



TAITRON Components Incorporated

“ The Discrete Super Store ”

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FOR IMMEDIATE RELEASE

TAITRON REPORTS FIRST QUARTER RESULTS

LOS ANGELES, California — May 6, 2003 — Taitron Components Incorporated (Nasdaq:TAIT) today announced financial results for its first quarter ended March 31, 2003. Net sales for the quarter were \$3,155,000, a decrease of 15% compared with net sales of \$3,706,000 for the same period last year. Net income was \$6,000 or \$.00 net income per basic and diluted share as compared with a net loss of \$193,000 or \$.03 net loss per basic and diluted share for the same period last year.

Stewart Wang, president and chief executive officer, said, “While the first quarter of 2003 net sales results were lower than 2002, gross profit, as a percentage of net sales increased to 31%, as compared to 28% for the same period last year. Additionally, we have now reported our third consecutive quarterly profit. While the prior quarters were primarily from one-time and non-recurring transactions, the current quarter is primarily the successful result of decreasing our Selling, General and Administrative expenses from our aggressive cost cutting efforts.”

Commenting on business conditions and the outlook for the remainder of 2003, Mr. Wang added “The overall business environment for the electronic component distribution market continues to be very challenging for both component manufacturers and franchise distributors in the United States. Last year, we saw many OEMs in the U.S. either outsource their products or move their production facilities overseas. From a strategic point of view, we are trying to develop new business strategies to consistently achieve and increase profitability. For example, we are developing a new engineering service business, to support our existing OEM and CEM customers in outsourcing their product design and assembly work offshore. We are cautiously optimistic about the existing component distribution business and we are also enthusiastic about developing our future engineering services business.”

(more)

Taitron, based in Valencia, California, is the “Discrete Components Superstore.” The Company distributes a wide variety of transistors, diodes and other discrete semiconductors, optoelectronic devices and passive components utilized by other electronic distributors, original equipment manufacturers and contract electronic manufacturers.

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Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995: Any statements set forth above that are not historical facts are forward-looking statements that involve risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements projected. Potential risks and uncertainties include, but are not limited to, such factors as general economic conditions, fluctuations in product demand and market acceptance, the Company's ability to maintain customer and vendor relationships, technological advancements, impact of competitive products and pricing, risks of foreign operations, and other information detailed from time to time in the Company's reports filed or to be filed with the United States Securities and Exchange Commission. The Company urges all interested parties to read these reports to gain a better understanding of the many business and other risks that the Company faces. Additionally, the Company undertakes no obligation to publicly release the results of any revisions to these forward-looking statements, which may be made to reflect events or circumstances occurring after the date hereof or to reflect the occurrence of unanticipated events.

(financial table follows)

TAITRON COMPONENTS INCORPORATED

Consolidated Condensed Statements of Operations (Unaudited)

(Dollars in thousands, except per share amounts)

	Three months ended March 31,	
	2003	2002
	(Unaudited)	(Unaudited)
Net sales	\$ 3,155	\$ 3,706
Cost of goods sold	<u>2,188</u>	<u>2,683</u>
Gross profit	967	1,023
Selling, general and administrative expenses	<u>849</u>	<u>1,196</u>
Operating income (loss)	118	(173)
Interest expense, net	(108)	(124)
Other (expense) income, net	<u>(4)</u>	<u>89</u>
Income (loss) before income taxes	6	(208)
Income tax provision (benefit)	<u>-</u>	<u>(15)</u>
Net income (loss)	<u>\$ 6</u>	<u>\$ (193)</u>
Net income (loss) per share		
Basic	<u>\$ -</u>	<u>\$ (.03)</u>
Diluted	<u>\$ -</u>	<u>\$ (.03)</u>
Weighted average common shares outstanding		
Basic	<u>5,659,683</u>	<u>5,653,468</u>
Diluted	<u>6,066,101</u>	<u>5,653,468</u>