



1H11 Results Presentation



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2011



FRENCKEN GROUP LIMITED

INCORPORATED IN SINGAPORE

FRENCKEN GROUP LIMITED

Agenda

1H11 Results Presentation

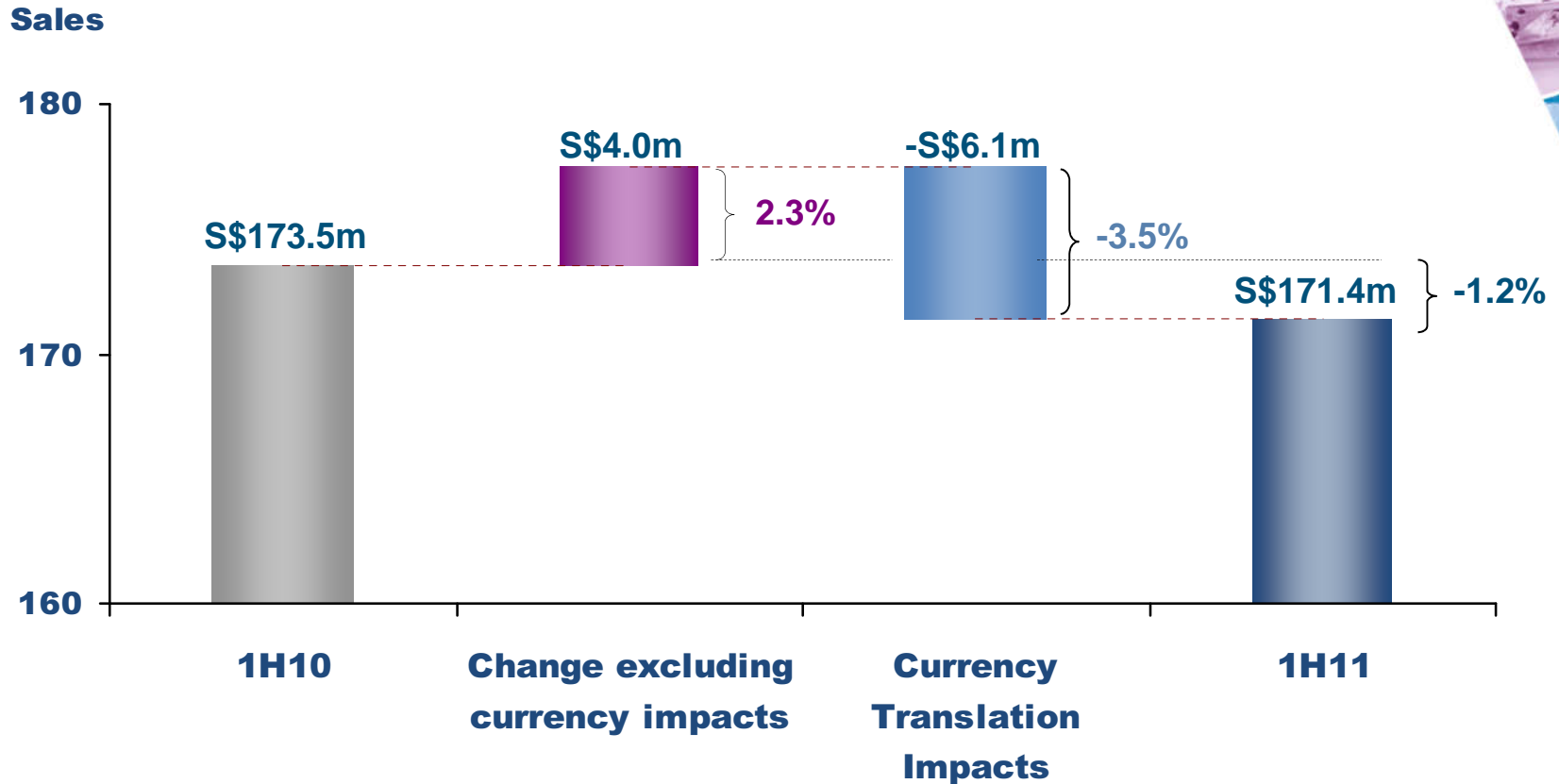
- **Financial Review**
 - 1H11
- **Business Review and Outlook**
 - Mechatronics Division
 - EMS Division
- **Questions and Answers**

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1H11 Results - Revenue

1H11 Results Presentation

FGL Group Revenue (SGD)



+2.3% at constant exchange rates



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1H11 Results – Division Revenue Analysis

1H11 Results Presentation

(S\$ m)	1H11	1H10	Chg y-o-y
<u>Mechatronics</u>			
Semiconductor	40.4	37.7	7%
Medical	28.5	25.9	10%
Analytical	31.8	22.9	39%
Industrial Automation	20.7	40.8	-49%
Others	15.2	12.5	22%
	136.6	139.8	-2%
<u>EMS</u>			
Telco (Keypads & Others)	-	2.5	N.M.
Office Automation	16.3	18.0	-9%
Automotive	14.8	9.2	61%
Others (Include Telco)	3.7	4.0	-7%
	34.8	33.7	3%
Total	171.4	173.5	-1%

*N.M. – Not Meaningful

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1H11 Results – Consolidated Results 1H11 vs 1H10

1H11 Results Presentation

		1H11		1H10		YOY% Change	
		Sales	Profit/ (Loss) *	Sales	Profit/ (Loss) *	Sales	Profit/ (Loss)
FGL Ltd	SGD	171.4	7.3	173.5	8.8	-1%	-18%
Mechatronics	SGD	136.6	9.3	139.8	10.0	-2%	-7%
EMS	SGD	34.8	(2.0)	33.7	(1.0)	3%	-105%

*Excludes Investment Division

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1H11 Results – P&L Snapshot

1H11 Results Presentation

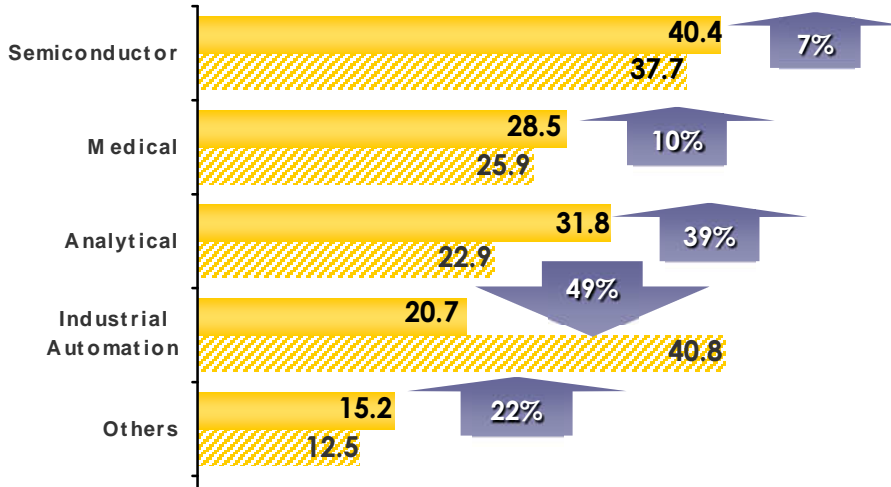
(\$\$ m)	1H11	1H10	Chg y-o-y
Revenue	171.4	173.5	-1%
Gross Profit (GP)	20.1	23.3	-14%
Profit Before Tax	9.2	11.2	-17%
Net Profit	7.3	8.8	-18%
NP Margin	4.2%	5.1%	-17%
Effective Tax Rate	21.1%	21.0%	1%

