



**SINGAPORE POST LIMITED
AND ITS SUBSIDIARIES**

(Registration number: 199201623M)

**SGXNET ANNOUNCEMENT
UNAUDITED RESULTS FOR THE
FIRST QUARTER ENDED 30 JUNE 2015**

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

	FY2015/16 Q1 S\$'000	FY2014/15 Q1 S\$'000 (Restated)*	Variance %
Revenue	254,607	210,914	20.7%
Other income and gains (net)			
- Rental and property-related income	10,604	10,805	(1.9%)
- Miscellaneous	13,632	5,948	129.2%
Labour and related expenses	(72,709)	(63,978)	13.6%
Volume-related expenses ¹	(106,945)	(78,719)	35.9%
Administrative and other expenses	(31,153)	(24,883)	25.2%
Depreciation, amortisation and impairment	(6,560)	(6,824)	(3.9%)
Selling expenses	(2,152)	(2,146)	0.3%
Finance expenses	(3,199)	(1,836)	74.2%
Total expenses	(222,718)	(178,386)	24.9%
Share of profit of associated companies and joint ventures	1,662	860	93.3%
Profit before income tax	57,787	50,141	15.2%
Income tax expense	(10,630)	(9,357)	13.6%
Total profit	47,157	40,784	15.6%
Attributable to:			
Equity holders of the Company	46,590	40,241	15.8%
Non-controlling interests	567	543	4.4%
Total profit	47,157	40,784	15.6%
Operating Profit²	57,708	50,395	14.5%
Underlying Net Profit³	40,282	37,309	8.0%
Earnings per share for profit attributable to the equity holders of the Company during the period: ⁴			
- Basic	1.996 cents	1.915 cents	
- Diluted	1.985 cents	1.905 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, revaluation of investment properties, gains and losses on sale of property, plant and equipment, and M&A related professional fees.
- 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).

* Prior year comparatives are restated. Please see Paragraph 5 for more details.

Consolidated Statement of Comprehensive Income

	FY2015/16 Q1 S\$'000	FY2014/15 Q1 S\$'000 (Restated)*	Variance %
Total profit	47,157	40,784	15.6%
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) / gain	(111)	4	N.M.
Currency translation differences arising from consolidation			
- Losses	(5,814)	(448)	@
Other comprehensive loss for the period (net of tax)	(5,925)	(444)	@
Total comprehensive income for the period*	41,232	40,340	2.2%
Total comprehensive income attributable to:			
Equity holders of the Company	41,258	39,683	4.0%
Non-controlling interests	(26)	657	N.M.
	41,232	40,340	2.2%

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

Underlying Net Profit Reconciliation Table

	FY2015/16 Q1 S\$'000	FY2014/15 Q1 S\$'000 (Restated)*	Variance %
Profit attributable to equity holders of the Company	46,590	40,241	15.8%
Gains on sale of property, plant and equipment	(1,403)	(4,201)	(66.6%)
Provision for the restructuring of an overseas operation	-	1,123	N.M.
Gains on divestment of shares in subsidiaries	(8,428)	-	N.M.
Professional fee relating to M & A activities	3,523	146	@
Underlying Net Profit	40,282	37,309	8.0%

N.M. Not meaningful.

@ Denotes variance exceeding 300%.

* Prior year comparatives are restated. Please see Paragraph 5 for more details.

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

	FY2015/16	FY2014/15	Variance
	Q1	Q1	
	S\$'000	S\$'000	%
		(Restated)*	
Other operating income and interest income [#]	24,236	16,753	44.7%
Interest on borrowings	1,575	1,527	3.1%
Depreciation and amortisation	6,911	7,762	(11.0%)
Impairment of doubtful debts and bad debts written off	313	184	70.1%
Foreign exchange gains / (losses)	(512)	261	N.M.
Gains on sale of investments, property, plant and equipment *	9,831	4,201	134.0%

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

N.M. Not meaningful.

@ Denotes variance exceeding 300%.

* Prior year comparatives are restated. Please see Paragraph 5 for more details.

