

The logo for sCoreTEN, featuring the word 'sCoreTEN' in a sans-serif font. The 'o' in 'Core' is replaced by a green icon of two hands shaking. The background of the slide is a photograph of a basketball player in a white jersey with 'TENCEL' on the back, holding a green basketball high in the air against a clear blue sky. A basketball hoop and net are visible on the right side of the frame.

sCoreTEN

# Leading Fiber Innovation

Lenzing Investor Presentation  
Q1/2016 results  
May 12, 2016

# Disclaimer

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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](http://www.lenzing.com) in the section "Investors".

## Highlights Q1/2016

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- Very strong start into the year
  - Very solid demand across all products
  - Good organic growth
    - Group revenue up 8.1%
    - Fiber business grew by 14.6% due to pricing and volume
  - EBITDA up 54.7% vs. Q1/2015
    - Strong specialties demand and good pricing
    - EBITDA margin at 18% compared to 12.6% a year ago
- AGM approved to double the dividend from EUR 1.00 to EUR 2.00 per share on April 20, 2016

## sCore TEN implementation well on track

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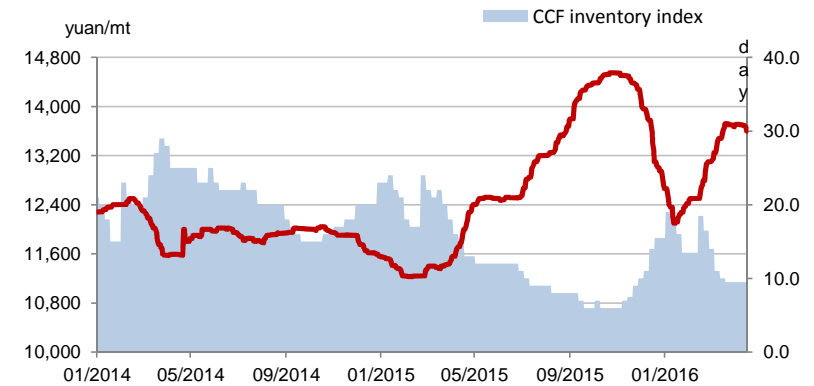
- Solid progress on EBITDA improvement program
  - Well on track to achieve EUR 50 mn EBITDA run-rate by end of 2016 through commercial and operational excellence
- Progress on asset strategy – further announcement in Q3/2016
- New organization underpins commitment to „customer intimacy“
  - New Executive Committee set up and new regional/functional organization effective March 1, 2016



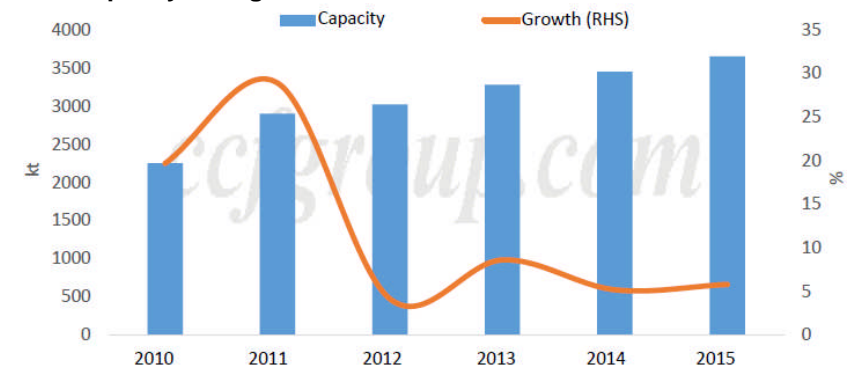
# Wood based fiber market

- Supply – demand in better balance than in Q1/2015 due to
  - Continuous strong demand for cellulose fibers and simultaneously lower inventory level
  - Higher operating rates at 88%
  - No big capacity additions announced
- Positive viscose pricing
  - Q1/2016: Daily VSF price up 8.7% (January to March)
  - Q-o-Q: Quarterly VSF price up 13.6% compared to Q1/2015
- Average quarterly imported China dissolving wood pulp spot price up 4.8% to 840 USD/t in Q1/2016

VSF<sup>1</sup> price trend and inventory of China



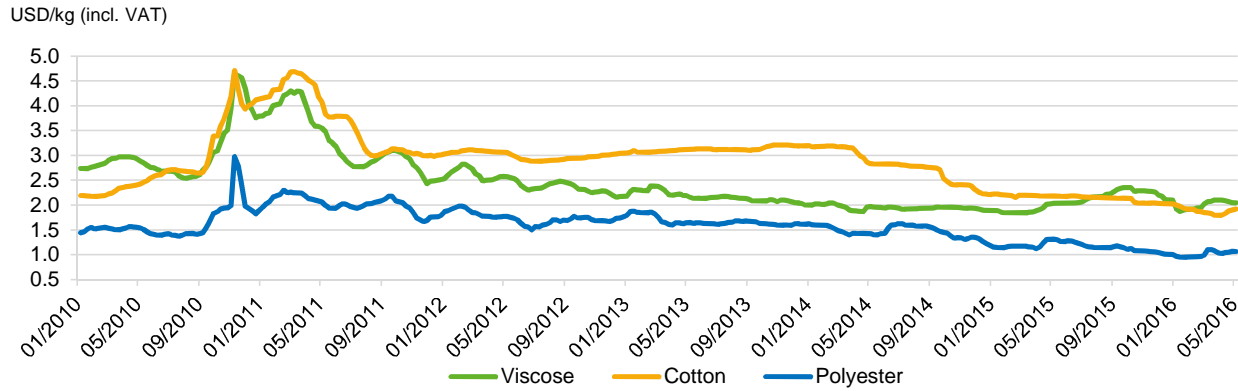
VSF capacity change of China since 2010



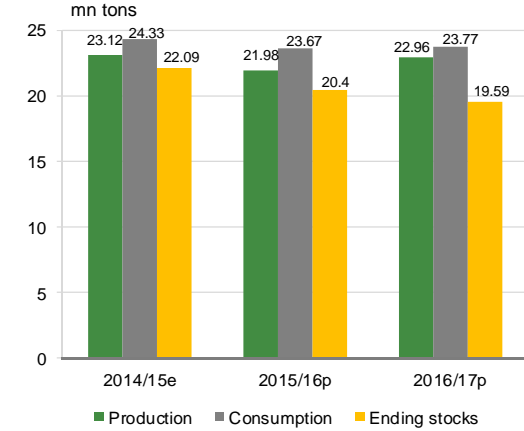
1) Viscose staple fibers  
Sources: CCFG

# Cotton market

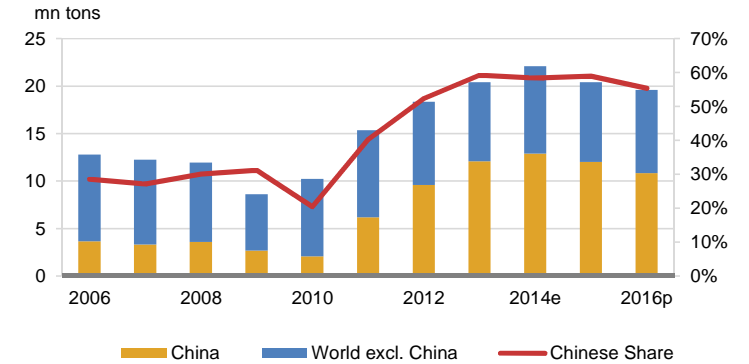
## Staple fiber prices - Development in China



## Cotton market



## Cotton inventories and China's share



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

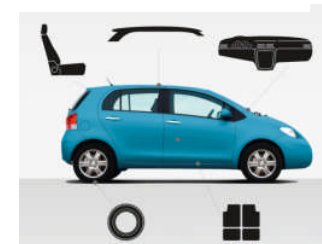
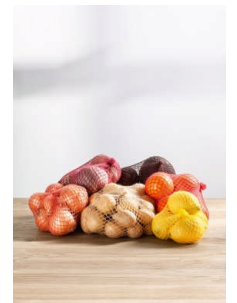
## Specialties strategy shows first positive results

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- Market environment supports Lenzing's strategy
  - Megatrends intact
  - High demand for specialties fibers
  - China remains the growth engine for global textiles
- Total revenue share of specialties increase to 41.7% in Q1/2016 from 40.5% by the end of 2015
  - Continuous high demand for Lenzing's specialties TENCEL<sup>®</sup>, Lenzing Modal<sup>®</sup> and Lenzing Viscose<sup>®</sup>
  - Well on track to achieve 50% share in specialties by 2020
- Good progress on innovation pipeline and downstream partnerships

# Lenzing's growth path in TENCEL®

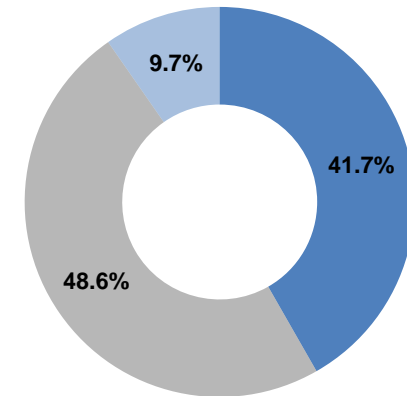
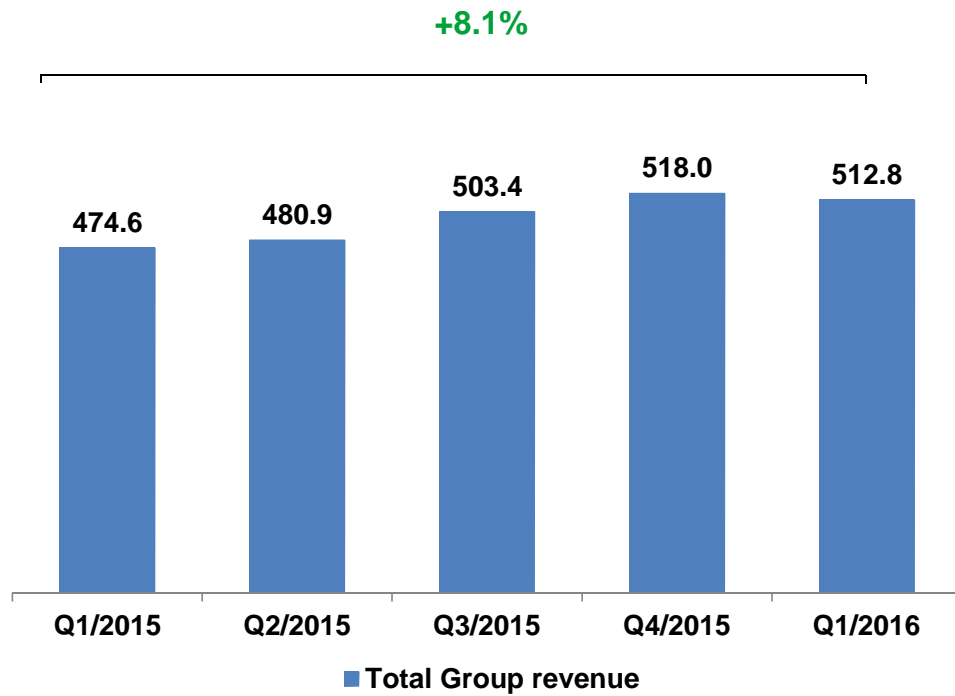
- Lenzing's growth path in TENCEL®
  - TENCEL® capitalizes on megatrends such as sustainability providing functionality and aesthetics
  - Expanding position in core value markets (e.g. denim, home & interior)
  - New applications in technical segments create interesting new growth platforms (e.g. footwear, agrotextiles, mobility, filtration, etc.)
- TENCEL® 's USP<sup>1</sup> in Textiles
  - Blendability with commodities and noble fibers (e.g. ELS cotton, merino, silk)
  - Create high performing, aesthetical, emotional and cost effective value products; products must be functional, specifically moisture management is key
  - Focus on process ability of our fibers throughout the value chain
  - Develop special partnerships from spinners to brands and retailers
  - Innovation
- TENCEL® 's USP<sup>1</sup> in Nonwoven & Technical Textiles
  - High quality standard and uniformity
  - Functionality such as moisture management, high tenacity, thermal stability is key
  - Flame-resistant properties (workwear, filtration)
  - Tailor made fibers: coarser/finer, longer/shorter, colors, non-flammability



