



Venture Corporation Limited

2004 Third-Quarter Results Briefing

5 November 2004



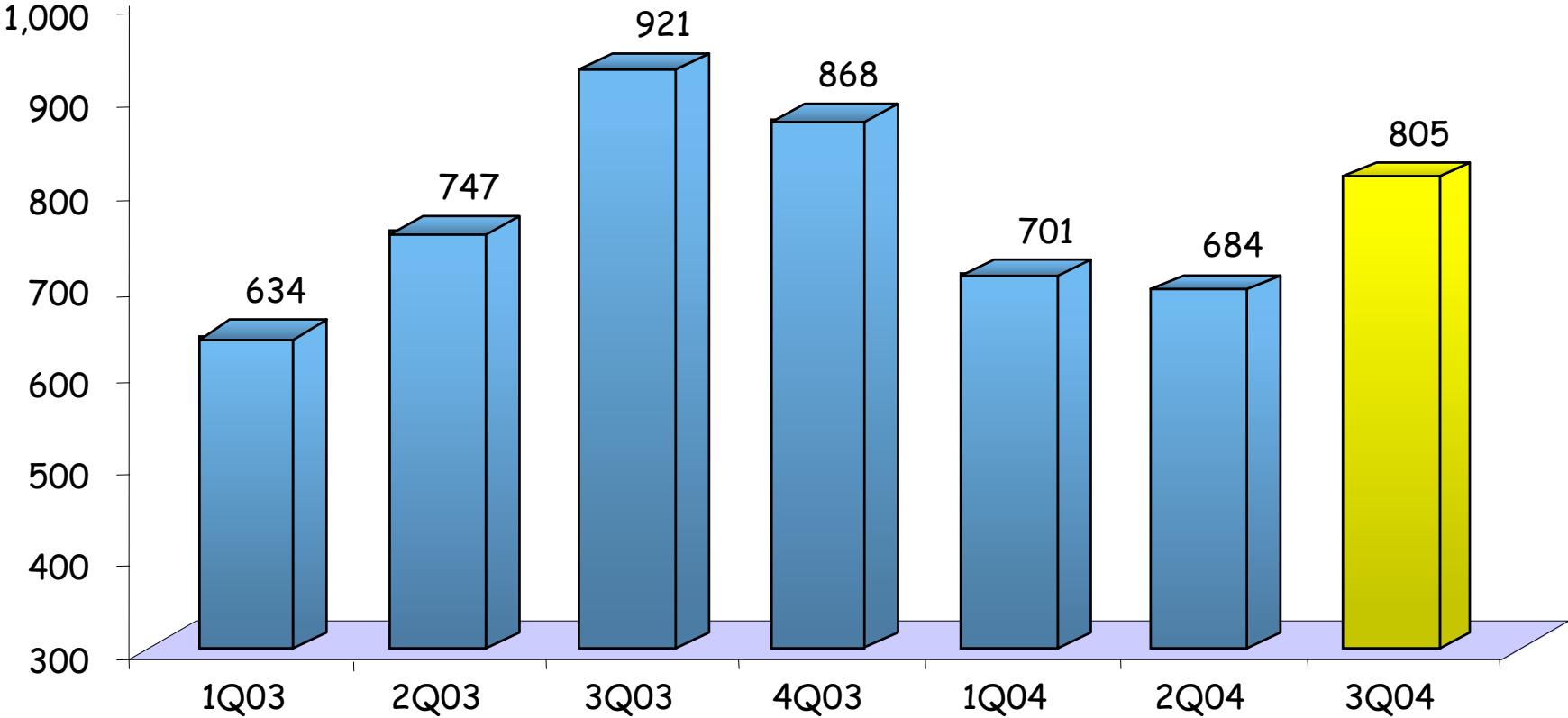
Group Revenue (1Q03 - 3Q04)



