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FOCUS ON
PROFITABLE GROWTH

ANNUAL FINANCIAL REPORT 2015

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**LENZING**
LEADING FIBER INNOVATION

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General Market Environment

Global economy¹

In 2015, the global economy grew at a slower pace than in the previous year in the light of a weaker economic development in the developing and emerging markets. According to the latest estimates of the International Monetary Fund (IMF), global economic growth reached a level of 3.1% in 2015, compared to 3.4% in 2014. The industrialized nations continued their moderate recovery, generating average growth of 1.9% (2014: 1.8%), whereas the developing and emerging markets posted growth of 4.0% in a year-on-year comparison, considerably lower than the 4.6% growth rate in 2014.

Economic growth by region

	2013	2014	2015
Worldwide	3.3%	3.4%	3.1%
Industrialized countries	1.1%	1.8%	1.9%
Eurozone	(0.3%)	0.9%	1.5%
Emerging and developing countries	5.0%	4.6%	4.0%

The IMF reported that the Chinese economy expanded by 6.9% in 2015, down from the prior-year level of 7.3%. Brazil and Russia slid into a recession, with their economies contracting by 3.8% and 3.7% respectively. India was the only one of the BRIC countries (Brazil, Russia, India and China) whose economic growth rate of 7.3% matched its performance of the previous year (2014: 7.3%). The US economy expanded by 2.5% in 2015 (2014: 2.4%). GDP in the eurozone increased by 1.5%, an improvement from 0.9% growth in the year 2014.

Global fiber market²

Decline of worldwide production, global fiber consumption up 2.7%

According to initial estimates, for the first time in many years world fiber production actually declined in the 2015 financial year, falling slightly by 0.9% to 94.0 mn tons, compared to 2.1% growth in 2014. This drop was in contrast to the expected 2.7% rise in fiber consumption in 2015 (2014: 2.8%) to 95.6 mn tons.

The main reason for the production decline was the sharp drop in worldwide cotton production, which contracted by 14.0% in 2015 to 22.5 mn tons. This can be attributed to the fact that cotton production lost some of its attractiveness compared to other crops due to shrinking margins. Production decreases were also reported for wool (minus 0.6% to 1.2 mn tons) and other natural fibers (minus 3.7% to 4.9 mn tons).

¹ Source: IMF, World Economic Outlook Update, January 19, 2016 ² All production figures in this section were updated to the currently accepted values in comparison to the estimates published in Lenzing's Annual Report 2014. Sources: International Cotton Advisory Committee (ICAC), IMF, Cotton Outlook, CCF Group (China Chemical Fibers and Textiles Consulting), Food and Agriculture Organization (FAO)

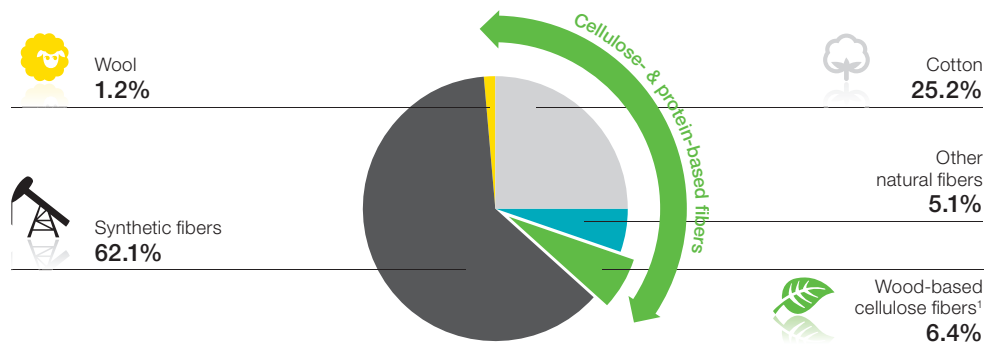
Fibers on the world market

Fibers				
Protein-based	Cellulose-based		From synthetic polymers	From anorganic substances
Wool Silk Angora Cashmere Casein Collagen Ardein Zein etc.	Cotton and bast fibers	Wood-based	Polyester Polyamide Polypropylene Polyurethane (Elastan) Acrylic Polytetrafluoroethylene	Carbon Ceramics Glass Metal
	Cotton Flax Hemp Jute etc.	Viscose Modal Lyocell Cupro Acetate etc.		

In contrast, production of the group of synthetic and anorganic fibers as well as wood-based and cotton linter-based cellulose fibers continued to expand in line with the upward trend prevailing in recent years. Output increased by 4.8% in 2015 to an estimated 65.5 mn tons in comparison to 3.8% growth in 2014. Production of synthetic fibers rose 5.1% from the prior-year level, whereas the production of cellulose fibers was up 1.5% according to preliminary forecasts.

Global fiber market

Global fiber consumption 2015



¹⁾ Wood-based and cotton linter-based cellulose fibers

Source: ICAC, CIFRS, TFY, FEB, Lenzing estimates

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Demand for cotton exceeds production, inventories remain high³

Based on the latest market assessments, demand is expected to exceed supply in the current 2015/16 cotton season (as of the end of July) for the first time in five years. Accordingly, cotton production volumes will fall significantly due to a reduction in the land under cultivation in China, the USA and Pakistan. The area devoted to growing cotton around the world is expected to decline by 8.7%. However, demand for cotton is predicted to remain constant at about 24 mn tons.

Worldwide cotton inventories of more than 20 mn tons continue to cover a good 80% of current annual consumption. More than half of all cotton reserves are in China, which triggers a certain degree of uncertainty with respect to sales markets. Little is known at the present time about the quality of these stored quantities and the attainable sales prices for the stockpiled cotton.

The average on the Cotton A Index in 2015 was 70.4 US cents/pound, or 15.1% below the comparable prior-year level. The difference between the highest and lowest selling prices for cotton was as minimal as at any time since the year 2006.

Positive price development of viscose fibers in 2015

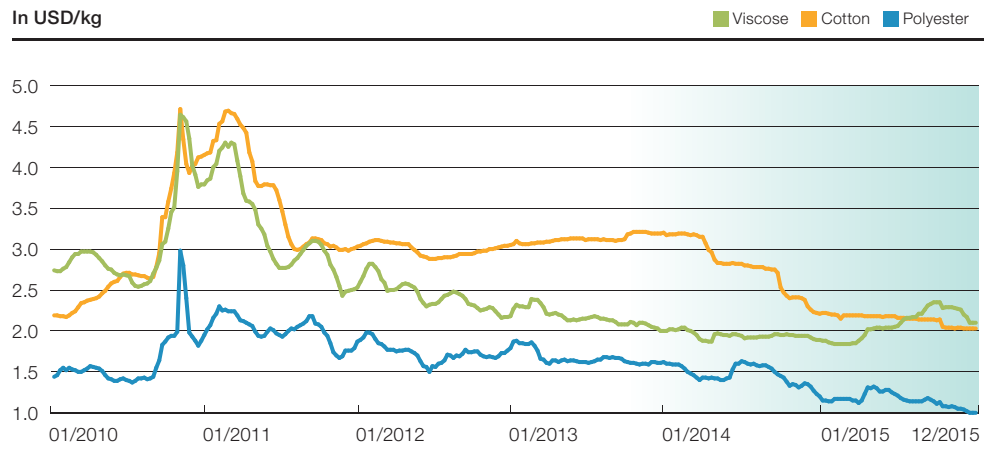
Market prices for viscose fibers significantly recovered in 2015, rising by an annual average of about 5%, whereas cotton and polyester selling prices each dropped by more than 20% on average. Starting in the middle of July 2015, viscose fibers were once again more expensive than cotton, the first time this has been the case since 2010.

In the first half of 2015, considerable production capacities in China were temporarily shut down due to more stringent environmental regulations. In turn, this led to a scarcity of viscose fibers and a steady rise in prices on the Chinese spot market. Once these production facilities gradually came on stream again, a strong downswing in prices was evident as of the beginning of November 2015.

In contrast, selling prices for polyester, which competes with viscose on the marketplace, continuously declined in 2015 due to the sharp drop in crude oil prices.

³ Source: ICAC, February 2016

Staple fiber prices – Development in China



Source: CCFG, Cotton Outlook

Development of the Lenzing Group

In the 2015 financial year, the Lenzing Group succeeded in improving just about all relevant economic and balance sheet indicators compared to its performance in 2014. In addition to the general recovery of viscose fiber selling prices, the Lenzing Group especially profited from the increasing share of high-quality specialty fibers in its product mix and the ongoing strong demand for Lenzing products. In particular, sales of the specialty fiber TENCEL® increased significantly.

EBITDA* (consolidated earnings before interest, tax, depreciation and amortization) increased by 20.7% to EUR 290.1 mn. The EBITDA margin* improved from 12.9% in the 2014 financial year to 14.7% in the year under review. Earnings before interest and tax (EBIT)* of the Lenzing Group rose almost seven-fold in a year-on-year comparison to EUR 151.1 mn. The EBIT margin* correspondingly improved to 7.6% (2014: 1.2%).

*) For details on definitions and the basis for calculations, refer to the Appendix: Notes on Financial Performance Indicators of the Lenzing Group in chapter 16 of the Group Management Report.

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In summary, the financial performance of the Lenzing Group in the 2015 financial year compared to 2014 developed as follows:

Condensed consolidated income statement⁴

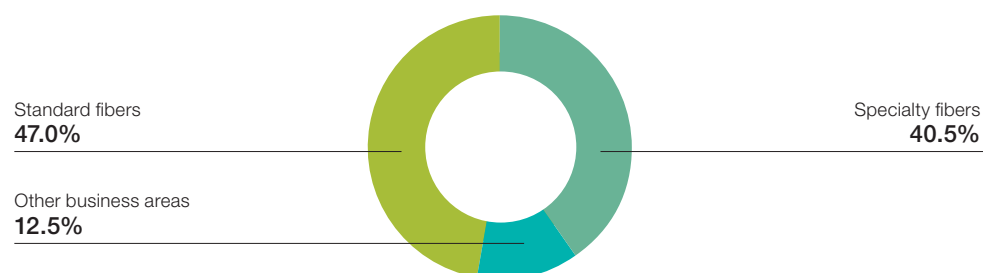
EUR mn

	2015	2014	Change	
			Nominal	Relative
Revenue	1,976.8	1,864.2	112.6	6.0%
Changes in inventories of finished goods, own work capitalized and other operating income	67.7	80.6	(12.9)	(16.1%)
Cost of material and other purchased services	(1,218.3)	(1,199.2)	(19.0)	1.6%
Personnel expenses	(300.2)	(292.0)	(8.2)	2.8%
Other operating expenses	(235.9)	(213.3)	(22.6)	10.6%
EBITDA	290.1	240.3	49.8	20.7%
Amortization of intangible assets and depreciation of property, plant and equipment	(142.2)	(221.5)	79.3	(35.8%)
Income from the release of investment grants	3.2	3.2	0.1	2.1%
EBIT	151.1	21.9	129.2	589.1%
Financial result	(3.5)	(23.4)	19.9	(84.9%)
Allocation of profit or loss to puttable non-controlling interests	1.5	8.8	(7.3)	(82.6%)
EBT	149.1	7.3	141.8	1,940.9%
Income tax expense	(25.1)	(21.5)	(3.6)	16.8%
Net profit/loss for the year	124.0	(14.2)	138.2	n/a

In particular, the increase in revenue can be attributed to higher fiber selling prices, the substantial improvement in the product mix and positive exchange rate effects. The share of specialty fibers as a percentage of total group revenue was 40.5% (2014: 35.0%), and the share of standard fibers equaled 59.5% (2014: 65.0%).

Lenzing Group revenue: Share of specialty fibers

In percent



⁴ The complete consolidated income statement is presented in the consolidated financial statements.

Total fiber sales volumes rose by 0.4% to approximately 965,000 tons (2014: 960,000 tons). The year-on-year rise was mainly the result of the year-round availability of the production output generated by the TENCEL® fiber production facility in Lenzing and the good sales development of Lenzing Modal®.

The core Segment Fibers accounted for 97.4% of group revenue, whereas the Segment Lenzing Technik generated 1.5% of revenue and the Segment Other 1.1% (only external revenue).

The cost of material and other purchased services was impacted by the higher material and energy costs as a result of the first-time, full-year operation of the TENCEL® fiber production plant at the Lenzing site, as well as negative exchange rate effects relating to raw materials invoiced in USD. At the same time, efficiency improvements along with the discontinuation of raw material procurement in connection with the divestment of Dolan GmbH, European Carbon Fiber GmbH and several technical business units tended to reduce expenses.

On balance, the cost of material and other purchased services comprised 61.6% of group revenue in the 2015 financial year (2014: 64.3%).

The rise in personnel expenses was primarily due to salary increases in Austria as mandated by collective wage agreements. This was in contrast to positive effects arising from the completed excelLENZ cost optimization program. The ratio of personnel expenses to group revenue declined slightly to 15.2% in the 2015 financial year from the prior-year figure of 15.7%.

The increase in other operating expenses is mainly attributable to expenses relating to the sale of group companies and business units of Lenzing Technik as well as one-off costs within the context of the structural and strategic realignment of the Lenzing Group.

The decline in depreciation of property, plant and equipment and the amortization of intangible assets is primarily the consequence of impairment losses on goodwill and property, plant and equipment of the subsidiaries PT. South Pacific Viscose (Indonesia) and Lenzing (Nanjing) Fibers Co., Ltd (China), which had been recognized in the 2014 financial year. A much lower impairment on property, plant and equipment in the amount of EUR 7.9 mn was recognized in the 2015 financial year for Lenzing (Nanjing) Fibers Co., Ltd.

The financial result showed a substantial improvement as a result of dividends of an equity investment to be recognized in profit or loss as well as lower financing costs.

As a consequence of the above-mentioned developments, earnings before tax (EBT)⁵ of the Lenzing Group were significantly higher, rising to EUR 149.1 mn in 2015 from the prior-year level of EUR 7.3 mn. The income tax expense amounted to EUR 25.1 mn (2014: EUR 21.5 mn). As a result, the income tax rate⁶ equaled 16.8% in the reporting period. This relatively low figure was mainly due to a previously claimed and future tax credit from abroad. Accordingly, the net profit for the year totaled EUR 124.0 mn, in comparison to a loss of minus EUR 14.2 mn in the 2014 financial year. Earnings per share⁷ were at EUR 4.63 (2014: minus EUR 0.51).

⁵ EBT = earnings before tax; Net profit/loss for the year before income tax expense; the precise calculation can be derived from the consolidated income statement.

⁶ The income tax expense in relation to earnings before tax (EBT).

⁷ The net profit attributable to Lenzing AG shareholders in relation to the average weighted number of issued shares calculated pursuant to IFRS (IAS 33 Earnings Per Share); the precise calculation can be seen in Note 18 of the notes to the consolidated financial statements.

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Higher return on investment

There was an improvement in the return on investment of the Lenzing Group thanks to the positive earnings development. Accordingly, the return on capital employed (ROCE)* increased substantially during the year under review, rising to 8.0% from minus 0.1% in the previous year.

Similarly, the return on equity (ROE)* also rose significantly from 0.7% in 2014 to 13.0% in the 2015 financial year. The return on investment (ROI)* of the Lenzing Group climbed to 6.3% (2014: 0.9%).

Solid balance sheet structure

Lenzing took advantage of the good business development and favorable interest rate environment to further optimize its balance sheet structure in the 2015 financial year.

Total assets of the Lenzing Group at the reporting date December 31, 2015 were up 2.0% to EUR 2,421.8 mn (December 31, 2014: EUR 2,375.1 mn). Adjusted equity* correspondingly rose by 15.0% to EUR 1,226.4 mn (December 31, 2014: EUR 1,066.1 mn). As a result, the adjusted equity ratio* improved to 50.6% (December 31, 2014: 44.9%), the highest equity level since the end of 2006.

Net financial debt* declined by 27.0% to EUR 327.9 mn (December 31, 2014: EUR 449.5 mn). Accordingly, the ratio of net financial debt to EBITDA* declined from 1.9 at the end of 2014 to 1.1 at the end of 2015. Net gearing* also clearly decreased to 26.7% from the comparable prior-year figure of 42.2%.

The ratio of trading working capital to annualized group revenue* rose slightly to 21.6% (December 31, 2014: 19.5%).

Further cash flow improvement

The free cash flow* increased by 26.2% to EUR 145.0 mn, compared to EUR 114.8 mn in the previous year. After completion of the TENCEL® fiber production plant at the Lenzing site, investments in intangible assets, property, plant and equipment (CAPEX) fell by 32.0% in the reporting period to EUR 70.9 mn (2014: EUR 104.3 mn).

The liquid assets⁸ of the Lenzing Group as at the reporting date December 31, 2015 increased by 26.8% to EUR 355.3 mn (December 31, 2014: EUR 280.3 mn). The reason for this rise was the issuing of a new private placement in May 2015. Moreover, the Lenzing Group had EUR 190.9 mn in free credit facilities available for its use at the end of 2015 (December 31, 2014: EUR 198.5 mn).

*) For details on definitions and the basis for calculations, refer to the Appendix: Notes on Financial Performance Indicators of the Lenzing Group in chapter 16 of the Group Management Report. ⁸) Cash and cash equivalents as well as liquid securities and liquid bills of exchange.

Segment Fibers

General development

In the 2015 financial year, the Segment Fibers focused on steadily increasing the production and sale of high-quality fiber products, developing and expanding its market presence in attractive areas of application and further optimizing production processes. Very good capacity utilization of Lenzing's pulp and fiber production facilities prevailed throughout the entire year thanks to the good level of demand for Lenzing fibers.

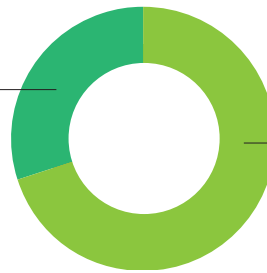
Revenue of the Segment Fibers rose to EUR 1,924.7 mn in 2015, an increase of 9.6% from the prior-year figure of EUR 1,755.6 mn (only external sales). Segment EBITDA improved by 28.4% to EUR 286.5 mn (2014: EUR 223.2 mn). Segment EBIT in the 2015 financial year was up 56.3% to EUR 154.0 mn, compared to EUR 98.5 mn in the previous year.

Textile fibers accounted for 70% of the total fiber sales of EUR 1,730.9 mn, whereas nonwoven applications comprised a 30% share. Asia was the most important sales region for the Lenzing Group, generating 63% of total fiber sales.

Fiber revenue by segment

In percent

Nonwoven Fibers
30%

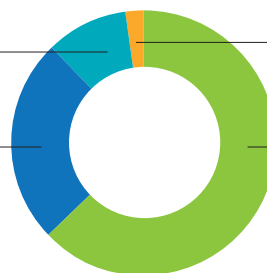


Textile Fibers
70%

Fiber revenue by core market

In percent

Americas
10%



Rest of the world
2%

Europe incl. Turkey
25%

Asia
63%

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Textile Fibers

The Lenzing Group pursues a resolute customer-oriented specialty strategy to further develop its business areas. This approach enabled Lenzing to make substantial progress with existing applications in 2015 and open up new market segments. In this way, Lenzing succeeded in safeguarding its leading market position against the backdrop of a competitive market environment.

Apparel

In the Apparel business area, which generates the highest revenue in the Lenzing Group, the share of specialty fibers rose significantly once again in the year under review. This development is primarily attributable to the increased use of TENCEL® fibers. The decisive factors underlying this success were intensified marketing activities and the clear orientation to customer requirements.

In its marketing for apparel, the Lenzing Group focuses on three subsegments: denim (jeans), innerwear (underwear, nightwear, T-shirts and tops) and outerwear (sportswear, shirts, dresses etc.) These globally-oriented areas are managed from the regions which are most relevant for the respective product groups.

TENCEL® achieved substantial gains in the denim market during the year under review. The share of denim producers featuring TENCEL® in their fashion collections increased once again in 2015. TENCEL® fibers enjoy growing popularity in this segment, especially because they improve wearing comfort and make a contribution to the environmentally compatible production of denim products.

With respect to innerwear, the specialty fiber MicroModal® secured an increasingly high level of acceptance in sensitive, close-to-the-skin applications (i.e. lingerie, linen, socks, pajamas). In the outerwear business, new customers were acquired for TENCEL® fibers used in producing work clothing and shirts.

A growing number of sporting goods manufacturers offer sportswear and functional wear with blends consisting of TENCEL® and wool. In particular, the microfiber version of TENCEL® A100 recently launched on the marketplace opens up promising opportunities for applications in these segments.

Furthermore, a finishing process was developed to make knitted fabrics smooth and soft, enabling them to retain their look even after repeated washing and wearing.

Home & Interiors

The business with specialty fibers expanded considerably in the Home & Interiors business area. Lenzing made good progress in the linen segment, intensifying marketing work and

increasing sales of TENCEL® MICRO in the USA, China and Southeast Asia, amongst other activities. Sales successes were achieved with American retail chain stores for bath products (e.g. towels and bathmats) made of Lenzing Modal® and TENCEL®.

Technical

With respect to technical textile applications, Lenzing attracted attention with its presentation of the botanic shoe concept. The “botanic shoe” foresees the use of TENCEL® fibers for different components of the shoe. Numerous components used in commercial products have already been developed. This was achieved on the company’s own initiative but also based on the strong product development interest displayed by shoe manufacturers. The objective is to introduce a shoe in which all components contain TENCEL®.

Nonwoven Fibers

The nonwovens business of the Lenzing Group once again generated attractive growth rates in the 2015 financial year which surpassed growth of the overall market for wood-based cellulose fibers.

In particular, there was increasing demand for TENCEL® fibers. Due to their wet strength, skin compatibility and odor resistance, the TENCEL® fibers are particularly suited for hygiene products. Moreover, the fibers boast sustainability-related advantages such as the environmentally-friendly origin of the raw material and the compostability of the fibers.

With TENCEL® Short Cut fibers, Lenzing also supplies the basic material for hygienic products (especially wipes and care wipes) which are easily disposed of with the wastewater. This “flushability” is becoming an increasingly important aspect for the nonwovens industry.

In the cosmetics segment, the caring facial masks made of TENCEL® Skin are enjoying growing popularity, especially in Asia. Lenzing will intensively press ahead with this development on all continents.

Global Technical Customer Service

During the 2015 financial year, the regional customer service teams of Lenzing’s Global Technical Customer Service (GTCS) were strengthened in order to further enhance the customer proximity of the Lenzing Group. The company’s presence in Asia was increased thanks to the opening of a new Customer Service Center in Hong Kong. The main focal points of the new Lenzing Customer Service Centers are technical consulting, education and training, product and process development, quality management and fabric certification for the fiber brand license program of Lenzing.

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Pulp

The “Pulp Operations” functional area ensures the supply of high-quality dissolving wood pulp to the production sites of the Lenzing Group. Dissolving wood pulp is the most important raw material used in the production of Lenzing’s botanic cellulose fibers, and is derived from the renewable raw material wood. The Lenzing Group operates its own pulp production plants at the Lenzing site in Upper Austria and in Paskov, Czech Republic. A high level of profitability and the sustainability of pulp production are ensured at both sites.

The annual pulp production volume of the Lenzing Group amounted to 560,000 tons⁹ in the 2015 financial year. At the beginning of 2014, spot market prices were subject to a steady downward spiral against the backdrop of a weak viscose fiber market. This erosion in prices lasted until the end of the first quarter of 2015. Starting in the second quarter of 2015, dissolving wood pulp selling prices rose again in line with the rebound in demand for viscose fibers. The average market price for dissolving wood pulp was USD 845/ton in the 2015 financial year (2014: USD 839/ton; 2013: USD 892/ton).

Wood

The supply of wood increased considerably in 2015 due to the extraordinary weather conditions. The mild winter reduced the need for firewood throughout Central Europe, and a series of capricious weather events resulted in significant damage to forests in Central Europe as well as extensive additional quantities on the market and low prices for soft wood.

Lenzing’s Wood Purchasing Department substantially reduced imports for the Paskov plant from distant sources, thus supporting established suppliers in the Czech Republic and Slovakia by increasing purchases of wood infested by beetles.

The supply of beech wood to the pulp plant in Lenzing was not characterized by a surplus supply, in light of the fact that foresters made it their priority to process beetle-infested spruce wood. Nevertheless, Lenzing succeeded in filling its storage facilities in November, ensuring a sufficient supply for the winter months.

The wood purchased by Lenzing is exclusively derived from sources which are certified in accordance with PEFC or FSC standards or are from controlled sources.¹⁰ In this way, controversial sources of wood are certainly excluded from the procurement process.

Co-Products

Lenzing Co-Products markets the by-products arising from fiber and pulp production. In line with the company’s mission statement, Lenzing sees itself as a bio-refinery, in which CO₂ and sunlight are converted into high-performance materials. High-quality co-products – acetic acid, furfural, sodium sulfate and soda – are derived in this process. They are sold to customers in the food, animal feed, pharmaceutical, detergent and construction industries.

⁹ Air-dried ¹⁰ Controlled Wood: external verification audits confirm the sustainability of the supplied material.

Earnings increased for the co-products of acetic acid, furfural and soda in the 2015 financial year. Lenzing's business with sodium sulfate was negatively impacted by the decline in selling prices at Asian sites.

Chemicals

Chemical prices around the world climbed slightly in 2015. In Europe, the main reason was the weakness of the euro compared to the US dollar, as well as the rising supply power of suppliers. Prices rose in Asia, primarily due to production plant downtimes and the resulting scarcity of supply.

Caustic soda

Caustic soda is an important primary product for the production of viscose fibers, and arises as a by-product from chlorine production. In the first half of the 2015 financial year, the price of caustic soda in Europe and Asia increased, hovering at a high level in the second half of the year.

Sulfur

Sulfur is a key basic product for the company's own production of carbon disulfide and sulfuric acid used in viscose fiber production.

The rise in sulfur prices commencing in the second half of 2014 continued until the end of the first quarter of 2015. Prices started to fall as of the second quarter of the year, and price volatility substantially diminished. The driving force behind both developments was a change in regulations for import duties imposed by the Chinese government. Sulfur prices in Europe showed a sideward movement in 2015.

Energy

The Energy business area is responsible for ensuring the optimal availability of electricity, process water, steam and cooling energy to all global production sites of the Lenzing Group. The prudent use of energy has a long tradition in the Lenzing Group for both economic and ecological reasons. Due to the fact that pulp and fiber production are extremely energy-intensive processes, the Energy business area plays a very important role with respect to optimizing costs and safeguarding production.

In 2015, the European electricity market was characterized by declining spot and forward market prices. In some cases there were considerable price reductions in spot prices for

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natural gas in Europe during the year under review. The Lenzing Group procures natural gas and electricity in line with a pre-determined purchasing strategy. Part of the required energy is procured via base contracts with fixed prices on forward markets. For this reason, Lenzing was largely unaffected by developments on spot markets.

The energy production facilities of the Lenzing Group operated normally for the most part in 2015, with only short downtimes.

Lenzing site, Upper Austria

Thanks to its optimal structure of the facility, the Lenzing site traditionally uses renewable fuels as its most important source of energy. Renewable fuels accounted for 82.9% of the entire energy consumption in 2015 thanks to the optimal plant structure.

Projects to improve the energy supply and energy efficiency were continuously implemented during the year under review. Energy consumption declined perceptibly, largely compensating for the higher level of energy consumption relating to the new TENCEL® fiber production plant.

Heiligenkreuz site, Burgenland

Energy efficiency optimization measures for three boilers were implemented in Heiligenkreuz during the reporting period. The process heat and peak load supply for the production plant were upgraded to state of the art technologies.

Paskov site, Czech Republic

Further optimization work at the Paskov site enabled the complete substitution of natural gas by biogas arising from the plant's own wastewater treatment facility. In this way, fossil fuels are no longer used at this site during normal operations.

Purwakarta site, Indonesia

The Purwakarta site's own electricity production was maintained at a high level thanks to the optimized plant operations. This helped counteract the higher electricity prices imposed by the parastatal utility company.

Nanjing site, China

Energy savings projects were implemented in Nanjing, and the specific steam and electricity consumption could be further reduced during the period under review.

Operational Excellence (OPEX)

Under the heading “Operational Excellence” (OPEX), the Lenzing Group launched a group-wide program in the 2014 financial year designed to implement the ongoing optimization of in-house processes. The objective of the program is to transform the Lenzing Group into a sustainable self-learning and optimizing company, embedding all employees in the initiative.

One core element of OPEX is the structured continuous improvement program on all levels of the company, i.e. applying so-called “World Class Operations Management” (WCOM). This was rolled out to all production areas and sites in 2015. The most important issues covered by WCOM are safety, quality and efficiency. One key aspect of the program is learning from one another within the Lenzing Group. In this regard, initial steps were taken on the basis of a cross-learning platform to be introduced at all production sites in 2016. Moreover, the WCOM program will be expanded to encompass the fields of safety, health and the environment (SHE), quality management and human resources.

The Quality Consistency Program (QCP) was launched for all viscose fiber production sites in 2015. The underlying aim is to ensure more stable product quality on the basis of improved process management. Multi-site teams are working on optimizing all process steps, engaging in intensive learning with and from one another.

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Segment Lenzing Technik

In the 2015 financial year, the Lenzing Group pressed ahead with the strategic realignment of the Segment Lenzing Technik initiated in 2014. A series of services and employees involved in performing these services were integrated into the parent company Lenzing AG. Three business units were sold, namely Mechatronics, Automation/Robotics and Sheet Metal.

Accordingly, Lenzing Technik now focuses on the business areas of Filtration & Separation, Pulp Technology as well as Mechanical Construction and Industrial Services. These business areas in 2015 implemented projects and services on a global basis for both the Lenzing Group and external customers.

In the 2015 financial year, the Segment Lenzing Technik reported a structurally-related revenue and earnings decline, which is also due to lower investments inside and outside the Lenzing Group. Lenzing Technik revenue amounted to EUR 70.6 mn in 2015, compared to EUR 90.8 mn in 2014. Revenue generated with external customers totaled EUR 29.6 mn (2014: EUR 43.6 mn). EBITDA by segment reporting amounted to EUR 0.07 mn, down from EUR 3.1 mn in the previous year. The number of employees at Lenzing Technik including trainees declined to 294 people as at December 31, 2015 (December 31, 2014: 646). This decrease is related to the sale of the Mechatronics, Automation/Robotics and Sheet Metal business units, as well as the related integration of employees in Lenzing AG due to the restructuring. Moreover, the deployment of temporary staff was more drastically cut back.

Pulp Technology

The Pulp Technology business area is the pulp competence center for the Lenzing Group, offering solutions for the global pulp industry and implementing projects for the Group's own pulp plants.

Filtration and Separation Technology

The Filtration and Separation Technology business area was able to further consolidate its strong market position over the past financial year, and successfully expanded its worldwide sales network. New applications for its products, for example in the crude oil, sugar and pulp industries, underline the potential of this business area.

Mechanical Construction and Industrial Services

The Mechanical Construction and Industrial Services business area was adjusted to reflect specific market requirements on the basis of implementing restructuring and repositioning measures. The result was a streamlining of the organizational structure and an increase in production efficiency.

Mechanical Construction and Industrial Services is a contract manufacturer for sophisticated applications. The sales focus of this business area in 2015 was on the external market. Within

the Lenzing Group, this business area made a major contribution to the successful construction and completion of the new Lenzing Modal® fiber production plant at the Lenzing site.

Risk Report

Current risk environment

Refer to the section “General Market Environment” for a more detailed analysis of the latest developments on the world fiber market and the related risks for the Lenzing Group.

In the fourth quarter of 2015, viscose fiber selling prices which had previously recovered moved downwards once again, driven by developments in China. For this reason, existing surplus production capacities for viscose fibers along with the low price levels for polyester and cotton remain the biggest risks to the upward development of fiber selling prices.

The pulp supply for Lenzing’s fiber production facilities remains well secured. However, there is an increasing risk of losing cost advantages due to backward integration on the part of competitors, and the continued threat of potential import duties imposed in China on pulp from Europe and South Africa.

Raw material prices for chemicals and energy prices are at a cyclically-related low level. Strong price increases are not expected in the short term.

In terms of foreign currencies, Lenzing continues to profit from the strength of the US dollar and Chinese yuan compared to the euro. Liquidity risks in 2016 are considered to be low due to the positive cash flow development of the Lenzing Group and the cutbacks in the company’s investment activity.

With respect to operational risks as well as environmental damage and product liability risks, which are all potential causes of extensive damage to the Group, there were once again no significant incidents of damage in 2015.

Risk management

The Management Board of Lenzing AG and the corporate centers assigned to it carry out extensive coordination and controlling operations in collaboration with the heads of these departments. This is done within the framework of a comprehensive integrated internal control system covering all sites. The timely identification, evaluation and response to strategic and operational risks are essential components of the management activities. A unified, group-wide reporting system functioning on a monthly basis and ongoing monitoring of strategic and operational plans comprise the basis of this approach.

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Lenzing also operates a group-wide risk management system which is responsible for the central coordination and monitoring of risk management processes throughout the Group. The central risk management team identifies and analyzes the main risks in cooperation with the operating units and directly conveys its findings to the Management Board and the top management of the business units. This includes anticipatory analyses of potential events or near-misses as well. Another task is to actively work to mitigate risks and to implement appropriate countermeasures in cooperation with the affected business entities, or to purchase additional external coverage on the insurance market as required.

Risk management strategy

As part of its risk management strategy, Lenzing pursues a four-step approach in dealing with risks:

Risk analysis (pursuant to the COSO^{®11} framework)

Central risk management conducts biannual risk assessments at all of Lenzing's production sites and functional units. In this case, the risks are evaluated according to the likelihood of occurrence and financial impact pursuant to the international COSO[®] standards. In this regard the financial impact of potential damage to group EBITDA is taken into account.

Risk mitigation

An attempt is made to minimize, avoid or intentionally accept risks in certain cases on the basis of appropriate measures, depending on the potential impact of the identified risk.

Determining responsibility

The assignment of responsibility for dealing with a particular risk is carried out on the basis of the existing organization.

Risk monitoring and control

During the year under review, Deloitte Austria once again evaluated the effectiveness of Lenzing AG's risk management system within the framework of an audit in accordance with Rule 83 of the Austrian Corporate Governance Code. The corresponding confirmation is available on the Website of Lenzing AG at <http://www.lenzing.com/nc/konzern/investor-center/corporate-governance.html>.

¹¹⁾ The Committee of Sponsoring Organizations of the Treadway Commission

In addition to fulfilling legal requirements, the main objective of the group-wide risk management system is to increase the overall awareness of risk and to integrate subsequent findings into everyday business operations and strategic corporate development. The risk management system only presents major risks which are not included in regular financial accounting (i.e. the statement of financial position, income statement).

Strategic market risks are assessed on the basis of market reports and internal market analyses. The risks are evaluated jointly by the internal Market Research Department and Sales Department at monthly meetings.

On balance, Lenzing's risk management identified a total of 29 risks and bundled them in four main areas, as described below.

Market environment risks

Market/Substitution risk

The globally operating Lenzing Group is exposed to a multitude of macroeconomic risks. Price and volume developments for textile fibers are cyclically dependent for textile fibers and to a lesser extent for nonwoven fibers. In turn, this is related to economic conditions on both a global and regional basis. Lenzing fibers compete with cotton and synthetic fibers on many submarkets. Their price development also affects Lenzing's fiber sales revenues and volumes.

Lenzing counteracts this risk by the high share of specialty fibers in its global product portfolio. This share was further increased on the basis of the first-time full-year production of TENCEL® fibers at the Lenzing site. High-quality standards combined with value-added services in the standard viscose fiber business are also designed to safeguard Lenzing's market leadership.

In addition, Lenzing relies on a strong international market presence, especially in Asia, combined with a top-notch regional customer service and support network as well as a high level of customer-oriented product diversification.

Substitution risk for cellulose fibers is counteracted by Lenzing's technological competence and a solid sales basis.

Sales risk

Lenzing derives about half of its fiber revenue from a comparatively small number of major customers. Sales losses caused by major clients or the loss of one or more major customers combined with the failure to attract new customers constitute a risk which Lenzing counteracts by way of its global presence and the continuous broadening of its client base and sales segments. The probability of default on trade receivables is counteracted by stringent receivables management and global credit insurance.

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Innovation and competition risk

As the world's leading manufacturer of botanic cellulose fibers and the global technology leader, Lenzing is exposed to the risk of losing its position on the fiber market due to increasing competition or new technologies developed by competitors. The loss of its market position could especially take place if Lenzing is no longer capable of offering its products at competitive prices, if the products do not fulfill customer specifications or quality standards, or if its customer service fails to meet customer expectations.

Lenzing counteracts this risk by carrying out research and development activities surpassing the average in the cellulose fiber industry as well as a high level of product innovation and ongoing cost optimization measures. The Lenzing Group and other producers of wood-based cellulose fibers face the risk that acceptable or even superior alternative products may become available and obtainable at more favorable prices than wood-based cellulose fibers.

Laws and regulations

Lenzing is confronted with different legal systems and regulations in its global markets. A change in laws or other regulations, such as import duties, more stringent environmental requirements etc. as well as a stricter interpretation of existing laws could lead to considerable additional costs or competitive disadvantages. Lenzing has its own Legal Management and Compliance Department which carries out corresponding consulting services and risk assessments pertaining to the legal situation.

Operational risks

Procurement risk (incl. pulp supply)

Lenzing purchases large amounts of raw materials (wood, pulp, chemicals) and energy in order to manufacture wood-based cellulose fibers. Fiber production and its margins are subject to risks related to raw material availability and the price development of these resources, which can fluctuate to the detriment of the Lenzing Group. Lenzing counteracts these risks by carefully selecting its suppliers according to specified criteria such as price, reliability and quality, but also focuses on establishing longstanding, stable supplier-customer partnerships, in some cases with supply agreements over a period of several years. Lenzing has also established long-term contractual relationships with several raw material suppliers and service partners (but with only a few customers). These agreements require Lenzing to purchase specified quantities of raw materials at standardized terms and conditions, which may also include price adjustment clauses. As a consequence, Lenzing may not be able to change prices, quantities purchased or other contractual terms in the short term as a means of appropriately responding to changed economic conditions. This risk is aggravated by the fact that the lion's share of group revenue is derived from short-term contractual relationships with customers.

Lenzing's pulp and energy strategy focuses on maintaining a maximum degree of self-sufficiency. Lenzing also compensates for price fluctuations by concluding long-term supply contracts, including gas forward delivery contracts.

Operating risk and environmental risk

The production of cellulose fibers requires a complex series of chemical and physical processes which entail certain environmental risks. These risks are well managed thanks to special, proactive and sustainable environmental management efforts, closed production cycles and the continuous monitoring of emissions on the basis of modern-day production technologies. For decades the Lenzing Group has operated production facilities for industrial purposes at several locations. For this reason, risks related to environmental damage caused in the past cannot be fully excluded.

Although the Lenzing Group sets high technological and safety standards in the construction, operation and maintenance of its production sites, the risk of breakdowns, disruptions and accidents cannot be fully excluded. In particular, such difficulties can also be caused by external factors over which the Lenzing Group has no control. There are no direct means of safeguarding against certain natural dangers (e.g. cyclones, earthquakes, floods). In addition, there is the risk of personal injury, material and environmental damage which could result in considerable claims for damages and even criminal liability.

The Lenzing Group has concentrated its production operations at just a small number of sites. Any disruption at one of these facilities would impact a substantial part of the company's business operations.

Product liability risk

Lenzing markets and sells its products and services to customers throughout the world. In this regard, customers could potentially suffer from damage attributable to the delivery of a defective product from Lenzing or one of its subsidiaries. Lenzing is also subject to the prevailing local laws in the countries in which it delivers the products, and is exposed to a high level of liability risk, in particular in the USA. Lenzing counteracts this risk with a special department exclusively focusing on problems experienced by customers in processing Lenzing products and on dealing with complaints. Liability claims and losses caused by Lenzing are insured within the context of a separate liability insurance program.

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Financial risks

Exchange rate risk

Due to its international business relationships, the Lenzing Group is exposed to currency risks, in particular with respect to the USD, CNY and CZK. Clearly-defined, written guidelines exist for dealing with financial risks, which are continually monitored by the Global Treasury Department. The objective of foreign currency management is to safeguard payment flows from business operations against exchange rate fluctuations. Lenzing uses forward exchange contracts for this purpose. Hedging activity as well as the correlation between the risk and the hedging instruments are continuously monitored and reported. Currency translation risks are generally not hedged, but are subject to ongoing observation.

The risk of loss relating to these derivative financial instruments is regularly evaluated. It is considered to be relatively low due to the good creditworthiness of the contractual partners.

Counterparty risk

Default risks relating to primary financial instruments (loans, securities, receivables and cash held at banks) are limited by spreading the liquid assets of the Group over a number of different banks. In addition, Lenzing AG has accepted liability for other companies. The risk of subsidiary liability is considered to be small as the concerned companies can be expected to meet their payment obligations.

The risk of changes in the market value of primary and derivative financial instruments is also rated as relatively small. No increased volatility until maturity is expected for short-term financial instruments. 38.2% of the company's non-current liabilities are linked to variable interest rates.

Liquidity risk, namely the risk of insufficient funds to meet obligations resulting from primary financial instruments and their derivatives, does not exist. The derivative financial instruments are exclusively employed for hedging purposes. The resulting obligations are accordingly covered by the hedged business operations. Obligations resulting from primary financial instruments are covered by available liquid funds and if needed by internal financing.

Payment flows resulting from financial instruments can be subject to fluctuations. These cash flow risks are essentially limited to variable interest rate liabilities.

Financing risk

The Lenzing Group requires financial resources to implement its business plan and strategy. Tighter credit markets and the resulting difficulty in obtaining credit could adversely affect the availability, terms and conditions and costs of procuring capital. In addition, declining demand or a fall in selling prices could also negatively impact business operations and thus the financial situation and earnings of the Lenzing Group. From today's perspective, the risk is considered to be immaterial.

Tax risk

Lenzing's production facilities are subject to local tax regulations in the respective countries, and are required to pay both income taxes as well as other taxes. Changes in tax laws or differing interpretations of prevailing regulations could lead to subsequent tax liabilities.

Compliance

The ongoing tightening of international codes of conduct and legal regulations increases the demands imposed upon Lenzing to comply with and monitor compliance to these regulations. Insufficient controls in business processes or a lack of adequate documentation could potentially result in violations of relevant statutory provisions. Lenzing addresses this risk through its group-wide compliance organization, a code of conduct which is binding throughout the Group, and implementing an anti-bribery and corruption policy as well as an antitrust policy.

Personnel risks

Qualified employees

Personnel risks may arise as a consequence of the fluctuation of employees serving in key positions, as well as recruiting of new staff at all global sites. Lenzing operates a globally operating Human Resources Department which continuously coordinates personnel planning with the respective sites, and centrally manages and monitors all personnel-related issues. This includes global management and training programs for potential executives which are organized by the Human Resources Department.

MANAGEMENT REPORT 2015

Report on Essential Elements of the Internal Control System (Section 243a para 2 of the Austrian Stock Corporation Act)

The internal control system of the Lenzing Group is designed to ensure the reliability of financial reporting, compliance with legal regulations and internal guidelines and the presentation of off-balance sheet and income statement risks.

The organizational structure and process organization of the Lenzing Group comprise the main basis for the overall control environment and the internal control system of the company.

With respect to the organizational structure, competencies and responsibilities are clearly assigned to the different management levels and hierarchies of the Group, encompassing its Austrian sites and all international subsidiaries. Essential corporate functions are centralized in corporate centers, which reflect the Lenzing Group's global market presence as well as its decentralized business and site organization. The respective management is responsible for coordinating and monitoring business operations on a national level.

The process organization of the company is characterized by a clearly-defined and comprehensive set of guidelines which provide an appropriate basis for a strong control environment and control system. The "Lenzing Group Mandates" define essential group-wide approval processes and competencies. The respective management of the business area or department is responsible for monitoring compliance with the respective regulations and controls.

Financial reporting

Global Accounting & Controlling is centrally responsible for financial reporting, thus ensuring a clearly-defined structure and designated responsibilities for this area. A comprehensive set of regulations and guidelines detailing the way control functions are exercised has been developed and implemented.

Lenzing has an internal control and risk management system for the accounting process aiming to ensure the uniform implementation of legal standards, generally accepted accounting principles, the accounting principles contained in the Austrian Commercial Code and for group accounting purposes, the accounting principles laid out in the International Financial Reporting Standards (IFRS) as well as internal group accounting guidelines, especially the accounting handbook and timetable applicable throughout the entire Group.

The accounting-related internal control system is designed to ensure the timely, uniform and accurate recording of information on all business processes and transactions in order to make reliable data and reports available with respect to the financial position and financial performance of the Lenzing Group.

The subsidiaries included in the consolidated financial statements of the Lenzing Group prepare individual financial statements and IFRS financial statements on a company level in a timely manner. They are responsible for ensuring the decentralized implementation of existing rules with the support of the Corporate Consolidation team. The consolidated financial statements are prepared on the basis of the data supplied by the group companies. Corporate Consolidation is responsible for consolidation entries, reconciliations and monitoring compliance with reporting guidelines with respect to contents and deadlines.

Due to its direct access to the company's assets, the Global Treasury and Payment Department is considered to be a highly sensitive area. Correspondingly, comprehensive regulations and instructions have been developed to take account of the enhanced need for security in the relevant processes.

These clear guidelines stipulate the strict application of the four-eyes principle for implementing transactions as well as ongoing report to the Global Treasury and Payment Department. The Internal Audit Department is responsible for monitoring the application of and compliance with controls of business operations.

Global Tax Management is in charge of handling tax issues in the Group.

Compliance with legal regulations and internal guidelines

The Legal Management & Compliance Department of Lenzing AG is responsible for dealing with legal issues. This centralized function is in charge of handling all legal issues within the Lenzing Group and in particular for those matters which go beyond standard business processes.

The Legal Management & Compliance Department is responsible for the further development of a compliance management system (CMS) for processes regulating compliance with statutory law and internal guidelines or preventing violations of the law or improper behavior. Legal Management & Compliance reports directly to the Chief Executive Officer. The compliance management system is responsible for the following tasks: continually identifying compliance-relevant risks, taking measures to minimize risks, developing compliance-relevant guidelines and monitoring adherence to them, training employees, providing assistance on compliance issues, dealing with and correcting cases of improper behavior and preparing regular reports to the Management Board and Supervisory Board or to the Audit Committee.

Lenzing AG has declared its commitment to adhering to the rules contained in the Austrian Code of Corporate Governance (ACCG), and prepares a corresponding public Corporate Governance Report within the context of Lenzing's Annual Report. The Corporate Governance Report requires the participation of the Supervisory Board, which for this purpose delegates responsibility to the Audit Committee for monitoring compliance with the obligations stipulated in the report.

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The Internal Audit Department is independent of organizational units and business processes and reports directly to the Chief Executive Officer as at December 31, 2015. Internal Audit evaluates whether the deployed resources are used legally, sparingly, economically and properly in the spirit of sustainable development. Internal Audit orients its activities to the international standards laid down by the Institute of Internal Auditors (IIA). Regular reporting to the Management Board and the Audit Committee ensure the proper functioning of the internal control system.

Recognition of off-balance sheet and income statement risks

The Risk Management Department identifies and presents risks outside of the consolidated statement of financial position and consolidated income statement by preparing a semi-annual Risk Report. The main risks contained in the Risk Report are also mentioned in the Annual Report. The Risk Report is prepared according to the internationally recognized standards of the Committee of Sponsoring Organizations of the Treadway Commission (COSO®).

Balance Sheet Structure and Liquidity

The Lenzing Group meets its obligations in a timely manner. The Group boasts a solid liquidity and equity basis as well as a sound balance sheet structure. Moreover, sufficient credit facilities which can be used for financing at any time have already been granted by various banks.

On balance, the Management Board of Lenzing AG in its capacity as the management of the Lenzing Group is not aware of any risks as at the reporting date December 31, 2015 that could endanger the continued existence of the company in the 2016 financial year.

Research and Development

The commitment to be and remain the innovation leader in the industry is a central part of the Lenzing Group's strategy. Lenzing has been a pioneer for ecologically responsible and profitable cellulose fiber production for decades on the basis of its systematic research and development (R&D) activities.

R&D work at Lenzing covers the entire value chain, beginning with the raw material of wood to the fibers and the different applications in the apparel, nonwovens, technical textiles and chemicals segments. Numerous innovations are continuously being developed in collaboration with customers, but also with partners from external research facilities or university institutes.

R&D activities at the Lenzing site are bundled in a centralized Innovation and Strategic R&D Department reporting directly to the Management Board. Central research is closely linked to other business areas such as Production, Business Development, Application Technology, Customer Services and Sales.

At the end of 2015, a team of specialists consisting of about 170 employees conducted research in Lenzing. Their achievements are reflected in Lenzing's approximately 1,500 patent applications (from 250 patent families) in 63 countries across the globe.

In the 2015 financial year, research and development expenditures calculated according to the Frascati method amounted to EUR 29.8 mn (2014: EUR 20.6 mn). Lenzing's investments in R&D comprise a peak value compared with the rest of the industry, both as a percentage of revenue and in absolute terms. Lenzing intends to further increase these expenditures in the coming years to sustainably retain and expand its innovation leadership in cellulose fiber production.

Priorities in 2015

With respect to pulp, the R&D focus was on optimization measures (i.e. further closing cycles, enhancing quality) at the Paskov and Lenzing pulp production plants. In addition, work was done on a concept to further increase the utilization rate of the raw material wood with respect to existing and new co-products (in the spirit of Lenzing's role as a biorefinery).

The priority in fiber technology research was on further developing the entire TENCEL® technology. Additional improvements were implemented in the production process.

Special processes to manufacture nonwovens were developed and tested, including wet laying processes or the use of special short-cut fibers. Moreover, several new TENCEL® specialty fibers were developed, in particular for wipes.

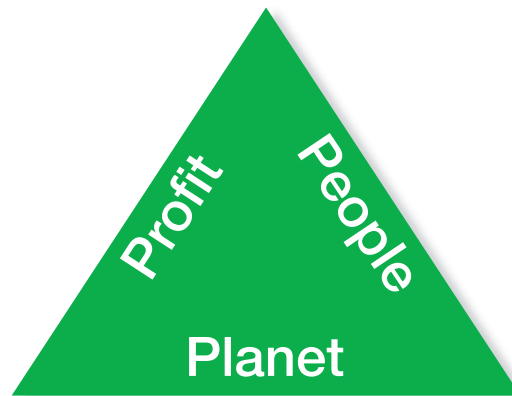
The Innovation and Strategic R&D Department intensively participated in the development of the new sCore TEN strategy during the year under review. In the years to come, the focus of Lenzing's R&D activities will mainly be on implementing sCore TEN. In this regard, the key driving forces underlying innovations are quality and technological leadership, customer needs and sustainability. The systematic integration of sustainability aspects in R&D already begins before the raw material reaches the factory gates, and requires a holistic approach.

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Environment and Sustainability

At Lenzing, sustainability is a fundamental value embedded in strategic business management, and simultaneously an important differentiating factor for the Lenzing brand. Sustainable thinking and action are the basis for innovation, laying the foundation for the future success of the Lenzing Group. Lenzing attaches the same importance to profitable business operations as achieving social equity and safeguarding the ecological basis of life.

Sustainability model of the Lenzing Group



The commitment to sustainability is a basic value firmly anchored in the mission statement of the Lenzing Group:

- Lenzing is a performance materials company that turns CO₂ and sunlight into highly functional, emotional and aesthetic products.
- Lenzing creates value with eco-friendly, innovative top-quality products and services.
- Lenzing operates its business sustainably and creates value for all stakeholders.
- Lenzing improves its own ecological footprint and that of its partners in the value chain.
- Lenzing creates growth and learning opportunities for its employees.

The principles of sustainable business development are embedded at Lenzing due to its raw material basis, and are thus practiced on all levels of the cellulose cycle throughout the entire Lenzing Group. As a globally operating company, Lenzing is consistently committed to a sustainable and transparent supply chain along the textile and nonwovens value chains. Accordingly, Lenzing works closely with all stakeholders, thus fulfilling the growing demands of consumers with respect to sustainability and quality.

The deeply felt commitment of the Lenzing Group to sustainability is an integral part of the new group strategy "sCore TEN" and thus of crucial importance in implementing strategic measures. For this reason, Lenzing is currently working on a new sustainability strategy taking future megatrends and stakeholder demands into account. The updated sustainability strategy will define sustainability targets and specific implementation measures.

Responsibility for people

The Lenzing Group operates globally. Principles such as tolerance, openness and respect for all people regardless of their origin are applied equally by Lenzing everywhere.

During the reporting period, central values of the Lenzing Group such as diversity and appreciation for different countries and nationalities were increasingly made visible. Issues of relevance to employees were communicated via various employee media, and were lived and practiced within the context of action days such as the Indonesian Independence Day and the United Nations Week.

Responsibility for the environment

Lenzing fibers are an indispensable input factor for the textile industry, healthcare as well as personal hygiene and body care. The explicit aim of the Lenzing Group is to contribute to the production of goods with a minimal environmental impact along the entire value chain, including the final product.

In the past, the viscose fiber industry was considered as environmentally harmful and resource-intensive. Over the past few decades, Lenzing has demonstrated the possibility of sustainably producing wood-based cellulose fibers. For more than a quarter of a century, Lenzing has set international standards in manufacturing wood-based cellulose fibers on the basis of ongoing process improvements, closed chemical cycles and state of the art exhaust air and wastewater treatment systems. In addition, Lenzing is committed to a strict procurement policy for wood and pulp to ensure that no wood from controversial sources is used to produce pulp and fibers.

By defining valid group-wide environment standards, Lenzing has voluntarily committed itself to complying with specified environmental criteria. The basis for Lenzing's commitment is its orientation to strict benchmarks stipulated in various international standards such as the EU Ecolabel.

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Policy for Wood and Pulp

The supply of wood and pulp of the right quality and quantity to all of the Lenzing Group's pulp and fiber production sites is an important aspect of the Lenzing Group's core business. In order to ensure adherence of its wood and pulp sourcing to sustainability principles, the Lenzing Group developed a clearly-defined "Policy for Wood and Pulp" applicable throughout the entire Group, which was updated during the year under review.

The "Policy for Wood and Pulp" of the Lenzing Group aims to procure wood and pulp exclusively from non-controversial sources. In addition, suppliers participating in credible forest certification programs are preferred.

Controversial sources include wood which has been harvested:

- illegally
- from forests of high conservation value, including ancient and endangered forests, and endangered species habitat
- from plantations established after 1994 through significant conversion of natural forests or converted to non-forest use
- from forests or plantations growing genetically modified trees
- in violation of civil or social rights or the rights of the indigenous population
- in violation of any of the ILO Core Conventions as defined in the ILO Declaration on Fundamental Principles and Rights at Work.

Regular risk-assessments, audits and on-site visits as well as independent third-party certification of the sustainable forest management programs help to ensure compliance with the policy.

If Lenzing discovers that wood or pulp is sourced from controversial sources, the respective supplier will be eliminated from the supply chain with a reasonable lead time.

Lenzing strives to establish long-term partnerships with its wood and pulp suppliers, and seeks to do business personally and directly with forest owners and pulp mills.

EU Ecolabel

Back in 2002, Lenzing became the first fiber producer in the world to be awarded the EU Ecolabel. The EU Ecolabel has been an important benchmark for the Lenzing Group ever since due to the strict criteria for awarding it and the high level of public recognition it enjoys.

On the basis of new, even stricter criteria, the Grimsby (GB) site became yet another production facility of the Lenzing Group to be given the EU Ecolabel.

USDA Certified Biobased Label

The United States Department for Agriculture (USDA) grants the Certified Biobased Product Label to promote environmentally compatible products. After successfully concluding the certification process, all Lenzing Modal® and TENCEL® fiber types are authorized to bear the USDA Biobased Product Label. Accordingly, Lenzing fibers are designated as biobased and environmentally compatible products for consumers and public procurement bodies in the USA.

Sustainability awards for Lenzing products

Two Lenzing Group products were given sustainability awards in May 2015. Lenzing developed shoe laces made of 100% TENCEL® which received the CSR Newcomer Trophy from TRIGOS, the most well-known sustainability award in Austria. This award recognized the outstanding ecological balance and complete compostability of the TENCEL® shoe laces, qualitatively on par with conventional laces. In addition, Lenzing was granted the prominent environmental prize ENERGY GLOBE Award Austria in the Category Earth for Lenzing Modal® COLOR. The decisive factor was that these Lenzing fibers made of beech wood reduce the typically high environmental burden in dyeing textiles by up to 80%.

Responsibility for the economy

Lenzing bears considerable responsibility as an employer, borrower of capital, customer and supplier, as well as a company actively shaping global value chains, especially in economically challenging times. After two very difficult years, Lenzing proved its ability during the year under review to successfully manage even longer crisis periods without threatening the intrinsic value of the company and its stakeholders. By implementing suitable measures in a timely manner, Lenzing safeguarded its economic viability and created the pre-requisites to remain a reliable partner in the future.

In spite of the extremely tense market environment, the Lenzing Group punctually met all its financial obligations, and continued to pursue a consistent dividend policy. The ongoing high equity ratio of the Lenzing Group underlines its economic strength and financial autonomy.

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In its role as a technology leader, Lenzing is aware of its responsibility along the entire value chain. Lenzing sees itself as a driving force for innovative solutions, especially with respect to the growing importance of sustainable products in the textile and nonwovens industry. The Lenzing Group closely orients its business operations to customer needs, intensively working with all partners along the entire value chain within the context of its push-pull market strategy.

Accordingly, Lenzing is strongly committed to the development of global sustainability standards in collaboration with industrial, retail and political institutions and interest groups as well as NGOs. As an active member of the Sustainable Apparel Coalition (SAC), Lenzing was intensively involved in the development of the global standard Higg Index. This index serves as the basis for a standardized evaluation of the sustainability of textile products along the entire value chain. In addition, Lenzing takes part in various sustainability projects within the context of its SAC membership, for example the development of recycling technologies for clothing.

As a leading company in the fields of pulp and botanic cellulose fibers, Lenzing also bears a particular responsibility in procuring wood and pulp. In this regard, Lenzing is working on a certification process entitled "Man Made Cellulosic Fibre Solution Pathway" in cooperation with the Canadian non-profit organization Canopy as well as leading brands and retailers. This certification is designed to ensure that the only apparel made of cellulose fibers which can demonstrate a transparent supply chain boasting unobjectionable practices will be sold in their shops. In particular, products which are potentially made of wood or pulp from old-growth or endangered forests are to be excluded.

VÖNIX – Sustainability Index of the Vienna Stock Exchange

Since 2005, some 60 publicly listed Austrian companies have been analyzed each year on the basis of about 100 environmental and social criteria. The best companies are accepted for listing in the VÖNIX index (VBV Austrian Sustainability Index) for a period of one year. In 2015, Lenzing was accepted for listing in the VÖNIX index for the tenth straight time, and was honored as an "All Time Index Member" along with eight other companies.

Certifications

Certifications provide important information about the status of an organization with respect to its systems and products. Accordingly, business partners and customers can be assured of adherence to the corresponding quality, environmental and safety standards.

Certification status in the Lenzing Group

	ISO 9001	ISO 14001	OHSAS 18001
Lenzing (Austria)	✓	✓	✓
Heiligenkreuz (Austria)	✓	✓	✓
Grimsby (UK)	✓	✓	✓
Mobile (USA)	✓	✓	✓
Purwakarta (Indonesia)	✓	✓	✓
Nanjing (China)	✓	✓	✓
Paskov (Czech Republic)	✓	✓	✓

Human Resources

The most valuable asset of a performance-driven, competitive organization are its committed, motivated and highly qualified employees. For this reason, the Lenzing Group constantly implements measures to enhance the qualifications of its employees, based on a broad range of global and regional personnel development programs.

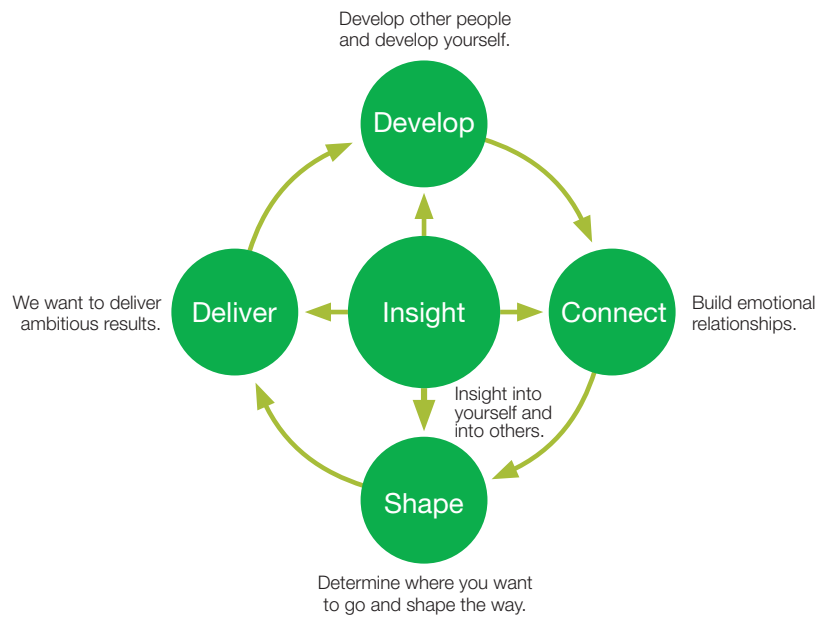
Following a difficult, market-related working environment characterized by cost savings and declining earnings, a substantial improvement in earnings was reported for the 2015 financial year, giving employees a motivational boost. The strategy formulation process for sCore TEN also made a positive contribution during the year under review. Within the context of this project, teams spanning all Lenzing sites, hierarchies and departments successfully collaborated on developing the Lenzing Group's new strategic orientation.

A global employee survey was carried out within the strategy formulation process focusing on key issues relating to the employer branding of Lenzing®. This was designed to help the company better understand the expectations held by employees at all sites concerning their employer. As a follow-up, the results of the survey were qualitatively deepened in focus groups within the context of the prevailing local culture. Executives and human resources teams are now doing their share to further tackle relevant issues.

The results of this employee survey on Lenzing's corporate culture will be integrated in the new sCore TEN strategy, ensuring that respect, diversity, professional cooperation, pride in excellent achievements and shared values will already have a prominent place in the implementation of sCore TEN. In particular, a focal point for Lenzing in 2015 and beyond is embedding the new leadership model, a top priority alongside implementation of the new group strategy, in the hearts and minds of executives.

MANAGEMENT REPORT 2015

Lenzing Leadership Model



Global further education and professional development

The conference series entitled “Management Time Out” which was launched in 2014 continued to be an important platform in 2015 for the mutual exchange of ideas and orientation of top management on issues relating to strategy, leadership, corporate culture and change. The objective of Management Time Out is to help the top management level reach a consensus, develop a shared understanding and awareness of their joint responsibility and embed it all in the organization. The conference took place on a quarterly basis, and involves 50 participants from the different global sites of the Lenzing Group.

The 16-month executive development program “Springboard”, which was also initiated in the previous year and includes close to 30 participants from Asia, USA and Europe, was successfully continued in 2015. “Springboard” focuses on the issues of culture and change, decision-making, leadership, international communications as well as virtual and practical cooperation. The first cycle of the program concludes in March 2016, with other groups planned in subsequent years. Several Springboard participants have also been attending the Management Time Out meetings since June 2015.

The employee performance review is an important leadership instrument which has been used in the past, and is planned to be rolled out as an annual tool on a broader basis. Based on the strategy and department objectives, performance targets are set for the employees, conduct and leadership styles are discussed within the context of the new strategy, and professional de-

velopment needs of the individual employees are identified. Furthermore, employees and their supervisors reflect on and evaluate performance, and relevant objectives and measures for the coming year are agreed upon. A global process was defined during the year under review as a means of further strengthening the performance and feedback culture in the company.

For Lenzing as an expert organization, the protection and targeted internal transfer of know-how is a critical factor of success. Pilot projects on know-how transfer were launched in order to promote the sharing of knowledge in the spirit of a true learning organization. Specific reasons for focusing on this issue include the planned retirement of an employee, the handing over of responsibilities from predecessors to successors, or the necessity of new employees to familiarize themselves with the company and their jobs. A structured process was defined to ensure the attendance of an expert to moderate job handover meetings. In this way, less documented but implicit practical knowledge can be more effectively passed on.

In order to further expand sales competencies, concepts were developed in 2015 to establish a new "Commercial Academy." It will serve as a platform to deepen competencies in sales, a general understanding of the business, product know-how, adding value in the value chain and legal knowledge. The first phase of the program is scheduled to begin in the spring of 2016.

In addition to global personnel development initiatives, a large number of regional programs and measures take place, targeting the professional development of employees as well as specialist and apprenticeship training.

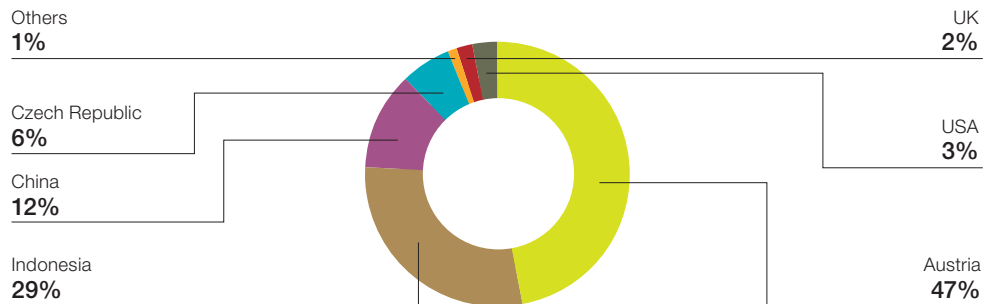
At the reporting date December 31, 2015, the total number of employees working for the Lenzing Group comprised 6,127 people around the world (December 31, 2014: 6,356), thereof 182 apprentices. This 3.6% reduction of the Lenzing staff was mainly due to the sale of subsidiaries or business units.

A total of 2,662 employees were working at the corporate headquarters in Lenzing, Austria at the reporting date December 31, 2015, employed at the companies Lenzing AG, Lenzing Technik and Lenzing's educational center, BZL – Bildungszentrum Lenzing GmbH (December 31, 2014: 2,739): This figure includes 166 apprentices (December 31, 2014: 173). In addition, 16 apprentices received vocational instruction and training at the Lenzing sites in Heiligenkreuz, Austria and Grimsby, Great Britain.

MANAGEMENT REPORT 2015

Staff members by country

Number of Lenzing Group employees as at December 31, 2015: 6,127*



*1 Headcount incl. trainees, excl. leased labor

Safety, Health and Environment

The Corporate Center “Global Safety, Health and Environment” (Global SHE) is responsible for overseeing the Lenzing Group’s efforts with respect to occupational safety, health and the environment. Measures were implemented in the 2015 financial year to increase occupational safety and further develop group-wide healthcare management.

Safety

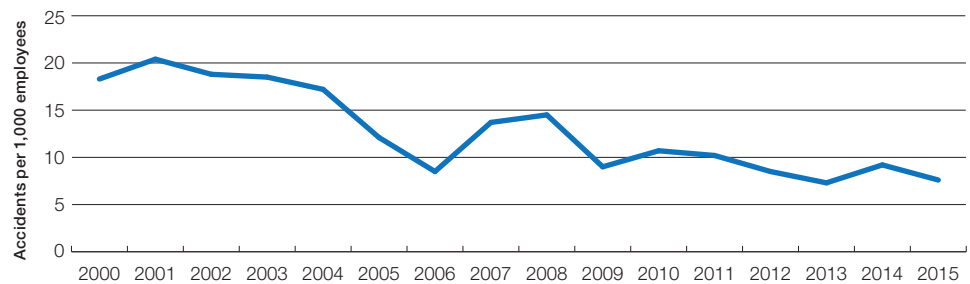
The primary goal of Global SHE is to raise awareness in the workforce about the importance of safety and take appropriate measures to minimize the risk of accidents at work.

For this purpose, the “Lenzing Heartbeat” program was launched during the year under review as a consequence of the sCore TEN strategy development process. Its objective is to promote a safety culture in the Lenzing Group. In the first phase, the initial situation was evaluated on the basis of a group-wide survey and analysis process. Interviews were conducted with global executives and regional management teams alongside an assessment of facilities, systems and processes. The top ten safety risks within the Lenzing Group were identified on the basis of this review, and specific measures to enhance safety were developed.

Following a rise in the 2014 financial year, the accident rate declined once again in 2015. The Grimsby (GB) and Mobile (USA) sites did not report any accidents, and the number of accidents also decreased at the Nanjing plant (China).

Development of the accident rate

Lenzing Group



Health

The Lenzing Group has established industry-specific healthcare standards at all its sites such as regular health checks for all employees and regularly held trainings in how to properly deal with chemicals. In addition, various health promotion programs are implemented at the production facilities of the Lenzing Group. The offering ranges from health recommendations, cost-free vaccinations and smoking cessation programs to balanced nutrition in the company canteens, fitness courses and sporting events.

For example, the “iHealthy Wellness” program initiated at Lenzing’s production facility in Mobile, USA showed initial successes in 2015. Its primary focus is on prevention. For example, it encompasses annual healthcare checks designed to identify existing health risks in a timely manner or prevent risks by promoting a healthy lifestyle.

An emergency hospital with state-of-the-art equipment was set up at the Purwakarta site in Indonesia during the reporting period.

Corporate Communications

Transparent and open internal and external communications is a central pillar of Lenzing’s corporate culture, and an important factor in positioning the Lenzing Group with all its stakeholders.

The Corporate Center Corporate Communications is responsible for coordinating all communications processes on a group level. The objective is to optimally inform all stakeholders of the Lenzing Group on the basis of high-quality public relations and internal communications. The close cooperation with Investor Relations ensures a holistic approach to communications.

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Public relations

In the past financial year, the Lenzing Group provided comprehensive and timely information about its ongoing development and current issues relating to its core pulp and fiber business to the public and Lenzing employees. In this regard, Lenzing made use of a variety of different information channels.

Information for external stakeholders was disseminated, amongst other means, via regular press releases, media events and a large number of individual talks with journalists. This took place on the basis of the personal involvement and appropriate preparatory work of the Management Board as well as directly via Corporate Communications.

The Website www.lenzing.com was relaunched during the year under review and is being further developed, also focusing on the more product-focused Web and social media applications.

The most important information channels were recently adjusted to reflect the trend towards increased digital communications and the reduction of printed materials. Appealingly designed employee and customer magazines, digital newsletters and Lenzing's own TV format are the primary information platforms. Employee magazines with a local focus offer relevant information for the staff at the respective sites. The bilingual online magazine "Lenzing Life" (www.lenzinglife.com) also provides timely information to employees, customers and other stakeholders about news from the world of Lenzing.

50 years of Lenzing Modal®

At the end of November 2015, Lenzing joined together with longstanding Lenzing Modal® customers to celebrate the 50th anniversary of the production and marketing of this specialty fiber developed by Lenzing. Other events with customers were held at all subsequent international textile trade fairs.

First anniversary of the world's largest TENCEL® fiber plant

In October 2015, the world's largest TENCEL® fiber plant located at the Lenzing site marked its first anniversary. On this occasion, the celebration in Lenzing attended by prominent guests thanked all those who were involved in the successful realization of the project. Members of the Supervisory Board as well as representatives of the B&C Group, the core shareholder of Lenzing, avowed their clear commitment to further growth of the Lenzing Group with TENCEL®.

Investor Relations

The Lenzing share

The Lenzing share is publicly listed on the Prime Market of the Vienna Stock Exchange, and in its role as one of the 20 largest listed companies is also traded on the benchmark ATX index (Austrian Traded Index), the Vienna Stock Exchange Share Index WBI and uninterruptedly in the VÖNIX Sustainability Index since 2005.

Average daily turnover of the Lenzing share in 2015 was close to EUR 3.0 mn. Market capitalization at the end of 2015 (December 30, 2015) totaled EUR 1.85 bn.

Key indicators 2015

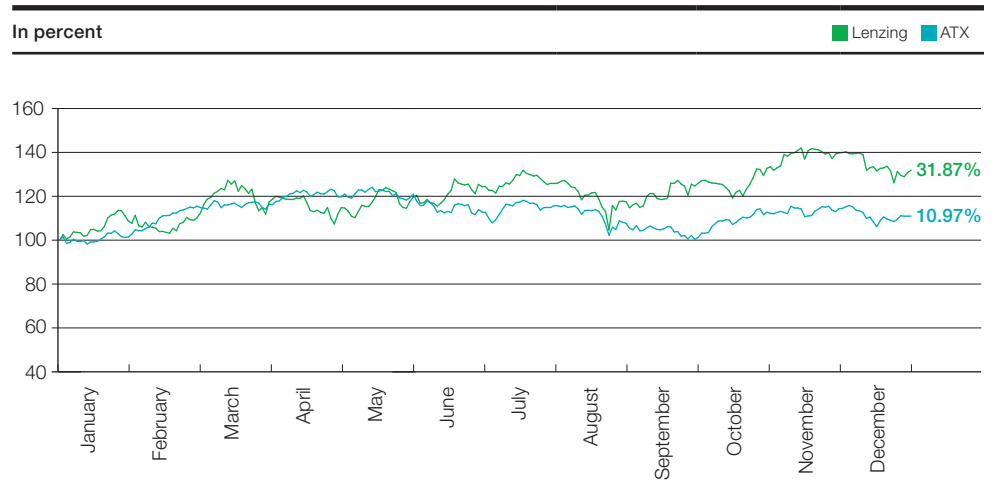
ISIN	AT 0000644505
Ticker symbol	LNZ
Initial listing	September 19, 1985
Indices	ATX Prime, VÖNIX, WBI
Number of shares	26,550,000
Nominal capital	EUR 27,574,071.43
Trading volume	11,782,076
Total turnover	EUR 746,252,947.80
Average daily turnover	EUR 2.997 mn
Year's high	EUR 75.65
Year's low	EUR 52.39
Closing price Dec. 30	EUR 69.55
Annual performance	+31.87%
Market capitalization on Dec. 30	EUR 1,846,552,500.00

Share performance

In 2015, global stock markets were characterized by extreme share price fluctuations, and differed substantially in terms of their regional development. The Vienna benchmark index ATX closed out 2015 at 2,396.94 points, a gain of about 11% for the year. The value of the Lenzing share increased by close to 32% during the year under review, thus ranking among the biggest winners on the Prime Market of the Vienna Stock Exchange. The good business development, successful implementation of the cost reduction program launched in 2013 and the new strategy sCore TEN presented in November 2015 were well received by the capital market. The year's low of EUR 52.39 was reached in January 2015, whereas the highest share price of EUR 75.65 was recorded in November 2015.

MANAGEMENT REPORT 2015

Development of the Lenzing share 2015



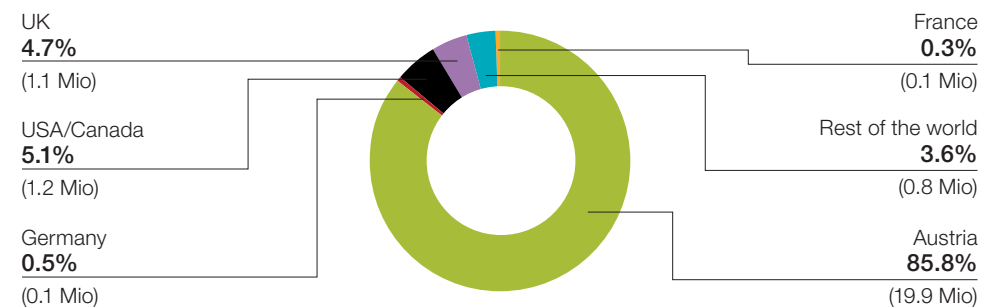
Nominal capital and shareholder structure

The nominal capital of Lenzing AG amounts to EUR 27,574,071.43 and is divided into 26,550,000 individual shares. The majority owner remains the B&C Group, which holds a 67.6% stake of the voting rights, and sees itself as the long-term oriented Austrian core shareholder of Lenzing AG. Another 5% of the voting rights are held by Oberbank AG, a leading Austrian regional bank. The remaining 27.4% of the shares are in free float with international and Austrian investors. The company does not have any treasury stock.