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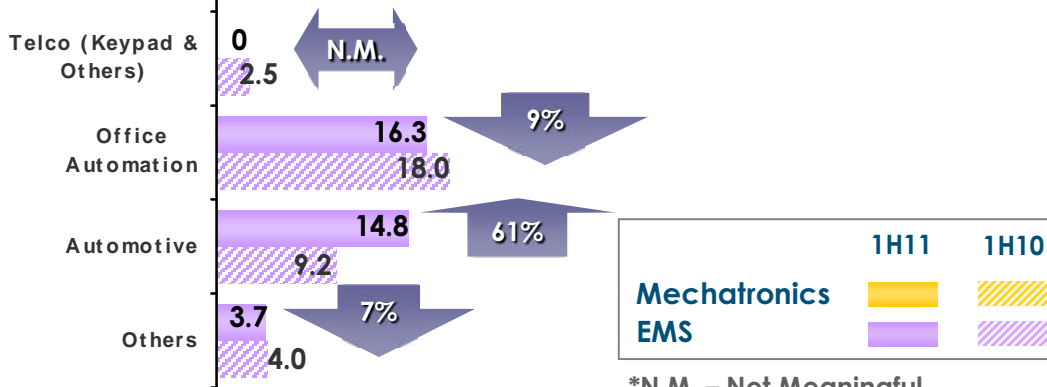
1H11 Results – Group Revenue Analysis

1H11 Results Presentation

MECHATRONICS (\$\$ m)

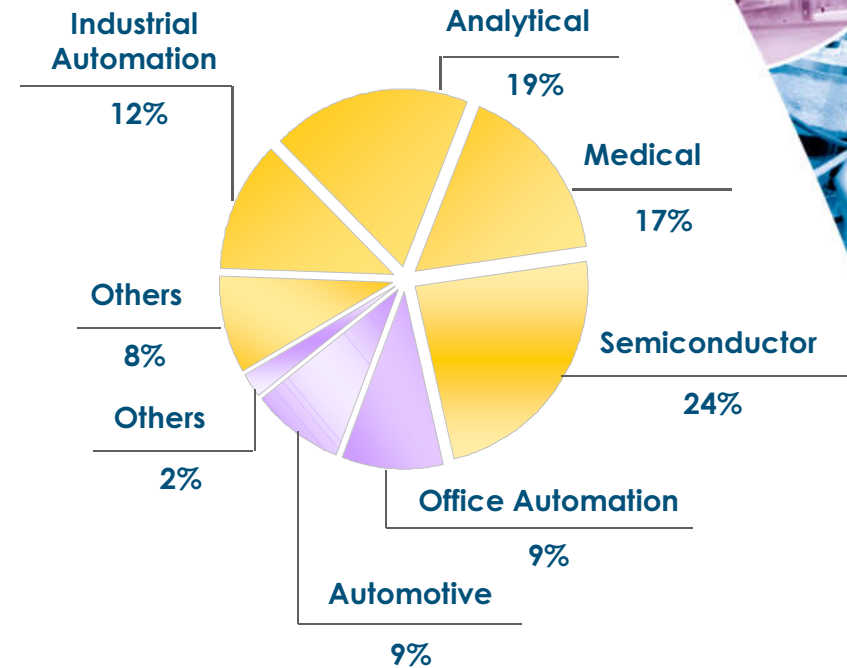


EMS (\$\$ m)



*N.M. – Not Meaningful

Breakdown by Business Segment



Breakdown by Division:
Mechatronics – 80%
EMS – 20%

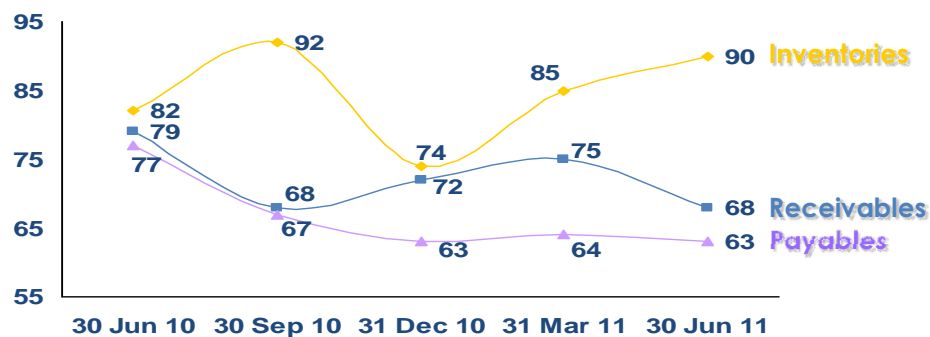


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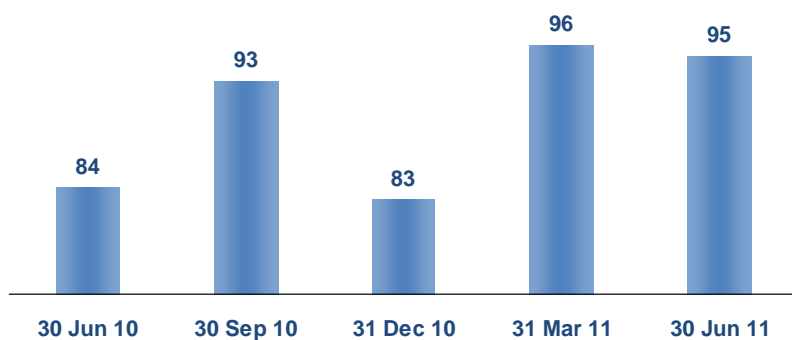
Working Capital Management

1H11 Results Presentation

Turnover Days



Cash Conversion Cycle (Days)



Cash Conversion Cycle (Days) = Days sales outstanding + Days inventory outstanding – Days payables outstanding

(\$ m)	30 Jun 11	31 Dec 10
Inventories	75.2	62.0
Trade Receivables	64.1	69.7
Trade Payables	40.3	39.6

(\$ m)	6 months to 30 th Jun 2011
Net Profit	7.3
<i>Non-Cash</i>	7.8
<i>Working Capital</i>	(4.9)
<i>Taxes & Interest</i>	(1.3)
Net cash flow from operations	8.9
Capital expenditure	(10.1)
Free cash flow	(1.2)

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Strong Balance Sheet

1H11 Results Presentation

Balance Sheet (\$\$ m)	30 Jun 11	31 Dec 10
Shareholders' equity	199.2	196.3
Total borrowings	17.8	19.5
Cash and cash equivalents	45.8	53.0
Net Cash	28.0	33.5

