



Venture Corporation Limited

# 2004 Full-Year Results Briefing

*21 February 2005*





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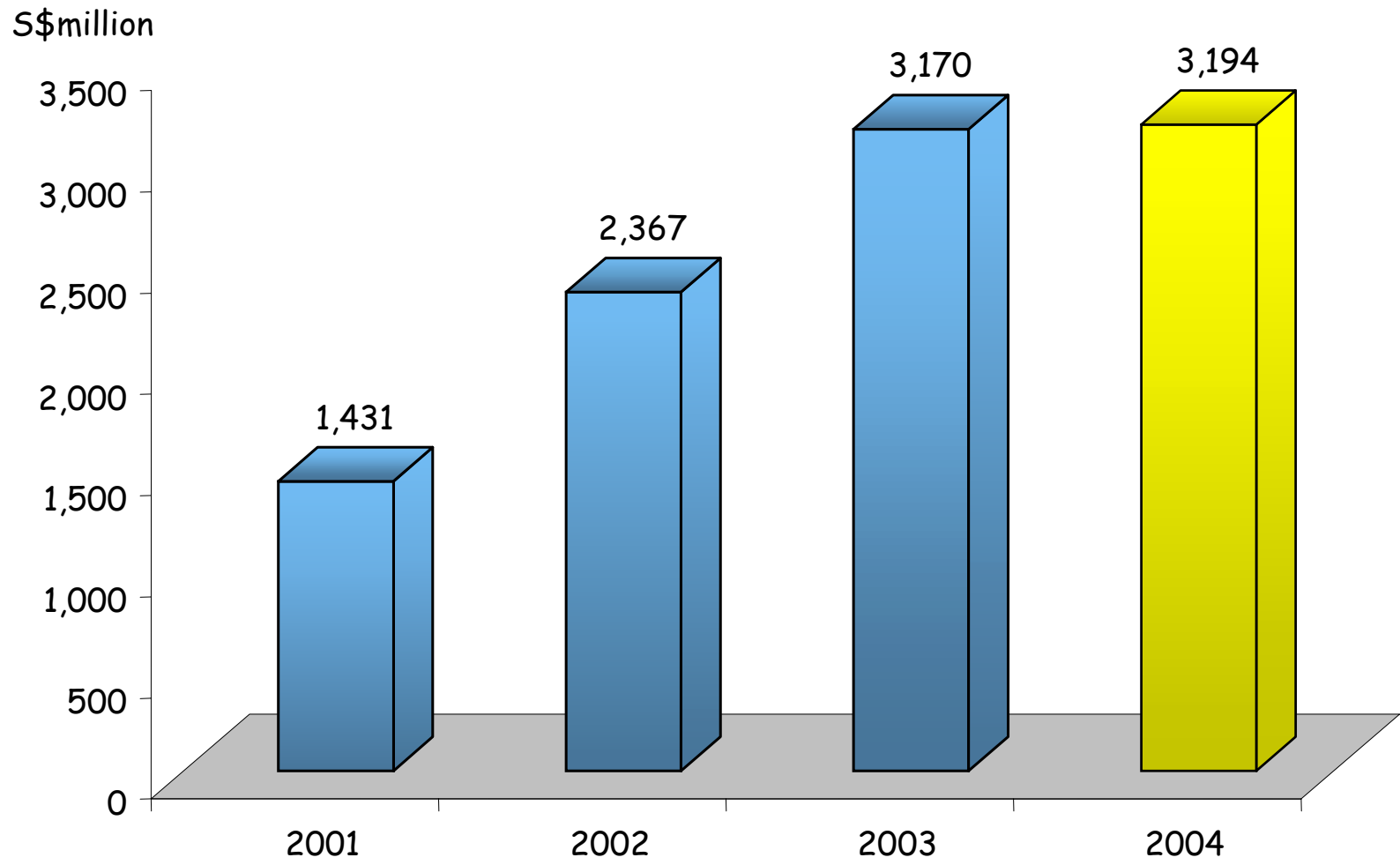
## FY04 Performance Review

