



# TAITRON Components Incorporated

*“ The Discrete Super Store ”*

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FOR IMMEDIATE RELEASE

## TAITRON REPORTS THIRD QUARTER 2003 RESULTS

LOS ANGELES, California — November 12, 2003 — Taitron Components Incorporated (NASDAQ-SCM: TAIT) today announced financial results for its third quarter ended September 30, 2003.

The Company reported net sales of \$2,069,000, for the quarter ended September 30, 2003, a decrease of 39% compared with \$3,389,000 for the same quarter a year earlier. The Company also reported net earnings of \$222,000 or \$0.04 earnings per basic and diluted share for the quarter ended September 30, 2003, compared with net earnings of \$144,000, or \$0.03 earnings per basic and \$0.02 per diluted share for the same quarter last year.

Stewart Wang, president and chief executive officer, said, “While our third quarter net sales results were disappointing and lower than expected, we continue to be optimistic about Taitron’s long-term growth strategy of evolving from not only order fulfillment, but the additional value-added role of engineering services, to support our existing OEM and CEM customers in outsourcing their product design and assembly work offshore.”

He also added that, “Although we reported a quarterly net income, this resulted primarily from recognizing a \$663,000 gain from sale of our former warehouse facility. We plan to continue efforts of cost cutting, reducing our inventory levels, repaying outstanding debt and disposing of non-performing assets.”

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 original equipment manufacturers and contract electronic manufacturers, as well as distributed through other electronic distributors.

(more)

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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**  
Condensed Consolidated Statements of Operations  
(Dollars in thousands, except per share amounts)

	Three months ended September 30,		Nine months ended September 30,	
	<u>2003</u> (Unaudited)	<u>2002</u> (Unaudited)	<u>2003</u> (Unaudited)	<u>2002</u> (Unaudited)
Net sales	\$ 2,069	\$ 3,389	\$ 7,548	\$ 10,674
Cost of goods sold	<u>1,451</u>	<u>2,396</u>	<u>5,233</u>	<u>7,724</u>
Gross profit	618	993	2,315	2,950
Selling, general and administrative expenses	<u>739</u>	<u>955</u>	<u>2,356</u>	<u>3,319</u>
Operating (loss) earnings	(121)	38	(41)	(369)
Gain on sale of assets	663	-	663	-
Interest expense, net	(89)	(112)	(288)	(343)
Other (expense) income, net	<u>(11)</u>	<u>218</u>	<u>22</u>	<u>357</u>
Earnings (loss) before income taxes	442	144	356	(355)
Income tax provision <sup>(1)</sup>	<u>220</u>	<u>-</u>	<u>220</u>	<u>437</u>
Net earnings (loss)	\$ <u>222</u>	\$ <u>144</u>	\$ <u>136</u>	\$ <u>(792)</u>
Earnings (loss) per share				
Basic	\$ <u>0.04</u>	\$ <u>0.03</u>	\$ <u>0.02</u>	\$ <u>(0.14)</u>
Diluted	\$ <u>0.04</u>	\$ <u>0.02</u>	\$ <u>0.02</u>	\$ <u>(0.14)</u>
Weighted average common shares outstanding				
Basic	<u>5,649,183</u>	<u>5,711,869</u>	<u>5,660,839</u>	<u>5,693,885</u>
Diluted	<u>6,070,183</u>	<u>6,324,527</u>	<u>6,075,839</u>	<u>5,693,885</u>

(1) Net of one time charge for fully reserving deferred income taxes in the amount of \$492,000 in the second quarter of 2002.