2015 | Q2/2014 | Change Q2/Q1 (%) | Change y-o-y (%) | H1/2015 | H1/2014 | Change y-o-y (%) |
|--|--------------|--------------|--------------|------------------------|---------------------|--------------|--------------|---------------------|
| Breakdown of fibers segment revenue | | | | | | | | |
| Textile fibers | 298.1 | 269.4 | 244.2 | 10.6 | 22.0 | 567.4 | 491.8 | 15.4 |
| Nonwoven fibers | 131.8 | 132.2 | 118.3 | (0.3) | 11.4 | 264.0 | 238.2 | 10.8 |
| Fibers only | 429.9 | 401.6 | 362.6 | 7.0 | 18.5 | 831.5 | 730.0 | 13.9 |
| Others ¹ | 42.3 | 43.9 | 60.6 | (3.7) | (30.1) | 86.2 | 123.2 | (30.0) |
| Total segment fiber | 472.2 | 445.5 | 423.2 | 6.0 | 11.6 | 917.7 | 853.2 | 7.6 |
| Total segment Engineering | 21.0 | 21.8 | 21.9 | (3.4) | (3.9) | 42.8 | 45.3 | (5.5) |
| Others and consolidation ² | (12.3) | 7.3 | 3.2 | n.a. | n.a. | (5.1) | 1.5 | n.a. |
| Total Group revenue | 480.9 | 474.6 | 448.3 | 1.3 | 7.3 | 955.4 | 900.0 | 6.2 |

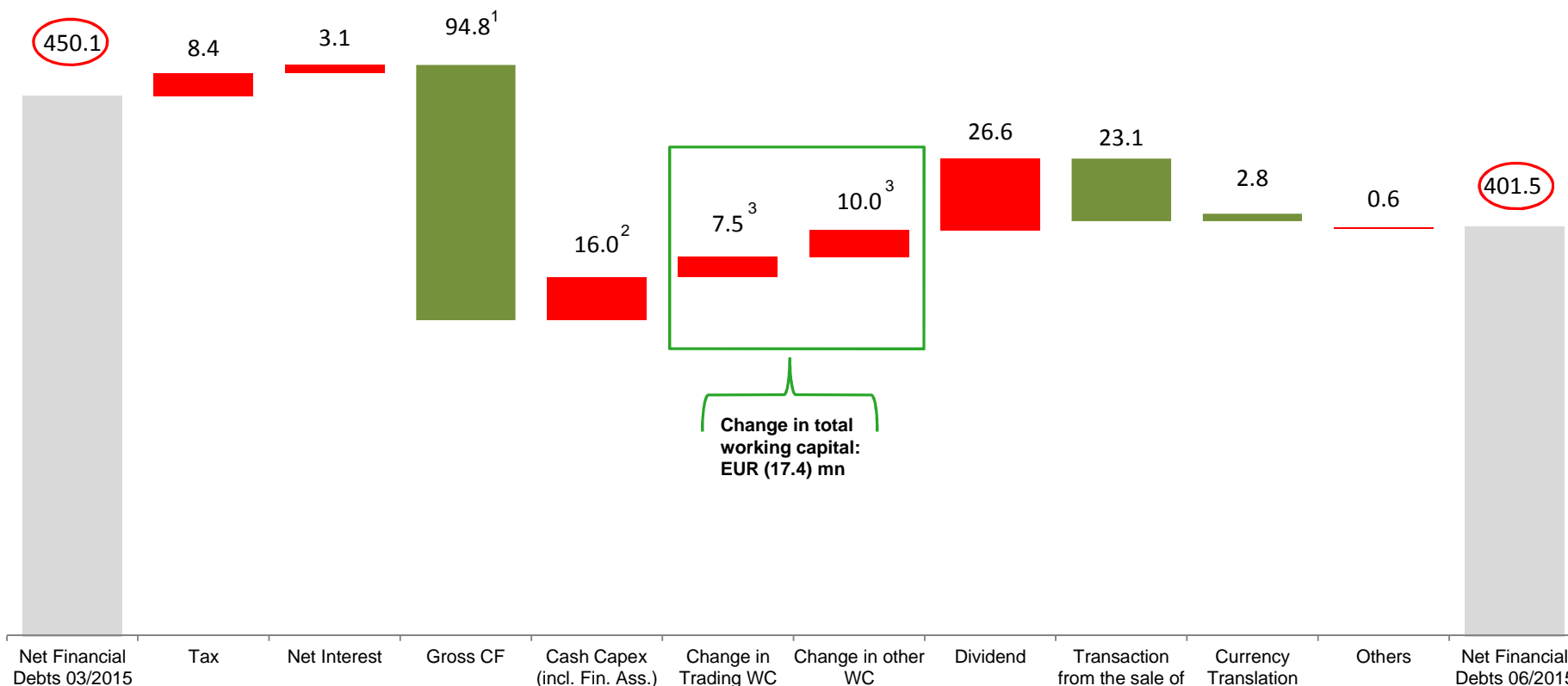
1) Includes sales of sodium sulfate and black liquor, external sales of pulp, wood and energy and hedging

2) In Q2 effect from sale of Dolan and European Carbon Fiber

Q2/2015: Net financial debt

Further reduction

EUR mn



1) Gross CF before taxes and interest

2) Including CAPEX of EUR (14.8) mn and financial assets of EUR (1.2) mn

3) Change in total working capital EUR (21.1) mn (according to cash flow statement)

Adjustment change in liquid bills of exchange

EUR 3.7 mn

Total change in working capital

EUR (17.4) mn (according to net debt)

Q2/2015: Cash flow by quarter

Strong free cash flow

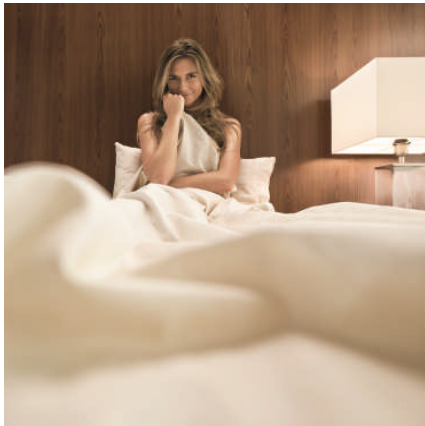
| (EUR mn) | Q2/2015 | Q1/2015 | Q2/2014 | Change Q2/Q1 (%) | Change y-o-y (%) | H1/2015 | H1/2014 | Change y-o-y (%) |
|---|-------------------|-------------|-------------|------------------|------------------|--------------------|--------------|------------------|
| Gross CF (before taxes and interest) | 94.8 ¹ | 57.8 | 43.9 | 64.0 | 115.9 | 152.6 ¹ | 86.1 | 77.3 |
| Taxes and interest | (11.5) | 5.4 | (4.6) | n.a. | 149.0 | (6.1) | (13.8) | (55.7) |
| Gross CF (after taxes and interest) | 83.2 | 63.2 | 39.3 | 31.7 | 111.9 | 146.4 | 72.2 | 102.7 |
| Change in total working capital ² | (21.2) | (25.6) | 21.1 | (17.3) | (200.2) | (46.7) | 31.0 | (250.9) |
| Operating Cash flow | 62.1 | 37.6 | 60.4 | 64.9 | 2.8 | 99.7 | 103.2 | (3.4) |
| Investment cash flow ³ | (1.9) | (11.7) | (27.3) | (83.3) | (92.9) | (13.6) | (63.8) | (78.7) |
| Free cash flow | 60.1 | 26.0 | 33.1 | 131.5 | 81.7 | 86.1 | 39.4 | 118.3 |
| Net inflow from sale of subsidiary | 13.8 | 0.0 | 0.0 | n.a. | n.a. | (13.8) | 0.0 | n.a. |
| Acquisition of other financial assets | 1.1 | 0.7 | 0.1 | 58.9 | 662.3 | 1.8 | 0.4 | 380.1 |
| Proceeds/repayments of other financial assets | (0.2) | (0.2) | (0.4) | (1.6) | (52.4) | (0.4) | (0.7) | (37.3) |
| Free cash flow adj. | 47.2 | 26.5 | 32.8 | 78.4 | 43.9 | 73.7 | 39.2 | 88.2 |

1) Positive contribution from one-off cash in from investment accounted for using the equity method

