

Press release

Lenzing increases fiber production capacity for TenCate Defender™M military fabrics

The production capacity of Lenzing®FR – The Heat Protection Fiber – is being increased substantially by Lenzing AG of Austria. The capacity expansion enables TenCate to supply larger quantities of TenCate Defender™M fabric to the US military, taking effect late 3rd quarter. TenCate Protective Fabrics, based in Union City, Georgia, USA is the leading supplier of various types of flame retardant (FR) fabrics to the United States armed forces. The Lenzing Group is the leading supplier of specialty rayon fibers in the world, with a clear focus on innovation.

In March 2007 TenCate introduced its Defender™M fabric which has become an integral component of US military combat uniforms. Continued demand from the US Army and the US Marine Corps for TenCate's flame resistant fabrics outgrew the available production capacity of FR rayon and meta-aramid fiber suppliers. With the expansion of Lenzing FR® rayon fiber capacity TenCate is able to supply a substantially higher volume of Defender™M fabrics than before. As reported earlier, TenCate Defender™M fabrics are made from a fiber blend that includes FR rayon from Lenzing AG of Austria.

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 TenCate 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. In February of this year, a 5 year waiver for FR rayon fiber was signed into law allowing the US military to continue to source garments made from TenCate Defender™M fabrics.

Global military 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. Lenzing's investment in new production capacity enables TenCate and Lenzing to pursue international military business. The two companies have extended their cooperation internationally to promote TenCate Defender™M fabrics to military organizations worldwide.

**Royal Ten Cate
Lenzing AG**

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TenCate

TenCate is a multinational company which combines textile technology and chemical processes in developing and manufacturing specialist materials. Its materials can be divided into four areas of application: safety & protection, space & aerospace, sport & leisure and environment & infrastructure. The company has world leading positions in protective fabrics, space and aerospace composites, armour composites, geosynthetics and synthetic turf. TenCate is listed on NYSE Euronext

The Lenzing Group

The Lenzing Group is an international group of companies with its headquarters in Austria, production sites in all major markets and a global network of sales and marketing offices. Lenzing provides the global textile and nonwovens industry with high-quality cellulose fibers. The company is the leading supplier in many business-to-business markets – from special cellulose fibers to high-tech plastics polymers. Lenzing quality and Lenzing innovative power set standards for man-made cellulose fibers world-wide. Seventy years of fiber production expertise make us the only producer world-wide of all three man-made cellulose fiber generations, from classic viscose to modal and lyocell. Lenzing's unique combination of consistent customer orientation with leadership in quality, innovation and technology is the foundation of our success.

Our focus on specialty products from cost efficient production is the source of our economic power. Lenzing is committed to the principles of sustainable management and very high environmental standards. Lenzing's core business fibers is complemented by our activities in business fields plastics, as well as engineering.

Key Figures 2007:

Sales: EUR 1.26 bill.
Export share: 86%
Production capacity: 570,000 tons of fibers
Staff: 6,043