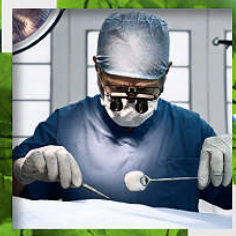


Leading Fiber Innovation



LENZING INVESTOR PRESENTATION – Q1/2013 RESULTS
May 8, 2013

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Q1/2013: Key highlights

Better than guided EBITDA, good volumes at low prices

- **EBITDA¹ EUR 64.5 mn (13.0% margin)** – Guidance: “approx. EUR 60 mn”
 - Better than estimated due to first positive effects from the **excellenz program**
- **Sales volume increase y-o-y of 13.4% to 216.1 k tons**
- **Sales EUR 496.5 mn**
 - Approx. EUR 25 mn external sales decrease due to switch from external to internal sales in Czech pulp mill
- **Average fiber price EUR 1.77 per kg (Guidance: EUR 1.75 – 1.80 per kg)**
3.3% below Q4/2012
 - Cotton price +14%²
 - Cotton future +17%²
 - Chinese VSF-spot price flat²
- **Vertical pulp integration increased to 52%**
 - Full ramp-up in Czech pulp mill by end of March 2013
- **Sale of Business Unit Plastics announced**

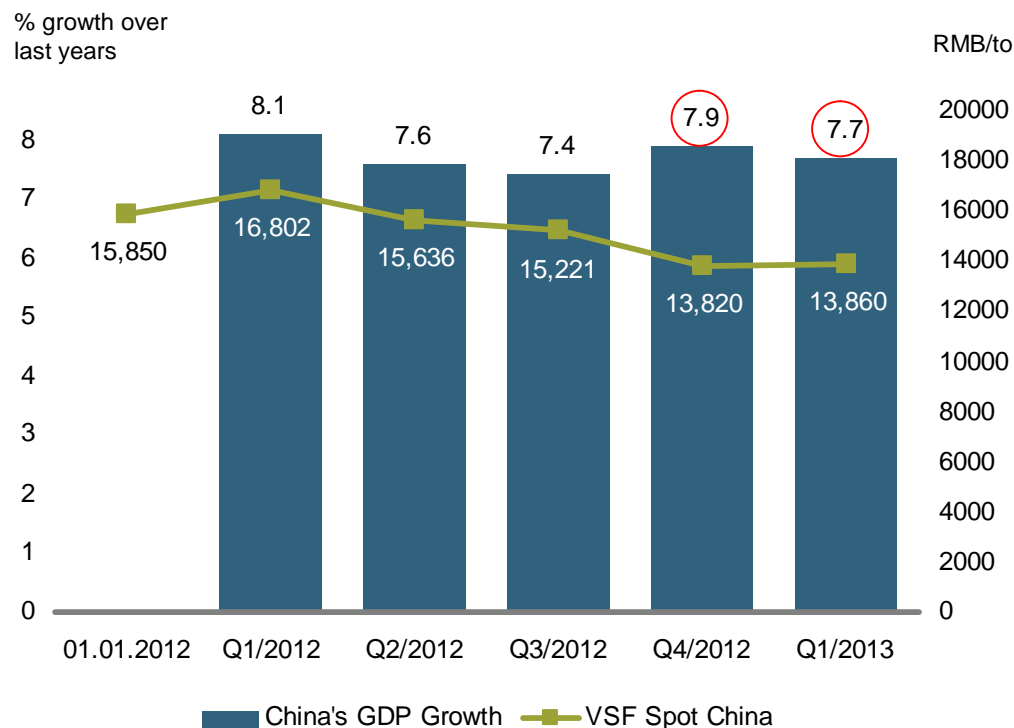
1) before restructuring

2) December 31, 2012 versus March 29, 2013

Q1/2013: Market environment

Distortions in the fiber market

China's GDP growth/VSF Spot China



Source: CCFEI

1) Viscose Staple Fibers (Chinese spot market prices)

2) China National Textile and Apparel Council

- China's GDP growth below Q4/2012 due to Chinese' New Year effect

- Textile exports still sluggish

Two cotton realities

- China's cotton price 25 – 30 ct higher than the world cotton price

- World cotton price increase despite stock level >70% not based on fundamental effects but on China's stock policy

- Lenzing's VSF-price¹ premium reduced to 5.3% in Q1/2013

- Since mid March VSF spot market price below cotton price

Q1/2013: Competitive environment

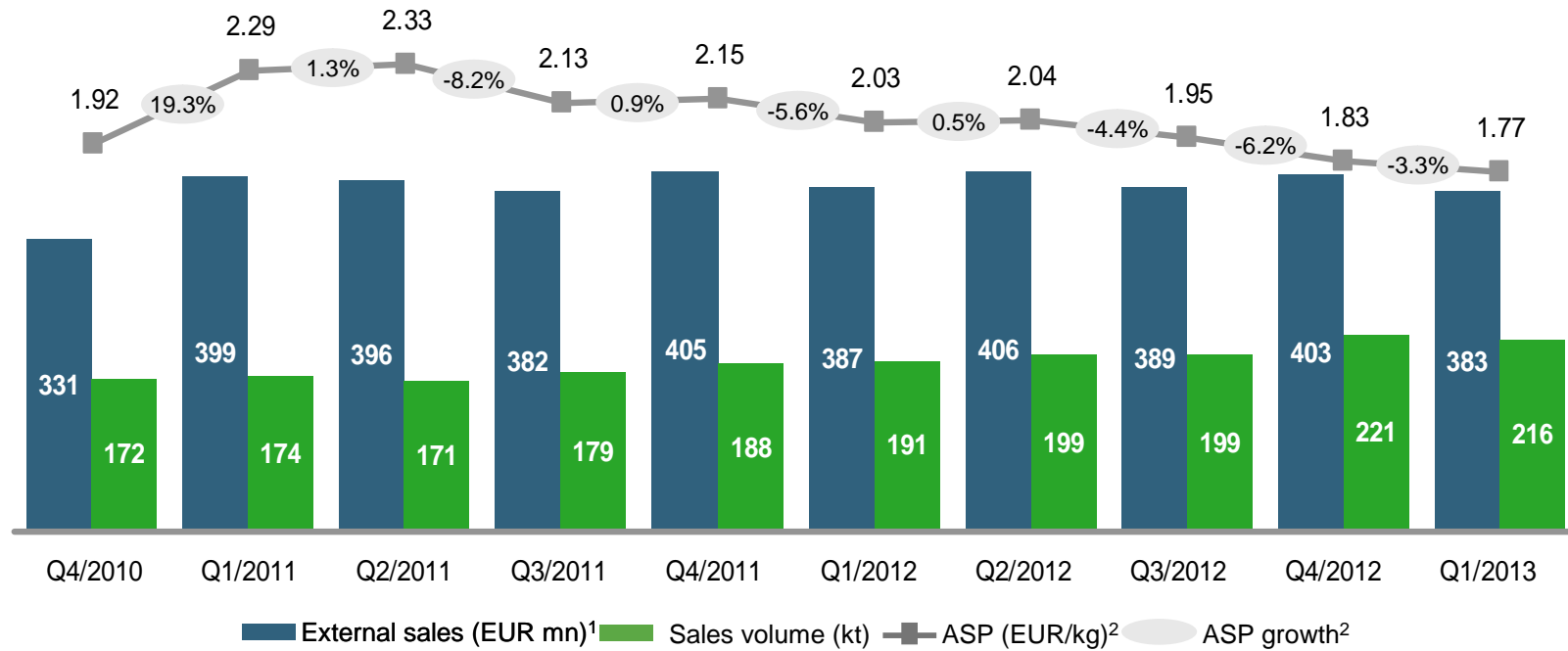
Overcapacities in viscose

- Increase in Chinese viscose production driven
 - by cheaper Q4/2012 dissolving wood pulp prices being processed in Q1/2013
 - by increasing VSF spot market prices till mid March
 - by focus on cash generation due to need of servicing debt and bonuses

- Fiber expansion projects delayed

Q1/2013: Volume and prices as expected

Downward price trend continued

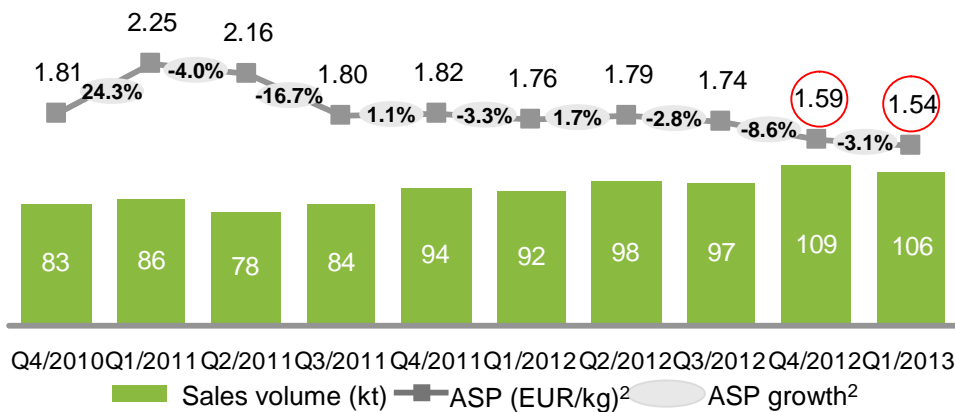


1) core fiber segment sales, excluding sales of co-products and external sales of pulp, wood and energy
 2) based on rounded figures

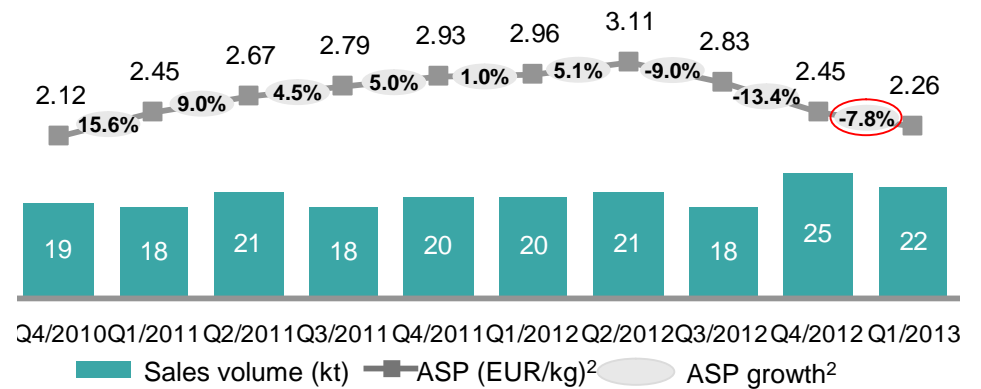
Q1/2013: Textile fibers

Modal settling at a slightly increased price level

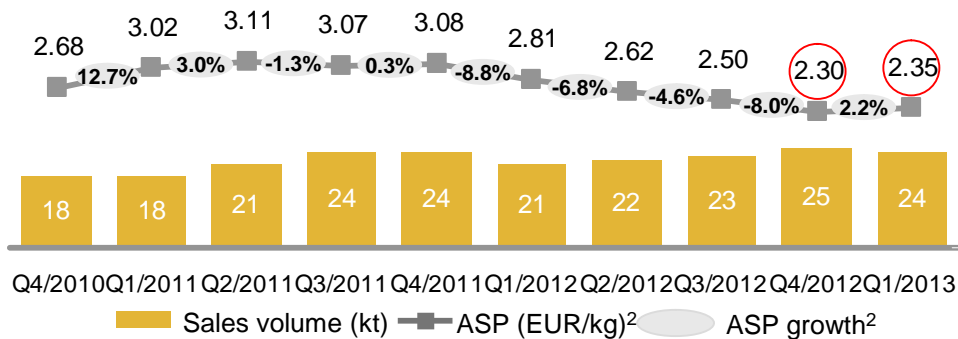
Lenzing Viscose®



TENCEL®



Lenzing Modal®¹



- Lenzing Viscose®: Losing 5 cent
- Lenzing Modal® price increase by 5 cent
- TENCEL® price adjustment continued as expected

1) including Lenzing FR®
2) based on rounded figures

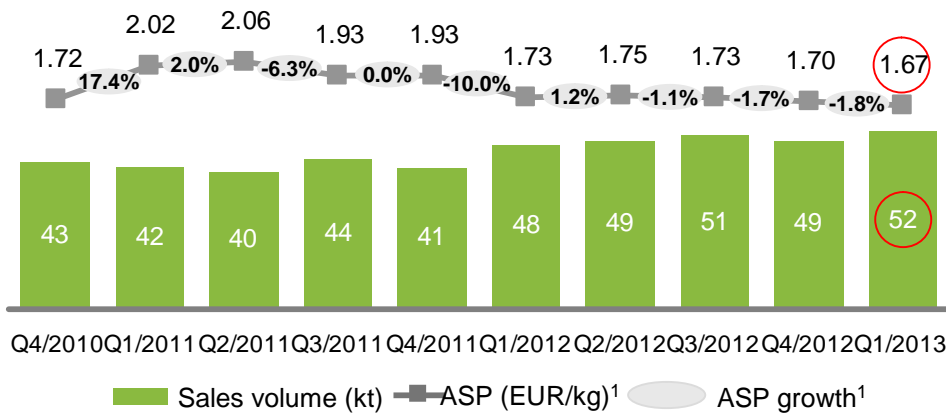


Q1/2013: Nonwoven fibers

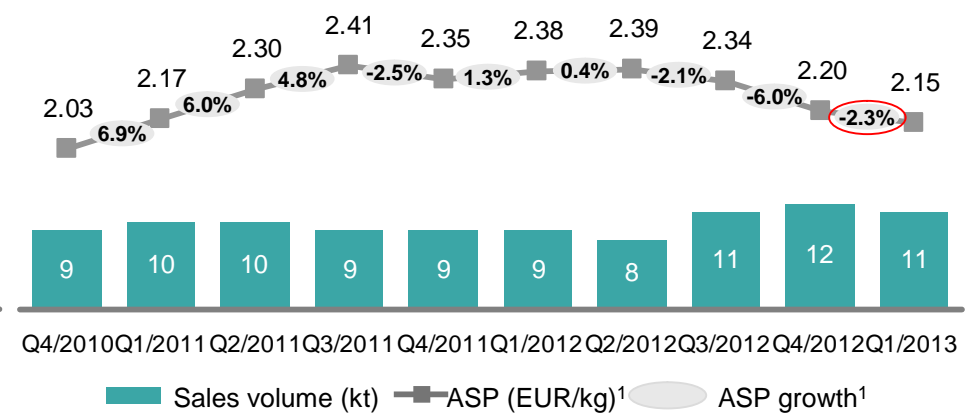
A stabilizing factor

- Lenzing Viscose®: New record in sales volume and above textile price level (EUR 1.54)
- TENCEL® : Stable volumes and prices
- High interest for new technical applications

Lenzing Viscose®



TENCEL®



1) based on rounded figures

Q1/2013: Relative pricing

Modal re-establishes premium over TENCEL®

- Modal: Premium over viscose at high end of historic 40 – 50% range
- TENCEL® textile premium on a more realistic level than in prior quarters
- Steady TENCEL® nonwovens premium

