



FY2012 Results Presentation



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FRENCKEN GROUP LIMITED

INCORPORATED IN SINGAPORE

FRENCKEN GROUP LIMITED

FY2012 Results Presentation

Agenda

- **Financial Review**
 - Key Figures for FY2012
- **Corporate Overview**
- **Mechatronics Division**
 - Business Review
 - Outlook
- **EMS Division**
 - Business Review
 - Outlook



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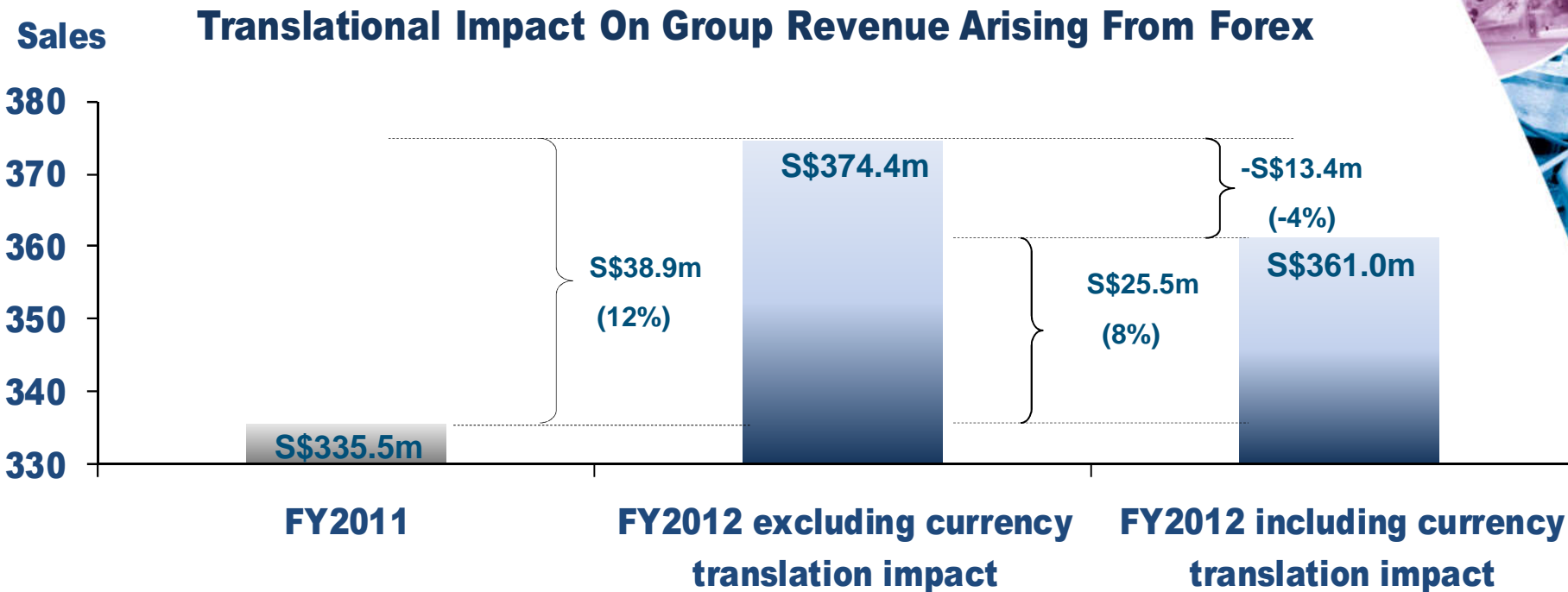
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Financial Review

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FY2012 Results – Revenue (SGD)



12% at constant exchange rates

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FY2012 Results – Division Revenue Analysis

(S\$ m)	FY2012	FY2011	Chg y-o-y
<u>Mechatronics</u>			
Semiconductor	57.7	73.4	-21%
Medical	64.9	62.4	4%
Analytical	71.2	58.3	22%
Industrial Automation	42.3	39.2	8%
Others	34.4	33.1	4%
	270.5	266.4	2%
<u>EMS</u>			
Office Automation	23.6	28.2	-17%
Automotive	36.7	24.4	51%
Others (Include Telco)	3.3	6.7	-50%
Product Sales	63.6	59.3	7%
Tooling Sales	7.2	9.8	-27%
	70.8	69.1	2%
# Juken's Revenue	19.7	-	N.M.
	90.5	69.1	31%
Total	361.0	335.5	8%

Juken's post acquisition revenue is 3 months from October 2012 to December 2012.

