FIRST QUARTER RESULTS * FINANCIAL STATEMENT AND RELATED ANNOUNCEMENT

** Asterisks denote mandatory information*

Name of Announcer *	NERATELECOMMUNICATIONS LTD
Company Registration No.	197802690R
Announcement submitted on behalf of	NERATELECOMMUNICATIONS LTD
Announcement is submitted with respect to *	NERATELECOMMUNICATIONS LTD
Announcement is submitted by *	Tan Cher Liang
Designation *	Company Secretary
Date & Time of Broadcast	26-Apr-2013 19:20:58
Announcement No.	00275

\>> ANNOUNCEMENT DETAILS

The details of the announcement start here ...

For the Financial Period Ended *	31-03-2013
Description	Please refer to the following announcements attached: (1) Announcement on First Quarter Results Ended 31 March 2013 (2) First Quarter Ended 31 March 2013 Results Briefing

Attachments	1Q2013_ResultsBriefing_26Apr2013.pdf 1Q2013Results_26Apr2013.pdf Total size = **570K** (2048K size limit recommended)

NERA TELECOMMUNICATIONS LTD
(Co. Reg. No. 197802690R)

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FIRST QUARTER ENDED 31 MARCH 2013

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement and statement of comprehensive income or a statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.

		Group		
	Note	Qtr 1 2013 S$'000	Qtr 1 2012 S$'000	Increase/ (Decrease) %
Turnover		**36,454**	**43,544**	**(16.3)**
Cost of sales		(21,289)	(28,090)	(24.2)
Gross profit		**15,165**	**15,454**	**(1.9)**
Other operating income		1,058	1,143	(7.4)
Distribution and selling expenses		(6,393)	(5,927)	7.9
Administrative expenses		(2,615)	(2,413)	8.4
Other operating expenses		(17)	(384)	(95.6)
Profit from operations		**7,198**	**7,873**	**(8.6)**
Financial expenses		(20)	(33)	(39.4)
Financial income		31	40	(22.5)
Profit after financial items		**7,209**	**7,880**	**(8.5)**
Share of results of an associate		159	203	(21.7)
Profit before taxation		**7,368**	**8,083**	**(8.8)**
Taxation		(1,524)	(1,591)	(4.2)
Profit after taxation		**5,844**	**6,492**	**(10.0)**
Other comprehensive income :				
Foreign currency translation of financial statements of foreign operations		145	112	29.5
Total comprehensive income for the period		**5,989**	**6,604**	**(9.3)**

		Group		
		Qtr 1 2013 S$'000	Qtr 1 2012 S$'000	Increase/ (Decrease) %
Profit for the period is arrived at after crediting / (charging) the following :				
Amortisation of intangible asset		(16)	(16)	0.0
Depreciation	(1)	(1,128)	(998)	13.0
Ex-gratia payment to ex-directors of the Company		(320)	-	100.0
Foreign exchange gain / (loss)		280	(363)	N.M.
Interest income	(2)	31	40	(22.5)
Net gain / (loss) on disposal / write-off of property, plant and equipment		6	(6)	N.M.
Writeback of allowance for doubtful debts		15	12	25.0
Allowance for stock obsolescence		(50)	(47)	6.4
Writeback of provision for warranty		134	362	(63.0)
Gross profit as a percentage of turnover		41.6%	35.5%	6.1%
Profit for the period as a percentage of turnover		16.0%	14.9%	1.1%
Other information				
Profit for the period attributable to equity shareholders of the Company as a percentage of issued capital and reserves at end of the period		8.1%	9.6%	(1.5%)

N.M. Not meaningful

Notes :

(1) The increase in depreciation resulted from more point-of-sale terminals purchased for leasing.

(2) The decrease in interest income was mainly due to the lower interest rate.

