



TECO Electric & Machinery Co., Ltd.

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TECO Announces 2015 Results

Taipei, Taiwan, March 30th 2016 - 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 2015.

Consolidated Basis

Unit: NT\$1,000

Item	Period	4Q 2015	vs. 4Q 2014 (+/-%)	vs. 3Q 2015 (+/-%)	2015	vs. 2014 (+/-%)
Operating Revenue		12,475,214	-0.8%	1.9%	48,598,573	-9.6%
Gross Profit, net ⁽¹⁾		3,189,598	2.6%	3.3%	12,400,311	-7.4%
Operating Profit		935,647	19.2%	-2.8%	3,787,627	-14.4%
Income Tax Expense		136,066	-30.6%	-59.8%	1,049,155	-19.2%
Net Income ⁽²⁾		570,782	-18.1%	-40.3%	3,177,291	-21.8%
EPS(NT\$)		0.28			1.60	

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

(2) Excluding non-controlling interests.

For the fourth quarter of 2015, net revenue totaled NT\$12,475 million and gross profit was NT\$3,190 million. Operating profit came in at NT\$936 million and net income was NT\$571 million. Earnings per share was reported as NT\$0.28.

Recurring operating revenue decreased by 0.4% as opposed to 4Q'14. Gross profit and operating profit increased by 2.6% and 19.2% respectively. Net income decreased by 18.1%. The decrease in non-operating income was mainly due to the one off impair loss in 4Q15. (See table 1)

Table 1

	4Q ' 15		4Q ' 14		YoY %
	Amount	%	Amount	%	
(In NT\$1,000, except EPS)					
Operating Revenue	12,475,214	100.0%	12,577,496	100.0%	-0.8%
Recurring Operating Revenue	12,466,651	99.9%	12,519,068	99.5%	-0.4%
Gain on Sales of Financial Assets	8,563	0.1%	58,428	0.5%	-85.3%
Operating Costs	(9,288,862)	-74.5%	(9,468,956)	-75.3%	-1.9%
Gross Profit, net ⁽¹⁾	3,189,598	25.6%	3,107,733	24.7%	2.6%
Operating expenses	(2,253,951)	-18.1%	(2,322,792)	-18.5%	-3.0%
Operating Profit	935,647	7.5%	784,941	6.2%	19.2%
Non-operating Income (Expense)	(137,052)	-1.1%	168,061	1.3%	-181.5%
Other Income	413,596	3.3%	418,763	3.3%	-1.2%
Other Gains and Losses	(451,184)	-3.6%	(152,512)	-1.2%	195.8%
Financial Costs	(77,482)	-0.6%	(53,520)	-0.4%	44.8%
Share of Profit (Loss) of Associates and Joint Ventures					
Accounted for Using Equity Method	(21,982)	-0.2%	(44,670)	-0.4%	-50.8%
Income before Tax	798,595	6.4%	953,002	7.6%	-16.2%
Income Tax Expense	(136,066)	-1.1%	(195,929)	-1.6%	-30.6%
Net Income ⁽²⁾	570,782	4.6%	697,348	5.5%	-18.1%
EPS	0.28		0.34		

Note:

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

(2) Excluding non-controlling interests.

Recurring operating revenue for 4Q'15 increased 1.6% over 3Q'15. Gross profit increased by 3.3% while operating profit decreased by 2.8%. Net income decreased by 40.3%. The decrease in non-operating income was mainly due to the decrease in dividend income and one off impair loss in 4Q15. (See table 2)

Table 2

(In NT\$1,000, except EPS)	4Q ' 15		3Q ' 15		YoY %
	Amount	%	Amount	%	
Operating Revenue	12,475,214	100.0%	12,247,527	100.0%	1.9%
Recurring Operating Revenue	12,466,651	99.9%	12,272,648	100.2%	1.6%
Gain on Sales of Financial Assets	8,563	0.1%	(25,121)	-0.2%	-
Operating Costs	(9,288,862)	-74.5%	(9,158,184)	-74.8%	1.4%
Gross Profit, net ⁽¹⁾	3,189,598	25.6%	3,086,597	25.2%	3.3%
Operating expenses	(2,253,951)	-18.1%	(2,124,172)	-17.3%	6.1%
Operating Profit	935,647	7.5%	962,425	7.9%	-2.8%
Non-operating Income (Expense)	(137,052)	-1.1%	412,878	3.4%	-133.2%
Other Income	413,596	3.3%	364,077	3.0%	13.6%
Other Gains and Losses	(451,184)	-3.6%	24,250	0.2%	-1960.6%
Financial Costs	(77,482)	-0.6%	(56,025)	-0.5%	38.3%
Share of Profit (Loss) of Associates and Joint Ventures					
Accounted for Using Equity Method	(21,982)	-0.2%	80,576	0.7%	-127.3%
Income before Tax	798,595	6.4%	1,375,303	11.2%	-41.9%
Income Tax Expense	(136,066)	-1.1%	(338,327)	-2.8%	-59.8%
Net Income ⁽²⁾	570,782	7.8%	956,442	7.8%	-40.3%
EPS	0.28		0.48		

Note:

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

(2) Excluding non-controlling interests.

