



KTL records solid 37.4% net profit growth to S\$3m for 1H FY09

- **Group revenue up 37.7% on firm demand for its products and services from offshore oil & gas sector**
- **Gross margin improves from 34.2% to 37.0% due to increased focus on higher-margin equipment rental and services business**
- **KTL to grow services business in line with goal to become an integrated rigging specialist for the region**

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FOR IMMEDIATE RELEASE

KTL Global Limited (KTL, the Group or KTL 环球), one of Asia's major suppliers of rigging equipment to the offshore oil and gas (O&G) sector, has reported a 37.4% year-on-year (yoy) increase in net profit after tax to S\$3.0 million for the half-year ended 31 December 2008 (1H FY09).

Group revenue increased 37.7% to S\$37.4 million, boosted by firm demand for its products and services from the offshore O&G sector. Sales to the sector rose 37.1% yoy to S\$26.2 million in 1H FY09, making up about 70.0% of Group revenue. Growth in KTL's equipment rental and services businesses, which was in line with its expansion plans, also contributed to the increase in revenue.

Mr Wilson Tan (陈大耀), KTL's Chief Executive Officer, said, "Going forward, we expect the demand for rental equipment and services to remain strong. We are working to further expand our capabilities in these areas in order to drive the Group's growth, and we have channelled additional resources into beefing up the team that handles our testing, installation and certification services.

"We are happy with our performance in 1H FY09, which reflects the successful execution of our carefully planned business strategy. Our ability to provide a growing and comprehensive range of services has opened up doors to new customers and markets. This sharpens our competitive edge, allowing us to grow our market share and positions us well to weather the challenging times ahead."



With the increased demand for its testing, installation and certification services, the Group was able to improve its gross profit margin to 37.0% in 1H FY09, up from the 34.2% achieved in 1H FY08.

To expand the market for its integrated product range and services, KTL also plans to set up integrated service-and-supply centres in the Middle East and South-east Asia. In addition, the Group will expand its wire rope maintenance and repair division to tap opportunities for such services in these regions.

Recently, KTL formed a strategic winch design and manufacturing venture, KTL Logan, that will not only expand its product range but also move it a step closer to becoming an integrated rigging equipment specialist. This new venture has just clinched its first batch of production contracts worth US\$5.15 million, to customise the design and manufacture of two winches. The winches are expected to be delivered in FY10.

ABOUT THE COMPANY

www.ktlgroup.com

SGX mainboard listing: December 2007

KTL, one of Asia's major suppliers of rigging equipment and related services to the offshore oil & gas (O&G), marine and construction industries, is making strides to transform itself into an integrated rigging equipment specialist in the region.

In line with this strategic drive, the Group recently added the capability to design and manufacture winches to its range of products and engineering services via newly established subsidiary KTL Logan Pte Ltd. KTL Logan is a joint venture with US-based oil & gas equipment suppliers and other third parties.

In rigging equipment supply, KTL assembles ropes and fittings for lifting and mooring. The steel or synthetic ropes are precisely twined together to form grommets and slings, and fitted in lifting or towing equipment for offshore support vessels.

Apart from distributing grommets and slings under KTL's in-house KimFlex brand, the Group also stocks Crosby fittings for lifting equipment. KTL is Crosby's largest stockist outside the US.

KTL also offers load testing services, using its proprietary KimTest 3000 proof-testing machine, as well as certification, rope lubrication and spooling services. Regular certification of lifting equipment is mandatory in the offshore O&G industry.



KTL GLOBAL LIMITED

23 Changi South Avenue 2
KTL Distribution Centre
Singapore 486443

Tel: +65 6543 8888
Fax: +65 6545 2323

MEDIA RELEASE

FOR FURTHER ENQUIRIES

MS KAREN TAN	+65 6543 0863	KTL GLOBAL karentan@ktlsg.com.sg
MS ELINE OH	+65 9839 0263	OAKTREE ADVISERS elineoh@oaktreadvisers.com
MR ANTHONY LAU	+65 8319 5814	OAKTREE ADVISERS anthony@oaktreadvisers.com

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