

Press Release

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Lenzing invests in new TENCEL® fiber plant in the USA

- State-of-the-art 90,000 tons TENCEL® fiber plant to be built in Mobile, Alabama
- Investment of EUR 275 mn – operations to start in the first quarter of 2019
- Strengthening of technical expertise by creating a new Management Board Role – Heiko Arnold appointed Chief Technology Officer

Lenzing - The Lenzing Group aims to increase the share of specialty fibers as a percentage of revenue to 50 percent by 2020. Following the previously announced expansion plans for Lenzing, Heiligenkreuz (Austria) and Grimsby (Great Britain), the Supervisory Board of Lenzing AG approved yesterday the investment for a TENCEL® fiber plant in the USA. Lenzing now plans to construct a state-of-the-art plant with a production capacity of 90,000 tons per year at its site in Mobile, Alabama. The new facility will be the largest TENCEL® fiber plant in the world, it will set a new milestone in the history of lyocell fibers. The investment volume will total USD 293 mn (EUR 275 mn). The new plant will utilize the latest technological standards and is scheduled to start in the first quarter of 2019.

The Lenzing Group currently has a worldwide production capacity of 222,000 tons per year of TENCEL® fibers. The new plant in Mobile plus the already announced debottlenecking projects at the other TENCEL® fiber sites will increase the total TENCEL® fiber capacity by more than 50 percent by 2019. The decision to build this plant in the US was supported by the good infrastructure at our Mobile site and attractive energy costs.

“This investment represents another major milestone in the implementation of our corporate strategy sCore TEN. It will bring us a big step further to reach our target of 50 percent revenue from specialty fibers by 2020“, explained Lenzing CEO Stefan Doboczky. “This expansion also underscores our commitment to all our TENCEL® fiber customers, who continue to make their products even more sustainable using TENCEL® fiber, the world’s most sustainable botanic fiber,“ added Doboczky.

The disciplined implementation of the Lenzing’s expansion program is essential for driving the Lenzing Group’s organic growth agenda. Therefore it was decided to create a new Management Board role, pooling together the key technical, operational and engineering responsibilities. The Supervisory Board of the company appointed today Heiko Arnold as the new Chief Technology

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Officer. In addition to a strong scientific and technical education, Arnold has gained many years of experience with BASF in the realization of major investment projects and continuous operational improvements as well as extensive know-how in Research & Development. He will be responsible for all technical departments in the Lenzing Group.

“We are pleased to welcome Heiko Arnold, a further expert with broad international experience, to Lenzing’s Management Board team“, commented Hanno Bästlein, Chairman of the Lenzing Supervisory Board. “Lenzing is on a successful, dynamic growth course with the development and implementation of the new sCore TEN corporate strategy, and that makes an increase in the Management Board to four persons a reasonable step. His 15 years of experience in Asia, in the realization of major investment projects and in operational excellence make Arnold a perfect match for the challenges faced by Lenzing“, explained Bästlein.

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The Lenzing Group

The Lenzing Group is a world market leader headquartered in Austria, with production sites in all major markets as well as a worldwide network of sales and marketing offices. Lenzing supplies the global textile and nonwovens industry with high-quality, botanic cellulose fibers. Its portfolio ranges from dissolving pulp to standard and specialty cellulose fibers.

Lenzing quality and innovative strength set global standards for cellulose fibers. With 78 years of experience in fiber production, the Lenzing Group is the only company worldwide combining the manufacturing of all three cellulose fiber generations on a large scale under one roof – from the classic viscose to modal and the lyocell fiber TENCEL®.

The success of the Lenzing Group is based on its consistent customer orientation together with its leadership in innovation, technology and quality. Lenzing is committed to the principles of sustainable management and very high environmental standards. In addition to its core business of fibers, the Lenzing Group also operates in the field of engineering and plant construction.

Key Facts & Figures Lenzing Group 2015

Revenue: EUR 1.98 bn
Fiber sales volumes: 965,000 tons
Employees: 6,127

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