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BBR Holdings posts 93% increase in net profit to S\$2.8 million for first quarter ended 31 March 2009 and affirms profitability for the year

“Although this continues to be a difficult time for the Group with strong competition on all fronts, we delivered a set of encouraging results. With the healthy order book, we expect the Group to remain profitable for FY2009,” said CEO Mr Andrew Tan

S\$m	1Q2009	1Q2008	%
Revenue	61.23	41.21	▲ 49%
Gross Profit	3.95	3.91	▲ 1%
Profit before tax	3.02	1.47	▲ 105%
PATMI	2.77	1.44	▲ 93%
<ul style="list-style-type: none">▪ Order Book stands at S\$284 million as at 11 May 2009▪ Total Assets: S\$216.0 million; Net Tangible Assets S\$51.4 million;▪ EPS per share at 0.18 cents and NAV per share 3.30 cents			

SINGAPORE, 11 May 2009 – MAINBOARD-listed BBR Holdings (S) Ltd (BBR) today announced a Net Profit After Tax and Minority Interests (PATMI) of S\$2.8 million for the first quarter to 31 March 2009, a significant increase of 93% from the previous corresponding quarter.

Group revenue climbed to S\$61.2 million, an increase of 48.6% from the previous corresponding quarter, due mostly to recognition of revenue from key construction projects of higher value in the quarter.

The Group's General Construction arm contributed the lion's share at 80%. Contributing to the revenue streams were the Common Services Tunnel, a S\$189.6 million contract from the URA planned for completion in FY2011 and the S\$95.3 million contract from Ascendas (Tuas) Pte Ltd to build an iconic office tower block at the International Business Park in Jurong East. The balance of 20% was made up by the Specialised Engineering businesses.

The Group's year-to-date order book of civil engineering and building projects is estimated at S\$284 million as at 11 May 2009, with projects predominantly in Singapore and Malaysia.

BBR Holdings' Chief Executive Officer Mr Andrew Tan said: "Although this continues to be a difficult time for the Group with strong competition on all fronts, we delivered a set of encouraging results. With the healthy order book, we expect the Group to remain profitable for FY2009.

"We will adopt strategies that are necessary to weather the economic downturn and at the same time, not lose sight of our long-term goals of investing in future growth and creating greater value for our shareholders," he added.

BBR Group, which started in 1993 as a specialist engineering group, currently has three core business activities, namely, General Construction, Specialised Engineering and Property Development.

Gross profit remained stable at S\$4.0 million compared to S\$3.9 million recorded in the previous corresponding period. Its gross profit margin slipped to 6.5% from 9.5% previously, due mainly to a project of higher value with lower profit margin secured during the first quarter of 2008. However, no revenue and profit were recognised during that period as the project was at an early stage of construction. Its PATMI margin of 4.6% is higher than the 3.6% recorded in 1Q2008.

Earnings per share stood at 0.18 cents compared to 0.09 cents for period ended 31 March 2008.

The Group's financial position remains sturdy. As at 31 March 2009, its assets totaled S\$216.0 million against S\$205.8 million it registered at 31 December 2008. The Group's net current assets amounted to S\$91.9 million and it has net tangible assets worth S\$51.4 million against S\$91.3 million and S\$48.6 million recorded at 31 December 2008 respectively. Net asset value per share was at 3.30 cents or 5.8% higher than at 31 December 2008. Market capitalisation was S\$100.2 million based on 11 May 2009 closing share price of 6.5 cents. The total number of shares issued to date is approximately 1.54 billion.

The Group continued to maintain a healthy liquidity position with net cash generated from operations of S\$12.8 million for the quarter ended 31 March 2009. Its cash position stood at S\$39.8 million and working capital at S\$91.9 million as at 31 March 2009. The Group's healthy balance sheet is supported by a strong capital position with equity attributable to shareholders of S\$50.9 million, an increase of 5.8% over the S\$48.1 million recorded in 31 December 2008, or 23.6% of total assets as at 31 March 2009.

2009 Outlook

Looking ahead to the rest of 2009, Mr Andrew Tan said activity in the construction sector is expected to be fairly robust based on Government forecasts. According to the Building and Construction Authority (BCA), total construction demand in 2009 is likely to be in the region of S\$22 billion to S\$28 billion, driven chiefly by public sector construction demand. In its Budget announcement, the Government had said it would spend an estimated S\$18 billion to S\$20 billion in public infrastructure projects in 2009 including the S\$1.3 billion worth of smaller projects which were originally planned to start in 2010.

Armed with a solid track record and more than 30 years of experience in the construction industry, Mr Tan is confident that BBR will stand to gain from the flurry of Government activities.

“We will continue to leverage our track record and capabilities in building construction and civil engineering to secure more public sector projects. We will also exercise caution when tendering for new projects, concentrating on those with reasonable returns and profit margins. At the same time, we continue to keep a watchful eye on costs, implementing measures to improve our cost structure and optimise efficiency in all areas,” added Mr Tan.

On-going Projects

Some of the projects the Group is currently working on include:

- a S\$95.3 million turnkey design-and-build contract from Ascendas (Tuas) Pte Ltd to build an iconic office tower block at the International Business Park in Jurong East, scheduled to finish in August 2009;
- a S\$26.4 million contract from the Ministry of Education (MOE) for addition and alteration works to the existing Jun Yuan Primary School located at Tampines Street 91, planned for completion by October 2009; and
- a S\$189.6 million contract awarded by the Urban Redevelopment Authority for the construction of the proposed common services tunnel phase 3A at downtown core scheduled to be completed by April 2011.

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About BBR Group

The BBR Group has its roots in specialised engineering. Since its inception in 1993, the Group has grown significantly and today, it has established three core business activities, namely, General Construction, Specialised Engineering and Property Development.

Its General Construction activities are mainly undertaken through its wholly-owned subsidiary, Singapore Piling & Civil Engineering Private Limited (Singapore Piling), a company it acquired in 2001. Singapore Piling has a 37-year history and has been registered with the Building & Construction Authority of Singapore under the "A1" classification since 1984. The company is active in Singapore as well as overseas, having undertaken projects in Korea as well as Sri Lanka. Its Specialised Engineering arm is part of the BBR Network that spans 42 countries. Today, BBR Singapore has a strong presence in Malaysia, Philippines, Thailand and Sri Lanka. The Group is developing two upmarket condominium projects: 8 Nassim Hill comprising 16 super luxury triplex units with basement car parks and a freehold site at Holland Hill which will yield a 12-storey luxury condominium.

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