

Financial Statements and Related Announcement::Second Quarter and/ or Half Yearly Results

Issuer & Securities

Issuer/ Manager	SINGAPORE POST LIMITED
Securities	SINGAPORE POST LIMITED - SG1N89910219 - S08
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Announcement Details

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Additional Details

For Financial Period Ended	30/09/2017
Attachments	<p>SGXNET-Q2FY201718.pdf</p> <p>Results Presentation-Q2FY201718.pdf</p> <p>Press Release.pdf</p> <p>Total size =2361K</p>

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**SINGAPORE POST LIMITED
AND ITS SUBSIDIARIES**

(Registration number: 199201623M)

**SGXNET ANNOUNCEMENT
UNAUDITED RESULTS FOR THE
SECOND QUARTER AND HALF YEAR
ENDED 30 SEPTEMBER 2017**

**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

	FY2017/18 Q2 S\$'000	FY2016/17 Q2 S\$'000	Variance %	FY2017/18 H1 S\$'000	FY2016/17 H1 S\$'000	Variance %
Revenue	354,687	321,733	10.2%	708,809	655,105	8.2%
Other income and gains (net)						
- Rental and property-related income	10,584	8,954	18.2%	19,626	18,644	5.3%
- Miscellaneous	3,682	1,855	98.5%	6,437	4,215	52.7%
Labour and related expenses	(90,381)	(87,651)	3.1%	(179,814)	(172,632)	4.2%
Volume-related expenses ¹	(187,558)	(161,896)	15.9%	(372,591)	(322,840)	15.4%
Administrative and other expenses	(38,907)	(34,867)	11.6%	(73,571)	(70,226)	4.8%
Depreciation and amortisation	(15,191)	(11,347)	33.9%	(29,757)	(22,131)	34.5%
Selling expenses	(6,542)	(1,932)	238.6%	(9,600)	(5,595)	71.6%
Finance expenses	(2,841)	(59)	@	(6,727)	(1,949)	245.2%
Total expenses	(341,420)	(297,752)	14.7%	(672,060)	(595,373)	12.9%
Exceptional items ²	890	4,373	(79.6%)	4,917	4,462	10.2%
Share of profit of associated companies and joint ventures	4,921	338	@	2,118	912	132.2%
Profit before income tax	33,344	39,501	(15.6%)	69,847	87,965	(20.6%)
Income tax expense	(8,461)	(7,075)	19.6%	(16,838)	(18,509)	(9.0%)
Total profit	24,883	32,426	(23.3%)	53,009	69,456	(23.7%)
Net profit attributable to:						
Equity holders of the Company	28,470	31,443	(9.5%)	59,443	67,295	(11.7%)
Non-controlling interests	(3,587)	983	N.M.	(6,434)	2,161	N.M.
Operating Profit³	29,910	38,143	(21.6%)	71,798	87,512	(18.0%)
Underlying Net Profit⁴	27,580	27,070	1.9%	54,526	62,833	(13.2%)

Earnings per share for profit attributable to the equity holders of the Company during the period / year:⁵

- Basic	1.09 cents	1.28 cents	2.29 cents	2.76 cents
- Diluted	1.09 cents	1.28 cents	2.29 cents	2.76 cents

Notes

- Volume-related expenses comprise mainly of traffic expenses and cost of sales.
- Exceptional items comprised one-off items such as asset impairment, fair value changes on investment properties, gains or losses on sale of investments and property, plant and equipment and M&A related professional fees.
- Operating profit for the purposes of paragraph 8 "Review of the performance of the Group" is defined as profit before net interest expense, tax and share of profit or loss of associated companies and joint ventures.
- Underlying net profit is defined as net profit before exceptional items, net of tax.
- 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).

N.M. Not meaningful.
@ Denotes variance exceeding 300%.

Consolidated Statement of Comprehensive Income

	FY2017/18 Q2 S\$'000	FY2016/17 Q2 S\$'000	Variance %	FY2017/18 H1 S\$'000	FY2016/17 H1 S\$'000	Variance %
Total profit	24,883	32,426	(23.3%)	53,009	69,456	(23.7%)
Other comprehensive income / (loss) (net of tax):						
Items that may be reclassified subsequently to profit or loss:						
Available for sale financial assets - fair value (losses) / gains	(129)	65	N.M.	(210)	7	N.M.
Currency translation differences arising from Consolidation						
- Gains / (losses)	581	6,964	(91.7%)	(632)	(766)	17.5%
- Transfers to profit & loss arising from disposals of subsidiaries and associates	-	(332)	N.M.	-	(332)	N.M.
Other comprehensive income / (loss) for the period (net of tax)	452	6,697	(93.3%)	(842)	(1,091)	22.8%
Total comprehensive income for the period*	25,335	39,123	(35.2%)	52,167	68,365	(23.7%)
Total comprehensive income attributable to:						
Equity holders of the Company	28,804	38,981	(26.1%)	58,781	67,407	(12.8%)
Non-controlling interests	(3,469)	142	N.M.	(6,614)	958	N.M.
	25,335	39,123	(35.2%)	52,167	68,365	(23.7%)

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

Underlying Net Profit Reconciliation Table

	FY2017/18 Q2 S\$'000	FY2016/17 Q2 S\$'000	Variance %	FY2017/18 H1 S\$'000	FY2016/17 H1 S\$'000	Variance %
Profit attributable to equity holders of the Company	28,470	31,443	(9.5%)	59,443	67,295	(11.7%)
Losses / (gain) on disposal of property, plant and equipment	76	43	76.7%	15	(46)	N.M.
Professional fees	764	476	60.5%	1,482	476	211.3%
Fair value gain on warrants from an associated company	(1,730)	-	N.M.	(7,405)	-	N.M.
Gain on dilution of interest in an associated company	-	(4,892)	N.M.	-	(4,892)	N.M.
Provision for the restructuring of overseas operation	-	-	-	991	-	N.M.
Underlying Net Profit	27,580	27,070	1.9%	54,526	62,833	(13.2%)

N.M. Not meaningful.

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

	FY2017/18	FY2016/17		FY2017/18	FY2016/17	
	Q2	Q2	Variance	H1	H1	Variance
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Other operating income and interest income	14,266	10,809	32.0%	26,063	22,859	14.0%
Interest on borrowings	2,387	2,145	11.3%	4,720	4,162	13.4%
Depreciation and amortisation	15,077	11,461	31.6%	29,757	22,411	32.8%
Allowance for doubtful debts and bad debts written off / (written back)	5,480	(697)	N.M.	5,781	(211)	N.M.
Foreign exchange gains / (losses)	387	1,290	(70.0%)	(235)	2,309	N.M.
(Losses) / gains on sale of investments, property, plant and equipment	(76)	5,193	N.M.	(15)	5,282	N.M.

N.M. Not meaningful.

(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		
	Sep-17 S\$'000	Mar-17 S\$'000	Sep-16 S\$'000	Sep-17 S\$'000	Mar-17 S\$'000	Sep-16 S\$'000
ASSETS						
Current assets						
Cash and cash equivalents	282,342	366,614	158,014	220,324	303,179	90,189
Financial assets	3,745	4,301	3,863	3,745	3,954	3,516
Trade and other receivables	227,886	199,007	182,173	201,703	173,304	181,009
Derivative financial instruments	25,546	16,079	588	25,597	16,142	635
Inventories	4,442	4,450	4,893	58	107	227
Other current assets	19,104	17,174	19,491	6,873	5,180	7,034
	563,065	607,625	369,022	458,300	501,866	282,610
Non-current assets						
Financial assets	35,977	36,010	38,087	35,723	35,748	37,804
Trade and other receivables	7,151	7,091	6,993	400,660	405,122	565,361
Investments in associated companies and joint ventures	119,543	117,783	148,802	14,849	14,849	14,348
Investments in subsidiaries	-	-	-	340,533	340,533	357,779
Investment properties	998,876	970,392	787,593	955,792	927,538	803,258
Property, plant and equipment	553,353	565,583	559,798	241,399	240,371	241,560
Intangible assets	397,506	400,683	586,073	-	-	227
Deferred income tax assets	5,648	6,218	5,139	-	-	-
Other non-current asset	4,494	5,198	5,100	-	-	-
	2,122,548	2,108,958	2,137,585	1,988,956	1,964,161	2,020,337
Total assets	2,685,613	2,716,583	2,506,607	2,447,256	2,466,027	2,302,947
LIABILITIES						
Current liabilities						
Trade and other payables	432,224	395,084	375,554	366,172	353,681	239,133
Current income tax liabilities	37,291	34,774	36,125	31,267	30,367	30,841
Deferred income ¹	7,325	7,413	7,248	7,325	7,413	7,248
Derivative financial instruments	-	1,055	473	-	1,055	445
Borrowings	77,857	148,786	188,711	57,743	117,743	157,000
	554,697	587,112	608,111	462,507	510,259	434,667
Non-current liabilities						
Trade and other payables	23,960	44,462	28,840	1,935	2,070	-
Borrowings	229,072	215,199	217,726	201,942	202,318	202,680
Deferred income ¹	45,926	49,545	53,164	45,926	49,545	53,164
Deferred income tax liabilities	60,180	62,547	57,745	22,433	22,603	20,483
	359,138	371,753	357,475	272,236	276,536	276,327
Total liabilities	913,835	958,865	965,586	734,743	786,795	710,994
NET ASSETS	1,771,778	1,757,718	1,541,021	1,712,513	1,679,232	1,591,953
EQUITY						
Capital and reserves attributable to the Company's equity holders						
Share capital	638,762	638,756	452,259	638,762	638,756	452,259
Treasury shares	(7,516)	(1,227)	(1,227)	(7,516)	(1,227)	(1,227)
Other reserves	69,513	71,787	8,181	36,566	37,249	35,531
Retained earnings	679,279	650,007	722,952	697,916	657,628	758,605
Ordinary equity	1,380,038	1,359,323	1,182,165	1,365,728	1,332,406	1,245,168
Perpetual securities ²	346,785	346,826	346,785	346,785	346,826	346,785
	1,726,823	1,706,149	1,528,950	1,712,513	1,679,232	1,591,953
Non-controlling interests	44,955	51,569	12,071	-	-	-
Total equity	1,771,778	1,757,718	1,541,021	1,712,513	1,679,232	1,591,953

Notes

- 1 Mainly relates to the postassurance collaboration with AXA Life Insurance Singapore Private Limited.
- 2 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 FRS32 "Financial Instruments: Presentation", the perpetual securities are presented within equity.

