

Innovative by nature

Manmade fibers – friend or foe to cotton
Amit Gautam,
Executive Vice President, Lenzing AG

Lenzing: innovation leader in the wood-based cellulosic fibers

- 80 years of history
- 2.2 bn euro (~3.4 bn AUD) sales globally
- Innovation and technology leader in wood-based fibers
- Global network of fiber and pulp assets

Global market position:

TENCEL™Lyocell #1

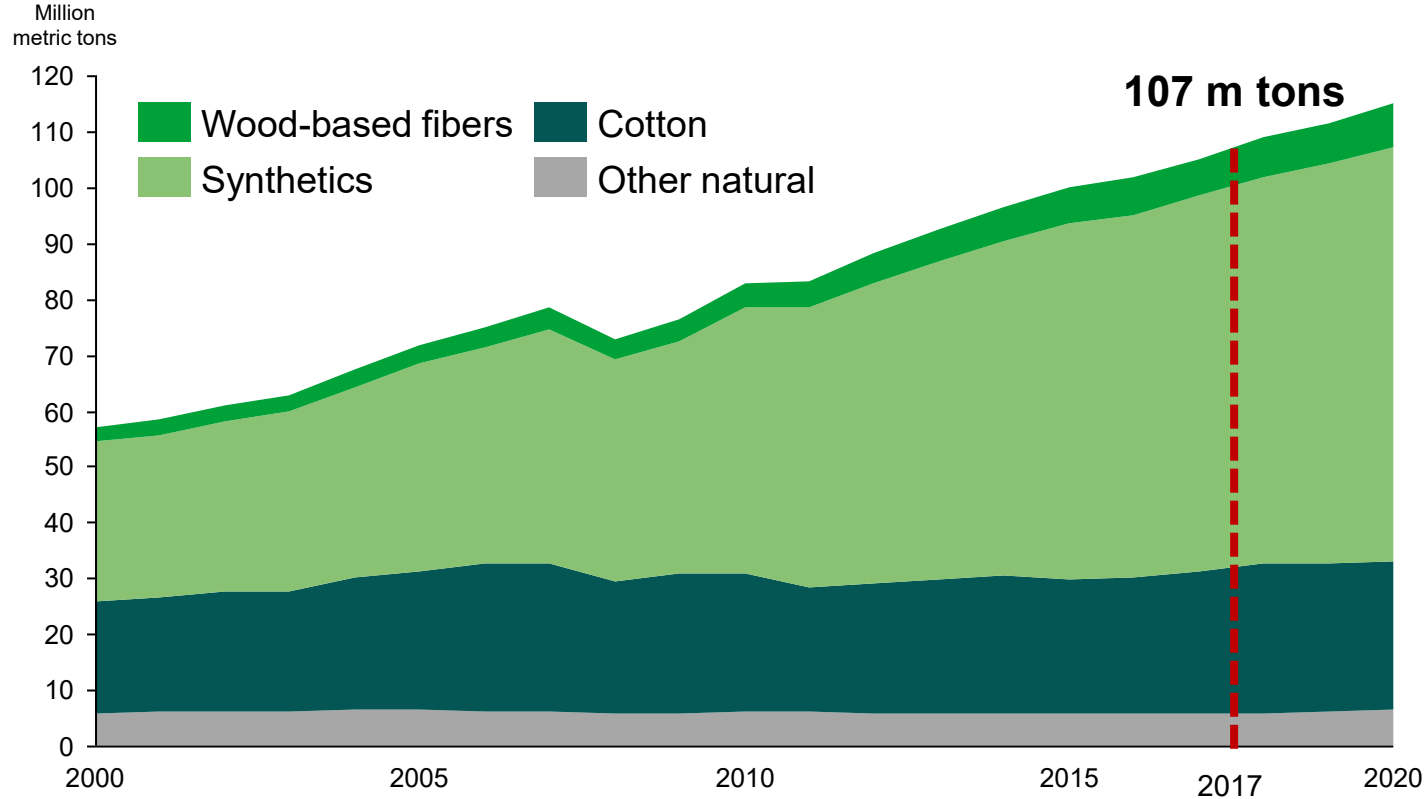
TENCEL™Modal #1

