

*Press Release – 3Q12 Results*

## **ECS' Announces 3Q12 Net Profit of \$8.3M On Revenue Of \$897.3M; Stronger Contributions From Enterprise Systems And IT Services**

- **3Q12 revenue from Enterprise Systems and IT Services segment grew 21.1% year-on-year, mainly driven by higher sales of networking hardware, storage products, servers and IT services**
- **South East Asia's revenue for 3Q12 grew 5.6% to \$358.4 million on improved sales of networking hardware and mobility devices**
- **Gross profit margin for Enterprise Systems and IT Services segment improved to 8.1% in 3Q12 from 7.4% in 3Q11**
- **Overall gross profit margin has been maintained at 4.0% in both comparative periods**

**Singapore, 9 November 2012** – Singapore Exchange Mainboard-listed **ECS Holdings Limited** (“ECS” or the “Group”) announced today that it recorded \$8.3 million net profit on revenue of \$897.3 million for the third quarter ended 30 September 2012 (“3Q12”) with significantly stronger sales from its Enterprise Systems and IT Services segment.

The leading regional Info-Comm Technology (“ICT”) solutions provider representing best-of-class global brand names said its Enterprise Systems and IT Services segment posted revenue growth of 21.1% for 3Q12, mainly driven by higher sales of networking hardware, storage products, servers and IT services.

However, revenue for the Distribution segment declined 17.8% in 3Q12, mainly due to lower sales of desktop PCs, notebooks and imaging products, in line with a global shift in buying preferences towards mobility devices. This was partially offset by higher sales of mobility devices. The lower Distribution sales resulted in Group revenue declining 9.5% from \$991.7 million in 3Q11.

Geographically, South East Asia's revenue for 3Q12 grew 5.6% to \$358.4 million from 3Q11 of \$339.5 million, mainly on improved sales of networking hardware and mobility devices. However, revenue from North Asia declined 17.4% to \$538.9 million in 3Q12 from \$652.2 million in 3Q11, due to lower sales of desktop PCs, notebooks and imaging products in the Distribution segment.

The Group's gross profit decreased 10.0% to \$35.8 million from \$39.8 million in 3Q11, mainly due to lower revenue while gross profit margin held at about 4.0%. Net profit declined by 8.6% compared to \$9.1 million a year ago. However, 3Q12 net profit has improved sequentially by 2.7% from \$8.1 million in 2Q12 as gross profit has improved for Enterprise Systems segment.

Total operating expenses as a percentage of revenue was 3.05% in 3Q 2012 and 2.91% in 3Q 2011 respectively. Finance costs fell 45.3% to \$2.1 million from \$3.9 million in 3Q11 mainly due to lower interest rates and reduced bank borrowings as a result of better working capital management, especially in China.

Earnings per share ("EPS") decreased to 2.27 cents in 3Q12 from 2.49 cents in 3Q11; 9M12 EPS was 6.17 cents from 8.27 cents in 9M11. As at 30 September 2012, net asset value per share stood at 90.72 cents from 89.37 cents as at 31 December 2011.

Commenting on the Group's 3Q12 performance, Mr Narong, Group CEO of ECS, said, "Our performance has to be seen against the backdrop of global economic uncertainties and changes in lifestyle which have led to a distinctive shift towards mobility devices and caused a sharp decline in global PC sales in Q3. The slowdown in economic growth in China, crimping domestic demand amidst intense competition from local brands, has also affected the sales performance of our North Asia region."

On the outlook, Mr Narong added, "The Group has set in motion various strategies to deal with the challenges in China and the emerging growth trends towards the mobility devices in the IT market environment. Apart from ongoing improvements in operating and financial efficiencies, it is placing particular emphasis on Enterprise Systems which it believes will offer more differentiated value to clients seeking to embrace cloud-based technologies. At the same time, the Group is broadening its range of distribution products and services to accommodate the shift in consumer preference towards mobility devices. We are also developing our own cloud-based solutions and products to provide differentiated value to channel partners who are themselves developing innovative solutions to embrace the challenges."

Barring unforeseen circumstances, the Group expects that it will remain profitable in 4Q12 and FY2012.

###end of release###

***Important – This press release is to be read in conjunction with the Company's exchange filing of 3Q 2012 results announcement, which can be downloaded from [www.sgx.com](http://www.sgx.com) via listed company announcements.***

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

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**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 67 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 23,000 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>