



2003 Half-Year Results Briefing

22 August 2003



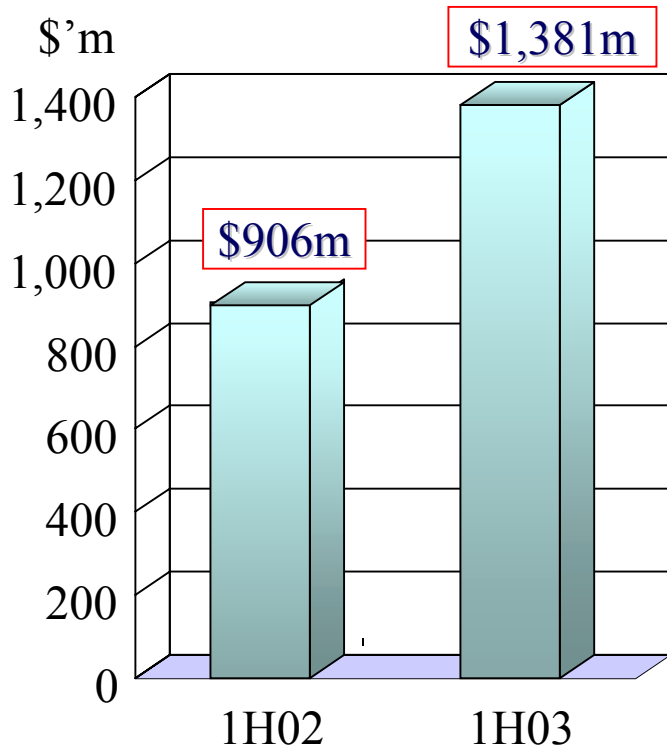
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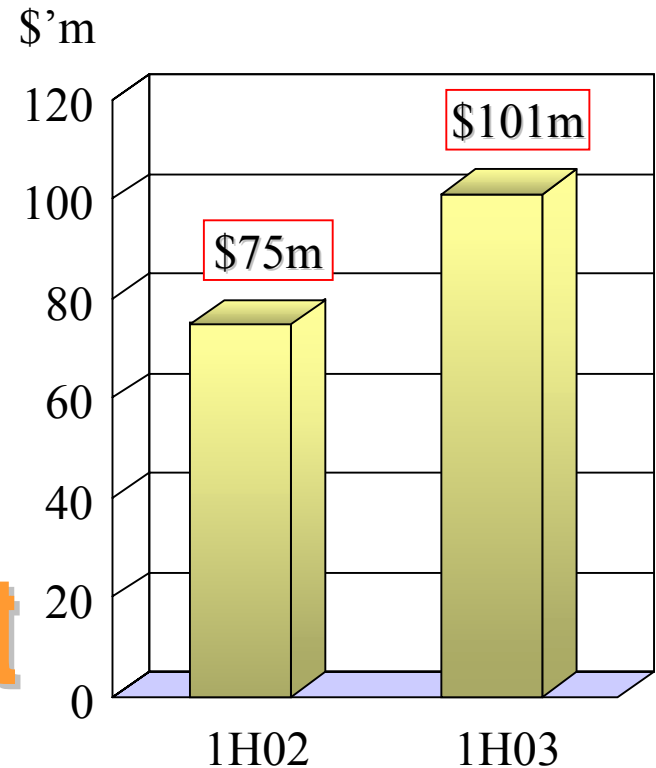
Review of Performance

