



Financial Results Presentation

Q2/H1 FY2006 ended 31 Mar 2006

10 May 2006

Cautionary Note on Forward-Looking Statements

Any statements regarding the potential future performance of the Group are based upon a range of assumptions which Datacraft's management, from their experience, believe are reasonable. However, these statements are estimates only and no assumption can be guaranteed. Any differences between actual conditions and the assumptions may result in a material variance between the actual future performance of the Group and that estimated in this presentation.



Agenda

- CEO Bill Padfield
 - Q2 FY2006 Overview

- CFO Philip Chu
 - Financial Highlights

- CEO Bill Padfield
 - Operational Highlights
 - Summary

- Q&A

- More than doubling in bottom line
 - Net after-tax operating profit US\$5.1m (+141% y/y, +22% sequentially)
 - 14 quarters of sequential improvement => highest profit in 14 quarters
 - Focus on quality business is paying off => strong margin and profit growth
 - Adding US\$5.15m insurance settlement = US\$10.3m after-tax reported profit (+382% y/y, +143% sequentially)
- Highest margins in 14 quarters
 - Gross margin 18.8% vs 18.0% last quarter, and 16.8% a year ago
 - Driven by MS and PS margin improvements
 - Hardware margin also firmed, in line with continued focus on quality business
 - Gross, Pretax and Net margins at highest levels in 14 quarters

- Revenue US\$116.9m
 - Focus on quality revenue, selective on hardware business
 - 7% y/y revenue growth - Service +8%, Hardware +7%
 - 3% sequential decline due to lower hardware and TS revenues but offset by MS and PS revenue increase

- Healthy cash flow
 - Generated US\$8.3m cash from operations in Q2
 - In addition, received US\$5.15m cash from insurance settlement
 - Utilised US\$4.3m for repurchase of 3.8m shares
 - Net cash increased to US\$137.2m, +21% in 6 months



Financial Highlights

Q2 FY2006 Operating Results

US\$M	Q2'06	Q2'05*	Y/Y %	Q1'06	Sequential %
Revenue	116.9	109.0	+7%	120.8	-3%
Gross Profit	22.0	18.3	+21%	21.8	+1%
GM %	18.8%	16.8%		18.0%	
EBITDA	8.6	5.4	+58%	7.4	+16%
EBIT	6.5	3.4	+92%	5.5	+17%
PBT	7.4	4.0	+86%	6.1	+21%
PBT %	6.4%	3.7%		5.1%	
PATMI	5.1	2.1	+141%	4.2	+22%
Including US\$5.15m insurance settlement :					
PBT	12.6	4.0	+215%	6.1	+105%
PATMI	10.3	2.1	+382%	4.2	+143%

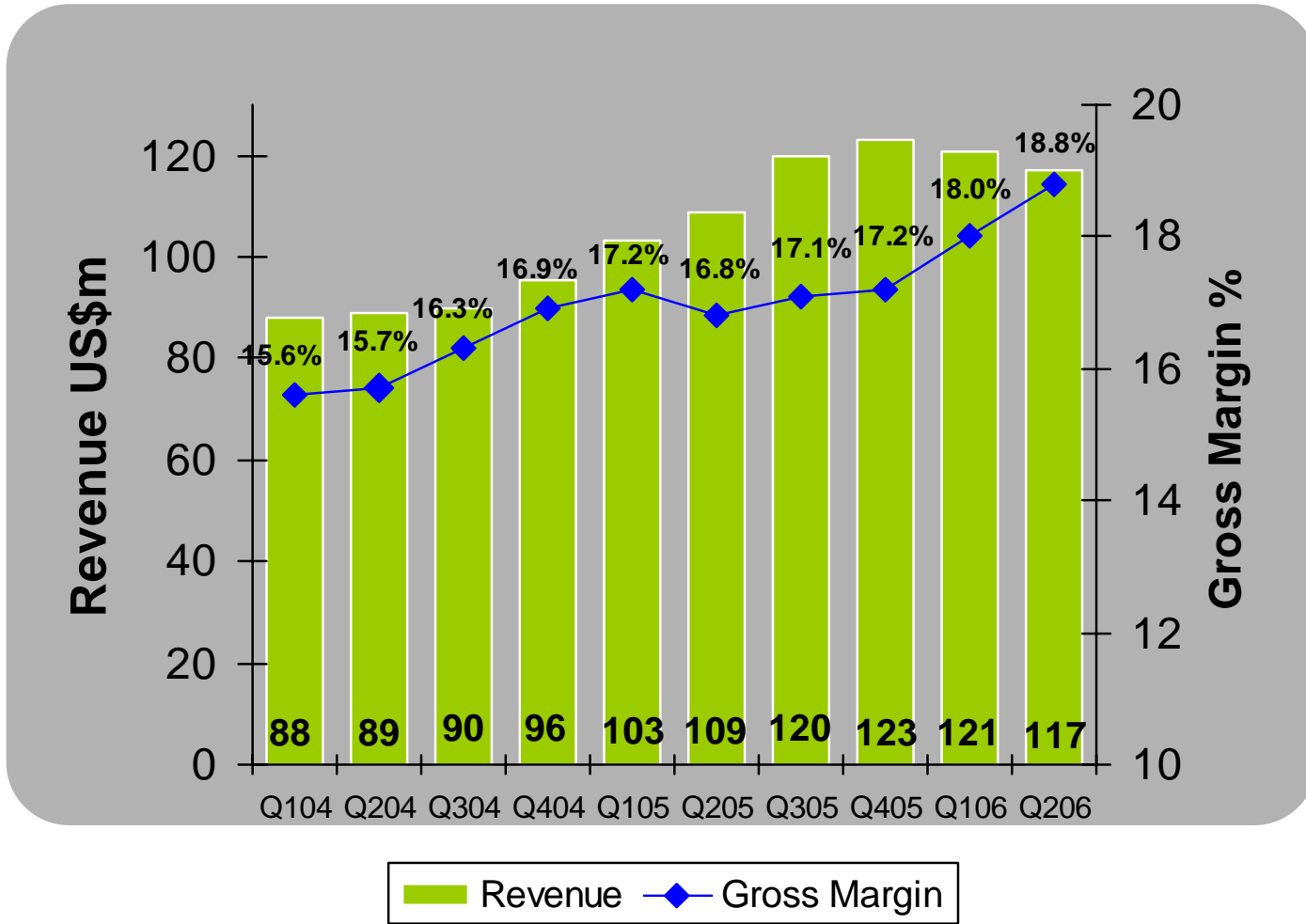
* Q2'05 comparatives have been adjusted to include share options expensing

