



**SINGAPORE POST LIMITED
AND ITS SUBSIDIARIES**

(Registration number: 199201623M)

**SGXNET ANNOUNCEMENT
UNAUDITED RESULTS FOR THE
SECOND QUARTER AND HALF YEAR
ENDED 30 SEPTEMBER 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 Q2 S\$'000	FY2014/15 Q2 S\$'000 (Restated)*	Variance %	FY2015/16 H1 S\$'000	FY2014/15 H1 S\$'000 (Restated)*	Variance %
Revenue	263,172	220,342	19.4%	517,779	431,256	20.1%
Other income and gains (net)						
- Rental and property-related income	10,030	11,301	(11.2%)	20,634	22,106	(6.7%)
- Miscellaneous	29,518	2,647	@	43,150	8,595	@
Labour and related expenses	(74,134)	(62,363)	18.9%	(146,843)	(126,341)	16.2%
Volume-related expenses ¹	(116,919)	(88,205)	32.6%	(223,864)	(166,924)	34.1%
Administrative and other expenses	(37,661)	(26,355)	42.9%	(68,814)	(51,238)	34.3%
Depreciation and amortisation	(6,584)	(6,914)	(4.8%)	(13,144)	(13,738)	(4.3%)
Selling expenses	(1,764)	(1,664)	6.0%	(3,916)	(3,810)	2.8%
Finance expenses	(4,018)	(2,631)	52.7%	(7,217)	(4,467)	61.6%
Total expenses	(241,080)	(188,132)	28.1%	(463,798)	(366,518)	26.5%
Share of profit of associated companies and joint ventures	1,708	917	86.3%	3,370	1,777	89.6%
Profit before income tax	63,348	47,075	34.6%	121,135	97,216	24.6%
Income tax expense	(8,986)	(7,996)	12.4%	(19,616)	(17,353)	13.0%
Total profit	54,362	39,079	39.1%	101,519	79,863	27.1%
Net profit attributable to:						
Equity holders of the Company	53,437	38,592	38.5%	100,027	78,833	26.9%
Non-controlling interests	925	487	89.9%	1,492	1,030	44.9%
Operating Profit²	64,487	47,832	34.8%	122,195	98,227	24.4%
Underlying Net Profit³	37,543	39,430	(4.8%)	77,825	76,739	1.4%
Earnings per share for profit attributable to the equity holders of the Company during the period: ⁴						
- Basic	2.31 cents	1.63 cents		4.30 cents	3.58 cents	
- Diluted	2.30 cents	1.62 cents		4.28 cents	3.56 cents	

Notes

- Volume-related expenses comprise mainly of traffic expenses and cost of sales.
- 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.
- Underlying net profit is defined as profit after tax and non-controlling interests, before one-off items such as gains and losses on sale of investment, property, plant and equipment and M & A related professional fees.
- 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).

@ Denotes variance exceeding 300%.

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

Consolidated Statement of Comprehensive Income

	FY2015/16	FY2014/15	Variance	FY2015/16	FY2014/15	Variance
	Q2	Q2		H1	H1	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
		(Restated)*			(Restated)*	
Total profit	54,362	39,079	39.1%	101,519	79,863	27.1%
Other comprehensive income / (loss) (net of tax):						
Items that may be reclassified subsequently to profit or loss:						
Available for sale financial assets - fair value gains / (losses)	(507)	(205)	147.3%	(618)	(201)	207.5%
Currency translation differences arising from consolidation						
- (Losses) / gains	(224)	1,533	N.M.	(6,038)	1,085	N.M.
Other comprehensive income / (loss) for the period (net of tax)	(731)	1,328	N.M.	(6,656)	884	N.M.
Total comprehensive income for the period*	53,631	40,407	32.7%	94,863	80,747	17.5%
Total comprehensive income attributable to:						
Equity holders of the Company	51,292	40,251	27.4%	92,550	79,934	15.8%
Non-controlling interests	2,339	156	@	2,313	813	184.5%
	53,631	40,407	32.7%	94,863	80,747	17.5%