1) Unique selling proposition



# Revenue (EUR mn)

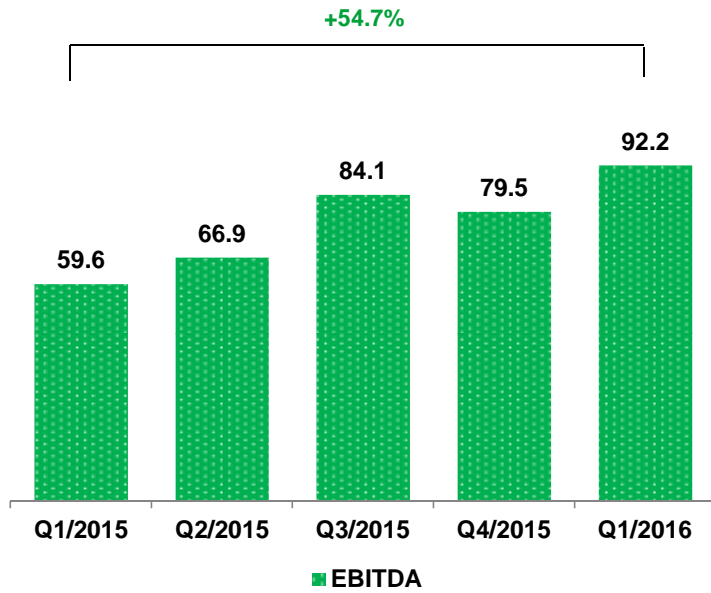


■ Speciality fibers ■ Standard fibers ■ Other business areas

# Earnings (EUR mn)

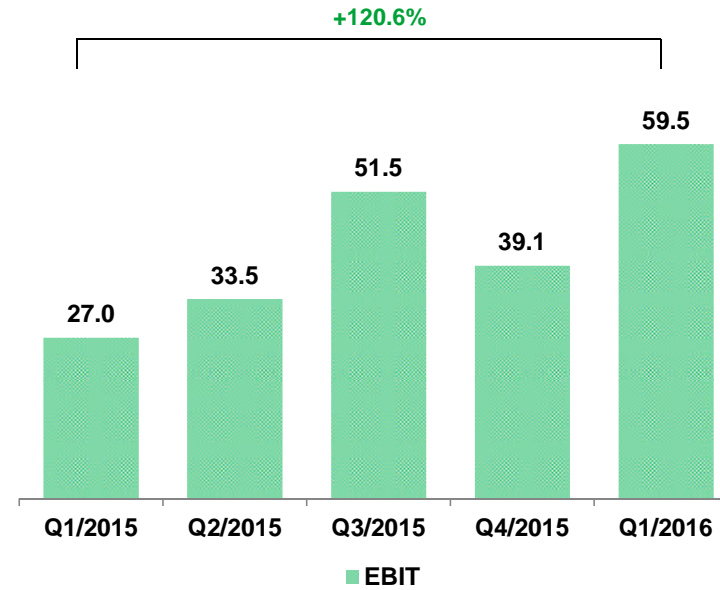
EBITDA margin

12.6%   13.9%   16.7%   15.4%   18.0%



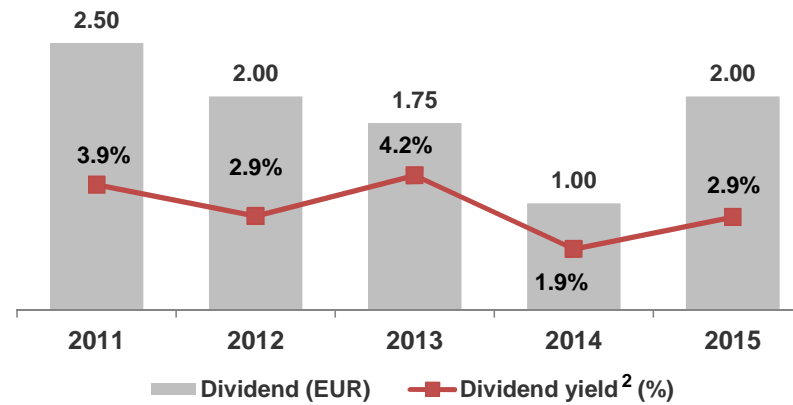
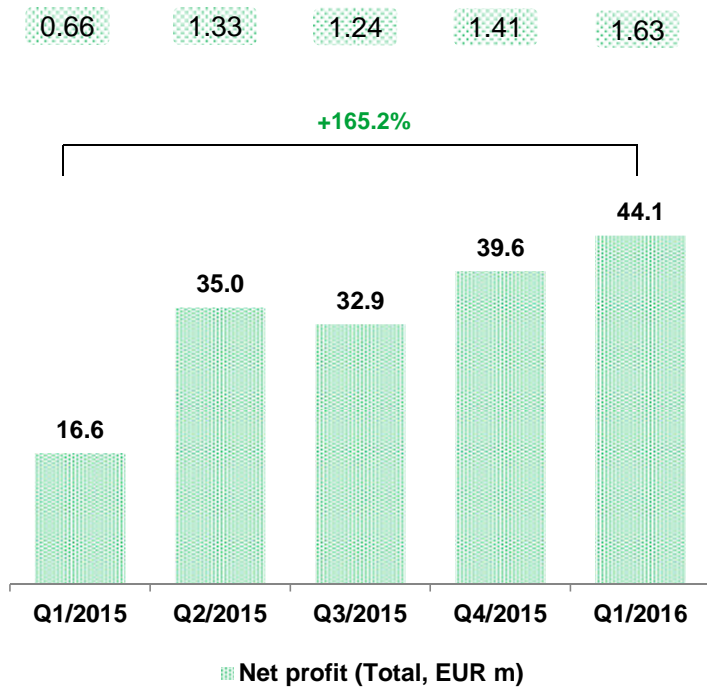
EBIT margin

5.7%   7.0%   10.2%   7.6%   11.6%



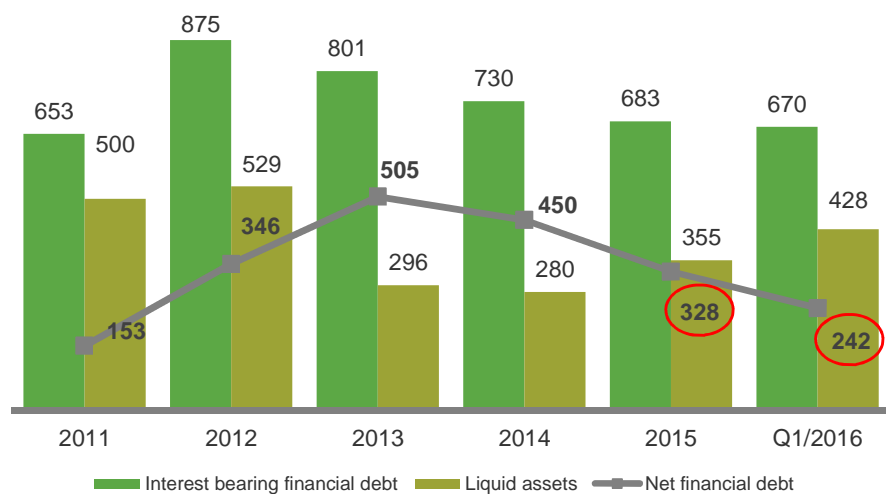
# Earnings per share and dividend

## EPS<sup>1</sup> (EUR)



- 1) Attributable to Lenzing AG shareholders
- 2) Dividend yield based on last share price of the year

## Key figures (EUR mn)



According to IFRS (EUR mn)	March 31, 2016	Dec. 31, 2015	Change in %
Total assets	2,440.9	2,421.8	0.8
Liquid assets <sup>1</sup>	427.7	355.3	20.4
thereof liquid funds	422.8	347.3	21.7
Total liabilities	1,202.9	1,215.1	(1.0)
thereof financial liabilities	670.0	683.2	(1.9)
Adjusted equity <sup>2</sup>	1,257.3	1,226.4	2.5
Adjusted equity ratio (%)	51.5	50.6	-
Net gearing (%)	19.3	26.7	-
Net financial debt	242.4	327.9	(26.1)

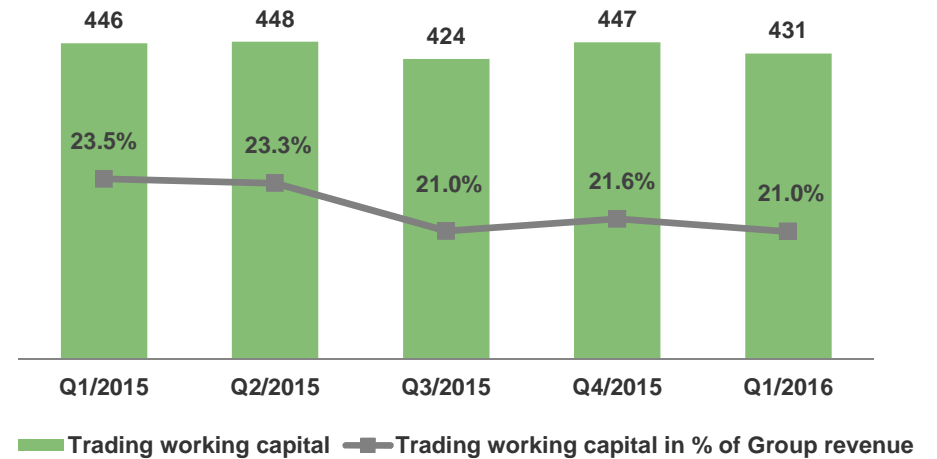
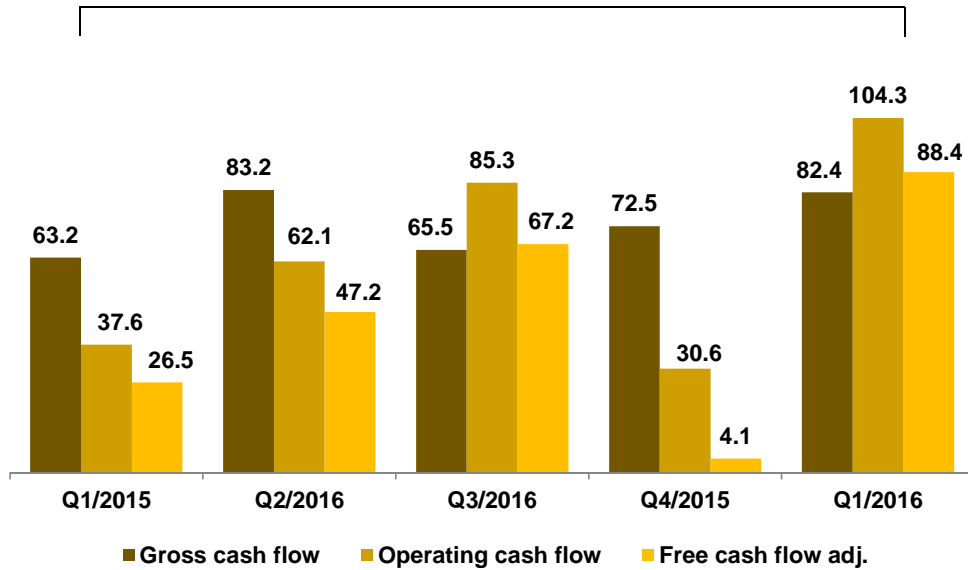
1) Including cash and cash equivalents, liquid securities and liquid bills of exchange

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

# Cash flow development and trading working capital

EUR mn

+30.3% (Gross CF)  
 +177.2% (Operating CF)  
 +234.0% (Free CF adj.)



## Outlook 2016 confirmed

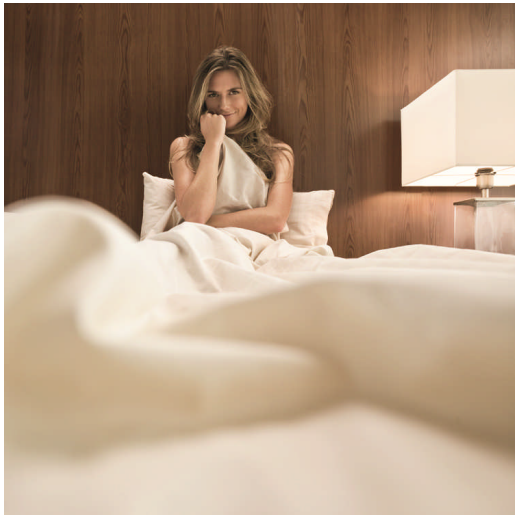
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- Global fiber market to remain volatile
  - High cotton stock and cheap polyester fibers continue to fuel inter-fiber price competition
  - Lenzing's relevant market segment "wood-based cellulose fibers"<sup>1</sup> faces a more positive development than the global fiber market with a favorable supply-demand balance. Strong demand particularly for specialty fibers is expected.
- Under the assumption of unchanged positive fiber market conditions and FX relations and in view of the very positive Q1/2016 Lenzing feels confident to confirm a substantial earnings improvement in 2016.

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

# Q1/2016 – Financial information

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# Q1/2016: Consolidated Group P&L

(EUR mn)	Q1/2016	Q4/2015	Q1/2015	Change Q1/Q4 (%)	Change y-o-y (%)
<b>Revenue</b>	<b>512.8</b>	<b>518.0</b>	<b>474.6</b>	<b>(1.0)</b>	<b>8.1</b>
Change in inventories of finished goods and work in progress	(10.4)	8.6	(4.2)	(221.0)	147.9
Own work capitalized	6.1	8.6	5.9	(29.5)	3.1
Other operating income	11.4	7.8	20.5	46.1	(44.2)
Cost of material and purchased services	(292.5)	(325.2)	(307.2)	(10.1)	(4.8)
Personnel expenses	(75.3)	(76.2)	(76.3)	(1.3)	(1.4)
Other operating expenses	(59.9)	(61.9)	(53.5)	(3.3)	11.9
<b>EBITDA/Margin</b>	<b>92.2/18.0%</b>	<b>79.5/15.4%</b>	<b>59.6/12.6%</b>	<b>15.9</b>	<b>54.7</b>
Depreciation & Amortization	(33.4)	(41.5)	(33.3)	(19.5)	0.3
Income from the release of investment grants	0.7	1.1	0.7	(34.4)	2.7
<b>EBIT/Margin</b>	<b>59.5/11.6%</b>	<b>39.1/7.6%</b>	<b>27.0/5.7%</b>	<b>52.1</b>	<b>120.6</b>
<b>Financial result</b>	<b>(4.4)</b>	<b>(4.1)</b>	<b>(3.1)</b>	<b>7.6</b>	<b>40.0</b>
Allocation of profit or loss to puttable non-controlling interests	0.8	1.5	1.0	(45.8)	(17.1)
<b>EBT/Margin</b>	<b>55.9/10.9%</b>	<b>36.5/7.1%</b>	<b>24.8/5.2%</b>	<b>53.0</b>	<b>125.3</b>
Income tax expense	(11.8)	3.0	(8.2)	(488.5)	44.5
Tax rate (%)	21.2	(8.3)	33.0	-	-
<b>Net income/Margin</b>	<b>44.1/8.6%</b>	<b>39.6/7.6%</b>	<b>16.6/3.5%</b>	<b>11.3</b>	<b>165.2</b>
<b>Net income after minorities/Margin</b>	<b>43.3/8.4%</b>	<b>37.4/7.2%</b>	<b>17.5/3.7%</b>	<b>15.8</b>	<b>147.7</b>
<b>EPS (in EUR)</b>	<b>1.63</b>	<b>1.41</b>	<b>0.66</b>	<b>15.8</b>	<b>147.7</b>



## Q1/2016: Topline breakdown

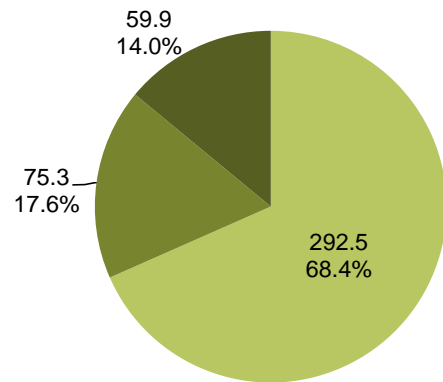
(EUR mn)	Q1/2016	Q4/2015	Change Q1/Q4 (%)	Q1/2015	Change y-o-y (%)
<b>Breakdown of Fibers segment revenue</b>					
Textile fibers (%)	70.7	71.6	(1.3)	67.1	5.0
Nonwoven fibers (%)	29.3	28.4	3.2	32.9	(11.0)
<b>Fibers only</b>	<b>463.0</b>	<b>452.2</b>	<b>2.4</b>	<b>401.6</b>	<b>15.3</b>
Others <sup>1</sup>	47.8	64.8	(26.0)	43.9	9.0
<b>Total segment Fibers</b>	<b>510.8</b>	<b>517.0</b>	<b>(1.2)</b>	<b>445.5</b>	<b>14.6</b>
<b>Total segment Lenzing Technik</b>	<b>8.9</b>	<b>12.7</b>	<b>(29.9)</b>	<b>21.8</b>	<b>(59.1)</b>
<b>Others and consolidation</b>	<b>(6.8)</b>	<b>(11.7)</b>	<b>(41.9)</b>	<b>7.3</b>	<b>-</b>
<b>Total Group revenue</b>	<b>512.8</b>	<b>518.0</b>	<b>(1.0)</b>	<b>474.6</b>	<b>8.1</b>

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

# Q1/2016 Total Opex structure

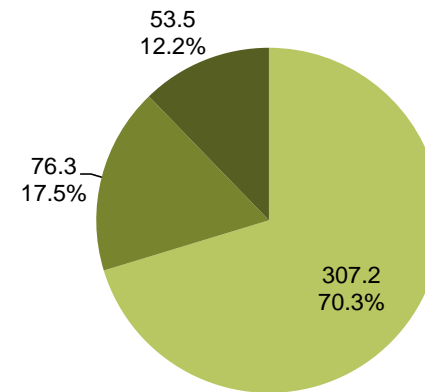
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Q1/2016 (Total Opex EUR 427.7 mn)



