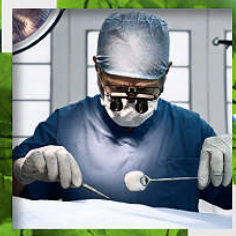


Leading Fiber Innovation



LENZING INVESTOR PRESENTATION
May 10, 2012

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Key highlights Q1/2012

- **Spot on Q1 guidance**

- Sales of EUR 528 mn
- EBITDA of EUR 93 mn and EBIT of EUR 67 mn
- Capex EUR 53 mn

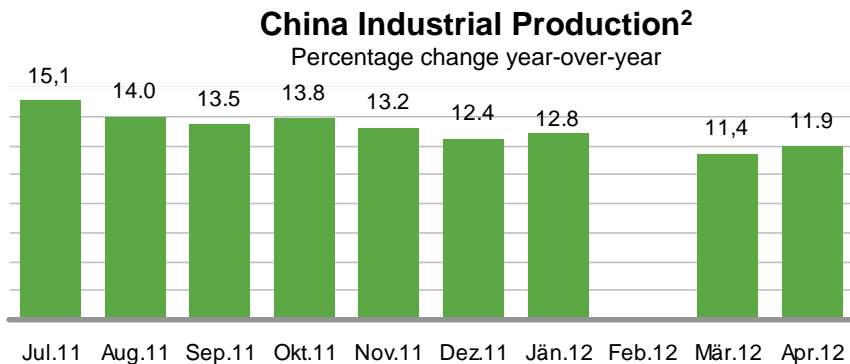
- World fiber market: **Consolidation on a high level** continues in Q1/2012

- **Net financial debt @ EUR 126 mn** (as of March 31, 2012)

Market environment

China softer, Indonesia and Turkey strong

- **China¹:** strong Chinese industrial production – however on slightly lower level than in 2011



- **Indonesia³:**
 - expected 6-6.5% annual GDP growth over the next two years
 - economy not export driven 65% of GDP is domestic
 - strong investments in the textile industry
- **Turkey⁴:**
 - GDP: +8.5% in 2011
 - strong growth due to investments in the textile industry over the last years
 - robust exports, growing domestic market
 - young, well-funded population

Turkey and Indonesia are part of the “**Next Eleven (N-11)**”⁵, with high possibility of becoming, along with the BRICs, the world's largest economies in the 21st century.

1) source: <http://www.tradingeconomics.com/china/industrial-production>, May 3, 2012

2) source: www.tradingeconomics.com; National Bureau of Statistics of China, May 3, 2012

3) source: CFA Magazine, March-April 2012

4) source: GDP-value 2011 from “Economist”, “Istanbul and bears”, April 4, 2012

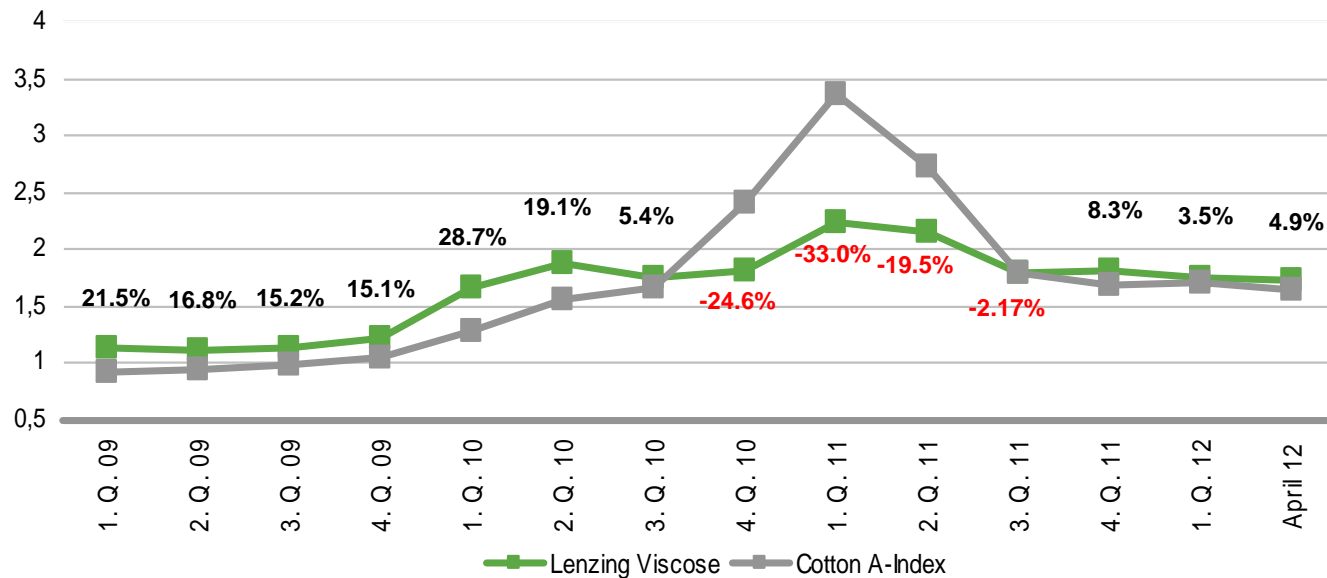
5) source: Goldman Sachs and “Handelsblatt” Jim O’Neill “Globales Beben”, April 20, 2012

Cellulose fiber market environment

Re-establishment of premium to cotton starting slowly

Historically, standard viscose fibers traded with a 15-20% premium over cotton¹.

Lenzing standard viscose vs. cotton prices
(EUR/kg)



- **World cotton area and production** expected to decrease by **-7%**²
- **Chinese cotton production** expected to reduce by **-13%**²
- **Global cotton consumption** projected to **increase by 4%**²
- **Strategic reserve at 59%** of consumption²

1) based on cotton A-Index spot in EUR/kg (Bloomberg: Cotlook A; Reuters COT-INDX-FE)

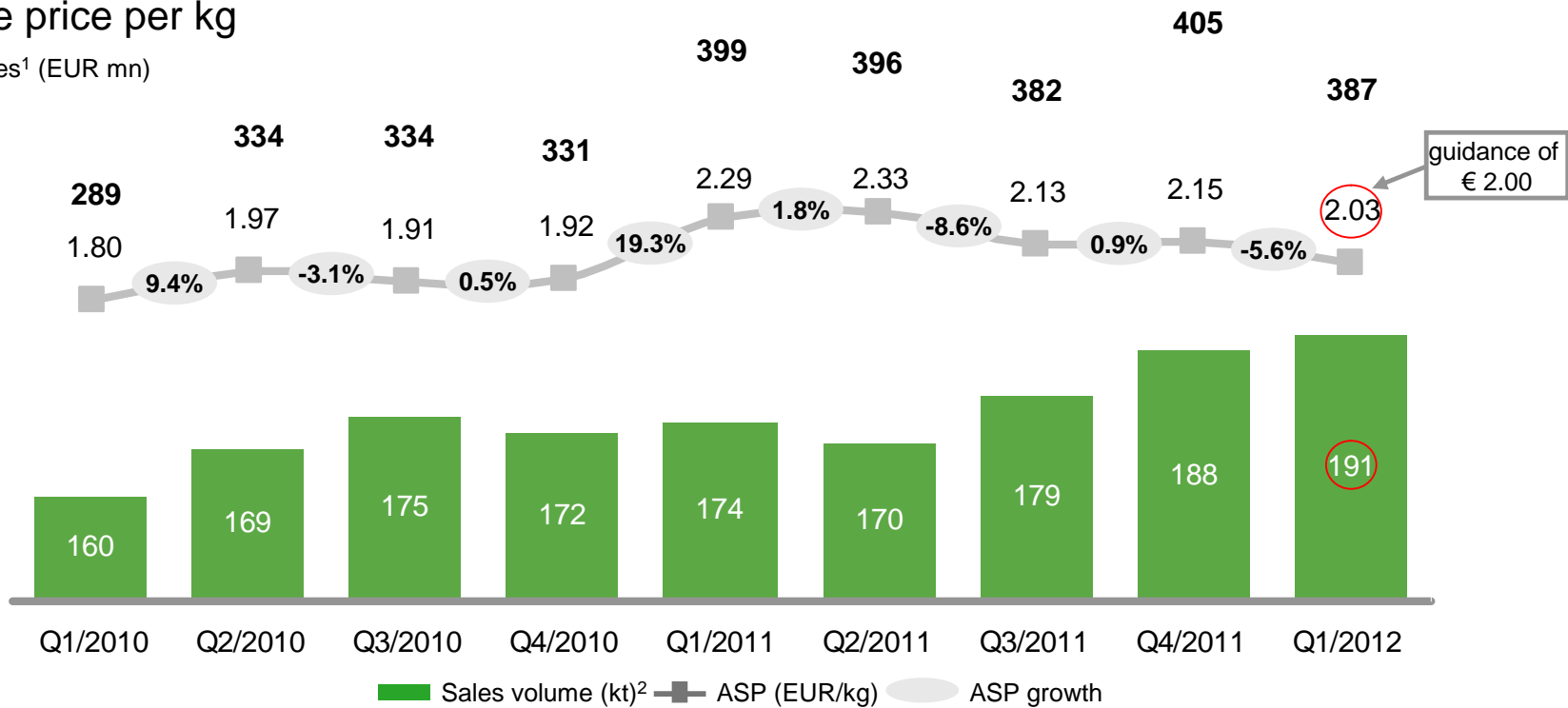
2) source: ICAC, May 1, 2012

Q1 – slightly better than expected

Record sales volume at lower average price

Average price per kg

External sales¹ (EUR mn)



1) excluding sales of co-products and external sales of pulp, wood and energy

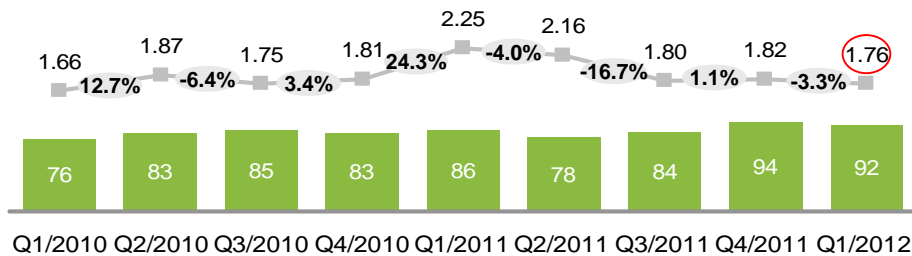
2) sales volume and not production volume

Textile fibers

Anticipated price decreases in Q1

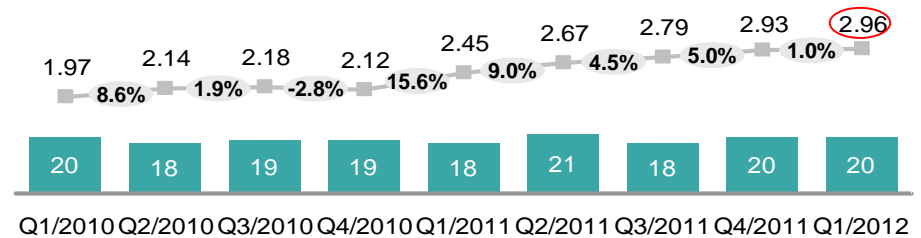
Viscose[®]: leveling out, TENCEL[®]: stable; Modal[®]: price concessions

Lenzing Viscose^{®1}



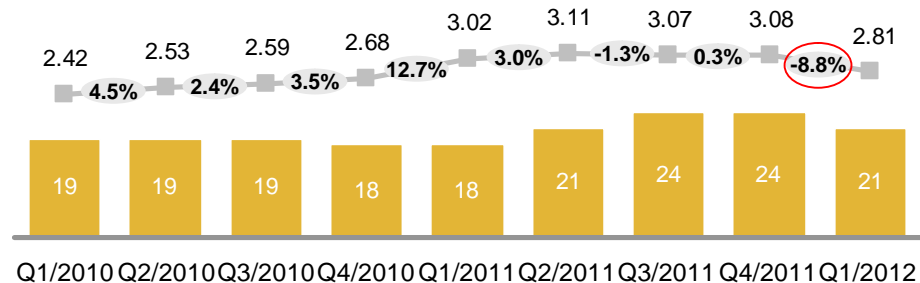
■ Sales volume (kt) ■ ASP (EUR/kg) ○ ASP growth

