

9 May 2011

To: The President

The Stock Exchange of Thailand

Re: Q1-11 operating results

We, Delta Electronics (Thailand) Public Company Ltd, would like to inform the Company's operating results in the first quarter of 2011 (Jan-Mar 2011) based on its reviewed consolidated financial statements ended 31 March 2011 as follows.

Sales revenues in Q1-11 increased 20%, from Baht 7,545 million in Q1-10 to Baht 9,055 million despite a decrease in solar inverter sales mainly caused by the sluggish European solar market. The sales growth in this quarter was mainly contributed by a significant revenue increase from power supplies for IT, storage, industrial and telecommunication. DES product group (including Power Supplies for Industrial, Medical, Solar inverter and Custom Design Power Supply) therefore, performed well with the highest sales growth among all the product groups, of about 25% over those of Q1-10. This is due to a fast growing demand in Custom Designed Power Supplies especially those for data centers. In addition, Pan PSBG (including power supplies for consumer electronics, storage, server, networking and DCDC converter) and Telecom power product group also booked satisfactory growths of about 20% in each group, as compared to their revenues in the same period last year.

Gross profit in Q1-11 was adversely affected by USD depreciation against Thai Baht and provisions set for the slow moving inventory mainly caused by lower inverter sales mentioned earlier. The margin, therefore, was squeezed down from 27.6% in Q1-10 to 22.4%. SG&A expenses excluding R&D slightly rose from 11.1% in Q1-10 to 11.2%. R&D expenses/Sales in Q1-11 decreased from 5.9% to 5.1%.

Operating profit margin as a result of a significant decline in gross margin, dropped from 10.6% to 6.1%. Together with a lower other income, particularly gain from sale of investment of Baht 103.6 million which was earned during Q1-10, net profit in Q1-11 was recorded a 37.7% decline, from Baht 894 million or EPS of Baht 0.72 in Q1-10 to Baht 557 million or EPS of Baht 0.45.

Please be informed accordingly.

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Niramol Tantipuntum

Director

