



**SINGAPORE POST LIMITED
AND ITS SUBSIDIARIES**

(Registration number: 199201623M)

**SGXNET ANNOUNCEMENT
UNAUDITED RESULTS FOR THE
SECOND QUARTER AND HALF YEAR
ENDED 30 SEPTEMBER 2014**

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

	FY2014/15	FY2013/14	Variance	FY2014/15	FY2013/14	Variance
	Q2	Q2		H1	H1	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	220,342	203,845	8.1%	431,256	405,180	6.4%
Other income and gains (net)						
- Rental and property-related income	11,301	11,431	(1.1%)	22,106	22,635	(2.3%)
- Miscellaneous	2,281	(1,305)	N.M.	8,595	(1,026)	N.M.
Labour and related expenses	(62,363)	(58,545)	6.5%	(126,341)	(114,081)	10.7%
Volume-related expenses ¹	(88,205)	(77,723)	13.5%	(166,924)	(154,066)	8.3%
Administrative and other expenses	(26,355)	(22,711)	16.0%	(51,238)	(44,644)	14.8%
Depreciation and amortisation	(7,545)	(8,649)	(12.8%)	(15,732)	(17,210)	(8.6%)
Selling expenses	(1,664)	(2,068)	(19.5%)	(3,810)	(3,487)	9.3%
Finance expenses	(2,631)	(1,644)	60.0%	(4,467)	(3,662)	22.0%
Total expenses	(188,763)	(171,340)	10.2%	(368,512)	(337,150)	9.3%
Share of profit of associated companies and joint ventures	917	1,073	(14.5%)	1,777	1,449	22.6%
Profit before income tax	46,078	43,704	5.4%	95,222	91,088	4.5%
Income tax expense	(7,996)	(7,687)	4.0%	(17,353)	(17,153)	1.2%
Total profit	38,082	36,017	5.7%	77,869	73,935	5.3%
Attributable to:						
Equity holders of the Company	37,595	35,648	5.5%	76,839	72,988	5.3%
Non-controlling interests	487	369	32.0%	1,030	947	8.8%
Total profit	38,082	36,017	5.7%	77,869	73,935	5.3%
Operating Profit²	46,835	43,671	7.2%	96,233	92,167	4.4%
Underlying Net Profit³	37,549	37,259	0.8%	73,715	73,487	0.3%
Earnings per share for profit attributable to the equity holders of the Company during the period: ⁴						
- Basic	1.584 cents	1.680cents		3.431 cents	3.454 cents	
- Diluted	1.575 cents	1.674cents		3.416 cents	3.443 cents	

Notes

1 Volume-related expenses comprise mainly of traffic expenses and cost of sales.

2 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.

3 Underlying net profit is defined as profit after tax and non-controlling interests, before one-off items, gains and losses on sale of investment, property, plant and equipment and mark-to-market gains or losses.

4 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%.

Consolidated Statement of Comprehensive Income

	FY2014/15	FY2013/14	Variance	FY2014/15	FY2013/14	Variance
	Q2	Q2		H1	H1	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Total profit	38,082	36,017	5.7%	77,869	73,935	5.3%
Other comprehensive income / (loss) (net of tax):						
Items that may be reclassified subsequently to profit or loss:						
Available for sale financial assets - fair value (losses) / gains	(205)	11	N.M.	(201)	6	N.M.
Currency translation differences arising from consolidation - Gains / (losses)	1,533	(1,907)	N.M.	1,085	641	@
Other comprehensive income / (loss) for the period (net of tax)	1,328	(1,896)	N.M.	884	647	36.6%
Total comprehensive income for the period*	39,410	34,121	15.5%	78,753	74,582	5.6%
Total comprehensive income attributable to:						
Equity holders of the Company	39,254	34,281	14.5%	77,940	73,218	6.4%
Non-controlling interests	156	(160)	N.M.	813	1,364	(40.4%)
	39,410	34,121	15.5%	78,753	74,582	5.6%

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

Underlying Net Profit Reconciliation Table

	FY2014/15	FY2013/14	Variance	FY2014/15	FY2013/14	Variance
	Q2	Q2		H1	H1	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Profit attributable to equity holders of the Company	37,595	35,648	5.5%	76,839	72,988	5.3%
Gains on sale of investments, property, plant and equipment	(46)	(253)	(81.8%)	(4,247)	(475)	@
Provision for the restructuring of overseas operation	-	1,864	N.M.	1,123	1,864	(39.8%)
Excess of net assets purchased over consideration paid for a subsidiary company	-	-	-	-	(890)	N.M.
Underlying Net Profit	37,549	37,259	0.8%	73,715	73,487	0.3%

N.M. Not meaningful.