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

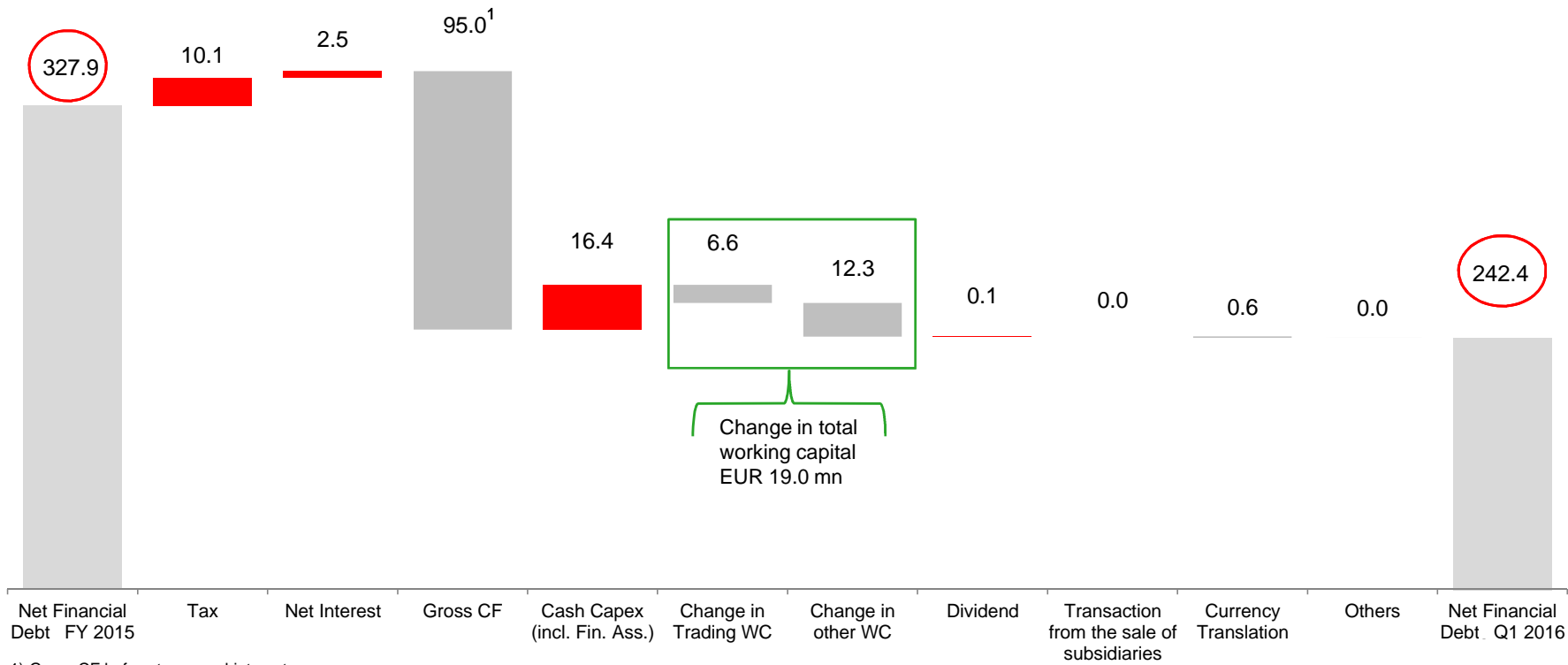
Q1/2015 (Total Opex EUR 437.0 mn)



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

# Q1/2016: Financials

EUR mn



1) Gross CF before taxes and interest

2) Including CAPEX of EUR (15.9) mn and Financial assets of EUR (0.5) mn

3) Change in total working capital EUR 21.9 mn (according to cash flow statement)

Adjustment change in liquid bills of exchange EUR (2.9) mn

Total Change in working capital EUR 19.0 mn (according to net debt)

## Q1/2016: Cash flow

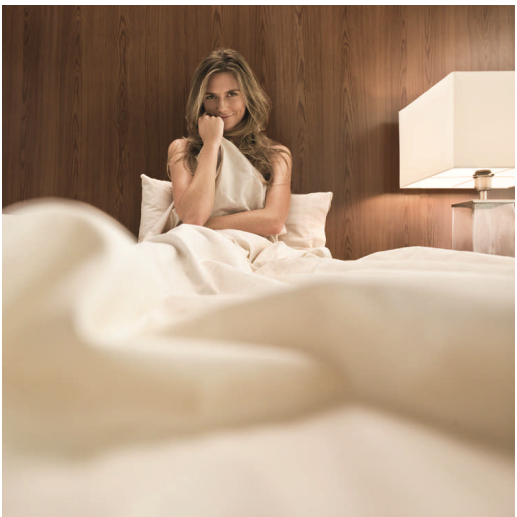
(EUR mn)	Q1/2016	Q4/2015	Change Q1/Q4 (%)	Q1/2015	Change y-o-y (%)
Gross CF (before taxes and interest)	95.0	82.2	15.6	57.8	64.4
Taxes and interest	(12.6)	(9.7)	30.1	5.4	-
<b>Gross CF (after taxes and interest)</b>	<b>82.4</b>	<b>72.5</b>	<b>13.7</b>	<b>63.2</b>	<b>30.3</b>
Change in total working capital <sup>1</sup>	21.9	(41.9)	-	(25.6)	-
<b>Operating cash flow</b>	<b>104.3</b>	<b>30.6</b>	<b>240.8</b>	<b>37.6</b>	<b>177.2</b>
Investment cash flow <sup>2</sup>	(16.1)	(25.1)	(35.9)	(11.7)	37.8
<b>Free cash flow unadj.</b>	<b>88.2</b>	<b>5.5</b>	<b>-</b>	<b>26.0</b>	<b>239.8</b>
Net inflow from sale of subsidiary	0.0	0.8	(105.8)	0.0	-
Acquisition of other financial assets	0.4	2.9	(85.1)	0.7	(39.1)
Proceeds/repayments of other financial assets	(0.2)	(5.0)	(95.9)	(0.2)	3.3
<b>Free cash flow adj.</b>	<b>88.4</b>	<b>4.1</b>	<b>-</b>	<b>26.5</b>	<b>234.0</b>

1) Including trade and other working capital

2) Including investment in financial assets and proceeds from disposal

# 2015 – Financial information

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# FY 2015: Consolidated Group P&L

(EUR mn)	2015	2014	Change y-o-y (%)
<b>Revenue</b>	<b>1.976,8</b>	<b>1.864.2</b>	<b>6.0</b>
Change in inventories of finished goods and work in progress	(7.3)	(2.6)	184.9
Own work capitalized	29.2	34.6	(15.6)
Other operating income	45.7	48.5	(5.8)
Cost of material and purchased services	(1.218,3)	(1,199.2)	1.6
Personnel expenses	(300.2)	(292.0)	2.8
Other operating expenses	(235.9)	(213.3)	10.6
<b>EBITDA/Margin</b>	<b>290.1/14.7%</b>	<b>240.3/12.9%</b>	<b>20.7</b>
Depreciation & Amortization	(142.2)	(221.5)	(35.8)
Income from the release of investment grants	3.2	3.2	2.1
<b>EBIT/Margin</b>	<b>151.1/7.6%</b>	<b>21.9/1.2%</b>	<b>589.1</b>
<b>Financial result</b>	<b>(3.5)</b>	<b>(23.4)</b>	<b>(84.9)</b>
Allocation of profit or loss to puttable non-controlling interests	1.5	8.8	(82.6)
<b>EBT/Margin</b>	<b>149.1/7.5%</b>	<b>7.3/0.4%</b>	<b>1,940.9</b>
Income tax expense	(25.1)	(21.5)	16.8
Tax rate (%)	16.8	293.8%	-
<b>Net income/Margin</b>	<b>124.0/6.3%</b>	<b>(14.2)/(0.8%)</b>	<b>-</b>
<b>Net income after minorities/Margin</b>	<b>122.9/6.2%</b>	<b>(13.5)/(0.7%)</b>	<b>-</b>
<b>EPS (in EUR)</b>	<b>4.63</b>	<b>(0.51)</b>	<b>-</b>

# FY 2015: Consolidated Group P&L – Quarters

(EUR mn)	Q1/2015	Q2/2015	Q3/2015	Q4/2015	Change Q4/Q3 (%)	Q4/2014	Change y-o-y (%)
<b>Revenue</b>	<b>474.6</b>	<b>480.9</b>	<b>503.4</b>	<b>518.0</b>	<b>2.9</b>	<b>506.5</b>	<b>2.3</b>
Change in inventories of finished goods and work in progress	(4.2)	(1.9)	(9.8)	8.6	-	(16.8)	-
Own work capitalized	5.9	7.1	7.7	8.6	12.0	5.1	69.2
Other operating income	20.5	15.2	2.3	7.8	238.4	16.7	(53.2)
Cost of material and purchased services	(307.2)	(293.1)	(292.7)	(325.2)	11.1	(302.5)	7.5
Personnel expenses	(76.3)	(75.0)	(72.6)	(76.2)	5.0	(66.2)	15.2
Other operating expenses	(53.5)	(66.3)	(54.1)	(61.9)	14.4	(62.3)	(0.6)
<b>EBITDA/Margin</b>	<b>59.6/12.6%</b>	<b>66.9/13.9%</b>	<b>84.1/16.7%</b>	<b>79.5/15.4%</b>	<b>(5.4)</b>	<b>80.5/15.9%</b>	<b>(1.2)</b>
Depreciation & Amortization	(33.3)	(34.1)	(33.3)	(41.5)	24.6	(129.1)	(67.8)
Income from the release of investment grants	0.7	0.7	0.7	1.1	51.5	1.1	1.3
<b>EBIT/Margin</b>	<b>27.0/5.7%</b>	<b>33.5/7.0%</b>	<b>51.5/10.2%</b>	<b>39.1/7.6%</b>	<b>(24.1)</b>	<b>(47.6)/(9.4%)</b>	<b>-</b>
<b>Financial result</b>	<b>(3.1)</b>	<b>10.0</b>	<b>(6.3)</b>	<b>(4.1)</b>	<b>(35.5)</b>	<b>(7.2)</b>	<b>(43.0)</b>
Allocation of profit or loss to puttable non-controlling interests	1.0	(0.1)	(0.9)	1.5	-	5.9	(74.6)
<b>EBT/Margin</b>	<b>24.8/5.2%</b>	<b>43.4/9.0%</b>	<b>44.3/8.8%</b>	<b>36.5/7.1%</b>	<b>(17.5)</b>	<b>(48.8)/(9.6%)</b>	<b>-</b>
Income tax expense	(8.2)	(8.5)	(11.4)	3.0	-	(9.6)	-
Tax rate (%)	33.0	19.6	25.8	(8.3)	-	(19.7)	-
<b>Net income/Margin</b>	<b>16.6/3.5%</b>	<b>35.0/7.3%</b>	<b>32.9/6.5%</b>	<b>39.6/7.6%</b>	<b>20.4</b>	<b>(58.5)/(11.5%)</b>	<b>-</b>
<b>Net income after minorities/Margin</b>	<b>17.5/3.7%</b>	<b>35.3/7.3%</b>	<b>32.8/6.5%</b>	<b>37.4/7.2%</b>	<b>13.9</b>	<b>(58.0)/(11.5%)</b>	<b>-</b>
<b>EPS (in EUR)</b>	<b>0.66</b>	<b>1.33</b>	<b>1.24</b>	<b>1.41</b>	<b>13.9</b>	<b>(2.18)</b>	<b>-</b>

# FY 2015: Topline breakdown

(EUR mn)	Q1/2015	Q2/2015	Q3/2015	Q4/2015	Change Q4/Q3 (%)	Q4/2014	Change y-o-y (%)	2015	2014	Change y-o-y (%)
<b>Breakdown of Fibers segment revenue</b>										
Textile fibers (%)	67.1	69.3	70.1	71.6	1.5	69.9	1.7	69.6	68.4	1.2
Nonwoven fibers (%)	32.9	30.7	29.9	28.4	(1.5)	30.1	(1.7)	30.4	31.6	(1.2)
<b>Fibers only</b>	<b>401.6</b>	<b>429.9</b>	<b>446.7</b>	<b>452.2</b>	<b>1.2</b>	<b>409.1</b>	<b>10.5</b>	<b>1,730.4</b>	<b>1,504.2</b>	<b>15.0</b>
Others <sup>1</sup>	43.9	42.3	53.2	64.8	21.9	69.5	(6.7)	204.2	259.8	(21.4)
<b>Total segment Fibers</b>	<b>445.5</b>	<b>472.2</b>	<b>499.9</b>	<b>517.0</b>	<b>3.4</b>	<b>478.6</b>	<b>8.0</b>	<b>1,934.6</b>	<b>1,764.0</b>	<b>9.7</b>
<b>Total segment Lenzing Technik</b>	<b>21.8</b>	<b>21.0</b>	<b>15.1</b>	<b>12.7</b>	<b>(15.9)</b>	<b>22.4</b>	<b>(43.1)</b>	<b>70.6</b>	<b>90.8</b>	<b>(22.2)</b>
<b>Others and consolidation<sup>2</sup></b>	<b>7.3</b>	<b>(12.3)</b>	<b>(11.6)</b>	<b>(11.7)</b>	<b>0.9</b>	<b>5.5</b>	<b>-</b>	<b>(28.4)</b>	<b>9.4</b>	<b>-</b>
<b>Total Group revenue</b>	<b>474.6</b>	<b>480.9</b>	<b>503.4</b>	<b>518.0</b>	<b>2.9</b>	<b>506.5</b>	<b>2.3</b>	<b>1,976.8</b>	<b>1,864.2</b>	<b>6.0</b>

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

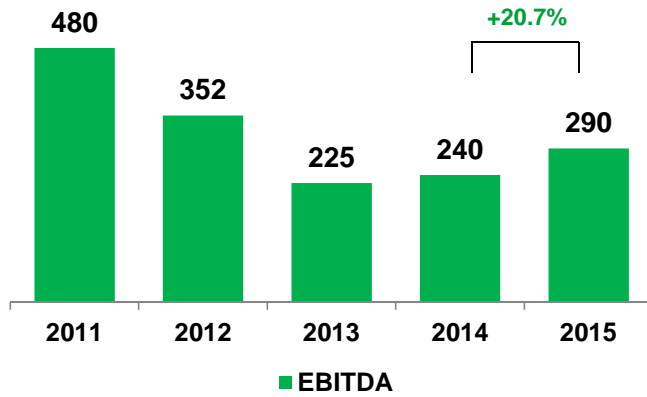
2) From Q2/2015 without Dolan GmbH and European Carbon Fiber GmbH



