

TATUNG announced its financial results in 1Q 2009 on April 30, 2009.

Unit: NT\$ Thousand	2009 1Q	Margin (%)	2008 1Q	Margin (%)	YOY (%)
Revenues	7,190,561		9,532,013		-24.56%
Gross Profit	738,337	10.26%	718,143	7.53%	*2.73%
Operating Income	16,371	0.22%	(231,558)	-2.43%	*2.65%
Net Non-Operating Income	(2,954,507)		1,207,696		-344.64%
Net Income	(2,938,136)	-40.87%	944,069	9.90%	*-50.77%
EPS (NT\$)	(0.66)		0.21		-414.29%

*Note: the changes (%) in gross margin, operating margin and net margin

Revenue in 1Q 2009 reached NT\$7,191 million or 24.56% lower than that of 1Q 2008. However, gross margin improved 2.81% to NT\$738 million from NT\$718 million, or gross margin rates rose from 7.53% to 10.26% the same period a year earlier. Operating profit was NT\$16 million in 1Q 2009, compared to operating loss of NT\$232 million in 1Q 2008. Net loss totaled NT\$2,938 million. Earnings per share was -NT\$0.66.

The digital consumer business contributed about 43.70% revenue in first quarter of 2009, mainly LCD displays. Digital Consumer business revenue declined by 32.80% as the same period 2008, yet gross margin improved dramatically, boosted by cutting off losing projects and effective material cost control. In addition, the change in oversea marketing strategy also helped. Home Appliances, Industrial Appliances and Wire & Cable accounted for 12.18%, 28.56% and 15.46% of revenues respectively. As a result of the margin improvement in Digital Consumer business and continuous progress in operating performance from other business units, operating income turned profitable in the first quarter of 2009. Operating margin increased by 2.65%.

Non-operating incomes was reported NT\$2,955 million, which were mainly from equity-accounted investment losses and interest expense totaled NT\$2,669 million and NT\$212 million respectively. Chunghwa Picture Tube (“CPT”) resulted in the recognition in investment loss of NT\$ 2,878 million. However, with the increasing panel ASP and some rush orders, panel market is expected to recover gradually in second quarter. Investment income of NT\$51 million was contributed from Elite Computer System (“ECS”), due to their continued improvement in operation performance and profitability. Shan Chih Asset Development (“SCAD”) started to record revenue on completion basis in the project of “TATUNG World” phase two from the first quarter. TATUNG Consumer Products Corp. (“TCPC”) will devote unrelenting efforts to improve operating performance.

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