Global Contract Manufacturer
of High Tech Capital and Consumer Equipment

FY2010
Results Presentation

Agenda

- Financial Review
  - Key Figures and Currency Impact for FY2010
  - 4Q10
  - FY2010
- Business Review and Outlook
  - Mechatronics Division
  - EMS Division
- Questions and Answers

Frencken Group Limited

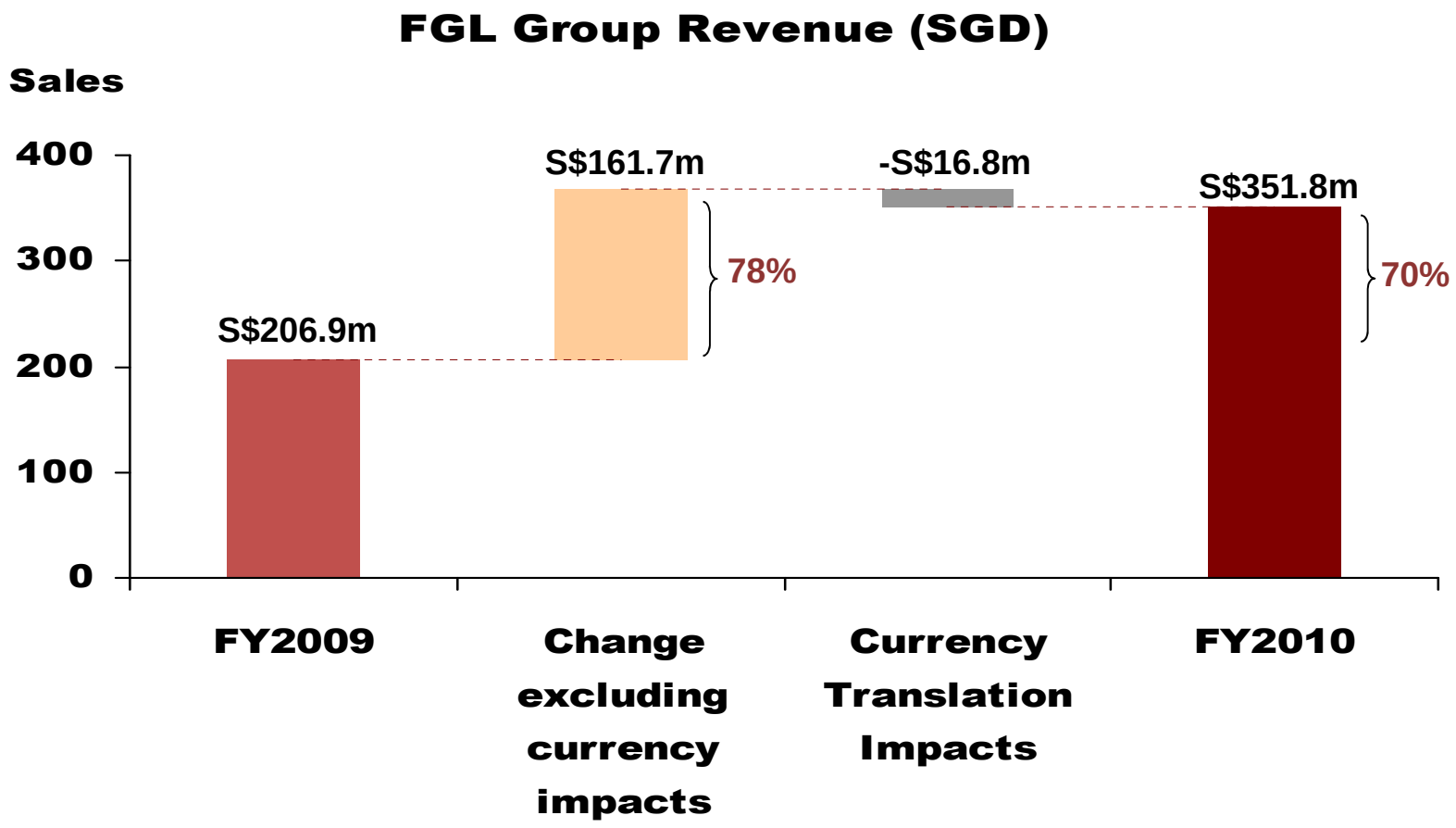
FY2010 Results Briefing

Full Year Key Figures - FY2010 VERSUS FY2009

- **Revenue - S$351.8 million**
  - ✓ Up 70% from S$206.9 million
- **Net Profit - S$17.6 million**
  - ✓ Up 90% from S$9.2 million
- **Earnings Per Share - 4.74 cents**
  - ✓ Up 79% from 2.64 cents
- **Dividend - 1.44 cents per share (Tax Exempt)**
  - ✓ Up 95% from 0.74 cents per share
- **Net Cash - S$33.5 million**
  - ✓ Up 16% from S$28.9 million

Commendable recovery from the economic slowdown

Full Year Results - Revenue



+78% at constant exchange rates

4Q10 Results – Division Revenue Analysis

($$ m)	3Q10	4Q10	4Q09	Chg y-o-y
Mechatronics Europe				
Semiconductor	11.0	13.2	6.0	120%
Medical	12.9	16.9	15.3	10%
Analytical	8.1	10.2	7.3	39%
Others	3.1	4.1	2.8	50%
	35.1	44.4	31.4	42%
Mechatronics Asia				
Semiconductor	10.9	5.8	4.1	42%
Medical	0.6	0.9	0.7	36%
Analytical	4.3	5.4	3.7	45%
Industrial Automation	10.0	16.2	10.1	60%
Others	4.6	3.7	3.7	N.M.
	30.4	32.0	22.3	44%
EMS				
Telco (Keypads & Others)	-	-	3.7	N.M.
Office Automation	7.5	8.7	4.7	83%
Automotive	5.4	9.6	4.8	103%
Others (Include Telco)	2.7	2.5	1.8	36%
	15.6	20.8	15.0	38%
Total	81.1	97.2	68.7	42%

*N.M. – Not Meaningful

4Q10 Results – P&L Snapshot

(S$ m)	4Q10	4Q09	Chg y-o-y
Revenue	97.2	68.7	42%
Gross Profit (GP)	11.2	7.8	44%
Profit Before Tax	6.6	2.1	222%
Net Profit *before exceptional items*	5.7	1.7	244%
Exceptional Items	-	(5.1)	N.M.
Net Profit/(Loss)	5.7	(3.4)	N.M.
NP Margin before exceptional items	*5.9%*	*2.4%*	143%
Effective Tax Rate *before exceptional items*	13.7%	19.3%	-29%

*N.M. – Not Meaningful

4Q10 Results – P&L Snapshot

(S$ m)	4Q10	4Q09	Chg y-o-y
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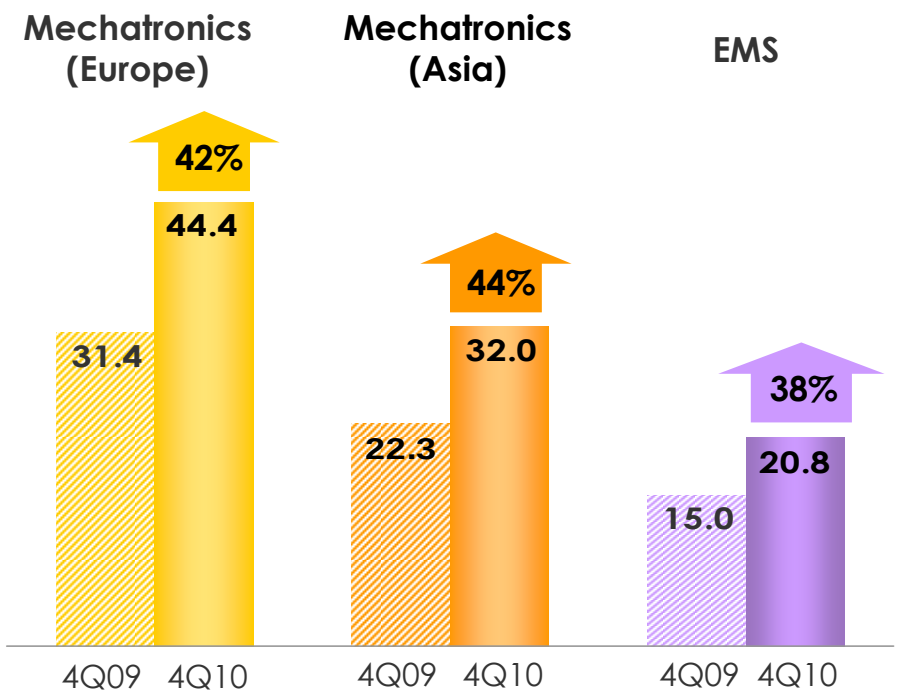
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Frencken Group Limited

