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10,460 kilometers: First direct complete train with Austrian TENCEL™ branded fibers from Vienna to China

Sbtl.: Due to the short-term increase in demand from Chinese customers, Lenzing AG is breaking new ground. For the first time in the history of Austria, a local company is sending goods that are 100 percent produced in Austria directly to China by train.

Vienna – The Lenzing Group stands for the ecologically responsible production of specialty fibers made from the renewable raw material wood. Due to the high demand from Chinese brands and retailers for sustainably produced fibers, Lenzing delivers fibers from the two Austrian production sites Lenzing and Heiligenkreuz directly to customers in China by train for the first time.

Departure ceremony with Federal Minister Leonore Gewessler

Austria's first complete train with goods exclusively "Made in Austria" will leave the Vienna South Terminal towards China on August 20, 2020 at 11 am. The train is loaded with Lenzing fibers and provided by NUNNER Logistics. In strict compliance with the COVID-19 protective measures, Leonore Gewessler, Federal Minister for Climate Action, Environment, Energy, Mobility, Innovation and Technology, His Excellency Xiaosi Li, Ambassador of the People's Republic of China in Austria, Stefan Doboczky, CEO of the Lenzing Group, Thomas Kargl, Board Member of the ÖBB Rail Cargo Group, Erwin Cootjans, CEO Nunner Logistics and Erich Hampel, Chairman of the Board of the B&C Private Foundation, took part in the departure ceremony.

The train, which started at Vienna, brings 41 containers with TENCEL™ branded Lyocell and Modal fibers with a total value of EUR 1.8 million directly to customers in China. On its 16-day trip to Shanghai, the train covers a total of 10,460 kilometers and passes seven countries: Austria, the Czech Republic, Poland, Belarus, Russia, Kazakhstan and China. "With this new transport route, we can meet the high demand from our customers for sustainably produced fibers more quickly. Thanks to train transport, the urgently needed fibers arrive at our customers in China twice as quickly as by sea freight," says Stefan Doboczky, CEO of the Lenzing Group. Lenzing has had very good experiences with rail transport for a long time when it comes to delivering the renewable raw material wood to its plants. Almost 70 percent of the wood processed at the Lenzing site is already delivered by rail. "Our declared goal is to shift more freight traffic to rail. Rail is the only way to combine climate goals and economic interests and thus transport growth. That is why we are happy to be part of this unique project for our long-standing customer," says Thomas Kargl, Board Member of the ÖBB Rail Cargo Group. "Transporting goods by rail to China is possible. And this train from Vienna to China is an integral part of climate

protection. Because we want to support the shift from road to rail, especially in freight transport. Today's train is the first step – I am convinced this train will set an example”, says Leonore Gewessler, Federal Minister for Climate Action, Environment, Energy, Mobility, Innovation and Technology.

TENCEL™ branded fibers for the fashion world

For local brands and retailers in China, sourcing sustainable goods is becoming increasingly important. For this reason, many manufacturers rely on TENCEL™ fibers, which contribute to a clean environment thanks to the renewable raw material wood and the ecologically responsible production. The Lenzing Group's high-quality fibers are biodegradable and form the basis for a variety of textile applications. The TENCEL™ branded Lyocell and Modal fibers transported to China are then used to create textiles for the fashion industry. TENCEL™ Lyocell fibers are known for their natural comfort and environmentally responsible closed loop production process. They are often part of breathable fabrics that support the body's natural thermal regulation as the microscopic fibrils of cellulosic fibers are structured to regulate the absorption and release of moisture. TENCEL™ Modal fibers are known for being exquisitely soft and pleasant to the skin. Measurements and hand evaluations of softness show that TENCEL™ Modal fibers are twice as soft as cotton. The softness of TENCEL™ Modal fibers lasts longer and is able to withstand repeated wash and dry cycles compared to cotton.

Lyocell and Modal fibers arrive in China by train on a route that has been used for centuries: this train transport connects Austria even more closely with the One Belt, One Road program, a reintroduction of the legendary Silk Road, which has been the main transit route between Europe and Asia since ancient times. Erwin Cootjans, CEO of NUNNER Logistics: “We are proud to be able to connect Vienna to our Chinese rail network in addition to the direct trains we already have. The new connection makes it easier for industry and logistics in Austria and the surrounding countries to trade with and from China.”

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About the Lenzing Group

The Lenzing Group stands for ecologically responsible production of specialty fibers made from the renewable raw material wood. As an innovation leader, Lenzing is a partner of global textile and nonwoven manufacturers and drives many new technological developments.

The Lenzing Group's high-quality fibers form the basis for a variety of textile applications ranging from elegant ladies clothing to versatile denims and high-performance sports clothing. Due to their consistent high quality, their biodegradability and compostability Lenzing fibers are also highly suitable for hygiene products and agricultural applications.

The business model of the Lenzing Group goes far beyond that of a traditional fiber producer. Together with its customers and partners, Lenzing develops innovative products along the value chain, creating added value for consumers. The Lenzing Group strives for the efficient utilization and processing of all raw materials and offers solutions to help redirect the textile sector towards a closed-loop economy.

Key Facts & Figures Lenzing Group 2019

Revenue: EUR 2.11 bn

Nameplate capacity: 1,045,000 tons

Employees: 7,036

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Disclaimer: The above key financial indicators are derived primarily from the condensed consolidated interim financial statements and the consolidated financial statements of the previous year of the Lenzing Group. Additional details are provided in "Notes on the financial performance indicators of the Lenzing Group", the glossary to the half-year report and the condensed interim consolidated financial statements and the Lenzing Group's consolidated financial statements of the previous year. Rounding differences may occur in the presentation of rounded amounts and percentages.