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# Group Revenue



FY04 vs. FY03 : ▲ 1%



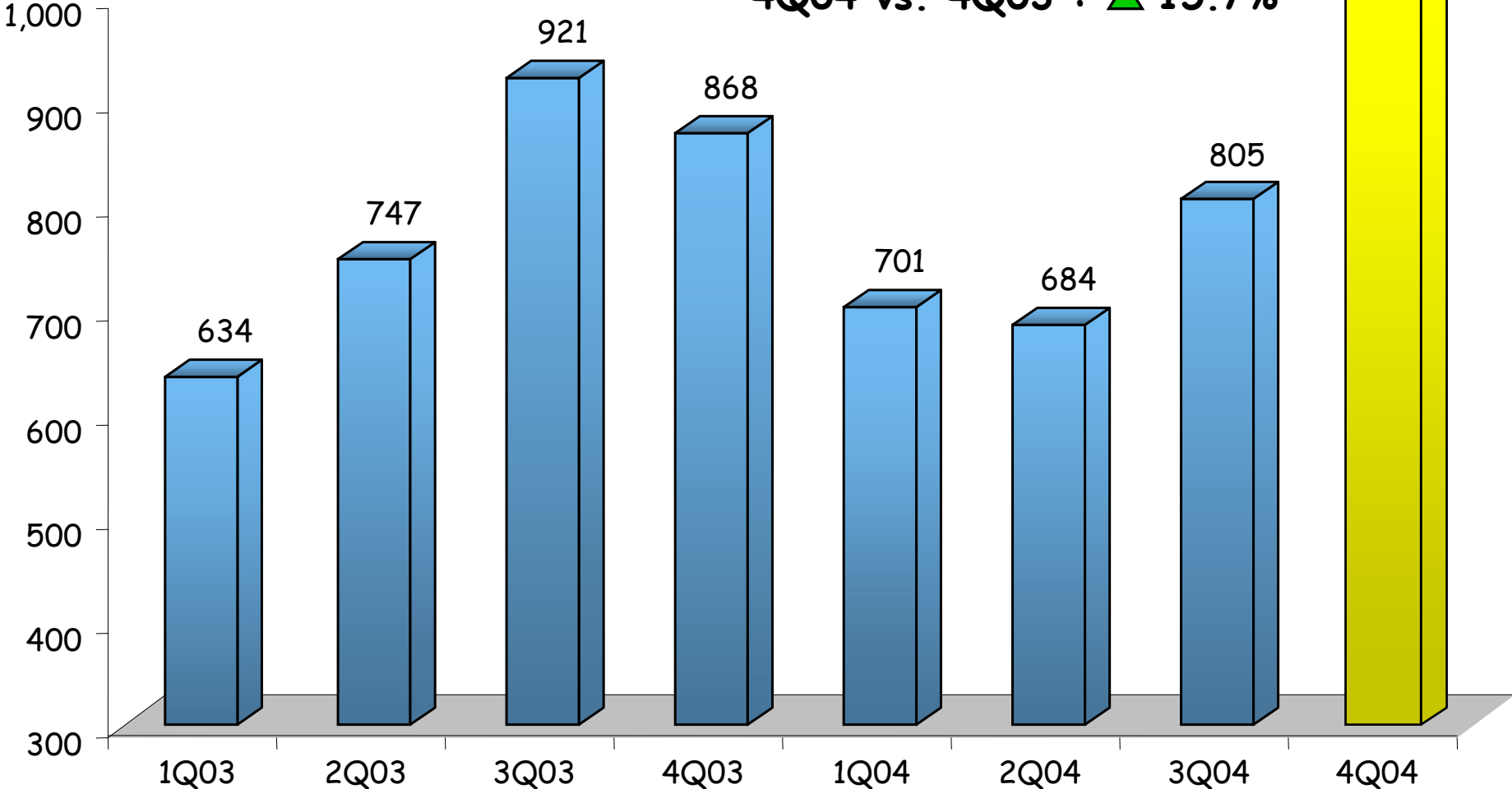
# Revenue by Quarter



\$million

4Q04 vs. 3Q04 : ▲ 25.2%