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

Underlying Net Profit Reconciliation Table

	FY2015/16	FY2014/15	Variance	FY2015/16	FY2014/15	Variance
	Q2	Q2		H1	H1	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
		(Restated)*			(Restated)*	
Profit attributable to equity holders of the Company	53,437	38,592	38.5%	100,027	78,833	26.9%
Loss / (gains) on sale of investments, property, plant and equipment, net of severance	(24,419)	(46)	@	(34,250)	(4,247)	@
Provision for the restructuring of overseas operation	-	-	-	-	1,123	N.M.
Professional fee relating to M & A activities	8,525	884	@	12,048	1,030	@
Underlying Net Profit	37,543	39,430	(4.8%)	77,825	76,739	1.4%

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		FY2015/16	FY2014/15	
	Q2	Q2	Variance	H1	H1	Variance
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
		(Restated)*			(Restated)*	
Other operating income and interest income [#]	39,548	13,948	183.5%	63,784	30,701	107.8%
Interest on borrowings	1,863	1,388	34.2%	3,438	2,915	17.9%
Depreciation and amortisation	6,935	6,677	3.9%	13,846	14,439	(4.1%)
Allowance for doubtful debts and bad debts written off	73	128	(43.0%)	386	312	23.7%
Foreign exchange gains / (losses)	814	(645)	N.M.	302	(384)	N.M.
Gains on sale of investments, property, plant and equipment [#]	24,820	46	@	34,651	4,247	@

[#] 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		
	Sep-15 S\$'000	Mar-15 S\$'000	Sep-14 S\$'000 (Restated)*	Sep-15 S\$'000	Mar-15 S\$'000	Sep-14 S\$'000 (Restated)*
ASSETS						
Current assets						
Cash and cash equivalents	326,605	584,140	684,841	234,732	477,045	604,319
Financial assets	12,453	21,878	23,022	12,106	21,531	22,606
Trade and other receivables	182,856	164,054	128,753	255,827	178,644	137,398
Derivative financial instruments	5,957	-	-	6,129	-	-
Inventories	4,658	6,298	4,444	433	484	885
Other current assets	15,977	21,220	19,684	5,916	5,573	8,459
	548,506	797,590	860,744	515,143	683,277	773,667
Non-current assets						
Financial assets	39,217	12,718	12,818	39,148	12,651	12,729
Trade and other receivables	5,554	4,776	5,055	216,339	152,016	96,399
Investments in associated companies and joint ventures	120,731	105,106	100,159	26,080	26,080	25,417
Investments in subsidiaries	-	-	-	293,986	292,890	184,007
Investment properties	637,006	638,818	629,086	633,826	633,826	629,896
Property, plant and equipment	482,403	329,984	259,240	316,433	250,286	221,274
Intangible assets	315,833	302,893	189,253	245	263	7,725
Deferred income tax assets	3,843	5,371	1,595	-	-	-
Other non-current assets	18,388	551	545	-	-	-
	1,622,975	1,400,217	1,197,751	1,526,057	1,368,012	1,177,447
Total assets	2,171,481	2,197,807	2,058,495	2,041,200	2,051,289	1,951,114
LIABILITIES						
Current liabilities						
Trade and other payables	324,847	352,068	281,496	223,820	261,936	239,368
Current income tax liabilities	36,219	35,318	38,086	30,106	29,704	32,503
Deferred income ¹	7,278	6,961	2,515	7,278	6,961	2,515
Derivative financial instruments	-	3,718	-	-	3,718	-
Borrowings	19,422	16,947	15,669	-	-	-
	387,766	415,012	337,766	261,204	302,319	274,386
Non-current liabilities						
Trade and other payables	15,506	10,508	37,885	-	-	9,242
Borrowings	219,416	221,380	219,812	203,396	203,749	201,253
Deferred income ¹	60,427	59,569	133	60,427	59,569	133
Deferred income tax liabilities	25,161	23,601	21,849	19,385	17,278	16,655
Derivative financial instruments	-	-	86	-	-	86
	320,510	315,058	279,765	283,208	280,596	227,369
Total liabilities	708,276	730,070	617,531	544,412	582,915	501,755
NET ASSETS	1,463,205	1,467,737	1,440,964	1,496,788	1,468,374	1,449,359
EQUITY						
Capital and reserves attributable to the Company's equity holders						
Share capital	438,440	429,980	425,110	438,440	429,980	425,110
Treasury shares	(2,203)	(2,831)	(2,832)	(2,203)	(2,831)	(2,832)
Other reserves	1,190	7,448	3,998	6,401	5,802	5,246
Retained earnings	673,005	682,639	664,922	707,365	688,597	675,050
Ordinary equity	1,110,432	1,117,236	1,091,198	1,150,003	1,121,548	1,102,574
Perpetual securities ²	346,785	346,826	346,785	346,785	346,826	346,785
	1,457,217	1,464,062	1,437,983	1,496,788	1,468,374	1,449,359
Non-controlling interests	5,988	3,675	2,981	-	-	-
Total equity	1,463,205	1,467,737	1,440,964	1,496,788	1,468,374	1,449,359

Notes

- 1 Mainly relates to the postassurance collaboration with AXA Life Insurance Singapore Private Limited.
- 2 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.

