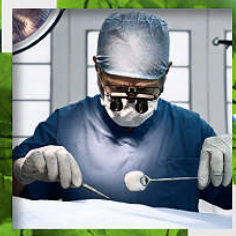


Leading Fiber Innovation



LENZING INVESTOR PRESENTATION
August 22, 2012

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Key highlights Q2/2012

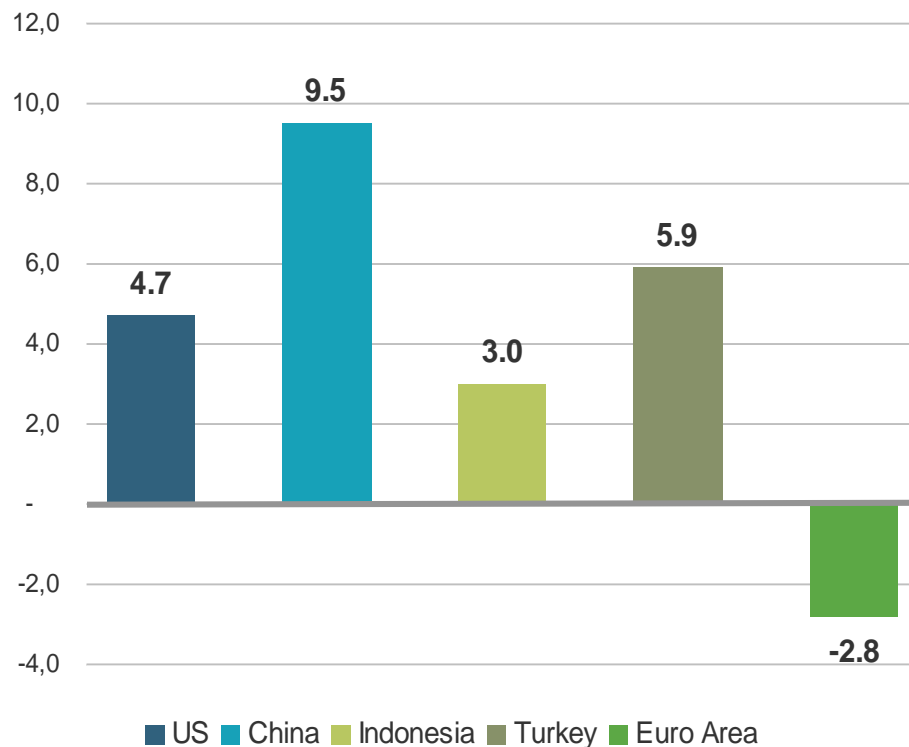
- **Delivering as guided**
 - **EBITDA of EUR 101 mn and EBIT of EUR 74 mn**
 - **Sales of EUR 534 mn**
- **Q2/2012 EBITDA margin (18.8%) above Q1/2012 (17.6%)**
- **Record sales volume of 199 k tons in a single quarter (guidance of 197 k tons)**
- **Viscose pricing proving to be less volatile than cotton**
- **Putting it into context: H1/2012 (18.2% EBITDA margin) slightly better than excellent H1/2010 (17.9% EBITDA margin)**

Macro-economic environment

Snapshot mid 2012

Selected industrial production rates

(May/June 2012 data, year-on-year in %)



Source: Haver Analytics, July 2012

Euro Area, Turkey, Indonesia: May 2012 data; US, China: June 2012 data

■ Key issues:

- Continuing uncertain macro-economic outlook and European debt crisis
- Impact on 2 consecutive interest rate cuts in China yet to be seen
- Chinese exports affected by weak demand in Europe and United States
- United States growth slowed down and may be “flattish” going forward

■ China:

- GDP growth “only” 7.6% in Q2 y-o-y
- Textile exports growth only 2%¹ compared to 2011
- Expected y-o-y increase of Chinese textile industry declining also in H2²

1) source: Xinhua, June 30, 2012: Jan – May 2012 year-on-year

2) source: China Cotton Association, weekly report July 10, 2012

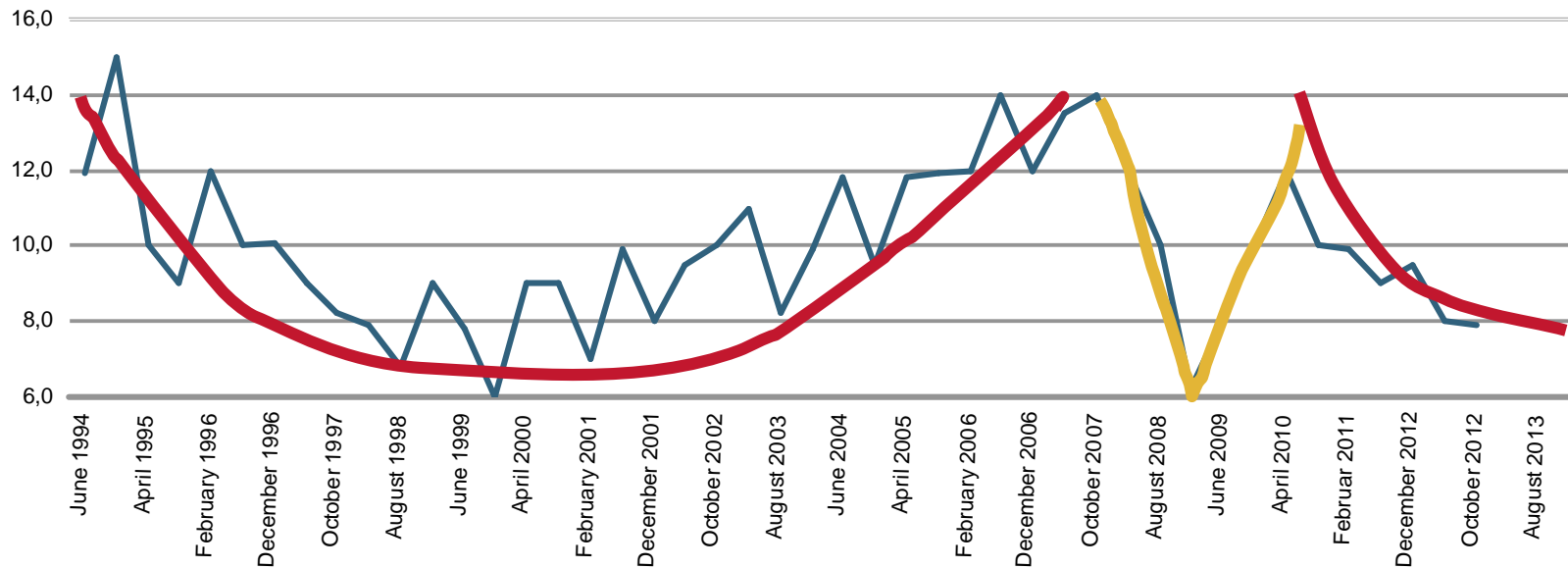
Chinese economic development

Recovery looking more like 1998-2001

- Given limited policy response, this time around, growth may look more like the U-shape trajectory between 1998-2001, rather than the V-shape one in 2009

GDP growth

(year-on-year in %)

