



23 February 2009

XP Power Limited
Preliminary Results

XP Power Limited (“XP Power” or “the Company”), one of the world’s leading developers and manufacturers of mission critical power control solutions to the electronics industry, is today announcing its preliminary results for the year ended 31 December 2008.

Financial and operational highlights

- Revenue increased 5% to £69.3 million (2007: £66.3 million)
- Revenue from own IP sales up 11% to £53.9 million (2007: £48.4 million)
- Higher margin sales based on own IP now 78% of total sales (2007: 73%)
- Record gross margin improved to 44.2% (2007: 42.2%)
- Operating cash flow up 23% to £8.5 million (2007: £6.9 million)
- Total dividend increased by 5% to 21 pence per share (2007: 20p)
- Record statutory earnings per share of 46.4 pence (2007: 17.8 pence)
- Acquisition of remaining 50% of Fortron Source joint venture completed
- Construction of new 70,000 sq ft manufacturing facility started in June 2008. Upon completion, the new facility will increase XP Power’s manufacturing capacity by 400%
- New design team established in Singapore

Larry Tracey, Executive Chairman, commented:

“Although the global economic outlook is uncertain we believe the strength of the tail winds in our business are at least as strong as the current economic headwinds. The operational developments and improvements implemented by the management, for example with regard to XP Power’s manufacturing capacity and the continued investment in research and development, mean that the business has a competitive advantage when looking to capitalise on the commercial opportunities already identified. Looking ahead at the medium term, the management are convinced that the structural demand for XP Power’s products mean that the business has a promising future.”

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Chairman's Statement

Introduction

It has been a good year for XP Power. With regard to sales, the target to increase the percentage of sales based on XP Power's IP is being implemented successfully with these sales now accounting for 78% of total sales. Demand from our blue chip customer base was buoyant and this demand was driven by the quality of our market leading product portfolio - a direct result of the investment the Company has made in research and development.

Financial

Total sales increased by 5% to £69.3 million (2007: £66.3 million). Of this, XP Power's own IP sales increased 11% to £53.9 million (2007: £48.4 million). Sales based on XP Power's IP are now 78% of total sales, compared to 73% in 2007. This is significant and consistent progress, as five years ago, own IP sales were less than 50% of our sales. Ongoing improvement in the sales mix helped to drive gross margins to 44.2% (2007: 42.2%). Operating profit was £9.3 million (2007: £9.1 million after excluding £2.4 million of reorganisation costs to move the parent Company to Singapore). Adjusted earnings per share increased 11% to 34.8 pence (2007: 31.4 pence). Statutory earnings per share of 46.4 pence (2007: 17.8 pence) is the highest on record.

Operating cash flow was up 23% to £8.5 million (2007: £6.9 million) representing 91% of operating income.

Strategic Progress

Significant strides were taken towards improving the manufacturing capacity of XP Power, which will improve the Company's capacity to design tailor made solutions for specific customer orders. The management completed the purchase of the remaining 50% of the joint venture manufacturing facility, early in the year and built a new factory on the same site adjacent to the existing facility. This new factory will quadruple XP Power's manufacturing capacity when it becomes operational in Spring 2009. Further investment has been made purchasing land close to Ho Chi Min City (Saigon) in Vietnam. Management will seek planning consent to build a facility which should enable the Company to triple the expected output from the new China factory. Our manufacturing facilities continue to receive audit approvals from our target blue chip customers.

The management is anticipating an increase in the product pipeline through 2009, following the ongoing investment made in research and development. This increased production pipeline will strengthen the competitiveness of the product portfolio, consolidating XP Power's technological leadership.

These investments are under-pinned by the annuity value of design wins with our blue chip target customers. The typical product life is in excess of five years.

Dividend

A final dividend of 11.0 pence per share (2007: 11.0 pence) is proposed, which, when combined with the interim dividend of 10.0 pence, gives a total dividend of 21.0 pence for the year (2007: 20.0 pence). The final dividend is payable on 3 April 2009 to shareholders on the register on 20 March 2009.

People

We welcome the many new employees who have joined us in 2008, particularly the new Design Team in Singapore and the additional manufacturing personnel in Kunshan, China. We thank our many long serving employees for their dedication and expertise which enables us to provide a valuable service to our customers. Special thanks to the management team and sales people who have exited the distribution business and built a more valuable own IP company whilst maintaining earnings and dividends.

