



Sercomm Corporation

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Sercomm Announces 3rd Quarter Financial Results

Taipei, Taiwan, 12th November 2014 - Sercomm Corporation (TWSE: 5388), a leading manufacturer of broadband and wireless networking equipments, today announced financial results for the third quarter of year 2014.

On consolidated basis, net sales from January to September of year 2014 were reported as NT\$16.84 billion, which represents a 18% increase over NT\$14.27 billion for the first three quarters of 2013. Operating profit for the first three quarters of 2014 were NT\$873 million, which represents a 45% year-over-year increase over NT\$601 million for the same period last year. Net income from January to September of year 2014 were NT\$695 million, which also represents a 12% increase compared to NT\$623 million for the same period last year. Based on 224 million weighted average shares, earnings per share (EPS) for the first three quarters of year 2014 were reported as NT\$3.10.

Consolidated net sales for the third quarter of year 2014 were NT\$6.15 billion, which represents a 21% increase compared to NT\$5.07 billion for 3Q'13. Operating profit for 3Q'14 were NT\$314 million, which represents a 14% year-over-year increase over NT\$276 million for the third quarter of year 2013. Net income for 3Q'14 were NT\$239 million, which also represents a 5% increase compared to NT\$228 million for the same period last year. Based on 224 million weighted average shares, EPS were reported as NT\$1.07 for the 3rd quarter of year 2014.

Table 1: Cumulative Statement of Comprehensive Income

(In NT\$MN)	JAN.-SEP.'14		JAN.-SEP.'13		Change
	Amount	%	Amount	%	
Net Revenue	16,839	100.0%	14,274	100.0%	18.0%
Cost of Goods Sold	14,135	83.9%	12,065	84.5%	17.2%
Gross Profit	2,704	16.1%	2,209	15.5%	22.4%
Operating Expenses	1,831	10.9%	1,608	11.3%	13.9%
Operating Profit	873	5.2%	601	4.2%	45.3%
Non-operating Income & Expenses	-35	-0.2%	154	1.1%	-122.7%
Income before Tax	838	5.0%	755	5.3%	11.0%
Net Income	695	4.1%	623	4.4%	11.6%
EPS (NTD\$1)*	3.10		3.13		

* Based on weighted average shares: 223,983 thousand shares for JAN.-SEP. 2014 and 198,758 thousand shares for JAN.-SEP. 2013

Press Release

Table 2: 3Q 2014 Statement of Comprehensive Income

(In NT\$MN)	3Q 2014		3Q 2013		Change
	Amount	%	Amount	%	
Net Revenue	6,147	100.0%	5,073	100.0%	21.2%
Cost of Goods Sold	5,222	85.0%	4,243	83.6%	23.1%
Gross Profit	925	15.0%	830	16.4%	11.4%
Operating Expenses	611	9.9%	554	10.9%	10.3%
Operating Profit	314	5.1%	276	5.5%	13.8%
Non-operating Income & Expenses	-25	-0.4%	2	0.0%	-1350.0%
Income before Tax	289	4.7%	278	5.5%	4.0%
Net Income	239	3.9%	228	4.5%	4.8%
EPS (NTD\$1)*	1.07		1.15		

* Based on weighted average shares: 223,983 thousand shares for JAN.-SEP. 2014 and 198,758 thousand shares for JAN.-SEP. 2013

Table 3: Balance Sheet

(In NT\$MN)	September 30, 2014		September 30, 2013	
	Amount	%	Amount	%
Cash Equivalents	4,813	29.3%	3,882	30.2%
A/R	3,836	23.4%	2,301	17.9%
Inventory	3,292	20.0%	2,435	18.9%
Other Current Assets	500	3.1%	378	2.9%
Non-current Assets	3,980	24.2%	3,878	30.1%
Total Assets	16,421	100.0%	12,874	100.0%
Loan	2,225	13.5%	1,180	9.2%
A/P	5,951	36.2%	4,369	33.9%
Leasehold Payable	173	1.2%	186	1.4%
Corporate Bonds Payable	366	2.2%	1,199	9.3%
Other Payable & Liabilities	2,083	12.7%	1,695	13.2%
Total Liabilities	10,798	65.8%	8,629	67.0%
Total Equity	5,623	34.2%	4,245	33.0%

About Sercomm Corporation

Sercomm Corporation is a worldwide leading manufacturer of broadband and wireless networking equipments. Founded in 1992, Sercomm has been focusing on developing embedded solutions to make networking simple and affordable. Headquartered in Taipei, Taiwan, Sercomm's global operation network covers markets of North America, Europe and Asia Pacific, and its customer base includes the world's top OEMs, telecommunication vendors and system integrators. Listed on Taiwan Stock Exchange (TWSE:5388), Sercomm posted sales revenue of NT\$19.08 BN in 2013 (approximately US\$636 MN). For more information, please visit www.sercomm.com

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