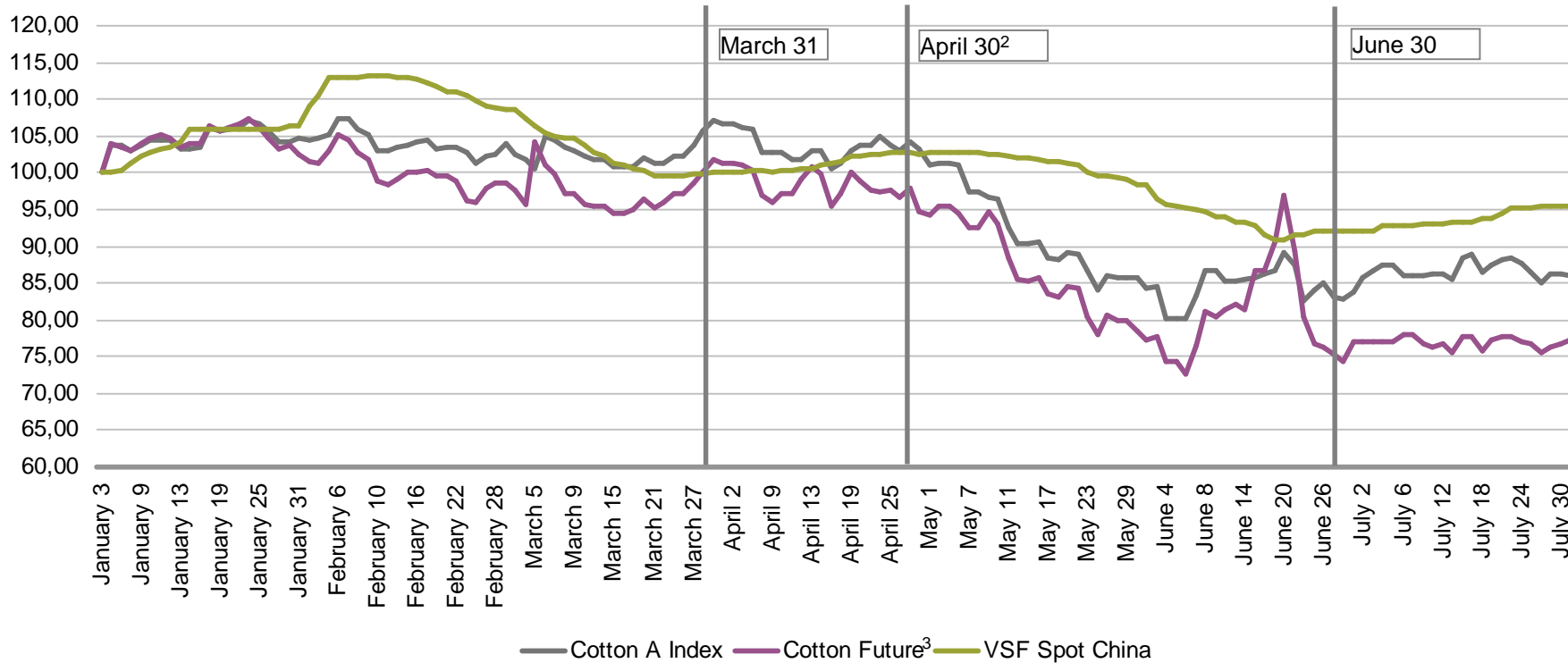


Source: Deutsche Bank; China: a very weak recovery; August, 2012

Viscose spot prices China less volatile than cotton prices

Cotton reduction by 22% since March 31 and viscose only by 8%¹

VSF spot China and cotton price development in 2012



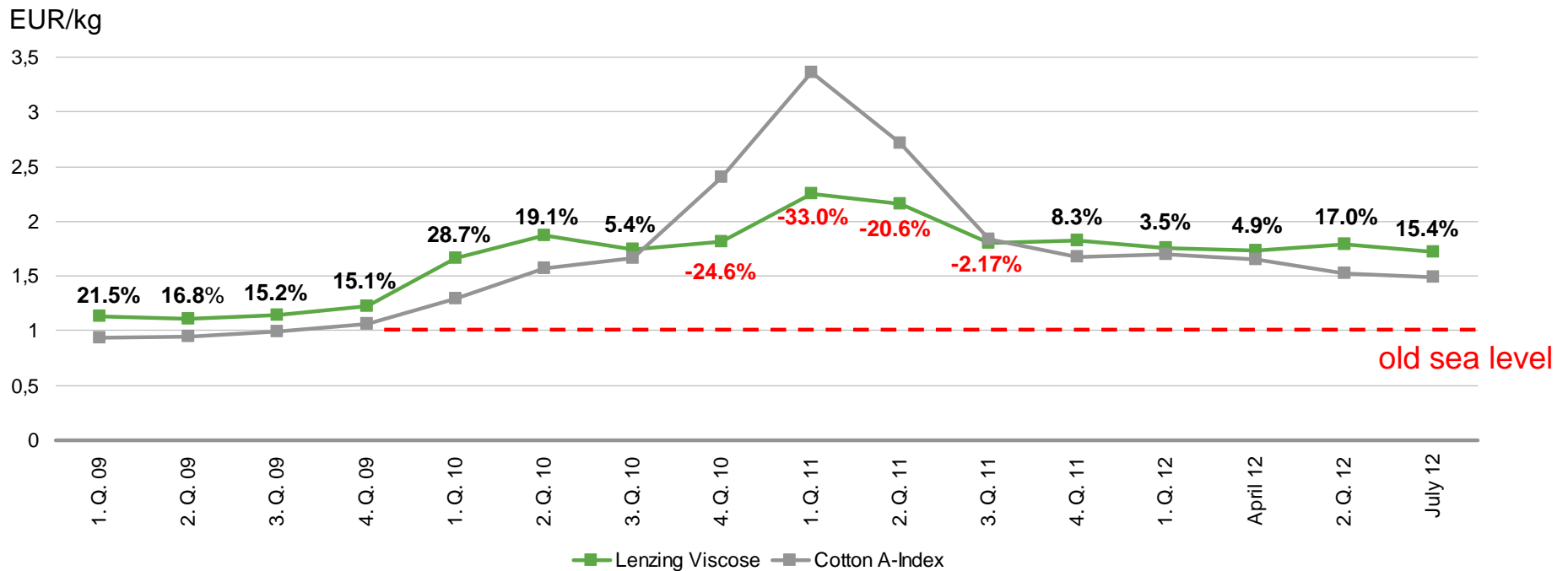
1) calculated based on Cotton A as at March 31 103.3 cents/lbs and RMB 15,850/t to 80.3 cents/lbs and RMB 14,600/t as at June 29
 2) 20% Cotton A reduction from 100.8 cents/lbs as at April 30 and RMB 16,260/t to 80.3 cents/lbs and RMB 14,600/t as at June 29
 3) Cotton Future calculated on the basis of the most liquid next future compared with the actual Cotton A Index data



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

Re-establishment of premium¹ to cotton

- Lenzing Viscose[®] slight price increase of 1.7% in Q2 compared to Q1 whereas cotton² decreased by 22% in the same period
- Even with a 22% reduction in cotton prices and an inventory level, of 60+% , there is no return to historic cotton prices of ~ 70 cents/lbs



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)
 2) average monthly cotton price based on Cotton A-Index

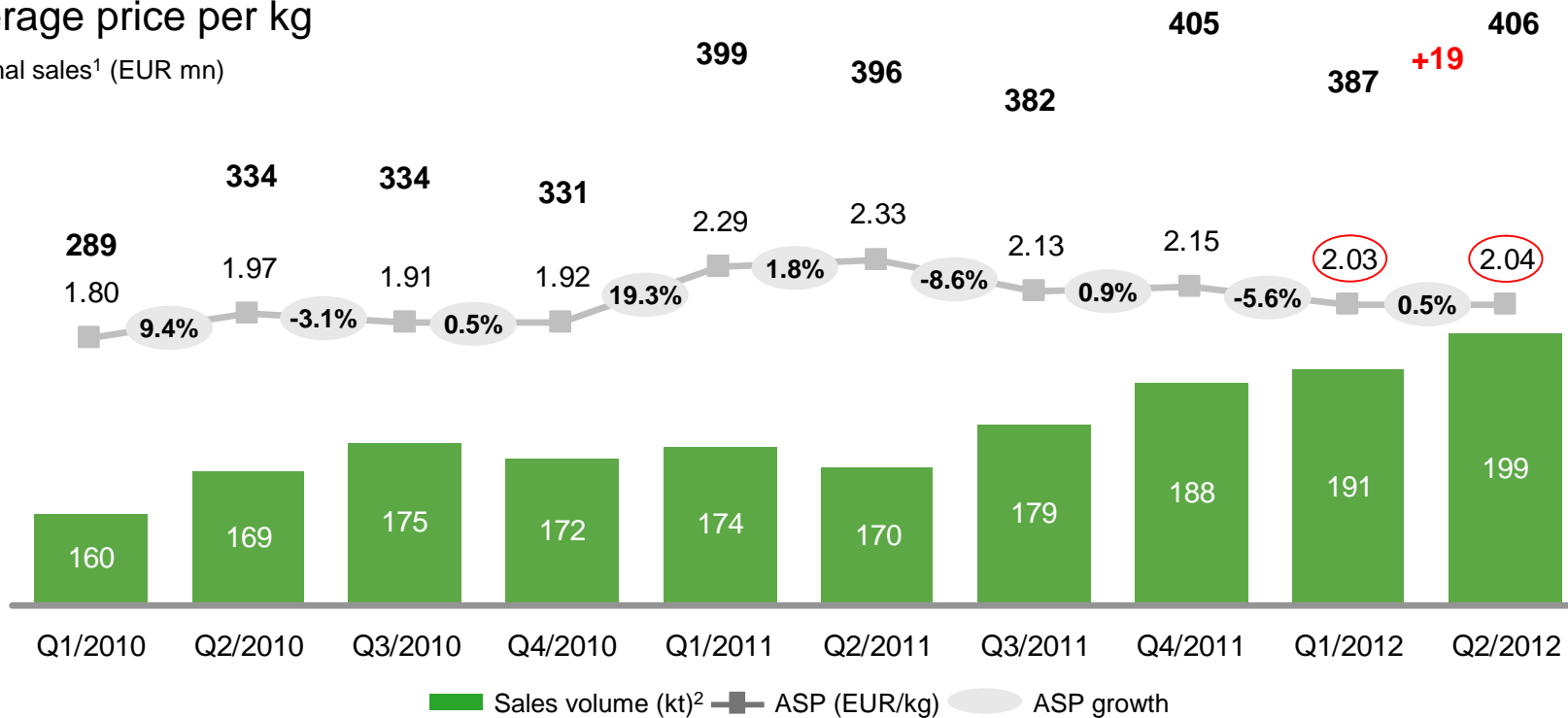


Q2 – As expected

Logical consequence of the expansion program:
Continued increase of sales volume to nearly 200 k tons in a quarter

Average price per kg

External sales¹ (EUR mn)



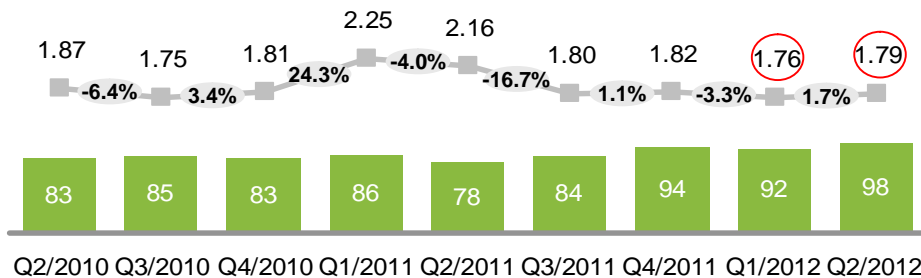
1) core fiber segment sales, excluding sales of co-products and external sales of pulp, wood and energy

2) sales volume and not production volume

Textile fibers

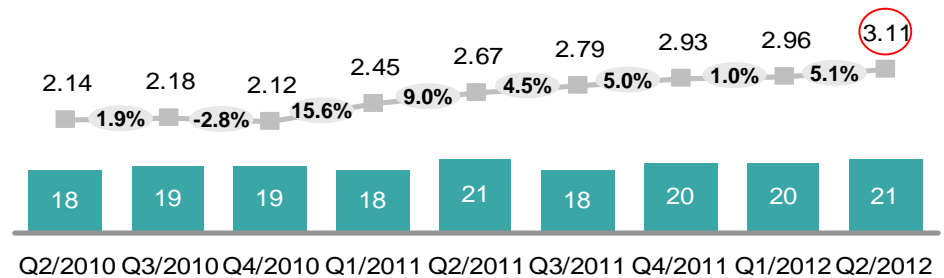
Stable viscose price; TENCEL® with historic high price and Modal® with stable volume

Lenzing Viscose®¹



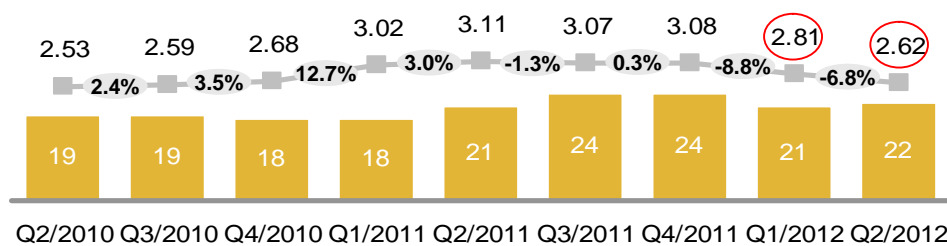
■ Sales volume (kt) ■ ASP (EUR/kg) ○ ASP growth

TENCEL®¹



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

Lenzing Modal®^{1,2}



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

- Slightly better than expected viscose textile price in Q2 at record sales volume
- Modal price decrease as expected with stable sales volume
- TENCEL® price exceeding the EUR 3 barrier. However, similar price adjustment as in Modal expected

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

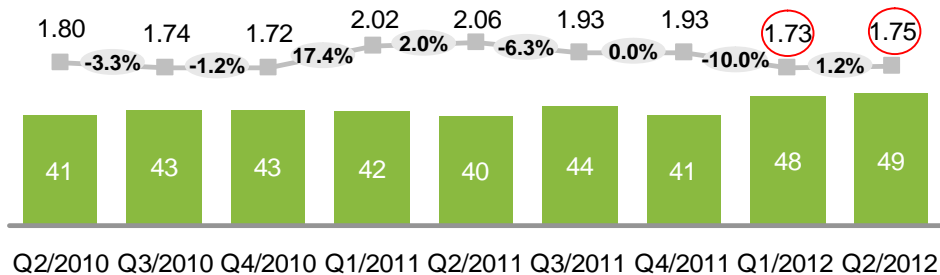
2) including Lenzing FR®

Nonwoven fibers

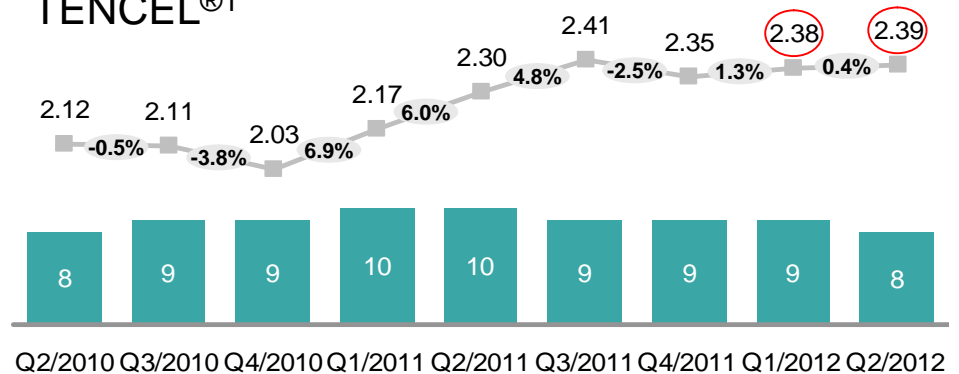
Nonwoven showing its price stability

- Viscose nonwoven remains stable on lower level compared to viscose textile
- TENCEL® price continues to stay at a healthy premium over viscose

