



**SINGAPORE POST LIMITED
AND ITS SUBSIDIARIES**
(Registration number: 199201623M)

**SGXNET ANNOUNCEMENT
UNAUDITED RESULTS FOR THE
THIRD QUARTER AND NINE MONTHS
ENDED 31 DECEMBER 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	
	Q3	Q3	Variance	9M	9M	Variance
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	222,635	170,977	30.2%	627,815	476,287	31.8%
Other income and (losses) / gains (net)						
- Rental and property-related income	11,357	11,145	1.9%	33,992	31,707	7.2%
- Miscellaneous	(820)	2,505	N.M.	(1,846)	9,130	(120.2%)
Labour and related expenses	(58,276)	(51,181)	13.9%	(172,357)	(151,013)	14.1%
Volume-related expenses ¹	(89,168)	(52,106)	71.1%	(243,234)	(138,405)	75.7%
Administrative and other expenses	(23,537)	(19,704)	19.5%	(68,181)	(55,285)	23.3%
Depreciation and amortisation	(8,480)	(8,325)	1.9%	(25,690)	(21,924)	17.2%
Selling expenses	(2,777)	(2,094)	32.6%	(6,264)	(5,389)	16.2%
Finance expenses	(2,125)	(3,731)	(43.0%)	(5,787)	(11,070)	(47.7%)
Total expenses	(184,363)	(137,141)	34.4%	(521,513)	(383,086)	36.1%
Share of profit of associated companies and joint ventures	997	680	46.6%	2,446	1,248	96.0%
Profit before income tax	49,806	48,166	3.4%	140,894	135,286	4.1%
Income tax expense	(10,076)	(8,721)	15.5%	(27,229)	(24,917)	9.3%
Total profit	39,730	39,445	0.7%	113,665	110,369	3.0%
Attributable to:						
Equity holders of the Company	39,356	39,452	(0.2%)	112,344	110,395	1.8%
Non-controlling interests	374	(7)	N.M.	1,321	(26)	N.M.
Total profit	39,730	39,445	0.7%	113,665	110,369	3.0%
Operating Profit²	50,237	50,106	0.3%	142,404	142,128	0.2%
Underlying Net Profit³	40,174	39,839	0.8%	113,661	109,145	4.1%
Earnings per share for profit attributable to the equity holders of the Company during the period: ⁴						
- Basic	1.873 cents	1.889 cents		5.327 cents	5.250 cents	
- Diluted	1.867 cents	1.887 cents		5.310 cents	5.248 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.

Consolidated Statement of Comprehensive Income

	FY2013/14	FY2012/13		FY2013/14	FY2012/13	
	Q3	Q3	Variance	9M	9M	Variance
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Total profit	39,730	39,445	0.7%	113,665	110,369	3.0%
Other comprehensive income / (loss) (net of tax)						
Available for sale financial assets - fair value gain/(loss)	431	(26)	N.M.	437	(74)	N.M.
Currency translation differences arising from Consolidation	689	(161)	N.M.	1,330	(1,107)	N.M.
Other comprehensive income / (loss) for the period (net of tax)	1,120	(187)	N.M.	1,767	(1,181)	N.M.
Total comprehensive income for the period	40,850	39,258	4.1%	115,432	109,188	5.7%
Total comprehensive income / (loss) attributable to:						
Equity holders of the Company	40,632	39,265	3.5%	113,850	109,214	4.2%
Non-controlling interests	218	(7)	N.M.	1,582	(26)	N.M.
	40,850	39,258	4.1%	115,432	109,188	5.7%

Underlying Net Profit Reconciliation Table

	FY2013/14	FY2012/13		FY2013/14	FY2012/13	
	Q3	Q3	Variance	9M	9M	Variance
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Profit attributable to equity holders of the Company	39,356	39,452	(0.2%)	112,344	110,395	1.8%
<u>Less/(add):</u>						
Amortisation of deferred gain on intellectual property rights	-	-	-	-	1,564	100.0%
Write-off of intellectual property rights	-	(97)	100.0%	-	(97)	100.0%
Excess of net assets purchased over consideration paid for a subsidiary company	-	-	-	890	-	N.M.
Gains on partial divestment of shares in a joint venture	-	945	100.0%	-	945	100.0%
(Loss) / gains on sale of investments, property, plant and equipment	(8)	(11)	27.3%	467	124	276.6%
Mark-to-market losses on equity-linked notes*	-	-	-	-	(62)	100.0%
Payment relating to Release Agreement with an associated company	-	(1,224)	100.0%	-	(1,224)	100.0%
Provision for the restructuring of an overseas operation	(810)	-	N.M.	(2,674)	-	N.M.
Underlying Net Profit	40,174	39,839	0.8%	113,661	109,145	4.1%

* 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.

