



VDM Releases Supplementary Prospectus

Perth, 16 September 2011: VDM Group Ltd (ASX: VMG) (“VDM” or “the Company”) hereby releases a Supplementary Prospectus which has been lodged with the ASIC and ASX today.

The Supplementary Prospectus should be read in conjunction with the Original Prospectus dated 8 July 2011. The purpose of the Supplementary Prospectus is to provide information in relation to:

- (a) the extension of the Closing Date of the Entitlements Offer to 18 October 2011;
- (b) the decrease in the Minimum Amount to be raised pursuant to the Entitlements Offer from \$32 million to \$28 million;
- (c) the principal terms of the revised banking arrangements with the Company’s principal lender; and
- (d) the offer of 1 option for every 2 shares held by shareholders at a record date following the Closing Date of the Entitlements Offer.

The Company has obtained a waiver from ASX in relation to Listing Rule 14.7 in relation to the Company’s fundraising approved by Shareholders at a general meeting held on 12 August 2011 to the extent necessary to permit the Company to extend the Closing Date of the Entitlements Offer for one month from the date of lodgement of a supplementary prospectus, to reduce the minimum subscription from \$32 million to \$28 million and to issue shortfall shares to Directors of the Company no later than one month after 18 October 2011 on the following conditions:

- (a) The Shares are not reinstated to official quotation at any time prior to 18 October 2011;
- (b) Shareholders are given the right to withdraw their application monies to be refunded to the extent that they participated in the Entitlements Issue in accordance with section 724(2) of the Corporations Act;
- (c) Director shortfall shares are issued to Directors at the same time as shares to other participants from any shortfall under the extended offer and in any case no later than 1 month after the extended closing date; and
- (d) The Company immediately releases the terms of the waiver to the ASX.

–ENDS–

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