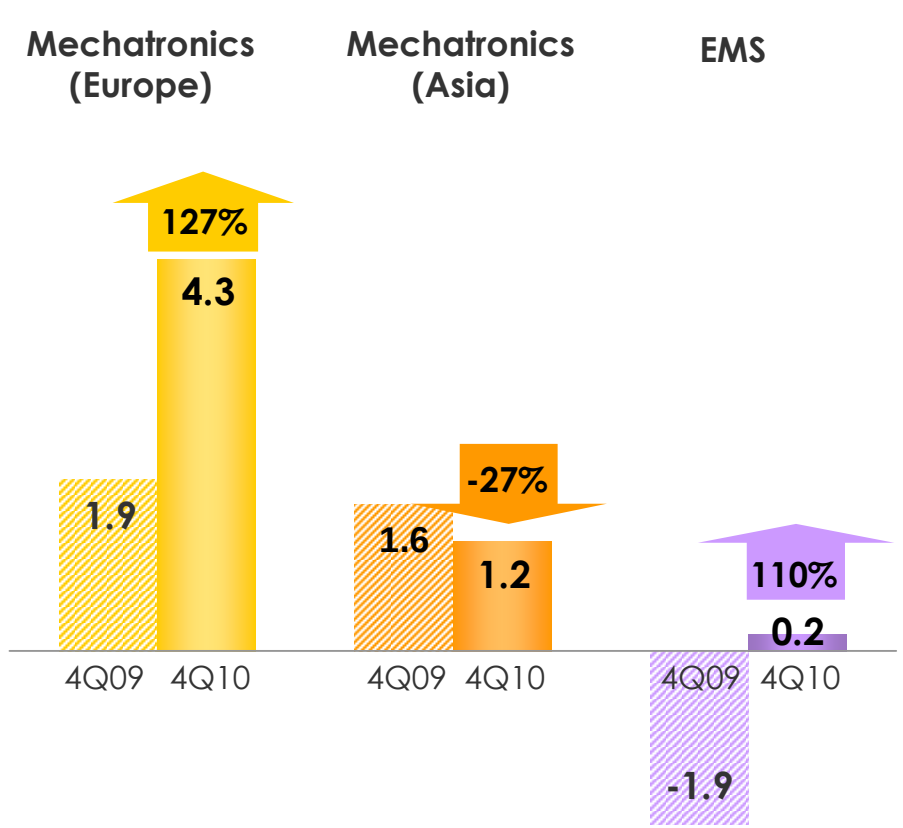
FY2010 Results Briefing

4Q10 Results – P&L Snapshot

Division Revenue



Division Net Profit+



+Note: Excludes Investment Division

*N.M. – Not Meaningful

FY2010 Results – P&L Snapshot

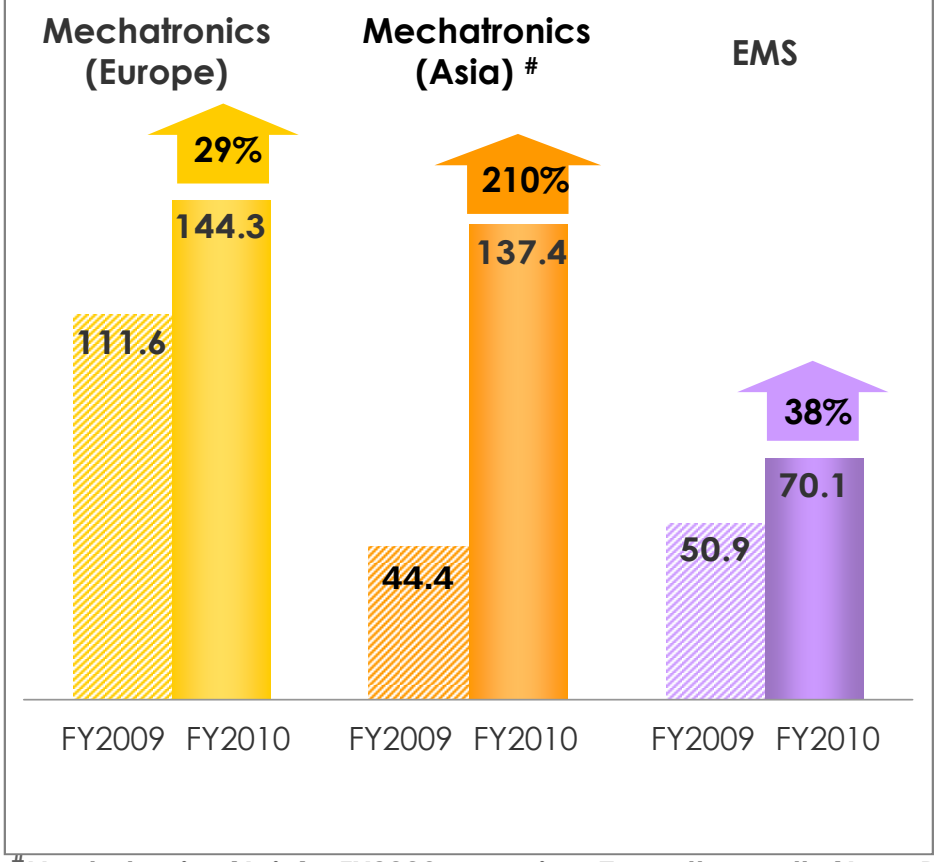
(S$ m)	FY2010	FY2009+	Chg y-o-y
Revenue	351.8	206.9	70%
Gross Profit (GP)	44.5	18.3	143%
Profit Before Tax	21.6	1.6	1263%
Net Profit *before exceptional items*	17.6	0.7	2269%
Exceptional Items	-	8.5	N.M.
Net Profit	17.6	9.2	90%
NP Margin before exceptional items	*5.0%*	*0.4%*	1293%
Effective Tax Rate *before exceptional items*	18.8%	53.2%	-65%

+Mechatronics Asia comprises 7 months contribution from 1st June 2009 to 31st Dec 2009

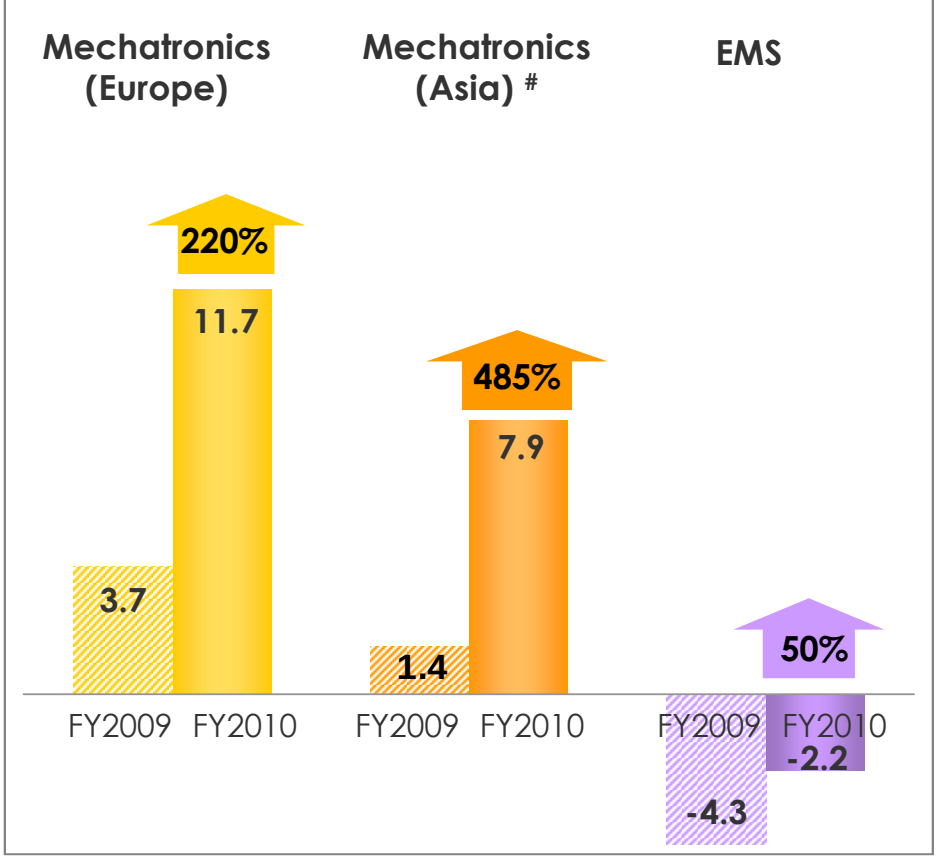
*N.M. – Not Meaningful

FY2010 Results – P&L Snapshot

Division Revenue



Division Net Profit+



#Mechatronics (Asia) - FY2009 comprises 7 months results (Jun - Dec 2009)
- FY2010 comprises 12 months results