Performance Snapshot

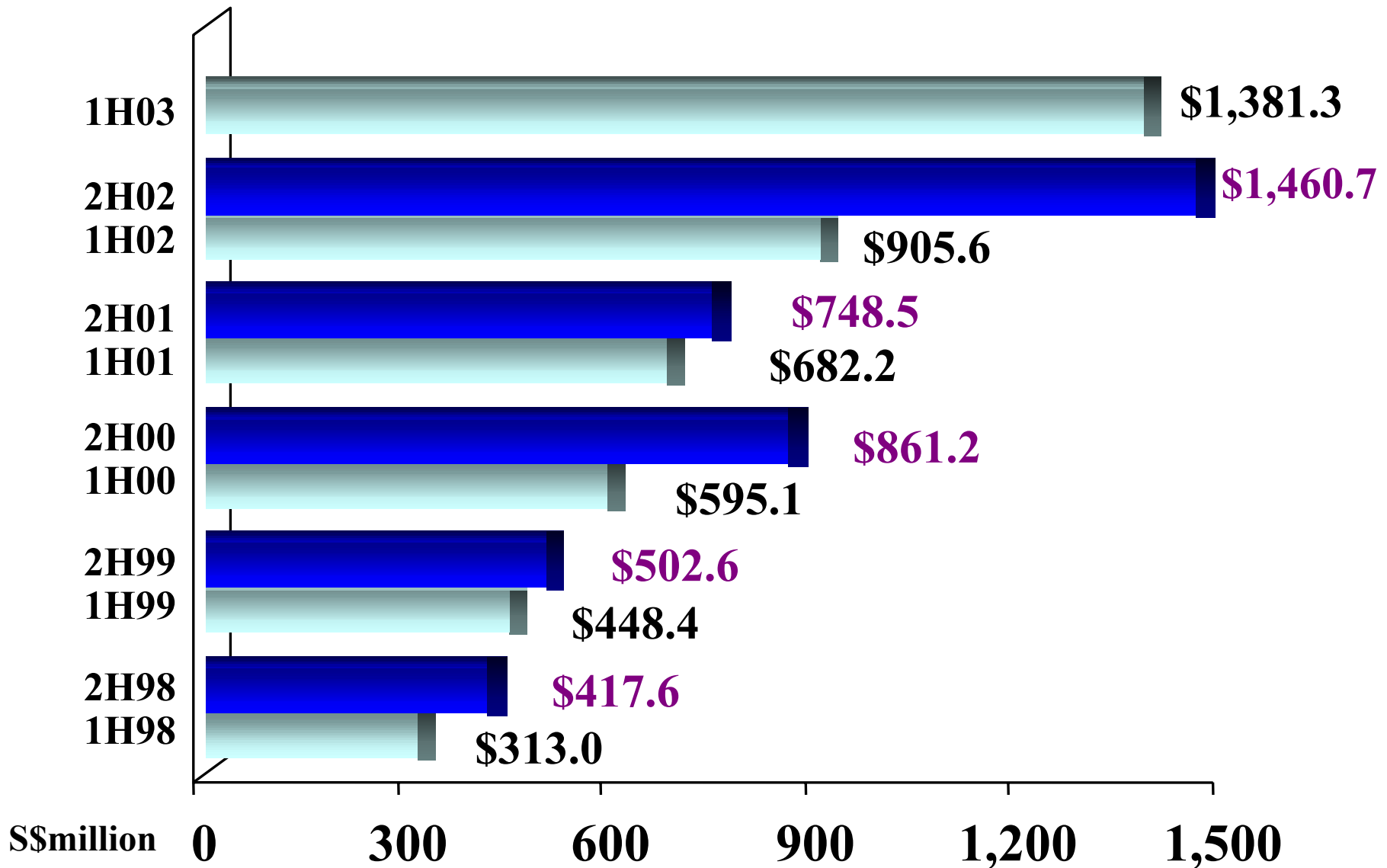


53% growth in Revenue

35% growth in Net Profit



Sales Turnover By Half-Year



- Healthy growth in several market segments
 - *printing & imaging*
 - *test & measurement*
 - *computer peripherals & data storage*

