

Post Office
We deliver, whatever it takes.



Agenda

- Introduction
- Highlights
- Framework of delivery
- Financial performance of 2005/2006 FY
- Outlook for 2006/2007 FY
- Conclusion

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Introduction by the Group CEO

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Group Portfolio

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Postbank

POST OFFICE SAVINGS BANK



SPEED SERVICES
COURIERS

DOCEX
the document exchange

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Highlights

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Highlights

- ▶ Elevations of financials performance to global standards
- ▶ Demonstrate embracement of shareholder mandate
- ▶ Strong cash flow generation and management
- ▶ Improving customers delivery and Universal service obligation
- ▶ World Mail Award for customer service



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Framework of delivery

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Shareholder mandate measurement

License agreement
(Amended 10 October 2005)

License fee changed from fixed
fee R16m pa to 0.55% of
regulated turnover (R18m)

Tariff regulation

Below inflation tariff of 4%
approved for the 2006/2007
financial year

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Shareholder mandate measurement

Delivery standard
Target 95%

92.8 % average for the year.
0.3 % improvement from prior
year

Address expansion
1.5 m target

2.3 million addresses rolled out

Shareholder mandate measurement

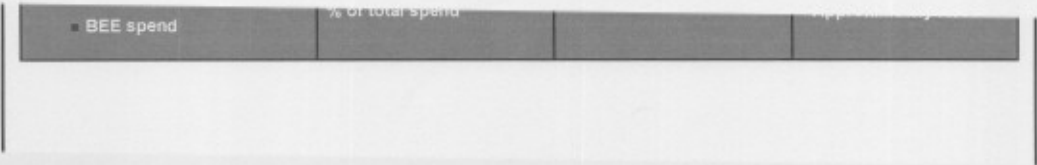
Postbank
4330 0112 3456 7890
VISA
MILLION

848 784 accounts, growth of
254% for the FY

R269 million funds, growth of
279% for the FY

Network expansion,
Target: 55 outlets

20 new stores completed and 21
completed in 2006/07 FY
20 portable post offices
commissioned



Improving capacity of the State to deliver

Focus areas	KPA's	Target 2005/6	Actual 2005/6
Retail Infrastructure <ul style="list-style-type: none"> Revamp, renovate and relocation of outlets/postal facilities 	No of outlets	41	20 completed 21 completed in 2006/07 FY
Mail Centre Upgrade	No of Mail Centres upgraded	2	3 Mail Centres to commence in 2006/07 FY
IT Infrastructure <ul style="list-style-type: none"> New POS Biometric registrations 	Implementation of POS Grant registration (NWest)	31 March 2007 326 000 (annually growing)	In progress, to be completed by 31 March 2007 202 419 registered beneficiaries
IFRS	IFRS standards application	Compliance: March 2006	Completed

Improving capacity of the State to deliver

Focus areas	KPA's	Target 2005/6	Actual 2005/6
Department of Home Affairs	Signing of Memorandum of Understanding	Delivery of ID's	Commenced 2005 and ongoing
Provincial Departments of Transport <ul style="list-style-type: none"> Eastern Cape KwaZulu Natal Free State 	Renewals and registration of motor vehicles Renewals and registration of motor vehicles License Renewals only	28 000 140 000 90 000	30 000 150 000 85 000
Expansion of Public Internet Terminals (PIT)	Additional number roll out Collaboration with USA on connectivity	700 Commenced discussions	700 Ongoing
Partnership with Local Municipalities for payment of services	Signed agreements	66% of municipalities	33% of municipalities captured

2005/2006 Financial Performance Summary

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Financial overview

INCOME

Up
6%

EXPENSES

Up
2%

**PROFIT FROM
TRADING
OPERATIONS**

Up
113%

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Balance sheet

**Cash generated
from operations**

**R499m
+30%**

**POSTBANK
DEPOSITS**

**R269m
+13%**

**CASH & SHORT
TERM
INVESTMENTS**

**R686m
+26%**

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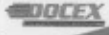
Profit from trading operations of the Group

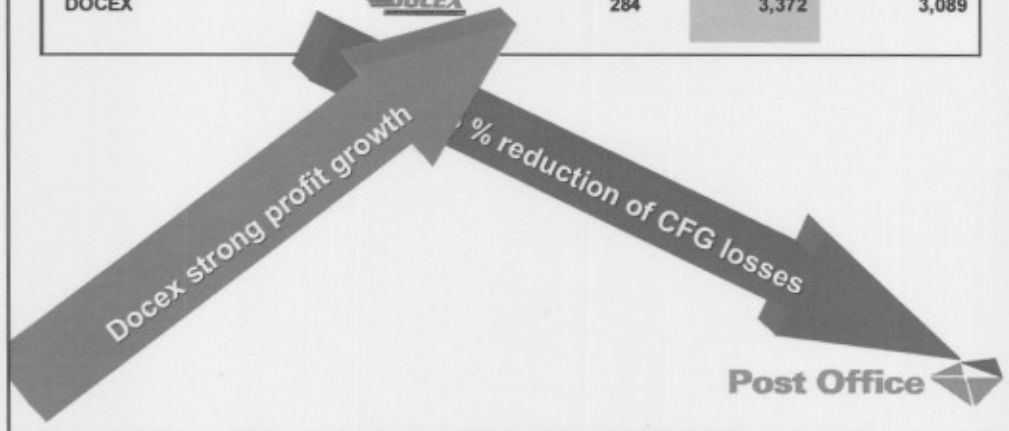
	2004/2005	2005/2006	Change	Change
	R'000	R'000	R'000	%
Operating income	4,370,418	4,620,190	249,772	6%
Operating expenses	4,235,350	4,333,036	(97,686)	(2%)
Profit from trading operations	135,068	287,154	152,086	113%

