



Ellipsiz reports 3QFY08 Results

Revenue and profit margins affected by slowdown amidst the challenging operating environment

-----MEDIA RELEASE FOR IMMEDIATE CIRCULATION-----

(SINGAPORE, 13 May 2008) – SGX mainboard-listed Ellipsiz Ltd (“Group”) today reports its results for three months ended 31 March 2008. Revenue was \$45.6 million, +1% year-on-year but -15% quarter-on-quarter. Net loss (after Tax and minority interests) for 3QFY08 was \$2 million, compared to profit of \$3 million in the year ago period and \$1 million in the preceding quarter. Net profit for nine months year-to-date was \$1 million.

The net loss in 3QFY08 was mainly attributed by lower Probe Cards revenue without proportionate decrease in the cost of sales, of which a significant portion comprised fixed cost component. The Distribution and Services Solutions (DSS) business saw decline in its gross margin due to erosion in average selling price (ASP) from intense competition and pricing pressure. In addition, the weak US dollar and strengthening of the Asian currencies contributed to higher direct operating cost for our Asian operations.

Probe Cards revenue for 3QFY08 was \$16.6 million, -24% year-on-year and -22% quarter-on-quarter. Decline in revenue was due mainly to slower customer demand, ramp-down of production at a major customer and slow down in new design introduction cycles. Pricing erosion rate of 15-20% continues to put pressure on revenue growth and margins. Production output for nine months ended 31 March 08 was 2.8 million points, compared to 3.4 million points the same period a year ago. Vertical probe card makes up 24 % of total Probe Cards revenue in 3QFY08 compared to 32% in the same period a year ago and 33% in the quarter ago period.

Revenue from DSS business was \$29.0 million, +25% year-on-year but -10% on quarter. The revenue growth was contributed by higher sales from facilities project, trading relating businesses and the acquisition of a fixturing business during the financial period.

Melvin Chan, CEO of Ellipsiz, said: “The environment is challenging and we are taking appropriate measures to optimize our operational expenses accordingly. Despite this, we remain focused in our strategic investment and new product initiatives to position the Group for growth and stability.”

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About Ellipsiz Ltd

Ellipsiz is a leading probe card company and semiconductor service provider serving the semiconductor and electronics industries. Our probe card division, SV Probe is the 4th largest probe card company in the world (*VLSI, 2007*). We provide comprehensive range of semiconductor equipment, outsourced services and consumables products. Ellipsiz is also one of the leading silicon reclaim players in Asia.

Ellipsiz currently has 9 production facilities worldwide and a global network of 24 sales and customer support centers. We are headquartered in Singapore and have operations in Malaysia, Taiwan, Vietnam, China, France and the USA.

Ellipsiz is listed on the main board of the Singapore Exchange. We employ more than 1,300 people worldwide and achieved revenue of S\$201 million for the financial year ended 30 June 2007. Please visit us on the web at www.ellipsiz.com.