



**SINGAPORE POST LIMITED
AND ITS SUBSIDIARIES**

(Registration number: 199201623M)

**SGXNET ANNOUNCEMENT
UNAUDITED RESULTS FOR THE
THIRD QUARTER AND NINE MONTHS
ENDED 31 DECEMBER 2014**

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

	FY2014/15	FY2013/14		FY2014/15	FY2013/14	
	Q3	Q3	Variance	9M	9M	Variance
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	239,617	222,635	7.6%	670,873	627,815	6.9%
Other income and gains / (losses)(net)						
- Rental and property-related income	10,910	11,357	(3.9%)	33,016	33,992	(2.9%)
- Miscellaneous	181	(820)	N.M.	8,776	(1,846)	N.M.
Labour and related expenses	(65,427)	(58,276)	12.3%	(191,768)	(172,357)	11.3%
Volume-related expenses ¹	(98,894)	(89,168)	10.9%	(265,818)	(243,234)	9.3%
Administrative and other expenses	(25,231)	(23,537)	7.2%	(76,469)	(68,181)	12.2%
Depreciation and amortisation	(7,834)	(8,480)	(7.6%)	(23,566)	(25,690)	(8.3%)
Selling expenses	(2,299)	(2,777)	(17.2%)	(6,109)	(6,264)	(2.5%)
Finance expenses	540	(2,125)	N.M.	(3,927)	(5,787)	(32.1%)
Total expenses	(199,145)	(184,363)	8.0%	(567,657)	(521,513)	8.8%
Share of profit of associated companies and joint ventures	1,520	997	52.5%	3,297	2,446	34.8%
Profit before income tax	53,083	49,806	6.6%	148,305	140,894	5.3%
Income tax expense	(10,356)	(10,076)	2.8%	(27,709)	(27,229)	1.8%
Total profit	42,727	39,730	7.5%	120,596	113,665	6.1%
Attributable to:						
Equity holders of the Company	42,227	39,356	7.3%	119,066	112,344	6.0%
Non-controlling interests	500	374	33.7%	1,530	1,321	15.8%
Total profit	42,727	39,730	7.5%	120,596	113,665	6.1%
Operating Profit²	49,950	50,237	(0.6%)	146,183	142,404	2.7%
Underlying Net Profit³	42,354	40,174	5.4%	116,069	113,661	2.1%
Earnings per share for profit attributable to the equity holders of the Company during the period: ⁴						
- Basic	1.794 cents	1.873 cents		5.228 cents	5.327 cents	
- Diluted	1.782 cents	1.867 cents		5.202 cents	5.310 cents	

Notes

1 Volume-related expenses comprise mainly traffic expenses and cost of sales.

2 Operating profit for the purposes of paragraph 8 "Review of the performance of the Group" is defined as profit before interest, tax and share of profit or loss of associated companies and joint ventures.

3 Underlying net profit is defined as profit after tax and non-controlling interests, before one-off items, gains and losses on sale of investment, property, plant and equipment and mark-to-market gains or losses.

4 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.

Consolidated Statement of Comprehensive Income

	FY2014/15	FY2013/14		FY2014/15	FY2013/14	
	Q3	Q3	Variance	9M	9M	Variance
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Total profit	42,727	39,730	7.5%	120,596	113,665	6.1%
Other comprehensive income / (loss) (net of tax)						
Items that may be reclassified subsequently to profit or loss:						
Available for sale financial assets - fair value gain/(loss)	(218)	431	N.M.	(419)	437	N.M.
Currency translation differences arising from consolidation	685	689	(0.6%)	1,770	1,330	33.1%
Other comprehensive income for the period (net of tax)	467	1,120	(58.3%)	1,351	1,767	(23.5%)
Total comprehensive income for the period	43,194	40,850	5.7%	121,947	115,432	5.6%
Total comprehensive income attributable to:						
Equity holders of the Company	42,914	40,632	5.6%	120,854	113,850	6.2%
Non-controlling interests	280	218	28.4%	1,093	1,582	(30.9%)
	43,194	40,850	5.7%	121,947	115,432	5.6%

Underlying Net Profit Reconciliation Table

	FY2013/14	FY2012/13		FY2013/14	FY2012/13	
	Q3	Q3	Variance	9M	9M	Variance
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Profit attributable to equity holders of the Company	42,227	39,356	7.3%	119,066	112,344	6.0%
Less/(add):						
Excess of net assets purchased over consideration paid for a subsidiary company	-	-	-	-	890	N.M.
(Loss) / gains on sale of investments, property, plant and equipment	(127)	(8)	@	4,120	467	@
Provision for the restructuring of an overseas operation	-	(810)	N.M.	(1,123)	(2,674)	(58.0%)
Underlying Net Profit	42,354	40,174	5.4%	116,069	113,661	2.1%

N.M. Not meaningful.