Outlook

Although management is very positive about the medium term outlook for its end markets, the current economic turmoil makes the short term outlook a little more uncertain. The management does expect some adverse impact upon its customers.

However, the historic and continued investment which the Company has made in research and development is paying dividends, with a strong pipeline of market leading new products scheduled to be released through 2009. This will improve XP Power's competitive position during what is expected to be a challenging twelve months, and will contribute toward increasing sales in 2009.

As a global business, in recent years reporting in pounds sterling has had a negative impact on our revenues, particularly against the US Dollar. In contrast, the recent weakening of the pound sterling should go some way to mitigate the potential effects of the global downturn. We believe the strength of the tail winds in our business are at least as strong as the current economic headwinds.

Larry Tracey
Executive Chairman

Chief Executive's Review

2008 has been an important year in the development of XP Power. Originally listing in 2000 as a reseller of electronic components, the management have successfully completed the transformation of XP Power into a technology led business with an independent manufacturing capability. The transformation of the business model means that the majority of sales are now generated by products based on its own IP, which generates higher margins, and gives XP Power the capacity to design tailor made power control solutions for specific customers.

This transition is a major milestone in the Company's development, the benefits of which have been illustrated by a number of design wins from new and significant blue chip customers.

Markets

XP Power supplies power control solutions to original equipment manufacturers (OEMs) who themselves supply the healthcare, technology and industrial markets with high value products.

The market for 2008 is estimated to be worth circa \$2 billion. Industry experts forecast that the market is expected to grow by approximately 17% over the next four years and be worth circa \$2.3 billion by 2012 (Source: Micro-tech consultants). Currently, XP Power's global market share is circa 6.5%. Across Europe and North America, the Company currently has circa 10% of the market share while across Asia it has circa 1% of the market. This illustrates the number of significant commercial opportunities open to XP Power, and the Board is confident that the Company's competitive advantages over many of its peers will allow it to capitalise on these opportunities.

XP Power supplies many major international OEMs. Increasingly, the design and manufacture process of these OEMs takes place across different continents. Consequently, these blue chip companies demand global support. Over the past few years, management have established an international network of offices which offers this support across technical sales, design engineering, logistics, operational and customer support.

XP Power has a competitive advantage over its smaller competitors who do not have the scale and geographic reach to serve this type of global customer or its larger competitors who often lack the operational flexibility to provide equivalent service and speed excellence. The management believe that this balance offers XP Power the opportunity to increase its market share in 2009, and is one of the main reasons for our success in winning new contracts in 2008.

Expanding the international network

XP Power has a network of 27 sales offices spread over North America, Europe and Asia, with a further 19 distributors, in order to support its customers. The management are constantly reviewing ways in which they can increase this network of offices to help the business capitalise on growth opportunities in each of its geographies.

The North American network consists of 17 sales offices and an extensive engineering services function, based in Northern California. This network allows XP Power to provide all its major customers local face to face support and extremely quick response times. The extensive engineering services function, located in Northern California, places XP Power as a value add partner, allowing it to comprehensively address the demands from its larger customers for complex solutions to be efficiently integrated into their end equipment. In turn, this service saves XP Power's customers cost, time to market and engineering resource.

In Europe, the XP Power network consists of nine sales offices and a further nine distributor offices, providing the same level of customer support as in North America. In addition the Company has engineering services centres in Germany and the UK providing some of the largest blue chip conglomerates in Europe with market leading complex power control solutions.

The Asian sales activities are run from Singapore, which also manages a network of seven distributors, serving the region. The management expanded its distribution network in Asia during the year; notably in India and Korea, which show promise.

In 2008, XP Power continued to widen its commercial interests in China by establishing a local direct sales force. This offers XP Power two important commercial opportunities. Firstly, it will allow XP Power to continue to closely support its major European and North American customers who have set up design centres in China. Secondly, it will allow XP Power to address the demand from Chinese companies who need power control components which meet European and North American legislation so that they can sell their products into these markets. Good growth is expected in Asia during 2009, albeit from a relatively small base. Management expects revenues derived from Asia to be an increasing proportion of the Company's worldwide revenues.

Market leading technology

XP Power has consistently invested significantly in its research and development of new products. This investment has established a competitive portfolio of products and a pipeline of market leading products. The Company has a collaborative relationship with many of its customers and in some cases the design process is started directly in response to a future customer requirement.

