



PAYTON GROUP
INTERNATIONAL

PRESS RELEASE

September 19, 2011

Payton Planar Magnetics to acquire the business activity of Payton Technologies.

The Planar technology and the Conventional technology of Magnetic Transformers will merge into a "One-Stop -Shop" centre.

Rishon Le Zion (Israel) – September 18, 2011- Payton Planar Magnetics ("the Company") approved an agreement between the Company, its parent company Payton Industries¹ and its sister company Payton Technologies² to purchase Payton Technologies' business activity for a total amount of € 1.1 million ("**the Transaction**"). The fair value of the said business activity was assessed by an external, independent appraiser (Shkifut Capital Markets Ltd.) having suitable professional skills.

It should be noted that, according to the Israeli Company's Law, the transaction is subject to the approval of Payton Planar's General Assembly.

Payton Technologies designs, markets and sells Conventional Transformers and Amorphous Cores. By merging the business activity of Payton Technologies into Payton Planar, the Company will become a "one stop shop" for transformers of all kinds and will be able to answer both Planar and Conventional Magnetic needs.

The effective date for the Transaction was fixed on January 1st, 2012, on which the Company is planned to pay the compensation amount in cash, from its own financial resources.

The Company Board of Directors supported its resolution by the following explanations/assumptions:

1. The Company wishes to broaden its business activity with synergetic products and the Conventional technology, to be purchased, meets this requirement.
2. The Company believes its marketing channels, global presence and manufacturing capabilities will leverage the purchased conventional technology business activity.

¹ Payton Industries LTD.

² Payton technologies (1991) LTD, a private company fully owned by Payton Industries.

3. The company believes that merging the two business activities, combined with their centralization in the new building, will lead to economies of scale and also offer opportunities for synergies between the products.
4. Based on the valuation made for the said business activity, the company finds its price reasonable and fair.

The company will be hosting an investor meeting on Monday October 3rd 2011 in the Courtyard by Marriott hotel in Brussels, Belgium.

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 : 0032 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 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).