TENCEL^{®1}



■ Sales volume (kt) ■ ASP (EUR/kg) ○ ASP growth

Lenzing Modal^{®1,2}



■ Sales volume (kt) ■ ASP (EUR/kg) ○ ASP growth

1) excluding sales of co-products and external sales of pulp, wood and energy

2) including Lenzing FR[®]

- Slightly better than expected viscose textile prices in Q1
- TENCEL[®] prices stable in Q1 due to continued strong demand and excellent marketing
- Modal price decrease as high Q3/Q4 volumes filled the textile chain
- Slightly lower Modal sales volume in Q1 for price control reasons

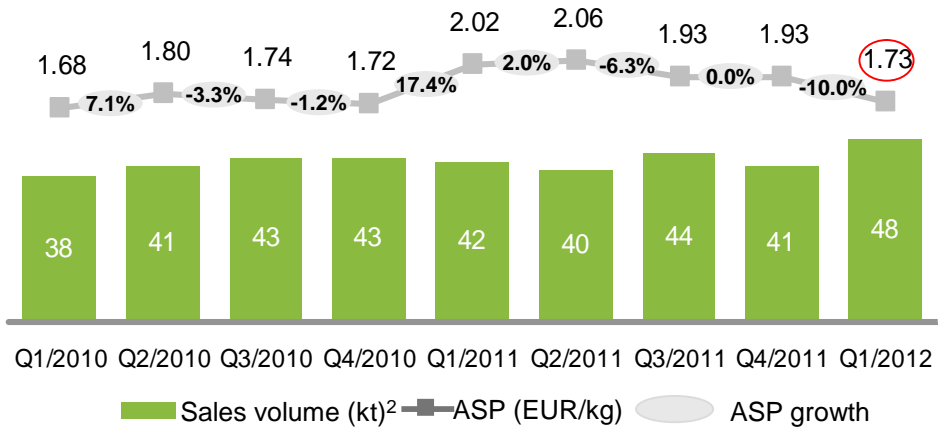


Nonwoven fibers

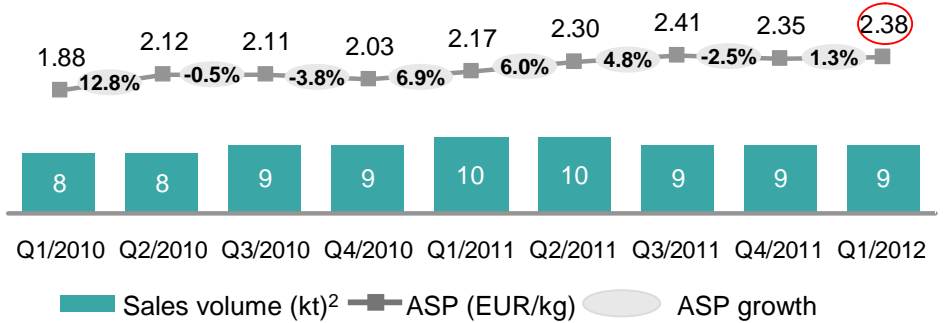
Nonwoven viscose price follows textile viscose pricing with a delay

- Viscose nonwoven decreased mainly due to contracting in December 2011 and reflecting low VSF pricing environment for textile
- TENCEL® price continues to stay at high level

Lenzing Viscose®¹



TENCEL®¹



1) excluding sales of co-products and external sales of pulp, wood and energy
 2) sales volume in tons and not production volume



Relative pricing

TENCEL® premium higher than Modal

- Modal: margins over viscose are adapting to the usual 40-50% range
- TENCEL® textile settling significantly higher than the historical range of 20-30% premium due to a much wider range of applications
- TENCEL® nonwoven premium continuing to increase based on unique product attributes

Textile fibers

Relative price (viscose = 100%)

(%)	Q1/2010	Q2/2010	Q3/2010	Q4/2010	FY 2010	Q1/2011	Q2/2011	Q3/2011	Q4/2011	FY 2011	Q1/2012
Lenzing Viscose®	100	100	100	100	100	100	100	100	100	100	100
Lenzing Modal® (incl. FR)	145	135	148	149	144	134	144	171	169	154	159
TENCEL®	118	114	124	117	118	109	124	155	161	136	168

Nonwoven fibers

Relative price (viscose = 100%)

(%)	Q1/2010	Q2/2010	Q3/2010	Q4/2010	FY 2010	Q1/2011	Q2/2011	Q3/2011	Q4/2011	FY 2011	Q1/2012
Lenzing Viscose®	100	100	100	100	100	100	100	100	100	100	100
TENCEL®	111	118	121	118	117	107	112	125	121	116	137



Q1/2012: Expected weakest quarter

Record volume with decreasing costs

(EUR mn)	Q4/2011	Q1/2012	Change in %
Sales volume man-made cellulose fibers (kt)	188	191	1.6
Total external sales	547.8	528.2	(3.6)
Inventory change / work in progress	14.0	3.9	(72.2)
Work performed by the group and capitalized	11.3	3.1	(72.5)
Cost of material and purchased services	(344.9)	(318.3)	(7.7)
Personnel & other operating expenses/income	(109.4)	(122.9)	12.3
Depreciation & Amortization	(44.6) ²	(26.7)	(40.0)
EBITDA¹	117.4	93.1	(20.7)
EBIT	74.3	67.2	(9.5)
Net income	49.5	48.4	(2.1)
Net income after minorities	48.1	47.1	(2.1)
<i>EBITDA margin (%)</i>	21.4	17.6	
<i>EBIT margin (%)</i>	13.6	12.7	

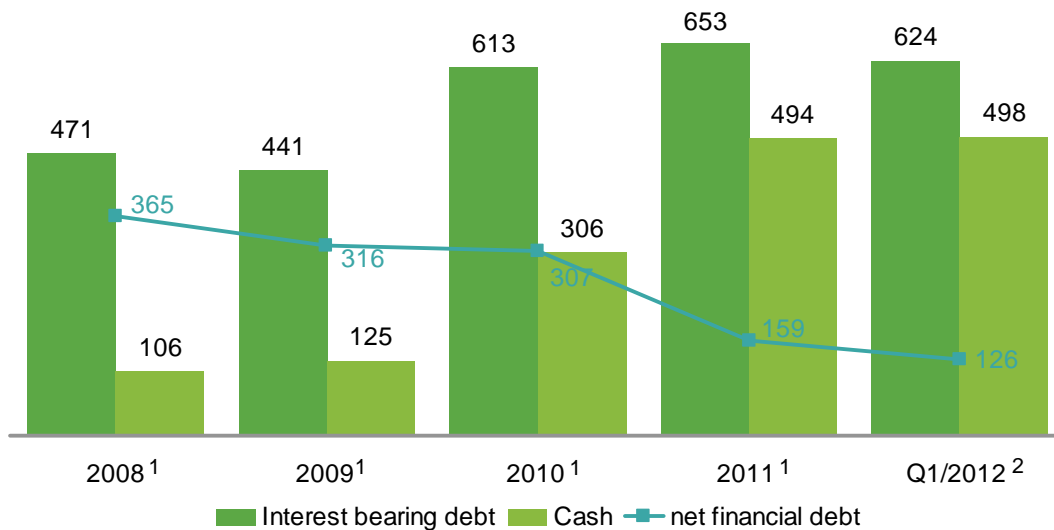
1) EBITDA defined as EBIT + depreciation – reversal of government grant

2) incl. one off write downs



11.4% net gearing

Net financial debt 2008-Q1/2012²
(EUR mn)



- Strong OFCF helped reduce net debt further to **EUR 126 mn**
- Total liquidity cushion of **EUR 749 mn** consisting of
 - EUR 498 mn cash, plus
 - EUR 251 mn of unused credit lines

1) as of 31 December
2) as of 31 March

Outlook FY 2012 confirmed

Q2/2012: no major changes compared to Q1/2012

Outlook 2012

Sales approx. **EUR 2.2 – 2.3 bn**

EBITDA approx. **EUR 400 – 480 mn**

EBIT approx. **EUR 285 – 365 mn**

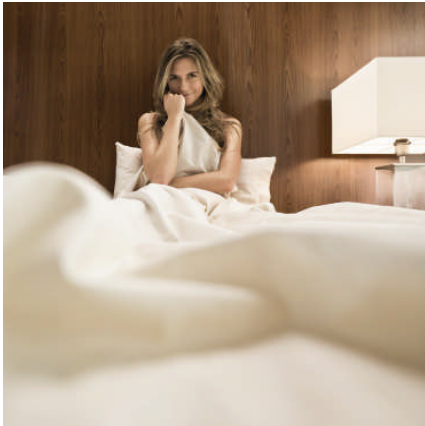
Sales volume approx. **810 k tons**

Capex approx. **EUR 350 mn**

Dividend policy approx. **25%** of consolidated net income

- Q2/2012: **no significant change** in the pricing environment compared to Q1/2012
- Q2/2012 **EBITDA expected around EUR 100 mn**
- Q2/2012 **sales volume** expected to increase to **197 kto** (Q1/2012: 191 kto)
- Catalysts for H2/2012:
 - **Macro-economic** environment
 - **Private consumption in China** (monetary policy)
 - **New cotton season (2012/13)** lower planted area and production, higher consumption

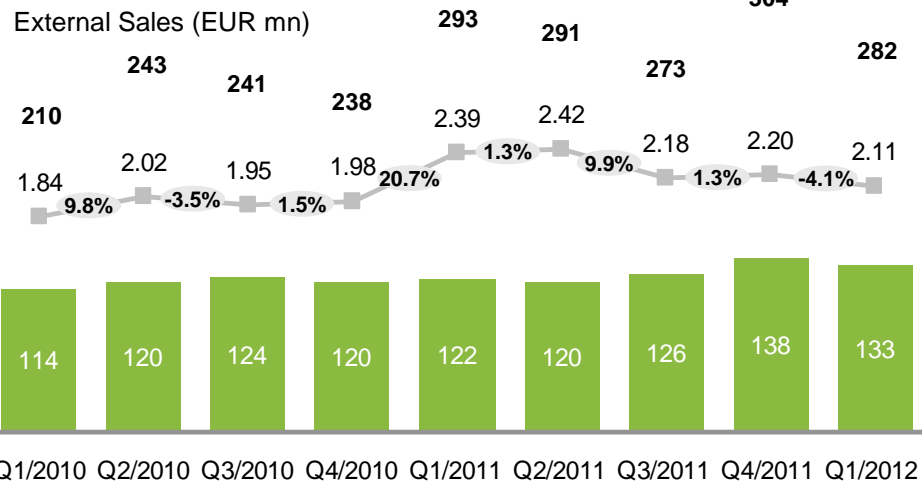
Q1/2012 – Financial information



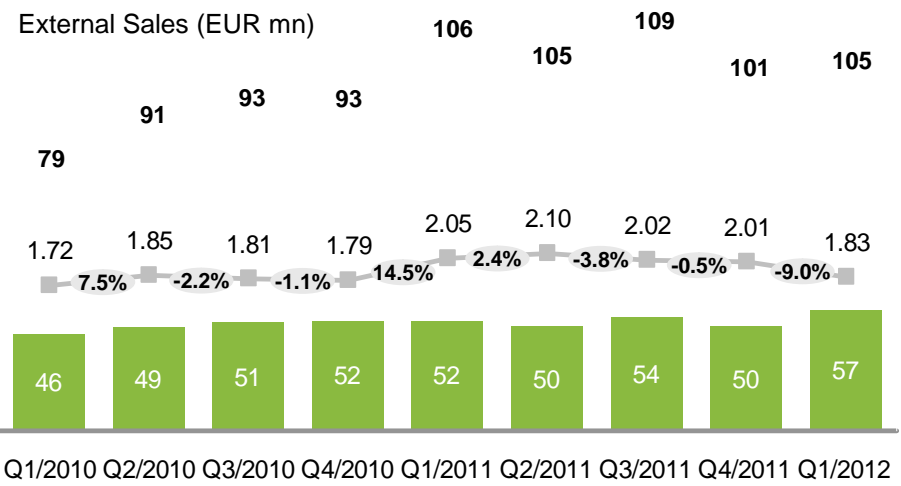
Textile and nonwoven fibers

Decline of standard viscose textile prices softened by TENCEL® prices

Textile fibers¹



Nonwoven fibers¹



■ Sales volume (kt) ■ ASP (EUR/kg) ○ ASP growth

■ Sales volume (kt) ■ ASP (EUR/kg) ○ ASP growth

1) excluding sales of co-products and external sales of pulp, wood and energy

Topline breakdown

Reduced textile fiber sales and stable nonwoven sales

(EUR mn)	Q1/2011	Q2/2011	Q3/2011	Q4/2011	Q1/2012	Change Q4/Q1 (%)
Breakdown of fibers segment sales						
Textile fibers	292.6	290.6	273.0	303.8	281.7	(7.2)
Nonwoven fibers	106.2	105.4	108.7	100.8	104.9	4.1
Other ¹	10.3	10.8	10.9	12.1	12.3	1.7
Total fibers only sales	409.1	406.8	392.6	416.7	398.9	(4.3)
Other fibers segment sales ²	72.2	80.0	75.7	86.4	75.5	(12.6)
Total fibers segment sales	481.3	486.8	468.3	503.1	474.4	(5.7)
Plastics Products	44.9	47.2	43.4	37.1	43.4	17.0
Engineering	30.8	22.8	26.2	27.2	30.0	10.3
Consolidation	(25.0)	(12.4)	(21.9)	(19.8)	(19.6)	(1.0)
Total external group sales	532.1	544.1	515.9	547.8	528.2	(3.6)

