

## Financial Statements and Related Announcement::First Quarter Results

## Issuer &amp; Securities

|                         |   |
|-------------------------|---|
| <b>Issuer/ Manager</b>  | SINGAPORE POST LIMITED                      |
| <b>Securities</b>       | SINGAPORE POST LIMITED - SG1N89910219 - S08 |
| <b>Stapled Security</b> | No  |

## Announcement Details

|  |   |
|--|---|
| <b>Announcement Title</b>  | Financial Statements and Related Announcement |
| <b>Date &amp; Time of Broadcast</b>  | 29-Jul-2015 08:24:20                          |
| <b>Status</b>  | New   |
| <b>Announcement Sub Title</b>  | First Quarter Results                         |
| <b>Announcement Reference</b>  | SG1507290THR4MQ                               |
| <b>Submitted By (Co./ Ind. Name)</b>   | Woo Mei Lin Jacqueline                        |
| <b>Designation</b>   | Group Company Secretary                       |
| <b>Description (Please provide a detailed description of the event in the box below - Refer to the Online help for the format)</b> | Please refer to the attachments.              |

## Additional Details

|                                   |   |
|-----------------------------------|---|
| <b>For Financial Period Ended</b> | 30/06/2015  |
| <b>Attachments</b>                | <a href="#">SGXNETQ1FY1516.pdf</a><br><a href="#">ResultsPresentationQ1FY1516.pdf</a><br><a href="#">NewsRelease.pdf</a><br>Total size =2005K |

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**SINGAPORE POST LIMITED  
AND ITS SUBSIDIARIES**

(Registration number: 199201623M)

**SGXNET ANNOUNCEMENT  
UNAUDITED RESULTS FOR THE  
FIRST QUARTER ENDED 30 JUNE 2015**

**PART I INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF YEAR AND FULL YEAR RESULTS**

**(1)(a)(i) Statement of comprehensive income for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**Consolidated Income Statement**

|   | FY2015/16<br>Q1<br>S\$'000 | FY2014/15<br>Q1<br>S\$'000<br>(Restated)* | Variance<br>% |
|---|----------------------------|---|---------------|
| Revenue   | 254,607                    | 210,914                                   | 20.7%         |
| Other income and gains (net)  |                            |   |               |
| - Rental and property-related income  | 10,604                     | 10,805                                    | (1.9%)        |
| - Miscellaneous   | 13,632                     | 5,948                                     | 129.2%        |
| Labour and related expenses   | (72,709)                   | (63,978)                                  | 13.6%         |
| Volume-related expenses <sup>1</sup>  | (106,945)                  | (78,719)                                  | 35.9%         |
| Administrative and other expenses   | (31,153)                   | (24,883)                                  | 25.2%         |
| Depreciation, amortisation and impairment   | (6,560)                    | (6,824)                                   | (3.9%)        |
| Selling expenses  | (2,152)                    | (2,146)                                   | 0.3%          |
| Finance expenses  | (3,199)                    | (1,836)                                   | 74.2%         |
| Total expenses  | (222,718)                  | (178,386)                                 | 24.9%         |
| Share of profit of associated companies and joint ventures  | 1,662                      | 860                                       | 93.3%         |
| Profit before income tax  | 57,787                     | 50,141                                    | 15.2%         |
| Income tax expense  | (10,630)                   | (9,357)                                   | 13.6%         |
| <b>Total profit</b>   | <b>47,157</b>              | <b>40,784</b>                             | <b>15.6%</b>  |
| Attributable to:  |                            |   |               |
| Equity holders of the Company   | 46,590                     | 40,241                                    | 15.8%         |
| Non-controlling interests   | 567                        | 543                                       | 4.4%          |
| <b>Total profit</b>   | <b>47,157</b>              | <b>40,784</b>                             | <b>15.6%</b>  |
| <b>Operating Profit<sup>2</sup></b>   | <b>57,708</b>              | <b>50,395</b>                             | <b>14.5%</b>  |
| <b>Underlying Net Profit<sup>3</sup></b>  | <b>40,282</b>              | <b>37,309</b>                             | <b>8.0%</b>   |
| Earnings per share for profit attributable to the equity holders of the Company during the period: <sup>4</sup> |                            |   |               |
| - Basic   | 1.996 cents                | 1.915 cents                               |               |
| - Diluted   | 1.985 cents                | 1.905 cents                               |               |

Notes

- Volume-related expenses comprise mainly traffic expenses and cost of sales.
- Operating profit for the purposes of paragraph 8 "Review of the performance of the Group" is defined as profit before interest, tax and share of profit or loss of associated companies and joint ventures.
- Underlying net profit is defined as profit after tax and non-controlling interests, before one-off items, revaluation of investment properties, gains and losses on sale of property, plant and equipment, and M&A related professional fees.
- Earnings per share were calculated based on net profit attributable to equity holders of the Company less distribution attributable to perpetual securities holders, divided by the weighted average number of ordinary shares outstanding (excluding treasury shares).

\* Prior year comparatives are restated. Please see Paragraph 5 for more details.

## Consolidated Statement of Comprehensive Income

|  | <b>FY2015/16</b> | FY2014/15   | Variance |
|--|------------------|-------------|----------|
|  | <b>Q1</b>        | Q1          | %        |
|  | <b>S\$'000</b>   | S\$'000     |          |
|  |                  | (Restated)* |          |
| <b>Total profit</b>  | <b>47,157</b>    | 40,784      | 15.6%    |
| <b>Other comprehensive income / (loss) (net of tax):</b>         |                  |             |          |
| Items that may be reclassified subsequently to profit or loss:   |                  |             |          |
| Available for sale financial assets - fair value (losses) / gain | (111)            | 4           | N.M.     |
| Currency translation differences arising from consolidation      |                  |             |          |
| - Losses   | (5,814)          | (448)       | @        |
| <b>Other comprehensive loss for the period (net of tax)</b>      | <b>(5,925)</b>   | (444)       | @        |
| <b>Total comprehensive income for the period*</b>                | <b>41,232</b>    | 40,340      | 2.2%     |
| Total comprehensive income attributable to:                      |                  |             |          |
| Equity holders of the Company                                    | 41,258           | 39,683      | 4.0%     |
| Non-controlling interests  | (26)             | 657         | N.M.     |
|  | <b>41,232</b>    | 40,340      | 2.2%     |

\* As shown in the Statement of changes in equity on pages 8 and 9.

## Underlying Net Profit Reconciliation Table

|  | <b>FY2015/16</b> | FY2014/15   | Variance |
|--|------------------|-------------|----------|
|  | <b>Q1</b>        | Q1          | %        |
|  | <b>S\$'000</b>   | S\$'000     |          |
|  |                  | (Restated)* |          |
| Profit attributable to equity holders of the Company     | <b>46,590</b>    | 40,241      | 15.8%    |
| Gains on sale of property, plant and equipment           | <b>(1,403)</b>   | (4,201)     | (66.6%)  |
| Provision for the restructuring of an overseas operation | -                | 1,123       | N.M.     |
| Gains on divestment of shares in subsidiaries            | <b>(8,428)</b>   | -           | N.M.     |
| Professional fee relating to M & A activities            | <b>3,523</b>     | 146         | @        |
| <b>Underlying Net Profit</b>                             | <b>40,282</b>    | 37,309      | 8.0%     |

N.M. Not meaningful.

@ Denotes variance exceeding 300%.