@ Denotes variance exceeding 300%.

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

	FY2014/15	FY2013/14		FY2014/15	FY2013/14	
	Q3	Q3	Variance	9M	9M	Variance
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Other operating income and interest income*	11,091	10,537	5.3%	41,792	32,146	30.0
Interest on borrowings	1,293	1,523	(15.1%)	4,208	4,859	(13.4%)
Depreciation and amortisation	8,185	8,717	(6.1%)	24,619	26,401	(6.7%)
Allowance for doubtful debts and bad debts written off	160	161	(0.6%)	472	645	(26.8%)
Foreign exchange gains / (losses)	922	(1,332)	N.M.	538	(4,025)	N.M.
(Loss) / gains on sale of investments, property, plant and equipment	(127)	(8)	@	4,120	467	@

* Including one-off gains and losses on sale of investments, property, plant and equipment.

N.M. Not meaningful.

@ Denotes variance exceeding 300%.

(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	
	Dec-14 S\$'000	Mar-14 S\$'000	Dec-14 S\$'000	Mar-14 S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	534,087	404,430	430,399	340,338
Trade and other receivables	159,736	127,071	187,566	148,222
Financial assets *	23,465	6,424	23,118	6,077
Inventories	5,102	5,075	621	1,333
Other current assets	15,274	12,501	6,197	4,107
	<u>737,664</u>	<u>555,501</u>	<u>647,901</u>	<u>500,077</u>
Non-current assets				
Trade and other receivables	5,829	5,156	127,330	70,092
Financial assets *	11,712	11,699	11,673	11,557
Investments in associated companies and joint ventures	101,574	97,907	25,169	25,417
Investments in subsidiaries	-	-	292,890	184,507
Investment properties	227,822	231,352	184,821	189,768
Property, plant and equipment	277,439	234,039	211,503	201,216
Intangible assets	300,355	183,625	7,128	8,690
Derivative financial instruments	-	1,638	-	1,638
Deferred income tax assets	1,632	578	-	-
Other non-current asset	514	370	-	-
	<u>926,877</u>	<u>766,364</u>	<u>860,514</u>	<u>692,885</u>
Total assets	1,664,541	1,321,865	1,508,415	1,192,962
LIABILITIES				
Current liabilities				
Trade and other payables	293,664	294,280	248,636	264,414
Borrowings	14,124	14,025	-	-
Derivative financial instruments	1,849	-	1,849	-
Deferred income	813	5,878	813	5,878
Current income tax liabilities	30,567	37,372	24,507	32,162
	<u>341,017</u>	<u>351,555</u>	<u>275,805</u>	<u>302,454</u>
Non-current liabilities				
Borrowings	221,354	220,103	203,921	201,504
Trade and other payables	38,147	33,326	9,242	9,242
Deferred income	90	259	90	259
Deferred income tax liabilities	23,300	20,790	18,095	16,374
	<u>282,891</u>	<u>274,478</u>	<u>231,348</u>	<u>227,379</u>
Total liabilities	623,908	626,033	507,153	529,833
NET ASSETS	1,040,633	695,832	1,001,262	663,129
EQUITY				
Capital and reserves attributable to the Company's equity holders				
Share capital	428,751	129,082	428,751	129,082
Treasury shares	(2,831)	(35,346)	(2,831)	(35,346)
Retained earnings	257,257	250,700	220,804	217,615
Other reserves	3,661	2,402	4,004	4,952
Ordinary equity	<u>686,838</u>	<u>346,838</u>	<u>650,728</u>	<u>316,303</u>
Perpetual securities**	350,534	346,826	350,534	346,826
	<u>1,037,372</u>	<u>693,664</u>	<u>1,001,262</u>	<u>663,129</u>
Non-controlling interests	3,261	2,168	-	-
Total equity	1,040,633	695,832	1,001,262	663,129

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

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

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

	Dec-14	Mar-14
	S\$'000	S\$'000
Amount repayable in one year or less, or on demand		
- Borrowings (secured)	2,624	2,525
- Borrowings (unsecured)	11,500	11,500
Amount repayable after one year:		
- Borrowings (secured)	17,433	18,599
- Borrowings (unsecured)	203,921	201,504
	235,478	234,128

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

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

Details of any collateral.