Financial Indicators	30 Jun 11	31 Dec 10
Gross gearing (%)	8.9	9.9
Net asset value per share (\$\$ cents)	54.15	53.64

Financial Indicators	30 Jun 11	30 Jun 10
EPS (\$\$ cents)	1.98	2.35



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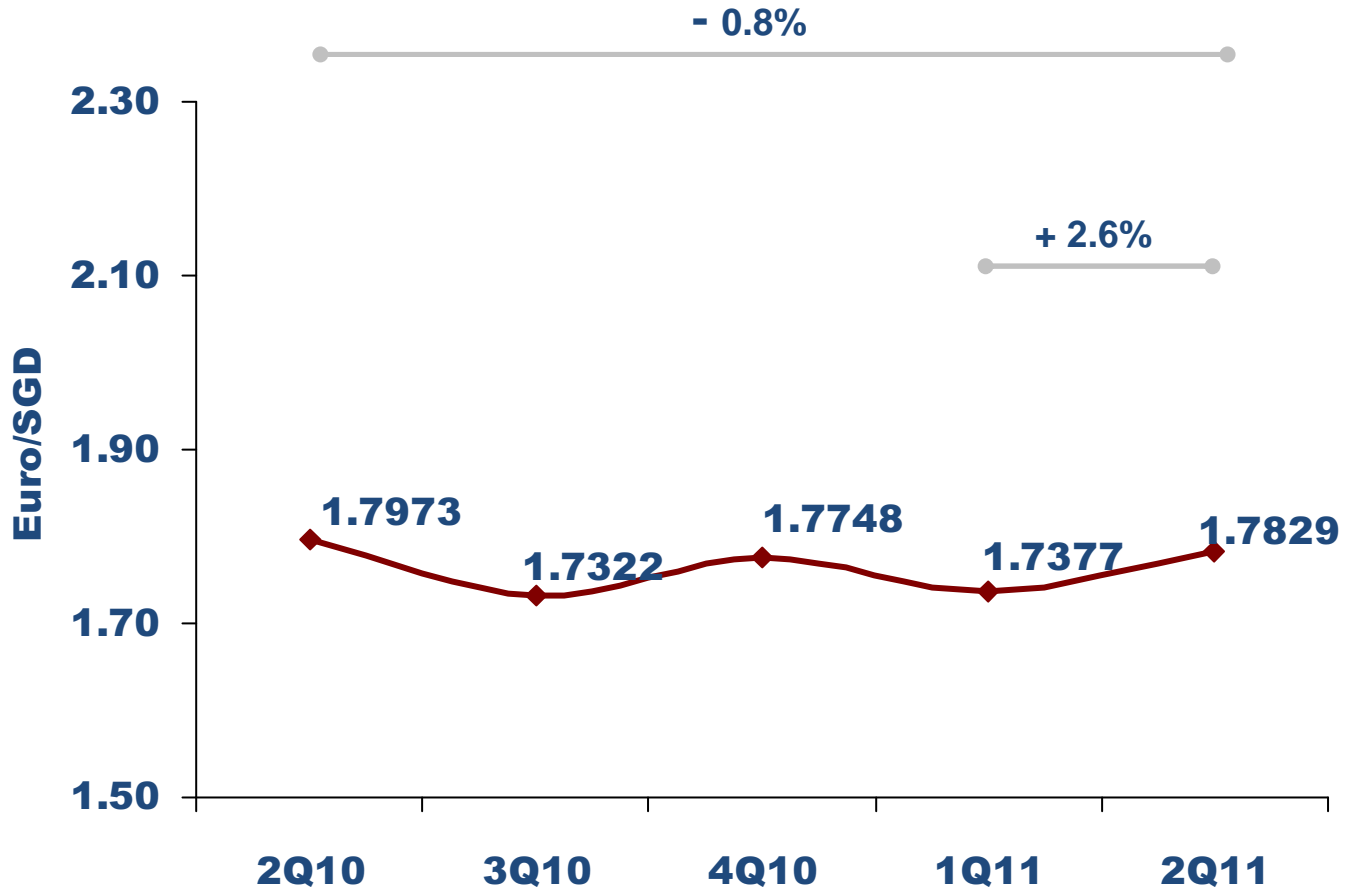
Mechatronics Division