The geographical breakdown of the identifiable share ownership as per January 31, 2015 is as follows:

Share ownership by country

In percent and millions of shares as at Dec. 31, 2015 (23,129,843 shares identified)



Position of shareholders

There are no shares that confer special rights to control. Each no-par value share grants the shareholder one vote at the Lenzing AG Annual General Meeting. Unless mandatory provisions of the Stock Corporation Act provide otherwise, the Annual General Meeting passes resolutions by a simple majority of the votes cast and – if a majority of the nominal capital is required – by a simple majority of the nominal capital represented at the Annual General Meeting.

A resolution passed by the Annual General Meeting held on April 28, 2014 authorized the Management Board, contingent upon consent granted by the Supervisory Board, to purchase own no-par-value shares on the stock market of up to 10% of the company's share capital valid for a period of up to 30 months starting on April 28, 2014. The purchase may not be for the purpose of trading in own shares.

If necessary, the Management Board was also authorized to reduce the share capital by redeeming such own shares without any further resolution by the Annual General Meeting. The Supervisory Board is authorized to adopt any amendments to the Articles of Association resulting from the redemption of shares.

A resolution passed by the Annual General Meeting on April 22, 2015 authorized the Management Board, pending the approval of the Supervisory Board, to raise the share capital of the company within a period of five years – if need be in several tranches – by up to EUR 13,778,412 by way of issuing up to 13,274,000 new no-par share certificates against cash and/or payment in kind ("authorized capital"). This authorization has not yet been entered into the Austrian Commercial Register and is not effective as yet. Moreover, another resolution approved at the Annual General Meeting of April 22, 2015 authorized the Management Board, provided the Supervisory Board grants its approval, to issue, by no later than April 22, 2020, convertible bonds granting subscription rights or conversion rights for up to 13,274,000 shares, if need be in several tranches ("contingent capital"). These rights may be exercised by means of the contingent capital and/or via the company's own shares.

As of December 31, 2015, the Management Board had not yet exercised its existing authorization to raise the share capital, issue convertible bonds and to buyback own shares.

Investor relations measures

In the light of the difficult market environment, the objective of Lenzing's investor relations activities was the transparent presentation of the implemented measures, e.g. the cost reduction program and the strong, proactive orientation of business operations to fiber specialties. In addition, Lenzing's investor relations team worked on increasing recognition on international stock markets. On November 17, 2015, the management led by the new CEO Stefan Doboczky presented the new sCore TEN strategy at the Capital Markets Day held in Lenzing.

In addition to regular publications (e.g. interim reports, ad-hoc announcements, corporate news), Lenzing also provided information to investors at numerous road shows and confer-

MANAGEMENT REPORT 2015

ences in Europe. Lenzing took part in information days for stock markets, and also conducted tours of the plant grounds at its headquarters. Analysts and investors were regularly provided with an overview of the current strategic and corporate business development of the company within the context of conference calls and individual telephone conversations. On balance, the number of personal one-on-one contacts amounted to far more than 600 in 2015.

Analyst coverage

In the year 2015, Lenzing was monitored by the following equity research companies:

- Kepler Cheuvreux
- Deutsche Bank
- Raiffeisen Centrobank
- ERSTE Group
- Berenberg Bank
- Baader Helvea
- Citigroup

The latest information on analyst research can be viewed on the Lenzing Website at:

<http://www.lenzing.com/en/investors/the-lenzing-share/analysts-consensus.html>

Annual General Meeting 2015 and dividends

The 71st Annual General Meeting of Lenzing AG took place on April 22, 2015 in Lenzing, Upper Austria. All of the proposed resolutions received more than 90% of the votes cast. The Annual General Meeting resolved to distribute a dividend of EUR 1.00 per no-par-value share for the 2014 financial year. Based on 26,550,000 shares, this corresponded to a total dividend payout of EUR 26,550,000.00.

The Management Board and Supervisory Board will propose to the 72nd Annual General Meeting that a dividend of EUR 2.00 per no-par-value share be distributed for the 2015 financial year.

Further disclosures pursuant to Section 243a UGB (Austrian Commercial Code)

There are no provisions other than those stipulated by law with respect to the appointment or dismissal of members of the Management Board and Supervisory Board. There are no significant contractual agreements to which the company is a party, which would take effect, cause major changes or expire in the event of a change in ownership resulting from a takeover bid. No compensation agreements exist between the members of the Management Board and Supervisory Board or with employees in case of a public takeover offer.

Outlook Lenzing Group 2016

No economic tailwinds continue to be expected again in the 2016 financial year. The International Monetary Fund (IMF) anticipates a slight increase in global economic growth to 3.4% compared to 3.1% in 2015. A moderate economic recovery is emerging in the industrialized countries against the backdrop of low raw material costs, whereas the IMF forecasts a further weakening of growth in China.

A continuation of the global fiber market's volatile development is expected. High cotton inventories still burden the market. Polyester fiber selling prices will remain at a low level as long as oil prices stay low. In turn, this intensifies price competition among the various fibers (inter-fiber competition).

However, the market segment of wood-based cellulose fibers, which is of relevance to Lenzing, is showing signs of developing more favorably than the overall fiber market. Demand for these cellulose fibers was good at the beginning of 2016. The long-term trend is towards the increased use of viscose fibers, and in particular cellulose-based specialty fibers. On the supply side, no significant new production capacities will apparently be moving into the market in the short term.

Development of the Lenzing Group

Lenzing is very well positioned in this business environment. Within the context of its new group strategy sCore TEN, Lenzing is striving to increase its EBITDA by about 10% annually and to raise the return on capital employed (ROCE) to more than 10% by 2020. Moreover, Lenzing will even more strongly position itself as a premium supplier in the attractive specialty fiber segment, enabling the company to increasingly detach itself from the commodity price cycle.

The Lenzing Group reported strong demand for its products in the first weeks of 2016. This served as the basis for a high level of capacity utilization, especially for its specialty fibers. Assuming unchanged conditions on the fiber market and currency exchange rates, Lenzing expects a substantial improvement of its business results in the 2016 financial year compared to 2015.

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Events After the Reporting Period

The Lenzing Group is not aware of any further events significant to it after the reporting date December 31, 2015 that would have resulted in a different presentation of its financial position and financial performance.

Lenzing, March 9, 2016

Lenzing Aktiengesellschaft

The Management Board

Stefan Doboczky

Chief Executive Officer

Chairman of the Management Board

Robert van de Kerkhof

Chief Commercial Officer

Member of the Management Board

Thomas Obendrauf

Chief Financial Officer

Member of the Management Board

Appendix: Notes on the Financial Performance Indicators of the Lenzing Group

Key financial performance indicators for the Lenzing Group will be described here in detail. They are largely derived from the consolidated financial statements of the Lenzing Group according to IFRS. These figures are particularly shown in the sections “Selected Indicators of the Lenzing Group” and “Five-Year Overview of the Lenzing Group” of the annual report. The definitions of these financial indicators are included in the glossary of the annual report. The Management Board is of the opinion that these financial performance indicators provide useful information about the financial position of the Lenzing Group since they are used in-house, and are usually of considerable importance to external stakeholders (in particular investors, banks and analysts).

EBITDA, EBITDA margin, EBIT and EBIT margin

In the Lenzing Group, EBITDA and EBIT are considered to be the benchmarks for operating earnings strength and profitability (performance) before and after depreciation and amortization. Due to their significance, also for external stakeholders, these indicators are presented in the consolidated income statement and, in order to provide a comparison of margins, in relation to group revenue (as the EBITDA margin and EBIT margin).

EUR mn	2015	2014	2013	2012	2011
Earnings before interest, tax, depreciation and amortization (EBITDA)	290.1	240.3	225.4	352.4	480.3
/Revenue	1,976.8	1,864.2	1,908.9	2,090.4	2,140.0
EBITDA margin	14.7%	12.9%	11.8%	16.9%	22.4%

EUR mn	2015	2014	2013	2012	2011
Earnings before interest and tax (EBIT)	151.1	21.9	86.4	231.5	364.0
/Revenue	1,976.8	1,864.2	1,908.9	2,090.4	2,140.0
EBIT margin	7.6%	1.2%	4.5%	11.1%	17.0%

EBT

EBT measures the earnings strength of the Lenzing Group before tax. It is presented in the consolidated income statement.

Gross cash flow

In the Lenzing Group, the gross cash flow serves as the benchmark for the company’s ability to convert gains/losses from operating activities (before changes in working capital) into cash and cash equivalents. It is presented in the consolidated statement of cash flows.

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Free cash flow

The free cash flow generated by the Lenzing Group serves as the benchmark for the readily available cash flow generated from operating business activities after deducting investments used to service debt capital providers and equity investors. Moreover, it is of importance to external stakeholders.

EUR mn	2015	2014	2013	2012	2011
Cash flow from operating activities	215.6	218.8	82.3	209.4	309.7
- Cash flow from investing activities	(56.5)	(102.8)	(152.2)	(281.8)	(216.2)
- Net inflow from the sale and disposal of subsidiaries and other business areas	(13.4)	0.0	(61.7)	0.0	0.0
+ Acquisition of financial assets	4.9	2.3	8.3	4.3	49.5
- Proceeds from the sale/repayment of financial assets	(5.6)	(3.5)	(40.7)	(41.0)	(23.8)*
Free cash flow	145.0	114.8	(163.9)	(109.1)	119.2*

CAPEX

In the Lenzing Group, CAPEX serves as a measure for capital expenditures in intangible assets and property, plant and equipment. It is presented in the consolidated statement of cash flows.

Liquid assets

Liquid assets in the Lenzing Group are the benchmark for the ability to meet payment obligations falling due through immediately available liquidity. It is also used to calculate other financial indicators (e.g. net financial debt; see below).

EUR mn as at Dec. 31	2015	2014	2013	2012	2011
Cash and cash equivalents	347.3	271.8	287.9	481.7	410.5
+ Liquid bills of exchange (in trade receivables)	8.1	8.5	8.1	8.5	5.8
+ Liquid securities (in financial assets)	0.0	0.0	0.0	38.6	76.5
+ Current securities	0.0	0.0	0.0	0.0	6.7
Liquid assets	355.3	280.3	296.0	528.8	499.6

Trading working capital and trading working capital to annualized group revenue

Trading working capital in the Lenzing Group is a measure for potential liquidity and capital efficiency. It is used to compare capital turnover by relating it to group revenue.

*1 Adjusted compared with the annual reports of previous years.

EUR mn as at Dec. 31	2015	2014	2013	2012	2011
Inventories	338.5	344.1	311.5	299.6	284.6
+ Trade receivables	258.9	232.8	258.8	264.5	236.8
- Trade payables	(150.0)	(181.1)	(176.6)	(200.3)	(148.5)
Trading working capital	447.4	395.7	393.7	363.8	372.8

EUR mn	2015	2014	2013	2012	2011
Most recent quarterly group revenue reported (= 4th quarter respectively)	518.0	506.5	461.9	522.9	547.8
x 4 (= annualized group revenue)	2,071.8	2,026.0	1,847.5	2,091.5	2,191.4
Trading working capital to annualized group revenue	21.6%	19.5%	21.3%	17.4%	17.0%

Adjusted equity and adjusted equity ratio

In the Lenzing Group, adjusted equity measures the independence from providers of debt capital and the ability to raise new capital (financial strength). In addition to equity in accordance with IFRS, it also includes government grants less proportionate deferred taxes. Adjusted equity is used to compare equity and borrowed capital by relating it to total assets. This (or similar indicators) is occasionally used as a financial covenant with debt capital providers.

EUR mn as at Dec. 31	2015	2014	2013	2012	2011
Equity	1,206.7	1,045.6	1,089.5	1,130.7	1,023.7
+ Non-current government grants	17.8	22.0	23.0	24.5	23.1
+ Current government grants	8.0	4.6	3.0	4.5	8.2
- Proportionate deferred taxes on government grants	(6.1)	(6.1)	(5.9)	(6.5)	(6.8)
Adjusted equity	1,226.4	1,066.1	1,109.6	1,153.1	1,048.1
/Total assets	2,421.8	2,375.1	2,439.9	2,632.7	2,340.5
Adjusted equity ratio	50.6%	44.9%	45.5%	43.8%	44.8%

Net financial debt, net financial debt/EBITDA, net gearing and net debt

Net financial debt is used as the benchmark for the financial debt burden and capital structure of the Lenzing Group, and is also an important indicator for external stakeholders. Net financial debt is related to EBITDA and thus provides an indication of how many periods the same EBITDA will have to be generated in order to cover net financial debt. The relation of net financial debt and adjusted equity (net gearing) illustrates the relation of net debt to adjusted equity. This (or similar indicators) is occasionally used as a financial covenant with debt capital providers. Net debt in the Lenzing Group measures the financial debt burden, taking account of provisions for severance payments and pensions.

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EUR mn as at Dec. 31	2015	2014	2013	2012	2011
Current financial liabilities	172.3	192.7	191.1	173.6	134.4
+ Non-current financial liabilities	510.9	537.0	609.6	701.6	518.5
- Liquid assets	(355.3)	(280.3)	(296.0)	(528.8)	(499.6)
Net financial debt	327.9	449.5	504.7	346.3	153.3
/Earnings before interest, tax, depreciation and amortization (EBITDA)	290.1	240.3	225.4	352.4	480.3
Net financial debt/EBITDA	1.1	1.9	2.2	1.0	0.3

EUR mn as at Dec. 31	2015	2014	2013	2012	2011
Net financial debt	327.9	449.5	504.7	346.3	153.3
/Adjusted equity	1,226.4	1,066.1	1,109.6	1,153.1	1,048.1
Net gearing	26.7%	42.2%	45.5%	30.0%	14.6%

EUR mn as at Dec. 31	2015	2014	2013	2012	2011
Net financial debt	327.9	449.5	504.7	346.3	153.3
+ Provisions for severance payments and pensions	96.5	102.9	77.4	99.2	85.9
Net debt	424.5	552.5	582.0	445.5	239.3

Return on capital (ROE, ROI and ROCE)

Return on capital employed (ROCE) is the Lenzing Group's benchmark for the yield (return) on the capital employed for the operating business. It is also of importance to external stakeholders. Return on capital (ROE) and return on investment (ROI) are profitability indicators designed to measure the earnings strength of the Lenzing Group.

EUR mn as at Dec. 31	2015	2014	2013	2012	2011
Earnings before interest and tax (EBIT)	151.1	21.9	86.4	231.5	364.0
- Proportionate current tax expense (on EBIT)	(23.8)	(23.4)	(26.3)	(39.0)	(89.6)
Earnings before interest and tax less proportionate current income tax expense (NOPAT)	127.4	(1.5)	60.1	192.5	274.3
/Average capital employed	1,588.2	1,601.7	1,605.7	1,409.8	1,193.4*
ROCE (Return on capital employed)	8.0%	(0.1%)	3.7%	13.7%	23.0%*
Proportionate current income tax expense (on EBIT)	(23.8)	(23.4)	(26.3)	(39.0)	(89.6)
Proportionate other current tax expense	3.4	2.7	5.6	(0.8)	3.0
Current income tax expense	(20.3)	(20.7)	(20.7)	(39.8)	(86.7)

* Adjusted compared with the annual reports of previous years.

EUR mn as at Dec. 31	2015	2014	2013	2012	2011
Total assets	2,421.8	2,375.1	2,439.9	2,632.7	2,340.5
- Trade payables	(150.0)	(181.1)	(176.6)	(200.3)	(148.5)
- Non-current puttable non-controlling interests	(11.7)	(12.4)	(19.5)	(29.0)	(32.1)
- Current puttable non-controlling interests	0.0	0.0	0.0	0.0	(1.8)
- Other non-current liabilities	(3.1)	(7.6)	(2.3)	(1.7)	(19.6)
- Other current liabilities	(85.3)	(90.5)	(35.5)	(41.9)	(70.2)
- Current tax liabilities	(10.6)	(25.2)	(14.8)	(43.7)	(74.9)
- Deferred tax liabilities	(52.9)	(44.8)	(41.8)	(41.0)	(28.2)
- Proportionate deferred taxes on government grants	(6.1)	(6.1)	(5.9)	(6.5)	(6.8)
- Current provisions	(69.9)	(81.4)	(126.4)	(81.6)	(144.5)
- Non-current provisions	(122.7)	(130.0)	(106.8)	(140.0)	(112.9)
+ Provisions for severance payments and pensions (post employment benefits)	96.5	102.9	77.4	99.2	85.9
- Cash and cash equivalents	(347.3)	(271.8)	(287.9)	(481.7)	(410.5)
- Current securities	0.0	0.0	0.0	0.0	(6.7)
- Investments accounted for using the equity method	(25.6)	(38.0)	(39.1)	(35.8)	(30.3)
- Financial assets	(22.8)	(23.2)	(23.2)	(56.1)	(93.6)
As at Dec. 31	1,610.5	1,565.8	1,637.5	1,572.7	1,245.8
As at Jan. 1	1,565.8	1,637.5	1,572.7	1,245.8	1,141.0*
Average capital employed	1,588.2	1,601.7	1,605.1	1,409.2	1,193.4*

EUR mn as at Dec. 31	2015	2014	2013	2012	2011
Adjusted equity as at Dec. 31	1,226.4	1,066.1	1,109.6	1,153.1	1,048.1
Adjusted equity as at Jan. 1	1,066.1	1,109.6	1,153.1	1,048.1	758.8
Average adjusted equity	1,146.2	1,087.8	1,131.4	1,100.6	903.5

EUR mn	2015	2014	2013	2012	2011
Earnings before tax (EBT)	149.1	7.3	68.1	236.0	351.9
/Average adjusted equity as at Dec. 31	1,146.2	1,087.8	1,131.4	1,100.6	903.5
Return on equity (ROE)	13.0%	0.7%	6.0%	21.4%	39.0%

EUR mn	2015	2014	2013	2012	2011
Total assets as at Dec. 31	2,421.8	2,375.1	2,439.9	2,632.7	2,340.5
Total assets as at Jan. 1	2,375.1	2,439.9	2,632.7	2,340.5	1,963.4
Average total assets	2,398.4	2,407.5	2,536.3	2,486.6	2,152.0

EUR mn	2015	2014	2013	2012	2011
Earnings before interest and tax (EBIT)	151.1	21.9	86.4	231.5	364.0
/Average total assets as at Dec. 31	2,398.4	2,407.5	2,536.3	2,486.6	2,152.0
Return on capital (ROI)	6.3%	0.9%	3.4%	9.3%	16.9%

*) Adjusted compared with the annual reports of previous years.

CORPORATE GOVERNANCE REPORT 2015

The Austrian Code of Corporate Governance (ACCG) provides Austrian stock corporations with a framework for the management and supervision of companies. This framework includes internationally recognized standards for good corporate governance as well as relevant regulations of Austrian stock corporation law.

The code aims to ensure a responsible management and control of companies and corporate groups oriented towards the sustainable and long-term value creation. It is intended to create a high degree of transparency for all stakeholders of the company.

Declaration of Commitment

Lenzing Aktiengesellschaft respects the Austrian Code of Corporate Governance (ACCG). For the first time, the company committed itself in 2010 to complying with the stipulations contained in the code. The Supervisory Board also unanimously resolved to fully adhere to the ACCG. The code is available on the Internet at www.corporate-governance.at in the currently valid version (January 2015). Lenzing Aktiengesellschaft is required to prepare and publish a Corporate Governance Report in accordance with Rule 60 of the ACCG.

This Corporate Governance Report is publicly available on the Website of Lenzing Aktiengesellschaft in accordance with C-Rule 61 ACCG (<http://www.lenzing.com/investors/Corporate-governance/Reports.html>).

Corporate Bodies of Lenzing Aktiengesellschaft

The division of responsibilities of the members of Lenzing's Management Board during the 2015 financial year was as follows:

1) Management Board

Stefan Doboczky (born 1967)

Chairman of the Management Board, Chief Executive Officer

First appointed: June 1, 2015

Current mandate expires: May 31, 2018

Responsibilities (up to December 10, 2015): Strategy & Projects, Global Strategy, Global Human Resources, Internal Audit, Corporate Communications, Investor Relations, Legal Management & Compliance, Wood Procurement, Works Council, TENCEL® Fiber Operations, Viscose/Modal Operations, Pulp Operations, Technical Services, Operational Excellence, Site Service Management, Company Secretary

Supervisory Board mandates in other companies: Economic Development Board, Singapore

Robert van de Kerkhof (born 1964)

Member of the Management Board, Chief Commercial Officer

First appointed: May 1, 2014

Current mandate expires April 30, 2017

Responsibilities (up to December 10, 2015): Global Sales, Marketing & Business Development, Technical Customer Service & Quality Management, Innovation & Strategic R&D, Strategic Price Management, Market Intelligence, Global Logistics, Corporate Sustainability, Global Safety, Health & Environment

Supervisory Board mandates in other companies: none

Thomas Riegler (born 1969)

Member of the Management Board, Chief Financial Officer

First appointed: June 1, 2014

Responsibilities (up to December 1, 2015): Global Accounting & Controlling, Global Treasury, Finance Purwakarta, Finance Nanjing, Global Purchasing, Pulp Trading Management, Global IT, Global Risk Management

Supervisory Board mandates in other companies: none

Mr. Riegler resigned from his position on the Management Board effective December 1, 2015.

Peter Untersperger (born 1960)

Chairman of the Management Board

First appointed: January 1, 1999.

Mr. Untersperger resigned from his position on the Management Board effective May 31, 2015.

At the Supervisory Board meeting of Lenzing Aktiengesellschaft held on December 10, 2015, Mr. Thomas Obendrauf was appointed to serve as a Member of the Management Board and Chief Financial Officer for a period of three years starting on March 1, 2016. The duties of the Chief Financial Officer were performed by Stefan Doboczky on an interim basis until February 29, 2016.

Furthermore, the Supervisory Board meeting held on December 10, 2015 also resolved upon a new division of responsibilities among the Management Board members as follows:

Chief Executive Officer: Regional Area AMEA, Regional Area North Asia, Global Pulp & Wood, Global Operations, Global HR, Global R&D, Strategy & Projects, Legal IP & Compliance, Corporate Communications & Investor Relations, Emerging Business Areas, Corporate Secretary

Chief Commercial Officer: Regional Area Europe and Americas, Global Business Management Textiles and Nonwovens, Global Sustainability, Global Brand Management, Global S&OP

Chief Financial Officer: Global Accounting, Global Controlling, Global IT & Process Management, Global Purchasing, Global Treasury, Internal Audit, Minority Participations, Risk Management

The Management Board manages the business operations of Lenzing Aktiengesellschaft in accordance with prevailing legal regulations, the Articles of Association and the internal rules of procedure applying to the Management Board. The distribution of responsibilities among

CORPORATE GOVERNANCE REPORT 2015

the members of the Management Board is determined based upon the organizational plan stipulated in the internal rules of procedure, which also regulates the mode of cooperation among the Management Board members. Furthermore, the Management Board is required to fully comply with the rules stipulated in the Austrian Code of Corporate Governance.

2) Supervisory Board

2.1. Composition

Hanno M. Bästlein (born 1963)

First appointed: April 28, 2014; Chairman since April 22, 2015

Current mandate expires at the Annual General Meeting resolving upon the 2016 financial year.

Supervisory Board mandates in other companies: AMAG Austria Metall AG, VA Intertrading Aktiengesellschaft (Chairman), B&C Industrieholding GmbH

Felix Strohbichler (born 1974)

Since April 22, 2015: Deputy Chairman

First appointed: April 22, 2015

Current mandate expires at the Annual General Meeting resolving upon the 2018 financial year.

Supervisory Board mandates in other companies: Semperit Aktiengesellschaft Holding

Veit Sorger (born 1942)

Since March 29, 2011: Deputy Chairman

First appointed: June 4, 2004

Current mandate expires at the Annual General Meeting resolving upon the 2018 financial year.

Supervisory Board mandates in other companies: Mondi AG (Chairman), Semperit Aktiengesellschaft Holding (Chairman), Constantia Industries AG (Chairman), Binder+Co AG, GrECo International Holding AG

Helmut Bernkopf (born 1967)

First appointed: April 23, 2009

Current mandate expires at the Annual General Meeting resolving upon the 2018 financial year.

Supervisory Board mandates in other companies: Schoellerbank Aktiengesellschaft, Oesterreichische Kontrollbank Aktiengesellschaft, card complete Service Bank AG (Chairman), Bausparkasse Wüstenrot Aktiengesellschaft, BWA Beteiligungs- und Verwaltungs-Aktiengesellschaft

Franz Gasselsberger (born 1959)

First appointed: April 24, 2013

Current mandate expires at the Annual General Meeting resolving upon the 2015 financial year.

Supervisory Board mandates in other companies: Bank für Tirol und Vorarlberg Aktiengesellschaft (Chairman), BKS Bank AG, voestalpine AG, AMAG Austria Metall AG

Josef Krenner (born 1952)

First appointed: April 23, 2009

Current mandate expires at the Annual General Meeting resolving upon the 2018 financial year.

Supervisory Board mandates in other companies: B&C Industrieholding GmbH, AMAG Austria Metall AG (Chairman)**Patrick Prügger** (born 1975)

First appointed: March 29, 2011

Current mandate expires at the Annual General Meeting resolving upon the 2015 financial year.

Supervisory Board mandates in other companies: Semperit Aktiengesellschaft Holding, AMAG Austria Metall AG**Andreas Schmidradner** (born 1961)

First appointed: June 12, 2008

Current mandate expires at the Annual General Meeting resolving upon the 2016 financial year.

Supervisory Board mandates in other companies: Semperit Aktiengesellschaft Holding, VAMED Aktiengesellschaft**Astrid Skala-Kuhmann** (born 1953)

First appointed: April 19, 2012

Current mandate expires at the Annual General Meeting resolving upon the 2018 financial year.

Supervisory Board mandates in other companies: Semperit Aktiengesellschaft Holding**Michael Junghans** (born 1967)

First appointed: April 30, 2010

As of March 29, 2011: Chairman (Up to March 29, 2011: Deputy Chairman)

Supervisory Board mandates in other companies: Stadtwerke Klagenfurt (Public Utility Company of Klagenfurt)

Mr. Junghans resigned from his position on the Supervisory Board effective April 22, 2015.

Supervisory Board members designated by the Works Council:**Helmut Kirchmair** (born 1968)

First appointed 2015

Georg Liftinger (born 1961)

First appointed 2008

Daniela Födinger (born 1964)

First appointed 2014

Johann Schernberger (born 1964)

First appointed 2001

Franz Berlanda (born 1961)

First appointed 2014

Rudolf Baldinger (born 1954)

First appointed 1998 (resigned on September 01, 2015)

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2.2. Independence (C-Rules 53 and 54 ACCG)

The Supervisory Board has adopted the guidelines relating to the independence of its members pursuant to Appendix 1 of the Austrian Code of Corporate Governance.

All members of the Supervisory Board have declared themselves to be independent from the company and the Management Board.

Pursuant to C-Rule 54 of the ACCG, the Supervisory Board members Veit Sorger, Helmut Bernkopf, Franz Gasselsberger and Astrid Skala-Kuhmann declared in the 2015 financial year that they were neither shareholders with a stake of more than 10% in the company nor did they represent such a shareholder's interests.

2.3. Mode of operation of the Supervisory Board

To fulfill its responsibility of overseeing the work of the Management Board, the Supervisory Board of Lenzing Aktiengesellschaft convenes at least once every quarterly period for a meeting. A total of six Supervisory Board meetings took place during the year under review (C-Rule 36 ACCG).

In the 2015 financial year the Supervisory Board of Lenzing Aktiengesellschaft constituted six committees consisting of its own members (C-Rules 34 and 39 ACCG):

2.3.1. Audit Committee

The Audit Committee carries out the responsibilities assigned to it pursuant to Section 92 Para. 4a Austrian Stock Corporation Act. This stipulates that these responsibilities are primarily in auditing and preparing the adoption of the annual financial statements and the evaluation of the proposal made by the Management Board on the distribution of profits as well as the Management Report. The Audit Committee also examines the consolidated financial statements of the Group and the Group Management Report and makes a recommendation for the selection of the auditors. Furthermore, the Audit Committee examines the effectiveness of the internal control system (ICS), internal auditing and the risk management system of the company. The committee is required to report to the Supervisory Board about its activities. In the 2015 financial year the Audit Committee convened three times.

Members: Patrick Prügger (financial expert, Chairman as of April 22, 2015), Hanno M. Bästlein, Felix Strohlichler (as of April 22, 2015), Andreas Schmidradner, Michael Junghans (resigned on April 22, 2015), Rudolf Baldinger (resigned on April 22, 2015), Johann Schernberger (as of April 22, 2015), Georg Liftingner

2.3.2. Nomination Committee

The Supervisory Board has established a Nomination Committee which makes recommendations to the Supervisory Board on filling new or vacant positions on the Management Board,

and also deals with issues relating to succession planning. In the 2015 financial year the committee prepared the appointment of two Management Board members. Moreover, the committee makes proposals to the Annual General Meeting for filling vacant positions on the Supervisory Board. Two meetings of the Nomination Committee were held in the course of the 2015 financial year.

Members: Hanno M. Bästlein (Chairman), Felix Strohbichler (as of April 22, 2015), Veit Sorger, Andreas Schmidradner, Michael Junghans (resigned on April 22, 2015), Rudolf Baldinger (resigned on April 22, 2015), Johann Schernberger (as of April 22, 2015), Georg Liftingner

2.3.3. Remuneration Committee

The Supervisory Board has set up a Remuneration Committee which deals with the terms and conditions of employment contracts with Management Board members, ensures compliance with C-Rules 27, 27a and 28 ACCG and also assesses the remuneration policy with respect to Management Board members in regular intervals. The Remuneration Committee convened seven times during the 2015 financial year, focusing in particular on evaluating the performance of the Management Board and performance targets for 2015, as well as general remuneration issues relating to the Management Board. Furthermore, the Remuneration Committee negotiated, approved and concluded agreements in connection with the resignations of two Management Board members as well as the employment contracts for two members of the Management Board on behalf of Lenzing Aktiengesellschaft.

Members: Hanno M. Bästlein (Chairman), Felix Strohbichler (as of April 22, 2015), Veit Sorger, Andreas Schmidradner, Michael Junghans (resigned on April 22, 2015)

2.3.4. Strategy Committee

The Supervisory Board established a Strategy Committee concerning itself with evaluating the strategic positioning of the company and monitoring the implementation of the business strategy. In 2015 the Management Board developed strategic options for the Lenzing Group on the basis of a market and competition analysis, which was discussed with the Strategy Committee. The “sCore TEN” strategy proposed by the Management Board was approved by the Supervisory Board. Three meetings of the Strategy Committee were held in the 2015 financial year.

Members: Hanno M. Bästlein (Chairman), Astrid Skala-Kuhmann, Veit Sorger, Felix Strohbichler (as of April 22, 2015), Michael Junghans (resigned on April 22, 2015), Rudolf Baldinger (resigned on April 22, 2015), Johann Schernberger (as of April 22, 2015), Georg Liftingner

2.3.5. excelLENZ Committee

The Supervisory Board established an excelLENZ Committee. This committee dealt with the ongoing monitoring and control of the operational measures relating to the global cost savings and improvement program “excelLENZ 2.0”. The focal points included savings designed to improve margins, reduce costs and optimize cash flows. Three meetings of the excelLENZ

CORPORATE GOVERNANCE REPORT 2015

Committee took place in the 2015 financial year. The excelLENZ Committee was dissolved by the Supervisory Board on December 10, 2015. The excelLENZ 2.0 program was integrated by the Management Board into a continuous improvement program. The Supervisory Board is provided with regular reports about the continuous improvement program.

Members: Hanno M. Bästlein (Chairman), Felix Strohbichler (as of April 22, 2015), Veit Sorger, Andreas Schmidradner, Michael Junghans (resigned on April 22, 2015), Rudolf Baldinger (resigned on April 22, 2015), Johann Schernberger (as of April 22, 2015), Georg Liftingner

2.3.6. Committee for Urgent Matters

The Supervisory Board set up a Committee for Urgent Matters. No meetings of the committee were held in the course of the 2015 financial year.

Members: Hanno M. Bästlein (Chairman), Felix Strohbichler (as of April 22, 2015), Johann Schernberger (as of April 22, 2015)

2.3.7. Share Buyback Committee

The Share Buyback Committee was dissolved on April 22, 2015. No meetings of the committee were held in the course of the 2015 financial year.

2.4. Cooperation of the Management Board and Supervisory Board

The Management Board reports to the Supervisory Board on fundamental issues relating to the future business policies of the company and the Group, as well as the future development of the financial position and financial performance of the Lenzing Group. In addition, the Management Board regularly informs the Supervisory Board about business developments and the current situation of the company and the Group in comparison to forecasts, taking the future development into account. The Management Board and Supervisory Board also discuss the long-term growth objectives of the Lenzing Group in a separate strategy meeting.

2.5. Self-evaluation of the Supervisory Board

The Supervisory Board carried out a self-evaluation in the 2015 financial year in accordance with C-Rule 36 ACCG in the form of a questionnaire which focused on issues such as the controlling function of the Supervisory Board with respect to the Management Board as well as the compliance with the Management Board's obligations to provide information to the Supervisory Board. The results of the self-evaluation show that the activities of the Supervisory Board of Lenzing Aktiengesellschaft are given an overall rating of good. The Supervisory Board decided to follow up on several suggestions which were made during the self-evaluation process. Furthermore, a list of measures designed to enhance the efficiency of the Supervisory Board's work was prepared.

3) Principles of Management Board and Supervisory Board Remuneration (C-Rule 30 ACCG)

The remuneration models for the Management Board employment contracts were largely harmonized in recent years, and the variable salary components in these contracts were expanded. The remuneration of the Management Board members in the 2015 financial year consists of a fixed and a variable performance-oriented salary component as well as a long-term bonus component.

The variable salary components are particularly linked to the performance criteria described below.

- Current variable (performance-related) component:

The current variable (performance-related) component is oriented to the following criteria: return on capital employed (ROCE: Doboczky, Obendrauf), or the group net profit for the year combined with ROCE (van de Kerkhof, Riegler, Untersperger) as well as individual qualitative targets.

- Long-term bonus model:

Starting in the financial year 2015, the long-term increase of the equity values of the Lenzing Group to be calculated over a period of several years according to an agreed formula will apply as the target value for the long-term bonus model of Mr. Doboczky. Payment will take place when the employment contract expires in 2018, and depends on exceeding a threshold value as well as the extension of the Management Board contract. 50% of the bonus will be paid in cash and the other 50% in shares of Lenzing Aktiengesellschaft. A retention period for shares in Lenzing Aktiengesellschaft of at least one year applies for the first half of the bonus program, and at least two years for the second half.

The targets used to determine the long-term bonus model for other Management Board members are as follows: 50% of the bonus for Mr. Riegler and Mr. van de Kerkhof and 2/3 of the bonus for Mr. Untersperger are calculated on the basis of performance criteria of the Lenzing Group (revenue, EBIT margin, total shareholder return) evaluated over a period of several years and compared to a peer group. Qualitative targets account for 50% of the bonus for Mr. Riegler and Mr. van de Kerkhof and 1/3 of the bonus for Mr. Untersperger. Payment will be distributed over a three-year period for Mr. van de Kerkhof.

- The maximum bonus is limited to 314% for Mr. Doboczky and 64% for Mr. van de Kerkhof calculated on the basis of the current variable salary component plus the long-term bonus component in relation to the ongoing fixed salary component. A stock option program or a program for the beneficial transfer of shares does not exist.
- The main features of the long-term bonus model for Mr. Obendrauf correspond to those agreed upon with Mr. Doboczky.
- Moreover, the Management Board is also entitled to the company making contributions to a pension fund. This amounted to EUR 159 thousand in the 2015 financial year (2014: EUR 118 thousand), of which EUR 38 thousand was for Mr. Doboczky, EUR 32 thousand each for Mr. van de Kerkhof and Mr. Riegler and EUR 57 thousand for Mr. Untersperger.

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- Company pension benefits as well as severance payments and entitlements to benefits in case an employment contract of a board member is terminated are determined by valid federal regulations (Company Employee Pension Act).
- In the case of the premature termination of a Management Board contract, the conditions stipulated in Rule 27a ACCG are adequately taken into account.
- The company has taken out a Directors and Officers Liability Insurance (D & O) policy as well as accident insurance and legal protection insurance for the Management Board members.

The amounts presented below for the 2015 financial year totaling EUR 5.470 thousand (2014: EUR 2.325 thousand) include EUR 2.644 thousand (2014: EUR 2.325 mn) for current employee benefits and EUR 2.826 thousand for payments relating to the termination of employment contracts.

Amount expended for salaries of the active Management Board members of Lenzing Aktiengesellschaft:

Fixed and variable current remuneration and termination pay for active members of the Management Board (expensed)

TEUR

	Stefan Doboczky ¹		Robert van de Kerkhof		Thomas Riegler ²		Peter Untersperger ³		Friedrich Weninger ⁴		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Fixed current remuneration	412	0	453	292	457	259	244	585	0	435	1,566	1,571
Variable current remuneration	644	0	209	133	0	116	225	190	0	315	1,077	754
Termination payments	0	0	0	0	874	0	1,953	0	0	0	2,826	0
Total	1,056	0	662	425	1,330	376	2,422	774	0	750	5,470	2,325

A total of EUR 40 thousand (2014: EUR 171 thousand) was recognized as an expense to cover payments to which retired members of the Management Board were entitled. This also includes claims for compensation for unused vacation time.

In addition, a total of EUR 731 thousand was recognized as an expense in the 2015 financial year (2014: EUR 47 thousand) for entitlements derived from long-term bonus models (other non-current employee benefits and share-based payments). Remuneration for former members of the Lenzing Management Board or their surviving dependants amounted to EUR 973 in the 2015 financial year (2014: EUR 952 thousand).

Members of the Management Board of Lenzing Aktiengesellschaft received a total of EUR 0 in remuneration in the 2015 financial year for consulting services rendered before their Management Board mandates (2014: EUR 102 thousand).

¹⁾ Member of the Management Board since June 01, 2015 ²⁾ Member of the Management Board up to December 01, 2015

³⁾ Member of the Management Board up to May 31, 2015 ⁴⁾ Member of the Management Board up to December 31, 2014

The principles underlying the remuneration paid to members of the Supervisory Board are laid down in the Articles of Association of Lenzing Aktiengesellschaft (Section 13), which are published on the Website of the company. In accordance with the Articles of Association, the members of the Supervisory Board are granted an annual remuneration corresponding to their responsibilities as well as the overall situation and financial position of the company.

The remuneration of the Supervisory Board members for the 2014 financial year as resolved upon by the Annual General Meeting of Lenzing Aktiengesellschaft held on April 22, 2015 amounted to the following:

- a. EUR 30,000 for the Chairman of the Supervisory Board
- b. EUR 25,000 for the Deputy Chairmen of the Supervisory Board
- c. EUR 20,000 for each other member of the Supervisory Board
- d. EUR 5,000 for the Chairman of the Audit Committee and Strategy Committee as well as for financial experts
- e. EUR 2,500 for the Chairman of the Nomination Committee and Remuneration Committee and for each member of a Supervisory Board committee

In addition, each Supervisory Board member receives an attendance fee for each Supervisory Board meeting amounting to EUR 1,000, and each member of a Supervisory Board committee is granted an attendance fee of EUR 500 for each committee meeting attended.

Accordingly, the total remuneration paid to the members of the Supervisory Board during the 2015 financial year amounted to EUR 326,430 thousand. The remuneration for the individual members is listed below:

Hanno M. Bästlein	EUR	37,170
Michael Junghans (resigned in 2015)	EUR	55,160
Veit Sorger	EUR	43,830
Helmut Bernkopf	EUR	26,000
Josef Krenner	EUR	26,000
Franz Gasselsberger	EUR	25,000
Martin Payer	EUR	8,670
Patrick Prügger	EUR	32,500
Andreas Schmidradner	EUR	34,000
Astrid Skala-Kuhmann	EUR	30,000
Rudolf Baldinger	EUR	900
Georg Liftinger	EUR	1,800
Helmut Kirchmair	EUR	600
Johann Schernberger	EUR	1,950
Daniela Födinger	EUR	1,800
Franz Berlanda	EUR	1,050

CORPORATE GOVERNANCE REPORT 2015

4) Promoting the career advancement of women on the Management Board, Supervisory Board and executive positions (L-Rule 60 ACCG)

Lenzing Aktiengesellschaft observes a strict equal opportunity policy and actively promotes the career development of women in management positions in all business areas.

In recent years, the percentage of women holding qualified positions in the company has steadily increased. This includes Ms. Astrid Skala-Kuhmann and Daniela Födinger, who serve on the Supervisory Board. Moreover, inasmuch as it is made possible by the respective position, the company promotes the compatibility of career and family life on the basis of flexible working time models and the possibility to work at home.

5) Compliance

The “Group Compliance Office” staff unit was integrated into the Legal Department. It developed important compliance guidelines in 2015 which were presented to more than 150 employees in training courses. The Code of Conduct developed was adopted as binding rules of behavior by all operating units and subsidiaries. Furthermore, the Issuers’ Compliance Directive was revised and published. The group-wide compliance management system (CMS) was further developed, communicated and implemented within the context of the Lenzing Group Portal (Intranet). In addition to a help platform and various information systems, employees also have the opportunity to report suspected violations of compliance rules. The focus of the classroom-based instruction was CMS as well as anti-corruption issues and competition law. A report on compliance activities at Lenzing Aktiengesellschaft is submitted once a year to the Audit Committee in accordance with Section 18a ACCG.

6) Directors’ Dealings

The disclosure of share purchases and sales by members of the Management Board and Supervisory Board is carried out in accordance with valid provisions contained in the Austrian Stock Exchange Act. A link to the Website of the Financial Market Authority can be found on the Website of Lenzing Aktiengesellschaft and is conveyed to the Issuers Compliance Officer.

7) Risk management and internal auditing

The effectiveness of Lenzing's risk management system was evaluated by the auditor Deloitte Audit Wirtschaftsprüfungs GmbH in accordance with Rule 83 ACCG and issued an unqualified opinion. The Management Board was informed about the results. Furthermore, the Head of Risk Management annually reports about current risks during a meeting of the Audit Committee.

The Internal Audit Department reports directly to the Management Board. The annual auditing plan is determined in close collaboration with the Management Board and the Audit Committee. Similarly, the Head of Internal Audit regularly reports to the Audit Committee about the key audit findings.

8) External evaluation

In accordance with Rule 62 ACCG, Lenzing submits to an external evaluation of its compliance with the C-Rules and R-Rules of the Austrian Code of Corporate Governance on a regular basis, but at least every third year. Lenzing contracted PwC Oberösterreich Wirtschaftsprüfung und Steuerberatung GmbH to evaluate its Corporate Governance Report 2015. The external evaluation concluded that the declaration provided by Lenzing Aktiengesellschaft committing the company to complying with the Austrian Code of Corporate Governance (January 2015 version) gives a true and fair view of the actual situation. All external evaluation reports can be viewed on the company's Website at www.lenzing.com

Lenzing Aktiengesellschaft
Lenzing, March 9, 2016

The Management Board

Stefan Doboczky

Robert van de Kerkhof

Thomas Obendrauf

REPORT OF THE SUPERVISORY BOARD

To the 72nd Annual General Meeting:

Dear shareholders!

The year 2015 was characterized by volatility and uncertainty. Following the financial crisis, in which a large number of countries and financial institutions were subject to considerable pressure in some cases, new challenges emerged, such as refugee flows which are unlikely to stop in the foreseeable future, along with digitalization, cybercrime and falling commodity prices.

All these issues and their effects are to be adequately addressed by Lenzing AG. In addition to external factors, 2015 was still shaped by the company's restructuring efforts, as continued from the previous year. For the most part, these measures were implemented as planned.

In addition to the reorganization, the strategy process initiated in 2014 involving a large number of employees was continued in 2015, and ended up as a future-oriented program entitled "sCore TEN". At the same time, consistent with the global nature of our business, we also attracted highly qualified and internationally experienced colleagues to strengthen our leadership team, starting with a new Chief Executive Officer, Chief Financial Officer and several top executives of different nationalities. Combined with in-house personnel developments, a strong management team has arisen, striving to align and intensify the spirit of the company to reflect the tasks ahead of us. We are increasingly changing from an Austrian company with foreign business activities to a globally operating company with strong Austrian roots. This is mirrored by the clear commitment to Austria as the corporate headquarters of the Lenzing Group, as well as maintaining major research and development centers and production facilities in the country.

In the light of these multifaceted activities, the Supervisory Board fulfilled its monitoring obligations and provided professional advice to the company. For this purpose, the Supervisory Board of Lenzing AG convened a total of eight times, and was informed by the Management Board about the company's business development, discussed major business transactions and measures and passed the required resolutions.

In particular, the Supervisory Board supported the proposed strategy project sCore TEN, and with its approval laid the foundation for a realignment of the organization in December 2015 as the basis for the further strategic development of the company. The comprehensive cost savings program excellENZ 2.0 initiated in 2013 to safeguard the competitiveness of the Lenzing Group was a further focal point of the Supervisory Board's work in the 2015 financial year. The excellENZ 2.0 program was integrated by the Management Board into a continuous improvement program, which the Supervisory Board will receive impending regular reports.

The Management Board submitted a detailed written report to the Supervisory Board at each meeting about all relevant issues relating to the business development, the financial position and financial performance of Lenzing AG and the Lenzing Group. In addition, the Chairman and Deputy Chairmen of the Supervisory Board were provided with information on a regular basis by the Management Board.

The Audit Committee of the Supervisory Board convened three times, and in addition to examining and preparing the annual and the consolidated financial statements, also fulfilled its duties and responsibilities as stipulated in Section 92 Para. 4a Austrian Stock Corporation Act. In particular, the Supervisory Board monitored the financial reporting processes as well as the effectiveness of the internal control, audit and risk management systems.

The Supervisory Board set up a Remuneration Committee which focuses on the employment contracts of Management Board members, ensures adherence to C-Rules 27, 27a and 28 and regularly reviews the remuneration policies for Management Board members. Seven meetings of the Remuneration Committee took place during the 2015 financial year, particularly dealing with the evaluation of the Management Board with respect to the 2014 financial year, defining performance targets for 2015 and discussing other general remuneration issues pertaining to the Management Board. Furthermore, the Remuneration Committee negotiated, approved and concluded agreements in connection with the resignation of two Management Board members and the

employment contracts for two Management Board members on behalf of Lenzing AG.

The Supervisory Board established a Strategy Committee which deals with assessing the strategic positioning of the company and monitoring the corporate strategy. In 2015, the Management Board developed strategic options for the Lenzing Group on the basis of a market and competition analysis, and discussed these options with the Strategy Committee. The proposed sCore TEN strategy was approved by the Supervisory Board. Three meetings of the Strategy Committee were held in 2015.

The excelLENZ Committee established by the Supervisory Board in April 2014 dealt with the ongoing monitoring and control of the operational measures relating to the future cost savings and improvement program "excelLENZ 2.0". After a total of six meetings, including three in the 2015 financial year, the excelLENZ Committee was dissolved by the Supervisory Board on December 10, 2015.

The Share Buyback Committee authorized by the Annual General Meeting in April 2014 did not convene in the 2015 financial year and was dissolved on April 22, 2015.

Further information pertaining to the composition and mode of operation of the Supervisory Board and its remuneration are available in the Corporate Governance Report.

The separate financial statements including the Management Report of Lenzing AG as well as the consolidated financial statements and the Group Management Report of the Lenzing Group as at December 31, 2015 were audited by Deloitte Audit Wirtschaftsprüfungs GmbH, Vienna, and granted an unqualified auditor's opinion. The Corporate Governance Report was evaluated by PwC Oberösterreich Wirtschaftsprüfung und Steuerberatung GmbH, Linz, which concluded that the declaration provided by Lenzing AG committing the company to complying with the Austrian Code of Corporate Governance (January 2015 version) gives a true and fair view of the actual situation.

The Audit Committee of the Supervisory Board reviewed the separate and the consolidated financial statements, the Management Report and Group Management Report, the proposal of the Management Board for the appropriation of

the total accumulated profit along with the Corporate Governance Report. The Audit Committee also intensively focused on the auditor's reports and meticulously discussed the results of the audit in detail with the auditor. On the basis of its own review, the Audit Committee concurred with the results of the auditor's report. The Audit Committee dutifully reported to the Supervisory Board on this matter and recommended that the Supervisory Board propose the appointment of Deloitte Audit Wirtschaftsprüfungs GmbH, Vienna, again to the Annual General Meeting to serve as the auditors for the 2016 financial year.

Following its own detailed review, the Supervisory Board declared its formal approval of the Management Report and Corporate Governance Report, and thus hereby adopted the separate annual financial statements for 2015 pursuant to Section 96 Para. 4 Austrian Stock Corporation Act. Furthermore, it declared its approval of the consolidated financial statements and Group Management Report in accordance with Section 244 and Section 245a Austrian Commercial Code. The Supervisory Board concurred with the Management Board's proposal on the distribution of the total accumulated profit. Accordingly, a dividend of EUR 53,100,000 or EUR 2.00 per share is to be distributed.

The Supervisory Board agrees with the recommendation of the Audit Committee and will thus propose to the 72nd Annual General Meeting to appoint Deloitte Audit Wirtschaftsprüfungs GmbH, Vienna, as the auditors for the annual financial statements of the 2016 financial year.

No conflicts of interest on the part of Management Board and Supervisory Board members which require disclosure were reported to the Supervisory Board during the year under review.

The Supervisory Board would like to thank the Management Board and all employees and employee representatives for their high level of continued commitment and the satisfactory results achieved in the past financial year.

Vienna, March 16, 2016

Hanno Bästlein

Chairman of the Supervisory Board

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Lenzing AG

Consolidated Income Statement

for the period January 1 to December 31, 2015

EUR '000

	Note	2015	2014
Revenue	(7)	1,976,806	1,864,222
Change in inventories of finished goods and work in progress		(7,298)	(2,561)
Own work capitalized		29,230	34,631
Other operating income	(8)	45,727	48,530
Cost of material and other purchased services	(9)	(1,218,260)	(1,199,241)
Personnel expenses	(10)	(300,207)	(292,000)
Other operating expenses	(12)	(235,885)	(213,279)
Earnings before interest, tax, depreciation and amortization (EBITDA)¹		290,114	240,302
Amortization of intangible assets and depreciation of property, plant and equipment	(11)	(142,248)	(221,546)
Income from the release of investment grants		3,236	3,170
Earnings before interest and tax (EBIT)¹		151,102	21,926
Income from investments accounted for using the equity method	(14)	17,726	(541)
Income from non-current and current financial assets	(15)	5,652	4,519
Financing costs	(16)	(26,913)	(27,416)
Financial result		(3,535)	(23,439)
Allocation of profit or loss to puttable non-controlling interests	(34)	1,531	8,818
Earnings before tax (EBT)¹		149,098	7,305
Income tax expense	(17)	(25,064)	(21,466)
Net profit/loss for the year		124,034	(14,160)
Net profit/loss for the year attributable to shareholders of Lenzing AG		122,947	(13,478)
Attributable to non-controlling interests		1,087	(682)
Earnings per share	(18)	EUR	EUR
Diluted = undiluted		4.63	(0.51)

¹⁾ EBITDA: Operating result before depreciation and amortization or accordingly earnings before interest, tax, depreciation on property, plant and equipment and amortization of intangible assets and before income from the release of investment grants.

EBIT: Operating result or accordingly earnings before interest and tax.

EBT: Earnings before tax.

CONSOLIDATED FINANCIAL STATEMENTS 2015

Lenzing AG

Consolidated Statement of Comprehensive Income

for the period January 1 to December 31, 2015

EUR '000

	Note	2015	2014
Net profit/loss for the year as per consolidated income statement		124,034	(14,160)
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit liability (thereof from investments accounted for using the equity method: 2015: EUR -30 thousand, 2014: EUR -718 thousand)	(33)	5,204	(14,614)
Income tax relating to these components of other comprehensive income	(29)	(1,360)	3,496
		3,844	(11,118)
Items that may be reclassified to profit or loss			
Foreign operations – foreign currency translation differences arising during the reporting period (thereof from investments accounted for using the equity method: 2015: EUR 3 thousand, 2014: EUR 178 thousand)	(29)	41,548	48,618
Foreign operations – reclassification of foreign currency translation differences on loss of control		(164)	0
Available-for-sale financial assets – net fair value gain/loss on remeasurement recognized in the reporting period	(29)	163	790
Available-for-sale financial assets – reclassification of amounts relating to financial assets disposed of in the reporting period	(29)	0	0
Cash flow hedges – effective portion of changes in fair value recognized in the reporting period (thereof from investments accounted for using the equity method: 2015: EUR 1 thousand, 2014: EUR -23 thousand)	(29)	(38,956)	(35,107)
Cash flow hedges – reclassification to profit or loss (thereof from investments accounted for using the equity method: 2015: EUR 4 thousand, 2014: EUR 18 thousand)	(29)	62,762	7,653
Income tax relating to these components of other comprehensive income	(29)	(5,709)	6,057
		59,645	28,012
Other comprehensive income - net of tax		63,489	16,893
Total comprehensive income		187,523	2,733
Attributable to shareholders of Lenzing AG		183,840	602
Attributable to non-controlling interests		3,683	2,131

Lenzing AG

Consolidated Statement of Financial Position

as at December 31, 2015

EUR '000

Assets	Note	31/12/2015	31/12/2014
Intangible assets	(19)	18,234	21,931
Property, plant and equipment	(20)	1,294,451	1,322,490
Investments accounted for using the equity method	(21)	25,568	37,956
Financial assets	(22)	22,847	23,194
Deferred tax assets	(32)	17,253	21,534
Current tax assets		9,335	6,865
Other non-current assets	(23)	5,369	9,003
Non-current assets		1,393,057	1,442,975
Inventories	(24)	338,464	344,092
Trade receivables	(25. 26)	258,939	232,769
Current tax assets		251	13,785
Other current assets	(27)	83,846	69,640
Cash and cash equivalents	(36)	347,254	271,791
Current assets		1,028,753	932,076
Total assets		2,421,810	2,375,051
Equity and liabilities	Note	31/12/2015	31/12/2014
Share capital		27,574	27,574
Capital reserves		133,919	133,919
Other reserves		31,147	(30,153)
Retained earnings		986,799	890,376
Equity attributable to shareholders of Lenzing AG		1,179,439	1,021,716
Non-controlling interests		27,255	23,919
Equity	(29)	1,206,694	1,045,634
Financial liabilities	(31)	510,910	537,033
Government grants	(30)	17,807	21,994
Deferred tax liabilities	(32)	52,934	44,830
Provisions	(33)	122,653	130,007
Puttable non-controlling interests	(34)	11,686	12,410
Other liabilities	(35)	3,075	7,640
Non-current liabilities		719,065	753,914
Financial liabilities	(31)	172,337	192,745
Trade payables	(35)	149,987	181,130
Government grants	(30)	7,995	4,565
Current tax liabilities		10,571	25,186
Provisions	(33)	69,895	81,382
Other liabilities	(35)	85,266	90,493
Current liabilities		496,051	575,502
Total equity and liabilities		2,421,810	2,375,051

CONSOLIDATED FINANCIAL STATEMENTS 2015

Lenzing AG

Consolidated Statement of Changes in Equity

for the period January 1 to December 31, 2015

	Note	Share capital	Capital reserves	Foreign currency translation reserve
As at 01/01/2014		27,574	133,919	(18,932)
Net profit/loss for the year as per consolidated income statement		0	0	0
Other comprehensive income - net of tax		0	0	45,842
Total comprehensive income		0	0	45,842
Acquisition/disposal of non-controlling interests and other changes in consolidated group	(4, 29)	0	0	0
Dividends		0	0	0
As at 31/12/2014		27,574	133,919	26,909
As at 01/01/2015		27,574	133,919	26,909
Net profit/loss for the year as per consolidated income statement		0	0	0
Other comprehensive income - net of tax		0	0	38,522
Total comprehensive income		0	0	38,522
Acquisition/disposal of non-controlling interests and other changes in consolidated group	(4, 29)	0	0	0
Share-based payments	(44)	0	0	0
Dividends		0	0	0
Reclassification due to settlement or disposal of defined benefit plans		0	0	0
As at 31/12/2015	(29)	27,574	133,919	65,431

Other reserves

EUR '000

Available-for-sale financial assets	Hedging reserve	Actuarial gains/ losses	Retained earnings	Equity attributable to shareholders of Lenzing AG	Non-controlling interests	Equity
840	299	(26,441)	950,390	1,067,649	21,813	1,089,462
0	0	0	(13,478)	(13,478)	(682)	(14,160)
589	(21,286)	(11,064)	0	14,080	2,813	16,893
589	(21,286)	(11,064)	(13,478)	602	2,131	2,733
0	0	0	(73)	(73)	75	2
0	0	0	(46,463)	(46,463)	(100)	(46,563)
1,429	(20,987)	(37,505)	890,376	1,021,716	23,919	1,045,634
1,429	(20,987)	(37,505)	890,376	1,021,716	23,919	1,045,634
0	0	0	122,947	122,947	1,087	124,034
123	18,363	3,885	0	60,893	2,596	63,489
123	18,363	3,885	122,947	183,840	3,683	187,523
0	0	0	0	0	(222)	(222)
0	0	0	433	433	0	433
0	0	0	(26,550)	(26,550)	(125)	(26,675)
0	0	407	(407)	0	0	0
1,552	(2,624)	(33,212)	986,799	1,179,439	27,255	1,206,694

CONSOLIDATED FINANCIAL STATEMENTS 2015

Lenzing AG

Consolidated Statement of Cash Flows

for the period January 1 to December 31, 2015

EUR '000

	Note	2015	2014
Net profit/loss for the year		124,034	(14,160)
+ Amortization of intangible assets and depreciation of property, plant and equipment	(11)	142,248	221,546
- Income from the release of investment grants		(3,236)	(3,170)
+/- Change in non-current provisions		(2,029)	531
- Income/+ expenses from deferred taxes		4,745	783
+/- Change in current tax assets and liabilities		2,160	20,418
+/- Income from investments accounted for using the equity method	(37)	12,366	581
- Other non-cash income/+ expenses	(37)	4,174	4,277
Gross cash flow		284,463	230,806
+/- Change in inventories		8,956	(18,435)
+/- Change in accounts receivable		(27,690)	25,887
+/- Change in accounts payable		(50,149)	(19,444)
Change in working capital		(68,883)	(11,992)
Cash flow from operating activities		215,580	218,814
- Acquisition of intangible assets, property, plant and equipment (CAPEX)		(70,914)	(104,311)
- Acquisition of financial assets		(4,938)	(2,307)
+ Proceeds from the sale of intangible assets, property, plant and equipment		320	337
+ Proceeds from the sale/repayment of financial assets		5,604	3,468
+ Net inflow from the sale and disposal of subsidiaries and other business areas	(5)	13,385	0
Cash flow from investing activities		(56,543)	(102,812)
- Distribution to shareholders		(26,675)	(46,563)
+ Disposal of non-controlling interests	(4)	0	2
+ Investment grants		1,033	1,027
+/- Change in current financial liabilities		(21,408)	(3,487)
+ Proceeds from the issue of private placements	(31)	150,000	0
- Repayment of private placements	(31)	(89,500)	0
+ Proceeds from non-current financial liabilities		43,083	10,721
- Repayment on non-current financial liabilities		(147,630)	(100,493)
Cash flow from financing activities		(91,098)	(138,792)
Total change in liquid funds		67,939	(22,791)
Liquid funds at beginning of the year		271,791	287,882
Currency translation adjustment relating to liquid funds		7,523	6,700
Liquid funds at the end of the year	(36)	347,254	271,791
Additional information on payments in cash flow from operating activities:			
Interest payments received		1,428	1,714
Interest payments made		21,131	23,805
Income taxes paid		17,654	370
Distributions received from investments accounted for using the equity method		30,093	40

Lenzing AG

Notes to the Consolidated Financial Statements

as at December 31, 2015

General Information

NOTE 1

Basic information

Description of the company and its business activities

The Lenzing Group (the "Group") consists of Lenzing Aktiengesellschaft (Lenzing AG) and its consolidated companies. Lenzing AG is a listed stock corporation under Austrian law. It is entered in the Commercial Register of the Wels Commercial and Regional Court, Austria, under FN 96499k. Its registered office is Werkstrasse 2, 4860 Lenzing, Austria. The shares of Lenzing AG are listed on the Prime Market (since April 18, 2011) and in the ATX benchmark index (since September 19, 2011) of the Vienna Stock Exchange in Vienna, Austria.

The main shareholder of Lenzing AG as at December 31, 2015 was the B&C Group, which directly and indirectly held 67.60% (December 31, 2014: 67.60%) of the share capital of Lenzing AG. The direct majority shareholder of Lenzing AG is B&C Lenzing Holding GmbH, Vienna. In addition, B&C Iota GmbH & Co. KG, Vienna, also holds shares in Lenzing AG. The indirect majority shareholder of Lenzing AG is B&C Industrieholding GmbH, Vienna. In turn, its majority shareholder is B&C Holding Österreich GmbH, Vienna, which prepares and publishes consolidated financial statements which include the Lenzing Group. The ultimate parent company of the B&C Group, and therefore also of Lenzing AG, is B&C Privatstiftung, Vienna.

The core business of the Lenzing Group is the production and marketing of botanic cellulose fibers. A significant portion of the pulp needed for production purposes is manufactured in the Group's own plants or partially bought in. The most important raw material for the manufacture of pulp is wood, which is bought in. The Lenzing Group also operates in mechanical and plant engineering and offers engineering services. The Lenzing Group has production locations in Austria (Lenzing and Heiligenkreuz), the Czech Republic (Paskov),

the UK (Grimsby), the United States (Mobile), Indonesia (Purwakarta) and China (Nanjing). The sales network comprises sales companies in China (Hong Kong and Shanghai) and sales offices in Indonesia (Jakarta), India (Coimbatore) and the United States (New York).

Presentation of the consolidated financial statements

The consolidated financial statements for the period from January 1 to December 31, 2015 were prepared in accordance with all International Financial Reporting Standards (IFRSs) and interpretations effective as at the reporting date, as endorsed in the EU. The additional requirements of section 245a(1) of the Unternehmensgesetzbuch (öUGB – Austrian Commercial Code) have been complied with.

The reporting currency is euro (EUR), which is also the functional currency of Lenzing AG and a majority of its subsidiaries. The figures shown in these consolidated financial statements and in the notes, unless stated otherwise, have been rounded up to the next thousand. Arithmetic differences due to rounding effects can occur when adding up rounded amounts and percentages using automatic tools.

Use of estimates, assumptions and judgments

In preparing the IFRS consolidated financial statements, the Management Board of Lenzing AG uses estimates, assumptions and judgments. These estimates, assumptions and judgments are based on the circumstances assumed as at the reporting date and can have a significant effect on the presentation of the financial position and financial performance of the Group. They concern the recognition and value of assets and liabilities, contingent assets and liabilities, the reporting of cash flows and income and expenses (including other comprehensive income) and the presentation of disclosures in the notes to the consolidated financial statements.

CONSOLIDATED FINANCIAL STATEMENTS 2015

In the case of the following assumptions about the future and other major sources of estimation uncertainty at the reporting date, there is a considerable risk in the Lenzing Group that they could lead to a material adjustment of the financial position and financial performance – in particular the carrying amounts of assets and liabilities – in the subsequent reporting period:

- The assessment of the recoverability of intangible assets – especially goodwill – and property, plant and equipment – especially at the level of cash-generating units – in impairment tests is based on assumptions about the future. Several assumptions are applied when determining the recoverable amounts in impairment tests. Future cash flows and the discount rate (WACC) play a significant role here. Other assumptions are also included in the assessment (such as in connection with perpetuities). Goodwill and property, plant and equipment at the level of cash-generating units react particularly sensitively to changes in these assumptions because of the large number of estimation parameters. Further detailed information is given in notes 19, 20 and 3 (under “Impairment”).
- When measuring existing defined benefit pension plans and similar obligations – “old severance payment” system and similar systems (e.g. jubilee benefits) – assumptions are made with regard to the actuarial, demographic and financial parameters. In particular, these include the discount rate and future increases in salaries and pensions. Other assumptions are also included in the assessment (such as staff turnover deductions and biometric data). Because of the complexity of the assessment and its long-term nature, these obligations are sensitive to changes in these assumptions. Further detailed information is given in notes 33 and 3 (under “Obligations from pensions and severance payments” and “Obligations from jubilee benefits”).
- The recognition of deferred tax assets under the line item “Deferred tax assets” – provided that there are insufficient taxable temporary differences – is based on the assumption that sufficient taxable income will be generated in the future to utilize existing unused tax loss carryforwards, unused tax credits or other deductible temporary differences. The recognition of deferred tax assets requires a significant estimate regarding the expected date and amount of the future tax results. Further detailed information is given in notes 32 and 3 (under “Current taxes and deferred taxes [deferred tax assets and liabilities]”).
- The recognition of (other) provisions is based on estimates concerning the probability of the future outflow of benefits. In measuring these items, assumptions are also made with regard to the expected amount required to settle the obligations. These uncertainties relate in particular to provisions for restructuring measures – especially severance payments and settlements because of the headcount reduction (such as the number of jobs to be cut in the future and costs to be incurred), provisions for guarantees and warranties (such as when the risks for which provisions have been recognized will take effect and their amount), provisions for anticipated losses and other risks (such as the future volume of sales or procurement and future prices or costs) and other provisions for legal disputes, which depend largely on the estimate of the outcome of the process and the costs then incurred. Further detailed information is given in notes 33 and 3 (under “Provisions”).

Assumptions and estimates are based on experience and other considerations that the Management Board considers appropriate. However, the amounts that ultimately arise can deviate from these assumptions and estimates if the general conditions assumed develop differently from expectations as at the reporting date. Changes are taken into account when better information is learned and the assumptions are adjusted accordingly.

When applying the accounting policies, the following significant judgments were made in the Lenzing Group that had a material influence on the amounts in the consolidated financial statements:

- For the derecognition of receivables in connection with factoring agreements, judgment is used concerning the fulfillment of derecognition requirements as defined by IAS 39. Similar deliberations also apply in relation to liabilities under reverse factoring agreements. Further detailed information is given in notes 39 (under “Transfer of financial assets [sale of receivables/factoring]”), 35 and 3 (under “Financial instruments”).
- For the inclusion of group companies in the consolidated group, judgments are made about the nature or method of consolidation, specifically about the existence of control, significant influence or a joint venture, etc., as per IFRS 10, IFRS 11 and IAS 28. Further detailed information is given in notes 1 (under “Consolidated group”), 47 (under “Comments” in connection with the table “Group companies”) and 3 (under “Principles of consolidation for subsidiaries” and “Investments accounted for using the equity method”).

Consolidated group

The consolidated financial statements of the Lenzing Group include Lenzing AG as the parent company and its subsidiaries, each on the basis of financial statements as at December 31, 2015. If the financial years of consolidated subsidiaries do not end at the reporting date for Lenzing AG on December 31, interim financial statements are prepared for the purposes of consolidation. This is the case for one subsidiary (December 31, 2014: one subsidiary), which has a different reporting date because of local legal requirements (see note 47).

Investments in associates and joint ventures are accounted for using the equity method.

The number of companies included in the consolidated financial statements developed as follows:

Development in number of companies included in consolidation (incl. parent company)	2015		2014	
	Full consolidation	At equity consolidation	Full consolidation	At equity consolidation
As at 01/01	33	8	32	8
Included in consolidation for the first time in reporting period	0	0	1	0
Deconsolidated in reporting period	(4)	0	0	0
As at 31/12	29	8	33	8
Thereof in Austria	13	4	14	4
Thereof abroad	16	4	19	4

Changes in the consolidated group are described in note 4. A list of all group companies as at December 31, 2015 can be found in note 47. The main group companies operate in the production and marketing of botanic cellulose fibers and, in some cases, of pulp (Segment Fibers).

On the basis of its comprehensive co-determination rights, Lenzing AG controls assets in the wholesale fund GF 82, a special fund under section 20a of the österreichisches Investmentfondsgesetz (öInvFG – Austrian Investment Fund Act). The fund is therefore classified as a structured entity and included in consolidation. The securities held in the fund serve to fulfill the fiscal securities coverage of the pension provisions from Austrian pension plans as required under section 14 of the österreichisches Einkommensteuergesetz (öEStG – Austrian Income Tax Act). The material, unchanged risks of the fund are traditional investment risks (especially default and market price risks). At present, the Lenzing Group does not intend to grant the fund financial or other aid or to assist in the procurement of financial aid.

CONSOLIDATED FINANCIAL STATEMENTS 2015

NOTE 2

Changes in accounting policies

Overview

In the 2015 financial year, the Lenzing Group maintained the accounting policies applied in the previous financial year, with the exception of the changes described in this section. The accounting policies are described in detail in note 3.

Mandatory changes in accounting policies

Standards and interpretations applicable from the 2015 financial year

The following new and amended standards and interpretations were adopted into EU law and became mandatory for the Lenzing Group for the first time in the 2015 financial year:

Standards/interpretations		Publication by the IASB	Mandatory application according to IASB for financial years from	Adoption by the EU as at 31/12/2015
IFRIC 21	Levies (mandatory application according to the European Commission as of June 17, 2014)	20/05/2013	01/01/2014	Yes
Various	Amendment of a number of IFRSs as a result of the 2011-2013 improvement process (mandatory application according to the European Commission as of January 1, 2015)	12/12/2013	01/07/2014	Yes

The above new or amended standards and interpretations that are applicable as of January 1, 2015 do not result in any significant changes in the financial statements of the Lenzing Group. The accounting policies and measurement and presentation methods applied in the consolidated financial statements therefore remained largely unchanged in comparison to the last consolidated annual financial statements of the Lenzing Group as at December 31, 2014.

Standards and interpretations that are already published but not effective until subsequent financial years

The following new and amended standards and interpretations that had already been published by the IASB when the consolidated financial statements were prepared were not yet mandatory for the Lenzing Group for financial years beginning on or before January 1, 2015:

Standards/interpretations	Publication by the IASB	Mandatory application according to IASB for financial years from	Adoption by the EU as at 31/12/2015	
IAS 19	Defined Benefit Plans: Employee Contributions (mandatory application according to the European Commission as of February 1, 2015)	21/11/2013	01/07/2014	Yes
Various	Amendment of a number of IFRSs as a result of the 2010-2012 improvement process (mandatory application according to the European Commission as of February 1, 2015)	12/12/2013	01/07/2014	Yes
IFRS 14	Regulatory Deferral Accounts	30/01/2014	01/01/2016	No ¹
IFRS 11	Joint Arrangements: Accounting for Acquisitions of Interests in Joint Operations	06/05/2014	01/01/2016	Yes
IAS 16, 38	Property, Plant and Equipment, Intangible Assets: Clarification of Acceptable Methods of Depreciation and Amortization	12/05/2014	01/01/2016	Yes
IFRS 15	Revenue from Contracts with Customers	28/05/2014	01/01/2018	No
IAS 16, 41	Property, Plant and Equipment, Agriculture: Bearer Plants	30/06/2014	01/01/2016	Yes
IFRS 9	Financial Instruments	24/07/2014	01/01/2018	No
IAS 27	Separate Financial Statements: Equity Method in Separate Financial Statements	12/08/2014	01/01/2016	Yes
IFRS 10, IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	11/09/2014	Unknown ²	No
Various	Amendment of a number of IFRSs as a result of the 2012-2014 improvement process	25/09/2014	01/01/2016	Yes
IFRS 10, 12, IAS 28	Investment Entities: Application of the Investment Entities Exceptions	18/12/2014	01/01/2016	No
IAS 1	Disclosure Initiative	18/12/2014	01/01/2016	Yes
IFRS 16	Leases	13/01/2016	01/01/2019	No
IAS 12	Income Taxes: Recognition of Deferred Tax Assets for Unrealized Losses	19/01/2016	01/01/2017	No
IAS 7	Statement of Cash Flows: Disclosure Initiative	29/01/2016	01/01/2017	No

Note:

¹⁾ The European Commission proposes to currently not endorse the interim standard IFRS 14 for adoption into EU law.

²⁾ Effective date was deferred indefinitely by the IASB.

The new and amended standards and interpretations shown above were not adopted early by the Lenzing Group; they are expected to have the following effects on the financial position and financial performance of the Lenzing Group in future financial years:

- IFRS 9 (and IFRS 7):** IFRS 9 (Financial Instruments) contains amendments to the categorization and measurement of financial instruments, impairment of financial assets and regulations on hedge accounting. As things stand, the Lenzing Group expects the application of IFRS 9 to mainly affect financial assets (especially their categorization and in isolated cases their measurement). Due to the conversion to the uniform expected credit loss model, bad debt provisions for financial instruments

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(especially for trade receivables) will tend to be recognized earlier in future. Simplifications in hedge accounting are also expected. IFRS 7 (Financial Instruments: Disclosures), revised in the course of the release of IFRS 9, will result in changed or expanded disclosures in the notes, specifically regarding defaults of receivables, hedge accounting and the presentation of financial instrument categories.

- **IFRS 15:** IFRS 15 (Revenue from Contracts with Customers) stipulates, according to a principle-based model, when and what amount of revenue must be recognized and requires disclosures in the notes on revenue obtained from contracts with customers. The Lenzing Group is currently analyzing whether this will result in changes. As things stand, the Lenzing Group does not expect the adoption of IFRS 15 to result in any significant changes to accounting policies concerning the date and amount of the recognition of revenue from customer contracts. In particular, changed or expanded disclosures in the notes concerning revenue will be required.
- **IFRS 16:** IFRS 16 (Leases) leads to changes in the accounting for leases by the lessee. In future, the lessee will be required to capitalize a right of use for an asset arising from a lease, carry lease liabilities as a liability and roll over both values. Relief is granted for terms no longer than 12 months and for low-value assets. Accounting on the part of the lessor remains virtually unchanged. The Lenzing Group is currently analyzing which changes will ensue as a result of IFRS 16. As things stand, the Lenzing Group expects the application of IFRS 16 in particular to result in the increased recognition of rights of use (rise in non-current assets) and of lease liabilities (rise in financial liabilities) from leases previously classified as operating leases in which the Lenzing Group is the lessee. In particular, changed or expanded disclosures in the notes concerning leases will also be required. In addition, it is anticipated that EBITDA, EBIT and cash flow from operating activities will improve as a result of the amended reporting requirements.

- **IAS 7:** Due to the amendments to IAS 7 (statement of cash flows) the Lenzing Group will particularly incorporate additional information on changes to financial liabilities in the notes to the consolidated financial statements.

- **Others:** There are a number of other standards, amendments and interpretations that either are not relevant to the Lenzing Group or do not have any significant impact on its earnings, assets, liabilities or cash flows.

The application of these standards and interpretations is planned following their endorsement by the EU in each case.

Voluntary changes in accounting policies

There were no voluntary changes to accounting policies in the 2015 financial year.

NOTE 3

Accounting policies

Presentation

The consolidated income statement has been prepared in line with the nature of expense method. The consolidated statement of cash flows has been prepared using the indirect method. In the consolidated statement of cash flows, interest paid and received, income taxes paid and dividends received are allocated to cash flow from operating activities. Dividends paid are reported in the cash flow from financing activities.

