



## ANNOUNCEMENT

28 MARCH 2014

ASX MARKET ANNOUNCEMENTS

### **Savcor Group Limited – ANZ's Terms of Consent**

Savcor is pleased to announce it has agreed the terms (Terms) under which ANZ Banking Group Limited will approve the proposed sale of the Savcor ART entities to Soletanche Freyssinet SAS.

A copy of the Terms is attached.

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**For further information contact:**

Hannu Savisalo, Executive Chairman, Savcor Group Limited: (+61 2) 9025 2000

**About Savcor Group Limited**

Savcor Group Limited (ASX: SAV) is a leading provider of advanced protection, rehabilitation and corrosion solutions to the infrastructure, manufacturing industry and resources sectors. Using world-class technology, Savcor specialises in the maintenance and protection of steel and concrete structures and assets.

**Savcor Group Limited**  
ACN 127 734 196

Level 16, 132 Arthur Street  
North Sydney NSW 2060 Australia  
PO Box 454  
North Sydney NSW 2060 Australia

Phone: +61 2 9025 2000  
Fax: +61 2 9025 2099  
Web: [www.savcor.com.au](http://www.savcor.com.au)

27 March 2014

## ANZ's Terms of Consent

### Savcor Sale to Soletanche Freyssinet SAS

Capitalised terms not defined in this document have the same meaning given in (as the context requires) the Share Purchase Deed dated 1 March 2014 between Savcor Group Limited ACN 127 7334 196 (as **Seller**) and Solentache Freyssinet SAS (as **Buyer**) (**SPD**) or the Facilities Agreement dated 25 February 2011 between, among others, ANZ and the Seller as amended and restated from time to time (**Facilities Agreement**).

<b>Background</b>	This document sets out the terms upon which ANZ:  (a) consents to sale of the Sale Companies by the Seller to the Buyer ( <b>Sale</b> ) in accordance with and for the purposes of clause 3.1(b) of SPD; and  (b) will release the following in relation to the Security Interests on the Completion Date: <ul style="list-style-type: none"><li>• Partial release of its fixed and floating charge over the Seller in respect of the shares it holds in the Sale Companies.</li><li>• Full release of its fixed and floating charges over the Sale Companies.</li><li>• Release of set off agreement between the Seller and the Sale Companies.</li></ul>
<b>Terms of Consent</b>	
<b>Purchase Price and other proceeds</b>	The proceeds of the Sale are to be applied as follows:  <b>Purchase Price</b>  The proceeds of the Initial Purchase Price of A\$13,500,000 paid by the Buyer to the Seller on Completion will be applied in repayment of the Fully Drawn Advance Facility after making the following deductions: <ul style="list-style-type: none"><li>• legal and transaction costs related to the SPD and approved of by ANZ up to an amount not exceeding A\$[to be agreed].</li><li>• an amount of A\$ [to be agreed] deposited into a 'locked box' operating account with ANZ the proceeds of which will be applied by ANZ on behalf of the Seller for the following purposes:<ul style="list-style-type: none"><li>○ to pay CEO and CFO costs;</li><li>○ to pay on-going operational costs as against invoices presented by the Seller to ANZ and approved of by ANZ; and</li><li>○ to pay any other costs approved by ANZ.</li></ul></li></ul>

	<p><b><i>Earn-Out Payments and Project Adjustment:</i></b></p> <p>The proceeds of the Earn-Out Payment and the Project Adjustment are to be paid into a 'locked box' distribution account on the relevant payment dates and will be applied as follows:</p> <ul style="list-style-type: none"> <li>• the first A\$2,000,000 to ANZ (plus the amount of any claim made at that time under any Bank Undertaking in respect of the Guarantee Facilities) to be applied by ANZ in repayment of the Facilities; then</li> <li>• the balance to be apportioned as follows: <ul style="list-style-type: none"> <li>○ 60% plus the amount of any claim made at that time under any Bank Undertaking in respect of the Guarantee Facilities to ANZ to be applied by ANZ in repayment of the Facilities and</li> <li>○ 40% to the Seller for distribution to its shareholders.</li> </ul> </li> </ul>
<p><b>Realisation of Residual Assets</b></p>	<p>The Seller must provide ANZ with its written proposal within 6 months of the Completion Date to secure the orderly realisation of the remaining assets of the Seller (including the shares it holds in Cencorp Oyj) before expiration of the term of the refinanced residual debt (see 'Proposed New Facility Structure' below) (or such later time agreed to by ANZ). The proposal must be acceptable to ANZ and the Seller must comply with all of ANZ's reasonable directions in implementing the proposal.</p> <p>The proceeds of any sale of the shares in Cencorp Oyj will be applied as follows:</p> <ul style="list-style-type: none"> <li>• provided no Default is subsisting on the Sale Completion Date: <ul style="list-style-type: none"> <li>○ the first A\$2,000,000 to the Seller for distribution to its shareholders; then</li> <li>○ the balance to be apportioned as follows: <ul style="list-style-type: none"> <li>▪ 40% to the Seller for distribution to its shareholders; and</li> <li>▪ 60% to ANZ to be applied by ANZ in repayment of the Facilities.</li> </ul> </li> </ul> </li> <li>• Where a Default is subsisting, then all proceeds to ANZ to be applied by ANZ in repayment of the Facilities.</li> </ul> <p>The manner of the distribution of proceeds of all other remaining assets of the Seller is to be agreed between ANZ and the Seller (and failing agreement, at ANZ's direction).</p>
<p><b>Funds from sale of rights</b></p>	<p>The Seller agrees to apply the proceeds (approximately A\$100,000) it has received from the sale of its rights in Cencorp Oyj in repayment of the Facilities on or before 15 April 2014.</p>
<p><b>Bank Guarantees</b></p>	<p>The Bank Undertakings (other than the Bank Undertakings issued in relation</p>