# Financials 2015 – Earnings (EUR mn)

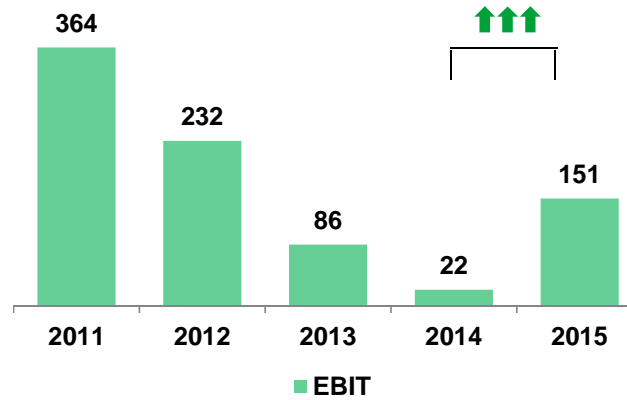
EBITDA margin

22.4% 16.9% 11.8% 12.9% 14.7%



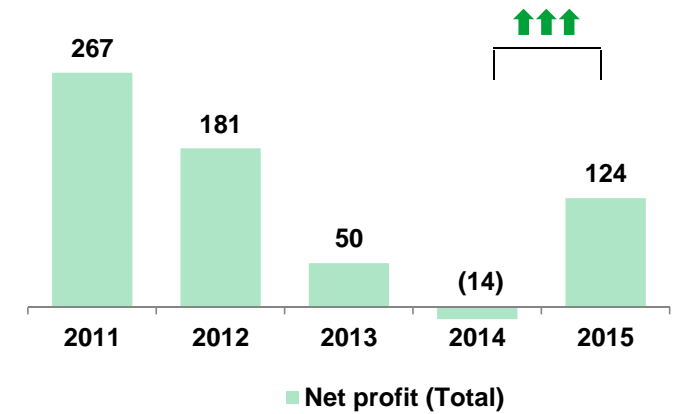
EBIT margin

17.0% 11.1% 4.5% 1.2% 7.6%

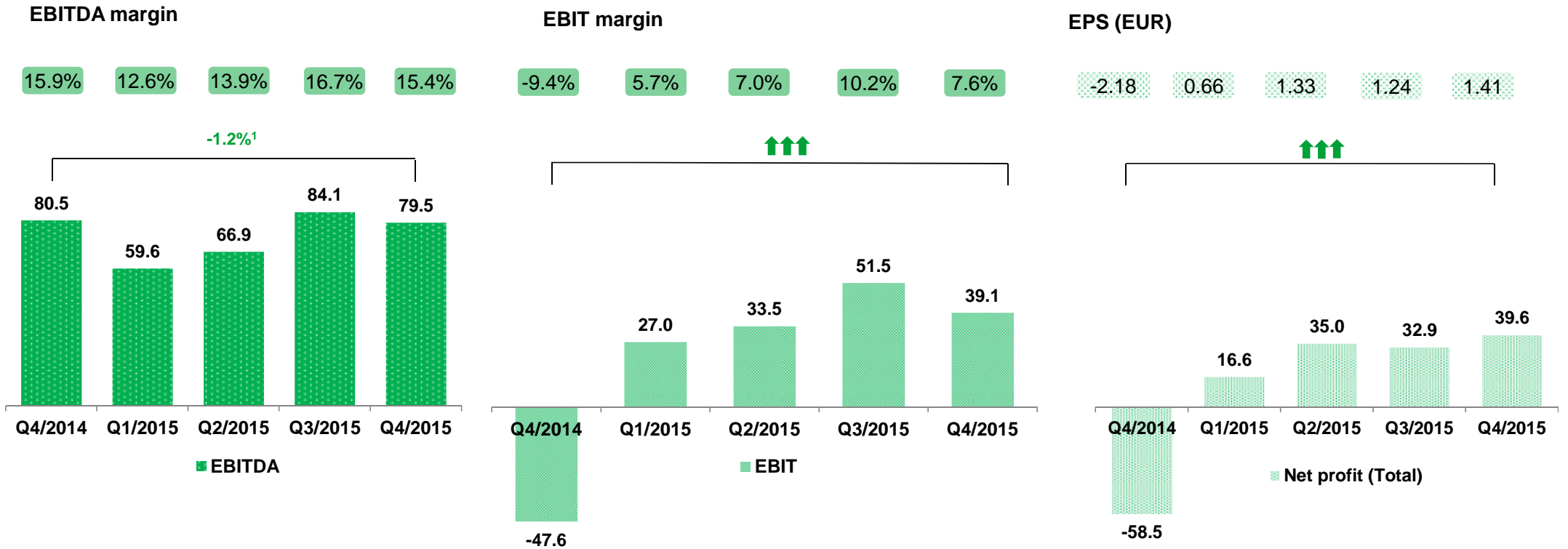


EPS (EUR)

9.88 6.61 1.89 (0.51) 4.63



# Financials 2015 – Earnings per quarter (EUR mn)



1) Q4/2014: EBITDA impacted by positive one-offs amounting to EUR 20.5 mn

## FY 2015: OPEX as of total sales

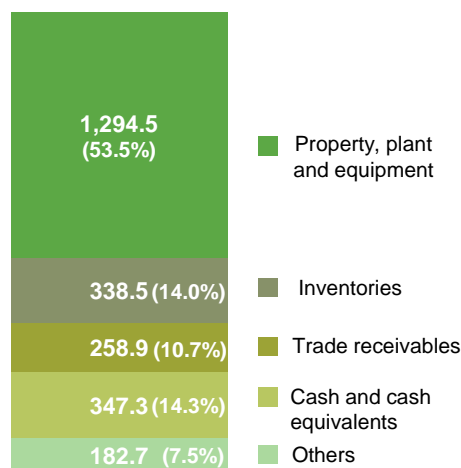
(EUR mn)	Q1/2015	Q2/2015	Q3/2015	Q4/2015	Change Q4/Q3 (%)	Q4/2014	Change y-o-y (%)	2015	2014	Change y-o-y (%)
<b>Total sales</b>	<b>474.6</b>	<b>480.9</b>	<b>503.4</b>	<b>518.0</b>	<b>2.9</b>	<b>506.5</b>	<b>2.3</b>	<b>1,976.8</b>	<b>1,864.2</b>	<b>6.0</b>
<b>Total OPEX<sup>1</sup></b>	<b>(437.1)</b>	<b>(434.4)</b>	<b>(419.5)</b>	<b>(463.4)</b>	<b>10.5</b>	<b>(431.0)</b>	<b>7.5</b>	<b>(1,754.4)</b>	<b>(1,704.5)</b>	<b>2.9</b>
<b>Total cost of material and purchased services</b>	<b>(307.2)</b>	<b>(293.1)</b>	<b>(292.7)</b>	<b>(325.2)</b>	<b>11.1</b>	<b>(302.5)</b>	<b>7.5</b>	<b>(1,218.3)</b>	<b>(1,199.2)</b>	<b>1.6</b>
as % of total sales	64.7	61.0	58.1	62.8	-	59.7	-	61.6	64.3	-
<b>Total personnel expenses</b>	<b>(76.3)</b>	<b>(75.0)</b>	<b>(72.6)</b>	<b>(76.2)</b>	<b>5.0</b>	<b>(66.2)</b>	<b>15.2</b>	<b>(300.2)</b>	<b>(292.0)</b>	<b>2.8</b>
as % of total sales	16.1	15.6	14.4	14.7	-	13.1	-	15.2	15.7	-
<b>Total other operating expenses</b>	<b>(53.5)</b>	<b>(66.3)</b>	<b>(54.1)</b>	<b>(61.9)</b>	<b>14.4</b>	<b>(62.3)</b>	<b>(0.6)</b>	<b>(235.9)</b>	<b>(213.3)</b>	<b>10.6</b>
as % of total sales	11.3	13.8	10.8	12.0	-	12.3	-	11.9	11.4	-

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

# FY 2015: Solid balance sheet

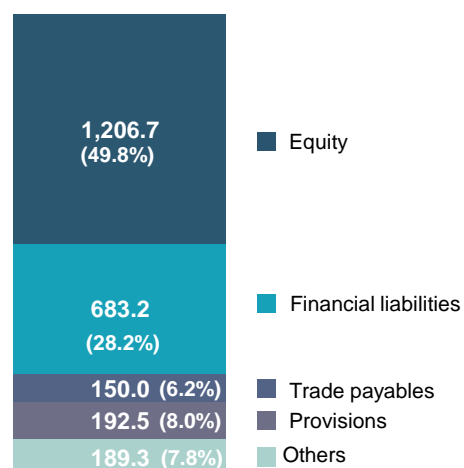
## as at Dec. 31, 2015

Σ 2,421.8 EUR mn



Assets

Σ 2,421.8 EUR mn



Liabilities

According to IFRS (EUR mn)	31 Dec. 2015	31 Dec. 2014	Change in %
<b>Total assets</b>	2,421.8	2,375.1	2.0
<b>Liquid assets<sup>1</sup></b>	355.3	280.3	26.8
<b>thereof liquid funds</b>	347.3	271.8	27.8
<b>Total liabilities</b>	1,215.1	1,329.4	(8.6)
<b>thereof financial liabilities</b>	683.2	729.8	(6.4)
<b>Adjusted equity<sup>2</sup></b>	1,226.4	1,066.1	15.0
<b>Adjusted equity ratio (%)</b>	50.6	44.9	-
<b>Net gearing (%)</b>	26.7	42.2	-
<b>Net financial debt</b>	327.9	449.5	(27.0)
<b>Net financial debt/EBITDA</b>	1.1	1.9	-
<b>ROCE</b>	8.0%	(0.1%)	-

According to IFRS (EUR mn)	31 Dec. 2015	31 Dec. 2014	Change in %
<b>Total liquidity cushion</b>	546.2	478.8	14.1
<b>thereof liquid assets<sup>1</sup></b>	355.3	280.3	26.8
<b>thereof unused credit facilities</b>	190.9	198.5	(3.8)

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

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

# FY 2015: Cash flow

(EUR mn)	Q1/2015	Q2/2015	Q3/2015	Q4/2015	Change Q4/Q3 (%)	Q4/2014	Change y-o-y (%)	2015	2014	Change y-o-y (%)
Gross CF (before taxes and interest)	57.8	94.8 <sup>1</sup>	87.0	82.2	(5.6)	95.8	(14.2)	321.8	253.3	27.1
Taxes and interest	5.4	(11.5)	(21.5)	(9.7)	(54.9)	(4.6)	110.2	(37.4)	(22.5)	66.3
<b>Gross CF (after taxes and interest)</b>	<b>63.2</b>	<b>83.2</b>	<b>65.5</b>	<b>72.5</b>	<b>10.6</b>	<b>91.2</b>	<b>(20.5)</b>	<b>284.5</b>	<b>230.8</b>	<b>23.2</b>
Change in total working capital <sup>2</sup>	(25.6)	(21.2)	19.7	(41.9)	-	(31.5)	32.9	(68.9)	(12.0)	474.4
<b>Operating cash flow</b>	<b>37.6</b>	<b>62.1</b>	<b>85.3</b>	<b>30.6</b>	<b>(64.1)</b>	<b>59.7</b>	<b>(48.7)</b>	<b>215.6</b>	<b>218.8</b>	<b>(1.5)</b>
Investment cash flow <sup>3</sup>	(11.7)	(1.9)	(17.8)	(25.1)	40.7	(18.7)	34.3	(56.5)	(102.8)	(45.0)
<b>Free cash flow unadj.</b>	<b>26.0</b>	<b>60.1</b>	<b>67.4</b>	<b>5.5</b>	<b>(91.8)</b>	<b>41.0</b>	<b>(86.5)</b>	<b>159.0</b>	<b>116.0</b>	<b>37.1</b>
Net inflow from sale of subsidiary	0.0	(13.8)	(0.4)	0.8	-	0.0	-	(13.4)	0.0	-
Acquisition of other financial assets	0.7	1.1	0.3	2.9	-	1.8	58.0	4.9	2.3	114.0
Proceeds/repayments of other financial assets	(0.2)	(0.2)	(0.2)	(5.0)	-	(2.5)	97.4	(5.6)	(3.5)	61.6
<b>Free cash flow adj.</b>	<b>26.5</b>	<b>47.2</b>	<b>67.2</b>	<b>4.1</b>	<b>(93.9)</b>	<b>40.3</b>	<b>(89.8)</b>	<b>145.0</b>	<b>114.8</b>	<b>26.2</b>

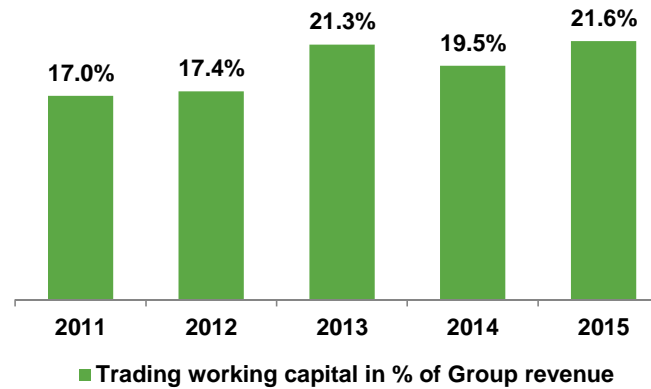
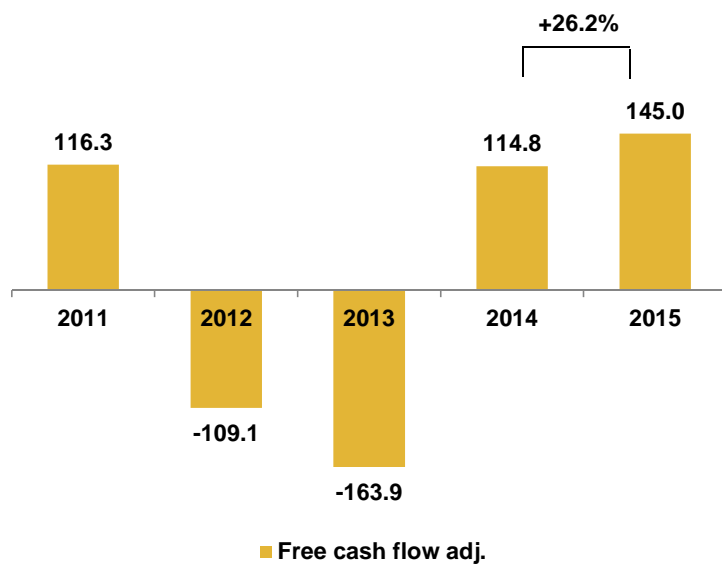
1) Positive contribution from one-off cash in from investment accounted for using the equity method