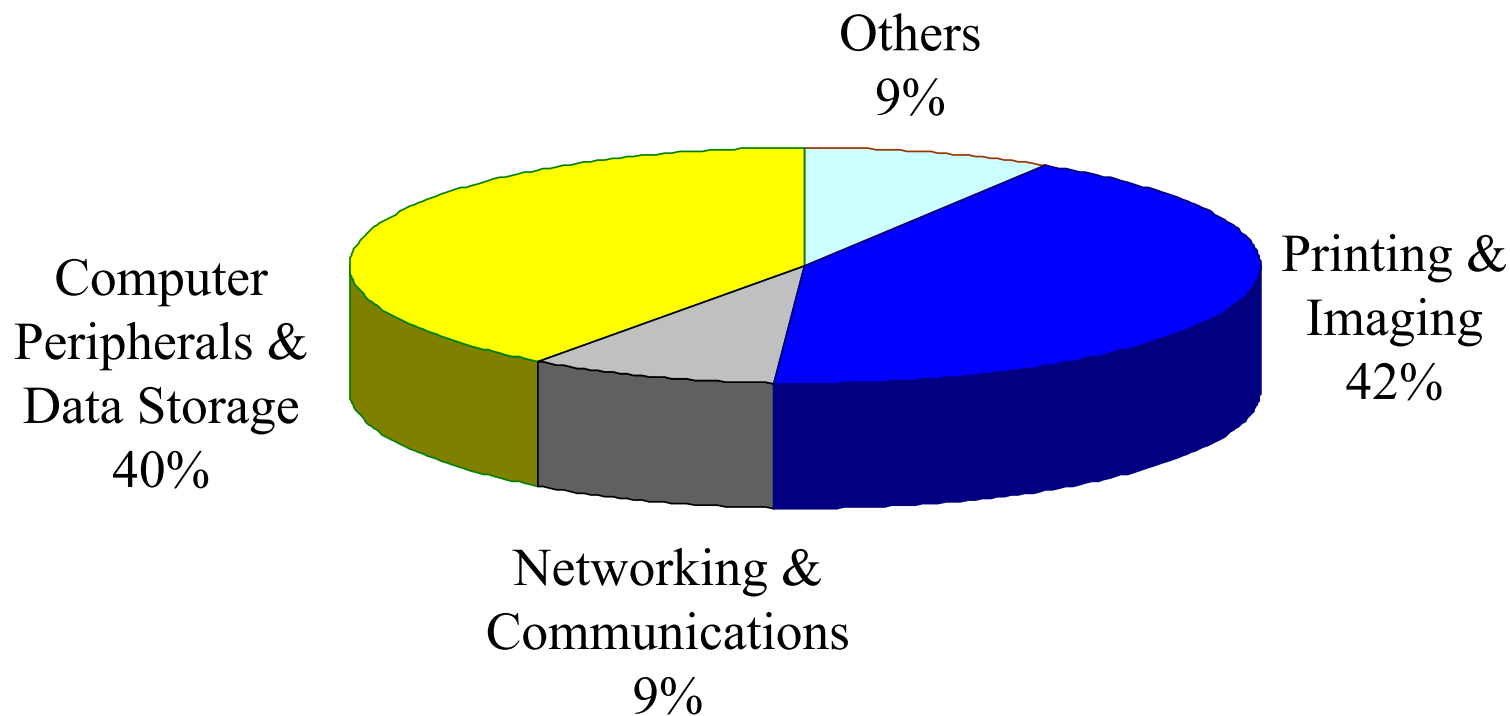
- New product introductions
 - *medical products*
 - *automotive products*
 - *storage systems*
 - *multiple ODM projects*

