



**SINGAPORE POST LIMITED
AND ITS SUBSIDIARIES**

(Registration number: 199201623M)

**SGXNET ANNOUNCEMENT
UNAUDITED RESULTS FOR THE
SECOND QUARTER AND HALF YEAR
ENDED 30 SEPTEMBER 2013**

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

| | FY2013/14 | FY2012/13 | | FY2013/14 | FY2012/13 | |
|---|--------------------|----------------|----------|--------------------|-------------|----------|
| | Q2 | Q2 | Variance | H1 | H1 | Variance |
| | S\$'000 | S\$'000 | % | S\$'000 | S\$'000 | % |
| Revenue | 203,845 | 153,739 | 32.6% | 405,180 | 305,310 | 32.7% |
| Other income and (losses) / gains (net) | | | | | | |
| - Rental and property-related income | 11,431 | 10,250 | 11.5% | 22,635 | 20,562 | 10.1% |
| - Miscellaneous | (1,304) | 3,267 | N.M. | (1,025) | 6,625 | N.M. |
| Labour and related expenses | (58,545) | (51,508) | 13.7% | (114,081) | (99,832) | 14.3% |
| Volume-related expenses ¹ | (77,723) | (44,165) | 76.0% | (154,066) | (86,299) | 78.5% |
| Administrative and other expenses | (22,712) | (18,907) | 20.1% | (44,645) | (35,581) | 25.5% |
| Depreciation and amortisation | (8,649) | (6,798) | 27.2% | (17,210) | (13,599) | 26.6% |
| Selling expenses | (2,068) | (1,580) | 30.9% | (3,487) | (3,295) | 5.8% |
| Finance expenses | (1,644) | (4,067) | (59.6%) | (3,662) | (7,339) | (50.1%) |
| Total expenses | (171,341) | (127,025) | 34.9% | (337,151) | (245,945) | 37.1% |
| Share of profit of associated companies and joint ventures | 1,073 | 443 | 142.2% | 1,449 | 568 | 155.1% |
| Profit before income tax | 43,704 | 40,674 | 7.4% | 91,088 | 87,120 | 4.6% |
| Income tax expense | (7,687) | (7,829) | (1.8%) | (17,153) | (16,196) | 5.9% |
| Total profit | 36,017 | 32,845 | 9.7% | 73,935 | 70,924 | 4.2% |
| Attributable to: | | | | | | |
| Equity holders of the Company | 35,648 | 32,852 | 8.5% | 72,988 | 70,943 | 2.9% |
| Non-controlling interests | 369 | (7) | N.M. | 947 | (19) | N.M. |
| Total profit | 36,017 | 32,845 | 9.7% | 73,935 | 70,924 | 4.2% |
| Operating Profit² | 43,671 | 43,273 | 0.9% | 92,167 | 92,022 | 0.2% |
| Underlying Net Profit³ | 37,259 | 32,746 | 13.8% | 73,487 | 69,306 | 6.0% |
| Earnings per share for profit attributable to the equity holders of the Company during the period: ⁴ | | | | | | |
| - Basic | 1.680 cents | 1.540cents | | 3.454 cents | 3.361 cents | |
| - Diluted | 1.674 cents | 1.540cents | | 3.443 cents | 3.360 cents | |

Notes

1 Volume-related expenses comprise mainly 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).

N.M. Not meaningful.

@ Denotes variance exceeding 300%.

Consolidated Statement of Comprehensive Income

| | FY2013/14 | FY2012/13 | | FY2013/14 | FY2012/13 | |
|--|------------------|----------------|----------|------------------|--------------|----------|
| | Q2 | Q2 | Variance | H1 | H1 | Variance |
| | S\$'000 | S\$'000 | % | S\$'000 | S\$'000 | % |
| Total profit | 36,017 | 32,845 | 9.7% | 73,935 | 70,924 | 4.2% |
| Other comprehensive (loss) / income (net of tax): | | | | | | |
| Available for sale financial assets - fair value gain/(loss) | 11 | (191) | N.M. | 6 | (48) | N.M. |
| Currency translation differences arising from consolidation | (1,907) | (1,247) | 52.9% | 641 | (946) | N.M. |
| Other comprehensive (loss) / income for the period (net of tax) | (1,896) | (1,438) | 31.8% | 647 | (994) | N.M. |
| Total comprehensive income for the period | 34,121 | 31,407 | 8.6% | 74,582 | 69,930 | 6.7% |
| Total comprehensive income / (loss) attributable to: | | | | | | |
| Equity holders of the Company | 34,281 | 31,414 | 9.1% | 73,218 | 69,949 | 4.7% |
| Non-controlling interests | (160) | (7) | @ | 1,364 | (19) | N.M. |
| | 34,121 | 31,407 | 8.6% | 74,582 | 69,930 | 6.7% |

