



June 29, 2012 08:59 AM Eastern Daylight Time

## **ARC Wireless Solutions' Previously Announced Acquisition of Advanced Forming Technology and Quadrant Metals Technologies Scheduled to Close in Third Quarter**

DENVER--(BUSINESS WIRE)--ARC Wireless Solutions, Inc. (NASDAQCM: ARCW) ("ARC") announced today that its acquisition of Advanced Forming Technology, Inc., ("AFT") and Quadrant Metals Technologies, LLC ("QMT") is progressing and is scheduled to close in the third quarter.

### **Highlights of the acquisitions include:**

- ARC to acquire AFT, including its assets and operations in Hungary, for \$43 million, approximately 1.0x Book Value, in a mix of cash and a convertible promissory note.
- ARC to issue 7,857,898 shares valued at \$4.00 per share, a 39% premium to ARC's closing price as of June 28, 2012, to acquire QMT in a non-cash transaction.
- Transaction values equity of QMT at \$31.4 million, a significant discount to the low end of a range determined by an independent valuation and advisory services provider.
- Estimated annual Net Revenues: \$66 million.
- Historical EBITDA margins at QMT have been approximately 15-19%, which ARC would expect to achieve or improve on company-wide over time, upon integration and growth of its business.

**“We look forward to closing these acquisitions and thereby adding significant cashflow to ARC.”**

“We continue to be very excited about building a diversified global manufacturing business,” said Ted Deinard, ARC's Interim CEO. “We look forward to closing these acquisitions and thereby adding significant cashflow to ARC.”

ARC expects to file updated proxy materials regarding the acquisitions early in the week of July 2, 2012.

### Forward Looking Statements

This press release contains "forward-looking" statements as defined in the Private Securities Litigation Reform Act of 1995, which are based on ARC's current expectations, estimates and projections about future events. This includes, but is not limited to, statements, if any, regarding the timing of the merger completion, the business plans and integration efforts once the transaction is complete, pro-forma statements and financial projections, ARC's ability to expand its services and realize growth and efficiencies through the acquisitions discussed herein, merger-related expenses and the impact of the transaction on ARC's earnings, market share and capital position. These statements are not historical facts or guarantees of future performance, events or results. Such statements involve potential risks and uncertainties, such as whether the merger will be approved by the shareholders of ARC or by regulatory authorities, whether each of the other conditions to closing set forth in the merger agreements will be met, ARC's ability to integrate QMT and AFT as planned and the general effects of financial, economic, and regulatory conditions affecting our industries. Accordingly, actual results may differ materially. Neither ARC nor QMT nor AFT undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. For additional factors that may affect future results, please see filings made by ARC with the Securities and Exchange Commission ("SEC"), including its Annual Report on Form 10-K for the year ended December 31, 2011 and its Quarterly Report on Form 10-Q for the quarter ended March 31, 2012.

### **Contacts**

ARC Wireless Solutions, Inc.  
Ted Deinard, +1-303-467-5236  
Interim Chief Executive Officer

