SingPost-SIAS Dialogue Session

22 June 2017

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"$" means Singapore dollars unless otherwise indicated.

FY2016/17 Performance

FY2016/17 P&L, $M

	FY16/17	FY15/16[1]	YoY % change
Revenue	1,348.5	1,151.5	+17.1%
Other income and gains / (losses)			
Rental and property-related income	36.6	39.4	(7.1%)
Miscellaneous	9.8	12.0	(18.5%)
Total expenses	1,250.1	1,020.1	+22.5%
Exceptional items[2]	(88.7)	95.3	N.M.
Operating profit	58.4	284.3	(79.5%)
Share of associated companies & JVs	(1.2)	9.1	N.M.
Net profit attributable to equity holders	33.4	248.9	(86.6%)
Underlying net profit	115.6	153.6	(24.7%)

- Inclusion of US acquisitions

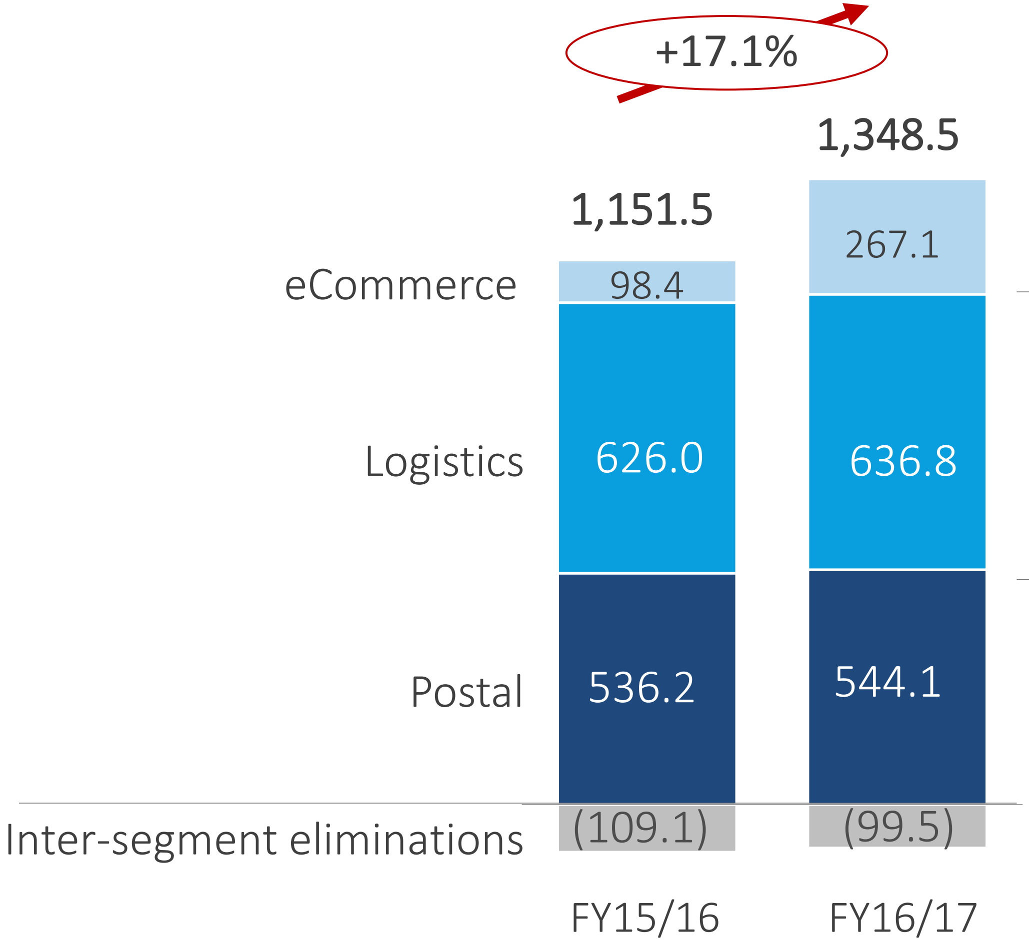
Impairment charges mainly for TradeGlobal, partially offset by revaluation gain on SingPost Centre. Last year, there were exceptional divestment gains.

