



Q3 & 9M FY2013/14 Results

Financial year ending 31 March 2014



5 February 2014

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Executive summary



	Q3 FY2013/14	YoY % change	9M FY2013/14	YoY % change
Revenue	\$222.6M	+30.2%	\$627.8M	+31.8%
Operating expenses	\$182.2M	+36.6%	\$515.7M	+38.6%
Underlying net profit	\$40.2M	+0.8%	\$113.7M	+4.1%
Operating cash flow			\$156.8M	+21.0%

Good results from transformation efforts

- Third full quarter consolidation of new subsidiaries
- Organic business growth from e-Commerce activities

Healthy cash flows with slower profit growth

- Impact of higher costs, growth in low-margin businesses, one-off items
- Maintaining tight cost management

Investment into sustainable future

- Investing for service quality and productivity in Singapore
- Accelerating growth in e-commerce and logistics, organically and via investments

Q3 FY2013/14 P&L highlights



Continued boost from M&As and organic performance
Ongoing developmental spending in transformation efforts

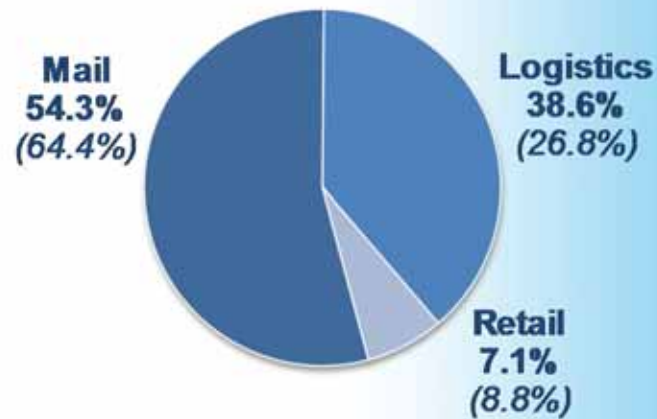
\$M	Q3 FY12/13	Q3 FY13/14	YoY % change	
Revenue	171.0	222.6	+30.2%	M&A contribution; organic growth +9.3%
Other income	12.5	9.8	(21.5%)	Rental income growth offset by foreign exchange translation loss, one-off items
Operating expenses	133.4	182.2	+36.6%	
Operating profit	50.1	50.2	+0.3%	
Share of assocs & JVs	0.7	1.0	+46.6%	Better performances by associated companies
Net finance costs	2.6	1.4	(45.5%)	
Income tax	8.7	10.1	+15.5%	\$300M bond repayment
Net profit *	39.5	39.4	(0.2%)	
Underlying net profit *	39.8	40.2	+0.8%	

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

Revenue breakdown (as at 9M FY2013/14)

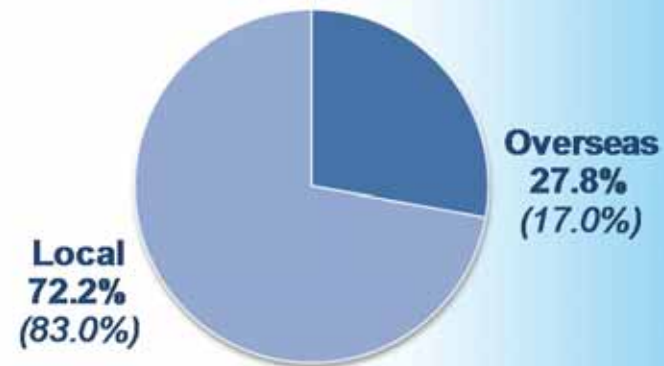
Revenue by business segments

% of revenue



Revenue by geography

% of revenue



Significant shifts in revenue composition in 9M FY2013/14 with regional expansion and new subsidiary Famous Holdings

- Logistics revenue 26.8% → 38.6%
- Overseas revenue 17.0% → 27.8%

Note: 9M FY2012/13 figures in italics

Mail: Q3 & 9M FY2013/14 performance



Mail segment performance

\$M / % YoY change

	Q3 FY13/14	YoY % change	9M FY13/14	YoY % change
Revenue	133.2	+12.8%	367.6	+13.3%
Op. profit	37.8	+0.1%	109.4	+2.0%

Mail revenue breakdown

\$M / % YoY change

	Q3 FY13/14	YoY % change	9M FY13/14	YoY % change
Domestic mail	65.6	+4.7%	191.3	+4.7%
International mail	56.1	+28.3%	139.1	+27.0%
Hybrid mail	10.2	(2.0%)	33.9	+19.3%
Philatelic	1.3	(0.5%)	3.3	(17.6%)
Total	133.2	+12.8%	367.6	+13.3%

Continued decline in domestic mail volume

- Q3: -1.2% YoY
- 9M: -1.4% YoY

Growth in domestic and international mail revenue attributable to increase in e-Commerce package volumes, especially in transshipment

Focused on service quality, innovation and productivity

Logistics: Q3 & 9M FY2013/14 performance



Logistics segment performance

\$M / % YoY change

	Q3 FY13/14	YoY % change	9M FY13/14	YoY % change
Revenue	101.2	+64.5%	289.5	+71.0%
Op. profit	6.2	+34.3%	12.0	+46.8%

