



2002 Full-Year Results Briefing

28 February 2003



Contents

1. *2002 Overview*
2. *Financial Performance*
3. *From Strength to Strength*

- Market conditions*
 - *overall weak end-market demand*
 - *8% decline in total EMS revenue to US\$88b in 2002*
 - *10% increase in ODM revenue to US\$17b in 2002*

- M&A activity fizzling out

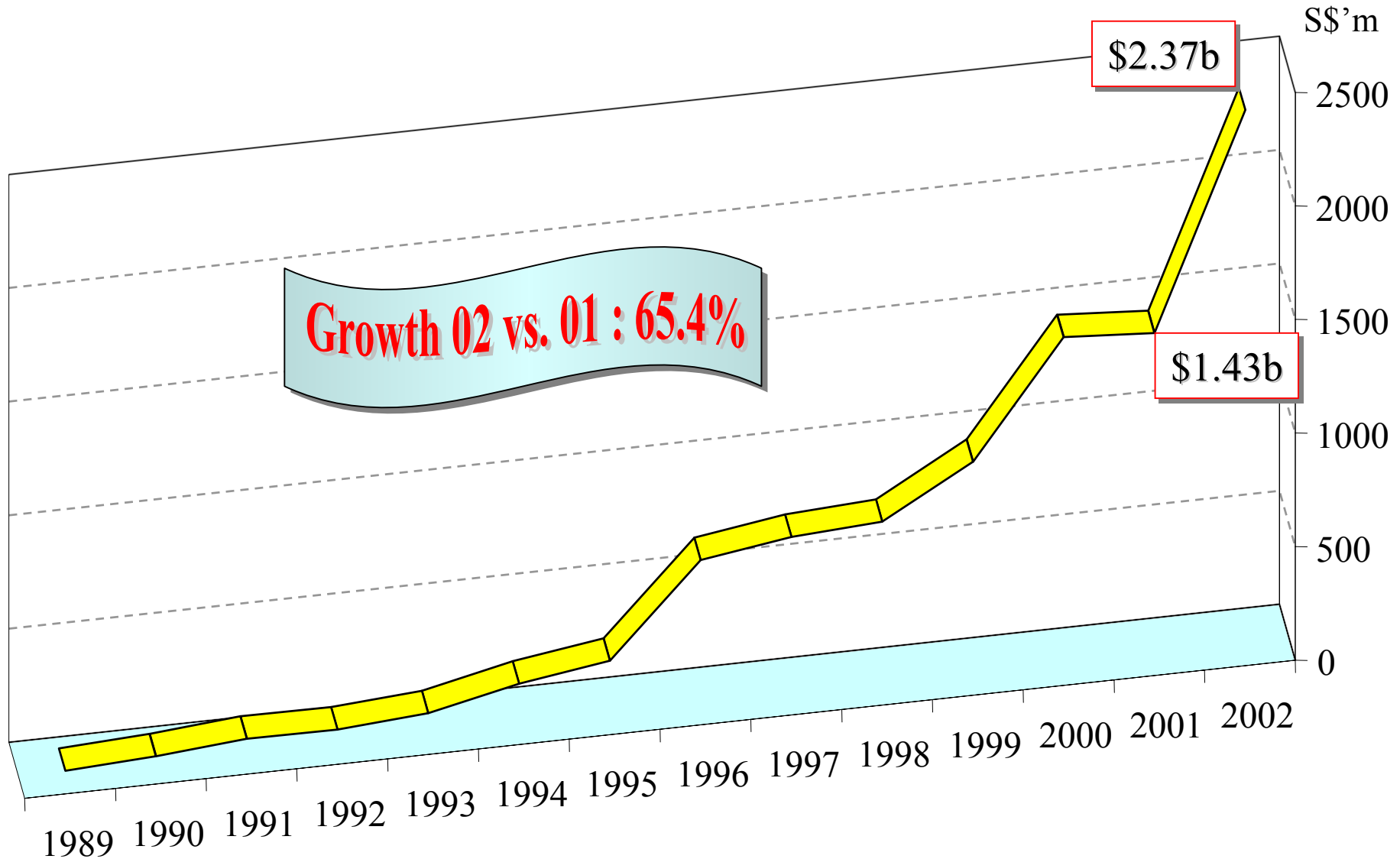
- Migration of manufacturing base to Asia

- Tier-1 EMS companies
 - *Reported closure of at least 17 plants in US & Europe in 2002 alone*
 - *Capacity utilization between 40-60%*
 - *4 losses / 1 lower earnings recorded by Tier-1 EMS companies*

