NEWARK, NY -- IEC Electronics today reported fourth-quarter net income fell 23% year-over-year to $2 million despite a 6.3% rise in revenue.

For period ended Sept. 30, the EMS company reported revenue of $37.1 million and net income of $2 million. Operating margins rose 160 basis points to 8.7%.

For its fiscal 2012, IEC reported revenue of $145 million, up 8.8% from last year, and net income of $7.8 million, up 14.7%. For fiscal 2012 excluding a one-time adjustment related to its acquisition of **Southern California Braiding,** the net income was $7.1 million. Operating margins were up 60 basis points to 8.4%. At the end of fiscal 2012, net debt was $25 million, down from $47 million a year ago.

Backlogs as of Sept. 30 were $94.8 million, down from $121.5 million in 2011, mostly due to one customer changing from annual orders to placing orders quarterly. Military backlogs have increased, the contract assembler said.

Chairman and CEO Barry Gilbert stated, "The fourth quarter of fiscal 2012 was a good quarter. We achieved the full year results despite our poor operating margins of 2.8% in the first quarter, which was followed by three strong quarters. We are pleased with the increase in margin as we move toward our long-term goal of operating margins in excess of 9%.

Medical makes up 22% of revenue, military/aerospace represents 43% (down from 56% of revenue in fiscal 2011), and industrial 25% (up from 13%).

IEC forecast revenue growth from existing business of 9% to 14% for fiscal 2013, led by military orders. "For fiscal 2013, none of our customers have informed us that they expect delays in their programs," Gilbert said. "Moreover, none of our customers expect sequestration to impact the platforms we support."

Industrial appears to be under pressure, he added, although IEC's customers continue to grow

and expand their business with IEC.

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