



# Financial Results Presentation

Q1 FY2006 ended 31 Dec 2005

8 February 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 variance between the actual future performance of the Group and that estimated in this presentation.

- CEO Bill Padfield
  - Q1 FY2006 Overview
- CFO Philip Chu
  - Financial Highlights
- CEO Bill Padfield
  - Operational Highlights
  - Summary
- Q&A

- Good start to the year
  - Net profit increased 100% y/y
  - Balance sheet and cash improvements continued
  
- Double-digit revenue growth
  - US\$120.8m revenue, up 17% y/y
  - Growth in majority of geographic regions & solution lines of business
  
- US\$4.2m net profit, up 100% y/y
  - Highest profit in 13 quarters
  - Includes impact of share options expensing
  - Helped by higher revenue, margin improvement, lower effective tax rate

- Healthy gross margin improvement
  - 18.0% GM, up from 17.2% in Q1 and Q4 last year
  - Highest margin in 13 quarters
  - Better quality business, improved services efficiency
- Robust balance sheet
  - DSO, Inventory days continue to decline
  - US\$127.8m net cash, up by US\$14m from last quarter



# Financial Highlights

# Q1 FY2006 Operating Results (including share options expensing)

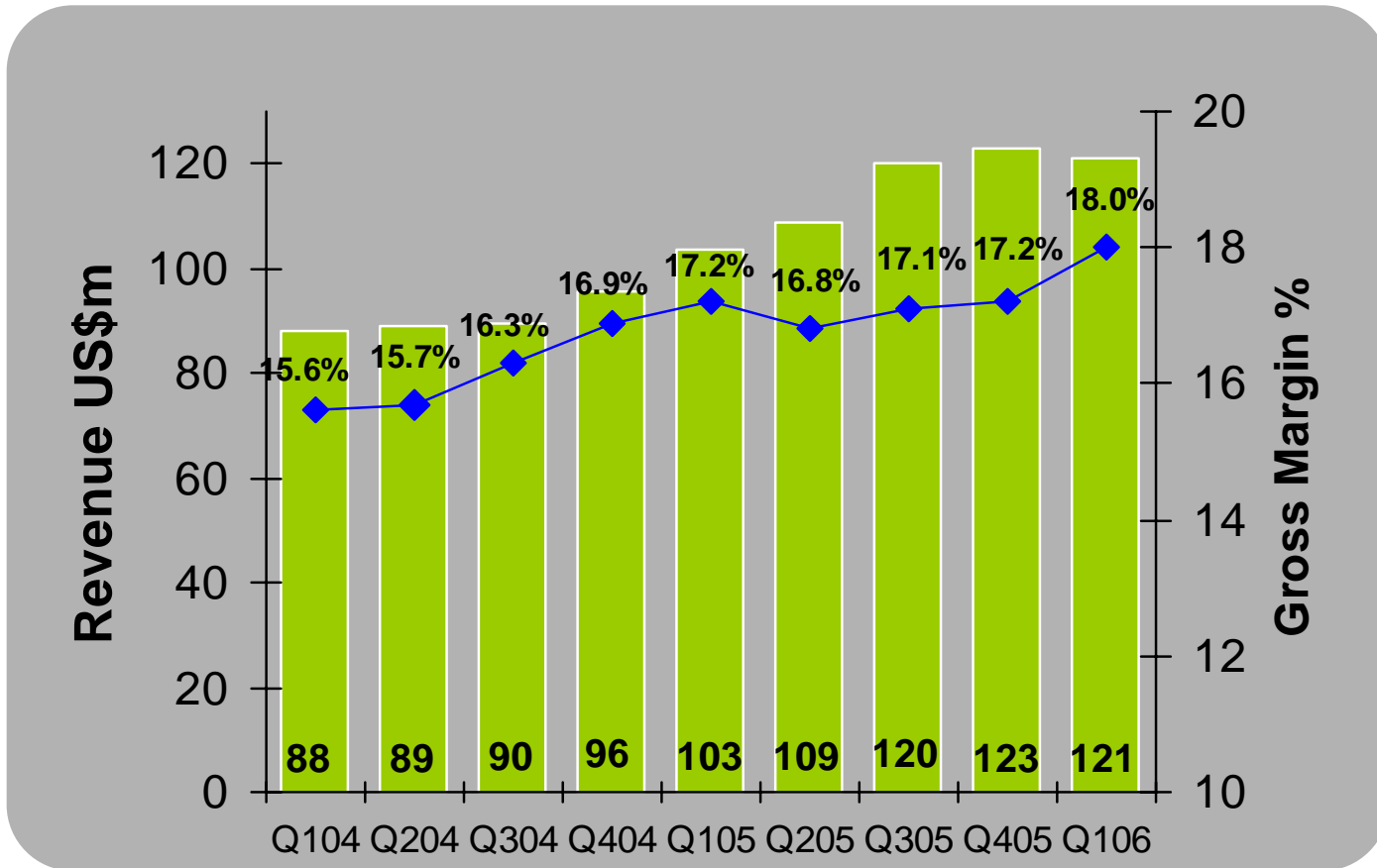
US\$M	Q1'06	Q1'05*	Y/Y % change	Q4'05*	Sequential % change
<b>Revenue</b>	<b>120.8</b>	<b>103.5</b>	<b>+17%</b>	<b>123.0</b>	<b>-2%</b>
<b>Gross Profit</b>	<b>21.8</b>	<b>17.8</b>	<b>+22%</b>	<b>21.2</b>	<b>+3%</b>
<b>GM %</b>	<b>18.0%</b>	<b>17.2%</b>		<b>17.2%</b>	
<b>EBITDA</b>	<b>7.4</b>	<b>5.1</b>	<b>+45%</b>	<b>6.4</b>	<b>+16%</b>
<b>EBIT</b>	<b>5.5</b>	<b>3.3</b>	<b>+65%</b>	<b>4.4</b>	<b>+25%</b>
<b>PBT</b>	<b>6.1</b>	<b>3.8</b>	<b>+61%</b>	<b>5.2</b>	<b>+17%</b>
<b>PBT %</b>	<b>5.1%</b>	<b>3.7%</b>		<b>4.3%</b>	
<b>PATMI</b>	<b>4.2</b>	<b>2.1</b>	<b>+100%</b>	<b>3.1</b>	<b>+37%</b>