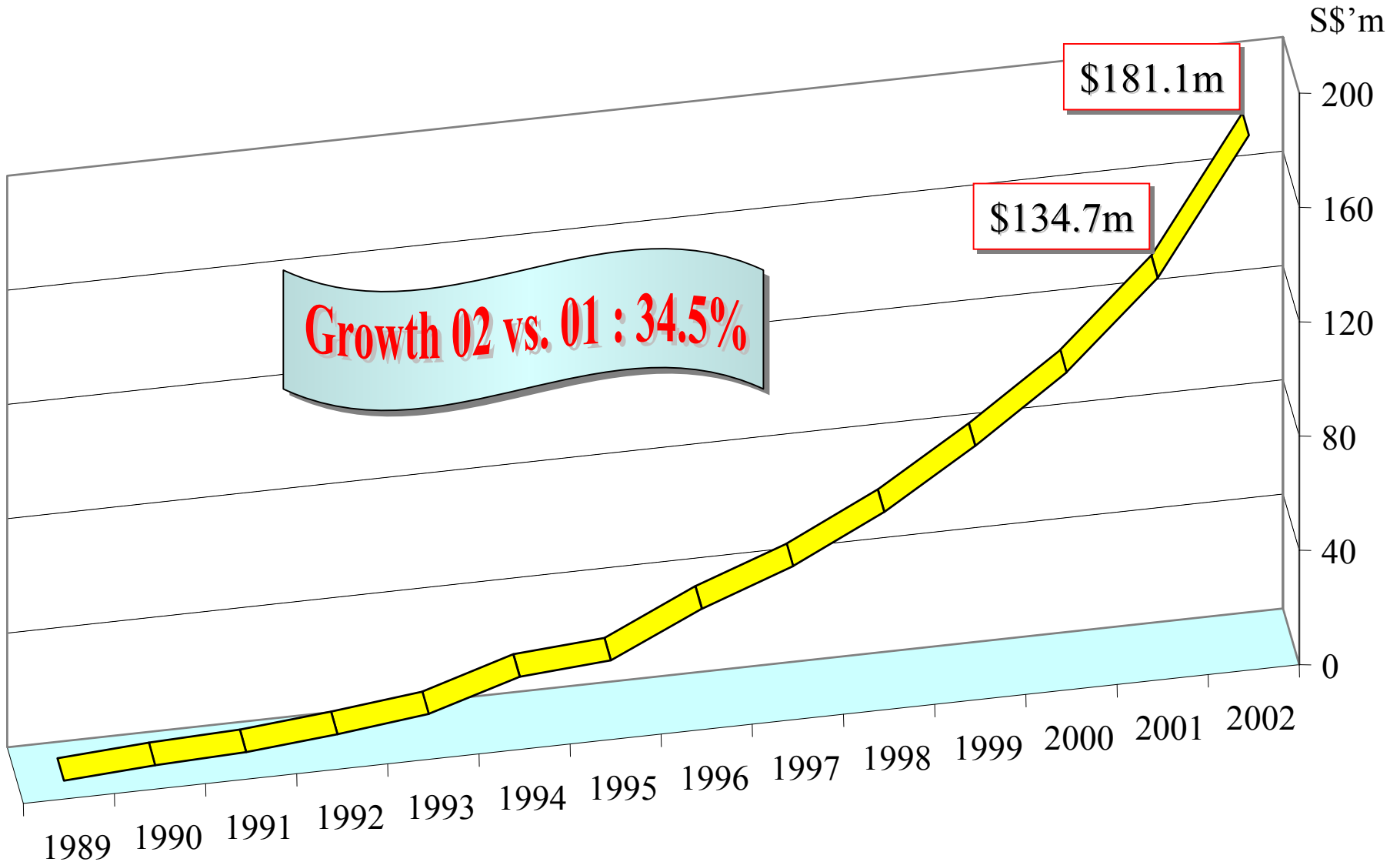


Financial Performance FY2002

Group Revenue (1989 – 2002)



Group Profit After Tax (1989 – 2002)