\* Prior year comparatives are restated. Please see Paragraph 5 for more details.

**(1)(a)(ii) The following items have been included in arriving at profit before income tax:**

|   | <b>FY2015/16</b> | FY2014/15   | Variance |
|---|------------------|-------------|----------|
|   | <b>Q1</b>        | Q1          |          |
|   | <b>S\$'000</b>   | S\$'000     | %        |
|   |                  | (Restated)* |          |
| Other operating income and interest income <sup>#</sup>       | <b>24,236</b>    | 16,753      | 44.7%    |
| Interest on borrowings  | <b>1,575</b>     | 1,527       | 3.1%     |
| Depreciation and amortisation                                 | <b>6,911</b>     | 7,762       | (11.0%)  |
| Impairment of doubtful debts and bad debts written off        | <b>313</b>       | 184         | 70.1%    |
| Foreign exchange gains / (losses)                             | <b>(512)</b>     | 261         | N.M.     |
| Gains on sale of investments, property, plant and equipment * | <b>9,831</b>     | 4,201       | 134.0%   |

<sup>#</sup> Including one-off gains and losses on sale of investments, property, plant and equipment.

N.M. Not meaningful.

@ Denotes variance exceeding 300%.

\* Prior year comparatives are restated. Please see Paragraph 5 for more details.

**(1)(b)(i) Statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

|  | The Group         |                   | The Company       |                   |
|--|-------------------|-------------------|-------------------|-------------------|
|  | Jun-15<br>S\$'000 | Mar-15<br>S\$'000 | Jun-15<br>S\$'000 | Mar-15<br>S\$'000 |
| <b>ASSETS</b>  |                   |                   |                   |                   |
| <b>Current assets</b>  |                   |                   |                   |                   |
| Cash and cash equivalents  | 565,914           | 584,140           | 486,341           | 477,045           |
| Financial assets *   | 19,207            | 21,878            | 18,860            | 21,531            |
| Trade and other receivables  | 159,596           | 164,054           | 229,417           | 178,644           |
| Inventories  | 5,063             | 6,298             | 836               | 484               |
| Other current assets   | 14,329            | 21,220            | 5,904             | 5,573             |
|  | <u>764,109</u>    | <u>797,590</u>    | <u>741,358</u>    | <u>683,277</u>    |
| <b>Non-current assets</b>  |                   |                   |                   |                   |
| Financial assets *   | 33,987            | 12,718            | 33,923            | 12,651            |
| Trade and other receivables  | 5,624             | 4,776             | 162,709           | 152,016           |
| Investments in associated companies and joint ventures                   | 108,696           | 105,106           | 26,080            | 26,080            |
| Investments in subsidiaries  | -                 | -                 | 292,890           | 292,890           |
| Investment properties  | 638,290           | 638,818           | 633,826           | 633,826           |
| Property, plant and equipment  | 396,476           | 329,984           | 254,066           | 250,286           |
| Intangible assets  | 301,945           | 302,893           | 254               | 263               |
| Deferred income tax assets   | 3,783             | 5,371             | -                 | -                 |
| Other non-current asset  | 570               | 551               | -                 | -                 |
|  | <u>1,489,371</u>  | <u>1,400,217</u>  | <u>1,403,748</u>  | <u>1,368,012</u>  |
| <b>Total assets</b>  | <u>2,253,480</u>  | <u>2,197,807</u>  | <u>2,145,106</u>  | <u>2,051,289</u>  |
| <b>LIABILITIES</b>   |                   |                   |                   |                   |
| <b>Current liabilities</b>   |                   |                   |                   |                   |
| Trade and other payables   | 353,509           | 352,068           | 277,748           | 261,936           |
| Current income tax liabilities   | 43,440            | 35,318            | 37,751            | 29,704            |
| Deferred income  | 7,293             | 6,961             | 7,293             | 6,961             |
| Derivative financial instruments   | 2,600             | 3,718             | 2,600             | 3,718             |
| Borrowings   | 16,780            | 16,947            | -                 | -                 |
|  | <u>423,622</u>    | <u>415,012</u>    | <u>325,392</u>    | <u>302,319</u>    |
| <b>Non-current liabilities</b>   |                   |                   |                   |                   |
| Trade and other payables   | 9,397             | 10,508            | -                 | -                 |
| Borrowings   | 220,140           | 221,380           | 203,573           | 203,749           |
| Deferred income  | 62,252            | 59,569            | 62,252            | 59,569            |
| Deferred income tax liabilities  | 24,081            | 23,601            | 17,949            | 17,278            |
|  | <u>315,870</u>    | <u>315,058</u>    | <u>283,774</u>    | <u>280,596</u>    |
| <b>Total liabilities</b>   | <u>739,492</u>    | <u>730,070</u>    | <u>609,166</u>    | <u>582,915</u>    |
| <b>NET ASSETS</b>  | <u>1,513,988</u>  | <u>1,467,737</u>  | <u>1,535,940</u>  | <u>1,468,374</u>  |
| <b>EQUITY</b>  |                   |                   |                   |                   |
| <b>Capital and reserves attributable to the Company's equity holders</b> |                   |                   |                   |                   |
| Share capital  | 434,207           | 429,980           | 434,207           | 429,980           |
| Treasury shares  | (2,610)           | (2,831)           | (2,610)           | (2,831)           |
| Other reserves   | 2,687             | 7,448             | 6,262             | 5,802             |
| Retained earnings  | 725,520           | 682,639           | 747,546           | 688,597           |
| Ordinary equity  | <u>1,159,804</u>  | <u>1,117,236</u>  | <u>1,185,405</u>  | <u>1,121,548</u>  |
| Perpetual securities**   | <u>350,535</u>    | <u>346,826</u>    | <u>350,535</u>    | <u>346,826</u>    |
|  | <u>1,510,339</u>  | <u>1,464,062</u>  | <u>1,535,940</u>  | <u>1,468,374</u>  |
| Non-controlling interests  | 3,649             | 3,675             | -                 | -                 |
| <b>Total equity</b>  | <u>1,513,988</u>  | <u>1,467,737</u>  | <u>1,535,940</u>  | <u>1,468,374</u>  |

\* Relates mainly to the Group's investment in bonds and available-for-sale investments.

\*\* Perpetual securities amounting to S\$350 million were issued by the Company on 2 March 2012. The perpetual securities are cumulative and distributions are at the option of the Company, subject to terms and conditions of the securities issue. Based on accounting rules in FRS32 "Financial Instruments: Disclosure and Presentation", the perpetual securities are presented within equity.

**(1)(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities.**

|  | <b>Jun-15</b>  | Mar-15  |
|--|----------------|---------|
|  | <b>S\$'000</b> | S\$'000 |
| Amount repayable in one year or less, or on demand |                |         |
| - Borrowings (secured)                             | <b>2,480</b>   | 2,647   |
| - Borrowings (unsecured)                           | <b>14,300</b>  | 14,300  |
| Amount repayable after one year:                   |                |         |
| - Borrowings (secured)                             | <b>16,567</b>  | 17,631  |
| - Borrowings (unsecured)                           | <b>203,573</b> | 203,749 |
|  | <b>236,920</b> | 238,327 |

The Group's unsecured borrowings comprised mainly of S\$200 million 10-year Fixed Rate Notes (the "Notes") issued in March 2010. The Fixed Rate Notes is listed on the SGX-ST and carry a fixed interest rate of 3.5% per annum.

