

## **Press Release, Nanjing**

June 1, 2016

# **Sateri acquires controlling stake in viscose yarn producer Linz (Nanjing)**

On May 31st 2016, Sateri completed the acquisition of a controlling stake in Linz (Nanjing) Viscose Yarn Co., Ltd. (“Linz Nanjing”).

Linz Nanjing, established in 2007, is currently focused on producing high quality open end viscose yarn products with annual capacity of 8,000 tons. Linz Nanjing was previously 100% owned by Linz Textil GmbH (“Linz Austria”), the largest viscose yarn producer in Europe with 178 years of corporate history.

“As a global leading viscose producer, Sateri’s viscose fibers are used by many yarn producers in China and throughout the world. This acquisition enables Sateri to gain a foothold in the viscose yarn spinning segment, which in turn helps us to understand our customers better. Through Linz Nanjing, we will work to further improve our viscose fiber quality and develop new viscose products for our yarn customers”, commented Ben Poon, Senior Vice President, Sateri.

“Linz Austria welcomes Sateri as the controlling shareholder in Linz Nanjing. Linz Austria remains a minority partner in Linz Nanjing after the completion of this transaction and we would continue to share our knowledge in yarn spinning with Sateri. The Linz product name will continue to be used by Linz Nanjing”, said Manfred Kern, Managing Director of Linz Austria.

“Sateri has made plans to further develop and expand Linz Nanjing by adding more spinning machines and technologies to broaden Linz Nanjing’s product portfolio and to increase profitability. By introducing various spinning technologies, we will also be able to develop new and better viscose products for our customers”, added Ben Poon.

### **Company background**

#### **■ Sateri**

Sateri is one of the largest viscose staple fiber producers in the world. Sateri’s viscose staple fiber is a natural raw-material and key ingredient to everyday items like textiles, and non-woven products such as baby wipes, and personal hygiene products. Sateri's annual production capacity exceeds 500,000 metric tons of viscose staple fiber. Sateri is committed to sustainable development and launched its Sustainable Pulp Sourcing Policy in 2015 and Sustainability Policy in 2016. All of its 3 mills including Sateri (Fujian) Fibre, Sateri (Jiangxi) Chemical Fibre and Sateri (Jiujiang) Fibre obtained PEFC CoC certification, Oeko-Tex Standard 100, ISO 9001 and ISO 14001. With our corporate office in Shanghai, we operate a sales, marketing and customer service network covering



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Asia, Europe and the Americas. In particular, our well established presence in Shanghai allows us to be strategically positioned to service the China market, which is the world's largest and fastest growing market for viscose staple fiber.

■ **Linz Textil GmbH**

Founded in 1838, the company has been quoted on the Vienna Stock Exchange since 1872. In 1978 the "Kleinmuenchner Baumwoll-Spinnerei und mechanische Weberei" was re-named Linz Textil AG. In line with a strategy aimed at expansion and diversification, in 1987 Linz Textil AG adopted a completely new orientation. In view of industrial and organizational considerations, the operative textile unit was disincorporated to form Linz Textil GmbH, which, today, is the group's biggest operative unit. Subsequently, Linz Textil AG was re-named "Linz Textil Holding AG", in order to undertake holding functions. While the holding company focuses on management, organization and financing activities, the operative company is primarily involved in the production of yarns, especially viscose, cotton and blended yarns, and a broad range of grey cloth for outerwear and technical applications. The Linz (NanJing) Viscose Yarn Co., Ltd was invested by Linz Textil GMBH in Nanjing. The investment of the phase 1 project is 18 million Euros and was put into operation in 2009.