POS MALAYSIA BERHAD

Company No. 229990-M
(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS
31 MARCH 2012

POS MALAYSIA BERHAD

QUARTERLY REPORT

Quarterly report on consolidated results for the 15 months period ended 31 March 2012. The figures have not been audited.

SUMMARY OF KEY FINANCIAL INFORMATION

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT PERIOD QUARTER 31.03.2012 RM'000	**CURRENT PERIOD CORRESPONDING QUARTER 31.03.2011 RM'000**	**CURRENT PERIOD TO DATE 31.03.2012 RM'000**	**PRECEDING YEAR TO DATE 31.12.2010 RM'000**
1	Revenue	**308,045**	304,509	**1,481,660**	1,014,975
2	Profit before tax	**44,341**	48,699	**200,202**	99,066
3	Net profit for the period / year	**26,837**	38,260	**138,841**	67,108
4	Profit attributable to ordinary equity holders of the parent	**26,837**	38,260	**138,841**	67,108
5	Basic earnings per share (sen)	**5.00**	7.12	**25.85**	12.50
		AS AT END OF CURRENT FINANCIAL PERIOD END		**AS AT PRECEDING FINANCIAL YEAR END**	
6	Net assets per share attributable to ordinary equity holders of the Company (RM)	**1.67**		1.54	

POS MALAYSIA BERHAD
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD / YEAR ENDED 31 MARCH 2012

	3 MONTHS ENDED		PERIOD / YEAR TO DATE	
	31.03.2012	31.03.2011	**31.03.2012**	31.12.2010
	RM'000	RM'000	**RM'000**	RM'000
Revenue	**308,045**	304,509	**1,481,660**	1,014,975
Operating expenses	**(276,313)**	(253,648)	**(1,303,900)**	(909,307)
Impairment losses for property, plant and equipment	**-**	-	**-**	(22,273)
Profit from operations (Note)	**31,732**	50,861	**177,760**	83,395
Other operating income	**14,954**	6,129	**37,050**	26,671
Write back of impairment in value	**-**	-	**-**	15,537
Fair value adjustment for financial asset designated as Fair Value through Profit and Loss (FVTPL)	**186**	(292)	**283**	1,489
Fair value adjustment on investment property	**(2,531)**	-	**(2,531)**	-
Impairment losses for financial asset designated as Available- for-sale (AFS)	**-**	(7,489)	**(10,322)**	(25,098)
Finance cost	**-**	(510)	**(2,038)**	(2,928)
Profit before tax	**44,341**	48,699	**200,202**	99,066
Tax expenses	**(17,504)**	(10,439)	**(61,361)**	(31,958)
Profit for the period / year	**26,837**	38,260	**138,841**	67,108
Other comprehensive income for the period / year, net of tax				
Revaluation of property, plant and equipment upon transfer of properties to investment property	**1,144**	-	**1,144**	-
	1,144	-	**1,144**	-
Total comprehensive income for the period / year attributable to owners of the Company	**27,981**	38,260	**139,985**	67,108
Basic earnings per share (sen)	**5.00**	7.12	**25.85**	12.50

Note: Included in the profit from operations for 15 months ended 31.03.2012 of RM177,760,000 (31.12.2010: RM83,395,000) is depreciation and amortization charged of RM86,845,000 (31.12.2010: RM57,126,000).

(The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with Pos Malaysia Berhad's Audited Financial Statements for the year ended 31 December 2010)

POS MALAYSIA BERHAD
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2012

	AS AT 31.03.2012	AS AT 31.12.2010
	RM'000	RM'000
ASSETS		
Property, plant and equipment	**622,309**	551,960
Goodwill	**4,630**	4,630
Investment properties	**27,958**	15,071
Other investments	**120,744**	96,468
Deferred tax assets	**-**	417
Total non-current assets	**775,641**	668,546
Other investments	**3,268**	104,306
Inventories	**10,132**	8,761
Trade and other receivables	**153,157**	187,595
Prepayment and other assets	**9,857**	8,975
Current tax assets	**190**	1,503
Cash and cash equivalents*	**544,076**	395,533
	720,680	706,673
Asset classified as held for sale	**1,755**	-
Total current assets	**722,435**	706,673
TOTAL ASSETS	**1,498,076**	1,375,219
EQUITY		
Share capital	**268,513**	268,513
Share premium	**385**	385
Reserves	**629,195**	559,695
Total equity attributable to owners of the Company	**898,093**	828,593
LIABILITIES		
Deferred tax liabilities	**17,804**	12,282
Hire purchase creditors	**15**	30,762
Total non-current liabilities	**17,819**	43,044
Payables and accruals	**564,621**	471,849
Current tax liabilities	**17,538**	18,497
Hire purchase creditors	**5**	13,236
Total current liabilities	**582,164**	503,582
Total liabilities	**599,983**	546,626
TOTAL EQUITY AND LIABILITIES	**1,498,076**	1,375,219
Net assets per share attributable to ordinary equity holders of the Company (RM)	**1.67**	1.54

