

**Press Release – FY2010 Results**

**ECS' FY2010 NET PROFIT RISES 38.8% TO \$53.0M  
RECORD HIGH, PROPOSES HIGHEST-EVER FINAL  
DIVIDEND OF 3.6 CENTS**

- **FY2010 net margin rises to 1.7% from 1.2%**
- **4Q net profit rises 22.1% to \$14.7m from \$12.0m, net margin increases to 1.8% from 1.4%**
- **4Q & FY gross margin improves to 5.4% v/s 5.3% and to 5.0% v/s 4.9%, respectively, a year ago**
- **Strong 4Q positive operating cash flow of \$21.3m vs (\$11.8m); cash balances at \$92.5m**
- **Outlook: Directors expect ECS to continue to perform well in FY2011**

**Singapore, 25 February 2011 – ECS Holdings Limited** (“ECS” or the “Group”) announced today that its net profit attributable to equity holders for the twelve months ended 31 December 2010 (“FY2010”) rose 38.8% to a record high of \$53.0 million. The Group also proposed a first and final dividend of 3.6 cents – its highest-ever.

The Singapore Exchange Mainboard-listed leading regional Info-Comm Technology (“ICT”) solutions provider representing best-of-class global brand names attributed the stellar annual performance to a combination of its continuing focus on higher-margin products, efficiency measures and recovery of regional economies.

FY2010 gross margin improved to 5.0% compared to 4.9% in FY2009 despite a 5.1% decline in FY2010 revenue to \$3.1 billion as compared to \$3.3 billion in FY2009.

The lower revenue was due to the deconsolidation of revenue from its Malaysian subsidiary, ECS ICT Berhad (which was listed on 15 April 2010 on the mainboard of Bursa Malaysia Securities Berhad).

Excluding the effect of the revenues of ECS ICT, and adjusting for currency translation effects, the Group's revenue for FY2010 would have grown by 14.8% year-on-year driven by higher sales of consumer printers, notebooks, supplies and tablets such as Apple iPads.

ECS' full year performance was propelled by a 22.1% increase in 4Q10 net profit to \$14.7 million from \$12.0 million in 4Q09 while 4Q10 gross margin improved to 5.4% as compared to 5.3% in 4Q09 on improved margins of Enterprise Systems products.

Tighter credit control and shorter cash cycles led to significant improvements in the Group's working capital position.

Working capital days were further reduced to 35.1 days for 12 months ended 31 December 2010 from 35.9 days a year ago.

Consequently, the Group generated a strong positive operating cash flow of \$21.3 million in 4Q10 as compared to a negative operating cash flow of \$11.8 million in 4Q09.

As at 31 December 2010, ECS' cash and cash equivalents were \$92.5 million, up significantly from \$51.1 million as at 31 December 2009.

Net gearing was reduced to 0.45 times as at end-December from 0.54 times at the end of September 2010 and from 0.48 times at the end of December 2009.

Earnings per share ("EPS"), rose to 14.51 cents in FY2010 versus 10.45 cents in FY2009 while net asset value ("NAV") per share increased to 81.18 cents as at 31 December 2010 versus 71.03 cents as at 31 December 2009.

As a business, Distribution was the largest segment contributing about \$1.9 billion or 62.5% to FY2010 revenue from 62.6% in FY2009 while Enterprise systems accounted for about \$1.1 billion or 36.7% from 36.5% in FY2009.

Geographically, North Asia remained ECS' single largest market at \$1.8 billion in FY2010 from \$1.7 billion in FY2009.

Commenting on the Group's FY2010 performance, Mr. Narong Intanate, Group CEO of ECS, said, "Our results underscore the adjustment of our product portfolio and our ongoing margin-enhancement initiatives to improve cost efficiencies and strengthen leadership in key regional markets."

On the outlook, Mr Intanate added, "With industry experts projecting double-digit growth for the ICT industry in most of the markets in which we operate, the Group is gearing to grow to a new level. We have already begun various strategic initiatives that will enhance our revenue and profitability."

Adjusting its product portfolio to concentrate on emerging technologies and services, ECS recently secured distribution rights for Apple's iPhone and iPad for its China subsidiary as well as regional agreements for notebooks by Lenovo and, most recently, for servers and notebooks by Dell.

ECS also sees opportunities in the demand for mobile device accessories. The Group, in fact, is currently the only authorised distributor for Japanese accessories manufacturer Buffalo BKS in the five ASEAN countries which ECS operates, and is now moving to expand Buffalo's products to countries served by the ECS Group. "We anticipate untapped potential for the growth of the distribution business in these areas," says Mr Intanate.

Moving forward, the Group seeks to adopt a similar go-to-market strategy and engage vendors regionally instead of standalone-country basis to increase efficiencies and economies of scale.

Adding to this expansion of scale, in FY2011, the Group will broaden its reach further in Indonesia and China, particularly in the emerging fourth- and fifth-tier cities where many of its vendors also anticipate growth.

The Group remains on the lookout for suitable partners to penetrate new markets such as India and Vietnam.

Against this backdrop and barring unforeseen circumstances, the Directors are confident that ECS will continue to perform well in FY2011 .

Leading industry analyst IDC recently predicted that the Asia/Pacific region, excluding Japan, which grew 13% last year, will expand a further 10% in 2011. (<http://www.idg.com/www/pr.nsf/0/14FD296F1791438E852578320054102A>)

###end of release###

*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 39 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>*