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

As at 30 September 2015, the Group has capital and investment commitments amounting to S\$305.5 million not provided for in the financial statements.

(1)(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities.

	Sep-15	Mar-15	Sep-14
	S\$'000	S\$'000	S\$'000
Amount repayable in one year or less, or on demand			
- Borrowings (secured)	2,422	2,647	2,678
- Borrowings (unsecured)	17,000	14,300	12,991
Amount repayable after one year:			
- Borrowings (secured)	16,020	17,631	18,559
- Borrowings (unsecured)	203,396	203,749	201,253
	238,838	238,327	235,481

The Group's unsecured borrowings comprised mainly 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 external bank loans and are secured over investment properties, or guaranteed by a director of a subsidiary with non-controlling interests.

(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 Q2 S\$'000	FY2014/15 Q2 S\$'000 (Restated)*	FY2015/16 H1 S\$'000	FY2014/15 H1 S\$'000 (Restated)*
Cash flows from operating activities				
Total profit	54,362	39,079	101,519	79,863
Adjustments for:				
Income tax expense	8,986	7,996	19,616	17,353
Amortisation of deferred income	(1,840)	(1,744)	(3,773)	(3,489)
Amortisation of intangible assets	351	939	702	1,877
Depreciation and impairment	6,584	5,738	13,144	12,562
Gains on sale of investments, property, plant and equipment	(24,820)	(46)	(34,651)	(4,247)
Share-based staff costs	1,372	629	2,471	1,330
Interest expense	1,863	1,388	3,438	2,915
Interest income	(1,170)	(957)	(2,786)	(1,679)
Share of profit of associated companies and joint ventures	(1,708)	(917)	(3,370)	(1,777)
	(10,382)	13,026	(5,209)	24,845
Operating cash flow before working capital changes	43,980	52,105	96,310	104,708
Changes in working capital, net of effects from acquisition of subsidiaries				
Inventories	405	(5)	(222)	631
Trade and other receivables	(21,317)	9,692	(15,333)	(1,238)
Trade and other payables	(46,041)	(24,520)	(43,210)	(14,762)
Cash (used in)/generated from operations	(22,973)	37,272	37,545	89,339
Income tax paid	(14,322)	(16,433)	(15,607)	(17,176)
Net cash (used in)/provided by operating activities	(37,295)	20,839	21,938	72,163
Cash flows from investing activities				
Acquisition of subsidiaries, net of cash acquired	(23,295)	(2,667)	(23,295)	(2,667)
Additions to property, plant and equipment	(95,071)	(15,660)	(170,712)	(25,546)
Disposal of a subsidiary, net of cash disposed of	34,867	-	50,962	-
Investment in associated companies and joint ventures	(8,756)	-	(13,275)	-
Dividends received from associated companies	1,208	-	1,208	-
Interest received	1,848	1,145	3,004	1,717
Loan to an associated company	(623)	-	(1,360)	-
Secured loan to a shareholder of an associated company	(10,881)	-	(10,881)	-
Payment relating to purchase of a business	-	-	(250)	-
Proceeds from disposal of property, plant and equipment	4	173	1,495	10,797
Proceeds on maturity of financial assets	10,500	-	15,000	3,000
Purchase of financial assets	(5,000)	(3,530)	(28,321)	(21,051)
Repayment of loans by associated companies	286	123	1,298	246
Net cash used in investing activities	(94,913)	(20,416)	(175,127)	(33,504)
Cash flows from financing activities				
Distribution paid to perpetual securities	(7,499)	(7,499)	(7,499)	(7,499)
Dividends paid to shareholders	(102,201)	(74,484)	(102,201)	(74,484)
Interest paid	(3,805)	(2,634)	(4,038)	(2,914)
Proceeds from issuance of ordinary shares	3,914	290,386	7,834	294,484
Proceeds from re-issuance of treasury shares	-	31,916	-	31,932
Proceeds from bank loan	2,700	-	2,700	-
Repayment of bank term loan	(210)	(204)	(1,142)	(1,258)
Net cash (used in)/provided by financing activities	(107,101)	237,481	(104,346)	240,261
Net (decrease) / increase in cash and cash equivalents	(239,309)	237,904	(257,535)	278,920
Cash and cash equivalents at beginning of financial period	565,914	445,446	584,140	404,430
Cash and cash equivalents at end of financial period	326,605	683,350[#]	326,605	683,350[#]