H1 FY2006 Operating Results

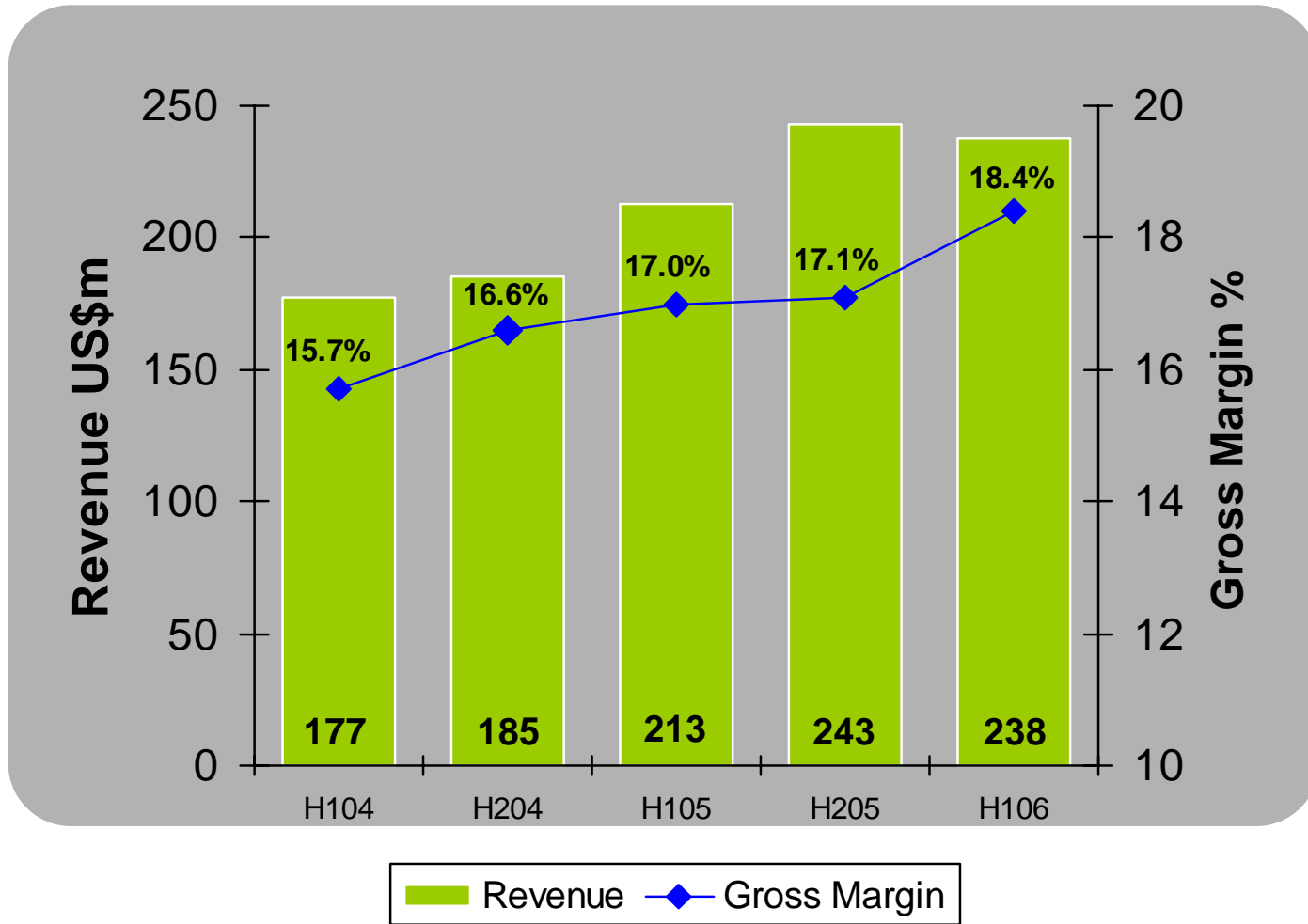
US\$M	H1 '06	H1 '05*	Y/Y %	H2 '05*	Sequential %
Revenue	237.7	212.5	+12%	243.5	-2%
Gross Profit	43.8	36.1	+21%	41.7	+5%
<i>GM %</i>	18.4%	17.0%		17.1%	
EBITDA	16.0	10.5	+52%	12.5	+28%
EBIT	12.0	6.7	+79%	8.7	+37%
PBT	13.6	7.8	+74%	10.2	+33%
<i>PBT %</i>	5.7%	3.7%		4.2%	
PATMI	9.4	4.3	+121%	6.0	+57%
Including US\$5.15m insurance settlement :					
PBT	18.7	7.8	+140%	10.2	+84%
PATMI	14.5	4.3	+242%	6.0	+144%

