

POLYPLASTIC GROUP ACQUIRES UK LEADING PIPE PRODUCER **RADIUS SYSTEMS**

27 February 2013

POLYPLASTIC Group, the Russian and CIS market leader in plastic's processing, has today signed an agreement to acquire full ownership of Radius Systems Limited and all its subsidiary companies for an undisclosed sum.

POLYPLASTIC Group was founded in 1991 and is today the leading European supplier of thermoplastic compounds and polyethylene piping solutions for infrastructure markets with modern production plants in Russia, Ukraine, Belarus and Kazakhstan. A strong emphasis on investment in technology, underpinned by a focus on quality, research and development, has resulted in a product portfolio spanning gas and water utilities, sewer systems and district heating.

Miron Gorilovsky, CEO of the POLYPLASTIC Group, commented "POLYPLASTIC is pleased to announce its first acquisition within the European Union and welcomes Radius Systems into the Group. The acquisition brings complementary technologies and innovation and reciprocal access to new markets. The strengthened group will benefit from the scale generated by the acquisition thereby creating a solid foundation for future growth".

In 2012, Radius Systems generated net sales of over 100 MEUR and employs 370 people at their three facilities in Hilcote, Derbyshire (Group Head Office), Banbridge and Lurgan (both in Northern Ireland). The acquisition also includes the field services subsidiary RadiusPLUS Limited.

Andy Taylor, CEO of Radius Systems said "the completion of this acquisition is exceptionally good news for the Radius

Group and should be welcome reassurance for both our loyal employees and those suppliers who have supported the business through a tough two year period. With POLYPLASTIC's involvement and experience, we will be able to capitalise on being part of a substantial international Group. Our common competencies will allow us to access new market prospects and by leveraging our combined innovation, technology and scale we will deliver benefits to both our existing customers and our new owners".

The buyers were advised by Deloitte acting from their Moscow and Birmingham offices, together with legal advice from CMS Cameron Mckenna LLP. The Birmingham based team at Ernst & Young advised the shareholders of Radius Systems, together with the Manchester based legal team at Eversheds LLP.

The UK business units will continue to trade under the Radius Systems, Radius Plastics and RadiusPLUS brands.