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

Balance Sheet as at		Group		Company	
		31/3/2013 S$'000	31/12/2012 S$'000	31/3/2013 S$'000	31/12/2012 S$'000
Equity					
Share capital		29,909	29,909	29,909	29,909
Revenue reserve		44,593	38,749	29,506	25,473
Translation reserve		(2,645)	(2,790)	-	-
		71,857	65,868	59,415	55,382
Non current assets					
Property, plant and equipment	(1)	15,082	8,671	3,761	3,643
Intangible asset		1,144	1,160	1,144	1,160
Investment in subsidiaries		-	-	4,602	4,602
Investment in an associate		3,115	2,896	199	199
Finance lease receivable		41	95	-	-
Deferred tax assets		1,753	1,800	219	282
		21,135	14,622	9,925	9,886
Current assets					
Stocks		2,093	5,916	764	4,990
Contract work-in-progress		19,539	18,750	7,599	7,171
Trade receivables		54,883	56,101	19,583	20,316
Finance lease receivable		297	276	-	-
Other receivables, deposits and prepayments		3,639	2,951	553	734
Due from subsidiaries (trade)		-	-	29,340	26,275
Due from subsidiaries (non-trade)		-	-	434	514
Due from an associate (trade)		37	1,160	37	1,160
Cash and cash equivalents		41,897	43,740	31,574	34,798
Total current assets		122,385	128,894	89,884	95,958
Current liabilities					
Trade payables		42,561	48,955	23,168	31,902
Other payables and accruals		18,514	19,038	11,332	12,846
Due to subsidiaries (non-trade)		-	-	394	382
Due to an associate (trade)		248	162	-	-
Due to an associate (non-trade)		604	240	-	-
Provision for taxation		4,518	3,762	3,420	2,878
Provision for warranty		5,217	5,484	2,080	2,454
Obligations under finance leases		1	7	-	-
Total current liabilities		71,663	77,648	40,394	50,462
Net current assets		50,722	51,246	49,490	45,496
Net Assets		71,857	65,868	59,415	55,382

Note :

(1) The significant increase in property, plant and equipment was mainly due to purchase of point-of-sale terminals for leasing to a bank in South East Asia.

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 31/3/2013		As at 31/12/2012	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
1	-	7	-

Amount repayable after one year

As at 31/3/2013		As at 31/12/2012	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
-	-	-	-

Details of any collateral

Obligations under finance leases of $1,000 are secured on one motor vehicle.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group Period ended 31 March 2013 S$'000	 2012 S$'000
Cash flows from operating activities		
Profit before taxation	7,368	8,083
Adjustments for :		
Amortisation of intangible asset	16	16
Depreciation of property, plant and equipment	1,128	998
Interest income	(31)	(40)
Net (gain) / loss on disposal / write-off of property, plant and equipment	(6)	6
Allowance for stock obsolescence	50	47
Writeback of allowance for doubtful debts	(15)	(12)
Writeback of provision for warranty	(134)	(362)
Share of results of an associate	(159)	(203)
Operating profit before working capital changes	8,217	8,533
Decrease / (increase) in :		
Stocks	3,767	887
Contract work-in-progress	(789)	8,005
Trade receivables	1,232	(2,202)
Finance lease receivables	33	93
Other receivables, deposits and prepayments	(688)	(8)
Changes in associate balance	1,573	(178)
(Decrease) / increase in :		
Trade payables	(6,394)	(6,841)
Other payables and accruals	(524)	121
Provision for warranty	(175)	(299)
Cash generated from operations	6,252	8,111
Income taxes paid	(716)	(370)
Net cash flows from operating activities	5,536	7,741
Cash flows from Investing activities		
Proceeds from disposal of property, plant and equipment	11	9
Purchase of property, plant and equipment	(7,410)	(323)
Interest received	31	40
Net cash flows used in investing activities	(7,368)	(274)
Cash flows from financing activities		
Repayment of obligations under finance leases	(6)	(7)
Net cash flows used in financing activities	(6)	(7)
Net (decrease) / increase in cash and cash equivalents	(1,838)	7,460
Effect of exchange rate changes	(5)	19
Cash and cash equivalents at beginning of the period	43,740	46,535
Cash and cash equivalents at end of the period	41,897	54,014