We continue to deliver on profitability

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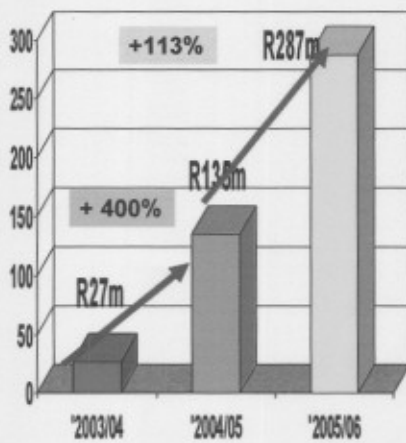
Net profit for subsidiaries

	Actual 2004/2005 R'000	Actual 2005/2006 R'000	Change 2005/2006 R'000
COURIER FREIGHT GROUP 	(84,484)	(55,092)	29,393
DOCEX 	284	3,372	3,089

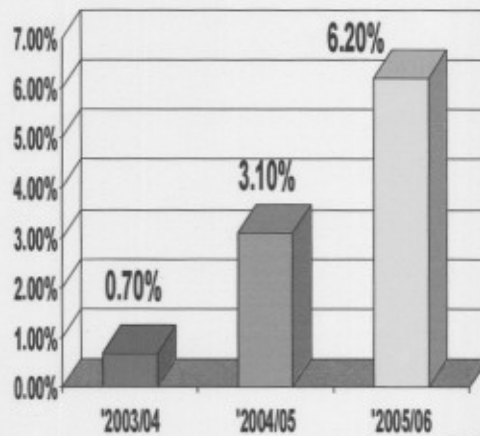


Profit from trading operations

Profit from trading ops

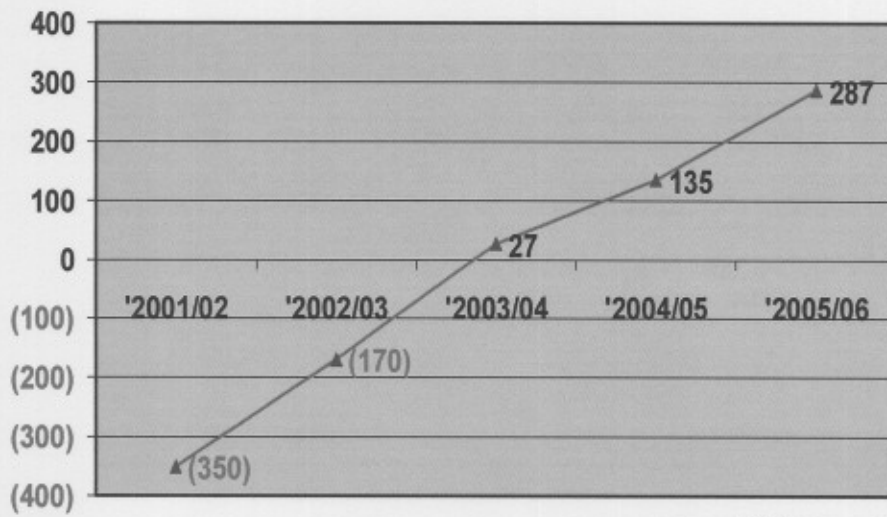


Trading profit margin



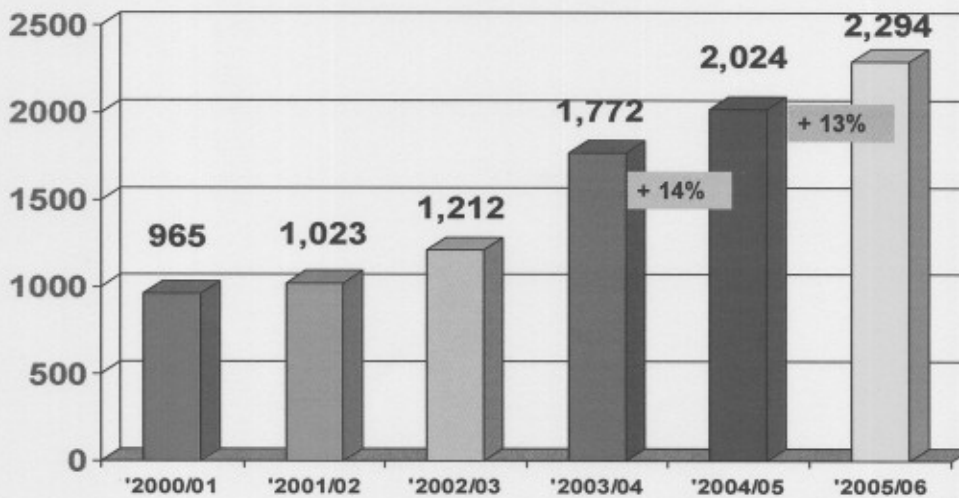
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5 year profit from trading operations



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Postbank depositors funds (Rm)



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