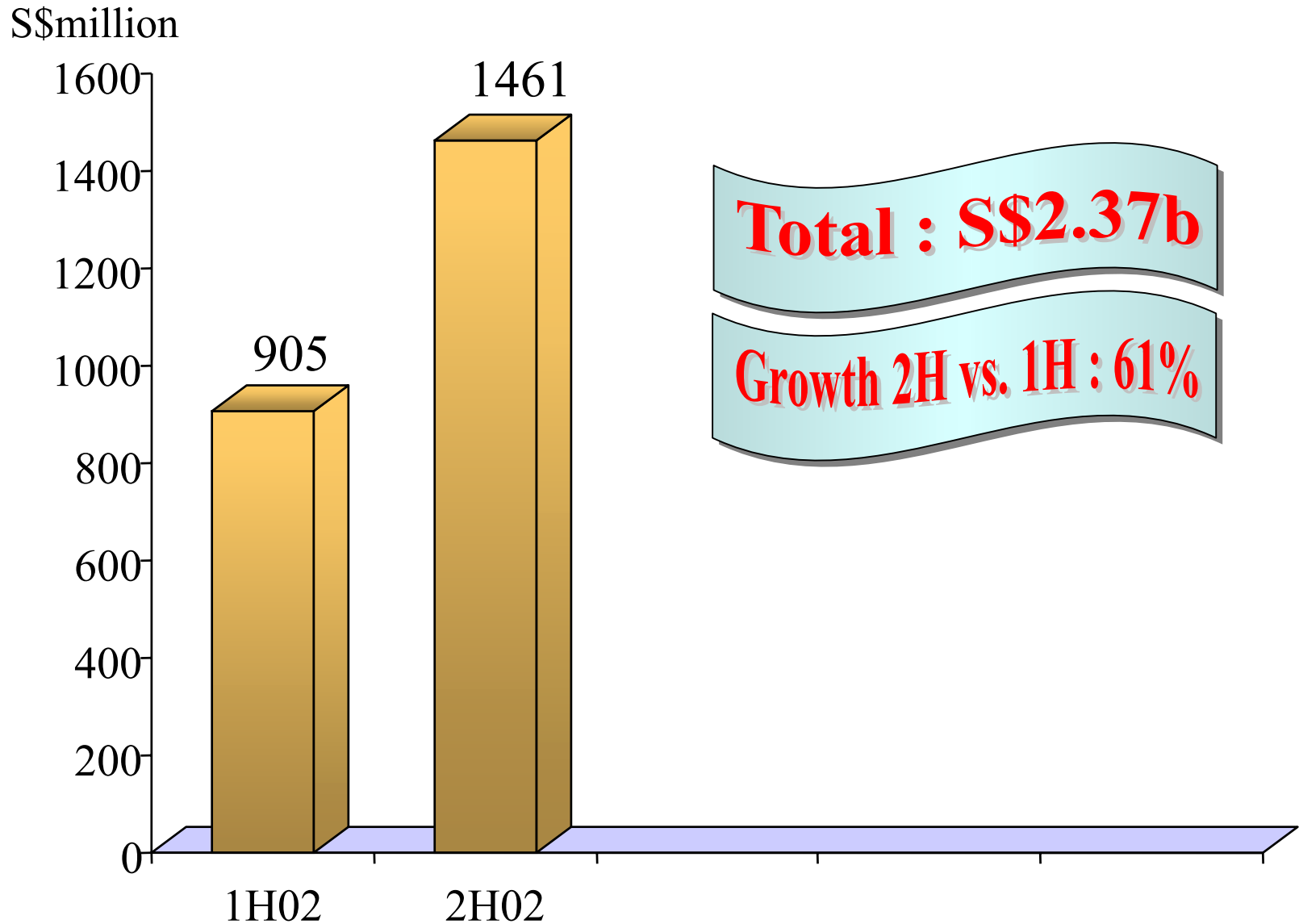


Revenue Analysis

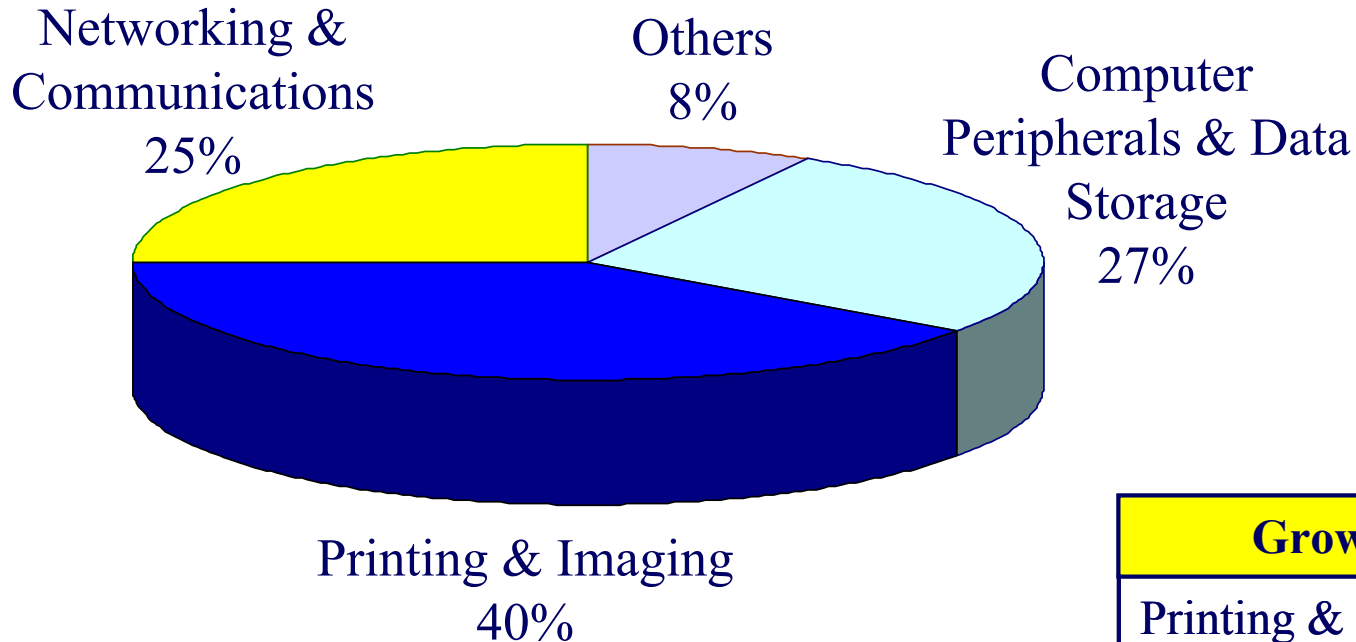


- Strong revenue growth in all product segments
- Good product diversification across volume-mix spectrum
 - *Increase in number of products manufactured*
 - *Examples of product-types added*
 - *photo-finishing equipment*
 - *laser equipment*
 - *energy control units*
 - *satellite base communication devices*
 - *new medical products*
 - *multi-channel RF Amplifiers*
- Market share improvement
 - *New products / projects from existing customers*
- Expanded customer base
 - *More than 20% new customers*
 - *added several European customers*

Revenue (2H02 vs. 1H02)



