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PRESS RELEASE

CWT achieves 96% increase in FY2008 profitability to S\$72.8 million amidst economic slowdown

- Logistics business remained the growth driver in boosting top line performance by 13% to S\$602.7 million and gross profit margin from 10.8% to 11.1%
- Cash flows from operating activities remained healthy at S\$56.9 million
- S\$85.9 million gain from sale and leaseback of CWT Logistics Hub 2, where S\$69.2 million is recognized in FY2008 and S\$16.7 million as deferred gain
- Proposed dividend of 2 cents per share

Singapore, 25 February 2009 – CWT Limited (“CWT” or the “Group”), one of the leading logistics players in Asia, is pleased to announce net profit attributable to shareholders of S\$72.8 million for the full year ended 31 December 2008 (“FY2008”).

Financial Highlights

	Full year ended 31 December		
	2008 (S\$ Million)	2007 (S\$ Million)	Change %
Revenue	602.7	534.9	13
Gross Profit	66.9	57.7	16
Other Operating Income*#	78.9	18.0	338
Profit Before Tax	77.6	41.0	89
Profit After Tax	72.8	37.1	96
PATMI	73.9	34.8	112

* Includes gain from sales and leaseback of CWT Logistics Hub 2 of S\$69.2 million

Includes gain from divestment of shares in CITM and CIP of S\$6.7 million

The Group's revenue grew steadily by 13% to S\$602.7 million, supported by its key pillar Logistics Services segment that comprises Warehousing and Non-Vessel Operating Common Carrier ("NVOCC") businesses. The segment contributed over 86% of total revenue, or S\$518.7 million, up 15% from the previous year.

Gross profit rose by S\$9.2 million, or 16%, to S\$66.9 million. Gross profit margins have also improved from 10.8% in FY2007 to 11.1% in FY2008, as the Group benefited from its cost control measures to achieve optimal efficiency. As for bottom line performance, the operating businesses in aggregate contributed PATMI of S\$26.8 million.

During the year, CWT completed the sale and leaseback of CWT Logistics Hub 2. The Group made a gain of S\$85.9 million, where S\$69.2 million was recorded in FY2008 and the remaining S\$16.7 million was taken as deferred gain. The other operating income also included the S\$6.7 million profit from the divestment of stakes in Cambridge Industrial Trust Management ("CITM") and Cambridge Industrial Property Management ("CIP").

Administrative expenses jumped 28% to S\$48.0 million, which included higher personnel expenses and costs associated with business acquisitions and development. This is in line with the growth in revenue.

In the context of financial strength, cash flows from operating activities for the financial year remained healthy at S\$56.9 million. Despite additional borrowings taken to fund capital projects, net gearing improved from 24.3% in FY2007 to 18.9% in FY2008.

To reward shareholders, the Directors proposed a final one-tier cash dividend of 2 cents per share for year ended 31 December 2008, subject to shareholders' approval in the forthcoming Annual General Meeting.

Looking ahead

In 2008, the Group achieved full occupancy for its 1.07 million square feet of warehousing space in Commodity Hub Phase 1. For Phase II, the construction progressed well as planned and is expected to deliver 0.5 million square feet by April 2009, and full construction by 4th quarter 2009. Upon completion, the entire Phase II will enhance the Group's warehousing capacity by another 1.2 million square feet.

Being the Group's first foray into the commodity landscape in Europe, one of CWT's subsidiaries acquired 100% stake in Belgium-based HNN Logistics N.V. ("HNN Logistics") in October 2008, followed by another strategic acquisition of Sitos Group B.V ("Sitos") and LML Properties B.V ("LML") in the Netherlands where Sitos specialized in soft commodity logistics. These acquisitions are critical in expanding and broadening the scope of CWT's commodity logistics services, and to achieve strong foothold beyond Asia.

On the chemical logistics front, CWT is marking another milestone by securing a 10-year logistics contract with a global leading chemical player in the Middle East to set up and manage their South East Asia logistics hub in Singapore. The contract is expected to elevate the Group's prominence as a key player to provide a whole spectrum of regional distribution logistics, and to bring in additional revenue streams in future. The hub is expected to commence operations in 2nd quarter 2010.

To add to its chemical logistics capabilities, CWT recently received the ISO 28000:2007 certification from TUV Rheinland Group, a world-renowned leader of process and technical assurance services. Being one of the first companies to pass the rigid two-stage audit on managing hazardous chemicals, CWT is committed in delivering safe and high quality supply chain solutions to its customers.

Amidst the positive corporate developments in 2008, management is constantly aware of the various challenges ahead. Several ongoing projects will be deferred or scaled back, both in Singapore and overseas. Management will review the market conditions from time to time and pace the Group's expansion with the ever-changing business environment.

“To maintain our competitiveness in the region, we are taking proactive measures to protect our margins and minimize our costs. In addition to freezing headcount and tightening of expenditure, we welcome various ways to optimize available resources within the Group. With these measures in place, we are preparing ourselves to weather the storm ahead.”

**Mr Loi Pok Yen
Group CEO**

The Group maintains a cautious outlook within the next 12 months.

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About CWT (www.cwtlimited.com)

CWT Limited was set up in 1970 and listed on the Singapore Exchange in 1993. Being one of the largest listed logistics company in Southeast Asia, CWT offers integrated logistics solutions to some of the world's leading brands in the chemical, commodities, automotive, marine, oil & gas and industrial sectors.

Through the Group's global network, we are able to connect customers to 120 ports and 1,200 destinations seamlessly around the world.

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