Underlying Net Profit Reconciliation Table

| | FY2013/14 | FY2012/13 | | FY2013/14 | FY2012/13 | |
|---|------------------|-----------|----------|------------------|-----------|----------|
| | Q2 | Q2 | Variance | H1 | H1 | Variance |
| | S\$'000 | S\$'000 | % | S\$'000 | S\$'000 | % |
| Profit attributable to equity holders of the Company | 35,648 | 32,852 | 8.5% | 72,988 | 70,943 | 2.9% |
| <u>Less/(add):</u> | | | | | | |
| Amortisation of deferred gain on intellectual property rights | - | - | - | - | 1,564 | 100.0% |
| Excess of net assets purchased over consideration paid for a subsidiary company | - | - | - | 890 | - | N.M. |
| Gains on sale of investments, property, plant and equipment | 253 | 106 | 138.7% | 475 | 135 | 251.9% |
| Mark-to-market losses on equity-linked notes* | - | - | - | - | (62) | 100.0% |
| Provision for the restructuring of an overseas operation | (1,864) | - | N.M. | (1,864) | - | N.M. |
| Underlying Net Profit | 37,259 | 32,746 | 13.8% | 73,487 | 69,306 | 6.0% |

* The Group's objective when investing into the equity-linked notes is to generate enhanced yields. Only Singapore-listed, blue chip and dividend-yielding companies are selected.

N.M. Not meaningful.

@ Denotes variance exceeding 300%.

(1)(a)(ii)

| | FY2013/14 | FY2012/13 | | FY2013/14 | FY2012/13 | |
|---|------------------|------------------|-----------------|------------------|------------------|-----------------|
| | Q2 | Q2 | Variance | H1 | H1 | Variance |
| | S\$'000 | S\$'000 | % | S\$'000 | S\$'000 | % |
| Other operating income and interest income* | 8,262 | 13,517 | (38.9%) | 19,745 | 27,187 | (27.4%) |
| Interest on borrowings | 1,537 | 3,142 | (51.1%) | 3,336 | 6,239 | (46.5%) |
| Depreciation and amortisation | 8,886 | 7,035 | 26.3% | 17,684 | 14,073 | 25.7% |
| Impairment / (Write-back) of doubtful debts and bad debts written off | 327 | (71) | N.M. | 484 | 498 | (2.8%) |
| Foreign exchange (losses) / gains | (718) | 169 | N.M. | (2,693) | 572 | N.M. |
| Gains on sale of investments, property, plant and equipment | 253 | 106 | 138.7% | 475 | 135 | 251.9% |

