

## Global Invacom's FY2014 Revenue Increases 15.9% to US\$134.1 Million; Driven By Strong Growth From America And Europe Regions; Seeks Further Strategic Acquisitions

- Top-line growth driven by revenue increases in America and Europe of 26.3% and 34.1%, respectively
- Gross profit up 8.9% to US\$31.8 million (FY2013: US\$29.2 million)
- Short term impact on gross profit margin, decreased to 23.7% from 25.2% over the comparative periods as a result of higher volume of lower-margin sales and de-stocking of first generation LNB inventory for a major customer (Q4, 2014), ahead of roll out of next generation technology in 2015
- Net profit after tax of US\$8.9 million broadly in line with previous year (FY2013: US\$8.0 million), excluding non-recurring US\$2.6 million professional fees, restructuring costs, provision against a legal dispute and the forex differential of US\$1.2 million between FY2014 and FY2013
- Transformative year for the Company following listing on AIM, the restructuring of facilities in the U.K. and the successful and strategic acquisition of OnePath Networks Limited ("Foxcom")
- Strong balance sheet with cash and cash equivalents of US\$21.2 million as at 31 December 2014
- Company continues to seek further strategic acquisitions
- Declares first and final one-tier tax exempt dividend of 0.525 Singapore cent per share for the year

As at 31 December 2014 US\$'millions	FY2014	FY2013	Changes (%)
<b>Revenue</b>	134.1	115.8	15.9
<b>Gross Profit</b>	31.8	29.2	8.9
<b>Gross Profit Margin (%)</b>	23.7	25.2	(1.5)
<b>Net Profit After Tax</b>	5.1	8.0	(36.5)
<b>Net Profit After Tax (Excluding One-Off Costs)</b>	8.9	8.0	11.0
<b>Diluted Earnings per Share (US Cents)</b>	2.00*	3.41**	(41.3)
<b>Net Asset Value per Share (US Cents)</b>	22.33#	19.32##	15.6

\* calculated based on 254,747,318 weighted average number of ordinary shares for the period ended 31 December 2014

\*\* calculated based on 235,600,286 weighted average number of ordinary shares for the period ended 31 December 2013

# calculated based on 269,059,299 total number of issued shares as at 31 December 2014

## calculated based on 231,802,299 total number of issued shares as at 31 December 2013

**Singapore, 26 February 2015 – Global Invacom Group Limited (“Global Invacom” or “the Group”)** announced today a 15.9% increase in revenue to US\$134.1 million for the financial year ended 31 December 2014 (“FY2014”) compared to US\$115.8 million in FY2013. The Group is also seeking further strategic acquisitions following its recent admission to the London AIM Market.

The Singapore Exchange Mainboard listed satellite communications (“Sat Comms”) equipment specialist, which concluded listing on the AIM Market in July 2014, said that revenue grew on the back of strong growth from the American and European markets.

America and Europe revenue rose by US\$15.2 million (+26.3%) and US\$9.1 million (+34.1%), respectively, due to increased orders from a major U.S. customer and recognition of an incremental US\$12.5 million contribution from Global Invacom Manufacturing (UK) Limited (“GIML”) – acquired in November 2013.

Asia and the Rest of the World saw a decline in revenue to US\$4.1 million (-15.7%) and US\$1.8 million (-36.5%), respectively. The like-for-like revenue fall in Asia was anticipated following the completion of a large delivery to a major customer, which had inventory cover during FY2013, impacting sales in the first quarter of 2014.

Gross profit rose 8.9% to US\$31.8 million in FY2014 from US\$29.2 million in FY2013. Gross profit margin decreased slightly to 23.7%, from 25.2%, over the comparative periods due to higher volume of lower-margin sales and inventory write offs in the last quarter of 2014, ahead of a technology upgrade by a major customer which provides the Group with strong long term prospects.

Administrative expenses – including professional fees of US\$1.4 million in respect of the AIM listing and US\$0.5 million relating to an acquisition – rose 24.8% to US\$25.5 million in FY2014 from US\$20.5 million in FY2013. The Group also incurred manpower and expenses of US\$2.1 million from the full year inclusion of GIML and restructuring costs of US\$0.4 million arising from the closure of a U.K. facility which was no longer fit for purpose. A provision of US\$0.4 million has also been made in respect of a legal dispute with a supplier of a U.K. subsidiary, which the Group is strongly defending.

