

# REG-Advanced Power Issue of Convertible Loan Not

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Advanced Power Components PLC

16 February 2009

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On behalf of: Advanced Power Components plc ("APC" or the "Company")

Immediate Release

Advanced Power Components Plc

Issue of Convertible Loan Notes

Advanced Power Components (AIM: APC), the UK specialist distributor and manufacturers' representative of electronic components, is pleased to announce that the Company has raised £400,000 by way of an issue of unsecured convertible loan notes ("Convertible Loan Notes"). The proceeds from this fundraising will be used to augment the Group's working capital.

The Convertible Loan Notes have been issued to certain new and existing shareholders of the Company for an aggregate of £400,000, of which £100,000 has been subscribed by Roger Robinson, a substantial shareholder in the Company, and £50,000 has been subscribed by John Mitchell, also a substantial shareholder in the Company. The Convertible Loan Notes, which mature on 10 February 2014, carry a coupon of 8 per cent. per annum, payable quarterly in arrears until such time as they are repaid or converted in accordance with their terms.

Under the terms of the Convertible Loan Notes, the holder may convert all or part of the Convertible Loan Notes held by them into new Ordinary Shares in the Company on delivery to the Company of a conversion notice, at the conversion rate, being the lower of the mid-market price on 10 February 2009 and the mid-market price for the 14 days following the conversion date.

The issue of the Convertible Loan Notes to certain substantial shareholders of the Company is deemed to be a related party transaction under the AIM Rules. The Directors consider, having consulted with Strand Partners Limited, the Company's

nominated adviser, that the terms of the Convertible Loan Notes are fair and reasonable insofar as the Company's shareholders are concerned.

Mark Robinson, CEO of Advanced Power Components, commented:

"These convertible loan notes will provide APC with additional capital at what is a busy and exciting time for the Company. We are currently seeing a lot of scope for growth, particularly in relation to the APC KVAR energy-saving business, and this additional capital will strengthen our ability to take advantage of these opportunities. "

\* \* ENDS \* \*

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About Advanced Power Components

APC plc is a leading specialist distributor of electronic components, comprising eight areas of activity:

\* APC Hi-Rel distributes a variety of specialist electronic components into applications where component reliability is of paramount importance. Hi-Rel's franchised product lines include power semiconductors, power supplies, memory,

wound and high voltage components.

\* APC Locator is the number one solutions provider for obsolete and hard-to-find parts, with 25 years' experience in the industrial and defence/aerospace markets across Europe.

\* APC Hero has a specialist team of Product Managers ready to assist with your next design, our key areas include LEDS/LAMPS, drivers, wireless devices and modules, Zigbee, specialist sensors and crystals (plus fast turn around on programming).

\* APC Go! provides a kitting and materials management service to companies wanting to outsource non core activities, offering services ranging from material procurement to full production management.

\* APC Displays+ provides dedicated technical and commercial support for a wide range of LCD`s, standard, custom, TFT, e-signage, character, graphics, driver boards, IC`s, single board computers and all related connectivity.

\* APC Novacom is a distributor and manufacturers' representative for RF and microwave frequency electronic components. The business is managed by a team of technical specialists with many years experience in the RF and Microwave industry.

\* APC Contech is a distributor of specialist data input devices for industrial, broadcasting and medical sectors providing technically advanced solutions for specific application areas.

\* APC KVAR is a manufacturer and distributor of power saving equipment which optimises the performance of electrical motors, leading to reduced energy consumption and cost savings.

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