



**TODAY'S INTEGRATION  
TOMORROW'S SOLUTIONS**



***NTEGRATOR INTERNATIONAL LIMITED***

**CORPORATE PRESENTATION**



**NOVEMBER 2009**



# Contents

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- Business Overview
- Key Strengths
- Corporate Developments
- Financial Highlights
- Industry Overview & Prospects
- Growth Strategies



# Who We Are

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## ***Established in 2002, we are...***

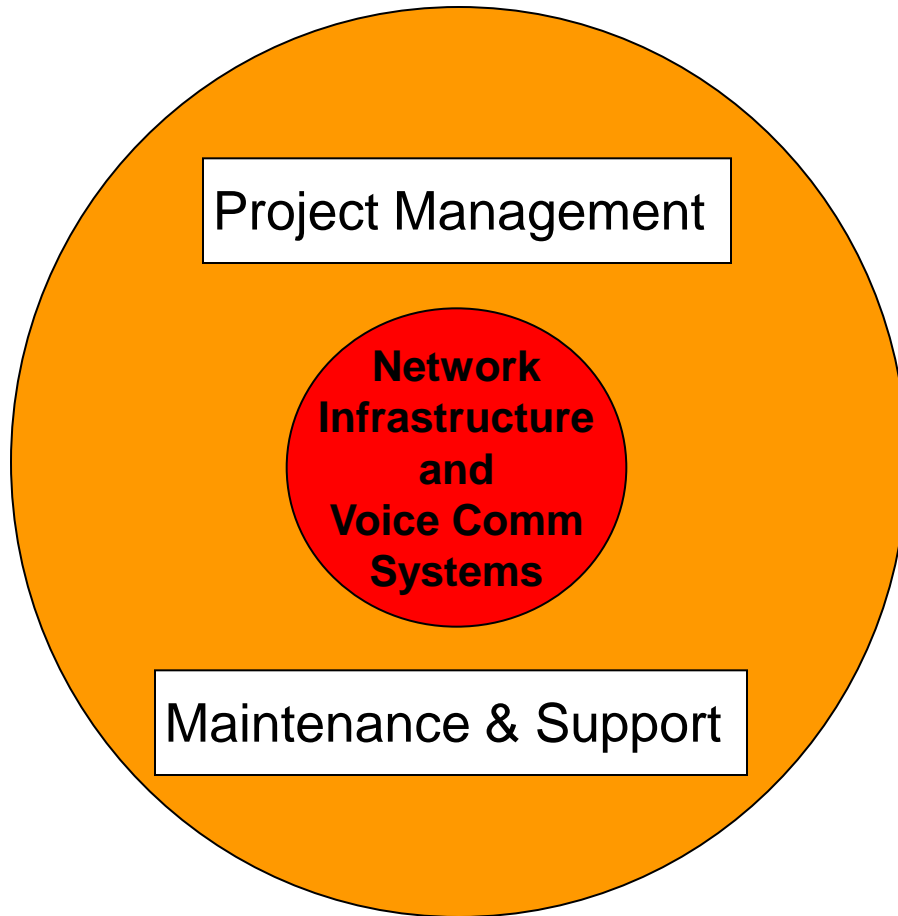
- A regional communications network specialist and systems integrator offering high-tech, world-class systems and services
- A leading player in the telecommunication industries in the region.

***We were listed on SGX SESDAQ in 2005.***



# Our Core Businesses

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- Project Sales Division:
  - Sub-divided into Network Infrastructure and Voice Communication Systems
- Project Management
- Project Maintenance & Support Services



# Project Sales

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## ***Network Infrastructure:***

We integrate network infrastructures which enables the end-users to communicate electronically within an organisation or with another organisation, either within the same country or globally

Total end-to-end infrastructural business solutions:

- Network integration services, from fixed-line eg. Optical DWDM, SDH, IPDSLAM, ADSL etc to wireless solutions, eg. Microwave, VSAT, WIMAX etc.
- Design, installation and implementation of data, video, fibre optics, wireless and cellular network infrastructure
- Customised solutions according to customers' needs