Textile fibers

Relative price (viscose = 100%)

(%)	FY 2010	FY 2011	Q1/2012	Q2/2012	Q3/2012	Q4/2012	FY 2012	Q1/2013
Lenzing Viscose®	100	100	100	100	100	100	100	100
Lenzing Modal® (inc. FR)	144	154	159	146	144	145	148	152
TENCEL®	118	136	168	174	163	154	164	147

Nonwoven fibers

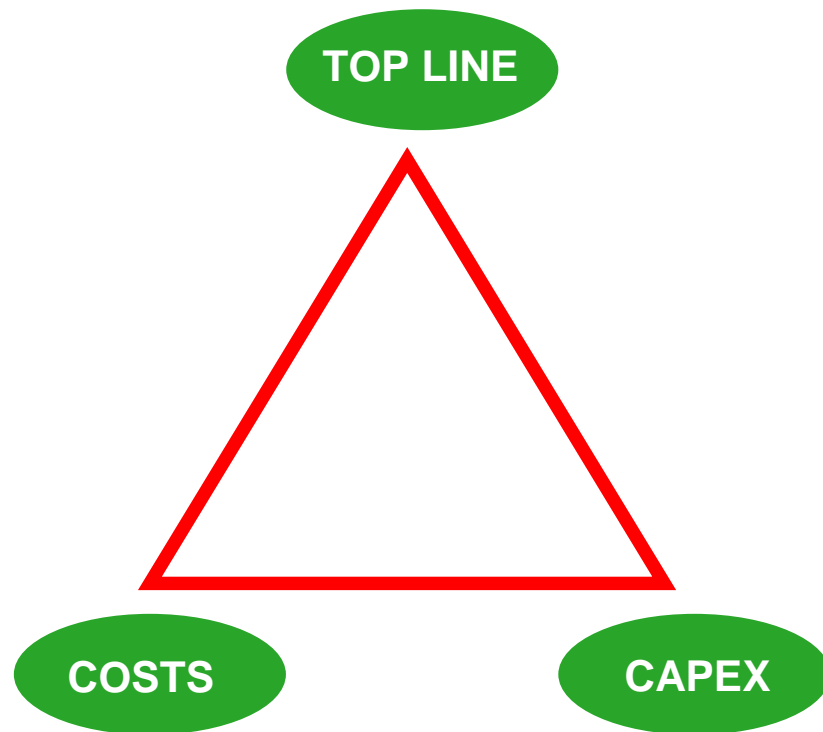
Relative price (viscose = 100%)

(%)	FY 2010	FY 2011	Q1/2012	Q2/2012	Q3/2012	Q4/2012	FY 2012	Q1/2013
Lenzing Viscose®	100	100	100	100	100	100	100	100
TENCEL®	117	116	137	137	135	129	134	129



Q1/2013: excellENZ with first results

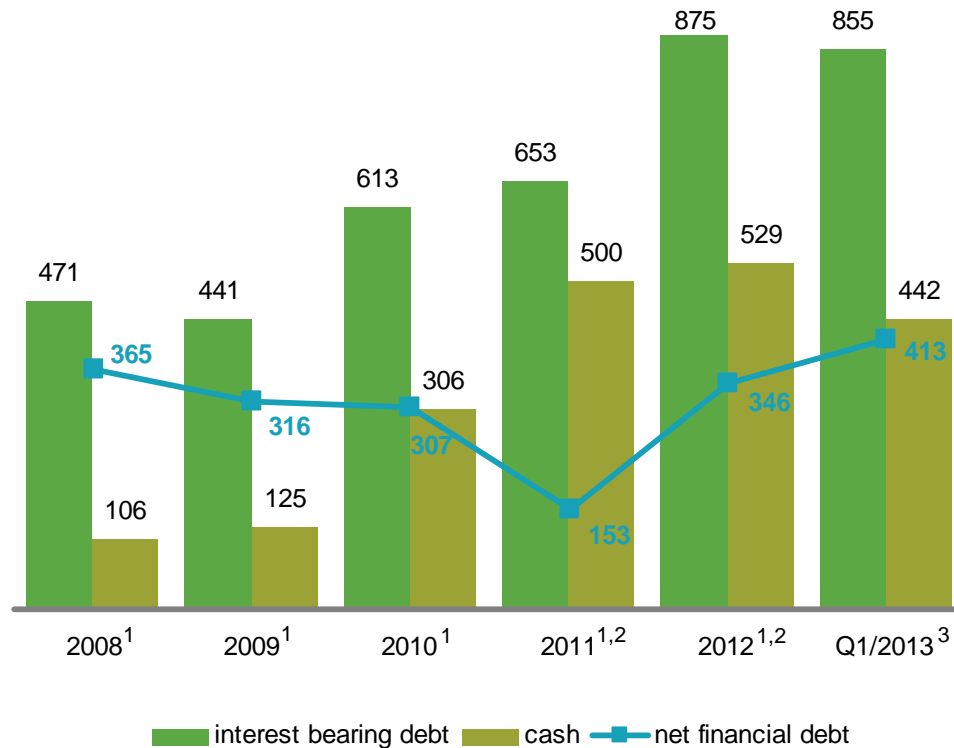
excellENZ helped to more than offset fiber price decrease versus Q4/2012



- excellENZ generated approx. **EUR 5 mn of cost savings** on top of slightly more favorable than expected raw-material prices (caustic soda, liquid sulphur)
- **Major contributors:** maintenance opex, first re-negotiations with suppliers, commissions
- **Further progress expected in Q2/2013**, structural measures to follow starting H2/2013

Q1/2013: Solid financials

Higher net debt, healthy ratios



- **Net debt increase of EUR 67 mn**
 - Strong Q1/2013 investments in (EUR 56.5 mn)
 - EUR 35.6 mn taxes (of which EUR 29.0 mn tax-prepayments)
 - EUR 25.0 mn increase in working-capital

- **Adjusted equity of EUR 1,173 mn**
 - 45.1% equity ratio (YE: 43.8%)
 - Net gearing of 35.2% (YE: 30.0%)

- **Total liquidity cushion of EUR 654 mn**
 - EUR 442 mn cash
 - EUR 212 mn of unused credit lines

1) as of December 31

2) as of December 31, 2012, in addition to cash and cash equivalents and marketable securities, the liquidity position also now encompasses liquid bank drafts. For this reason, the previous year's figure for the liquidity reserve (December 31, 2011: 493,800 EUR) was increased by 5,764 EUR and the level of net financial debt was adapted accordingly.

3) as of March 31, 2013

Confirmed Outlook Full Year 2013

SWOT analysis

Strengths

- LAG's ability to sell everything which is produced (at above 95% utilization rate) – quality leadership
- Solid speciality premiums – Modal and TENCEL® representing 34.5% of fibers sales (Q1/2013)

Opportunities

- Need for differentiation by customers (speciality blends) due to difficult textile market environment
- Re-establishment of Viscose premium over cotton

Weaknesses

- High price sensitivity (1 cent average price = EUR 9 mn EBITDA)
- Despite world-market leadership, LAG is a price-taker, not a price-setter

Threats

- Low dissolving wood pulp spot market prices reducing production costs of Chinese competitors
- Higher utilization rates of Chinese over-capacities due to continuous need of generating cash



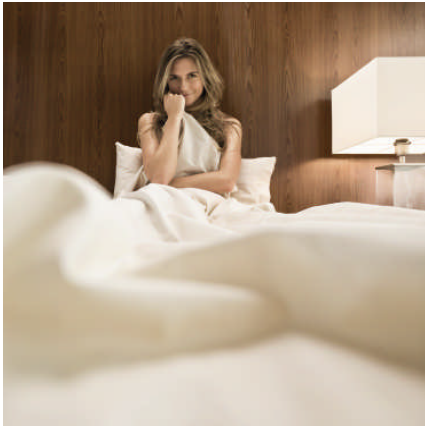
Outlook Q2/2013

No market improvement in sight

Sales volume	more than 221 kto
EBITDA	EUR 65 – 70 mn
Average fiber price	approx. on Q1/2013 level

- Q2 sales volume expected to increase by **more than 5 kto** compared with Q1
- **Fire in Heiligenkreuz** to reduce TENCEL[®] volumes by an estimated 5 kto (full year volume guidance slightly down: **approx. 915 kto**)
- Progress of **exceLENZ** continues to support **EBITDA**
- Cash outflow of **EUR 53.1 mn** due to **dividend payment**
- **Sale of Business Unit Plastics** with positive impact on net debt (if not delayed to Q3/2013)

Q1/2013 – Financial information

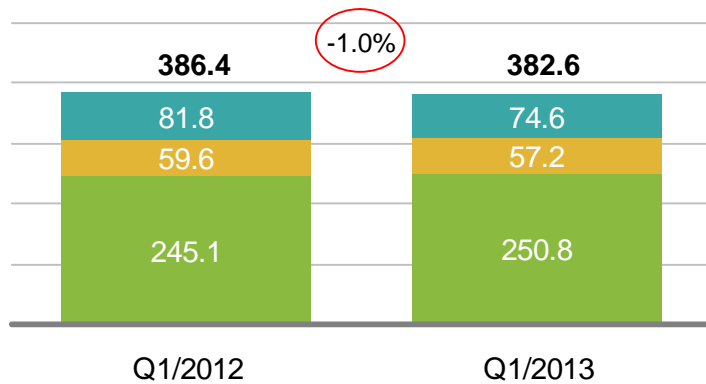


Q1/2013: Sales affected by price pressure

Viscose with higher sales due to volume increase.

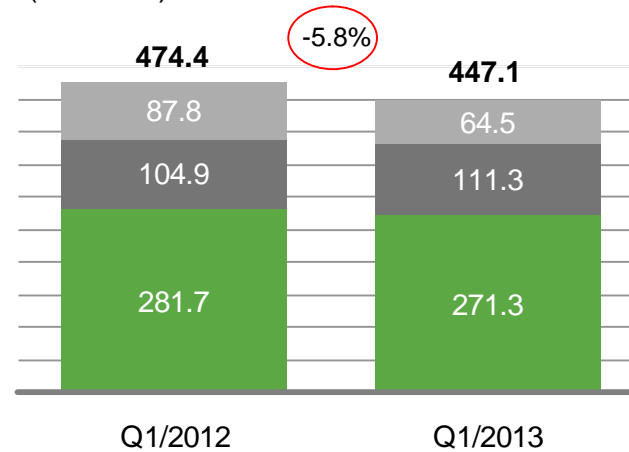
Continuous success in Nonwovens

Sales by fiber type
(EUR mn)



TENCEL®	-8.9%
Lenzing Modal®	-4.0%
Lenzing Viscose®	+2.3%

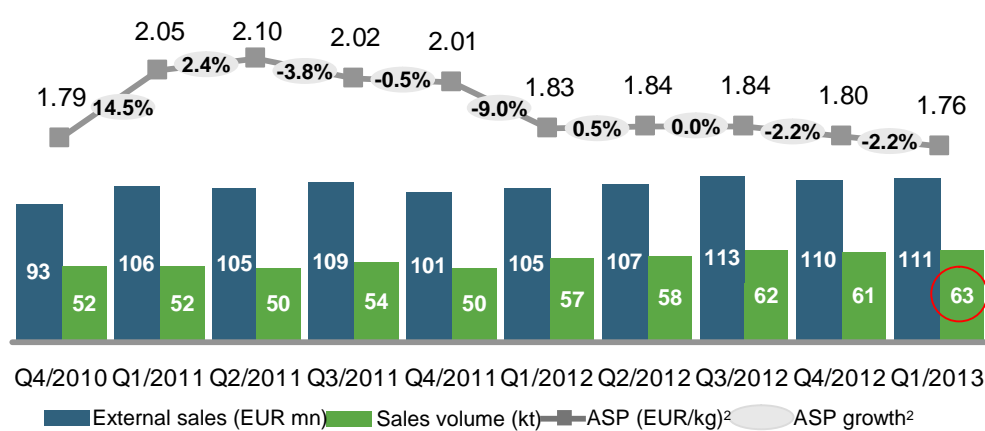
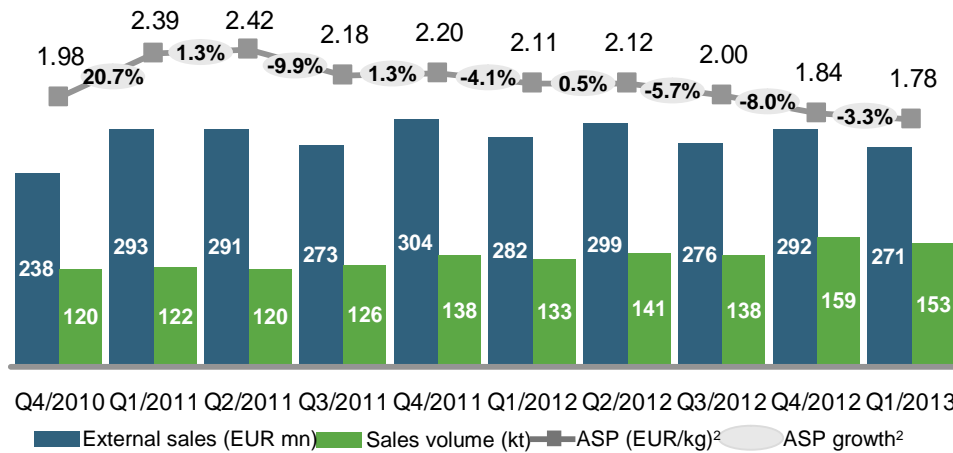
Sales by segment fibers
(EUR mn)



Pulp, energy, others	-26.5%
Nonwoven fibers	+6.1%
Textile fibers	-3.7%

Q1/2013: Volume record in Nonwoven

Textile and nonwoven fiber sales volumes



1) core fiber segment sales, excluding sales of co-products and external sales of pulp, wood and energy
2) based on rounded figures

Q1/2013: As expected

Better than guided EBITDA

(EUR mn)	Q1/2013	Q1/2012	Change y-o-y (%)	Q1/2013 continuing operations	Q1/2012 continuing operations	Q1/2013 discontinued operations	Q1/2012 discontinued operations
Sales volume man-made cellulose fibers (kt)	216.1	190.6	13.4	216.1	190.6	0	0
Total external sales	496.5	528.2	(6.0)	472.2	499.7	24.3	28.5
Inventory change/work in progress	(6.1)	3.9	(256.4)	(6.2)	4.8	0.1	(0.8)
Work performed by the group and capitalized	15.5	3.1	n.m.	15.4	3.1	0.1	0.0
Cost of material and purchased services	(309.7)	(318.3)	(2.7)	(295.1)	(300.8)	(14.6)	(17.5)
Personnel & other operating expenses/income	(131.1)	(123.0)	6.6	(124.2)	(115.9)	(6.9)	(7.0)
Depreciation & Amortization	(29.0)	(26.7)	8.6	(28.2)	(25.5)	(0.8)	(1.2)
EBIT (before restructuring)	36.2	67.2	(46.1)	34.1	65.3	2.1	1.9
EBITDA¹ (before restructuring)	64.5	93.1	(30.7)	61.6	90.0	2.9	3.1
EBIT (after restructuring)	35.1	67.2	(47.8)	34.1	65.3	0.9	1.9
EBITDA (after restructuring)	66.3	93.1	(28.9)	61.6	90.0	4.7	3.1
Net income	20.9	48.4	(56.8)	20.8	47.1	0.2	1.3
Net income after minorities	20.1	47.1	(57.3)	19.9	45.8	0.2	1.3
<i>EBIT (before restructuring) margin (%)</i>	7.3	12.7	-	7.2	13.1	8.7	6.6
<i>EBITDA (before restructuring) margin (%)</i>	13.0	17.6	-	13.0	18.0	11.9	10.9
<i>EBIT (after restructuring) margin (%)</i>	7.1	12.7	-	7.2	13.1	3.9	6.6
<i>EBITDA (after restructuring) margin (%)</i>	13.4	17.6	-	13.0	18.0	19.5	10.9