* 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-13 | Mar-13 | Sep-12 | Sep-13 | Mar-13 | Sep-12 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| ASSETS | | | | | | |
| Current assets | | | | | | |
| Cash and cash equivalents | 367,203 | 628,307 | 632,390 | 319,342 | 592,553 | 616,357 |
| Trade and other receivables | 120,036 | 130,055 | 103,636 | 132,988 | 136,420 | 119,796 |
| Financial assets * | 3,716 | 16,577 | 73,807 | 3,277 | 16,485 | 73,807 |
| Inventories | 3,998 | 4,163 | 3,856 | 1,108 | 1,099 | 993 |
| Derivative financial instruments | - | 62 | 1,156 | - | 62 | 1,156 |
| Other current assets | 12,542 | 11,667 | 11,638 | 5,175 | 3,872 | 4,303 |
| | 507,495 | 790,831 | 826,483 | 461,890 | 750,491 | 816,412 |
| Non-current assets | | | | | | |
| Trade and other receivables | 5,501 | 5,669 | 1,958 | 70,100 | 60,186 | 220 |
| Financial assets * | 11,637 | 11,523 | 4,000 | 11,581 | 11,102 | 4,000 |
| Investments in associated companies and joint ventures | 95,065 | 94,260 | 91,621 | 24,793 | 24,793 | 23,670 |
| Investments in subsidiaries | - | - | - | 184,211 | 184,211 | 147,111 |
| Investment properties | 220,222 | 222,656 | 189,144 | 192,965 | 195,408 | 199,279 |
| Property, plant and equipment | 233,501 | 235,900 | 233,441 | 201,976 | 204,437 | 206,888 |
| Intangible assets | 192,090 | 193,739 | 87,203 | 9,884 | 11,077 | 126 |
| Derivative financial instruments | 2,400 | 6,739 | 6,366 | 2,400 | 6,739 | 6,366 |
| Deferred income tax assets | 638 | 632 | 1,149 | - | - | - |
| Other non-current asset | 350 | 393 | 79 | - | 32 | 79 |
| | 761,404 | 771,511 | 614,961 | 697,910 | 697,985 | 587,739 |
| Total assets | 1,268,899 | 1,562,342 | 1,441,444 | 1,159,800 | 1,448,476 | 1,404,151 |
| LIABILITIES | | | | | | |
| Current liabilities | | | | | | |
| Trade and other payables | 278,176 | 271,469 | 229,383 | 268,671 | 259,196 | 231,431 |
| Borrowings | 13,006 | 316,422 | 301,120 | - | 300,062 | 301,120 |
| Deferred income | 322 | 322 | 156 | 322 | 322 | 156 |
| Current income tax liabilities | 35,948 | 31,903 | 33,619 | 30,970 | 27,504 | 30,251 |
| | 327,452 | 620,116 | 564,278 | 299,963 | 587,084 | 562,958 |
| Non-current liabilities | | | | | | |
| Borrowings | 215,115 | 220,128 | 206,141 | 202,205 | 206,529 | 206,141 |
| Trade and other payables | 32,702 | 32,494 | - | - | - | - |
| Deferred income | 294 | 455 | 616 | 294 | 455 | 616 |
| Deferred income tax liabilities | 19,867 | 21,552 | 17,937 | 16,632 | 18,065 | 15,993 |
| | 267,978 | 274,629 | 224,694 | 219,131 | 225,049 | 222,750 |
| Total liabilities | 595,430 | 894,745 | 788,972 | 519,094 | 812,133 | 785,708 |
| NET ASSETS | 673,469 | 667,597 | 652,472 | 640,706 | 636,343 | 618,443 |
| EQUITY | | | | | | |
| Capital and reserves attributable to the Company's equity holders | | | | | | |
| Share capital | 126,617 | 121,109 | 120,914 | 126,617 | 121,109 | 120,914 |
| Treasury shares | (38,833) | (43,562) | (45,999) | (38,833) | (43,562) | (45,999) |
| Retained earnings | 235,634 | 241,285 | 230,431 | 201,437 | 207,005 | 192,266 |
| Other reserves | 1,793 | 1,830 | 368 | 4,700 | 4,965 | 4,477 |
| Ordinary equity | 325,211 | 320,662 | 305,714 | 293,921 | 289,517 | 271,658 |
| Perpetual securities** | 346,785 | 346,826 | 346,785 | 346,785 | 346,826 | 346,785 |
| | 671,996 | 667,488 | 652,499 | 640,706 | 636,343 | 618,443 |
| Non-controlling interests | 1,473 | 109 | (27) | - | - | - |
| Total equity | 673,469 | 667,597 | 652,472 | 640,706 | 636,343 | 618,443 |

* Relates mainly to the Group's investment in equity-linked notes, bonds, interest rate linked notes and credit-linked notes.

** 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 2013, the Group has capital and investment commitments amounting to S\$70.4 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-13 | Mar-13 | Sep-12 |
|--|----------------|---------|---------|
| | S\$'000 | S\$'000 | S\$'000 |
| Amount repayable in one year or less, or on demand | | | |
| - Borrowings (secured) | 13,006 | 6,239 | - |
| - Borrowings (unsecured) | - | 310,183 | 301,120 |
| Amount repayable after one year: | | | |
| - Borrowings (secured) | 12,910 | 13,305 | - |
| - Borrowings (unsecured) | 202,205 | 206,823 | 206,141 |
| | 228,121 | 536,550 | 507,261 |