Business Review & Outlook

Mechatronics Division

Forex EURO/SGD

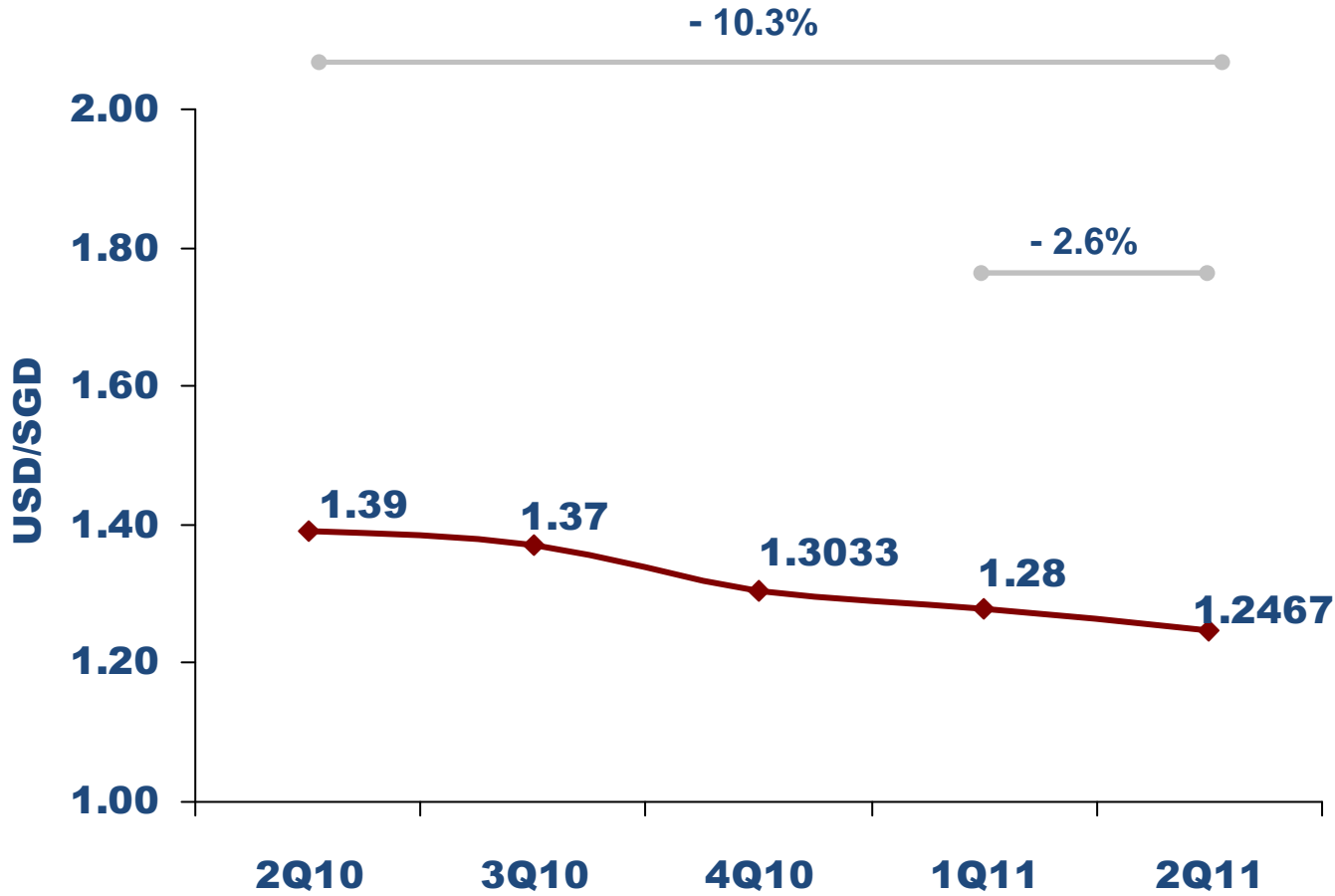
1H11 Results Presentation



Mechatronics Division

Forex USD/SGD

1H11 Results Presentation

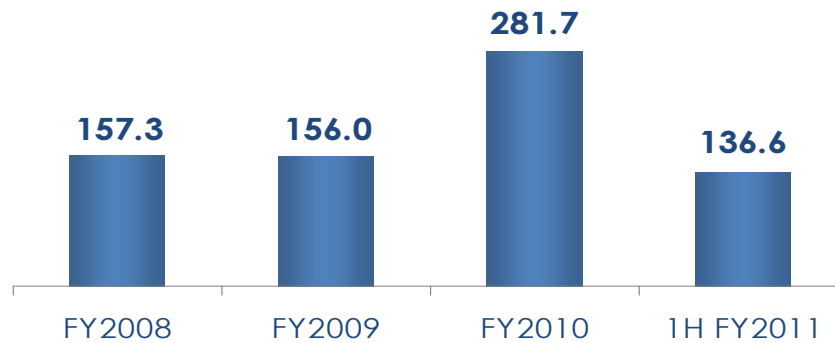
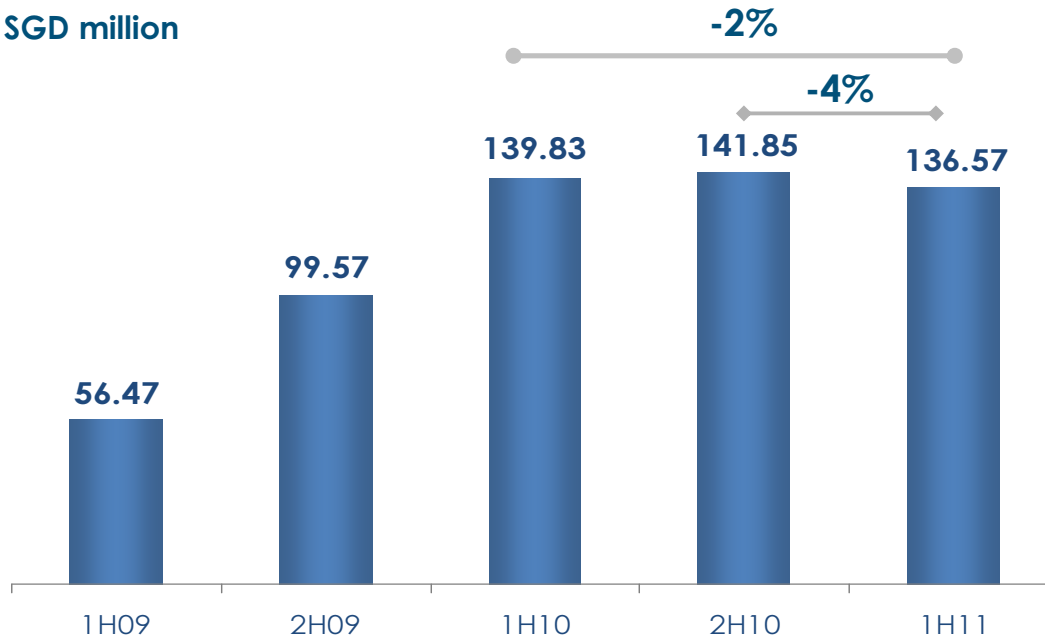


Mechatronics Division

Sales

1H11 Results Presentation

Currency: SGD million

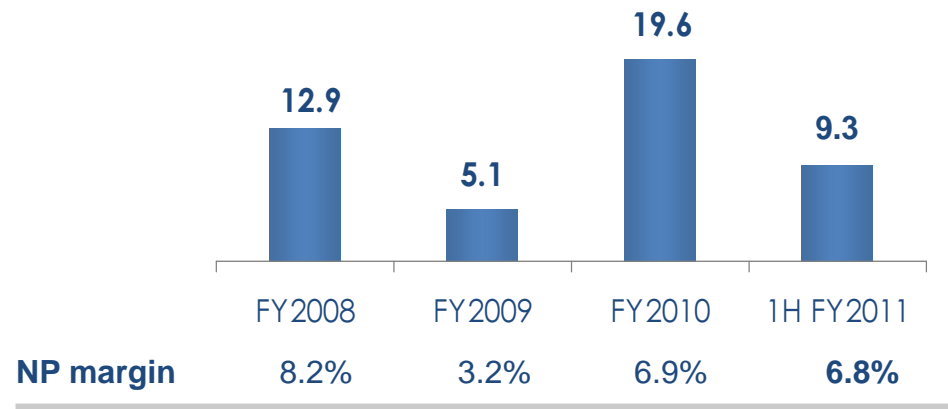
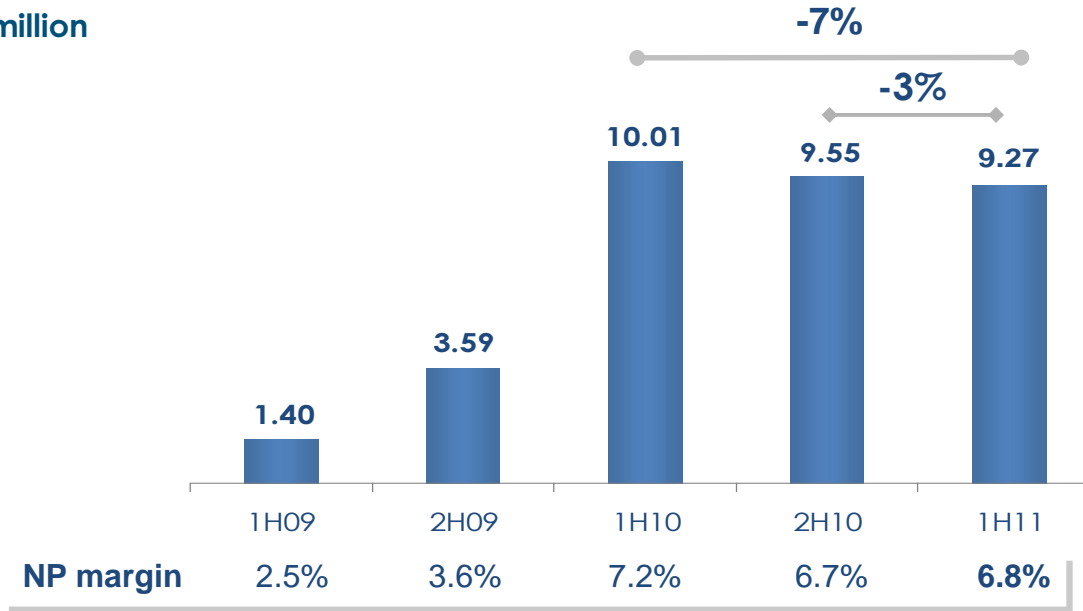


