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SED INTERNATIONAL HOLDINGS, INC. REPORTS 29% INCREASE IN NET SALES FOR FISCAL 2010 SECOND QUARTER

Fueled by 156% Growth in Sales of Consumer Electronics, Net Sales Climbed to \$141 Million from \$109 Million for Comparable Three Month Periods

Teleconference and Webcast Scheduled for this Afternoon, Beginning at 4:15 PM ET

TUCKER, GA – (PR NEWSWIRE) – February 11, 2010 – SED International Holdings, Inc. (OTCBB:SECX), a multinational supply chain management provider and distributor of leading computer technology, wireless communications, consumer electronics and small appliances, today announced its fiscal 2010 second quarter results for the three and six months ended December 31, 2009.

Financial Highlights for Three Months Ended December 31, 2009 Compared to Three Months Ended December 31, 2008:

Net sales increased 29% to \$140.4 million from \$109.1 million.

- o Sales of consumer electronics products totaled \$23.9 million, up 156% from \$9.3 million.
- o Micro-computing products rose 18% to \$115.4 million from \$98.1 million.
- o Domestic sales totaled \$95.1 million, reflecting a 38% increase from \$68.8 million.
- o Export revenues, net of eliminations, increased 36% to \$18.3 million from \$13.5 million.
- o After translation into U.S. dollars, Latin American sales decreased 7%. However, when measured in local currencies, Latin American sales remained relatively flat at \$27.1 million compared to \$26.8 million.

Due largely to a one-time expense totaling \$1.6 million, which related to an employment contract settlement charge for the early retirement of the Company's former Chairman and CEO, the operating loss totaled \$1.2 million compared to an operating loss of \$108,000. Notwithstanding the contract settlement cost, the Company achieved operating income of approximately \$400,000.

Net loss was \$1.4 million, or \$0.31 per basic and diluted share, compared to a net loss of \$700,000, or \$0.18 per basic and diluted share.

Financial Highlights for Six Months Ended December 31, 2009 Compared to Six Months Ended December 31, 2008

Net sales climbed 17% to \$268.4 million from \$229.8 million.

- o Consumer electronics sales rose 126% to \$41.3 million from \$18.3 million.
- o Sales of micro-computing products totaled \$224.7 million, rising 8% from \$207.2 million.
- o Domestic revenues were \$173.5 million, reflecting a 30% improvement from \$133.2 million.
- o Export revenues, net of eliminations, remained relatively unchanged at \$41.2 million, compared to \$41.7 million.
- o Latin American sales as measured in local currencies decreased 2%. After translating into U.S. dollars, Latin American sales were \$53.7 million compared to \$54.9 million.

Despite factoring the aforementioned one-time employment contract settlement charge of \$1.6 million, operating loss declined to \$94,000 from \$293,000.

Net loss also decreased, falling to \$900,000, or \$0.21 per basic and diluted share, from a net loss of \$1.0 million, or \$0.26 per basic and diluted share.

As of December 31, 2009, the Company had cash and cash equivalents of \$7.9 million, net trade receivables of \$55.1 million, net inventories of \$45.7 million, and working capital of \$17.8 million. Total shareholder's equity at the end of the reporting period was \$18.5 million. Cash provided by operating activities in the first six months of fiscal 2010 was \$4.7 million, compared to \$4.0 million for the same six months in fiscal 2009. In addition, SED has remained in

compliance with all covenants relating to its revolving \$50 million credit facility with Wells Fargo (formerly Wachovia Bank). Net borrowings under its credit facilities decreased by approximately \$100,000 to \$25.0 million at December 31, 2009 compared to \$25.1 million at June 30, 2009.

Commenting on the results, Jonathan Elster, SED's President and Chief Executive Officer, stated, "Our revenue growth in the first six months of this fiscal year has been very strong and helps to reinforce our confidence that sales and linecard expansion initiatives undertaken in the prior year, coupled with the economic recovery, are empowering us to achieve tangible forward momentum in all key areas of our business. Moreover, the notable growth we are experiencing across our product segments, reflects that we are making the right investment choices and are executing our planned growth strategies very well."

"Last month, SED bid a fond farewell to Jeanie Diamond, our Co-Founder, former Chairman and CEO, who retired after 30 years of service to our Company. We will all miss Jeanie's day-to-day involvement at SED, but look forward to continuing to leverage her experience and love of our Company as a valuable and highly respected member of our Board of Directors. I take tremendous pride in being chosen to assume the CEO mantle for our Company and intend to work very hard to ensure that her legacy of 'striving to always exceed our customers' expectations' is one that lives on for decades to come."

SED will host a teleconference and webcast this afternoon, beginning at 4:15 PM Eastern Time, and invites all interested parties to join management in a discussion regarding the Company's financial results, corporate progression and other meaningful developments. The conference call can be accessed via telephone by dialing toll free 1-888-846-5003 or via the Internet at www.SEDonline.com. For those unable to participate at that time, a replay of the webcast will be available for 90 days on www.SEDonline.com.

