Successful H1 2015
Positive currency effects, cost savings, improved product mix

Clear improvement in earnings
- Revenue + 6.2%: EUR 955.4 mn (H1/2014: EUR 900.0 mn)
- EBITDA +37.7%: EUR 126.5 mn (H1/2014: EUR 91.9 mn)
- EBIT +86.7%: EUR 60.5 mn (H1/2014: EUR 32.4 mn)

Positive currency effects and cost development
- Tailwind due to low EUR exchange rate compared to USD and RMB
- Successful implementation of excelLENZ program

Good sales development
- Market prices rise towards end of Q2
- Lenzing: slightly higher sales volumes, improved product mix
Fiber industry environment
Positive market development towards end of the second quarter

Price stabilization for cotton and viscose
- Better supply-demand ratio for viscose fibers in China towards end of the second quarter
- But polyester prices continue to decline due to oil price

No all-clear signal on the marketplace
- Surplus viscose fiber capacities in China
  - Production plants shut down for environmental reasons could be put into operation again
  - Capacity expansion projects only delayed
- Polyester prices in line with the low oil price
- Price pressure on cotton as a result of high inventories in China
Cotton price remains under pressure
Still no easing on the global fiber market

Cotton stockpiles still at a record level

- Surplus production and further increase in inventories in 2014/15
- Slight reduction of stockpiles expected in 2015/16
- China launched inventory reduction drive in July 2015
  - World’s largest stockpiles of about 12.6 mn tons
  - Market distortions possible as a result of sell-offs

1) Source: ICAC, July 2015
Focus on Chinese economy
Stock market slump and weaker economic growth remain uncertainty factors

Structural change of the Chinese economy

- Declining growth of investments, loans and real estate
- Structural reforms aim to strengthen domestic consumption
- Current IMF forecast: 6.8% growth for 2015
- Latest stock market slide has not had any negative effects on the fiber industry until now
- Volume demand remains strong due to domestic consumption

![Shanghai A Index](chart1.png)
![GDP growth](chart2.png)

1) Source: IMF
Fiber price development
3-year average until June 30, 2015

Cotton A Index
- 30.06.2015: 74.30
- 31.12.2014: 70.05

Cotton Future
- 30.06.2015: 67.51
- 31.12.2014: 60.27

VSF Spot
- 30.06.2015: 12,540

PSF CN
- 30.06.2015: 1.03
- 31.12.2014: 1.00
Segment Fibers
Solid development in H1 2015

- Ongoing strong volume demand
- Positive currency effects
- Initial price increases successfully implemented
- Improved cost position
- Quality and specialty fiber drive, especially in China
- Better product mix focusing on higher quality products
- Segment Fiber revenue: 69% textile fibers, 31% nonwovens

<table>
<thead>
<tr>
<th></th>
<th>1-6/2015 (EUR mn)</th>
<th>1-6/2014 (EUR mn)</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Segment revenue</td>
<td>917.7</td>
<td>853.2</td>
<td>+7.6%</td>
</tr>
<tr>
<td>Segment EBITDA</td>
<td>122.2</td>
<td>91.0</td>
<td>+34.3%</td>
</tr>
<tr>
<td>Segment EBIT</td>
<td>56.0</td>
<td>31.5</td>
<td>+78.0%</td>
</tr>
</tbody>
</table>
Marketing priorities in H1 2015

- **TENCEL® in denim**: Number of processors using TENCEL® in denim fabrics doubled over the last 12 months
- Market launch of specialty fiber **TENCEL® A100 MICRO**
- Presentation of “**botanic shoe**” concept at Techtextil trade show in Frankfurt
- **Home Textiles & Interior**: Market launch of TENCEL® bed linens by Taç (largest Turkish retailer)
- **Lenzing FR®**: Presentation of new overall concept for fire departments at Interschutz in Hannover
- **Nonwovens focus on TENCEL®**: First hygiene product with TENCEL® BIOSOFT fibers
Sustainability awards
Lenzing products: highest product performance, outstanding eco-scorecard

- **CSR Newcomer Trophy from TRIGOS**
  - For shoe laces made of 100% TENCEL® developed together with LEGERO Schuhfabrik GmbH
  - The TENCEL® shoe laces boast an outstanding ecological balance and are fully compostable while offering the highest product performance

- **ENERGY GLOBE Award Austria**
  - Renowned environmental award for spun-dyed Lenzing Modal® COLOR fibers
  - Lenzing Modal COLOR® reduces environmental burden in dyeing of textiles by up to 80%
Restructuring of technical operations
Enhanced focus on the core Segment Fibers