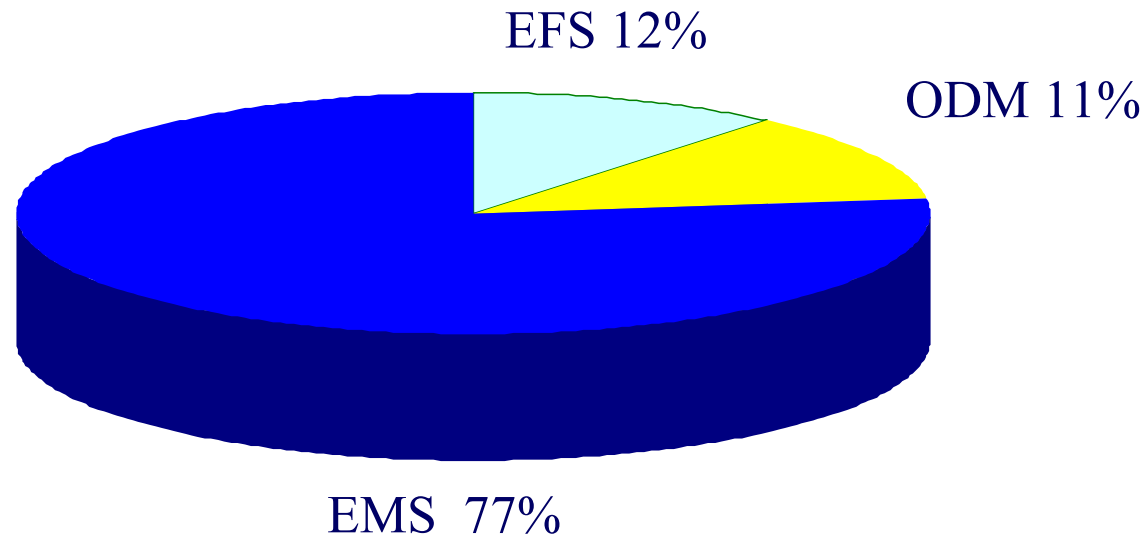
Revenue Contribution by Product Segment



Growth : 02 vs. 01

Printing & Imaging	: 59%
Computer Peripheral & Data Storage	: 129%
Networking & Communications	: 31%
Others	: 77%

Activity Contribution by Line of Business



Profit After Tax Analysis



Profit After Tax grew 35% to S\$181.1m in 2002 in spite of :

- Foreign exchange losses due to weakening of the USD
 - *from gain of \$8m in FY2001 to a loss of \$13m in FY2002*
- 54% increase in depreciation and amortization due to
 - *increased capital expenditure*
 - *amortization of goodwill relating to acquisition of Univac*
- Interest income relatively flat due to lower interest rate environment

EBITDA grew 55% to S\$235.9m

Profit After Tax Analysis (Cont'd)



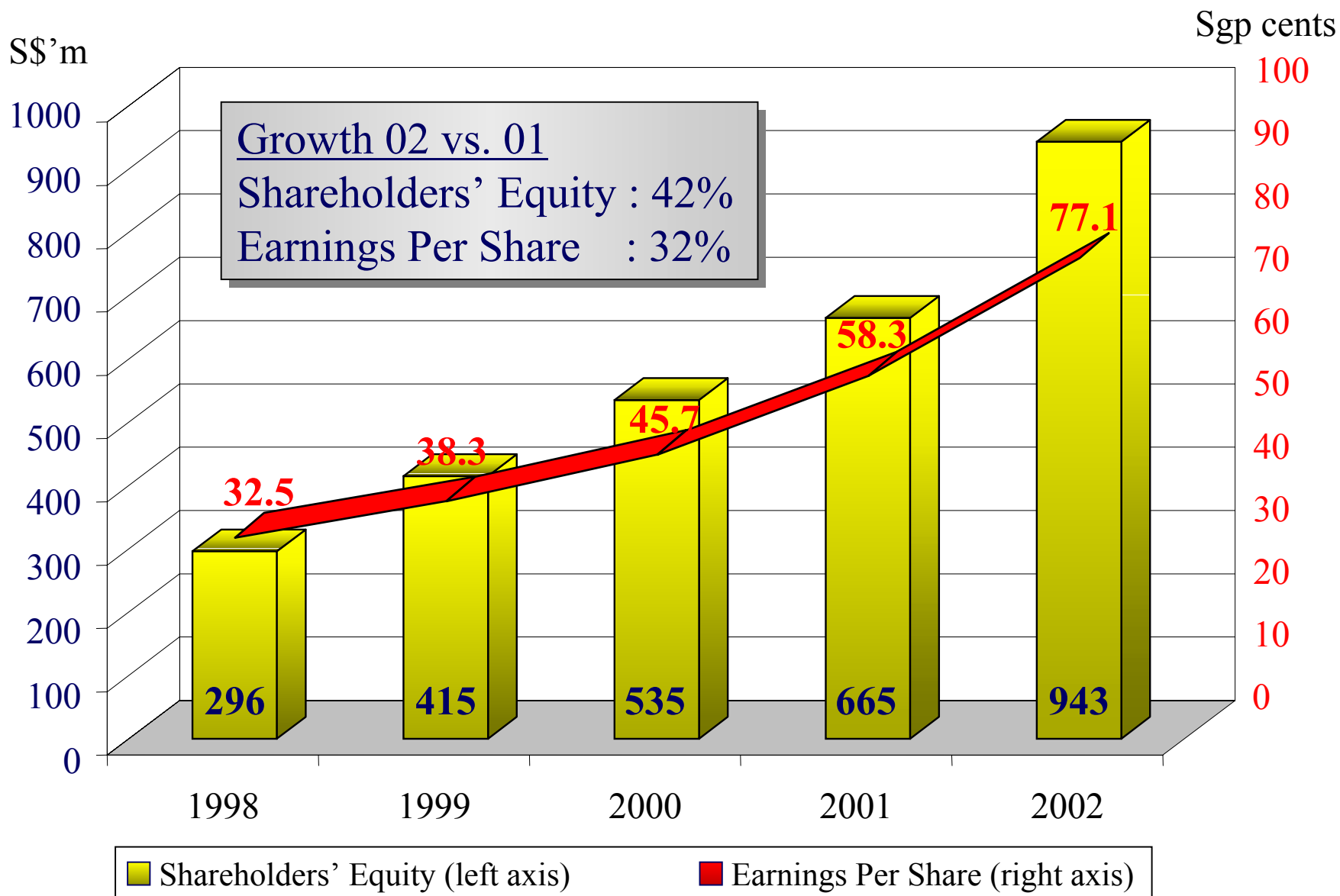
- Continued price erosion in the market place - Mitigated by lower cost structure achieved through sound business strategy
- Increase in higher value-added activities, e.g.:
 - *ODM*
 - *NPI programmes*
 - *tool design and fabrication*
 - *rapid prototyping*
 - *test and process development*
 - *component design*
- Higher volume from wider spectrum of products
- Improved efficiency through higher productivity and innovation

