



FIRST QUARTER NEWS RELEASE

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 (www.namtai.com) or the SEC website
 (www.sec.gov) for Nam Tai press releases
 and financial statements.

NAM TAI ELECTRONICS, INC. Q1 2011 Sales up 104%, Net Income \$2.0 million

SHENZHEN, PRC – May 9, 2011 – Nam Tai Electronics, Inc. (“Nam Tai” or the “Company”) (NYSE Symbol: NTE) today announced its unaudited results for the first quarter ended March 31, 2011.

KEY HIGHLIGHTS

(In thousands of US Dollars, except per share data, percentages and as otherwise stated)

	Quarterly Results (unaudited)		
	Q1 2011	Q1 2010	YoY(%) ^(b)
Net sales	\$161,896	\$79,266	104
Gross profit	\$8,215	\$6,503	26
<i>% of sales</i>	5.1%	8.2%	-
Operating income (loss)	\$244	(\$577)	-
<i>% of sales</i>	0.2%	(0.7%)	-
<i>Per share (diluted)</i>	\$0.01	(\$0.01)	-
Net income (loss) ^(a)	\$2,018	(\$1,097)	-
<i>% of sales</i>	1.2%	(1.4%)	-
Basic earnings (loss) per share	\$0.05	(\$0.02)	-
Diluted earnings (loss) per share	\$0.04	(\$0.02)	-
Weighted average number of shares ('000)			
<i>Basic</i>	44,804	44,804	
<i>Diluted</i>	44,849	44,810	

Notes:

(a) Net income of the three months ended March 31, 2011 included interest income of \$0.6 million, exchange gain of \$0.4 million and a deferred tax credit of \$0.9 million arising from the tax losses of Wuxi FPC (“Flexible Printed Circuit”) business, whereas the actual utilization of such deferred tax asset depends on future profit streams of that business.

(b) Percentage change is not applicable if either of the two periods contains a loss.

In addition to disclosing results determined in accordance with accounting principles generally accepted in the United States (“US GAAP”) as set forth in the table above, management utilizes a measure of operating income / (loss), net income / (loss) and earnings (loss) per share on a non-GAAP basis that excludes certain income and expenses to better assess operating performance. Those non-GAAP financial measures exclude certain items, such as employee severance benefits in PRC subsidiaries. By disclosing the non-GAAP information, management intends to provide investors with additional information to analyze the Company’s performance, core results and underlying trends. Non-GAAP information is not determined using US GAAP; therefore, the information is not necessarily comparable to other companies and should not be used to compare the Company’s performance over different periods. Non-GAAP information should not be viewed as a substitute for, or superior to, net income/(loss) or other financial data prepared in accordance with US GAAP as measures of our operating results or liquidity. Users of this financial information should consider the types of events and transactions for which adjustments have been made.

For first quarter 2011, there was no significant reconciling item between GAAP and Non-GAAP Operating Income and Net Income.

SUPPLEMENTARY INFORMATION (UNAUDITED) IN THE FIRST QUARTER OF 2011

1. Quarterly Sales Breakdown

(In thousands of US Dollars, except percentage information)

Quarter	2011	2010	YoY(%) (Quarterly)	YoY(%) (Quarterly accumulated)
1 st Quarter	161,896	79,266	104.2	104.2
2 nd Quarter	-	113,912		
3 rd Quarter	-	174,744		
4 th Quarter	-	166,498		
Total	161,896	534,420		

2. Breakdown of Net Sales by Product Segment (as a percentage of Total Net Sales)

	2011	2010
Segments	Q1 (%)	Q1 (%)
Key Components Assembly – Telecommunications (“TCA”)	85	79
Consumer Electronic and Communication Products (“CECP”)	15	21
	100	100

Prior to year 2009, the Company operated in three reportable segments - telecommunication components assembly (“TCA”), consumer electronics and communication products (“CECP”), and LCD products (“LCDP”). In 2010, pursuant to merger of the Company’s two PRC subsidiaries represented by LCDP and TCA segments into one Shenzhen subsidiary in 2010, the chief operating decision maker reviews the segment results of two business segments (TCA and CECP) when making decisions about allocating resources and assessing performance. The change in segment reporting was due to the following:

- Most of the LCDP business has been LCD module assembly for telecommunication products in 2010, which is similar to the business operated by TCA. In view of the similarity of the products, the Company has merged the LCDP segment into the TCA segment;
- After the merger, all the TCA business is run by one management team;
- The Company discontinued CECP production for bluetooth headsets and calculators with two major box-built customers in the fourth quarter 2010. Should the CECP segment falls below the threshold prescribed under Financial Accounting Standard Board (“FASB”) Accounting Standards Codification (“ASC”) 280-10-50-12, management may aggregate this segment to TCA; and
- In 2010, the Flexible Printed Circuit Board (“FPCB”) business was too small to be designated as a separate business segment. In addition, FPCB is regarded as WIP (“work in progress”) for internal use by the Company, i.e. it is manufactured for a more value adding process, FPC assembling.

