

Q1 FY2014/15 Financial Results

**Quarter April – June 2014
Financial year ending 31 March 2015**

5 August 2014



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The following presentation contains forward looking statements by the management of Singapore Post Limited (“SingPost”) relating to financial trends for future periods, compared to the results for previous periods.

Some of the statements contained in this presentation that are not historical facts are statements of future expectations with respect to the financial conditions, results of operations and businesses, and related plans and objectives. Forward looking information is based on management’s current views and assumptions including, but not limited to, prevailing economic and market conditions. These statements involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those in the statements as originally made. Such statements are not, and should not be construed as a representation as to future performance of SingPost. In particular, such targets should not be regarded as a forecast or projection of future performance of SingPost. It should be noted that the actual performance of SingPost may vary significantly from such statements.

“\$” means Singapore dollars unless otherwise indicated.

Executive Summary

\$M	Q1 FY14/15	Q1 FY13/14	YoY % change
Revenue	210.9	201.3	+4.8%
Operating expenses	177.9	163.8	+8.6%
Underlying net profit	36.2	36.2	(0.2%)

Good business performance; one-off gain in other income

- Growth in ecommerce related contributions continue to offset declines in traditional postal business
- Impact of one-off gain on disposal of property, plant & equipment

Higher expenses from business cost increases, and investment in transformation

- Continued cost pressures, particularly in domestic postal business, with rising labour costs and investments in service quality
- Ongoing developmental spending for transformation

Continued focus on execution of Group's transformation strategy

- Investing into postal infrastructure and service improvements to manage letter mail decline
- Continued investment in regional ecommerce network; pursuing investment opportunities for new revenue streams

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Q1 FY2014/15 P&L Highlights

Continued investments into transformation in FY2014/15

\$M	Q1 FY14/15	Q1 FY13/14	YoY % change	
Revenue	210.9	201.3	+4.8%	Driven by ecommerce activities
Other income	16.4	11.0	+49.7%	Gain on disposal of property
Operating expenses	177.9	163.8	+8.6%	
Operating profit	49.4	48.5	+1.9%	
Share of associated companies & JVs	0.9	0.4	+128.7%	Better performances by GDEX and ITL
Net finance costs	1.1	1.5	(25.1%)	
Income tax	9.4	9.5	(1.2%)	
Net profit	39.2	37.3	+5.1%	
Underlying net profit	36.2	36.2	(0.2%)	Excluding one-off items, namely gain on disposal of property

Mail: Q1 FY2014/15 Performance

Mail segment performance

\$M	Q1 FY14/15	Q1 FY13/14	YoY % change
Revenue	123.2	114.7	+7.4%
Operating profit	35.0	36.8	(4.8%)
OP margin	28.4%	32.1%	

Mail revenue breakdown

\$M	Q1 FY14/15	Q1 FY13/14	YoY % change
Domestic mail	62.5	62.5	-
Hybrid mail	9.8	10.8	(9.6%)
Philatelic	0.65	0.73	(10.2%)
International mail	50.3	40.6	+23.7%
Total	123.2	114.7	+7.4%

Continued decline in traditional postal business mitigated by growth in international ecommerce transshipment and one-off postings

Impact of higher operating expenses due to rising manpower costs and investment in service quality for the domestic postal business

Profit margins expected to continue on the downtrend

Logistics: Q1 FY2014/15 Performance

Logistics segment performance

\$M	Q1 FY14/15	Q1 FY13/14	YoY % change
Revenue	97.6	93.8	+4.1%
Operating profit	3.8	3.3	+16.0%
OP margin	3.9%	3.5%	

Logistics revenue breakdown

\$M	Q1 FY14/15	Q1 FY13/14	YoY % change
Quantum Solutions	40.2	39.0	+3.1%
Famous Holdings	34.8	33.7	+3.4%
Logistics *	22.5	21.1	+6.9%
Total	97.6	93.8	+4.1%

Continued revenue growth from Logistics business lines, despite impact from restructuring of business lines and overseas operations

Higher operating profit from improved business performance, offsetting some restructuring costs

