

Naturally positive

Lenzing Investor Presentation

Result 01-03/2017

May 16, 2017

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

Highlights Q1/2017

- Very strong start into the year
 - Group revenue up 14% to quarterly all-time-high of EUR 586.2 mn primarily as a result of higher selling prices and an improved product mix
 - Strong EBITDA improvement by 46.6% to new quarterly all-time-high of EUR 135.1 mn
 - Lenzing is for the first time net debt free and showed a net liquidity of EUR 66.5 mn in Q1/2017
- Further progressing with sCore TEN strategy
- Dr. Heiko Arnold started on May 1, 2017 as new Chief Technology Officer (CTO)

Dr. Heiko Arnold – New CTO

- Born in Munich
- Strong scientific and technical education, studies at Darmstadt University (physical chemistry and chemical engineering)
- Longstanding experience, especially in Asia
 - Large-scale investment projects
 - Technology and engineering function in Asia Pacific headquarter (Hong Kong)
 - Two operational leadership roles (manufacturing, investments and technology)
 - Considerable research and development expertise
- Started at Lenzing Group on May 1, 2017
- Role as CTO: Driving Lenzing's organic growth agenda
 - Bundling all technical competencies in the Lenzing Group
 - Responsible for execution of capital investment projects
 - Focussing and enhancing technology expertise within Lenzing Group to ensure "Best Available Technology" through the life cycle of a particular technology

sCore TEN specialties investment program

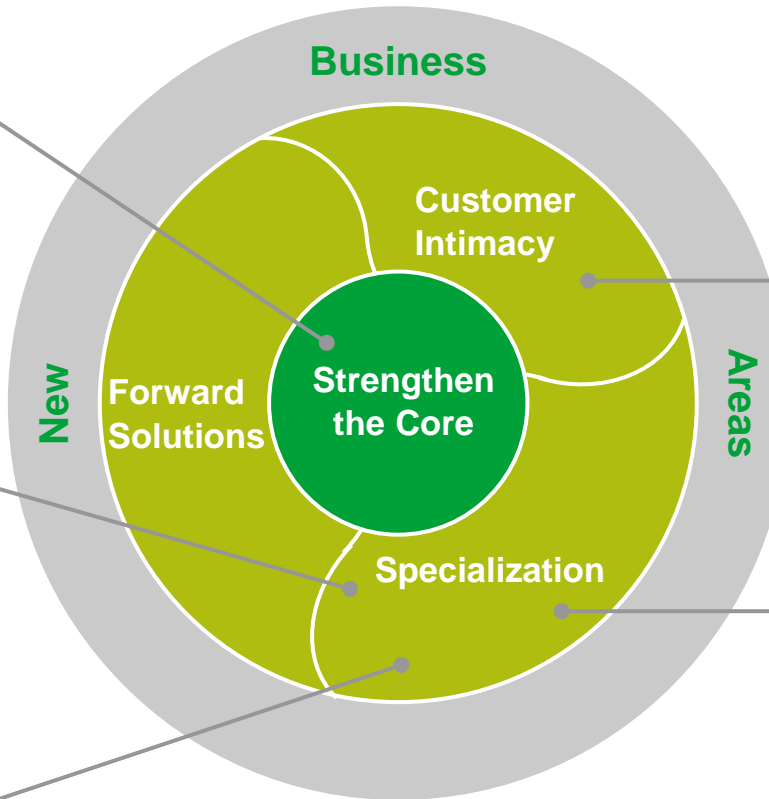
- Debottlenecking existing specialties sites by 35 kt until Q2/2018
 - Around EUR 30 mn investment in Lenzing (Austria)
 - Around EUR 70 mn investment in Heiligenkreuz (Austria)
- Lyocell brownfield project of 90 kt until around end of Q1/2019
 - Investment of EUR 275 mn at existing site in Mobile/USA
- Lyocell greenfield expansion in Asia
 - Site selection and investment decision in 2017

sCore TEN – Further progressing

- Evaluation of pulp expansion program by the end of 2017
- Continuous improvement in full swing

- New product launch at Planet Textiles (May 24, 2017)

- Successful launch of Refibra™ branded lyocell fiber
 - Presentation at Première Vision, Paris
 - INDITEX' "Join life" collection with Refibra™ fiber

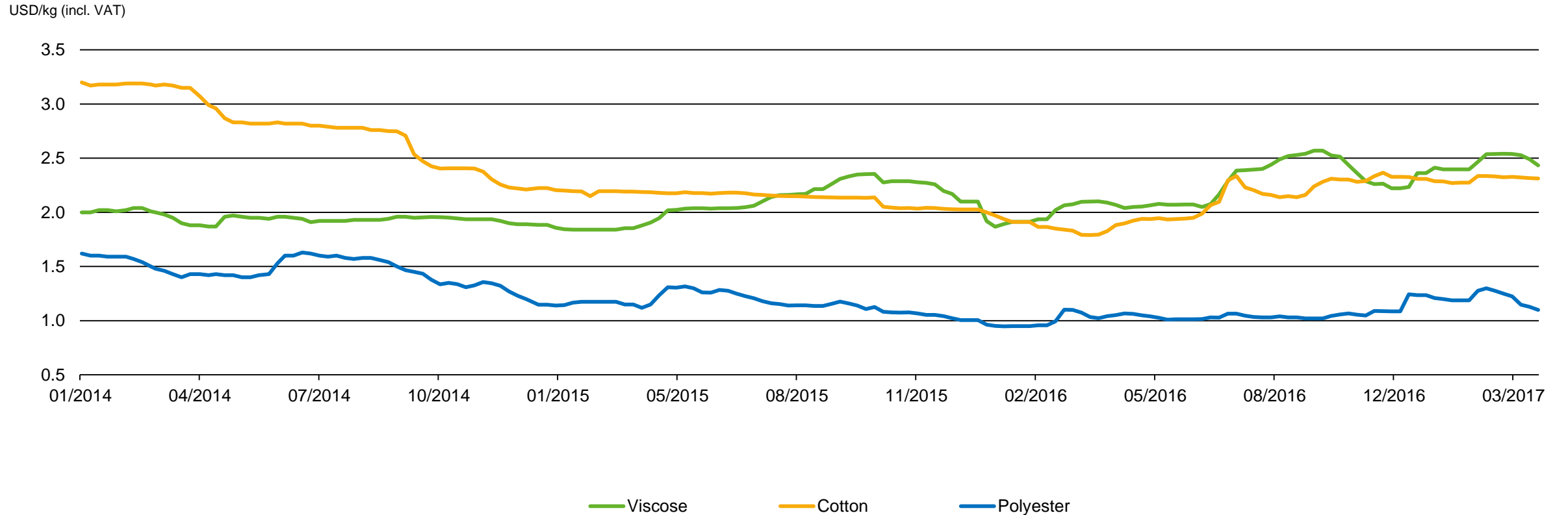


- Opening of commercial offices in Turkey and Korea
- Strong brand awareness
 - 360 mn brand contacts (retail)
 - > 400 brand cooperations
 - > 9 mn impressions (digital marketing/blog campaign)

- TENCEL® branded lyocell fiber capacity expansion on track - groundbreaking ceremony in Heiligenkreuz

Interfiber price development¹

Staple fiber prices - Development in China



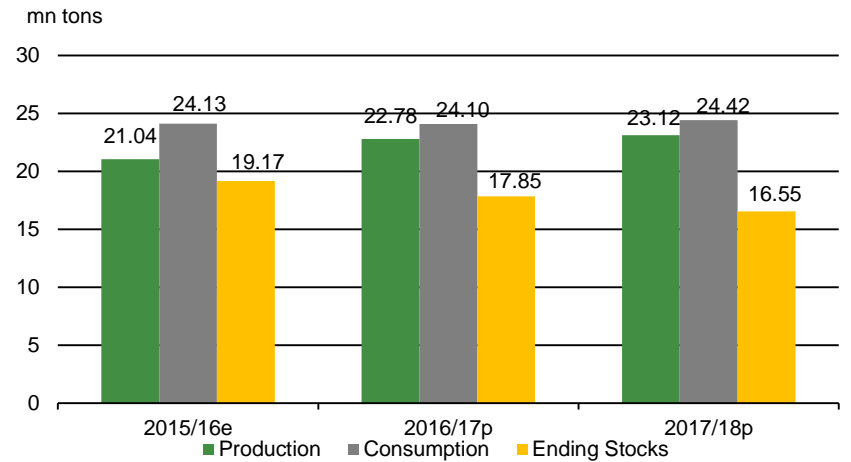
Sources: China Cotton Association, China Chemical & Fiber Economic Information Network, China Chemical Fiber Group

1) Until March 31, 2017

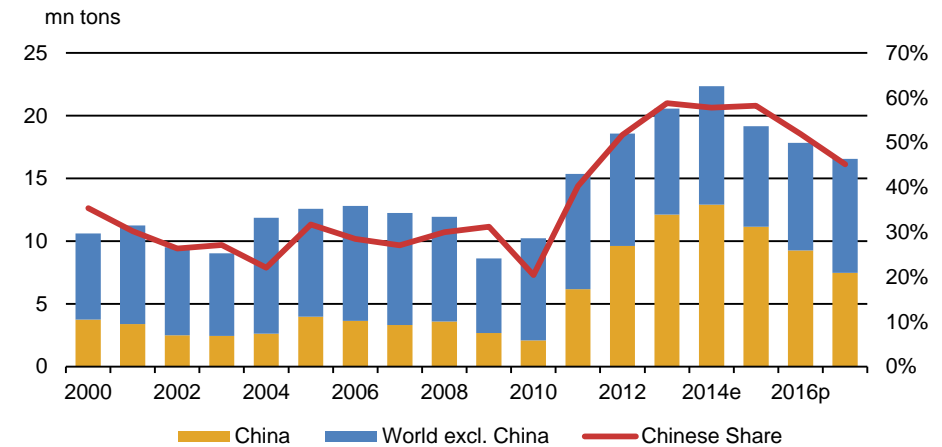
Cotton market with favorable supply-demand situation in Q1

- Average Cotlook A-Index was at USD 84.8 cents/lbs in Q1/2017 (+26.8% y-o-y)
 - Chinese cotton prices still higher than world price levels
- Stable consumption around 24 mn tons
 - Production up 8% leading to a further reduction of cotton stocks at 18 mn tons (lowest level since five years)
- Cotton outlook 2016/17e: Again higher consumption than production

Cotton market



Cotton stocks and China's share

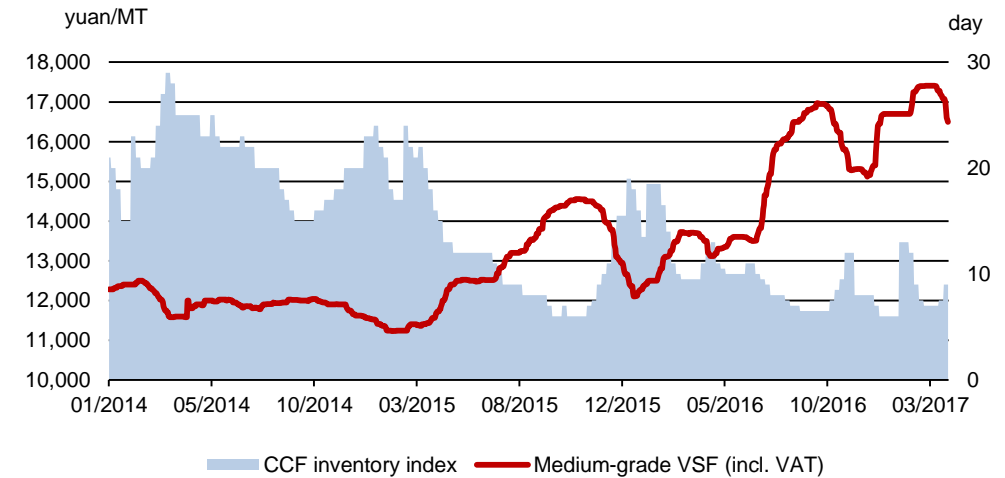


Sources: Cotton Outlook, ICAC, percentage changes based on exact figures

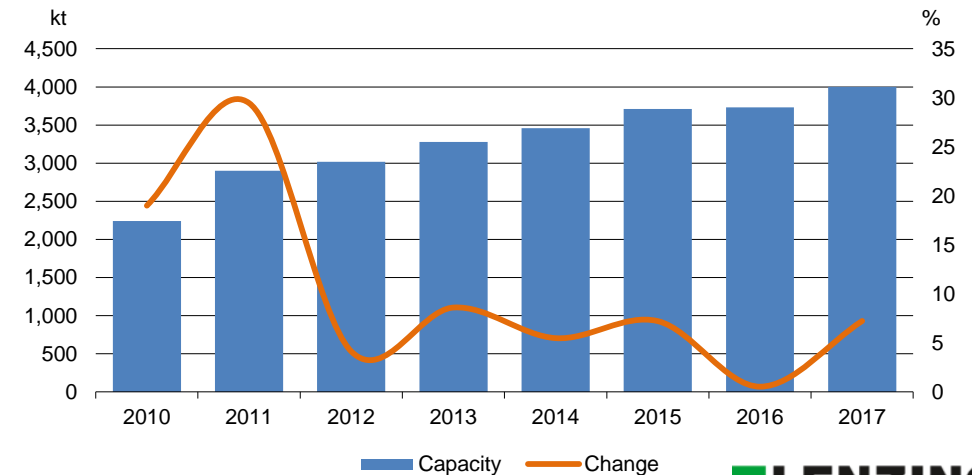
Very strong Q1 viscose price level

- Q1 started with price increases with a high of RMB 17,405 at beginning of March
- Since second half of March price declined; consolidation on still high levels of around RMB 15,600
- Q1 inventory level increased from 6 days to 9 days; operating rates at 89% in China
- Q1-end dissolving wood pulp price of USD 950 up 3% vs the beginning of 2017
- Lenzing specialties on track

VSF¹ price trend and inventory of China

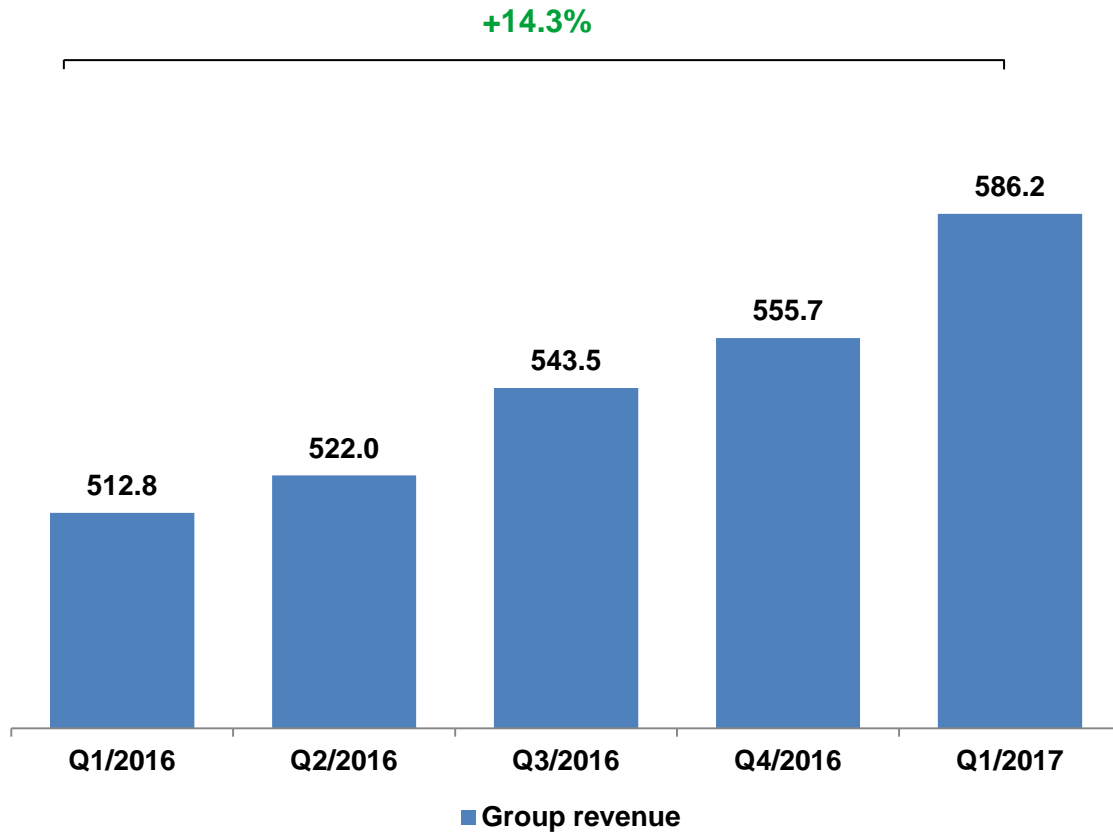


VSF capacity change of China since 2010²

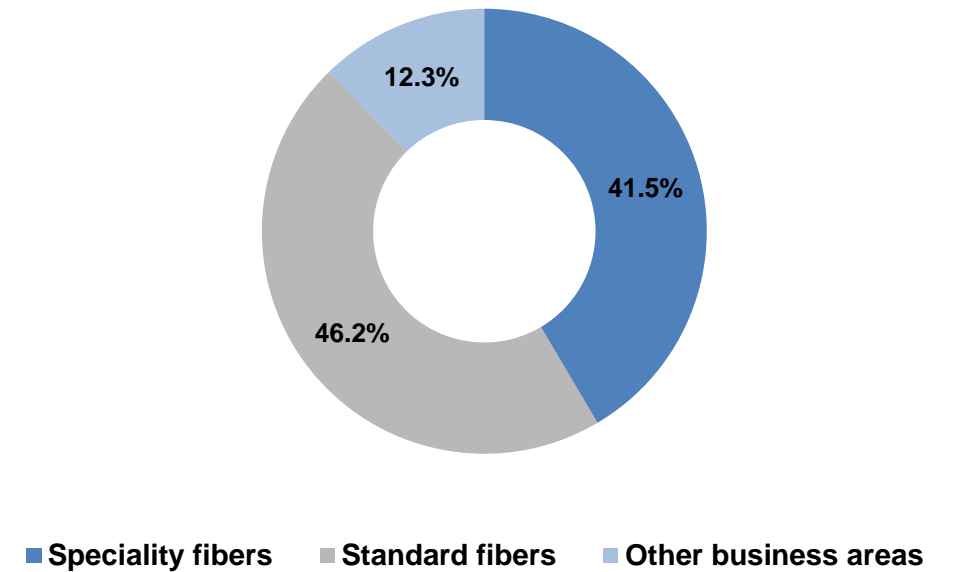


1) Viscose staple fibers, price development until March 31, 2017; Source: CCFGroup
 2) Source: China Chemical Fiber Group - China Viscose Industry Annual / Outlook Report

