



**TECO Electric & Machinery Co., Ltd.**

5F, 19-9, San Chong Road, Nan-Kang, Taipei 115, Taiwan

Tel: (8862) 2655-3333 | Fax: (8862) 2655-2259 | <http://www.teco.com.tw>

**TECO Announces 1Q 2015 Results**

Taipei, Taiwan, May 15<sup>th</sup> 2015 - TECO Electric and Machinery Co., Ltd., a leading manufacturer and service provider of motors, home appliances and information technology, today announced its financial results for 1Q 2015.

**Consolidated Basis**

Unit: NT\$1,000

Item	Period	1Q 2015	vs. 1Q 2014 (+/-%)	vs. 4Q 2014 (+/-%)
Operating Revenue		11,716,314	-13.4%	-7.0%
Gross Profit, net		3,057,061	-7.1%	-1.5%
Operating Profit		986,683	-17.0%	26.5%
Income Tax Expense		287,384	-22.8%	46.7%
Net Income <sup>(1)</sup>		737,106	-14.4%	5.1%
EPS(NT\$)		0.37		

*(1) Excluding non-controlling interests.*

**Please find the details in the following pages.**

For the first quarter of 2015, net revenue totaled NT\$11,716 million and gross profit was NT\$3,057 million. Operating profit came in at NT\$987 million and net income was NT\$737 million. Earnings per share was reported as NT\$0.37.

Recurring operating revenue decreased by 13.5% as opposed to 1Q'14. Gross profit and operating profit decreased by 7.1% and 17.0% respectively. Net income decreased by 14.4%. The decrease in non-operating income was mainly due to the increase in "Net currency exchange losses" in 1Q15. (See table 1)

**Table 1**

(In NT\$1,000, except EPS)	1Q ' 15 <sup>(3)</sup>		1Q ' 14 <sup>(3)</sup>		YoY %
	Amount	%	Amount	%	
Operating Revenue	11,716,314	100.0%	13,524,627	100.0%	-13.4%
Recurring Operating Revenue	11,611,465	99.1%	13,429,014	99.3%	-13.5%
Gain on Sales of Financial Assets	104,849	0.9%	95,613	0.7%	9.7%
Operating Costs	(8,665,295)	-74.0%	(10,233,565)	-75.7%	-15.3%
Gross Profit, net <sup>(1)</sup>	3,057,061	26.1%	3,291,593	24.3%	-7.1%
Operating expenses	(2,070,378)	-17.7%	(2,103,424)	-15.6%	-1.6%
Operating Profit	986,683	8.4%	1,188,169	8.8%	-17.0%
Non-operating Income (Expense)	122,264	1.0%	135,470	1.0%	-9.7%
Other Income	182,502	1.6%	111,856	0.8%	63.2%
Other Gains and Losses	(59,340)	-0.5%	5,479	0.0%	-
Financial Costs	(47,709)	-0.4%	(60,598)	-0.4%	-21.3%
Share of Profit (Loss) of Associates and Joint Ventures					
Accounted for Using Equity Method	46,811	0.4%	78,733	0.6%	-40.5%
Income before Tax	1,108,947	9.5%	1,323,639	9.8%	-16.2%
Income Tax Expense	(287,384)	-2.5%	(372,495)	-2.8%	-22.8%
Net Income <sup>(2)</sup>	737,106	6.3%	861,255	6.4%	-14.4%
EPS	0.37		0.44		

**Note:**

(1) Unrealized / realized gain on inter-affiliate accounts included.

(2) Excluding non-controlling interests.

(3) Comply with IFRS.

Recurring operating revenue for 1Q'15 decreased 7.4% over 4Q'14. Gross profit decreased by 1.5% while operating profit increased by 26.5%. Net income increased by 5.1%. The main reason results in decreasing Non-operating Income is the decrease of "Other Non-Operate Income" from Other Income.

