

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

“Comparable PAT with 2Q2009”

FINANCIAL HIGHLIGHTS					
For the quarter ended					
30 September 2009					
	2009 3Q	2009 2Q	Growth %	2008 3Q	Growth %
Turnover (\$m)	310	355	(13)	301	3
Investment, interest and other income (\$m)	3.2	4.0	(20)	1.8	75
Earnings before interest and tax (EBIT) (\$m)	28.7	31.0	(7)	28.8	-
Profit before tax (\$m)	30.3	32.9	(8)	30.0	1
Profit attributable to shareholders (\$m)	23.5	24.3	(3)	21.7	8

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

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Electronics sector unaudited results for the third quarter ended 30 September 2009:

	3Q2009 \$'000	3Q2008 \$'000	+ / (-) %
1. (a) Turnover	310,011	300,788	3.1
(b) Cost of sales	(213,706)	(207,368)	3.1
(c) Gross Profit	96,305	93,420	3.1
(d) Other operating income	35	788	(95.6)
(e) Distribution and selling expenses	(21,075)	(21,513)	(2.0)
(f) Administrative expenses	(33,173)	(30,411)	9.1
(g) Other operating expenses	(13,342)	(12,684)	5.2
(h) Profit from operations before taxation, other income and financial expenses	28,750	29,600	(2.9)
(i) Other income, net	3,143	1,026	206.3
(j) Financial expenses	(1,387)	(2,369)	(41.5)
	30,506	28,257	8.0
(k) Share of results of associated companies and joint venture	(223)	1,707	(113.1)
(l) Profit from operations before taxation	30,283	29,964	1.1
(m) Taxation	(6,302)	(7,820)	(19.4)
(n) Profit from operations after taxation	23,981	22,144	8.3
Profit attributable to:			
(o) Shareholders of the Company	23,461	21,702	8.1
(p) Minority interests	520	442	17.6
	23,981	22,144	8.3
2. (a) Profit from operations is arrived at after charging/(crediting) the following:			
Depreciation and amortisation	6,645	4,586	44.9
Allowance/(write-back of allowance) for doubtful debts & bad debts written off, net	1,345	856	57.1
Allowance/(write-back of allowance) for stock obsolescence, net	607	493	23.1
Impairment/(write-back of impairment) in value of investments, net	437	-	NM
(b) Other operating income comprises:			
Investment income	(313)	-	NM
Interest income	349	784	(55.5)
Others	(1)	4	(125.0)
	35	788	(95.6)
(c) Other income, net comprises:			
Foreign exchange gain/(loss), net	(173)	728	(123.8)
Rental income	53	68	(22.1)
Others	3,263	230	NM
	3,143	1,026	206.3

* NM - Not Meaningful

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	3Q2009 \$'000	3Q2008 \$'000	+ / (-) %
3. (a) Profit from operations after taxation [1(n) above] as a percentage of turnover	7.7%	7.4%	
(b) Profit attributable to shareholders [1(o) above] as a percentage of share capital and reserves at end of period	8.9%	9.9%	
4. (a) Turnover reported for first half year	692,458	530,555	30.5
(b) Profit from operations after taxation reported for first half year	42,665	38,796	10.0
(c) Turnover reported for third quarter	310,011	300,788	3.1
(d) Profit from operations after taxation reported for third quarter	23,981	22,144	8.3
(e) Turnover reported for first nine months	1,002,469	831,343	20.6
(f) Profit from operations after taxation reported for first nine months	66,646	60,940	9.4
5. (a) There was an overprovision of current tax of \$284,000 and underprovision of deferred tax of \$33,000 in respect of prior years (3Q2008: There was an overprovision of current tax of \$190,000 and underprovision of deferred tax of \$467,000 in respect of prior years)			
(b) There was no disposal of property during the third quarter.			

6. Business Group Information

By Business Group

	Turnover			Profit before Taxation		
	2009 \$'000	2008 \$'000	+ / (-) %	2009 \$'000	2008 \$'000	+ / (-) %
Third Quarter						
Large-Scale Systems Group	66,486	70,888	(6.2)	5,841	4,166	40.2
Communication & Sensor Systems Group	157,584	134,379	17.3	15,177	14,644	3.6
Software Systems Group	85,941	95,521	(10.0)	9,265	11,154	(16.9)
Total	<u>310,011</u>	<u>300,788</u>	3.1	<u>30,283</u>	<u>29,964</u>	1.1
Nine Months Ended 30 September						
Large-Scale Systems Group	208,118	167,205	24.5	18,446	11,894	55.1
Communication & Sensor Systems Group	497,455	391,155	27.2	39,426	34,511	14.2
Software Systems Group	296,896	272,983	8.8	27,003	32,975	(18.1)
Total	<u>1,002,469</u>	<u>831,343</u>	20.6	<u>84,875</u>	<u>79,380</u>	6.9