Not applicable.

(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			
	FY2014/15	FY2013/14	FY2014/15	FY2013/14
	Q3	Q3	9M	9M
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Total profit	42,727	39,730	120,596	113,665
Adjustments for:				
Income tax expense	10,356	10,076	27,709	27,229
Amortisation of deferred income	(43)	(326)	(169)	(615)
Amortisation of intangible assets	938	826	2,816	2,475
Depreciation	7,247	7,891	21,803	23,926
(Loss) / gains on sale of investments, property, plant and equipment	127	8	(4,120)	(467)
Share-based staff costs	653	365	1,983	958
Interest expense	1,293	1,523	4,208	4,859
Interest income	(1,073)	(697)	(2,752)	(1,831)
Share of profit of associated companies and joint ventures	(1,520)	(997)	(3,297)	(2,446)
	<u>17,978</u>	<u>18,669</u>	<u>48,181</u>	<u>54,088</u>
Operating cash flow before working capital changes	60,705	58,399	168,777	167,753
Changes in working capital, net of effects from acquisition of subsidiary				
Inventories	(658)	(907)	(27)	(742)
Trade and other receivables	(11,859)	(9,110)	(13,099)	(731)
Trade and other payables	10,241	4,081	(7,883)	18,614
Cash generated from operations	58,429	52,463	147,768	184,894
Income tax paid	(16,718)	(13,540)	(33,894)	(28,114)
Net cash provided by operating activities	41,711	38,923	113,874	156,780
Cash flows from investing activities				
Acquisition of subsidiary, net of cash acquired	(112,418)	(350)	(115,085)	(350)
Additions to property, plant and equipment	(45,431)	(6,276)	(70,977)	(18,256)
Investment in an associated company	-	-	-	(378)
Interest received	5,046	240	6,763	1,915
Loan to associated companies	(13,853)	-	(13,853)	-
Proceeds from disposal of property, plant and equipment	9	67	10,806	1,218
Proceeds on maturity of financial assets	1,500	6,014	4,500	32,264
Purchase of financial assets	(1,289)	(21,895)	(22,340)	(35,389)
Repayment of loans by an associated company	-	248	246	680
Net cash used in investing activities	(166,436)	(21,952)	(199,940)	(18,296)
Cash flows from financing activities				
Distribution paid to perpetual securities	-	-	(7,499)	(7,499)
Dividends paid to shareholders	(26,818)	(23,766)	(101,302)	(94,943)
Interest paid	(87)	(262)	(3,001)	(9,615)
Proceeds from bank term loan	-	11,500	-	11,500
Proceeds from issuance of ordinary shares	3,254	425	297,738	5,399
Proceeds from re-issuance of treasury shares	-	861	31,932	5,260
Proceeds from grants	-	369	-	497
Repayment of bank term loan	(887)	(10,761)	(2,145)	(14,850)
Repayment of bonds	-	-	-	(300,000)
Net cash (used in)/provided by financing activities	(24,538)	(21,634)	215,723	(404,251)
Net (decrease) / increase in cash and cash equivalents	(149,263)	(4,663)	129,657	(265,767)
Cash and cash equivalents at beginning of financial period	683,350	367,203	404,430	628,307
Cash and cash equivalents at end of financial period	534,087	362,540	534,087	362,540