XP Power's commitment to research and development was illustrated by the opening of a new design centre in Singapore, to work alongside the design centres in North America and the UK. Asia is an important growth market for XP Power and establishing a significant research function in this region will help the company capitalise on the evolving demands of the market in this region.

Through 2008, XP Power maintained its market leading position releasing 20 new product ranges. The launch of these product ranges resulted in a number of exciting new customer approvals. In these cases, the XP Power component has been approved by the customer to be used in their forthcoming production programs. Of particular note are the ECM140 which is approved for use in healthcare and industrial applications and CLC175 which is focused towards the technology market. These products have already enabled us to win some significant business with major new customers. This illustrates the importance of a strong product pipeline, in which XP Power has invested significantly over the past few years.

Establishing a manufacturing capacity

One of the management's principal objectives was to establish an independent manufacturing capacity in response to demands from its increasing number of blue chip customers. This capability means that XP Power is now a value-add partner in the supply chain of its customers because it can design and manufacture power control components to a particular customer demand. Having control of the manufacturing activities not only allows us to strictly control the manufacturing processes as demanded by our larger customers but also gives us opportunities to reduce our product costs.

In 2006, XP Power started a Chinese manufacturing joint venture with Fortron Source. On 1 January 2008, XP Power purchased the remaining 50% of the joint venture for US\$2.5

million in cash, and subsequently took control of the facility. The management has since increased the variety of products manufactured in this factory during the first half of the year, including the ECM140 and CLC175 noted above.

Since taking over the facility, significant investment has been made in upgrading the equipment and manufacturing capacity, and the operational management team has been strengthened. Following these initiatives, the facility is now producing twice the end revenue it achieved in 2007 and recently broke all records with shipments in excess of 60,000 units in one month.

XP Power is seeing increasing demand for higher margin products based on its own IP. Consequently, the management took the decision to further increase the manufacturing capacity of this facility. In June 2008 construction of a new 70,000 square foot building was started. This building is on our existing site and, once completed, will increase the available manufacturing space by a factor of four. Significant investment is being made to ensure that this factory has the cutting edge infrastructure and hardware technology to further strengthen the XP Power proposition to the major OEMs. Furthermore, XP Power has purchased land close to Ho Chi Min City (Saigon) in Vietnam. The Company will apply for planning consent to build a factory whose capacity, upon completion, will be three times the capacity of the extended Chinese factory.

The move into manufacturing has enabled XP Power to become an approved vendor to a number of new blue chip customers, which will help drive revenue growth. The manufacturing facility achieved a number of successful audit qualifications from some of our blue chip customers during the period.

Supply Chain Operations

Two years ago, management decided to put in place a supply chain resource in Asia. A number of low cost, high quality Asian component suppliers were identified and subsequently this resource is now having a quantifiable and positive benefit to the product acquisition costs. We are using these suppliers in many of our new product designs.

Our supply chain success, in conjunction with the improvements, enhancements and expansion of the manufacturing facility, allows XP Power to reduce the cost of our products and improve lead times. This will support XP Power's strong reputation across its chosen markets, and allow it to capitalise on other commercial opportunities identified by management. This, in turn, will increase the Company's competitive position in a number of promising markets, and take market share in some of the markets where it already has an established presence.

Investing in customer support

In a competitive market place, excellent customer support and service is critical. XP Power has developed a network of relationship managers and sales engineers to support its customers, many of which are major international conglomerates. This network successfully manages long-term customer relationships across three continents. As noted above, it is not unusual for our sales engineers to be dealing with different elements of the customer's team across three continents, for just a single program. The management have worked hard at building a sales culture to successfully manage these complicated relationships. The Company has developed its own customer relationship management tools to effectively manage the sales process in these circumstances.

The Environment and Legislation

There is an increasing volume of legislation affecting our industry, driven by eliminating hazardous chemicals from electronic products and by the need to reduce the amount of energy products consume.

Energy efficiency is becoming an increasingly important and topical issue. This is reflected in the operating standards to which the power converters need to be designed to meet and the ever expanding amount of regulation and legislation. For example, in the USA there are currently around 1.5 billion external power converters like those used with a laptop PC. Many of these external power converters are left permanently plugged into the mains supply and are consuming energy even when the equipment they power is switched off. External power converters alone account for 6% of the national US electric bill and it is estimated that left unchecked this could rise 30% by 2010.