	Turnover		
	3Q2009 \$'000	3Q2008 \$'000	
<u>By Geographical Areas</u>			
Asia	236,934	221,690	6.9
USA	36,112	33,571	7.6
Europe	13,687	16,928	(19.1)
Others	23,278	28,599	(18.6)
Total	<u>310,011</u>	<u>300,788</u>	3.1

By Country of Incorporation

Asia	247,867	229,153	8.2
USA	54,409	57,720	(5.7)
Europe	2,776	2,776	-
Others	4,959	11,139	(55.5)
Total	<u>310,011</u>	<u>300,788</u>	3.1

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7. Review of Performance

(a) Turnover

3Q2009 vs 3Q2008

3Q2009	3Q2008	Growth	
\$310m	\$301m	\$9m	3%

The turnover of \$310 million recorded in 3Q2009 was comparable to that in 3Q2008. The increase in sales from **Communication & Sensor Systems Group (CSG)** was offset by lower sales in **Software Systems Group (SSG)** and **Large-Scale Systems Group (LSG)**. **CSG's** sales were higher mainly due to milestone completions of the Integrated Resort project and sales of electro-optics equipment. **SSG** and **LSG** recorded lower sales mainly due to lower value project milestone completions.

3Q2009 vs 2Q2009

3Q2009	2Q2009	Growth	
\$310m	\$355m	(\$45m)	(13%)

The turnover of \$310 million recorded in 3Q2009 was lower than that in 2Q2009 by 13% or \$45 million. All three business groups recorded lower sales. **CSG** recorded lower sales mainly due to lower value project milestone completions and lower sales of satellite communication products. **SSG** and **LSG** recorded lower sales mainly due to lower value project milestones completed.

(b) Profitability

3Q2009 vs 3Q2008

3Q2009	3Q2008	Growth	
\$30.3m	\$30.0m	\$0.3m	1%

The profit before tax of \$30.3 million for 3Q2009 was comparable to that in 3Q2008. At the business group level, the increase in profit was contributed by **LSG** and **CSG**, offset by **SSG**. **LSG** recorded higher profit mainly due to lower operating expenses and higher other income from Jobs Credit Scheme. **CSG's** profit was higher mainly due to better sales and higher other income from Jobs Credit Scheme, partially offset by higher operating expenses. The decrease in profit for **SSG** was mainly due to lower sales as well as lower performance from an associated company, partially offset by favourable sales mix.

3Q2009 vs 2Q2009

3Q2009	2Q2009	Growth	
\$30.3m	\$32.9m	(\$2.6m)	(8%)

The profit before tax of \$30.3 million for 3Q2009 was lower than that in 2Q2009 by 8% or \$2.6 million. At the business group level, **LSG** recorded lower profit mainly due to lower sales and higher operating expenses, partially offset by favourable sales mix. The decrease in **CSG's** profit was mainly due to lower sales. **SSG's** profit was higher mainly due to favourable sales mix and lower operating expenses.

8. Prospects

FY2009

Barring unforeseen circumstances, turnover and profit before tax for FY2009 are expected to be higher compared to FY2008.

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9. Balance Sheet

	30-Sep-09 \$'000	31-Dec-08 \$'000
Property, plant and equipment	56,365	58,996
Associated companies and joint venture	11,158	11,305
Investments	15,904	12,425
Intangible assets	358,924	364,998
Investment property	1,360	1,389
Long-term receivables	-	4
Deferred tax assets	22,497	23,103
Non-current assets	466,208	472,220
Current assets	1,001,339	947,210
Total assets	1,467,547	1,419,430
Current liabilities	798,686	771,724
Non-current liabilities	516,420	545,755
Total liabilities	1,315,106	1,317,479
Share capital and reserves	135,066	85,042
Minority interests	17,375	16,909
Total equity and liabilities	1,467,547	1,419,430

10. Statement of Cash Flows for the third quarter ended 30 September 2009

	3Q2009 \$'000	3Q2008 \$'000
Net cash from operating activities	14,255	14,478
Net cash used in investing activities	(3,218)	(3,413)
Proceeds from sale of property, plant and equipment	-	10
Dividend from an associated company	2	-
Purchase of property, plant and equipment	(2,704)	(3,677)
Acquisition of subsidiaries	-	254
Acquisition of additional interest in a subsidiary	(516)	-
Net cash used in financing activities	(15,258)	(18,501)
(Repayment of)/proceeds from bank loans, net	(3,000)	418
(Repayment of)/proceed from inter-company loans, net	(12,000)	(18,000)
Repayment of lease obligations	(14)	(12)
Interest paid	(244)	(907)
Net decrease in cash and cash equivalents	(4,221)	(7,436)
Cash and cash equivalents at beginning of period	268,625	234,943
Exchange difference on cash and cash equivalents	(1,211)	6,718
Cash and cash equivalents at end of period	263,193	234,225

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