



Venture Corporation Limited

2004 Interim Results Briefing

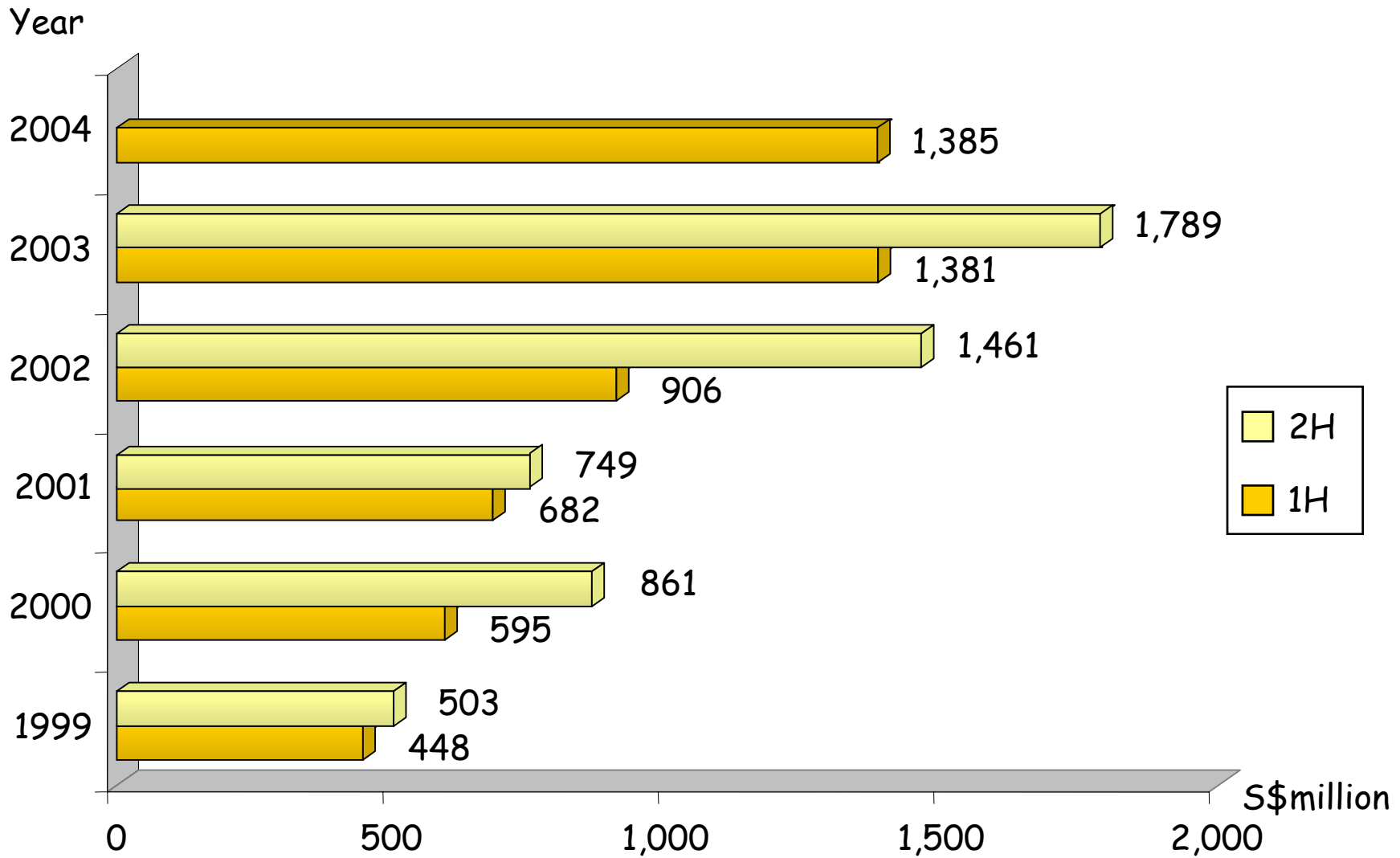
6 August 2004





1H04 Performance Review

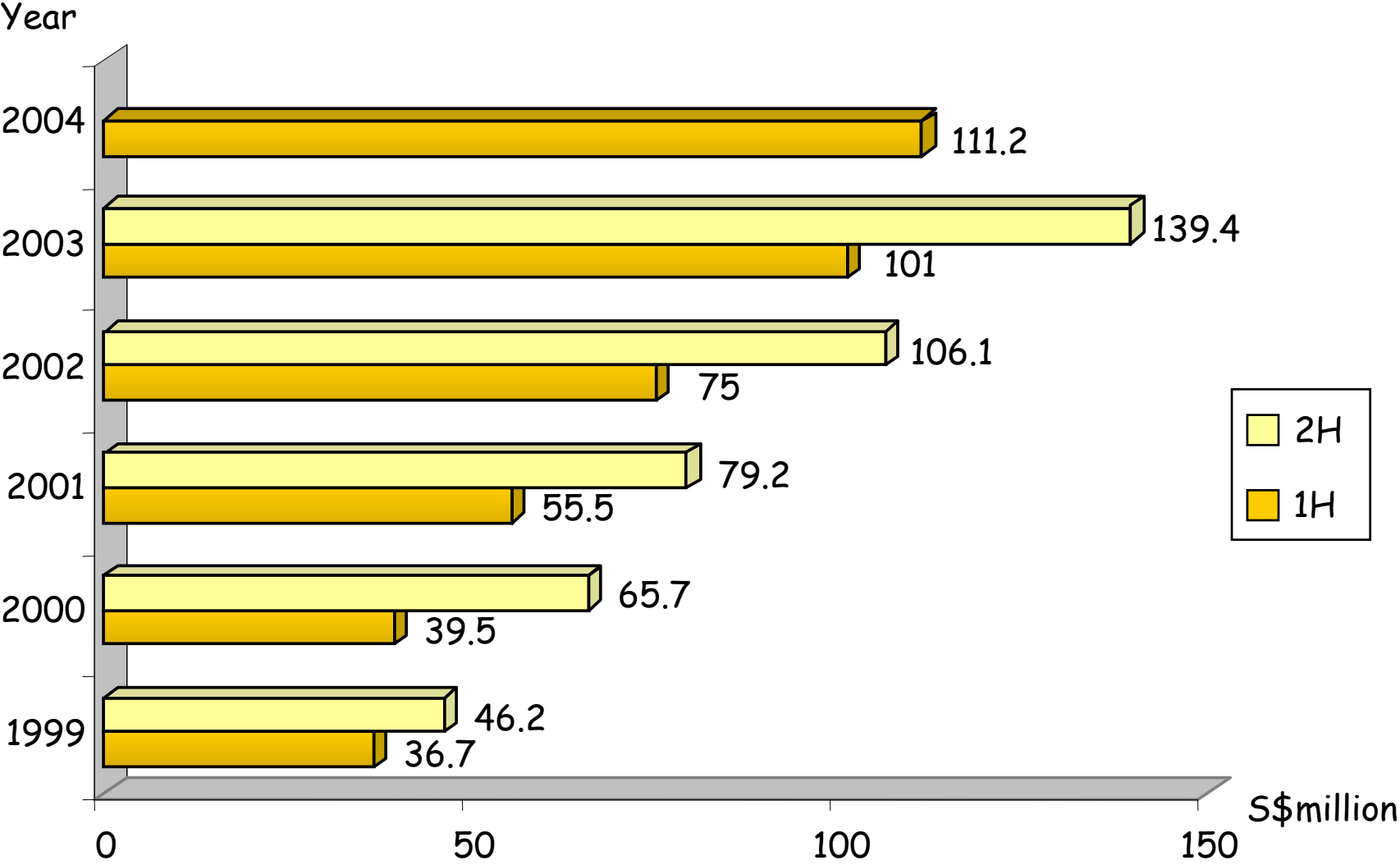
Group Revenue



- Healthy growth in networking & communications, and high-mix instrumentation business
 - *higher business volume from existing customers*