# Project Sales

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## ***Voice Communication Systems:***

Seamless integration of voice and data systems used in large organisation's telephone network, including:

- PABX
- Video conferencing system
- Voice messaging, recording or logging system
- VoIP Applications
- IP media gateway



# Project Management and Maintenance Services

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## Project Management Services

- Provide installation and implementation services for the network infrastructure or voice communication systems that have been purchased by our suppliers' customers
- Managed Services (out-tasking services)

## Maintenance and Support Services:

- For warranty and post warranty period for our systems sold
- Customers include:
  - Leading telcos: SingTel, M1, Viettel, Beeline (under Gtel Mobile)
  - Government authorities: DSTA, DSO, CAAS, EMA, Singapore Power
  - Corporations: SMRT, EVN, CAT, TOT





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**KEY STRENGTHS**



# Key Strengths

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## Strong Regional Presence

- Network of regional offices to provide customers with local technical support
- Fortified strong foothold in emerging Indo-china economies such as Vietnam, Myanmar, Cambodia and Laos

## Human Capital & Asset

- We have a strong management team with at least 20 years of working experience in this industry
- We have a strong engineering team to provide both pre and post warranty support to our customers

## Established Track Record

- Supplied and installed Optical DWDM and SDH Equipment for M1 and Viettel Corporation since 2002
- Supplied and installed the first IP core router in Vietnam for Viettel Corporation in 2007
  - Followed by two more contracts in 2008 and one contract in May/2009 for the implementation of Juniper's Core Router for Viettel's fixed line and cellular networks
  - Supplied and installed a first IP core router for Beeline (under Gtel Mobile) this year
- Full turnkey network integration of satellite network stations, new studio and TV production studios for Myanmar Radio & Television
- Supplied and installed the full turnkey IP PABX infrastructure and systems for Vietnam Convention Centre for APEC Meeting in 2006



# Key Strengths

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## Key Suppliers

- Alcatel
- ECI
  - Both have been loyal suppliers for Ntegrator since we started in 2002
- Harris & RF Window
- Juniper Network Inc.

## Key Customers

- SingTel and MobileOne – Top two telco operators in Singapore
- SMRT
- Defence Science and Technology Agency (DSTA)
- CAAS & DSO
- Viettel Corporation – largest telco operator in Vietnam
- Viettel Cambodia (Cambodian subsidiary of Viettel Corporation)
- Beeline (under Gtel Mobile)
- Vietnam Telecom International
- MOD, MPT & MRTV of Myanmar





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**CORPORATE DEVELOPMENTS**



# Corporate Developments

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## Milestone contracts for the Next Generation Nationwide Broadband Network

- Two contracts worth S\$22 million awarded by SingTel in September 2009
  - Largest local contract secured by Ntegrator todate
  - Positive financial impact from FY2009 to FY2012
  - Participation in groundbreaking infocomm development reinforces Ntegrator's regional standing in the network infrastructure systems integration industry



# Corporate Developments

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## Expansion of Customer Base

- Maiden Contract from Telekomunikasi Indonesia International Pte Ltd (Telkom)
  - Subsidiary of Indonesia's largest information and communications service and network provider
  - Supply of fibre-optic network accessories to support Telkom's new network initiative for the provision of international telecommunication bandwidth in the region
  - Lays groundwork for the Group to penetrate further into the Indonesian market when market recovers



# Corporate Developments

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## Continuing growth in Indo-China markets:

- Four contract wins from Viettel Cambodia within a year of penetrating the new market
  - Two maiden contracts awarded by Viettel Corporation's subsidiary in May 2008
  - Third and fourth contracts won in August 2008 and June 2009 respectively
  - Opens up opportunities for Ntegrator to play an active role in building up Cambodia's telco infrastructure and networks for the next few years
- Continued Expansion Order from Viettel Corporation
  - S\$18.5 million worth of contracts in FY2008 through repeat contract wins from Viettel;- an improvement of 31.0% over the S\$14.1 million recorded in FY2007
  - Four contracts, worth a total of S\$27.4 million, awarded by Viettel in the first half of FY2009 - exceeding the total contract value secured in the whole of FY2008 by 48.1%