- Expansion of high-mix, high value products

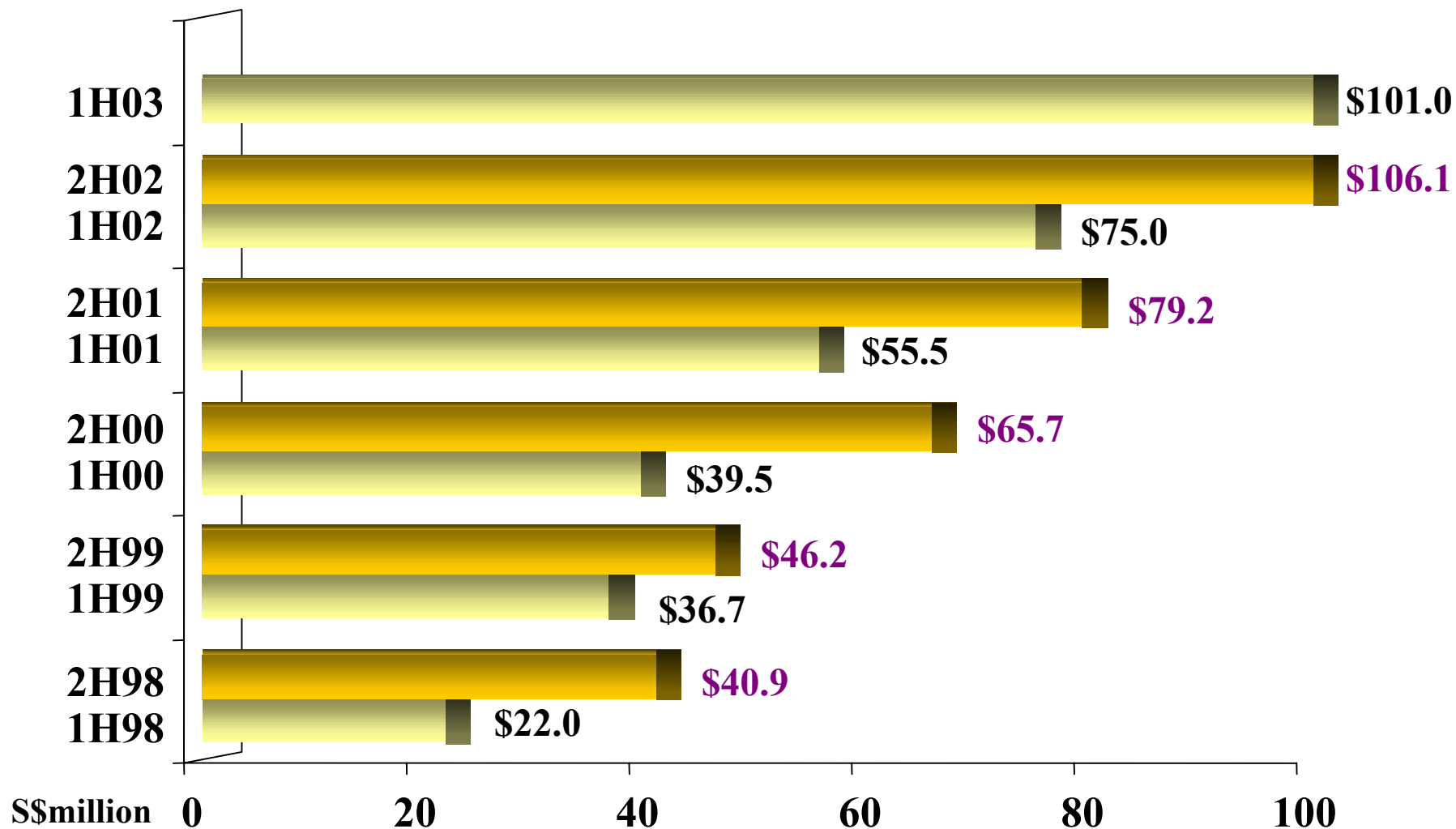
- Contribution from Univac, Iomega acquisition

- Expansion of Shanghai, Johore facilities

Revenue Contribution by Product Segment



Profit After Tax By Half-Year



Profit After Tax Drivers



- Significant contribution from high-mix, low volume business
- Operational excellence resulting in higher productivity
- Lower cost structure and better cost control
 - *expanded activities in Malaysia and China*
 - *better utilization of resources*
- Margin contribution from superior technology / capabilities / design
- Contributions from acquisitions in FY2002

Summary of 1H Performance (1H03 vs. 1H02)



	<u>1H03</u>	<u>1H02</u>	<u>Change</u>
➤ Revenue	\$1,381 m	\$ 906 m	53%
➤ Net Profit After Tax	\$101.0 m	\$75.0 m	35%
➤ Net Profit Margin	7.3%	8.3%	

Summary of Other Ratios



	<u>1H'03</u>	<u>1H'02</u>	<u>Change</u>
➤ EPS (fully diluted)	40.2 cts	31.0 cts	30%
➤ Net Assets per share	\$ 4.39	\$ 3.22	36%
➤ Shareholders' Equity	\$ 1,090 m	\$ 749 m	46%
➤ Cash & Equivalents	\$ 498 m	\$ 340 m	46%
➤ Capital Expenditure	\$ 26 m	\$ 28 m	(7%)

Summary of Performance by Linear Quarters



	<u>2Q03</u>	<u>1Q03</u>	<u>Change</u>
➤ Revenue	\$ 747 m	\$ 634 m	18%
➤ Net Profit After Tax	\$ 58.7 m	\$ 42.4 m	38%
➤ Net Profit Margin	7.9%	6.7%	