For 2015, operating revenue totaled NT\$48,599 million and gross profit was NT\$12,400 million. Operating profit came in at NT\$3,787 million and net income was NT\$3,177 million. Earnings per share was reported as NT\$1.60.

Recurring operating revenue decreased by 9.5% as opposed to 2014. Gross profit and operating profit decreased by 7.4% and 14.4% respectively. Net income decreased by 21.8%. The decrease in non-operating income was mainly due to the one off disposal gain of property, plant and equipment in 2014. (See table 3)

Table 3

(In NT\$1,000, except EPS)	2015		2014 ⁽³⁾		YoY %
	Amount	%	Amount	%	
Operating Revenue	48,598,573	100.0%	53,748,466	100.0%	-9.6%
Recurring Operating Revenue	48,504,693	99.8%	53,622,907	99.8%	-9.5%
Gain on Sales of Financial Assets	93,880	0.2%	125,559	0.2%	-25.2%
Operating Costs	(36,203,039)	-74.5%	(40,356,727)	-75.1%	-10.3%
Gross Profit, net ⁽¹⁾	12,400,311	25.5%	13,391,803	24.9%	-7.4%
Operating expenses	(8,612,684)	-17.7%	(8,968,967)	-16.7%	-4.0%
Operating Profit	3,787,627	7.8%	4,422,836	8.2%	-14.4%
Non-operating Income (Expense)	775,644	1.6%	1,277,135	2.4%	-39.3%
Other Income	1,361,206	2.8%	1,185,074	2.2%	14.9%
Other Gains and Losses	(511,807)	-1.1%	141,095	0.3%	-462.7%
Financial Costs	(227,691)	-0.5%	(229,363)	-0.4%	-0.7%
Share of Profit (Loss) of Associates and Joint Ventures Accounted for Using Equity Method	153,936	0.3%	180,329	0.3%	-14.6%
Income before Tax	4,563,271	9.4%	5,699,971	10.6%	-19.9%
Income Tax Expense	(1,049,155)	-2.2%	(1,297,704)	-2.4%	-19.2%
Net Income ⁽²⁾	3,177,291	6.5%	4,062,960	7.6%	-21.8%
EPS	1.60		2.05		

Note:

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

(2) Excluding non-controlling interests.

Table 4

(In NT\$1,000)	Dec 31, 2015	Sep 30, 2015	Dec 31, 2014
Cash & Cash Equivalents	14,919,042	16,380,750	17,201,690
Receivables	12,366,714	11,866,765	11,817,073
Inventories	11,755,227	11,311,913	11,539,306
Other Current Assets	3,251,419	4,046,272	2,717,265
Total Current Assets	42,292,402	43,605,700	43,275,334
Financial Assets			
Available for sale - Non Current	10,905,909	10,388,242	14,155,901
Long-Term Investments			
Under Equity Method	5,464,797	5,503,200	5,352,012
Other Non-Current Assets ⁽¹⁾	25,771,144	19,710,377	19,929,798
Total Non-Current Assets	42,141,850	35,601,819	39,437,711
Total Assets	84,434,252	79,207,519	82,713,045
Current Liabilities	22,715,038	18,104,295	18,075,827
Bonds Payable	3,000,000	3,000,000	1,527,600
Long-Term Borrowings	2,300,299	3,485,801	5,474,646
Other Non-Current Liabilities	4,986,411	4,382,832	4,346,250
Total Non-Current Liabilities	10,286,710	10,868,633	11,348,496
Total Liabilities	33,001,748	28,972,928	29,424,323
Total Shareholders' Equity ⁽²⁾	51,432,504	50,234,591	53,288,722

(1) The increase of Other Non-Current Asset is due to the goodwill from new entity, Motovario S.p.A.

(2) 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\$48.6 Billion for the 2015 fiscal year. More information is available at <http://www.teco.com.tw>

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