



Press release  
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Sweden-Finland-Norway:

## **Celsius, Patria, Raufoss plan Nordic ammunition merger**

### **The new Group will be a major international player**

The three Nordic companies - Celsius Corp. in Sweden, Patria Industries Oyj in Finland and Raufoss ASA in Norway - have signed a Letter of Intent with a view to forming a joint Nordic ammunition company. The pace of negotiations is now accelerating.

The new company has been assigned the working name "Nammo Group". Once established, the Group will generate net annual sales of approximately NOK 1.5 billion, with some 1,400 employees.

The European ammunition industry is in the process of restructuring. Moving away from traditional domestic focus, it is becoming an increasingly international and competitive industry. At the same time, the industry must confront the implications of additional cuts in defence spending.

The merger will make the business areas more competitive, thereby promoting stronger growth. The new Group will command a much stronger market position, being able to offer a broader range of products and to benefit from expanded resources (e.g. marketing and sales, R&D).

As well as gaining a dominating position in the Nordic countries, the Group will also be a leading player in Europe.

The Group will be registered as a Norwegian company, headquartered in Norway. Raufoss ASA will have 45 percent stake in the company, Patria and Celsius a 27.5 percent stake each.

The Group will conduct operations at the following locations: Lapua, Vihtavuori, Leppävirta; Lindesberg, Vingåker, Karlskoga, Karlsborg, Eskilstuna, Gothenburg; Raufoss and Schönebeck. The company will be specialized in Small Arms Ammunition, Medium Calibre Ammunition, Propulsion, Shelf-Life Improvement, Demil and Pyrotechnics.

After signing the Letter of Intent, the companies will begin actual contract negotiations and in-depth familiarization with each other's business operations. Negotiations will also start with the appropriate authorities in each country and all relevant legal implications will be considered, including statutory employee negotiations.

Following approval by the boards of directors of the respective companies, the new company is expected to become operational in the autumn

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***Celsius** is an advanced-technology international industrial group, with domestic markets in the Nordic countries, the U.S.A. and Australia. Firmly founded on a comprehensive joint technological base, operations focus primarily on three priority areas: Defence, Commercial Aviation Services and Business Development, which currently comprises materials technology, explosives and infomatics. With annual sales of approximately SEK 12 billion, the Celsius Group numbers some 11,000 employees.*

***Patria Industries** is a technology Group whose companies have long traditions in the manufacture of high-class industrial products. Among the most important products and services are aircraft maintenance, aerospace structures and electronic systems, military and special vehicles, field guns and mortars, cartridges, powders, explosives and other ammunition. With annual sales of approximately FIM 1 billion the Patria Group numbers some 2,322 employees.*

***Raufoss** is a Norwegian industrial Group with a 102-year history as a supplier of defence products. Defence technology has even been the basis for developing a commercial product range for mainly water and gas supply networks, heavy vehicles, the automotive and aerospace industries. With a total annual turnover of NOK 2.5 billions, the Raufoss Group numbers some 2,900 employees. The market for Raufoss defence products represented by NATO countries and some other countries approved by the Norwegian authorities primarily involves on the genuine multipurpose medium calibre ammunition concept and RA's rocket motor technology.*