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 differ materially from those expressed or implied in such statements.

- None of Lenzing AG or 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.

- Definition and further details on the calculation of financial key indicators can be derived from the Management Report and the glossary in the Annual Financial Report. This report is also available online on the website of the Lenzing Group www.lenzing.com in the section “Investors”.

LEADING FIBER INNOVATION
Highlights Q1/2017

- Very strong start into the year
  - Group revenue up 14% to quarterly all-time-high of EUR 586.2 mn primarily as a result of higher selling prices and an improved product mix
  - Strong EBITDA improvement by 46.6% to new quarterly all-time-high of EUR 135.1 mn
  - Lenzing is for the first time net debt free and showed a net liquidity of EUR 66.5 mn in Q1/2017
- Further progressing with sCore TEN strategy
- Dr. Heiko Arnold started on May 1, 2017 as new Chief Technology Officer (CTO)
Dr. Heiko Arnold – New CTO

- Born in Munich
- Strong scientific and technical education, studies at Darmstadt University (physical chemistry and chemical engineering)
- Longstanding experience, especially in Asia
  - Large-scale investment projects
  - Technology and engineering function in Asia Pacific headquarter (Hong Kong)
  - Two operational leadership roles (manufacturing, investments and technology)
  - Considerable research and development expertise
- Started at Lenzing Group on May 1, 2017
- Role as CTO: Driving Lenzing’s organic growth agenda
  - Bundling all technical competencies in the Lenzing Group
  - Responsible for execution of capital investment projects
  - Focussing and enhancing technology expertise within Lenzing Group to ensure “Best Available Technology” through the life cycle of a particular technology
sCore TEN specialties investment program

- Debottlenecking existing specialties sites by 35 kt until Q2/2018
  - Around EUR 30 mn investment in Lenzing (Austria)
  - Around EUR 70 mn investment in Heiligenkreuz (Austria)

- Lyocell brownfield project of 90 kt until around end of Q1/2019
  - Investment of EUR 275 mn at existing site in Mobile/USA

- Lyocell greenfield expansion in Asia
  - Site selection and investment decision in 2017
sCore TEN – Further progressing

- Evaluation of pulp expansion program by the end of 2017
- Continuous improvement in full swing

- New product launch at Planet Textiles (May 24, 2017)

- Successful launch of Refibra™ branded lyocell fiber
  - Presentation at Première Vision, Paris
  - INDITEX’ “Join life” collection with Refibra™ fiber

- Opening of commercial offices in Turkey and Korea

- Strong brand awareness
  - 360 mn brand contacts (retail)
  - > 400 brand cooperations
  - > 9 mn impressions (digital marketing/blog campaign)

- TENCEL® branded lyocell fiber capacity expansion on track - groundbreaking ceremony in Heiligenkreuz
Interfiber price development

Staple fiber prices - Development in China

Sources: China Cotton Association, China Chemical & Fiber Economic Information Network, China Chemical Fiber Group

1) Until March 31, 2017

Viscose
Cotton
Polyester

USD/kg (incl. VAT)
Cotton market with favorable supply-demand situation in Q1

- Average Cotlook A-Index was at USD 84.8 cents/lbs in Q1/2017 (+26.8% y-o-y)
- Chinese cotton prices still higher than world price levels
- Stable consumption around 24 mn tons
  - Production up 8% leading to a further reduction of cotton stocks at 18 mn tons (lowest level since five years)
- Cotton outlook 2016/17e: Again higher consumption than production

Sources: Cotton Outlook, ICAC, percentage changes based on exact figures
Very strong Q1 viscose price level

- Q1 started with price increases with a high of RMB 17,405 at beginning of March
- Since second half of March price declined; consolidation on still high levels of around RMB 15,600
- Q1 inventory level increased from 6 days to 9 days; operating rates at 89% in China
- Q1-end dissolving wood pulp price of USD 950 up 3% vs the beginning of 2017
- Lenzing specialties on track

1) Viscose staple fibers, price development until March 31, 2017; Source: CCFGroup
2) Source: China Chemical Fiber Group - China Viscose Industry Annual / Outlook Report
Financials – Revenue (EUR mn)

Group revenue

+14.3%

Q1/2016 512.8
Q2/2016 522.0
Q3/2016 543.5
Q4/2016 555.7
Q1/2017 586.2

Share of specialty fibers in Q1/2017

Speciality fibers 12.3%
Standard fibers 41.5%
Other business areas 46.2%
Financials – Earnings (EUR mn)

**EBITDA margin**

- Q1/2016: 18.0%
- Q2/2016: 19.7%
- Q3/2016: 23.1%
- Q4/2016: 19.4%
- Q1/2017: 23.0%

Change: +46.6%

**EBIT margin**

- Q1/2016: 11.6%
- Q2/2016: 13.5%
- Q3/2016: 16.9%
- Q4/2016: 13.4%
- Q1/2017: 17.5%

Change: +72.1%
Financials – Earnings (EUR mn)

**EPS** (EUR)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>EPS</td>
<td>1.64</td>
<td>1.85</td>
<td>2.49</td>
<td>2.50</td>
<td>2.75</td>
</tr>
</tbody>
</table>

+69.6%

1) Attributable to Lenzing AG shareholders
3) Dividend payout from May 2, 2017
4) Dividend yield based on last share price of the year
Financials 2017 – Key figures (EUR mn)

According to IFRS (EUR mn) | 31 March 2017 | 31 Dec. 2016 | Change in %
---|---|---|---
Total assets | 2,690.9 | 2,625.3 | 2.5
Liquid assets¹ | 611.9 | 570.4 | 7.3
thereof liquid funds | 606.6 | 559.6 | 8.4
Total liabilities | 1,250.7 | 1,256.8 | (0.5)
thereof financial liabilities | 545.4 | 577.5 | (5.6)
Adjusted equity² | 1,462.1 | 1,390.5 | 5.1
Adjusted equity ratio (%) | 54.3 | 53.0 | -
Net gearing (%) | - | 0.5 | -
Net financial debt (-)/ Net liquidity (+) | 66.5 | (7.2) | -

According to IFRS (EUR mn) | 31 March 2017 | 31 Dec. 2016 | Change in %
---|---|---|---
Total liquidity cushion | 835.0 | 788.0 | 6.0
thereof liquid assets³ | 611.9 | 570.4 | 7.3
thereof unused credit facilities | 223.1 | 217.7 | 2.5

1) Including cash and cash equivalents, liquid securities and liquid bills of exchange
2) Including government grants less proportionate deferred taxes on government grants
Cash flow development and trading working capital (EUR mn)

+ 47.8% (Gross CF)
+ 1.7% (Operating CF)
(10.3%) (Free CF adj.)

82.4 104.3 164.4 103.1 121.8
90.0 139.8 106.1 98.5 106.1
88.4 110.4 82.5 55.5 79.3

431 362 383 380 384
21.0% 17.3% 17.6% 17.1% 16.4%

Gross cash flow  Operating cash flow  Free cash flow adj.
Trading working capital  Trading working capital in % of annualized group revenue
Outlook 2017 – Priorities

- **Strengthen the core**
  - Take next step on how to achieve 75% backward integration by 2020
  - Further boost continuous improvement culture

- **Customer intimacy**
  - Launch new brand architecture
  - Strengthen direct sales/marketing channels to customers and brands

- **Specialization**
  - Decide on future location of next production site of TENCEL® fiber in Asia
  - Unique new product launches in Q2/2017 and Q3/2017
Outlook 2017 – Fiber market and Lenzing Group

- The International Monetary Fund is forecasting a slight acceleration in global economic growth to 3.5 percent in 2017. However, the political environment will be a source of greater uncertainty. Developments on the fiber markets should be slightly more positive, but still volatile. The market will continue to feel the effects of further reductions in cotton inventories. Polyester fiber prices will remain at a low level, which will lead to a further increase in the interfiber competition.

