

For immediate release

SingPost Group's unaudited results
for the third quarter and nine months ended 31 December 2014

SingPost continues to see steady growth

- Q3 revenue growth from logistics, ecommerce-related businesses while mail revenue declined
 - Operating costs including labour and related expenses continue on uptrend
- Strategic investments to drive transformation while enhancing efficiency and productivity

Singapore, 4 February 2015 – SingPost today announced its unaudited results for the third quarter and nine months ended 31 December 2014. Below are some highlights:

FINANCIAL HIGHLIGHTS

| | Q3 FY14/15 (S\$M) | Q3 FY13/14 (S\$M) | Variance (%) | | 9M FY14/15 (S\$M) | 9M FY13/14 (S\$M) | Variance (%) |
|------------------------------------|----------------------|----------------------|-----------------|--|----------------------|----------------------|-----------------|
| GROUP RESULTS | | | | | | | |
| Revenue | 239.6 | 222.6 | 7.6 | | 670.9 | 627.8 | 6.9 |
| Rental & Property-Related Income | 10.9 | 11.4 | (3.9) | | 33.0 | 34.0 | (2.9) |
| Total Expenses | 199.1 | 184.4 | 8.0 | | 567.7 | 521.5 | 8.8 |
| Net Profit | 42.2 | 39.4 | 7.3 | | 119.1 | 112.3 | 6.0 |
| Underlying Net Profit | 42.4 | 40.2 | 5.4 | | 116.1 | 113.7 | 2.1 |
| Net Cash from Operating Activities | 41.7 | 38.9 | - | | 113.9 | 156.8 | - |
| Earnings per Share | 1.794cts | 1.873cts | - | | 5.228cts | 5.327cts | - |

Revenue growth from logistics, ecommerce-related businesses

Group revenue grew 7.6% to S\$239.6 million in the third quarter of FY2014/15, underpinned by contributions from logistics and ecommerce related activities, offsetting the decline in traditional mail revenue.

Mr Lim Ho Kee, Chairman of SingPost said: "SingPost embarked on its transformation journey in 2003 when the company IPO-ed. Concerted efforts went into strengthening the postal business even as the company set about to diversify its revenue streams and to go regional. While we have managed to grow non-mail revenue and achieved a more balanced revenue portfolio, it is critical that we continue with the transformation."

Revenue in the Mail segment fell 2.3% to S\$130.1 million as a result of lower contributions from domestic mail and international mail. Logistics revenue grew 20.7% to S\$122.1 million with better contributions by the business lines. Quantum Solutions and Singapore Parcels continued to grow ecommerce logistics contributions while 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). In Retail & eCommerce, revenue grew marginally to S\$22.9 million as the decline in

traditional retail and agency services and financial services was offset by growth in ecommerce services.

Rental and property-related income declined by 3.9% to S\$10.9 million, mainly due to lower rental income from Singapore Post Centre.

Total expenses amounted to S\$199.1 million, an increase of 8.0% compared to the same quarter last year. The Group continued to invest in its transformation initiatives and service quality improvements. The rise in labour and related expenses was mainly due to increased operating cost in Singapore and continuing investment into the growth transformation.

The Group's net profit grew 7.3% to S\$42.2 million. Excluding one-off items, underlying net profit was S\$42.4 million, an increase of 5.4% from the previous year.

Strategic investments to drive transformation while enhancing efficiency and productivity

The Group continues to face challenges in its Mail business. In Q3, Mail revenue declined 2.3%. Domestic mail revenue fell 1.7% while international mail revenue declined 2.7% as the transshipment business becomes increasingly competitive with more commercial operators in the region. Singapore, which is classified as an industrialized country by the Universal Postal Union, pays higher Terminal Dues (TDs) or settlement rates for delivery of outbound mail at country of destination. TDs which have increased by up to 42.6% over the past years, are also weighing on the international mail business.

Dr Wolfgang Baier, Group Chief Executive Officer of SingPost, said: "Despite the declining Mail business, we are investing in service quality and focusing on efficiency and productivity improvements. We remain committed to provide our Singapore customers a better service experience as we take our public service obligations very seriously. The new integrated sorting machines costing S\$45 million are now fully operational. These new machines increase letter sorting capacity by 17% and mechanisation rate to 95%, improving efficiency and accuracy at the same time. We will continue to transform our post office network into 24/7 touch-points with digital solutions for the convenience of our customers."

Added Dr Baier: "For Q3, our logistics and ecommerce-related businesses contributed to revenue growth as we continued to push ahead with our transformation to become the regional leader in ecommerce logistics and trusted communications."

In line with its strategic objective of building a regional ecommerce delivery network, Quantum Solutions acquired 100% of CouriersPlease Holdings in December 2014. CouriersPlease operates one of Australia's leading metropolitan small parcel delivery businesses. With the acquisition, the Group is able to roll out end-to-end solutions across ecommerce, forwarding, warehousing and delivery in Australia.

SingPost also acquired Famous Pacific Shipping NZ in January 2015, enabling subsidiary Famous Holdings to broaden its freight network and establish an entry point into the New Zealand freight market. FPSNZ 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.

With CouriersPlease and FPSNZ joining the SingPost stable which already includes Quantum Solutions and Famous Holdings, the Group now has an expanded end-to-end integrated suite of services to meet the growing customer demands in the Pacific region.

During the quarter, the Group further harnessed synergies from its stable of companies. Among the initiatives was the set-up of a one-stop service at its Lock+Store facility for small businesses and blogshop owners. Integrated services include a bulk package counter for faster multiple package posting leveraging its *ezy2ship* technology, Smartpac lite envelopes for packages less than 1 kg and self-storage facilities. Lock+Store has also rolled out serviced offices to cater to the growing demand for small office set-ups among SMEs.

The Group will continue 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.

Said Dr Baier: "We will continue to drive the Group's transformation, focusing on strategic investments in infrastructure, technology, operations and talent."

Interim quarterly dividend of 1.25 cents per share

Net cash from operating activities was S\$113.9 million, compared to S\$156.8 million in the previous period. 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.

The Board of Directors has declared an interim quarterly dividend of 1.25 cents per ordinary share (tax exempt one-tier) payable on 6 March 2015.

End

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.

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 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
- Speedpost (<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.

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