



## TATUNG (2371.TT) announces net sales for July of 2012.

Unit: NT\$ Million	2012 / 07	Rev(%)	MoM	YoY	2012 /1-7	Rev(%)	YoY
Power BG	1,285	46%	-4%	-18%	8,863	45%	-14%
Consumer BG	1,225	44%	21%	-17%	9,031	46%	-7%
System BG	266	10%	-8%	-5%	1,828	9%	-29%
Net Sales	2,776	100%	5%	-17%	19,722	100%	-13%

**Sales for July of 2012 were NT\$2,776 million, increasing 5% month over month. Sales in the first 7 months of 2012 decreased 13% from the same period of 2011.**

### Power BG

- ◆ Sales in July 2012, accounting for 46% of total sales, decreased 4% MoM mainly because reduced motor shipment in July. However, sales in industrial appliances and cable & wire were better than that of prior month.
- ◆ Despite that copper price in July surged by 2.4% from June, increased orders for telecom/fiber cables helped enhance sales performance in the field. We have received orders for motor products from large steel plants in India and power plants in Saudi Arabia; we expect to see a leap in motor exports in second half of the year and 2013. We will 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 July 2012, accounting for 44% of total sales, increased 21% MoM. This was mainly due to a sales jump in air conditioners resulting from rising temperatures and the government's subsidy program. In response to increasing petro and electricity price, the demand for energy saving products such as led lighting, energy level 1 and 2 air conditioners, inverter refrigerators, inverter washing machines and energy-saving LCD TVs is expected to maintain continuous sales growth. We have gradually developed a series of winter products in preparation for exploring Q4 business opportunity.
- ◆ Sales in ODM were less than the plan because ODM postponed delivery as per customer's requests; some are scheduled to be delivered in next month. ODM will continue to realign production lines to adopt market changes for lifting up sales and profits.

### System BG

- ◆ Sales in July 2012, accounting for 10% of total sales, decreased 8% from last month. This was mainly because big awarded projects usually require long completion time. We will work hard to complete the projects as early as we can and thus contribute revenues in the year.
- ◆ We obtained the bidding from Taipower Company for low voltage advanced metering infrastructure at a price of NT\$240 million which is a milestone in smart grid business. We are dominant in Taiwan's smart grid market and have obtained offshore certifications to expand into international market. We anticipate some breakthroughs in second half of this

year. We will integrate and systemize our System and Power BG to offer energy-saving products and services as well as information communication technology for a total solution to our clients.

- ◆ We have signed an agreement with a famous American company to undertake military system maintenance projects. We will strive to become a qualified alliance partner for offshore premium brands. We have started to implement the project of “Hwa-Tung line railway electrification”; we will also endeavor to bid for other railway electrification constructions and light rail train system projects for enhancement of sales and profitability.

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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