Vislink Acquires Gigawave

Vislink announced that on 2nd June 2011 it acquired the entire issued share capital of Gigawave Limited for a cash consideration of £3.75 million.

Based in Colchester, Essex, UK, Gigawave is privately owned by a number of individual shareholders and employs 87 people. Gigawave is a leading designer, manufacturer and supplier of wireless camera, microwave and antenna products for the broadcast market. Gigawave has a particular strength in "on-board" applications for motorsport events around the world. Gigawave will complement and broaden the Group's capabilities in terms of engineering, product portfolio and geographic reach and will therefore strengthen the Group's position in its broadcast market.

Gigawave will be integrated into the Group's UK operations so as to realise the benefits expected from improved global distribution of all the Vislink brands and operational efficiencies. Gigawave's founder and existing Managing Director, Henry Barczynski, MM will serve the Group as Chief Marketing Officer reporting to the Chairman and Chief Executive, John Hawkins.

For the financial year ended 30 April 2010, Gigawave generated audited sales of £12.53 million and a loss before tax of £0.97 million. As at 30 April 2010, Gigawave had audited gross assets of £5.32 million. For the year to 30 April 2011 Gigawave generated unaudited sales of £10.1 million, an unaudited loss before tax of £0.43 million and had unaudited gross assets of £4.87 million.

Under the terms of the Acquisition agreement, an initial consideration of £1.75 million was paid on completion on 2 June 2011. The Group also repaid shareholder loans of £0.4 million on completion. Deferred consideration of £1.0 million is payable on each of the first and second anniversary of completion. The initial consideration was paid in cash, financed out of the Group's existing cash balances. Deferred consideration will also be paid in cash. The Board expects the Acquisition to be earnings enhancing in its first full year (see note 1).

John Hawkins, Vislink's Chairman and Chief Executive, commented on the acquisition: "We are delighted to announce the acquisition of Gigawave, which will broaden our offering within the broadcast market. The Gigawave business and its management are well known to us and we look forward to the Gigawave and Vislink teams working together, sharing product developments, distribution and sales opportunities."

For more information, visit: www.vislink.com [1]

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