Viscose #2



Three distinct fibers drive ~95% of the global market

Expected growth of global fiber demand until 2020



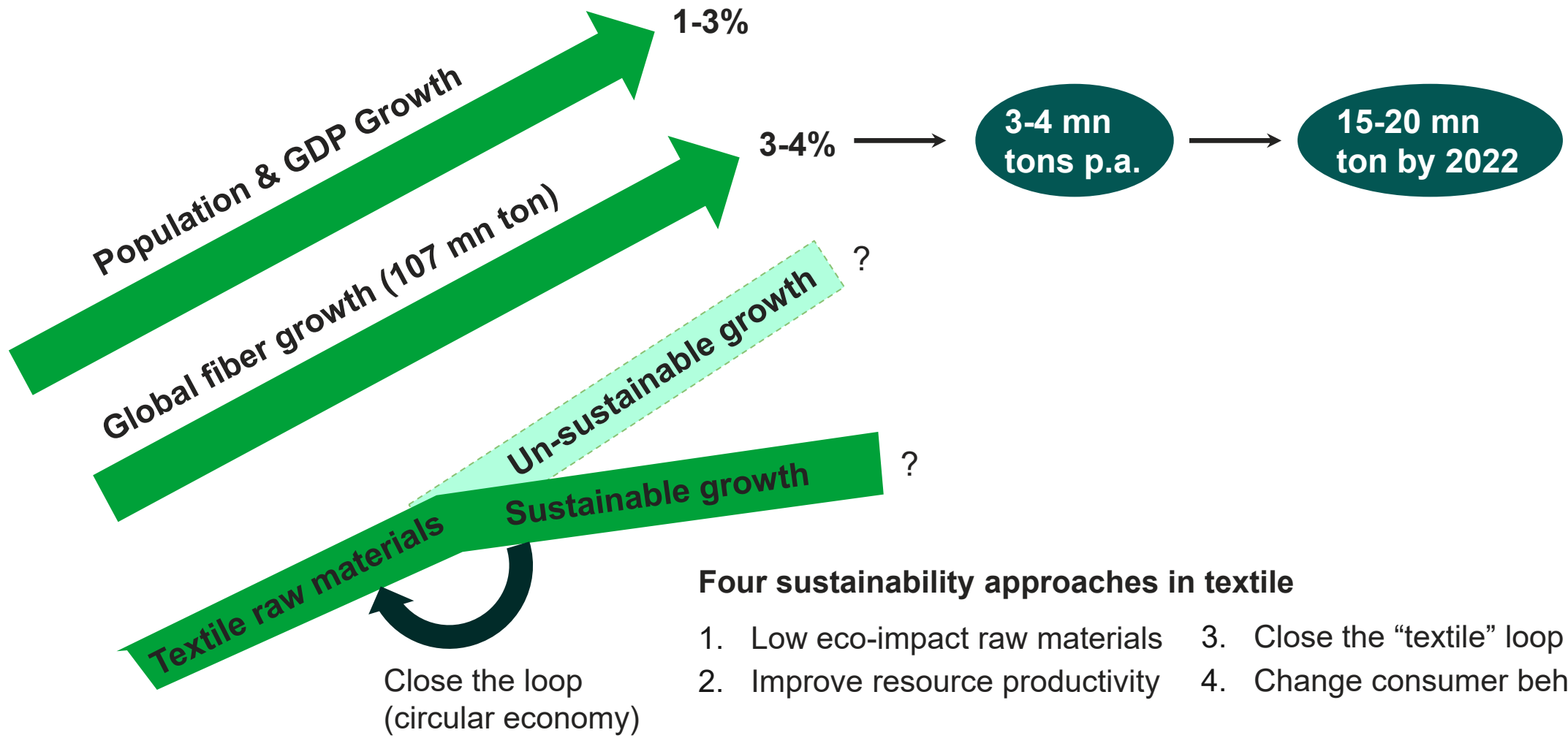
- | | CAGR
(2015e – 2020p ²) |
|---------------------------------------|---------------------------------------|
| ● Wood-based fibers ¹ (6%) | 5-6% p.a. |
| ● Synthetic fibers (64%) | 3-4% p.a. |
| ● Cotton (25%) | 1-2% p.a. |
| <hr/> | |
| Total fiber market | 3-4% p.a. |