POS MALAYSIA BERHAD
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTD)
AS AT 31 MARCH 2012

***CASH AND CASH EQUIVALENTS**

	AS AT 31.03.2012 RM'000	AS AT 31.12.2010 RM'000
Cash and bank balances	**97,903**	119,781
Deposits	**446,173**	275,752
Total deposits, bank and cash balances	**544,076**	395,533
Less:		
Cash held for the purpose of distribution of fuel rebate**	**-**	(4,338)
Collections held on behalf of agencies***	**(134,139)**	(126,129)
Total cash and cash equivalents	**409,937**	265,066

** The amount of cash held for the purpose of distribution of fuel rebate represents fund received from the Government for the purpose of the payment of the fuel cash rebate as announced on 28 May 2008. The amount is also reflected under Payables and Accruals in the Statement of Financial Position.

The payment of fuel cash rebate ceased after 14 April 2009. As at 31 March 2012, the Group has made full settlement.

*** Similar to the above, this amount is also included under Payables and Accruals in the Statement of Financial Position.

(The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with Pos Malaysia Berhad's Audited Financial Statements for the year ended 31 December 2010)

POS MALAYSIA BERHAD
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD / YEAR ENDED 31 MARCH 2012

	31.03.2012	31.12.2010
	RM'000	RM'000
Profit before tax	**200,202**	99,066
Adjustments for non-cash flow:-		
Non-cash items	**87,262**	57,126
Non-operating items	**(6,376)**	28,255
Operating profit before changes in working capital	**281,088**	184,447
Changes in working capital :		
Net change in current assets	**32,185**	(19,132)
Net change in current liabilities	**89,100**	55,254
Cash generated from operating	**402,373**	220,569
Tax paid	**(55,068)**	(27,399)
Tax refund	**-**	5,281
Net cash generated from operating activities	**347,305**	198,451
Cash flows investing activities		
Net acquisition of property, plant and equipment	**(171,867)**	(67,840)
Proceeds from disposal of investments	**102,353**	3,694
Investment income received	**74**	132
Interest income received	**19,397**	13,447
Acquisition of other investment	**(35,890)**	(200)
Net cash used in investing activities	**(85,933)**	(50,767)
Cash flows financing activities		
Dividend paid to owners of the Company	**(70,485)**	(50,346)
Repayment of hire purchase creditors	**(43,978)**	(8,821)
Drawdown on revolving credit	**-**	-
Interest expense	**(2,038)**	(2,928)
Net cash from financing activities	**(116,501)**	(62,095)
Net increase in cash & cash equivalents	**144,871**	85,589
Cash & cash equivalents at beginning of period / year	**265,066**	179,477
Cash & cash equivalents at end of period* / year*	**409,937**	265,066

* Cash and cash equivalents included in the unaudited condensed consolidated cash flow statements comprise the following statement of financial position amounts:

	31.03.2012	31.12.2010
	RM'000	RM'000
Cash and bank balances	**97,903**	119,781
Deposits	**446,173**	275,752
Total deposits, cash and bank balances	**544,076**	395,533
Less:		
Cash held for the purpose of distribution of fuel rebate	**-**	(4,338)
Collections held on behalf of agencies	**(134,139)**	(126,129)
Total cash and cash equivalents	**409,937**	265,066

(The Unaudited Condensed Consolidated Cash Flow Statements should be read in conjunction with Pos Malaysia Berhad's Audited Financial Statements for the year ended 31 December 2010)

POS MALAYSIA BERHAD
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD / YEAR ENDED 31 MARCH 2012

