



PRESS RELEASE

VENTURE REPORTS FIRST-HALF NET PROFIT OF S\$103M

SINGAPORE – 4 August 2006 –Venture Corporation Limited (SGX : V03.SI), a leading global electronics services provider today reported interim financial results for the six months ended 30 June 2006.

The Group achieved an after tax profit of S\$103m, representing an increase of 8% over the previous corresponding period. Group revenue was S\$1.48b, as compared to S\$1.54b for the first half of 2005. Earnings per share on a fully diluted basis rose 7% to 37.6 cents, over 35.3 cents for the same period last year. The results take into account a foreign exchange loss resulting from a sharp decline in the US dollar against the Singapore dollar and Malaysian ringgit, and a fair value gain on derivative financial instruments. Excluding the above, profits would have been significantly stronger.

Mr Wong Ngit Liong, the Group's Chairman and CEO said, "Amidst the intensely competitive market environment, our people have again demonstrated the ability to overcome obstacles and improve our performance."

Performance Review

Revenue for the second quarter increased 2% to S\$751m, compared to S\$734m in the first quarter; while profit after income tax rose 7% sequentially to S\$53.3m from S\$49.7m. Compared to the same period last year, the second quarter revenue declined 3%, while profit after income tax registered an increase of 6%.

Revenue contribution across the various product segments remained healthy for the first half of the year. While there was little change in revenue dollars compared to the same six month period last year, the revenue content saw a significant change in that contribution from high volume telecommunication products a year ago has been replaced by contribution from a number of customers in the high-mix sectors. This replacement of a high volume, low margin business with

higher value added activities, together with improved productivity and cost management, resulted in yet another period of margin improvement.

As at 30 June 2006, cash and cash equivalents, which include investments in short-term fixed-income instruments, stood at S\$500m, after deducting S\$135m in dividends paid out to shareholders in May.

Outlook

Several new initiatives have been implemented which will help sharpen Venture's competitive edge going forward. Among these is the establishment of more R&D labs to cater for the increased demand for design services. In addition, a centre of excellence for medical products has also been established in Southeast Asia. Today, the medical design centre is based in Singapore, while a dedicated ISO 13485-certified / FDA-compliant facility in Penang, Malaysia, manufactures medical products to the said ISO / FDA standards.

The Group is improving on its supply chain management processes, particularly in the area of procurement and supplier quality engineering. This is complemented by the expansion of its direct launch activity for test and measurement products in Malaysia, which will help customers to significantly reduce their time-to-volume and time-to-market. These and other improvements are aimed at enhancing the Group's capabilities and service level for its growing customer base.

The Group's customer portfolio has been expanded with the addition of several new customers from the automotive, medical, storage and computer peripherals industries. R&D activity levels are set to increase with new projects in the pipeline spanning both the traditional segments such as multi-function printers, and new areas such as next generation tape library products and a drug delivery device for the medical industry. Contribution from these projects is expected to flow in from late 2006 and well into 2007. Reflecting the general trend in customers looking for total value chain solutions, demand for e-fulfillment services is also expected to increase.

On 26 July 2006 Venture announced its plans to acquire the entire issued share capital of GES International Limited, a company specialized in the development and manufacture of point-of-



sale systems. Subject to approval from the shareholders and other regulatory bodies, this acquisition is expected to be completed sometime in the fourth quarter of 2006, and will enhance Venture's growth opportunity and design capabilities significantly.

"We are making good progress with our product and customer diversification strategy. At the same time, we continue to focus on operational excellence and building more capabilities along the value chain. With these fundamentals in place, we look forward to not just a better second half, but to sustainable growth and profitability in the years ahead," said Mr Wong.

About Venture Corporation

Venture Corporation Limited ranks among the best in managing the value-chains of leading electronics companies around the world. Offering a combination of cutting-edge design expertise, innovative manufacturing technology and reliable testing and fulfillment capabilities, the Venture group comprises some 30 companies with global clusters of excellence in South-East Asia, North Asia, the Americas and Europe. Top Fortune 500 companies including HP, Agilent, IBM, Intermec, as well as other up-and-coming MNCs have selected Venture as their strategic partner for their long-term manufacturing, engineering, product development and supply chain management needs.

Venture is recognized as one of the companies with the strongest management and technical expertise in the industry, and has received numerous accolades such as "Supplier of the Year" and "Successful Strategic Partnership" from customers, and "Singapore's Best Managed Company", "Singapore's Top 10 Innovative Companies" and "Leader in Corporate Governance" from regional financial publications such as Businessweek, Asiamoney, and FinanceAsia. More information on Venture Corporation can be found at <http://www.venture.com.sg>

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