



Venture Corporation Limited

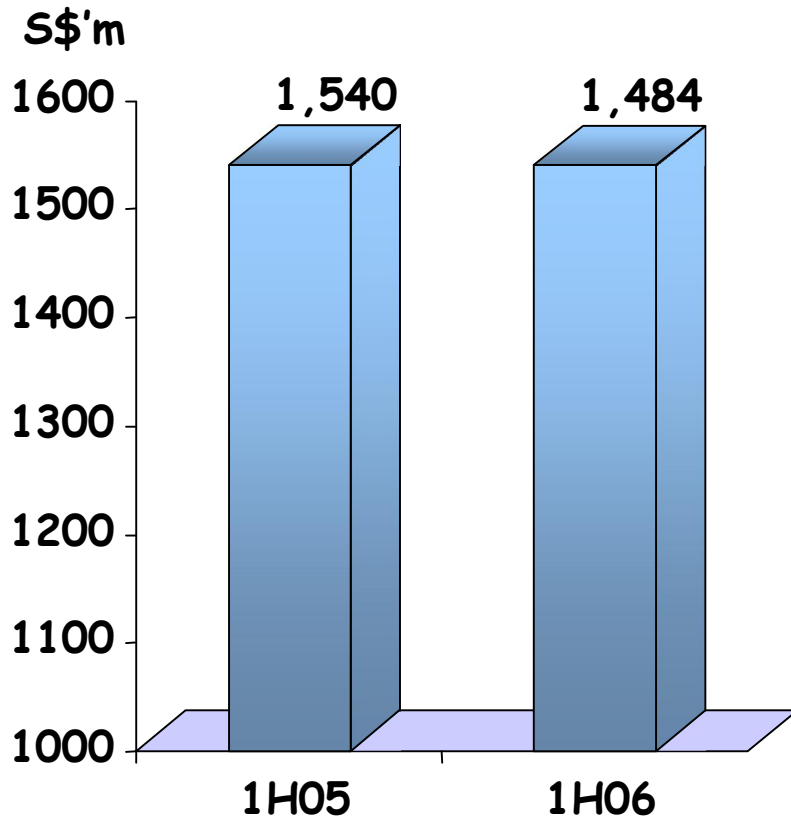
1H06 Results Briefing

4 August 2006



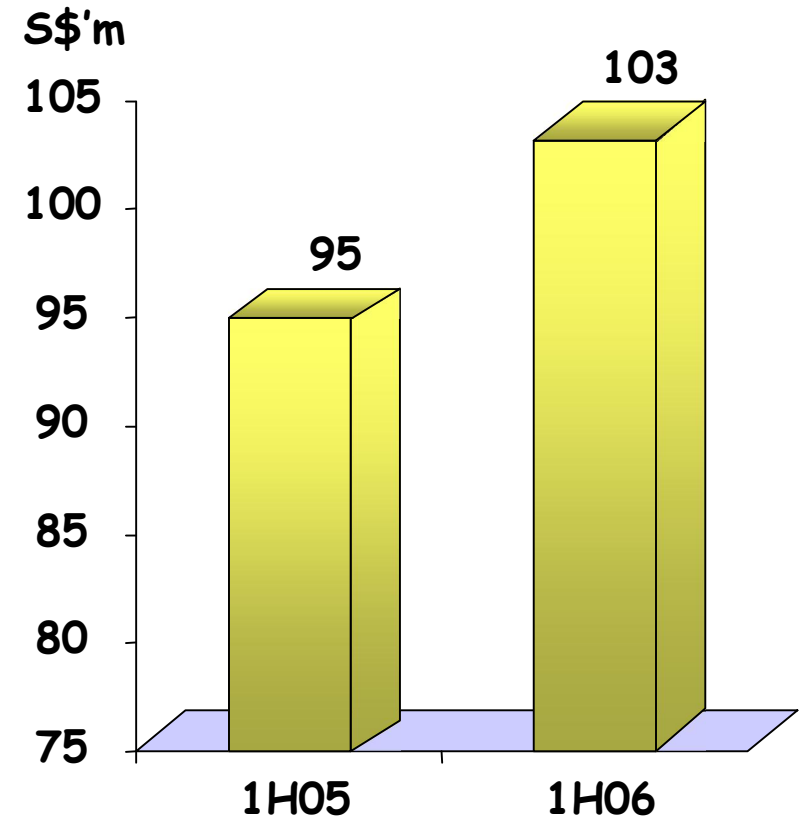
