



Issued by: Test-Rite International Co. Ltd
(Ticker: 2908 TT/ 2908 TW)

Date: May 12th, 2015

Re: Test-Rite Int'l's 1Q15 earnings result announcement

Test-Rite reports 1Q15 net income of NT\$ 309.8mn, +14.2% YoY; basic EPS of NT\$ 0.62, +10.7% YoY; 19th consecutive YoY increase of quarterly EPS on the same accounting basis.

Test-Rite reported 1Q15 consolidated revenue of NT\$ 9.66 bn, an increase of 6.7% YoY. Net profit attributable to TRIC shareholders totaled to NT\$ 309.8 mn, an increase of 14.2%, and basic EPS of NT\$ 0.62 per share, an increase of 10.7% YoY. Excluding one-time expense, net profit from recurring businesses increased 7.1% YoY to NT\$ 283.6 mn in 1Q15, with recurring EPS of NT\$ 0.55 on a fully diluted basis, an increase of 8.7%.

Taiwan retail businesses, including TLW (DIY) and HOLA Taiwan, posted sales of NT\$ 4.70 bn in 1Q15, an increase 7.2% YoY; net profit totaled NT\$ 280 mn, an increase of 23.0% YoY. The result was driven by increasing private label sales mix and operating margin improvement. For 1Q15, private label sales mix for TLW and HOLA Taiwan increased 1.9 ppt and 4.4 ppt to 8.7% and 15.6% respectively, and operating margin improved 1.1 ppt to 6.8%, compared to 1Q14. HOLA China sale increased 2.6% YoY to NT\$ 1.08 bn in 1Q15. However, HOLA China reported net loss of NT\$ 30.2 mn in the quarter, as result of higher operating expenses and stores opening expense for 3 new stores opened in 1Q15. 18 HOLA China stores were profitable in 1Q15 versus 19 profitable stores in 1Q14.

As of 1Q15, we operate 26 TLW (DIY) stores in Taiwan, 23 HOLA stores in Taiwan and 38 HOLA stores in China, respectively. At the end of 1Q14, we operated 26 TLW (DIY) stores and 22 HOLA stores in Taiwan, and 33 HOLA stores in China.

Sales of our trading business totaled NT\$ 3.44 bn in 1Q15, an increased 5.7% YoY, driven by the sustained recovery of U.S. housing and automotive market and our acquisitions of German trading companies in December 2014. Net profit for trading business increased 4.4% YoY to NT\$ 131.6mn in 1Q15.

Please see Figure 1 for our 1Q15 consolidated P&L.

Sophia Tong
Group CEO
TEL: 886-2-8791-5888

Hannis Chang
CFO & Deputy Spokesperson
TEL: 886-2-8791-5888

For further information, please contact
Jack Chang
Spokesperson/ IR Officer:
TEL: 886-2-8791-5349
Email : investor@testritegroup.com

Charity Lin
Investor Relations Office
TEL: 886-2-8791-5888 ext.6270



Figure 1 –Test-Rite IFRS based consolidated sales and profit by BU for 1Q15

Consolidated sales by BU (NT\$m)	1Q15	1Q14	YoY%
Taiwan Retail ▲	4,700.9	4,383.5	7.2%
HOLA China ^	1,080.1	1,052.9	2.6%
Trading ◎	3,439.5	3,254.4	5.7%
Others #	435.2	361.7	20.3%
Consolidated Sales	9,655.8	9,052.5	6.7%

Consolidated net profit by BU (NT\$m)	1Q15	1Q14	YoY%
Taiwan Retail ▲	280.3	227.9	23.0%
HOLA China ^	-30.2	0.7	NA
Trading ◎	131.6	126.1	4.4%
Others #	-71.9	-83.3	-13.7%
Consolidated Net Profit	309.8	271.4	14.2%
Consolidated Recurring Net Profit	283.6	264.9	7.1%

◎ Trading included Great China, TRPC, SO/RO, and related party transactions write-off.

▲ Taiwan Retail included TLW (DIY), DÉCOR House, Hola Taiwan, and TTS.

^ HOLA China only included HOLA China.

Others included Life 1 Plaza, TRR others, Chung Cin, group office expense, and gain on sale and leaseback

Figure 2 –Test-Rite IFRS based consolidated P&L for 1Q15

NT\$ mn	1Q15	1Q14	YoY%
Consolidated sales	9,655.8	9,052.5	6.7%
COGS	-6,626.0	-6,369.1	4.0%
Gross profit	3,029.9	2,683.4	12.9%
Operating Expense	-2,651.3	-2,348.1	12.9%
Operating profit	378.5	335.3	12.9%
Non-operating income/loss	10.8	-11.9	NA
Pre-tax profit	389.3	323.4	20.4%
Net profit	309.8	277.4	11.7%
Other net profit	-62.2	8.4	NA
Total net profit	247.6	285.8	-13.4%
Net profit attribute to TRIC shareholders	309.8	271.4	14.2%
Recurring net profit attribute to TRIC shareholders*	283.6	264.9	7.1%
Basic EPS(Aft-tax)	0.62	0.56	10.7%
Diluted EPS(Aft-tax)	0.62	0.56	10.8%
Fully-diluted EPS(Aft-tax)	0.60	0.52	15.9%
Recurring fully-diluted EPS(Aft-tax)*	0.55	0.51	8.7%
Gross margin	31.4%	29.6%	
Operating margin	3.9%	3.7%	
Pretax margin	4.0%	3.6%	
Net margin	3.2%	3.0%	

* Recurring net profit exclude FOREX and one-time expense. FOREX contribution for 1Q15 and 1Q14 was NT\$ 29.2 mn and NT\$ 6.5 mn; M&A and store closing related one-time expense for 1Q15 was NT\$ 3mn