



<b>NEW ZEALAND POST GROUP</b>	
<b>Results for announcement under the SOE Disclosure Rules</b>	
Reporting Period	6 months to 31 December 2011
Previous Reporting Period	12 months to 30 June 2011

	<b>Amount (000s)</b>	<b>Percentage change since 31 December 2011</b>
Revenue from ordinary activities	\$679,744	+4.3%
Profit (loss) from ordinary activities after tax	\$42,518	+59.6%
Net profit (loss)	\$42,518	+59.6%

Dividend		
Dividend for the period	\$2,500	38.9%
Interim dividend payment date	To be confirmed	

Comments:	<p>New Zealand Post Group has recorded a net profit after tax (NPAT) of \$35.4 million for the half year ended 31 December 2011. This compares with a NPAT of \$15.8 million in the corresponding period in 2010. The half year results reflect where New Zealand Post expected to be, and are the result of good cost management, and encouraging growth in Kiwibank.</p> <p>Operating revenue increased by \$27.7 million compared to the same period the previous year, with Kiwibank being the significant contributor. The postal business experienced continued decline in letter volumes and performed close to plan. The courier and logistics business provided a solid contribution to earnings. Group costs were on track.</p> <p>The decline in mail volumes continued to present cost and revenue challenges. New Zealanders posted 29.4 million fewer letters domestically compared to the same period last year – a fall of almost 7 percent. In the future, containment of operating costs is not going to deliver a sustainable earnings performance in the postal business.</p>
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Kiwibank's performance included increased total lending of 5 percent and retail deposits of 8.6 percent, achieved despite an ongoing soft mortgage market and ongoing subdued economic conditions.

Overall, the business is making good progress towards implementing its major strategies of a sustainable network of the future, providing a service network to meet the needs of New Zealanders, growing Kiwibank and creating new digital offerings.

The Directors have declared an interim dividend of \$2.5 million for the period, compared to the \$1.8 million dividend posted in the equivalent period of the previous financial year.