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SED INTERNATIONAL HOLDINGS REPORTS FISCAL 2009 YEAR-END RESULTS

Sees Return to Profitability in Fourth Quarter, Ended June 30, 2009

Teleconference and Webcast Scheduled for this Morning, Beginning at 11:00 AM ET

TUCKER, GA – (PR NEWSWIRE) – September 25, 2009 – SED International Holdings, Inc. (OTCBB:SECX), a multinational supply chain management provider and distributor of leading computer technology, wireless communications and consumer electronics, today announced its fiscal 2009 results for the three and 12 months ended June 30, 2009.

Financial Highlights for the Three Months Ended June 30, 2009 Compared to Three Months Ended June 30, 2008:

Net sales increased 10% to \$126.7 million from \$115.2 million.
Operating income was \$383,000, up from operating losses of \$1.9 million.
Net income totaled nearly \$183,000, rising from a net loss of approximately \$2.3 million.

Financial Highlights for Fiscal Year 2009 Compared to Fiscal Year 2008:

Net sales remained nearly flat at \$472.5 million compared to \$478.7 million.

- Sales of Consumer Electronics totaled \$49.5 million, up 72% from \$28.8 million.
- Micro-computing product sales declined 6% to \$415.9 million from \$440.9 million.
- Domestic revenues improved 4%, rising to \$285.4 million from \$281.5 million.
- Export revenues, net of eliminations, decreased 11% to \$86.8 million from \$97.7 million.
- Latin American sales, after translation into U.S. dollars, remained relatively flat at \$103.2 million, compared to \$103.5 million. However, when measured in local currencies, Latin American sales increased 12%.

Gross profit margins improved to 5.5% from 5.3%.
Operating income markedly improved, rising to \$425,000 from \$51,000.
Net loss was reduced by 45% to \$1.09 million, or \$0.27 loss per basic and diluted share, compared to \$1.96 million, or \$0.51 loss per basic and diluted share.

As of June 30, 2009, the Company had cash and cash equivalents of \$3.6 million, net trade receivables of \$50.1 million, net inventories of \$38.5 million, and working capital of \$18.0 million. Total shareholder's equity at the end of the reporting period was \$18.7 million. In addition, SED has remained in compliance with all covenants relating to its revolving credit facility with Wells Fargo (formerly Wachovia Bank). Available borrowings under the facility were \$13.3 million after deducting \$1.8 million in reserves for outstanding letters of credit, and \$2.5 million under a line of credit with Banco de Credito. Average borrowings under the revolving credit facility were \$24.1 million for fiscal 2009.

Jean Diamond, SED Chairman and CEO, stated, "SED made meaningful strides in fiscal 2009 towards achieving key financial and operational objectives that we set for ourselves when the year began. In view of the economic realities brought on by the global recession, we went on the offense, planning and executing tactical strategies to offset the industry-wide slowdown in computer and IT-related spending."

"Central to our plan was pursuing growth in our consumer electronics business; expanding and enhancing our linecard of in-demand, high quality products; launching a more robust online web presence complete with enhanced customer interaction tools and capabilities; and working with our customers to implement and finance innovative ideas and strategies to build their respective businesses," continued Diamond. "I'm very proud to confirm that we accomplished all this and more, and saw a return to profitability in our fourth quarter. As a result, SED is well poised to capitalize on

exciting, new growth opportunities we are now pursuing, giving us reason to be optimistic about our anticipated financial performance in fiscal 2010.”

Concluding, she said, “This past July, SED celebrated the beginning of our 30th year in business. We have endured for three decades because we highly value and religiously practice one underlying business principle: human connection must be a priority commensurate with product and service quality. Coupled with insisting on integrity in all that we do, that is what has and will continue to earn SED the appreciation, trust and loyalty of our vendors and customers, and will protect and enrich our industry standing through good times and bad.”

SED will host a teleconference this morning, beginning at 11:00 AM ET 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 1-877-941-2068 or via webcast accessible on 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.

**SED International Holdings, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets (Audited)**

	2009	June 30, 2008
ASSETS		
Current assets:		
Cash and cash equivalents.....	\$ 3,570,000	\$ 4,086,000
Trade accounts receivable, less allowance for doubtful accounts of \$584,000 (2009) and \$753,000 (2008)	50,128,000	44,839,000
Inventories, net	38,532,000	36,116,000
Deferred tax assets, net	286,000	260,000
Other current assets	5,653,000	7,615,000
Total current assets	98,169,000	92,916,000
Property and equipment, net	720,000	1,044,000
Total assets	\$ 98,889,000	\$ 93,960,000
LIABILITIES AND SHAREHOLDERS’ EQUITY		
Current liabilities:		
Trade accounts payable.....	\$ 47,417,000	\$ 45,986,000
Accrued and other current liabilities	7,670,000	8,865,000
Revolving credit facility.....	25,093,000	18,837,000
Total liabilities	80,180,000	73,688,000
Commitments and contingencies		
Shareholders’ equity:		
Preferred stock, \$1.00 par value; 129,500 shares authorized, none issued	-	-
Common stock, \$.01 par value; 100,000,000 shares authorized, 6,781,302 (2009) and 6,278,347 (2008) shares issued, 5,086,811 (2009) and 4,583,856 (2008) shares outstanding	68,000	63,000
Additional paid-in capital	69,525,000	68,681,000
Accumulated deficit.....	(33,531,000)	(32,443,000)
Accumulated other comprehensive loss.....	(4,266,000)	(2,942,000)
Treasury stock, 1,694,491 shares, at cost	(13,087,000)	(13,087,000)
Total shareholders’ equity	18,709,000	20,272,000
Total liabilities and shareholders’ equity.....	\$ 98,889,000	\$ 93,960,000

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

	Year Ended June 30,	
	2009	2008
Net sales	\$ 472,478,000	\$ 478,690,000
Cost of sales	446,534,000	453,282,000
Gross profit	25,944,000	25,408,000
Selling, general and administrative expenses, excluding litigation settlement expense and depreciation and amortization expense	23,151,000	22,552,000
Litigation settlement expense	-	2,075,000
Depreciation and amortization expense	474,000	473,000
Foreign currency transactions loss	1,894,000	257,000
Operating income	425,000	51,000
Interest income	(115,000)	(123,000)
Interest expense	1,250,000	1,741,000
Loss income before income taxes	(710,000)	(1,567,000)
Income tax expense	378,000	397,000
Net loss	\$ (1,088,000)	\$ (1,964,000)
Basic and diluted loss per common share	\$ (.27)	\$ (.51)
Weighted average number of common shares outstanding:		
Basic and diluted	4,020,000	3,879,000

For more detailed information on the 2009 fiscal year-end results, please refer to the related Form 10-K filed yesterday 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, 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 Report on Form 10-K for the fiscal year ended June 30, 2009.

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