The management believe that this increase in regulation is positive for XP Power, along with some of its larger peers, because many of the smaller companies in the industry do not currently have the scale, resources or expertise to develop products which adhere to the improving standards. The significant investment in research and development made over the past few years means that XP Power already has many products which adhere to the most demanding of these operational standards and regulations. Further investment will continue to be made to preserve the technological edge which XP Power's products have over many of their competitors.

Outlook

The management have been working hard over the years to successfully diversify the balance of revenues, both by market and geography. The progress in this area means the business is better positioned to survive the difficult economic outlook than it has been in the past.

However, the management are conscious to acknowledge that the prospect of a global recession makes the short term outlook uncertain. They expect competition for business to be fierce but are confident that the improved XP Power proposition will ensure that it is successful in this tougher environment.

The management are confident about the fundamental medium term growth drivers which underpin the markets in which the Company operates. The business model has been successfully refocused on higher margin, own IP product sales and the development of an independent manufacturing capacity. This means that XP Power is very well placed to capitalise on these medium term growth opportunities, relative to the competition.

Duncan Penny
Chief Executive

Consolidated Income Statement

for the financial year ended 31 December 2008

£ Millions	Note	2008	2007
Revenue	2	69.3	66.3
Cost of sales		(38.7)	(38.3)
Gross profit		30.6	28.0
Expenses			
Distribution and marketing		(18.5)	(16.4)
Administrative		(0.8)	(0.8)
Research and development cost		(2.9)	(1.8)
Reorganisation cost		-	(2.4)
Other operating income		0.9	0.1
Operating profit		9.3	6.7
Non cash foreign exchange gain		2.4	-
Finance cost		(1.5)	(1.7)
Profit before tax	2	10.2	5.0
Income tax expense	3	(1.2)	(1.4)
Total profit		9.0	3.6
Attributable to:			
Equity holders of the Company		8.8	3.4
Minority interests		0.2	0.2
Total profit		9.0	3.6
Earnings per share			
attributable to equity holders of the Company (pence per share)			
- Basic	5	46.5	17.9
- Diluted	5	46.4	17.8

Consolidated Balance Sheet

as at 31 December 2008

£ Millions	Note	2008	2007
ASSETS			
Current Assets			
Cash and cash equivalents		3.4	3.6
Derivative financial instruments		1.0	-
Trade and other receivables		12.1	11.4
Other current assets		1.8	1.8
Inventories		17.5	10.5
Total current assets		35.8	27.3
Non-current assets			
Interest in associates		0.1	0.1
Property, plant and equipment		6.7	3.4
Goodwill		29.9	29.6
Intangible assets		3.6	3.2
ESOP loans to employees		2.7	3.0
Deferred income tax assets		0.1	0.4
Total non-current assets		43.1	39.7
Total assets		78.9	67.0
LIABILITIES			
Current liabilities			
Trade and other payables		12.3	8.0
Current income tax liabilities		3.1	2.4
Bank loans and overdraft		7.3	2.7
Provisions for other liabilities and charges		-	0.1
Total current liabilities		22.7	13.2
Non-current liabilities			
Borrowings	6	23.9	20.3
Deferred income tax liabilities		1.4	1.4
Provision for deferred contingent consideration		1.9	2.3
Total non-current liabilities		27.2	24.0
Total liabilities		49.9	37.2
NET ASSETS		29.0	29.8
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital		27.2	27.2
Merger reserve		0.2	0.2
Treasury shares		(0.8)	(0.3)
Hedging Reserve		1.0	-
Translation reserve		(8.5)	(2.5)
Retained earnings		9.7	5.0
		28.8	29.6
Minority interests		0.2	0.2
TOTAL EQUITY		29.0	29.8