Summary of 2Q Year-on-Year Performance



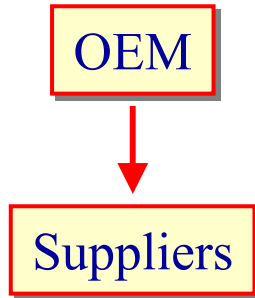
	<u>2Q03</u>	<u>2Q02</u>	<u>Change</u>
➤ Revenue	\$ 747 m	\$ 533 m	40%
➤ Net Profit After Tax	\$ 58.7 m	\$ 42.7 m	37%
➤ Net Profit Margin	7.9%	8.0%	



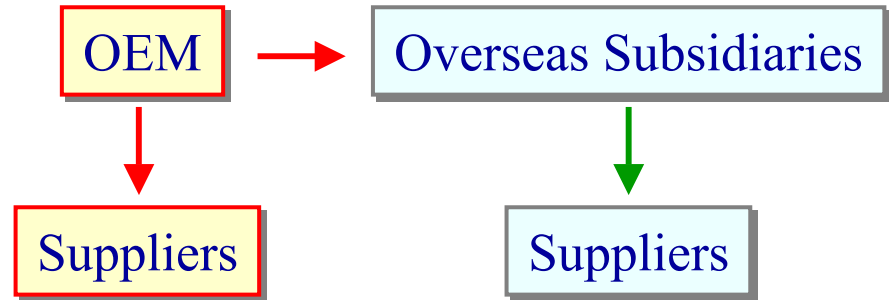
Going Forward...

