

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 law or regulation.

Electronics

“Comparable PBT”

FINANCIAL HIGHLIGHTS For the first quarter ended 31 March 2012					
	2012 1Q	2011 1Q	Growth %	2011 4Q	Growth %
Revenue (\$m)	461	455	1	416	11
Earnings before interest and tax (EBIT) (\$m)	34.4	34.1	1	36.9	(7)
Other income, net (\$m)	0.3	0.4	(43)	0.5	(55)
Finance costs, net (\$m)	(1.1)	(1.8)	41	(1.1)	3
Profit before tax (PBT) (\$m)	33.7	32.3	4	32.5	4
Profit attributable to shareholders (\$m)	28.1	26.9	5	26.3	7

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

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Electronics sector unaudited results for the first quarter ended 31 March 2012:

	1Q2012 \$'000	1Q2011 \$'000	+ / (-) %
1. (a) Revenue	460,877	455,247	1.2
(b) Cost of sales	(348,688)	(348,253)	0.1
(c) Gross Profit	112,189	106,994	4.9
(d) Distribution and selling expenses	(21,558)	(19,667)	9.6
(e) Administrative expenses	(38,388)	(32,449)	18.3
(f) Other operating expenses	(17,850)	(20,810)	(14.2)
(g) Profit from operations	34,393	34,068	1.0
(h) Other income, net	251	444	(43.5)
(i) Finance income	510	225	126.7
(j) Finance costs	(1,580)	(2,045)	(22.7)
(k) Finance costs, net	(1,070)	(1,820)	(41.2)
(l) Share of results of associates and jointly controlled entities	153	(378)	(140.5)
(m) Profit before taxation	33,727	32,314	4.4
(n) Taxation	(5,440)	(4,764)	14.2
(o) Profit for the period	28,287	27,550	2.7
Attributable to:			
(p) Shareholders of the Company	28,146	26,915	4.6
(q) Non-controlling interests	141	635	(77.8)
	28,287	27,550	2.7
2. (a) Profit from operations is arrived at after charging/(crediting) the following:			
Depreciation and amortisation	6,564	5,477	19.8
Allowance/(write-back of allowance) for doubtful debts & bad debts written off, net	(181)	357	(150.7)
Allowance/(write-back of allowance) for stock obsolescence, net	598	236	153.4
(b) Finance income/(costs), net comprises:			
Interest income	510	225	126.7
Foreign exchange gain/(loss), net	(49)	(325)	(84.9)
Interest expenses	(1,531)	(1,639)	(6.6)
Others	-	(81)	(100.0)
	(1,070)	(1,820)	(41.2)

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	1Q2012 \$'000	1Q2011 \$'000	+ / (-) %
3. (a) Profit for the period [1(o) above] as a percentage of revenue	6.1%	6.1%	
(b) Profit attributable to shareholders [1(p) above] as a percentage of share capital and reserves at end of period	9.9%	10.3%	
4. (a) Revenue reported for first quarter	460,877	455,247	1.2
(b) Profit for the period reported for first quarter	28,287	27,550	2.7
5. (a) There was an overprovision of current tax of \$102,000 and underprovision of deferred tax of \$47,000 in respect of prior years (1Q2011: There was an overprovision of current tax of \$516,000 and overprovision of deferred tax of \$46,000 in respect of prior years).			
(b) There was no disposal of property during the period.			

6. Business Group Information

	Revenue			Profit before Taxation		
	1Q2012 \$'000	1Q2011 \$'000	+ / (-) %	1Q2012 \$'000	1Q2011 \$'000	+ / (-) %
<u>By Business Group</u>						
Large-Scale Systems Group	126,263	130,796	(3.5)	12,191	11,285	8.0
Communication & Sensor Systems Group	201,602	198,828	1.4	12,692	11,628	9.2
Software Systems Group	133,012	125,623	5.9	8,844	9,401	(5.9)
Total	<u>460,877</u>	<u>455,247</u>	1.2	<u>33,727</u>	<u>32,314</u>	4.4
<u>By Geographical Areas</u>						
Asia	376,639	381,233	(1.2)			
USA	27,391	24,623	11.2			
Europe	21,818	18,010	21.1			
Others	35,029	31,381	11.6			
Total	<u>460,877</u>	<u>455,247</u>	1.2			
<u>By Country of Incorporation</u>						
Asia	396,441	397,961	(0.4)			
USA	52,256	45,465	14.9			
Europe	4,520	4,733	(4.5)			
Others	7,660	7,088	8.1			
Total	<u>460,877</u>	<u>455,247</u>	1.2			

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7. Review of Performance

(a) Revenue

1Q2012 vs 1Q2011

1Q2012	1Q2011	Growth	
\$461m	\$455m	\$6m	1%

Revenue of \$461 million recorded in 1Q2012 was comparable to that in 1Q2011. The increase in sales from **Software Systems Group (SSG)** was partially offset by lower sales from **Large-Scale Systems Group (LSG)**. **SSG** recorded higher sales mainly due to milestone completion of a simulator project. **LSG's** sales were lower mainly due to lower value project milestone completions. **Communication & Sensor Systems Group's (CSG)** sales were comparable to 1Q2011.

