

## EANS-News: Lenzing AG / Successful Start-up of World's Largest TENCEL® Production Plant in Lenzing (1)

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### Company Information

- First sales volumes already successfully marketed
- Technological milestone for TENCEL®, the fiber of the future
- The TENCEL® production plant secures 140 jobs at the Lenzing site
- Investment costs of EUR 150 mn and construction time of 24 months fully on schedule

The Lenzing Group has successfully initiated production at its new TENCEL® jumbo production facility, the largest in the world, at the Lenzing site in Upper Austria. The plant is in the midst of a stable ramp-up phase. The feedback on the part of the market is very positive.

"We are more than satisfied with the progression of the start-up curve. Based on the production process in the past days and weeks, we have reasonable grounds to believe that this latest generation of TENCEL® technology will completely fulfill our expectations", says a confident Lenzing Chief Executive Officer (CEO) Peter Untersperger. "The successful start-up of production operations is a technological milestone for TENCEL® the fiber of the future and for the entire Lenzing Group. We are optimistic that we will be able to achieve the planned production target of 30,000 tons by the end of 2014. This new TENCEL® facility is decisive to ensure the long-term viability of fiber production at the Lenzing site and the basis for future investments in all markets", adds Lenzing's Chief Operating Officer (COO) Friedrich Weninger.

This factory comprises the first time in which a single production line with an annual nominal capacity of 67,000 tons was installed. Previous TENCEL® production lines were usually only one-quarter as large. The new plant design incorporates lessons learned from the longstanding experience of three existing Lenzing Group TENCEL® production plants located in Austria, USA and Great Britain. As a consequence, the new TENCEL® plant in Lenzing represents the world's leading generation of TENCEL® technology. The new design of the jumbo production line also enables investment costs to be maintained at a very competitive level of approximately EUR 150 mn (about EUR 2,200 per ton of capacity). This comprises the decisive approach to the further competitive scaling of TENCEL® fibers as a universally deployable textile and nonwoven fiber. The new, broader product portfolio on the basis of the TENCEL® technology successfully complements Lenzing's specialty strategy.

With a construction time of 24 months, Lenzing completely adhered to both the budgeted investment costs as well as all timetables. The TENCEL® production in Lenzing secures 140 jobs at the Lenzing site.

Thanks to the new plant, annual nominal TENCEL® production capacity of the Lenzing Group will rise from 155,000 tons p.a. to about 220,000 tons. In this way Lenzing will further expand upon its global market leadership for TENCEL® fibers and offer its global customers new expansion opportunities in both the textile and nonwovens segments as well as new and innovative applications. "The related market development activities have already been in full swing for quite a few months", states Robert van de Kerkhof, the Chief Commercial Officer (CCO) of Lenzing responsible for the fiber business. Moreover, new technical applications will be opened up and massively expanded in the years to come.

TENCEL® - the fiber of the future

TENCEL® is the latest generation of man-made cellulose fibers, and is manufactured in a particularly environmentally-compatible production process awarded the "European Award for the Environment" by the European Union. Lenzing is the only industrial-scale supplier of TENCEL® in the world. TENCEL® fibers are used by the textile industry as well as for nonwovens. Typical applications of the high-tech fiber TENCEL® include sportswear, soft denim applications, home textiles as well as baby wipes and cosmetic wipes. However, TENCEL® is also being increasingly deployed for technical applications. For example, as a powder added to construction materials, TENCEL® ensures a pleasant indoor climate.

(1) TENCEL® is a registered trademark of Lenzing Aktiengesellschaft

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sector: Chemicals

ISIN: AT0000644505

indexes: WBI, ATX, Prime Market

stockmarkets: free trade: Berlin, official market: Wien

language: English

Original content of: Lenzing AG, transmitted by news aktuell

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