+Note: Excludes Investment Division

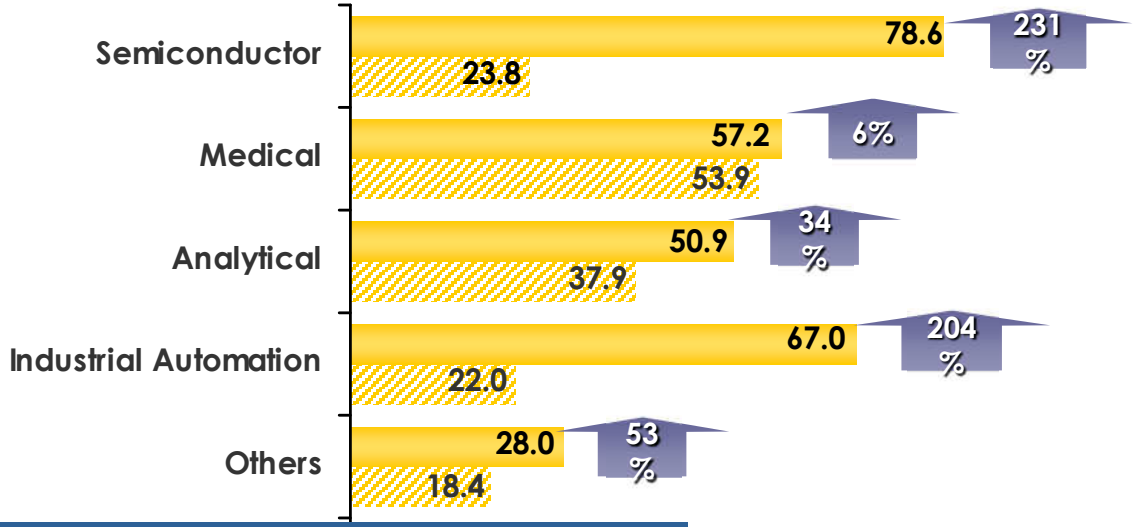
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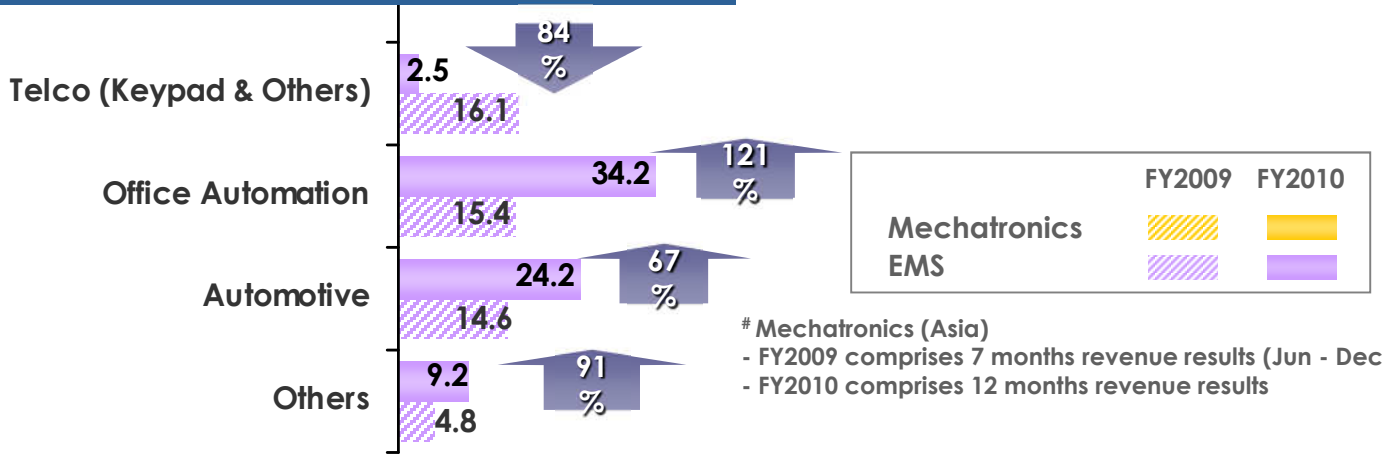
FY2010 Results Briefing

FY2010 Results – Group Revenue Analysis

MECHATRONICS (S$ m)

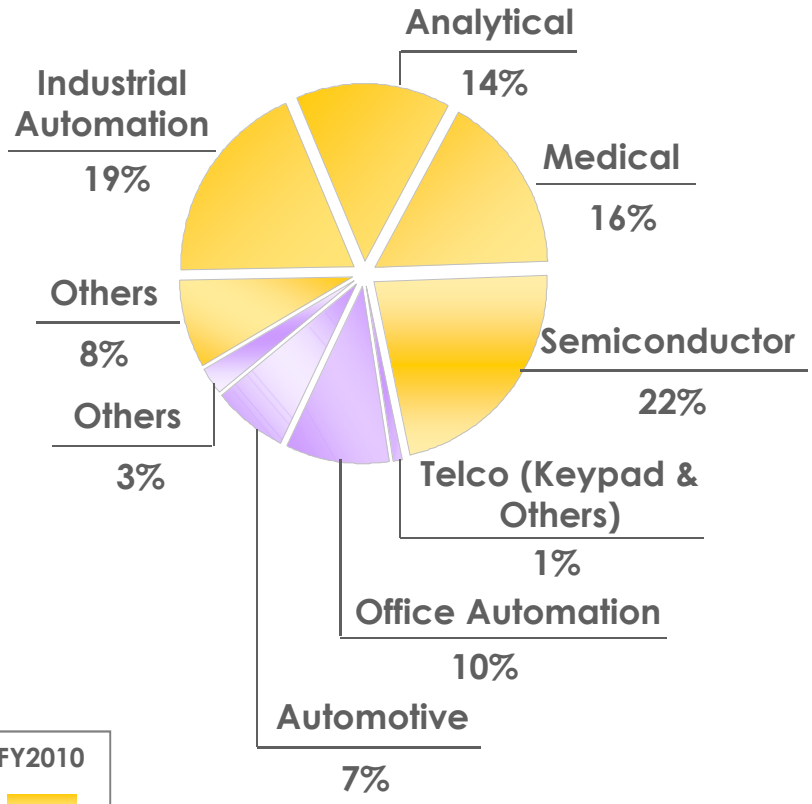


EMS (S$ m)



Mechatronics (Asia)
- FY2009 comprises 7 months revenue results (Jun - Dec 2009)
- FY2010 comprises 12 months revenue results

Breakdown by Business Segment



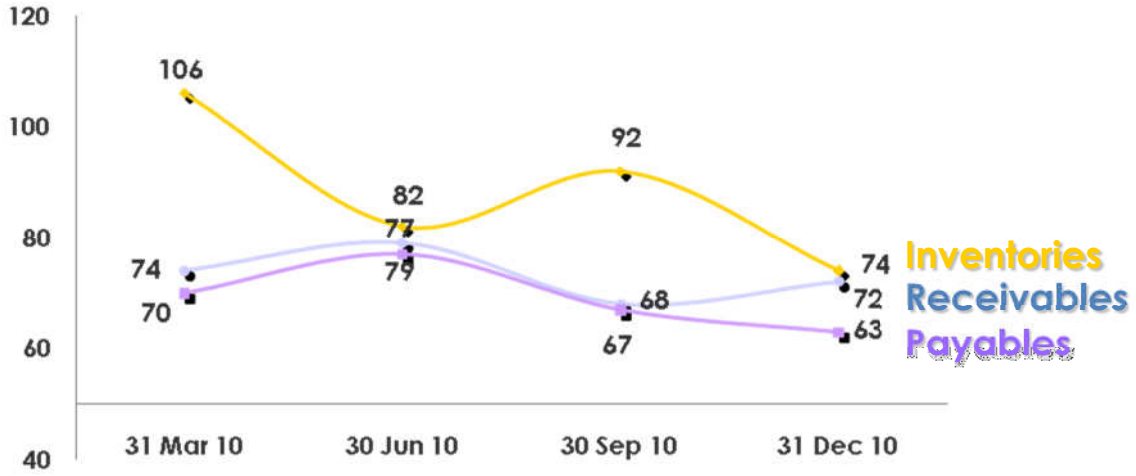
Breakdown by Division:
Mechatronics – 80%
EMS – 20%

Frencken Group Limited

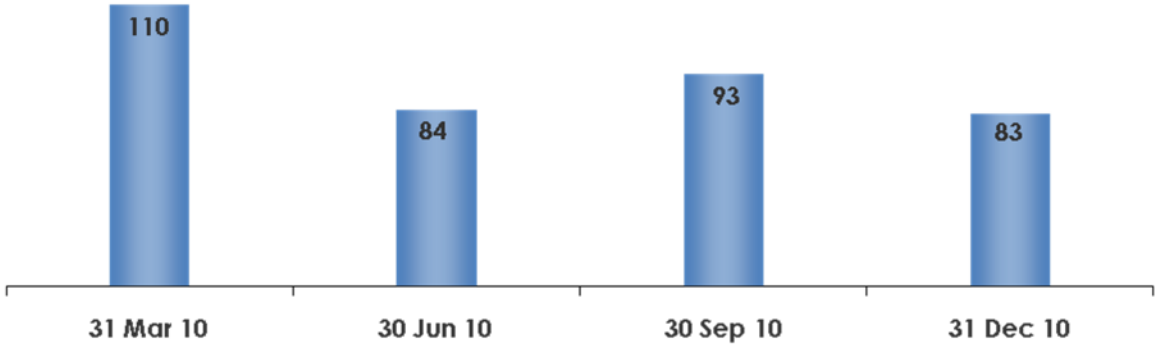
FY2010 Results Briefing

Working Capital Management

Turnover Days



Cash Conversion Cycle (Days)



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

(S$ m)	31 Dec 10	30 Sep 10
Inventories	62.0	74.9
Trade Receivables	69.7	63.9
Trade Payables	39.6	43.9

(S$ m)	12 months to 31st Dec 2010
Net Profit	17.6
Non-Cash	*14.6*
Working Capital	*(24.4)*
Taxes & Interest	*(5.6)*
Net cash flow from operations	2.2
Capital expenditure	(8.8)
Free cash flow	(6.6)

