



27 February 2018

RAKON LIMITED (NZX: RAK)

Rakon in discussions for buy-out of Centum Rakon India

Rakon today announces that it is in advanced discussions with Centum Electronics Limited (“Centum”) to buy out their 51% shareholding in the India based company Centum Rakon India Private Limited (“CRI”) (“proposed transaction”). Rakon today has a 49% shareholding in CRI, the operation of which is a core part of Rakon’s manufacturing strategy.

Both parties’ management are continuing to pursue the proposed transaction and have signed a non-binding Terms Sheet in which Rakon would pay a consideration of USD5.5 million (staged over 18 months) for the 51% shareholding. Management are continuing to work on finalising a number of matters including due diligence, approvals and the terms of final agreements.

The proposed transaction will be subject to the satisfactory conclusions of discussions, the negotiation of transaction documents and various approvals, including the final approval of each parties’ Board of Directors. No deadline has been set to complete the proposed transaction.

Brent Robinson

Chief Executive Officer & Managing Director

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www.rakon.com



About Rakon

Rakon is a global high technology company and a world leader in its field. The company designs and manufactures advanced frequency control and timing solutions for telecommunications, global positioning and space and defence applications. Rakon products are found at the forefront of communications where speed and reliability are paramount. The company's products create extremely accurate electric signals which are used to generate radio waves and synchronise time in the most demanding communication applications. Rakon has five manufacturing plants including two joint venture plants and has five research and development centres. Customer support centres are located in ten offices worldwide.

Rakon is proud of its New Zealand heritage; it was founded in Auckland in 1967. It is a public company listed on the New Zealand stock exchange, NZSX, ticker code RAK.

www.rakon.com

About Centum

Centum was founded in 1994 in Bangalore, India. Since then, Centum has rapidly grown into a diversified electronics company with operations in North America, EMEA and Asia. The company offers a broad range of products and services across different industry segments. It has continuously invested in strengthening its design & product development capabilities while developing deep domain knowledge in the segments it operates in. Centum has also established truly world-class manufacturing facilities with cutting edge infrastructure as well as a global supply chain capable of delivering products with high quality and reliability.

www.centumindia.com

About Centum Rakon India

Centum Rakon India, a joint-venture between Centum Electronics Ltd, India and Rakon Ltd, New Zealand, is engaged in the design and manufacturing of high-performance frequency control products for the telecommunications, industrial, defence, aeronautics and space markets. The product range includes OCXO, TCXO, VCXO, clock oscillators and filters.