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

The Group's unsecured borrowings comprised mainly S\$200 million 10-year Fixed Rate Notes (the "Notes") issued in March 2010. The 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 | | | |
|---|----------------------------|----------------------------|----------------------------|----------------------------|
| | FY2013/14 Q2 S\$'000 | FY2012/13 Q2 S\$'000 | FY2013/14 H1 S\$'000 | FY2012/13 H1 S\$'000 |
| Cash flows from operating activities | | | | |
| Total profit | 36,017 | 32,845 | 73,935 | 70,924 |
| Adjustments for: | | | | |
| Income tax expense | 7,687 | 7,829 | 17,153 | 16,196 |
| Amortisation of deferred gain on intellectual property rights | - | - | - | (1,564) |
| Amortisation of deferred income | (208) | (83) | (289) | (167) |
| Amortisation of intangible assets | 824 | 237 | 1,649 | 474 |
| Depreciation | 8,062 | 6,798 | 16,035 | 13,599 |
| Gains on sale of investments, property, plant and equipment | (253) | (106) | (475) | (135) |
| Share-based staff costs | 328 | 331 | 593 | 440 |
| Interest expense | 1,537 | 3,142 | 3,336 | 6,239 |
| Interest income | (604) | (1,025) | (1,134) | (1,869) |
| Share of profit of associated companies and joint ventures | (1,073) | (443) | (1,449) | (568) |
| | 16,300 | 16,680 | 35,419 | 32,645 |
| Operating cash flow before working capital changes | 52,317 | 49,525 | 109,354 | 103,569 |
| Changes in working capital, net of effects from acquisition of subsidiary | | | | |
| Inventories | 158 | 111 | 165 | (305) |
| Trade and other receivables | 8,008 | (3,932) | 8,379 | (4,469) |
| Trade and other payables | 13,119 | 18,173 | 14,533 | 16,377 |
| Cash generated from operations | 73,602 | 63,877 | 132,431 | 115,172 |
| Income tax paid | (13,900) | (15,344) | (14,574) | (15,357) |
| Net cash provided by operating activities | 59,702 | 48,533 | 117,857 | 99,815 |
| Cash flows from investing activities | | | | |
| Acquisition of subsidiary, net of cash acquired | - | - | - | (9,064) |
| Additions to property, plant and equipment | (10,383) | (1,459) | (11,980) | (4,138) |
| Investment in an associated company | - | - | (378) | - |
| Dividends received from associated companies | - | 90 | - | 90 |
| Interest received | 713 | 1,039 | 1,675 | 1,532 |
| Loan to an associated company | - | - | - | (190) |
| Proceeds from disposal of property, plant and equipment | 704 | 96 | 1,151 | 125 |
| Proceeds on maturity of financial assets | 23,750 | 10,899 | 26,250 | 27,472 |
| Purchase of financial assets | (13,494) | (14,012) | (13,494) | (16,012) |
| Repayment of loans by an associated company | 125 | - | 432 | - |
| Net cash provided by / (used in) investing activities | 1,415 | (3,347) | 3,656 | (185) |
| Cash flows from financing activities | | | | |
| Distribution paid to perpetual securities | (7,499) | (7,499) | (7,499) | (7,499) |
| Dividends paid to shareholders | (71,177) | (70,845) | (71,177) | (70,845) |
| Interest paid | (1,273) | (3,528) | (9,353) | (6,897) |
| Proceeds from issuance of ordinary shares | 1,044 | 387 | 4,974 | 598 |
| Proceeds from re-issuance of treasury shares | 1,963 | - | 4,399 | - |
| Proceeds from grants | 128 | - | 128 | - |
| Purchase of treasury shares | - | 46 | - | 46 |
| Repayment of bank term loan | (169) | - | (4,089) | - |
| Repayment of bonds | - | - | (300,000) | - |
| Net cash used in financing activities | (76,983) | (81,439) | (382,617) | (84,597) |
| Net (decrease) / increase in cash and cash equivalents | (15,866) | (36,253) | (261,104) | 15,033 |
| Cash and cash equivalents at beginning of financial period | 383,069 | 668,643 | 628,307 | 617,357 |
| Cash and cash equivalents at end of financial period | 367,203 | 632,390 | 367,203 | 632,390 |

(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 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 as at 30 September 2013 | 126,617 | (38,833) | 235,634 | 1,793 | 325,211 | 346,785 | 671,996 | 1,473 | 673,469 |
| Balance at 1 July 2012 | 120,490 | (46,058) | 224,970 | 1,501 | 300,903 | 350,535 | 651,438 | (20) | 651,418 |
| Re-classification to other reserves | - | - | (24) | 24 | - | - | - | - | - |
| Dividends | - | - | (23,618) | - | (23,618) | - | (23,618) | - | (23,618) |
| Distribution paid on perpetual securities | - | - | - | - | - | (7,499) | (7,499) | - | (7,499) |
| Total comprehensive income / (loss) for the period | - | - | 29,103 | (1,438) | 27,665 | 3,749 | 31,414 | (7) | 31,407 |
| | 120,490 | (46,058) | 230,431 | 87 | 304,950 | 346,785 | 651,735 | (27) | 651,708 |
| Employee share option scheme: | | | | | | | | | |
| - Value of employee services | - | - | - | 331 | 331 | - | 331 | - | 331 |
| - New shares issued | 424 | - | - | (37) | 387 | - | 387 | - | 387 |
| - Treasury shares re-issued | - | 59 | - | (13) | 46 | - | 46 | - | 46 |
| Balance as at 30 September 2012 | 120,914 | (45,999) | 230,431 | 368 | 305,714 | 346,785 | 652,499 | (27) | 652,472 |