Due to the impact of planned investments in building out our eCommerce Logistics platform such as the Regional eCommerce Logistics Hub and associates which are investing for growth; higher losses in the US eCommerce business; and a decline in Postal operating profit.

1. Figures in the comparative period last year have been adjusted to be consistent with the current classification
2. Details are contained in the supplementary slide at the end of this presentation

Revenue movement

FY2015/16 vs. FY2016/17 Revenue performance, $M



+171.4% Inclusion of US eCommerce subsidiaries TradeGlobal and Jagged Peak[1]

+1.7% Driven by higher contribution from Couriers Please from increased eCommerce deliveries

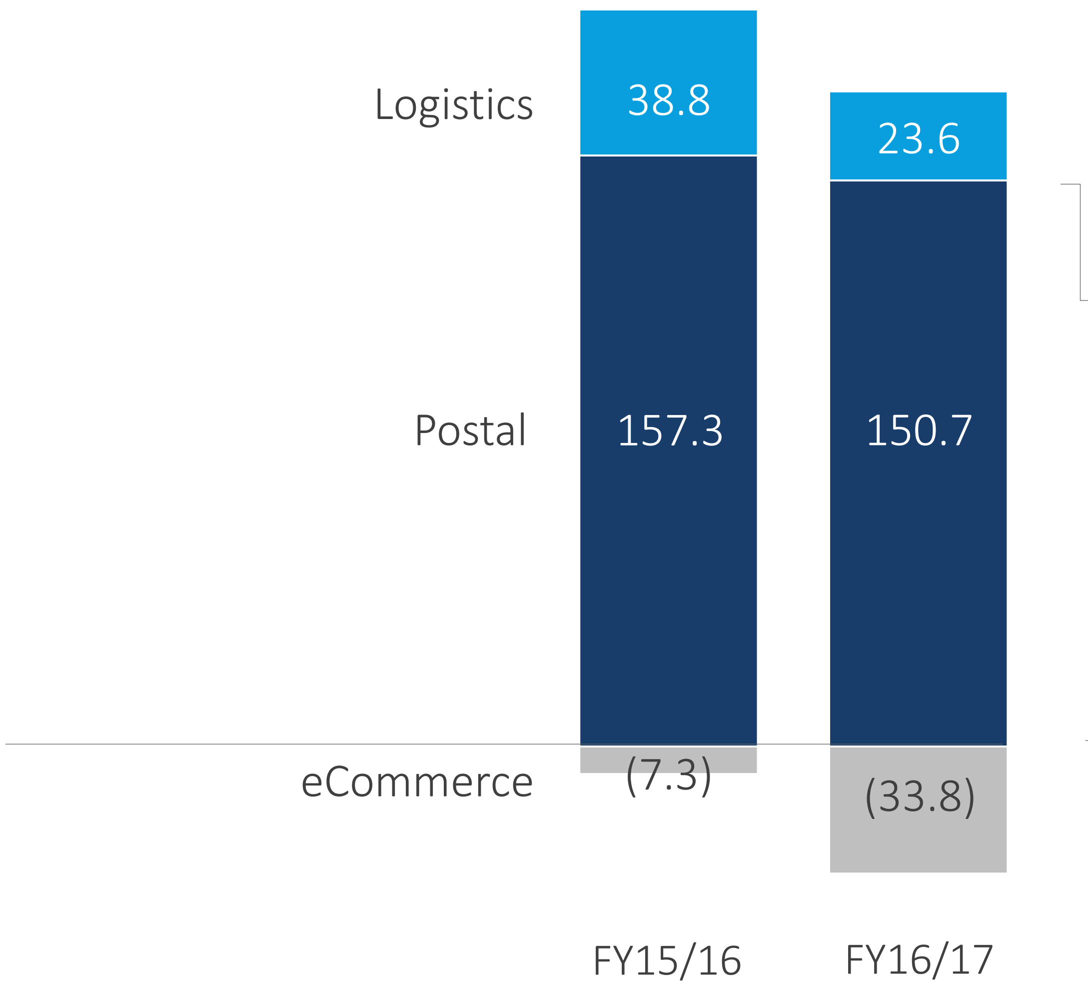
+1.5% Growth in International mail revenue offsets decline in Domestic mail revenue