Financials – Revenue (EUR mn)

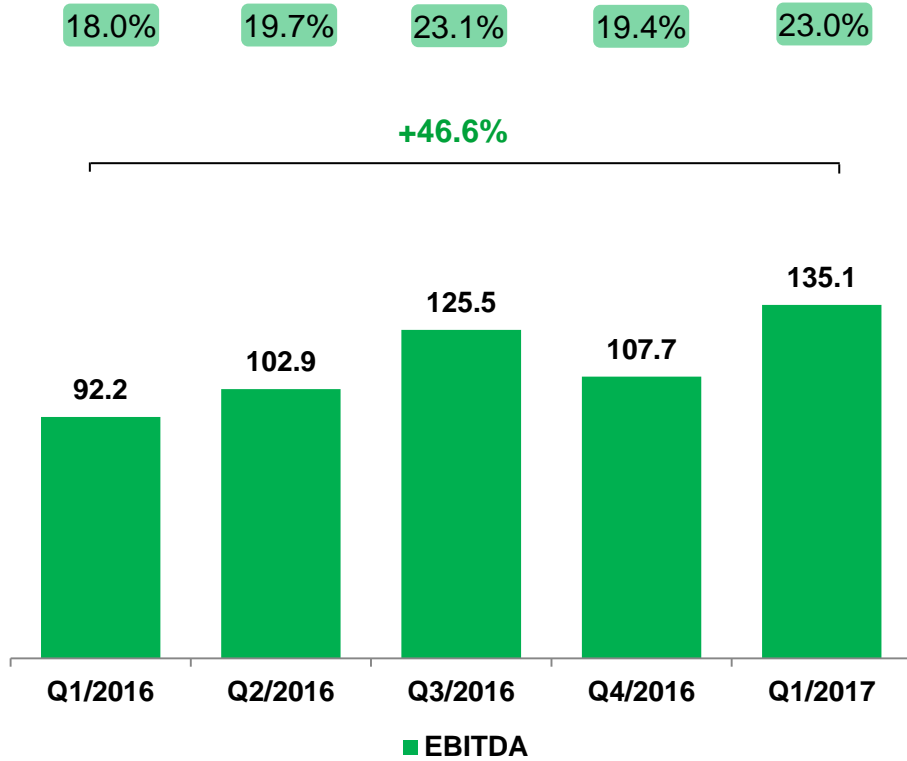


Share of specialty fibers in Q1/2017

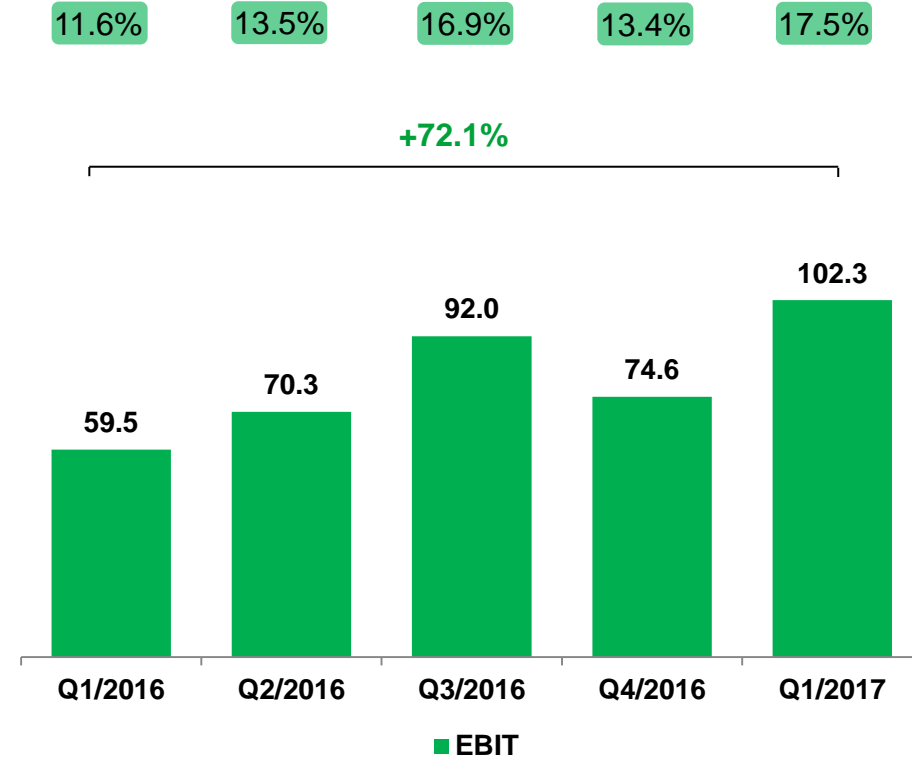


Financials – Earnings (EUR mn)

EBITDA margin

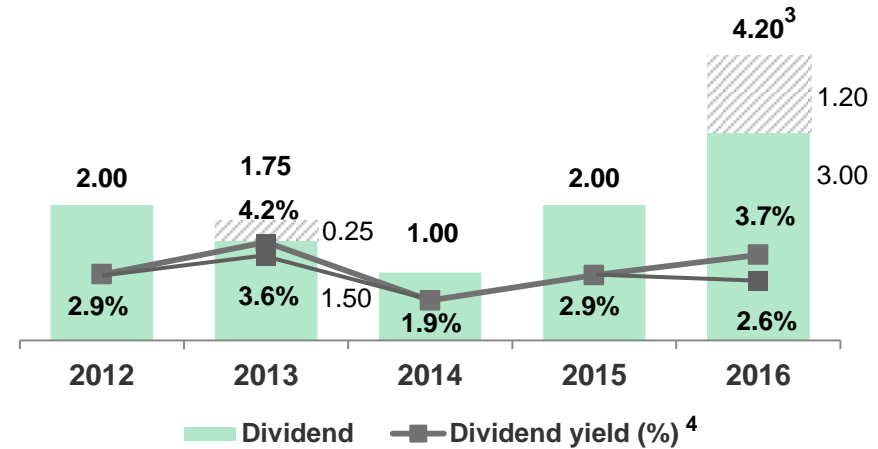
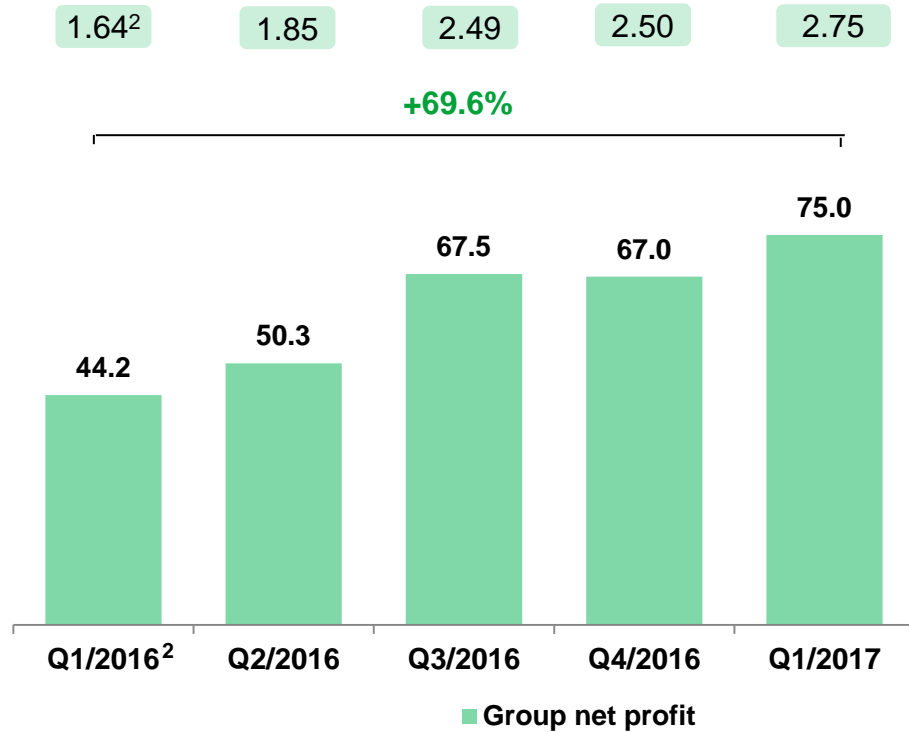


EBIT margin



Financials – Earnings (EUR mn)

EPS¹ (EUR)



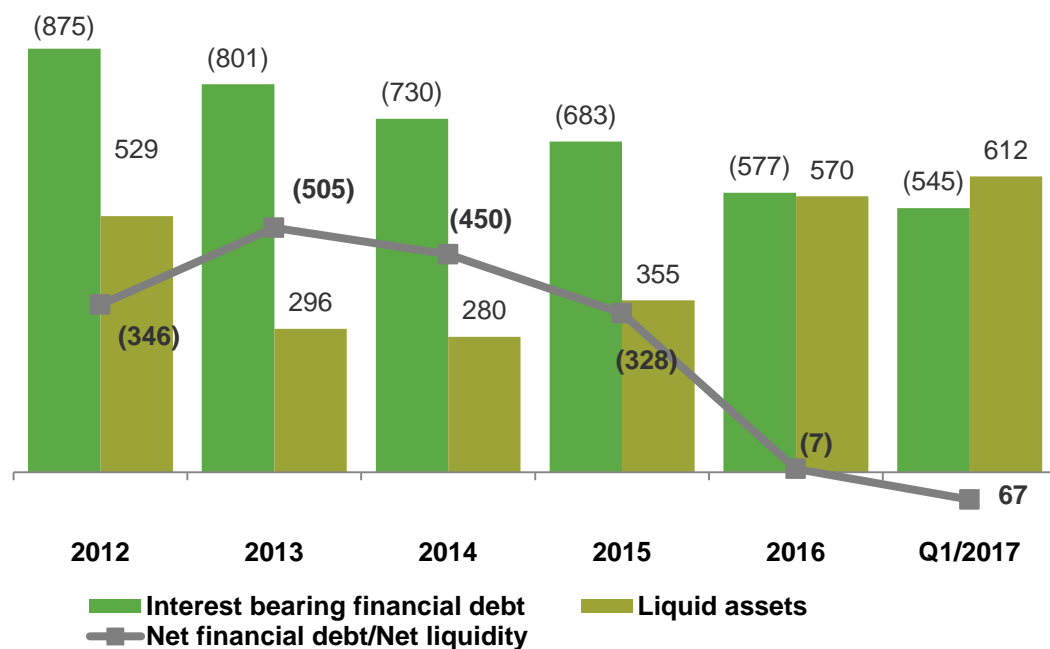
1) Attributable to Lenzing AG shareholders

2) Error correction in accordance with IAS 8 (for further details please refer to “Notes on the Financial Performance Indicators of the Lenzing Group”, available at the following link <http://www.lenzing.com/Notes-Financial-Performance-Indicators-Lenzing-Group-2017-Q1>)

3) Dividend payout from May 2, 2017

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

Financials 2017 – Key figures (EUR mn)



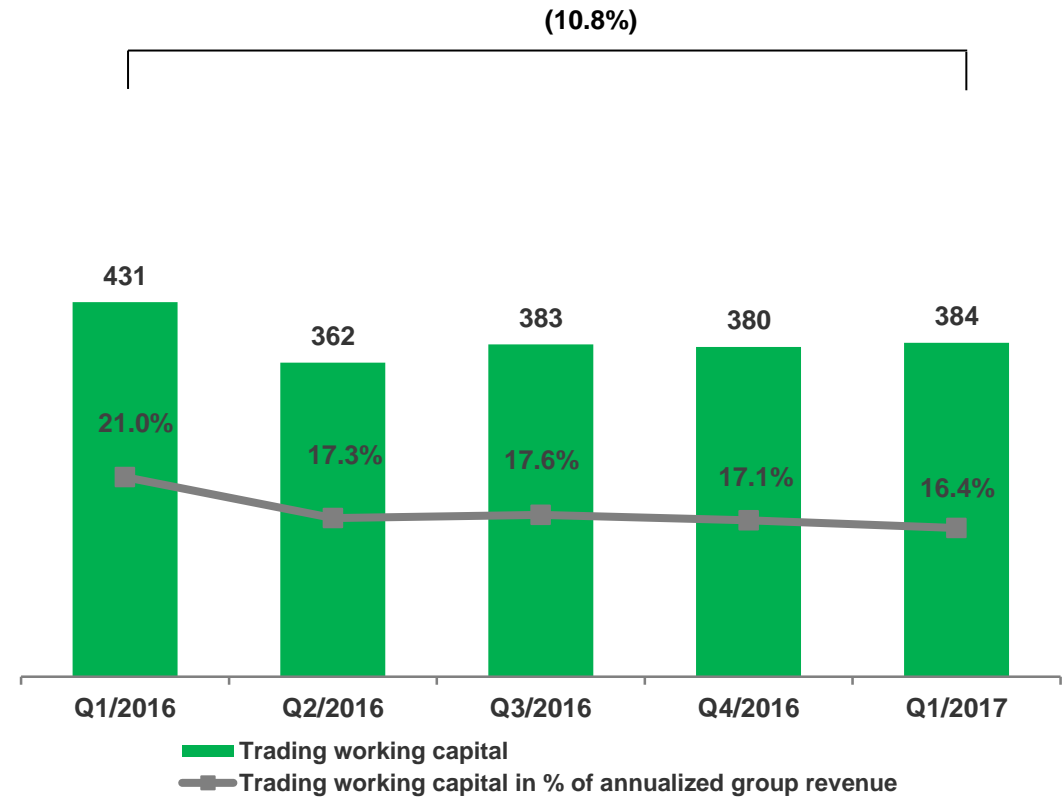
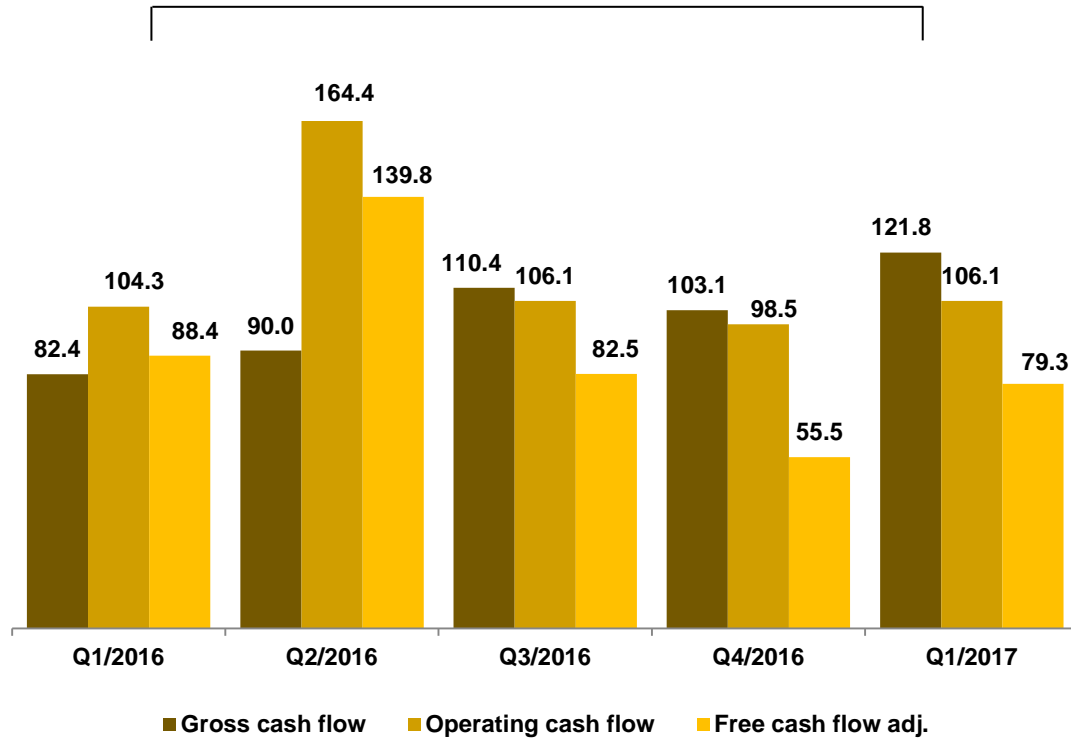
According to IFRS (EUR mn)	31 March 2017	31 Dec. 2016	Change in %
Total assets	2,690.9	2,625.3	2.5
Liquid assets¹	611.9	570.4	7.3
thereof liquid funds	606.6	559.6	8.4
Total liabilities	1,250.7	1,256.8	(0.5)
thereof financial liabilities	545.4	577.5	(5.6)
Adjusted equity²	1,462.1	1,390.5	5.1
Adjusted equity ratio (%)	54.3	53.0	-
Net gearing (%)	-	0.5	-
Net financial debt (-)/ Net liquidity (+)	66.5	(7.2)	-

According to IFRS (EUR mn)	31 March 2017	31 Dec. 2016	Change in %
Total liquidity cushion	835.0	788.0	6.0
thereof liquid assets¹	611.9	570.4	7.3
thereof unused credit facilities	223.1	217.7	2.5

1) Including cash and cash equivalents, liquid securities and liquid bills of exchange
 2) Including government grants less proportionate deferred taxes on government grants

Cash flow development and trading working capital (EUR mn)

+ 47.8% (Gross CF)
 + 1.7% (Operating CF)
 (10.3%) (Free CF adj.)