@ Denotes variance exceeding 300%.

(1)(a)(ii) The following items have been included in arriving at profit before income tax:

	FY2014/15	FY2013/14		FY2014/15	FY2013/14	
	Q2	Q2	Variance	H1	H1	Variance
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Other operating income and interest income*	13,582	10,126	34.1%	30,701	21,609	42.1%
Interest on borrowings	1,388	1,537	(9.7%)	2,915	3,336	(12.6%)
Depreciation and amortisation	7,896	8,886	(11.1%)	16,434	17,684	(7.1%)
(Write-back) / impairment of doubtful debts and bad debts written off	128	327	(60.9%)	312	484	(35.5%)
Foreign exchange gains	(645)	(718)	(10.2%)	(384)	(2,693)	(85.7%)
Gains / (losses) on sale of investments, property, plant and equipment	46	253	(81.8%)	4,247	475	@

* Including one-off gains and losses on sale of investments, property, plant and equipment.

N.M. Not meaningful.

@ Denotes variance exceeding 300%.

(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-14 S\$'000	Mar-14 S\$'000	Sep-13 S\$'000	Sep-14 S\$'000	Mar-14 S\$'000	Sep-13 S\$'000
ASSETS						
Current assets						
Cash and cash equivalents	684,841	404,430	367,203	604,319	340,338	319,342
Trade and other receivables	128,753	127,071	120,036	137,398	148,222	132,988
Financial assets *	23,022	6,424	3,716	22,606	6,077	3,277
Inventories	4,444	5,075	3,998	885	1,333	1,108
Other current assets	19,684	12,501	12,542	8,459	4,107	5,175
	860,744	555,501	507,495	773,667	500,077	461,890
Non-current assets						
Trade and other receivables	5,055	5,156	5,501	96,399	70,092	70,100
Financial assets *	12,818	11,699	11,637	12,729	11,557	11,581
Investments in associated companies and joint ventures	100,159	97,907	95,065	25,417	25,417	24,793
Investments in subsidiaries	-	-	-	184,007	184,507	184,211
Investment property	228,997	231,352	220,222	186,380	189,768	192,965
Property, plant and equipment	238,714	234,039	233,501	200,526	201,216	201,976
Intangible assets	189,253	183,625	192,090	7,725	8,690	9,884
Derivative financial instruments	(86)	1,638	2,400	(86)	1,638	2,400
Deferred income tax assets	1,595	578	638	-	-	-
Other non-current asset	545	370	350	-	-	-
	777,050	766,364	761,404	713,097	692,885	697,910
Total assets	1,637,794	1,321,865	1,268,899	1,486,764	1,192,962	1,159,800
LIABILITIES						
Current liabilities						
Trade and other payables	281,496	294,280	278,176	239,368	264,414	268,671
Borrowings	15,669	14,025	13,006	-	-	-
Deferred income	2,515	5,878	322	2,515	5,878	322
Current income tax liabilities	38,086	37,372	35,948	32,503	32,162	30,970
	337,766	351,555	327,452	274,386	302,454	299,963
Non-current liabilities						
Borrowings	219,812	220,103	215,115	201,253	201,504	202,205
Trade and other payables	37,885	33,326	32,702	9,242	9,242	-
Deferred income	133	259	294	133	259	294
Deferred income tax liabilities	21,849	20,790	19,867	16,655	16,374	16,632
	279,679	274,478	267,978	227,283	227,379	219,131
Total liabilities	617,445	626,033	595,430	501,669	529,833	519,094
NET ASSETS	1,020,349	695,832	673,469	985,095	663,129	640,706
EQUITY						
Capital and reserves attributable to the Company's equity holders						
Share capital	425,110	129,082	126,617	425,110	129,082	126,617
Treasury shares	(2,832)	(35,346)	(38,833)	(2,832)	(35,346)	(38,833)
Retained earnings	245,597	250,700	235,634	212,076	217,615	201,437
Other reserves	2,708	2,402	1,793	3,956	4,952	4,700
Ordinary equity	670,583	346,838	325,211	638,310	316,303	293,921
Perpetual securities**	346,785	346,826	346,785	346,785	346,826	346,785
	1,017,368	693,664	671,996	985,095	663,129	640,706
Non-controlling interests	2,981	2,168	1,473	-	-	-
Total equity	1,020,349	695,832	673,469	985,095	663,129	640,706

* Relates mainly to the Group's investment in bonds and available-for-sale investments.

