



NEW  
ZEALAND  
POST  
GROUP

## NEW ZEALAND POST GROUP

### Results for announcement under the SOE Disclosure Rules

Reporting Period	12 months to 30 June 2016
Previous Reporting Period	12 months to 30 June 2015

	Amount (millions)	Percentage change since 30 June 2015
Revenue from ordinary activities	\$ 1,485	-6.6%
Profit (loss) from ordinary activities after tax	\$ 141	-1.4%
Net profit (loss)	\$ 141	-1.4%

Dividend		
Dividend for the period	\$ 5	0%
Final dividend payment date	30 September 2016	



<p>Comments:</p>	<p>The New Zealand Post Group has reported a net profit after tax (NPAT) of \$141 million for the year ending June 2016 confirming a steady year-on-year financial performance for the Group overall.</p> <p>The NPAT result is down 1.4% (\$2m) on the previous financial year. Revenue fell by 6.6% to \$1,485m and this was matched by a 6.6% reduction of expenditure to \$1,335m. A dividend of \$5m was returned to the Government.</p> <p>The profit is largely due to Kiwibank and the proceeds from the sale of New Zealand Post's Australian-based subsidiary Converga to Canon Australia. Kiwibank had a good first half performance, however this was not matched in the second six months.</p> <p>Letter volumes continued to decline at a rate of approximately 8% but parcel volumes and revenue were up 6.4% and 2.9% respectively. Excluding one offs, the postal services business (parcels, mail and logistics) made a small loss. However, ongoing investment in processing and delivery technology position it well for the future.</p> <p>New Zealand Post is now in the investment phase of its business strategy. It is a leaner organisation positioned for further parcel growth, with a renewed focus on putting customer choice at the forefront of decision making.</p> <p>Margin growth is difficult in challenging market conditions, but we're seeing good parcel trends, with parcel volumes growing by 6.4%. We will continue to actively explore market opportunities to grow our core future business in parcels.</p> <p>Highlights for the New Zealand Post Group in FY 2016 include:</p> <ul style="list-style-type: none"><li>• The sale of Converga for AUD\$75m generated a gain of NZD\$43m, freeing up capital funds for investment.</li><li>• Choice of the Paxster as NZ Post's new electric delivery vehicle, with 500 to be used for the combined delivery of parcels and mail in larger towns and cities.</li><li>• Inbound international parcel volumes grew by 15.5%.</li><li>• Processed nearly 10 million letters for the two postal flag referendums.</li><li>• Introduced a new range of parcel delivery options giving customers more choice about where and when they receive their parcels.</li></ul>
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- Completion of a new facility for courier and postal operations in Te Rapa - the Waikato Operations Centre.
- Building underway on a new parcel processing facility in Christchurch including state-of-the-art sorting machines supplied by Daifuku BCS.
- Nearing 200,000 registered YouShop customers (194,000 as at 30 June).
- For a second year Kiwibank returned a dividend (\$29m) to its parent company, the New Zealand Post Group.
- Kiwibank grew customer deposits by 7.6% from \$13.7 billion to \$14.8 billion and grew lending and advances to customers by 7.0% from \$15.6 billion to \$16.7 billion.