1) EBITDA defined as EBIT + depreciation - reversal of government grants

Q1/2013: Topline breakdown

Fiber sales nearly on Q4 level thanks to higher volumes

(EUR mn)	Q1/2013	Q1/2012	Change y-o-y (%)
Breakdown of fibers segment sales			
Textile fibers	271.3	281.7	(3.7)
Nonwoven fibers	111.3	104.9	6.1
Others ¹	12.9	12.3	4.9
Total fibers only sales	395.5	398.9	(0.9)
Other fibers segment sales ²	51.6	75.5	(31.7)
Total fibers segment sales	447.1	474.4	(5.8)
Segment Engineering	35.3	30.0	17.7
BU Plastics and EPG (discontinued operations)	26.3	32.5	(19.1)
Others ³ and consolidation	(12.1)	(8.7)	39.1
Total external group sales	496.5	528.2	(6.0)

1) includes sales of sodium sulfate and black liquor

2) includes external sales of pulp, wood and energy

3) includes Dolan and BLZ (Bildungszentrum Lenzing)

Q1/2013: 2.7% decrease of cost

Cost switch Paskov (other/DWP) and first effects from excellenz

(EUR mn)	Q1/2013	Q1/2012	Change y-o-y (%)
Dissolving wood pulp ¹	134.7	131.6	2.3
as % of total cost of material and purchased services	43.5	41.3	-
Key chemicals	45.5	41.7	9.2
as % of total cost of material and purchased services	14.7	13.1	-
Energy	39.0	35.6	9.7
as % of total cost of material and purchased services	12.6	11.2	-
Other ²	90.5	109.5	(17.3)
as % of total cost of material and purchased services	29.2	34.4	-
Total cost of material and purchased services	309.7	318.3	(2.7)
as % of external sales	62.4	60.3	-
Total external sales	496.5	528.2	(6.0)
Total fibers only sales	395.5	398.9	(0.9)
Total Opex³	448.7	451.9	(0.7)
Material cost as % of total Opex	69.0	70.4	-

1) including cost for wood

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

3) includes cost of material and purchased services, personnel expenses and other operating expenses



Q1/2013: Total Remaining Opex

Representing approx. 30% of total Opex and fairly stable

(EUR mn)	Q1/2013	Q1/2012	Change y-o-y (%)
Total personnel expenses	82.1	75.4	8.9
as % of external sales	16.5	14.3	-
Other operating expenses			
Freight outward	22.0	18.4	19.6
Commissions and advertising costs	5.5	3.4	61.8
Service and maintenance and other purchased services	9.7	8.8	10.2
Other	19.7	27.6	(28.6)
Total other operating expenses	56.9	58.2	(2.2)
as % of external sales	11.5	11.0	-
Total remaining Opex	139.0	133.6	4.0
as % of external sales	28.0	25.3	-
Total external sales	496.5	528.2	(6.0)
Total Opex¹	448.7	451.9	(0.7)
Total remaining Opex as % of total Opex	30.1	29.6	-

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



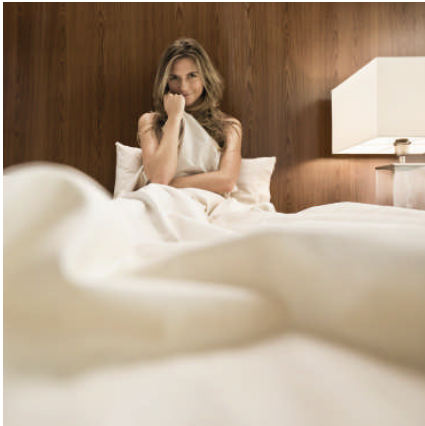
Q1/2013: Cash flow by quarter

(EUR mn)	Q1/2013	Q1/2012	Change y-o-y (%)
Gross CF (before taxes and interest)	66.1	94.3	(40.0)
Taxes and interest	40.0	15.1	164.9
Gross CF (after taxes and interest)	26.1	79.2	(67.7)
Change in total working capital ¹	(25.0)	2.0	n.m.
CF from discontinued operations	(3.1)	4.2	n.m.
Operating Cash flow	(1.9)	85.4	(102.3)
Investment Cash flow ²	(53.9)	(22.6)	135.6
Free Cash flow	(55.8)	62.9	(188.8)

1) including trade and other working capital

2) including investment in financial assets and disposal proceeds

FY 2012 – Financial information

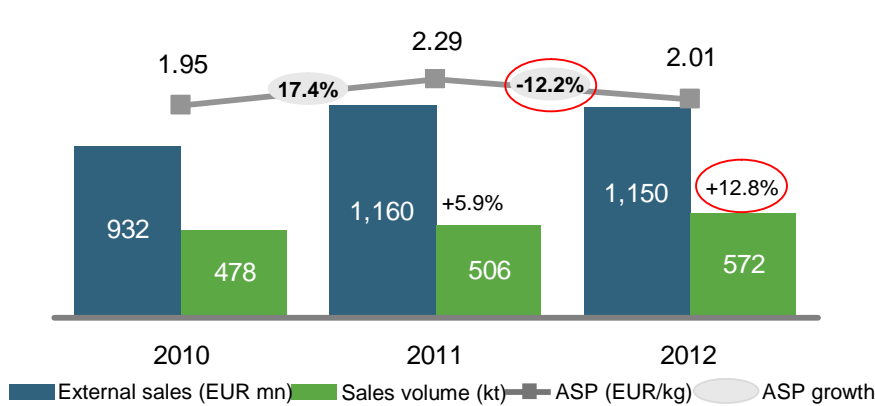


2012: Solid volume growth

Textile segment sales more affected by price volatility

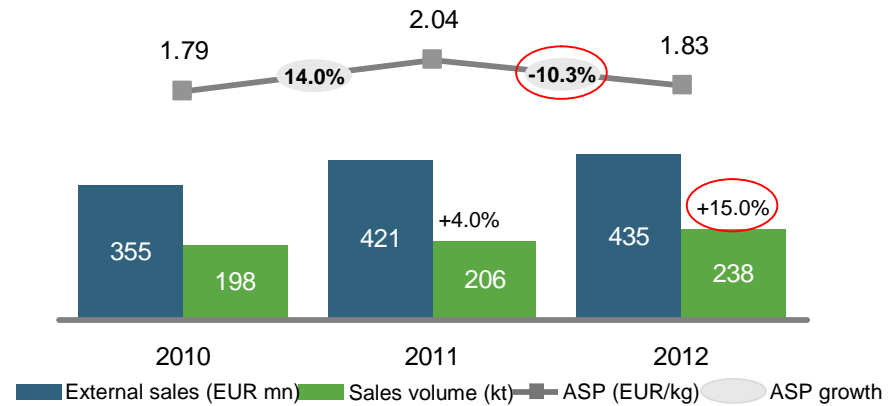
Textile fibers¹

External Sales (EUR mn)



Nonwoven fibers¹

External Sales (EUR mn)

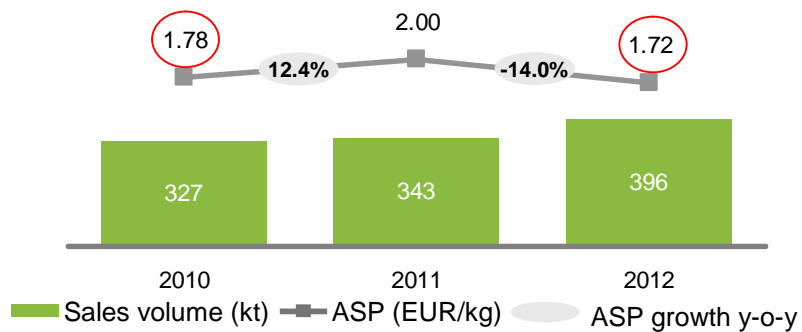


1) excluding sales of co-products and external sales of pulp, wood and energy

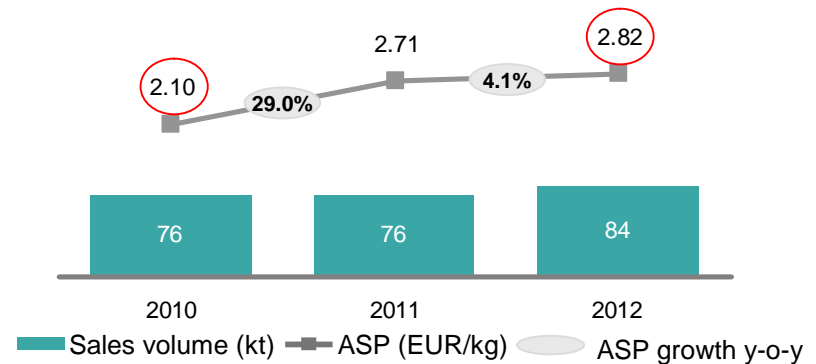
2012: Textile fibers

Viscose and Modal back to 2010 levels, TENCEL® with some way to go

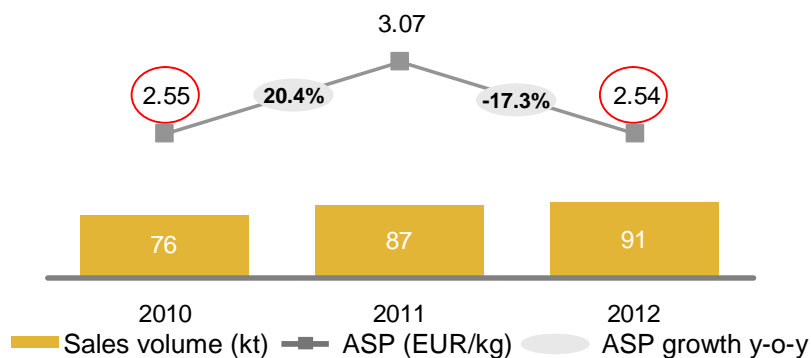
Lenzing Viscose®¹



TENCEL®¹



Lenzing Modal®¹



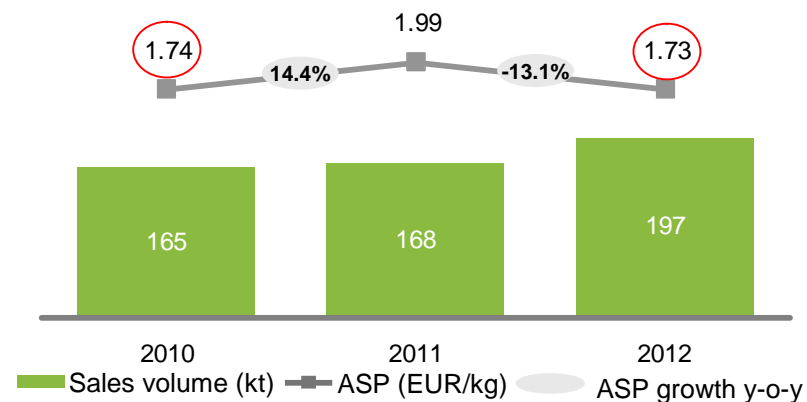
- Lenzing Viscose® price decreased by 14% in line with low price level of Chinese viscose spot prices
- Lenzing Modal® adjusted exaggerated 2011 premium
- TENCEL® in retrospect: Over-stretching the premium?

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

2012: Nonwoven fibers

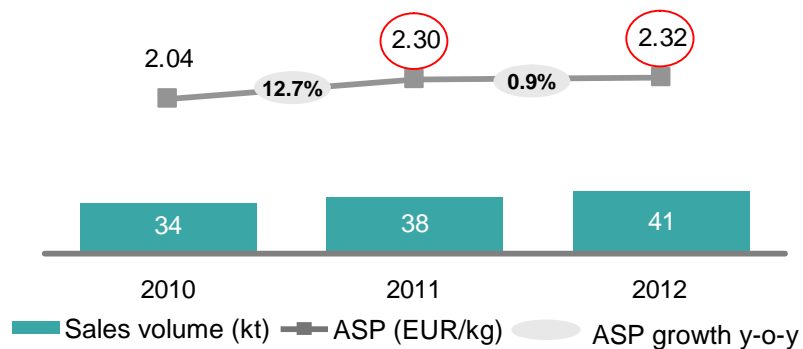
TENCEL® significantly below Textile

Lenzing Viscose®¹



- Lenzing Viscose®: Nonwoven in line with Textile over a longer period of time
- TENCEL® Nonwoven behind Textile – with less need for adjustment

TENCEL®¹



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

2012: Relative pricing

TENCEL® premium on a very high level in the textile segment

Textile fibers

Relative price (viscose = 100%)

(%)	2010	2011	2012
Lenzing Viscose®	100	100	100
Lenzing Modal® (incl. FR)	144	154	148
TENCEL®	118	136	164

Nonwoven fibers

Relative price (viscose = 100%)

(%)	2010	2011	2012
Lenzing Viscose®	100	100	100
TENCEL®	117	116	134

Impact of EPG wind-up on 2012 P&L

Summary of restructuring effects

(EUR mn)	before EPG	after EPG	Difference
EBITDA	358.7	352.4	6.3
EBIT	255.0	231.5	23.5
EBT	246.4	236.0	10.4
Net profit (before minorities)	191.9	180.9	11.0
Net profit (after minorities)	186.6	175.6	11.0

Consolidated Group P&L¹

(EUR mn)	2012	2011
Total external sales	2,090.4	2,140.0
Cost of material and purchased services	(1,303.2)	(1,275.7)
Personnel	(307.8)	(287.1)
EBITDA	358.7	480.3
<i>Margin (%)</i>	17.2	22.4
Depreciation & Amortization	(107.3)	(120.6)
Other operating expenses	(228.6)	(204.6)
Other operating income and other ²	111.4	111.9
EBIT	255.0	364.0
<i>Margin (%)</i>	12.2	17.0
Income from invest. in associates & other income	10.5	12.0
Finance cost	(23.3)	(23.9)
Result from terminable non-controlling interest	3.4	(0.2)
Tax	54.5	(84.6)
Tax rate (%)	22.1	24.0
Income from discontinued operations	-	-
Net income	191.9	267.4
<i>Margin (%)</i>	9.2	12.5
Net income after minorities	186.6	258.7
<i>Margin (%)</i>	8.9	12.1
EPS³ (in EUR)	7.03	9.74

