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FOR IMMEDIATE RELEASE

ISDN Holdings Limited posts full-year net earnings of $7.4 million for FY2012 on revenue of $153.5 million

Singapore, 27 February 2013 **–** SGX Main Board listed ISDN Holdings Limited ("ISDN" or "The Group"), an integrated engineering solutions provider for diverse industries, generated $153.5 million revenue for the full year FY2012 to post net earnings of $7.4 million.

Group sales eased marginally by 7.5% from $165.9 million to $153.5 million while net earnings shed 33.6% from $11.1 million to $7.4 million, due to a general slowdown across the company's main markets, in particular China as well as the non-recurrence of one-time gains from disposal of various type of assets amounting to $2.0 million approximately recognized in the previous year.

Gross profit margin remained firm at 30.9%, was slightly better than the Group's traditional range of between 26% and 30%. Net cash generated from operating activities remained in positive territory at $3.2 million contributing to the final cash and cash equivalents tally of $24.6 million.

The Board of Directors has proposed dividends of 0.5 cents per share.

Financial Highlights

(S$)	FY2012	FY2011	% Change
Turnover	153.5 mil	165.9 mil	(7.5)
Profit Before Tax	11.4 mil	15.1 mil	(24.5)
Profit for the period	7.4 mil	11.1 mil	(33.3)
Earnings per share	1.81 cents	2.82 cents	(35.8)

Improving Business Sentiments in Key Markets

Mr Teo Cher Koon, ISDN Managing Director and President said, "We expect the economic sentiments in China to improve over the next year, thereby benefiting our core businesses and giving ISDN the opportunity to expand its presence and widen its footprint"

"More than two thirds of our Group revenue are derived from the China market and we expect this trend to continue going forward," Mr Teo commented.

This will potentially lift sales from China that had dropped slightly by 8.2% from $117.1 million in FY2011 to $107.5 million in FY2012 due to the economic slowdown in the mainland. Singapore's revenue inched a tad, by 0.1% from $33.7 million to $33.8 million, as the weakening effects of the economies in US, Europe and Japan filtered into the Republic's economic growth. Demand for ISDN's products in Malaysia and other markets remained challenging with a combined decrease in revenue of $2.9 million or 18.9%.

Key Growth Drivers Show Resilience

Some of the Group's key growth drivers displayed resilience despite the overall lackluster business sentiments across the globe. Other Specialised Engineering Solutions sales increased by 3.7% from $31.3 million to $32.5 million and Industrial Computing revenue rose by 2.3% from $5.2 million to $5.4 million as customers' demand for these products remained firm. Sales from Motion Control, however, declined by 10.6% from $129.4 million to $115.6 million as it fell prey to softer demand from customers who reined in their orders as a result of the fluid economic conditions.

Cultivating New Markets and Growth Catalysts

Mr Teo said, "We expect the operating business environment to continue to be fraught with possible headwinds that are likely to affect the Group's performance in the next 12 months."

To mitigate this impact, the Group continues to develop and enter into new markets as exemplified by the recent formation of a subsidiary in Vietnam to capture a larger market share for the Group's mainstay businesses outside China.

"We will deepen our efforts to nurture our relatively new business interests in high-tech farming and the energy sector in our bid to introduce fresh revenue streams and enhance shareholder value," Mr Teo added.

With the Group's strong and well-established business network in Asia and its diversified customer portfolio, the company is cautiously optimistic of achieving positive results in FY2013, barring any unforeseen circumstances.

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About ISDN Holdings Limited

Founded on its precision and motion control engineering capabilities in 1987 and listed on the Singapore Exchange Main Board since 2005, ISDN Holdings Limited has today transformed into a multi-industry corporation with diverse strengths. With more than 90 offices spanning key Asian growth markets, ISDN's business interests now include, in addition to engineering, the energy and agriculture sectors

ISDN is dominant in the niche area of motion control and industrial computing, attending to the needs of customers in the Asian region. ISDN's customised solutions cater to different industrial sectors including medical, robotics, factory automation, oil and gas, water treatment, manufacturing, hard disk and semiconductor industries. By leveraging on its alliances with strategic partners in Europe and Asia, ISDN is able to combine and thereupon benefit from the best-in-class technology and business systems these collaborations have to offer.

For more information, please visit www.isdnholdings.com or contact:

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