1) includes sales of sodium sulfate and black liquor

2) includes external sales of pulp, wood and energy

Decreasing costs with slightly increasing capacity

Pulp is key – taking advantage of lag effect of NBSK price reduction

(EUR mn)	Q1/2011	Q2/2011	Q3/2011	Q4/2011	Q1/2012	Change Q4/Q1 (%)
Dissolving pulp ¹	136.2	138.4	144.2	146.1	131.6	(9.9)
as % of total cost of material and purchased services	44.7	42.7	47.8	42.3	41.3	
Key chemicals	29.7	32.2	37.1	40.1	41.7	4.0
as % of total cost of material and purchased services	9.7	9.9	12.3	11.6	13.1	
Energy	29.3	30.2	33.0	36.3	35.6	(1.9)
as % of total cost of material and purchased services	9.6	9.3	10.9	10.5	11.2	
Other ²	109.5	123.4	87.6	122.4	109.4	(10.6)
as % of total cost of material and purchased services	35.9	38.1	29.0	35.5	34.4	
Total cost of material and purchased services	304.7	324.2	301.9	344.9	318.3	(7.7)
as % of external sales	57.3	59.6	58.5	63.0	60.3	
Total external sales	532.1	544.1	515.9	547.8	528.2	(3.6)

1) including cost for wood

2) other includes trading goods, other raw materials, packaging, auxiliary material

Cash flow by quarter

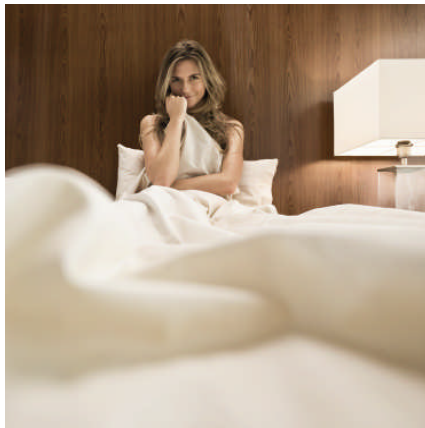
Continuing strong operating cash flow

(EUR mn)	Q1/2011	Q2/2011	Q3/2011	Q4/2011	Q1/2012	Change Q4/Q1 (%)
Gross CF	89.7	101.8	97.0	100.5	73.9	(26.5)
Change in total WC ¹	1.0	(5.7)	(30.0)	(44.6)	11.6	-
Operating cash flow	90.7	96.1	67.0	55.8	85.4	53.0
Investment cash flow ²	(44.6)	(40.4)	(38.5)	(92.7)	(22.6)	(75.6)
OFCF	46.1	55.7	28.5	(36.9)	62.9	-
<i>Gross CF as % of external sales</i>	<i>16.9</i>	<i>18.7</i>	<i>18.8</i>	<i>18.3</i>	<i>14.0</i>	<i>-</i>
<i>Gross CF as % of EBITDA</i>	<i>78.1</i>	<i>76.6</i>	<i>84.3</i>	<i>85.6</i>	<i>79.4</i>	<i>-</i>

1) including trade and other working capital

2) including investment in financial assets and disposal proceeds

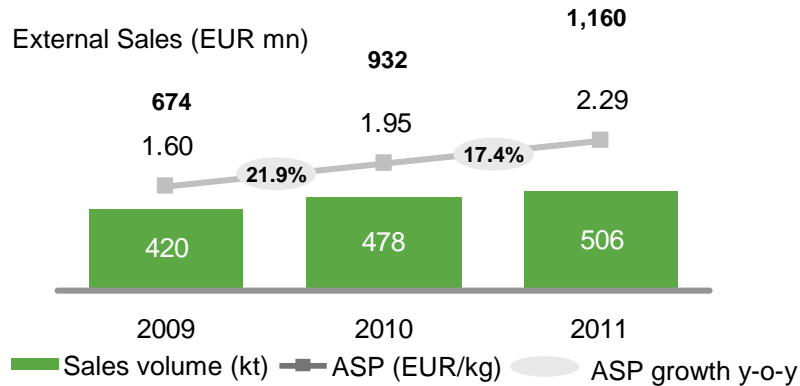
FY 2010, 2011 – Financial information



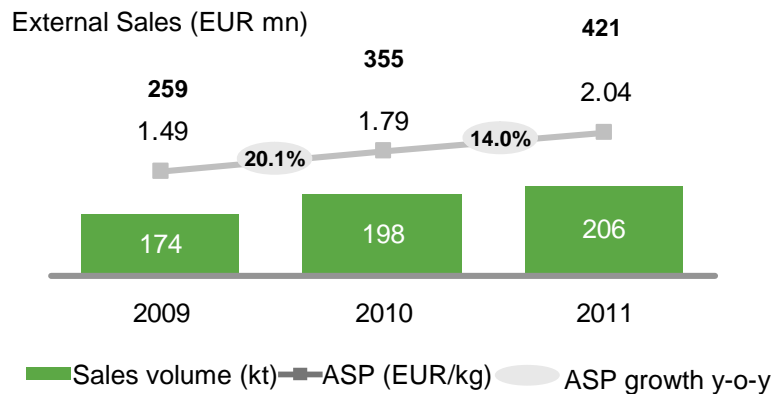
Sales driver fibers

Both textile & nonwoven fibers with price increases

Textile fibers¹



Nonwoven fibers¹



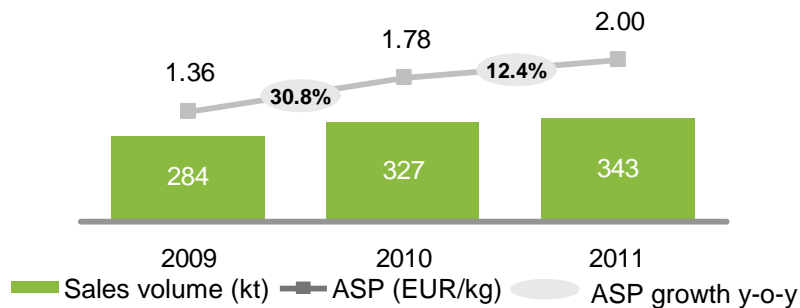
1) excluding sales of co-products and external sales of pulp, wood and energy

- Textile fibers have higher average selling prices compared to nonwoven fibers:
 - Premium pricing of Lenzing Modal[®] purely reflected in textile fibers
 - The relative portion of TENCEL[®] in textile is higher than in nonwoven business
- Nonwoven fibers important factor in achieving balanced portfolio in terms of end markets and geographies
- Nonwoven fibers generally more stable pricing

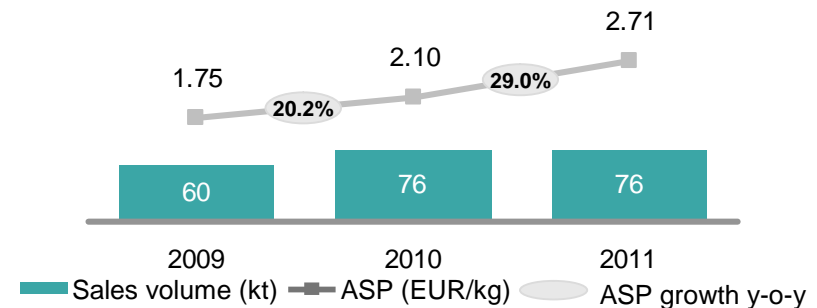
Sales driver – textile fibers

Significant price premium achieved for specialty fibers

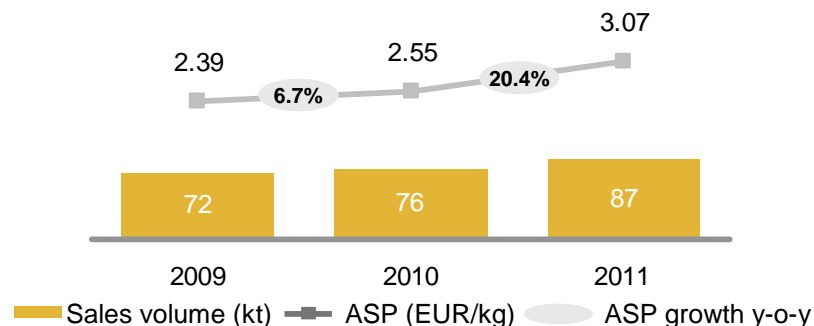
Lenzing Viscose^{®1}



TENCEL^{®1}



Lenzing Modal^{®1}

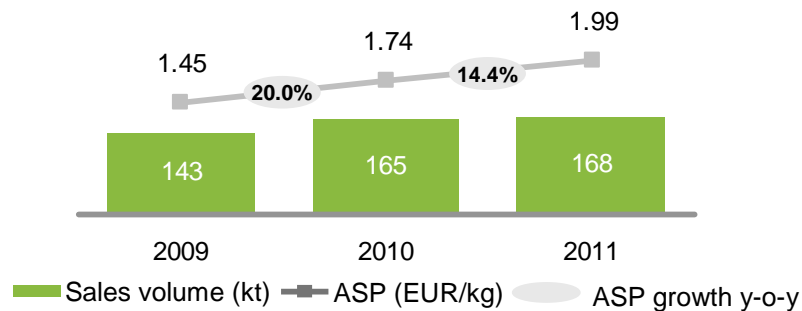


- As high-end niche market product Lenzing Modal[®] showed excellent pricing throughout the year:
 - Well established in the market
 - No substitute available
 - Includes high margin Lenzing FR[®] fibers
- TENCEL[®] well established showed tremendous price increases throughout the year

1) excluding sales of co-products and external sales of pulp, wood and energy

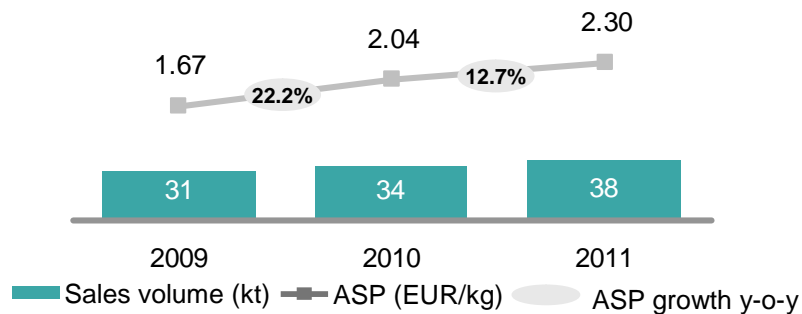
Sales driver – nonwoven fibers

Lenzing Viscose®¹



- Attractive and more stable pricing for Lenzing Viscose® in nonwoven compared to textile business unit (lower competition due to high quality requirements)
- TENCEL® in the nonwoven segment also fully established in the market place which is reflected in continued price increases