Logistics revenue breakdown

\$M / % YoY change

	Q3 FY13/14	YoY % change	9M FY13/14	YoY % change
Quantum Solutions	44.1	+8.1%	122.3	+6.9%
Famous Holdings	33.4	-	100.2	-
Logistics *	23.6	+14.1%	67.0	+22.3%
Total	101.2	+64.5%	289.5	+71.0%

* Including Speedpost, Lock+Store, Transshipment & others

Growth attributable to new subsidiaries and organic performance

- Third full quarter consolidation of Famous Holdings and Lock+Store
- Organic revenue growth of 4.3% in Q3 and 5.8% in 9M

Focused on building end to end e-Commerce logistics solutions in the region

Retail & e-Commerce: Q3 & 9M FY2013/14 performance



Retail & e-Commerce segment performance

\$M / % YoY change

	Q3 FY13/14	YoY % change	9M FY13/14	YoY % change
Revenue	22.6	(6.1%)	64.7	(0.8%)
Op. profit	2.6	(6.9%)	6.8	(38.0%)

Retail & e-Commerce revenue breakdown

\$M / % YoY change

	Q3 FY13/14	YoY % change	9M FY13/14	YoY % change
Retail & e-Commerce	9.6	+6.7%	26.1	+8.1%
Financial services	6.3	+9.6%	18.5	+1.8%
Inter-segment	6.7	(28.2%)	20.1	(12.4%)
Total	22.6	(6.1%)	64.7	(0.8%)

Growth in e-Commerce and financial services contributions, offsetting continued decline in agency services revenue

Profit impact from ongoing developmental costs for e-Commerce business

Operating expenses: Q3 & 9M FY2013/14

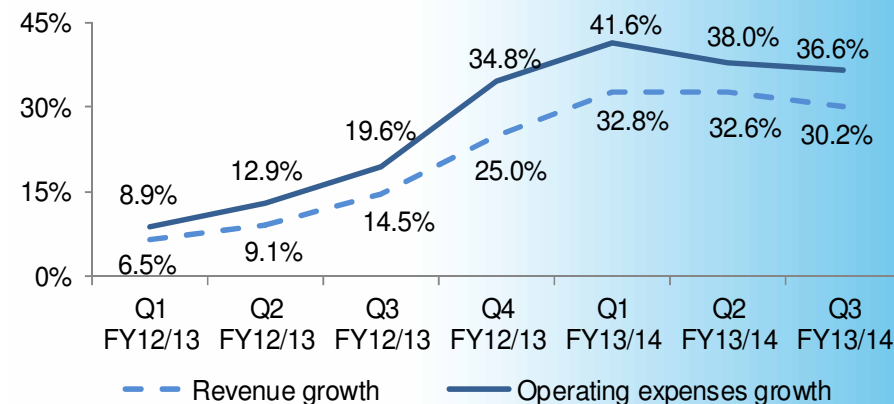
Revenue vs operating expenses growth

\$M / % YoY change

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Revenue	222.6	+30.2%	627.8	+31.8%
Operating expenses	182.2	+36.6%	515.7	+38.6%

Revenue vs operating expenses trend

% YoY change



Higher cost base with inclusion of new subsidiaries

Change in business model to a more diversified group and growth in lower margin businesses

Ongoing developmental spending on transformation initiatives

Continued controls over non strategic spending

Operating expenses: Q3 & 9M FY2013/14

Expenses breakdown

\$M / % YoY change

	Q3 FY13/14	YoY % change	9M FY13/14	YoY % change
Volume related	89.2	+71.1%	243.2	+75.7%
Labour & related	58.3	+13.9%	172.4	+14.1%
Admin & others	23.5	+19.5%	68.2	+23.3%
Depreciation & amortisation	8.5	+1.9%	25.7	+17.2%
Selling	2.8	+32.6%	6.3	+16.2%
Operating expenses	182.2	+36.6%	515.7	+38.6%

Strong growth in international traffic
Volume related expenses form high proportion of Famous Holdings' costs

Inclusion of new subsidiaries; higher property related expenses

Financial position, cash flow, dividend

Balance sheet highlights

\$M

	As at Mar 13	As at Dec 13
Ordinary shareholders' equity	320.7	340.0
Borrowings	536.6	228.0
Net cash	91.8	134.6
Net cash plus perp. securities to equity	0.8x	0.6x
EBITDA to interest expenses	17.6x	35.2x

Cash flow highlights

\$M

	9M FY12/13	9M FY13/14
Net cash from operating activities	129.6	156.8
Net cash from/(used in) investg activities	24.9	(18.3)
Net cash used in financing activities	(110.3)	(404.3)
Net increase / (decrease) in cash	44.2	(265.8)
Cash & cash equivalents	661.5	362.5

Strong financial condition

- \$300M bond repaid in April 2013
- Higher interest coverage ratio

Healthy cash flows

- Operating cash flow +21.0% YoY

Q3 interim dividend
1.25 cents per share
Payable 28 Feb 2014

Developments and outlook



Transformation program progressing well
Developing the Group into a regional leader
in e-commerce logistics and trusted communications



Investing into service quality, innovation and productivity
in domestic market



Accelerating growth in e-Commerce, regional logistics
Pursuing organic and investment opportunities



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



Thank You