As at 30 September 2017, the Group has capital and investment commitments amounting to S\$88.4 million not provided for in the financial statements.

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

	Sep-17	Mar-17	Sep-16
	S\$'000	S\$'000	S\$'000
Amount repayable in one year or less, or on demand			
- Borrowings (secured)	3,114	14,043	2,430
- Borrowings (unsecured)	74,743	134,743	186,281
Amount repayable after one year:			
- Borrowings (secured)	27,130	12,881	15,046
- Borrowings (unsecured)	201,942	202,318	202,680
	306,929	363,985	406,437

The Group's unsecured borrowings comprised mainly S\$200 million 10-year Fixed Rate 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 bank loans and are secured over investment properties, or guaranteed by a director of a subsidiary with non-controlling interests.

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

	The Group			
	FY2017/18	FY2016/17	FY2017/18	FY2016/17
	Q2	Q2	H1	H1
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Total profit	24,883	32,426	53,009	69,456
Adjustments for:				
Income tax expense	8,461	7,075	16,838	18,509
Allowance for doubtful debts and bad debts written off / (write back)	5,480	(697)	5,781	(211)
Amortisation of deferred income	(1,853)	(1,815)	(3,707)	(3,641)
Amortisation of intangible assets	2,399	1,054	4,768	2,110
Depreciation	12,678	10,407	24,989	20,301
Losses / (gains) on sale of investments, property, plant and equipment	76	(5,193)	15	(5,282)
Gain on derivative instrument	(1,730)	-	(7,405)	-
Share-based staff costs	82	823	467	1,913
Interest expense	2,387	2,145	4,720	4,162
Interest income	(1,354)	(1,079)	(2,658)	(1,490)
Share of profit of associated companies and joint ventures	(4,921)	(338)	(2,118)	(912)
	21,705	12,382	41,690	35,459
Operating cash flow before working capital changes	46,588	44,808	94,699	104,915
Changes in working capital, net of effects from acquisition and disposal of subsidiaries				
Inventories	(139)	(316)	8	(394)
Trade and other receivables	(15,482)	14,067	(38,350)	21,130
Trade and other payables	(24,696)	(22,723)	9,050	(9,332)
Cash generated from operations	6,271	35,836	65,407	116,319
Income tax paid	(14,187)	(14,527)	(14,902)	(16,434)
Net cash (used in) / provided by operating activities	(7,916)	21,309	50,505	99,885
Cash flows from investing activities				
Additions to property, plant and equipment, investment properties and intangible assets	(12,481)	(46,818)	(38,872)	(111,649)
Contingent consideration paid in relation to acquisition of subsidiaries	(3,730)	(528)	(3,730)	(528)
Disposal of a subsidiary, net of cash disposed of	-	(1,568)	-	(1,568)
Dividends received from associated company	-	801	-	1,660
Interest received	2,096	1,201	3,104	1,494
Loan to an associated company	-	(1,521)	-	(1,521)
Proceeds from disposal of property, plant and equipment	161	174	236	1,754
Proceeds on maturity of financial assets	-	3,500	-	4,250
Repayment of loans by associated companies	-	6,334	-	6,470
Net cash used in investing activities	(13,954)	(38,425)	(39,262)	(99,638)
Cash flows from financing activities				
Distribution paid to perpetual securities	(7,499)	(7,499)	(7,499)	(7,499)
Dividends paid to shareholders	(22,713)	(86,532)	(22,713)	(86,532)
Interest paid	(1,307)	(4,137)	(1,743)	(4,591)
Proceeds from issuance of ordinary shares	6	1,517	6	3,271
Purchase of treasury shares	(4,323)	-	(7,229)	-
Proceeds from bank term loan	209,708	154,517	232,000	301,517
Repayment of bank term loan	(234,021)	(115,533)	(288,337)	(175,039)
Net cash (used in) / provided by financing activities	(60,149)	(57,667)	(95,515)	31,127
Net (decrease)/increase in cash and cash equivalents	(82,019)	(74,783)	(84,272)	31,374
Cash and cash equivalents at beginning of financial period	364,361	232,797	366,614	126,640
Cash and cash equivalents at end of financial period	282,342	158,014	282,342	158,014

Significant non-cash transactions

In the current financial period, contingent consideration amounting to S\$905,000 (H1 FY2016/17: S\$2,060,000) in relation to the acquisition of subsidiaries in prior financial years was settled by way of offset against escrow deposits for the acquisition of those subsidiaries.

(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 – Q2

	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				
Balance at 1 July 2017	638,756	(3,193)	677,271	70,236	1,383,070	350,535	1,733,605	48,424	1,782,029
Total comprehensive income / (loss) for the period	-	-	28,470	334	28,804	-	28,804	(3,469)	25,335
	638,756	(3,193)	705,741	70,570	1,411,874	350,535	1,762,409	44,955	1,807,364
Adjustment to other reserves	-	-	-	(1,139)	(1,139)	-	(1,139)	-	(1,139)
Distribution of perpetual securities	-	-	(3,749)	-	(3,749)	3,749	-	-	-
Distribution paid on perpetual securities	-	-	-	-	-	(7,499)	(7,499)	-	(7,499)
Dividends	-	-	(22,713)	-	(22,713)	-	(22,713)	-	(22,713)
Employee share option scheme:									
- Value of employee services	-	-	-	82	82	-	82	-	82
- New shares issued	6	-	-	-	6	-	6	-	6
Purchase of new treasury shares	-	(4,323)	-	-	(4,323)	-	(4,323)	-	(4,323)
Balance at 30 September 2017	638,762	(7,516)	679,279	69,513	1,380,038	346,785	1,726,823	44,955	1,771,778
Balance at 1 July 2016	450,644	(1,717)	781,790	408	1,231,125	350,535	1,581,660	11,929	1,593,589
Total comprehensive income for the period	-	-	31,443	7,538	38,981	-	38,981	142	39,123
	450,644	(1,717)	813,233	7,946	1,270,106	350,535	1,620,641	12,071	1,632,712
Distribution of perpetual securities	-	-	(3,749)	-	(3,749)	3,749	-	-	-
Distribution paid on perpetual securities	-	-	-	-	-	(7,499)	(7,499)	-	(7,499)
Dividends	-	-	(86,532)	-	(86,532)	-	(86,532)	-	(86,532)
Employee share option scheme:									
- Value of employee services	-	-	-	823	823	-	823	-	823
- New shares issued	1,615	-	-	(98)	1,517	-	1,517	-	1,517
- Treasury shares re-issued	-	490	-	(490)	-	-	-	-	-
Balance at 30 September 2016	452,259	(1,227)	722,952	8,181	1,182,165	346,785	1,528,950	12,071	1,541,021

The Group – H1

	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				
Balance at 1 April 2017	638,756	(1,227)	650,007	71,787	1,359,323	346,826	1,706,149	51,569	1,757,718
Total comprehensive income / (loss) for the period	-	-	59,443	(662)	58,781	-	58,781	(6,614)	52,167
	638,756	(1,227)	709,450	71,125	1,418,104	346,826	1,764,930	44,955	1,809,885
Adjustment to other reserves	-	-	-	(1,139)	(1,139)	-	(1,139)	-	(1,139)
Distribution of perpetual Securities	-	-	(7,458)	-	(7,458)	7,458	-	-	-
Distribution paid on perpetual Securities	-	-	-	-	-	(7,499)	(7,499)	-	(7,499)
Dividends	-	-	(22,713)	-	(22,713)	-	(22,713)	-	(22,713)
Employee share option scheme:									
- Value of employee services	-	-	-	467	467	-	467	-	467
- New shares issued	6	-	-	-	6	-	6	-	6
- Treasury shares re-issued	-	940	-	(940)	-	-	-	-	-
Purchase of new treasury shares	-	(7,229)	-	-	(7,229)	-	(7,229)	-	(7,229)
Balance at 30 September 2017	638,762	(7,516)	679,279	69,513	1,380,038	346,785	1,726,823	44,955	1,771,778
Balance at 1 April 2016	448,775	(2,116)	749,647	7,258	1,203,564	346,826	1,550,390	11,113	1,561,503
Total comprehensive income for the period	-	-	67,295	112	67,407	-	67,407	958	68,365
	448,775	(2,116)	816,942	7,370	1,270,971	346,826	1,617,797	12,071	1,629,868
Distribution of perpetual securities	-	-	(7,458)	-	(7,458)	7,458	-	-	-
Distribution paid on perpetual securities	-	-	-	-	-	(7,499)	(7,499)	-	(7,499)
Dividends	-	-	(86,532)	-	(86,532)	-	(86,532)	-	(86,532)
Employee share option scheme:									
- Value of employee services	-	-	-	1,913	1,913	-	1,913	-	1,913
- New shares issued	3,484	-	-	(213)	3,271	-	3,271	-	3,271
- Treasury shares re-issued	-	889	-	(889)	-	-	-	-	-
Balance at 30 September 2016	452,259	(1,227)	722,952	8,181	1,182,165	346,785	1,528,950	12,071	1,541,021

