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SED INTERNATIONAL HOLDINGS REPORTS FISCAL 2010 THIRD QUARTER FINANCIAL RESULTS

Achieves Net Income of \$0.5 Million on Net Sales of \$140 Million

Management to Host Teleconference and Webcast Today at 4:30 PM ET

TUCKER, GA – May 13, 2010 – SED International Holdings, Inc. (OTCBB:SECX), a multinational supply chain management provider and distributor of leading computer technology, consumer electronics, small appliances and cellular products, today announced financial results for the fiscal 2010 third quarter and nine months ended March 31, 2010.

Third Quarter Fiscal 2010 and Recent Financial Highlights, Year-over-year Comparisons:

- Net sales increased 21% to \$140.2 million.
 - Consumer electronics product sales increased 51% to \$17.1 million.
 - Microcomputer product sales, excluding handling revenue, increased 18% to \$122.0 million.
 - Domestic sales improved 16% to \$86.0 million.
 - Export revenues, net of eliminations, increased 15% to \$22.7 million.
 - After translation into U.S. dollars, Latin American sales increased 38% to \$31.5 million. When measured in local currencies, Latin American sales increased 19%.
- Improved operating income to \$1.1 million, compared to an operating loss of \$10,000.
- Grew net income to \$559,000, or \$0.12 per share, compared with a net loss of \$249,000, or \$0.06 per share.
- In May 2010, SED's Board of Directors reserved an additional \$100,000 for purchases under its stock repurchase program.

Nine Months Ended March 31, 2010 Financial Highlights, Year-over-year Comparisons:

- Net sales increased 18% to \$408.5 million.
 - Consumer electronics product sales increased 97% to \$58.4 million.
 - Microcomputer product sales, excluding handling revenue, increased 12% to \$346.7 million.
 - Domestic sales improved 25% to \$260.2million.
 - Export revenues, net of eliminations, increased 4% to \$63.1 million.
 - After translation into U.S. dollars, Latin American sales increased 10% to \$85.2 million. When measured in local currencies, Latin American sales increased 5%.
- Improved operating income to \$1.0 million, compared with an operating loss of \$303,000.
- Reduced the net loss to \$361,000, or \$0.08 per share, compared with a net loss of \$1.3 million, or \$0.32 per share. The fiscal 2010 period included a one-time charge employment settlement charge of \$1.6 million in the second quarter of fiscal 2010. Excluding this charge,

SED would have reported net income for the first nine months of fiscal 2010 of \$1.2 million or \$0.26 per share.

As of March 31, 2010, SED had cash and cash equivalents of \$4.2 million, net trade receivables of \$56.6 million, net inventories of \$50.4 million, working capital of \$18.6 million and total shareholder's equity of \$19.5 million. SED's return on invested capital (ROIC) on an annualized basis for the three months ended March 31, 2010 was 6.6%. The Company's ROIC metric is calculated on an annualized basis using after-tax operating income divided by stockholders' equity and debt, net of cash.

In addition, SED has a revolving credit facility with Wells Fargo (formerly Wachovia Bank) totaling \$50 million and a \$3.0 million unsecured line of credit with Banco de Credito. At March 31, 2010 available borrowings under the Wells Fargo facility were \$17.3 million after deducting \$1.8 million in reserves for outstanding letters of credit, and \$2.4 million under its line of credit with Banco de Credito.

Jonathan Elster, SED's President and Chief Executive Officer, said, "This marks our fourth consecutive quarter of profitability, excluding one-time charges incurred in the second quarter. We expect to continue this upward growth trend as we further build our business through new customer acquisitions, vendor additions that expand our already robust line card, and experience increasing demand as the economy demonstrates signs of recovery.

"During the quarter we made considerable progress in growing our top and bottom line and strengthening our balance sheet while maintaining tight expense controls and implementing efficiencies designed to improve our distribution strategy and augment our margins. We achieved significant year-over-year growth across our business lines and realized a 9% gain on a sequential quarter basis in Latin America due largely to sales from our mobility sector, which includes notebooks and netbooks. Our increased focus on our ecommerce channels is also paying off. We are considerably improving our sales in this market through product placement initiatives, content enhancement programs, and new vendor additions. There remains significant room to grow our business across all of our segments and we are already making terrific headway," Mr. Elster concluded.

