Financial Statements and Related Announcement::First Quarter Results

Issuer & Securities

Issuer/ Manager	SINGAPORE POST LIMITED
Securities	SINGAPORE POST LIMITED - SG1N89910219 - S08
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Announcement Details

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Additional Details

For Financial Period Ended	30/06/2018

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SINGAPORE POST LIMITED
AND ITS SUBSIDIARIES

(Registration number: 199201623M)

SGXNET ANNOUNCEMENT
UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 30 JUNE 2018

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

	FY2018/19 Q1 S$'000	FY2017/18 Q1 S$'000 (Restated)*	Variance %
Revenue	**372,584**	360,547	3.3%
Other income and gains (net)	**1,706**	2,755	(38.1%)
Labour and related expenses	**(78,251)**	(82,771)	(5.5%)
Volume-related expenses[1]	**(200,341)**	(188,621)	6.2%
Administrative and other expenses	**(38,387)**	(34,664)	10.7%
Depreciation and amortisation	**(14,340)**	(14,115)	1.6%
Selling expenses	**(2,367)**	(3,058)	(22.6%)
Finance expenses	**(2,663)**	(4,392)	(39.4%)
Total expenses	**(336,349)**	(327,621)	2.7%
Exceptional items[2]	**(5,962)**	4,027	N.M.
Share of loss of associated companies and joint venture	**(3,477)**	(2,803)	(24.0%)
Profit before income tax	**28,502**	36,905	(22.8%)
Income tax expense	**(11,626)**	(8,377)	38.8%
Profit after tax	**16,876**	28,528	(40.8%)
Attributable to:			
Equity holders of the Company	**18,715**	31,375	(40.4%)
Non-controlling interests	**(1,839)**	(2,847)	35.4%
Operating profit [3]	**33,269**	42,796	(22.3%)
Underlying net profit [4]	**24,677**	27,348	(9.8%)
Earnings per share for results attributable to the equity holders of the Company during the period: [5]			
- Basic	**0.66 cents**	1.22 cents	
- Diluted	**0.66 cents**	1.22 cents	

Notes
1 Volume-related expenses comprise mainly of traffic expenses and cost of sales.
2 Exceptional items comprised one-off items such as asset impairment, fair value changes on investment properties, gains or losses on sale of investments and property, plant and equipment and M&A related professional fees.
3 Operating profit for the purposes of paragraph 8 "Review of the performance of the Group" is defined as profit before net interest expense, tax and share of profit or loss of associated companies and joint ventures.
4 Underlying net profit is defined as net profit before exceptional items, net of tax.
5 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.

* Prior year comparatives are restated. Please see paragraph 5 for more details.

Consolidated Statement of Comprehensive Income

	FY2018/19 Q1 S$'000	FY2017/18 Q1 S$'000 (Restated)	Variance %
Profit after tax	**16,876**	28,528	(40.8%)
Other comprehensive loss (net of tax):			
Items that may be reclassified subsequently to profit or loss:			
Financial assets at fair value	**(8)**	(81)	(90.1%)
Currency translation differences arising from consolidation			
- Gains / (losses)	**2,532**	(1,213)	N.M.
Other comprehensive gain / (loss) for the period (net of tax)	**2,524**	(1,294)	N.M.
Total comprehensive income for the period *	**19,400**	27,234	(28.8%)
Total comprehensive income attributable to:			
Equity holders of the Company	**21,541**	30,379	(29.1%)
Non-controlling interests	**(2,141)**	(3,145)	(31.9%)
	19,400	27,234	(28.8%)

* As shown in the Statement of Changes in Equity on page 8.

Underlying Net Profit Reconciliation Table

	FY2018/19 Q1 S$'000	FY2017/18 Q1 S$'000	Variance %
Profit attributable to equity holders of the Company	**18,715**	31,375	(40.4%)
Gains on disposal of property, plant and equipment	**(24)**	(61)	(60.7%)
Professional fees	**28**	718	(96.1%)
Fair value loss / (gain) on warrants from an associated company	**5,958**	(5,675)	N.M.
Provision for the restructuring of operation	**-**	991	N.M.
Underlying net profit	**24,677**	27,348	(9.8%)

N.M. Not meaningful.

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

	FY2018/19 Q1 S$'000	FY2017/18 Q1 S$'000 (Restated)	Variance %
Other income and gains (net)	**1,706**	2,755	(38.1%)
Interest on borrowings	**2,369**	2,839	(16.6%)
Depreciation and amortisation	**14,340**	14,115	1.6%
Allowance for doubtful debts and bad debts written off	**297**	301	(1.3%)
Foreign exchange losses	**(355)**	(622)	(42.9%)
Gains on disposal of property, plant and equipment	**24**	61	(60.7%)

N.M. Not meaningful.

(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		
	30-June-18	31-March-18	1-April-17	**30-June-18**	31-March-18	1-April-17
	S$'000	S$'000	S$'000	**S$'000**	S$'000	S$'000
ASSETS		(Restated)*	(Restated)*		(Restated)*	(Restated)*
Current assets						
Cash and cash equivalents	**377,583**	314,050	366,614	**315,534**	258,112	303,179
Other financial assets	**4,165**	1,921	4,301	**4,165**	1,921	3,954
Trade and other receivables	**262,603**	271,583	199,007	**231,520**	231,983	173,304
Derivative financial instruments	**13,187**	19,856	16,079	**13,187**	19,856	16,142
Inventories	**903**	959	4,450	**21**	66	107
Other current assets	**22,405**	18,204	17,174	**9,191**	7,867	5,180
	680,846	626,573	607,625	**573,618**	519,805	501,866
Non-current assets						
Other financial assets	**32,947**	35,460	36,010	**32,688**	35,201	35,748
Trade and other receivables	**7,125**	7,087	7,091	**392,198**	391,821	405,122
Investments in associated companies and joint ventures	**112,385**	114,925	117,783	**15,366**	15,366	14,849
Investments in subsidiaries	**-**	-	-	**340,533**	340,533	340,533
Investment properties	**1,014,268**	1,014,315	970,392	**970,378**	970,378	927,538
Property, plant and equipment	**487,631**	491,711	515,719	**238,434**	241,463	240,371
Intangible assets	**386,626**	385,730	400,683	**-**	-	-
Deferred income tax assets	**3,585**	3,197	6,218	**-**	-	-
Other non-current assets	**3,561**	5,137	5,198	**-**	-	-
	2,048,128	2,057,562	2,059,094	**1,989,597**	1,994,762	1,964,161
Total assets	**2,728,974**	2,684,135	2,666,719	**2,563,215**	2,514,567	2,466,027
LIABILITIES						
Current liabilities						
Trade and other payables	**538,691**	525,791	395,084	**468,347**	458,762	353,681
Current income tax liabilities	**49,526**	39,172	34,774	**39,135**	30,926	30,367
Contract liabilities	**7,118**	7,140	7,043	**6,920**	6,858	6,614
Deferred income	**-**	-	175	**-**	-	175
Derivative financial instruments	**218**	465	1,055	**188**	451	1,055
Borrowings	**22,909**	23,475	148,786	**-**	-	117,743
	618,462	596,043	586,917	**514,590**	496,997	509,635
Non-current liabilities						
Trade and other payables	**22,030**	23,468	44,462	**1,358**	1,358	2,070
Borrowings	**225,313**	220,503	215,199	**201,376**	201,569	202,318
Contract liabilities	**43,712**	45,484	52,624	**43,691**	45,444	52,302
Deferred income tax liabilities	**53,089**	52,392	62,547	**22,822**	23,253	22,603
	344,144	341,847	374,832	**269,247**	271,624	279,293
Total liabilities	**962,606**	937,890	961,749	**783,837**	768,621	788,928
NET ASSETS	**1,766,368**	1,746,245	1,704,970	**1,779,378**	1,745,946	1,677,099
EQUITY						
Capital and reserves attributable the Company's equity holders						
Share capital	**638,762**	638,762	638,756	**638,762**	638,762	638,756
Treasury shares	**(15,079)**	(16,023)	(1,227)	**(15,079)**	(16,023)	(1,227)
Other reserves	**84,272**	81,667	89,628	**37,875**	38,104	37,249
Retained earnings	**669,673**	654,667	579,418	**767,285**	738,277	655,495
Ordinary equity	**1,377,628**	1,359,073	1,306,575	**1,428,843**	1,399,120	1,330,273
Perpetual securities	**350,535**	346,826	346,826	**350,535**	346,826	346,826
	1,728,163	1,705,899	1,653,401	**1,779,378**	1,745,946	1,677,099
Non-controlling interests	**38,205**	40,346	51,569	**-**	-	-
Total equity	**1,766,368**	1,746,245	1,704,970	**1,779,378**	1,745,946	1,677,099

* Prior year comparatives are restated. Please see paragraph 5 for more details.

