



Singapore- and London-listed Global Invacom Group Announces FY2015 Results

- ***Revenue US\$129.1M (FY2014: US\$134.1M), including four months' contribution from Skyware Global; impacted by main customers destocking in 1H FY2015***
- ***Gross profit US\$24.9M (FY2014: US\$31.8M)***
- ***Loss before tax US\$1.3M (FY2014 Profit before tax: US\$5.5M)***
- ***Successfully completed R&D for next-generation of products to position the Group for improved sales***

Singapore, 25 February 2016 – Global Invacom Group Limited (“Global Invacom” or “the Group”), a satellite communications (“Sat Comms”) equipment provider listed on the Singapore Exchange and the U.K. AIM Market, announced today its financial results for the 12 months ended 31 December 2015 (“FY2015”).

The Group has experienced a challenging year predominantly due to destocking of three main customers in the first half of the year (“1H FY2015”) and one-off expenses related to the purchase and restructuring of Satellite Acquisition Corporation (trading as “Skyware Global”), completed on 24 August 2015. Despite this, the Group is pleased to report that its main customers have resumed orders in the second half of the year (“2H FY2015”) and that it has successfully completed a research and development (“R&D”) programme for next-generation Low Noise Block (“LNB”) technology, putting the Group in a stronger market position in 2016 (“FY2016”).

Revenue for FY2015 declined 3.7% to US\$129.1 million from US\$134.1 million the previous year. This was mainly due to delayed sales in 1H FY2015 to main customers in America, Europe and Asia who either destocked or altered their procurement procedures, with one undertaking a significant technology change which usually occurs about once every eight to ten years. While all orders restarted in 2H FY2015, effects from the technology change will persist into 1H FY2016.

The Group recognised four months’ revenue of US\$17.5 million, from Skyware Global. Headquartered in North Carolina, Skyware Global is a leading U.S. designer and manufacturer of antennas for Broadband, Satellite and Very Small Aperture Terminals (VSAT) covering C-band, Ku-band and Ka-band frequency platforms.

With the inclusion of Skyware Global, revenue for FY2015 from America and the Rest of the World increased by US\$2.9 million (+3.9%) and US\$2.3 million (+74.7%), respectively; this was offset by a fall in revenue from Europe and Asia by US\$1.9 million (-5.4%) and US\$8.3 million (-37.6%), respectively.

With the overall decline in revenue, gross profit for FY2015 decreased 21.7% to US\$24.9 million from US\$31.8 million in FY2014. Gross profit margin fell to 19.3% from 23.7% due to the reclassification of certain products in relation to import duty taxes in the U.S., the weakening of the Malaysian Ringgit against the U.S. dollar, and a lack of suitable semiconductor devices which delayed production and led to higher logistics costs. Skyware Global also accounted for the drop in the Group’s gross profit margin.

Administrative expenses increased 13.6% to US\$29.0 million in FY2015 from US\$25.5 million in FY2014 mainly due to the recognition of four months' of manpower costs and expenses as well as one-off professional fees of US\$2.3 million for the acquisition of Skyware Global. The administrative expenses included the cost of US\$1.2 million for an ongoing legal dispute with a supplier of a U.K. subsidiary that the Group is strongly defending, restructuring costs for a U.K. site, and manufacturing improvements at the Group's Shanghai facility.

In line with its performance guidance announced on 10 February 2016, the Group recorded a FY2015 net loss of US\$1.1 million compared to a net profit of US\$5.1 million in FY2014. Loss per share on a fully diluted basis was 0.43 US cent in FY2015 while net asset value per share was 20.05 US cents as at 31 December 2015.

The Group has completed R&D work on next-generation LNB technology and is currently awaiting qualification. Access to this new technology is expected to improve sales and provide the Group with further product expertise and access to a wider customer base.

Skyware Global is expected to account for a bigger portion of the Group's revenue from 2016. Following the acquisition, Global Invacom's customer base now includes a major U.S. broadcaster that intends to launch two new satellites in 2016. The Group is focused on increasing sales and marketing activities in South America, Malaysia, Indonesia, Africa, with a focus on South Africa, and Europe in FY2016. In the meantime, the Group will continue to streamline its operations, including consolidating logistics and warehousing services at the North Carolina site.

As the Group operates in various countries, any sharp movements in foreign exchange rates can affect its financial performance. With this in mind, it intends to take advantage of lower production costs in areas in South East Asia by expanding the scope of its manufacturing operations to these regions.

Mr Tony Taylor, Executive Chairman of Global Invacom, said, "Amidst economic uncertainties, we remain optimistic about the Sat Comms industry given rising demand for digital TV services and communications infrastructure. With advancements in technology, broadcasters are rolling out new features and services, all of which bode well for us. We will continue to pursue our aim of global leadership in the R&D and production of Sat Comms equipment and are committed to developing our expertise to provide better services to new and existing clients across the world."

****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 seven manufacturing plants across China, Israel, Malaysia, U.K. and the U.S. Its customers include satellite broadcasters such as BSkyB of the U.K. and Dish Network of the U.S.A.

On 24 August 2015, Global Invacom completed the acquisition of Skyware Global, a leading U.S.-based designer and supplier of satellite antennas products and services for C-band, Ku-band and Ka-band frequency platforms, positioning itself as the world's only full-service outdoor unit supplier.

Global Invacom provides a full range of dish antennas, LNB receivers, transmitters, switches and video distribution components and electronics manufacturing services in satellite communications as well as manufacturing services in TV peripherals, computer peripherals, medical, and consumer electronics industries.

For more information please refer to www.globalinvacom.com