

For immediate release

SingPost Group's unaudited results
for the third quarter and nine months ended 31 December 2013

SingPost continues to invest in service quality and growth

- Revenue growth from new acquisitions and e-Commerce related business
- Net profit flat with continued investments into transforming business especially in service quality and productivity in Singapore

Singapore, 5 February 2014 – SingPost today announced its unaudited results for the third quarter and nine months ended 31 December 2013. Below are some highlights:

FINANCIAL HIGHLIGHTS

	Q3 FY13/14 (S\$M)	Q3 FY12/13 (S\$M)	Variance (%)		9M FY13/14 (S\$M)	9M FY12/13 (S\$M)	Variance (%)
GROUP RESULTS							
Revenue	222.6	171.0	30.2		627.8	476.3	31.8
Rental & Property-Related Income	11.4	11.1	1.9		34.0	31.7	7.2
Total Expenses	184.4	137.1	34.4		521.5	383.1	36.1
Net Profit	39.4	39.5	(0.2)		112.3	110.4	1.8
Underlying Net Profit	40.2	39.8	0.8		113.7	109.1	4.1
Net Cash from Operating Activities	39.0	29.8	-		156.8	129.6	-
Earnings per Share	1.873cts	1.889cts	-		5.327cts	5.250cts	-

Revenue growth from new acquisitions and e-Commerce related business

Group revenue grew 30.2% to S\$222.6 million in the third quarter of FY2013/14, underpinned by contributions from acquisitions and growth in e-Commerce related activities across the business segments. Excluding contributions from acquisitions, revenue increased by 9.3%.

Domestic mail volume declined for the eighth quarter but overall mail revenue for Q3 grew 12.8% to S\$133.2 million, boosted by the increase in e-commerce package volumes especially in transshipment. Logistics business benefited from organic and inorganic contributions, with revenue growing by 64.5% to S\$101.2 million. Excluding contributions from General Storage Company and Famous Holdings, which were acquired in January 2013 and February 2013 respectively, Logistics revenue grew by 4.3% in the quarter, attributable mainly to the continued growth in regional e-fulfilment activities. In Retail & e-Commerce, revenue was lower by 6.1% at S\$22.6 million as the decline in contributions from agency services offset the increase in financial services and e-Commerce business.

Rental and property-related income rose by 1.9% to S\$11.4 million with growth in rental income from SingPost's properties.

Total expenses amounted to S\$184.4 million, an increase of 34.4%, against revenue growth of 30.2%. The increase was mainly attributable to the change in business model to a diversified group and growth in lower margin businesses.

Net profit flat with continued investments into transforming business especially in service quality and productivity in Singapore

The Group's net profit remained flat at S\$39.4 million. Excluding one-off items, underlying net profit was S\$40.2 million, an increase of 0.8% from the previous year.

Said Dr Wolfgang Baier, Group Chief Executive Officer of SingPost: "We are seeing encouraging results from our transformation efforts especially from the new investments as well as new business areas such as e-Commerce and related activities. For the first nine months of FY 2013/14, our revenue mix has shifted quite significantly, with non-mail business contributing 45.7% to Group revenue, up by 10% from a year ago. Overseas revenue has similarly risen by 10% to 27.8% as the Group continues to expand our regional logistics business."

Dr Baier added: "Being in a labour-intensive business, we have to constantly deal with the rising manpower costs and the hiring of frontline staff especially postmen. Also, as we continue to transform the business, costs have grown with the nature of the new businesses. Management has been taking proactive measures to manage costs including the implementation of shared services and productivity improvements to achieve considerable savings and be more efficient, although rising manpower costs continue to be a challenge."

SingPost's traditional mail business continued to be under pressure, particularly domestic mail volume which saw another quarter of decline.

Said Dr Baier: "In spite of the declining domestic mail volume, we will continue to invest significantly in service quality, service innovation and productivity. We remain committed to providing our Singapore customers a better service experience as we take our public service obligations very seriously. For example, installation of the new integrated sorting machines costing S\$45 million will start later this month. When fully operational at the end of the year, these new machines will increase letter sorting capacity by 17% and mechanisation rate to 95%, improving efficiency and accuracy at the same time. We are also introducing more 24/7 touch-points for the convenience of our customers; for example today we have 30 conveniently-located POPStations where customers can pick and return parcels. We are committed to drive product and service innovation to raise the level of customer experience to the next level."

The Group is also accelerating growth in its e-Commerce and logistics businesses, both organically and via investments.

Dr Baier said: "Our focus is on building end-to-end e-Commerce logistics solutions in the region - freight, warehousing & fulfillment, last mile delivery & returns and front-end web solutions. Several other major customers have come on board to leverage our e-Commerce solutions including Canon, Philips and Toshiba. We see good growth potential in this space and we are ready to tap the opportunities."

Interim quarterly dividend of 1.25 cents per share

Net cash from operating activities was S\$156.8 million, compared to S\$129.6 million in the previous period, mainly due to higher operating cash flow and working capital changes.

The Board of Directors has declared an interim quarterly dividend of 1.25 cents per ordinary share (tax exempt one-tier) payable on 28 February 2014.

End

About Singapore Post Limited
(Reg. No. 199201623M)

Singapore Post Limited (SingPost) is the national postal service provider in Singapore offering **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. As the trusted communications service provider for more than 150 years, SingPost today goes beyond physical postal communications to offer secure digital communications solutions as part of integrated solutions to its customers.

With its competencies in mail, logistics and e-commerce, SingPost is able to offer integrated **e-commerce logistics** solutions tailored to customers' needs. Having one of the largest multi-channel distribution networks in Singapore, regional operations in 12 countries and access to a global postal network of more than 220 countries/territories, SingPost is also well-positioned to provide end-to-end e-commerce logistics solutions such as warehousing, pick and pack, delivery and returns management for B2B, B2C and B2B4C customers in Singapore and the region.

SingPost recently gained international acclaim when it was bestowed the Service Provider of the Year 2012 award by Postal Technology International. SingPost remains as the only postal company in the world to have won the Express Mail Service (EMS) Cooperative Certification Gold Level Award by the Universal Postal Union for its *Speedpost* Worldwide Courier Service for 11 consecutive years since 2001.

SingPost was listed on the Main Board of the Singapore Exchange in 2003. To learn more about SingPost, please visit www.singpost.com.

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**For general information on SingPost, call 1605 toll-free  
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