

Press release

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Lenzing Invests More Than EUR 100 Million in New Production Capacities for Specialty Fibers in Austria

- **Expansion of capacities for specialty fibers by 35,000 tons by mid 2018**
- **About 70 mn Euro of investments in Heiligenkreuz and 30 mn Euro at the Lenzing site**
- **Strategic importance of Heiligenkreuz as site for TENCEL® premium fibers underpinned**

The Lenzing Group is expanding its capacities for specialty fibers. Particularly the importance of the manufacturing facility in Heiligenkreuz, Burgenland, is underpinned. Further investments will be made as well at the production site in Lenzing. “We will invest more than 100 million Euro over the next 20 months to expand production capacities for our high-quality botanic fibers, 70% at the Heiligenkreuz site and 30% at Lenzing”, says Lenzing’s CEO Stefan Doboczky. “Given the strong market demand this expansion will help our customers in their growth plans as well as expanding our global market leadership position for speciality fibers.”

As part of its new group strategy sCore TEN, Lenzing set the target of increasing the share of specialty fibers as a proportion of its total revenue to 50% by the year 2020. Specialty fibers currently account for 41.7% of revenue. The planned capacity expansion of 35,000 tons of specialty fibers at the sites in Heiligenkreuz and Lenzing, as well as at the site in Grimsby, Great Britain, is the first step of the announced speciality fiber expansion program of Lenzing AG. Customers will be able to take advantage of some 10,000 tons of specialty fiber capacity already by the end of this year.

The major part of investments will be carried out in the years 2016 and 2017. The Lenzing Group will fully utilize its in house engineering competence, supported by local construction companies and suppliers for these projects. The investment in Heiligenkreuz will create 25 new jobs (full-time equivalents). Lenzing AG decided to start its investment program for speciality fibers at its existing sites in Austria and the UK as it allows fast capacity ramp up. The strategic role of the Heiligenkreuz site as a key location of new types of TENCEL® premium fibers developed developed by

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researchers and application engineers in Lenzing in cooperation with customers is strongly underpinned.

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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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