2) Including trade and other working capital

3) Including investment in financial assets and disposal proceeds

FY 2014 – Financial information



FY 2014: Consolidated Group P&L

| (EUR mn) | 2014 excl. imp. | 2014 incl. imp. | 2013 ¹ | 2013 |
|--|--------------------|----------------------|--------------------|--------------------|
| Total sales | 1,864.2 | 1,864.2 | 1,859.0 | 1,908.9 |
| Inventory change/work in progress | (2.6) | (2.6) | 12.3 | 11.5 |
| Work performed by the group and capitalized | 34.6 | 34.6 | 52.0 | 52.2 |
| Other operating income | 48.5 | 48.5 | 36.6 | 68.1 |
| Cost of material and purchased services | (1,199.2) | (1,199.2) | (1,223.4) | (1,253.4) |
| Personnel | (292.0) | (292.0) | (326.0) | (337.0) |
| Other operating expenses | (213.3) | (213.3) | (216.7) | (224.8) |
| EBITDA/Margin | 240.3/12.9% | 240.3/12.9% | 193.9/10.4% | 225.4/11.8% |
| Depreciation & Amortization | (127.6) | (221.5) | (138.3) | (142.1) |
| Income from resolution of investment benefits | 3.2 | 3.2 | 3.1 | 3.1 |
| EBIT/Margin | 115.9/6.2% | 21.9/1.2% | 58.6/3.2% | 86.4/4.5% |
| Financial result | (23.4) | (23.4) | (26.7) | (26.7) |
| Results from terminable non-controlling interest | 4.0 | 8.8 | 9.0 | 8.4 |
| EBT/Margin | 96.5/5.2% | 7.3/0.4% | 41.0/2.2% | 68.1/3.6% |
| Tax | (26.8) | (21.5) | (10.3) | (18.1) |
| <i>Tax rate</i> | <i>27.8%</i> | - | <i>25.2%</i> | <i>26.5%</i> |
| Net income/Margin | 69.6/3.7% | (14.2)/(0.8%) | 30.6/1.6% | 50.0/2.6% |
| Net income after minorities/Margin | 70.3/3.8% | (13.5)/(0.7%) | 30.7/1.6% | 50.1/2.6% |
| EPS (in EUR) | 2.65 | (0.51) | 1.16 | 1.89 |

1) Continued business

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FY 2014: Topline breakdown

Affected by Nonwoven business (+), low pricing (-), discontinued operations (-)

| (EUR mn) | 2014 | 2013 | Change y-o-y (%) | 2013 ⁴ | Change y-o-y (%) |
|--|----------------|----------------|---------------------|-------------------|---------------------|
| Breakdown of fibers segment sales | | | | | |
| Textile fibers | 1,028.3 | 1,048.7 | (1.9) | 1,048.7 | (1.9) |
| Nonwoven fibers | 475.9 | 463.6 | 2.6 | 463.6 | 2.6 |
| Others ¹ | 54.0 | 54.0 | 0.0 | 54.0 | 0.0 |
| Total fibers only sales | 1,558.2 | 1,566.3 | (0.5) | 1,566.3 | (0.5) |
| Other fibers segment sales ² | 205.8 | 199.6 | 3.1 | 199.6 | 3.1 |
| Total fibers segment sales | 1,764.0 | 1,765.9 | (0.1) | 1,765.9 | (0.1) |
| Segment Lenzing Technik | 90.8 | 125.1 | (27.5) | 125.1 | (27.5) |
| BU Plastics and EPG (discontinued operations) | 0.0 | 54.0 | - | 0.0 | - |
| Others ³ and consolidation | 9.4 | (36.1) | - | (32.0) | - |
| Total sales | 1,864.2 | 1,908.9 | (2.3) | 1,859.0 | 0.3 |

1) Includes sales of sodium sulfate and black liquor

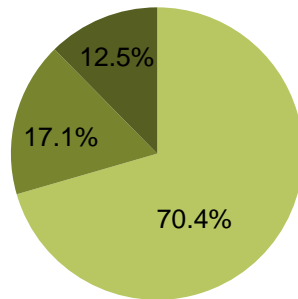
2) Includes external sales of pulp, wood and energy

3) Includes Dolan, ECG (European Carbon Fiber) and BZL (Bildungszentrum Lenzing)

4) Continued Business

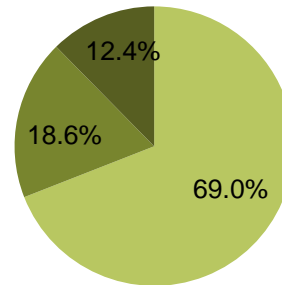
FY 2014: Total Opex

2014 (Total Opex EUR 1,704.5 mn)



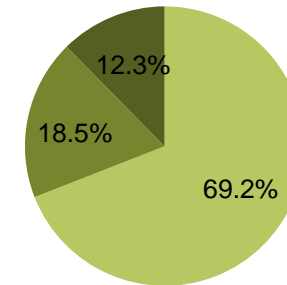
- Cost of material and purchased services
- Personnel expenses
- Other operating expenses

2013 (Total Opex EUR 1,815.3 mn)



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

2013¹ (Total Opex EUR 1,766.1 mn)



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

1) Continued business

FY 2014: Opex as of total sales

| (EUR mn) | 2014 | 2013 | Change y-o-y (%) | 2013 ² | Change y-o-y (%) |
|--|------------------|------------------|---------------------|-------------------|---------------------|
| Total sales | 1,864.2 | 1,908.9 | (2.3) | 1,859.0 | 0.3 |
| Total Opex¹ | (1,704.5) | (1,815.3) | (6.1) | (1,766.1) | (3.5) |
| Total cost of material and purchased services | (1,199.2) | (1,253.4) | (4.3) | (1,223.4) | (2.0) |
| as % of total sales | 64.3 | 65.7 | - | 65.8 | - |
| Total personnel expenses | (292.0) | (337.0) | (13.4) | (326.0) | (10.4) |
| as % of total sales | 15.7 | 17.7 | - | 17.5 | - |
| Total other operating expenses | (213.3) | (224.8) | (5.1) | 216.7 | (1.6) |
| as % of total sales | 11.4 | 11.8 | - | 11.7 | - |

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

2) Continued business

FY 2014: Cash flow

Considerably improved cash flows

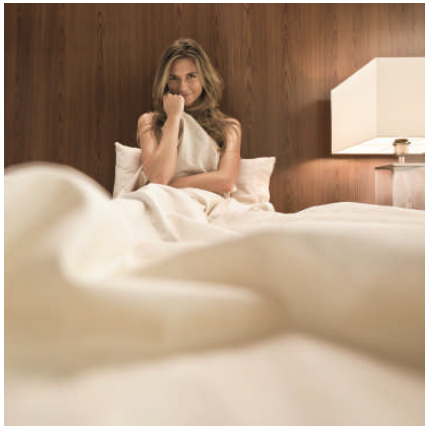
| (EUR mn) | 2014 | 2013 | Change y-o-y (%) |
|---|----------------|----------------|------------------|
| Gross CF (before taxes and interest) | 253.3 | 172.6 | 46.7 |
| Taxes and interest | (22.5) | (78.1) | (71.2) |
| Gross CF (after taxes and interest) | 230.8 | 94.6 | 144.1 |
| Change in total working capital ¹ | (12.0) | (13.6) | (11.9) |
| CF from discontinued operations | 0.0 | 1.3 | (100.0) |
| Operating cash flow | 218.8 | 82.3 | 165.9 |
| Investment cash flow^{2 3} | (102.8) | (152.2) | (32.4) |
| Free cash flow | 116.0 | (69.9) | - |
| Net inflow from sale of subsidiary | 0.0 | (61.7) | (100.0) |
| Acquisition of other financial assets | 2.3 | 8.3 | (72.3) |
| Proceeds/repayments of other financial assets | (3.5) | (40.7) | (91.5) |
| Free cash flow adj. | 114.8 | (163.9) | - |

