2014 at a glance
Ongoing difficult market environment, massive internal countermeasures, successful ramp-up of the TENCEL® fiber plant

Continuing headwinds on the market
- Unchanged strong volume demand for Lenzing fibers
- Fiber prices remain under pressure – viscose selling prices largely stabilized since Q2

Countermeasures have a positive impact
- excelLENZ program exceeds planned targets - without layoffs in Lenzing, Upper Austria
- Successful ramp-up of the new TENCEL® fiber plant in Lenzing
- Greater cost efficiency based on functional organizational structure
- Intensification of previous focus on specialization
Lenzing Group: Highlights 2014

Strong operating results, but burdened by value adjustments

- New record shipment volume of 961,000 tons of fibers (+8%)
- Cost savings far surpass EUR 100 mn
- Negative non-recurring effect of EUR 94 mn due to value adjustments
- EBITDA\(^1\): EUR 240.3 mn (2013: EUR 193.9 mn)
- EBIT\(^1\): EUR 21.9 mn (2013: EUR 58.6 mn)

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1) “Like-for-like”: adjusted for discontinued operations
Business environment in the fiber industry

**Ongoing difficult price environment**

- Price pressure on all fibers continues
- Changed cotton subsidy policy in China
- Cotton inventories remain at a record level
- Polyester fiber prices decline in conjunction with the drop in oil prices
- Continuing surplus production capacities on the viscose fiber market in China
- Viscose spot market largely stable at a low level since Q2 2014

**No balanced supply/demand situation in 2014 once again**
Lenzing takes countermeasures
Intensification of previous focus on specialization

Intensified focus on specialty fibers
- Fully leverage comparative advantages of TENCEL® and Lenzing Modal®
- Scaling of TENCEL®
- Promote Lenzing Modal® specialty mixtures
- Standard viscose fibers: cost-efficient commodity strategy without further volume growth

Expand cost leadership
- Strict cost optimization at all sites
- excelLENZ: structural savings of EUR 160 mn p.a. as of 2016
- Supply of low-priced pulp remains a key success factor:
  - Increase level of self-sufficiency and/or
  - Long-term supply contracts
Lenzing takes countermeasures

excelLENZ program

The excelLENZ cost savings program was intensified in 2014

- 2013: savings of about EUR 40 mn
- 2014: cost reductions far in excess of EUR 100 mn (instead of originally budgeted EUR 60 mn)
- As of 2016: structural savings of EUR 160 mn p.a.
- More than two-thirds material costs, overhead, purchased services and operating efficiency improvements
- Savings relating to personnel expenses:
  - Reduction in the Group’s total workforce by 650 full-time equivalents (FTE), including 123 in the 2013 financial year
  - Net decline of 50 FTE at the Lenzing site in Upper Austria
  - No negative impact on the Upper Austrian job market
Lenzing takes countermeasures
eceLLENZ program – a sustainable improvement in Lenzing's cost position

1) To full run rate
Lenzing takes countermeasures
More efficient Group organizational structure

Successful implementation of a functional organizational structure

- The previous divisional structure in the Business Units Textile Fibers and Nonwoven Fibers was terminated and replaced by a functional Group organization
- New sales and marketing organization with a stronger focus on customers and business development
- Additional Chief Sales and Marketing Officer
- Even more vigorous implementation of the specialty strategy
- Focus on Asia and Turkey as the most important fiber markets
Segment Fibers
Global fiber production in 2014: +1.9% (2013: +3.6%) to 89.4 mn tons
Man-made cellulose fibers in 2014: +2.0% (2013: +9.3%) to 6.0 mn tons

- Natural fibers & natural polymers
  - Wool: +0.0% to 1.1 mn t
  - Cotton: +0.1% to 26.3 mn t

- Synthetic fibers: +2.9% to 56.0 mn t

- MMC fibers: +2.0% to 6.0 mn t

Source: CIRFS, The Fiber Year, The Fiber Organon, Lenzing estimates
Development of the cotton price
Cotton remains the most important benchmark for fiber prices

- Price development lost considerable momentum following record prices of 2010/11, the extreme price fluctuations during the year and the subsequent price decline.
- Strong price drop since mid-2014 due to China’s cotton policy.

