

Hallein, September 1st, 2011

## **M-real Hallein GmbH (Austria) sold to Schweighofer Group**

Pulp Mill in Hallein taken over by Austrian Schweighofer Group / site will be strategically developed

**M-real Hallein GmbH is sold to Schweighofer Group. The agreements were signed on Thursday, September 1<sup>st</sup>, 2011. The future production on the site will be focusing on high-grade cellulose and bio-energy. The Schweighofer Group will invest up to EUR 60 million in the development.**

Two years after paper production has been closed at the M-real site of Hallein (close to Salzburg, Austria), the search for a new investor has been successfully completed. „We are glad that we have found an Austrian solution. The Schweighofer Group is a strategic long-term investor with promising plans for the future“, says Jörg Harbring, CEO of M-real Hallein GmbH. Currently the plant – which was converted into a limited company earlier in 2011 - is producing bleached sulphite-cellulose from spruce and green energy from on-site biomass power plant. The Austrian Schweighofer Group’s core business is woodworking industry and the production of energy from biomass and has a long track record in the successful further development of companies. Gerald Schweighofer says that “M-real Hallein fits perfectly to our group of companies. It’s a promising plant in an economically strong region; we are looking forward to the further developments.”

### **Salzburg province supportive in searching a new owner**

The Schweighofer Group has bought the Hallein plant from the present owner M-real, the paper group of the Finnish Metsäliitto Corporation. The change in ownership will be effective after being approved by the antitrust authorities.

Mikko Helander, CEO of M-real Corporation, is convinced that “the sale of the site to Schweighofer Group is a very good solution for all parties”. The search for a new owner has been significantly supported by Dr. Wilfried Haslauer, the economic advisor and vice governor of the Salzburg province. “M-real Hallein is one of the biggest industrial companies in the Tennengau area with great importance for the whole region. We know that the future of the company and the jobs associated have a direct and indirect influence on many people. This is why we have focused all our efforts towards a sustainable future of the site. Today is the beginning of new era for Hallein – from now on there will be further investments and we shall see more jobs and training for employees”, Dr. Haslauer explains, thanking Mr. Harbring for his continuous dedication to new solutions and Mr. Schweighofer for his willingness to invest on the site.

### **Schweighofer Gruppe will invest up to EUR 60 million**

By 2013 the new owner will invest around EUR 60 million in the extension of existing facilities and the expansion into new business areas. "Concerning the pulp production we want to offer a broader product range and additionally produce high-grade specialty cellulose for viscose fibre production and other fibres for instance for the food industry. "Until the market for these products will have been successfully entered, we expect further considerable losses. But in cooperation with delegations of the workforce and local management we are confident to lead the company into a profitable future", says Gerald Schweighofer.

### **Employees will keep their jobs**

All 200 employees working in Hallein will be taken over. In addition, about 15 new people will be hired and the trainee programme will be re-established. Furthermore, the research & development activities will be increased and intensified. "We rely on the know-how and the commitment of our employees in order to run the plant successfully and profitably in the future", says Mr. Harbring, General Manager of M-real Hallein GmbH, who will remain in his position after closing of the deal. Province governor Gabi Burgstaller is equally happy: "I am convinced that the new owner and his plans guarantee job security. The Salzburg province will actively support the prosperous future of this company as it has high importance for the Tennengau region and even beyond."

### **Customer and supplier relationships will be maintained**

All relationships with customers and suppliers will continue after the change of ownership. Pulp customers will enjoy the service of M-real Hallein as usual; orders will still be processed via the sales organisation of Botnia. Likewise, the wood supply of the plant will be organised by existing suppliers and will be managed by Thosca Holz Hallein.

### **About M-real Hallein GmbH**

M-real Hallein GmbH, a limited company, has about 200 employees and produces about 160,000 tonnes of pulp per year, which is predominantly sold to the European paper industry. At the same time, the company is one of the major suppliers of renewable energy in the Salzburg province and one the largest consumers of wood in Austria. The annual wood consumption totals about 700,000 cbm of woodchips and industrial wood for pulp production and around 100,000 cbm wood for energy production.

### **About the Schweighofer Group**

The Schweighofer Group is a family owned, Austrian based holding with companies in different branches and countries. The main focus of the group is in the woodworking industry and the production of green energy from biomass. Since 2002, Holzindustrie Schweighofer has been being active in Romania and currently employs around 2,000 people at four different production sites, which makes the group the market leader in the Romanian woodworking industry. Today the Schweighofer Group runs Romania's largest cogeneration plants fuelled only by biomass. Moreover, the Group is one of the largest forest owners in Central and Eastern Europe. After completion of all investments and planned operations in Hallein, the Schweighofer Group will increase its turnover of its forest based sector to about EUR 600 million.

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