

**REG-SVTC Technologies SVTC Technologies - Cash offer**

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SVTC Technologies, LLC

30 July 2008

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Announcement For 30 July 2008

Immediate Release

SVTC Bidco  
Cash offer for  
EAG Limited

Summary

\* The board of SVTC is pleased to announce the terms of a cash offer to be made by SVTC Bidco for EAG of 120 pence in cash per EAG Share, which represents a premium of approximately 9.1 per cent. to the recent offer for EAG, at a price of 110 pence in cash per EAG Share, by EAGI. EAGI is the bidding vehicle for Odyssey Investment Partners in which EAG's senior management team is also involved.

\* The SVTC Directors believe that SVTC and EAG are highly complementary businesses and, once combined, will offer an enhanced portfolio of outsourced technology services to silicon-based and non-silicon-based customers. They believe SVTC to be the logical buyer of EAG.

\* The SVTC Offer follows the extensive process which the EAG Board ran to seek a buyer for the Company, which is described in the EAGI Offer Document and which led to the EAGI Offer.

\* The SVTC Offer values the existing issued share capital of EAG at approximately 80.1 million and represents a premium of 100.0 per cent. to the Closing Price of 60.00 pence per EAG Share on 17 July 2008, the last business day prior to the announcement of the EAGI Offer.

\* The SVTC Offer is fully financed and, unlike the EAGI Offer, complies with the City Code in that there is no condition to the SVTC Offer as regards the availability of funding.

\* In the interests of announcing in a timely fashion an offer to EAG Shareholders at a price which represents a significant increase over the price per EAG Share payable under the EAGI Offer, SVTC Bidco has not sought at this time a recommendation of the SVTC Offer from the Independent EAG Directors. SVTC Bidco will, immediately following the making of this announcement, seek to reach a position with the Independent EAG Directors whereby they will withdraw their recommendation of the EAGI Offer and instead recommend EAG Shareholders to accept the SVTC Offer.

The SVTC Offer is, in the opinion of the SVTC Directors, clearly superior to the EAGI Offer in terms of both price and certainty of funding. The SVTC Directors

urge EAG Shareholders not to accept the EAGI Offer and instead, once the SVTC Offer Document is posted, to accept the SVTC Offer.

Commenting on the SVTC Offer, David Bergeron, CEO of SVTC, said:

"SVTC and EAG are highly complementary businesses which, once combined, will offer an enhanced portfolio of outsourced technology services to silicon-based and non silicon-based customers. We strongly believe that a combination with SVTC provides the best outcome for EAG's employees, customers and shareholders. We are excited at the prospects for the combined business."

Robert Morse, a Director of SVTC and a Partner of Oak Hill Capital Partners, an investor in SVTC, added:

"We are pleased to announce SVTC Bidco's firm intention to make an offer to EAG's Shareholders which is higher in value than the proposal currently recommended by the Independent EAG Directors and is not conditional upon the availability of funding. We look forward to bringing this transaction to a swift conclusion to the benefit of EAG's employees, customers and shareholders."

This summary should be read in conjunction with, and is subject to, the full text of the following announcement. The SVTC Offer will be made subject to the Conditions and on and subject to the full terms to be set out in the SVTC Offer Document and (in respect of certificated EAG Shares) in the Form of Acceptance.

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This announcement does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy any security, nor is it a solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of the securities referred to in this announcement in any jurisdiction in contravention of applicable law. The SVTC Offer will be made solely by means of the SVTC Offer Document and (in the case of EAG Shares in certificated form) the Form of Acceptance accompanying the SVTC Offer Document, which together will contain the full terms and conditions of the SVTC Offer, including details of how the SVTC Offer may be accepted. The SVTC Directors urge EAG Shareholders to read the SVTC Offer Document when it becomes available because it will contain important information relating to the SVTC Offer.

Torch Partners, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for SVTC and SVTC Bidco and no one else in connection with the SVTC Offer and will not be responsible to anyone other than SVTC and SVTC Bidco for providing the protections afforded to clients of Torch Partners nor for providing advice in relation to the SVTC Offer, the contents of this announcement nor any matter referred to herein.

GCA Savvian, which is authorised and regulated in the United States by the Financial Industry Regulatory Authority, is acting exclusively for SVTC and SVTC Bidco and no one else in connection with the SVTC Offer and will not be responsible to anyone other than SVTC and SVTC Bidco for providing the protections afforded to clients of GCA Savvian nor for providing advice in relation to the SVTC Offer, the contents of this announcement nor any matter referred to herein.