\* Q1'05 and Q4'05 comparatives have been adjusted to include share options expensing

# Q1 FY2006 Operating Results (excluding share options expensing)

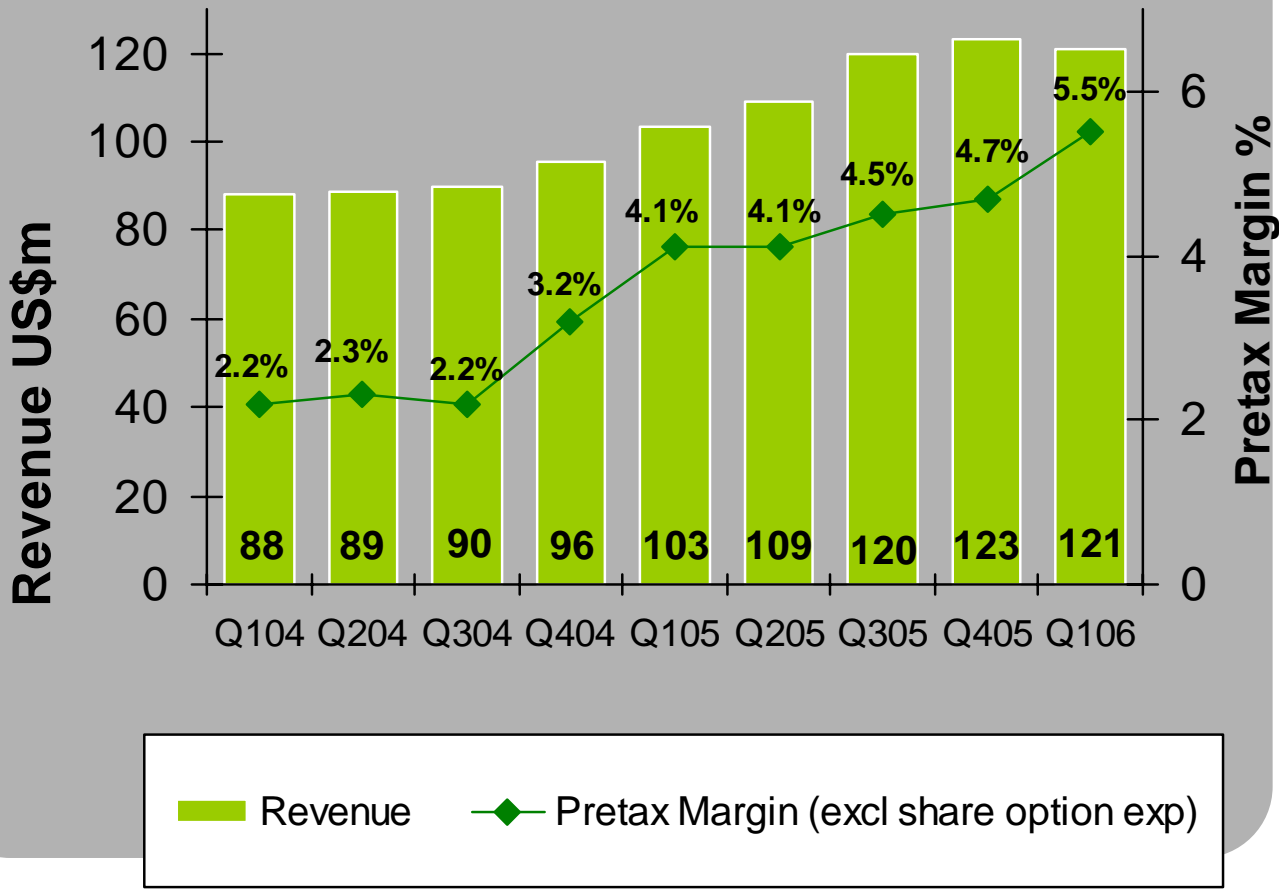
US\$M	Q1'06	Q1'05	Y/Y % change	Q4'05	Sequential % change
Revenue	120.8	103.5	+17%	123.0	-2%
Gross Profit	21.8	17.8	+22%	21.2	+3%
<i>GM %</i>	18.0%	17.2%		17.2%	
EBITDA	7.9	5.6	+41%	6.9	+14%
EBIT	6.0	3.8	+57%	4.9	+23%
PBT	6.6	4.3	+54%	5.7	+15%
<i>PBT %</i>	5.5%	4.1%		4.7%	
PATMI	4.7	2.6	+81%	3.6	+32%