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

	Jun-18	Mar-18
	S$'000	S$'000
Amount repayable in one year or less, or on demand		
- Borrowings (secured)	**5,909**	6,475
- Borrowings (unsecured)	**17,000**	17,000
Amount repayable after one year:		
- Borrowings (secured)	**23,937**	18,934
- Borrowings (unsecured)	**201,376**	201,569
	248,222	243,978

The Group's unsecured borrowings comprised mainly S$200 million 10-year Fixed Rate Notes issued in March 2010. The Fixed Rate Notes is listed on the SGX-ST and carry a fixed interest rate of 3.5% per annum.

Details of any collateral.

Secured borrowings comprised bank loans and are secured over investment properties or assets of a subsidiary, or guaranteed by a director of a subsidiary with non-controlling interests.

(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	
	FY2018/19	FY2017/18
	Q1	Q1
	S$'000	S$'000
Cash flows from operating activities		(Restated)*
Profit after tax	**16,876**	28,528
Adjustments for:		
Income tax expense	**11,626**	8,377
Allowance for doubtful debts and bad debts written off	**297**	301
Amortisation of contract liabilities	**(1,794)**	(2,266)
Amortisation of deferred income	**-**	(45)
Amortisation of intangible assets	**2,629**	2,369
Depreciation	**11,711**	11,860
Gains on disposal of property, plant and equipment	**(24)**	(61)
Loss / (gain) on derivative instruments	**5,958**	(5,675)
Share-based staff costs	**470**	385
Interest expense	**2,369**	2,839
Interest income	**(1,373)**	(1,304)
Share of loss of associated companies and joint venture	**3,477**	2,803
	35,346	19,583
Operating cash flow before working capital changes	**52,222**	48,111
Changes in working capital, net of effects from acquisition and disposal of subsidiaries		
Inventories	**56**	147
Trade and other receivables	**7,140**	(22,868)
Trade and other payables	**13,197**	33,746
Cash generated from operations	**72,615**	59,136
Income tax paid	**(1,362)**	(715)
Net cash provided by operating activities	**71,253**	58,421
Cash flows from investing activities		
Additions to property, plant and equipment, investment properties and intangible assets	**(9,155)**	(26,391)
Interest received	**1,041**	1,008
Proceeds from sale of financial assets	**106**	-
Proceeds from disposal of property, plant and equipment	**43**	75
Net cash used in investing activities	**(7,965)**	(25,308)
Cash flows from financing activities		
Interest paid	**(4,020)**	(436)
Purchase of treasury shares	**-**	(2,906)
Proceeds from re-issuance of treasury shares	**253**	-
Proceeds from bank loans	**42,727**	22,292
Repayment of bank loans	**(38,715)**	(54,316)
Net cash provided by / (used in) financing activities	**245**	(35,366)
Net increase / (decrease) in cash and cash equivalents	**63,533**	(2,253)
Cash and cash equivalents at beginning of financial period /year	**314,050**	366,614
Cash and cash equivalents at end of financial period	**377,583**	364,361

* Prior year comparatives are restated. Please see paragraph 5 for more details.

(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 – Q1

	Attributable to ordinary shareholders of the Company								
	Share capital S$'000	Treasury shares S$'000	Retained earnings S$'000	Other reserves S$'000	Total S$'000	Perpetual securities S$'000	Total S$'000	Non-controlling interests S$'000	Total equity S$'000
Balance at 1 April 2018									
As previously reported	**638,762**	**(16,023)**	**716,159**	**63,826**	**1,402,724**	**346,826**	**1,749,550**	**40,346**	**1,789,896**
Effects of changes from adoption of SFRS(I)s	**-**	**-**	**(61,492)**	**17,841**	**(43,651)**	**-**	**(43,651)**	**-**	**(43,651)**
Restated	**638,762**	**(16,023)**	**654,667**	**81,667**	**1,359,073**	**346,826**	**1,705,899**	**40,346**	**1,746,245**
Total comprehensive income / (loss) for the period	**-**	**-**	**18,715**	**2,826**	**21,541**	**-**	**21,541**	**(2,141)**	**19,400**
Transactions with owners, recognised directly in equity									
Distribution of perpetual securities	**-**	**-**	**(3,709)**	**-**	**(3,709)**	**3,709**	**-**	**-**	**-**
Employee share option scheme:									
- Value of employee services	**-**	**-**	**-**	**470**	**470**	**-**	**470**	**-**	**470**
- Treasury shares re-issued	**-**	**944**	**-**	**(691)**	**253**	**-**	**253**	**-**	**253**
Total	**-**	**944**	**(3,709)**	**(221)**	**(2,986)**	**3,709**	**723**	**-**	**723**
Balance at 30 June 2018	**638,762**	**(15,079)**	**669,673**	**84,272**	**1,377,628**	**350,535**	**1,728,163**	**38,205**	**1,766,368**
Balance at 1 April 2017									
As previously reported	638,756	(1,227)	650,007	71,787	1,359,323	346,826	1,706,149	51,569	1,757,718
Effects of changes from adoption of SFRS(I)s	-	-	(70,589)	17,841	(52,748)	-	(52,748)	-	(52,748)
Restated	638,756	(1,227)	579,418	89,628	1,306,575	346,826	1,653,401	51,569	1,704,970
Total comprehensive income / (loss) for the period (restated)	-	-	31,375	(996)	30,379	-	30,379	(3,145)	27,234
Transactions with owners, recognised directly in equity									
Distribution of perpetual securities	-	-	(3,709)	-	(3,709)	3,709	-	-	-
Employee share option scheme:									
- Value of employee services	-	-	-	385	385	-	385	-	385
- Treasury shares re-issued	-	940	-	(940)	-	-	-	-	-
Purchase of treasury shares	-	(2,906)	-	-	(2,906)	-	(2,906)	-	(2,906)
Total	-	(1,966)	(3,709)	(555)	(6,230)	3,709	(2,521)	-	(2,521)
Balance at 30 Jun 2017	638,756	(3,193)	607,084	88,077	1,330,724	350,535	1,681,259	48,424	1,729,683

The Company – Q1

	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 April 2018							
As previously reported	**638,762**	**(16,023)**	**741,034**	**38,104**	**1,401,877**	**346,826**	**1,748,703**
Effects of changes from adoption of SFRS(I)s	**-**	**-**	**(2,757)**	**-**	**(2,757)**	**-**	**(2,757)**
Restated	**638,762**	**(16,023)**	**738,277**	**38,104**	**1,399,120**	**346,826**	**1,745,946**
Total comprehensive income / (loss) for the period	**-**	**-**	**32,717**	**(8)**	**32,709**	**-**	**32,709**
Transactions with owners, recognised directly in equity							
Distribution on perpetual securities	**-**	**-**	**(3,709)**	**-**	**(3,709)**	**3,709**	**-**
Employee share option scheme:							
- Value of employee services	**-**	**-**	**-**	**470**	**470**	**-**	**470**
- Treasury shares re-issued	**-**	**944**	**-**	**(691)**	**253**	**-**	**253**
Total	**-**	**944**	**(3,709)**	**(221)**	**(2,986)**	**3,709**	**723**
Balance at 30 June 2018	**638,762**	**(15,079)**	**767,285**	**37,875**	**1,428,843**	**350,535**	**1,779,378**
Balance at 1 April 2017							
As previously reported	638,756	(1,227)	657,628	37,249	1,332,406	346,826	1,679,232
Effects of changes from adoption of SFRS(I)s	-	-	(2,133)	-	(2,133)	-	(2,133)
Restated	638,756	(1,227)	655,495	37,249	1,330,273	346,826	1,677,099
Total comprehensive income / (loss) for the period (restated)	-	-	37,449	(81)	37,368	-	37,368
Transactions with owners, recognised directly in equity							
Distribution on perpetual securities	-	-	(3,709)	-	(3,709)	3,709	-
Employee share option scheme:							
- Value of employee services	-	-	-	385	385	-	385
- Treasury shares re-issued	-	940	-	(940)	-	-	-
Purchase of treasury shares	-	(2,906)	-	-	(2,906)	-	(2,906)
Total	-	(1,966)	(3,709)	(555)	(6,230)	3,709	(2,521)
Balance at 30 June 2017	638,756	(3,193)	689,235	36,613	1,361,411	350,535	1,711,946

(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 first quarter ended 30 June 2018, no share was issued under the Singapore Post Share Option Scheme.