The Company – Q2

	Attributable to ordinary shareholders of the Company						
	Share	Treasury	Retained	Other		Perpetual	
	capital	shares	earnings	reserves	Total	securities	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 July 2017	638,756	(3,193)	691,417	36,613	1,363,593	350,535	1,714,128
Total comprehensive income / (loss) for the period	-	-	32,961	(129)	32,832	-	32,832
	638,756	(3,193)	724,378	36,484	1,396,425	350,535	1,746,960
Distribution on perpetual securities	-	-	(3,749)	-	(3,749)	3,749	-
Distribution paid on perpetual securities	-	-	-	-	-	(7,499)	(7,499)
Dividends	-	-	(22,713)	-	(22,713)	-	(22,713)
Employee share option scheme:							
- Value of employee services	-	-	-	82	82	-	82
- New shares issued	6	-	-	-	6	-	6
Purchase of new treasury shares	-	(4,323)	-	-	(4,323)	-	(4,323)
Balance at 30 September 2017	638,762	(7,516)	697,916	36,566	1,365,728	346,785	1,712,513
Balance at 1 July 2016	450,644	(1,717)	817,604	35,231	1,301,762	350,535	1,652,297
Total comprehensive income for the period	-	-	31,282	65	31,347	-	31,347
	450,644	(1,717)	848,886	35,296	1,333,109	350,535	1,683,644
Distribution on perpetual securities	-	-	(3,749)	-	(3,749)	3,749	-
Distribution paid on perpetual securities	-	-	-	-	-	(7,499)	(7,499)
Dividends	-	-	(86,532)	-	(86,532)	-	(86,532)
Employee share option scheme:							
- Value of employee services	-	-	-	823	823	-	823
- New shares issued	1,615	-	-	(98)	1,517	-	1,517
- Treasury shares re-issued	-	490	-	(490)	-	-	-
Balance at 30 September 2016	452,259	(1,227)	758,605	35,531	1,245,168	346,785	1,591,953

The Company – H1

	Attributable to ordinary shareholders of the Company					Perpetual securities	Total
	Share capital	Treasury shares	Retained earnings	Other reserves	Total		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 April 2017	638,756	(1,227)	657,628	37,249	1,332,406	346,826	1,679,232
Total comprehensive income / (loss) for the period	-	-	70,459	(210)	70,249	-	70,249
	638,756	(1,227)	728,087	37,039	1,402,655	346,826	1,749,481
Distribution on perpetual securities			(7,458)		(7,458)	7,458	-
Distribution paid on perpetual securities	-	-	-	-	-	(7,499)	(7,499)
Dividends	-	-	(22,713)	-	(22,713)	-	(22,713)
Employee share option scheme:							
- Value of employee services	-	-	-	467	467	-	467
- New shares issued	6	-	-	-	6	-	6
- Treasury shares re-issued	-	940	-	(940)	-	-	-
Purchase of new treasury shares	-	(7,229)	-	-	(7,229)	-	(7,229)
Balance at 30 September 2017	638,762	(7,516)	697,916	36,566	1,365,728	346,785	1,712,513
Balance at 1 April 2016	448,775	(2,116)	780,232	34,713	1,261,604	346,826	1,608,430
Total comprehensive income for the period	-	-	72,363	7	72,370	-	72,370
	448,775	(2,116)	852,595	34,720	1,333,974	346,826	1,680,800
Distribution on perpetual securities	-	-	(7,458)	-	(7,458)	7,458	-
Distribution paid on perpetual securities	-	-	-	-	-	(7,499)	(7,499)
Dividends	-	-	(86,532)	-	(86,532)	-	(86,532)
Employee share option scheme:							
- Value of employee services	-	-	-	1,913	1,913	-	1,913
- New shares issued	3,484	-	-	(213)	3,271	-	3,271
- Treasury shares re-issued	-	889	-	(889)	-	-	-
Balance at 30 September 2016	452,259	(1,227)	758,605	35,531	1,245,168	346,785	1,591,953

- (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 2nd quarter ended 30 September 2017, the Company issued 5,000 ordinary shares at a price of S\$1.07 upon the exercise of options granted under the Singapore Post Share Option Scheme.

As at 30 September 2017, there were unexercised options for 26,300,000 (30 September 2016: 27,409,000) unissued ordinary shares under the Singapore Post Share Option Scheme (including Performance Option Plan but excluding Restricted Share Plan) and unvested shares for 1,332,569 (30 September 2016: 2,900,625) unissued ordinary shares under the Restricted Share Plan.

As at 30 September 2017, the Company held 5,858,205 treasury shares (30 September 2016: 1,181,409).

- (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 September 2017, total issued shares excluding treasury shares were 2,269,231,320 (31 March 2017: 2,273,903,116).

- (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 second quarter ended 30 September 2017, no treasury share was re-issued.

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

The figures have not been audited nor 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 2017.

- (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 2017, 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.

- (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.**

	The Group			
	FY2017/18	FY2016/17	FY2017/18	FY2016/17
	Q2	Q2	H1	H1
Based on weighted average number of ordinary shares in issue	1.09 cents	1.28 cents	2.29 cents	2.76 cents
On fully diluted basis	1.09 cents	1.28 cents	2.29 cents	2.76 cents

- (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.**

	The Group		The Company	
	Sep-17	Mar-17	Sep-17	Mar-17
Net asset value per ordinary share based on issued share capital of the Company at the end of the financial period (cents)	76.10	75.03	75.47	73.85
	The Group	The Company	The Group	The Company
	Sep-17	Mar-17	Sep-17	Mar-17
Ordinary equity per ordinary share based on issued share capital of the Company at the end of the financial period (cents)	60.82	59.78	60.18	58.60

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

Second Quarter And Half Year Ended 30 September 2017

Revenue

	FY17/18	FY16/17		FY17/18	FY16/17	
	Q2	Q2	Variance	H1	H1	Variance
Revenue	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Postal	148,346	126,945	16.9%	298,174	263,987	13.0%
Logistics	165,905	154,131	7.6%	332,177	310,813	6.9%
eCommerce	63,478	63,977	(0.8%)	128,198	129,258	(0.8%)
Inter-segment eliminations*	(23,042)	(23,320)	1.2%	(49,740)	(48,953)	(1.6%)
Total	354,687	321,733	10.2%	708,809	655,105	8.2%

* Inter-segment eliminations relate to the elimination of inter-segment billings for internal services to better reflect the profitability of each business segment.

Group revenue rose 10.2% for the second quarter ("Q2") and 8.2% for the half year ("H1") ended 30 September 2017, led by growth in the Postal and Logistics segments.

Postal revenue rose 16.9% in Q2 and 13.0% in H1 respectively, as International mail revenue rose on the back of higher crossborder eCommerce deliveries, in particular with higher volumes from the Alibaba Group. This helped offset the decline in Domestic mail revenue, which reflects continued migration towards electronic statements and bills.

Logistics revenue increased 7.6% in Q2 and 6.9% in H1 respectively. SP Parcels, Couriers Please and Famous Holdings all contributed to revenue growth, with higher last-mile eCommerce deliveries across Singapore and Australia, as well as higher freight forwarding volumes respectively.

These were partially offset by the revenue decline at Quantum Solutions due largely to competitive pressures at its Hong Kong operations, which negated the improved performance in Singapore from higher utilisation at the Regional eCommerce Logistics Hub.

eCommerce revenue declined marginally in Q2 and H1. Revenue for TradeGlobal declined due to the loss of two large customers as previously disclosed. This was offset by revenue growth at Jagged Peak with higher volumes and addition of new customers.

Other Income

Rental and property-related income rose 18.2% in Q2 with rental income recognition for some of the SingPost Center's retail tenants.

Miscellaneous other income rose to S\$3.7 million in Q2, compared to S\$1.9 million last year, due largely to favourable trade related foreign exchange translation differences.

Total Expenses

Total expenses increased 14.7% in Q2 and 12.9% in H1 respectively, largely due to the increase in volume-related expenses, as the Group seeks to grow volumes to benefit from economies of scale from operating leverage.

Volume-related expenses were up 15.9% in Q2 and 15.4% in H1, reflecting the change in business mix as part of the Group's transformation, with higher International mail terminal dues as well as higher Logistics volume-related expenses.

