



ADDVALUE TECHNOLOGIES LTD

Company Registration Number: 199603037H

Excluding Q1 FY2011's *ad hoc* sales of US\$2.1 million worth of SABRE™ 1 BGAN Terminals in meeting the needs of the 10 May 2010 Philippines' National Elections, Q1 FY2012's revenue increased 21.7% to US\$2.8 million

- **Continued robust sales of wider range of Inmarsat-centric land and maritime BGAN-based products boosted performance**
 - **Gross profit margin markedly improved from 43.1% in Q1 FY2011 to 53.8% in Q1 FY2012 chiefly as a result of sale of a better mix of higher yielding products and higher design income attained**
 - **Working capital more than doubled from US\$2.5 million as at 31 March 2011 to US\$5.5 million as at 30 June 2011 while gearing improved from 28.3% to 21.9%**
 - **Net tangible assets ("NTA") nearly doubled from US\$2.9 million as at 31 March 2011 to US\$5.7 million as at 30 June 2011**
 - **Net asset value ("NAV") increased 24.6% from US\$13.4 million as at 31 March 2011 to US\$16.7 million as at 30 June 2011**
 - **NAV per share increased 14.2% from 1.34 US cents as at 31 March 2011 to 1.53 US cents as at 30 June 2011**
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Singapore, 12 August 2011 – Singapore Exchange Mainboard-listed Addvalue Technologies Ltd ("Addvalue" or the "Group"), a leading global developer and manufacturer 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-month financial period ended 30 June 2011 (“Q1 FY2012”).in respect of the financial year ending 31 March 2012 (“FY2012”).

Q1 FY2012 Results Review

The Group recorded a turnover of US\$2.8 million in Q1 FY2012 *vis-à-vis* that of US\$4.4 million achieved in Q1 FY2011, which included the sale of about US\$2.1 million worth of SABRE™ 1 BGAN Terminals for partially meeting the needs of the 10 May 2010 Philippines’ National Elections (the “Election SABRE™ 1 Sale”). Excluding the Election SABRE™ 1 Sale, the Q1 FY012’s turnover of US\$2.8 million would have represented an increase of US\$0.5 million or 21.7% over that of Q1 FY2011’s adjusted turnover of US\$2.3 million, brought about mainly as a result of sales generated from a wider range of Inmarsat-centric land and maritime products and increased design income in Q1 FY2012.

The sale of SABRE™ 1 BGAN Terminals, such as in respect of the Election SABRE™ 1 Sale, tends to be *ad hoc* and lumpy in nature, the occurrence of which is to a large extent dependent on demand prompted by an impromptu event, such as a natural disaster, or a massive project, such as an election. While recurrence of such a revenue stream on an annual basis is anticipated (with the size of the sales of each occurrence varies according to the scale of the event or the size of the project), the recurrence may not occur on a quarterly basis.

Due principally to sales with better mix of higher yielding products, the gross profit margin of the Group also improved significantly from 43.1% in Q1 FY2011 to 53.8% in Q1 FY2012.

Commenting on the performance of the Group, Dr Colin Chan Kum Lok, Chairman and CEO of Addvalue, remarked that “notwithstanding the decrease in the after tax profit of the Group to US\$209,000 in Q1 FY2012 from US\$1.0 million in Q1 FY2011, a significant amount of which was attributed to the Election SABRE™ 1 Sale, the Group not only improved its gross profit margin considerably but, more importantly, also strengthened its balance sheet and reduced its gearing from 28.3% to 21.9%.”

Prospects

“Gauging by the sizable shipment of our SABRE™ BGAN Terminals (comprising mainly the SABRE™ Ranger and the SABRE™ Remote Terminals for SCADA applications) in the past three consecutive quarters ended 30 June 2011 and the strong interests generated when we launched our SAFARI™ Vehicular Terminals in June 2011, barring any unforeseen circumstances, the Group expects its Inmarsat-centric land based BGAN products to generate significant sales for the remaining financial quarters of FY2012 and to continue to grow for the next 12 months.

“As regards the sales of our current range of Inmarsat-centric FleetBroadband Maritime Terminals, these are expected to reach steady-state sales in the next few quarters. With endeavour efforts made to expand our OEM FleetBroadband products to grow our sales in this market segment, barring any unforeseen circumstances, we also expect to launch a couple of new OEM FleetBroadband products over the next 12 months.

“The sales for our Seagull 5000i Terminals, which operate on Thuraya’s satellite network, are gaining traction as well since their initial launch in March 2011, particularly in East Asia and South East Asia, and we expect the sales to pick up speed in the second half of FY2012. We also have been contracted by a new customer to customize and supply a low cost Thuraya-centric satellite terminal, which targets the very cost conscious users in South East Asia, and we expect to commence the sale of this new low cost product by the last financial quarter of FY2012,” added Dr Colin Chan.

Barring unforeseen circumstances, the Group is optimistic about its performance for the remaining period of FY2012.

Notes:

1. The function currency and reporting currency of the Company and its subsidiaries have been changed from Singapore dollars (“S\$”) to United States dollars (“US\$”) with effect from 1 April 2011 as US\$ best reflects the current and prospective economic substance of the underlying transactions and circumstances of the Group.

2. This press release should be read in conjunction with Addvalue's results announcement for the first financial quarter ended 30 June 2011 posted on the Singapore Exchange on 12 August 2011.

About Addvalue (www.addvaluetech.com)

Headquartered and founded in Singapore in 1996, Addvalue Technologies Ltd is a world renowned 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, Globe Wireless and Satlink.

Through the recent years of progressive business transformation, Addvalue has emerged to be a leading global developer and manufacturer 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.

About BGAN

The Broadband Global Area Network (BGAN), is a mobile communications that offers highspeed data (up to 492Kbps) and voice telephony –simultaneously through one device. The terminals are normally used to connect a laptop computer to broadband Internet in remote locations, although as long as line-of-sight to the satellite exists, the terminal can be used anywhere. The value of BGAN terminals is that unlike other satellite Internet services which require bulky and heavy satellite dishes to connect, a BGAN terminal is about the size of a laptop and thus can be carried easily. The network is provided by Inmarsat and uses three geostationary satellites called I-4 to provide almost global coverage.

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For **Media Enquiries**, please contact

Ms Apple Tan

Manager, Corporate Administration

Addvalue Technologies Ltd

Tel : +65 6509 5705

Email : apple@addvalue.com.sg