Reorganization being implemented on schedule since March 2015

- New organizational structure with four departments:

  ![Diagram]

  - Technical Services
    - Fiber Maintenance
    - Global Automation
    - Global Engineering
    - Lenzing Technik GmbH

Divestment of three business units

- Mechatronics (incl. LENO Electronics GmbH) sold to Melecs (Austria)
- Automation & Robotics acquired by cts GmbH (Germany/Austria)
- Sheet Metal acquired by GER4TECH (Upper Austria)
- All the affected employees will be retained
Group results in H1 2015
**Significant improvement of all earnings indicators**

<table>
<thead>
<tr>
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<th>Change</th>
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</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>955.4</td>
<td>900.0</td>
<td>+6.2%</td>
</tr>
<tr>
<td>Personnel expenses</td>
<td>151.3</td>
<td>152.9</td>
<td>-1.0%</td>
</tr>
<tr>
<td>Cost of material and purchased services</td>
<td>600.3</td>
<td>600.2</td>
<td>+0.0%</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>119.8</td>
<td>107.4</td>
<td>+11.6%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>126.5</td>
<td>91.9</td>
<td>+37.7%</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>13.2</td>
<td>10.2</td>
<td>-</td>
</tr>
<tr>
<td>EBIT</td>
<td>60.5</td>
<td>32.4</td>
<td>+86.7%</td>
</tr>
<tr>
<td>EBIT margin</td>
<td>6.3</td>
<td>3.6</td>
<td>-</td>
</tr>
<tr>
<td>Profit/loss for the period</td>
<td>51.6</td>
<td>15.2</td>
<td>+239.5%</td>
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</table>
Further improvement of balance sheet
Reduced CAPEX, solid liquidity

<table>
<thead>
<tr>
<th></th>
<th>30/6/2015</th>
<th>31/12/2014</th>
<th>Change</th>
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</thead>
<tbody>
<tr>
<td>Adjusted equity (EUR mn)</td>
<td>1,132.7</td>
<td>1,066.1</td>
<td>+6.2%</td>
</tr>
<tr>
<td>Adjusted equity ratio (%)</td>
<td>46.8</td>
<td>44.9</td>
<td>-</td>
</tr>
<tr>
<td>Net financial debt (EUR mn)</td>
<td>401.5</td>
<td>449.5</td>
<td>-10.7%</td>
</tr>
<tr>
<td>Net gearing (%)</td>
<td>35.4</td>
<td>42.2</td>
<td>-</td>
</tr>
<tr>
<td>CAPEX (EUR mn)</td>
<td>26.0</td>
<td>64.2</td>
<td>-59.4%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
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<th>30/06/2015</th>
<th>30/06/2014</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross cash flow (EUR mn)</td>
<td>146.4</td>
<td>72.2</td>
<td>+102.7%</td>
</tr>
<tr>
<td>Operating cash flow (EUR mn)</td>
<td>99.7</td>
<td>103.2</td>
<td>-3.4%</td>
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<tr>
<td>Free cash flow (EUR mn)</td>
<td>73.7</td>
<td>39.2</td>
<td>+88.2%</td>
</tr>
</tbody>
</table>

<table>
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<th>30/06/2015</th>
<th>31/12/2014</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liquid funds (EUR mn)</td>
<td>329.2</td>
<td>280.3</td>
<td>+17.5%</td>
</tr>
<tr>
<td>Open credit facilities (EUR mn)</td>
<td>208.0</td>
<td>198.5</td>
<td>+4.8%</td>
</tr>
</tbody>
</table>
Clear revenue and earnings improvement in Q2 2015

- Continuation of positive first-quarter trend
- Good price and volume development, further cost savings

<table>
<thead>
<tr>
<th></th>
<th>Q2/2015 (EUR mn)</th>
<th>Q2/2014 (EUR mn)</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>480.9</td>
<td>448.3</td>
<td>+7.3%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>66.9</td>
<td>45.6</td>
<td>+46.8%</td>
</tr>
<tr>
<td>EBIT</td>
<td>33.5</td>
<td>15.7</td>
<td>+113.7%</td>
</tr>
<tr>
<td>Profit/loss for the period</td>
<td>35.0</td>
<td>7.5</td>
<td>+368.6%</td>
</tr>
</tbody>
</table>
Outlook
Megatrends remain valid for Lenzing
Good pre-requisites for Lenzing fibers