(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 – Q3

	Attributable to ordinary shareholders of the Company					Perpetual securities	Total	Non-controlling interests	Total equity
	Share capital	Treasury shares	Retained earnings	Other reserves	Total				
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 October 2014	425,110	(2,831)	245,597	2,708	670,584	346,785	1,017,369	2,981	1,020,350
Dividends	-	-	(26,818)	-	(26,818)	-	(26,818)	-	(26,818)
Total comprehensive income for the period	-	-	38,478	687	39,165	3,749	42,914	280	43,194
	425,110	(2,831)	257,257	3,395	682,931	350,534	1,033,465	3,261	1,036,726
Employee share option scheme:									
- Value of employee services	-	-	-	653	653	-	653	-	653
- New shares issued	3,641	-	-	(387)	3,254	-	3,254	-	3,254
Balance as at 31 December 2014	428,751	(2,831)	257,257	3,661	686,838	350,534	1,037,372	3,261	1,040,633
Balance at 1 October 2013	126,617	(38,833)	235,634	1,793	325,211	346,785	671,996	1,473	673,469
Dividends	-	-	(23,766)	-	(23,766)	-	(23,766)	-	(23,766)
Total comprehensive income for the period	-	-	35,607	1,276	36,883	3,749	40,632	218	40,850
	126,617	(38,833)	247,475	3,069	338,328	350,534	688,862	1,691	690,553
Employee share option scheme:									
- Value of employee services	-	-	-	365	365	-	365	-	365
- New shares issued	467	-	-	(42)	425	-	425	-	425
- Treasury shares re-issued	-	931	-	(70)	861	-	861	-	861
Balance as at 31 December 2013	127,084	(37,902)	247,475	3,322	339,979	350,534	690,513	1,691	692,204

The Group – 9M

	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 2014	129,082	(35,346)	250,700	2,402	346,838	346,826	693,664	2,168	695,832
Dividends	-	-	(101,302)	-	(101,302)	-	(101,302)	-	(101,302)
Distribution paid on perpetual securities	-	-	-	-	-	(7,499)	(7,499)	-	(7,499)
Total comprehensive income for the period	-	-	107,859	1,788	109,647	11,207	120,854	1,093	121,947
	129,082	(35,346)	257,257	4,190	355,183	350,534	705,717	3,261	708,978
Employee share option scheme:									
- Value of employee services	-	-	-	1,983	1,983	-	1,983	-	1,983
- New shares issued	299,669	-	-	(1,931)	297,738	-	297,738	-	297,738
- Treasury shares re-issued	-	32,515	-	(581)	31,934	-	31,934	-	31,934
Balance as at 31 December 2014	428,751	(2,831)	257,257	3,661	686,838	350,534	1,037,372	3,261	1,040,633
Balance at 1 April 2013	121,109	(43,562)	241,285	1,830	320,662	346,826	667,488	109	667,597
Re-classification to other reserves	-	-	(4)	4	-	-	-	-	-
Dividends	-	-	(94,943)	-	(94,943)	-	(94,943)	-	(94,943)
Distribution paid on perpetual securities	-	-	-	-	-	(7,499)	(7,499)	-	(7,499)
Total comprehensive income for the period	-	-	101,137	1,506	102,643	11,207	113,850	1,582	115,432
	121,109	(43,562)	247,475	3,340	328,362	350,534	678,896	1,691	680,587
Employee share option scheme:									
- Value of employee services	-	-	-	958	958	-	958	-	958
- New shares issued	5,975	-	-	(576)	5,399	-	5,399	-	5,399
- Treasury shares re-issued	-	5,660	-	(400)	5,260	-	5,260	-	5,260
Balance as at 31 December 2013	127,084	(37,902)	247,475	3,322	339,979	350,534	690,513	1,691	692,204

The Company – Q3

	Attributable to ordinary shareholders of the Company					Perpetual securities S\$'000	Total S\$'000
	Share capital S\$'000	Treasury shares S\$'000	Retained earnings S\$'000	Other reserves S\$'000	Total S\$'000		
Balance at 1 October 2014	425,110	(2,831)	212,076	3,956	638,311	346,785	985,096
Dividends	-	-	(26,818)	-	(26,818)	-	(26,818)
Total comprehensive income / (loss) for the period	-	-	35,546	(218)	35,328	3,749	39,077
	425,110	(2,831)	220,804	3,738	646,821	350,534	997,355
Employee share option scheme:							
- Value of employee services	-	-	-	653	653	-	653
- New shares issued	3,641	-	-	(387)	3,254	-	3,254
Balance as at 31 December 2014	428,751	(2,831)	220,804	4,004	650,728	350,534	1,001,262
Balance at 1 October 2013	126,617	(38,833)	201,437	4,700	293,921	346,785	640,706
Dividends	-	-	(23,766)	-	(23,766)	-	(23,766)
Total comprehensive income for the period	-	-	35,083	431	35,514	3,749	39,263
	126,617	(38,833)	212,754	5,131	305,669	350,534	656,203
Employee share option scheme:							
- Value of employee services	-	-	-	365	365	-	365
- New shares issued	467	-	-	(42)	425	-	425
- Treasury shares re-issued	-	931	-	(70)	861	-	861
Balance as at 31 December 2013	127,084	(37,902)	212,754	5,384	307,320	350,534	657,854

