

Press Release

Feldmuehle files for insolvency under self-administration

Uetersen, 20. November 2018 – Feldmuehle GmbH, which in the spring of 2018, took over the business operations of Feldmuehle Uetersen GmbH through acquisition of all substantial assets, has been adversely and unforeseeably affected this current year by unexpected increased energy costs and procurement prices for raw materials. During the current year, management has implemented extensive measures to increase operating profitability. Despite these efforts, the latently rising variable costs could not be offset by implemented price increases, partly due to the company's lower-than-expected revenues in September and October 2018. Considering these circumstances, the management has decided to carry out the necessary reorganization/restructuring of the company within the framework of insolvency proceedings under its own administration and, on November 19, 2018, filed for an application with the competent local court in Pinneberg to open insolvency proceedings under its own administration pursuant to Sections 270, 270 a para. 1 InsO (German Insolvency Act).

Following the management's application, the Pinneberg Local Court ordered the provisional self-administration on the same day. Dr. Dietmar Penzlin of Schmidt-Jortzig Petersen Penzlin Insolvenzverwaltung Partnerschaft von Rechtsanwälten mbB, Hamburg, was appointed as provisional administrator. The provisional administrator shall examine the economic situation and supervise the management. However, the company's management retains power of disposition.

Restructuring within the framework of self-administration gives the company's management the opportunity to undertake and respectively implement all necessary measures to improve profitability and thus to take measures towards the company's sustainable competitiveness.

At the same time, an application to the Pinneberg Local Court has been filed that future deliveries and services ordered by Feldmuehle GmbH shall be paid as mass liabilities. Business operations will be continued.

About Feldmuehle GmbH

Feldmuehle GmbH develops and manufactures high-quality white coated label papers, packaging papers and graphic papers for the German and international market. The company has about 400 employees in Uetersen, near Hamburg. The annual production capacity is about 250,000 tons of paper.

In the three business areas of Labelling Applications, Packaging Solutions and Graphical Options, the company offers a broad product portfolio for the label and packaging industry, printing and publishing houses, brand owners, agencies, and converters. Since June 15, 2018, the company is part of a subsidiary of the Berlin-based Beteiligungsgesellschaft Kairos Industries AG. It is continuing the 100-year old tradition of paper production at the Uetersen site.

For more information, visit www.feldmuehle-uetersen.com

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