# Revenue and Gross Margin

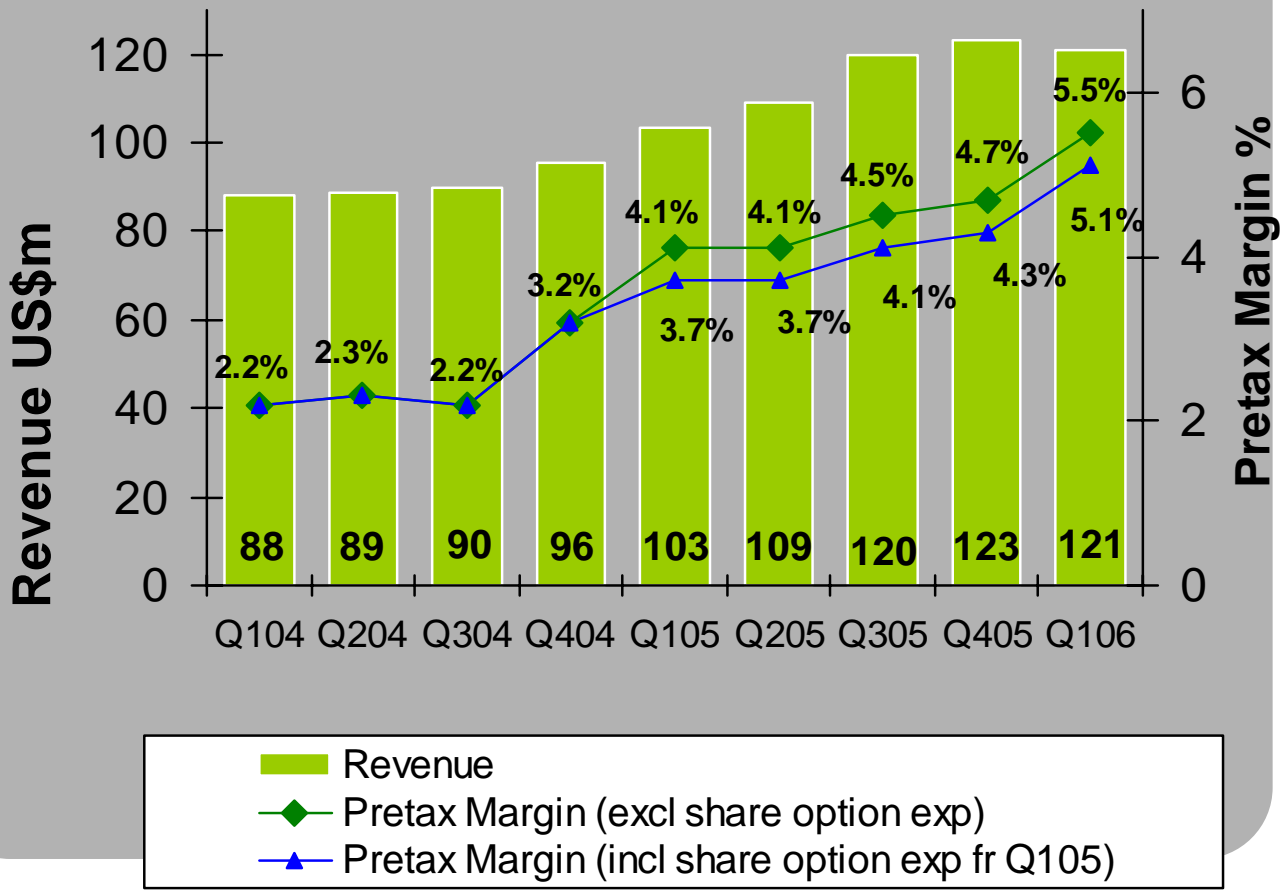


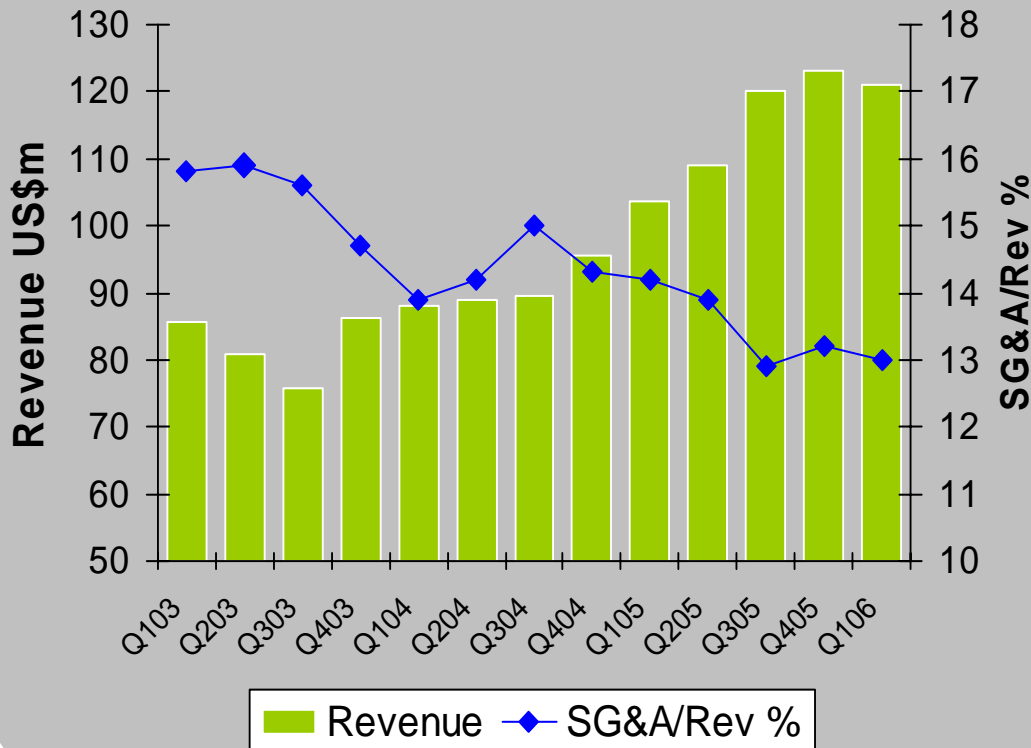
Revenue — Gross Margin

# Revenue and Pretax Margin

