



FOR IMMEDIATE RELEASE

IPS narrows net loss to S\$1.1 million in 1H2015 due to higher revenue and closure of loss-making subsidiary

- Revenue increased 9.4% to S\$25.6 million driven by growth in both software contract manufacturing and commercial packing businesses
- Improvements in operations signified by Group's ability to generate positive cash flow from operations

Singapore, 12 August 2015 – Catalyst-listed International Press Softcom Limited (the “Company” or “IPS” and together with its subsidiaries, the “Group”), a leading provider of supply-chain solutions, print and media products, announced today its results for the six months ended 30 June 2015 (“1H2015”).

FINANCIAL SNAPSHOT

Description (S\$'000)	1H2015	1H2014	% change
Turnover	25,570	23,379	9.4
Loss, net of tax	(1,112)	(2,125)	(47.7)
Loss attributable to owners of the parent	(1,099)	(1,725)	(36.3)
Loss per share (cents)	(0.25)	(0.39)	(35.9)

The Group's turnover grew 9.4% year-on-year (“yoy”) to S\$25.6 million in 1H2015 led by growth in both its software contract manufacturing (“SCM”) and commercial packaging (“CP”) businesses. Contributing 81.7% and 18.3% respectively, SCM remains the key driver of growth for the Group.

As a result of the Group's restructuring and cost management efforts, the Group managed to narrow its net loss by 47.7% yoy to S\$1.1 million in 1H2015. Other operating income comprising mainly rental income contributed S\$0.8 million of income for the period.

GEOGRAPHICAL PERFORMANCE

Description (S\$'000)	1H2015	1H2014	% Change
Singapore	8,734	6,929	26.0
Malaysia	2,040	1,963	3.9
People's Republic of China ("PRC")	5,046	6,103	(17.3)
India	7,047	5,331	32.2
Australia	1,054	1,965	(46.4)
Vietnam	1,649	1,088	51.6
Total	25,570	23,379	9.4

The overall improvement in turnover in 1H2015 was a result of operations in Singapore, Malaysia, India and Vietnam as follows:

- Turnover from the Singapore operations increased 26.0% yoy to S\$8.7 million, with continued growth in sales volume from a major customer.
- Turnover from the Group's Malaysia operations remained relatively stable with a 3.9% yoy growth to S\$2.0 million despite difficult economic conditions.
- Turnover from the Group's Indian operations increased 32.2% yoy to S\$7.0 million, driven by increase in orders from both new and existing customers.
- Turnover from the Group's Vietnam operations grew 51.6% yoy to S\$1.6 million due to the sales to new customers and continued export growth from existing customers.

The increase was however offset by the operations in Australia and China as follows:

- Turnover from the Group's Australia operations fell 46.4% yoy to S\$1.0 million as a result of weakening sales due to a slowdown in the Australian economy.
- Turnover from the Group's China operations declined 17.3% yoy to S\$5.0 million largely due to the cessation of Avantouch's operations and the weakening demand in a slower domestic China market.

"Our priority remains in guiding the business back to profitability and we are pleased to make headway with our restructuring and cost management initiatives. This includes our decision to cease the loss-making Avantouch business at the end of FY2014 and the purchase of a freehold factory building in Australia. The improvements in operations were signified by the Group's ability to generate positive cash flow from operations in the first half of this year.

While we continue to prospect selectively for growth opportunities in the various geographical regions we operate in, we are particularly encouraged by the potential in Vietnam and India as these markets continue to register strong growth in 1H2015.

Going ahead, we remain prudent in order to position ourselves against uncertainties and headwinds in the market.”

- Mr Kevin Low, Managing Director of IPS

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About International Press Softcom Limited

International Press Softcom Limited (IPS) was incorporated in Singapore on 30 August 1972. The Company is a leading provider of supply chain solutions, print and media products which include material procurement, inventory management, logistics management and order fulfillment; printing, packaging and software replication.

IPS supplies to global technology companies and operates from facilities located in Singapore, Malaysia, China, Australia, India and Vietnam with strategic alliances in the US and Europe. Its list of customers includes OEMs such as Apple Computer, Dell, Hewlett Packard, and independent software vendors like Microsoft.

IPS has been listed on the Catalist Board (formerly known as SESDAQ) under the Singapore Exchange since 13 August 1999.

Issued for and on behalf of International Press Softcom Limited
By Financial PR Pte Ltd

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This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") for compliance with the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

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