



Q2 & H1 FY2013/14 Results

Financial year ending 31 March 2014

30 October 2013



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Forward-looking Statements – Important Note

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

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that could cause actual results, performance or events to differ materially from those in the statements as originally made.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

"\$" means Singapore dollars unless otherwise indicated.

Executive Summary

	Q2 FY2013/4	YoY % change	H1 FY2013/4	YoY % change
Revenue	\$203.8M	+32.6%	\$405.2M	+32.7%
Operating expenses	\$169.7M	+38.0%	\$333.5M	+39.8%
Underlying net profit	\$37.3M	+13.8%	\$73.5M	+6.0%
Operating cash flow			\$117.9M	+18.1%

Flat operating profit

Q2: +0.9%

H1: +0.2%

Continued healthy performance

- Revenue growth from new subsidiaries and organic business growth

Flat operating profit; improving revenue-cost gap; changing cost structure

- Flat operating profit on higher costs and growth in lower-margin businesses
- Narrowing of revenue-cost gap on tight cost management; change in cost structure with transformation into diversified group
- Healthy operating cash flow

Investing into a sustainable future

- Investing into service, innovation and productivity in domestic market
- Developing end-to-end e-Commerce logistics solutions in region

Q2 FY2013/14 P&L Highlights

Continued robust performance from M&As and organic growth
Ongoing developmental spending to build businesses

\$M	Q2 FY12/13	Q2 FY13/14	% change
Revenue	153.7	203.8	+32.6%
Other income	12.5	9.5	(23.8%)
Operating expenses	123.0	169.7	+38.0%
Operating profit	43.3	43.7	+0.9%
Share of associated cos & JVs	0.4	1.1	+142.2%
Net finance costs	3.0	1.0	(65.8%)
Income tax	7.8	7.7	(1.8%)
Net profit *	32.9	35.6	+8.5%
Underlying net profit *	32.7	37.3	+13.8%

New subsidiaries,
9.6% organic growth

Rental income growth
offset by one-off items,
namely provision for
restructuring of
overseas operation

Better performances by
associated companies

\$300M bond repaid

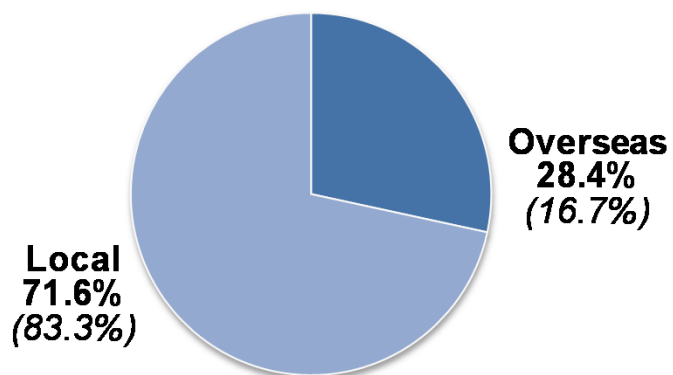
* Profit after tax attributable to equity holders of the Company; underlying net profit excludes one-off items.

H1 FY2013/14 Revenue Breakdown

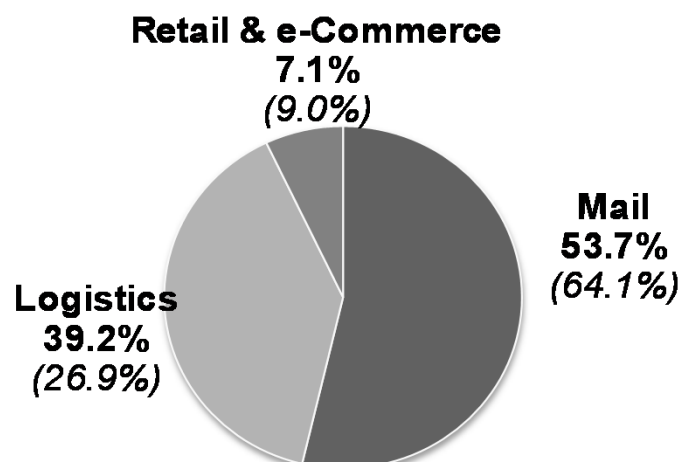
Moving towards being the Regional Leader in e-Commerce Logistics and Trusted Communications