(1)(a)(ii)

	FY2013/14	FY2012/13		FY2013/14	FY2012/13	
	Q3	Q3	Variance	9M	9M	Variance
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Other operating income and interest income*	10,537	13,650	(22.8%)	32,146	40,837	(21.3%)
Interest on borrowings	1,523	3,175	(52.0%)	4,859	9,414	(48.4%)
Depreciation and amortisation	8,717	8,562	1.8%	26,401	22,635	16.6%
Impairment of doubtful debts and bad debts written off	161	76	111.8%	645	574	12.4%
Foreign exchange (losses) / gains	(1,332)	(134)	@	(4,025)	438	N.M.
(Loss) / gains on sale of investments, property, plant and equipment	(8)	934	N.M.	467	1,069	(56.3%)

* 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	
	Dec-13 S\$'000	Mar-13 S\$'000	Dec-13 S\$'000	Mar-13 S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	362,540	628,307	307,092	592,553
Trade and other receivables	129,827	130,055	132,592	136,420
Financial assets *	19,777	16,577	19,338	16,485
Inventories	4,905	4,163	1,478	1,099
Derivative financial instruments	-	62	-	62
Other current assets	12,311	11,667	5,690	3,872
	<u>529,360</u>	<u>790,831</u>	<u>466,190</u>	<u>750,491</u>
Non-current assets				
Trade and other receivables	5,285	5,669	70,105	60,186
Financial assets *	11,618	11,523	11,570	11,102
Investments in associated companies and joint ventures	96,412	94,260	24,793	24,793
Investments in subsidiaries	-	-	184,990	184,211
Investment properties	218,912	222,656	191,532	195,408
Property, plant and equipment	233,213	235,900	201,694	204,437
Intangible assets	191,492	193,739	9,287	11,077
Derivative financial instruments	1,470	6,739	1,470	6,739
Deferred income tax assets	579	632	-	-
Other non-current asset	333	393	-	32
	<u>759,314</u>	<u>771,511</u>	<u>695,441</u>	<u>697,985</u>
Total assets	<u>1,288,674</u>	<u>1,562,342</u>	<u>1,161,631</u>	<u>1,448,476</u>
LIABILITIES				
Current liabilities				
Trade and other payables	282,972	271,469	258,253	259,196
Borrowings	14,510	316,422	-	300,062
Deferred income	322	322	322	322
Current income tax liabilities	32,220	31,903	27,250	27,504
	<u>330,024</u>	<u>620,116</u>	<u>285,825</u>	<u>587,084</u>
Non-current liabilities				
Borrowings	213,448	220,128	201,282	206,529
Trade and other payables	32,798	32,494	-	-
Deferred income	337	455	337	455
Deferred income tax liabilities	19,863	21,552	16,333	18,065
	<u>266,446</u>	<u>274,629</u>	<u>217,952</u>	<u>225,049</u>
Total liabilities	<u>596,470</u>	<u>894,745</u>	<u>503,777</u>	<u>812,133</u>
NET ASSETS	<u>692,204</u>	<u>667,597</u>	<u>657,854</u>	<u>636,343</u>
EQUITY				
Capital and reserves attributable to the Company's equity holders				
Share capital	127,084	121,109	127,084	121,109
Treasury shares	(37,902)	(43,562)	(37,902)	(43,562)
Retained earnings	247,475	241,285	212,754	207,005
Other reserves	3,322	1,830	5,384	4,965
Ordinary equity	<u>339,979</u>	<u>320,662</u>	<u>307,320</u>	<u>289,517</u>
Perpetual securities**	<u>350,534</u>	<u>346,826</u>	<u>350,534</u>	<u>346,826</u>
	<u>690,513</u>	<u>667,488</u>	<u>657,854</u>	<u>636,343</u>
Non-controlling interests	1,691	109	-	-
Total equity	<u>692,204</u>	<u>667,597</u>	<u>657,854</u>	<u>636,343</u>

* 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.