1(d)(i) **A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

For Period ended 31 March	Share Capital S$'000	Revenue Reserve S$'000	Translation Reserve S$'000	Total S$'000
Group				
Balance as at 1.1.2013	29,909	38,749	(2,790)	**65,868**
Total comprehensive income for the period	-	5,844	145	5,989
Balance as at 31.3.2013	29,909	44,593	(2,645)	**71,857**
Balance as at 1.1.2012	29,909	33,828	(2,491)	**61,246**
Total comprehensive income for the period	-	6,492	112	6,604
Balance as at 31.3.2012	29,909	40,320	(2,379)	**67,850**
Company				
Balance as at 1.1.2013	29,909	25,473	-	**55,382**
Total comprehensive income for the period	-	4,033	-	4,033
Balance as at 31.3.2013	29,909	29,506	-	**59,415**
Balance as at 1.1.2012	29,909	28,118	-	**58,027**
Total comprehensive income for the period	-	2,897	-	2,897
Balance as at 31.3.2012	29,909	31,015	-	**60,924**

1(d)(ii) **Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There has been no change in the Company's share capital since 31 December 2012. As at 31 March 2013, there was no share options granted (31 March 2012 : Nil). There was no treasury share in issue as at the end of the current financial period (31 March 2012 : nil).

1(d)(iii) **To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding financial year.**

The total number of issued shares excluding treasury shares as at the end of the current financial period was 361,897,000 shares (31 December 2012 : 361,897,000).

1(d)(iv) **A statement showing all sales, transfers, disposal, cancellation and / or use of treasury shares as at the end of the current financial period reported on.**

Not applicable

1(e) Negative assurance confirmation on interim financial results under Rule 705(4) of the SGX-ST.

To the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the first quarter financial statements for the period ended 31 March 2013, to be false or misleading in any material respect.

On behalf of the Board

Tan Lye Huat
Chairman

Ang Seong Kang, Samuel
President and Chief Executive Officer

2. Whether the figures have been audited, or reviewed and in accordance with which standard or practice [e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard].

The figures have not been audited or reviewed by the auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as in the latest audited annual financial statements for the financial year ended 31 December 2012 except as described in Section 5 below.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has adopted the new and revised Singapore Financial Reporting Standard ("FRSs") that are mandatory for the financial year beginning on or after 1 January 2013, where applicable. The adoption of these standards did not result in substantial changes to the Group's accounting policies, and there is no material impact on the revenue reserve of the Group as at 1 January 2013.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group Period ended 31 March 2013	 2012
Earnings per Ordinary Share for the year based on net profit attributable to shareholders:	(cents)	(cents)
(i) basic earnings per share	1.62	1.79
(iii) fully diluted earnings per share	1.62	1.79

Basic earnings per ordinary share for the financial period ended 31 March 2013 was calculated based on the weighted average number of shares in issue of 361,897,000 (2012 : 361,897,000) ordinary shares. Fully diluted earnings per ordinary share for the financial period ended 31 March 2013 was calculated based on the adjusted weighted average number of shares in issue of 361,897,000 ordinary shares {2012 : based on weighted average number of shares in issue (adjusted for the effects of dilutive options) of 361,897,000 ordinary shares}.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year.

	Group		Company	
	31/3/2013 (cents)	31/12/2012 (cents)	31/3/2013 (cents)	31/12/2012 (cents)
Net Asset Value per ordinary share based on issued share capital	19.86	18.20	16.42	15.30

Net asset value per ordinary share as at 31 March 2013 and 31 December 2012 was calculated based on the number of shares in issue of 361,897,000 ordinary shares.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following :- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

(a) Turnover

Compared to Q1 2012, the Group's turnover declined 16.3% ($7.1 million), from $43.5 million to $36.4 million, with lower turnover from both the Telecom and Infocomm business segments.

Telecommunications (Telecom)

Turnover for Q1 2013 declined 31.6% ($6.1 million) from $19.3 million to $13.2 million, mainly due to lower sales of microwave radio equipment in the Wireless Infrastructure Network business area. The decline was in both the Asia Pacific and the Middle East / North Africa ('MENA') markets. There was also lower sales of Satellite equipment.

Infocomm

Turnover for Q1 2013 declined slightly by 4.1% ($1.0 million) from $24.2 million to $23.2 million.

Network Infrastructure
Turnover for Network Infrastructure business area declined 22.8% ($4.2 million) from $18.4 million to $14.2 million. This mainly resulted from lower sales of network equipment to the Service Provider market sector due to delay in some projects.

Payment Solutions
Turnover for Payment Solutions business area improved 55.2% ($3.2 million) from $5.8 million to $9.0 million. This was mainly due to delivery of point-of-sale terminals to a bank in South East Asia.