Outsourcing Trend

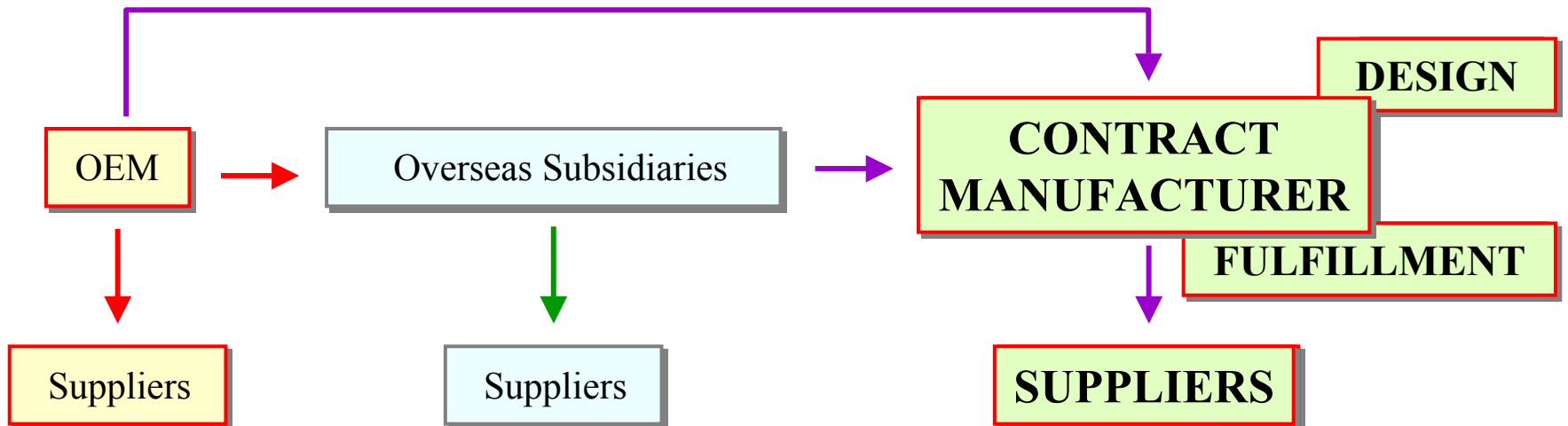
Stage I : outsource components



Stage II : outsource production through subsidiaries



Stage III : outsource production, design, fulfillment



Past OEM Model



Competitive Forces

- capabilities
- cost



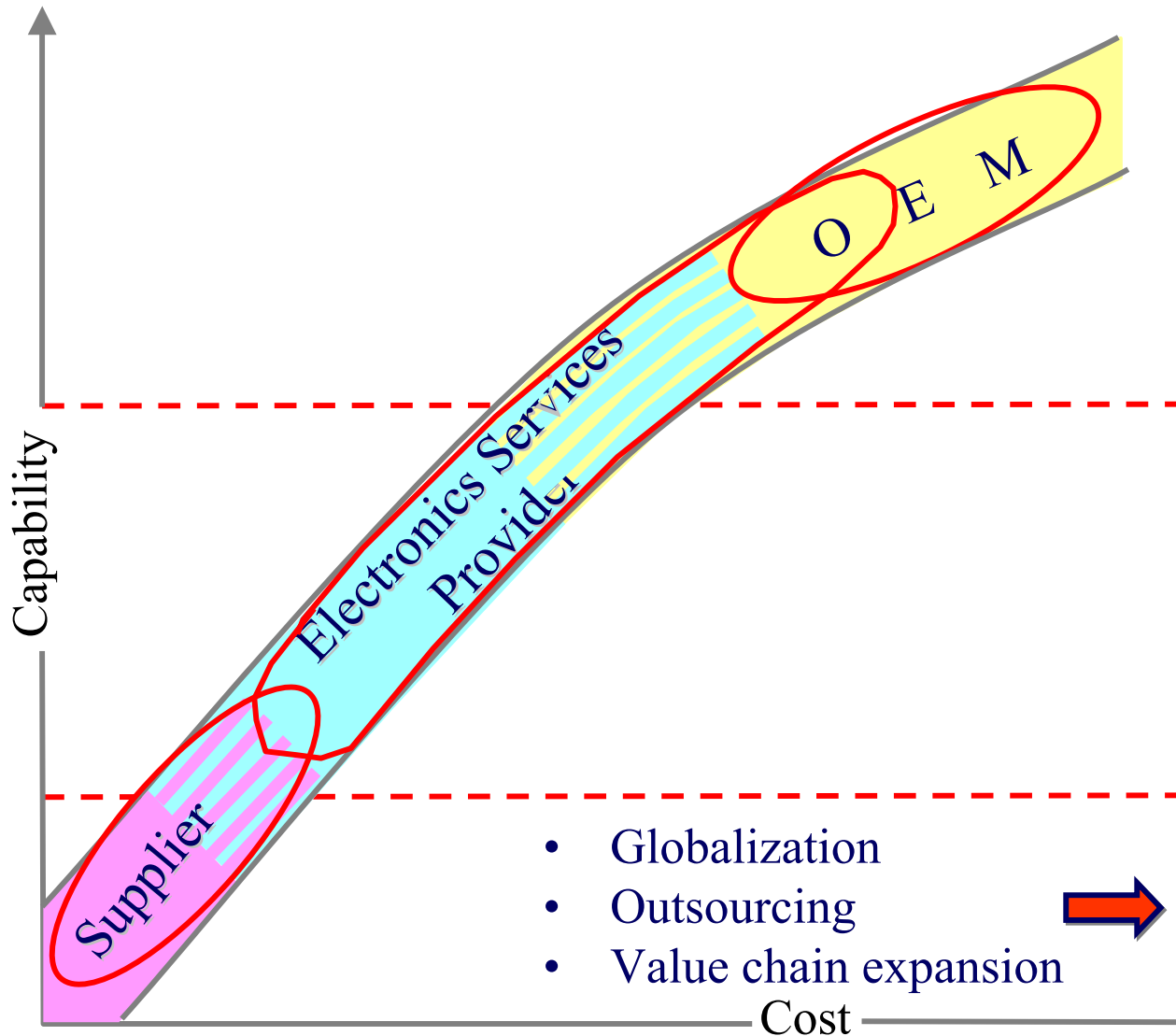
Present OEM Model



- three basic functions
- operations conducted in-house
- domestic production

- many activities in value chain
- outsourcing of value chain activities
- globalization of value chain