1H Performance Snapshot

Revenue



▼ 1H06 vs. 1H05 : 4%

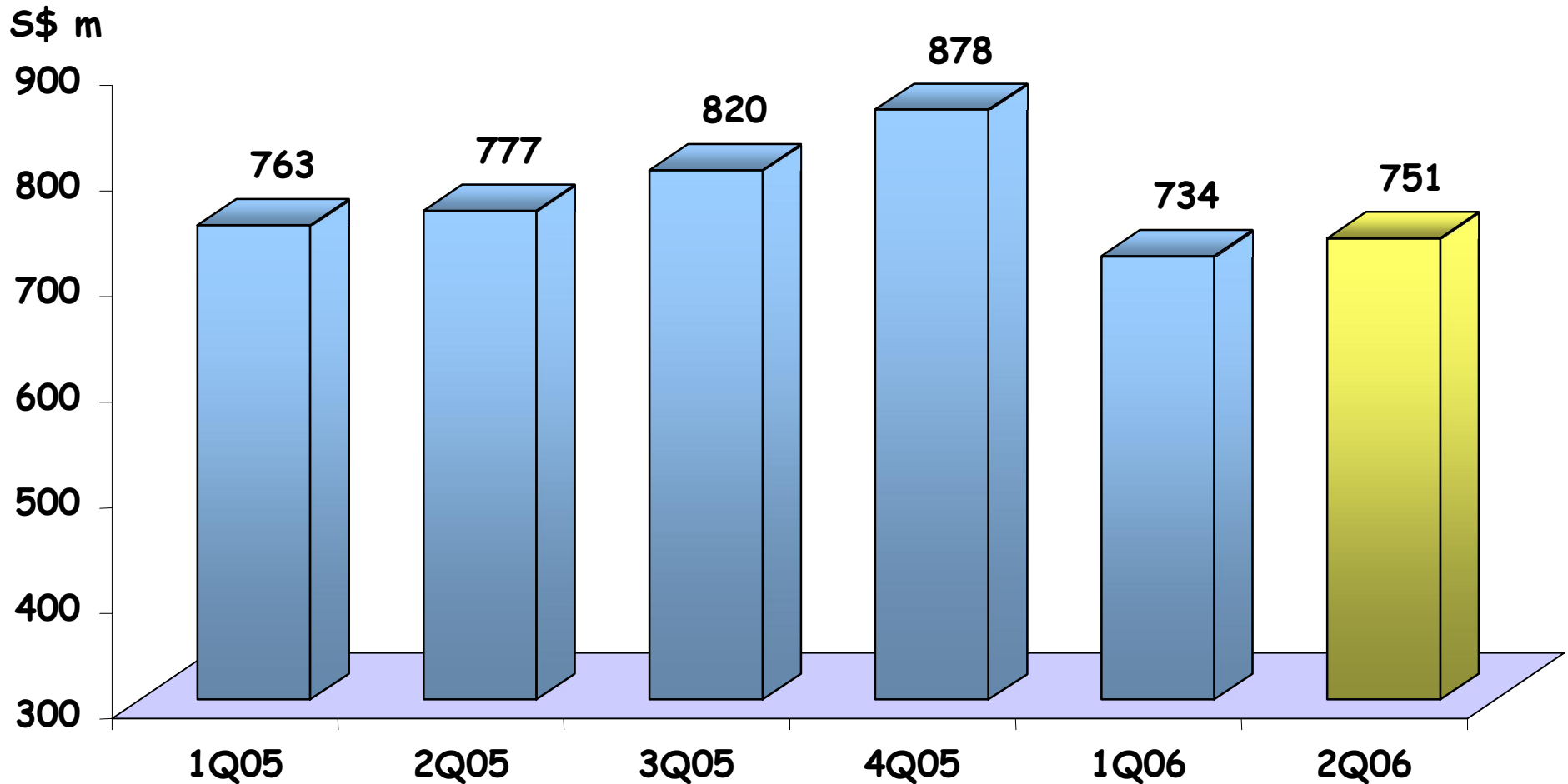
Profit After Income Tax



▲ 1H06 vs. 1H05 : 8%