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

	Dec-13	Mar-13
	S\$'000	S\$'000
Amount repayable in one year or less, or on demand		
- Borrowings (secured)	14,510	6,239
- Borrowings (unsecured)	-	310,183
Amount repayable after one year:		
- Borrowings (secured)	12,166	13,305
- Borrowings (unsecured)	201,282	206,823
	227,958	536,550

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	FY2012/13	FY2013/14	FY2012/13
	Q3	Q3	9M	9M
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Total profit	39,730	39,445	113,665	110,369
Adjustments for:				
Income tax expense	10,076	8,721	27,229	24,917
Amortisation of deferred gain on intellectual property rights	-	-	-	(1,564)
Amortisation of deferred income	(326)	(82)	(615)	(249)
Amortisation of intangible assets	826	530	2,475	1,004
Depreciation	7,891	6,808	23,926	20,407
(Loss) / gains on sale of investments, property, plant and equipment	8	(934)	(467)	(1,069)
Share-based staff costs	365	434	958	874
Interest expense	1,523	3,175	4,859	9,414
Interest income	(697)	(1,111)	(1,831)	(2,980)
Share of profit of associated companies and joint ventures	(997)	(680)	(2,446)	(1,248)
Write-off of intangible assets	-	1,224	-	1,224
	18,669	18,085	54,088	50,730
Operating cash flow before working capital changes	58,399	57,530	167,753	161,099
Changes in working capital, net of effects from acquisition of subsidiary				
Inventories	(907)	923	(742)	618
Trade and other receivables	(9,110)	(11,168)	(731)	(15,637)
Trade and other payables	4,081	(3,190)	18,614	13,187
Cash generated from operations	52,463	44,095	184,894	159,267
Income tax paid	(13,540)	(14,327)	(28,114)	(29,684)
Net cash provided by operating activities	38,923	29,768	156,780	129,583
Cash flows from investing activities				
Acquisition of subsidiary, net of cash acquired	(350)	-	(350)	(9,064)
Additions to property, plant and equipment	(6,276)	(3,770)	(18,256)	(7,908)
Investment in an associated company	-	(1,123)	(378)	(1,123)
Dividends received from associated companies company	-	-	-	90
Interest received	240	788	1,915	2,320
Loan to an associated company	-	-	-	(190)
Investment in a joint venture company	-	914	-	914
Payment relating to Release Agreement with an associated company	-	(12,974)	-	(12,974)
Proceeds from disposal of property, plant and equipment	67	23	1,218	148
Proceeds on maturity of financial assets	6,014	43,250	32,264	70,722
Purchase of financial assets	(21,895)	(1,995)	(35,389)	(18,007)
Repayment of loans by an associated company	248	-	680	-
Net cash (used in) / provided by investing activities	(21,952)	25,113	(18,296)	24,928
Cash flows from financing activities				
Distribution paid to perpetual securities	-	-	(7,499)	(7,499)
Dividends paid to shareholders	(23,766)	(23,626)	(94,943)	(94,471)
Interest paid	(262)	(2,690)	(9,615)	(9,587)
Proceeds from bank term loan	11,500	-	11,500	-
Proceeds from issuance of ordinary shares	425	-	5,399	598
Proceeds from re-issuance of treasury shares	861	578	5,260	624
Proceeds from grants	369	-	497	-
Repayment of bank term loan	(10,761)	-	(14,850)	-
Repayment of bonds	-	-	(300,000)	-
Net cash used in financing activities	(21,634)	(25,738)	(404,251)	(110,335)
Net (decrease) / increase in cash and cash equivalents	(4,663)	29,143	(265,767)	44,176
Cash and cash equivalents at beginning of financial period	367,203	632,390	628,307	617,357
Cash and cash equivalents at end of financial period	362,540	661,533	362,540	661,533