Revenue by geography



Revenue by business segments



Overseas revenue at 28.4% of total revenue:
Higher overseas revenue share with inclusion of Famous Holdings and regional expansion

Logistics contributions at 39.2% of total revenue:
Higher Logistics revenue from new subsidiaries and regional business growth; Mail revenue reduced from 64.1% to 53.7%

Note: H1 FY2012/13 figures in italics

Mail Segment: Q2 & H1 FY2013/14



	<u>Q2 FY13/14</u>	<u>% change</u>	<u>H1 FY13/14</u>	<u>% change</u>
Revenue	\$119.7M	+13.4%	\$234.4M	+13.5%
Operating profit	\$34.8M	(0.3%)	\$71.6M	+3.0%
Revenue breakdown				
<i>Domestic mail</i>	\$63.2M	+6.4%	\$125.7M	+4.7%
<i>International mail</i>	\$42.3M	+27.5%	\$83.0M	+26.2%
<i>Hybrid mail*</i>	\$12.9M	+15.5%	\$23.7M	+31.6%
<i>Philatelic</i>	\$1.3M	(29.1%)	\$2.0M	(25.8%)

Decline in domestic mail volume (H1: -1.5%)

* Comprising DataPost and Novation Solutions



New sorting equipment



vbox

Lower operating profit on continued cost pressures and growth in lower margin package business

Growth in e-Commerce package volumes, especially in transhipment

Continued investments into service, innovation and productivity



Logistics Segment: Q2 & H1 FY2013/14



	<u>Q2 FY13/14</u>	<u>% change</u>	<u>H1 FY13/14</u>	<u>% change</u>
Revenue	\$94.6M	+79.1%	\$188.4M	+74.8%
Operating profit	\$2.6M	+116.5%	\$5.9M	+62.7%
Revenue breakdown				
<i>Quantum Solutions</i>	\$39.2M	+10.7%	\$78.2M	+6.2%
<i>Famous Holdings</i>	\$33.0M	-	\$66.7M	-
<i>Logistics*</i>	\$22.4M	+28.5%	\$43.5M	+27.3%

* Including Speedpost, Lock+Store, Transshipment & others



Contributions of new subsidiaries

Growth in regional e-fulfilment business

Investing in end-to-end e-Commerce logistics solutions in region; impact of provision for restructuring of overseas operation



Retail & e-Commerce Segment: Q2 & H1 FY2013/14



	<u>Q2 FY13/14</u>	<u>% change</u>	<u>H1 FY13/14</u>	<u>% change</u>
Revenue	\$21.3M	+4.7%	\$42.1M	+2.3%
Operating profit	\$1.4M	(63.8%)	\$4.2M	(48.6%)
Revenue breakdown (excluding intersegment)				
<i>Retail & e-Commerce*</i>	<i>\$8.3M</i>	<i>+10.9%</i>	<i>\$16.5M</i>	<i>+9.0%</i>
<i>Financial services</i>	<i>\$6.3M</i>	<i>+4.2%</i>	<i>\$12.2M</i>	<i>(1.8%)</i>

* Including vPOST, Clout Shoppe and SP e-Commerce

Growing e-Commerce business offset decline in retail business

Operating profit under pressure due to investment in development of e-Commerce business