Measurement

In the case of intangible assets, property, plant and equipment, loans granted, inventories, receivables and liabilities, historical cost represents the fundamental basis for measurement. In the case of available-for-sale financial assets and derivative financial instruments, the basis for measurement is the fair value as at the reporting date. Plan assets in the context of defined benefit pension obligations are also measured at fair value as at the reporting date. Assets and liabilities from company acquisitions are measured at fair value as

at the acquisition date. Assets classified as held for sale are measured at the lower of their carrying amount and their fair value less costs to sell.

Principles of consolidation for subsidiaries

Subsidiaries are companies under the control of the parent company. Control is assumed when Lenzing AG holds more than 50% of the voting rights and there are no indications to the contrary. Subsidiaries are included in the consolidated financial statements by way of consolidation.

The acquisition of subsidiaries is accounted for using the acquisition method. For every acquisition, the Lenzing Group makes an individual decision as to whether the non-controlling interests in the acquiree shall be recognized at fair value or on the basis of the proportionate share in the net assets of the acquired subsidiary. On addition, non-controlling interests are measured either at fair value or at the corresponding share of the recognized carrying amounts of net assets. They are reported in equity and in income as "Non-controlling interests".

The capital shares attributable to the non-controlling shareholders of certain companies are reported outside equity. These capital shares do not constitute equity under IFRS because of the limitation of the companies under company law. Initial measurement is at fair value, which generally corresponds to the fair value of the non-controlling shareholder's contribution at the time of the contribution. In subsequent measurement, the amount recognized in liabilities on initial measurement is increased by the gain accrued/reduced by the loss incurred up to the measurement date. In the statement of financial position, these third-party capital shares are reported in the "Puttable non-controlling interests" item under liabilities or in the "Other current assets" item under assets. The change in net assets attributable to those non-controlling interests that is recognized in profit or loss is reported in the item "Allocation of profit or loss to puttable non-controlling interests" in the income statement. In addition, any amounts recognized directly in equity are included in the measurement of the liability/receivable. Distributions of profits to non-controlling shareholders reduce the liability/increase the receivable.

Currency translation

The reporting currency of Lenzing AG and the Lenzing Group is the euro. The subsidiaries prepare their annual financial statements in their respective functional currency. Except for PT. South Pacific Viscose, the functional currency is the currency of the country or region where the respective subsidiary is based. The functional currency for PT. South Pacific Viscose is the US dollar. Exchange rate gains or losses from transactions by consolidated companies in a currency other than the functional currency are recognized in profit or loss. Monetary items of consolidated companies that are not denominated in the functional currency are converted using the closing rate at the reporting date.

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The following key exchange rates were used for currency translation into the reporting currency euro:

Exchange rates for key currencies		2015		2014	
Unit	Currency	End of reporting period	Average	End of reporting period	Average
1 EUR	USD US Dollar	1.0926	1.1018	1.2160	1.3285
1 EUR	GBP British Pound	0.7380	0.7205	0.7823	0.8061
1 EUR	CZK Czech Koruna	27.0290	27.1917	27.7280	27.5360
1 EUR	CNY Renminbi Yuan	7.0910	6.9353	7.5442	8.1857
1 EUR	HKD Hong Kong Dollar	8.4685	8.5415	9.4340	10.3025
1 EUR	INR Indian Rupee	72.5350	71.1453	77.1686	81.0406

Intangible assets

Acquired intangible assets are reported at cost less accumulated amortization as at the reporting date if they have a limited useful life. The option to apply the revaluation model is not exercised. The cost of production comprises all costs attributable to the production process (direct costs and overheads) and pro rata borrowing costs in the case of qualifying assets. Amortization, depreciation, impairment and reversals of impairment losses attributable to the financial year are reported under the item "Amortization of intangible assets and depreciation of property, plant and equipment" in the income statement. Development costs from internally generated intangible assets are capitalized if they fulfill the criteria of IAS 38. Otherwise, the development costs concerned are recognized as an expense. Research costs are generally recognized as an expense.

Depreciation is calculated using the straight-line method on the basis of the estimated useful lives. The estimated useful lives of the most important assets are as follows:

Useful lives for intangible assets

	Years
Software/computer programs	3 to 4
Licenses and other intangible assets	
Purchased	4 to 20
Internally generated	7 to 15

Goodwill, trademark rights and other intangible assets with indefinite useful lives are amortized only if they are impaired.

Property, plant and equipment

Property, plant and equipment is reported at cost less accumulated depreciation as at the reporting date. The option to apply the revaluation model is not exercised. The cost of production comprises all costs attributable to the production process (direct costs and overheads) and pro rata borrowing costs in the case of qualifying assets. Amortization, depreciation, impairment and reversals of impairment losses attributable to the financial year are reported under the item "Amortization of intangible assets and depreciation of property, plant and equipment" in the income statement.

Depreciation is calculated using the straight-line method on the basis of the estimated useful lives. The estimated useful lives of the most important assets are as follows:

Useful lives for property, plant and equipment

	Years
Land use rights	30 to 99
Buildings	10 to 50
Fiber production lines	10 to 15
Energy production facilities	10 to 25
Other mechanical equipment	4 to 20
Vehicles	4 to 20
Office equipment and other fixtures and fittings	4 to 15
IT hardware	3 to 10

Assets acquired second-hand are depreciated over their remaining useful lives. Land is depreciated only if it is impaired. Major conversions are capitalized, whereas regular maintenance work, repairs and minor conversions are recognized as expenses at the time they are incurred.

Leases

If all material risks and rewards associated with ownership of a leased asset are transferred to the lessee, then the lease involved is a finance lease. All other leases are classified as operating leases.

In the case of finance leases in which the Lenzing Group is the lessee, the leased assets are capitalized at the fair value of the asset or, if lower, the present value of the future minimum lease payments. Depreciation is recognized over the economic life of the relevant item of property, plant and equipment or over the term of the lease if this is shorter. The Lenzing Group does not currently recognize any finance leases as a lessor.

In the case of operating leases, the agreed lease payments are recognized on a straight-line basis over the lease term as expenses (if the Lenzing Group is the lessee) or income (if the Lenzing Group is the lessor) in the income statement.

Impairment on intangible assets, property, plant and equipment, investments accounted for using the equity method and cash-generating units

Cash-generating units to which goodwill is allocated and intangible assets with indefinite useful lives are tested for impairment at least once a year, or more frequently if appropriate. The annual impairment tests are performed in the fourth quarter of each financial year. All other intangible assets, property, plant and equipment and investments accounted for using the equity method are tested for impairment if there is evidence to suggest that they are impaired. An asset or cash-generating unit is impaired if its recoverable amount is lower than its carrying amount. The recoverable amount is the higher of the value in use and the fair value less costs of disposal. The value in use corresponds to the present value of estimated future cash flows assuming a market interest rate that is adjusted for the specific risks of the asset. The cash flows are derived from current planning.

When determining the recoverable amount, assumptions about future developments are made, particularly with regard to the development of production and sales volumes, which may not actually materialize. Furthermore, estimates are made with regard to the conditions of a potential sale of these assets on the market. If the recoverable amount for an asset cannot be determined, the asset is included in a cash-generating unit. Cash-generating units are the groups of assets at the lowest level that generate cash flows independently of other assets. Goodwill and trademark rights with indefinite useful lives are allocated to the cash-generating units that are expected to benefit from synergies resulting from the relevant company acquisition and that represent the lowest level of management control of cash flows within the Group. In the Lenzing Group, these are individual production sites in particular.

In the case of cash-generating units to which goodwill has been allocated and cash-generating units with trademark rights that have an indefinite useful life, the Lenzing Group initially calculates the recoverable amount on the basis of fair value less costs of disposal. The fair value less costs of disposal of cash-generating units to which goodwill has been allocated and cash-generating units with trademark rights that have an indefinite useful life is derived based on budgets and cash flow projections approved by the Management Board for the next four years on a post-tax basis. In justified exceptions, the cash flow projections are extended to up to

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five years. This is the case for cash-generating units where there are plans for increased capital investments whose cash flow potential will not be fully reflected in the cash flows and who therefore will not reach the “steady state” until after four years. Based on the assumptions of the past year, perpetu-als taking account of a sustainable long-term growth rate of 0.6% to 0.9% (2014: 0.7% to 1.1%) are anticipated after the detailed planning period. The estimate used for the sustainable long-term growth rate is half of the inflation rate for the next few years in the relevant country that is expected by an international economic research center. This value usually tends to offset general inflation. The planned/projected cash flows are discounted to their present value using a discounted cash flow method. Fair value measurement is classified in full as level 3 of the fair value hierarchy, since key input factors (particularly cash flows) cannot be observed on the market. The discount rate used is a composite rate (weighted average cost of capital – WACC) combining the average interest rate for debt capital and the anticipated return on the equity employed and calculated on an individual basis using the capital asset pricing model (CAPM). The risk premium is calculated on the basis of CAPM by multiplying the market risk premium by the beta factor. The market risk premium is the yield differential between a broadly diversified portfolio (“market portfolio”) and yields on risk-free securities. The beta factor reflects the systemic risk of a company in relation to the equities market as a whole. The discount rate reflects current market assessments and the risks specific to the cash-generating units concerned. For the fourth quarter of 2015 WACCs after taxes of between 7.5% and 8.2% (2014: between 7.0% and 10.4%) were used.

The WACCs were mainly determined based on externally available capital market data from comparable companies (particularly for determining the risk premium). Planning and projections of free cash flows (freely available cash flows) are based in particular on internal assumptions with regard to anticipated future sales prices and volumes (revenue development) and the costs required for this (particularly commodities and energy in addition to labor and taxes), taking into account the expected market environment and market positioning. In addition, anticipated investments and the changes in working capital (inventories plus operating receivables less operating liabilities) also play a role. These internal assumptions are based on past experience, current operating results and the assessment of future developments. They are supplemented by external market assumptions such as sector-specific market studies and economic outlooks.

Impairment losses – and reversals of impairment losses – are recognized in the income statement under the item “Amortization of intangible assets and depreciation of property, plant and equipment”. Impairment losses on cash-generating units to which goodwill is allocated firstly reduce the carrying amount of goodwill. Any further impairment losses reduce the carrying amounts of the cash-generating unit’s assets. If the impairment ceases to apply, it is reversed (written up) to fair value but at most to the value derived by applying the amortization/depreciation schedule to the original cost.

Investments accounted for using the equity method

Investments accounted for using the equity method relate to investments in associates and joint ventures. Investments in associates relate to shares in companies at which the Lenzing Group can exert significant influence over financial and operating policies. Significant influence is assumed when the share of capital is between 20% and 50%. Joint ventures are joint arrangements managed by the Lenzing Group together with one or more partners whereby the Lenzing Group has rights to the net assets of the arrangement. Investments in associates and joint ventures are accounted for using the equity method.

Financial assets and securities

The securities essentially consist of bonds. Securities also include equity shares and investment funds. The fair values of bonds are derived from their current quoted prices and change in particular because of changes in market interest rates and the credit rating of the bond’s debtors. The fair values of shares are derived from the current quoted prices. The fair values of investment funds are derived from their current notional values. All securities are assigned to the “available-for-sale financial assets” category. The change in unrealized fair value measurement, less deferred taxes, can therefore be seen in other comprehensive income. Non-current securities are not intended to be sold within one year.

A significant or prolonged decline in the fair value of an available-for-sale equity instrument below its cost is objective evidence of impairment. Any existing impairment is recognized in profit or loss. Reversals of impairment losses are recognized in other comprehensive income for equity instruments and in profit or loss for debt instruments.

If there is no market price on an active market and their market price cannot be measured reliably due in particular to a lack of reliable future cash flows or is of minor importance, investments in unconsolidated affiliated companies, other equity investments and related derivative financial instruments are measured at the lower of cost and cost less impairment.

Loans are recognized at amortized cost or, if they are impaired, at their lower fair value.

Current taxes and deferred taxes (deferred tax assets and liabilities)

Current taxes and deferred tax assets and liabilities relate to income taxes. Current taxes are the expected tax liabilities or tax receivables on the taxable income of group companies for the financial year on the basis of the applicable tax rates in the relevant country and all adjustments of tax liabilities for earlier years.

Deferred tax assets and liabilities are calculated for the respective assets and liabilities on the basis of temporary differences between the values in the consolidated financial statements and the values used for calculating tax. In addition, the tax benefit from tax loss carryforwards and unused tax credits must be taken into account in the context of deferred taxes if it is likely to be used. If it is likely that deferred tax assets – particularly on loss carryforwards – will be recovered, the values are maintained; otherwise they are written down. No deferred taxes are accrued on permanent differences. Deferred tax assets and liabilities are reported on a net basis in the Group if there is a right to offset the taxes and the taxes relate to taxable entities within the same tax group.

Lenzing AG and the subsidiaries included in the tax group agreement are members of the tax group concluded on September 25, 2009 between B&C Industrieholding GmbH as the group parent and Lenzing AG and other subsidiaries of Lenzing AG as group members in accordance with section 9 of the österreichisches Körperschaftsteuergesetz (öKStG – Austrian Corporation Tax Act). As part of group taxation, taxable profits and tax losses are offset between group members. On the basis of their joint tax assessment, deferred tax assets and liabilities of group members are offset. Future tax liabilities from offsetting losses of foreign subsidiaries are recognized in the consolidated financial statements without being discounted. The group and tax equalization agreement requires Lenzing AG to pay a tax allocation in the amount of

the corporation tax attributable to the taxable profit of the company and the subsidiaries included in the tax group. Any domestic and foreign withholding taxes deductible from the overall group result at the group parent and minimum corporation taxes passed on reduce the tax allocation to be paid by Lenzing AG. If current losses/loss carryforwards caused by the group parent B&C Industrieholding GmbH itself can be offset against positive earnings of Lenzing AG's tax group in the year of assessment, then the tax allocation to be paid by Lenzing AG is reduced. The reduction of the tax allocation is equivalent to 50% of the applicable corporation tax rate (therefore currently 12.5%) for the group parent's own current losses/loss carryforwards offset against positive earnings in a year of assessment of B&C Industrieholding GmbH. Tax losses of Lenzing AG including the subsidiaries involved are kept on record and offset against future tax gains. An equalization payment is agreed for losses that are not offset on termination of the contract.

The Lenzing Group includes the effects of uncertain tax positions in the calculation of current and deferred taxes. Affected tax claims are recognized at the expected amount of reimbursement in cases in which the claim is sufficiently certain. The tax returns of the Lenzing Group subsidiaries are regularly reviewed by the tax authorities. Taking account of a number of factors, including interpretations, commentaries and legal decisions relating to the respective tax jurisdiction and past experience, appropriate provisions have been recognized for possible future tax obligations as far as can be seen. Uncertain tax positions are assessed on the basis of estimates and assumptions of future events. In future, new information can become available that causes the Group to change its assumptions regarding the appropriateness of the tax positions. Such changes will affect tax expense in the period in which they are discovered.

Trade receivables and other assets

With the exception of derivative financial instruments, which are accounted for at market value, trade receivables and other assets are measured at amortized cost. Bad debt provisions are recognized for those items likely to be deemed uncollectible or only partly collectible. Receivables denominated in a foreign currency are converted using the closing rate. All trade receivables are classified as current assets.

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Construction contracts

If the result of a construction contract can be reliably estimated, the revenue and costs are recognized in line with the stage of completion at the reporting date (percentage-of-completion method). The percentage of completion is calculated on an input-oriented basis from the ratio of the contract costs incurred to date to the estimated total contract costs (cost-to-cost method). The progress of projects is monitored on an ongoing basis. Changes in contractual work, claims and performance bonuses are included to the extent that their amount can be measured reliably and it is likely that they will be received. If the result of a construction contract cannot be reliably estimated, contract revenue is recognized only in the amount of the contract costs incurred that are likely to be collectible. Contract costs are recognized as an expense in the period in which they are incurred. If it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized immediately in profit or loss.

Receivables from contract customers from construction contracts are reported under "Trade receivables". Pro rate contract revenue in profit or loss is recognized as "Revenue". If an excess of advance payments arises, this is reported under "Other liabilities".

Inventories

Inventories are measured at the lower of cost and net realizable value at the reporting date. The cost of production comprises all costs attributable to the production process (direct costs and overheads). Net realizable value corresponds to the expected selling price less attributable costs to sell incurred prior to the sale, plus any costs of completion yet to be incurred. When the reasons for a write-down have ceased to exist, the write-down is reversed accordingly.

The cost of raw materials and supplies is calculated using the weighted average cost method. The change in inventories of finished goods and work in progress is shown in the item of the same name in the income statement.

Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, amounts payable on demand, checks and short-term time deposits with banks. They are measured at their nominal amounts.

In addition to cash and cash equivalents, the item "Liquid funds" as per the statement of cash flows also includes liquid marketable securities with a remaining term of less than three months that are subject to minor fluctuations in value.

Equity instruments issued

Financial instruments issued by the Lenzing Group are classified as financial liabilities or as equity depending on the economic substance of the contractual agreement. The "Equity" item subsumes the equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting the liabilities.

Emission certificates

Emission certificates are capitalized at fair value as at the date when they are allocated. The difference between the fair value and the amount spent by the company to acquire the emission certificates is reported in the "Government grants" items. At each reporting date, a provision is recognized for the certificates used by this date. If the used certificates are covered by the certificates held by the company at this reporting date, the provision is measured at the asset value recognized for these certificates. If the used certificates exceed the certificates held, the provision is measured at the fair value of the certificates (to be purchased subsequently) as at the relevant reporting date. The deferred income item attributable to the certificates used by this date is reversed in profit or loss.

Government grants

Investment grants are reported as liability items and recognized in profit or loss as "Income from the release of investment grants", distributed on a straight-line basis in line with the useful lives of the subsidized investments. The recognition and measurement of grants relating to emission certificates are described in the section "Emission certificates".

Government grants for reimbursements are recognized as other income in the period in which the relevant costs are incurred, except if the inflow of the grant depends on conditions that are not yet sufficiently likely to occur.

Obligations from pensions and severance payments

Obligations from employee pensions and severance payments – “old severance payment” system and similar systems – are considered post-employment benefits under IFRS. A distinction is made between defined benefit plans and defined contribution plans.

Under defined benefit plans, the Lenzing Group’s obligation is to provide the agreed benefits. In this case, actuarial risk and investment risk are chiefly assumed by the Lenzing Group. Obligations from defined benefit plans are calculated using the projected unit credit method. An actuarial valuation is performed at the end of each reporting period, with the anticipated benefits distributed over the entire period of employment. Future increases in salaries and pensions are taken into account. Remeasurements of the net liability (actuarial gains and losses) are recognized in full in other comprehensive income in the period in which they arise. Past service cost is recognized immediately in profit or loss.

The obligations from defined benefit plans recognized in the consolidated statement of financial position represent the present value of the defined benefit obligation. The fair value of existing plan assets is deducted from this. The remaining obligations after deducting plan assets are reported under provisions. Net interest expense from defined benefit plans (expenses from the interest accruing on the obligations and the return on plan assets) is recognized under personnel expenses. All other gains and losses, with the exception of remeasurements of the net liability, are also recognized in personnel expenses. Remeasurements of the net liability (relating to actuarial gains and losses and the return on plan assets not included in net interest expense, excluding amounts included in interest income) are included in other comprehensive income.

The main obligations from defined benefit plans consist of obligations for pensions and severance payments at Austrian companies of the Lenzing Group. A discount rate derived from high-quality fixed-income corporate bonds with at least an AA rating according to the standard of an international actuary was used for these obligations. Bonds with significantly higher or lower interest rates than the other bonds in their risk class (“statistical outliers”) were not included here. The currency and terms of the bonds from which the rate is derived are based on the currency and expected terms of the obligations to be settled. The estimated salary and pension

increases that are also considered realistic for the future were derived from an examination of the averages over the past years. Rates of employee turnover were recognized for each company depending on the composition of the workforce and employees’ length of service. The retirement age used for the calculation is based on the respective legal provisions. In the other countries, country-specific assumptions are used in determining the discount rate, salary increases, employee turnover rates and the retirement age.

Obligations from jubilee benefits

Obligations from jubilee benefits for employees (long-service bonuses) are considered other long-term employee benefits under IFRS. Obligations from jubilee benefits are calculated using the projected unit credit method, with the anticipated benefits distributed over the entire period of employment. Future salary increases are taken into account. Remeasurements of the net liability (actuarial gains and losses) and past service cost are recognized immediately in profit or loss.

The obligations from jubilee benefits recognized in the consolidated statement of financial position represent the present value of the obligation and are reported under provisions. Net interest expense from jubilee benefits (expenses from the interest accruing on the obligations) is recognized under personnel expenses. All other gains and losses, including remeasurements of the net liability (relating to actuarial gains and losses), are also recognized in personnel expenses.

The main obligations from jubilee benefits are at Austrian companies of the Lenzing Group. A discount rate derived from high-quality fixed-income corporate bonds with an AA rating according to the standard of an international actuary was used for these obligations. Bonds with significantly higher or lower interest rates than the other bonds in their risk class (“statistical outliers”) were not included here. The currency and terms of the bonds from which the rate is derived are based on the currency and expected terms of the obligations to be settled. The estimated salary increases that are also considered realistic for the future were derived from an examination of the averages over the past years. Rates of employee turnover were recognized for each company depending on the composition of the workforce and employees’ length of service. In the other countries, country-specific assumptions are used in determining the discount rate, employee turnover rates and salary increases.

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Provisions

Provisions are recognized if there are legal or constructive obligations to third parties that are based on past business transactions or events and are likely to result in an outflow of cash or other assets that can be reliably determined. They are stated at the anticipated settlement amount with due regard to all identifiable risks. The amount of a provision corresponds to the best estimate of the settlement amount of the present obligation as at the reporting date. The measurement of provisions is based on historical data, current cost and price information and estimates/appraisals by internal and external experts. Restructuring provisions are recognized if there is a detailed formal restructuring plan and a valid expectation that the restructuring will be implemented has been raised in those affected.

The assumptions on which the provisions are based are reviewed on an ongoing basis. The actual values may deviate from the assumptions made if the general conditions develop differently from expectations as at the reporting date. Changes are taken into account in profit or loss when better information is learned and the premises are adjusted accordingly. Reversals of provisions are reported as income in the expense items that were originally debited when the provision was recognized.

The "Provisions" item also includes accruals. Compared to provisions in a narrower sense, accruals are generally certain in terms of their existence and involve only an insignificant level of risk with regard to the amount and timing. Accruals are reported separately in the development of provisions. If they constitute financial instruments, they are treated as financial liabilities accounted for at amortized cost.

Liabilities

With the exception of derivative financial instruments, which are accounted for at market value, liabilities are measured at amortized cost. Liabilities denominated in a foreign currency are converted using the closing rate.

Contingent liabilities

Contingent liabilities are possible obligations or present obligations that arise from past events for which an outflow of resources is not considered probable. If, in extremely rare

cases, an existing liability cannot be recognized as a provision in the consolidated statement of financial position because a reliable estimate of the liability is not possible, this also constitutes a contingent liability. Contingent liabilities are not recognized in the consolidated statement of financial position, but are disclosed in the notes to the consolidated financial statements.

Revenue recognition and causation of expenses

Revenue comprises all income resulting from the typical business activities of the Lenzing Group. This includes income from product sales (particularly sales of botanic cellulose fibers in the Segment Fibers) and services provided (particularly from mechanical and plant engineering in Segment Engineering), less trade discounts granted or expected and other sales deductions, and not including VAT. Any other operating income is recognized as other operating income.

The Segment Fibers mainly sells botanic cellulose fibers and products such as sodium sulfate, black liquor and pulp. Income is recognized when ownership of the products has been transferred to the customer (thus at transfer of risks), the amount of the income/the associated costs can be reliably determined and it is probable that the economic benefits from the transaction will flow to the Group.

Segment Lenzing Technik operates in the field of mechanical and plant engineering and performs engineering services. A significant portion of its income results from construction contracts. Income from construction contracts is recognized based on the stage of completion in line with the cost-to-cost method (see the section "Construction contracts" above).

The change in inventories of finished goods and work in progress serves to neutralize expenses for goods that were still held in inventory as at the reporting date. Own work capitalized serves to neutralize expenses to be capitalized as part of the cost of non-current assets. Operating expenses are recognized at the time when the related service is utilized or when they are caused. Dividends are taken into account once the legal claim to payment has arisen. Interest and other financial expenses and income are recognized as income or expenses on an accrual basis using the effective interest method.

Earnings figures

EBITDA (earnings before interest, tax, depreciation on property, plant and equipment and amortization of intangible assets and before income from the release of investment grants or “earnings before interest, tax, depreciation, and amortization”) and, particularly, EBITDA before restructuring are important key figures for measuring performance in the Lenzing Group. One-off effects from restructuring are significant income or expenses that do not regularly recur in terms of their type or amount, particularly in connection with business combinations, impairment and restructuring and similar measures. EBITDA (after restructuring) is reported separately in the consolidated income statement and therefore defined and calculated in detail there. EBITDA before restructuring is used as the segment result in the context of segment reporting (see note 6). In addition, EBIT (earnings before interest and tax) is also of particular interest. EBIT (after restructuring) is reported separately in the consolidated income statement and therefore defined and calculated in detail there.

Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost. The Lenzing Group defines qualifying assets as construction projects or other assets that require at least twelve months to be ready for their intended use or sale. They are capitalized in the item “Own work capitalized” and the associated asset account and are written down in the item “Amortization of intangible assets and depreciation of property, plant and equipment”. All other borrowing costs are recognized in the financial result in the period in which they are incurred.

Earnings per share

Earnings per share are calculated by dividing the net profit/loss for the year attributable to ordinary shareholders (net profit/loss for the year attributable to shareholders of Lenzing AG) by the average number of ordinary shares outstanding during the financial year (see note 18 for more detail).

Financial instruments

Financial instruments comprise financial assets and financial liabilities. Initial recognition of a financial asset is at fair value taking into account transaction costs incurred. Initial recognition of a financial liability is at fair value less transaction costs incurred. Transaction costs incurred in the acquisition of financial assets and liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Depending on their classification/measurement category, financial instruments are recognized either at (amortized) cost or at fair value on subsequent measurement. The Lenzing Group uses the measurement categories “Loans and receivables”, “Available-for-sale financial assets” and “Financial liabilities at amortized cost”. The category “Financial instruments at fair value through profit or loss” is used for trading derivatives only. The fair value option is not currently exercised. The Lenzing Group does not have any held-to-maturity investments. The item measured is the relevant individual financial instrument.

If there is evidence to suggest impairment (particularly significant financial difficulties of the debtor, default or delay in making payments, an increased probability that the debtor will become bankrupt), non-collateralized financial assets are written down in profit or loss. Bad debt provisions are recognized via an allowance account. Financial assets are derecognized directly only if the contractual rights to payments from the financial assets finally no longer exist (particularly in the event of bankruptcy). If the reasons for the impairment loss cease to apply, it is reversed up to cost.

Financial assets and liabilities are recognized in the consolidated statement of financial position when the Group becomes a contractual party to a financial instrument. Financial assets are derecognized when the contractual rights to payments from the financial assets no longer exist or the financial assets are transferred together with all material risks and rewards. Financial liabilities are derecognized when the contractual obligations are settled, canceled or have expired. For liabilities that are part of reverse factoring agreements, it is considered whether the original trade payable still has to be reported or whether it must be derecognized on the basis of the agreement and a new financial liability recognized. In doing so it is considered whether the Lenzing Group was released from its original obligation. If the Lenzing Group was not released from its original obligation, it is then considered whether the Lenzing Group, under the reverse factoring

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agreement, entered into a new obligation that must be recognized in addition to the trade payable. If this is also not the case, there is a present value test to determine whether the reverse factoring agreement has resulted in significant changes to the contractual terms of the trade payable, leading to a derecognition of the trade payable and the recognition of a new financial liability. Financial instruments are recognized/derecognized as at the settlement date for all transactions.

Derivative financial instruments and hedges

The Lenzing Group uses derivative financial instruments to hedge against currency risks from operating business and to manage commodity price risks. These derivative financial instruments serve to compensate for the variability of cash flows from future transactions. Hedges are determined in advance on the basis of the expected revenue and planned consumption of commodities in the relevant foreign currency.

The Lenzing Group applies the hedge accounting regulations under IAS 39 with respect to these derivative financial instruments. The use of hedge accounting is subject to the requirements that the hedge must be documented and the effectiveness of the hedge must be measured on a regular basis and must be between 80% and 125%. Effective offsetting between unrealized losses and gains is demonstrated by means of effectiveness tests. In measuring effectiveness, the hedged items and the hedging instruments are grouped together in at least quarterly maturity ranges for each hedged risk. The prospective hedging effect of the hedges is demonstrated by comparing the main conditions. The planned hedged items are compared against the hedging instruments concluded. The retrospective hedging effect is assessed using the dollar-offset method, which compares periodic changes in the fair value of the hedged items with periodic changes in the fair value of the hedges in line with the compensation method.

If the criteria for using hedge accounting are fulfilled, the profit or loss from changes in the fair value of the derivative financial instruments is recognized either in profit or loss or in other comprehensive income, depending on whether the hedge is a fair value hedge or a cash flow hedge. In the case of fair value hedges, the results of the fair value measurement of the hedges and of the related hedged items are offset in profit or loss. Unrealized gains and losses from changes in the fair value of cash flow hedges are initially reported in other comprehensive income and do not impact profit or loss until

the underlying hedged items are recognized. In hedging future cash flows in foreign currencies (cash flow hedges), the Lenzing Group typically hedges the risk until the time that the payment in the foreign currency is made. Reclassification from other comprehensive income to profit or loss takes place when the foreign-currency revenue is generated or when the foreign-currency cost of material is incurred. From the point in time when foreign-currency receivables and payables are recognized, changes in the fair value of the derivatives are recognized in profit or loss. From this point on, changes in fair value are shown alongside the foreign currency measurement of the foreign-currency trade receivables/payables as at the reporting date. Ineffective portions of changes in the fair values of cash flow hedges and the measurement of derivatives for which no hedge can be established (trading derivatives) are recognized immediately in the income statement.

Derivatives embedded in other financial instruments or other host contracts are treated as stand-alone derivatives if their economic characteristics and risks are not closely related to the host contract and the entire contract is not measured at fair value through profit or loss.

Derivatives are measured at fair value. Their fair value is equal to their market value, if available, or calculated using standard methods on the basis of the market data available on the measurement date (particularly exchange rates, commodity prices and interest rates). The fair value of derivatives reflects the estimated value that would be payable or receivable by the Lenzing Group if the deal were closed at the reporting date. Currency and commodity forwards are measured using the respective forward rate or price at the reporting date. The forward rates or prices are based on the spot rates or prices taking into account forward premiums and discounts. Valuations by banks and other parties are used in addition to the Group's own models to estimate measurement.

In measuring derivatives, the counterparty risk (credit risk/counterparty risk/non-performance risk) that a market participant would recognize when setting prices is also taken into account in the form of discounts from the fair value. Framework netting agreements are not taken into account here. The future exposure is considered to be constant and the creditworthiness of the counterparty and of the company itself are derived from historical probabilities of default. This is mainly done on the basis of externally available capital market data. On the basis of the counterparties' consistently good creditworthiness according to experience, the company's own good creditworthiness and the predominantly short re-

maining terms of the derivatives, the given nominal values were only subject to low levels of discounts.

Contracts that are entered into and continue to be held for the purpose of the receipt or delivery of non-financial items in accordance with the expected purchase, sale or usage requirements (internal consumption contracts) are not accounted for as derivative financial instruments, but rather as open transactions.

NOTE 4

Changes in entities included in consolidation and business combinations

In the 2014 financial year, three non-proportional capital increases totaling EUR 385 thousand were carried out at Lenzing Modi Fibers India Private Limited, with the result that the Lenzing Group's equity interest rose from 96.31% to 96.41%. As a result of these transactions, non-controlling interests increased by EUR 7 thousand. The difference offset against retained earnings amounted to EUR 7 thousand.

In April 2014, Lenzing Land Holding LLC, Dover, USA, was founded. The Lenzing Group's share in this company is 100%. The company was included in the group of consolidated subsidiaries of the Lenzing Group.

In October 2014, shares in European Carbon Fiber GmbH, Kelheim, Germany were sold for EUR 2 thousand, with the result that the Lenzing Group's equity interest in this company fell from 100% to 91.07%. As a result of this transaction, non-controlling interests increased by EUR 68 thousand. The difference offset against retained earnings amounted to EUR 66 thousand.

In April 2015, the sale of the subsidiaries Dolan GmbH, Kelheim, Germany, and European Carbon Fiber GmbH, Kelheim, Germany, was closed. The closing led to the loss of control over and deconsolidation of these subsidiaries. Details of this can be found in note 5.

In July 2015, the sale of the subsidiary LENO Electronics GmbH, Schörfling, was closed. The closing led to the loss of control over and deconsolidation of this subsidiary. Details of this can be found in note 5.

In December 2015, the previously consolidated subsidiary Lenzing Engineering and Technical Services (Nanjing) Co., Ltd, Nanjing, China, was deconsolidated as its liquidation was economically largely complete. Details of this can be found in note 5.

Otherwise there were no business combinations or changes in the entities included in consolidation.

NOTE 5

Non-current assets and liabilities held for sale, disposal groups and discontinued operations

2015 financial year

Dolan GmbH, Kelheim, Germany, and **European Carbon Fiber GmbH**, Kelheim, Germany, were consolidated companies of the Lenzing Group belonging to the Segment Other. In April 2015, the Lenzing Group reached an agreement on the sale of both companies. This led to the loss of control by the Lenzing Group and to the deconsolidation of these companies.

The following net assets were deconsolidated as a result of the loss of control:

Deconsolidated net assets	EUR '000
Intangible assets and property, plant and equipment	7,760
Other current assets	18,203
Cash and cash equivalents	8,646
Deconsolidated assets	34,609
Trade payables	3,424
Provisions	11,114
Other current liabilities	134
Deconsolidated liabilities	14,671
Deconsolidated net assets	19,938

The consideration received for the sale of shares amounted to EUR 24,864 thousand in total. There was a gain on disposal of EUR 5,148 thousand reported under other operating income.

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The net cash inflow from the disposal is reported in the cash flow from investing activities and breaks down as follows:

Net inflow from the sale of subsidiaries and other business areas

EUR '000

Consideration received (cash and cash equivalents)	22,433
- Holdings of cash and cash equivalents sold	(8,646)
Net inflow from the sale of subsidiaries and other business areas	13,787

Non-controlling interests in the amount of EUR 222 thousand were derecognized due to the loss of control.

In the course of the restructuring of the technical operations the Lenzing Group reached an agreement in June 2015 on the **sale of three business units of Segment Lenzing Technik** (the Mechatronics business area incl. the consolidated subsidiary LENO Electronics GmbH, Schörfing, the Automation/Robotics unit and the Sheet Metal business operations). The closing took place in July and September 2015. This led to the loss of control by the Lenzing Group and to the disposal of these business units. Non-current assets in the amount of EUR 336 thousand, current assets (without cash and cash equivalents) in the amount of EUR 2,658 thousand, cash and cash equivalents in the amount of EUR 510 thousand, provisions in the amount of EUR 1,648 thousand and other current liabilities in the amount of EUR 1,708 thousand were derecognized. The amounts quoted above are the carrying amounts after the recognition of impairment due to the measurement at fair value less costs to sell which had to be done in the course of the intra-year reclassification of these business units as disposal groups held for sale. The fair value less costs to sell was derived from actual purchase bids and, overall, is assigned to level 2 of the measurement hierarchy.

The consideration received for the sale of shares and assets and liabilities amounted to EUR 501 thousand in total. There was a total loss on deconsolidation of EUR 6,585 thousand, EUR 309 thousand of which is reported as other operating income and EUR 6,894 thousand as other operating expenses. These amounts quoted above include the recognition of intra-year impairment resulting from the measurement at fair value less costs to sell. In tax write-downs on investments carried out in this transaction, deductible sevenths in the amount of EUR 1,329 thousand were recognized as deferred tax assets.

The net cash inflow from these disposals in the amount of EUR -54 thousand is reported in the cash flow from investing activities in "Net inflow from the sale and disposal of subsidiaries and other business areas". It consists of the consideration of EUR 456 thousand received in cash less the holdings of cash and cash equivalents sold in the amount of EUR 510 thousand.

Furthermore, the previously consolidated subsidiary **Lenzing Engineering and Technical Services (Nanjing) Co., Ltd**, Nanjing, China, was deconsolidated in December 2015, as the liquidation of this company in Segment Lenzing Technik was initiated and this was economically largely complete. The deconsolidation resulted in a loss of EUR 2 thousand that was reported in other operating income. There were no cash flows. In deconsolidation – with the exception of the offset intra-group assets and liabilities – assets of EUR 387 thousand (thereof cash and cash equivalents: EUR 348 thousand) and liabilities of EUR 572 thousand were derecognized. The amounts quoted above are the carrying amounts after the recognition of impairment due to the measurement at fair value less costs to sell which was necessary owing to the intra-year reclassification of these business units as a disposal group held for sale. A total impairment loss of EUR 864 thousand was recognized in this context. EUR 164 thousand of this was recognized in cost of material and other purchased services, EUR 618 thousand in amortization of intangible assets and depreciation of property, plant and equipment and EUR 82 thousand in other operating expenses. The fair value less costs to sell was derived from current estimates of forecast liquidation values and, overall, is assigned to level 3 of the measurement hierarchy.

In the process for the measurement of fair values less costs to sell, the necessary observable market data were collected and the input factors not observable were tested based on internally available information and updated as necessary.

In the 2015 financial year, expenses in the amount of EUR 1,691 thousand before income tax in connection with former discontinued operations were recognized because of the resolution of uncertainties or changes in estimates. The income tax revenue from these amendments amounts to EUR 423 thousand; earnings after tax therefore amount to EUR -1,268 thousand.

The amounts are entirely attributable to the shareholders of the parent company. All amounts mentioned above did not affect cash flows in the 2015 financial year.

2014 financial year

In the 2014 financial year, expenses in the amount of EUR 878 thousand before income tax in connection with former discontinued operations were recognized because of the dissolution of uncertainties or changes in estimates. This resulted in income tax revenue of EUR 220 thousand; earnings after tax therefore amount to EUR -659 thousand.

The amounts are entirely attributable to the shareholders of the parent company. All amounts mentioned above did not affect cash flows in the 2014 financial year.

NOTE 6

Segment reporting

In the Lenzing Group the segments are classified on the basis of the differences between their products and services; they require different technologies and market strategies. Each segment is managed based on the responsibilities of the different members of the Management Board. The chief operating decision maker relevant to segment reporting is the Management Board of Lenzing AG as a whole. The following segments are presented separately in the internal reporting of the Lenzing Group to the Management Board:

Segment Fibers:

The Segment Fibers manufactures botanic cellulose fibers and markets them under the umbrella brands Lenzing Viscose®, Lenzing Modal® (including Lenzing FR®) and TEN-CEL®. A significant portion of the pulp needed for production purposes is manufactured in the Group's own plants or partially bought in. The most important raw material for the manufacture of pulp is wood, which is bought in. The Fibers segment represents the core business of the Lenzing Group.

The Segment Fibers comprises the business areas Textile Fibers (fibers for textiles), Nonwoven Fibers (fibers for non-woven fabrics) and Pulp (pulp and wood), as these are com-

parable with regard to the key business characteristics of the cellulose fiber industry (products, production process, customers and distribution methods). These business areas are part of an integrated value chain (from the raw material wood via the pre-product pulp to the finished product fiber) with comparable risks and opportunities. Moreover, the business area Energy is assigned to the Segment Fibers as the Segment Fibers has by far the highest energy requirements in the Lenzing Group because of the energy-intensive nature of the fiber and pulp production process.

Segment Lenzing Technik:

The Segment Lenzing Technik operates in the field of mechanical and plant engineering and offers engineering services. It comprises the business area Lenzing Technik.

Other:

Until April 2015, the residual Segment Other comprised the business activities of Dolan GmbH, Kelheim, Germany (manufacture of specialty products from plastic polymers, particularly acrylic fibers) and European Carbon Fiber GmbH, Kelheim, Germany (production of precursor for carbon fibers). It also includes the business activities of BZL-Bildungszentrum Lenzing GmbH, Lenzing (training and personnel development).

The residual Segment Other does not contain any business segments that would exceed the quantitative thresholds for reportable segments.

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Information on business segments

EUR '000

1-12/2015 and 31/12/2015	Fibers	Lenzing Technik	Other	Segment total	Reconciliation	Group
Revenue from external customers	1,924,707	29,620	22,479	1,976,806	0	1,976,806
Inter-segment revenue	9,892	41,029	1,770	52,691	(52,691)	0
Total revenue	1,934,599	70,648	24,250	2,029,497	(52,691)	1,976,806
EBITDA (segment result)	286,467	68	3,978	290,513	(398)	290,114
EBIT	153,975	(1,243)	3,840	156,572	(5,470)	151,102
Amortization of intangible assets and depreciation of property, plant and equipment	135,724	1,315	137	137,176	5,071	142,248
Thereof impairment	156	0	0	156	8,532	8,688
Share of income from investments accounted for using the equity method	17,646	0	80	17,726	0	17,726
Other material non-cash income and expenses	52,992	(3,509)	2,243	51,727	0	51,727
Acquisition of intangible assets, property, plant and equipment (CAPEX)	70,403	399	112	70,914	0	70,914
EBITDA margin¹	14.8%	0.1%	16.4%	14.3%		14.7%
EBIT margin²	8.0%	-1.8%	15.8%	7.7%		7.6%
Segment assets	2,007,238	21,873	1,200	2,030,311	391,499	2,421,810
Segment liabilities	428,047	19,356	1,565	448,968	766,148	1,215,116
Investments accounted for using the equity method	23,702	0	1,866	25,568	0	25,568

Information on business segments (previous year)

EUR '000

1-12/2014 and 31/12/2014	Fibers	Lenzing Technik	Other	Segment total	Reconciliation	Group
Revenue from external customers	1,755,599	43,565	65,058	1,864,222	0	1,864,222
Inter-segment revenue	8,414	47,218	1,783	57,415	(57,415)	0
Total revenue	1,764,014	90,782	66,841	1,921,638	(57,415)	1,864,222
EBITDA (segment result)	223,153	3,083	12,487	238,724	1,578	240,302
EBIT	98,499	1,248	11,542	111,289	(89,363)	21,926
Amortization of intangible assets and depreciation of property, plant and equipment	127,820	1,839	946	130,605	90,941	221,546
Thereof impairment	608	0	0	608	93,956	94,564
Share of income from investments accounted for using the equity method	(580)	0	39	(541)	0	(541)
Other material non-cash income and expenses	40,930	11,479	1,748	54,157	(1,280)	52,877
Acquisition of intangible assets, property, plant and equipment (CAPEX)	102,954	778	578	104,311	0	104,311
EBITDA margin¹	12.7%	3.4%	18.7%	12.4%		12.9%
EBIT margin²	5.6%	1.4%	17.3%	5.8%		1.2%
Segment assets	1,966,051	39,152	27,210	2,032,413	342,638	2,375,051
Segment liabilities	462,390	35,428	11,758	509,576	819,841	1,329,417
Investments accounted for using the equity method	36,078	0	1,878	37,956	0	37,956

¹ EBITDA margin = EBITDA (operating result before depreciation and amortization) in relation to total revenue (here: according to segment reporting).

² EBIT margin = EBIT (operating result) in relation to total revenue (here: according to segment reporting).

Other material non-cash income and expenses relate to non-cash measurement effects from provisions and accruals.

The same principles were applied in the presentation of segment reporting as in the consolidated financial statements as at December 31, 2014.

The performance of the segments is measured using EBITDA before restructuring (earnings before interest, tax, depreciation on property, plant and equipment and amortization of intangible assets, before income from the release of investment grants and before restructuring). The reconciliation of segment result to operating result (EBIT) to earnings before tax (EBT) is as follows:

Reconciliation of segment result (EBITDA) to the earnings before tax (EBT)	EUR '000	
	2015	2014
Segment result (EBITDA)	290,513	238,724
Consolidation	(4,079)	(452)
Restructuring	3,681	2,030
Group result (EBITDA)	290,114	240,302
Segment amortization of intangible assets and depreciation of property, plant and equipment	(137,176)	(130,605)
Consolidation	3,461	3,015
Income from the release of investment grants	3,236	3,170
Impairment of intangible assets and property, plant and equipment	(8,532)	(93,956)
Earnings before interest and tax (EBIT)	151,102	21,926
Financial result	(3,535)	(23,439)
Allocation of profit or loss to puttable non-controlling interests	1,531	8,818
Earnings before tax (EBT)	149,098	7,305

The reconciliation from earnings before tax (EBT) to net profit/loss for the year (profit/loss after tax; net profit/loss) can be viewed in the consolidated income statement.

Restructuring breaks down as follows:

Restructuring	EUR '000	
	2015	2014
Restructuring measures		
Other operating income	326	0
Cost of material and other purchased services	(164)	0
Personnel expenses	5,336	1,174
Other operating expenses	(6,890)	135
Sale of subsidiaries		
Other operating income	5,148	0
Liquidation of EPG		
Other operating income	0	921
Other operating expenses	(75)	(200)
Total	3,681	2,030

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The line "Impairment of intangible assets and property, plant and equipment" shown above includes impairment on goodwill, other intangible assets and property, plant and equipment of EUR 8,532 thousand in 2015 (2014: EUR 93,956 thousand).

The reconciliation of segment EBIT to operating result (EBIT) after restructuring is as follows:

Reconciliation of segment EBIT to earnings before interest and tax (EBIT)

	EUR '000	
	2015	2014
Segment EBIT	156,572	111,289
Result from restructuring and impairment	(4,851)	(91,926)
Consolidation	(619)	2,563
Earnings before interest and tax (EBIT)	151,102	21,926

The reconciliation of segment amortization and depreciation to consolidated amortization and depreciation is as follows:

Reconciliation of segment amortization and depreciation to consolidated amortization and depreciation

	EUR '000	
	2015	2014
Segment amortization of intangible assets and depreciation of property, plant and equipment	137,176	130,605
Consolidation	(3,461)	(3,015)
Amortization of intangible assets and depreciation of property, plant and equipment	133,716	127,590
Impairment of intangible assets and property, plant and equipment	8,532	93,956
Consolidated amortization and depreciation	142,248	221,546

Segment assets chiefly consist of intangible assets and property, plant and equipment, inventories, trade receivables and other receivables, except for income tax assets. The reconciliation of segment assets to consolidated assets (corresponding to total assets, i.e. the total of non-current and current assets or the total of equity and non-current and current liabilities) is as follows:

Reconciliation of segment assets to consolidated assets

	EUR '000	
	31/12/2015	31/12/2014
Segment assets	2,030,311	2,032,413
Investments accounted for using the equity method	25,568	37,956
Assets not allocated to the segments		
Securities and other financial assets	22,847	23,194
Deferred tax assets and current tax assets	26,839	42,184
Cash and cash equivalents	347,254	271,791
Consolidation	(31,008)	(32,488)
Consolidated assets	2,421,810	2,375,051

Segment liabilities chiefly relate to trade payables, provisions and other liabilities, except for current tax liabilities. The reconciliation of segment liabilities to consolidated liabilities is as follows:

Reconciliation of segment liabilities to consolidated liabilities

	EUR '000	
	31/12/2015	31/12/2014
Segment liabilities	448,968	509,576
Liabilities not allocated to the segments		
Financial liabilities	683,247	729,778
Deferred tax liabilities and current tax liabilities	63,504	70,017
Government grants	25,802	26,559
Consolidation	(6,406)	(6,514)
Consolidated liabilities	1,215,116	1,329,417

The reconciliations of segment items to consolidated items that are not described in more detail above (revenue and investments) comprise consolidation effects only. The valuations for segment reporting are in line with the accounting policies applied to the IFRS consolidated financial statements.

Information about products and services

Revenue from external customers breaks down by products and services as follows:

Revenue from external customers by product and service EUR '000

	2015	2014
Botanic cellulose fibers	1,669,979	1,504,174
Sodium sulfate and black liquor	52,795	54,002
Pulp, wood, energy and other	211,825	205,838
Segment Fibers	1,934,599	1,764,014
Mechanical and plant engineering and engineering services - Segment Lenzing Technik	70,648	90,782
Specialty products from plastic polymers	20,548	63,037
Other and consolidation	(48,989)	(53,611)
Revenue according to consolidated income statement	1,976,806	1,864,222

There is no single external customer that accounts for more than 10% of external revenue.

Information about geographic regions

Revenue from external customers by sales market and total assets, non-current assets (not including financial instruments and tax assets; reconciled to consolidated figures for total non-current assets) and expenditures for intangible assets and property, plant and equipment (investments) break down by geographic areas as follows:

Information about geographic regions EUR '000

	Revenue		Non-current assets		Total assets		Investments	
	2015	2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014	2015	2014
Austria	134,030	143,264	751,421	782,941	989,146	982,951	51,555	78,504
Europe (without Austria including Turkey)	522,332	551,208	197,646	208,996	263,405	292,545	8,844	16,911
Asia	1,115,989	961,751	341,489	347,405	704,705	691,711	6,884	7,366
America	169,320	173,525	47,855	43,399	73,054	65,205	3,632	1,530
Rest of the world	35,135	34,474	0	0	0	0	0	0
Subtotal	1,976,806	1,864,222	1,338,412	1,382,742	2,030,311	2,032,413	70,914	104,311
Reconciliation to consolidated figures	0	0	54,645	60,233	391,499	342,638	0	0
Consolidated total	1,976,806	1,864,222	1,393,057	1,442,975	2,421,810	2,375,051	70,914	104,311

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Revenue is allocated based on the geographic region of the customer, while assets and investments are allocated depending on the geographic location of the asset. The figures above comprise all segments of the Lenzing Group. Further information on the segments can be derived from the management report of the Lenzing Group as at December 31, 2015.

Notes to the Consolidated Income Statement

NOTE 7

Revenue

Revenue breaks down as follows:

Revenue	EUR '000	
	2015	2014
Revenue from the sale of botanic cellulose fibers	1,669,979	1,504,174
Revenue from the sale of other products and services	289,689	336,389
Revenue invoiced	1,959,668	1,840,563
Revenue from long-term construction contracts	17,138	23,660
Total	1,976,806	1,864,222

Further breakdowns of revenue are shown in the segment report (see note 6, particularly the information about products and services and about geographic areas).

NOTE 8

Other operating income

Other operating income breaks down as follows:

Other operating income	EUR '000	
	2015	2014
Income from internal cost allocation, other products and energy	29,549	30,575
Income from the release of the deferred income item for emission certificates and from subsidies	5,189	6,490
Gain on disposal from the sale of subsidiaries and other business areas	5,459	0
Various other income	5,529	11,465
Total	45,727	48,530

Income from energy includes income from remuneration for green electricity in the amount of EUR 18,726 thousand (2014: EUR 17,837 thousand). The gain on disposal from the sale of subsidiaries in 2015 results from the sale/deconsolidation of Dolan GmbH, Kelheim, Germany, European Carbon Fiber GmbH, Kelheim, Germany, Lenzing Engineering and Technical Services Co., Ltd, Nanjing, China and the three business units in Segment Lenzing Technik (see note 5). Miscellaneous other income includes rental income of EUR 3,731 thousand (2014: EUR 3,698 thousand), income from the disposal of assets in the amount of EUR 172 thousand (2014: EUR 91 thousand), insurance compensation from third parties for property, plant and equipment in the amount of EUR 253 thousand (2014: EUR 206 thousand) and exchange rate gains of EUR 0 thousand (2014: EUR 4,676 thousand).

NOTE 9

Cost of material and other purchased services

The cost of material and other purchased services breaks down as follows:

Cost of material and other purchased services	EUR '000	
	2015	2014
Material	1,059,205	1,040,050
Other purchased services	159,055	159,191
Total	1,218,260	1,199,241

The cost of material primarily relates to the input factors consumed, namely pulp (and wood for internal production of pulp), key chemicals (sodium hydroxide, carbon disulfide and sulfuric acid) and merchandise. The cost of other purchased services mainly relates to energy consumed.

NOTE 10

Personnel expenses

Personnel expenses break down as follows:

Personnel expenses	EUR '000	
	2015	2014
Wages and salaries	233,160	223,120
Severance payment expenses	1,096	4,689
Retirement benefit expenses	6,089	6,026
Statutory social security expenses	55,305	54,080
Other social costs	4,558	4,085
Total	300,207	292,000

Severance payment expenses chiefly include expenses for the statutory obligations of Lenzing AG and its Austrian subsidiaries towards their employees, as well as gratuities and severance pay in the course of restructuring (see note 33).

The number of employees in the Lenzing Group breaks down as follows:

Number of employees

	2015	2014
Average	6,242	6,516
As at December 31	6,127	6,356

The number of employees at Lenzing AG and the Austrian subsidiaries of the Lenzing Group breaks down as follows:

Average number of employees in Austria

	2015	2014
Hourly workers	1,778	1,790
Salaried employees	1,082	1,138
Total	2,860	2,928

NOTE 11

Amortization of intangible assets and depreciation of property, plant and equipment

The item for amortization of intangible assets and depreciation of property, plant and equipment breaks down as follows:

Amortization of intangible assets and depreciation of property, plant and equipment

EUR '000

	2015	2014
Depreciation	133,560	126,982
Impairment	8,688	94,564
Total	142,248	221,546

In the 2015 financial year, impairment contains EUR 618 thousand (2014: EUR 0 thousand) from fair value measurement of non-current assets held for sale less costs to sell (see note 5). The other impairment and reversals of impairment losses are explained in notes 19 and 20.

NOTE 12

Other operating expenses

Other operating expenses break down as follows:

Other operating expenses	EUR '000	
	2015	2014
Selling expenses	97,182	100,320
Expenses for maintenance, repairs and other third-party services	43,637	39,325
Legal, consulting and audit expenses	21,486	12,288
Insurance expenses	8,904	9,378
Travel expenses	7,021	5,958
Waste disposal expenses	6,383	6,861
Loss on disposal from the sale of subsidiaries and other business areas	6,894	0
Other	44,377	39,148
Total	235,885	213,279

Selling expenses include expenses for outgoing freight in the amount of EUR 78,459 thousand (2014: EUR 83,357 thousand).

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sand) and for commissions and advertising in the amount of EUR 18,723 thousand (2014: EUR 16,964 thousand). The loss on disposal from the sale of subsidiaries and other business areas in the 2015 financial year results from the sale of the three business units in Segment Lenzing Technik (see note 5). Miscellaneous other operating expenses include rental and lease expenses of EUR 10,982 thousand (2014: EUR 7,513 thousand), exchange rate losses of EUR 276 thousand (2014: EUR 0 thousand), property tax and similar taxes of EUR 3,051 thousand (2014: EUR 4,455 thousand), loss on receivables of EUR 1,295 thousand (2014: EUR 4,000 thousand), expenses for patents and trademarks of EUR 3,617 thousand (2014: EUR 2,736 thousand), expenses for food and drink of EUR 2,554 thousand (2014: EUR 2,546 thousand) and expenses from emission certificates in the amount of EUR 1,831 thousand (2014: EUR 1,590 thousand). In addition, the item comprises losses on the disposal of fixed assets in the amount of EUR 557 thousand (2014: EUR 123 thousand).

NOTE 13

Auditors' fees

The fees expensed for services of Deloitte Audit Wirtschaftsprüfungs GmbH, Vienna, and Deloitte Tax Wirtschaftsprüfungs GmbH, Vienna, break down as follows:

Auditors' fees expensed EUR '000

2015	Lenzing AG	Austrian subsidiaries	Total
Audit of the annual financial statements (incl. consolidated financial statements)	234	0	234
Other assurance services	45	52	96
Other services	58	0	58
Tax advisory	595	34	629
Total	932	86	1,018

Auditors' fees expensed (previous year) EUR '000

2014	Lenzing AG	Austrian subsidiaries	Total
Audit of the annual financial statements (incl. consolidated financial statements)	259	0	259
Other assurance services	42	61	103
Other services	10	0	10
Tax advisory	294	39	332
Total	604	99	704

Fees for other assurance services chiefly consist of fees for the review of the consolidated half-year financial statements and the audit of the annual financial statements of Lenzing Group subsidiaries.

NOTE 14

Income from investments accounted for using the equity method

The result of EUR 17,726 thousand (2014: EUR -541 thousand) is due to the Group's share in the current earnings of associates and joint ventures and to a distribution to be recognized in profit or loss in the amount of EUR 15,645 thousand in the 2015 financial year. The total distribution amounted to EUR 30,000 thousand and was cash-effective.

NOTE 15**Income from non-current and current financial assets**

Income from non-current and current financial assets breaks down as follows:

Income from non-current and current financial assets
EUR '000

	2015	2014
Income from non-current and current financial assets		
Interest income from bank balances, loans, receivables and income from available-for-sale securities	1,570	1,924
Measurement of long-term financial assets	908	0
Net foreign currency gains from financial assets	5,034	4,077
	7,512	6,001
Expenses from non-current and current financial assets		
Measurement of loans	(269)	(10)
Measurement of non-current financial assets	(1,591)	(1,430)
Loss on the disposal of available-for-sale securities	0	(43)
	(1,860)	(1,482)
Total	5,652	4,519

NOTE 16**Financing costs**

Financing costs break down as follows:

Financing costs
EUR '000

	2015	2014
Net foreign currency gains/losses from financial liabilities	(3,606)	(1,556)
Interest expense from bonds and private placements	(6,832)	(5,892)
Interest expense from bank loans, other interest and similar expenses	(16,476)	(19,969)
Total	(26,913)	(27,416)

NOTE 17**Income tax expense**

Current income tax expense and income/expense from deferred taxes (changes in deferred tax assets and liabilities) of the companies included in the consolidated financial statements are reported as income tax expense.

Income tax expense breaks down as follows:

Income tax expense by source
EUR '000

	2015	2014
Current income tax expense		
Austria	12,155	16,276
Abroad	8,163	4,407
	20,319	20,683
Income/expense from deferred taxes	4,745	783
Total	25,064	21,466

Income tax expense by cause
EUR '000

	2015	2014
Current income tax expense		
Current tax expense for current year	30,861	23,612
Reduction because of use of tax losses	(6,565)	(369)
Reduction because of use of tax credits	(3,080)	0
Adjustment for prior-period income tax	(897)	(2,560)
	20,319	20,683
Income/expense from deferred taxes		
Recognition and reversal of temporary differences	6,749	(1,326)
Effects of changes in tax rates	(116)	(1)
Change in capitalized loss carryforwards	9,142	(496)
Change in capitalized tax credits	(14,006)	0
Effects of previously unrecognized temporary differences from prior periods	(825)	(137)
Changes in write-downs on deferred tax assets (not including loss carryforwards)	3,801	2,742
	4,745	783
Total	25,064	21,466

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In the 2015 financial year, a tax credit (EUR 3,080 thousand) was claimed for the first time in the Czech Republic. A deferred tax asset for the tax credit to be claimed in future years of EUR 14,006 thousand was recognized for the first time in profit or loss as its utilization is now sufficiently certain.

The reconciliation from the calculated income tax expense in line with the Austrian corporation tax rate of 25% (December 31, 2014: 25%) to the effective income tax expense is as follows:

Tax reconciliation	EUR '000	
	2015	2014
Earnings before tax	149,098	7,305
Calculated income tax expense (25% of earnings before tax)	37,275	1,826
Tax-free income and tax allowances (particularly research allowance)	(1,958)	(1,056)
Impairment of goodwill	0	18,116
Non-deductible expenses, withholding taxes and similar permanent differences	4,214	1,533
Income from investments accounted for using the equity method	(4,431)	135
Effect of different tax rates	(1,235)	(354)
Changes of tax rates	(116)	(1)
Tax income from prior periods	(1,722)	(2,697)
Exchange rate differences due to the translation of deferred tax items from local into functional currency	4,126	2,066
Change in unrecognized deferred tax assets from loss carryforwards, tax credits and other temporary differences	(9,871)	3,974
Tax portion of puttable non-controlling interests	(383)	(2,204)
Other	(834)	127
Income tax expense	25,064	21,466

The item "Tax income from prior periods" includes a tax credit of EUR 1,487 thousand (2014: EUR 3,000 thousand) from the tax group with B&C Industrieholding GmbH (see also note 44). The item "Impairment of goodwill" comprises the impairment loss on CGU Fiber Site Indonesia in the 2014 financial year (see note 19).

Lenzing AG and the Austrian subsidiaries of the Lenzing Group are subject to an income tax rate of 25% (December 31, 2014: 25%). The income tax rates applied to foreign companies range between 16.5% and 36.08% (December 31, 2014: between 16.5% and 36.08%).

In comparison to the previous financial year, there was a change in the applicable tax rate in the UK from 21% to 20% in 2015. As of April 1, 2020, a tax rate of 18% is applicable there.

NOTE 18

Earnings per share

Earnings per share are calculated as follows:

Earnings per share	EUR '000	
	2015	2014
Net profit/loss for the year attributable to shareholders of Lenzing AG used in the calculation of earnings per share	122,947	(13,478)
Weighted average number of shares	26,550,000	26,550,000
	EUR	EUR
Diluted = undiluted	4.63	(0.51)

The share-based remuneration agreement (see note 44) contains performance-tied conditions that are not deemed to be fulfilled as at December 31, 2015 for the calculation of diluted earnings per share. As a result, diluted earnings per share correspond to basic earnings per share.

Notes on the Consolidated Statement of Financial Position, the Consolidated Statement of Comprehensive Income and the Consolidated Statement of Changes in Equity

NOTE 19

Intangible assets

Development

Intangible assets developed as follows:

Development of intangible assets

EUR '000

2015	Goodwill	Concessions, industrial property rights, licenses and similar rights	Internally generated intangible assets	Total
Cost				
As at 01/01/2015	86,929	18,640	14,458	120,027
Currency translation adjustment	8,843	45	0	8,888
Changes in scope of consolidation and disposal of other business areas	(223)	(3,340)	(267)	(3,829)
Additions	0	505	485	990
Disposals	0	(148)	0	(148)
As at 31/12/2015	95,549	15,701	14,677	125,927
Accumulated amortization				
As at 01/01/2015	(73,597)	(13,415)	(11,083)	(98,095)
Currency translation adjustment	(8,312)	(35)	0	(8,347)
Changes in scope of consolidation and disposal of other business areas	0	180	19	199
Amortization	0	(830)	(563)	(1,393)
Impairment	0	(13)	(156)	(169)
Disposals	0	113	0	113
As at 31/12/2015	(81,909)	(14,000)	(11,783)	(107,693)
Carrying amount 01/01/2015	13,332	5,225	3,375	21,931
Carrying amount 31/12/2015	13,640	1,701	2,894	18,234

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Development of intangible assets (previous year)

EUR '000

2014	Goodwill	Concessions, industrial property rights, licenses and similar rights	Internally generated intangible assets	Total
Cost				
As at 01/01/2014	78,255	17,898	13,854	110,007
Currency translation adjustment	8,673	51	0	8,725
Additions	0	709	604	1,313
Disposals	0	(18)	0	(18)
As at 31/12/2014	86,929	18,640	14,458	120,027
Accumulated amortization				
As at 01/01/2014	(208)	(12,535)	(9,853)	(22,597)
Currency translation adjustment	(814)	(38)	0	(852)
Amortization	0	(818)	(622)	(1,440)
Impairment	(72,574)	(29)	(608)	(73,212)
Disposals	0	5	0	5
As at 31/12/2014	(73,597)	(13,415)	(11,083)	(98,095)
Carrying amount 01/01/2014	78,047	5,362	4,001	87,411
Carrying amount 31/12/2014	13,332	5,225	3,375	21,931

The additions to internally generated intangible assets shown above in the amount of EUR 485 thousand (2014: EUR 604 thousand) relate to additions from internal development. All other additions relate to additions from separate acquisition.

Research and development expenses

Research and development expenses in accordance with IFRS totaling EUR 20,074 thousand (2014: EUR 18,776 thousand) were incurred in the Lenzing Group in the 2015 financial year.

Impairment losses and reversals of impairment losses

On the basis of the impairment tests performed, impairment losses relating to intangible assets in the amount of EUR 169 thousand are recognized in the 2015 financial year (2014: EUR 73,212 thousand) under "Amortization of intangible assets and depreciation of property, plant and equipment" and in the development of intangible assets above.

In the 2014 financial year, the impairment of goodwill in the amount of EUR 72,574 thousand related to an Indonesian production site (a fiber production plant) of the Indonesia Fiber Site CGU in the Segment Fibers. The impairment losses were required on the basis of reduced economic performance due to altered expectations in the fiber market and altered medium-term price expectations in particular. More details can be seen further down (see section "Goodwill and trademark rights with indefinite useful lives").

Under concessions, industrial property rights, licenses and similar rights, there were impairment losses of EUR 13 thousand (2014: EUR 29 thousand) in the 2015 financial year. At EUR 8 thousand, the impairments relate to a Chinese production site in the Segment Fibers (for more details, see note 20) and at EUR 5 thousand they relate to impairments resulting from fair value measurement less costs

to sell, which were necessary owing to the intra-year classification of a Chinese subsidiary in the Segment Lenzing Technik (for more details, see note 5) as a disposal group held for sale. In the process for the measurement of fair values less costs to sell, the necessary observable market data were collected and the input factors not observable were tested based on internally available information and updated as necessary.

Trademark rights with indefinite useful lives were derecognized as a result of the disposal of the subsidiary **Dolan GmbH**, Kelheim, Germany, in April 2015. In 2014, there was no need for the impairment of trademark rights with indefinite useful lives on the basis of the impairment tests performed.

Under internally generated intangible assets, there were impairment losses of EUR 156 thousand on development costs in the Fibers segment in the 2015 financial year (2014: EUR 608 thousand). They were required due to a lack of technical and commercial usability.

There were no reversals of impairment losses in either of the periods presented.

Goodwill and trademark rights with indefinite useful lives

Goodwill and trademark rights with indefinite useful lives are allocated to the following segments/cash-generating units (CGUs) as at the reporting date:

Goodwill and trademark rights with indefinite useful lives by segment/CGU

	EUR '000	
	31/12/2015	31/12/2014
Segment Fibers		
CGU Fiber Site Indonesia	0	0
CGU Pulp Site Czech Republic	9,771	9,525
CGU Fiber Site UK	2,415	2,278
CGU Fiber Site USA	1,454	1,307
	13,640	13,109
Segment Other	0	3,313
Total	13,640	16,422

Trademark rights with indefinite useful lives in the amount of EUR 3,090 thousand and goodwill in the amount of EUR 223 thousand included in the table above in Segment Others as at the reporting date December 31, 2014 were derecognized in April 2015 due to the sale of the subsidiary Dolan GmbH, Kelheim, Germany. No changes in the value of these trademark rights had been recognized, meaning that the carrying amount disposed of corresponded to cost. These trademark rights were classified as having indefinite useful lives because there was no foreseeable end to their economic use.

The recoverable amount for the largest CGUs with goodwill in the 2015 financial year – CGU Pulp Site Czech Republic, CGU Fiber Site UK and CGU Fiber Site USA – is determined on the basis of the fair value less costs of disposal on the basis of a discounted cash flow method (for detailed information see note 3, under “Impairment”). Fair value measurement is classified in full as level 3 of the fair value hierarchy, since key input factors (particularly cash flows) cannot be observed on the market.

The recoverable amount (before consideration of net financial debt) of the Indonesia Fiber Site CGU that was impaired in the 2014 financial year was EUR 313,517 thousand as at December 31, 2014 and was determined on the basis of the fair value less costs of disposal.

The following individual assumptions from the most recent impairment tests are or were also relevant to the CGUs Czech Republic Pulp Site, Fiber Site UK and Fiber Site USA; the amounts assigned to the significant assumptions represent the assessment of the future development by the Management Board. The individual assumptions for the CGU Fiber Site Indonesia in the 2014 financial year are also shown in the table below:

Assumptions for impairment testing of the largest CGUs to which goodwill has been allocated

	2015 financial year	2014 financial year
CGU Fiber Site Indonesia		
Average operating margin in planning period p.a.	n/a	6.5%
Long-term growth rate of perpetuals	n/a	1.0%
Discount rate (WACC) after taxes	n/a	10.0%
CGU Pulp Site Czech Republic		
Average operating margin in planning period p.a.	19.2%	13.8%
Long-term growth rate of perpetuals	0.8%	0.9%
Discount rate (WACC) after taxes	7.5%	7.9%

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Assumptions for impairment testing of the largest CGUs to which goodwill has been allocated

	2015 financial year	2014 financial year
CGU Fiber Site UK		
Average operating margin in planning period p.a.	19.7%	18.9%
Long-term growth rate of perpetuals	0.6%	1.0%
Discount rate (WACC) after taxes	7.9%	8.0%
CGU Fiber Site USA		
Average operating margin in planning period p.a.	13.7%	13.3%
Long-term growth rate of perpetuals	0.9%	1.0%
Discount rate (WACC) after taxes	8.2%	7.8%

Planning and projections of free cash flows of the Czech Republic Pulp Site CGU are based in particular on internal assumptions with regard to anticipated future sales prices and volumes as well as pulp production volumes and the costs required for this (particularly for wood and energy), taking into account the expected market environment and market positioning. The detailed planning period is four years (2014 financial year: four years). Average revenue growth in the detailed planning period is 0.8% p.a. (2014: -1.4% p.a.).

Planning and projections of free cash flows of the CGUs Fiber Site UK and Fiber Site USA are based in particular on internal assumptions with regard to anticipated future sales prices and volumes as well as fiber production volumes and the costs required for this (particularly for pulp and energy), taking into account the expected market environment and market positioning. The detailed planning period for both CGUs is four years (2014 financial year: four years). In the detailed planning period the average revenue growth of the CGU Fiber Site UK was -0.3% p.a. (2014: 6.8% p.a.) and that of the CGU Fiber Site USA -1.8% p.a. (2014: 3.7% p.a.).

Planning and projections of free cash flows of the Indonesia Fiber Site CGU in the 2014 financial year were based in particular on internal assumptions with regard to anticipated future sales prices and volumes as well as fiber production volumes and the costs required for this (particularly for pulp and energy), taking into account the expected market environment and market positioning. The detailed planning period in the 2014 financial year was five years. Average revenue growth in the detailed planning period in 2014 was 2.2% p.a.

As a result of the goodwill impairment on the CGU Fiber Site Indonesia in the 2014 financial year, its fair value less costs of disposal was equal to its carrying amount as at December 31, 2014. The estimates made for the fair value less costs of disposal of the Czech Republic Pulp Site CGU exceed its carrying amount by EUR 103.366 thousand (2014 financial year: EUR 57,373 thousand). The estimates are considered appropriate. However, corrections may be required in the event of changes in assumptions or circumstances. As part of a sensitivity analysis, the following table shows hypothetical scenarios for key assumptions and the possible changes in value as at the reporting date for which, if they occurred, the recoverable amount would be equal to the carrying amount of the CGU plus goodwill.

Sensitivity analysis of assumptions for impairment testing to which goodwill has been allocated

	Values relating to key assumptions	Change in values relating to key assumptions for which the recoverable amount would be equal to the carrying amount
CGU Pulp Site Czech Republic		
Operating margin	100%	minus 29.8%
Long-term growth rate of perpetuals	0.8%	minus 6.5 percentage points
Discount rate (WACC) after taxes	7.5%	plus 4.1 percentage points

Sensitivity analysis of assumptions for impairment testing to which goodwill has been allocated (previous year)

	Values relating to key assumptions	Change in values relating to key assumptions for which the recoverable amount would be equal to the carrying amount
CGU Pulp Site Czech Republic		
Operating margin	100%	minus 20.2%
Long-term growth rate of perpetuals	0.9%	minus 3.0 percentage points
Discount rate (WACC) after taxes	7.9%	plus 2.2 percentage points

NOTE 20

Property, plant and equipment

Development

Property, plant and equipment developed as follows:

Development of property, plant and equipment

EUR '000

2015	Land and buildings	Technical equipment and machinery, factory and office equipment	Prepayments and assets under construction	Total
Cost				
As at 01/01/2015	503,530	2,337,904	30,573	2,872,007
Currency translation adjustment	16,154	62,641	1,121	79,916
Changes in scope of consolidation and disposal of other business areas	(92)	(16,934)	(314)	(17,340)
Additions	2,391	48,438	24,560	75,388
Disposals	(15)	(10,888)	(2)	(10,906)
Reclassifications	2,337	16,700	(19,037)	0
As at 31/12/2015	524,305	2,437,860	36,901	2,999,065
Accumulated depreciation				
As at 01/01/2015	(222,300)	(1,323,699)	(3,518)	(1,549,517)
Currency translation adjustment	(4,712)	(29,621)	(263)	(34,596)
Changes in scope of consolidation and disposal of other business areas	42	9,906	0	9,948
Depreciation	(15,331)	(116,836)	0	(132,166)
Impairment	(2,188)	(6,331)	0	(8,519)
Disposals	11	10,225	0	10,236
As at 31/12/2015	(244,478)	(1,456,356)	(3,781)	(1,704,615)
Carrying amount 01/01/2015	281,230	1,014,205	27,056	1,322,490
Carrying amount 31/12/2015	279,827	981,504	33,120	1,294,451

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Development of property, plant and equipment (previous year)

EUR '000

2014	Land and buildings	Technical equipment and machinery, factory and office equipment	Prepayments and assets under construction	Total
Cost				
As at 01/01/2014	428,337	2,071,477	214,455	2,714,269
Currency translation adjustment	15,936	64,308	1,319	81,563
Additions	14,559	70,588	13,023	98,169
Disposals	(92)	(21,902)	0	(21,994)
Reclassifications	44,791	153,432	(198,223)	0
As at 31/12/2014	503,530	2,337,904	30,573	2,872,007
Accumulated depreciation				
As at 01/01/2014	(197,430)	(1,189,078)	(3,251)	(1,389,760)
Currency translation adjustment	(4,546)	(29,689)	(266)	(34,501)
Depreciation	(14,714)	(110,828)	0	(125,542)
Impairment	(5,625)	(15,728)	0	(21,353)
Disposals	16	21,623	0	21,639
As at 31/12/2014	(222,300)	(1,323,699)	(3,518)	(1,549,517)
Carrying amount 01/01/2014	230,906	882,399	211,204	1,324,509
Carrying amount 31/12/2014	281,230	1,014,205	27,056	1,322,490

Pledges of property, plant and equipment and other physical security or restrictions on title encumbering property, plant and equipment

Property, plant and equipment also includes assets from finance leases (see note 42). In addition, there is physical security in the form of property, plant and equipment for loans borrowed by the Group. Please refer to the information in note 31. The carrying amount of property, plant and equipment pledged to secure financial liabilities is EUR 273,107 thousand (December 31, 2014: EUR 268,178 thousand).

Capitalization of borrowing costs

In the 2015 financial year, borrowing costs for property, plant and equipment were capitalized in the amount of EUR 550 thousand (2014: EUR 3,025 thousand), using a borrowing cost rate of 2.4% (2014: 2.8% to 3.0%).

Impairment losses and reversals of impairment losses

On the basis of the impairment tests performed, impairment losses relating to property, plant and equipment in the amount of EUR 8,519 thousand are recognized for the 2015 financial year (2014: EUR 21,353 thousand) under "Amortization of intangible assets and depreciation of property, plant and equipment" and in the development of property, plant and equipment above.