For more detailed information on the fiscal 2010 second quarter results, please refer to the related Form 10-Q filed this morning with the U.S. Securities & Exchange Commission, which can be accessed online at www.sec.gov or www.SEDonline.com.

FINANCIAL CHARTS TO FOLLOW

SED International Holdings, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets
(Dollars in thousands)

	December 31, 2009	June 30, 2009
	(Unaudited)	(Note 1)
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 7,878	\$ 3,570
Trade receivables, net	55,067	50,128
Inventories, net	45,702	38,532
Deferred tax assets, net	312	286
Other current assets	6,213	5,653
Total current assets	115,172	98,169
Property and equipment, net	815	720
Total assets	\$ 115,987	\$ 98,889
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Trade accounts payable	\$ 62,860	\$ 47,417
Accrued and other current liabilities	9,597	7,670
Revolving credit facility	25,000	25,093
Total liabilities	97,457	80,180
Commitments and contingencies		
Shareholders' equity:		
Preferred stock, \$1.00 par value; authorized: 129,500 shares, none issued	-	-
Common stock, \$.01 par value; 100,000,000 shares authorized; 6,663,869 shares issued and 4,969,378 shares outstanding at December 31, 2009 and 6,781,302 shares issued and 5,086,811 shares outstanding at June 30, 2009	67	68
Additional paid-in capital	69,749	69,525
Accumulated deficit	(34,451)	(33,531)
Accumulated other comprehensive loss	(3,748)	(4,266)
Treasury stock, 1,694,491 shares, at cost	(13,087)	(13,087)
Total shareholders' equity	18,530	18,709
Total liabilities and shareholders' equity	\$ 115,987	\$ 98,889

SED International Holdings, Inc. and Subsidiaries
Condensed Consolidated Statements of Operations - Unaudited
(Dollars in thousands, except share and per share amounts)

	Three Months Ended		Six Months Ended	
	December 31,		December 31	
	2009	2008	2009	2008
Net sales	\$ 140,424	\$ 109,108	\$ 268,363	\$ 229,826
Cost of sales	133,229	102,541	254,432	216,709
Gross profit	7,195	6,567	13,931	13,117
Operating expenses:				
Selling, general and administrative expense	6,217	6,165	12,263	11,899
Employment contract settlement expense	1,600	-	1,600	-
Depreciation and amortization expense	99	120	204	239
Foreign currency transaction loss (gain)	482	390	(42)	1,272
Total operating expenses	8,398	6,675	14,025	13,410
Operating loss	(1,203)	(108)	(94)	(293)
Interest (income) expense:				
Interest (income)	(28)	-	(47)	-
Interest expense	348	273	790	577
Interest, net	320	273	743	577
Loss before income taxes	(1,523)	(381)	(837)	(870)
Income tax (benefit) expense	(151)	315	83	152
Net loss	\$ (1,372)	\$ (696)	\$ (920)	\$ (1,022)
Basic and diluted loss per common share:	\$ (.31)	\$ (.18)	\$ (.21)	\$ (.26)

Weighted average number of common shares outstanding:

Basic	4,427,000	4,004,000	4,344,000	4,004,000
Diluted	4,427,000	4,004,000	4,344,000	4,004,000

ABOUT SED INTERNATIONAL HOLDINGS, INC.

Founded in 1980, SED International Holdings, Inc. is a multinational, preferred distributor of leading computer technology, wireless communications, consumer electronics and small appliances. The Company also offers custom-tailored supply chain management services ideally suited to meet the priorities and distribution requirements of the e-commerce, Business-to-Business and Business-to-Consumer markets. Headquartered near Atlanta, Georgia with business operations in California; Florida; Georgia; Texas; Bogota, Colombia and Buenos Aires, Argentina, SED serves a customer base of over 10,000 channel partners and retailers in the U.S. and Latin America. To learn more, please visit www.SEDonline.com; or follow us on Twitter @SEDIntl.

Statements made in this Press Release that are not historical or current facts are "forward-looking statements." These statements often can be identified by the use of terms such as "may," "will," "expect," "believes," "anticipate," "estimate," "approximate" or "continue," or the negative thereof. The Company wishes to caution readers not to place undue reliance on any such forward-looking statements, which speak only as of the date made. Any forward-looking statements represent management's best judgment as to what may occur in the future. However, forward-looking statements are subject to risks, uncertainties and important factors beyond the control of the Company that could cause actual results and events to differ materially from historical results of operations and events and those presently anticipated or projected. These factors include adverse economic conditions, entry of new and stronger competitors, inadequate capital, unexpected costs, failure to gain product approval in foreign countries and failure to capitalize upon access to new markets. The Company disclaims any obligation to revise any forward-looking statements to reflect events or circumstances after the date of such statement or to reflect the occurrence of anticipated or unanticipated events. These factors and others are discussed in the "Management's Discussion and Analysis" section of the Company's Reports on Form 10-K for the fiscal year ended June 30, 2009 and Form 10-Q for the quarter ended December 31, 2009.