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**FOR IMMEDIATE RELEASE**

**ISDN Holdings Limited 1HFY08 net earnings climb by 70.8% to \$4.4 million as revenue rises by 32.7% to \$57.4 million**

*Singapore, 6 August 2008* – Net earnings for SGX Main Board-listed ISDN Holdings Limited (“ISDN” or “The Group”), an integrated engineering solutions provider for diverse industries, surged by 70.8% from \$2.6 million to \$4.4 million in the first half of FY2008, as revenue increased by 32.7% from \$43.3 million to \$57.4 million. The Group recorded healthy growth for both its Motion Control-related and Other Specialized Engineering Solutions registering 21.9% and 94.7% sales growth respectively. Motion Control revenue climbed from \$32.9 million while Other Specialized Engineering Solutions sales nearly doubled from \$7.6 million to \$14.9 million, from a year earlier.

Earnings per share strengthened by 45.5% from 1.54 cents to 2.24 cents while net asset value per share increased by 17.3% from 19.29 cents to 22.62 cents.

**Financial Highlights**

(S\$)	1HFY08	1HFY07	% Change
<b>Turnover</b>	57.4 mil	43.3 mil	32.7
<b>Profit Before Tax</b>	6.2 mil	4.1 mil	51.4
<b>Net profit attributable to shareholders</b>	4.4 mil	2.6 mil	70.8
<b>EPS</b>	2.24 cents	1.54 cents	45.5

Mr Teo Cher Koon, ISDN Managing Director and President, said, " I am pleased the Group has been able to chalk up significant top and bottom line gains. Our business in China has shown tremendous progress and is on track to expand further this year. The ISDN Industrial Park, in Wujiang China will consolidate our extensive China operations and place the Group on an even stronger footing to widen our footprint and capitalize on business opportunities in the mainland."

Revenue from North Asia, in particular China, increased by 50.6% from \$25.6 million to \$38.5 million. ISDN has also begun to make inroads in USA and Germany through its acquisition of Dirak Asia Pte Ltd (“Dirak Asia”), the Asian arm of German-based company Dirak GmbH. Sales to these regions, categorized under “Others” in the Group’s financial reporting, crossed the million dollar mark at \$1.2 million, from a mere \$90,000 at half-time last year. Others include but not limited Germany, United States of America, India, Australia, Canada and United Arab Emirates.

The Group’s gross profit increased by \$4.6 million, bringing gross margin to 28.5%, well within the Group’s historical margin of between 26% and 30%, despite a general increase in operating expenses that rose in tandem with higher business volume. Increase in the Group’s administrative expenses amounted to \$0.7 million, relates to the Group’s acquisition of Dirak Asia. Increased headcount and annual staff salary increment also contributed to the higher administrative costs.

Going forward, the Group will continue to ride on the growth of its businesses in North Asia, where demand in China is expected to continue to be strong. Mr Teo added, “The business outlook for the ISDN Group remains positive and we continue to benefit from our partnerships with strategic partners from both Europe and Asia.

“These partnerships and alliances have enabled the Group to enter into new business segments and build presence in both developed and emerging markets such as our recent foray in the solar energy industry where we are supplying to a leading solar panel equipment maker.”

Notwithstanding these encouraging developments, the Group is cognizant of the overall cautious world business climate and therefore adopts a vigilant stance as it executes its expansion plans in China and in other parts of Asia in the year ahead.

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### **About ISDN Holdings Limited**

Listed on SGX-ST Mainboard on 24 November 2005, ISDN Holdings Limited is an integrated specialist engineering solutions provider, serving manufacturers across a broad range of industries within China and the Asian region. Our engineering solutions serve to engage the productivity and efficiency, as well as improved process control of our clients' manufacturing assets. ISDN is dominant in the niche area of motion control and industrial computing, attending to the needs of over 3,000 customers in the Asian region. ISDN's customized solutions cater to different industrial sectors including medical, robotics, factory automation, oil and gas, water treatment, manufacturing, hard disk and semiconductor industries.

ISDN's core competencies lie in its strong network of customers and manufacturing joint ventures with strategic technology partners to expand its scope of integrated specialist solutions to wider niche areas, including laser services for precision cutting, high precision measurement, gears and special purpose motors and other related engineering solutions.

For more information, please visit [www.isdnholdings.com](http://www.isdnholdings.com) or contact:

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