



**PRESS RELEASE**

**VENTURE REPORTS SUSTAINED INTERIM PERFORMANCE  
WITH 11% REVENUE GROWTH**

**SINGAPORE – 5 August 2005** –Venture Corporation Limited (SGX : Venture), a leading global electronics services provider today reported interim financial results for the six months ended 30 June 2005.

Key Performance Highlights :

	<b><u>1H05</u></b>	<b><u>1H04</u></b>	<b><u>Change</u></b>
Revenue (S\$m)	1,540	1,385	↑ 11%
Net Profit before Non-Recurring Income (S\$m)	95	92	↑ 3%
Non-Recurring Income (S\$m)	-	11	n.m.
Net Profit Attributable to Shareholders (S\$m)	95	103	↓ 8%
Earnings Per Share (Sgp cents)	35.3	38.6	↓ 9%

The Group registered an interim net profit attributable to shareholders of S\$95m compared to S\$103m for the same corresponding period last year. This was on revenue of S\$1.54b, an increase of 11% over the previous year. Earnings per share was 35.3 cents, compared to 38.6 cents for the first half of 2004.

The decline in earnings takes into consideration a non-recurring gain of S\$11m from the disposal of an associated company in the first half of 2004. Excluding this item, the Group would have registered a 3% growth in its earnings.

Mr Wong Ngit Liong, the Group's Chairman and CEO said, "The OEM end market was generally flat in the first half of the year. During this time, we took the opportunity to focus on growing our market share, strengthening our capabilities and improving our cost structure.



We also added more medium-sized customers from Europe to our portfolio. As a result, we managed to grow our business and maintain our profit margin.”

### **Performance Review and Update**

The Group registered increases in both revenue and net profit in the second quarter compared to the previous quarter. Revenue for the second quarter increased 2% from S\$763m to S\$777m, while net profit attributable to shareholders rose 12% from S\$44.8m in the first quarter to S\$50m in the second. On a year-on-year comparison, the second quarter revenue represented an increase of 14%, while net profit attributable to shareholders declined 14%.

In the first half of the year, the Group achieved a healthy balance in revenue contribution across the various product segments. The Computer Peripherals & Data Storage (CP&DS), and Networking & Communication (N&C) segments each contributed 29% to Group revenue, while contribution from the Printing & Imaging (P&I) segment was 27%. Products from the Test & Measurement / Others (T&M/O) category which includes automotive and medical equipment, contributed 15% to Group revenue. This compares with contribution of 38% and 36% from the CP&DS and P&I segments respectively, and 12% and 14% in the N&C and T&M/O segments a year ago.

“Our business is now well diversified across various product segments, and this will present more opportunities and impetus for overall growth,” said Mr Wong.

The Group’s effective tax rate increased slightly from 2% in the previous year to 3% this year. This was due to an increase in non-operational income. Cash and cash equivalents as at 30 June 2005 stood at S\$834m, after deducting S\$134m in dividends paid out to shareholders in May.

### **Outlook**

The Group is encouraged by signs of improvement in the business environment for the rest of the year. Having put in place various initiatives to upgrade its capabilities, reduce costs and strengthen its relationship with customers, the Group is well-positioned to capitalize on any



upturn in the market. New product introductions (NPIs) across the P&I, N&C, medical, storage and test & measurement product segments are mostly on schedule, and the Group is looking forward to a boost in manufacturing activities on the back of these NPIs for the second half of the year.

In recent months, partnerships with customers engaged in complex commercial equipment have allowed Venture's R&D team to develop new capabilities that include the use of high-precision sheet metal and welded structural frames in the development of commercial products, remote wireless telemetry software, and wireless handheld computing solutions for industrial applications. The addition of these and other capabilities will place the Group in good position to make further advancement in the high-end, high-mix business.

The medium-sized customers engaged in niche products such as energy supply regulators, and networking products such as storage network switches, are showing rapid growth. Many of these customers have partnered Venture for its expertise in high-mix, high value-added activities, and have only come on board towards the end of 2004 and early this year. Although their contribution may not be significant given the early partnership stage, the Group is confident that these partnerships will enable both parties to grow over the longer term. Such high-mix, high value-add activities that the Group is increasingly engaged in will also provide a good basis for margin improvement over the medium term.

The Group is taking steps to redistribute its activities within each cluster, in order to enhance its operational excellence, improve cost efficiency, and to provide better support for its customers' requirements. Since the beginning of the year, its capacity in the Southeast Asia cluster has been expanded to accommodate increased activities driven both by new and existing customers. A new end-pack facility has also been added in the Southeast Asia cluster to help customer fulfill product shipments worldwide.

Mr Wong said, "As we grow our business, we will continue to strengthen our fundamentals by developing a powerful supply chain, and harnessing our knowledge and technological expertise to make significant improvements to our performance."



### **About Venture Corporation**

Venture Corporation Limited ranks among the top electronics services providers in the world, and offers comprehensive expertise in electronics manufacturing services (EMS), original design & manufacturing (ODM) and e-fulfillment services (EFS). Founded in 1984, the Venture group comprises about 30 companies with global clusters of excellence in South-East Asia, North-East Asia, the Americas and Europe. Top Fortune 500 companies including HP, Agilent, IBM, Intermec, Motorola and Xerox as well as other up-and-coming multi-nationals have selected Venture as their global strategic partner for their long-term manufacturing, engineering, product development and design and supply chain management needs. Venture has received numerous accolades from both its customers and the financial media, bearing testimony to its consistent performance, flawless execution and world-class quality.

More information on Venture Corporation is available at [www.venture.com.sg](http://www.venture.com.sg).

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