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 2013 | 121,109 | (43,562) | 241,285 | 1,830 | 320,662 | 346,826 | 667,488 | 109 | 667,597 |
| Re-classification to capital reserves | - | - | (4) | 4 | - | - | - | - | - |
| 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 as at 30 September 2013 | 126,617 | (38,833) | 235,634 | 1,793 | 325,211 | 346,785 | 671,996 | 1,473 | 673,469 |
| Balance at 1 April 2012 | 120,256 | (46,058) | 237,815 | 971 | 312,984 | 346,826 | 659,810 | (8) | 659,802 |
| Re-classification to other reserves | - | - | (24) | 24 | - | - | - | - | - |
| Dividends | - | - | (70,845) | - | (70,845) | - | (70,845) | - | (70,845) |
| Distribution paid on perpetual securities | - | - | - | - | - | (7,499) | (7,499) | - | (7,499) |
| Total comprehensive income/ (loss) for the period | - | - | 63,485 | (994) | 62,491 | 7,458 | 69,949 | (19) | 69,930 |
| | 120,256 | (46,058) | 230,431 | 1 | 304,630 | 346,785 | 651,415 | (27) | 651,388 |
| Employee share option scheme: | | | | | | | | | |
| - Value of employee services | - | - | - | 440 | 440 | - | 440 | - | 440 |
| - New shares issued | 658 | - | - | (60) | 598 | - | 598 | - | 598 |
| - Treasury shares re-issued | - | 59 | - | (13) | 46 | - | 46 | - | 46 |
| Balance as at 30 September 2012 | 120,914 | (45,999) | 230,431 | 368 | 305,714 | 346,785 | 652,499 | (27) | 652,472 |

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 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 as at 30 September 2013 | 126,617 | (38,833) | 201,437 | 4,700 | 293,921 | 346,785 | 640,706 |
| Balance at 1 July 2012 | 120,490 | (46,058) | 188,355 | 4,387 | 267,174 | 350,535 | 617,709 |
| Dividends | - | - | (23,618) | - | (23,618) | - | (23,618) |
| Distribution paid on perpetual securities | - | - | - | - | - | (7,499) | (7,499) |
| Total comprehensive income / (loss) for the period | - | - | 27,529 | (191) | 27,338 | 3,749 | 31,087 |
| | 120,490 | (46,058) | 192,266 | 4,196 | 270,894 | 346,785 | 617,679 |
| Employee share option scheme: | | | | | | | |
| - Value of employee services | - | - | - | 331 | 331 | - | 331 |
| - New shares issued | 424 | - | - | (37) | 387 | - | 387 |
| - Treasury shares re-issued | - | 59 | - | (13) | 46 | - | 46 |
| Balance as at 30 September 2012 | 120,914 | (45,999) | 192,266 | 4,477 | 271,658 | 346,785 | 618,443 |

The Company – H1

| | Attributable to ordinary shareholders of the Company | | | | Perpetual securities | Total | |
|--|--|-----------------|-------------------|----------------|----------------------|----------------|----------------|
| | Share capital | Treasury shares | Retained earnings | Other reserves | | | |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | |
| 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 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 as at 30 September 2013 | 126,617 | (38,833) | 201,437 | 4,700 | 293,921 | 346,785 | 640,706 |
| Balance at 1 April 2012 | 120,256 | (46,058) | 203,665 | 4,158 | 282,021 | 346,826 | 628,847 |
| Dividends | - | - | (70,845) | - | (70,845) | - | (70,845) |
| Distribution paid on perpetual securities | - | - | - | - | - | (7,499) | (7,499) |
| Total comprehensive income / (loss) for the period | - | - | 59,446 | (48) | 59,398 | 7,458 | 66,856 |
| | 120,256 | (46,058) | 192,266 | 4,110 | 270,574 | 346,785 | 617,359 |
| Employee share option scheme: | | | | | | | |
| - Value of employee services | - | - | - | 440 | 440 | - | 440 |
| - New shares issued | 658 | - | - | (60) | 598 | - | 598 |
| - Treasury shares re-issued | - | 59 | - | (13) | 46 | - | 46 |
| Balance as at 30 September 2012 | 120,914 | (45,999) | 192,266 | 4,477 | 271,658 | 346,785 | 618,443 |

- (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 2013, the Company issued 897,000 ordinary share at exercise prices ranging from S\$1.14 to S\$1.278 upon the exercise of options granted under the Singapore Post Share Option Scheme

As at 30 September 2013, there were unexercised share options of 44,218,000 (31 March 2013: 55,354,977) of unissued ordinary shares under the Singapore Post Share Option Scheme.

As at 30 September 2013, the Company held 36,413,000 treasury shares (30 September 2012: 38,322,000).

- (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 2013, total issued shares were 1,900,289,618 (31 March 2013: 1,891,863,618).