** 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.

As at 30 September 2014, the Group has capital and investment commitments amounting to S\$278.0 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-14	Mar-14	Sep-13
	S\$'000	S\$'000	S\$'000
Amount repayable in one year or less, or on demand			
- Borrowings (secured)	2,678	2,525	13,006
- Borrowings (unsecured)	12,991	11,500	-
Amount repayable after one year:			
- Borrowings (secured)	18,559	18,599	12,910
- Borrowings (unsecured)	201,253	201,504	202,205
	235,481	234,128	228,121

Secured borrowings comprised of external bank loans of subsidiaries and are secured over investment properties, guarantees and other securities.

The Group's unsecured borrowings comprised mainly of 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.

Not applicable.

(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			
	FY2014/15	FY2013/14	FY2014/15	FY2013/14
	Q2	Q2	H1	H1
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Total profit	38,082	36,017	77,869	73,935
Adjustments for:				
Income tax expense	7,996	7,687	17,353	17,153
Amortisation of deferred income	(48)	(208)	(126)	(289)
Amortisation of intangible assets	939	824	1,877	1,649
Depreciation and impairment	6,956	8,062	14,556	16,035
Gains on sale of investments, property, plant and equipment	(46)	(253)	(4,247)	(475)
Share-based staff costs	629	328	1,330	593
Interest expense	1,388	1,537	2,915	3,336
Interest income	(957)	(604)	(1,679)	(1,134)
Share of profit of associated companies and joint ventures	(917)	(1,073)	(1,777)	(1,449)
	15,940	16,300	30,202	35,419
Operating cash flow before working capital changes	54,022	52,317	108,071	109,354
Changes in working capital, net of effects from acquisition of subsidiary				
Inventories	(5)	158	631	165
Trade and other receivables	9,471	8,008	(1,238)	8,379
Trade and other payables	(26,216)	13,119	(18,125)	14,533
Cash generated from operations	37,272	73,602	89,339	132,431
Income tax paid	(16,433)	(13,900)	(17,176)	(14,574)
Net cash provided by operating activities	20,839	59,702	72,163	117,857
Cash flows from investing activities				
Acquisition of subsidiaries, net of cash acquired	(2,667)	-	(2,667)	-
Additions to property, plant and equipment	(15,660)	(10,383)	(25,546)	(11,980)
Additional investment in an associated company	-	-	-	(378)
Interest received	1,145	713	1,717	1,675
Proceeds from disposal of property, plant and equipment	173	704	10,797	1,151
Proceeds on maturity of financial assets	-	23,750	3,000	26,250
Purchase of financial assets	(3,530)	(13,494)	(21,051)	(13,494)
Repayment of loans by associated companies	123	125	246	432
Net cash (used in) / provided by investing activities	(20,416)	1,415	(33,504)	3,656
Cash flows from financing activities				
Distribution paid to perpetual securities	(7,499)	(7,499)	(7,499)	(7,499)
Dividends paid to shareholders	(74,484)	(71,177)	(74,484)	(71,177)
Interest paid	(2,634)	(1,273)	(2,914)	(9,353)
Proceeds from issuance of ordinary shares	290,386	1,044	294,484	4,974
Proceeds from re-issuance of treasury shares	31,916	1,963	31,932	4,399
Proceeds from grants	-	128	-	128
Repayment of bank term loan	(204)	(169)	(1,258)	(4,089)
Repayment of bonds	-	-	-	(300,000)
Net cash provided by / (used in) financing activities	237,481	(76,983)	240,261	(382,617)
Net increase / (decrease) in cash and cash equivalents	237,904	(15,866)	278,920	(261,104)
Cash and cash equivalents at beginning of financial period	445,446	383,069	404,430	628,307
Cash and cash equivalents at end of financial period	683,350	367,203	683,350	367,203