- The wood-based cellulose fiber segment, which is relevant for Lenzing, should again outpace the overall fiber market. The demand for these cellulose fibers was very good at the beginning of 2017, with the long-term trend pointing towards further growth in viscose and, above all, wood-based cellulose specialty fibers. On the supply side, the market is not expected to see the entry of any notable new production capacity in 2017.

- Lenzing is very well positioned in this environment. In 2017 we will continue to focus on the disciplined implementation of the sCore TEN strategy and, specifically, on specialization and sustainability-driven innovation. The steady expansion of the specialty fiber capacities and the intensification of our brand management will be essential to increasing consumers’ awareness for the unique selling proposition of our fiber products.

- The Lenzing Group had an excellent start into the year 2017 and registered strong demand for its fibers during the first quarter which, in turn, led to continued very high capacity utilization in all product groups. The market price index for viscose fibers was substantially higher than in the comparable prior year period. Under the assumption of unchanged conditions in the fiber market and stable exchange rates, Lenzing expects a considerable improvement in results in the fiscal year 2017 compared to 2016.
Q1/2017 –
Financial information
## Q1/2017: Consolidated Group P&L

<table>
<thead>
<tr>
<th>(EUR mn)</th>
<th>Q1/2017</th>
<th>Q4/2016</th>
<th>Q1/2016</th>
<th>Change Q1/Q4 (%)</th>
<th>Change y-o-y (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>586.2</td>
<td>555.7</td>
<td>512.8</td>
<td>5.5</td>
<td>14.3</td>
</tr>
<tr>
<td>Change in inventories of finished goods and work in progress</td>
<td>(21.4)</td>
<td>18.2</td>
<td>(10.4)</td>
<td>(217.4)</td>
<td>105.5</td>
</tr>
<tr>
<td>Own work capitalized</td>
<td>9.3</td>
<td>3.8</td>
<td>6.1</td>
<td>144.9</td>
<td>53.0</td>
</tr>
<tr>
<td>Other operating income</td>
<td>12.7</td>
<td>11.6</td>
<td>11.4</td>
<td>9.6</td>
<td>11.5</td>
</tr>
<tr>
<td>Cost of material and purchased services</td>
<td>(299.2)</td>
<td>(338.9)</td>
<td>(292.5)</td>
<td>(11.7)</td>
<td>2.3</td>
</tr>
<tr>
<td>Personnel expenses</td>
<td>(85.5)</td>
<td>(80.1)</td>
<td>(75.3)</td>
<td>6.8</td>
<td>13.6</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>(66.9)</td>
<td>(62.6)</td>
<td>(59.9)</td>
<td>6.8</td>
<td>11.7</td>
</tr>
<tr>
<td>EBITDA/ Margin</td>
<td>135.1/23.0%</td>
<td>107.7/19.4%</td>
<td>92.2/18.0%</td>
<td>25.4</td>
<td>46.6</td>
</tr>
<tr>
<td>Depreciation &amp; Amortization</td>
<td>(33.4)</td>
<td>(34.2)</td>
<td>(33.4)</td>
<td>(39.7)</td>
<td>(10.6)</td>
</tr>
<tr>
<td>Income from the release of investment grants</td>
<td>0.6</td>
<td>1.1</td>
<td>0.7</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>EBIT/ Margin</td>
<td>102.3/17.5%</td>
<td>74.6/13.4%</td>
<td>59.5/11.6%</td>
<td>37.2</td>
<td>72.1</td>
</tr>
<tr>
<td>Financial result</td>
<td>(3.4)</td>
<td>14.5</td>
<td>(4.4)</td>
<td>(123.6)</td>
<td>(22.0)</td>
</tr>
<tr>
<td>Allocation of profit or loss to puttable non-controlling interests</td>
<td>(1.6)</td>
<td>(1.6)</td>
<td>0.7</td>
<td>0.3</td>
<td>(315.3)</td>
</tr>
<tr>
<td>EBT/ Margin</td>
<td>97.3/16.6%</td>
<td>87.5/15.8%</td>
<td>55.8/10.9%</td>
<td>11.2</td>
<td>74.3</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>(22.3)</td>
<td>(20.5)</td>
<td>(11.6)</td>
<td>8.7</td>
<td>92.4</td>
</tr>
<tr>
<td>Tax rate (%)</td>
<td>22.9</td>
<td>23.5</td>
<td>20.8</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net income/Margin</td>
<td>75.0/12.8%</td>
<td>67.0/12.1%</td>
<td>44.2/8.6%</td>
<td>12.0</td>
<td>69.6</td>
</tr>
<tr>
<td>Net income after minorities/Margin</td>
<td>73.0/12.4%</td>
<td>66.4/11.9%</td>
<td>43.5/8.5%</td>
<td>10.0</td>
<td>67.9</td>
</tr>
<tr>
<td>EPS (in EUR)</td>
<td>2.75</td>
<td>2.50</td>
<td>1.64</td>
<td>10.0</td>
<td>67.9</td>
</tr>
</tbody>
</table>

## Q1/2017: Topline breakdown

<table>
<thead>
<tr>
<th>Breakdown of Fibers segment revenue</th>
<th>Q1/2017</th>
<th>Q4/2016</th>
<th>Change Q1/Q4 (%)</th>
<th>Q1/2016</th>
<th>Change y-o-y (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Textile fibers (%)</td>
<td>71.5</td>
<td>71.0</td>
<td>0.5</td>
<td>70.7</td>
<td>0.8</td>
</tr>
<tr>
<td>Nonwoven fibers (%)</td>
<td>28.5</td>
<td>29.0</td>
<td>(0.5)</td>
<td>29.3</td>
<td>(0.8)</td>
</tr>
<tr>
<td>Fibers only</td>
<td>508.5</td>
<td>489.0</td>
<td>4.0</td>
<td>462.3</td>
<td>10.0</td>
</tr>
<tr>
<td>Others¹</td>
<td>75.6</td>
<td>64.0</td>
<td>17.9</td>
<td>48.5</td>
<td>55.9</td>
</tr>
<tr>
<td>Total segment Fibers</td>
<td>584.0</td>
<td>553.0</td>
<td>5.6</td>
<td>510.8</td>
<td>14.3</td>
</tr>
<tr>
<td>Total segment Lenzing Technik</td>
<td>9.9</td>
<td>10.7</td>
<td>(7.4)</td>
<td>8.9</td>
<td>11.5</td>
</tr>
<tr>
<td>Others and consolidation</td>
<td>(7.8)</td>
<td>(8.1)</td>
<td>(3.8)</td>
<td>(6.8)</td>
<td>13.7</td>
</tr>
<tr>
<td>Total Group revenue</td>
<td>586.2</td>
<td>555.7</td>
<td>5.5</td>
<td>512.8</td>
<td>14.3</td>
</tr>
</tbody>
</table>

¹) Includes sales of sodium sulfate and black liquor, external sales of pulp, wood and energy
Q1/2017: Total Opex structure

Q1/2017 (Total Opex EUR 451.7 mn)
- Cost of material and purchased services: 299.2 (66.3%)
- Personnel expenses: 59.9 (14.8%)
- Other operating expenses: 85.5 (18.9%)

Q1/2016 (Total Opex EUR 427.7 mn)
- Cost of material and purchased services: 292.5 (68.4%)
- Personnel expenses: 59.9 (14.0%)
- Other operating expenses: 75.3 (17.6%)
Q1/2017: Net debt bridge

1) Gross cash flow before taxes and interest
2) Including CAPEX of EUR (26.9) mn and financial assets of EUR (0.4) mn
3) Change in total working capital
   Adjustment change in liquid bills of exchange
   Change in total working capital adj.

