

# News Release

## Datacraft reports robust revenue increase and profit growth for second quarter and first half of FY2005

**Singapore, 11 May 2005** – Datacraft, the region's leading independent IT services company, reported a good set of results with double-digit revenue growth and triple-digit operating profit after tax increase for the second quarter ended 31 March 2005. Results for the first half to March 2005 also registered robust year-over-year improvements.

### Financial Highlights

Second Quarter ended 31 Mar	2005 US\$ million	2004 US\$ million	y-o-y % improvement
Revenue	109.0	89.0	23
Pre-tax Profit *	4.5	2.0	120
Profit attributable to shareholders *	2.6	1.1	139
First Half ended 31 Mar	2005 US\$ million	2004 US\$ million	y-o-y % improvement
Revenue	212.5	176.9	20
Pre-tax Profit *	8.8	4.0	122
Profit attributable to shareholders *	5.2	2.1	149

\* the FY04 comparatives exclude goodwill amortisation

### Results for the second quarter ended 31 Mar 2005

Compared to the same period last year, revenues for the second quarter grew 23 per cent to US\$109.0 million and operating profit before tax jumped 120 cent to US\$4.5 million. Despite the second quarter being traditionally a slower quarter, the company achieved growth in revenue and profit on a sequential basis. This strong performance was driven by continued strength in the enterprise and service provider markets, and success in the Group's solutions lines of business.

### Results for the half year ended 31 Mar 2005

Group revenue for the half year rose 20 per cent to US\$212.5 million from the same period last year. Operating profit before tax increased 122 per cent to US\$8.8 million, reflecting improved operating margins as well as higher revenues. Correspondingly, operating profit after tax and minority interests was US\$5.2 million, up 149 per cent over the first half of FY2004.

"We have been benefiting from infrastructure refresh by enterprise customers and a renewed interest from service providers in infrastructure and solutions that enable value-added services," said Bill Padfield, CEO of Datacraft Asia. "The good set of results also reflects strong performance by the solutions lines of business, which has been a key investment area for the Group.

"Looking ahead, the near term outlook of the Group's business is underpinned by a healthy backlog of US\$111 million. Much of this is from large network infrastructure projects being undertaken by global MNCs and although they have a higher hardware content, they will pull through additional service revenue in the future."

From a geographic perspective, India and ASEAN delivered another quarter of strong results. Korea, having reported a turnaround in the prior quarter, continued to contribute positively. Elsewhere, operations in China have yet to report a major improvement, while performance in Japan was below expectations.

Gross margin for the second quarter of FY2005 was 16.8 per cent compared to 15.7 per cent for the same quarter last year. This year-over-year increase in gross margin was driven by a robust 19 per cent growth in the higher margin services revenue, coupled with stronger services margin from improved operational efficiency, offsetting a slight decline in hardware margin.

Datacraft has clinched a number of significant deals during the second quarter of FY2005, which included:

- US\$8m network infrastructure integration including security, IP convergence solutions and managed services for a global banking group in Korea
- US\$5.6m broadband network expansion and maintenance contracts for Hanaro, Korea
- US\$5.5m broadband metropolitan infrastructure for True Corporation, Thailand
- US\$4.5m data centre network infrastructure for a global investment bank in Japan
- US\$3m network upgrade to enhance network manageability and security for Siam Commercial Bank, Thailand
- US\$2.5m MPLS network expansion for its domestic and international points of presence for a leading service provider in India
- US\$1.5m multimedia messaging system for a major emerging service provider in Vietnam
- US\$1.5m network upgrade for a leading commercial bank in Thailand
- US\$1.45m network disaster recovery centre project from KT Corp, Korea
- US\$1m metro-ethernet broadband infrastructure for a major broadband provider in India
- US\$1m broadband core infrastructure for Bayantel, Philippines
- US\$800k IPC solution for a global express and logistics industry leader
- US\$500k multimedia messaging system for mobile users utilising Microsoft technology for a major mobile service provider in SE Asia

During the quarter, Datacraft introduced an integrated business communications offering solution around Microsoft Office Live Communications Server 2005. This solution provides customers with enhanced instant messaging and presence awareness, integrated telephony, as well as real-time conferencing and unified communications capabilities.

The company also enhanced its Internet Protocol (IP) convergence solutions portfolio, in partnership with CrystalVoice, to include:

- Datacraft Teleworker - extending the office IP telephony infrastructure to the home office by providing remote connectivity and Instant Collaboration capability;
- Datacraft IP Telephony Remote Office Extension – extends the IP telephony services to remote locations over varying connections and limited bandwidth environments;
- Datacraft Voice Extended Self-Service - providing IP Telephony services directly from websites or HTML-formatted emails.

In another move to broaden its solution and services offerings, Datacraft and Sun Microsystems have entered a Systems Integration partnership for the Asia South region, which include Singapore, Malaysia, India, Thailand, the Philippines, Indonesia and Vietnam. This strategic alliance will cover a broad range of areas between the two companies including joint systems integration business and development of joint solutions in areas such as data centre, storage & data management, enterprise web services, identity management, and desktop mobility.

In India, Datacraft has tied up with ITpreneurs, a leading global provider of training solutions in the area of IT management and IT governance best practices, to offer e-learning and classroom training solutions in India & its sub-continent. With this partnership, Datacraft will be the first IT company in India to offer advanced IT Service Management courses in India. The IT Service Management courses are based on Information Technology Infrastructure Library (ITIL), a set of best practices standards for IT service management that would enable customers to achieve quality service and overcome difficulties associated with the growth of IT systems.

*The full presentation slides on the results briefing will be available at [www.datacraft-asia.com](http://www.datacraft-asia.com) after 0730hrs (Singapore time).*

**About Datacraft**

*"Best Asian Systems Integrator" for fifth consecutive year - Telecom Asia*

Datacraft is the leading independent IT services and solutions company in Asia Pacific. The company helps clients plan, build and support their IT infrastructures. Datacraft combines an expertise in networking, security, 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 and is a component company of the Straits Times Index. Headquartered in Singapore, Datacraft spans more than 50 major offices and has over 1,200 employees across 13 Asia Pacific markets. More information can be found at [www.datacraft-asia.com](http://www.datacraft-asia.com)

**Media Contacts**

Esther Quah, Head, Corporate Communications & Brand, Tel: 6323 7988,

Email: [esther.quah@datacraft-asia.com](mailto:esther.quah@datacraft-asia.com)

Lim Bee Kee, Manager, Corporate Communications & Brand, Tel: 6322 6605,

Email: [bee-kee.lim@datacraft-asia.com](mailto:bee-kee.lim@datacraft-asia.com)