	Attributable to equity holders of the Company				
	<---------Non distributable -------->			*Distributable*	
	Share Capital RM'000	**Share Premium RM'000**	**Revaluation Reserves RM'000**	**Retained Profits RM'000**	**Total RM'000**
PERIOD ENDED 31/03/2012					
At 1 January 2011	**268,513**	**385**	**-**	**559,695**	**828,593**
Revaluation of property, plant & equipment upon transfer of properties to investment properties	**-**	**-**	**1,144**	**-**	**1,144**
Total comprehensive income for the period	**-**	**-**	**1,144**	**138,841**	**139,985**
Dividends to owners of the Company	**-**	**-**	**-**	**(70,485)**	**(70,485)**
At 31 March 2012	**268,513**	**385**	**1,144**	**628,051**	**898,093**
YEAR ENDED 31/12/2010					
At 1 January 2010, previously stated	268,513	385	-	530,695	799,593
Effect of adopting FRS 139	-	-	-	12,238	12,238
At 1 January 2010, restated	268,513	385	-	542,933	811,831
Total comprehensive income for the year	-	-	-	67,108	67,108
Dividends to owners of the Company	-	-	-	(50,346)	(50,346)
At 31 December 2010	268,513	385	-	559,695	828,593

(The Unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with Pos Malaysia Berhad's Audited Financial Statements for the year ended 31 December 2010)

POS MALAYSIA BERHAD

NOTES TO THE INTERIM FINANCIAL STATEMENTS

A1. Basis of preparation

These condensed consolidated interim financial statements for the fifth quarter ended and 15 months ended 31 March 2012 are unaudited and have been prepared in accordance with FRS 134 - Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and part A of Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia").

The interim financial statements should also be read in conjunction with the audited financial statements for the financial year ended 31 December 2010. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group.

Changes in Financial Year End

On 23 November 2011, the Group announced the change of year end for the Company and its subsidiaries from 31 December to 31 March. The financial statements of the Group covers 15-month period ended 31 March 2012 and the Group also presents a fifth quarter results ended 31 March 2012.

Changes in Accounting Policies

On 1 January 2011, the Group adopted the following accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board (MASB) which are effective for annual periods beginning on or after 1 March 2010, 1 July 2010 and 1 January 2011:

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 March 2010

- Amendments to FRS 132, *Financial Instruments: Presentation – Classification of Rights Issues*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2010

- FRS 1, *First-time Adoption of Financial Reporting Standards* (revised)
- FRS 3, *Business Combinations* (revised)
- FRS 127, *Consolidated and Separate Financial Statements* (revised)
- Amendments to FRS 2, *Share-based Payment*
- Amendments to FRS 5, *Non-current Assets Held for Sale and Discontinued Operations*
- Amendments to FRS 138, *Intangible Assets*
- IC Interpretation 12, *Service Concession Agreements*
- IC Interpretation 16, *Hedges of a Net Investment in a Foreign Operation*
- IC Interpretation 17, *Distributions of Non-cash Assets to Owners*
- Amendments to IC Interpretation 9, *Reassessment of Embedded Derivatives*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2011

- Amendments to FRS 1, *First-time Adoption of Financial Reporting Standards*
  – *Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters*
  – *Additional Exemptions for First-time Adopters*
- Amendment to FRS 1, *First-time Adoption of Financial Reporting Standard [Improvements to FRSs (2010)]*
- Amendments to FRS 2, *Group Cash-settled Share Based Payment Transactions*
- Amendments to FRS 3 *Business Combinations [Improvements to FRSs(2010)]*
- Amendments to FRS 7, *Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments*
- Amendments to FRS 7, *Financial Instruments: Disclosures [Improvements to FRSs(2010)]*
- Amendments to FRS 101, *Improvements to FRSs (2010)*
- Amendments to FRS 121, *The Effects of changes in Foreign Exchange Rates [Improvements* to FRSs(2010)]
- Amendments to FRS 128, *Investment in Associates [Improvements to FRSs(2010)]*
- Amendments to FRS 131, *Interests in Joint Ventures [Improvements to FRSs(2010)]*
- Amendments to FRS 132, *Financial Instruments: Presentation [Improvements to FRSs(2010)]*
- Amendments to FRS 134, *Interim Financial Reporting [Improvements to FRSs(2010)]*

- Amendments to FRS 139, *Financial Instruments: Recognition and Measurement [Improvements to FRSs(2010)]*
- IC Interpretation 4, *Determining whether an Arrangement contains a Lease*
- IC Interpretation 18, *Transfers of Assets from Customers*
- Amendments to IC Interpretation 13, *Customer Loyalty Programmes [Improvements to FRSs(2010)]*
- Improvements to FRSs (2010)

The adoption of the new / revised FRSs, IC Interpretations and amendments to FRSs did not result in substantial changes in the Group's accounting policies.