Summary of Performance (FY02 vs. FY01)



	<u>FY02</u>	<u>FY01</u>	<u>Change</u>
➤ Revenue	\$2,366 m	\$1,431 m	65%
➤ EBITDA (excl. Forex impact)	\$235.9 m	\$152.2 m	55%
• <i>Depreciation & Amortization</i>	(\$42.7 m)	(\$27.7 m)	
• <i>Forex Impact</i>	(\$12.7 m)	\$8.1 m	
➤ Profit from Operations	\$180.5 m	\$132.6 m	36%
• <i>Interest Income</i>	\$12.1 m	\$11.1 m	
• <i>Minority Items and Associates</i>	(\$1.4 m)	\$0.1 m	
➤ Profit Before Tax	\$191.2 m	\$143.8 m	33%
• <i>Tax</i>	(\$10.1 m)	(\$9.2 m)	
➤ Net Profit After Tax	\$181.1 m	\$134.6 m	35%

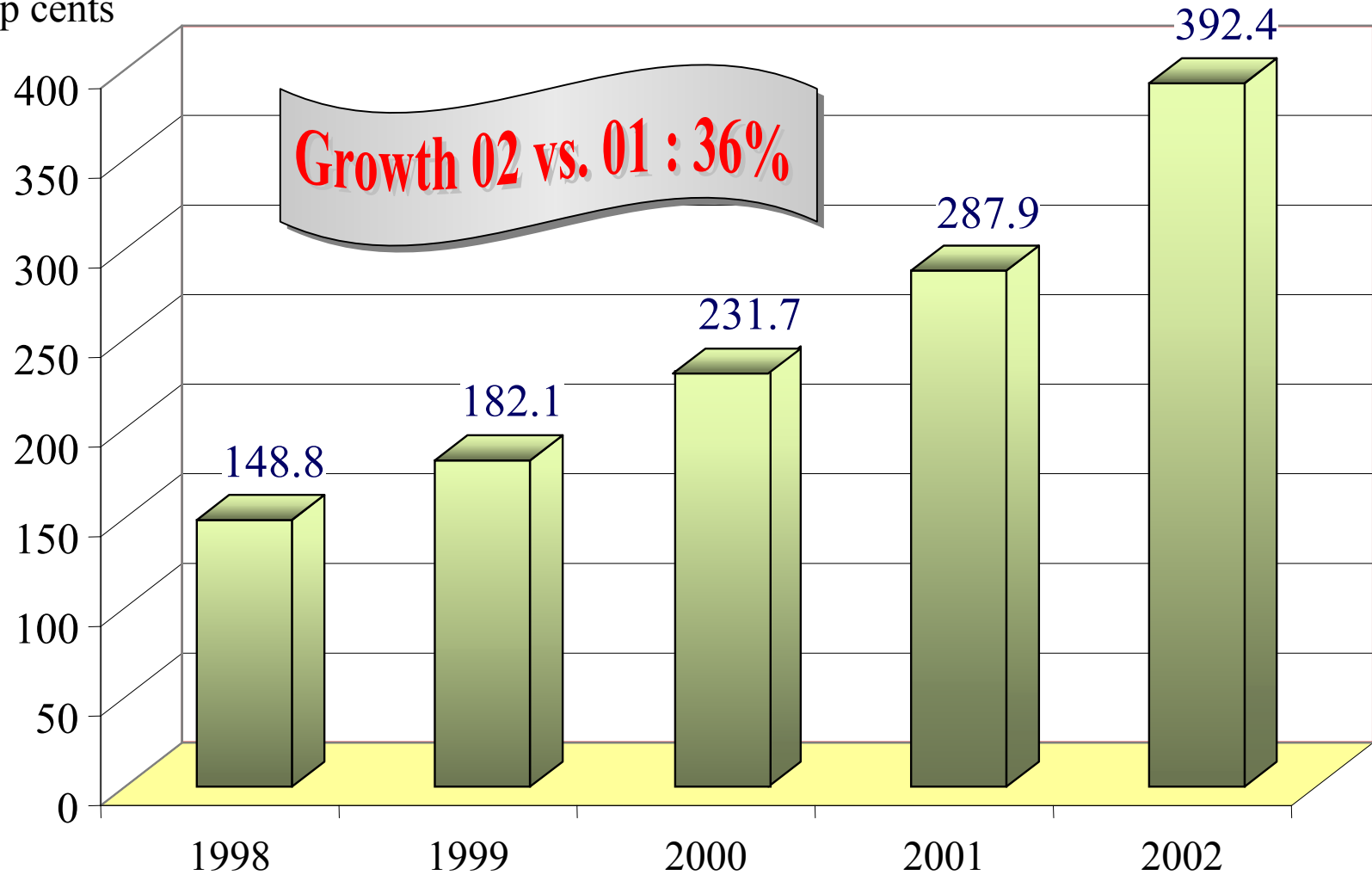
Shareholders' Equity / EPS (1998 – 2002)