Strong Balance Sheet

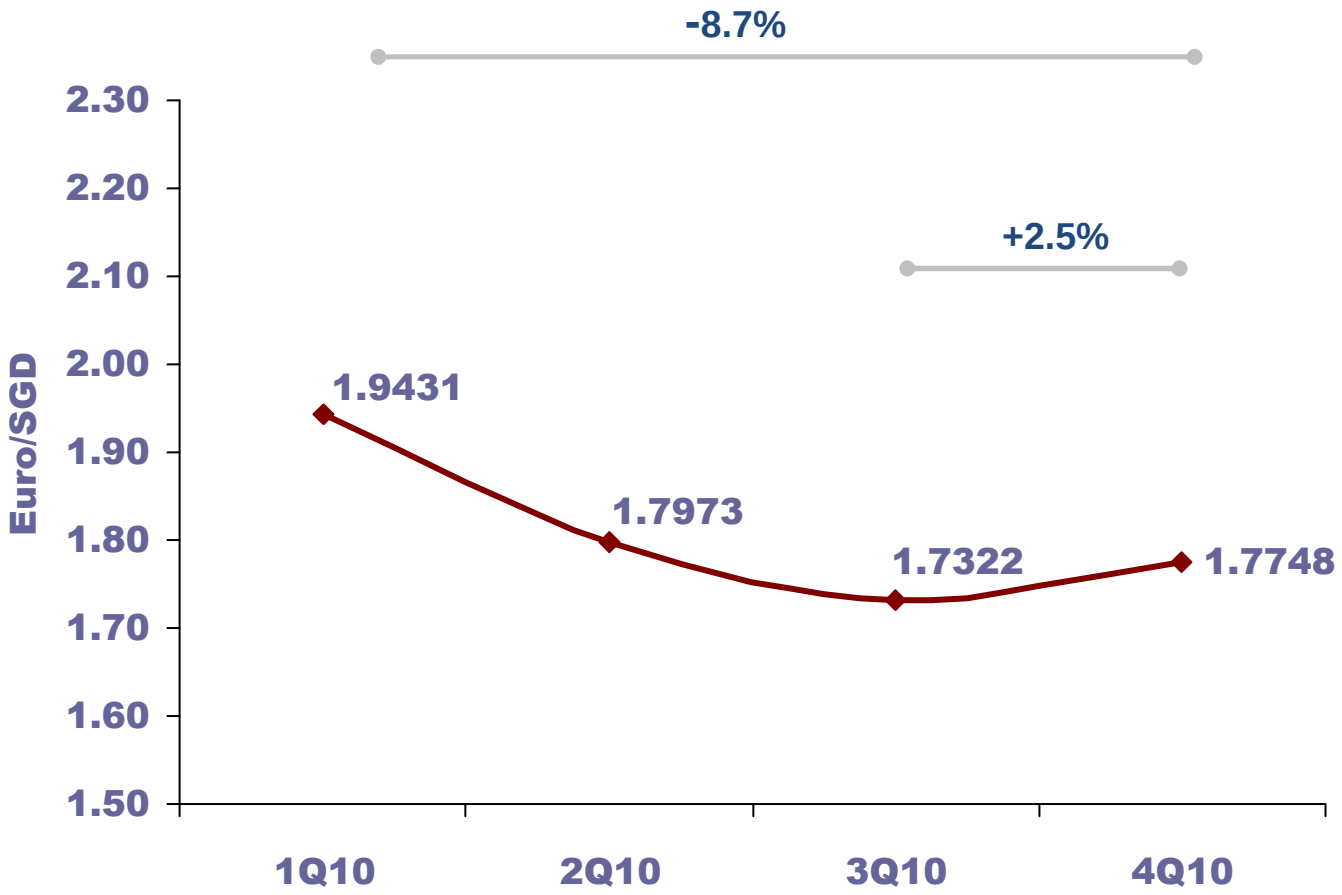
Balance Sheet (S$ m)	31 Dec 10	31 Dec 09
Shareholders' equity	**196.3**	195.3
Total borrowings	**19.5**	32.3
Cash and cash equivalents	**53.0**	61.2

Financial Indicators	FY2010	FY2009
Gross gearing (%)	**9.9**	16.5
Net asset value per share (S$ cents)	**53.64**	51.91
EPS (S$ cents)		
- Before exceptional items	**4.74**	0.21
- After exceptional items	**4.74**	2.64

