

PRESS RELEASE

Teraplast transfers the windows and doors business line to Teraglass Bistrita S.R.L.

Teraplast Company – the largest PVC processor in Romania and one of the leading producers of materials for construction and installation market, intends to transfer, as of April 2015, the windows and doors business line on a separate entity - the company Teraglass Bistrita SRL. This company is owned 100% by Teraplast.

Alexandru Stănean, Chief Executive Officer of Teraplast: „The decision to transfer the windows & doors business line on a separate entity comes as a natural process of separating an auxiliary business. Teraplast will focus on its core business offering effective solutions for people and environment in its traditional fields - installations, profiles for windows and doors and compounds for plastics. I am convinced that by working as a separate entity, the operational performance of the windows and doors business will improve.

We have a production capacity of 120.000 pieces per year, therefore we can see the development potential of the business.

Plastsistem, another subsidiary operating outside the parent-company, on a different market but also in the constructions sector, increased way above the market average, despite the unfortunate economic environment of the past years. Therefore, it's a good example for Teraglass to follow, and the management team, whose leadership has been delegated to Mr. Lorant Sas, will implement the same development strategies, based on export and operational performance.”

The windows and doors business line currently has a 10% contribution in total turnover of Teraplast, the rest of the business being generated by installations, compounds and profile systems. After transferring the activity, the windows and doors shall be traded under the Teraglass brand.

The transfer of the activity involves renting the buildings in which the production activity is undergoing (land and buildings), and the production machines will be sold to Teraglass Bistrita at the price of LEI 4.68 million. Teraplast will retain ownership of the assets sold, until the full price payment. Built in 2004, the plant is located in Bistrita, and was not part of the relocation plan to Teraplast Industrial Park in Saratel.

Currently, over 75% of the turnover of windows and doors business line is being generated by exports in Germany, Austria, Hungary, Slovenia, Italy and Belgium. On these markets our main customers are the large retail chains, however starting last year, it was decided to expand the portfolio of external customers, by approaching local distributors. Regarding the local market, Teraplast windows and doors are sold in Dedeman, Praktiker, Ambient and Baumax.

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Teraplast details:

With a tradition of over 115 years, Teraplast (TRP) is currently the largest PVC processor in Romania and one of the leading manufacturers of materials for construction and installation market. The product portfolio of the company is structured in four business lines: Installations & Decorations, Windows profiles, Compounds and PVC windows & doors.

During 2007-2013 Teraplast invested over 26 million euros in relocating the production capacities from Bistrita, to Teraplast Industrial Park, located outside the city limits. Teraplast currently holds in Saratel production capacities on an area of 200,000 square meters, divided into: PVC products factory (PVC pipes plant, PVC profiles plant, window PVC profiles plant, PVC compounds plant) and the Polyolefin factory (PE manholes and tanks plant, PVC, PP and PE fittings plant and PP pipes plant).

As of July the 2nd, 2008 Teraplast is listed on the Bucharest Stock Exchange under the symbol TRP.

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