Net Assets Per Share (1998 – 2002)

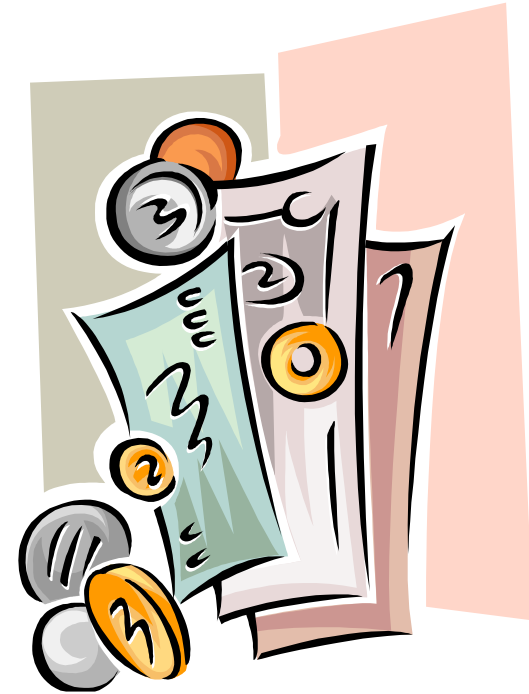


Sgp cents

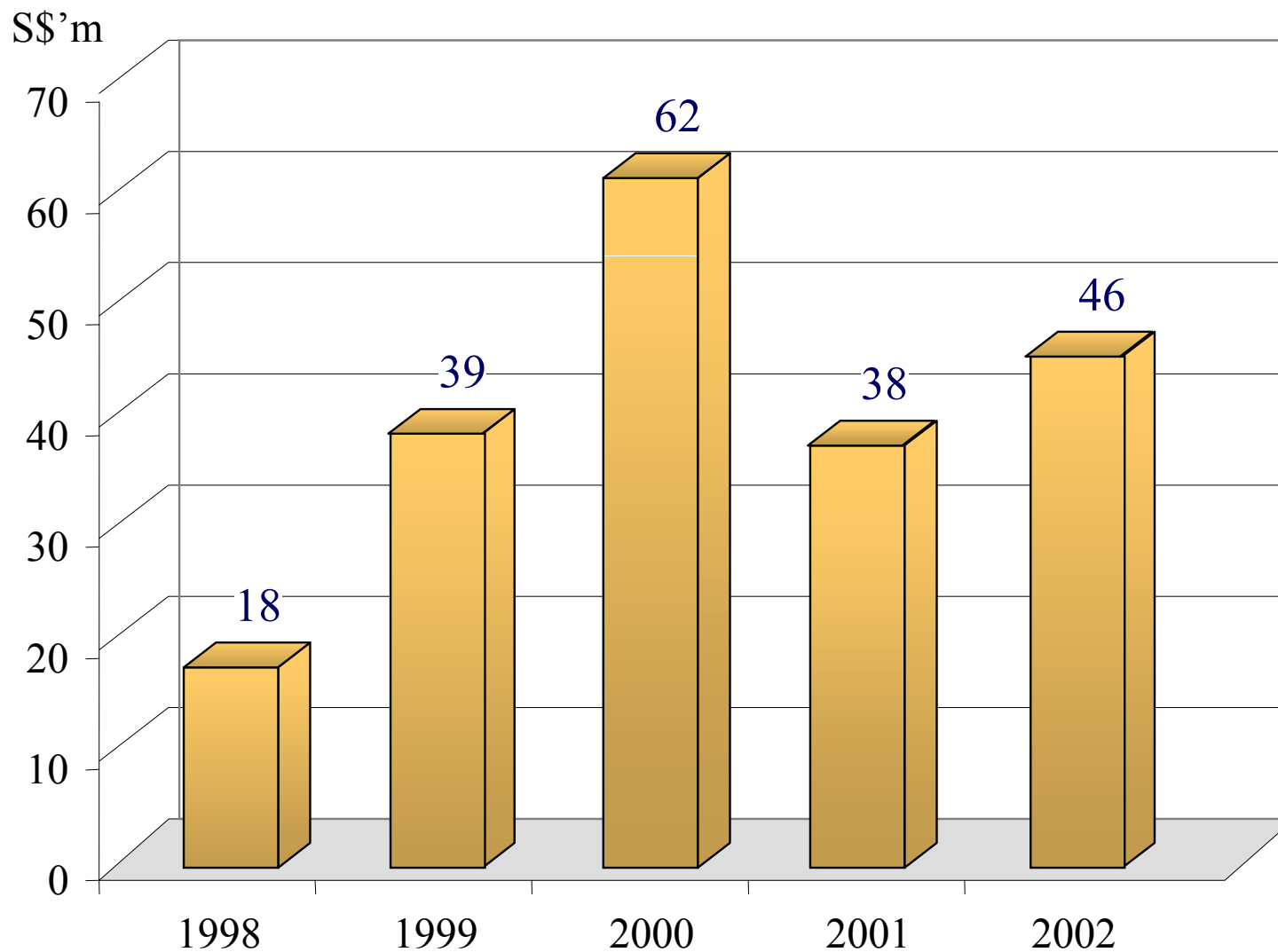


Proposed Dividend

15% Final + 15% Bonus
(tax exempt)



Capital Expenditure (1998 – 2003E)





From Strength To Strength

4 Clusters Of Excellence in 3 Regions :

- **US**
- **Europe**
- **North East Asia (China, Japan, Taiwan & Korea)**
- **South East Asia**

Globally linked into one world enterprise with appropriate level of services to our customers in each cluster

Growing World Class Capabilities

- ODM Capabilities
- Product and Process Engineering
- Test Development
- Tooling Capabilities

- NPI Expertise
- Life & Reliability Test
- DFM & DFT
- Advanced Manufacturing Technology Centre (AMTC)

- Supplier Cluster
- Supply Chain Mgt
- eFS

in **Partnership** with

- Customers
- Suppliers
- Government Agencies (IES, EDB etc.)
- Test Agencies (PSB, Safety Regulatory [UL, TUV, CCIB, CSA etc])

- Attracting and grooming talent
 - *managerial resources : more global in mindset*
 - *technical resources : international experience*
 - *depth & breadth of experience overall*
- Unique, well-defined processes
 - *Total Customer Satisfaction management*
 - *New Product Introduction management*
 - *new business integration*
- Strong Values, Common Culture
 - *binding our people into one cohesive whole*