The Company – 9M

	Attributable to ordinary shareholders of the Company						Total S\$'000
	Share capital S\$'000	Treasury shares S\$'000	Retained earnings S\$'000	Other reserves S\$'000	Total S\$'000	Perpetual securities S\$'000	
	Balance at 1 April 2014	129,082	(35,346)	217,615	4,952	316,303	
Assets transferred from de-registration of a subsidiary	-	-	57	-	57	-	57
Dividends	-	-	(101,302)	-	(101,302)	-	(101,302)
Distribution paid on perpetual securities	-	-	-	-	-	(7,499)	(7,499)
Total comprehensive income / (loss) for the period	-	-	104,434	(419)	104,015	11,207	115,222
	129,082	(35,346)	220,804	4,533	319,073	350,534	669,607
Employee share option scheme:							
- Value of employee services	-	-	-	1,983	1,983	-	1,983
- New shares issued	299,669	-	-	(1,931)	297,738	-	297,738
- Treasury shares re-issued	-	32,515	-	(581)	31,934	-	31,934
Balance as at 31 December 2014	428,751	(2,831)	220,804	4,004	650,728	350,534	1,001,262
Balance at 1 April 2013	121,109	(43,562)	207,005	4,965	289,517	346,826	636,343
Dividends	-	-	(94,943)	-	(94,943)	-	(94,943)
Distribution paid on perpetual securities	-	-	-	-	-	(7,499)	(7,499)
Total comprehensive income / (loss) for the period	-	-	100,692	437	101,129	11,207	112,336
	121,109	(43,562)	212,754	5,402	295,703	350,534	646,237
Employee share option scheme:							
- Value of employee services	-	-	-	958	958	-	958
- New shares issued	5,975	-	-	(576)	5,399	-	5,399
- Treasury shares re-issued	-	5,660	-	(400)	5,260	-	5,260
Balance as at 31 December 2013	127,084	(37,902)	212,754	5,384	307,320	350,534	657,854

- (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 third quarter ended 31 December 2014, the Company issued 2,917,000 ordinary share at exercise prices ranging from S\$0.89 to S\$1.278 upon the exercise of options granted under the Singapore Post Share Option Scheme.

As at 31 December 2014, there were unexercised options for 49,503,000 (31 March 2014: 55,201,000) unissued ordinary shares under the Singapore Post Share Option Scheme (including Performance Option Plan but excluding Restricted Share Plan) and unvested shares for 1,746,613 (31 March 2014: 1,733,061) unissued ordinary shares under the Restricted Share Plan.

As at 31 December 2014, the Company held 2,744,393 treasury shares (31 March 2014: 33,327,000).

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

As at 31 December 2014, total issued shares were 2,145,705,225 (31 March 2014: 1,905,403,618).

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

During the third quarter ended 31 December 2014, 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 or reviewed.

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

Not applicable.

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

Except as disclosed under paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited financial statements for the financial year ended 31 March 2014.

- (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 2014, 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 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			
	FY2014/15	FY2013/14	FY2014/15	FY2013/14
	Q3	Q3	9M	9M
Based on weighted average number of ordinary shares in issue	1.794 cents	1.873 cents	5.228 cents	5.327 cents
On fully diluted basis	1.782 cents	1.867 cents	5.202 cents	5.310 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	
	Dec-14	Mar-14	Dec-14	Mar-14
Net asset value per ordinary share based on issued share capital of the Company at the end of the financial period (cents)	48.50	36.52	46.66	34.80
	The Group	The Company	The Group	The Company
	Dec-14	Mar-14	Dec-14	Mar-14
Ordinary equity per ordinary share based on issued share capital of the Company at the end of the financial period (cents)	32.01	18.20	30.33	16.60

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

Third Quarter Ended 31 December 2014

Revenue

	FY2014/15	FY2013/14	Variance
	Q3	Q3	
	S\$'000	S\$'000	%
Mail	130,111	133,230	(2.3%)
Logistics	122,063	101,155	20.7%
Retail & eCommerce	22,882	22,599	1.3%
Inter-segment eliminations *	(35,439)	(34,349)	(3.2%)
Total	239,617	222,635	7.6%

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

Group revenue increased by 7.6% in the third quarter of FY2014/15, as improved contributions from ecommerce and logistics businesses offset the decline in mail revenue.