Labour and related expenses rose with higher temporary and contract staff costs to support growth in the business, while Administrative and other expenses rose with higher professional fees and property-related expenses.

Selling expenses rose to S\$6.5 million in Q2 and S\$9.6 million in H1, largely due to doubtful debt provision.

Depreciation and amortisation expenses were higher by 33.9% in Q2 and 34.5% in H1, due largely to higher equipment depreciation costs at the Regional eCommerce Logistics Hub and higher amortisation of intangible assets for TradeGlobal due to shortening of amortisation period of customer relationships from 18 years to 7 years.

Finance expenses rose to S\$2.8 million in Q2 from S\$0.1 million in the comparative period a year ago, mainly due to unfavourable non-trade related foreign translation differences.

Operating Profit

	FY17/18 Q2	FY16/17 Q2	Variance	FY17/18 H1	FY16/17 H1	Variance
OP	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Postal	35,051	33,291	5.3%	71,367	75,380	(5.3%)
Logistics	(4,206)	4,968	N.M.	184	12,206	(98.5%)
eCommerce	(2,926)	(6,760)	56.7%	(7,098)	(10,279)	31.0%
Property & others #	1,101	2,271	(51.5%)	2,428	5,743	(57.7%)
Operating Profit before exceptional items	29,020	33,770	(14.1%)	66,881	83,050	(19.5%)
Exceptional items	890	4,373	(79.6%)	4,917	4,462	10.2%
Operating Profit	29,910	38,143	(21.6%)	71,798	87,512	(18.0%)

Others refer to the commercial property rental operations, unallocated corporate overhead items and one-off items.

For the half year, Postal operating profit declined 5.3%, reflecting the decline in contribution from the Domestic mail business.

In Q2, Postal operating profit rose 5.3%, the first in five quarters. The Postal segment had benefitted from higher International mail operating profit, which helped offset the decline in the Domestic mail business.

The Logistics segment registered an operating loss of S\$4.2 million in Q2, and consequently a significantly lower operating profit of S\$0.2 million in H1 compared to last year. The loss in Q2 was mainly due to doubtful debt provision for a key customer of Quantum Solutions Hong Kong.

Excluding the provision, Logistics operating profit would have been about S\$1.0 million in Q2. The decline in operating profit from S\$5.0 million in the comparative period a year ago was largely due to lower contribution from Quantum Solutions Hong Kong with intense pricing competition resulting in the loss of business. It also reflected costs from planned investments to build out our eCommerce logistics network, such as the Regional eCommerce Logistics Hub.

Operating losses from the eCommerce segment were S\$7.1 million in H1 and S\$2.9 million in Q2 respectively, due largely to operating losses at TradeGlobal.

The eCommerce segment's operating loss of S\$2.9 million in Q2 narrowed on a quarter-on-quarter basis, compared to S\$4.2 million in Q1, as management continues to execute on the turnaround business plan for TradeGlobal.

Operating profit under "Property & others" declined to S\$1.1 million in Q2, from S\$2.3 million in the comparative period a year ago, largely due to pre-opening expenses incurred for the SingPost Center retail mall that was opened on 9 October 2017.

Exceptional items

The Group recorded exceptional items of S\$0.9 million in Q2 due to a fair value gain on warrants from an associated company, partially offset by professional fees. In the comparative period a year ago, exceptional items amounted to S\$4.4 million due to a gain on dilution of interest in an associated company.

Excluding exceptional items, operating profit declined 14.1% in Q2 to S\$29.0 million and 19.5% in H1 to S\$66.9 million.

Share of results of associated companies and joint ventures

Share of results of associated companies and joint ventures rose for the quarter and half year. This was driven by an improved performance at Indo Trans Logistics, our integrated logistics associate in Vietnam.

Net Profit and Underlying Net Profit

Net profit attributable to equity holders was \$28.5 million for Q2, a decline of 9.5% due to the absence of an exceptional gain on dilution of interest in an associated company recorded in the comparative period a year ago.

Excluding exceptional items, underlying net profit rose 1.9% for Q2, driven by improved performance from Postal, eCommerce, associates and joint ventures.

For H1, net profit attributable to equity holders declined 11.7% and underlying net profit declined 13.2% largely due to lower operating profit in the Logistics segment.

Balance Sheet

The Group's total assets amounted to S\$2.7 billion as at 30 September 2017, slightly lower than as at 31 March 2017, due largely to lower cash and cash equivalents used to pay down short-term borrowings, partially offset by higher trade and other receivables.

Total liabilities were S\$913.8 million, compared to S\$958.9 million as at 31 March 2017, due largely to lower borrowings.

Total borrowings decreased from S\$364.0 million as at 31 March 2017 to S\$306.9 million as at 30 September 2017. Interest coverage ratio^[2] stands at 22.0 times compared to 13.3 times as at 31 March 2017.

^[2] EBITDA to interest expense

As at 30 September 2017, the Group was in a net debt position^[1] of S\$24.6 million, compared to a net cash position of S\$2.6 million as at 31 March 2017. While total borrowings were lower, cash and cash equivalents also declined due largely to negative movements in working capital from higher receivables.

Ordinary shareholders' equity was slightly higher at S\$1.4 billion as at 30 September 2017, compared to 31 March 2017 due to retained profit for the period.

Cash Flow

Net cash inflow from operating activities in H1 amounted to S\$50.5 million, compared to S\$99.9 million last year. Operating cash inflow before working capital changes declined by S\$10.2 million to S\$94.7 million, while changes in working capital decreased S\$40.7 million due to higher receivables resulting from a timing difference in receipts. This has since been reduced in October, post the close of the quarter.

Net cash outflow for investing activities in H1 was S\$39.3 million, compared to S\$99.6 million last year, as capital expenditure declined with the completion of the Regional eCommerce Logistics Hub. Capital expenditure in H1 was S\$38.9 million, comprising largely the residual balance for SingPost Centre retail mall redevelopment, compared to S\$111.6 million last year.

Net cash outflow from financing activities in H1 was S\$95.5 million, compared to inflow of S\$31.1 million last year, largely due to net repayment of short-term borrowings.

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

Not applicable.

- (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.**

Postal

While the decline in domestic letter mail volumes is expected to continue, the Group is focused on growing the International mail segment to mitigate the drop in contribution from Domestic mail.

Changes in the international terminal dues system will take effect from 1 January 2018. This will affect not just SingPost but all cross border eCommerce postal deliveries globally. Mitigating measures are being put in place.

The International mail transshipment market remains highly competitive, and margins are relatively low. With the shift in mix towards lower margin International mail, blended Postal margin is expected to decline.

^[1] Cash and cash equivalents less borrowings

Logistics

Over the past few years, we have built out an eCommerce logistics network spanning 19 markets. Partly as a result of costs from planned investments in our network, Logistics margins have declined.

The focus for SingPost moving forward is to drive traffic and volumes onto our eCommerce logistics network and increase utilisation of existing infrastructure, so as to benefit from greater economies of scale and operating leverage.

It will take time for the Logistics segment to grow its profit contribution while it executes on its plans.

eCommerce

In eCommerce, the Group has acquired technologies, customers and market knowhow which enables SingPost to scale its integrated solutions by offering an omni-channel experience that will drive volumes onto its logistics network.

TradeGlobal is executing on a turnaround business plan. While business and cost initiatives are being put in place to improve performance, TradeGlobal is not expected to be profitable for the financial year ending 31 March 2018.

Property & Others

The retail mall at the new SingPost Centre opened on 9 October 2017. The Group will progressively recognise rental income as occupancy ramps up towards a steady state.

Capital expenditure and Cash flow

Capital expenditure for FY2017/18 is expected to be lower than FY2016/17, as the majority of development projects had been completed.

With lower capital expenditure, free cash flow is expected to improve in FY2017/18.

Strategic review

As announced in August 2017, the Group CEO and the leadership team are working with the Board to review and update SingPost's strategy, and deliver a roadmap to improve the Group's performance.

SingPost's strategic vision of transforming from a postal provider to an eCommerce logistics player remains relevant and in the right direction.

The next phase is to build upon the existing foundation, leverage our assets and strengths, and build new capabilities.

SingPost is committed to connecting communities in an eCommerce world.

The key themes of our strategy are:

• Win in our home market

- We strive to be the leading eCommerce logistics player in Singapore, building on our strong infrastructure backbone and harnessing technologies to serve the urban logistics needs of a smart nation.

- **Deliver full value from our overseas investments**
 - We will integrate our businesses across geographies; and
 - maximise the potential of our overseas investments, including a turnaround of our TradeGlobal business.
- **Ignite our future growth engines**
 - We aim to capture global cross-border eCommerce flows by strengthening our strategic collaboration with Alibaba and its associated companies; and
 - build out our eCommerce logistics capabilities in Southeast Asia.
- **Drive cost leadership**
 - We will optimise costs and re-engineer our operations to enhance competitiveness and provide best value for customers.

(11) Dividends

Current financial period reported on

Interim dividend

For the second quarter ended 30 September 2017, the Board of Directors has declared an interim dividend of 0.5 cent per ordinary share (tax exempt one-tier).

The interim quarterly dividend of 0.5 cent per ordinary share will be paid on 8 December 2017. The transfer book and register of members of the Company will be closed on 28 November 2017 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 27 November 2017 will be registered to determine members' entitlements to the dividend.