As at 30 June 2018, there were unexercised options for 20,523,000 (30 June 2017: 31,206,000) unissued ordinary shares under the Singapore Post Share Option Scheme (including Performance Option Plan but excluding Restricted Share Plan) and unvested shares for 5,921,182 (30 June 2017: 1,476,824) unissued ordinary shares under the Restricted Share Plan.

As at 30 June 2018, the Company held 11,594,283 treasury shares (30 June 2017: 2,508,405).

(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 June 2018, total issued shares excluding treasury shares were 2,263,495,242 (31 March 2018: 2,262,762,720).

(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 first quarter ended 30 June 2018, the Company re-issued 232,000 treasury shares at prices ranging from $1.07 to $1.10 upon the exercise of options granted under the Singapore Post Share Option Scheme and 500,522 treasury shares at a prices ranging from S$1.04 to S$1.316 upon the vesting of shares under Singapore Post Restricted Share Plan 2013.

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

The figures have not been audited nor 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 2018.

(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.

Reclassification of revenue and expenses

During the financial year ended 31 March 2018, the following adjustments have been made to the prior year's consolidated income statement:

(i) Revenue from merchant of record service is presented on a net basis; and

(ii) Labour costs from contract hires are reclassified from "Labour and related expenses" to "Volume-related expenses".

	FY2017/18 Q1	FY2017/18 Q1
Group Profit or Loss and Consolidated Statement of Comprehensive income	**Previously reported S$'000**	**After Restatement S$'000**
Revenue	**354,122**	351,048
Labour and related expenses	**89,433**	82,771
Volume-related expenses	**185,033**	188,621

In addition to the above, rental revenue from commercial properties has been reclassified from "Other income and gains" to "Revenue".

Adoption of a new financial reporting framework

The Singapore Accounting Standards Council has introduced a new Singapore financial reporting framework that is equivalent to the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The new framework is referred to as 'Singapore Financial Reporting Standards (International)' ("SFRS(I)") hereinafter.

Subsequent to the last financial year end, as required by the listing requirements of the Singapore Exchange, the Group has adopted SFRS(I) on 1 April 2018 and issued its first set of financial information prepared under SFRS(I) for the financial period ended 30 June 2018.

In adopting SFRS(I), the Group is required to apply all of the specific transition requirements in SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)*. In addition, the Group has also adopted all the SFRS(I)s and amendments and interpretations of SFRS(I)s that are relevant to its operations and effective from 1 April 2018:

The adoption of these pronouncements did not have any significant impact on the financial performance or position of the Group except the following:

a) Application of SFRS(I) 1 *First Time Adoption of SFRS(I)*

(i) Currency translation

The Group has elected to set the cumulative translation differences for all foreign operations to be zero as at the date of transition to SFRS(I) on 1 April 2017. As a result, a cumulative translation loss of S$17,841,000 was reclassified from currency translation reserve to retained earnings as at 1 April 2017.

(ii) Fair value of property, plant and equipment

The Group has elected the use of fair value as "deemed cost" as at 1 April 2017 for certain property, plant and equipment. As a result, property, plant and equipment and retained earnings as at 1 April 2017 were reduced by S$49,864,000.

Property, plant and equipment and retained earnings as at 31 March 2018 were reduced by S$40,572,000. The movement from S$49,864,000 arises from depreciation expense corresponding to the decrease as at 1 April 2017 and adjustment to capitalised cost as at 31 March 2018.

b) Adoption of SFRS(I) 9 *Financial Instruments*

The Group has elected to apply the short-term exemption under SFRS(I) 1 to adopt SFRS(I) 9 on 1 April 2018. Accordingly, requirements of SFRS 39 *Financial Instruments: Recognition and Measurement* will continue to apply to financial instruments up to the financial year ended 31 March 2018.

(i) Classification and measurement

The Group has assessed the business models that are applicable on 1 April 2018 to financial assets so as to classify them into the appropriate categories under SFRS(I) 9. The initial application of SFRS(I) 9 does not have a material impact on the classification and measurement of the Group's financial assets.

(ii) Impairment of financial assets

Trade and other receivables and loans to related parties were subjected to expected credit loss impairment model under SFRS(I) 9. The initial application of SFRS(I) 9 does not have a material impact on the financial statements of the Group arising from the application of the expected credit loss model.

c) Adoption of SFRS(I) 15 *Revenue from Contracts with Customers*

Under SFRS(I) 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in SFRS(I) 15 to deal with specific scenarios.

The Group received upfront payments from certain financial services contracts which were recognised in profit or loss over the contract period. The Group has determined that a significant financing component arises from these upfront payments received. As a result, finance expenses have been recognised and retained earnings as at 1 April 2017 decreased by S$2,133,000. Apart from the above, retained earnings has further reduced by S$751,000 following adoption of SFRS(I) 15 for certain eCommerce contracts.

d) Comparative

The comparative figures that have been restated due to the adoption of SFRS(I) described above are summarised below:

Group Profit or Loss and Consolidated Statement of Comprehensive income	**FY2017/18 Q1 Reported under SFRS S$'000**	FY2017/18 Q1 **Reported under SFRS(I) S$'000**
Revenue	**351,048**	351,505
Depreciation and amortisation	**14,566**	14,115
Interest expenses	**2,333**	2,839
Profit for the period	**28,126**	28,528
Attributable to:		
Shareholders of the Company	**30,973**	31,375
Non-controlling interests	**(2,847)**	(2,847)
Earnings per share		
- basic	**1.20 cents**	1.22 cents
- diluted	**1.20 cents**	1.22 cents
Total comprehensive income for the period	**26,832**	27,234
Attributable to:		
Shareholders of the Company	**29,977**	30,379
Non-controlling interests	**(3,145)**	(3,145)

Group Consolidated Statement of Financial Position	Note	As at 31/3/18 reported under SFRS S$'000	Effect of transition and adoption of SFRS(I) S$'000	As at 31/3/18 reported under SFRS(I) S$'000	As at 1/4/17 reported under SFRS S$'000	Effect of transition and adoption of SFRS(I) S$'000	As at 1/4/17 reported under SFRS(I) S$'000
Equity							
Retained earnings	5a & 5c	716,159	(61,492)	654,667	650,007	(70,589)	579,418
Foreign currency translation reserve	5a	(25,145)	17,841	(7,304)	(17,841)	17,841	-
Total equity		**1,789,896**	**(43,651)**	**1,746,245**	**1,757,718**	**(52,748)**	**1,704,970**
Non-current assets							
Property, plant and equipment	5a	532,283	(40,572)	491,711	565,583	(49,864)	515,719
Total non-current assets		**2,098,134**	**(40,572)**	**2,057,562**	**2,108,958**	**(49,864)**	**2,059,094**
Non-current liabilities							
Deferred income	5c	7,238	(7,238)	-	7,413	(7,238)	175
Contract liabilities	5c	-	7,140	7,140	-	7,043	7,043
Current liabilities							
Deferred income	5c	42,307	(42,307)	-	49,545	(49,545)	-
Contract liabilities	5c	-	45,484	45,484	-	52,624	52,624
Total current assets		**626,573**	**-**	**626,573**	**607,625**	**-**	**607,625**
Net assets		**1,789,896**	**(43,651)**	**1,746,245**	**1,757,718**	**(52,748)**	**1,704,970**

(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	
	FY2018/19 Q1	FY2017/18 Q1 (Restated)
Based on weighted average number of ordinary shares in issue	**0.66 cents**	1.22 cents
On fully diluted basis	**0.66 cents**	1.22 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	
	Jun-18	Mar-18 (Restated)	**Jun-18**	Mar 18 (Restated)
Net asset value per ordinary share based on issued share capital of the Company at the end of the financial period (cents)	**76.35**	75.39	**78.61**	77.16

	The Group		The Company	
	Jun-18	Mar-18 (Restated)	**Jun-18**	Mar 18 (Restated)
Ordinary equity per ordinary share based on issued share capital of the Company at the end of the financial period (cents)	**60.86**	60.06	**63.13**	61.83

(8) Review of the performance of the group.