2) Including trade and other working capital

3) Including investment in financial assets and proceeds from disposal

# Financials 2015 – Cash flow (EUR mn)

EUR mn

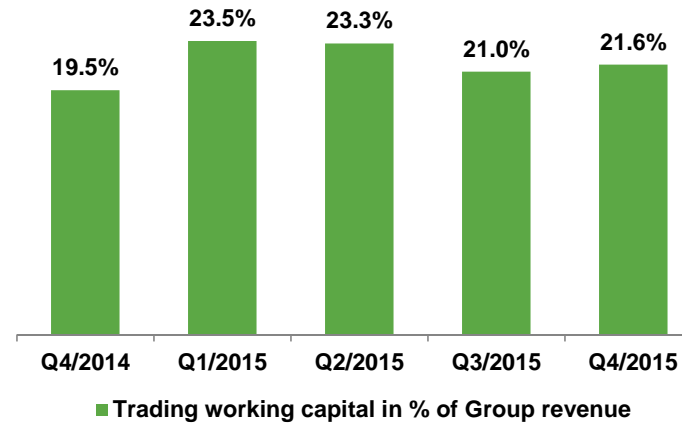
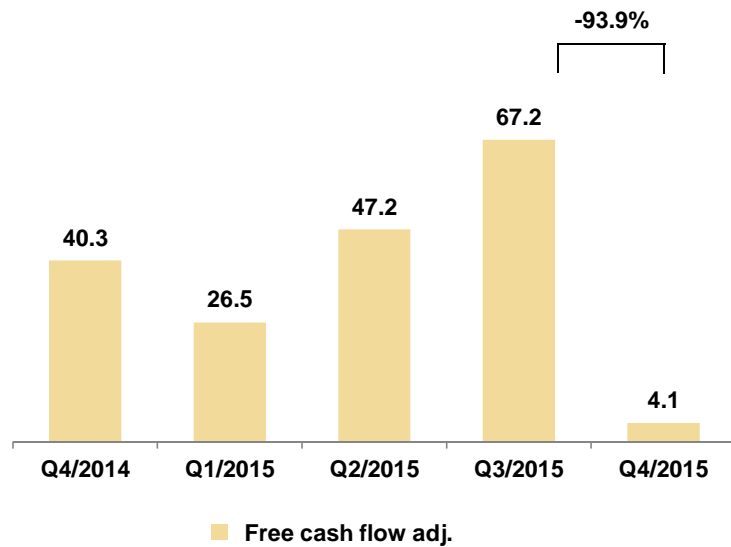


Positive free cash flow development y-o-y influenced by

- Higher revenue
- Lower investments (CAPEX EUR 70.9 mn)
- Special dividend

# Financials 2015 – Free cash flow and trading working capital per quarter (EUR mn)

EUR mn



Negative Q4 development due to

- Longer payment terms for receivables
- Shorter payment terms for liabilities

# Appendix – Equity story

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# Lenzing – Market leader in wood-based cellulosic fibers







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Our mission:

“Lenzing is a performance materials company that turns CO<sub>2</sub> and sunlight into highly functional, emotional and aesthetic products across the globe”



# Lenzing - Market leader in all three fiber generations

	Market Position	Competitive Intensity	
	# 1	Low	
	# 1	Medium	
	# 2	High	

Source: Lenzing data, CCFG, CCFEI

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

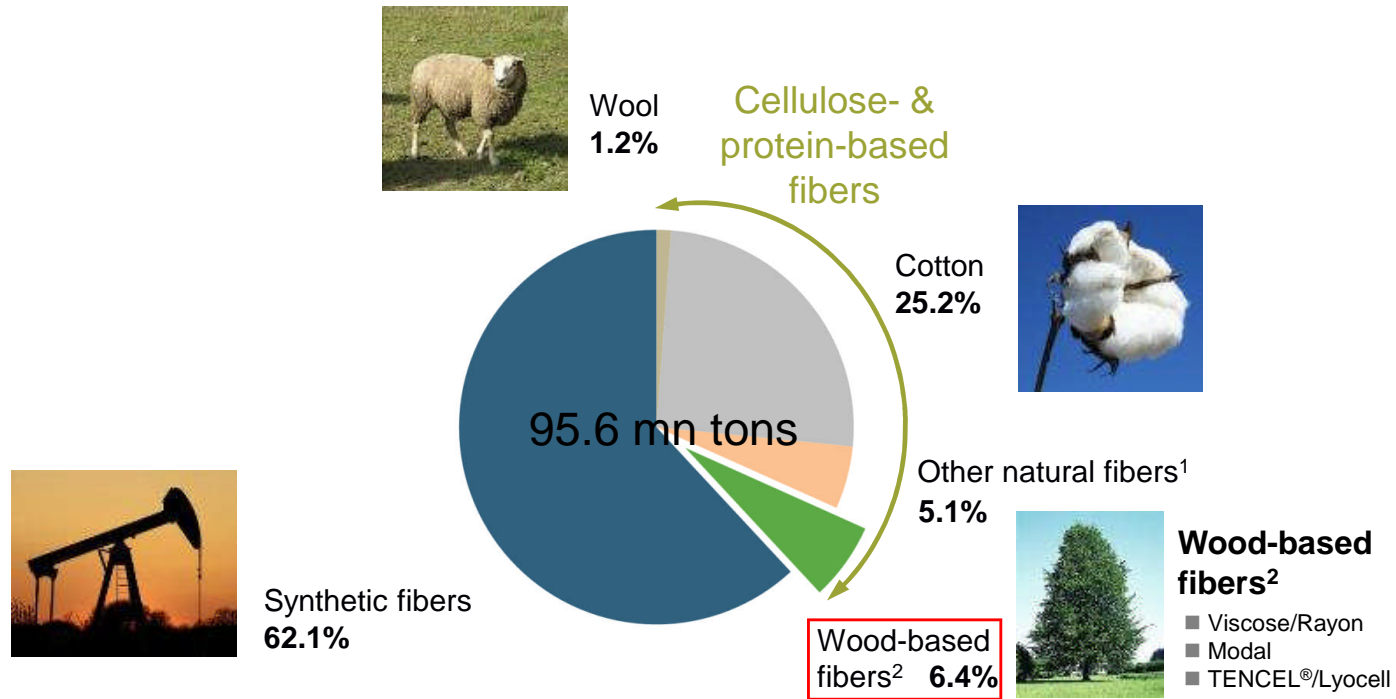
LEADING FIBER INNOVATION

# Lenzing culture – from forest to fiber



# Global fiber market at a glance

## 2015e consumption numbers



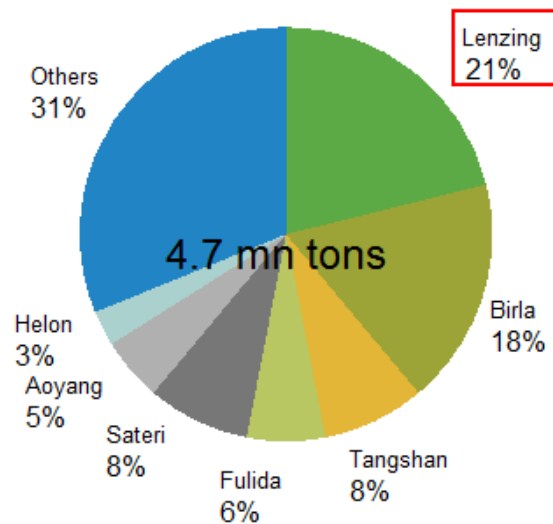
1) Incl. bast, flax, hemp, jute, silk and allied fibers

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

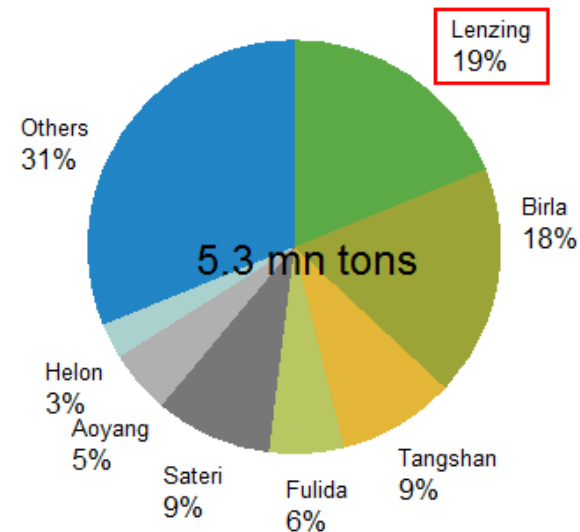
Source: CIRFS, The Fiber Year, The Fiber Organon, Lenzing estimates

... is the only player with European roots in the viscose staple fibers market<sup>1</sup> (2015e)

Lenzing with 21% share of production



Lenzing with 19% share of capacities<sup>2</sup>



Source: CIRFS, FEB, Trade statistics, Company estimates

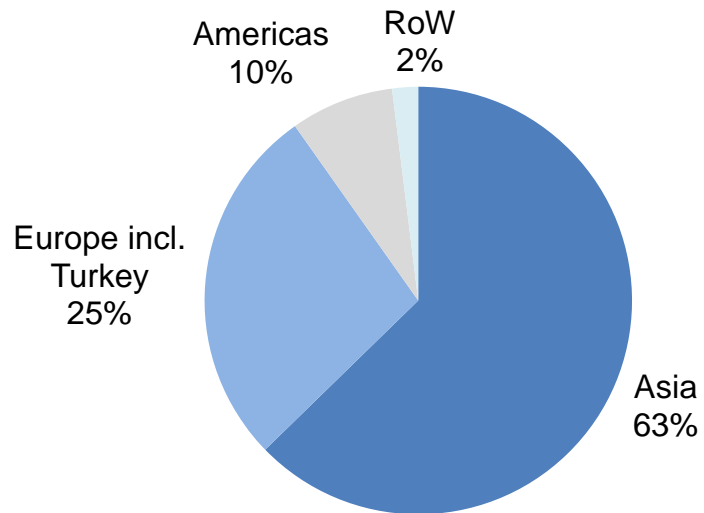
1) Viscose staple fibers (including Modal and TENCEL®), excluding viscose filaments, acetate tow, cigarette filters

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

# Lenzing is the global leader in cellulose fibers...

## Balanced exposure to matured and emerging markets

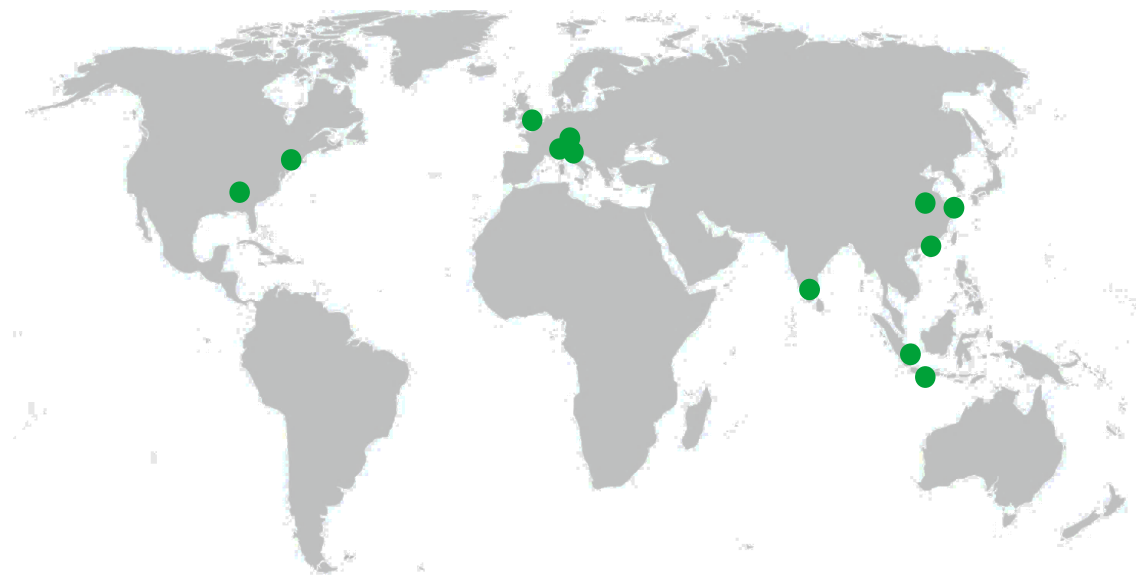
Fiber revenue by region



Source: Lenzing data as at March 31, 2016

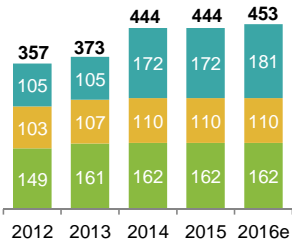
## Global network of production sites and sales offices

2015 footprint

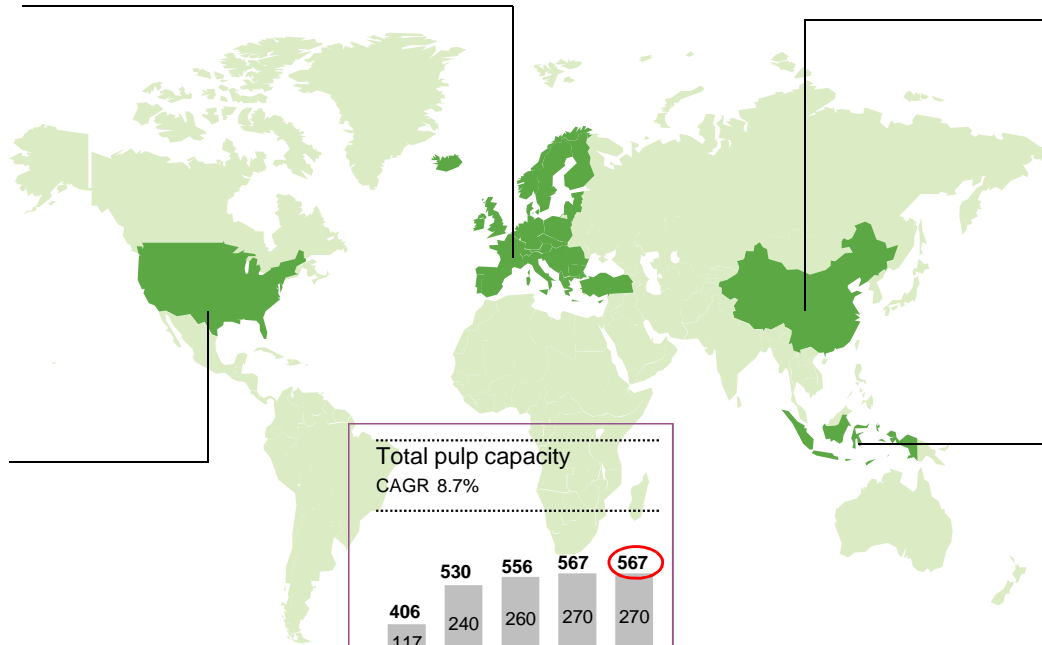
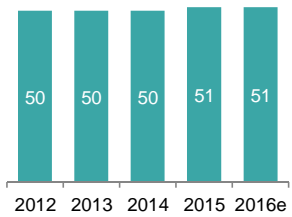


# Capacity 2016<sup>1</sup>: A global footprint

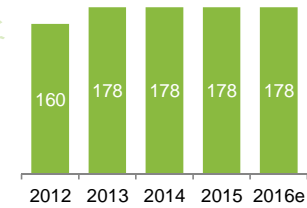
Europe<sup>2</sup>  
CAGR 6.1%



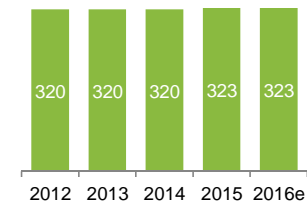
USA  
CAGR 0.5%



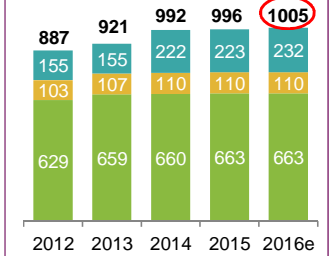
China  
CAGR 2.7%



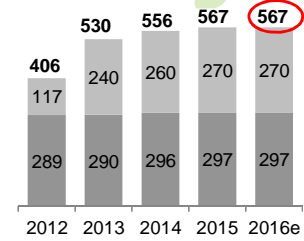
Indonesia  
CAGR 0.2%



Total capacity at year end  
CAGR 3.2%



Total pulp capacity  
CAGR 8.7%



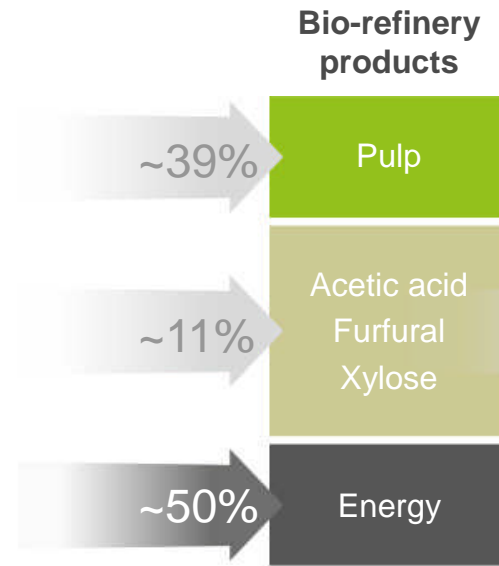
Lenzing (A) dissolving pulp capacity  
 Paskov (CZ) dissolving pulp capacity



1) Figures are shown in k metric tons; CAGR 2012-2016e  
2) Includes Lenzing (A), Heiligenkreuz (A) and Grimsby (UK)

# Lenzing's pulp mills are bio-refineries

Lenzing and Biocel Paskov achieve 100% wood utilization by generating pulp, bio-based chemicals and energy.



