75 YEARS OF INNOVATION

PRESS CONFERENCE
Annual Results 2012
Vienna, March 22, 2013
Highlights 2012
2nd best year in the company’s history

- Record shipment volume of 810,000 tons of fiber
- However at lower average fiber selling prices
- Dividend proposal: EUR 2.00 per share EUR 1.75 + EUR 0.25 on the occasion of Lenzing’s 75th anniversary

<table>
<thead>
<tr>
<th></th>
<th>EUR</th>
<th>2012</th>
<th>2011</th>
<th>Change in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shipment volume</td>
<td></td>
<td>810,000 t</td>
<td>712,000 t</td>
<td>13.8</td>
</tr>
<tr>
<td>Sales</td>
<td></td>
<td>2,090 mn</td>
<td>2,140 mn</td>
<td>-2.3</td>
</tr>
<tr>
<td>EBITDA¹</td>
<td></td>
<td>359 mn</td>
<td>480 mn</td>
<td>-25.3</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td></td>
<td>17.2%</td>
<td>22.4%</td>
<td>-</td>
</tr>
<tr>
<td>EBIT¹</td>
<td></td>
<td>255 mn</td>
<td>364 mn</td>
<td>-29.9</td>
</tr>
<tr>
<td>Average fiber price</td>
<td></td>
<td>1.96/kg</td>
<td>2.22/kg</td>
<td>-11.7</td>
</tr>
</tbody>
</table>

¹) Before one-off effects of EPG (= European Precursor GmbH) wind-up
World economy 2012
Continuing growth in Asia – but region cannot fully detach itself from economic developments in Europe and the USA

US:
GDP 2012\(^1\): +2.3%
Industrial production:
+2.1\% (January 2013)
Private consumption:
+2.1\% (Q4 2012 vs. Q3)\(^3\)

China:
GDP 2012\(^1\): +7.8%
Industrial production\(^2\):
+10.3\% (December 2012)
Private consumption
+14.3\% Jan. – Dec. 2012\(^5\)

EU (eurozone):
GDP 2012\(^1\): -0.4%
Industrial production\(^2\):
-2.3\% (December 2012)
Private consumption:
-1.4\% in Q3/2012 (y-o-y)\(^4\)

India:
GDP 2012\(^1\): +4.5%
Industrial production\(^2\):
-0.6\% (December 2012)
Private consumption:
+4.1\% in 2011\(^6\)

Indonesia:
GDP 2012\(^7\): +6.0%
Industrial production\(^2\):
+11.0\% (December 2012)
Private consumption:
+4.0\% in 2011\(^6\)

Sources:
1) IMF, World Economic Outlook Update, January 2013
2) Haver Analytics, March 2, 2013
3) Bureau of Economic Analysis (www.bea.gov), March 7, 2013
4) European Commission, February 28, 2013
(downloaded on March 7, 2013)
Fiber production in 2012

After two years of a highly dynamic performance, only dampened growth of world fiber production due to struggling global economy

- **Global fiber production**: +1.2% to 82.0 mn t
- **Decline in cotton production**: -4.8% to 26.0 mn t
  - Corresponds roughly to the level of 2006/2007
  - Further increase in cotton inventories (production surpassed consumption)
- **New record level of synthetic fiber production**: +4.1% to 49.9 mn t
- **Above-average growth of viscose staple fiber production**, up 9.2% to 3.7 mn t
China‘s impact on the global fiber market gained in importance

- Approx. 65% of all man-made fibers are now “Made in China“
- Largest import market for cotton
- Biggest cotton producer
- China‘s cotton stockpiling policy lacks transparency
  - China accounts for about three quarters of the world‘s cotton inventories
  - More than 70% global stock-to-use-ratio¹
  - Cotton price in China higher than the world market price in the double digit percentage range

¹) This measured value describes the ratio of goods on stock to actual consumption
Expanded global market share