4Q04 vs. 4Q03 : ▲ 15.7%

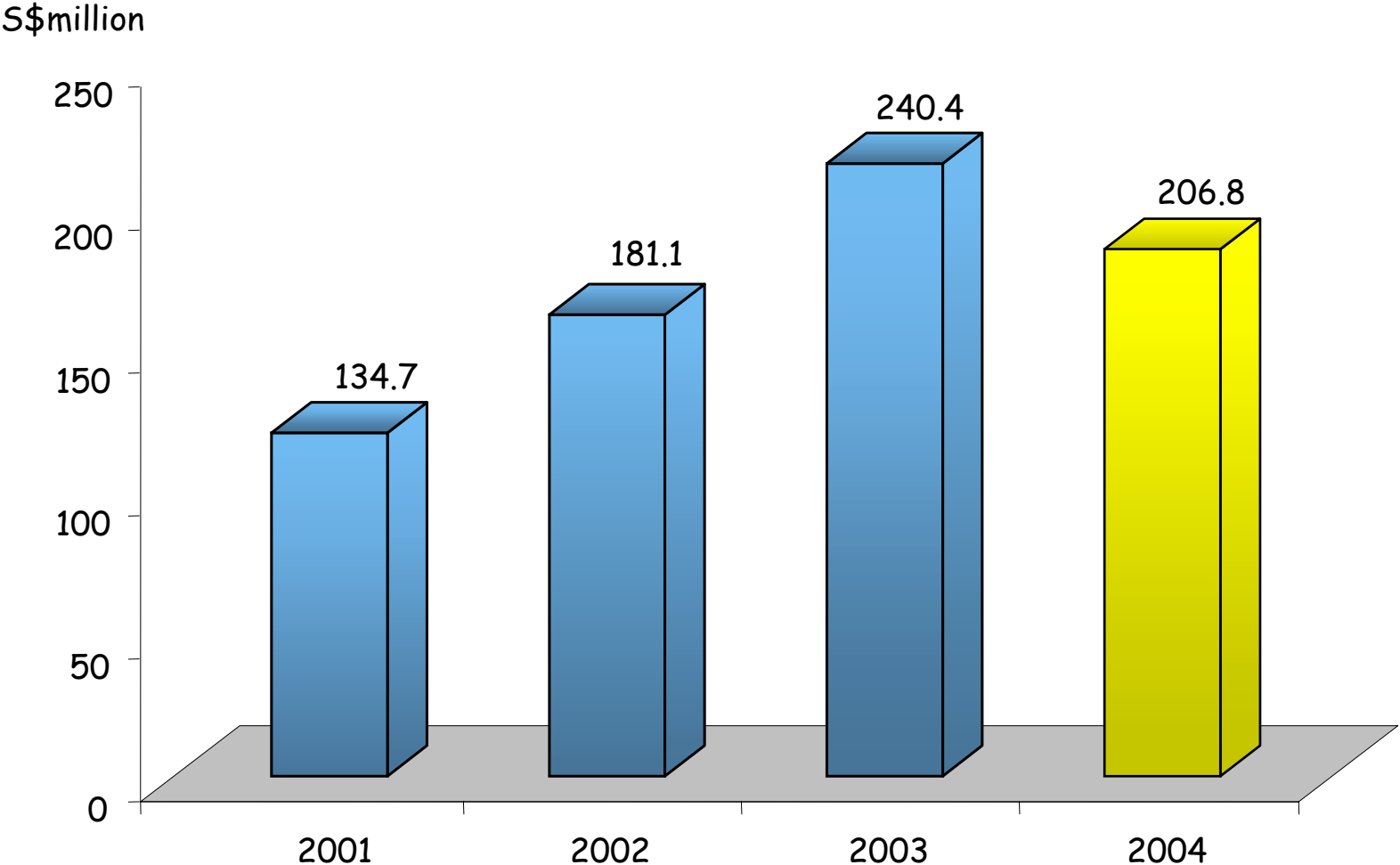


- Flat revenue year-on-year
  - *record 4Q revenue of S\$1b; better than 3Q04*
  - *contribution from 1H04 : 43%*
  - *contribution from 2H04 : 57%*
  
