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**NAM TAI ELECTRONICS, INC.**
**Q1 2010 Sales down 22.4%, Gross profit margin at 8.2%**

SHENZHEN, PRC – May 3, 2010 -- Nam Tai Electronics, Inc. (“Nam Tai” or the “Company”) (NYSE Symbol: NTE) today announced its unaudited results for the first quarter ended March 31, 2010.

**KEY HIGHLIGHTS**

*(In thousands of US Dollars, except per share data, percentages and as otherwise stated)*

	Quarterly Results (Unaudited)		
	Q1 2010	Q1 2009	YoY (%)
Net sales	\$79,266	\$102,150	(22.4)
Gross profit	\$6,503	\$7,122	(8.7)
<i>% of sales</i>	8.2%	7.0%	-
Operating loss <sup>(a)</sup>	(\$577)	(\$6,539)	*
<i>% of sales</i>	(0.7%)	(6.4%)	-
<i>per share (diluted)</i>	(\$0.01)	(\$0.14)	*
Net loss attributable to Nam Tai shareholders <sup>(a)</sup>	(\$1,097)	(\$3,881)	*
<i>% of sales</i>	(1.4%)	(3.8%)	-
Basic loss per share	(\$0.02)	(\$0.09)	*
Diluted loss per share	(\$0.02)	(\$0.09)	*
Weighted average number of shares ('000)			
Basic	44,804	44,804	-
Diluted	44,810	44,804	-

Note:

*(a) Operating loss and net loss for the first quarter of 2009 included \$5.1 million restructuring cost in relation to employee severance in PRC subsidiaries.*

\* Percentage change is not presented if either the latest period or prior period contains a loss.

In addition to disclosing results determined in accordance with accounting principles generally accepted in the United States (“US GAAP”) as set forth in the table above, management utilizes a measure of operating income / (loss), net income / (loss) and earnings (loss) per share on a non-GAAP basis that excludes certain income and expenses to better assess operating performance. Those non-GAAP financial measures exclude employee severance benefits in PRC subsidiaries. By disclosing the non-GAAP information, management intends to provide investors with additional information to analyze the Company’s performance, core results and underlying trends. Non-GAAP information is not determined using US GAAP; therefore, the information is not necessarily comparable to other companies and should not be used to compare the Company’s performance over different periods. Non-GAAP information should not be viewed as a substitute for, or superior to, net income/(loss) or other financial data prepared in accordance with US GAAP as measures of our operating results or liquidity. Users of this financial information should consider the types of events and transactions for which adjustments have been made. See the table below for a reconciliation of non-GAAP amounts to amounts reported under US GAAP.

## GAAP TO NON-GAAP RECONCILIATION

(In millions of US Dollars, except for per share (diluted) and numbers of shares)

	Three months ended March 31,			
	2010		2009	
	millions	per share (diluted)	millions	per share (diluted)
<b>GAAP Operating Loss</b>	<b>(\$ 0.6)</b>	<b>(\$ 0.01)</b>	<b>(\$ 6.5)</b>	<b>(\$ 0.14)</b>
Add back:				
– Employee severance benefits in PRC subsidiaries <sup>(a)</sup>	-	-	5.1	0.11
<b>Non-GAAP Operating Loss</b>	<b>(\$ 0.6)</b>	<b>(\$ 0.01)</b>	<b>(\$ 1.4)</b>	<b>(\$ 0.03)</b>
<b>GAAP Net Loss attributable to Nam Tai shareholders</b>	<b>(\$ 1.1)</b>	<b>(\$ 0.02)</b>	<b>(\$ 3.9)</b>	<b>(\$ 0.09)</b>
Add back:				
– Employee severance benefits in PRC subsidiaries (after deducting tax and sharing with noncontrolling interests) <sup>(a)</sup>	-	-	3.2	0.07
<b>Non-GAAP Net Loss attributable to Nam Tai shareholders</b>	<b>(\$ 1.1)</b>	<b>(\$ 0.02)</b>	<b>(\$ 0.7)</b>	<b>(\$ 0.02)</b>
Weighted average number of shares – diluted ('000)	44,810		44,804	

Note:

(a) The expense represents employee benefit and severance arrangements in accordance with the PRC statutory severance requirements.