(b) Gross Profit

Compared to Q1 2012**,** gross profit only decreased slightly by 1.9% despite turnover being lower by 16.3%. The gross margin percentage ("GM%") improved from 35.5% to 41.6%, with higher GM% in both the Telecom and Infocomm business segments. This can be attributable to more competitive products and the sales mix in product, project and services. There was also writeback of project costs upon closure of projects.

(c) Operating Expenses

Compared to Q1 2012, total operating expenses increased 3.4% ($0.3 million) from $8.7 million to $9.0 million. Accordingly, total operating expenses as a percentage of turnover for Q1 2013 was higher at 24.8% compared to 20.0% for Q1 2012.

Distribution and selling expenses increased 7.9% ($0.5 million) mainly due to higher payroll and related costs. Administrative expenses increased by 8.4% ($0.2 million) mainly due to the ex-gratia payment of $0.3 million to ex-directors of the Company for their long service and past contributions. The higher other operating expenses in Q1 2012 was mainly due to exchange loss of $0.4 million.

(d) Profit Before Taxation ('PBT')

Compared to Q1 2012, PBT registered a decline of 8.8% mainly due to the lower turnover and increase in operating expenses, This was partially offset by improvement in the gross margin. PBT as a percentage of turnover ("PBT %") for Q1 2013 was however higher at 20.2% compared to 18.6% in Q1 2012.

(e) Cash flow

The Group was able to generate positive cashflow from operating activities. However, cash and cash equivalent decreased in Q1 2013 mainly due to the purchase of point-of-sale terminals for leasing to customers.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group's business comprises of two main business segments, namely Telecommunications and Infocommunications.

Telecommunications (Telecom)
Competition in the Telecom business segment remain intense and the uncertainties in regulations, spectrum and licensing in some countries are causing the mobile operators to be more cautious in their capital investments.

The Telecommunications business segment comprises two business areas : Wireless Infrastructure Networks ('WIN') and Satellite Communications.

In Q1 2013, the Group's Telecom business segment secured approximately $17.7 million in order in-take, a decrease of 12.4% compared $20.2 million in Q1 2012 as a result of delays in WIN tender awards and lower orders for satellite equipment.

Wireless Infrastructure Networks
In the WIN business area, the Group believes mobile operators will continue to expand and upgrade their networks to meet their customers' demand for mobility, higher bandwidth, lower cost and regulatory service standards. Mobile operators in turn require vendors to deliver high performance and flexible end-to-end network solutions that will lower their operating and capital expenditures.

The Group has a comprehensive product portfolio that can provide an end-to-end wireless infrastructure network solutions to its mobile customers in Asia Pacific and MENA markets. The Group offers point-to-point trunk and access radios to point-to-multi-point radios, coverage solutions, wifi 3G data offload and performance networks. In addition to the mobile market, the Group also promote its suite of WIN products and solutions to the Defence, Broadcasting and Utilities market sectors.

Satellite Communications
The Group will continue to offer a range of land, marine and handheld satellite terminals to Satellite Operators, ISP, Broadcasters, Government, Oil / Gas / Maritime and Enterprises market sectors, and also seeks new satellite business opportunities.

Infocomm
The Infocomm business segment comprises two business areas namely Network Infrastructure and Payment Solutions. The Group's Infocomm business segment managed to secure approximately $39.1 million of order in-take in Q1 2013 compared to $39.6 million in Q1 2012.

Network Infrastructure
Competition in the Infocomm Network Infrastructure business remains highly competitive with many local resellers, distributors and system integrators partnering large global equipment vendors and some global equipment vendors are engaging directly with customers.

The Group believes that Service Providers will continue to expand and upgrade their networks as a result of rapid growth in the internet traffic and build new networks that will enable them to offer new and competitive services, and meet regulatory compliances on service standards. In the Enterprise market sector, we believe IT spending will grow as enterprises will need to upgrade their network infrastructure to improve their competitiveness and to address the security challenges as a result of increased workforce mobility and the variety of user devices. IT spending in the Government, Transport and Utilities market sector remains positive, mainly driven by government initiatives to lower costs and improve public service standards.