**Lenzing: 22% share of production**

**Lenzing: 18% share of capacity**

Sources: CIRFS, FEB, Trade statistics, Company estimates

1) Production China: based on 68% utilization (CCFA)
2) Based on latest available company information from company websites and annual/interim reports
3) Direct or indirect non-controlling shareholdings by private Indian conglomerate Aditya Birla; marketing of viscose staple fibers under the "Birla" umbrella brand
Further strengthening of presence on the Asian market

Sales by region\(^1\)

- **Asia**: 59%
- **Europe incl. Turkey**: 32%
- **North and South America**: 7%
- **Rest of the world**: 2%

Source: Lenzing Group

\(^1\) Fiber sales by volume in metric tons FY 2012

- **Lenzing sells more than half of its fibers in Asia**
- **Successful start-up of the fifth production line at PT. South Pacific Viscose (SPV) in Q4 2012**
  - SPV now the largest viscose fiber plant in the world
  - Nominal capacity of 320,000 t p.a.
- **Nanjing: Successive ramp-up to achieve maximum output in first half of 2012 (after expansion in 2011)**
  - Nonwoven fibers produced for the first time
  - Capacity of 160,000 t p.a. after debottlenecking program
Segment Fibers
Textile fibers

Prices under pressure, but price premium for specialty fibers maintained

- Difficult market environment, however strong volume increase of 12.8% against the backdrop of declining average fiber selling prices
- **TENCEL®**: strong volume demand and high price premium compared to viscose (50-70%)
- **Lenzing Modal®**: performed well, sales volume surpassed 90,000 t for the first time

Textile fibers¹

Sales (EUR mn)

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales (kt)</th>
<th>External sales (EUR mn)</th>
<th>Ø Sales price (EUR/kg)</th>
<th>Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>932</td>
<td>1.95</td>
<td>-12.2%</td>
<td>+5.9%</td>
</tr>
<tr>
<td>2011</td>
<td>1,160</td>
<td>2.29</td>
<td>+12.8%</td>
<td>+12.8%</td>
</tr>
<tr>
<td>2012</td>
<td>1,150</td>
<td>2.01</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

¹) Excluding co-products and external sales of pulp, wood and energy
Innovations in 2012 / Textile fibers

- **Spun-dyed Modal fiber: Lenzing Modal® COLOR**
  - Separate dyeing no longer necessary – resources saved
  - Colors remain intensive even after frequent washing – no color “bleeding”
  - Used e.g. in lingerie, loungewear, socks

- **Vegetable nets from Lenzing fibers**
  - Biodegradable

- **TENCEL® powder for plaster**
  - Used as additive to building materials
  - Better workability thanks to TENCEL®
  - Improved drying behavior, reduced crack formation
Nonwoven fibers

- Nonwoven fibers are generally more stable in price than textile fibers as there is less competition
  - Fulfill highest quality demands in sensitive areas such as personal hygiene
- TENCEL® fully established on the nonwovens market
  - Stable prices despite difficult market environment

Nonwoven fibers¹

External sales (EUR mn)

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales (EUR mn)</th>
<th>Sales volume (kt)</th>
<th>ASP (EUR/kg)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>355</td>
<td>198</td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>421</td>
<td>206</td>
<td>+4.0%</td>
</tr>
<tr>
<td>2012</td>
<td>435</td>
<td>238</td>
<td>+15.0%</td>
</tr>
</tbody>
</table>

¹ Excluding co-products and external sales of pulp, wood and energy
Innovations in 2012 / Nonwoven fibers

- **First hydrophobic cellulose fiber:** TENCEL® Biosoft
  - Open up completely new applications previously reserved for synthetic fibers
  - Ideal applications: hygiene products such as sanitary pads, pantyliners, incontinence pads

- **TENCEL® microfibers**
  - Ultrafine fibers for thin insulation layers made of paper
  - Applications: electromobility, electronics
R&D priorities

- R&D expenditure 2012: EUR 28.3 mn (1.4% of Sales)

- Three TENCEL® pilot plants
  - Research on new areas and applications

- TENCEL® technologie initiative
  - Jumbo line for TENCEL®
  - Optimization of all process parameters
Segments
Plastics Products & Engineering
Segment Plastics Products