The segment information in first quarter of 2010 has been restated in order to conform to the change in presentation of segment reporting in 2011 in accordance with FASB ASC 280-10-50-34. The results of the former LCDP segment were included in the TCA segment in first quarter of 2010.

From 2011, the Company intends to focus its business on key components assembling for telecommunication products and businesses that are stable in growth and margins, befitting the long term business strategy of the Company.

3. Key Highlights of Financial Position

	<i>As at March 31,</i>		<i>As at December 31</i>
	2011	2010	2010
Cash on hand	\$213.6 million	\$196.8 million	\$228.1 million
Ratio of cash to current liabilities	1.84	3.02	1.98
Current ratio	2.91	4.11	2.93
Ratio of total assets to total liabilities	3.87	5.91	3.86
Return on Nam Tai shareholders' equity	2.4%	(1.3%)	4.5%
Ratio of total liabilities to total equity	0.35	0.20	0.35
Debtors turnover	49 days	59 days	51 days
Inventory turnover	17 days	18 days	22 days
Average payable period	53 days	62 days	64 days

OPERATIONS REVIEW

Momentum of fourth quarter 2010 carried into first quarter 2011 and the Company achieved similar sales of \$161.9 million in first quarter 2011, up 104% compared with first quarter 2010. Gross profit of \$8.2 million in the first quarter 2011 grew by 26% when compared with \$6.5 million in the same quarter last year. However, gross profit margin in first quarter of 2011 decreased to 5.1%, down from 8.2% in the first quarter of 2010. The decrease in gross profit margin was mainly due to three reasons. First, product mix, box built products with higher gross margin such as Bluetooth headset and calculators were discontinued. Second, increased labor cost, increases in basic wages for labor since last year continue to affect margins in first quarter 2011. Third, startup costs, operating losses at the Company's facility in Wuxi completed in 2009 continued although the Wuxi site began manufacture and assembly of flexible printed circuit boards in 2010. Nevertheless, due to increased sales, the Company earned net income of \$2.0 million, compared with the loss of \$1.1 million for the first quarter of last year.

By the time the earthquake occurred in Japan on March 11, 2011, the Company had received most materials required to support March sales. So the impact of the earthquake disaster on first quarter sales revenue was small.

EXPANSION PROJECTS

Currently, the Company has two separate projects planned for expansion, both of which depend upon prompt action and cooperation of local PRC government.

Following the report in the fourth quarter 2010, the raw land in Guangming Hi-Tech Industrial Park, Shenzhen, PRC, approximately 30 minutes driving distance from its existing facilities in Gushu, Shenzhen and approximately one hour driving distance from Hong Kong, has not yet been delivered to the Company. The local Government has not indicated when the land will be released. The Company continues to pursue.

The Company's second expansion project involves acquisition of land use rights for approximately 500,000 square feet of raw land adjacent to the Company's operational manufacturing facility in Wuxi in order to construct structures, such as dormitories, canteen, labor activity center, research laboratory, and testing and training centers, to support operations at the Wuxi manufacturing facility. The local Wuxi government has indicated that it strongly supports the Company's planned expansion and development.

COMPANY OUTLOOK

The Japanese earthquake is expected to affect performance of the Company in 2011. The Company produces mainly LCD modules and telecommunications subassemblies for Japanese multi-national corporations (MNCs). Key components are manufactured in Japan, and shortages of those components could unfavorably impact revenues in the coming quarters. Most recent inputs from key component suppliers suggest an impact of up to 20% of the Company's performance. The situation remains unstable and the extent of the damage to the supply chain is still unclear. The Company is working with suppliers and customers to qualify alternate materials and sourcing to stabilize the situation and to reduce exposure to component shortages in a long term. It is anticipated the situation will be clearer towards the end of second quarter (end of June 2011) or earlier. The Company will release updates on this situation as additional information becomes available.

