



SingPost delivers strong results for the first half of FY2015/16

- Revenue grew 20.1 per cent to S\$517.8 million
- Underlying net profit up 1.4 per cent
- Net profit rose 26.9 per cent to S\$100.0 million
- Continues to invest in transformation initiatives, overseas revenue now 39.5 per cent of Group revenue
- Creating a global eCommerce logistics network, strong growth in eCommerce related revenue – now 29 per cent of Group revenue
- Q2 FY2015/2016 dividend of 1.5 cents per share, up from 1.25 cents in the corresponding quarter last year

Financial Highlights

	1H FY15/16 (S\$'000)	1H FY14/15 (S\$'000)	Variance (%)		Q2 FY15/16 (S\$'000)	Q2 FY14/15 (S\$'000)	Variance (%)
GROUP RESULTS							
Revenue	517,779	431,256	20.1		263,172	220,342	19.4
Rental & property related income	20,634	22,106	(6.7)		10,030	11,301	(11.2)
Total expenses	(463,798)	(366,518)	26.5		(241,080)	(188,132)	28.1
Operating profit	122,195	98,227	24.4		64,487	47,832	34.8
Net profit	100,027	78,833	26.9		53,437	38,592	38.5
Underlying net profit	77,825	76,739	1.4		37,543	39,430	(4.8)
Earnings per share (cents)	4.30	3.58			2.31	1.63	
Dividend per share (cents)	3.0	2.5			1.5	1.25	

SINGAPORE, 2 November 2015 – Singapore Post Limited (“SingPost”) today announced its results for the first half of the financial period ended 30 September 2015.

Continuing expansion in eCommerce and Logistics activities, and contributions from new subsidiaries raised SingPost’s revenue in the first half of FY2015/2016 by 20.1 per cent to S\$517.8 million. Operating profit was 24.4 per cent higher at S\$122.2 million due to steady operating performance in Mail and Logistics combined with one-off gains from divestments.

Net profit was S\$100.0 million, an increase of 26.9 per cent. Underlying net profit rose 1.4 per cent to S\$77.8 million.

Strong Revenue Growth Driven by eCommerce and Logistics

eCommerce related revenue is now 29 per cent of Group revenue as eCommerce activities continue to grow strongly. Revenue from Logistics operations increased by 43.5 per cent to



S\$296.1 million on the back of growing contributions from SingPost's eCommerce logistics activities and the inclusion of new subsidiaries. Operating profit was up 45.3 per cent. This growth reflects SingPost's increasing share of the fast expanding eCommerce market and demand for eCommerce logistics.

Mail revenue declined 2.0 per cent to S\$241.7 million as revenue from hybrid mail ceased with the divestment of Novation Solutions and DataPost. Excluding the impact of the divestments, Mail revenue was flat compared with the same period last year. Operating profit rose 6.7 per cent as the Group continued to focus on productivity and efficiency of its mail operations, particularly with investments in mail infrastructure.

Retail and eCommerce revenue rose 6.4 per cent mainly due to the 33.4 per cent growth in eCommerce as more revenue was generated by new eCommerce customers. This growth helped to offset the decline in retail and financial services revenue. Operating profit declined as a result of investments in eCommerce infrastructure and capabilities.

The increase in operating profit for Others in the first half was due to one-off gains from the divestment of Novation Solutions and DataPost.

As the Group continues to expand its overseas footprint, overseas revenues in the first half increased to 39.5 per cent of Group revenue compared to 30.0 per cent in the corresponding period last year.

For the quarter, revenue rose 19.4 per cent and net profit rose 38.5 per cent. Excluding one-off items, underlying net profit declined 4.8 per cent as the Group continues to invest in eCommerce infrastructure and capabilities to accelerate customer acquisitions in the burgeoning global eCommerce market.

Managing Expenses and Cashflow to Enhance Growth

Total expenses grew 26.5 per cent to S\$463.8 million in the first half, mostly in line with revenue growth. Volume-related expenses increased due to enlarged business activities in eCommerce and traffic volumes. Administrative expenses rose mainly due to higher M&A related professional fees as SingPost continues to focus on growth and transformation initiatives.

Cash generated from operations remained healthy. Operating cash flow before working capital changes was S\$96.3 million for the first half of FY2015/16. Cash used for investing activities for the half year was S\$175.1 million, deployed mainly for the construction of the eCommerce Logistics Hub and also for the new retail mall at Singapore Post Centre.

As at 30 September 2015, the Group's cash and cash equivalents stood at S\$326.6 million, with a net cash position of S\$87.8 million.

Continuing the Accelerated Transformation

Dr Wolfgang Baier, SingPost's Group Chief Executive Officer said: "We emerge with a more stable and stronger foundation to our business since the start of our accelerated transformation. It is now showing in the numbers. Group revenue and total profit grew about 20 per cent and 27 per cent respectively. eCommerce logistics continue to deliver strong revenue growth and



eCommerce related revenue is now 29 per cent of Group revenue. While overseas revenue grew to 39.5 per cent.”

In Singapore, the Group embarked on the development of a new retail mall in Singapore Post Centre. When completed in 2017, the retail space will be almost doubled to about 25,000 square meters (around 269,000 square feet) and it will be the first retail mall to provide eCommerce logistics services. Customers can enjoy a converged online and offline shopping experience.

Interim Dividend

For the second quarter of FY2015/2016, the Board of Directors has declared an interim dividend of 1.50 cents per ordinary share (tax exempt one-tier) to be paid on 27 November 2015. Together with the 1.5 cents paid on 27 August 2015, a total of 3.0 cents would be paid for the first half of FY2015/2016.

About Singapore Post Limited

For over 150 years, Singapore Post (SingPost) as the country's postal service provider, has been delivering trusted and reliable services to homes and businesses in Singapore.

Today, SingPost is pioneering and leading in eCommerce logistics as well as providing innovative mail and logistics solutions in Singapore and the Asia Pacific, with operations in 15 countries.

Building on its trusted communications through domestic and international postal services, SingPost is taking the lead in end-to-end integrated and digital mail solutions. The suite of SingPost eCommerce logistics solutions includes front end web management, warehousing and fulfilment, last mile delivery or international freight forwarding.

Listed on the Main Board of the Singapore Exchange in 2003, SingPost 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.

To find out more about SingPost, please visit www.singpost.com and <https://www.singpost.com/corporate-information/businesses.html> for more information on SingPost's subsidiaries and businesses.

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