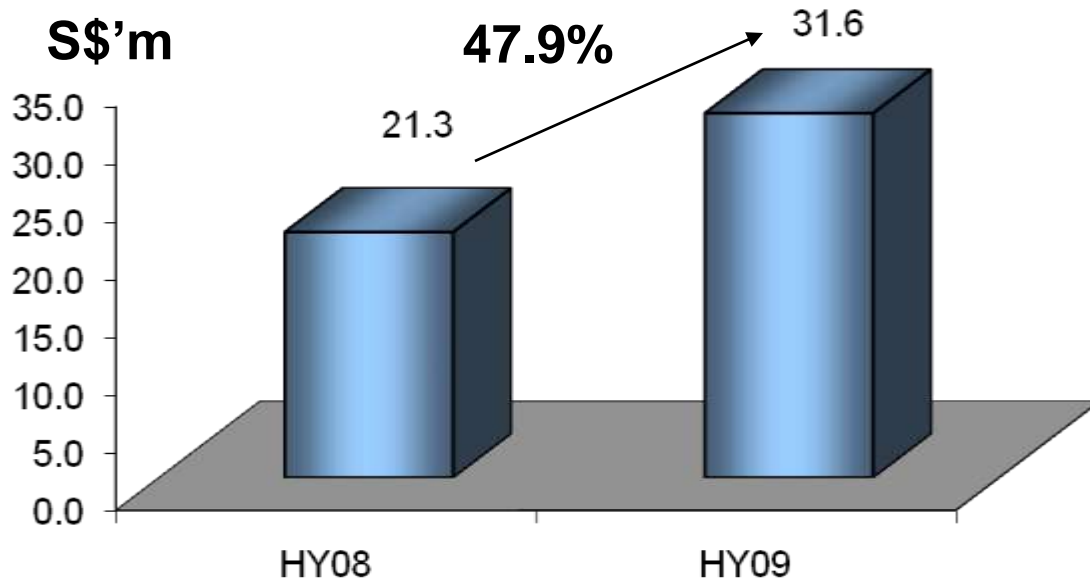
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# **FINANCIAL HIGHLIGHTS**



# Revenue



**Total Revenue increased by 47.9%:**

- **Projects Sales** rose by 44.1% to S\$29m
- **Project Management and Maintenance Services** soared 111.2% to S\$2.5m million as the Group secured more new project management services contracts as well as renewal contracts by existing customers

