

# Press release

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## Lenzing invests EUR 100 mn in pulp production

Lenzing/Vienna, October 11, 2016 – The Lenzing Group will expand and modernize its existing dissolving wood pulp production at the sites in Lenzing/Austria and Paskov/Czech Republic. At a press meeting in Vienna today, Lenzing CEO Stefan Doboczky announced a total investment program of EUR 100 mn, approximately EUR 60 mn of it in Lenzing and almost EUR 40 mn in Paskov. Additional new capacities of around 35,000 tons will be added over the next 2.5 years.

“With these investments, we are taking another step in the implementation of our new corporate strategy sCore TEN,” said Stefan Doboczky. “We aim to increase our own dissolving wood pulp production from currently 56% to 75% of the group’s requirements for the production of botanic cellulose fibers by the end of the decade. The modernization will lead to more efficiency of our plants. The upgrade and expansion of our bio-refinery setup will underline Lenzing’s leadership as the most sustainable fiber producer.”

Lenzing’s bio-refinery concept is based on using only certified wood from countries in Western and Central Europe. It is an essential part of Lenzing’s mission to turn CO<sub>2</sub> and sunlight into high value fibers, as it ensures that 100% of the wood components are used to produce fibers, bio-chemicals and bio-energy. This investment is also an essential part of Lenzing’s quality strategy, as the high quality of our botanic fibers depends on the quality of the dissolving wood pulp.

In August 2016, Lenzing announced a capacity expansion for specialty fibers of 35,000 tons by mid-2018. Roughly EUR 70 mn will be invested in the site in Heiligenkreuz/Burgenland and approximately EUR 30 mn in Lenzing/Upper Austria as part of this project. The new pulp investment program will be implemented in addition to these investments.

These investments are yet another long-term commitment of the Lenzing Group to the Austrian production sites. In the next 2.5 years, Lenzing will therefore invest a total of EUR 160 mn in Austria. Lenzing is thus once again one of the leading industrial investors in Austria.

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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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Disclaimer: The above key 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 Annual Report and the consolidated financial statements of the Lenzing Group.

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