(10.8%)

Outlook 2017 – Priorities

- Strengthen the core
 - Take next step on how to achieve 75% backward integration by 2020
 - Further boost continuous improvement culture

- Customer intimacy
 - Launch new brand architecture
 - Strengthen direct sales/marketing channels to customers and brands

- Specialization
 - Decide on future location of next production site of TENCEL[®] fiber in Asia
 - Unique new product launches in Q2/2017 and Q3/2017

Outlook 2017 – Fiber market and Lenzing Group

- The International Monetary Fund is forecasting a slight acceleration in global economic growth to 3.5 percent in 2017. However, the political environment will be a source of greater uncertainty. Developments on the fiber markets should be slightly more positive, but still volatile. The market will continue to feel the effects of further reductions in cotton inventories. Polyester fiber prices will remain at a low level, which will lead to a further increase in the interfiber competition.
- The wood-based cellulose fiber segment, which is relevant for Lenzing, should again outpace the overall fiber market. The demand for these cellulose fibers was very good at the beginning of 2017, with the long-term trend pointing towards further growth in viscose and, above all, wood-based cellulose specialty fibers. On the supply side, the market is not expected to see the entry of any notable new production capacity in 2017.
- Lenzing is very well positioned in this environment. In 2017 we will continue to focus on the disciplined implementation of the sCore TEN strategy and, specifically, on specialization and sustainability-driven innovation. The steady expansion of the specialty fiber capacities and the intensification of our brand management will be essential to increasing consumers' awareness for the unique selling proposition of our fiber products.
- The Lenzing Group had an excellent start into the year 2017 and registered strong demand for its fibers during the first quarter which, in turn, led to continued very high capacity utilization in all product groups. The market price index for viscose fibers was substantially higher than in the comparable prior year period. Under the assumption of unchanged conditions in the fiber market and stable exchange rates, Lenzing expects a considerable improvement in results in the fiscal year 2017 compared to 2016.

Q1/2017 – Financial information



Q1/2017: Consolidated Group P&L

(EUR mn)	Q1/2017	Q4/2016	Q1/2016	Change Q1/Q4 (%)	Change y-o-y (%)
Revenue	586.2	555.7	512.8	5.5	14.3
Change in inventories of finished goods and work in progress	(21.4)	18.2	(10.4)	(217.4)	105.5
Own work capitalized	9.3	3.8	6.1	144.9	53.0
Other operating income	12.7	11.6	11.4	9.6	11.5
Cost of material and purchased services	(299.2)	(338.9)	(292.5)	(11.7)	2.3
Personnel expenses	(85.5)	(80.1)	(75.3)	6.8	13.6
Other operating expenses	(66.9)	(62.6)	(59.9)	6.8	11.7
EBITDA/Margin	135.1/23.0%	107.7/19.4%	92.2/18.0%	25.4	46.6
Depreciation & Amortization	(33.4)	(34.2)	(33.4)	(2.3)	0.0
Income from the release of investment grants	0.6	1.1	0.7	(39.7)	(10.6)
EBIT/Margin	102.3/17.5%	74.6/13.4%	59.5/11.6%	37.2	72.1
Financial result	(3.4)	14.5	(4.4)	(123.6)	(22.0)
Allocation of profit or loss to puttable non-controlling interests	(1.6)	(1.6)	0.7	0.3	(315.3)
EBT/Margin	97.3/16.6%	87.5/15.8%	55.8/10.9%	11.2	74.3
Income tax expense	(22.3)	(20.5)	(11.6)	8.7	92.4
Tax rate (%)	22.9	23.5	20.8	-	-
Net income/Margin	75.0/12.8%	67.0/12.1%	44.2/8.6%	12.0	69.6
Net income after minorities/Margin	73.0/12.4%	66.4/11.9%	43.5/8.5%	10.0	67.9
EPS (in EUR)	2.75	2.50	1.64	10.0	67.9

Error correction in accordance with IAS 8 (for further details please refer to "Notes on the Financial Performance Indicators of the Lenzing Group", available at the following link <http://www.lenzing.com/Notes-Financial-Performance-Indicators-Lenzing-Group-2017-Q1>)

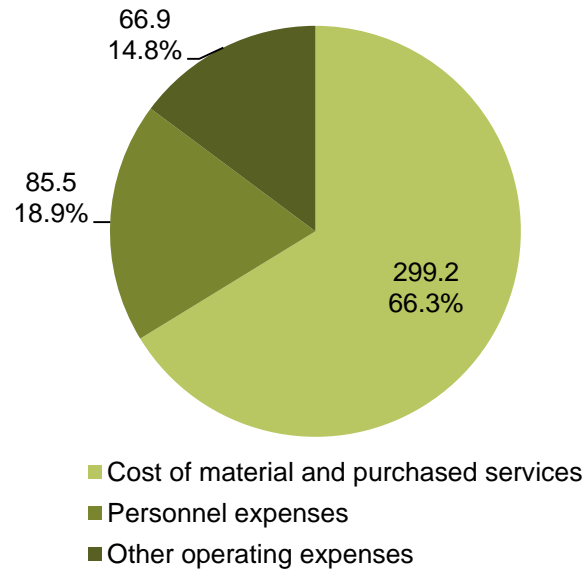
Q1/2017: Topline breakdown

(EUR mn)	Q1/2017	Q4/2016	Change Q1/Q4 (%)	Q1/2016	Change y-o-y (%)
Breakdown of Fibers segment revenue					
Textile fibers (%)	71.5	71.0	0.5	70.7	0.8
Nonwoven fibers (%)	28.5	29.0	(0.5)	29.3	(0.8)
Fibers only	508.5	489.0	4.0	462.3	10.0
Others ¹	75.6	64.0	17.9	48.5	55.9
Total segment Fibers	584.0	553.0	5.6	510.8	14.3
Total segment Lenzing Technik	9.9	10.7	(7.4)	8.9	11.5
Others and consolidation	(7.8)	(8.1)	(3.8)	(6.8)	13.7
Total Group revenue	586.2	555.7	5.5	512.8	14.3

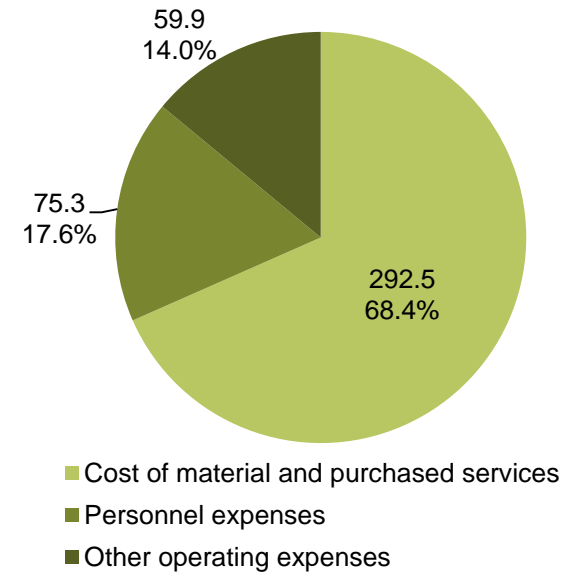
1) Includes sales of sodium sulfate and black liquor, external sales of pulp, wood and energy

Q1/2017: Total Opex structure

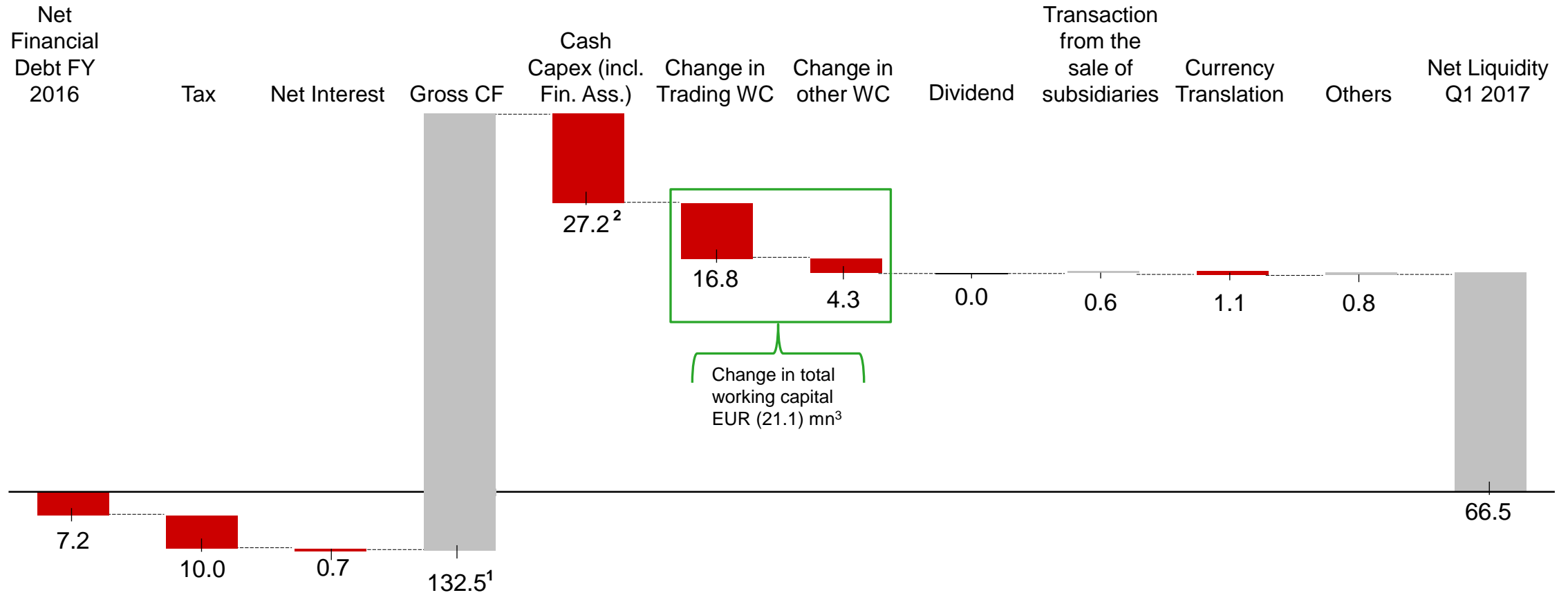
Q1/2017 (Total Opex EUR 451.7 mn)



Q1/2016 (Total Opex EUR 427.7 mn)



Q1/2017: Net debt bridge



1) Gross cash flow before taxes and interest

2) Including CAPEX of EUR (26.9) mn and financial assets of EUR (0.4) mn

3) Change in total working capital

Adjustment change in liquid bills of exchange

Change in total working capital adj.

EUR (15.7) mn (according to cash flow statement)

EUR (5.4) mn

EUR (21.1) mn (according to net debt)

Q1/2017: Cash flow

(EUR mn)	Q1/2017	Q4/2016	Change Q1/Q4 (%)	Q1/2016	Change y-o-y (%)
Gross CF (before taxes and interest)	132.5	124.8	6.2	95.0	39.5
Taxes and interest	(10.7)	(21.7)	(50.5)	(12.6)	(15.1)
Gross CF (after taxes and interest)	121.8	103.1	18.1	82.4	47.8
Change in total working capital ¹	(15.7)	(4.7)	236.2	21.9	(171.6)
Operating cash flow	106.1	98.5	7.8	104.3	1.7
Investment cash flow ²	(25.9)	(43.1)	(39.9)	(16.1)	61.2
Free cash flow unadj.	80.2	55.3	45.0	88.2	(9.1)
Net inflow from sale of subsidiary	(0.6)	0.0	-	0.0	-
Acquisition of other financial assets	0.4	2.7	(86.3)	0.4	(13.1)
Proceeds/repayments of other financial assets	(0.7)	(2.5)	(71.4)	(0.2)	247.9
Free cash flow adj.	79.3	55.5	42.8	88.4	(10.3)

1) Including trade and other working capital

2) Including investment in financial assets and proceeds from disposal

2016 – Backup financial information



FY 2016: Consolidated Group P&L

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

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

FY 2016: Consolidated Group P&L – Quarters

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

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

FY 2016: Topline breakdown

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

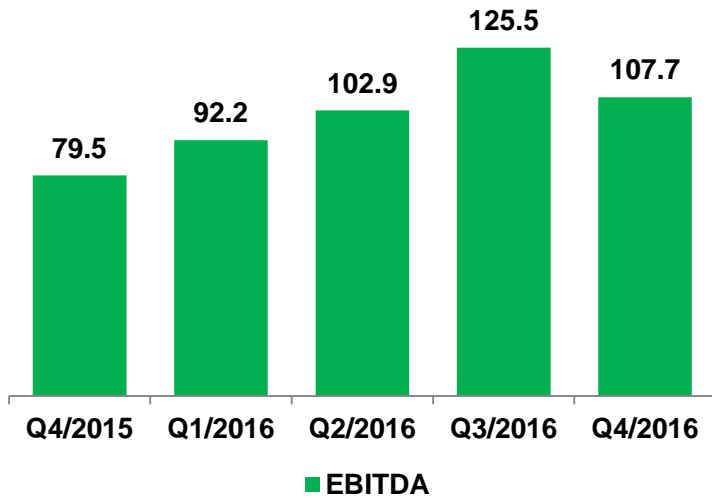
1) Includes sales of sodium sulfate and black liquor, external sales of pulp, wood and energy

Financials 2016 – Earnings per quarter (EUR mn)