For the purpose of presenting the statement of cash flows, cash and cash equivalents as at 30 September 2014 was net of bank overdrafts of S\$1,491,000 which was classified as current borrowings in the statement of financial position.

* 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 – Q2

	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				
Balance at 1 July 2015	434,207	(2,610)	725,520	2,687	1,159,804	350,535	1,510,339	3,649	1,513,988
Reclass to capital reserve	-	-	(2)	2	-	-	-	-	-
Distribution paid on perpetual securities	-	-	-	-	-	(7,499)	(7,499)	-	(7,499)
Dividends	-	-	(102,201)	-	(102,201)	-	(102,201)	-	(102,201)
Total comprehensive income for the period	-	-	49,688	(2,145)	47,543	3,749	51,292	2,339	53,631
	434,207	(2,610)	673,005	544	1,105,146	346,785	1,451,931	5,988	1,457,919
Employee share option scheme:									
- Value of employee services	-	-	-	1,372	1,372	-	1,372	-	1,372
- New shares issued	4,233	-	-	(319)	3,914	-	3,914	-	3,914
- Treasury shares re-issued	-	407	-	(407)	-	-	-	-	-
Balance at 30 September 2015	438,440	(2,203)	673,005	1,190	1,110,432	346,785	1,457,217	5,988	1,463,205
Balance at 1 July 2014 as previously reported	133,464	(35,329)	286,235	2,260	386,630	350,535	737,165	2,825	739,990
Effect of change in accounting for investment properties	-	-	418,328	1,290	419,618	-	419,618	-	419,618
As restated	133,464	(35,329)	704,563	3,550	806,248	350,535	1,156,783	2,825	1,159,608
Distribution paid on perpetual securities	-	-	-	-	-	(7,499)	(7,499)	-	(7,499)
Dividends	-	-	(74,484)	-	(74,484)	-	(74,484)	-	(74,484)
Total comprehensive income for the period	-	-	34,843	1,659	36,502	3,749	40,251	156	40,407
	133,464	(35,329)	664,922	5,209	768,266	346,785	1,115,051	2,981	1,118,032
New shares issued	280,621	-	-	-	280,621	-	280,621	-	280,621
Treasury shares re-issued	-	31,915	-	-	31,915	-	31,915	-	31,915
Employee share option scheme:									
- Value of employee services	-	-	-	629	629	-	629	-	629
- New shares issued	11,025	-	-	(1,260)	9,765	-	9,765	-	9,765
- Treasury shares re-issued	-	582	-	(580)	2	-	2	-	2
Balance at 30 September 2014	425,110	(2,832)	664,922	3,998	1,091,198	346,785	1,437,983	2,981	1,440,964

The Group – H1

	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				
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
Reclass to capital reserve	-	-	(2)	2	-	-	-	-	-
Distribution paid on perpetual securities	-	-	-	-	-	(7,499)	(7,499)	-	(7,499)
Dividends	-	-	(102,201)	-	(102,201)	-	(102,201)	-	(102,201)
Total comprehensive income for the period	-	-	92,569	(7,477)	85,092	7,458	92,550	2,313	94,863
	429,980	(2,831)	673,005	(27)	1,100,127	346,785	1,446,912	5,988	1,452,900
Employee share option scheme:									
- Value of employee services	-	-	-	2,471	2,471	-	2,471	-	2,471
- New shares issued	8,460	-	-	(626)	7,834	-	7,834	-	7,834
- Treasury shares re-issued	-	628	-	(628)	-	-	-	-	-
Balance at 30 September 2015	438,440	(2,203)	673,005	1,190	1,110,432	346,785	1,457,217	5,988	1,463,205
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
Distribution paid on perpetual securities	-	-	-	-	-	(7,499)	(7,499)	-	(7,499)
Dividends	-	-	(74,484)	-	(74,484)	-	(74,484)	-	(74,484)
Total comprehensive income for the period	-	-	71,375	1,101	72,476	7,458	79,934	813	80,747
	129,082	(35,346)	664,922	4,793	763,451	346,785	1,110,236	2,981	1,113,217
New shares issued	280,621	-	-	-	280,621	-	280,621	-	280,621
Treasury shares re-issued	-	31,915	-	-	31,915	-	31,915	-	31,915
Employee share option scheme:									
- Value of employee services	-	-	-	1,330	1,330	-	1,330	-	1,330
- New shares issued	15,407	-	-	(1,544)	13,863	-	13,863	-	13,863
- Treasury shares re-issued	-	599	-	(581)	18	-	18	-	18
Balance at 30 September 2014	425,110	(2,832)	664,922	3,998	1,091,198	346,785	1,437,983	2,981	1,440,964