1) before restructuring

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

3) weighted average number of shares 26,550,000

28 LEADING FIBER INNOVATION



Material cost: Pulp decreases, Key Chemicals increase

(EUR mn)	2012	2011	Change in %
Dissolving wood pulp ¹	529.7	564.9	(6.2)
as % of total cost of material and purchased services	40.7	44.3	-
Key chemicals	181.1	139.1	30.2
as % of total cost of material and purchased services	13.8	11.0	-
Energy	146.9	128.8	14.1
as % of total cost of material and purchased services	11.3	10.1	-
Other ²	445.5	442.9	0.6
as % of total cost of material and purchased services	34.2	34.7	-
Total cost of material and purchased services	1,303.2	1,275.7	2.2
as % of external sales	62.3	59.6	-
Total external sales	2,090.4	2,140.0	(2.3)
Total fibers only sales	1,584.8	1,581.1	0.2
Total Opex³	1,839.5	1,767.4	4.1
Material cost as % of total Opex	70.8	72.2	-

1) including cost for wood

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

3) includes cost of material and purchased services, personnel expenses and other operating expenses

Remaining Opex: Freight and Other growing over-proportionally

Representing approx. 29% of total Opex on a full year basis

(EUR mn)	2012	2011	Change in %
Total personnel expenses	307.8	287.1	7.2
as % of external sales	14.7	13.4	-
Other operating expenses			
Freight outward	79.0	67.8	16.6
Commissions and advertising costs	26.9	28.5	(5.8)
Service and maintenance and other purchased services	35.3	33.3	6.2
Other	87.3	75.1	16.3
Total other operating expenses	228.6	204.6	11.7
as % of external sales	10.9	9.6	-
Total remaining Opex	536.3	491.7	9.1
as % of external sales	25.7	23.0	-
Total external sales	2,090.4	2,140.0	(2.3)
Total Opex¹	1,839.5	1,767.4	4.1
Total remaining Opex as % of total Opex	29.2	27.8	-

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

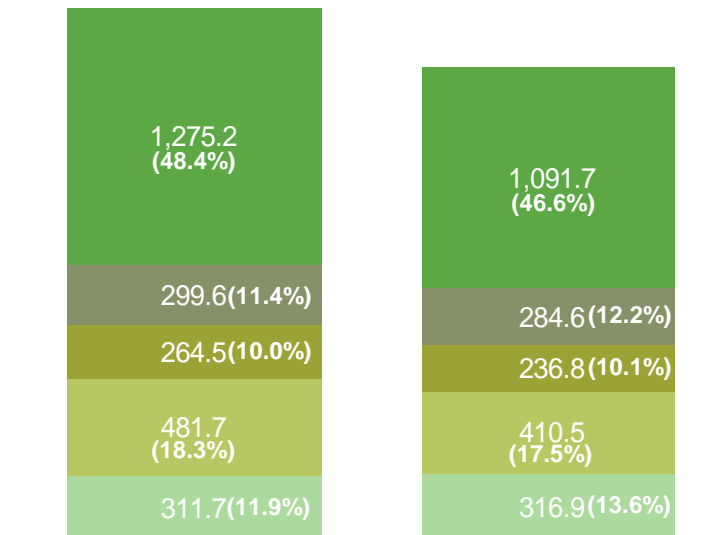
Balance sheet as of December 31, 2012

Σ 2,632.7 EUR mn

Σ 2,340.5 EUR mn

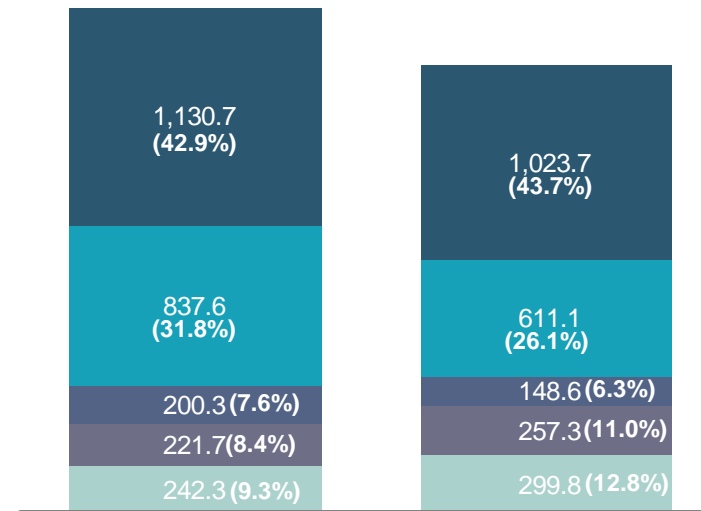
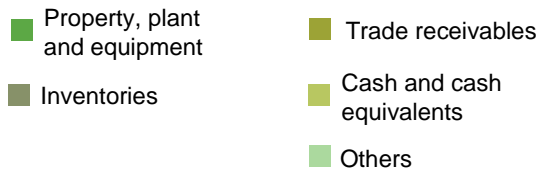
Σ 2,632.7 EUR mn

Σ 2,340.5 EUR mn



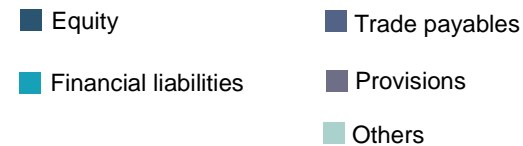
2012

2011



2012

2011



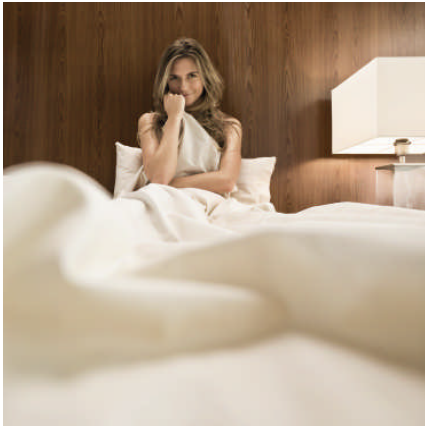
Full year Cash flow

(EUR mn)	2012	2011	Change in %
Gross CF	248.0	435.3	(43.0)
Change in total working capital ¹	(38.6)	(125.6)	(69.3)
Operating Cash flow	209.4	309.7	(32.4)
Investment Cash flow ²	(308.4)	(216.2)	42.7
Free Cash flow	(98.9)	93.5	42.7

1) including trade and other working capital

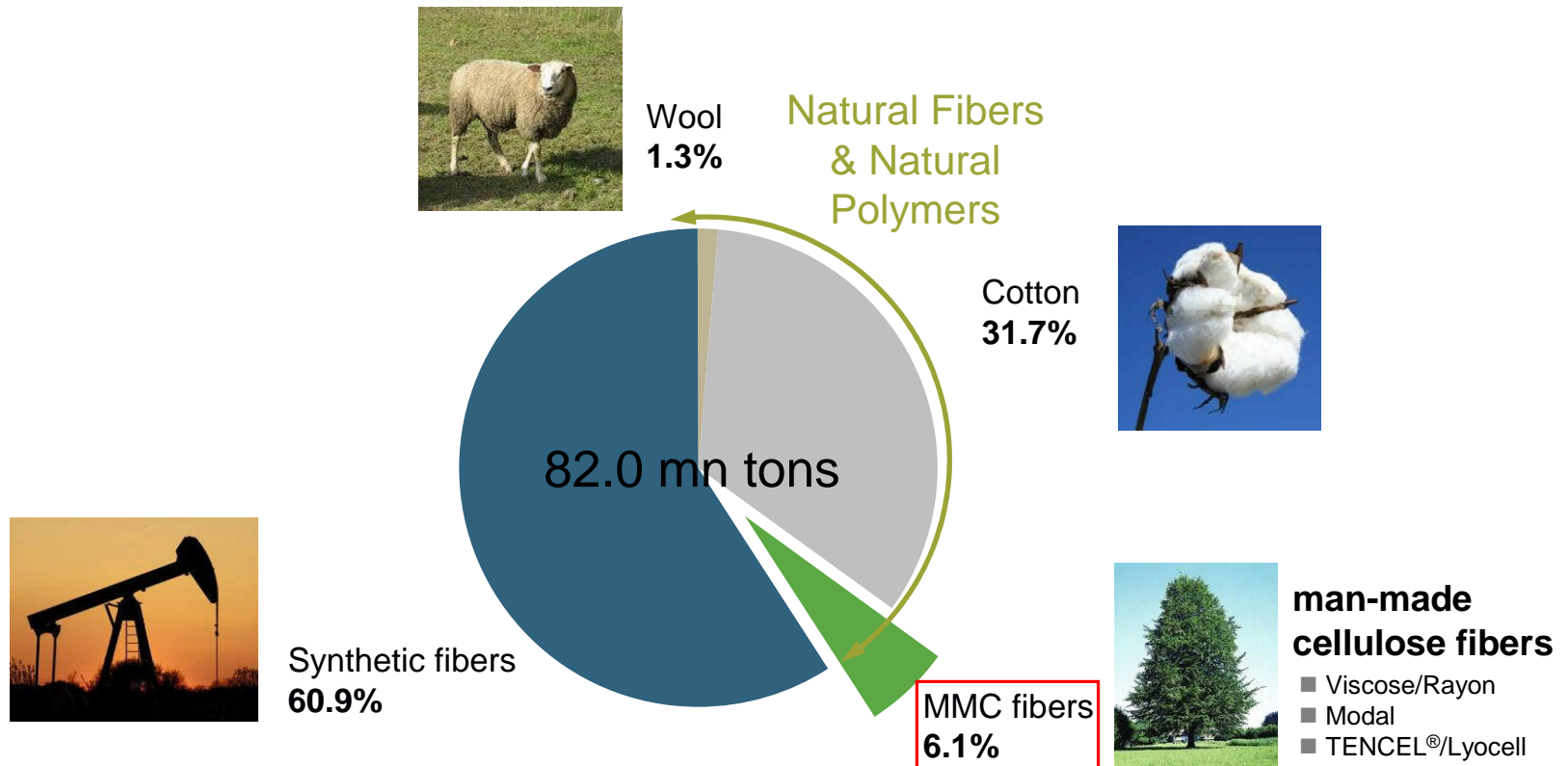
2) including investment in financial assets and disposal proceeds

Appendix – Company information



Global fiber market at a glance

2012 estimated production numbers



Source: Lenzing estimates

Lenzing at a glance

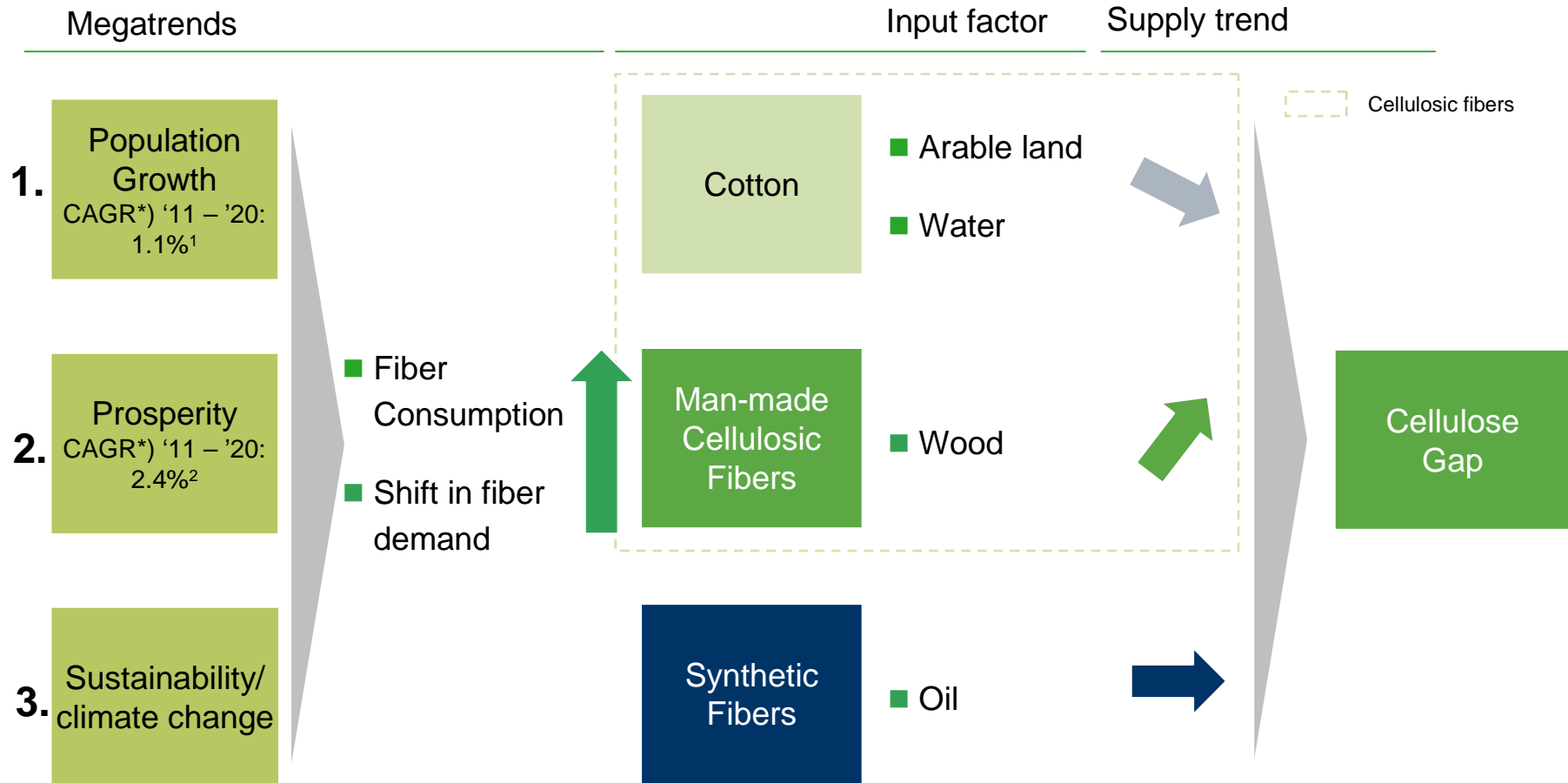
Global market leader in a growth market

- **Growth opportunity through 3 mega-trends leading to the cellulose gap**
- **Global market leader in producing man-made cellulosic fibers (MMCF)**
 - 22% market share (of world wide production)
 - Innovation, technology and quality leader
 - Cost leader
 - Double digit growth profile over last 12 years
 - Global presence (production/sales/marketing) and expansion
- **Solid financials**
 - Equity ratio¹: 45.1%
 - Net gearing¹: 35.2%
 - Total liquidity cushion¹: EUR 654 mn

