



SGX and U.K. AIM Listed Global Invacom Announces 1H FY2015 Results

- **Revenue US\$54.0m (1H FY2014: US\$69.8m) impacted by destocking of major customers**
- **Gross profit US\$11.2m (1H FY2014: US\$17.4m)**
- **Loss before tax US\$2.6m (Profit before tax 1H FY2014: US\$4.3m)**
- **Successful post-acquisition integration of Foxcom; 1H FY2015 recognition of US\$1.7m revenue**
- **Proposed acquisition of Skyware Global to position the Group as a truly global Sat Comms manufacturer, pending shareholder approval**
- **Continued investment in R&D to enhance competitive position; development of market leading LNB technology underway**

Singapore, 14 August 2015 – Singapore Exchange Mainboard and U.K. AIM Market listed satellite communications (“Sat Comms”) equipment specialist **Global Invacom Group Limited (“Global Invacom” or “the Group”)** announced today its financial results for the six months ended 30 June 2015 (“1H FY2015”).

The Group has experienced a challenging first half of the year. This is largely attributable to delayed sales to three of the Group’s major customers through destocking or changes in procurement procedures. As the majority of delayed orders have now resumed, 2H FY2015 should show an improvement and management expects that the Group will return to operational profitability for 2H FY2015.

Revenue declined 22.7% to US\$54.0 million in 1H FY2015 from US\$69.8 million in 1H FY2014, with the four regions, America, Europe, Asia and Rest of the World, decreasing by US\$10.0 million (-25.4%), US\$1.6 million (-8.7%), US\$4.0 million (-39.7%) and US\$0.3 million (-12.4%), respectively.

During the period under review, the Group is pleased to recognise six months’ revenue contribution of US\$1.7 million from OnePath Networks Limited (trading as “Foxcom”) in Israel, whose acquisition was completed in November 2014.

As a consequence of lower sales, gross profit decreased by US\$6.2 million or 35.9% to US\$11.2 million in 1H FY2015 from US\$17.4 million in 1H FY2014.

Gross profit margin fell to 20.7% from 24.9%, a decline of 4.2% over the comparative periods, due to the reclassification of products in relation to import duty taxes to the U.S. that the Group is contesting, the weakening of the Malaysian Ringgit against the U.S. dollar and the extended lead times of semi-conductor devices which delayed production and raised logistics costs.

Administrative expenses increased by 7.8% or US\$1.0 million to US\$13.6 million in 1H FY2015 from US\$12.6 million in 1H FY2014 mainly due to the recognition of six months’ of manpower and expenses costs for Foxcom in 1H FY2015. These expenses also included the cost of an ongoing legal dispute with a supplier of its U.K. subsidiary that the Group is strongly defending, restructuring costs of a U.K. site and manufacturing improvements at the Shanghai facility.

The Group continues to invest in research and development to enhance its competitive position to drive sustainable growth in the long run. It is currently completing the development of four new customers' Low Noise Blocks ("LNB") for satellite reception, as well as three new switches.

In line with the Group's performance guidance announced on 29 July 2015, the Group recorded a net loss of US\$2.8 million in 1H FY2015 as compared to a net profit of US\$3.7 million in 1H FY2014.

Mr. Tony Taylor, Executive Chairman of Global Invacom, said, "Most of the delayed orders by major U.S., U.K. and Asian customers have since resumed and will contribute to our financial performance in 2H FY2015. We have also completed restructuring in our U.K. and Shanghai facilities which should reduce our costs in 2H FY2015 and we will continue to implement further operational efficiencies through automation and cost reduction."

"The Group is also vigorously contesting the reclassification of products in relation to import taxes in the U.S. – which has led to unscheduled freight and duty price increases for certain products. This has eroded gross margin in 1H FY2015. Together, with the completion of destocking of inventory in 1H FY2015, the Group is reasonably confident that its gross profit margin will recover in 2H FY2015."

Mr. Tony Taylor continued, "We remain resolute in our goal to position ourselves as the global leader in Sat Comms equipment and remain optimistic of our operating performance for the second half."

"Notwithstanding the hullabaloo surrounding Internet Protocol television (IPTV) and the like, the Sat Comms industry continues to offer exciting growth both in established regions and in newly developing regions which do not possess established fixed infrastructure but are seeking to quickly provide telecoms, media and internet to their inhabitants. Our track record of strategic acquisitions and ability to deliver world-class equipment to our customers position us as global leaders in the industry. We remain committed to extending our leadership at a time when demand for internet connectivity and higher bandwidth continues to grow." he added.

Loss per share on a fully diluted basis was 1.09 US cents in 1H FY015 while net asset value per share stood at 20.18 US cents as at 30 June 2015 from 22.33 US cents as at 31 December 2014.

Cash and cash equivalents stood at US\$19.4 million as at 30 June 2015 compared to US\$21.2 million as at 31 Dec 2014, 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 announced on 2 June 2015 its proposed acquisition of Skyware Global, a leading U.S. manufacturer of satellite terminals, for up to US\$11.6 million – its largest-ever acquisition. Shareholders will vote to approve the transaction at an Extraordinary General Meeting in Singapore on 19 August 2015.

Following the acquisition, Global Invacom will be the world's only full-service outdoor unit supplier, providing an extensive portfolio of products from antennas and electronics to accessories with manufacturing facilities in U.S., Asia and Europe.

In view of the above factors, the Group is reasonably confident, barring unforeseen circumstances, of an improvement in performance for 2H FY2015.

****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 six manufacturing plants across China, Israel, Malaysia and the U.K., providing a full range of dish antennas, 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>.