EBITDA margin

15.4% 18.0% 19.7% 23.1% 19.4%

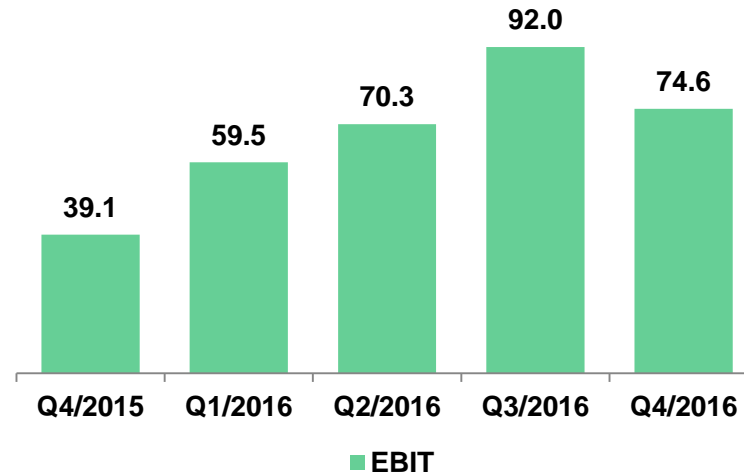
+35.4%



EBIT margin

7.6% 11.6% 13.5% 16.9% 13.4%

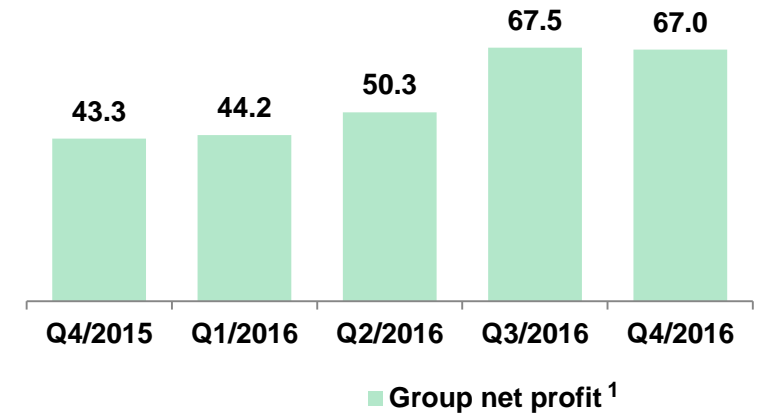
+90.7%



EPS (EUR)¹

1.55 1.64 1.85 2.49 2.50

+54.9%

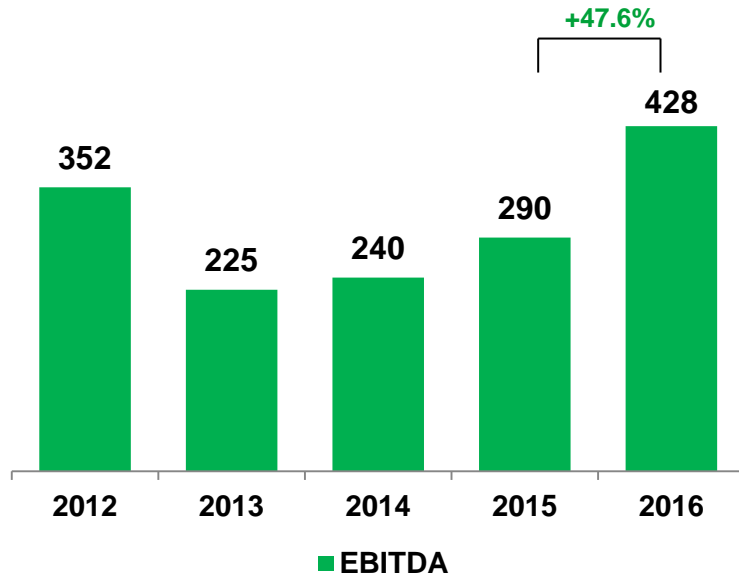


1) Error correction in accordance with IAS 8 (see Consolidated Financial Statements 2016 of the Lenzing Group)

Financials 2016 – Earnings (EUR mn)

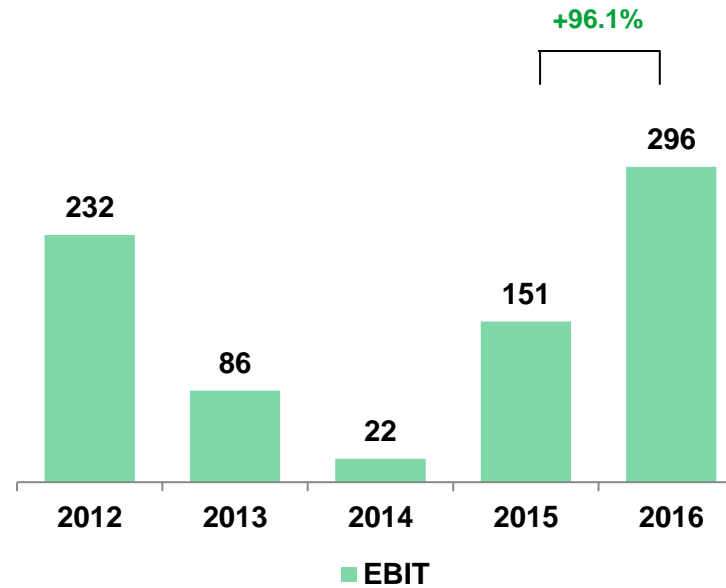
EBITDA margin

16.9% 11.8% 12.9% 14.7% 20.1%



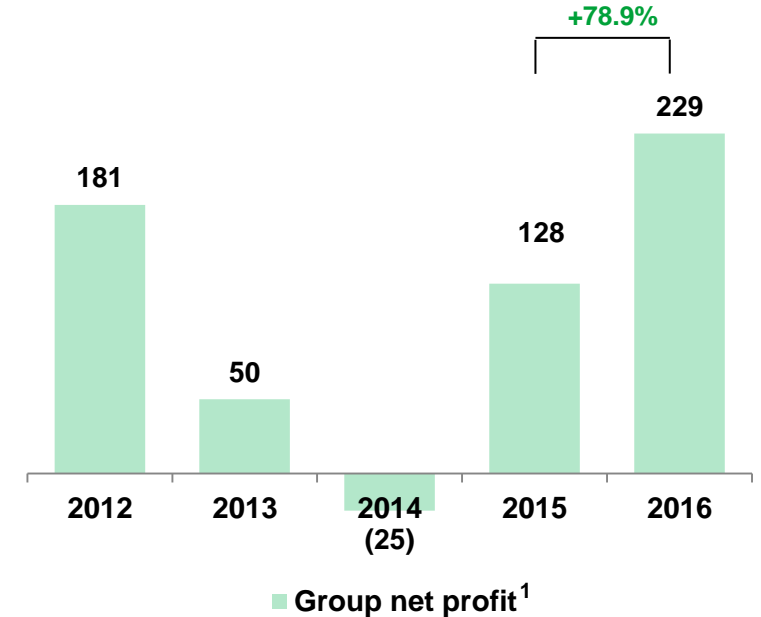
EBIT margin

11.1% 4.5% 1.2% 7.6% 13.9%



EPS^{1,2} (EUR)

6.61 1.89 (0.92) 4.78 8.48



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

2) Attributable to Lenzing AG shareholders

FY 2016: OPEX as of total sales

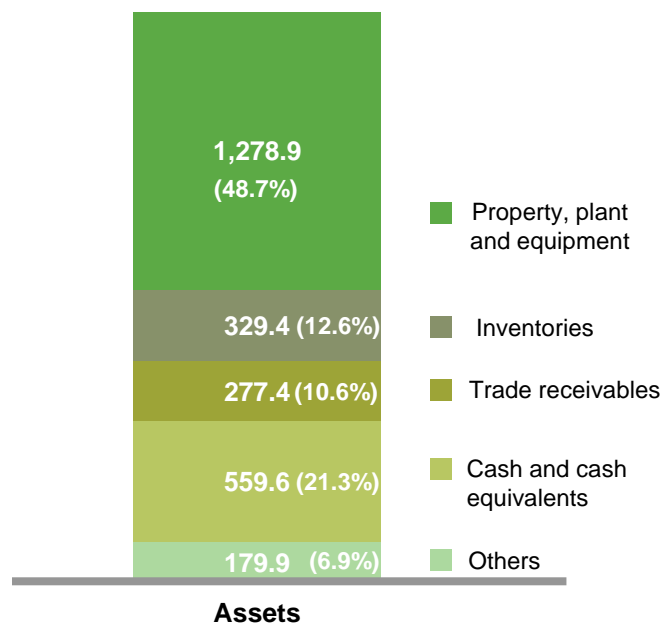
(EUR mn)	Q1/2016	Q2/2016	Q3/2016	Q4/2016	Change Q4/Q3 (%)	Q4/2015	Change Q4/Q4 (%)	2016	2015	Change y-o-y (%)
Total sales	512.8	522.0	543.5	555.7	2.2	518.0	7.3	2,134.1	1,976.8	8.0
Total OPEX¹	(427.7)	(438.8)	(431.4)	(481.6)	11.6	(463.4)	3.9	(1,779.6)	(1,754.4)	1.4
Total cost of material and purchased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

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

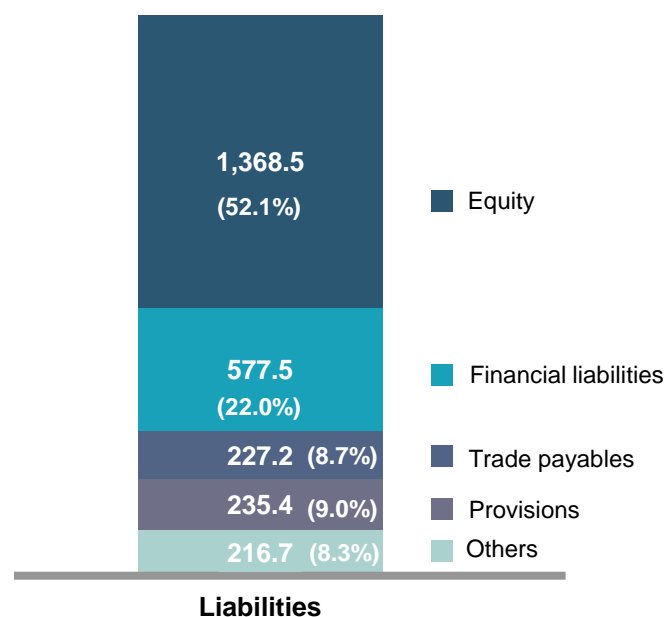
FY 2016: Solid balance sheet¹

as at Dec. 31, 2016

Σ EUR 2,625.3 mn



Σ EUR 2,625.3 mn



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

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

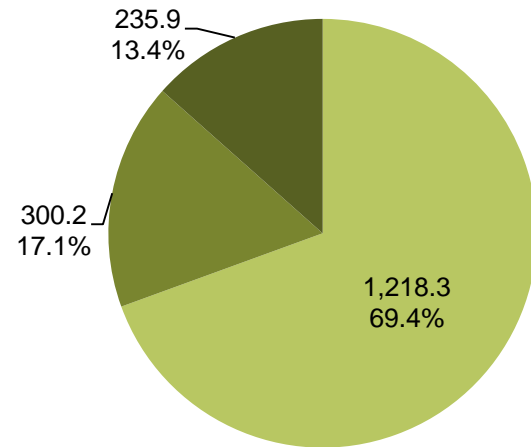
1) Error correction in accordance with IAS 8 (see Consolidated Financial Statements 2016 of the Lenzing Group)

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

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

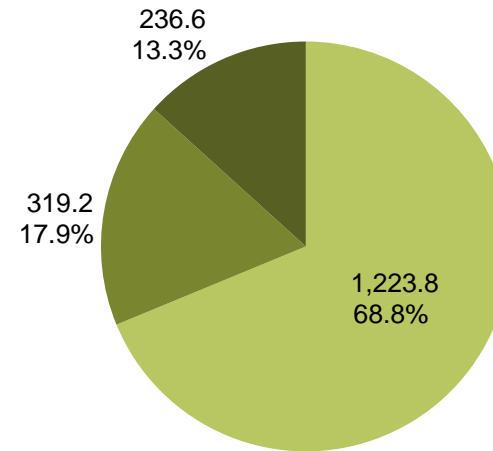
FY 2016 Total opex structure

2015 (Total Opex EUR 1,754.4 mn)



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

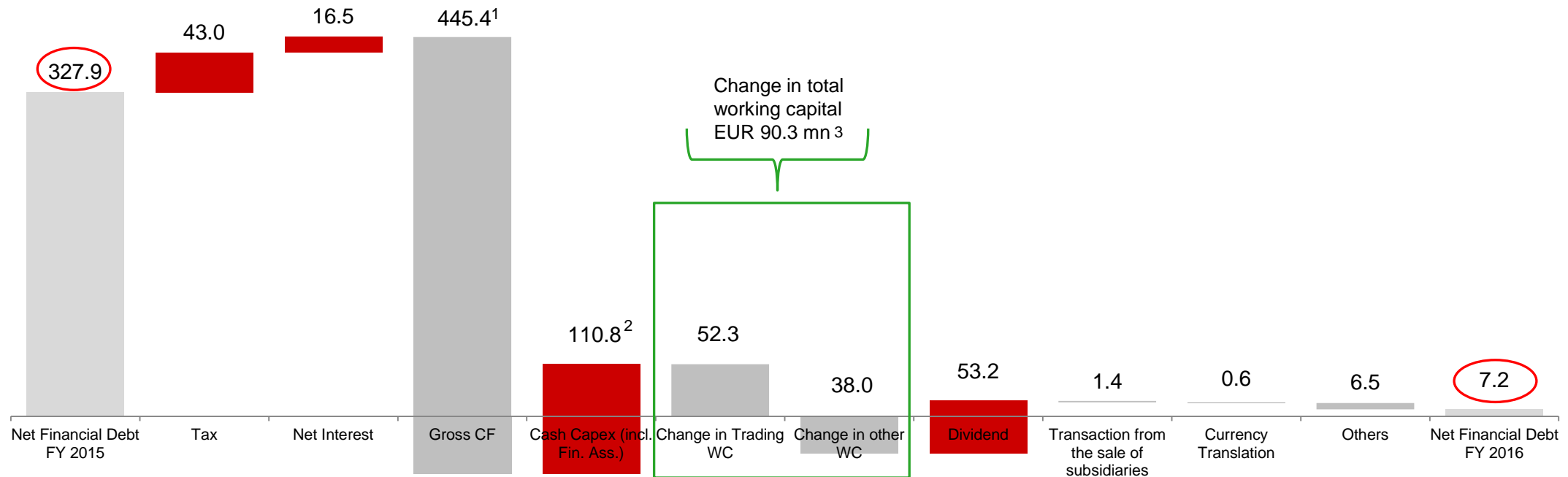
2016 (Total Opex EUR 1,779.6 mn)



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

FY 2016: Net debt bridge

EUR mn



1) Gross cash flow before taxes and interest

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

3) Change in total working capital

EUR 87.5 mn (according to cash flow statement)

EUR 2.8 mn

EUR 90.3 mn (according to net debt)

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

FY 2016: Cash flow by quarters

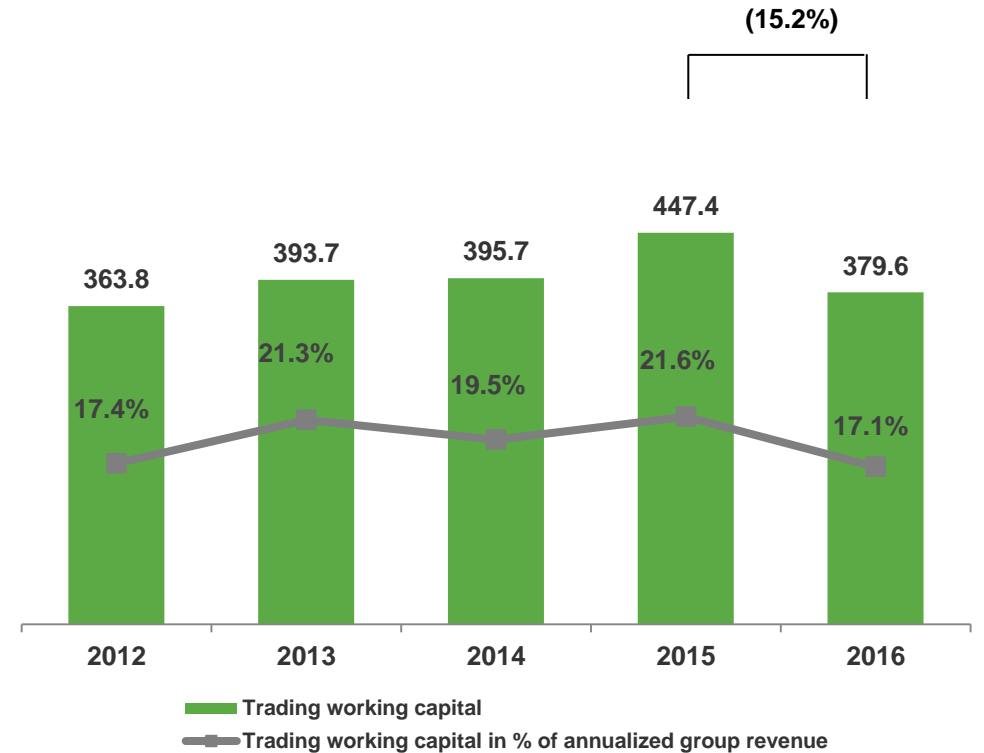
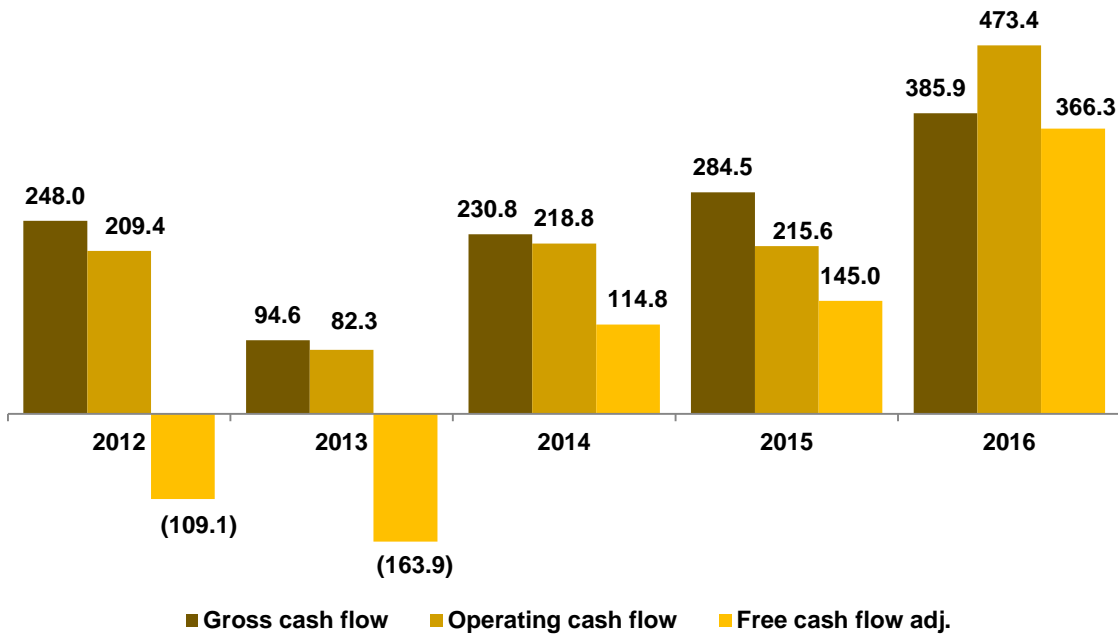
(EUR mn)	Q1/2016	Q2/2016	Q3/2016	Q4/2016	Change Q4/Q3 (%)	Q4/2015	Change y-o-y (%)	2016	2015	Change y-o-y (%)
Gross cash flow (before taxes and interest)	95.0	103.8	121.8	124.8	2.5	82.2	51.8	445.4	321.8	38.4
Taxes and interest	(12.6)	(13.8)	(11.4)	(21.7)	90.3	(9.7)	123.3	(59.5)	(37.4)	59.2
Gross cash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

