



Venture Corporation Limited

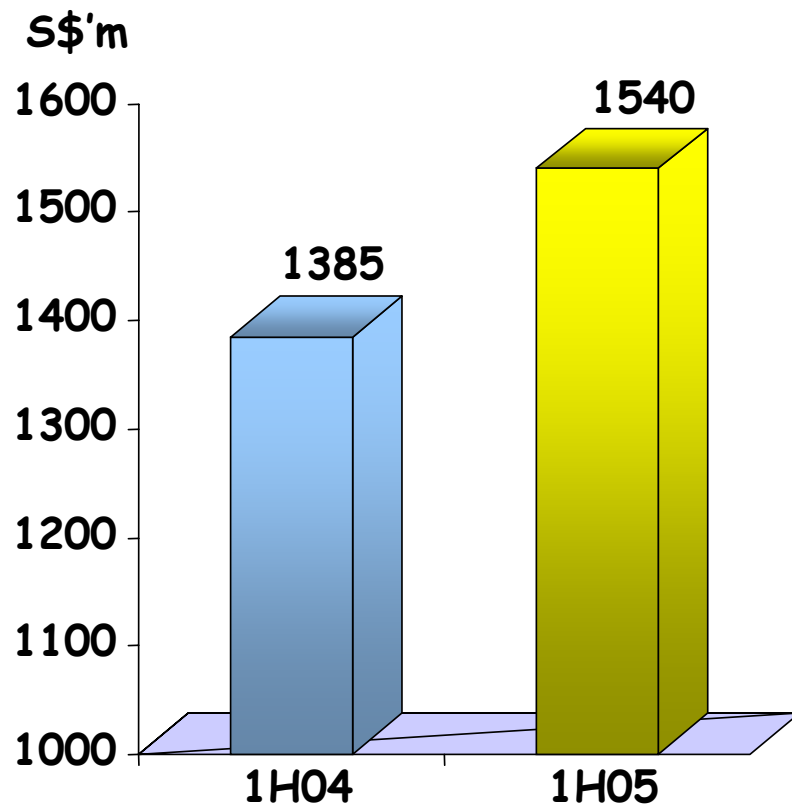
1H05 Results Briefing

5 August 2005



Group Revenue : S\$ 1,540 m

**Profit Attributable
to Shareholders : S\$ 94.8 m**