- More balanced contribution from various product segments
  - *strong growth in networking & communications : from 8% to 19%*
  - *healthy growth from test & measurement / automotive / medical / others : from 9% to 13%*
  - *printing & imaging, and computer peripherals & data storage : approximately 1/3 of total revenue each*

# Net Profit After Tax



FY04 vs. FY03 : ▼ 14%



- Larger proportion of high-volume business => lower margin
- Expenses incurred in preparation for new business introduction / new business transfer not recovered in time due to customer delays
- S\$9m impact from weaker US\$ against S\$
- S\$6.4m specific provision for doubtful debt and inventory obsolescence
- Higher effective tax rate from 1.5% to 2.8%



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## Operations Review

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- Expansion of customer base
  - *>10% increase in number of customers*
  - *includes a number of European and Japanese customers engaged in both high-volume and high-mix business*
  
- Strengthening of clusters
  - *increase in higher value-added activities in Singapore*
  - *greater customer interest in China; higher business volume from existing customers*
  - *expansion of value chain activities in S. California*
  - *expansion of fulfillment and R&D activities in Europe*
  - *strengthening of high-mix (both high-volume and low-volume) business capabilities in Malaysia*

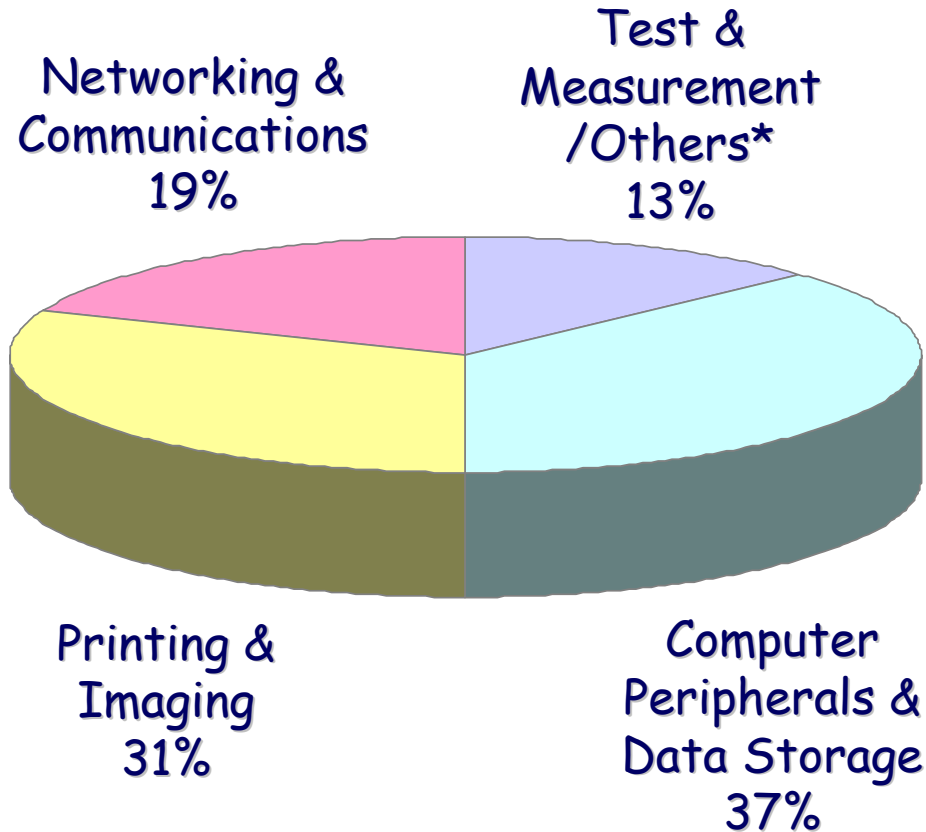
# Operations Highlights (cont'd...)