Mechatronics Division

Net Profit & Net Profit Margin

1H11 Results Presentation

Currency: SGD million

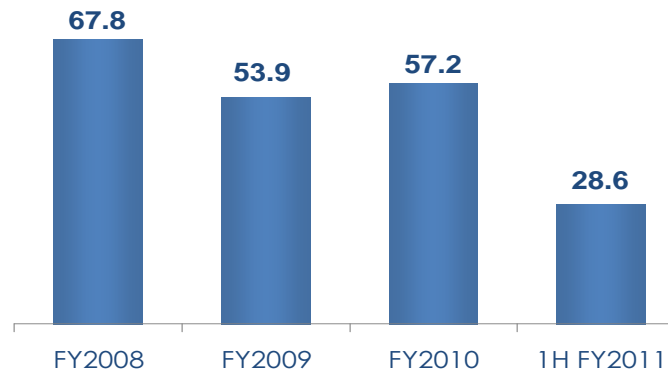
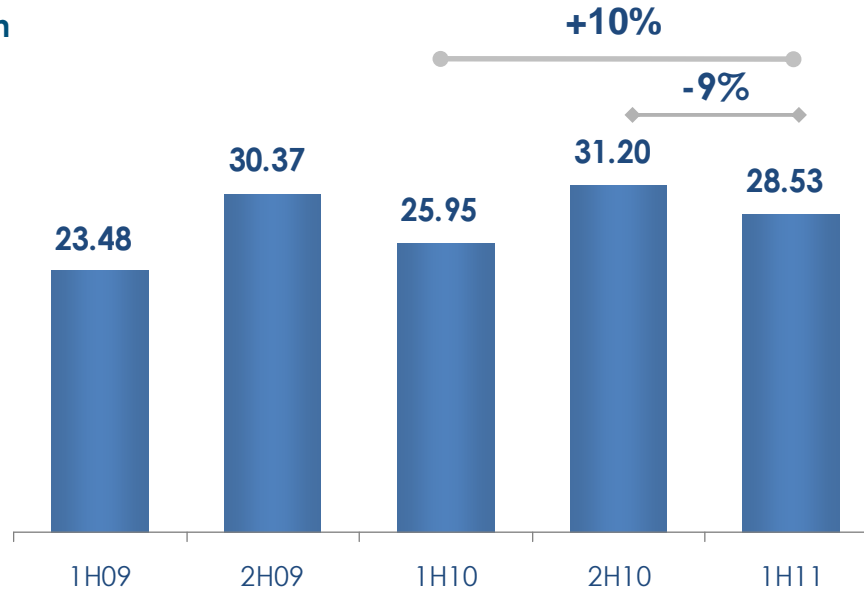