Revenue in the Mail segment fell as a result of lower contributions from domestic mail and international mail.

Logistics revenue was higher. Quantum Solutions and Singapore Parcels continued to grow ecommerce logistics contributions. Freight forwarding revenue from Famous Holdings increased with new subsidiaries. Revenue from General Storage's self-storage business improved with additional facilities and the inclusion of new subsidiary The Store House (Hong Kong).

Revenue in the Retail & eCommerce segment was higher as growth in ecommerce services offset the decline in traditional retail & agency services and financial services.

Other Income

Rental and property related income declined by 3.9% from S\$11.4 million to S\$10.9 million, largely due to lower rental income from Singapore Post Centre. Other income amounted to S\$0.2 million, compared to a loss of S\$0.8 million previously. The same period last year had included a S\$0.8 million provision for the restructuring of an overseas operation.

Total Expenses

Total expenses amounted to S\$199.1 million, an increase of 8.0% from S\$184.4 million in the same period last year. The Group continued to invest in its transformation initiatives and service quality improvements. Expenses were also higher with the inclusion of new subsidiaries.

Volume-related expenses were higher on the back of increased business activities.

The rise in labour and related expenses was mainly due to increased operating cost in Singapore and continuing investment into the growth transformation.

Administrative and other expenses rose with higher property related expenses such as rental expenses, and other administrative costs including professional fees related to the Group's transformation initiatives.

Depreciation expenses declined as certain assets were fully depreciated.

There was finance income of S\$0.5 million as exchange gains on foreign currency accounts offset interest expenses.

Operating Profit

	FY2014/15	FY2013/14	Variance
	Q3	Q3	
	S\$'000	S\$'000	%
Mail	37,946	37,844	0.3%
Logistics	6,938	6,150	12.8%
Retail & eCommerce	1,745	2,584	(32.5%)
Others *	3,321	3,659	(9.2%)
Total	49,950	50,237	(0.6%)

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

In the Mail division, operating profit rose marginally with its focus on productivity and efficiency.

Taking into account the restructuring costs of an overseas operation amounting to S\$0.8 million from last year, the operating profit for the logistic segment was relatively flat due to continuing costs in integration and transformation.

Retail & eCommerce profit declined mainly due to continued expenses incurred for the development of the ecommerce business.

The decline in Others was mainly attributable to lower property contributions.

Share of Results of Associated Companies and JVs

Share of profit of associated companies and joint ventures grew by 52.5% from S\$1.0 million to S\$1.5 million, with stronger contributions by associated companies.

Net Profit

The Group achieved underlying net profit of S\$42.4 million, a 5.4% increase compared to S\$40.2 million in the same period last year. Including the impact of one-off items, net profit attributable to equity holders was higher by 7.3% at S\$42.2 million, compared to S\$39.4 million previously.

Nine Months Ended 31 December 2014

Revenue

	FY2014/15	FY2013/14	Variance
	9M	9M	
	S\$'000	S\$'000	%
Mail	376,780	367,585	2.5%
Logistics	328,490	289,520	13.5%
Retail & eCommerce	68,017	64,680	5.2%
Inter-segment eliminations *	(102,414)	(93,970)	(9.0%)
Total	670,873	627,815	6.9%

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

Revenue grew by 6.9% in the first nine months of FY2014/15, with growth in ecommerce and logistics related businesses continuing to offset declines in the traditional postal business.

In the Mail division, growth in ecommerce related transshipment revenue helped to offset the decline in domestic mail and hybrid mail contributions.

Logistics revenue increased on the back of growth in the ecommerce related activities of Quantum Solutions and Singapore Parcels, the freight forwarding business of Famous Holdings, and General Storage's self-storage business.

In Retail & eCommerce, higher revenue from ecommerce services offset declines in traditional retail & agency services and financial services.