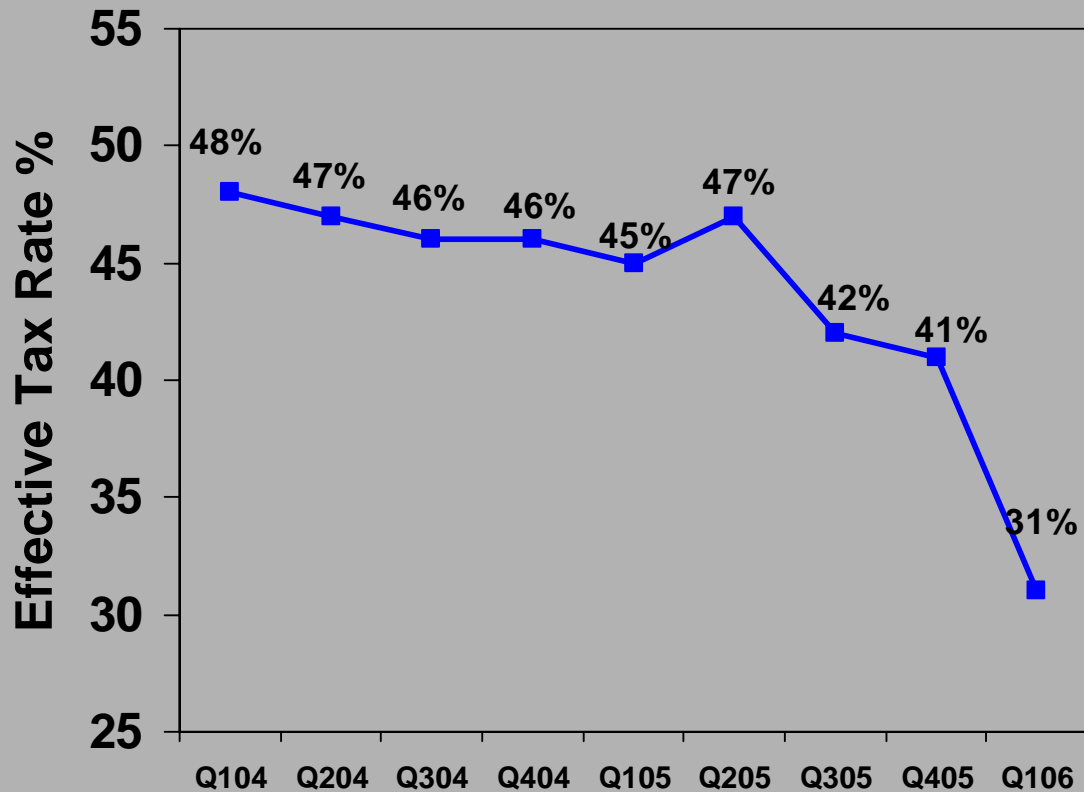


# Revenue and Pretax Margin





- Q1 SG&A expense totalled US\$15.7m or 13.0% of revenue
- Compared to 14.2% in Q1'05 and 13.2% in Q4'05



