



FLAT GLASS INDUSTRIES LIMITED

Flat Glass Industries Limited

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1 July 2013

Re: Rayson-RTK Merger

"Rayson and RTK merge, to create greater value for employees and customers"

Flat Glass Industries Limited is pleased to announce today the merger of its RTK subsidiary with the Rayson Industries subsidiary of Scholz Industries Pty Limited.

This important initiative will provide significant value to both customers and employees. The operations are complementary, with greater manufacturing efficiency resulting from the integration of both factories. Customers will benefit directly from this, as will our ability to offer greater flexibility, a broader product offer, improved quality and product turnaround. For almost twelve months now, the businesses have been cohabited and it quickly became apparent that all stakeholders would benefit from a more integrated structure. The shareholders believe this will enhance the competitiveness of the individual entities, as well as enhancing the career prospects and security for employees in what is a very challenging environment.

Some of the key aspects of this merger are covered below.

1. What will be the structure of the new business, and what will it be called?

The business will be named Rayson RTK Pty Ltd. Both names have been purposely retained, due to their strong market recognition and customer credibility. The business will be owned by the current owners, with Scholz Industries Pty Ltd holding approximately 65% and Flat Glass Industries Ltd approximately 35%. Note, the final shareholding will be determined after due diligence is completed in July 2013.

2. Where will the new business be located?

The business will continue to operate at 203 Princes Highway, Hallam. Victoria 3803.

3. Who will manage the business?

A new board representing the shareholders has been formed. The purpose of this Board is to ensure the effective management and profitable growth of the new business. Frank McCarthy will become the General Manager responsible for the business overall, including production, sales, marketing, and general operations. Nick Lawrence will take responsibility for production as Manufacturing Manager.

4. What is the timing?

The merger takes effect from 1 July 2013.

It is expected that all details including due diligence will be completed by end July.

5. What is the future direction and strategy of the business?

The business strategy is to improve efficiency, leverage our broader product range and capability, improve customer service, invest in innovation, improve our competitiveness, and provide a better and more secure environment for all employees. The business will be driving for growth, with a strong customer service culture.

Jamie Schwarz
Chairman