Agenda

1. Market & trends
2. Well positioned in a growth market
3. sCore TEN – driving value growth
Megatrends support fiber demand growth

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

**Population in bn**

<table>
<thead>
<tr>
<th>Year</th>
<th>Industrial world</th>
<th>CAGR 2010-2020</th>
<th>Developing world</th>
<th>CAGR 2010-2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>0.85</td>
<td></td>
<td>5.27</td>
<td>+1.2%</td>
</tr>
<tr>
<td>2010</td>
<td>0.91</td>
<td>+0.5%</td>
<td>5.99</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>0.96</td>
<td></td>
<td>6.75</td>
<td></td>
</tr>
</tbody>
</table>

**GDP growth in real USD/k/capita**

<table>
<thead>
<tr>
<th>Year</th>
<th>Industrial world</th>
<th>CAGR 2010-2020</th>
<th>Developing world</th>
<th>CAGR 2010-2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>33.4</td>
<td>+1.5%</td>
<td>2.1</td>
<td>+4.2%</td>
</tr>
<tr>
<td>2010</td>
<td>36.3</td>
<td></td>
<td>3.4</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>42.1</td>
<td>+1.5%</td>
<td>5.2</td>
<td></td>
</tr>
</tbody>
</table>

**Textile consumption in kg/capita**

<table>
<thead>
<tr>
<th>Year</th>
<th>Industrial world</th>
<th>CAGR 2010-2020</th>
<th>Developing world</th>
<th>CAGR 2010-2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>26.4</td>
<td>+0.8%</td>
<td>5.2</td>
<td>+4.3%</td>
</tr>
<tr>
<td>2010</td>
<td>28.6</td>
<td></td>
<td>7.9</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>31.0</td>
<td>+0.8%</td>
<td>12.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: IHS, ICAC, Lenzing data
The key growth drivers for fibers

<table>
<thead>
<tr>
<th>Overall fiber market growth</th>
<th>Wealth-related growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population growth-driven</td>
<td>Growing population demanding more fabrics</td>
</tr>
<tr>
<td>Wealth-related growth</td>
<td>Higher per-capita consumption of fibers with increasing income</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fiber mix shifts due to demand fundamentals</th>
<th>Wealth impact developing countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>New fiber technologies and changed use patterns</td>
<td>People exit extreme poverty and can afford garments: Strong increase of low cost products</td>
</tr>
<tr>
<td></td>
<td>Rising middle class: Higher quality and functionality of clothing</td>
</tr>
<tr>
<td></td>
<td>Trend to high-tech clothing and comfort leading to more use of special polyester and MMCF¹</td>
</tr>
</tbody>
</table>

¹ MMCF = Man-made cellulose fibers; viscose, modal and lyocell only – excluding acetate, tow and filament
Sustainability is gaining importance

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
MMCF outgrow market

Expected growth of global fiber demand until 2020

Million metric tons¹

CAGR
(2015e – 2020p)

- MMCF: 5-6% p.a.
- Synthetic fibers: 3-4% p.a.
- Total fiber market: 3-4% p.a.

1) Without wool and other natural fibers

Source: ICAC, CIRFS, Fiber Economics Bureau, National Statistics, The Fiber Year, Lenzing data
China remains the growth engine in global textiles

Global textile demand by value (2003-2020)

<table>
<thead>
<tr>
<th></th>
<th>2003</th>
<th>2013</th>
<th>2020e</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>842</td>
<td>1,144</td>
<td>1,515</td>
</tr>
<tr>
<td>Rest of Asia</td>
<td>17%</td>
<td>18%</td>
<td>15%</td>
</tr>
<tr>
<td>North America</td>
<td>31%</td>
<td>16%</td>
<td>19%</td>
</tr>
<tr>
<td>Europe</td>
<td>36%</td>
<td>23%</td>
<td>27%</td>
</tr>
<tr>
<td>ROW</td>
<td>8%</td>
<td>12%</td>
<td>13%</td>
</tr>
</tbody>
</table>

CAGR (2013-2020e)

- China: 9.2%
- Rest of Asia: 3.1%
- North America: 1.4%
- Europe: 2.4%
- ROW: 5.3%

Source: ICAC World Textile Demand, Euromonitor, Lenzing data
Agenda

1. Market & Trends
2. Well positioned in a growth market
3. sCore TEN – driving value growth
Lenzing is the global leader in cellulose fibers…

- 77 years of history
- Innovation and technology leader
- Globally present

Global market position:

- Lyocell #1
- Modal #1
- Viscose #2

TENCEL®, Lenzing Modal® and Lenzing Viscose® are registered trademarks of the Lenzing Group
...and 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
Global consumer brands trust Lenzing as long-term partner due to our quality leadership and deep technical expertise, resulting in several “co-branding” initiatives.
Agenda

1. Looking back
2. Well positioned in a growth market
3. sCore TEN – driving value growth
The new strategy
Strengthen the Core

- Further strengthen pulp position via backward integration and/or strategic co-operations
- Maintain quality leadership
- Deliver EUR 50mn 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

- Increase management presence and decision power in the regions
- Establish two additional regional application and customer innovation centers
Specialization

- Secure #1 lyocell and modal leadership position via capacity expansion program
- Focus on high-value eco-friendly specialty fibers
- Target 50% of revenue from specialty fibers by 2020
Move selectively forward in the value chain via new game-changing technologies.
New Business Areas

- Select and establish new emerging business areas

- Strengthen the Core

- Specialization

- Customer Intimacy

- Forward Solutions

New Business Areas
2020 financial targets

- **EBITDA** growth of 10% p.a. (vs. 2014 base)
- **ROCE** ≥10%
- **Net financial debt/EBITDA** <2.5
Thank you!
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