## Customers & Products



International  
Furan  
Chemicals B.V.  
Rotterdam Airportplein 7, 3046 AP Rotterdam  
The Netherlands

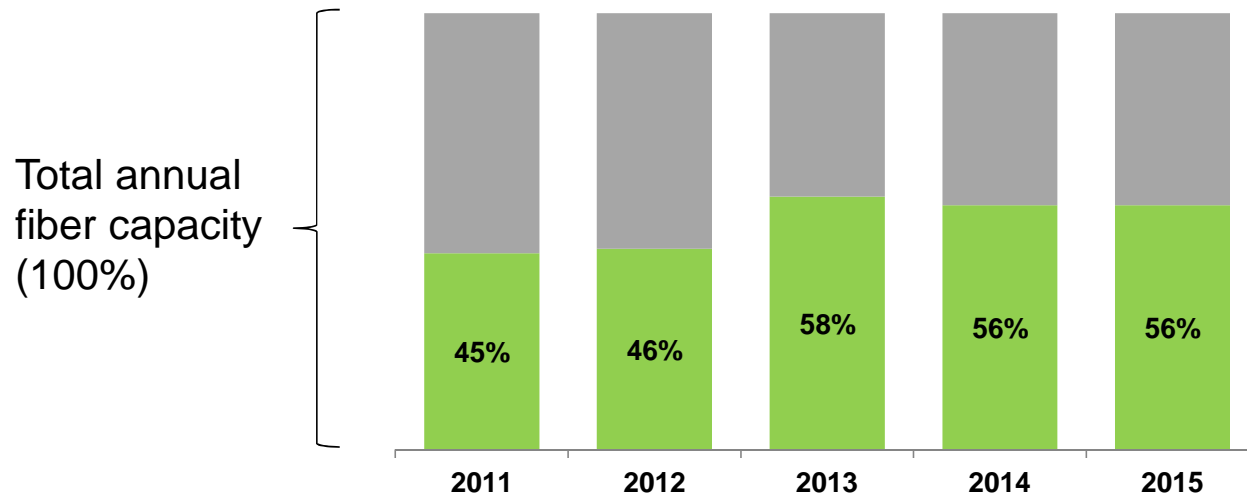
etc.





# Fiber production fully secured by a robust pulp supply

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

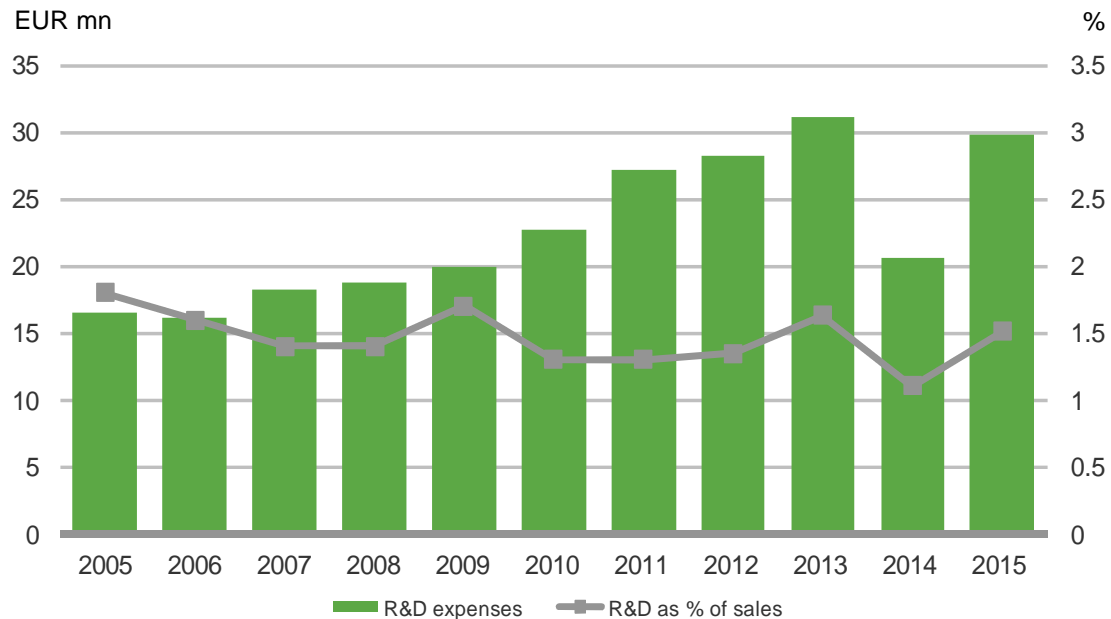


- >50% secured by own pulp production
- Remaining pulp is secured through long-term contracts

# Lenzing is the innovation leader

## Industry leading R&D spend (EUR 29.8<sup>1</sup> mn in 2015)

### R&D expenses (2005-2015)



Source: LAG, as at December 31, 2015

1) Pursuant Frascati

### Intellectual property

- As of December 2015, Lenzing owned approx. 1,250 patent applications and patents in 57 countries belonging to 215 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<sup>®</sup>)
- As of December 2015, Lenzing owned approx. 1,680 trademark applications and trademarks in 93 countries belonging to 110 trademark families

## Lenzing is innovation leader in lyocell with TENCEL®...

- 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®
  - Application development and downstream partnerships
  - Pioneering the technology and successful scale-up
- Very strong pipeline of product and process innovation



# Distinct trends are emerging

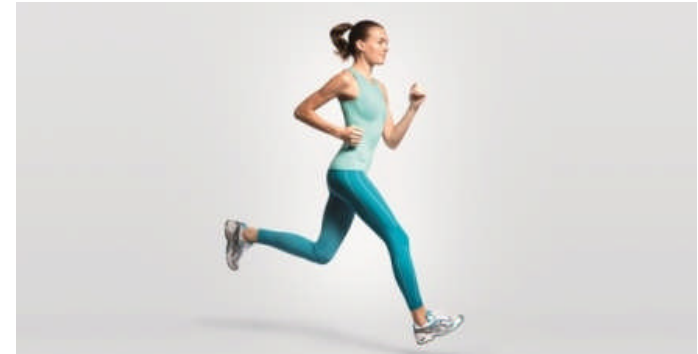
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## ■ Textiles

- 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



# Textile and Nonwovens are the two main applications...

## Textile



- Size
- Regional focus
- Fragmentation
- Decision making
- Key drivers
- End users



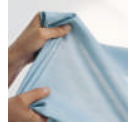
86 mt (~90% of fiber market)



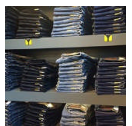
Over 90% in China, India and Asia-Pacific



High



Brands/retailers with some influence of fabric makers



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



Markets strongly driven by **end-consumers**

## Nonwovens



8 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 fibers<sup>1</sup>** adding performance to products

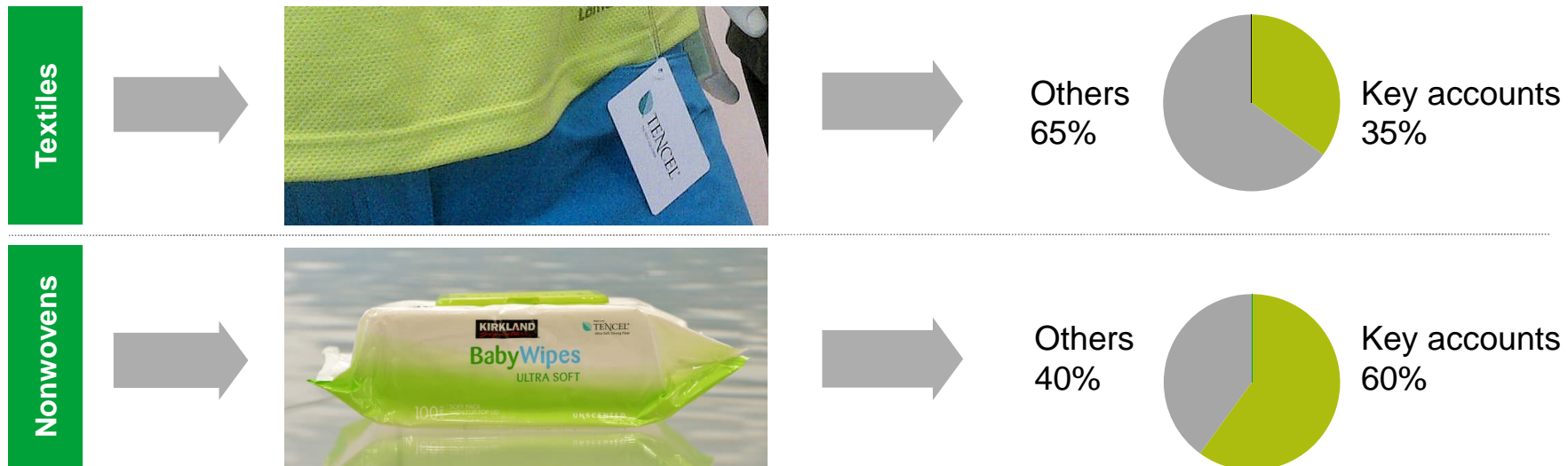


Strong focus on **application of product**

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

# Lenzing is THE trusted long-term partner for global consumer brands

Global consumer brands trust Lenzing as long-term partner due to our quality leadership and deep technical expertise, resulting in several “co-branding” initiatives



Source: Lenzing data

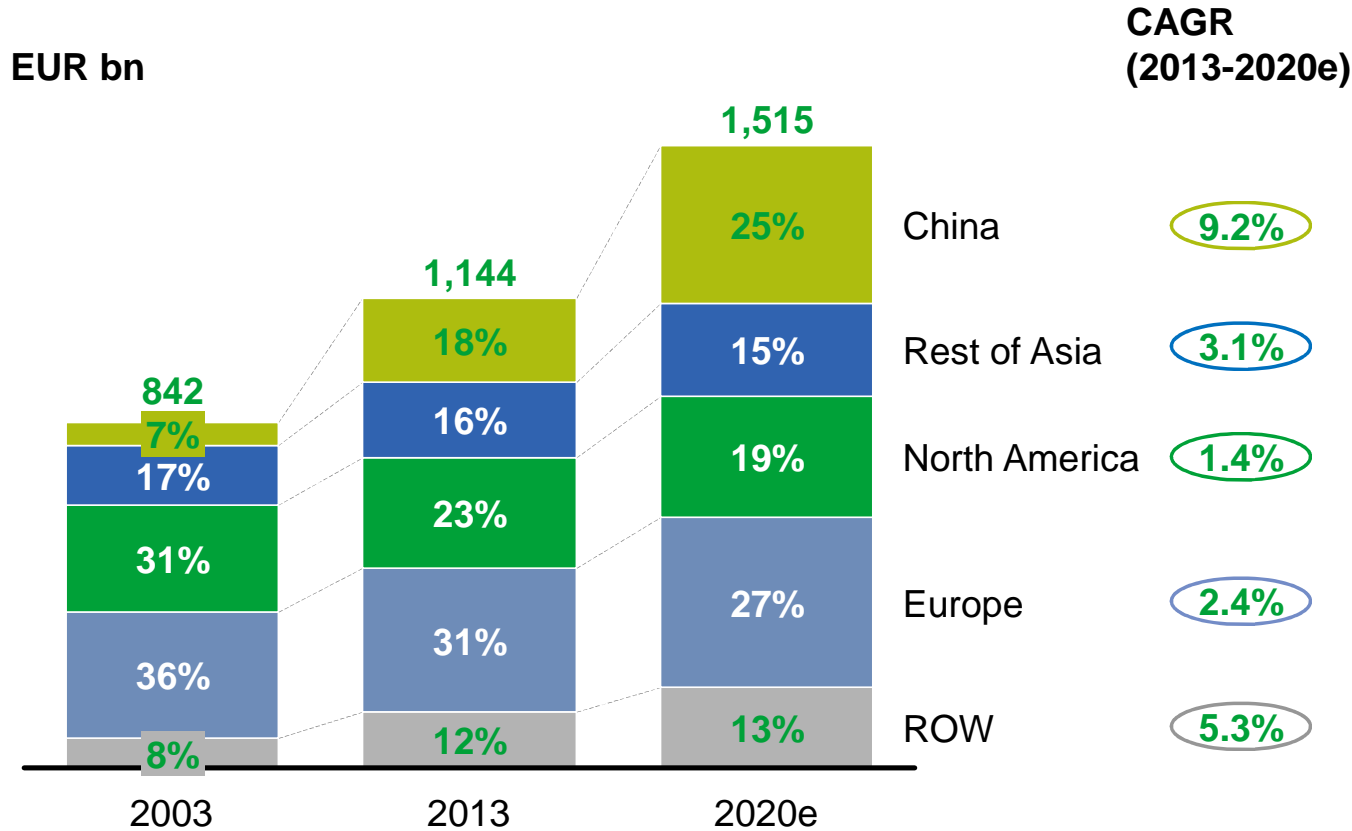
# Megatrends foster growth perspectives

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# China remains the growth engine in global textiles