## SUPPLEMENTARY INFORMATION (UNAUDITED) IN THE FIRST QUARTER OF 2010

### 1. Quarterly Sales Breakdown

(In thousands of US Dollars, except percentage information)

Quarter	2010	2009	YoY(%) (Quarterly)	YoY(%) (Quarterly accumulated)
1 <sup>st</sup> Quarter	79,266	102,150	(22.4)	(22.4)
2 <sup>nd</sup> Quarter	-	101,836		
3 <sup>rd</sup> Quarter	-	110,416		
4 <sup>th</sup> Quarter	-	93,735		
Total	79,266	408,137		

### 2. Breakdown of Net Sales by Product Segment (as a percentage of Total Net Sales)

	2010	2009
Segments	Q1 (%)	Q1 (%)
Consumer Electronic and Communication Products (“CECP”)	21	35
Telecommunication Component Assembly (“TCA”)	58	52
Liquid Crystal Display Products (“LCDP”)	21	13
	100	100

### 3. Key Highlights of Financial Position

	As at March 31,		As at December 31
	2010	2009	2009
Cash on hand <sup>(a)</sup>	\$196.8 million	\$230.2 million	\$182.7 million
Ratio of cash <sup>(a)</sup> to current liabilities	3.02	2.73	2.39
Current ratio	4.11	3.79	3.59
Ratio of total assets to total liabilities	5.91	5.28	5.21
Return on Nam Tai shareholders' equity	(1.3%)	(4.8%)	0.5%
Ratio of total liabilities to total equity	0.20	0.23	0.24
Debtors turnover	59 days	52 days	52 days
Inventory turnover	18 days	16 days	16 days
Average payable period	62 days	53 days	59 days

Note: (a) Includes cash equivalent. Information for December 31, 2009 extracted from the audited financial statements included in the 2009 Form 20-F of the Company filed with the Securities and Exchange Commission on March 16, 2010.

### OPERATIONS REVIEW

The business environment in Nam Tai's product sectors remains difficult and extremely competitive. Sales in the first quarter of 2010 were \$79.3 million, a decrease of 22.4% as compared to sales of \$102.2 million in the same quarter of 2009. Sales in our CECP segment and TCA segment dropped by 52.2% and 13.2% respectively and LCDP segment increased by 21.2%, during the first quarter of 2010, as compared to same period in 2009. Sales in our CECP segment declined significantly mainly because of the continuing effect from the global economic downturn. The weak demand in the market for our consumer products adversely affected sales of all of our end-user products such as mobile phone accessories, which principally represented sales of our headsets containing Bluetooth®<sup>1</sup> wireless technology, educational products, optical products and home entertainment devices. Sales in our TCA segment also declined as a consequence of the decline in sales of TCA.

The Company's gross profit margin in the first quarter of 2010 was 8.2% as compared to 7.0% in the first quarter of 2009. Gross profit in the first quarter of 2010 was \$6.5 million, a decrease of 8.7%, as compared to \$7.1 million in the first quarter of 2009, primarily resulting from the decrease in sales.

Net loss in the first quarter of 2010 was \$1.1 million, as compared to net loss attributable to Nam Tai shareholders of \$3.9 million in same quarter of 2009. The loss in the first quarter of 2010 primarily resulted from the overall decline in sales, whereas the loss in the first quarter of 2009, was attributable to a \$5.1 million restructuring charge for employee severance expenses in Nam Tai's PRC subsidiaries. Basic and diluted loss per share in the first quarter of 2010 were \$0.02, as compared to basic and diluted loss per share of \$0.09 in the first quarter of 2009.

### Non-GAAP Financial Information

Non-GAAP operating loss for the first quarter of 2010 was \$0.6 million, or \$0.01 per share (diluted), compared to non-GAAP operating loss of \$1.4 millions, or \$0.03 per share (diluted), in the first quarter of 2009. Non-GAAP net loss for the first quarter of 2010 increased to \$1.1 million or \$0.02 per share (diluted), compared to loss of \$0.7 million, or \$0.02 per share (diluted), in the first quarter of 2009.

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(1) The Bluetooth® word mark and logo are owned by the Bluetooth SIG, Inc. and any use of such mark by Nam Tai is under license.

## **Liquidity and Financial Resources**

Despite current economic conditions, Nam Tai's financial position as at March 31, 2010 remained strong with \$196.8 million cash on hand. Net cash provided by operating activities in the first quarter was \$4.4 million. During the first quarter, the Company made capital expenditure of \$3.3 million.

Nam Tai's cash on hand has been invested in term deposits with HSBC and China Construction Bank. The Company continues to exercise rigorous corporate governance and control policies and is not involved in trading of any debt securities or financial derivative products.

## **EXPANSION PROJECTS**

The newly completed expansion project of FPC manufacturing plant in Wuxi near the east central coast of China, approximately 80 miles northwest of Shanghai started operation in January 2010. The Company is also still waiting for the release of the land in Guangming by the Government. This piece of land of about 118,000 square meters will be reserved for future expansion of business after 3 to 5 years.