* FY05 comparatives have been adjusted to include share options expensing

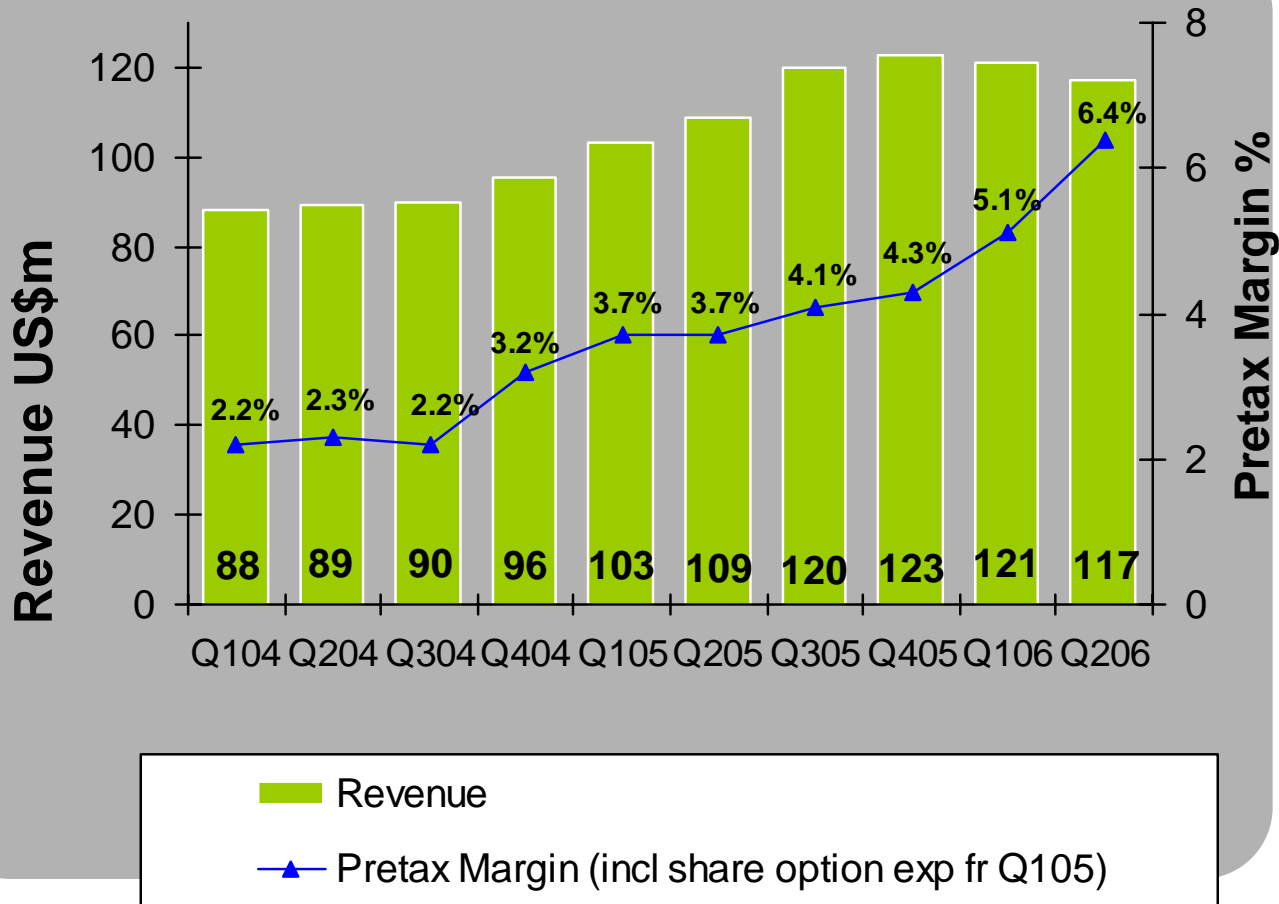
Revenue and Gross Margin

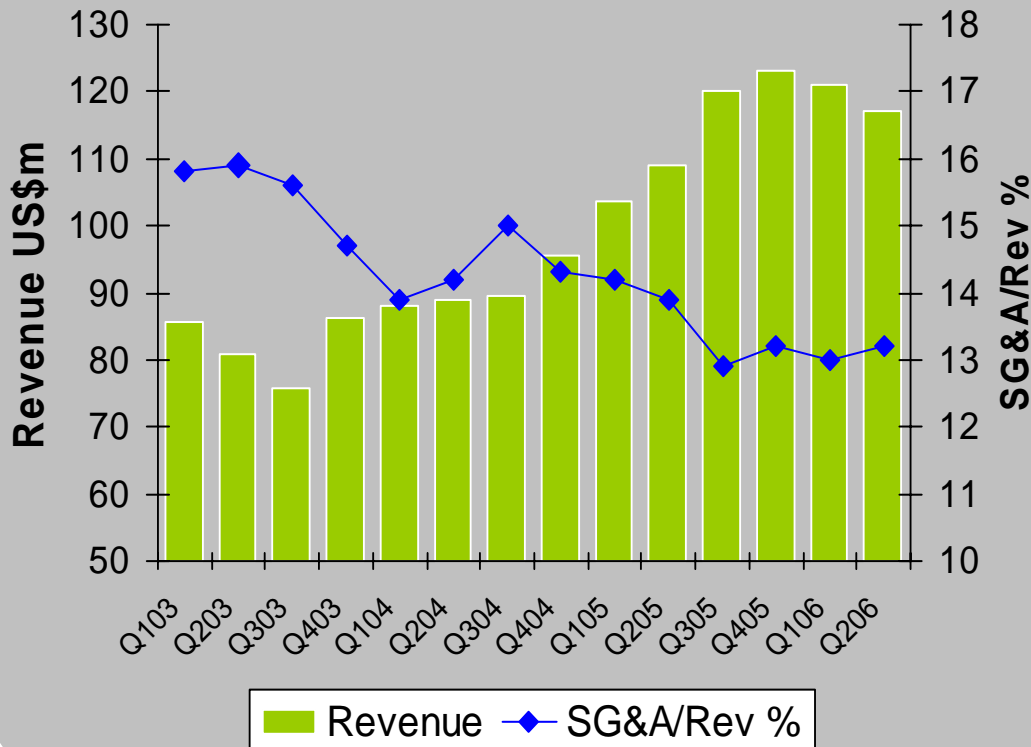


Revenue and Gross Margin