**Details of any collateral.**

Secured borrowings comprised of external bank loans of subsidiaries and are secured over investment properties, guarantees and other securities.

(1)(c) **Statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

|   | <b>The Group</b> |                  |
|---|------------------|------------------|
|   | <b>FY2015/16</b> | <b>FY2014/15</b> |
|   | <b>Jun-15</b>    | <b>Jun-14</b>    |
|   | <b>S\$'000</b>   | <b>S\$'000</b>   |
| <b>Cash flows from operating activities</b>                   |                  | (Restated)*      |
| Total profit  | 47,157           | 40,784           |
| Adjustments for:  |                  |                  |
| Income tax expense  | 10,630           | 9,357            |
| Amortisation of deferred income                               | 2,683            | (78)             |
| Amortisation of intangible assets                             | 351              | 938              |
| Depreciation and impairment                                   | 6,560            | 6,824            |
| Gains on sale of investments, property, plant and equipment   | (9,831)          | (4,201)          |
| Share-based staff costs                                       | 1,099            | 701              |
| Interest expense  | 1,575            | 1,527            |
| Interest income   | (1,616)          | (722)            |
| Share of profit of associated companies and joint ventures    | (1,662)          | (860)            |
|   | <b>9,789</b>     | <b>13,486</b>    |
| <b>Operating cash flow before working capital changes</b>     | <b>56,946</b>    | <b>54,270</b>    |
| Changes in working capital                                    |                  |                  |
| Inventories   | (627)            | 636              |
| Trade and other receivables                                   | 5,984            | (10,930)         |
| Trade and other payables                                      | (1,785)          | 8,091            |
| <b>Cash generated from operations</b>                         | <b>60,518</b>    | <b>52,067</b>    |
| Income tax paid   | (1,285)          | (743)            |
| <b>Net cash provided by operating activities</b>              | <b>59,233</b>    | <b>51,324</b>    |
| <b>Cash flows from investing activities</b>                   |                  |                  |
| Additions to property, plant and equipment                    | (75,641)         | (9,886)          |
| Disposal of a subsidiary, net of cash disposed of             | 16,095           | -                |
| Investment in an associated company                           | (4,519)          | -                |
| Interest received   | 1,156            | 572              |
| Loan to an associated company                                 | (737)            | -                |
| Payment relating to purchase of a business                    | (250)            | -                |
| Proceeds from disposal of property, plant and equipment       | 1,491            | 10,624           |
| Proceeds on maturity of financial assets                      | 4,500            | 3,000            |
| Purchase of financial assets                                  | (23,321)         | (17,521)         |
| Repayment of loans by associated companies                    | 1,012            | 123              |
| <b>Net cash used in investing activities</b>                  | <b>(80,214)</b>  | <b>(13,088)</b>  |
| <b>Cash flows from financing activities</b>                   |                  |                  |
| Interest paid   | (233)            | (280)            |
| Proceeds from issuance of ordinary shares                     | 3,920            | 4,098            |
| Proceeds from re-issuance of treasury shares                  | -                | 16               |
| Repayment of bank term loan                                   | (932)            | (1,054)          |
| <b>Net cash provided by financing activities</b>              | <b>2,755</b>     | <b>2,780</b>     |
| <b>Net (decrease) / increase in cash and cash equivalents</b> | <b>(18,226)</b>  | <b>41,016</b>    |
| Cash and cash equivalents at beginning of financial period    | 584,140          | 404,430          |
| <b>Cash and cash equivalents at end of financial period</b>   | <b>565,914</b>   | <b>445,446</b>   |

\* Prior year comparatives are restated. Please see Paragraph 5 for more details.



**(1)(d)(i) Statement of changes in equity (for the issuer and group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**The Group – Q1**

|   | Attributable to ordinary shareholders of the Company |                 |                   |                |                  | Perpetual securities | Total            | Non-controlling interests | Total equity     |
|---|--|-----------------|-------------------|----------------|------------------|----------------------|------------------|---------------------------|------------------|
|   | Share capital  | Treasury shares | Retained earnings | Other reserves | Total            |                      |                  |                           |                  |
|   | S\$'000  | S\$'000         | S\$'000           | S\$'000        | S\$'000          | S\$'000              | S\$'000          | S\$'000                   | S\$'000          |
| Balance at 1 April 2015                                     | <b>429,980</b>                                       | <b>(2,831)</b>  | <b>682,639</b>    | <b>7,448</b>   | <b>1,117,236</b> | <b>346,826</b>       | <b>1,464,062</b> | <b>3,675</b>              | <b>1,467,737</b> |
| Total comprehensive income / (loss) for the period          | -  | -               | <b>42,881</b>     | <b>(5,332)</b> | <b>37,549</b>    | <b>3,709</b>         | <b>41,258</b>    | <b>(26)</b>               | <b>41,232</b>    |
|   | <b>429,980</b>                                       | <b>(2,831)</b>  | <b>725,520</b>    | <b>2,116</b>   | <b>1,154,785</b> | <b>350,535</b>       | <b>1,505,320</b> | <b>3,649</b>              | <b>1,508,969</b> |
| Employee share option scheme:                               |  |                 |                   |                |                  |                      |                  |                           |                  |
| - Value of employee services                                | -  | -               | -                 | <b>1,099</b>   | <b>1,099</b>     | -                    | <b>1,099</b>     | -                         | <b>1,099</b>     |
| - New shares issued   | <b>4,227</b>   | -               | -                 | <b>(307)</b>   | <b>3,920</b>     | -                    | <b>3,920</b>     | -                         | <b>3,920</b>     |
| - Treasury shares re-issued                                 | -  | <b>221</b>      | -                 | <b>(221)</b>   | -                | -                    | -                | -                         | -                |
| Balance at 30 June 2015                                     | <b>434,207</b>                                       | <b>(2,610)</b>  | <b>725,520</b>    | <b>2,687</b>   | <b>1,159,804</b> | <b>350,535</b>       | <b>1,510,339</b> | <b>3,649</b>              | <b>1,513,988</b> |
| Balance at 1 April 2014<br>as previously reported           | 129,082  | (35,346)        | 250,700           | 2,402          | 346,838          | 346,826              | 693,664          | 2,168                     | 695,832          |
| Effect of change in accounting<br>for investment properties | -  | -               | 417,331           | 1,290          | 418,621          | -                    | 418,621          | -                         | 418,621          |
| As restated   | 129,082  | (35,346)        | 668,031           | 3,692          | 765,459          | 346,826              | 1,112,285        | 2,168                     | 1,114,453        |
| Total comprehensive income / (loss) for the period          | -  | -               | 36,532            | (558)          | 35,974           | 3,709                | 39,683           | 657                       | 40,340           |
|   | 129,082  | (35,346)        | 704,563           | 3,134          | 801,433          | 350,535              | 1,151,968        | 2,825                     | 1,154,793        |
| Employee share option scheme:                               |  |                 |                   |                |                  |                      |                  |                           |                  |
| - Value of employee services                                | -  | -               | -                 | 701            | 701              | -                    | 701              | -                         | 701              |
| - New shares issued   | 4,382  | -               | -                 | (284)          | 4,098            | -                    | 4,098            | -                         | 4,098            |
| - Treasury shares re-issued                                 | -  | 17              | -                 | (1)            | 16               | -                    | 16               | -                         | 16               |
| Balance at 30 June 2014                                     | <b>133,464</b>                                       | <b>(35,329)</b> | <b>704,563</b>    | <b>3,550</b>   | <b>806,248</b>   | <b>350,535</b>       | <b>1,156,783</b> | <b>2,825</b>              | <b>1,159,608</b> |