First Quarter Ended 30 June 2018

Revenue

	FY18/19 Q1 S$'000	FY17/18 Q1 S$'000 (Restated)	**Variance %**
Post and Parcel	**185,961**	175,980	5.7%
Logistics	**120,362**	123,044	(2.2%)
eCommerce	**55,217**	57,706	(4.3%)
Property	**22,632**	17,050	32.7%
Inter-segment eliminations*	**(11,588)**	(13,233)	12.4%
Total	**372,584**	360,547	3.3%

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

From 1 April 2018, SingPost Group has reclassified the reporting of certain business units into four key business segments, namely Post and Parcel, Logistics, eCommerce and Property.

Post and Parcel segment comprises the core Postal and Singapore Parcel delivery business of the Group. This includes Domestic mail, International mail, vPost, products and services transacted at the Post Offices, as well as Parcel deliveries in Singapore.

Logistics segment comprises the Logistics businesses of the Group. This includes Quantium Solutions, Couriers Please and Famous Holdings.

eCommerce segment comprises the front-end related eCommerce businesses. This includes SP eCommerce in Asia Pacific, as well as our US eCommerce businesses.

Property segment includes commercial property rental, as well as the self-storage business of General Storage Company ("GSC").

Operating Revenue

Group operating revenue rose 3.3% for the first quarter ("Q1") ended 30 June 2018, with growth driven by International mail and Property.

Post and Parcel revenue rose 5.7%. International mail and SP Parcels revenue rose due to higher eCommerce deliveries for both cross-border and domestic Singapore. This helped offset the impact of lower domestic letter mail volumes.

In the Logistics segment, revenue declined 2.2% in Q1, largely due to lower volumes recorded in the freight forwarding business.

In the eCommerce segment, revenue declined 4.3% largely due to the US businesses, as pricing pressures resulted in the price per order declining compared to last year.

Property segment revenue, which comprises commercial property rental and revenue from GSC, rose 32.7%, due to the SingPost Centre retail mall which re-opened in October 2017 after a period of redevelopment. Committed occupancy for the mall improved to 96.7% as at 30 June 2018, from 95.6% as at 31 March 2018.

Other Income

Miscellaneous other income was S$1.7 million in Q1, compared to S$2.8 million in the corresponding period last year, due to lower gains on trade-related foreign exchange differences.

Total Expenses

Total expenses increased 2.7% in Q1, largely due to the increase in volume-related expenses, as the Group seeks to grow eCommerce volumes to benefit from economies of scale from operating leverage.

Volume-related expenses remain the largest cost component for the Group, and rose 6.2% in Q1 due largely to higher International mail terminal dues.

Labour and related expenses declined by 5.5% on cost management initiatives.

Administrative and other expenses rose 10.7%, largely due to higher insurance and property tax expenses.

Operating Profit

	FY2018/19 Q1 S$'000	FY2017/18 Q1 S$'000 (Restated)	Variance %
Post and Parcel	**41,770**	43,418	(3.8%)
Logistics	**86**	(2,452)	N.M.
eCommerce	**(9,313)**	(4,800)	(94.0%)
Property	**13,204**	7,901	67.1%
Others*	**(6,516)**	(5,298)	(23.0%)
Operating profit before exceptional items	**39,231**	38,769	1.2%
Exceptional items	**(5,962)**	4,027	N.M.
Operating profit	**33,269**	42,796	(22.3%)

* *Others refer to the unallocated corporate overhead items and trade-related translation differences.*

Operating Profit

In the Post and Parcel segment, contribution from SP Parcels rose with strong growth in domestic eCommerce last-mile deliveries, which helped mitigate the decline from domestic letter mails. For International mail, the Group had implemented measures which helped mitigate the adverse impact of higher terminal dues. However, margins were lower compared to last year. Consequently, Post and Parcel operating profit declined 3.8%.

The Logistics segment registered operating profit of S$0.1 million compared to operating losses of S$2.5 million last year, due largely to the turnaround in Quantium Solutions, which narrowed its losses by 44.6% compared to the corresponding quarter last year. Earnings contribution from Famous Holdings and Couriers Please rose.

In the eCommerce segment, operating losses rose to S$9.3 million compared to S$4.8 million in the prior year. This was largely due to the US Businesses, which experienced pricing pressures that resulted in the price per order declining versus last year, as well as a change in sales mix with a decline in fulfillment revenue with higher gross margins, and growth in freight revenue which had a significantly lower gross margin. Further, there was an increase in technical labour cost to support business integration efforts.

Under Property, operating profit rose 67.1% to S$13.2 million, boosted by rental income from the SingPost Centre retail mall.

Under the Others segment, expenses were S$6.5 million, compared to S$5.3 million in the same period last year, due largely to trade-related foreign exchange losses compared to gains in the same period last year.

Exceptional Items

In Q1, the Group recorded an exceptional loss of S$6.0 million due mainly to fair value loss on warrants from an associated company, compared to an exceptional gain of S$4.0 million last year due mainly to fair value gain of the same warrants.

Consequently, Group Operating profit declined 22.3% to S$33.3 million.

Excluding exceptional items, Group Operating profit rose 1.2% in Q1, led by higher Property contribution.

Share of Results of Associated Companies and Joint Venture

Share of results of associated companies and joint venture declined 24.0% largely due to an associated company in China, which incurred higher expenses as it continues to invest in warehousing and infrastructure for growth.

Income Tax Expense

Income tax expense rose 38.8% to S$11.6 million largely due to an additional tax provision for a foreign subsidiary.

Net Profit and Underlying Net Profit

Net profit attributable to equity holders declined 40.4% to S$18.7 million in Q1 due to exceptional items and higher tax.

Underlying net profit declined 9.8% to S$24.7 million as the improved operating profit before exceptional items was offset by lower associates' contribution and higher taxes.

Statement of Financial Position

The Group's total assets amounted to S$2.7 billion as at 30 June 2018, higher than as at 31 March 2018, due largely to higher cash and cash equivalents, contributed by cash from operations.

Current assets rose to S$680.8 million from S$626.6 million.

Current other financial assets increased from S$1.9 million to S$4.2 million due to a reclassification from the non-current portion of bonds.

Current trade and other receivables declined from S$271.6 million as at 31 March 2018 to S$262.6 million as at 30 June 2018, with a decrease in outstanding amount driven by higher collection of outstanding receivables.

Current derivative financial instruments declined from S$19.9 million to S$13.2 million due to fair value losses on warrants held in an associated company.

Other current assets rose from S$18.2 million to S$22.4 million due to increase in prepayments of certain fees and higher security deposits, both in relation to the property business.

Under non-current assets, other financial assets declined to S$32.9 million from S$35.5 million, due largely to a reclassification to current portion of bonds as mentioned above.

The Group's total liabilities were S$962.6 million as at 30 June 2018, compared to S$937.9 million as at 31 March 2018.

Current liabilities rose to S$618.5 million from S$596.0 million.

Current trade and other payables rose to S$538.7 million from S$525.8 million, due largely to higher balances arising from higher international mail trade payables in line with increased eCommerce volumes.

Current income tax liabilities rose to S$49.5 million from S$39.2 million due to income tax provisioning for the period.

Non-current trade and other payables declined to S$22.0 million from S$23.5 million due to a partial reclassification of about S$1.6 million to the current portion of trade and other payables.

Non-current contract liabilities mainly relates to upfront payments received from our postassurance collaboration with AXA Life Insurance Singapore Private Limited for which a financing component exists. The decline to S$43.7 million from S$45.5 million was mainly due to amortisation for the period.

Total borrowings rose marginally from S$244.0 million as at 31 March 2018 to S$248.2 million as at 30 June 2018.

A foreign subsidiary has tax-related contingent liabilities which are yet to be determined.

As at 30 June 2018, the Group was in a net cash position of S$129.4 million, compared to S$70.1 million as at 31 March 2018.

Interest coverage ratio stands at 18.6 times as at 30 June 2018 compared to 21.3 times as at 31 March 2018.