1) Including trade and other working capital

2) Including investment in financial assets and disposal proceeds

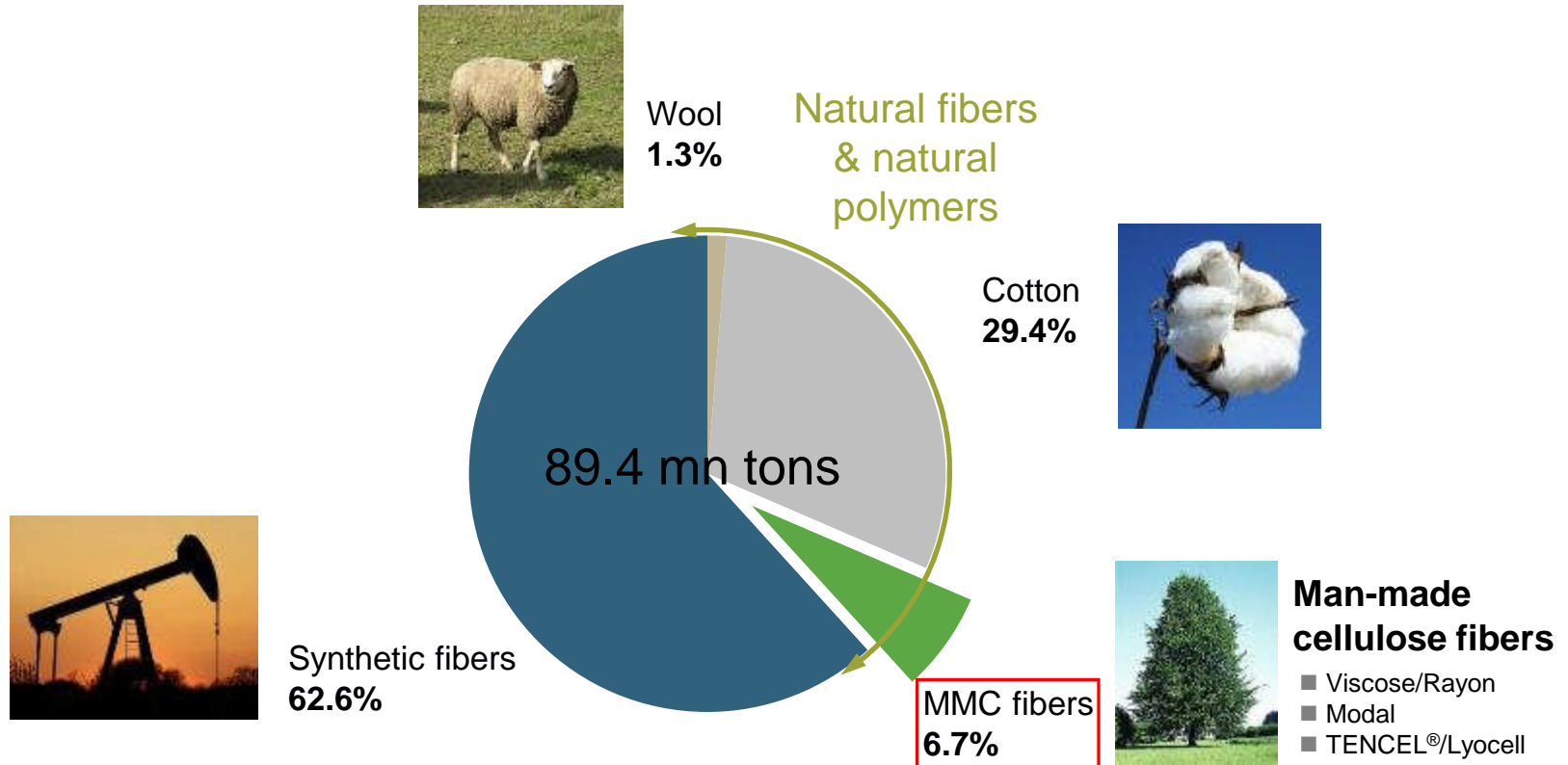
3) Including cash from Plastics sale

Appendix – Equity story



Global fiber market at a glance

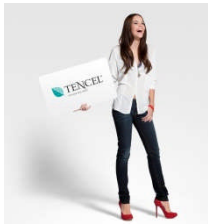








2014e production numbers



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

USP: Only producer of three fiber generations

Strong market position of TENCEL® and Lenzing Modal®

| | Market Position and Market Share in Q2/2015 ¹ | Unique Selling Proposition | Key End Markets | Share of Fiber Revenue Q2/2015 ² |
|---|--|---|--|---|
|  Innovation drives specialties | # 1  97% | ...the new age fiber – outstanding sustainability <ul style="list-style-type: none"> ■ Environmentally friendly process ■ Breathable, next to skin characteristics ■ Can be blended with cotton ■ Strength (wash ability, denim process) | <ul style="list-style-type: none"> ■ Jeans, bed linen, underwear ■ Special technical applications |  |
|  Innovation drives specialties | # 1  82% | ...makes the world a softer place <ul style="list-style-type: none"> ■ Natural softener for fabrics ■ Next to skin characteristics ■ Can be blended with cotton | <ul style="list-style-type: none"> ■ Textile applications only ■ High performance apparel (high-end underwear) |  |
|  Sets industry standard | # 2  16% | ...sets the industry standard <ul style="list-style-type: none"> ■ Superior quality allows for use of high-end textile machinery³ ■ Consistent in dyeing and finishing ■ Global service package | <ul style="list-style-type: none"> ■ Consumer applications ■ Technical applications |  |

Source: Lenzing, CCFG, CCFEI

1) By production

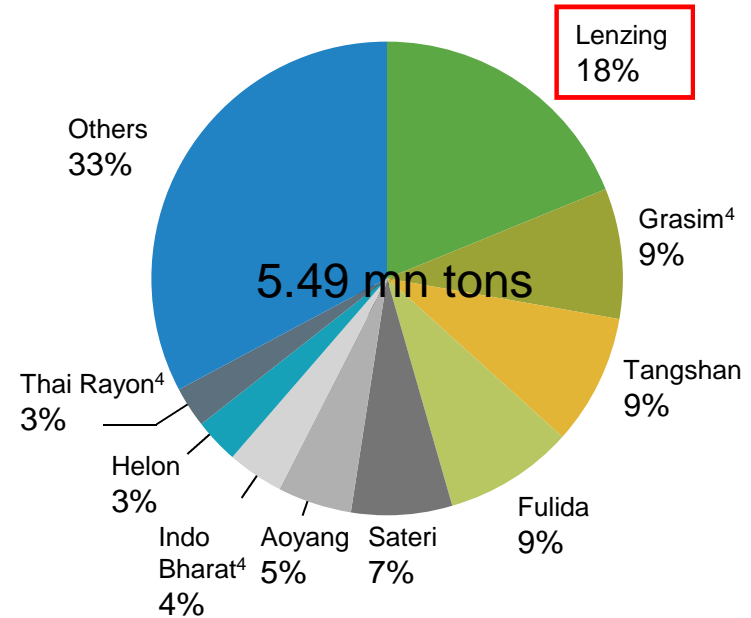
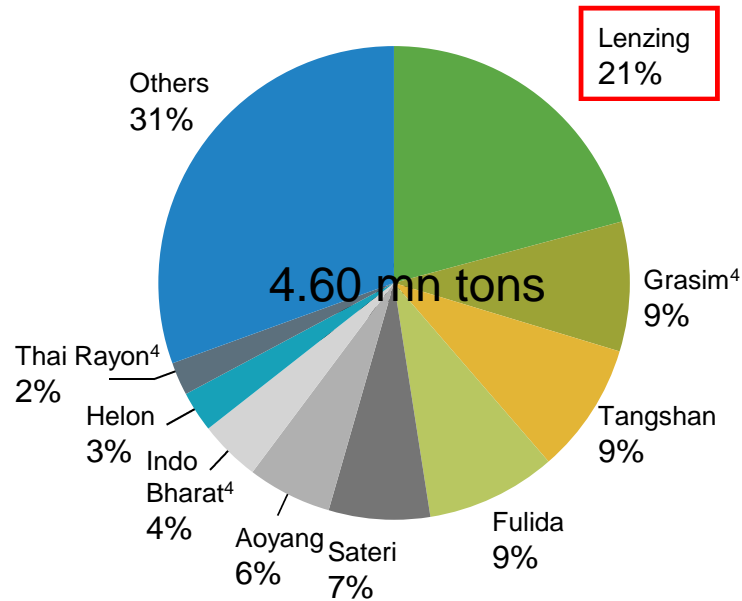
2) Excluding sales of fiber by-products, external sales of pulp, wood, energy

3) E.g. airjet spinning machine allowing for 420 m/min compared to 25 m/min on regular (ring spinning) textile machines

Lenzing: Global market leader in VSF¹ (2014e)

Lenzing with 21% share of production²

Lenzing with 18% share of capacities³



Source: CIRFS, FEB, Trade statistics, Company estimates

1) Viscose Stable Fibers (including Modal and Tencel), excluding Viscose filaments, acetate tow, cigarette filters

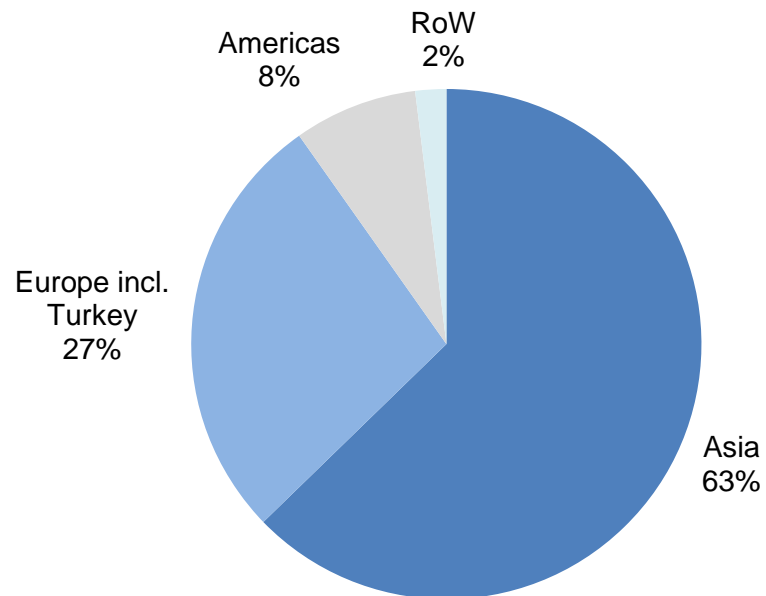
2) Production China: based on 84.6% utilization