Lenzing Viscose®¹



TENCEL®¹



■ Sales volume (kt)² ■ ASP (EUR/kg) ○ ASP growth

■ Sales volume (kt)² ■ ASP (EUR/kg) ○ ASP growth

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

Relative pricing

Continuing higher TENCEL[®] premium than Modal

- Modal: Margins over viscose returned to the usual 40-50% range, limited need for future adjustments
- TENCEL[®] textile at an unhealthy 74% premium above viscose. TENCEL[®] textile pricing has to be brought down to be more in line with competitive fibers

Textile fibers

Relative price (viscose = 100%)

(%)	Q1/2010	Q2/2010	Q3/2010	Q4/2010	Q1/2011	Q2/2011	Q3/2011	Q4/2011	Q1/2012	Q2/2012
Lenzing Viscose [®]	100	100	100	100	100	100	100	100	100	100
Lenzing Modal [®] (incl. FR)	145	135	148	149	134	144	171	169	159	146
TENCEL [®]	118	114	124	117	109	124	155	161	168	174

Nonwoven fibers

Relative price (viscose = 100%)

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



Q2/2012: Better than Q1

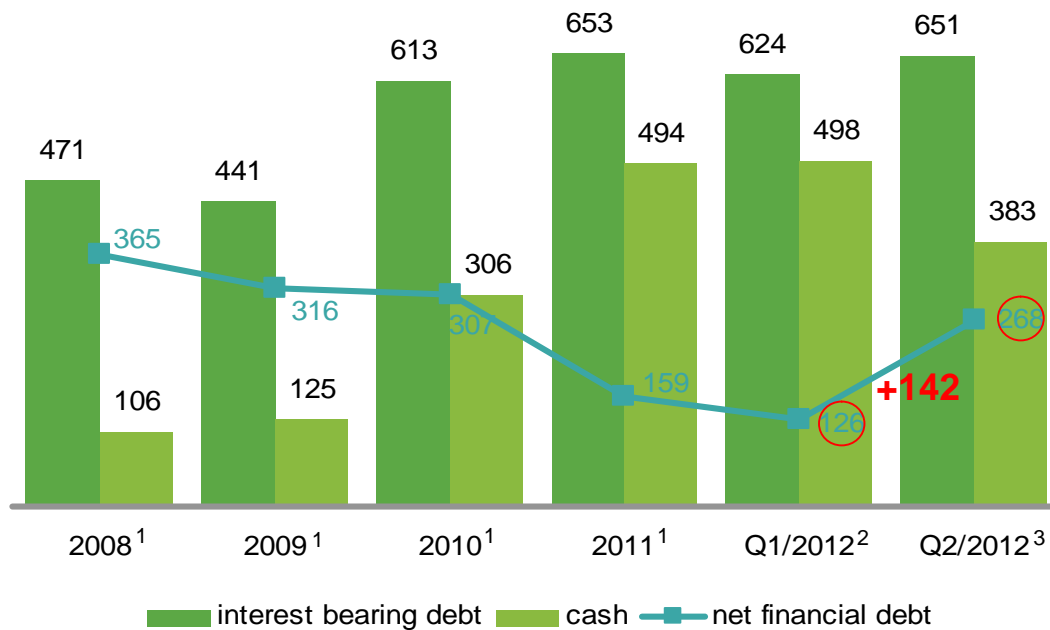
Volume increase drives profitability

(EUR mn)	Q1/2012	Q2/2012	Change in %
Sales volume man-made cellulose fibers (kt)	191	199	4.2
Total external sales	528.2	533.6	1.0
Inventory change / work in progress	3.9	(0.7)	-
Work performed by the group and capitalized	3.1	14.5	-
Cost of material and purchased services	(318.3)	(326.6)	2.5
Personnel & other operating expenses/income	(122.9)	(119.8)	(2.5)
Depreciation & Amortization	(26.7)	(27.5)	3.0
EBITDA¹	93.1	100.6	8.0
EBIT	67.2	73.9	10.0
Net income	48.4	51.7	6.7
Net income after minorities	47.1	50.0	6.3
<i>EBITDA margin (%)</i>	<i>17.6</i>	<i>18.8</i>	-
<i>EBIT margin (%)</i>	<i>12.7</i>	<i>13.8</i>	-

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

Solid balance sheet – Higher net debt

Net financial debt 2008-Q2/2012³
(EUR mn)



1) as of December 31
2) as of March 31, 2012
3) as of June 30, 2012

- Net financial debt increased by **EUR 142 mn**, mainly due to
 - Dividend payments of EUR 67.7 mn
 - Tax payments of EUR 44.2 mn
 - Change in WC of EUR 28.9 mn
- Total liquidity cushion of **EUR 595 mn** consisting of
 - EUR 383 mn cash, plus EUR 212 mn of unused credit lines
- Adjusted equity of EUR 1,096.6 mn (46.7% equity ratio)
- Net gearing of 24.4%

Tax rate

Comparatively high H1/2012 tax rate not going to continue in H2/2012

Profit and Loss Statement view

(EUR mn)	H1/2011	H1/2012
Earnings before taxes	187.7	138.2
Taxes	42.5	38.1
Tax rate (in %)	22.6%	27.6%

- **Three major reasons for a 5 ppt difference**
 - Dividend payments by Indonesian plant are taxed with 10% at the source
 - Higher corporate tax rates in TENCEL[®] countries like USA/UK-contributing more in percentage terms to H1/2012 earnings
 - Tax pre-payments in H1/2012 based on last years profitability

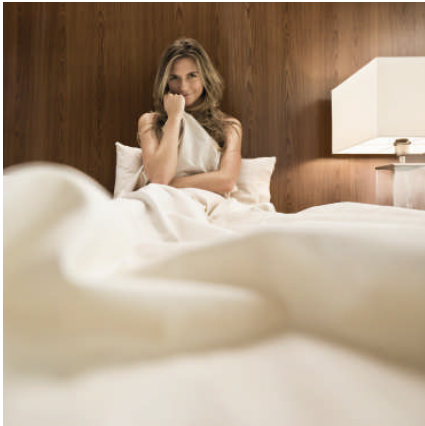
Revised outlook FY 2012

Q3/2012: weakest quarter and limited visibility for Q4

Outlook 2012		old
Sales	approx. EUR 2.10 – 2.15 bn	2.20 – 2.30 bn
EBITDA	approx. EUR 350 – 400 mn	400 – 480 mn
EBIT	approx. EUR 240 – 290 mn	285 – 365 mn
Sales volume	approx. 810 k tons (unch.)	810 k tons
Capex	approx. EUR 325 mn	350 mn
Dividend policy	approx. 25% of consolidated net income (unchanged)	25%
Tax rate	approx. 22-24%	n.a.

- Q3/2012: Weaker than expected **pricing environment** hitting with a lag effect
- Q3/2012: **Average fiber price** expected between **EUR 1.95 to EUR 2.00/kg**
- Q3/2012: **EBITDA** expected at **EUR 85 – 90 mn**
- Q3/2012: **Sales** volume expected around **200 k tons**
- Q3/2012: **Lower tax rate** due to “tax group” benefit from B&C
- Catalysts for **Q4/2012**:
 - **Macro-economic** environment
 - **Pricing** environment
 - First reliable data on **cotton production** for 2012/2013
 - Ramp-up/quality **line 5** (Indonesia)

Q2/2012 – Financial information

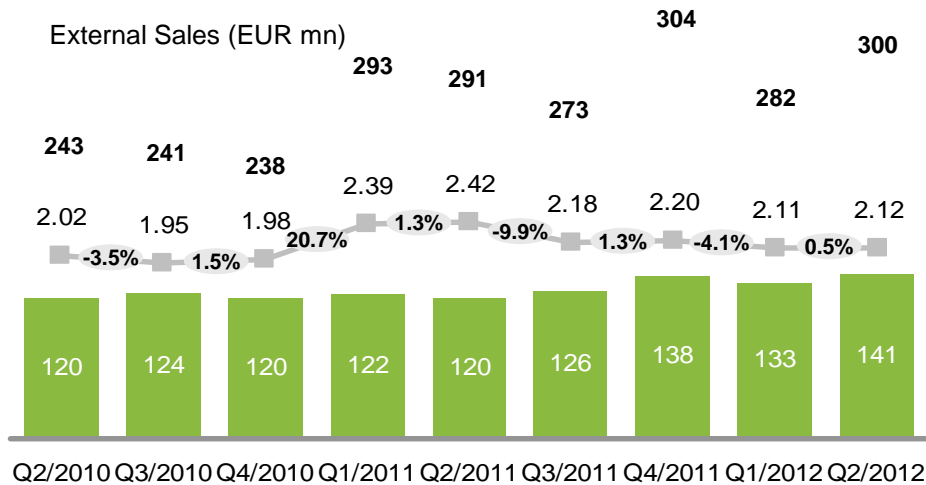


Textile and nonwoven fibers

Anticipated “flat” Q2 pricing environment

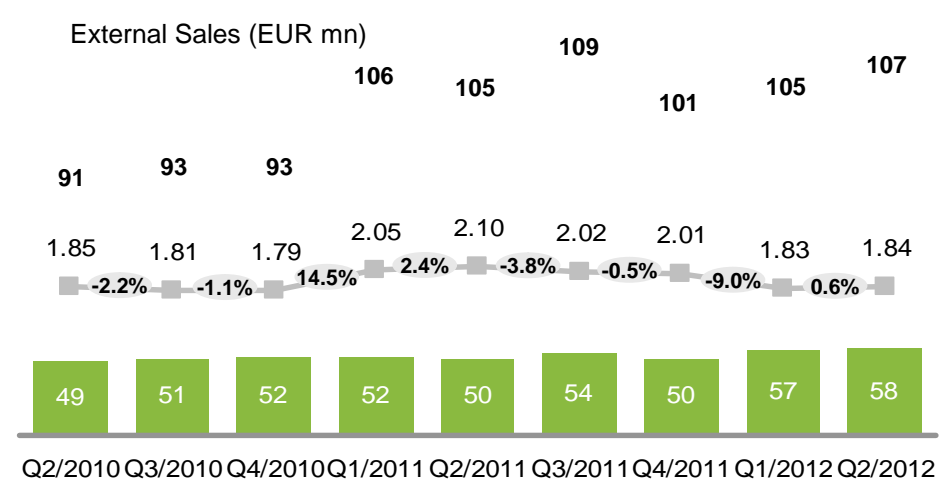
Textile fibers¹

External Sales (EUR mn)



Nonwoven fibers¹

External Sales (EUR mn)



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

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

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

Topline breakdown

Increased textile fiber and very stable nonwoven sales
but decreased other fibers segment sales due to reduced pulp prices