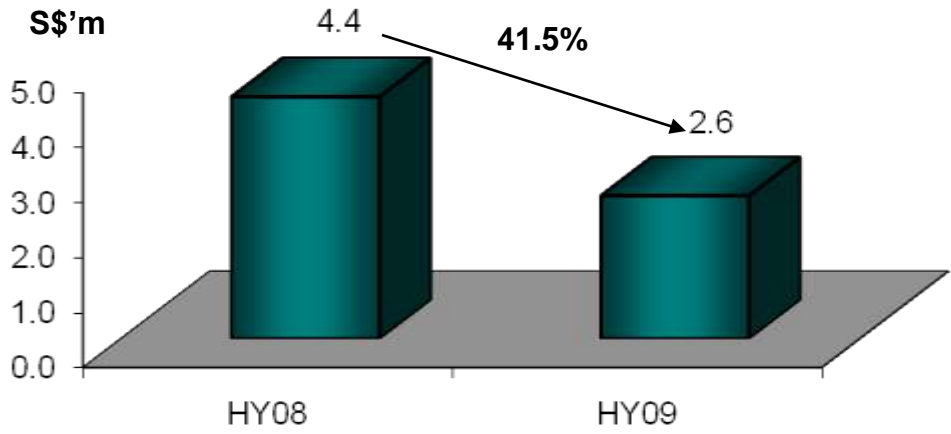
*HY: Six months ended June 30*





# Gross Profit

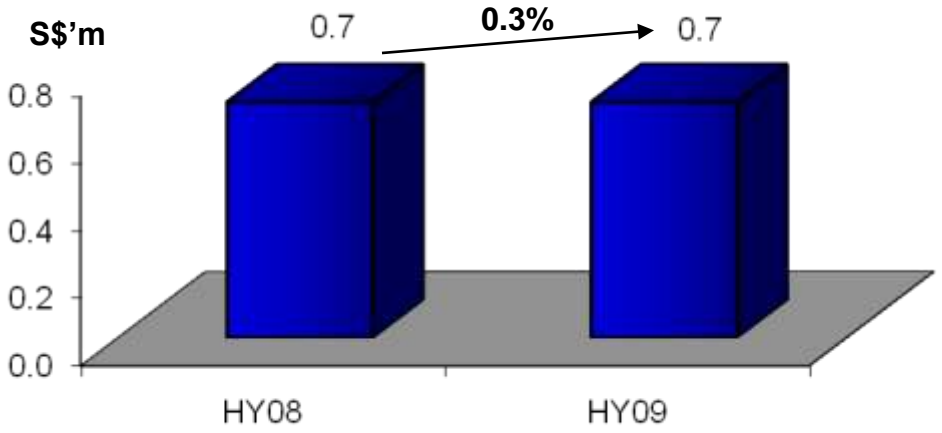
## Project Sales



Gross profit decreased 36.0% to S\$3.3 million:

- **Projects Sales** decreased by 41.5% to S\$2.6 million due to increase in cost of borrowings

## Project Management and Maintenance Services



- **Project Management and Maintenance Services** maintained its performance at S\$0.7 million

HY: Six months ended June 30



# Financial Ratios

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<b>Earnings per share after tax and minority interests (cents) <sup>(1)</sup></b>	0.18
<b>Net Asset Value per share (cents) <sup>(1)</sup></b>	6.47
<b>Net debt-to-equity ratio <sup>(2)</sup></b>	0.09
<b>P/Book Value (X) <sup>(3)</sup></b>	0.73

(1) Based on weighted average number of ordinary shares of 341,482, 344 as at June 30, 2009

(2) As at June 30, 2009

(3) Market Cap as at November 24, 2009, Bloomberg



# Balance Sheet Highlights

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	<b>As at 31 Dec 08</b>	<b>As at 30 Jun 09</b>
<b>Total Assets</b>	S\$67.5m	S\$80.2m
<b>Net Assets</b>	S\$21.2m	S\$22.1m
<b>Cash &amp; Cash Equivalents</b>	S\$2.7m	S\$4.5m
<b>Shareholders' Equity</b>	S\$21.2m	S\$22.1m



# Order Book

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## Current outstanding order book surpasses FY2008 revenue:

- Order book stands at **S\$67.7 million** as at September 10, 2009
- Strong order book amount exceeds FY2008 revenue of S\$47.9 million by 41%



# 1HFY2009 Key Highlights

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- Revenue **surges 47.9%** to S\$31.6 million
- Both core business divisions register **revenue growth**
- Low net debt-to-equity ratio of **0.09** as at June 30, 2009
- Issued bonus warrant **of 3:10 warrants** to reward loyal shareholders
- Order book improves by **49.4% to \$67.7** million from end June to end September 2009





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**INDUSTRY OVERVIEW &  
PROSPECTS**

# Industry Overview

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## Specialised Industry

- Technically specialised fields with few major players that has the ability to provide specialist integration services and full range of solutions
- Comprehensive core competency and expertise required for network integration business creates high entry barrier
  - Enables us to command higher profit margin

