



Venture Corporation Limited

2006 Full-Year Results Briefing

26 February 2007





FY06 Performance & Operation Review

4Q RESULTS



- Record Net Profit of S\$78.3M in 4Q06
- Year-on-year Quarter growth = +43% Net Profit
= +50% PBT
- 4Q06 Revenue of S\$841.2M
Slight decline of 4% but increase of 4% in US\$

Note : "Net Profit" = Profit attributable to shareholders

FY06 RESULTS



- Net Profit for Full Year 2006: S\$239.2M
- Year-on-year Net Profit Growth: +19%

Note : "Net Profit" = Profit attributable to shareholders

Key Performance Highlights



S\$ million	Qtr 4	Qtr 4	%	FY 06	FY 05	%
	FY 06	FY 05	Change	FY 06	FY 05	Change
Revenue	841.2	877.5	-4.1%	3,124.9	3,238.0	-3.5%
Profit before tax	83.7	55.9	49.6%	252.6	207.1	22.0%
Tax	(5.2)	(0.8)	523.4%	(11.6)	(5.4)	115.2%
Net profit	78.3	54.8	42.8%	239.2	201.2	18.9%
Fully Diluted EPS (cents)	28.8	20.2	42.6%	88.1	74.5	18.3%

Record Quarterly Net Profit : Q406 vs Q405 ▲ 43%

Revenue: FY06 vs FY05 ▼ 3.5% in SGD, FY06 vs FY05 ▲ 4% in US\$.

