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The Manager

Company Announcements Platform

INVESTOR UPDATE- PROFIT GUIDANCE

The financial performance, financial position and financial outlook for the Company have improved materially following completion of the sale of the Network Services Division.

The company has

- Disposed of this Division which has incurred significant losses over the past 3 years;
- Received a significant net consideration for the intangible assets of the business of \$763,000 and realized the working capital that was locked up in the business;
- Focused the Company's management, financial and other resources on the profitable Beam Communications Satellite Division.
- Significantly reduced administrative and corporate expenses by \$1m on annualised basis. These savings commenced in March 08 following the divestment of Network services and the full benefit will be reflected in our financial results for the 2008/9 year.
- Focused the Company's management, financial and other resources on the profitable Beam Communications Satellite Division;
- Forecast a segment gross profit of \$2,133,000 for 2007/2008 and continued revenue growth for Beam.
- Forecast a group profit of \$25,000 for the financial year ending June 2008 after including abnormal expenses of \$400,000 .

The Directors recognise the financial reports to 30 June 2007 and to 31 December 2007 do not provide a basis for anticipating the Company's results for the current year.

The Company has made several announcements since January 2008 in regard to the sale of Network Services and the other matters referred to above.

We have now completed management accounts to 31 March 2008 and carefully examined sales projections, margins and overhead expenditure for the remainder of the 2007/8 year. The Directors consider it appropriate to provide shareholders and investors with the following forecast of results for the year.

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Estimated Financial Results for the 2007/8 Year

	Year to 30.6.08 (Management A/C and Budget) \$000	Previous Year (Audited) \$000
Beam Satellite Communications Division		
Sales	9520	8459
Cost of Goods Sold and Direct Expenses	(7386)	(6457)
Segment Profit	<u>2133</u>	<u>2002</u>
Network Services Division		
Sales	5169	7921
Cost of Goods Sold and Direct Expenses	(5424)	(9602)
Goodwill impairment	-	(4710)
Profit on Sale of Business	763	-
Segment Profit (Loss)	<u>508</u>	<u>(6391)</u>
Total Segment Profit (Loss)	2691	(4389)
General Administration, Finance and Corporate Expenses	(2211)	(2608)
Abnormal legal & other expenses	(400)	
Profit on Sale of StratoSonde Assets	-	912
Estimated Profit (Loss) for year	<u>25</u>	<u>(6085)</u>

We emphasise that the projected profit of \$25,000 for the year is based on unaudited management accounts to 31 March 2008 and budget projections for the remainder of the financial year. The final result will be subject to the requirements of customers for the timing of delivery of major sales presently scheduled for June 2008 and foreign exchange variations.

The amount of unallocated general administration and corporate expense includes costs that were incurred to support the Network Services business up to February 2008. Abnormal legal and other expenses in excess of \$400,000 were incurred as a consequence of the default in funding commitments by Gesaf and the arrangement of alternative funding facilities. As a part of our review of the Company's operations, general administration and corporate expenses have been progressively reduced over the past 3 months to a level that is consistent with the current scale of the Company's operations.

Profit Outlook

The Directors are confident that the sales and segment profit for the Beam Satellite Communications Division will increase during the year ending 30 June 2009 with the continued development of new products and the introduction of additional strategic distribution partners.

The programme of reducing administrative and corporate expenses has achieved some reduction in the amount of these expenses in the 2007/8 year and the full benefit will be reflected in the financial results for the 2008/9 year. We presently estimate these expenses will not exceed \$1.3m in the 2008/9 year.

In the coming year the Company will also actively pursue other revenue generating opportunities in the satellite communications sector as part of our strategy for the long term development of the business.

The Directors recognize the important principles embodied in the ASX Listing Rules in relation to continuous disclosure and the requirement for the immediate release of information to the market if such information would have a material effect on the price or value of the Company's securities. We will make immediate announcement of any matters which may arise which would cause us to update on the above estimated profit for the 2007/8 year and our comments on the outlook for the 2008/9 year.

Yours faithfully



Tony Bigum
Chairman