



*Media Release – 9M2008 Results*

**XPRESS SCORES WITH STERLING CONTRIBUTIONS FROM ALL SECTORS OF ITS PRC PRINTING OPERATIONS AS 9M2008 NET PROFIT SURGES 165.3%, OUTSTRIPPING REVENUE GROWTH**

- Xpress' 9M2008 net profit attributable jumps to S\$6.8 million (compared to full year net profit of S\$7.1 million in FY2007), driven by a strong net profit contribution of \$2.4 million in 3Q2008
- Profit before tax rises 173.6%, boosted by strong sales across all product lines and business activities as Group successfully capitalised on rising demand for time-sensitive print from its financial and commercial clients
- Initiatives for future expansion puts Xpress in a strong position to seize opportunities for growth in the broader global printing industry, Group forecasts FY2008 performance to be better than that of FY2007

<b>S\$ millions</b>	<b>9M2008</b>	<b>9M2007</b>	<b>%Chg</b>	<b>3Q2008</b>	<b>3Q2007</b>	<b>%Chg</b>
<b>Revenue</b>	43.2	24.1	78.5	16.8	9.8	71.1
<b>Profit Before taxation</b>	6.9	2.5	173.6	2.4	1.0	149.7
<b>Net Profit Attributable To Shareholders</b>	6.8	2.6	165.3	2.4	0.9	161.6

**SINGAPORE, 7 June 2008** – Singapore Exchange Main Board-listed **Xpress Holdings Ltd** (“Xpress” or the “Group”) announced today that its net profit attributable to shareholders rose a sterling 165.3% to S\$6.8 million for the nine

months ended 30 April 2008 (“9M2008”), following substantial revenue contributions from its printing operations during 3Q2008 .

Xpress’ strong net profit growth reflects its success in capitalising on the rising demand for time-sensitive print management services in the Asia Pacific and represents the lead the Group is taking in changing the business of printing from a manufacturing to a service industry. With S\$6.8 million in net profit attributable already attained in 9M2008, Xpress is on the brink of surpassing its excellent FY2007 performance when it recorded a net profit attributable of S\$7.1 million.

The main contributor for Xpress’ impressive bottomline growth was its 9M2008 revenue – which at S\$43.2 million, has surpassed that of its FY2007 revenue at S\$35.9 million and was 78.5% higher than the S\$24.2 million it attained in 9M2007.

Net profit margin, excluding one-off exceptional gains, rose from 6.9% to 8.8% over the comparative periods despite substantial increases in raw materials and consumables used, staff costs, other operating expenses and finance costs to drive the Group’s expansion in the People’s Republic of China (“PRC”).

Commenting on Xpress’ 9M2008 results, Chief Executive Officer Mr Poh Eng Seng said, “We are delighted with the impressive profit growth the Group achieved in 9M2008. I am pleased to say that this is the result of our concerted efforts to tap into the rising demand for time-sensitive, high quality print services in the Asia Pacific through our unique print management model and implement the right strategies for expansion.

“Particularly in the PRC, our extensive Print Stations network – which covers almost all of the fastest growing regions in the country – is not only well-received by our financial clients but also enterprises from other sectors and industries. These enterprises are capitalising on the same unique fast turnaround print management model to gain competitive advantage.” he added.

Renowned as one of the region’s leading financial print solutions providers, the Group’s growing Print Stations network – offering unique, one-stop print management services such as print consultancy, concept development and layout, photography and art direction, editorial services, translation and delivery logistics – and split printing capabilities have enabled Xpress to seize new business opportunities and clients.

With a strong presence in the Asia Pacific – its growing Print Stations network now spans 20 major cities – and its ability to offer high print quality, fast-turnaround printing capabilities, Xpress has become a prime print solutions provider among commercial clients who demand the same time-sensitive print solutions as those from the financial industry.

Coupled with its state-of-the-art technology that ensures highly accurate colour print, the Group continues to grow beyond the financial printing industry and expand selectively into the lucrative segments of the commercial printing industry.

Buoyed by a series of MOUs signed with major PRC publishers during 9M2008 and Xpress’ successful expansion of its printing operations in Asia, the Group’s contributions from its PRC printing operations – at S\$27.7 million in 9M2008 – was the highest on a geographical basis, accounting for 85.4% of revenue growth.

Total revenue from operations grew 78.5% from S\$24.2 million in 9M2007 to S\$43.2 million in 9M2008. This is attributable to Xpress' ability since December 2006 to undertake its own printing operations via a wholly owned subsidiary – Xpress Print (Shenzhen) Co. Ltd, which resulted in a decrease in revenue contributions from Xpress' Print Management and Consultancy operations as a higher proportion of commercial print jobs were done in-house by Xpress.

