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RAUTE CORPORATION STRENGTHENS ITS OFFERING FOR VENEER AND LUMBER GRADING TECHNOLOGY BY ACQUIRING THE BUSINESS OF METRIGUARD INC.

Raute Corporation and the owners of Metriguard, Inc. have agreed on the purchase of the business of Metriguard Inc., Pullman, Washington, USA.

Metriguard, established in 1972, is the world leader in high speed strength grading technology for lumber and veneer. Metriguard sells and provides services for its equipment globally, with installations in North and South America, Europe, Asia, Africa, Australia and New Zealand.

Metriguard's products and technology are complementary to Raute's current product offerings. Over the years, Metriguard's products have been integrated into dozens of Raute's deliveries. Metriguard's business will continue by a newly established Raute's subsidiary Metriguard Technologies, Inc.. Its financials will be reported as part of Raute's wood products technology segment. The acquisition is deemed to have a positive effect on Raute's net sales in 2017 and on its financial results starting from 2018.

Says Raute's President and CEO Tapani Kiiski: "Metriguard's technology has evolved over more than four decades and has proven to provide veneer and lumber mills with significant benefits in terms of enabling capturing the highest possible value of the given raw material. Raute's strategy is to provide technology to our customers to help them run their business in a profitable way, but strength grading technology has been missing from our offering. With Metriguard's technology, and its solid and well recognized brand, we will be able to offer even more comprehensive solutions. We believe this acquisition will help Raute grow and open new opportunities for Metriguard."

James D. Logan, P.E., President and founder of Metriguard Inc. says that this is a great opportunity for the future of Metriguard, its employees and customers: "We are really pleased to be working with Raute, a global company with a most excellent reputation for quality of products and service. Metriguard's customers can look forward to a continuing supply of outstanding production line and quality control test equipment as well new developments that will enhance performance of existing equipment and provide new functionality. The company will continue to operate in Pullman, Washington where its personnel provide equipment and services to the global market. Metriguard's proximity to two major universities provide an excellent environment for research and development."

RAUTE CORPORATION

Tapani Kiiski
President and CEO

FURTHER INFORMATION:

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RAUTE IN BRIEF:

Raute is a technology and service company that operates worldwide. Raute's customers are companies operating in the wood products industry that manufacture veneer, plywood and LVL (Laminated Veneer Lumber). The technology offering covers machinery and equipment for the customer's entire production process. As a supplier of mill-scale projects, Raute is a global market leader both in the plywood and LVL industries. Additionally, Raute's full-service concept includes technology services ranging from spare parts deliveries to regular maintenance and equipment modernizations. Raute's head office is located in the Nastola area of Lahti, Finland. Its other production plants are in Kajaani, Finland, the Vancouver area of Canada and in the Shanghai area of China. Raute's net sales in 2016 were EUR 113.1 million. The Group's headcount at the end of 2016 was 643. More information on the company can be found at www.raute.com.