**TELECHOICE INTERNATIONAL LIMITED**
(REG. NO. 199802072R)

**Friday, 22 February 2013**

# TeleChoice registers improved revenue and PAT for 4Q12 and FY12

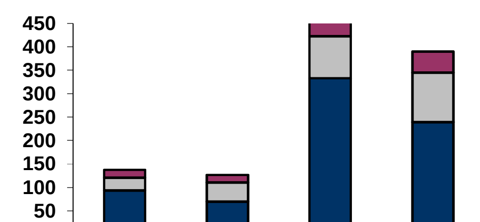
- **23.4% revenue growth in FY12 mainly from PCS Services and Engineering Services**
- **17.0% PAT improvement in FY12 due to the increased contribution by Engineering Services and the one-off additional contingent consideration expensed in FY11 for the S&I acquisition**
- **Strong cash position of S$51.6 million**
- **Proposed final dividend of 1.6 cents per share translating to dividend yield of 6.8%**

## RESULTS HIGHLIGHTS

| S$'M | 4Q12 | 4Q11 | +/- | FY12 | FY11 | +/- |
|---|---|---|---|---|---|---|
| Revenue | 137.7 | 126.4 | 8.9% | 480.9 | 389.6 | 23.4% |
| Gross Profit | 12.0 | 13.9 | -13.8% | 41.6 | 41.6 | 0.1% |
| Gross Margin | 8.7% | 11.0% | -2.3 ppt | 8.7% | 10.7% | -2.0 ppt |
| Profit Before Tax | 3.6 | 1.4 | 157.1% | 9.9 | 9.1 | 9.2% |
| Profit After Tax | 3.5 | 0.9 | 274.5% | 8.2 | 7.0 | 17.0% |
| Earnings Per Share (cents) | 0.75 | 0.13 | - | 1.81 | 1.45 | - |

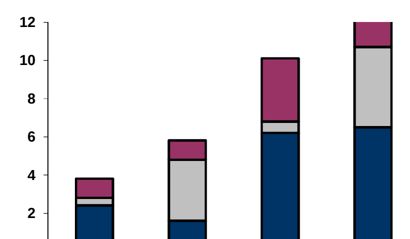
- **Increased sales from the Group's Personal Communications Solutions ("PCS") Services and Network Engineering ("Engineering") Services divisions contributed to the revenue increase of 8.9% in 4Q12 and 23.4% in FY12. This was offset by lower revenue from Info-Comm Technology ("ICT") Services division.**
- **ICT Services division recorded lower revenue mainly due to fewer large projects delivered by S&I Systems Pte Ltd ("S&I") offset by the additional revenue from its subsidiary, NxGen Communications Pte Ltd ("NxGen") and higher revenue from enterprise solutions services**
- **FY12 profit improved from growth by Engineering and the one-off contingent consideration expensed in FY11 for the S&I acquisition**
- **ICT's FY12 and FY11 profit impacted by share of losses from a jointly-controlled entity**

**Revenue Breakdown**




| | 4Q12 | 4Q11 | FY12 | F11 |
|---|---|---|---|---|
| Engineering | 16.9 | 15.5 | 58.4 | 44.3 |
| ICT | 27.5 | 41.1 | 89.8 | 105.8 |
| PCS | 93.3 | 69.8 | 332.7 | 239.5 |

**PBT* Breakdown**
***Without exceptional item**




| | 4Q12 | 4Q11 | FY12 | FY11 |
|---|---|---|---|---|
| Engineering | 1.0 | 1.0 | 3.3 | 2.8 |
| ICT | 0.4 | 3.2 | 0.6 | 4.2 |
| PCS | 2.4 | 1.6 | 6.2 | 6.5 |

**PRESDIENT'S COMMENTARY**

4Q12 Group revenue increased by 8.9% (4Q11: S$126.4 million; 4Q12: S$137.7 million) and rose by 23.4% (FY11: S$389.6 million; FY12: S$480.9 million) for the full year due to improved sales by PCS Services and Engineering Services divisions. The former registered strong sales to a major Singapore customer, higher regional, local channel and retail sales as well as management services fees earned from a major customer in Malaysia. These were offset by lower prepaid card sales. Engineering Services benefitted from Radio Network Planning and power supply projects in Indonesia, transmission equipment sales and In-building Coverage projects in Singapore. ICT Services' drop in revenue was largely due to fewer large scale projects from the financial services industry offset by the consolidation of revenue from NxGen and increased revenue by enterprise solutions services.

Group gross profit fell by 13.8% in 4Q12 (4Q11: S$13.9 million; 4Q12: S$12.0 million) and although it was maintained over the full year at S$41.6 million, gross margin fell by 2.0 percentage points to 8.7% in FY12. The drop in gross margin was due to the reduction in rates experienced by PCS Services from a major customer and margin erosion from Engineering projects. Profit before tax improved by 157.1% in 4Q12 (4Q11: S$1.4 million; 4Q12: S$3.6 million) and by 9.2% in FY12 (FY11: S$9.1 million; FY12: S$9.9 million) from growth by Engineering Services and due to the one-off contingent consideration expensed in FY11 for the acquisition of S&I. This translated into higher profit after tax in 4Q12 of S$3.5 million, which is a 274.5% increase from S$0.9 million in 4Q11. Year on year, profit after tax improved by 17.0% to S$8.2 million as compared with S$7.0 million in FY11.

Mr Andrew Loh, President of TeleChoice International Limited said, "PCS Services recently entered into a two-year contract with U Mobile Sdn Bhd ("U Mobile"), Malaysia's fourth largest 3G service provider, which expands the scope of its services. This contract outsources the management of all of U Mobile's retail stores, its mobile handphone fulfillment and supply chain services to TeleChoice's Malaysian subsidiary, Planet Telecoms Managed Services Sdn Bhd ("PTMS"). This contract, together with the U Mobile prepaid card sales business, will strengthen PCS Services' operations in Malaysia.

"Engineering services has established itself as a leader in the Indonesian market in the area of Radio Network Planning and Optimisation and has also built a presence in Malaysia. It will continue to explore growth opportunities in Thailand, Vietnam and Myanmar to expand its service and product offerings into other regional markets.

"Unfortunately, ICT Services had to contend with fewer large scale projects from the financial services industry due to the tightening of capital expenditure brought about by the uncertain economic climate in 2012. Encouragingly for this division, sales for its enterprise solutions services has increased which underscores the success in its transformation into an integrated info-communications solutions provider catering to the market demands for enterprise solutions and cloud computing services."

Mr Loh added that continued demand for smart phones and other mobility devices, the ongoing need for info-comm solutions and cloud services within the enterprise space and regional network upgrading works should provide exciting growth opportunities for the Groups' three divisions over the mid- to long-term.

The Board of Directors has proposed a final dividend payout of 1.6 cents per ordinary share for FY12. Based on closing share price of S$0.235 on 31 December 2012, the dividend yield is approximately 6.8%. The proposed final dividend is subject to approval at the Group's forthcoming Annual General Meeting.

**OUTLOOK**

Barring any unforeseen circumstances and based on the current outlook, while the Group expects 1Q13 operating performance to be lower than the same period last year, full-year operating performance is expected to be maintained.

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*This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements* *as a result of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies and venues for the sale/distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, and governmental and public policy changes. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.*

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