1) Including trade and other working capital

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

Cash flow development and trading working capital (EUR mn)

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



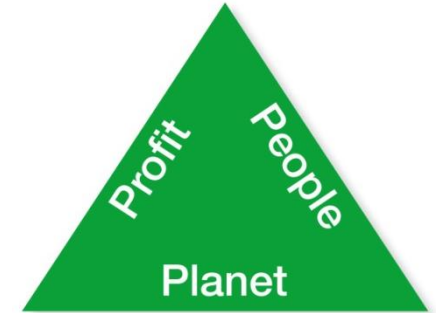
(15.2%)

Appendix – Equity story



Lenzing – Our mission

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



 TENCEL^{®1}

 LENZING Modal^{®1}

 LENZING Viscose^{®1}

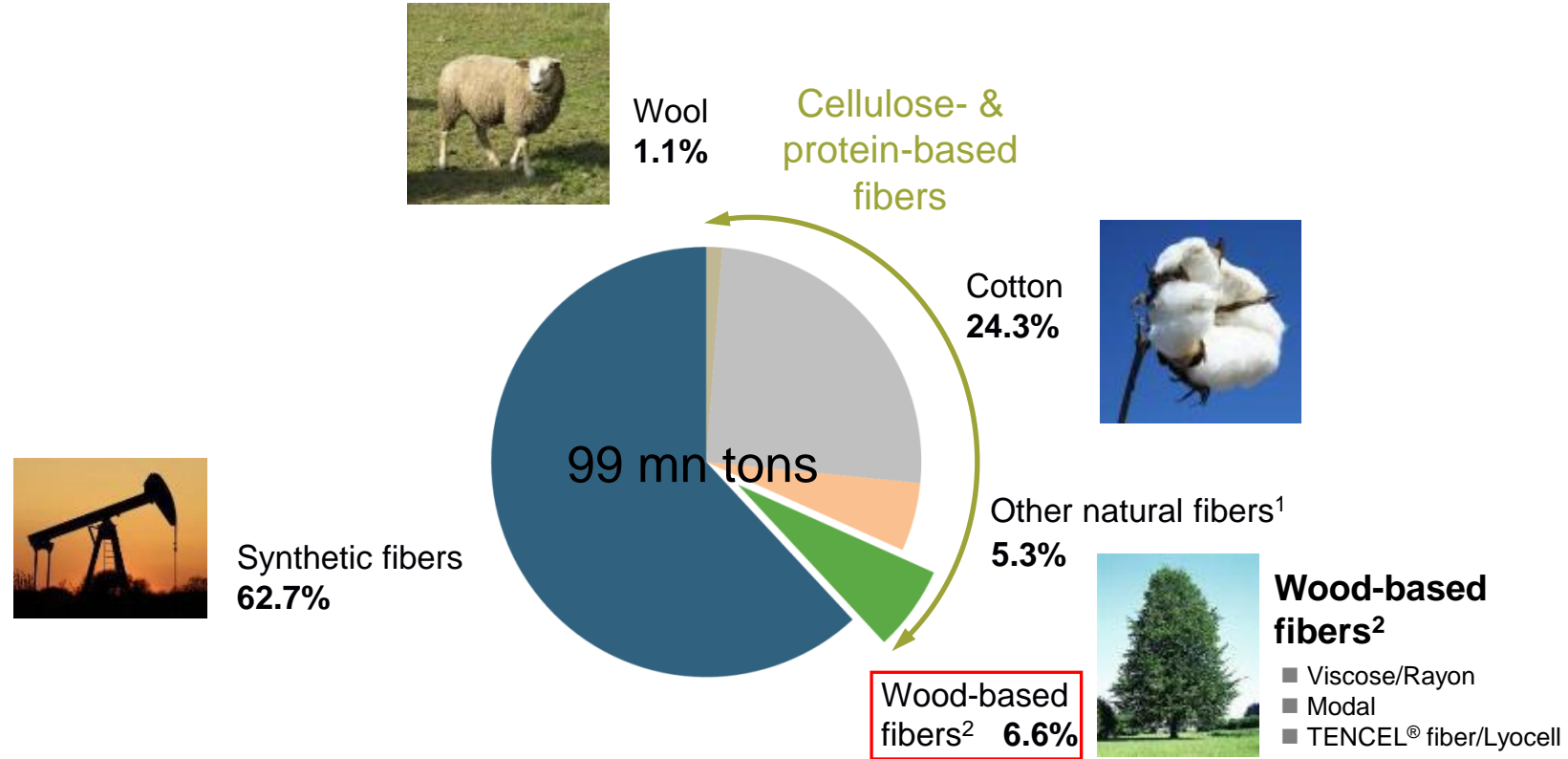
 Lenzing[™] FR¹

 Refibra^{™1}

1) Lenzing brands
LEADING FIBER INNOVATION

Global fiber market at a glance

2016e consumption numbers









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

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

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

Lenzing - Market leader in all three fiber generations

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

Source: Lenzing data, CCFG, CCFEI

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

Lenzing is innovation leader in lyocell with TENCEL® fiber

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

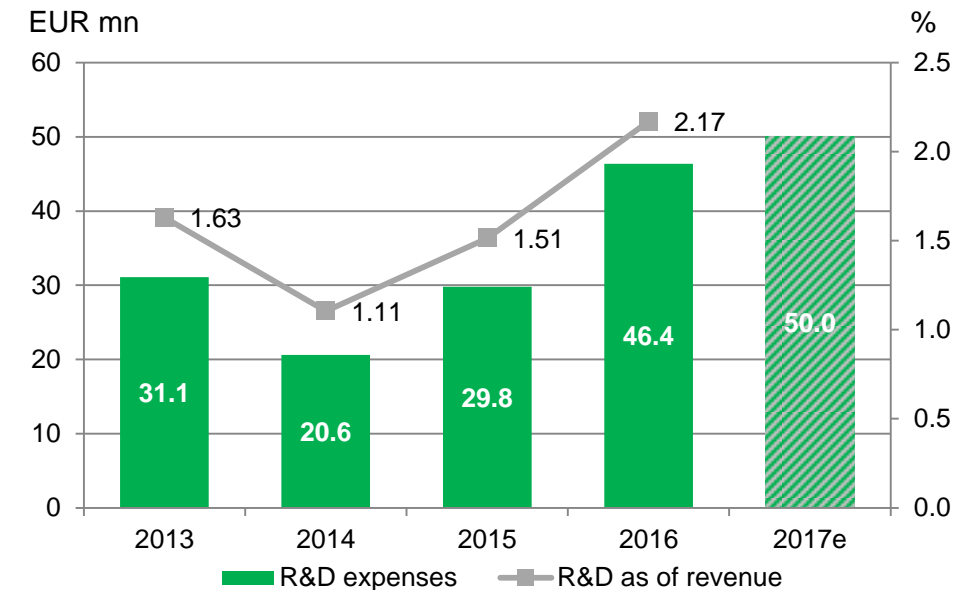


1) Lenzing brand

Focus on innovations: Industry leading R&D spend

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

R&D expenses (2013-2017e)¹



Source: Lenzing

1) Pursuant Frascati

Textile and Nonwovens are the two main applications

Textile



Size



88.6 mt (~90% of fiber market)

Regional focus



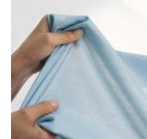
Over 90% in China, India and Asia-Pacific

Fragmentation



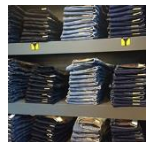
High

Decision making



Brands/retailers with some influence of fabric makers

Key drivers



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

End users



Markets strongly driven by **end-consumers**

Nonwovens



9.2 mt (~10% of fiber market)



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



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



Brands and converters



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

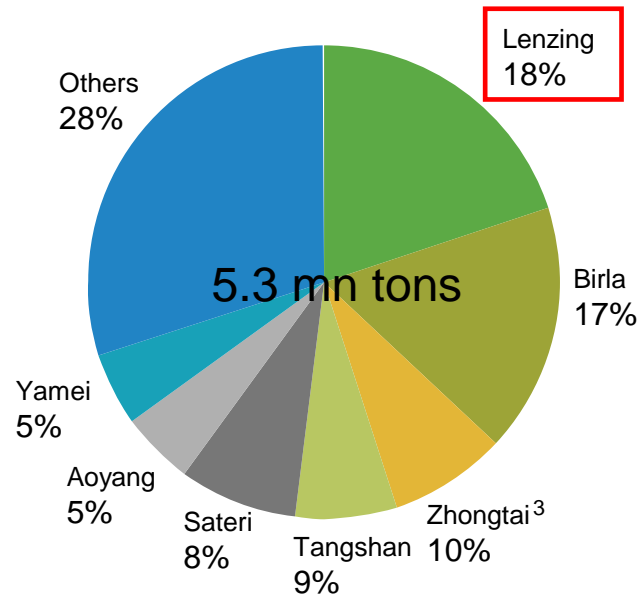


Strong focus on **application of product**

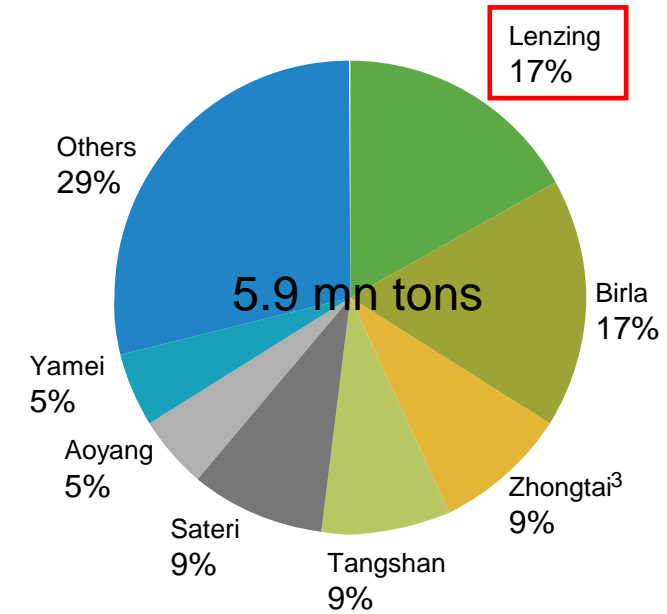
1) Wood-based and cotton linter-based cellulose fibers, previously named man-made cellulose
Source: Lenzing data 2016

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

Lenzing with 18% share of production



Lenzing with 17% share of capacities²



Source: CIRFS, FEB, Trade statistics, Company estimates

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

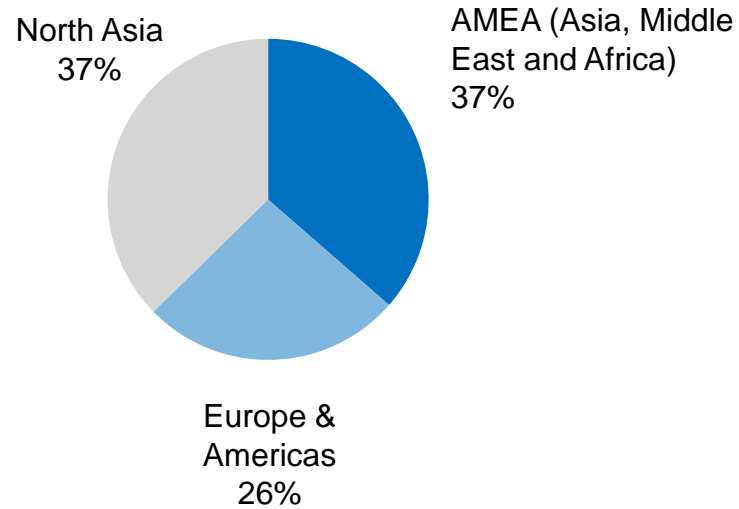
2) Based on latest available company information from company websites and annual/interim reports

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

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

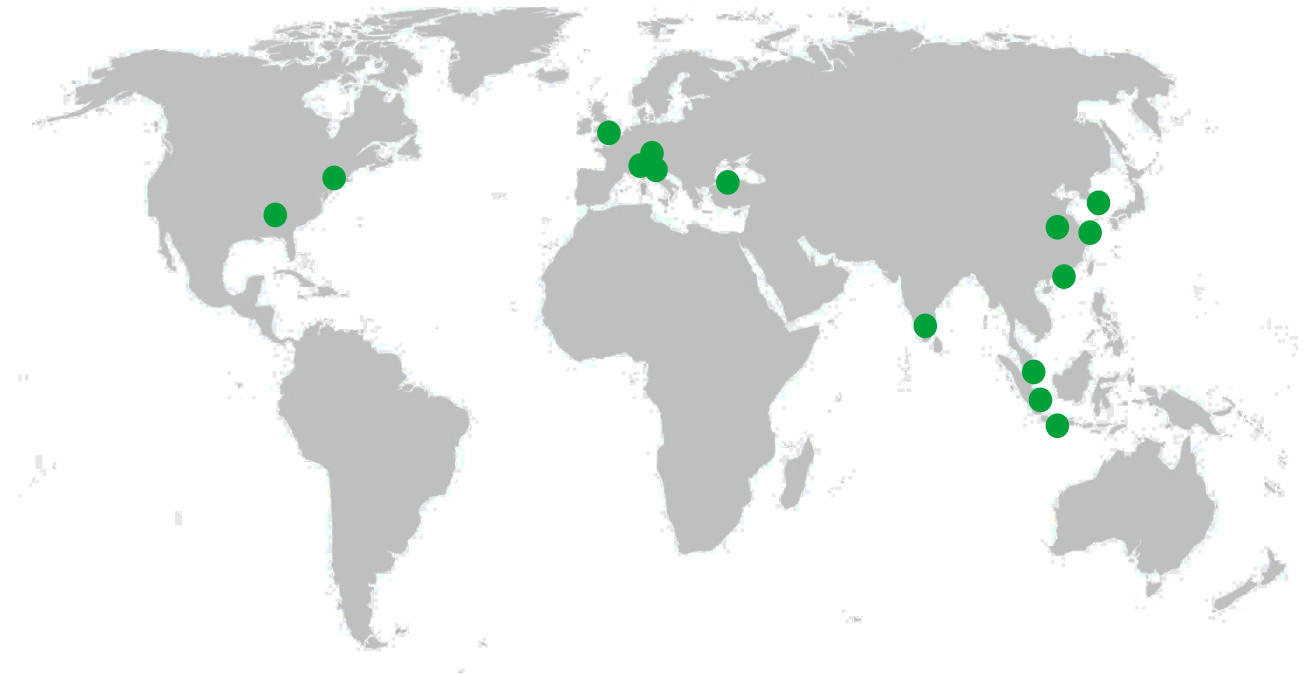
Balanced exposure to matured and emerging markets

