

13 February 2012

To: The President

The Stock Exchange of Thailand

Re: 2011 operating results

We, Delta Electronics (Thailand) Public Company Ltd, would like to inform the Company's 2011 operating results based on its audited consolidated financial statements ended 31 December 2011 as follows.

Sales revenues in 2011 increased about 7.6% from Baht 35,730 million previously to Baht 38,434 million. The major contributions are from IESBG (mainly telecom power systems) sales, which grew about 43% over those of last year because of the increasing sales in the South America market and Euro zone and Pan PSBG business (includes Power Supplies for IT products e.g. server, networking, Consumer Electronic products and DCDC converters) which also contributed a significant revenue growth of 17%. Due to the remained slowdown in Europe solar market mainly due to tightened government spending resulting in a lower feed-in tariff rate, solar inverter sales in this year significantly dropped by 63% from those of 2010.

Gross margin in 2011 reduced from 26.6% in to 23.5%. This is primarily caused by a decline in solar inverter sales both in terms of sales amount and price pressure together with the high inventory provisions. Selling expenses, as a result of the earlier planned business and market expansion including sales office expansion and sales force, rose from 6.6% of sales revenues last year to 7.3%. With various new product developments in 2011, R&D expense increased from 5.0% to sales in the previous year to 5.4%.

Operating profit margin (after R&D expense) in 2011 as a result declined from 11.1% in 2010 to 6.7% and net profit reduced from Baht 4,180 million to Baht 2,864 million, or 31% down from that of last year, and EPS dropped from Baht 3.33 in 2010 to Baht 2.30.

Please be informed accordingly.

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Ming –Cheng Wang  
Vice Chairman