- (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 2013, the Company re-issued 1,909,000 treasury shares at S\$1.13 upon the exercise of options granted under the Singapore Post Share Option Scheme.

- (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 2013.

- (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 2012, 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 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 | | | |
|--|--------------------|------------------|--------------------|------------------|
| | FY2013/14 | FY2012/13 | FY2013/14 | FY2012/13 |
| | Q2 | Q2 | H1 | H1 |
| Based on weighted average number of ordinary shares in issue | 1.680 cents | 1.540 cents | 3.454 cents | 3.361 cents |
| On fully diluted basis | 1.674 cents | 1.540 cents | 3.443 cents | 3.360 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-13 | Mar-13 | Sep-13 | Mar-13 |
| Net asset value per ordinary share based on issued share capital of the Company at the end of the financial period (cents) | 35.44 | 35.29 | 33.72 | 33.64 |
| | The Group | | The Company | |
| | Sep-13 | Mar-13 | Sep-13 | Mar-13 |
| Ordinary equity per ordinary share based on issued share capital of the Company at the end of the financial period (cents) | 17.11 | 16.95 | 15.47 | 15.30 |

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

Second Quarter Ended 30 September 2013

Revenue

| | FY2013/14 | FY2012/13 | |
|----------------------------|------------------|-----------|----------|
| | Q2 | Q2 | Variance |
| Revenue | S\$'000 | S\$'000 | % |
| Mail | 119,676 | 105,521 | 13.4% |
| Logistics | 94,610 | 52,823 | 79.1% |
| Retail & e-Commerce | 21,306 | 20,340 | 4.7% |
| Inter-segment eliminations | (31,747) | (24,945) | 27.3% |
| Total | 203,845 | 153,739 | 32.6% |

Revenue growth momentum continued in the second quarter of FY2013/14. Excluding the contributions from acquisitions, the Group achieved a 9.6% increase in revenue, on the back of growth in e-commerce related activities across the business segments.

In the Mail business, volumes of e-commerce packages continued to show good growth in both domestic and international mail. Hybrid mail revenue was also improved, with higher contributions from DataPost and Novation Solutions.

Logistics revenue was boosted by organic and inorganic contributions. Quantum Solutions continued to record growth in regional e-fulfilment activities. Inorganic contributions came from General Storage Company and Famous Holdings, which were acquired in January 2013 and February 2013 respectively. Excluding the acquisitions, Logistics revenue growth was 12.1%.

In the Retail & e-Commerce division, revenue rose on the back of growth in the Group's e-Commerce businesses and financial services.

Other Income

Rental and property-related income increased by 11.5% from S\$10.3 million to S\$11.4 million as a result of growth in rental income from SingPost's properties.

There was a miscellaneous loss of S\$1.3 million comprising mainly of a S\$1.9 million provision for the restructuring of an overseas operation, partly offset by interest income of S\$0.7 million. The same quarter last year recorded an income of S\$3.3 million comprising mainly of foreign exchange gains and interest income.

Total Expenses

Total expenses amounted to S\$171.3 million, an increase of 34.9% (vs revenue growth of 32.6%) from S\$127.0 million in the same quarter last year. The increase was mainly attributable to the change in business model to a diversified group and growth in lower margin businesses. In addition, the Group continues to invest in resources to drive its transformation initiatives. The Group remains vigilant on cost management and has been implementing initiatives to manage cost increases.

The increase in volume-related expenses was mainly due to growth in international traffic, and higher conveyance costs and cost of goods sold.

Labour and related expenses rose with additional headcount from the new subsidiaries.

Administrative and other expenses were higher mainly due to increases in rental and property-related expenses, and other administrative costs.

Depreciation and amortisation expenses increased as a result of the amortisation of the PostMarque system and the inclusion of new subsidiaries.

Selling expenses rose with higher advertising and other selling expenses.

Finance expenses declined as the Group had repaid the S\$300 million bond in April 2013.

Operating Profit

| | FY2013/14 | FY2012/13 | |
|-------------------------|------------------|-----------|----------|
| | Q2 | Q2 | Variance |
| Operating Profit | S\$'000 | S\$'000 | % |
| Mail | 34,769 | 34,859 | (0.3%) |
| Logistics | 2,605 | 1,203 | 116.5% |
| Retail & e-Commerce | 1,412 | 3,905 | (63.8%) |
| Others * | 4,885 | 3,306 | 47.8% |
| Total | 43,671 | 43,273 | 0.9% |

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

The Group's operating profit improved by 0.9% in the second quarter, with growth in contributions from Logistics and Others. In Logistics, operating profit was boosted by the inclusion of Famous Holdings and General Storage Company. The growth in operating profit in "Others" was mainly attributable to improvements in property related contributions.