The Group will continue to focus on providing IP, Optical and Broadcast network infrastructure products and solutions to meet our various customers' business objectives.

In Q1 2013, the Group's Network Infrastructure business area managed to secure approximately $26.2 million in order in-take, a decrease of 4.4% compared to $27.4 million in Q1 2012.

Payment Solutions

The supply of point-of-sale ("POS") terminal market is primarily dominated by two large global POS terminal manufacturers. Competition is fragmented with many local payment infrastructure vendors representing various POS manufacturers and offering various payment products, solutions and services to banks, financial institutions, payment service providers, retailers, telcos, healthcare and transport organisations.

The Group believes that growth in the payment business is driven by increase in spending and transactions, increase in the use of plastic card payments and various government initiatives to go cashless.

The Group will continue to focus on providing secured end-to-end electronic payment infrastructure, payment terminals variants, services and various capital expenditure (direct purchase / rental) and outsourcing business models to its customers.

In Q1 2013, the Group's Payment Solutions business area managed to secure approximately $12.9 million in order in-take, an increase of 5.7% compared to $12.2 million in Q1 2012. The Group has recently secured an order to deliver an electronic card payment system to a local bank in Myanmar.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

12. If no dividend has been declared/recommended, a statement to that effect

No dividend has been declared or recommended for the financial period.

13. If the Group has obtained a general mandate form shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

There is no IPT mandate obtained.

BY ORDER OF THE BOARD

Tan Cher Liang
Company Secretary
26 April 2013

Nera Telecommunications Ltd

Nera Telecommunications Ltd

Q1 2013
Results Briefing

Samuel Ang
President & CEO

29th April 2013

Content

- Q1 2013 vs Q1 2012 Results
- Outlook

Nera Telecommunications Ltd

Q1 2013 vs Q1 2012 Performances

NeraTelecommunications Ltd	Q1 13	Q1 12	+/- %
Turnover	36,454	43,544	-16.3%
Gross Profit	15,165	15,454	-1.9%
Gross Profit %	41.6%	35.5%	
Operating Expenses	9,025	8,724	3.5%
% Revenues	24.8%	20.0%	
Profit Before Tax	7,368	8,083	-8.8%
Profit Before Tax %	20.2%	18.6%	
Profit After Tax	5,844	6,492	-10.0%
Profit After Tax %	16.0%	14.9%	

Turnover

Nera Telecommunications Ltd

Compared to Q1 2012, the Group's turnover declined 16.3% ($7.1m), from $43.5m to $36.4m, with lower turnover from both the Telecom and Infocomm business segments.

Telecommunications (Telecom)

Turnover for Q1 2013 declined 31.6% ($6.1m) from $19.3m to $13.2m, mainly due to lower sales of microwave radio equipment in the Wireless Infrastructure Network (WIN) business area.

The decline was in both the Asia Pacific and the Middle East / North Africa ('MENA') markets. There was also lower sales of Satellite equipment.

Turnover

Nera Telecommunications Ltd

Infocomm

Turnover for Q1 2013 declined slightly by 4.1% ($1.0m) from $24.2m to $23.2m.

Network Infrastructure

Turnover for Network Infrastructure business area declined 22.8% ($4.2m) from $18.4m to $14.2m.
This mainly resulted from lower sales of network equipment to the Service Provider market sector due to delay in some projects.

Payment Solutions

Turnover for Payment Solutions business area improved 55.2% ($3.2m) from $5.8m to $9.0m.
This was mainly due to delivery of point-of-sale terminals to a bank in South East Asia.

Gross Profit & GM%

Compared to Q1 2012, gross profit only decreased slightly by 1.9% (from S$15.5m to S$15.2m) despite turnover being lower by 16.3%.

The gross margin percentage ("GM%") improved from 35.5% to 41.6%, with higher GM% in both the Telecom and Infocomm business segments.

This can be attributable to more competitive products and the sales mix in product, project and services. There was also write-back of project costs upon closure of projects.

Total Operating Expenses

Nera Telecommunications Ltd

Compared to Q1 2012, total operating expenses increased 3.4% ($0.3m) from $8.7m to $9.0m. Accordingly, total operating expenses as a percentage of turnover for Q1 2013 was higher at 24.8% compared to 20.0% for Q1 2012.