Consolidated Cash Flow Statement for the year ended 31 December 2008

£ Millions	2008	2007
Cash flows from operating activities		
Total profit	9.0	3.6
Adjustments for		
- Income tax expense	1.2	1.4
- Amortisation and depreciation	1.6	1.1
- Finance cost	1.5	1.7
- Loss on fair valuation of derivative financial instruments	-	0.1
Change in the working capital, net effects from acquisition of subsidiary		
- Inventories	(6.6)	0.6
- Trade and other receivables	(0.5)	1.8
- Trade and other payables	3.3	(2.5)
- Provisions for liabilities and other charges	-	0.5
- Income tax paid	(1.0)	(1.4)
Net cash provided by operating activities	8.5	6.9
Cash flows from investing activities		
Acquisition of a subsidiary, net of cash acquired	(1.0)	(0.4)
Purchases and construction of the property, plant and equipment	(3.6)	(0.9)
Purchases of intangible assets (R&D)	(1.0)	(1.0)
Proceeds from disposal of plant and equipment	0.1	-
ESOP loan issued	-	(0.4)
Interest received	0.1	-
Payment of deferred consideration	-	(1.4)
Net cash used in investing activities	(5.4)	(4.1)
Cash flows from financing activities		
Proceeds from borrowings	3.6	5.9
Proceed from sale of treasury shares	-	0.5
Purchase of treasury shares by ESOP	(0.2)	-
Interest paid	(1.6)	(1.5)
Dividends paid to equity holders of the Company	(4.0)	(3.6)
Dividends paid to minority shareholders	(0.2)	-
Net cash provided by financing activities	(2.4)	1.3
Effects of currency translation	(4.6)	-
Net (decrease)/increase in cash and cash equivalents	(3.9)	4.1
Cash and cash equivalents at beginning of financial year	0.9	(3.4)
Effects of currency translation on cash and cash equivalents	(0.9)	0.2
Cash and cash equivalents at end of financial year	(3.9)	0.9

Notes to the Preliminary Statement for the year ended 31 December 2008

1. Basis of preparation

These financial statements are presented in Pounds Sterling and have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

2. Segmental reporting

The Group is organised on a geographic basis. The Group's products are a single class of business; however, from a sales and marketing perspective, the Group's sales activities are organised by class of customer.

Geographical segment

The geographical segmentation is as follows:

£ Millions	2008	2007
Revenue		
Europe	32.2	30.6
North America	33.7	33.0
Asia	3.4	2.7
Total Revenue	69.3	66.3
Segment result		
Europe	6.1	4.7
North America	7.2	5.4
Asia	0.4	1.1
Interest, corporate operating costs and associates	(3.5)	(6.2)
Segment result	10.2	5.0
Tax	(1.2)	(1.4)
Total profit after tax	9.0	3.6

Analysis by customer

The revenue by class of customer was as follows:

£ Millions	Year to 31 December 2008				Year to 31 December 2007			
	Europe	North America	Asia	Total	Europe	North America	Asia	Total
Technology	8.6	9.1	0.4	18.1	7.4	9.8	0.2	17.4
Industrial	18.6	14.7	2.8	36.1	18.1	14.1	2.5	34.7
Healthcare	5.0	9.9	0.2	15.1	5.1	9.1	-	14.2
Total	32.2	33.7	3.4	69.3	30.6	33.0	2.7	66.3

3. Income taxes

£ Millions	2008	2007 Restated
Singapore corporation tax		
- current year	0.6	0.1
- adjustment in respect of prior year	0.1	-
Overseas corporation tax		
- current year	0.7	1.8
- adjustment in respect of prior year	(0.4)	(0.6)
Total current tax	1.0	1.3
Deferred tax	0.2	0.1
Tax charge for the year	1.2	1.4

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The differences between the total tax shown above and the amount calculated by applying the standard rate of Singapore corporate tax to the profit before tax are as follows:

£ Millions	2008	2007 Restated
Profit on ordinary activities before tax	10.2	5.0
Tax on profit on ordinary activities at standard Singapore tax rate of 18% (2007: 18%)	1.9	1.0
Tax incentives	(0.5)	-
Higher rates of overseas corporation tax	0.9	0.9
Non-deductible expenditure	0.1	0.4
Exceptional foreign exchange gain not taxable	(0.9)	-
Foreign exchange loss	-	(0.6)
Tax on USA dividend to UK	-	0.3
Adjustments in respect of prior years	(0.3)	(0.6)
Tax charge for the year	1.2	1.4

We have presented the 2007 restatement as the Group has chosen to use the standard rate of Singapore corporate tax as it is a better presentation of the Group's tax exposure and charges.

