

SUPERIOR MULTI-PACKAGING ACHIEVES RESILIENT RESULTS DESPITE CHALLENGING MARKET CONDITIONS

- Revenue rose 23.1% y-o-y to S\$150.7 million as both metal and flexible packaging segments grew 34.5% and 11.3% respectively
- Profit maintained at S\$2.0 million as margins impacted by higher raw material costs and operating expenses

S\$ (Million)	FY08	FY07	Change (%)
Revenue	150.9	122.4	23.1
Gross Profit	14.8	13.7	8.3
Profit before tax	3.0	3.1	(1.8)
Net Profit after tax	2.1	2.0	2.6
Basic Earnings Per Shares (cents)	1.14	1.12	1.8
Net Asset Value (cents)	39.09	35.54	10.0

SINGAPORE, 26 February 2009 – Singapore Exchange Main Board-listed **Superior Multi-Packaging Limited** (“SMPL” or “The Group”) (速必雅包装有限公司), today announced positive results for the full year financial period ended 31 December 2008 (“FY2008”) amidst challenging market conditions.

The Group achieved a 23.1% increase in turnover from S\$122.4 million in FY2007 to S\$150.7 million in FY2008, underpinned by the success of its strategy in expanding its customer base and rolling out new products. It also benefited from higher selling prices as the Group managed to pass on some of the higher cost of raw materials onto its customers.

Sales from the metal packaging business segment rose 34.5% y-o-y to S\$88.7 million as the Group secured new customers in Singapore and China as well as higher orders from existing customers. Turnover from its flexible packaging business continues to rise steadily, growing 11.3% y-o-y to S\$54.7 million, as demand from local customers remained strong.

In terms of geographical segmentation, Singapore remains the Group's key market, representing 53.6% of the Group's total revenue, sales of metal packaging products in China accounted for 42.4%, while sales in other markets, mainly in Vietnam and Philippines accounted for 4.1% of total revenue.

Gross margin declined from 11.2% to 9.8% in FY2008 as raw material prices rose significantly during the year, the impact of which was partially mitigated by a revision in the selling prices of our products. The Group was also affected by higher operating costs mainly due to the implementation of higher minimum wage requirements in China.

Distribution and administrative expenses rose 19.1% and 24.8% mainly due to increased sales activities. Administrative expense was also higher as the Group increased its overall headcount to support a larger customer base.

As a result of the above factors, the Group's net profit attributable to shareholders maintained at S\$2.0 million compared to FY2007.

The Group remained in a healthy financial position with cash and bank balances of S\$5.9 million compared to S\$4.5 million a year ago. Borrowings as a percentage of shareholders' equity rose to 44% from 23% due to higher working capital requirements as reflected in its revenue growth.

"We have achieved a set of commendable results, considering that our margins were severely tested by a sudden surge in raw material prices during the year as well as rising cost of operations in Singapore and China. Therefore, I have to commend our management for reacting well to these challenges with prudent price revisions and timely cost measures, which helped to mitigate the drop in profit margins. At the same time, we were able to improve our top-line by securing new customers and supporting existing customers in their new product roll-out in new markets. These combined efforts have

helped the Group to remain profitable at a time when the whole manufacturing industry is under intense pressure, particularly in the last quarter of 2008,” said Mr. Wang Gee Hock, Chief Executive Officer of SMPL.

“Going into 2009, we are bracing ourselves for further challenges as the global economy showed little signs of recovery. As such, we are prepared to take decisive actions to sustain our profitability with further cost cutting measures and tighter control of our receivables and inventory levels. In view of the tighter credit market, we will also manage our capital expenditure to conserve cash and only take on new businesses if it fits our existing capabilities,” said Mr Wang.

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About Superior Multi-Packaging Limited

Listed on the Singapore Exchange Main Board, Superior Multi-Packaging Limited (“SMPL” or the “Group”), specialises in the production of metal containers and flexible packaging materials.

SMPL was formed in 1979 and is today a recognised brand name in East Asia and South East Asia with operations in Singapore, China, Vietnam and the Philippines. SMPL produces metal packaging in the form of high-quality pails and cans for the paint, chemical, petrochemical, marine and edible oil industries and also offers customised metal printing services. It also manufactures a wide range of customised flexible packaging materials for food and beverage, healthcare and pharmaceutical and other industries.

With its proven record in the industry and excellent engineering capabilities, SMPL is in a strong position to tap into future growth opportunities in the various industries it serves.

Led by an experienced and dedicated management team, the Group continuously invests in research and development to refine its production processes and broaden its product base with more higher-margin products.

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