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PYTHEAS INVESTS UP TO S\$94.60 MILLION IN CASH IN ADDVALUE TECHNOLOGIES

Pytheas (Cyprus) Limited, a [Pytheas](#) company, on 28 September 2008, entered into an Investment Agreement (the "Investment Agreement") with [Addvalue Technologies Ltd.](#) (Addvalue), whereby Pytheas will invest up to S\$94.96 million in cash in Addvalue.

Despite the current volatile global financial market conditions, Pytheas, committed to complete this acquisition due to the strategic fit of Addvalue's products and services to its business as well as for the benefits of acquiring a Singapore Exchange-listed platform for its Asian expansion plans. This Investment Agreement officially kick starts a mutually beneficial alliance of interests that will leverage on the partners' key strengths to enhance each other's core competencies.

Under the Investment Agreement, Pytheas will subscribe for up to 860 million new ordinary shares at a subscription price of S\$0.11 per share. This represents up to 51.56% equity stake of Addvalue's enlarged issued share capital.

The Investment Agreement will be carried out in two phases. In Phase One (the "Initial Investment"), Pytheas will offer a cash consideration of S\$37.95 million in exchange for Addvalue's 345 million new shares (the "Initial Investment Shares") at a subscription price of S\$0.11 per share (the "Initial Investment Price"). The Initial Investment Shares, upon allotment and issuance, will represent approximately 29.92% of Addvalue's total issued share capital on an enlarged and fully diluted basis on completion of the Initial Investment.

Subsequently, in Phase Two (the "Subsequent Investment"), the remaining 515 million new shares (the "Subsequent Investment Shares") will be subscribed by Pytheas through either a call option (the "Call Option") or a put option (the "Put Option"). If either option is exercised in full, Addvalue will be paid an additional cash consideration of S\$56.65 million.

Under the Call Option granted by Addvalue to Pytheas, Pytheas will have the right to subscribe for the Subsequent Investment Shares in cash at S\$0.11 for each Subsequent Investment Share (the "Call Option Exercise Price") at any time within 12 months from the date of completion of the Initial Investment. Under the Put Option granted by Pytheas to Addvalue, Addvalue will have the right to require Pytheas to subscribe for the Subsequent Investment Shares in cash at S\$0.11 for each Subsequent Investment Share (the "Put Option Exercise Price") at any time within 12 months from the date of completion of the Initial Investment.

Valuation of the Initial Investment Price, the Call Option Exercise Price and the Put Option Share Price of S\$0.11 per share was arrived at on a willing-buyer-willing seller basis, and represents a premium of 37.5% over the closing share price of S\$0.08 per share of the Company immediately prior to the date of signing of the Investment Agreement.

Harris Samaras, the controlling shareholder of Pytheas (Cyprus) Ltd, commented, "We are pleased to have found a choice partner in Addvalue, a globally recognized, progressive and innovative provider of satellite communication that has time and again demonstrated its bankability through the delivery of complex satellite related products and services that meet the ever-rising needs and expectations of its customers.

"We are constantly pursuing sound investments across a broad range of industries and recognize the immense growth potentials in the global satellite industry, particularly in the high growth regions of the Middle East, Central and Eastern Europe, South America and Africa, fuelled by the progressively more attractive airtime rates and expanded functionality of products and solutions. Underpinning the growth potentials, are rising demands by oil and gas related projects for the monitoring of fields and pipelines and in connection with the deployment of satellite communication as a good proxy to basic telecommunications infrastructure in emerging and developed markets alike. The increasing rate of occurrence of



massive natural disasters across the globe as well as the threat of terrorism also boosted demands. Satellite products, apart from enjoying a longer life cycle relative to consumer products, also provide a relatively good defense against recession, an impending scenario facing the world right now, as demand for which tends to be relatively downward inelastic.

"With Addvalue operating in an estimated US\$20 billion exclusive niche market of exceptionally high barriers of entry; its proven modular and scalable technology platforms being ever ready for quick new product spin-offs; and its features-rich and affordable products gaining increasing market shares, we firmly believe that the Company is the perfect fit for us to ride on this high-growth industry. This is why we have continued to pursue this strategic partnership, despite the current economic turmoil.

"To both parties, this Investment Agreement is akin more to an alliance of interests than a takeover, with no significant change expected in the nature of business and management of Addvalue. While Addvalue can grow organically, it is also the right time for the Company to further strengthen and expand its network, products and services through mergers and acquisitions," added Harris Samaras.