The Group has not applied the following new / revised accounting standards (including its consequential amendments) and interpretations that have been issued by the Malaysian Accounting Standards Board (MASB), but are not yet effective.

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2011

- IC Interpretation 19, *Extinguishing Financial Liabilities with Equity Instruments*
- Amendments to IC Interpretation 14, *Prepayments of a Minimum Funding Requirement*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2012

- FRS 124, *Related Party Disclosures* (revised)
- Amendments to FRS 1, *First-time Adoption of Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters*
- *Amendments to* FRS 7, *Financial Instruments: Disclosures – Transfer of Financial Assets*
- *Amendments* to FRS 112, *Income Taxes – Deferred Tax: Recovery of Underlying Assets*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2012

- Amendments to FRS 101, *Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2013

- FRS 10, *Consolidated Financial Statements*
- FRS 11, *Joint Arrangements*
- FRS 12, *Disclosure of Interests in Other Entities*
- FRS 13, *Fair Value Measurement*
- FRS 119, *Employee Benefits* (2011)
- FRS 127, *Separate Financial Statements* (2011)
- FRS 128, *Investments in Associates and Joint Ventures* (2011)
- IC Interpretation 20, *Stripping Costs in the Production Phase of a Surface Mine*
- Amendments to FRS 7, *Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2014

- Amendments to FRS 132, *Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2015

- FRS 9, *Financial Instruments* (2009)
- FRS 9, *Financial Instruments* (2010)
- Amendments to FRS 7, *Financial Instruments: Disclosures - Mandatory Date of FRS 9 and Transition Disclosures*

The Group's and the Company's financial statements for annual period beginning on 1 April 2012 will be prepared in accordance with the Malaysian Financial Reporting Standards (MFRSs) issued by the MASB and International Financial Reporting Standards (IFRSs). As a result, the Group and the Company will not be adopting the above FRSs, Interpretations and amendments.

A2. Qualification of Preceding Annual Financial Statements

The audit report for the audited financial statements for the year ended 31 December 2010 was reported without any audit qualification.

A3. Seasonality of Operations

The Group's operations are not subject to any significant seasonal factors except that mail volume fluctuates during the festive season and at the beginning of calendar year.

A4. Unusual items

There were no unusual items for the current quarter.

A5. Changes in estimates

There were no changes in estimates of amount, which would materially affect the current reporting period/year.

A6. Debt and equity securities

There were no cancellation, repurchase and repayment of debt and equity securities during the current quarter.

A7. Dividends

The Group paid the first and final and special dividends of 10.0 sen and 7.5 sen respectively per ordinary shares, less tax at 25% totaling RM40,277,000 (7.5 sen net per ordinary shares) and RM30,208,000 (5.6 sen per ordinary shares) in respect of the financial year ended 31 December 2010 on 3 June 2011.

A8. Operating Segments

The Group has three reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different business processes and customer needs. The following summary describes the operations in each of the Group's reportable segments:

- Mail – Includes the provision of basic mail services for corporate and individual customers and customised solutions such as Mailroom Management and Direct Mail.
- Courier – Includes courier solutions by sea, air and land to both national and international destinations.
- Retail – Includes over-the-counter services for payment of bills and certain financial products and services.

Other operations include the hybrid mail which provides Data and Document Processing services, logistics solutions by sea, air and land to both national and international destinations, business of internet security products, solutions and services and rental income from investment properties held by the Group. None of these segments meets any of the quantitative thresholds for determining reportable segments in 2010 or 2011.

There are varying levels of integration between the Mail reportable segment and the Courier reportable segments. This integration includes shared distribution services. The accounting policies of the reportable segments are the same as described in note A1.

Information regarding the operations of each reportable segment is included below. Performance is measured based on segment results. Segment results is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

A8. Segmental reporting (contd.)