Mechatronics Division
Business Review & Outlook

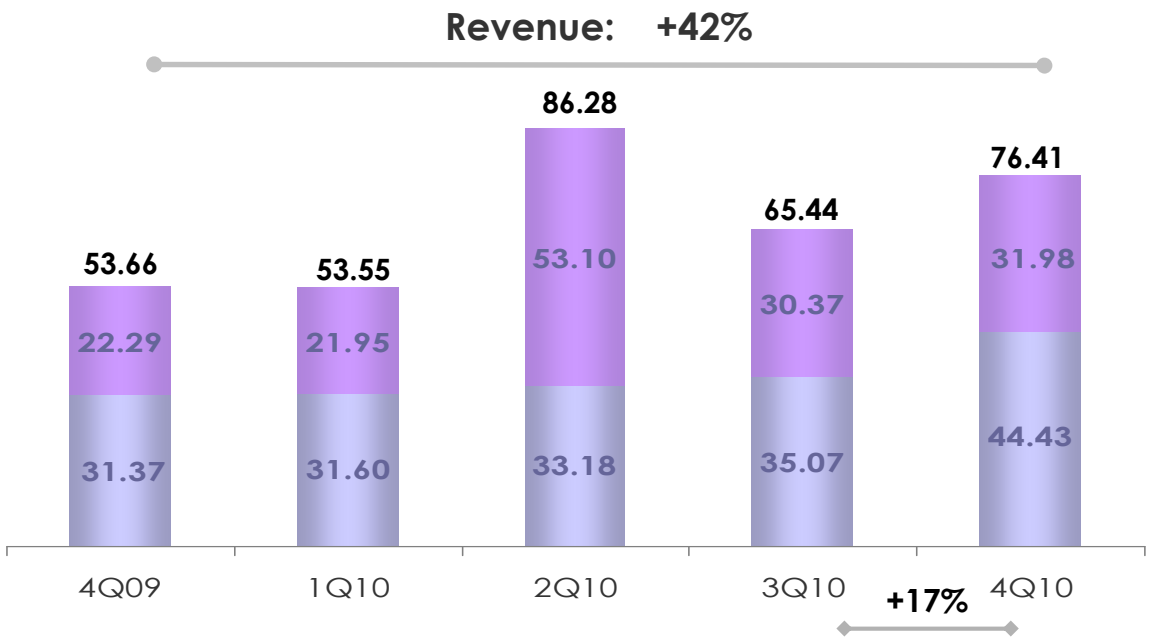
Mechatronics Division

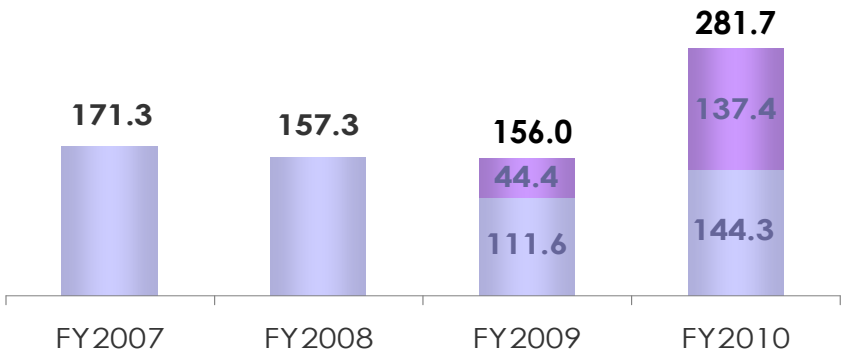
Forex EURO/SGD



Mechatronics Division

Sales





Currency: SGD million

- Mechatronics Europe
- Mechatronics Asia

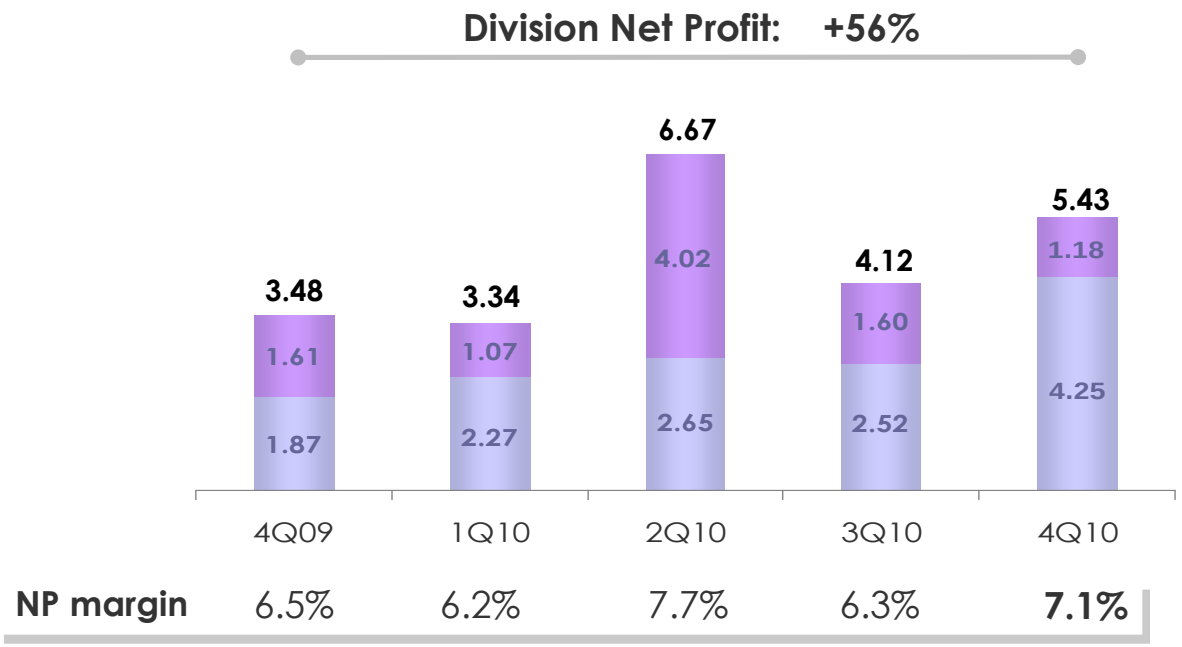
4Q10 Review

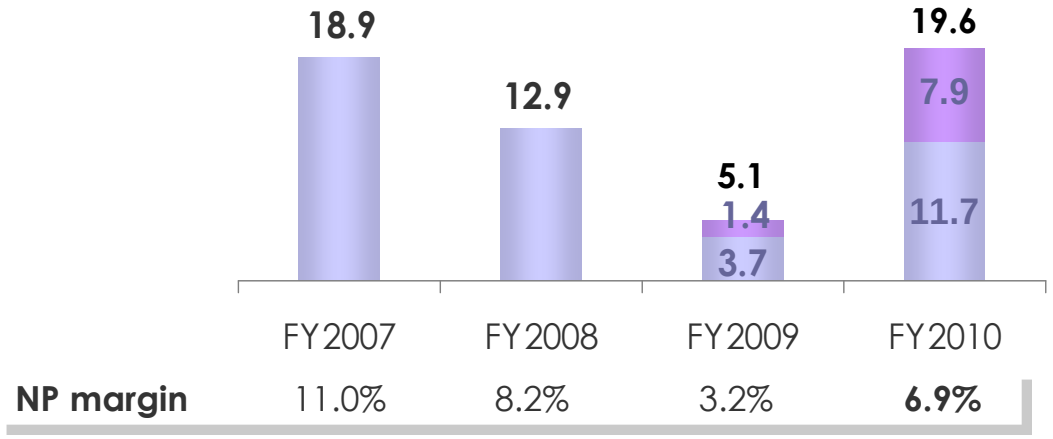
- Sales increased 42% y-o-y and 17% q-o-q
- Sales from the European operations increased 42% y-o-y and 27% q-o-q. (In Euro terms, sales increased 67% y-o-y and 24% q-o-q)
- Sales from the Asian operations increased 44% y-o-y and 5% q-o-q
- **FY2010 sales ~ 180% of FY2009 sales**

Figures include 7 months of FY2009 and 12 months of FY2010 contribution from the Asia operations

Mechatronics Division

Net Profit & Net Profit Margin





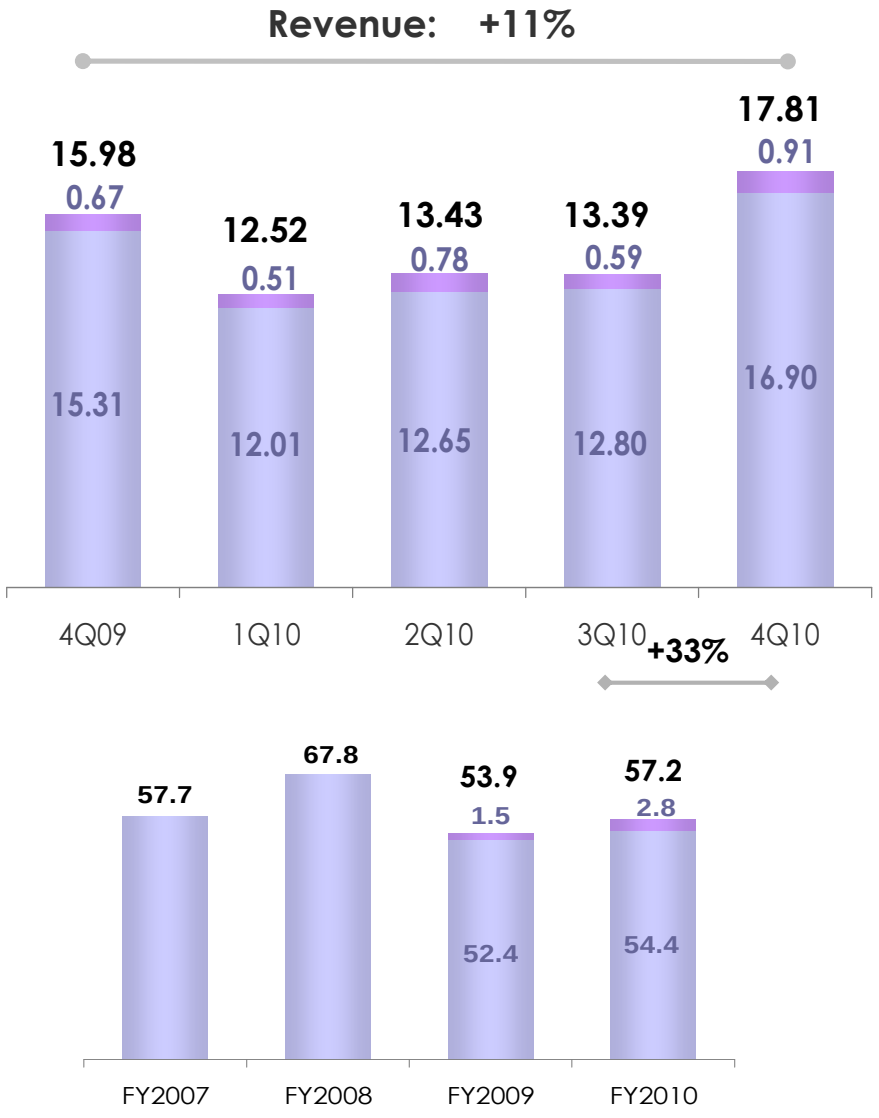
4Q10 Review

- Net profit increased 56% y-o-y and 32% q-o-q
- Net profit for Mechatronics Europe increased 127% y-o-y and 69% q-o-q (In Euro terms, it increased 163% y-o-y and 63% q-o-q)

Figures include 7 months of FY2009 and 12 months of FY2010 contribution from the Asia operations

Mechatronics Division

Sales Analysis – Medical Segment



Currency: SGD million

- **Mechatronics Europe**
- **Mechatronics Asia**

4Q10 Review

- Sales increased 11% y-o-y and 33% q-o-q

<u>Europe</u>

- Sales increased 10% y-o-y and 32% q-o-q
  (In Euro terms, sales rose 30% y-o-y and 29% q-o-q)
- Forecast from customers continues to be positive

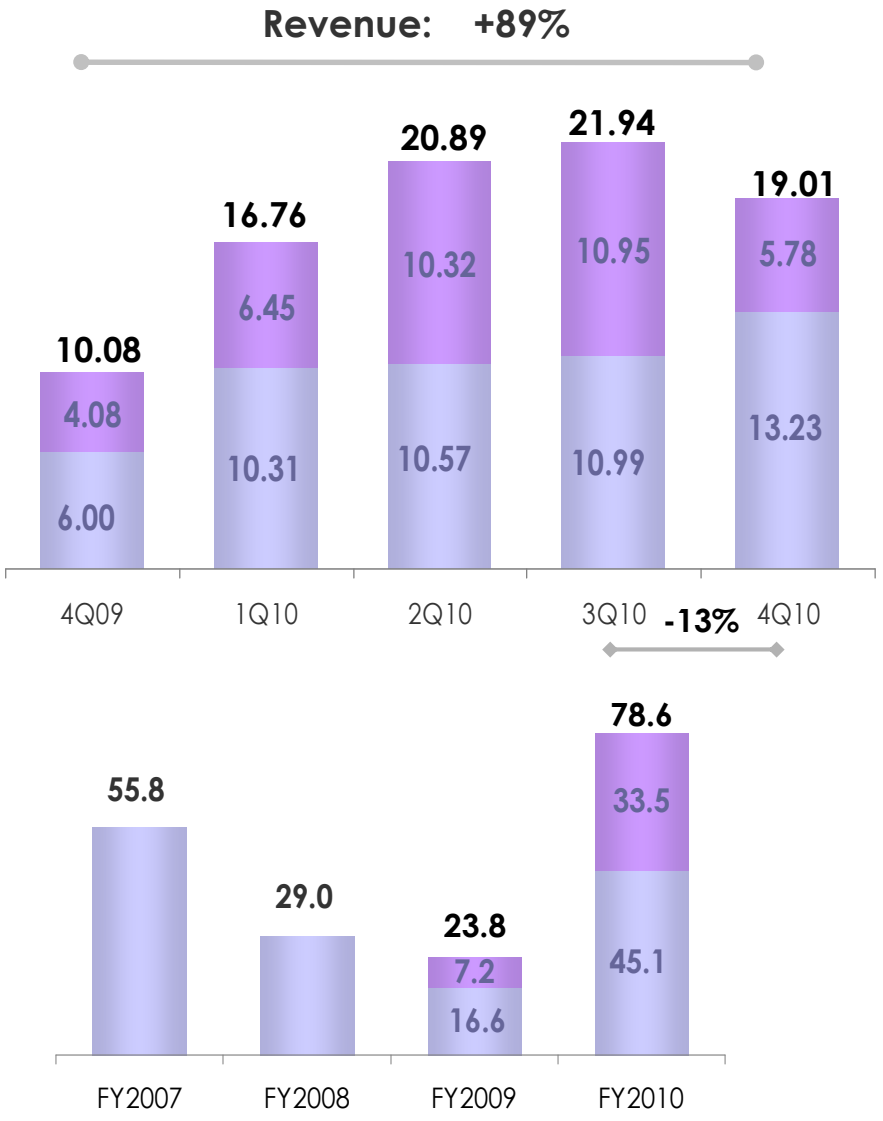
<u>Asia</u>

- Sales increased 36% y-o-y and 55% q-o-q – albeit from a low base

Figures include 7 months of FY2009 and 12 months of FY2010 contribution from the Asia operations

Mechatronics Division

Sales Analysis – Semiconductor Segment



Currency: SGD million

- Mechatronics Europe
- Mechatronics Asia

4Q10 Review

- Sales increased 89% y-o-y but decreased 13% q-o-q

Europe

- Sales increased 120% y-o-y and 20% q-o-q (In Euro terms, sales increased 159% y-o-y and 17% q-o-q).

