

Press Release

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Lenzing Invests in Thailand

- **Lenzing plans construction of a state-of-the-art lyocell fiber production plant in Prachinburi (Thailand) by the end of 2020**
- **Decision to establish a subsidiary and purchase property in Industrial Park 304**
- **Next steps: finalizing of approvals and technical planning**

Lenzing – The Lenzing Group aims to substantially increase its share of specialty fibers as a proportion of total revenue. Following the expansion drive already underway in Lenzing and Heiligenkreuz (both in Austria), Grimsby (Great Britain) and Mobile, Alabama (USA), the Supervisory Board of Lenzing AG approved the proposal of the Management Board yesterday to build the next state-of-the-art facility to produce lyocell fibers in Thailand. For this purpose, Lenzing is establishing a subsidiary in Thailand and purchasing a commercial property in Industrial Park 304 located in Prachinburi near Bangkok. In the coming months, the required permits and licenses as well as technical planning will be finalized. A definitive decision on constructing the new production plant will be made in the first quarter of 2018. Completion is scheduled for the end of 2020.

The selection of Industrial Park 304 in Prachinburi was based on its excellent overall infrastructure, outstanding expansion opportunities and the sustainable biogenic energy supply. Similar to the plant in Mobile, the planned production facility will be constructed on the basis of the latest state-of-the-art technology and feature a capacity of up to 100,000 tons annually. This site will strengthen the worldwide lyocell network of the Lenzing Group and enable its global customers to source TENCEL® branded fibers from Europe, North America and Asia.

“The planned expansion underscores our commitment to support the business growth of our customers, which will result in offering them even more environmentally friendly products by using TENCEL® fibers, the world’s most sustainable botanic fibers”, says Lenzing CEO Stefan Doboczky. “The expansion to Thailand represents the next consistent step in the implementation of our sCore TEN strategy as a means of increasing the share of specialty fibers and expanding our geographical footprint. With Asia accounting for 70 percent of total Lenzing Group revenue, it is logical that we will construct the next production plant for TENCEL® fibers in Asia”, Doboczky adds.

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The Lenzing Group

The Lenzing Group is a world market leader headquartered in Austria, which operates 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 wood pulp to standard and specialty cellulose fibers.

Lenzing's quality and innovative strength set global standards for cellulose fibers. With 79 years of experience in fiber production, the Lenzing Group is the only company in the world which is able to produce significant volumes of all three cellulose fiber generations – from the classic Lenzing Viscose® branded fibers to the Lenzing Modal® branded fibers and the TENCEL® branded lyocell fibers. In 2016 Lenzing introduced the Refibra™ branded lyocell fibers, a product innovation based on recycled cotton scraps.

The Lenzing Group's success is based on consistent customer orientation combined with innovation, technology and quality leadership. Lenzing is committed to the principles of sustainable management with very high environmental standards and can underscore this commitment with numerous international sustainability certifications for its business processes as the most sustainable company in the sector. In addition to fibers, which form the core business, the Lenzing Group is also active to a lesser extent in the fields of engineering and plant construction.

Key Facts & Figures Lenzing Group 2016

Revenue: EUR 2.13 bn

Fiber sales volumes: 978,000 tons

Employees: 6,218

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