1) as at March 31, 2013

Growth opportunity: cellulose Gap

MMCF: Strong demand and limitations on cotton supply



*) compound annual growth rate

1) forecasted growth from UN Population Division

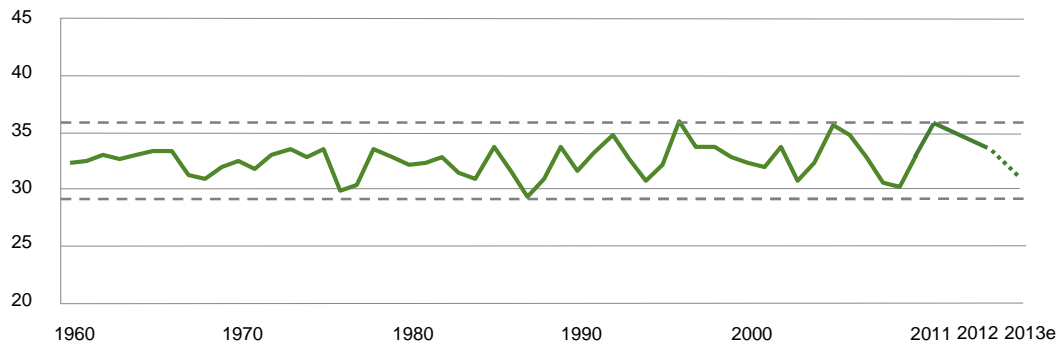
2) forecasted growth of global real GDP per capita by Global Insight

Cellulose Gap: A growth opportunity

Limited potential to increase cotton supply increases demand for MMC fibers

Cotton planted area expected to remain stable within narrow band (1960-2012)

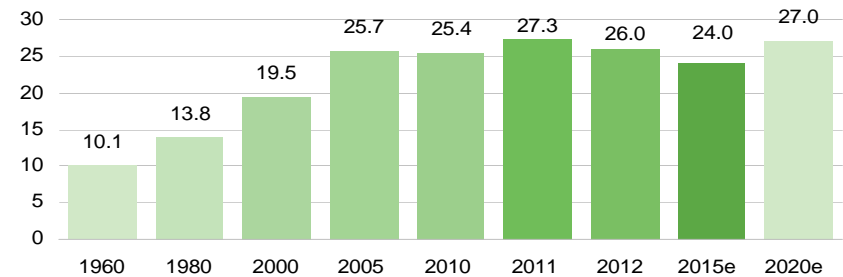
Million hectares



Source: U.S. Department of Agriculture
ICAC, February 1, 2013

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

Million metric tonnes



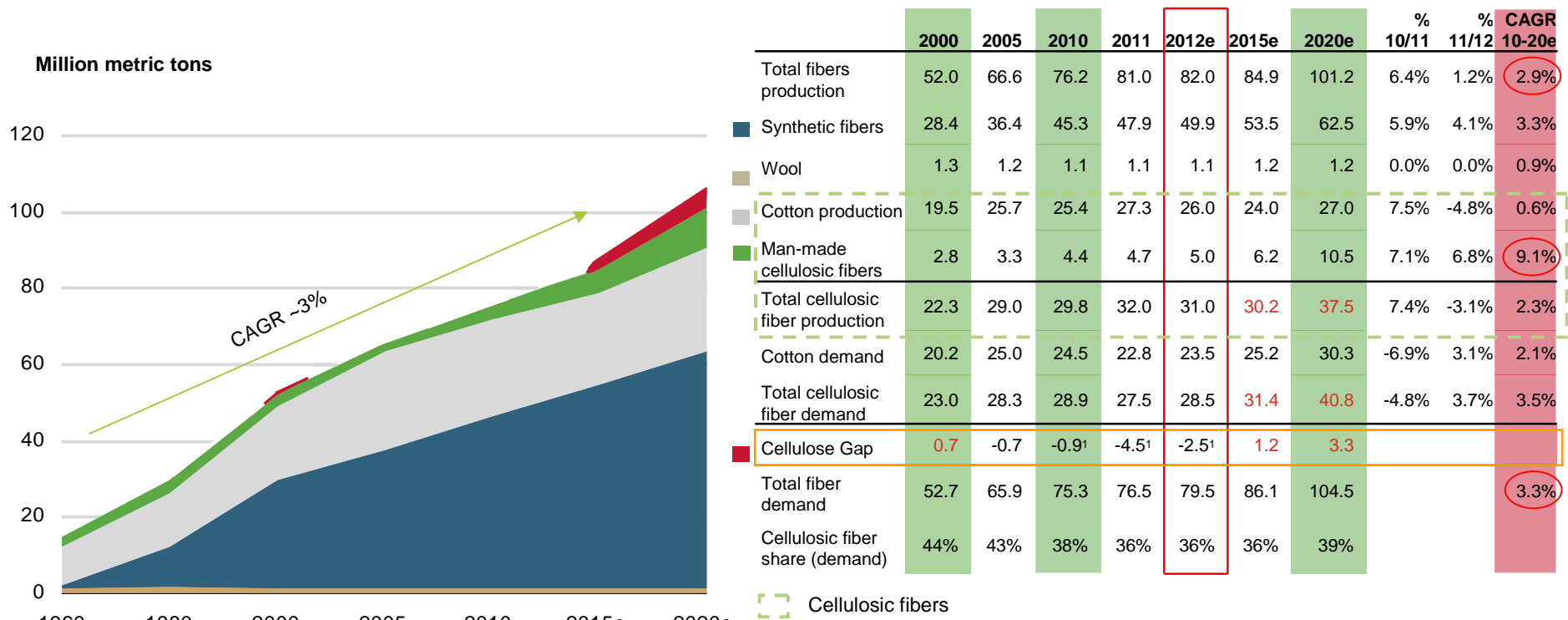
Source: International Cotton Advisory Committee, January, 2013

Cellulose Gap: A growth opportunity

9% p.a. forecast for MMCF over current 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)



1) cotton shortage in prior years has led to cotton prices rising to > \$ 2.20/lb distorting the market (lowering of demand, increase of production)

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

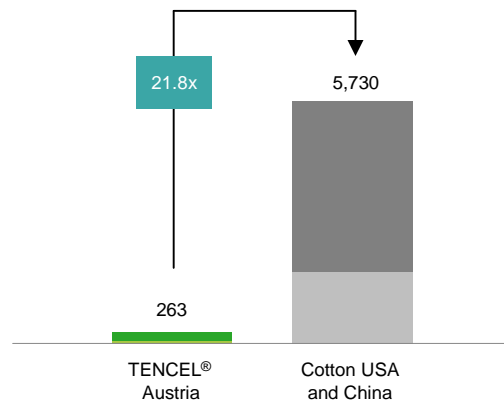
Mega-trend: Sustainability

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%

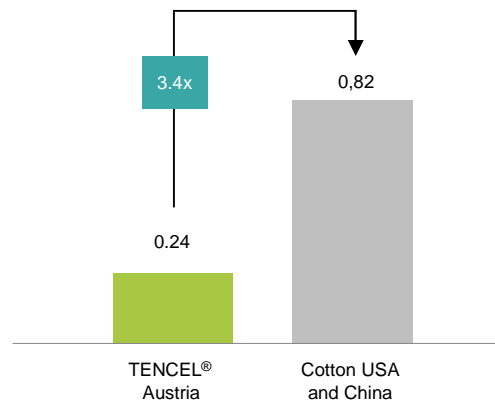
Water consumption

m³ per metric ton of fiber



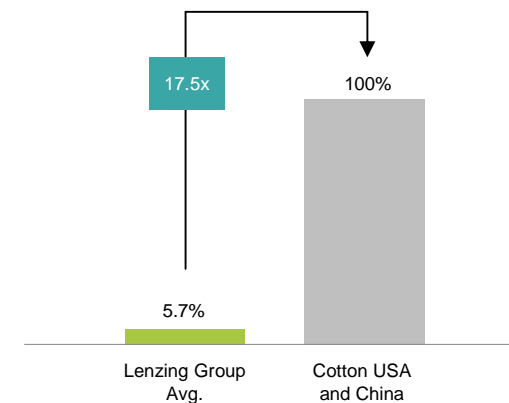
Required acreage for production of one metric ton of fiber

Hectares per metric ton and year



Environmental impact of production¹

Relative to cotton



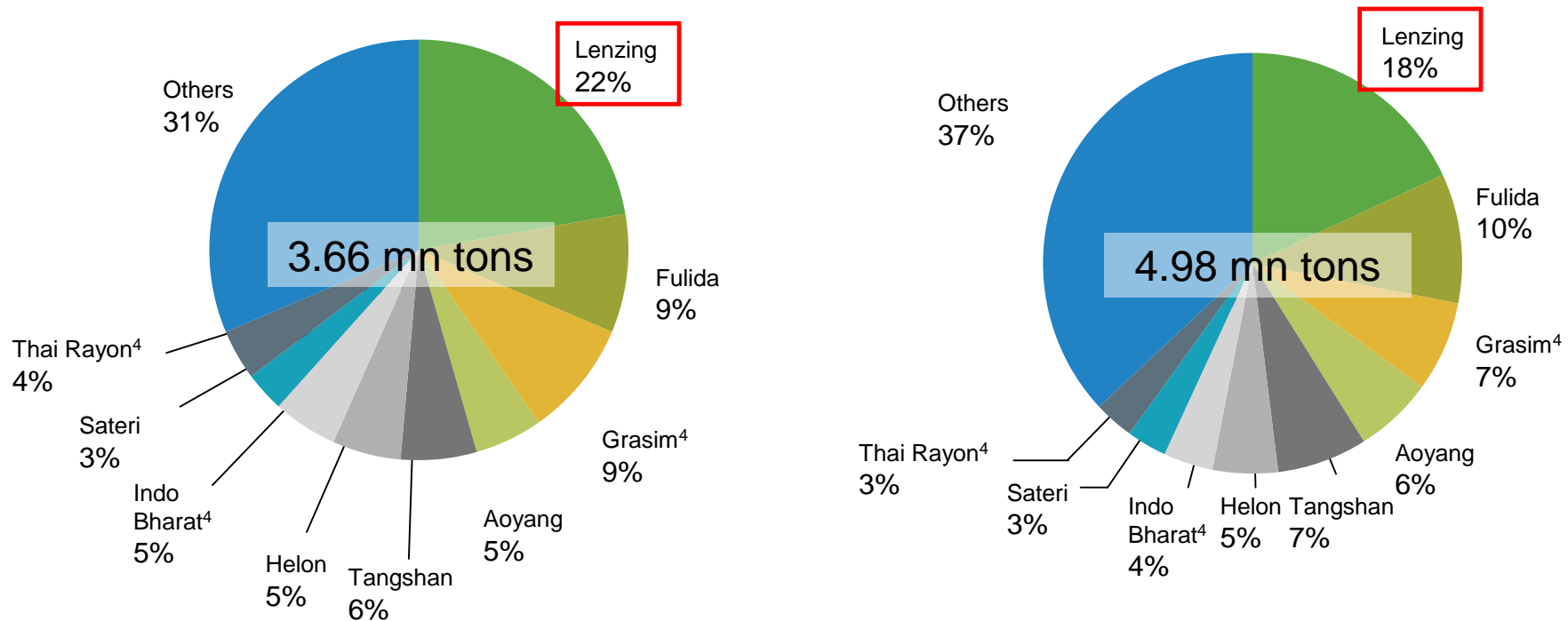
■ Process water ■ Cooling water ■ Groundwater irrigation ■ Surface water irrigation

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

1) including freshwater ecotoxicity, terrestrial ecotoxicity and others

Global market leader in VSF¹

Lenzing with 22% share of production² Lenzing with 18% share of capacities³



Source: CIRFS, FEB, Trade statistics, Company estimates; as of December 31, 2012

1) Viscose Stable Fibers (including Modal and Tencel)

2) Production China: based on 68% utilization (CCFA)

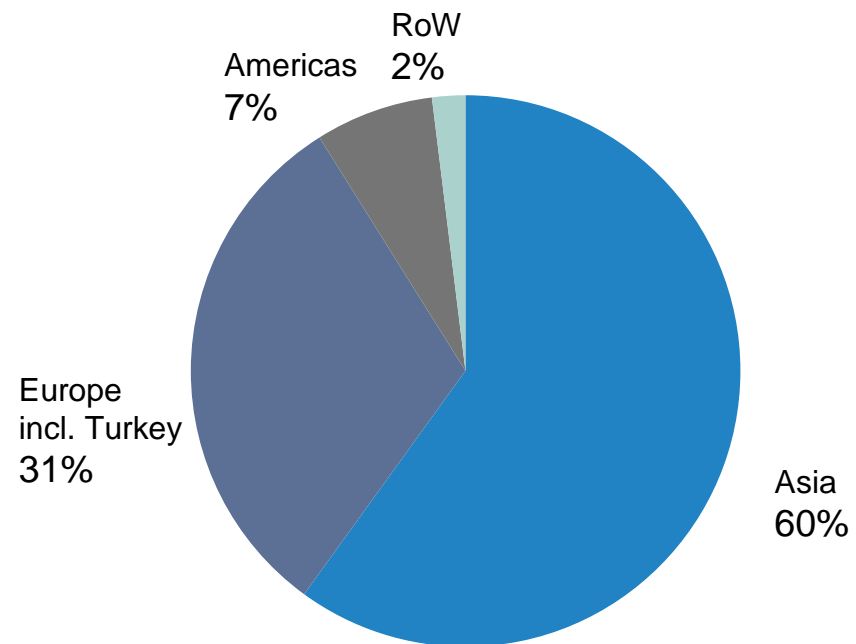
3) based on latest available company information from company websites and annual/interim reports

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



Only true global player

Sales by region¹



Source: Company information

1) fiber sales by volume in metric tons, as at March 31, 2013

Technology leadership secures leading market shares



	Market Position and Market Share in 2012 ¹	Unique Selling Proposition	Key End Markets	% of Fiber Sales Q1/2013 ²
Innovation drives specialties	# 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 	19.5%
	# 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 	15.0% 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 	65.5%



Source: Lenzing

1) by production capacity

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

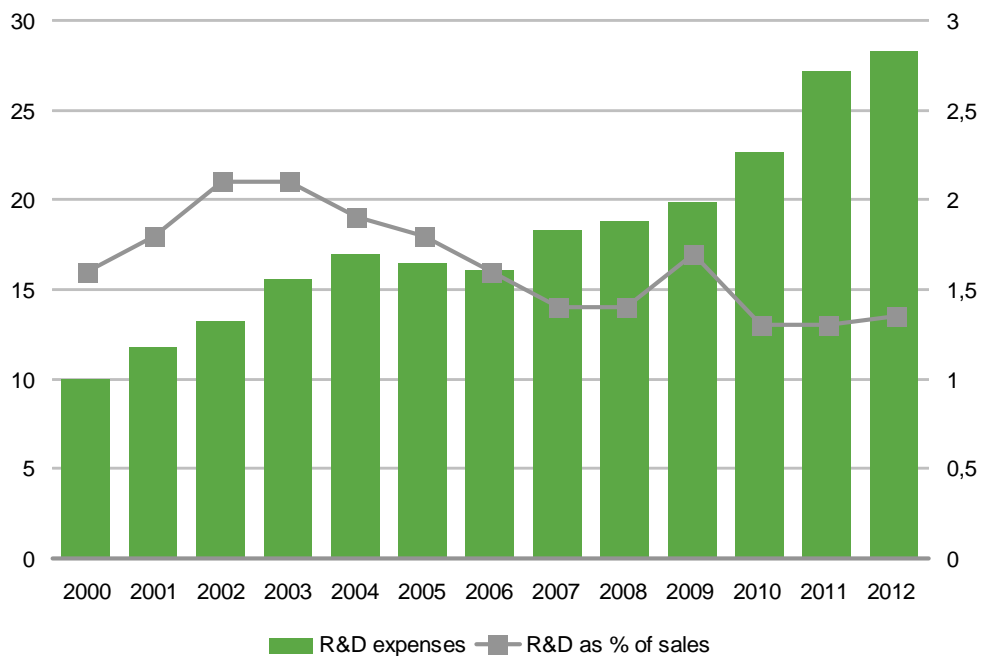
3) including Lenzing FR[®]