Corresponding period of the immediately preceding financial year

Interim dividend

An interim dividend of 1.0 cent per ordinary share (tax exempt one-tier) for the second quarter ended 30 September 2016 was declared on 4 November 2016 and paid on 30 November 2016.

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

Not applicable.

(13) Interested Person Transactions

During the second quarter and half year ended 30 September 2017, 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)	
	FY2017/18 Q2 S\$'000	FY2016/17 Q2 S\$'000	FY2017/18 Q2 S\$'000	FY2016/17 Q2 S\$'000
Sales				
Singapore Telecommunications Group	-	-	1,046	-
	-	-	1,046	-
Purchases				
PSA Corporation	-	-	1,518*	-
Sembcorp Group	-	-	-	415
Singapore Telecommunications Group	-	-	499*	-
	-	-	2,017	415
Total interested person transactions	-	-	3,063	415

	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)	
	FY2017/18 H1 S\$'000	FY2016/17 H1 S\$'000	FY2017/18 H1 S\$'000	FY2016/17 H1 S\$'000
Sales				
Mediacorp Group	-	-	370*	-
Singapore Telecommunications Group	-	-	1,238	1,801*
Starhub Group	-	-	638	759
	-	-	2,246	2,560
Purchases				
Certis Cisco Group	-	-	-	450
PSA Corporation	-	-	1,518*	-
SembCorp Group	-	-	-	5,224*
Singapore Airlines Group	-	-	4,248	4,588
Singapore Telecommunications Group	-	-	499*	-
	-	-	6,265	10,262
Total interested person transactions	-	-	8,511	12,822

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 2 months 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 720(1) of the Listing Manual

The Board had received undertakings from all its directors and executive officers in the format as set out in Appendix 7.7 in pursuant to Rule 720(1) of the listing manual of the Singapore Exchange Securities Trading Limited.

(15) 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 second quarter ended 30 September 2017 to be false or misleading.

On behalf of the Board of Directors



MR SIMON CLAUDE ISRAEL
Chairman



MR PAUL COUTTS
Director

Singapore
14 November 2017

Q2 & H1 FY2017/18 Financial Results

14 Nov 2017



Q2 & H1 FY2017/18 Financials

Cash flow and Balance sheet

Segmental results

Business & corporate updates

Update on strategic review

Summary

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.

Q2 FY2017/18 Profit & Loss

Q2 FY2017/18 P&L, \$M

	Q2 FY17/18	Q2 FY16/17	YoY % change
Revenue	354.7	321.7	+10.2%
Other income and gains (net)			
Rental and property-related income	10.6	9.0	+18.2%
Miscellaneous	3.7	1.9	+98.5%
Total expenses	341.4	297.8	+14.7%
Exceptional items	0.9	4.4	(79.6%)
Operating profit	29.9	38.1	(21.6%)
Share of associated companies & JVs	4.9	0.3	@
Net profit attributable to equity holders	28.5	31.4	(9.5%)
Underlying net profit	27.6	27.1	+1.9%

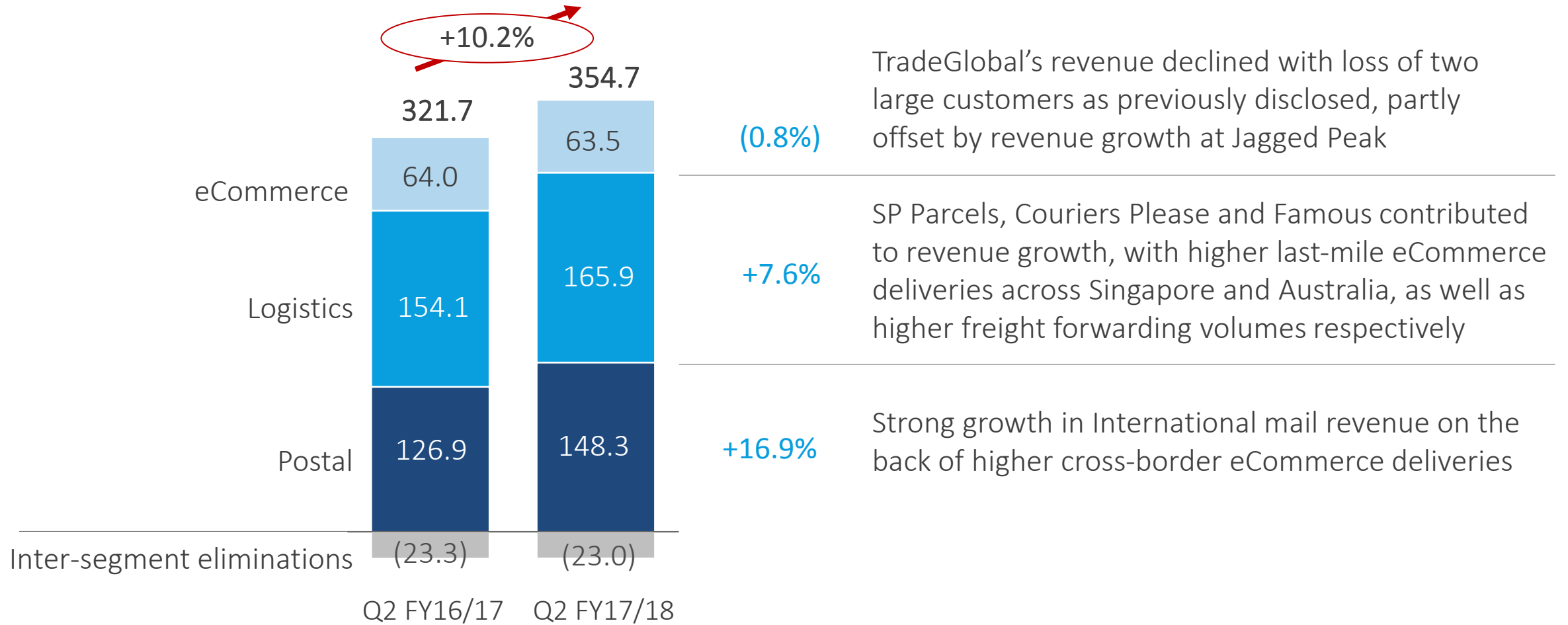
– Led by growth in the Postal and Logistics segments

In Q2 last year, there was an exceptional gain of S\$4.4 million largely due to a gain on dilution of interest in an associated company

Excluding exceptional items, underlying net profit rose 1.9% driven by improved performance from Postal, eCommerce, associates and joint ventures

Revenue movement

Q2 FY2016/17 vs. Q2 FY2017/18 Revenue performance, \$M



Differences in total due to rounding

Operating expenses

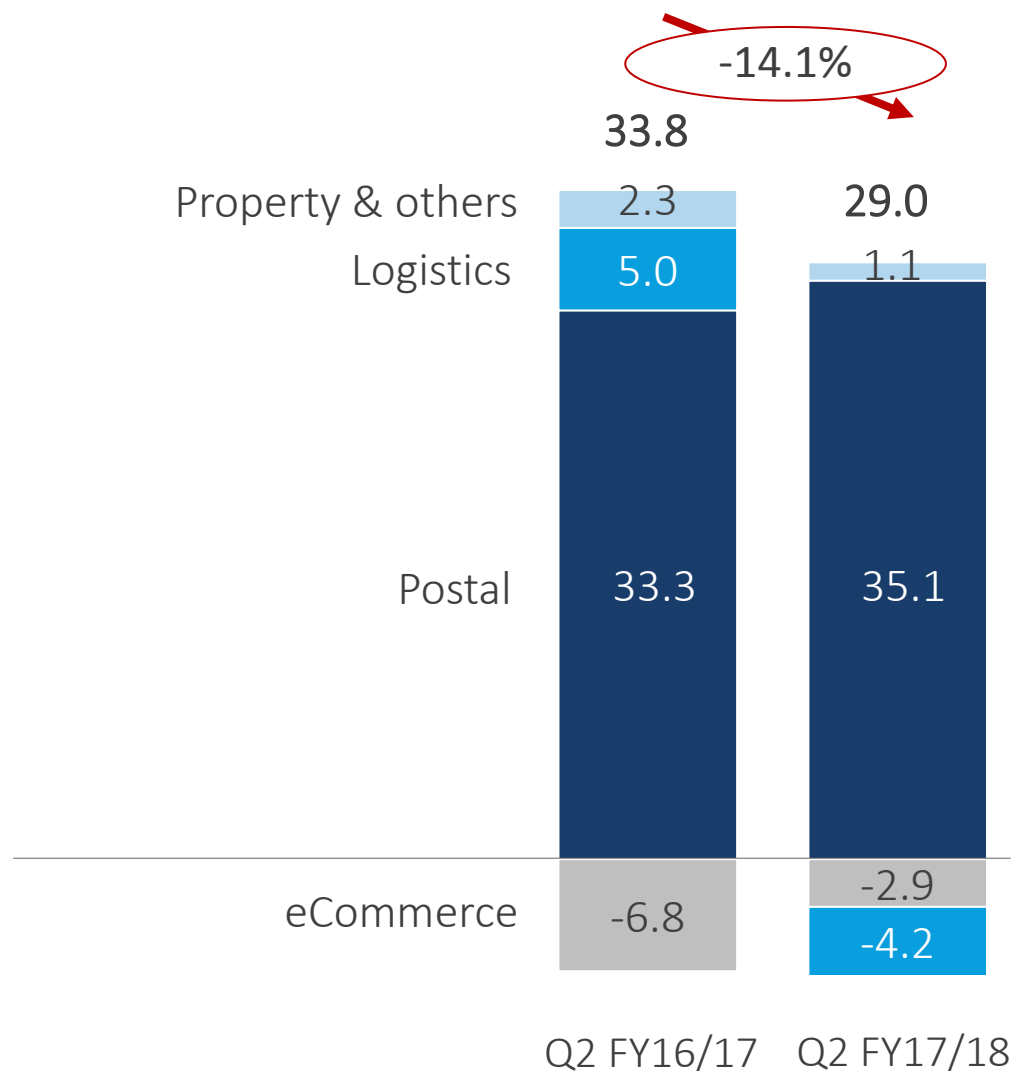
Total expenses Q2 FY2017/18 breakdown, \$M