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

(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 share of the Company					Non-controlling			
	Share capital S\$'000	Treasury shares S\$'000	Retained earnings S\$'000	Other reserves S\$'000	Total S\$'000	Perpetual Securities S\$'000	Total S\$'000	interests S\$'000	Total S\$'000
Balance at 1 July 2014	133,464	(35,329)	286,235	2,260	386,630	350,535	737,165	2,825	739,990
Dividends	-	-	(74,484)	-	(74,484)	-	(74,484)	-	(74,484)
Distribution paid on perpetual securities	-	-	-	-	-	(7,499)	(7,499)	-	(7,499)
Total comprehensive income for the period	-	-	33,846	1,659	35,505	3,749	39,254	156	39,410
	133,464	(35,329)	245,597	3,919	347,651	346,785	694,436	2,981	697,417
Employee share option scheme:									
- Value of employee services	-	-	-	629	629	-	629	-	629
- New shares issued	291,646	-	-	(1,260)	290,386	-	290,386	-	290,386
- Treasury shares re-issued	-	32,497	-	(580)	31,917	-	31,917	-	31,917
Balance at 30 September 2014	425,110	(2,832)	245,597	2,708	670,583	346,785	1,017,368	2,981	1,020,349
Balance at 1 July 2013	125,464	(40,990)	227,476	3,135	315,085	350,535	665,620	1,633	667,253
Dividends	-	-	(23,741)	-	(23,741)	-	(23,741)	-	(23,741)
Distribution paid on perpetual securities	-	-	-	-	-	(7,499)	(7,499)	-	(7,499)
Total comprehensive income / (loss) for the period	-	-	31,899	(1,367)	30,532	3,749	34,281	(160)	34,121
	125,464	(40,990)	235,634	1,768	321,876	346,785	668,661	1,473	670,134
Employee share option scheme:									
- Value of employee services	-	-	-	328	328	-	328	-	328
- New shares issued	1,153	-	-	(109)	1,044	-	1,044	-	1,044
- Treasury shares re-issued	-	2,157	-	(194)	1,963	-	1,963	-	1,963
Balance at 30 September 2013	126,617	(38,833)	235,634	1,793	325,211	346,785	671,996	1,473	673,469

The Group – H1

	Attributable to ordinary share of the Company					Perpetual Securities	Total	Non- controlling	
	Share capital	Treasury shares	Retained earnings	Other reserves	Total			interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000			S\$'000	S\$'000
Balance at 1 April 2014	129,082	(35,346)	250,700	2,402	346,838	346,826	693,664	2,168	695,832
Dividends	-	-	(74,484)	-	(74,484)	-	(74,484)	-	(74,484)
Distribution paid on perpetual securities	-	-	-	-	-	(7,499)	(7,499)	-	(7,499)
Total comprehensive income for the period	-	-	69,381	1,101	70,482	7,458	77,940	813	78,753
	129,082	(35,346)	245,597	3,503	342,836	346,785	689,621	2,981	692,602
Employee share option scheme:									
- Value of employee services	-	-	-	1,330	1,330	-	1,330	-	1,330
- New shares issued	296,028	-	-	(1,544)	294,484	-	294,484	-	294,484
- Treasury shares re-issued	-	32,514	-	(581)	31,933	-	31,933	-	31,933
Balance at 30 September 2014	425,110	(2,832)	245,597	2,708	670,583	346,785	1,017,368	2,981	1,020,349
Balance at 1 April 2013	121,109	(43,562)	241,285	1,830	320,662	346,826	667,488	109	667,597
Dividends	-	-	(71,177)	-	(71,177)	-	(71,177)	-	(71,177)
Distribution paid on perpetual securities	-	-	-	-	-	(7,499)	(7,499)	-	(7,499)
Total comprehensive income for the period	-	-	65,530	230	65,760	7,458	73,218	1,364	74,582
	121,109	(43,562)	235,634	2,064	315,245	346,785	662,030	1,473	663,503
Employee share option scheme:									
- Value of employee services	-	-	-	593	593	-	593	-	593
- New shares issued	5,508	-	-	(534)	4,974	-	4,974	-	4,974
- Treasury shares re-issued	-	4,729	-	(330)	4,399	-	4,399	-	4,399
Balance at 30 September 2013	126,617	(38,833)	235,634	1,793	325,211	346,785	671,996	1,473	673,469