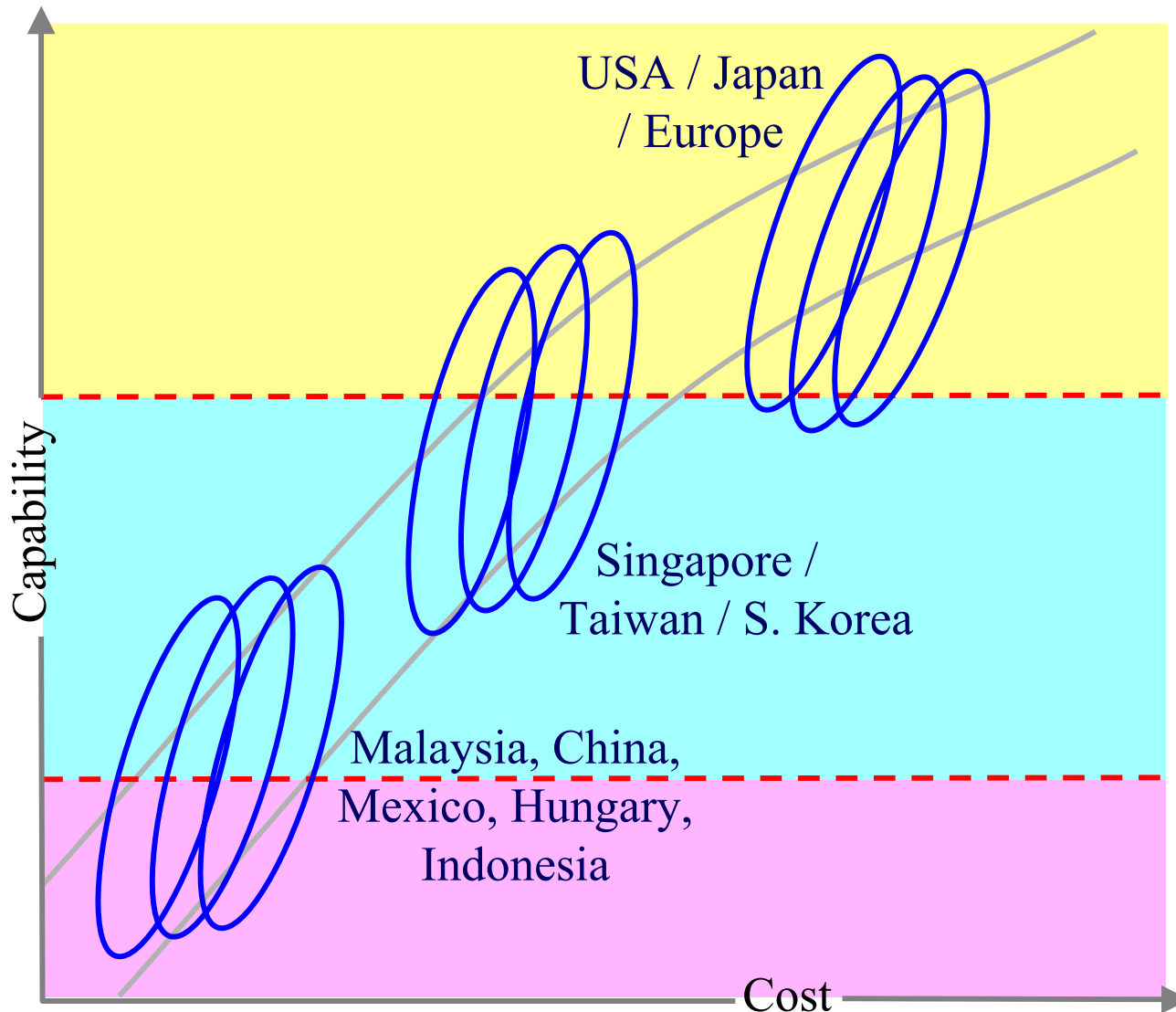
Emergence of Virtual Enterprise



Virtual Enterprise :
an eco-system of companies, each playing one or more parts in various pieces of the value chain

