



VENTURE CORPORATION LIMITED
(CO REG. NO. 198402886H)

- **EARNINGS DECLINED TO S\$168M DUE TO HIGHER PROVISIONS**
- **PROPOSED FINAL DIVIDEND MAINTAINED AT 50 CENTS PER SHARE**

SINGAPORE, 19 FEBRUARY 2009 – Venture Corporation Limited (“Venture” or the “Group”) registered revenue of S\$3,784.1 million for the financial year 2008, a slight 2.3% decline against the preceding year. In US dollar terms, the full year revenue would have grown by 4.6%.

In spite of the difficult economic environment, Venture was able to maintain business momentum to achieve quarterly revenue of S\$906.9 million for the three months ended 31 December 2008. Sequentially, the revenue had remained above S\$900 million for eight consecutive quarters.

Full year net profit for the year ended 31 December 2008 declined 44.6%, largely due to non-operational charges of S\$114.5 million on derivative financial instrument and S\$6.3 million impairment of an associate. If all the above non-operational charges are excluded, earnings for the year would have been S\$288.3 million.

Net profit for the fourth quarter ended 31 December 2008 was S\$4.6 million, primarily due to non-operational charges related to fair value loss on derivative financial instrument for the quarter amounting to S\$57.6 million and an impairment of S\$6.3 million on an associate. If all the above non-operational charges are excluded, earnings for the quarter would have been S\$68.5 million.

The Group generated strong cash from operations with an EBITDA of S\$345.7 million (EBITDA excludes non-operational charges related to fair value loss on derivative financial instrument and impairment of an associate) and recorded a free cash flow of S\$313.1 million for the financial year 2008.

Earnings per share was 60.8 cents for the 12 months ended 31 December 2008.

PERFORMANCE REVIEW

Despite the difficult business environment experienced globally in 2008, the Venture Group was able to sustain a creditable operational performance for the year. The marginal revenue decline was mainly caused by a negative foreign exchange impact.

The Group's key market segments did not suffer any major deterioration. In fact, the Group expanded its market share among its key customers. Thirty percent of its top 10 customers registered double-digit revenue expansion. Ten percent actually registered higher than 100% growth during the year. Similarly, at least two major customers from the top 10 in each of the segments recorded growth of more than 10% to counteract the drop in volume of some accounts.

The Group's investments in technology and innovations have enabled it to offer superior solutions to meet the varied needs of its customers. Given its capabilities to offer value-added research, design and engineering services, the Group won new customers and expanded its market share with its existing customers during the year.

In 2008, a number of OEMs (Original Equipment Manufacturers) were able to leverage Venture's technical and supply chain support to benefit from better operational efficiencies and cost savings. The year also witnessed successful transfer of customers' manufacturing activities into the Group's facilities.

During the year, the Group made great stride in its competitiveness through continuing focus on operational excellence. Given its outstanding performance, Venture has been recognised as the preferred supplier by no less than nine customers. The Group also witnessed a strengthening of relationship with its key customers across all entities and business units.

Whilst the Group has a keen focus on cost management, it continued to allocate resources for strategic activities and investments. In the area of technology and product innovation, the Group had made further investments to strengthen its capabilities and competencies.

The Group ended the year with a healthy balance sheet.

As a result of the Group's judicious management of working capital, Venture managed to end the year in a net cash position with Cash and Cash Equivalents of S\$513.8 million.

The Net Asset Value per share of the Group rose to S\$6.91 for the year.

As at 31 December 2008, total shareholders' equity of the Group amounted to S\$1,895.6 million.

Commenting on the results, Mr Wong Ngit Liong, Chairman and CEO of Venture, said, "The Group's operational performance continues to be satisfactory. Our people have done an excellent job strengthening our balance sheet culminating in a healthy cash reserve. Indeed, it was the collective competencies and commitment of our people that have kept us on course in these challenging conditions."

DIVIDEND

For the financial year ended 31 December 2008, the Board of Directors has recommended a final dividend of 50 cents per share on a one-tier tax-exempt basis.

Subject to the approval of shareholders at the Annual General Meeting to be held on 24 April 2009, the proposed dividend will be paid on 26 May 2009.

OUTLOOK

The global operating environment is expected to remain challenging due to the financial crisis and the weakening world economy.

However, the Group will continue to push operational excellence to a new level through multiple design-driven, process-related and supply chain initiatives. These initiatives will help the Group achieve improved levels of productivity and competitiveness.

The Group will continue to fortify its strong balance sheet and increase its cash reserves through sound working capital management.

It will also continue to invest for the future to achieve a new level of leading-edge capabilities. In 2008, the Group spearheaded several ODM (Original Design Manufacturing) projects, independently or jointly with its partners, and these are in various stages of development with a number of projects launched during the year and several more in the launch-phase.

During these uncertain times, the Group remains well placed to take advantage of new business opportunities.

BACKGROUND

About Venture (www.venture.com.sg)

Venture (SGX: VENM.SI) was founded in 1984 as a global electronics services provider. With world-class technical capabilities, innovative manufacturing technology, reliable testing capabilities and state-of-the-art facilities, Venture provides a seamless manufacturing system, delivering product quality and cost efficiency for a range of high-mix, high-value and complex products. Today, Venture is a strategic partner of choice for successful global companies providing total value chain management including Original Design Manufacturing, Electronics Manufacturing Services and E-fulfillment Services.

The Venture Group comprises about 40 companies with global clusters of excellence in South-East Asia, North Asia, America and Europe and employs more than 14,000 people worldwide. With complementary engineering capabilities, operational synergy, real-time infrastructure interfaces and faster time-to-market, Venture ranks among the best in managing the value chain for leading electronics companies.

Submitted by Angeline Khoo, Company Secretary, on 19 February 2009 to the Singapore Exchange Securities Trading Limited.

This press release is also available at www.venture.com.sg.

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