Differences in total due to rounding

1. The acquisitions of TradeGlobal and Jagged Peak were completed in November 2015 and March 2016 respectively.

Operating Profit for the Postal, Logistics and eCommerce segments

FY2015/16 vs. FY2016/17 Operating Profit performance, $M



(39.2%) Due to costs from planned investments in the Logistics network as well as pricing and competitive pressures in the eCommerce Logistics space

(4.2%) Decline in Domestic mail operating profit in line with lower letter mail volumes, partially mitigated by growth in International eCommerce deliveries

@ Due largely to TradeGlobal operating losses

@ denotes variance exceeding 300%
Differences in total due to rounding

FY2016/17 Underlying Net Profit movement

Underlying Net Profit performance, $M

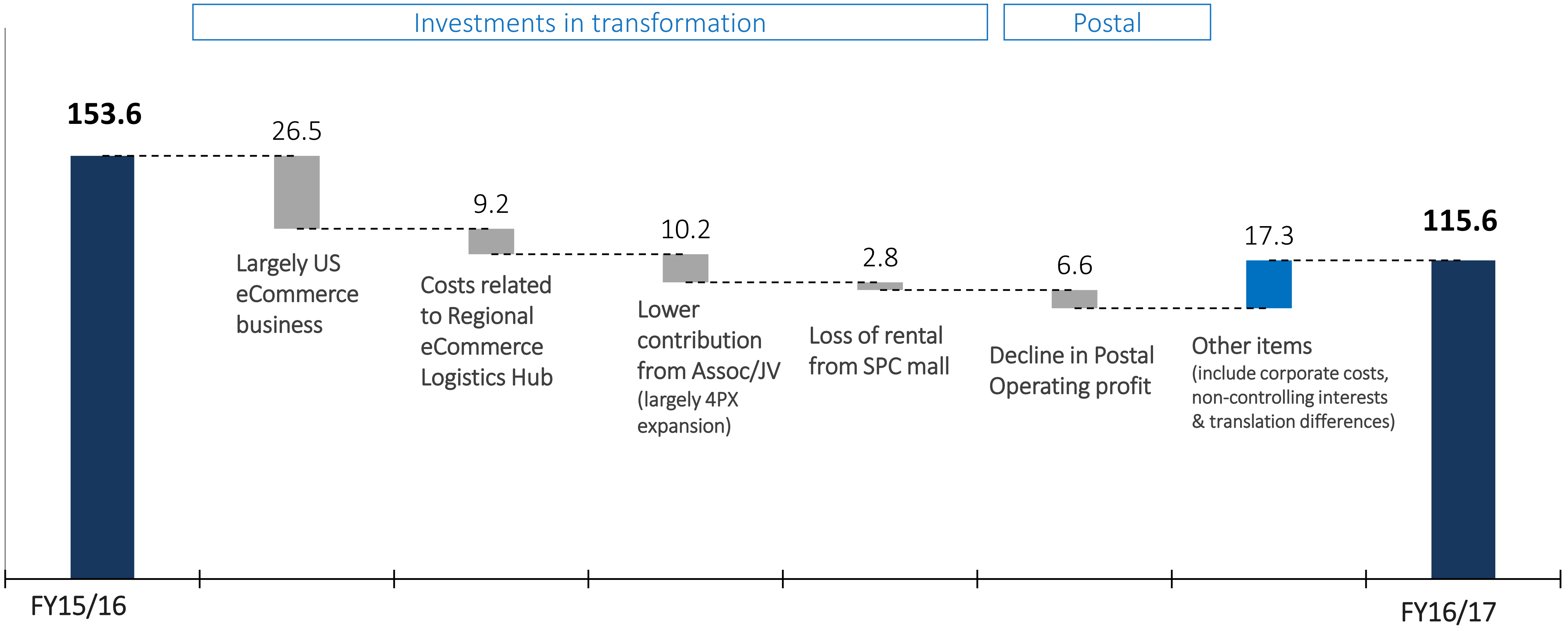


Chart not shown to scale
Differences in total due to rounding

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Cash Flow movement

$M, unless otherwise stated

	FY16/17	FY15/16
Net cash provided by operating activities	200.1	131.4
Cash flow used in investing activities	(89.6)	(457.1)
Cash flow (used in) / provided by financing activities	129.5	(131.8)
Net increase / (decrease) in cash & cash equivalents	**240.0**	**(457.5)**

Increase in cash & cash equivalents due to higher cash provided by operating activities, as well as proceeds received from the sale of a 34% stake in QSI and issuance of new SingPost shares to Alibaba

	FY16/17	FY15/16
Net cash provided by operating activities	200.1	131.4
Capital expenditure	(199.8)	(279.7)
Free cash flow	**0.3**	**(148.3)**

Returned to positive free cash flow for FY16/17 after two years of high capital expenditure, largely for construction of the Regional eCommerce Logistics Hub and SPC retail mall

Balance Sheet and financial indicators

$M, unless otherwise stated

Financial indicators	As at Mar 2017	As at Mar 2016
Cash & cash equivalents at end of financial period	366.6	126.6
Borrowings	364.0	280.3
Net cash / (net debt) position[1]	2.6	(153.6)
Net debt to ordinary shareholders equity (%)	Net cash	12.8%
EBITDA to interest expense (times) [2]	21.6x	29.8x