## Global textile demand by value (2003-2020)



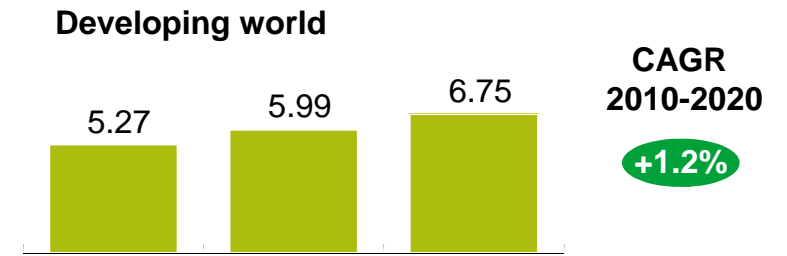
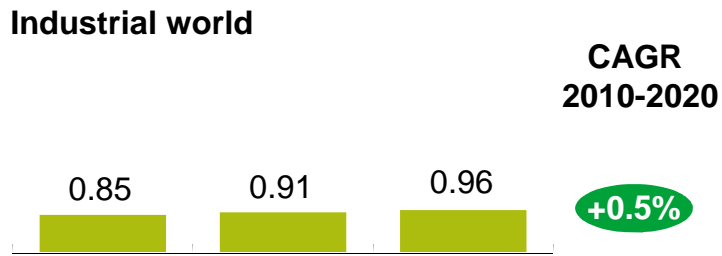
Source: ICAC World Textile Demand, Euromonitor, Lenzing data



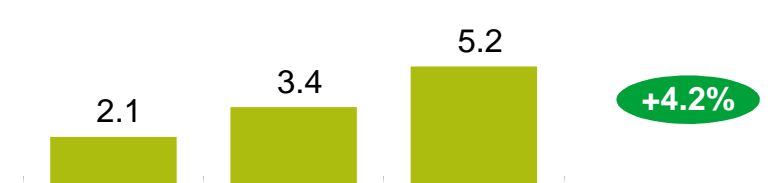
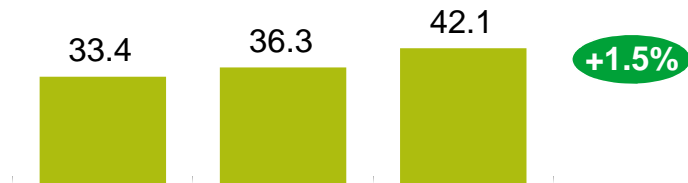
# Megatrends support fiber demand growth

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

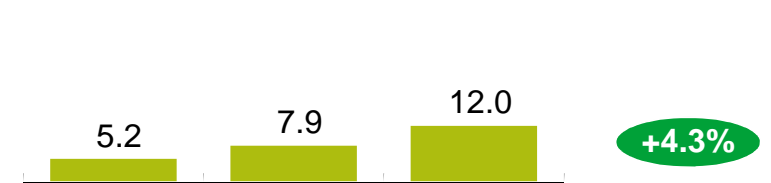
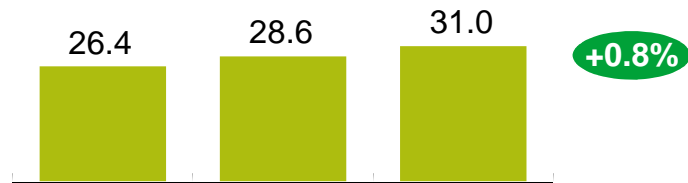
**Population**  
in bn



**GDP growth**  
in real USDk/capita



**Textile consumption**  
in kg/capita



2000      2010      2020

2000      2010      2020

Source: IHS, ICAC, Lenzing data

# The key growth drivers for fibers

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## Overall fiber market growth

### Population growth-driven

- Growing population demanding more fabrics

### Wealth-related growth

- Higher per-capita consumption of fibers with increasing income
- 

## Fiber mix shifts due to demand fundamentals

### Wealth impact developing countries

- People exit extreme poverty and can afford garments: Strong increase of low cost products
- Rising middle class: Higher quality and functionality of clothing

### New fiber technologies and changed use patterns

- Trend to high-tech clothing and comfort leading to more use of special polyester and wood-based fibers<sup>1)</sup>

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

# Sustainability is gaining importance

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## 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

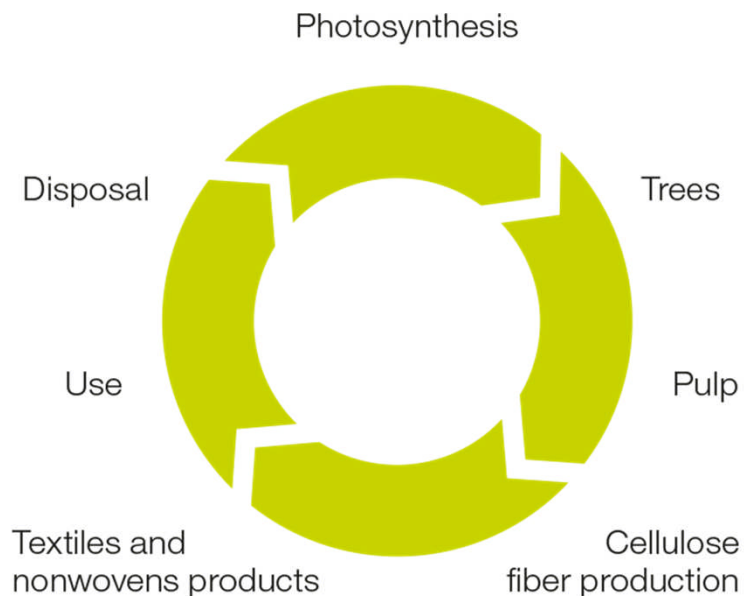


## Oil is a finite resource causing negative externalities

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



# Green footprint of wood-based fibers<sup>1</sup>: Very environmentally friendly



- Renewable raw material - cellulose is nature's most important construction material and available in abundance
- More than 50% of Lenzing's fuel consumption sourced from renewable resources
- Certified wood and pulp sources
  - 100% of Lenzing's wood and pulp supply either **certified** or from **controlled**<sup>2</sup> wood sources!
- Rate of wood utilization
- Best available manufacturing technologies
- Sustainability of fibers is confirmed by LCA, certifications and awards
- Lenzing listed in the **VÖNIX** Sustainability Index for the 10<sup>th</sup> straight year in 2015

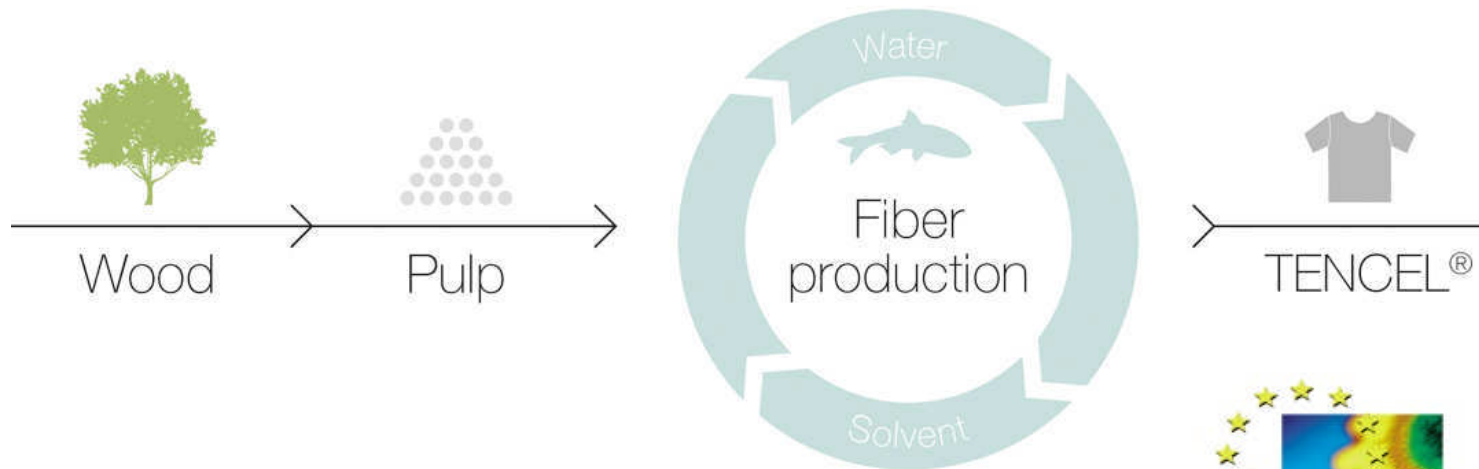


1) Wood-based and cotton linter-based cellulose fibers, previously named man-made cellulosics

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

# Megatrend: Sustainability

## TENCEL® - a sustainable production process



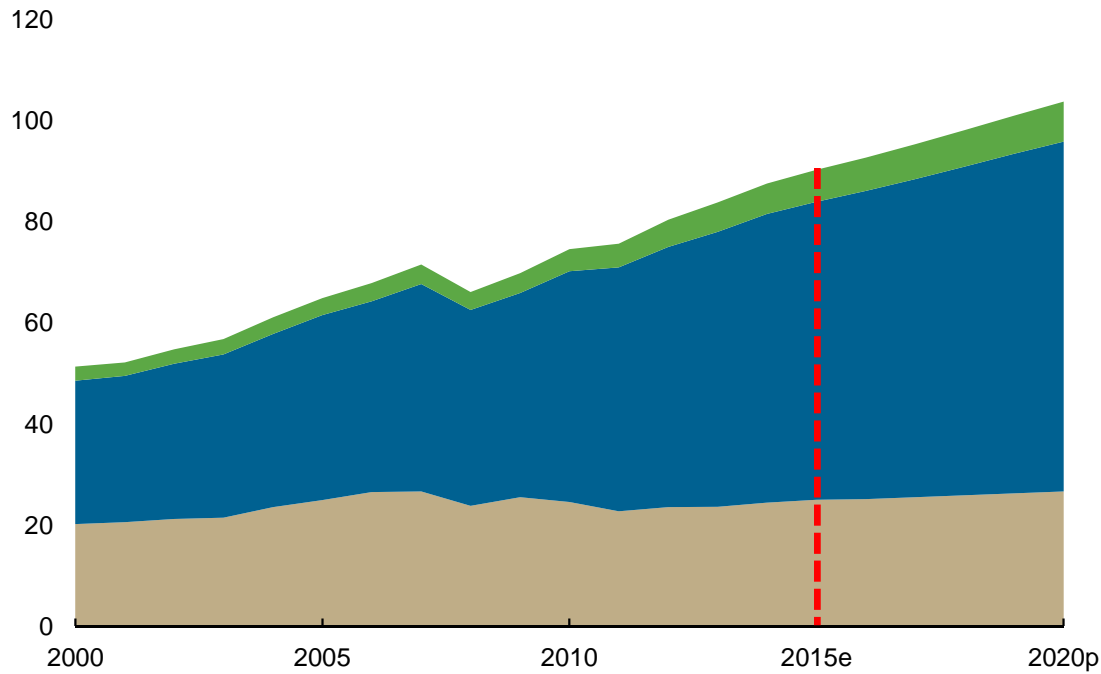
- Direct solving process
- Closed-loop process
- Complete recovery of solvent



# Wood-based fibers<sup>1</sup> outgrow market

## Expected growth of global fiber demand until 2020

Million metric tons<sup>2</sup>



**CAGR**  
(2015e – 2020p)

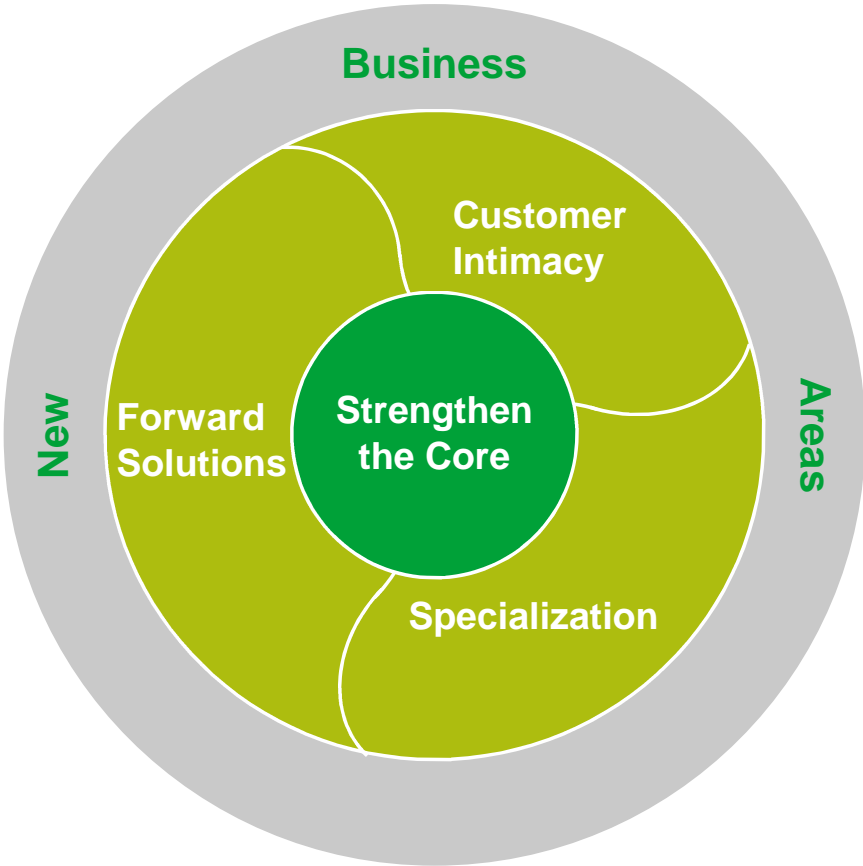
■ Wood-based fibers <sup>1</sup>	5-6% p.a.
■ Synthetic fibers	3-4% p.a.
■ Cotton	1-2% p.a.
<hr/>	
Total fiber market	3-4% p.a.

