

ECS posts RM1.28 billion revenue in FY2012

- *Sustains RM30 million net profit; declares final dividend of 2.5 sen per share*

Kuala Lumpur, Malaysia, 20 February 2013 – Malaysia’s leading ICT distributor **ECS ICT Berhad (ECS, 佳杰科技; Bloomberg: ECS MK; Reuters: ECSI.KL)** has reported favourable financial performance for the financial year ended 31 December 2012 (FY2012) amidst a challenging landscape for the industry.

ECS posted a 2% increase in FY12 revenue to RM1.28 billion from RM1.25 billion a year ago, while profit before tax (PBT) and net profit stood at RM40.3 million and RM29.9 million respectively.

By comparison, the Group recorded PBT and net profit of RM40.9 million and RM30.1 million respectively in FY2011.

ECS Managing Director Mr. Foo Sen Chin (胡善正) said, “FY2012 was indeed a tough year for the ICT industry overall as consumers and corporate customers turned cautious on account of dampened economic sentiment. That we were able to maintain our financial performance was indeed remarkable, given the circumstances.”

“Yet, there is much to be optimistic about in FY2012; Enterprise Systems continued to show robust growth in the year, while gains in certain segments of our ICT Distribution business – such as tablet PCs – helped to offset slowdowns in other products, particularly notebook PCs and printers,” he added.

Of ECS’s three core businesses, Enterprise Systems grew 8.2% to RM475.5 million in FY2012 from RM439.4 million previously.

While the RM787.2 million contributed by ICT Distribution to group revenue was 1.3% lower than FY2011’s RM797.5 million, it still remained the largest contributor to topline at 61.7%. ICT Services contributed RM13.4 million in the year under review, compared with the RM13.8 million posted a year ago.

ECS has also declared a final dividend of 2.5 sen per ordinary share in respect of FY2012, subject to shareholders’ approval at the Group’s upcoming Annual General Meeting.

Together with the previous interim dividend of 3.0 sen per ordinary share paid on 12 December 2012, the Group has declared a total dividend payout of 5.5 sen per share, or RM9.9 million in respect of FY2012, representing 33.2% of group net profit. This is in line with the Group’s dividend policy of paying 30% of net profit to shareholders.

For the fourth quarter ended 31 December 2012 (4Q12), ECS posted revenue of RM333.5 million, buoyed by higher sales from its Enterprise Systems division. By comparison, 4Q11 topline stood at RM341.8 million.

4Q12 PBT and net profit stood at RM12.9 million and RM9.6 million respectively, versus 4Q11 PBT and net profit of RM14.0 million and RM10.5 million respectively. Basic earnings per share for the quarter was 5.3 sen, compared to 4Q11's 5.8 sen.

Financial Summary (Unaudited Consolidated Results)						
RM'000	4Q12	4Q11	Change	FY12	FY11	Change
	31.12.12	31.12.11		31.12.12	31.12.11	
Revenue	333,537	341,770	-2.4%	1,276,120	1,250,687	2.0%
Pre-tax Profit	12,852	14,035	-8.4%	40,250	40,934	-1.7%
Net profit to shareholders	9,611	10,460	-8.1%	29,864	30,143	-0.9%
Basic EPS (sen)*	5.3	5.8	-8.6%	16.6	16.7	-0.6%

*Based on 180 million shares of RM0.50 par value each

The Ministry of Finance targets gross domestic product (GDP) growth of 4.5% to 5.5% this year, due mainly to robust domestic demand and investments in development projects by the Malaysian Government.

“These factors are expected to result in an increase in ICT spending that will benefit our Enterprise Systems business, while the growing trend for mobility devices will drive consumer spending on products like notebooks, tablet PCs and smartphones, to push demand for the Group’s ICT Distribution products,” Foo said.

Furthermore, he expected the current year to be a significant one for ECS, given its preparations to ride the technology wave alongside the constantly-evolving ICT market.

“There is little doubt that mobility solutions provided by smartphones and cloud computing are fast becoming the tools driving interactivity, efficiency and productivity for individuals and corporations.”

“In view of this, we are taking steps to build this new revenue stream to continue our growth path. We are positive that this strategy will take the group to a new level and we look forward to exciting times ahead,” Foo added.



About ECS ICT Berhad

ECS ICT Berhad (ECS), an MSC-status company, and its group of subsidiaries started in 1985 with the establishment of ECS KU Sdn Bhd. Today, the Group is a leading distribution hub for Information & Communications Technology (ICT) products in Malaysia via ECS ASTAR Sdn. Bhd. and ECS PERICOMP Sdn. Bhd.

Listed on the Main Market of Bursa Malaysia Securities Berhad on 15 April 2010, **ECS** is an associate company of ECS Holdings Limited, a Singapore Exchange main board company which is one of the leading ICT distributors in Asia Pacific, accessing to a network of more than 23,000 channel partners across China, Thailand, Malaysia, Singapore, Indonesia and the Philippines.

ECS distributes a comprehensive range of ICT products comprising notebooks, personal computers, printers, software, network and communication infrastructure, servers, and enterprise software from more than 30 leading principals.

With a nationwide channel network of more than 3,000 resellers comprising retailers, system integrators and corporate dealers, **ECS** also provides value-added product support and technical services. For more information, please visit www.ecsm.com.my

**Issued for and on behalf of ECS ICT BERHAD by Aquilas Advisory (Malaysia) Sdn Bhd.
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