Mail operating profit declined marginally, as a result of higher operating costs. Retail & e-Commerce profit was lower mainly due to developmental costs incurred for the e-Commerce business.

Share of Results of Associated Companies and JVs

Share of profit of associated companies and joint ventures was higher at S\$1.1 million, compared to S\$0.4 million in the same quarter last year, with improved performances by associated companies.

Net Profit

Net profit attributable to equity holders grew by 8.5% from S\$32.9 million to S\$35.6 million. Excluding one-off items, underlying net profit was S\$37.3 million, an increase of 13.8% from S\$32.7 million in the same quarter last year, as a result of the stronger business performance.

First Half Ended 30 September 2013

Revenue

| | FY2013/14 | FY2012/13 | Variance |
|----------------------------|------------------|-----------|----------|
| | H1 | H1 | |
| Revenue | S\$'000 | S\$'000 | % |
| Mail | 234,355 | 206,416 | 13.5% |
| Logistics | 188,365 | 107,757 | 74.8% |
| Retail & e-Commerce | 42,081 | 41,141 | 2.3% |
| Inter-segment eliminations | (59,621) | (50,004) | 19.2% |
| Total | 405,180 | 305,310 | 32.7% |

The Group achieved good revenue momentum in the first half of FY2013/14 on the back of its transformation initiatives. Revenue was boosted by contributions from acquisitions as well as growth in e-Commerce related activities in all business segments, in Singapore and the region. Excluding the new subsidiaries, the Group recorded organic growth of 9.4%.

Mail revenue was underpinned by growth in e-commerce packages in domestic and international mail, as well as growth in hybrid mail. The improvement in hybrid mail revenue was mainly attributable to Novation Solutions, which was acquired in May 2012 (fully consolidated during the period vs partially consolidated previously).

The Logistics division recorded a strong increase in revenue with the inclusion of new subsidiaries, General Storage Company and Famous Holdings, and growth in regional e-fulfilment activities. Excluding the acquisitions, Logistics revenue growth was 8.6%.

In the Retail & e-Commerce division, revenue improved as higher contributions from the Group's e-Commerce businesses offset the continued declines in agency and financial services.

Other Income

Rental and property-related income grew by 10.1% during the first half, with higher rental income from SingPost's properties.

There was a miscellaneous loss of S\$1.0 million relating to the S\$1.9 million provision for the restructuring of an overseas operation and trade related foreign exchange loss, partly offset by interest income. The same period last year recorded a gain of S\$6.6 million comprising of amortisation of deferred gain on intellectual property rights, trade related foreign exchange gains and interest income.

Total Expenses

With the change in business model to a diversified group and growth in lower margin businesses, the Group's total expenses showed a 37.1% increase (vs revenue growth of 32.7%) from S\$245.9 million to S\$337.2 million. During the period, the Group continued to incur developmental expenses as it invested in resources to drive the transformation initiatives.

Volume-related expenses increased as a result of strong growth in international traffic, and higher conveyance costs and cost of goods sold.

Labour and related expenses were higher with additional headcount from the new subsidiaries.

Administrative and other expenses rose with increases in rental and property-related expenses, and other administrative costs.

Depreciation and amortisation expenses increased as a result of the amortisation of PostMarque system and the inclusion of new subsidiaries.

Selling expenses rose with higher advertising and other selling expenses.

Finance expenses declined as the Group had repaid the S\$300 million bond in April 2013.

Operating Profit

| | FY2013/14 | FY2012/13 | |
|-------------------------|------------------|-----------|----------|
| | H1 | H1 | Variance |
| Operating Profit | S\$'000 | S\$'000 | % |
| Mail | 71,561 | 69,484 | 3.0% |
| Logistics | 5,888 | 3,618 | 62.7% |
| Retail & e-Commerce | 4,201 | 8,176 | (48.6%) |
| Others * | 10,517 | 10,744 | (2.1%) |
| Total | 92,167 | 92,022 | 0.2% |

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

The Group's operating profit was marginally higher in the first half, as growth in contributions from Mail and Logistics offset the decline in Retail and Others.

Mail operating profit was higher despite declines in domestic mail volumes, due to growth in international e-Commerce deliveries especially transshipment.

In Logistics, the inclusion of Famous Holdings and General Storage Company contributed to the improvement in operating profit.

Retail & e-Commerce operating profit fell mainly due to developmental costs incurred for the e-commerce business.

Share of Results of Associated Companies and JVs

The stronger performances by associated companies raised the share of profit of associated companies and joint ventures from S\$0.6 million to S\$1.4 million.