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

Lenzing is the innovation leader

Industry leading R&D spend (EUR 28.3 mn in 2012)

R&D expenses (2000-2012)



Source: LAG, as at December 31, 2012

Intellectual property

- As of December 2012, Lenzing owned approx. 1,380 patent applications and patents in 57 countries belonging to 226 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 2012, Lenzing owned approx. 1,500 trademark applications and trademarks in 95 countries belonging to 123 trademark families


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	105 FTEs <ul style="list-style-type: none"> ■ Lyocell process innovation ■ Fiber development (Viscose, Lenzing Modal®, TENCEL®) ■ Application development 	 <p>Total R&D FTEs: 168 researchers and laboratory assistants</p>
Nonwoven innovation	22 FTEs <ul style="list-style-type: none"> ■ Application development 	
Process innovation	41 FTEs <ul style="list-style-type: none"> ■ Pulp process innovation ■ Viscose process innovation 	

Source: LAG, as at December 31, 2012
 FTEs refers to full time employees

Unique innovation model

Breakthrough innovation

- Focus: Leap technologies (e.g. Lenzing Modal®, TENCEL®, TencelWeb®)
- 10% of total 2012 projects

Product innovation

- Focus: customizing
- 15% of total 2012 projects



Process innovation

- Focus: quality, productivity
- 55% of total 2012 projects

Application innovation

- Broaden application base
- 20% of total 2012 projects

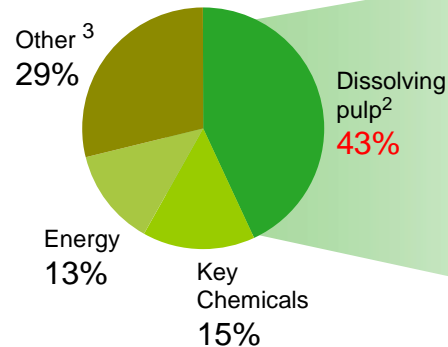
- 108 projects in process

Lenzing is the cost leader

Through pulp integration and long-term pulp supply contract

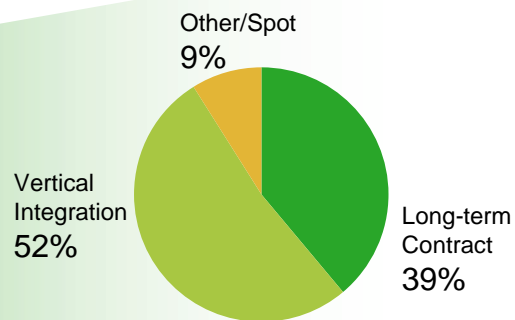
- Pulp is the key cost driver with **43% share of total costs of material and purchased services**
- 90+% of long-term pulp supply secured through own production (vertical integration) and long-term supply contracts
- Long-term contract **linked to paper pulp index** (not to spot price of dissolving pulp) plus applicable premium

Cost structure Lenzing Group (Q1/2013)¹



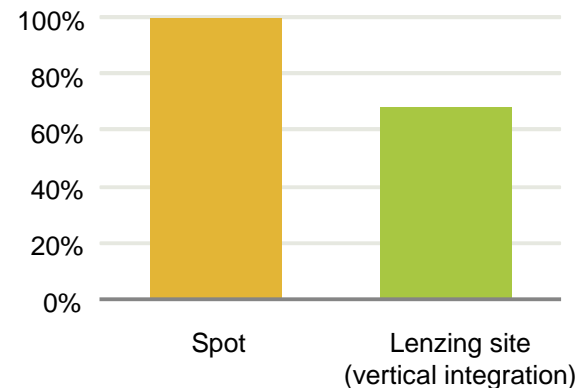
Source: Lenzing

Lenzing Group pulp sourcing (Q1/2013)⁴



Source: Lenzing

Indicative spot pulp procurement cost vs. vertical integration⁵



1) cost structure based on cost of materials and purchased services amounting to 309.7 EUR mn in Q1/2013

2) including wood

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

4) data refers to sourcing of pulp used in a quarter, including inventory build-up. Paskov volumes included under vertical integration

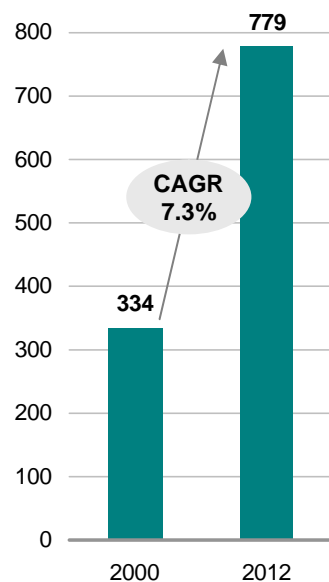
5) assuming spot price of \$915 per metric ton

Double-digit growth profile

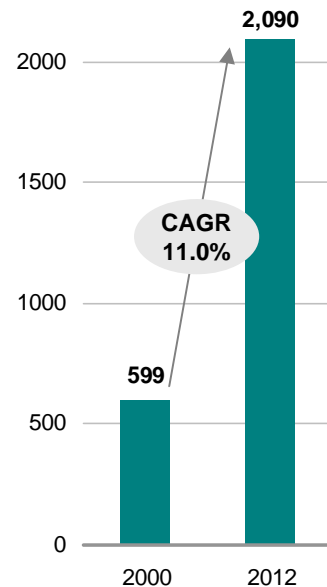
Lenzing has managed growth successfully in the past

■ Double-digit growth p.a. over last 12 years

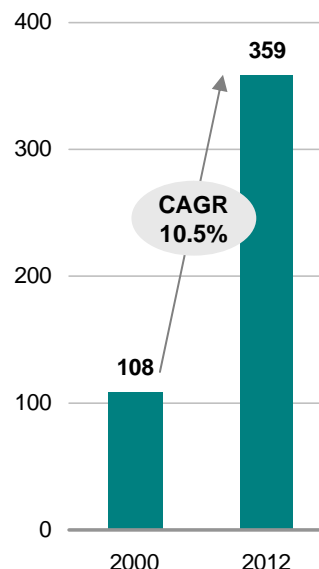
Fiber production
(1,000's metric tons)



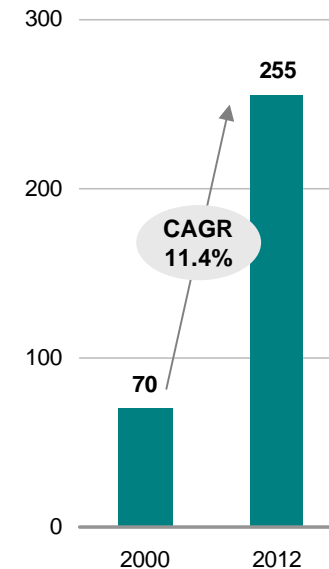
Total external sales¹
(EUR mn)



EBITDA^{1,2}
(EUR mn)



EBIT^{1,2}
(EUR mn)



1) 2000 based on US GAAP; 2012 based on IFRS

2) before restructuring

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>Production</u>
#1	 LENZING	Lenzing, Austria	260k to
#2	 LENZING	Purwakarta, Indonesia	250k to
#3	Fulida Xinjiang	Kuerle, China	205k to

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 December 31, 2012 estimated productions

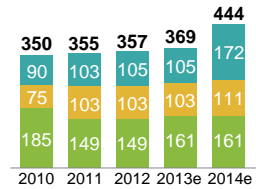
Source: Lenzing

Capacity expansion to 2014¹ – 1 mn tons

What we have in the pipeline today

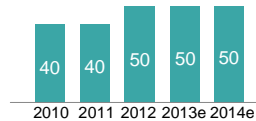
Europe²

CAGR 6.1%



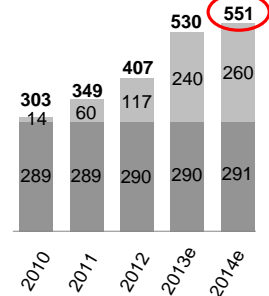
USA

CAGR 5.7%



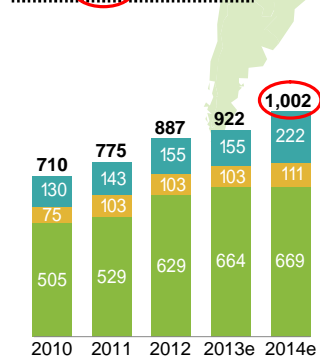
Total pulp capacity

CAGR 16.1%



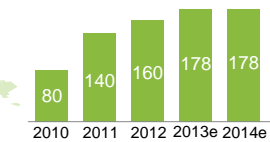
Total capacity at year end

CAGR 9.0%



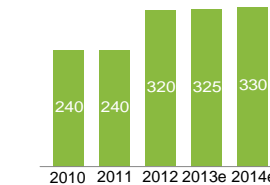
China

CAGR 22.1%



Indonesia

CAGR 8.3%



Annual capacity in '000 metric tons



1) figures are shown in mn tons

2) includes Lenzing (A), Heiligenkreuz (A) and Grimsby (UK)



Expansion program

Significant investments envisaged to support growth strategy

Plant location	Capacity – YE 2011 (metric tons)	Capacity – YE 2012 (metric tons)	Planned capacity – YE 2013 (metric tons)	Planned capacity – YE 2014 (metric tons)
Lenzing / Austria	252,000	252,000	264,000	339,000
Lenzing Viscose®	149,000	149,000	161,000	161,000
Lenzing Modal®	103,000	103,000	103,000	111,000
TENCEL®	-	-	-	67,000
Purwakarta / Indonesia, Lenzing Viscose®	240,000	320,000	325,000	330,000
Nanjing / China, Lenzing Viscose®	140,000	160,000	178,000	178,000
Heiligenkreuz / Austria, TENCEL®	63,000	65,000	65,000	65,000
Grimsby / UK, TENCEL®	40,000	40,000	40,000	40,000
Mobile / USA, TENCEL®	40,000	50,000	50,000	50,000
India, Lenzing Viscose®	-	-	-	-
Total fibers	775,000	887,000	922,000	1,002,000
Lenzing / Austria	289,000	290,000	290,000	291,000
Paskov / Czech Republic	60,000 ¹	117,000	240,000	260,000
New pulp plant	-	-	-	-

1) adjusted



Capacity by site 2012 - 2013

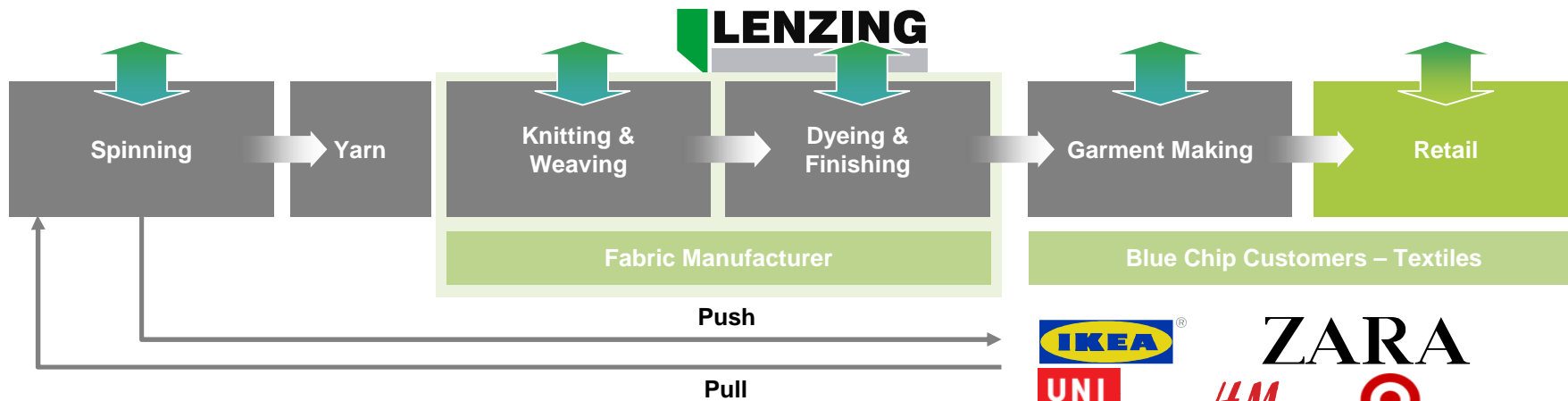
(metric tons)	Capacity per March 31, 2012	Capacity per June 30, 2012	Capacity per September 30, 2012	Capacity per December 31, 2012	Capacity per March 31, 2013	Capacity per June 30, 2013	Capacity per September 30, 2013	Capacity per December 31, 2013
Lenzing	260,000	260,000	260,000	252,000	264,000	264,000	264,000	264,000
Indonesia	240,000	240,000	240,000	320,000	320,000	320,000	320,000	325,000
Nanjing	140,000	160,000	160,000	160,000	160,000	178,000	178,000	178,000
India	-	-	-	-	-	-	-	-
Heiligenkreuz	63,000	63,000	63,000	65,000	65,000	65,000	65,000	65,000
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	783,000	813,000	813,000	887,000	899,000	917,000	917,000	922,000

Capacity by site 2014

(metric tons)	Capacity per March 31, 2014	Capacity per June 30, 2014	Capacity per September 30, 2014	Capacity per December 31, 2014
Lenzing	264,000	331,000	331,000	339,000
Indonesia	325,000	325,000	325,000	330,000
Nanjing	178,000	178,000	178,000	178,000
India	-	-	-	-
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	922,000	989,000	989,000	1,002,000