The Company – Q2

	Attributable to ordinary share of the Company					Perpetual Securities	Total equity
	Share capital	Treasury shares	Retained earnings	Other reserves	Total		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 July 2014	133,464	(35,329)	253,902	5,372	357,409	350,535	707,944
Assets transferred from de-registration of a subsidiary	-	-	57	-	57	-	57
Dividends	-	-	(74,484)	-	(74,484)	-	(74,484)
Distribution paid on perpetual securities	-	-	-	-	-	(7,499)	(7,499)
Total comprehensive income / (loss) for the period	-	-	32,601	(205)	32,396	3,749	36,145
	133,464	(35,329)	212,076	5,167	315,378	346,785	662,163
Employee share option scheme:							
- Value of employee services	-	-	-	629	629	-	629
- New shares issued	291,646	-	-	(1,260)	290,386	-	290,386
- Treasury shares re-issued	-	32,497	-	(580)	31,917	-	31,917
Balance at 30 September 2014	425,110	(2,832)	212,076	3,956	638,310	346,785	985,095
Balance at 1 July 2013	125,464	(40,990)	192,555	4,664	281,693	350,535	632,228
Dividends	-	-	(23,741)	-	(23,741)	-	(23,741)
Distribution paid on perpetual securities	-	-	-	-	-	(7,499)	(7,499)
Total comprehensive income for the period	-	-	32,623	11	32,634	3,749	36,383
	125,464	(40,990)	201,437	4,675	290,586	346,785	637,371
Employee share option scheme:							
- Value of employee services	-	-	-	328	328	-	328
- New shares issued	1,153	-	-	(109)	1,044	-	1,044
- Treasury shares re-issued	-	2,157	-	(194)	1,963	-	1,963
Balance at 30 September 2013	126,617	(38,833)	201,437	4,700	293,921	346,785	640,706

The Company – H1

	Attributable to ordinary share of the Company				Perpetual Securities	Total equity	
	Share capital S\$'000	Treasury shares S\$'000	Retained earnings S\$'000	Other reserves S\$'000			Total S\$'000
Balance at 1 April 2014	129,082	(35,346)	217,615	4,952	316,303	346,826	663,129
Assets transferred from de-registration of a subsidiary	-	-	57	-	57	-	57
Dividends	-	-	(74,484)	-	(74,484)	-	(74,484)
Distribution paid on perpetual securities	-	-	-	-	-	(7,499)	(7,499)
Total comprehensive income / (loss) for the period	-	-	68,888	(201)	68,687	7,458	76,145
	129,082	(35,346)	212,076	4,751	310,563	346,785	657,348
Employee share option scheme:							
- Value of employee services	-	-	-	1,330	1,330	-	1,330
- New shares issued	296,028	-	-	(1,544)	294,484	-	294,484
- Treasury shares re-issued	-	32,514	-	(581)	31,933	-	31,933
Balance at 30 September 2014	425,110	(2,832)	212,076	3,956	638,310	346,785	985,095
Balance at 1 April 2013	121,109	(43,562)	207,005	4,965	289,517	346,826	636,343
Dividends	-	-	(71,177)	-	(71,177)	-	(71,177)
Distribution paid on perpetual securities	-	-	-	-	-	(7,499)	(7,499)
Total comprehensive income / (loss) for the period	-	-	65,609	6	65,615	7,458	73,073
	121,109	(43,562)	201,437	4,971	283,955	346,785	630,740
Employee share option scheme:							
- Value of employee services	-	-	-	593	593	-	593
- New shares issued	5,508	-	-	(534)	4,974	-	4,974
- Treasury shares re-issued	-	4,729	-	(330)	4,399	-	4,399
Balance at 30 September 2013	126,617	(38,833)	201,437	4,700	293,921	346,785	640,706

- (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 2014, the Company issued 12,897,000 ordinary shares at prices ranging from S\$0.89 to S\$1.278 upon the exercise of options granted under the Singapore Post Share Option Scheme.

During the second quarter ended 30 September 2014, the Company issued 190,096,000 ordinary shares at S\$1.42 to the investor, Alibaba Investment Limited.

As at 30 September 2014, there were unexercised options for 53,292,000 (31 March 2014: 55,201,000) unissued ordinary shares under the Singapore Post Share Option Scheme (including Performance Option Plan but excluding Restricted Share Plan) and unvested shares for 1,775,662 (31 March 2014: 1,733,061) unissued ordinary shares under the Restricted Share Plan.

As at 30 September 2014, the Company held 2,744,393 treasury shares (31 March 2014: 33,327,000).

- (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 2014, total issued shares were 2,142,788,225 (31 March 2014: 1,905,403,618).

- (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 2014, the Company re-issued 567,607 treasury shares at cost of S\$1.03 upon the exercise of options granted under the Restricted Share Plan.

During the second quarter ended 30 September 2014, the Company re-issued 30,000,000 treasury shares at cost of S\$1.01 to S\$1.13 to the investor, Alibaba Investment Limited.

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

The figures have not been audited or 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 compared with the audited financial statements for the financial year ended 31 March 2014.

(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 2014, 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.

(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.