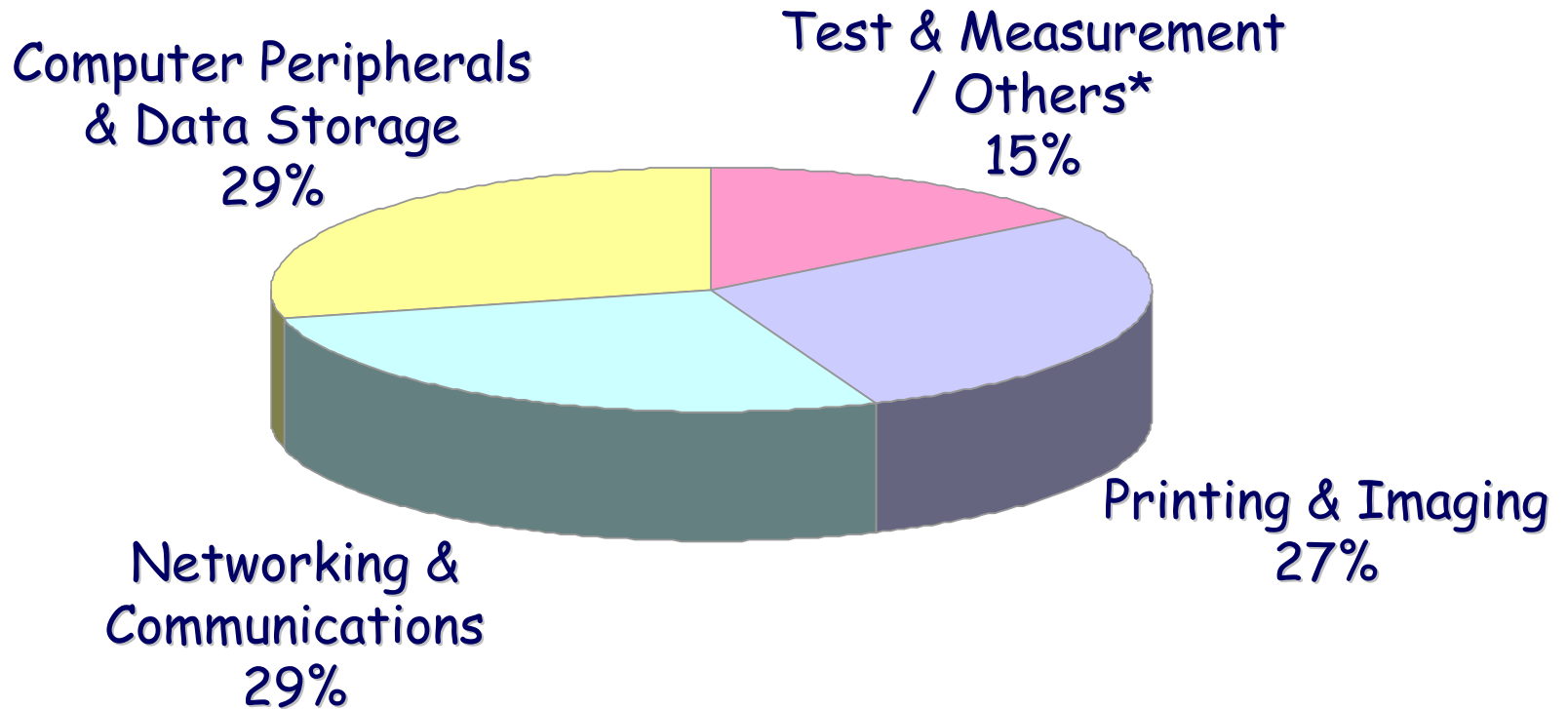


▲ 1H05 vs. 1H04 : 11%

1H05 Revenue Breakdown by Product Segment



Total : S\$1.54b



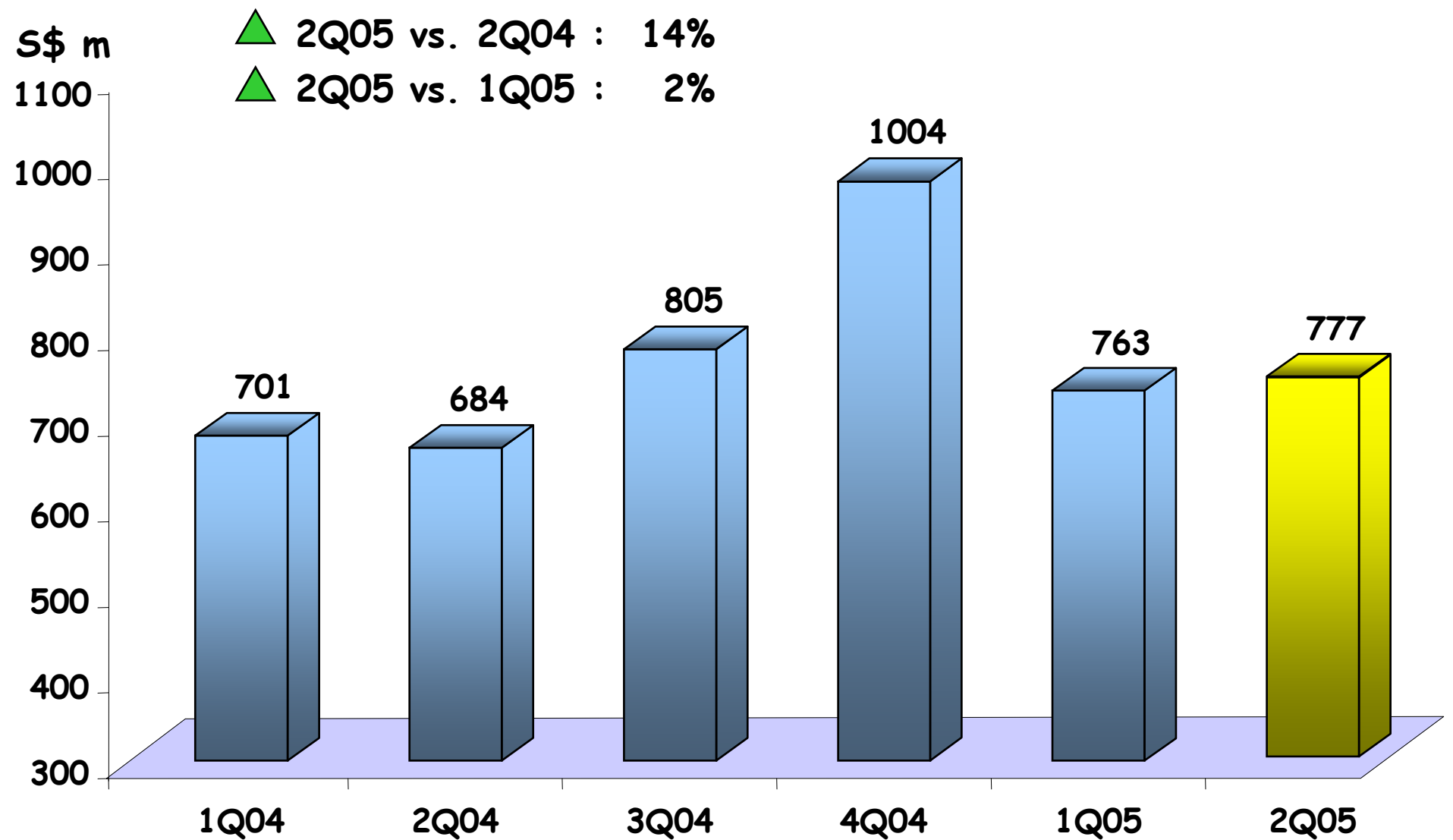
** includes medical & automotive products*