132.5

Net Financial Debt FY 2016
Tax
Net Interest
Gross CF
Cash Capex (incl. Fin. Ass.)
Change in Trading WC
Change in other WC
Dividend
Transaction from the sale of subsidiaries
Currency Translation
Others
Net Liquidity Q1 2017

27.2
16.8
4.3
0.0
0.6
1.1
0.8
66.5

Change in total working capital EUR (21.1) mn³

7.2
10.0
0.7

1) Gross cash flow before taxes and interest
2) Including CAPEX of EUR (26.9) mn and financial assets of EUR (0.4) mn
3) Change in total working capital
   Adjustment change in liquid bills of exchange
   Change in total working capital adj.

EUR (15.7) mn (according to cash flow statement)
EUR (5.4) mn
EUR (21.1) mn (according to net debt)
# Q1/2017: Cash flow

<table>
<thead>
<tr>
<th>(EUR mn)</th>
<th>Q1/2017</th>
<th>Q4/2016</th>
<th>Change Q1/Q4 (%)</th>
<th>Q1/2016</th>
<th>Change y-o-y (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross CF (before taxes and interest)</td>
<td>132.5</td>
<td>124.8</td>
<td>6.2</td>
<td>95.0</td>
<td>39.5</td>
</tr>
<tr>
<td>Taxes and interest</td>
<td>(10.7)</td>
<td>(21.7)</td>
<td>(50.5)</td>
<td>(12.6)</td>
<td>(15.1)</td>
</tr>
<tr>
<td>Gross CF (after taxes and interest)</td>
<td>121.8</td>
<td>103.1</td>
<td>18.1</td>
<td>82.4</td>
<td>47.8</td>
</tr>
<tr>
<td>Change in total working capital¹</td>
<td>(15.7)</td>
<td>(4.7)</td>
<td>236.2</td>
<td>21.9</td>
<td>(171.6)</td>
</tr>
<tr>
<td>Operating cash flow</td>
<td>106.1</td>
<td>98.5</td>
<td>7.8</td>
<td>104.3</td>
<td>1.7</td>
</tr>
<tr>
<td>Investment cash flow²</td>
<td>(25.9)</td>
<td>(43.1)</td>
<td>(39.9)</td>
<td>(16.1)</td>
<td>61.2</td>
</tr>
<tr>
<td>Free cash flow unadj.</td>
<td>80.2</td>
<td>55.3</td>
<td>45.0</td>
<td>88.2</td>
<td>(9.1)</td>
</tr>
<tr>
<td>Net inflow from sale of subsidiary</td>
<td>(0.6)</td>
<td>0.0</td>
<td>-</td>
<td>0.0</td>
<td>-</td>
</tr>
<tr>
<td>Acquisition of other financial assets</td>
<td>0.4</td>
<td>2.7</td>
<td>(86.3)</td>
<td>0.4</td>
<td>(13.1)</td>
</tr>
<tr>
<td>Proceeds/repayments of other financial assets</td>
<td>(0.7)</td>
<td>(2.5)</td>
<td>(71.4)</td>
<td>(0.2)</td>
<td>247.9</td>
</tr>
<tr>
<td>Free cash flow adj.</td>
<td>79.3</td>
<td>55.5</td>
<td>42.8</td>
<td>88.4</td>
<td>(10.3)</td>
</tr>
</tbody>
</table>

¹ Including trade and other working capital
² Including investment in financial assets and proceeds from disposal
2016 –
Backup financial information
## FY 2016: Consolidated Group P&L

### (EUR mn)

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>Change y-o-y (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>2,134.1</td>
<td>1,976.8</td>
<td>8.0</td>
</tr>
<tr>
<td>Change in inventories of finished goods and work in progress</td>
<td>6.4</td>
<td>(7.3)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Own work capitalized</strong></td>
<td>21.8</td>
<td>29.2</td>
<td>(25.4)</td>
</tr>
<tr>
<td><strong>Other operating income</strong></td>
<td>45.5</td>
<td>45.7</td>
<td>(0.4)</td>
</tr>
<tr>
<td>Cost of material and purchased services</td>
<td>(1,223.8)</td>
<td>(1,218.3)</td>
<td>0.5</td>
</tr>
<tr>
<td>Personnel expenses</td>
<td>(319.2)</td>
<td>(300.2)</td>
<td>6.3</td>
</tr>
<tr>
<td><strong>Other operating expenses</strong></td>
<td>(236.6)</td>
<td>(235.9)</td>
<td>0.3</td>
</tr>
<tr>
<td><strong>EBITDA/Margin</strong></td>
<td>428.3/20.1%</td>
<td>290.1/14.7%</td>
<td>47.6</td>
</tr>
<tr>
<td>Depreciation &amp; amortization</td>
<td>(135.1)</td>
<td>(142.2)</td>
<td>(5.0)</td>
</tr>
<tr>
<td>Income from the release of investment grants</td>
<td>3.1</td>
<td>3.2</td>
<td>(3.6)</td>
</tr>
<tr>
<td><strong>EBIT/Margin</strong></td>
<td>296.3/13.9%</td>
<td>151.1/7.6%</td>
<td>96.1</td>
</tr>
<tr>
<td><strong>Financial result</strong></td>
<td>3.1</td>
<td>(3.5)</td>
<td>-</td>
</tr>
<tr>
<td>Allocation of profit or loss to puttable non-controlling interests</td>
<td>(4.8)</td>
<td>(0.2)</td>
<td>-</td>
</tr>
<tr>
<td><strong>EBT/Margin</strong></td>
<td>294.6/13.8%</td>
<td>147.4/7.5%</td>
<td>99.9</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>(65.5)</td>
<td>(19.3)</td>
<td>239.5</td>
</tr>
<tr>
<td>Tax rate (%)</td>
<td>22.2</td>
<td>13.1</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net profit/Margin</strong></td>
<td>229.1/10.7%</td>
<td>128.1/6.5%</td>
<td>78.9</td>
</tr>
<tr>
<td>Net profit attributable to shareholders of Lenzing AG/Margin</td>
<td>225.0/10.5%</td>
<td>127.0/6.4%</td>
<td>77.2</td>
</tr>
<tr>
<td><strong>EPS (in EUR)</strong></td>
<td>8.48</td>
<td>4.78</td>
<td>77.2</td>
</tr>
</tbody>
</table>