* N.M. – Not Meaningful

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FY2012 Results – Consolidated Results FY2012 vs FY2011

		FY2012		FY2011		YOY% Change	
		Sales	Profit/ (Loss) *	Sales	Profit/ (Loss) *	Sales	Profit/ (Loss)
FGL Ltd	SGD	361.0	(11.8)	335.5	7.3	8%	N.M.
Mechatronics	SGD	270.5	9.2	266.4	12.5	2%	-26%
EMS – excluding Juken	SGD	70.8	(15.4) #	69.1	(4.5)	2%	-244%
– Juken	SGD	19.7	1.2	-	-	N.M.	N.M.
Exceptional Items	SGD	-	(6.3)	-	(3.8)	-	68%
<u>Analysis of Exceptional Items</u>							
-	<i>Provision for Product Liability Claim</i>	SGD	-	-	(3.1)	-	N.M.
-	<i>Impairment Loss of Investment</i>	SGD	(0.4)	-	(0.7)	-	-44%
-	<i>Acquisition expenses</i>	SGD	(2.0)	-	(0.6)	-	256%
-	<i>Negative Goodwill from Acquisition</i>	SGD	1.1	-	-	-	N.M.
-	<i>Surplus on winding up of subsidiary</i>	SGD	-	-	0.6	-	N.M.
-	<i>Impairment loss of goodwill in subsidiary</i>	SGD	(3.3)	-	-	-	N.M.
-	<i>Impairment loss of deferred development costs</i>	SGD	(1.7)	-	-	-	N.M.
		SGD	(6.3)	-	(3.8)	-	68%

*Excludes Investment Division

Includes reversal of DTA of SGD3.3m

N.M. – Not Meaningful

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FY2012 Results – P&L Snapshot

(S\$ m)	FY2012	FY2011	Chg y-o-y	Juken * FY2012
Revenue	361.0	335.5	8%	19.7
Gross Profit (GP)	31.6	33.8	-6%	6.2
Profit Before Tax <i>before exceptional items</i>	0.5	12.2	-96%	1.6
Exceptional Items	(6.3)	(3.8)	68%	-
Profit Before Tax <i>after exceptional items</i>	(5.8)	8.4	N.M.	1.6
Net Profit	(11.8)	7.3	N.M.	1.2
NP Margin	-3.3%	2.2%	N.M.	6.0%
Effective Tax Rate <i>after exceptional items</i>	N.M.	12.6%	N.M.	26.5%

* Juken's post acquisition results is 3 months from October 2012 to December 2012.

N.M. – Not Meaningful

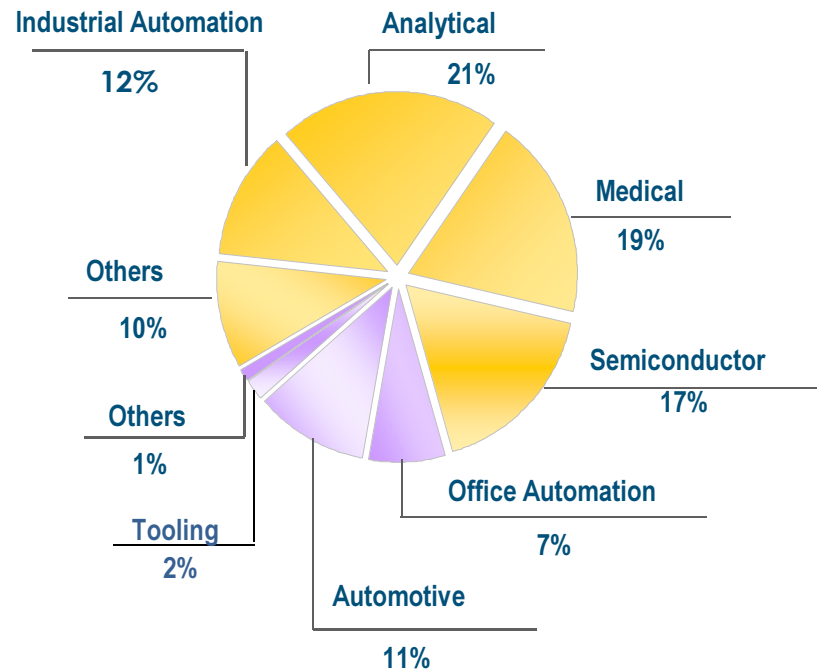
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Revenue Analysis by Business Segment (Excluding Juken's Revenue)