Appendix I sets out the Conditions to the SVTC Offer.

Appendix II sets out further information, including the bases and sources of certain information used in this announcement.

Appendix III contains the definitions of terms used in this announcement (including this summary).

The availability of the SVTC Offer to EAG Shareholders who are not resident in the United Kingdom or Jersey may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Such persons (including, without limitation, nominees, trustees and custodians) should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdictions. Further details in relation to Overseas Shareholders will be contained in the SVTC Offer Document.

Unless otherwise determined by SVTC Bidco, the SVTC Offer will not be made, directly or indirectly, in or into Canada or Japan and the SVTC Offer will not be capable of acceptance from within Canada or Japan. Accordingly, copies of this announcement are not being, will not be and must not be, directly or indirectly, mailed or otherwise forwarded, transmitted, distributed or sent in, into or from Canada or Japan, and persons receiving this announcement (including, without limitation, custodians, nominees and trustees) must not mail, forward, distribute or send it in, into or from Canada or Japan. Doing so may render invalid any purported acceptance of the SVTC Offer. Any persons (including custodians, nominees and trustees) who are overseas persons or who would, or otherwise intend to, mail or otherwise forward, transmit, distribute or send this announcement, the SVTC Offer Document, the Form of Acceptance or any related document outside the United Kingdom and Jersey or to any overseas person should seek appropriate advice before doing so.

#### CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This announcement contains certain forward-looking statements with respect to the financial condition, results of operations and business of EAG and SVTC and certain plans and objectives of the Board of SVTC with respect thereto. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "will", "may", "should", "would", "could", or other words of similar meaning. These statements are based on assumptions and assessments made by the Board of SVTC in light of their experience and their perception of historical trends, current conditions, expected future developments and other factors they believe appropriate. By their nature, forward-looking statements involve risk and uncertainty, because they relate to events and depend on circumstances that will occur in the future and the factors described in the context of such forward-looking statements in this announcement could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements. Although the SVTC Directors believe that the expectations reflected in such forward-looking statements are reasonable, they can give no assurance that such expectations will prove to have been correct and

the SVTC Directors therefore caution you not to place undue reliance on these forward-looking statements which speak only as at the date of this announcement.

EAG is not subject to the City Code and, accordingly, the City Code will not formally apply, and the Panel will have no role, in relation to the SVTC Offer.

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Announcement For 30 July 2008

Immediate Release

SVTC Bidco  
Cash offer for  
EAG Limited

## 1. Introduction

The board of SVTC is pleased to announce the terms of a cash offer to be made by SVTC Bidco for all of the issued and to be issued share capital of EAG.

## 2. The SVTC Offer

The SVTC Offer, which will be subject to the Conditions and to the full terms to be set out in the SVTC Offer Document and (in respect of certificated EAG Shares) in the Form of Acceptance, will be made by SVTC Bidco on the following basis:

for each EAG Share 120 pence in cash

The SVTC Offer values the existing issued share capital of EAG at approximately 80.1 million and represents a premium of:

\* 100.0 per cent. to the Closing Price of 60.00 pence per EAG Share on 17 July 2008, the last business day prior to the announcement of the EAGI Offer;

\* approximately 103.7 per cent. to the average Closing Price of 58.90 pence per EAG Share over the one month period prior to the announcement of the EAGI Offer;

\* approximately 100.4 per cent. to the average Closing Price of 59.89 pence per EAG Share over the three month period prior to the announcement of the EAGI Offer; and

\* approximately 9.1 per cent. to the price of 110 pence per EAG Share under the EAGI Offer.

The SVTC Offer will extend to all EAG Shares unconditionally allotted or issued (including pursuant to the exercise of options granted under the EAG Share Scheme) after the date of this announcement and before the date the SVTC Offer ceases to be open for acceptance (or before such earlier date as SVTC Bidco may, in accordance with the terms and conditions of the SVTC Offer, decide).

The EAG Shares to be acquired pursuant to the SVTC Offer will be acquired by SVTC Bidco fully paid and free from all liens, equities, mortgages, charges, encumbrances, rights of pre-emption and other third party rights or interests of

any nature whatsoever and together with all rights now or hereafter attaching thereto, including all voting rights and the right to receive and retain all dividends and other distributions announced, declared, made or paid on or after the date of this announcement.

Details of the Conditions and certain further terms of the SVTC Offer are set out below and in Appendix I to this announcement.