## The Company – Q1

|  | Attributable to ordinary shareholders of the Company |                 |                   |                |                  |                      |                  |
|--|--|-----------------|-------------------|----------------|------------------|----------------------|------------------|
|  | Share capital  | Treasury shares | Retained earnings | Other reserves | Total            | Perpetual securities | Total            |
|  | S\$'000  | S\$'000         | S\$'000           | S\$'000        | S\$'000          | S\$'000              | S\$'000          |
| Balance at 1 April 2015                                  | <b>429,980</b>                                       | <b>(2,831)</b>  | <b>688,597</b>    | <b>5,802</b>   | <b>1,121,548</b> | <b>346,826</b>       | <b>1,468,374</b> |
| Total comprehensive income / (loss) for the period       | -  | -               | <b>58,949</b>     | <b>(111)</b>   | <b>58,838</b>    | <b>3,709</b>         | <b>62,547</b>    |
|  | <b>429,980</b>                                       | <b>(2,831)</b>  | <b>747,546</b>    | <b>5,691</b>   | <b>1,180,386</b> | <b>350,535</b>       | <b>1,530,921</b> |
| Employee share option scheme:                            |  |                 |                   |                |                  |                      |                  |
| - Value of employee services                             | -  | -               | -                 | <b>1,099</b>   | <b>1,099</b>     | -                    | <b>1,099</b>     |
| - New shares issued                                      | <b>4,227</b>   | -               | -                 | <b>(307)</b>   | <b>3,920</b>     | -                    | <b>3,920</b>     |
| - Treasury shares re-issued                              | -  | <b>221</b>      | -                 | <b>(221)</b>   | -                | -                    | -                |
| Balance at 30 June 2015                                  | <b>434,207</b>                                       | <b>(2,610)</b>  | <b>747,546</b>    | <b>6,262</b>   | <b>1,185,405</b> | <b>350,535</b>       | <b>1,535,940</b> |
| Balance at 1 April 2014 as previously reported           | 129,082  | (35,346)        | 217,615           | 4,952          | 316,303          | 346,826              | 663,129          |
| Effect of change in accounting for investment properties | -  | -               | 460,807           | 1,290          | 462,097          | -                    | 462,097          |
| As restated  | 129,082  | (35,346)        | 678,422           | 6,242          | 778,400          | 346,826              | 1,125,226        |
| Total comprehensive income for the period                | -  | -               | 37,284            | 4              | 37,288           | 3,709                | 40,997           |
|  | 129,082  | (35,346)        | 715,706           | 6,246          | 815,688          | 350,535              | 1,166,223        |
| Employee share option scheme:                            |  |                 |                   |                |                  |                      |                  |
| - Value of employee services                             | -  | -               | -                 | 701            | 701              | -                    | 701              |
| - New shares issued                                      | 4,382  | -               | -                 | (284)          | 4,098            | -                    | 4,098            |
| - Treasury shares re-issued                              | -  | 17              | -                 | (1)            | 16               | -                    | 16               |
| Balance at 30 June 2014                                  | 133,464  | (35,329)        | 715,706           | 6,662          | 820,503          | 350,535              | 1,171,038        |

**(1)(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

During the first quarter ended 30 June 2015, the Company issued 3,070,000 ordinary share at prices ranging from S\$0.89 to S\$1.45 upon the exercise of options granted under the Singapore Post Share Option Scheme.

As at 30 June 2015, there were unexercised options for 69,650,000 (30 June 2014: 62,708,000) unissued ordinary shares under the Singapore Post Share Option Scheme (including Share Performance Option Plan but excluding Restricted Share Plan) and unvested shares for 2,116,711 (30 June 2014: 2,388,075) unissued ordinary shares under the Restricted Share Plan.

As at 30 June 2015, the Company held 2,527,478 treasury shares (30 June 2014: 33,312,000).

**(1)(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

As at 30 June 2015, total issued shares were 2,150,061,140 (31 March 2015: 2,146,774,225).

**(1)(d)(iv) A statement showing all sales, transfers, disposal, cancellation and / or use of treasury shares as at end of the current financial period reported on.**

During the first quarter ended 30 June 2015, the Company re-issued 216,915 treasury shares at a price of S\$1.025 upon the vesting of shares under Singapore Post Restricted Share Plan 2013.

**(2) Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed.

**(3) Where figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

**(4) Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Except as disclosed under paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited financial statements for the financial year ended 31 March 2015.

**(5) If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

On 1 April 2015, the Group adopted the new or amended FRS and Interpretations to FRS ("INT FRS") that are mandatory for application from that date. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the Group's and Company's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

## Accounting for Investment Properties

During the financial year ended 31 March 2015, the Group's accounting policy with respect to the measurement of investment properties, subsequent to initial recognition, has been changed from the cost model to the fair value model. Along with the accounting policy change from the cost model to the fair value model, management has undertaken a review of the Group's property allocation between investment properties and property, plant and equipment and made reclassification as appropriate.

The effects of the voluntary change in accounting policy and review of the Group's investment property assets have been restated on the Group's consolidated income statements for Q1 FY2014/15 as follows:

|  | <b>Increase/(Decrease)<br/>Q1 FY2014/15</b> |
|--|---|
|  | <b>S\$'000</b>                              |
| <b>Consolidated Statement of Comprehensive Income:</b> |   |
| Depreciation, amortization and impairment              | (997)                                       |
| Net profit attributable to:                            |   |
| - Equity holders of the Company                        | 977   |
| - Non-controlling interests                            | -   |
| Earnings per share attributable to equity              |   |
| - Basic (cents)  | 0.052                                       |
| - Diluted (cents)                                      | 0.052                                       |

**(6) Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

|  | <b>The Group</b>   |                  |
|--|--------------------|------------------|
|  | <b>FY2015/16</b>   | <b>FY2014/15</b> |
|  | <b>Q1</b>          | <b>Q1</b>        |
|  |                    | (Restated)*      |
| Based on weighted average number of ordinary shares in issue | <b>1.996 cents</b> | 1.915 cents      |
| On fully diluted basis                                       | <b>1.985 cents</b> | 1.905 cents      |

\* Prior year comparatives are restated. Please see Paragraph 5 for more details.

**(7) Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the current financial period reported on and immediately preceding financial year.**

|  | <b>The Group</b> |               | <b>The Company</b> |               |
|--|------------------|---------------|--------------------|---------------|
|  | <b>Jun-15</b>    | <b>Mar-15</b> | <b>Jun-15</b>      | <b>Mar-15</b> |
| Net asset value per ordinary share based on issued share capital of the Company at the end of the financial period (cents) | 70.42            | 68.37         | 71.44              | 68.40         |
|  | <b>53.94</b>     | <b>52.04</b>  | <b>55.13</b>       | <b>52.24</b>  |

(8) **Review of the performance of the group.**

**First Quarter Ended 30 June 2015**

*Revenue*

|                             | <b>FY2015/16</b> | <b>FY2014/15</b> | <b>Variance</b> |
|-----------------------------|------------------|------------------|-----------------|
|                             | <b>Q1</b>        | <b>Q1</b>        | <b>%</b>        |
|                             | <b>S\$'000</b>   | <b>S\$'000</b>   |                 |
| Mail                        | <b>125,130</b>   | 123,207          | 1.6%            |
| Logistics                   | <b>140,071</b>   | 97,561           | 43.6%           |
| Retail & eCommerce          | <b>24,070</b>    | 22,791           | 5.6%            |
| Inter-segment eliminations* | <b>(34,664)</b>  | (32,645)         | 6.2%            |
| <b>Total</b>                | <b>254,607</b>   | 210,914          | 20.7%           |

Group revenue increased by 20.7% in the first quarter of FY2015/16, with continued growth in ecommerce and logistics contributions and the inclusion of new subsidiaries. Excluding the impact of M&As including the divestment of subsidiaries, revenue remained constant.

