The Mining Equipment Prospector

Normet Corporation

Changes in the ownership of Normet Corporation

The shareholders of Normet Corporation (investment funds managed by CapMan Oyj, Fenno Management Oy and Eqvitec Partners Oy and the management of Normet Corporation) have today finalized a transaction to sell the whole share capital of Normet Oy, situated in Iisalmi, Finland, to a new company called Normet Group Oy. Normet was acquired by the funds and the company management in February 1999 from Orion Group Oyj.

The shareholders of Normet Group are Cantell Oy (70 % ownership) as well as Mr. Anssi Soila and Normet's management (together 30 %). The main shareholder of Cantell Oy is M.Sc.(Eng.) Aaro Cantell. He is also the managing partner of Fenno Management Oy, the management company of Fenno Rahasto Ky fund. He has been a member of the Normet's board of directors since year 1999 as a representative of Fenno Rahasto Ky. M.Sc.(Eng.), M.Sc. (Econ.), Anssi Soila has been the chairman of the Normet's board since autumn 1999. Altogether 23 key employees of Normet Corporation also became shareholders in the new Normet Group Oy.

Mr. Aaro Cantell will be the chairman of the board of Normet Group Oy, Mr. Anssi Soila the vice-chairman and the president will be M.Sc.(Eng.) Jari Osmala. He also continues as the president of Normet Corporation and Normet Finance Ltd. M.Sc.(Eng.) Juha Hallivuori will continue as the managing director of Farmi Forest Corporation, a subsidiary to Normet Group.

The strengths of Normet convinced Mr. Cantell

"First of all the management of the company, which I already know quite well, is very experienced and skilled. Also the company can engineer and manufacture technically demanding vehicles exceptionally effectively and profitably. The latest example of which is the Normet RBO –underground vehicle launched at the end of last year", says Mr. Cantell. He aims to be a long-term owner and plans to, as an active chairman, help in the further development of the company also in the future. Mr. Soila points out: "Normet is the global market leader and also number one brand in its narrow underground vehicle segment. This gives Normet a good basis for success also in the future".

Management is pleased with the solution

The president Jari Osmala says, that the made solution stabilizes the ownership thus being the best possible one for the continuity of the business. "This deal ensures that the ownership of the company remains domestic and the operation in Iisalmi and globally continues on a firm basis. The new ownership together with prevailing business cycle generate a strong base to continue implementing the chosen strategies, for instance exploiting growth potential of CIS countries and securing growth of the new Normet RBO product line. Also from personnel's point of view the new ownership is positive", says Mr. Osmala.

Positive development in 2004

Consolidated turnover of Normet Corporation in 2004 was 44 M€ which is 20 % higher than previous year. The profitability of the company was good.

Normet Corporation will release their financial statements of 2004 within few weeks.

Normet Corporation develops, manufactures, markets and services globally rubber tired equipment and vehicles for mining und underground construction. Normet Corporation is global market leader in its product segments. The group also includes Farmi Forest Corporation focusing on tractor mounted forest equipment, Normet Finance Ltd focusing on underground equipment rental and customer financing, and LLC Normet focusing on spare part and maintenance service in Russia. The company headquarters and the factory are located in Iisalmi, Finland. Normet Corporation employs 210 persons.

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