### 3. Background on EAG since IPO

The brief history of EAG since its IPO has witnessed a dramatic loss of value for shareholders, even allowing for the challenging general market conditions which have prevailed in the interim.

In June 2007, EAG placed 47,132,198 ordinary shares of 1 penny each at 265 pence per share and was granted admission to trading on AIM. Out of the gross proceeds of 124.9 million received by EAG from such placing, amounts totalling 43.7 million were used to fund part of the consideration for the acquisition by EAG (and its subsidiary EAG Finance (Ireland) Limited) of equity interests in companies which upon Admission become part of the EAG Group (including equity interests held by the Interested EAG Directors).

On 9 November 2007, EAG announced the acquisition of Micro Electronic Failure Analysis Services, Inc. and an update on trading. David Lahar, Executive Chairman of EAG, commented that he remained comfortable with the Numis research analyst's net income projections for the year ending 31 December 2007 and that he expected pre-tax profits to be marginally below market expectations, with a small projected revenue shortfall offset by lower operating expenses. However, it was anticipated that net income would be at or above the analyst's projections. The Closing Price on the date of this announcement was 183 pence, compared to the IPO price of 265 pence.

On 19 December 2007, the Board of EAG announced in a trading update that, due to higher than anticipated expense levels in the second half of the year, principally due to higher than expected personnel and system costs to upgrade its finance function following the admission to trading on AIM, additional costs from the acceleration of the acquisition strategy and one-off severance and related costs, operating profit for the financial year ending 31 December 2007 would be below market expectations. The Board of EAG also announced that it had carried out a review of the EAG Board and the management structure of the Company and, with immediate effect, had implemented a reorganisation of the EAG Board and of senior management. The Board of EAG made the following changes: Ian Johnson, at the time a non-executive director, was appointed non-executive Chairman. David Lahar, then Executive Chairman, was appointed Chief Executive Officer. Jim Cowart relinquished his position as Vice Chairman, but remained a non-executive director. Thomas Pfeil, then the Chief Executive Officer, resigned from EAG.

In a further announcement on 19 December 2007, the Board of EAG announced that it had terminated the Company's acquisition program with immediate effect and had initiated a full strategic review of the business, including the possibility of an outright sale of EAG. On the date of this announcement the Closing Price had fallen to 56.25 pence.

On 13 February 2008, it was announced that the Board of EAG had received notification that David Lahar (Chief Executive Officer), Jim Cowart (Non-Executive Director) and Thomas Pfeil (former Chief Executive Officer) had formed a concert party with American Capital Strategies, Inc.. EAG was informed that as of 6 February 2008 this concert party had an interest in a total of 14,597,988 ordinary shares of EAG, representing approximately 21.9% of the then

total voting rights of EAG's issued share capital.

On 26 March 2008, the Board of EAG announced that on the previous day it had received notification that this concert party had been disbanded. Such notification had also stated that David Lahar and Jim Cowart were no longer considering a possible offer for EAG.

On 31 March 2008, as part of the press release associated with the announcement of preliminary results for the year ended 31 December 2007, Ian Johnson, the Chairman of EAG, confirmed that a full strategic review of the business had been initiated in 2007, including the possibility of an outright sale, that this review was well underway and that expressions of interest to acquire the Company had been received from a number of parties.

On 18 July 2008, the board of directors of EAGI and the Independent EAG Directors announced the terms of a recommended cash offer, to be made by EAGI, to acquire the entire issued and to be issued share capital of EAG (other than shares which EAGI has conditionally agreed to acquire from the Interested EAG Directors and from the EAG Management Team). Although this offer was at a premium of approximately 83.3 per cent. to the Closing Price of 60.00 pence on the last business day prior to the announcement of the EAGI Offer, it represented a discount of 155 pence to the price at which the Company placed shares in the IPO.

#### 4. The EAGI Offer

The SVTC Directors believe that, in considering the EAGI Offer, EAG Shareholders should take into account the following matters:

##### i. Involvement of the Interested EAG Directors

EAG's announcement of 26 March 2008 indicated that the Interested EAG Directors were no longer considering a possible offer for EAG. Nevertheless, they are now not considered to be independent in relation to the EAGI Offer (from which their EAG Shares are excluded on the basis of EAGI having conditionally agreed to acquire such shares in consideration of the issue of common stock in EAGI). In such a circumstance, the SVTC Directors would have hoped to see a statement from the Independent EAG Directors to indicate that the Interested EAG Directors took no part in the consideration of any potential offer for EAG intimated to the Company during the competitive process to which reference is made in the letter from the Independent EAG Directors in Part I of the EAGI Offer Document. The EAGI Offer Document, however, simply indicates that all matters relating to the EAGI Offer have been considered by the Independent EAG Directors and that the Interested EAG Directors have not taken part in the recommendation by the Independent EAG Directors in relation to the EAGI Offer, nor have they publicly expressed their views or opinions in relation to it. In addition, the EAGI Offer Document discloses that, notwithstanding their involvement in EAGI in consequence of the Management Arrangements, the Interested EAG Directors would be paid their contractual entitlements upon resigning as EAG Directors if the EAGI Offer were to become or be declared wholly unconditional.