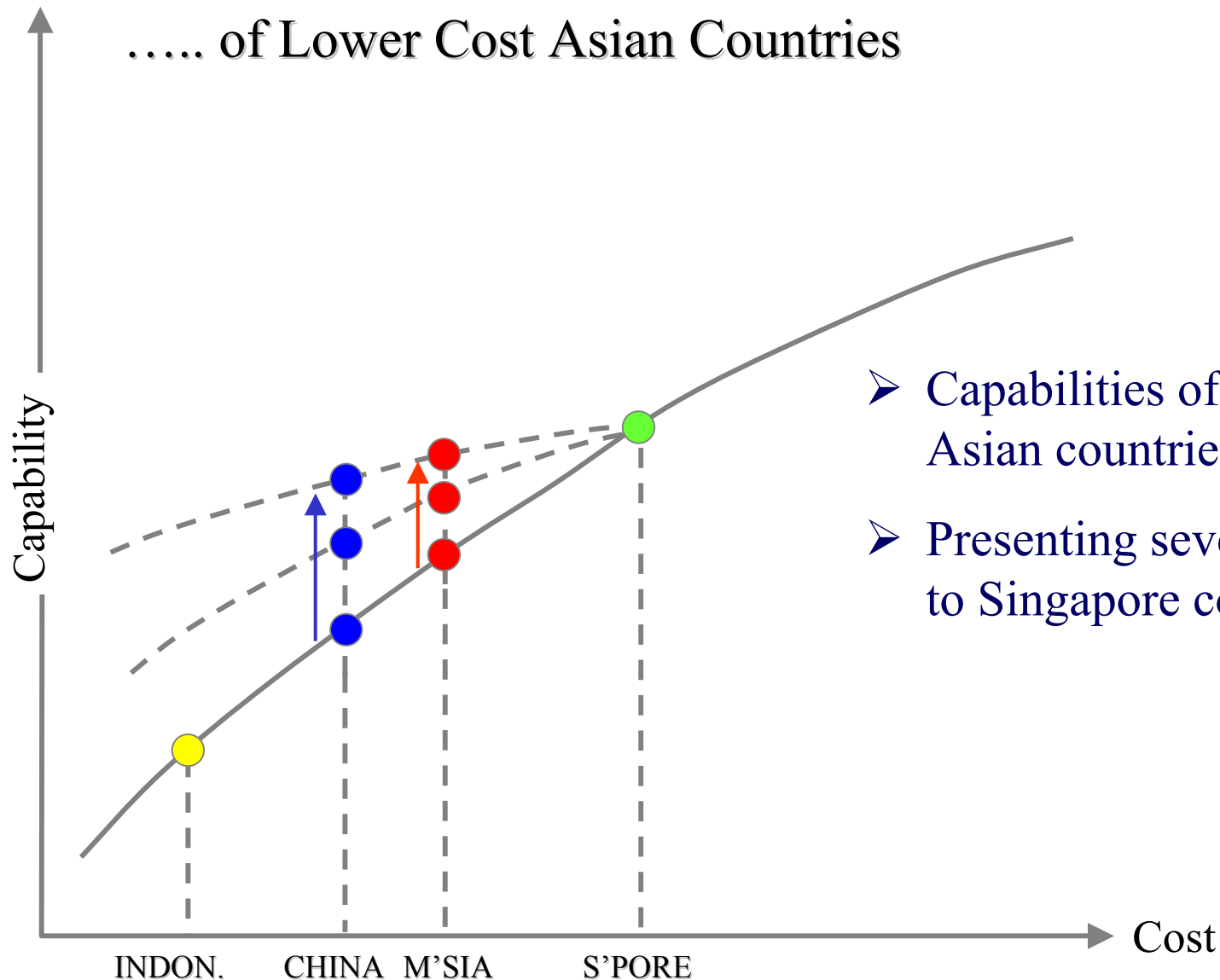
Virtual enterprises of varying shapes and sizes

Capability-to-Cost Ratio in Different Regions



- High capability to cost ratio
➔ greater economic success
- Countries cannot import lower wages
- But higher capabilities can be imported

Rise in Capabilities / Competitiveness



Growth Strategies – Some Examples

- Be a key player in mega virtual enterprise
- Participate in multiple virtual enterprises
- Be a dominant player in a given niche market
- Re-configure a virtual enterprise to increase market share
- Continuous upgrading of capabilities-to-cost ratio to form a more powerful virtual enterprise



End of Presentation