



## ANNOUNCEMENT

19 January 2010

### **Possible divestment of Savcor FACE business**

Savcor Group Limited (ASX: SAV) advises that it has received a conditional and non-binding offer to acquire the Savcor FACE business, which is a wholly owned business of SAV.

The potential acquirer is Cencorp Corporation (Cencorp), which is a related entity to SAV owing to each of SAV and Cencorp being a subsidiary of the Finnish Savcor Group Oy. Savcor Group Oy is the ultimate owner of approximately 62.4% of Cencorp and approximately 64.1% of SAV.

The Savcor FACE business provides functional and decorative solutions mainly for the telecommunications and other electronics industries including EMI (electromagnetic interference) shielding, decorative coatings, RFID (Radio Frequency Identification) antennas and flexible antennas.

The three production facilities of the Savcor FACE business are located in China.

The proposed transaction would result in SAV selling its entire interest in Savcor FACE for approximately \$35 million, including a cash consideration via a net debt assumption of the Savcor FACE business of approximately \$10 million being included in the transaction. The consideration would be paid fully or partly in Cencorp's shares by issuing new Cencorp shares to SAV.

The proposed transaction is subject to a number of conditions, including:

- Due diligence to be carried out as required by both SAV (on Cencorp) and Cencorp (on Savcor FACE).
- Approval by shareholders of SAV which are not related to Savcor Group Oy.
- Approval by shareholders of Cencorp in accordance with Finnish law.
- Regulatory requirements in Australia and Finland.

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The board of Savcor Group Limited has formed a committee comprising the independent directors of SAV, advised by Wilson HTM, to consider the proposal.

A letter of intent in respect of the proposed transaction has been signed. A report from an independent expert will be commissioned as part of the information to be presented to Savcor Group Limited shareholders.

Savcor Group Limited will announce additional information on the matter as soon as the negotiations about the transaction have been concluded, which is expected to be within the first quarter of 2010.

### **For further details contact:**

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### **About Savcor Group Limited**

Savcor Group Limited (ASX: SAV) is an industrial technology company specialising in materials technology with several applications in Advanced Rehabilitation Technology (ART) and nanotechnology coatings used in applications such as mobile phones. Savcor's core customers are the leading companies and utilities in the Australian mining, energy and infrastructure sectors (Savcor ART) and the world's leading mobile phone handset manufacturers using its ultra thin vacuum coating services (Savcor FACE). Savcor employs 1500 people throughout the world. [www.savcor.com](http://www.savcor.com)