



**TATUNG (2371.TT) announces net sales for May of 2012.**

Unit: NT\$ Million	2012/05	Rev(%)	MoM	YoY	2012/1-5	Rev(%)	YoY
Power BG	1,377	47%	6%	-8%	6,242	44%	-14%
Consumer BG	1,335	46%	-6%	-2%	6,792	47%	0%
System BG	205	7%	-9%	-46%	1,273	9%	-34%
Net Sales	2,917	100%	-1%	-10%	14,308	100%	-10%

**Sales for May of 2012 were NT\$2,917 million, decreasing 1% month over month. Sales in the first 5 months of 2012 decreased 10% from the same period of 2011.**

**Power BG**

- ◆ Sales in May 2012, accounting for 47% of total sales, increased 6% MoM because of strong growing in sales of cable & wire products (such as electrical wires, telecom cables and power lines). However, sales in May declined 8% YoY due to stagnated orders resulting from European debt crisis and copper price drop (down from USD 8,927 per ton in 2011 to USD 7,920 per ton in 21012).
- ◆ Sales in motors maintained growing; exports to power plants in Austria, USA and other countries were with stable growth. For exported motors, we already received fully-capacity orders of large-type motors this year. Although copper prices declined in May 2012, we will aggressively hunt for business of telecom cables and fiber cables which are less correlated with copper prices to achieve sales expansion. We will continue to develop new energy-saving products in Taiwan. We will also continue to work closely with domestic consulting firms to hunt for construction opportunities from offshore power plants and transformer stations to achieve growth in sales and profits.

**Consumer BG**

- ◆ Sales in May 2012, accounting for 46% of total sales, decreased 6% MoM. The decrease was mainly due to reduction of ODM business. However, sales in seasonal home appliances kept growing. Moving forward, we will put more efforts in developing higher-margin ODM products to enhance overall margins. We will also increase our profits through exploring new products and oversea markets.
- ◆ In light of the 2<sup>nd</sup> government's subsidy program starting in the middle of May and expected increasing petro and electricity price, we have promoted the energy saving products such as Led lighting, inverter air conditioners, refrigerators, washing machines, and all kinds of home appliances etc., for enhancement of operating performance. Besides, we will exhibit the gaming headphones designed for leading brands in Electronic Entertainment Expo in L.A., which is expected to help enhance sales growth in next half of the year. We will continue to develop eco-friendly home appliances to expand energy-saving business.

**System BG**

- ◆ Sales in April 2012, accounting for 7% of total sales, decreased 9% from last month. The decrease was mainly due to delay in government ICT and smart meter projects. In response to appreciation of petro and utility price, we have determined to explore energy-saving

related business opportunity. We have obtained the “Hwa-Tung line railway electrification project” for the amount of NT\$ 2.4 billion in April. We will also endeavor to bid for energy-saving construction projects in high energy consumption enterprises, organizations and schools.

- ◆ We are dominated in Taiwan’s smart grid market and have obtained certifications worldwide to expand into international market. We anticipate some breakthroughs this year. Tatung is well equipped with energy saving and energy management system solutions to acquire new business opportunities in the field. We will integrate and systemize our System and Power BG to offer a total solution in energy saving.

This announcement is drawn up in Chinese and English. If there should be any discrepancy or contradiction in between, the Chinese version will be prior to the English one.
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