	<p>to the Seller's 'International Businesses' for an aggregate amount of approximately A\$743,000) issued under the Guarantee Facilities must be either:</p> <ul style="list-style-type: none"> <li>• cancelled or returned to ANZ;</li> <li>• cash covered by an amount equal to the face value of the relevant Bank Undertaking; or</li> <li>• supported by a back to back bank undertaking in favour of ANZ issued by a Bank acceptable to ANZ and must be otherwise on the terms acceptable to ANZ (including having an expiry date not less than 5 Business Days after the expiry date of the relevant Bank Undertaking),</li> </ul> <p>on or before the Completion Date.</p>
<p><b>Mandatory Payment under Fully Drawn Advance Facility</b></p>	<p>ANZ will extend the repayment date of the A\$10,000,000 (in reduction of the Fully Drawn Advance Facility) from 31 March 2014 to 31 May 2014.</p>
<p><b>Proposed New Facility Structure</b></p>	<p>The Seller will refinance the residual debt owing under the Fully Drawn Advance Facility made available under the Facilities Agreement after payment of the Purchase Price contemplated above, effective as and from the Completion Date, with ANZ on the terms substantially the same as the Facilities Agreement and on the following terms:</p> <ul style="list-style-type: none"> <li>• Term: 13 months</li> <li>• Interest: capitalised</li> <li>• Fees: capitalised.</li> <li>• The existing credit card facility and overdraft facility will be cancelled.</li> <li>• Repayment: 'Pay as you can' basis with balance payable at the end of the term.</li> </ul>

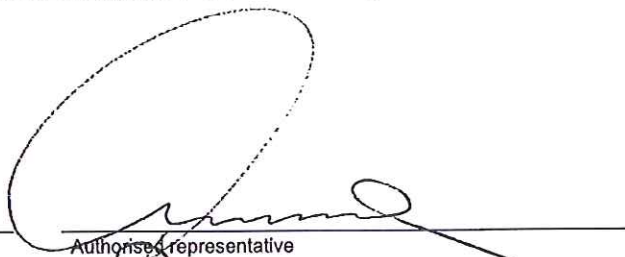
These terms will be revoked if a Default occurs or is subsisting under the Facilities Agreement and has not been waived in writing by ANZ.

Signed on behalf of Australia and New Zealand Banking Group Limited by its authorised representative in the presence of:

  
 Witness

SIMON FORSHAW  
 Print name

13/242 Pitt-St Sydney NSW  
 Print address

  
 Authorised representative

TIM HEAN Director  
 Print name and position



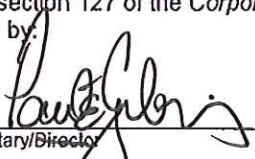
**Acceptance**

Please acknowledge your acceptance of the terms and conditions of this document by signing and returning the attached duplicate copy of this document signed by the Seller on its own behalf and on behalf of the Obligors in accordance with clause 32 (*Amendments and Waivers*) of the Facilities Agreement.

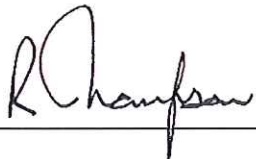
Signed, agreed and accepted by **Savcor Group Limited** for itself and on behalf of each other Obligor in accordance with clause 32 (*Amendments and waivers*) of the Facilities Agreement:

Date:

Signed by **Savcor Group Limited** in accordance with section 127 of the *Corporations Act 2001* (Cth) by:

  
\_\_\_\_\_  
Secretary/Director

**PAUL E. GIBNEY**  
\_\_\_\_\_  
Print name

  
\_\_\_\_\_  
Director

**ROSS M.L. THOMPSON**  
\_\_\_\_\_  
Print name