Mechatronics Division

Sales Analysis – Medical Segment

1H11 Results Presentation

Currency: SGD million

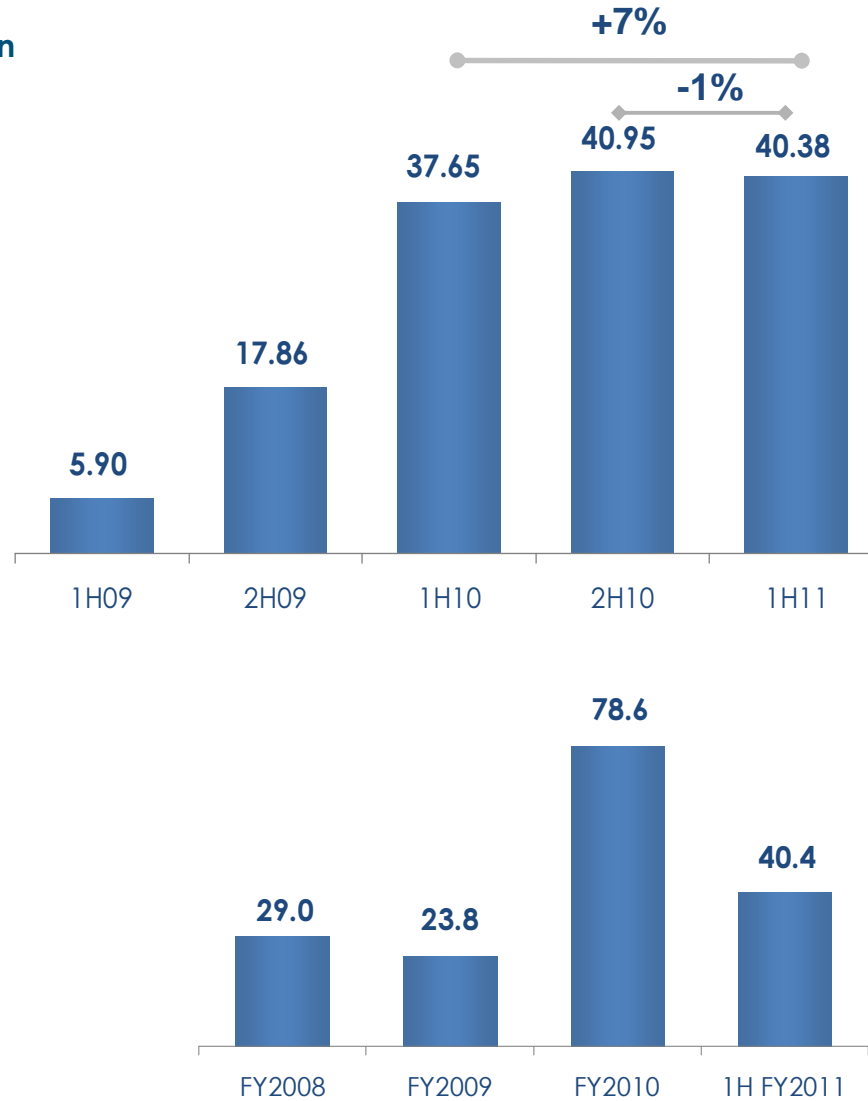


Mechatronics Division

Sales Analysis – Semiconductor Segment

1H11 Results Presentation

Currency: SGD million

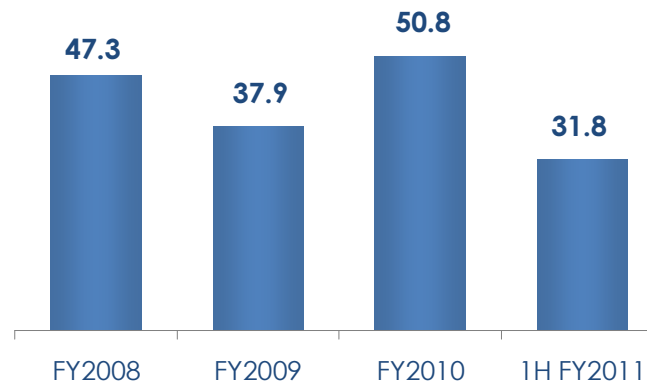
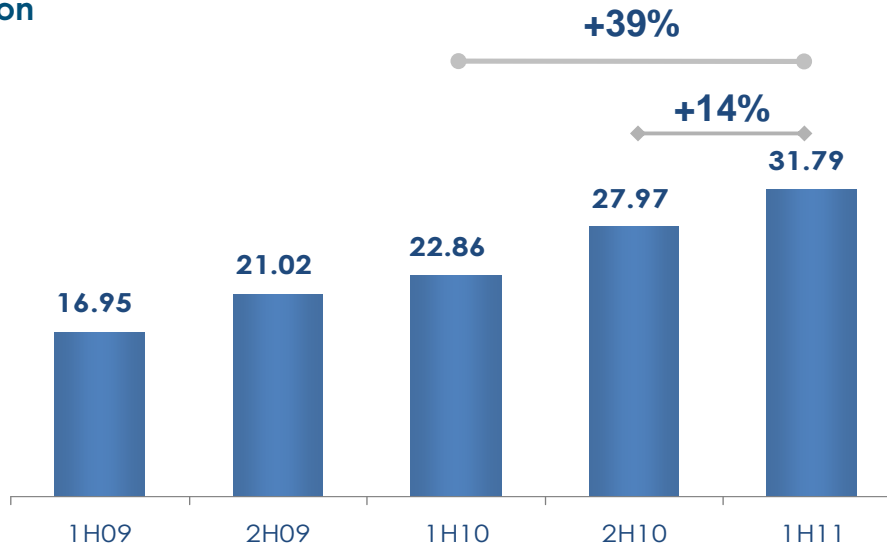


Mechatronics Division

Sales Analysis – Analytical Segment

1H11 Results Presentation

Currency: SGD million

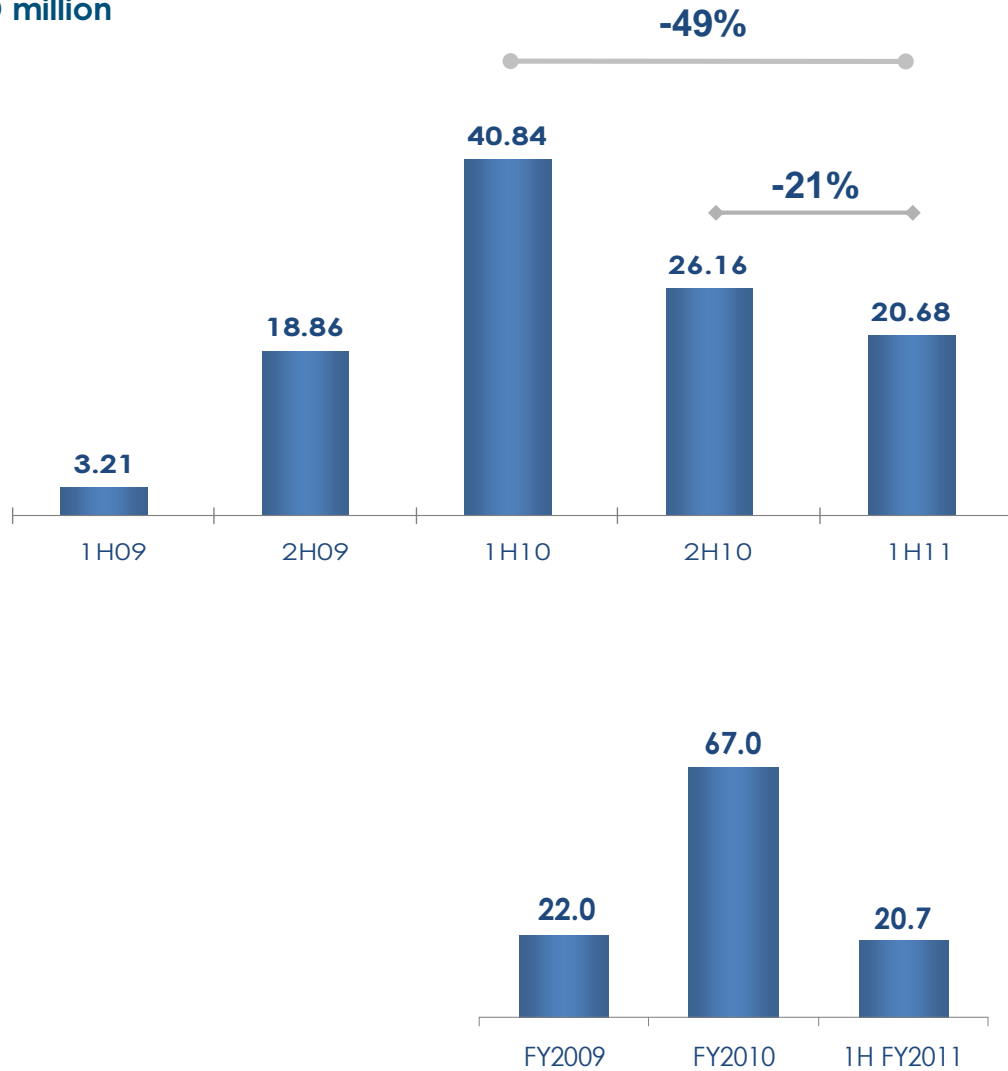


Mechatronics Division

Sales Analysis – Industrial Automation Segment

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Currency: SGD million



Mechatronics Division

Project Plans

1H11 Results Presentation

Mechatronics	Industrialisation / Development
Medical	<p><u>Europe</u></p> <ul style="list-style-type: none">• Taken over customisation activities of patient table from Philips Healthcare.• Various ongoing projects for enhanced versions of existing products. <p><u>Asia</u></p> <ul style="list-style-type: none">• Completed engineering prototype (EP) parts for a new diagnostic product. Follow-on beta orders expected before end 2011 while series production is expected in Year 2013.• New oncology module for an existing customer will commence series production in 2H11.
Semiconductor	<p><u>Europe</u></p> <ul style="list-style-type: none">• Secured new projects for advanced lithography equipment.• Nearing completion of an improved version of a module for a lithography machine.
Analytical	<p><u>Europe</u></p> <ul style="list-style-type: none">• Working on an enhanced version of a newly launched product to expand its application space.• Completed proprietary development (ODM) of a critical module for potential deployment into customers' products.• Secured a new development project from a US based customer. <p><u>Asia</u></p> <ul style="list-style-type: none">• Series production of parts and modules for 2 new instruments for an existing customer to commence in 2H11.• Secured initial order for a process instrument from a new customer.