(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 – Q3

	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	S\$'000	S\$'000	S\$'000	
Balance at 1 October 2013	126,617	(38,833)	235,634	1,793	325,211	346,785	671,996	1,473	673,469
Dividends	-	-	(23,766)	-	(23,766)	-	(23,766)	-	(23,766)
Total comprehensive income for the period	-	-	35,607	1,276	36,883	3,749	40,632	218	40,850
	126,617	(38,833)	247,475	3,069	338,328	350,534	688,862	1,691	690,553
Employee share option scheme:									
- Value of employee services	-	-	-	365	365	-	365	-	365
- New shares issued	467	-	-	(42)	425	-	425	-	425
- Treasury shares re-issued	-	931	-	(70)	861	-	861	-	861
Balance as at 31 December 2013	127,084	(37,902)	247,475	3,322	339,979	350,534	690,513	1,691	692,204
Balance at 1 October 2012	120,914	(45,999)	230,431	368	305,714	346,785	652,499	(27)	652,472
Dividends	-	-	(23,626)	-	(23,626)	-	(23,626)	-	(23,626)
Total comprehensive income / (loss) for the period	-	-	35,703	(187)	35,516	3,749	39,265	(7)	39,258
	120,914	(45,999)	242,508	181	317,604	350,534	668,138	(34)	668,104
Employee share option scheme:									
- Value of employee services	-	-	-	434	434	-	434	-	434
- Treasury shares re-issued	-	699	-	(121)	578	-	578	-	578
Balance as at 31 December 2012	120,914	(45,300)	242,508	494	318,616	350,534	669,150	(34)	669,116

The Group – 9M

	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	-	-	(94,943)	-	(94,943)	-	(94,943)	-	(94,943)
Distribution paid on perpetual securities	-	-	-	-	-	(7,499)	(7,499)	-	(7,499)
Total comprehensive income for the period	-	-	101,137	1,506	102,643	11,207	113,850	1,582	115,432
	121,109	(43,562)	247,475	3,340	328,362	350,534	678,896	1,691	680,587
Employee share option scheme:									
- Value of employee services	-	-	-	958	958	-	958	-	958
- New shares issued	5,975	-	-	(576)	5,399	-	5,399	-	5,399
- Treasury shares re-issued	-	5,660	-	(400)	5,260	-	5,260	-	5,260
Balance as at 31 December 2013	127,084	(37,902)	247,475	3,322	339,979	350,534	690,513	1,691	692,204
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	-	-	(94,471)	-	(94,471)	-	(94,471)	-	(94,471)
Distribution paid on perpetual securities	-	-	-	-	-	(7,499)	(7,499)	-	(7,499)
Total comprehensive income/ (loss) for the period	-	-	99,188	(1,181)	98,007	11,207	109,214	(26)	109,188
	120,256	(46,058)	242,508	(186)	316,520	350,534	667,054	(34)	667,020
Employee share option scheme:									
- Value of employee services	-	-	-	874	874	-	874	-	874
- New shares issued	658	-	-	(60)	598	-	598	-	598
- Treasury shares re-issued	-	758	-	(134)	624	-	624	-	624
Balance as at 31 December 2012	120,914	(45,300)	242,508	494	318,616	350,534	669,150	(34)	669,116

The Company – Q3

	Attributable to ordinary shareholders of the Company					Perpetual securities S\$'000	Total S\$'000
	Share capital S\$'000	Treasury shares S\$'000	Retained earnings S\$'000	Other reserves S\$'000	Total S\$'000		
Balance at 1 October 2013	126,617	(38,833)	201,437	4,700	293,921	346,785	640,706
Dividends	-	-	(23,766)	-	(23,766)	-	(23,766)
Total comprehensive income for the period	-	-	35,083	431	35,514	3,749	39,263
	126,617	(38,833)	212,754	5,131	305,669	350,534	656,203
Employee share option scheme:							
- Value of employee services	-	-	-	365	365	-	365
- New shares issued	467	-	-	(42)	425	-	425
- Treasury shares re-issued	-	931	-	(70)	861	-	861
Balance as at 31 December 2013	127,084	(37,902)	212,754	5,384	307,320	350,534	657,854
Balance at 1 October 2012	120,914	(45,999)	192,266	4,477	271,658	346,785	618,443
Dividends	-	-	(23,626)	-	(23,626)	-	(23,626)
Total comprehensive income / (loss) for the period	-	-	32,468	(26)	32,442	3,749	36,191
	120,914	(45,999)	201,108	4,451	280,474	350,534	631,008
Employee share option scheme:							
- Value of employee services	-	-	-	434	434	-	434
- Treasury shares re-issued	-	699	-	(121)	578	-	578
Balance as at 31 December 2012	120,914	(45,300)	201,108	4,764	281,486	350,534	632,020