In the Mail division, the postage revision in October 2014 helped to offset the impact of declining traditional letter mail volumes.

Logistics revenue continued to increase on the back of growing contributions from ecommerce logistics activities and the inclusion of new subsidiaries.

In Retail & eCommerce, revenue was higher as increasing ecommerce contributions offset the decline in financial services.

*Other Income*

Rental and property-related income fell by 1.9% from S\$10.8 million to S\$10.6 million as a result of lower contributions from SingPost's properties.

Miscellaneous income amounted to S\$13.6 million, compared to S\$5.9 million previously. The increase was largely due to one-off gains from the disposal of Novation Solutions and DataPost HK.

*Total Expenses*

Total expenses amounted to S\$222.7 million, an increase of 24.9% from S\$178.4 million in the first quarter last year, as a result of the inclusion of new subsidiaries and continued investments in resources for the Group's transformation.

Labour and related expenses were higher with annual salary increments and additional headcount from new subsidiaries and for the Group's growth initiatives.

The increase in volume-related expenses was attributable to higher international traffic and increased business activities.

Administrative and other expenses were higher as a result of the increase in property related expenses and professional fees related to the Group's growth and transformation initiatives.

## Operating Profit

|                                     | FY2015/16<br>Actual<br>S\$'000 | FY2014/15<br>Actual<br>S\$'000<br>(Restated)* | Variance<br>% |
|-------------------------------------|--------------------------------|---|---------------|
| Mail                                | 47,296                         | 35,042  | 35.0%         |
| Logistics                           | 6,650                          | 3,809   | 74.6%         |
| Retail & eCommerce                  | 1,142                          | 2,858   | (60.0%)       |
| Others <sup>#</sup>                 | 2,620                          | 8,686   | (69.8%)       |
| <b>Operating Profit</b>             | <b>57,708</b>                  | <b>50,395</b>                                 | <b>14.5%</b>  |
| (Less) / add : Non-underlying items | (6,308)                        | (2,932)                                       | 115.1%        |
| <b>Underlying operating profit</b>  | <b>51,400</b>                  | <b>47,463</b>                                 | <b>8.3%</b>   |

\* Others refer to the commercial property rental operations and unallocated corporate overhead items.

\* Prior year comparatives are restated. Please see Paragraph 5 for more details.

The Group's operating profit grew by 14.5% in the first quarter. Excluding one-off gains, underlying operating profit showed a 8.3% improvement to S\$51.4 million.

The increase in Mail operating profit was largely attributable to the one-off gain from the divestment of Novation Solutions and DataPost HK. The Group continues to focus on productivity and efficiency to manage the increase in operating costs, particularly with investments in service quality improvements.

In Logistics, operating profit increased as contributions from new subsidiaries offset continuing costs in integration and transformation.

Retail & eCommerce operating profit declined as a result of lower agency services and higher set up cost for new and revised service offerings.

The decline in Others was mainly attributable to higher gain on disposals of property, plant and equipment in the same quarter last year.

### Share of Results of Associated Companies and JVs

Share of profit of associated companies and joint ventures grew from S\$0.9 million to S\$1.7 million.

### Net Profit

Net profit attributable to equity holders amounted to S\$46.6 million, compared to S\$40.2 million in the same quarter last year. The Group's underlying net profit increased 8.0% from S\$37.3 million to S\$40.3 million.

### Balance Sheet

The Group's total assets amounted to S\$2.25 billion as at 30 June 2015, compared to S\$2.20 billion as at 31 March 2015.

Total liabilities were S\$739.5 million, compared to S\$730.1 million as at 31 March 2015.

Ordinary shareholders' equity amounted to S\$1.51 billion, compared to S\$1.46 billion as at 31 March 2015 due to higher retained earnings.

As at 30 June 2015, the Group was in a net cash position<sup>1</sup> of S\$329.0 million. The cash will be utilised to support investment, capital expenditure, working capital and other funding needs.

Interest coverage ratio<sup>2</sup> remained high at 42.1x, compared to 38.3x at 30 June 2014.

### **Cash Flow**

Net cash from operating activities was healthy at S\$59.2 million, compared to S\$51.3 million in the first quarter last year.

Net cash used in investing activities was S\$80.2 million, compared to S\$13.1 million previously. This is mainly due to capital expenditure of S\$75.6 million, which comprised mainly the construction of the eCommerce Logistics Hub and addition of POPStations. The Group added S\$23.3 million of financial assets comprising government and corporate bonds, and invested S\$4.5 million in an associated company, Hubbed Holdings. This was partially offset by net proceeds of S\$16.1 million from the disposal of Novation Solutions and DataPost HK, and S\$4.5 million from the maturity of financial assets.

Net cash from financing activities was S\$2.8 million, largely from the issue of ordinary shares for fulfilment of employee stock options.

The use of the proceeds from the share issue and treasury share transfer to Alibaba Investment Limited is in line with the intended use stated in the SGXNET announcement dated 28 May 2014. The proceeds are being deployed for capital expenditure such as the construction of the eCommerce Logistics Hub, upgrade of information technology systems, and M&A investments.

**(9) Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable.

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<sup>1</sup> Cash and cash equivalents less borrowings

<sup>2</sup> EBITDA to interest expense

**(10) A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The Group continues to develop and expand its end-to-end ecommerce logistics solutions in Asia Pacific. Capital expenditure is expected to remain high in FY2015/16 due to investments in infrastructure such as the eCommerce Logistics Hub and POPStation network. The Group also intends to redevelop its retail space at Singapore Post Centre and will make further announcements in due course.

The Group continues to pursue investment opportunities. In June 2015, its subsidiary Quantum Solutions acquired 30% of Hubbed Holdings Pty Ltd in Australia, while freight forwarding subsidiary Famous Holdings acquired 80% of Rotterdam Harbour Holding BV in the Netherlands in July 2015.

On 8 July 2015, the Group announced that it has entered into a conditional joint venture agreement with Alibaba Investment Ltd whereby the latter will acquire a 34% stake in Quantum Solutions International for approximately S\$91.7 million. SingPost will also issue 107.55 million new shares to Alibaba Investment Ltd at S\$1.74 per share, or approximately S\$187.1 million<sup>3</sup>. Both companies have established a joint strategic business development framework to further improve efficiency and integration in the ecommerce logistics industry by leveraging each other's strengths and scale across the whole value chain of ecommerce logistics.

**(11) Dividends**

**Current financial period reported on**

Interim dividend

In relation to financial period ended 30 June 2015, the Board of Directors has declared an interim dividend of 1.50 cents per ordinary share (tax exempt one-tier).

The interim quarterly dividend of 1.50 cents per ordinary share will be paid on 27 August 2015. The transfer book and register of members of the Company will be closed on 14 August 2015 for the preparation of dividend warrants. Duly completed registrable transfers of the ordinary shares in the capital of the Company received by the Company's registrar up to 5.00 pm on 13 August 2015 will be registered to determine members' entitlements to the dividend.

