



For immediate release

## SingPost achieves record revenue and net profit for first Quarter of FY2015/16

- Revenue 20.7 per cent higher at S\$254.6 million and net profit up 15.8 per cent to S\$46.6 million
- Continued strength in eCommerce and logistics operations contribute to growth
- Underlying net profit for Q1 rose 8 per cent
- Invested S\$75.6 million mainly into expanding eCommerce logistics and postal service efficiency

### Financial Highlights

	Q1 FY15/16 (S\$'000)	Q1 FY14/15 (S\$'000)	Variance (%)
<b>GROUP RESULTS</b>			
Revenue	254,607	210,914	20.7
Rental & Property Related Income	10,604	10,805	(1.9)
Total Expenses	(222,718)	(178,386)	24.9
Net Profit	46,590	40,241	15.8
Underlying Net Profit	40,282	37,309	8.0
Net Cash from Operating Activities	59,233	51,324	15.4
Earnings per Share	1.996	1.915	

**SINGAPORE, 29 July 2015** – Singapore Post Limited (“SingPost”) today announced its unaudited results for the first quarter ending 30 June 2015.

Continuing growth in eCommerce and logistics lifted SingPost’s revenue for Q1 FY2015/16 by 20.7 per cent to S\$254.6 million. Operating profit was 14.5 per cent higher at S\$57.7 million due to a combination of steady business operating performance overlaid with profit contribution from one-off gains from divestments.

Net profit was S\$46.6 million, higher by 15.8 per cent compared to the corresponding period a year earlier. SingPost’s underlying net profit for the Quarter rose 8 per cent to S\$40.3 million.

### Logistics and eCommerce Show Largest Revenue and Profit Growth Increases

Mail revenue grew 1.6 per cent to S\$125.1 million where the postage revision from October 2014 offset the effect of declining traditional mail volumes and the partial loss of revenue after the divestment of Novation Solutions and DataPost (HK) in the first quarter. SingPost is expected to record an estimated gain of above S\$30 million from the divestment of Novation Solutions and Datapost (HK), as well as DataPost (pending completion).

Revenue from Logistics, which also includes SingPost’s eCommerce logistics business operations, grew strongly by 43.6 per cent to S\$140.1 million. This growth along with the corresponding 74.6 per cent improvement in operating profit from Logistics reflect both the growing demand for eCommerce logistics as well as SingPost’s progress in expanding its share



in this growing market.

Retail & eCommerce was higher by 5.6 per cent where vPOST and the front-end web solutions business were able to offset the decline in revenue from financial services and retail agencies.

The decline in Others in this Quarter was mainly due to higher gains in Q1 FY2014/15 from disposal of property, plant and equipment, compared to this Quarter.

### **Expenses and Cashflow Managed to Optimise Growth**

Total expenses were higher by 24.9 per cent to S\$222.7 million for the Quarter, broadly in tandem with revenue growth. The largest cost increase was for volume-related expenses due to higher international postal traffic and increased eCommerce-related deliveries. M&A related expenses also increased as SingPost continues to create long term shareholder value by focusing its resources to invest in eCommerce logistics, improving productivity in the customer facing processes and back office, as well as forging partnerships to diversify and expand its overseas network.

SingPost's net cash from operating activities was S\$59.2 million, improving 15.4 per cent over the corresponding Quarter in FY2014/15. Cash used for investing activities for the Quarter was S\$80.2 million deployed principally to the construction of the eCommerce Logistics Hub in Tampines, Singapore and for additional POPStations.

### **Initiatives in Q1 FY2015/16 to Drive Future Expansion**

SingPost carried out a number of initiatives in the Quarter that are planned to drive its future expansion. In June 2015, it invested S\$4.6 million in HUBBED Holdings to expand its service offering for parcel delivery and collection in Australia. Recently, on 8 July 2015 it announced initiatives to deepen its collaboration with Alibaba Holdings.

Dr Wolfgang Baier, SingPost's Group Chief Executive Officer said: "We have a set of numbers that demonstrates the progress we are making in the transformation of SingPost. This Quarter, our revenue and net profits are our highest ever. The partnerships we have built and the M&As we have done are showing in our numbers. We are adding one or two major eCommerce customers each month. Just three weeks ago, we announced that we have a new arrangement with Alibaba to create an end-to-end logistics platform around our reorganized subsidiary Quantum Solutions International. We will embark on a joint strategic business development framework with Alibaba and they are increasing their equity in us from 10.23 per cent to 14.51 per cent<sup>1</sup>."

### **Interim Dividend**

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

The Board of Directors has declared an interim quarterly dividend of 1.5 cents per ordinary share (tax exempt one-tier) to be paid on 27 August 2015.

*End*

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<sup>1</sup> Subject to approval of the Info-Communications Development Authority of Singapore and SingPost's shareholders



## About Singapore Post Limited

Singapore Post (SingPost) is the leading provider of mail, logistics and eCommerce solutions in Singapore and the Asia Pacific region, with operations in more than 10 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 letter shopping, delivery and mailroom management, among others. For over 150 years, SingPost has been delivering a trusted and reliable service to customers 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 was listed on the Main Board of the Singapore Exchange in 2003 and is a constituent stock of various main global benchmark indices - FTSE All-World Index Series, FTSE All-World Minimum Variance Index, FTSE All-World High Dividend Yield Index, FTSE RAFI Index Series, FTSE Global Infrastructure Index Series and FTSE ST Index Series. It has a strong credit rating of 'A/Stable/NR' by Standard & Poor's.

SingPost won the World Mail Award for Retail Customer Access in 2015, eCommerce, 2014 and People Management, 2013. SingPost also gained international acclaim when it was bestowed the Service Provider of the Year award by Postal Technology International in 2014 and 2012. 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.quantumsolutions.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
- 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

For more information, please visit: [www.singpost.com](http://www.singpost.com)

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