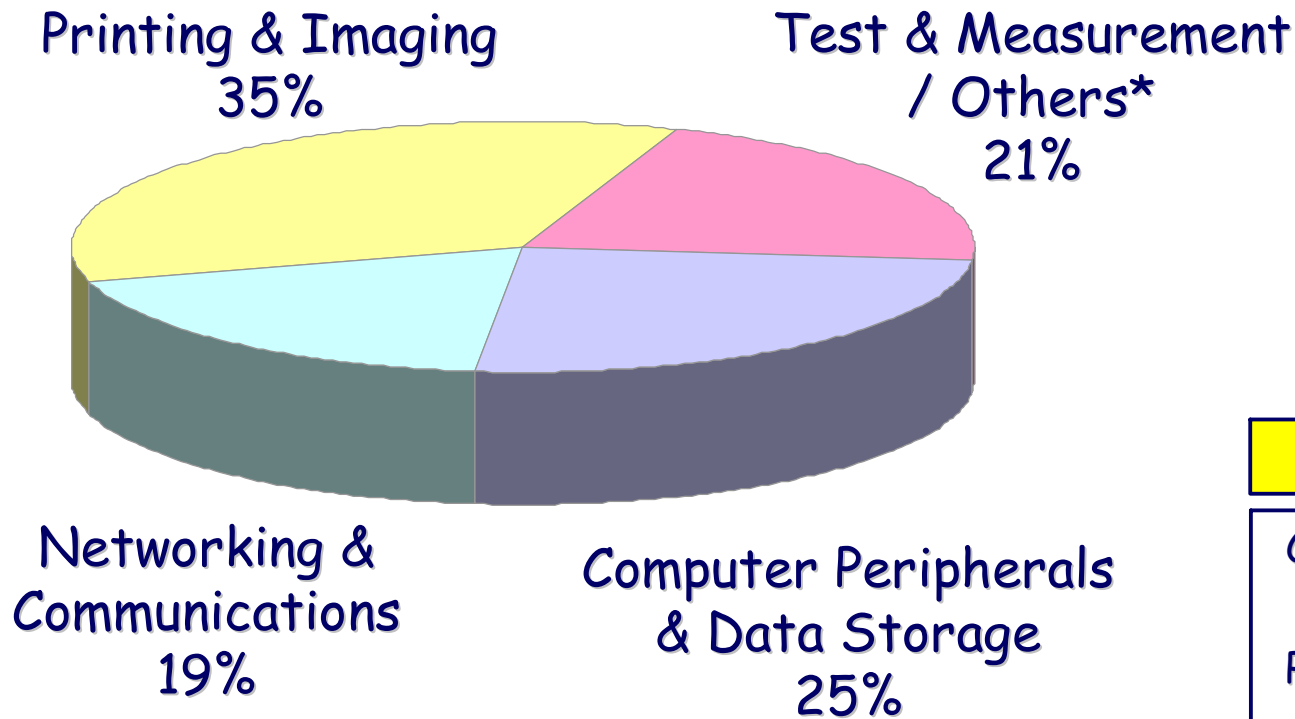
Group Revenue by Quarter

▼ 2Q06 vs. 2Q05 : 3%
▲ 2Q06 vs. 1Q06 : 2%



1H06 Revenue Breakdown

Total : S\$ 1.48b



1H05 (Total: S\$ 1.54b)