Ordinary shareholders' equity was slightly higher at S$1.4 billion as at 30 June 2018, compared to 31 March 2018 due to retained profit for the period.

Cash Flow

Net cash inflow from operating activities for the quarter ended 30 June 2018 rose to S$71.3 million, from S$58.4 million for the quarter ended 30 June 2017. Operating cash flow before working capital changes rose to S$52.2 million from S$48.1 million, while working capital movement improved to S$20.4 million from S$11.0 million.

With the completion of the SingPost Centre retail mall redevelopment, capital expenditure declined to S$9.2 million for the quarter, compared to S$26.4 million in the corresponding period last year.

As a result, net cash outflow for investing activities for the quarter declined to S$8.0 million compared to S$25.3 million last year.

Net cash inflow from financing activities for the quarter was S$0.2 million, compared to outflow of S$35.4 million in the same period last year. This was largely due to net receipts of bank borrowings of S$4.0 million, compared to net repayment of S$32.0 million of bank borrowings last year.

Last year, the Group also recorded outflows of S$2.9 million for the purchase of treasury shares.

(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 remains well-positioned to benefit from the strong growth in global eCommerce and last-mile deliveries.

Domestic mail volumes are expected to trend downwards. While international mail has grown due to cross-border eCommerce deliveries, transhipment competition continues to be intense and volumes may come under pressure, especially with higher terminal dues. As part of our mitigating measures, we are managing our revenue mix while keeping focused on margins and profitability.

The Group is integrating its eCommerce and Logistics businesses to derive synergy benefits. The US market remains challenging, and we continue to focus on our turnaround plan and the coming peak season.

We are executing a cost transformation program to optimise the Group's cost base, for competitiveness in the eCommerce logistics space.

(11) Dividends

Current financial period reported on

Interim dividend
In relation to financial period ended 30 June 2018, the Board of Directors has declared an interim dividend of 0.50 cent per ordinary share (tax exempt one-tier).

The interim quarterly dividend of 0.50 cent per ordinary share will be paid on 31 August 2018. The transfer book and register of members of the Company will be closed on 20 August 2018 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 17 August 2018 will be registered to determine members' entitlements to the dividend.

Corresponding period of the immediately preceding financial year

Interim dividend
An interim dividend of 0.50 cent per ordinary share (tax exempt one-tier) in relation to the first quarter ended 30 June 2017 was declared on 4 August 2017 and paid on 31 August 2017.

Dividend Policy

The dividend policy is based on a payout ratio ranging from 60% to 80% of underlying net profit for each financial year, paid quarterly.

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

Not applicable.

(13) Group Segment Information

Segment information is presented based on the information reviewed by the chief operating decision maker for performance measurement and resource allocation.

From 1 April 2018, SingPost Group has reclassified the reporting of certain business units into four key business segments, namely Post and Parcel, Logistics, eCommerce and Property (FY2017/18: Postal, Logistics, eCommerce and Property).

- ***Post and Parcel*** segment comprises the core Postal and Singapore Parcel delivery business of the Group. This includes Domestic mail, International mail, vPost, products and services transacted at the Post Offices, as well as Parcel deliveries in Singapore.

- ***Logistics*** segment comprises the Logistics businesses of the Group. This includes Quantium Solutions, Couriers Please and Famous Holdings. The comparative period last year had included the Singapore Parcel delivery business SP Parcels, self- storage business General Storage Company ("GSC") and other logistics businesses, which have accordingly been adjusted to Post and Parcel (for SP Parcels) and Property (for GSC).

- ***eCommerce*** segment comprises the front-end related eCommerce businesses. This includes SP eCommerce in Asia Pacific, as well as our US eCommerce businesses, TradeGlobal and Jagged Peak.

- ***Property*** segment includes the provision of commercial property rental, as well as the self-storage business of GSC.

Others comprise unallocated corporate overhead items and trade-related translation differences.

The segment revenue and profit figures have been reclassified for comparative purposes.

The measurement of segment results is in line with the basis of information presented to management for internal reporting purpose.

(14) Interested Person Transactions

During the first quarter ended 30 June 2018, 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$100,000)	
	FY2018/19 Q1 S$'000	FY2017/18 Q1 S$'000	**FY2018/19 Q1 S$'000**	FY2017/18 Q1 S$'000
Sales				
Mediacorp Group	**-**	-	**-**	370*
Singapore Airlines Group	**-**	-	**-**	-
Singapore Telecommunications Group	**-**	-	**-**	192
Starhub Group	**-**	-	**558**	638
	-	-	**558**	1,200
Purchases				
Certis Cisco Group	**-**	-	**-**	-
PSA Corporation	**-**	-	**151**	-
Sembcorp Group	**-**	-	**-**	-
Singapore Airlines Group	**-**	-	**5,100**	4,248
	-	-	**5,251**	4,248
Total interested person transactions	**-**	-	**5,809**	5,448

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 or annual values for open-ended contracts.

*Include contracts of duration exceeding one year.

(15) Confirmation by the Board pursuant to rule 720(1) of the Listing Manual

The Board had received undertakings from all its directors and executive officers in the format as set out in Appendix 7.7 in pursuant to Rule 720(1) of the listing manual of the Singapore Exchange Securities Trading Limited.

(16) 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 first quarter ended 30 June 2018 to be false or misleading.

On behalf of the Board of Directors

MR SIMON CLAUDE ISRAEL	**MR PAUL COUTTS**
Chairman	Director

Singapore

3 August 2018

Financial results Q1 FY2018/19

3 August 2018

Disclaimer

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

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

"$" means Singapore dollars unless otherwise indicated.

- Q1 FY2018/19 Financials
- Cash flow and Balance sheet
- Segmental results
- Summary
- Strategy

Overview – Q1 FY2018/19

Revenue

S$372.6 million

+3.3% YoY

Operating Profit before exceptional items

S$39.2 million

+1.2% YoY

+22.5% QoQ

Free cash flow

S$62.1 million

+93.9% YoY

Underlying net profit

S$24.7 million

-9.8% YoY

+60.4% QoQ

Continued strong free cash flow generation

Q1 FY2018/19 financial statement

S$M	Q1 FY18/19	Restated Q1 FY17/18	YoY % change
Revenue	**372.6**	**360.5**	**+3.3%**
Total expenses	(336.3)	(327.6)	+2.7%
Operating profit before exceptional items	**39.2**	**38.8**	**+1.2%**
Exceptional items	(6.0)	4.0	N.M.
Share of associated companies & JVs	(3.5)	(2.8)	(24.0%)
Income tax expense	(11.6)	(8.4)	+38.8%
Net profit attributable to equity holders	18.7	31.4	(40.4%)
Underlying net profit	**24.7**	**27.3**	**(9.8%)**

N.M. denotes Not Meaningful

Q1 FY2018/19 operating expenses

S$M	Q1 FY18/19	Restated Q1 FY17/18	YoY % change
Volume-related	(200.3)	(188.6)	+6.2%
Traffic & related	*(120.9)*	*(112.7)*	*+7.3%*
Outsourcing services and delivery expenses	*(79.4)*	*(76.0)*	*+4.6%*
Labour & related	(78.3)	(82.8)	(5.5%)
Admin & others	(38.4)	(34.7)	+10.7%
Depreciation & amortisation	(14.3)	(14.1)	+1.6%
Selling	(2.4)	(3.1)	(22.6%)
Finance expense	(2.7)	(4.4)	(39.4%)
Total expenses	**(336.3)**	**(327.6)**	**+2.7%**

Highlights – Q1 FY2018/19

Winning in our home market

Parcel sorting utilisation

24%

Up from 16% in Q1 FY17/18

Parcel sorting volumes

+47%[1] YoY

Average daily volume of 23,600 in Q1 FY18/19 vs 16,100 in Q1 FY17/18

Extract full value from investments
- Maximum value from international subsidiaries

A specialist in logistics and fulfilment services in the Asia Pacific.

Improved performance from Quantium Solutions, which narrowed losses by 45% compared to last year.