## **COMPANY OUTLOOK**

Although some believe that the global recession has reached bottom and economic conditions are improving, we believe that conditions prevailing at the end of 2009 will continue during 2010 and limit our business and growth. We expect demand for LCD panels and modules and flexible printed circuit, or FPC, boards and subassemblies to increase in 2010. However, we also anticipate that orders for optical and educational products in our CECP segment will remain weak and may even decrease from 2009 levels. Our business in the first quarter of 2010 support these predictions. As a consequence, we now believe that our overall business in 2010 may grow, but only slightly from 2009 levels, provided that inflation in China, which we expect to increase in 2010, does not drive wages and manufacturing costs to a point where our gross margins further deteriorate materially from the depths reached in 2009.

In 2010, we plan to focus on developing and manufacturing FPC products. Our new Wuxi facility began low-volume manufacturing of FPC products on schedule. We are using this production not only as a source for other products we manufacture in our LCDP segment but also for products we manufacture for automotive applications. We anticipate developing other product applications for our FPC products, such as backlights and digital cameras, and that these will contribute to revenues from our TCA segment in future periods.

We have completed the integration of our management of TCA and LCDP segments and plan to reduce our business in the CECP segment, eventually eliminating that low margin area of our business. Instead, we plan to concentrate our efforts toward restructuring our LCD module manufacturing, consolidating and integrating capacities and capabilities for these higher margin products in the belief that this segment offers the most compelling opportunity for our return to growth.

In the near-term we will direct our attention to improving management, and, where necessary, recruiting new executives to fill gaps we perceive in our hierarchy. We also plan to increase our sales and marketing personnel to stimulate efforts to attract new customers and expand our business with existing ones. We have continued and will continue to exercise rigorous corporate governance and control policies and will maintain our utilization of an effective risk control system.

## **FORWARD-LOOKING STATEMENTS AND FACTORS THAT COULD CAUSE OUR SHARE PRICE TO DECLINE**

*Express or implied statements in this press release, such as the statements included in “Company Outlook,” particularly management’s expectations regarding increases in the demand for LCD modules and FPC products during 2010, growth in future quarters expected from the merger of management in Nam Tai’s TCA and LCDP segments or the development of other product applications to be manufactured at Nam Tai’s new Wuxi facility and management’s assessment that Nam Tai will achieve limited growth during 2010 and statements regarding management’s assessment of the strength of Nam Tai’s financial condition and cash position, are “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Actual results could differ materially from those projected in these forward-looking statements as a result of a number of factors, including continued deterioration of the market for the Company’s customers’ products and the global economy as a whole, which could negatively impact the Company’s revenue and the ability of the Company’s customers to pay for the Company’s products; customer bankruptcy filings; the sufficiency of the Company’s cash position and other sources of liquidity to operate and expand its business; competition negatively impacting the Company’s revenues and margins; the need to adopt future restructuring plans as a result of prevailing business and economic conditions or changes in the Company’s business; and one or more of the factors discussed in “Item 3. Key Information — Risk Factors” in the Company’s s Annual Report on Form 20-F for the year ended December 31, 2009 as filed on March 16, 2010 with the Securities and Exchange Commission.*

*For further information regarding risks and uncertainties associated with Nam Tai’s business, operating results or financial condition, please refer to the "Operating and Financial Review and Prospects," “Management’s Discussion and Analysis of Results of Operations and Financial Condition” and “Risk Factors” sections of Nam Tai’s SEC filings, including, but not limited to, its annual reports on Form 20-F and Reports on Form 6-K containing releases of Nam Tai’s quarterly financial results, copies of which may be obtained from Nam Tai’s website at <http://www.namtai.com> or from the SEC’s EDGAR website at <http://www.sec.gov>.*

*All information in this press release is as of April 30, 2010 in Shenzhen of the People’s Republic of China. Nam Tai does not undertake any duty, and should not be expected, to update any forward-looking statement to conform the statement to actual results or changes in Nam Tai’s expectations, unless so required by law.*

### **ABOUT NAM TAI ELECTRONICS, INC.**

We are an electronics manufacturing and design services provider to a select group of the world’s leading OEMs of telecommunications and consumer electronic products. Through our electronics manufacturing services operations, we manufacture electronic components and subassemblies, including LCD panels, LCD modules, RF modules, DAB modules, FPC subassemblies and image-sensor modules and PCBAs for headsets containing Bluetooth® wireless technology. These components are used in numerous electronic products, including mobile phones, laptop computers, digital cameras, electronic toys, handheld video game devices, and entertainment devices. We also manufacture finished products, including mobile phone accessories, home entertainment products and educational products. We assist our OEM customers in the design and development of their products and furnish full turnkey manufacturing services that utilize advanced manufacturing processes and production technologies.