Breakdown by Division:
Mechatronics – 79%
EMS – 21%

Mechatronics
EMS

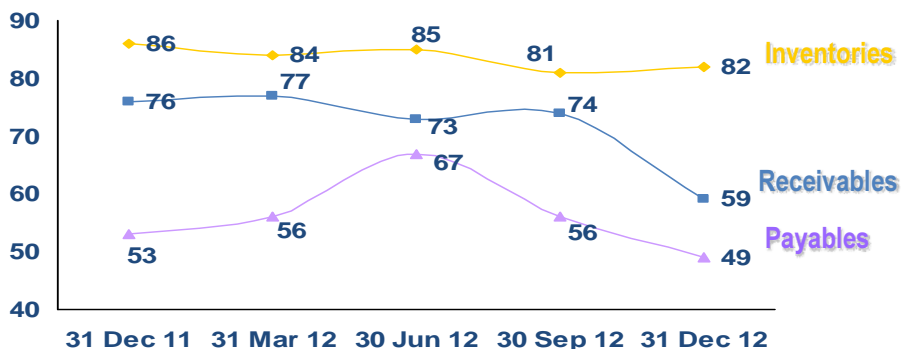


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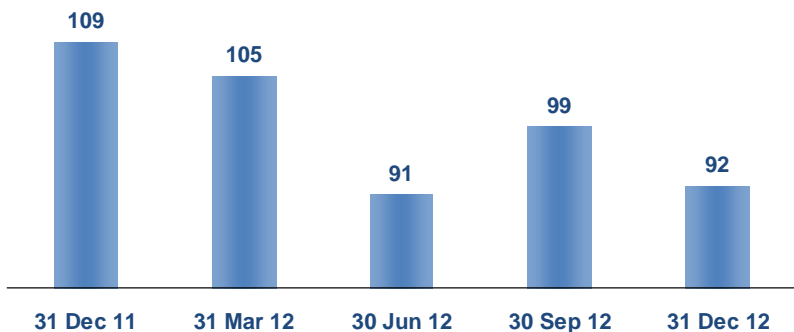
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Working Capital Management

Turnover Days *



Cash Conversion Cycle (Days) *



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

9 * Exclude Juken's Data

(\$ m)	FY2012
Net Profit	(11.8)
<i>Non-Cash</i>	27.1
<i>Working Capital</i>	4.7
<i>Taxes & Interest</i>	(4.9)
Net cash flow from operations	15.1
Capital expenditure / Development Cost	(17.2)
Free cash flow	(2.1)



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Balance Sheet Items

Balance Sheet (S\$ m)	31 Dec 12	31 Dec 11
Shareholders' equity	186.8	196.4
Total borrowings	88.6	20.5
Cash and cash equivalents	50.3	35.5
Net Cash	(38.3)	15.0

Financial Indicators	31 Dec 12	31 Dec 11
Gross gearing (%)	47.4	10.4
Net gearing (%)	20.5	(7.6)
Net asset value per share (S\$ cents)	47.15	53.33

Financial Indicators	FY2012	FY2011
EPS (S\$ cents)	(3.16)	2.00
DPS (S\$ cents)	0.50*	0.61



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Corporate Overview

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Business Overview

Global High-Tech Capital and Consumer Equipment Service Provider

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Mechatronics Division

CAPITAL EQUIPMENT

Design and manufacture of complex, high-precision industrial machinery and capital equipment to global Original Equipment Manufacturers

EMS Division

CONSUMER EQUIPMENT

Integrated contract design and manufacturing services for components, modules and complete box build products