In the 2015 financial year, EUR 7,907 thousand (2014: EUR 21,353 thousand) of the impairment of property, plant and equipment related to a Chinese production site (a fiber production plant) in the Segment Fibers with EUR 2,179 thousand (2014: EUR 5,625 thousand) of this impairment relating to land and buildings and EUR 5,728 thousand (2014: EUR 15,728 thousand) relating to technical equipment and machinery (particularly fiber production facilities) in addition to operating and office equipment. The recoverability of property, plant and equipment was assessed in light of develop-

ments on financial markets in China as at year-end/the turn of 2015/2016. The impairment losses are necessary because of the decline in economic performance.

The recoverable amount (before consideration of net financial debt) of the Chinese production site is EUR 96,527 thousand (December 31, 2014: EUR 105,839 thousand). The recoverable amount is determined on the basis of the fair value less costs of disposal using a discounted cash flow method (for detailed information see note 3, under "Impairment"). Fair value measurement is classified in full as level 3 of the fair value hierarchy, since key input factors (particularly cash flows) cannot be observed on the market. The following individual assumptions are also relevant to this Chinese production site; the amounts assigned to the significant assumptions represent the assessment of the future development by the Management Board:

Assumptions for impairment testing of the Chinese production site

	2015 financial year	2014 financial year
Average operating margin in planning period p.a.	2.5%	0.7%
Long-term growth rate of perpetuials	1.0%	1.4%
Discount rate (WACC) after taxes	7.9%	8.6%

Planning and projections of free cash flows of the Chinese production site are based in particular on internal assumptions with regard to anticipated future sales prices and volumes as well as fiber production volumes and the costs required for this (particularly for pulp and energy), taking into account the expected market environment and market positioning. The detailed planning period is four years (2014 financial year: five years). Average revenue growth in the detailed planning period is 1.8% p.a. (2014: 3.5% p.a.).

In the 2015 financial year, further impairments of property, plant and equipment relate to impairments of land and buildings in the amount of EUR 9 thousand and, in the amount of EUR 603 thousand, to impairments of technical equipment and machinery as well as operating and office equipment to fair value less costs of disposal, which were necessary owing to the intra-year classification of a Chinese subsidiary in the Segment Lenzing Technik (for more details, see note 5) as a disposal group held for sale. In the process for the mea-

surement of fair values less costs of disposal, the necessary observable market data were collected and the input factors not observable were tested based on internally available information and updated as necessary.

There were no reversals of impairment losses in either of the periods presented.

NOTE 21

Investments accounted for using the equity method

Investments accounted for using the equity method relate to investments in associates and joint ventures, especially in EQUI-Fibres Beteiligungsgesellschaft mbH (EFB), Kelheim, Germany, which is assigned to the Segment Fibers. Investments accounted for using the equity method break down as follows:

Carrying amounts of investments accounted for using the equity method

	31/12/2015	31/12/2014
EUR '000		
Associates		
EQUI-Fibres Beteiligungsgesellschaft mbH (EFB)	19,972	32,470
Other associates	5,523	5,422
Joint ventures	73	65
Total	25,568	37,956

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Investments accounted for using the equity method developed as follows:

Development of the carrying amounts of investments accounted for using the equity method

EUR '000

2015	EFB	Other associates	Joint ventures	Total
As at 01/01	32,470	5,422	65	37,956
Income from investments accounted for using the equity method	17,528	191	7	17,726
Other comprehensive income - remeasurement of defined benefit liability and other	(25)	0	0	(25)
Other comprehensive income – foreign currency translation differences arising during the reporting period	0	2	1	3
Total comprehensive income	17,503	193	8	17,704
Distributions	(30,000)	(93)	0	(30,093)
As at 31/12	19,972	5,523	73	25,568

Development of the carrying amounts of investments accounted for using the equity method (previous year)

EUR '000

2014	EFB	Other associates	Joint ventures	Total
As at 01/01	33,755	5,266	62	39,083
Income from investments accounted for using the equity method	(562)	18	3	(541)
Other comprehensive income - remeasurement of defined benefit liability and other	(723)	0	0	(723)
Other comprehensive income – foreign currency translation differences arising during the reporting period	0	178	0	178
Total comprehensive income	(1,285)	197	3	(1,086)
Distributions	0	(40)	0	(40)
As at 31/12	32,470	5,422	65	37,956

The above total comprehensive income figures result only from continuing operations.

As at December 31, 2015, the Lenzing Group held 45% (December 31, 2014: 45%) of the capital and the voting rights of EFB, which is not listed on the stock exchange. The core business of EFB is the production and sale of botanic cellulose fibers. The Lenzing Group's relations with this company are described in note 44. The table below summarizes EFB's financial information in accordance with IFRS (100% in each case, i.e. not adapted to the interest held by the Lenzing Group and before intra-group eliminations or adjustments):

Summarized financial information of EFB

EUR '000

	31/12/2015	31/12/2014
Non-current assets	79,537	80,307
Current assets	55,834	56,433
Equity	44,122	71,893
Non-current liabilities	21,694	21,982
Current liabilities	69,555	42,865
	2015	2014
Revenue	162,004	163,236
Earnings before tax (EBT)	6,306	(184)
Total comprehensive income	4,128	(968)
Thereof net profit for the year (of continued operations)	4,184	638
Thereof other comprehensive income (of continued operations)	(56)	(1,607)

The reconciliation of equity to the carrying amount of the investment in EFB is as follows:

Reconciliation of equity to carrying amount of the investment in EFB

EUR '000

	31/12/2015	31/12/2014
Equity	44,122	71,893
Thereof:		
Group's interest (45%; previous year: 45%)	19,855	32,352
Consolidation and other effects	117	118
Carrying amount	19,972	32,470

NOTE 22

Financial assets

Financial assets break down as follows:

Financial assets

EUR '000

	31/12/2015	31/12/2014
Non-current securities	16,274	14,369
Other equity investments	1,562	1,564
Loans	5,011	7,261
Total	22,847	23,194

Non-current securities are measured at their current quoted prices or other market prices (particularly notional values for investment funds) and break down as follows:

Non-current securities by asset class

EUR '000

	Market value 31/12	Average effective yield in %	Income for the financial year
2015			
Government bonds	6,869		
Bonds from other issuers	0		
Other securities and book-entry securities	9,405		
Total	16,274	4.37	205

Non-current securities

by asset class (previous year)

EUR '000

	Market value 31/12	Average effective yield in %	Income for the financial year
2014			
Government bonds	5,944		
Bonds from other issuers	100		
Other securities and book-entry securities	8,325		
Total	14,369	6.61	235

Government bonds mainly comprise bonds issued by the Federal Republic of Germany in the amount of EUR 2,879 thousand (December 31, 2014: EUR 2,683 thousand), by the Republic of France in the amount of EUR 2,110 thousand (December 31, 2014: EUR 837 thousand) and bonds issued by the Republic of Austria in the amount of EUR 0 thousand (December 31, 2014: EUR 358 thousand). The bonds from other issuers relate to bank bonds and were sold in 2015 (December 31, 2014: EUR 100 thousand). Other securities and book-entry securities chiefly relate to shares. Other equity investments as at December 31, 2015 mainly include the equity investment in LP Beteiligungs & Management GmbH, Linz, of EUR 1,050 thousand (December 31, 2014: EUR 1,050 thousand). Loans totaling EUR 5,011 thousand (December 31, 2014: EUR 7,261 thousand) relate entirely to loans to third parties.

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NOTE 23

Other non-current assets

Other non-current assets break down as follows:

Other non-current assets	EUR '000	
	31/12/2015	31/12/2014
Other non-current financial assets		
Derivatives not yet settled (open positions)	838	71
Non-current receivables	3,134	7,112
	3,972	7,183
Other non-current assets (non-financial)		
Receivables from other taxes	1,237	1,457
Prepaid expenses	159	363
	1,397	1,820
Total	5,369	9,003

NOTE 24

Inventories

Inventories break down as follows:

Inventories	EUR '000	
	31/12/2015	31/12/2014
Raw materials and supplies	226,103	224,756
Work in progress	2,323	3,756
Finished goods and merchandise	104,974	109,101
Prepayments	5,064	6,478
Total	338,464	344,092

Raw materials and supplies primarily include wood for pulp production, pulp and chemicals for cellulose fiber production and various incidentals. Finished goods and work in progress include cellulose fibers, sodium sulfate, acetic acid, furfural and products of the Segment Lenzing Technik.

In the 2014 financial year, write-downs on inventories were recognized in profit or loss in the amount of EUR 5,036 thousand (2014: EUR 9,880 thousand). The carrying amount of inventories carried at net realizable value is EUR 122,189 thousand (December 31, 2014: EUR 180,112 thousand). Expenses for inventories are mainly recognized in cost of material. Inventories recognized as cost of material in the reporting period amount to EUR 1,059,205 thousand (2014: EUR 1,040,050 thousand). The carrying amount of inventories pledged to secure financial liabilities is EUR 87,799 thousand (December 31, 2014: EUR 93,509 thousand). EUR 24,506 thousand (2014: EUR 19,073 thousand) of inventories is expected to be held for longer than one year.

NOTE 25

Trade receivables

Trade receivables break down as follows:

Trade receivables	EUR '000	
	31/12/2015	31/12/2014
Trade receivables (gross)	269,794	243,270
Bad debt provisions	(10,856)	(10,501)
Total	258,939	232,769

The carrying amount of receivables pledged to secure financial liabilities or assigned as collateral is EUR 0 thousand (December 31, 2014: EUR 0 thousand). Further information on trade receivables can be found in notes 39 and 41 (under "Factoring" and "Credit risk").

NOTE 26**Construction contracts****Construction contracts** **EUR '000**

	31/12/2015	31/12/2014
Contract costs incurred by the reporting date	7,047	3,189
Profits accrued by the reporting date	210	287
Losses incurred by the reporting date	(2,212)	(164)
Balance from contract manufacturing (gross)	5,044	3,313
Less advances received (total)	(4,614)	(3,217)
Balance from contract manufacturing (net)	430	96
Thereof gross amount due from customers for contract work (trade receivables)	960	2,032
Thereof gross amount due to customers for contract work (other current liabilities)	(530)	(1,936)
Retentions included therein	0	0
Provisions for expected losses from construction contracts	0	13

Revenue of EUR 17,138 thousand (2014: EUR 23,660 thousand) was generated from construction contracts in the 2015 financial year.

NOTE 27**Other current assets**

Other current assets break down as follows:

Other current assets **EUR '000**

	31/12/2015	31/12/2014
Other current financial assets		
Derivatives not yet settled (open positions)	1,718	453
Creditors with debit balances	2,461	1,845
Offset maintenance	3,700	4,390
Other	14,572	14,690
Carrying amount as at 31/12	22,451	21,377
Other current assets (non-financial)		
Receivables from other taxes (particularly receivables from tax authorities – VAT)	49,769	37,444
Prepayments	1,774	1,869
Emission certificates	6,441	5,280
Prepaid expenses	3,386	3,544
Other	26	126
Carrying amount as at 31/12	61,395	48,262
Total	83,846	69,640

NOTE 28**Current securities**

There were no current securities at the end of either reporting period presented in these financial statements.

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NOTE 29

Equity

Consolidated Statement of Changes in Equity

The amount of and changes in group equity are presented in the consolidated statement of changes in equity.

Share capital and capital reserves

The share capital of Lenzing AG amounts to EUR 27,574,071.43 as at December 31, 2015 (December 31, 2014: EUR 27,574,071.43) and is divided into 26,550,000 no-par-value shares (December 31, 2014: 26,550,000). The proportion of the share capital attributable to one share amounts to roughly EUR 1.04. Each ordinary share represents an equal interest in the capital and conveys the same rights and obligations, particularly the right to a resolved dividend and the right to vote at the Shareholders' Meeting. The issuing amount of the shares is fully paid up. No other classes of shares have been issued.

By resolution of the Shareholders' Meeting on December 10, 2010, the Management Board was authorized, subject to the approval of the Supervisory Board, to raise the share capital by a maximum of EUR 13,358,625.00 (equivalent to 12,862,500 shares or 50% of the share capital as at December 31, 2010) within five years – possibly in tranches – against cash and contributions in kind (“authorized capital”).

Effective June 17, 2011 (the first trading day of the new shares), Lenzing AG implemented a capital increase as authorized in the extraordinary Shareholders' Meeting on December 10, 2010. A total of 825,000 new shares were issued. The share capital was fully paid up.

In addition, the Management Board was authorized by resolution of the Shareholders' Meeting on December 10, 2010, subject to the approval of the Supervisory Board, to issue convertible bonds granting a subscription right or specifying a conversion obligation for up to 12,862,500 ordinary shares (equivalent to 50% of the share capital as at December 31, 2010) by no later than December 9, 2015 (“contingent capital”).

After the implementation of the capital increase in the 2011 financial year, the number of new shares to be issued and convertible bonds decreased to 12,037,500.

By resolution of the Shareholders' Meeting on April 28, 2014, the Management Board was authorized to purchase via the stock exchange, with the consent by the Supervisory Board, treasury shares of up to 10% of the company's share capital during a period of 30 months from April 28, 2014, with the lowest equivalent of not more than 20% below and the highest equivalent of not more than 10% above the average closing price of the last three stock exchange days prior to the purchase of the shares. The purchase must not be for the purpose of trading in treasury shares. The authorization can be exercised in whole or in part or in several partial amounts and in pursuit of one or several purposes by the company, by a subsidiary (section 228(3) of the Austrian Commercial Code) or by third parties for the company's account. In addition, the Management Board was also authorized to reduce the share capital, if necessary, by redeeming such treasury shares without any further resolution by the Shareholders' Meeting. The Supervisory Board was authorized to adopt any amendments to the articles of association resulting from the redemption of shares.

By resolution of the Shareholders' Meeting on April 22, 2015, the Management Board was authorized, subject to the approval of the Supervisory Board, to raise the share capital within five years – if need be in several tranches – against cash and/or contributions in kind by up to EUR 13,778,412 by way of issuing up to 13,274,000 no-par share certificates (“authorized capital”). This authorization has not yet been entered into the commercial register and is therefore not yet valid.

In addition, the Management Board, by resolution of the Shareholders' Meeting on April 22, 2015, was also authorized to issue by April 22, 2020 convertible bonds – if need be in several tranches – which provide or allow for subscription or conversion rights to up to 13,274,000 shares (“contingent capital”). The issue may be realized by means of the contingent capital to be approved and/or by means of owned shares.

The Management Board did not exercise the authorizations in place on or until December 31, 2015 to increase the share capital, issue convertible bonds and repurchase treasury shares in the reporting period.

The capital reserves constitute restricted reserves of Lenzing AG that may only be used to offset an accumulated loss of

Lenzing AG. They were recognized based on the inflow of funds that Lenzing AG received from the shareholders above and beyond the share capital.

Other reserves

Other reserves include all accumulated other comprehensive income and consist of the foreign currency translation reserve, the reserve for available-for-sale financial assets, the hedging reserve and actuarial gains/losses. The foreign currency translation reserve comprises all exchange rate differences resulting from the translation of annual financial statements of consolidated subsidiaries prepared in foreign currencies into the group currency (euro). This item also includes exchange differences on receivables that represent a part of the net investment in a foreign operation. The reserve for available-for-sale financial assets consists of measurements recognized directly in equity of the assets concerned, less deferred taxes. The hedging reserve comprises the effective portion of cash flow hedges until the hedged items are recognized in profit or loss, less deferred taxes. Actuarial gains/losses comprise the effects recognized directly in equity from remeasurement of pensions and similar obligations, less deferred taxes.

The amounts attributable to components of other comprehensive income for the financial year break down as follows:

Other comprehensive income

EUR '000

	2015			2014		
	Before tax	Tax effect	After tax	Before tax	Tax effect	After tax
Consolidated subsidiaries	41,381	(225)	41,157	48,440	87	48,527
Investments accounted for using the equity method	3	0	3	178	0	178
Foreign currency translation reserve	41,384	(225)	41,159	48,618	87	48,705
Available-for-sale financial assets	163	(41)	123	790	(198)	593
Consolidated subsidiaries	23,801	(5,443)	18,358	(27,449)	6,168	(21,281)
Investments accounted for using the equity method	5	0	5	(5)	0	(5)
Hedging reserve	23,806	(5,443)	18,363	(27,454)	6,168	(21,286)
Consolidated subsidiaries	5,234	(1,360)	3,874	(13,896)	3,496	(10,400)
Investments accounted for using the equity method	(30)	0	(30)	(718)	0	(718)
Actuarial gains/losses	5,204	(1,360)	3,844	(14,614)	3,496	(11,118)
Total	70,557	(7,068)	63,489	7,341	9,553	16,893

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The reserve for hedging cash flows (hedging reserve) developed as follows:

Changes in the hedging reserve EUR '000

	2015	2014
Gains/losses recognized in the reporting period from the valuation of cash flow hedges		
From gas swaps	(1,184)	(3,548)
From forward foreign exchange contracts	(37,773)	(31,537)
From other derivatives	1	(23)
	(38,956)	(35,107)
Reclassification to profit or loss of amounts relating to cash flow hedges		
From gas swaps	1,876	2,558
From forward foreign exchange contracts	60,696	4,892
From other derivatives	190	203
	62,762	7,653
Total	23,806	(27,454)

The above amounts from the reclassification to profit or loss of cash flow hedges from gas swaps are reported under cost of material. The above amounts from the reclassification to profit or loss of cash flow hedges from forward foreign exchange contracts are mainly reported under revenue in earnings before interest and tax (EBIT). The above amounts from the reclassification to profit or loss of cash flow hedges from other derivatives are reported in the financial result.

Retained earnings

Retained earnings break down as follows:

Retained earnings EUR '000

	31/12/2015	31/12/2014
Unappropriated revenue reserves of Lenzing AG	393,769	380,441
Share-based payments	433	0
Accumulated profits of Lenzing AG under Austrian law (Austrian Commercial Code - öUGB)	53,100	26,550
Retained earnings of the subsidiaries including the effect of adjusting the financial statements of Lenzing AG and its subsidiaries from local regulations to IFRS	539,497	483,385
Total (not including other reserves)	986,799	890,376

The unappropriated revenue reserves of Lenzing AG can be released at any time and distributed to the shareholders as part of the accumulated profits. Under Austrian law, dividends can only be distributed from the accumulated profits according to the approved annual financial statements of the parent company in accordance with the Austrian Commercial Code.

The following dividends were resolved and paid out to the shareholders of Lenzing AG:

Dividends of Lenzing AG resolved and paid

	Total	Number of shares	Dividend per share
	EUR '000		EUR
Dividend for the financial year 2014 resolved at the Ordinary Shareholders' Meeting on April 22, 2015 (payment as of April 29, 2015)	26,550	26,550,000	1.00
Dividend for the financial year 2013 resolved at the Ordinary Shareholders' Meeting on April 28, 2014 (payment as of April 30, 2014)	46,463	26,550,000	1.75

The Management Board makes the following proposal for the appropriation of the net retained profits for 2015 in the annual financial statements of Lenzing AG in accordance with the Austrian Commercial Code:

Proposal on the appropriation of the accumulated profits for 2015 EUR '000

Lenzing AG closed financial year 2015 with a profit under Austrian law (öUGB) of	66,428
Allocation to (unappropriated) revenue reserves of	(13,328)
and adding the profit carried forward from 2014 of	0
results in accumulated profits of	53,100
The Management Board proposes the following appropriation of the accumulated profits:	
Distribution of a dividend in line with an amount of EUR 2,00 per share for the share capital entitled to dividend payments of EUR 27,574,071.43 or 26,550,000 shares	53,100
Amount carried forward to new account	0

The dividend from the above proposal is subject to approval by the shareholders at the Shareholders' Meeting and is therefore recognized in equity as at the reporting date. From January 1, 2016, the dividends are subject to a capital gains tax deduction of 27.5% in Austria (see the table above for the amounts). Until December 31, 2015 the capital gains tax deduction had amounted to 25% of gross dividends. In the case of individuals with unlimited tax liability, the income tax in Austria is thereby settled (final taxation). For corporations with unlimited tax liability, the profit shares distributed by Lenzing AG constitute tax-free investment income. Corporations with unlimited tax liability that hold at least 10% of the share capital are exempt from capital gains tax in Austria. For corporations with unlimited tax liability that hold less than 10% of the share capital, the capital gains tax retained can be offset in the corporation tax returns. If foreign EU companies with unlimited tax liability have held at least 10% of the share capital for at least one year without interruption, the capital gains tax deduction can be waived if additional requirements are satisfied. Non-distributed profits are not taxed for shareholders in Austria. In the case of entities with limited tax liability, the relevant double taxation agreements must also be taken into account.

Non-controlling interests

Non-controlling interests comprise the shareholdings of third parties in consolidated group companies (non-controlling interests or shareholders). Companies with non-controlling interests are shown in note 47 under "Consolidated companies" and there comprise those companies in which the Lenzing Group holds a share less than 100% and that are not reported under puttable non-controlling interests (the latter relates to Lenzing (Nanjing) Fibers Co., Ltd., Nanjing, China, which is assigned to the Segment Fibers).

As at December 31, 2015, non-controlling interests in equity amounted to EUR 26,787 thousand (December 31, 2014: EUR 23,291 thousand), in particular in PT. South Pacific Viscose (SPV), Purwakarta, Indonesia, which is assigned to the Segment Fibers. As at December 31, 2015, the non-controlling shareholders held 11.92% (December 31, 2014: 11.92%) of the capital and voting rights of SPV, which is not listed on the stock exchange. The core business of SPV is the production and sale of botanic cellulose fibers.

The table below summarizes SPV's financial information in accordance with IFRS (100% in each case, i.e. not adapted to

the interest held by the Lenzing Group and before intra-group eliminations or adjustments):

Summarized financial information of SPV EUR '000

	31/12/2015	31/12/2014
Non-current assets	274,066	266,892
Current assets	160,462	166,412
Equity	224,723	195,395
Thereof equity attributable to shareholders of Lenzing AG	197,936	172,104
Thereof equity attributable to non-controlling interests	26,787	23,291
Non-current liabilities	95,481	106,207
Current liabilities	114,324	131,702
	2015	2014
Revenue	463,964	416,692
Earnings before tax (EBT)	16,617	(6,660)
Total comprehensive income	29,328	15,818
Thereof net profit for the year (of continued operations)	7,669	(7,607)
Net profit for the year attributable to shareholders of Lenzing AG	6,754	(6,700)
Net profit for the year attributable to non-controlling interests	914	(907)
Thereof other comprehensive income (of continued operations)	21,659	23,425
Other comprehensive income attributable to shareholders of Lenzing AG	19,077	20,633
Other comprehensive income attributable to non-controlling interests	2,582	2,792
Cash flow from operating activities	28,638	41,859
Cash flow from investing activities	(3,325)	(4,649)
Cash flow from financing activities	(34,649)	(36,535)
Change in cash and cash equivalents	(9,337)	676
Dividends paid to non-controlling interests	0	0

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Changes in non-controlling interests in subsidiaries already controlled due to changes in ownership interests because of the Lenzing Group acquiring or selling shares without losing control are reported in the consolidated statement of changes in equity and had the following effects on non-controlling interests:

Effects of the acquisition and disposal of further shares in subsidiaries already controlled

EUR '000

	2015	2014
European Carbon Fiber GmbH (2015: n.a., 2014: - 8.93%)	0	68
Lenzing Modi Fibers India Private Limited (2015: n.a., 2014: + 0.1%)	0	7
Decrease (+)/increase (-) of non-controlling interests in equity	0	75

Due to the sale and the associated loss of control over the previously fully consolidated subsidiary European Carbon Fiber GmbH, Kelheim, Germany, in April 2015, non-controlling interests in the amount of EUR 222 thousand were derecognized.

In total, the following shares of other comprehensive income are attributable to non-controlling interests of subsidiaries of Lenzing AG:

Other comprehensive income attributable to non-controlling interests

EUR '000

	2015	2014
Items that will not be reclassified subsequently to profit or loss		
Remeasurement of defined benefit liability	(55)	(72)
Income tax relating to these components of other comprehensive income	14	18
Items that may be reclassified to profit or loss		
Foreign operations - foreign currency translation differences arising during the reporting period	2,638	2,863
Net fair value gains/losses on remeasurement of available-for-sale financial assets recognized in the reporting period	0	5
Income tax relating to these components of other comprehensive income	0	(1)
Other comprehensive income - net of tax	2,596	2,813

NOTE 30

Government grants

The amount accrued in this item primarily results from grants provided for promoting investments in economically underdeveloped regions and investments in environmental protection and from grants provided for promoting investments in general.

In the reporting period, government grants amounting to EUR 4,177 thousand (2014: EUR 5,599 thousand), mainly resulting from the promotion of research activities, were recognized in profit or loss. Any conditions attached to these grants were fulfilled, meaning that it is considered unlikely that they will have to be repaid, even just in part.

Government grants also include emission certificates as at December 31, 2015 in the amount of EUR 5,030 thousand (December 31, 2014: EUR 3,749 thousand). Based on Directive 2003/87/EC of the European Parliament and the European Council on a system for trading greenhouse gas emission certificates, a total of 419,540 emission certificates were allocated free of charge to the relevant companies in the Lenzing Group for 2015 through national allocation plans (2014: 812,851 emission certificates). Emission certificates developed as follows:

Development of emission certificates

Number

	2015	2014
As at 01/01	847,423	313,948
Allocation for the year	419,540	812,851
Returned for actual emissions in the previous year	(301,317)	(266,261)
Net purchases and sales during the year	(20,070)	(13,115)
As at 31/12	945,576	847,423

As at December 31, 2015, a provision of EUR 376 thousand (December 31, 2014: EUR 168 thousand) was set aside to cover the shortfall of emission certificates.

NOTE 31

Financial liabilities

Financial liabilities break down as follows as at December 31:

Financial liabilities					Financial liabilities (previous year)				
EUR '000					EUR '000				
31/12/2015	Currency	Nominal value	Carrying amount	Average effective interest in %	31/12/2014	Currency	Nominal value	Carrying amount	Average effective interest in %
Bond					Bond				
Fixed interest	EUR	120,000	119,817	3.9	Fixed interest	EUR	120,000	119,713	3.9
			119,817					119,713	
Private placements					Private placements				
Fixed interest	EUR	214,000	213,511	2.5	Fixed interest	EUR	139,500	139,128	3.0
Floating-rate interest	EUR	75,500	75,310	1.5	Floating-rate interest	EUR	89,500	89,341	1.9
			288,821					228,468	
Liabilities to banks					Liabilities to banks				
Loans:					Loans:				
Fixed interest	EUR	2,570	2,570	2.2	Fixed interest	EUR	44,668	44,668	3.2
Floating-rate interest	EUR	103,364	103,131	1.6	Floating-rate interest	EUR	122,474	122,147	1.8
Floating-rate interest	USD	73,333	66,451	2.5	Floating-rate interest	USD	113,333	92,150	2.4
Floating-rate interest	CNY	0	0	n/a	Floating-rate interest	CNY	50,480	6,691	6.3
Operating loans¹:					Operating loans¹:				
Floating-rate interest	USD	21,034	19,262	3.0	Floating-rate interest	USD	26,577	21,612	3.4
Floating-rate interest	CNY	340,000	47,948	5.0	Floating-rate interest	CNY	400,000	53,021	6.1
Floating-rate interest	EUR	0	0	n/a	Floating-rate interest	EUR	6,500	6,500	0.9
			239,361					346,790	
Lease liabilities					Lease liabilities				
Fixed interest	EUR	4,299	4,299	4.0	Fixed interest	EUR	1,938	1,938	4.0
Floating-rate interest	EUR	1,996	1,996	1.5	Floating-rate interest	EUR	2,544	2,544	2.3
			6,295					4,482	
Liabilities to other lenders (miscellaneous)					Liabilities to other lenders (miscellaneous)				
Fixed interest	EUR	6,606	6,606	1.2	Fixed interest	EUR	6,149	6,149	1.3
Fixed and floating-rate interest	EUR	19,837	19,837	0.9	Fixed and floating-rate interest	EUR	21,983	21,983	1.2
Floating-rate interest	USD	2,741	2,509	3.7	Floating-rate interest	USD	2,668	2,194	3.6
			28,952					30,326	
Total					Total				
			683,247					729,778	
Thereof current			172,337		Thereof current			192,745	
Thereof non-current			510,910		Thereof non-current			537,033	

¹ Revolving credit agreements and overdrafts.

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In the 2010 financial year, the Lenzing Group issued a seven-year bond with a fixed interest rate of 3.875% and a nominal value of EUR 120,000 thousand. It matures on September 27, 2017.

In the 2012 financial year, the Lenzing Group issued a private placement. The issue volume amounts to EUR 200,000 thousand. Terms of four and seven years with fixed and floating-rate interest respectively and a term of ten years with fixed interest only were agreed. The average term is around six years. In the 2013 financial year, the Lenzing Group issued another private placement. The issue volume amounts to EUR 29,000 thousand. A term of five years with fixed interest was agreed.

In the 2015 financial year the Lenzing Group agreed the re-financing of its private placements and a corresponding volume increase. Existing private placements in the amount of EUR 89,500 thousand were terminated and re-issued at extended terms. Furthermore, additional private placements in the amount of EUR 60,500 thousand were issued. In total, EUR 150,000 thousand private placements with an average term of seven years were therefore issued.

The average effective interest rates of all private placements are shown in the table above. The next interest rate adjustment for the floating-rate loans and partially fixed-rate loans will take place within the next six months, depending on the loan agreement. The conditions for loans that can be utilized multiple times (revolving loans) are fixed for a certain period and bear floating-rate interest.

Others loans primarily relate to obligations to the Forschungsförderungsfonds der gewerblichen Wirtschaft (Austrian fund for the promotion of research in industry) and the ERP fund and loans from non-controlling shareholders.

EUR 68,093 thousand (December 31, 2014: EUR 105,452 thousand) of the reported financial liabilities is collateralized with land charges and other security and EUR 8,016 thousand (December 31, 2014: EUR 7,578 thousand) is collateralized with receivables. Shares in Biocel Paskov a.s. were pledged to finance the purchase price for the interest in this company and to finance investments.

NOTE 32

Deferred taxes (deferred tax assets and liabilities)

Deferred tax assets and liabilities relate to the following items of the statement of financial position:

Deferred tax assets EUR '000

	31/12/2015	31/12/2014
Intangible assets	13	19
Property, plant and equipment	11,984	10,749
Financial assets	7,882	7,692
Other assets	6,112	6,455
Provisions	16,415	17,784
Investment grants	171	176
Other liabilities	4,949	9,934
Tax loss carryforwards	12,352	18,605
Tax credits	13,921	0
Gross deferred tax assets - before valuation adjustment	73,800	71,413
Valuation adjustment on deferred tax assets	(16,124)	(10,025)
Thereof relating to tax loss carryforwards	(8,911)	(6,835)
Gross deferred tax assets	57,676	61,388
Offsettable against deferred tax liabilities	(40,423)	(39,855)
Net deferred tax assets	17,253	21,534

Deferred tax liabilities EUR '000

	31/12/2015	31/12/2014
Intangible assets	314	1,400
Property, plant and equipment	76,494	68,830
Financial assets	1,894	842
Other assets	6,069	4,609
Special depreciation/amortization for tax purposes	5,883	6,004
Provisions	21	216
Investment grants	433	321
Other liabilities	2,250	2,463
Gross deferred tax liabilities	93,357	84,685
Offsettable against deferred tax assets	(40,423)	(39,855)
Net deferred tax liabilities	52,934	44,830

Please refer to note 17 for information on tax credits.

EUR 17,913 thousand (December 31, 2014: EUR 21,742 thousand) of the gross deferred tax assets is due within one year. EUR 5,864 thousand (December 31, 2014: EUR 4,390 thousand) of the gross deferred tax liabilities is due within one year. The remaining amounts are due in more than one year.

Deferred taxes developed as follows:

Development of deferred taxes

EUR '000

	As at 01/01/2014	Recognized in profit or loss	Recognized in other comprehensive income	Currency trans- lation adjust- ment	As at 31/12/2014 =	Recognized in profit or loss	Recognized in other comprehensive income	Changes in scope of consolidation and disposal of other business areas	Currency trans- lation adjust- ment	As at 31/12/2015
Intangible assets	(1,537)	155	0	1	(1,382)	(24)	0	1,104	1	(301)
Property, plant and equipment	(55,417)	213	0	(2,877)	(58,081)	(3,496)	0	314	(3,247)	(64,510)
Financial assets	9,599	(2,552)	(198)	0	6,850	(820)	(41)	0	0	5,988
Other assets	1,176	(491)	960	201	1,846	(1,667)	(440)	98	206	43
Special depreciation/ amortization for tax purposes	(6,087)	83	0	0	(6,004)	120	0	0	0	(5,883)
Provisions	13,724	(63)	3,496	411	17,568	233	(1,359)	(416)	368	16,395
Investment grants	(81)	(86)	0	22	(145)	(135)	0	0	20	(261)
Other liabilities	(2,379)	4,514	5,208	127	7,471	(18)	(5,003)	(21)	271	2,700
Tax loss carryforwards	15,730	1,571	0	1,304	18,605	(6,478)	0	(980)	1,206	12,352
Tax credits	0	0	0	0	0	14,006	0	0	(85)	13,921
Valuation adjustment	(5,254)	(4,127)	0	(644)	(10,025)	(6,465)	0	910	(544)	(16,124)
Total	(30,526)	(783)	9,466	(1,454)	(23,297)	(4,745)	(6,844)	1,009	(1,804)	(35,681)

As at December 31, 2015, there were tax loss carryforwards of EUR 53,577 thousand in the Group (December 31, 2014: EUR 80,199 thousand). The existing tax loss carryforwards can be utilized as follows:

Loss carryforwards (measurement basis)

EUR '000

	31/12/2015	31/12/2014
Total	53,577	80,199
Thereof capitalized loss carryforwards	13,780	49,895
Thereof non-capitalized loss carryforwards	39,797	30,304
Possible expiration of non-capitalized loss carryforwards		
Within 1 year	36	36
Within 2 years	7,277	35
Within 3 years	6,414	9,525
Within 4 years	11,684	4,805
Within 5 years	0	2,336
Can be carried forward without restriction	14,387	13,567

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The recoverability of deferred tax assets is assessed – after deducting the negative temporary differences – on the basis of the future positive tax results according to the planning approved by the Management Board. This planning is also used in the impairment tests (see in particular note 3 under “Impairment” for details). The assessment of unused tax loss carryforwards and tax credits also takes utilization requirements into account.

As at December 31, 2015, net deferred tax assets totaling EUR 17,253 thousand (December 31, 2014: EUR 21,534 thousand) were capitalized, thereof mostly at group entities that generated losses in the past year or in the previous year at EUR 14,194 thousand (December 31, 2014: EUR 21,512 thousand). In turn, these related mainly to a Chinese production site at EUR 11,176 thousand (December 31, 2014: EUR 15,877 thousand) and a Chinese sales location at EUR 3,018 thousand (December 31, 2014: EUR 5,154 thousand). At the Chinese production site, there are net deferred tax assets totaling EUR 24,683 thousand (December 31, 2014: EUR 23,162 thousand) that have only partially been capitalized. In the past, there was a disadvantageous local cost structure and pricing policy that caused losses. The planning assumes an improvement in the market environment and market positioning (in particular an improvement of the cost structures and of the sales prices; see note 20 for further details of the planning assumptions). In the carryforward period of five years (December 31, 2014: five years), the expected positive tax results lead to a utilization of loss carryforwards to the extent of the capitalized amounts. The excess deferred tax assets are written down. The tax loss carryforwards of the Chinese sales location could be entirely utilized in 2015. The deferred tax assets existing as at the reporting date relate to other temporary differences.

There are restrictions with regard to the utilization of the non-capitalized loss carryforwards. If it had been possible to utilize all tax loss carryforwards in full, the deferred tax assets from loss carryforwards would have amounted to EUR 12,352 thousand (December 31, 2014: EUR 18,605 thousand) instead of EUR 3,441 thousand (December 31, 2014: EUR 11,769 thousand).

Under deferred tax assets, the financial assets item includes amounts for outstanding sevenths from tax write-downs on investments in accordance with section 12(3) no. 2 of the Austrian Corporation Tax Act totaling EUR 32,443 thousand (December 31, 2014: EUR 30,781 thousand). Sevenths from write-downs were utilized for tax purposes in the amount of

EUR 3,475 thousand in the current year (2014: EUR 2,722 thousand).

With regard to shares in subsidiaries, joint ventures, associates and the pro-rata net assets of these investments held by group companies, no deferred tax liabilities were recognized in relation to temporary differences of EUR 218,539 thousand (December 31, 2014: EUR 135,509 thousand) which could be realized as a result of a sale. Moreover, no deferred tax liabilities were recognized for other differences whose reversal may be caused by a distribution with withholding taxes; the Group's share in net retained profit of the affected subsidiaries amounts to EUR 202,456 thousand (2014: EUR 183,597 thousand). In both cases, the differences will probably not reverse in the foreseeable future.

NOTE 33**Provisions**

The provisions item of the Lenzing Group breaks down as follows:

Provisions

EUR '000

	Total		Thereof current		Thereof non-current	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Provisions for pensions and similar obligations						
Pensions and severance payments	96,538	102,944	4,421	4,472	92,117	98,473
Jubilee benefits	13,432	13,858	592	871	12,840	12,987
	109,970	116,802	5,014	5,342	104,957	111,460
Other provisions						
Restructuring measures	983	11,243	983	11,243	0	0
Guarantees and warranties	1,824	2,808	974	1,208	850	1,600
Anticipated losses and other risks	13,919	15,384	3,503	4,437	10,415	10,947
Emission certificates	1,787	1,698	1,787	1,698	0	0
Other	8,804	6,056	2,789	56	6,015	6,000
	27,317	37,189	10,037	18,642	17,280	18,547
Accruals						
Personnel expenses (non-financial)	31,842	34,715	31,425	34,715	416	0
Other (financial)	23,419	22,682	23,419	22,682	0	0
	55,261	57,397	54,844	57,397	416	0
Total	192,548	211,389	69,895	81,382	122,653	130,007

Provisions for pensions and similar obligations (incl. restructuring measures)**Pensions and severance payments**

The Lenzing Group has entered into obligations for pensions and severance payments from defined benefit plans, which are reported under provisions for pensions and severance payments, and from defined contribution plans.

Defined benefit plans (for pensions and severance payments)

In the case of defined benefit plans for pensions and severance payments, the benefits are based on the final salary and length of service. They do not require any contributions by the employees.

The defined benefit pension plans are based on contractual obligations. The Lenzing Group's most significant defined benefit pension plan is in Austria. This defined benefit pension plan applies to employees who joined the Group before January 1, 2000 and decided to remain in the plan. The claims generally arose after a vesting period of at least 10 or 15 years of service. A retirement age of 58 to 63 years is assumed for the beneficiaries, depending on their gender. At

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present, the plan mainly covers employees who have already retired. In some cases, there are qualifying insurance policies recognized as plan assets and part of obligations are covered by securities that do not qualify as plan assets.

There are also pension plans in Hong Kong. This defined benefit pension plan applies to employees who joined the Group before January 1, 2000 and decided to remain in the plan. It is chiefly financed by employer contributions to an external pension fund. The level of the employer contributions is redefined every three years after an evaluation of the plan's financial position. The claims are settled with a lump sum payment immediately on occurrence of the insured event.

The defined benefit severance plans are based on statutory obligations and obligations under collective agreements. The Lenzing Group's most significant defined benefit severance plan is in Austria. Under this plan, employees whose employment is subject to Austrian law and started before January 1, 2003 are legally entitled to a severance payment in specific cases, in particular when they reach the statutory retirement age and in the event of termination by the employer ("old severance payment system"). The amount of the severance payment depends on the amount of the employee's salary at the time the employment relationship is terminated and on the length of the employment relationship.

There are also significant similar defined benefit severance plans in Indonesia and the Czech Republic. Here they apply to all employees irrespective of when they joined the Group. There are no assets covering the defined benefit severance plans; they are financed entirely with provisions.

The defined benefit pension and severance plans primarily involve the following risks that influence the amount of the obligations to be recognized:

- **Investment risk:** The present value of the obligations and plan assets is calculated using a discount rate derived from high-quality fixed-income corporate bonds (see note 3). If the return on plan assets falls short of this rate, this will result in a plan deficit and an increase in the obligations.
- **Interest rate risk:** A decrease in the discount rate due to lower bond interest rates on the capital market will result in an increase in the obligations.
- **Salary and pension trend:** The obligations are measured based on assumed future salary and pension trends. If the

actual development is higher than the currently assumed trend, this will result in an increase in the obligations.

- **Personnel turnover and departure risk:** In measuring the obligations, probabilities of departure depending on the length of service are calculated for each country. A decrease in the anticipated personnel turnover rates will result in an increase in the obligations.

- **Longevity risk:** The obligations are calculated taking account of the average life expectancy on the basis of country-specific biometric data. A rise in the life expectancy of the beneficiaries will result in an increase in the obligations.

The Lenzing Group is also exposed to currency risks in connection with these plans.

The Lenzing Group takes various measures to reduce the risks from defined benefit plans. These include in particular financing the defined benefit plans externally with plan assets or covering the obligations with securities that do not qualify as plan assets and settling existing defined benefit plans with installments. In addition, pensions and similar obligations are now only concluded in the form of defined contribution commitments, where possible and legally permissible.

The objectives of the investment policy are to create an optimized composition of the plan assets and ensure that they cover the existing claims of the employees concerned. The investment strategies (asset allocations) for the plan assets are contractually regulated. A reinsurance policy has been concluded for part of the claims from the Austrian pension plan and is shown under plan assets. This policy is a conventional life insurance policy that chiefly invests in debt instruments in line with the maturity profile of the underlying claims with the aim of high investment security. To a lesser extent, the insurance policy's premium reserve fund also includes real property assets and equity instruments. The policy offers a guaranteed minimum return. The Lenzing Group no longer pays contributions to the insurance. The pension fund for covering the defined benefit plans as plan assets in Hong Kong invests with the goal of a medium-term to long-term performance that exceeds the inflation rate. To achieve this goal, it primarily invests in equity instruments. Details of the breakdown of plan assets as at the reporting date can be found in the table further below.

The main actuarial parameters applied for defined benefit pension and severance plans are as follows:

Actuarial assumptions for defined benefit pension and severance plans

Discount rate p.a. in %	31/12/2015	31/12/2014
Austria - pensions	2.1	1.7
Austria - severance payments	2.2	1.8
Other countries:		
Germany	N/A	2.5
Indonesia	9.0	7.8
Hong Kong	1.5	1.8
Czech Republic	1.8	1.2
Salary increases p.a. in %		
Austria - pensions	3.0	3.0
Austria - severance payments	3.0	3.0
Other countries:		
Germany	N/A	2.3
Indonesia	8.0	8.0
Hong Kong	4.5	4.5
Czech Republic	2.5	2.5
Pension increases p.a. in %		
Austria - pensions	0.0-3.0	0.0-3.0
Austria - severance payments	N/A	N/A
Other countries:		
Germany	N/A	1.8
Indonesia	N/A	N/A
Hong Kong	N/A	N/A
Czech Republic	N/A	N/A
Staff turnover deductions p.a. in %		
Austria - pensions	0.0	0.0
Austria - severance payments	0.0-4.0	0.0-4.4
Other countries:		
Germany	N/A	0.0-12.5
Indonesia	1.0-7.5	2.0-10.0
Hong Kong	0.0	0.0
Czech Republic	1.0	1.0

In both financial years, the defined benefit pension plans in Austria were calculated using the biometric data from Pagler & Pagler AVÖ 2008 P – bases for calculating pension insurance for salaried employees. The defined benefit severance plans in Austria were calculated in both financial years using a personnel turnover rate that includes all reasons for departure without entitlement to severance payments.

In the other countries, the following biometric data and assumptions are used:

- **Indonesia:** Indonesia mortality table (Tabel Mortalita Indonesia TMI 2011)
- **Czech Republic:** AVÖ 2008-P (Pagler & Pagler)
- **Others:** No biometric assumptions were made because of the low number of beneficiaries.

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The obligations (carrying amounts) from defined benefit pension and severance plans (incl. restructuring measures) reported in the consolidated statement of financial position break down as follows:

Carrying amounts from defined benefit pension and severance plans (incl. restructuring measures)

EUR '000

31/12/2015	Pensions in Austria	Severance payments in Austria	Pensions and severance payments in other countries	Total
Present value of obligations covered by plan assets (DBO) - gross	27,140	0	1,790	28,931
Fair value of plan assets	(3,407)	0	(1,314)	(4,721)
Present value of obligations covered by plan assets (DBO) - net	23,733	0	476	24,209
Present value of obligations not covered by plan assets (DBO)	0	60,883	11,534	72,417
Amounts recognized in statement of financial position¹	23,733	60,883	12,010	96,626
Thereof reported under:				
Pensions and severance payments - non-current	21,662	59,076	11,378	92,117
Pensions and severance payments - current	2,071	1,718	632	4,421
Restructuring measures - current	0	88	0	88
Total	23,733	60,883	12,010	96,626

Carrying amounts from defined benefit pension and severance plans (incl. restructuring measures) (previous year)

EUR '000

31/12/2014	Pensions in Austria	Severance payments in Austria	Pensions and severance payments in other countries	Total
Present value of obligations covered by plan assets (DBO) - gross	29,156	0	1,469	30,625
Fair value of plan assets	(3,531)	0	(1,243)	(4,774)
Present value of obligations covered by plan assets (DBO) - net	25,626	0	225	25,851
Present value of obligations not covered by plan assets (DBO)	0	68,197	11,595	79,792
Amounts recognized in statement of financial position²	25,626	68,197	11,821	105,643
Thereof reported under:				
Pensions and severance payments - non-current	23,556	63,588	11,328	98,473
Pensions and severance payments - current	2,070	1,910	492	4,472
Restructuring measures - current	0	2,699	0	2,699
Total	25,626	68,197	11,821	105,643

¹ Incl. other provisions for restructuring measures of EUR 88 thousand.

² Incl. other provisions for restructuring measures of EUR 2,699 thousand.

The net liability (provision) for defined benefit pension and severance plans (incl. restructuring measures) developed as follows:

Net liability (provision) for defined benefit pension and severance plans (incl. restructuring measures)

EUR '000

2015	Pensions in Austria	Severance payments in Austria	Pensions and severance payments in other countries	Total
Net liability (provision) as at 01/01¹	25,626	68,197	11,821	105,643
Expense for the period (profit or loss):				
Current service cost	10	2,681	807	3,498
Past service cost	0	0	411	411
Gain/loss on settlement of plans ²	0	(30)	0	(30)
Net interest	413	1,174	628	2,216
Administrative and other costs	0	0	1	1
Remeasurement of period (other comprehensive income)	(396)	(5,560)	722	(5,234)
Changes in scope of consolidation and disposal of other business areas	0	(573)	(1,767)	(2,340)
Cash flows	(1,920)	(5,006)	(672)	(7,598)
Currency translation adjustment	0	0	58	58
Net liability (provision) as at 31/12³	23,733	60,883	12,010	96,626
Thereof pensions and severance payments	23,733	60,795	12,010	96,538
Thereof restructuring measures	0	88	0	88

¹ Incl. other provisions for restructuring measures of EUR 2,699 thousand. ² The gain/loss on settlement of plans was already recognized in profit or loss in connection with the other provision for restructuring measures in the previous year, and thus does not affect profit or loss in the 2015 financial year.

³ Incl. other provisions for restructuring measures of EUR 88 thousand.

Net liability (provision) for defined benefit pension and severance plans (incl. restructuring measures) (previous year)

EUR '000

2014	Pensions in Austria	Severance payments in Austria	Pensions and severance payments in other countries	Total
Net liability (provision) as at 01/01⁴	23,549	61,196	10,091	94,836
Expense for the period (profit or loss):				
Current service cost	9	2,528	748	3,285
Past service cost	0	0	422	422
Gain/loss on settlement of plans ⁵	0	1,073	290	1,363
Net interest	679	1,968	780	3,427
Administrative and other costs	0	0	1	1
Remeasurement of period (other comprehensive income)	3,260	9,936	700	13,896
Cash flows	(1,871)	(8,505)	(2,031)	(12,407)
Currency translation adjustment	0	0	820	820
Net liability (provision) as at 31/12⁶	25,626	68,197	11,821	105,643
Thereof pensions and severance payments	25,626	65,498	11,821	102,944
Thereof restructuring measures	0	2,699	0	2,699

⁴ Incl. other provisions for restructuring measures of EUR 17,472 thousand. ⁵ The gain/loss on settlement of plans was already recognized in profit or loss in connection with the other provision for restructuring measures in the previous year, and thus does not affect profit or loss in the 2014 financial year.

⁶ Incl. other provisions for restructuring measures of EUR 2,699 thousand.

Plan settlements in the 2015 and 2014 financial years are linked to the group-wide headcount reductions and the resulting payments (refer to the notes on other provisions for restructuring measures further down in this chapter).

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The net liability (provision) of the defined benefit pension and severance plans shown above comprises the present value of the pension and severance payment obligation (incl. restructuring measures) (defined benefit obligation/DBO) less the fair value of the plan assets. These two components of the net liability developed as follows:

Present value of the pension and severance payment obligation (incl. restructuring measures) EUR '000

2015	Pensions in Austria	Severance payments in Austria	Pensions and severance payments in other countries	Total
Present value of obligation (DBO) as at 01/01¹	29,156	68,197	13,064	110,417
Changes in scope of consolidation and disposal of other business areas	0	(573)	(1,767)	(2,340)
Service cost (profit or loss):				
Current service cost	10	2,681	807	3,498
Past service cost	0	0	411	411
Gain/loss on settlement of plans ²	0	(30)	0	(30)
Interest expense (profit or loss)	478	1,174	653	2,305
Cash flows:				
Payments made from the plan	(282)	0	0	(282)
Direct payments of employer	(1,920)	(3,795)	(634)	(6,350)
Settlement payments	0	(1,211)	0	(1,211)
Remeasurement of period (other comprehensive income):				
On the basis of demographic assumptions	0	0	841	841
On the basis of financial assumptions	(905)	(2,635)	(1,032)	(4,571)
Due to experience adjustments	603	(2,926)	780	(1,542)
Currency translation adjustment	0	0	202	202
Present value of obligation (DBO) as at 31/12³	27,140	60,883	13,324	101,348
Thereof pensions and severance payments	27,140	60,795	13,324	101,259
Thereof restructuring measures	0	88	0	88

¹ Incl. other provisions for restructuring measures of EUR 2,699 thousand. ² The gain/loss on settlement of plans was already recognized in profit or loss in connection with the other provision for restructuring measures in the previous year, and thus does not affect profit or loss in the 2015 financial year.

³ Incl. other provisions for restructuring measures of EUR 88 thousand.

Present value of the pension and severance payment obligation (incl. restructuring measures) (previous year) EUR '000

2014	Pensions in Austria	Severance payments in Austria	Pensions and severance payments in other countries	Total
Present value of obligation (DBO) as at 01/01⁴	27,197	61,196	11,127	99,520
Service cost (profit or loss):				
Current service cost	9	2,528	748	3,285
Past service cost	0	0	422	422
Gain/loss on settlement of plans ⁵	0	1,073	290	1,363
Interest expense (profit or loss)	784	1,968	805	3,557
Cash flows:				
Payments made from the plan	(280)	0	0	(280)
Direct payments of employer	(1,871)	(1,736)	(804)	(4,411)
Settlement payments	0	(6,769)	(1,185)	(7,953)
Remeasurement of period (other comprehensive income):				
On the basis of demographic assumptions	0	0	(158)	(158)
On the basis of financial assumptions	3,338	10,213	1,359	14,910
Due to experience adjustments	(20)	(277)	(504)	(801)
Currency translation adjustment	0	0	964	964
Present value of obligation (DBO) as at 31/12⁶	29,156	68,197	13,064	110,417
Thereof pensions and severance payments	29,156	65,498	13,064	107,718
Thereof restructuring measures	0	2,699	0	2,699

⁴ Incl. other provisions for restructuring measures of EUR 17,472 thousand. ⁵ The gain/loss on settlement of plans was already recognized in profit or loss in connection with the other provision for restructuring measures in the previous year, and thus does not affect profit or loss in the 2014 financial year.

⁶ Incl. other provisions for restructuring measures of EUR 2,699 thousand.

Fair value of plan assets

EUR '000

2015	Pensions in Austria	Severance payments in Austria	Pensions and severance payments in other countries	Total
Fair value of plan assets as at 01/01	3,531	0	1,243	4,774
Interest income (profit or loss)	64	0	25	89
Cash flows:				
Payments made to the plan (employer contributions)	0	0	37	37
Payments made from the plan	(282)	0	0	(282)
Administrative and other costs	0	0	(1)	(1)
Remeasurement of period on the basis of return on plan assets excluding amounts included in interest income (other comprehensive income)	94	0	(133)	(39)
Currency translation adjustment	0	0	143	143
Fair value of plan assets as at 31/12	3,407	0	1,314	4,721

Fair value of plan assets (previous year)

EUR '000

2014	Pensions in Austria	Severance payments in Austria	Pensions and severance payments in other countries	Total
Fair value of plan assets as at 01/01	3,648	0	1,036	4,684
Interest income (profit or loss)	105	0	25	130
Cash flows:				
Payments made to the plan (employer contributions)	0	0	42	42
Payments made from the plan	(280)	0	0	(280)
Administrative and other costs	0	0	(1)	(1)
Remeasurement of period on the basis of return on plan assets excluding amounts included in interest income (other comprehensive income)	58	0	(3)	55
Currency translation adjustment	0	0	144	144
Fair value of plan assets as at 31/12	3,531	0	1,243	4,774

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The plan assets break down by asset class as follows:

Breakdown of plan assets

EUR '000

31/12/2015	Pensions in Austria	Severance payments in Austria	Pensions and severance payments in other countries	Total
Cash and cash equivalents	0	0	28	28
Equity instruments	0	0	1,007	1,007
Debt instruments	0	0	280	280
Insurance policies qualifying as plan assets	3,407	0	0	3,407
Balance	3,407	0	1,314	4,721

Breakdown of plan assets (previous year)

EUR '000

31/12/2014	Pensions in Austria	Severance payments in Austria	Pensions and severance payments in other countries	Total
Cash and cash equivalents	0	0	98	98
Equity instruments	0	0	920	920
Debt instruments	0	0	225	225
Insurance policies qualifying as plan assets	3,531	0	0	3,531
Balance	3,531	0	1,243	4,774

The fair values of the equity and debt instruments shown above are determined based on price quotations on an active market. The fair value of the insurance policy is not determined on an active market; it corresponds to the cover funds reported in the statement of financial position of the insurance company. The insurance company chiefly invests in debt instruments and, to a lesser extent, in real property assets and equity instruments. The plan assets do not include any financial instruments issued by or assets used by the Lenzing Group. The fair value of cash and cash equivalents corresponds to the nominal value as at the reporting date.

The actual return on plan assets amounts to EUR 52 thousand (return in 2014: EUR 186 thousand).

Sensitivity analyses are performed for the risk of changes in actuarial parameters for measuring the present value of the obligations from defined benefit plans. The sensitivity analyses show the effects on the present value of the obligations from hypothetical changes in key parameters that could reasonably have changed at the end of the reporting period. This relates to the parameters of discount rates, salary increases and pension increases. In each case, one parameter was changed while the other parameters were kept constant. The sensitivity analyses are performed based on the present values of the obligations as at the reporting date before deducting plan assets (defined benefit obligation/DBO) and before reclassification to other provisions for restructuring measures. The sensitivities of the parameters are as follows as at the reporting dates:

Sensitivity analysis of the defined benefit pension and severance payment obligations

31/12/2015	Change in parameters (percentage points)	Decrease in parameter/ change in present value of obligation in EUR '000	Increase in parameter/change in present value of obligation in EUR '000
Discount rate	1.0	10,718	(9,153)
Salary increase	1.0	(6,781)	7,764
Pension increase	1.0	(2,222)	2,555

Sensitivity analysis of the defined benefit pension and severance payment obligations (previous year)

31/12/2014	Change in parameters (percentage points)	Decrease in parameter/ change in present value of obligation in EUR '000	Increase in parameter/change in present value of obligation in EUR '000
Discount rate	1.0	12,669	(10,756)
Salary increase	1.0	(7,747)	8,917
Pension increase	1.0	(2,759)	3,169

The sensitivity analyses shown above represent hypothetical changes on the basis of the assumptions made. Actual deviations from the assumptions will result in other effects. In particular, the parameters altered on an isolated basis above may correlate with one another in reality. The deduction of plan assets will lead to a further reduction of the effects.

The weighted average terms (durations) of the defined benefit pension and severance payment obligations in years are as follows:

Weighted average durations of the defined benefit pension and severance payment obligations in years

	Years	
	31/12/2015	31/12/2014
Austria - pensions	10	10
Austria - severance payments	11-14	11-16
Other countries		
Germany	N/A	21
Indonesia	8	8
Hong Kong	8	9
Czech Republic	9	10

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The Lenzing Group expects contributions to plan assets for the pension and severance plans to amount to EUR 39 thousand in the coming year (2014: EUR 44 thousand).

Defined contribution plans (for pensions and severance payments)

The Lenzing Group makes payments to pension funds and similar external funds for defined contribution pension and severance plans. The Lenzing Group's most significant defined contribution pension and severance plans are in Austria. The defined contribution pension plan in Austria is based on contractual obligations. It applies to all employees who joined the Group after December 31, 1999, with the exception of apprentices, and to employees who joined before this date and decided to change from the defined benefit pension plan to this plan. Starting from the beginning of the employment relationship or from a certain length of service, a certain percentage that depends on the beneficiary's salary is paid into an external pension fund by the employer. Each beneficiary is entitled to make their own contribution, the maximum amount of which is equivalent to the amount that the employer makes for the beneficiary. The claims generally become vested five years after the employer begins paying contributions. The defined contribution severance plan in Austria is based on statutory obligations ("new severance payment system"). Under this plan, the Lenzing Group must pay 1.53% of the gross salary into an employee provision fund in the case of employees whose employment relationships are subject to Austrian law and started after December 31, 2002.

Most of the Lenzing Group's foreign locations also offer defined contribution pension plans, the majority of which are based on contractual obligations and cover almost all employees at the respective locations. Depending on the contractual arrangement, a certain percentage of the beneficiaries' remuneration is paid to an external fund or insurance company. The claims either become vested immediately or have a vesting period of up to several years, depending on the contract.

Under defined contribution plans, the Lenzing Group's obligation is only to pay agreed contributions into a fund. In this case, actuarial risk and investment risk are assumed by the employee. Therefore, no provisions or other accruals are recognized after the agreed contributions have been paid.

Expenses for defined contribution plans break down as follows:

Expenses for defined contribution plans	EUR '000	
	2015	2014
Austria - pensions	1,387	1,420
Austria - severance payments	1,276	1,134
Other countries	2,468	2,174
Total	5,132	4,728

Provisions for jubilee benefits

On the basis of collective agreement regulations, Lenzing AG and a number of subsidiaries, particularly Austrian and Czech subsidiaries, are required to pay jubilee benefits to employees who have been with the company for a certain length of time. These payments are based on the amount of the salary at the time of the relevant employee anniversary and are payable as at the employee anniversary. No assets have been eliminated from the company and no contributions have been made to a pension fund or any other external fund to cover these obligations. The jubilee benefits do not require any contributions by the employees.

The main actuarial parameters applied for obligations for jubilee benefits are as follows:

Actuarial assumptions for the obligations for jubilee benefits

Discount rate p.a. in %	31/12/2015	31/12/2014
Austria	2.1	1.7
Germany	N/A	1.8
Czech Republic	1.0	0.6
Salary increases p.a. in %		
Austria	3.0	3.0
Germany	N/A	2.3
Czech Republic	2.5	N/A
Staff turnover deductions p.a. in %		
Austria	1.3-6.7	1.2-7.5
Germany	N/A	0.0-12.5
Czech Republic	1.0	1.0

In both financial years, the obligations for jubilee benefits in Austria were calculated using a personnel turnover rate that depends on the length of service and includes all reasons for departure. In the other countries, there are country-specific assumptions regarding personnel turnover probabilities and biometric data.

The following table shows the development of the obligation (provision) for jubilee benefits:

Development of the obligation (provision) for jubilee benefits	EUR '000	
	2015	2014
Present value of obligation (DBO) as at 01/01	13,858	13,320
Changes in scope of consolidation and disposal of other business areas	(482)	0
Current service cost (profit or loss)	756	666
Past service cost (profit or loss)	271	15
Interest expense (profit or loss)	226	394
Remeasurement of period (profit or loss):		
On the basis of demographic assumptions	(67)	(2)
On the basis of financial assumptions	(336)	1,774
Due to experience adjustments	(8)	(1,246)
Direct payments of employer	(787)	(1,062)
Currency translation adjustment	2	(1)
Present value of obligation (DBO) as at 31/12	13,432	13,858

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Other provisions and accruals

Other provisions and accruals developed as follows:

Development of other provisions and accruals

2015	As at 01/01	Currency translation adjustment	Changes in scope of consolidation and disposal of other business areas	Reclassification to liabilities held for sale, disposal groups and other reclassifications
Other provisions				
Restructuring measures	11,243	11	0	(1,434)
Guarantees and warranties	2,808	2	(454)	0
Anticipated losses and other risks	15,384	27	(9)	0
Emission certificates	1,698	2	0	0
Other	6,056	55	0	0
	37,189	96	(463)	(1,434)
Accruals				
Personnel expenses (non-financial)	34,715	498	(861)	0
Other (financial)	22,682	1,079	(4,095)	0
	57,397	1,577	(4,956)	0
Total	94,587	1,674	(5,419)	(1,434)

Development of other provisions and accruals (previous year)

2014	As at 01/01	Currency translation adjustment	Changes in scope of consolidation and disposal of other business areas	Reclassification to liabilities held for sale, disposal groups and other reclassifications
Other provisions				
Restructuring measures	37,211	220	0	(8,556)
Guarantees and warranties	4,266	0	0	0
Anticipated losses and other risks	25,262	130	0	0
Emission certificates	1,754	0	0	0
Other	8,846	81	0	0
	77,338	430	0	(8,556)
Accruals				
Personnel expenses (non-financial)	37,115	469	0	0
Other (financial)	28,073	1,393	0	0
	65,187	1,863	0	0
Total	142,526	2,293	0	(8,556)

¹ The utilization of the provision for restructuring measures includes the statutory severance payment of EUR 1,211 thousand (2014: EUR 6,769 thousand).

² Incl. reclassification from severance or pension provisions of EUR 88 thousand (December 31, 2014: EUR 2,699 thousand)

EUR '000

Utilization	Reversal	Additions	Accrued interest	As at 31/12	Thereof current	Thereof non-current
(3,415) ¹	(5,433)	10	0	983 ²	983	0
(164)	(983)	615	0	1,824	974	850
(1,437)	(4,556)	4,773	(263)	13,919	3,503	10,415
(1,697)	0	1,784	0	1,787	1,787	0
0	0	2,693	0	8,804	2,789	6,015
(6,712)	(10,972)	9,875	(263)	27,317	10,037	17,280
(30,782)	(403)	28,674	0	31,842	31,425	416
(13,994)	(1,594)	19,341	0	23,419	23,419	0
(44,777)	(1,996)	48,015	0	55,261	54,844	416
(51,488)	(12,968)	57,891	(263)	82,578	64,881	17,697

EUR '000

Utilization	Reversal	Additions	Accrued interest	As at 31/12	Thereof current	Thereof non-current
(16,322) ¹	(5,891)	4,582	0	11,243 ²	11,243	0
(267)	(1,774)	583	0	2,808	1,208	1,600
(7,249)	(4,148)	550	839	15,384	4,437	10,947
(1,612)	0	1,557	0	1,698	1,698	0
(1,544)	(1,327)	0	0	6,056	56	6,000
(26,993)	(13,140)	7,271	839	37,189	18,642	18,547
(34,085)	(1,182)	32,398	0	34,715	34,715	0
(20,265)	(6,270)	19,750	0	22,682	22,682	0
(54,349)	(7,452)	52,148	0	57,397	57,397	0
(81,342)	(20,592)	59,419	839	94,587	76,040	18,547

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Other provisions for restructuring measures particularly relate to provisioning because of the headcount reduction as part of the reorganization and the cost optimization program "excellENZ" in the 2013 financial year. These measures were extended in the engineering and maintenance areas and Lenzing Technik in the 2014 financial year. As a result of the reorganization, the entire Lenzing Group was restructured in organizational terms. In addition, the focus of the organization was geared even more strongly towards the most important fiber markets. The engineering and maintenance areas and Lenzing Technik were reorganized to support the realignment of the technical functions and the other areas. As part of the accompanying cost optimization program, savings in material costs, operating expenses, overheads and personnel expenses and improvements in operating efficiency were planned or already implemented. Provisions have been recognized particularly for the resulting severance payments and settlements. In this context, provisions for regular severance payments in the amount of EUR 2,699 (see section on "Defined benefit plans" above) were reported in provisions for restructuring measures as at December 31, 2014. An amount not utilized of EUR 1,434 thousand was reclassified to the severance payment provision in the 2015 financial year. The rest in the amount of EUR 5,423 of the necessary provisions was released to/recognized in personnel expenses and other operating expenses (2014: EUR 1,309 thousand; each adjusted for minor currency translation differences).

Other provisions for guarantees and warranties mainly include provisions for warranty risks from the sale of defective products and guaranteed obligations for the benefit of third parties. Other provisions for anticipated losses and other risks mainly include provisions for obligations from infrastructure services to be performed and provisions for additional claims from procurement contracts and other onerous contracts. Other provisions for emission certificates comprise the equivalent value of the emission certificates used.

Miscellaneous other provisions primarily relate to obligations for legal disputes of EUR 6,000 thousand (December 31, 2014: EUR 6,000 thousand) and particularly include the provision for legal proceedings in which the Lenzing Group is taking action against patent infringements.

Accruals for personnel costs primarily include liabilities for short-term claims of existing and former employees (particularly for vacation and comp time not yet taken, overtime and performance bonuses).

Other accruals chiefly comprise anticipated losses from revenue reductions/increases in expenses from transactions with customers and suppliers (particularly discounts and rebates) and liabilities for goods deliveries and services already performed by third parties but not yet invoiced.

In the case of other short-term provisions and accruals, it is considered likely that the outflow of funds will take place within the next 12 months. In the case of the long-term portion of other provisions, the outflow of funds depends on various different factors (particularly guarantee and warranty periods, contract terms and other events):

- In the case of other provisions for guarantees and warranties, the outflow of funds is expected by December 31, 2020 at the latest (December 31, 2014: by December 31, 2020 at the latest).
- In the case of other provisions for anticipated losses and other risks, the outflow of funds is expected by:

Expected outflow of funds in the case of other provisions (non-current) for anticipated losses and other risks (estimated as of the reporting date) EUR '000

	31/12/2015	31/12/2014
In the 2nd year	1,763	2,876
In the 3rd to 5th year	3,655	5,226
In the 6th to 10th year	3,204	1,685
Thereafter	1,794	1,161
Total	10,415	10,947

In the case of miscellaneous other provisions (the legal disputes), the exact timing of the outflow of funds is currently uncertain; previous developments indicate that the outflow of funds is probably not to be expected within the next 12 months.

NOTE 34**Puttable non-controlling interests**

Puttable non-controlling interests developed as follows:

**Development of the carrying amounts
of puttable non-controlling interests** EUR '000

	2015	2014
Carrying amount as at 01/01	12,410	19,534
Share of annual net profit/loss for the year	(1,531)	(8,818)
Currency translation adjustment	807	1,693
Carrying amount as at 31/12	11,686	12,410
Thereof recognized under:		
Non-current liabilities	11,686	12,410

NOTE 35**Other liabilities and trade payables**

Other liabilities break down as follows:

Other liabilities EUR '000

	31/12/2015	31/12/2014
Other non-current financial liabilities		
Derivatives not yet settled (open positions)	282	4,494
Deferred interest and other	3	807
	285	5,301
Other non-current liabilities (non-financial)		
Partial retirement	2,611	2,240
Deferred income	178	100
	2,789	2,339
Total other non-current liabilities	3,075	7,640
Other current financial liabilities		
Derivatives not yet settled (open positions)	16,086	29,514
Customer payments from factoring not yet forwarded	21,261	17,211
Liabilities from recourse on bills of exchange	11,734	11,802
Debtors with credit balances	1,074	1,350
Other	6,325	4,404
	56,480	64,282
Other current liabilities (non-financial)		
Liabilities from other taxes	6,354	3,773
Wage and salary liabilities	5,764	6,070
Social security liabilities	4,656	4,743
Partial retirement	2,197	1,738
Prepayments received	9,413	9,799
Deferred income and other	402	88
	28,786	26,212
Total other current liabilities	85,266	90,493

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A supplier of the Lenzing Group finances its trade receivables from the Lenzing Group with a reverse factoring agreement. The supplier can commission its bank to pay the receivables early. The change did not result in significant amendments to the terms of the agreement on account of the present value test performed. From the Lenzing Group's perspective, this agreement does not result in a reclassification of the affected trade payables to another kind of liability according either to civil law or IFRS regulations. There is therefore no change of presentation in the consolidated statement of financial position (there under trade payables) or the consolidated statement of cash flows (there in the cash flow from operating activities). As at December 31, 2015, this potentially affected trade payables totaling EUR 48,679 thousand (December 31, 2014: EUR 67,389 thousand).

Notes on the Consolidated Statement of Cash Flows

NOTE 36

Liquid funds

The statement of cash flows shows how liquid funds changed during the year under review as a result of cash inflows and outflows. Liquid funds break down as follows:

Liquid funds	EUR '000	
	31/12/2015	31/12/2014
Cash and cash equivalents	347,254	271,791
Total	347,254	271,791

NOTE 37

Other disclosures on the consolidated statement of cash flows

Gross cash flow equals cash flow from operating activities before changes in working capital. Working capital comprises inventories, trade receivables, other non-current and current assets, current provisions, trade payables and other non-current and current liabilities.

In the 2015 financial year, gross cash flow also includes cash inflow from the distribution of an investment accounted for using the equity method in the amount of EUR 30,000 thousand (see note 14). Other non-cash income/expenses include the allocation of profit or loss to puttable non-controlling interests of EUR -1,531 thousand (2014: EUR -8,818 thousand) and the impairment of financial assets and other non-current financial assets of EUR 1,860 thousand (2014: EUR 1,440 thousand). In addition, other non-cash income/expenses contain unrealized net exchange rate gains/losses and measurement effects from receivables and inventories.

Non-cash transactions from the acquisition of intangible assets and property, plant and equipment are not included in cash flow from investing activities of the current period. These are essentially payments not yet made to suppliers in the amount of EUR 3,578 thousand (2014: EUR 7,379 thousand) and additions from finance leases in the amount of EUR 1,969 thousand (2014: EUR 2,551 thousand).

The net cash inflow from the disposal of subsidiaries and other business areas is reported in the cash flow from investing activities (see also note 5).

In the sale of interests to non-controlling shareholders, payments of EUR 2 thousand were made to the Lenzing Group in 2014 (see also note 4).

Notes on Capital Risk Management and Financial Instruments

NOTE 38

Capital risk management

Basic information

The Lenzing Group manages its equity and debt capital with the clear objective of optimizing the income, costs and assets of the individual operations/business units and of the Group as a whole so as to achieve a sustainably strong economic performance and a sound balance sheet structure. Important factors here include financial leverage capacity, sufficient liquidity at all times and a clear focus on cash-related key figures and performance indicators in view of the Group's strategic course and long-term goals.

This ensures that the group companies can operate on a going concern basis. In addition, the authorized capital and the contingent capital contribute to enabling Lenzing AG to raise additional equity flexibly in order to take advantage of market opportunities that arise in the future.

Lenzing AG is subject to the minimum capital requirements of Austrian company law. There are no minimum capital requirements stipulated in the Articles of Association. The Lenzing Group's equity management strategy is aimed at ensuring that Lenzing AG and the other group companies have capital resources that fulfill the local requirements. Some loan agreements with banks also include financial covenants, particularly in relation to the level of equity, the ratio of net financial debt to EBITDA (see below for definition and calculation) and other key financial indicators or financial criteria of the Group or individual, sometimes amalgamated group companies. This relates in particular to Lenzing AG, PT. South Pacific Viscose, Purwakarta, Indonesia, Pulp Trading GmbH, Lenzing, Austria, and Biocel Paskov a.s., Paskov, Czech Republic. If these financial covenants are breached, the banks can demand early repayment of the financial liabilities in some cases. Depending on the volume of the financial liabilities concerned and the refinancing options prevalent on the market at that time, this could lead to a refinancing risk and thus a liquidity risk for the Lenzing Group. In addition, future interest expenses could also increase because of higher credit risk

spreads to be paid. For this reason, the financial covenants are monitored by the Treasury department on an ongoing basis and are taken into account when assessing distributions of the relevant group companies, because they limit or can limit potential distributions significantly.

In the year under review, all related capital requirements were fulfilled.

The management uses an adjusted equity ratio internally for control purposes. Adjusted equity is calculated in accordance with IFRS. In addition to equity, it also includes investment grants less the associated deferred taxes. The adjusted equity ratio (= adjusted equity in relation to total assets) was 50.6% as at December 31, 2015 (December 31, 2014: 44.9%).

Adjusted equity is as follows:

Adjusted equity	EUR '000	
	31/12/2015	31/12/2014
Equity	1,206,694	1,045,634
Government grants (+)	25,802	26,559
Proportionate deferred taxes on government grants (-)	(6,068)	(6,133)
Total	1,226,429	1,066,061

The dividend policy of Lenzing AG as the parent company of the Lenzing Group is based on the principles of continuity and a long-term focus with the aim of promoting the future development of the company, distributing dividends to the shareholders in line with the company's opportunity and risk situation, and also taking account appropriately of the interests of all other stakeholders crucial to the company's success. It is based on the Lenzing Group's net profit.

Net financial debt

Together with the Supervisory Board, the Management Board of Lenzing AG regularly reviews the development of the capital structure and the performance indicators, key figures and influencing factors behind this development. Particular emphasis is placed on the development of net financial debt, as the two key figures of net financial debt and EBITDA are extremely important key performance indicators both in the Group's management and on the part of the financing

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banks. The continued optimal development of the Lenzing Group is only possible with very strong self-financing capacity as the basis for increased debt capacity.

The interest-bearing financial liabilities break down as follows:

Interest bearing financial liabilities EUR '000

	31/12/2015	31/12/2014
Non-current financial liabilities	510,910	537,033
Current financial liabilities	172,337	192,745
Total	683,247	729,778

Liquid assets consist of the following:

Liquid assets EUR '000

	31/12/2015	31/12/2014
Cash and cash equivalents	347,254	271,791
Liquid bills of exchange (in trade receivables)	8,057	8,470
Total	355,311	280,261

The financial instruments under liquid assets are payable on demand or have a term of less than one year.

