

PRESS RELEASE

ADDVALUE'S FIRST HALF EARNINGS FOR FY2008 SURGED BY MORE THAN 22-FOLD TO S\$1.04 MILLION

1H FY08 Performance Highlights:

- Both revenue and earnings far exceeded 1H FY07 and FY2007 performances
- Poised to grow global footprint for Addvalue portable BGAN satellite terminals
- In line with the Group's direction to expand the range of satellite products, secured 2 contracts to develop Maritime and Land Mobile BGAN satellite terminals
- Actively pursue opportunities in arenas relating to BGAN core module and other customized satellite solutions

Singapore, 14 November 2007 – Mainboard listed **Addvalue Technologies Ltd** (“Addvalue” or “the Group”), one of the three authorised suppliers worldwide for portable BGAN satellite communication terminals, today announced a commendable set of financial results for the six months ended 30 September 2007 (“1H FY08”). Against a robust growth in the satellite communications industry, the Group's revenue increased from S\$3.52m to S\$5.48m while its net profit attributable to shareholders surged by 22-fold from \$0.05m to S\$1.04m relative to the first half of financial year 2007 (“1H FY07”).

Dr Colin Chan, Chairman and CEO of Addvalue Technologies said, “I am delighted that we have achieved milestone growth in revenue and profit amidst the buoyancy in the global satellite communications sector. It is worth noting that our result for the first half of this year alone had already outstripped our full year performance in FY07. This much improved financial performance endorses our ability to execute and deliver our projects and market our products profitably as we intensify our growth plans”.



Performance Review

In line with the Group's continued efforts to stay focus in growing the satellite communication, tracking and telemetry and digital wireless solution businesses, the Group's revenue increased by 55.7% or S\$1.96 million from S\$3.52 million in 1H FY2007 to S\$5.48 million in 1H FY2008. This growth in revenue was attained despite the markets for BGAN terminals undergoing a period of adjustments in acclimatizing to the new enhanced satellite communication service.

The tight cost containment measures continued to be maintained by the Group saw further reduction in its operating costs by S\$0.41 million or 17.4% from S\$2.34 million in 1H FY2007 to S\$1.93 million in 1H FY2008.

With higher revenue and lower operating costs, the Group achieved a higher net profit margin of 19.0% (S\$1.04 million) as compared to 1.3% (S\$0.05 million) in 1H FY2007.

Balance Sheet

The Group ended the year with total shareholder's equity standing at S\$6.92m, with net assets per share increased to 0.86 cents from 0.56 cents in FY06. Cash and cash equivalents doubled to S\$2.75m from S\$1.07m at the close of 1H FY07.

Outlook

With the streamlined business model continued bearing fruits, the Group remains focus and seeks growth opportunities in satellite communication, tracking and telemetry as well as digital wireless solution businesses.

Supply of Addvalue BGAN Satellite Terminal

Since the launch of Inmarsat Global Ltd's Broadband Global Area Network ("BGAN") services in December 2005, the Group is now beginning to see momentum from distributions and airtime usages being built up. It expects faster take up rates for Addvalue BGAN satellite terminals in the coming months, and are confident that this trend will continue. Accordingly, it will continue with concerted efforts to secure more supply contracts for Addvalue BGAN Satellite terminals from its existing and other telecommunication customers.



While distributors for Addvalue BGAN satellite terminals had been appointed to cover USA, Europe and South East Asia, India, Middle East and Africa, the Group is now in discussion with potential distributors to cover China and North Asia.

BGAN Core Module & Customised Satellite Solution

The Group will also continue with its efforts to secure high value design and development contracts as well as grow new revenue stream through the supply of spin-off products from Addvalue BGAN satellite terminals to existing and potential customers who have subscribed or would like to subscribe to Inmarsat Global Ltd's BGAN services.

As the BGAN core modules were developed with the flexibility in customizing to the users' specific needs, the Group successfully unlocked the value of our BGAN technology and capitalized on our expertise in securing 2 spin-off contracts to develop the Maritime and Land Mobile BGAN satellite terminals for these customers. The successful completion of these projects will not only expand the range of satellite products but will also boost the revenue on the supply of its satellite terminals.

In addition, the Group will also pursue other BGAN related projects as well as other satellite communications projects to enhance its existing product line offering and revenue stream. The Group is currently pursuing these potential satellite communications projects with a few interested global satellite communication players and is encouraged by the progress made to date.

Tracking and location-based application solutions and digital wireless design service

The Group expects to see increased revenue in the second half of the financial year ending 2008 from sales generated in the field of tracking and location-based applications as it has good business traction to offer such products and services. Some of these include bundling with BGAN solutions to tap into satellite-based surveillance and telemetry market.



Leveraging its digital wireless expertise, the Group developed a Bluetooth handset specifically for our BGAN terminal and it expects to generate sales revenue from selling this unique accessory that will further enhance the user experience of Addvalue BGAN satellite terminal. This is another good example of the synergistic effect the Group can harness across its technologic portfolio. The coming of age of Ultra Wide Band (UWB) also presents the Group with opportunities to tie up with industrial players to offer application solutions.

Dr Colin Chan remarked, “With Addvalue’s gaining visibility as a serious player in the BGAN market and given the fast growing satellite communications industry, there are ample opportunities for us to tap and ride on. Following the contracts secured for Maritime and Land Mobile satellite terminals, Addvalue is poised to take on more satellite related contracts in unlocking its existing product line offering and revenue stream further. Barring any unforeseen circumstances, we expect a better performance for the second half of the financial year ending 31 March 2008”.

About Addvalue Technologies

Addvalue Technologies Ltd is a leading one-stop digital, wireless and broadband communications technology product innovator, which provides integrated and comprehensive satellite communication solutions, tracking and telemetry communication solutions, and digital wireless design services. Established in Singapore in 1994 and listed on the Singapore Exchange, Addvalue Technologies is today, one of three global suppliers of the Broadband Global Area Network (“BGAN”) satellite terminal. Its customers include internationally renowned communications leaders such as Microsoft, Panasonic, GE Thomson, Sirius Satellite Radio and Immarsat. More information on Addvalue Technologies can be found at <http://www.addvaluetech.com>

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