

## PRESS RELEASE

### Punch sells its Chinese Jiin Hui operation

Sint-Martens-Latem, Belgium, 5 December 2005 – Punch International NV ('Punch'), the diversified technology group based in Sint-Martens-Latem, is announcing that it is transferring the activities of its Chinese operation 'Jiin Hui' to LG Philips.

The value of the transaction is 7 million euro. The impact on turnover and net profits for 2006 is estimated at 6.8 million euro and 0.3 million euro respectively. The transaction fits in with Punch's strategy to move the core of its activities towards higher added value products and services.

Jiin Hui, Punch's first Chinese joint venture, started up in 2001 in Nanjing in the eastern province of Jiangsu. Jiin Hui produces critical metal components for CRT displays, among others tube holding frames and magnetic shielding covers, under contract from LG Philips and its joint ventures. A marginal portion of this operation's turnover (5%) comes from the production of suspension brackets for audio-visual equipment. The operation employs some 250 people. In September 2004 Punch also acquired 100% of the shares after it acquired the remaining 50% from its Taiwanese partner in the joint venture.

Characteristic of a mature industry like the CRT industry is growing market consolidation. OEMs are concentrating production as much as possible on one supplier and in a final phase they are tending to take specific parts of the production back from their subcontractors. In this way at the end of 2004 Punch and LG Philips already decided to transfer the production of CRT components in Trnava (Slovakia) back to LG Philips. The trend towards moving production and final assembly for the consumer electronics sector to Asia continues unabated. In Asia too, however, margins are coming under increasing pressure. So at this stage for Punch the transfer of Jiin Hui is an opportunity.

As a subcontractor for the display sector Punch is currently still active for LG Philips in Mexico and for SEG-Hitachi through the joint venture Shenzhen Sunrise in China.

#### About Punch International

Punch is a knowledge and technology provider 'par excellence', empowering all the companies within its group to create new technology that is marketable and profitable. Punch will apply all its knowledge and experience, and use its financial assets to help leverage potentially successful technology towards a higher level of maturity. Punch strives to meet its customers' quality, costs, delivery and service demands with total solutions and empowers its clients to reach and surpass their goals and to establish a sustainable competitive advantage within their markets and gain market share. This approach enables Punch to continuously increase added value for its stakeholders: partners, shareholders, clients, suppliers, and society. Punch – Empowering Technology

Punch is listed on Euronext Brussels (PUN) and is part of the NextPrime index.

All press releases and other information are available online at [www.punchinternational.com](http://www.punchinternational.com) and [www.euronext.com](http://www.euronext.com).

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