Key business segments

MEDICAL
SEMICONDUCTOR
ANALYTICAL
INDUSTRIAL AUTOMATION

AUTOMOTIVE
OFFICE AUTOMATION
CONSUMER & INDUSTRIAL

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Business Overview

Global Scale of Operations



Legends

Mechatronics Division
EMS Division

- operating sites
- operating sites
- sales representative office
- sales representative office

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Mechatronics Division

PRODUCT EXAMPLES

Medical



Semiconductor



Analytical



Industrial Automation



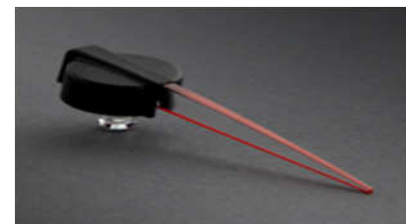
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EMS Division

PRODUCT EXAMPLES

Automotive



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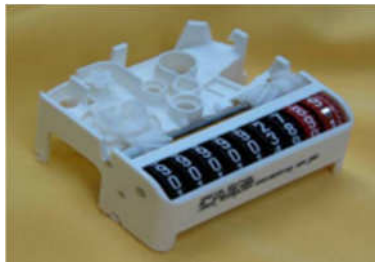
EMS Division

PRODUCT EXAMPLES

Office Automation



Others





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Mechatronics Division

Business Review and Outlook

Mechatronics Division

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Forex EURO/SGD



- Adverse impact of Euro's depreciation
- Approximately 62% of the Mechatronics Division's revenue are denominated in Euro

— 2011
— 2012

Euro/SGD rates shown above are computed based on the average exchange rates for the respective quarters

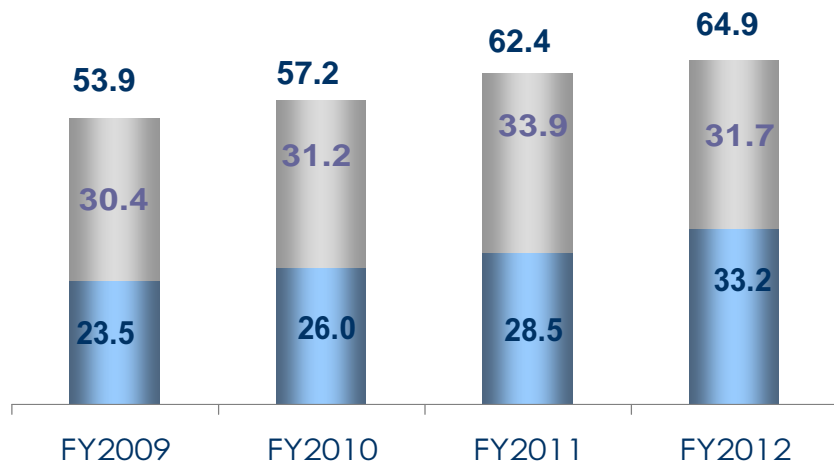


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Sales Analysis

SGD million



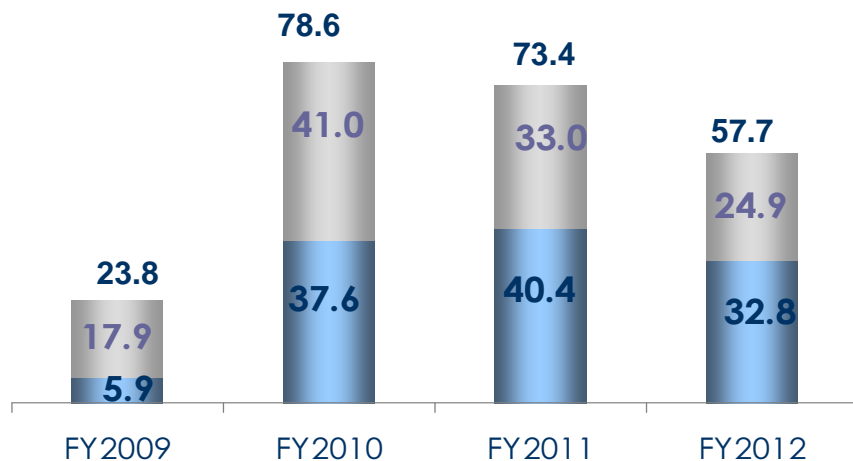
Medical Segment

FY2012 y-o-y change up 4%

- Increased sales in both Europe and Asia
- Segment's total revenue impacted by Euro/SGD forex