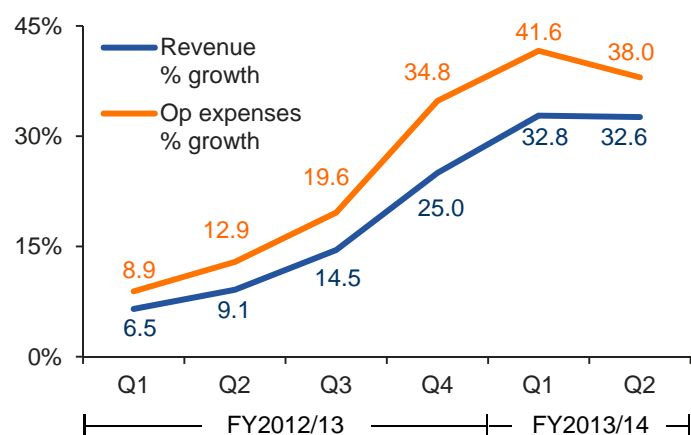
www.specommerce.com



Operating Expenses: Q2 & H1 FY2013/14



	Q2 FY13/14	% change	% differential vs revenue growth
Revenue	\$203.8M	+32.6%	
Operating expenses	\$169.7M	+38.0%	+5.4% pt
<i>Volume related</i>	<i>\$77.7M</i>	<i>+76.0%</i>	<i>+43.4% pt</i>
<i>Labour & related</i>	<i>\$58.5M</i>	<i>+13.7%</i>	<i>(18.9)% pt</i>
<i>Admin, property related</i>	<i>\$22.7M</i>	<i>+20.1%</i>	<i>(12.5)% pt</i>
<i>Depreciation & amortisation</i>	<i>\$8.6M</i>	<i>+27.2%</i>	<i>(5.4)% pt</i>
<i>Selling</i>	<i>\$2.1M</i>	<i>30.9%</i>	<i>(1.7)% pt</i>



Shift in cost structure with changing business models:
Transformation into diversified group and growth in lower-margin businesses

Narrowing revenue-cost gap on tight cost management

Investing into resources for growth; inclusion of new subsidiaries; business growth

Financial Position, Cash Flow, Dividend

Healthy cash flows

\$M	H1 FY12/13	H1 FY13/14
Net cash provided by operating activities	99.8	117.9
Net cash provided by investing activities	(0.2)	3.7
Net cash used in financing activities	(84.6)	(382.6)*
Net increase in cash	15.0	(261.1)
Cash & cash equivalents	632.4	367.2

* Repayment of S\$300M bond in April 2013

Strong financial position

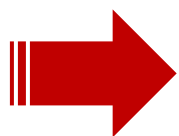
	As at Mar 2013	As at Sep 2013
Ord. shareholders' equity	\$320.7M	\$325.9M
Borrowings	\$536.6M	\$228.1M
Net cash	\$91.8M	\$139.1M
Net cash plus perpetual securities to ord. equity	0.8x	0.6x
EBITDA to interest expenses	17.1x	33.4x

Q2 FY2013/14 interim dividend - 1.25 cents per share

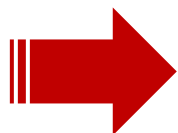
Developments & Outlook

Developing to be the Regional Leader
in e-Commerce Logistics and Trusted Communications

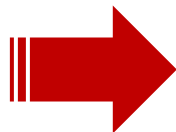
Our Post.
Future Ready.



Pushing ahead with transformation agenda; investing into a sustainable future



Trusted Communications: Continued investments into service, innovation and productivity



e-Commerce Logistics: Developing low-cost end-to-end integrated e-Commerce logistics solutions for Asia

Ranked No. 1
postal agency in the world
two years in a row

Global Service Provider
of the Year award



World Mail Award 2013
for People Management



SingPost
Inclusivity Fund

Caring • Changing • Cultivating

Developments & Outlook

Trusted Communications: Continued investments into service, innovation and productivity

Our Post.
Future Ready.



Developments & Outlook

e-Commerce Logistic: Developing end-to-end e-Commerce logistics solutions for Asia

**Our Post.
Future Ready.**

e-Commerce Logistics

Transportation

Warehousing & Fulfilment

Last Mile Delivery & Returns

Marketing, Content Mgmt & Payments



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

Thank You