



Addvalue Technologies Ltd
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Issued Shares 807,905,813 (as at 1 Jun 2009)
 Listing SGX Main Board since 14 Jun 2000
 Stock Code
 • SGX Main Board (ADDVALTECH)
 • Bloomberg (ADDV SP)
 • Reuters (AVAU.SI)
 Reporting Periods Mar (F) Jun (Q1) Sep (H/Q2) Dec (Q3)

Company Overview

Headquartered in Singapore, Addvalue Technologies Ltd ("Addvalue") is a leading one-stop digital, wireless and broadband communications technology products innovator, which provides state-of-the-art satellite-based communication terminals and solutions for a wide variety of voice and IP-based data applications. Addvalue has established itself as a key partner to many major players in the satellite communication industry, counting amongst its customer base internationally-renowned leaders such as Inmarsat, Thuraya, Stratos, Vizada, SingTel and Satlink.

Addvalue is currently one of the only three authorised global developers-cum-suppliers, and the only one in Asia, of the portable Broadband Global Area Network ("BGAN") satellite terminal. The terminal operates on a satellite infrastructure, run by London-listed Inmarsat plc, which facilitates connectivity anywhere in the world. BGAN is an ideal choice for communication in areas where terrestrial or cellular networks are damaged, congested or non-existent.

The present principal operating subsidiaries of Addvalue are:

- Addvalue Communications Pte Ltd (100%)
- Addvalue Innovation Pte Ltd (100%)

Business Model

Design & Supply of Products and Solutions

- Design & supply a range of terminals operating on major satellite networks for land, maritime and aeronautical applications
- Design & supply custom solutions such as for tracking, telemetry, Supervisory, Control And Data Acquisition ("SCADA"), GSM backhauling and VSAT backup

Airtime-related Business

- Re-sell satellite airtime via bundling with equipment sales

Business Strategies

- Leverage on proven technologies and development capabilities to:
 - Widen portfolio of products and solutions in both broadband and narrowband Mobile Satellite Services ("MSS")
 - Spread product lines across dominant MSS operators
 - Forge development partnership with channel partners
 - Secure high-end, high-margin engineering services in the satellite industry
- Capitalize on our proven market position to create competitive advantage for airtime sales

Business Merits

- **Recognition:** Addvalue is recognized as an innovative solution provider with its products/services gaining substantial market shares
- **Technology:** Proven modular and scalable technology platforms including a library of intellectual properties and patents for quick new product spin-offs
- **Readiness:** Poised to roll out enlarged range of products and solutions for mobile satcom equipment targeting in land-based and maritime applications: SABRE™ 1, SABRE™ Ranger and SABRE™ Remote, FB150, FB250 and Seagull 5000
- **Growth prospects:** BGAN-related products and services are expected to dominate satellite communication market due to BGAN's attributes and characteristics along with the progressively more attractive airtime rates
- **Safety and emergency response:** Market awareness of international and national level authorities to regulate requirements to use satellite-based technologies for tracking, identification and rescue operations on land and at sea
- **Competition:** Low due to niche market and high barriers of entry
- **Opportunities:** High due to small number of market players and high growth potentials, organically or through M&As

Future Plans

- Diversify range of satellite products to capture market shares in different market segments (land, sea and aeronautical) and user groups (military, mission critical activities)
- Expand global points of sale and sales support, and enhance existing ones for satellite equipment
- Focus on vertical integration to provide value-added solutions and services to customers
- Tap into high-value development service contracts for the state-of-the-art communications terminals and solutions for satellite industry or industry requiring similar technologies

Current Order Book

- Minimum secured order of S\$0.7m for the supply of Sabre™ family of products to be rolled out in Q2 2009
- Balance S\$3.5m from Satlink for the supply of FB250 terminal to be rolled out from Jun 2009
- Balance S\$8.6m from Inmarsat for the supply of FB150 terminal to be rolled out from Jul 2009

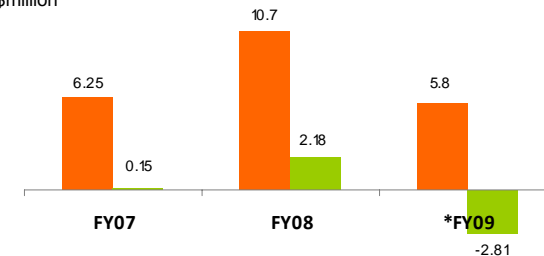
Industry Prospects

- Telecommunications market revenue to reach US\$1.93 trillion in 2010 (*Gartner*)
- Revenue from mobile voice and data services to reach US\$201 billion in 2010 (*Gartner*)
- Global equipment market expected to reach US\$254 billion by 2009 (*Research and Markets*)
- Satellite services remained the largest sector of the global satellite industry, taking in US\$79.3 billion in 2007 – with consumer applications continuing to generate increased revenue (*Satellite Industry Association's annual report, June 11, 2008*)
- Mobile satellite terminals grew from 1000 units in 1980 to over 1 million units in 2004. Voice and data terminals grew at a CAGR of 36% from 1995 to 2004 (*Euroconsult*)
- Units of mobile satellite terminals have an cumulative annual growth of 34.2% through 2010 (*Northern Sky Research*)

Financials

Revenue & Net Profit

S\$million



Financial year ends 30 March

S\$ million	FY2007 (Restated)	FY2008	FY2009*
Revenue	6.25	10.7	5.8
Gross Profit	3.13	6.66	3.42
Operating expenses	(4.36)	(4.24)	(5.86)
Profit from operating activities	0.52	2.55	(2.15)
Profit Before tax	0.15	2.18	(2.72)
Net Profit	0.14	2.18	(2.81)
EPS	0.02 cents	0.27 cents	(0.35) Cents

* Denotes unaudited