	The Group			
	FY2014/15	FY2013/14	FY2014/15	FY2013/14
	Q2	Q2	H1	H1
Based on weighted average number of ordinary shares in issue	1.584 cents	1.680 cents	3.431 cents	3.454 cents
On fully diluted basis	1.575 cents	1.674 cents	3.416 cents	3.443 cents

(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-14	Mar-14	Sep-14	Mar-14
Net asset value per ordinary share based on issued share capital of the Company at the end of the financial period (cents)	47.62	36.52	45.97	34.80
	The Group	The Company	The Group	The Company
	Sep-14	Mar-14	Sep-14	Mar-14
Ordinary equity per ordinary share based on issued share capital of the Company at the end of the financial period (cents)	31.29	18.20	29.79	16.60

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

Second Quarter Ended 30 September 2014

Revenue

	FY2014/15	FY2013/14	
	Q2	Q2	Variance
	S\$'000	S\$'000	%
Mail	123,462	119,676	3.2%
Logistics	108,866	94,610	15.1%
Retail & eCommerce	22,344	21,306	4.9%
Inter-segment eliminations	(34,330)	(31,747)	8.1%
Total	220,342	203,845	8.1%

The Group posted an 8.1% increase in revenue in the second quarter of FY2014/15, on the back of continued growth in ecommerce related businesses.

In the Mail segment, revenue was boosted by increased international mail transshipments. This offset the decline in the traditional postal business in domestic mail and hybrid mail.

Logistics revenue was higher with growing contributions from the business lines. Ecommerce logistics activities under Quantum Solutions and Singapore Parcels continued to increase. Freight forwarding revenue from Famous Holdings was higher with contributions from new subsidiaries Tras-Inter Co (Japan) and F.S. Mackenzie (UK). Revenue from General Storage's self-storage business (Lock+Store) improved with higher occupancy and additional facilities.

In the Retail & eCommerce segment, revenue from financial services and ecommerce services continued to grow, offsetting the decline in traditional retail and agency services. Revenue from ecommerce services improved with new customers.

Other Income

Rental and property-related income was S\$11.3 million, a 1.1% decline from S\$11.4 million in the same quarter last year, as a result of lower contribution from SingPost's properties.

Miscellaneous income amounted to S\$2.3 million, compared to a loss of S\$1.3 million previously. The same quarter last year had included a S\$1.9 million provision for the restructuring of an overseas operation. Additionally, the difference was also attributable to higher interest income and trade related foreign exchange gain this quarter.

Total Expenses

Total expenses amounted to S\$188.8 million, an increase of 10.2% from S\$171.3 million in the same quarter last year. The Group continued to invest in resources for its transformation and service quality improvements.

Volume-related expenses were higher as a result of the strong growth in international traffic and increased business activities.

The increase in labour and related expenses was mainly due to higher salaries and additional headcount to support the Group's growth initiatives.

Administrative and other expenses increased with higher property related expenses such as rental expenses, and other administrative costs including professional fees related to M&As and other projects.

Depreciation expense declined as certain assets have been fully depreciated.

Operating Profit

	FY2014/15	FY2013/14	
	Q2	Q2	Variance
	S\$'000	S\$'000	%
Mail	34,114	34,769	(1.9%)
Logistics	5,825	2,605	123.6%
Retail & eCommerce	2,638	1,412	86.8%
Others *	4,258	4,885	(12.8%)
Total	46,835	43,671	7.2%

* Others refer to the commercial property rental operations and unallocated corporate overhead items.

The Group's operating profit improved by 7.2% to S\$46.8 million.

In the Mail division, operating profit was lower, largely due to higher operating costs. The decline in mail operating margin was also attributable to the strong growth in lower margin transshipment business.

In the Logistics segment, operating profit was higher due to improved performances. The same quarter last year had included restructuring costs of an overseas operation for S\$1.9 million.

Retail & eCommerce profit was higher as improvements in financial services contributions offset developmental expenses incurred for the ecommerce operations.

The decline in Others was mainly attributable to lower property contributions.

Share of Results of Associated Companies and JVs

Share of profit of associated companies and joint ventures was lower at S\$0.9 million, compared to S\$1.1 million previously.

Net Profit

Despite additional operating cost in the transformation process, the Group achieved a steady performance with underlying net profit of S\$37.5 million, compared to S\$37.3 million in the same quarter last year. Including the impact of one-off items, net profit attributable to equity holders grew by 5.5% from S\$35.6 million to S\$37.6 million.

Half Year Ended 30 September 2014

Revenue

	FY2014/15	FY2013/14	
	H1	H1	Variance
	S\$'000	S\$'000	%
Mail	246,669	234,355	5.3%
Logistics	206,427	188,365	9.6%
Retail & eCommerce	45,135	42,081	7.3%
Inter-segment eliminations	(66,975)	(59,621)	12.3%
Total	431,256	405,180	6.4%

Revenue grew by 6.4% in the first half of FY2014/15, with growth in ecommerce related businesses continuing to offset declines in the traditional postal business.