The Company – Q2

	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 July 2015	434,207	(2,610)	747,546	6,262	1,185,405	350,535	1,535,940
Distribution paid on perpetual securities	-	-	-	-	-	(7,499)	(7,499)
Dividends	-	-	(102,201)	-	(102,201)	-	(102,201)
Total comprehensive income for the period	-	-	62,020	(507)	61,513	3,749	65,262
	434,207	(2,610)	707,365	5,755	1,144,717	346,785	1,491,502
Employee share option scheme:							
- Value of employee services	-	-	-	1,372	1,372	-	1,372
- New shares issued	4,233	-	-	(319)	3,914	-	3,914
- Treasury shares re-issued	-	407	-	(407)	-	-	-
Balance at 30 September 2015	438,440	(2,203)	707,365	6,401	1,150,003	346,785	1,496,788
Balance at 1 July 2014 as previously reported	133,464	(35,329)	253,902	5,372	357,409	350,535	707,944
Effect of change in accounting for investment properties	-	-	460,807	1,290	462,097	-	462,097
As restated	133,464	(35,329)	714,709	6,662	819,506	350,535	1,170,041
Merger of a subsidiary	-	-	57	-	57	-	57
Distribution paid on perpetual securities	-	-	-	-	-	(7,499)	(7,499)
Dividends	-	-	(74,484)	-	(74,484)	-	(74,484)
Total comprehensive income / (loss) for the period	-	-	34,768	(205)	34,563	3,749	38,312
	133,464	(35,329)	675,050	6,457	779,642	346,785	1,126,427
New shares issued	280,621	-	-	-	280,621	-	280,621
Treasury shares re-issued	-	31,915	-	-	31,915	-	31,915
Employee share option scheme:							
- Value of employee services	-	-	-	629	629	-	629
- New shares issued	11,025	-	-	(1,260)	9,765	-	9,765
- Treasury shares re-issued	-	582	-	(580)	2	-	2
Balance at 30 September 2014	425,110	(2,832)	675,050	5,246	1,102,574	346,785	1,449,359

The Company – H1

	Attributable to ordinary shareholders of the Company					Perpetual securities	Total
	Share capital	Treasury shares	Retained earnings	Other reserves	Total		
	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
Distribution paid on perpetual securities	-	-	-	-	-	(7,499)	(7,499)
Dividends	-	-	(102,201)	-	(102,201)	-	(102,201)
Total comprehensive income for the year	-	-	120,969	(618)	120,351	7,458	127,809
	429,980	(2,831)	707,365	5,184	1,139,698	346,785	1,486,483
Employee share option scheme:							
- Value of employee services	-	-	-	2,471	2,471	-	2,471
- New shares issued	8,460	-	-	(626)	7,834	-	7,834
- Treasury shares re-issued	-	628	-	(628)	-	-	-
Balance at 30 September 2015	438,440	(2,203)	707,365	6,401	1,150,003	346,785	1,496,788
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
Merger of a subsidiary	-	-	57	-	57	-	57
Distribution paid on perpetual securities	-	-	-	-	-	(7,499)	(7,499)
Dividends	-	-	(74,484)	-	(74,484)	-	(74,484)
Total comprehensive income / (loss) for the year	-	-	71,055	(201)	70,854	7,458	78,312
	129,082	(35,346)	675,050	6,041	774,827	346,785	1,121,612
New shares issued	280,621	-	-	-	280,621	-	280,621
Treasury shares re-issued	-	31,915	-	-	31,915	-	31,915
Employee share option scheme:							
- Value of employee services	-	-	-	1,330	1,330	-	1,330
- New shares issued	15,407	-	-	(1,544)	13,863	-	13,863
- Treasury shares re-issued	-	599	-	(581)	18	-	18
Balance at 30 September 2014	425,110	(2,832)	675,050	5,246	1,102,574	346,785	1,449,359