## Strong Regional Potential

- Percentage of fixed-line and mobile penetration in most SEA countries are still below global average standards
- Anticipate a boom in fixed-line penetration as many emerging economies in SEA are investing in telco infrastructure improvements
  - E.g. Vietnam, Cambodia, Laos, Myanmar
- Foresee higher capital expenditure on relevant network infrastructure equipment in the near future
  - Opens up more opportunities for us to capitalise on



# Industry Overview

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## Recurring Business

- Nature of the telco industry is such that it constantly experiences new technology developments and rapid obsolescence of existing infrastructure
- Continuous need for service players to invest heavily on latest technology and infrastructure, in order to keep pace with new innovations
  - Creates a sustained demand for new network infrastructure and voice communication systems





# Industry Prospects

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## Vietnam

- Ranked as one of the fastest-growing markets for telecommunications in the world over the past several years
  - US-based International Data Group forecasts Vietnam's IT market size to hit US\$2.2B in 2009 and over US\$3.5B in 2013;
  - IDC estimates a 2009-2013 CAGR of 10.5% for the Vietnam IT market:
    - Will become the IT market with the highest growth rate in Southeast Asia
- Viettel Corporation continued to lead the Vietnamese mobile market in 2008, with a market share of around 37.2%
- Government awarded four 3G licences to five operators in April 2009
  - Including Viettel Corporation, Ntegrator's repeat customer since 2002
  - All four telcos currently upgrading their networks; 3G services expected to roll out in 2010
- Total mobile subscribers expected to rise to 120mn by 2014 – a figure on par with Japan's current subscriber base

### Sources:

IDC Market Research, October 11, 2009

Thai News Service, September 4, 2009

Vietnam News Brief Service, August 28, 2009

Vietnam Posts and Telecommunications Corporation, May 2009



# Industry Prospects

*Business Times Weekend, September 5-6, 2009*

## The next big thing: markets in Indochina

With Cambodia, Laos and Vietnam growing rapidly, enterprising Singapore companies should 'fly there tomorrow'

**By Felda Chay**  
feldac@sph.com.sg

SINGAPORE companies should seize the opportunities offered by emerging East Asia and increase their investments in Indochina, says John Vong, an emerging markets specialist based in Phnom Penh.

Speaking at the "Masterclass in Business Innovation & Business Opportunities in Indochina" seminar yesterday, he said the rapid economic growth in Cambodia, Laos and Vietnam shows these markets are likely to need more financial services. And Singapore, being a major Asian financial centre, has the expertise and know-how that allow its companies to venture into these emerging markets.

Cambodia, for instance, held a consultation last month to work out rules and regulations for its nascent stock exchange – a key sign that its financial services sector is growing despite the current economic turmoil. "They may not have a stock market yet, but that does not mean that you stay out. It just means you need to go in and get the first-mover advantage," Mr Vong said.

According to World Bank figures, Cambodia's gross domestic product (GDP) jumped 10.2 per cent in 2007, while Vietnam's economy expanded 8.5 per cent and Laos posted a 7.9 per cent rise.

On top of that, start-up costs in these countries are relatively low because of the low cost of liv-

ing and cheap labour, said Mr Vong.

One way Singapore firms can venture into Indochina is to work with organisations like the International Finance Corporation (IFC), which has pumped resources into the three economies in a big way. Vietnam, for example, received US\$110 million in investments from IFC in 2008. The World Bank's private-sector investment arm said on its web-

site that its 2009 investment target for the country is expected to be about US\$300 million.

It has invested US\$91 million in Cambodia to date, and expects to raise annual investment in the country from an average of US\$20 million to more than US\$50 million by 2010.

While the three economies have been hit hard by the financial turmoil, Mr Vong, citing a comment by Asian Development

Bank chief economist Jong-Wha Lee, said he believes they could see a V-shaped recovery as their internal economies can help compensate for external factors.

"While foreign direct investments have fallen and the export sector has seen a drop, countries like Vietnam still see strong internal consumption," Mr Vong said.

Mr Lee said at a news conference in July in Bangkok that "emerging East Asia could see a V-shaped recovery, with growth dipping sharply in 2009 before regaining last year's pace in 2010".

