



ACCORD CUSTOMER CARE SOLUTIONS LIMITED

# 1H2004 Financial Results

## Analyst Briefing

*4 August 2004*



# Agenda

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- **Financial Highlights**
- **Our Network**
- **Business Updates**
- **Q & A**

# 1H2004 Results

## - Financial Highlights -



# P&L Highlights

S\$m	1H04	1H03	% chg
Revenue	123.5	38.5	+ 221
Operating Profit	20.0	9.1	+ 119
Profit before Tax	19.5	9.1	+ 115
Net Profit	18.1	7.7	+ 135

# Segmental Analysis

<b>S\$m</b>	<b>1H04</b>	<b>1H03</b>	<b>% chg</b>
<b>Revenue</b>			
- AMS	<b>64.0</b>	<b>33.9</b>	<b>+ 89</b>
- DMS	<b>62.6</b>	<b>4.5</b>	<b>+ 1286</b>
<b>Interco Eliminations</b>	<b>(3.2)</b>	<b>(0.0)</b>	
<b>Pretax Profit</b>			
- AMS	<b>13.8</b>	<b>8.5</b>	<b>+ 63</b>
- DMS	<b>5.5</b>	<b>0.6</b>	<b>+ 810</b>
<b>Pretax Margin</b>			
- AMS	<b>21.6%</b>	<b>24.9%</b>	
- DMS	<b>8.8%</b>	<b>13.4%</b>	

# P&L Explained

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- **Other Operating Income down 92%**
  - one-off items in 1Q03 (e.g. royalties, government grants, FX gains)
  - lower management and corporate advisory fees upon acquisition of companies in the PRC and India
- **AMS margin down by 3.3 pts due to non-recurring other operating income in 1H2003**
- **DMS margin down by 4.6 pts due to increasing contribution from DMSPL's distribution business**

# Balance Sheet Highlights

(S\$m)	30 June 2004	31 Dec 2003
Cash	32.2	32.6
Inventories	23.0	15.4
Other Investments	6.4	0.1
Goodwill on consolidation	34.9	11.9
Other Goodwill	14.1	2.2
Bank Borrowings	28.7	24.9
Bonds	7.1	0.0

# Cash Flow Highlights

(S\$m)	1H04	1H03
Net Cash from Operating Activities	21.3	1.9
Net Cash used in Investing Activities	(22.1)	(13.4)
Net Cash from Financing Activities	1.5	31.1
Balance at End of Period	27.2	25.9
Cash & Cash Equivalents subject to restrictions	5.0	1.0
Adjusted Cash Balance at End of Period	32.2	26.9



# Our Network



# Our Network

	30 Jun 03	31 Dec 04	31 Mar 04	30 Jun 04
<b>Brands</b>	21	24	32	35
<b>Service Centres</b>	145	220	340	369
<b>Repair Management Centres</b>	168	168	668	668
<b>Countries/Territories</b>	14	14	15	15
<b>Cities/Towns</b>	40	48	139	144
<b>Staff</b>	1,075	1,266	1,896	2,280*

\* estimated

# Business Updates



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## India

- Reduction in tariffs
- Low penetration rate
- Buoyant economy
- Nokia Care Partner contract
- Expects S\$40M revenue contribution from India business in FY05

# Business Updates

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## PRC

- Largest mobile phone market
- Fragmented AMS players
- Exploring strategic tie-ups with existing players in PRC

# Business Updates

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## South Pacific

- Completed roll-out of nationwide network for Nokia in Australia
- To leverage on network to venture into related businesses (e.g. In-Focus contract)

# Business Updates

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## Out-warranty services

- S\$7.2m (revenue) out-warranty contracts announced in June 2004

# DMSPL Restructuring





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- **Acquisitions / restructuring in connection with proposed IPO**
- **ACCS stake in DMSPL to be reduced to not more than 50% by 31 Dec 2004**

# Strategic Investment - VMS Bonds -



# Q & A