TENCEL®¹



1) excluding sales of co-products and external sales of pulp, wood and energy

Relative pricing

Textile fibers

Relative price (viscose = 100%)

(%)	2009	2010	2011
Lenzing Viscose®	100	100	100
Lenzing Modal® (incl. FR)	175	144	154
TENCEL®	128	118	136

Nonwoven fibers

Relative price (viscose = 100%)

(%)	2009	2010	2011
Lenzing Viscose®	100	100	100
TENCEL®	115	117	116

Consolidated Group P&L – external sales

(EUR mn)	2010	2011
Total External Sales	1,766	2,140
Fibers	1,596	1,940
Plastic Products	145	173
Engineering	94	107
Others	3	3
Consolidation	(74)	(82)
Cost of material and purchased services	(1,029)	(1,275)
Personnel	(259)	(287)
Depreciation & Amortization	(103)	(121)
Other operating expenses	(218)	(205)
Other operating income and other ¹	74	112
EBIT	232	364
<i>Margin</i>	13.1%	17.0%
Income from invest. in associates & other income	3	12
Finance cost	(16)	(23.9)
Result from terminable non-controlling interest	(2)	(0.2)
Tax	(40)	(85)
Income from discontinued operations	(7)	0
Net income	170	267
<i>Margin</i>	9.6%	12.5%
Net income after minorities	159	259
<i>Margin</i>	9.0%	12.1%

1) other = work performed by group, changes in inventory & cost of material purchased

Stable gross margins

Cost of material and purchased services increase in line with sales increase

(EUR mn)	2010	2011	Change in %
Dissolving pulp	435	564.9	29.9
as % of total cost of material and purchased services	42.3	44.3	
Key chemicals	105	139.1	32.5
as % of total cost of material and purchased services	10.2	11.0	
Energy	106	128.8	21.5
as % of total cost of material and purchased services	10.3	10.1	
Other ¹	383	442.9	15.6
as % of total cost of material and purchased services	37.2	34.7	
Total cost of material and purchased services	1,029	1,275.7	24.0
as % of external sales	58.3	59.6	
Total external sales	1,766	2,140	21.2

1) other includes trading goods, other raw materials, packaging, auxiliary material

Remaining Opex: stable development

Representing approx. 28% of total cost and are very stable

(EUR mn)	2010	2011	Change in %
Total personnel expenses	259	287	10.8
as % of external sales	15	13	
Other operating expenses			
Freight outward	62	68	9.7
Commissions and advertising costs	22	29	31.8
Service and maintenance and other purchased services ¹	45	33	(26.7)
Other	89	75	(15.7)
Total other operating expenses	218	205	(6.1)
as % of external sales	12	10	
Personnel & other operating expense	477	492	3.1
as % of external sales	27	23	
Total external sales	1,766	2,140	21.2

Cash flow

(EUR mn)	2010	2011	Change in %
Gross CF	293	389	32.8
Change in total WC ¹	11	(79)	n.a.
Discontinued operations	(9)	-	n.a.
Operating cash flow	294	310	5.3
Investment cash flow ²	(280)	(216)	(23.0)
Discontinued operations	(1)	-	n.a.
OFCF	13	94	n.a.
<i>Gross CF as % of external sales</i>	16.6	18.2	n.a.
<i>Gross CF as % of EBITDA</i>	88.6	81.1	n.a.

1) including trade and other working capital

2) including investment in financial assets, acquisitions and disposal proceeds

December 31, 2011 balance sheet – assets

(EUR mn)	31/12/2010	31/12/2011	Change in %
Intangible assets	87.7	90.1	2.7
Property, plant and equipment	1,002.8	1,091.7	8.9
Investments in associates	24.7	30.3	22.4
Other financial assets	67.3	93.6	39.1
Deferred taxes	10.1	10.8	6.9
Other long-term assets	2.5	9.3	276.1
Long term assets	1,195.1	1,325.8	10.9
Inventories	222.8	284.6	27.8
Trade receivables	181.5	236.8	30.4
Short-term taxes	14.8	11.7	(20.9)
Other receivables and assets	58.6	64.4	9.8
Investments	5.1	6.7	31.4
Cash and cash equivalents	249.4	410.5	64.6
Short-term assets	732.2	1,014.7	38.6
Assets of discontinued operations	36.1	0.0	(100.0)
Total assets	1,963.4	2,340.5	19.2

December 31, 2011

balance sheet – equity & liabilities

(EUR mn)	31/12/2010	31/12/2011	Change in %
Common stock	26.7	27.6	3.2
Capital reserves	63.6	133.9	110.6
Retained earnings and other reserves	613.6	828.2	35.0
Share of shareholders of Lenzing AG	703.9	989.7	40.6
Non-controlling interests	28.1	34.0	21.0
Equity	732.0	1,023.7	39.8
Bank loans and other loans	552.3	518.5	(6.1)
Trade payables	1.5	0.0	-
Provisions, deferred taxes and others	176.3	192.8	9.4
Long-term liabilities	760.3	734.3	(3.4)
Government grants	30.2	23.1	(22.5)
Bank loans and other loans	60.5	134.4	-
Trade payables	134.1	148.5	10.7
Other provisions and liabilities and others	237.9	291.4	22.5
Short-term liabilities	471.2	582.4	23.6
Government grants	4.1	8.2	
Liabilities of discontinued operations	34.5	-	-
Total equity and liabilities	1,963.4	2,340.5	19.2

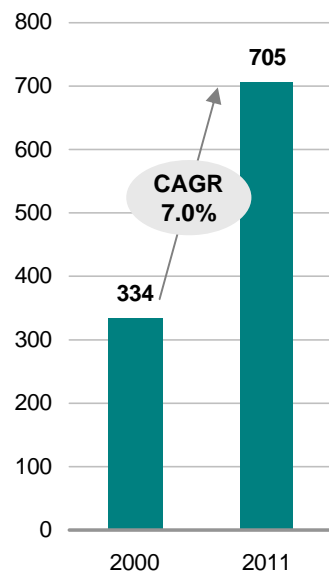


Double-digit growth profile

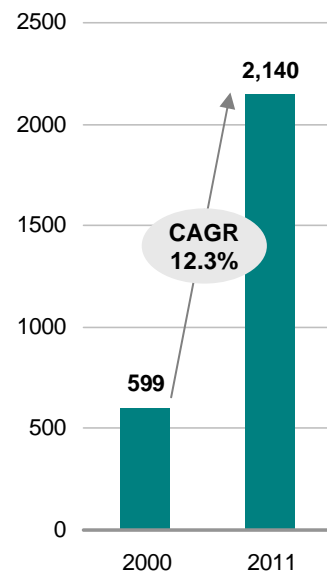
Lenzing has managed growth successfully in the past

■ Double-digit growth p.a. over last 11 years

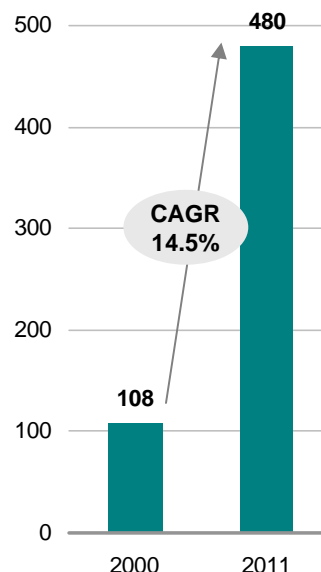
Fiber production
(1,000's metric tons)



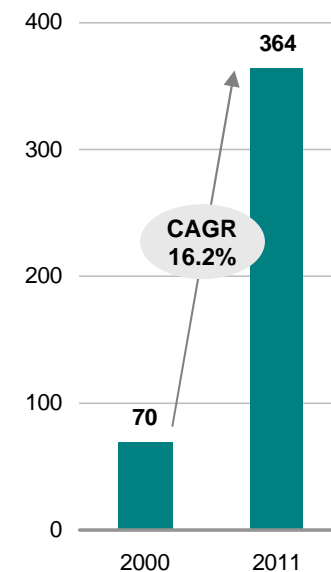
Total external sales¹
(EUR mn)



EBITDA¹
(EUR mn)

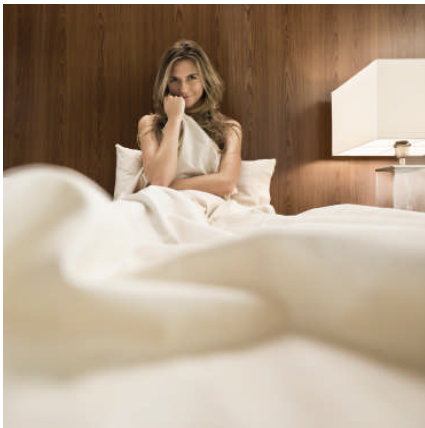


EBIT¹
(EUR mn)



1) 2000 based on US GAAP; 2010 based on IFRS

Appendix – Company information



Clear targets and framework

2011 - 2015

Growth

- Double-digit topline CAGR
- Invest EUR 1.6 bn
- Expand fiber capacity to approx. 1.2 million tons
- Grow pulp production up to 800,000 metric tons

Innovation

- Spend industry leading approx. 1.5% of sales on R&D
- >33% of total MMC fibers TENCEL® and Lenzing Modal® (incl. Lenzing FR)
- Leading Fiber Innovation

Financial framework

- Net debt/EBITDA not above 2.5x
- ROCE not below 12%
- Equity always above 35%

Introduction

Complementary Management Team



Peter Untersperger
Chief Executive Officer



Friedrich Weninger
Chief Operating Officer



Thomas G. Winkler
Chief Financial Officer

Age

■ 52

■ 55

■ 48

Education

- Master of law and business administration (University of Linz)
- Doctorate in law (University of Linz)

- Master of Business Administration IMD (Lausanne/Switzerland)
- Graduate engineer of construction engineering (University of Innsbruck)

- Master of law (LLM) (University of Cape Town)
- Master of law (University of Salzburg)

Relevant Experience

- CEO Lenzing AG since January 2009
- CFO Lenzing AG for 10 years
- CEO South Pacific Viscose Indonesia for 3 years
- CFO South Pacific Viscose for 4 years
- **25 years with Lenzing AG**

- COO Lenzing AG since January 2009
- General Manager/Vice President Business Unit Textile Fibers for 5 years
- Head of Logistic/Marketing/Sales Lenzing AG for 10 years
- **21 years fiber experience**

- CFO Lenzing AG since April 2010
- Executive Vice President JSFC Sistema for 1 year
- CFO T-Mobile Int. AG for 6 years
- Head of Investor Relations Deutsche Telekom AG for 3 years
- **20 years capital markets experience**

