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SED INTERNATIONAL HOLDINGS BEGINS FISCAL 2010 WITH PROFITABLE FIRST QUARTER PERFORMANCE

Net Sales Rise 6% to \$128 Million, Aided by 95% Increase in Consumer Electronics Sales

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

TUCKER, GA – (PR NEWSWIRE) – November 12, 2009 – 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 first quarter results for the three months ended September 30, 2009.

Financial Highlights for the First Quarter of Fiscal 2010 Compared to the First Quarter of Fiscal 2009:

Net sales rose 6% to \$127.9 Million, up from \$120.7 million.

- o Sales of consumer electronics products nearly doubled, increasing 95% to \$17.4 million from \$8.9 million.
- o Micro-computing product sales remained relatively flat at \$109 million.
- o Domestic sales climbed 22% to \$78.4 million from \$64.3 million.
- o Export revenues, net of eliminations, decreased 19% to \$22.9 million from \$28.3 million.
- o After translation into U.S. dollars, Latin American sales decreased 5% to \$26.6 million from \$28.1 million. However, when measured in local currencies, Latin American sales increased 4%.

Operating income materially improved, rising to \$1.1 million, compared to an operating loss of \$185,000. Net income totaled \$452,000, or \$0.11 earnings per basic share and \$0.10 earnings per diluted share, rising sharply from a net loss of \$326,000, or \$0.08 loss per diluted share.

As of September 30, 2009, the Company had cash and cash equivalents of \$5.8 million, net trade receivables of \$49.3 million, net inventories of \$41.9 million, and working capital of \$19.4 million. Total shareholder's equity at the end of the reporting period was \$20.1 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 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 for the first three months of fiscal 2010 were \$22.4 million.

Jeanie Diamond, Chairman and Chief Executive Officer of SED, stated, "This marks two consecutive profitable quarters for our Company and helps to validate our confidence that fiscal 2010 may indeed prove to be a strong, turnaround year for SED. Our consumer electronics business has continued to perform extraordinarily well and quarterly sales of computer/IT products are showing signs of stabilization, thanks in large measure to the strengthening of the economy. Further, with the holiday season approaching, we are hopeful that our new small appliance/ kitchen electrics offerings will start to gain meaningful sales traction and begin contributing to our future revenue and earnings growth. As we progress through fiscal 2010, we fully intend to perpetuate our first quarter success and strengthen our top and bottom line performance in the quarters ahead."

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 1-877-941-1428 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 first 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.

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

	September 30, 2009	June 30, 2009
	(Unaudited)	(Audited)
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 5,758	\$ 3,570
Trade receivables, net	49,342	50,128
Inventories, net	41,919	38,532
Deferred income taxes, net	320	286
Other current assets	5,481	5,653
Total current assets	102,820	98,169
Property and equipment, net	723	720
Total assets	\$ 103,543	\$ 98,889
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Trade accounts payable	\$ 48,383	\$ 47,417
Accrued and other current liabilities	7,733	7,670
Revolving credit facility	27,323	25,093
Total liabilities	83,439	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; 6,761,302 shares issued and 5,066,811 shares outstanding at September 30, 2009 and 6,781,302 shares issued and 5,086,811 shares outstanding at June 30, 2009	68	68
Additional paid-in capital	69,660	69,525
Accumulated deficit	(33,079)	(33,531)
Accumulated other comprehensive loss	(3,458)	(4,266)
Treasury stock, 1,694,491 shares, at cost	(13,087)	(13,087)
Total shareholders' equity	20,104	18,709
Total liabilities and shareholders' equity	\$ 103,543	\$ 98,889

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

	Three Months Ended	
	September 30,	
	2009	2008
Net sales	\$ 127,938	\$ 120,718
Cost of sales	121,202	114,168
Gross profit	6,736	6,550
Operating expenses:		
Selling, general and administrative expense	6,046	5,734
Depreciation and amortization expense	105	119
Foreign currency transaction (gain) loss	(525)	882
Total operating expenses	5,626	6,735
Operating income (loss)	1,110	(185)
Interest (income) expense:		
Interest (income)	(18)	-
Interest expense	442	304
Interest, net	424	304
Income (loss) before income taxes	686	(489)
Income tax expense (benefit)	234	(163)
	\$ 452	\$ (326)
<i>Net income (loss)</i>		
Basic and diluted income (loss) per common share:		
Basic	\$.11	\$ (.08)
Diluted	\$.10	\$ (.08)
 <i>Weighted average number of common shares outstanding:</i>		
Basic	4,281,000	4,004,000
Diluted	4,578,000	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 Report on Form 10-K for the fiscal year ended June 30, 2009 and Form 10-Q for the quarterly reporting period ended September 30, 2009.