[Graph showing price development over years]

*Source: Cotton Outlook*
Chinese policy dominates developments on the cotton market

- Ongoing high importance of the Chinese fiber market for the global price situation
- A large share of the world’s cotton inventories is still in China
Low oil price pushes down polyester prices

- Drastic drop in the price of crude oil accelerated the price decline for polyester in H2 2014

**Price development of polyester (China)**

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<td>1,7</td>
<td>1,6</td>
<td>1,5</td>
<td>1,4</td>
<td>1,3</td>
<td>1,2</td>
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<td>1,0</td>
<td>0,9</td>
<td>0,8</td>
<td>0,7</td>
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<td>-17%</td>
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Viscose fiber prices in 2014
Stabilization at a low level as of H2 2014

- Continuing production overcapacities in China
  - Factories still operated at full capacity in 2014 to generate cash even in the light of an unsatisfactory earnings situation

- Chinese fiber exports also trigger international price pressure

**Price development for viscose fibers (China)**
In USD/kg
Lenzing 2014: Record fiber sales

- Record fiber sales of about 960,000 tons in 2014 (+8%)
- Asia is the most important market for Lenzing, accounting for close to 2/3 of total sales volumes
- Sales growth mainly for TENCEL® (+30%) after completion of new production plant in Lenzing
Sales development of textile and nonwoven fibers

- New record shipment volumes for Modal fibers and TENCEL®
- New markets and applications for TENCEL®
- Clear growth focus on nonwovens, also with TENCEL®

Sales in tsd to

<table>
<thead>
<tr>
<th>Year</th>
<th>Nonwovens</th>
<th>Textile</th>
<th>Total</th>
</tr>
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<tbody>
<tr>
<td>2012</td>
<td>238</td>
<td>572</td>
<td>810</td>
</tr>
<tr>
<td>2013</td>
<td>269</td>
<td>621</td>
<td>890</td>
</tr>
<tr>
<td>2014</td>
<td>297</td>
<td>664</td>
<td>961</td>
</tr>
</tbody>
</table>
Successful ramp-up of TENCEL® production plant in Lenzing

- Largest TENCEL® fiber plant: annual capacity of 67,000 tons
- Lenzing TENCEL® capacity increased to about 220,000 tons p.a.
- 140 new, high quality jobs created
- Investments of about EUR 150 mn
- Expansion of undisputed global market leadership for lyocell fibers
Increased pulp production
Level of self-sufficiency up to 52%

- Total production output of about 554,000 tons of dissolving pulp (2013: about 523,000 tons)
- The Paskov plant (Czech Republic) fully converted to dissolving pulp in 2013 achieved a further 10% rise to 258,000 tons in 2014
Reorganization of technical areas

- Technical Services of Lenzing AG will consist of four departments:
  - Central Fiber Maintenance (with planning and workshops)
  - Global Automation
  - Global Engineering
  - Lenzing Technik GmbH

- Repositioning of Lenzing Technik GmbH:
  - Managed in a market-oriented manner within Technical Services
  - Focus on Production & Industrial Services, Filtration & Separation
  - Reduction in the work force up to 250 FTE
  - Sale of peripheral technical activities is possible

- Target to improve productivity by about 15%
Group results 2014
Operating results above expectations
Write-down of goodwill burdens EBIT and net profit for the year

- Average fiber selling prices fell to EUR 1.57/kg in 2014 (-8% vs. 2013)
- Record sales volume of about 960,000 tons (+8% vs. 2013)
- Savings and improved product mix increased operating results (EBITDA) by more than 24%¹
- Negative non-recurring effects of EUR 94 mn related to value adjustments

<table>
<thead>
<tr>
<th>IFRS</th>
<th>2014</th>
<th>2013</th>
<th>Change in %</th>
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<tbody>
<tr>
<td>Revenue (EUR mn)</td>
<td>1,864.2</td>
<td>1,908.9</td>
<td>-2.3</td>
</tr>
<tr>
<td>LfL: 1,859.0</td>
<td></td>
<td>+0.3</td>
<td></td>
</tr>
<tr>
<td>EBITDA¹ (EUR mn)</td>
<td>240.3</td>
<td>193.9</td>
<td>+24.0</td>
</tr>
<tr>
<td>EBITDA margin (%)</td>
<td>12.9</td>
<td>10.4</td>
<td>-</td>
</tr>
<tr>
<td>EBIT¹ (EUR mn)</td>
<td>21.9</td>
<td>58.6</td>
<td>-62.6</td>
</tr>
<tr>
<td>EBIT margin (%)</td>
<td>1.2</td>
<td>3.2</td>
<td>-</td>
</tr>
<tr>
<td>Profit/loss for the year¹ (EUR mn)</td>
<td>-14,2</td>
<td>30.6</td>
<td></td>
</tr>
<tr>
<td>Earnings per share (EUR)</td>
<td>-0.51</td>
<td>1.16</td>
<td></td>
</tr>
</tbody>
</table>

