

## News Release

### **Datacraft reports 51% year-on-year jump in profits on back of 35% growth in revenue for Q1 FY2008**

**Singapore, 1 February 2008** – Datacraft, the region's leading independent IT solutions and services company, today reported its unaudited results for the first quarter of 2008.

#### **Financial Highlights**

<b>Three months ended 31 December</b>	<b>2007 US\$ million</b>	<b>2006 US\$ million</b>	<b>y-o-y % improvement</b>
Revenue	173.2	128.7	35%
Pre-tax Profit	12.9	8.5	51%
Profit after-tax	9.4	6.2	51%
Earnings Per Share (US cents)	2.11	1.38	53%

#### **Results for Q1 ended 31 December 2007**

Datacraft started FY2008 with a strong set of results in Q1 - a 51% year-on-year increase in profit after-tax and minority interests to US\$9.4 million on the back of a 35% growth in revenue to US\$173.2 million, compared to the same quarter in the previous year. The Group's robust results were driven by strong double-digit growth from all four of the company's geographic regions. Reflecting the positive momentum of the business, the Group's Q1 ending order backlog stood at a record high of US\$202 million.

During the quarter, services and hardware revenue both contributed to the strong revenue momentum. Services revenue grew 26% to US\$60.8 million while hardware revenue grew 40% to US\$112.4 million over Q1 FY2007. The stronger than expected revenue performance was driven by strong orders from the financial and manufacturing sectors.

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The overall blended gross margin for the quarter was 18.9%, slightly lower than 19.2% in Q1 FY2007 and 19.6% in the prior quarter Q4 FY 2007, because the balance of sales shifted slightly in favour of the lower margin hardware business for this period.

From a geographic perspective, there was strong double-digit revenue growth from all four geographic regions, as all but one country achieved solid year-over-year growth during the quarter. Performance was especially strong in India, Hong Kong, Singapore and Indonesia.

During the quarter, Datacraft acquired the business of Security-Assessment.com, a New Zealand based high-end IT security consulting firm for NZ\$5 million (approximately US\$3.7 million). The business complements Datacraft's existing security practice and will help enhance the company's ability to provide the highest level of security advisory and assessment services to clients regionally and globally.

"We have enjoyed a successful start to FY2008, driven largely by the strong double-digit growth across all four geographical regions and strong orders from the Financial and Manufacturing industries," said Bill Padfield, Datacraft's chief executive officer. "Building on our strong fundamentals, we will continue to extend our penetration into our target vertical sectors and to execute our three-year plan."

Datacraft continued to maintain a healthy balance sheet and cash position. As at 31 December 2007, the Group had net cash and short term investments of US\$165.3 million, an increase of US\$14.9 million from the prior quarter after factoring in the US\$3.7 million paid for the acquisition of Security-Assessment.com. The strong cash performance was largely due to the US\$19.1 million cash flow generated from

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operations, driven by growth in operating profit and improved working capital. Days sales outstanding improved to 58 days, the best performance in Datacraft history, compared to 61 days in the prior quarter and 68 days a year ago.

During Q1 FY2008, the Group acquired 300,000 shares at a cost of US\$333,000. The cumulative total of shares purchased since the inception of the share buy-back programme from January 2006 is 23.4 million shares at a total cost of US\$24.9 million and the scheme was renewed at the company's Annual General Meeting held on 29 January 2008.

“Looking ahead, while the exceptional growth of Q1 may not be immediately repeated in Q2, itself a seasonally slower quarter, the current outlook is positive backed by a strong order backlog of US\$202 million,” added Padfield. “However, the prevailing turbulence and uncertainties in the global financial markets, in particular the global financial services sector, will be closely monitored and reacted to if necessary.”

Going forward, the Group will continue to invest in growing its share of business from the target vertical sectors – Media and Communications, Manufacturing and Travel & Transportation, as well as Financial Services.

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### **Key Business Wins**

Significant contracts announced by Datacraft during Q1 FY2008 included:

- Silitech Technology, Taiwan - Multinational electronics manufacturer used an IP communications solution to link 5 offices in Taiwan, China and Malaysia
- Industrial Bank of Korea – Construction of IP network connecting the bank's headquarters and IT centre in Seoul with five regional offices and 550 branches countrywide
- Fourth largest securities firm, USA – IP network built in the company's Singapore office, combined with five year Uptime maintenance and support contract
- Hong Kong International Airport, Hong Kong – IT support outsourced to the Datacraft Team Empowerment Service
- NYK Cruises, Japan – 5 year 'total network support' service established under Datacraft's Uptime program
- Fenisia Hotel, Taiwan – Advanced IP network implemented at newly reconstructed property on the shore of Sun Moon lake for Chinatrust Group

### **About Datacraft**

Datacraft is the leading independent IT services and solutions company in Asia Pacific. The company helps clients plan, build, support and manage their IT infrastructures. Datacraft combines an expertise in networking, security, Microsoft operating environments, storage and contact centre technologies, with advanced skills in consulting, integration and managed services, to craft IT solutions for businesses.

A member of the Dimension Data Group, Datacraft is listed on the main board of the Singapore Exchange. Headquartered in Singapore, Datacraft operates in more than 50 major offices and has over 1,350 employees across 13 Asia Pacific markets. More information can be found at [www.datacraft-asia.com](http://www.datacraft-asia.com).

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