Segmental reporting for the current year-to-date is as follows:

Period Ended 31 March 2012	Mail	Courier	Retail	Others	Elimination	Group
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue						
Total external revenue	921,527	308,687	202,597	48,849	-	1,481,660
Intersegment revenue	3,346	1,425	64,279	-	(69,050)	-
Total revenue for reportable segments	**924,873**	**310,112**	**266,876**	**48,849**	**(69,050)**	**1,481,660**
Reportable segment results	183,408	34,062	(46,126)	6,416	-	177,760
Other unallocated expenses						22,442
Profit before taxation						200,202
Reportable segments assets	347,046	122,209	155,170	118,618	-	743,043
Other unallocated assets						755,033
Total assets						1,498,076
Reportable segment liabilities	34,306	1,011	133,783	7,743	-	176,843
Other unallocated liabilities						423,140
Total liabilities						599,983
Other information						
Capital expenditure						
- Property, plant & equipment	130,493	14,366	24,998	3,866	-	173,723
Depreciation and amortization	(46,210)	(16,023)	(20,253)	(4,359)	-	(86,845)
Interest income	-	-	-	-	-	19,153
Interest expense	(1,381)	(465)	(190)	(2)	-	(2,038)
Fair value adjustment on financial asset designated as FVTPL	-	-	-	-	-	283
Change in fair value of investment property						(2,531)
Impairment losses for financial asset designated as AFS	-	-	-	-	-	(10,322)
Taxation	-	-	-	-	-	(61,361)

A8. Segmental reporting (contd.)

Segmental reporting for the previous year-to-date is as follows:

Year Ended 31 December 2010	Mail	Courier	Retail	Others	Elimination	Group
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue						
Total external revenue	605,338	226,643	148,124	34,870	-	1,014,975
Intersegment revenue	2,023	1,000	49,307	-	(52,330)	-
Total revenue for reportable segments	**607,361**	**227,643**	**197,431**	**34,870**	**(52,330)**	**1,014,975**
Reportable segment results	112,731	19,279	(46,576)	(2,039)	-	83,395
Other unallocated expenses						15,671
Profit before taxation						99,066
Reportable segments assets	287,111	122,525	144,469	146,973	-	701,078
Other unallocated assets						674,141
Total assets						1,375,219
Reportable segment liabilities	58,718	9,516	135,537	9,567	-	213,338
Other unallocated liabilities						333,288
Total liabilities						546,626
Other information						
Capital expenditure						
- Property, plant & equipment	74,781	9,342	9,184	3,619	-	96,926
Depreciation and amortization	(28,469)	(13,152)	(13,033)	(2,472)	-	(57,126)
Interest income	-	-	-	-	-	13,234
Interest expense	(1,950)	(811)	(163)	(4)	-	(2,928)
Reversal of impairment loss on financial assets	-	-	-	-	-	15,537
Fair value adjustment on financial asset designated as FVTPL	-	-	-	-	-	1,489
Impairment losses for financial asset designated as AFS	-	-	-	-	-	(25,098)
Impairment losses for property, plant and equipment	-	-	-	-	-	-
Taxation	-	-	-	-	-	(31,958)

The activities are conducted principally in Malaysia and accordingly, no information on the Group's operations by geographical segments has been provided.

Revenue amounts from operating segments have been reallocated to be aligned with the current year presentation.

A9. Valuation of property, plant and equipment

During the period, the Group transferred its properties of RM15,418,000 from property, plant and equipment to investment properties following a change in use. As permitted under FRS 140 Investment Property, the difference arising from the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognized directly in equity as a revaluation reserve and the Group recognizes RM1,144,000 in the revaluation reserves.

The Group determined the fair values of its properties consisting of seven (7) pieces of land and seven (7)-storey office building in Ipoh, six (6) units office space in Phileo Damansara and three (3) units office space in Pandamaran, Selangor from independent certified valuers.

A10. Subsequent event

There were no material events subsequent to the end of the reporting period that have not been reflected in the financial statements.

A11. Changes in the composition of the Group

There were no changes in the composition of the Group for the current quarter.

A12. Contingent liabilities or contingent assets

There were no contingent liabilities or contingent assets at the end of the reporting period.

A13. Significant events

On 19 May 2011, Transmile Group Berhad (“TGB”) announced that Bursa Malaysia Securities Berhad ("**Bursa Securities**") has rejected their appeal against the de-listing of TGB from the Official List of Bursa Securities pursuant to paragraph 8.04 of the Main Market Listing Requirements of Bursa Securities. The securities of TGB were removed from the Official List of Bursa Securities on **24 May 2011.** Upon the de-listing, TGB continues to exist as an unlisted entity and its securities are no longer quoted and traded on Bursa Securities.