The Company – 9M

	Attributable to ordinary shareholders of the Company					Perpetual securities	Total
	Share capital	Treasury shares	Retained earnings	Other reserves	Total		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000		
Balance at 1 April 2013	121,109	(43,562)	207,005	4,965	289,517	346,826	636,343
Dividends	-	-	(94,943)	-	(94,943)	-	(94,943)
Distribution paid on perpetual securities	-	-	-	-	-	(7,499)	(7,499)
Total comprehensive income for the period	-	-	100,692	437	101,129	11,207	112,336
	121,109	(43,562)	212,754	5,402	295,703	350,534	646,237
Employee share option scheme:							
- Value of employee services	-	-	-	958	958	-	958
- New shares issued	5,975	-	-	(576)	5,399	-	5,399
- Treasury shares re-issued	-	5,660	-	(400)	5,260	-	5,260
Balance as at 31 December 2013	127,084	(37,902)	212,754	5,384	307,320	350,534	657,854
Balance at 1 April 2012	120,256	(46,058)	203,665	4,158	282,021	346,826	628,847
Dividends	-	-	(94,471)	-	(94,471)	-	(94,471)
Distribution paid on perpetual securities	-	-	-	-	-	(7,499)	(7,499)
Total comprehensive income / (loss) for the period	-	-	91,914	(74)	91,840	11,207	103,047
	120,256	(46,058)	201,108	4,084	279,390	350,534	629,924
Employee share option scheme:							
- Value of employee services	-	-	-	874	874	-	874
- New shares issued	658	-	-	(60)	598	-	598
- Treasury shares re-issued	-	758	-	(134)	624	-	624
Balance as at 31 December 2012	120,914	(45,300)	201,108	4,764	281,486	350,534	632,020

- (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 third quarter ended 31 December 2013, the Company issued 365,000 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 31 December 2013, there were unexercised share options of 42,239,000 (31 December 2012: 56,367,977) of unissued ordinary shares under the Singapore Post Share Option Scheme.

As at 31 December 2013, the Company held 35,589,000 treasury shares (31 December 2012: 42,153,000).

- (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 31 December 2013, total issued shares were 1,901,478,618 (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 third quarter ended 31 December 2013, the Company re-issued 824,000 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 2013, 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
	Q3	Q3	9M	9M
Based on weighted average number of ordinary shares in issue	1.873 cents	1.889 cents	5.327 cents	5.250 cents
On fully diluted basis	1.867 cents	1.887 cents	5.310 cents	5.248 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	
	Dec-13	Mar-13	Dec-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)	36.43	35.29	34.62	33.64
	The Group		The Company	
	Dec-13	Mar-13	Dec-13	Mar-13
Ordinary equity per ordinary share based on issued share capital of the Company at the end of the financial period (cents)	17.89	16.95	16.17	15.30

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

Third Quarter Ended 31 December 2013

Revenue

	FY2013/14	FY2012/13	
	Q3	Q3	Variance
Revenue	S\$'000	S\$'000	%
Mail	133,230	118,119	12.8%
Logistics	101,155	61,505	64.5%
Retail & e-Commerce	22,599	24,076	(6.1%)
Inter-segment eliminations *	(34,349)	(32,723)	5.0%
Total	222,635	170,977	30.2%

* Inter-segment eliminations relate to inter-segment billings for internal services to better reflect the profitability of each business segment.

The Group continued to achieve strong revenue growth in the third quarter of FY2013/14. Excluding contributions from acquisitions, revenue increased by 9.3%, underpinned by the growth in e-commerce related activities across the business segments.

In the Mail business, e-commerce package volumes continued to increase, boosting domestic and international mail revenue.

The Logistics division benefited from organic and inorganic contributions. Excluding contributions from General Storage Company and Famous Holdings, which were acquired in January 2013 and February 2013 respectively, Logistics revenue grew by 4.3% in the quarter. The improvement was attributable to the continued growth in regional e-fulfilment activities.

In Retail & e-Commerce, revenue was lower as the decline in contributions from agency services offset the increase in financial services and e-Commerce business.

Other Income

Rental and property-related income rose by 1.9% from S\$11.1 million to S\$11.4 million with growth in rental income from SingPost's properties.

There was a miscellaneous loss of S\$0.8 million, compared to an income of S\$2.5 million in the same quarter last year. The miscellaneous loss was mainly attributable to a S\$0.8 million provision for the restructuring of an overseas operation.

Total Expenses

Total expenses amounted to S\$184.4 million, an increase of 34.4% (vs revenue growth of 30.2%) from S\$137.1 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.

Volume-related expenses increased due to growth in international traffic, higher conveyance costs and cost of goods sold.

The increase in labour and related expenses was attributable to additional headcount from the new subsidiaries.