(EUR mn)	Q1/2012	Q2/2012	Change in %
Breakdown of fibers segment sales			
Textile fibers	281.7	299.5	6.3
Nonwoven fibers	104.9	106.6	1.6
Other ¹	12.3	12.2	(0.8)
Total fibers only sales	398.9	418.3	4.9
Other fibers segment sales ²	75.5	63.2	(16.3)
Total fibers segment sales	474.4	481.5	1.5
Plastics Products	43.4	43.5	0.2
Engineering	30.0	28.3	(5.7)
Consolidation	(19.6)	(19.7)	0.5
Total external group sales	528.2	533.6	1.0

1) includes sales of sodium sulfate and black liquor

2) includes external sales of pulp, wood and energy

Consolidated Group P&L – External sales

(EUR mn)	Q1/2012	Q2/2012
Total external sales	528.2	533.6
Cost of material and purchased services	(318.3)	(326.2)
Personnel	(75.4)	(76.3)
EBITDA	93.1	100.6
<i>Margin (%)</i>	<i>17.6</i>	<i>18.8</i>
Depreciation & Amortization	(26.7)	(27.5)
Other operating expenses	(58.2)	(52.3)
Other operating income and other ¹	17.7	22.6
EBIT	67.2	73.9
<i>Margin (%)</i>	<i>12.7</i>	<i>13.8</i>
Income from invest. in associates & other income	2.3	3.9
Finance cost	(3.9)	(7.2)
Result from terminable non-controlling interest	1.0	1.1
Tax	(18.2)	(20.0)
Tax rate (%)	27.3	27.9
Income from discontinued operations	-	-
Net income	48.4	51.7
<i>Margin (%)</i>	<i>9.2</i>	<i>9.7</i>
Net income after minorities	47.1	50.0
<i>Margin (%)</i>	<i>8.9</i>	<i>9.4</i>
EPS² (in EUR)	1.77	1.89

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

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

Costs increase below production increase

Continuing low dissolving wood pulp prices

(EUR mn)	Q1/2012	Q2/2012	Change in %
Dissolving pulp ¹	131.6	129.6	(1.5)
as % of total cost of material and purchased services	41.3	39.7	-
Key chemicals	41.7	44.7	7.2
as % of total cost of material and purchased services	13.1	13.7	-
Energy	35.6	36.5	2.5
as % of total cost of material and purchased services	11.2	11.2	-
Other ²	109.4	115.3	5.4
as % of total cost of material and purchased services	34.4	35.3	-
Total cost of material and purchased services	318.3	326.2	2.5
as % of external sales	60.3	61.1	-
Total external sales	528.2	533.6	1.0
Total fibers only sales	398.9	418.3	4.9

1) including cost for wood

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

Remaining Opex: Decreasing with increasing production

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

(EUR mn)	Q1/2012	Q2/2012	Change in %
Total personnel expenses	75.4	76.3	1.2
as % of external sales	14.3	14.3	-
Other operating expenses			
Freight outward	18.4	20.5	11.4
Commissions and advertising costs	3.4	8.5	-
Service and maintenance and other purchased services	8.9	2.0	(77.5)
Other	27.5	21.3	(22.5)
Total other operating expenses	58.2	52.3	(10.1)
as % of external sales	11.0	9.8	-
Personnel & other operating expense	133.6	128.7	(3.7)
as % of external sales	25.3	24.1	-
Total external sales	528.2	533.6	1.0

Cash flow by quarter

Reduced gross CF relates to tax pre-payment

(EUR mn)	Q1/2012	Q2/2012	Change in %
Gross CF	79.0¹	35.2²	(55.4)
Change in total WC ³	6.4 ¹	(28.9)	-
Operating cash flow	85.4	6.3	(92.6)
Investment cash flow ⁴	(22.6)	(71.0)	-
OFCF	62.9	(64.7)	-
<i>Gross CF as % of external sales</i>	<i>15.0</i>	<i>6.6</i>	<i>-</i>
<i>Gross CF as % of EBITDA</i>	<i>84.9</i>	<i>35.0</i>	<i>-</i>

1) adjusted to reflect all income taxes in the gross CF. Previously gross CF was EUR 73.9 mn and change in WC EUR 11.5 mn

2) reduced by EUR 44.2 mn of tax pre-payments

3) including trade and other working capital

4) including investment in financial assets and disposal proceeds

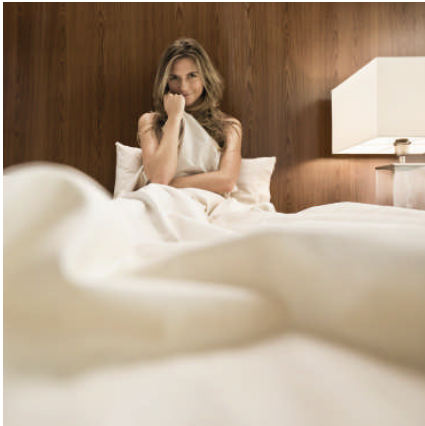
Balance sheet – Assets

(EUR mn)	31/12/2011	30/06/2012	Change in %
Intangible assets	90.1	92.0	2.1
Property, plant and equipment	1,091.7	1,177.4	7.8
Investments in associates	30.3	33.1	9.3
Other financial assets	93.6	57.1	(39.0)
Deferred taxes	10.8	7.4	(30.8)
Other long-term assets	9.3	10.8	15.9
Long term assets	1,325.8	1,377.8	3.9
Inventories	284.6	310.9	9.3
Trade receivables	236.8	247.1	4.4
Short-term taxes	11.7	10.6	(9.0)
Other receivables and assets	64.4	58.9	(8.4)
Investments	6.7	0.0	(100.0)
Cash and cash equivalents	410.5	341.6	(16.8)
Short-term assets	1,014.7	969.2	(4.5)
Assets of discontinued operations	0.0	0.0	-
Total assets	2,340.5	2,347.0	0.3

Balance sheet – Equity & liabilities

(EUR mn)	31/12/2011	30/06/2012	Change in %
Common stock	27.6	27.6	-
Capital reserves	133.9	133.9	-
Retained earnings and other reserves	828.2	876.5	5.8
Share of shareholders of Lenzing AG	989.7	1,037.9	4.9
Non-controlling interests	34.0	34.2	0.6
Equity	1,023.7	1,072.1	4.7
Bank loans and other loans	518.5	491.7	(5.2)
Trade payables	0.0	0.0	-
Provisions, deferred taxes and others	192.8	207.2	7.5
Government grants	23.1	21.6	(6.3)
Long-term liabilities	734.3	720.5	(1.9)
Bank loans and other loans	134.4	159.0	18.3
Trade payables	148.5	162.5	9.5
Other provisions and liabilities and others	291.4	223.0	(23.5)
Government grants	8.2	9.9	21.3
Short-term liabilities	582.4	554.4	(4.8)
Liabilities of discontinued operations	-	-	-
Total equity and liabilities	2,340.5	2,347.0	0.3

H1/2012— Financial information



Solid H1/2012 on healthy level

As expected no repetition of record H1/2011

(EUR mn)	H1/2011	H1/2012	Change in %
Sales volume man-made cellulose fibers (kt)	344	390	13.4
Total external sales	1,076.2	1,061.8	(1.3)
Inventory change / work in progress	11.6	3.2	(72.4)
Work performed by the group and capitalized	16.6	17.7	6.6
Cost of material and purchased services	(628.8)	(644.5)	2.5
Personnel & other operating expenses/income	(225.9)	(242.8)	7.5
Depreciation & Amortization	(50.5)	(54.3)	7.5
EBITDA¹	247.8	193.6	(21.9)
EBIT	199.2	141.1	(29.2)
Net income	145.3	100.1	(31.1)
Net income after minorities	139.0	97.1	(30.1)
<i>EBITDA margin (%)</i>	23.0	18.2	-
<i>EBIT margin (%)</i>	18.5	13.3	-

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

Topline breakdown

Expected non repetition of extraordinary H1/2011 but similar sales with 13% volume increase

(EUR mn)	H1/2011	H1/2012	Change in %
Break down of fiber segment sales			
Textile fibers	583.2	581.2	(0.3)
Nonwoven fibers	211.6	211.5	0.0
Other ¹	21.1	24.5	16.1
Total fibers only sales	815.9	817.2	0.2
Other fibers segment sales ²	152.0	138.7	(8.8)
Total fibers segment sales	967.9	955.9	(1.2)
Plastics Products	92.2	86.9	(5.7)
Engineering	53.6	58.3	8.8
Consolidation	(37.5)	(39.3)	4.8
Total external group sales	1,076.2	1,061.8	(1.3)

1) includes sales of sodium sulfate and black liquor

2) includes external sales of pulp, wood and energy

Costs under control

Production increased by 13% and costs only by 2.5%

(EUR mn)	H1/2011	H1/2012	Change in %
Dissolving pulp ¹	274.6	261.2	(4.9)
as % of total cost of material and purchased services	43.7	40.5	-
Key chemicals	61.9	86.4	39.6
as % of total cost of material and purchased services	9.8	13.4	-
Energy	59.5	72.1	21.2
as % of total cost of material and purchased services	9.5	11.2	-
Other ²	232.9	224.7	(3.5)
as % of total cost of material and purchased services	37.0	34.9	-
Total cost of material and purchased services	628.9	644.5	2.5
as % of external sales	58.4	60.7	-
Total external sales	1,076.2	1,061.8	(1.3)
Total fibers only sales	815.9	817.2	0.2

1) including cost for wood

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

Remaining Opex

Representing approx. 28% of total costs

(EUR mn)	H1/2011	H1/2012	Change in %
Total personnel expenses	137.3	151.7	10.5
as % of external sales	12.8	14.3	-
Other operating expenses			
Freight outward	33.6	38.9	15.8
Commissions and advertising costs	7.1	11.9	67.6
Service and maintenance and other purchased services	17.6	10.8	(38.6)
Other	57.3	49.0	(14.5)
Total other operating expenses	115.6	110.6	(4.3)
as % of external sales	10.7	10.4	-
Personnel & other operating expense	252.9	262.3	3.7
as % of external sales	23.5	24.7	-
Total external sales	1,076.2	1,061.8	(1.3)

Consolidated Group P&L – External sales

(EUR mn)	H1/2011	H1/2012
Total external sales	1,076.2	1,061.8
Cost of material and purchased services	(628.8)	(644.5)
Personnel	(137.3)	(151.7)
EBITDA	247.8	193.6
<i>Margin (%)</i>	23.0	18.2
Depreciation & Amortization	(50.5)	(54.3)
Other operating expenses	(115.6)	(110.6)
Other operating income and other ¹	55.2	40.3
EBIT	199.2	141.1
<i>Margin (%)</i>	18.5	13.3
Income from invest. in associates & other income	4.1	6.2
Finance cost	(10.6)	(11.1)
Result from terminable non-controlling interest	(4.9)	2.1
Tax	(42.5)	(38.1)
Tax rate (%)	22.6	27.6
Income from discontinued operations	-	-
Net income	145.3	100.1
<i>Margin (%)</i>	13.5	9.4
Net income after minorities	139.0	97.1
<i>Margin (%)</i>	12.9	9.1
EPS (in EUR)	5.39²	3.66³

