



PRESS RELEASE

December 30, 2012

PAYTON GROUP
INTERNATIONAL

Payton executed an agreement for the purchase of a UK company business activity.

Gloucester (UK) – December 28, 2012 - Payton Planar Magnetics (Euronext: PAY, "**The Company**") has executed an agreement for the purchase of the business activity of a UK company, engaged in the transformers global market.

Further to our press release dated 22.11.2012 concerning execution of an M.O.U with regard to the acquisition of a European company's business activity, the Company announces that on December 28, 2012, it has executed an agreement for the purchase, via its fully owned UK subsidiary, of the business activity of Himag Solutions Ltd. (Hereinafter: "**The Selling Company**").

The purchase relates to the Selling Company's business activity (excluding all types of liabilities and obligations) regarding production, development, marketing and distribution of magnetic elements (transformers), including, among others, fixed assets, goodwill, inventory, agreements and intellectual property rights (hereinafter: "**The Purchased Activity** ").

The consideration for The Purchased Activity in the sum of US\$ 1,200,000 shall be paid on December 31, 2012.

Additional consideration for The Purchased Activity, conditional upon achieving a minimum annual sales turnover of at least US\$ 1,600,000 (hereinafter "The Minimal Turnover") shall be paid as per the following:

- During the next three years: a fixed annual amount (starting from US\$ 30,000 should the Minimal Turnover be achieved and up to a sum of US \$ 70,000 per year, should the annual sales turnover exceed US\$ 2 Million).
- During the next four years: an annual amount to be calculated as a percentage of the annual sales turnover (starting from 1.5% should the Minimal Turnover be achieved and up to 3.5% should the annual sales turnover exceed US\$ 2 Million).

The Company plans to carry out the Purchased Activity through the Company's subsidiary in the U.K., as a local presence and marketing outpost of the Company in the European market.

The Company believes that after the purchase of the Purchased Activity, no significant investment is expected, except for financing of the Company's operations and working capital.

For more information, please visit Payton's web site at www.paytongroup.com or contact Michal Lichtenstein, CFO at 00- 972-3-9611164 -Michal@paytongroup.com or Philip Swinnen at 00-32 2-713-07-33 - pswinnen@citigate.be

About us

Payton Planar Magnetics Ltd., an Israeli-based high-tech company, designs, manufactures and markets Planetics®, its customized line of planar transformers, magnetic parts and inductors to Original Equipment Manufacturers and their suppliers of power electronics. The group currently employs 170 people (including executive officers). Planar Magnetic Components are used in end products in various industries, including Telecommunications, cellular infrastructure, welding machines, Military/Avionics, portable equipment and consumer goods. Planar Magnetics is a revolutionary design technology that is superior to conventional transformers and inductors, and has already been accepted by electronics design engineers as the state-of-the-art in high frequency power electronics design. Payton Planar Magnetics is a subsidiary of Payton Industries, headquartered in Israel, and has manufacturing and marketing operations in Israel and in the United States. Payton Planar Magnetics is publicly traded on the Euronext stock exchange in Brussels (ticker: PAY).