

For Immediate Release

## SingPost achieves 12 per cent growth in Revenue and an Underlying Net Profit of S\$157.2 million for Full Year FY2014/15

- Revenue and Underlying Net Profit growth for FY2014/15 demonstrate further progress in SingPost's transformation into a regional leader in ecommerce logistics
- Logistics and Retail & eCommerce business segments, together with contributions from M&As, boosted Revenue and Operating Profit growth
- Invested S\$224.2 million in ecommerce logistics, M&As and mail infrastructure in FY2014/15
- From Q4 FY2014/15, SingPost has changed its accounting policy for investment properties to the fair value model<sup>1</sup> for improved transparency. Comparable numbers in the Profit & Loss statement have been restated accordingly

### Financial Highlights

	Full Year FY2014/15 (S\$'000)	Full Year FY2013/14 (S\$'000)	Variance (%)		Q4 FY14/15 (S\$'000)	Q4 FY13/14 (S\$'000)	Variance (%)
<b>GROUP RESULTS</b>							
Revenue	919,582	821,111	12.0		248,709	193,296	28.7
Rental & Property- Related Income	43,890	44,931	(2.3)		10,874	10,939	(0.6)
Total Expenses	(789,369)	(687,147)	14.9		(221,712)	(165,634)	33.9
Net Profit	157,611	191,962	(17.9)		38,545	79,618	(51.6)
Underlying Net Profit <sup>2</sup>	157,188	149,450	5.2		41,119	35,789	14.9
Earnings per Share	6.849 cents	9.321 cents	-		1.625 cents	3.988 cents	-

**Singapore, 12 May 2015** - Singapore Post Limited ("SingPost") today announced its unaudited financial results for the full year and fourth quarter ending 31 March 2015.

<sup>1</sup> Previously under the cost model, SingPost's investment properties were initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Under the fair value model, SingPost's investment properties are carried at fair value, representing open market values determined on an annual basis by directors based on independent professional valuers and changes in fair values are recognised in income statement. With SingPost's intention to redevelop the retail mall of the Singapore Post Centre, management has reviewed and determined that the fair value model of measurement will provide more relevant financial information of SingPost's investment properties

<sup>2</sup> Underlying Net Profit excludes fair value gains from property and other one-off adjustments in order to better reflect operating performance of the company

Full-year Revenue was S\$919.6 million, or 12 per cent higher compared to S\$821.1 million achieved in FY2013/14. This improvement was due to growth in SingPost's ecommerce and logistics businesses as well as contributions from new acquisitions.

SingPost's Underlying Net Profit, or earnings from its business operations, grew 5.2 per cent to S\$157.2 million.

Net Profit, which now includes fair value reporting of investment properties, was lower by 17.9 per cent at S\$157.6 million compared to the restated S\$191.9 million for FY2013/14. There was a larger magnitude of valuation gains in FY2013/14 of S\$44.5 million compared to S\$5.2 million for the present year. This is ahead of the intended redevelopment and upgrading of retail units in the Singapore Post Centre.

### **Strong Full-Year Performance from Business Operations**

The strongest performing business segment by revenue for FY2014/15 was Logistics which grew 26.1 per cent to S\$464.8 million. Revenue from Retail & eCommerce was higher by 6.2 per cent to S\$92 million, while Mail grew 1.9 per cent compared to the prior year at S\$500.3 million. Rental and property-related income declined marginally by 2.3 per cent to S\$43.9 million.

Logistics' full-year Operating Profit was S\$21.5 million (FY2013/14: S\$14.1 million), while Retail & eCommerce returned S\$9.7 million (FY2013/14: S\$7.5 million). Mail, at S\$144 million, was flat against the prior year.

Commenting on SingPost's Full-Year Revenue which is its highest ever reported, Dr Wolfgang Baier, SingPost's Group Chief Executive Officer, said: "These results demonstrate how our efforts to transform ourselves into an ecommerce logistics leader is progressing. Our logistics business has grown 26.1 per cent year-on-year and such healthy rates of growth will cushion our declining mail revenues. We are going to keep up our investments to build our regional network and ecommerce capability and by doing this, we are reinventing ourselves. Our roots in mail and parcels give us the advantage of being able to sustain high service standards. This puts us where we can serve the needs of tomorrow's customers in the fast moving world of ecommerce and online transactions."

Daniel Phua, Group Chief Financial Officer, commented on the change in accounting policy: "Starting with this Quarter's report, we have moved to the fair value accounting model. This will improve transparency of our asset value given our intention to develop our retail mall at SPC."

### **Q4 FY2014/2015 compared to Q4 FY2013/2014**

For the Fourth Quarter ending 31 March 2015, SingPost's Revenue grew 28.7 per cent to S\$248.7 million compared to Q4 FY2013/14, with growth driven by ecommerce logistics and consolidation of new subsidiaries. Underlying Net Profit for the Quarter improved 14.9 per cent to S\$41.1 million due to

SingPost's growing earnings from ecommerce logistics and retail business, as well as consolidation of earnings from new subsidiaries.

Net profit for the Quarter was lower by 51.6 per cent at S\$38.5 million compared to the restated S\$79.6 million in the prior year.

### **Continuing on the Path of Transformation by Investing for the Future**

This year, SingPost increased its investment to drive its transformation. Across FY2014/15, the Group invested S\$224.2 million in acquisitions to expand its regional network, its new Regional eCommerce Logistics Hub, additional POPStations to strengthen its parcels business, and new mail sorting equipment to improve the service quality of its Singapore mail operations. The Group expects to see the benefits of these investments in the years ahead.

### **Healthy Cash Flow**

Net Cash of S\$235 million from operating activities was comparable to the prior year (FY2013/14: S\$241.8 million). SingPost's Cash and Cash Equivalents at 31 March 2015 grew 44.4 per cent from S\$404.4 million to S\$584.1 million.

### **Continued Commitment to Pay Dividends**

The Board of Directors is recommending a final dividend of 2.5 cents per share for FY2014/15. The final dividend will be paid on 24 July 2015 after receiving approval by shareholders of the Company at the Annual General Meeting.

### **Building Scale and First-Mover Advantage for Long-Term Growth**

SingPost stays committed to its transformation journey by investing into its people and infrastructure. M&As will continue to be part of its growth strategy to build scale and secure its "first-mover advantage".

Said Group CEO Dr Baier: "The pace of innovation driven by global ecommerce mega-trends will only intensify. By building our international network and transforming the mindset of everyone at SingPost is how we will create long-term value for our customers and our shareholders."

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**About Singapore Post Limited**

(Reg. No. 199201623M)

Singapore Post (SingPost) is the leading provider of mail, logistics and ecommerce solutions in Singapore and the Asia Pacific region, with operations in 15 countries/territories.

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 secure data printing, letter-shopping, delivery and mailroom management, among others. For over 150 years, SingPost has been delivering a trusted and reliable service to citizens, residents, corporations 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 won the World Mail Award for ecommerce in June 2014 and was ranked the top postal agency in the world in an Accenture report. SingPost also gained international acclaim when it was bestowed the Service Provider of the Year 2014 award by Postal Technology International. SingPost is the only company to win to 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.quantiumsolutions.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
- DataPost (<http://www.datapost.com.sg/>), the biggest data print bureau in the Southeast Asia region
- Singapore Parcel (<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

SingPost was listed on the Main Board of the Singapore Exchange in 2003. To learn more about SingPost, please visit [www.singpost.com](http://www.singpost.com).

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**For general information on SingPost, visit [www.singpost.com](http://www.singpost.com)**



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