In the Mail division, ecommerce related transshipment revenue grew strongly, offsetting the decline in domestic mail and hybrid mail contributions.

Logistics revenue increased with growth in the ecommerce related activities of Quantum Solutions and Singapore Parcels, the freight forwarding business of Famous Holdings, and General Storage's self-storage business (Lock + Store).

In Retail & eCommerce, growth in financial services and ecommerce services offset declines in traditional retail and agency services. Revenue from ecommerce services was higher with new customers.

Other Income

Rental and property-related income fell by 2.3% from S\$22.6 million to S\$22.1 million due to lower contributions from SingPost's properties.

Miscellaneous income amounted to S\$8.6 million, compared to a loss of S\$1.0 million previously. The difference was largely due to a \$4.2 million gain on sale of property, plant and equipment (relating to the government land acquisition of Thomson post office/delivery base), higher interest income, and trade related foreign exchange gain vs a loss in the same period last year.

Total Expenses

Total expenses rose by 9.3% from S\$337.2 million to S\$368.5 million. The increase was mainly attributable to the continued investment in resources for the Group's transformation and service quality improvements, and growth in lower margin businesses.

Labour and related expenses were higher mainly due to salary increases and additional headcount to support the Group's growth initiatives.

The increase in volume-related expenses was attributable to the strong growth in international traffic.

Administrative and other expenses were higher as a result of the increase in property related expenses and other administrative costs including professional expenses related to M&As and other projects.

Depreciation expense declined as certain assets have been fully depreciated.

Operating Profit

	FY2014/15	FY2013/14	Variance
	H1	H1	
	S\$'000	S\$'000	%
Mail	69,156	71,561	(3.4%)
Logistics	9,634	5,888	63.6%
Retail & eCommerce	5,496	4,201	30.8%
Others *	11,947	10,517	13.6%
Total	96,233	92,167	4.4%

The Group's operating profit grew by 4.4% in the first half. Excluding one-off items, underlying operating profit was marginally higher by 0.5%.

Mail operating profit was lower due to increased operating costs. The narrower operating margin was also attributable to the strong growth in lower margin international transshipment business.

The growth in Logistics operating profit was due to better business performance and lower restructuring costs compared to the same period last year. This was despite the continued investments in resources to build the Group's logistics business and networks such as the rollout of POPStations.

In the Retail & eCommerce segment, operating profit improved as growing contributions from financial services offset developmental costs for the ecommerce operations.

The improvement in Others was mainly attributable to the gain on sale of property, plant and equipment which offset lower property contributions.

Share of Results of Associated Companies and JVs

Share of profit of associated companies and joint ventures grew by 22.6% from S\$1.4 million to S\$1.8 million, with improved contributions from the associated companies.

Net Profit

During the first half, although the Group continued to invest in resources for the transformation and growth initiatives, and for service quality improvements, it achieved an improvement in underlying net profit from S\$73.5 million to S\$73.7 million. Net profit attributable to equity holders including one-off items was higher by 5.3% at S\$76.8 million, compared to S\$73.0 million in the same period last year.

Balance Sheet

In July 2014, the Group completed the issuance of shares and transfer of treasury shares to Alibaba Investment Ltd. Share capital increased from S\$129.1 million to S\$425.1 million as at 30 September 2014. This represented a 10.3% addition to the enlarged issued and paid-up share capital of the Company. Treasury shares also declined from S\$35.3 million to S\$2.8 million. Ordinary equity amounted to S\$670.6 million, compared to S\$346.8 million as at 31 March 2014.

Proceeds from the transaction raised the Group's cash and cash equivalents from S\$404.4 million to S\$684.8 million. As a result, total assets were higher at S\$1.64 billion as at 30 September 2014, compared to S\$1.32 billion as at 31 March 2014.

Total liabilities amounted to S\$617.4 million, compared to S\$626.0 million as at 31 March 2014.

Financial Position

The Group was in a net cash position (cash and cash equivalents less borrowings) of S\$449.4 million as at 30 September 2014.

The cash will be utilised to support the Group's investment needs, capital expenditure, working capital and other funding needs.

Interest coverage ratio (i.e. EBITDA to interest expense) remained high at 39.3x, compared to 34.6x at 31 March 2014.

Cash Flow

Net cash from operating activities was S\$72.2 million in the first half, compared to S\$117.9 million in the same period last year. The difference was predominantly due to working capital movements as a result of business operations.

