

Press Release – 3Q 2009 & 9M 2009 Results

ECS Group 3Q 2009 NPATMI soars 35.7% to \$10.3 Million, Outpacing 17.9% Revenue Growth; Group Benefits From Revenue Growth, Cost Efficiencies and Better Capital Management Despite Economic Uncertainty

	3Q 2009 \$'000	3Q 2008 \$'000	Chg %		9M 2009 \$'000	9M 2008 \$'000	Chg %
Revenue	885,317	750,978	17.9		2,359,337	2,226,299	6.0
Gross Profit	41,276	36,105	14.3		111,358	111,760	(0.4)
Profit from Ops before tax	16,896	10,552	60.1		40,797	31,472	29.6
NPATMI	10,304	7,595	35.7		26,167	21,503	21.7
Earnings per share	2.82 cents	2.08 cents			7.16 cents	5.89 cents	
Net Asset Value per share	68.40 cents as at 30/09/2009				65.09 cents as at 31/12/2008		

* Computation basis: weighted average no. of shares of 365,360,000 as at 30 Sep 2009 and 31 Dec 2008

- **Net profit margin maintained at 1.2% achieved in preceding 2Q**
- **Total operating expenses trimmed to 2.9% of revenue vs 3.2% in 3Q 2008**
- **Positive operating cash flow at end of 9M 2009 of \$40.7 million reverses cash outflow of \$14.0 million at end of 9M 2008**
- **Gross bank borrowings down by \$40.1 million to \$183.1 million; Net gearing reduced to 0.48X as at 30/9/09 (0.60X as at 31/12/08 and 0.75X a year ago)**
- **Outlook: Group expects performance in 4Q 2009 to surpass 4Q 2008 in line with the overall economic outlook**

Singapore, 11 November 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 after tax attributable to shareholders (“NPATMI”) for the July-September period (“3Q 2009”) soared 35.7% yoy to \$10.3 million. Despite the economic uncertainties in 3Q 2009, revenue grew 17.9% yoy to \$885.3 million.

With revenue growth improving from preceding quarters, gross profit grew 14.3% to \$41.3 million over the comparative periods.

Singapore Exchange Mainboard-listed ECS said Group revenue for the nine-month period to 30 September 2009 (“9M 2009”) rose to \$2.4 billion or a 6.0% yoy improvement, while NPATMI grew 21.7% to \$26.2 million over the comparative periods.

Riding on the recovery in consumer spending for notebooks and desktops, ECS’ Distribution business recorded a 51.9% surge in profit before interest and taxes (“PBIT”) on 16.5% revenue growth in 3Q 2009 compared to 3Q 2008. Similarly, ECS’ Enterprise Systems business PBIT grew 35.2% PBIT on 20.7% revenue rise over the comparative periods due to recovery in spending on enterprise servers.

PBIT for ECS’ largest geographical market, China, jumped 37.1% to \$8.7 million on 24.9% revenue growth to \$477.8 million in 3Q 2009 vs 3Q 2008 from better sales of notebooks, desktops and networking hardware products. PBIT for South-east Asia rose 45.2% to \$9.4 million on a 10.6% revenue rise to \$407.5 million, as ECS Indonesia expanded its portfolio for a global vendor from printers and related peripherals to include higher-margin notebooks.

While ECS Singapore maintained revenues and market leadership for notebooks and desktops within a mature market, ECS Malaysia – which is headed for a public listing – continued to fare well in notebooks. ECS Thailand showed signs of recovery amidst political uncertainty while ECS Philippines encountered business slowdown in part due to storms and flooding.

Commenting on the results in 3Q 2009, ECS CEO Mr Tay Eng Hoe said, “I’m very proud that the executive management team, line managers and staff have worked conscientiously during the downturn to retool work processes across the Group and put in place an efficient operational framework and tightened working capital management.

Thus, when the economic environment stabilised and demand started to pick up in 3Q 2009, we were able to enjoy greater leverage across the regional effective framework to record a commendable 60.1% growth in pre-tax profit from operations to \$16.9 million while generating improved returns from assets employed in our businesses.”

For 9M 2009, pre-tax profit from operations rose 29.6% to \$40.8 million. The Group also reversed from cash outflows of \$14.0 million in 9M 2008 to record positive cash inflows of \$40.7 million in 9M 2009.

Selling and distribution expenses rose 6.5% in 3Q 2009 to \$15.5 million, mainly contributed by higher commissions in line with higher gross profits, as well as from higher provisions for doubtful debts.

General and administrative expenses rose by a moderate 3.4% to \$10.1 million. Overall, total operating expenses as a percentage of revenue improved from 3.2% in 3Q 2008 to 2.9% in 3Q 2009 as a result of cost savings from improved operational efficiencies and the continued stringent management of operating costs.

Finance costs were 49.9% lower in 3Q 2009 versus 3Q 2008 as a result of reduced bank borrowings from improved working capital utilisation in the current quarter. Gross bank borrowings fell by \$40.1million to \$183.1 million as at 30 September 2009 from \$223.2 million

as at 30 September 2008. Working capital days improved further to 32.4 days from 42.4 days.

Looking ahead, ECS believes that all current economic indicators show that the worst of the unprecedented global recession has passed, with respect to the Group's regional markets.

Assuming no further major shocks arising in the operating environment, the Group anticipates pent-up demand in the year-end festive season. At the same time, new desktop PCs and notebooks released to coincide with the recent Microsoft Windows 7 launch will help drive sales. ECS thus expects 4Q 2009 results to surpass that of 4Q 2008.

The proposed listing of ECS' 60%-held Malaysian subsidiary, ECS Kush Sdn Bhd, on Bursa Malaysia Main Board was approved by the Securities Commission of Malaysia on 29 September 2009. The IPO, expected in 1Q 2010, will position ECS Malaysia for continued growth and future expansion, while proceeds to ECS will help fund the Group's future expansion.

###end of release###

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

Media & Investor Contact Information:

WeR1 Consultants Pte Ltd
29 Scotts Road, Singapore 228224
Tel: (65) 6737 4844; After-hours: (65) 8200 9339
Mona Leong, Principal Consultant, monaleong@wer1.net; and
Reshma Jain, Consultant, reshma@wer1.net

About ECS Holdings Limited ("ECS")

Listed on Singapore Exchange Mainboard since 2001, ECS is a leading ICT products and services provider, serving a wide regional customer base. The Group has 36 offices in six countries namely China, Thailand, Malaysia, Singapore, Indonesia and the Philippines. The three main businesses are Enterprise Systems, IT Services and Distribution. Enterprise Systems Division designs, installs and implements IT infrastructure for companies, while IT Services Division provides a comprehensive range of professional, technical support and training services. Leading IT vendors use ECS' network of over 21,000 channel partners in the region to distribute their products. ECS 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>