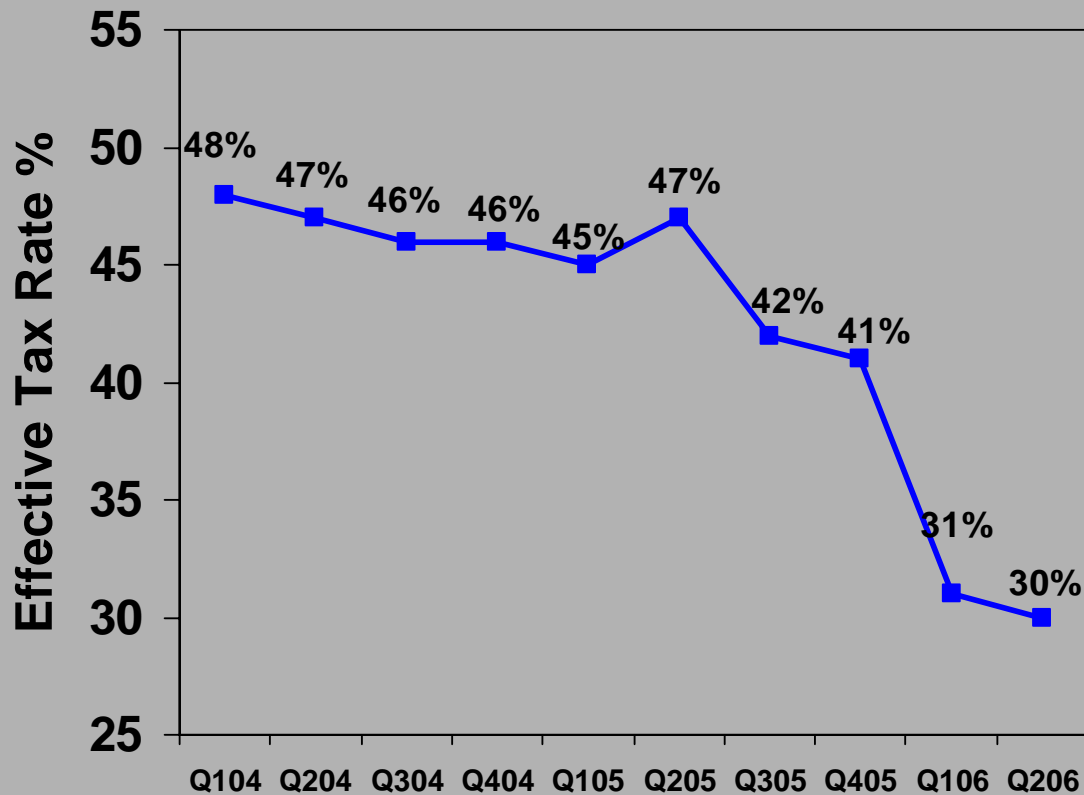


Revenue and Pretax Margin





- Q2 SG&A expense totalled US\$15.4m or 13.2% of revenue
- Compared to 13.9% in Q2'05 and 13.0% in Q1'06



Effective tax rate has been declining due to:

- Benefits of operational / tax initiatives
- Reduced losses in some countries

Note: Analysis includes impact of share options expensing from Q105

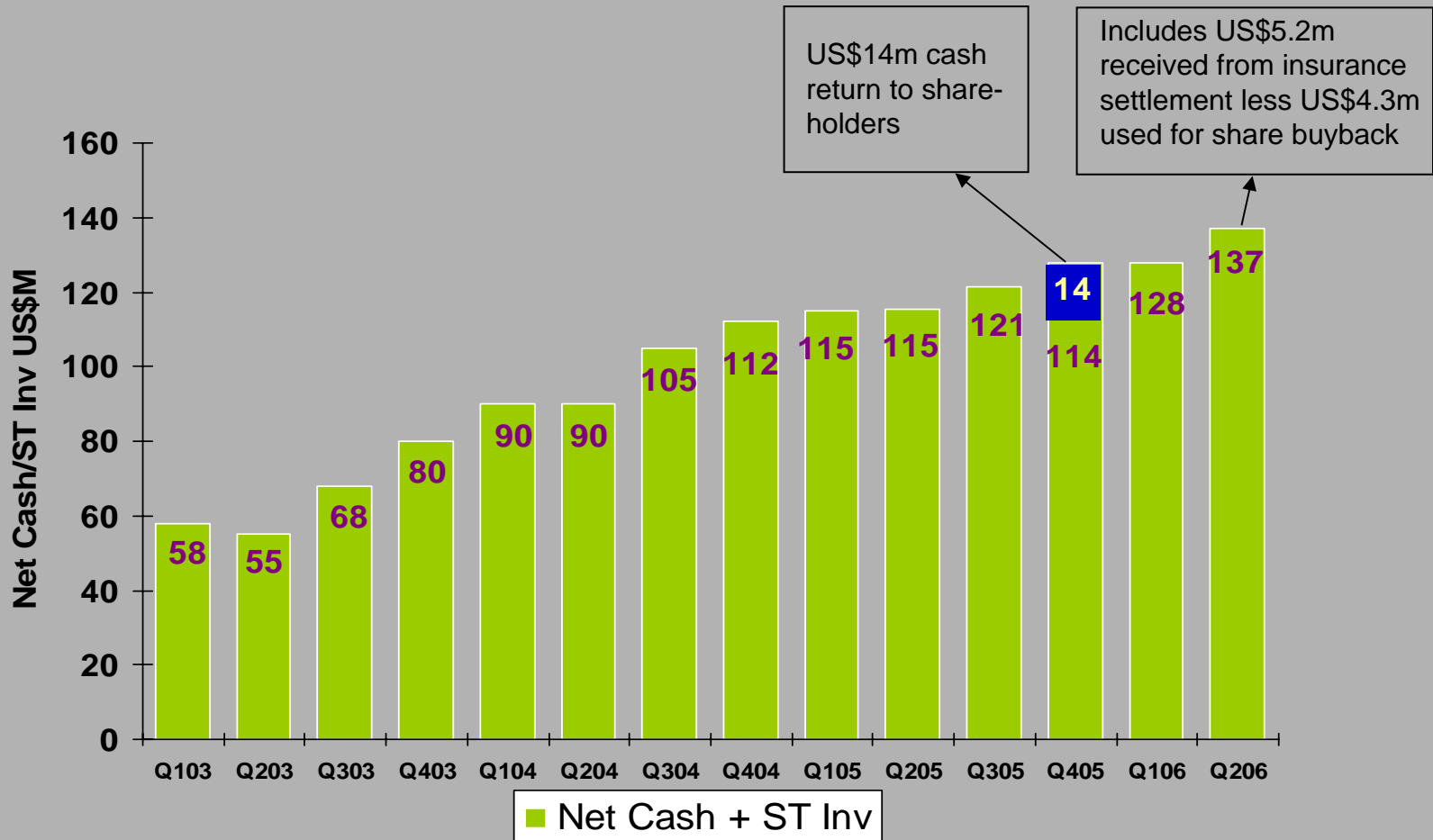
Balance Sheet Highlights

US\$M	Mar '06	Dec '05	Mar'05
DSO	69 days	67 days	76 days
- Trade Debtors	93.2	85.8	89.1
Trade Creditors	54.9	44.8	47.7
Fixed Assets	13.0	13.7	14.7
Inventory	10.0	8.1	15.0
Net Cash + ST Inv	137.2	127.8	115.3
Shareholders Funds	191.0	181.3	186.0