(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	
	Jun-15 S\$'000	Mar-15 S\$'000	Jun-15 S\$'000	Mar-15 S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	565,914	584,140	486,341	477,045
Financial assets *	19,207	21,878	18,860	21,531
Trade and other receivables	159,596	164,054	229,417	178,644
Inventories	5,063	6,298	836	484
Other current assets	14,329	21,220	5,904	5,573
	<u>764,109</u>	<u>797,590</u>	<u>741,358</u>	<u>683,277</u>
Non-current assets				
Financial assets *	33,987	12,718	33,923	12,651
Trade and other receivables	5,624	4,776	162,709	152,016
Investments in associated companies and joint ventures	108,696	105,106	26,080	26,080
Investments in subsidiaries	-	-	292,890	292,890
Investment properties	638,290	638,818	633,826	633,826
Property, plant and equipment	396,476	329,984	254,066	250,286
Intangible assets	301,945	302,893	254	263
Deferred income tax assets	3,783	5,371	-	-
Other non-current asset	570	551	-	-
	<u>1,489,371</u>	<u>1,400,217</u>	<u>1,403,748</u>	<u>1,368,012</u>
Total assets	<u>2,253,480</u>	<u>2,197,807</u>	<u>2,145,106</u>	<u>2,051,289</u>
LIABILITIES				
Current liabilities				
Trade and other payables	353,509	352,068	277,748	261,936
Current income tax liabilities	43,440	35,318	37,751	29,704
Deferred income	7,293	6,961	7,293	6,961
Derivative financial instruments	2,600	3,718	2,600	3,718
Borrowings	16,780	16,947	-	-
	<u>423,622</u>	<u>415,012</u>	<u>325,392</u>	<u>302,319</u>
Non-current liabilities				
Trade and other payables	9,397	10,508	-	-
Borrowings	220,140	221,380	203,573	203,749
Deferred income	62,252	59,569	62,252	59,569
Deferred income tax liabilities	24,081	23,601	17,949	17,278
	<u>315,870</u>	<u>315,058</u>	<u>283,774</u>	<u>280,596</u>
Total liabilities	<u>739,492</u>	<u>730,070</u>	<u>609,166</u>	<u>582,915</u>
NET ASSETS	<u>1,513,988</u>	<u>1,467,737</u>	<u>1,535,940</u>	<u>1,468,374</u>
EQUITY				
Capital and reserves attributable to the Company's equity holders				
Share capital	434,207	429,980	434,207	429,980
Treasury shares	(2,610)	(2,831)	(2,610)	(2,831)
Other reserves	2,687	7,448	6,262	5,802
Retained earnings	725,520	682,639	747,546	688,597
Ordinary equity	<u>1,159,804</u>	<u>1,117,236</u>	<u>1,185,405</u>	<u>1,121,548</u>
Perpetual securities**	<u>350,535</u>	<u>346,826</u>	<u>350,535</u>	<u>346,826</u>
	<u>1,510,339</u>	<u>1,464,062</u>	<u>1,535,940</u>	<u>1,468,374</u>
Non-controlling interests	3,649	3,675	-	-
Total equity	<u>1,513,988</u>	<u>1,467,737</u>	<u>1,535,940</u>	<u>1,468,374</u>

* 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.

	Jun-15	Mar-15
	S\$'000	S\$'000
Amount repayable in one year or less, or on demand		
- Borrowings (secured)	2,480	2,647
- Borrowings (unsecured)	14,300	14,300
Amount repayable after one year:		
- Borrowings (secured)	16,567	17,631
- Borrowings (unsecured)	203,573	203,749
	236,920	238,327

The Group's unsecured borrowings comprised mainly of S\$200 million 10-year Fixed Rate Notes (the "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 of external bank loans of subsidiaries and are secured over investment properties, guarantees and other securities.