- (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 second quarter ended 30 September 2015, the Company issued 3,411,000 ordinary shares 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 September 2015, there were unexercised options for 66,127,000 (31 March 2015: 51,112,000) unissued ordinary shares under the Singapore Post Share Option Scheme (including Performance Option Plan but excluding Restricted Share Plan) and unvested shares for 1,790,544 (31 March 2015: 1,686,445) unissued ordinary shares under the Restricted Share Plan.

As at 30 September 2015, the Company held 2,131,202 treasury shares (31 March 2015: 2,744,393).

- (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 September 2015, total issued shares were 2,153,868,416 (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 second quarter ended 30 September 2015, the Company re-issued 396,276 treasury shares at a cost of S\$1.025 upon the vesting of shares granted under the Restricted Share Plan.

- (2) Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The figures have not been audited nor 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 ended 30 September 2015 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, 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 has been restated on the Group’s consolidated income statements for Q2 FY2014/15 and H1 FY2014/15 as follows:

	Increase/ (decrease) Q2 FY2014/15 S\$’000	Increase/ (decrease) H1 FY2014/15 S\$’000
Consolidated Statement of Comprehensive Income:		
Depreciation, amortisation and impairment	(997)	(1,994)
Net profit attributable to:		
- Equity holders of the Company	977	1,994
- Non-controlling interests	-	-
Earnings per share attributable to equity		
- Basic (cents)	0.047	0.099
- Diluted (cents)	0.046	0.098

- (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.**

	FY2015/16 Q2	The Group FY2014/15 Q2 (Restated)*	FY2015/16 H1	FY2014/15 H1 (Restated)*
Based on weighted average number of ordinary shares in issue	2.31 cents	1.63 cents	4.30 cents	3.58 cents
On fully diluted basis	2.30 cents	1.62 cents	4.28 cents	3.56 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	
	Sep-15	Mar-15	Sep-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)	<u>67.93</u>	<u>68.37</u>	<u>69.49</u>	<u>68.40</u>

	The Group		The Company	
	Sep-15	Mar-15	Sep-15	Mar-15
Ordinary equity per ordinary share based on issued share capital of the Company at the end of the financial period (cents)	<u>51.56</u>	<u>52.04</u>	<u>53.39</u>	<u>52.24</u>

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

Second Quarter And Half Year Ended 30 September 2015

Revenue

	FY2015/16	FY2014/15	Variance	FY2015/16	FY2014/15	Variance
	Q2	Q2		H1	H1	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Mail	116,535	123,462	(5.6%)	241,665	246,669	(2.0%)
Logistics	156,056	108,866	43.3%	296,127	206,427	43.5%
Retail & eCommerce	23,939	22,344	7.1%	48,009	45,135	6.4%
Inter-segment eliminations	(33,358)	(34,330)	(2.8%)	(68,022)	(66,975)	1.6%
Total	<u>263,172</u>	<u>220,342</u>	<u>19.4%</u>	<u>517,779</u>	<u>431,256</u>	<u>20.1%</u>

Group revenue grew 19.4% and 20.1% respectively in the second quarter and half year ended 30 September 2015, with continued growth in Logistics and Retail & eCommerce and the inclusion of new subsidiaries. Excluding the impact of acquisitions and divestment of subsidiaries, revenue remained stable.

Mail revenue was negatively impacted by the divestments of Novation Solutions and DataPost in the first quarter and second quarter respectively. Excluding the impact of the divestments, Mail revenue remained stable compared to the same period last year. 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 retail and financial services.

Other Income

Rental and property-related income decreased 11.2% and 6.7% in the second quarter and first half respectively. This was due to lower retail rental revenue with the impending commencement of the redevelopment of Singapore Post Centre.

Miscellaneous income in the second quarter and first half amounted to S\$29.5 million and S\$43.2 million respectively, compared to S\$2.6 million and S\$8.6 million in the comparative periods. The increase was largely due to one-off gains from the disposals of Novation Solutions and DataPost.

