

FY 2009
ANALYSTS' BRIEFING
27th AUGUST 2009





FINANCIAL HIGHLIGHTS

*Impact on global recession: weak demand from US and EU –
Y-O-Y performance down but Q-O-Q performance improved.*

Year-on-Year (FY2009 vs FY2008)

- Revenue down 31.2% to US\$37.78m (US\$54.9m in FY2008)
- Gross profit down 38.3% to US\$9.89m (US\$16.1m in FY2008)
- Lower gross margin of 26.2% (29.1% in FY2008)
- Incurred a Net Loss of US\$0.3m (US\$4.2m Net Profit in FY2008)

Quarter-on-Quarter (4Q09 vs 3Q09)

- Revenue up 24.4% to US\$8.02m (US\$6.46m in 3Q09)
- Gross profit up 26.5% to US\$2.16m (US\$1.71m in 3Q09)
- 4Q09 net loss reduced to US\$0.08m (US\$0.96m in 3Q09);
(US\$0.5m in 4Q08)

Orders on hand at US\$12.2m, up 13% yoy for delivery in 3-4 months





FINANCIAL HIGHLIGHTS

Year-on-Year: Other points to note (FY2009 vs FY2008)

- **Operating expenses – mostly fixed in nature; could not fall proportionately to Revenue**
 - Selling exp down 6.9% to US\$3.78m (US\$4.05m in FY2008)
 - Admin exp down 1.9% to US\$6.96m (US\$7.09m in in FY2008)
 - Finance exp down 25.1% to US\$0.14m (US\$0.19m in FY2008)
- **Financial Position – remains strong**
 - Cash balance of US\$3.49m as at 30 June 2009 (US\$5.10m as at 30 June 2008)
 - A modest fall in cash balance – considering current year net loss
 - Lower borrowings: only US\$1.63m in total borrowings
 - Very low gearing ratio; improved to 0.06 times from 0.08 times
 - NAV per share of US 20 cents or S 29 cents





RESULTS AT A GLANCE

US\$'000	2009	2008	% Change
Revenue	37,775	54,944	(31.2%) ¹
Gross Profit	9,888	16,014	(38.3%) ²
Net Profit	(276)	4,200	N.A. ³

- 1 Generally weak demand in key markets due to global recession
- 2 GP margin lower but remain a credible 26.2%, fall as a result of our decision to change product mix
- 3 Net loss given lower revenue, gross profit and less operating leverage (higher unit fixed cost)

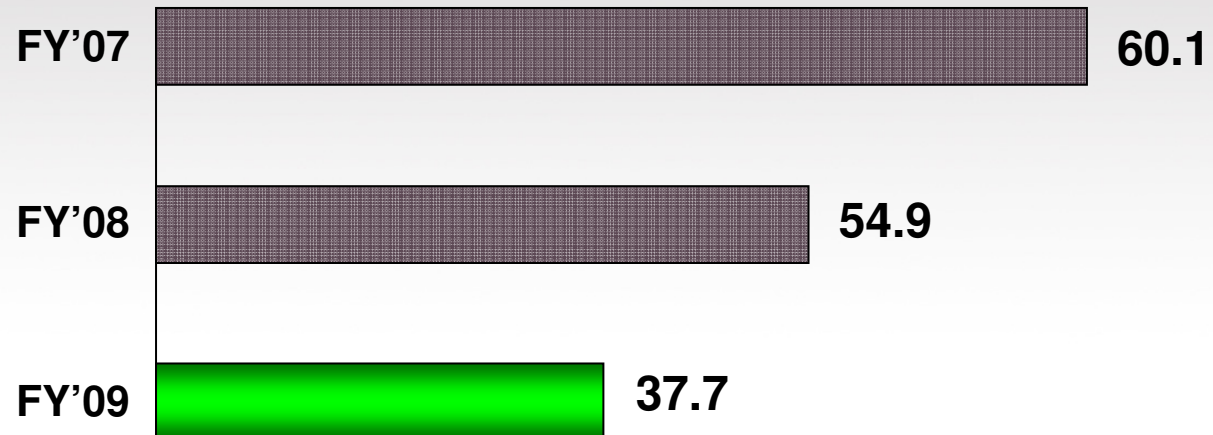




RESULTS AT A GLANCE

Group Revenue (FY'07 – FY'09)