Distribution and selling expenses increased 7.9% ($0.5m) mainly due to higher payroll and related costs.

Administrative expenses increased by 8.4% ($0.2m) mainly due to the ex-gratia payment of $0.3m to ex-directors of the Company for their long service and past contributions.

The higher other operating expenses in Q1 2012 was mainly due to exchange loss of $0.4m.

Profit Before Tax (PBT) & PBT%

Compared to Q1 2012, PBT registered a decline of 8.8% from $8.0m to $7.4m mainly due to the lower turnover and increased in operating expenses, This was partially offset by improvement in the gross margin. PBT as a percentage of turnover ("PBT %") for Q1 2013 was however higher at 20.2% compared to 18.6% in Q1 2012.

Profit After Tax (PAT) & PAT%

Compared to Q1 2012, PAT registered a decline of 10% from $6.5m to $5.8m mainly due to lower PBT.
PBT as a percentage of turnover ("PBT %") for Q1 2013 was however higher at 16.0% compared to 14.9% in Q1 2012 as a result of better GM%

Financial Positions

- **Strong balance sheet**

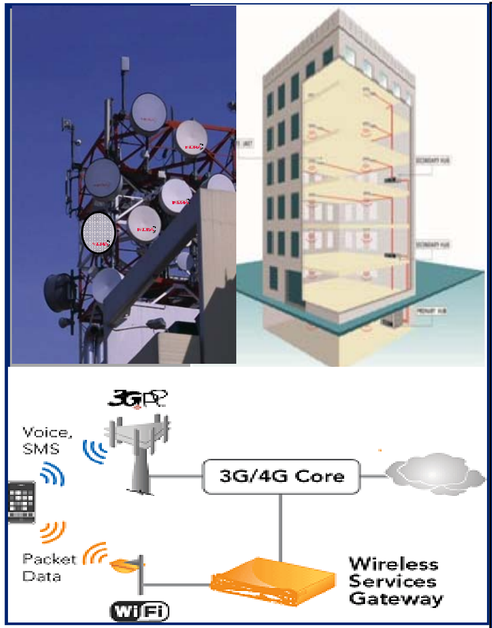
- **Warranty provision, abt. S$5.2m**

- **Strong cash position, abt. S$42m**

  + cash generated from operations, S$6.3m in Q1 2013

Outlook

TELECOMMUNICATIONS SEGMENT



Business Area (BA) : Wireless Infrastructure Networks (WIN)

Satellite Gateways

Marine Land & Terminals and Handheld

Services

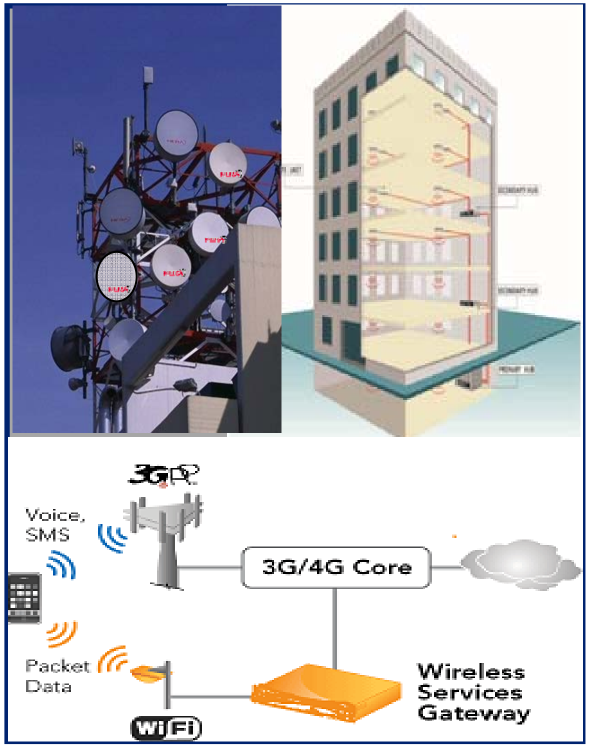
BA : Satellite Communications

Competition in the Telecom business segment remains intense and the uncertainties in regulations, spectrum and licensing in some countries are causing the mobile operators to be more cautious in their capital investments.