- Satisfactory development
- Very good volume demand, new shipment record
- Good business development with thermoplastics
- Filaments below expectations

<table>
<thead>
<tr>
<th>Segment Plastics Products</th>
<th>2012</th>
<th>2011</th>
<th>Change in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total sales</td>
<td>(EUR mn)</td>
<td>159.9</td>
<td>172.6</td>
</tr>
<tr>
<td>Segment EBITDA</td>
<td>(EUR mn)</td>
<td>15.9</td>
<td>16.5</td>
</tr>
<tr>
<td>Segment EBITDA margin</td>
<td>(in %)</td>
<td>9.9</td>
<td>9.6</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>thereof Business Unit Plastics</th>
<th>2012</th>
<th>2011</th>
<th>Change in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>(EUR mn)</td>
<td>109.4</td>
<td>107.0</td>
</tr>
<tr>
<td>EBITDA</td>
<td>(EUR mn)</td>
<td>11.2</td>
<td>7.3</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>(in %)</td>
<td>10.2</td>
<td>6.8</td>
</tr>
</tbody>
</table>
Segment Engineering

- Optimally took advantage of the positive mood on the capital goods market
- Lenzing Technik profited from extensive investments by the Lenzing Group and growing demand by external customers
- Very good capacity utilization across all segments

<table>
<thead>
<tr>
<th></th>
<th>2012 (EUR mn)</th>
<th>2011 (EUR mn)</th>
<th>Change in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>121.8</td>
<td>107.0</td>
<td>+13.8</td>
</tr>
<tr>
<td>Segment EBITDA</td>
<td>10.2</td>
<td>9.0</td>
<td>+13.3</td>
</tr>
<tr>
<td>Segment EBITDA margin</td>
<td>8.4</td>
<td>8.4</td>
<td>-</td>
</tr>
</tbody>
</table>
Group Results in 2012
Second best result in the company‘s history

- The exceptional year 2011 must not obscure view of 2012
- Stable sales: volume growth compensates for price decline
- EBITDA of close to EUR 360 mn proves earnings power

<table>
<thead>
<tr>
<th>IFRS</th>
<th>2012</th>
<th>2011</th>
<th>Change in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales (EUR mn)</td>
<td>2,090.4</td>
<td>2,140.0</td>
<td>-2.3</td>
</tr>
<tr>
<td>EBITDA2 (EUR mn)</td>
<td>358.7</td>
<td>480.3</td>
<td>-25.3</td>
</tr>
<tr>
<td>EBITDA margin2 (in %)</td>
<td>17.2</td>
<td>22.4</td>
<td>-</td>
</tr>
<tr>
<td>EBIT2 (EUR mn)</td>
<td>255.0</td>
<td>364.0</td>
<td>-29.9</td>
</tr>
<tr>
<td>EBIT margin2 (in %)</td>
<td>12.2</td>
<td>17.0</td>
<td>-</td>
</tr>
<tr>
<td>Profit for the year2 (EUR mn)</td>
<td>191.9</td>
<td>267.4</td>
<td>-28.2</td>
</tr>
<tr>
<td>Attributable to shareholders of Lenzing AG (EUR mn)</td>
<td>186.6</td>
<td>258.7</td>
<td>-27.9</td>
</tr>
</tbody>
</table>

1) Sales down EUR 50 mn due to conversion of Paskov to a dissolving wood pulp plant / Decline in external sales
2) Before restructuring
**Strong financial position for the future**

- Equity increased by 10%
- Net debt reflects record investment as well as record dividend in 2012
- Net debt continues to be below one time EBITDA