##### ii. No Independent Shareholder approval of Management Arrangements, including those relating to the Interested EAG Directors

Pursuant to the Management Arrangements, 4,334,894 of the EAG Shares held by the Interested EAG Directors (representing approximately 6.5 per cent. of the existing issued share capital of EAG) are to be acquired by EAGI (subject to the EAGI Offer becoming or being declared unconditional in all respects) in exchange for the issue to the Interested EAG Directors of common stock of EAGI. Corresponding arrangements have been put in place in respect of 5,682,591 of the EAG Shares held by the EAG Management Team (representing approximately 8.5 per

cent. of the existing issued share capital of EAG), with the result that it is anticipated by EAGI that, if the EAGI Offer were to become or be declared wholly unconditional, the Interested EAG Directors and the EAG Management Team would immediately thereafter hold approximately 7.1 per cent. and 9.2 per cent. respectively of the issued common stock of EAGI. The EAGI Offer, however, contains no arrangements offering the Independent Shareholders the opportunity to participate in EAGI common stock. Were the City Code to apply to the EAGI Offer, these arrangements of the Interested EAG Directors and the EAG Management Team would have been made subject to the approval of the Independent Shareholders at a general meeting of EAG Shareholders. In the letter from EAGI in Part II of the EAGI Offer Document it is stated, without further explanation or justification, that these arrangements will not be subject to approval by a vote of the Independent Shareholders.

iii. Financing condition to the EAGI Offer

In another departure from what would generally be permitted under the City Code, the conditions to the EAGI Offer include a condition relating to the availability of funding. Such condition refers to certain conditions to drawdown of the Credit Facilities (as defined in the EAGI Offer Document) being satisfied and no fact or circumstance arising indicating that the Lenders (again as defined in the EAGI Offer Document) are not willing or will not be able to satisfy their funding obligations under these facilities (this notwithstanding the fact that the EAGI Offer Document also refers to these credit facilities as definitive loan agreements "on a certain funds basis"). The conditions to drawdown of such credit facilities are not summarised in the EAGI Offer Document and the relevant loan agreements have not been made available for inspection, with the result that EAG Shareholders are unable to assess the nature or extent of the conditionality to which the funding of the EAGI Offer is subject.

iv. Application of the City Code

Under the Implementation Agreement, which was entered into between EAG and EAGI on 18 July 2008 prior to the announcement of the EAGI Offer, various undertakings were given by each of EAG and EAGI to the other as regards compliance with the City Code in the context of the EAGI Offer (although subject to exceptions such as those referred to above in relation to there being a condition of the EAGI Offer relating to the availability of funding and in relation to the Management Arrangements not being subject to a vote of the Independent Shareholders). The undertakings of EAGI were conditional upon the Independent EAG Directors recommending, and continuing to recommend, the EAGI Offer.

Following the announcement of the EAGI Offer, SVTC announced, also on 18 July 2008, that it was considering its position, in particular in relation to the possibility of making a counteroffer in cash for EAG. On 23 July 2008, the Implementation Agreement was amended by a supplemental agreement between EAG and EAGI, such that the undertakings of EAG and EAGI in the Implementation Agreement with regard to compliance with the City Code will terminate in the event of either: (i) the Independent EAG Directors ceasing to recommend the EAGI Offer, recommending an offer by another party or withdrawing or adversely modifying their recommendation of the EAGI Offer; or (ii) a competitive situation (within the meaning of the amended Implementation Agreement) arising. Accordingly, it is now the case that, as a result of this announcement of the SVTC Offer, the undertakings of EAG and EAGI with regard to compliance with the City Code, to which reference was made in the announcement of the EAGI Offer and in the EAGI Offer Document, have terminated and are of no further effect. In particular, EAGI is no longer contractually obliged to conduct the EAGI Offer in compliance with the City Code and will (subject to applicable rules and regulations) have absolute discretion on all matters relating to the conduct and execution of the

EAGI Offer, including matters relating to the conditions and terms of the EAGI Offer.

