

10.02.2010 – 08:12 Uhr

EANS-News: Lenzing AG / Lenzing subsidiary SPV (Indonesia) takes up test operation of fourth fiber production line

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Company Information

Lenzing (euro adhoc) - The Indonesian subsidiary of Lenzing AG, PT. South Pacific Viscose (SPV) has started up first successful trials of its new fourth production line. Regular operation is expected to commence in the course of the second quarter. The new line will produce viscose fibers for textile applications and for the nonwovens industry. Production is intended for the domestic Indonesian market, as well as for export.

A total investment of about USD 150 mill. makes the construction of the fourth SPV line the biggest individual investment project of the Lenzing Group in recent years. Up to now a total of more than USD 500 mill. have been invested into SPV. The project took 18 months to complete, with key components supplied by Lenzing's subsidiary Lenzing Technik. The additional 60,000 tons of nominal annual capacity of this jumbo line boost total SPV capacity to 220,000 tons of viscose fibers per year, maintaining SPV's position as the leading Asian, and the world's second-biggest viscose fiber production site after Lenzing in Upper Austria with its annual capacity of about 255,000 tons. SPV's sales are going to exceed USD 400 mill. over the next years. The overall production capacity of the Lenzing Group with fiber productions sites in Austria, Indonesia, China, Great Britain and the United States will for the present be increased to about 670.000 tons of cellulose fibers.

Due to the strong demand for Lenzing fibers, a further debottlenecking program will be started along with the start-up of regular production. This will, still in 2010, increase SPV's total annual capacity by another 18,000 tons to 238,000 tons.

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Branche: Chemicals
ISIN: AT0000644505
WKN: 852927
Index: WBI
Börsen: Berlin / free trade
Wien / official dealing

Original content of: Lenzing AG, transmitted by news aktuell

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