

Ensto sells Sormat Oy to the operative management and two industrial investors

Ensto Oy has today signed a definitive agreement to sell the entire share capital of Sormat Oy to a new company established by the operative management and two industrial investors, Zweegers Investment b.v. and Annovest Oy. Ensto will further focus on its core operations and decided to divest Sormat that has somewhat limited synergies with Ensto's other operations. The parties have agreed not to disclose the contract price of the transaction.

Sormat is a leading manufacturer of fastening materials in the Nordic countries, Baltic countries and in Russia. It produces a full range of fastening materials for professional use. Sormat's products are used in fixing of technical and structural elements mainly relating to concrete constructions. Sormat's clients are wholesalers and distributors of fastening materials. The company had in 2000 net sales of EUR 14.3 million of which exports accounted for 50 percent. Sormat has two production plants in Finland and it employs around 100 persons.

Sormat's strategy is to continue its focus on manufacturing and marketing a full range of fastening materials for professional use. Besides securing its position as one of the leading players in the Nordic countries, Baltic States and Russia, Sormat has concrete plans to expand its exports in large central European markets.

- The Sormat brand has a good reputation among distributors and professional users of fastening materials. We have gained the trust from our clients by being successfully able to fulfilling their needs with our quality products combined with good availability of products and competitive price. With the support of our two industrial investors we can further develop our product portfolio and service concept in the benefit of our present and potential new customers, says Christian Österberg, Managing Director of Sormat.

The transaction does not effect the position of the employees. The acquisition does not require the approval of the Finnish Competition Authority before it can be implemented.

Ensto is an industrial Group that specializes in the development, manufacturing and marketing of electrical systems and accessories. Ensto was founded in 1958. The business operations are grouped into four units: Building Technology, Utility Networks, Enclosures and Components and Industry. The Group's turnover is EUR 200 million, of which over 56% are generated outside Finland. Ensto has about 1.700 employees in twelve different countries.

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