

**Press Release – FY2008 Results**

**ECS FY2008 NET PROFIT RISES 25.8% TO \$29.4M  
ON CONTINUED MARGINS ENHANCEMENT,  
IMPROVED CASH MANAGEMENT;  
PROPOSES 2.7 S CENTS DIVIDEND PER SHARE**

- Revenue up 5.8% to \$2.9 billion and net profit growth continues to outstrip revenue growth
- Gross margin up to 5.1% vs 4.8% a year ago
- Operating profit up 22.9% to \$52.2 million; operating margin increased to 1.8% vs 1.5%
- Positive operating cashflow at \$16.4 million vs \$7.2 million;
- Net gearing down to 0.60 times vs 0.68 times
- Outlook: Group will continue to strengthen financial efficiencies especially working capital and cash flow and pursue continuous improvements in operational processes

**Singapore, 27 February 2009** – ECS Holdings Limited (“ECS” or the “Group”), a leading regional Info-Comm Technology (“ICT”) solutions provider representing best-of-class global brand names, announced today that its net profit attributable to equity holders rose 25.8% to \$29.4 million for the year ended 31 December (“FY2008”), propelled by continued margins enhancement and improved cash management.

Concurrently, FY2008 net profit growth continued to outstrip FY2008 revenue growth as the Group consciously tried to enhance operating performance with revenue growth an important but secondary priority.

For the financial year, operating profit increased 22.9% to \$52.2 million from \$42.5 million even as revenue rose slightly by 5.8% to \$2.9 billion from \$2.8 billion. ECS’ revenue performance in FY 2008 would have been grown by 11.6% had it not been for the effect of currency translation.

Gross and operating margins for FY 2008 increased to 5.1% from 4.8%, and to 1.8% from 1.5%, respectively, over the comparative periods.

Significantly in FY2008, the Group intensified its focus on cash management in view of the declining financial conditions worldwide. As at 31 December 2008, ECS generated a positive operating cash flow of \$16.4 million from \$7.2 million at 31 December 2007. Due to the improved operating cash flow, net gearing improved to 0.60 times from 0.68 times.

Tighter credit control and shorter cash cycles led to significant improvements in the Group’s working capital position. As at 31 December 2008, ECS’ cash and cash equivalents were \$49.5 million from \$39.4 million.

Earnings per share (“EPS”), on a fully diluted basis, correspondingly rose to 8.04 cents versus 6.40 cents in FY2007 while net asset value (“NAV”) per share increased to 65.09 cents as at 31 December 2008 versus 58.20 cents a year ago.

Commenting on the Group’s FY2008 performance, Mr. Tay Eng Hoe, Group CEO of ECS, said, “Over the past few years, ECS’ improving bottomline and margins underscore the efficacy of our margin-accretive growth initiatives.”

“Our increasing bottomline and margin demonstrates the agility of the Group and the efficacy of our ongoing growth strategy to adjust to changing economic circumstances. Notwithstanding the challenges in the external environment, we have chosen to intensify control over internal factors not only to generate strong profit and margin growth but also strong free cash flow,” he added.

On a geographical market basis, North Asia led the growth in profitability with a 47.6% growth in profit before interest and taxation (“PBIT”) buoyed by higher-margin sales of enterprise software, networking products and servers.

As the near-term outlook for the global economic and IT industry continues to be uncertain, the Group recognises the importance of continuing to further strengthen its balance sheet and focus on strengthening its internal operations and processes to derive operational efficiencies and cost savings.

While improving working capital management and cash flow will be key initiatives over the next few quarters, the Group will additionally look into other operational factors including human resources and IT infrastructure improvements.

Looking further ahead, despite the anticipated slowdown in demand for ICT products in 2009, the Directors are confident that in FY2009, ECS will remain profitable.

For FY2008, the Board of Directors has proposed a 2.7 S cents dividend per share (tax exempt).

###end of release###



*Issued on behalf of the Company by WeR1 Consultants Pte Ltd:*

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**About ECS Holdings Limited:**

*Listed on the Main-board of the Singapore Exchange since 2001, ECS Holdings Limited ("ECS") is a leading ICT products and services provider, serving and supporting a wide regional customer base. The Group has 33 offices in six countries namely China, Thailand, Malaysia, Singapore, Indonesia and the Philippines.*

*The Group's three main businesses are Enterprise Systems, IT Services and Distribution. Its Enterprise Systems Division designs, installs and implements IT infrastructure for companies, while its IT Services Division provides a comprehensive range of professional, technical support and training services. Leading IT vendors use ECS' network of over 18,000 channel partners in the region to distribute their products. The Group has a consistent profit track and a management that is focused on operational excellence to achieve sustainable profit growth and enhance shareholder returns.*

*For more information, please log onto: <http://www.ecs.com.sg>*