(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	
	FY2015/16	FY2014/15
	Jun-15	Jun-14
	S\$'000	S\$'000
Cash flows from operating activities		(Restated)*
Total profit	47,157	40,784
Adjustments for:		
Income tax expense	10,630	9,357
Amortisation of deferred income	2,683	(78)
Amortisation of intangible assets	351	938
Depreciation and impairment	6,560	6,824
Gains on sale of investments, property, plant and equipment	(9,831)	(4,201)
Share-based staff costs	1,099	701
Interest expense	1,575	1,527
Interest income	(1,616)	(722)
Share of profit of associated companies and joint ventures	(1,662)	(860)
	9,789	13,486
Operating cash flow before working capital changes	56,946	54,270
Changes in working capital		
Inventories	(627)	636
Trade and other receivables	5,984	(10,930)
Trade and other payables	(1,785)	8,091
Cash generated from operations	60,518	52,067
Income tax paid	(1,285)	(743)
Net cash provided by operating activities	59,233	51,324
Cash flows from investing activities		
Additions to property, plant and equipment	(75,641)	(9,886)
Disposal of a subsidiary, net of cash disposed of	16,095	-
Investment in an associated company	(4,519)	-
Interest received	1,156	572
Loan to an associated company	(737)	-
Payment relating to purchase of a business	(250)	-
Proceeds from disposal of property, plant and equipment	1,491	10,624
Proceeds on maturity of financial assets	4,500	3,000
Purchase of financial assets	(23,321)	(17,521)
Repayment of loans by associated companies	1,012	123
Net cash used in investing activities	(80,214)	(13,088)
Cash flows from financing activities		
Interest paid	(233)	(280)
Proceeds from issuance of ordinary shares	3,920	4,098
Proceeds from re-issuance of treasury shares	-	16
Repayment of bank term loan	(932)	(1,054)
Net cash provided by financing activities	2,755	2,780
Net (decrease) / increase in cash and cash equivalents	(18,226)	41,016
Cash and cash equivalents at beginning of financial period	584,140	404,430
Cash and cash equivalents at end of financial period	565,914	445,446

* Prior year comparatives are restated. Please see Paragraph 5 for more details.

(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 – Q1

	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 April 2015	429,980	(2,831)	682,639	7,448	1,117,236	346,826	1,464,062	3,675	1,467,737
Total comprehensive income / (loss) for the period	-	-	42,881	(5,332)	37,549	3,709	41,258	(26)	41,232
	429,980	(2,831)	725,520	2,116	1,154,785	350,535	1,505,320	3,649	1,508,969
Employee share option scheme:									
- Value of employee services	-	-	-	1,099	1,099	-	1,099	-	1,099
- New shares issued	4,227	-	-	(307)	3,920	-	3,920	-	3,920
- Treasury shares re-issued	-	221	-	(221)	-	-	-	-	-
Balance at 30 June 2015	434,207	(2,610)	725,520	2,687	1,159,804	350,535	1,510,339	3,649	1,513,988
Balance at 1 April 2014 as previously reported	129,082	(35,346)	250,700	2,402	346,838	346,826	693,664	2,168	695,832
Effect of change in accounting for investment properties	-	-	417,331	1,290	418,621	-	418,621	-	418,621
As restated	129,082	(35,346)	668,031	3,692	765,459	346,826	1,112,285	2,168	1,114,453
Total comprehensive income / (loss) for the period	-	-	36,532	(558)	35,974	3,709	39,683	657	40,340
	129,082	(35,346)	704,563	3,134	801,433	350,535	1,151,968	2,825	1,154,793
Employee share option scheme:									
- Value of employee services	-	-	-	701	701	-	701	-	701
- New shares issued	4,382	-	-	(284)	4,098	-	4,098	-	4,098
- Treasury shares re-issued	-	17	-	(1)	16	-	16	-	16
Balance at 30 June 2014	133,464	(35,329)	704,563	3,550	806,248	350,535	1,156,783	2,825	1,159,608

