

Vislink plc

Interim Management Statement

Vislink plc ("The Group"), the global technology business specialising in secure communications for the news & entertainment, law enforcement & public safety, marine & energy and the related services markets, today publishes its Interim Management Statement for the trading period from 1 January 2009 to 18 May 2009 as required by the UK Listing Authorities Disclosure and Transparency Rules.

Current trading

The reorganisation of the Group into the four Business Units (News and Entertainment, Law Enforcement and Public Safety, Marine and Energy and Services) that was announced on January 19th has now been successfully completed. All four respective Business Units were established from Vislink's existing resources and each has a clear focus on customer facing activities to sell the technologies and products of the whole Group.

The management has identified areas within operations and research and development where costs can be reduced and efficiency increased, without jeopardising the market leading status of Vislink's product portfolio or the strength of the new product pipeline. This streamlining exercise continues as planned and, as announced in January, the management expect the benefits to be seen in the latter part of 2009 and the first half of 2010.

Trading in this period of reorganisation has been in line with the Board's expectations. Orders received in the first quarter were down 21.0 per cent on the first quarter of last year at constant exchange rates. We have seen growth in excess of 35 per cent and 80 per cent respectively for our Services and Law Enforcement & Public Safety businesses. Orders for Marine & Energy have remained constant. As predicted, orders have reduced within our News & Entertainment Division. Broadcasters in both the USA and Europe have been deferring capital expenditure which has led to a slow down in orders in those markets. Orders received from the 2GHz US spectrum relocation programme declined by 49 per cent year-on-year as this programme comes to an end.

Headline revenues for the quarter ending 31 March 2009 increased by 0.6 per cent. Underlying revenues for the quarter, being revenues at constant exchange rates and excluding revenue associated with 2GHz US spectrum relocation programme, increased 14.2 per cent.

The Group's order book remains strong at £34.6 million at the end of the quarter (31 December 2008: £34.1million).

Financial position

There have been no significant changes in the financial position of the Group since the announcement of the preliminary results for the year ended 31 December 2008 save for the information contained within this Interim Management Statement.

The Group balance sheet remains strong. At the end of the first quarter the Group had net debt of £0.9 million (31 December 2008: net cash £1.2 million) after tax and deferred consideration payments of £1.1 million in the period. The Group expects to be cash generative over the year as a whole.

Outlook

As previously stated, 2009 is a year of transition for the Group while the new Business Units implement the strategy introduced at the beginning of the year, increasing the focus on the customer and more effectively cross selling the technologies and products of the whole Group. This is being undertaken at a time when customer ordering patterns continue to be less predictable. Given the current economic climate and the changes that have taken place within the Group in the first quarter, together with the associated costs, the results for the current year will be more second half weighted. Overall, the Board is satisfied that the Group is trading in line with its expectations.

AGM

The Group will hold its Annual General Meeting at 12.00 noon on Wednesday 20 May 2009 at 29 Cloth Fair, London, EC1A 7NN. The Group is scheduled to announce its interim results for the six months to 30 June 2009 on 26 August 2009.

Duncan Lewis,
Chief Executive
19 May 2009

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