



ADDVALUE TECHNOLOGIES LTD

Company Registration Number: 199603037H

Q1 FY2011 revenue soared by more than 8-fold to S\$5.9 million and net profit reversed to S\$1.4 million from a loss of S\$0.6 million in Q1 FY2010

- **Wider range of Inmarsat-centric BGAN products boosted Q1 performance**
 - **Gross profit margin markedly improved from 32% to 43% due to better mix of higher yielding products**
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Singapore, July 27 2010 – Singapore Exchange Mainboard-listed Addvalue Technologies Ltd (“Addvalue” or the “Group”), a leading global developer and supplier of mobile satellite terminals supporting coverage provided by premier mobile satellite communication operators such as Inmarsat plc and Thuraya Telecommunications Company, announced its first financial quarter results for the three months ended 30 June 2010 (“Q1 FY2011”) in respect of the financial year ending 31 March 2011 (“FY2011”).

Q1 FY2011 Results Review

The foundation that the Group had vehemently laid in the past coupled with its focused business pursuit had resulted in the Group recording a sterling turnover of S\$5.9 million for Q1 FY2011, which tantamount to half of the turnover attained by the Group for the entire financial year ended 31 March 2010 (“FY2010”) while outperforming its turnover of S\$0.7 million attained for the first financial quarter of FY2010 (“Q1 FY2010”) by more than eight-fold.

Robust sales orders for a wider range of its Inmarsat-centric products and the continued shipment of its Sabre™ 1 BGAN Terminals, particularly in meeting the

balanced demand for the 10 May 2010 Philippines' National Elections, chiefly boosted its turnover.

As a result of the marked increase in turnover, the gross profit of the Group soared to S\$2.5 million in Q1 FY2011, by S\$2.3 million or more than 10-fold from S\$0.2 million in Q1 FY2010, equivalent to 67.6% of the gross profit attained by the Group for the entire financial year of FY2010 of S\$3.7 million. A higher gross profit margin of 43.1% was also registered for Q1 FY2011 (relative to that of 32.2% for Q1 FY2010) due to a better mix of higher yielding products.

Coupled with the Group's ongoing concerted efforts in containing its costs with a view to continually improve its efficiency and productivity, the net profit of the Group reversed drastically from a net loss of S\$0.6 million in Q1 FY2010 to a profit after tax of S\$1.4 million in Q1 FY2011.

Prospects

"With the commercialization of a suite of Inmarsat-centric products since the second half of year 2009 and riding on our commendable performance for Q1 FY2011, we believe that we have reached a significant milestone to leapfrog our performance to the next level for FY2011", remarked Dr Colin Chan, Chairman and CEO of Addvalue.

Armed with a wider range of product offerings, Addvalue further enhances its competitiveness in the market place. It has scheduled plans to roll out new satellite based products and applications as well as to expand into new markets for FY2011.

Barring any unforeseen circumstances and delay in the procurement of certain key production components amidst the present tight supply conditions globally, the Group remains optimistic about its performance for FY2011.

This press release should be read in conjunction with Addvalue's results announcement for Q1 FY2011 posted on the Singapore Exchange on 27 July 2010.

About Addvalue (www.addvaluetech.com)

Headquartered and founded in Singapore in 1996, Addvalue Technologies Ltd 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.

Through the recent years of consistent business transformation, Addvalue has emerged to be a leading global developer and supplier of mobile satellite terminals supporting coverage provided by premier mobile satellite communication operators such as Inmarsat and Thuraya. These terminals are ideal choices for communications in areas around the world where terrestrial networks are non-existent, inept or ineffective. This is particularly so for maritime communications which rely almost entirely on satellite communications, and Addvalue's products are well poised to address these needs.

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