**Corresponding period of the immediately preceding financial year**

Interim dividend

An interim dividend of 1.25 cents per ordinary share (tax exempt one-tier) in relation to the first quarter ended 30 June 2014 was declared on 5 August 2014 and paid on 29 August 2014.

**(12) If no dividend has been declared (recommended), a statement to that effect.**

Not applicable.

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<sup>3</sup> Conditional upon approval from shareholders and IDA



## PART III OTHER INFORMATION

### (13) Interested Person Transactions

During the first quarter ended 30 June 2015, the following interested person transactions were entered into by the Group:

|   | Aggregate value of all interested person transactions during the financial period (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) |                            | Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) |                            |
|---|---|----------------------------|--|----------------------------|
|   | FY2015/16<br>Q1<br>S\$'000  | FY2014/15<br>Q1<br>S\$'000 | FY2015/16<br>Q1<br>S\$'000   | FY2014/15<br>Q1<br>S\$'000 |
| <b>Sales</b>                                |   |                            |  |                            |
| Mediacorp Group                             | -   | -                          | 799*   | 540                        |
| Singapore Airlines Group                    | -   | -                          | 1,260*   | -                          |
| Singapore Telecommunications Group          | -   | -                          | 1,653*   | 1,630                      |
| Starhub Group                               | -   | -                          | 860  | 631                        |
|   | -   | -                          | 4,572  | 2,801                      |
| <b>Purchases</b>                            |   |                            |  |                            |
| Certis Cisco Group                          | -   | -                          | 162*   | -                          |
| PSA Corporation                             | -   | -                          | 1,808*   | -                          |
| SembCorp Group                              | -   | -                          | -  | 360*                       |
| Singapore Airlines Group                    | -   | -                          | 1,540  | 4,480                      |
|   | -   | -                          | 3,510  | 4,840                      |
| <b>Total interested person transactions</b> | -   | -                          | <b>8,082</b>   | <b>7,641</b>               |

Note

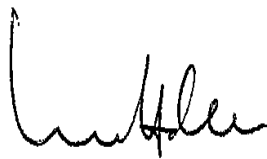
All the transactions set out in the above table were based on the Group's interested person transactions register. They were either based on contractual values for the duration of the contracts (which vary from 1 year to 3 years) or annual values for open-ended contracts.

\*Include contracts of duration exceeding one year.

**(14) Confirmation by the Board pursuant to rule 705(5) of the Listing Manual**

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the first quarter ended 30 June 2015 to be false or misleading.

On behalf of the Board of Directors

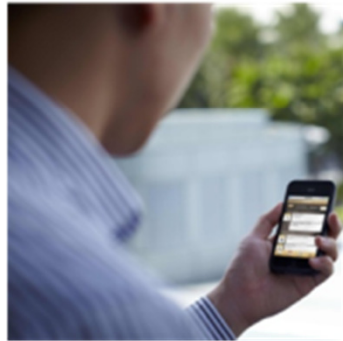


**MR LIM HO KEE**  
Chairman



**DR WOLFGANG BAIER**  
Director

Singapore  
29 July 2015



# **Q1 FY2015/16 Financial Results**

**Quarter April to June 2015  
Financial year ending 31 March 2016**

29 July 2015



- **Executive Summary**
- **Group Financials**
- **Outlook**

The following presentation contains forward looking statements by the management of Singapore Post Limited (“SingPost”) relating to financial trends for future periods, compared to the results for previous periods.

Some of the statements contained in this presentation that are not historical facts are statements of future expectations with respect to the financial conditions, results of operations and businesses, and related plans and objectives. Forward looking information is based on management’s current views and assumptions including, but not limited to, prevailing economic and market conditions. These statements involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those in the statements as originally made. Such statements are not, and should not be construed as a representation as to future performance of SingPost. In particular, such targets should not be regarded as a forecast or projection of future performance of SingPost. It should be noted that the actual performance of SingPost may vary significantly from such statements.

“\$” means Singapore dollars unless otherwise indicated.

# Executive Summary

- Good performance in first quarter of FY2015/16 demonstrates progress in transformation of SingPost. Continued growth in ecommerce and logistics activities; contributions from new subsidiaries.
- In strong position. Good ecommerce momentum, and further development of ecommerce logistics platform, particularly in forwarding capability.
- Strengthened collaboration with Alibaba Group – joint venture agreement; joint strategic business framework; new share issue.

# Q1 FY2014/15 P&L

eCommerce related growth and acquisitions contribute to good first quarter performance

| \$M  | Q1<br>FY15/16 | Q1<br>FY14/15 | YoY %<br>change |   |
|--|---------------|---------------|-----------------|---|
| Revenue                                      | 254.6         | 210.9         | +20.7%          | New acquisitions;<br>ecommerce related<br>growth  |
| Rental & property-related income             | 10.6          | 10.8          | (1.9%)          |   |
| Miscellaneous                                | 13.6          | 5.9           | +129.2%         | One-off gains on<br>disposals of subsidiaries,<br>property, plant &<br>equipment  |
| Total expenses                               | (222.7)       | (178.4)       | +24.9%          |   |
| Share of associated cos & JVs                | 1.7           | 0.9           | +93.3%          | New acquisitions;<br>investment in<br>transformation  |
| Income tax                                   | (10.6)        | (9.4)         | +13.6%          |   |
| Net profit attributable to<br>equity holders | 46.6          | 40.2          | +15.8%          |   |
| <b>Underlying net profit</b>                 | <b>40.3</b>   | <b>37.3</b>   | <b>+8.0%</b>    | Excluding one-off gains<br>on disposals of<br>subsidiaries, property,<br>plant & equipment; and<br>professional fees related<br>to M&As |

# Mail & Digital Services: Q1 FY2015/16 Performance



## Mail & Digital Services segment performance

| \$M                | Q1<br>FY15/16 | Q1<br>FY14/15 | YoY %<br>change |
|--------------------|---------------|---------------|-----------------|
| Revenue            | <b>125.1</b>  | 123.2         | +1.6%           |
| Operating profit * | <b>38.9</b>   | 35.0          | +10.9%          |
| OP margin *        | <b>31.1%</b>  | 28.4%         |                 |

\* Excluding one-off gain from disposal of subsidiaries

## Mail & Digital Services revenue breakdown

| \$M                | Q1<br>FY15/16 | Q1<br>FY14/15 | YoY %<br>change |
|--------------------|---------------|---------------|-----------------|
| Domestic mail      | <b>66.1</b>   | 62.5          | +5.7%           |
| Hybrid mail        | <b>8.0</b>    | 9.8           | (18.7%)         |
| Philatelic         | <b>0.8</b>    | 0.7           | +22.2%          |
| International mail | <b>50.3</b>   | 50.3          | +0.1%           |
| Total              | <b>125.1</b>  | 123.2         | +1.6%           |

Decline in hybrid mail revenue from the disposal of Novation Solutions and DataPost HK in Q1; DataPost sale expected to be completed in Q2

Improved profitability from the Group's focus on productivity and efficiency to manage higher operating costs



## Logistics: Q1 FY2015/16 Performance

### Logistics segment performance

| \$M              | Q1<br>FY15/16 | Q1<br>FY14/15 | YoY %<br>change |
|------------------|---------------|---------------|-----------------|
| Revenue          | <b>140.1</b>  | 97.6          | +43.6%          |
| Operating profit | <b>6.7</b>    | 3.8           | +74.6%          |
| OP margin        | <b>4.7%</b>   | 3.9%          |                 |

### Logistics revenue breakdown

| \$M               | Q1<br>FY15/16 | Q1<br>FY14/15 | YoY %<br>change |
|-------------------|---------------|---------------|-----------------|
| Quantum Solutions | <b>69.9</b>   | 40.2          | +74.0%          |
| Famous Holdings   | <b>46.6</b>   | 34.8          | +33.9%          |
| Others            | <b>23.5</b>   | 22.5          | +4.2%           |
| Total             | <b>140.1</b>  | 97.6          | +43.6%          |

Note: Others comprise General Storage and Singapore Parcels.