Fiber revenue by region



Global network of production sites and sales offices

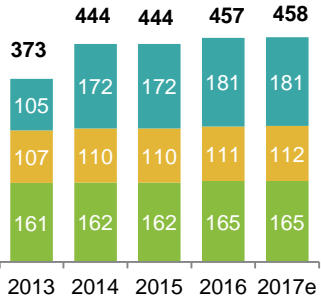
2016 footprint



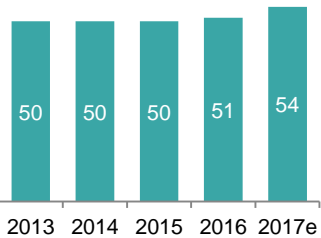
Source: Lenzing data as at March 31, 2017

Capacity 2017¹: A global footprint

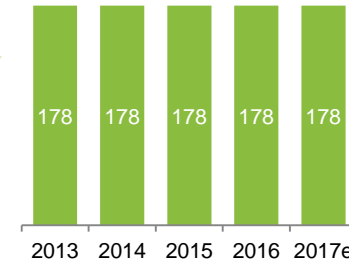
Europe²
CAGR 5.3%



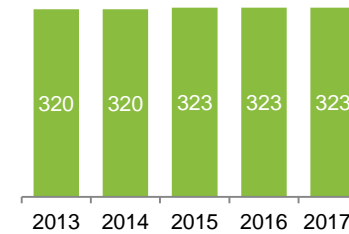
USA
CAGR 1.9%



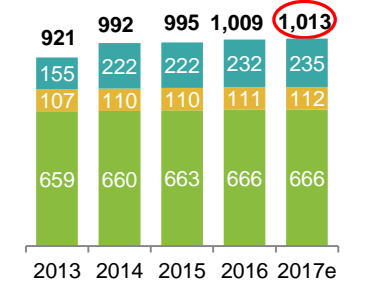
China
CAGR 0%



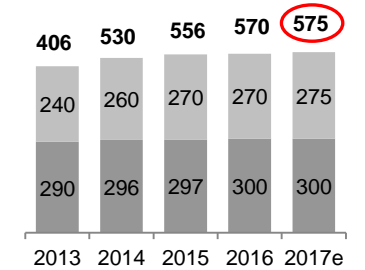
Indonesia
CAGR 0.2%



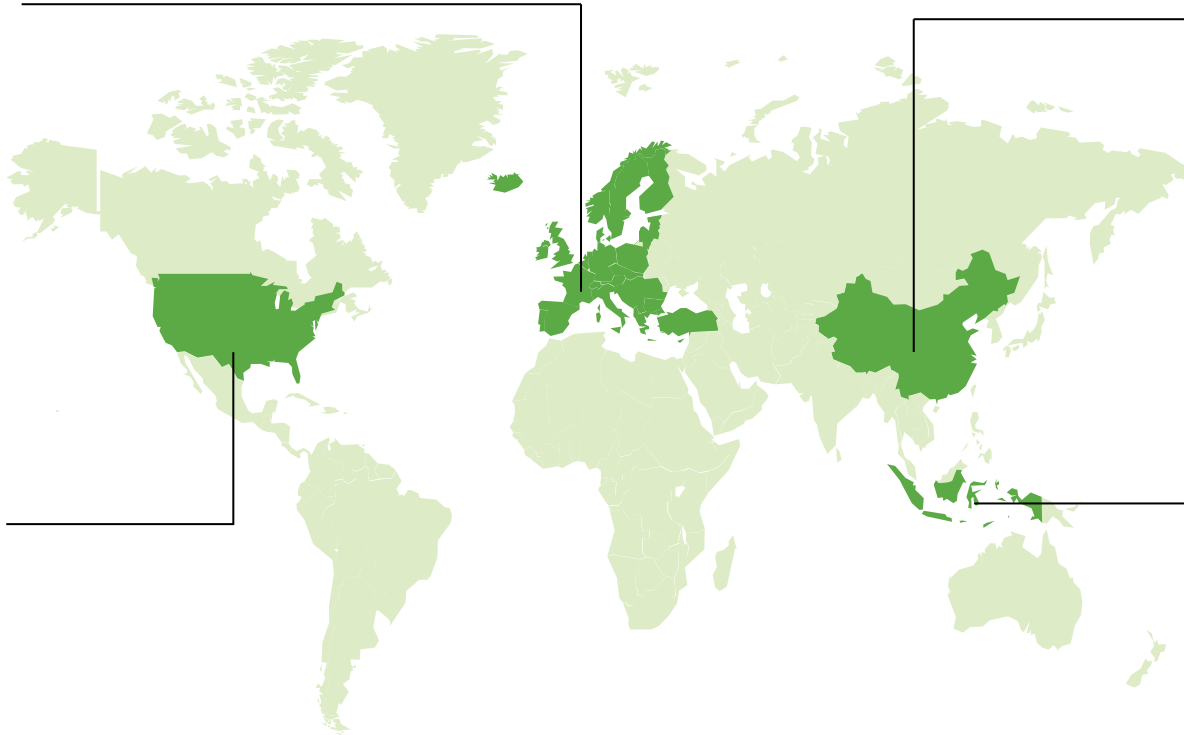
Total capacity at year end
CAGR 2.4%



Total pulp capacity
CAGR 2.1%



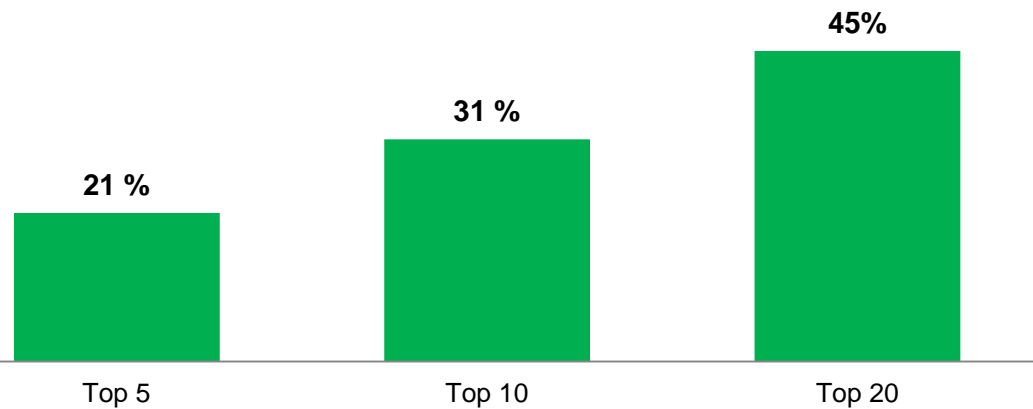
■ Lenzing (A) dissolving pulp capacity
■ Paskov (CZ) dissolving pulp capacity



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

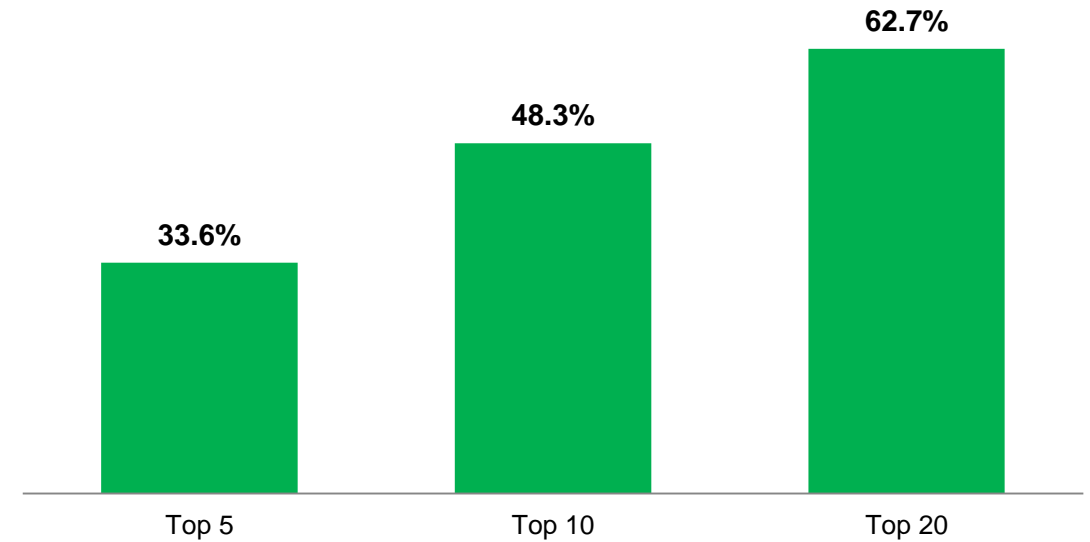
Sales and marketing - Customer concentration

Textiles – Percent of sales by customers
(2016¹)



Source: Lenzing data 2016

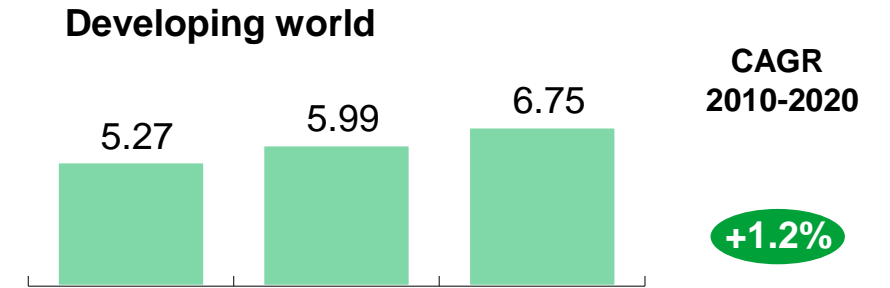
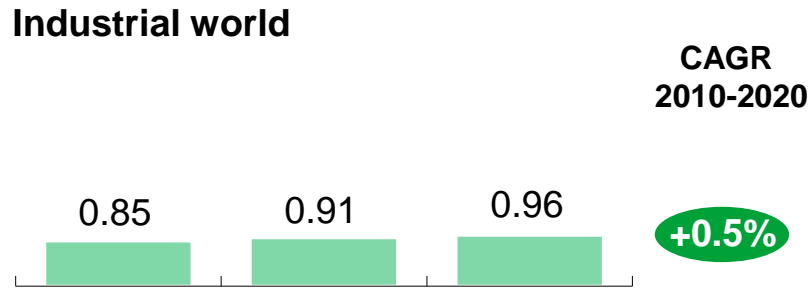
Nonwoven – Percent of sales by customers
(2016¹)



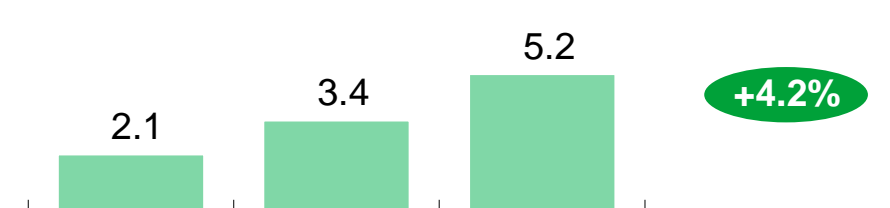
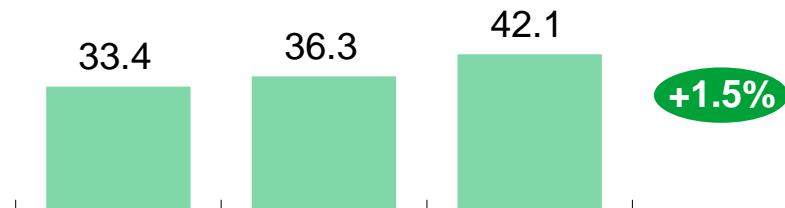
Looking forward: Megatrends support fiber demand growth

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

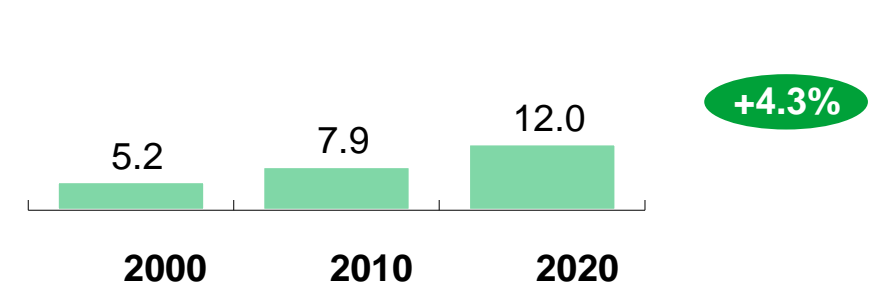
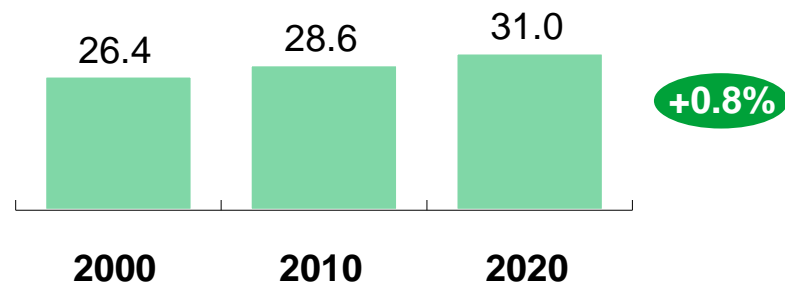
Population
in bn



GDP growth
in real USDk/capita



Textile consumption
in kg/capita



Source: IHS, ICAC, Lenzing data 2015

Distinct trends are emerging

■ Textiles

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



■ Nonwovens

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



Sustainability is gaining importance

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

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



Arable land is decreasing due to erosion and urbanization

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



Oil is a finite resource causing negative externalities

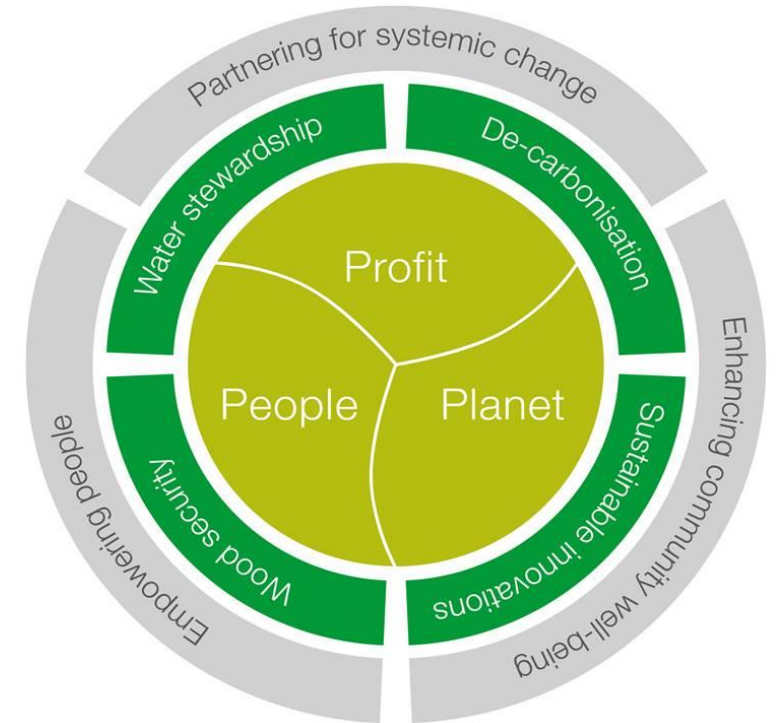
- Sooner or later “peak oil” will be reached
- New sources can only be tapped by taking high ecological risks



Lenzing's sustainability strategy

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

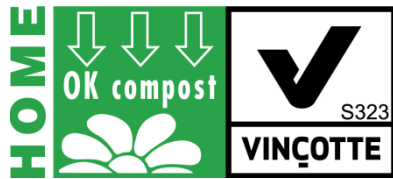
- Four focus areas
 - Wood security
 - Water stewardship
 - De-carbonization
 - Sustainable innovations
- Reinforce the spheres of influence
 - Partnering for systemic change
 - Empowering people
 - Enhancing community well-being