---

Error correction in accordance with IAS 8 (see Consolidated Financial Statements 2016 of the Lenzing Group)
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>512.8</td>
<td>522.0</td>
<td>543.5</td>
<td>555.7</td>
<td>2.2</td>
<td>518.0</td>
<td>7.3</td>
</tr>
<tr>
<td>Change in inventories of finished goods and work in progress</td>
<td>(10.4)</td>
<td>2.4</td>
<td>(3.8)</td>
<td>18.2</td>
<td>-</td>
<td>8.6</td>
<td>111.8</td>
</tr>
<tr>
<td>Own work capitalized</td>
<td>6.1</td>
<td>5.4</td>
<td>6.5</td>
<td>3.8</td>
<td>(42.1)</td>
<td>8.6</td>
<td>(55.9)</td>
</tr>
<tr>
<td>Other operating income</td>
<td>11.4</td>
<td>11.8</td>
<td>10.7</td>
<td>11.6</td>
<td>8.7</td>
<td>7.8</td>
<td>48.6</td>
</tr>
<tr>
<td>Cost of material and purchased services</td>
<td>(292.5)</td>
<td>(297.5)</td>
<td>(294.8)</td>
<td>(338.9)</td>
<td>15.0</td>
<td>(325.2)</td>
<td>4.2</td>
</tr>
<tr>
<td>Personnel expenses</td>
<td>(75.3)</td>
<td>(80.8)</td>
<td>(83.1)</td>
<td>(80.1)</td>
<td>(3.6)</td>
<td>(76.2)</td>
<td>5.0</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>(59.9)</td>
<td>(60.5)</td>
<td>(53.6)</td>
<td>(62.6)</td>
<td>16.9</td>
<td>(61.9)</td>
<td>1.1</td>
</tr>
<tr>
<td>EBITDA/Margin</td>
<td>92.2/18.0%</td>
<td>102.9/19.7%</td>
<td>125.5/23.1%</td>
<td>107.7/19.4%</td>
<td>(14.2)</td>
<td>79.5/15.4%</td>
<td>35.4</td>
</tr>
<tr>
<td>Depreciation &amp; Amortization</td>
<td>(33.4)</td>
<td>(33.4)</td>
<td>(34.1)</td>
<td>(34.2)</td>
<td>0.2</td>
<td>(41.5)</td>
<td>(17.6)</td>
</tr>
<tr>
<td>Income from the release of investment grants</td>
<td>0.7</td>
<td>0.7</td>
<td>0.6</td>
<td>1.1</td>
<td>71.4</td>
<td>1.1</td>
<td>(2.6)</td>
</tr>
<tr>
<td>EBIT/Margin</td>
<td>59.5/11.6%</td>
<td>70.3/13.5%</td>
<td>92.0/16.9%</td>
<td>74.6/13.4%</td>
<td>(18.9)</td>
<td>39.1/7.6%</td>
<td>90.7</td>
</tr>
<tr>
<td>Financial result</td>
<td>(4.4)</td>
<td>(3.0)</td>
<td>(4.1)</td>
<td>14.5</td>
<td>-</td>
<td>(4.1)</td>
<td>-</td>
</tr>
<tr>
<td>Allocation of profit or loss to puttable non-controlling interests</td>
<td>0.7</td>
<td>(0.8)</td>
<td>(3.1)</td>
<td>(1.6)</td>
<td>(49.3)</td>
<td>(0.1)</td>
<td>-</td>
</tr>
<tr>
<td>EBT Margin</td>
<td>55.8/10.9%</td>
<td>66.5/12.7%</td>
<td>84.8/15.6%</td>
<td>87.5/15.8%</td>
<td>3.3</td>
<td>35.0/6.7%</td>
<td>150.4</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>(11.6)</td>
<td>(16.1)</td>
<td>(17.3)</td>
<td>(20.5)</td>
<td>19.0</td>
<td>8.3</td>
<td>-</td>
</tr>
<tr>
<td>Tax rate (%)</td>
<td>20.8</td>
<td>24.3</td>
<td>20.4</td>
<td>23.5</td>
<td>-</td>
<td>(23.7)</td>
<td>-</td>
</tr>
<tr>
<td>Net profit Margin</td>
<td>44.2/8.6%</td>
<td>50.3/9.6%</td>
<td>67.5/12.4%</td>
<td>67.0/12.1%</td>
<td>(0.7)</td>
<td>43.3/8.4%</td>
<td>54.9</td>
</tr>
<tr>
<td>Net profit attributable to shareholders of Lenzing AG/Margin</td>
<td>43.5/8.5%</td>
<td>49.2/9.4%</td>
<td>66.0/12.1%</td>
<td>66.4/11.9%</td>
<td>0.6</td>
<td>41.0/7.9%</td>
<td>61.7</td>
</tr>
<tr>
<td>EPS (in EUR)</td>
<td>1.64</td>
<td>1.85</td>
<td>2.49</td>
<td>2.50</td>
<td>0.6</td>
<td>1.55</td>
<td>61.7</td>
</tr>
</tbody>
</table>

Error correction in accordance with IAS 8 (see Consolidated Financial Statements 2016 of the Lenzing Group)
## FY 2016: Topline breakdown

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Breakdown of Fibers segment revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Textile fibers (%)</td>
<td>70.7</td>
<td>71.2</td>
<td>70.6</td>
<td>71.0</td>
<td>0.4</td>
<td>71.6</td>
<td>(0.6)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nonwoven fibers (%)</td>
<td>29.3</td>
<td>28.8</td>
<td>29.4</td>
<td>29.0</td>
<td>(0.4)</td>
<td>28.4</td>
<td>0.6</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fibers only</td>
<td>462.3</td>
<td>466.8</td>
<td>479.1</td>
<td>489.0</td>
<td>2.1</td>
<td>452.2</td>
<td>8.1</td>
<td>1,897.2</td>
<td>1,730.4</td>
<td>9.6</td>
</tr>
<tr>
<td>Others¹</td>
<td>48.5</td>
<td>52.9</td>
<td>62.6</td>
<td>64.0</td>
<td>2.2</td>
<td>64.8</td>
<td>(1.2)</td>
<td>228.0</td>
<td>204.2</td>
<td>11.6</td>
</tr>
<tr>
<td><strong>Total segment Fibers</strong></td>
<td>510.8</td>
<td>519.7</td>
<td>541.7</td>
<td>553.0</td>
<td>2.1</td>
<td>517.0</td>
<td>7.0</td>
<td>2,125.2</td>
<td>1,934.6</td>
<td>9.9</td>
</tr>
<tr>
<td><strong>Total segment Lenzing Technik</strong></td>
<td>8.9</td>
<td>8.6</td>
<td>7.7</td>
<td>10.7</td>
<td>38.8</td>
<td>12.7</td>
<td>(15.9)</td>
<td>35.9</td>
<td>70.6</td>
<td>(49.2)</td>
</tr>
<tr>
<td>Others and consolidation</td>
<td>(6.8)</td>
<td>(6.2)</td>
<td>(5.9)</td>
<td>(8.1)</td>
<td>36.4</td>
<td>(11.7)</td>
<td>(31.7)</td>
<td>(27.0)</td>
<td>(28.4)</td>
<td>(4.9)</td>
</tr>
<tr>
<td><strong>Total Group revenue</strong></td>
<td>512.8</td>
<td>522.0</td>
<td>543.5</td>
<td>555.7</td>
<td>2.2</td>
<td>518.0</td>
<td>7.3</td>
<td>2,134.1</td>
<td>1,976.8</td>
<td>8.0</td>
</tr>
</tbody>
</table>