Acquisitions and growth in ecommerce related business underpinned Logistics division's performance

Higher operating profit from inclusion of new subsidiaries



# Retail & eCommerce: Q1 FY2015/16 Performance

## Retail & eCommerce segment performance

| \$M              | Q1<br>FY15/16 | Q1<br>FY14/15 | YoY %<br>change |
|------------------|---------------|---------------|-----------------|
| Revenue          | <b>24.1</b>   | 22.8          | +5.6%           |
| Operating profit | <b>1.1</b>    | 2.9           | (60.0%)         |
| OP margin        | <b>4.7%</b>   | 12.5%         |                 |

## Retail & eCommerce revenue breakdown

| \$M                                  | Q1<br>FY15/16 | Q1<br>FY14/15 | YoY %<br>change |
|--------------------------------------|---------------|---------------|-----------------|
| eCommerce                            | <b>7.8</b>    | 6.3           | +23.3%          |
| Financial services                   | <b>5.5</b>    | 6.0           | (9.2%)          |
| Agency services &<br>retail products | <b>10.8</b>   | 10.5          | 3.5%            |
| Total                                | <b>24.1</b>   | 22.8          | +5.6%           |

Growth in ecommerce business with customer acquisitions and higher traffic; decline in financial services

Continued investments in developing ecommerce business

# Total Expenses: Q1 FY2015/16

## Revenue vs expenses growth

| \$M            | Q1<br>FY15/16 | Q1<br>FY14/15 | YoY %<br>change |
|----------------|---------------|---------------|-----------------|
| Revenue        | <b>254.6</b>  | 210.9         | +20.7%          |
| Total expenses | <b>222.7</b>  | 178.4         | +24.9%          |

Higher expenses with consolidation of new subsidiaries, ongoing expenditure for transformation, and increased costs in productivity and service improvements for postal business

## Total expenses breakdown

| \$M                              | Q1<br>FY15/16 | Q1<br>FY14/15 | YoY %<br>change |
|----------------------------------|---------------|---------------|-----------------|
| Volume related                   | <b>106.9</b>  | 78.7          | +35.9%          |
| Labour & related                 | <b>72.7</b>   | 64.0          | +13.6%          |
| Admin. & others                  | <b>31.2</b>   | 24.9          | +25.2%          |
| Depre, amortisation & impairment | <b>6.6</b>    | 6.8           | (3.9%)          |
| Selling                          | <b>2.2</b>    | 2.1           | +0.3%           |
| Finance                          | <b>3.2</b>    | 1.8           | +74.2%          |
| Total                            | <b>222.7</b>  | 178.4         | +24.9%          |

- Consolidation of new subsidiaries; growth in business activities
- Additional headcount from new subsidiaries and for transformation initiatives and service improvements
- Higher professional fees for M&As; Increased property related expenses such as warehouse rental costs

# Financial Position and Cash Flow

## Financial position

| \$M                           | Jun 15  | Mar 15  |
|-------------------------------|---------|---------|
| NAV (cents per share)         | 70.4    | 68.4    |
| Ordinary shareholders' equity | 1,159.8 | 1,117.2 |
| Borrowings                    | 236.9   | 238.3   |
| Net cash *                    | 329.0   | 345.8   |
| EBITDA to interest expenses   | 42.1x   | 36.4x   |

Cash holdings of \$565.9M; for investment needs, capex, working capital and other funding requirements

\* Cash and cash equivalents less borrowings

## Cash flow highlights

| \$M                                   | Q1<br>FY15/16 | Q1<br>FY14/15 |
|---------------------------------------|---------------|---------------|
| Net cash from operating activities    | 59.2          | 51.3          |
| Net cash used in investing activities | (80.2)        | (13.1)        |
| Net cash from financing activities    | 2.8           | 2.8           |
| Net increase/(decrease) in cash       | (18.2)        | 41.0          |
| Cash & cash equivalents               | 565.9         | 445.4         |

Healthy operating cash flows

Additions to property, plant & equipment and investments in associated company, financial assets; offset by proceeds from disposal of subsidiary, maturity of financial assets

# Updates on eCommerce Logistics Network Development



## Freight, Customs & Regulations Management



Broadening freight forwarding network with acquisitions:

- 80% stake in FPS Rotterdam in July 2015

## Warehousing & Fulfilment



JV agreement with Alibaba Investment Ltd for the latter's acquisition of 34% of Quantum Solutions Int'l

## Last Mile Delivery & Returns



Building regional end-delivery network in Asia Pacific:

- 30% stake in Hubbed Holdings Pty Ltd in June 2015

## eCommerce Web Services



Focusing on customer acquisitions

Developing Regional eCommerce Logistics Hub in Singapore

## Regional Leader in eCommerce Logistics & Trusted Communications

MAIL

DIGITAL  
SERVICES

LOGISTICS

eCOMMERCE

RETAIL & FIN'L  
SERVICES

- Strengthening ecommerce partnership with Alibaba Group
  - ✓ JV agreement for Quantum Solutions International as platform for collaboration
  - ✓ Established joint strategic business development framework
  - ✓ Raising approximately S\$187.1M from issue of 107.6M new shares (representing 4.76% of enlarged share capital)
  
- Accelerating transformation, with increasing investments in infrastructure and resources, and M&As to develop the Group's regional eCommerce Logistics business and network.



The complete set of financial statements is available on  
SGXNET and our website at [www.singpost.com](http://www.singpost.com).





For immediate release

## SingPost achieves record revenue and net profit for first Quarter of FY2015/16

- Revenue 20.7 per cent higher at S\$254.6 million and net profit up 15.8 per cent to S\$46.6 million
- Continued strength in eCommerce and logistics operations contribute to growth
- Underlying net profit for Q1 rose 8 per cent
- Invested S\$75.6 million mainly into expanding eCommerce logistics and postal service efficiency

### Financial Highlights

|                                       | Q1 FY15/16<br>(S\$'000) | Q1 FY14/15<br>(S\$'000) | Variance<br>(%) |
|---------------------------------------|-------------------------|-------------------------|-----------------|
| <b>GROUP RESULTS</b>                  |                         |                         |                 |
| Revenue                               | 254,607                 | 210,914                 | 20.7            |
| Rental & Property Related<br>Income   | 10,604                  | 10,805                  | (1.9)           |
| Total Expenses                        | (222,718)               | (178,386)               | 24.9            |
| Net Profit                            | 46,590                  | 40,241                  | 15.8            |
| Underlying Net Profit                 | 40,282                  | 37,309                  | 8.0             |
| Net Cash from Operating<br>Activities | 59,233                  | 51,324                  | 15.4            |
| Earnings per Share                    | 1.996                   | 1.915                   |                 |

**SINGAPORE, 29 July 2015** – Singapore Post Limited (“SingPost”) today announced its unaudited results for the first quarter ending 30 June 2015.