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

2) weighted average number of shares 25,766,250

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

Cash flow

Reflecting tax pre-payments and lower profitability

(EUR mn)	H1/2011	H1/2012	Change in %
Gross CF	218.7¹	114.2²	(47.8)
Change in total WC ³	(31.9) ¹	(22.5)	(29.5)
Operating cash flow	186.8	91.7	(50.9)
Investment cash flow ⁴	(85.0)	(93.5)	10.0
OFCF	101.8	(1.8)	-
<i>Gross CF as % of external sales</i>	20.3	10.8	-
<i>Gross CF as % of EBITDA</i>	88.2	59.0	-

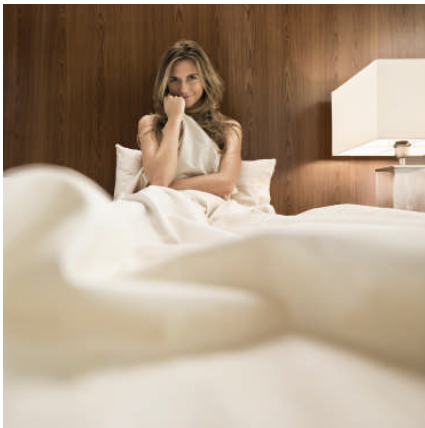
1) adjusted to reflect all income taxes in the gross CF. Previously gross CF was EUR 191.5 mn and change in WC EUR 4.7 mn

2) reduced by EUR 66.4 mn in dividend payments and EUR 44.2 mn of tax pre-payments

3) including trade and other working capital

4) including investment in financial assets and disposal proceeds

Appendix – Company information



Introduction

Complementary management team



Peter Untersperger
Chief Executive Officer



Friedrich Weninger
Chief Operating Officer



Thomas G. Winkler
Chief Financial Officer

Age

■ 52

■ 55

■ 49

Education

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

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

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

Relevant Experience

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

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

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

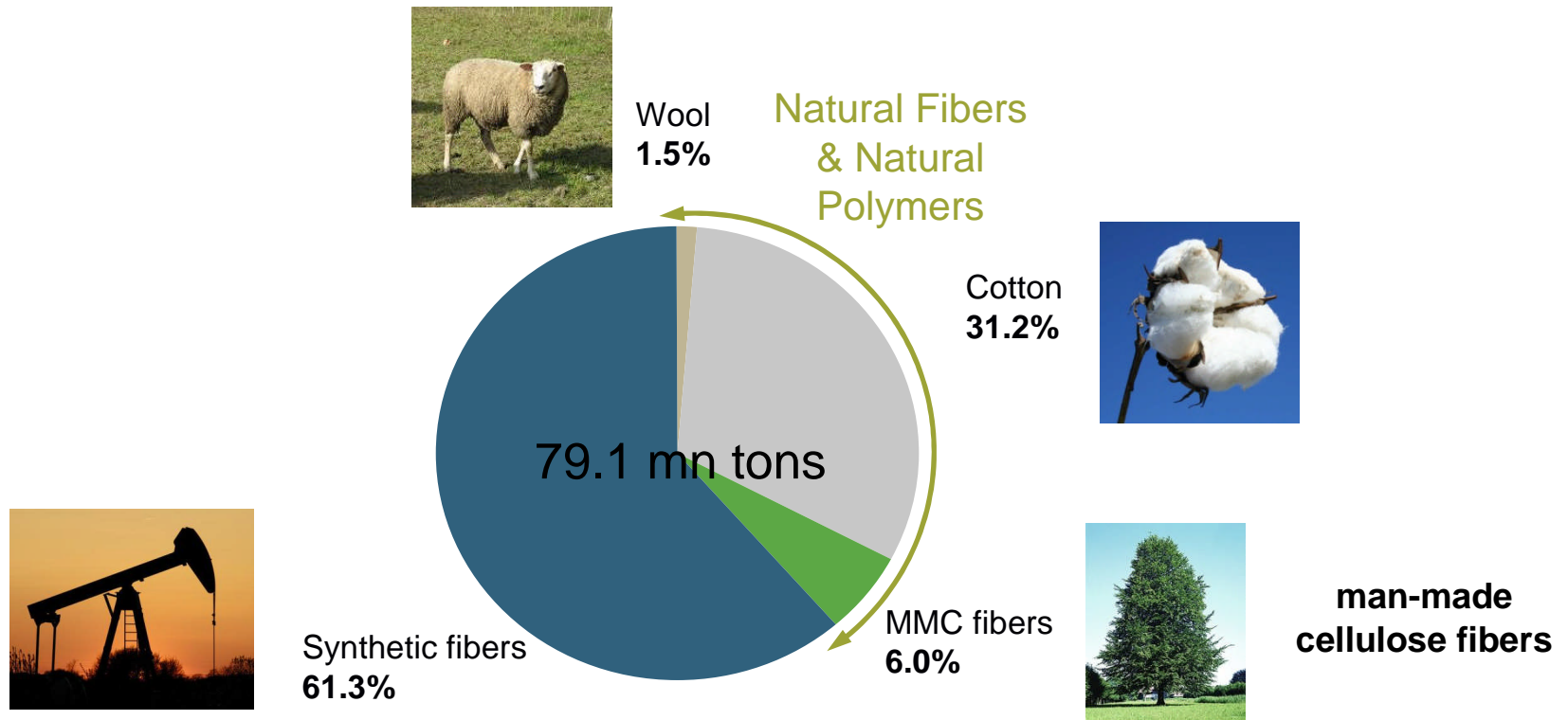
Key investment highlights

A straightforward story of leadership and growth



Global fiber market 2011

Global fiber production 2011E¹

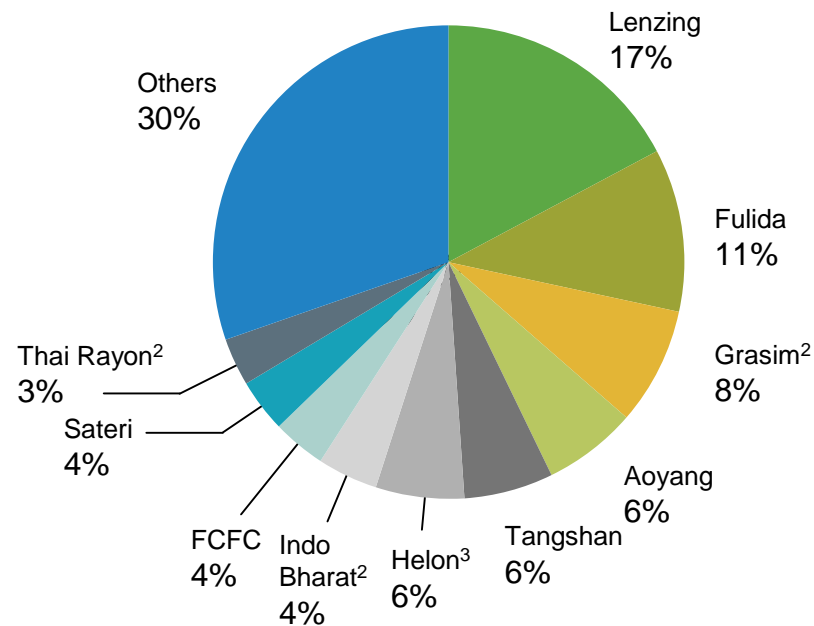


Source: The Cellulose Gap, Gherzi, February 2011

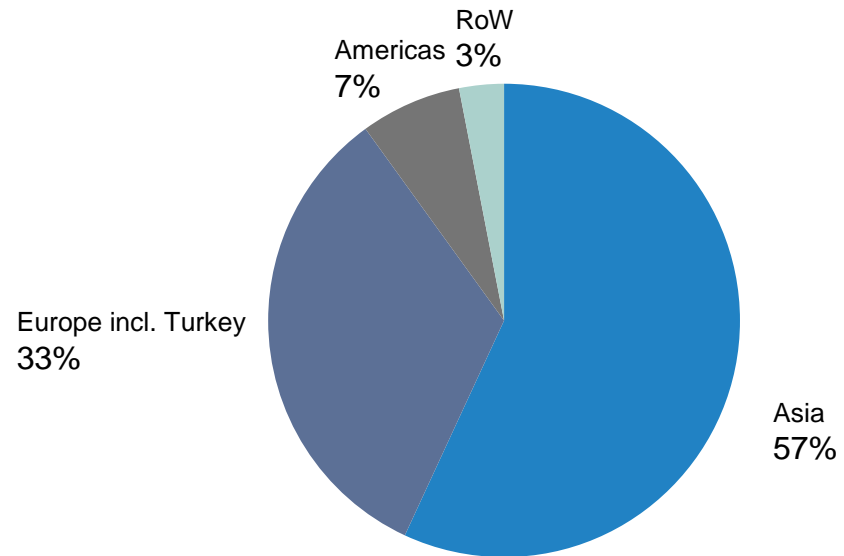
1) assuming a population of 7.0 bn and a per capita fiber consumption of 10.9 kg

Global market leader in a fragmented market

Lenzing with 17% market share¹



Only true global player – sales by region⁴



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

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

Global market leader

Technology leadership secures leading market shares



	Market Position and Market Share in H1/2012 ¹	Unique Selling Proposition	Key End Markets	% of Fiber Sales Q2/2012 ²
Innovation drives specialities	# 1 – Quantum leap technology <p>99%</p>	...the new age fiber <ul style="list-style-type: none"> Environmentally friendly process Breathable, next to skin characteristics Can be blended with cotton Strength (wash ability, denim process) 	<ul style="list-style-type: none"> High-end consumer applications Special technical applications 	21.3%
	# 1 <p>80%</p>	...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 	14.3% ³
Sets Industry standard	# 2 <p>15%</p>	...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 	64.4%



Source: Lenzing

1) by production capacity

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

3) including Lenzing FR[®]