▲ 17.7% vs. 2Q04

▼ 12.7% vs. 3Q03

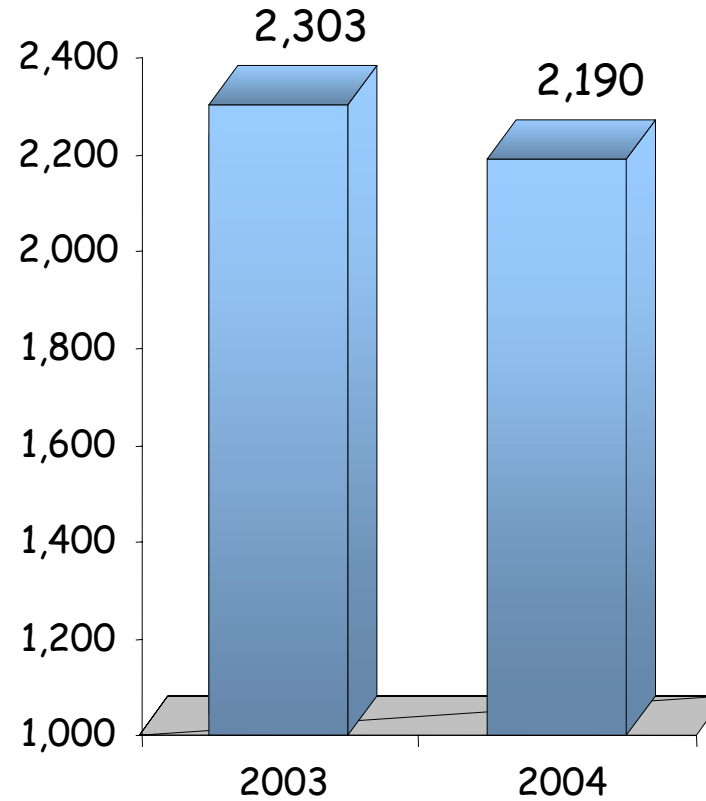
S\$million



Revenue

▼4.9%

\$million



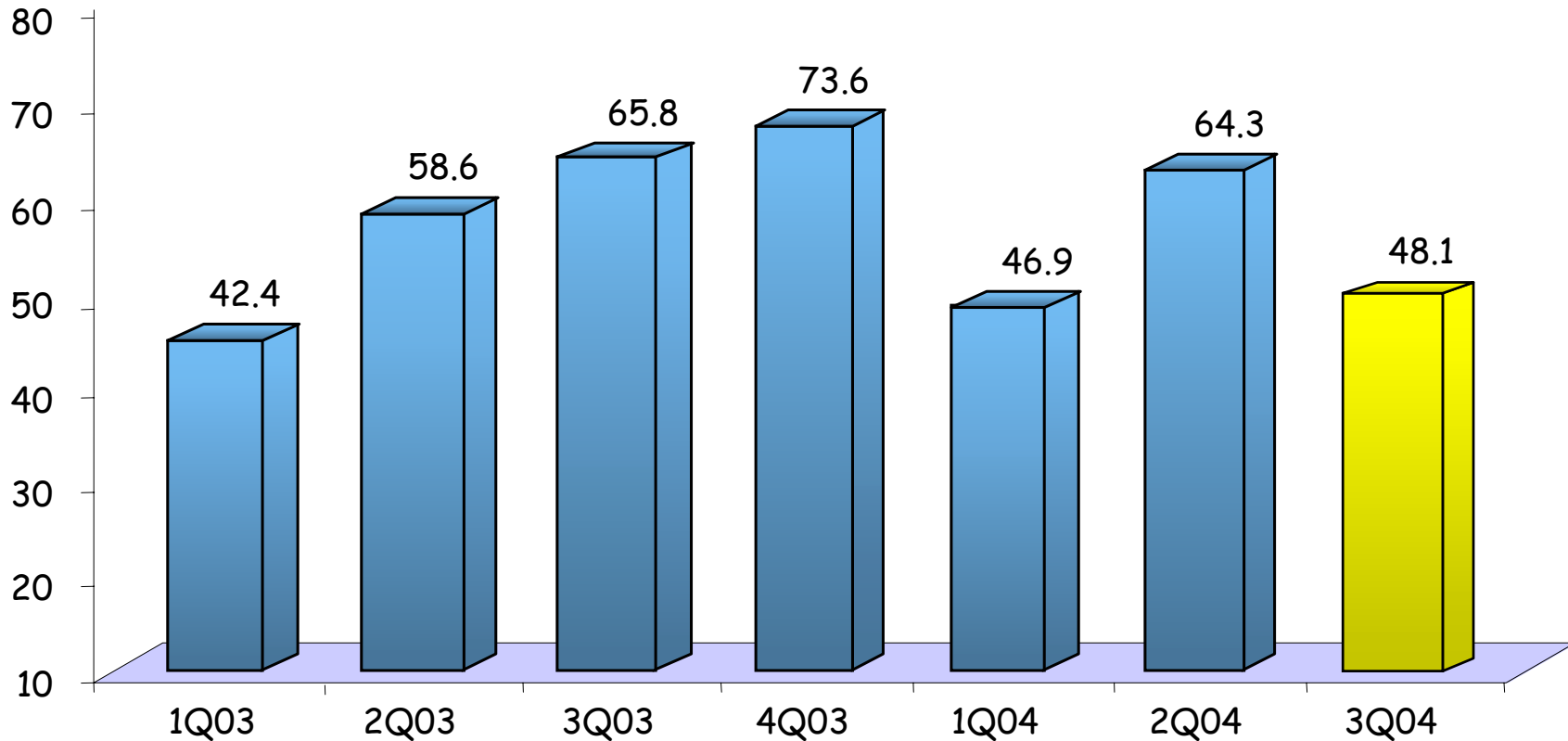
Net Profit After Tax (1Q03 - 3Q04)



