



RAKON UPDATE ON CURRENT TRADING

Auckland: 24 August 2012 (RAK): Technology company Rakon is optimistic but cautious about the 2013 financial year, with slowly strengthening demand across its market sectors, said Managing Director Brent Robinson.

Speaking ahead of the company's Annual Shareholders' Meeting on September 7, he said the consumer market, fuelled by growth in sales of smartphones and tablets, has continued to grow and this is reflected in a corresponding growth in those sales by Rakon. However the competitive market environment means margins remain tight.

The telecommunications infrastructure market remains below expectation and that of the prior year. Mr Robinson said Rakon experienced the beginnings of a recovery in this market at the end of the last financial year, but it has not continued to grow at the expected pace, as the global economic environment causes operators to delay spending despite the growth in data. In spite of this, Rakon remains optimistic for the future, continuing to increase share within its existing customer basis due to its broadening product range.

Mr Robinson also highlighted the recently- announced deal with Huawei as providing significant future growth potential.

Reflecting on overall market conditions, Rakon expects FY13 EBITDA to be ahead of FY12 with a likely EBITDA range of NZ\$14 to NZ\$16 million. "If we achieve the midpoint of that range it will be an 18% increase in profit over last year," Mr Robinson said. -ends-

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