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NEWS RELEASE

Si2i TO KEEP SHARP FOCUS ON COST MANAGEMENT AND PROFITABLE REVENUE

HIGHLIGHTS:

- **Turnover at US\$770.5 million for 18M FY2013;**
- **Net loss reduced by more than 70% to US\$56.4 million in 18M FY2013 from US\$188.1 million in 15M FY2012.**

Singapore, March 1, 2014 – S i2i Limited (“S i2i”, and together with its subsidiaries, collectively, the “Group”), one of the Southeast Asia’s leading regional mobile phone company, today announced its financial performance for the quarter and the eighteen months ended December 31, 2013 (“6QFY2013” and “18MFY2013” respectively) and reiterated its commitment to keep focus on profitable revenue and cost management.

Mr Dilip Modi, Chairman of S i2i Limited, said, “The Group continues to make good progress in transforming its business in its endeavour to return to profitability. Our strategy to focus on profitable revenue has seen us moving away from low margin 2G products to 3G multi-feature Android smart phone products. We strongly believe that in the long term, our strategy and direction of focussing on cost, grow profitable revenue with low-end Android smart phones, leverage operator relationships will yield higher margins, and greater value for all our stakeholders.”

The Group recorded turnover of US\$770.5 million in 18M FY2013, a decrease of 22.4% over the fifteen months ended June 30, 2012 (“15M FY2012”), primarily due to lower revenue generated by the mobility business. The Group’s change in strategy and portfolio from 2G feature phones to 3G Android based smart phones has resulted in a short term effect of lower revenue as the Group requires ramp-up time to cater to new dealer ecosystems, new product portfolios, stakeholder training and implementation.

In tandem the Group has recorded an EBITDA (Operating) loss of US\$27.9 million in the 18-month period from July 2012 to Dec 2013, which is 54% decrease on the EBITDA (Operating) loss last year at US\$64 million in the 15-month period from April 2011 to June 2012, notwithstanding a longer financial period than last year. In particular, the last 3 preceding quarters (see table below) gives an indication that the company is arresting the operating losses with its tighter management and cost control and focus on better business direction:

Quarter	EBITDA (Operating)
Q1 (Jul-Aug-Sept) 12	(US\$ 3.7 million)
Q2 (Oct-Nov-Dec) 12	(US\$14.1 million)
Q3 (Jan-Feb-Mar) 13	(US\$5.1 million)
Q4 (Apr-May-Jun) 13	(US\$0.7 million)
Q5 (Jul-Aug-Sep) 13	(US\$0.8 million)
Q6 (Oct-Nov-Dec) 13	(US\$3.5 million)

Operating overheads were reduced by 41% to US\$68.4 million in 18M FY2013 from US\$116.8 million in 15M FY2012, again notwithstanding a longer financial period than last year. As a result, the Group reduced its loss by 70% to US\$56.4 million in 18M FY 2013.

The Group’s financial and liquidity conditions remain good. As at December 31, 2013, the Group’s net assets stood at US\$91.8 million, with cash and cash equivalents of US\$22.6 million.

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About S i2i Limited (“S i2i”) (www.spicei2i.com)

Listed on the Main Board of SGX-ST, S i2i Limited is one of the leaders in the “Switch Up” to Mobile Internet industry through the supply and sale of its innovative brand of feature-phones and smart-phones and other mobile related products. Following the acquisitions of Malaysia’s “CSL” brand, Thailand’s “Wellcom” brand and Indonesian’s “Nexian” brand, S i2i is one of the largest Mobile Device companies in the ASEAN region.

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