Net financial debt in absolute terms and in relation to EBITDA (after restructuring/according to the consolidated income statement and before restructuring) is as follows:

Net financial debt (absolute) EUR '000

	31/12/2015	31/12/2014
Interest bearing financial liabilities	683,247	729,778
Liquid assets (-)	(355,311)	(280,261)
Total	327,936	449,517

Net financial debt in relation to EBITDA

EUR '000

	31/12/2015	31/12/2014
EBITDA (after restructuring and according to the consolidated income statement)	290,114	240,302
Restructuring (see Note 6)	(3,681)	(2,030)
EBITDA (before restructuring)	286,433	238,272
Net financial debt/EBITDA (after restructuring and according to the consolidated income statement)	1.1	1.9
Net financial debt/EBITDA (before restructuring)	1.1	1.9

NOTE 39

Classes and categories of financial instruments

Carrying amounts and measurement categories

The carrying amounts and measurement categories of financial assets (asset financial instruments) broke down by class as follows as at December 31, 2015 and December 31, 2014:

Carrying amounts and measurement categories by classes of financial assets

EUR '000

	Carrying amount		Valuation pursuant to IAS 39			
	31/12/2015	31/12/2014	At amortized cost	At cost	At fair value through profit or loss	At fair value directly in equity
Cash and cash equivalents (see note 36)	347,254	271,791	✓			
Trade receivables (see note 25)	258,939	232,769	✓			
Financial assets - loans (see note 22)	5,011	7,261	✓			
Other non-current financial assets – non-current receivables (see note 23)	3,134	7,112	✓			
Other current financial assets (not including derivatives - open positions) (see note 27)	20,733	20,925	✓			
Loans and receivables	635,070	539,858				
Financial assets - non-current securities (see note 22)	16,274	14,369				✓
Financial assets - other equity investments (see note 22)	1,562	1,564		✓		
Available-for-sale financial assets	17,836	15,933				
Other financial assets - derivative financial instruments at positive fair value (cash flow hedges) (see notes 23, 27)	2,138	317				✓
Other financial assets - derivative financial instruments at positive fair value (cash flow hedges with the underlying already recognized in profit or loss) (see notes 23, 27)	418	207			✓	
Other	2,556	524				
Total	655,462	556,315				
Thereof:						
At amortized cost	635,070	539,858				
At cost	1,562	1,564				
At fair value through profit or loss	418	207				
At fair value directly in equity	18,412	14,686				
Total	655,462	556,315				

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The carrying amounts and measurement categories of financial liabilities (liability financial instruments) broke down by class as follows as at December 31, 2015 and December 31, 2014:

Carrying amounts and measurement categories by classes of financial liabilities

EUR '000

	Carrying amount		Valuation pursuant to IAS 39				
	31/12/2015	31/12/2014	At amortized cost	At cost	At fair value through profit or loss	At fair value directly in equity	Valuation pursuant to IAS 17
Financial liabilities - bond (see note 31)	119,817	119,713	✓				
Financial liabilities - private placements (see note 31)	288,821	228,468	✓				
Financial liabilities - liabilities to banks (see note 31)	239,361	346,790	✓				
Financial liabilities - liabilities to other lenders (miscellaneous) (see note 31)	28,952	30,326	✓				
Trade payables	149,987	181,130	✓				
Other non-current financial liabilities (see note 35)	3	807	✓				
Other current financial liabilities (not including derivatives - open positions and financial guarantee contracts) (see notes 35, 46)	40,245	34,609	✓				
Provisions - accruals - other (financial) (see note 33)	23,419	22,682	✓				
Financial liabilities at amortized cost	890,606	964,524					
Financial liabilities - lease liabilities (see note 31)	6,295	4,482					✓
Other financial liabilities - derivative financial instruments at negative fair value (cash flow hedges) (see note 35)	5,263	26,522					✓
Other financial liabilities - derivative financial instruments at negative fair value (cash flow hedges with the underlying already recognized in profit or loss) (see note 35)	11,106	7,485			✓		
Other current financial liabilities (financial guarantee contracts) (see note 46)	148	159					
Puttable non-controlling interests (see note 34)	11,686	12,410					
Other	34,499	51,059					
Total	925,105	1,015,583					
Thereof:							
At amortized cost	890,606	964,524					
At fair value through profit or loss	11,106	7,485					
At fair value directly in equity	5,263	26,522					
Valuation pursuant to IAS 17	6,295	4,482					
Non-allocable	11,835	12,569					
Total	925,105	1,015,583					

Fair value hierarchy

The following breakdowns analyze the financial instruments according to the type of measurement method in the consolidated statement of financial position/in the notes. The item measured is the relevant individual financial instrument. Three levels of measurement methods have been defined:

Level 1: Prices for identical assets or liabilities on an active market (used without adjustment)

Level 2: Input factors that can be directly (for instance, as prices) or indirectly (for instance, derived from prices) observed for assets or liabilities and that do not fall under level 1

Level 3: Input factors for assets or liabilities that are not data observable on the market

The following table shows the carrying amounts and fair values of financial assets and liabilities whose fair value is measured on a recurring basis in the consolidated statement of financial position by class of financial instrument and by the level of the fair value hierarchy to which the fair value measurement is to be allocated, as at December 31, 2015 and December 31, 2014:

Carrying amounts, fair values and fair value hierarchy of financial instruments (recurring measurement in statement of financial position)

EUR '000

	31/12/2015			31/12/2014		
	Carrying amount	Fair value	Fair value hierarchy	Carrying amount	Fair value	Fair value hierarchy
Financial assets						
Financial assets - non-current securities (see note 22)	16,274	16,274	Level 1	14,369	14,369	Level 1
Available-for-sale financial assets	16,274	16,274		14,369	14,369	
Other financial assets - derivative financial instruments at positive fair value (cash flow hedges) (see notes 23, 27)	2,138	2,138	Level 2	317	317	Level 2
Other financial assets - derivative financial instruments at positive fair value (cash flow hedges with the underlying already recognized in profit or loss) (see notes 23, 27)	418	418	Level 2	207	207	Level 2
Other	2,556	2,556		524	524	
Total	18,830	18,830		14,893	14,893	
Financial liabilities						
Other financial liabilities - derivative financial instruments at negative fair value (cash flow hedges) (see note 35)	5,263	5,263	Level 2	26,522	26,522	Level 2
Other financial liabilities - derivative financial instruments at negative fair value (cash flow hedges with the underlying already recognized in profit or loss) (see note 35)	11,106	11,106	Level 2	7,485	7,485	Level 2
Other	16,369	16,369		34,008	34,008	
Total	16,369	16,369		34,008	34,008	

The Lenzing Group accounts for transfers in the fair value hierarchy at the end of the reporting period when the changes occur. There were no transfers between the different levels of the fair value hierarchy of financial instruments that were held on December 31, 2015.

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The following table shows the carrying amounts and fair values of financial assets and liabilities whose fair value is measured for disclosure in the notes only by class of financial instrument and by the level of the fair value hierarchy to which the fair value measurement is to be allocated, as at December 31, 2015 and December 31, 2014:

Carrying amounts, fair values and fair value hierarchy of financial instruments (measurement for disclosures in the notes only)

EUR '000

	31/12/2015			31/12/2014		
	Carrying amount	Fair value	Fair value hierarchy	Carrying amount	Fair value	Fair value hierarchy
Financial liabilities						
Financial liabilities - bond (see note 31)	119,817	125,964	Level 1	119,713	126,780	Level 1
Financial liabilities - private placements (see note 31)	288,821	301,449	Level 3	228,468	234,249	Level 3
Financial liabilities - liabilities to banks (see note 31)	239,361	240,385	Level 3	346,790	347,496	Level 3
Financial liabilities - liabilities to other lenders (miscellaneous) (see note 31)	28,952	28,790	Level 3	30,326	29,964	Level 3
Other current financial liabilities (financial guarantee contracts) (see note 46)	148	148	Level 3	159	159	Level 3
Total	677,100	696,736		725,456	738,648	

For the following reasons, the management assumes that, with the exception of the fair values shown above, the carrying amount of the financial assets and financial liabilities represents a reasonable approximation of their fair value:

- The fair value of cash and cash equivalents, trade receivables and other current financial assets corresponds to the carrying amount, as the short remaining term means that no significant difference between the carrying amount and the fair value is to be expected and credit risk is taken into account by recognizing bad debt provisions.
- The carrying amount of loans and non-current financial receivables is roughly equivalent to the fair value, as due to

the amount of existing receivables no significant difference between the fair value and the carrying amount is to be expected and credit risk is taken into account by recognizing bad debt provisions.

- Because of their short-term nature, the fair values of the accruals, trade payables and other current financial liabilities correspond to their carrying amounts.
- In the case of other non-current financial liabilities, it is assumed that there is no significant difference between the carrying amount and the fair value because of the low carrying amount.

Fair value measurement methods

In the Lenzing Group, the following financial instruments in particular are measured at fair value in the consolidated statement of financial position:

- Current and non-current securities (level 1 of the fair value hierarchy)
- Currency and commodity futures (level 2 of the fair value hierarchy)

The fair value measurement methods are described in note 3 for securities (section on “Financial assets and securities”) and currency and commodity futures (section on “Derivative financial instruments and hedges”).

The majority of equity investments and related derivative financial instruments measured at cost (see note 3, section on “Financial assets and securities”) – EUR 1,050 thousand (December 31, 2014: EUR 1,050 thousand) – relates to the equity investment in LP Beteiligungs & Management GmbH, Linz, an option that requires the Lenzing Group to sell this equity investment and an option that entitles the Lenzing Group to sell this equity investment. LP Beteiligungs & Management GmbH, Linz, is a medium-sized Austrian corporation. A fair value cannot be reliably determined due to an insufficient planning base. The Lenzing Group does not currently intend to sell these equity investments. No holdings were derecognized and no gains or losses on remeasurement were recognized for these equity investments in the reporting period.

In the Lenzing Group, fair value is calculated only for disclosure in the notes for the following financial instruments in particular:

- Issued bond (level 1 of the fair value hierarchy)
- Other financial liabilities and financial guarantee contracts (level 3 of the fair value hierarchy)

The fair value of the issued bond is derived from its current quoted price and changes in particular on the basis of changes in market interest rates and the credit rating of Lenzing AG.

The fair values of the other financial liabilities are determined using generally accepted valuation methods based on the discounted cash flow method. The main input factor here is the discount rate, which takes account of the available market data (risk-free interest rates) and the credit quality of the Lenzing Group that is not observable on the market. The fair values of the financial guarantee contracts equal the estimated expected default arising from the maximum possible payment obligation and the expected loss.

In light of varying influencing factors, the fair values presented can only be considered as indicators of the values that could actually be generated on the market.

Offsetting financial assets and liabilities

The Lenzing Group concludes framework netting agreements (in particular master netting arrangements) in the form of International Swaps and Derivatives Association (ISDA) and local master agreements. The amounts owed according to such agreements by each counterparty in the same currency on a single day with regard to all outstanding transactions are collated into a single net amount to be paid by one party to the other. In certain cases – for instance in the case of default – all outstanding transactions are terminated under the agreement, the value on termination is calculated and only one net amount must be paid to settle all transactions. No netting is shown in the Lenzing Group’s statement of financial position, because such master agreements do not usually result in net settlements of several transactions.

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The following tables contain information on offsetting financial assets and liabilities in the consolidated statement of financial position on the basis of framework netting agreements. The “Effect of framework netting agreements” column shows the amounts that are the subject of an agreement of this type but do not fulfill the criteria for offsetting in the IFRS consolidated statement of financial position.

Offsetting financial assets and liabilities

EUR '000

Financial assets as at 31/12/2015	Financial assets (gross)	Offset amounts recognized (gross)	Recognized financial assets (net)	Effect of framework netting agreements	Net amounts
Cash and cash equivalents	347,254	0	347,254	0	347,254
Other financial assets - derivative financial instruments at positive fair value					
Forward foreign exchange contracts	2,556	0	2,556	(2,424)	132
Total	349,810	0	349,810	(2,424)	347,385

Financial liabilities as at 31/12/2015	Financial liabilities (gross)	Offset amounts recognized (gross)	Recognized financial liabilities (net)	Effect of framework netting agreements	Net amounts
Liabilities to banks	239,361	0	239,361	0	239,361
Other financial liabilities - derivative financial instruments at negative fair value					
Forward foreign exchange contracts	15,373	0	15,373	(2,424)	12,948
Gas swaps	996	0	996	0	996
Total	255,730	0	255,730	(2,424)	253,306

Offsetting financial assets and liabilities (previous year)

EUR '000

Financial assets as at 31/12/2014	Financial assets (gross)	Offset amounts recognized (gross)	Recognized financial assets (net)	Effect of framework netting agreements	Net amounts
Cash and cash equivalents	271,827	(36)	271,791	0	271,791
Other financial assets - derivative financial instruments at positive fair value					
Forward foreign exchange contracts	524	0	524	(524)	0
Total	272,351	(36)	272,315	(524)	271,791

Financial liabilities as at 31/12/2014	Financial liabilities (gross)	Offset amounts recognized (gross)	Recognized financial liabilities (net)	Effect of framework netting agreements	Net amounts
Liabilities to banks	346,826	(36)	346,790	0	346,790
Other financial liabilities - derivative financial instruments at negative fair value					
Forward foreign exchange contracts	32,431	0	32,431	(524)	31,907
Gas swaps	1,576	0	1,576	0	1,576
Total	380,833	(36)	380,798	(524)	380,274

Transfer of financial assets (sale of receivables/factoring)

Since the 2014 financial year, factoring agreements have been in place that oblige banks to purchase certain trade receivables from the Lenzing Group for a revolving monthly nominal amount. The Lenzing Group is entitled to sell these receivables. The agreements have indefinite terms; each party has the right to cancel the agreements with notice and then allow them to expire. The receivables sold are current receivables due within a year.

The risks involved in the sold receivables that are relevant for risk assessment are credit default risk, currency risk in the case of receivables in foreign currencies and the risk of delayed payments. Credit-risk defaults and, in the case of receivables in foreign currencies, exchange rate fluctuations are the major opportunities and risks associated with these receivables. The risk of delayed payments is borne by the Lenzing Group for all factoring agreements and is considered minor.

In the case of an agreement for the sale of receivables in the reporting currency (hereafter referred to as "Tranche 1"), the bank bears the entire credit default risk. This means that all opportunities and risks were largely transferred to the bank.

In the case of the other agreements (hereafter referred to as "Tranche 2"), the Lenzing Group assumes liability of 10% for each payment default. This amount, which cannot be reimbursed by another party, is not advanced by the bank. The remaining credit default risk (90% per payment default) and – in the case of receivables not in the reporting currency – the currency risk are assumed by the bank. The significant opportunities and risks were thereby shared between the Lenzing Group and the bank; however, the authority to dispose of the receivables was transferred to the bank. The Lenzing Group committed itself to concluding credit insurance for the sold receivables and to taking on accounts receivable management. In the event of a legal dispute, the participating banks have the right to return overdue receivables to the Lenzing Group for procedural reasons. However, this does not return the credit default risk to the Lenzing Group and there are no effects on the liquidity of the Lenzing Group.

As at December 31, 2015, the factoring agreements had a maximum usable nominal volume totaling EUR 86,936 thousand (31 December 2014: EUR 86,936 thousand). EUR 2,600 thousand (December 31, 2014: EUR 2,600 thousand) relates to Tranche 1 and EUR 84,336 thousand (December 31, 2014: EUR 84,336 thousand) to Tranche 2.

As at December 31, 2015, receivables totaling EUR 82,038 thousand (December 31, 2014: EUR 78,272 thousand) were sold on the basis of the factoring agreements and derecognized in the Lenzing Group's consolidated statement of financial position. EUR 1,850 thousand (December 31, 2014: EUR 1,636 thousand) relates to Tranche 1 and EUR 80,188 thousand (December 31, 2014: EUR 76,636 thousand) to Tranche 2. The amount of Tranche 2 that was not advanced of EUR 8,019 thousand (December 31, 2014: EUR 7,664 thousand) (prior to foreign currency measurement) is reported under other current assets (financial) as at December 31, 2015. The fair values are equal to the indicated carrying amounts, in particular because the remaining terms of the relevant receivables are short. In the 2014 financial year the Lenzing Group received the majority of the advances from the factoring agreements in March and May 2014 when the transactions began. In the 2015 financial year, advances were, for the most part, evenly spread over the period under review.

From the Lenzing Group's perspective, the above-mentioned amount of Tranche 2 that was not advanced corresponds to the theoretical maximum loss due to credit risk for the assumption of liability in the case of default. The fair value of this liability was EUR 148 thousand as at December 31, 2015 (December 31, 2014: EUR 159 thousand) (see also note 46). As at December 31, 2015, other current liabilities (financial) were recognized at EUR 326 thousand (December 31, 2014: EUR 316 thousand) for the assumed obligations and risks from the factoring agreements. A total of EUR 10 thousand was recognized for this in profit or loss in the 2015 financial year. A cumulative amount of EUR 326 thousand has been recognized in profit or loss since the start of the agreement in the 2014 financial year. On the date of the transfer of the receivables in 2015, a total of EUR 315 thousand was recognized in profit or loss.

Payments that were received from customers in the period between the last advance made by the bank and December 31, are accrued in other current liabilities (financial).

The banks have the right to sell receivables back to the Lenzing Group at nominal value. Such repurchases would have no effect on the allocation of credit risk defaults, as the default risk is not re-transferred. The cash outflows resulting from the repurchases would follow quickly, i.e. in 2016, if at all. Any utilization of the payment default guarantee would also follow quickly, i.e. in 2016. No utilization is expected for the receivables sold as at the reporting date.

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NOTE 40

Net interest and net result from financial instruments and net foreign currency result

Net interest and net result

Net interest and net result from financial instruments by class/measurement category in accordance with IAS 39 breaks down as follows:

Net interest and net result from financial instruments EUR '000

2015	From interest income	From interest expense	Net interest	From subsequent measurement at fair value through profit or loss	From subsequent measurement at fair value directly in equity	From impairment	From result on disposal	Net result (total)
Loans and receivables	920	0	920	0	0	(3,075) ¹⁾	0	(2,154)
Available-for-sale financial assets	649	0	649	0	163	0	0	813
Financial instruments measured at fair value through profit or loss	0	0	0	0	0	0	0	0
Financial liabilities measured at amortized cost	0	(23,307)	(23,307)	0	0	0	0	(23,307)
Total	1,570	(23,307)	(21,737)	0	163	(3,075)	0	(24,648)

Net interest and net result from financial instruments (previous year) EUR '000

2014	From interest income	From interest expense	Net interest	From subsequent measurement at fair value through profit or loss	From subsequent measurement at fair value directly in equity	From impairment	From result on disposal	Net result (total)
Loans and receivables	1,691	0	1,691	0	0	(4,699) ¹⁾	0	(3,008)
Available-for-sale financial assets	233	0	233	0	790	0	(43)	980
Financial instruments measured at fair value through profit or loss	0	0	0	(124)	0	0	0	(124)
Financial liabilities measured at amortized cost	0	(25,861)	(25,861)	0	0	0	0	(25,861)
Total	1,924	(25,861)	(23,937)	(124)	790	(4,699)	(43)	(28,012)

The net result from financial instruments comprises net interest (current interest income and expenses including amortization of premiums and discounts and dividends of companies that are not accounted for using the equity method), gains/losses on remeasurement from fair value measurement in profit or loss and directly in equity, the result from impairment (recognition and reversal of bad debt provisions/valuation adjustments) and disposals. Income from available-for-sale financial assets includes gains/losses from remeasurement and from the reclassification of the remeasurement gains/losses to profit or loss. Net result from financial instruments does not include exchange rate gains/losses (with the exception of financial instruments at fair value through profit or loss) and gains/losses from hedging instruments (cash flow hedges).

¹⁾ Incl. valuation of non-current financial assets

The change in bad debt provisions for "Receivables measured at amortized cost" is reported in "Other operating expenses". The portion recognized directly in equity from the subsequent measurement of available-for-sale financial assets at fair value is reported in the "Reserve for available-for-sale financial assets". The remaining components of net result are included in "Income from non-current and current financial assets" and in "Financing costs".

In the current financial year, expenses totaling EUR 2,051 thousand (2014: EUR 2,306 thousand) were recognized for the provision of loans.

Net foreign currency result

Net foreign currency gains/losses are included in other operating income/expenses in the amount of EUR -276 thousand (2014: EUR +4,676 thousand), in income from non-current and current financial assets in the amount of EUR +5,034 thousand (2014: EUR +4,077 thousand) and in financing costs in the amount of EUR -3,606 thousand (2014: EUR -1,556 thousand).

NOTE 41

Management of financial risks and derivative financial instruments

Basic information

As an international company, the Group is exposed to financial risks and other market risks. Potential risks are identified and assessed at an early stage using a company-wide risk management system that is regulated comprehensively in guidelines. This aims to achieve maximum risk transparency and quality of information by quantifying all risk categories, with particular regard to risk concentration. The efficiency of group-wide risk management is evaluated and monitored on an ongoing basis by both the internal control system (ICS) and the internal audit department.

Financial risks from financial instruments – credit risk, liquidity risk, currency risk (particularly USD, CNY and CZK), commodity price risk and interest rate risk – are classified as

relevant risks for the Lenzing Group. Corresponding hedging measures are used to attempt to minimize these risks. Shares acquired in external companies are classified as long-term investments and therefore are not seen as a relevant market price risk in the short to medium term.

Credit risk

Credit risk refers to the risk of losses of assets that may occur as a result of individual business partners failing to meet their contractual obligations. In the case of delivery transactions (particularly trade receivables), the credit risk inherent in the hedged item is secured against to a large extent by notable credit insurance and bankable security (guarantees, letters of credit, bills of exchange etc.). Accounts receivable and customer limits are monitored on an ongoing basis. The credit risk at banks from investments (particularly cash and cash equivalents) and asset derivatives is reduced by concluding transactions only with counterparties with a good credit rating.

Receivables are measured individually. Individual bad debt provisions are recognized for receivables if they are not expected to be fully collectible. This applies in particular if there are significant financial difficulties of the debtor, default or delay in making payments or an increased probability that the debtor will become bankrupt and the receivable concerned is not sufficiently collateralized. The historical default rates for receivables are low because of the Lenzing Group's comprehensive receivables management (extensive collateralization with credit insurance and bankable security and ongoing monitoring of accounts receivable and customer limits). Group (collective) bad debt provisions therefore are not recognized.

The Group tends to rate the risk concentration with regard to trade receivables as low, as its customers are based in various countries, belong to various sectors and are active on largely independent markets. In addition, a rather small amount of the receivables is overdue and not impaired (see table "Aging of receivables").

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The bad debt provisions developed as follows:

Development of bad debt provisions

EUR '000

	Loans (non-current and current)	Trade receivables	Other financial receivables (non-current and current)
Bad debt provisions as at 01/01/2014	2,271	7,554	3,580
Changes in scope of consolidation	0	0	0
Utilization	0	(557)	(930)
Reversal	(6)	(124)	0
Addition	10	3,389	1,430 ¹
Currency translation adjustment	(22)	238	0
Bad debt provisions as at 31/12/2014 = 01/01/2015	2,253	10,501	4,080
Changes in scope of consolidation	0	(134)	0
Utilization	0	(1,097)	(454)
Reversal	(5)	(873)	0
Addition	193	2,169	1,591 ¹
Currency translation adjustment	(17)	289	0
Bad debt provisions as at 31/12/2015	2,423	10,856	5,217

Bad debt provisions for trade receivables include bad debt provisions relating to companies accounted for using the equity method in the amount of EUR 2,104 thousand (2014: EUR 2,134 thousand).

Bad debt provisions for trade receivables mainly relate to bad debt provisions for past due, uninsured receivables.

The carrying amount of the impaired receivables is as follows:

Carrying amount of impaired receivables as at December 31, 2015

EUR '000

	Loans (non-current and current)	Trade receivables	Other financial receivables (non-current and current)
Before bad debt provision	2,423	14,493	5,311
After bad debt provision	0	3,637	94

Carrying amount of impaired receivables as at December 31, 2014 (previous year)

EUR '000

	Loans (non-current and current)	Trade receivables	Other financial receivables (non-current and current)
Before bad debt provision	2,416	20,369	5,765
After bad debt provision	163	9,868	1,686

¹ Incl. measurement of non-current financial assets

The aging of the financial receivables breaks down as follows:

Aging of receivables

EUR '000

	Loans (non-current and current)	Trade receivables	Other financial receivables (non-current and current)
Carrying amount as at 31/12/2015	5,011	258,939	26,423
Thereof not impaired at the reporting date:			
Not overdue	5,011	239,176	26,329
Overdue up to 30 days	0	13,307	0
Overdue for 31 to 90 days	0	2,264	0
Overdue for 91 to 365 days	0	173	0
Overdue for more than one year	0	381	0
Thereof impaired	0	3,637	94

Aging of receivables (previous year)

EUR '000

	Loans (non-current and current)	Trade receivables	Other financial receivables (non-current and current)
Carrying amount as at 31/12/2014	7,261	232,769	28,560
Thereof not impaired at the reporting date:		0	
Not overdue	7,098	205,089	26,874
Overdue up to 30 days	0	13,939	0
Overdue for 31 to 90 days	0	1,761	0
Overdue for 91 to 365 days	0	2,099	0
Overdue for more than one year	0	12	0
Thereof impaired	163	9,868	1,686

The maximum exposure to credit risk from financial assets recognized is as follows:

Maximum exposure to credit risk from financial assets recognized

EUR '000

	31/12/2015	31/12/2014
Carrying amount of asset financial instruments (see note 39)	655,462	556,315
Less risk reduction in relation to receivables due to		
Credit insurance received (not including deductibles)	(150,151)	(133,629)
Guarantees received	(6,710)	(3,436)
Total	498,602	419,250

The maximum exposure to credit risk from financial guarantee contracts and contingent liabilities is shown in note 46.

From a current point of view, there are no doubts regarding the collectability of financial assets that are neither past due nor impaired.

There are no significant concentrations of risk from the investment of financial assets with only one business partner.

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Liquidity risk

Liquidity risk refers to the risk of not being able to obtain funds at all times to settle the liabilities incurred. Management of liquidity risk is given high priority in the Lenzing Group. The company guidelines stipulate uniform, forward-looking liquidity planning and medium-term planning throughout the Group. The risk of a possible liquidity shortage is monitored continuously in the Lenzing Group.

The Lenzing Group has liquid assets totaling EUR 355,311 thousand (December 31, 2014: EUR 280,261 thousand) in the form of cash and cash equivalents, liquid securities and liquid bills of exchange (see note 38). To finance necessary operating resources and to cover any deficits caused by economic cycles, there were free credit facilities in the amount of EUR 190,918 thousand

Maturity analysis of non-derivative financial liabilities

	Measurement category pursuant to IAS 39	31/12/2015	
		Carrying amount	
Bond	Financial liabilities at amortized cost (FLAC)	119,817	
Private placements	Financial liabilities at amortized cost (FLAC)	288,821	
Liabilities to banks	Financial liabilities at amortized cost (FLAC)	239,361	
Liabilities to other lenders	Financial liabilities at amortized cost (FLAC)	28,952	
Trade payables	Financial liabilities at amortized cost (FLAC)	149,987	
Puttable non-controlling interests	n/a (other)	11,686	
Other liabilities - other financial liabilities (not including financial guarantee contracts)	Financial liabilities at amortized cost (FLAC)	40,248	
Other current financial liabilities (financial guarantee contracts) ¹	n/a (other)	148	
Accruals - other (financial)	Financial liabilities at amortized cost (FLAC)	23,419	
Finance lease liabilities	n/a (IAS 17)	6,295	
Total		908,735	

Maturity analysis of non-derivative financial liabilities (previous year)

	Measurement category pursuant to IAS 39	31/12/2014	
		Carrying amount	
Bond	Financial liabilities at amortized cost (FLAC)	119,713	
Private placements	Financial liabilities at amortized cost (FLAC)	228,468	
Liabilities to banks	Financial liabilities at amortized cost (FLAC)	346,790	
Liabilities to other lenders	Financial liabilities at amortized cost (FLAC)	30,326	
Trade payables	Financial liabilities at amortized cost (FLAC)	181,130	
Puttable non-controlling interests	n/a (other)	12,410	
Other liabilities - other financial liabilities (not including financial guarantee contracts)	Financial liabilities at amortized cost (FLAC)	35,415	
Other current financial liabilities (financial guarantee contracts) ¹	n/a (other)	159	
Accruals - other (financial)	Financial liabilities at amortized cost (FLAC)	22,682	
Finance lease liabilities	n/a (IAS 17)	4,482	
Total		981,575	

¹ The maximum possible payment obligations from financial guarantee contracts granted are shown. The amounts are assumed to be due in the first year.

as at December 31, 2015 (December 31, 2014: EUR 198,509 thousand). In the medium and long term, the Lenzing Group is financed with equity and financial liabilities, particularly bonds, private placements and bank loans. Current financial liabilities can regularly be extended or refinanced with other lenders. Trade payables serve the short-term financing of the goods and services purchased. The liabilities covered by reverse factoring agreements are settled in line with their agreed maturity; the associated outflows are taken into account in liquidity planning. For this reason, the Group tends to rate the risk concentration with regard to sufficient sources of financing as low.

The contractually agreed (undiscounted) interest and principal payments for primary financial liabilities (including financial guarantee contracts) break down as follows:

EUR '000

Cash flows 2016				Cash flows 2017 to 2020				Cash flows from 2021			
Fixed interest	Fixed and floating-rate interest	Floating-rate interest	Repayment	Fixed interest	Fixed and floating-rate interest	Floating-rate interest	Repayment	Fixed interest	Fixed and floating-rate interest	Floating-rate interest	Repayment
4,650	0	0	0	4,650	0	0	120,000	0	0	0	0
5,422	0	901	40,500	15,472	0	3,983	100,500	6,150	0	1,802	148,500
22	0	5,263	123,248	4	0	2,530	116,113	0	0	0	0
52	149	92	7,917	43	271	92	20,335	0	4	0	700
0	0	0	149,987	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	11,686
0	0	0	40,245	0	0	0	3	0	0	0	0
0	0	0	148	0	0	0	0	0	0	0	0
0	0	0	23,419	0	0	0	0	0	0	0	0
59	0	0	646	173	0	0	1,643	4,636	0	0	4,007
10,205	149	6,256	386,110	20,344	271	6,605	358,594	10,786	4	1,802	164,893

EUR '000

Cash flows 2015				Cash flows 2016 to 2019				Cash flows from 2020			
Fixed interest	Fixed and floating-rate interest	Floating-rate interest	Repayment	Fixed interest	Fixed and floating-rate interest	Floating-rate interest	Repayment	Fixed interest	Fixed and floating-rate interest	Floating-rate interest	Repayment
4,650	0	0	0	9,300	0	0	120,000	0	0	0	0
4,184	0	1,630	0	13,241	0	3,213	193,000	4,324	0	0	36,000
699	0	7,722	185,117	27	0	5,831	161,673	0	0	0	0
71	171	81	7,184	64	302	81	22,107	1	4	0	1,035
0	0	0	181,130	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	12,410
0	0	0	34,609	0	0	0	807	0	0	0	0
0	0	0	159	0	0	0	0	0	0	0	0
0	0	0	22,682	0	0	0	0	0	0	0	0
23	0	0	389	60	0	0	2,115	4,623	0	0	1,978
9,628	171	9,432	431,269	22,692	302	9,125	499,702	8,948	4	0	51,423

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The tables above include all primary financial liabilities held at the reporting date. They do not include planned figures for future liabilities. Amounts in foreign currency were translated at the spot exchange rate as at the reporting date. Floating-rate interest payments were calculated based on the last interest rates set before the reporting date. Financial liabilities that are repayable at any time are always assigned to the earliest time period.

The contractually agreed (undiscounted) interest and principal payments for derivative financial instruments break down as follows:

Maturity analysis of derivative financial instruments

	Measurement category pursuant to IAS 39	31/12/2015	
		Carrying amount	Fixed interest
Currency derivatives			
Cash flow hedges	n/a	2,138	0
Cash flow hedges with the underlying already recognized in profit or loss	n/a	418	
Trading	At fair value through profit or loss (trading)	0	
Positive fair value		2,556	0
Cash flow hedges	n/a	(4,267)	
Cash flow hedges with the underlying already recognized in profit or loss	n/a	(11,106)	
Trading	At fair value through profit or loss (trading)	0	
Negative fair value		(15,373)	0
Total currency derivatives		(12,817)	0
Gas derivatives			
Cash flow hedges	n/a	(996)	
Cash flow hedges with the underlying already recognized in profit or loss	n/a	0	
Trading	At fair value through profit or loss (trading)	0	
Negative fair value		(996)	0
Total gas derivatives		(996)	0
Total		(13,813)	0

Fair value: + = receivable, - = liability from the Lenzing Group's perspective

EUR '000

Cash flows 2016			Cash flows 2017 to 2020				Cash flows from 2021			
Fixed and floating-rate interest	Floating-rate interest	Repayment	Fixed interest	Fixed and floating-rate interest	Floating-rate interest	Repayment	Fixed interest	Fixed and floating-rate interest	Floating-rate interest	Repayment
0	0	1,300	0	0	0	838				
		418				0				
		0				0				
0	0	1,718	0	0	0	838	0	0	0	0
		(3,985)				(282)				
		(11,106)				0				
		0				0				
0	0	(15,090)	0	0	0	(282)	0	0	0	0
0	0	(13,373)	0	0	0	556	0	0	0	0
		(996)				0				
		0				0				
		0				0				
0	0	(996)	0	0	0	0	0	0	0	0
0	0	(996)	0	0	0	0	0	0	0	0
0	0	(14,369)	0	0	0	556	0	0	0	0

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Maturity analysis of derivative financial instruments (previous year)

	Measurement category pursuant to IAS 39	31/12/2014	
		Carrying amount	Fixed interest
Currency derivatives			
Cash flow hedges	n/a	317	0
Cash flow hedges with the underlying already recognized in profit or loss	n/a	207	
Trading	At fair value through profit or loss (trading)	0	
Positive fair value		524	0
Cash flow hedges	n/a	(24,946)	
Cash flow hedges with the underlying already recognized in profit or loss	n/a	(7,485)	
Trading	At fair value through profit or loss (trading)	0	
Negative fair value		(32,431)	0
Total currency derivatives		(31,907)	0
Gas derivatives			
Cash flow hedges	n/a	(1,576)	
Cash flow hedges with the underlying already recognized in profit or loss	n/a	0	
Trading	At fair value through profit or loss (trading)	0	
Negative fair value		(1,576)	0
Total gas derivatives		(1,576)	0
Total		(33,484)	0

Fair value: + = receivable, - = liability from the Lenzing Group's perspective

EUR '000

Cash flows 2015			Cash flows 2016 to 2019				Cash flows from 2020			
Fixed and floating-rate interest	Floating-rate interest	Repayment	Fixed interest	Fixed and floating-rate interest	Floating-rate interest	Repayment	Fixed interest	Fixed and floating-rate interest	Floating-rate interest	Repayment
0	0	246	0	0	0	71				
		207				0				
		0				0				
0	0	453	0	0	0	71	0	0	0	0
		(21,103)				(3,843)				
		(7,485)				0				
		0				0				
0	0	(28,588)	0	0	0	(3,843)	0	0	0	0
0	0	(28,135)	0	0	0	(3,772)	0	0	0	0
		(926)				(651)				
		0				0				
		0				0				
0	0	(926)	0	0	0	(651)	0	0	0	0
0	0	(926)	0	0	0	(651)	0	0	0	0
0	0	(29,061)	0	0	0	(4,423)	0	0	0	0

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Currency risk

The companies of the Lenzing Group are exposed to currency risks on the basis of cash flows from capital expenditures and from operating business as well as from investments and financing in foreign currencies. Risks from foreign currencies are hedged as far as possible if they influence the Group's cash flows. In operating business, the individual group companies are exposed to currency risk in connection with planned incoming and outgoing payments in currencies other than their functional currency. The exchange rate risk arising from foreign-currency items from anticipated future transactions by group companies in foreign currencies is hedged with forward foreign exchange contracts, which are recognized at fair value.

For companies with the same functional currency, the respective net exposures in foreign currency are calculated for the following sales year as part of budgeting. Purchases in a particular foreign currency and sales in a particular foreign currency are each aggregated into groups. As at December 31, 2015, approximately 61% (December 31, 2014: approximately 59%) of the budgeted net exposure for the following financial year for the dominant currency pair in the Lenzing Group, EUR/USD, was hedged. In addition the CNY plays an important role. The level of the resulting risk concentration as at the reporting date can be seen in the tables below (especially the "Sensitivity analysis and risk exposure for foreign currency risks" tables).

At group level, translation risk is also regularly assessed and monitored. Translation risk refers to the risk that arises because of the consolidation of foreign investments whose functional currency is not the euro. The greatest risk exposure here is in relation to the USD.

Instruments for hedging against currency risk

Cash flow hedge derivatives are allocated to revenue from operating business in the subsequent financial years in the respective hedged currency. The resulting cash flows are planned on a monthly basis. The sum of incoming and outgoing payments for each month is balanced as at the end of the respective month. Cash flow hedge derivatives with the hedged item already recognized in profit or loss are used to hedge foreign-currency receivables/liabilities that are already recognized at the reporting period but do not impact cash until after the reporting date. In some cases, group companies use derivatives for hedging against currency risks to which no hedged items are allocated in accounting terms (trading derivatives), but which are used to hedge against currency risks in economic terms. For this reason, hedge accounting is not used for these derivatives.

The ineffective portion of the cash flow hedge derivatives amounted to EUR 0 thousand in the financial year (2014: EUR 43 thousand).

Cash flow hedge derivatives for currency risks

The nominal values and fair values of the cash flow hedge derivatives are as follows as at the reporting dates:

Nominal value, fair value and hedging period of cash flow hedge derivatives for currency risks

EUR '000

	31/12/2015					31/12/2014				
	Nominal value in '000	Positive fair value	Negative fair value	Net fair value	Hedging period until	Nominal value in '000	Positive fair value	Negative fair value	Net fair value	Hedging period until
Forward for- eign exchange contracts										
CNY/CNH-sale/ EUR-buy	CNY/CNH 533,490	1,671	(157)	1,514	09/2017	CNY/CNH 1,231,000	0	(6,293)	(6,293)	06/2016
CNY/CNH-sale/ GBP-buy	CNY/CNH 164,585	79	(148)	(69)	06/2017	CNY/CNH 123,200	0	(445)	(445)	06/2016
CZK-buy/ EUR-sale	CZK 48,000	11	(4)	7	08/2016	CZK 202,000	0	(91)	(91)	01/2016
JPY-sale/ GBP-buy	JPY 0	0	0	0	n/a	JPY 261,000	106	0	106	01/2016
USD-buy/ EUR-sale	USD 176	7	0	7	01/2016	USD 5,000	210	0	210	02/2016
EUR sale/ GBP-buy	EUR 5,890	0	(122)	(122)	01/2017	EUR 0	0	0	0	n/a
USD-sale/ CZK-buy	USD 70,700	120	(1,332)	(1,211)	01/2017	USD 81,600	0	(5,451)	(5,451)	01/2016
USD-sale/ EUR-buy	USD 170,620	251	(2,505)	(2,253)	06/2017	USD 213,600	0	(12,088)	(12,088)	01/2016
USD-sale/ GBP-buy	USD 0	0	0	0	n/a	USD 9,700	0	(577)	(577)	08/2015
Total		2,138	(4,267)	(2,129)			317	(24,946)	(24,629)	

Fair value: + = receivable, - = liability from the Lenzing Group's perspective

The hedging period stated is equivalent to the period of the expected cash flows and their recognition in profit or loss.

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Cash flow hedge derivatives for currency risks with the hedged item already recognized in profit or loss

The nominal values and fair values of cash flow hedge derivatives with the hedged item already recognized in profit or loss are as follows as at the reporting dates:

Nominal value and fair value of cash flow hedge derivatives for currency risks with the underlying already recognized in profit or loss

EUR '000

	31/12/2015				31/12/2014			
	Nominal value in '000	Positive fair value	Negative fair value	Net fair value	Nominal value in '000	Positive fair value	Negative fair value	Net fair value
Forward foreign exchange contracts								
CNY/CNH-sale/EUR-buy	CNY/CNH 635,600	105	(8,126)	(8,021)	CNY/CNH 420,050	0	(4,520)	(4,520)
CNY/CNH-sale/GBP-buy	CNY/CNH 61,600	0	(259)	(259)	CNY/CNH 0	0	0	0
CZK-buy/EUR-sale	CZK 16,000	12	0	12	CZK 0	0	0	0
JPY-sale/EUR-buy	JPY 0	0	0	0	JPY 3,500	2	0	2
JPY-sale/GBP-buy	JPY 14,000	2	0	2	JPY 49,500	34	0	34
EUR-sale/GBP-buy	EUR 300	0	(1)	(1)	EUR 0	0	0	0
USD-buy/EUR-sale	USD 2,900	253	0	253	USD 2,143	171	0	171
USD-sale/CZK-buy	USD 7,000	0	(923)	(923)	USD 6,900	0	(801)	(801)
USD-sale/EUR-buy	USD 24,250	45	(1,796)	(1,750)	USD 22,818	0	(1,938)	(1,938)
USD-sale/GBP-buy	USD 0	0	0	0	USD 5,500	0	(227)	(227)
Total		418	(11,106)	(10,688)		207	(7,485)	(7,278)

Fair value: + = receivable, - = liability from the Lenzing Group's perspective

Sensitivity analysis and exposure for currency risks

Sensitivity analyses are performed for currency risks. They show the effects of hypothetical changes in exchange rates on profit or loss/other comprehensive income/equity.

The Lenzing Group uses the following assumptions in its analysis:

- As a basis for the sensitivity of profit or loss, the Group uses receivables and liabilities of group companies that are denominated in a currency other than the functional currency of the relevant company, open derivatives from cash flow hedges for currency risks with the hedged item already recognized in profit or loss and trading derivatives for currency risks as at the reporting date. The carrying amounts of the receivables and liabilities and the nominal values of the derivatives correspond to the exposure. For the aggregation to group exposure, the individual exposures are presented consistently in relation to the currencies USD/EUR.
- Open derivatives from cash flow hedges for currency risks with the hedged item not yet recognized in profit or loss are used as the basis for the sensitivity of other comprehensive income as at the reporting date. The nominal value of the open derivatives corresponds to the exposure.

The sensitivities and exposure for currency risk are as follows as at the reporting dates:

Sensitivity analysis and risk exposure for foreign currency risks (EUR)

EUR '000

	31/12/2015			31/12/2014		
	Group exposure in relation to EUR	Sensitivity in the event of 10% devaluation of the EUR	Sensitivity in the event of 10% revaluation of the EUR	Group exposure in relation to EUR	Sensitivity in the event of 10% devaluation of the EUR	Sensitivity in the event of 10% revaluation of the EUR
EUR-USD	77,498	8,611	(7,045)	74,379	8,264	(6,762)
EUR-GBP	(2,170)	(241)	197	(2,674)	(297)	243
EUR-CNY/CNH	10,944	1,216	(995)	50,407	5,601	(4,582)
EUR-CZK	53,939	5,993	(4,904)	90,955	10,106	(8,269)
EUR-HKD	(3,182)	(354)	289	(2,536)	(282)	231
Sensitivity of profit or loss (due to receivables and liabilities)		15,225	(12,457)		23,392	(19,139)
Sensitivity of other comprehensive income (due to cash flow hedge derivatives)		(25,902)	23,637		(35,857)	31,473
Sensitivity of equity		(10,677)	11,180		(12,465)	12,333

Group exposure: + receivable, - liability; sensitivity: + increase in profit/in other comprehensive income, - decrease in profit/in other comprehensive income

Sensitivity analysis and risk exposure for foreign currency risks (USD)

EUR '000

	31/12/2015			31/12/2014		
	Group exposure in relation to USD	Sensitivity in the event of 10% devaluation of the USD	Sensitivity in the event of 10% revaluation of the USD	Group exposure in relation to USD	Sensitivity in the event of 10% devaluation of the USD	Sensitivity in the event of 10% revaluation of the USD
USD-IDR	38,439	4,271	(3,494)	3,328	370	(303)
USD-GBP	(7,415)	(824)	674	(6,019)	(669)	547
USD-HKD	59	7	(5)	47	5	(4)
USD-CNY/CNH	26,329	2,925	(2,394)	30,933	3,437	(2,812)
USD-CZK	(15,649)	(1,739)	1,423	(2,463)	(274)	224
Sensitivity of profit or loss (due to receivables and liabilities)		4,640	(3,797)		2,870	(2,348)
Sensitivity of other comprehensive income (due to cash flow hedge derivatives)		12,006	(14,674)		12,495	(15,271)
Sensitivity of equity		16,646	(18,471)		15,364	(17,619)

Group exposure: + receivable, - liability; sensitivity: + increase in profit/in other comprehensive income, - decrease in profit/in other comprehensive income

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Commodity price risk

As part of the optimization of energy costs, gas purchasing in the Lenzing Group was largely centralized. The Group uses OTC gas swaps as cash flow hedges to manage gas price risks. The hedging strategies are determined based on the planned gas consumption figures in the relevant currency and are compared with the current market prices on a monthly basis ("market to market" assessment). The Lenzing Group is exposed to accounting-related price risks because of the gas swaps. These risks particularly relate to the possibility that fair value measurement of the gas swaps may result in a negative impact on other comprehensive income/equity in the event of an adverse change in market prices.

Other than this, the Group is subject to the usual market price risks in connection with its business activities (particularly for wood, pulp and energy), which are not hedged with derivatives or financial instruments, but instead with other safeguarding measures (particularly long-term and short-term supply contracts with various suppliers).

Instruments for hedging against commodity price risks – cash flow hedges

The nominal values and fair values of the cash flow hedge derivatives are as follows as at the reporting dates:

Contract value, nominal value and hedging

period of cash flow hedge derivatives for commodity price risks

EUR '000

	31/12/2015					31/12/2014				
	Contract value ¹ in '000	Positive fair value	Negative fair value	Net fair value	Hedging period until	Contract value ¹ in '000	Positive fair value	Negative fair value	Net fair value	Hedging period until
Gas swaps	GBP 2,403	0	(996)	(996)	03/2016	GBP 5,767	0	(1,576)	(1,576)	03/2016
Total		0	(996)	(996)			0	(1,576)	(1,576)	

Fair value: + = receivable, - = liability from the Lenzing Group's perspective (each shown as net position)

The hedging period stated is equivalent to the period of the expected cash flows and their recognition in profit or loss.

Sensitivity analysis and exposure for commodity price risks

Sensitivity analyses are performed for the price change risk from gas swaps. They show the effects of hypothetical changes in gas prices on profit or loss/other comprehensive income/equity.

The Lenzing Group uses the following assumptions in its analysis:

- Open derivatives from cash flow hedges as at the reporting date are used as the basis for the sensitivity.
- The exposure corresponds to the nominal values of the derivatives (not including the hedged items). In economic terms, the derivatives are used to hedge physical hedged items that will impact profit or loss in subsequent periods, meaning that from an economic perspective there is no risk exposure in combination with the hedged items.

¹ Corresponds to the exposure

If the market price level for gas had been 10% higher/lower as at December 31, 2015, this would have changed other comprehensive income/equity before tax by EUR +/-238 thousand (December 31, 2014: EUR +/-581 thousand).

Interest rate risk

The Lenzing Group is exposed to interest rate risk because of its business-related financing and investment activities. Interest rate risks arise on the basis of potential changes in the market interest rate. They can lead to a change in fair value in the case of fixed-rate financial instruments and to fluctuations in the cash flows from interest payments in the case of floating-rate financial instruments. Interest rate risks and the resulting risk concentrations are managed by monitoring and adjusting the composition of fixed-rate and floating-rate primary financial instruments on an ongoing basis and occasionally by using derivative financial instruments. The level of the resulting risk concentration as at the reporting date can be seen in the "Risk exposure for interest rate risks" table below. The decisive factor for management is the effect of the interest rate risk on earnings. There were no outstanding interest rate derivatives as at the reporting dates.

Sensitivity analysis and exposure for interest rate risks

As at the reporting dates, the exposure for interest rate risks in the form of the carrying amounts of interest-bearing primary financial instruments is as follows:

Risk exposure for interest rate risks

EUR '000

	31/12/2015				
	Fixed interest	Fixed and floating-rate interest	Floating-rate interest	No interest	Total
Cash and cash equivalents	0	0	347,254	0	347,254
Financial assets ¹⁾	3,754	0	0	19,093	22,847
Financial liabilities	(346,803)	(19,837)	(316,606)	0	(683,247)
Total	(343,050)	(19,837)	30,647	19,093	(313,146)

Risk exposure for interest rate risks (previous year)

EUR '000

	31/12/2014				
	Fixed interest	Fixed and floating-rate interest	Floating-rate interest	No interest	Total
Cash and cash equivalents	0	0	271,791	0	271,791
Financial assets ¹⁾	3,754	0	1,815	17,626	23,194
Financial liabilities	(311,595)	(21,983)	(396,200)	0	(729,778)
Total	(307,841)	(21,983)	(122,594)	17,626	(434,793)

+ receivables, - liabilities

Sensitivity analyses are performed for interest rate risks from floating-rate financial instruments. They show the effects of hypothetical changes in interest rates on profit or loss/other comprehensive income/equity.

¹⁾ Includes the wholesale fund GF82, whose income is distributed or reinvested.

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The Lenzing Group uses the following assumptions in its analysis:

- All floating-rate primary financial instruments as at the reporting date are used as the basis for the sensitivity.
- The exposure corresponds to the carrying amount of the floating-rate financial instruments.

The sensitivities and exposure for interest rate risks from floating-rate financial instruments are as follows as at the reporting dates:

Sensitivity analysis for interest rate risks from floating-rate financial instruments

EUR '000

31/12/2015	Exposure with floating-rate interest	Sensitivity in the event of 100 bp increase in interest rate level	Sensitivity in the event of 100 bp decrease in interest rate level ¹
Cash and cash equivalents	347,254	3,473	(3,473)
Financial assets	0	0	0
Financial liabilities	(316,606)	(3,166)	2,401 ²
Sensitivity of profit or loss/of equity	30,647	306	(1,071)

Sensitivity analysis for interest rate risks from floating-rate financial instruments (previous year)

EUR '000

31/12/2014	Exposure with floating-rate interest	Sensitivity in the event of 100 bp increase in interest rate level	Sensitivity in the event of 100 bp decrease in interest rate level
Cash and cash equivalents	271,791	2,718	(2,718)
Financial assets	1,815	18	(18)
Financial liabilities	(396,200)	(3,962)	3,962
Sensitivity of profit or loss/of equity	(122,594)	(1,226)	1,226

Further information on financial risk management and financial instruments can be found in the risk report of the Lenzing Group Management Report as at December 31, 2015 (particularly in the section on "Use of financial instruments").

¹ Sensitivity decreases proportionately to reduction of basis points.

² Liabilities at which no negative interest is calculated will not be included in the calculation.

Notes on Leases

NOTE 42

Finance leases

Property, plant and equipment includes development rights and other assets from finance leases in which the Lenzing Group is the lessee. The finance lease for development rights relates to land handed over to Lenzing AG for use in exchange for an index-linked lease payment. After the end of the lease, Lenzing AG has the right to acquire the land at its market value. The lease has a term of 99 years.

The other finance leases include agreements on the modernization of small hydro power plants, in which the lessor undertakes to construct, operate and maintain power plants as part of the revitalization. All of the energy generated is purchased by Lenzing AG for a contractually agreed fee, part of which serves to cover the investment costs and which is considered a contingent lease payment. After the agreements expire, ownership of the power plants will be transferred to Lenzing AG in exchange for payment of a transfer fee. The lease has a term of 25 years. In addition, there are finance leases concerning agreements on an industrial primary clarifier and related expansion investments. After the agreements expire, the ownership of the plant including the land can be transferred to Lenzing AG in exchange for payment of a transfer fee. The lease has a term of up to 16 years.

The carrying amount of the leased assets is as follows:

Carrying amount of leased assets

EUR '000

	Land and buildings	Technical equipment and machinery, factory and office equipment	Prepayments and assets under construction	Total
2015				
Cost	668	2,145	3,373	6,185
Accumulated depreciation	(85)	(549)	0	(634)
Carrying amount 31/12/2015	583	1,596	3,373	5,552

Carrying amount of leased assets (previous year)

EUR '000

	Land and buildings	Technical equipment and machinery, factory and office equipment	Prepayments and assets under construction	Total
2014				
Cost	668	2,145	1,404	4,217
Accumulated depreciation	(78)	(339)	0	(418)
Carrying amount 31/12/2014	589	1,805	1,404	3,799

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The present value of minimum lease payments breaks down as follows:

Minimum lease payments as lessee (finance leases)

EUR '000

	31/12/2015				31/12/2014			
	< 1 year	1-5 years	> 5 years	Total	< 1 year	1-5 years	> 5 years	Total
Total future minimum lease payments	705	1,816	8,643	11,164	412	2,176	6,601	9,188
Thereof interest component	(59)	(173)	(4,636)	(4,869)	(23)	(60)	(4,623)	(4,707)
Total	646	1,643	4,007	6,295	389	2,115	1,978	4,482

Finance lease obligations are included under "Financial liabilities" in the consolidated statement of financial position (see note 31).

NOTE 43

Operating leases

The Lenzing Group as lessee

There are obligations from rental and lease agreements for property, plant and equipment that is not reported in the consolidated statement of financial position. Earnings before interest and tax in 2015 include expenses from rental and lease agreements amounting to EUR 10,982 thousand (2014: EUR 7,513 thousand). They chiefly consist of minimum lease payments.

The future minimum lease payments during the non-cancelable term of these leases relating to IT equipment, vehicles, rail cars and office and storage premises break down as follows, classified by year:

Minimum lease payments as lessee (operating leases)

EUR '000

	31/12/2015	31/12/2014
In subsequent year	5,554	5,704
In the following 2-5 years	8,268	12,337
Thereafter	12	1,507
Total	13,834	19,548

The conditions of the main operating leases can be summarized as follows:

- **IT equipment:** The leases have a term of up to 3 years. There are no price adjustment clauses.
- **Vehicles:** The leases have a term of up to 5 years. These agreements do not provide for any possibility to acquire the vehicles at the end of the contractual term and there are no price adjustment clauses.
- **Rail cars:** The leases have a term of up to 12 years. The agreements can be canceled after a minimum term. There are price adjustment clauses in some cases.
- **Office and storage premises:** The leases have a term of up to 5 years. These agreements do not provide for any possibility to acquire the office and storage premises at the end of the contractual term. There are extension options and price adjustment clauses in some cases.

The Lenzing Group as lessor

The future minimum lease payments during the non-cancelable term of the leases mainly relate to land and buildings and break down as follows, classified by year:

Minimum lease payments as lessor (operating leases)

EUR '000

	31/12/2015	31/12/2014
In subsequent year	2,959	2,842
In the following 2-5 years	4,694	4,640
Thereafter	10,003	10,989
Total	17,656	18,471

The most significant lease relates to land where the recycling plant is operated by RVL Reststoffverwertung Lenzing GmbH. The lease payments are index-linked. The lease was concluded for an indefinite term and can be canceled at the earliest as at December 31, 2029, subject to a notice period of six years.

Disclosures on Related Parties and Executive Bodies

NOTE 44

Related party disclosures

Overview

Related parties are companies and individuals who are related to the Lenzing Group according to the IFRS definition. In particular, the related parties of the Lenzing Group are the companies of the B&C Group including their subsidiaries, joint ventures and associates and their executive bodies (executive board/management and supervisory board, if any) plus the close relatives of the members of executive bodies and the companies they influence (see also note 1 "Description of the company and its business activities" and note 45). The amounts and transactions between Lenzing AG and its consolidated subsidiaries are eliminated on consolidation and are not discussed any further here.

B&C Privatstiftung is managed by a Board of Trustees. No member of the Lenzing AG Management Board is a member of the Board of Trustees or of the management/Management Boards of subsidiaries of B&C Privatstiftung, with the exception of subsidiaries of the Lenzing Group. The Lenzing Group has no influence on the business activities of B&C Privatstiftung.

In some cases, the members of the corporate bodies of Lenzing AG and the entities mentioned above are also members of corporate bodies or shareholders of other companies with which Lenzing AG maintains ordinary business relationships. There are ordinary business relationships with banks, including in the areas of financing, investment and derivatives.

Relationships with related companies

Lenzing AG and the subsidiaries included in the tax group agreement are members of the tax group concluded on September 25, 2009 between B&C Industrieholding GmbH as the group parent and Lenzing AG and other subsidiaries of Lenzing AG as group members in accordance with section 9 of the Austrian Corporation Tax Act (for more information, see the section on "Current taxes and deferred taxes" under "Accounting policies", note 3).

The Lenzing Group recognized a tax credit from the tax group of EUR 1,487 thousand in profit or loss in the 2015 financial year (2014: EUR 3,000 thousand). In accordance with the contractual obligation, advances on the tax allocation were paid to B&C Industrieholding GmbH in the amount of EUR 19,328 thousand in 2015 (2014: EUR 9,605 thousand).

As at December 31, 2015, the Lenzing Group recognized a liability of EUR 6,954 thousand (December 31, 2014: EUR 16,591 thousand) to B&C Industrieholding GmbH from the tax allocation after deduction of the advances. This is reported in the "Current tax liabilities" item of the statement of financial position. In 2015, an income tax expense of EUR 11,682 thousand (2014: EUR 15,852 thousand) was recognized as a result of the tax allocation to B&C Industrieholding GmbH. In addition, B&C Industrieholding GmbH charged costs of EUR 15 thousand (2014: EUR 172 thousand) to Lenzing AG.

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Relationships with companies accounted for using the equity method and their material subsidiaries

Transactions with companies accounted for using the equity method and their material subsidiaries mainly relate to:

EQUI-Fibres Beteiligungsgesellschaft mbH and its subsidiaries (EFB):	<ul style="list-style-type: none"> ■ Distribution of fibers ■ Delivery of pulp and of machinery and equipment
Lenzing Papier GmbH (LPP):	<ul style="list-style-type: none"> ■ Provision of infrastructure and administrative services
RVL Reststoffverwertung Lenzing GmbH (RVL):	<ul style="list-style-type: none"> ■ Operation of a recycling plant and purchase of the steam generated; rent of a plot of land
Gemeinnützige Siedlungsgesellschaft m.b.H. für den Bezirk Vöcklabruck (GSG):	<ul style="list-style-type: none"> ■ Provision of infrastructure and administrative services
PT. Pura Golden Lion (PGL):	<ul style="list-style-type: none"> ■ Loan liability
Wood Paskov s.r.o. (LWP):	<ul style="list-style-type: none"> ■ Purchase of wood

The extent of material transactions and the amounts of outstanding balances with companies accounted for using the equity method and their material subsidiaries were as follows:

Relationships with companies accounted for using the equity method and their material subsidiaries

EUR '000

2015	EFB	LPP	GSG	PGL	Total associates	RVL	LWP	Total joint ventures
Revenue	51,925	10,445	86	0	62,456	10,525	0	10,525
Other operating income	774	76	66	0	915	0	29	29
Cost of material	(34,981)	(2)	0	0	(34,983)	0	(154)	(154)
Purchased services	(3,605)	0	0	0	(3,605)	(10,525)	0	(10,525)
Other operating expenses	(194)	(523)	(74)	0	(791)	(43)	0	(43)
Interest cost	0	0	0	0	0	0	0	0
Interest income	0	0	0	0	0	0	0	0
31/12/2015								
Trade receivables	14,890	3,061	22	0	17,973	0	8	8
Trade payables	3,153	0	0	0	3,153	23	17	40
Loan liabilities	0	0	0	2,509	2,509	0	0	0
Other liabilities	0	20	0	0	20	0	0	0

Relationships with companies accounted for using the equity method and their material subsidiaries (previous year)

EUR '000

2014	EFB	LPP	GSG	PGL	Total associates	RVL	LWP	Total joint ventures
Revenue	51,164	11,377	70	0	62,610	11,017	0	11,017
Other operating income	1,074	216	74	0	1,364	0	29	29
Cost of material	(44,300)	(3)	0	0	(44,303)	0	(154)	(154)
Purchased services	(12,497)	1	0	0	(12,496)	(11,017)	0	(11,017)
Other operating expenses	(167)	(45)	(68)	0	(280)	(15)	0	(15)
Interest cost	0	0	0	(67)	(67)	0	0	0
Interest income	0	0	0	0	0	0	0	0
31/12/2014								
Trade receivables	4,835	4,953	8	0	9,796	0	6	6
Trade payables	4,064	6	0	0	4,070	0	28	28
Loan liabilities	0	0	0	2,194	2,194	0	0	0
Other liabilities	0	40	0	0	40	0	0	0

Bad debt provisions for trade receivables from companies accounted for using the equity method in the amount of EUR 523 thousand were recognized in profit or loss as an expense (2014: expense of EUR 24 thousand). There were no material transactions with non-consolidated subsidiaries in either of the two financial years.

Relationships with members of the Management Board and of the Supervisory Board of Lenzing AG

The fixed and variable current remuneration and termination pay expensed by Lenzing AG for the active members of the Management Board break down as follows:

Fixed and variable current remuneration and termination pay expensed for active members of the Management Board

EUR '000

	Stefan Doboczky ¹		Robert van de Kerkhof		Thomas Riegler ²		Peter Untersperger ³		Friedrich Weninger ⁴		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Fixed current remuneration	412	0	453	292	457	259	244	585	0	435	1,566	1,571
Variable current remuneration	644	0	209	133	0	116	225	190	0	315	1,077	754
Termination pay	0	0	0	0	874	0	1,953	0	0	0	2,826	0
Total	1,056	0	662	425	1,330	376	2,422	774	0	750	5,470	2,325

¹ Member of the Management Board since June 1, 2015. ² Member of the Management Board until December 1, 2015.

³ Member of the Management Board until May 31, 2015. ⁴ Member of the Management Board until December 31, 2014.

Of the total amounts shown above of EUR 5,470 thousand in the 2015 financial year (2014: EUR 2,325 thousand), a total of EUR 2,644 thousand relates to current remuneration (fixed and variable current remuneration; 2014: EUR 2,325 thousand), and EUR 2,826 thousand to termination benefits (termination pay; 2014: EUR 0 thousand) in the 2015 financial year. In addition, provisions for entitlements of active Management Board members derived from long-term bonus models (other long-term employee benefits) increased

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by EUR 298 thousand in the 2015 financial year (2014: decrease of EUR 47 thousand); another EUR 0 thousand (2014: EUR 309 thousand) was expensed for the settlement of entitlements. In addition, EUR 40 thousand was expenses in profit or loss for vacation compensation (short-term employee benefits), taking into account the amounts previously provided for (2014: EUR 138 thousand reversed to profit or loss). Moreover, the active members of the Management Board were granted post-employment benefits in the amount of EUR 273 thousand (2014: EUR 295 thousand) by providing for company pension and severance plans in the income statement and in other comprehensive income.

A long-term bonus agreement was concluded with Dr. Stefan Doboczky in the 2015 financial year. It has a term of three years with entitlement in 2018. The amount of the bonus is based on the increase achieved in enterprise value over this period. The agreement requires the achievement of a minimum return per year. A further additional condition is the prolongation of his contract as member of the Management Board. The bonus will be paid out 50% in cash and 50% in shares of Lenzing AG. The number of shares in Lenzing AG to be granted is variable and dependent on the amount of bonus entitlement and the average market price of the shares over the past twelve months. The settlement with equity instruments constitutes share-based payment in accordance with IFRS 2; cash settlement is classified as other non-current benefits in accordance with IAS 19 (see above; included in the amount of EUR 298 thousand). The measurement is based on a multiple calculation taking into account EBITDA and net debt. It also includes discount effects and the probability of utilization. For the first half of granted shares, a retention period of at least one year as of the acquisition date applies. For the second half of granted shares, a retention period of at least two years applies. There are no special agreements on the transferability of bonus entitlements. Forecast dividends are not taken into account in the calculation of fair value. An expense for the equity-settled bonus entitlement of EUR 433 thousand (2014: EUR 0 thousand) was recognized in personnel expenses in the 2015 financial year; offsetting this, retained earnings were increased by the same amount.

The expenses for the active Supervisory Board members (short-term employee benefits in the form of remuneration for the Supervisory Board members including attendance fees) amounted to EUR 294 thousand for the 2015 financial year (2014: EUR 436 thousand).

Hence, remuneration expensed for key management personnel, which comprises active members of the Management Board and of the Supervisory Board of Lenzing AG, in line with their functions, is summarized below:

Remuneration for key management personnel (expensed)	EUR '000	
	2015	2014
Remuneration for the Management Board		
Short-term employee benefits	2,684	2,186
Other long-term employee benefits	298	262
Post-employment benefits	273	295
Share-based remuneration	433	0
Remuneration (without termination benefits)	3,687	2,743
Termination benefits	2,826	0
	6,514	2,743
Remuneration for the Supervisory Board		
Short-term employee benefits	294	436
Total	6,807	3,180

Prior to their appointment to the board, members of the Management Board provided services to the Lenzing Group in the 2014 financial year for which the Lenzing Group recognized an expense of EUR 102 thousand.

The present value of the provision for severance payments recognized for active members of the Management Board amounts to EUR 0 thousand (December 31, 2014: EUR 838 thousand) as at December 31, 2015.

In addition to the benefits above, the employee representatives on the Supervisory Board who were delegated by the Works Council are entitled to regular payment (wage or salary and severance and jubilee benefits) under their employment contracts. This payment represents appropriate remuneration for the role/activities performed in the company.

In line with usual market and corporate practice, Lenzing AG also grants additional benefits that are considered non-monetary benefits to the members of the Management Board, some senior executives and Supervisory Board members. For example, insurance coverage (D&O, accident, legal protection etc.) is provided, with the costs borne by the Lenzing Group. Overall premium payments are made to the insurers, meaning that there is no specific allocation to the Management Board

and the Supervisory Board. In addition, the members of the Management Board and some senior executives are provided with company vehicles for their use. Moreover, expenses, especially travel expenses, incurred by members of the Management Board and the Supervisory Board are reimbursed. The principles of the remuneration system for the Management Board and the Supervisory Board are described in detail and published in the 2015 Corporate Governance Report of the Lenzing Group.

No advances, loans or guarantees have been granted to members of the Management Board and the Supervisory Board. The Lenzing Group has not entered into any contingencies for the benefit of the Management Board and the Supervisory Board. Directors' dealings reports regarding members of the Management Board and the Supervisory Board are published on the Austrian Financial Market Authority website (see <http://www.fma.gv.at>).

Post-employment benefits for former members of the Management Board of Lenzing AG (who left before January 1, 2013) or their surviving dependents in the amount of EUR 74 thousand (2014: EUR 1,652 thousand) were recognized in the form of expenses in the income statement and allocations in other comprehensive income. The present value of the pension provision recognized in this context after deduction of the fair value of plan assets (net obligation) amounts to EUR 7,305 thousand (December 31, 2014: EUR 7,921 thousand) as at December 31, 2015.

NOTE 45

Executive bodies of the company

Members of the Supervisory Board

Hanno Bästlein, Vienna

Chairman (since April 22, 2015)
Vice-Chairman (until April 22, 2015)

Michael Junghans, Vienna

Chairman (until April 22, 2015)

Felix Strohbichler, Anthering

Vice-Chairman (since April 22, 2015)

Veit Sorger, Vienna

Vice-Chairman

Helmut Bernkopf, Vienna

Franz Gasselsberger, Linz

Josef Krenner, Linz

Patrick Prügger, Vienna

Andreas Schmidradner, Vienna

Astrid Skala-Kuhmann, Icking (Germany)

Martin Payer, Leoben (until April 28, 2014)

Appointed by the Works Council

Johann Schernberger, Regau

Chairman of the Works Committee
Chairman of the Works Council for Waged Employees
(since September 1, 2015)

Rudolf Baldinger, Lenzing (until September 1, 2015)

Chairman of the Works Committee
Chairman of the Works Council for Waged Employees

Georg Liftinger, Weyregg am Attersee

Vice-Chairman of the Works Committee
Chairman of the Works Council for Salaried Employees

Helmut Kirchmair, Timelkam (since September 1, 2015)

Vice-Chairman of the Works Council for Waged Employees

Daniela Födinger, Seewalchen am Attersee

Vice-Chairwoman of the Works Council for Salaried Employees
(since April 28, 2014)

Franz Berlanda, Wolfsegg am Hausruck

Vice-Chairman of the Works Council for Waged Employees
(since April 28, 2014)

Gerhard Ratzesberger, Lenzing

Vice-Chairman of the Works Council for Salaried Employees
(until April 28, 2014)

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Members of the Management Board

Stefan Doboczky, Seewalchen am Attersee

Chief Executive Officer (CEO)

Chairman of the Management Board (since June 1, 2015)

Robert van de Kerkhof, Mondsee

Chief Commercial Officer (CCO)

Member of the Management Board (since May 1, 2014)

Thomas Obendrauf, Graz

Chief Financial Officer (CFO)

Member of the Management Board (since March 1, 2016)

Peter Untersperger, Linz

Chief Executive Officer (CEO)

Chairman of the Management Board (until May 31, 2015)

Thomas Riegler, Salzburg

Chief Financial Officer (CFO)

Member of the Management Board (until December 1, 2015)

Friedrich Weninger, Mondsee

Chief Operating Officer (COO)

Member of the Management Board (until December 31, 2014)

Other Notes

NOTE 46

Financial guarantee contracts, contingent assets and liabilities, other financial obligations and legal risks

There are contingent liabilities, in particular to secure the claims of certain sold equity investments and suppliers, as well as for possible default of payment related to receivables sold (see also note 39) and of third parties outside the Group in the amount of EUR 26,962 thousand (December 31, 2014: EUR 27,105 thousand) and, to a lesser extent, retentions granted, that have not yet been recognized as actual liabilities. The amounts shown represent the maximum payment obligation on the part of the Lenzing Group. The potential for recoveries exists to a limited extent only for the obligations and liabilities relating to the claims of certain sold equity investments. EUR 8,477 thousand (December 31, 2014: EUR 10,322 thousand) of the amount mentioned above relates to financial guarantee contracts. It is pre-

dominantly considered unlikely that the Group will be required to make payments under these financial guarantee contracts. Liabilities at the amount of the fair values of these financial guarantee contracts of EUR 148 thousand were recognized as at December 31, 2015 (December 31, 2014: EUR 159 thousand).

The Lenzing Group bears obligations for severance payments and anniversary benefits for former employees of certain sold equity investments up to the amount of the notional claims as at the date of the sale. Provisions have been recognized for these obligations as at the reporting date in the amount of the present value according to actuarial principles and reported according to their maturity.

As at December 31, 2015, obligations for outstanding orders of intangible assets and property, plant and equipment amounted to EUR 21,084 thousand (December 31, 2014: EUR 10,361 thousand).

In addition, Lenzing AG in particular has assumed contingent liabilities to secure third-party claims against consolidated companies that are considered unlikely to become effective. The Management Board is not aware of any other financial obligations with a significant impact on the financial position and financial performance of the Group.

As an international group, the Lenzing Group is exposed to a variety of legal and other risks. In particular, these include risks in the areas of product defects, competition and antitrust law, patent law, tax law, employees and environmental protection (particularly for environmental damage at production locations). The outcomes of currently pending proceedings or future proceedings cannot be predicted, hence expenses that are not fully covered by insurance and that can have a material impact on the future financial position and financial performance of the Group can arise as a result of court or official rulings or settlement agreements. Further information can be found in the risk report of the Group Management Report of the Lenzing Group as at December 31, 2015.

There are legal disputes pending in the Group as a result of its operating activities, particularly in the area of patent law. The Management Board is assuming at this time that the currently known proceedings will not have a significant impact on the current financial position and financial performance of the Group, or it has provided sufficiently for the corresponding risks. Regardless of this careful assessment, residual risks still remain.

NOTE 47

Group companies

In addition to Lenzing AG, the Lenzing Group includes the following group companies (list of group companies in accordance with section 245a(1) in conjunction with section 265(2) of the Austrian Commercial Code):

Group companies	Currency	31/12/2015		31/12/2014	
		Share capital	Share in %	Share capital	Share in %
Consolidated companies:					
ASIA Fiber Engineering GmbH, Vienna, Austria	EUR	36,336	100.00	36,336	100.00
Avit Investments Limited, Providenciales, Turks and Caicos	USD	2,201,000	100.00	2,201,000	100.00
Beech Investment s.r.o., Zlaté Moravce, Slovakia	EUR	6,639	100.00	6,639	100.00
Biocel Paskov a.s., Paskov, Czech Republic	CZK	280,000,000	100.00	280,000,000	100.00
BZL - Bildungszentrum Lenzing GmbH, Lenzing, Austria	EUR	43,604	75.00	43,604	75.00
Cellulose Consulting GmbH, Vienna, Austria	EUR	36,336	100.00	36,336	100.00
Dolan GmbH, Kelheim, Germany	EUR	-	-	1,000,000	100.00
Energie- und Medienzentrale Heiligenkreuz GmbH, Heiligenkreuz, Austria	EUR	72,673	100.00	72,673	100.00
European Carbon Fiber GmbH, Kelheim, Germany	EUR	-	-	25,000	91.07
LENO Electronics GmbH, Lenzing, Austria	EUR	-	-	40,000	100.00
Lenzing Beteiligungs GmbH, Lenzing, Austria ¹	EUR	35,000	100.00	35,000	100.00
Lenzing Fibers (Shanghai) Co., Ltd., Shanghai, China	USD	200,000	100.00	200,000	100.00
Lenzing Fibers GmbH, Heiligenkreuz, Austria	EUR	363,364	100.00	363,364	100.00
Lenzing Fibers Grimsby Limited, Grimsby, UK	GBP	1	100.00	1	100.00
Lenzing Fibers Holding GmbH, Lenzing, Austria	EUR	35,000	100.00	35,000	100.00
Lenzing Fibers (Hongkong) Ltd., Hong Kong, China	HKD	16,000,000	100.00	16,000,000	100.00
Lenzing Fibers Inc., Mobile, USA	USD	10	100.00	10	100.00
Lenzing Fibers Ltd., Manchester, UK	GBP	1	100.00	1	100.00
Lenzing Global Finance GmbH, Munich, Germany	EUR	25,000	100.00	25,000	100.00
Lenzing Holding GmbH, Lenzing, Austria	EUR	35,000	100.00	35,000	100.00
Lenzing Land Holding LLC., Dover, USA	USD	10,000	100.00	10,000	100.00
Lenzing Modi Fibers India Private Limited, Mumbai, India	INR	1,148,681,290	96.41	1,148,681,290	96.41
Lenzing (Nanjing) Fibers Co., Ltd., Nanjing, China	USD	64,440,000	70.00	64,440,000	70.00
LP Automotive GmbH, Lenzing, Austria	EUR	35,000	100.00	35,000	100.00
Lenzing Technik GmbH, Lenzing, Austria	EUR	35,000	100.00	35,000	100.00
Penique S.A., Panama, Panama	USD	5,000	100.00	5,000	100.00
PT. South Pacific Viscose, Purwakarta, Indonesia ²	IDR	72,500,000,000	92.85	72,500,000,000	92.85
Pulp Trading GmbH, Lenzing, Austria	EUR	40,000	100.00	40,000	100.00
Reality Paskov s.r.o., Paskov, Czech Republic	CZK	900,000	100.00	900,000	100.00
Tencel Holding Limited, Manchester, UK	GBP	1	100.00	1	100.00
Wasserreinhaltungsverband Lenzing – Lenzing AG, Lenzing, Austria ³	EUR	0	Member- ship	0	Member- ship

^{1), 2), 3)} Notes on the next page.

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Group companies	Currency	31/12/2015		31/12/2014	
		Share capital	Share	Share capital	Share
Companies accounted for using the equity method:			in %		in %
Associates:					
EQUI-Fibres Beteiligungsgesellschaft mbH, Kelheim, Germany ⁴	EUR	2,000,000	45.00	2,000,000	45.00
Gemeinnützige Siedlungsgesellschaft m.b.H. für den Bezirk Vöcklabruck, Lenzing, Austria ⁵	EUR	1,155,336	99.90	1,155,336	99.90
Lenzing Papier GmbH, Lenzing, Austria	EUR	35,000	40.00	35,000	40.00
PT. Pura Golden Lion, Jakarta, Indonesia	IDR	2,500,000,000	40.00	2,500,000,000	40.00
WWE Wohn- und Wirtschaftspark Entwicklungsgesellschaft m.b.H., Vienna, Austria	EUR	36,336	25.00	36,336	25.00
Joint ventures:					
LKF Tekstil Boya Sanayi ve Ticaret Anonim Sirketi, Istanbul, Turkey	TRY	200,000	33.34	200,000	33.34
RVL Reststoffverwertung Lenzing GmbH, Lenzing, Austria	EUR	36,336	50.00	36,336	50.00
Wood Paskov s.r.o., Paskov, Czech Republic	CZK	2,000,000	50.00	2,000,000	50.00
Unconsolidated companies:					
European Precursor GmbH, Kelheim, Germany ⁶	EUR	25,000	95.00	25,000	95.00
Lenzing Engineering and Technical Services (Nanjing) Co., Ltd., Nanjing, China ⁷	USD	2,100,000	100.00	2,100,000	100.00

Comments:

¹ Reporting date is Sep. 30, interim financial statements are prepared as at Dec. 31.