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

4) Direct or indirect non-controlling shareholdings by private Indian conglomerate Aditya Birla; marketing of viscose stable fibers under the "Birla" umbrella brand

Lenzing: Only global player

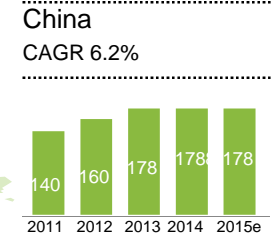
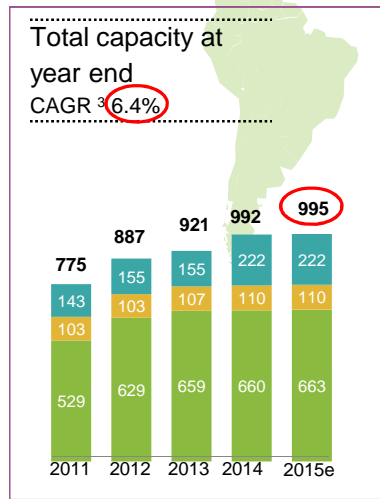
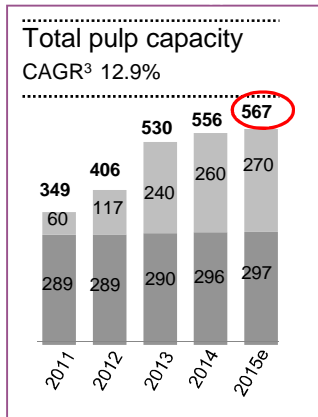
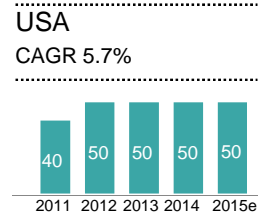
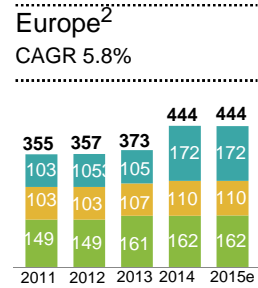
Sales volume by region¹ – higher footprint in Asia (H1/2014: 61%)



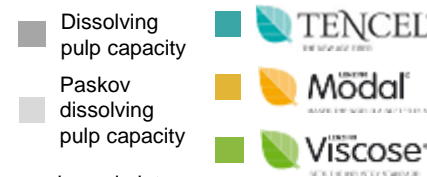
Source: Company information

1) Fiber sales by volume in metric tons, H1/2015

Capacity 2015¹: A global footprint



Annual capacity in '000 metric tons



1) Figures are shown in k tons
2) Includes Lenzing (A), Heiligenkreuz (A) and Grimsby (UK), does not include Kelheim capacity
3) CAGR 2011-2015

Capacities by site and year

Investment in TENCEL® jumbo line – full production in 2015

| Plant location | Capacity – YE 2012 (metric tons) | Capacity – YE 2013 ¹ (metric tons) | Capacity – YE 2014 (metric tons) | Planned capacity – YE 2015 (metric tons) |
|---|--|---|--|---|
| Lenzing / Austria | 252,000 | 268,000 | 339,000 | 339,000 |
| Lenzing Viscose® | 149,000 | 161,000 | 162,000 | 162,000 |
| Lenzing Modal® | 103,000 | 107,000 | 110,000 | 110,000 |
| TENCEL® | - | - | 67,000 | 67,000 |
| Heiligenkreuz / Austria, TENCEL® | 65,000 | 65,000 | 65,000 | 65,000 |
| Purwakarta / Indonesia, Lenzing Viscose® | 320,000 | 320,000 | 320,000 | 323,000 |
| Nanjing / China, Lenzing Viscose® | 160,000 | 178,000 | 178,000 | 178,000 |
| Grimsby / UK, TENCEL® | 40,000 | 40,000 | 40,000 | 40,000 |
| Mobile / USA, TENCEL® | 50,000 | 50,000 | 50,000 | 50,000 |
| Total fibers | 887,000 | 921,000 | 992,000 | 995,000 |
| Lenzing / Austria (pulp) | 290,000 | 293,000 | 296,000 | 297,000 |
| Paskov / Czech Republic (pulp) | 117,000 | 240,000 | 260,000 | 270,000 |

1) Adjusted

Capacity by site 2015

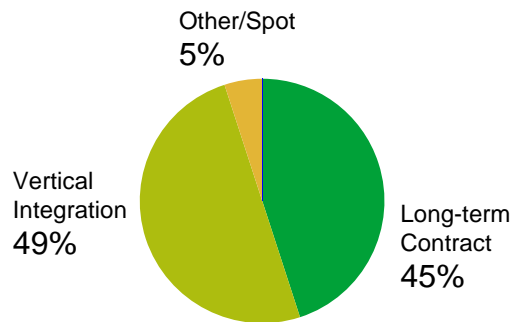
| (metric tons) | Capacity per March 31, 2015 | Capacity per June 30, 2015 | Capacity per September 30, 2015 | Capacity per December 31, 2015 |
|---------------|--------------------------------|-------------------------------|------------------------------------|-----------------------------------|
| Lenzing | 339,000 | 339,000 | 339,000 | 339,000 |
| Indonesia | 320,000 | 320,000 | 320,000 | 323,000 |
| Nanjing | 178,000 | 178,000 | 178,000 | 178,000 |
| Heiligenkreuz | 65,000 | 65,000 | 65,000 | 65,000 |
| Grimsby | 40,000 | 40,000 | 40,000 | 40,000 |
| Mobile | 50,000 | 50,000 | 50,000 | 50,000 |
| Total | 992,000 | 992,000 | 992,000 | 995,000 |

Lenzing has cost advantages

Through pulp integration and long-term pulp supply contract

- Pulp is the main input factor
- 90+% of long-term pulp supply secured through own production (vertical integration) and long-term supply contracts
- Long-term contract **linked to paper pulp index** (not to spot price of dissolving pulp)

Lenzing Group pulp sourcing (H1/2015)¹

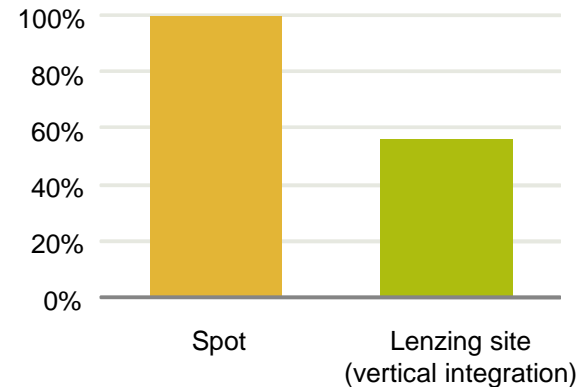


Source: Lenzing

1) Data refers to pulp sourced in a quarter

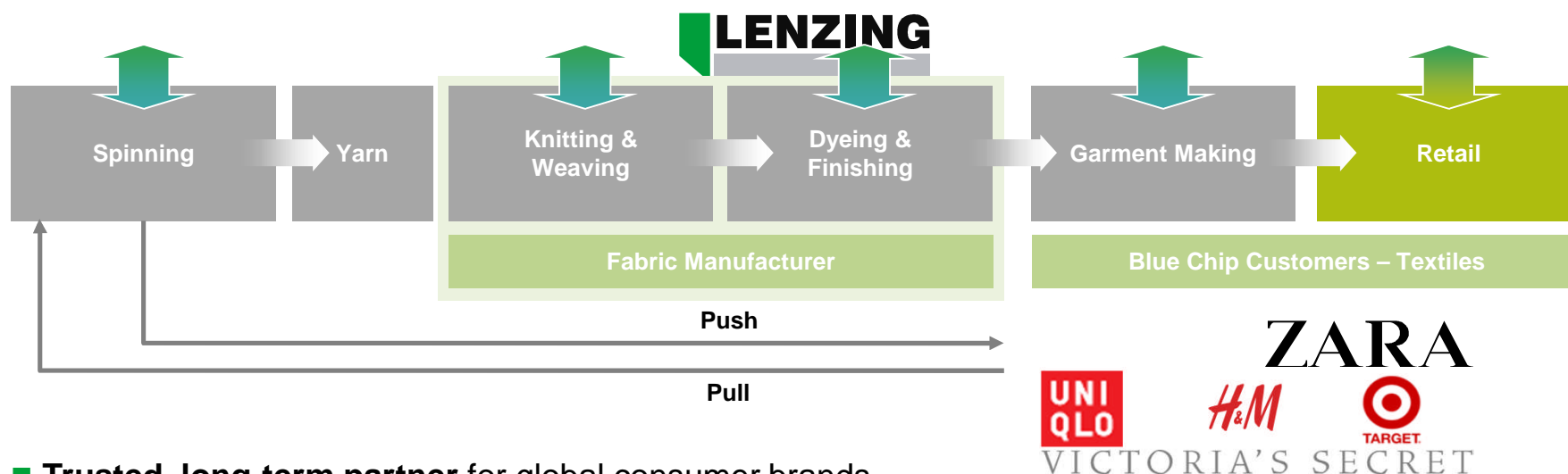
2) Assuming average spot price of \$ 808 per metric ton

