



25 February 2010

Ref: 001/2010

## HERSING RECORDS STELLAR PERFORMANCE IN 2009, PROFIT MORE THAN QUADRUPLES TO S\$14 MLN

- Double digit total revenue growths for all business segments
- Strong pipeline of launches creates opportunities for real estate segment
- Self storage segment poised for exciting growth through regional expansions

### INDUSTRY HIGHLIGHTS

There probably won't be many who would disagree a year ago if you said the property market was unlikely to reach the phenomenal heights of 2007. Now, amidst the landscape of an improving economy, strengthening market sentiments propelled the total real estate transactions for the year over the 70,000 mark – as high as pre-2008 levels.

Property Transactions Recorded	2007	2008	2009
HDB Resale	29,436	28,419	37,205
Private New Sales	14,811	4,264	14,688
Private Resale and Sub-Sales	25,843	9,378	18,129
<b>Total Transactions</b>	<b>70,090</b>	<b>42,061</b>	<b>70,022</b>

Across all property types, transaction numbers remained at 2008 levels in the beginning of 2009. We see a gradual turnaround in market sentiments as we approached the mid point of the year when a rapidly recovering real estate sector allowed quarterly transaction numbers to pull away from their 2008 lows. This trend continued throughout the second half of the year as all three segments recorded transaction numbers in excess of 2007.

The strong second half performance made up for the lacklustre first half of the year, and the Group is optimistic that the positive momentum will be carried over to 2010.

Property Transactions Recorded	2007	2008	2009
<b>Total Transactions</b>	<b>70,090</b>	<b>42,061</b>	<b>70,022</b>
<b>ERA Total Revenue S\$('000)</b>	<b>S\$171,653</b>	<b>S\$124,613</b>	<b>S\$175,270</b>

In 2009, total revenue recorded for ERA increased S\$3.617 million over the corresponding figures from 2007 despite a slight drop in total transaction numbers in Singapore as ERA's sales performances continued to outperform its key competitors by enlarging its volume share amidst the recovering market.

### GROUP FINANCIAL PERFORMANCE

The Group recorded their best ever full year operating performance with a profit from operations of S\$16.714 million, and a net profit after taxation of S\$13.958 million. The 350% net profit after taxation increase year-on-year was primarily revenue driven with all three business segments registering double digit total revenue growths for the year.

Group total revenue of S\$69.451 million for the fourth quarter was S\$33.21 million (92%) higher than the same period last year. This contributed to S\$5.026 million in fourth quarter profit after taxation as the Group extended its excellent run of performances.

### **REAL ESTATE BUSINESS**

The upswing in the real estate sector of Singapore continued as the total transaction volume for the industry in the fourth quarter of 2009 climbed to 14,738, an 88% increase from the 7,825 transactions recorded during the same period last year.

For the quarter, total revenue rose 121% while profit recorded an eight (8) times increase over the fourth quarter 2008 to end off the year with a total revenue of S\$59.19 million and S\$3.27 million in profit after taxation.

In 2009, total revenue for the Group's real estate business increased by 41% year-on-year to S\$175.297 million, while the profit after taxation grew 275% to S\$9.05 million.

ERA maintained its market leader status with a volume share of 41%, 39% and 20% of HDB Resales, Private Resales & Subsales, and New Project Sales respectively.

The ERA Singapore iPhone application was officially launched in February 2010, and within a week, the application had risen to 2<sup>nd</sup> position in the Top Free Downloads (Lifestyle) Category of the Apple Apps Store. Designed to provide a convenient and easily accessible platform for agents to advertise available properties, the application also allows prospective buyers to monitor such opportunities "on-the-move".

### **FINANCIAL SERVICES BUSINESS**

Despite an increasingly competitive business landscape, the performance of the Group's money remittance services recorded impressive improvements over the previous year.

The expansion of the Western Union network acted as the primary driver for growth. This contribution, however, was partially offset by the general cutback in business spending resulting in the reduction in the expatriate and foreign worker population in Singapore – Western Union's main customers.

Efforts by the Company in increasing operating efficiency were evident from the significant improvements in profits despite only modest increases in total revenue.

Total revenue for the fourth quarter 2009 rose 4% to S\$7.243 million over the same period last year, while the profit after taxation for the fourth quarter of 2009 at S\$0.604 million was a 45% increase from the S\$0.416 million recorded for the fourth quarter of 2008.

Over the year, the growth in total revenue amounted to 12%, from S\$25.111 million in 2008 to S\$28.106 million in 2009. Profit after taxation for the same period rose 37% to S\$2.506 million from S\$1.824 million last year.

Western Union recently successfully concluded on a significant tie up with the local branch of an established foreign bank. This deal allows Western Union to set up terminals for the provision of money remittance services within the premise of the entire network of the bank's outlets island wide.

### **SELF STORAGE BUSINESS**

As the business concept of self storage solutions gradually gains widespread acceptance in the local market, Storhub Self Storage was able to exploit its first-mover advantage by increasing its share of the market in 2009.