NAM TAI ELECTRONICS, INC.  
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
FOR THE PERIODS ENDED MARCH 31, 2010 AND 2009  
(In Thousands of US Dollars except share and per share data)

	Unaudited Three months ended March 31	
	2010	2009
Net sales	\$ 79,266	\$ 102,150
Cost of sales	<u>72,763</u>	<u>95,028</u>
Gross profit	6,503	7,122
Costs and expenses		
General and administrative expenses <sup>(1)(2)</sup>	4,526	10,068
Selling expenses <sup>(1)</sup>	1,071	1,413
Research and development expenses	1,483	2,180
	<u>7,080</u>	<u>13,661</u>
Operating loss	(577)	(6,539)
Other (expenses) income, net	(170)	2
Interest income	279	406
Interest expense	-	(106)
	<u>(468)</u>	<u>(6,237)</u>
Income tax (expenses) credit	(629)	237
Net loss	(1,097)	(6,000)
Less: Net loss attributable to the noncontrolling interests	-	2,119
Net loss attributable to Nam Tai shareholders	<u>\$ (1,097)</u>	<u>\$ (3,881)</u>
Loss per share (attributable to Nam Tai shareholders)		
Basic	<u>\$ (0.02)</u>	<u>\$ (0.09)</u>
Diluted	<u>\$ (0.02)</u>	<u>\$ (0.09)</u>
Weighted average number of shares ('000)		
Basic	<u>44,804</u>	44,804
Diluted	<u>44,810</u>	44,804

(1) The 2010 presentation shows general and administrative expenses and selling expenses as separate line items, whereas the Company's consolidated statements of operations for 2009, as originally published, combined general and administrative expenses and selling expenses as a single line item labeled "Selling, general and administrative expenses." General and administrative expenses and selling expenses for 2009 have been presented separately to conform to the 2010 presentation.

(2) General and administrative expenses for the period ended March 31, 2009 include employee severance benefits of \$5,058,000 which was disclosed separately in 2009 first quarter news release.

NAM TAI ELECTRONICS, INC.  
CONDENSED CONSOLIDATED BALANCE SHEETS  
AS AT MARCH 31, 2010 AND DECEMBER 31, 2009  
(In Thousands of US Dollars)

	Unaudited March 31 2010	Audited December 31 2009 <i>(Note)</i>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 196,818	\$ 182,722
Fixed deposits maturing over three months	-	12,903
Accounts receivable, net	50,935	57,911
Inventories	14,487	16,054
Prepaid expenses and other receivables	3,838	3,079
Deferred tax assets – current	1,357	1,460
Total current assets	<u>267,435</u>	<u>274,129</u>
Property, plant and equipment, net	102,472	108,110
Land use right	13,222	13,296
Deposits for property, plant and equipment	202	32
Goodwill	2,951	2,951
Deferred tax assets-non current	4,407	4,486
Other assets	920	920
Total assets	<u>\$ 391,609</u>	<u>\$ 403,924</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Notes payable	\$ -	\$ 691
Accounts payable	49,103	58,667
Accrued expenses and other payables	15,632	16,397
Income tax payable	397	656
Total current liabilities	<u>65,132</u>	<u>76,411</u>
Deferred tax liabilities	1,164	1,103
Total liabilities	<u>66,296</u>	<u>77,514</u>
<b>EQUITY</b>		
Nam Tai shareholders' equity:		
Common shares	448	448
Additional paid-in capital	285,264	285,264
Retained earnings	39,609	40,706
Accumulated other comprehensive loss (Note 1)	(8)	(8)
Total shareholders' equity	<u>325,313</u>	<u>326,410</u>
Total liabilities and shareholders' equity	<u>\$ 391,609</u>	<u>\$ 403,924</u>

Note : Information extracted from the audited financial statements included in the 2009 Form 20-F of the Company filed with the Securities and Exchange Commission on March 16, 2010.