Indicative spot pulp procurement cost vs. vertical integration²



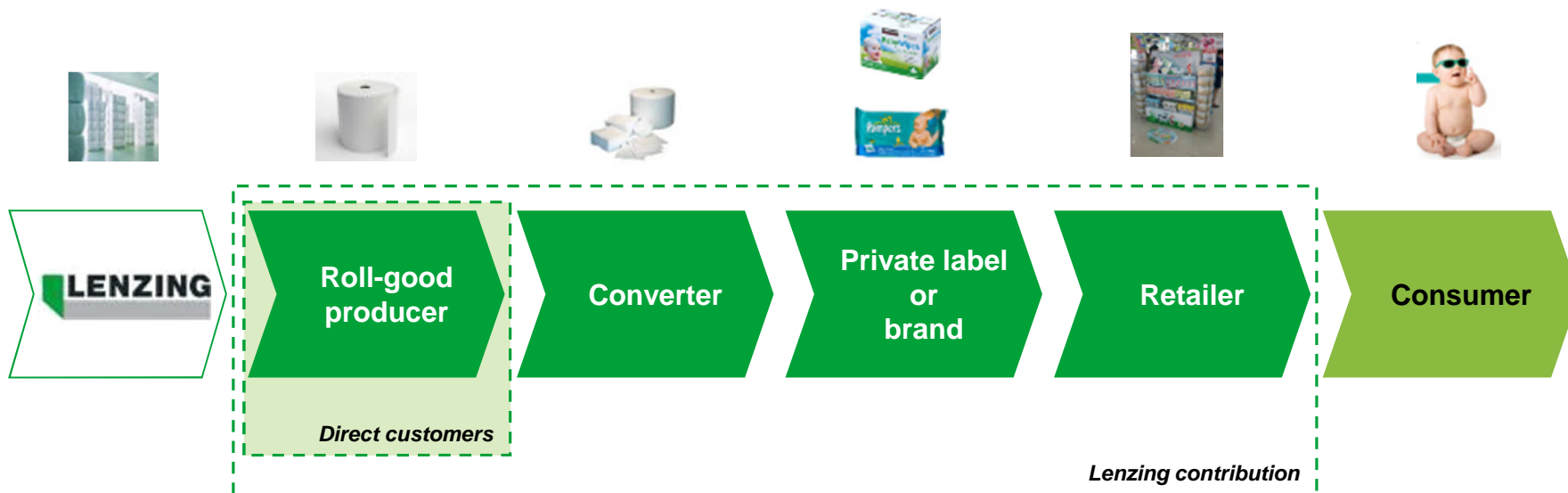
Textile: Building barriers to entry

Global branded supplier to blue chip customer base



- **Trusted, long-term partner** for global consumer brands
- **Global integrated marketing and sales network**
- **Branded supplier** with involvement in value chain decision process of customers
 - ➔ **Push:** Close collaboration with manufacturers of spinning machinery
 - ➔ **Pull:** Marketing through tailored and innovative branded products unique to Lenzing

Nonwoven value chain



Price reference: ← Price per kg → ← Price per m² → ← Price per packs (wipe count) →

➔ Lenzing is very close to the customer due to short value chain and significant certification requirements

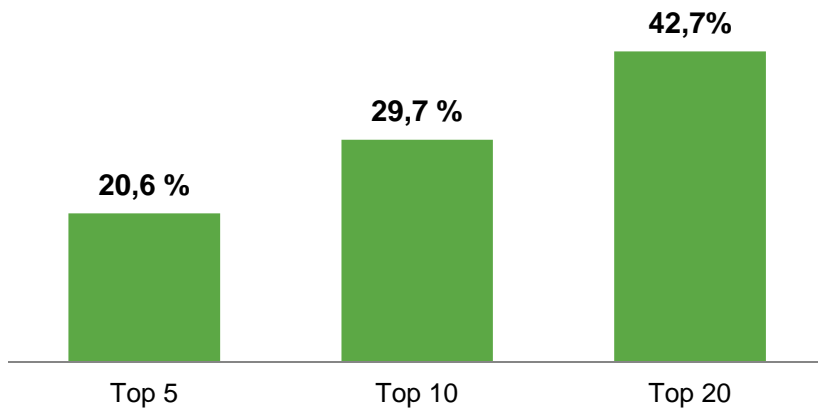
Blue Chip Customers – Nonwoven

The block lists several major nonwoven customers: Johnson & Johnson, P&G, KIRKLAND, COSTCO WHOLESALE, TARGET, BJs WHOLESALE CLUB, and Ontex Hygienic Disposables. The Lenzing logo is also present at the bottom right of this section.

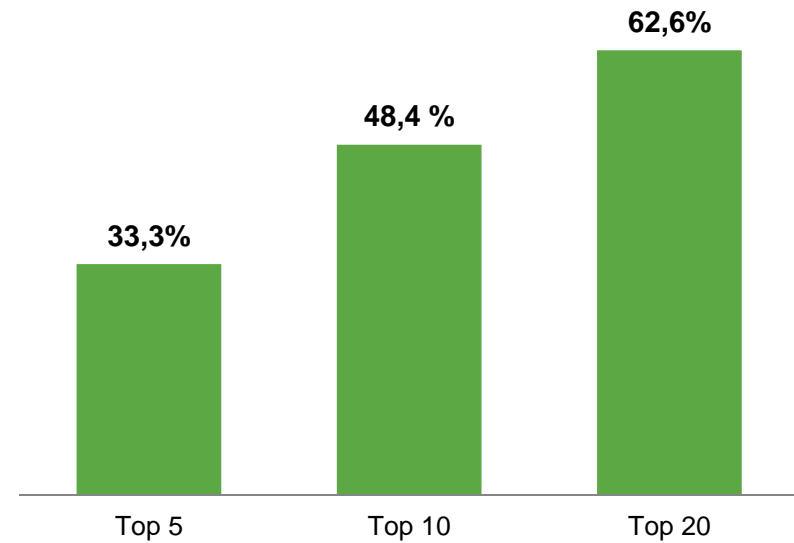
Sales and marketing

Customer concentration

Textiles – % of sales by customers
(first half of 2015¹)



Nonwoven – % of sales by customers
(first half of 2015¹)



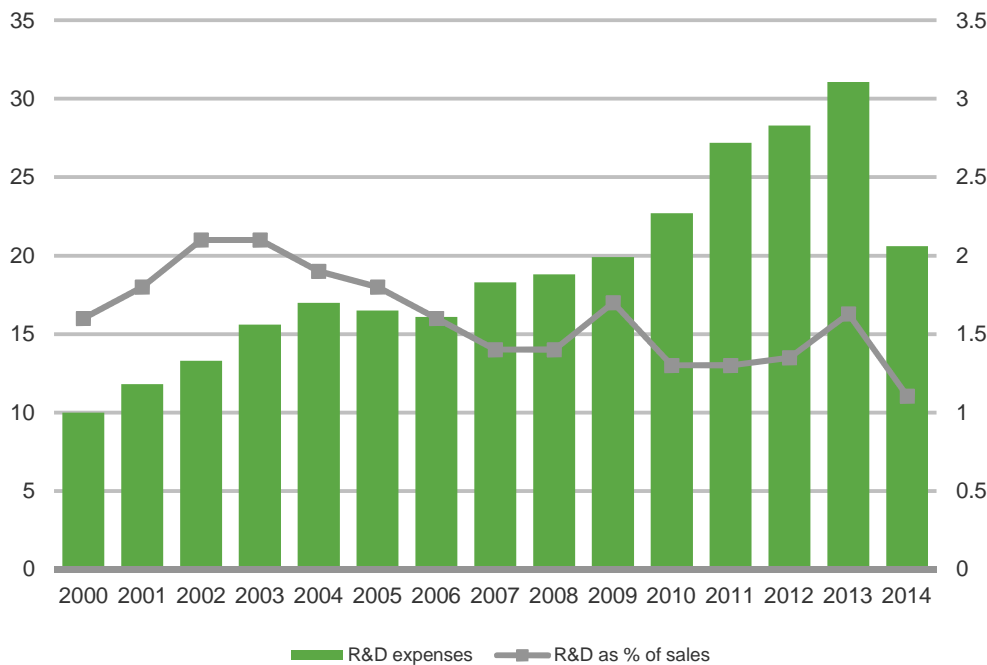
Source: LAG

1) Due to a new clustering in 2015, the figures cannot be compared to previous years

Lenzing is the innovation leader

Industry leading R&D spend (EUR 20.6¹ mn in 2014)