	Q2 FY17/18	Q2 FY16/17	YoY % change	
Labour & related	90.4	87.7	+3.1%	higher temporary and contract staff to support growth in the business
Volume-related	187.6	161.9	+15.9%	higher International mail terminal dues and conveyance costs
<i>Traffic & related</i>	116.0	85.6	+35.5%	
<i>Outsourcing services and delivery expenses</i>	71.6	76.3	(6.2%)	
Admin & others	38.9	34.9	+11.6%	higher equipment depreciation costs at the Regional eCommerce Logistics Hub, and shortening of amortisation period for intangible assets of TradeGlobal
Depreciation & amortisation	15.2	11.3	+33.9%	
Selling	6.5	1.9	+238.6%	mainly due to doubtful debt provision
Finance expense	2.8	0.1	@	mainly due to unfavourable non-trade related foreign exchange translation differences
Total expenses	341.4	297.8	+14.7%	

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

Operating Profit before exceptional items

Q2 FY2016/17 vs. Q2 FY2017/18 Operating Profit performance, \$M



(51.5%) Largely due to pre-opening expenses for SingPost Center retail mall

+5.3% Higher International mail operating profit helped offset decline in Domestic mail contribution

+56.7% eCommerce operating losses narrowed as management continues to execute on the turnaround business plan for TradeGlobal

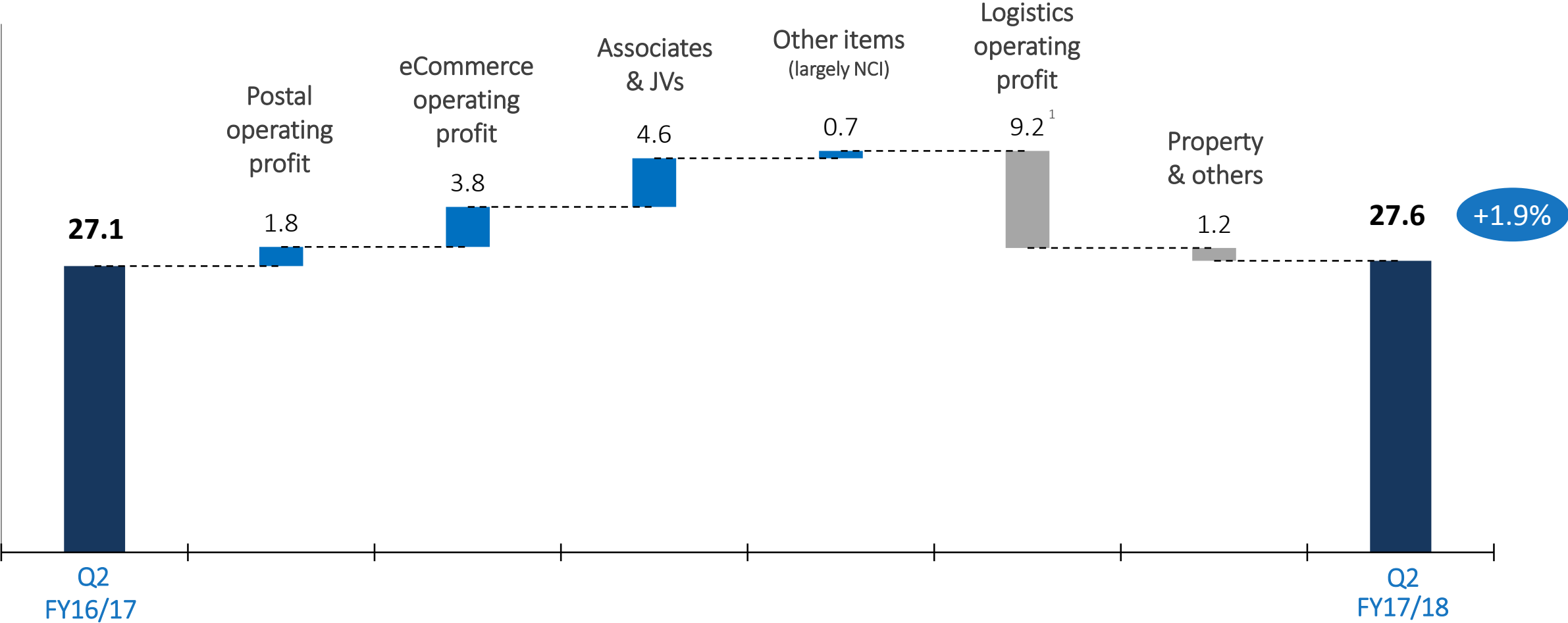
N.M. Logistics operating loss of S\$4.2 million was due to doubtful debt provision for a key customer of Quantum Solutions Hong Kong. Excluding the provision, operating profit would have been about S\$1.0 million

Differences in total due to rounding

Q2 FY2017/18 Underlying Net Profit movement



Underlying Net Profit performance, \$M



1. Includes doubtful debt provision of around S\$5.2 million
 Chart not shown to scale, differences in total due to rounding

H1 FY2017/18 Profit & Loss

H1 FY2017/18 P&L, \$M

	H1 FY17/18	H1 FY16/17	YoY % change
Revenue	708.8	655.1	+8.2%
Other income and gains (net)			
Rental and property-related income	19.6	18.6	+5.3%
Miscellaneous	6.4	4.2	+52.7%
Total expenses	672.1	595.4	+12.9%
Exceptional items	4.9	4.5	+10.2%
Operating profit	71.8	87.5	(18.0%)
Share of associated companies & JVs	2.1	0.9	132.2%
Net profit attributable to equity holders	59.4	67.3	(11.7%)
Underlying net profit	54.5	62.8	(13.2%)

— Revenue growth was led by the Postal and Logistics segments

Underlying net profit declined largely due to lower operating profit in the Logistics segment

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Cash Flow movement

\$M, unless otherwise stated

	H1 FY17/18	H1 FY16/17
Operating cash flow before working capital changes	94.7	104.9
Changes in working capital	(29.3)	11.4
Income tax paid	(14.9)	(16.4)
Net cash provided by operating activities	50.5	99.9
Capital expenditure	(38.9)	(111.6)
Free cash flow	11.6	(11.8)

Negative movement in working capital due to higher receivables arising from a timing difference in receipts. This has since been reduced in October, post the close of the quarter.

Improved free cash flow due to lower capital expenditure with the completion of Regional eCommerce Logistics Hub

	H1 FY17/18	H1 FY16/17
Net cash provided by operating activities	50.5	99.9
Cash flow used in investing activities	(39.3)	(99.6)
Cash flow (used in) / provided by financing activities	(95.5)	31.1
Net increase / (decrease) in cash & cash equivalents	(84.3)	31.4

Decrease in cash & cash equivalents due to negative movements in working capital, as well as net repayment of short term bank loans compared to loan proceeds last year

Balance Sheet and financial indicators

\$M, unless otherwise stated

Financial indicators	As at Sep 2017	As at Mar 2017	
Cash & cash equivalents at end of financial period	282.3	366.6	Includes cash proceeds from Alibaba to be used in accordance with the investment agreements
Borrowings	306.9	364.0	Lower borrowings with partial repayment of short term bank loans
Net cash / (net debt) position	(24.6)	2.6	While borrowings were lower, cash and cash equivalents also declined
Net debt to ordinary shareholders equity (%)	(1.8%)	Net cash	
EBITDA to interest expense (times)	22.0x	13.3x ¹	Interest coverage ratio remains strong

1. Includes one-off gains and losses.

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Postal: Q2 FY2017/18 Performance

\$M



Postal	Q2 FY17/18	Q2 FY16/17	YoY % change
Revenue	148.3	126.9	+16.9%
Operating profit	35.1	33.3	+5.3%
OP margin	23.6%	26.2%	

Revenue breakdown	Q2 FY17/18	Q2 FY16/17	YoY % change
Domestic mail ¹	55.7	60.4	(7.8%)
International mail	85.6	58.9	+45.2%
Post office products & services ²	7.0	7.6	(7.1%)
Total	148.3	126.9	+16.9%

International mail revenue rose on the back of higher cross-border eCommerce deliveries, in particular with higher volumes from the Alibaba Group. This helped offset the decline in Domestic mail, which reflects continued migration towards electronic statements and bills.

Operating profit rose 5.3%, the first in five quarters. The Postal segment had benefitted from higher International mail operating profit, which helped offset the decline from Domestic mail.