1) Includes sales of sodium sulfate and black liquor, external sales of pulp, wood and energy
Financials 2016 – Earnings per quarter (EUR mn)

**EBITDA margin**
- Q4/2015: 15.4%
- Q1/2016: 18.0%
- Q2/2016: 19.7%
- Q3/2016: 23.1%
- Q4/2016: 19.4%

**EBIT margin**
- Q4/2015: 7.6%
- Q1/2016: 11.6%
- Q2/2016: 13.5%
- Q3/2016: 16.9%
- Q4/2016: 13.4%

**EPS (EUR)**
- Q4/2015: 1.55 EUR
- Q1/2016: 1.64 EUR
- Q2/2016: 1.85 EUR
- Q3/2016: 2.49 EUR
- Q4/2016: 2.50 EUR

---

**EBITDA**
- Q4/2015: 79.5 EUR mn
- Q1/2016: 92.2 EUR mn
- Q2/2016: 102.9 EUR mn
- Q3/2016: 125.5 EUR mn
- Q4/2016: 107.7 EUR mn

**EBIT**
- Q4/2015: 39.1 EUR mn
- Q1/2016: 59.5 EUR mn
- Q2/2016: 70.3 EUR mn
- Q3/2016: 92.0 EUR mn
- Q4/2016: 74.6 EUR mn

**Group net profit**
- Q4/2015: 43.3 EUR mn
- Q1/2016: 44.2 EUR mn
- Q2/2016: 50.3 EUR mn
- Q3/2016: 67.5 EUR mn
- Q4/2016: 67.0 EUR mn

1) Error correction in accordance with IAS 8 (see Consolidated Financial Statements 2016 of the Lenzing Group)
Financials 2016 – Earnings (EUR mn)

**EBITDA margin**
- 2012: 16.9%
- 2013: 11.8%
- 2014: 12.9%
- 2015: 14.7%
- 2016: 20.1%

**EBIT margin**
- 2012: 11.1%
- 2013: 4.5%
- 2014: 1.2%
- 2015: 7.6%
- 2016: 13.9%

**EPS\(^1,2\) (EUR)**
- 2012: 6.61
- 2013: 1.89
- 2014: (0.92)
- 2015: 4.78
- 2016: 8.48

1) Error correction in accordance with IAS 8 (see Consolidated Financial Statements 2016 of the Lenzing Group)
2) Attributable to Lenzing AG shareholders

---

LEADING FIBER INNOVATION

28
## FY 2016: OPEX as of total sales

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total sales</strong></td>
<td>512.8</td>
<td>522.0</td>
<td>543.5</td>
<td>555.7</td>
<td>2.2</td>
<td>518.0</td>
<td>7.3</td>
<td>2,134.1</td>
<td>1,976.8</td>
<td>8.0</td>
</tr>
<tr>
<td><strong>Total OPEX</strong></td>
<td>(427.7)</td>
<td>(438.8)</td>
<td>(431.4)</td>
<td>(481.6)</td>
<td>11.6</td>
<td>(463.4)</td>
<td>3.9</td>
<td>(1,779.6)</td>
<td>(1,754.4)</td>
<td>1.4</td>
</tr>
<tr>
<td><strong>Total cost of material and purchased services</strong></td>
<td>(292.5)</td>
<td>(297.5)</td>
<td>(294.8)</td>
<td>(338.9)</td>
<td>15.0</td>
<td>(325.2)</td>
<td>4.2</td>
<td>(1,223.8)</td>
<td>(1,218.3)</td>
<td>0.5</td>
</tr>
<tr>
<td>as % of total sales</td>
<td>57.0</td>
<td>57.0</td>
<td>54.2</td>
<td>61.0</td>
<td>-</td>
<td>62.8</td>
<td>-</td>
<td>57.3</td>
<td>61.6</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total personnel expenses</strong></td>
<td>(75.3)</td>
<td>(80.8)</td>
<td>(83.1)</td>
<td>(80.1)</td>
<td>(3.6)</td>
<td>(76.2)</td>
<td>5.0</td>
<td>(319.2)</td>
<td>(300.2)</td>
<td>6.3</td>
</tr>
<tr>
<td>as % of total sales</td>
<td>14.7</td>
<td>15.5</td>
<td>15.3</td>
<td>14.4</td>
<td>-</td>
<td>14.7</td>
<td>-</td>
<td>15.0</td>
<td>15.2</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total other operating expenses</strong></td>
<td>(59.9)</td>
<td>60.5</td>
<td>(53.6)</td>
<td>(62.6)</td>
<td>16.9</td>
<td>(61.9)</td>
<td>1.1</td>
<td>(236.6)</td>
<td>(235.9)</td>
<td>0.3</td>
</tr>
<tr>
<td>as % of total sales</td>
<td>11.7</td>
<td>11.6</td>
<td>9.9</td>
<td>11.3</td>
<td>-</td>
<td>12.0</td>
<td>-</td>
<td>11.1</td>
<td>11.9</td>
<td>-</td>
</tr>
</tbody>
</table>

1) Includes cost of material and purchased services, personnel expenses and other operating expenses
FY 2016: Solid balance sheet\(^1\)
as at Dec. 31, 2016

\[\text{\sum EUR 2,625.3 mn}\]

\[\text{\sum EUR 2,625.3 mn}\]

<table>
<thead>
<tr>
<th>Assets</th>
<th>31 Dec. 2016</th>
<th>31 Dec. 2015(^1)</th>
<th>Change in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property, plant</td>
<td>1,278.9</td>
<td>1,278.9</td>
<td>0.0</td>
</tr>
<tr>
<td>and equipment</td>
<td></td>
<td>(48.7%)</td>
<td></td>
</tr>
<tr>
<td>Inventories</td>
<td>329.4</td>
<td>333.1</td>
<td>1.2</td>
</tr>
<tr>
<td>(12.6%)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade receivables</td>
<td>277.4</td>
<td>279.8</td>
<td>1.0</td>
</tr>
<tr>
<td>(10.6%)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash</td>
<td>559.6</td>
<td>549.3</td>
<td>1.9</td>
</tr>
<tr>
<td>equivalents</td>
<td></td>
<td>(21.3%)</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>179.9</td>
<td>177.3</td>
<td>1.5</td>
</tr>
<tr>
<td>(6.9%)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>2,625.3</td>
<td>2,410.6</td>
<td>8.9</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities</th>
<th>31 Dec. 2016</th>
<th>31 Dec. 2015(^1)</th>
<th>Change in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property, plant</td>
<td>1,368.5</td>
<td>1,368.5</td>
<td>0.0</td>
</tr>
<tr>
<td>and equipment</td>
<td></td>
<td>(52.1%)</td>
<td></td>
</tr>
<tr>
<td>Financial liabilities</td>
<td>577.5</td>
<td>577.5</td>
<td>0.0</td>
</tr>
<tr>
<td>(22.0%)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade receivables</td>
<td>227.2</td>
<td>227.2</td>
<td>0.0</td>
</tr>
<tr>
<td>(8.7%)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provisions</td>
<td>235.4</td>
<td>235.4</td>
<td>0.0</td>
</tr>
<tr>
<td>(9.0%)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade payables</td>
<td>216.7</td>
<td>216.7</td>
<td>0.0</td>
</tr>
<tr>
<td>(8.3%)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>179.9</td>
<td>177.3</td>
<td>1.5</td>
</tr>
<tr>
<td>(6.9%)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>1,256.8</td>
<td>1,211.8</td>
<td>3.7</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>According to IFRS (EUR mn)</th>
<th>31 Dec. 2016</th>
<th>31 Dec. 2015(^1)</th>
<th>Change in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>2,625.3</td>
<td>2,410.6</td>
<td>8.9</td>
</tr>
<tr>
<td>Liquid assets(^2)</td>
<td>570.4</td>
<td>355.3</td>
<td>60.5</td>
</tr>
<tr>
<td>thereof liquid funds</td>
<td>559.6</td>
<td>347.3</td>
<td>61.1</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>1,256.8</td>
<td>1,211.8</td>
<td>3.7</td>
</tr>
<tr>
<td>thereof financial liabilities</td>
<td>577.5</td>
<td>683.2</td>
<td>(15.5)</td>
</tr>
<tr>
<td>Adjusted equity(^2)</td>
<td>1,390.5</td>
<td>1,218.6</td>
<td>14.1</td>
</tr>
<tr>
<td>Adjusted equity ratio (%)</td>
<td>53.0</td>
<td>50.6</td>
<td>-</td>
</tr>
<tr>
<td>Net gearing (%)</td>
<td>0.5</td>
<td>26.9</td>
<td>-</td>
</tr>
<tr>
<td>Net financial debt</td>
<td>7.2</td>
<td>327.9</td>
<td>(97.8)</td>
</tr>
<tr>
<td>Net financial debt/EBITDA</td>
<td>0.0</td>
<td>1.1</td>
<td>(98.5)</td>
</tr>
<tr>
<td>ROCE</td>
<td>15.1%</td>
<td>8.1%</td>
<td>-</td>
</tr>
</tbody>
</table>