Addvalue is currently one of the only three authorized global developers-cum-suppliers and the only one in Asia of the portable [Broadband Global Area Network](#) (BGAN) satellite terminal. The terminal operates on a satellite infrastructure, run by London-listed [Inmarsat plc](#), which facilitates connectivity anywhere in the world. [BGAN](#) is an ideal choice for communication in areas where terrestrial or cellular networks are damaged, congested, or non-existent. Addvalue is also poised to roll out an enlarged range of [related-products and solutions](#), especially for the maritime markets.

Commenting on the alliance of interests, Dr Colin Chan, Chairman and CEO of Addvalue remarked, "We are excited to have Pytheas onboard with us as our new strategic partner and consider the large investment a positive endorsement for our business model. Combining our niche satellite communication expertise with Pytheas' global footprints in countries such as the Middle East, particularly in the Kingdom of Saudi Arabia, United Arab Emirates and Qatar, Europe, South America and Africa, we are now ideally and strategically positioned to effectively tap into the fast-growing and lucrative satellite industries present there today. Besides, the large investment from Pytheas allows Addvalue to accelerate the supply of its range of maritime terminals currently under development to incorporate safety and security features in meeting the Long Range Identification Tracking ("LRIT") requirement promulgated by the International Maritime Organization ("IMO") and many national maritime authorities for a wider range of vessels in the coming years.

"It is a valid opinion that in the near future, all vessels, whether passenger, commercial, military or luxury, will naturally require the use of satellite broadband communication technology.

"This transaction is also in line with our ongoing strategy to transform ourselves into a leading global player in satellite communication. The enlarged capital base will be instrumental in providing us with the ability to strengthen our organizational structure, widen our product range and services, as well as establish points of sales worldwide and enhance existing ones.

"Prior to this, we had on October 5 demonstrated our capabilities by joining forces with leading South American remote communication providers, Tesacom and Stratos Global Corp., [to deploy a 1,200-site BGAN mobile satellite network to support Brazil's first round of municipal elections](#). The successful deployment of about 1,200 Addvalue BGAN terminals within a very short time frame and have had over 400 of them transmitting data simultaneously on a single spot beam during deployment not only reassuringly ensured the secure transmission of election results, it also made history as the world's largest BGAN deployment and clearly demonstrates the stable and reliable performance of our terminal and the BGAN network.

"The newly injected funds from Pytheas are expected to substantially improve the Company's capitalization and fortify the Company's balance sheet. Pending specific deployment, the



proceeds may be utilized for share buy-back to shore the share price of the Company should the needs arise. The addition of Pytheas as a strategic major investor and anchor shareholder of the Company is also expected to strengthen and unify the shareholder base of the Company," added Dr Colin Chan.

The Investment Agreement is conditional upon the receipt of a whitewash waiver from the Securities Industry Council, exempting Pytheas from the obligation to make a mandatory general offer for all shares in the capital of the Company not held by Pytheas, in accordance with the rules of The Singapore Code on Take-overs and Mergers as a result of Pytheas' subscription of the Initial Investment Shares and Subsequent Investment Shares. It is also subject to approval in-principle from the SGX-ST for the listing and quotation of the Initial Investment Shares and Subsequent Investment Shares on the Official List of the SGX-ST, and satisfactory due diligence by Pytheas and Addvalue on each other.

None of the Directors of the Company has any interest, direct or indirect, in the Initial Investment or the Subsequent Investment. The Directors are not aware of any substantial shareholder having any interest, direct or indirect, in the Initial Investment or the Subsequent Investment and have not received any notification of any interest in this transaction from any substantial shareholder.



From left to right: Dr. Colin Chan, Chairman & CEO and Mr. Tan Khai Pang, CTO of Addvalue Technologies, and Mr. Harris Samaras, Chairman & CEO of Pytheas during the press conference.



Dr. Chan and Mr. Samaras answering the questions of reporters right after the press conference.

Relevant links:

- [ADDVALUE: Rising star in satellite telecommunications](#)
- [Foreign funds for Singapore satellite business](#)
- [New Release: Strategic investment by Pytheas of up to S\\$94.60 million in Addvalue](#)
- [Addvalue Technologies – Corporate Presentation, 03 November 2008](#)
- [Addvalue secures new US\\$7.5 million design and supply contract with Inmarsat to introduce new FB150 fleetbroadband terminal](#)
- [Addvalue partners Thuraya to introduce maritime phone at Communicasia 2008](#)
- [Strategic Investment by Pytheas of up to S\\$94.60 million in cash in Addvalue](#)

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