Igniting future growth engines
- Drive SEA end-to-end capabilities

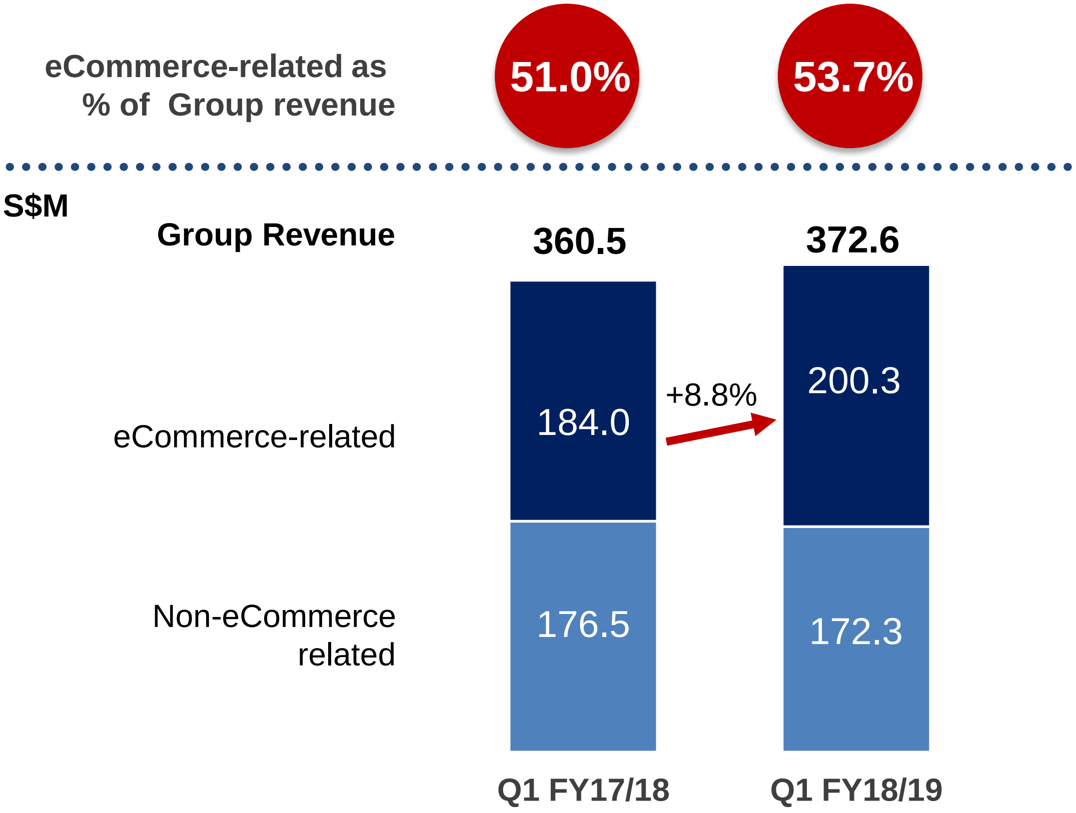
Awarded Southeast Asia logistics and warehousing master contract with Specialized bicycles

Drive to cost leadership

Total non volume-related expenses

-2.2% YoY

eCommerce-related revenue continues to grow



Cash flow & Balance sheet

Strong free cash flow generation

S$M	Q1 FY18/19	Q1 FY17/18
Net cash provided by operating activities	71.3	58.4
Capital expenditure	(9.2)	(26.4)
Free cash flow	**62.1**	32.0

Strong financial indicators

S$M Financial indicators	As at Jun 2018	As at Mar 2018
Cash & cash equivalents at end of financial period	377.6	314.1
Borrowings	248.2	244.0
Net cash position	129.4	70.1

	Q1 FY18/19	Q1 FY17/18
EBITDA[1]	50.1	50.2
EBITDA[1] to interest expense (times)	21.1x	17.7x

1. Excluding exceptional items

Segmental results

Segmental reporting

From 1 April 2018, SingPost Group has reclassified the reporting of certain business units into four key business segments.

Post and Parcel

Comprises the core Postal and Singapore parcel delivery business of the Group. This includes Domestic mail, International mail, vPost, products and services transacted at the Post Offices, as well as the Singapore parcel delivery business SP Parcels.

Logistics[1]

Comprises the Logistics businesses of the Group. Includes Quantium Solutions, Couriers Please and Famous Holdings.

eCommerce

Comprises the front-end related eCommerce businesses. This includes SP eCommerce in Asia Pacific, as well as our US eCommerce businesses TradeGlobal and Jagged Peak.

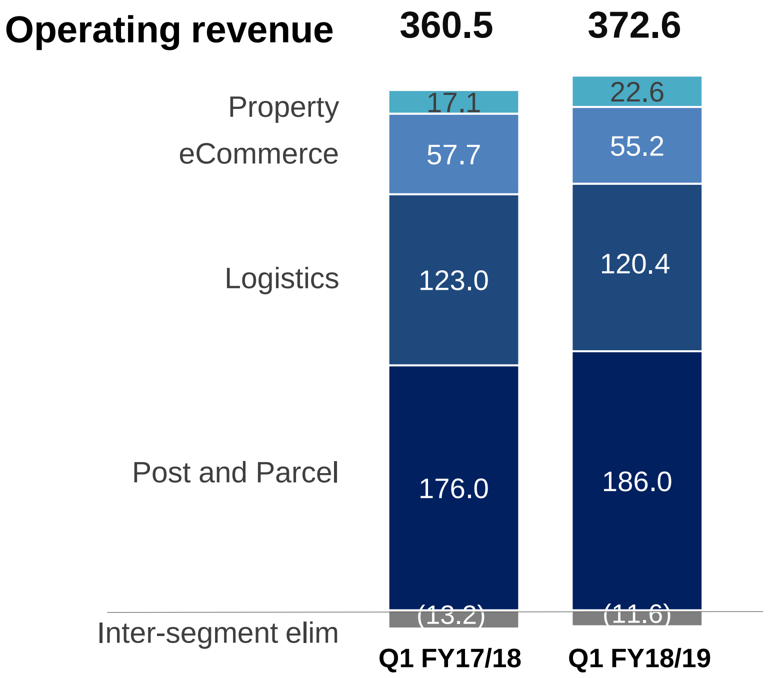
Property

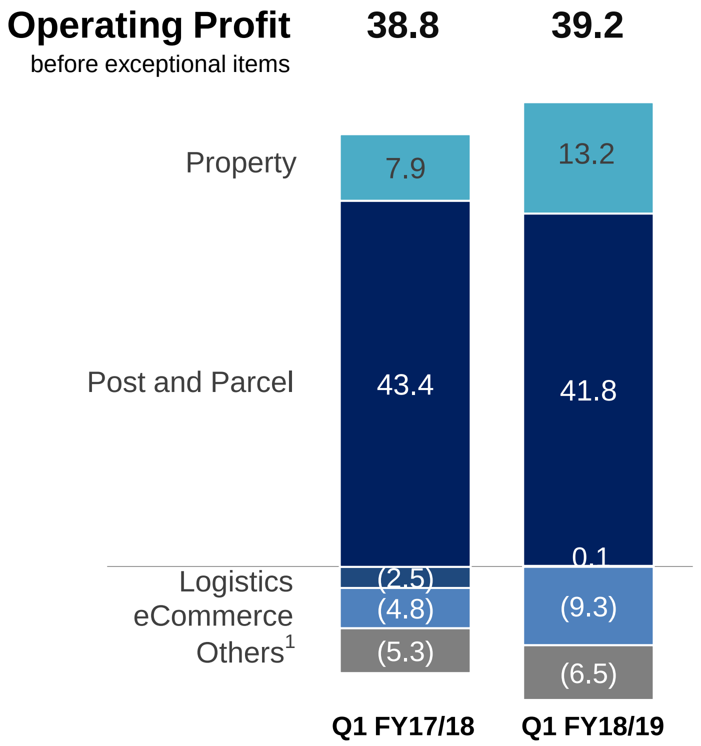
Includes commercial property rental, as well as the self-storage business of General Storage Company ("GSC").

1. The comparative period last year had included SP Parcels, General Storage Company and other logistics businesses.

Segment revenue and operating profit

S$M





1. Refer to unallocated corporate overhead items and trade-related foreign currency translation differences.

Post and Parcel

S$M

Post and Parcel	Q1 FY18/19	Q1 FY17/18	YoY % change
Revenue	**186.0**	**176.0**	**+5.7%**
Domestic mail	*56.9*	*58.4*	*(2.5%)*
International mail[1]	*99.7*	*88.2*	*+13.0%*
SP Parcels	*22.6*	*21.7*	*+3.9%*
PO pdts and svcs	*6.7*	*7.6*	*(11.4%)*
Operating Profit	**41.8**	**43.4**	**(3.8%)**
OP margin	**22.5%**	**24.7%**	

Increased cross-border and domestic eCommerce deliveries helped mitigate decline in domestic letter mails.