The matters referred to above should be considered in conjunction with the entirety of the EAGI Offer Document.

#### 5. Background to the SVTC Bidco Offer

In its announcements on 19 December 2007, the Board of EAG indicated that it had terminated the Company's acquisition program with immediate effect and had initiated a full strategic review of the business, including the possibility of an outright sale of EAG. Within a short time period after these announcements, SVTC made Lazard and the Board of EAG aware of its interest in EAG and SVTC subsequently committed itself to the competitive process to which reference is made in the letter from the Independent EAG Directors in Part I of the EAGI Offer Document.

On 18 July 2008, following the announcement of the EAGI Offer, SVTC immediately announced that it was considering its position, in particular in relation to the possibility of making a counteroffer in cash for EAG.

SVTC is now announcing the terms of the SVTC Offer under which a price of 120 pence in cash is payable for each EAG Share. The SVTC Offer values the existing issued share capital of EAG at approximately 80.1 million and represents a premium of approximately 9.1 per cent. to the EAGI Offer, under which the price is 110 pence per EAG Share.

The SVTC Directors consider EAG as a logical addition to the existing SVTC activities. They believe that EAG and its customers, employees and other stakeholders will benefit in three principal ways from the Acquisition, as follows:

##### Platform for growth

The SVTC Directors believe that the combination of SVTC with EAG will create a superior platform for growth. The Enlarged Group should, in the opinion of the SVTC Directors, benefit from an enhanced ability to invest in new services and equipment and provide a compelling environment for attracting and retaining leading scientists and other valued employees.

##### Financial stability

The SVTC Directors believe that the creation of the Enlarged Group, with the backing of financially strong investors, will give existing and potential customers further confidence to rely on the continued independence and longevity of the businesses of EAG. Customers of both SVTC and EAG place great importance on the stability and continued employment of key scientists before deciding to whom to outsource key services and therefore the SVTC Directors believe that continued independence and strong financial backing is a source of competitive advantage.

##### Broader set of services

EAG and SVTC today provide complementary services to many customer segments. In the opinion of the SVTC Directors, customers will benefit from the Enlarged Group's ability to offer a broader range of services, on a seamless basis.

In the interests of announcing in a timely fashion an offer to EAG Shareholders at a price which represents a significant increase over the price per share payable under the EAGI Offer, SVTC Bidco has not sought at this time a recommendation of the SVTC Offer from the Independent EAG Directors. SVTC Bidco

will, immediately following the making of this announcement, seek to reach a position with the Independent EAG Directors whereby they will withdraw their recommendation of the EAGI Offer and instead recommend EAG Shareholders to accept the SVTC Offer.

The SVTC Offer is, in the opinion of the SVTC Directors, clearly superior to the EAGI Offer in terms of both price and certainty of funding. The SVTC Directors urge EAG Shareholders not to accept the EAGI Offer and instead, once the SVTC Offer Document is posted, to accept the SVTC Offer.

#### 6. EAG Shareholder support

As described in the EAGI Offer Document, American Capital Strategies, Inc. has given an irrevocable undertaking to accept the EAGI Offer. However, such undertaking will cease to be binding if a person other than EAGI (or one of its subsidiaries) announces a firm intention to make an offer for EAG at a price per EAG Share which represents, at the date on which such firm intention is announced, an improvement in the price per share available under the EAGI Offer. American Capital Strategies, Inc has given to SVTC Bidco a letter indicating its (non-binding) intention to enter into an irrevocable undertaking to accept the SVTC Offer in respect of the 8,275,000 EAG Shares which it holds (and which represent approximately 12.4 per cent. of the existing issued share capital of EAG) following the publication of this announcement. Such irrevocable undertaking, if entered into, will cease to be binding in the event that a party other than SVTC Bidco (or one of its subsidiaries) announces a firm intention to make an offer for EAG at a price per EAG Share which represents, at the date on which such firm intention is announced, an improvement in the price per share available under the SVTC Offer.

#### 7. Information on SVTC Bidco and SVTC

SVTC Bidco is a recently incorporated company which has been established as a wholly-owned subsidiary of SVTC, specifically for the purpose of making the SVTC Offer.