S\$million

▼ 25.2% vs. 2Q04

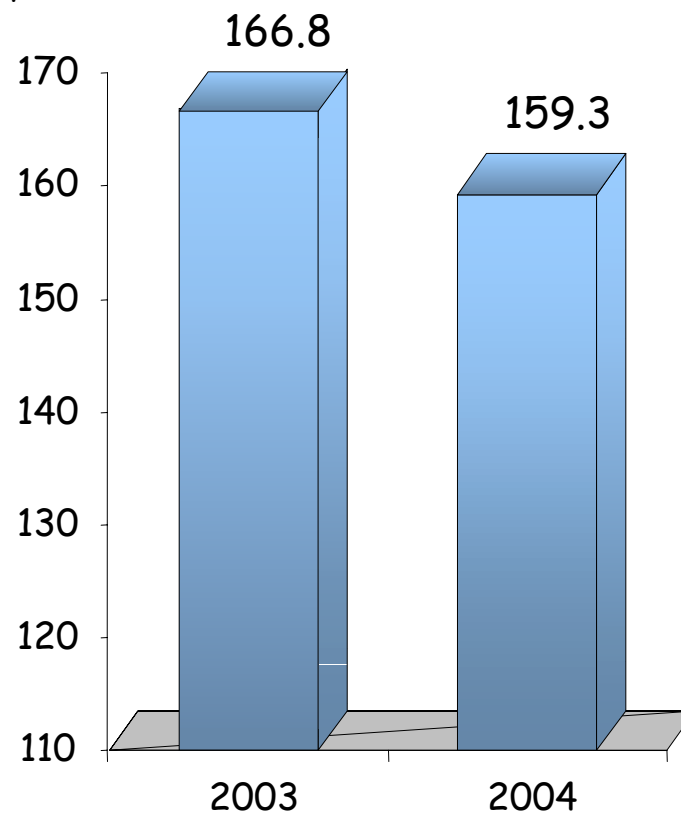
▼ 26.9% vs. 3Q03



Profit After Tax

▼ 4.5%

\$million



- Shift in product mix
 - *larger percentage of high-volume products compared to low-volume, high-mix products*

- Price erosion in the high-volume product category

- Softer end-market demand
 - *weaker than anticipated demand for new products introduced*
 - *slower than expected pace of NPIs*

- 52% revenue growth from networking & communication products
 - *strong growth driven by new products from existing customers*
 - *added 3 new customers over 2003*
 - *new products introduced :*
 - *host bus adaptors, wireless LAN card*

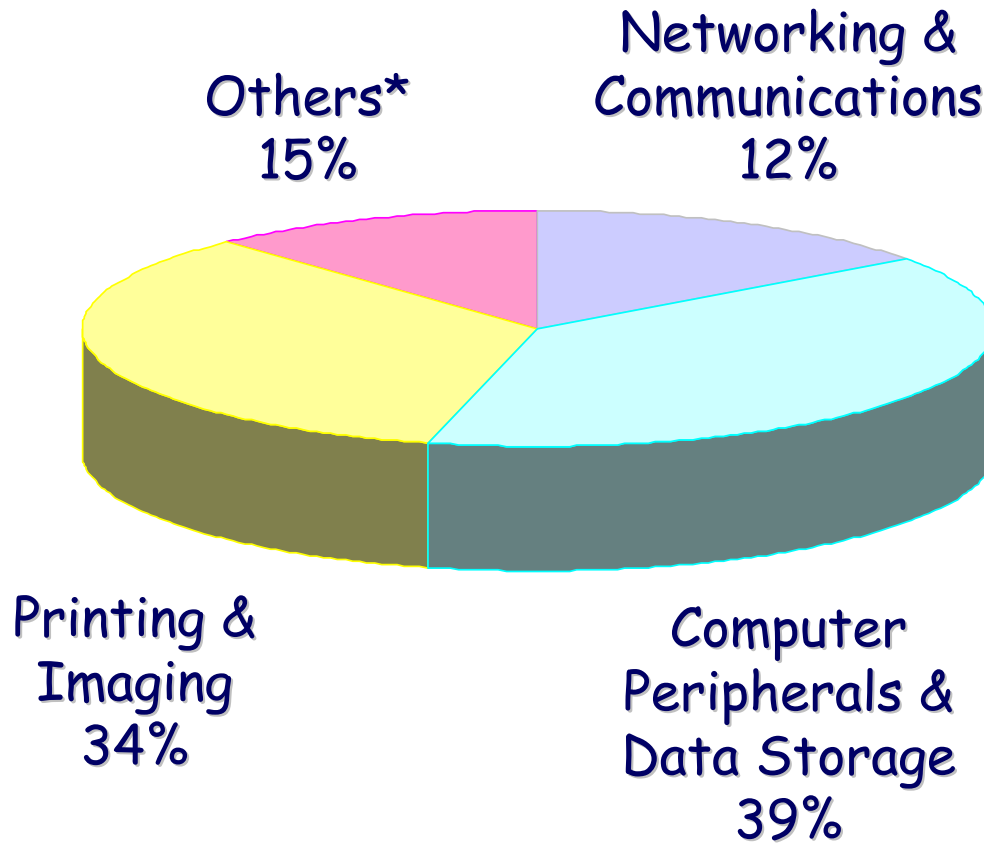
- 58% revenue growth from test & measurement (TM), automotive and medical products
 - *strong growth driven by existing products from existing customers*
 - *added 6 new customers over 2003*
 - *several new product introductions*

