

8 August 2011

To: The President

The Stock Exchange of Thailand

Re: Q2-11 operating results

We, Delta Electronics (Thailand) Public Company Ltd, would like to inform the Company's operating results in the second quarter of 2011 (Apr-Jun 2011) based on its reviewed consolidated financial statements ended 30 June 2011 as follows.

Sales revenues in Q2-11 increased about 16.5% from Baht 8,544 million in Q2-10 to Baht 9,951 million. The growth was mainly due to a significant increase in IESBG business (mainly telecom power systems) of about 42% over those of Q2-10 mainly because of the increasing sales from the South America market. Pan PSBG business (including Power Supplies for IT products e.g. server, networking, Consumer Electronic products and DCDC converters) also satisfactorily contributed a revenue growth of over 20% against those of Q2-10. Solar inverter business in this quarter, even it was underperformed as compared to that of Q2-10 but has showed an improving trend with a growth of over 50% as compared to its sales revenues in the last quarter of this year.

Gross margin in Q2-11 reduced from 28.4% in Q2-10 to 24.3%. This is primarily caused by a continued slowdown in solar inverter business since last quarter together with the Thai Baht appreciation against US dollar. With a higher spending in selling expenses to enhance its sales and marketing efforts especially in solar business and the appreciation in EUR/USD, the Company's selling & admin expenses (excluding R&D expense)/sales rose from 9.95% in Q2-10 to 10.9%. In addition, the Company has emphasized more on its R&D activities to develop both the existing and new products like solar inverter, automotive related products and wind turbine converter, the R&D expense stepped up from 4.8% of sales in Q2-10 to 5.8% in Q2-11. Operating profit margin (after R&D expense) as a result declined from 13.7% in Q2-10 to 7.5%. Net profit in Q2-11, after included other income which the major item in this quarter is dividend received from the related company for the amount of Baht 65 million, amounted to Baht 912 million, 19.5% down from that of Q2-10, and EPS dropped from Baht 0.89 in Q2-10 to Baht 0.73.

Please be informed accordingly.

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Niramol Tantipuntum  
Director