\(^1\) Error correction in accordance with IAS 8 (see Consolidated Financial Statements 2016 of the Lenzing Group)
\(^2\) Including cash and cash equivalents, liquid securities and liquid bills of exchange
\(^3\) Including government grants less proportionate deferred taxes on government grants
FY 2016 Total opex structure

2015 (Total Opex EUR 1,754.4 mn)
- Cost of material and purchased services: 300.2 mn (17.1%)
- Personnel expenses: 235.9 mn (13.4%)
- Other operating expenses: 1,218.3 mn (69.4%)

2016 (Total Opex EUR 1,779.6 mn)
- Cost of material and purchased services: 319.2 mn (17.9%)
- Personnel expenses: 236.6 mn (13.3%)
- Other operating expenses: 1,223.8 mn (68.8%)
FY 2016: Net debt bridge

EUR mn

- Net Financial Debt FY 2015: 327.9 EUR mn
- Tax: 43.0 EUR mn
- Net Interest: 16.5 EUR mn
- Gross CF: 445.4 EUR mn
- Cash Capex (incl. Fin. Ass.): 110.8 EUR mn
- Change in Trading WC: 52.3 EUR mn
- Change in other WC: 38.0 EUR mn
- Dividend: 53.2 EUR mn
- Transaction from the sale of subsidiaries: 1.4 EUR mn
- Currency Translation: 0.6 EUR mn
- Others: 6.5 EUR mn
- Net Financial Debt FY 2016: 327.9 EUR mn

1) Gross cash flow before taxes and interest
2) Including CAPEX of EUR (107.2) mn and financial assets of EUR (3.6) mn
3) Change in total working capital adj.

Adjustment change in liquid bills of exchange: EUR 87.5 mn (according to cash flow statement)
Change in total working capital adj.: EUR 2.8 mn
Net Financial Debt adj.: EUR 90.3 mn (according to net debt)
**FY 2016: Cash flow by quarters**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross cash flow (before taxes and interest)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>445.4</td>
<td>321.8</td>
<td>38.4</td>
</tr>
<tr>
<td>Taxes and interest</td>
<td>(12.6)</td>
<td>(13.8)</td>
<td>(11.4)</td>
<td>(21.7)</td>
<td>90.3</td>
<td>(9.7)</td>
<td>123.3</td>
<td>(59.5)</td>
<td>(37.4)</td>
<td>59.2</td>
</tr>
<tr>
<td>Gross cash flow (after taxes and interest)</td>
<td>82.4</td>
<td>90.0</td>
<td>110.4</td>
<td>103.1</td>
<td>(6.6)</td>
<td>72.5</td>
<td>42.3</td>
<td>385.9</td>
<td>284.5</td>
<td>35.7</td>
</tr>
<tr>
<td>Change in total working capital&lt;sup&gt;2&lt;/sup&gt;</td>
<td>21.9</td>
<td>74.5</td>
<td>(4.3)</td>
<td>(4.7)</td>
<td>9.7</td>
<td>(41.9)</td>
<td>(88.8)</td>
<td>87.5</td>
<td>(68.9)</td>
<td>-</td>
</tr>
<tr>
<td>Operating cash flow</td>
<td>104.3</td>
<td>164.4</td>
<td>106.1</td>
<td>98.5</td>
<td>(7.2)</td>
<td>30.6</td>
<td>221.7</td>
<td>473.4</td>
<td>215.6</td>
<td>119.6</td>
</tr>
<tr>
<td>Investment cash flow&lt;sup&gt;3&lt;/sup&gt;</td>
<td>(16.1)</td>
<td>(20.9)</td>
<td>(23.5)</td>
<td>(43.1)</td>
<td>83.5</td>
<td>(25.1)</td>
<td>71.9</td>
<td>(103.6)</td>
<td>(56.5)</td>
<td>83.2</td>
</tr>
<tr>
<td>Free cash flow unadj.</td>
<td>88.2</td>
<td>143.5</td>
<td>82.6</td>
<td>55.3</td>
<td>(33.0)</td>
<td>5.5</td>
<td>-</td>
<td>369.8</td>
<td>159.0</td>
<td>132.5</td>
</tr>
<tr>
<td>Net inflow from sale of subsidiary</td>
<td>0.0</td>
<td>(1.4)</td>
<td>0.0</td>
<td>0.0</td>
<td>-</td>
<td>0.8</td>
<td>-</td>
<td>(1.4)</td>
<td>(13.4)</td>
<td>(89.2)</td>
</tr>
<tr>
<td>Acquisition of other financial assets</td>
<td>0.4</td>
<td>0.2</td>
<td>0.2</td>
<td>2.7</td>
<td>-</td>
<td>2.9</td>
<td>(5.6)</td>
<td>3.5</td>
<td>4.9</td>
<td>(28.5)</td>
</tr>
<tr>
<td>Proceeds/repayments of other financial assets</td>
<td>(0.2)</td>
<td>(2.6)</td>
<td>(0.3)</td>
<td>(2.5)</td>
<td>-</td>
<td>(5.0)</td>
<td>(50.1)</td>
<td>(5.6)</td>
<td>(5.6)</td>
<td>(0.7)</td>
</tr>
<tr>
<td>Free cash flow adj.</td>
<td>88.4</td>
<td>139.8</td>
<td>82.5</td>
<td>55.5</td>
<td>(32.7)</td>
<td>4.1</td>
<td>-</td>
<td>366.3</td>
<td>145.0</td>
<td>152.6</td>
</tr>
</tbody>
</table>

1) Including trade and other working capital  
2) Including investment in and proceeds from disposal of financial assets
Cash flow development and trading working capital (EUR mn)

+ 35.7% (Gross CF)
+ 119.6% (Operating CF)
+ 152.6% (Free CF adj.)

