



Contact: Yvonne Lim
KESM Industries Berhad
Phone: (65) 63749546
Mobile: (65) 81259292
Fax: (65) 62768426

Lot 4 SS 8/4 Sungai
Way PIZ
47300 Petaling Jaya
MALAYSIA

KESM INDUSTRIES BERHAD

Press Release

KESM REPORTS PROFIT

Despite A Difficult Business Environment

	FY 09 (31/07/09) RM '000	FY 08 (31/07/08) RM '000
Revenue	169,315	197,504
Operating Expenses	(158,194)	(177,029)
Profit Before Tax	10,448	20,691
Net Profit	11,283	35,376
Earnings Per Share (basic)	22.7 sen	71.3 sen

Kuala Lumpur, September 17, 2009: KESM Industries Berhad (Bursa Securities: KESM), the largest independent burn-in service company in Malaysia, reported a decrease in revenue by 14.3 percent to RM169.3 million from RM197.5 million a year ago. Following a significant contraction in the semiconductor industry, all business segments within the Group have been affected. Profit before tax decreased by 49.5 percent to RM10.4 million from RM20.7 million last year. For the financial year 2009, KESM reported a net profit of RM11.3 million, reflecting a 68.1 percent slide from RM35.4 million last year. Earnings per share decreased by 68.2 percent to 22.7 sen from 71.3 sen.

For Release 5:30 p.m., September 16, 2009

more

Mr. Sam Lim, Executive Chairman and Chief Executive Officer of KESM said, "The economic meltdown started in 2008. As the financial crisis triggered the sharp pull-back in the semiconductor industry, KESM experienced a significant lower capacity utilization in all business units."

The semiconductor industry has been seriously hampered by the global crisis, the sub-prime problems and the rise in oil prices. Leading indicators expect its revenues to decline by 17 percent with forecast of US\$212 billion at the close of 2009. However, the industry expects to climb by 10.3 percent in 2010 with revenues topping US\$233 billion.

He added, "Our resilience to negative forces was the result of our operational excellence. KESM acted decisively and swiftly at the beginning of the crisis. We took control of costs, without compromising service quality to our customers and we streamlined our operations without afflicting too much hardship on our employees. Under such adverse conditions, KESM responded remarkably well in achieving profitability."

Mr. Lim explained, "Thankfully, we are seeing improvements in the bookings as we begin the new financial year. Leading indicators are beginning to point upward and inventory levels are back on track after four consecutive quarters of reductions. All these augur well for KESM."

End

“As there are uncertainties in the global economy, KESM continues to sharpen its focus on customer support and cost reductions with the intent to be trimmer and stronger when the market fully recovers. Our customers will lean towards KESM as their partner, as we have the technology and scale to advance with them through these vicious market down cycles,” remarked Mr. Lim

About KESM Industries Berhad

KESM Industries Berhad is the largest burn-in service company in Malaysia, specializing in “burn-in” and “test” of integrated circuits. KESM, the first burn-in “service company” to be accredited with ISO 9002 and QS 9000, is fully committed to promoting the highest quality of services to the electronics and semiconductor industries. For more information, please visit: www.kesmi.com