■ 2H
■ 1H

SGD million



Semiconductor Segment

FY2012 y-o-y change down 21%

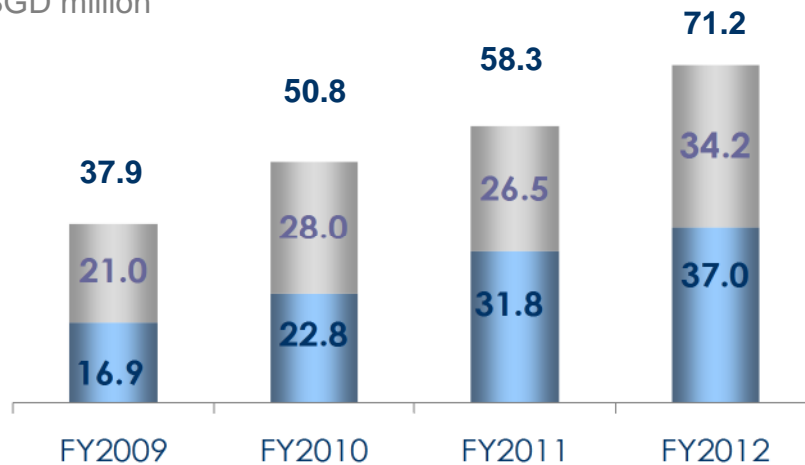
- Industry-wide soft demand experienced in 2H 2012.
- Segment's total revenue impacted by Euro/SGD forex.
- Sales to this segment are typically cyclical

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Sales Analysis

SGD million



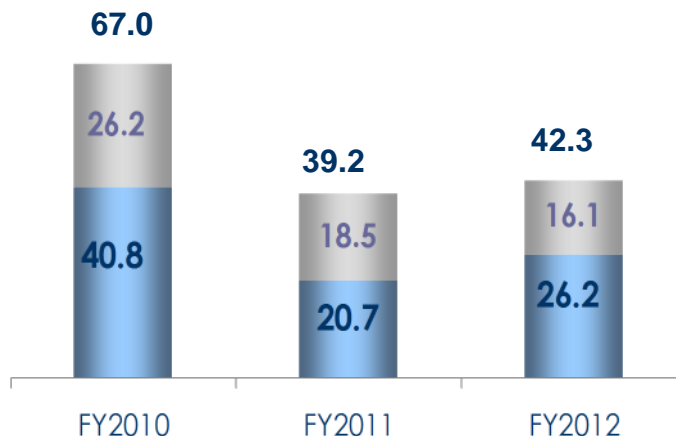
Analytical Segment

FY2012 up 22%
y-o-y change

- Strong growth boosted by increased sales in Europe and Asia.
- Inclusion of sales from Frencken America in FY2012
- Segment's total revenue impacted by Euro/SGD forex.

■ 2H
■ 1H

SGD million



Industrial Automation Segment

FY2012 up 8%
y-o-y change

- Moderate growth, mainly to the data storage industry, particularly in 1H 2012.
- Sales of this segment are typically lumpy

Mechatronics Division

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Division Outlook

- Despite the uncertain macro economic climate, there is still a steady flow of new enquiries in addition to projects that are under industrialisation in the medical, semiconductor and analytical segments.
- Based on current indicative orders, demand for the medical and analytical segments should continue to remain steady in 2013.
- Short term softness and volatility are expected in the semiconductor and industrial automation segments respectively.
- Frencken America (formerly US Motion) has commenced series production of a module for the analytical segment and is attracting growing interest from existing as well as new customers.
- Barring any unforeseen circumstances, the division's outlook is one of cautious optimism.



