



Press Release

19 March 2009

SatCom Group Holdings Plc

("SatCom" or "the Group")

Interim results for the six months ended 31 December 2008

SatCom Group Holdings Plc (AIM: SGH), a leading reseller of mobile satellite communications equipment and airtime, announces its interim results for the six months ended 31 December 2008.

Highlights

- Turnover increased 68% to US\$53.6 million (H1 2007: US\$31.9 million)
- EBITDA up 55% to US\$3.4 Million (H1 2007: US\$2.2 million)
- Profit before tax increased by 58% to US\$2.5 million (H1 2007: US\$1.6 million)
- Basic earnings per share increased by 60% to 3.35 cents (H1 2007: 2.02 cents)
- Recommended interim dividend increased to 0.25 cents per share (H1 2007: 0.2 cents per share)

Commenting on the results, Richard Vos, Chairman of SatCom Group Holdings Plc, said: "These excellent results demonstrate that, despite global economic conditions, the Group remains well positioned to build on the growth it has already achieved. Importantly, SatCom's core business is protected due to the end user's day-to-day reliance on the communication services provided."

- Ends -

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Chairman's Statement

I am delighted to say that the Group has maintained strong revenue and profit growth over the first half-year and continues to trade profitably. Our core mobile satellite services business has held up well and our entry into the VSAT market has also begun to provide a positive contribution to the business.

As indicated in the 2007/08 Annual Report, our business is now global and each of our trading subsidiaries, supported by our improved back office systems, is benefitting from its membership of the Group and contributing to overall Group profitability.

The business remains on track in spite of the current economic environment. Although the global economic climate remains uncertain, the Mobile Satellite sector continues to attract ongoing investment and the Group is well placed to exploit new opportunities. SatCom's core business is protected due to the end user's day-to-day reliance on the communication services provided.

The Board is therefore pleased to recommend payment once again of an increased Interim Dividend.

Richard Vos
Chairman

18 March 2009

Chief Executive's Statement

Highlights

The Group's results for the six months to 31 December 2008 show strong growth. This increase has come primarily from sales of broadband services, US Government contracts and the VSAT services from the newly acquired SDN Global.

Our investment in SDN Global and their network infrastructure is starting to benefit trading. For the six months under review SDN Global contributed to the Group results with an operating profit of \$143,000 from Revenue of \$7.1 million and this compares to a loss of \$(385,000) from Revenue of \$4.7 million in the same period in 2007 before we acquired the company.

Financial review

Turnover for the six months ended 31 December 2008 was \$53.6 million (2007: \$31.9 million) reflecting an increase of 68% over the same period last year. The Group's EBITDA has also grown by 55% to \$3.4 million (2007: \$2.2 million), with the Group benefiting from the strengthening of the US dollar during the period.

Dividends

In line with the Group's progressive dividend policy, SatCom intends to pay an interim dividend of 0.25 cents per ordinary share (2007 interim 0.2 cents). This will be paid on 17 April 2009 to all shareholders on the register at 27 March 2009.

The proposed final dividend for the year ended 30 June 2008 of 0.40 cents per share was paid in December 2008 (2007 final: 0.33 cents).

Finance

In June 2009 our issue of £3,000,000 2009 8% Convertible Bonds and US\$600,000 4% Convertible Bonds fall due for redemption or conversion at a price of 39 pence. We are assuming that our share price will not exceed the conversion price and that the Company will therefore redeem the issue in full. The board is in negotiation to secure additional facilities.

Outlook

Following the outcome of the refinance negotiations the Group will continue to look for strategic and profit enhancing acquisitions as they arise in both the Mobile Satellite Services and the VSAT sectors.

Mark White

Chief Executive Officer

18 March 2009

Consolidated accounts for the six months ended 31 December 2008
Consolidated income statement

	Notes	Unaudited half year 31 Dec 08 \$'000's	Unaudited half year 31 Dec 07 \$'000's	Audited year ended 30 Jun 08 \$'000's
Revenue	2			
Continuing operations				
- Ongoing		46,487	31,907	69,803
- Acquisitions		7,131	-	2,267
		53,618	31,907	72,070
Cost of sales		(43,772)	(24,930)	(55,825)
Gross profit		9,846	6,977	16,245
Administrative expenses		(6,441)	(4,744)	(10,225)
EBITDA		3,405	2,233	6,020
Depreciation and amortisation		(372)	(223)	(506)
Operating profit (EBIT)	3			
Continuing operations				
- Ongoing		2,890	2,010	5,520
- Acquisitions		143	-	(6)
		3,033	2,010	5,514
Net interest and similar charges		(476)	(376)	(789)
Amortisation of issue costs on convertible loan stock		(64)	(59)	(128)
Profit on ordinary activities before taxation		2,493	1,575	4,597
Taxation	4	(494)	(330)	(918)
Profit on ordinary activities after Taxation		1,999	1,245	3,679
Basic earnings per share	5	3.35 cents	2.09 cents	6.17 cents
Diluted earnings per share	5	3.24 cents	2.13 cents	5.89 cents

