

Details on how the business of the Sector is managed and its related performance are set out below. This information is given on a voluntary basis and from the perspective of the Sector management, as its disclosure is not required by laws or regulations.

Electronics

“Strong Performance in 1Q2011”

FINANCIAL HIGHLIGHTS For the first quarter ended 31 March 2011					
	2011 1Q	2010 1Q	Growth %	2010 4Q	Growth %
Revenue (\$m)	455	369	23	389	17
Earnings before interest and tax (EBIT) (\$m)	34.1	27.8	23	33.4	2
Other income, net (\$m)	0.4	2.3	(81)	1.4	(68)
Finance income/(costs), net (\$m)	(1.8)	(2.0)	11	(2.5)	26
Profit before tax (PBT) (\$m)	32.3	28.1	15	33.2	(3)
Profit attributable to shareholders (\$m)	26.9	22.6	19	24.7	9

N.B.: All currencies are in Singapore dollars.

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Electronics sector unaudited results for the first quarter ended 31 March 2011:

	1Q2011 \$'000	1Q2010 \$'000	+ / (-) %
1. (a) Revenue	455,247	369,084	23.3
(b) Cost of sales	(348,253)	(273,792)	27.2
(c) Gross Profit	106,994	95,292	12.3
(d) Distribution and selling expenses	(19,667)	(21,751)	(9.6)
(e) Administrative expenses	(33,959)	(29,897)	13.6
(f) Other operating expenses	(19,300)	(15,843)	21.8
(g) Profit from operations	34,068	27,801	22.5
(h) Other income, net	444	2,359	(81.2)
(i) Finance income	225	309	(27.2)
(j) Finance costs	(2,045)	(2,354)	(13.1)
(k) Finance income/(costs), net	(1,820)	(2,045)	(11.0)
(l) Share of results of associates and jointly controlled entity	(378)	(37)	>500
(m) Profit before taxation	32,314	28,078	15.1
(n) Taxation	(4,764)	(4,545)	4.8
(o) Profit for the period	27,550	23,533	17.1
Attributable to:			
(p) Shareholders of the Company	26,915	22,578	19.2
(q) Non-controlling interests	635	955	(33.5)
	27,550	23,533	17.1
2. (a) Profit from operations is arrived at after charging/(crediting) the following:			
Depreciation and amortisation	5,477	6,604	(17.1)
Allowance/(write-back of allowance) for doubtful debts & bad debts written off, net	357	140	155.0
Allowance/(write-back of allowance) for stock obsolescence, net	236	688	(65.7)
(b) Finance income/(costs), net comprises:			
Interest income	225	299	(24.7)
Foreign exchange gain/(loss), net	(325)	(380)	(14.5)
Interest expenses	(1,639)	(1,974)	(17.0)
Others	(81)	10	>(500)
	(1,820)	(2,045)	(11.0)

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	1Q2011 \$'000	1Q2010 \$'000	+ / (-) %
3. (a) Profit for the period [1(o) above] as a percentage of revenue	6.1%	6.4%	
(b) Profit attributable to shareholders [1(p) above] as a percentage of share capital and reserves at end of period	10.3%	8.7%	
4. (a) Revenue reported for first quarter	455,247	369,084	23.3
(b) Profit for the period reported for first quarter	27,550	23,533	17.1
5. (a) There was an overprovision of current tax of \$516,000 and overprovision of deferred tax of \$46,000 in respect of prior years (1Q2010: There was an underprovision of current tax of \$2,000 in respect of prior year).			
(b) There was no disposal of property during the period.			

6. Business Group Information

By Business Group

	Revenue		+ / (-) %	Profit before Taxation		+ / (-) %
	1Q2011 \$'000	1Q2010 \$'000		1Q2011 \$'000	1Q2010 \$'000	
Large-Scale Systems Group	130,796	85,421	53.1	11,285	8,518	32.5
Communication & Sensor Systems Group	198,828	186,133	6.8	11,628	10,263	13.3
Software Systems Group	125,623	97,530	28.8	9,401	9,297	1.1
Total	<u>455,247</u>	<u>369,084</u>	23.3	<u>32,314</u>	<u>28,078</u>	15.1

By Geographical Areas

	1Q2011 \$'000	1Q2010 \$'000	+ / (-) %
Asia	381,233	294,776	29.3
USA	24,623	23,838	3.3
Europe	18,010	18,547	(2.9)
Others	31,381	31,923	(1.7)
Total	<u>455,247</u>	<u>369,084</u>	23.3

By Country of Incorporation

	1Q2011 \$'000	1Q2010 \$'000	+ / (-) %
Asia	397,961	309,409	28.6
USA	45,465	46,216	(1.6)
Europe	4,733	5,204	(9.1)
Others	7,088	8,255	(14.1)
Total	<u>455,247</u>	<u>369,084</u>	23.3