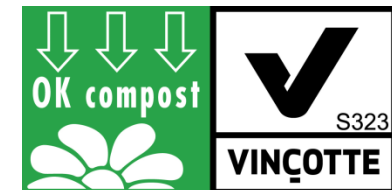
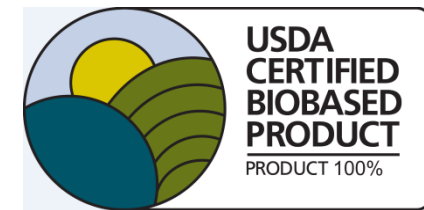
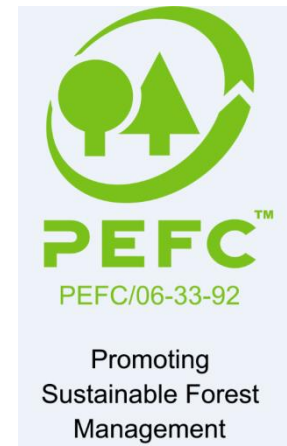
Certificates and recognitions

- VÖNIX (Austrian Sustainability Index)
- The European Eco-Label (European Flower)
- Responsible Care
- OEKO-TEX® Standard 100
- European Award for the Environment (TENCEL® fibers)
- PEFC™ (Chain of Custody)
- FSC® (Chain of Custody)
- 100% USDA Biobased certification for all Lenzing fibers (Lenzing FR® branded fiber at 99%)

- OK compost HOME (Vincotte)
- OK biodegradable SOIL (Vincotte)
- OK biodegradable MARINE
- Food contact compliance (mainly based on European legislation / certain standard fibers)
- MEDICALLY TESTED – TESTED FOR TOXINS (Nonwoven fibers, Standard textile TENCEL® fiber)
- FAIRTRADE INTERNATIONAL Textile Standard Responsible Fibres (Lenzing Viscose® branded fiber, Lenzing Modal® branded fiber, TENCEL® branded fibers)

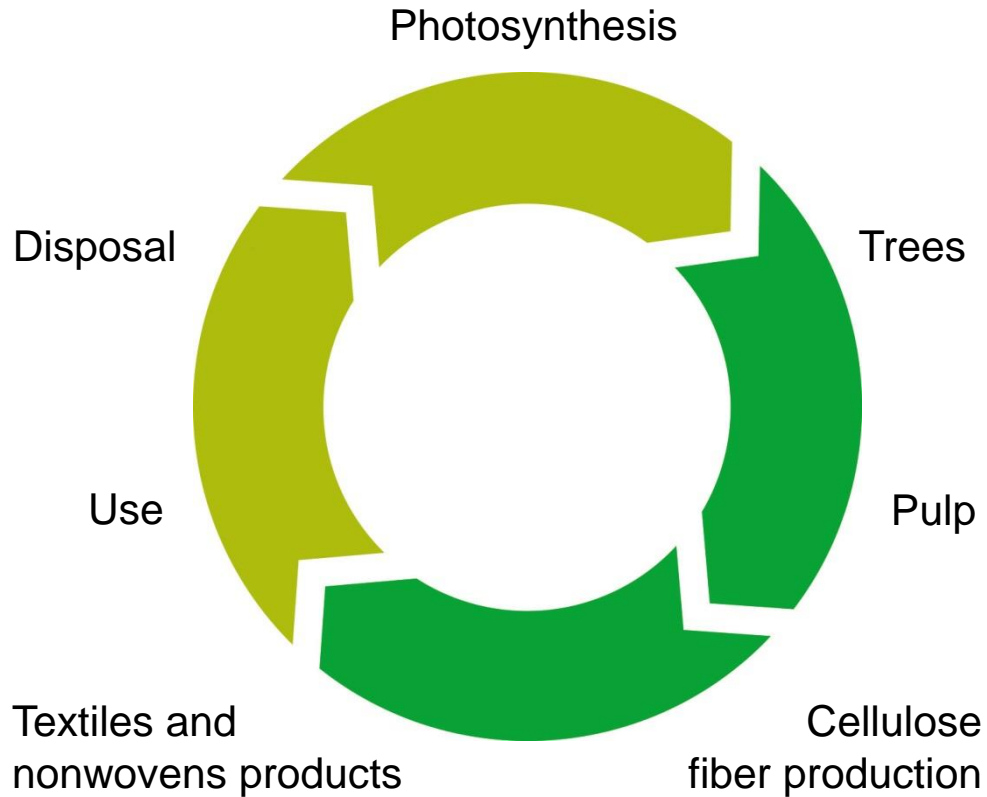


The mark of responsible forestry

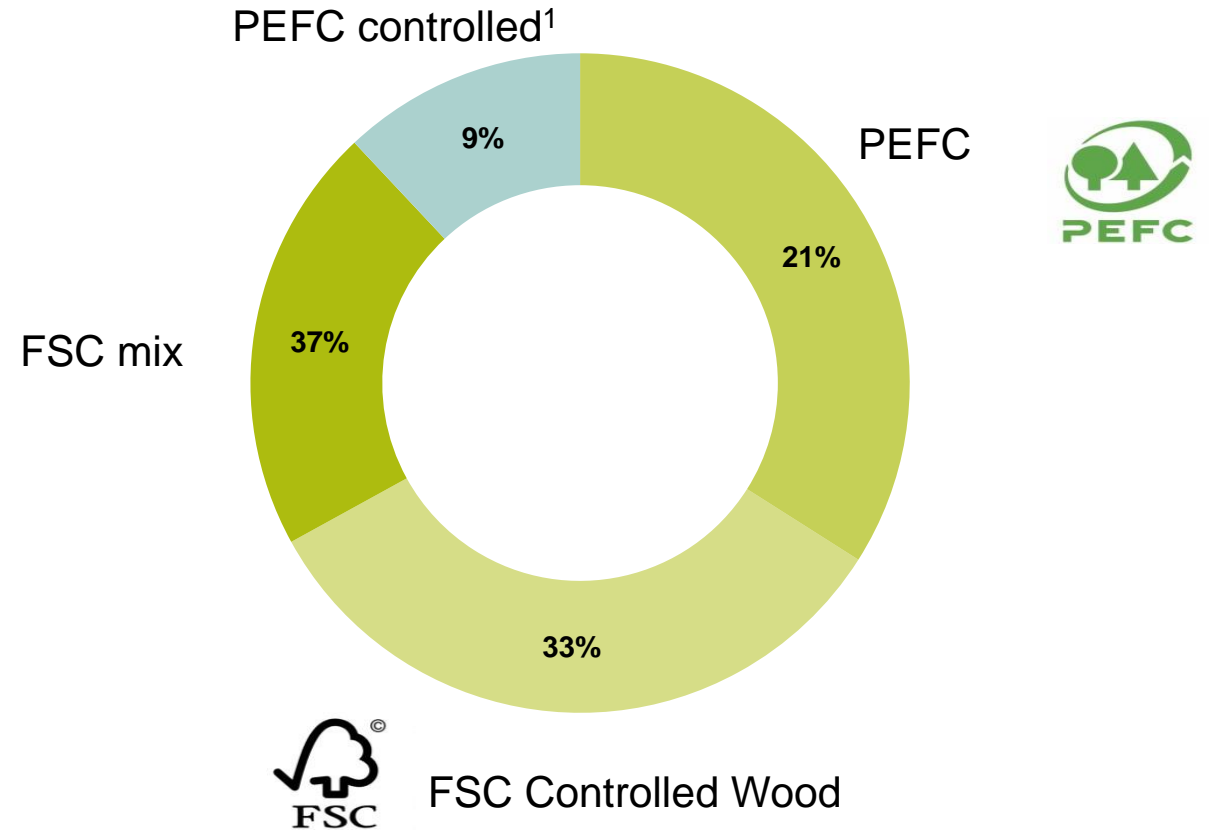


Dissolving wood pulp is the basis for our sustainable products

Our business is part of a natural closed cycle



We only use wood from sustainable forestry



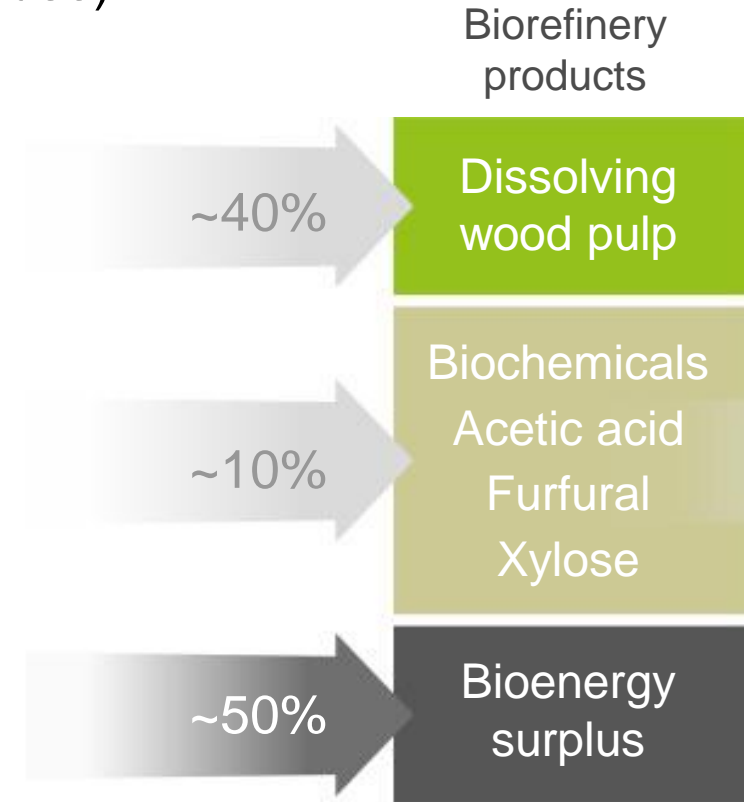
1) Controlled = Internally audited according to the standards of the wood certifiers and externally verified

Highly efficient use of the raw materials

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

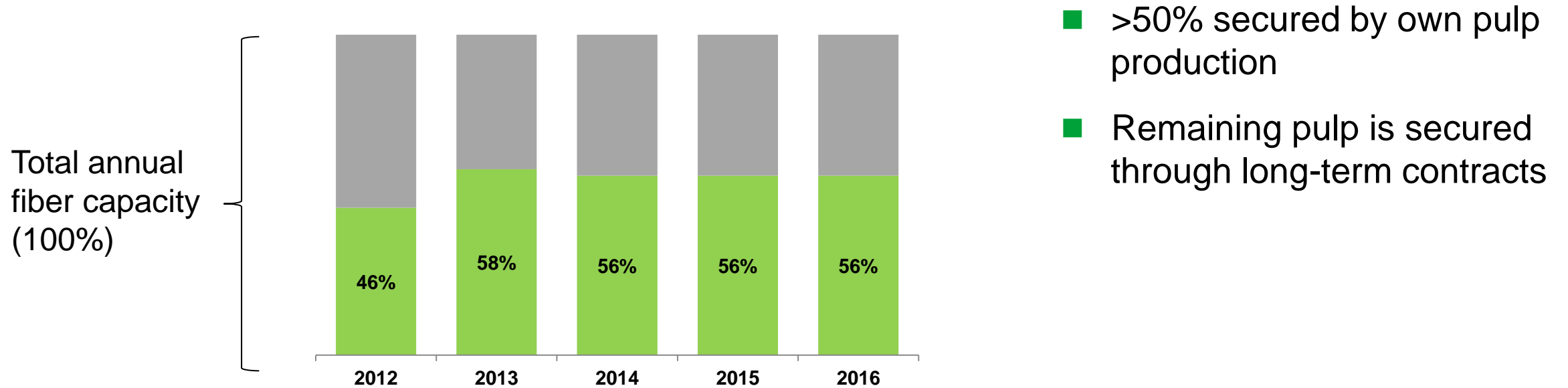


Dissolving
wood pulp
production



Fiber production fully secured by a robust pulp supply

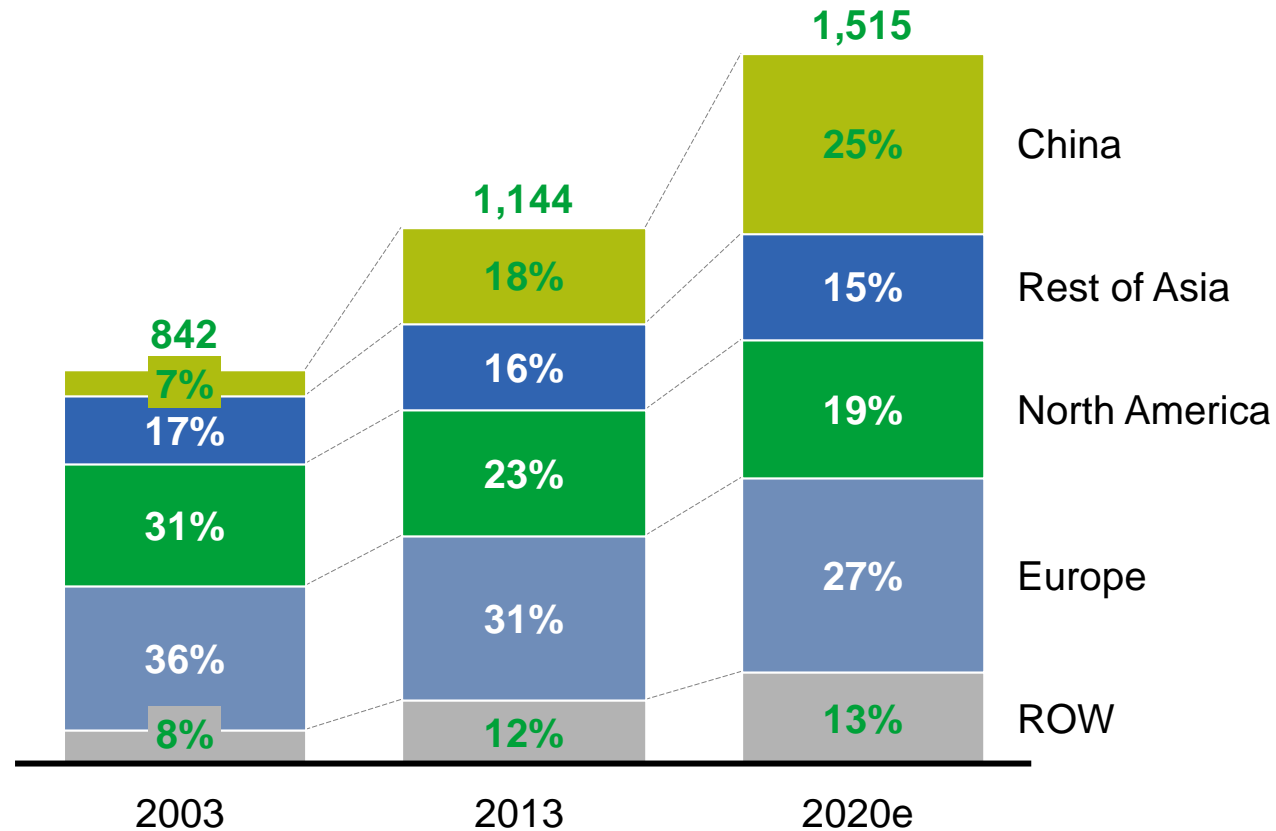
Level of backward integration: Own pulp supply in percentage of annual fiber capacity



China remains the growth engine in global textiles

Global textile demand by value (2003-2020)

EUR bn



CAGR
(2013-2020e)