¹) “Like-for-like”: adjusted for discontinued operations
Solid balance sheet structure
Lower level of net financial debt, cash management has positive impact

- Equity ratio down to 44.9% of balance sheet total
- Net financial debt reduced to below 10%
- Non-current liabilities down 6.1%

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<tr>
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<tbody>
<tr>
<td>Balance sheet total</td>
<td>2,375.1</td>
<td>2,439.9</td>
<td>-2.7</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>1,322.5</td>
<td>1,324.5</td>
<td>-0.2</td>
</tr>
<tr>
<td>Liquidity&lt;sup&gt;1&lt;/sup&gt;</td>
<td>280.3</td>
<td>296.0</td>
<td>-5.3</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>753.9</td>
<td>803.0</td>
<td>-6.1</td>
</tr>
<tr>
<td>Adjusted equity&lt;sup&gt;2&lt;/sup&gt;</td>
<td>1,066.1</td>
<td>1,109.6</td>
<td>-3.9</td>
</tr>
<tr>
<td>Adjusted equity ratio (%)</td>
<td>44.9</td>
<td>45.5</td>
<td>-</td>
</tr>
<tr>
<td>Net financial debt (EUR mn)</td>
<td>449.5</td>
<td>504.7</td>
<td>-10.9</td>
</tr>
</tbody>
</table>

<sup>1</sup> Cash and cash equivalents plus liquid securities and liquid bills of exchange
<sup>2</sup> Including government grants less proportionate deferred taxes
<sup>3</sup> From continuing operations
Strong rise in operating cash flow
Substantial drop in CAPEX

- Investments reduced to a minimum
- Focus on completion of the large TENCEL® fiber jumboline in Lenzing

<table>
<thead>
<tr>
<th>IFRS</th>
<th>Dec. 31, 2014</th>
<th>Dec. 31, 2013</th>
<th>Change in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating cash flow (EUR mn)</td>
<td>218.8</td>
<td>82.3</td>
<td>+165.9</td>
</tr>
<tr>
<td>CAPEX (EUR mn)</td>
<td>104.3</td>
<td>248.7¹</td>
<td>-58.1</td>
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<tr>
<td>Cash flow from investing activities (EUR mn)</td>
<td>-102.8</td>
<td>-152.2</td>
<td>-32.4</td>
</tr>
<tr>
<td>Cash and cash equivalents at year-end (EUR mn)</td>
<td>271.8</td>
<td>287.9</td>
<td>-5.6</td>
</tr>
</tbody>
</table>

1) Incl. acquisition of property, plant and equipment and intangible assets of the former BU Plastics (2013: EUR 2.7 mn).
Outlook for the fiber market in 2015
No price recovery in sight

- Falling oil prices put downward pressure on polyester prices and thus on fiber prices in general
- Cotton market:
  - Producers react to low prices by reducing areas under cultivation
  - China still has cotton inventories equal to an entire year’s consumption
- Ongoing strong volume demand for man-made cellulose fibers
- No far-reaching selling price increases on the medium-term horizon
  - Global market prices for viscose fibers at the turn of the year 2014/15 stable at a low level
  - Continued excess capacities for man-made cellulose fibers in China
Outlook Lenzing 2015
Further improvement in the product mix, expansion of cost leadership

- Further sales increases for TENCEL® and Lenzing Modal®
  - Stable price premiums
  - New TENCEL® capacities take full effect in 2015

- Resolute continuation of the excelLENZ program
  - Targeted annualized savings of EUR 130 mn for 2015
  - Structural savings of about EUR 160 mn p.a. as from 2016

- Lenzing marketing drive:
  - Marketing focus on TENCEL®: “Natural Connection“, TENCEL® for knitting and bed linens, TENCEL® wipes, TENCEL® Skin
  - Stronger promotion of Lenzing Modal® for bed linens and towels
  - Emphasis on Turkey: new customer service office since March 2014
Megatrends remain valid for Lenzing
Sales record demonstrates intact demand for Lenzing fibers

World fiber market

Population growth/Emerging markets
Rising standard of living
Age structure in the developing countries
Sustainability & climate change
“Cellulose gap”
Volatility/Availability of all agro-based raw materials
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