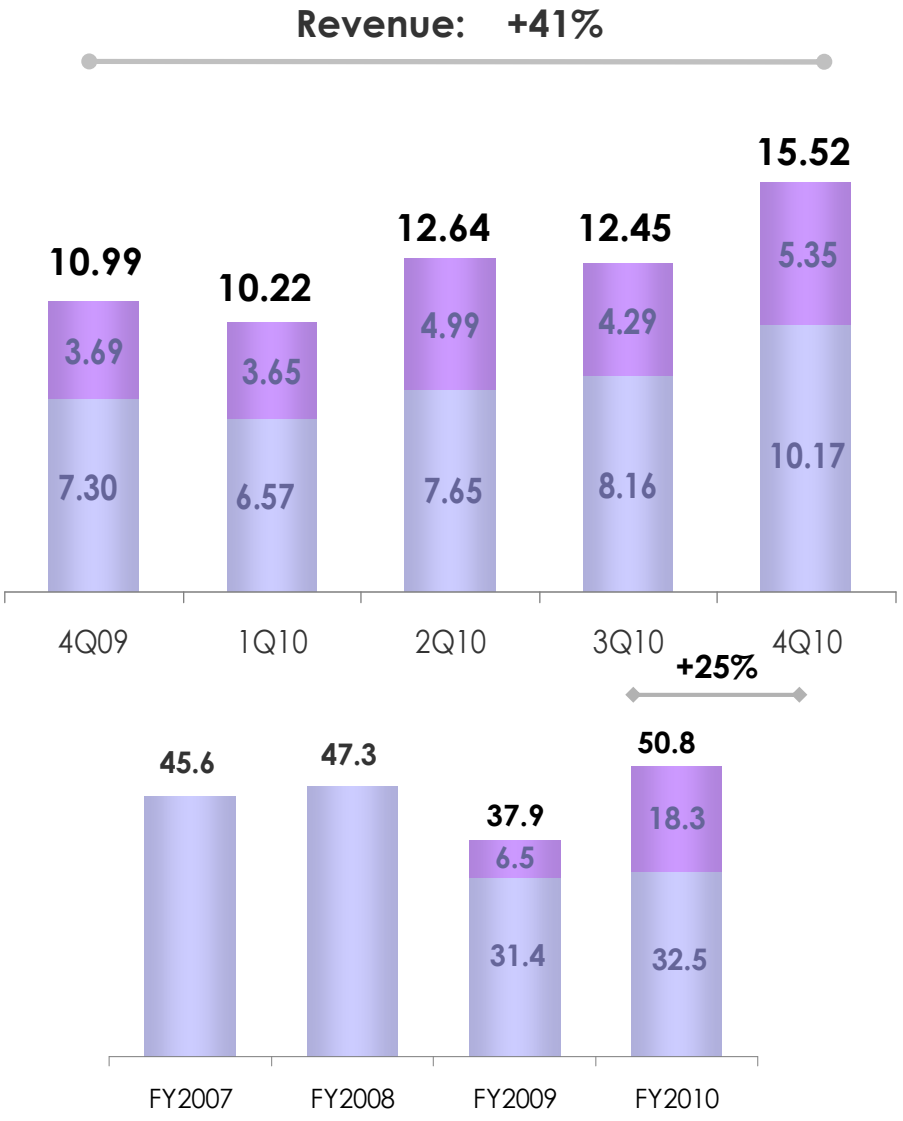
Asia

- Sales increased 42% y-o-y but decreased 47% q-o-q as orders moderated

Figures include 7 months of FY2009 and 12 months of FY2010 contribution from the Asia operations

Mechatronics Division

Sales Analysis – Analytical Segment



Currency: SGD million

- Mechatronics Europe
- Mechatronics Asia

4Q10 Review

- Sales increased 41% y-o-y and 25% q-o-q

Europe

- Sales rose 39% y-o-y and 25% q-o-q. (In Euro terms, sales increased 66% y-o-y and 22% q-o-q)
- Based on customers' forecasts, demand to remain strong over the next few quarters

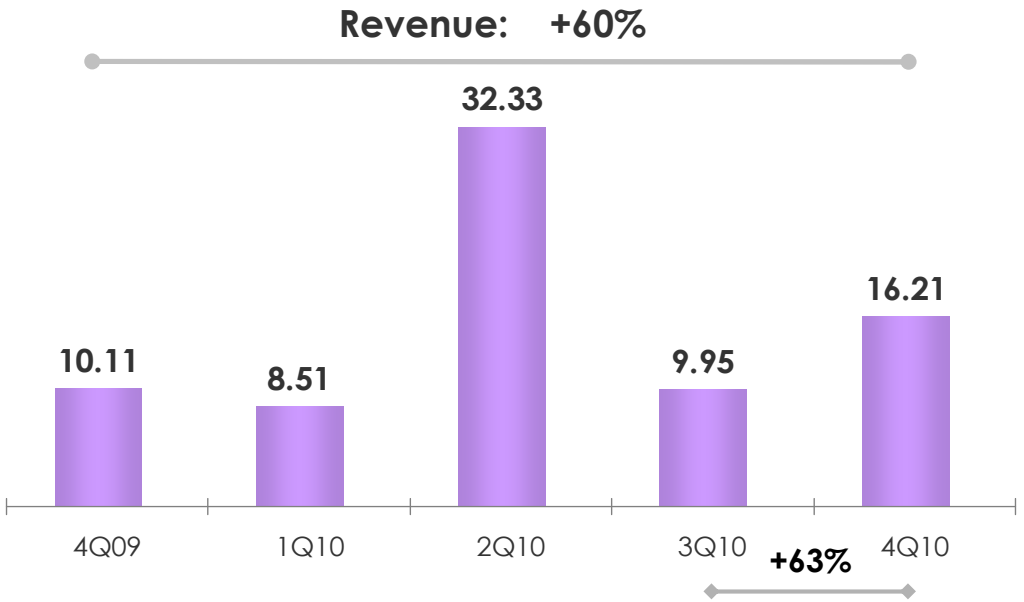
Asia

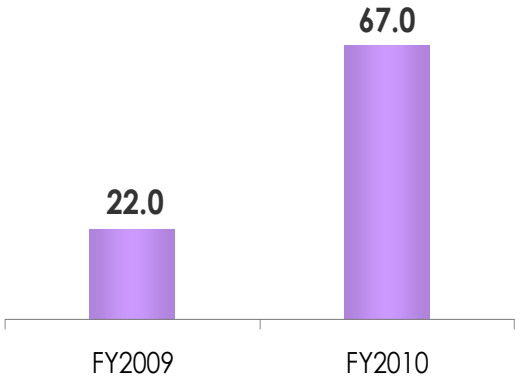
- Sales rose 45% y-o-y and 25% q-o-q
- Q-o-q sales remain stable with positive growth prospects

Figures include 7 months of FY2009 and 12 months of FY2010 contribution from the Asia operations

Mechatronics Division

Sales Analysis – Industrial Automation Segment





Currency: SGD million

4Q10 Review

Asia

- Sales increased 60% y-o-y and 63% q-o-q
- Revenue from this segment continues to be subject to high volatility

Figures include 7 months of FY2009 and 12 months of FY2010 contribution from the Asia operations

Mechatronics Division

New Project Plans

Mechatronics Europe

Medical	• Scaling up the value chain via full logistic configuration of an existing product (entrusted with full customisation responsibility by customer) • Negotiating a design project with a new global customer • Looking into a number of Design-for-Asia projects
Semiconductor	• Further engagement in next generation (EUV) lithography equipment • Strategic discussions with customer to assume design responsibility of an essential module in lithography equipment
Analytical	• Successful market launch of a completed design project • Starting a development project for a new global customer • Finalizing a development project for an existing customer (with market introduction expected soon)

Mechatronics Division

New Project Plans

Mechatronics Asia	**Medical**	• Engineering prototype production orders of parts for a new diagnostic products to be fulfilled in 1Q11 – on track
	Semiconductor	• Series production of modules for a new customer to commence as planned
	Analytical	• Ongoing qualification of new parts and modules for 2 new instruments for an existing customer • Completed Phase 1 of a value-engineering cum re-design project for an existing customer
	Industrial Automation	• New automation stations for an existing customer with commercial production in 1H11 on schedule
	Others	• Ongoing evaluation of new projects for precision machining and sheet-metal modules for a number of new customers • Completed qualification of 2 major projects for an existing customer with series production anticipated in 2Q 11.