Note : "Net Profit" = Profit attributable to shareholders

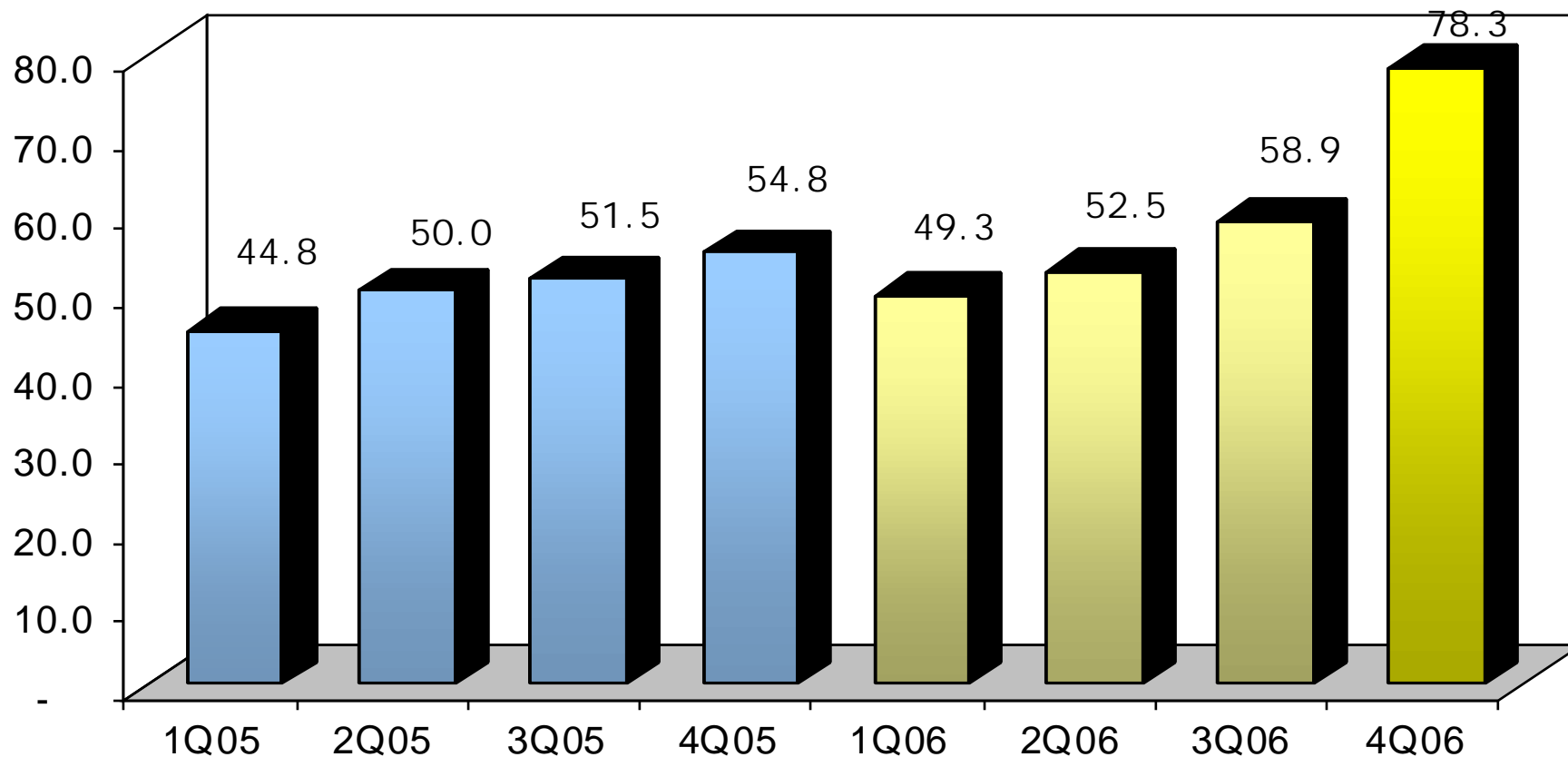
Net Profit by Quarter



4Q06 vs. 4Q05 : ▲ 43%

4Q06 vs. 3Q06 : ▲ 33%

S\$million



- Record Quarterly Net Profit in Q406
- Sequential improvement in profitability throughout the year

Net Profit Margin Analysis



	<u>4Q06</u>	<u>3Q06</u>	<u>2Q06</u>	<u>1Q06</u>
Revenue	\$ 841.2 m	\$ 799.2 m	\$ 750.5 m	\$ 733.9 m
Net Profit	\$78.3 m	\$ 58.9 m	\$ 52.5 m	\$ 49.3 m
Net Profit Margin	9.3%	7.4%	7.0%	6.7%

	<u>4Q05</u>	<u>3Q05</u>	<u>2Q05</u>	<u>1Q05</u>
Revenue	\$ 877.5 m	\$ 820.2 m	\$ 776.9 m	\$ 763.4 m
Net Profit	\$54.8 m	\$ 51.5 m	\$ 50.0 m	\$ 44.8 m
Net Profit Margin	6.2%	6.3%	6.4%	5.9%

Sustained margin improvement quarter to quarter throughout the year

Financial Highlights



	Q406 S\$' 000	Q405 S\$' 000	Change %	FY06 S\$' 000	FY05 S\$' 000	Change %
Revenue	841,162	877,548	-4.1%	3,124,852	3,238,035	-3.5%
EBITDA	91,484	60,487	51.2%	269,362	229,544	17.3%
Depreciation and amortisation	(13,490)	(11,647)	15.8%	(45,247)	(47,484)	-4.7%
Net interest income	5,676	7,075	-19.8%	28,464	25,025	13.7%
Profit before tax	83,670	55,915	49.6%	252,579	207,085	22.0%
Tax	(5,230)	(839)	523.4%	(11,638)	(5,409)	115.2%
Minority Interests	(154)	(272)	-43.4%	(1,770)	(505)	250.5%
Net Profit	78,286	54,804	42.8%	239,171	201,171	18.9%

4Q PROFITABILITY



4Q PROFITABILITY DRIVEN BY: -

- Trend in Gross Margin Improvement
- Sustained Operational Excellence resulting in better operating efficiencies and lower cost structure
- Contributions from better returns on cash, non-cash investments and financial derivatives
- Successful Reining in of what would otherwise be substantial Forex Losses in 2H06

Higher Net Profit in 4Q achieved, in spite of higher Corporate Tax Provision

OTHER OBSERVATIONS



VCL completed GES acquisition at end Nov 2006

➤ One Month Contribution of Net Profit by GES

But offset by FRS 103 Business Combinations adjustments of one month amortisation of intangible assets amounting to S\$1.4m; non-recurring charge of S\$7m for the realisation of GES' finished goods inventory; corresponding deferred tax liability write back of S\$2.0m, and