² Share: The share held directly by the Lenzing Group is 88.08% (December 31, 2014: 88.08%). Another 11.92% of the shares are held indirectly via PT. Pura Golden Lion, Jakarta, Indonesia, an associate of the Lenzing Group. The total calculated share is therefore 92.85%.

³ Explanation: The Lenzing Group participates in Wasserreinholdungsverband Lenzing – Lenzing AG, Lenzing, via a membership. It holds 50% of the voting rights and can appoint half of the Management Board members. Since under company law all assets are attributable to the respective landowner, the entity is notionally a separate company (what is known as a “silo structure”). Assets located on the Lenzing Group’s land are therefore included in consolidation. Costs incurred in the association are allocated to its members according to source.

⁴ Explanation: The Lenzing Group has the right to acquire additional shares and voting rights in EQUI-Fibres Beteiligungsgesellschaft, Kelheim, Germany. This right is currently not considered substantial, because the Lenzing Group does not believe the exercisability of this right is sufficiently likely from a legal point of view. Therefore, the Lenzing Group does not control this company. However, the Lenzing Group exerts a significant influence over the financial and operating policies of this company. This means the company is an associate accounted for using the equity method.

⁵ Explanation: The investment in Gemeinnützige Siedlungsgesellschaft m.b.H. für den Bezirk Vöcklabruck, Lenzing, is not included in the consolidated financial statements as a subsidiary, even though the Lenzing Group

holds 99.9% of the voting rights in this company. According to the general circumstances, the Lenzing Group does not control this company because its power is limited and the returns hardly vary or can hardly be influenced by the Lenzing Group. In particular because of its representation in management bodies and its participation in decision-making processes, it exerts significant influence over the financial and operating policies of this company. This means the company is an associate accounted for using the equity method.

⁶ Explanation: The company is in liquidation, which was largely completed from an economic perspective as at December 31, 2013. Under the German Commercial Code, this company’s equity in its liquidation balance sheet amounted to EUR -22,402 thousand as at December 9, 2014 (equity as per liquidation opening balance sheet as at December 10, 2013: EUR -21,056 thousand). After the waiver of loans still to be formally executed by the shareholders, its equity will be approximately zero. The Lenzing Group does not expect any further material negative effects. On the basis of its immateriality from the group perspective, it is not consolidated.

⁷ Explanation: The company is in liquidation, which was largely completed from an economic perspective as at December 31, 2015. The equity of this company in accordance with IFRS was EUR -1,314 thousand as at December 31, 2015 (EUR 396 thousand as at December 31, 2014) and its net loss in 2015 was EUR -1,553 thousand (2014: EUR -630 thousand). After the waiver of loans still to be formally executed by the shareholders, its equity will be approximately zero. The Lenzing Group does not expect any further material negative effects. On the basis of its immateriality from the group perspective, it is not consolidated.

NOTE 48**Significant events after the end of the reporting period**

The Lenzing Group is not aware of any events significant to it after the reporting date December 31, 2015 that would have resulted in a different presentation of its financial position and financial performance.

NOTE 49**Authorization of the consolidated financial statements**

These consolidated financial statements were approved on March 09, 2016 (December 31, 2014: March 12, 2015) by the Management Board for review by the Supervisory Board, presentation to the Shareholders' Meeting and subsequent publication. The Supervisory Board may have changes made to the consolidated financial statements as part of the review for which it is responsible.

Lenzing, March 09, 2016

Lenzing Aktiengesellschaft

The Management Board

Stefan Doboczky
Chief Executive Officer
Chairman of the Management Board

Robert van de Kerkhof
Chief Commercial Officer
Member of the Management Board

Thomas Obendrauf
Chief Financial Officer
Member of the Management Board

AUDITOR'S REPORT

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Lenzing Aktiengesellschaft, Lenzing, comprising the consolidated statement of financial position as at December 31, 2015, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the fiscal year ended December 31, 2015, and the notes.

Management's Responsibility for the Consolidated Financial Statements

The Company's management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU, and the additional requirements under section 245a UGB, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with laws and regulations applicable in Austria and Austrian Standards on Auditing. These principles require the application of International Standards on Auditing (ISAs). Those standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinion.

Opinion

Our audit did not give rise to any objections. In our opinion the consolidated financial statements comply with legal requirements and give a true and fair view of the financial position of the Group as of December 31, 2015 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU, and the additional requirements under section 245a UGB.

Comments on the Management Report for the Group

Pursuant to statutory provisions, the management report for the Group is to be audited as to whether it is consistent with the consolidated financial statements and as to whether the other disclosures are not misleading with respect to the Group's position. The auditor's report also has to contain a statement as to whether the management report for the Group is consistent with the consolidated financial statements and whether the disclosures pursuant to section 243a UGB are appropriate.

In our opinion, the management report for the Group is consistent with the consolidated financial statements. The disclosures pursuant to section 243a UGB are appropriate.

Vienna, March 9, 2016

Deloitte.

Deloitte Audit Wirtschaftsprüfungs GmbH

Walter Müller
Certified Public Accountant

Ulrich Dollinger
Certified Public Accountant

The report is a translation from the original auditor's report in German, which is solely valid. Publishing or transmitting of the consolidated financial statements including our audit opinion may only take place in conformity with the audit version above. This auditors' report refers only to the complete German version of the consolidated financial statements complete with the management report. Section 281, paragraph 2 of the Austrian Commercial Code applies to any other versions.

LENZING GROUP FIVE-YEAR OVERVIEW

Key earnings and profitability figures

EUR mn	2015	2014	2013	2012	2011
Revenue	1,976.8	1,864.2	1,908.9	2,090.4	2,140.0
EBITDA (earnings before interest, tax, depreciation and amortization)	290.1	240.3	225.4	352.4	480.3
EBITDA margin	14.7%	12.9%	11.8%	16.9%	22.4%
EBIT (earnings before interest and tax)	151.1	21.9	86.4	231.5	364.0
EBIT margin	7.6%	1.2%	4.5%	11.1%	17.0%
EBT (earnings before tax)	149.1	7.3	68.1	236.0	351.9
Net profit/loss for the year	124.0	(14.2)	50.0	180.9	267.4
Earnings per share in EUR	4.63	(0.51)	1.89	6.61	9.88
ROCE (return on capital employed)	8.0%	(0.1%)	3.7%	13.7%	23.0% ¹
ROE (return on equity)	13.0%	0.7%	6.0%	21.4%	39.0%
ROI (return on investment)	6.3%	0.9%	3.4%	9.3%	16.9%

Key cash flow figures

EUR mn	2015	2014	2013	2012	2011
Gross cash flow	284.5	230.8	94.6	248.0	435.3
Cash flow from operating activities	215.6	218.8	82.3	209.4	309.7
Free cash flow	145.0	114.8	(163.9)	(109.1)	119.2 ¹
CAPEX	70.9	104.3	248.7	319.6	193.4
Liquid assets as at 31/12	355.3	280.3	296.0	528.8	499.6
Unused credit facilities as at 31/12	190.9	198.5	296.2	211.2	250.8

Key balance sheet figures

EUR mn as at 31/12	2015	2014	2013	2012	2011
Total assets	2,421.8	2,375.1	2,439.9	2,632.7	2,340.5
Adjusted equity	1,226.4	1,066.1	1,109.6	1,153.1	1,048.1
Adjusted equity in %	50.6%	44.9%	45.5%	43.8%	44.8%
Net financial debt	327.9	449.5	504.7	346.3	153.3
Net financial debt / EBITDA	1.1	1.9	2.2	1.0	0.3
Net debt	424.5	552.5	582.0	445.5	239.3
Net gearing	26.7%	42.2%	45.5%	30.0%	14.6%
Trading working capital	447.4	395.7	393.7	363.8	372.8
Trading working capital to annualized group revenue ratio	21.6%	19.5%	21.3%	17.4%	17.0%

Key stock market figures

EUR	2015	2014	2013	2012	2011
Market capitalization in millions as at 31/12	1,846.6	1,400.2	1,105.4	1,811.2	1,697.6
Share price as at 31/12	69.55	52.74	41.64	68.22	63.94
Dividend per share	2.00 ²	1.00	1.75	2.00	2.50

Employees

Headcount	2015	2014	2013	2012	2011
Employees as at 31/12	6,127	6,356	6,675	7,033	6,444

¹⁾ Adjusted compared with the annual reports of previous years. ²⁾ On the basis of proposed distribution of profits.

The above financial indicators are largely derived from the Lenzing Group's consolidated financial statements according to IFRS. Further details on their calculation can be found in section "Notes on financial performance indicators of the Lenzing Group", in the glossary of the the Annual Report and the consolidated financial statements of the Lenzing Group.

Rounding differences can occur when presenting rounded amounts and percentages.

To improve the informative value and clarity, the presentation of key indicators was revised for this Annual Report.

FINANCIAL CALENDAR 2016

Publication Financial Calendar

2016

Final results 2015	Wed, March 23
Record Date "Annual General Meeting"	Su, April 10
72 nd Annual General Meeting	Wed, April 20
Quotation ex dividend	Fr, April 22
Record Date "Dividends"	Mo, April 25
Dividend distribution	Tu, April 26
Results 1 st quarter	Thu, May 12
Half-year results	Wed, August 24
Results 3 rd quarter	Wed, November 16

Notes:

This English translation of the financial statements was prepared for the company's convenience only. It is a non-binding translation of the German financial statements. In the event of discrepancies between this English translation and the German original the latter shall prevail.

This annual report also includes forward-looking statements based on current assumptions and estimates that are made to the best of its knowledge by Lenzing Group. Such forward-looking statements can be identified by the use of terms such as "should", "could", "will", "estimate", "expect", "assume", "predict", "intend", "believe" or similar items. The projections that are related to the future development of the Lenzing Group represent estimates that were made on the basis of the information available as at the date on which this annual report went to press. Actual results may differ from the forecast if the assumptions underlying the forecast fail to materialize or if risks arise at a level that was not anticipated.

Calculation differences may arise when rounded amounts and percentages are summed. The annual report was prepared with great accuracy in order to ensure that the information provided herein is correct and complete. Rounding, type-setting and printing errors can nevertheless not be completely ruled out.



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FOKUS AUF PROFITABLES WACHSTUM

GESCHÄFTSBERICHT 2015
LENZING AG

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**LENZING**
LEADING FIBER INNOVATION

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LAGEBERICHT 2015

1 Allgemeines Marktumfeld

1.1 Weltwirtschaft¹

Angesichts der schwächeren Konjunktorentwicklung in den Schwellen- und Entwicklungsländern wuchs die Weltwirtschaft 2015 langsamer als im Jahr zuvor. Nach den jüngsten Schätzungen des Internationalen Währungsfonds (IWF) lag das globale Wirtschaftswachstum 2015 bei 3,1%, nach 3,4% im Jahr 2014. Die Industriestaaten setzten mit einer durchschnittlichen Wachstumsrate von 1,9% (2014: 1,8%) ihren moderaten Erholungskurs fort, während das Wachstum der Schwellen- und Entwicklungsländer mit 4,0% im Jahresvergleich deutlich schwächer ausfiel (2014: 4,6%).

Wirtschaftswachstum nach Regionen

	2013	2014	2015
Weltweit	3,3%	3,4%	3,1%
Industriestaaten	1,1%	1,8%	1,9%
Eurozone	-0,3%	0,9%	1,5%
Schwellen- und Entwicklungsländer	5,0%	4,6%	4,0%

Laut IWF wuchs Chinas Wirtschaft im Jahr 2015 um 6,9%, nach 7,3% im Jahr zuvor. Brasilien und Russland rutschten unterdessen in die Rezession und schrumpften um 3,8% bzw. 3,7%. Unter den BRIC-Staaten (Brasilien, Russland, Indien und China) konnte lediglich Indien mit einem Wirtschaftswachstum von 7,3% das Wachstumsniveau von 2014 (7,3%) halten. Die US-Wirtschaft wuchs 2015 um 2,5% (2014: 2,4%). In der Eurozone erhöhte sich das Bruttoinlandsprodukt um 1,5%, nach einem Plus von 0,9% im Jahr 2014.

1.2 Weltfasermarkt²

1.2.1 Rückgang der Weltfaserproduktion, Weltfaserverbrauch wächst um 2,7%

Erstmals seit vielen Jahren zeigte die Weltfaserproduktion nach ersten Schätzungen im Kalenderjahr 2015 einen leichten Rückgang gegenüber dem Vorjahr um 0,9% auf 94,0 Mio Tonnen (nach einem Wachstum von 2,1% im Jahr 2014). Dem stand ein Verbrauchsanstieg um voraussichtlich 2,7% (nach plus 2,8% im Jahr 2014) auf 95,6 Mio Tonnen gegenüber.

Hauptursache für den Produktionsrückgang war ein Einbruch der weltweiten Baumwollproduktion um 14,0% auf 22,5 Mio Tonnen. Der Grund dafür war, dass der Baumwollanbau infolge gesunkener Margen im Vergleich zu anderen Feldprodukten an Attraktivität verloren hat. Auch bei Wolle (minus 0,6% auf 1,2 Mio Tonnen) und sonstigen Naturfasern (minus 3,7% auf 4,9 Mio Tonnen) waren Produktionsrückgänge feststellbar.

¹ Quelle: IWF, World Economic Outlook Update, 19. Jänner 2016 ² Alle Produktionszahlen in diesem Kapitel wurden gegenüber den im Geschäftsbericht 2014 angeführten ersten Schätzungen aktualisiert. Quellen: International Cotton Advisory Committee (ICAC), IWF, Cotton Outlook, CCF Group (China Chemical Fibers and Textiles Consulting), Food and Agriculture Organization (FAO).

In der Gruppe der Synthefasern und anorganischen Fasern sowie der holz- und cottonlinter-basierten Cellulosefasern setzte sich das Produktionswachstum der vergangenen Jahre auch 2015 mit einem Plus von 4,8% (nach plus 3,8% im Jahr 2014) auf voraussichtlich 65,5 Mio Tonnen fort. Im Detail stieg die Produktion von Synthefasern im Vorjahresvergleich um 5,1% an, während bei Cellulosefasern der Produktionszuwachs nach vorläufigen Schätzungen etwa 1,5% betrug.

Überblick der Faserarten am Weltmarkt

Fasern				
aus Eiweiß	aus Cellulose		aus synthetischen Polymeren	aus anorganischen Substanzen
Wolle Seide Angora Kaschmir Kasein Kollagen Ardein Zein etc.	Baumwolle und Bastfasern Baumwolle Leinen Hanf Jute etc.	Holz-basiert Viscose Modal Lyocell Cupro Acetat etc.	Polyester Polyamid Polypropylen Polyurethan (Elastan) Acryl Polytetrafluor-ethylen	Carbon Keramik Glas Metall

1.2.2 Baumwollnachfrage übersteigt Produktion, Lagerbestände weiter auf hohem Niveau³

Die aktuelle Baumwollsaison 2015/16 (per Ende Juli) wird nach jüngsten Markteinschätzungen erstmals seit fünf Jahren von einem Nachfrageüberhang gekennzeichnet sein. Demnach soll die Baumwollproduktionsmenge deutlich fallen, da Anbauflächen in China, den USA und Pakistan reduziert wurden. Weltweit wird ein Rückgang der Anbauflächen von 8,7% erwartet.

Die Nachfrage wird indessen gleichbleibend mit rund 24 Mio Tonnen prognostiziert.

Weiterhin decken die weltweiten Lagerbestände mit über 20 Mio Tonnen gut 80% des aktuellen Jahresbedarfs ab. Mehr als die Hälfte dieser Menge wird in China gehortet, was ein gewisses Maß an Unsicherheit für den Absatzmarkt bedeutet. Die Qualität der gelagerten Mengen ist derzeit ebenso wenig bekannt wie die erzielbaren Verkaufspreise dieser Lagerbestände.

³ Quelle: ICAC Februar 2016

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Der durchschnittliche Cotton-„A“-Index im Kalenderjahr 2015 belief sich auf 70,4 US-Cents/Pfund und lag damit 15,1% unter dem vergleichbaren Vorjahreswert. Die Differenz zwischen Höchst- und Tiefstpreisen war so gering wie seit dem Jahr 2006 nicht mehr.

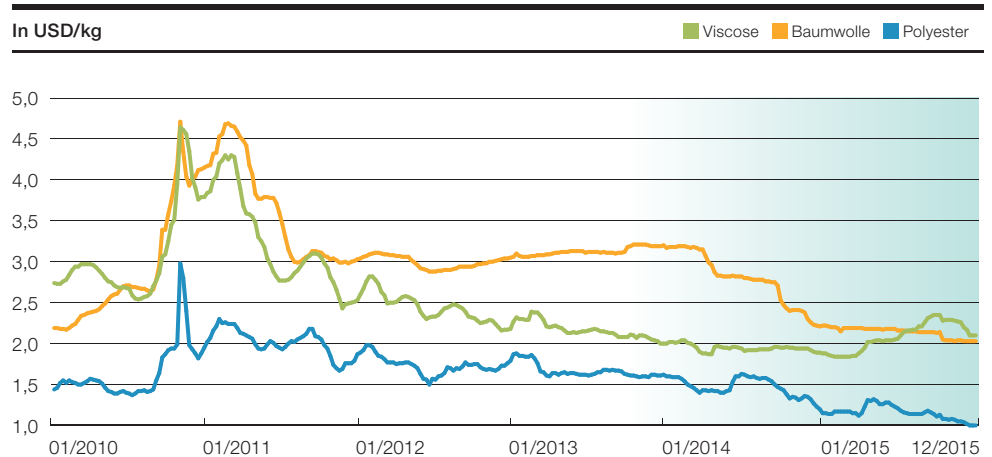
1.2.3 Viscosefasern mit positivem Preisverlauf 2015

Die Marktpreise für Viscosefasern haben sich im Kalenderjahr 2015 deutlich erholt und konnten im Jahresdurchschnitt um rund 5% zulegen, während Baumwolle und Polyester jeweils im Jahresdurchschnitt um mehr als 20% nachgaben. Erstmals seit 2010 waren Viscosefasern ab Mitte Juli wieder teurer als Baumwolle.

In China wurden im ersten Halbjahr 2015 erhebliche Produktionskapazitäten aufgrund verschärfter Umweltauflagen vorübergehend stillgelegt. Dadurch kam es zu einer Verknappung von Viscosefasern und zu einer kontinuierlichen Preissteigerung am chinesischen Spotmarkt. Nach der langsamen Wiederinbetriebnahme dieser Kapazitäten erfolgte ab Anfang November ein starker Preisabschwung.

Die Preise der Konkurrenzfaser Polyester gingen 2015 aufgrund des stark gesunkenen Rohölpreises hingegen stetig zurück.

Stapelfaserpreise – Entwicklung in China



Quelle: CCFG, Cotton Outlook

2 Entwicklung der Lenzing AG⁴

Der Geschäftsverlauf der Lenzing AG 2015 war gegenüber 2014 von einer Erholung der Faserpreise und einer anhaltend starken Nachfrage nach Lenzing Produkten gekennzeichnet. Vor allem der Absatz der hochwertigen Spezialfaser TENCEL[®] konnte deutlich gesteigert werden, da die im September 2014 in Betrieb gegangene neue TENCEL[®] Faseranlage 2015 ganzjährig operativ war.

Die Umsatzerlöse stiegen um 8,2% auf EUR 789,1 Mio, nach EUR 729,0 Mio im Geschäftsjahr 2014. Der Bestand an fertigen und unfertigen Erzeugnissen blieb im Vergleich zum Vorjahr praktisch unverändert. Die aktivierten Eigenleistungen sanken um 51,5% auf EUR 6,6 Mio gegenüber dem Vorjahr (2014: EUR 13,6 Mio), in dem die TENCEL[®] Faseranlage fertiggestellt wurde.

Die Aufwendungen für Material und sonstige bezogene Herstellungsleistungen stiegen um 6,2% von EUR 401,5 Mio auf EUR 426,2 Mio. Der Anstieg beruhte vor allem auf dem höheren Material- und Energieeinsatz der ganzjährig betriebenen TENCEL[®] Faseranlage sowie negativen Wechselkurseffekten bei in USD fakturierten Rohstoffen.

Der Personalaufwand erhöhte sich um 2,2% auf EUR 178,0 Mio (2014: EUR 174,3 Mio). Einsparungen im Zuge des Kostenoptimierungsprogrammes excellENZ standen unter anderem höhere Aufwendungen aus der Kollektivvertragsrunde sowie die Eingliederung eines Teiles der früheren Lenzing Technik-Mannschaft gegenüber.

Das EBITDA verringerte sich um 8,4% auf EUR 108,1 Mio, nach EUR 118,0 Mio im Vorjahreszeitraum. Das entsprach infolge des deutlich höheren Umsatzes einer niedrigeren EBITDA-Marge von 13,7% (2014: 16,2%).

Der Anstieg der Abschreibungen auf EUR 57,9 Mio (2014: EUR 53,2 Mio) war Folge der nunmehr ganzjährig operativen TENCEL[®] Faseranlage. Die sonstigen betrieblichen Aufwendungen stiegen um 18,3% von EUR 109,2 Mio im Jahr 2014 auf EUR 129,2 Mio an. In dem Anstieg enthalten sind Einmalaufwendungen im Zuge der strukturellen und strategischen Neuausrichtung sowie Fremdwährungsverluste. Somit ergab sich ein um 22,4% niedrigeres EBIT von EUR 50,3 Mio (2014: EUR 64,8 Mio) und eine EBIT-Marge von 6,4% (2014: 8,9%).

Das Finanzergebnis verbesserte sich hingegen deutlich von minus EUR 5,9 Mio im Geschäftsjahr 2014 auf EUR 25,0 Mio im Berichtsjahr. Dieser Anstieg ist hauptsächlich auf die höheren Erträge aus Beteiligungen zurückzuführen, die 2015 EUR 30,5 Mio ausmachten (2014: EUR 0,3 Mio).

Das Ergebnis der gewöhnlichen Geschäftstätigkeit stieg folglich um 27,9% auf EUR 75,2 Mio, nach EUR 58,8 Mio im Vorjahreszeitraum. Der Jahresüberschuss stieg um 48,5% auf EUR 66,1 Mio (2014: EUR 44,5 Mio). Nach Auflösung unverteilter Rücklagen und der Zuweisung zu Gewinnrücklagen ergab sich ein Bilanzgewinn der Lenzing AG von EUR 53,1 Mio (nach EUR 26,6 Mio).

⁴ Die dargestellten Finanzkennzahlen sind weitgehend aus dem Jahresabschluss der Lenzing AG nach UGB abgeleitet und werden in den folgenden Abschnitten 4.2 und 4.3 näher definiert und erläutert.

LAGEBERICHT 2015

Die Investitionen in immaterielle Vermögensgegenstände und Sachanlagen (CAPEX) sanken 2015 um 34,3% auf EUR 49,6 Mio (2014: EUR 75,5 Mio aufgrund der Fertigstellung der TEN-CEL® Faseranlage). Größte Einzelinvestitionen waren u.a. die Erneuerung einer Faserstraße sowie die Beseitigung von Engpässen in der Zellstoffproduktion (Debottlenecking).

Die Eigenkapitalrentabilität (ROE) verbesserte sich von 10,0% auf 12,3%. Aufgrund des niedrigeren EBIT verringerte sich hingegen die Gesamtkapitalrentabilität (ROI) im Jahresvergleich von 5,0% auf 3,8% und das Ergebnis auf das eingesetzte Kapital (ROCE) sank von 7,8% auf 6,3%.

3 Bilanzstruktur und Liquidität

Das bereinigte Eigenkapital der Lenzing AG lag zum Bilanzstichtag 31. Dezember 2015 bei EUR 632,2 Mio und damit um 7,0% höher als im Jahr zuvor (EUR 590,8 Mio). Damit lag die bereinigte Eigenkapitalquote zu Jahresende 2015 bei 46,9% (zuvor 45,6%) der Bilanzsumme. Die Nettofinanzverschuldung konnte auf EUR 260,2 Mio reduziert werden (nach EUR 297,8 Mio Ende 2014). Das Verhältnis Nettofinanzverschuldung zu EBITDA sank damit von 2,5 Ende 2014 auf 2,4 Ende 2015. Die Verbindlichkeiten gegenüber Kreditinstituten verringerten sich substantiell von EUR 65,1 Mio auf EUR 24,9 Mio. Das Net Gearing sank ebenfalls deutlich auf 41,2% nach 50,4% Ende 2014.

Die Forderungen und sonstigen Vermögensgegenstände verringerten sich von EUR 173,3 Mio Ende 2014 auf EUR 172,4 Mio zum Bilanzstichtag 2015. Das Trading Working Capital sank auf EUR 143,1 Mio nach EUR 147,2 Mio Ende 2014. Das Verhältnis Trading Working Capital zu Umsatzerlösen fiel auf 18,1% (Ende 2014: 20,2%).

Der Cashflow aus der Geschäftstätigkeit sank auf EUR 94,6 Mio (2014: EUR 144,2 Mio), der Cashflow aus der Investitionstätigkeit belief sich auf minus EUR 31,5 Mio (2014: minus EUR 68,7 Mio) und der Cashflow aus der Finanzierungstätigkeit betrug minus EUR 4,1 Mio (2014: minus EUR 70,2 Mio). Damit stiegen die liquiden Mittel vor allem infolge der Aufnahme eines weiteren Schuldscheindarlehens auf EUR 201,4 Mio nach EUR 142,4 Mio Ende 2014. Zu Jahresende 2015 standen darüber hinaus offene, ungenutzte Kreditlinien in Höhe von EUR 190,9 Mio zur Verfügung (Ende 2014: EUR 198,0 Mio).

Die Lenzing AG kommt ihren Zahlungsverpflichtungen zeitgerecht nach. Die Gesellschaft verfügt über eine solide Liquiditäts- und Eigenkapitalbasis sowie eine ausgewogene Bilanzstruktur. Zusätzlich bestehen ausreichende Liquiditätslinien bei verschiedenen Banken, die jederzeit zur Finanzierung bereitstehen.

Insgesamt sind dem Vorstand der Lenzing AG zum Bilanzstichtag 31. Dezember 2015 keine Risiken bekannt, die den Bestand des Unternehmens im Geschäftsjahr 2016 gefährden könnten.

4 Kennzahlen der Lenzing AG

Die dargestellten Finanzkennzahlen sind weitgehend aus dem Jahresabschluss der Lenzing AG nach UGB abgeleitet und werden in den folgenden Abschnitten 4.2 und 4.3 näher definiert und erläutert.

Zur Verbesserung der Aussagekraft bzw. Lesbarkeit wurde die Darstellung der Kennzahlen für diesen Lagebericht überarbeitet. Bei der Darstellung von gerundeten Beträgen und Prozentangaben können Rundungsdifferenzen auftreten.

4.1 Kennzahlen

Ergebnis- und Rentabilitätskennzahlen

EUR Mio

	2015	2014	2013
Umsatzerlöse	789,1	729,0	746,4
EBITDA (Betriebsergebnis vor Abschreibungen)	108,1	118,0	82,7
EBITDA-Marge in %	13,7%	16,2%	11,1%
EBIT (Betriebsergebnis)	50,3	64,8*	25,6*
EBIT-Marge in %	6,4%	8,9%	3,4%
Ergebnis der gewöhnlichen Geschäftstätigkeit	75,2	58,8	63,8
Jahresüberschuss	66,1	44,5	56,9
ROE in %	12,3%	10,0%	10,8%
ROI in %	3,8%	5,0%*	1,9%*
ROCE (Ergebnis auf das eingesetzte Kapital)	6,3%	7,8%	2,9%

Bilanzkennzahlen

EUR Mio

	2015	2014	2013
Bereinigtes Eigenkapital am Bilanzstichtag	632,2	590,8	590,5
Bereinigte Eigenkapitalquote in %	46,9%	45,6%	45,0%
Nettofinanzverschuldung am Bilanzstichtag	260,2	297,8	326,7*
Nettofinanzverschuldung / EBITDA	2,4	2,5	4,0
Net Gearing in % am Bilanzstichtag	41,2%	50,4%	55,3%
Nettoverschuldung am Bilanzstichtag	340,9	383,4*	392,5*
Trading Working Capital	143,1	147,2	147,5
Trading Working Capital zu Umsatzerlösen	18,1%	20,2%	19,8%

* Die Vergleichszahlen wurden an die angeführte Definition angepasst.

LAGEBERICHT 2015

Cashflow-Kennzahlen

EUR Mio

	2015	2014	2013
Cashflow aus der Geschäftstätigkeit	94,6	144,2	44,8
Cashflow aus der Investitionstätigkeit	-31,5	-68,7	-120,3
Cashflow aus der Finanzierungstätigkeit	-4,1	-70,2	-69,4
Veränderung der liquiden Mittel	59,0	5,2	-144,8
Anfangsbestand liquide Mittel	142,4	137,1	282,0
Endbestand liquide Mittel	201,4	142,4	137,1
Ungenutzte Kreditlinien per 31.12.	190,9	198,0	289,2
CAPEX	49,6	75,5	159,3

Börsenkennzahlen

	2015	2014	2013
Grundkapital am Bilanzstichtag in EUR Mio	27,6	27,6	27,6
Anzahl der Aktien am Bilanzstichtag in Stk.	26.550.000	26.550.000	26.550.000
Börsenkapitalisierung in EUR Mio	1.846,6	1.400,2	1.105,4
Aktienkurs am Bilanzstichtag in EUR	69,55	52,74	41,64

4.2 Definitionen der Finanzkennzahlen

Definition und Ableitung von im Lagebericht verwendeten Finanzkennzahlen, die nicht direkt im Jahresabschluss nach österreichischem Unternehmensgesetzbuch (UGB) dargestellt sind:

■ Bereinigtes Eigenkapital

Eigenkapital zuzüglich unversteuerte Rücklagen zuzüglich Zuschüsse der öffentlichen Hand abzüglich anteilige Ertragsteuern.

■ Bereinigte Eigenkapitalquote

%-Verhältnis bereinigtes Eigenkapital zur Bilanzsumme.

■ Bilanzsumme

Summe aus Anlage- und Umlaufvermögen sowie Rechnungsabgrenzungsposten bzw. Summe aus Eigenkapital, Zuschüsse der öffentlichen Hand, unversteuerte Rücklagen, Rückstellungen und Verbindlichkeiten sowie Rechnungsabgrenzungsposten. Die genaue Ableitung ist aus der Bilanz ersichtlich.

■ Börsenkapitalisierung bzw. Marktkapitalisierung

Gewichtete durchschnittliche Anzahl der Aktien multipliziert mit dem Aktienkurs zum Stichtag.

- **CAPEX**

Capital expenditures; entspricht den Investitionen in immaterielle Vermögensgegenstände und Sachanlagen. Er wird im Cashflow dargestellt.

- **Capital Employed**

Bilanzsumme abzüglich nicht verzinsliches Fremdkapital abzüglich Kassenbestand, Guthaben bei Kreditinstituten, abzüglich Wertpapiere des Umlaufvermögens und abzüglich Finanzanlagen.

- **Cashflow**

Berechnung erfolgt auf Basis des Fachgutachtens der Kammer der Wirtschaftstreuhänder KFS/BW2 über die Geldflussrechnung als Ergänzung des Jahresabschlusses und Bestandteil des Konzernabschlusses.

- **EBIT (Betriebsergebnis)**

Earnings before interest and taxes; Zwischensumme aus Ziffer 1 bis 8 lt. Gewinn- und Verlustrechnung.

- **EBIT-Marge**

%-Verhältnis EBIT zu den Umsatzerlösen.

- **EBITDA (Betriebsergebnis vor Abschreibungen)**

Earnings before interest, taxes, depreciation and amortization; EBIT (Betriebsergebnis) zuzüglich Abschreibungen auf immaterielle Gegenstände des Anlagevermögens und Sachanlagen abzüglich Erträge aus der Zuschreibung zum Anlagevermögen mit Ausnahme der Finanzanlagen abzüglich Auflösung Investitionszuschüsse der öffentlichen Hand.

- **EBITDA-Marge**

%-Verhältnis EBITDA (Betriebsergebnis vor Abschreibungen) zu den Umsatzerlösen.

- **Finanzergebnis**

Zwischensumme aus Ziffer 10 bis 15 lt. Gewinn- und Verlustrechnung.

- **Liquide Mittel**

Kassenbestand, Guthaben bei Kreditinstituten.

- **Nettofinanzverschuldung**

Net financial debt; Verzinsliches Fremdkapital ohne Sozialkapital abzüglich Kassenbestand, Guthaben bei Kreditinstituten und Wertpapiere des Umlaufvermögens.

- **Nettofinanzverschuldung / EBITDA**

Nettofinanzverschuldung im Verhältnis zum EBITDA.

- **Net Gearing**

%-Verhältnis Nettofinanzverschuldung zum bereinigten Eigenkapital.

LAGEBERICHT 2015

■ **Nettoverschuldung**

Net debt; Verzinsliches Fremdkapital abzüglich Kassenbestand, Guthaben bei Kreditinstituten und Wertpapiere des Umlaufvermögens.

■ **Nicht verzinsliches Fremdkapital**

Verbindlichkeiten aus Lieferungen und Leistungen zuzüglich Verbindlichkeiten gegenüber Unternehmen mit Beteiligungsverhältnis zuzüglich Verbindlichkeiten gegenüber verbundenen Unternehmen aus Lieferungen und Leistungsverrechnungen zuzüglich sonstiger Verbindlichkeiten zuzüglich anteiliger latenter Steuern auf Zuschüsse aus öffentlichen Mitteln und unbesteuerter Rücklagen zuzüglich Rückstellungen ohne Sozialkapital zuzüglich Passive Rechnungsabgrenzung.

■ **NOPAT**

Net operating profit after tax; (EBIT) Betriebsergebnis abzüglich anteilige Steuern vom Einkommen und Ertrag (auf das EBIT).

■ **ROCE (Ergebnis auf das eingesetzte Kapital)**

Return on capital employed; %-Verhältnis NOPAT zum durchschnittlichen Capital Employed (Durchschnitt aus 01.01. und 31.12.).

■ **ROE (Eigenkapitalrentabilität)**

Return on equity; %-Verhältnis Ergebnis der gewöhnlichen Geschäftstätigkeit (EGT) zum durchschnittlich bereinigten Eigenkapital (Durchschnitt aus 01.01. und 31.12.).

■ **ROI (Gesamtkapitalrentabilität)**

Return on investment; %-Verhältnis EBIT (Betriebsergebnis) zur durchschnittlichen Bilanzsumme (Durchschnitt aus 01.01. und 31.12.).

■ **Sozialkapital**

Rückstellungen für Pensionen und Abfertigungen.

■ **Trading Working Capital**

Vorräte zuzüglich Forderungen aus Lieferungen und Leistungen, Forderungen gegenüber Unternehmen, mit denen ein Beteiligungsverhältnis besteht sowie Forderungen gegenüber verbundenen Unternehmen aus Lieferungen und Leistungsverrechnungen abzüglich Verbindlichkeiten aus Lieferungen und Leistungen, Verbindlichkeiten gegenüber Unternehmen, mit denen ein Beteiligungsverhältnis besteht sowie Verbindlichkeiten gegenüber verbundenen Unternehmen aus Lieferungen und Leistungsverrechnungen.

■ **Trading Working Capital zu Umsatzerlösen**

%-Verhältnis Trading Working Capital zu den Umsatzerlösen des Geschäftsjahres.

■ **Verzinsliches Fremdkapital**

Anleihen, Verbindlichkeiten aus Schuldscheindarlehen, Verbindlichkeiten gegenüber Kreditinstituten, sonstige zinstragende Verbindlichkeiten, Verbindlichkeiten gegenüber verbundenen Unternehmen aus verzinslichen Darlehen und Rückstellungen für Sozialkapital.

4.3 Erläuterungen zu den Finanzkennzahlen

Nachfolgend werden die zentralen Finanzkennzahlen der Lenzing AG näher erläutert. Sie sind weitgehend aus dem Jahresabschluss der Lenzing AG nach UGB abgeleitet.

Der Vorstand ist der Meinung, dass diese Finanzkennzahlen nützliche Informationen über die wirtschaftliche Lage der Lenzing AG vermitteln, da sie unternehmensintern verwendet werden und meist auch einen hohen Stellenwert bei externen Adressaten aufweisen (insbesondere bei Investoren, Banken und Analysten).

4.3.1 EBITDA, EBITDA-Marge, EBIT und EBIT-Marge

Das EBITDA und das EBIT werden in der Lenzing AG als Maßstäbe für die operative Ertragskraft und Profitabilität (Performance) vor Abschreibungen und nach Abschreibungen verwendet. Aufgrund ihrer Bedeutung – auch für die externen Adressaten – werden diese Kennzahlen ermittelt und zum Vergleich der Margen im Verhältnis zu den Umsatzerlösen (als EBITDA-Marge bzw. EBIT-Marge bezeichnet) dargestellt.

EBITDA EUR Mio

	2015	2014	2013
EBIT (Betriebsergebnis)	50,3	64,8	25,6
+ Abschreibungen auf immaterielle Gegenstände des Anlagevermögens und Sachanlagen	58,3	53,8	57,7
- Auflösung Investitionszuschüsse der öffentlichen Hand	-0,4	-0,6	-0,6
EBITDA	108,1	118,0	82,7
/ Umsatzerlöse	789,1	729,0	746,4
EBITDA-Marge in %	13,7%	16,2%	11,1%

EBIT EUR Mio

	2015	2014	2013
EBIT (Betriebsergebnis)	50,3	64,8	25,6
/ Umsatzerlöse	789,1	729,0	746,4
EBIT-Marge in %	6,4%	8,9%	3,4%

LAGEBERICHT 2015

4.3.2 CAPEX

Der CAPEX wird in der Lenzing AG als Maßstab für die Höhe von Investitionen in immaterielle Vermögensgegenstände und Sachanlagen verwendet. Er wird im Cashflow dargestellt.

4.3.3 Bereinigtes Eigenkapital am Bilanzstichtag und bereinigte Eigenkapitalquote

Das bereinigte Eigenkapital wird in der Lenzing AG als Maßstab für die Unabhängigkeit gegenüber Fremdkapitalgebern und die Fähigkeit, neues Kapital aufzunehmen, verwendet (Finanzkraft). Es enthält neben dem Eigenkapital nach UGB auch die Zuschüsse der öffentlichen Hand und die un versteuerten Rücklagen abzüglich anteiliger Ertragsteuern. Es wird zum Vergleich mit dem Eigen- und Fremdkapital in das Verhältnis zur Bilanzsumme gesetzt. Diese Kennzahl (bzw. ähnliche Kennzahlen) wird (werden) gelegentlich als Financial Covenant(s) mit Fremdkapitalgebern vereinbart.

Bereinigtes Eigenkapital	EUR Mio		
	2015	2014	2013
Eigenkapital	613,5	573,2	574,9
+ Zuschüsse der öffentlichen Hand	9,3	7,4	4,4
+ Unversteuerte Rücklagen	15,7	16,1	16,4
- 25 % anteilige Ertragsteuern	-6,2	-5,9	-5,2
Bereinigtes Eigenkapital am Bilanzstichtag	632,2	590,8	590,5
/ Bilanzsumme	1.348,5	1.296,8	1.312,7
Bereinigte Eigenkapitalquote in %	46,9%	45,6%	45,0%

4.3.4 Kapitalrentabilität (ROE, ROI und ROCE)

Der ROCE (Ergebnis auf das eingesetzte Kapital) wird in der Lenzing AG als Maßstab für die Rendite (Verzinsung) auf das im Geschäftsbetrieb eingesetzte Kapital (das Capital Employed) verwendet. Sie ist zudem wichtig für externe Adressaten. Der ROE (Eigenkapitalrentabilität) und der ROI (Gesamtkapitalrentabilität) sind Rentabilitätskennzahlen, die die Ertragskraft der Lenzing AG messen sollen.

ROCE (Ergebnis auf das eingesetzte Kapital)**EUR Mio**

	2015	2014	2013
Betriebsergebnis (EBIT)	50,3	64,8	25,6
- Anteilige Steuern vom Einkommen und vom Ertrag (auf das EBIT)	-11,1	-16,1	-9,2
NOPAT	39,1	48,7	16,4
/ Durchschnittliches Capital Employed	616,4	625,8	561,4
ROCE (Ergebnis auf das eingesetzte Kapital)	6,3%	7,8%	2,9%
Anteilige Steuern vom Einkommen und vom Ertrag (auf das EBIT)	-11,1	-16,1	-9,2
Anteilige Steuern vom Einkommen und vom Ertrag (auf das Finanzergebnis)	1,9	1,7	2,2
Steuern vom Einkommen und vom Ertrag	-9,2	-14,4	-7,0
Bilanzsumme	1.348,5	1.296,8	1.312,6
- Verbindlichkeiten aus Lieferungen und Leistungen	-44,3	-46,0	-49,9
- Verbindlichkeiten geg. verbundenen Unternehmen (LuL)	-11,8	-8,1	-10,5
- Sonstige Verbindlichkeiten	-33,4	-29,3	-10,6
- Anteilige Ertragssteuern auf Zuschüsse aus öffentl. Mitteln	-2,3	-1,8	-1,1
- Anteilige Ertragssteuern auf unbesteuerter Rücklagen	-3,9	-4,0	-4,1
- Rückstellungen	-148,6	-154,3	-171,3
+ Rückstellungen für Abfertigungen und Pensionen (Sozialkapital)	80,7	85,6	65,7
- Passive Rechnungsabgrenzung	-0,5	-0,2	-0,1
- Kassenbestand, Guthaben bei Kreditinstituten	-201,4	-142,4	-137,1
- Finanzanlagen	-369,5	-377,0	-361,4
Stand 31.12.	613,5	619,3	632,2
Stand 01.01.	619,3	632,2	490,5
Durchschnittliches Capital Employed	616,4	625,8	561,4

Durchschnittliches bereinigtes Eigenkapital**EUR Mio**

	2015	2014	2013
Bereinigtes Eigenkapital 31.12.	632,2	590,8	590,5
Bereinigtes Eigenkapital 01.01.	590,8	590,5	587,3
Durchschnittliches bereinigtes Eigenkapital	611,5	590,6	588,9

LAGEBERICHT 2015

ROE (Eigenkapitalrentabilität)

EUR Mio

	2015	2014	2013
Ergebnis der gewöhnlichen Geschäftstätigkeit	75,2	58,8	63,8
/ Durchschnittliches bereinigtes Eigenkapital	611,5	590,6	588,9
ROE (Eigenkapitalrentabilität)	12,3%	10,0%	10,8%

Durchschnittliche Bilanzsumme

EUR Mio

	2015	2014	2013
Bilanzsumme 31.12.	1.348,5	1.296,8	1.312,6
Bilanzsumme 01.01.	1.296,8	1.312,6	1.356,5
Durchschnittliche Bilanzsumme	1.322,6	1.304,7	1.334,6

ROI (Gesamtkapitalrentabilität)

EUR Mio

	2015	2014	2013
EBIT (Betriebsergebnis)	50,3	64,8	25,6
/ Durchschnittliche Bilanzsumme	1.322,6	1.304,7	1.334,6
ROI (Gesamtkapitalrentabilität)	3,8%	5,0%	1,9%

4.3.5 Nettofinanzverschuldung, Nettofinanzverschuldung/EBITDA, Net Gearing und Nettoverschuldung

Die Nettofinanzverschuldung wird in der Lenzing AG als Maßstab für die finanzielle Verschuldung und die Kapitalstruktur verwendet. Sie ist zudem wichtig für externe Adressaten. Diese Kennzahl wird in das Verhältnis zum EBITDA gesetzt und gibt dadurch einen Anhaltspunkt, wie viele Perioden das gleiche EBITDA erwirtschaftet werden müsste, um die Nettofinanzverschuldung abzudecken. Das Verhältnis zwischen Nettofinanzverschuldung und bereinigtem Eigenkapital (Net Gearing) veranschaulicht das Verhältnis von Netto-Fremdkapital zu bereinigtem Eigenkapital. Diese Kennzahl (bzw. ähnliche Kennzahlen) wird (werden) gelegentlich als Financial Covenant(s) mit Fremdkapitalgebern vereinbart. Die Nettoverschuldung wird in der Lenzing AG als Maßstab für die finanzielle Verschuldung unter Berücksichtigung von Rückstellungen für Abfertigungen und Pensionen verwendet.

Nettofinanzverschuldung**EUR Mio**

	2015	2014	2013
Anleihen	120,0	120,0	120,0
+ Verbindlichkeiten aus Schuldscheindarlehen	237,5	213,5	213,5
+ Verbindlichkeiten gegenüber Kreditinstituten	24,9	65,1	90,2
+ Sonstige zinstragende Verbindlichkeiten	27,2	26,0	24,7
+ Verbindlichkeiten gegenüber verbundenen Unternehmen (verzinsliche Darlehen)	52,0	15,5	15,5
- Kassenbestand, Guthaben bei Kreditinstituten	-201,4	-142,4	-137,2
Nettofinanzverschuldung	260,2	297,8	326,7
Nettofinanzverschuldung	260,2	297,8	326,7
/ EBITDA	108,1	118,0	82,7
Nettofinanzverschuldung / EBITDA	2,4	2,5	4,0
Nettofinanzverschuldung	260,2	297,8	326,7
/ Bereinigtes Eigenkapital	632,2	590,8	590,5
Net Gearing in % am Bilanzstichtag	41,2%	50,4%	55,3%

Nettoverschuldung**EUR Mio**

	2015	2014	2013
Nettofinanzverschuldung	260,2	297,8	326,7
+ Rückstellungen für Abfertigungen	53,5	56,4	38,5
+ Rückstellungen für Pensionen	27,1	29,2	27,2
Nettoverschuldung am Bilanzstichtag	340,9	383,4	392,5

LAGEBERICHT 2015

4.3.6 Trading Working Capital und Trading Working Capital zu Umsatzerlösen

Das Trading Working Capital wird in der Lenzing AG als Maßstab für die potenzielle Liquidität und die Kapitaleffizienz verwendet.

Trading Working Capital		EUR Mio		
	2015	2014	2013	
Vorräte	82,6	76,6	56,4	
+ Forderungen aus Lieferungen und Leistungen	38,3	31,3	65,5	
+ Forderungen gegenüber Unternehmen, mit denen ein Beteiligungsverhältnis besteht	3,0	4,9	3,1	
+ Forderungen gegenüber verbundenen Unternehmen (Lieferungen und Leistungsverrechnungen)	75,3	88,5	82,9	
- Verbindlichkeiten aus Lieferungen und Leistungen	-44,3	-46,0	-49,9	
- Verbindlichkeiten gegenüber verbundenen Unternehmen (Lieferungen und Leistungsverrechnungen)	-11,8	-8,1	-10,5	
Trading Working Capital	143,1	147,2	147,5	
Umsatzerlöse	789,1	729,0	746,4	
Trading Working Capital zu Umsatzerlösen	18,1%	20,2%	19,8%	

4.3.7 Cashflow

Der Cashflow dient in der Lenzing AG zur Beurteilung der Finanzlage, insbesondere der Fähigkeit, Zahlungsüberschüsse zu erwirtschaften und Zahlungsverpflichtungen zu erfüllen.

Cashflow		EUR Mio		
	2015	2014	2013	
Ergebnis der gewöhnlichen Geschäftstätigkeit	75,2	58,8	63,8	
+ Abschreibungen auf immaterielle Gegenstände des Anlagevermögens und Sachanlagen	58,3	53,8	57,7	
+/- sonstige Überleitungen	-38,9	31,6	-76,7	
Cashflow aus der Geschäftstätigkeit	94,6	144,2	44,8	
- CAPEX	-49,6	-75,5	-159,3	
- Auszahlungen für Finanzanlagen	-61,6	-140,1	-95,8	
+ Einzahlungen aus dem Abgang von Anlagevermögen	79,7	146,8	134,8	
Cashflow aus der Investitionstätigkeit	-31,5	-68,7	-120,3	
- Dividende	-26,6	-46,5	-53,1	
+ Investitionszuschüsse	1,0	0,0	0,7	
+/- Einzahlungen/Auszahlungen von verzinslichem Fremdkapital (ohne Sozialkapital)	21,5	-23,7	-17,0	
Cashflow aus der Finanzierungstätigkeit	-4,1	-70,2	-69,4	
Veränderung der liquiden Mittel	59,0	5,2	-144,8	
Anfangsbestand der liquiden Mittel	142,4	137,1	282,0	
Endbestand der liquiden Mittel	201,4	142,4	137,1	

5 Die Lenzing Aktie

Die Lenzing Aktie notiert im Prime Market der Wiener Börse. Als eines der zwanzig größten börsennotierten Unternehmen Österreichs ist Lenzing im Leitindex ATX gelistet und außerdem im Wiener Börsenindex WBI sowie seit 2005 durchgehend im Nachhaltigkeitsindex VÖNIX enthalten.

2015 lag der durchschnittliche Tagesumsatz bei knapp EUR 3,0 Mio, die Marktkapitalisierung zum Jahresultimo (30.12.2015) belief sich auf EUR 1,85 Mrd.

Aktienkennzahlen 2015

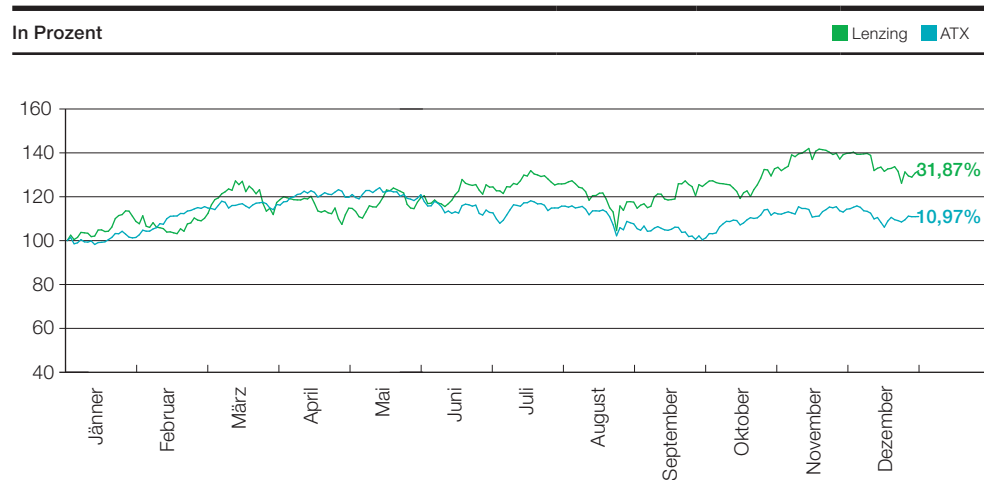
ISIN	AT 0000644505
Börsenkürzel	LNZ
Erstnotiz	19.09.1985
Indizes	ATX Prime, VÖNIX, WBI
Anzahl Aktien	26.550.000
Grundkapital	EUR 27.574.071,43
Stückumsatz gesamt	11.782.076
Geldumsatz gesamt	EUR 746.252.947,80
Durchschnitt Tagesumsatz	EUR 2,997 Mio
Jahreshöchstkurs	EUR 75,65
Jahrestiefstkurs	EUR 52,39
Schlusskurs 30.12.	EUR 69,55
Jahresperformance	+31,87%
Marktkapitalisierung 30.12.	EUR 1.846.552.500,00

LAGEBERICHT 2015

5.1 Aktienperformance

Die Weltbörsen waren 2015 von hohen Kursschwankungen geprägt und entwickelten sich regional sehr unterschiedlich. Der Wiener Leitindex ATX beendete das Börsenjahr 2015 bei einem Indexstand von 2.396,94 Punkten und einer Jahresperformance von rund 11%. Die Lenzing Aktie erzielte im Berichtsjahr ein Kursplus von fast 32% und zählte damit zu den stärksten Gewinnern im prime market der Wiener Börse. Positiv vom Kapitalmarkt aufgenommen wurden die gute Geschäftsentwicklung, die erfolgreiche Umsetzung des 2013 gestarteten Kostensenkungsprogramms und die im November 2015 vorgestellte neue Strategie sCore TEN. Zum 30. Dezember 2015 betrug der Jahresschlusskurs der Lenzing Aktie EUR 69,55. Das Jahrestief lag im Jänner bei EUR 52,39, das Jahreshoch wurde im November bei EUR 75,65 erreicht.

Entwicklung der Lenzing Aktie 2015

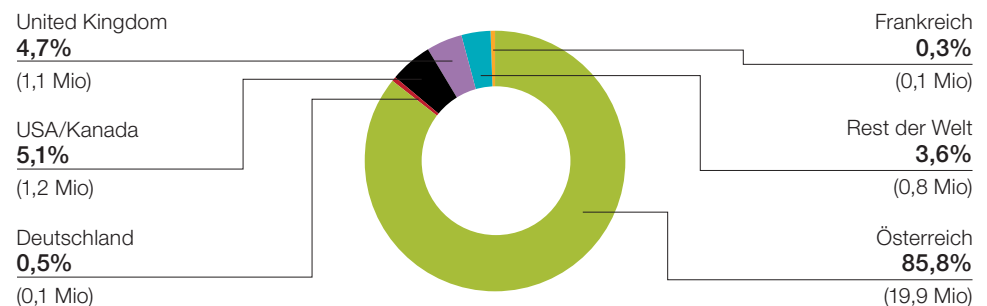


5.2 Grundkapital und Aktionärsstruktur

Das Grundkapital der Lenzing AG beträgt EUR 27.574.071,43 und ist eingeteilt in 26.550.000 Stückaktien. Die B&C Gruppe ist mit 67,6% der Stimmrechte weiterhin Mehrheitseigentümer und versteht sich als langfristig orientierter österreichischer Kernaktionär der Lenzing AG. Weitere rund 5% der Stimmrechte hält die Oberbank AG, eine führende österreichische Regionalbank. Die restlichen Anteile befinden sich zu 27,4% im Streubesitz bei internationalen und österreichischen Investoren. Die Lenzing Gruppe hält keine eigenen Aktien. Die geografische Aufteilung des identifizierten Free Float-Aktienbesitzes gliedert sich folgendermaßen auf:

Aktienbesitz nach Ländern

In Prozent und Mio Stück per 31.12.2015 (Identifiziert: 23.129.843 Mio Stück)



5.3 Stellung der Aktionäre

Es gibt keine Aktien mit besonderen Kontrollrechten. Jede Stückaktie gewährt dem Aktionär in der Hauptversammlung der Lenzing AG eine Stimme. Die Beschlüsse der Hauptversammlungen werden, soweit nicht zwingende Vorschriften des Aktiengesetzes etwas Abweichendes bestimmen, mit einfacher Mehrheit der abgegebenen Stimmen und in Fällen, in denen Kapitalmehrheit erforderlich ist, mit einfacher Mehrheit des bei der Beschlussfassung vertretenen Grundkapitals gefasst.

Mit Hauptversammlungsbeschluss vom 28. April 2014 wurde der Vorstand ermächtigt, mit Zustimmung des Aufsichtsrats auf den Inhaber lautende Stückaktien der Gesellschaft im Ausmaß von bis zu 10% des Grundkapitals der Gesellschaft während einer Geltungsdauer von 30 Monaten ab dem 28. April 2014 über die Börse zu erwerben. Der Handel in eigenen Aktien ist als Zweck des Erwerbs ausgeschlossen.

Darüber hinaus wurde der Vorstand ermächtigt, erforderlichenfalls das Grundkapital durch Einziehung dieser eigenen Aktien ohne weiteren Hauptversammlungsbeschluss herabzusetzen. Der Aufsichtsrat wurde ermächtigt, Änderungen der Satzung, die sich durch die Einziehung von Aktien ergeben, zu beschließen.

Mit Hauptversammlungsbeschluss vom 22. April 2015 wurde der Vorstand ermächtigt mit Zustimmung des Aufsichtsrats das Grundkapital innerhalb von fünf Jahren – allenfalls in Tranchen – gegen Bar- und/oder Sacheinlage um bis zu EUR 13.778.412 durch Ausgabe von bis zu 13.274.000 Stückaktien zu erhöhen („genehmigtes Kapital“). Diese Ermächtigung wurde im Firmenbuch noch nicht eingetragen und ist daher noch nicht wirksam. Darüber hinaus wurde der Vorstand mit Hauptversammlungsbeschluss vom 22. April 2015 ermächtigt, mit Zustimmung des Aufsichtsrates bis spätestens 22. April 2020 Wandelschuldverschreibungen – auch in mehreren Tranchen – auszugeben, die ein Bezugs- oder Umtauschrecht bzw. eine Bezugs- oder Umtauschpflicht auf bis zu 13.274.000 Aktien gewähren bzw. vorsehen („bedingtes Kapital“). Die Bedienung kann über das bedingte Kapital und/oder über eigene Aktien erfolgen.

LAGEBERICHT 2015

Der Vorstand hat von den am bzw. bis 31. Dezember 2015 bestehenden Ermächtigungen zur Erhöhung des Grundkapitals, zur Ausgabe von Wandelschuldverschreibungen und zum Rückkauf eigener Aktien in der Berichtsperiode keinen Gebrauch gemacht.

5.4 Hauptversammlung 2015 und Dividende

Die 71. ordentliche Hauptversammlung der Lenzing AG fand am 22. April 2015 in Lenzing (Oberösterreich) statt. Alle Beschlussfassungspunkte erhielten mehr als 90% Zustimmung. Die Hauptversammlung beschloss für das Geschäftsjahr 2014 die Ausschüttung einer Dividende von EUR 1,00 je Stückaktie. Dies entsprach bei 26.550.000 Stückaktien insgesamt EUR 26.550.000,00.

Für das Geschäftsjahr 2015 schlagen Vorstand und Aufsichtsrat der 72. ordentlichen Hauptversammlung die Zahlung einer Dividende von EUR 2,00 je Stückaktie vor.

5.5 Weitere Offenlegung gemäß § 243a UGB

Es existieren keine sich nicht unmittelbar aus dem Gesetz ergebenden Bestimmungen über die Ernennung und Abberufung der Mitglieder des Vorstands und des Aufsichtsrats. Die Gesellschaft ist keine bedeutenden Vereinbarungen eingegangen, die bei einem Kontrollwechsel der Gesellschaft infolge eines Übernahmeangebots wirksam, sich ändern oder enden würden. Es existieren keine Entschädigungsvereinbarungen zwischen der Gesellschaft und Mitgliedern des Vorstands und des Aufsichtsrates oder Arbeitnehmern im Falle eines öffentlichen Übernahmeangebots.

6 Risikobericht

6.1 Aktuelles Risikoumfeld

Für eine ausführliche Bestandsaufnahme der Entwicklungen am Welfasermarkt im Berichtsjahr und der damit zusammenhängenden Risiken für die Lenzing AG siehe Kapitel **Allgemeines Marktumfeld**.

Die Erholung der Viscosefaserpreise hat sich im 4. Quartal 2015, ausgehend von China, wieder gegenläufig entwickelt und deshalb werden die nach wie vor bestehenden Überkapazitäten bei Viscosefaser, in Verbindung mit den niedrigen Preisniveaus für Polyester und Baumwolle, als das höchste Risiko für die Faserpreisentwicklung gesehen.

Die Zellstoffversorgung gilt weiterhin als ausreichend gesichert. Es besteht jedoch ein größer werdendes Risiko des Verlusts von Kostenvorteilen durch die Rückwärtsintegration bei Konkurrenten und durch die nach wie vor mögliche Einführung von Importzöllen in China auf Zellstoff aus Europa und Südafrika.

Die Rohstoffpreise für Chemikalien sowie Energiepreise sind konjunkturbedingt auf niedrigem Niveau und es wird kurzfristig nicht mit starken Preiserhöhungen gerechnet.

Auf der Währungsseite profitiert Lenzing nach wie vor von einem starken US-Dollar bzw. chinesischen Yuan gegenüber dem Euro. Liquiditätsrisiken werden für 2016 unter anderem aufgrund der positiven Cashflow-Entwicklung sowie des reduzierten Investitionsprogrammes als gering eingestuft.

In der Kategorie der betrieblichen Risiken sowie bei den Umwelt- und Haftungsrisiken, die ein hohes Schadenspotenzial bergen, gab es auch im Geschäftsjahr 2015 keine wesentlichen Schadensfälle.

6.2 Risikomanagement

Der Vorstand der Lenzing AG übernimmt gemeinsam mit den Leitern der ihm jeweils zugeordneten Einheiten umfangreiche Steuerungs- und Controlling-Aufgaben im Rahmen eines internen, alle Standorte umfassenden, integrierten Kontrollsystems. Das rechtzeitige Erkennen, Evaluieren und Reagieren auf strategische und operative Risiken ist ein wesentlicher Bestandteil der Führungstätigkeit dieser Einheiten. Grundlagen dafür sind ein einheitliches und konzernweites, auf Monatsbasis aufgebautes Berichtswesen und eine laufende Überwachung der operativen und strategischen Pläne.

Lenzing hat ein unternehmensweites Risikomanagement-System, welches die zentrale Koordination und Überwachung des Risikomanagement-Prozesses für den gesamten Konzern durchführt. Es erfasst und bewertet gemeinsam mit den operativen Einheiten die wesentlichen Risiken und kommuniziert diese direkt dem Vorstand und dem Management. Eine präventive Analyse von potenziellen oder Beinahe-Ereignissen ist ebenso Ziel des Risikomanagements. Eine weitere Aufgabe ist es, bei der Abschwächung von Risiken aktiv mitzuarbeiten und entsprechende Maßnahmen mit den betroffenen Abteilungen umzusetzen oder extern am Versicherungsmarkt entsprechende Deckung zuzukaufen.

6.3 Risikomanagement-Strategie

Lenzing verfolgt bei seiner Risikomanagement-Strategie einen vierstufigen Ansatz:

6.3.1 Risikoanalyse (nach COSO⁵ Framework)

Das zentrale Risikomanagement führt halbjährliche Risiko-Assessments in sämtlichen Produktionsstandorten und funktionalen Einheiten durch. Die Risiken werden dabei gemäß den internationalen COSO⁵-Standards nach Eintrittswahrscheinlichkeit und finanzieller Auswirkung bewertet. Dabei wird die finanzielle Auswirkung eines möglichen Schadens auf das Konzern-EBITDA berücksichtigt.

⁵ The Committee of Sponsoring Organizations of the Treadway Commission.

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6.3.2 Risikomitigation

Es wird versucht, je nach Auswirkung auf das Unternehmen, Risiken durch entsprechende Maßnahmen zu minimieren, zu vermeiden oder auch in bestimmten Fällen bewusst einzugehen.

6.3.3 Verantwortlichkeit

Die Zuordnung der Risiken erfolgt aufgrund der bestehenden Organisation.

6.3.4 Risikoüberwachung/-kontrolle

Im Berichtsjahr wurde die Funktionsfähigkeit des Risikomanagement-Systems (im Folgenden RMS) der Lenzing AG wieder von Deloitte Österreich gemäß Regel 83 ÖCGK im Rahmen einer sonstigen Prüfung beurteilt. Die entsprechende Bestätigung ist auf der Homepage der Lenzing AG (<http://www.lenzing.com/en/investors/corporate-governance/evaluation.html>) hinterlegt.

Hauptziel des unternehmensweiten Risikomanagements ist es, neben der Erfüllung der gesetzlichen Erfordernisse eine Steigerung des Risikobewusstseins zu bewirken und die Erkenntnisse, die sich daraus ergeben, in die operative Arbeit und strategische Unternehmensentwicklung zu integrieren. Im RMS stellt Lenzing nur solche wesentliche Risiken dar, welche in der Bilanz und GuV nicht abgebildet sind.

Strategische Marktrisiken werden auf Basis von Marktberichten sowie intern erstellter Marktanalysen in monatlich stattfindenden Gesprächen mit der Verkaufsabteilung gemeinsam mit der internen Marktforschung bewertet.

Insgesamt wurden vom Risikomanagement 29 Risiken identifiziert und in vier Hauptbereiche, wie in weiterer Folge ersichtlich, eingeteilt.

6.4 Marktumfeldrisiken

6.4.1 Markt-/Substitutionsrisiko

Als weltweit agierendes Unternehmen ist Lenzing einer Vielzahl von makroökonomischen Risiken ausgesetzt. Die Preis- und Mengenentwicklung ist bei textilen Fasern und in geringerem Maße auch bei Nonwovens-Fasern zyklisch, da sie von globalen und regionalen Konjunkturlagen abhängig ist. Auf vielen Teilmärkten konkurrieren Lenzing Fasern mit Baumwolle und Synthefasern. Deren Preisentwicklung beeinflusst somit auch die Erlöse und Mengenbewegungen von Lenzing Fasern.

Diesem Risiko wirkt Lenzing durch einen hohen Spezialitätenanteil im globalen Produktportfolio entgegen, der vor allem durch die erstmals volle Jahresproduktion von TENCEL® Fasern am Standort Lenzing weiter erhöht werden konnte. Hohe Qualitätsstandards in Verbindung

mit dem Angebot von Mehrwertdiensten im Standardbereich Viscosefasern zielen ebenfalls auf die Sicherung der Marktführerschaft von Lenzing ab.

Lenzing setzt auf eine starke internationale Marktpräsenz, speziell in Asien, in Verbindung mit einem erstklassigen regionalen Betreuungsnetzwerk für die Kunden sowie einer hohen kundenorientierten Produktdiversifikation.

Das Substitutionsrisiko für Cellulosefasern wird durch eine starke Technologiekompetenz und solide Absatzbasis als etwas entschärfter gesehen.

6.4.2 Absatzrisiko

Lenzing erzielt ca. die Hälfte des Faserumsatzes mit einer vergleichsweise kleinen Anzahl an Großkunden. Abnahmeausfälle bei diesen Großkunden oder der gänzliche Verlust eines oder mehrerer Großkunden, ohne zeitgleich Ersatz zu finden, stellen gewisse Risiken dar, denen Lenzing durch globale Präsenz und die laufende Erweiterung des Kundenspektrums bzw. der Absatzsegmente entgegenwirkt. Der mögliche Ausfall von Kundenforderungen wird durch ein strenges Forderungsmanagement und den Einsatz einer weltweiten Kreditversicherung abgedeckt.

6.4.3 Innovationsrisiko und Wettbewerbsrisiko

Als weltweit führender Hersteller von botanischen Cellulosefasern und Technologieführer ist Lenzing dem Risiko ausgesetzt, seine Position auf dem Fasermarkt durch steigenden Wettbewerb oder neue Technologien von Mitbewerbern zu verlieren. Der Verlust der Marktposition könnte insbesondere eintreten, wenn Lenzing nicht in der Lage wäre, seine Produkte zu wettbewerbsfähigen Preisen anzubieten, Produkte nicht den Vorgaben oder Qualitätsstandards der Kunden entsprächen oder die Kundenbetreuung hinter den Erwartungen der Kunden zurückbliebe.

Diesem Risiko steuert Lenzing durch eine für die Cellulosefaserindustrie überdurchschnittliche Forschungs- und Entwicklungstätigkeit, eine hohe Produkt-Innovationsrate sowie durch ständige Kostenoptimierungen entgegen. Die Lenzing Gruppe sieht sich – ebenso wie andere Hersteller von Cellulosefasern – stets mit dem Risiko konfrontiert, dass annehmbare oder sogar überlegene Alternativprodukte verfügbar werden und zu günstigeren Preisen als Cellulosefasern erhältlich werden könnten.

6.4.4 Gesetze und Verordnungen

Lenzing ist auf den weltweiten Märkten mit unterschiedlichen Rechtssystemen und Verordnungen konfrontiert. Eine Änderung von Gesetzen oder sonstigen Bestimmungen, darunter fallen auch Importzölle, Umweltauflagen etc., sowie die strengere Auslegung von Gesetzen können zu erheblichen Mehrkosten oder Wettbewerbsnachteilen führen. Lenzing verfügt über eine eigene Abteilung Legal Management und Compliance, die entsprechende Beratungsleistungen und Risikoeinschätzungen durchführt.

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6.5 Operative Risiken

6.5.1 Beschaffungsrisiko (inkl. Zellstoffversorgung)

Zur Herstellung ihrer Cellulosefasern kauft Lenzing große Mengen an Rohstoffen (Holz, Zellstoff, Chemikalien) und Energie zu. Die Faserproduktion und deren Margen sind Risiken bei der Verfügbarkeit und der Preisentwicklung dieser Rohstoffe unterworfen, die zum Nachteil der Lenzing Gruppe fluktuieren können. Diesen Risiken wirkt Lenzing durch eine sorgfältige Auswahl der Lieferanten nach den Kriterien Preis, Zuverlässigkeit und Qualität, aber auch durch langjährig ausgerichtete, stabile Lieferanten-Kunden-Beziehungen mit teilweise mehrjährigen Abnahmeverträgen entgegen. Lenzing ist mit einigen Rohstofflieferanten und Dienstleistungspartnern (aber mit nur wenigen Kunden) dauerhafte Vertragsbeziehungen eingegangen. Diese verpflichten Lenzing dazu, festgesetzte Mengen an Rohstoffen zu standardisierten Konditionen und mit möglichen Preisanpassungsklauseln abzunehmen. Daraus könnte für Lenzing resultieren, dass Preise, Abnahmemengen oder andere Vertragsbedingungen nicht unmittelbar an die geänderten Marktbedingungen angepasst werden können. Dieses Risiko wird dadurch verschärft, dass dem überwiegenden Teil der Konzernumsätze kurzfristige Vertragsbeziehungen mit den Kunden zugrunde liegen.

Deshalb verfolgt Lenzing bei Zellstoff und Energie die Strategie, den Selbstversorgungsgrad möglichst hoch zu halten. Außerdem werden Preisschwankungen durch langfristige Verträge ausgeglichen, dazu gehören unter anderem auch Terminsicherungsgeschäfte für Gas.

6.5.2 Betriebliche Risiken und Umweltrisiko

Zur Herstellung von Cellulosefasern bedarf es komplexer chemischer und physikalischer Vorgänge, die gewisse Umweltrisiken bedingen. Durch spezielles, proaktives und nachhaltiges Umweltmanagement, geschlossene Produktionskreisläufe und laufendes Monitoring der Emissionen werden diese Risiken dank heutiger Produktionstechniken sehr gut beherrscht. Da die Lenzing Gruppe seit Jahrzehnten Produktionsstätten an mehreren Orten nutzt, können Risiken für Umweltschäden aus früheren Perioden ebenso nicht gänzlich ausgeschlossen werden.

Obwohl die Lenzing Gruppe bei Bau, Betrieb und Erhaltung ihrer Produktionsstandorte sehr hohe Standards im Bereich Technik und Sicherheit anlegt, kann das Risiko von Betriebsstörungen und -unfällen nicht gänzlich ausgeschlossen werden. Solche Störungen können auch von äußeren Faktoren verursacht werden, die sich dem Einflussbereich von Lenzing entziehen. Gegen Naturgefahren (Wirbelstürme, Erdbeben, Überflutungen etc.) ist keine unmittelbare Absicherung möglich. Zudem besteht das Risiko von Personen-, Sach- und Umweltschäden, welche zu beträchtlichen Schadenersatzforderungen und strafrechtlicher Verantwortlichkeit führen können.

Die Lenzing Gruppe hat ihre Produktionstätigkeit auf einige wenige Betriebsstätten konzentriert. Jegliche Störung in einer dieser Betriebsstätten würde einen wesentlichen Teil der Geschäftstätigkeit beeinträchtigen.

6.5.3 Produkthaftungsrisiko

Lenzing vertreibt seine Produkte und Leistungen weltweit. Dabei kann es zu Schäden beim Kunden kommen, welche durch die Auslieferung eines mangelhaften Produkts von Lenzing oder einem Tochterunternehmen verursacht werden. Lenzing unterliegt dabei auch den geltenden lokalen Gesetzen der jeweiligen Länder, in welche die Produkte geliefert werden, und unterliegt, speziell in den USA, einem hohen Haftungsrisiko. Lenzing wirkt diesem Risiko durch eine eigene Abteilung entgegen, die sich ausschließlich mit Verarbeitungsproblemen unserer Produkte beim Kunden bzw. Reklamationen beschäftigt. Haftpflichtschäden, welche durch Lenzing verursacht werden, sind in einem Haftpflicht-Versicherungsprogramm versichert.

6.6 Finanzrisiken

6.6.1 Währungsrisiko

Aufgrund internationaler Handelsbeziehungen ist die Lenzing Gruppe Währungsrisiken vor allem mit Blick auf den USD, CNY und CZK ausgesetzt. Für die Behandlung finanzieller Risiken bestehen klare, schriftliche Richtlinien, die von der Abteilung Global Treasury laufend überwacht werden. Ziel des Fremdwährungsmanagements ist die Absicherung der operativen Zahlungsströme gegen Schwankungen der Wechselkurse. Lenzing verwendet dafür Devisentermingeschäfte. Sowohl das Sicherungsgeschäft als auch die Korrelation zwischen dem Risiko und dem Sicherungsinstrument werden laufend beobachtet und berichtet. Translationsrisiken werden grundsätzlich nicht abgesichert, jedoch laufend beobachtet.

Das Ausfallsrisiko in Bezug auf diese derivativen Finanzinstrumente ist im Hinblick auf die gute Bonität der Vertragspartner als relativ gering einzustufen und wird regelmäßig überprüft.

6.6.2 Kontrahentenrisiko

Ausfallsrisiken in Bezug auf originäre Finanzinstrumente (nämlich Ausleihungen, Wertpapiere, Forderungen und Guthaben bei Kreditinstituten) werden durch eine Verteilung der liquiden Mittel auf eine Vielzahl von Banken begrenzt. Zusätzlich hat die Lenzing AG Haftungen für andere Unternehmen übernommen. Das Risiko, subsidiär in Anspruch genommen zu werden, wird als gering eingestuft, da davon ausgegangen werden kann, dass die betroffenen Unternehmen ihren Verpflichtungen nachkommen werden.

Auch das Marktwertänderungsrisiko in Bezug auf originäre wie derivative Finanzinstrumente wird als relativ gering eingestuft. Bei kurzfristigen Finanzinstrumenten ist bis zur Fälligkeit mit keinen großen Schwankungen zu rechnen. Die langfristigen Verbindlichkeiten der Lenzing AG sind zu 19,3% variabel verzinst.

Ein Liquiditätsrisiko, nämlich ein Risiko derart, dass die zur Erfüllung der aus den derivativen und den originären Finanzinstrumenten resultierenden Verpflichtungen erforderlichen Finanzmittel nicht zur Verfügung stehen, besteht nicht. Die derivativen Finanzinstrumente dienen

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ausschließlich Sicherungszwecken. Die resultierenden Verpflichtungen sind demgemäß durch die gesicherten Geschäfte gedeckt. Die Verpflichtungen aus originären Finanzinstrumenten können mit den vorhandenen liquiden Mitteln und allenfalls zusätzlichen Mitteln aus der Innenfinanzierung gedeckt werden.