In Q1 2013, the Group's Telecom business segment secured approx. $17.7m in order in-take, a decrease of 12.4% compared to $20.2m in Q1 2012 as a result of delays in WIN tender awards and lower orders for satellite equipment.

TELECOMMUNICATIONS
BA : Wireless Infrastructure Networks ("WIN")

Nera Telecommunications Ltd



The Group believes that mobile operators will continue to expand and upgrade their networks to meet their customers' demand for mobility, higher bandwidth, lower cost and regulatory service standards. Mobile operators in turn require vendors to deliver high performance and flexible end-to-end network solutions that will lower their operating and capital expenditures.

The Group offers to mobile operators in a broad product portfolio from point-to-point radios, point-to-multi-point radios, coverage solutions, wifi 3G data offload to performance networks. The Group also promote its wireless infrastructure products and solutions to the Defence, Broadcasting and Utilities market sectors.

Nera Telecommunications Ltd

Satellite Gateways

Marine Land & Terminals
and Handheld

Services

TELECOMMUNICATIONS
BA : Satellite Communications

The Group will continue to offer a range of land, marine and handheld satellite terminals to Satellite Operators, ISP, Broadcasters, Government, Oil / Gas / Maritime and Enterprises market sectors, and also seek new satellite business opportunities.

INFOCOMM BUSINESS SEGMENT

Infocomm
Network Infrastructure

IP Networks | Optical Networks | Broadcast Networks

Infocomm
Payment Solutions

The Infocomm business segment comprises two Business Areas (BA) namely Network Infrastructure and Payment Solutions.

The Group's Infocomm business segment secured approx. $39.1m of order in-take in Q1 2013 compared to $39.6m in Q1 2012.

Nera Telecommunications Ltd

Infocomm

Network Infrastructure

IP Networks Optical Networks Broadcast Networks

<u>Market Sectors</u>

- **Service Providers (SP)**
- **Enterprises (ENT)**
- **Govt, Transport & Utilities (GTU)**

INFOCOMM

BA : Network Infrastructure

The Group believes that SP will continue to expand and upgrade their networks as a result of rapid growth in the internet traffic and build new networks that will enable them to offer new and competitive services.

In the ENT market sector, the Group believes that IT spending will grow as enterprises will need to upgrade their network infrastructure to improve their competitiveness and to address the security challenges as a result of increased workforce mobility and the variety of user devices.

IT spending in the GTU market sector remains positive, mainly driven by government initiatives to lower costs and improve public service standards.

Nera Telecommunications Ltd

Infocomm

Network Infrastructure

IP Networks **Optical Networks** **Broadcast Networks**

Market Sectors

- **Service Providers (SP)**
- **Enterprises (ENT)**
- **Govt, Transport & Utilities (GTU)**

INFOCOMM

BA : Network Infrastructure

In Q1 2013, the Group's Network Infrastructure business area secured approx. $26.2m in order in-take, a decrease of 4.4% compared to $27.4m in Q1 2012.

Competition in the Infocomm Network Infrastructure business remains highly competitive with many local resellers, distributors and system integrators partnering large global equipment vendors and some global equipment vendors are engaging directly with customers.

The Group will continue to focus on providing IP, Optical and Broadcast network infrastructure products and solutions to meet our various customers' business objectives

Infocomm
Payment Solutions

INFOCOMM
BA : Payment Solutions

The Group believes that growth in the payment business is driven by increase in spending and transactions, increase in the use of plastic card payments and various government initiatives to go cashless.

In Q1 2013, the Group's Payment Solutions business area secured approximately $12.9m in order in-take, an increase of 5.7% compared to $12.2m in Q1 2012.
The Group had recently secured an order to deliver an electronic card payment system to a local bank in Myanmar.

Infocomm
Payment Solutions

INFOCOMM
BA : Payment Solutions

Competition is fragmented with many local payment infrastructure vendors representing various POS manufacturers and offering various payment products, solutions and services to banks, financial institutions, payment service providers, retailers, telcos, healthcare and transport organisations.

The Group will continue to focus on providing secured end-to-end electronic payment infrastructure, payment terminals variants, services and various capital expenditure (direct purchase / rental) and outsourcing business models to its customers.


THANK YOU