



Press Release – 1H2008 Results

BOOSTED BY STRONG CONTRIBUTIONS FROM ITS UNIQUE PRINT MANAGEMENT BUSINESS MODEL, XPRESS REVENUE FOR 1H2008 DOUBLES TO \$30 MILLION; 167% NET PROFIT GROWTH OUTPACES REVENUE GROWTH

- Xpress' net profit attributable surges to S\$4.4 million on better performance across all operating segments
- Profits from operations rose 77% to S\$1.40 million and one-off gain from sale of its Kallang Way property contributed S\$3.0 million to net profits
- Significant 84% revenue growth to S\$26.4 million, with star performer – Commercial Printing – contributing \$14.3 million in revenue on higher demand for time-sensitive print management services from non-financial customers
- Net profit margin rises to 16.6%; profit growth of 167.3% outpaces revenue growth of 99.8%
- With strong growth prospects in Greater China, the Directors forecast FY2008 net profits to exceed those of FY2007

S\$ millions	1H2008	1H2007	%Change
Revenue	29.6	14.8	99.8
Profit Before Income Tax	4.5	1.6	188.5
Profit Attributable To Shareholders	4.4	1.6	167.3

SINGAPORE, 10 March 2008 – Singapore Exchange Main Board-listed **Xpress Holdings Ltd** (“Xpress” or the “Group”) announced today that its net profit attributable to shareholders rose a significant 167.3% to S\$4.4 million for the six months ended 31 January 2008 (“1H2008”), boosted by strong growth from every segment of its operations.

With its extensive Print Stations network – offering one-stop print management services across 20 locations – and split printing capabilities, the Group was able to capitalise on the surge in demand for time-sensitive publications across the Asia Pacific, specifically in Greater China and Vietnam.

Xpress’ success is reflected in a strong 83.6% revenue increase to \$26.4 million in 1H2008, which led to a 77% increase in the Group’s profit from operations to S\$1.4 million over the comparative periods.

Commenting on Xpress’ 1H2008 results, Chief Executive Officer Mr Poh Eng Seng said, “We are delighted to see that our decision to export our proprietary high print quality, fast turnaround printing capabilities is bearing fruits, especially in the People’s Republic of China (“PRC”), where economic growth is one of the world’s strongest. This is a tremendous achievement for Xpress as our net profit growth has outpaced revenue growth.”

The Group’s excellent 1H2008 performance also reflected the success of supporting its Print Stations – strategically located in the central business districts of major cities – with a strong network of Xpress-owned print facilities and partners who can print a job in multiple locations. Deploying the Group’s dedicated pre-press professionals to its clients’ premises also allowed Xpress to uniquely penetrate Greater China’s fast-growing financial print market.

“With all our product lines and business activities recording revenue growths, they signify Xpress’ growing competitive strength and influence in Asia,” Mr Poh added.

Sharp revenue increase

Xpress’ star performer was Commercial Printing, which contributed \$14.3 million in revenue – 78.8% higher than \$8.0 million attained in 1H2007. Constituting 52.5% of the Group’s total revenue growth, the sharp increase is attributable to the rise in demand from its non-financial customers for time-sensitive print solutions.

Benefiting from the Group’s strong capabilities in printing and delivering where customers want in the shortest possible time, revenue from the time-sensitive Financial Research Report, Asset Management Report, Annual Report and Corporate Finance Report (collectively “**Financial Printing**”) in 1H2008 was \$3.9 million or 66.1% higher than in 1H2007.

Xpress incurred higher expenses in line with the rise in revenue, and increased marketing, business and human resource development activities, as part of the Group’s continuing efforts to strengthen its market position in the Asia Pacific.

Despite the increase in expenses, Xpress’ net profit margin rose from 11.1% in 1H2007 to 16.6% in 1H2008. Its 1H2008 net profit also included \$0.24 million in share of results of its associate – Shenzhen Jiaxinda Printing Ltd.

Mirroring the Group's performance in 1H2008, earnings per share on a fully diluted basis rose from 0.13 cent in 1H2007 to 0.32 cent in 1H2008 while its net asset value increased to 7.7 cents as at 31 January 2008 from 7.4 cents as at 31 July 2007.

Strong financial position

Following the sale of its property at Kallang Way in November 2007, Xpress' non-current assets decreased \$8.3 million to \$85.1 million as at 31 January 2008. However, together with an issuance of convertible bonds to Credit Suisse in September 2007 – mainly for purchasing new printing machinery and other expansion projects in Asia, the sale boosted the Group's cash and cash equivalents to \$15.2 million as at 31 January 2008 from \$3.3 million as at 31 July 2007, apart from existing credit facilities from its banks.

"Xpress is now in a strong financial position. This is the result of the prudent approach we have adopted in managing our expansion strategies as well as our emphasis on improving operational efficiencies. Being cash rich will allow us to further Xpress' expansion beyond Asia Pacific and fulfill our ambitions of bringing our world-class printing capabilities onto the global stage," Mr Poh added.

Future plans

Utilising the unique print management business model the Group developed in Asia, Xpress will continue to seek new strategic alliances with leading printers in its target markets around the world, which include India, the Middle East, Europe and North America.

Xpress plans to expand its current Print Station network to 30 locations by 2009. This will offer potential partners greater flexibility to print at multiple locations with short turnaround times.

"As the Group's second half performance is traditionally stronger than the first half due to the seasonal nature of the print business, there is much for the management, staff and shareholders to look forward to. With the PRC's economy expected to continue its steady growth ahead of the Beijing Olympics in the later part of the year, demand for high quality, quick turnaround print is expected to rise. Thus, we are confident that our financial performance in FY2008 will improve upon that of FY2007," Mr Poh said.

In January 2008, Xpress had signed print management agreements – worth at least RMB200 million per year – with seven major PRC media enterprises, which include Yin Yang Media, Media Shell, SunGrace Culture, Econ World and Tongji Technology. Under the agreements – each covering a three-year period, Xpress will print 22 magazines comprising widely read publications such as Chinese Venture, Funds Observer and Money Journal – for which Nasdaq-listed Xinhua Financial Media Ltd owns exclusive advertising rights.

Preceding these agreements was a memorandum of understanding ("MOU") Xpress secured in May 2007 with Shenzhen Securities Information Company to jointly publish an annual comprehensive financial yearbook in Chinese and English covering all PRC-listed companies, for six years. The first yearbook will be published in 2008.

The Group also signed a MOU in June 2007 to form two joint-venture companies with a leading established provider of professional translation and oral interpretation

services to offer specialised financial translation to PRC companies printing financial reports in various languages for the international market.

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Issued on behalf of Xpress Holdings Ltd by WeR1 Consultants Pte Ltd

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About Xpress Holdings Ltd

Established as an instant name card printer in 1986, the Singapore Exchange Main Board-listed Xpress provides a full spectrum of integrated print solutions from pre-press processes to production systems as well as global distribution and delivery. Its products and services include the design, production and printing of time-sensitive and quick turnaround publications like Annual Reports, IPO prospectuses, shareholder circulars, fund management reports, brochures and newsletters.

Headquartered in Singapore, Xpress has offices that span the Asia Pacific region, including Malaysia, Australia, Vietnam, Hong Kong and the People's Republic of China.