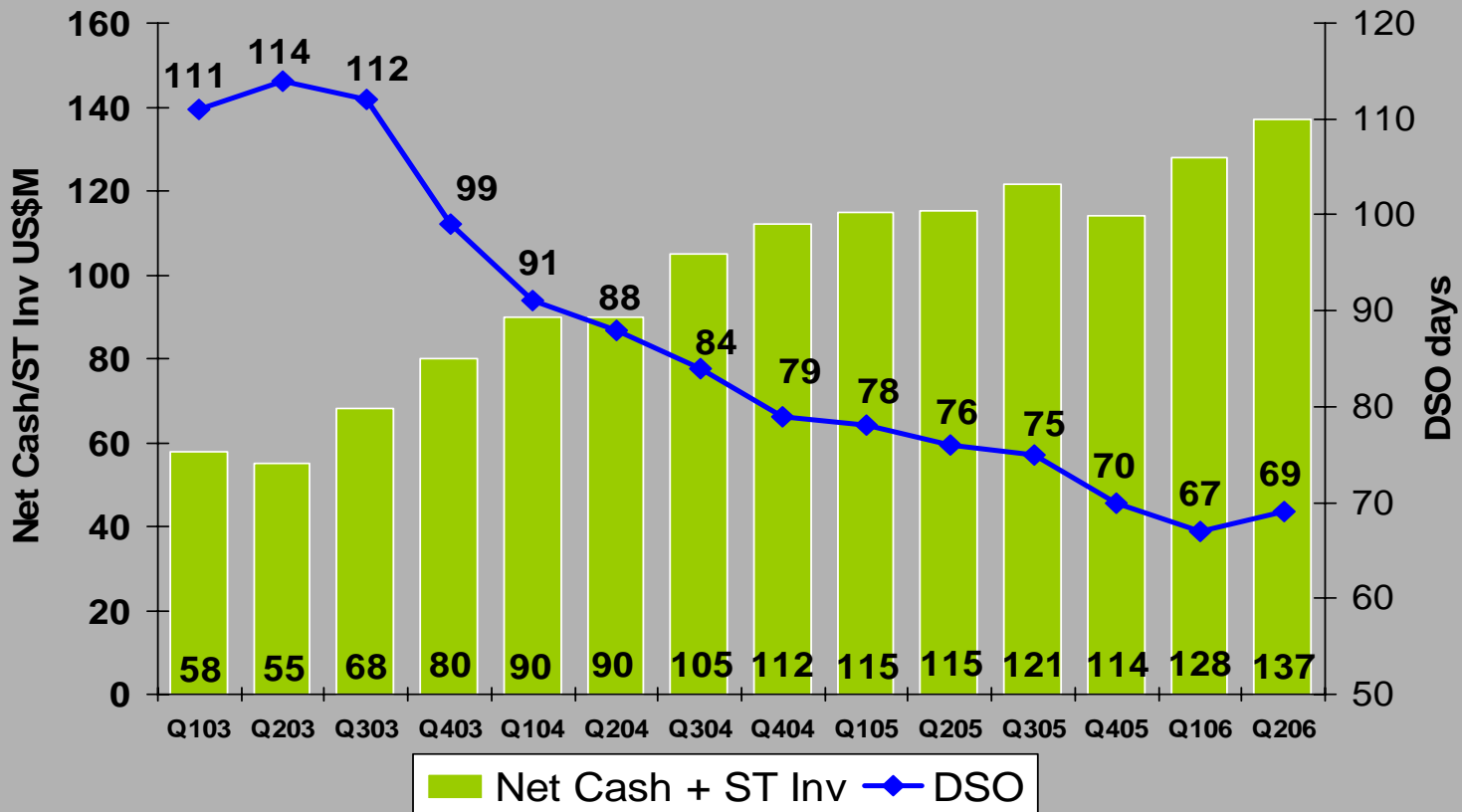
Cash Flow Summary

US\$M	3 months to Mar 06	6 months to Mar 06
Beginning Net Cash + ST Investments	127.8	113.7
Cash flow from operations	8.3	23.3
Insurance settlement	5.2	5.2
Share Buyback	(4.3)	(4.3)
Capex/Others	0.2	(0.7)
Ending Net Cash + ST Investments	137.2	137.2

Net Cash/ST Investments



Net Cash/ST Investments and DSO



Share buyback (approved at 20 Jan 2006 EGM)

- US\$15m set aside for on-market share buyback
- During Q2, repurchased 3.8m shares for US\$4.3m (average price = US\$1.13)
These are held as treasury shares
 - 0.2m shares used to settle employee share options (enjoys new Singapore tax incentive)
 - Balance 3.6m treasury shares

Cash settlement for employee share options (approved at 20 Jan 2006 EGM)

- New settlement mode to minimise dilution, in addition to issue of new shares / delivery of treasury shares
- Employees are paid difference of market price less exercise price
- In Q2, spent US\$106k on settlement of 303k share options

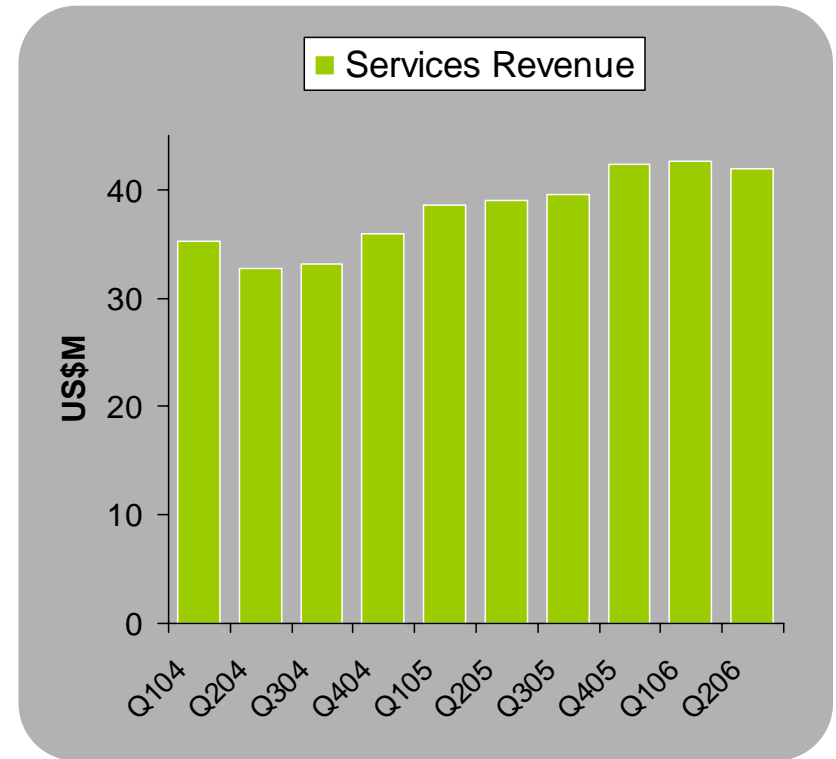
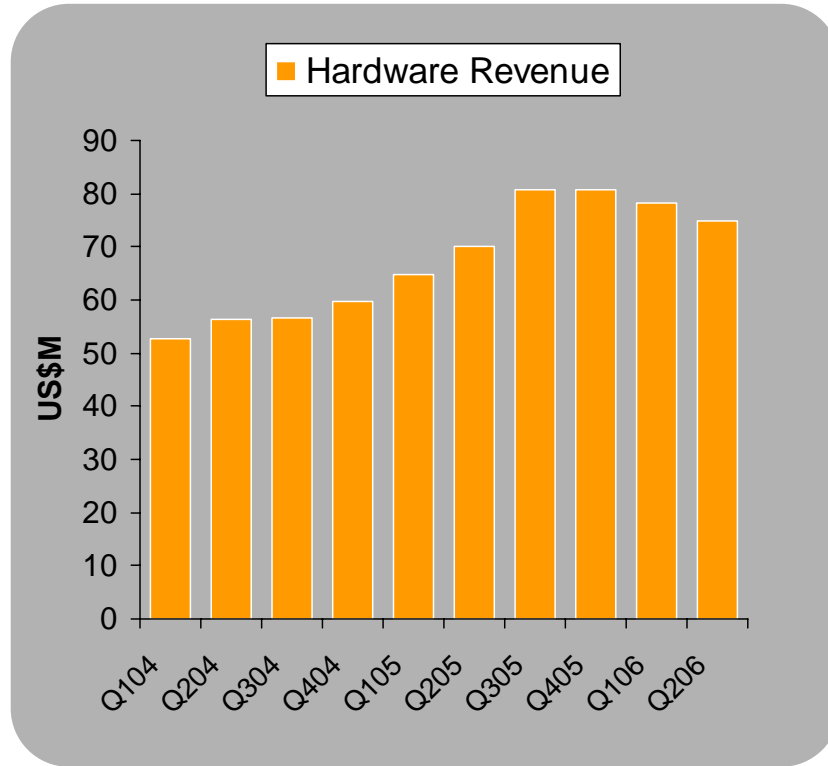
Current outstanding share capital