SVTC is an independent development services company providing advanced semiconductor processing, development and commercialisation services to the semiconductor manufacturing market. SVTC provides its customers with access to full-scale 200mm process development facilities, where they can develop their products on silicon with a full complement of advanced CMOS process recipes, production equipment, support tools and expertise, and commercialisation services prior to the transfer to a production foundry. SVTC is majority owned by the Oak Hill Investors and Tallwood Venture Capital.

The Directors of SVTC are David Bergeron, who is the CEO of SVTC, William Pade and Robert Morse, both of whom are Partners in the Oak Hill Investors, and George Pavlov and Luis Arzubi, both of whom are General Partners in Tallwood Venture Capital.

#### 8. Information relating to the Oak Hill Investors, Tallwood Venture Capital and Newstone Capital

The Oak Hill Investors (with associated Oak Hill Capital Partners' partnerships) represent more than \$7 billion of committed capital and have experience in completing UK public market transactions. During a period of over 22 years, the professionals at Oak Hill Capital Partners and its predecessors have invested in more than 60 significant private equity transactions. Oak Hill Capital Partners is one of several separate Oak Hill partnerships, each of which has a dedicated and independent management team and which together comprise more than \$26 billion of investment capital across multiple asset classes.

Tallwood Venture Capital has over \$500 million of equity capital under management and invests exclusively in semiconductor and semiconductor-related technologies. The principals of Tallwood Venture Capital have deep semiconductor experience that spans all aspects of the semiconductor industry value chain. By offering broad semiconductor knowledge, direct operating experience and a high degree of availability, Tallwood Venture Capital builds close, active working relationships with its portfolio companies. Its portfolio includes Marvell (Nasdaq:MRVL) and SiRF (Nasdaq:SIRF).

Newstone Capital represents \$865 million in committed capital available to invest in a broad array of securities including senior notes, second-lien debt, subordinated debt, preferred stock and common stock of larger middle-market companies involved in leveraged buyouts, re-capitalizations and later-stage growth financings. Targeted companies have a historical record of strong earnings and revenue growth, sustainable margins, proprietary products and leading market share. Newstone Capital has the ability to invest up to \$150 million in a single transaction.

#### 9. Financing the SVTC Offer

Full acceptance of the SVTC Offer will (assuming that all outstanding options under the EAG Share Scheme which are, or, as a result of the SVTC Offer, become, exercisable, and in respect of which the exercise price is less than 120p, are exercised and the resulting EAG Shares assented to the Offer) result in cash consideration payable by SVTC Bidco of approximately 80.6 million. Torch Partners is satisfied that sufficient cash resources are available to SVTC Bidco to satisfy the cash consideration due under the SVTC Offer in full.

SVTC Bidco will fund the cash consideration under the terms of the SVTC Offer, the discharge of EAG's existing syndicated debt facilities with The Royal Bank of Scotland plc and others, the discharge of SVTC's own existing debt facilities with Wells Fargo and others and related transaction expenses using a mixture of debt and equity.

Debt funding will be made available by way of:

- \* Senior credit facilities, pursuant to which Wells Fargo and Societe Generale have agreed that, subject to SVTC Bidco becoming beneficial owner in respect of EAG Shares representing at least 90 per cent. (or such lower percentage, not being less than 75 per cent., as the Senior Lenders may agree) of the issued share capital of EAG, they will make available to SVTC Bidco a secured term facility of up to \$110 million, of which \$80 million is available on a certain funds basis, and a secured revolving facility of up to a further \$20 million.

- \* A senior subordinated facility, pursuant to which Newstone Capital has agreed that, subject to SVTC Bidco becoming beneficial owner in respect of EAG Shares representing at least 90 per cent. (or such lower percentage, not being less than 75 per cent., as Newstone Capital may agree) of the issued share capital of EAG, it will make available to SVTC Bidco an unsecured senior subordinated term facility of up to \$40 million, all of which is available on a certain funds basis.

Equity funding of up to \$162.5 million will be provided by the Oak Hill Investors, Tallwood and Newstone Capital, by way of subscription for new common stock of SVTC. In the event that the full \$110 million secured term facility made available by the senior credit facilities is capable of being drawn down, the equity funding will be reduced by \$30 million. In the event that the funds made available by the Senior Lenders under the secured term facility fall between \$80 million and \$110 million, the equity funding will be correspondingly reduced.