An increase in financing costs due to funding of the acquisition

➤ Progress in GES integration going on as planned and on schedule

➤ Priority for Synergistic Areas

➤ Integrate and Change if and only if fixing is needed

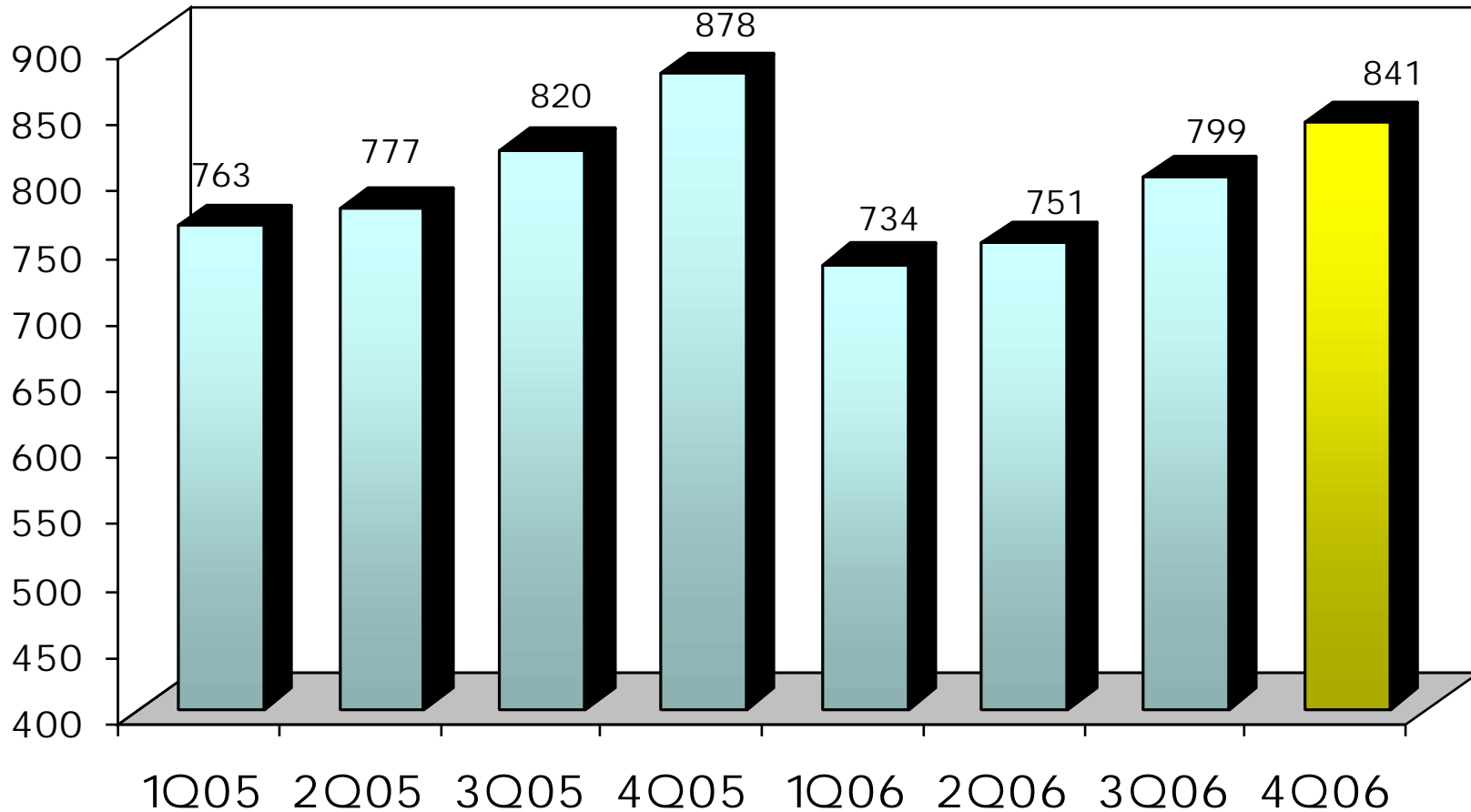
Revenue by Quarter



4Q06 vs. 3Q06 : ▲ 5%

4Q06 vs. 4Q05 : ▼ 4%

S\$ million

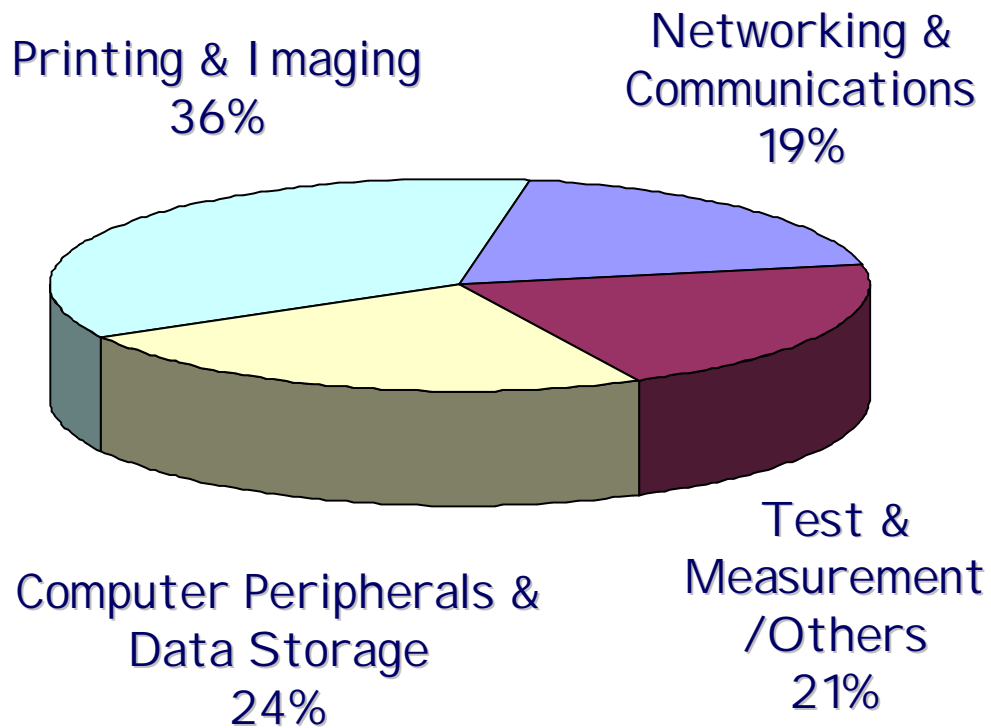


Revenue: FY06 vs FY05 ▼ 3.5% in SGD, FY06 vs FY05 ▲ 4% in US\$.

FY06 Revenue Breakdown by Product Segments



Total Revenue : S\$3.13b



- Healthy diversification of products portfolio
- More than 4,000 products handled in FY06

'POST-ACQ' IMPACT ON BALANCE SHEET OF VCL



a) Shareholders Equity increased to	\$1.759B
b) Total Goodwill stands at	\$630.4M
c) Intangible Assets	\$174.2M
d) Cash and Bank Balance	\$329M
e) Available-for-sale Investment	\$294M
f) Loans	\$631M
g) Working Capital	\$760M

(AR+I NV-AP)

...3 Months of Revenue
(\$250M/Month)

Goodwill and Intangible Assets arising from the acquisition of GES amounted to S\$550.9 million and S\$168.5 million respectively have been recognised on the Balance Sheet.



Outlook

OUTLOOK



Some ongoing initiatives that underpinned growth in Gross Margin and Market Share: -

- Moving up the Value Chain
- Excelling in Hi Mix Businesses
- Strengthening and Broadening the Engineering & Design capabilities
- Offering Innovative Solutions
- Sustained Operational Excellence
- Widening Participation in providing end to end solutions

GOING FORWARD FOR 2007



Assumptions: -

- No Geopolitical Shocks
- No Economic Protectionism
- No Sharp US Dollar Decline
- No Significant Terrorists Strikes
- No Avian Flu Pandemic

Holistic Total Value Chain Management expected from more and more OEM customers

- More outsourcing of significant portions of value chain especially from successful OEMs who are leaders in their respective sectors.
- More customers are seeking new ways, new innovative ways to grow their businesses to create more value per head count, strengthen their competitiveness through collaborative models in an increasingly globalised world.
- With the rise of India & China, interest in Asia Pacific has taken new dimensions. New Business models now may include co-investment approaches.
- Very large OEMs may look to more collaborations in entrepreneurial investments.