4. Dividends

Amounts recognised as distributions to equity holders in the period

	2008		2007	
	Pence per share	£ Millions	Pence per share	£ Millions
Prior year final dividend paid	11.0	*	10.0	1.9
Interim paid	10.0	^	9.0	* 1.7
Total	21.0	4.0	19.0	3.6

* Dividends in respect of 2007 (20.0p)

^ Dividends in respect of 2008 (21.0p)

The proposed final dividend for 2008 is subject to approval by shareholders at the Annual General Meeting scheduled for 23 March 2009 and has not been included as a liability in these financial statements. It is proposed that the final dividend be paid on 3 April 2009 to members on the register as at 20 March 2009.

5. Earnings per share

The calculations of the basic and diluted earnings per share attributable to the ordinary equity holders of the parent are based on the following data:

	2008 £ Millions	2007 £ Millions
Earnings		
Earnings for the purposes of basic and diluted earnings per share (profit for the year attributable to equity shareholders of the parent)	8.8	3.4
Amortisation of intangibles associated with acquisitions	0.2	0.3
Non-cash foreign exchange	(2.4)	-
Reorganisation costs	-	2.4
Tax effect of restructuring	-	(0.1)
Earnings for adjusted earnings per share	6.6	6.0
Number of shares		
Weighted average number of shares for the purposes of basic earnings per share (thousands)	18,916	18,946
Effect of potentially dilutive share options (thousands)	59	184
Weighted average number of shares for the purposes of dilutive earnings per share (thousands)	18,975	19,130
Earnings per share from operations		
Basic	46.5p	17.9p
Diluted	46.4p	17.8p
Diluted adjusted	34.8p	31.4p

The minority shareholders of Powersolve Electronics Limited are entitled to their share of any dividend declared. The dividend payable to minority shareholders in 2008 was £0.2 million (2007: £0.2 million).

6. Borrowings, bank loans and overdrafts

The borrowings are repayable as follows:

£ Millions	2008	2007
On demand or within one year	7.3	2.7
In the second year	3.2	5.1
In the third year	20.7	4.2
In the fourth year	-	11.0
	<u>31.2</u>	<u>23.0</u>
Less: Amounts due for settlement within 12 months (shown under current liabilities)	<u>(7.3)</u>	<u>(2.7)</u>
Total repayable after 12 months	<u>23.9</u>	<u>20.3</u>

The other principal features of the Group's borrowings are as follows:

1. Bank overdrafts are repayable on demand. The bank overdrafts are secured on the assets of the Group. At 31 December 2008, the Group had an overdraft of £7.3 million (2007: £2.7 million). In September 2008 the Group renewed its annual working capital facility of £10.0 million. The overdraft interest rate is 2.5% above LIBOR.
2. At 31 December 2008, the bank loan is £23.9 million (2007: £20.3 million) represents the amount drawn down under the revolving credit facility and the senior debt facility with Halifax Bank of Scotland.
3. In January 2009, the Group converted its term debt facility of £16.0 million and its £5.0 million multicurrency revolving debt facility into a new term loan of US\$36.0 million. The term loan is repayable over 3 years with US\$6.0 million (£4.1 million) due in 2010 and US\$30.0 million (£20.7 million) due in 2011 and is priced at LIBOR plus a fixed margin of 2.0%.
4. The Group has pledged all assets as collateral to secure banking facilities granted to the Group.

7. Other information

XP Power Limited (the "Company") is listed on the London Stock Exchange and incorporated and domiciled in Singapore. The address of its registered office is 401 Commonwealth Drive, Lobby B, #02-02, Haw Par Technocentre, Singapore 149598.

The financial information set out in this announcement does not constitute the Company's statutory accounts for the years ended 31 December 2008 or 2007. The financial information for the year ended 31 December 2007 is derived from

the XP Power Limited statutory accounts for the year ended 31 December 2007, which have been delivered to the Accounting and Corporate Regulatory Authority in Singapore. The auditors reported on those accounts; their report was unqualified. The statutory accounts for the year ended 31 December 2008 will be finalised on the basis of the financial information presented by the directors in this preliminary announcement and will be delivered to the Accounting and Corporate Regulatory Authority in Singapore following the Company's Annual General Meeting.

Whilst the financial information included in this preliminary announcement has been computed in accordance with International Financial Reporting Standards (IFRSs), this announcement does not itself contain sufficient information to comply with IFRSs. The Company expects to publish full financial statements that comply with IFRSs later this month.

This announcement was approved by the directors on 23 February 2009.