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

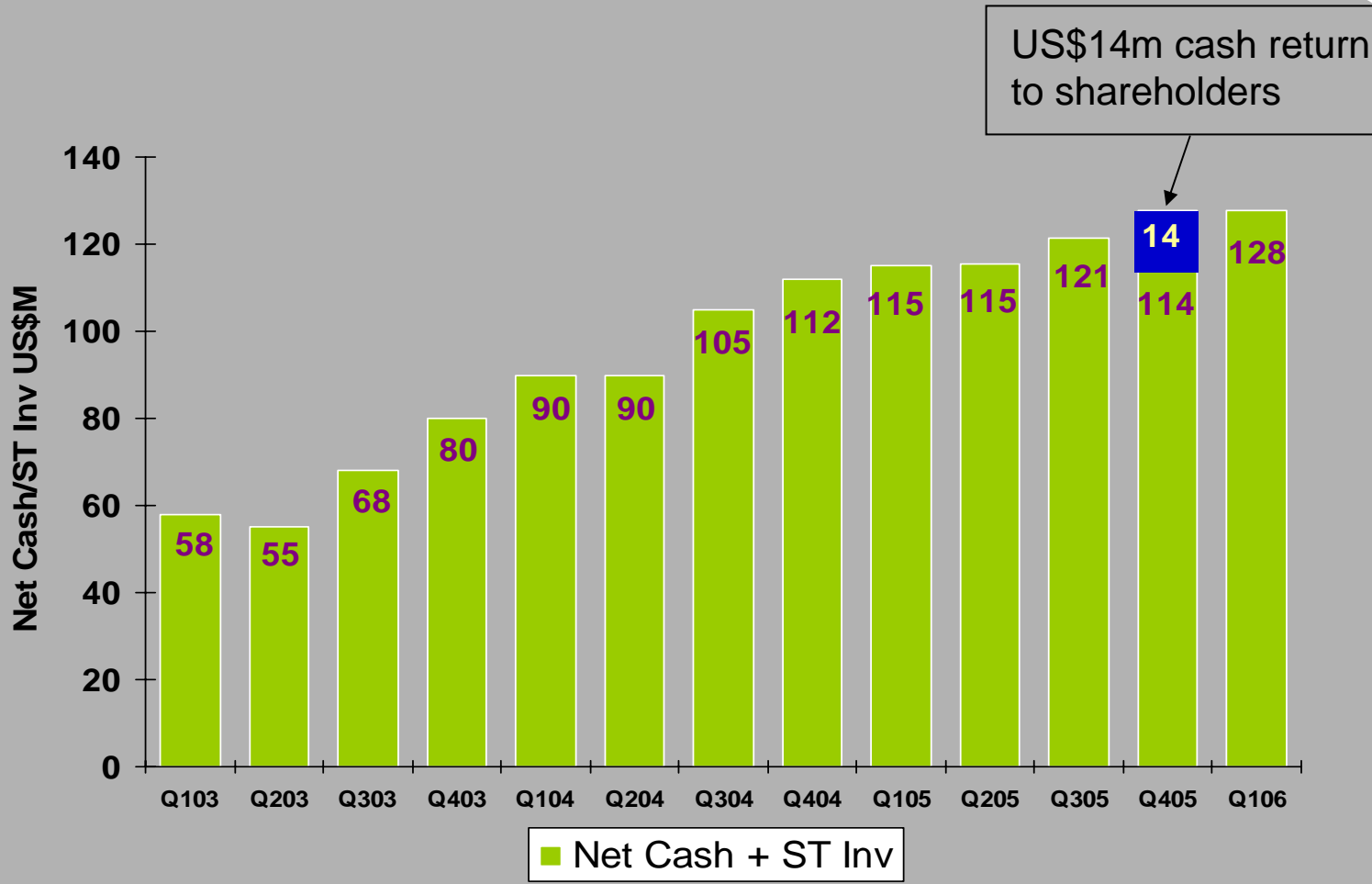
# Balance Sheet Highlights

<b>US\$M</b>	<b>Dec '05</b>	<b>Sep '05</b>	<b>Dec'04</b>
<b>DSO</b>	<b>67 days</b>	<b>70 days</b>	<b>78 days</b>
<b>- Trade Debtors</b>	<b>85.8</b>	<b>92.5</b>	<b>87.4</b>
<b>Trade Creditors</b>	<b>44.8</b>	<b>53.2</b>	<b>49.0</b>
<b>Fixed Assets</b>	<b>13.7</b>	<b>14.7</b>	<b>15.8</b>
<b>Inventory</b>	<b>8.1</b>	<b>15.7</b>	<b>16.5</b>
<b>Net Cash + ST Inv</b>	<b>127.8</b>	<b>113.7</b>	<b>115.0</b>
<b>Shareholders Funds</b>	<b>181.3</b>	<b>175.9</b>	<b>182.6</b>

