

## NEWS RELEASE

### STRATEGIC INVESTMENT BY PYTHEAS OF UP TO S\$94.60 MILLION IN CASH IN ADDVALUE

- *Pytheas to be the single largest shareholder with up to 51.56% equity stake in Addvalue*
- *Addvalue to benefit from Pytheas' wide global network, particularly in fast-growing markets such as the Middle East, Europe, South America and Africa*

Singapore, November 3, 2008 – SGX Main Board-listed Addvalue Technologies Ltd (“Addvalue” or the “Company”), a leading provider of satellite communication, tracking and telemetry solutions and digital wireless design services, today announced that it had, on September 29, 2008 entered into an Investment Agreement (the “Investment Agreement”) with Pytheas (Cyprus) Ltd (“Pytheas”), part of the Pytheas conglomerate, a premier international investment management organisation, whereby Pytheas will invest up to S\$94.96 million in cash in Addvalue.

Notwithstanding the global financial market conditions, Pytheas, after a process of due diligence since February 2008, is committed to complete this acquisition due to the strategic fit of Addvalue’s products and services to its business as well as for the benefits of a acquiring a Singapore Exchange-listed platform for its Asian expansion plans. This Investment Agreement officially kickstarts a mutually beneficial alliance of interests that will leverage on the partners’ key strengths to enhance each other’s core competencies.

Under the Investment Agreement, Pytheas will subscribe for up to 860 million new ordinary shares at a subscription price of S\$0.11 per share. This represents up to 51.56% equity stake of Addvalue’s enlarged issued share capital.

The Investment Agreement will be carried out in two phases. In Phase One (the “Initial Investment”), Pytheas will offer a cash consideration of S\$37.95 million in exchange for Addvalue’s 345 million new shares (the “Initial Investment Shares”) at a subscription price of S\$0.11 per share (the “Initial Investment Price”). The Initial Investment Shares, upon allotment and issuance, will represent approximately 29.92% of Addvalue’s total issued share capital on an enlarged and fully diluted basis on completion of the Initial Investment.

Subsequently, in Phase Two (the “Subsequent Investment”), the remaining 515 million new shares (the “Subsequent Investment Shares”) will be subscribed by Pytheas through either a call option (the “Call Option”) or a put option (the “Put Option”). If either option is exercised in full, Addvalue will be paid an additional cash consideration of S\$56.65 million.

Under the Call Option granted by Addvalue to Pytheas, Pytheas will have the right to subscribe for the Subsequent Investment Shares in cash at S\$0.11 for each Subsequent Investment Share (the “Call Option Exercise Price”) at any time within 12 months from the date of completion of the Initial Investment. Under the Put Option granted by Pytheas to Addvalue, Addvalue will have the right to require Pytheas to subscribe for the Subsequent Investment Shares in cash at S\$0.11 for each Subsequent Investment Share (the “Put Option Exercise Price”) at any time within 12 months from the date of completion of the Initial Investment.

Valuation of the Initial Investment Price, the Call Option Exercise Price and the Put Option Share Price of S\$0.11 per share was arrived at on a willing-buyer-willing seller basis, and represents a premium of 37.5% over the closing share price of S\$0.08 per share of the Company immediately prior to the date of signing of the Investment Agreement.

Dr Harris A. Samaras, the controlling shareholder of Pytheas (Cyprus) Ltd, commented, “We are pleased to have found a choice partner in Addvalue, a globally recognised, progressive and innovative provider of satellite communication that has time and again demonstrated its bankability through the delivery of complex satellite-

related products and services that meet the ever-rising needs and expectations of its customers.

“We are constantly pursuing sound investments across a broad range of industries and recognise the immense growth potentials in the global satellite industry, particularly in the high growth regions of the Middle East, Central and Eastern Europe, South America and Africa, fuelled by the progressively more attractive airtime rates and expanded functionality of products and solutions. Underpinning the growth potentials, are rising demands by oil and gas related projects for the monitoring of fields and pipelines and in connection with the deployment of satellite communication as a good proxy to basic telecommunications infrastructure in emerging and developed markets alike. The increasing rate of occurrence of massive natural disasters across the globe as well as the threat of terrorism also boosted demands. Satellite products, apart from enjoying a longer life cycle relative to consumer products, also provide a relatively good defence against recession, an impending scenario facing the world right now, as demand for which tends to be relatively downward inelastic.

“With Addvalue operating in an estimated US\$20 billion exclusive niche market of exceptionally high barriers of entry; its proven modular and scalable technology platforms being ever ready for quick new product spin-offs; and its features-rich and affordable products gaining increasing market shares, we firmly believe that the Company is the perfect fit for us to ride on this high-growth industry. This is why we have continued to pursue this strategic partnership, despite the current economic turmoil.

“To both parties, this Investment Agreement is akin more to an alliance of interests than a takeover, with no significant change expected in the nature of business and management of Addvalue. While Addvalue can grow organically, it is also the right time for the Company to further strengthen and expand its network, products and services through mergers and acquisitions,” added Dr Harris A. Samaras.

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. Addvalue is also poised to roll out an enlarged range of related-products and solutions, especially for the maritime markets.