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7. Review of Performance

(a) Revenue

<u>1Q2011 vs 1Q2010</u>	1Q2011	1Q2010	Growth	
		\$455m	\$369m	\$86m

Revenue of \$455 million recorded in 1Q2011 was higher than that in 1Q2010 by 23% or \$86 million. All three business groups recorded higher sales. Sales for **Large-Scale Systems Group (LSG)** were higher mainly due to milestone completions of the Land Transport Authority's (LTA) Circle Line project and the half height platform screen doors project. **Communication & Sensor Systems Group (CSG)** recorded higher sales mainly due to milestone completions of communication projects. **Software Systems Group's (SSG)** sales were higher mainly due to milestone completions of various software system projects.

<u>1Q2011 vs 4Q2010</u>	1Q2011	4Q2010	Growth	
		\$455m	\$389m	\$66m

Revenue of \$455 million recorded in 1Q2011 was higher than that in 4Q2010 by 17% or \$66 million. The increase was contributed by **LSG** and **CSG**. **LSG's** sales were higher mainly due to milestone completions of the LTA's Circle Line project and the half height platform screen doors project. **CSG** recorded higher sales mainly due to milestone completions of communication projects. Sales for **SSG** were lower mainly due to lower value project milestone completions.

(b) Profitability

<u>1Q2011 vs 1Q2010</u>	1Q2011	1Q2010	Growth	
		\$32.3m	\$28.1m	\$4.2m

The profit before tax of \$32.3 million for 1Q2011 was higher than that in 1Q2010 by 15% or \$4.2 million. At the business group level, the increase in profit was contributed by **LSG** and **CSG**. **LSG** recorded higher profit mainly due to higher sales. **CSG's** profit was higher mainly due to higher sales, partially offset by higher operating expenses. **SSG's** profit was comparable to 1Q2010 mainly due to higher profit from increased sales offset by less favourable sales mix and higher operating expenses.

<u>1Q2011 vs 4Q2010</u>	1Q2011	4Q2010	Growth	
		\$32.3m	\$33.2m	(\$0.9m)

The profit before tax of \$32.3 million for 1Q2011 was comparable to that in 4Q2010. At the business group level, **LSG** recorded higher profit mainly due to higher sales and favourable sales mix. The decrease in profit for **CSG** was mainly due to less favourable sales mix and lower contribution from satellite communication product sales, partially offset by lower operating expenses. **SSG's** profit was lower mainly due to less favourable sales mix and lower contribution from an associated company, partially offset by lower operating expenses.

8. Prospects

1H2011

Barring unforeseen circumstances, revenue and profit before tax for 1H2011 are expected to be higher compared to 1H2010.

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9. Balance Sheet

	31-Mar-11 \$'000	31-Dec-10 \$'000
Property, plant and equipment	60,985	60,862
Associates and jointly controlled entity	10,969	11,349
Investments	10,268	10,888
Intangible assets	320,681	327,463
Deferred tax assets	31,420	30,917
Non-current assets	434,323	441,479
Current assets	1,118,840	992,159
Total assets	1,553,163	1,433,638
Current liabilities	951,769	856,156
Non-current liabilities	458,011	455,829
Total liabilities	1,409,780	1,311,985
Share capital and reserves	131,369	105,637
Non-controlling interests	12,014	16,016
Total equity and liabilities	1,553,163	1,433,638
Net current assets	167,071	136,003

10. Statement of Cash Flows for the first quarter ended 31 March 2011

	1Q2011 \$'000	1Q2010 \$'000
Net cash from operating activities	177,378	147,333
Net cash used in investing activities	(5,017)	(3,757)
Proceeds from sale of property, plant and equipment	4	14
Proceed from sale of a subsidiary	-	892
Purchase of property, plant and equipment	(4,321)	(2,917)
Acquisition of other intangible assets	(700)	(948)
Acquisition of controlling interests in a subsidiary	-	(798)
Net cash used in financing activities	(2,099)	(67,949)
Proceed from bank loan	561	-
Proceeds from inter-company loans	-	533
Repayment of inter-company loans	(517)	(67,998)
Repayment of lease obligations	(1)	(1)
Acquisition of non-controlling interests in a subsidiary	(2,000)	(211)
Interest paid	(142)	(272)
Net increase in cash and cash equivalents	170,262	75,627
Cash and cash equivalents at beginning of the year	250,180	244,945
Exchange difference on cash and cash equivalents at beginning of the year	(1,129)	(1,229)
Cash and cash equivalents at end of the period	419,313	319,343

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