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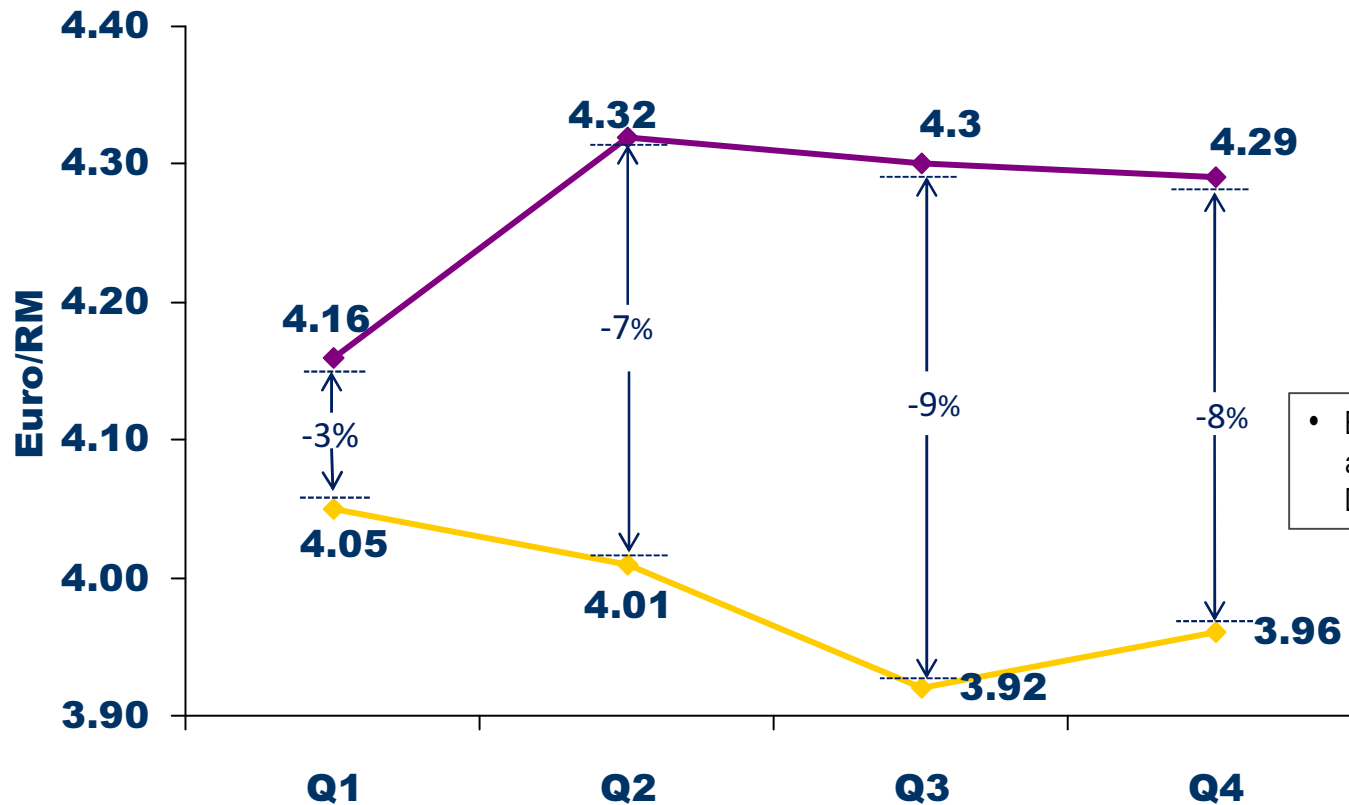
EMS Division

