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Miscellaneous

* Asterisks denote mandatory information

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Announcement is submitted with respect to *	UNIFIED COMMUNICATIONS HLDGLTD
Announcement is submitted by *	ANTON SYAZI AHMAD SEBI
Designation *	EXECUTIVE DIRECTOR
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>> Announcement Details

The details of the announcement start here ...

Announcement Title *	QUARTERLY UPDATE PURSUANT TO LISTING RULE 1313(2) FOR THE QUARTER ENDED 31 DECEMBER 2008
Description	Please refer to the attachment
Attachments	UCHLWatchlistUpdate2008Q4Release.pdf Total size = **31K** (2048K size limit recommended)

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UNIFIED COMMUNICATIONS HOLDINGS LIMITED
Company Registration No. 200211129W

QUARTERLY UPDATE PURSUANT TO LISTING RULE 1313(2) FOR THE QUARTER ENDED 31 DECEMBER 2008

On 5 March 2008, Unified Communications Holdings Limited ("UCHL" or "the Group") was included on the Watch List pursuant to Listing Rule 1311. Further to Listing Rule 1313 (2), the Board of Directors of UCHL wishes to provide the following updates for the quarter ended 31 December 2008:

(a) Update on Financial Situation

As announced on 25 February 2009, the Group recorded a net profit after tax of S$2.7 million for the financial year ended 31 December 2008, as compared to the net loss after tax result of S$3.5million in 2007. This positive net profit after tax result for the full year was delivered through four consecutive quarters of profitability, and marks a significant year-on-year improvement in the bottom line of performance of the Group of almost S$6.2 million.

In summary, the improvement in profit performance of the Group in the financial year just ended (as compared to that achieved in 2007), was driven by:

(i) The steady growth in income from recurrent revenue streams and revenue from higher margin solution or system sales by the Group's Proprietary Solutions (PS) segment, which resulted in an improved gross profit margin being achieved by the Group in 2008. Further, our Operation Support Systems (OSS) segment had also secured new projects that augmented the revenue growth and profitability of the Group;

(ii) The significant reduction in operating expenses of S$4.4 million, or 32%, stemmed from both proactive operating cost containment measures and considerable reductions in other expenses comprising provisions and allowances of the PS segment, as well as the substantial reduction in the operating expenses of the Distribution segment associated with the Group's exit from this business segment during the third quarter of 2008; and

(iii) A net foreign exchange gain of S$0.3 million attributable to higher revaluation gain(s) from USD denominated assets.

For the year 2008, the Group recorded a net profit after tax and minority interest of S$2.5 million, and earnings before interest, tax, depreciation and amortisation ("EBITDA") of S$4.7 million, as compared to a net loss of S$3.5 million and negative EBITDA of S$0.6 million respectively for 2007.

The Group's improved financial performance for the year 2008 as compared to 2007 reaffirms the significant progress being achieved by the Group in the execution of its three key strategies to deliver revenue growth and tangible improvements in profitability.

(b) Update on Future Direction

The Group will continue to strive towards maintaining profitability guided by the growth strategies that have been adopted– the same strategies that have resulted in the return of the Group to net profitability in 2008.

Management's focus will continue to be applied on driving improvements in the growth and profitability delivered by the Group's PS and OSS business segments. This involves continued efforts in executing the strategies and tactics to strengthen the Group's position within the following businesses and markets:

(i) mobile data and value-add-services (VAS) solutions/ applications;
(ii) recurring revenue streams via managed services; and
(iii) the fast-growing telecommunications markets of South East Asia, South Asia and the Middle East.

The Group continues to believe that the majority of the mobile telecommunications markets worldwide continue to offer significant opportunities for profitable growth, especially within the business areas and market segments being targeted and addressed by the Group. The demand for mobile data and VAS solutions and services offered by the Group's PS segment, as well as managed services relating to mobile network OSS in particular, remains robust and is not expected to abate. The currency and relevance of the Group's solutions technologies and know-how to these specific segments or business areas within the overall telecommunications markets continue to offer the most lucrative business opportunities for the Group.

As such, the Group will be maintaining its current direction and focus on the high-growth mobile telecommunications markets of South East Asia, South Asia and the Middle East, in the specific market segments of mobile data and VAS solutions, managed services and OSS that are addressed by both the PS and OSS business segments of the Group.

In order to further support the effective execution of the Group's growth strategies, the Group had on 30 December 2008, formalised and announced the group-wide internal reorganisation of its PS business segment's business activities, products and human capital into two distinct, complementary and self determining business units. Further operational and financial performance improvement is expected to be realized from this internal reorganization.

(c) Update on Initiatives to Facilitate Removal from the Watch List

The Group's growth and development strategies adopted in 2006 to deliver improvements in financial and operating performance have already delivered four consecutive quarters of net profits in 2008, to return the Group to net profitability for the full year.

Given the current environment and market conditions in the equity markets, executive plans are also being revisited by the Group to reinvigorate and intensify its investor communication and investor relations activities and initiatives at an appropriate time. This is believed to help increase awareness in the investing community of the Group's improving performance and future potential, which is in turn, expected to improve the likelihood for the market value (and market capitalization) of the Group's shares to more faithfully reflect the improvements achieved in the underlying performance of the Group's businesses, and the value of its future growth potential.