Mechatronics Division

Project Plans

1H11 Results Presentation

Mechatronics	Industrialisation / Development
Industrial Automation	<u>Asia</u> <ul style="list-style-type: none">• Commencing production of a new automation station in 3Q11.
Others	<u>Asia</u> <ul style="list-style-type: none">• Series production for 2 key projects for an existing customer experienced market delay to 2H11.• Completed first article and secured initial series production order of a module for a process equipment used in renewable energy application.

Mechatronics Division

Division Outlook

1H11 Results Presentation

- Steady flow of enquiries and RFQs for new projects from existing and potential customers.
- Forecast from customers indicate an increasing trend in demand for the medical and analytical business segments.
- Short term softness and volatility is expected in the semiconductor business segment.
- Barring any unforeseen circumstances and given the uncertain macro economic climate, outlook is one of “cautious optimism”.



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⋮ **EMS Division**
⋮ **Business Review & Outlook**

EMS Division

Sales

1H11 Results Presentation

Currency: RM million



EMS Division

Net Profit & Net Profit Margin

1H11 Results Presentation

Currency: RM million

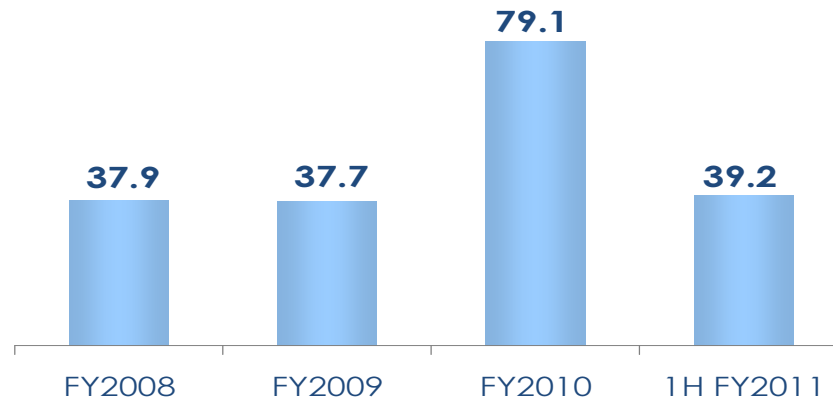
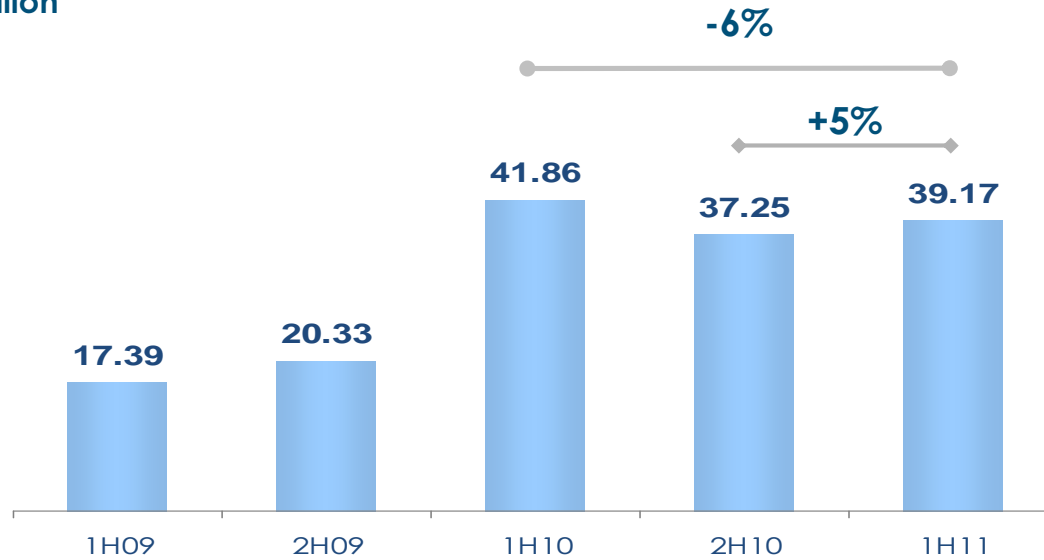