High barriers to entry

Global branded supplier to blue chip customer base



Blue Chip Customers – Nonwoven

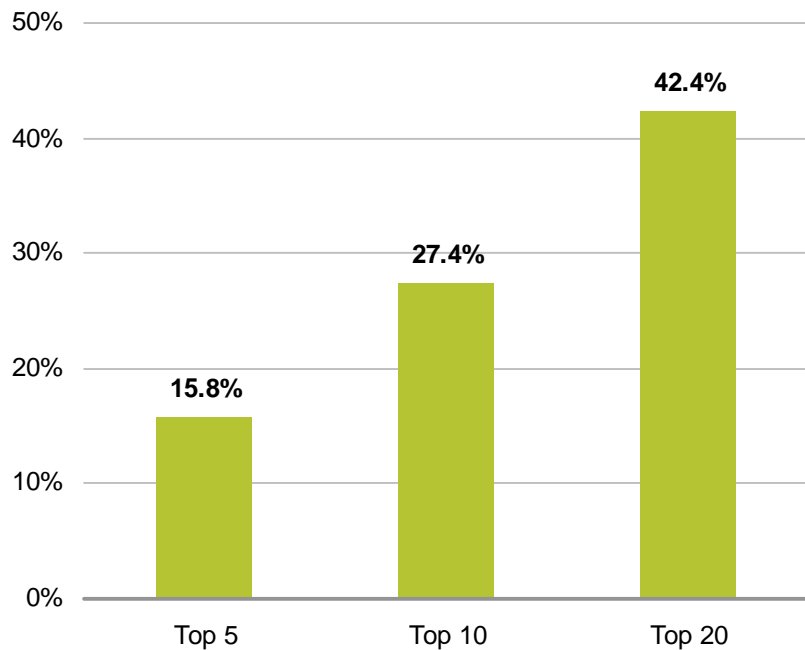


- **Trusted, long-term partner** for global consumer brands
- **Global integrated marketing and sales network**
- **Branded supplier** with involvement in value chain decision process of customers
 - ➔ **Push:** Close collaboration with manufacturers of spinning machinery
 - ➔ **Pull:** Marketing through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

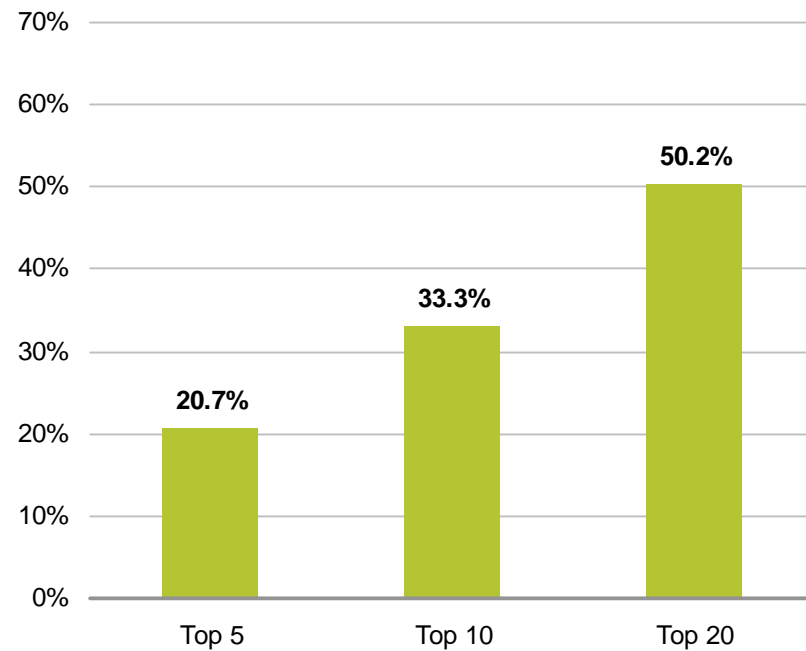
Sales and marketing

Customer concentration

Textiles – % of sales by customers
(Q1/2013)



Nonwoven – % of sales by customers
(Q1/2013)



Source: LAG

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



Where our fibers end up

Ladies wear – close to skin

- Cowl neck tee
- USD 39.50
- TENCEL® / Spandex



VICTORIA'S SECRET

- Lightly padded bra top maxi dress
- USD 79.50
- Ecosil® Lenzing Modal® / Spandex



VICTORIA'S SECRET

Where our fibers end up

- Sequined knit cardigan
- USD 88.00
- 58% Viscose / 42% TENCEL®



AX ARMANI EXCHANGE

- Denim shirt Nixon
- EUR 39.95
- 100% TENCEL®



MANGO
WOMEN COLLECTION

LENZING

Where our fibers end up

Soft denim – can be sold in retail with a high premium

- Vintage flare jeans
- USD 98.00
- 100% TENCEL®



- Five pocket skinny jeans
- USD 240.00
- Lenzing Modal® / TENCEL® / Cotton / Elastane



HELMUT LANG



Where our fibers end up

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



NORDSTROM

- Armani collezioni sportcoat
- USD 645.00
- TENCEL®



NORDSTROM

Where our fibers end up

USA's leading baby wipe – TENCEL® inside



ALL NEW!



KIRKLAND Signature

You've just purchased the most exciting breakthrough in premium-quality baby wipes.

Kirkland Signature™ All Natural Fiber Baby Wipes. The FIRST and ONLY baby wipe in the world, featuring the Tencel® brand.

Tencel® is the revolutionary fabric that begins where other fabrics end. You'll see and feel why it's ultra-soft the very first time you use it.

BETTER FOR BABY
Tencel® is ultra-soft and absorbs faster and better than other wipes.

BETTER FOR YOUR WORLD
Our wipes are made from 100% renewable resources.

*100% derived from trees grown in an environmentally managed forest.

ALL NATURAL FIBER WIPES



More than ever, parents like you want products for their children that are naturally made from raw materials but are also safe for the environment.

That's why Tencel® is the ideal New Age material.

- Tencel® is made from trees. Actually, from the cellulose inside trees, which is naturally absorbent and renewable. The trees are grown on non-arable land without the need for pesticides or fertilizers.
- The innovative manufacturing process is environmentally responsible because it effectively uses, recaptures and reuses resources such as water.
- Even the wipes are biodegradable, which creates a natural, sustainable cycle.

Nature returning to Nature.



- Derived from natural resources
- 100% renewable
- Biodegradable
- In established international testing, Tencel's manufacturing process is rated more eco-friendly than other fibers. In addition, its carbon footprint is about 30% smaller than that of cotton manufacturing*.

Tencel® is advanced care for your baby and for our earth.

Tencel® is a registered trademark of Lenzing A.G.,
*LCA study 2008, University of Utrecht, Netherlands.

80M3219



Our production sites

Lenzing AG –
Austria (fiber and pulp)



PT. South Pacific Viscose –
Indonesia



Lenzing (Nanjing) Fibers Co. Ltd. –
China



Heiligenkreuz –
Austria



Our production sites

Grimsby –
Great Britain



Mobile –
USA



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



Lenzing Management Board team and shareholder structure



Peter Untersperger/CEO

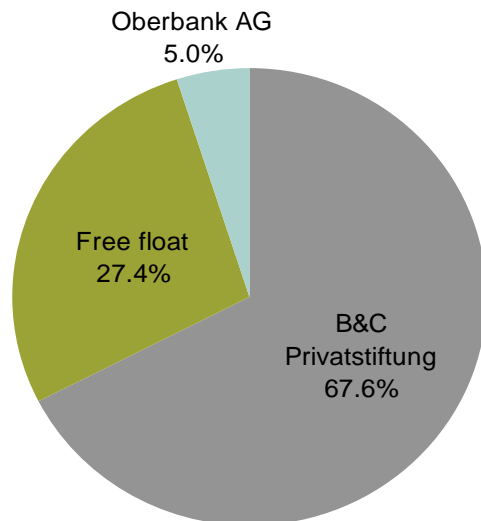


Friedrich Weninger/COO



Thomas G. Winkler/CFO

Lenzing AG shareholder structure

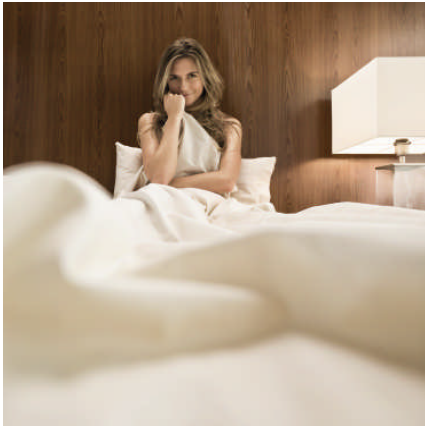


Overview of B & C Privatstiftung¹

- 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.
- As the core shareholder, B & C promotes the dynamic growth of the portfolio companies and takes a long-term view.

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

Back-up



Sale of Business Unit Plastics

Till closing “held for sale”

- Sale of 85%, remaining shareholding of 15%
- Valuation at approx. 8 times 2012 EBITDA
- Lenzing Plastics with EUR 109.4 mn sales and EBITDA of EUR 11.2 mn in 2012
- Austrian investor
- Closing expected at the end of Q2/beginning of Q3

Confirmed outlook: Full Year 2013

A year of transition

Sales	approx. EUR 2.15 – 2.25 bn	■ Reduction of sales by further EUR 50 mn due to complete switch from external to internal sales in Czech pulp mill
EBITDA	approx. EUR 260 – 290 mn	■ EBITDA margin of approximately 12% – 13% EBIT margin of approximately 6% – 8%
EBIT	approx. EUR 140 – 170 mn	■ Lower fiber prices with almost direct effect on Lenzing's earnings
Average fiber price	approx. EUR 1.80 – 1.90 per kg	■ Record sales volume but margin contribution strongly influenced by expected cost increases (personnel, CS2 and selected other input cost factors) and cost savings potential
Sales volume	approx. 915 k tons (+13%)	■ Lower CAPEX to reflect lower visibility and focus on managing cash flow
CAPEX	approx. EUR 260 mn	■ Minimum dividend to compensate for fiber market volatility and support an adequate shareholder return
Dividend policy	minimum EUR 1.75 per share	■ Higher tax rate based on lower positive effect from "B&C Tax Group" (EUR 1.5 mn compared with EUR 10.5 mn in 2012)
Tax rate	approx. 24 – 26%	

2012/13: The perfect storm?

Short term pain, long term gain for Lenzing

Market

- Cotton stock/use ratio >70%
- Cotton price ~90 cents/lb

Macro

- Weak demand in Europe and USA
- China: availability of capital is restricting factor

Competitor

- Postponing pulp (up to 700 kto) and fiber (up to 400 kto) projects beyond 2013
- Steering by utilization

Cost

- Pulp price (spot market) only goes down slowly from current low level
- Carbon-disulphide price increase, caustic soda/energy flat

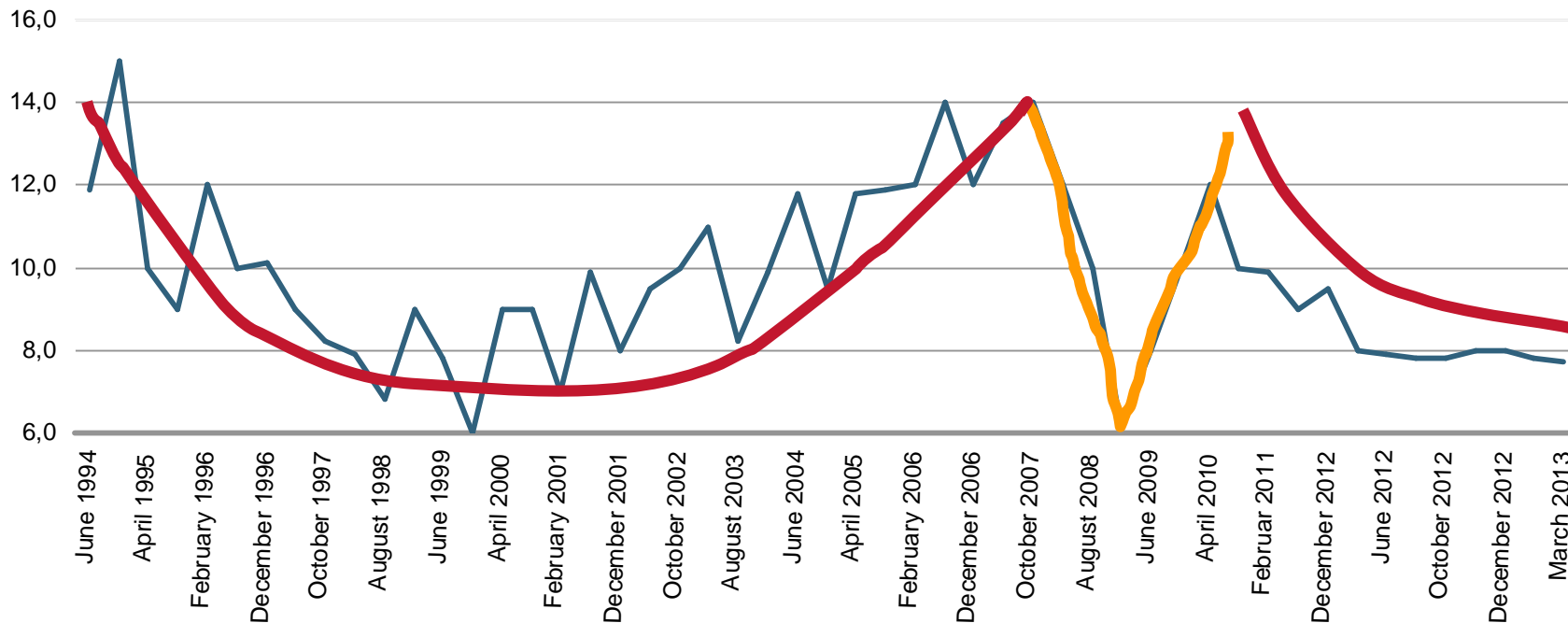
Chinese economic development

No V-shaped recovery

- Chinese GDP growth: gradual recovery stopped in Q1/2013
- GDP Q1/2013: 7.7% (Q4/2012: 7.9%)

GDP growth

(year-on-year in %)