¹ Wood-based and cotton linter-based cellulose fibers - Viscose, Modal, Lyocell and other (acetate, cupro) both staple fiber and filament

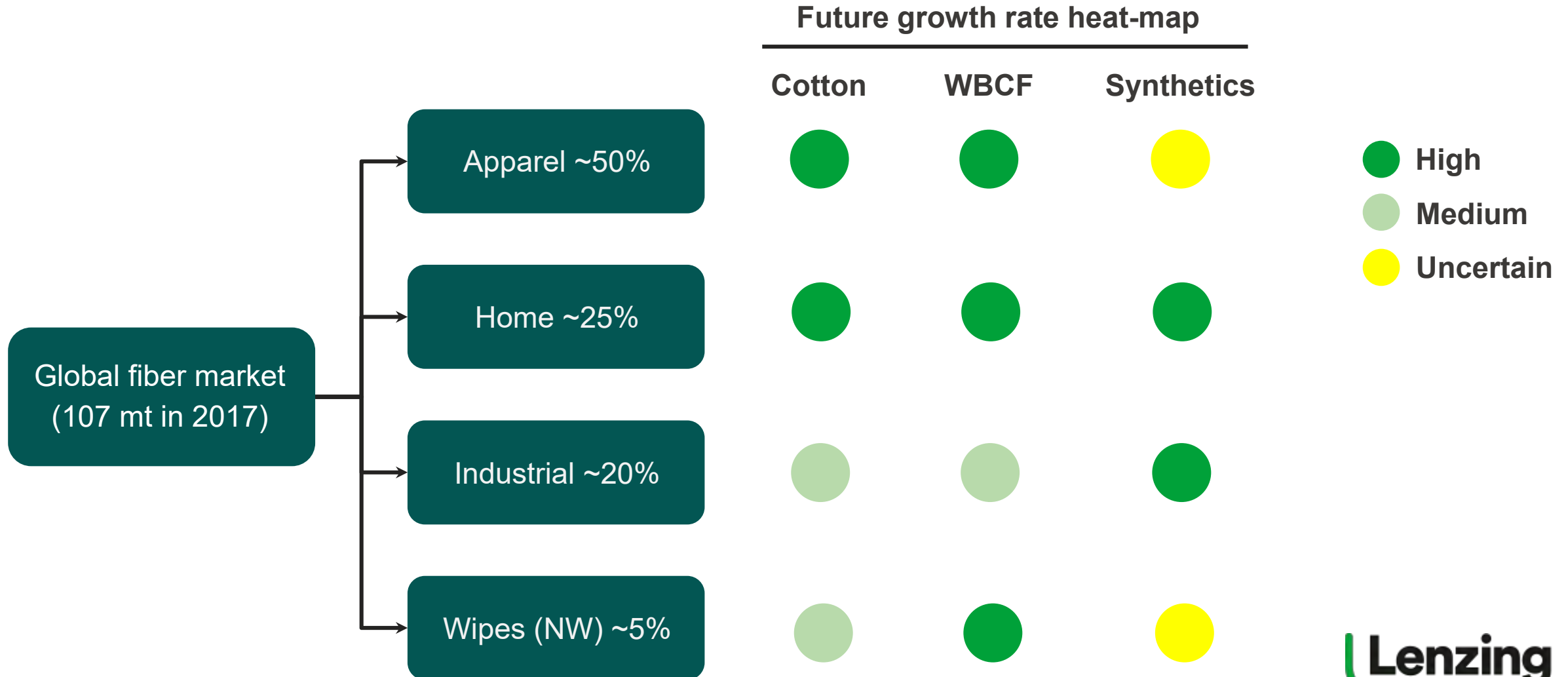
² Projected

Sources: ICAC, The Fiber Year 2017, Lenzing data

