



PAYTON GROUP
INTERNATIONAL

PRESS RELEASE

February 7, 2011

Payton Planar Magnetics to negotiate the possible acquisition of industrial property

New building will house 3 current leased facilities

Rishon Le Zion (Israel) – Feb 7, 2011- Payton Planar Magnetics today announces that it is negotiating a possible purchase of a real-estate property for a total amount of € 2,65 million (excl VAT).

The industrial property is planned to house the activities of the three currently-leased local facilities in one single new building. The management expects that centralizing the activities in the new building will lead to economies of scale and also offer opportunities for synergies between product lines.

The property area is 4,500 square meters and located in the central area of Israel. It consists of a basement/parking lot of 2,000 square meters and two floors above, each of 2,000 square meters. The foundation and framing phases of the industrial building have been finalised and Payton anticipates that it could take about two years to be fully operational.

The parent company, Payton Industries, had already initiated negotiations regarding the above mentioned property in June 2009, but these ended in November 2009 without an agreement being reached. Considering the company's existing knowledge of the project, the management estimates that only a few days will suffice for the renewed negotiations to succeed.

The completion of the transaction is subject to the outcome of the due-diligence process, Payton's board resolution, and the signing of the purchase agreement. If and when an agreement will be signed, additional notice will be given.

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 Alexandra Niehe at 00-32 2 713 0 714 - aniehe@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 and inductors to Original Equipment Manufacturers and their suppliers of power electronics. The group currently employs 164 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).