



PRESSRELEASE

No investor solution at Papierfabrik Scheufelen yet Investor talks continue / production is temporarily suspended due to insolvency

The situation at the traditional Papierfabrik Scheufelen in Oberlenningen is coming to a peak. With the opening of the bankruptcy on 01.04.2018, the vast majority of the employees must be released for time being and receive unemployment benefits in the month of April 2018. The provisional insolvency administrator, lawyer Tibor Braun from Stuttgart, informed the workforce on Friday afternoon last week at a staff meeting attended by representatives of the labor administration and the trade union (IGBCE). Scheufelen currently has 340 employees.

Because of massively increased raw material prices and at the same time a decline in margins on coated papers, Scheufelen had to file for bankruptcy at the end of January 2018, almost simultaneously with the traditional factory Feldmühle in Uetersen. Scheufelen had been trying to counteract the negative trend since the end of 2016, and with great success and effort pushed ahead with the development of printable grass paper in order to be able to escape the price pressure on pulp supply in particular.

In addition to the regional origin of the raw material and the favorable cost situation, grass paper is also characterized by the fact that no chemicals are used in comparison to pulp production and more than 3,000 liters of water and approx. 3,000 KW / h of energy are saved. This saves about 1.8 tones of Co2 emissions per ton of paper. Grass is also an extremely fast-growing resource, where the Co2 balance takes place within months instead of years like wood. This refers to all virgin fiber papers which are used in the packaging as a fundamental ecological advantage in fast food or food packaging.



"On the home stretch, we ran out of money," said the company's CEO, Stefan Radlmayr. "This is very unfortunate given the huge customer interest. Scheufelen is currently the only manufacturer who is able to produce the paper produced on 50% of grass and 50% of pulp on an industrial scale with offset printing capabilities, thus meeting the high demands of the packaging industry. "

The hope of the management and the provisional insolvency administrator that especially renowned competitors could use this development advantage for themselves and take over Scheufelen has not yet been realized. "One gets the impression that the industry and the pulp industry do not want to help this sustainable and disruptive technology to become a success" so Braun. Understandable, because the grass paper would have a lasting negative impact on their concepts. Even the considerable political efforts in the federal government and especially in the state to assist in the search for investors have so far been unsuccessful. "Money pots can only be opened when an investor is on board," continues Braun. "In the current situation, however, nobody is helping the employees and the company. Unfortunately, we are not an airline, "adds Braun.

With the help of a € 3 million mass loan and because the salaries of employees were paid by the Employment Agency, the provisional insolvency administrator and the management, after filing for insolvency, were able to resume production and continue until today. The efforts were supported by the customers. In particular, the important distribution partner IGEPa-Group, for which the coated, high-white, heaven 42 fine paper is manufactured, has used the company to a considerable extent with orders.

"In the opened insolvency proceedings, however, no losses may be made to the detriment of the creditors," said the insolvency administrator. "We were therefore forced to make a decision and at least temporarily discontinue paper production at Scheufelen."



"But we are not beaten yet in the Lenningen valley". "There are still negotiating partners and as long as there are discussions going on, we do not give up, The employees are therefore only released and not terminated," says CEO Stefan Radlmayr.

"Well-known customers for grass paper, especially from the food industry, are queuing up, but expect an investor solution before they change their packaging," says the insolvency administrator Braun. "25,000 to 30,000 tons of grass paper could be easily sold in the first year but possible investors are still hesitating.

However further negotiations are timely limited. "We need the solution by the end of April," said the insolvency administrator.

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