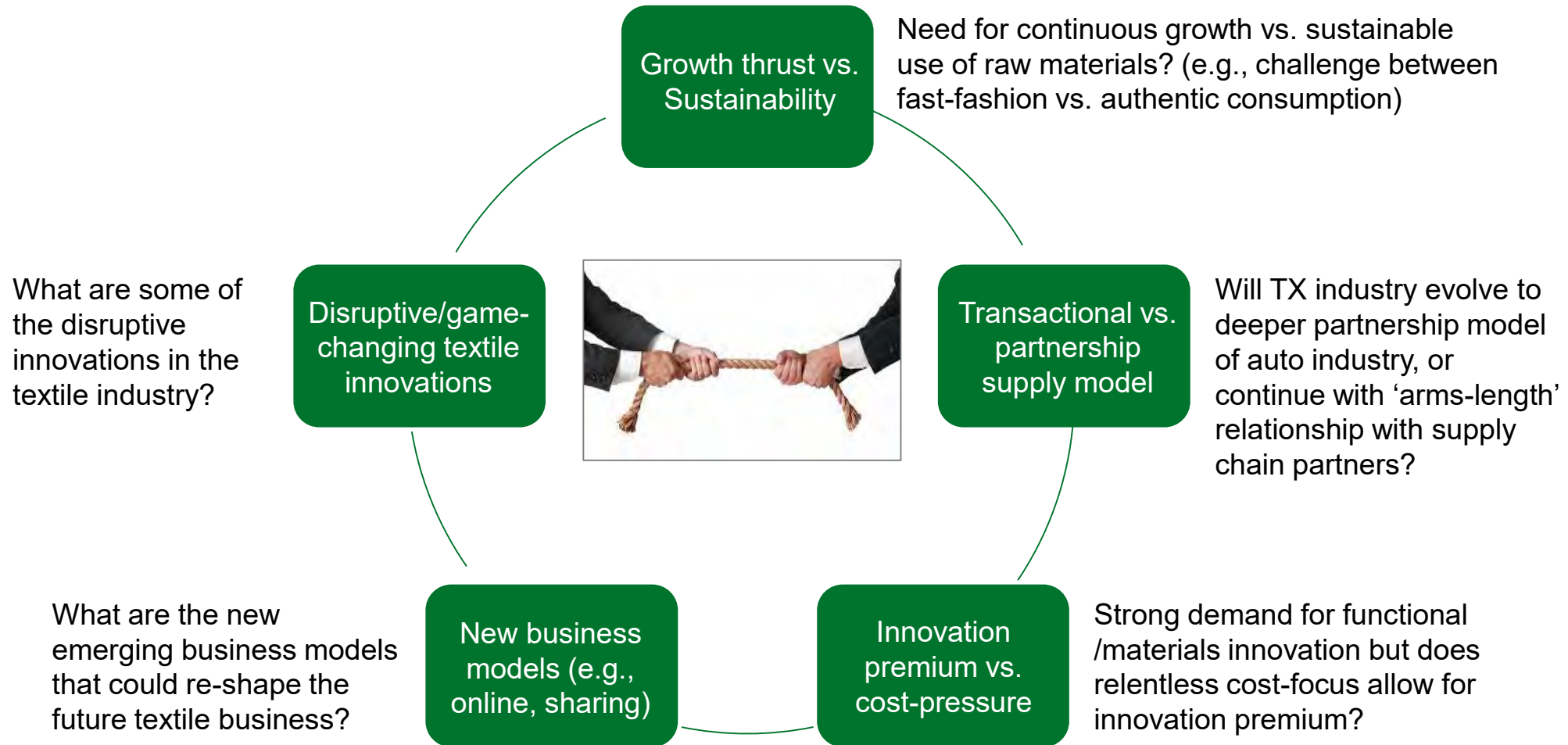
Sufficient room for growth - sustainability will be key factor



At Marco level, the three fibers will have differential growth in key end-market applications