- IT Infrastructure improvement
- Overall improvement in operation excellence
- Strengthening of customer relationships

# FY04 Breakdown by Product Segments

Total Revenue : S\$3.19b



FY03 (Total: S\$3.17b)

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

*\*includes medical & automotive products*

## ➤ Networking & Communications

- *128% surge in revenue due to addition of new customers, and new volume business*

## ➤ Test & Measurement / Automotive / Medical / Others

- *43% growth due to:*
  - *increase in higher value-added activities in relation to instrumentation products*
  - *healthy growth momentum in demand for automotive products*
  - *addition of new customer in medical product segment*

## ➤ Printing & Imaging (P&I)

- *17% decline*

- *overall decrease in NPI activity for higher-end P&I products, and lower demand for those in high volume category*

## ➤ Computer Peripherals & Data Storage

- *17% decline*

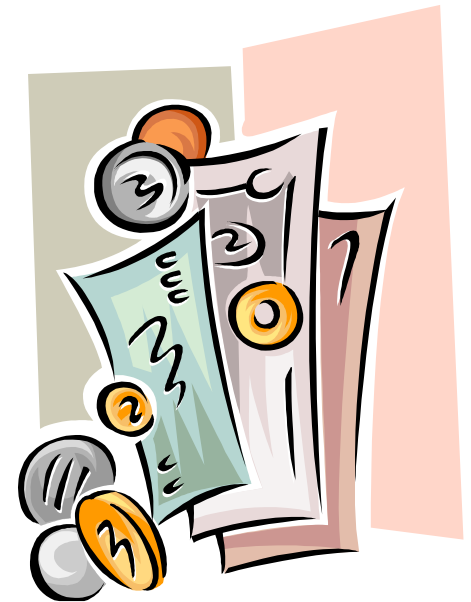
- *stable demand for low volume, high mix products, but weaker end-market demand for higher volume products*

# Summary of Other Ratios

	<u>FY04</u>	<u>FY03</u>	<u>Change</u>
➤ EPS (fully diluted)	77.3 cts	93.0 cts	(17%)
➤ Net Assets per Share	\$ 5.96	\$ 5.22	14%
➤ Shareholders' Equity	\$ 1,570 m	\$ 1,341 m	17%
➤ Cash & Equivalents	\$ 602 m	\$ 770 m	(22%)
➤ Long-Term Investments*	\$ 292 m	\$ 47 m	521%
➤ Capital Expenditure	\$ 53 m	\$ 36 m	47%

\* long-term investments includes approximately S\$220m of fixed income instruments.

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





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## 2005 Outlook

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- Outsourcing trend : towards end-to-end solutions, high-mix business, larger portfolio of products
- Customers holding low channel inventory
- Strong Euro driving greater outsourcing interest from Europe
- Attractiveness of Southeast Asia viz-a-viz China
  - *rising cost of operation in China*
  - *potential revaluation of renminbi*
  - *political / economic climate*

- Strong growth in customer base and new product introductions for networking & communications segment
  - *contribution from new customers / new products introduced towards end-04 expected to continue into 2005*
  
- Test & measurement and automotive products expected to enjoy sustained demand
  - *steady increase in market share*
  - *good progress expected for medical product segment*
  
- Many NPIs expected for computer peripherals & data storage, and printing & imaging product segments
  - *impact dependent on end market demand*

- Participating in larger portions of customers' value chain with
  - *building up resources to do this*
- Strengthening partnerships with customers
  - *closer partnership with customers / prospective customers as differentiating factor*
  - *more resources distributed throughout the world to achieve this*
- Greater collaboration with customers
  - *co-development activities*
  - *co-investment*
- Minimizing US currency exposure

- Scale of operation has reach a new stage
- Infrastructure, organization, execution, technological expertise well in place
- Well-positioned to take advantage of any acquisition or market expansion opportunities



**Venture Corporation Limited**

**End of Presentation**