Total Expenses

Total expenses increased 28.1% and 26.5% in the second quarter and first half over the same periods 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 the Group's growth initiatives.

The increase in volume-related expenses was in line with higher international traffic volumes and increased business activities.

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

Finance expenses increased S\$1.4 million and S\$2.8 million respectively in the second quarter and first half due to higher interest expense on higher average borrowings and higher non-trade foreign exchange translation differences.

Operating Profit

	FY2015/16	FY2014/15		FY2015/16	FY2014/15	
	Q2	Q2	Variance	H1	H1	Variance
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
		(Restated)*			(Restated)*	
Mail	34,954	34,114	2.5%	73,822	69,156	6.7%
Logistics	7,353	5,825	26.2%	14,003	9,634	45.3%
Retail & eCommerce	155	2,638	(94.1%)	1,297	5,496	(76.4%)
Others [#]	22,025	5,255	@	33,073	13,941	137.2%
Total	64,487	47,832	34.8%	122,195	98,227	24.4%

[#] Others refer to the commercial property rental operations, unallocated corporate overhead items and one-off items.

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

The Group's operating profit, which included one-off gains from the divestment of Novation Solutions (S\$8.4 million) in the first quarter and DataPost (S\$24.9 million) in the second quarter, grew 34.8% and 24.4% in the second quarter and first half ended 30 September 2015.

Mail operating profit increased as the Group continues to focus on productivity and efficiency to manage the increase in operating costs, particularly with investments in mail infrastructure.

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

Retail & eCommerce operating profit declined as a result of lower contributions from agency services and continuing investment in ecommerce infrastructure and capabilities to accelerate customer acquisitions.

Others segment included the one-off gains from divestment of Novation Solutions and DataPost. Operating profit from Others was weighed down by higher professional fees related to the Group's transformation initiatives.

Share of profit of associated companies and joint ventures

Share of profit of associated companies and joint ventures grew with earnings growth from 4PX Express, Indo Trans Logistics and GD Express.

Net Profit and Underlying Net Profit

Second quarter and first half net profit attributable to equity holders was up 38.5% and 26.9%, with the one-off gains from divestment of subsidiaries. Excluding one-off items, second quarter underlying net profit decreased 4.8% from S\$39.4 million to S\$37.5 million whilst underlying net profit for the first half was up 1.4% from S\$76.7 million to S\$77.8 million.

Balance Sheet

The Group's total assets amounted to S\$2.17 billion as at 30 September 2015, compared to S\$2.20 billion as at 31 March 2015. Lower cash balance was largely offset by higher financial assets, property, plant and equipment, intangible assets and investments in associated companies and joint ventures arising from acquisitions.

As at 30 September 2015, the Group was in a net cash position¹ of S\$87.8 million. The cash will be utilised for capital expenditure, working capital and other funding needs.

Total liabilities were S\$708.3 million, compared to S\$730.1 million as at 31 March 2015. The reduction was due to lower trade and other payables arising from settlement of terminal dues.

Interest coverage ratio² remained strong at 40.6 times, compared to 39.3 times a year ago.

Ordinary shareholders' equity was unchanged as at 30 September 2015 at S\$1.1 billion, compared to the opening position as at 31 March 2015.

Cash Flow

Net cash inflow from operating activities for the half year amounted to S\$21.9 million, down S\$50.2 million compared to the corresponding period last year. Operating cash inflow was down S\$8.4M and working capital declined S\$43.4 million due to higher receivables and lower trade and other payables arising from settlement of terminal dues.

Net cash outflow for investing activities was S\$175.1 million, compared to S\$33.5 million for the same period last year. Capital expenditure of S\$170.7 million in the first half comprised expenditure for the construction of the eCommerce Logistics Hub, acquisition of Toh Guan building and redevelopment of Singapore Post Centre. In addition to capital expenditure, the Group also added S\$28.3 million of financial assets comprising government and corporate bonds and invested S\$36.6 million to acquire new subsidiaries and associated companies. These were partly offset by receipt of S\$51.0 million from the disposal of Novation Solutions and DataPost and S\$15.0 million from the maturity of financial assets.

