Company	BATM Advanced Communications Ld
TIDM	BVC
Headline	AGM Statement
Released	07:00 02-Jul-2012
Number	5826G07

RNS Number : 5826G
BATM Advanced Communications Ld
02 July 2012

2 July 2012

BATM Advanced Communications Limited
("BATM" or "the Company")

AGM Statement

The following statement will be made by Peter Sheldon, Chairman of BATM, at the Company's Annual General Meeting being held today at 11.00am:

"I would like to provide a business and trading update for the six months to 30 June 2012 ahead of our interim results to be announced in August 2012.

"2012 is very much a transitional year for BATM. During the first half, the Company completed the restructuring of its telecoms division and is now focused on growing this business following the decline of Nokia Siemens Networks ("NSN") business. For the medical division, the Company has been focused on expanding its distribution business, supporting the growth of its sterilization business and continuing to invest significantly in achieving more CE certifications for its diagnostics business.

"For the first half of 2012 ("H1"), the Company expects to announce total revenues broadly in line with management expectations of approximately $52m compared with $56m for the equivalent period in 2011 (on a like for like basis and excluding revenues from the discontinued legacy telecom business).

"Turning to the performance of the two divisions specifically, the telecoms business will show an approximate 20% decline in revenues compared with the equivalent period in 2011, which is marginally lower than management expectations. The expected 66% decline in OEM revenues from NSN will be partially offset by a 15% increase over the same period last year in the direct IP business in the US as well as initial contributions from two new OEM agreements signed in the last quarter of 2011.

"The medical business is expected to show better than anticipated revenues, with an increase of approximately 15% over the equivalent period last year, due to growth throughout the division, including initial contributions from the diagnostics business as a result of achieving CE certification, announced in March and May 2012, for two products.

"The blended gross margin is expected to be approximately 34% in H1 compared with 39% for the same period of 2011. This is due to a greater contribution to sales from the medical division and slightly lower than expected revenues in the telecoms division. As a consequence of this and the continued investment into the diagnostics business, we now expect the Company to show a breakeven position for the first half rather than a small operating profit as was originally anticipated. In the second half of 2012, operating profit is anticipated to be breakeven at the third quarter and return to profitability from the beginning of the fourth quarter 2012.

"Looking ahead, the telecoms division is expected to return to growth following the completion of our relationship with NSN, while the medical division is expected to become profitable and will see growth in both revenues and margins going forward. The Board believes we are on track to achieve our strategic targets for the full year 2012 and remain optimistic about delivering shareholder value in the medium term.

"Finally, an update on the impending dual listing on TASE. We are making good progress and are in the final stages of the process and anticipate conclusion to occur in August 2012 with shares commencing trading before September 1st 2012."

\- Ends -

Enquiries

BATM Advanced Communications Dr Zvi Marom, Chief Executive Ofer Bar-Ner, CFO	+972 9866 2525
Newgate Threadneedle Josh Royston / Graham Herring	020 7653 9850
finnCap Marc Young	020 7220 0500
Shore Capital Pascal Keane	020 7408 4090

END

AGMUAUVRUBABRAR