

For immediate release

SingPost Group's unaudited results
for the third quarter and nine months ended 31 December 2009

SingPost remains cautiously optimistic

- *Healthy Q3 results attributed to improving economy and consolidation of Quantum*
- *Interim quarterly dividend of 1.25 cents per share*

Singapore, 29 January 2010 – Singapore Post Limited (“SingPost”) today announced its unaudited results for the third quarter and nine months ended 31 December 2009. Below are some key highlights.

KEY FINANCIAL HIGHLIGHTS

| | Q3 FY09/10 (S\$M) | Q3 FY08/09 (S\$M) | Variance (%) | | 9M FY09/10 (S\$M) | 9M FY08/09 (S\$M) | Variance (%) |
|------------------------------------|----------------------|----------------------|-----------------|--|----------------------|----------------------|-----------------|
| GROUP RESULTS | | | | | | | |
| Revenue | 139.6 | 124.0 | 12.7 | | 391.7 | 365.5 | 7.2 |
| Rental & Property-Related Income | 10.2 | 8.3 | 22.2 | | 30.2 | 23.7 | 27.4 |
| Total Expenses | 100.2 | 89.3 | 12.2 | | 281.3 | 256.7 | 9.6 |
| Net Profit | 44.1 | 36.6 | 20.6 | | 124.1 | 113.5 | 9.3 |
| Underlying Net Profit | 38.9 | 36.6 | 6.3 | | 111.2 | 114.3 | (2.7) |
| Net Cash from Operating Activities | 48.9 | 63.0 | (22.4) | | 137.4 | 133.8 | 2.7 |
| Earnings per Share | 2.291¢ | 1.899 ¢ | | | 6.440¢ | 5.892¢ | |

Healthy Q3 results attributed to improving economy, Government relief measures and consolidation of Quantum

SingPost’s Group revenue grew 12.7% to S\$139.6 million in the third quarter, boosted by inclusion of revenue from Quantum Solutions (formerly known as G3 Worldwide Aspac group of companies). Group revenue would have registered a marginal decline of 0.6% without the consolidation of Quantum Solutions, on a comparable basis with the same quarter last year when Quantum Solutions was a joint venture.

Mail revenue declined by 1.2% to S\$94.4 million as a result of lower domestic mail and philatelic contributions. Logistics revenue, which includes revenue from Quantum Solutions, grew 166% to S\$49.2 million. Without the consolidation of revenue from Quantum Solutions, Logistics revenue showed a decline compared to the same quarter of last year. In Retail, revenue improved by 4.1% to S\$16.9 million on the back of higher contributions from financial services.

Higher rentals from Singapore Post Centre and the leasing of space at the repurposed post office buildings contributed to a 22.2% increase in rental and property-related income at S\$10.2 million. Miscellaneous income increased as a result of the amortisation of deferred gains on intellectual property rights relating to the collaboration with Postea, Inc.

Total expenses for the Group increased 12.2% to S\$100.2 million, due mainly to additional costs with the consolidation of Quantum Solutions. Excluding Quantum Solutions, total expenses would have declined 2.4%. As a result of the Group's larger staff base, labour and related expenses increased, offsetting the benefits from the Jobs Credit Scheme. Volume-related expenses rose as higher costs of sales offset the decline in traffic expenses. Finance expenses declined as a result of lower interest rates.

For the third quarter, the Group's net profit grew 20.6% to S\$44.1 million while its underlying net profit rose 6.3% to S\$38.9 million.

Said Mr Ng Hin Lee, Deputy Group Chief Executive Officer of SingPost: "In tandem with the turnaround in the economy and with the benefits of the government's relief measures, we have seen some recovery in the operating performance of the business. This, coupled with the consolidation of our regional outfit, Quantum Solutions, enabled us to achieve a healthy set of results."

Outlook

With the Universal Postal Union reclassification of Singapore as a New Target Country from the category of Developing Country effective 1 January 2010, operating costs for SingPost have risen due to the increase in its net terminal dues payments for international mailing. Terminal dues refer to settlements for the processing and delivery of international mail between countries. The annualised impact is estimated to be around 5% of underlying net profit.

The Group has taken and will continue to take active measures to mitigate the effect.

Said Mr Ng: "We are cautiously optimistic about the business outlook, given the modest recovery expected in the global economy. However, SingPost continues to face various challenges including e-substitution, margin pressures and increased competition. In addition to these existing challenges, our operating costs have scaled up quite significantly due to the change in the terminal dues structure."

He added: "It is imperative that we continue to be disciplined in reviewing our operations to improve efficiency and productivity even as we stay vigilant on costs. On the revenue-front, we will focus on optimizing our resources such as our retail network, to achieve better yields."

The Group maintains its focus on expanding Quantum Solutions' business beyond cross-border mail and extending its core competencies in Asia Pacific.

It remains alert to new growth opportunities and will explore acquisition opportunities as and when they arise.

Interim quarterly dividend of 1.25 cents per share

Net cash from operating activities amounted to S\$137.4 million in the nine-month period, compared to S\$133.8 million in the same period last year.

SingPost's Board of Directors has declared an interim dividend of 1.25 cents per ordinary share (tax exempt one-tier), to be paid on 26 February 2010.



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About Singapore Post Limited

(Reg. No. 199201623M)

SingPost, the designated Public Postal Licensee for Singapore, offers reliable and high quality domestic and international postal services as well as end-to-end mail solutions including data printing, letter-shopping, delivery and mailroom management. It is also the leading logistics provider in the domestic market, with global service offerings to more than 220 territories/countries. SingPost has earned the honour of being the only postal company to have won the EMS Cooperative Certification Gold Level Award by the Universal Postal Union (UPU) for its *Speedpost* Worldwide service for eight consecutive years since 2001. As the owner of one of the largest retail distribution networks through its tri-channel platform of post offices, Self-service Automated Machines (SAM) and *vPOST*, its internet portal, SingPost provides convenience to its customers for a wide range of products and services, including agency, postal and financial services. SingPost's regional footprint spans 10 countries/territories in Asia Pacific where it offers cross-border mail services.

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