Although the earthquake in Japan has impacted some electronic materials and component supplies, long term global demand has generally not decreased. The Company continues to expand manufacturing capacity significantly to meet growing demand for LCD modules for applications in market segments of telecommunications, such as smart phones and tablets. The Company is also actively pursuing new product segments within core capabilities, and developing new customer bases outside of Japan.

With increasing inflation and appreciation of the PRC renminbi, the Company anticipates growing labor cost pressure on margins. The Company will focus on controlling cost to sustain the profitability while also investing in new technology to improve efficiencies and capabilities to make state of the art products.

PAYMENT OF QUARTERLY DIVIDENDS FOR 2011

As announced on November 1, 2010, the Company resumed payment of quarterly dividends in 2011. The following table repeats and updates the previously announced schedule for declaration and payment of quarterly dividends in 2011.

Quarterly Payment	Record Date	Payment Date	Dividend (per share)	Status
Q1 2011	December 31, 2010	January 20, 2011	\$0.05	PAID
Q2 2011	March 31, 2011	April 20, 2011	\$0.05	PAID
Q3 2011	June 30, 2011	July 20 - 31, 2011	\$0.05	
Q4 2011	September 30, 2011	October 20 - 31, 2011	\$0.05	
Total for Full Year 2011			\$0.20	

The Company's resumption of dividend payments for 2011 does not necessarily mean that dividend payments will continue thereafter. Whether future dividends will be declared will depend upon the Company's future growth and earnings, of which there can be no assurance, and the Company's cash flow needs for future expansion. Accordingly, there can be no assurance that cash dividends on the Company's common shares will be declared beyond those declared for 2011, what the amounts of such dividends will be or whether such dividends, once declared for a specific period will continue for any future period, or at all.

ANNUAL GENERAL MEETING

The Company's 2011 Annual General Meeting has been scheduled to be held at 11:30 a.m. (Pacific Daylight Time) on Friday, June 10, 2011 at the following venue:

The Library, Mandarin Oriental Hotel
222 Sansome Street, San Francisco,
California 94104, USA

The record date for determining shareholders entitled to vote at its 2011 annual meeting was April 28, 2011 and that proxy materials will be released to shareholders on or about May 10, 2011.

PROPOSED SCHEDULE OF RELEASE OF QUARTERLY FINANCIAL RESULTS FOR Q2 to Q4 2011

Announcements of Financial Results	
Quarter	Date of release
Q2 2011	August 1, 2011 (Mon)
Q3 2011	October 31, 2011 (Mon)
Q4 2011	February 13, 2012 (Mon)

FORWARD-LOOKING STATEMENTS AND FACTORS THAT COULD CAUSE OUR SHARE PRICE TO DECLINE

Express or implied statements in this press release, such as the statements included in “Expansion Projects” and “Company Outlook,” particularly management’s intention to focus its business on key components assembly for telecommunication products and expectations expressed regarding the action and cooperation of the local PRC government as to our expansion projects in Shenzhen and Wuxi; assessment of the impact of the Japanese earthquake on the performance of the Company in 2011, in particular the damage to the supply chain and impact on the supply of key components along with expectations as to when that situation will become more clear and long term global demand despite the earthquake; expansion of manufacturing capacity to meet growing demand for LCD modules; development of new product segments and new customer bases; perception of increasing inflation and appreciation of PRC renminbi; and the Company’s ability to control costs and to invest in new technology are “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Actual results could differ materially from those projected in these forward-looking statements as a result of a number of factors, including deterioration of the markets for the Company’s customers’ products and the global economy as a whole, which could negatively impact the Company’s revenue and the ability of the Company’s customers to pay for the Company’s products; customer bankruptcy filings; the sufficiency of the Company’s cash position and other sources of liquidity to operate its business; competition negatively impacting the Company’s revenues and margins; and one or more of the factors discussed in “Item 3. Key Information — Risk Factors” in the Company’s Annual Report on Form 20-F for the year ended December 31, 2010 as filed on March 16, 2011 with the Securities and Exchange Commission.

For further information regarding risks and uncertainties associated with Nam Tai’s business, operating results or financial condition, please refer to the “Operating and Financial Review and Prospects,” “Management’s Discussion and Analysis of Results of Operations and Financial Condition” and “Risk Factors” sections of Nam Tai’s SEC filings, including, but not limited to, its annual reports on Form 20-F and Reports on Form 6-K containing releases of Nam Tai’s quarterly financial results, copies of which may be obtained from Nam Tai’s website at <http://www.namtai.com> or from the SEC’s EDGAR website at <http://www.sec.gov>.