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

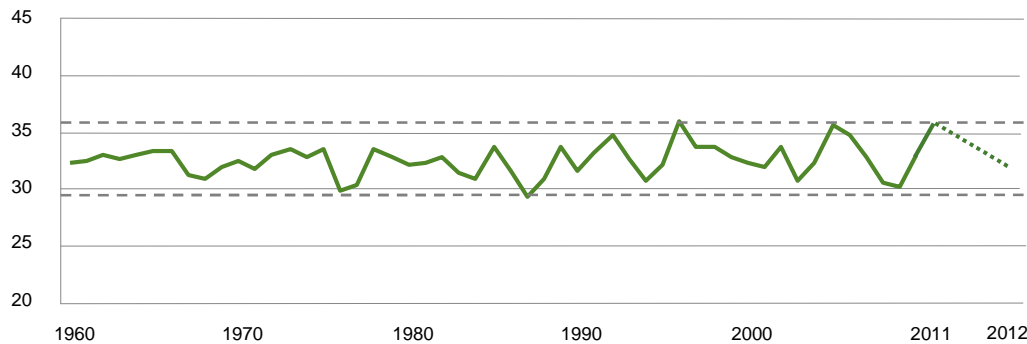


Cellulose Gap: A growth opportunity

Limited potential to increase cotton supply
increases demand for MMC fibers

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

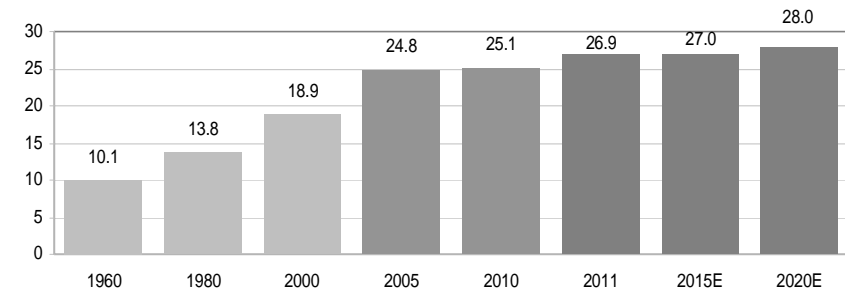
Million hectares



Source: U.S. Department of Agriculture
ICAC, December 15, 2011

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

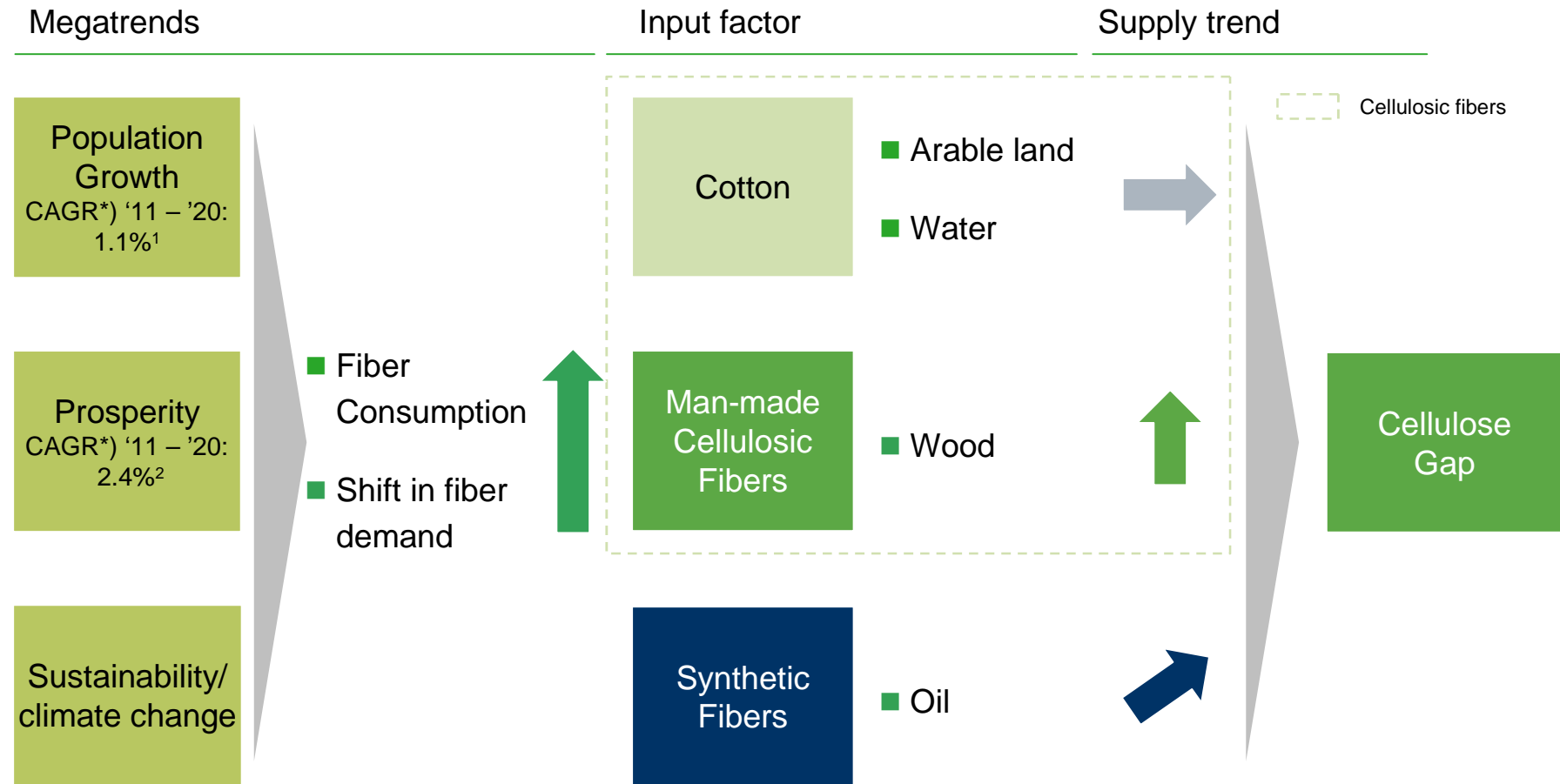
Million metric tonnes



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

Cellulose Gap: A growth opportunity

MMCF: Strong demand and limitations on cotton supply



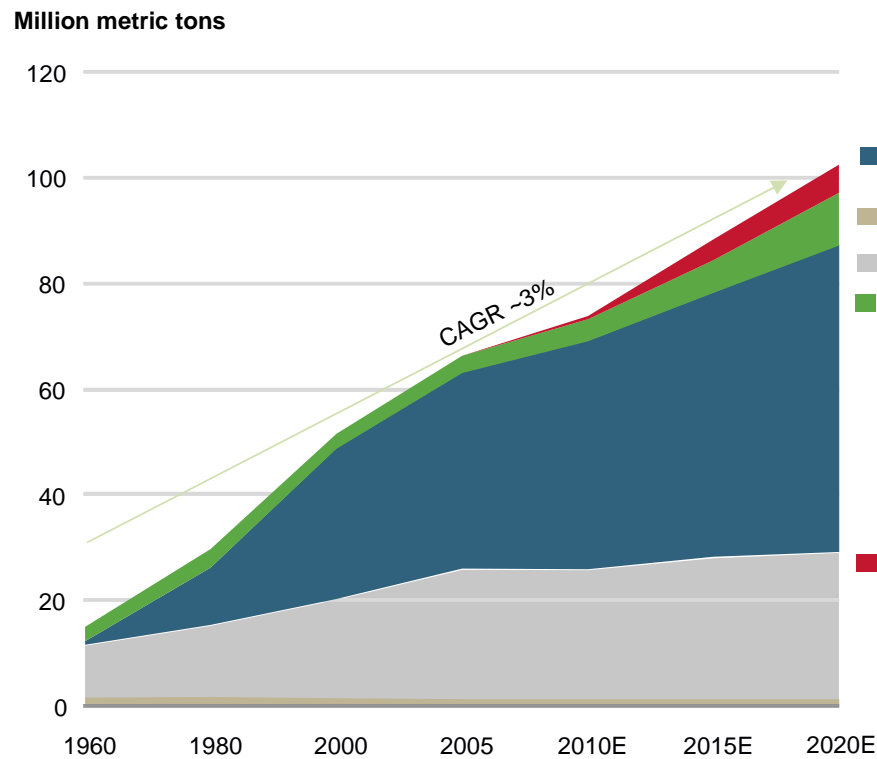
*) compound annual growth rate
 1) forecasted growth from UN Population Division
 2) forecasted growth of global real GDP per capita by Global Insight

Cellulose Gap: A growth opportunity

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

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

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



Source: The Cellulose Cap, Gherzi; February 2011

	2000	2005	2010	2011E	2015E	2020E	CAGR 10-20E	% 10/11E
Total fibers	51.5	66.3	75.9	79.1	89.1	105.4	3.3%	4.1%
Synthetic fibers	28.4	37.0	45.4	46.6	50.5	60.2	2.9%	2.6%
Wool	1.4	1.2	1.1	1.1	1.2	1.2	0.9%	0.0%
Cotton	18.9	24.8	25.1	26.8	27.0	28.0	1.1%	6.7%
Man-made cellulosic fibers	2.8	3.3	4.4	4.6	6.4	10.5	9.1%	4.5%
Total cellulosic fiber supply	21.7	28.1	29.5	31.3	33.4	38.5		6.1%
Total cellulosic fiber demand	21.7	28.1	29.5	31.3	37.4	43.8		6.1%
Cellulose Gap	0.0	0.0	0.0 ¹	0.0	4.0	5.3		
Cellulosic fiber share ²	42%	42%	39%	40%	42%	42%		

Cellulosic fibers

Source: ICAC, February 1, 2012; CCFEI, February 9, 2012; Lenzing estimates

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

2) including the Cellulose Cap



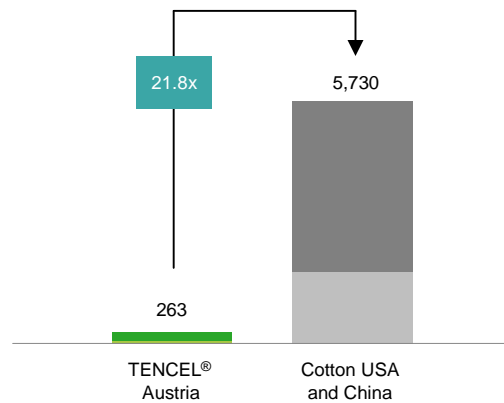
Sustainability

Green footprint: Significantly more environmentally friendly than cotton

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

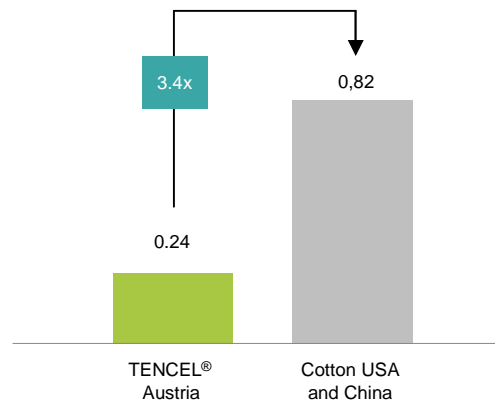
Water consumption

m³ per metric ton of fiber



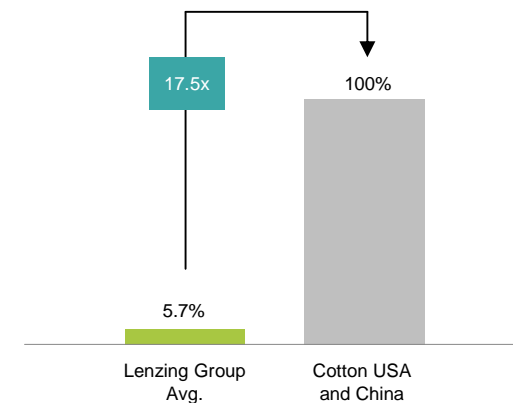
Required acreage for production of one metric ton of fiber