Continued investments in regional network

* Comprising Lock+Store, Speedpost, Transshipment and Others

Retail & eCommerce: Q1 FY2014/15 Performance

Retail & eCommerce segment performance

\$M	Q1 FY14/15	Q1 FY13/14	YoY % change
Revenue	22.8	20.8	+9.7%
Operating profit	2.9	2.8	+2.5%
OP margin	12.5%	13.4%	

Retail & eCommerce revenue breakdown

\$M	Q1 FY14/15	Q1 FY13/14	YoY % change
eCommerce	6.3	3.7	+68.8%
Financial services	6.0	5.8	+3.0%
Retail	3.6	4.5	(21.5%)
Total *	15.9	14.1	+12.5%

* Excluding inter-segment revenues

Higher ecommerce and financial services revenues offset declines in retail and agency services

Good traction in ecommerce business; higher contributions offset loss in revenue following Clout Shoppe sale

Continued developmental spending on ecommerce services operation

Operating Expenses: Q1 FY2014/15

Revenue vs operating expenses growth

\$M	Q1 FY14/15	Q1 FY13/14	YoY % change
Revenue	210.9	201.3	+4.8%
Operating expenses	177.9	163.8	+8.6%

Operating expenses breakdown

\$M	Q1 FY14/15	Q1 FY13/14	YoY % change
Volume related	78.7	76.3	+3.1%
Labour & related	64.0	55.5	+15.2%
Administrative & other	24.9	21.9	+13.5%
Depreciation & amortisation	8.2	8.6	(4.4%)
Selling	2.1	1.4	+51.2%
Total	177.9	163.8	+8.6%

Higher operating expenses with business growth

Increased business costs and investment in service quality for the postal business

Continued investment in transformation; Q1 developmental expenses estimated at \$4.0M

Financial Position and Cash Flow

Balance sheet highlights

\$M	As at Jun 14	As at Mar 14
Ordinary shareholders' equity	386.6	346.8
Borrowings	236.9	234.1
Net cash	209.8	170.3
(Cash – borrowings – perp. securities)/Equity	0.4x	0.5x
EBITDA to interest expenses	38.5x	32.1x

Cash flow highlights

\$M	Q1 FY14/15	Q1 FY13/14
Net cash from operating activities	51.3	58.2
Net cash from/(used in) investing activities	(13.1)	2.2
Net cash from/(used in) financing activities	2.8	(305.6)
Net increase/(decrease) in cash	41.0	(245.2)
Cash & cash equivalents	445.4	383.1

Healthy financial position and cash flows

Higher capex with additional \$100M investment in postal infrastructure and service quality over 3 years from FY2013/14

Q1 FY14/15 interim dividend of 1.25 cents per share

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On the next trajectory of the Group's transformation to be a regional leader in ecommerce logistics and trusted communications

Committed to service obligations and quality of service as Public Postal Licensee

Global mail volume decline accelerates
\$100M investment in postal infrastructure, service quality and innovation
Managing cost challenges with focus on productivity and efficiency
Building innovative channels in digital communications

Investment into regional ecommerce network for growth

Further acceleration of growth efforts in ecommerce logistics
Strengthening ecommerce logistics infrastructure in Asia Pacific
Pursuing investment opportunities including M&As



Regional Leader in eCommerce Logistics & Trusted Communications

Protecting the Core

Growing the Wings

Mail

Digital Services

Logistics

eCommerce

Retail & Fin'l Services

Freight, Customs & Regulations Mgmt

Warehousing & Fulfilment

Last Mile Delivery & Returns

eCommerce Web Services



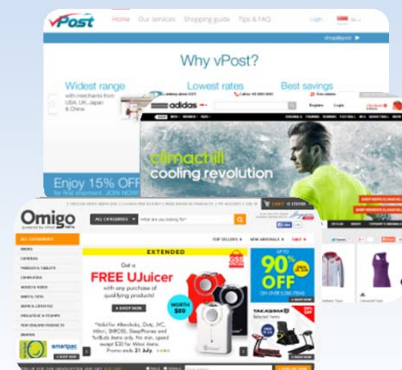
18 July 2014

Acquisition of F. S. Mackenzie Ltd, a UK-based freight forwarder



10 & 29 July 2014

Acquisition of The Store House Ltd and The Store House Operating Company Ltd, the asset and management companies of a self-storage business in Hong Kong





The complete set of financial statements is available on
SGXNET and our website at www.singpost.com.