



## PRESS RELEASE

### **Restart at Scheufelen!**

**Lenningen, 29 June 2018**

#### **Production restarts in Lenningen Valley - Focus on Bioeconomy**

After five months of intense efforts a solution for the continuation of traditional German Paper producer Scheufelen, Lenningen (Germany) has been found.

Thanks to a strong partnership of investors Green Growth Fund 2 / Wermuth Asset Management, Nordia Invest and Scheufelen Equity Partners, the newly established „Scheufelen GmbH“ will initiate operations with staff of 100 on July 2<sup>nd</sup>, 2018.

Scheufelen had declared insolvency end of January 2018. „Even though production had to be stopped in April 2018, we never gave up hope or stopped our efforts to find a solution for Scheufelen to survive,“ insolvency administrator Tibor Braun, Stuttgart, declared today. Especially the new Scheufelen grasspaper products and the respective exclusive production know how served as motivation to explore all possibilities for the restart of Scheufelen operations.

Scheufelen started in 2017 with grasspaper, made from grass fiber and pulp, a small revolution in the German paper markets, not the least in order to try and gain some independence from the global pulp markets. Scheufelen grass paper is an especially sustainable and cost effective fresh fiber paper, with massive savings on water, chemical and energy requirements in fiber production. Compared to recycled papers, Scheufelen grasspaper avoids issues with consumer protection standards stemming from mineral oil migration from recycled paper fibers. Grass fiber also regrows quickly – different than wood fiber – and can therefore compensate CO<sub>2</sub> emissions from its harvesting and production process almost immediately.

„Big international brands, smaller clients, but also many end consumers continued to show their huge interest in our product notwithstanding the difficult position Scheufelen found itself in over the last few months,“ notes Stefan Radlmayr (CEO of Scheufelen also in the new set up). This fact encouraged the investors to believe in the first mover advantage and the extensive know-how of Scheufelen staff as a solid base for quick growth for the new company and its green product. Special thanks are



given by Stefan Radlmayr to the entire staff at Scheufelen: "Without their efforts and belief in a future for Scheufelen we would not have reached this turning point."

The insolvency administrator is glad that the continued operations maintain in a first step at least a staff of 100 in Lenningen valley and can serve as a rallying point for new job opportunities in the future. "Our efforts were supported diligently by the German federal agency for employment and the industry union Mining, Chemicals and Energy (IGBCE). The agency helped especially with the establishment of a transfer company which will initiate operations also on July 2<sup>nd</sup>, 2018. The transfer company Refugio offers the staff who could not continue in Scheufelen GmbH opportunities to retrain and to use its network for quick relocation. At least 100 employees in the transfer company will have a job for 5 months, avoiding unemployment during such time. While Scheufelen staff in 2017 counted 340 heads, the number had already been reduced to 264 heads after the temporary production stop.

The investor concept involves other than a strong focus on Scheufelen grass paper also the continued production of the globally respected Scheufelen premium paper products, especially the high white packaging board Phoenolux, but will not count on standard wood free graphical papers, the main reason for the insolvency. Development of Scheufelen products will continue to be supported by Packaging Campus Lenningen in cooperation with Hochschule der Medien, Stuttgart and other partners. The innovative Packaging Campus can now strengthen its activities and further research and development institutes covering the areas of resource efficiency and alternative fibers are expected to follow soon.

Stefan Radlmayr is optimistic that thanks to the restart the site in Lenningen is now an ideal location for multiple projects with a focus on bio economy as supported by the government of Baden-Württemberg. Considering the importance of the Scheufelen site for the regional economy, it will be helpful if such ideas develop quickly in addition to the classical paper production. Tibor Braun is already grateful for the strong political support during the insolvency procedure. "The environmental ministry of Baden Württemberg, especially the minister Franz Untersteller has done an admirable job, not only helping in identifying possible investors, but also supporting in complex administrative matters."



Regarding the investors:

**Wermuth Asset Management (WAM)**, Berlin, is a family office focused on impact investments in resource efficient companies through its green gateway funds (please also see attached press release)

**Nordia Invest**, Hamburg ist an investment company which selectively acquires participations in companies in restructuring situations. The focus lies on companies with a significant industrial base and which offer products with sustainable success opportunities.

**Scheufelen Equity Partners** is an investment holding for the traditional swabian industrial families Schaeff and Scheufelen for investments in the area of pulp and paper.

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