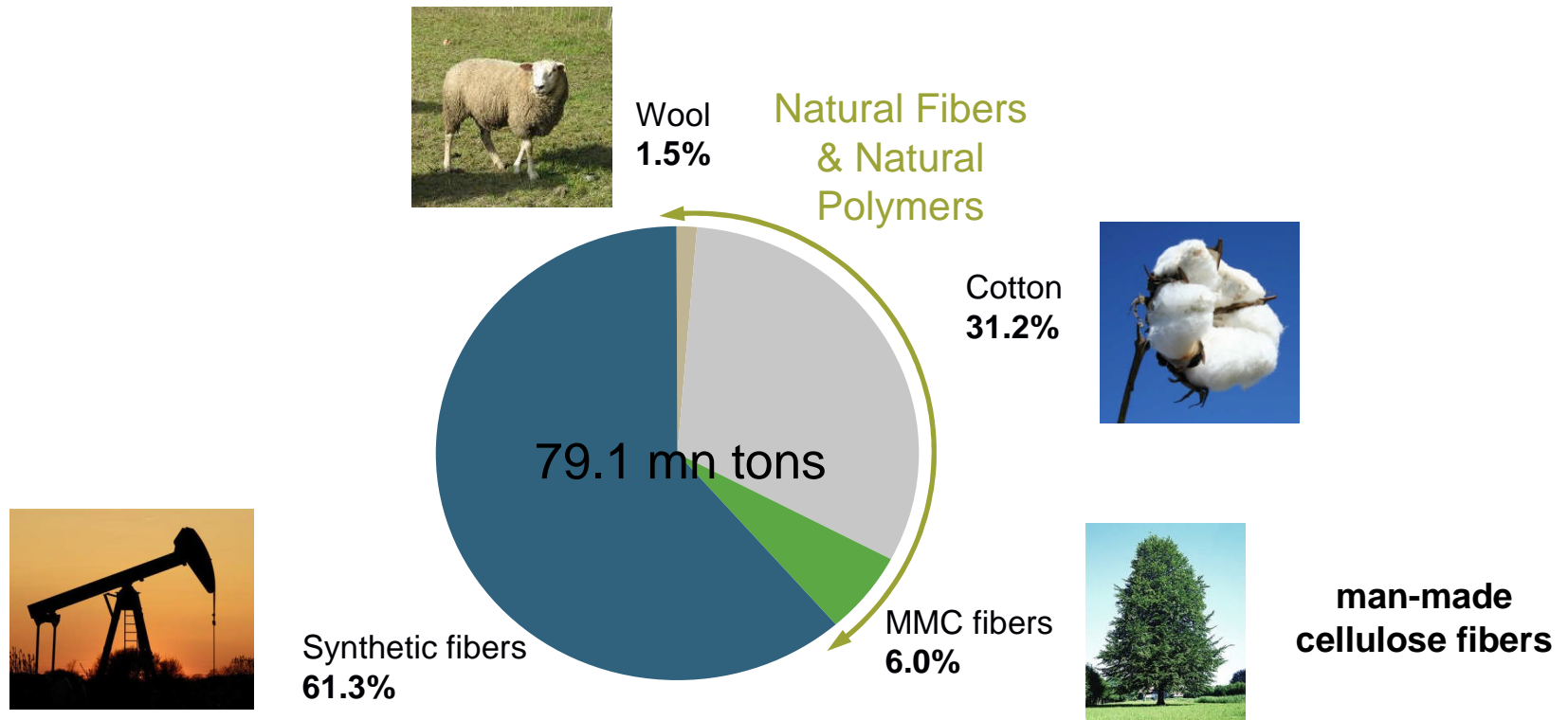
Key investment highlights

A straightforward story of leadership and growth



Global fiber market 2011

Global fiber production 2011E¹

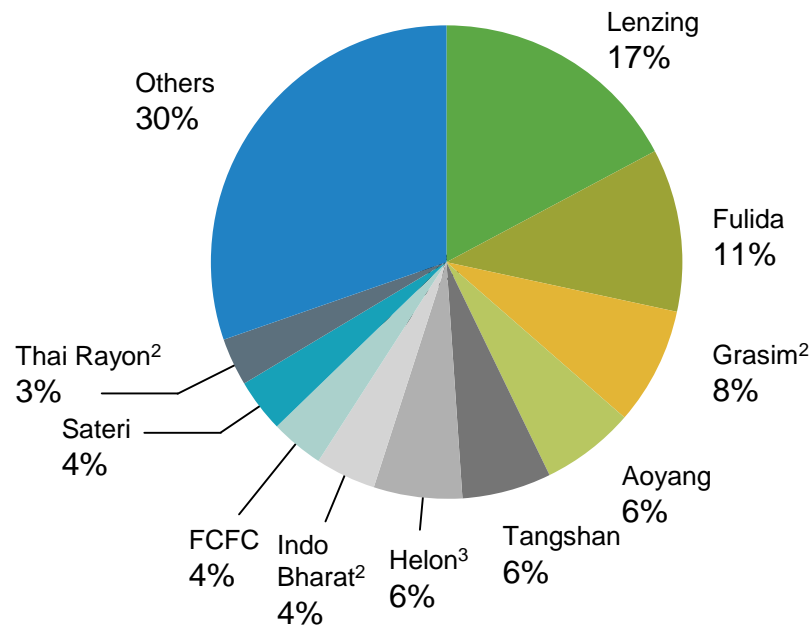


Source: The Cellulose Gap, Gherzi, February 2011

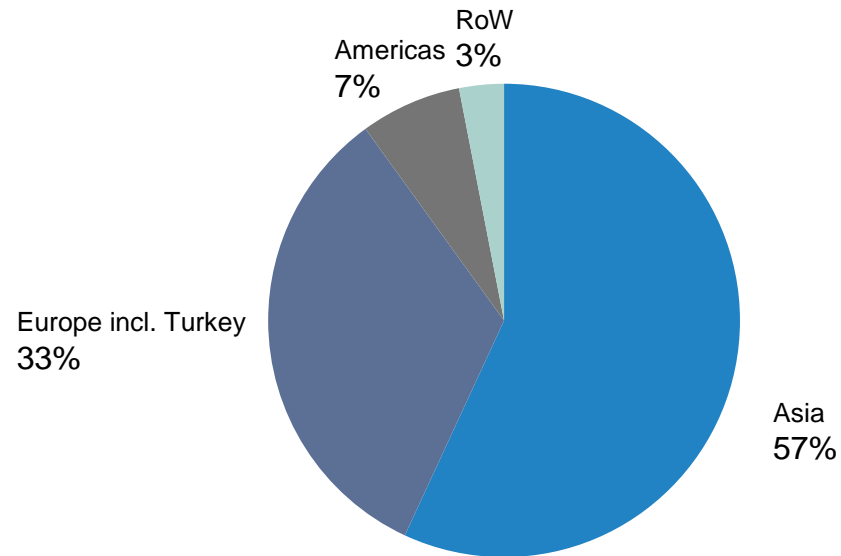
1) assuming a population of 7.0 bn and a per capita fiber consumption of 10.9 kg

Global market leader in a fragmented market

Lenzing with 17% market share¹



Only true global player – sales by region⁴



Source: Company information; The Cellulose Gap, Gherzi, February 2011

- 1) by capacity, based on latest available company information from company websites and annual/interim reports
- 2) direct or indirect non-controlling shareholdings by private Indian conglomerate Aditya Birla; marketing of viscose staples fibers under the "Birla" umbrella brand
- 3) in bankruptcy
- 4) fiber sales by volume in metric tons FY 2011

Global market leader

Technology leadership secures leading market shares



	Market Position and Market Share in FY 2011 ¹	Unique Selling Proposition	Key End Markets	% of Fiber Sales Q1/2012 ²
Innovation drives specialities	# 1 – Quantum leap technology 	...the new age fiber <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"> High-end consumer applications Special technical applications 	21%
Innovation drives specialities	# 1 	...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"> Consumer applications High performance apparel 	16% ³
Sets Industry standard	# 2 	...sets industry standard <ul style="list-style-type: none"> Superior quality allows for use of high-end textile machinery⁴ Consistent in dyeing and finishing Global service package 	<ul style="list-style-type: none"> Consumer applications Technical applications 	63%



Source: Lenzing

1) by production capacity

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

3) including Lenzing FR[®]

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

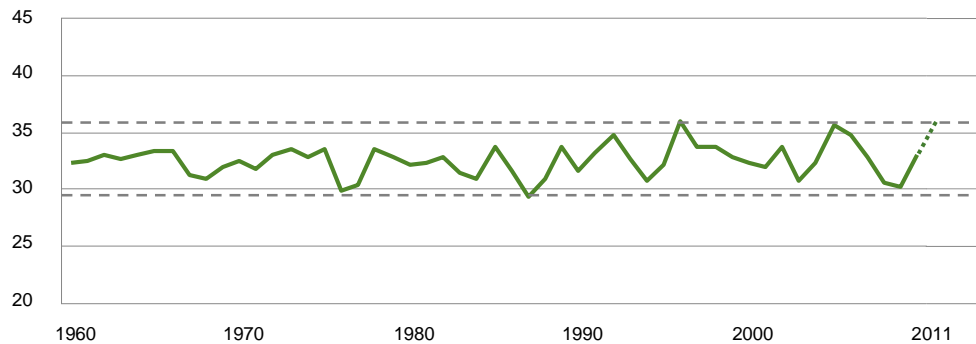


Cellulose Gap: a growth opportunity

Limited potential to increase cotton supply
increases demand for MMC fibers

Cotton planted area expected to remain
stable within narrow band (1960-2011E)

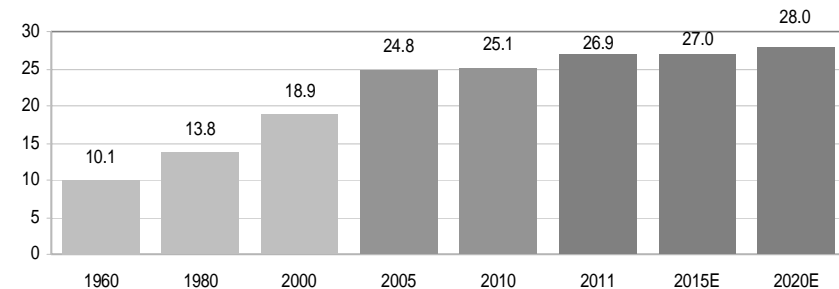
Million hectares



Source: U.S. Department of Agriculture

Limited growth in cotton production:
effects from yield expansion leveling out

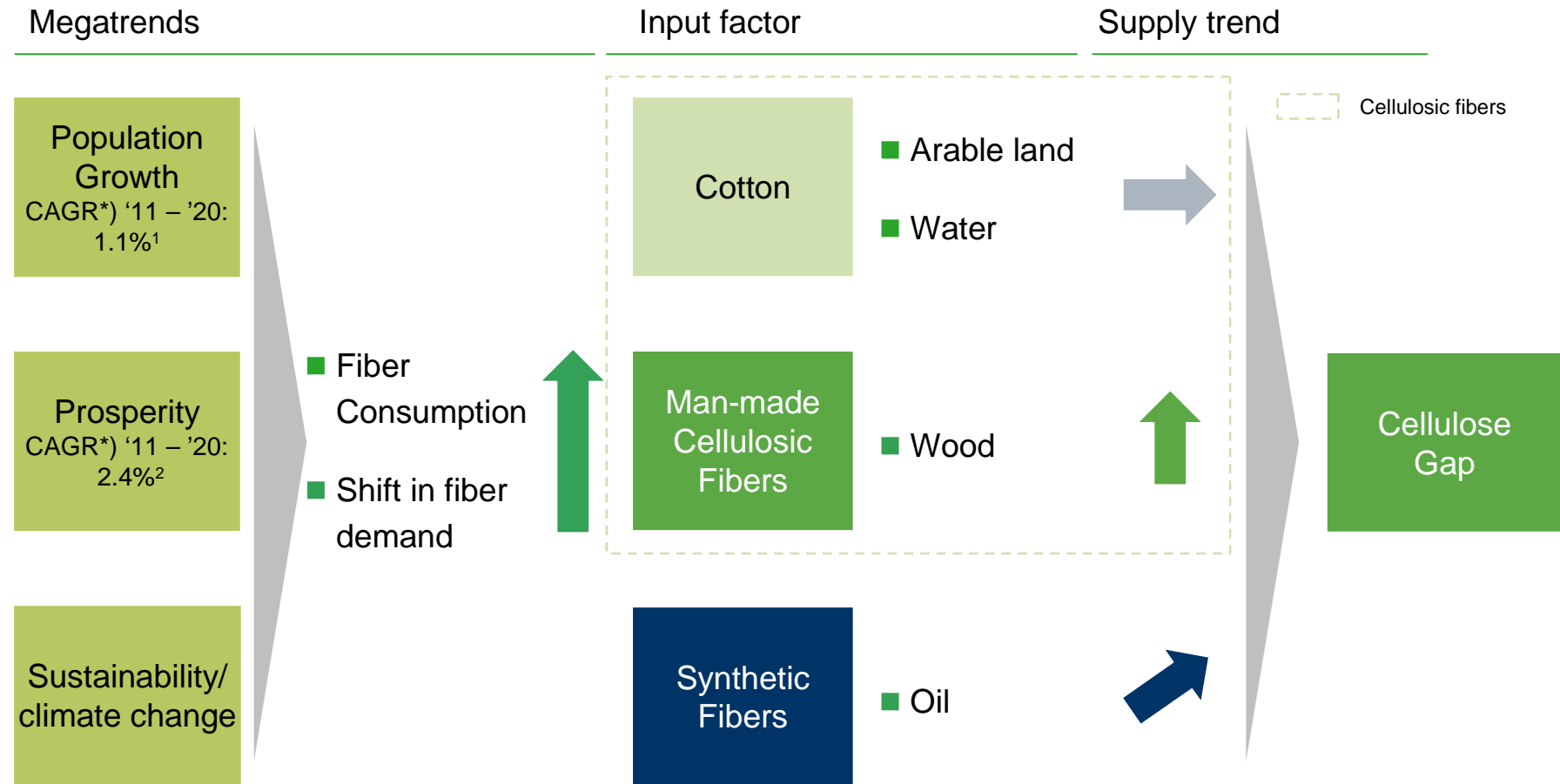
Million metric tonnes



Source: International Cotton Advisory Committee, April 2, 2012;
The Cellulose Gap, Gherzi, February 2011