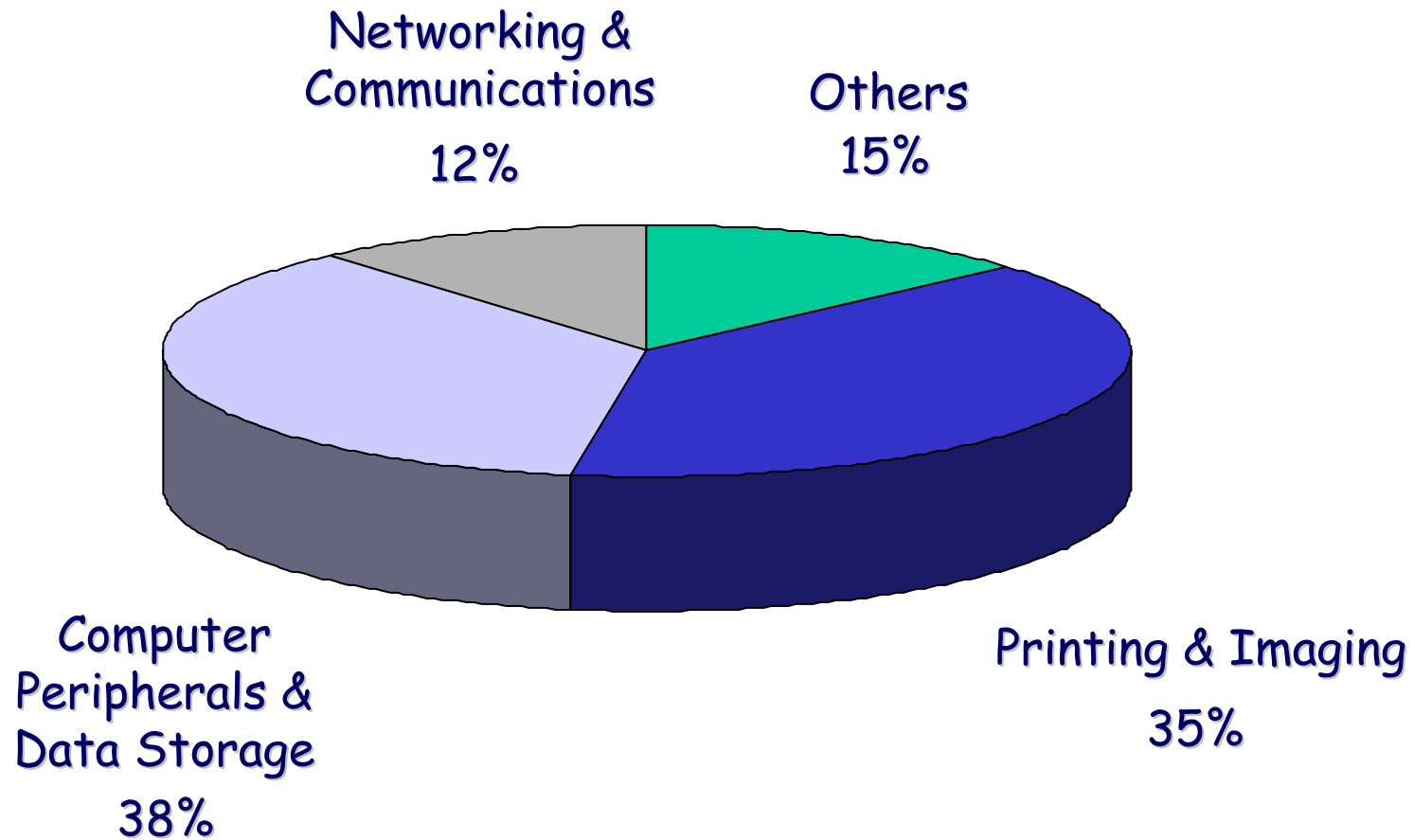
- Decline in printing & imaging, and computer peripherals & data storage products
 - *ramp up expected in 2H04*

Group Profit After Tax



- Stronger margins in 2Q compared to 1Q
- Continued improvement in operational efficiencies
- Higher activities in relation to low-volume, high-mix products
- Low effective tax rate as more entities enjoy pioneer status

Breakdown by Product Segments



Summary of 1H04 Performance



	<u>1H'04</u>	<u>1H'03</u>	<u>Change</u>
➤ Revenue	\$ 1,385 m	\$ 1,381 m	0%
➤ EBITDA (excl. Forex impact)	\$ 133.9 m	\$ 127.7 m	5%
• Depreciation & Amortization	(\$ 27.7 m)	(\$26.6 m)	
• Forex Impact	(\$ 0.5 m)	(\$ 0.9 m)	
➤ Profit from Operations	\$ 105.7 m	\$ 100.2 m	5%
• Interest Income	\$ 7.9 m	\$ 5.1 m	
➤ Profit Before Tax	\$ 113.6 m	\$ 105.3 m	8%
• Tax	(\$ 2.4 m)	(\$ 4.3 m)	
➤ Net Profit After Tax	\$ 111.2 m	\$ 101.0 m	10%