US\$M

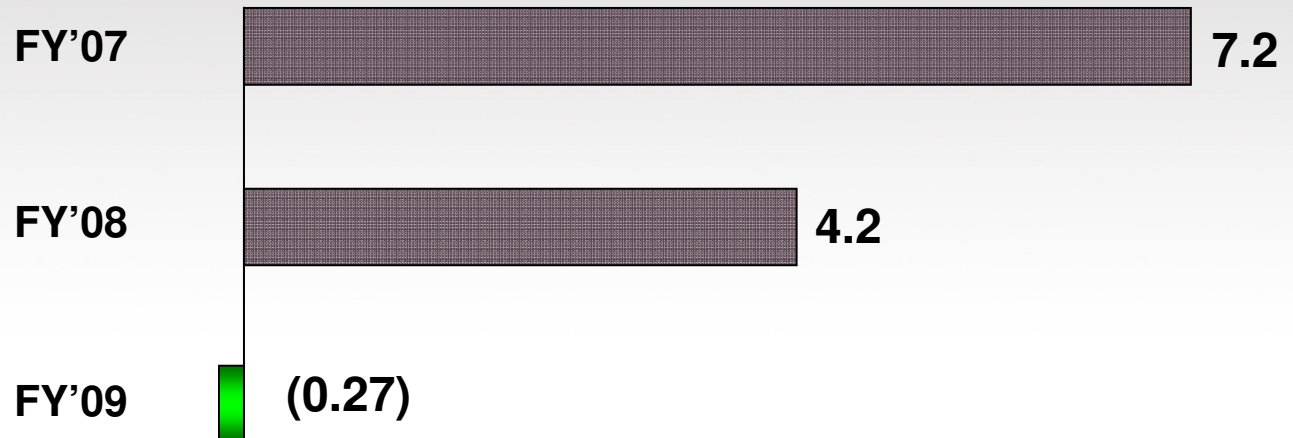




RESULTS AT A GLANCE

Net Profit After Tax (FY'07 – FY'09)