Cellulose Gap: a growth opportunity

MMCF: strong demand and limitations on cotton supply



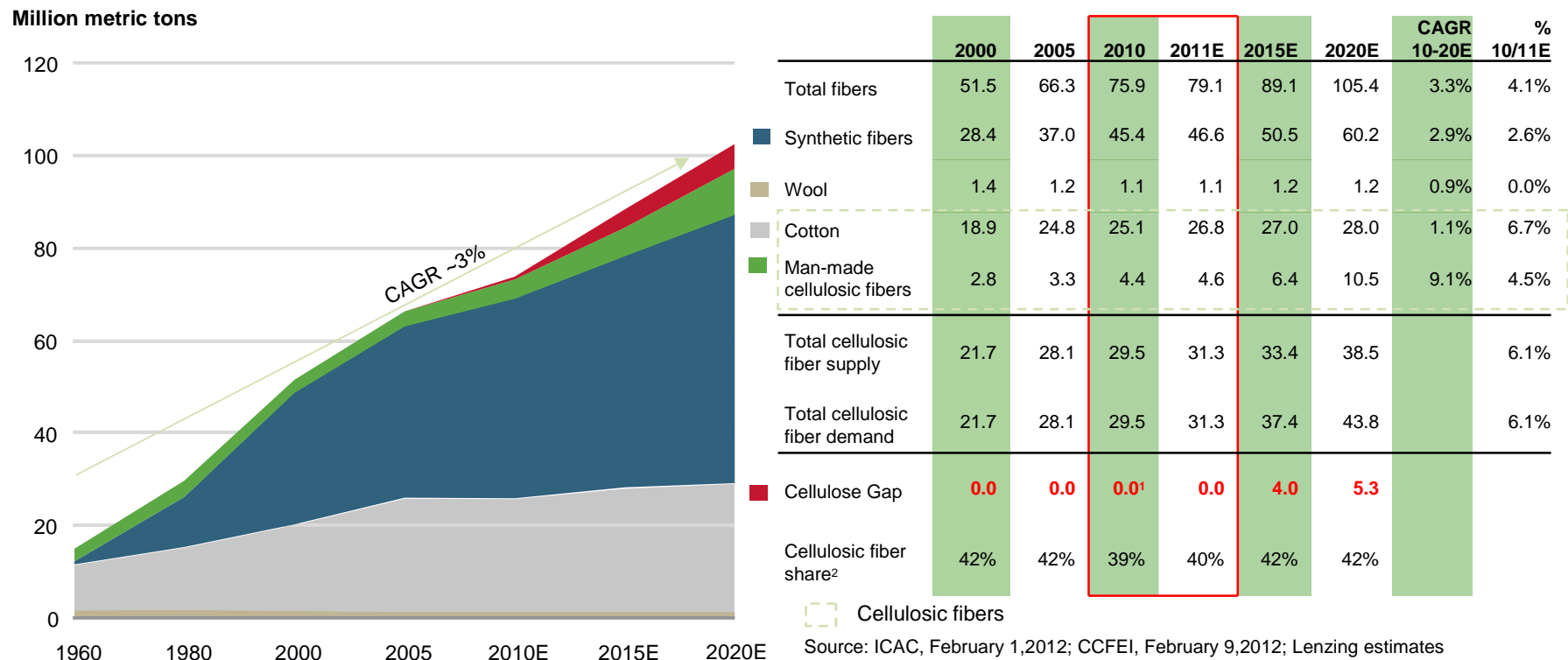
*) compound annual growth rate
 1) forecasted growth from UN Population Division
 2) forecasted growth of global real GDP per capita by Global Insight

Cellulose Gap: a growth opportunity

9% p.a. forecast for MMCF over next decade

➔ The demand gap of cellulosic fibers opening due to limited cotton supply can best be filled by MMC fibers as substitute

Fiber market growth by type of fiber (1960-2020E)



Source: The Cellulose Cap, Gherzi; February 2011

1) cotton stock level in 2010/11 on historical low level of max. 4 months (usually a minimum of at least 6 months necessary)

2) including the Cellulose Cap



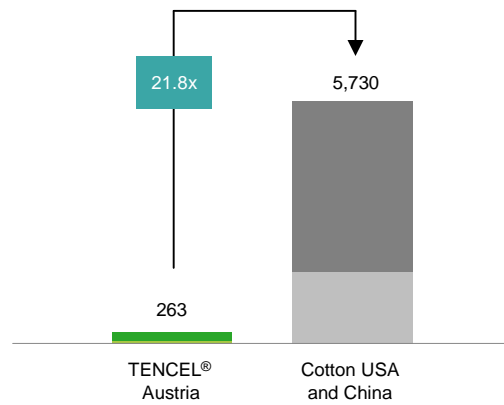
Sustainability

Green footprint: significantly more environmentally friendly than cotton

- More than 50% of Lenzing's fuel consumption sourced from renewable resources
- Lenzing Group environmental impact of production relative to cotton only approx. 5.7%

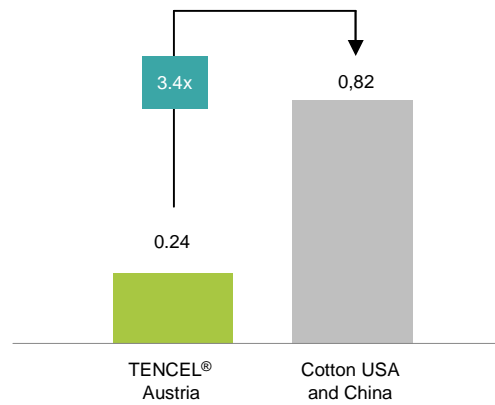
Water consumption

m³ per metric ton of fiber



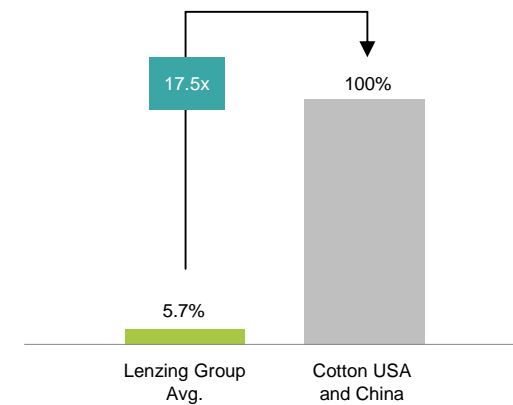
Required acreage for production of one metric ton of fiber

Hectares per metric ton and year



Environmental impact of production¹

Relative to cotton



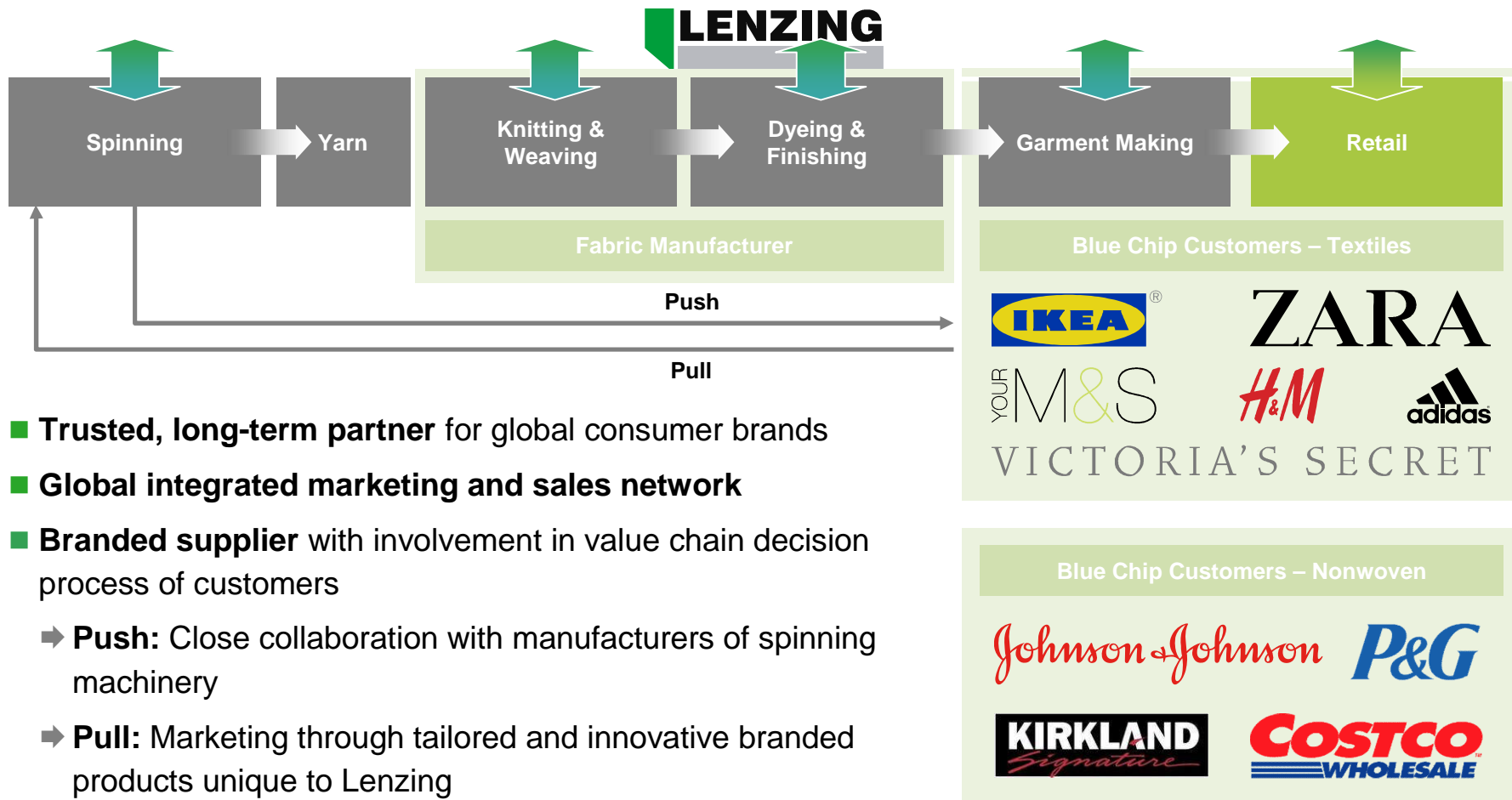
■ Process water ■ Cooling water ■ Groundwater irrigation ■ Surface water irrigation

Source: "Life Cycle Assessment of man-made Cellulose fibers"; Li Shen, Martin Patel; 2007

