Lenzing AG

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EANS-News: Lenzing AG / Lenzing convenes extraordinary shareholders' meeting

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Annual & Special Corporate Meetings

Lenzing (euro adhoc) - Lenzing convenes extraordinary shareholders' meeting

Resolution proposals on share split, authorized and conditional capital

Lenzing AG invites its shareholders to an extraordinary shareholders' meeting to be held on 10 December 2010 in Lenzing. The agenda includes resolution proposals on a seven-for-one share split, framework authorizations for the creation of authorized capital concerning new shares to be issued against cash or contribution in kind, and on conditional capital measures concerning convertible bonds to be issued, both with the possibility to exclude shareholders' subscription rights.

Peter Untersperger, CEO of Lenzing, comments: "The proposed share split is intended to fulfill a long-standing request of private investors to facilitate trading in Lenzing shares. The framework resolutions on authorized and conditional capital would give us a high degree of flexibility to support the company's future expansion plans. The option to issue new shares against contribution in kind would allow us to use Lenzing shares as acquisition currency, should the situation arise. And in the event of a convertible bond issue, debt could be converted into equity in the medium term.

Decisions on implementing these measures and the possible exclusion of shareholders' subscription rights will only be made based on defined projects. These decisions would always require the approval of the supervisory board as well as of the management board. Given the distinct volatility of the financial markets, it is sensible to convene an extraordinary general meeting now, in order to being able to exploit potentially arising market opportunities if required.

Lenzing's key shareholder, B & C Industrieholding GmbH, is generally supportive towards the resolution proposals published today. Michael Junghans, managing director of B & C Industrieholding GmbH, comments: "We support the business plan and Lenzing's attractive growth strategy. We therefore intend to propose that, at the extraordinary general meeting, our corporate bodies approve Lenzing's request for framework authorization of capital measures to increase its financial flexibility."

end of announcement euro adhoc

Further inquiry note:

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