The Company – Q1

	Attributable to ordinary shareholders of the Company						
	Share capital	Treasury shares	Retained earnings	Other reserves	Total	Perpetual securities	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 April 2015	429,980	(2,831)	688,597	5,802	1,121,548	346,826	1,468,374
Total comprehensive income / (loss) for the period	-	-	58,949	(111)	58,838	3,709	62,547
	429,980	(2,831)	747,546	5,691	1,180,386	350,535	1,530,921
Employee share option scheme:							
- Value of employee services	-	-	-	1,099	1,099	-	1,099
- New shares issued	4,227	-	-	(307)	3,920	-	3,920
- Treasury shares re-issued	-	221	-	(221)	-	-	-
Balance at 30 June 2015	434,207	(2,610)	747,546	6,262	1,185,405	350,535	1,535,940
Balance at 1 April 2014 as previously reported	129,082	(35,346)	217,615	4,952	316,303	346,826	663,129
Effect of change in accounting for investment properties	-	-	460,807	1,290	462,097	-	462,097
As restated	129,082	(35,346)	678,422	6,242	778,400	346,826	1,125,226
Total comprehensive income for the period	-	-	37,284	4	37,288	3,709	40,997
	129,082	(35,346)	715,706	6,246	815,688	350,535	1,166,223
Employee share option scheme:							
- Value of employee services	-	-	-	701	701	-	701
- New shares issued	4,382	-	-	(284)	4,098	-	4,098
- Treasury shares re-issued	-	17	-	(1)	16	-	16
Balance at 30 June 2014	133,464	(35,329)	715,706	6,662	820,503	350,535	1,171,038

(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 first quarter ended 30 June 2015, the Company issued 3,070,000 ordinary share at prices ranging from S\$0.89 to S\$1.45 upon the exercise of options granted under the Singapore Post Share Option Scheme.

As at 30 June 2015, there were unexercised options for 69,650,000 (30 June 2014: 62,708,000) unissued ordinary shares under the Singapore Post Share Option Scheme (including Share Performance Option Plan but excluding Restricted Share Plan) and unvested shares for 2,116,711 (30 June 2014: 2,388,075) unissued ordinary shares under the Restricted Share Plan.

As at 30 June 2015, the Company held 2,527,478 treasury shares (30 June 2014: 33,312,000).

(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 30 June 2015, total issued shares were 2,150,061,140 (31 March 2015: 2,146,774,225).

(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 first quarter ended 30 June 2015, the Company re-issued 216,915 treasury shares at a price of S\$1.025 upon the vesting of shares under Singapore Post Restricted Share Plan 2013.

(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 2015.

(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 2015, 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.

Accounting for Investment Properties

During the financial year ended 31 March 2015, the Group's accounting policy with respect to the measurement of investment properties, subsequent to initial recognition, has been changed from the cost model to the fair value model. Along with the accounting policy change from the cost model to the fair value model, management has undertaken a review of the Group's property allocation between investment properties and property, plant and equipment and made reclassification as appropriate.

The effects of the voluntary change in accounting policy and review of the Group's investment property assets have been restated on the Group's consolidated income statements for Q1 FY2014/15 as follows:

	Increase/(Decrease) Q1 FY2014/15
	S\$'000
Consolidated Statement of Comprehensive Income:	
Depreciation, amortization and impairment	(997)
Net profit attributable to:	
- Equity holders of the Company	977
- Non-controlling interests	-
Earnings per share attributable to equity	
- Basic (cents)	0.052
- Diluted (cents)	0.052

(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	
	FY2015/16	FY2014/15
	Q1	Q1
		(Restated)*
Based on weighted average number of ordinary shares in issue	1.996 cents	1.915 cents
On fully diluted basis	1.985 cents	1.905 cents

* Prior year comparatives are restated. Please see Paragraph 5 for more details.

(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	
	Jun-15	Mar-15	Jun-15	Mar-15
Net asset value per ordinary share based on issued share capital of the Company at the end of the financial period (cents)	70.42	68.37	71.44	68.40
	53.94	52.04	55.13	52.24

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

First Quarter Ended 30 June 2015

Revenue

	FY2015/16	FY2014/15	Variance
	Q1	Q1	%
	S\$'000	S\$'000	
Mail	125,130	123,207	1.6%
Logistics	140,071	97,561	43.6%
Retail & eCommerce	24,070	22,791	5.6%
Inter-segment eliminations*	(34,664)	(32,645)	6.2%
Total	254,607	210,914	20.7%

Group revenue increased by 20.7% in the first quarter of FY2015/16, with continued growth in ecommerce and logistics contributions and the inclusion of new subsidiaries. Excluding the impact of M&As including the divestment of subsidiaries, revenue remained constant.