Superior Technical Capabilities



Firmware Design

Test System Development

Tooling Design

Process Development

ASIC Design

Full Product Development

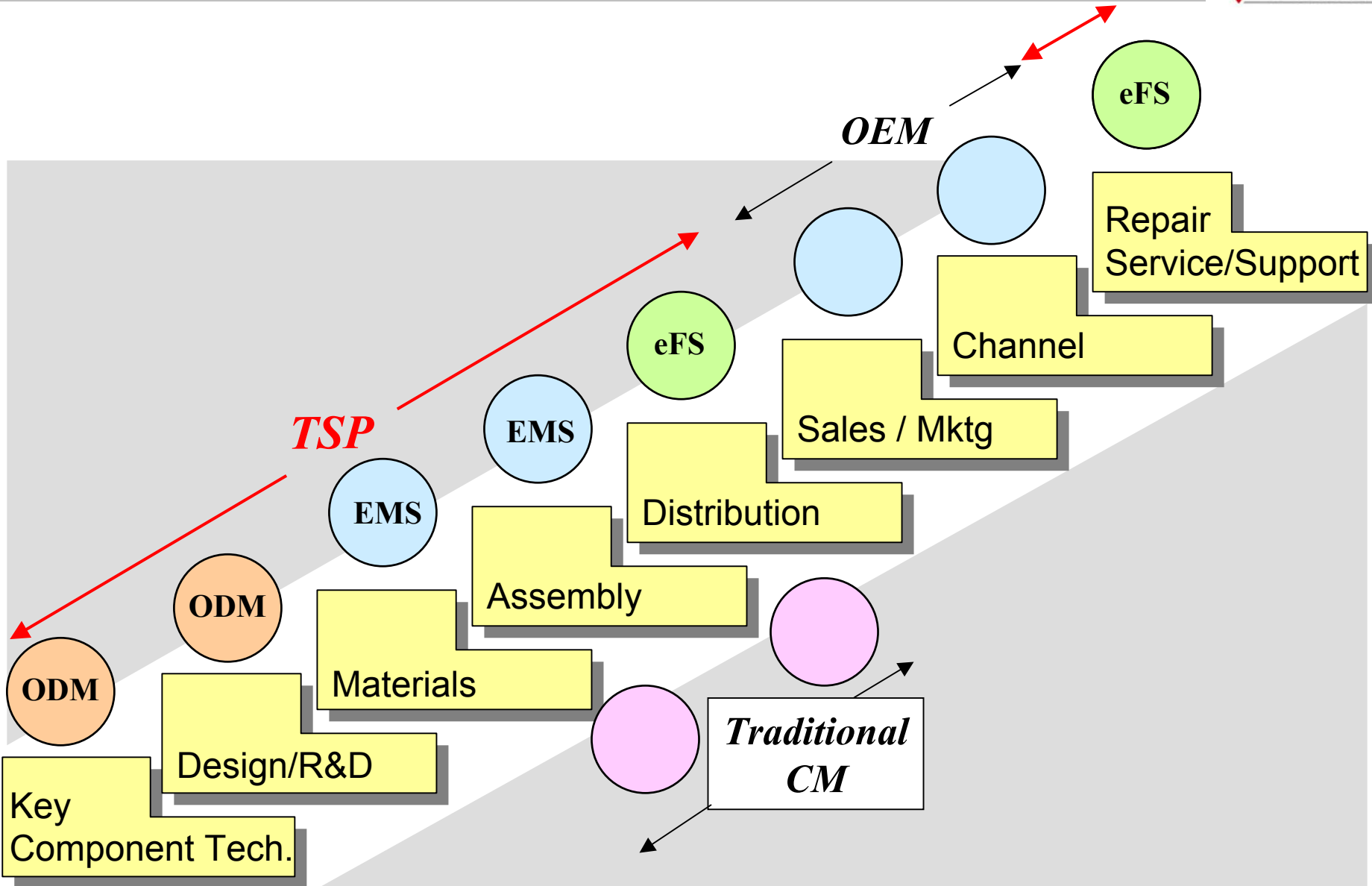
ODM Capabilities

- providing ODM services since 1995
- design services in P&I, networking and communication, wireless PDA's, portable data terminals, medical products and others
- ODM team has been recognized as one of the strongest in the world