Administrative and other expenses rose as a result of increases in rental and property-related expenses, and other administrative costs.

Depreciation and amortisation expenses were steady.

Selling expenses increased 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	
	Q3	Q3	Variance
Operating Profit	S\$'000	S\$'000	%
Mail	37,844	37,806	0.1%
Logistics	6,150	4,580	34.3%
Retail & e-Commerce	2,584	2,775	(6.9%)
Others *	3,659	4,945	(26.0%)
Total	50,237	50,106	0.3%

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

Operating profit improved by 0.3% in the third quarter, as growth in contributions from Mail and Logistics offset the decline in Retail & e-Commerce and Others.

Mail operating profit was marginally higher, underpinned by business growth. In Logistics, operating profit was boosted by the inclusion of the new subsidiaries.

Retail & e-Commerce profit declined as a result of lower contributions from agency services and 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 grew by 46.6% from S\$0.7 million to S\$1.0 million, with improved performances by associated companies.

Net Profit

Net profit attributable to equity holders was S\$39.4 million, compared to S\$39.5 million in the same quarter last year. Excluding one-off items, underlying net profit was S\$40.2 million, an increase of 0.8% from S\$39.8 million previously.

Nine Months Ended 31 December 2013

Revenue

	FY2013/14	FY2012/13	
	9M	9M	Variance
Revenue	S\$'000	S\$'000	%
Mail	367,585	324,535	13.3%
Logistics	289,520	169,262	71.0%
Retail & e-Commerce	64,680	65,217	(0.8%)
Inter-segment eliminations *	(93,970)	(82,727)	13.6%
Total	627,815	476,287	31.8%

* Inter-segment eliminations relate to inter-segment billings for internal services to better reflect the profitability of each business segment.

The Group achieved strong revenue growth for the first 9 months of FY2013/14 with contributions from acquisitions and growth in e-Commerce related activities in all business segments. Excluding the new subsidiaries – General Storage Company and Famous Holdings, the Group recorded revenue growth of 9.3%.

In the Mail division, growth in e-commerce packages in domestic and international mail remained strong. Hybrid mail revenue improved mainly due to Novation Solutions, which was acquired in May 2012 (fully consolidated during the period vs partially consolidated previously).

In Logistics, revenue was boosted by growth in regional e-fulfilment activities and the inclusion of new subsidiaries. Excluding the acquisitions, Logistics revenue growth was 5.8%.

In the Retail & e-Commerce division, revenue was lower as higher e-Commerce and financial services contributions were offset by the continued decline in agency services.

Other Income

Rental and property-related income grew by 7.2% in the first 9 months, with higher rental income from SingPost's properties.

There was a miscellaneous loss of S\$1.8 million, compared to an income of S\$9.1 million in the same period last year. Interest income and other gains were offset by unrealised trade related foreign exchange losses and a provision for the restructuring of an overseas operation.

Total Expenses

With the change in the business model to a diversified group and growth in lower margin businesses, total expenses increased by 36.1% (vs revenue growth of 31.8%) from S\$383.1 million to S\$521.5 million in the first 9 months. The Group also continued to incur developmental expenses as it invested in resources to drive the transformation initiatives.

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

The increase in labour and related expenses was attributable to additional headcount from the new subsidiaries.

Administrative and other expenses were higher with the increase in rental and property-related expenses, and other administrative costs.

The higher depreciation and amortisation expenses were attributable to the amortisation of the PostMarque system and the inclusion of new subsidiaries.

Selling expenses rose as a result of increased 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	Variance
	9M	9M	
Operating Profit	S\$'000	S\$'000	%
Mail	109,405	107,290	2.0%
Logistics	12,038	8,198	46.8%
Retail & e-Commerce	6,785	10,951	(38.0%)
Others *	14,176	15,689	(9.6%)
Total	142,404	142,128	0.2%

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

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

In Mail, operating profit improved with the stronger business performance.

Logistics operating profit increased with the inclusion of the new subsidiaries.

Retail & e-Commerce operating profit declined 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 grew by 96.0% from S\$1.2 million to S\$2.4 million with the stronger performances of associated companies.

Net Profit

The Group's net profit attributable to equity holders grew by 1.8% from S\$110.4 million to S\$112.3 million. Excluding one-off items, underlying net profit was S\$113.7 million, an increase of 4.1% from S\$109.1 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\$362.5 million as at 31 December 2013. As a result, total assets were lower at S\$1.29 billion, compared to S\$1.56 billion as at 31 March 2013 while total liabilities were S\$596.5 million, compared to S\$894.7 million previously.