NAM TAI ELECTRONICS, INC.  
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE THREE MONTHS ENDED MARCH 31, 2010 AND 2009  
(In Thousands of US Dollars)

	Unaudited Three months ended March 31	
	2010	2009
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Consolidated net loss	\$ (1,097)	\$ (6,000)
<i>Adjustments to reconcile net income to net cash provided by operating activities:</i>		
Depreciation and amortization of property, plant and equipment and land use right	6,437	5,415
Gain on disposal of property, plant and equipment	(22)	(255)
Deferred income taxes	243	(357)
Unrealized exchange gain	-	73
<i>Changes in current assets and liabilities:</i>		
Decrease in accounts receivable	6,976	45,611
Decrease in inventories	1,567	10,689
(Increase) decrease in prepaid expenses and other receivables	(759)	360
Decrease in notes payable	(691)	-
Decrease in accounts payable	(9,564)	(43,125)
Increase in accrued expenses and other payables	1,551	1,515
Decrease in income tax payable	(259)	(696)
Total adjustments	5,479	19,230
Net cash provided by operating activities	\$ 4,382	\$ 13,230
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	\$ (3,080)	\$ (11,162)
Increase in deposits for purchase of property, plant and equipment	(170)	(720)
Proceeds from disposal of property, plant and equipment	61	696
Decrease in fixed deposits maturing over three months	12,903	-
Net cash provided by (used in) investing activities	\$ 9,714	\$ (11,186)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash dividends paid	\$ -	\$ (9,857)
Proceeds from bank loans	-	1,038
Net cash used in financing activities	\$ -	\$ (8,819)
Net increase (decrease) in cash and cash equivalents	14,096	(6,775)
Cash and cash equivalents at beginning of period (Note)	182,722	237,017
Effect of exchange rate changes on cash and cash equivalents	-	(73)
Cash and cash equivalents at end of period	\$ 196,818	\$ 230,169

Note: Information extracted from the audited financial statements included in the 2009 Form 20-F of the Company filed with the Securities and Exchange Commission on March 16, 2010.



NAM TAI ELECTRONICS, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

FOR THE PERIODS ENDED MARCH 31, 2010 AND 2009

(In Thousands of US Dollars)

1. Accumulated other comprehensive loss represents foreign currency translation adjustments. The comprehensive loss attributable to Nam Tai shareholders of the Company were \$1,097 and \$3,881 for the three months ended March 31, 2010 and March 31, 2009, respectively.
2. Business segment information – The Company operates primarily in three segments, the Consumer Electronic and Communication Products (“CECP”) segment, Telecommunication Component Assembly (“TCA”) segment, and the LCD Products (“LCDP”) segment.

	Unaudited Three months ended March 31	
	2010	2009
<b>NET SALES :</b>		
- CECP	\$ 17,187	\$ 35,967
- TCA	45,718	52,688
- LCDP	16,361	13,495
Total net sales	<u>\$ 79,266</u>	<u>\$ 102,150</u>
<b>NET LOSS:</b>		
- CECP	\$ 870	\$ (45)
- TCA	(1,485)	(1,883)
- LCDP	503	(1,657)
- Corporate	(985)	(296)
Total net loss attributable to Nam Tai shareholders	<u>\$ (1,097)</u>	<u>\$ (3,881)</u>

	Unaudited Mar. 31, 2010	Audited Dec. 31, 2009
<b>IDENTIFIABLE ASSETS BY SEGMENT:</b>		
- CECP	\$ 102,885	\$ 112,058
- TCA	139,948	141,734
- LCDP	41,947	42,153
- Corporate	106,829	107,979
Total assets	<u>\$ 391,609</u>	<u>\$ 403,924</u>

NAM TAI ELECTRONICS, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)  


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FOR THE PERIODS ENDED MARCH 31, 2010 AND 2009  
(In Thousands of US Dollars)

3. A summary of the net sales, net loss and long-lived assets by geographic areas is as follows:

	Unaudited Three months ended March 31	
	2010	2009
<hr/>		
<b>NET SALES FROM OPERATIONS WITHIN:</b>		
- PRC, excluding Hong Kong and Macao:		
Unaffiliated customers	\$ 79,266	\$ 102,150
Intercompany sales	135	8
- Intercompany eliminations	(135)	(8)
	<hr/>	<hr/>
Total net sales	\$ 79,266	\$ 102,150
	<hr/>	<hr/>
<b>NET INCOME (LOSS) FROM OPERATIONS WITHIN:</b>		
- PRC, excluding Hong Kong and Macao	\$ (112)	\$ (3,523)
- Hong Kong & Macao	(985)	(358)
	<hr/>	<hr/>
Total net loss attributable to Nam Tai shareholders	\$ (1,097)	\$ (3,881)
	<hr/>	<hr/>
	Unaudited	Audited
	<i>Mar. 31,</i>	<i>Dec. 31,</i>
	2010	2009
<hr/>		
<b>LONG-LIVED ASSETS WITHIN:</b>		
- PRC, excluding Hong Kong and Macao	\$ 115,503	\$ 121,286
- Hong Kong and Macao	191	120
	<hr/>	<hr/>
Total long-lived assets	\$ 115,694	\$ 121,406
	<hr/>	<hr/>