Net Profit

For the first half, net profit attributable to equity holders grew by 2.9% from S\$70.9 million to S\$73.0 million. Excluding one-off items, the Group recorded underlying net profit of S\$73.5 million, an increase of 6.0% from S\$69.3 million in the same period last year.

Balance Sheet

With the repayment of the S\$300 million bond in April 2013, the Group's cash and cash equivalents declined from S\$628.3 million as at 31 March 2013 to S\$367.2 million as at 30 September 2013. As a result, total assets were lower at S\$1.27 billion, compared to S\$1.56 billion as at 31 March 2013. Total liabilities also declined from S\$894.7 million to S\$595.4 million as at 30 September 2013.

The Group continues to conserve cash to support its investment needs as part of its growth strategy, anticipated capital expenditure, working capital and other funding requirements. As at 30 September 2013, the Group was in net cash position of S\$139.1 million.

With the lower interest expenses following the bond repayment, interest coverage ratio (i.e. EBITDA to interest expense) improved from 17.1 times as at 30 March 2013 to 33.4 times.

Ordinary shareholders' equity amounted to S\$325.2 million, compared to S\$320.7 million as at 31 March 2013.

Cash Flow

Net cash from operating activities was S\$117.9 million, compared to S\$99.8 million in the first half last year, mainly due to higher operating cash flow and working capital changes.

Net cash provided by investing activities was S\$3.7 million, compared to net cash used of S\$0.2 million previously. During the period, the Group made additions to property, plant and equipment of S\$12.0 million, compared to S\$4.1 million previously. In addition, the same period last year had included payments for the acquisition of a subsidiary of S\$9.1 million.

Net cash used in financing activities was S\$382.6 million, compared to S\$84.6 million in the first half last year. This was mainly due to the repayment of the S\$300 million bond and S\$4.1 million term loan which offset proceeds from issuance of ordinary shares and reissuance of treasury shares totalling about S\$9.4 million.

- (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 build the e-Commerce and digital services, and expand the regional logistics and e-fulfilment network. Integration of the acquisitions is progressing well. The Group is pursuing opportunities to drive growth organically and through acquisitions, in Singapore and the regional markets.

Cost management remains a key focus. The Group continues to invest in resources in strategic areas to drive growth and remains vigilant on non-strategic expenses. It is making additional capital expenditure investments of S\$100 million into postal infrastructure, service and operational enhancements over three years from FY2013/14.

(11) Dividends

Current financial period reported on

Interim dividend

In relation to second quarter ended 30 September 2013, 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 29 November 2013. The transfer book and register of members of the Company will be closed on 18 November 2013 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 15 November 2013 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 2012 was declared on 29 October 2012 and paid on 30 November 2012.

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

Not applicable.

PART II OTHER INFORMATION

(13) Interested Person Transactions

During the second quarter and half year ended 30 September 2013, 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) | |
|---|---|----------------------------|--|----------------------------|
| | FY2013/14 Q2 S\$'000 | FY2012/13 Q2 S\$'000 | FY2013/14 Q2 S\$'000 | FY2012/13 Q2 S\$'000 |
| Sales | | | | |
| Mediacorp Group | - | - | - | 229 |
| Singapore Airlines Group | - | - | - | 1,260* |
| Singapore Telecommunications Group | - | - | 1,308* | - |
| | - | - | 1,308 | 1,489 |
| Purchases | | | | |
| Certis Cisco Security Pte Ltd | - | - | - | 565* |
| SATS Group | - | - | - | 209 |
| Singapore Airlines Group | - | - | - | 2,900 |
| | - | - | - | 3,674 |
| Total interested person transactions | - | - | 1,308 | 5,163 |

| | 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) | |
|---|---|-----------|--|-----------|
| | FY2013/14 | FY2012/13 | FY2013/14 | FY2012/13 |
| | H1 | H1 | H1 | H1 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Sales | | | | |
| Mediacorp Group | - | - | - | 367 |
| Singapore Airlines Group | - | - | - | 1,260* |
| Singapore Telecommunications Group | - | - | 2,268* | - |
| Starhub Group | - | - | 785 | 871 |
| | - | - | 3,053 | 2,498 |
| Purchases | | | | |
| Certis Cisco Security Pte Ltd | - | - | - | 565* |
| SATS Group | - | - | - | 209 |
| Singapore Airlines Group | - | - | 2,243 | 3,597 |
| | - | - | 2,243 | 4,371 |
| Total interested person transactions | - | - | 5,296 | 6,869 |

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 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 2013 to be false or misleading.

On behalf of the Board of Directors



MR LIM HO KEE
Chairman



DR WOLFGANG BAIER
Director

Singapore
30 October 2013