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CONDITIONAL ACQUISITION OF MAGNA ELECTRONICS

4C Security Solutions Limited (ASX: FCS), today announced that the Company has entered into a conditional agreement for the acquisition of 100% of the issued capital of Magna Electronics Pte. Limited. The acquisition agreement is conditional on due diligence being completed to the satisfaction of the Company. The intended completion date under the agreement is 1 December, 2010.

Magna Electronics Pte Limited ("Magna") is a company incorporated in Singapore and is a designer, developer and manufacturer of unique and advanced security locking systems. Founded by a team with more than 35 years experience in electromechanical locking, Magna's operations have recently expanded to now include manufacturing and R&D facilities in New Zealand, while Singapore is home to the corporate offices, volume manufacturing and supply chain management. Magna produces products under its in-house YNOTLOC brand and also supplies white label products to selected customers.

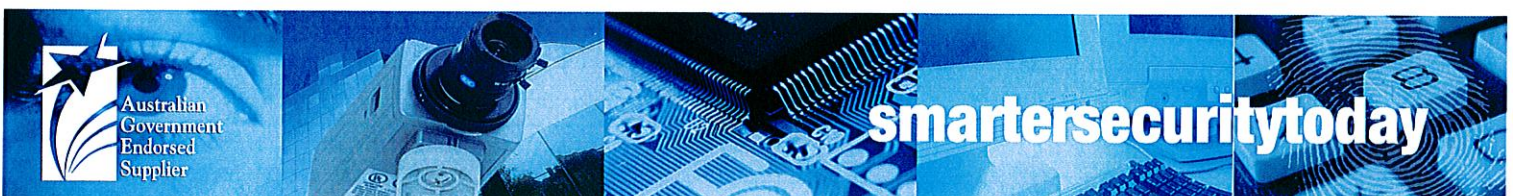
Magna manufactures and markets branded electric security locks in focused end markets, serving tradesmen, professionals and homeowners through a growing distribution network consisting of strategic partners, equipment dealers and distributors. Magna's locks fall broadly into two categories; Security and Safety.

Magna is the owner of the YNOTLOC brand. Under this brand, Magna manufactures and has started to market a new range of patented electromechanical locking systems. YNOTLOC's products also include a family of high end security deadbolts that are used commercially and residentially to secure doors. These locks have set the industry standard in their group and have been exported to more than 20 countries in 6 continents.

The consideration for the acquisition will involve a combination of a FCS share issue and cash payment (funded from current resources) and is weighted heavily to the future performance of Magna (for the 12 month period until 31 December 2011).

The consideration for the transaction is as follows:

- Tranche 1 – payable within 5 days of completion: \$150,000 cash and 10,000,000 shares at an issue market value of \$0.03 per share.
- Tranche 2 – payable 31 March, 2011: The issue of shares to the value of \$250,000, the market value of the shares being the volume weighted average sale price of FCS Shares on the ASX calculated over the last 10 trading days preceding that date on which sales in FCS Shares were recorded on the ASX.
- Tranche 3 – payable 31 March 2012: The issue of the number of FCS Shares as is equal to 5 times the EBITDA for the Company for the 12 month period 1 January 2011 to 31 December 2011 divided by the Market Value of FCS Shares as at the date, or at the election of FCS, means any combination of cash and FCS shares (Market Value) as is equal to 5 times the EBITDA for the Company for the 12 month period 1 January 2011 to 31 December 2011.



FCS's interim CEO, Geoffrey Cleaves, said "Magna's range of electromechanical locking products will broaden FCS's range of solutions offered to our customers for both access control and security applications. It is consistent with the Board's strategy to grow our revenue and profits by not only making targeted acquisitions, but also launching new products to our existing blue chip customer base. The Magna acquisition has the potential to deliver on both of these fronts".



Geoffrey Cleaves
Interim CEO, Director & Company Secretary