Die aus Finanzinstrumenten resultierenden Zahlungsströme können Schwankungen unterliegen. Diese Cashflow-Risiken sind im Wesentlichen auf variabel verzinsten Verbindlichkeiten begrenzt.

6.6.3 Finanzierungsrisiko

Die Lenzing Gruppe benötigt finanzielle Mittel, um ihren Business-Plan und ihre Strategie umsetzen zu können. Ein erschwelter Zugang zu den Finanzmärkten könnte Verfügbarkeit, Bedingungen und Kosten der Kapitalbeschaffung negativ beeinträchtigen. Nachteilige Auswirkungen auf die Geschäftstätigkeit, und somit auf die finanzielle Lage und Ergebnisse der Lenzing Gruppe, könnten zusätzlich aus einer geringeren Nachfrage oder sinkenden Preisen resultieren. Aus heutiger Sicht wird das Risiko als gering eingestuft.

6.6.4 Steuerrisiko

Lenzing Produktionsstätten sind in den jeweiligen Ländern lokalen Steuergesetzen unterworfen und müssen sowohl Ertragsteuern als auch andere Steuern bezahlen. Änderungen in der Steuergesetzgebung bzw. unterschiedliche Auslegungen der jeweils geltenden Bestimmungen können zu nachträglichen Steuerbelastungen führen.

6.6.5 Compliance

Die ständige Verschärfung von internationalen Verhaltensrichtlinien und Gesetzen erhöht für Lenzing die Anforderungen zur Einhaltung und Überwachung dieser Bestimmungen. Unzureichende Kontrollen in den Geschäftsprozessen oder mangelnde Dokumentation können zur Verletzung von geltenden Regeln führen. Lenzing begegnet diesem Risiko mit einer konzernweiten Compliance Organisation, einem gruppenweit gültigen Verhaltenskodex, einer „Anti-Bribery und Corruption Policy“ sowie einer „Antitrust Policy“.

6.7 Personelle Risiken

6.7.1 Qualifizierte Arbeitskräfte

Personalrisiken können sich aus der Fluktuation von Mitarbeitern in Schlüsselpositionen sowie bei der Rekrutierung von neuen Mitarbeitern an allen weltweiten Standorten ergeben. Lenzing hat eine global aufgestellte Personalabteilung, die sich in Fragen der Personalplanung mit den jeweiligen Standorten abstimmt und sämtliche Personalthemen zentral steuert und kontrolliert.

Dazu gehören unter anderem globale Management- und Ausbildungsprogramme für potenzielle Führungskräfte, die von der Personalabteilung organisiert werden.

7 Bericht über wesentliche Merkmale des Internen Kontrollsystems (§ 243a Abs. 2 AktG)

Das Interne Kontrollsystem der Lenzing Gruppe regelt die Sicherstellung der Zuverlässigkeit der Finanzberichterstattung, die Einhaltung gesetzlicher und unternehmensinterner Richtlinien sowie die Abbildung von Risiken außerhalb der Bilanz und GuV.

Die Aufbau- und Ablauforganisation der Lenzing Gruppe bilden die wesentliche Basis für das Kontrollumfeld und das Interne Kontrollsystem im Unternehmen.

Im Bereich der Aufbauorganisation bestehen eindeutige Kompetenz- und Verantwortungszuweisungen auf den unterschiedlichen Führungs- und Hierarchieebenen des Konzerns. Dies umfasst neben den österreichischen Standorten ebenso alle internationalen Tochtergesellschaften. Der globalen Präsenz der Lenzing Gruppe und damit der dezentralen Gesellschafts- und Standortstrukturen wird durch die Zentralisierung von wesentlichen Unternehmensfunktionen in Corporate Centers Rechnung getragen. Die Wahrnehmung und Steuerung der nationalen Geschäftstätigkeiten obliegt dem jeweiligen Management.

Die Ablauforganisation des Unternehmens ist durch ein stark ausgeprägtes und umfangreiches Regelwerk gekennzeichnet. Dies stellt eine angemessene Basis für ein starkes Kontrollumfeld und Kontrollsystem dar. Die wesentlichen Bereiche im Hinblick auf Freigaben und Kompetenzen für den Gesamtkonzern regeln die „Lenzing Group Mandates“. Die Überwachung der Einhaltung der Regelungen und Kontrollen liegt in der Verantwortung des jeweils zuständigen Managements.

7.1 Finanzberichterstattung

Mit der zentralen Zuständigkeit von Global Accounting & Controlling für den Bereich der Finanzberichterstattung ist eine klare Struktur und Verantwortlichkeit für diesen Bereich gesichert. Zur Ausübung der Kontrollfunktion in diesem Bereich wurden ein umfassendes Regelwerk und Richtlinien definiert und eingesetzt.

Lenzing verfügt über ein Internes Kontroll- und Risikomanagement für den Rechnungslegungsprozess mit dem Ziel, die gesetzlichen Normen, die Grundsätze ordnungsgemäßer Buchführung sowie die Rechnungslegungsvorschriften des österreichischen Unternehmensgesetzbuches und für Zwecke der Konzernrechnungslegung die Rechnungslegungsvorschriften der Internationalen Financial Reporting Standards (IFRS) sowie der internen Konzernrichtlinien zur Rechnungslegung, insbesondere das konzernweit gültige Bilanzierungshandbuch und den Terminplan, einheitlich umzusetzen.

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Das rechnungslegungsbezogene Interne Kontrollsystem ist so konzipiert, dass eine zeitnahe, einheitliche und korrekte Erfassung aller geschäftlichen Prozesse und Transaktionen gewährleistet ist und somit zuverlässige Daten und Berichte über die Vermögens-, Finanz- und Ertragslage der Lenzing Gruppe vorliegen.

Die in den Konzernabschluss von Lenzing einbezogenen Unternehmen erstellen auf Gesellschaftsebene zeitgerecht lokale Abschlüsse bzw. IFRS-Abschlüsse und sind verantwortlich dafür, dass die bestehenden Regeln dezentral umgesetzt werden. Sie werden dabei vom Team Corporate Consolidation unterstützt. Auf Basis der Daten der Konzernunternehmen werden die konsolidierten Rechenwerke zentral erstellt. Die Konsolidierungsbuchungen, Abstimmarbeiten und die Überwachung der inhaltlichen und zeitlichen Vorgaben erfolgen im Team Corporate Consolidation.

Der Bereich Treasury und Zahlungsverkehr ist, aufgrund des direkten Zugriffs auf Vermögenswerte des Unternehmens, als besonders sensibel einzustufen. Dem erhöhten Sicherheitsbedürfnis wird durch umfassende Regelungen und Anweisungen im Bereich der einschlägigen Prozesse entsprechend Rechnung getragen.

Die Vorgaben sehen ein strenges Vier-Augen-Prinzip in der Abwicklung von Transaktionen sowie laufende Informationen vor. Die Überwachung der Anwendung und Einhaltung der Kontrollen im operativen Betrieb obliegt der Abteilung Internal Audit.

Der Bereich Global Tax Management zeichnet für die Steuerthemen im Konzern verantwortlich.

7.2 Einhaltung gesetzlicher und unternehmensinterner Vorschriften

Das Rechtsmanagement der Lenzing AG wird von der Abteilung Legal Management & Group Compliance wahrgenommen. Diese zentrale Funktion ist für alle Rechtsangelegenheiten der Lenzing Gruppe zuständig und insbesondere mit allen Rechtsangelegenheiten betraut, die keine Standardabläufe darstellen.

Die Abteilung Legal Management & Group Compliance ist für das Compliance Management System (CMS) verantwortlich und regelt gruppenweit, wie gesetzliche und unternehmensinterne Vorschriften einzuhalten sind, einschließlich der Prävention von gesetzes- oder regelwidrigen Handlungen. Die Abteilung Legal Management & Group Compliance untersteht direkt dem CEO. Im Rahmen des CMS werden Compliance-relevante Risiken erfasst und Maßnahmen zur Verminderung derselben getroffen. Des Weiteren werden Compliance-relevante Richtlinien entwickelt und deren Einhaltung überprüft. Schließlich werden Mitarbeiter geschult, Hilfestellung bei Compliance-Themen geleistet, Fehlverhalten adressiert und korrigiert sowie regelmäßig dem Vorstand und Aufsichtsrat bzw. dem Prüfungsausschuss berichtet.

Die Lenzing AG unterwirft sich den Vorschriften des österreichischen Corporate Governance Kodex (ÖCGK) und erstellt im Rahmen des Geschäftsberichtes einen entsprechenden öffentlichen Corporate Governance Bericht. Der Corporate Governance Bericht bedarf der Mitwirkung des Aufsichtsrates, der die Erfüllung der darin vorgeschriebenen Verpflichtungen an den Prüfungsausschuss delegiert.

Die Abteilung Internal Audit ist unabhängig von den Organisationseinheiten und Geschäftsprozessen. Sie untersteht und berichtet per 31.12.2015 direkt dem Vorstandsvorsitzenden. Internal Audit überprüft, ob die eingesetzten Ressourcen rechtmäßig, sparsam, wirtschaftlich und zweckmäßig im Sinne einer nachhaltigen Entwicklung verwendet werden. Dabei orientiert sich Internal Audit an den internationalen Standards IIA (Institute of Internal Auditors). Eine regelmäßige Berichterstattung an den Vorstand und den Prüfungsausschuss gewährleisten das Funktionieren des Internen Kontrollsystems.

7.3 Abbildung von Risiken außerhalb der Bilanz und GuV

Die Abteilung Risikomanagement bildet die Risiken außerhalb der Bilanz und GuV ab, indem ein halbjährlicher Risikobericht erstellt wird. Die wesentlichen Risiken sind auch im Geschäftsbericht erwähnt. Beim Risikobericht wird nach den international anerkannten Standards von COSO® (Committee of Sponsoring Organisations of the Treadway Commission) vorgegangen.

8 Forschung und Entwicklung

Im Geschäftsjahr 2015 investierte die Lenzing AG EUR 29,2 Mio (2014: EUR 20,0 Mio) in Forschung und Entwicklung (berechnet nach Frascati). Sowohl absolut als auch anteilig am Umsatz stellt die Höhe der F&E-Ausgaben im Branchenvergleich einen Spitzenwert dar.

8.1 Schwerpunkte 2015

Im Bereich Zellstoff lag der F&E-Fokus auf Optimierungsmaßnahmen (weitere Kreislaufschließung, Qualitätssteigerung). Darüber hinaus wurde an Konzepten zur weiteren Steigerung der stofflichen Ausbeute des Rohstoffs Holz hinsichtlich bestehender und neuer Co-Produkte gearbeitet (Stichwort „Bio-Raffinerie“).

Bei der Fasertechnologie stand die Weiterentwicklung der gesamten TENCEL® Technologie im Vordergrund. Der Produktionsprozess wurde weiter verbessert.

Im Bereich Nonwovens wurden spezielle Verfahren zur Vliesherstellung getestet und entwickelt. Dazu gehören Nasslegeverfahren oder der Einsatz von speziellen Kurzschnittfasern. Zudem wurden, etwa für Wischtücher, mehrere neue TENCEL® Spezialfasern entwickelt.

Im Berichtsjahr arbeitete die F&E der Lenzing AG intensiv an der Entwicklung der neuen Konzernstrategie sCore TEN mit. In den kommenden Jahren wird der Fokus der F&E-Aktivitäten der Lenzing AG vor allem auf der Umsetzung von sCore TEN liegen. Wesentliche Treiber für Innovationen sind dabei Qualitäts- und Technologieführerschaft, Kundenbedürfnisse und Nachhaltigkeit.

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9 Umwelt und Nachhaltigkeit

Umweltschutz und nachhaltiges Wirtschaften gehören zu den strategischen Grundwerten von Lenzing. Im Geschäftsjahr 2015 erfüllte das Unternehmen seine sehr hohen Nachhaltigkeitsansprüche und stellte die geringstmögliche Umweltbelastung sicher.

Die Wiederverleihung der Wasserrechte der Lenzing AG und der Betriebe am Standort Lenzing, die 2015 ausgelaufen sind, wurde fristgerecht beantragt. Bis zur Erteilung der relevanten Bescheide bleiben alle Wasserrechte erhalten. Die Verhandlungen mit den zuständigen Behörden werden im Jahr 2016 stattfinden.

Nach Ablauf des Zertifikats für das Umweltmanagementsystem ISO 14001 wurde im Berichtsjahr ein erfolgreiches Re-Zertifizierungsaudit durchgeführt. Zudem wurden gemäß EU-Vorgaben vier als umweltrelevant eingestufte Anlagen am Standort Lenzing auf ihre Umweltverträglichkeit geprüft und positiv bewertet.

Im Berichtsjahr wurde der Lenzing AG ein neuer Bescheid für die erlaubte Wärmeemission in den Fluss Ager zugestanden. Dieser berücksichtigt die aktuelle Flusstemperatur vor dem Werk in Lenzing sowie die meteorologischen Bedingungen.

Die akkreditierte Prüfstelle Umweltanalytik Lenzing (UAL) stellte im Jahr 2015 erneut ihr hohes Niveau an Laborleistungen in den Bereichen Abwasser- und Abfallanalytik sowie ökotoxikologische Untersuchungen unter Beweis. Das jährliche Überwachungsaudit durch einen externen Gutachter im Auftrag der Akkreditierungsstelle (Bundesministerium für Wissenschaft, Forschung und Wirtschaft) wurde im Jänner 2016 erfolgreich abgeschlossen.

10 Mitarbeiter/innen

Das Wertvollste einer leistungs- und wettbewerbsfähigen Organisation sind engagierte, motivierte und hoch qualifizierte Mitarbeiter/innen. Die Lenzing AG fördert daher laufend die Qualifizierung ihrer Mitarbeiter/innen anhand einer breiten Palette von Personalentwicklungsangeboten. Am Standort Lenzing wird der Großteil der Aus- und Weiterbildungsmaßnahmen hausintern durch das Bildungszentrum Lenzing (BZL) abgewickelt.

Per 31.12.2015 beschäftigte die Lenzing AG 2.322 Mitarbeiter/innen (nach 2.105 per Ende 2014), davon 117 Lehrlinge (Ende 2014: 129). Der Anstieg erklärt sich vorwiegend durch einen Teilbetriebsübergang der Lenzing Technik zur Lenzing AG, bei dem Mitarbeiter übernommen wurden.

10.1 Aus- und Weiterbildung

Die 2014 eingeführte Konferenzreihe „Management Time Out“ war auch im Berichtsjahr 2015 wieder eine wichtige Plattform für den gemeinsamen Austausch und zur Ausrichtung des Top-Managements rund um die Themen Strategie, Führung, Kultur und Veränderung. Ziel von „Management Time Out“ ist es, sich auf oberster Führungsebene abzustimmen, ein gemeinsames Verständnis und Bewusstsein für Mitverantwortung zu erarbeiten und dies alles entsprechend in die Organisation weiterzutragen.

Das ebenfalls 2014 begonnene 16-monatige Führungskräfte-Entwicklungsprogramm „Springboard“ (zu Deutsch: Sprungbrett) wurde erfolgreich weitergeführt. Springboard setzt die inhaltlichen Schwerpunkte auf Kultur und Veränderung, Entscheidungsfindung, Führung, internationale Kommunikation sowie virtuelle und praktische Zusammenarbeit. Der erste Zyklus von Springboard schließt im März 2016 ab, weitere Gruppen sind in den Folgejahren geplant.

10.2 Sicherheit und Gesundheit

Im April 2015 fand am Gelände der Lenzing AG gemeinsam mit der BH Vöcklabruck, den Einsatzorganisationen Feuerwehr, Rotes Kreuz und Polizei sowie der Betriebsfeuerwehr Lenzing eine koordinierte Notfallübung statt. Die Notfallübung diente zur Überprüfung der im externen Notfallplan festgelegten Alarmierungs- und Meldewege. Dabei wurde auch die Zusammenarbeit der Einsatzkräfte in einer gemeinsamen Einsatzleitung geprobt.

Unter dem Motto „Hände gut – alles gut“ fördert die Lenzing AG das Sicherheitsbewusstsein der Mitarbeiter/innen mit dem Ziel, die Unfallzahlen, insbesondere Handverletzungen, zu senken.

Die Lenzing AG verfügt über industriespezifische Gesundheitsstandards wie regelmäßige Gesundheitschecks für alle Mitarbeiter/innen und regelmäßige Schulungen im Umgang mit Chemikalien. Darüber hinaus gibt es verschiedenste Programme zur Gesundheitsförderung. Das Angebot reicht dabei von Gesundheitsempfehlungen über kostenlose Impfungen, Raucherentwöhnung, ausgewogene Ernährung in der Betriebsküche bis hin zu Fitnesskursen und sportlichen Veranstaltungen.

11 Ausblick

Für das Geschäftsjahr 2016 ist weiterhin kein konjunktureller Rückenwind zu erwarten. Der Internationale Währungsfonds (IWF) rechnet mit einem leichten Anstieg des globalen Wirtschaftswachstums auf 3,4% nach 3,1% im Jahr 2015. Während sich in den Industriestaaten vor dem Hintergrund niedriger Rohstoffkosten eine moderate Konjunkturerholung abzeichnet, geht der IWF für China von einer weiteren Abschwächung des Wachstums aus.

LAGEBERICHT 2015

Am globalen Fasermarkt ist mit einer anhaltend volatilen Entwicklung zu rechnen. Die hohen Baumwolllagerbestände lasten weiterhin auf dem Markt. Die Polyesterfaserpreise werden auf niedrigem Niveau verharren, solange die Ölpreise niedrig bleiben, was auch den Preiswettbewerb der Fasern untereinander verstärkt („inter-fiber competition“).

Im für Lenzing relevanten Marktsegment der Cellulosefasern deutet sich allerdings eine positivere Entwicklung als am Gesamtfasermarkt an. Die Nachfrage nach diesen Cellulosefasern war zu Jahresbeginn 2016 gut, Viscose und vor allem Cellulose-Spezialfasern liegen langfristig im Trend. Auch auf der Angebotsseite dürften kurzfristig keine nennenswerten neuen Produktionskapazitäten auf den Markt drängen.

In den ersten Wochen des Jahres 2016 konnte die Lenzing AG eine starke Nachfrage nach ihren Produkten feststellen. Dies ermöglichte eine hohe Auslastung – insbesondere bei Spezialfasern. Unter der Voraussetzung unveränderter Fasermarktverhältnisse und Währungsrelationen erwartet Lenzing für das angelaufene Geschäftsjahr 2016 eine substantielle Verbesserung gegenüber 2015.

12 Ereignisse nach dem Bilanzstichtag

Nach dem Bilanzstichtag 31. Dezember 2015 sind keine Vorgänge von wesentlicher Bedeutung für die Lenzing AG bekannt geworden, die zu einer anderen Darstellung der Vermögens-, Finanz- und Ertragslage geführt hätten.

Lenzing, am 9. März 2016

Lenzing Aktiengesellschaft

Der Vorstand



Dr. Stefan Doboczky, MBA
Chief Executive Officer
Vorstandsvorsitzender



Robert van de Kerkhof, MBA
Chief Commercial Officer
Mitglied des Vorstandes



Mag. Thomas Obendrauf, MBA
Chief Financial Officer
Mitglied des Vorstandes



JAHRESABSCHLUSS 2015

JAHRESABSCHLUSS DER LENZING AKTIENGESELLSCHAFT
NACH ÖSTERREICHISCHEM UNTERNEHMENSGESETZBUCH (UGB)

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JAHRESABSCHLUSS 2015

Lenzing AG

Bilanz zum 31. Dezember 2015

Aktiva	EUR	TEUR
	31.12.2015	31.12.2014
A. Anlagevermögen		
I. Immaterielle Vermögensgegenstände		
1. Rechte	1.810.105,66	1.200,1
2. Firmenwert	535.480,76	578,8
	2.345.586,42	1.778,9
II. Sachanlagen		
1. Grundstücke, grundstücksgleiche Rechte und Bauten, einschließlich der Bauten auf fremdem Grund	122.079.942,24	124.256,3
2. Technische Anlagen und Maschinen	366.975.192,99	373.409,9
3. Andere Anlagen, Betriebs- und Geschäftsausstattung	13.430.172,84	12.560,6
4. Anlagen in Bau	14.817.724,37	13.072,5
5. Geleistete Anzahlungen	1.263.935,55	648,7
	518.566.967,99	523.948,0
III. Finanzanlagen		
1. Anteile an verbundenen Unternehmen	259.839.926,78	254.812,1
2. Ausleihungen an verbundene Unternehmen	84.743.114,82	96.055,7
3. Beteiligungen	5.110.143,91	5.110,1
4. Wertpapiere (Wertrechte) des Anlagevermögens	19.235.893,22	18.627,7
5. Sonstige Ausleihungen	603.275,47	2.349,8
	369.532.354,20	376.955,4
	890.444.908,61	902.682,3
B. Umlaufvermögen		
I. Vorräte		
1. Roh-, Hilfs- und Betriebsstoffe	46.412.276,51	40.184,1
2. Unfertige Erzeugnisse	564.495,99	332,5
3. Fertige Erzeugnisse und Waren	35.545.594,93	35.993,5
4. Geleistete Anzahlungen	71.405,69	57,9
	82.593.773,12	76.568,0
II. Forderungen und sonstige Vermögensgegenstände		
1. Forderungen aus Lieferungen und Leistungen	38.343.315,92	31.302,8
2. Forderungen gegenüber verbundenen Unternehmen	82.889.212,61	98.197,8
3. Forderungen gegenüber Unternehmen, mit denen ein Beteiligungsverhältnis besteht	2.950.775,82	4.890,9
4. Sonstige Forderungen und Vermögensgegenstände	48.196.857,05	38.904,0
	172.380.161,40	173.295,5
III. Kassenbestand, Guthaben bei Kreditinstituten	201.396.070,85	142.381,8
	456.370.005,37	392.245,3
C. Rechnungsabgrenzungsposten	1.671.330,21	1.836,9
	1.348.486.244,19	1.296.764,5

Lenzing AG

Bilanz zum 31. Dezember 2015

Passiva	EUR	TEUR
	31.12.2015	31.12.2014
A. Eigenkapital		
I. Grundkapital	27.574.071,43	27.574,1
II. Kapitalrücklagen		
Gebundene	138.642.770,74	138.642,8
III. Optionsrücklage	433.330,00	0,0
IV. Gewinnrücklagen		
Freie	393.768.886,06	380.440,7
V. Bilanzgewinn, davon Gewinn- vortrag EUR 0,00 (31.12.2014: TEUR 104.754,5)	53.100.000,00	26.550,0
	613.519.058,23	573.207,5
B. Zuschüsse der öffentlichen Hand	9.253.312,62	7.351,6
C. Unversteuerte Rücklagen		
Bewertungsreserve aufgrund von Sonderabschreibungen gem. § 7a EStG bzw. § 8 EStG	15.710.456,00	16.076,1
D. Rückstellungen		
1. Rückstellungen für Abfertigungen	53.517.062,18	56.441,7
2. Rückstellungen für Pensionen	27.140.403,91	29.156,3
3. Steuerrückstellungen	2.133.252,09	4.753,1
4. Sonstige Rückstellungen	65.763.298,46	63.991,6
	148.554.016,64	154.342,7
E. Verbindlichkeiten		
1. Anleihen	120.000.000,00	120.000,0
2. Verbindlichkeiten aus Schuldscheindarlehen	237.500.000,00	213.500,0
3. Verbindlichkeiten gegenüber Kreditinstituten	24.924.363,73	65.104,5
4. Sonstige zinstragende Verbindlichkeiten	27.189.624,25	26.049,1
5. Erhaltene Anzahlungen auf Bestellungen	1.587.260,25	766,1
6. Verbindlichkeiten aus Lieferungen und Leistungen	44.271.163,30	45.960,2
7. Verbindlichkeiten gegenüber verbundenen Unternehmen	72.046.723,09	44.929,4
8. Verbindlichkeiten gegenüber Unternehmen, mit denen ein Beteiligungsverhältnis besteht	22.716,10	0,0
9. Sonstige Verbindlichkeiten	33.441.660,17	29.280,5
davon aus Steuern EUR 563.226,30 (31.12.2014: TEUR 275,6)		
davon im Rahmen der sozialen Sicherheit EUR 3.545.173,23 (31.12.2014: TEUR 3.154,4)		
	560.983.510,89	545.589,7
F. Rechnungsabgrenzungsposten	465.889,81	196,8
	1.348.486.244,19	1.296.764,5
Haftungsverhältnisse	194.639.451,79	178.898,2

JAHRESABSCHLUSS 2015

Lenzing AG

Gewinn- und Verlustrechnung

für den Zeitraum 01. Jänner 2015 bis 31. Dezember 2015

	EUR	TEUR
	2015	2014
1. Umsatzerlöse	789.083.519,68	729.033,9
2. Veränderung des Bestandes an fertigen und unfertigen Erzeugnissen	-215.912,80	9.530,4
3. Andere aktivierte Eigenleistungen	6.550.282,67	13.570,5
4. Sonstige betriebliche Erträge		
a) Erträge aus dem Abgang vom und der Zuschreibung zum Anlagevermögen mit Ausnahme der Finanzanlagen	29.162,67	7,8
b) Erträge aus der Auflösung von Rückstellungen	5.677.422,91	6.534,3
c) Übrige	40.427.687,85	44.269,2
	46.134.273,43	50.811,2
5. Aufwendungen für Material und sonstige bezogene Herstellungsleistungen		
a) Materialaufwand	-364.016.704,31	-339.699,0
b) Aufwendungen für bezogene Leistungen	-62.188.887,83	-61.773,0
	-426.205.592,14	-401.472,0
6. Personalaufwand		
a) Löhne	-67.077.946,21	-63.415,7
b) Gehälter	-71.541.600,86	-62.724,2
c) Aufwendungen für Abfertigungen und Leistungen an betriebliche Mitarbeitervorsorgekassen	526.873,33	-7.557,9
d) Aufwendungen für Altersversorgung	-1.283.243,08	-5.139,8
e) Aufwendungen für gesetzlich vorgeschriebene Sozialabgaben sowie vom Entgelt abhängige Abgaben und Pflichtbeiträge	-36.282.873,20	-33.078,3
f) Sonstige Sozialaufwendungen	-2.378.712,28	-2.351,0
	-178.037.502,30	-174.266,9
7. Abschreibungen auf immaterielle Gegenstände des Anlagevermögens und Sachanlagen		
a) Planmäßige Abschreibungen	-58.322.094,06	-53.758,9
b) Auflösung Investitionszuschüsse der öffentlichen Hand	444.878,22	566,3
	-57.877.215,84	-53.192,6
8. Sonstige betriebliche Aufwendungen		
a) Steuern, soweit sie nicht unter Ziffer 18 fallen	-261.030,37	-148,7
b) Übrige	-128.907.831,70	-109.086,1
	-129.168.862,07	-109.234,8
9. Zwischensumme aus Ziffer 1 bis 8 (Übertrag)	50.262.990,63	64.779,6

Lenzing AG

Gewinn- und Verlustrechnung

für den Zeitraum 01. Jänner 2015 bis 31. Dezember 2015

	EUR	TEUR
	2015	2014
9. Zwischensumme aus Ziffer 1 bis 8 (Übertrag)	50.262.990,63	64.779,6
10. Erträge aus Beteiligungen	30.468.558,60	345,0
davon aus verbundenen Unternehmen EUR 376.000,00 (2014: TEUR 345,0)		
11. Erträge aus anderen Wertpapieren und Ausleihungen des Finanzanlagevermögens	2.423.233,37	2.918,2
davon aus verbundenen Unternehmen EUR 2.154.505,53 (2014: TEUR 2.535,1)		
12. Sonstige Zinsen und ähnliche Erträge	912.219,33	1.339,5
davon aus verbundenen Unternehmen EUR 758.484,45 (2014: TEUR 727,8)		
13. Erträge aus dem Abgang von und der Zuschreibung zu Finanzanlagen	4.783.111,05	3.744,5
davon aus verbundenen Unternehmen EUR 4.748.787,32 (2014: TEUR 3.282,9)		
14. Aufwendungen aus Finanzanlagen	-267.029,23	-760,5
davon:		
a) Abschreibungen EUR 192.029,23 (2014: TEUR 560,5)		
b) Aufwendungen aus verbundenen Unternehmen EUR 75.000,00 (2014: TEUR 751,0)		
15. Zinsen und ähnliche Aufwendungen	-13.347.661,18	-13.532,4
davon betreffend verbundene Unternehmen EUR 596.107,81 (2014: TEUR 298,5)		
16. Zwischensumme aus Ziffer 10 bis 15	24.972.431,94	-5.945,7
17. Ergebnis der gewöhnlichen Geschäftstätigkeit	75.235.422,57	58.833,9
18. Steuern vom Einkommen und vom Ertrag	-9.172.843,24	-14.360,2
19. Jahresüberschuss	66.062.579,33	44.473,7
20. Auflösung unverteilter Rücklagen	365.640,07	315,9
21. Jahresgewinn	66.428.219,40	44.789,5
22. Zuweisung zu Gewinnrücklagen (freie)	-13.328.219,40	-122.994,0
23. Gewinnvortrag aus dem Vorjahr	0,00	104.754,5
24. Bilanzgewinn	53.100.000,00	26.550,0

JAHRESABSCHLUSS 2015

Lenzing AG

Anhang zum Jahresabschluss für das Geschäftsjahr 2015

1. Anwendung der unternehmensrechtlichen Vorschriften und allgemeine Angaben

Die Lenzing Aktiengesellschaft (Lenzing AG) ist eine börsennotierte Aktiengesellschaft österreichischen Rechts. Sie ist im Firmenbuch beim Handels- als Landesgericht Wels, Österreich, unter der Nummer FN 96499 k eingetragen. Ihr Sitz ist in 4860 Lenzing, Werkstraße 2, Österreich. Die Aktien der Lenzing AG sind im Prime Market (seit 18. April 2011) und im Leitindex ATX (seit 19. September 2011) der Wiener Börse in Wien, Österreich, gelistet.

Das Kerngeschäft der Lenzing AG liegt in der Erzeugung und Vermarktung von botanischen Cellulosefasern. Der zur Erzeugung notwendige Zellstoff wird zu einem großen Teil im eigenen Zellstoffwerk hergestellt und teilweise zugekauft. Der wichtigste Rohstoff zur Zellstofferzeugung ist Holz, das zugekauft wird.

Der vorliegende Jahresabschluss zum 31. Dezember 2015 der Lenzing Aktiengesellschaft wurde nach den Vorschriften des österreichischen Unternehmensgesetzbuches (UGB) in der aktuellen Fassung erstellt. Er umfasst das Geschäftsjahr vom 1. Jänner bis zum 31. Dezember 2015.

Der Jahresabschluss wurde unter Beachtung der Grundsätze ordnungsmäßiger Buchführung sowie unter Beachtung der Generalnorm des § 222 Abs. 2 UGB, ein möglichst getreues Bild der Vermögens-, Finanz- und Ertragslage des Unternehmens zu vermitteln, erstellt.

Bei der Erstellung des Jahresabschlusses wurden die Grundsätze der Vollständigkeit und der ordnungsmäßigen Bilanzierung eingehalten. Bei der Bewertung wurde im Rahmen der Grundsätze ordnungsmäßiger Bewertung von der Fortführung des Unternehmens ausgegangen.

Bei Vermögensgegenständen und Schulden wurde der Grundsatz der Einzelbewertung angewendet. Dem Vorsichtsgrundsatz wurde Rechnung getragen, indem insbesondere nur die bis zum Abschlussstichtag verwirklichten Gewinne ausgewiesen wurden. Alle erkennbaren Risiken und drohenden Verluste wurden berücksichtigt.

Die Gliederungsvorschriften gem. §§ 224 und 231 Abs. 2 UGB wurden eingehalten. Die Gewinn- und Verlustrechnung wurde nach dem Gesamtkostenverfahren aufgestellt.

Die bisher angewandten Bewertungsmethoden wurden bei der Erstellung des vorliegenden Jahresabschlusses beibehalten.

Bei der Gesellschaft handelt es sich um eine große Kapitalgesellschaft.

Die Zahlenangaben im vorliegenden Jahresabschluss und in den Erläuterungen werden auf die nächsten Tausend gerundet angegeben („TEUR“), sofern keine abweichende Angabe erfolgt. Bei Summierung von gerundeten Beträgen und Prozentangaben können durch Verwendung automatisierter Rechnungshilfen rundungsbedingte Rechendifferenzen auftreten.

2. Bilanzierungs- und Bewertungsmethoden

Anlagevermögen

Erworbene **immaterielle Vermögensgegenstände** und **Sachanlagen** werden mit den Anschaffungs- bzw. Herstellungskosten, vermindert um die planmäßige, nach der linearen Methode vorgenommenen Abschreibung angesetzt.

Die Herstellungskosten von selbsterstellten Sachanlagen umfassen die Einzelkosten, angemessene Teile der Materialgemeinkosten und Fertigungsgemeinkosten sowie Aufwendungen für freiwillige soziale Leistungen, für betriebliche Altersversorgung und für Abfertigungen. Vom Wahlrecht der Aktivierung von Fremdkapitalzinsen wird nicht Gebrauch gemacht.

Der Rahmen der Nutzungsdauer beträgt für die einzelnen Anlagegruppen:

Nutzungsdauer in Jahren	von	bis
Immaterielle Vermögensgegenstände		
a) Lizenzen, Know-how und Mietrechte	3	20
b) Software	4	4
c) Firmenwert	15	15
Sachanlagen		
a) Grundstücksgleiche Rechte	99	99
b) Gebäude		
Wohngebäude	50	50
Geschäfts- und Fabriksgebäude	25	50
c) Technische Anlagen und Maschinen	10	25
d) Andere Anlagen, Betriebs- und Geschäftsausstattung	4	20

Über das Ausmaß der planmäßigen Abschreibung hinausgehende voraussichtlich dauernde Wertminderungen bei Anlagegegenständen werden durch außerplanmäßige Abschreibungen berücksichtigt.

Geringwertige Vermögensgegenstände bis zu einem Wert von EUR 400,00 werden im Zugangsjahr voll abgeschrieben.

Anteile an verbundenen Unternehmen und **Beteiligungen** werden mit den Anschaffungskosten oder, bei voraussichtlich dauernder Wertminderung, mit dem niedrigeren beizulegenden Wert zum Bilanzstichtag angesetzt.

JAHRESABSCHLUSS 2015

Zur Beurteilung der Werthaltigkeit von Beteiligungen wird grundsätzlich das Discounted Cash-Flow-Verfahren gemäß dem Fachgutachten zur Unternehmensbewertung KFS/BW 1 der Kammer der Wirtschaftstreuhänder herangezogen. Der beizulegende Wert bzw. der Unternehmenswert wird aus den mit den gewichteten Kapitalkosten diskontierten geschätzten künftigen Cashflows abgeleitet.

Die Cashflows werden aus den Planungen bzw. Prognosen abgeleitet und beruhen auf zukunftsbezogenen Annahmen, im Unternehmensbereich Fasern insbesondere auf Preis- und Mengenentwicklungen beim Absatz, den Produktionsmengen sowie den dazu notwendigen Kosten speziell für Rohstoffe, Energie, Personal und Steuern. Diese Daten basieren insbesondere auf internen Annahmen unter Berücksichtigung des erwarteten Marktumfeldes und der Marktpositionierung sowie auf externen Marktannahmen aus Marktstudien oder Konjunkturaussichten. Nach dem Detailplanungszeitraum wird basierend auf den Annahmen des letzten Planjahres mit einer ewigen Rente unter Berücksichtigung einer nachhaltigen langfristigen Wachstumsrate gerechnet.

Als Abzinsungssatz wird ein individuell nach dem Capital Asset Pricing Model ermittelter Mischsatz aus der Fremdkapitalverzinsung und der Verzinsung des eingesetzten Eigenkapitals herangezogen (WACC). Dieser Abzinsungssatz spiegelt die gegenwärtigen Markteinschätzungen und die speziellen Risiken der betroffenen Beteiligungen wider.

Ausleihungen werden mit dem Nominalwert, bei Unverzinslichkeit mit dem Barwert bzw. bei voraussichtlich dauernder Wertminderung mit dem niedrigeren beizulegenden Wert zum Bilanzstichtag angesetzt.

Wertpapiere (Wertrechte) des Anlagevermögens werden mit den Anschaffungskosten oder dem niedrigeren Kurswert zum Bilanzstichtag bewertet.

In den Wertpapieren (Wertrechten) des Anlagevermögens sind auch Ansprüche aus einer Rückdeckungsversicherung für Pensionsverpflichtungen enthalten, die in Höhe des Deckungskapitals aktiviert werden. Die Erträge aus dieser Rückdeckungsversicherung werden in den Aufwendungen für Altersversorgung erfasst.

Umlaufvermögen

Roh-, Hilfs- und Betriebsstoffe werden mit den Anschaffungskosten nach dem gleitenden Durchschnittspreisverfahren unter Beachtung des strengen Niederstwertprinzips bewertet.

Unfertige Erzeugnisse und fertige Erzeugnisse sind zu Herstellungskosten (im Sinne des § 206 UGB), jedoch höchstens zum voraussichtlichen Verkaufserlös - abzüglich der bis zum Verkauf noch anfallenden Kosten - angesetzt. Die Herstellungskosten umfassen neben den Einzelkosten auch anteilige Material- und Fertigungsgemeinkosten auf Basis einer Normalauslastung sowie Aufwendungen für freiwillige soziale Leistungen, für betriebliche Altersversorgung und für Abfertigungen. Aufwendungen für Fremdkapitalzinsen sowie allgemeine Verwaltungs- und Vertriebskosten werden nicht aktiviert. Wirtschaftliche und technische Risiken werden durch Abschläge angemessen berücksichtigt.

Forderungen und sonstige Vermögensgegenstände werden gemäß dem strengen Niederstwertprinzip angesetzt. Forderungen werden einzeln bewertet. Falls Risiken hinsichtlich der Einbringlichkeit bestehen, werden Einzelwertberichtigungen gebildet. Bei der Ermittlung der Höhe der Einzelwertberichtigung werden erhaltene Sicherheiten, wie Bankgarantien und Kreditversicherungen, angemessen berücksichtigt. Ist eine Forderung gänzlich uneinbringlich, wird die Forderung mit 100% wertberichtigt (auf Basis des Nettobetrages). Pauschale Wertberichtigungen werden nicht gebildet.

Betreffend die Bewertung von Forderungen in Fremdwährungen verweisen wir auf den Punkt Fremdwährungsumrechnung.

Die gemäß Emissionszertifikatengesetz unentgeltlich zugeteilten Emissionszertifikate werden in der Bilanz entsprechend der AFRAC-Stellungnahme „Bilanzierung von CO₂-Emissionszertifikaten nach österreichischem HGB“ vom 22. Februar 2006 dargestellt. Im Geschäftsjahr 2015 wurden insgesamt 189.030 Stück (2014: 200.130 Stück) verbraucht und 360.854 Stück (2014: 743.627 Stück) Emissionszertifikate wurden unentgeltlich zugeteilt. Des Weiteren wurden 29.815 Stück (2014: 26.383 Stück) Emissionszertifikate erworben und 49.885 Stück (2014: 39.498 Stück) verkauft. Die aus dem aktuellen Geschäftsjahr und dem Vorjahr nicht verbrauchten Emissionszertifikate von insgesamt 701.231 Stück (31.12.2014: 558.538 Stück) hatten zum 31. Dezember 2015 einen Marktwert von TEUR 5.764,1 (31.12.2014: TEUR 4.021,5).

Betreffend die Bewertung von **Guthaben bei Kreditinstituten** in Fremdwährungen wird auf die unter dem Punkt Fremdwährungsumrechnung beschriebene Vorgehensweise verwiesen.

Vom Wahlrecht des bilanziellen Ansatzes des **gemäß § 198 Abs. 10 UGB aktivierbaren Betrages** für aktive Steuerabgrenzungen von TEUR 21.291,5 (31.12.2014: TEUR 23.076,5) wird nicht Gebrauch gemacht.

In die Steuerabgrenzung werden im Wesentlichen zeitliche Unterschiede zwischen dem unternehmensrechtlichen und dem steuerrechtlichen Wertansatz bei Rückstellungen für Sozialkapital (Pensionen und Abfertigungen) und Jubiläumsgelder sowie bei Sachanlagevermögen und Unterschiede bei den Wertansätzen von langfristigen Rückstellungen einbezogen. Die Steuerabgrenzung wird als überwiegend langfristig eingestuft.

Temporäre Unterschiede aufgrund von steuerlichen Siebentelabschreibungen (§ 12 Abs. 3 Z 2 KStG) sind mit TEUR 5.857,9 (31.12.2014: TEUR 6.496,9) im aktivierbaren Betrag enthalten.

Rückstellungen

Rückstellungen für Pensionen, Abfertigungen und Jubiläumsgelder werden im Einklang mit den einschlägigen Fachgutachten der Kammer der Wirtschaftstreuhänder nach versicherungsmathematischen Grundsätzen entsprechend den Vorschriften des IAS 19 „Leistungen an Arbeitnehmer“, wie er in der EU anzuwenden ist, unter Anwendung der Projected-Unit-Credit-Method (laufendes Einmalprämienverfahren) berechnet. Dabei werden die erwarteten Versorgungsleistungen auf den gesamten Zeitraum der Beschäftigung verteilt. Zukünftige Gehalts- und Pensionssteigerungen sowie Fluktuationsabschläge werden berücksichtigt. Versicherungsmathematische Gewinne und Verluste werden zur Gänze im Periodenaufwand in der

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Periode erfasst, in der sie anfallen. Die in der Bilanz erfasste leistungsorientierte Verpflichtung aus einem Versorgungsplan stellt den Barwert der leistungsorientierten Verpflichtung dar.

Sämtliche Änderungen der oben genannten Personalrückstellungen, darunter auch die Aufwendungen aus der Aufzinsung dieser Rückstellungen, werden in der Gewinn- und Verlustrechnung im Personalaufwand ausgewiesen. Des Weiteren werden auch die Zahlungen für beitragsorientierte Verpflichtungen im Personalaufwand erfasst.

Sonstige Rückstellungen werden in jener Höhe angesetzt, die nach vernünftiger unternehmerischer Beurteilung notwendig ist. Bei der Bewertung werden Rückgriffsansprüche auf andere Parteien angemessen berücksichtigt.

Verbindlichkeiten

Verbindlichkeiten werden mit dem Rückzahlungsbetrag angesetzt. Die Bewertung von Verbindlichkeiten in Fremdwährungen wird unter dem Punkt Fremdwährungsumrechnung erläutert.

Fremdwährungsumrechnung

Bestehen Sicherungsgeschäfte in Bezug auf eine Währung, so werden auf diese Währung lautende monetäre Posten bis zum Nominale der Sicherungsgeschäfte mit einem Kurs umgerechnet, der dem gewogenen Durchschnitt aus den Terminkursen der Sicherungsgeschäfte entspricht.

Soweit das Nominale der monetären Posten über das Nominale der Sicherungsgeschäfte hinausgeht und sofern keine Sicherungsgeschäfte bestehen, so werden auf diese Währung lautende monetäre Posten entsprechend dem imparitätischen Realisationsprinzip mit dem Kurs zum Zeitpunkt der Erfassung, im Fall eines Kursverlustes aber mit dem Stichtagskurs umgerechnet.

Folgende wesentliche Kurse wurden für die Währungsumrechnung in Euro herangezogen:

Fremdwährungskurse

Forderungen		31.12.2015	31.12.2014
Stichtagskurs	EUR/USD	1,0926	1,2160
Durchschnittlicher Sicherungskurs	EUR/USD	1,1621	1,3579
Stichtagskurs	EUR/CNY	7,0910	7,5442
Durchschnittlicher Sicherungskurs	EUR/CNY	8,0237	8,2824
Verbindlichkeiten		31.12.2015	31.12.2014
Stichtagskurs	EUR/USD	1,0926	1,2160

3. Erläuterungen zur Bilanz

AKTIVA

Anlagevermögen

Die Aufgliederung des **Anlagevermögens** und seine Entwicklung im Berichtsjahr sind im Anlagenspiegel angeführt.

Immaterielle Vermögensgegenstände und Sachanlagen

Der Posten **Rechte** beinhaltet zum Großteil ein Mitbenützungsrecht an der Abwasserreinigungsanlage des Wasserreinigungsverbandes Lenzing-Lenzing AG sowie das Recht auf Energiebezug von der RVL Reststoffverwertung Lenzing GmbH, einer von der Gesellschaft gemeinsam mit der Energie AG Oberösterreich Umwelt Service GmbH (vormals: AVE Österreich GmbH) betriebenen Reststoffverwertungsanlage.

Im Geschäftsjahr 2015 wurden immaterielle Vermögensgegenstände mit Anschaffungskosten in Höhe von TEUR 916,1 (2014: TEUR 0,0) von verbundenen Unternehmen erworben.

In den immateriellen Vermögensgegenständen sind solche immateriellen Vermögensgegenstände, die von einem verbundenen Unternehmen erworben wurden, mit einem Buchwert von TEUR 734,5 (31.12.2014: TEUR 11,7) enthalten.

Im Geschäftsjahr 2014 ist der Bereich „Haustechnik der LTEA“ und in 2013 der Bereich „Global Fiber Engineering“ von der Lenzing Technik GmbH zur Lenzing AG übergegangen. Der daraus resultierende **Firmenwert** in Höhe von in Summe TEUR 650,2 wurde aktiviert und wird planmäßig, nach der linearen Methode über die Nutzungsdauer von 15 Jahren abgeschrieben. Die gewählte Nutzungsdauer orientiert sich an der durchschnittlichen Restlaufzeit der im Zuge der Übernahme übernommenen Verpflichtungen.

Im Berichtsjahr wurden TEUR 53.565,9 (2014: TEUR 70.581,9) in **immaterielle Vermögensgegenstände** sowie in **Sachanlagen** investiert.

Nach Unternehmensbereichen ergibt sich folgende Aufgliederung:

Unternehmensbereich	TEUR	
	2015	2014
Fasern	33.408,4	43.246,7
Zentralbereiche (Umwelt, Information & Kommunikation, Infrastruktur)	12.296,4	15.838,4
Energie	1.249,7	6.768,5
Zellstoff	4.110,6	3.092,1
Übrige	2.500,8	1.636,2
Gesamt	53.565,9	70.581,9

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Die Abgänge von immateriellen Vermögensgegenständen und von Sachanlagen hatten Anschaffungs- und Herstellungskosten von TEUR 6.046,0 (2014: TEUR 1.500,8) und einen Buchwert von TEUR 58,1 (2014: TEUR 254,9).

Die grundstücksgleichen Rechte beinhalten im Wesentlichen ein erworbenes Baurecht mit einem Buchwert von TEUR 573,1 (31.12.2014: TEUR 579,7).

Finanzanlagen

Die Zugänge bei den **Anteilen an verbundenen Unternehmen** betreffen im Wesentlichen Zuschüsse an die indirekte Tochtergesellschaft Lenzing (Nanjing) Fibers, Co., Ltd. (TEUR 5.050,6). Im Vorjahr erfolgten im Wesentlichen Eigenkapitalzufuhren an die Lenzing Modi Fibers India Private Limited (TEUR 384,9). Im April 2014 wurde die Lenzing Land Holding LLC. gegründet (TEUR 7,2).

Im Geschäftsjahr 2015 wurden sämtliche Anteile an der European Carbon Fiber GmbH (TEUR 22,8) verkauft. Das Abgangsergebnis wird unter dem Punkt Finanzergebnis erläutert.

Die Auflistung der **Beteiligungen** der Lenzing AG kann der am Ende dieses Anhangs angeschlossenen Übersicht entnommen werden.

Die **Ausleihungen** über insgesamt TEUR 85.346,4 (31.12.2014: TEUR 98.405,5) setzen sich wie folgt zusammen:

	TEUR		
	Bilanzwert	mit einer Restlaufzeit bis zu 1 Jahr	mit einer Restlaufzeit über 1 Jahr
Ausleihungen an verbundene Unternehmen	84.743,1	56.453,5	28.289,6
Vorjahr	96.055,7	28.226,3	67.829,4
Sonstige Ausleihungen	603,3	179,8	423,5
Vorjahr	2.349,8	242,9	2.106,9
Gesamt	85.346,4	56.633,3	28.713,1
Vorjahr	98.405,5	28.469,2	69.936,3

Bei den Ausleihungen an verbundene Unternehmen wurde gemäß § 208 Abs. 2 UGB von einer möglichen Zuschreibung in Höhe von TEUR 2.399,2 (31.12.2014: TEUR 0,0) kein Gebrauch gemacht. Die künftige steuerliche Belastung daraus beträgt TEUR 599,8 (31.12.2014: TEUR 0,0).

Die **Wertpapiere (Wertrechte) des Anlagevermögens** enthalten den GroBanlegerfonds GF82 von TEUR 8.887,0 (31.12.2014: TEUR 8.871,0), der zur Deckung der Pensionsrückstellung dient. Dieser Fonds veranlagt nach den Vorschriften des Pensionskassengesetzes und ist per Jahresende im Wesentlichen in Euro-Anleihen veranlagt.

Ebenfalls beinhaltet dieser Posten Ansprüche aus Rückdeckungsversicherungen von TEUR 3.407,2 (31.12.2014: TEUR 3.530,7) betreffend Pensionsverpflichtungen und sonstige Wertpapiere (Wertrechte) des Anlagevermögens von TEUR 6.941,7 (31.12.2014: TEUR 6.226,0).

Im Geschäftsjahr 2015 wurden die Anteile an der Bahia Specialty Cellulose S.A. (TEUR 0,0) verkauft.

Umlaufvermögen

Die **Roh-, Hilfs- und Betriebsstoffe** beinhalten im Wesentlichen Holz und Zellstoff für die Faserproduktion, Chemikalien für sämtliche Geschäftsbereiche sowie diverse Kleinmaterialien und Ersatzteile.

Die **Bestände an unfertigen und fertigen Erzeugnissen** betreffen im Wesentlichen Fasern der Dachmarken Lenzing Viscose® und TENCEL® sowie Faserzellstoff.

Die **geleisteten Anzahlungen** betreffen Vorauszahlungen an Lieferanten für Roh-, Hilfs- und Betriebsstoffe.

Die **Forderungen und sonstigen Vermögensgegenstände** über insgesamt TEUR 172.380,2 (31.12.2014: TEUR 173.295,5) setzen sich wie folgt zusammen:

Forderungen	TEUR	
	Bilanzwert	mit einer Restlaufzeit über 1 Jahr
Forderungen aus Lieferungen und Leistungen	38.343,3	0,0
Vorjahr	31.302,8	4.823,0
Forderungen gegenüber verbundenen Unternehmen	82.889,2	3.253,1
Vorjahr	98.197,8	4.308,3
Forderungen gegenüber Unternehmen, mit denen ein Beteiligungsverhältnis besteht	2.950,8	0,0
Vorjahr	4.890,9	0,0
Sonstige Forderungen und Vermögensgegenstände	48.196,9	392,1
Vorjahr	38.904,0	9,8
Gesamt	172.380,2	3.645,2
Vorjahr	173.295,5	9.141,1

Von den **Forderungen aus Lieferungen und Leistungen** sind inklusive der im Rahmen des Factoring verkauften Forderungen TEUR 69.334,5 (31.12.2014: TEUR 57.441,1) nach Abzug von Selbstbehalten versichert und in Höhe von TEUR 6.710,0 (31.12.2014: TEUR 3.436,0) durch Garantien besichert. Wechselmäßige Verbriefungen liegen weder zum 31. Dezember 2015 noch zum 31. Dezember 2014 vor.

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Forderungen gegenüber verbundenen Unternehmen resultieren aus Lieferungen und Leistungsverrechnungen in Höhe von TEUR 75.253,2 (31.12.2014: TEUR 88.469,6) sowie sonstigen Verrechnungen von TEUR 15,2 (31.12.2014: TEUR 7,6) und Forderungen aus Steuerumlagen in Höhe von TEUR 7.620,8 (31.12.2014: TEUR 9.720,6).

Soweit Forderungen und Verbindlichkeiten zwischen verbundenen Unternehmen in wirtschaftlicher Betrachtungsweise einander aufrechenbar gegenüberstehen, werden diese bei gleichem Gläubiger und Schuldner gegeneinander aufgerechnet.

Forderungen gegenüber Unternehmen, mit denen ein Beteiligungsverhältnis besteht, resultieren aus der Leistungsverrechnung an die Lenzing Papier GmbH.

Die **sonstigen Forderungen und Vermögensgegenstände** beinhalten:

Sonstige Forderungen und Vermögensgegenstände	TEUR	
	31.12.2015	31.12.2014
Guthaben aus der Verrechnung mit dem Finanzamt	26.945,4	20.094,1
Nicht bevorschusster Betrag aus verkauften Forderungen	6.615,2	5.998,7
Emissionszertifikate	6.074,7	4.671,0
Abgrenzung von Kostenersätzen	4.525,1	4.390,0
Steuerumlagen aus Vorjahren	0,0	1.398,7
An- und Vorauszahlungen	222,5	258,8
Übrige	3.813,9	2.092,7
Gesamt	48.196,9	38.904,0

Die Forderung aus Steuerumlagen betraf im Vorjahr Forderungen gegenüber einem im Geschäftsjahr 2013 ausgeschiedenen Gruppenmitglied.

In den sonstigen Forderungen und Vermögensgegenständen sind Erträge in Höhe von TEUR 29.562,3 (31.12.2014: TEUR 26.693,6) enthalten, die erst nach dem Bilanzstichtag zahlungswirksam werden.

PASSIVA

Eigenkapital

Das **Grundkapital** der Lenzing AG zum 31. Dezember 2015 beträgt EUR 27.574.071,43 (31.12.2014: EUR 27.574.071,43) und ist in 26.550.000 Stückaktien (31.12.2014: 26.550.000) eingeteilt. Der auf eine Stückaktie entfallende Anteil am Grundkapital beträgt etwa EUR 1,04. Jede Stammaktie ist am Kapital im gleichen Ausmaß beteiligt und vermittelt die gleichen Rechte und Pflichten, insbesondere das Recht auf eine beschlossene Dividende und das Stimmrecht in der Hauptversammlung. Der Ausgabebetrag der Aktien ist voll einbezahlt. Andere Klassen von Anteilen sind nicht ausgegeben worden.

Mit Hauptversammlungsbeschluss vom 10. Dezember 2010 wurde der Vorstand ermächtigt, mit der Zustimmung des Aufsichtsrats das Grundkapital innerhalb von 5 Jahren - allenfalls in Tranchen - gegen Bar- und Sacheinlagen um maximal EUR 13.358.625,00 (entspricht 12.862.500 Stammaktien oder 50% des Grundkapitals per 31. Dezember 2010) zu erhöhen („genehmigtes Kapital“).

Mit Wirkung vom 17. Juni 2011 (erster Handelstag der neuen Aktien) führte die Lenzing AG eine in der außerordentlichen Hauptversammlung vom 10. Dezember 2010 genehmigte Kapitalerhöhung durch. Es wurden 825.000 Stück neue Aktien ausgegeben. Das Grundkapital wurde voll einbezahlt.

Darüber hinaus wurde der Vorstand mit Hauptversammlungsbeschluss vom 10. Dezember 2010 ermächtigt, bis spätestens 9. Dezember 2015 mit Zustimmung des Aufsichtsrats Wandelschuldverschreibungen auszugeben, die ein Bezugsrecht bzw. eine Umtauschpflicht auf bis zu 12.862.500 Stammaktien (entspricht 50% des Grundkapitals per 31. Dezember 2010) gewähren bzw. vorsehen („bedingtes Kapital“).

Nach Durchführung der Kapitalerhöhung im Geschäftsjahr 2011 wurde die Stückanzahl der auszugebenden Bezugsaktien und der Wandelschuldverschreibungen auf 12.037.500 Stück verringert.

Mit Hauptversammlungsbeschluss vom 28. April 2014 wurde der Vorstand ermächtigt, mit Zustimmung des Aufsichtsrats auf den Inhaber lautende Stückaktien der Gesellschaft im Ausmaß von bis zu 10% des Grundkapitals der Gesellschaft während einer Geltungsdauer von 30 Monaten ab dem 28. April 2014 über die Börse zu erwerben, wobei der niedrigste Gegenwert nicht mehr als 20% unter und der höchste Gegenwert nicht mehr als 10% über dem durchschnittlichen Börsenschlusskurs der letzten 3 Börsetage vor Erwerb der Aktien liegen darf. Der Handel in eigenen Aktien ist als Zweck des Erwerbs ausgeschlossen. Die Ermächtigung kann ganz oder teilweise oder auch in mehreren Teilbeträgen und in Verfolgung einer oder mehrerer Zwecke durch die Gesellschaft, durch ein Tochterunternehmen (§ 228 Abs. 3 UGB) oder für Rechnung der Gesellschaft durch Dritte ausgeübt werden. Darüber hinaus wurde der Vorstand ermächtigt, erforderlichenfalls das Grundkapital durch Einziehung dieser eigenen Aktien ohne weiteren Hauptversammlungsbeschluss herabzusetzen. Der Aufsichtsrat wurde ermächtigt, Änderungen der Satzung, die sich durch die Einziehung von Aktien ergeben, zu beschließen.

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Mit Hauptversammlungsbeschluss vom 22. April 2015 wurde der Vorstand ermächtigt mit Zustimmung des Aufsichtsrats das Grundkapital innerhalb von fünf Jahren – allenfalls in Tranchen – gegen Bar- und/oder Sacheinlage um bis zu EUR 13.778.412,00 durch Ausgabe von bis zu 13.274.000 Stückaktien zu erhöhen („genehmigtes Kapital“). Diese Ermächtigung wurde im Firmenbuch noch nicht eingetragen und ist daher noch nicht wirksam.

Darüber hinaus wurde der Vorstand mit Hauptversammlungsbeschluss vom 22. April 2015 ermächtigt mit Zustimmung des Aufsichtsrates bis spätestens 22. April 2020 Wandelschuldverschreibungen – auch in mehreren Tranchen – auszugeben, die ein Bezugs- oder Umtauschrecht bzw. eine Bezugs- oder Umtauschpflicht auf bis zu 13.274.000 Aktien gewähren bzw. vorsehen („bedingtes Kapital“). Die Bedienung kann über das bedingte Kapital und/oder über eigene Aktien erfolgen.

Der Vorstand hat von den am bzw. bis 31. Dezember 2015 bestehenden Ermächtigungen zur Erhöhung des Grundkapitals, zur Ausgabe von Wandelschuldverschreibungen und zum Rückkauf eigener Aktien in der Berichtsperiode keinen Gebrauch gemacht.

Bei den **Kapitalrücklagen** handelt es sich um gebundene Rücklagen, die nur zum Ausgleich eines Bilanzverlustes verwendet werden dürfen. Sie wurden durch Zufuhr von Mitteln gebildet, welche von den Aktionären über das Grundkapital hinaus zugeflossen sind.

Im Geschäftsjahr 2015 wurde mit Herrn Dr. Stefan Doboczky, MBA eine langfristige Bonusvereinbarung abgeschlossen. Dabei wurde ein Aufwand für den Bonusanspruch, der in Eigenkapitalinstrumenten erfüllt wird, von TEUR 433,3 (2014: TEUR 0) innerhalb des Personalaufwandes erfasst. Gegenläufig wurde im Eigenkapital eine **Optionsrücklage** mit dem gleichen Betrag dotiert. Zu weiterführenden Angaben wird auf den Punkt Organe und Arbeitnehmer verwiesen.

Die **freien Gewinnrücklagen** können jederzeit aufgelöst und als Teil des Bilanzgewinnes an die Aktionäre ausgeschüttet werden.

Zuschüsse der öffentlichen Hand

Die **Investitionszuschüsse der öffentlichen Hand** einschließlich der **Emissionszertifikate** werden, wie die un versteuerten Rücklagen, als gesonderter Hauptposten zwischen Eigenkapital und Fremdkapital ausgewiesen. Die Aufgliederung ist aus der Übersicht über die Entwicklung der Zuschüsse der öffentlichen Hand und der un versteuerten Rücklagen ersichtlich.

Die Auflösung der Investitionszuschüsse der öffentlichen Hand erfolgt entsprechend der Nutzungsdauer der geförderten Anlagen und wird offen mit den Abschreibungen saldiert. Der Zuschuss aus Emissionszertifikaten wurde dem Verbrauch entsprechend aufgelöst.

Unversteuerte Rücklagen

Die Aufgliederung der **un versteuerten Rücklagen** ist aus der Übersicht über die Entwicklung der Zuschüsse der öffentlichen Hand und der un versteuerten Rücklagen ersichtlich.

Rückstellungen

Die **sonstigen Rückstellungen** entwickeln sich wie folgt:

2015

Rückstellungen für

TEUR

	Stand 01.01.2015	Verbrauch	Auflösung	Zuführung	Um- gliederung	Stand 31.12.2015
Sozialplan	1.532,4	-989,8	-417,0	0,0	494,7	620,3
Drohende Verluste	16.851,6	-1.555,7	-4.791,6	4.594,3	0,0	15.098,6
Schadensfälle	6.000,0	0,0	0,0	420,0	0,0	6.420,0
Noch nicht abgerechnete Lieferungen/Leistungen	3.518,7	-3.369,9	-181,0	2.978,5	0,0	2.946,4
Jubiläumsgelder	10.718,0	-726,4	0,0	1.711,7	0,0	11.703,3
Sonderzahlungen	12.010,7	-12.010,7	0,0	8.988,7	0,0	8.988,7
Resturlaube	5.072,8	-5.072,8	0,0	6.106,9	0,0	6.106,9
Sonstige Personalaufwendungen	4.645,7	-3.942,0	-262,3	5.080,0	0,0	5.521,4
Übrige	3.641,7	-2.638,7	-613,4	7.968,1	0,0	8.357,7
Gesamt	63.991,6	-30.306,0	-6.265,3	37.848,2	494,7	65.763,3

2014

Rückstellungen für

TEUR

	Stand 01.01.2014	Verbrauch	Auflösung	Zuführung	Um- gliederung	Stand 31.12.2014
Sozialplan	24.527,4	-10.527,5	-4.873,1	0,0	-7.594,4	1.532,4
Drohende Verluste	28.317,7	-7.256,9	-4.733,9	524,7	0,0	16.851,6
Schadensfälle	8.221,3	-894,6	-1.326,7	0,0	0,0	6.000,0
Noch nicht abgerechnete Lieferungen/Leistungen	4.815,1	-4.204,3	-591,8	3.499,8	0,0	3.518,7
Jubiläumsgelder	10.308,6	-925,2	0,0	1.334,6	0,0	10.718,0
Sonderzahlungen	12.102,8	-12.102,8	0,0	12.010,7	0,0	12.010,7
Resturlaube	6.470,3	-6.470,3	0,0	5.072,8	0,0	5.072,8
Sonstige Personalaufwendungen	3.239,0	-2.503,1	-147,2	4.057,0	0,0	4.645,7
Übrige	3.646,9	-2.906,3	-753,0	3.654,1	0,0	3.641,7
Gesamt	101.649,1	-47.791,0	-12.425,7	30.153,7	-7.594,4	63.991,6

Die **Rückstellungen für den Sozialplan** betreffen Vorsorgen aufgrund des Personalabbaus im Rahmen der Reorganisation und des Kostenoptimierungsprogramms „excelLENZ 2.0“ im Geschäftsjahr 2013. Diese Maßnahmen wurden bei den Bereichen Engineering und Instandhaltung im Geschäftsjahr 2014 erweitert. Die Rückstellung wurde insbesondere für aus dem Sozialplan resultierende Abfindungen und Abfertigungen gebildet. Dabei wurden bereits zuvor rückgestellte Vorsorgen verwendet und von der regulären Abfertigungsrückstellung in die Rückstellung für Sozialplan umgegliedert bzw. im Zuge der Teilauflösung 2014 wieder zurückgegliedert. Im Geschäftsjahr 2015 wurde das Personalabbauprogramm weiter umgesetzt und die Rückstellung entsprechend verwendet bzw. teilaufgelöst.

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Die **Rückstellungen für drohende Verluste** betreffen im Wesentlichen Vorsorgen für nachteilige Verträge, Haftungsübernahmen und Verpflichtungen aus zu erbringenden Infrastrukturleistungen.

Die **Rückstellungen für Schadensfälle** betreffen vor allem Verpflichtungen für Rechtsstreitigkeiten. Die Rechtsstreitigkeiten umfassen insbesondere die Vorsorge für ein juristisches Verfahren, bei dem die Lenzing Gruppe gegen Patentrechtsverletzungen vorgeht.

Die **übrigen Rückstellungen** betreffen vor allem Prüfungs- und Beratungskosten, Nachlässe und Rabatte, Provisionen sowie die verbrauchten Emissionszertifikate.

Die Entwicklung der **Rückstellung für Pensionen, Abfertigungen und Jubiläumsgelder** stellt sich wie folgt dar:

2015		TEUR		
Rückstellungen für		Pensionen	Abfertigungen	Jubiläumsgelder
In der Bilanz erfasste Werte:				
Rückstellung zum 31.12.2014		29.156,3	56.441,7	10.718,0
Zugang aus Lenzing Technik GmbH		0,0	2.826,5	916,1
Periodenaufwand		186,4	-1.713,1	763,8
Auszahlungen		-2.202,3	-3.543,3	-694,6
Umgliederung zu Sozialplan		0,0	-494,7	0,0
Rückstellung zum 31.12.2015		27.140,4	53.517,1	11.703,3
Wert nach § 14 EStG		16.441,7	32.594,8	7.062,0
Aufwand im Geschäftsjahr:				
Laufender Dienstzeitaufwand		10,0	2.057,2	755,5
Zinsaufwand		477,9	950,4	175,9
Realisierung versicherungsmathematischer Verlust (+)/Gewinn (-)		-301,5	-4.720,7	-167,6
Periodenaufwand		186,4	-1.713,1	763,8
Annahmen zur Berechnung der erwarteten leistungsorientierten Ansprüche zum 31.12.2015:				
Diskontierungszinssatz		2,05%	2,15%	2,05%
Pensionssteigerung		0,00/2,50/3,00%	-	-
Gehaltssteigerung		3,00%	3,00%	3,00%
Pensionseintrittsalter				
Frauen/Männer/Schwerarbeiter		58/63/57 Jahre	58/63/57 Jahre	58/63/57 Jahre
Fluktuationsabschlag		-	0,00-4,01%	0,00-6,75%

Mit Wirkung vom 01. Mai 2015 sind Teilbereiche der „Lenzing Technik Viskose (LTV)“, „Lenzing Technik Zellstofftechnik (LTZ)“, „Lenzing Technik Fertigung (LTF)“, des „Lenzing Technik Hauptlagers“ sowie Teilbereiche der „Lenzing Technik Automation (LTA)“ von der Lenzing Technik GmbH zur Lenzing AG übergegangen. Dabei wurden Personalverpflichtungen für die betroffenen Mitarbeiter/innen übernommen (TEUR 3.930,5).

Im Geschäftsjahr 2015 wurde die Lenzing AG von der Lenzing Technik GmbH für Verpflichtungen gegenüber ehemaligen Mitarbeitern/innen im Zuge der Veräußerung des Teilbereichs „Lenzing Technik Automation und Robotik“ sowie des Teilbereichs „Lenzing Technik Blechtechnik“ in Anspruch genommen (TEUR 187,9).

Im Zuge der Dotierung der Rückstellung für den Sozialplan wurden bereits zuvor rückgestellte Abfertigungsrückstellungen verwendet und 2015 in der Rückstellung für den Sozialplan ausgewiesen bzw. verwendet.

2014

Rückstellungen für

TEUR

	Pensionen	Abfertigungen	Jubiläumsgelder
In der Bilanz erfasste Werte:			
Rückstellung zum 31.12.2013	27.196,8	38.511,0	10.308,6
Zugang aus Bereich Haustechnik	0,0	150,4	54,2
Periodenaufwand	4.110,8	11.659,5	1.190,8
Auszahlungen	-2.151,3	-1.473,6	-835,6
Umgliederung von Sozialplan	0,0	7.594,4	0,0
Rückstellung zum 31.12.2014	29.156,3	56.441,7	10.718,0
Wert nach § 14 EStG	16.811,5	32.332,3	6.283,7
Aufwand im Geschäftsjahr:			
Laufender Dienstaufwand	8,5	1.839,3	494,9
Zinsaufwand	784,4	1.498,5	305,8
Realisierung versicherungsmathematischer Verlust (+)/Gewinn (-)	3.317,9	8.321,7	390,1
Periodenaufwand	4.110,8	11.659,5	1.190,8
Annahmen zur Berechnung der erwarteten leistungsorientierten Ansprüche zum 31.12.2014:			
Diskontierungszinssatz	1,70%	1,75%	1,70%
Pensionssteigerung	0,00/2,50/3,00%	-	-
Gehaltssteigerung	3,00%	3,00%	3,00%
Pensionseintrittsalter			
Frauen/Männer/Schwerarbeiter	58/63/57 Jahre	58/63/57 Jahre	58/63/57 Jahre
Fluktuationsabschlag	-	0,00-4,41%	0,00-7,47%

Mit Wirkung vom 1. Jänner 2014 ist der Bereich „Haustechnik der LTEA“ von der Lenzing Technik GmbH zur Lenzing AG übergegangen. Dabei wurden Personalverpflichtungen für die betroffenen Mitarbeiter übernommen.

Im Zuge der Verwendung und Teilauflösung der Rückstellung für den Sozialplan wurden Abfertigungsrückstellungen aus der Rückstellung für den Sozialplan wieder in die Rückstellung für Abfertigungen umgliedert.

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Für die Berechnung der Pensions-, Abfertigungs- und Jubiläumsgeldrückstellung wurde ein Abzinsungssatz verwendet, der aus erstrangigen festverzinslichen Industriefinanzen mit AA-Rating nach dem Standard eines international tätigen Versicherungsmathematikers abgeleitet wurde. Anleihen, die im Vergleich zu den anderen Anleihen in ihrer Risikoeinstufung deutlich höhere oder niedrigere Zinsen aufweisen („statistische Ausreißer“), wurden dabei nicht berücksichtigt. Die Währung und die Laufzeiten der zu Grunde gelegten Anleihen orientieren sich an der Währung und den voraussichtlichen Laufzeiten der zu erfüllenden Verpflichtungen.

Die geschätzten Gehalts- und Pensionssteigerungen, die auch für die Zukunft als realistisch angesehen werden, wurden aus einer Durchschnittsbetrachtung der vergangenen Jahre abgeleitet.

Das für die Berechnung herangezogene Pensionsantrittsalter richtet sich nach den jeweiligen gesetzlichen Bestimmungen. Für die Berechnung der leistungsorientierten Pensionspläne werden in beiden Geschäftsjahren die biometrischen Rechnungsgrundlagen von Pagler & Pagler AVÖ 2008 P-Rechnungsgrundlagen für die Pensionsversicherung Angestellte verwendet.

Die Berechnung der Abfertigungs- und Jubiläumsgeldrückstellung erfolgt unter Berücksichtigung eines Fluktuationsabschlages. Dieser wird nach Dienstjahren gestaffelt und beruht auf den durchschnittlichen Austrittszahlen der letzten fünf Jahre. Für die Berechnung der leistungsorientierten Abfertigungspläne wird in beiden Geschäftsjahren eine Fluktuationswahrscheinlichkeit angesetzt, die alle Austrittsgründe ohne Abfertigungsanspruch beinhaltet.

In der Lenzing AG gibt es sowohl beitrags- als auch leistungsorientierte Pensionsvorsorgepläne. Im Geschäftsjahr 2000 wurde einem Großteil der Dienstnehmer der vertragliche Pensionsanspruch abgefunden und ein beitragsorientiertes Pensionskassensystem eingeführt. Bei beitragsorientierten Pensionszusagen treffen die Gesellschaft nach Zahlung der vereinbarten Prämien keine Verpflichtungen mehr. Eine Rückstellung wird daher nicht angesetzt.

Den leistungsorientierten Pensionsverpflichtungen wird durch die Bildung von Pensionsrückstellungen Rechnung getragen. Das Risiko im Zusammenhang mit diesen leistungsorientierten Pensionsplänen verbleibt bei der Lenzing AG. Die Berechnung erfolgt nach versicherungsmathematischen Grundsätzen entsprechend den Vorschriften des IAS 19 „Leistungen an Arbeitnehmer“.

Mitarbeiter/innen, deren Dienstverhältnisse österreichischem Recht unterliegen und nach dem 31. Dezember 2002 begonnen haben, erwerben keine Abfertigungsansprüche. Für sie sind Beiträge in Höhe von 1,53% des Lohnes bzw. Gehaltes an eine Mitarbeitervorsorgekasse zu zahlen.

Aufgrund kollektivvertraglicher Regelungen ist die Lenzing AG verpflichtet, Jubiläumsgeldzahlungen zu leisten, sofern ein Arbeitnehmer für eine bestimmte Dauer im Unternehmen beschäftigt war. Diese Zahlungen basieren auf der Höhe des Bezuges zum Zeitpunkt des betreffenden Dienstnehmerjubiläums. Die bei den betreffenden Jubiläen voraussichtlich zu zahlenden Beträge werden auf die Dienstzeit bis zu den Jubiläen verteilt. Der Barwert des auf die Dienstzeit bis zum Bilanzstichtag entfallenden Betrages wird rückgestellt.

Die Verpflichtungen gegenüber ehemaligen Mitarbeitern des verkauften Geschäftsbereiches Kunststoffmaschinen (nunmehr SML Maschinengesellschaft mbH) sowie für ehemalige

Mitarbeiter der ausgegliederten Bereiche Technik (nunmehr Lenzing Technik GmbH) und Folie (nunmehr Lenzing Plastics GmbH & Co KG), Bildungszentrum (nunmehr BZL-Bildungszentrum Lenzing GmbH) werden bis zur Höhe der fiktiven Ansprüche zum Zeitpunkt des Verkaufs bzw. der Ausgliederung weiterhin von der Gesellschaft getragen. Der Barwert zum Bilanzstichtag wird in Bezug auf diese Verpflichtungen rückgestellt, wobei für die Barwertermittlung angenommen wird, dass die Abfertigungen mit dem Übertritt der betreffenden Dienstnehmer in den Ruhestand fällig werden.

Verbindlichkeiten

Die **Verbindlichkeiten** stellen sich zum Bilanzstichtag wie folgt dar:

	TEUR			
	Bilanzwert	mit einer Restlaufzeit bis zu 1 Jahr	mit einer Restlaufzeit von 1 bis 5 Jahren	mit einer Restlaufzeit über 5 Jahren
Anleihen	120.000,0	0,0	120.000,0	0,0
Vorjahr	120.000,0	0,0	120.000,0	0,0
Verbindlichkeiten aus Schuldscheindarlehen	237.500,0	40.500,0	86.500,0	110.500,0
Vorjahr	213.500,0	0,0	178.500,0	35.000,0
Verbindlichkeiten gegenüber Kreditinstituten	24.924,4	7.741,0	17.183,4	0,0
Vorjahr	65.104,5	43.621,8	21.482,7	0,0
Sonstige zinstragende Verbindlichkeiten	27.189,6	6.999,0	17.596,2	2.594,4
Vorjahr	26.049,1	4.259,4	18.916,7	2.873,1
Erhaltene Anzahlungen auf Bestellungen	1.587,3	1.587,3	0,0	0,0
Vorjahr	766,1	766,1	0,0	0,0
Verbindlichkeiten aus Lieferungen und Leistungen	44.271,2	44.271,2	0,0	0,0
Vorjahr	45.960,2	45.871,1	89,0	0,0
Verbindlichkeiten gegenüber verbundenen Unternehmen	72.046,7	16.793,6	17.253,1	38.000,0
Vorjahr	44.929,4	25.121,1	18.808,3	1.000,0
Verbindlichkeiten gegenüber Unternehmen, mit denen ein Beteiligungsverhältnis besteht	22,7	22,7	0,0	0,0
Vorjahr	0,0	0,0	0,0	0,0
Sonstige Verbindlichkeiten	33.441,7	31.215,8	2.225,9	0,0
Vorjahr	29.280,5	26.848,4	2.432,1	0,0
Gesamt	560.983,5	149.130,6	260.758,6	151.094,4
Vorjahr	545.589,7	146.487,9	360.228,8	38.873,1

In 2010 wurde eine siebenjährige **Anleihe** mit einem Fixzinssatz von 3,875% und einem Nominale von TEUR 120.000,0 begeben. Sie ist am 27. September 2017 fällig.

