



30 April 2018

Rakon confirms buyout of Centum Rakon India

Rakon Limited (NZX: RAK) today confirmed it will take full control of the Centum Rakon India joint venture operations following the signing of an agreement for the buyout of its 51% partner Centum Electronics Limited. Centum Rakon India manufactures high-performance frequency control products primarily for the telecommunications market, most of which are sold through Rakon's French subsidiary to telecom network and equipment manufacturers.

Rakon Chief Executive Officer and Managing Director Brent Robinson said bringing Centum Rakon India under Rakon's full control is an exciting strategic decision.

"It now gives us flexibility to invest further into the capability of its manufacturing plant. It will allow us to leverage the full potential of what is a high quality low-cost operating platform suitable for growth and provide the unconstrained ability to align the business with our international operations. Additionally, it gives us direct access to the growing market in India."

This investment will be value accretive for Rakon with a base case payback during year three.

"Over time we expect further benefits to arise as we leverage on the opportunities that this platform makes available to our R&D bases in the UK, France and New Zealand".

Mr Robinson said it will be business as usual for Centum Rakon India's employees, customers and suppliers.

As announced in February 2018, consideration for the 51% shareholding that Rakon is buying is US\$5.5 million, which will be funded through existing resources. The price includes a final payment of US\$1.375 million which will be made after a warranty period of 18 months.

Settlement of the initial payment and transition of control of the Centum Rakon India business is anticipated on 2 May 2018, when the transaction is expected to close.

Brent Robinson
Chief Executive Officer

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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, has been a joint-venture between Centum Electronics Limited (India) and Rakon Limited (New Zealand) since 2008. From April 2018 Rakon will take full control. The business 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.