

MEDIA RELEASE – FOR IMMEDIATE RELEASE

SMP's FY2010 earnings up 115.5% to a record S\$5.0 million

- Record revenue of S\$176.3 million, representing 19.7% y-o-y growth
- Gross and net margins, a 5-year high at 12.5% and 2.8% respectively
- Continues to focus on emerging key markets such as China and India

SINGAPORE, 28 February 2011 – Superior Multi-Packaging Limited (“SMP” or the “Group” or “速必雅包装有限公司”), a specialist in metal packaging and flexible packaging products, has achieved a record net profit attributable to shareholders of S\$5.0 million for the full year ended 31 December 2010 (“FY2010”), up 115.5% from the previous financial year.

Financial Highlights

S\$(‘000)	FY2010	FY2009	% Chg
Revenue	176,275	147,242	19.7
Gross profit	22,076	15,610	41.4
Gross profit margin	12.5%	10.6%	-
Net profit attributable to shareholders	5,017	2,328	115.5
Net profit margin	2.8%	1.6%	-
EPS (Singapore cents)*	2.28	1.57	N.M.

* Based on weighted average number of ordinary shares of 242,504,000 (FY2009: 148,231,000)

As compared to FY2009, overall revenue increased by 19.7% to S\$176.3 million in FY2010. Its metal and flexible packaging segments contributed S\$106.1 million and S\$52.5 million respectively, representing y-o-y growth of 20.3% and 11.3%. This was backed by the growing demand for both its metal and flexible packaging products. In particular, the aggregate sales volume of its metal packaging products rose 27.9% to 50.6 million units for the full year.

From the geographical perspective, China surpassed Singapore to become the best-performing market in FY2010, which contributed S\$85.1 million to the Group’s revenue, versus

that of S\$83.9 million by Singapore. Other operations in Vietnam and the Philippines had also shown y-o-y revenue increment of 18.1% to S\$7.3 million in FY2010.

During the year, the Group invested in the upgrading of its operations as part of the efforts to boost production efficiency of the Group. Coupled with stringent cost management policies, SMP's profitability displayed y-o-y improvement, with gross and net profit margins for FY2010 registering 12.5% (FY2009: 10.6%) and 2.8% (FY2009: 1.6%) respectively.

The Group's balance sheet remains healthy with a cash position of S\$14.8 million and improved net gearing of 31.5% as at end 2010 (31 December 2009: 36.1%)

Appreciation to shareholders

The Board of Directors is pleased to recommend a first and final dividend of 0.3 cents for FY2010, subject to the approval of shareholders in the upcoming Annual General Meeting.

Future Business Prospects

Sharing his thoughts on the Group's sterling performance for FY2010, ***Mr Wang Gee Hock, Chief Executive Officer***, commented, ***"2010 has been a great year for the Group, characterised by record revenue and earning streams, as well as smooth delivery of our expansion plans such as the acquisition of Zhejiang Gaote Metal Decorating Co. Ltd ("ZGMD") and initial venture into India. Going forward, the Group will continue to focus on extending its global reach for growth, and step up its marketing efforts in existing regions."***

Starting January 2011, the Group's new plant in Tianjin ("SMP Tianjin") commenced operations and specialised in the manufacturing and sale of metal drums, pails and cans. Strategically located near to SMP's major customers, the enhanced production capacity is expected to strengthen the Group's penetration into the China market.

With the existing network of factories in China (Fig. 1), the Group will continue its business expansion by targeting potential locations in strategic cities within the country to bring its operations closer to its customers.

Figure 1. SMPL's geographical coverage in China



India, being one of Asia's fastest growing economies, is another market of great interest to the Group and presents strong investment opportunities. In FY2010, the Group marked its initial foray by setting up its first subsidiary in India, namely Superior Cans & Pails Containers (Pune) Private Limited. The new operation is expected to provide access into the growing industrial demand within the market and allows SMP to tap on the vast business potential in the nation.

On the industry front, the Group is optimistic about the sustainable demand for paint, especially in China. Increasing need for DIY paint is well supported by the nation's long-term urbanisation trend which translates into increased housing investments. In addition, fast-developing sectors like shipbuilding and infrastructure projects are driving demand for marine paint and industrial paint respectively, which in turn spur demand for the Group's products and services.

Amidst ongoing challenges such as the volatility in oil prices and margin pressures due to inflation, the Group seeks to fortify its presence in new and existing markets via intensive marketing efforts. Combined with stringent cost control and automation of processes with new machineries, SMP hopes to elevate production efficiency and ultimately, the profitability of the Group.

Barring unforeseen circumstances, the Group is confident of maintaining positive performance for FY2011.