

Press release

investor relations

TenCate receives new waiver under Berry Amendment to supply Defender™M to US Military

The Department of Defense Authorization Act for Fiscal Year 2008, S. 1548, was recently signed into law by the US Congress which includes an amendment to allow the importation of FR rayon fiber - a key component of TenCate Defender™M fabric for military uniforms. The amendment exempts FR rayon fiber produced in certain countries from the Berry Amendment for a period of five years. The Berry amendment requires the United States' Department of Defense to procure products manufactured within the United States, which includes garments (and fabrics).

TenCate Protective Fabrics, based in Union City, Georgia (TenCate) is the leading supplier of flame retardant (FR) fabrics to the United States armed forces. As reported earlier, TenCate Defender™M fabrics are made from a fiber blend that includes FR rayon from Lenzing AG of Austria. The new bill ensures the longer term legality of FR rayon fiber and Defender™M product for American military use. The inclusion of the waiver in the newly passed bill highlights the strategic importance and the critical need for reliable material suppliers that are able to deliver large volumes of flame protective fabrics for military clothing.

Utilizing its know-how and in close cooperation with Lenzing, TenCate offers a material (TenCate Defender™M) that meets the rigorous performance standards of the US military forces. With Defender™M, TenCate met the enhanced need for flame protection spawned by frequent attacks with improvised explosive devices (IED's). In August 2007 TenCate was officially commended by the United States Marine Corps for superior excellence in delivering an outstanding level of quality in its products and services in response to the demands of the US Military Forces.

Lenzing FR® Fiber

The FR rayon fiber made by Lenzing is a key ingredient of TenCate Defender™M fabrics. Unlike other FR fibers, Lenzing FR® fiber not only offers inherent FR properties, it also absorbs moisture (breathable & comfortable to wear) and was readily available in large additional quantities. TenCate and Lenzing combine the excellence in FR fabric development and production with inherently FR fibers that are comfortable to wear. TenCate Defender™M fabric with Lenzing FR® fiber offers the troops superior protection with the high comfort level of traditional fabrics.

Global interest

The armed forces of countries other than the United States also face the enhanced flame and heat risks of present day military reality. Due to the large volume needed by the US Military and existing supply constraints, TenCate has been limited in its efforts to serve the international needs. Demonstrating its commitment, Lenzing is investing in new production capacity to supply FR fibers for defense applications. In anticipation of the increased volumes, tests and wear trials will be carried out by international armed forces to adopt a similar level of personal protection against flame.

**Royal Ten Cate
Lenzing AG**

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About TenCate

TenCate is a multinational company which combines textile technology and chemical processes in developing and manufacturing specialist materials. TenCate is active in six product/market combinations:

- Protective Fabrics
- Aerospace Composites
- Armour Composites
- Geosynthetics
- Industrial Fabrics
- Synthetic Turf

THE LENZING GROUP

The Lenzing Group is an international corporate group with headquarters in Upper Austria. We are present on world markets and we set standards in the field of man-made cellulose fibers with our quality and our innovations. Lenzing fibers (viscose, modal and lyocell) are made from wood, the renewable raw material. They are used by the textile industry – for garments, home textiles and technical textiles – as well as by the nonwovens industry (sanitary, medical, cosmetics).

Lenzing is committed to the principles of sustainable management with very high environmental standards.

In addition to our core business fibers, we are active in business sectors engineering and systems construction, plastics and paper.

Key Figures 2006:

Sales: EUR 1,100.5 mill.

Export share: 86%

Fiber Production: 478,100 tons

Staff: 5,044