Other Income

Rental and property related income was S\$33.0 million, a decrease of 2.9% from S\$34.0 million previously, as a result of lower rental income from Singapore Post Centre.

Miscellaneous income amounted to S\$8.8 million, compared to a loss of S\$1.8 million previously. The difference was due to a S\$4.2 million gain on the sale of property, plant and equipment (relating to the government land acquisition of Thomson post office/delivery base), higher interest income and trade related foreign exchange gains. The same period last year had also included higher provisions for the restructuring of an overseas operation.

Total Expenses

Total expenses rose by 8.8% from S\$521.5 million to S\$567.7 million. The increase was attributable to the continued investment in the Group's transformation and service quality improvements. The inclusion of new subsidiaries also contributed to the increase in expenses.

The rise in labour and related expenses was mainly due to increased operating cost in Singapore and continuing investment into the growth transformation.

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

Administrative and other expenses rose as a result of higher property related expenses and other administrative costs including professional expenses related to M&As and other transformation initiatives.

Depreciation expenses declined due to the full depreciation of certain assets.

Finance expenses were lower as interest expenses were partially offset by exchange gains on foreign currency holdings.

Operating Profit

	FY2014/15	FY2013/14	Variance
	9M	9M	
	S\$'000	S\$'000	%
Mail	107,102	109,405	(2.1%)
Logistics	16,572	12,038	37.7%
Retail & eCommerce	7,241	6,785	6.7%
Others *	15,268	14,176	7.7%
Total	146,183	142,404	2.7%

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

Mail operating profit declined as a result of increased operating costs, particularly with the investments in service quality improvements.

Logistics operating profit was higher on the back of improved business performance and lower restructuring costs compared to the same period last year. This was despite continued expenditure to build the Group's regional logistics business and networks.

In the Retail & eCommerce segment, operating profit rose as a result of better performances by financial services and ecommerce services.

The improvement in Others was mainly due to gains on sale of property, plant and equipment which offset lower property contributions.

Share of Results of Associated Companies and JVs

Share of profit of associated companies and joint ventures grew by 34.8% from S\$2.4 million to S\$3.3 million, with improved contributions from the associated companies.

Net Profit

Despite additional operating costs in the transformation process, the Group recorded a 2.1% growth in underlying net profit from S\$113.7 million to S\$116.1 million. Net profit attributable to equity holders including the impact of one-off items was higher by 6.0% at S\$119.1 million, compared to S\$112.3 million in the same period last year.

Balance Sheet

Ordinary equity amounted to S\$686.8 million as at 31 December 2014, compared to S\$346.8 million as at 31 March 2014. The increase was predominantly attributable to the enlarged share capital following the issue of shares to Alibaba Investment Ltd in July 2014.

Over the nine-month period, the Group made several acquisitions including Couriers Please Holdings, The Store House and F.S. Mackenzie, which contributed to the increase in the Group's intangible assets, and trade and other receivables. Cash and cash equivalents were higher at S\$534.1 million, compared to S\$404.4 million. Total assets amounted to S\$1.66 billion as at 31 December 2014, compared to S\$1.32 billion as at 31 March 2014.

Total liabilities amounted to S\$623.9 million, compared to S\$626.0 million as at 31 March 2014.

Financial Position

The Group was in a net cash position (cash and cash equivalents less borrowings) of S\$298.6 million as at 31 December 2014. The Group's cash holdings will be utilised for its investments, capital expenditure, working capital and other funding needs.

Interest coverage ratio (EBITDA to interest expense) remained high at 41.4x, compared to 34.6x at 31 March 2014.

Cash Flow

Net cash from operating activities was S\$113.9 million in the first nine months, compared to S\$156.8 million in the same period last year. The difference was largely attributable to timing differences arising from the consolidation of new acquisitions and working capital movements as a result of business operations.

Net cash used in investing activities was S\$199.9 million, compared to S\$18.3 million previously. During the period, the Group made acquisitions amounting to S\$115.1 million. It also invested S\$71.0 million in property, plant and equipment, including the new mail sorting equipment, property projects currently under development including the eCommerce Logistics Hub, and additional POPStations. The Group purchased financial assets of S\$22.3 million comprising mainly corporate bonds. The cash outflow was partially offset by proceeds of S\$10.8 million from the disposal of property, plant and equipment, and S\$4.5 million from the maturity of financial assets.