RESTRUCTURE INTO 3 BUSINESS GROUPS

1. The ESP Business: -

Continue to Expand and Grow the ESP Business

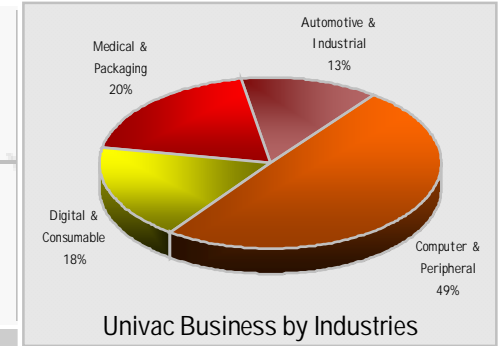
- Pushing Continually up the Value Chain
- Increase Operations in space where GM/TC is higher
- Increase differentiators and dominate selected sectors
Eg. flexibility, scalability
- Sustain Operational Excellence using TQRDCE metrics
- Strengthening customer care and employee care. Increasing participation and engagement. Strong branding.

STRATEGIC INITIATIVES GOING FORWARD ... cont'd



2. The Component Technology Business

Opportunities in Plastics Growth & Beyond by Univac Group: -



Univac Group Focus in Scaling Value-Add in Plastics

- Launch product design, tooling prototype and turnkey services to grow business in high volume manufacturing of Consumable, Medical and Packaging devices.
- Engineer and ship Total Manufacturing System that integrates in-house designed high-cavitations tooling and hot-runner into customized injection molding machine.
- Continue investments in plastics-related businesses that strengthen current and future value-add from product designs to new innovative manufacturing processes.



Univac Group Focus in Venturing beyond Plastics

- Determine the precision components and process technologies that are critical to complement plastics assemblies towards providing one-stop manufacturing-to-fulfillment turnkey for devices and products from the Consumable, Medical and Packaging industries.
- Explore new components and process technologies that will become strategic to the needs of Univac's customers, plus create new component-related ecosystems that generate higher returns from invested capital.

3. The Product Technology Business: -

- In addition to above, to carve out niche opportunities for creating extra high value through knowledge-based and innovation-intensive activities.
- To further advance the work that had been done in the communications, Wireless Sensor Network (WSN), Retail Store Solutions (RSS) and specialty Printing & Imaging areas.
- Other niche ODM products where Venture has growing I Ps.

OTHER KEY INITIATIVES FOR NEW SOURCES OF CONTRIBUTIONS

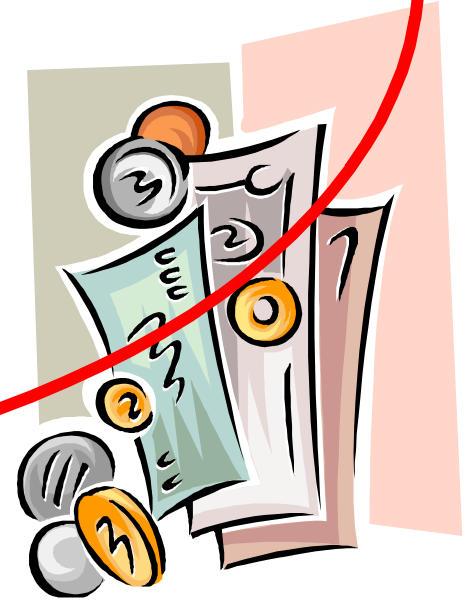


- Improving Cash Conversion Cycle
- Mitigating against any potential sharp decline in USD
- Selective and judicious expansion of new operational sites: -
 - E.g. Southern China - Linking to lower Cost Structure
 - Vietnam - Linking to lower Cost Structure
 - European Base - Nearness to R&D Lab & Market
- Continuous Rise in cutting edge technological prowess - for more IPs and stronger branding
- Strive for double digit growth in Top and Bottom line.
- Four to Seven Sectoral opportunities
 - Printing & Imaging more commercial systems
 - Networking & Communication
 - Storage Tape Library, DASD, Blade Storage
 - Test & Measurement/Instrumentation
 - RSS dominant position post GES
 - Medical/Wellness/Bio Medical
 - Other +/- Laser Equipment/Automotive/Industrials

Proposed Dividend for FY06



S\$0.25 Final per share + S\$0.25 Bonus per share
(Tax - exempt)





Venture Corporation Limited

Question & Answer