Mechatronics Division

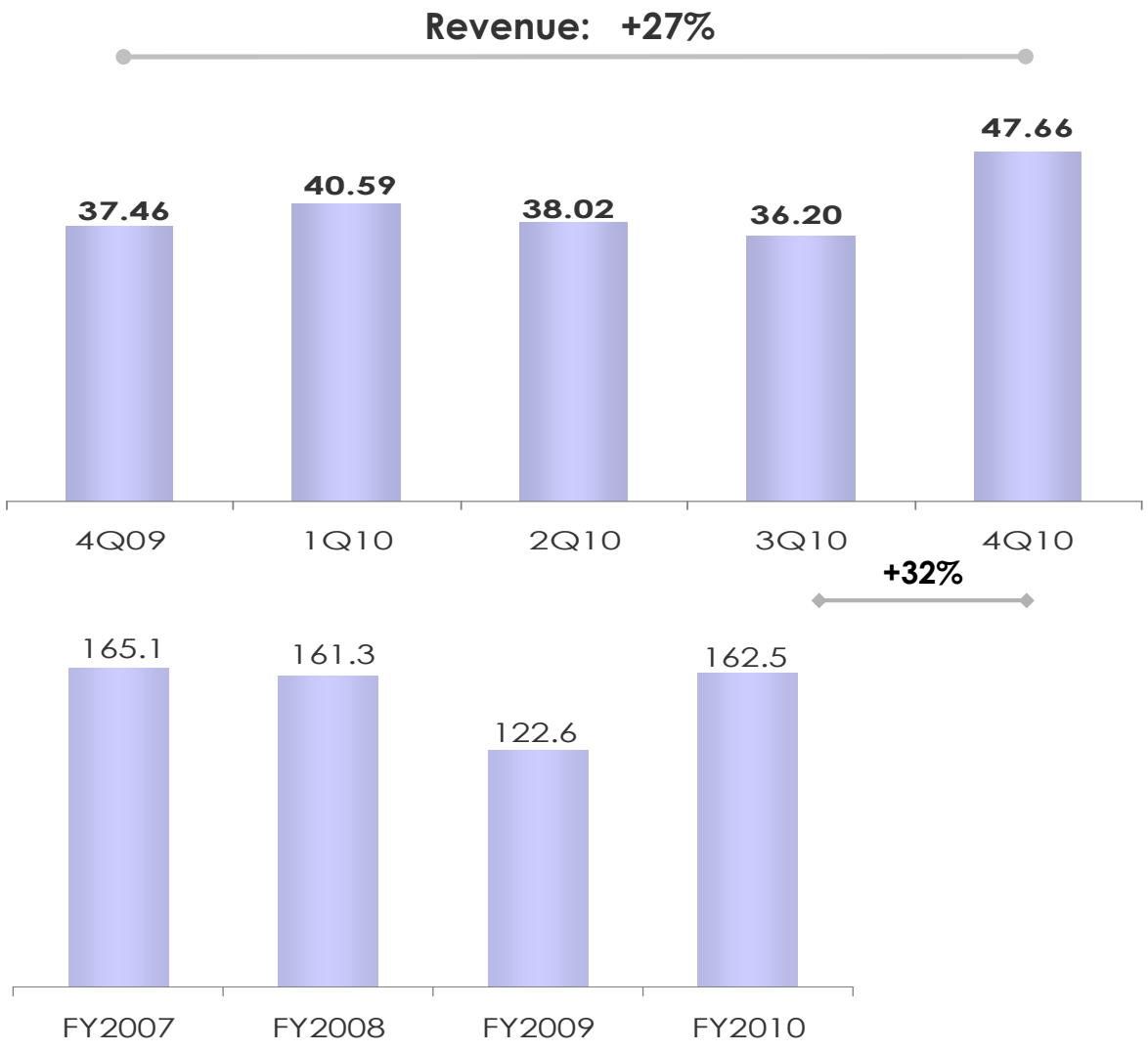
Division Outlook

- Continuous flow of enquiries and RFQs for new projects from existing and potential customers (resulting from the global integration of our Mechatronics Division).
- Forecast from customers of Mechatronics Europe indicate an increasing trend in demand for the medical and analytical business segments
- Barring any unforeseen circumstances, prospects remain positive for 2011

EMS Division
Business Review & Outlook

EMS Division

Sales



Currency: RM million

4Q10 Review

- Sales increased 27% y-o-y and 32% q-o-q

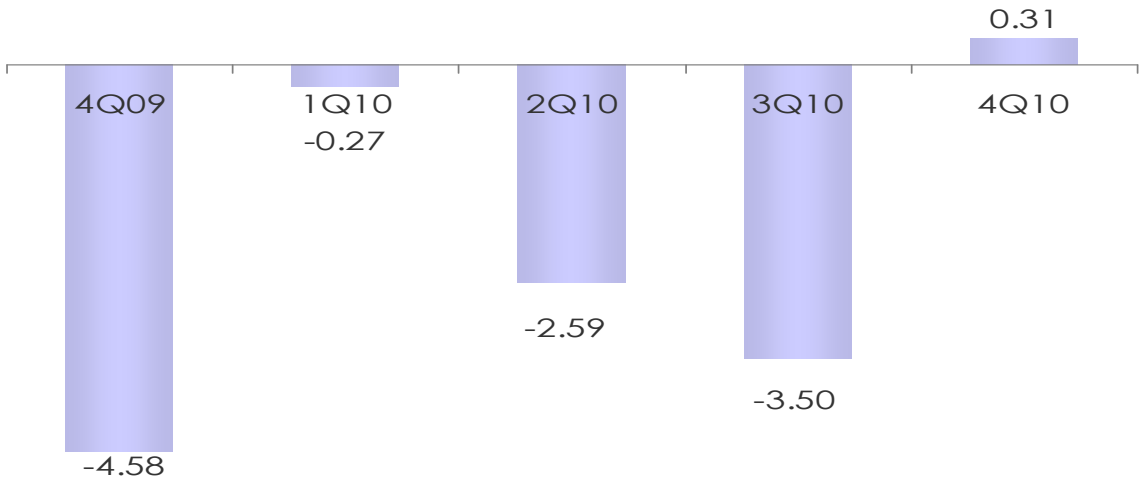
EMS Division

Net Profit & Net Profit Margin

Frencken

Division Net Profit: +107%

Currency: RM million



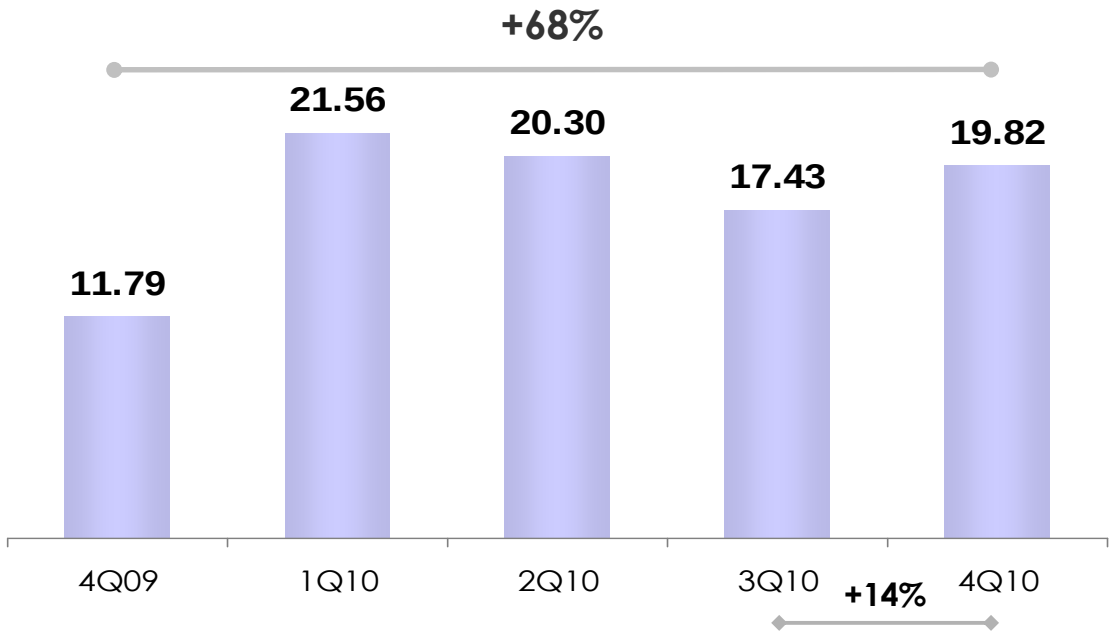
Net Profit Margin	
4Q09	-12.2%
1Q10	-0.7%
2Q10	-6.8%
3Q10	-9.7%
4Q10	**1.0%**

