



SingPost's full year revenue crosses S\$1 billion milestone, with net profit achieving record high of S\$248.9 million

Financial year ended 31 March 2016

- Revenue increased 25.2 per cent to S\$1.15 billion, driven by eCommerce-related activities and acquisitions
- Net profit jumped by 57.9 per cent to S\$248.9 million, boosted by one-off divestment gains
- Underlying net profit declined by 4.1 per cent to S\$153.6 million
- eCommerce-related revenue increased significantly by 60.4 per cent year-on-year to S\$412.4 million, representing 35.8 per cent of group revenue
- Proposed final dividend of 2.5 cents per share, bringing total full year payout to 7 cents per share

Fourth quarter ended 31 March 2016

- Revenue grew 27.7 per cent to S\$317.6 million
- Net profit rose 196.4 per cent to S\$105.4 million, boosted by one-off divestment gains

Financial Highlights

	Full Year FY15/16 (S\$'000)	Full Year FY14/15 (S\$'000) <i>*restated</i>	Variance (%)		Q4 FY15/16 (S\$'000)	Q4 FY14/15 (S\$'000) <i>*restated</i>	Variance (%)
GROUP RESULTS							
Revenue	1,151,542	919,582	25.2		317,579	248,709	27.7
Rental & property-related income	39,373	43,890	(10.3)		9,486	10,874	(12.8)
Total expenses	(1,033,946)	(789,369)	31.0		(296,884)	(224,703)	32.1
Operating profit	284,259	186,365	52.5		107,465	37,191	189.0
Net profit	248,910	157,611	57.9		105,379	35,554	196.4
Underlying net profit	153,568	160,179	(4.1)		31,796	39,815	(20.1)
Earnings per share	10.86 cents	6.85 cents			4.36 cents	1.49 cents	

SINGAPORE, 10 May 2016 – Singapore Post Limited (“SingPost”) today announced its financial results for the full year and fourth quarter ended 31 March 2016.

SingPost's continued focus on strengthening its eCommerce logistics capabilities and business is driving its revenue growth. For the first time, SingPost's revenue surpassed S\$1 billion, while net profit hit a record high of S\$248.9 million. Revenue grew 27.7 per cent in Q4 and 25.2 per cent in the full year, with continued growth in eCommerce-related activities and the inclusion of new subsidiaries.

Net profit grew 196.4 per cent in Q4 from S\$35.6 million to S\$105.4 million, and rose 57.9 per cent for the full year from S\$157.6 million to S\$248.9 million, boosted by one-off divestment gains. Excluding the one-off items, Underlying Net Profit declined 20.1 per cent for Q4, and was



down 4.1 per cent for the full year. This was due largely to the reduction in rental income as the Singapore Post Centre (SPC) is being redeveloped, and higher finance expenses.

If the impact of the reduction in income from the SPC mall redevelopment and the deconsolidation of subsidiaries divested during the year were excluded, Underlying Net Profit for FY2015/16 would have been stable.

eCommerce Logistics Laying Ground for Future Growth

eCommerce-related revenue made up 35.8 per cent of full year revenue, boosted by greater traffic volumes and activities, including mergers and acquisitions.

In Logistics, operating profit increased 132.9 per cent in Q4 and 75.0 per cent for the full year, with contributions from new subsidiaries and increased eCommerce logistics activities, as well as improved operating efficiency with the integration of new subsidiaries into the Group's eCommerce logistics network. For the full year, Logistics operations revenue increased by 34.7 per cent to S\$626 million.

In the Mail segment, revenue increased 3.3 per cent in Q4 despite the cessation of revenues from subsidiaries which were divested in the first half of the year. Mail revenue declined marginally for the full year. Excluding the impact of the divestments, Mail revenue would have grown by 13.4 per cent in Q4 and 6.7 per cent for the full year. This was largely driven by higher International mail revenue as a result of increased cross-border eCommerce-related deliveries.

The increase in Retail and eCommerce revenue for the full year was attributable to growth in eCommerce revenue as well as the recent acquisitions of new US subsidiaries Trade Global and Jagged Peak.

Rental and property-related income decreased 12.8 per cent in Q4 and 10.3 per cent for the full year. This was due to the reduction in rental income as SPC undergoes redevelopment.

As SingPost deepens its overseas footprint, overseas revenues in FY2015/2016 rose to 43.9 per cent of Group revenue, compared to 32.5 per cent last financial year.

Stable Cash Flows Enhancing Long Term Shareholders Returns

Total expenses increased 32.1 per cent in Q4 and 31.0 per cent for the full year, with growth in business volumes and changes in business mix.

Operating profit grew 189.0 per cent in Q4, with one-off divestment gains from GD Express and TrucksFirst and higher contributions from the Logistics segment. For the full year, operating profit included one-off gains totalling S\$112.1 million, mainly from the divestment of subsidiaries and associates.

Cash generated from operations remained resilient. Operating cash flow before working capital changes was S\$202.0 million for FY2015/16. Working capital changes were due mainly to higher receivables from growth in international eCommerce volumes. Cash used for investing activities for the full year was S\$457.0 million, mostly for the strategic acquisitions of



subsidiaries as well as the construction of the eCommerce Logistics Hub and the new retail mall development at Singapore Post Centre.

As at 31 March 2016, the Group's cash and cash equivalents stood at S\$126.6 million. The Group was in a net debt position of S\$153.6 million. This was due to investments in strategic acquisitions and capital expenditure.

Results of Ongoing Transformation Heartening

Mr Mervyn Lim, Deputy Group Chief Executive Officer (Corporate Services) and Group Chief Financial Officer, said: "SingPost embarked on a transformation journey more than ten years ago to future-proof our business and we are seeing results. SingPost's solid postal foundation paved the way for the company to pioneer eCommerce logistics in this part of the world and we successfully pivoted into the US with the completion of the Trade Global and Jagged Peak acquisitions in November 2015 and March 2016 respectively."

Mr Lim added: "As a result of our transformation strategy, Group revenue crossed a significant S\$1 billion milestone and our overseas revenue grew to 43.9 per cent."

As SingPost continues its transformation and strengthens its eCommerce logistics capabilities, the Group will focus on post-merger integration and extracting synergies from the recent acquisitions.

Final Dividend

Given the Group's steady cash flows, the Board of Directors is recommending a final dividend of 2.5 cents per share for the financial year ended 31 March 2016. Together with interim dividend payments of 1.5 cents per share for each of the first three quarters, the annual dividend in respect of the current financial year would amount to 7 cents per share. The proposed final dividend is subject to shareholders' approval at the Annual General Meeting in July 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 around the world, with operations in 18 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 and international freight forwarding.

SingPost has been listed on the Main Board of the Singapore Exchange since 2003. The market capitalisation of SingPost stood at S\$3.53 billion as of 31 March 2016. The company has a strong credit rating of A-/Stable 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.



Media Contact

Peter Heng

Tel. +65 9125 0023

Email: peterheng@singpost.com

Hong Mei Yu

Tel. +65 9099 1987

Email: hongmeiyu@singpost.com