Measures implemented for International mail reduced adverse impact of higher terminal dues. However, margins were lower compared to last year. Consequently, Post and Parcel operating profit declined 3.8%.

1. Includes cross-border eCommerce items via transhipment

Logistics

S$M

Logistics	**Q1 FY18/19**	**Q1 FY17/18**	**YoY % change**
Revenue	**120.4**	**123.0**	**(2.2%)**
Quantium Solutions[1]	*24.0*	*25.1*	*(4.3%)*
Couriers Please[2]	*36.5*	*34.8*	*+4.9%*
Famous[3]	*59.8*	*63.1*	*(5.3%)*
Operating Profit	**0.1**	**(2.5)**	**N.M.**
OP margin	**0.1%**	**(2.0%)**	

Logistics segment registered operating profit of S$0.1 million compared to operating losses last year, led by improved performance from Quantium Solutions, which narrowed its losses by 45% compared to last year.

Earnings contribution from Famous Holdings and Couriers Please rose.

1. A specialist in logistics and fulfilment services for businesses in the Asia Pacific.
2. Australia last-mile delivery
3. Freight forwarding

N.M. denotes Not Meaningful

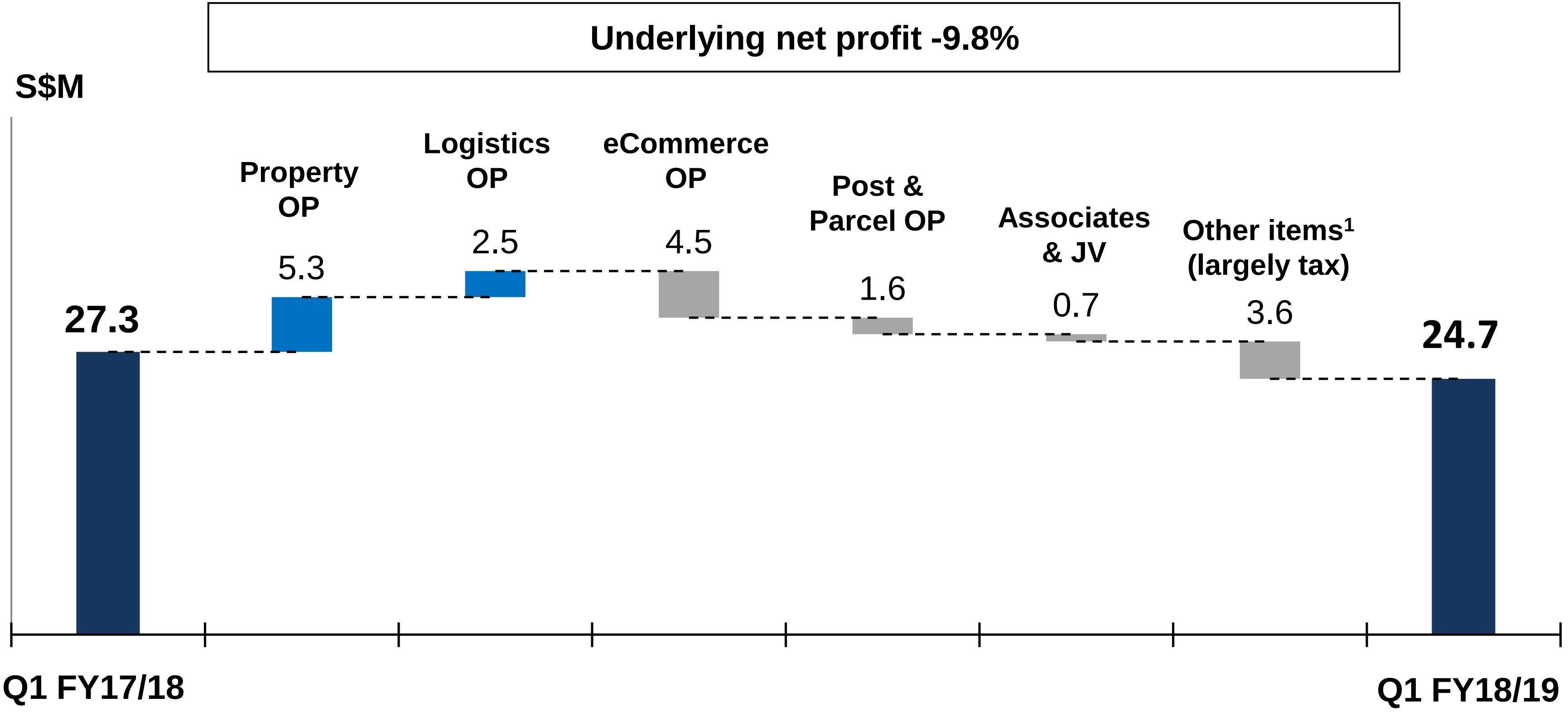
eCommerce

S$M

eCommerce	Q1 FY18/19	Q1 FY17/18	YoY % change
Revenue	**55.2**	**57.7**	**(4.3%)**
US Businesses	*51.5*	*53.2*	*(3.3%)*
SP eCommerce	*3.8*	*4.5*	*(16.3%)*
Operating Profit	**(9.3)**	**(4.8)**	**(94.0%)**
OP margin	**(16.9%)**	**(8.3%)**	

Operating losses rose largely due to the US Businesses, which experienced pricing pressures, change in sales mix from higher margin fulfilment services towards lower margin freight services, as well as an increase in technical labour cost to support business integration.

Underlying net profit movement



1. Include unallocated corporate overhead items, trade-related foreign currency differences and other items such as tax

Summary

Summary

Revenue rose 3.3%, driven by International mail and Property

Net profit down 40.4% due largely to exceptional fair value losses from warrants in an associated company

Underlying net profit declined 9.8% as the improved operating profit performance before exceptional items was offset by lower associates' contribution and higher taxes

Cash flow and balance sheet position:

- free cash flow almost doubled to S$62.1 million
- improved net cash position of S$129.4 million

Q1 FY18/19 interim dividend of 0.5 cent per share declared

Thank You

Strategy

Our Strategy

A Win in our home market

- Gain leading share in Parcels
- Drive scale of eCommerce warehouse and fulfillment
- Accelerate urban solutions for a Smart Nation
- Mitigate mail decline through innovative digital solutions

B Ignite future growth engines

- Drive Southeast Asia with end-to-end capabilities
- Capture global cross-border eCommerce flows

C Extract full value from investments

- Maximise value from international subsidiaries and associates
- Turnaround TradeGlobal and scale combined US businesses

D Drive to cost leadership

- Optimise cost position
- Drive productivity, reduce non-conformance
- Instill continuous improvement

Winning in our home market

Strong infrastructure and scale advantage

No.1
last mile provider in Singapore

Singapore's Public Postal Licensee

3 million mail items a day

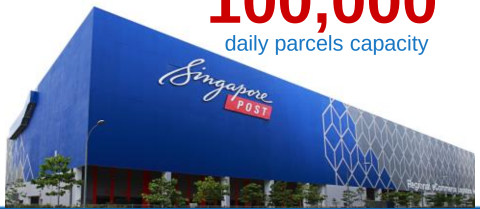
57 post offices

743 street posting boxes

Drive scale of eCommerce warehousing & fulfilment, Accelerate urban solutions for a Smart Nation