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Im Geschäftsjahr 2012 hat die Lenzing AG **Schuldscheine** in Höhe von TEUR 184.500,0 platziert. Die Schuldscheine wurden mit einer Laufzeit von 4 und 7 Jahren mit jeweils fixer und variabler Verzinsung und mit einer Laufzeit von 10 Jahren nur mit fixer Verzinsung abgeschlossen. Im Geschäftsjahr 2013 wurde ein weiteres Schuldscheindarlehen in Höhe von TEUR 29.000,0 mit einer Laufzeit von 5 Jahren und fixer Verzinsung aufgenommen.

Im Geschäftsjahr 2015 hat sich die Lenzing AG auf die Refinanzierung der Schuldscheine samt Volumenausdehnung geeinigt. Bestehende Schuldscheine in Höhe von TEUR 75.000,0 und einer ursprünglichen Laufzeit von 4 und 7 Jahren mit variabler Verzinsung wurden gekündigt und neue Schuldscheine samt Volumenaufstockung ausgegeben (TEUR 99.000,0). Die neuen Schuldscheine wurden mit einer Laufzeit von 5 und 7 Jahren mit jeweils fixer und variabler Verzinsung und mit einer Laufzeit von 10 Jahren nur mit fixer Verzinsung abgeschlossen.

Die **sonstigen zinstragenden Verbindlichkeiten** enthalten ERP-Kredite, Forschungsförderungskredite und Verbindlichkeiten aus Finanzierungsleasing.

Von den **Verbindlichkeiten gegenüber Kreditinstituten und sonstigen zinstragenden Verbindlichkeiten** von TEUR 52.114,0 (31.12.2014: TEUR 91.153,6) sind wie im Vorjahr keine durch Grundpfandrechte und sonstige dingliche Sicherheiten besichert.

Von den **Verbindlichkeiten gegenüber verbundenen Unternehmen** betreffen TEUR 11.776,6 (31.12.2014: TEUR 8.095,7) Lieferungen und Leistungsverrechnungen, TEUR 392,8 (31.12.2014: TEUR 65,1) sonstige Verrechnungen sowie TEUR 7.877,3 (31.12.2014: TEUR 21.268,7) Verbindlichkeiten aus Steuerumlagen. Weiters bestehen Verbindlichkeiten aus Darlehen in Höhe von TEUR 52.000,0 (31.12.2014: TEUR 15.500,0) gegenüber der Lenzing Global Finance GmbH aus der Weiterverrechnung der vereinnahmten finanziellen Mittel aus den von der Lenzing Global Finance GmbH im Geschäftsjahr 2015 und 2012 begebenen Schuldscheinen.

In den **sonstigen Verbindlichkeiten** sind Aufwendungen in Höhe von TEUR 14.661,8 (31.12.2014: TEUR 12.627,1) enthalten, die erst nach dem Bilanzstichtag zahlungswirksam werden. Davon betreffen TEUR 3.757,7 (31.12.2014: TEUR 2.786,0) Verbindlichkeiten für das Altersteilzeitmodell gem. § 27 ALVG.

Rechnungsabgrenzungsposten

Die **passive Rechnungsabgrenzung** beinhaltet im Wesentlichen transitorisch abgegrenzte Zinsenzuschüsse des Umwelt- und des Forschungsförderungsfonds.

HAFTUNGSVERHÄLTNISSE

Haftungsverhältnisse liegen in folgendem Umfang vor:

Haftungsverhältnisse	TEUR	
	31.12.2015	31.12.2014
Bürgschafts- und Garantieerklärungen für den Wasserreinigungverband Lenzing-Lenzing AG für den Bau der zweiten und dritten Ausbaustufe der Abwasserreinigungsanlage	2.971,4	4.715,3
Haftungsübernahmen für verbundene Unternehmen	174.935,2	158.571,3
Haftungsübernahmen gegenüber Dritten	16.732,9	15.611,5
Gesamt	194.639,5	178.898,2

Seit dem Geschäftsjahr 2014 bestehen Factoring-Vereinbarungen, welche im Punkt Angaben zu sonstigen finanziellen Verpflichtungen und außerbilanziellen Geschäften erläutert werden. Für den theoretischen kreditrisikobedingten Verlust für die Übernahme der Ausfallhaftung durch die Lenzing AG in Höhe von TEUR 6.482,9 (31.12.2014: TEUR 6.111,6) wird eine Haftungsübernahme gegenüber Dritten ausgewiesen.

Im Geschäftsjahr 2013 hat die Lenzing AG eine harte Patronatserklärung, die in ihrer Höhe unbestimmt ist, abgegeben. Die Lenzing AG verpflichtet sich darin, die Lenzing Fibers Grimsby Limited sowie die Lenzing Fibers Inc. mit ausreichenden Mitteln auszustatten, damit sie ihre finanziellen Verpflichtungen aus abgeschlossenen Gasabsicherungsgeschäften erfüllen können.

Im Geschäftsjahr 2012 hat die Lenzing AG eine harte Patronatserklärung, die in ihrer Höhe unbestimmt ist, abgegeben. Die Lenzing AG verpflichtet sich darin, die Lenzing Fibers Grimsby Limited mit ausreichenden Mitteln auszustatten, damit sie ihre finanziellen Verpflichtungen aus einem abgeschlossenen Energieliefervertrag erfüllen kann.

Des Weiteren besteht eine Garantieerklärung der Lenzing AG, die in ihrer Höhe unbestimmt ist, in der sie garantiert, dass die Pulp Trading GmbH ihre finanziellen Verpflichtungen aus einem abgeschlossenen Liefervertrag erfüllt.

Als international tätiges Unternehmen ist die Lenzing AG einer Vielzahl von rechtlichen und sonstigen Risiken ausgesetzt. Hierzu können insbesondere Risiken aus den Bereichen Produktmängel, Wettbewerbs- und Kartellrecht, Patentrecht, Steuerrecht, Arbeitnehmer und Umweltschutz gehören. Der Standort Lenzing wird schon seit Jahrzehnten für industrielle Zwecke genutzt und birgt daher das inhärente Risiko von Umweltschäden. 1990 wurde die Lenzing AG in Kenntnis gesetzt, dass sich hier eine Verdachtsfläche befindet, die früher als Klärteich benutzt wurde und daher belastet sein könnte. Die Gesellschaft hat die Fläche versiegelt, um eine Belastung des Grundwassers zu verhindern.

Die Ergebnisse von gegenwärtig anhängigen bzw. künftigen Verfahren sind nicht vorhersehbar, sodass aufgrund von gerichtlichen und behördlichen Entscheidungen oder der Vereinbarung von Vergleichen Aufwendungen entstehen können, die nicht in vollem Umfang durch Versicherungsleistungen abgedeckt sind und wesentliche Auswirkungen auf die künftige Ver-

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mögens-, Finanz- und Ertragslage der Lenzing AG haben können. Weitere Ausführungen sind dem Risikobericht im Lagebericht zu entnehmen.

Aus der gewöhnlichen Geschäftstätigkeit sind in der Lenzing AG Rechtsstreitigkeiten anhängig. Der Vorstand geht aktuell davon aus, dass die derzeit bekannten Verfahren keine wesentlichen Auswirkungen auf die derzeitige Vermögens-, Finanz- und Ertragslage der Lenzing AG haben bzw. eine entsprechende Risikovorsorge getroffen wurde. Unabhängig von dieser sorgfältig getroffenen Einschätzung verbleiben Restrisiken.

4. Erläuterungen zur Gewinn- und Verlustrechnung

Umsatzerlöse

Im Berichtsjahr erzielte die Gesellschaft einen Umsatz von TEUR 789.083,5 (2014: TEUR 729.033,9), der sich wie folgt gliedert:

Umsatzerlöse nach Märkten TEUR

	2015	2014
Österreich	131.602,6	123.751,3
Europa inkl. Türkei ohne Österreich	354.965,2	351.556,0
Asien	240.881,0	195.903,5
Amerika	40.724,5	43.845,7
Sonstige	20.910,2	13.977,4
Gesamt	789.083,5	729.033,9

Umsatzerlöse nach Bereichen TEUR

	2015	2014
Fibers	674.119,0	603.106,6
Pulp, Energy, Sonstige	114.964,5	125.927,3
Gesamt	789.083,5	729.033,9

Sonstige betriebliche Erträge

Die **übrigen sonstigen betrieblichen Erträge** beinhalten:

Übrige sonstige betriebliche Erträge	TEUR	
	2015	2014
Leistungsverrechnungen und Kostenersätze	29.451,7	29.368,3
Mieteinnahmen	3.134,9	3.101,1
Forschungs-, Lehrlings- und Bildungsprämien	1.876,0	2.452,0
Umsätze der werkseigenen Küche	1.635,8	1.702,5
Beiträge des Österr. Forschungsförderungs fonds	1.338,5	1.926,5
Auflösung von Zuschüssen (Emissionszertifikaten)	967,2	940,1
Versicherungserträge	0,0	1.533,3
Übrige	2.023,6	3.245,4
Gesamt	40.427,7	44.269,2

Personalaufwand

Die **Aufwendungen für Abfertigungen und Leistungen an betriebliche Mitarbeitervorsorgekassen** (inkl. Rückstellungs dotierungen und -auflösungen der Rückstellung für Abfertigungen und den Sozialplan) setzen sich wie folgt zusammen:

Aufwendungen für	TEUR	
	2015	2014
Abfertigungen (inkl. freiwilligen Abfertigungen)	-1.521,2	6.775,9
Leistungen an betriebliche Mitarbeitervorsorgekassen	994,3	782,0
Gesamt	-526,9	7.557,9

Die Aufwendungen für Abfertigungen und Leistungen an betriebliche Mitarbeitervorsorgekassen (inkl. Rückstellungs dotierungen und -auflösungen) verteilen sich wie folgt:

Aufwendungen für	TEUR	
	2015	2014
Mitglieder des Vorstandes		
Aktive Mitglieder	114,5	176,7
Leitende Arbeitnehmer	-50,7	161,5
Andere Arbeitnehmer	-590,7	7.219,7
Gesamt	-526,9	7.557,9

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Die **Aufwendungen für Altersversorgung** (inkl. Rückstellungsdotierungen und -auflösungen sowie Erträgen aus der Rückdeckungsversicherung) setzen sich wie folgt zusammen:

Aufwendungen für	TEUR	
	2015	2014
Beitragsorientierte Pläne (Pensionskassenbeiträge)	1.197,9	1.172,3
Leistungsorientierte Pläne	85,3	3.967,5
Gesamt	1.283,2	5.139,8

Die Aufwendungen für Altersversorgung (inkl. Rückstellungsdotierungen und -auflösungen sowie Erträgen aus der Rückdeckungsversicherung) verteilen sich wie folgt:

Aufwendungen für	TEUR	
	2015	2014
Mitglieder des Vorstandes		
Aktive Mitglieder	159,4	118,3
Ehemalige Mitglieder und deren Hinterbliebene	74,1	1.651,9
Leitende Arbeitnehmer	106,5	94,2
Andere Arbeitnehmer	943,2	3.275,4
Gesamt	1.283,2	5.139,8

Die Lenzing AG hat eine Rückdeckungsversicherung für Pensionsansprüche abgeschlossen. Der Aufwand aus diesen Pensionszusagen (exkl. Rückstellungsdotierungen und -auflösungen) in Höhe von TEUR 614,9 (2014: TEUR 601,5) sowie der Ertrag aus der Rückdeckungsversicherung von TEUR 158,5 (2014: TEUR 163,5) sind im Posten Aufwendungen für Altersversorgung enthalten.

Abschreibungen

Die **Abschreibungen auf immaterielle Gegenstände des Anlagevermögens und Sachanlagen** beinhalten die planmäßigen Abschreibungen in Höhe von TEUR 58.322,1 (2014: TEUR 53.758,9).

Die Erträge aus der Auflösung der Investitionszuschüsse der öffentlichen Hand vermindern die Abschreibungen in folgender Höhe:

Auflösung der	TEUR	
	2015	2014
Investitionszuschüsse der öffentlichen Hand	444,9	566,3
Gesamt	444,9	566,3

Sonstige betriebliche Aufwendungen

Die **übrigen sonstigen betrieblichen Aufwendungen** umfassen:

Übrige sonstige betriebliche Aufwendungen	TEUR	
	2015	2014
Vertriebsaufwendungen (inkl. Werbeaufwendungen)	46.200,8	44.572,9
Rechts-, Prüfungs- und Beratungsaufwendungen	18.175,5	9.825,3
Instandhaltungen und Fremdleistungen	18.162,8	16.080,0
Konzernleistungen	10.814,4	8.972,6
Reise- und Fahrtkosten	3.658,6	2.872,1
Abfallentsorgung	3.634,1	4.398,1
Versicherungsaufwendungen	3.438,3	3.498,5
Gebühren, Spesen und sonstige Beiträge	3.007,0	2.916,8
Schulung der Belegschaft	2.779,7	2.460,2
Fremdwährungsdifferenzen	2.651,6	0,0
Sonstige Aufwendungen	16.385,0	13.489,7
Gesamt	128.907,8	109.086,1

In den sonstigen Aufwendungen sind vor allem Miet- und Leasingaufwendungen, Aufwendungen für den Verbrauch von Büromaterial, allgemeine Verwaltungskosten, der Verbrauch von Lebensmitteln der werkseigenen Küche sowie Wertberichtigungen enthalten.

Finanzergebnis

Die **Erträge aus Beteiligungen** betreffen im Wesentlichen Dividenden der EQUI-Fibres Beteiligungsgesellschaft mbH in Höhe von TEUR 30.000,0 (2014: TEUR 0,0) und der BZL-Bildungszentrum Lenzing GmbH in Höhe von TEUR 375,0 (2014: TEUR 300,0).

In den **Erträgen aus anderen Wertpapieren und Ausleihungen des Finanzanlagevermögens** sind Erträge aus Zinsforderungen an verbundene Unternehmen von TEUR 2.154,5 (2014: TEUR 2.535,1) erfasst.

Sonstige Zinsen und ähnliche Erträge resultieren im Wesentlichen aus der Aufzinsung von Ausleihungen in Höhe von TEUR 758,5 (2014: TEUR 727,8) und aus Guthaben bei Kreditinstituten von TEUR 125,4 (2014: TEUR 339,5).

Die **Erträge aus dem Abgang von und der Zuschreibung zu Finanzanlagen** enthalten im Wesentlichen Gewinne aus dem Verkauf der Anteile an der European Carbon Fiber GmbH sowie Fremdwährungskursgewinne aus Ausleihungen an verbundene Unternehmen.

Die **Aufwendungen aus Finanzanlagen** beinhalten im Wesentlichen Risikovorsorgen von TEUR 75,0 (2014: TEUR 200,0) im Zusammenhang mit der Liquidation der European Precursor GmbH sowie Abschreibungen einer sonstigen Ausleihung in Höhe von TEUR 188,8 (2014: TEUR 9,5). Im Vorjahr waren darüber hinaus Aufwendungen aus der Abzinsung von Ausleihungen in Höhe von TEUR 551,0 enthalten.

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Steuern vom Einkommen und vom Ertrag

Die **Steuern vom Einkommen und vom Ertrag** setzen sich wie folgt zusammen:

Steuern vom Einkommen und vom Ertrag	TEUR	
	2015	2014
Körperschaftsteuer aus der Gruppenbesteuerung	13.168,8	18.852,3
Steuerzuschritt vom Gruppenträger B&C Industrieholding GmbH	-1.486,9	-2.999,9
Steuerumlagen der Gruppenmitglieder	-3.903,4	-7.172,3
Steuerumlagen an Gruppenmitglieder	913,6	4.753,6
Sonstige Steuern vom Einkommen und vom Ertrag	480,7	926,5
Gesamt	9.172,8	14.360,2

Die sonstigen Steuern vom Einkommen und vom Ertrag enthalten wie im Vorjahr im Wesentlichen Körperschaftsteuern aus Vorperioden und ausländische Quellensteuern.

Der Ertrag aus der **Auflösung unverteuerter Rücklagen** in der Höhe von TEUR 365,6 (2014: TEUR 315,9) ist in voller Höhe steuerpflichtig, sodass daraus eine Steuerbelastung von insgesamt TEUR 91,4 (2014: TEUR 79,0) resultiert.

5. Sonstige Angaben

Angaben zu sonstigen finanziellen Verpflichtungen und außerbilanziellen Geschäften

Verpflichtungen aus der Nutzung von in der Bilanz nicht ausgewiesenen Sachanlagen liegen aufgrund von Leasing-, Pacht- und Mietverträgen in folgendem Umfang vor:

Nutzungsverpflichtungen	TEUR	
	31.12.2015	31.12.2014
Im Folgejahr	3.154,4	3.014,4
In den folgenden fünf Jahren	8.621,5	8.913,3

Verpflichtungen aus offenen Bestellungen für die Lieferung von Sachanlagen liegen in folgender Höhe vor:

Bestellobligo	TEUR	
	31.12.2015	31.12.2014
Bestellobligo für Investitionsvorhaben	9.717,5	18.057,5
Davon gegenüber verbundenen Unternehmen	1.777,3	14.431,6

Aufgrund der Personalüberlassung von Mitarbeitern der Lenzing Services Ltd. (nunmehr Lenzing Fibers Grimsby Ltd.) an die Lenzing Fibers Inc. (Agreement of the Secondment of the Employees) hat sich die Lenzing AG verpflichtet, die Lenzing Fibers Grimsby Ltd. aus diesem Titel schad- und klaglos zu halten (Deed of Undertaking).

Im Übrigen gibt es rechtlich unverbindliche Erklärungen, Tochtergesellschaften mit ausreichend finanziellen Mitteln auszustatten („weiche Patronatserklärungen“), die sich nicht an bestimmte Personen richten.

Die Bankgarantien für Verbindlichkeiten aus laufenden Geschäftsbeziehungen betragen zum 31. Dezember 2015 TEUR 3.977,4 (31.12.2014: TEUR 5.422,5).

Verkauf von Forderungen / Factoring

Seit dem Geschäftsjahr 2014 bestehen Factoring-Vereinbarungen, aufgrund denen Banken zum Ankauf bestimmter Forderungen aus Lieferungen und Leistungen der Lenzing AG über ein monatlich revolvinges Nominalvolumen verpflichtet sind. Die Lenzing AG ist zum Verkauf dieser Forderungen berechtigt. Die Vereinbarungen haben eine unbestimmte Laufzeit; jede Partei hat das Recht, die Vereinbarungen mit einer Frist aufzukündigen und dann auslaufen zu lassen. Die verkauften Forderungen sind kurzfristig und innerhalb eines Jahres fällig.

Die für die Risikobeurteilung relevanten Risiken der verkauften Forderungen sind das Kreditausfallrisiko (Delkredererisiko), im Fall von Forderungen in Fremdwährung das Fremdwährungsrisiko und das Risiko verspäteter Zahlungen. Die kreditrisikobedingten Ausfälle und im Fall von Forderungen in Fremdwährung die Schwankungen der Wechselkurse stellen die wesentlichen mit diesen Forderungen verbundenen Chancen und Risiken dar. Das Risiko verspäteter Zahlungen wird bei allen Factoring-Vereinbarungen von der Lenzing AG getragen und als geringfügig eingeschätzt.

Bei einer Vereinbarung über den Verkauf von Forderungen in Berichtswährung (nachfolgend „Tranche 1“ genannt) wird das Kreditausfallrisiko zur Gänze von der Bank übernommen. Damit wurden im Wesentlichen alle Chancen und Risiken an die Bank übertragen. Bei den übrigen Vereinbarungen (nachfolgend „Tranche 2“ genannt) übernimmt die Lenzing AG eine Ausfallhaftung von 10% pro Zahlungsausfall. Dieser nicht von einer anderen Partei erstattbare Betrag wird von der Bank nicht bevorschusst. Das verbleibende Kreditausfallrisiko (90% pro Zahlungsausfall) und - im Fall von Forderungen, die nicht auf die Berichtswährung lauten - auch das Fremdwährungsrisiko übernimmt die Bank. Damit wurden die wesentlichen Chancen und Risiken zwischen der Lenzing AG und der Bank aufgeteilt; die Verfügungsmacht über die Forderungen ging allerdings auf die Bank über. Die Lenzing AG hat sich verpflichtet, Kreditversicherungen für die verkauften Forderungen abzuschließen und das Debitorenmanagement zu übernehmen. Die beteiligten Banken haben das Recht, überfällige Forderungen aus verfahrensrechtlichen Gründen im Fall eines Rechtsstreits an die Lenzing AG zurückzuübertragen. Dadurch wird jedoch das Kreditausfallrisiko nicht an die Lenzing AG rückübertragen, und es ergeben sich auch keine Auswirkungen auf die Liquidität der Lenzing AG.

Die Factoring-Vereinbarungen haben per 31. Dezember 2015 ein maximal ausnutzbares Nominalvolumen von insgesamt TEUR 65.600,0 (31.12.2014: TEUR 65.600,0). Davon betreffen TEUR 2.600,0 (31.12.2014: TEUR 2.600,0) die Tranche 1 und TEUR 63.000,0 (31.12.2014: TEUR 63.000,0) die Tranche 2.

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Zum 31. Dezember 2015 waren aufgrund der Factoring-Vereinbarungen Forderungen in Höhe von insgesamt TEUR 68.002,1 (31.12.2014: TEUR 62.119,6) verkauft und aus der Bilanz der Lenzing AG ausgebucht. Davon betreffen TEUR 1.850,0 (31.12.2014: TEUR 1.636,2) die Tranche 1 und TEUR 66.152,1 (31.12.2014: TEUR 60.483,4) die Tranche 2. Der nicht bevorschusste Betrag der Tranche 2 wird per 31. Dezember 2015 als sonstige Forderung in Höhe von TEUR 6.615,2 (31.12.2014: TEUR 6.048,3; vor Fremdwährungsbewertung) ausgewiesen. Die Zeitwerte entsprechen den angegebenen Buchwerten, da insbesondere auch die Restlaufzeiten der betroffenen Forderungen kurzfristig sind. Die wesentlichen Vorschüsse aus den Factoring-Vereinbarungen sind mit Transaktionsbeginn im März und Mai 2014 an die Lenzing AG geflossen; das Volumen unterliegt seither keinen wesentlichen Schwankungen.

Der oben angeführte nicht bevorschusste Betrag der Tranche 2 entspricht aus Sicht der Lenzing AG dem theoretischen kreditrisikobedingten Maximalverlust für die Übernahme der Ausfallhaftung. In Höhe des Zeitwertes dieser Ausfallhaftung per 31. Dezember 2015 von TEUR 132,3 (31.12.2014: TEUR 124,7) wurde eine sonstige Rückstellung erfasst, der verbleibende Differenzbetrag in Höhe von TEUR 6.482,9 (31.12.2014: TEUR 6.111,6) ist als Haftung gegenüber Dritten ausgewiesen.

Die von Kunden im Zeitraum zwischen der letzten Bevorschussung und dem 31. Dezember 2015 erhaltenen Zahlungen werden in den sonstigen Verbindlichkeiten abgegrenzt.

Verwendung von derivativen Finanzinstrumenten

Die Lenzing AG setzt Devisentermingeschäfte als Sicherungsgeschäfte ein, um Währungsrisiken aus dem operativen Geschäft zu vermindern. Die Sicherungsgeschäfte werden jährlich im Vorhinein auf Basis der voraussichtlichen Umsatzerlöse bzw. Materialaufwendungen in der betreffenden Fremdwährung festgelegt.

Zum Bilanzstichtag bestanden folgende Devisentermingeschäfte:

Art der derivativen Finanzinstrumente	31.12.2015						
		Nominale ¹	Sicherungszeitraum	Beizulegender Wert ²		Buchwert	Bilanzposten
				positiv	negativ		
	FW 1.000	bis	TEUR	TEUR	TEUR	TEUR	
Devisentermingeschäfte							
CZK-Kauf/EUR-Verkauf	CZK	64.000	08/2016	23,0	-4,0	0,0	-
CNY/CNH-Verkauf/EUR-Kauf	CNY/ CNH	886.160	09/2017	1.244,4	-6.807,9	0,0	-
USD-Verkauf/EUR-Kauf	USD	106.200	06/2017	170,8	-2.129,1	0,0	-
Summe				1.438,2	-8.941,0	0,0	
Nettoposition					-7.502,8		

¹⁾ Der Nominalwert wird als Bruttovolumen ausgewiesen ²⁾ beizulegender Wert: + = Forderung / - = Verbindlichkeit aus Sicht der Lenzing AG

31.12.2014							
Art der derivativen Finanzinstrumente		Nominale ¹ FW 1.000	Siche- rungs- zeitraum bis	Beizulegender Wert ²		Buch- wert TEUR	Bilanz- posten TEUR
				positiv TEUR	negativ TEUR		
Devisen- termingeschäfte							
CZK-Kauf/EUR-Verkauf	CZK	202.000	01/2016	0,0	-90,5	0,0	-
CNY/CNH-Verkauf/EUR- Kauf	CNY/ CNH	1.334.050	06/2016	0,0	-8.358,6	0,0	-
USD-Verkauf/EUR-Kauf	USD	146.676	01/2016	15,5	-8.483,9	0,0	-
Summe				15,5	-16.933,0	0,0	
Nettoposition					-16.917,5		

Die in den obigen Tabellen angegebenen beizulegenden Werte der derivativen Finanzinstrumente entsprechen den Marktwerten zum Bilanzstichtag. Sie wurden unter Anwendung anerkannter finanzmathematischer und ggf. statistischer Bewertungsmodelle und aktueller Marktparameter zum Bilanzstichtag durch Banken, andere externe Partner bzw. intern ermittelt.

Bei den beizulegenden Werten der Sicherungsgeschäfte handelt es sich um unrealisierte Gewinne bzw. Verluste, die sich mit den gegenläufigen Verlusten bzw. Gewinnen aus den dazugehörigen Grundgeschäften (bestehende und künftige Fremdwährungsforderungen bzw. -verbindlichkeiten) ausgleichen.

Die Lenzing AG wendet die AFRAC-Stellungnahme „Die unternehmensrechtliche Bilanzierung von Derivaten und Sicherungsinstrumenten“ vom September 2014 an.

In Anwendung dieser Stellungnahme werden zum Bilanzstichtag dokumentierte Sicherungsbeziehungen (Bewertungseinheiten) zwischen Devisentermingeschäften, die als Sicherungsinstrumente dienen, und Grundgeschäften zur Absicherung von Fremdwährungsrisiken gebildet.

Liegt eine derartige Sicherungsbeziehung vor, ist ein Derivat am Bilanzstichtag nicht gesondert zu bewerten. Bewertungsobjekt ist vielmehr das bereits bilanzierte abgesicherte Grundgeschäft (Fremdwährungsforderung bzw. -verbindlichkeit) zusammen mit dem Sicherungsgeschäft (Devisentermingeschäft). Außerdem werden bei der Bemessung einer allfälligen Drohverlustrückstellung mit an Sicherheit grenzender Wahrscheinlichkeit eintretende gegenläufige, erfolgswirksame Zahlungsströme berücksichtigt (zukünftige Zahlungseingänge aus geplanten Umsatzerlösen bzw. Zahlungsausgänge aus geplanten Materialaufwendungen in Fremdwährung).

Zum 31. Dezember 2015 wurde insgesamt auf eine Drohverlustrückstellung aus Sicherungsbeziehungen zukünftiger Zahlungsströme in Höhe von TEUR 8.941,0 (31.12.2014: TEUR 16.933,0) verzichtet, da sich diese unrealisierten Verluste mit hoher Eintrittswahrscheinlichkeit mit den gegenläufigen unrealisierten Gewinnen aus den zukünftigen Zahlungseingängen bzw. Zahlungsausgängen in Fremdwährung ausgleichen werden.

¹⁾ Der Nominalwert wird als Bruttovolumen ausgewiesen ²⁾ beizulegender Wert: + = Forderung / - = Verbindlichkeit aus Sicht der Lenzing AG

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Der wirksame Ausgleich zwischen unrealisierten Verlusten und Gewinnen wird durch Effektivitätstests nachgewiesen. Bei Fremdwährungsabsicherungen werden die Grundgeschäfte und die Sicherungsinstrumente für die Effektivitätsmessung je Währung in zumindest quartalsweisen Laufzeitbändern zusammengefasst. Die prospektive Sicherungswirkung der Sicherungsbeziehungen wird durch einen Vergleich der wesentlichsten Konditionen nachgewiesen. Dabei werden die geplanten Grundgeschäfte den abgeschlossenen Sicherungsinstrumenten gegenübergestellt. Die retrospektive Sicherungswirkung der Bewertungseinheiten wird durch Vergleich der seit Sicherungsbeginn tatsächlich erfolgten Zahlungsströme der Grundgeschäfte mit den tatsächlichen Zahlungsströmen der Sicherungsinstrumente nach der Kompensierungsmethode beurteilt. Aufgrund der identen, aber gegenläufigen Parameter kann von einer hoch wirksamen Sicherungsbeziehung ausgegangen werden.

An der Bonität der Kontrahenten, die an einer Bewertungseinheit beteiligt sind, bestehen zum Bilanzstichtag keinerlei Zweifel.

Organe und Arbeitnehmer

Durchschnittliche Zahl der Mitarbeiter	2015	2014
Angestellte	845	791
Arbeiter	1.342	1.262
Gesamt	2.187	2.053

Beziehungen zu den Mitgliedern des Vorstandes und den Mitgliedern des Aufsichtsrates der Lenzing AG

Die seitens der Lenzing AG aufgewendeten laufenden Bezüge fix und variabel sowie die Abschlagszahlungen der aktiven Mitglieder des Vorstandes setzen sich wie folgt zusammen:

Laufende Bezüge fix und variabel sowie Abschlagszahlungen der aktiven Mitglieder des Vorstandes (aufgewendet) TEUR

	Dr. Stefan Doboczky, MBA ¹		Robert van de Kerkhof, MBA		Dr. Thomas Riegler ²		Mag. Dr. Peter Untersperger ³		Dipl.-Ing. Friedrich Weninger, MBA ⁴		Gesamt	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Laufende Bezüge fix	412,3	0,0	452,9	291,8	456,6	259,3	244,4	584,9	0,0	434,7	1.566,2	1.570,7
Laufende Bezüge variabel	643,6	0,0	208,7	133,0	0,0	116,3	225,0	189,6	0,0	315,0	1.077,3	753,9
Abschlagszahlungen	0,0	0,0	0,0	0,0	873,8	0,0	1.952,6	0,0	0,0	0,0	2.826,4	0,0
Gesamt	1.055,9	0,0	661,6	424,8	1.330,4	375,6	2.422,0	774,5	0,0	749,7	5.469,9	2.324,6

¹⁾ Mitglied des Vorstandes seit 1. Juni 2015. ²⁾ Mitglied des Vorstandes bis 1. Dezember 2015. ³⁾ Mitglied des Vorstandes bis 31. Mai 2015.

⁴⁾ Mitglied des Vorstandes bis 31. Dezember 2014.

Die oben dargestellten Beträge im Geschäftsjahr 2015 von insgesamt TEUR 5.469,9 (2014: TEUR 2.324,6) betreffen mit insgesamt TEUR 2.643,5 (laufende Bezüge fix und variabel; 2014: TEUR 2.324,6) kurzfristig fällige Leistungen und mit TEUR 2.826,4 (Abschlagszahlungen; 2014: TEUR 0,0) Leistungen aus Anlass der Beendigung eines Arbeitsverhältnisses. Darüber hinaus haben sich die Rückstellungen für Ansprüche der aktiven Mitglieder des Vorstandes aus langfristigen Bonusbankmodellen (andere langfristig fällige Leistungen) im Geschäftsjahr 2015 um TEUR 297,6 aufwandswirksam erhöht (2014: um TEUR 47,1 verringert); weitere TEUR 0,0 (2014: TEUR 309,0) wurden für die Abgeltung von Ansprüchen aufgewendet. Außerdem wurde für Urlaubsschädigungen (kurzfristig fällige Leistungen) unter Berücksichtigung der dafür rückgestellten Beträge ein Betrag von TEUR 40,2 (2014: TEUR 138,3 ertragswirksam aufgelöst) aufwandswirksam erfasst. Ferner wurden den aktiven Mitgliedern des Vorstandes Leistungen nach Beendigung des Arbeitsverhältnisses in Höhe von TEUR 272,8 (2014: TEUR 295,1) in Form von Aufwendungen in der Gewinn- und Verlustrechnung für die betriebliche Altersversorgung und Abfertigungsansprüche gewährt.

Im Geschäftsjahr 2015 wurde mit Herrn Dr. Stefan Doboczky, MBA eine langfristige Bonusvereinbarung abgeschlossen. Die Laufzeit beträgt drei Jahre mit der Erfüllung des Anspruchs im Jahr 2018. Die Höhe des Bonus basiert auf der erzielten Steigerung des Unternehmenswerts in diesem Zeitraum. Die Vereinbarung setzt das Erreichen einer Mindestrendite pro Jahr voraus. Eine weitere Nebenbedingung ist die Verlängerung des Vorstandsvertrags. Der Bonus wird zu 50% in Zahlungsmittel und zu 50% in Aktien der Lenzing AG erfüllt. Die zu gewährende Anzahl an Aktien der Lenzing AG ist variabel und hängt von der Höhe des Bonusanspruches und dem durchschnittlichen Börsenkurs der letzten zwölf Monate vor der Erfüllung ab. Der Ausgleich mit Eigenkapitalinstrumenten stellt eine anteilsbasierte Vergütung nach IFRS 2 dar. Der Ausgleich mit Zahlungsmittel wird als andere langfristige fällige Leistung nach IAS 19 eingestuft (siehe dazu bereits oben; im Betrag von TEUR 297,6 inkludiert). Die Bewertung basiert auf einem Multiple unter Berücksichtigung des EBITDA und des Net Debt. Darüber hinaus fließen Abzinsungseffekte und die Wahrscheinlichkeit der Inanspruchnahme ein. Für die erste Hälfte der gewährten Aktien gilt eine Behaltfrist von zumindest einem Jahr ab Erwerb. Für die zweite Hälfte der gewährten Aktien gilt eine Behaltfrist von zumindest zwei Jahren. Es gibt keine speziellen Vereinbarungen über die Übertragbarkeit des Bonusanspruches. Erwartete Dividenden wurden bei der Ermittlung des beizulegenden Zeitwerts nicht berücksichtigt. Im Geschäftsjahr 2015 wurde ein Aufwand für den Bonusanspruch, der in Eigenkapitalinstrumenten erfüllt wird, von TEUR 433,3 (2014: TEUR 0,0) innerhalb des Personalaufwandes erfasst, gegenläufig wurde im Eigenkapital eine Optionsrücklage mit dem gleichen Betrag dotiert.

Die Aufwendungen für die aktiven Mitglieder des Aufsichtsrates der Lenzing AG (kurzfristig fällige Leistungen in Form von Aufsichtsratsvergütungen inkl. Sitzungsgeldern) betragen 2015 TEUR 293,6 (2014: TEUR 436,5).

Die aufgewendeten Vergütungen des Managements in Schlüsselpositionen im Rahmen ihrer Funktion, das sich aus den aktiven Mitgliedern des Vorstandes und des Aufsichtsrats der Lenzing AG zusammensetzt, stellen sich zusammengefasst somit wie folgt dar:

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Vergütung des Managements in Schlüsselposition (aufgewendet)

TEUR

Vergütung des Vorstands	2015	2014
Kurzfristig fällige Leistungen	2.683,7	2.186,3
Andere langfristig fällige Leistungen	297,6	261,9
Leistungen nach Beendigung des Arbeitsverhältnisses	272,8	295,1
Anteilsbasierte Vergütungen	433,3	0,0
Vergütung (ohne Abschlagszahlungen)	3.687,4	2.743,3
Abschlagszahlungen (Leistungen aus Anlass der Beendigung des Arbeitsverhältnisses)	2.826,4	0,0
	6.513,8	2.743,3
Vergütung des Aufsichtsrats (kurzfristig fällige Leistungen)	293,6	436,5
Gesamt	6.807,4	3.179,8

Mitglieder des Vorstandes haben im Geschäftsjahr 2014 vor ihrer Vorstandstätigkeit Leistungen für die Lenzing Gruppe erbracht; dafür hat die Lenzing Gruppe TEUR 101,7 aufgewendet.

Der Barwert der für die aktiven Vorstände gebildeten Abfertigungsrückstellung beträgt zum 31. Dezember 2015 TEUR 0,0 (31. Dezember 2014: TEUR 837,7).

Den vom Betriebsrat delegierten Arbeitnehmervertretern im Aufsichtsrat steht neben den vorgenannten Leistungen eine reguläre Entlohnung (Lohn oder Gehalt und Abfertigungs- sowie Jubiläumsgeldzahlungen) im Rahmen ihres Dienstvertrags zu. Die Entlohnung entspricht einer angemessenen Vergütung für die ausgeübte Funktion bzw. Tätigkeit im Unternehmen.

In markt- und konzernüblicher Weise gewährt die Lenzing AG den Mitgliedern des Vorstandes, wie auch tlw. ihren leitenden Angestellten und dem Aufsichtsrat, weitere Leistungen, die als geldwerte Vorteile angesehen werden. So besteht Versicherungsschutz (D&O, Unfall, Rechtsschutz etc.), dessen Kosten von der Lenzing Gruppe getragen wird. Es erfolgen Gesamtprämienzahlungen an die Versicherer, sodass eine spezifische Zuordnung an den Vorstand und Aufsichtsrat nicht stattfindet. Außerdem werden den Mitgliedern des Vorstandes und tlw. den leitenden Angestellten Geschäftsfahrzeuge zur Nutzung überlassen. Daneben erhalten die Mitglieder des Vorstandes und des Aufsichtsrats Aufwandsersatz für angefallene Kosten, insbesondere für Reisespesen. Die Grundsätze des Vergütungssystems für Vorstand und Aufsichtsrat sind im Corporate Governance-Bericht 2015 der Lenzing Gruppe detailliert ausgeführt und veröffentlicht.

Mitgliedern des Vorstandes und des Aufsichtsrates wurden keine Vorschüsse, Kredite oder Haftungen gewährt. Die Lenzing Gruppe ist keine Haftungsverhältnisse zu Gunsten des Vorstandes und des Aufsichtsrates eingegangen. Directors' Dealings-Meldungen der Mitglieder des Vorstandes und des Aufsichtsrates werden auf der Website der Österreichischen Finanzmarktaufsichtsbehörde veröffentlicht (siehe <http://www.fma.gv.at>).

Für die ehemaligen Mitglieder des Vorstandes der Lenzing AG (mit Austritt vor dem 1. Jänner 2013) oder deren Hinterbliebene wurden Leistungen nach Beendigung des Arbeitsverhältnisses in Form von Aufwendungen in der Gewinn- und Verlustrechnung in Höhe von TEUR 74,1

(2014: TEUR 1.651,9) gewährt. Der Barwert der dafür gebildeten Pensionsrückstellung nach Abzug des beizulegenden Zeitwertes des Planvermögens (Nettoschuld) beträgt zum 31. Dezember 2015 TEUR 7.305,5 (31. Dezember 2014: TEUR 7.921,3).

Aufwendungen für den Abschlussprüfer

Die Aufwendungen für den Abschlussprüfer setzen sich wie folgt zusammen:

Aufwendungen für den Abschlussprüfer	TEUR	
	2015	2014
Prüfung des Jahresabschlusses (inkl. Konzernabschluss)	234,5	258,7
Andere Bestätigungsleistungen	44,6	42,3
Sonstige Leistungen	57,9	9,8
Steuerberatung	595,2	293,7
Gesamt	932,2	604,5

Die obigen Aufwendungen betreffen die Dienstleistungen der Deloitte Audit Wirtschaftsprüfungs GmbH, Wien, und der Deloitte Tax Wirtschaftsprüfungs GmbH, Wien.

Konzernabschluss

Die Lenzing AG ist das Mutterunternehmen der Lenzing Gruppe und erstellt einen Konzernabschluss. Der Konzernabschluss der Lenzing AG ist beim Firmenbuch Wels hinterlegt, am Sitz der Gesellschaft in Lenzing erhältlich und auf der Homepage www.lenzing.com abrufbar.

Die Hauptaktionärin der Lenzing AG zum 31. Dezember 2015 ist die B&C Gruppe, welche direkt oder indirekt mit 67,6% (31.12.2014: 67,6%) am Grundkapital der Lenzing AG beteiligt ist.

Der Konzernabschluss für den größten Kreis von Unternehmen, der öffentlich zugänglich ist und in den die Gesellschaft und ihre konsolidierten Unternehmen einbezogen sind, wird von der B&C Holding Österreich GmbH, Wien aufgestellt und beim Firmenbuch Wien hinterlegt. Das oberste Mutterunternehmen der B&C Holding Österreich GmbH, und somit der Gesellschaft, ist die B&C Privatstiftung, Wien.

Angaben zur Gruppenbesteuerung

Die Lenzing AG und die im Gruppenvertrag einbezogenen Tochtergesellschaften sind Gruppenmitglieder in der zwischen der B&C Industrieholding GmbH als Gruppenträger und der Lenzing AG sowie weiteren Tochtergesellschaften der Lenzing AG als Gruppenmitglieder am 25. September 2009 abgeschlossenen steuerlichen Unternehmensgruppe gemäß § 9 öKStG.

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Im Zuge der Gruppenbesteuerung kommt es zwischen den einbezogenen Gruppenmitgliedern zu einer Aufrechnung von steuerlichen Gewinnen und Verlusten. Zukünftige Steuerverpflichtungen aus der Anrechnung von Verlusten ausländischer Tochtergesellschaften werden ohne Abzinsung im Jahresabschluss erfasst.

Der Gruppen- und Steuerausgleichsvertrag verpflichtet die Lenzing AG, eine Steuerumlage in Höhe der auf den steuerpflichtigen Gewinn der Gesellschaft und der in die Gruppe einbezogenen Tochtergesellschaften entfallenden Körperschaftsteuer zu entrichten.

Allfällige beim Gruppenträger auf das gesamte Gruppenergebnis effektiv anrechenbare in- und ausländische Quellensteuern sowie weitergeleitete Mindestkörperschaftsteuern kürzen die von der Lenzing AG zu zahlende Steuerumlage.

Sofern im Veranlagungsjahr laufende Verluste bzw. Verlustvorträge, die von der B&C Industrieholding GmbH als Gruppenträger selbst verursacht wurden, gegen positive Ergebnisse der Steuergruppe der Lenzing AG verrechnet werden können, kommt es zu einer Reduktion der von der Lenzing AG zu leistenden Steuerumlage. Die Reduktion der Steuerumlage beträgt 50% des geltenden Körperschaftsteuersatzes (somit derzeit 12,5%) der in einem Veranlagungsjahr der B&C Industrieholding GmbH mit positiven Ergebnissen verrechneten gruppenträgereigenen laufenden Verluste bzw. Verlustvorträge.

Aus der steuerlichen Unternehmensgruppe hat die Lenzing AG im Geschäftsjahr 2015 eine Steuergutschrift von TEUR 1.486,9 (2014: TEUR 2.999,9) ertragswirksam verbucht. Im Jahr 2015 erfolgten gemäß der vertraglichen Verpflichtung die Zahlung bzw. Vorauszahlung der Steuerumlage an die B&C Industrieholding GmbH in Summe von TEUR 19.327,8 (2014: TEUR 9.604,9).

Zum 31. Dezember 2015 bilanziert die Lenzing AG aus der Steuerumlage nach Abzug der Vorauszahlung eine Verbindlichkeit in Höhe von TEUR 6.954,0 (31.12.2014: TEUR 16.591,0) gegenüber der B&C Industrieholding GmbH. Diese wird im Bilanzposten „Verbindlichkeiten gegenüber verbundenen Unternehmen“ ausgewiesen.

Ein steuerlicher Verlust der Lenzing AG inklusive der beteiligten Tochtergesellschaften wird evident gehalten und mit künftigen steuerlichen Gewinnen verrechnet. Für bei Beendigung des Vertrages nicht verrechnete Verluste ist eine Ausgleichszahlung vereinbart.

Mit den einbezogenen Tochtergesellschaften wurde ein Ergänzungsvertrag abgeschlossen. Dieser Vertrag verpflichtet das jeweilige österreichische Gruppenmitglied, eine Steuerumlage in Höhe der auf seinen steuerpflichtigen Gewinn entfallenden Körperschaftsteuer an die Lenzing AG zu entrichten. Die Lenzing AG ist verpflichtet, der jeweiligen Gesellschaft im Fall eines Verlustes eine Steuergutschrift in der Höhe der durch den Verlust bewirkten Steuerentlastung zu erteilen.

Das Fachgutachten KFS/RL 22 „Bilanzierung und Berichterstattung im unternehmensrechtlichen Jahresabschluss im Zusammenhang mit der Gruppenbesteuerung“ wurde beachtet.

Direkte Beteiligungen zum 31.12.2015

Beteiligung

	Währung	Nennkapital	Anteil in %	Eigenkapital 31.12.2015	Jahresüberschuss/ -fehlbetrag 2015
Unternehmensbereich Fasern				TEUR	TEUR
Avit Investments Limited, Providenciales, Turks & Caicos	USD	2.201.000	100,00	89.858,6 ⁴	158,3 ⁴
Beech Investment s.r.o., Zlaté Moravce, Slowakei	EUR	6.639	100,00	138,7 ⁴	13,0 ⁴
EQUI-Fibres Beteiligungsgesellschaft mbH, Kelheim, Deutschland	EUR	2.000.000	45,00	1.953,4 ³	32.840,4 ³
Lenzing Fibers Holding GmbH, Lenzing	EUR	35.000	100,00	112.552,3	4.959,2
Lenzing Fibers (Hongkong) Ltd., Hongkong, China	HKD	16.000.000	100,00	2.599,7 ⁴	232,3 ⁴
Lenzing Fibers (Shanghai) Co., Ltd., Shanghai, China	USD	200.000	100,00	4.666,0 ⁴	5.782,0 ⁴
Lenzing Global Finance GmbH, München, Deutschland	EUR	25.000	100,00	70,1 ³	18,3 ³
Lenzing Modi Fibers India Private Limited, Mumbai, Indien	INR 1.000	1.148.681	96,39	7.829,8 ⁴	-178,7 ⁴
LKF Tekstil Boya Sanayi ve Ticaret Anonim Sirketi, Istanbul, Türkei	TRY	200.000	33,34	137,2 ^{1,3}	39,4 ^{1,3}
Penique S.A., Panama, Panama	USD	5.000	100,00	28.959,2 ⁴	57,9 ⁴
PT. Pura Golden Lion, Jakarta, Indonesien	IDR 1.000	2.500.000	40,00	4.550,7 ^{3,5}	277,2 ^{3,5}
PT. South Pacific Viscose, Purwakarta, Indonesien	IDR 1.000	72.500.000	44,27 ²	224.722,9 ⁴	7.668,5 ⁴
Sonstige Beteiligungen					
BZL-Bildungszentrum Lenzing GmbH, Lenzing	EUR	43.604	75,00	677,3	415,2
European Precursor GmbH, Kelheim, Deutschland	EUR	25.000	95,00	-21.056,2 ⁶	n.a. ⁶
Gemeinnützige Siedlungsgesellschaft m.b.H. für den Bezirk Vöcklabruck, Lenzing	EUR	1.155.336	99,90	33.626,3 ¹	1.847,8 ¹
Lenzing Land Holding LLC., Dover, USA	USD	10.000	100,00	200,9 ⁴	112,3 ⁴
Lenzing Papier GmbH, Lenzing	EUR	35.000	40,00	4.120,8 ⁵	-876,2 ⁵
Pulp Trading GmbH, Lenzing	EUR	40.000	100,00	143.390,9	25.398,8
RVL Reststoffverwertung Lenzing GmbH, Lenzing	EUR	36.336	50,00	77,2	1,1
WWE Wohn- und Wirtschaftspark Entwicklungsgesellschaft m.b.H., Wien	EUR	36.336	25,00	2.848,3	-48,4

¹) 2014

²) Der direkt von der Lenzing AG gehaltene Anteil beträgt 44,27%, inkl. der indirekt gehaltenen Anteile beträgt der durchgerechnete Anteil 92,85%.

³) Eigenkapital und Ergebnis wurden nach lokalem Recht ermittelt.

⁴) Eigenkapital und Ergebnis wurden aus den zur Erstellung des Konzernabschlusses herangezogenen Abschlüssen, welche entsprechend IFRS aufgestellt wurden, entnommen.

⁵) Vorläufig

⁶) Wert laut Liquidationseröffnungsbilanz vom 10. Dezember 2013. Die Gesellschaft befindet sich in Liquidation, die wirtschaftlich betrachtet bereits weitgehend abgeschlossen ist. Nach dem noch formal durchzuführenden Verzicht der Gesellschafter auf ihre Darlehen beträgt das Eigenkapital annähernd Null. Die Lenzing AG rechnet mit keinen wesentlichen weiteren Belastungen.

JAHRESABSCHLUSS 2015

Direkte Beteiligungen zum 31.12.2014

Beteiligung

	Wahrung	Nenn- kapital	Anteil in %	Eigenkapital 31.12.2014	Jahres- berschuss/ -fehlbetrag 2014
Unternehmensbereich Fasern				TEUR	TEUR
Avit Investments Limited, Providenciales, Turks & Caicos	USD	2.201.000	100,00	87.837,5 ⁴	133,0 ⁴
Beech Investment s.r.o., Zlat Moravce, Slowakei	EUR	6.639	100,00	125,7 ⁴	14,8 ⁴
EQUI-Fibres Beteiligungsgesellschaft mbH, Kelheim, Deutschland	EUR	2.000.000	45,00	1.013,0 ³	-216,3 ³
Lenzing Fibers Holding GmbH, Lenzing	EUR	35.000	100,00	102.542,5	30.410,2
Lenzing Fibers (Hongkong) Ltd., Hongkong, China	HKD	16.000.000	100,00	2.280,1 ⁴	0,1 ⁴
Lenzing Fibers (Shanghai) Co., Ltd., Shanghai, China	USD	200.000	100,00	-944,6 ⁴	-6.270,5 ⁴
Lenzing Global Finance GmbH, Mnchen, Deutschland	EUR	25.000	100,00	51,8 ³	11,6 ³
Lenzing Modi Fibers India Private Limited, Mumbai, Indien	INR 1.000	1.148.681	96,39	7.523,7 ⁴	-767,3 ⁴
LKF Tekstil Boya Sanayi ve Ticaret Anonim Sirketi, Istanbul, Trkei	TRY	200.000	33,34	94,0 ^{1,3}	8,7 ^{1,3}
Penique S.A., Panama, Panama	USD	5.000	100,00	28.167,4 ⁴	49,9 ⁴
PT. Pura Golden Lion, Jakarta, Indonesien	IDR 1.000	2.500.000	40,00	4.268,6 ^{3,5}	42,8 ^{3,5}
PT. South Pacific Viscose, Purwakarta, Indonesien	IDR 1.000	72.500.000	44,27 ²	195.395,1 ⁴	-7.607,0 ⁴
Sonstige Beteiligungen					
BZL-Bildungszentrum Lenzing GmbH, Lenzing	EUR	43.604	75,00	762,1	598,5
European Carbon Fiber GmbH, Kelheim, Deutschland	EUR	25.000	91,07	1.678,9 ⁴	1.654,3 ⁴
European Precursor GmbH, Kelheim, Deutschland	EUR	25.000	95,00	-21.056,2 ⁶	n.a. ⁶
Gemeinntzige Siedlungsgesellschaft m.b.H. fr den Bezirk Vcklabruck, Lenzing	EUR	1.155.336	99,90	32.315,6 ¹	2.545,9 ¹
Lenzing Land Holding LLC., Dover, USA	USD	10.000	100,00	77,6 ⁴	69,3 ⁴
Lenzing Papier GmbH, Lenzing	EUR	35.000	40,00	5.127,4 ⁵	1.319,7 ⁵
Pulp Trading GmbH, Lenzing	EUR	40.000	100,00	117.992,1	6.322,6
RVL Reststoffverwertung Lenzing GmbH, Lenzing	EUR	36.336	50,00	76,1	1,8
WWE Wohn- und Wirtschaftspark Entwicklungsgesellschaft m.b.H., Wien	EUR	36.336	25,00	2.896,7	-6,6

¹⁾ 2013

²⁾ Der direkt von der Lenzing AG gehaltene Anteil betragt 44,27%, inkl. der indirekt gehaltenen Anteile betragt der durchgerechnete Anteil 92,85%.

³⁾ Eigenkapital und Ergebnis wurden nach lokalem Recht ermittelt.

⁴⁾ Eigenkapital und Ergebnis wurden aus den zur Erstellung des Konzernabschlusses herangezogenen Abschlssen, welche entsprechend IFRS aufgestellt wurden, entnommen.

⁵⁾ Vorlufig

⁶⁾ Wert laut Liquidationserffnungsbilanz vom 10. Dezember 2013. Die Gesellschaft befindet sich in Liquidation, die wirtschaftlich betrachtet bereits weitgehend abgeschlossen ist. Nach dem noch formal durchzufhrenden Verzicht der Gesellschafter auf ihre Darlehen betragt das Eigenkapital annahernd Null. Die Lenzing AG rechnet mit keinen wesentlichen weiteren Belastungen.

Gewinnverteilungsvorschlag für den Bilanzgewinn 2015

	EUR
Das Geschäftsjahr 2015 endet mit einem Jahresgewinn von	66.428.219,40
nach Zuweisung zu (freien) Gewinnrücklagen von	-13.328.219,40
und nach Hinzurechnung des Gewinnvortrages 2014 von	0,00
verbleibt ein Bilanzgewinn von	53.100.000,00
Der Vorstand schlägt folgende Verteilung des Bilanzgewinnes vor:	
Ausschüttung einer Dividende entsprechend einem Betrag von EUR 2,00 je Aktie auf das dividendenberechtigte Grundkapital von EUR 27.574.071,43 bzw. 26.550.000 Stückaktien	53.100.000,00
Auf neue Rechnung werden vorgetragen	0,00

Vorbehaltlich des Beschlusses der Hauptversammlung erfolgt auf je eine Aktie die Auszahlung einer Dividende in der oben angegebenen Höhe. Die Dividendenauszahlung erfolgt ab 26. April 2016 bei der

UniCredit Bank Austria AG

Schottengasse 6-8
1010 Wien

Die Aktien werden ab 22. April 2016 an der Wiener Börse ex Dividende gehandelt.

JAHRESABSCHLUSS 2015

Organe der Gesellschaft

Mitglieder des Aufsichtsrates

Dr. Hanno Bästlein, Wien

Vorsitzender (seit 22. April 2015)

Stellvertretender Vorsitzender (bis 22. April 2015)

MMag. Dr. Michael Junghans, Wien

Vorsitzender (bis 22. April 2015)

Dr. Felix Strohbiehler, Anthering

Stellvertretender Vorsitzender (seit 22. April 2015)

Dr. Veit Sorger, Wien

Stellvertretender Vorsitzender

Mag. Helmut Bernkopf, Wien

KR Dr. Franz Gasselsberger, MBA, Linz

Dr. Josef Krenner, Linz

Mag. Patrick Prügger, Wien

Mag. Andreas Schmidradner, Wien

Dr. Astrid Skala-Kuhmann, Icking (Deutschland)

Mag. Martin Payer, Leoben

(bis 28. April 2014)

Vom Betriebsrat delegiert

Johann Schernberger, Regau

Vorsitzender des Betriebsausschusses

Vorsitzender des Arbeiterbetriebsrates

(seit 1. September 2015)

Rudolf Baldinger, Lenzing

Vorsitzender des Betriebsausschusses

Vorsitzender des Arbeiterbetriebsrates

(bis 1. September 2015)

Georg Liftinger, Weyregg am Attersee

Stellvertretender Vorsitzender des Betriebsausschusses

Vorsitzender des Angestelltenbetriebsrates

Helmut Kirchmair, Timelkam

Stellvertretender Vorsitzender des Arbeiterbetriebsrates

(seit 1. September 2015)

Ing. Daniela Födinger, Seewalchen am Attersee

Stellvertretende Vorsitzende des Angestelltenbetriebsrates

(seit 28. April 2014)

Franz Berlanda, Wolfsegg am Hausruck

Stellvertretender Vorsitzender des Arbeiterbetriebsrates

(seit 28. April 2014)

Ing. Gerhard Ratzesberger, Lenzing

Stellvertretender Vorsitzender des Angestelltenbetriebsrates

(bis 28. April 2014)

Mitglieder des Vorstandes

Dr. Stefan Doboczky, MBA, Seewalchen am Attersee

Chief Executive Officer (CEO)

Vorstandsvorsitzender (seit 1. Juni 2015)

Robert van de Kerkhof, MBA, Mondsee

Chief Commercial Officer (CCO)

Mitglied des Vorstandes (seit 1. Mai 2014)

Mag. Thomas Obendrauf, MBA, Graz

Chief Financial Officer (CFO)

Mitglied des Vorstandes (seit 1. März 2016)

Mag. Dr. Peter Untersperger, Linz

Chief Executive Officer (CEO)

Vorstandsvorsitzender (bis 31. Mai 2015)

Dr. Thomas Riegler, Salzburg

Chief Financial Officer (CFO)

Mitglied des Vorstandes (bis 1. Dezember 2015)

Dipl.-Ing. Friedrich Weninger, MBA, Mondsee

Chief Operating Officer (COO)

Mitglied des Vorstandes (bis 31. Dezember 2014)


Lenzing, am 9. März 2016

Lenzing Aktiengesellschaft

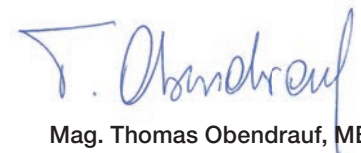
Der Vorstand



Dr. Stefan Doboczky, MBA
Chief Executive Officer
Vorstandsvorsitzender



Robert van de Kerkhof, MBA
Chief Commercial Officer
Mitglied des Vorstandes



Mag. Thomas Obendrauf, MBA
Chief Financial Officer
Mitglied des Vorstandes

JAHRESABSCHLUSS 2015

Lenzing AG

Entwicklung des Anlagevermögens

für den Zeitraum 01. Jänner 2015 bis 31. Dezember 2015

	01.01.2015	2015	2015
	Anschaffungs- bzw. Herstellungskosten	Zugänge	Abgänge
I. Immaterielle Vermögensgegenstände			
1. Rechte	55.415.247,85	1.365.143,64	-94.271,87
2. Firmenwert	650.240,60	0,00	0,00
Summe Immaterielle Vermögensgegenstände	56.065.488,45	1.365.143,64	-94.271,87
II. Sachanlagen			
1. Grundstücke, grundstücksgleiche Rechte und Bauten, einschließlich der Bauten auf fremdem Grund			
a) Wohngebäude			
Grundwert	917.567,93	0,00	0,00
Gebäudewert	1.569.434,92	0,00	0,00
b) Geschäfts- und Fabriksgebäude und andere Baulichkeiten			
Grundwert	1.683.122,57	0,00	0,00
Grundstücksgleiche Rechte	659.676,21	0,00	0,00
Gebäudewert	231.951.765,48	1.707.199,24	0,00
c) Unbebaute Grundstücke			
	1.700.182,85	0,00	0,00
	238.481.749,96	1.707.199,24	0,00
2. Technische Anlagen und Maschinen	1.236.176.868,54	31.475.699,29	-4.531.031,98
3. Andere Anlagen, Betriebs- und Geschäftsausstattung	58.334.280,76	3.924.899,46 ¹	-1.420.741,70 ¹
4. Anlagen in Bau	13.072.532,96	13.829.009,20	0,00
5. Geleistete Anzahlungen	648.662,50	1.263.935,55	0,00
Summe Sachanlagen	1.546.714.094,72	52.200.742,74	-5.951.773,68
III. Finanzanlagen			
1. Anteile an verbundenen Unternehmen	280.695.115,58 ²	5.050.579,79	-22.768,91
2. Ausleihungen an verbundene Unternehmen	100.293.022,69	61.816.112,95	-75.253.543,45
3. Beteiligungen	7.142.928,86	0,00	0,00
4. Wertpapiere (Wertrechte) des Anlagevermögens	39.104.882,54	715.735,98	-19.518.718,05
5. Sonstige Ausleihungen	4.603.345,29	220.308,83	-1.717.894,57
Summe Finanzanlagen	431.839.294,96²	67.802.737,55	-96.512.924,98
	2.034.618.878,13²	121.368.623,93	-102.558.970,53

¹⁾ inklusive geringwertige Vermögensgegenstände in Höhe von EUR 426.100,95

²⁾ die Darstellung der Anschaffungs- bzw. Herstellungskosten bzw. der Abschreibungen kumuliert wurde an die neue Rechtsprechung angepasst.

EUR

2015	31.12.2015	31.12.2015	31.12.2015	31.12.2014	2015	2015
Umbuchungen	Anschaffungs- bzw. Herstellungskosten	Abschreibungen kumuliert	Buchwert	Buchwert	Abschreibungen	Zuschreibungen
0,00	56.686.119,62	54.876.013,96	1.810.105,66	1.200.064,49	723.473,69	0,00
0,00	650.240,60	114.759,84	535.480,76	578.830,14	43.349,38	0,00
0,00	57.336.360,22	54.990.773,80	2.345.586,42	1.778.894,63	766.823,07	0,00
0,00	917.567,93	0,04	917.567,89	917.567,89	0,00	0,00
0,00	1.569.434,92	953.924,76	615.510,16	643.209,30	27.699,14	0,00
0,00	1.683.122,57	0,00	1.683.122,57	1.683.122,57	0,00	0,00
0,00	659.676,21	86.624,20	573.052,01	579.715,41	6.663,40	0,00
1.819.756,98	235.478.721,70	118.888.214,94	116.590.506,76	118.732.541,31	5.668.990,77	0,00
0,00	1.700.182,85	0,00	1.700.182,85	1.700.182,85	0,00	0,00
1.819.756,98	242.008.706,18	119.928.763,94	122.079.942,24	124.256.339,33	5.703.353,31	0,00
9.308.515,27	1.272.430.051,12	905.454.858,13	366.975.192,99	373.409.874,88	47.218.896,45	0,00
1.604.208,04	62.442.646,56	49.012.473,72	13.430.172,84	12.560.568,73	4.633.021,23 ¹⁾	0,00
-12.083.817,79	14.817.724,37	0,00	14.817.724,37	13.072.532,96	0,00	0,00
-648.662,50	1.263.935,55	0,00	1.263.935,55	648.662,50	0,00	0,00
0,00	1.592.963.063,78	1.074.396.095,79	518.566.967,99	523.947.978,40	57.555.270,99	0,00
0,00	285.722.926,46	25.882.999,68 ²⁾	259.839.926,78	254.812.115,90	0,00	0,00
0,00	86.855.592,19	2.112.477,37	84.743.114,82	96.055.721,09	0,00	-2.124.824,23
0,00	7.142.928,86	2.032.784,95	5.110.143,91	5.110.143,91	0,00	0,00
0,00	20.301.900,47	1.066.007,25	19.235.893,22	18.627.672,44	0,00	-16.000,00
-75.228,33	3.030.531,22	2.427.255,75	603.275,47	2.349.796,04	192.029,23	-18.322,73
-75.228,33	403.053.879,20	33.521.525,00²⁾	369.532.354,20	376.955.449,38	192.029,23	-2.159.146,96
-75.228,33	2.053.353.303,20	1.162.908.394,59²⁾	890.444.908,61	902.682.322,41	58.514.123,29	-2.159.146,96

¹⁾ inklusive geringwertige Vermögensgegenstände in Höhe von EUR 426.100,95

²⁾ die Darstellung der Anschaffungs- bzw. Herstellungskosten bzw. der Abschreibungen kumuliert wurde an die neue Rechtsprechung angepasst.

JAHRESABSCHLUSS 2015

Lenzing AG

Entwicklung der Zuschüsse der öffentlichen Hand und der Unversteuerten Rücklagen

für den Zeitraum 01. Jänner 2015 bis 31. Dezember 2015

Zuschüsse der öffentlichen Hand

	Stand am 01.01.2015	Zugang
Investitionszuschüsse		
I. Investitionszuschüsse der öffentlichen Hand		
1. Grundstücke, grundstücksgleiche Rechte und Bauten, einschließlich der Bauten auf fremdem Grund	1.562.310,70	107.744,23
2. Technische Anlagen und Maschinen	1.859.538,26	925.068,27
3. Andere Anlagen, Betriebs- und Geschäftsausstattung	289.023,82	0,00
	3.710.872,78	1.032.812,50
II. Emissionszertifikate	3.640.731,89	2.554.846,32
	7.351.604,67	3.587.658,82

Unversteuerte Rücklagen

Bewertungsreserve aufgrund von Sonderabschreibungen gemäß § 7a EStG bzw. § 8 EStG		
I. Sachanlagen		
1. Grundstücke, grundstücksgleiche Rechte und Bauten, einschließlich der Bauten auf fremdem Grund	1.879.850,95	0,00
2. Technische Anlagen und Maschinen	12.279.320,24	0,00
3. Andere Anlagen, Betriebs- und Geschäftsausstattung	839.913,48	0,00
	14.999.084,67	0,00
II. Finanzanlagen		
Anteile an verbundenen Unternehmen	1.077.011,40	0,00
	16.076.096,07	0,00

EUR

Abgang	Auflösung	Umbuchung	Stand am 31.12.2015
0,00	-123.518,28	0,00	1.546.536,65
0,00	-279.674,64	0,00	2.504.931,89
0,00	-41.685,30	0,00	247.338,52
0,00	-444.878,22	0,00	4.298.807,06
-273.868,65	-967.204,00	0,00	4.954.505,56
-273.868,65	-1.412.082,22	0,00	9.253.312,62

EUR

0,00	-182.206,71	0,00	1.697.644,24
0,00	-11.195,19	123.786,43	12.391.911,48
-240,10	-171.998,07	-123.786,43	543.888,88
-240,10	-365.399,97	0,00	14.633.444,60
0,00	0,00	0,00	1.077.011,40
-240,10	-365.399,97	0,00	15.710.456,00

BESTÄTIGUNGSVERMERK

Bericht zum Jahresabschluss

Wir haben den beigefügten Jahresabschluss der Lenzing Aktiengesellschaft, Lenzing, für das Geschäftsjahr vom 1. Jänner 2015 bis zum 31. Dezember 2015 unter Einbeziehung der Buchführung geprüft. Dieser Jahresabschluss umfasst die Bilanz zum 31. Dezember 2015, die Gewinn- und Verlustrechnung für das am 31. Dezember 2015 endende Geschäftsjahr sowie den Anhang.

Verantwortung der gesetzlichen Vertreter für den Jahresabschluss und für die Buchführung

Die gesetzlichen Vertreter der Gesellschaft sind für die Buchführung sowie für die Aufstellung und den Inhalt eines Jahresabschlusses verantwortlich, der ein möglichst getreues Bild der Vermögens-, Finanz- und Ertragslage der Gesellschaft in Übereinstimmung mit den österreichischen unternehmensrechtlichen Vorschriften vermittelt. Diese Verantwortung beinhaltet: Gestaltung, Umsetzung und Aufrechterhaltung eines internen Kontrollsystems, soweit dieses für die Aufstellung des Jahresabschlusses und die Vermittlung eines möglichst getreuen Bildes der Vermögens-, Finanz- und Ertragslage der Gesellschaft von Bedeutung ist, damit dieser frei von wesentlichen Fehldarstellungen ist, sei es auf Grund von beabsichtigten oder unbeabsichtigten Fehlern; die Auswahl und Anwendung geeigneter Bilanzierungs- und Bewertungsmethoden; die Vornahme von Schätzungen, die unter Berücksichtigung der gegebenen Rahmenbedingungen angemessen erscheinen.

Verantwortung des Abschlussprüfers und Beschreibung von Art und Umfang der gesetzlichen Abschlussprüfung

Unsere Verantwortung besteht in der Abgabe eines Prüfungsurteils zu diesem Jahresabschluss auf der Grundlage unserer Prüfung. Wir haben unsere Prüfung unter Beachtung der in Österreich geltenden gesetzlichen Vorschriften und Grundsätze ordnungsgemäßer Abschlussprüfung durchgeführt. Diese Grundsätze erfordern, dass wir die Standesregeln einhalten und die Prüfung so planen und durchführen, dass wir uns mit hinreichender Sicherheit ein Urteil darüber bilden können, ob der Jahresabschluss frei von wesentlichen Fehldarstellungen ist.

Eine Prüfung beinhaltet die Durchführung von Prüfungshandlungen zur Erlangung von Prüfungsnachweisen hinsichtlich der Beträge und sonstigen Angaben im Jahresabschluss. Die Auswahl der Prüfungshandlungen liegt im pflichtgemäßen Ermessen des Abschlussprüfers unter Berücksichtigung seiner Einschätzung des Risikos eines Auftretens wesentlicher Fehldarstellungen, sei es auf Grund von beabsichtigten oder unbeabsichtigten Fehlern. Bei der Vornahme dieser Risikoeinschätzung berücksichtigt der Abschlussprüfer das interne Kontrollsystem, soweit es für die Aufstellung des Jahresabschlusses und die Vermittlung eines möglichst getreuen Bildes der Vermögens-, Finanz- und Ertragslage der Gesellschaft von Bedeutung ist, um unter Berücksichtigung der Rahmenbedingungen geeignete Prüfungshandlungen festzulegen, nicht jedoch um ein Prüfungsurteil über die Wirksamkeit der internen Kontrollen der Gesellschaft abzugeben. Die Prüfung umfasst ferner die Beurteilung der Angemessenheit der angewandten Bilanzierungs- und Bewertungsmethoden und der von den gesetzlichen Vertretern vorgenommenen wesentlichen Schätzungen sowie eine Würdigung der Gesamtaussage des Jahresabschlusses.

BESTÄTIGUNGSVERMERK

Wir sind der Auffassung, dass wir ausreichende und geeignete Prüfungsnachweise erlangt haben, sodass unsere Prüfung eine hinreichend sichere Grundlage für unser Prüfungsurteil darstellt.

Prüfungsurteil

Unsere Prüfung hat zu keinen Einwendungen geführt. Auf Grund der bei der Prüfung gewonnenen Erkenntnisse entspricht der Jahresabschluss nach unserer Beurteilung den gesetzlichen Vorschriften und vermittelt ein möglichst getreues Bild der Vermögens- und Finanzlage der Lenzing Aktiengesellschaft zum 31. Dezember 2015 sowie der Ertragslage der Gesellschaft für das Geschäftsjahr vom 1. Jänner 2015 bis zum 31. Dezember 2015 in Übereinstimmung mit den österreichischen Grundsätzen ordnungsmäßiger Buchführung.

Aussagen zum Lagebericht

Der Lagebericht ist auf Grund der gesetzlichen Vorschriften darauf zu prüfen, ob er mit dem Jahresabschluss in Einklang steht und ob die sonstigen Angaben im Lagebericht nicht eine falsche Vorstellung von der Lage der Gesellschaft erwecken. Der Bestätigungsvermerk hat auch eine Aussage darüber zu enthalten, ob der Lagebericht mit dem Jahresabschluss in Einklang steht und ob die Angaben nach § 243a UGB zutreffen.

Der Lagebericht steht nach unserer Beurteilung in Einklang mit dem Jahresabschluss. Die Angaben gemäß § 243a UGB sind zutreffend.

Wien, am 9. März 2016

Deloitte.

Deloitte Audit Wirtschaftsprüfungs GmbH



Mag. Walter Müller
Wirtschaftsprüfer



Mag. Ulrich Dollinger
Wirtschaftsprüfer

Die Veröffentlichung oder Weitergabe des Jahresabschlusses mit unserem Bestätigungsvermerk darf nur in der von uns bestätigten Fassung erfolgen. Dieser Bestätigungsvermerk bezieht sich ausschließlich auf den deutschsprachigen und vollständigen Jahresabschluss samt Lagebericht. Für abweichende Fassungen sind die Vorschriften des § 281 Abs 2 UGB zu beachten.

Hinweise:

Dieser Geschäftsbericht enthält auch zukunftsbezogene Aussagen, die auf gegenwärtigen, nach bestem Wissen vorgenommenen Einschätzungen und Annahmen der Lenzing AG beruhen. Angaben unter Verwendung der Worte „sollen“, „dürfen“, „werden“, „erwartet“, „angestrebt“, „geht davon aus“, „nimmt an“, „schätzt“, „plant“, „beabsichtigt“, „ist der Ansicht“, „nach Kenntnis“, „nach Einschätzung“ oder ähnliche Formulierungen deuten auf solche zukunftsbezogene Aussagen hin. Die Prognosen, die sich auf die zukünftige Entwicklung der Lenzing AG beziehen, stellen Einschätzungen dar, die auf Basis der zum Zeitpunkt der Drucklegung des Geschäftsberichts vorhandenen Informationen gemacht wurden.

Sollten die den Prognosen zugrunde liegenden Annahmen nicht eintreffen oder Risiken in nicht kalkulierter Höhe eintreten, so können die tatsächlichen Ergebnisse von den Prognosen abweichen.

Bei der Summierung von gerundeten Beträgen und Prozentangaben können Rundungsdifferenzen auftreten. Der Geschäftsbericht wurde mit größtmöglicher Sorgfalt erstellt, um die Richtigkeit und Vollständigkeit der Angaben in allen Teilen sicherzustellen. Rundungs-, Satz- und Druckfehler können dennoch nicht ganz ausgeschlossen werden.

DECLARATION OF THE MANAGEMENT BOARD

Declaration of the Management Board pursuant to Section 82 Para 4 (3) of the Stock Exchange Act

We declare to the best of our knowledge that the consolidated financial statements of the Lenzing Group for the 2015 financial year ending on December 31, 2015, which were prepared in accordance with the applicable accounting standards pursuant to the International Financial Reporting Standards (IFRS) give a true and fair view, in all material respects, of the assets, liabilities, financial position and profit or loss of the Lenzing Group. Furthermore, we declare to the best of our knowledge that the Group Management Report gives a true and fair view of the business development, earnings and position of the Lenzing Group, and that the Group Management Report also describes the most important risks and uncertainties facing the Lenzing Group.

In addition, we declare to the best of our knowledge that the annual financial statements of Lenzing AG Group for the 2015 financial year ending on December 31, 2015, which were prepared in accordance with the applicable accounting standards pursuant to the Austrian Commercial Code give a true and fair view, in all material respects, of the assets, liabilities, financial position and profit or loss of Lenzing AG.

Furthermore, we declare to the best of our knowledge that the Management Report gives a true and fair view of the business development, earnings and position of Lenzing AG, and the Group Management Report also describes the most important risks and uncertainties facing Lenzing AG.

Lenzing, March 09, 2016

The Management Board

Stefan Doboczky
Chief Executive Officer
Chairman of the Management Board

Robert van de Kerkhof
Chief Commercial Officer
Member of the Management Board

Thomas Obendrauf
Chief Financial Officer
Member of the Management Board

HERAUSGEBER

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ElectricArts GmbH

DRUCK

Gutenberg-Werbering Gesellschaft m.b.H.