All information in this press release is as of May 9, 2011 in Shenzhen of the People's Republic of China except as otherwise indicated. Nam Tai does not undertake any duty, and should not be expected, to update any forward-looking statement to conform the statement to actual results or changes in Nam Tai’s expectations, unless so required by law.

ABOUT NAM TAI ELECTRONICS, INC.

We are an electronics manufacturing and design services provider to a select group of the world’s leading OEMs of telecommunications, consumer electronic, medical and automotive products. Through our electronics manufacturing services operations, we manufacture electronic components and subassemblies, including LCD panels, LCD modules, FPC subassemblies and image-sensor modules and PCBAs for headsets containing Bluetooth® wireless technology.¹ These components are used in numerous electronic products, including mobile phones, laptop computers, digital cameras, electronic toys, handheld video game devices, and entertainment devices. We also manufacture finished products, including mobile phone accessories, home entertainment products and educational products. We assist our OEM customers in the design and development of their products and furnish full turnkey manufacturing services that utilize advanced manufacturing processes and production technologies.

¹ The Bluetooth® word mark and logos are owned by the Bluetooth SIG, Inc. and any use of such marks by Nam Tai is under license.

NAM TAI ELECTRONICS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE PERIODS ENDED MARCH 31, 2011 AND 2010
(In Thousands of US Dollars except share and per share data)

	Unaudited Three months ended March 31	
	2011	2010
Net sales	\$ 161,896	\$ 79,266
Cost of sales	<u>153,681</u>	<u>72,763</u>
Gross profit	8,215	6,503
Costs and expenses		
General and administrative expenses	5,462	4,526
Selling expenses	1,660	1,071
Research and development expenses	849	1,483
	<u>7,971</u>	<u>7,080</u>
Operating income (loss)	244	(577)
Other income (expenses), net	541	(170)
Interest income	<u>646</u>	<u>279</u>
Income (loss) before income tax	1,431	(468)
Income tax credit (expenses) ⁽¹⁾	<u>587</u>	<u>(629)</u>
Net income (loss)	<u>\$ 2,018</u>	<u>\$ (1,097)</u>
Earnings (loss) per share		
Basic	<u>\$ 0.05</u>	<u>\$ (0.02)</u>
Diluted	<u>\$ 0.04</u>	<u>\$ (0.02)</u>
Weighted average number of shares ('000)		
Basic	<u>44,804</u>	44,804
Diluted	<u>44,849</u>	44,810

Note:

(1) Income tax credit of the three months ended March 31, 2011 included a deferred tax credit of \$0.9 million arising from the tax losses of Wuxi FPC ("Flexible Printed Circuit") business, whereas the actual utilization of such deferred tax asset depends on future profit streams of that business.

NAM TAI ELECTRONICS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
AS AT MARCH 31, 2011 AND DECEMBER 31, 2010
(In Thousands of US Dollars)

	Unaudited <i>March 31</i> 2011	Audited <i>December 31</i> 2010
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 213,551	\$ 228,067
Accounts and notes receivable, net	86,753	74,176
Inventories	27,961	29,058
Prepaid expenses and other receivables	8,688	5,719
Deferred tax assets – current	179	376
Income tax recoverable	105	105
Total current assets	337,237	337,501
Property, plant and equipment, net	89,436	88,895
Land use rights	12,206	12,264
Deposits for property, plant and equipment	1,278	477
Goodwill	2,951	2,951
Deferred tax assets-non current	9,824	8,423
Other assets	375	269
Total assets	\$ 453,307	\$ 450,780
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 89,998	\$ 84,590
Accrued expenses and other payables	16,867	17,484
Dividend payable	6,721	8,961
Income tax payable	2,190	4,232
Total current liabilities	115,776	115,267
Deferred tax liabilities	1,379	1,379
Total liabilities	117,155	116,646
EQUITY		
Nam Tai shareholders' equity:		
Common shares	448	448
Additional paid-in capital	286,943	286,943
Retained earnings	48,769	46,751
Accumulated other comprehensive loss	(8)	(8)
Total shareholders' equity	336,152	334,134
Total liabilities and shareholders' equity	\$ 453,307	\$ 450,780

NAM TAI ELECTRONICS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2011 AND 2010
(In Thousands of US Dollars)

