

PRESS RELEASE

Schouw & Co.
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Fibertex Nonwovens makes strategic acquisition in Turkey

Fibertex Nonwovens, a company wholly owned by Danish industrial conglomerate Schouw & Co., acquires Turkish Ribatek's nonwoven activities. Thereby Fibertex Nonwovens obtains a beneficial expansion of its production capacity and an improved access to the growing Turkish market.

Fibertex Nonwovens, one of Europe's leading manufacturers of nonwoven textiles, acquires the nonwoven activities of the Turkish manufacturer Ribatek. The transaction will provide Fibertex Nonwovens with a strong production platform within the so-called spunlacing technology.

Spunlacing is a production method in which the nonwoven fabrics are manufactured by fibres being entangled by high-speed jets of water. Fibertex Nonwovens already masters this technology at its French subsidiary, however, an increasing demand necessitates an expansion of the capacity:

- We are very pleased now to have reached an agreement with the owners of Ribatek about the acquisition of the company's spunlacing activities. We have cooperated with Ribatek during a longer period of time and regard the company as a reliable and skillful manufacturer of highly specialized products, explains CEO of Fibertex Nonwovens, Jørgen Bech Madsen, and continues: - We are experiencing a growing demand for new textiles being manufactured in line with the spunlacing method, and therefore we were to choose between building a new production line at one of our existing manufacturing sites or to take over an existing manufacturer. We chose the latter – in particular due to Ribatek's high quality and strategically important geographical location.

Ribatek is situated in the town Cerkezkoj in the western part of Turkey, almost 100 km northwest of the megacity Istanbul. There is easy access here to qualified labour and raw materials, and in addition, Fibertex Nonwovens will obtain an improved access to the important Turkish market and furthermore to Western Asia and the Middle East:

- We see a large potential in developing the company further and expanding our sales in an easterly direction. The spunlacing products are softer and have better uniformity than our traditional nonwoven textiles, and are therefore much more applicable for advanced usage in the automobile industry, for industrial purposes and for production of wet wipes and other hygiene products, Jørgen Bech Madsen continues.

Ribatek was founded in 2006 and disposes of two relatively new high technology production lines with a total annual capacity of 8,000 tonnes. At Schouw & Co. in Aarhus, Jens Bjerg Sørensen, President, believes that the company fits in well with both Schouw & Co. and Fibertex Nonwovens:

- For some time now, we have had our eye on Ribatek and are very content with the fact that the transaction has now fallen into place. The acquisition will provide us with the necessary capacity, which we are lacking in the short run, and will give us some strategical options of expanding with a longer time

horizon. Hence, we are expecting that Ribatek will contribute positively to our European consolidation, he says.

The acquisition of activities is expected to take effect from 2 November 2015, and will not have significant impact on the 2015 earnings forecast. During 2016, the acquisition is expected to increase the revenue of Fibertex Nonwovens with DKK 50-100 million, and within a couple of years, the Turkish unit is expected to generate a profit margin equivalent to the level of the rest of Fibertex Nonwovens.

Facts about Fibertex Nonwovens

In 2002, Schouw & Co. acquired Fibertex A/S, which with effect from 1 January 2011 was divided into two sister companies, Fibertex Nonwovens A/S and Fibertex Personal Care A/S, respectively.

Fibertex Nonwovens is a leading manufacturer of nonwovens, i.e. non-woven textiles used in many different product lines, i.a. the car industry, furniture industry, building industry, for geotextiles and in niche markets.

Fibertex Nonwovens is owned 100 percent by Schouw & Co. and has its head office in Aalborg, where the company was founded in 1968. The company has an annual turnover of DKK 1.2 billion and has – apart from the new Turkish unit – manufacturing businesses in Denmark, France, the Czech, the USA and South Africa, and has sales subsidiaries in France, Portugal and Spain.

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