At the previous reporting period, the Group's investment in TGB was designated as available for sale in accordance with FRS 139 Financial Instruments: Measurement and Recognition and was carried at a fair value of RM2.8 million or RM0.07 per share. Subsequent to the above announcement by TGB, the Group made full write down of the fair value of the Group’s investment in TGB of RM2.8 million in the previous quarter. There is no further write down of TGB in future.

B1. Review of Group performance

The Group registered a strong growth of 113.2% in profit from operations of RM177.8 million (2010: RM83.4 million) for the period ended 31 March 2012 due to 15 months result as compared to 12 months result in the previous year. In addition, the increase was as a result of full year impact of domestic tariff increase commencing 1 July 2010 coupled with the benefits realized from transformation initiatives. This is supported by revenue of RM1,481.7 million; a substantial increase of 46.0% from RM1,015.0 million in the preceding year. The results of the major business segments are as follows:-

	PERIOD / YEAR TO DATE	
	31.03.2012	31.12.2010
	RM'000	RM'000
Mail	183,408	112,731
Courier	34,062	19,279
Retail	(46,126)	(46,576)
Others	6,416	(2,039)
Profit from operations	**177,760**	**83,395**
Other operating income	37,050	26,671
Write back of impairment in value	-	15,537
Fair value adjustment for financial asset designated as FVTPL	283	1,489
Change in fair value adjustment of investment property	(2,531)	-
Impairment losses for financial asset designated as AFS	(10,322)	(25,098)
Finance cost	(2,038)	(2,928)
Profit before taxation	**200,202**	**99,066**

Mail Segment

Mail segment shown higher operating profits by RM70.7 million or 62.7% due to increase in mail revenue by RM316.2 million or 52.2% (prepaid by (66.3%), franking (33.9%), registered mail (30.6%) and ordinary mail (33.1%) revenues due to full year impact of domestic tariff increase commencing 1 July 2010 in addition to 15 months result.

Courier Segment

Courier segment shown higher operating profits by RM14.8 million or 76.7% due to increase in on-demand customers revenue by 57.1% and contract customers by 33.1% coupled with higher parcel and express mail revenue by 17.5%.

Retail Segment

Retail segment shown lower operating loss by RM0.5 million due to higher revenue generated from commissions earned of RM69.5 million or 35.2% as the profit performance was impacted by salary increase of staff effective 1 July 2010 as the Company decided to increase the salary of staff Company-wide as our salary was lower than market.

Other Segments

Other segments consist of sales of digital certificates, printing and insertion business, logistic revenue and rental income. Other segment increased from operating loss of RM2.0 million against profit of RM3.4 million due to increase in sales of digital certificates by 54.6%, printing and insertion services revenue by 35.2%, logistic revenue by 27.0% and rental income by 34.7%.

Group Operating Profit

The salary increase was implemented immediately following the domestic tariff increase. Since most of the benefits arising from the domestic tariff increase accrues to the Mail segment, therefore, the performance of Courier and Retail segments were naturally impacted by higher staff cost as there were no corresponding revenue benefits accruing to these segments arising from the domestic tariff adjustment. As a result of 15 months reporting period, profit from operation increased by 113.2% as compared to last year and operating expenses increased by 43.4% due to increase in staff costs by 39.6%, transportation costs by 40.5% as a result of increase in jet fuel price and higher depreciation and amortization charges by 52.0% due to higher depreciation on National Mail Centre ("NMC") building and plant and machineries.

Group Profit Before Tax

The Group recorded a higher profit before taxation by RM101.1 million or 102.1% mainly due to higher operating profit as mentioned above and lower impairment loss for financial asset designated as Available For Sale (i.e investment in Transmile Group Berhad) of RM10.3 million as compared to RM25.1 million in the preceding year despite changes in fair value adjustment of investment property by RM2.5 million. In prior year, there was one-off impairment provision relating to capital expenditure incurred for the postal counter system (classified under property, plant and equipment) of RM22.3 million, cushioned by write back of impairment in value of RM15.5 million.

B2. Material changes in quarterly results as compared to the results of the preceding year corresponding quarter.

	3 MONTHS ENDED	
	31.03.2012	31.03.2011
	RM'000	RM'000
Mail	33,402	61,841
Courier	3,994	2,484
Retail	(8,201)	(8,698)
Others	2,537	(4,766)
Profit from operations	**31,732**	**50,861**
Other operating income	14,954	6,129
Write back of impairment in value	-	-
Fair value adjustment for financial asset designated as FVTPL	186	(292)
Change in fair value adjustment of investment property	(2,531)	-
Impairment losses for financial asset designated as AFS	-	(7,489)
Finance cost	-	(510)
Profit before taxation	**44,341**	**48,699**

Mail Segment

Mail segment shown lower operating profits by RM28.4 million or 46.0% due to decrease in mail revenue by RM6.0 million or 3.1% (franking (4.6%) and ordinary mail (17.6%) revenue moderated by higher prepaid (5.9%) and registered mail (1.2%) in line with the increase in volume).

