

BUSINESS NEWS

Lenzing launches TENCEL™ Luxe

- The new lyocell filament heralds a new era of sustainable cellulose fabrics for the premium luxury market
- Basic engineering for bigger scale industrial line started



TENCEL™ Luxe Launch Event in Paris

At an exclusive event in Paris, the Lenzing Group launched a new product: TENCEL™ Luxe. The TENCEL™ Luxe branded lyocell filament is another key milestone in the implementation of the company's sCore TEN strategy and the first time that Lenzing enters the filament market. It will further support Lenzing's shift to become a true speciality player in the botanic materials market derived from sustainable wood sources.

TENCEL™ Luxe: The new player of eco-couture fabrics

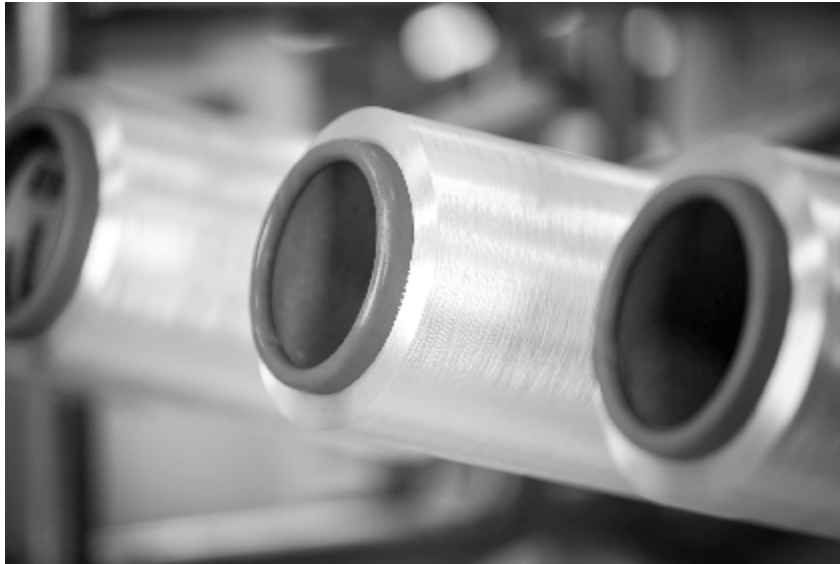
TENCEL™ Luxe branded filaments are the new player for sustainable high-end cellulose textiles by offering superior aesthetics, performance and comfort level that allow them to be the perfect partner with other noble fibers such as silk, cashmere or wool. The smooth surface of the TENCEL™ branded Luxe filament gives fabrics a silky smooth feel and liquid-like drape for the most sensual silhouettes. Moreover, TENCEL™ Luxe branded filaments are naturally breathable due to their

wood-based origin and offer outstanding color fastness, enabling designers to express bold color palettes where creativity knows no boundaries.

TENCEL™ Luxe: a new era in sustainable manufacturing

TENCEL™ Luxe eco-botanic lyocell filaments are made from wood pulp, which is sourced from sustainable wood in line with Lenzing's strict Wood and Pulp Policy. They are produced using Lenzing's pioneering closed-loop lyocell production process, which has received the "European Award for the Environment" from the European Union. This process ensures minimal environmental impact due to low process water and energy use and raw materials consumption.

"We are committed to setting industry standards in order to enhance the protection of our environment while making filaments for fabrics that are designed to appeal to the most sophisticated consumers. The launch of TENCEL™ Luxe is a further sign of our ongoing

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commitment towards innovation and sustainability", explains Stefan Doboczky, Chief Executive Officer of the Lenzing Group. "The expansion plan represents the next consistent step in the implementation of our sCore TEN strategy and is a commitment of Lenzing as a hub for research & development and engineering."

TENCEL™ Luxe is another proof of Lenzing's innovation strength. It will open new markets for the company and for its customers and partners and will allow the company to participate in the premium segment of the fabrics market. With the help of TENCEL™ Luxe Lenzing will support the luxury apparel industry to redraw the borders between responsibility and high-end luxury fashion, and is part of Lenzing's ongoing commitment towards sustainability-driven innovation.

TENCEL™ Luxe will be produced at the Lenzing site in Austria. Lenzing plans to expand the capacity at this site

over the coming years and has started the basic engineering for a large scale commercial line for filaments. To optimize a new plant design and start up, this Lenzing site was chosen as the future manufacturing hub for TENCEL™ Luxe.

"The decision for the Lenzing site in Austria as a hub for TENCEL™ Luxe helps to build up a strong knowledge base for this new technology at the headquarters of the company", says Heiko Arnold, Chief Technology Officer of the Lenzing Group. "Here we can fully leverage the proximity between operations, research & development, customer service and the engineering organization to accelerate the development of this technology for the production of TENCEL™ Luxe on a bigger industrial scale."

The decision about a new plant for the production of TENCEL™ Luxe on a bigger industrial scale will be made in the third quarter of 2018.