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euro adhoc: Lenzing AG / Mergers - Acquisitions - Takeovers / Lenzing AG Acquires Tencel Group of Companies (E)

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Lyocell capacity tripled

With 4th May as the effective date, Lenzing AG is taking over the entire Tencel group of companies. The seller is Corsadi BV, part of the international financial group CVC. The purchase agreements were signed on 4th May. The price of the transaction was not disclosed. The acquisition will further strengthen Lenzings position as one of the leading manufacturers of high-quality, cellulose-based fibers in the world.

Tencel operates one large-scale Lyocell plant in the USA (Mobile, Alabama) and another in the UK (Grimsby), with a total nominal capacity of about 80,000 tons per year, and - including its UK support activities and marketing teams throughout the world - it has a staff of about 350. The 2003 figure for sales was EUR 100 mill.

"The acquisition marks a milestone for the Lenzing Group," said Thomas Fahnemann, Chairman of the Managing Board of Lenzing. "We are tripling our Lyocell capacity and thereby reaching the critical size that is necessary for a sustainable and profitable Lyocell operation." Karl Schmutzer, Chairman of the Supervisory Board of Lenzing AG and Managing Director of B & C Holding, the majority owner, regarded the step as an "absolutely sensible economic decision with far-reaching strategic significance for the Lenzing Group."

Please note: Press Conference today

Lenzing AG will give further information at a press conference which will take place today, 4 May 2004, 06.00 p.m.(CET). Media representatives are invited to attend this press conference in 1010 Vienna, Hotel Le Meridien, Opernring 13-15.

end of announcement euro adhoc 04.05.2004

Further inquiry note:

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