<table>
<thead>
<tr>
<th>Year</th>
<th>Gross cash flow</th>
<th>Operating cash flow</th>
<th>Free cash flow adj.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>248.0</td>
<td>209.4</td>
<td>(109.1)</td>
</tr>
<tr>
<td>2013</td>
<td>230.8</td>
<td>94.6</td>
<td>(163.9)</td>
</tr>
<tr>
<td>2014</td>
<td>218.8</td>
<td>82.3</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>284.5</td>
<td>114.8</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>215.6</td>
<td>145.0</td>
<td></td>
</tr>
<tr>
<td></td>
<td>385.9</td>
<td>366.3</td>
<td></td>
</tr>
</tbody>
</table>

Trading working capital in % of annualized group revenue:

- 2012: 17.4%
- 2013: 21.3%
- 2014: 19.5%
- 2015: 21.6%
- 2016: 17.1%
Appendix – Equity story
Lenzing – Our mission

“Lenzing is a performance materials company that turns CO$_2$ and sunlight into highly functional, emotional and aesthetic products across the globe”
Global fiber market at a glance
2016e consumption numbers

1) Incl. bast, flax, hemp, jute, silk and allied fibers
2) Wood-based and cotton linter-based cellulose fibers, previously named man-made cellulosics
Source: CIRFS, The Fiber Year, The Fiber Organon, Lenzing estimates

- Synthetic fibers: 62.7%
- Cellulose- & protein-based fibers:
  - Cotton: 24.3%
  - Wool: 1.1%
  - Other natural fibers: 5.3%
- Wood-based fibers:
  - Viscose/Rayon
  - Modal
  - TENCEL® fiber/Lyocell: 6.6%
**Lenzing - Market leader in all three fiber generations**

<table>
<thead>
<tr>
<th>Brands</th>
<th>Market Position</th>
<th>Competitive Intensity</th>
</tr>
</thead>
<tbody>
<tr>
<td>TENCEL®</td>
<td># 1</td>
<td>Low</td>
</tr>
<tr>
<td>Lenzing Modal®</td>
<td># 1</td>
<td>Medium</td>
</tr>
<tr>
<td>Lenzing Viscose®</td>
<td># 2</td>
<td>High</td>
</tr>
</tbody>
</table>

Source: Lenzing data, CCFG, CCFEI

TENCEL® fiber, Lenzing Modal® fiber and Lenzing Viscose® fiber are registered trademarks of the Lenzing Group
Lenzing is innovation leader in lyocell with TENCEL® fiber

- **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® fiber
  - Application development and downstream partnerships
  - Pioneering the technology and successful scale-up
- Very strong pipeline of product and process innovation

1) Lenzing brand
Focus on innovations: Industry leading R&D spend

- R&D is an essential part of the sCore TEN strategy
  - R&D expenditures increased more than 50%
- Strong innovation pipeline
- New testing facilities and pilot plants
- Refibra™ fiber: milestone in lyocell fiber production
- R&D spending commitments expected to increase to about EUR 50 mn as per Frascati definition for 2017
- As of December 2016, Lenzing owned
  - approx. 1,140 patent applications/patents in 50 countries belonging to 189 patent families
  - approx. 2,040 trademark applications and trademarks in 113 countries belonging to 115 trademark families
Textile and Nonwovens are the two main applications

<table>
<thead>
<tr>
<th>Size</th>
<th>Textile</th>
<th>88.6 mt (~90% of fiber market)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regional focus</td>
<td>Over 90% in China, India and Asia-Pacific</td>
<td></td>
</tr>
<tr>
<td>Fragmentation</td>
<td>High</td>
<td></td>
</tr>
<tr>
<td>Decision making</td>
<td>Brands/retailers with some influence of fabric makers</td>
<td></td>
</tr>
</tbody>
</table>
| Key drivers | - Ongoing trend towards lower cost fashion  
- Trends towards sustainability, convenience and functionality  
- Volatile demand due to fast fashion and changing trends |
| End users | Markets strongly driven by end-consumers |

<table>
<thead>
<tr>
<th>Nonwovens</th>
<th>9.2 mt (~10% of fiber market)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mainly a regional market (due to high logistic costs)</td>
<td></td>
</tr>
<tr>
<td>Low: Top 5 to 10 players hold between 60-80% share</td>
<td></td>
</tr>
<tr>
<td>Brands and converters</td>
<td></td>
</tr>
</tbody>
</table>
| - Due to disposability of products high focus on cost  
- Flushability and bio-degradable is an emerging differentiator  
- Wood-based fibers¹ adding performance to products |

1) Wood-based and cotton linter-based cellulose fibers, previously named man-made cellulosics
Source: Lenzing data 2016
Lenzing is the only player with European roots in the viscose staple fibers market\(^1\) (2016e) …

Sources: CIRFS, FEB, Trade statistics, Company estimates

1) Viscose staple fibers (including Modal and TENCEL\textsuperscript{®} fiber), excluding viscose filaments, acetate tow, cigarette filters
2) Based on latest available company information from company websites and annual/interim reports
3) Fulida Kuerle, Tiantai Xinjiang, Fulida Alaer, Shungquan Manasi

---

**Lenzing with 18% share of production**

- Lenzing: 18%
- Birla: 17%
- Zhongtai: 10%
- Tangshan: 9%
- Aoyang: 5%
- Sateri: 8%
- Fulida Xinjiang, Fulida Kuerle, Shungquan Manasi: Others, 28%

5.3 mn tons

---

**Lenzing with 17% share of capacities**

- Lenzing: 17%
- Birla: 17%
- Zhongtai: 9%
- Tangshan: 9%
- Sateri: 9%
- Aoyang: 5%
- Yamei: 5%

5.9 mn tons

---

Source: CIRFS, FEB, Trade statistics, Company estimates
... and is the global leader in wood-based cellulose fibers

Balanced exposure to matured and emerging markets
Fiber revenue by region

North Asia 37%
AMEA (Asia, Middle East and Africa) 37%
Europe & Americas 26%

Global network of production sites and sales offices
2016 footprint

Source: Lenzing data as at March 31, 2017
Capacity 2017\(^1\): A global footprint

1) Figures are shown in k metric tons; CAGR 2013-2017e
2) Includes Lenzing (A), Heiligenkreuz (A) and Grimsby (UK)
3) Lenzing brands

---

**Total capacity at year end CAGR 2.4%**

- China: CAGR 0%
- Indonesia: CAGR 0.2%
- Europe: CAGR 5.3%
- USA: CAGR 1.9%

---

**Total pulp capacity CAGR 2.1%**

---

**Lenzing (A)**

- dissolving pulp capacity
- Paskov (CZ)

---

LEADING FIBER INNOVATION
Sales and marketing - Customer concentration

Textiles – Percent of sales by customers (2016¹)

- Top 5: 21%
- Top 10: 31%
- Top 20: 45%

Source: Lenzing data 2016

Nonwoven – Percent of sales by customers (2016¹)

- Top 5: 33.6%
- Top 10: 48.3%
- Top 20: 62.7%
Looking forward: Megatrends support fiber demand growth

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

<table>
<thead>
<tr>
<th></th>
<th>Industrial world</th>
<th>Developing world</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population in bn</td>
<td>0.85</td>
<td>0.91</td>
</tr>
<tr>
<td>GDP growth in real USDk/capita</td>
<td>33.4</td>
<td>36.3</td>
</tr>
<tr>
<td>Textile consumption in kg/capita</td>
<td>26.4</td>
<td>28.6</td>
</tr>
</tbody>
</table>

Source: IHS, ICAC, Lenzing data 2015
Distinct trends are emerging

- **Textiles**
  - Need for sustainable supply chains across the globe
  - Fast fashion
  - Focus on functionality

- **Nonwovens**
  - Need for higher cleanliness
  - Need to improve eco-footprint of downstream products
  - High innovation headroom
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
Lenzing’s sustainability strategy

“Lenzing balances the needs of society, the environment and shareholders and is a sustainability leader in its industry. Creating substantially more positive impacts or benefits is the guiding torch for our innovation and business practices.”