Courier Segment

Courier segment shown higher operating profits by RM1.5 million or 60.8% due to increase in on demand customers revenue by 25.1% and contract customers by 10.9% coupled with higher parcel by 12.9% despite lower revenue for express mail by 15.5%.

Retail Segment

Retail segment shown lower operating loss by RM0.5 million or 5.7% due to higher commissions earned from agencies of RM2.1 million or 5.2%.

Other Segments

Other segments consist of sales of digital certificates, printing and insertion business, logistic revenue and rental income. Other segments reduced operating loss from RM4.8 million to RM0.5 million due to lower staff costs by RM2.2 million and raw materials and consumables by RM1.3 million.

Group Operating Profit

Against the corresponding quarter previous year, the Group registered a decrease of 37.6% in profit from operations of RM31.7 million (2010: RM50.9 million) for the quarter ended 31 March 2012, attributed to higher operating expenses by 8.9% despite increase in revenue by 1.2%. Higher operating expenses due to higher depreciation and amortization charges by 52.6% as a result of higher depreciation on National Mail Centre ("NMC") building and plant and machineries despite lower transportation costs by 1.2% as a result of lower jet fuel price and lower staff costs by 1.9% due to lower bonus provision.

Group Profit Before Tax

The Group profit before taxation was lower by RM4.4 million compared to the corresponding quarter previous year as a result of lower profit from operation as explain above coupled with adverse fair value adjustment on investment property of RM2.5 million cushioned by higher other operating income of RM8.8 million and provision of the investment in Transmile Group Berhad (TGB) made in the corresponding quarter previous year, whereas, none was recorded during current quarter.

B3. Comparison between the current quarter and the immediate preceding quarter

	3 MONTHS ENDED	
	31.03.2012	**31.12.2011**
	RM'000	**RM'000**
Mail	33,402	27,267
Courier	3,994	7,600
Retail	(8,201)	(17,938)
Others	2,537	4,549
Profit from operations	**31,732**	**21,478**
Other operating income	14,954	5,544
Write back of impairment in value	-	-
Fair value adjustment for financial asset designated as FVTPL	186	736
Change in fair value adjustment of investment property	(2,531)	-
Impairment losses for financial asset designated as AFS	-	-
Finance cost	-	(450)
Profit before taxation	**44,341**	**27,308**

Mail Segment

Mail segment shown higher operating profits by RM6.1 million or 22.5% due to increase in mail revenue by RM17.0 million or 9.9% (prepaid (24.1%), franking (3.6%) and registered mail (7.0%) revenue in line with the increase in volume).

Courier Segment

Courier segment shown lower operating profits by RM3.6 million or 47.4% due to increase in on demand customers revenue by 2.8% and contract customers by 0.5% coupled with higher express mail by 1.0% despite lower revenue for parcels by 28.7%.

Retail Segment

Retail segment shown lower operating loss by RM9.7 million or 54.3% due to higher commissions earned from agencies of RM7.3 million or 20.5%.

Other Segments

Other segments consist of sales of digital certificates, printing and insertion business, logistic revenue and rental income. Other segments revenue decreased by RM5.0 million due to reduction in sales of digital certificates by 87.1% and logistic revenue by 16.1% moderated by increase in printing and insertion services revenue by 27.2% and rental income by 11.2%.

Group Operating Profit

The Group posted a profit from operations of RM31.7 million, compared to the RM21.5 million profit in the immediate preceding quarter. The increase in profit by RM10.2 million or 47.4% was due to the increase in revenue by RM18.4 million coupled with the increase in operating expenses by RM8.2 million.

Group Profit Before Tax

The Group registered a higher profit before taxation by RM17.0 million due to higher operating profit as mentioned above but it has been moderated by adverse impact of fair value adjustment on investment property by RM2.5 million. Higher revenue mainly from mail segment by RM17.0 million and retail segment by RM7.8 million mitigated with lower revenue from courier segment by RM1.9 million.