- Includes cash proceeds from Alibaba to be used in accordance with the investment agreements
- Increased borrowings with cash and short-term funds utilised for committed capital expenditure
- Net cash position due to higher cash balance
- Interest coverage ratio remains strong

1. Differences in total due to rounding
2. Excludes one-off gains or losses. Including one-off gains or losses, the ratios in Mar 2017 and 2016 were 13.3x and 42.1x respectively

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Impairment on TradeGlobal

- SingPost recorded an impairment charge of $185.0 million on the carrying value of its investment in TradeGlobal.

- The valuation process involved a review of TradeGlobal's FY2016/17 performance and a detailed evaluation of the underlying assumptions of future business plans. Management had proposed the impairment charge based on the business plan prepared by Paul Demirdjian, interim CEO for SingPost's US Businesses. The impairment charge was agreed by SingPost's external auditors and approved by the Board.

- Given the extent of the impairment to SingPost's investment in TradeGlobal, SingPost had also appointed FTI Consulting, an independent global business advisory firm, which has verified that the impairment charge was properly calculated following an appropriate review process and that the assumptions adopted were reasonable.

- The principal issue is that TradeGlobal has significantly underperformed the business case which supported the investment. Instead of a projected profit of $9.4 million for FY16/17, TradeGlobal incurred a significant loss of $25.8 million.

- TradeGlobal has experienced both operational and structural challenges. Operational difficulties included a surge in labour costs during the recent peak season, delays in warehouse automation which impacted productivity, as well as management changes.

- Key structural challenges which will impact the business moving forward include:
  - Disruption in the US fashion retail industry which is adversely affecting key customers;
  - Loss of two large key customers which accounted for 30% to 40% of revenue; and
  - Sustained cost pressures arising from labour shortage in the Cincinnati area.