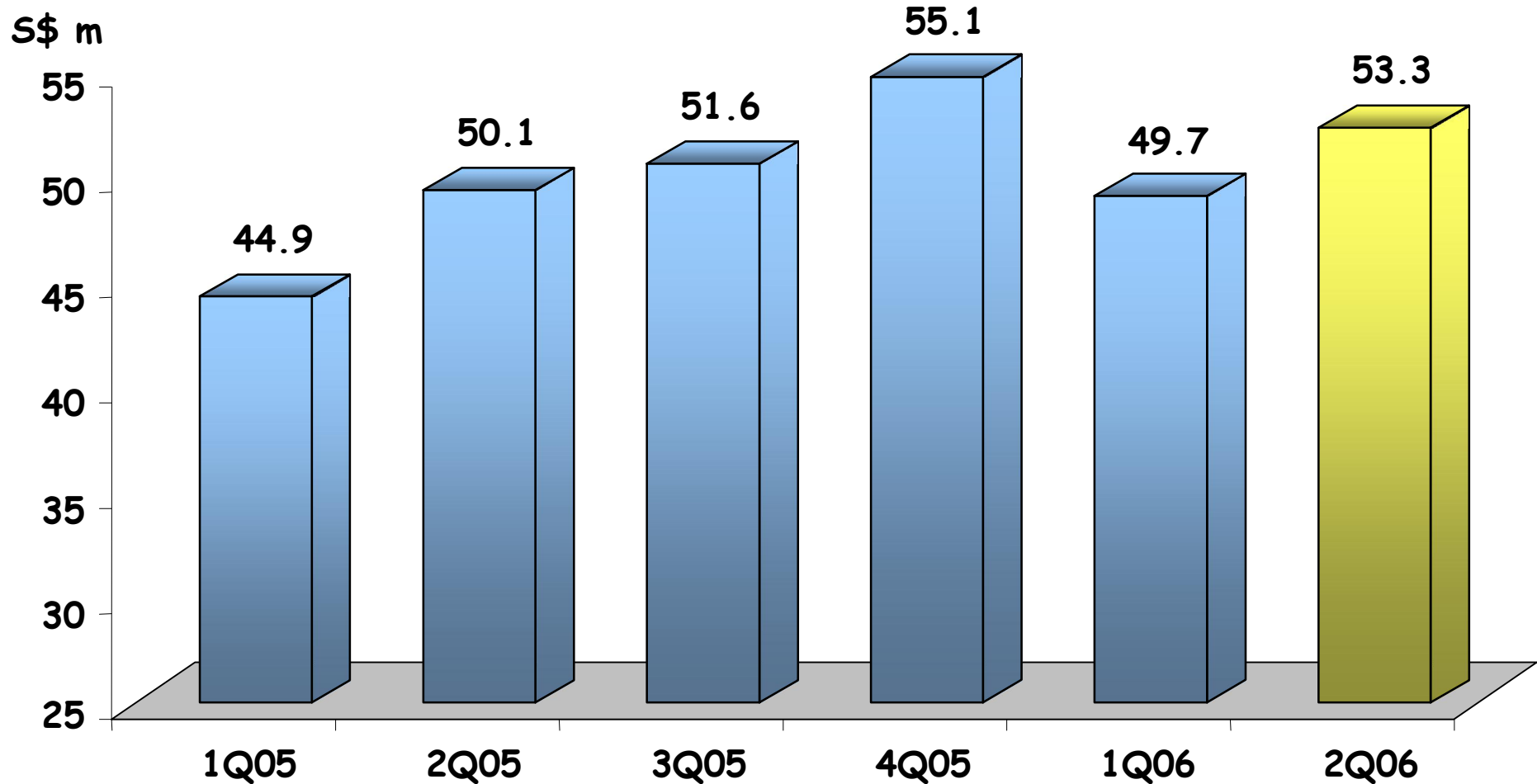
Computer Peripherals & Data Storage	: 29%
Printing & Imaging	: 27%
Networking & Communications	: 29%
Others*	: 15%

* includes medical & automotive products

Profit After Income Tax by Quarter

▲ 2Q06 vs. 2Q05 : 6%

▲ 2Q06 vs. 1Q06 : 7%



- Little change in revenue dollars, but big change in content
 - *contribution from high volume telco products in 1H05 replaced by a number of new customers from high-mix sectors*

