



**Taitron Components Inc.**  
28040 W. Harrison Parkway  
Valencia, CA 91355  
(661) 257-6060  
Steven Dong, CFO and Secretary  
Stewart Wang, CEO and President

**Coffin Communications Group**  
15300 Ventura Boulevard, Suite 303  
Sherman Oaks, CA 91403  
(818) 789-0100  
Sean Collins, Vice President  
William Coffin, President

FOR IMMEDIATE RELEASE

### **TAITRON REPORTS SECOND QUARTER RESULTS**

LOS ANGELES, California — August 13, 2002 — Taitron Components Incorporated (Nasdaq:TAIT) today announced financial results for its second quarter ended June 30, 2002.

The Company reported net sales of \$3,579,000, for the quarter ended June 30, 2002, compared with \$4,152,000 for the same quarter a year earlier. The Company also reported a net loss of \$ 743,000 or \$0.13 loss per basic and diluted share for the quarter ended June 30, 2002, compared with net loss of \$364,000, or \$0.06 loss per basic and diluted share for the same quarter last year.

Stewart Wang, president and chief executive officer, said, “The second quarter continued to be much of the same experience as our first quarter this year. Sequentially, our second quarter revenues were lower than the first quarter with our net loss sequentially increasing. However, we continue to show sequential improvements of decreasing our Selling, General and Administrative expenses related to continuous efforts of cost cutting to achieve our break even point. Additionally, due to the continued net losses, the Company has fully reserved it’s deferred tax asset by taking a one time charge of \$492,000 during the second quarter. The one time charge caused an unexpected increase to the Company’s tax provision.”

He added that despite the continued decrease in business, the Company is fortunate to have more than \$24 million of equity to assist the Company during this difficult time. Although it is very difficult to know when a recovery may begin, the Company’s financial position remains solid.

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)

# # #

*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**

Statements of Operations (Unaudited)

(Dollars in thousands, except per share amounts)

	Three months ended June 30,		Six months ended June 30,	
	2002	2001	2002	2001
Net sales	\$ 3,579	\$ 4,152	\$ 7,285	\$ 9,676
Cost of goods sold	2,645	3,046	5,328	6,933
Gross profit	934	1,106	1,957	2,743
Selling, general and administrative expenses	1,168	1,352	2,364	2,857
Operating loss	(234)	(246)	(407)	(114)
Interest expense, net	107	199	231	446
Other income, net	(50)	(36)	(139)	(53)
Loss before income taxes	(291)	(409)	(499)	(507)
Income tax provision (benefit) <sup>(1)</sup>	452	(45)	437	(69)
Net loss	\$ (743)	\$ (364)	\$ (936)	\$ (438)
Basic loss per share	\$ (0.13)	\$ (0.06)	\$ (0.17)	\$ (0.08)
Diluted loss per share	\$ (0.13)	\$ (0.06)	\$ (0.17)	\$ (0.08)
Basic weighted average shares outstanding	5,716,319	5,685,115	5,684,894	5,703,011
Diluted weighted average shares outstanding	5,716,319	5,685,115	5,684,894	5,703,011

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