- Reduced by 3.6m to 464.4m shares



Operational Highlights

Hardware & Services Revenue

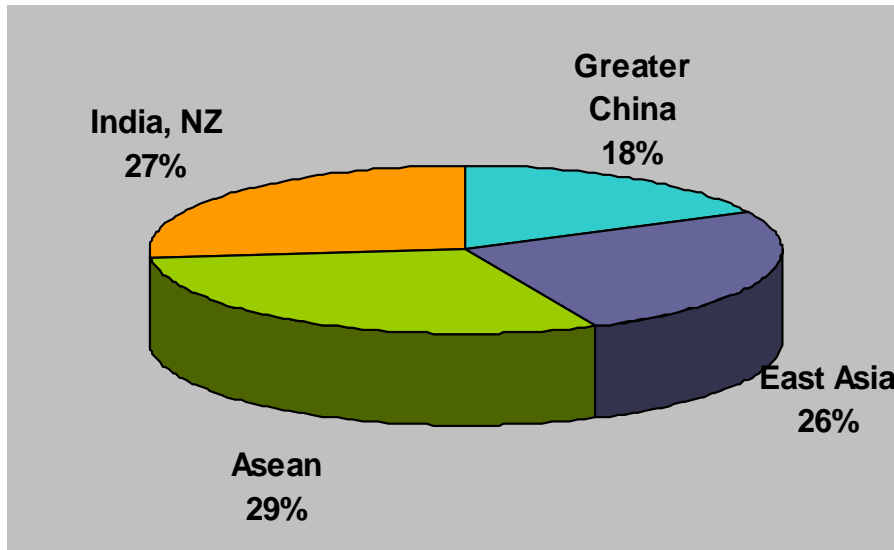


- Q2 HW rev accounted for 64% of group rev
- ↑7% y/y; ↓4% q/q

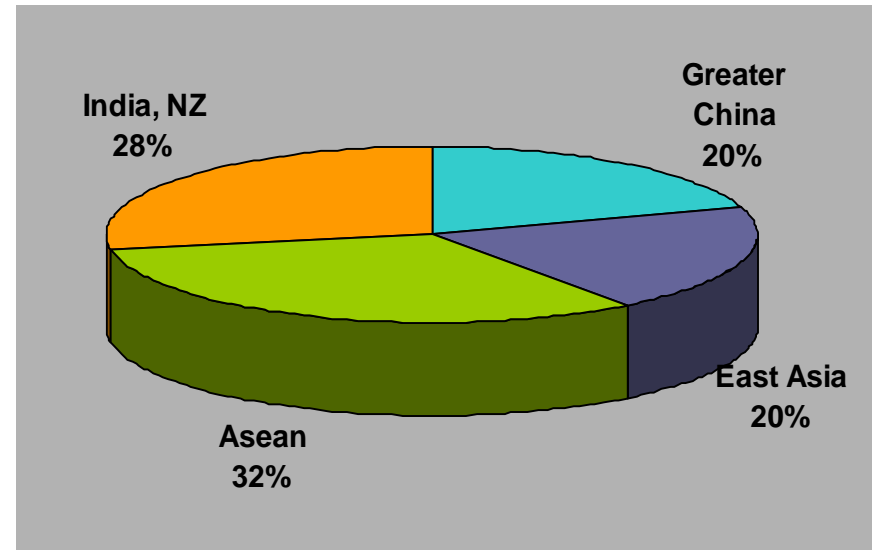
- Q2 SVCE rev accounted for 36% of group rev
- ↑8% y/y; ↓1% q/q

Revenue by Geographic Regions

Q2'05



Q2'06



Q2'06 Performance

- Growth across Asean, Greater China, India & NZ
- Both Enterprise and SP demand grew
- China, Japan – encouraging progress

Enterprise

- Global financial services group – US\$12.7m pan-Asia 4 year Uptime services contract
- Leading bank in Thailand – US\$2m roll-out of IP-based banking network infrastructure
- National government agency in India – US\$1.9m IP network infrastructure
- Global financial services group – US\$1.3m regional support Uptime services contract
- Global leader in software & solutions, India – US\$1.2m IPT convergence system
- Global logistics company, Malaysia – US\$1.2m data centre infrastructure and Uptime services
- Global investment bank, Korea – US\$680k data centre storage solutions