Commenting on the alliance of interests, Dr Colin Chan, Chairman and CEO of Addvalue remarked, “We are excited to have Pytheas onboard with us as our new strategic partner and consider the large investment a positive endorsement for our business model. Combining our niche satellite communication expertise with Pytheas’ global footprints in countries such as the Middle East, particularly in the Kingdom of Saudi Arabia, United Arab Emirates and Qatar, Europe, South America and Africa, we are now ideally and strategically positioned to effectively tap into the fast-growing and lucrative satellite industries present there today. Besides, the large investment from Pytheas allows Addvalue to accelerate the supply of its range of maritime terminals currently under development to incorporate safety and security features in meeting the Long Range Identification Tracking (“LRIT”) requirement promulgated by the International Maritime Organisation (“IMO”) and many national maritime authorities for a wider range of vessels in the coming years.

“It is a valid opinion that in the near future, all vessels, whether passenger, commercial, military or luxury, will naturally require the use of satellite broadband communication technology.

“This transaction is also in line with our ongoing strategy to transform ourselves into a leading global player in satellite communication. The enlarged capital base will be instrumental in providing us with the ability to strengthen our organisational structure, widen our product range and services, as well as establish points of sales worldwide and enhance existing ones.

“Prior to this, we had on October 5 demonstrated our capabilities by joining forces with leading South American remote communication providers, Tesacom and Stratos Global Corp., to deploy a 1,200-site BGAN mobile satellite network to support Brazil’s first round of municipal elections. The successful deployment of about 1,200 Addvalue BGAN terminals within a very short time frame and have had over 400 of them transmitting data simultaneously on a single spot beam during deployment not only reassuringly ensured the secure transmission of election results, it also made history as the world’s largest BGAN deployment and clearly demonstrates the stable and reliable performance of our terminal and the BGAN network.

“The newly injected funds from Pytheas are expected to substantially improve the Company’s capitalisation and fortify the Company’s balance sheet. Pending specific deployment, the proceeds may be utilised for share buy-back to shore the share price of the Company should the needs arise. The addition of Pytheas as a strategic major investor and anchor shareholder of the Company is also expected to strengthen and unify the shareholder base of the Company,” added Dr Colin Chan.

Upon the successful completion of the Initial Investment, Dr Harris A. Samaras will be one of the two directors expected to be appointed by Pytheas to the Board, to help contribute to the growth of Addvalue and its subsidiaries.

The Investment Agreement is conditional upon the receipt of a whitewash waiver from the Securities Industry Council, exempting Pytheas from the obligation to make a mandatory general offer for all shares in the capital of the Company not held by Pytheas, in accordance with the rules of The Singapore Code on Take-overs and Mergers as a result of Pytheas’ subscription of the Initial Investment Shares and Subsequent Investment Shares. It is also subject to approval in-principle from the SGX-ST for the listing and quotation of the Initial Investment Shares and Subsequent Investment Shares on the Official List of the SGX-ST, and satisfactory due diligence by Pytheas and Addvalue on each other.

None of the Directors of the Company has any interest, direct or indirect, in the Initial Investment or the Subsequent Investment. The Directors are not aware of any

substantial shareholder having any interest, direct or indirect, in the Initial Investment or the Subsequent Investment and have not received any notification of any interest in this transaction from any substantial shareholder.

### **About Addvalue Technologies Ltd**

Addvalue Technologies Ltd is a leading provider of satellite communication, tracking and telemetry solutions and digital wireless design services. It was founded in Singapore in 1996 and listed on the Main Board of the Singapore Stock Exchange in 2000. 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, a satellite-based network service run by London-listed Inmarsat plc.

Headquartered in Singapore, Addvalue employs over 60 people and currently serves a global market with customers in North America, Europe and Asia. The Company's customers and business partners include global leaders in the communications, information technology and electronics industries.

### **About Pytheas**

Pytheas (Cyprus) Ltd, incorporated in the Republic of Cyprus in 2005, is 99%-owned by Dr Harris A. Samaras and 1%-owned by Pytheas (Holding) Limited, a company incorporated in Luxembourg.

Engaged in the business of investment management, Pytheas (Holding) Limited, together with its affiliates (collectively, the "Pytheas Conglomerate"), is a premier international investment management organization focusing on emerging markets and economies-in-transition. It also has regional offices in New York, London, Nicosia and Dubai. The Pytheas Conglomerate owns shares in more than 130

entities, encompassing a vast and diverse array of industries such as banking, insurance, real estate, hospitality, energy, petrochemical, environment, agriculture and fishery. The Pytheas Conglomerate also manages an investment portfolio of about US\$1.7 billion.

Pytheas (Holding) Limited, the parent company of the Pytheas Conglomerate, is 54%-owned by Dr Harris A. Samaras.

**\*Note to the Editor:**

BGAN is the world's first mobile satellite communications service to provide both voice and broadband data simultaneously on a global basis. Provided by London-listed Inmarsat plc, the mobile satellite service allows connectivity anywhere in the world, making it an ideal choice for communications in areas where terrestrial or cellular networks are damaged, congested, or non-existent. Used in various sectors such as military, NGO agencies and media organisations, BGAN provides versatile usage and excellent growth prospects with its long product life cycle as well as high barriers of entry.

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