- design centers in all clusters of excellence
- growing the building blocks of technology

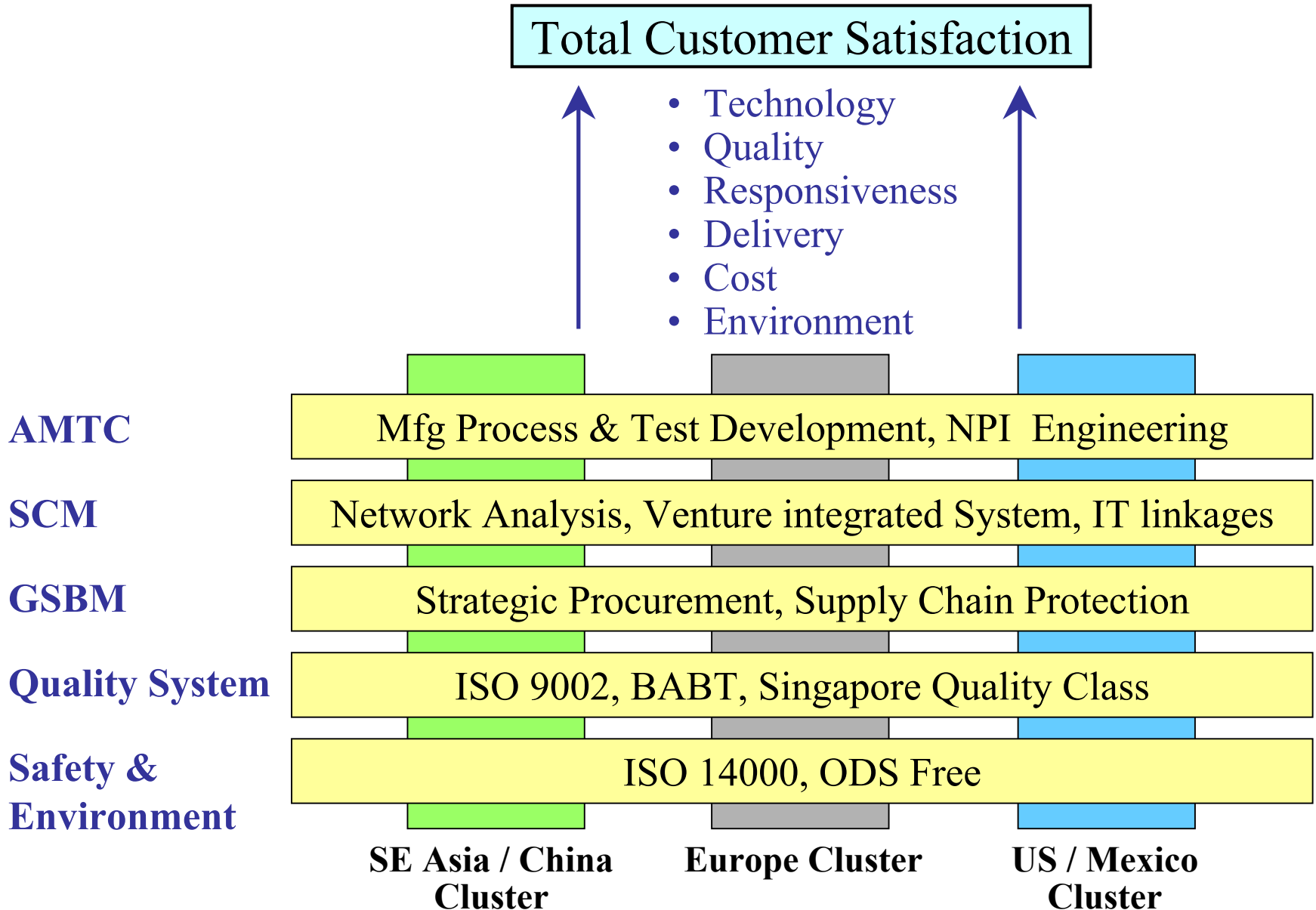


The world's MOST advanced on-demand ink-jet color printer
Powerful 500k gates ASIC designed by Venture
Unique color imaging firmware developed by Venture

World-Class End-to-End Value Chain Solutions



World-Class Operational Excellence





End of Presentation