In the Mail division, the postage revision in October 2014 helped to offset the impact of declining traditional letter mail volumes.

Logistics revenue continued to increase on the back of growing contributions from ecommerce logistics activities and the inclusion of new subsidiaries.

In Retail & eCommerce, revenue was higher as increasing ecommerce contributions offset the decline in financial services.

Other Income

Rental and property-related income fell by 1.9% from S\$10.8 million to S\$10.6 million as a result of lower contributions from SingPost's properties.

Miscellaneous income amounted to S\$13.6 million, compared to S\$5.9 million previously. The increase was largely due to one-off gains from the disposal of Novation Solutions and DataPost HK.

Total Expenses

Total expenses amounted to S\$222.7 million, an increase of 24.9% from S\$178.4 million in the first quarter last year, as a result of the inclusion of new subsidiaries and continued investments in resources for the Group's transformation.

Labour and related expenses were higher with annual salary increments and additional headcount from new subsidiaries and for the Group's growth initiatives.

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

Administrative and other expenses were higher as a result of the increase in property related expenses and professional fees related to the Group's growth and transformation initiatives.

Operating Profit

	FY2015/16 Actual S\$'000	FY2014/15 Actual S\$'000 (Restated)*	Variance %
Mail	47,296	35,042	35.0%
Logistics	6,650	3,809	74.6%
Retail & eCommerce	1,142	2,858	(60.0%)
Others [#]	2,620	8,686	(69.8%)
Operating Profit	57,708	50,395	14.5%
(Less) / add : Non-underlying items	(6,308)	(2,932)	115.1%
Underlying operating profit	51,400	47,463	8.3%

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

* Prior year comparatives are restated. Please see Paragraph 5 for more details.

The Group's operating profit grew by 14.5% in the first quarter. Excluding one-off gains, underlying operating profit showed a 8.3% improvement to S\$51.4 million.

The increase in Mail operating profit was largely attributable to the one-off gain from the divestment of Novation Solutions and DataPost HK. The Group continues to focus on productivity and efficiency to manage the increase in operating costs, particularly with investments in service quality improvements.

In Logistics, operating profit increased as contributions from new subsidiaries offset continuing costs in integration and transformation.

Retail & eCommerce operating profit declined as a result of lower agency services and higher set up cost for new and revised service offerings.

The decline in Others was mainly attributable to higher gain on disposals of property, plant and equipment in the same quarter last year.

Share of Results of Associated Companies and JVs

Share of profit of associated companies and joint ventures grew from S\$0.9 million to S\$1.7 million.

Net Profit

Net profit attributable to equity holders amounted to S\$46.6 million, compared to S\$40.2 million in the same quarter last year. The Group's underlying net profit increased 8.0% from S\$37.3 million to S\$40.3 million.

Balance Sheet

The Group's total assets amounted to S\$2.25 billion as at 30 June 2015, compared to S\$2.20 billion as at 31 March 2015.

Total liabilities were S\$739.5 million, compared to S\$730.1 million as at 31 March 2015.

Ordinary shareholders' equity amounted to S\$1.51 billion, compared to S\$1.46 billion as at 31 March 2015 due to higher retained earnings.

As at 30 June 2015, the Group was in a net cash position¹ of S\$329.0 million. The cash will be utilised to support investment, capital expenditure, working capital and other funding needs.

Interest coverage ratio² remained high at 42.1x, compared to 38.3x at 30 June 2014.

Cash Flow

Net cash from operating activities was healthy at S\$59.2 million, compared to S\$51.3 million in the first quarter last year.