As at 31 December 2013, the Group was in net cash position of S\$134.6 million. The Group continues to conserve cash to support its investment needs, capital expenditure, working capital and other funding requirements.

With the lower interest expenses following the bond repayment, interest coverage ratio (i.e. EBITDA to interest expense) improved from 17.6 times as at 31 March 2013 to 35.2 times.

Ordinary shareholders' equity amounted to S\$340.0 million, compared to S\$320.7 million as at 31 March 2013.

Cash Flow

Net cash from operating activities was S\$156.8 million, compared to S\$129.6 million in the previous period, mainly due to higher operating cash flow and working capital changes.

Net cash used in investing activities was S\$18.3 million, compared to net cash provided by investing activities of S\$24.9 million previously. During the period, the Group made additions to property, plant and equipment of S\$18.3 million, compared to S\$7.9 million previously. In addition, the same period last year had included payments relating to the purchase of financial assets, the release agreement with an associated company and for the acquisition of a subsidiary.

Net cash used in financing activities was S\$404.3 million, compared to S\$110.3 million in the previous period. This was mainly due to the repayments of the S\$300 million bond and S\$14.9 million term loan which offset proceeds from a term loan of S\$11.5 million and issuance of ordinary shares and reissuance of treasury shares totalling about S\$10.7 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 is on track with its transformation efforts. It continues to develop its capabilities in e-Commerce, digital services and end-to-end e-Commerce logistics network in Asia.

The Group remains vigilant on expenses and focused on cost management and productivity initiatives. It is making significant investments in the areas of service, innovation and productivity. It has committed additional capital expenditure investments of S\$100 million over the next three years from FY2013/14 to enhance the postal infrastructure, service quality and operations.

The Group continues to pursue opportunities, both organic and via M&As, to drive growth in Singapore and the regional markets.

(11) Dividends

Current financial period reported on

Interim dividend

In relation to third quarter ended 31 December 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 28 February 2014. The transfer book and register of members of the Company will be closed on 20 February 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 19 February 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 third quarter ended 31 December 2012 was declared on 25 January 2013 and paid on 28 February 2013.

(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 third quarter and nine months ended 31 December 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 Q3 S\$'000	FY2012/13 Q3 S\$'000	FY2013/14 Q3 S\$'000	FY2012/13 Q3 S\$'000
Sales				
Mediacorp Group	-	-	-	713*
Postea, Inc. Group	-	-	-	511*
Singapore Airlines Group	-	-	-	336*
Singapore Telecommunications Group	-	-	1,140	104
Starhub Group	-	-	-	116
	-	-	1,140	1,780
Purchases				
Postea, Inc. Group	-	-	-	13,227
SATS Group	-	-	1,212*	-
Singapore Telecommunications Group	-	-	1,917*	-
	-	-	3,129	13,227
Total interested person transactions	-	-	4,269	15,007

	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 9M S\$'000	FY2012/13 9M S\$'000	FY2013/14 9M S\$'000	FY2012/13 9M S\$'000
Sales				
Mediacorp Group	-	-	-	1,080*
Postea, Inc. Group	-	-	-	511*
Singapore Airlines Group	-	-	-	1,596*
Singapore Telecommunications Group	-	-	3,408*	104
Starhub Group	-	-	785	987
	-	-	4,193	4,278
Purchases				
Certis Cisco Security Pte Ltd	-	-	-	565*
Postea, Inc. Group	-	-	-	13,227
SATS Group	-	-	1,212*	209
Singapore Airlines Group	-	-	2,243	3,597
Singapore Telecommunications Group	-	-	1,917*	-
	-	-	5,372	17,598
Total interested person transactions	-	-	9,565	21,876

Note

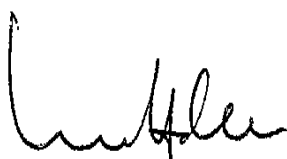
All the transactions set out in the above table were based on the Group's interested person transactions register. They were either based on contractual values for the duration of the contracts (which vary from 3 months to 5 years 3 months) or annual values for open-ended contracts.

* 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 third quarter and nine months ended 31 December 2013 to be false or misleading.

On behalf of the Board of Directors



MR LIM HO KEE
Chairman



DR WOLFGANG BAIER
Director

Singapore
5 February 2014