Automated warehousing & parcel sorting Logistics Hub

100,000
daily parcels capacity



Widest smart-locker network and self-service automated kiosks

11,500 POPStation lockers across 164 locations

300
Self-service Automated kiosks

Providing end-to-end eCommerce logistics solutions

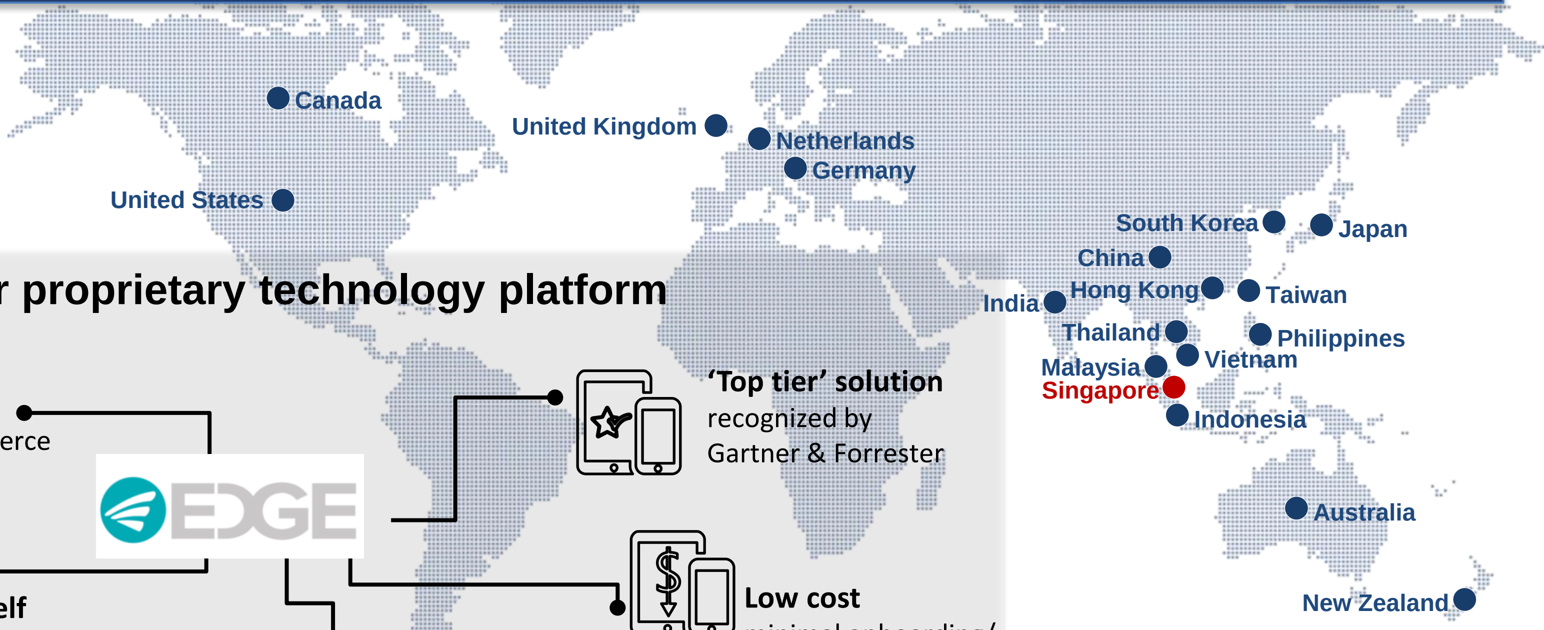
e-commerce

Integrated end-to-end solutions

Front-end solutions ⟷ **Warehousing & Fulfilment** ⟷ **Last-mile delivery & returns** ⟷ **Freight & Line-haul**

Capturing global cross-border eCommerce flows

Operating in 19 markets, wholly owned last mile in Singapore & Australia



Leveraging our proprietary technology platform

EDGE

Proprietary software
EDGE eCommerce e2e platform

'Top tier' solution
recognized by Gartner & Forrester

Off the shelf
Provides a single solution for all eCommerce needs

Fast onboarding
in 30 days or less

Low cost
minimal onboarding/ maintenance costs

For immediate release

SingPost reports first quarter net profit of S$18.7 million

- **Net profit impacted by exceptional items arising from changes to fair value of associated company warrants, and higher tax**
- **For the first quarter ended 30 June 2018, revenue increased 3.3 per cent to S$372.6 million on growth in international mail and last-mile deliveries, driven by eCommerce, as well as rental income**
- **Interim dividend of 0.5 cent per share declared**

Financial Highlights

	Q1 FY18/19 (S$'000)	Q1 FY17/18 (S$'000)	Variance (%)
GROUP RESULTS			
Revenue	372,584	360,547	3.3
Total expenses	(336,349)	(327,621)	2.7
Operating profit before exceptional items	39,231	38,769	1.2
Exceptional items	(5,962)	4,027	N.M.
Operating profit	33,269	42,796	(22.3)
Net profit	18,715	31,375	(40.4)
Underlying net profit	24,677	27,348	(9.8)
Earnings per share (cents)	0.66	1.22	
Dividend per share (cents)	0.50	0.50	

N.M. – Not meaningful

SINGAPORE, 3 August 2018 – Singapore Post Limited ("SingPost") today announced its results for the quarter ended 30 June 2018.

Revenue for the quarter increased 3.3 per cent to S$372.6 million, as international mail and last-mile deliveries grew, driven by eCommerce, and property rental income rose.

Net profit attributable to equity holders declined 40.4 per cent to S$18.7 million, due mainly to an exceptional fair value loss on warrants from an associated company, reflecting changes in the market value of the financial instrument, and higher tax. Excluding one-off items, operating profit rose 1.2 per cent to S$39.2 million. Underlying net profit was down 9.8 per cent to S$24.7 million, as the improved operating profit before exceptional items was offset by lower contributions from associates investing for growth and increased tax.

Mr Paul Coutts, Group Chief Executive Officer, said: “As strong growth in global eCommerce drives cross-border and last-mile deliveries, we are focused on executing well to keep up our operational momentum as we transform SingPost for the future.”

Revenue grows on cross-border and domestic eCommerce deliveries

From 1 April 2018, SingPost has reclassified the reporting of its business units into four key segments, namely Post and Parcel, Logistics, eCommerce and Property. Post and Parcel comprises the Group’s core postal and Singapore parcel delivery business; the Logistics segment includes Quantium Solutions, Couriers Please and Famous Holdings; while eCommerce is made up of the Group’s front end-related eCommerce businesses, such as SP eCommerce in the Asia Pacific and the US eCommerce businesses. The Property segment includes commercial property rental, as well as the self-storage business of General Storage Company.

International mail and parcel revenue rose on higher cross-border and Singapore eCommerce deliveries, mitigating lower domestic letter mail volumes. While measures to mitigate the impact of higher terminal dues have been implemented, international mail margins were lower compared to last year, resulting in a 3.8 per cent decline in Post and Parcel operating profit.

Logistics revenue decreased 2.2 per cent due largely to lower freight forwarding volumes. The segment reversed an operating loss of S$2.5 million last year, attributed mainly to a turnaround at Quantium Solutions, where losses were reduced by 44.6 per cent.

The eCommerce segment, as reported, saw a 4.3 per cent decline in revenue as a result of changes in business mix. Operating profit was impacted by ongoing integration efforts of the US businesses.

Overall, the Group continues to benefit from positive global eCommerce trends, with eCommerce-related revenue from across the segments rising 8.8 per cent to make up 53.7 per cent of Group revenue.

Property posted a 67.1 per cent increase in operating profit, due mainly to rental income from the SingPost Centre retail mall, which saw committed occupancy improve further to 96.7 per cent as at 30 June 2018.

Strong cash flow generation

For the quarter ended 30 June 2018, free cash flow grew strongly to S$62.1 million, from S$32.0 million the previous year. This was due to improved cash generation from operating activities, as well as reduced capital expenditure, following the completion of the SingPost Centre retail mall.

Interim dividend

For the first quarter of FY2018/19, the Board of Directors has declared an interim dividend of 0.5 cent per ordinary share (tax exempt one-tier), to be paid on 31 August 2018.

About Singapore Post Limited

For 160 years, Singapore Post (SingPost) as the country's postal service provider, has been delivering trusted and reliable services to homes and businesses in Singapore.

Today, SingPost is pioneering and leading in eCommerce logistics as well as providing innovative mail and logistics solutions in Singapore and around the world, with operations in 19 markets.

Building on its trusted communications through domestic and international postal services, SingPost is taking the lead in end-to-end integrated and digital mail solutions. The suite of SingPost eCommerce logistics solutions includes front end web management, warehousing and fulfilment, last mile delivery and international freight forwarding.

Media Contact

Robin Goh
Tel: +65 9093 5772
Email: robingoh@singpost.com

Bryan Lee
Tel: +65 9645 0640
Email: bryanlee@singpost.com