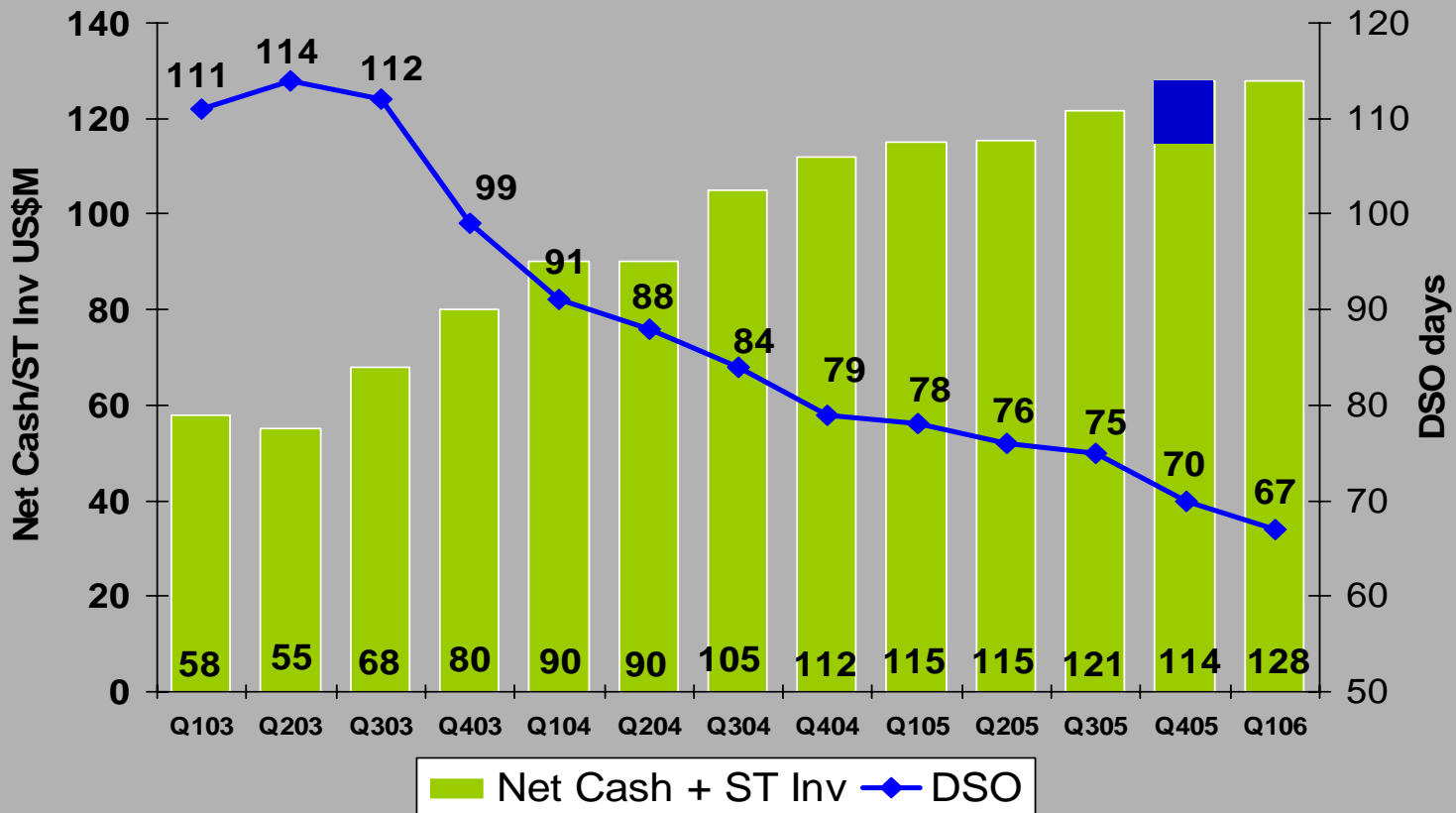
# Cash Flow Summary

<b>US\$M</b>	<b>Q106</b>
<b>Beginning Net Cash + ST Investments</b>	<b>113.7</b>
<b>Cash flow from operations</b>	<b>15.0</b>
<b>Capex/Others</b>	<b>(0.9)</b>
<b>Ending Net Cash + ST Investments</b>	<b>127.8</b>

# Net Cash/ST Investments



# Net Cash/ST Investments and DSO

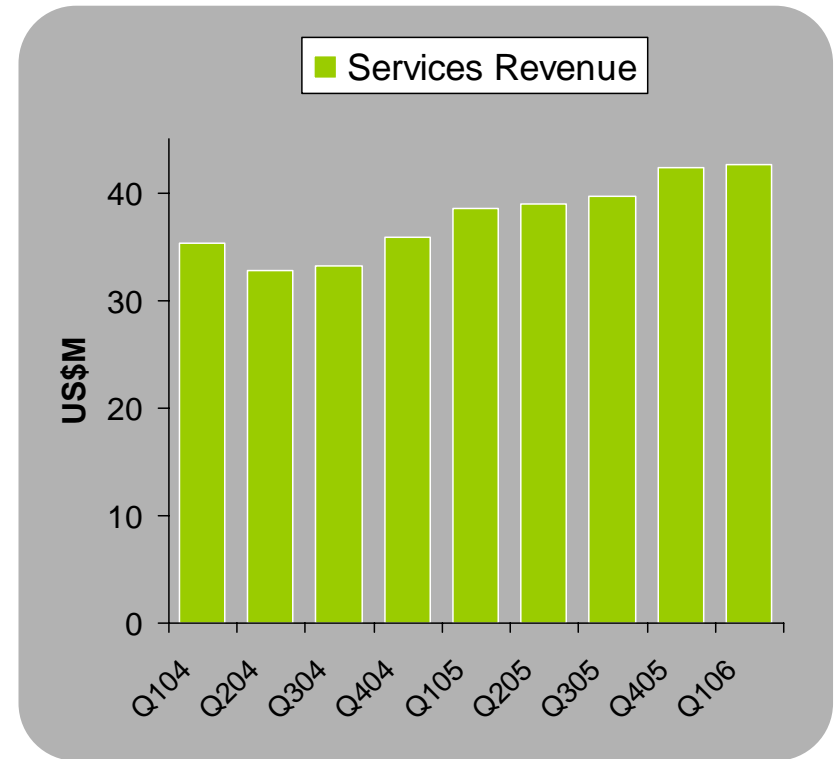
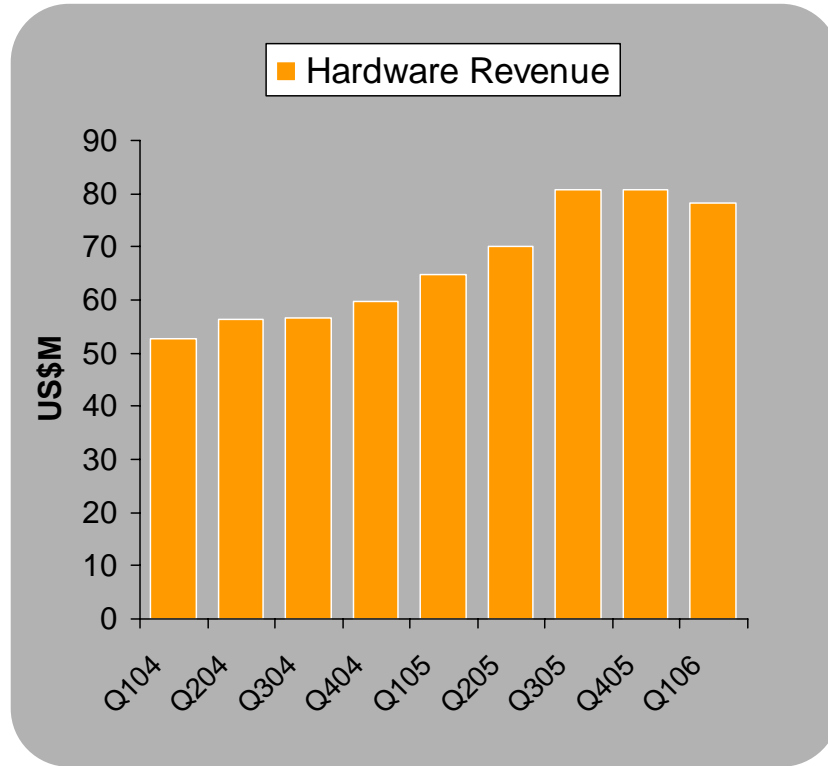