## 10. The City Code

Although the City Code does not formally apply to the SVTC Offer, and hence the Panel does not have jurisdiction over the SVTC Offer, it is the intention of SVTC Bidco (save to the extent required in order to comply with the Articles) to comply in all material respects with the City Code, insofar as this is reasonably practicable taking into account the lack of involvement of the Panel and the fact that the SVTC Offer is made without the recommendation of the Independent EAG Directors. SVTC Bidco reserves the right, however, to cease to comply with the City Code in circumstances where EAGI, or any other bidder for EAG (save for SVTC Bidco), fails to comply with the City Code and the result is that, in the opinion of the SVTC Directors, continuing compliance with the City Code would place SVTC Bidco at a competitive disadvantage to any such bidder who is failing to comply with the City Code.

SVTC Bidco further intends that in the event of any proposed invocation of one of the Conditions (other than Condition (a)), such proposal will be referred to a senior representative of an independent investment bank of internationally recognised standing who has, in the opinion of the SVTC Directors, suitable experience and expertise, on the basis that such invocation will only occur if such senior representative determines that, in his or her opinion, the circumstances which give rise to the right to invoke the relevant Condition are of material significance to SVTC Bidco in the context of the SVTC Offer (as such words would be interpreted for the purposes of Rule 13.4(a) of the City Code).

## 11. Information on EAG

EAG is a leading materials science group, providing a wide range of sophisticated microanalytical surface testing, materials characterisation and microelectronic RTP and failure analysis testing services. EAG customers include the research and product development departments of companies working with advanced materials, material surfaces, thin layers or integrated circuit design. EAG provides analytical testing services to a broad range of end-user market segments, including electronic materials, specialty metals and alloys, semiconductor capital equipment, semiconductor fabrication, fabless semiconductor companies, biomedical, pharmaceutical, and aerospace and defence.

EAG is organised into two operating groups: Surface Analysis and RTP Services:

\* The Surface Analysis operating group provides microanalytical surface analysis and materials characterisation testing services, supporting the R&D departments of companies in multiple end-user industry segments;

\* The RTP Services operating group provides a range of RTP testing and failure analysis services to fabless semiconductor companies, semiconductor capital equipment and integrated device manufacturers. In bringing an integrated circuit design from conceptualisation to volume production, a wide range of failure analysis and testing services are required, including automated test program development, automated testing, failure analysis, advanced microscopy, circuit edit and modification, reliability and stress testing, and electrostatic discharge testing. Most fabless semiconductor and mid-sized integrated device manufacturers seek to outsource this range of RTP and failure analysis services.

EAG's testing services are broadly used in developing new processes or materials, transferring those processes to production, developing and qualifying new production tools, performing failure analysis, solving process problems in manufacturing, and providing third-party product validation.

Further information on EAG is contained in the EAGI Offer Document.

12. Directors, management and employees

Following the SVTC Offer becoming or being declared unconditional in all respects, the combined SVTC and EAG business will be managed by a team led by David Bergeron (currently the Chief Executive Officer of SVTC).

SVTC Bidco confirms that, if the SVTC Offer becomes or is declared wholly unconditional, the existing employment rights of all employees of the EAG Group will be fully safeguarded and the EAG Group's pension obligations will be complied with.

13. EAG Share Scheme

The SVTC Offer will extend to any EAG Shares unconditionally allotted or issued after the date of this announcement and before the date the SVTC Offer ceases to be open for acceptance (or before such earlier date as SVTC Bidco may, in accordance with the terms and conditions of the SVTC Offer, decide), pursuant to the exercise of options granted under the EAG Share Scheme.

If the SVTC Offer becomes or is declared unconditional in all respects, SVTC Bidco will make appropriate proposals to Optionholders in relation to whose options the exercise price is less than 120 pence. Details of these proposals will be sent to relevant Optionholders in due course.

14. Overseas Shareholders

The availability of the SVTC Offer to EAG Shareholders not resident in the United Kingdom or Jersey or who are subject to the laws of any jurisdiction other than the United Kingdom or Jersey may be affected by the laws of the relevant jurisdictions. Such persons should inform themselves about, and observe, any applicable legal or regulatory requirements. Further details in relation to Overseas Shareholders will be contained in the SVTC Offer Document. Any persons (including, without limitation, nominees, trustees and custodians) who would, or otherwise intend to, forward this announcement, the SVTC Offer Document, the Form of Acceptance and/or any related document to any jurisdiction outside the United Kingdom and Jersey or to an overseas person should refrain from doing so and seek appropriate professional advice before taking any action.