¹ Cash and cash equivalents less borrowings

² EBITDA to interest expense

Net cash outflow from financing activities was S\$104.3 million, compared to net cash inflow of S\$240.3 million previously. During the period, the Group paid dividends of S\$102.2 million and made payment of S\$7.5 million to bond holders. Last year, the Group received proceeds of \$312.5 million from its share issue to Alibaba Investment Limited.

The use of the proceeds from the share issue to Alibaba Investment Limited is in line with the intended use originally stated in the SGXNET announcement dated 28 May 2014 and the subsequent SGXNET announcement dated 8 October 2015.

(9) Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

(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 the redevelopment of Singapore Post Centre, construction of the eCommerce Logistics Hub and continuing investment in the POPStation network.

During the year, the Group acquired 30% of Hubbed Holdings Pty Ltd in Australia in June 2015, while its freight forwarding subsidiary Famous Holdings Pte Ltd acquired 80% of Rotterdam Harbour Holding BV in the Netherlands in July 2015. On 8 July 2015, the Group announced that it had entered into a conditional joint venture agreement with Alibaba Investment Ltd where the latter will acquire a 34% stake in Quantum Solutions International Pte Ltd for approximately S\$91.7 million. In October 2015, the Group entered into conditional agreements to acquire majority stakes in logistics provider Jagged Peak, Inc. and US end-to-end ecommerce firm TradeGlobal Holdings, Inc. for approximately S\$22.5 million and S\$236.0 million respectively.

As SingPost continues its transformation to build a strong second wing in the eCommerce Logistics space, the focus in the coming months will be on post merger integration and extracting synergies from its new acquisitions. The Group's cash flow remains healthy to support its dividend commitment and debt obligations.

(11) Dividends

Current financial period reported on

Interim dividend

For the second quarter ended 30 September 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 November 2015. The transfer book and register of members of the Company will be closed on 18 November 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 17 November 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) for the second quarter ended 30 September 2014 was declared on 6 November 2014 and paid on 28 November 2014.

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

Not applicable.

PART III OTHER INFORMATION

(13) Interested Person Transactions

During the second quarter and half year ended 30 September 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 Q2 S\$'000	FY2014/15 Q2 S\$'000	FY2015/16 Q2 S\$'000	FY2014/15 Q2 S\$'000
Sales				
Postea Group	-	-	198*	-
Singapore Airlines Group	-	-	444*	-
Singapore Telecommunications Group	-	-	-	1,060
	-	-	642	1,060
Purchases				
Certis Cisco Group	-	-	-	723*
PSA Corporation	-	-	-	2,727*
SATS Group	-	-	56,839*	-
SembCorp Group	-	-	-	95,000*
SMRT Group	-	-	-	1,188*
	-	-	56,839	99,638
Total interested person transactions	-	-	57,481	100,698

	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 H1 S\$'000	FY2014/15 H1 S\$'000	FY2015/16 H1 S\$'000	FY2014/15 H1 S\$'000
Sales				
Mediacorp Group	-	-	799*	540
Postea Group	-	-	198*	-
Singapore Airlines Group	-	-	1,704	-
Singapore Telecommunications Group	-	-	1,653	2,691
Starhub Group	-	-	860	631
	-	-	5,214	3,862
Purchases				
Certis Cisco Group	-	-	162*	723*
PSA Corporation Limited	-	-	1,808*	2,727*
SATS Group	-	-	56,839*	-
SembCorp Group	-	-	-	95,360*
Singapore Airlines Group	-	-	1,540	4,480
SMRT Group	-	-	-	1,188*
	-	-	60,349	104,478
Total interested person transactions	-	-	65,563	108,340

Note

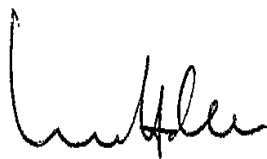
All the transactions set out in the above table were based on the Group's interested person transactions register. They were either based on contractual values for the duration of the contracts (which vary from 5 months to 15 years) or annual values for open-ended contracts.

*Include contracts of duration exceeding one year.

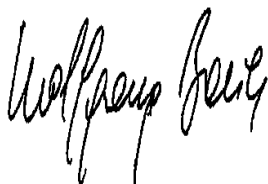
(14) Confirmation by the Board pursuant to rule 705(5) of the Listing Manual

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 second quarter and half year ended 30 September 2015 to be false or misleading.

On behalf of the Board of Directors



MR LIM HO KEE
Chairman



DR WOLFGANG BAIER
Director

Singapore
2 November 2015