Net cash used in investing activities was S\$33.5 million, compared to net cash from investing activities of S\$3.7 million previously. During the period, the Group invested S\$25.5 million in property, plant and equipment, including the new mail sorting equipment and additional POP Stations. The Group purchased financial assets of S\$21.1 million comprising primarily corporate bonds. It also acquired 100% of F.S. Mackenzie Ltd. The cash outflow was partially offset by proceeds of S\$10.8 million from the disposal of property, plant and equipment, and S\$3.0 million from the maturity of financial assets.

Net cash from financing activities was S\$240.3 million, compared to net cash used of S\$382.6 million previously. During the period, the Group received proceeds of S\$294.5 million from its share issue and S\$31.9 million from treasury share transfer. This was partially offset by dividend payments of S\$74.5 million and perpetual securities distributions of S\$7.5 million. Last year, the Group repaid its S\$300 million bond.

- (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.

Following the approval from the regulator, Infocomm Development Authority of Singapore (IDA), domestic and international postage rates were increased from 1 October 2014. The rate revisions will help to partially mitigate cost increases in the mail business where operating conditions remain challenging and letter mail continues to decline.

The Group continues to invest and to upgrade the postal infrastructure and improve its service quality and productivity in Singapore. The new mail sorting machines have been installed and are expected to be fully operational in December 2014. The Group continues to upgrade its postal delivery services with three-wheelers that have bigger carrying capacity. In addition, it will continue to roll out new generation post offices.

The Group continues to explore investment opportunities in Asia Pacific as part of its growth strategy. It has been expanding its end-to-end ecommerce logistics solutions network in the region and investing in ecommerce logistics infrastructure, technology and capabilities.

In October 2014, the Group announced that it was investing S\$182 million to develop a fully integrated eCommerce Logistics Hub in Singapore to meet the needs of its expanding ecommerce business. The integrated Hub will house automated parcel sorting and warehousing systems, and bring together the ecommerce activities of Quantum Solutions, Singapore Parcels, General Storage (Lock+Store) and SP eCommerce. The investment will further enhance its value proposition to local and regional customers.

(11) Dividends

Current financial period reported on

Interim dividend

In relation to the financial period ended 30 September 2014, the Board of Directors has declared an interim dividend of 1.25 cents per ordinary share (tax exempt one-tier).

The interim quarterly dividend of 1.25 cents per ordinary share will be paid on 28 November 2014. The transfer book and register of members of the Company will be closed on 21 November 2014 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 20 November 2014 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) in relation to the second quarter ended 30 September 2013 was declared on 30 October 2013 and paid on 29 November 2013.

(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 first quarter ended and half year 30 September 2014, 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)	
	FY2014/15 Q2 S\$'000	FY2013/14 Q2 S\$'000	FY2014/15 Q2 S\$'000	FY2013/14 Q2 S\$'000
Sales				
Singapore Telecommunications Group	-	-	1,060	1,308*
	-	-	1,060	1,308
Purchases				
Certis Cisco Security Pte Ltd	-	-	723*	-
PSA Corporation Limited	-	-	2,727*	-
SembCorp Group	-	-	95,000*	-
SMRT Group	-	-	1,188*	-
	-	-	99,638	-
Total interested person transactions	-	-	100,698	1,308

	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)	
	FY2014/15	FY2013/14	FY2014/15	FY2013/14
	H1 S\$'000	H1 S\$'000	H1 S\$'000	H1 S\$'000
Sales				
Mediacorp Group	-	-	540	-
Singapore Telecommunications Group	-	-	2,691	2,268*
Starhub Group	-	-	631	785
	-	-	3,862	3,053
Purchases				
Certis Cisco Security Pte Ltd	-	-	723*	-
PSA Corporation Limited	-	-	2,727*	-
SembCorp Group	-	-	95,360*	-
Singapore Airlines Group	-	-	4,480	2,243
SMRT Group	-	-	1,188*	-
	-	-	104,478	2,243
Total interested person transactions	-	-	108,340	5,296

Note

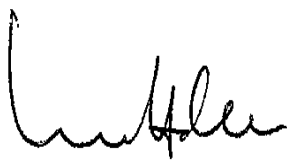
All the transactions set out in the above table were based on the Group's interested person transactions register. They were either based on contractual values for the duration of the contracts (which vary from 3 months to 3 years) or annual values for open-ended contracts.

* 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 2014 to be false or misleading.

On behalf of the Board of Directors



MR LIM HO KEE
Chairman



DR WOLFGANG BAIER
Director

Singapore
6 November 2014