Consolidated accounts as at 31 December 2008
Consolidated balance sheet

Notes	Unaudited half year 31 Dec 08 \$'000's	Unaudited half year 31 Dec 07 \$'000's	Audited year ended 30 Jun 08 \$'000's
Non-current assets			
Goodwill	18,711	12,673	18,045
Intangible fixed assets	1,570	995	1,406
Property, plant and equipment	1,825	878	1,775
	22,106	14,546	21,226
Current assets			
Inventories	7,092	4,999	5,475
Trade and other receivables	19,587	18,241	17,523
Bank balances and cash	454	1,160	2,097
	27,133	24,400	25,095
Current liabilities			
Financial liabilities	6,423	805	7,109
Trade and other payables	21,090	19,916	19,277
Current tax	1,299	333	1,028
Obligations under finance leases	197	118	197
	29,009	21,172	27,611
Net current assets/(liabilities)	(1,876)	3,228	(2,516)
Total assets less current liabilities	20,230	17,774	18,710
Non-current liabilities			
Financial liabilities	5,677	7,264	5,875
Obligations under finance leases	90	127	137
	5,767	7,391	6,012
Net assets	14,463	10,383	12,698
Shareholders' equity			
Called-up share capital	6,053	6,053	6,053
Share premium account	4,845	4,845	4,845
Merger reserve	9 (10,884)	(10,884)	(10,884)
Retained profits	14,449	10,369	12,684
Total shareholders' funds	14,463	10,383	12,698

Consolidated accounts as at 31 December 2008

Consolidated statement of changes in equity

	Share capital \$'000s	Share premium \$'000s	Merger reserve \$'000s	Retained Profits \$'000s	Total \$'000s
Balance at 30 June 2007	6,053	4,845	(10,884)	9,321	9,335
Profit for the financial period	-	-	-	1,245	1,245
Dividends paid	-	-	-	(197)	(197)
Balance at 31 December 2007	6,053	4,845	(10,884)	10,369	10,383
Profit for the financial period	-	-	-	2,434	2,434
Dividends paid	-	-	-	(119)	(119)
Balance at 30 June 2008	6,053	4,845	(10,884)	12,684	12,698
Profit for the financial period	-	-	-	1,999	1,999
Dividends paid	-	-	-	(234)	(234)
Balance at 31 Dec 2008	6,053	4,845	(10,884)	14,449	14,463

Consolidated accounts for the six months ended 31 December 2008

Consolidated cash flow statement

	Notes	Unaudited half year 31 Dec 08 \$'000's	Unaudited half year 31 Dec 07 \$'000's	Audited year ended 30 Jun 08 \$'000's
Cash flows from operating activities				
Net cash generated from operating activities	6	837	1,937	4,585
Cash flows from investing activities				
Interest received		1	17	81
Purchase of intangible fixed assets		(829)	(218)	(673)
Purchase of tangible fixed assets		(423)	(126)	(366)
Cash paid to acquire subsidiary undertakings		-	(1,032)	(4,649)
Net cash used in investing activities		(1,251)	(1,359)	(5,607)
Cash flows from financing activities				
Decrease in short term borrowing		(750)	(120)	(267)
Decrease(increase) in long term borrowing		(198)	-	2,885
Payment of finance lease liabilities		(47)	(60)	(142)
Dividends paid		(234)	(197)	(316)
Net cash (used) generated in financing activities		(1,229)	(377)	2,160
Net (decrease) increase in cash and cash equivalents		(1,643)	201	1,138
Cash and cash equivalents at the beginning of the period		2,097	959	959
Cash and cash equivalents at the end of the period		454	1,160	2,097

Consolidated accounts for the six months ended 31 December 2008

Group notes

1. Basis of preparation

The financial statements are presented in US dollars since this is the currency in which the majority of the Company's transactions are denominated.

The interim statement does not constitute statutory accounts as defined by Section 235 of the Companies Act 2006. The information for the year to 30 June 2008 has been extracted from the full financial statements for that year (as restated for the adoption of IFRS), which received an unqualified audit report, and which, have been filed with the Registrar of Companies. The accounting policies and method of computation are consistent with the full financial statements for the year to 30 June 2008.