Conference Call

SED's senior management team will host a teleconference and webcast today, beginning at 4:30 PM Eastern time to discuss its financial results and recent Company developments. Interested parties are invited to participate in the conference call by dialing 1-877-941-8418 toll free from the U.S. and Canada, or 1-480-629-9809 for international callers. For those unable to participate on the live call, an audio replay will be available beginning approximately one hour after the conclusion of the live call through May 27, 2010. The audio replay can be accessed by dialing 1-800-406-7325 from the U.S. or Canada, or 1-303-590-3030 internationally, and entering access ID Number 4293906#.

The call will be also be available as a live, listen-only webcast on the "Investor Relations" section of the Company's website at <http://www.sedonline.com/CustomPages/aboutus/investor.aspx>. Following the live webcast, an online archive will be available for 90 days.

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

ABOUT SED INTERNATIONAL HOLDINGS, INC.

Founded in 1980, SED International Holdings, Inc. is a multinational, preferred distributor of leading computer technology, consumer electronics, small appliances and cellular products. 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 @SEDIIntl.

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 March 31, 2010.

SED International Holdings, Inc. and Subsidiaries

CONDENSED CONSOLIDATED BALANCE SHEETS
(Dollars in thousands, except share and per share amounts)

	March 31, 2010	June 30, 2009
	(Unaudited)	(Note 1)
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 4,179	\$ 3,570
Trade receivables, net	56,578	50,128
Inventories, net	50,366	38,532
Deferred tax assets, net	294	286
Other current assets	5,686	5,653
Total current assets	<u>117,103</u>	<u>98,169</u>
Property and equipment, net	923	720
Total assets	<u>\$ 118,026</u>	<u>\$ 98,889</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Trade accounts payable	\$ 57,563	\$ 47,417
Accrued and other current liabilities	9,910	7,670
Revolving credit facilities	31,041	25,093
Total liabilities	<u>98,514</u>	<u>80,180</u>
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; 6,746,906 shares issued and 5,052,415 shares outstanding at March 31, 2010 and 6,781,302 shares issued and 5,086,811 shares outstanding at June 30, 2009	67	68
Additional paid-in capital	69,856	69,525
Accumulated deficit	(33,892)	(33,531)
Accumulated other comprehensive loss	(3,432)	(4,266)
Treasury stock, 1,694,491 shares, at cost	<u>(13,087)</u>	<u>(13,087)</u>
Total shareholders' equity	<u>19,512</u>	<u>18,709</u>
Total liabilities and shareholders' equity	<u>\$ 118,026</u>	<u>\$ 98,889</u>

SED International Holdings, Inc. and Subsidiaries

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Dollars in thousands, except share and per share amounts)
(Unaudited)

	Three Months Ended		Nine Months Ended	
	March 31,		March 31,	
	2010	2009	2010	2009
Net sales	\$ 140,153	\$ 115,920	\$ 408,515	\$ 345,746
Cost of sales	132,746	109,394	387,178	326,103
Gross profit	<u>7,407</u>	<u>6,526</u>	<u>21,337</u>	<u>19,643</u>
Operating expenses:				
Selling, general and administrative expense	6,473	5,580	18,735	17,480
Employment contract settlement expense	-	-	1,600	-
Depreciation and amortization expense	87	121	291	360
Foreign currency transaction (gain) loss	(254)	835	(296)	2,106
Total operating expenses	<u>6,306</u>	<u>6,536</u>	<u>20,330</u>	<u>19,946</u>
Operating income (loss)	<u>1,101</u>	<u>(10)</u>	<u>1,007</u>	<u>(303)</u>
Interest (income) expense:				
Interest income	(26)	(90)	(73)	(90)
Interest expense	324	303	1,114	880
Interest, net	<u>298</u>	<u>213</u>	<u>1,041</u>	<u>790</u>
Income (loss) before income taxes	<u>803</u>	<u>(223)</u>	<u>(34)</u>	<u>(1,093)</u>
Income tax expense	<u>244</u>	<u>26</u>	<u>327</u>	<u>178</u>
Net income (loss)	<u>\$ 559</u>	<u>\$ (249)</u>	<u>\$ (361)</u>	<u>\$ (1,271)</u>
Basic income (loss) per common share:	<u>\$.12</u>	<u>\$ (.06)</u>	<u>\$ (.08)</u>	<u>\$ (.32)</u>
Diluted income (loss) per common share:	<u>\$.11</u>	<u>\$ (.06)</u>	<u>\$ (.08)</u>	<u>\$ (.32)</u>
Weighted average number of common shares outstanding:				
Basic	4,631,000	4,004,000	4,440,000	4,004,000
Diluted	5,077,000	4,004,000	4,440,000	4,004,000