



Design Studio posts S\$19.6 million net profit in FY2010

- FY2010 full year revenue of S\$108 million yields S\$19.6 million in net profit after tax
- Maintains a healthy order book of S\$142.9 million as at 15 February 2011
- Strong balance sheet and sound net cash position of S\$32.0 million
- Declares final dividend of 1.25 cents per share

Singapore 26 February 2011 – Design Studio Furniture Manufacturer Ltd (“Design Studio” or the “Group”), a leading premier furniture manufacturer, product and interior fitting-out specialist listed on Singapore Exchange Securities Trading Limited (“SGX-ST”), posted a revenue of S\$108.0 million for the full year ending 31st December 2010 which resulted in a net profit after tax of S\$19.6 million for FY2010.

Financial Highlights (S\$'000)	4Q2010 (S\$'000)	4Q2009 (S\$'000)	% Change	FY2010 (S\$'000)	FY2009 (S\$'000)	% Change
Revenue	38,389	24,707	55.4	107,970	113,935	(5.2)
Gross Profit	11,234	7,827	43.5	31,928	35,611	(10.3)
Gross Profit Margin	29.3%	31.7%	(7.6)	29.6%	31.3%	(5.4)
Profit Before Taxation	9,260	7,852	17.9	23,088	29,961	(22.9)
Net Profit	7,858	6,703	17.2	19,617	25,377	(22.7)
Net Profit Margin	20.5%	27.0%	(24.1)	18.2%	22.3%	(18.4)
Earnings Per Share (S\$ Cents)	3.08	2.63	17.1	7.69	9.95	(22.7)
Cash and Cash Equivalents	31,953	35,690	(10.5)	31,953	35,690	(10.5)

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Commenting on the Group's healthy performance, Mr. Bernard Lim, Executive Chairman & CEO, said, "We are pleased to have been consistently delivering positive results for our shareholders, year-after-year. We stayed committed and steadfast in maintaining steady business relationships with our local and global base of current and new clients, alongside an economic environment that was recovering from the financial crisis.

Our revenue for FY2010 was largely derived from the completion of residential projects in Singapore and Abu Dhabi. Given our order book on hand, we can expect the residential property projects segment to remain a fundamental driver of our business for FY2011."

Whilst revenue decreased by 5.2% compared to FY2009, the Group kept its focus on the bottom-line, which resulted in a gross margin that was only slightly lower for FY2010 as compared with FY2009, from 31.3% for FY2009 to 29.6% for FY2010.

On a year-to-date basis, total revenue from residential property business increased by 18.6% to S\$67.8 million for FY2010 as compared with S\$57.1 million for FY2009. Revenue from hospitality & commercial projects decreased to S\$23.4 million from S\$52.0 million while revenue from distributorship increased 246.6% to S\$16.8 million from S\$4.8 million in FY2009.

Total cash and cash equivalents reduced marginally from S\$35.7 million in 31 December 2009 to S\$32.0 million as at 31 December 2010.

Mr Lim elaborates: "The FY2010's contribution of completed residential & hospitality projects in Singapore and overseas has put us in good stead as we embark on our expansion plans into China.

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This includes a 386,000 sq ft manufacturing plant in Huizhou, Guangzhou Province that is expected to be operational by 2nd Half of 2011. At the same time, we are embarking on a B2C business model in China, supported by one-stop interior furnishing show rooms in key cities offering a complete range of furniture & furnishing products for discerning mid/high income home owners to select from. China's rising urbanization and consumerism will present great opportunities for the B2C business model in first and second tier cities and we are confident that our products & services will comprehensively meet the discerning needs of China's burgeoning market."

In addition, being a part of the Depa Group - one of the world's largest interior contractor, reinforces the Group's international standing to meet the demands for ID fit-out services for mid to large-scale landmark hospitality developments globally.

Order Book

The Group's healthy order book of S\$142.9 million as at 15 February 2011 includes residential projects secured in Singapore and overseas.

The associate business arm, DDS Group also awarded relevant joinery works to Design Studio, contributing to the Group's order book with contracts secured for interior fit-out services across Singapore, Malaysia and Thailand such as the renowned Grand Hyatt Hotel Kuala Lumpur and Novotel Platinum in Bangkok amongst others. These 2 hotel projects are due for completion by 2012.

Outlook

Barring unforeseen circumstances, we remain optimistic that FY2011 will be a profitable year ahead for Design Studio, given our order book on hand and past track records.

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Mr. Lim adds: "Our FY2010 results will give the Group a sturdy platform to not only carry out our expansion plans in China but also support our constant focus to differentiate and upgrade our products with enhanced technological improvements and raw materials. We have introduced new features in our PANELZ products which allow us to partner many forward-looking developers in their quest to create sustainable eco-friendly and environmentally green residential, hospitality and commercial developments.

With increasing awareness and stringent local authority requirements in the area of sustainable buildings across all sectors in both local and international markets, the Group's various business units are poised to meet the growing market for these attributes, while continuing to be relevant in the existing ones.

In addition, with the US hospitality sector starting to pick up pace, we expect 2011 to be a suitable time for us to reengage in export markets in the US as well as initiate new ones such as India and Vietnam. These timely and complementing factors will collectively continue to build Design Studio's strong foothold as a leading premier furniture manufacturer, product and interior fitting-out specialist in the region."

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About Design Studio Furniture Manufacturer Ltd

About Design Studio Furniture Manufacturer Ltd (Bloomberg Code: DSFM SP)

Design Studio has three complementary and versatile core businesses namely the supply and installation of manufactured furniture to private residential developments, the provision of interior fit-out services to hospitality, gaming and commercial projects and the distribution of renowned imported products in Singapore and export of two premium in-house brands of products to overseas markets.

In addition, Design Studio has a core competitive advantage as a specialist in the area of paneling and thermoformed products. It is able to provide its clients with key advice from planning to the execution stages of each project on designs, material usages and costs. Design Studio has completed projects for residential, hotel and commercial developments in various countries around the world.

With high-end luxury residential and hospitality projects for Scotts Square, Hilltop @ Cairnhill, Reflections at Keppel Bay, Rihan Heights, Marina Bay Sands and Resorts World at Sentosa Integrated Resorts under its belt, Design Studio has created a niche in the premiere segment of this industry.

Design Studio has won Singapore Prestige Brand Award – establish brand category in 2008 and conferred the Best Under A One Billion award by Forbes Asia in 2010.

For more information, please refer to the corporate website: www.designstudio.com.sg