Total revenue for the fourth quarter of 2009 rose to S\$4.1 million, a 35% increase from the same period last year. This contributed to the 20% increase in full year total revenue of S\$13.434 million in 2009 from S\$11.239 million in 2008.

Profit after taxation for the quarter more than doubled to S\$1.152 million from S\$0.38 million for the fourth quarter last year (after excluding the effect of a one-time impairment loss on REIT investment incurred in 2008). The same figure rose 84% to S\$2.402 million for the year.

Due to strong expected demand, Storhub is constructing its 6<sup>th</sup> facility at Tampines. This facility is expected to be ready for operations by the third quarter of 2010.

#### **BUSINESS OUTLOOK**

The local economy is largely expected to continue in its recovery for 2010, with both business and investor sentiments remaining generally positive.

The Group is supportive of the government's recently implemented measures aimed at cooling the speculative market despite its negative short term effects on earnings. We believe that if implemented successfully, these measures will be able to help mitigate the longer term risk of a collapse in the local property market due to the bursting of a property bubble.

In addition, the Group is actively seeking opportunities for the regional expansion of its money remittance business and will be actively sourcing for partners in 2010. In addition, with the expanded marketing network, this segment is expected to outdo the performance of the previous year.

On 14 January 2010, the Group announced the intention to enter into a joint venture with CapitaLand Commercial Limited to expand its self storage business into the Asia Pacific Region. Discussions are currently underway and have been progressing well.

The Group has recently penetrated into the retail market by setting up Singapore's largest mattress showroom. Dozz Mattresses was officially established in May 2009 with its 15,000 sq ft showroom in Toa Payoh. As sales picks up, the Group expects to register a gradual increase in revenue from this new business segment.

- END -

<p><u>Note:</u> The Group's financial results for the year 2009 were announced on 25 February 2010. A summary of the Group's financial performance, and the financial performance broken down by business segments is shown in Annex A.</p>
---



## **ABOUT HERSING CORPORATION LTD**

Hersing Corporation Ltd, listed on the Singapore Stock Exchange, has three (3) main business activities, namely, Real Estate Related Services, Financial Services, and Self Storage Services.

Hersing holds the master franchise rights for 'ERA Real Estate' brand in the Asia Pacific region, and the 'Coldwell Banker Real Estate' residential and commercial franchises in Singapore. Hersing is also Western Union International's agent partner for Singapore, and the owner of the 'Storhub Self Storage' brand.

Hersing was listed on the Mainboard of the Singapore Exchange Securities Trading Limited (SGX-ST) in March 1998.

### Media Contacts:

Eugene Lim  
Assistant Vice President  
Business Development  
Hersing Corporation Ltd  
DID: +65 6866 1222  
Email: [eugenelim@hersing.com.sg](mailto:eugenelim@hersing.com.sg)

### Investor Contacts:

Eddie Tan  
Manager  
Investor Relations  
Hersing Corporation Ltd  
DID: +65 6866 1034  
Email: [eddietan@hersing.com.sg](mailto:eddietan@hersing.com.sg)

## GROUP AND BUSINESS SEGMENT FINANCIAL PERFORMANCE

<b>Group Financial Results (\$'000)</b>	<b>4th Quarter 2009</b>	<b>4th Quarter 2008</b>	<b>Full Year 2009</b>	<b>Full Year 2008</b>
Total revenue	69,451	36,241	214,257	159,066
Total expenditure	63,544	34,591	197,543	151,830
Profit from operations before impairment loss	5,907	1,650	16,714	7,236
Profit / (Loss) after taxation	5,026	(1,287)	13,958	3,103
Profit / (Loss) attributable to equity holders of the Company	4,726	(1,537)	12,716	2,155

### **Per Share Data (\$)**

Earnings / (Loss) after tax (cents) - basic	0.82	(0.26)	2.18	0.37
- diluted	0.82	(0.26)	2.18	0.37

<sup>1</sup> Earnings / (Loss) after tax per share (basic) is computed by dividing the profit / (loss) attributable to equity holders of the Company by the weighted average number of ordinary shares in issue.

<sup>2</sup> Earnings / (Loss) after tax per share (diluted) is computed by dividing the profit / (loss) attributable to equity holders of the Company by the weighted average number of ordinary shares in issue adjusted for the effect of dilutive potential ordinary shares.

### **Segment Results:**

#### **1) Real Estate Services Financial Results (\$\$,000)**

Total revenue	59,190	26,750	175,297	124,613
Profit after taxation	3,270	360	9,050	2,415

#### **2) Financial Services Financial Results (\$\$,000)**

Total revenue	7,243	6,940	28,106	25,111
Profit after taxation	604	416	2,506	1,824

#### **3) Self Storage Services Financial Results (\$\$,000)**

Total revenue	4,100	3,028	13,434	11,239
Profit after taxation	1,152	(2,063)	2,402	(1,136)