Business Review and Outlook

EMS Division

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Forex EURO/RM



• Euro's depreciation against RM adversely impacted EMS Division's performance

— 2011
— 2012

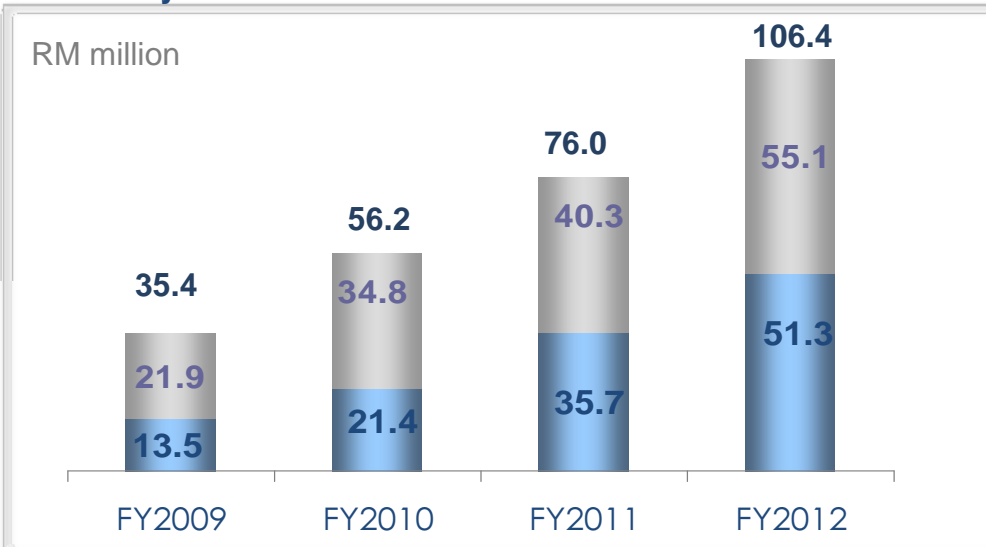
Euro/RM rates shown above are computed based on the average exchange rates for the respective quarters



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Sales Analysis

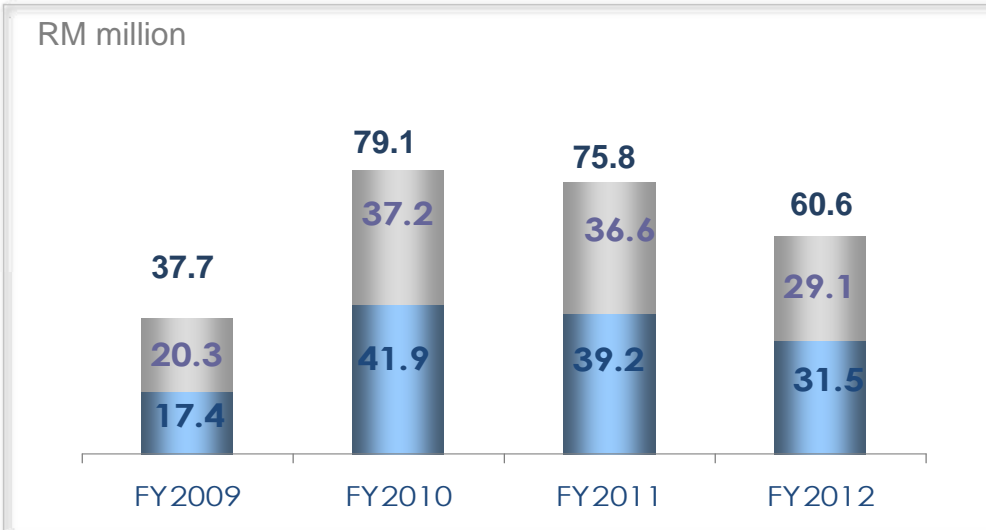


Automotive Segment *

FY2012 y-o-y change up 40%

- Significant increase in sales despite very unfavourable Euro/RM exchange rate.
- Faced various operational challenges during this fast ramp up phase in FY2012.

■ 2H
■ 1H



Office Automation Segment *

FY2012 y-o-y change down 20%

- Affected by the continued delay in the series production launch of a significant project as well as softer market conditions.

* Exclude Juken's Data



EMS Division

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Division Outlook

- Based on indicative orders and forecast, demand in the automotive segment is expected to remain high for existing and recently launched products.
- Sales to the office automation segment is expected to remain flat.
- Unfavourable Euro/RM exchange rate regime continues to pose a challenge.
- Overall sales prospects for Juken remains positive – especially in the automotive and camera product segments.

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Group Outlook

- **Business conditions remain challenging**
 - Uncertain macroeconomic climate
 - Increased competitive pressure
 - Exchange rate volatility

- **Barring unforeseen circumstances, the Group expects to return to profitability in 1Q13.**

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Safe Harbour For Forward-Looking Statements

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.

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Thank You

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