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

Global fiber market
Market outlook

- Uncertainty factors in H2 2015:
  - Troubled geopolitical situation
  - Economic development in China
  - Unforeseeable exchange rate fluctuations
  - Potential resumption of production at viscose fiber plants currently not in operation in China

- Slight improvement in the market environment compared to the end of Q1 2015:
  - Solid volume demand
  - Implementation of initial selling price increases
Outlook for the Lenzing Group

- Despite a volatile environment, the Lenzing Group expects the following for 2015:
  - Improvement of operating results compared to 2014
  - Further reduction of net financial debt

- Medium- to long-term:
  - Growth rates of the man-made cellulose fiber industry will continue to be higher than those of the global fiber market
Thank you for your attention!
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Glossary

Adjusted equity
Equity including government grants less proportionate deferred taxes on government grants; the precise derivation can be found in Note 8 in the notes to the consolidated financial statements.

Adjusted equity ratio
Ratio of adjusted equity to total assets as a percentage; the precise derivation can be found in Note 8 in the notes to the consolidated financial statements.

CAPEX
Capital expenditures; comprising investments in intangible assets, property, plant and equipment.

Co-products
By-products recovered during pulp and fiber production.

Earnings per share
Ratio of Lenzing AG shareholders’ share in the profit/loss for the year (/the period) to the weighted average number of shares issued as a percentage, calculated according to IFRS.

EBITDA (earnings before interest, taxes, depreciation and amortization)
Operating result before depreciation and amortization or earnings before interest, tax, depreciation on property, plant and equipment and amortization of intangible assets taking into account the release of investment grants; the precise derivation can be found in the consolidated income statement.
**Glossary**

**EBITDA margin**
Ratio of EBITDA to revenue as a percentage.

**EBIT (earnings before interest and taxes)**
Earnings before interest and taxes or operating result; the precise derivation can be found in the consolidated income statement.

**EBIT margin**
Ratio of EBIT to revenue as a percentage.

**EBT (earnings before taxes)**
Earnings before taxes; profit/loss for the year (/the period) before income tax expense; the precise derivation can be found in the consolidated income statement.

**Equity**
The equity item brings together the equity instruments according to IFRS. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting the liabilities. This relates to funds provided to the entity by the owners.

**Financial result**
Total of income from investments accounted for using the equity method and income from non-current and current financial assets plus financing costs; the precise derivation can be found in the consolidated income statement.

**Free cash flow**
Cash flow from operating activities less cash flow from investing activities less net cash inflow from the disposal of subsidiaries plus acquisition of financial assets less proceeds from the disposal or redemption of financial assets. Free cash flow corresponds to the readily available cash flow.
Glossary

**Gross cash flow**
Gross cash flow equals cash flow from operating activities before change in working capital; the precise derivation can be found in the consolidated cash flow statement.

**IAS**
Abbreviation for International Accounting Standard(s); these are internationally recognized accounting rules.

**IFRS**
Abbreviation for International Financial Reporting Standard(s); these are internationally recognized accounting rules.

**Liabilities (excl. post-employment benefits)**
Total assets less adjusted equity less post-employment benefits.

**Liquid assets**
Cash and cash equivalents plus liquid securities and liquid bills of exchange; the precise derivation can be found in Note 8 in the notes to the consolidated financial statements.

**Market capitalization**
Weighted average number of shares multiplied by the share price on the reference date.

**Net debt**
Interest-bearing financial liabilities (=current and non-current financial liabilities) less liquid assets plus provisions for pensions and severance payments.
**Glossary**

**Net financial debt**
Interest-bearing financial liabilities (= non-current and current financial liabilities) less liquid assets; the precise derivation can be found in Note 8 in the notes to the consolidated financial statements.

**Net gearing**
Ratio of net financial debt to adjusted equity as a percentage.

**PEFC**
The Program for the Endorsement of Forest Certification Schemes (PEFC) is an international non-profit organization for wood certification.

www.pefc.org

**Post-employment benefits**
Provisions for pensions and severance payments.

**Profit/loss for the year (/the period)**
Profit/loss after taxes; net profit/loss; the precise derivation can be found in the consolidated income statement.

**Total assets**
Total of non-current and current assets or the total of equity and non-current and current liabilities; the precise derivation can be found in the consolidated statement of financial position.

**Working capital**
Inventories plus trade receivables plus other non-current and current assets less current provisions less trade payables less other non-current and current liabilities.