



Press Release – Results for July-September 2010 ("1Q11")

Singapore Furniture Original Design Manufacturer, KODA, reverses from losses to report 1Q11 net profit of US\$0.4 million

- 15.4% or US\$1.6 million sequential rebound in revenue from 4Q10 to 1Q11, driven by demand from the US which accounted for about 46%
- Gross profit margin remained stable at approximately 26%
- Outlook: the Board expects the Group's profitability to improve for FY2011 vs FY2010

	3 months ended 30/9/2009 ("1Q10") US\$'000	3 months ended 31/12/2009 ("2Q10") US\$'000	3 months ended 31/3/2010 ("3Q10") US\$'000	3 months ended 30/6/2010 ("4Q10") US\$'000	3 months ended 30/9/2011 ("1Q11") US\$'000
Revenue	11,822	12,714	9,477	10,252	11,833
Gross profit	3,058	3,233	2,429	2,681	3,071
Net profit (loss) after tax	435	467	(509)	(98)	445
Attributable to:					
Equity holders of the parent	437	405	(486)	(85)	438
Minority interest	(2)	62	(23)	(13)	7
	435	467	(509)	(98)	445

Singapore, 11 November 2010 – SGX Mainboard-listed Koda Ltd ("Koda" or "the Group) announced today a net profit –of US\$0.4 million for the July-September quarter ("1Q11"), reversing two consecutive quarters of losses for 3Q10 and 4Q10.

Concurrently, 1Q11 revenue for the home-grown exporter of home furniture for the mid to upper-end market segments worldwide improved by 15.4% or US\$1.6 million over 4Q10 to US\$11.8 million, driven mainly by the US market which accounted for about 46% of Koda's revenue.

Similarly 1Q11 gross profit rose 14.5% to US\$3.1 million from US\$2.7 million in 4Q10 while gross profit margin remained relatively stable at approximately 26%.

KODA™

After accounting for working capital requirements during 1Q11, cash balances remained healthy at US\$2.7 million in 1Q11 compared to US\$3.4 million in 4Q10. The lower US-dollar cost of funds did encourage the Group to borrow for its operations yet net gearing remained relatively low at 0.20 times as at 30 September 2010 compared to 0.18 times as at 30 June 2010.

Earnings per share for the quarter was 0.33 US cent –compared to a (0.06) US cent in 4Q10 while net asset value per share was 20.51 US cents as at 30 September 2010.

Koda's Managing Director Mr James Koh Jyh Gang said, "Although we are not out of the woods yet, we are encouraged by our return to profitability this quarter. While average order size remains small and delivery times are shorter, the continuity in orders in the last few quarters means that our core business fundamentals are intact."

On outlook, he added, "As global economic indicators appear to pick up, we intend to sustain this improvement. While demand recovery will continue to depend on the pace of economic recovery, we plan to enhance its effectiveness by negotiating for higher minimum order quantity, better pricing and production efficiency."

Moving forward Koda will leverage on business and financial synergies from its recent acquisition of a 51% stake in Hong Kong incorporated, Metrolink International Ltd, which owns 100% of the People's Republic Of China-based Locasa Sofa Ltd and Indonesia-based PT C&C furniture ("Metrolink Group").

Metrolink Group is a manufacturer and distributor of classical furniture.

The acquisition, which is earnings accretive is expected to enlarge Koda's product portfolio, extend its distribution channels in the PRC market and expand its sourcing facilities in Indonesia.

Given the above and barring any unforeseen circumstances, the Board expects the Group's profitability to improve in FY2011 over FY2010. The Board also expects the financial position of the Group to remain strong and gearing levels to remain relatively low.

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This document is to be read in conjunction with Koda's exchange filings, i.e. results announcement Appendix 7.2 and outlook statement which can be downloaded via www.sgx.com.

Issued on behalf of the Company by WeR1 Consultants Pte Ltd

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About Koda Ltd

Established in Singapore and founded in 1972, Koda is backed by a management with combined experience of close to a century and recognised as a leading Original Design Manufacturer (“ODM”) to the world. Koda is a strong contender for home furniture export and could possibly be the largest dining room furniture exporter in South-East Asia. Koda’s range of design intensive products exudes individuality, sophistication and elegance.

Koda is well-known for its design strength – leading to appreciation from upscale customers worldwide for its aesthetical and functional pieces. With proven market experience, strong product development and significant in-house design expertise, Koda has been able to offer more than 300 product models, secure orders from more than 200 customers and sell to more than 50 countries.

Consistent business strategies and focused growth initiatives differentiates Koda from others. Koda has been emphasising on cost-effective expansion and the enlarged production and sourcing facilities in Vietnam and China enhance its cost competitiveness. In addition to its growing base in Vietnam, the Group has another manufacturing base in Malaysia which specialises in certain range of products.