<table>
<thead>
<tr>
<th>IFRS</th>
<th>Dec. 31, 2012</th>
<th>Dec. 31, 2011</th>
<th>Change in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets (EUR mn)</td>
<td>2,632.7</td>
<td>2,340.5</td>
<td>+12.5</td>
</tr>
<tr>
<td>Property, plant and equipment (EUR mn)</td>
<td>1,275.1</td>
<td>1,091.7</td>
<td>+16.8</td>
</tr>
<tr>
<td>Adjusted equity(^1) (EUR mn)</td>
<td>1,153.1</td>
<td>1,048.1</td>
<td>+10.0</td>
</tr>
<tr>
<td>Adjusted equity ratio (in %)</td>
<td>43.8</td>
<td>44.8</td>
<td>-</td>
</tr>
<tr>
<td>Net financial debt (EUR mn)</td>
<td>346.3</td>
<td>153.3(^2)</td>
<td>+125.9</td>
</tr>
<tr>
<td>Net Debt/EBITDA (in %)</td>
<td>0.96</td>
<td>0.33</td>
<td>-</td>
</tr>
</tbody>
</table>

1) Incl. Government subsidies less prop. deferred taxes
2) As of December 31, 2012, in addition to cash and cash equivalents and marketable securities, the liquidity position also now encompasses liquid bank drafts. For this reason, the previous year’s figure for the liquidity reserve (December 31, 2011: 493,800 EUR) was increased by 5,764 EUR and the level of net financial debt was adapted accordingly.
Record investment in difficult market environment

- Record investment of **EUR 346 mn**

- **Priorities in 2012:**
  - Coming on stream of the 5th production line in Indonesia (total capacity now 320,000 t p.a.)
  - **Debottlenecking in China** (capacity increase of 20,000 t to 160,000 t p.a.)
  - **Expansion of TENCEL® plant in USA** to 50,000 t p.a. (+10,000 t p.a.)
  - Construction begin on **jumbo TENCEL® plant in Lenzing**
  - **Pulp expansion** and acquisition of the **remaining shares** in Paskov/Czech Republic
“excelLENZ”- Program
Adjusting pace of growth to lower market visibility

- **Top line (Sales)**
  - Optimization of product mix
  - Customer value analyses

- **Capex**
  - Evaluate timeline of new investment projects
  - Adjusting replacement and maintenance investments

- **Cost reduction**
  - Procurement
  - Other costs

- **Focus on cash:**
  balance between income and revenue

Growth trends remain intact until 2020 – but with a time delay
**Outlook 2013**

A year of transition

<table>
<thead>
<tr>
<th>Metric</th>
<th>Approximate Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>EUR 2.15 – 2.25 bn</td>
</tr>
<tr>
<td>EBITDA</td>
<td>EUR 260 – 290 mn</td>
</tr>
<tr>
<td>EBIT</td>
<td>EUR 140 – 170 mn</td>
</tr>
<tr>
<td>Ø Selling price</td>
<td>EUR 1.80 – 1.90 per kg</td>
</tr>
<tr>
<td>Sales volume</td>
<td>920,000 t (+13.5%)</td>
</tr>
<tr>
<td>CAPEX</td>
<td>EUR 260 mn</td>
</tr>
<tr>
<td>Minimum dividend</td>
<td>EUR 1.75 per share</td>
</tr>
<tr>
<td>Tax rate</td>
<td>24 - 26%</td>
</tr>
</tbody>
</table>

- Lower fiber selling prices with almost direct effect on earnings
- EBITDA margin of approx. 12% - 13%
- EBIT margin of approx. 6% - 8%
- Record sales volume but earnings contribution strongly influenced by cost increases (personnel, CS2, other input factors) and cost savings potential
- New minimum dividend policy as a means of compensating for fiber market volatility and to support an adequate shareholder return
Thank you for your attention!
Disclaimer

- The information contained in this document has not been independently verified and no representation or warranty expressed or implied is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of this information or opinions contained herein.

- Certain statements contained in this document may be statements of future expectations and other forward looking statements that are based on management’s current view and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to deviate materially from those expressed or implied in such statements.

- Neither Lenzing AG nor any of its affiliates, advisors or representatives shall have any liability whatsoever (for negligence or otherwise) for any loss howsoever arising from any use of this document or its content or otherwise arising in connection with this document.

- 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.