Unless otherwise determined by SVTC Bidco, the SVTC Offer will not be made, directly or indirectly, in or into Canada or Japan and the SVTC Offer will not be capable of acceptance from within Canada or Japan. Accordingly, copies of this announcement are not being, will not be and must not be, directly or indirectly, mailed or otherwise forwarded, transmitted, distributed or sent in, into or from Canada or Japan and persons receiving this announcement (including, without limitation, custodians, nominees and trustees) must not mail, forward, distribute or send it in, into or from Canada or Japan. Doing so may render invalid any purported acceptance of the SVTC Offer.

15. Compulsory Acquisition, Cancellation of Trading and Re-registration

If the SVTC Offer becomes or is declared unconditional in all respects, and SVTC Bidco receives sufficient acceptances of the SVTC Offer to entitle it to do so, SVTC Bidco intends to exercise its rights pursuant to the provisions of the Jersey Companies Act to acquire compulsorily the remaining EAG Shares to which the SVTC Offer relates on the same terms as the SVTC Offer.

If the SVTC Offer becomes or is declared unconditional in all respects, and subject to any applicable requirements of the London Stock Exchange, SVTC Bidco

intends to procure the making of an application by EAG to the London Stock Exchange for the cancellation of the admission to trading of the EAG Shares on AIM. If this cancellation occurs, it will significantly reduce the liquidity and marketability of any EAG Shares not assented to the SVTC Offer. It is anticipated that the cancellation of admission to trading will take effect no earlier than the expiry of 20 business days after the date upon which SVTC Bidco has, by virtue of its shareholdings (if any) and acceptances of the SVTC Offer, acquired or agreed to acquire issued share capital carrying at least 75 per cent. of the voting rights of EAG.

It is also proposed that, following the SVTC Offer becoming or being declared unconditional in all respects and the cancellation of the admission to trading on AIM of EAG Shares, EAG will, if permitted by the relevant provisions of the Jersey Companies Act, be re-registered as a private company and that SVTC Bidco will take steps to move the place of incorporation of EAG to the State of Delaware by virtue of the process of continuance provided for in article 127Q of the Jersey Companies Act, such that EAG ceases to be a Jersey incorporated company and becomes a corporate under the laws of the State of Delaware.

#### 16. Anticipated Timetable

SVTC Bidco anticipates that it will despatch the SVTC Offer Document to EAG Shareholders and, for information only, to Optionholders following the conclusion of discussions with the Independent EAG Directors with regard to recommendation of the SVTC Offer (and in any event within 28 days of the date of this announcement).

In accordance with the Articles, the SVTC Offer will remain open for a period of not less than 90 days (or such shorter period as the Independent EAG Directors agree pursuant to the Articles). Subject to what may be agreed by the Independent EAG Directors as regards such a shorter period, this may involve the SVTC Offer remaining open for a longer period than would be permitted by the City Code.

#### 17. General

The SVTC Offer will be made subject to the Conditions and on and subject to the full terms to be set out in the SVTC Offer Document and (in respect of certificated EAG Shares) in the accompanying Form of Acceptance.

Notwithstanding the inapplicability of the City Code, the SVTC Offer is made on the basis that it will lapse if, in respect of the Acquisition, the European Commission either (i) initiates proceedings under Article 6(1)(c) of Council Regulation (EC) No. 139/2004 or (ii) makes a referral to a competent authority in the United Kingdom under Article 9.1 thereof and following such referral there is a reference to the Competition Commission, in either such case before 3.00 p.m. on the first closing date of the SVTC Offer or the date when the SVTC Offer becomes or is declared unconditional as to acceptances, whichever is the later.

If the SVTC Offer lapses, the SVTC Offer will cease to be capable of further acceptance and EAG Shareholders and SVTC Bidco will thereupon cease to be bound by prior acceptances delivered on or before the time when the SVTC Offer lapses.

SVTC Bidco reserves the right to elect to implement the Acquisition, with the consent of the Independent EAG Directors and with the requisite approval from EAG Shareholders and the sanction of the Court in Jersey, by way of a scheme of arrangement under Part 18A of the Jersey Companies Act. In such event, such scheme of arrangement will be implemented on the same terms (subject to

appropriate amendment) as the terms of the SVTC Offer.

The SVTC Offer and acceptance thereof will be governed by English law. The SVTC Offer will be subject to the applicable requirements of the London Stock Exchange.

18. Appendices

Appendix I sets out the conditions of the SVTC Offer.

Appendix II sets out further information in connection with the SVTC Offer, including the bases and sources of certain information used in this announcement.

Appendix III contains the definitions of terms used in this announcement.

19. Enquiries

SVTC

Tel: +1 650 234 0500

More to follow, for following part double-click [nRn2d2556A]