- Healthy balance contribution across product segments :

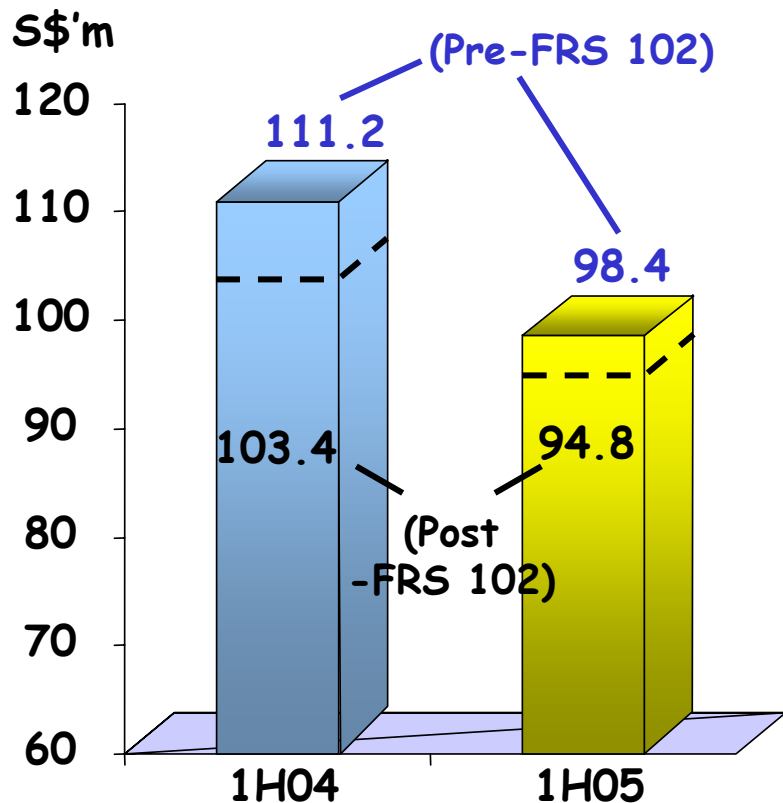
	1H04		1H05
Computer Peripherals & Data Storage	: 38%	➔	29%
Printing & Imaging	: 36%	➔	27%
Networking & Communications	: 12%	➔	29%
Test & Measurement/ Auto/ Medical/ Others*	: 14%	➔	15%