Revenue from other income rose from S\$0.6 million to S\$3.4 million over the comparative periods on the back of a one-off gain of approximately S\$3.0 million on the disposal of the Group's leasehold building in Singapore – which was sold for S\$14.0 million to MacarthurCook Industrial Real Estate Investment Trust in January 2008.

Reflecting Xpress' excellent performance in 9M2008, earnings per share on a fully diluted basis increased from 0.20 Singapore cent in 9M2007 to 0.49 Singapore cent in 9M2008 while its net asset value rose marginally to 7.8 Singapore cents as at 30 April 2008 from 7.4 Singapore cents as at 31 July 2007.

Bolstered by the strong sales in financial and commercial products, Xpress' trade and other receivables rose 51.1% from \$23.5 million as at 31 July 2007 to S\$35.5 million as at 30 April 2008. Shareholders' equity rose to S\$107.4 million as at 30 April 2008 from S\$102.2 million nine months ago.

### **Strong financial position**

Xpress continues to be in a strong financial position with cash and cash equivalents rising S\$9.1 million from S\$3.3 million as at 31 July 2007 to S\$12.4 million as at 30 April 2008, attributable to proceeds raised from the sale of the Group's property, plant and equipment in January 2008 and the issuance of convertible bonds to Credit Suisse in September 2007. This was partially offset by the purchase of new printing machines as part of the Group's expansion of its PRC operations and repayment of outstanding interest-bearing borrowings from the bank.

"The prudent approach we have adopted to expand our operations, invest in new technologies and improve our operational efficiencies continue to place Xpress in an excellent financial position. This will provide the Group with adequate resources to pursue future growth and expansion plans to strengthen our market position in the Asia Pacific and realise our vision of becoming a leading print solutions provider in the world," Mr Poh added.

### **Outlook and future plans**

Experts have placed the PRC's economic growth for 2008 to be just under 9% despite this year's global slowdown, Sichuan earthquake and winter storms.

The outlook for the PRC's financial and commercial printing industry remains positive in tandem with the country's pace of economic growth, despite strong competition from local and foreign players. In addition, rising regulator requirements for stringent reporting standards and investor expectations for timely financial reports in the PRC's capital markets will spur growth in the Group's financial print market.

Harnessing its established Print Stations network and unique print management business model, the Group plans to further expand its facilities and print operations while stepping up on its marketing efforts to secure more business opportunities and stay ahead of the competition in all markets.

Besides 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 across multiple locations, the Group has also deployed dedicated pre-press professionals and equipment onsite its clients' premises. This is to provide clients with instant access to pre-press services where their products are tailored according to their specific needs.

With Xpress' dedicated on-site Print Stations located in clients' premises – introduced in 2007, the Group's clients benefit from shorter timelines, improved communications between publisher and printer, efficient service, reduced costs, quicker delivery and optimum ability to meet their end customers' needs.

Beyond Asia, Xpress will continue to pursue strategic alliances with leading printers in its target markets around the world, which include India, the Middle East, Europe and North America.

Commenting on the Group's prospects, Mr Poh said, "Although our performance in 9M2008 has been excellent, we are confident that the Group can expand our market share in both financial and commercial print, especially in the PRC, Vietnam, Malaysia and Singapore. During the past year, we forged ahead with various initiatives such as the launch of Print Stations in three major cities – Changsha, Wuhan and Xiamen, and the signing of MOUs with leading PRC publishers to enhance our market position and capitalise on the rising demand there for high quality, quick turnaround print.

"With this growth momentum we have set in place, I believe Xpress is well-positioned to seize the vast potential of Asia Pacific's print industry and enhance shareholder value. Thus, we are confident that our financial performance in FY2008 will improve upon that of FY2007," Mr Poh said.

In January 2008, Xpress signed MOUs worth at least RMB200 million per year of print solution jobs with seven major PRC media customers, including Xinhua Financial Media Limited.

This was followed by MOUs worth RMB140 million per year signed in May 2008 with six of Hunan Province's premier publishers, which will give them access to Xpress' comprehensive suite of print management services – including high quality and accurate colour print. It also coincided with the opening of its Print Station in Changsha, which was preceded by launches of two Print Stations in Xiamen and Wuhan in early 2008.

As part of its commitment to deliver high print quality consistently to its clients, Xpress is set to become one of the first print companies to be certified for international standard management of print process control from pre-press to colour separation, proof and print production, with its current projects on ISO 12647-2 – a standard colour print management and graphic technology – and PSO certification.

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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.