Hectares per metric ton and year



Environmental impact of production¹

Relative to cotton



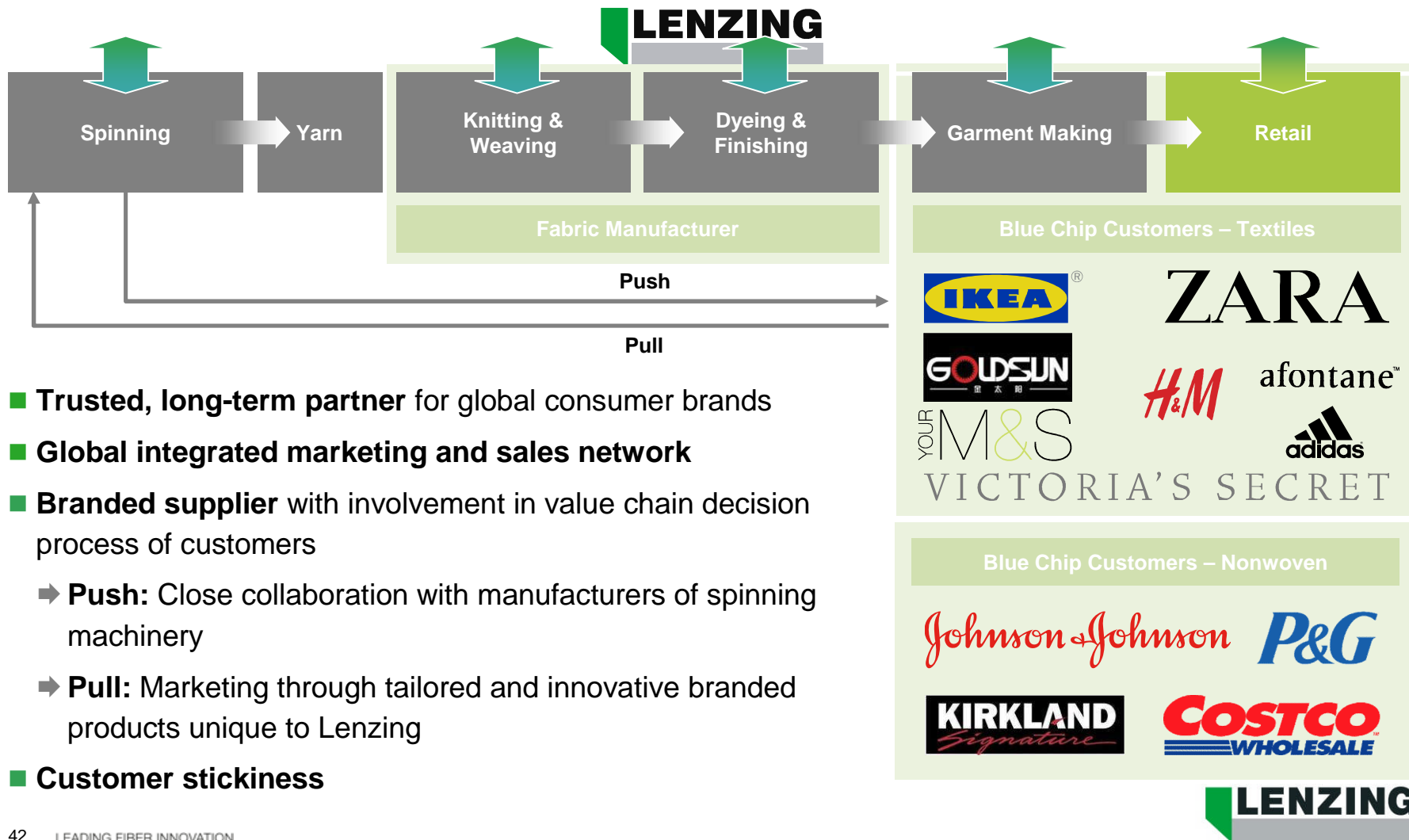
■ Process water ■ Cooling water ■ Groundwater irrigation ■ Surface water irrigation

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

1) including freshwater ecotoxicity, terrestrial ecotoxicity and others

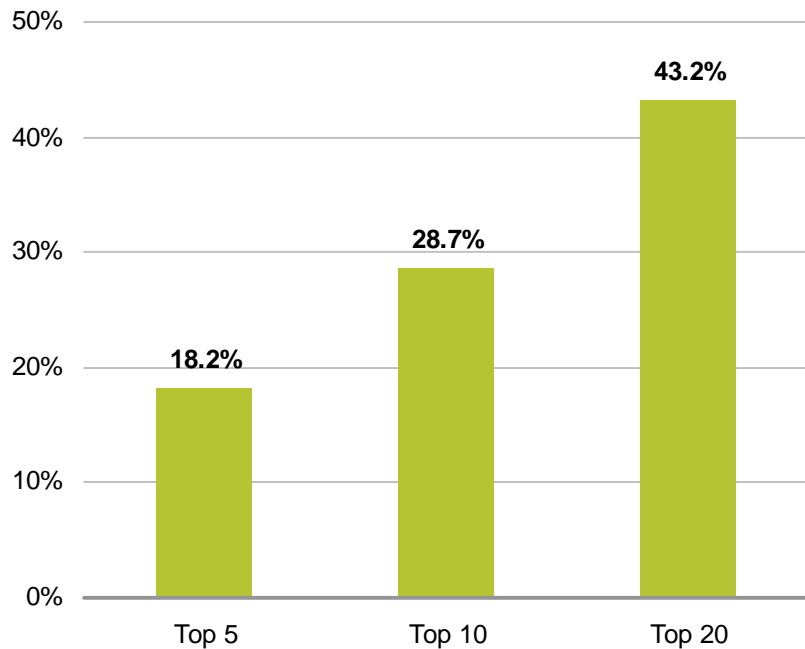
High barriers to entry

Global branded supplier to blue chip customer base



Sales and marketing

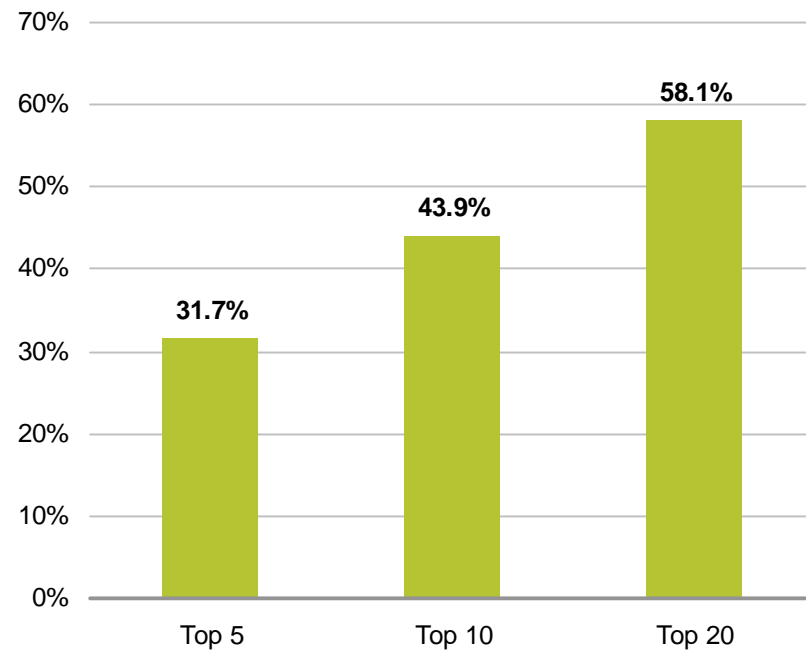
Textiles – % of sales by customers¹
(H1/2012)



Source: LAG

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

Nonwoven – % of sales by customers
(H1/2012)



Sales and marketing

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

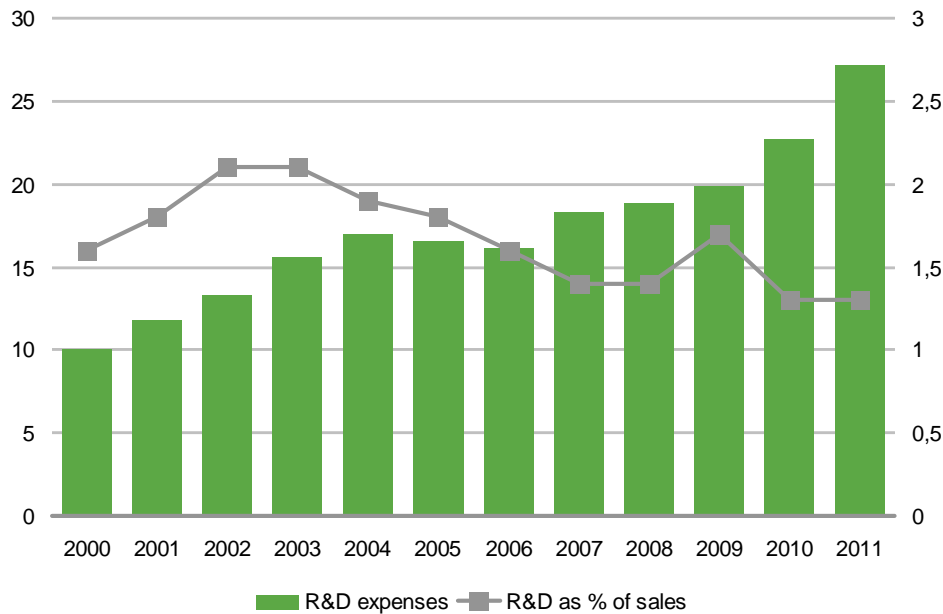
- Lenzing is a trusted, long-term partner for global consumer brands
 - Approx. 45% of textile and approx. 60% of nonwoven sales for specialty fibers (TENCEL[®], Lenzing Modal[®]) can be attributed to key account customers
- Company acts as a **branded supplier** with involvement in the value chain decision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



Innovation

Industry Leading R&D spend

R&D expenses (2000-2011)



Intellectual property

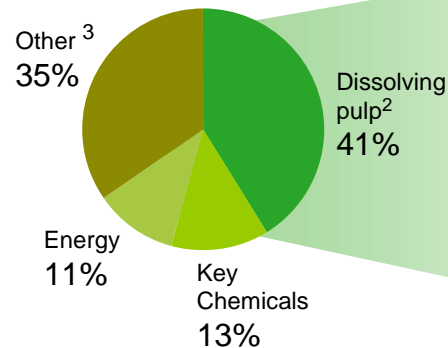
- As of December 2011, Lenzing owned approx. 1,300 patent applications and patents in 57 countries belonging to 218 patent families
- All significant patents are filed and maintained in Asia, the European Union and the Americas
- The majority of the patent portfolio focuses on lyocell technology (TENCEL®)
- As of December 2011, Lenzing owned approx. 1,400 trademark applications and trademarks in 95 countries belonging to 112 trademark families

Cost leadership

Through integration and long-term supply contract

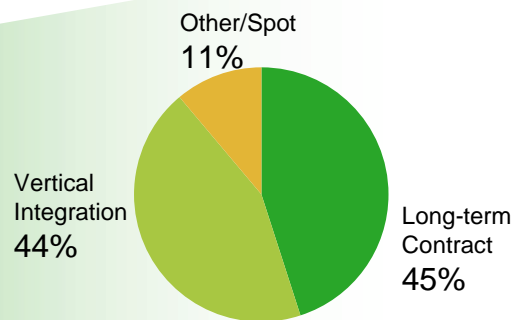
- Pulp is the key cost driver with **41% share of total costs of material and purchased services**
- 90+% of long-term pulp supply secured through own production (vertical integration) and long-term supply contracts
- Long-term contract **linked to paper pulp index** (not to spot price of dissolving pulp) plus applicable premium

Cost structure Lenzing Group (Q2/2012)¹



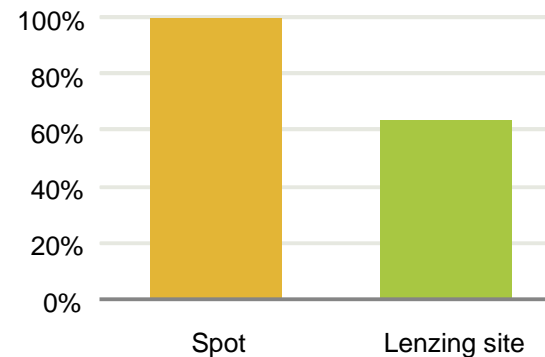
Source: Lenzing

Lenzing Group pulp sourcing (Q2/2012)⁴



Source: Lenzing

Indicative spot pulp procurement cost vs. vertical integration⁵



1) cost structure based on cost of materials and purchased services amounting to EUR 318.3 mn in Q2/2012