EMS Division

Sales Analysis – Office Automation Segment

1H11 Results Presentation

Currency: RM million

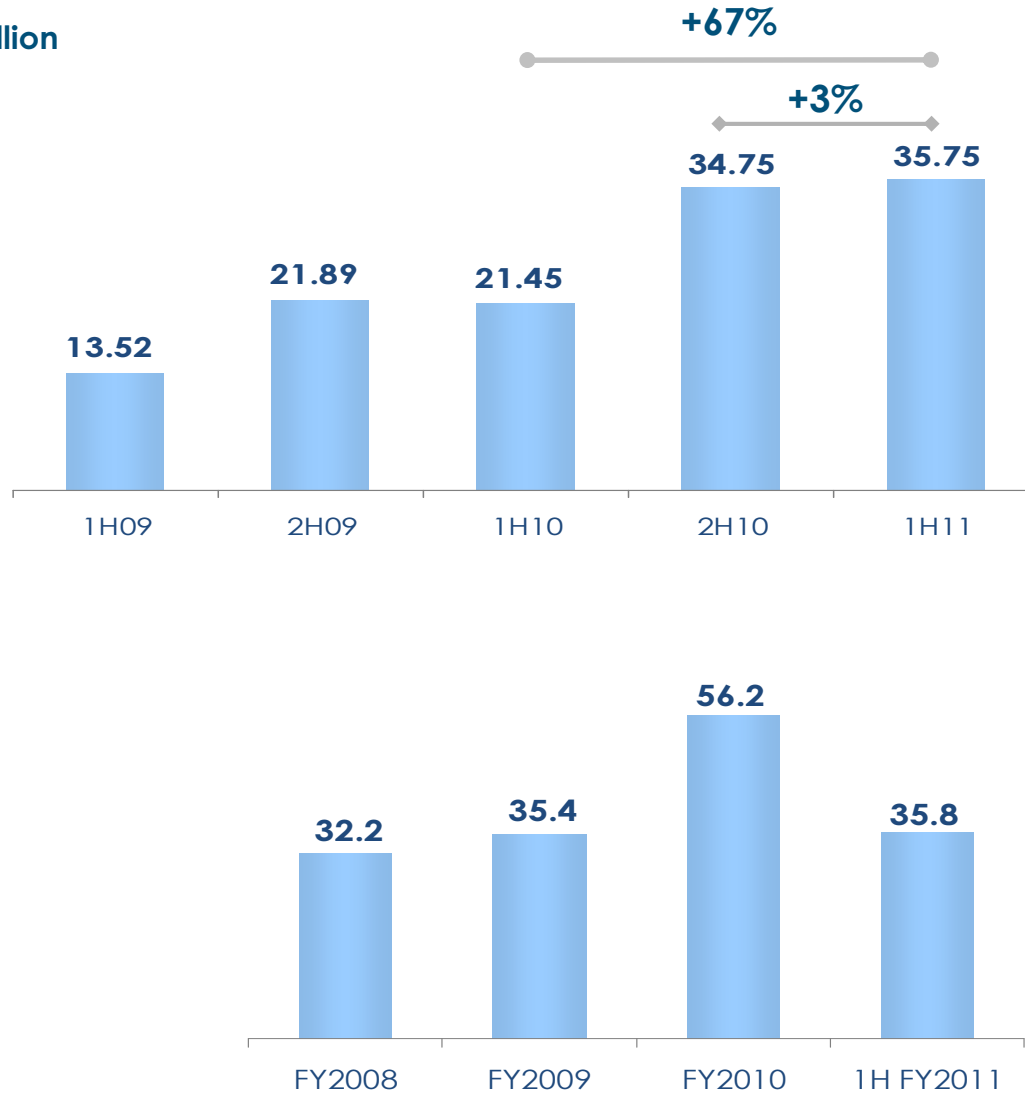


EMS Division

Sales Analysis – Automotive Segment

1H11 Results Presentation

Currency: RM million

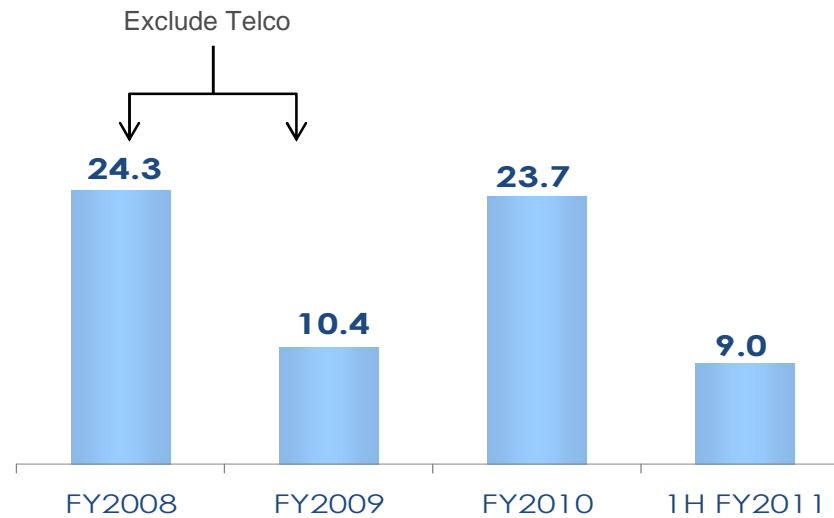
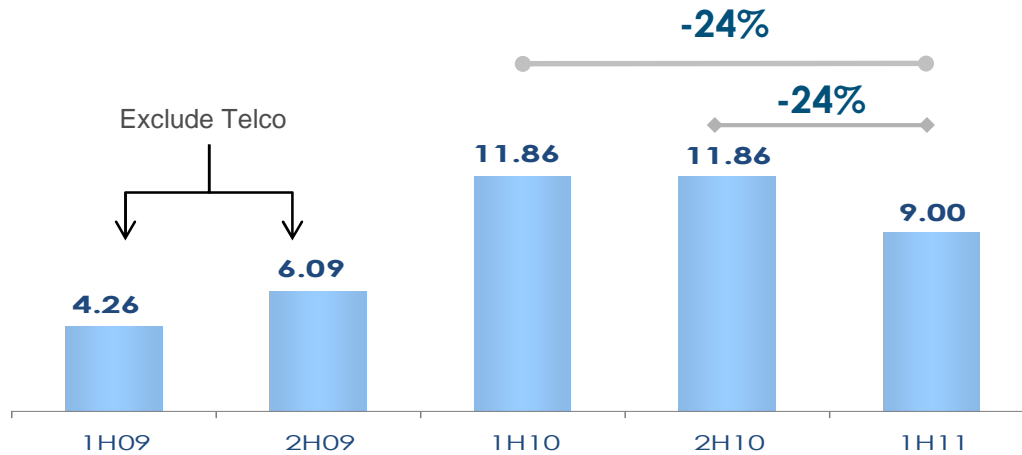


EMS Division

Sales Analysis – Others (Includes Telco) Segment

1H11 Results Presentation

Currency: RM million



EMS Division

EMS Division	Industrialisation / Development
Office Automation	<ul style="list-style-type: none">• Ongoing industrialisation of a significant project is on schedule.• Due to design and technical issues at customer's end, targeted commercial production in 4Q11 is likely to be delayed to end 1Q/2Q 2012.
Automotive	<ul style="list-style-type: none">• Commercial production of a significant project was launched in May 2011 (originally slated for 4Q11).• Commercial production of another significant project is anticipated in 4Q 2011.• A number of smaller industrialisation projects are proceeding as scheduled with commercial production anticipated to commence by 4Q11.

EMS Division

Division Outlook

1H11 Results Presentation

- Prospects of securing new projects and customers in the automotive business segment remain positive
- Revenue from the automotive segment is anticipated to increase from 2H11 onwards
- Growth should continue into FY2012 with the commercial production of two significant projects
- Revenue from the office automation segment is expected to remain stable
- Higher growth of office automation segment anticipated from 2H12 onwards when commercial production of a significant industrialisation project reaches its targeted volumes
- Unfavourable exchange rate regime continues to pose a challenge

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Safe Harbour For Forward-Looking Statements

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This presentation contains certain statements that are not statements of historical fact, i.e. forward-looking statements. Investors can identify some of these statements by forward-looking items such as 'expect', 'believe', 'plan', 'intend', 'estimate', 'anticipate', 'may', 'will', 'would', and 'could' or similar words. However, you should note that these words are not the exclusive means of identifying forward-looking statements. These forward-looking statements are based on current expectations, projections and assumptions about future events. Although Frencken Group Limited believes that these expectations, projections, and assumptions are reasonable, these forward-looking statements are subject to the risks (whether known or unknown), uncertainties and assumptions about Frencken Group Limited and its business operations.

Some of the key factors that could cause such differences are, among others, the following:

- changes in the political, social and economic conditions and regulatory environment in the jurisdictions where we conduct business or expect to conduct business;
- the risk that we may be unable to realise our anticipated growth strategies and expected internal growth;
- changes in and new developments in technologies and trends;
- changes in currency exchange rates;
- changes in customer preferences and needs;
- changes in competitive conditions in our customers' industries and our ability to compete under these conditions;
- changes in pricing for our products; and
- changes in our future capital needs and the availability of financing and capital to fund these needs.

Given these risks, uncertainties and assumptions, the forward-looking events referred to in this presentation may not occur and actual results may differ materially from those expressly or impliedly anticipated in these forward-looking statements. Investors are advised not to place undue reliance on these forward-looking statements.

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Q&A

Frencken Group Limited

Plot 410, Lorong Perusahaan 8B
Prai Industrial Estate
Prai 13600, Malaysia

Investor Relations Contact

Octant Consulting
Tel (65) 6220 2842
herman@octant.com.sg
lisa@octant.com.sg