1) Wood-based and cotton linter-based cellulose fibers, previously named man-made cellulosics (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

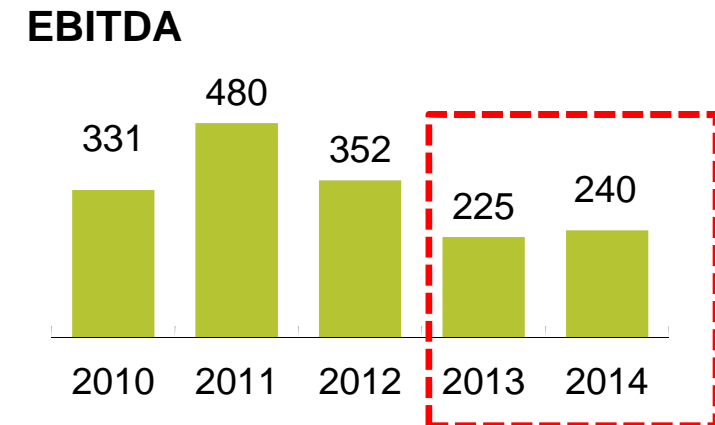
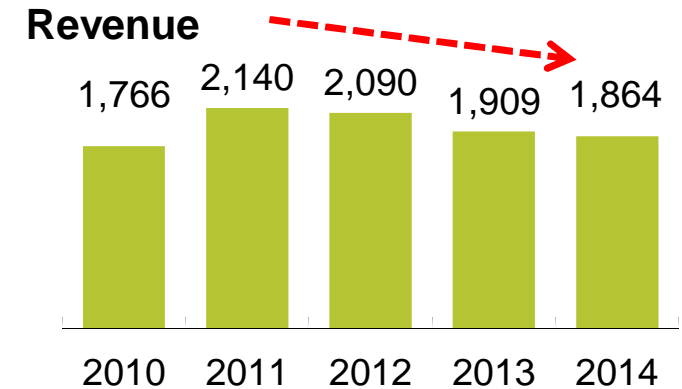
# The new strategy – driving value growth



sC  reTEN

# Lenzing went through a difficult period in the recent past - But several issues are already solved

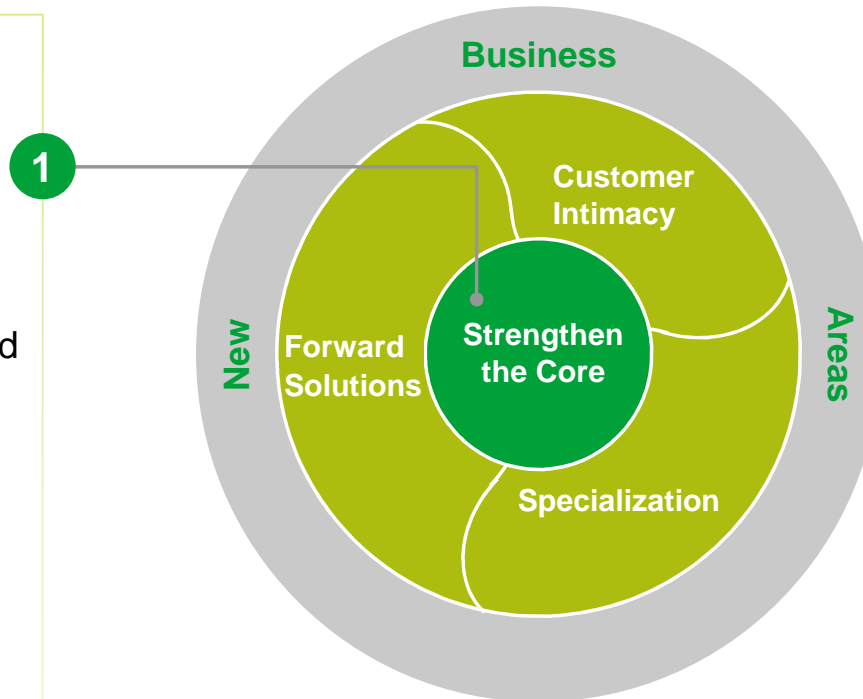
- Portfolio optimization
  - Divestiture of Lenzing Plastics
  - Divestiture of Dolan GmbH and European Carbon Fiber GmbH
  - First wave of restructuring Lenzing Technik
- excellENZ program
  - Annualized improvement of EUR 160 mn by 2016
- Successful first wave of growing specialties
  - Many new grades launched
  - New 67 kt TENCEL® jumbo plant is fully sold out



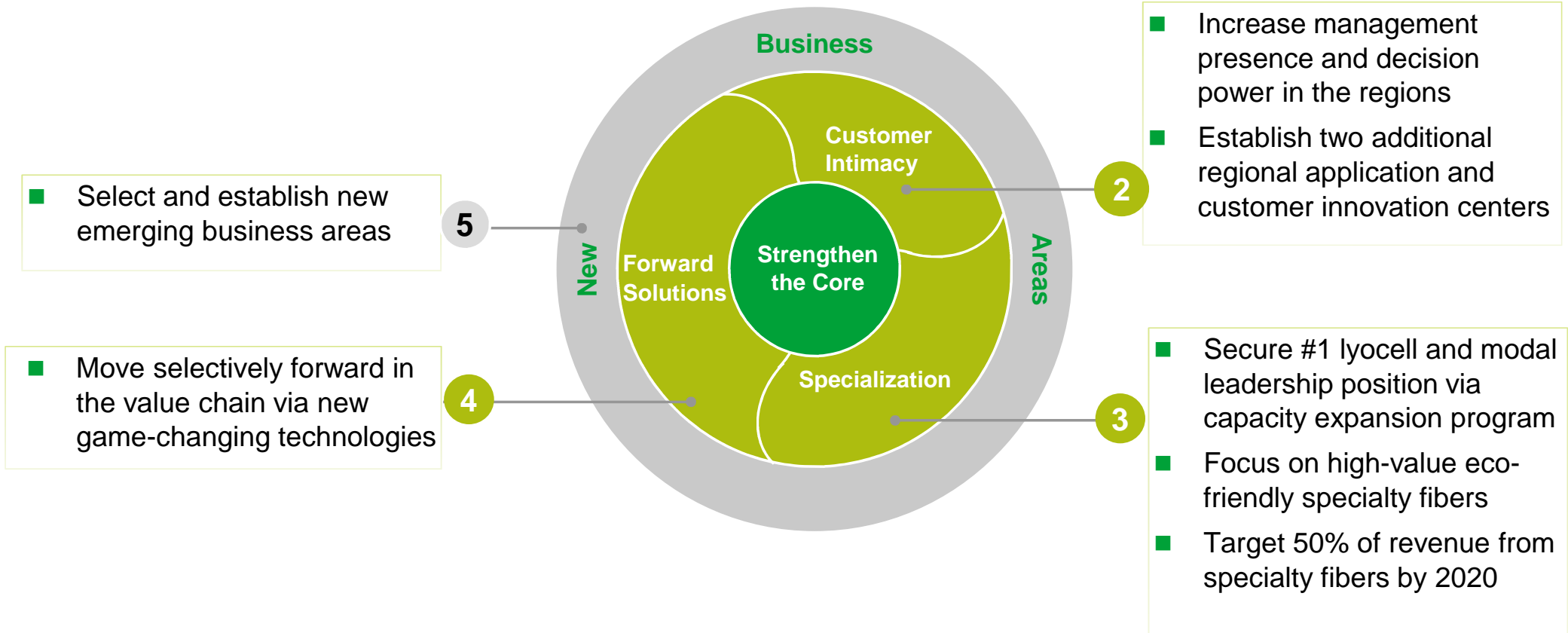


# Strengthen the Core

- 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



## 2020 financial targets

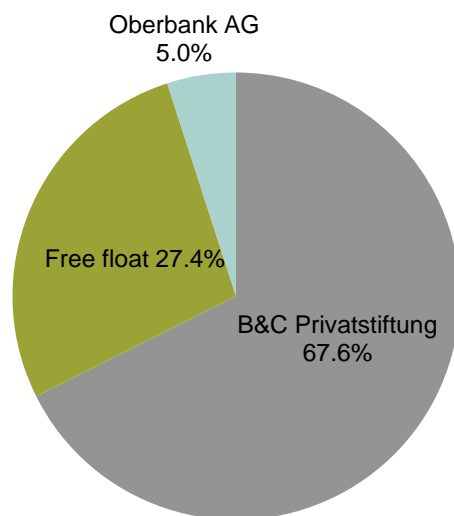
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**EBITDA**  
growth of 10% p.a.  
(vs. 2014 base)

**ROCE**  
 $\geq 10\%$

**Net financial debt/  
EBITDA**  
 $< 2.5$

# Lenzing share information



## Overview of B & C Privatstiftung<sup>1</sup>

- 67.6% owner of Lenzing is B & C Privatstiftung (B & C Private Foundation). Its purpose is the promotion of Austrian entrepreneurship.
- B & C Industrieholding GmbH is the management holding of B & C Foundation with 3 representatives on Lenzing's Supervisory Board.
- As the core shareholder, B & C takes a long-term view and supports the strategy of Lenzing Group.

ISIN	LNZ / AT0000644505
Bloomberg	LNZ:AV
Reuters	LNZNF.PK
Indices	ATX Prime, ATX Global Players, VÖNIX Sustainability Index
Number of shares	26,550,000 mn
Share price March 31, 2016	69.57 EUR
Market capitalization March 31, 2016	EUR 1,847.1 mn

## Coverage as at May 10, 2016:

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

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

# Back-up

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# Our production sites

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Lenzing AG –  
Austria (fiber and pulp)



Lenzing –  
Austria (TENCEL®)



PT. South Pacific Viscose –  
Indonesia (viscose)



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



Grimsby –  
Great Britain (TENCEL®)



Heiligenkreuz –  
Austria (TENCEL®)



Mobile –  
USA (TENCEL®)



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

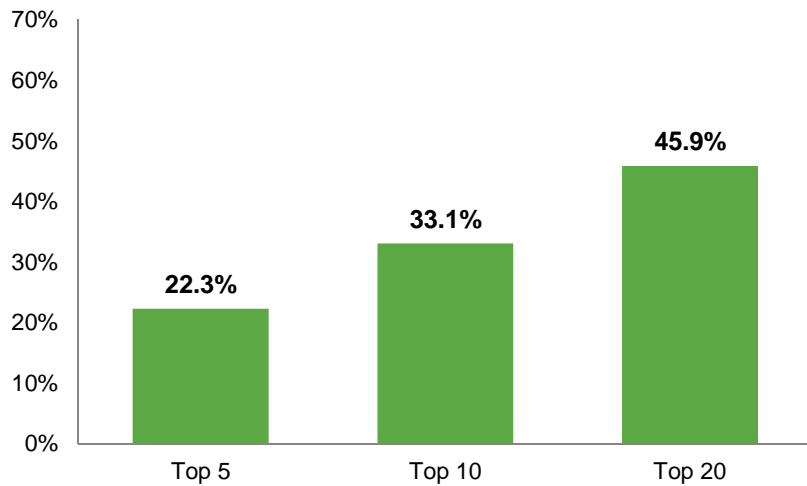


# Sales and marketing

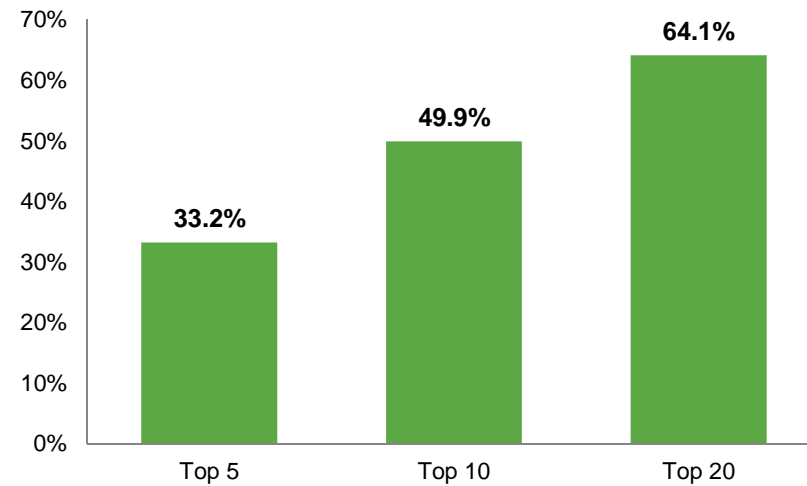
## Customer concentration

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Textiles – % of sales by customers  
(2015 01-12<sup>1</sup>)



Nonwoven – % of sales by customers  
(2015 01-12<sup>1</sup>)



Source: LAG

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

# Where our fibers end up

## Apparel - Ladies' wear – close to skin

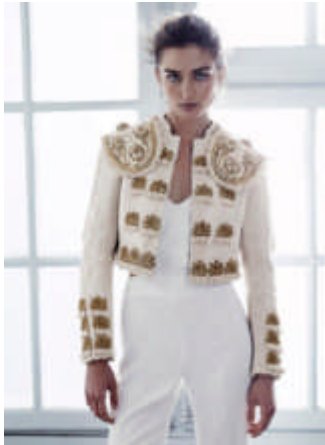
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- 100% TENCEL®



H&M

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



- Asymmetric Hem Dress
- 100% TENCEL®



ZARA

- 100% TENCEL®



ESPRIT

- 65% TENCEL® / 35% Cotton



DIESEL  
FOR THE MODERN SPIRIT



# Where our fibers end up

## Home and Interiors

- 100% TENCEL®  
bedlinen  
duvets  
mattresses

**COOL-BLANKETS**  
Erlebe wieder richtig gut schlafen – mit unseren Bettdecken Cool-Blankets!

**COOL-MOMENTS**  
Egal ob die Nächte kalt oder heiß sind – mit unseren Multizonen-Außen-Cool-Moments sind Sie bestens versorgt!

**COOL-STER**  
Besseren Schlaf ohne lästiges Oberfläch – mit den Hausfilzen-Cool-Ster!

**Sleepcool**  
...beschert Ihnen einen ausserordentlich guten  
Schlafkomfort der Extraklasse.  
Erleben Sie, wie leicht schlafen, Kopf schuppen, entspannen. Sleepcool heißt  
Anspruchsbewusst für einen erholsamen Schlaf. Wir bieten eine kleine, aber immense  
Auswahl an Leistungsorientierten Funktionsprodukten für Ihre Betten, die sich in Ihrem  
Wohnbereich integrieren. Ganz individuell. Ganz einfach.

Unter Ziel: Sie schwitzen weniger und so Malen besser  
Holen auch Sie sich den besten Körpererhaltungs-Effekt!

- Lenzing Modal®  
towels  
bathrobes  
....

Super of the Year 2014  
**PANTONE**  
Radiant Orchid  
14-1224

Trendfarben 2014  
Trend Colours 2014

Quattro Collection  
fransöhn frohner

# Where our fibers end up

## Nonwovens

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- TENCEL® wash cloth



- TENCEL® face masks



- TENCEL® hygiene articles



# Where our fibers end up

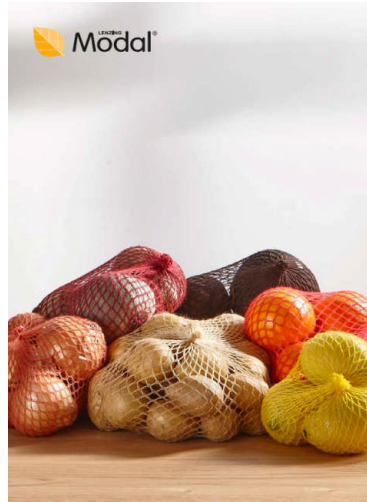
## New Business Development & Technical

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- TENCEL® in automotive (car seats, tires, injection molding, ...)



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



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



# Contacts and financial calendar

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## Investor Relations contact

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Head of Investor Relations  
Corporate Communications & Investor Relations
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  - Fax: +43 7672 918 4032
  - E-Mail: [s.kniep@lenzing.com](mailto:s.kniep@lenzing.com)

- Visit our IR website  
<http://www.lenzing.com/en/investors/financial-publicationsad-hoc.html>
- Visit our SRI sites  
<http://www.lenzing.com/en/responsibility/our-approach.html>  
<http://www.lenzing.com/en/press/publications/sustainability-reports.html>

## Financial calendar

Full year results	March 23, 2016
71 <sup>st</sup> Annual General Meeting	April 20, 2016
Results 1 <sup>st</sup> quarter	May 12, 2016
Half year results	August 24, 2016
Results 3 <sup>rd</sup> quarter	November 16, 2016