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

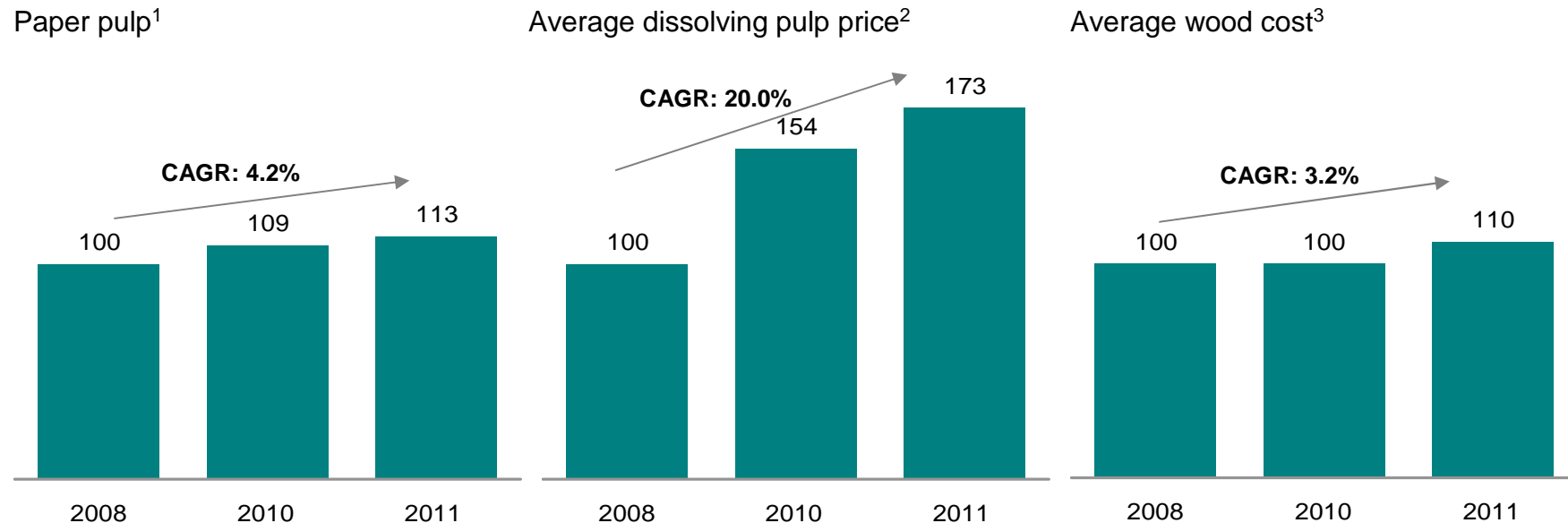
5) assuming spot price of \$1,000 per metric ton

Sourcing/Vertical integration

The dissolving pulp market is characterized by volatility

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

Pulp price development (2008-2011)



Source: NBSK

Source: CCF Group

Source: LAG

1) paper pulp prices in \$/metric ton prices indexed to 100 in 2008

2) average dissolving pulp prices in \$/metric ton indexed to 100 in 2008



3) LAG average wood cost in EUR mn indexed to 100 in 2008

Cost leadership

Through economies of scale

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

Biggest MMC fiber plants worldwide¹

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

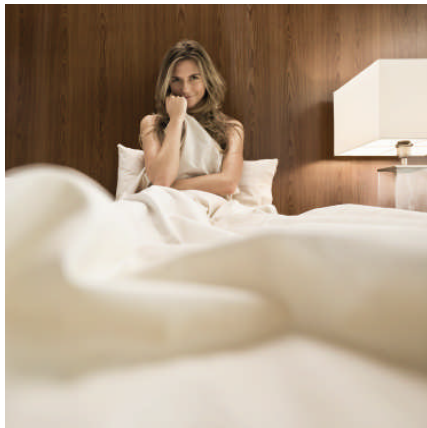
Benefits from scale

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

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

Source: Lenzing

Our production sites



Lenzing AG – Austria



PT. South Pacific Viscose – Indonesia



Lenzing (Nanjing) Fibers Co. Ltd. – China



Heiligenkreuz – Austria



Grimsby – Great Britain



Mobile –

USA



Biocel Paskov a.s. – Czech Republic

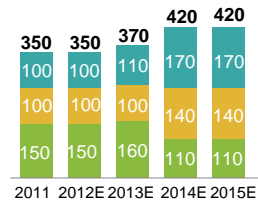


Capacity expansion to 2015

Accelerating the fiber expansion in the future

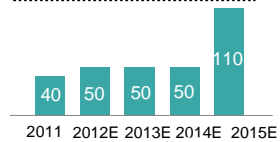
Europe¹

CAGR 4.7%



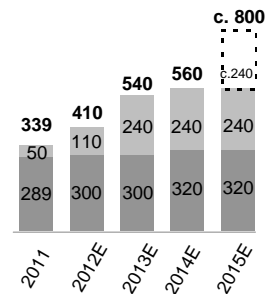
USA

CAGR 28.8%



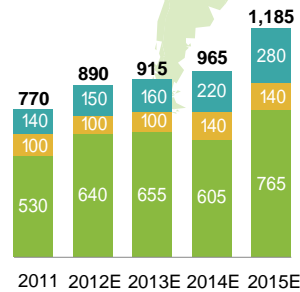
Total pulp capacity

CAGR 23.9%



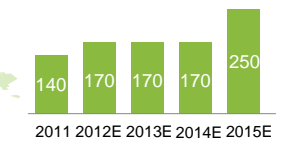
Total capacity at year end

CAGR 11.4%



China

CAGR 15.6%



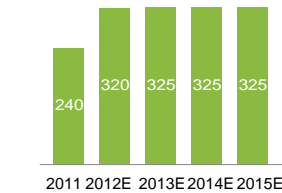
India

2011 2012E 2013E 2014E 2015E

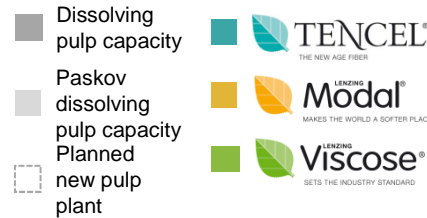


Indonesia

CAGR 7.9%



Annual capacity in '000 metric tons



1) includes Lenzing, Heiligenkreuz and Grimsby

Expansion program

Significant investments envisaged to support growth strategy

Plant location	Planned capacity – YE 2011 (metric tons)	Planned capacity – YE 2012 (metric tons)	Planned capacity – YE 2013 (metric tons)	Planned capacity – YE 2014 (metric tons)	Planned capacity – YE 2015 (metric tons)
Lenzing / Austria	250,000	250,000	260,000	310,000	310,000
Lenzing Viscose®	150,000	150,000	160,000 (Q2)	110,000	110,000
Lenzing Modal®	100,000	100,000	100,000	140,000	140,000
TENCEL®	-	-	-	60,000	60,000
Purwakarta / Indonesia, Lenzing Viscose®	240,000	320,000 (Q4)	325,000	325,000	325,000
Nanjing / China, Lenzing Viscose®	140,000	170,000	170,000	170,000	250,000
Heiligenkreuz / Austria, TENCEL®	60,000	60,000	70,000	70,000	70,000
Grimsby / UK, TENCEL®	40,000	40,000	40,000	40,000	40,000
Mobile / USA, TENCEL®	40,000	50,000 (Q2)	50,000	50,000	110,000
India, Lenzing Viscose®	-	-	-	-	80,000
Total fibers	770,000	890,000	915,000	965,000	1,185,000
Lenzing / Austria	289,000	300,000	300,000	320,000	320,000
Paskov / Czech Republic	50,000	110,000	240,000	240,000	240,000
New pulp plant				-	~ 240,000



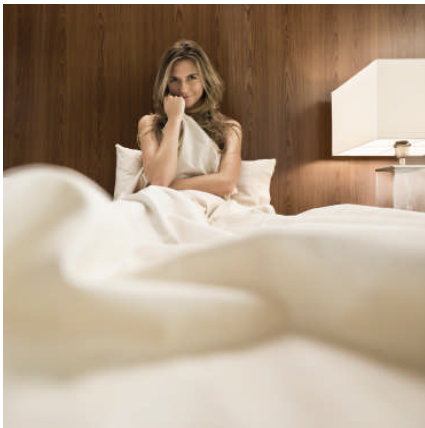
Capacity by site 2012 - 2013

	Capacity per 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	250,000	250,000	250,000	250,000	250,000	260,000	260,000	260,000
Indonesia	240,000	240,000	240,000	320,000	320,000	325,000	325,000	325,000
Nanjing	140,000	160,000	160,000	170,000	170,000	170,000	170,000	170,000
India	-	-	-	-	-	-	-	-
Heiligenkreuz	60,000	60,000	60,000	60,000	60,000	60,000	60,000	70,000
Grimsby	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Mobile	40,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Total	770,000	800,000	800,000	890,000	890,000	905,000	905,000	915,000

Capacity by site 2014 - 2015

	Capacity per March 31, 2014	Capacity per June 30, 2014	Capacity per September 30, 2014	Capacity per December 31, 2014	Capacity per March 31, 2015	Capacity per June 30, 2015	Capacity per September 30, 2015	Capacity per December 31, 2015
Lenzing	260,000	250,000	250,000	310,000	310,000	310,000	310,000	310,000
Indonesia	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000
Nanjing	170,000	170,000	170,000	170,000	170,000	170,000	170,000	250,000
India	-	-	-	-	-	-	-	80,000
Heiligenkreuz	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000
Grimsby	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Mobile	50,000	50,000	50,000	50,000	110,000	110,000	110,000	110,000
Total	915,000	905,000	905,000	965,000	1,025,000	1,025,000	1,025,000	1,185,000

Where our fibers end up



Sexy tee midi dress

- USD 59.50
- TENCEL® / Spandex

VICTORIA'S SECRET



Sequin tee and dream tees one shoulder tee

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

VICTORIA'S SECRET



New Venus dressing-gown and tank

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

LA PERLA



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

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

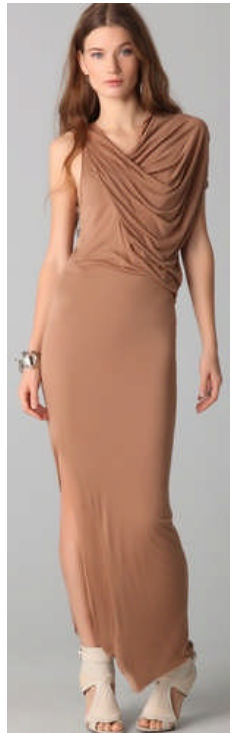
NORDSTROM



Helmut Lang long dress with slit

- USD 275.00
- Lenzing MicroModal®

HELMUT LANG



Vintage flare jeans

- USD 98.00
- 100% TENCEL®



TENCEL® summer dress

- EUR 35.99
- 100% TENCEL®

MANGO



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

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

GAP



Armani collezioni sportcoat

- USD 645.00
- TENCEL®

NORDSTROM



Burberry elbow sleeve reversible check tee

- USD 250.00
- 100% Lenzing Modal®