R&D expenses (2000-2014)



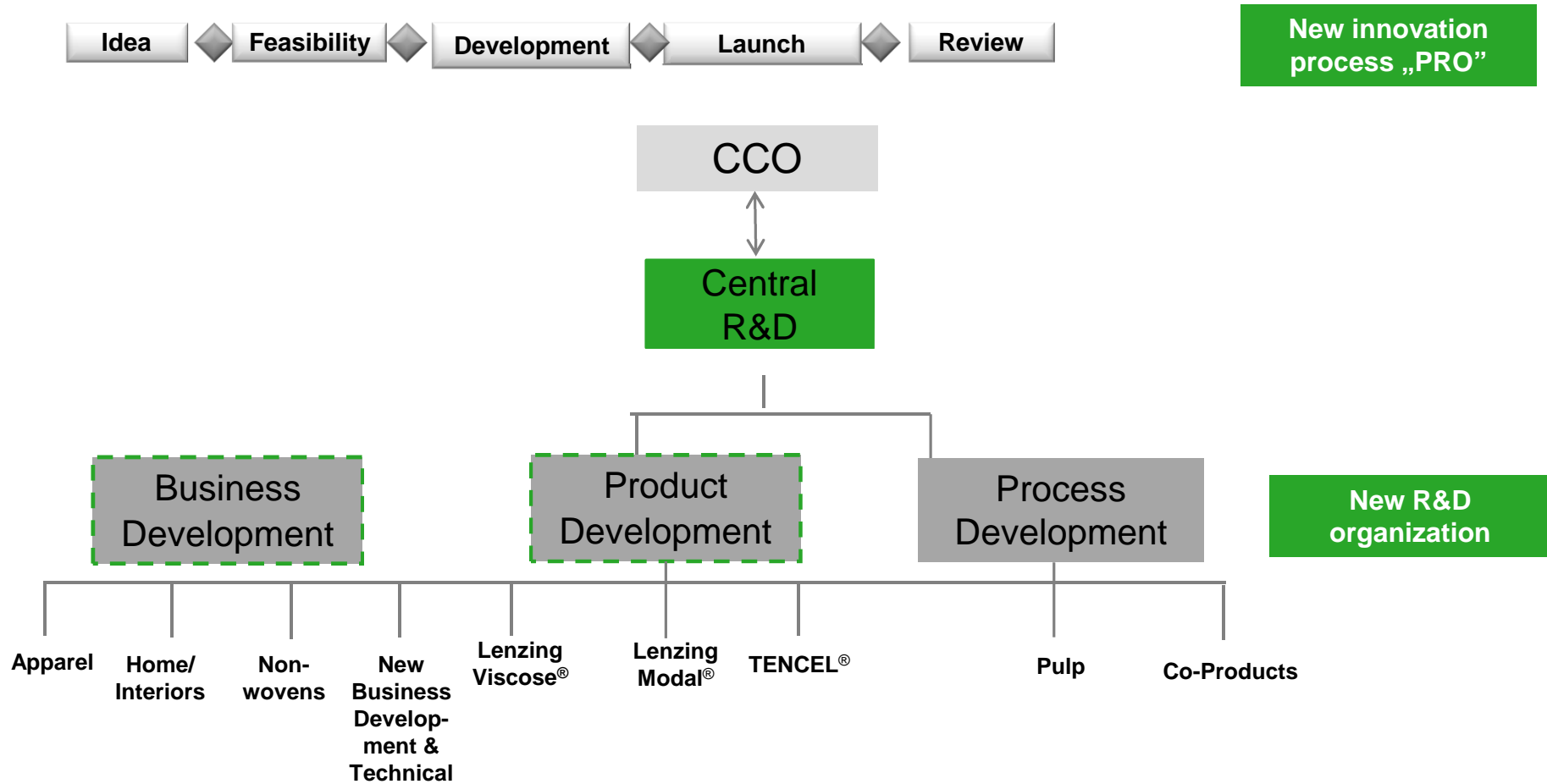
Source: LAG, as at December 31, 2014

1) Pursuant Frascati

Intellectual property

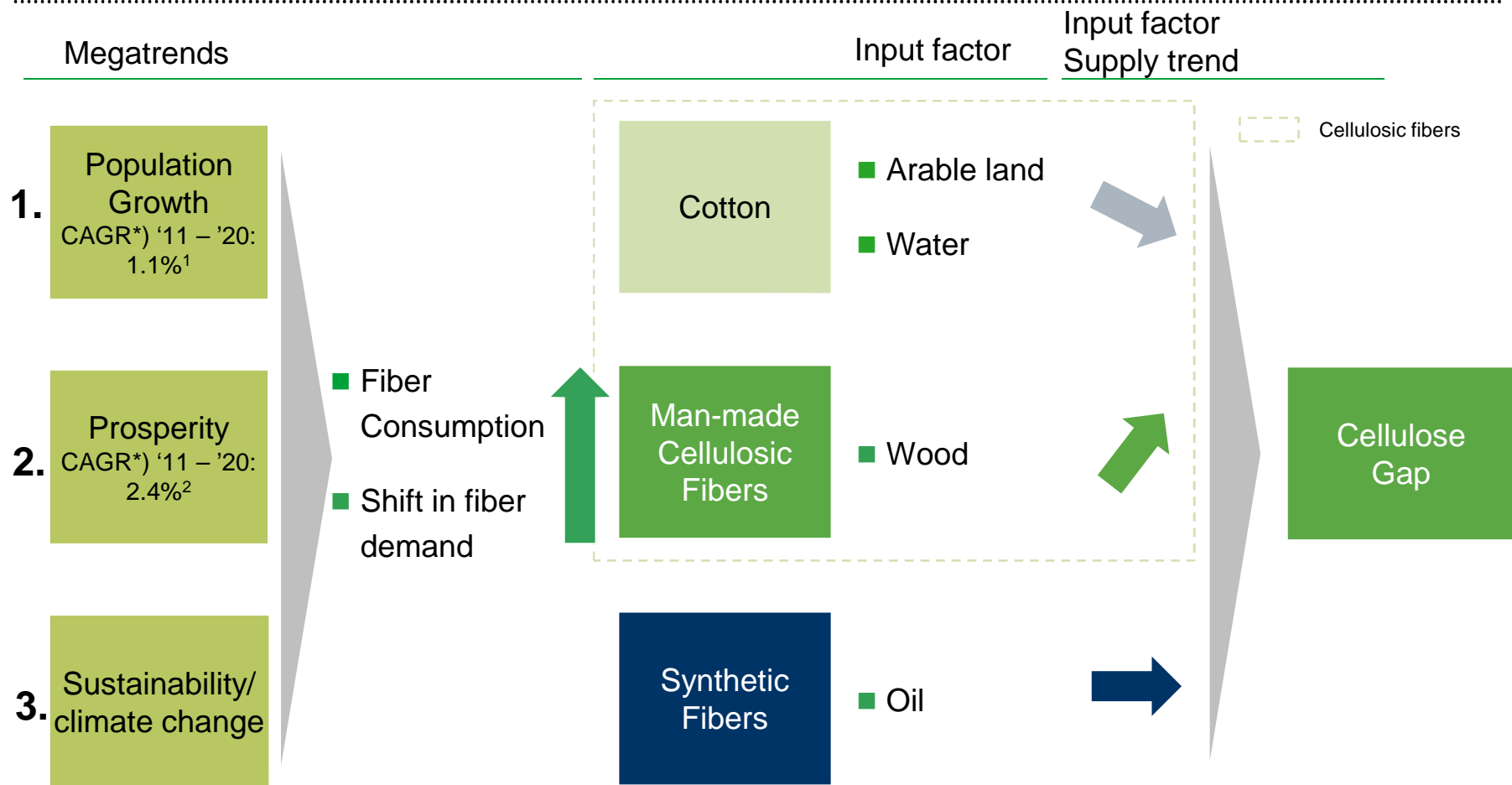
- As of December 2014, Lenzing owned approx. 1,500 patent applications and patents in 63 countries belonging to 250 patent families
- All significant patents are filed and maintained in Asia, the European Union and the Americas
- The majority of the patent portfolio focuses on lyocell technology (TENCEL®)
- As of December 2014, Lenzing owned approx. 1,680 trademark applications and trademarks in 93 countries belonging to 110 trademark families