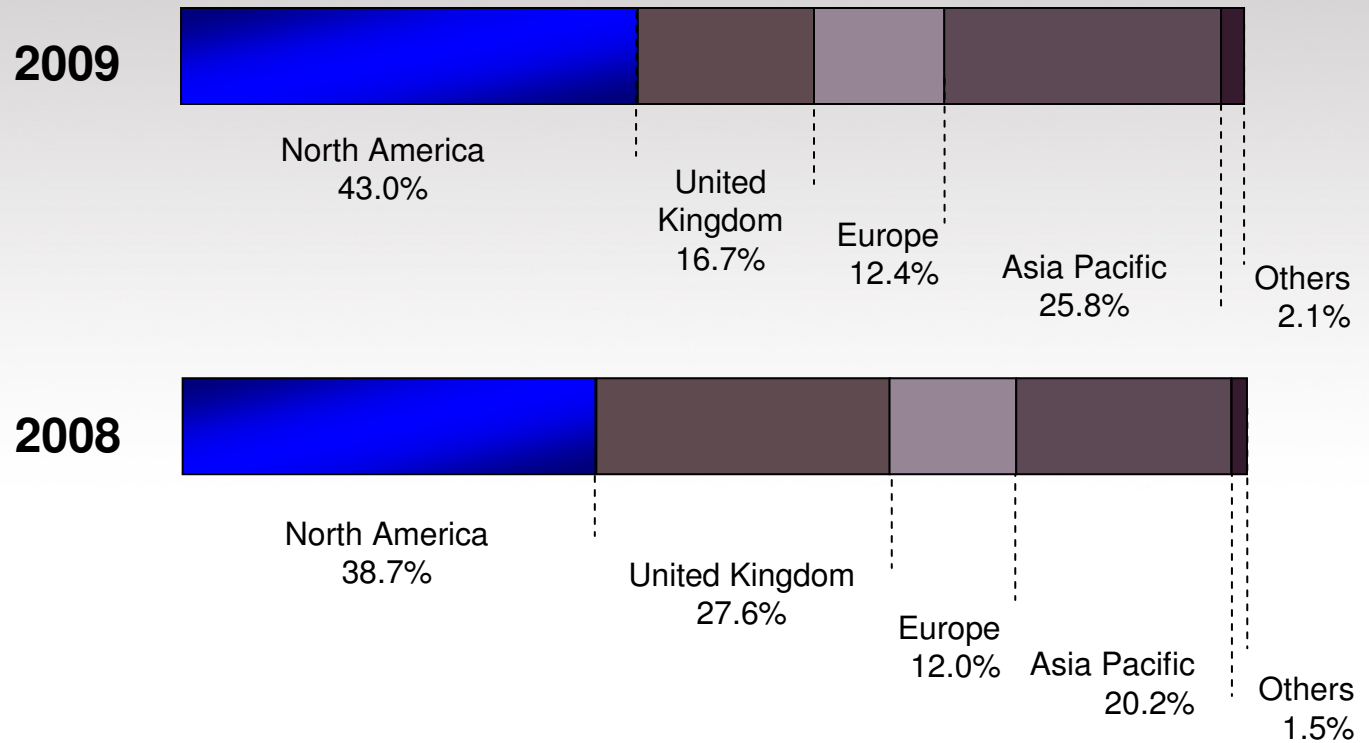
US\$M





SEGMENTAL RESULTS

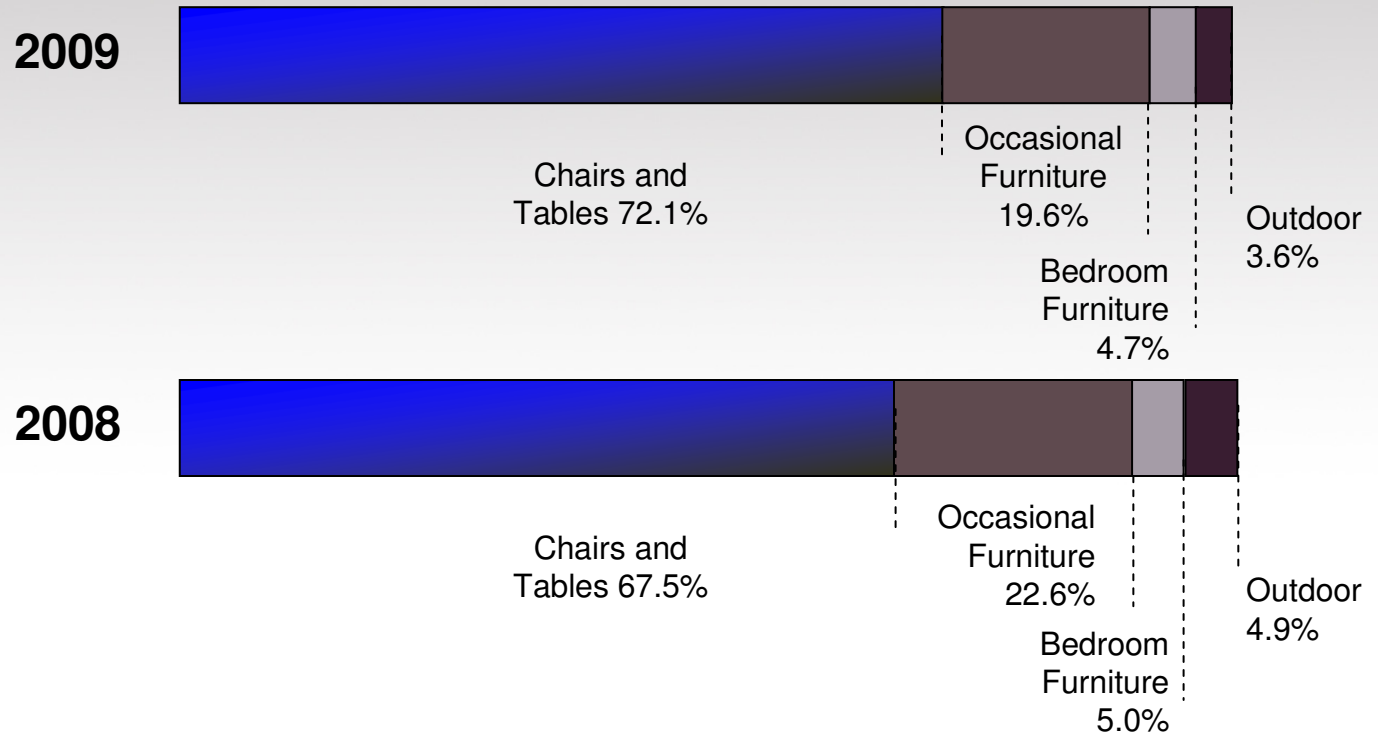
Revenue by Geographical Market

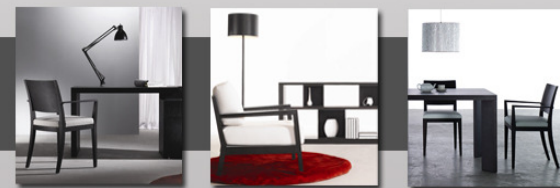




SEGMENTAL RESULTS

Revenue by Product





OTHER KEY INDICATORS

Position as at 30 June 3009

US\$'000	2009	2008
Working Capital	13,145	15,163
Net Operating Cash Flows	(701)	3,100
Shareholders' Equity	26,728	28,086
Other Ratios		
Gearing Ratio (times)	0.06	0.08
Interest Cover Ratio (times)	-	28.5





DIVIDEND

- **Proposed Final Dividend of S 0.5 cents per share**
- **Proposed a final dividend despite current year net loss – strong cash position and low gearing**
- **A Total dividend amount of US\$0.46m (S\$0.67m)**
- **An estimated dividend yield of about 2.5% (*based on an average share price of S 20 cents*)**





GROWTH STRATEGY

Growing Revenue

- *Capitalizing on favourable changes in market trends to secure new orders*
- *Broadening of products range: market-relevant; production-feasible designs; and affordably-priced designs*
- *Continuing investments into R&D: new international designers from Italy and US; efforts to initiate new design capabilities and catch latest design trends:*
- *Tapping other emerging markets – continual efforts to diversify market base such as Russia and Dubai*