- Next steps would be to focus on growing a bigger pie

Group Revenue by Quarter



1H Profit Attributable to Shareholders



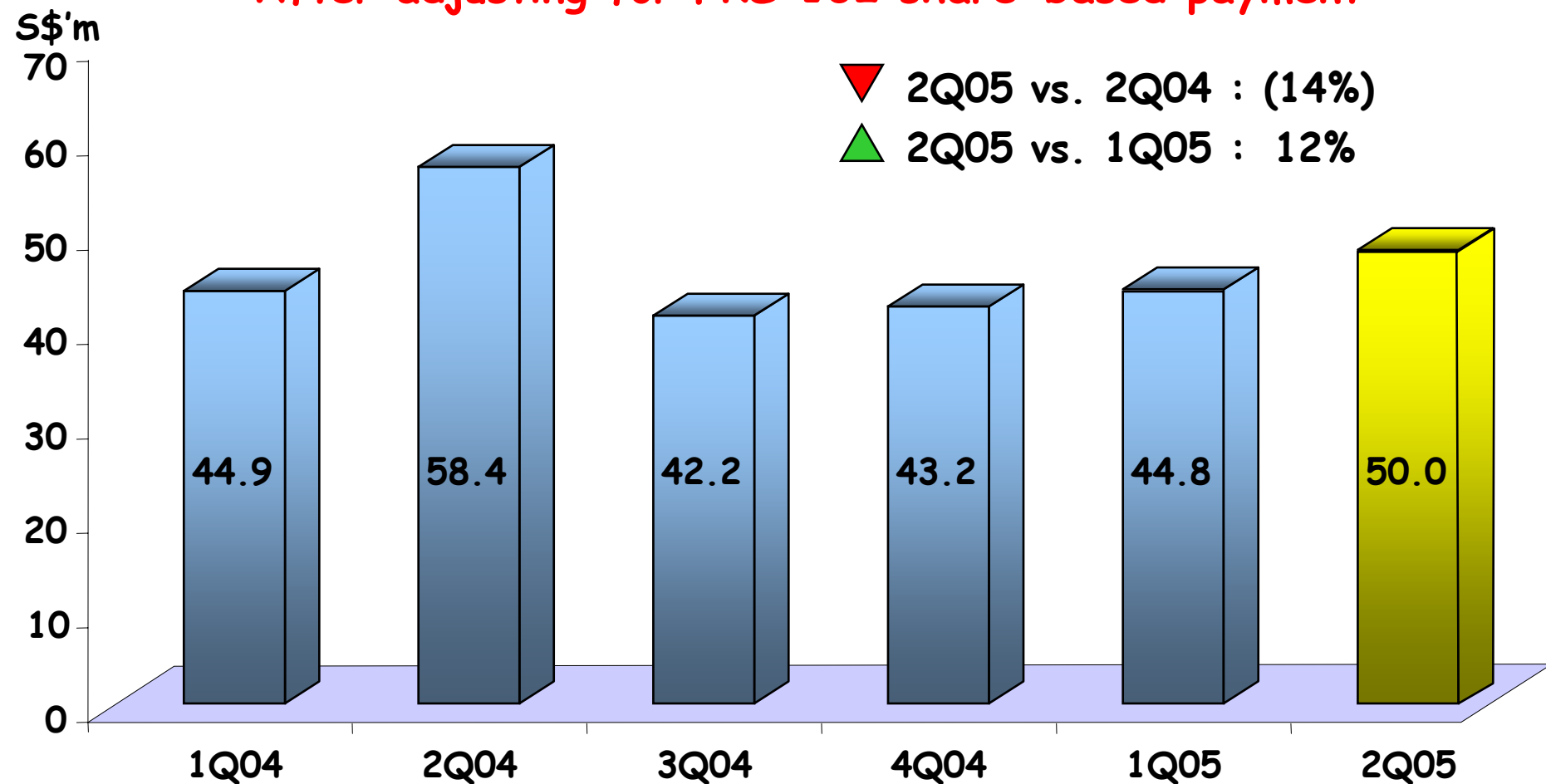
▼ 1H05 vs. 1H04 : (8%)

