



Media Release – FY2009 Results

(For immediate release)

**XPRESS' FY2009 NET PROFIT RISES 27.3% TO
S\$13.0 MILLION, LIFTED BY \$5.1 MILLION
DIVESTMENT GAIN; REMAINED PROFITABLE
DESPITE CHALLENGING CONDITIONS**

- Net profit of \$13.0 million for FY2009, a record for the Group
- FY2009 net profit excluding one-off gains down only 15% from \$7.2 million to \$6.2 million despite tough economic conditions
- Gross profit margin rose 4.0 percentage points year-on-year to 55.3% as the company continues to focus on higher-margin print management contracts
- Proposes to declare a total dividend payout of 0.15 cent per ordinary share, up 15% from FY2008, comprising first and final dividend payout of 0.11 cent and a special dividend of 0.04 Singapore cent

S\$ millions	4Q2009	4Q2008	%Chg	FY2009	FY2008	%Chg
Revenue	14.1	18.1	(22.3)	55.0	61.3	(10.3)
Net Profit	7.1	3.4	107.7	13.0	10.2	27.3
Profit from Operations	2.0	3.4	(40.3)	6.2	7.2	(15)

SINGAPORE, 22 September 2009 – Xpress Holdings Ltd (“Xpress” or the “Group”), a Singapore Exchange Mainboard-listed leading provider of fast turnaround print solutions, announced today that its net profit for the financial year ended 31 July 2009 (“FY2009”) grew 27.3% to S\$13.0 million from S\$10.2 million in FY2008, despite challenging market conditions brought about by the credit crunch and global economic downturn.

The bottomline performance was boosted by a S\$5.1 million one-off gain in 4Q2009 arising from the disposal of a 10.1% equity stake (approximately a third of its original holdings) in its



China based associate company Shenzhen Jiaxinda Printing Co., Ltd (“Jiaxinda”). Xpress had in 2006 acquired a 30% stake in the print partner for RMB30.0 million (S\$6.1 million).

Revenue and profit from operations achieved in FY2009 were S\$55.0 million and S\$6.2 million, respectively, compared to S\$61.3 million and S\$7.2 million in FY2008, respectively. The decline in operating performance was largely due to the impact of the global economic downturn, which resulted in lower demand for financial printing and large-volume commercial printing jobs.

In addition, the Group strategically re-negotiated certain large-volume commercial printing contracts in favour of lower revenue but higher margin. These re-negotiated contracts enhanced profit margins and reduced capital commitment as costs typically associated with large-volume print jobs were transferred to customers and external printers. Xpress continues to manage the pre-press as well as print process and only recognises print management fees collected on these contracts as revenue.

Xpress’ gross profit margin rose by 11.3 percentage points to 61.6% in 4Q2009 year-on-year; and by 4.0 percentage points to 55.3% in FY2009 on an annual basis. The increases were largely due to the re-negotiation of certain large-volume commercial printing contracts into print management contracts and the natural hedge in paper which the Group had contracted for.

“Despite the tough global economic conditions affecting most industries including the printing market, Xpress has successfully delivered yet another set of credible results; leveraging on its unique one-stop print business model of 32 print stations in 19 cities which has helped clients increase their competitive edge. While the operating performance softened in FY2009, we have managed to win new large clients who are looking for value-added print management services across the region,” said Mr. Poh Eng Seng, Chief Executive Officer of Xpress.

Fully diluted earnings per share rose to 0.93 Singapore cent in FY2009 compared to 0.74 Singapore cent a year ago. Net asset value per share rose to 9.4 Singapore cents as at 31 July 2009 from 8.0 Singapore cents as at 31 July 2008.



The Directors have proposed a first and final dividend of 0.11 cent per ordinary share and a special dividend of 0.04 cent, bringing the total proposed dividend for FY2009 to 0.15 cent. In FY2008, the dividend declared was 0.13 cent per ordinary share.

Share Placement and Redemption of Convertible Bonds

In June 2009, Xpress raised about S\$12.1 million in net proceeds via a placement of approximately 160 million new ordinary shares ("placement") at S\$0.0801 per new share. The Group has fully utilized the placement proceeds, with S\$10.03 million being used to fully repay its convertible bonds from Credit Suisse (Singapore) Limited. The balance S\$2.07 million was used to repay short-term bank borrowings which the Company had drawn on for working capital purposes.

As a result, net gearing for FY2009 was halved from 16% in FY2008 to 8% in FY2009. Xpress' cash and cash equivalents stood at S\$10.78 million as at 31 July 2009.

Outlook

Xpress' founder and Chief Operating Officer, Mr KK Fong, said, "While conditions surrounding a global economic recovery are still unclear, the Group remains confident about the prospects in our key operating markets which have seen gradual recovery in the recent months. Leveraging on our strong distribution network within these regions and backed by quality clients, we are positive about making further significant progress for FY2010."

Barring unforeseen circumstances, the Board of Directors is hopeful that the Group will be able to maintain the level of operating profits in FY2010.

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About Xpress Holdings Ltd

Established in 1986, Xpress was listed on SGX Mainboard on 28 June 1999. The Group serves a wide global base of local and MNC financial and corporate organisations, and provides a complete spectrum of integrated print solutions from pre-press processes to production systems as well as global distribution and delivery.

Its core products and services include the design, production and printing of time-sensitive, fast turnaround publications like annual reports, IPO prospectuses, shareholder circulars, fund management reports, brochures and newsletters.

Headquartered in Singapore, Xpress has a network of 32 Print Stations spread across 19 major cities in the Asia Pacific region.