- Share buyback
  - Mandate approved by shareholders at 20 Jan 2006 EGM
  - US\$15m set aside for on-market share buyback
  
- Dividend
  - Policy approved by Board
  - Intend to commence regular dividend payout from this FY, business and cash permitting
  
- Insurance settlement for loss pertaining to China AR issue in FY01/02
  - US\$5.15m cash was received on 25 Jan 2006 and will be recorded as Other Income in Q2'06



# Operational Highlights

# Hardware & Services Revenue

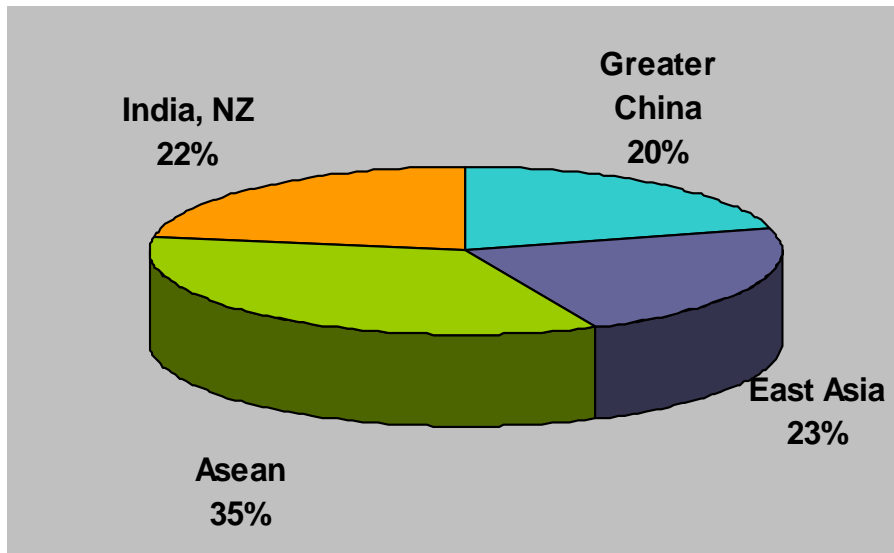


- Q1 HW rev accounted for 65% of group rev
- ↑21% y/y; ↓3% q/q

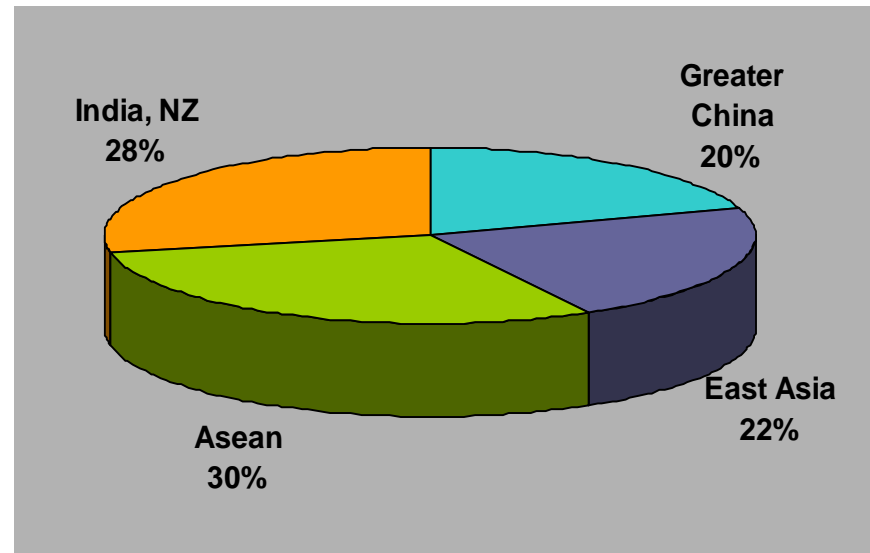
- Q1 SVCE rev accounted for 35% of group rev
- ↑10% y/y; ↑1% q/q

# Revenue by Geographic Regions

Q1'05



Q1'06



## Q1'06 Performance

- Growth across majority of geographic regions
- India growth leader again
- Good progress in China
- Recovery in Japan