1) including freshwater ecotoxicity, terrestrial ecotoxicity and others

High barriers to entry

Global branded supplier to blue chip customer base

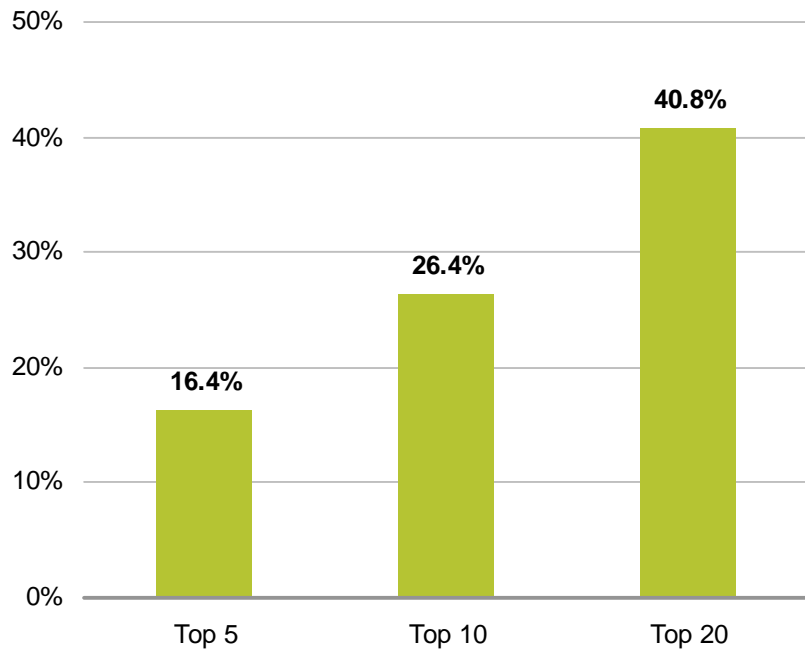


- **Trusted, long-term partner** for global consumer brands
- **Global integrated marketing and sales network**
- **Branded supplier** with involvement in value chain decision process of customers
 - ➔ **Push:** Close collaboration with manufacturers of spinning machinery
 - ➔ **Pull:** Marketing through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



Sales and marketing

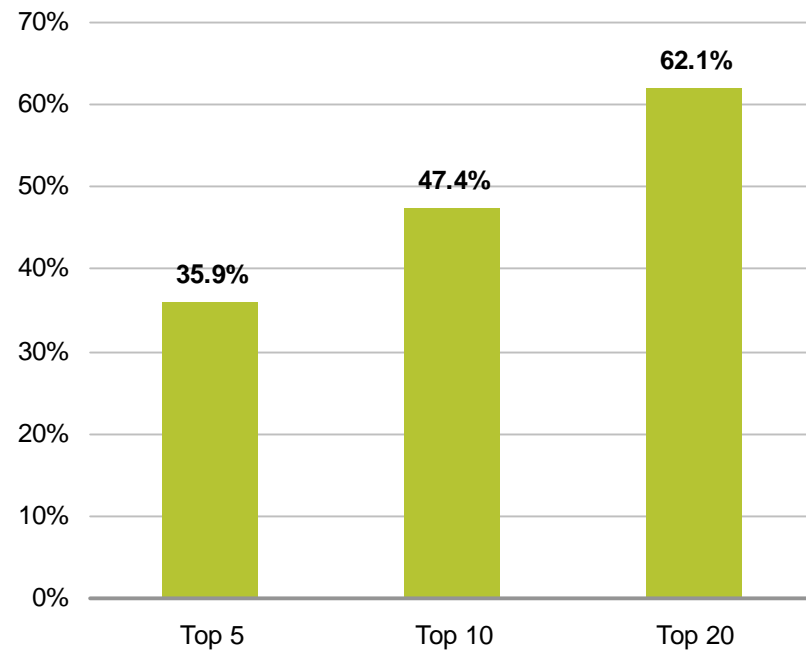
Textiles – % of sales by customers¹
(2011)



Source: LAG

1) no single customer with a share of more than 5%

Nonwoven – % of sales by customers
(2011)



Sales and marketing

Blue chip company's drive demand in specialties – TENCEL[®], Lenzing Modal[®]

- Lenzing is a trusted, long-term partner for global consumer brands
 - approx. 45% of textile and approx. 60% of nonwoven sales for specialty fibers (TENCEL[®], Lenzing Modal[®]) can be attributed to key account customers
- Company acts as a **branded supplier** with involvement in the value chain decision process of customers
- Supply chain management is a strong differentiator for Lenzing



Innovation

R&D organization and unique innovation model

Organization structure

- Integration into business units
- Close collaboration with sales & marketing to develop applications for customers

Dedicated resources and investments in R&D

Textile innovation	95 FTEs <ul style="list-style-type: none"> ■ Lyocell process innovation ■ Fiber development (Viscose, Lenzing Modal®, TENCEL®) ■ Application development
Nonwoven innovation	19 FTEs <ul style="list-style-type: none"> ■ Application development
Process innovation	42 FTEs <ul style="list-style-type: none"> ■ Pulp process innovation ■ Analytical services

Total R&D FTEs: 156 researchers and laboratory assistants

Source: LAG
FTEs refers to full time employees

Unique innovation model

Breakthrough innovation

- Focus: Leap technologies (e.g. Lenzing Modal®, TENCEL®, Meltblown)
- 9% of total 2011 projects

Product innovation

- Focus: customizing
- 15% of total 2011 projects



Process innovation

- Focus: quality, productivity
- 54% of total 2011 projects

Application innovation

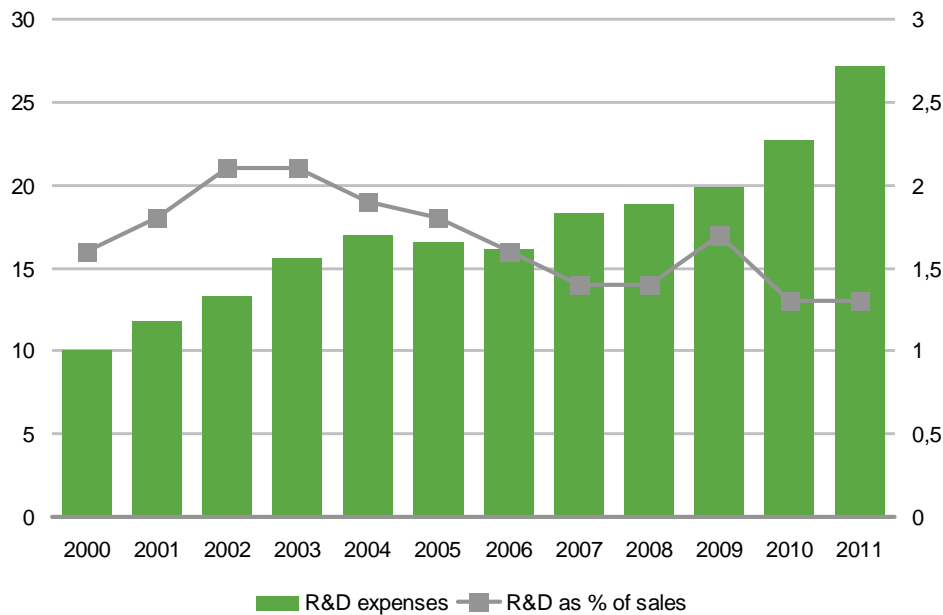
- Broaden application base
- 22% of total 2011 projects

- 113 projects in process

Innovation

Industry Leading R&D Spend

R&D Expenses (2000-2011)



Intellectual Property

- As of December 2011, Lenzing owned approx. 1,300 patent applications and patents in 57 countries belonging to 218 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 2011, Lenzing owned approx. 1,400 trademark applications and trademarks in 95 countries belonging to 112 trademark families

Innovations 2011

- **Lenzing Modal® Edelweiss technology**
 - Lenzing Modal® (already carbon neutral) became even more eco-friendly
 - Makes the fiber even purer and more natural
- **TENCEL®C**
 - Features oceanic micro particles
 - Opens up a new dimension in skin care
 - Cell-renewing effects, moisturizing, skin protection

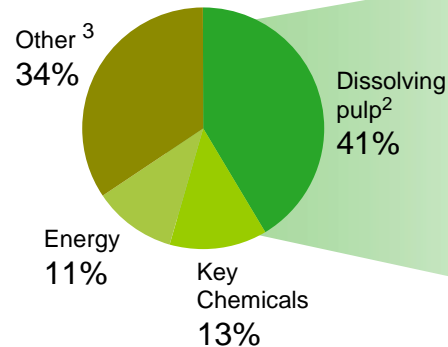


Cost leadership

Through integration and long-term supply contract

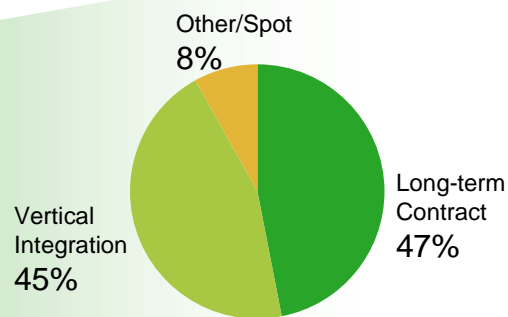
- Pulp is the key cost driver with **approx. 44% share of total costs of material and purchased services**
- 90% of long-term pulp supply secured through own production (vertical integration) and long-term supply contracts
- Long-term contract **linked to paper pulp index** (not to spot price of dissolving pulp) plus applicable premium

Cost structure Lenzing Group (Q1/2012)¹



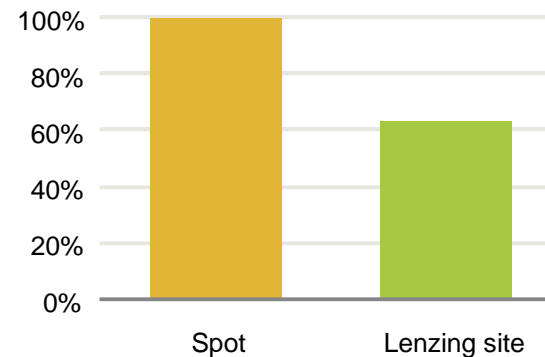
Source: Lenzing

Lenzing Group pulp sourcing (Q1/2012)⁴



Source: Lenzing

Indicative spot pulp procurement cost vs. vertical integration⁵



1) cost structure based on cost of materials and purchased services amounting to EUR 318.3 mn in Q1/2012

2) including wood

3) other includes trading goods, other raw materials, packaging, auxiliary material

4) data refers to sourcing, including inventory build-up. Paskov volumes included under vertical integration

5) assuming spot price of \$1,180 per metric ton

State-of-the-art production

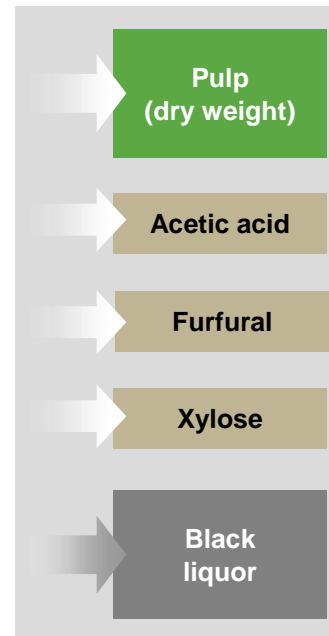
Technological know-how maximizing efficiency

Illustrative recovery process at Lenzing site

Wood (1,000kg)



Pulp production



Quantity

Use

381kg

Captive

36kg

Merchant market

8kg

Merchant market

35kg

Merchant market
(Danisco)

530kg

Energy

990kg¹

- At Lenzing site, only 13.3% of energy is sourced from fossil fuels

1) the remaining 10kg are disposed in the wastewater treatment plant

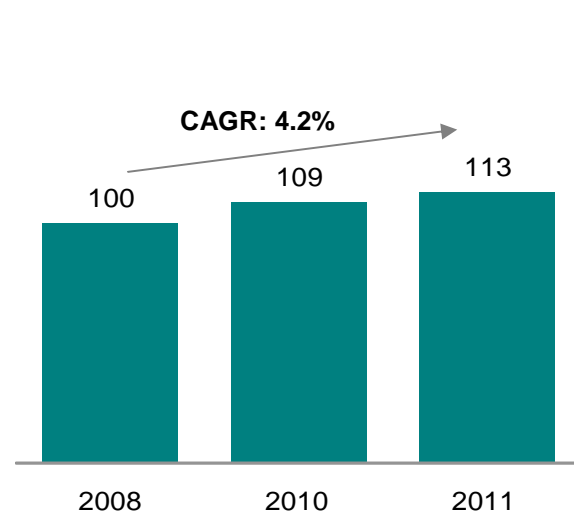
Sourcing/Vertical integration

The dissolving pulp market is characterized by volatility

- Pulp prices historically highly volatile, while wood costs have remained comparatively stable
- Lenzing LT contracts for dissolving pulp indexed to relatively stable paper pulp prices