Mr Vong said these trends show Vietnam, Cambodia and Laos could well be the next China.

"For those of you who are really enterprising, fly there tomorrow," he said.

**"They may not have a stock market yet, but that does not mean that you stay out. It just means you need to go in and get the first-mover advantage."**

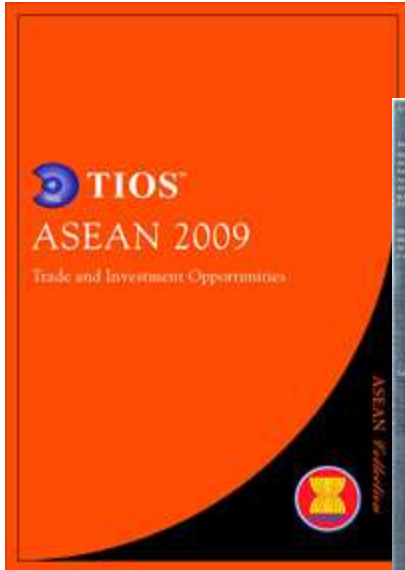
*– John Vong, emerging markets specialist based in Phnom Penh*

*"According to World Bank figures, Cambodia's GDP jumped 10.2% in 2007 while Vietnam's economy expanded 8.5% and Laos posted a 7.9% rise"*

*"Singapore, being a major Asian financial centre, has the expertise and know-how that allow its companies to venture into these emerging markets"*



# Industry Prospects



*TIOS Consulting  
ASEAN 2009:  
Trade and Investment  
Opportunities*

Country	Market Potential	Market Potential	Market Potential	Market Potential	Market Potential	Market Potential	Market Potential	Market Potential	Market Potential
Vietnam	3	3	3	3	3	3	3	3	3
Cambodia	3	3	3	3	3	3	3	3	3

Notes:  
 1. Market Potential is a score from 1 to 4, where 1 is the lowest and 4 is the highest.  
 2. Market Potential is based on the following criteria:  
 - Market Size  
 - Market Growth  
 - Market Attractiveness  
 - Market Access  
 - Market Stability  
 - Market Risk

## Vietnam and Cambodia as the “rising stars” in ASEAN

- Market potential for both countries graded 3 out of 4
  - Denotes that conditions are moving towards a positive trend
  - Country is engaging the international community both in terms of national and international regulations





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**GROWTH STRATEGIES**

# Growth Strategies

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## **Continue to grow our relationships with strategic partners**

- Repeat business from Viettel Corporation, a major customer for the Group's Vietnam and Cambodia markets, will drive our growth

## **Leverage on our proven track record and strong core competencies**

- Well-positioned to deepen market penetration in existing markets, as well as expand to neighbouring countries

## **Maintain focus on Southeast Asia and Indochina regions**

- With special emphasis on Vietnam and Myanmar
- Strategic location in Singapore will provide competitive edge to tap on these key emerging markets



# Growth Strategies

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## **Continue to strengthen business relationships with key suppliers**

- Principal suppliers such as Alcatel and ECI, Ceragon Network and Juniper Networks
- To build up new strategic suppliers to service new market demands in Vietnam, Cambodia, Laos and Myanmar
- Also to attend to other Telco and cellular service providers in Vietnam e.g. EVN, Vinaphone, VTI, Beeline (under Gtel Mobile)

## **Expand business strategically through organic growth or M&As**

- Continue to seek strategic investments or alliances or joint ventures with suitable partners and/or acquire companies or assets in related fields
- To expand our range of products and service and technological capabilities, as well as to gain scale of operations



# Upsides of Ntegrator

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- Profitable every year since the company's inception
- Company's PE is still low
- Revenue surged by 47.9%
- Current Order Book stands at S\$67.7 million – the figure has exceeded our FY08 revenue
- We have been rewarding our loyal Shareholders with dividends except for FY08 with bonus warrant (3:10) allotted in Oct 09.





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**Thank You**