- 24% decline in revenue from printing & imaging products
- 10% decline in computer peripherals & data storage revenue

Reasons :

- *lower demand for high-volume products compared to 2003*
 - *delay in NPI*
- Corresponding decline in net profit after tax of about 5%

YTD Breakdown by Product Segment



YTD '03 Breakdown	
Computer Peripheral & Data Storage	: 41%
Printing & Imaging	: 42%
Networking & Communications	: 8%
Others*	: 9%

*includes test & measurement, medical, automotive, automatic optical inspection products

Summary of 3Q Performance



	<u>3Q'04</u>	<u>3Q'03</u>	<u>Change</u>
➤ Revenue	\$ 805 m	\$ 921 m	(13%)
➤ EBITDA (excl. Forex impact)	\$ 59.3 m	\$ 79.1 m	(25%)
• Depreciation & Amortization	(\$ 13.8 m)	(\$ 14.8 m)	
• Forex Impact	(\$ 2.7 m)	\$ 0.8 m	
➤ Profit from Operations	\$ 42.8 m	\$ 65.2 m	(34%)
• Net Interest Income	\$ 6.8 m	\$ 3.6 m	
➤ Profit Before Tax	\$ 49.9 m	\$ 69.4 m	(28%)
• Tax	(\$ 1.7 m)	(\$ 1.8 m)	
➤ Net Profit After Tax	\$ 48.1 m	\$ 65.8 m	(27%)

Summary of YTD Performance



	<u>2004</u>	<u>2003</u>	<u>Change</u>
➤ Revenue	\$ 2,190 m	\$ 2,303 m	(5%)
➤ EBITDA (excl. Forex impact)	\$ 192.5 m	\$ 208.3 m	(8%)
• Depreciation & Amortization	(\$ 41.5 m)	(\$ 41.4 m)	
• Forex Impact	(\$ 3.2 m)	-	
➤ Profit from Operations	\$ 147.8 m	\$ 166.9 m	(12%)
• Net Interest Income	\$ 14.7 m	\$ 8.7 m	
➤ Profit Before Tax	\$ 163.9 m	\$ 177.8 m	(8%)
• Tax	(\$ 4.0 m)	(\$ 6.1 m)	
➤ Net Profit After Tax	\$ 159.3 m	\$ 166.8 m	(5%)

Summary of Other Ratios



<u>As at 30 Sep</u>	<u>2004</u>	<u>2003</u>	<u>Change</u>
➤ EPS (fully diluted)	59.5 cts	65.2 cts	(9%)
➤ Net Assets per Share	\$ 5.81	\$ 4.92	18%
➤ Shareholders' Equity	\$ 1,526 m	\$ 1,259 m	21%
➤ Cash & Equivalents (net of ST loans)	\$ 783 m	\$ 623 m	26%
➤ Capital Expenditure	\$ 41.3 m	\$ 34.4 m	20%



Outlook

4Q04 performance expected to improve over 3Q04

- Expected surge in demand for networking & communication products
 - *introduction of several new products from new customers*
 - *host-bus adaptors*
 - *transponders*
 - *wireless LAN*
 - *new volume business in telecommunication products*
- Healthy growth in computer peripherals & data storage business
 - *enterprise storage systems, disk drives, jump drives, SD cards*

- NPIs in pipeline for high-value printing & imaging products
 - *but high-volume lines will see a seasonal decline*
- Growth momentum in test & measurement, automotive, and other niche areas likely to be maintained
- EFS activities to see steady growth overall, particularly in Asia
 - *steady expansion in postponement, repair, and hubbing business*

- Expected flat revenue year-on-year for FY04
- Resumption of growth in printing & imaging business expected in FY05
- Strong demand for networking & communication products expected to continue into 2005
- Continued growth in computer peripherals & data storage product segment



Venture Corporation Limited

End of Presentation

