

NEWS RELEASE

**Agri-specialist Zagro Asia Limited Increases
Turnover and Doubles Profits**

**1HFY10 net earnings has doubled the
1HFY09 net earnings**

Singapore - 16 August 2010 - Net earning of life sciences specialist and SGX Mainbord-listed Zagro Asia Limited ("Zagro" or "The Group") soared by 110% in the first half of FY2010, from \$2.3 million to \$4.9 million as revenue increased by 17% to \$69.3 million, from \$59.4 million a year ago.

The strong showing by the Group was underpinned by two main factors. Rising market prices for agricultural produce buoyed by the stable consumer demand worldwide and Zagro's ability to procure raw materials and intermediates at competitive rates owing to its strong purchasing power and the passing on some of the ensuing price increase to their customers.

Financial Summary

Overall Highlights (S\$)	1HFY10	1HFY09	% Change
Turnover	69.3m	59.4m	17%
Profit before taxation	6.2m	3.1m	103%
Net Profit Attributable to shareholders	4.9m	2.3m	110%
Earnings per share	1.88 cents	0.90 cents	109%

50 years of
Agrisolutions

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Mr. Poh Beng Swee, Chairman and CEO of Zagro Asia said, "This year is set to be a stable year for Zagro group as we continue to have a strong relationship with our current overseas markets. With our constant focus on quality and process, Zagro has recently been ISO22000 certified, inclusive of HACCP certification and in conformance to GMP requirement in two of its four manufacturing plants. With this accreditation at hand together with our continued alliance and collaboration with MNCs such as BASF and Syngenta; this will bring further improvements and hopes to have better performances to some of our target markets in the years ahead."

Earnings per share climbed by 109% from 0.90 cents to 1.88 cents while net asset value per share rose by 4.9% from 22.82 cents to 23.94 cents. The group continued to generate positive cashflow from its operating activities, with net operating cashflow standing at \$1.8 million, despite an increase in the build-up in inventory levels in anticipation for soaring demand for the Group's crop as well as animal nutrition and protection products.

Gross margin rose substantially from 16.1% to 19.9% as a result of the Group's improved sourcing abilities coupled with stronger branding and increased product registrations.

Moving ahead this year, the Group expects to perform better than the previous year. *"Adding competitive & qualified headcounts to our team worldwide, continuously evaluating strategic acquisitions and alliances to extend our global footprint will allow the group to penetrate new markets and strengthen our product portfolio," Mr. Poh added.* To date Zagro's distribution network spans across 50 countries globally.

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About Zagro Asia Limited

Listed on the Singapore Stock Exchange since 1996, the Zagro group is the leading Asian manufacturer and distributor of healthcare products for livestock, poultry, aquatic animals and crops.

The Group is engaged in the manufacture and distribution of a wide range of nutrition and protection products for livestock, aquatic animals and crops. It is actively involved in end-user marketing and distribution across many regions worldwide.

For more information on Zagro and its toolbox of Agrisolutions, please visit www.zagro.com or contact:

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