Continuing growth in eCommerce and logistics lifted SingPost’s revenue for Q1 FY2015/16 by 20.7 per cent to S\$254.6 million. Operating profit was 14.5 per cent higher at S\$57.7 million due to a combination of steady business operating performance overlaid with profit contribution from one-off gains from divestments.

Net profit was S\$46.6 million, higher by 15.8 per cent compared to the corresponding period a year earlier. SingPost’s underlying net profit for the Quarter rose 8 per cent to S\$40.3 million.

### Logistics and eCommerce Show Largest Revenue and Profit Growth Increases

Mail revenue grew 1.6 per cent to S\$125.1 million where the postage revision from October 2014 offset the effect of declining traditional mail volumes and the partial loss of revenue after the divestment of Novation Solutions and DataPost (HK) in the first quarter. SingPost is expected to record an estimated gain of above S\$30 million from the divestment of Novation Solutions and Datapost (HK), as well as DataPost (pending completion).

Revenue from Logistics, which also includes SingPost’s eCommerce logistics business operations, grew strongly by 43.6 per cent to S\$140.1 million. This growth along with the corresponding 74.6 per cent improvement in operating profit from Logistics reflect both the growing demand for eCommerce logistics as well as SingPost’s progress in expanding its share



in this growing market.

Retail & eCommerce was higher by 5.6 per cent where vPOST and the front-end web solutions business were able to offset the decline in revenue from financial services and retail agencies.

The decline in Others in this Quarter was mainly due to higher gains in Q1 FY2014/15 from disposal of property, plant and equipment, compared to this Quarter.

### **Expenses and Cashflow Managed to Optimise Growth**

Total expenses were higher by 24.9 per cent to S\$222.7 million for the Quarter, broadly in tandem with revenue growth. The largest cost increase was for volume-related expenses due to higher international postal traffic and increased eCommerce-related deliveries. M&A related expenses also increased as SingPost continues to create long term shareholder value by focusing its resources to invest in eCommerce logistics, improving productivity in the customer facing processes and back office, as well as forging partnerships to diversify and expand its overseas network.

SingPost's net cash from operating activities was S\$59.2 million, improving 15.4 per cent over the corresponding Quarter in FY2014/15. Cash used for investing activities for the Quarter was S\$80.2 million deployed principally to the construction of the eCommerce Logistics Hub in Tampines, Singapore and for additional POPStations.

### **Initiatives in Q1 FY2015/16 to Drive Future Expansion**

SingPost carried out a number of initiatives in the Quarter that are planned to drive its future expansion. In June 2015, it invested S\$4.6 million in HUBBED Holdings to expand its service offering for parcel delivery and collection in Australia. Recently, on 8 July 2015 it announced initiatives to deepen its collaboration with Alibaba Holdings.

Dr Wolfgang Baier, SingPost's Group Chief Executive Officer said: "We have a set of numbers that demonstrates the progress we are making in the transformation of SingPost. This Quarter, our revenue and net profits are our highest ever. The partnerships we have built and the M&As we have done are showing in our numbers. We are adding one or two major eCommerce customers each month. Just three weeks ago, we announced that we have a new arrangement with Alibaba to create an end-to-end logistics platform around our reorganized subsidiary Quantum Solutions International. We will embark on a joint strategic business development framework with Alibaba and they are increasing their equity in us from 10.23 per cent to 14.51 per cent<sup>1</sup>."

### **Interim Dividend**

Net cash from operating activities was healthy at S\$59.2 million compared to S\$51.3 million in the first Quarter last year.

The Board of Directors has declared an interim quarterly dividend of 1.5 cents per ordinary share (tax exempt one-tier) to be paid on 27 August 2015.

*End*

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<sup>1</sup> Subject to approval of the Info-Communications Development Authority of Singapore and SingPost's shareholders





## About Singapore Post Limited

Singapore Post (SingPost) is the leading provider of mail, logistics and eCommerce solutions in Singapore and the Asia Pacific region, with operations in more than 10 countries.

As Singapore's national postal service provider, SingPost offers trusted communications through domestic and international postal services as well as end-to-end integrated mail solutions covering letter shopping, delivery and mailroom management, among others. For over 150 years, SingPost has been delivering a trusted and reliable service to customers and businesses in Singapore.

As part of its transformation, SingPost has been steadily expanding beyond Singapore, leveraging its regional platform Quantum Solutions and other subsidiaries and partners. With its regional network and infrastructure, SingPost offers fully integrated eCommerce logistics solutions covering the four areas of freight, customs & regulations management, warehousing & fulfilment, last mile delivery & returns, as well as eCommerce web services, to its customers.

SingPost was listed on the Main Board of the Singapore Exchange in 2003 and is a constituent stock of various main global benchmark indices - FTSE All-World Index Series, FTSE All-World Minimum Variance Index, FTSE All-World High Dividend Yield Index, FTSE RAFI Index Series, FTSE Global Infrastructure Index Series and FTSE ST Index Series. It has a strong credit rating of 'A/Stable/NR' by Standard & Poor's.

SingPost won the World Mail Award for Retail Customer Access in 2015, eCommerce, 2014 and People Management, 2013. SingPost also gained international acclaim when it was bestowed the Service Provider of the Year award by Postal Technology International in 2014 and 2012. SingPost is the only company to win the Universal Postal Union's EMS Cooperative award for its Speedpost courier service every year since 2001.

SingPost's subsidiaries and businesses include:

- SP eCommerce (<http://www.specommerce.com/>), an eCommerce enabler that provides brands and retailers with integrated end-to-end eCommerce solutions
- Quantum Solutions (<http://www.quantumsolutions.com/>) which specialises in logistics and fulfilment services to businesses in the Asia Pacific region
- CouriersPlease (<http://www.couriersplease.com.au/>), a leading metropolitan express parcel delivery service in Australia
- Famous Holdings (<http://www.famous.com.sg/>), an established freight consolidator and freight-forwarder with a regional presence in 7 countries
- Lock+Store (<http://www.lockandstore.com/>), a self-storage operator in Singapore, Hong Kong and Malaysia
- Speedpost (<http://www.speedpost.com.sg/>), a leading provider for courier service in Singapore and international shipping to more than 200 destinations across the globe
- vPOST (<http://www.vpost.com.sg/>), one of the largest online shopping and shipping services providers in Southeast Asia
- Omigo Marketplace (<http://www.omigo.com.sg/>), Singapore's online marketplace for consumers to shop and for SMEs and international brands to sell online
- SAM (<https://www.mysam.sg/>), a digital mailbox with bill payment services which can be accessed anywhere, anytime

For more information, please visit: [www.singpost.com](http://www.singpost.com)

**Media Contacts**

Peter Heng, Group Communications  
Tel. +65 6845 6409 / 9125 0023  
Email: [peterheng@singpost.com](mailto:peterheng@singpost.com)

Lim Li Koon  
SingPost, Group Communications  
Tel. +65 6845 6231 / 9363 6523  
Email: [limlikoon@singpost.com](mailto:limlikoon@singpost.com)

**Analyst Contact**

Selena Chong, Investor Relations  
Tel. +65 6845-6720 / 9011-6600  
Email: [selena@singpost.com](mailto:selena@singpost.com)