Independent committee appointed

- Following the announcement in the Q3 quarterly results of the risk of significant impairment to TradeGlobal's carrying value, the Board formed an independent committee to conduct a thorough review of the circumstances surrounding SingPost's consideration and approval of the TradeGlobal acquisition.
- To assure stakeholders of the independence of the review, the committee comprises Ms Elizabeth Kong, Mrs Fang Ai Lian and Mr Bob Tan, independent directors all appointed to the Board after the acquisition of TradeGlobal.
- The committee has engaged WongPartnership as legal counsel to assist and advise it on the review of the TradeGlobal acquisition. It has also engaged FTI Consulting to assess the adequacy of the financial and commercial due diligence performed in relation to the transaction.
- The Board will update shareholders on the outcome of the review, and will seek legal advice on appropriate actions, if any, to be taken arising from the findings of the committee.
- The review is expected to be completed and the findings released before the Annual General Meeting in July 2017.

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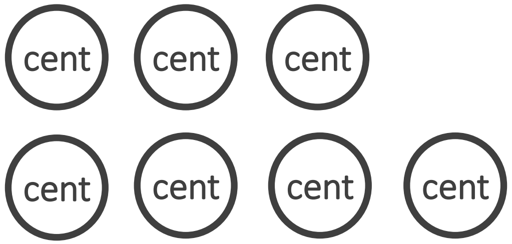
Revised dividend policy to ensure sustainability

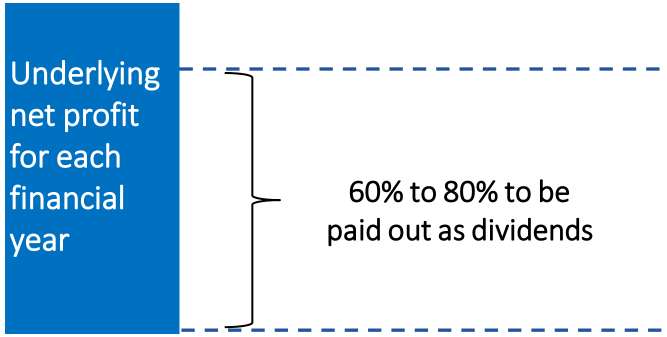
Previous dividend policy



Absolute amount each financial year

- SingPost's dividends were previously supported largely by the domestic mail business which continues to see declining volumes.
- To provide future sources of earnings, we have made significant transformational investments in eCommerce and eCommerce logistics, as well as in the redevelopment of the SingPost Centre retail mall.
- These investments will impact earnings in the short term, and the revised dividend policy should be understood in this context.

Revised dividend policy



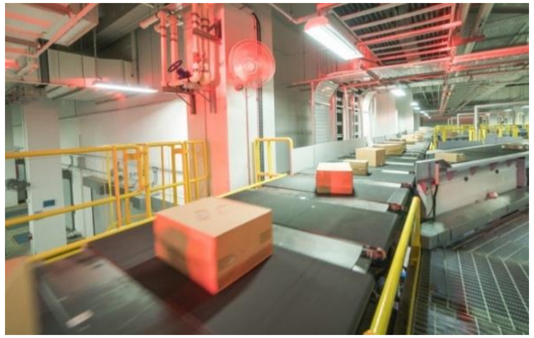
Based on 60% to 80% of underlying net profit for each financial year

- To ensure that the dividends are sustainable, the dividend policy has been changed from an absolute amount to one based on a payout ratio ranging from 60% to 80% of underlying net profit for each financial year.
- For FY16/17, the interim dividends and proposed final dividend amount to **3.5 cents**, which represents **66%** of underlying net profit for the year.
- TradeGlobal's FY16/17 operating loss of $25.8 million impacts SingPost's underlying net profit and therefore the dividend payout. The impairment charge of $185.0 million is an exceptional item which does not impact underlying net profit and dividends, and has no impact on cash flow in the FY16/17 financial statements.