9.2%

3.1%

1.4%

2.4%

5.3%

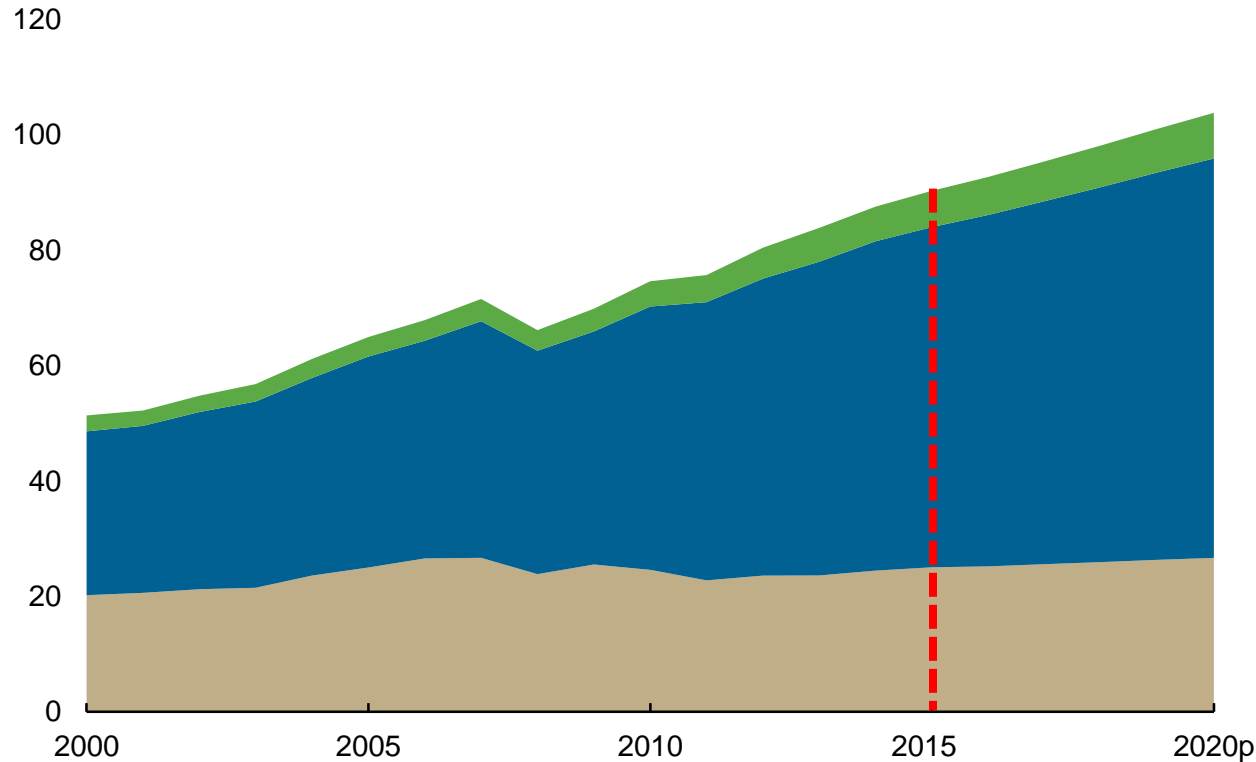


Source: ICAC World Textile Demand, Euromonitor, Lenzing data 2015

Wood-based fibers¹ outgrow market

Expected growth of global fiber demand until 2020

Million metric tons²



**CAGR
(2015 – 2020p)**

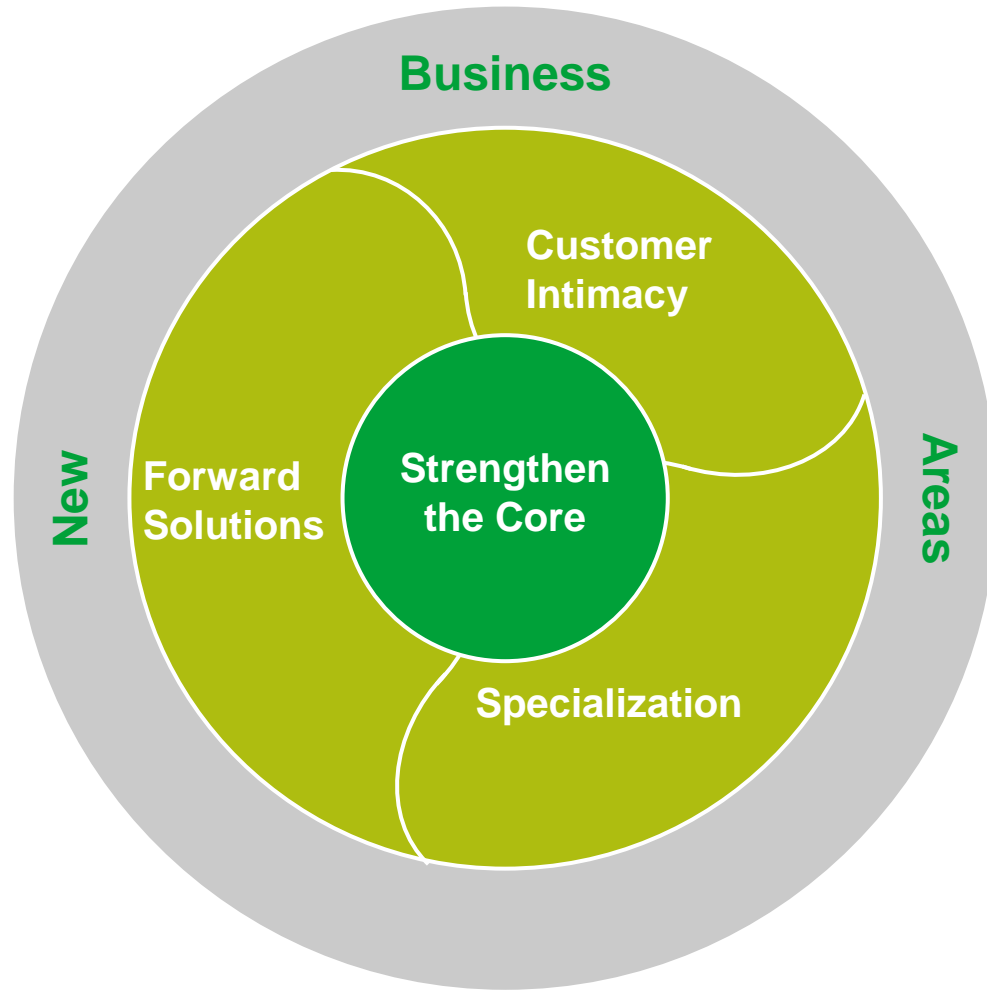
■ Wood-based fibers ¹	5-6% p.a.
■ Synthetic fibers	3-4% p.a.
■ Cotton	1-2% p.a.
<hr/>	
Total fiber market	3-4% p.a.

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

2) Without wool and other natural fibers

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

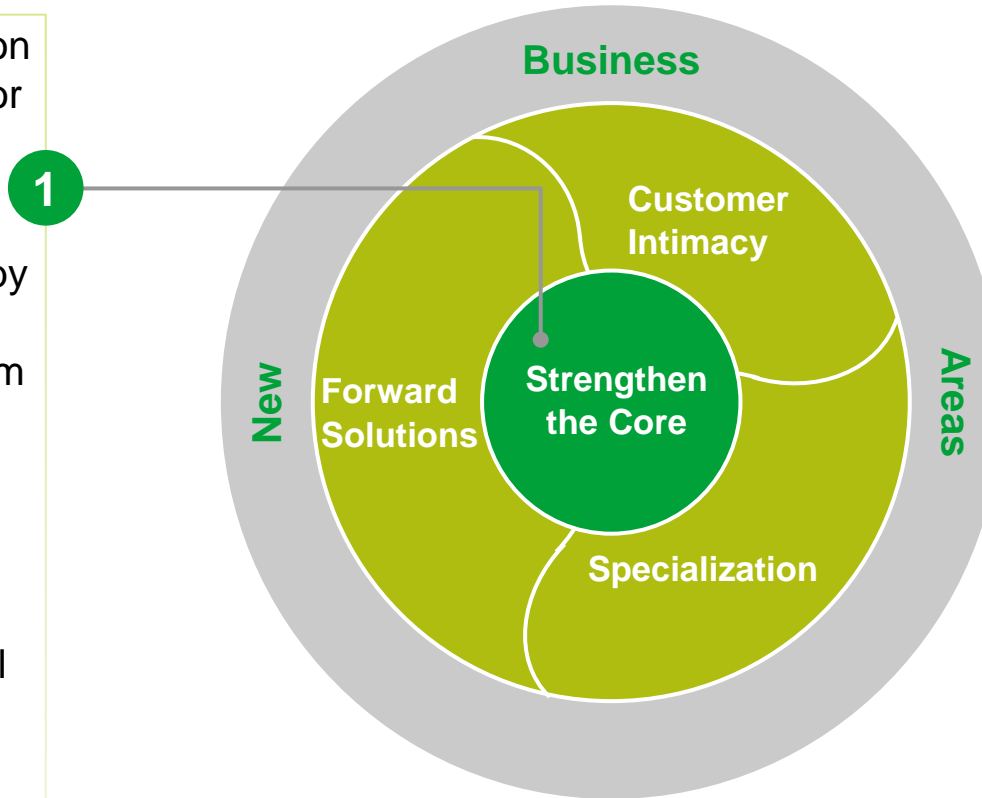
The new strategy – driving value growth



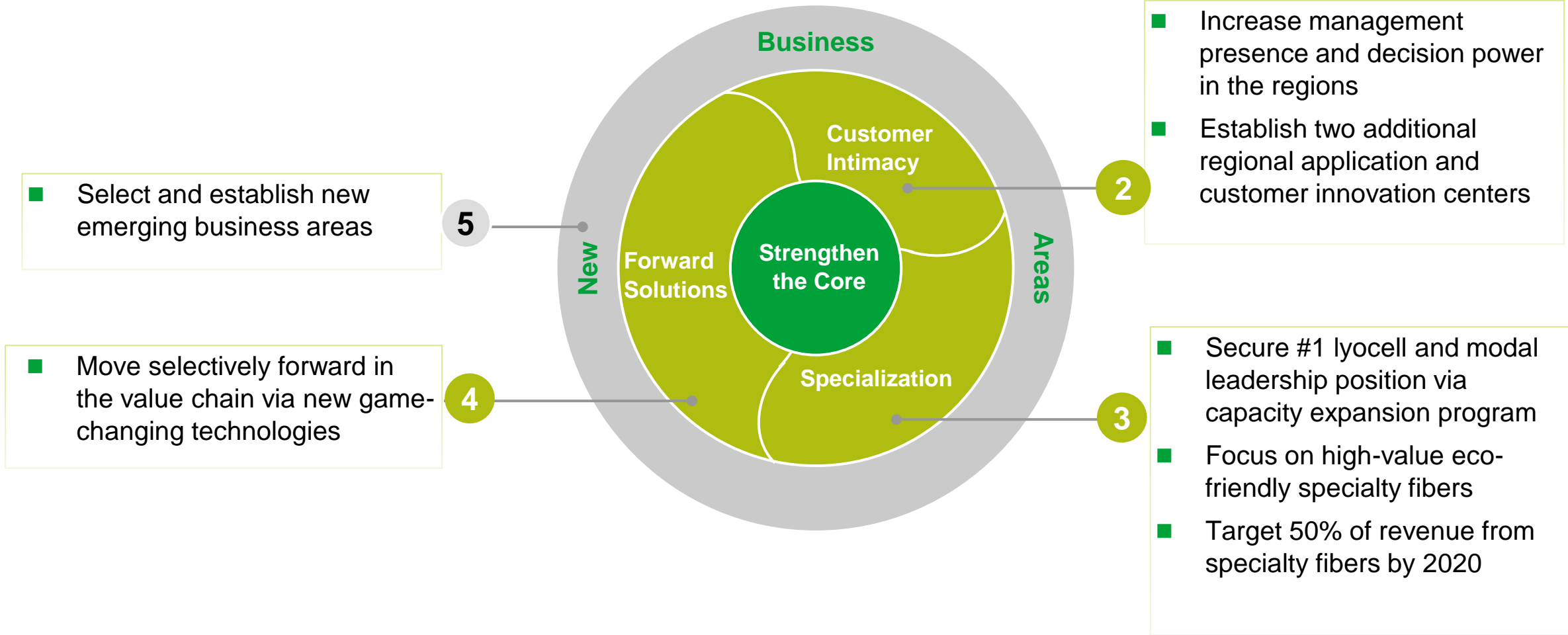
sC**ore**TEN

Strengthen the Core

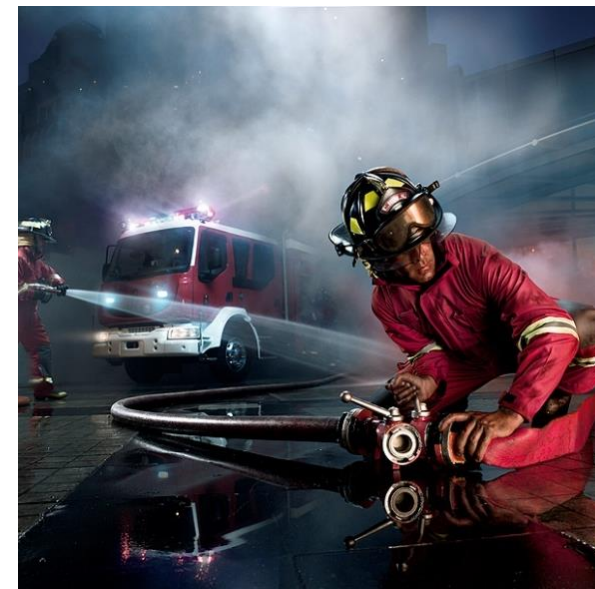
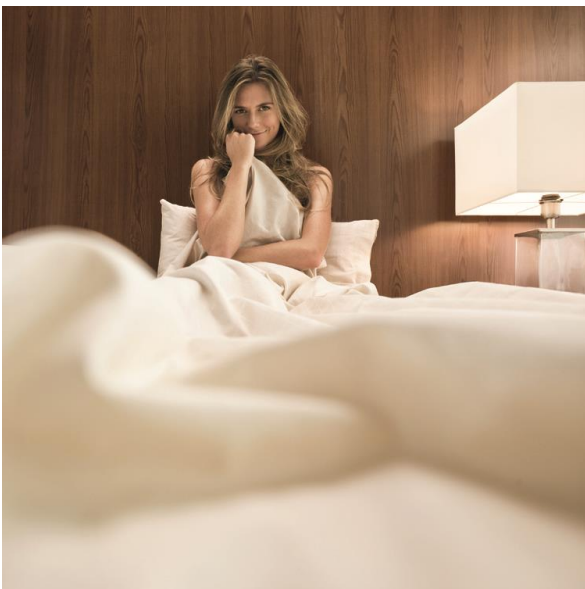
- Further strengthen pulp position via backward integration and/or strategic co-operations
- Maintain quality leadership
- Deliver EUR 50 mn EBITDA by 2017 with commercial and operational excellence program
- Strengthen our co-products business
- Grow viscose position via strategic partnerships
- Finalize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



Customer Intimacy, Specialization, Forward Solutions and New Business Areas



Backup

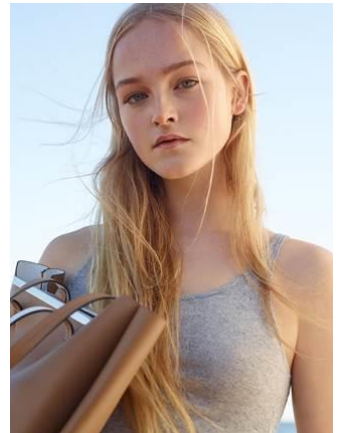


Where you can find our fibers

Apparel/Home & Interiors - close to skin



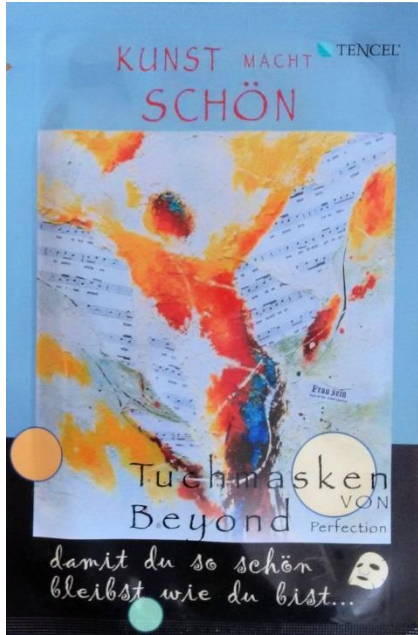
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Where you can find our fibers

Nonwovens

■ Facial masks



■ Wipes



■ Hygiene articles



Where you can find our fibers

New Business Development & Technical textiles

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



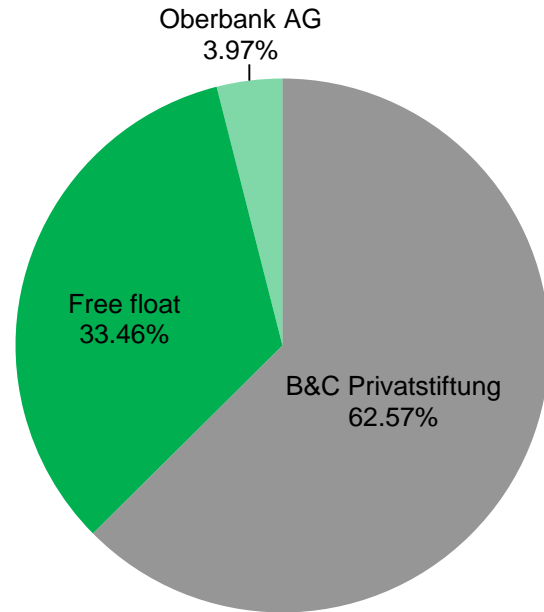
- Packing solutions with Lenzing Modal® COLOR fiber (vegetable and fruit nets – eg. at REWE Austria and ALDI Austria – Hofer)



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



Lenzing share information



Overview of B & C Privatstiftung¹

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

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

ISIN	LNZ / AT0000644505
Bloomberg	LNZ:AV
Reuters	LNZNF.PK
Indices	ATX Prime, ATX Global Players, VÖNIX Sustainability Index
Number of shares	26,550,000
Share price March 31, 2017	EUR 157.65
Market capitalization March 31, 2017	EUR 4,185.61 mn

Coverage as at May 3, 2017:

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

Contacts and financial calendar

Investor Relations contact

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

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

Financial calendar

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