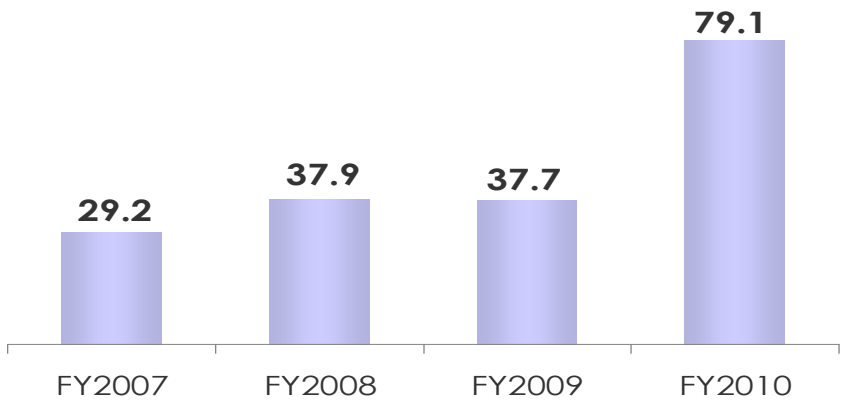


Net Profit Margin	
FY2007	5.9%
FY2008	3.2%
FY2009	-8.0%
FY2010	**-3.7%**

EMS Division

Sales Analysis – Office Automation Segment





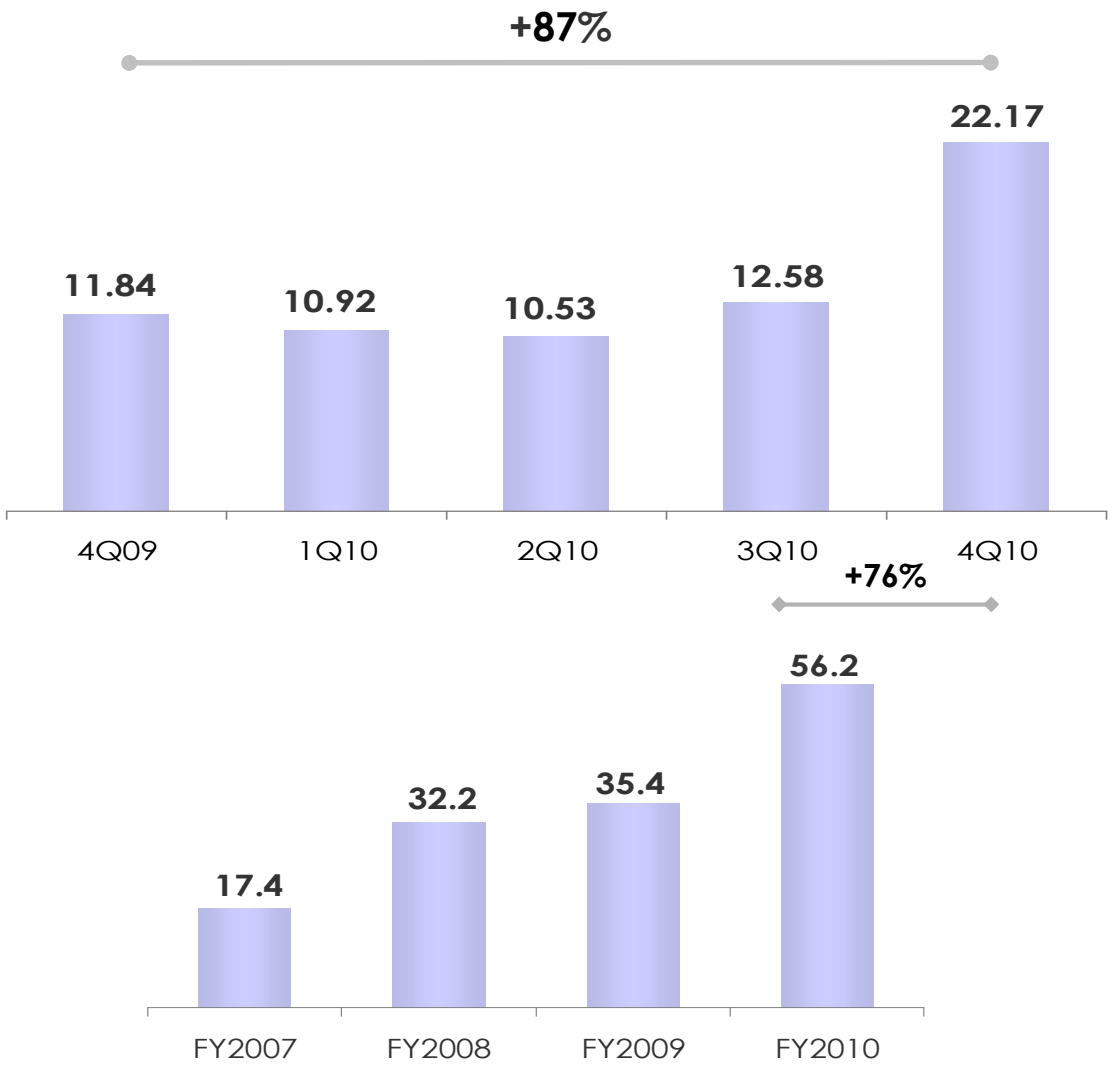
Currency: RM million

4Q10 Review

- Sales increased 68% y-o-y and 14% q-o-q
- Stable q-o-q sales in FY2010 albeit some volatility due to the timing of billings for toolings & product-unique equipment for ongoing industrialisation projects

EMS Division

Sales Analysis – Automotive Segment



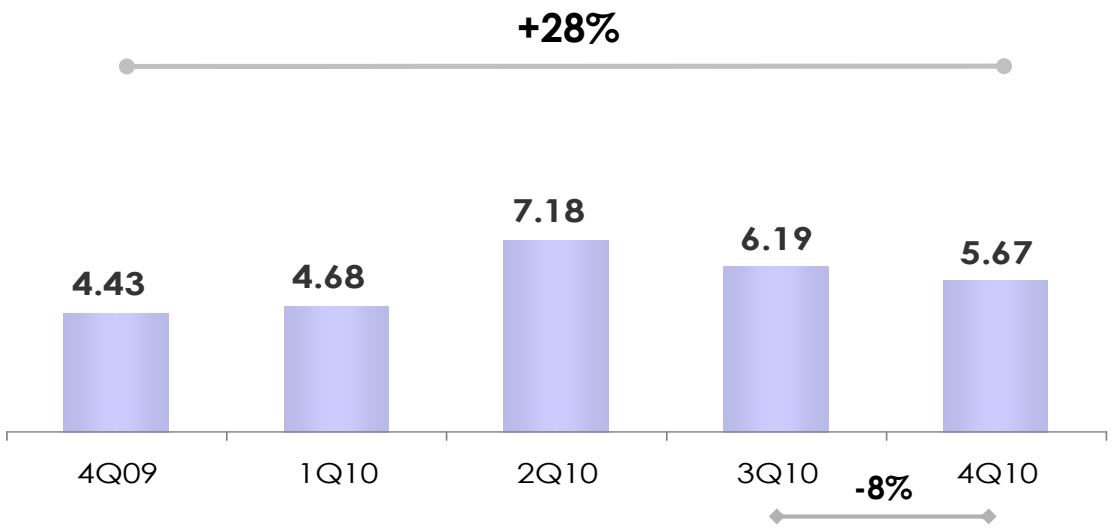
Currency: RM million

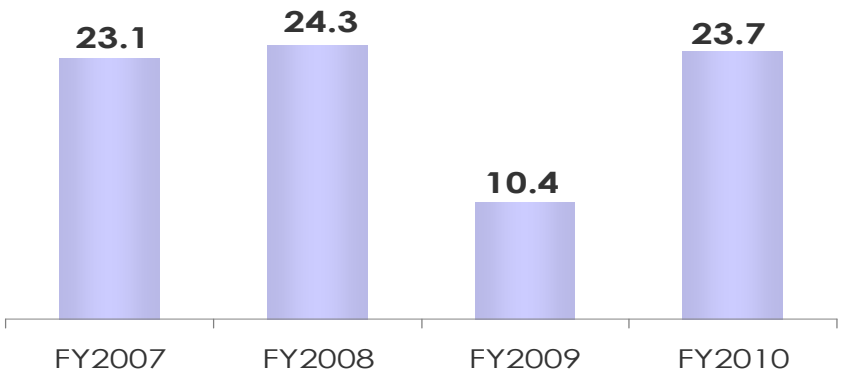
4Q10 Review

- Sales increased 87% y-o-y and 76% q-o-q
- Stable q-o-q sales in FY2010. Sharp increase in 4Q10 due to increase in product sales as well as billings for toolings and product-unique equipment for ongoing industrialisation projects

EMS Division

Sales Analysis – Others (Includes Telco) Segment





Currency: RM million

4Q10 Review

- Sales increased 28% y-o-y but decreased by 8% q-o-q
- Sales of parts and products for telco business segment has been reclassified to "Others" segment (following the discontinuance of the keypad business in February 2010)
- In view of the above, y-o-y comparison is not meaningful

EMS Division

New Project Plans

Office Automation

- Ongoing industrialisation of this significant project is on schedule. Target to commence commercial production in 4Q11 is on track

Automotive

- Ongoing industrialisation of a significant project for an existing customer. Commercial production anticipated in 4Q11 is on track
- Another ongoing significant project for an existing customer has just completed tooling and automation line launch. Production in commercial volumes anticipated in 1Q2012
- A number of smaller industrialisation projects are proceeding as scheduled with commercial production anticipated to commence between 2Q11 to 4Q11

EMS Division

Division Outlook

- Prospects of securing new projects and new customers in the automotive business segment remain positive
- Revenue from the automotive and office automation segment is expected to remain stable for the next few quarters with higher growth anticipated from 4Q11 onwards
- Barring unforeseen circumstances, significant growth is anticipated from 1Q 2012 onwards when the current ongoing industrialisation projects go into commercial production
- The value added contribution from the office automation and automotive product segments are not expected to progressively compensate for the loss of contribution from the keypad business segment in FY2011

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.

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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Thank You

Q&A

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