- *Expanding Retail and Franchise segment in Vietnam*





GROWTH STRATEGY

Growing Revenue

Participation in major international furniture fairs :

Sep '09 – Guangzhou (China)

Sep '09 – Shanghai (China)

Nov '09 - Dubai (UAE)

Nov '09 - Moscow (Russia)

Jan '10 – Cologne (Germany)

Mar '10 – Singapore

Mar '10 – Kuala Lumpur (Malaysia)

Mar '10 – Guangzhou (China)

Mar '10 – Ho Chi Minh (Vietnam)

Apr '10 – Milan (Italy)





OUTLOOK

- Whist incoming orders show concrete signs of recovery - particularly in US market) – confirmed orders have risen and are rising, do note that:
 - clients' order smaller batches and expect shorter lead time;
 - consumption patterns continue to be weak in key US, UK markets
 - weak pound sterling is another dampener
- The Group will continue to leverage on ongoing initiatives while constantly monitoring operating environment
- Enhancing our financial positioning to benefit from growing trend of outsourcing to reliable manufacturers like Koda
- Continue to invest in R&D – product differentiation and cost competitiveness
- Ongoing proactive marketing eg: trade shows and customers' visit
- Increased inventories of raw materials to reduce delivery lead time



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FY 2009

Thank you!

27th AUGUST 2009

redefining LIFESTYLE