**Table 2**

(In NT\$1,000, except EPS)	1Q ' 15 <sup>(3)</sup>		4Q ' 14 <sup>(3)</sup>		YoY %
	Amount	%	Amount	%	
Operating Revenue	11,716,314	100.0%	12,596,314	100.0%	-7.0%
Recurring Operating Revenue	11,611,465	99.1%	12,537,886	99.5%	-7.4%
Gain on Sales of Financial Assets	104,849	0.9%	58,428	0.5%	79.4%
Operating Costs	(8,665,295)	-74.0%	(9,492,627)	-75.4%	-8.7%
Gross Profit, net <sup>(1)</sup>	3,057,061	26.1%	3,102,880	24.6%	-1.5%
Operating expenses	(2,070,378)	-17.7%	(2,322,863)	-18.4%	-10.9%
Operating Profit	986,683	8.4%	780,017	6.2%	26.5%
Non-operating Income (Expense)	122,264	1.0%	176,949	1.4%	-30.9%
Other Income	182,502	1.6%	418,791	3.3%	-56.4%
Other Gains and Losses	(59,340)	-0.5%	(152,294)	-1.2%	-61.0%
Financial Costs	(47,709)	-0.4%	(55,116)	-0.4%	-13.4%
Share of Profit (Loss) of Associates and Joint Ventures					
Accounted for Using Equity Method	46,811	0.4%	(34,432)	-0.3%	-236.0%
Income before Tax	1,108,947	9.5%	956,966	7.6%	15.9%
Income Tax Expense	(287,384)	-2.8%	(195,929)	-1.6%	46.7%
Net Income <sup>(2)</sup>	737,106	6.4%	701,312	5.6%	5.1%
EPS	0.37		0.35		

Note:

(1) Unrealized / realized gain on inter-affiliate accounts included.

(2) Excluding non-controlling interests.

(3) Comply with IFRS.

**Table 3**

(In NT\$1,000)	Mar 31, 2015	Dec 31, 2014	Mar 31, 2014
Cash & Cash Equivalents	15,089,115	17,201,690	14,511,064
Receivables	11,695,759	11,817,073	12,345,072
Inventories	11,346,602	11,539,306	11,111,906
Other Current Assets	3,276,139	2,717,265	2,820,210
Total Current Assets	41,407,615	43,275,334	40,788,252
Financial Assets			
Available for sale - Non Current	12,796,759	14,155,901	11,699,901
Long-Term Investments			
Under Equity Method	5,244,017	5,352,012	5,262,188
Other Non-Current Assets	19,666,389	19,929,798	20,395,913
Total Non-Current Assets	37,707,165	39,437,711	37,358,002
Total Assets	79,114,780	82,713,045	78,146,254
Current Liabilities	16,267,582	18,075,827	19,097,444
Bonds Payable	1,513,200	1,527,600	1,470,000
Long-Term Borrowings	4,333,160	5,474,646	4,431,884
Other Non-Current Liabilities	4,276,025	4,346,250	4,093,033
Total Non-Current Liabilities	10,122,385	11,348,496	9,994,917
Total Liabilities	26,389,967	29,424,323	29,092,361
Total Shareholders' Equity <sup>(1)</sup>	52,724,813	53,288,722	49,053,893

(1) Including non-controlling interests.

#### **About TECO Electric & Machinery Co., Ltd.**

TECO Electric & Machinery Co., Ltd. (TSE 1504) was founded in 1956 and has since been well known as one of world's leading motor-manufacturers. For 50 years and running, TECO has now engaged in various business sectors ranging from Industrial Products, Home Appliances, Mechanical and Electrical Construction, Key Components Manufacturing and Information Technology. Teco's consolidated revenue was NT\$53.8 Billion for the 2014 fiscal year. More information is available at <http://www.teco.com.tw>

#### **Investor Relations Contact**

Andy Chien  
 IR Manager  
 Phone : 886-2-2655-3333 Ext. 3542  
 Fax : 886-2-26552239  
 Email : [andy.chien@teco.com.tw](mailto:andy.chien@teco.com.tw)

#### **PR Contact**

Karen Lee  
 PR Manager  
 Phone : 886-2-2655-3333 Ext. 3579  
 Fax : 886-2-2655-2261  
 Email : [karen.lee@teco.com.tw](mailto:karen.lee@teco.com.tw)