



PRESS RELEASE

VENTURE REPORTS INTERIM NET PROFIT OF S\$111M

SINGAPORE – 6 August 2004 –Venture Corporation Limited (SGX : Venture), a leading global electronics services provider today reported an interim net profit of S\$111m for the six months ended 30 June 2004. This represented an increase of 10% over the corresponding period last year. As a result of the weaker US dollar against the local currency, Group revenue was unchanged at S\$1.38b, although there was a 3.3% increase in US dollar terms. Earnings per share was 42.8 cents, an increase of 1.5 cents over the same period last year.

Mr Wong Ngit Liong, the Group's Chairman and CEO said, "The second-quarter was relatively quiet, as the end-market demand was not very strong. Operationally however, there was no let down on our efficiency. Our operating margin improved from 6.8% in the first quarter to 8% this quarter."

Performance by Market Segment

Demand for products in the various segments was mixed. The printing & imaging (P&I) and computer peripherals & data storage (CP&DS) segments contributed 35% and 38% respectively while the networking & communication (N&C) segment registered a 12% contribution. Products from the "others" category, which includes test and measurement, automotive and medical equipment, contributed the remaining 15%.

Compared to the same period last year, the Group saw a decline in its revenue for the P&I and the CP&DS product segments by 17% and 5% respectively. This was due to softer end-market demand for higher-volume products and delays in new product introductions. Revenue for test and measurement, automotive, and medical equipment, and that for N&C products, rose 66% and 35% respectively due to higher business volume from existing customers, and the addition of new customers in the automotive and medical segments.



The Group continued to enjoy pioneer status and tax incentives for its activities in Singapore, Malaysia and China, resulting in an effective tax rate of 2%, compared to 4% in the first-half of 2003. Net interest income on the other hand, increased from S\$5.1m to S\$7.9m as a result of higher cash balances. With dividend payout to shareholders amounting to S\$42.4m in May, cash and cash equivalents as at 30 June 2004 stood at S\$814m.

Outlook

Looking ahead, Venture expects its business activity in the second half of the year to pick up significantly, partly as a result of the introduction of new products from existing customers, such as multi-function printers, ruggedized PCs, safety devices for automotives, USB mass storage devices and satellite-based communication systems. Along with this, new customers are expected to come on board with products such as large storage system, hard disk drives, host-bus adaptors, transponders, WLAN switches and access points, automated optical inspection and test systems, health monitoring devices, and lighting and air-conditioning control systems for automotives.

The Group is relentlessly enhancing its capability-to-cost ratio around the world. Its hub in Johore (Malaysia) has turned out to be an excellent performer, and the Group is making further commitment to the cluster through its purchase of a 400,000 square-foot facility that it had been leasing since end-2002. The relatively new hub in Shanghai (China) has shown tremendous potential in the past year to become a major cluster, and with the initial facility enjoying full-utilization, Venture has expanded its operations to its second building. Added to this is a new 40,000 square-foot facility in the Shanghai Free Trade Zone that will further support the growth of its e-fulfillment business there. In the US, demand for its high-value added services has been strong, and the Group has expanded its scope of activities to include repair services, systems integration, and box-build. It has also leased an additional 75,000 square-foot facility in Southern California as part of its effort to strengthen the cluster of excellence in the region.

The Group's IT infrastructure has also been enhanced significantly. It recently upgraded its SAP system to version 4.7, and extended it to all its facilities throughout the world. With the implementation of shop-floor management systems such as WIP tracking, detailed scheduling



and simulation systems and material planning, it has further boosted its ability in the handling of high-mix, low-volume business. Along with this, the Group has added global talent to support its long-term growth, and set up specialized teams for activities including the transfer of businesses and products across various facilities, materials procurement, customers audits and advanced manufacturing technologies, to address specific customers' requirements and business needs.

Said Mr Wong, "We continue to be focused on achieving a balanced and sustainable growth over the long-haul. There is a lot more that we can do in terms of growing the business either organically or inorganically, and we are optimistic about the prospects for the medium to long term."

About Venture Corporation

Venture Corporation Limited ranks among the top electronics services providers in the world, and offers comprehensive expertise in electronics manufacturing services (EMS), original design & manufacturing (ODM) and e-fulfillment services (EFS). Founded in 1984, the Venture group comprises about 30 companies with global clusters of excellence in South-East Asia, North-East Asia, the Americas and Europe. Top Fortune 500 companies including HP, Agilent, IBM, Motorola as well as other up-and-coming multi-nationals have selected Venture as their global strategic partner for their long-term manufacturing, engineering, product development and design and supply chain management needs. Venture has received numerous accolades from both its customers and the financial media, bearing testimony to its consistent performance, flawless execution and world-class quality.

More information on Venture Corporation is available at www.venture.com.sg.

###

Media Enquiries :

Alvina Tan
Corporate Communications Manager
+65 6484 8139
alvina.tan@venture.com.sg