



## ASX RELEASE

### **VDM Group considers potential sale of business unit**

**Perth, 10 October 2011:** VDM Group Ltd (ASX:VMG, VDM or the Company) wishes to advise that it has received a non-binding indicative proposal for one of its wholly owned business units, Cape Crushing and Earthmoving Contractors (Cape).

The Board believes the proposal is worthy of further consideration and has granted the bidder a four week period of exclusivity to conduct due diligence. The terms of the indicative proposal remain subject to confidentiality during that period, after which time a binding offer may be lodged.

Despite discussions being in preliminary stages, VDM Group believes it is important to ensure its shareholders are informed that an indicative proposal has been received, particularly in light of the restructuring initiatives that are currently being progressed. The management team of Cape are involved in, and are supportive of, the process.

Should the process result in VDM receiving a binding offer acceptable to the Board, the implications for the current entitlements offer, if any, will be disclosed in a supplementary prospectus. In any case, it is the Company's intention to complete the entitlements offer.

VDM shares remain in trading halt.

#### **Inquiries:**

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