

Vienna, 13 September 2017

Schweighofer Group focuses on its core business and sells its subsidiary Schweighofer Fiber GmbH to TowerBrook Capital Partners

- **TowerBrook plans future investments to further expand the mill's capacities**
- **Jörg Harbring continues as Managing Director - the ownership change will not affect the employees**
- **In 2011 Schweighofer Group acquired unprofitable pulp mill in Hallein – invested more than EUR 60 million, thus securing 250 jobs and creating a profitable company with future growth potential**
- **The Schweighofer Group enhances its focus on its core business of wood processing**

The Schweighofer Group, one of Europe's leading timber processing companies, focuses on its core business of wood processing and sells its subsidiary Schweighofer Fiber GmbH in Hallein, Austria. The closing of the transaction was on 12 September 2017. The company specialising in the production of viscose pulp is listed amongst the most profitable of the "Top 250" companies in Austria.

Schweighofer Fiber was acquired by TowerBrook Capital Partners, a company focusing on investing in medium-sized enterprises with future-oriented products. Jörg Harbring, who has served as the company's Managing Director since 2004, will remain in his position and stands for the company's continued development.

Internationally successful pulp dissolving mill

The Schweighofer Group acquired the then unprofitable paper pulp mill in 2011. Following the clear strategic aim of developing an internationally successful dissolving pulp plant, Schweighofer invested a total of EUR 60 million to enable the production of viscose pulp. The new products were first sold at the beginning of 2013. Under the guidance of the Schweighofer Group, Schweighofer Fiber GmbH quickly managed its turnaround, securing 250 jobs. Today Schweighofer Fiber GmbH is among the most profitable 250 companies in Austria. The main market for viscose pulp is Asia where the products manufactured from local spruce in Hallein are heavily sought after.

Success story Hallein

Gerald Schweighofer: "The pulp dissolving mill in Hallein is a success story in every aspect. We acquired the mill when it was in a difficult situation. Due to substantial investments we were able to render the mill profitable, thus securing the site and its employees. By doing so, we have clearly demonstrated our principle of combining economic, social and ecologic responsibility. The decision to sell this profitable production site is purely strategic: We will focus entirely on our core business of wood processing while resting assured that the plant in Hallein is well taken care of".

Background information:

Viscose pulp dissolving mill Hallein:

1890	Founding of the cellulose factory "The Kellner-Partington Paper Pulp Co. Ltd."
1917 – 1979	Norwegian era under the ownership of BORREGAARD
1979 – 1995	Hallein Papier AG under the ownership of the German PWA and the Austrian Länderbank
1995 – 1999	PWA taken over by the Swedish SCA and operative incorporation of the plant into SCA FINE PAPER
1999 – 2000	Refounding of MODO PAPER AB with the fine paper divisions of the Swedish groups SCA and MoDo
2000	Modo Paper AB sold to the Finnish group METSÄ-SERLA and plant incorporated into the "Industrial printing paper" division
2001	Name changes to M-real Corporation and M-real Hallein AG
2009	Paper production suspended
2011	Sale of the company to the Schweighofer Group
2012 - 2013	Conversion of the pulp mill to enable production of viscose pulp

Employees:	240 employees
Plant size:	32 ha
Revenues 2016:	EUR 143 mn
Investments 2012/2013:	EUR 60 mn
Pulp dissolving capacity:	150,000 tons p.a.
Wood consumption for pulp production:	900,000 cbm

Schweighofer Group

The Schweighofer Group has its roots in a traditional Austrian family company with over 400 years of experience in wood processing. Today, the Group is primarily active in the wood processing industry but also in dissolving pulp production, forest management, bioenergy production and real estate. The industry division of the Schweighofer Group operates three sawmills and two wooden panel productions in Romania, one saw mill in Germany and a dissolving pulp production in Austria. It takes a leading role in the European timber-processing industry, currently employing around 3,500 employees. Holzindustrie Schweighofer exports products to over 70 countries worldwide

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