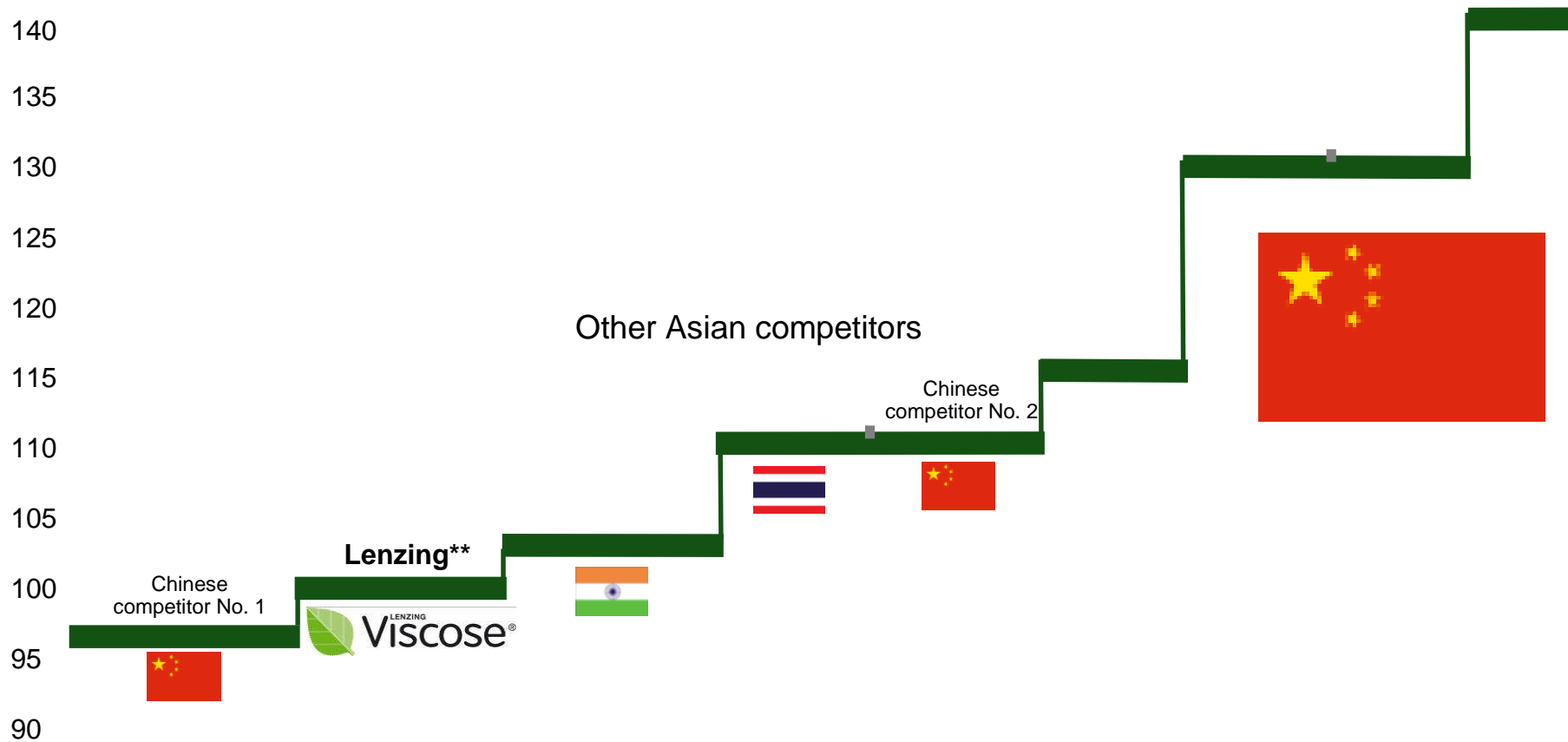
Source: Deutsche Bank; Asia Data Flash - China, April 15, 2013

Viscose fiber industry cost curve

Lenzing placed in an excellent position*

Index 100 = Lenzing**

Other Chinese competitors



* Based on publicly available information (Sales minus EBIT divided by Volume) or obtained information and estimates

** Average of Lenzing Viscose sites (incl. Indonesia, Austria and China)

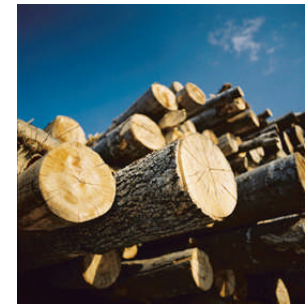
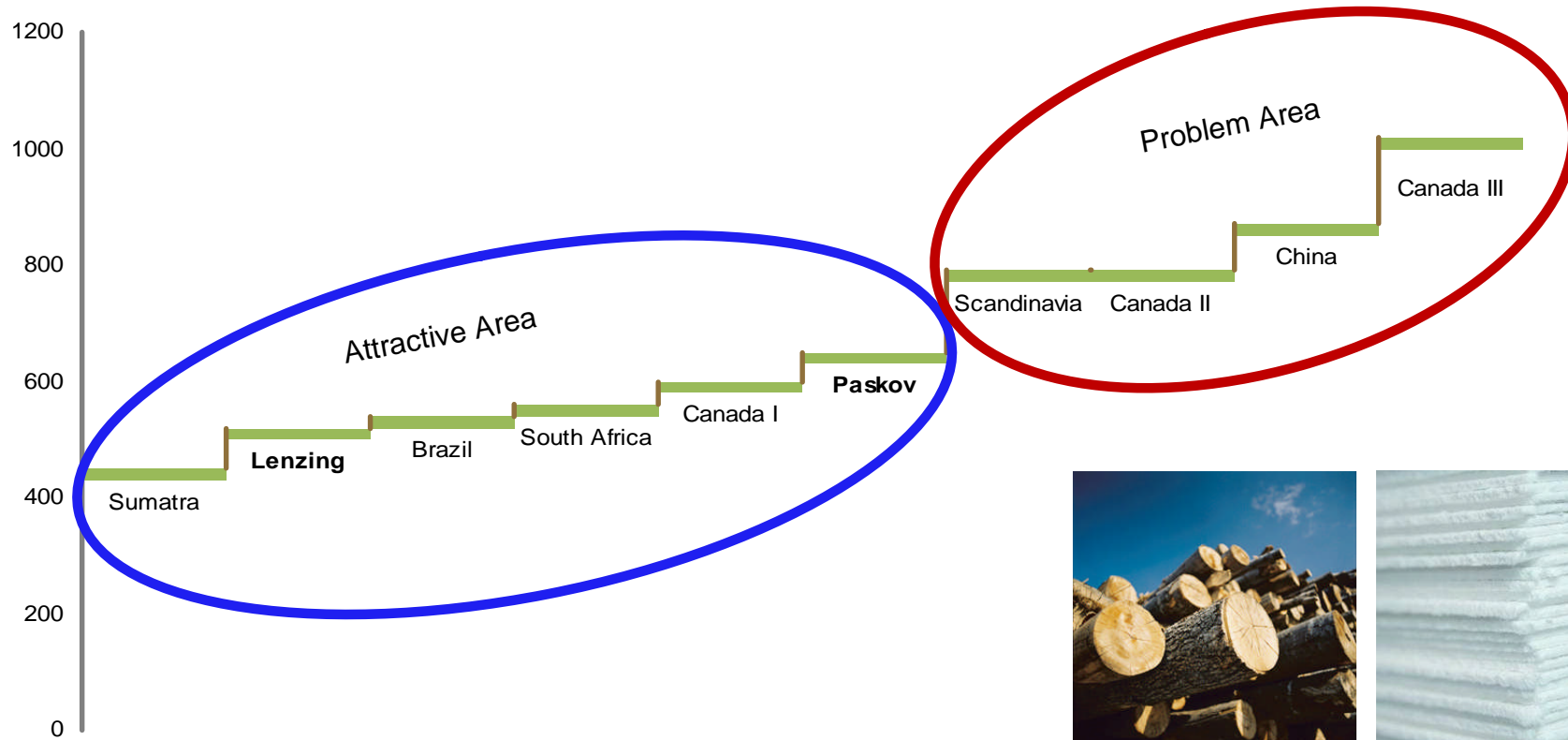


DWP industry – cash cost curve*

A lot of new capacity added on the right side of the curve

Cost Competitiveness¹

USD/ton



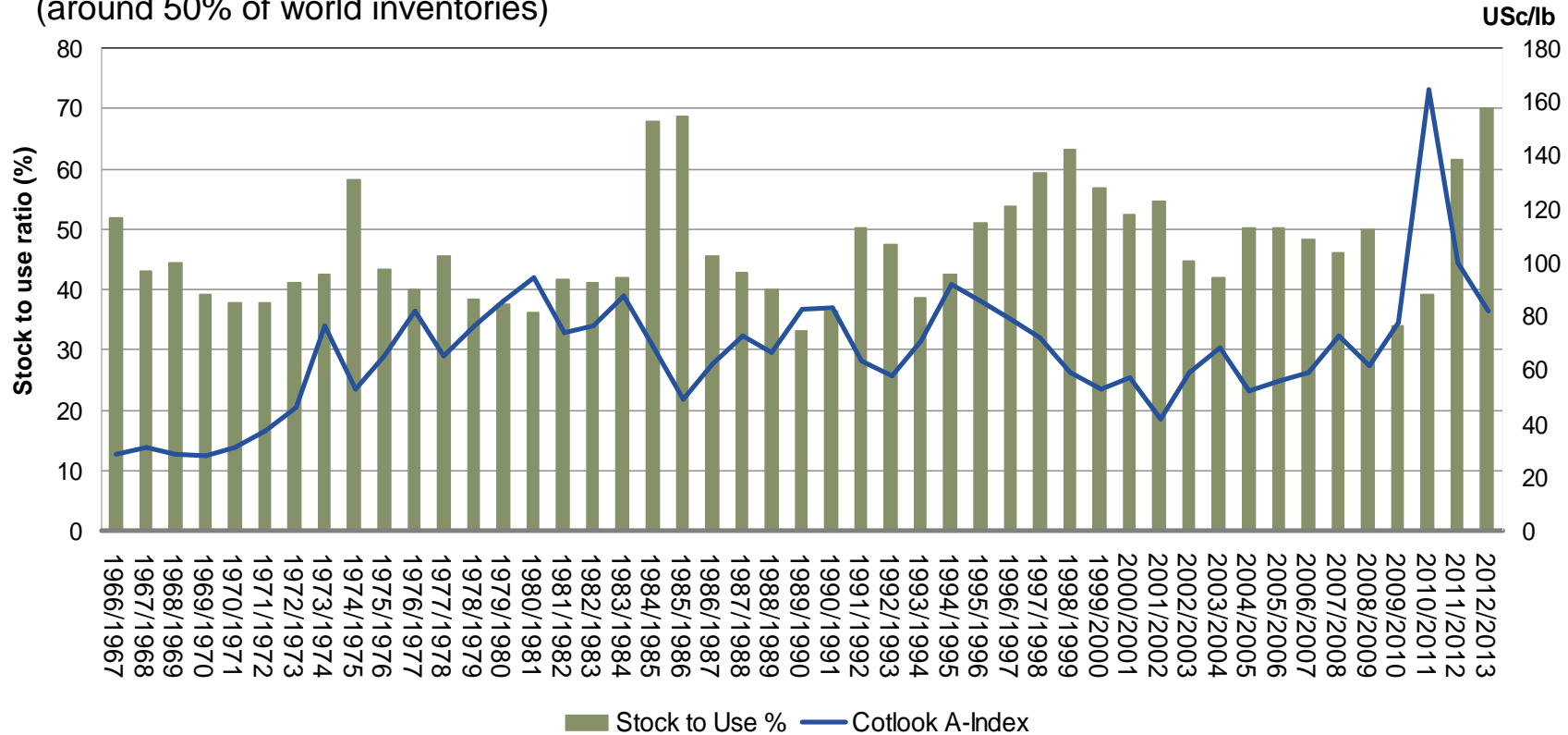
* Cash cost (excl. freight, interest, taxes)

1) Incl. projects until 2015

Fiber market environment

Highest-stock-to-use-ratio ever at approx. 73%

- World cotton production of 26.3 mn tons, consumption of 23.3 mn tons and ending stocks of 17.0 mn tons
- Massive increase of Chinese national cotton reserve of estimated 8 mn tons (around 50% of world inventories)



Source: ICAC, March 1, 2013
 Cotlook A Index 2012/2013: Average for the first five months of 2012/2013 (August to December 2012)



Viscose spot prices China trending down since September

Stock-to-use-ratio on a high level > 70%

VSF spot China and cotton price development (in cents/lbs)



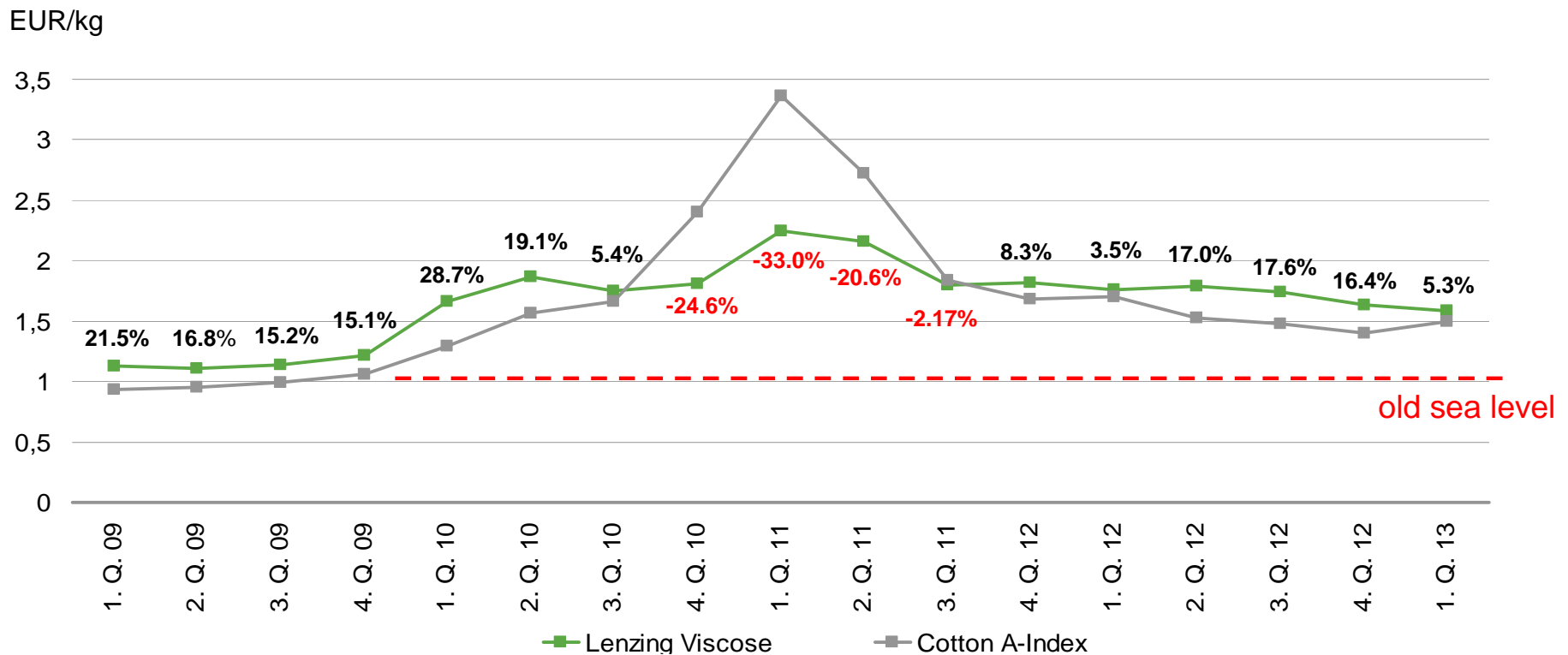
1) Cotton Future calculated on the basis of the most liquid next future compared with the actual Cotton A Index data



Lenzing Viscose[®] textile prices compared to cotton price development

VSF-price lower than cotton price after end of reporting period

- Even with a 20% reduction in cotton prices and an inventory level of 70% , there was no return to historic cotton prices of < 70 cents/lbs in 2012



1) historically, standard viscose fibers traded with a 15-20% premium over cotton.
(based on Cotton A-Index spot in EUR/kg ; Bloomberg: Cotlook A; Reuters COT-INDX-FE)



Contacts and financial calendar

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■ Financial calendar

Financial calendar 2013

Full year results	March 22, 2013
69th Annual General Meeting	April 24, 2013
Results 1st quarter	May 8, 2013
Half year results	August 21, 2013
Capital Markets Day	September 19, 2013
Results 3rd quarter	November 14, 2013

➔ Visit our IR website:

<http://www.lenzing.com/en/concern/investor-center.html>

➔ Visit our sustainability site

<http://www.lenzing.com/en/concern/lenzing-group/sustainability.html>