Innovation process adapted to new functional organization



Growth drivers for the MMC market

Three megatrends



*) compound annual growth rate

1) forecasted growth from UN Population Division

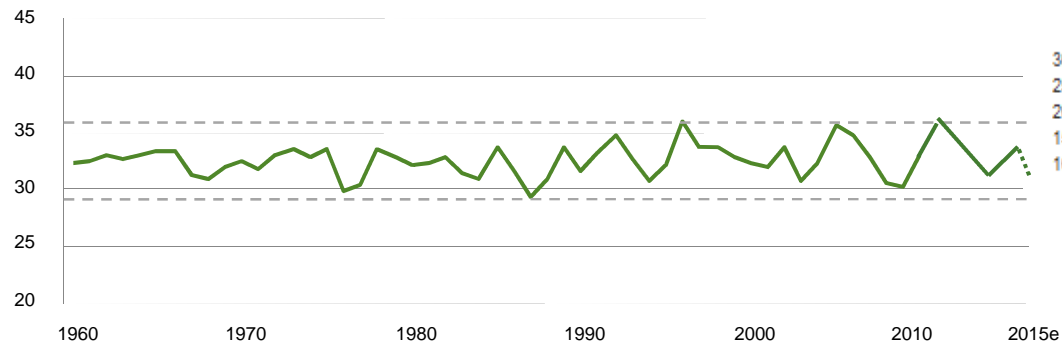
2) forecasted growth of global real GDP per capita by Global Insight

Cellulose Gap

Limited potential to increase cotton supply increases demand for MMC fibers

Cotton planted area expected to remain within historical narrow band (1960-2015e)

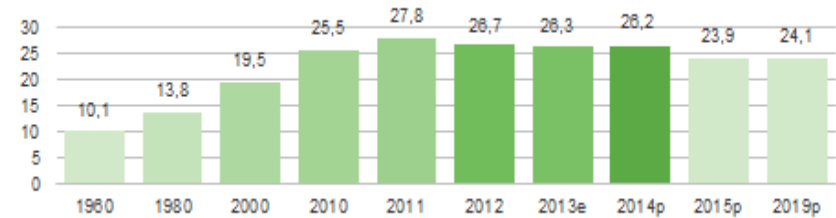
Million hectares



Source: U.S. Department of Agriculture
ICAC, July 1, 2015

Structural limitations in cotton production: effects from yield expansion leveling out

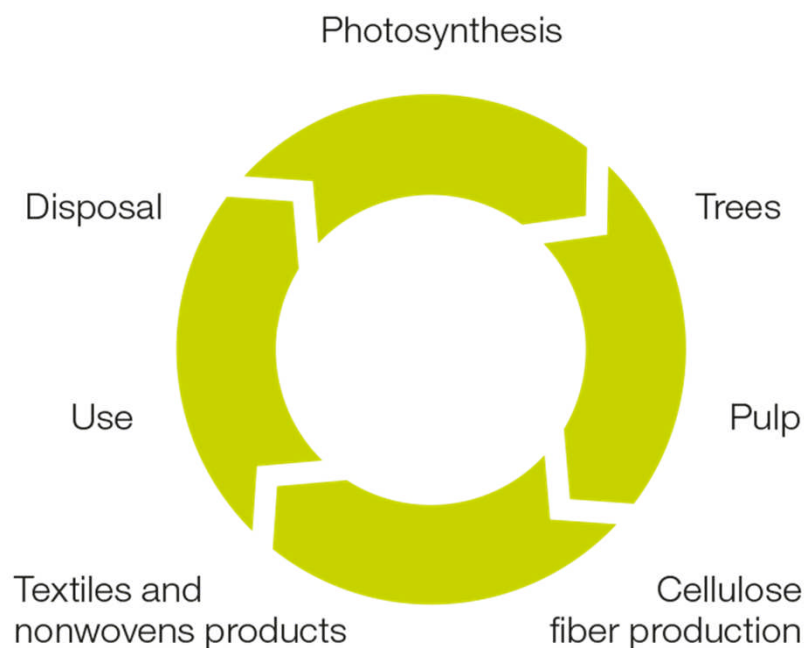
Million metric tonnes



Source: ICAC, July 1, 2015

Megatrend: Sustainability

Green footprint of MMC: Very environmentally friendly



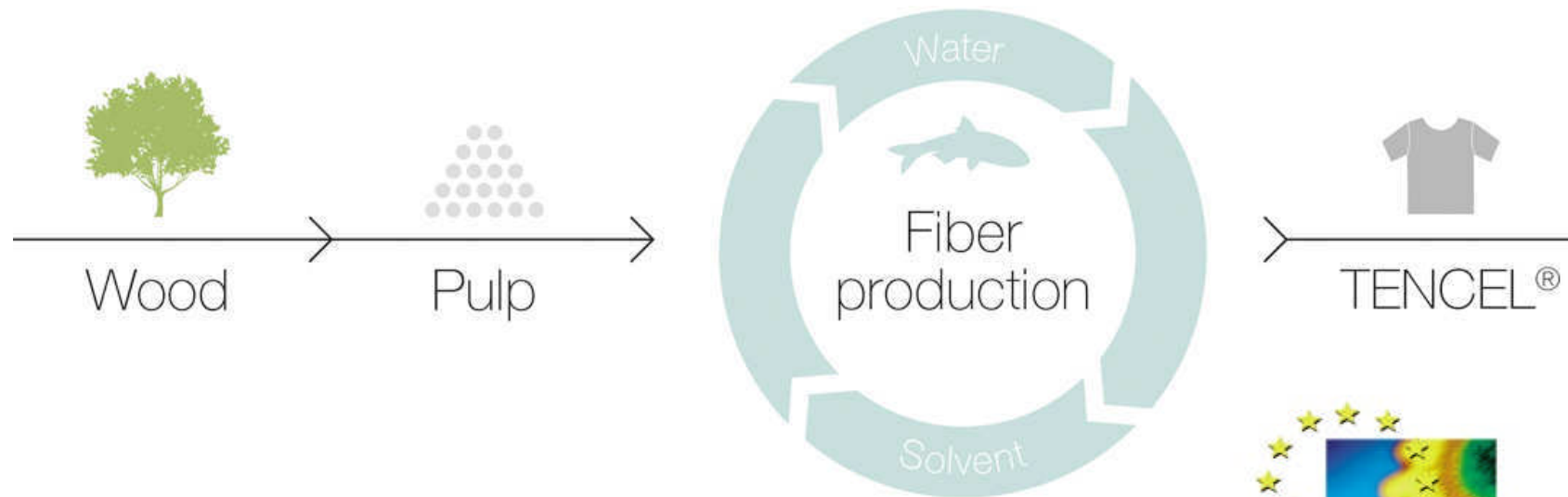
- Renewable raw material - cellulose is nature's most important construction material and available in abundance
- More than 50% of Lenzing's fuel consumption sourced from renewable resources
- Certified wood and pulp sources
 - 100% of Lenzing's wood and pulp supply either **certified** or from **controlled**¹ wood sources!
- Rate of wood utilization
- Best available manufacturing technologies
- Sustainability of fibers is confirmed by LCA, certifications and awards
- Lenzing listed in the **VÖNIX** Sustainability Index for the 10th straight year in 2015



1) Controlled according to the standards of wood certifiers and externally verified!

Megatrend: Sustainability

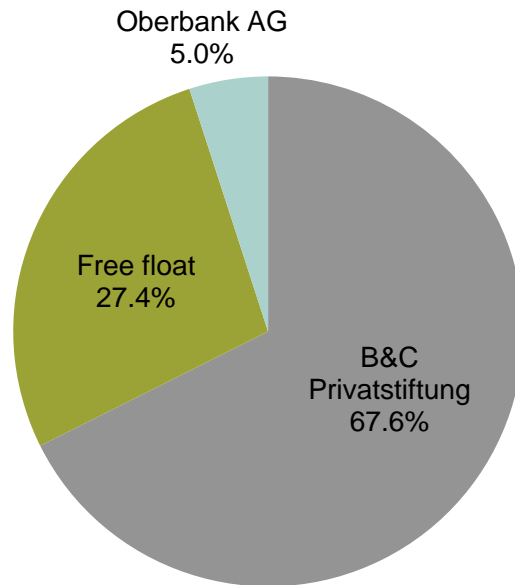
TENCEL® - a sustainable production process



- Direct solving process
- Closed-loop process
- Complete recovery of solvent



Lenzing share information



Overview of B & C Privatstiftung¹

- 67.6% 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.

| | |
|-------------------------------------|---|
| ISIN | LNZ / AT0000644505 |
| Bloomberg | LNZ:AV |
| Reuters | LNZNF.PK |
| Indices | ATX Prime, ATX Global Players, VÖNIX Sustainability Index |
| Number of shares | 26,550,000 mn |
| Share price June 30, 2015 | 63.9 EUR |
| Market capitalization June 30, 2015 | 1,696.5 mn |

Coverage as of August 25, 2015:

| | |
|--------------------------|------|
| Baader Bank | Hold |
| Berenberg Bank | Hold |
| Citi Group | Sell |
| Deutsche Bank | Hold |
| Erste Group | Hold |
| Kepler Cheuvreux | Buy |
| Raiffeisen Centrobank AG | Hold |

1) Link to B & C Privatstiftung homepage: <http://www.bcprivatstiftung.at/bc-privatstiftung/die-privatstiftung/> (only in German)

