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

---

**For further information please contact:**

Thomas Huemer  
Head of Corporate Communications  
Tel: +43 1 585 68 62 -24  
E-mail: thomas.huemer@schweighofer.at