2. Revenue by geographical location of customer

	Unaudited half year 31 Dec 08 \$'000's	Unaudited half year 31 Dec 07 \$'000's	Audited year ended 30 Jun 08 \$'000's
European Union	8,150	5,944	12,526
United States	30,294	13,711	36,073
Asia	9,101	10,508	18,504
Rest of the World	6,073	1,744	4,967
	<hr/> 53,618	<hr/> 31,907	<hr/> 72,070

3. Operating profit

Operating profit is stated after charging:

	Unaudited half year 31 Dec 08 \$'000's	Unaudited half year 31 Dec 07 \$'000's	Audited year ended 30 Jun 08 \$'000's
Staff costs	4,383	2,484	5,645
Depreciation and amortisation	372	223	506
Auditor's remuneration – as auditors	130	70	144
Auditor's remuneration – other work	-	-	32
Operating lease costs: land and buildings	404	173	523
	<hr/>	<hr/>	<hr/>

4. Taxation

The tax charge of \$494,000 (2007: \$330,000) is calculated by applying the effective tax rate for each of the Group's material tax jurisdictions to the profit before tax in each jurisdiction.

5. Earnings per share

Basic earnings per share are based on the Group profit attributable to members of the parent company of \$1,999,000 (2007: \$1,245,000) and on 59,628,644 (2007: 59,628,644) being the weighted average number of shares in issue during the period.

Diluted earnings per share are based on the profit attributable to members of the parent company plus the interest payable to the convertible bondholders, less the relevant tax relief thereon, being \$2,266,000 (2007: \$1,480,000) and on 69,801,511 (2007: 69,564,941) being the diluted weighted average number of shares in issue during the period.

6. Cash flow statement

	Unaudited half year 31 Dec 08 \$'000's	Unaudited half year 31 Dec 07 \$'000's	Audited year ended 30 Jun 08 \$'000's
Reconciliation of operating activities to operating cash flows			
Operating profit	3,033	2,010	5,514
<i>Adjustments for:</i>			
Depreciation	372	223	418
Operating cash flow before movement in working capital	3,405	2,233	6,020
(Increase) decrease in inventories	(1,617)	589	372
(Increase) decrease in receivables	(2,064)	(1,018)	492
Increase (decrease) in payables	1,813	1,255	(777)
Cash generated by operations	1,537	3,059	6,107
Interest paid	(477)	(393)	(870)
Income taxes paid	(223)	(729)	(652)
Net cash generated from operating activities	837	1,937	4,585

7. Investments

Details of the trading investments at 31 December 2008, in which the Group holds 20% or more of the issued share capital of any class of share capital, are as set out below. All companies are in the business of distribution of satellite communication equipment and airtime and all holdings are in ordinary shares apart from Shared Data Networks, LLC where the equity is classified as Membership interest :

<i>Name of subsidiary</i>	<i>% of shares held</i>	<i>Country</i>
SatCom Distribution Limited	100%	UK
SatCom Distribution Inc.*	100%	USA
O'Gara Satellite Systems, Inc.*	100%	USA
SatCom Distribution (Asia) Limited*	100%	Hong Kong
SatCom Distribution Middle East FZ LLC*	55%	UAE
Horizon Mobile Communications Co Limited*	100%	Thailand
Horizon Mobile Communications Pte Limited*	100%	Singapore
Horizon Mobile Communications (HK) Co Limited*	100%	BVI
Horizon Mobile Communications (Australia) Pty Limited*	100%	Australia
Horizon Mobile Communications (HK) Co Limited **	100%	Japan
SatCom Global FZE	100%	UAE
World Communication Center, Inc.*	100%	USA
Shared Data Networks, LLC*	100%	USA

** Registered branch

* Held by a subsidiary undertaking

8. Share options

Details of the Company schemes movements during the period are as follows:

	June 2008	Issued/ (Lapsed)	December 2008	Exercise price	Exercise dates
EMI approved (UK)	28,440	-	28,440	9.6 pence	April 2008 – 2015
Unapproved (Overseas)	10,760	-	10,760	9.6 pence	April 2008 – 2015
EMI approved (UK)	4,380	-	4,380	34.0 pence	October 2008 – 2015
Unapproved (Overseas)	121,981	(23,077)	98,904	34.0 pence	October 2008 – 2015
EMI approved (UK)	18,240	(2,920)	15,320	36.5 pence	December 2009 – 2016
Unapproved (Overseas)	122,477	(20,876)	101,601	36.5 pence	December 2009 – 2016
Unapproved (Overseas)	-	250,000	250,000	10.0 pence	November 2011 – 2018
TOTAL	306,278	203,127	509,405		

9. Merger reserve

The acquisition by the Company of SatCom Distribution Limited and its subsidiaries in May 2004 was accounted for as a group reconstruction. Accordingly, a debit merger reserve was recognised in the consolidated balance sheet representing the difference between the consideration paid to acquire the Group and its net assets at the date of the transaction.

10. Related Party Transactions

Transactions between group companies are eliminated on consolidation and are not disclosed in this note.

SatCom Distribution Limited incurred consultancy costs in the period in the amount of €196,000 (2007: €181,000) from Satellite Communications Consultancy BVBA. This is a company incorporated in Belgium and is controlled by a director, Mark White.