1. Includes Philatelic

2. Includes Agency services, Retail products and Financial services

Postal: H1 FY2017/18 Performance

\$M



Postal	H1 FY17/18	H1 FY16/17	YoY % change
Revenue	298.2	264.0	+13.0%
Operating profit	71.4	75.4	(5.3%)
OP margin	23.9%	28.6%	

Revenue breakdown	H1 FY17/18	H1 FY16/17	YoY % change
Domestic mail ¹	114.1	124.4	(8.3%)
International mail	169.8	124.5	+36.4%
Post office products & services ²	14.3	15.1	(5.0%)
Total	298.2	264.0	+13.0%

The revenue trends for H1 are similar to that for Q2.

In H1, although International mail operating profit rose, this was not sufficient to offset the impact of the decline in Domestic mail operating profit.

Consequently, Postal operating profit declined.

1. Includes Philatelic

2. Includes Agency services, Retail products and Financial services

Logistics: Q2 FY2017/18 Performance



\$M

Logistics	Q2 FY17/18	Q2 FY16/17	YoY % change
Revenue	165.9	154.1	+7.6%
Operating profit	(4.2)	5.0	N.M.
OP margin	(2.5%)	3.2%	

Revenue breakdown	Q2 FY17/18	Q2 FY16/17	YoY % change
Quantium Solutions	22.9	26.5	(13.7%)
Couriers Please	38.5	35.0	+9.9%
SP Parcels	21.1	18.0	+16.9%
Famous	62.3	56.1	+11.0%
Others ¹	21.2	18.5	+14.8%
Total	165.9	154.1	+7.6%

SP Parcels, Couriers Please and Famous contributed to revenue growth, with higher last-mile deliveries across Singapore and Australia, as well as higher freight forwarding volumes respectively. Quantum Solutions faced competitive pressures at its Hong Kong operations.

The operating loss of S\$4.2m was due to doubtful debt provision for a key customer of QS Hong Kong. Excluding the provision, OP would have been about S\$1.0m.

The decline against S\$5.0m last year was largely due to lower contribution from QS with intense pricing competition in HK resulting in the loss of business. It also reflected costs from planned investments such as the Regional eCommerce Logistics Hub.

1. Includes the self storage business under Lock+Store
N.M. denotes Not Meaningful

Logistics: H1 FY2017/18 Performance

\$M

Logistics	H1 FY17/18	H1 FY16/17	YoY % change
Revenue	332.2	310.8	+6.9%
Operating profit	0.2	12.2	(98.5%)
OP margin	0.1%	3.9%	

The revenue trends for H1 are similar to that for Q2.

Due to the operating loss recorded in Q2, operating profit for H1 was significantly lower compared to last year.

Revenue breakdown	H1 FY17/18	H1 FY16/17	YoY % change
Quantium Solutions	46.7	55.0	(15.0%)
Couriers Please	73.3	68.9	+6.3%
SP Parcels	42.7	36.9	+15.8%
Famous	125.2	112.2	+11.6%
Others ¹	44.3	37.9	+17.1%
Total	332.2	310.8	+6.9%

1. Includes the self storage business under Lock+Store

eCommerce: Q2 FY2017/18 Performance

\$M

eCommerce	Q2 FY17/18	Q2 FY16/17	YoY % change
Revenue	63.5	64.0	(0.8%)
Operating profit	(2.9)	(6.8)	+56.7%
OP margin	(4.6%)	(10.6%)	

Revenue breakdown	Q2 FY17/18	Q2 FY16/17	YoY % change
TradeGlobal	26.4	29.7	(11.2%)
Jagged Peak	28.7	24.8	+15.8%
SP eCommerce	8.4	9.5	(11.6%)
Total	63.5	64.0	(0.8%)

Revenue declined marginally in Q2, as TradeGlobal's revenue declined with the loss of two large customers as previously disclosed. This was offset by revenue growth at Jagged Peak with higher volumes and addition of new customers.

The segment operating loss was due largely to TradeGlobal.

The loss of S\$2.9 million in Q2 had narrowed on a quarter-on-quarter basis compared to S\$4.2 million in Q1, as management continues to execute on the turnaround business plan for TradeGlobal.

eCommerce: H1 FY2017/18 Performance

\$M

eCommerce	H1 FY17/18	H1 FY16/17	YoY % change
Revenue	128.2	129.3	(0.8%)
Operating profit	(7.1)	(10.3)	+31.0%
OP margin	(5.5%)	(8.0%)	

The factors are largely similar to that shared for the quarter.

Revenue breakdown	H1 FY17/18	H1 FY16/17	YoY % change
TradeGlobal	55.5	60.5	(8.4%)
Jagged Peak	55.9	50.2	+11.4%
SP eCommerce	16.8	18.5	(9.2%)
Total	128.2	129.3	(0.8%)

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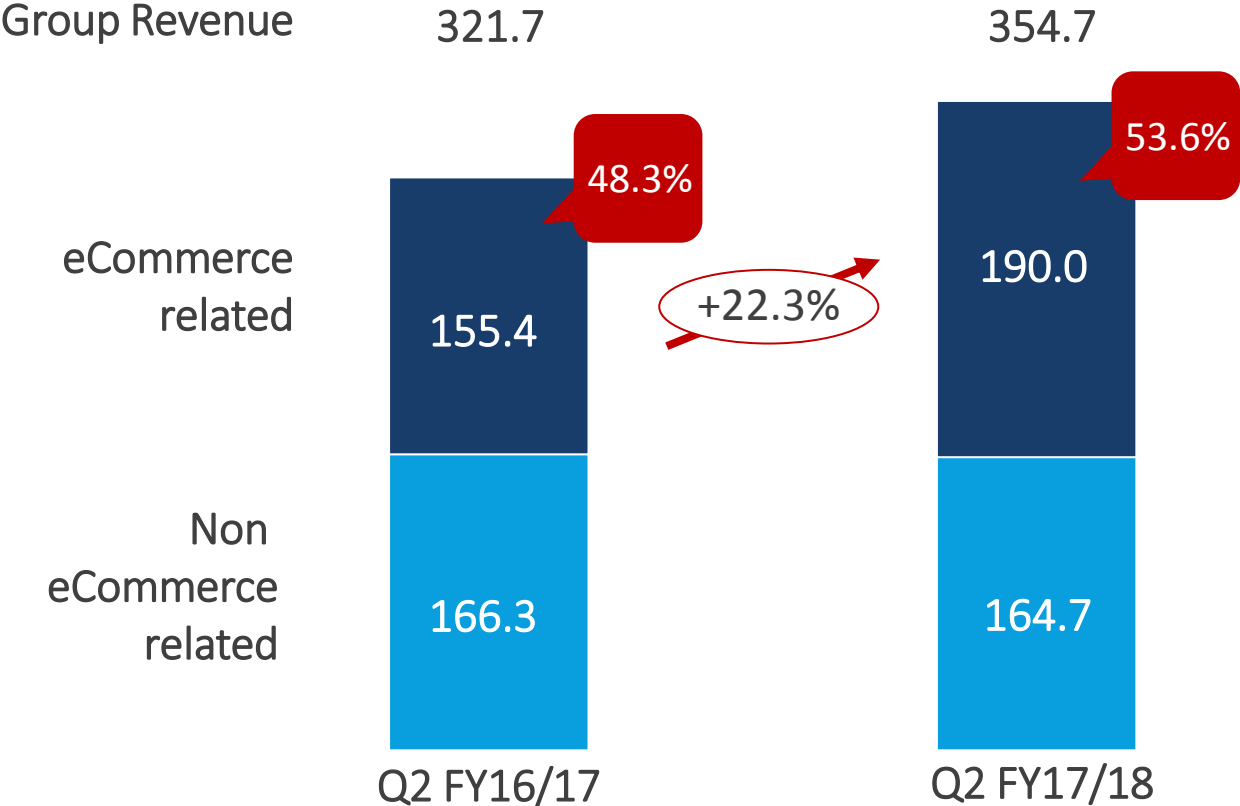
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eCommerce-related revenue

Revenue performance, Q2 FY2016/17 vs Q2 FY2017/18, \$M

eCommerce-related revenue rose 22.3% year-on-year, forming 53.6% of Group revenue



Differences in total due to rounding

SingPost Centre retail mall

Opened on 9 October 2017 after two years of redevelopment



- SingPost Centre aims to enable next generation retail in a Smart Nation, and also houses SingPost's General Post Office and retail philatelic store.
- Retail floor area doubled from pre-redevelopment, housing up to 130 stores over a net lettable area of 178,000 square feet.
- Committed occupancy as at 30 Sep 2017 was 80.4%, on the back of strong endorsement from tenants as well as our partnership with CapitaLand¹.
- Technology-enabled innovations include:
 - Golden Village's first all-laser cineplex with award-winning Smart Laser projectors.
 - NTUC FairPrice's SCAN2GO system that allows customers to scan purchases with a personal handheld scanner as they shop; and "FairPrice@SingPost" mobile app that helps locate products within the store with in-store navigation and provides personalised promotions.
- SingPost is working closely with Lazada and CapitaLand to finalise the details for a 'click and collect' service at the mall, which will enable shoppers to collect or return online purchases at a dedicated lounge.