1Q2012 vs 4Q2011

1Q2012	4Q2011	Growth	
\$461m	\$416m	\$45m	11%

Revenue of \$461 million recorded in 1Q2012 was higher than that in 4Q2011 by 11% or \$45 million. The increase in sales from **LSG** was partially offset by lower sales from **CSG**. Sales for **LSG** were higher mainly due to milestone completions of the Land Transport Authority's Circle Line project, the half height platform screen doors project, an air traffic control system project and Bangkok automatic fare collection system project. **CSG** recorded lower sales mainly due to lower value project milestone completions, lower sales of satellite communication products and electro-optics equipment. **SSG's** sales were comparable to 4Q2011.

(b) Profitability

1Q2012 vs 1Q2011

1Q2012	1Q2011	Growth	
\$33.7m	\$32.3m	\$1.4m	4%

The profit before tax of \$33.7 million for 1Q2012 was comparable to that in 1Q2011. At the business group level, **CSG** recorded higher profit mainly due to favourable sales mix, partially offset by higher operating expenses. **LSG's** profit was higher mainly due to lower operating expenses. Despite the higher sales, **SSG's** profit was lower mainly due to less favourable sales mix and higher operating expenses.

1Q2012 vs 4Q2011

1Q2012	4Q2011	Growth	
\$33.7m	\$32.5m	\$1.2m	4%

The profit before tax of \$33.7 million for 1Q2012 was comparable to that in 4Q2011. At the business group level, the increase in profit by both **SSG** and **LSG** was offset by the decreased profit in **CSG**. **SSG** recorded higher profit mainly due to favourable sales mix and better contribution from an associate, partially offset by higher operating expenses. **LSG's** profit was higher mainly due to higher sales. The decrease in profit from **CSG** was mainly due to lower sales and lower contribution from satellite communication product sales, partially offset by lower operating expenses.

8. Prospects

1H2012

Barring unforeseen circumstances, 1H2012 revenue is expected to be comparable and profit before tax is expected to be higher compared to 1H2011.

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9. Balance Sheet

	31-Mar-12 \$'000	31-Dec-11 \$'000
Property, plant and equipment	83,359	79,393
Associates and jointly controlled entities	9,404	8,904
Investments	10,469	9,190
Intangible assets	302,893	314,354
Derivative financial instrument	15	-
Deferred tax assets	26,704	28,011
Non-current assets	432,844	439,852
Current assets	1,231,117	1,170,699
Total assets	1,663,961	1,610,551
Current liabilities	1,017,897	990,176
Non-current liabilities	481,670	475,975
Total liabilities	1,499,567	1,466,151
Share capital and reserves	152,797	131,912
Non-controlling interests	11,597	12,488
Total equity and liabilities	1,663,961	1,610,551
Net current assets	213,220	180,523

10. Statement of Cash Flows for the first quarter ended 31 March 2012

	1Q2012 \$'000	1Q2011 \$'000
Net cash from operating activities	163,902	177,378
Net cash used in investing activities	(9,599)	(5,017)
Proceeds from sale of property, plant and equipment	20	4
Purchase of property, plant and equipment	(9,421)	(4,321)
Acquisition of other intangible assets	-	(700)
Proceed from sale of an associate	30	-
Proceeds from sale of a subsidiary	149	-
Investment in a jointly controlled entity	(377)	-
Net cash used in financing activities	(6,614)	(2,099)
Proceed from bank loan	-	561
Repayment of bank loan	(167)	-
Repayment of related parties loans	(6,469)	(517)
Acquisition of non-controlling interests in subsidiaries	(1,158)	(2,000)
Loan to a related party	(390)	-
Repayment of loan by a related party	2,000	-
Repayment of lease obligations	(11)	(1)
Interest paid	(419)	(142)
Net increase in cash and cash equivalents	147,689	170,262
Cash and cash equivalents at beginning of the period	371,411	250,180
Exchange difference on cash and cash equivalents at beginning of the period	(1,731)	(1,129)
Cash and cash equivalents at end of the period	517,369	419,313

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