Net cash used in investing activities was S\$80.2 million, compared to S\$13.1 million previously. This is mainly due to capital expenditure of S\$75.6 million, which comprised mainly the construction of the eCommerce Logistics Hub and addition of POPStations. The Group added S\$23.3 million of financial assets comprising government and corporate bonds, and invested S\$4.5 million in an associated company, Hubbed Holdings. This was partially offset by net proceeds of S\$16.1 million from the disposal of Novation Solutions and DataPost HK, and S\$4.5 million from the maturity of financial assets.

Net cash from financing activities was S\$2.8 million, largely from the issue of ordinary shares for fulfilment of employee stock options.

The use of the proceeds from the share issue and treasury share transfer to Alibaba Investment Limited is in line with the intended use stated in the SGXNET announcement dated 28 May 2014. The proceeds are being deployed for capital expenditure such as the construction of the eCommerce Logistics Hub, 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.

¹ Cash and cash equivalents less borrowings

² EBITDA to interest expense

(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 develop and expand its end-to-end ecommerce logistics solutions in Asia Pacific. Capital expenditure is expected to remain high in FY2015/16 due to investments in infrastructure such as the eCommerce Logistics Hub and POPStation network. The Group also intends to redevelop its retail space at Singapore Post Centre and will make further announcements in due course.

The Group continues to pursue investment opportunities. In June 2015, its subsidiary Quantum Solutions acquired 30% of Hubbed Holdings Pty Ltd in Australia, while freight forwarding subsidiary Famous Holdings acquired 80% of Rotterdam Harbour Holding BV in the Netherlands in July 2015.

On 8 July 2015, the Group announced that it has entered into a conditional joint venture agreement with Alibaba Investment Ltd whereby the latter will acquire a 34% stake in Quantum Solutions International for approximately S\$91.7 million. SingPost will also issue 107.55 million new shares to Alibaba Investment Ltd at S\$1.74 per share, or approximately S\$187.1 million³. Both companies have established a joint strategic business development framework to further improve efficiency and integration in the ecommerce logistics industry by leveraging each other's strengths and scale across the whole value chain of ecommerce logistics.

(11) Dividends

Current financial period reported on

Interim dividend

In relation to financial period ended 30 June 2015, the Board of Directors has declared an interim dividend of 1.50 cents per ordinary share (tax exempt one-tier).

The interim quarterly dividend of 1.50 cents per ordinary share will be paid on 27 August 2015. The transfer book and register of members of the Company will be closed on 14 August 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 13 August 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 first quarter ended 30 June 2014 was declared on 5 August 2014 and paid on 29 August 2014.

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

Not applicable.

³ Conditional upon approval from shareholders and IDA

PART III OTHER INFORMATION

(13) Interested Person Transactions

During the first quarter ended 30 June 2015, 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)	
	FY2015/16 Q1 S\$'000	FY2014/15 Q1 S\$'000	FY2015/16 Q1 S\$'000	FY2014/15 Q1 S\$'000
Sales				
Mediacorp Group	-	-	799*	540
Singapore Airlines Group	-	-	1,260*	-
Singapore Telecommunications Group	-	-	1,653*	1,630
Starhub Group	-	-	860	631
	-	-	4,572	2,801
Purchases				
Certis Cisco Group			162*	-
PSA Corporation	-	-	1,808*	-
SembCorp Group	-	-	-	360*
Singapore Airlines Group	-	-	1,540	4,480
	-	-	3,510	4,840
Total interested person transactions	-	-	8,082	7,641

Note

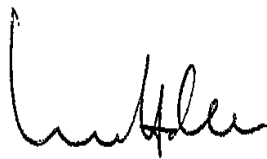
All the transactions set out in the above table were based on the Group's interested person transactions register. They were either based on contractual values for the duration of the contracts (which vary from 1 year to 3 years) or annual values for open-ended contracts.

*Include contracts of duration exceeding one year.

(14) Confirmation by the Board pursuant to rule 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 first quarter ended 30 June 2015 to be false or misleading.

On behalf of the Board of Directors



MR LIM HO KEE
Chairman



DR WOLFGANG BAIER
Director

Singapore
29 July 2015