Summary of Other Ratios

	<u>1H'04</u>	<u>1H'03</u>	<u>Change</u>
➤ EPS (fully diluted)	41.6 cts	40.2 cts	3%
➤ Net Assets per share	\$ 5.63	\$ 4.39	28%
➤ Shareholders' Equity	\$ 1,476 m	\$ 1,090 m	35%
➤ Cash & Equivalents	\$ 814 m	\$ 498 m	63%
➤ Capital Expenditure	\$ 26.5 m	\$ 26.4 m	0%

Summary of 2Q Performance

	<u>2Q'04</u>	<u>2Q'03</u>	<u>Change</u>
➤ Revenue	\$ 684 m	\$ 747 m	(8%)
➤ EBITDA (excl. Forex impact)	\$ 73.6 m	\$ 70.9 m	4%
• <i>Depreciation & Amortization</i>	(\$ 13.7 m)	(\$13.6 m)	
• <i>Forex Impact</i>	\$ 1.5 m	\$ 0.8 m	
➤ Profit from Operations	\$ 61.4 m	\$ 58.1 m	6%
• <i>Interest Income</i>	\$ 4.4 m	\$ 2.7 m	
➤ Profit Before Tax	\$ 65.8 m	\$ 60.8 m	8%
• <i>Tax</i>	(\$ 1.5 m)	(\$ 2.1 m)	
➤ Net Profit After Tax	\$ 64.3 m	\$ 58.7 m	10%



Outlook

2H04 expected to be stronger than 1H04

- new product introduction across all product segments from existing customers
- positive contribution from new customers / businesses in automotive, medical, networking and computer peripherals product segments

Contribution expected to continue into 2005

Test & Measurement

- flat industry outlook, but Venture's market share in this area expected to increase
- addition of more products to existing portfolio, e.g.,
 - *Automated Optical Inspection systems, automated test systems, X-ray systems, microwave systems and modules*

Automotive

- expected increase in market share, and rapid growth from current small base
- winning new customers both in strategic component and finished product categories, e.g.,
 - *weight sensors, safety devices, air-conditioning control units, lighting systems*

Medical

- potential growth area
- involvement in design of health monitoring devices
- market share growing in strategic component manufacturing and design services

Networking & Communication

- new capabilities in RF systems configuration
- addition of several new customers dealing with:
 - *switches / host-bus adapters, transponders, WLAN switches & access points, satellite-based communication device*

Printing & Imaging

- growth expected to resume in 2H
- driven by new design projects and NPI for manufacturing and e-fulfillment

Computer Peripherals & Data Storage

- several existing customers enjoying good growth through Venture's contribution in design and manufacturing
- strong growth expected in 2H04 with the addition of new customers and new products from existing customers:
 - *ruggedized PCs, large storage systems, hard disk drives, USB mass storage device*

Facilities

- Malaysia :
 - *purchased 400,000-sqft facility in JB for S\$12m*
 - *- facility was previously leased by the Group*
 - *currently exploring suitable location for capacity expansion*
- China :
 - *commenced operations in 2nd building in Shanghai*
 - *added 40,000 sqft facility for e-fulfillment businesses*
- USA :
 - *expanded capacity and scope of activities in S. California as part of effort to strengthen the US cluster*
- Singapore :
 - *co-located EFS businesses into an expanded facility*
 - *added 30,000 sqft for test & measurement business*

New Machinery & Equipment

- added S\$12m worth of machinery and equipment in 1H04
- further investment expected for 2H04

- ERP System
 - *SAP upgraded from v4.6 to v4.7; extended to ALL facilities worldwide*
- Shop-floor Management Systems
 - *traceability, detailed scheduling, simulation systems*
- SCM Integration Platform
- Collaborative Platform
- Advanced Planning Solution (APS) for efficient materials planning

Powerful, comprehensive & integrated

- Flexible organization structure
 - *to support the dynamic electronics industry*
- Continued addition of talent to support long-term growth
 - *expansion of design knowledge pool and capabilities*
- Specialized teams for:
 - *transfer of multiple products to multiple locations*
 - *new business transfers*
 - *customer audits*
 - *materials procurement strategy*
 - *advanced manufacturing technology*

- Constant refinement of globalization process & global structure
 - *to achieve optimal efficiency*
 - *to strengthen the clusters through re-organization and restructuring*
- Enhancement of hub & spoke cluster strategy
- Optimizing value creation across the total value chain



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End of Presentation