	Unaudited Three months ended March 31	
	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Consolidated net income (loss)	\$ 2,018	\$ (1,097)
<i>Adjustments to reconcile consolidated net income (loss) to net cash (used in) provided by operating activities:</i>		
Depreciation and amortization of property, plant and equipment and land use rights	4,711	6,437
Loss (gain) on disposal of property, plant and equipment	3	(22)
Deferred income taxes	(1,204)	243
Unrealized exchange gain	(666)	-
<i>Changes in current assets and liabilities:</i>		
(Increase) decrease in accounts and notes receivable	(12,577)	6,976
Decrease in inventories	1,097	1,567
Increase in prepaid expenses and other receivables	(2,969)	(759)
Decrease in notes payable	-	(691)
Increase (decrease) in accounts payable	5,408	(9,564)
(Decrease) increase in accrued expenses and other payables	(167)	1,551
Decrease in income tax payable	(2,042)	(259)
Total adjustments	(8,406)	5,479
Net cash (used in) provided by operating activities	\$ (6,388)	\$ 4,382
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	\$ (5,647)	\$ (3,080)
Increase in deposits for purchase of property, plant and equipment	(801)	(170)
Increase in other assets	(106)	-
Proceeds from disposal of property, plant and equipment	-	61
Decrease in fixed deposits maturing over three months	-	12,903
Net cash (used in) provided by investing activities	\$ (6,554)	\$ 9,714
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash dividends paid	\$ (2,240)	\$ -
Net cash used in financing activities	\$ (2,240)	\$ -
Net (decrease) increase in cash and cash equivalents	(15,182)	14,096
Cash and cash equivalents at beginning of period	228,067	182,722
Effect of exchange rate changes on cash and cash equivalents	666	-
Cash and cash equivalents at end of period	\$ 213,551	\$ 196,818

NAM TAI ELECTRONICS, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIODS ENDED MARCH 31, 2011 AND 2010

(In Thousands of US Dollars)

1. Accumulated other comprehensive loss represents foreign currency translation adjustments. The comprehensive income was \$2,018 for the three months ended March 31, 2011, and the comprehensive loss was \$1,097 for the three months ended March 31, 2010.
2. Business segment information – The Company operates primarily in two segments, Key Components Assembly – Telecommunications (“TCA”) segment and the Consumer Electronic Communication Products (“CECP”) segment.

	Unaudited Three months ended March 31	
	2011	2010
NET SALES :		
- TCA	\$ 137,319	\$ 62,079
- CECP	24,577	17,187
Total net sales	<u>\$ 161,896</u>	<u>\$ 79,266</u>
NET INCOME (LOSS):		
- TCA	\$ 1,332	\$ (982)
- CECP	1,600	870
- Corporate	(914)	(985)
Total net income (loss)	<u>\$ 2,018</u>	<u>\$ (1,097)</u>

	Unaudited Mar. 31, 2011	Audited Dec. 31, 2010
IDENTIFIABLE ASSETS BY SEGMENT:		
- TCA	\$ 197,652	\$ 197,083
- CECP	54,303	55,569
- Corporate	201,352	198,128
Total assets	<u>\$ 453,307</u>	<u>\$ 450,780</u>

NAM TAI ELECTRONICS, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIODS ENDED MARCH 31, 2011 AND 2010

(In Thousands of US Dollars)

3. A summary of the net sales, net income (loss) and long-lived assets by geographic areas is as follows:

	Unaudited Three months ended March 31	
	2011	2010
NET SALES FROM OPERATIONS WITHIN:		
- PRC, excluding Hong Kong and Macao:		
Unaffiliated customers	\$ 161,896	\$ 79,266
Intercompany sales	547	135
- Intercompany eliminations	(547)	(135)
Total net sales	<u>\$ 161,896</u>	<u>\$ 79,266</u>
NET INCOME (LOSS) FROM OPERATIONS WITHIN:		
- PRC, excluding Hong Kong and Macao	\$ 3,273	\$ (112)
- Hong Kong & Macao	(1,255)	(985)
Total net income (loss)	<u>\$ 2,018</u>	<u>\$ (1,097)</u>
	Unaudited	Audited
	<i>Mar. 31,</i>	<i>Dec. 31,</i>
	2011	2010
LONG-LIVED ASSETS WITHIN:		
- PRC, excluding Hong Kong	\$ 96,824	\$ 101,014
- Hong Kong	4,818	145
Total long-lived assets	<u>\$ 101,642</u>	<u>\$ 101,159</u>