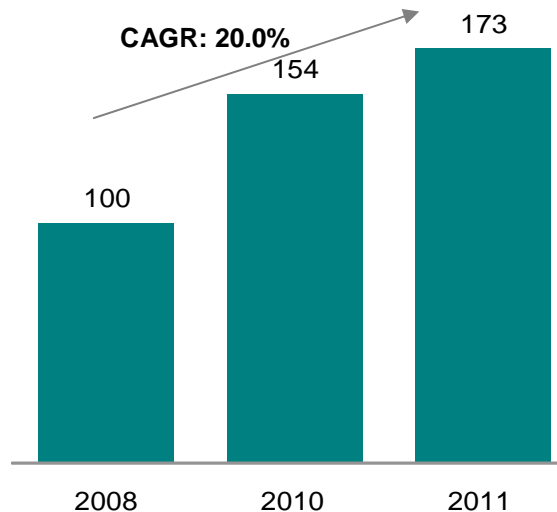
Pulp price development (2008-2011)

Paper pulp¹



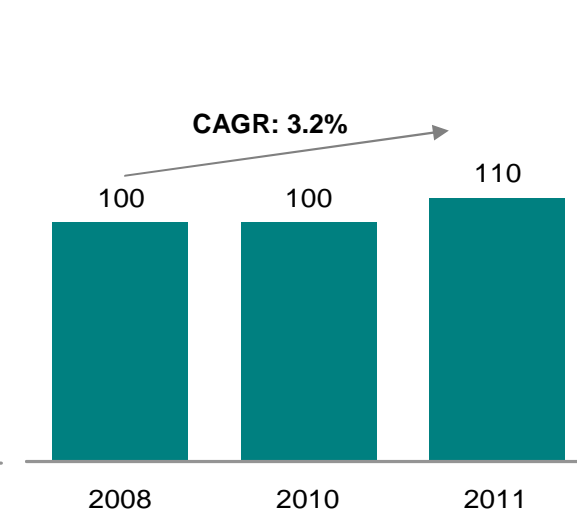
Source: NBSK

Average dissolving pulp price²



Source: CCF Group

Average wood cost³



Source: LAG



1) paper pulp prices in \$/metric ton prices indexed to 100 in 2008
2) average dissolving pulp prices in \$/metric ton indexed to 100 in 2008
3) LAG average wood cost in EUR mn indexed to 100 in 2008

Cost leadership

Through economies of scale

➔ Lenzing is the only company to operate production lines with an annual capacity of 80,000 metric tons

Biggest MMC fiber plants worldwide¹

	<u>Company</u>	<u>Site</u>	<u>Capacity</u>
#1	 LENZING	Lenzing, Austria	250k mt
#2	 LENZING	Purwakarta, Indonesia	240k mt
#3	Indo Bharat	Purwakarta, Indonesia	190k mt

Benefits from scale

- ✓ 10-15% lower Capex requirements compared to smaller plants operated by competitors
- ✓ Larger production lines driving operating economies of scale (approx. 10% lower Opex compared to smaller lines operated by competitors)

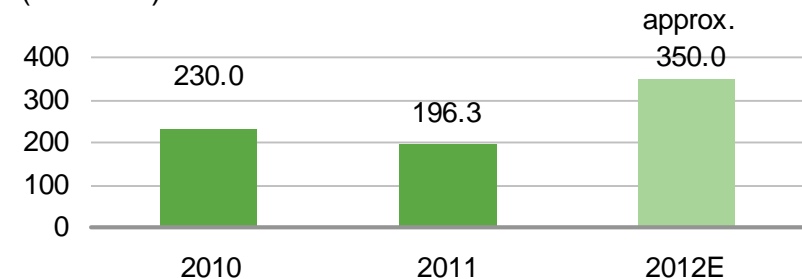
1) based on 31 December 2011 capacities, as published by companies

Source: Lenzing

Capital expenditure 2011/2012

- **Slightly lower capital expenditure in 2011 → shift of invoicing into 2012**
- **Projects completed in 2011:**
 - Second expansion stage and debottlenecking at Lenzing Nanjing Fibers, China (capacity doubled to 140,000 tons p.a.)
 - Capacity expansion for Modal fibers at Lenzing site (approx. +50% to 100,000 tons p.a.)
- **Projects 2012:**
 - New TENCEL® plant in Austria
 - India, greenfield

Capital expenditure
(EUR mn)

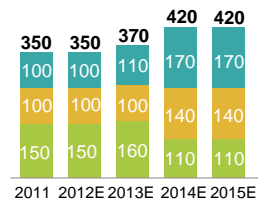


Capacity expansion to 2015

Accelerating the fiber expansion in the future

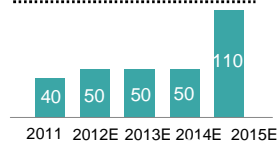
Europe¹

CAGR 4.7%



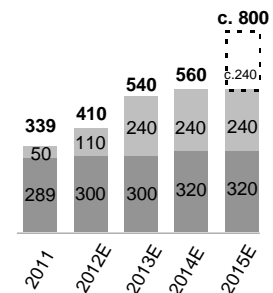
USA

CAGR 28.8%



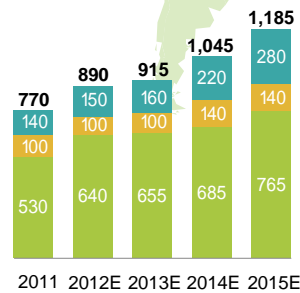
Total pulp capacity

CAGR 23.9%



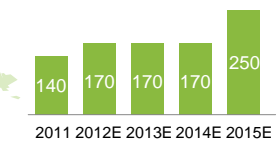
Total capacity at year end

CAGR 11.4%



China

CAGR 15.6%

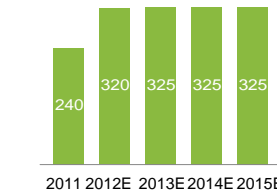


India

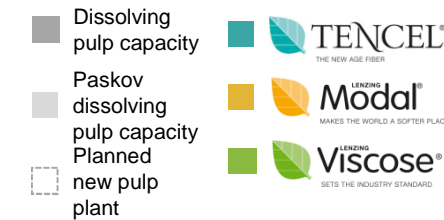
2011 2012E 2013E 2014E 2015E

Indonesia

CAGR 7.9%



Annual capacity in '000 metric tons



1) includes Lenzing, Heiligenkreuz and Grimsby

Expansion program

Significant investments envisaged to support growth strategy

Plant location	Planned capacity – YE 2011 (metric tons)	Planned capacity – YE 2012 (metric tons)	Planned capacity – YE 2013 (metric tons)	Planned capacity – YE 2014 (metric tons)	Planned capacity – YE 2015 (metric tons)
Lenzing / Austria	250,000	250,000	260,000	310,000	310,000
Lenzing Viscose®	150,000	150,000	160,000 (Q2)	110,000	110,000
Lenzing Modal®	100,000	100,000	100,000	140,000	140,000
TENCEL®	-	-	-	60,000	60,000
Purwakarta / Indonesia, Lenzing Viscose®	240,000	320,00 (Q4)	325,000	325,000	325,000
Nanjing / China, Lenzing Viscose®	140,000	170,000	170,000	170,000	250,000
Heiligenkreuz / Austria, TENCEL®	60,000	60,000	70,000	70,000	70,000
Grimsby / UK, TENCEL®	40,000	40,000	40,000	40,000	40,000
Mobile / USA, TENCEL®	40,000	50,000 (Q2)	50,000	50,000	110,000
India, Lenzing Viscose®	-	-	-	80,000	80,000
Total fibers	770,000	890,000	915,000	1,045,000	1,185,000
Lenzing / Austria	289,000	300,000	300,000	320,000	320,000
Paskov / Czech Republic	50,000	110,000	240,000	240,000	240,000
New pulp plant				-	~ 240,000



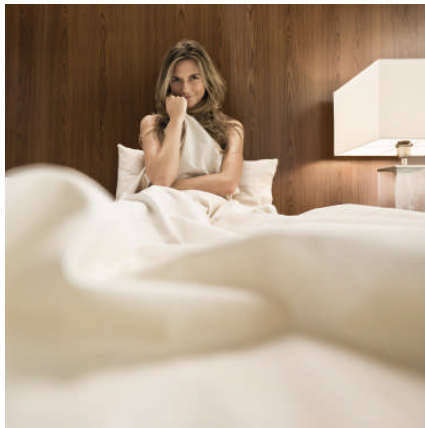
Capacity by site 2012 - 2013

	Capacity per 31.03.2012	Capacity per 30.06.2012	Capacity per 30.09.2012	Capacity per 31.12.2012	Capacity per 31.03.2013	Capacity per 30.06.2013	Capacity per 30.09.2013	Capacity per 31.12.2013
Lenzing	250,000	250,000	250,000	250,000	250,000	260,000	260,000	260,000
Indonesia	240,000	240,000	240,000	320,000	320,000	325,000	325,000	325,000
Nanjing	140,000	160,000	160,000	170,000	170,000	170,000	170,000	170,000
India	-	-	-	-	-	-	-	-
Heiligenkreuz	60,000	60,000	60,000	60,000	60,000	60,000	60,000	70,000
Grimsby	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Mobile	40,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Total	770,000	800,000	800,000	890,000	890,000	905,000	905,000	915,000

Capacity by site 2014 - 2015

	Capacity per 31.03.2014	Capacity per 30.06.2014	Capacity per 30.09.2014	Capacity per 31.12.2014	Capacity per 31.03.2015	Capacity per 30.06.2015	Capacity per 30.09.2015	Capacity per 31.12.2015
Lenzing	260,000	250,000	250,000	310,000	310,000	310,000	310,000	310,000
Indonesia	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000
Nanjing	170,000	170,000	170,000	170,000	170,000	170,000	170,000	250,000
India	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000
Heiligenkreuz	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000
Grimsby	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Mobile	50,000	50,000	50,000	50,000	110,000	110,000	110,000	110,000
Total	995,000	985,000	985,000	1,045,000	1,105,000	1,105,000	1,105,000	1,185,000

Where our fibers end up



Sexy tee midi dress

- USD 59.50
- TENCEL® / Spandex

VICTORIA'S SECRET



Sequin tee and dream tees one shoulder tee

- USD 49.50 (sequin tee) and USD 39.50 (solid tee)
- Ecosil® Lenzing Modal® / Spandex

VICTORIA'S SECRET



New Venus dressing-gown and tank

- EUR 275.00 (dressing-gown) and EUR 130.00 (tank)
- 90% Lenzing Modal® / 5% Elastane / 5% Polyester

LA PERLA



Tommy John 'second skin' tank top, V-neck t-shirt, crewneck

- USD 33.00 (tank top), USD 38.00 (V-neck), USD 38.00 (crewneck)
- MicroModal® / Spandex

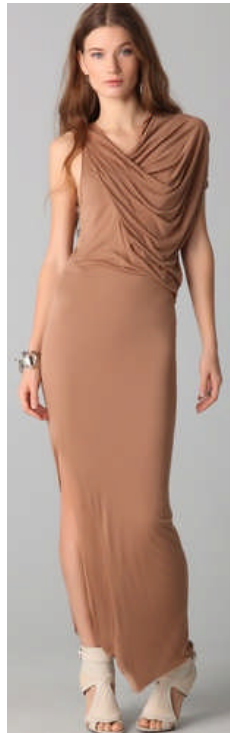
NORDSTROM



Helmut Lang long dress with slit

- USD 275.00
- Lenzing MicroModal®

HELMUT LANG



Vintage flare jeans

- USD 98.00
- 100% TENCEL®



TENCEL® summer dress

- EUR 35.99
- 100% TENCEL®

MANGO



Modal lace-trim gown, modal pants, modal lace-trim romper

- USD 39.95 (each)
- 94% Lenzing Modal[®] , 6% Spandex

GAP



Armani collezioni sportcoat

- USD 645.00
- TENCEL®

NORDSTROM



Burberry elbow sleeve reversible check tee

- USD 250.00
- 100% Lenzing Modal®