## Enterprise

- Global MNC Bank – US\$6.4m multi-year Network Operation Center services contract
- Leading enterprise software company – US\$2.5m IP Telephony infrastructure systems for its operations in India
- Major transportation authority in HK – US\$2m infrastructure upgrade with multi-year support and maintenance
- BAAC Online Thailand – US\$1.9m infrastructure enhancement
- Leading local financial services corporation in India – US\$1.5m IP network expansion project
- Major insurance company in Taiwan – US\$1.3m IP network enhancement
- Major MNC Bank based in Singapore – US\$1.2m datacenter enhancement

## Service Provider

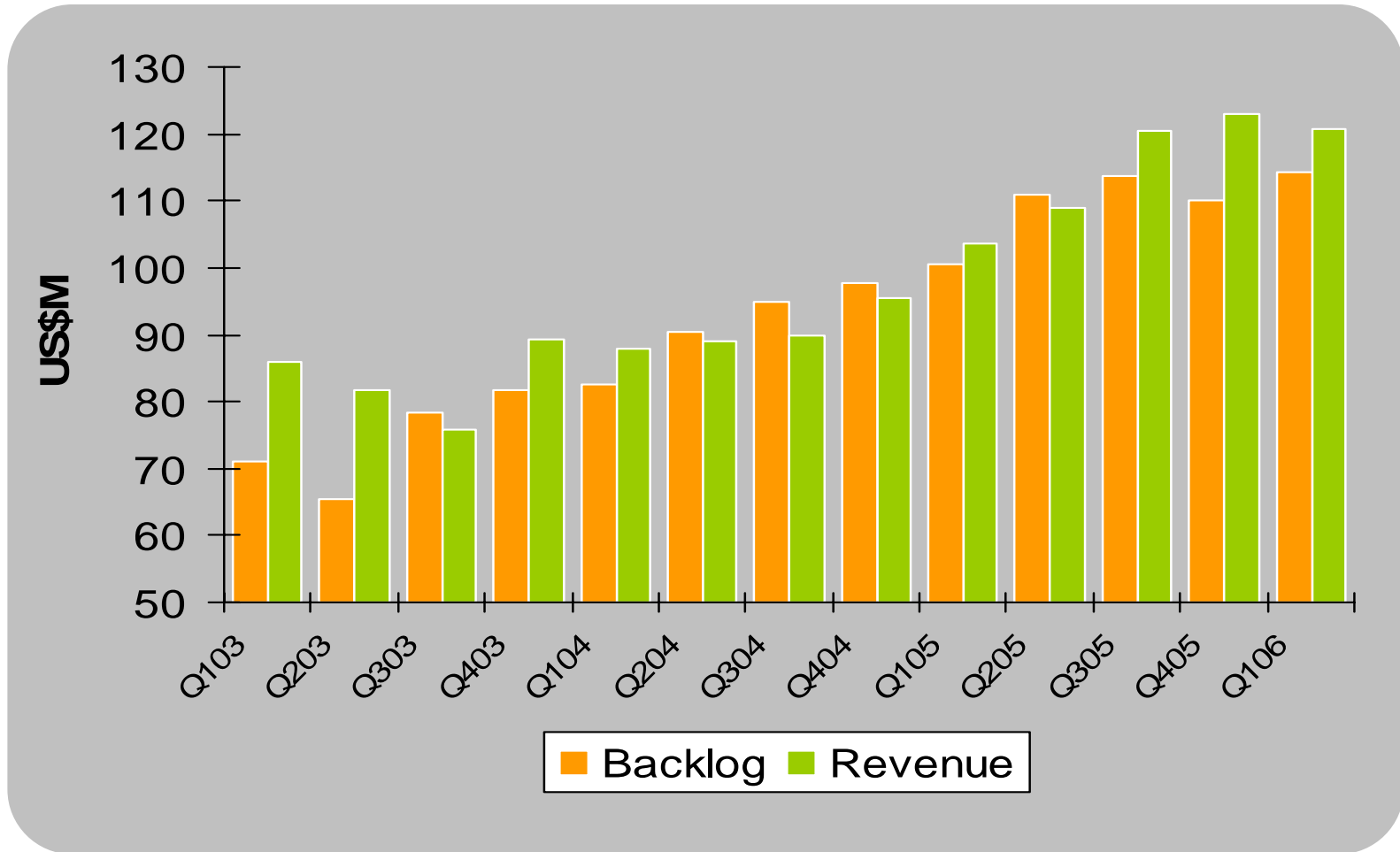
- Major service provider in Indonesia – US\$3.8m High Resilient and Fault Tolerant backbone infrastructure
- Leading service provider in India with extensive global presence – US\$2.7m network infrastructure enhancement
- Major telecommunications company in New Zealand – US\$1.8m network support services
- Major service provider in Thailand – US\$1.8m IP broadband infrastructure enhancement
- hanarotelecom, Korea – US\$1.7m IP backbone expansion and enterprise network
- Major cable operator in China – US\$1.4m broadband IP infrastructure
- Major service provider in Malaysia – US\$700k IP network infrastructure



# Future Outlook

- Promising outlook
  - Favourable market trends
  - Strong demand for Group's solutions and services
- US\$114m order backlog vs US\$110m in prior quarter
- Strong business fundamentals - well positioned to continue gaining market share

# Backlog and Revenue



- Another good quarter
  - Net profit increased 100% y/y
  - Highest net profit in 13 quarters
  - Balance sheet & cash strengthened further
- Share buyback mandate obtained, US\$15m earmarked for program
- Dividend policy in place, intend to commence regular dividend program this FY
- Promising outlook
  - Strong fundamentals
  - Favourable demand environment
  - US\$114m order backlog



**THANK YOU**