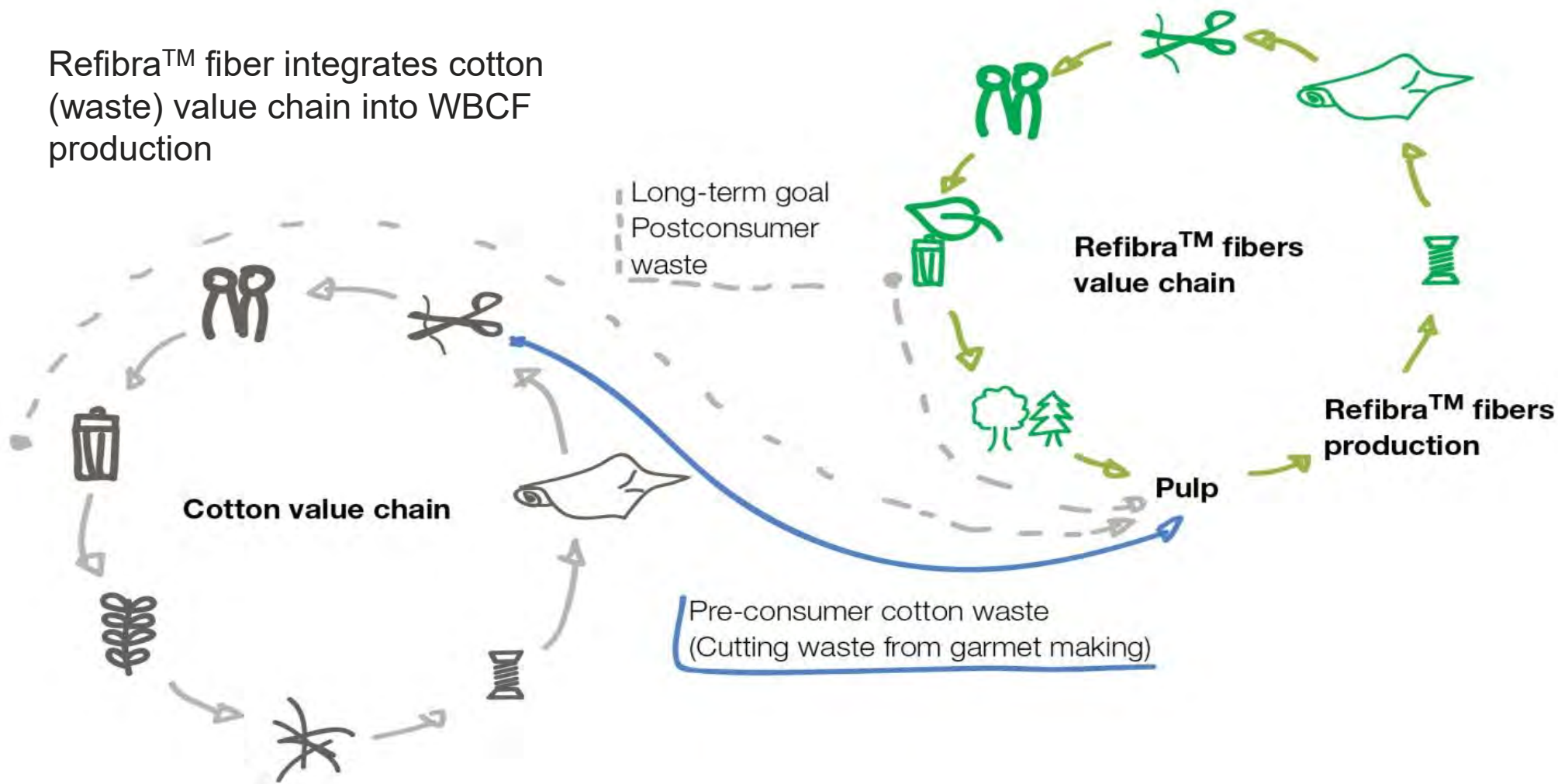


Navigating five key challenges in the fiber & textile industry key to become future winners



Example 1: Lenzing's circular economy solution: Refibra™ fiber

Refibra™ fiber integrates cotton (waste) value chain into WBCF production



Example 2: Disruptive innovations: World's first digital 3D knitting machine with ready-to-use garments



Kniterate



3D digitally knitted shirt