


Sercomm Corporation

8F, No. 3-1, YuanQu St. (Nankang Software Industry Park) Taipei 115, Taiwan

 Tel: 886-2-26553988 | Fax: 886-2-66158898 | <http://www.sercomm.com>
Sercomm Announces 2nd Quarter Financial Results

Taipei, Taiwan, 13th August 2014 - Sercomm Corporation (TWSE: 5388), a leading manufacturer of broadband and wireless networking equipments, today announced financial results for the second quarter and first half of year 2014.

On consolidated basis, net sales for the first half of year 2014 were reported as NT\$10.7 billion, which represents a 16.2% increase over NT\$9.20 billion for the first half of year 2013. Operating Profit for 1H 2014 were NT\$559 million, which represents a 72% year-over-year increase over NT\$325 million for the same period last year. Net income for 1H'14 were NT\$455 million, which also represents a 15.2% increase compared to NT\$395 million for the 1st half of 2013. Based on 223 million weighted average shares, earnings per share (EPS) for the first half of year 2014 were reported as NT\$2.05.

Consolidated net sales for the second quarter of year 2014 were NT\$6.02 billion, which represents a 18.2% increase compared to NT\$5.09 billion for the 2nd quarter of year 2013. Operating Profit for 2Q 2014 were NT\$326 million which represents a 33.1% year-over-year increase over NT\$245 million for 2Q'13. Net income for 2Q'14 were NT\$271 million, which also represents a 1.8% decrease over NT\$276 million for the same period last year. Based on 223 million weighted average shares, EPS were reported as NT\$1.22 for the second quarter of year 2014.

Table 1: 1H 2014 Statement of Comprehensive Income (Consolidated)

(In NT\$MN)	1H 2014		1H 2013		Change
	Amount	%	Amount	%	
Net Revenue	10,692	100.0%	9,201	100.0%	16.2%
Cost of Goods Sold	8,913	83.4%	7,823	85.0%	13.9%
Gross Profit	1,779	16.6%	1,378	15.0%	29.1%
Operating Expenses	1,220	11.4%	1,053	11.5%	15.9%
Operating Profit	559	5.2%	325	3.5%	72.0%
Non-operating Income & Expenses	-10	-0.1%	152	1.7%	-106.6%
Income before Tax	549	5.1%	477	5.2%	15.1%
Net Income	455	4.3%	395	4.3%	15.2%
EPS (NTD\$1)*	2.05		1.99		

* Based on weighted average shares: 222,548 thousand shares for 1H 2014 and 198,447 thousand shares for 1H 2013

Table 2: 2Q 2014 Statement of Comprehensive Income (Consolidated)

(In NT\$MN)	2Q 2014		2Q 2013		Change
	Amount	%	Amount	%	
Net Revenue	6,021	100.0%	5,093	100.0%	18.2%
Cost of Goods Sold	5,032	83.6%	4,291	84.3%	17.3%
Gross Profit	989	16.4%	802	15.7%	23.3%
Operating Expenses	663	11.0%	557	10.9%	19.0%
Operating Profit	326	5.4%	245	4.8%	33.1%
Non-operating Income & Expenses	2	0.0%	91	1.8%	-97.8%
Income before Tax	328	5.4%	336	6.6%	-2.4%
Net Income	271	4.5%	276	5.4%	-1.8%
EPS (NTD\$1)*	1.22		1.39		

* Based on weighted average shares: 222,548 thousand shares for 2Q 2014 and 198,445 thousand shares for 2Q 2013

Table 3: Consolidated Balance Sheet

(In NT\$MN)	June 30, 2014		June 30, 2013	
	Amount	%	Amount	%
Cash Equivalents	4,966	30.9%	4,494	32.5%
A/R	3,481	21.7%	2,508	18.1%
Inventory	3,288	20.5%	2,427	17.6%
Other Current Assets	374	2.4%	494	3.6%
Non-current Assets	3,932	24.5%	3,899	28.2%
Total Assets	16,041	100.0%	13,822	100.0%
Loan	2,221	13.8%	1,559	11.3%
A/P	5,319	33.2%	4,679	33.8%
Leasehold Payable	176	1.1%	189	1.4%
Corporate Bonds Payable	443	2.8%	1,222	8.8%
Other Payable & Liabilities	2,759	17.2%	2,290	16.6%
Total Liabilities	10,918	68.1%	9,939	71.9%
Total Equity	5,123	31.9%	3,883	28.1%

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

Investor Relations Contact

Charlton Chen

Spokesperson

Phone : 886-2-2655-3988

Email : ir@sercomm.com

Grace Liao

Investor Relations Manager

Phone : 886-2-2655-3988 ext. 2103

Email : grace_liao@sercomm.com