1. SingPost Centre is managed by CapitaLand, under a management contract awarded by SingPost in March this year.

General Post Office (GPO)

Flagship of a new Smart Post Office network that will serve postal needs in the digital age



- The GPO is SingPost's largest post office at 5,328 sq ft. It is the first Smart Post Office, in which traditional brick-and-mortar outlets are augmented by a digital network.
- An enhanced self service area offers 24/7 access to the award-winning¹ new generation SAM kiosks with:
 - a re-designed modern interface
 - new capabilities including a weighing scale that helps senders determine the postage required; and
 - a self-service posting box for registered articles, a first in Singapore
- The self service area will also house the largest POPStation to date, with 143 smart lockers enabling consumers to send, collect and return their parcels at their convenience.
- Opposite the GPO is SingPost's first dedicated philatelic retail store, which offers a wide range of philatelic products and limited edition collectors' items.



1. The SAM omnichannel platform has won two major international awards this year: Retail Customer Access at the World Post and Parcel Awards, and Digital Innovation of the Year at the Postal and Parcel Technology International Awards.

Regional eCommerce Logistics Hub

Automated parcel sorting and warehousing facility to serve the growth of eCommerce in Asia Pacific

Level 2 warehouse



- Automated picking systems
- Improved accuracy and efficiency
- Directly integrated with level 1 sorting facility

Level 1 sorting facility



- OCR technology enables >98% automated processing
- Sort up to 100,000 parcels per day
- 291 chutes for parcel sorting

Direct last mile delivery vehicle capacity



- 150 simultaneous loading bays for direct loading of parcels discharged from chutes
- Can cater up to 600 delivery vans per day

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- As announced in August 2017, the Group CEO and the leadership team are working with the Board to review and update SingPost's strategy, and deliver a roadmap to improve the Group's performance.
- SingPost's strategic vision of transforming from a postal provider to an eCommerce logistics player remains relevant and in the right direction.
- The next phase is to build upon the existing foundation, leverage our assets and strengths, and build new capabilities.
- The key themes are shown in the next slide.

SingPost - connecting communities in an eCommerce world

Win in our home market

- Strive to be the leading eCommerce logistics player in Singapore.
- Build on our strong infrastructure backbone.
- Harness innovative solutions to serve the urban logistics needs of a smart nation.

Deliver full value from overseas investments

- Integration across geographies.
- TradeGlobal turnaround.
- Maximise potential of our overseas investments.

Ignite our future growth engines

- Capture global cross-border eComm flows by strengthening our strategic collaboration with Alibaba and its associated companies.
- Build out our eComm logistics capabilities in Southeast Asia.

Drive cost leadership

- Optimise costs and re-engineer our operations to enhance competitiveness and provide best value for customers.

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- Revenue rose 10.2% with growth in Postal and Logistics segments.
- Underlying net profit rose 1.9% largely due to:
 - improved performance from Postal, eCommerce and associates and joint ventures.
- Cash flow and balance sheet position:
 - improved free cash flow due to lower capital expenditure
 - cash & cash equivalents declined mainly due to net repayment of short term bank loan
- Q2 FY17/18 interim dividend of 0.5 cent per share.

Thank you





For immediate release

SingPost revenue rises 10.2 per cent, underlying net profit increases 1.9 per cent

- Revenue rose 10.2 per cent to S\$354.7 million for the second quarter of FY2017/18
- Underlying net profit rose 1.9 per cent on stronger performance by postal and eCommerce segments, as well as associates and joint ventures
- Q2 FY2017/18 dividend of 0.5 cent per share declared

Financial Highlights

	Q2 FY17/18 (S\$'000)	Q2 FY16/17 (S\$'000)	Variance (%)	6M FY17/18 (S\$'000)	6M FY16/17 (S\$'000)	Variance (%)
GROUP RESULTS						
Revenue	354,687	321,733	10.2	708,809	655,105	8.2
Rental & property related income	10,584	8,954	18.2	19,626	18,644	5.3
Total expenses	(341,420)	(297,752)	14.7	(672,060)	(595,373)	12.9
Operating profit	29,910	38,143	(21.6)	71,798	87,512	(18.0)
Net profit	28,470	31,443	(9.5)	59,443	67,295	(11.7)
Underlying net profit	27,580	27,070	1.9	54,526	62,833	(13.2)
Earnings per share (cents)	1.09	1.28		2.29	2.76	
Dividend per share (cents)	0.5	1.0		1.0	2.5	

SINGAPORE, 14 November 2017 – Singapore Post Limited (“SingPost”) today announced its results for the second quarter ended 30 September 2017.

Revenue for the quarter increased 10.2 per cent to S\$354.7 million, led by growth in the postal and logistics segments.

Net profit attributable to equity holders decreased 9.5 per cent to S\$28.5 million, as earnings in the corresponding period in the previous year had included a one-off gain from the dilution of interest in an associated company. Excluding such exceptional items, underlying net profit rose 1.9 per cent to S\$27.6 million.

Mr Paul Coutts, Group Chief Executive Officer, said: “Our transformation into a leader in postal and eCommerce logistics is moving ahead. The full benefits of our transformation may not be immediate, however we are investing for the long term. As we move into the next phase of our transformation, four themes will guide our focus: Winning in our home market, igniting our future growth engines in Southeast Asia and beyond, extracting full value from our investments, and driving towards cost leadership. The key to realising these opportunities is execution.”



Announced in August, the strategic review of the Group's strategy by SingPost's leadership, together with the SingPost Board, is being finalised. The review, which is developing a roadmap for improving the Group's performance, affirms SingPost's vision to become a postal and eCommerce logistics company.

There are four key themes for the next phase of transformation:

1. Establish market leadership in Singapore's eCommerce logistics sector, building on SingPost's strong infrastructure backbone and harnessing technologies to serve the growing urban logistics needs of a smart nation;
2. Deliver full value from the Group's investments, integrating operations across geographies and continuing the turnaround of TradeGlobal;
3. Ignite future growth engines by capturing a greater share of global cross-border eCommerce volumes by strengthening the Group's strategic collaboration with the Alibaba Group and its associated companies. SingPost will also continue building out its eCommerce logistics capabilities in Southeast Asia; and
4. Drive towards cost leadership, enhancing competitiveness and providing customers with best value by optimising costs and reengineering operations.

Postal and Logistics lead revenue growth

SingPost's transformation saw progress during the quarter. Revenue from eCommerce-related activities across the Group rose 22.3 per cent to S\$190.0 million, or 53.6 per cent of total revenue.

Postal revenue increased 16.9 per cent and operating profit rose 5.3 per cent as international mail revenue grew 45.2 per cent on the back of higher cross-border eCommerce deliveries, particularly with stronger volumes from the Alibaba Group. Domestic mail revenue decreased amid continued migration by organisations to electronic statements and bills.

Logistics revenue increased 7.6 per cent as SP Parcels and CouriersPlease made more last mile deliveries in Singapore and Australia respectively, and as Famous Holdings saw higher freight forwarding volumes. An operating loss was incurred, however, due to a doubtful debt provision for a key customer of Quantum Solutions Hong Kong. Excluding the provision, operating profit would have been around S\$1.0 million, down from S\$5.0 million last year, reflecting intense pricing competition faced by Quantum Solutions Hong Kong that resulted in loss of business, as well as costs from planned investments, such as the Regional eCommerce Logistics Hub, to build out an eCommerce logistics network.

eCommerce revenue was marginally lower. Jagged Peak saw higher volumes and new customers, offsetting the loss of two large customers at TradeGlobal that were previously disclosed. The segment saw a smaller operating loss of S\$2.9 million, compared with S\$6.8 million last year, reflecting a turnaround business plan that is underway.

The retail mall at the new SingPost Centre was opened officially on 9 October 2017. Committed occupancy as at 30 September 2017 was 80.4 per cent, reflecting strong endorsement by tenants and SingPost's partnership with CapitaLand, which is managing the mall. Details for a "click and collect" service at the mall are being finalised with Lazada and CapitaLand.

Total expenses increased 14.7 per cent on higher volume-related expenses as the Group seeks to grow volumes to derive economies of scale from operating leverage.



Free cash flow improves

For the half year ended 30 September 2017, free cash flow improved to S\$11.6 million, from negative S\$11.8 million in the corresponding period last year, due to lower capital expenditure with the completion of the Regional eCommerce Logistics Hub last year.

As at 30 September 2017, SingPost's cash and cash equivalents stood at S\$282.3 million, down from S\$366.6 million as at 31 March 2017. The decrease was largely due to net repayment of short term bank loans.

Interim dividend

For the second quarter of FY2017/18, the Board of Directors has declared an interim dividend of 0.5 cent per ordinary share (tax exempt one-tier) to be paid on 8 December 2017.

About Singapore Post Limited

For over 150 years, Singapore Post (SingPost) as the country's postal service provider, has been delivering trusted and reliable services to homes and businesses in Singapore.

Today, SingPost is pioneering and leading in eCommerce logistics as well as providing innovative mail and logistics solutions in Singapore and around the world, with operations in 19 markets.

Building on its trusted communications through domestic and international postal services, SingPost is taking the lead in end-to-end integrated and digital mail solutions. The suite of SingPost eCommerce logistics solutions includes front end web management, warehousing and fulfilment, last mile delivery and international freight forwarding.

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