B4. Future prospects

Amidst global economic uncertainties and changing market dynamics coupled with unprecedented challenges; notably the structural mail and retail transactions volume decline and proliferation of digital platforms which are rapidly changing the ways business and customers interact, the Group is implementing Strategic Initiatives and 5-year Business Plan to further enhance its sustainability and business expansion. With the transformation roadmap towards building a dynamic organization, the Board of Directors remains optimistic on the future performance of the Group.

B5. Variance of actual profit from profit forecast

Not applicable.

B6. Tax expense

Major component of tax expense:

	3 MONTHS ENDED 31.03.2012 RM'000	PERIOD / YEAR TO DATE 31.03.2012 RM'000
Current Tax expense		
- Company and Subsidiaries	13,247	55,422
- Associates	-	-
	13,247	55,422
Deferred Tax Expense		
- Company and Subsidiaries	4,257	5,939
- Associates	-	
	17,504	61,361

The Group's effective tax rate for the 3-months period and year-to-date is 37% and 30%, respectively, which is higher than the statutory tax rate of 25% principally due to certain expenses which were not deductible for tax purposes.

B7. Sale of unquoted investments and/or properties

There were no sale of investment in subsidiaries or properties during the current quarter.

B8. Purchase and disposal of quoted securities

Summary of total purchases and sales of quoted securities for the financial period-to-date and profit/loss arising there from:-

	Quoted shares RM'000	Marketable Securities RM'000
Total Purchases	-	-
Total Disposals	-	1,371
Total Gain on Disposal	-	16
Summary of quoted securities as at 31 March 2012 were as follows:-		
Total investments at cost	249,562	15,825
Total investments at carrying value/book value	-	3,268
Total investment at market value at end of reporting period	-	3,268

B9. Status of Corporate Proposal

There were no corporate proposals announced in the current quarter ended 31 March 2012.

B10. Group borrowings

Hire purchase creditors payables are as follows:

	Minimum lease payment RM'000	Interest RM'000	Principal RM'000
Less than one year	16	1	15
Between one and five years	5	0	5
	21	1	20

The Group raised unsecured Revolving Credit facility of RM45,000,000 of which full repayment was made at the end of the previous quarter of the reporting period.

B11. Off balance sheet financial instruments

There were no off balance sheet financial instruments at the date of this quarterly report.

B12.Material litigation

There were no material litigations at the end of the reporting period.

B13. Earnings per share (EPS)

The basic earnings per share has been calculated based on the Group's net profit attributable to shareholders and on the weighted average number of ordinary shares in issue during the financial period.

`	3 MONTHS ENDED		PERIOD / YEAR TO DATE	
	31.03.2012	31.03.2011	**31.03.2012**	31.12.2010
	RM'000	RM'000	**RM'000**	RM'000
Profit for the period attributable to owners of the Company (RM'000)	**26,837**	38,260	**138,841**	67,108
Weighted average number of ordinary shares outstanding ('000)	**537,026**	537,026	**537,026**	537,026
Basic earnings per share (sen)	**5.00**	7.12	**25.85**	12.50

The number of ordinary shares has been adjusted retrospectively to incorporate the share split and bonus shares which were part of the former holding company, Pos Malaysia & Services Holdings Berhad's capital restructuring exercise as required by FRS 133, Earnings Per Share.

B14. Determination of unrealized and realized profits or losses

Part C of the Directive issued by Bursa Malaysia Securities Berhad ("Bursa Securities") requires a disclosure of the unappropriated profits of the Group as at 31 March 2012 into realized and unrealized profits or losses.

	As at 31.03.2012 (RM'000)	As at 31.12.2010 (RM'000)
Total retained profits/(accumulated losses) of the Company:		
- Realised	545,269	492,547
- Unrealised	(17,084)	(9,763)
	528,185	482,784
Total share of retained profits/(accumulated losses) from subsidiairies:		
- Realised	9,586	8,169
- Unrealised	(366)	(468)
	9,220	7,701
Total share of accumulated losses from associated companies:		
- Realised	(7,650)	(7,650)
- Unrealised	-	-
	(7,650)	(7,650)
Add: Consolidation adjustments	98,296	76,860
Total group retained profits	628,051	559,695

B15. Authorisation for Issue

The Board of Directors authorised the release of this Financial Report on 23 May 2012.

BY ORDER OF THE BOARD

DATO' SABRINA ALBAKRI BT. ABU BAKAR
COMPANY SECRETARY
23 May 2012.