- Four focus areas
  - Wood security
  - Water stewardship
  - De-carbonization
  - Sustainable innovations

- Reinforce the spheres of influence
  - Partnering for systemic change
  - Empowering people
  - Enhancing community well-being
Certificates and recognitions

- VÖNIX (Austrian Sustainability Index)
- The European Eco-Label (European Flower)
- Responsible Care
- OEKO-TEX® Standard 100
- European Award for the Environment (TENCEL® fibers)
- PEFC™ (Chain of Custody)
- FSC® (Chain of Custody)
- 100% USDA Biobased certification for all Lenzing fibers (Lenzing FR® branded fiber at 99%)
- OK compost HOME (Vincotte)
- OK biodegradable SOIL (Vincotte)
- OK biodegradable MARINE
- Food contact compliance (mainly based on European legislation / certain standard fibers)
- MEDICALLY TESTED – TESTED FOR TOXINS (Nonwoven fibers, Standard textile TENCEL® fiber)
- FAIRTRADE INTERNATIONAL Textile Standard Responsible Fibres (Lenzing Viscose® branded fiber, Lenzing Modal® branded fiber, TENCEL® branded fibers)
Dissolving wood pulp is the basis for our sustainable products

Our business is part of a natural closed cycle

We only use wood from sustainable forestry

1) Controlled = Internally audited according to the standards of the wood certifiers and externally verified
Highly efficient use of the raw materials

The Lenzing site is fully integrated. Dissolving wood pulp production at the Lenzing and Paskov sites achieve a wood utilization rate of about 100% (incl. energy use).

Dissolving wood pulp production

Biorefinery products

- Dissolving wood pulp (~40%)
- Biochemicals
  - Acetic acid
  - Furfural
  - Xylose (~10%)
- Bioenergy surplus (~50%)
Fiber production fully secured by a robust pulp supply

Level of backward integration: Own pulp supply in percentage of annual fiber capacity

- >50% secured by own pulp production
- Remaining pulp is secured through long-term contracts

<table>
<thead>
<tr>
<th>Year</th>
<th>Total annual fiber capacity (100%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>46%</td>
</tr>
<tr>
<td>2013</td>
<td>58%</td>
</tr>
<tr>
<td>2014</td>
<td>56%</td>
</tr>
<tr>
<td>2015</td>
<td>56%</td>
</tr>
<tr>
<td>2016</td>
<td>56%</td>
</tr>
</tbody>
</table>
China remains the growth engine in global textiles

Global textile demand by value (2003-2020)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>842</td>
<td>1,144</td>
<td>1,515</td>
<td>9.2%</td>
</tr>
<tr>
<td>Rest of Asia</td>
<td>17%</td>
<td>18%</td>
<td>25%</td>
<td>3.1%</td>
</tr>
<tr>
<td>North America</td>
<td>31%</td>
<td>31%</td>
<td>27%</td>
<td>1.4%</td>
</tr>
<tr>
<td>Europe</td>
<td>36%</td>
<td>23%</td>
<td>19%</td>
<td>2.4%</td>
</tr>
<tr>
<td>ROW</td>
<td>7%</td>
<td>12%</td>
<td>13%</td>
<td>5.3%</td>
</tr>
</tbody>
</table>

Source: ICAC World Textile Demand, Euromonitor, Lenzing data 2015
Wood-based fibers\(^1\) outgrow market

Expected growth of global fiber demand until 2020

<table>
<thead>
<tr>
<th>Million metric tons(^2)</th>
<th>CAGR (2015 – 2020p)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Wood-based fibers(^1)</td>
</tr>
<tr>
<td></td>
<td>Synthetic fibers</td>
</tr>
<tr>
<td></td>
<td>Cotton</td>
</tr>
<tr>
<td></td>
<td>Total fiber market</td>
</tr>
</tbody>
</table>

1) Wood-based and cotton linter-based cellulose fibers, previously named man-made cellulosics (viscose, modal and lyocell only – excluding acetate, tow and filament)
2) Without wool and other natural fibers

The new strategy – driving value growth
Strengthen the Core

- Further strengthen pulp position via backward integration and/or strategic co-operations
- Maintain quality leadership
- Deliver EUR 50 mn 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, Specialization, Forward Solutions and New Business Areas

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

Select and establish new emerging business areas

Move selectively forward in the value chain via new game-changing technologies

LEADING FIBER INNOVATION
Where you can find our fibers
Apparel/Home & Interiors - close to skin
Where you can find our fibers
Nonwovens

- Facial masks
- Wipes
- Hygiene articles
Where you can find our fibers
New Business Development & Technical textiles

- In automotive (car seats, tires, injection molding, …)
- Packing solutions with Lenzing Modal® COLOR fiber (vegetable and fruit nets – eg. at REWE Austria and ALDI Austria – Hofer)
- Botanic Shoe with TENCEL® fiber TENCEL® fiber shoe complete (shoe soles, lining, upper fabric and shoe laces)
Overview of B & C Privatstiftung

- 62.57% owner of Lenzing is B & C Privatstiftung (B & C Private Foundation). Its purpose is the promotion of Austrian entrepreneurship.
- B & C Industrieholding GmbH is the management holding of B & C Foundation with 3 representatives on Lenzing’s Supervisory Board.
- As the core shareholder, B & C takes a long-term view and supports the strategy of Lenzing Group.

1) Link to B & C Privatstiftung website: [http://www.bcprivatstiftung.at](http://www.bcprivatstiftung.at) (only in German)
Contacts and financial calendar

**Investor Relations contact**

- Stephanie Kniep  
  Head of Investor Relations  
  Corporate Communications & Investor Relations
- Phone: +43 7672 701 4032
- Fax: +43 7672 918 4032
- E-Mail: s.kniep@lenzing.com

**Financial calendar**

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full year result 2016</td>
<td>March 22, 2017</td>
</tr>
<tr>
<td>73rd Annual General Meeting</td>
<td>April 25, 2017</td>
</tr>
<tr>
<td>Result 01-03/2017</td>
<td>May 16, 2017</td>
</tr>
<tr>
<td>Half-year result 2017</td>
<td>August 23, 2017</td>
</tr>
<tr>
<td>Result 01-09/2017</td>
<td>November 15, 2017</td>
</tr>
</tbody>
</table>

- Visit our IR website  
- Visit our SRI sites – a new sustainability report will be published in 2017  