Service Provider

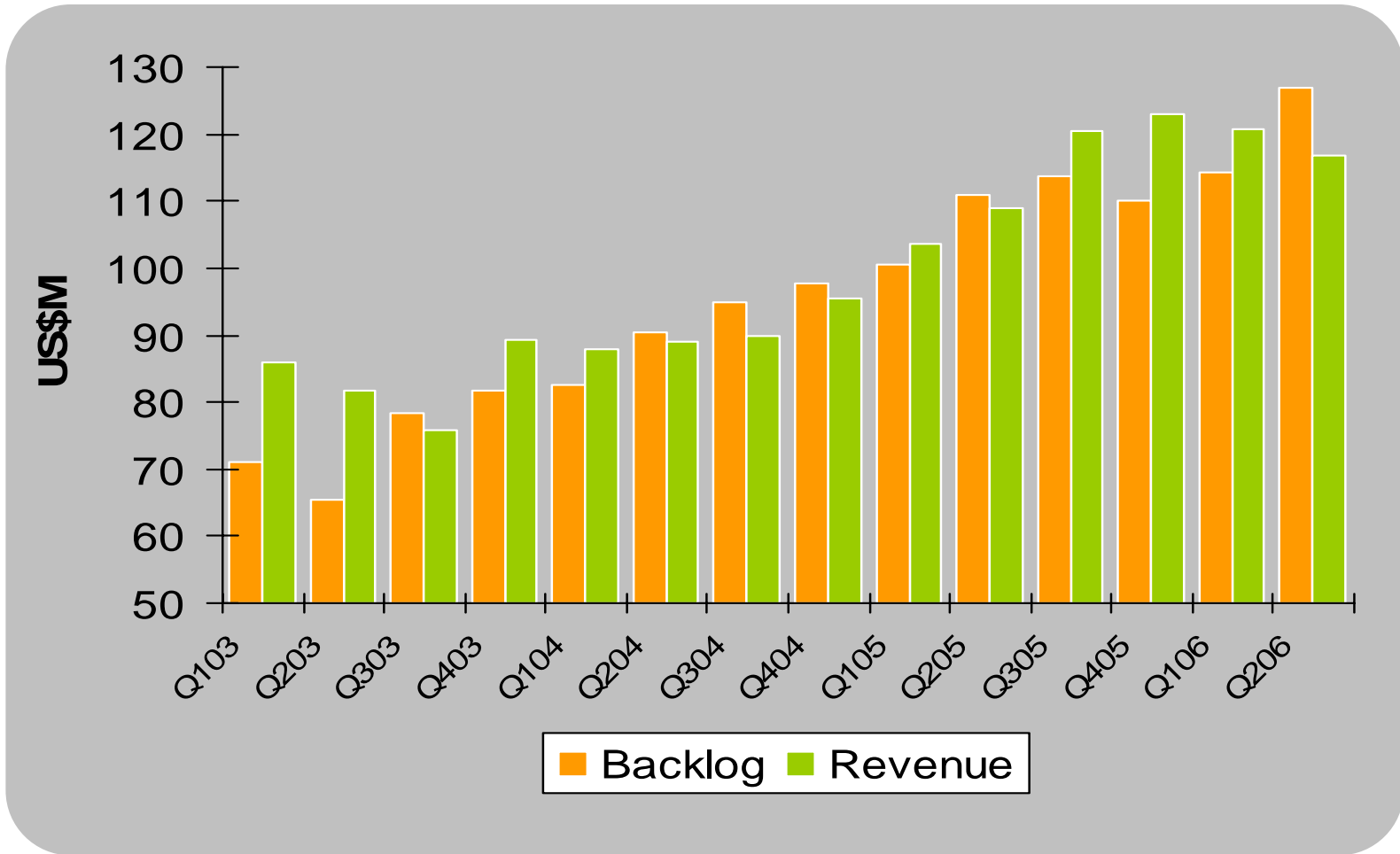
- Major service provider in the Philippines – US\$3.4m IP Convergence network
- hanarotelecom, Korea – US\$4.5m IP network and data centre expansion and managed service contract
- Leading service provider in India – US\$2m IP multi-service infrastructure
- Leading service provider in Indonesia – US\$1m iBOSS inventory correlation management systems
- Major service provider in Thailand – US\$750k IP multi-service network expansion
- Major service provider in Thailand – US\$740k expansion project for its corporate network



Future Outlook

- Healthy US\$127m backlog
 - +11% (US\$13m) from prior quarter - significant increase in annuity service contracts partially offset by lower product backlog
 - Result of our intense focus on services and margins
 - Annuity service contracts deliverable over longer term while product backlog is more short term
 - Short term revenue growth may moderate, but margins outlook remains strong
- Continue to drive quality business, balancing volume and margin objectives

Backlog and Revenue



- Q2 delivered strong earnings and cash
 - Net profit more than doubled
 - Highest profit and margins in 14 quarters
 - Margin growth accelerated on back of focus on services/margins
 - Healthy cash flow and balance sheet
- Growing backlog (US\$127m)
 - Growth driven by annuity service contract wins; product backlog declined
 - Consistent with our strategic focus
 - Short term revenue growth may moderate, but margins outlook remains strong
- Continue to drive quality business, balancing volume and margin objectives



THANK YOU