Key developments in FY2016/17

Enhanced capabilities with opening of Regional eCommerce Logistics Hub

Officially opened on 1 Nov 2016



- Sorting capacity of 100,000 parcels a day
- Fully automated parcel sorting system and automated warehouse
- End-to-end sorting, shipping and returns management capabilities

Strengthening eCommerce Logistics network & partnerships

Alibaba Group took a 34% stake in Quantium Solutions International in October 2016, and raised its stake in SingPost to 14.4% in January 2017

Maximising yields and returns

- Retail mall at SingPost Centre expected to open in second half of 2017, with a net lettable area of about 175,000 sq ft
- CapitaLand appointed as retail mall manager, which will help optimise returns from the mall

Renewal of Postal license

Renewed for a period of 20 years with effect from 1 April 2017

New policies implemented to strengthen Corporate Governance

- Code of Business Conduct and Ethics
- Policy on Directors' Conflict of Interest
- Board Renewal and Tenure Policy
- Market Disclosure Policy which sets out the principles, guidelines and procedures governing market disclosure

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In FY2016/17, revenue rose with the inclusion of US eCommerce acquisitions.

Underlying net profit declined largely due to:

- the impact of planned investments in building out our eCommerce Logistics platform such as the Regional eCommerce Logistics Hub and associates which are investing for growth;
- higher losses in the US eCommerce business; and
- a decline in Postal operating profit due to lower domestic letter mail volumes.

SingPost recorded strong cash flow and balance sheet position for the financial year ended 31 March 2017.

Proposed final dividend of 0.5 cent per share brings total dividends for FY2016/17 to 3.5 cents per share, which represents 66% of underlying net profit.

In FY2017/18, the Group plans to grow revenue and volumes through new business opportunities, integrating past acquisitions and extracting synergies, as well as leveraging the strategic partnership with Alibaba and its subsidiaries.

SingPost continues to build its capabilities to transform from a Singapore postal company into a leading eCommerce Logistics provider. This will lay a foundation for long term sustainable growth. However, it will take time for the investments to contribute materially to earnings.

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Exceptional items[1]

$M	FY16/17
Impairment, net of tax	**(208.6)[2]**
TradeGlobal	*(185.0)*
Postea[3]	*(20.5)*
Toh Guan Road Building (PPE)[4]	*(9.3)*
Write-back of deferred tax liability[5]	*6.4*
Other impairment	*(0.2)*
Fair value gain on investment properties	**108.7**
Gain on associated companies	**20.9**
Other items	*(3.2)*
Total Exceptional items, net of tax	**(82.2)**

- TradeGlobal: Significantly underperformed the business case which supported the investment
- Postea: The carrying value of the investment was no longer supported by the value-in-use as Postea's management had made material changes to its business projections
- Toh Guan Road Building: Reflects the decline in current market valuation of the property against its purchase price
- Fair value gain on investment properties: Mainly for SingPost Centre, where redevelopment of the retail section of the building is nearing completion
- Gain on associated companies: Gain on dilution of interest in 4PX and fair value gain on warrants from GD Express

1. Further to the announcement in the Q3 quarterly results of the risk of significant impairment to TradeGlobal's carrying value, the management of SingPost has reviewed the carrying value of SingPost's investments and assets. The valuation process involved a review of the FY16/17 performance and a detailed evaluation of the underlying assumptions of future business plans for each of the businesses. Given the extent of the impairment to SingPost's investment in TradeGlobal, SingPost had also appointed FTI Consulting, an independent global business advisory firm, which has verified that the impairment charge was properly calculated following an appropriate review process and that the assumptions adopted were reasonable.
2. Includes a $20.6M gain arising from the full write-back of contingent consideration for a subsidiary assessed to be no longer payable. This write-back was offset by a purchase price adjustment that reduced the carrying value of goodwill on acquisition of this subsidiary by the same amount of the write-back.
3. Postea is an associate which provides technology solutions to postal and courier companies.
4. Industrial building at 3B Toh Guan Road East, purchased in May 2015.
5. There was a write-back of deferred tax liability of $6.4m in relation to the impairment of intangible assets of TradeGlobal, reflected in the income tax line.

Thank you