



Stamford Tyres Corporation Limited

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FOR IMMEDIATE RELEASE

Stamford Tyres maintains net profit of S\$3.8 million for 1H2013

- Sales up 7.2% year on year due to broad-based growth across geographical markets
- Defensive stance through streamlining of operations, adjustment of sales strategy and focus on core operations

Singapore, 6 December 2012 – Stamford Tyres Corporation Limited (“Stamford Tyres” or “the Group”), one of South East Asia’s largest independent tyre and wheel distributors, wishes to announce its result for the three months ended 31 October 2012 (“**2Q2013**”) and six months ended 31 October 2012 (“**1H2013**”).

	1H2013 (S\$' 000)	1H2012 (S\$' 000)	Change (YoY) %
Financial Highlights			
Revenue	181,727	169,464	7.2
Gross Profit	34,730	40,819	(14.9)
Gross Profit Margin (%)	19.1	24.1	N.A
Operating Expenses	38,340	35,706	7.4
Net Profit After Tax	3,839	3,789	1.3

Revenue improved 7.2% year on year (“yoy”) to S\$181.7 million in 1H2013 due to steady growth across various geographical markets. Gross profit declined to S\$34.7 million in 1H2013, representing a lower gross profit margin of 19.1% versus 24.1% previously. The decline in gross profit is due to the higher historical cost of goods sold during 1H2013 compared to 1H2012.

Operating expenses increased 7.4% yoy to S\$38.3 million. This is mainly due to increased allowance for doubtful receivables by S\$1.8 million mainly due to collection issues in Europe and China and increase in industrial rental costs in Singapore and Malaysia by S\$0.8 million.

As a result, the Group achieved a net profit of S\$3.8 million in 1H2013, which is similar to that in 1HFY12.

Forging ahead despite macroeconomic headwinds

The macro outlook continues to remain uncertain given the ongoing Euro zone crisis as well as the slowdown in China's growth. As a result, business sentiments and consumers' confidence have continued to remain weak.

“The performance of our first half has been below our expectations, mainly due to the compression of our gross margins affecting our bottomline.

The second half of our financial year will continue to be challenging due to lacklustre economic sentiments and difficult business conditions. As such, we will seek to defend our gross margins from further compression via adjustments to our sales strategy and mix. In addition, we will look to streamline our operations to contain operating costs. Lastly, we will also steadily grow the topline performance for our core wholesale and retail businesses, especially in the South East Asia markets.

With these measures in place, we are confident that the Group will be able to position itself for a stronger recovery when business conditions improve”

Mr Wee Kok Wah, President of Stamford Tyres

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About Stamford Tyres Corporation Limited (STC:SP)

Stamford Tyres is one of the largest independent tyre and wheel distributors in Southeast Asia with distribution centres in Singapore, Malaysia, Thailand, Indonesia, Hong Kong, China, India, Australia and South Africa. It provides many value added services such as regional retail operations, on-site management services to fleet owners and mining operators. The Group has also set up a state-of-the-art plant in Thailand to manufacture alloy wheels.

Stamford Tyres was established in the 1930s and today has a sales and operations network in more than 90 countries around the world. While the Group continues to focus on its core business of tyre distribution of its major brands – Falken, Dunlop, Continental and Toyo Tires -- it has also strengthened its development capabilities and introduced innovative products to grow its proprietary brands in international markets – Sumo Firenza, Sumo Tire and SSW Wheels.

Please visit www.stamfordtyres.com for more information on the Group.

Issued for and on behalf of **Stamford Tyres Corporation Limited**

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