



Press Release

**SGX-listed Koda Ranks Among Top 200 Global Furniture
Manufacturers in 2007 Industry Report by Italian Research
Organisation, CSIL Milano**

SGX Mainboard-listed original design manufacturer and furniture exporter Koda Ltd (“Koda”) announced today that Italy-based CSIL Milano, a leading provider of specialised, independent research and analysis on the global furniture industry, has included Koda in its “Profiles of 200 major furniture manufacturers worldwide”. This special report, which ranks furniture companies according to sales, was published in the research firm’s Top World Furniture Manufacturers Report 2007.

Speaking on the latest accolade accorded to the fast-expanding Koda, Mr. James Koh, Deputy Chairman & Managing Director, said, “We are delighted that our capabilities in furniture design and manufacture and growing presence in the world’s key markets have been recognised by CSIL Milano, an authority on the global furniture industry. We believe that our strategy of creating design-intensive, higher-value product ranges, penetrating new markets, relocating production plants and enlarging sourcing facilities to geographical areas offering better competitive advantages. The resultant marketing strategy led to good financial performance for the past three financial years and such focused marketing strategy has further enhanced Koda’s clear positioning in the global furniture industry and will underpin Koda’s continued growth.”

The report “Profiles of 200 major furniture manufacturers worldwide” provides company profiles of 200 furniture manufacturing companies and groups across 29 countries in Europe, North America and Asia. In particular, the report summarises for each company data on corporate background and structure, product range and sales markets, production facilities and employees, distribution networks and commercial strategies, mergers and joint ventures.

In October 2006, Koda received the Gold Award Winner in The Furniture Manufacturer Award category in the Singapore Furniture Industry Award (SFIA) 2006. This was followed by Forbes Asia magazine ranking Koda as one of the Top 200 companies

K O D ATM LTD

outside USA (amongst 19 Singaporean companies) in its "Best Under A Billion In Sales" classification.

Over a three-year period (from FY2004 – FY2006), Koda recorded sales growth of 54.3%, earnings per share growth of 75%; and over a five-year period (FY2002 – FY2006), 134.7% and 55.6% respectively.

For the financial year ended 30 June 2006 ("FY2006"), Koda's revenue rose 15.2% to US\$48.1 million (S\$78.9 million) compared to US\$41.7 million (S\$69.5 million) in FY2005, buoyed by a significant increase in sales in the fast-growing North American and traditional European markets and an enhanced product mix. The return on equity was recorded at 26.8% as at 30 June 2006.

Added, Mr. Koh, "Our goal has always been to understand our customer needs better in order for us to continually bring new and innovative designs to the market, most importantly, much ahead of competition.

Koda added a new dimension to its growth strategy when it acquired a 70% indirect equity stake in Rossano Group ("Rossano"), a Vietnam-based specialist producer of leather and upholstery furniture in April 2006. The move, on full swing basis, should raise Koda's production capacity for leather and upholstery furniture in Vietnam by about 20%-25%.

This strategic investment strengthens Koda's expertise in producing leather and upholstery furniture which will boost its planned move into upmarket segments. In addition, Koda plans to use Rossano as a platform to launch new mid-market product lines to regain customers which the company had previously overlooked when it successfully moved up the value chain.

ends

Issued on behalf of the Company by WeR1 Consultants Pte Ltd

Media Contact Info:

WeR1 Consultants Pte Ltd
Tel: +65-6737 4844 Fax: +65-6737 4944 HP: +65-8200 9339
Mona Leong, Reshma Jain
monaleong@wer1.net ; reshma@wer1.net



About CSIL Milano

CSIL is an independent research and consulting company founded in Milan, Italy, in 1980. Its partners are economists, market researchers, management consultants and experts in industrial organisation and technology.

CSIL specialises in the economics and development of small and medium-sized enterprises, particularly in those manufacturing sectors where Italy has a proven track record, such as the furniture, lighting, appliances and furnishing industry and other light industries.

These sectors are characterised by low capital intensity and a high incidence of human inputs, with an emphasis on design and on retail distribution. The development processes occurring in these sectors, dominated by small/medium sized enterprises, have attracted much attention at an international level, and this model is now the heart of the new public policies for development in Europe.

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 recognized 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 150 customers and sell to more than 50 countries. Consistent business strategies and focused growth initiatives differentiates Koda from others.

Koda has been emphasizing on cost-effective expansion and the enlarged production and sourcing facilities in Vietnam and China enhance its cost competitiveness. Together with its existing manufacturing base in Malaysia, Koda has a total 12 purpose-built factory buildings.