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

Trading Update

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BATM Advanced Communications Limited (LSE: BVC; TASE: BATM), a leading provider of real-time technologies for the networked telecoms and medical laboratory equipment markets, provides the following update on trading.

As stated in the Group's interim management statement for the first quarter of 2013, BATM was on schedule to deliver solid growth in 2013. At the beginning of Q2 2013, the Group was gearing up its production in the Medical division businesses of diagnostics and pathogenic waste management in response to significant demand for its products. In order to meet this demand in the diagnostics business, BATM also increased spending on seeking registration. Disappointingly, components supplied by third parties failed to arrive during May as scheduled, and consequently BATM was unable to fulfill orders and was forced to postpone deliveries. However, the backlog remains substantial and, with certain components required to complete some orders having been received, the Group is working towards clearing this in the second half of 2013.

Separately, due to ongoing global economic and commercial uncertainty, the Group has re-enforced its policy of tight credit control for certain customers of the distribution business of the Medical division whereby shipping should only occur once payment has been received by BATM or it has complete confidence that payment will be forthcoming. Consequently, and in accordance with this policy, the Group was forced to stop supplies to certain major customers globally during May 2013. This has resulted in revenues in this business being lower than anticipated.

The consequence of the above factors is that the Group expects first half 2013 revenue and profit to be materially below management's expectations. In contrast, the Group has opened trading in June 2013 very well and its businesses are returning to normality. Accordingly, the Group expects H2 2013 performance to be in line with management's expectations. For the full year to 31 December 2013 as a whole, the Group still expects to achieve higher revenue and profit than for the full year to 31 December 2012.

Looking ahead, the fundamentals of the business remain strong. BATM's Telecom division's T-Metro 8000 platform and Edge Genie service management solution continue to attract interest from customers globally. The Group has also been asked to join consortia bidding for large, long-term contracts, and the Board is confident of being awarded contracts in thenear future. In the Medical division, the diagnostics business continues to grow and has a strong order book and backlog. In addition, the Group continues to increase the installations of its Integrated Sterilizer and Shredder systems in the sterilization business.

CELARE, the Group's subsidiary focusing on networks security, continues to perform well in its contract with the Israeli Defence Force. Due to the growing demand for products and services to protect networks against cyber-attacks, BATM has been in discussions with the relevant authorities to allow it to market part of its product line globally. BATM anticipates successful conclusion to these talks in 2013 and has accelerated its strategic plan for this business.

BATM will provide further details on trading for the first half of the year in its interim results announcement in August 2013.

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