



FRONTLINE TECHNOLOGIES CORPORATION LTD

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MEDIA RELEASE

FRONTLINE'S PROFIT INCREASED BY 31% IN FIRST HALF FY2008 TO \$4.6M

- **Group revenue rose by 18% to \$110.6m**
- **Services revenue accounted for half of the Group's total revenue**

Financial Performance Highlights S\$ (million)			
	1H FY08	1H FY07	% change
Revenue	110.6	93.5	18.3
Gross profit margins (%)	26.1	27.2	-
Net profit after tax	6.2	4.5	37.8
• Profit attributable to shareholders	4.6	3.5	30.6
• Minority interest	1.6	1.0	60.0
Earnings per share (cent)	0.57	0.43	32.6
Net asset value per share (cents)	15.44	13.00	18.8

*(*Figures may not add up due to rounding differences)*

Singapore, 14 November 2007 – Frontline Technologies Corporation Ltd's ("Frontline"), a premier pan-Asian, IT-service provider, today announced that its net profit after tax increased by 37.8% to \$6.2 million compared to \$4.5 million during the first six months of the financial year which ended on 30 September 2007 ("1HFY08"). The net profit attributable to shareholders has also grown by 31.4% to \$4.6 million. The increase was due largely to higher contributions from IT Services.

Compared to the same period last year ("1HFY07"), the Group's revenue grew 18.3% to reach \$110.6 million while net profit after tax increased by 37.8% to reach \$6.2 million. IT Services, comprising of Outsourcing, Consulting and Implementation, accounted for

50.3% or \$55.7 million an increase of 22.8% or \$10.3 million as compared to 1HFY07's 48.5%.

Earnings per share increased to 0.57 cents in 1HFY08 by 32.6% from 0.43 cents in 1HFY07.

Strong balance sheet

Net assets grew by 18.1% to \$126.4 million while net asset value per share rose 18.8% to 15.44 cents compared to 13.00 cents during the same period last year.

The Group's cash reserves as at 30 September 2007 stands at a healthy \$24.6 million.

Mr. Steve Ting, Executive Chairman of Frontline, said, "This is the Group's ninth consecutive half-year of double-digit growth for revenue and net profit since FY2004 and is evident of our consistently strong performance over the years. Our focus on IT Services during this period has paid off, as it becomes the key growth driver, powering the Group's businesses ahead year by year".

Performance by Business Segments

The Group's IT services of Outsourcing, Consultancy and Implementation continued to perform well, accounting for 50.3% or \$55.6 million of total revenue. Outsourcing revenue rose to \$44.9 million, up by 20.5% from \$37.2 million in 1HFY07, contributing to 40.6% of the total revenue.

Registering the highest growth is revenue contribution from Consulting and Implementation, from \$8.1 million last year to \$10.8 million this period, representing an increase of 33.3%.

Revenue from IT Infrastructure remained stable as it grew from \$48.2 million in 1HFY07 to \$54.9 million during same period this year, a growth of 13.9%.

Singapore

The Group's operations in Singapore made considerable inroads to the local media industry. Key among the contracts secured during the period included Singapore Press

Holdings' Chinese Newspaper Division's web portal, *omy*. *Omy* is SPH's first bilingual interactive web portal that contains news and entertainment features from the Asian pop scene. Within a month of its launch, *omy* has achieved its target of 5 million page views. Another major project was for Mediacorp's classified website, *Mocca*, which aggregates all content from within Mediacorp onto a unified platform.

Other key wins in Singapore included SISTIC for application consulting and enterprise architecture as well as PSA for end-to-end IT infrastructure services.

China

The Group's associate company, MDCL-Frontline, of which the Group owns 47.5%, acquired several major wins in the past six months. These included China Mobile, Air China and Sichuan Mobile and Sichuan University. It also successfully penetrated into China's ISP industry and secured a contract with Baidu, a leading Chinese language search engine to develop its search application.

India

The Group's operations in India, Accel Frontline performed well in the first half as it strengthened its ERP consulting practice and focused on the banking and education sectors. The India operations also had significant wins in the IT Infrastructure Management and Warranty Management Services divisions. These included the State Bank of India for IT infrastructure management for all its branches across India; Ericsson India for IT infrastructure; Seagate for data recovery services and the implementation of a banking application for various Indian banks.

Indonesia

The Group's associate in Indonesia also gave a strong performance. It remains a key player in the telecommunication industry, clinching million-dollar deals with major telecommunications operators. It also penetrated into a new industry - the media sector, by winning a broadcast solution contract with a local television station. Additionally, it also expanded its presence into the lucrative oil and gas sector, winning contracts with both local and foreign oil providers. In a significant move, it broke into the Indonesian financial services industry, scoring a successful win with one of the country's biggest banks.

Thailand

The Group's Thai operations also registered a strong turnaround for the first half period. There were significant wins from the financial services; insurance and education sectors and these included the Bank of Tokyo-Mitsubishi, Thai Insurance and the Bank of Agriculture and Agricultural Cooperatives.

Dividends

The Board of Directors has decided to declare an interim dividend of 0.48 cent per ordinary share and this represents a gross yield of 2.7% based on the current share price. The dividends will be paid by 28 December 2007.

For media queries, please contact:

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About Frontline Technologies Corporation Ltd

Frontline Technologies Corporation Ltd (SGX: FRLT.SI) is a leading provider of end-to-end IT services. Frontline offers IT consulting, IT infrastructure, IT security solutions, enterprise application solutions, system integration as well as outsourcing to help companies harness IT so as to drive operational and cost efficiency as well as business growth.

Established in 1993 and headquartered in Singapore, the Frontline Group has more than 4,500 professionals in nine key markets in Asia – China, Hong Kong, India, Indonesia, Malaysia, Singapore, Philippines, Taiwan and Thailand – to meet the specific needs of corporate organisations across a continuum of industries. Frontline is listed on the Main board of the Singapore Exchange since March 2001 and has been ranked in the top 10% of the Corporate Transparency Index (CTI) in Singapore.

For more information, please visit www.frontline.com.sg