- 3% improvement in net 1H05 earnings, excluding non-recurring income of S\$11m in 1H04
- Includes S\$5m fair value adjustment arising mainly from forward foreign currency contracts
 - *expected to be recovered upon expiry at end-05*

Profit Attributable to Shareholders by Quarter



After adjusting for FRS 102 share-based payment



➤ Continued improvement in quarterly profit - last 4 quarters

Net Margin Analysis



	<u>1H05</u>	<u>2H04</u>	<u>1H04</u>
Revenue	\$ 1,540 m	\$ 1,809 m	\$ 1,385 m
Profit Attributable to Shareholders	\$ 94.8 m	\$ 85.4 m	\$ 103.4 m
Net Profit Margin	6.2%	4.7%	7.5%*

**Net profit margin excluding non-recurring gain of S\$11m = 6.7%*

	<u>2Q05</u>	<u>1Q05</u>	<u>4Q04</u>
Revenue	\$ 777 m	\$ 763 m	\$ 1,004 m
Profit Attributable to Shareholders	\$ 50.0 m	\$ 44.8 m	\$43.2 m
Net Profit Margin	6.4%	5.9%	4.3%

➤ Continued improvement in quarterly profit margin - last 3 quarters

Summary of Other Ratios



	<u>1H'05</u>	<u>1H'04</u>	<u>Change</u>
➤ EPS (fully diluted)	35.3 cts	38.6 cts	(9%)
➤ Net Assets per Share	\$ 5.75	\$ 5.63	2%
➤ Shareholders' Equity	\$ 1,544 m	\$ 1,476 m	5%
➤ Cash, Cash Equivalents & Investments*	\$ 834 m	\$ 903 m	(8%)
➤ Capital Expenditure	\$ 20.8 m	\$ 26.1 m	(20%)

**includes bonds, equities and yield enhancement financial instruments of S\$268m ('05) and S\$98m ('04); and after deducting dividend payment of S\$134m ('05) and S\$42m ('04)*



Outlook

- Expertise in high-mix business has grown to be among the best in the world
 - *investment in machinery*
 - *planning tools*
 - *process capabilities*
 - *knowledge & skill sets*
 - *high-value, complex products*

- Expansion of high-mix capabilities
 - *to other sites around the world*
 - *to other electro-mechanical areas*

➤ Design services

- *use of high-precision sheet metal and welded structural frames in the development of commercial products*
- *remote wireless telemetry software technology*
- *wireless handheld computing solutions for industrial applications*

➤ E-fulfillment services

- *greater demand for end-pack activities in Southeast Asia cluster*
- *increase in reverse logistics and repair services in the US and China cluster*

- P&I
 - : ruggedized portable thermal printer
 - : high-speed mobile printer with WiFi connectivity
 - : new all-in-one products

- CP&DS
 - : data terminals for warehouse inventory control
 - : storage products for servers
 - : consumer mass storage system for home and office

- N&C
 - : network storage switches & HBAs
 - : RF power amplifiers for base station networks
 - : satellite based communication devices

- T&M/O
 - : power supply regulators
 - : laser & optical devices for construction & engineering industry
 - : CPU tester
 - : automotive & medical products

- Tier-2 customers (i.e., <US\$2b in revenue) showing rapid growth
- Of top 15 customers today, about two-thirds belong to Tier-2 category
- Engagement in high-mix, high value-added activities provides good platform for margin improvement over medium term
 - *products include network switches, automotive equipment, energy supply regulators, motor drivers, test equipment*
 - *contribution not immediately significant given early stages of partnership, but expected to increase over time*

- Rationalizing of facilities and redistribution of activities to enhance operational excellence
 - *achieve better productivity and economies of scale*
 - *facilitate faster response to customers worldwide*

- Southeast Asia cluster expanded to accommodate :
 - *manufacturing of new products for existing customers*
 - *increased eFS activities for existing customers*
 - *new businesses for new customers*



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End of Presentation