- Net margin improvement contributed by :
 - *replacement of low margin with higher value add businesses*
 - *increase in design and engineering activities*
 - *improved productivity and cost management*

- Foreign exchange losses in view of sharp decline in US\$ against Asian currencies
- Fair value gain on derivative financial instruments
- Lower taxation due to tax credit received in 1Q06
- Increase in share of profits of associates'
- Increase in minority interest

Financial Highlights

	<u>1H06</u>	<u>1H05</u>	<u>Change</u>
➤ Revenue	\$ 1,484 m	\$ 1,540 m	(4%)
➤ EBITDA* (excl. forex adjustment)	\$ 135.2 m	\$106.8 m	27%
• <i>Forex Adjustment</i>	(\$ 25.8 m)	\$ 4.1 m	
• <i>Depreciation & Amortization</i>	(\$ 21.0 m)	(\$ 24.4 m)	
• <i>Net Interest Income</i>	\$16.2 m	\$ 11.6 m	
➤ Profit Before Tax	\$ 104.4 m	\$ 98.1 m	6%
• <i>Tax</i>	(\$ 1.4 m)	(\$ 3.1 m)	
➤ Profit After Income Tax	\$ 103.0 m	\$ 95.0 m	8%
➤ Profit Attributable to Shareholders	\$ 101.9 m	\$ 94.8 m	7%

* includes fair value changes on derivative financial instruments : gain of S\$15.5m in 1H06, and loss of S\$4.9m in 1H05

Net Margin Analysis

	<u>1H06</u>	<u>2H05</u>	<u>1H05</u>
Revenue	\$ 1,484 m	\$ 1,698 m	\$ 1,540 m
Profit After Income Tax	\$ 103.0 m	\$ 106.3 m	\$ 94.8 m
Net Profit Margin	6.9%	6.3%	6.2%

	<u>2Q06</u>	<u>1Q06</u>	<u>4Q05</u>
Revenue	\$ 751 m	\$ 734 m	\$ 878 m
Profit After Income Tax	\$ 53.3 m	\$ 49.7 m	\$ 55.1 m
Net Profit Margin	7.1%	6.8%	6.3%

Summary of Other Ratios

	<u>1H'06</u>	<u>1H'05</u>	<u>Change</u>
➤ EPS (fully diluted)	37.6 cts	35.3 cts	7%
➤ Net Assets per Share	\$ 6.02	\$ 5.75	5%
➤ Shareholders' Equity	\$ 1,623 m	\$ 1,544 m	5%
➤ Cash & Cash Equivalents*	\$ 500 m	\$ 571 m	(12%)
➤ Long-Term Investments	\$ 257 m	\$ 268 m	(4%)
➤ Capital Expenditure	\$ 15.1 m	\$ 20.8 m	(27%)

* includes investments in short-term, available-for-sale fixed income instruments



Outlook

- Centre of excellence for medical products
 - *Singapore : centre for development*
 - *Penang : centre for manufacturing*
 - *ISO 13485 / FDA certifications achieved for Penang facility*

- Boost in supply chain management processes, specifically in procurement and supplier quality engineering
 - *enhances service quality for customers in niche product segments*

- Expansion of direct launch activity for test & measurement products in JB
 - *helps customers reduce time-to-volume and time-to-market*

- Continued expansion of customer portfolio
 - *addition of new customers from automotive, medical, storage, and computer peripherals industries in 1H06*
- Greater engagement with customers looking for design services
 - *establishment of new R&D labs*
- Increasing demand for e-fulfillment services

Reflects general trend of customers looking for complete value chain solutions

- Some examples:
 - *new generation multi-function printers and photo kiosks*
 - *thermal bar code and receipt printers with built-in RF readers*
 - *drug delivery device for medical industry*
 - *next generation tape library products*
 - *next generation Disk Enclosure Blades (DEB)*
 - *variety of test & measurement equipment*

- Venture is making good progress with its product and customer diversification strategy
- At the same time, we continue to focus on operational excellence, and to build more capabilities along the value chain
- With these fundamentals in places, we look forward not just to a better 2H06, but to sustainable growth and profitability for the long haul



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Thank You