To support new product development for two major customers – including three new low noise blocks and a range of fibre switches – the Group incurred additional research and development (“R&D”) costs including the hiring of more radio frequency (“RF”) design and production engineers. The next generation of products will position the Group well with existing and prospective customers.

The Group reported a net profit after tax of US\$5.1 million in FY2014 compared to US\$8.0 million in FY2013. Net profit margin decreased to 3.8% from 6.9% in FY2013. Excluding the US\$2.6 million one-off professional fees, restructuring costs, provision against a legal dispute and the foreign exchange differential of US\$1.2 million between FY2014 and FY2013, the Group would have recorded a net profit after tax of US\$8.9 million in FY2014, with a net profit margin of 6.7%.

Earnings per share on a fully diluted basis decreased to 2.00 US cents in FY2014 from 3.41 US cents in FY2013 while net asset value per share rose to 22.33 US cents as at 31 December 2014 from 19.32 US cents as at 31 December 2013.

The Group’s balance sheet remains strong with cash and cash equivalents of US\$21.2 million as at 31 December 2014 compared to US\$14.7 million a year ago, including gross proceeds of US\$15.0 million raised from its AIM Market listing, which has been and will be used for business expansion and general corporate working capital purposes.

The Group proposed a first and final one-tier tax exempt dividend of 0.525 Singapore cent per share for FY2014, representing 21.0% of net profit, compared to 0.5 Singapore cent for FY2013. The payment of the dividend is subject to the approval by the Company’s shareholders in general meeting on 29 April 2015. Subject to such approval, the shares will be declared ex-dividend on 14 May 2015 and the associated record date will be 15 May 2015. The Company expects the final dividend to be paid on 25 May 2015.

The Group announced on 11 November 2014, the acquisition of Israel-based OnePath Networks Limited (trading as “Foxcom”), one of the pioneers in RF over fibre technology, for US\$3.5 million. This acquisition allows the Group to gain new technologies, expand market reach and grow its network of broadcasters while expanding its footprint in existing and new geographies. The Group has commenced integration of Foxcom’s operations and has since recognised two months’ revenue contribution of US\$0.8 million from Foxcom in FY2014.

The Group continues to look out for opportunities to expand its suite of technological capabilities, geographical reach and access to broadcasters. To enhance shareholder value, the Group commenced a share buyback programme in September 2014, and has to date acquired 19.0 million of its own shares, increasing its treasury shares to a total of 25.0 million which can be used for possible mergers and acquisitions.

Commenting on the results, Tony Taylor, Executive Chairman, said “We are delighted to report our maiden set of full year results following our listing on London’s AIM last year. The period to 31 December 2014 was a year of transformation for the business with our secondary listing, the restructuring of our U.K. operations and the strategic acquisition of Foxcom which has allowed us access new technologies, expand our market reach and grow our network of broadcasters. We look forward to continuing to grow the business through further strategic acquisitions whilst delivering world-class equipment to our customer base of global leaders in the Sat Comms industry, through the introduction of revolutionary next generation technology this year. We are proud to be the chosen partner of the world’s leading Sat Comms businesses which reflect the strength of our business, our powerful R&D capabilities and global manufacturing and distribution network. We look forward to our future with confidence.”

**\*\*End of Press Release\*\***

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**About Global Invacom Group Limited**

Global Invacom Group Limited (“Global Invacom”) is listed on the Singapore Exchange Securities Trading Limited Mainboard (“SGX-ST”) and its shares are admitted to trading on the AIM Market of the London Stock Exchange in the U.K..

Global Invacom is a fully integrated satellite equipment provider with five manufacturing plants across China, Malaysia and the U.K., providing a full range of LNB receivers, transmitters, switches and video distribution components and electronics manufacturing services in satellite communications, TV peripherals, computer peripherals, medical, and consumer electronics industries. Its customers include satellite broadcasters such as BSkyB of the U.K. and DISH Network of the U.S.A..

For more information please refer to <http://www.globalinvacom.com>