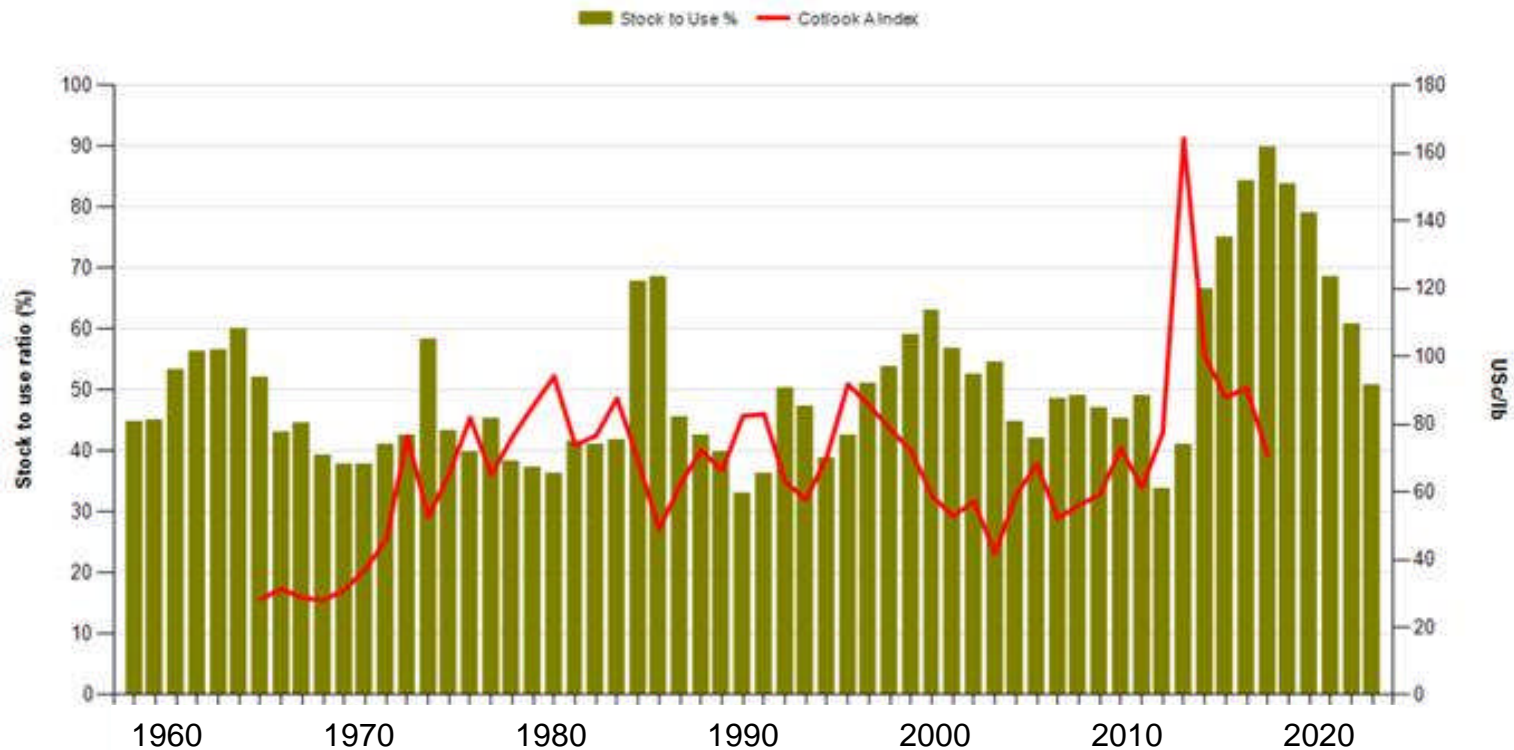
Back-up



Fiber market environment

Highest stock-to-use-ratio ever at approx. 89.9% (2014/2015¹)

- World cotton production of 26.20 mn tons, consumption of 24.36 mn tons and ending stocks of 21.89 mn tons
- Huge Chinese national cotton reserve of estimated 12.64 mmt¹ tons (>57.7% of world inventories)



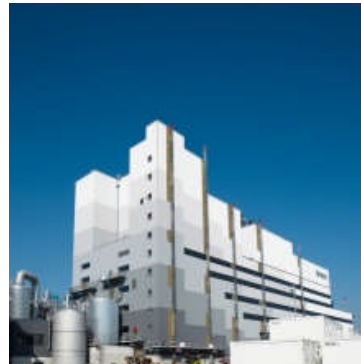
1) Estimated

Our production sites

Lenzing AG –
Austria (Fiber and pulp)



Lenzing, Austria
(TENCEL®)



PT. South Pacific Viscose –
Indonesia (Viscose)



Biocel Paskov a.s. –
Czech Republic (Pulp)



Grimsby –
Great Britain (TENCEL®)



Heiligenkreuz –
Austria (TENCEL®)



Mobile –
USA (TENCEL®)



Lenzing (Nanjing) Fibers
Co. Ltd. – China (Viscose)



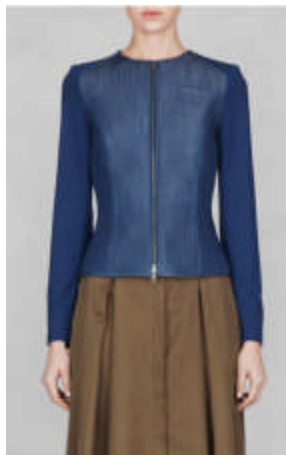
Where our fibers end up



Where our fibers end up

Apparel - Ladies' wear – close to skin

■ 100% TENCEL®



■ Jacket: 35% TENCEL® / 18% Ramie / 47% Organic cotton, Jumpsuit: 100% TENCEL®



■ Asymmetric Hem Dress
■ 100% TENCEL®



■ 100% TENCEL® ■ 65% TENCEL® / 35% Cotton



H&M

ZARA

ESPRIT

DIESEL

LENZING

Where our fibers end up

Home and Interiors

- 100% TENCEL®
bedlinen
duvets
mattresses

- Lenzing Modal®
towels
bathrobes
....



COOLMOMENTS
Erdbeere-weiße Hängeljer schlafen mit unserer Bettdecke Cool Moments!

COOLMOMENTS
Egal ob die Nacht kalt oder heiß ist - mit unseren Multivortex-Flagen Cool Moments und Sic'hotens genossen!

COOL-STER
Besseren Schlaf ohne lästiges Überkissen - mit dem Hauskissen Cool-Star!



Sleepcool
...beschleunigen einen ausserordentlich Schlaf!

Schlafkammer der Extraklasse
Erkannnen, der Ruhe korrekten, Kraft schenken, regenerieren... Sleepcool, keine Doppelkammer für einen entspannten Schlaf. Wir bieten eine kleine, aber einwohner Auswahl an Entlangsmatten, Funktionssystemen für Ihre Bettwaren, aber in Ihrem Wärmehaushalt anpassen. Ganz individuell. Ganz einfach.

Üben über Sie schlafen weniger heiß und Müde tun sie
Holen auch Sie sich den neuen Komfort direkt ins Bett!



Color of the Year 2014
PAINTONE
Radiant Orchid
14-5024

Trendfarben 2014
Trend Colours 2014

Quattro Collection
ramonah trotter

Where our fibers end up

Nonwovens

- TENCEL® wash cloth



- TENCEL® face masks



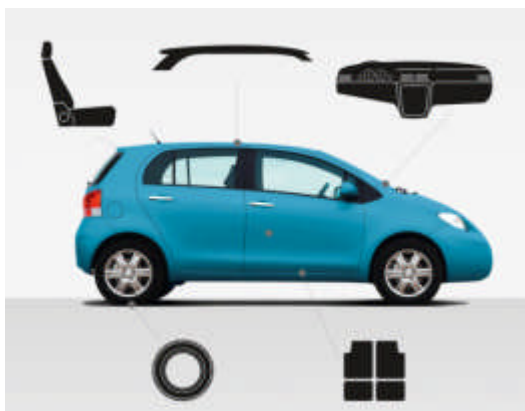
- TENCEL® hygiene articles



Where our fibers end up

New Business Development & Technical

- TENCEL®
car seats
tires
injection moldings
...



- Lenzing Modal® COLOR
vegetable and fruit nets
eg. at REWE Austria



- TENCEL®
laces
soles
outer/inner layer



Contacts and financial calendar

■ Investor Relations contact

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Head of 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:

➔ <http://www.lenzing.com/en/responsibility/our-approach.html>
<http://www.lenzing.com/en/press/publications/sustainability-reports.html>

■ Financial calendar

Financial calendar 2015

| | |
|-----------------------------|-------------------|
| Full year results | March 24, 2015 |
| 70th Annual General Meeting | April 22, 2015 |
| Results 1st quarter | May 18, 2015 |
| Half year results | August 25, 2015 |
| Results 3rd quarter | November 12, 2015 |
| Capital Markets Day | November 17, 2015 |