Net cash from financing activities was S\$215.7 million, compared to net cash used of S\$404.3 million previously. During the period, the Group received proceeds of S\$297.7 million from ordinary share issues and S\$31.9 million from the treasury share transfer. This was partially offset by dividend payments of S\$101.3 million and perpetual securities distributions of S\$7.5 million. Last year, the Group repaid its S\$300 million bond.

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

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

Not applicable.

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

The Group continues to explore investment opportunities in Asia Pacific as part of its growth strategy. It has been expanding its end-to-end ecommerce logistics solutions network in the region and investing in ecommerce logistics infrastructure, technology and capabilities.

In line with its strategic objective of building regional ecommerce delivery networks, Quantum Solutions acquired 100% of Couriers Please Holdings in December 2014. Couriers Please operates one of Australia's leading metropolitan small parcel delivery businesses. The acquisition will allow the Group to roll out end-to-end solutions across ecommerce, forwarding, warehousing and delivery in Australia.

Famous Holdings broadened its freight network and established an entry point into the New Zealand freight market with the acquisition of Famous Pacific Shipping in January 2015. Famous Pacific Shipping is a New Zealand-based freight forwarder focusing primarily on sea and air freight forwarding together with customs clearance for inbound and outbound shipments from New Zealand.

The Group intends to redevelop its retail space at Singapore Post Centre and will make further announcements in due course.

(11) Dividends

Current financial period reported on

Interim dividend

In relation to the third quarter ended 31 December 2014, the Board of Directors has declared an interim dividend of 1.25 cents per ordinary share (tax exempt one-tier).

The interim quarterly dividend of 1.25 cents per ordinary share will be paid on 6 March 2015. The transfer book and register of members of the Company will be closed on 18 February 2015 for the preparation of dividend warrants. Duly completed registrable transfers of the ordinary shares in the capital of the Company received by the Company's registrar up to 5.00 pm on 17 February 2015 will be registered to determine members' entitlements to the dividend.

Corresponding period of the immediately preceding financial year

Interim dividend

An interim dividend of 1.25 cents per ordinary share (tax exempt one-tier) in relation to the third quarter ended 31 December 2013 was declared on 5 February 2014 and paid on 28 February 2014.

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

Not applicable.

PART II OTHER INFORMATION

(13) Interested Person Transactions

During the third quarter and nine months ended 31 December 2014, 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)	
	FY2014/15 Q3 S\$'000	FY2013/14 Q3 S\$'000	FY2014/15 Q3 S\$'000	FY2013/14 Q3 S\$'000
Sales				
Singapore Telecommunications Group	-	-	7,135*	1,140
	-	-	7,135	1,140
Purchases				
SATS Group	-	-	-	1,212*
Singapore Telecommunications Group	-	-	110	1,917*
	-	-	110	3,129
Loan to associated company				
Postea Group	742*	-	-	-
	742	-	-	-
Total interested person transactions	742	-	7,245	4,269

	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)	
	FY2014/15 9M S\$'000	FY2013/14 9M S\$'000	FY2014/15 9M S\$'000	FY2013/14 9M S\$'000
Sales				
Mediacorp Group	-	-	540	-
Singapore Telecommunications Group	-	-	9,825*	3,408*
Starhub Group	-	-	631	785
	-	-	10,996	4,193
Purchases				
Certis Cisco Security Pte Ltd	-	-	723*	-
PSA Corporation Limited	-	-	2,727*	-
SATS Group	-	-	-	1,212*
SembCorp Group	-	-	95,360*	-
Singapore Airlines Group	-	-	4,480	2,243
Singapore Telecommunications Group	-	-	110	1,917*
SMRT Group	-	-	1,188*	-
	-	-	104,588	5,372
Loan to associated company				
Postea Group	742*	-	-	-
	742	-	-	-
Total interested person transactions	742	-	115,584	9,565

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 3 months to 5 years 3 months) or annual values for open-ended contracts.

* Include contracts of duration exceeding one year.

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

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the third quarter and nine months ended 31 December 2014 to be false or misleading.

On behalf of the Board of Directors



MR LIM HO KEE
Chairman



DR WOLFGANG BAIER
Director

Singapore
4 February 2015