



**SINGAPORE POST LIMITED
AND ITS SUBSIDIARIES**

(Registration number: 199201623M)

**SGXNET ANNOUNCEMENT
UNAUDITED RESULTS FOR THE
THIRD QUARTER AND NINE MONTHS
ENDED 31 DECEMBER 2009**

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

	FY2009/10	FY2008/09		FY2009/10	FY2008/09	
	Q3	Q3	Variance	9M	9M	Variance
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	139,639	123,950	12.7%	391,674	365,532	7.2%
Other income and gains (net)						
- Rental and property-related income	10,172	8,323	22.2%	30,207	23,706	27.4%
- Miscellaneous	3,682	736	@	7,690	1,389	@
Labour and related expenses	(37,073)	(32,365)	14.5%	(106,794)	(98,108)	8.9%
Volume-related expenses ¹	(37,729)	(33,209)	13.6%	(99,034)	(93,251)	6.2%
Administrative and other expenses	(13,798)	(11,070)	24.6%	(40,412)	(32,062)	26.0%
Depreciation	(7,013)	(6,468)	8.4%	(21,868)	(19,529)	12.0%
Selling expenses	(2,715)	(4,112)	(34.0%)	(7,049)	(7,955)	(11.4%)
Finance expenses	(1,888)	(2,075)	(9.0%)	(6,118)	(5,777)	5.9%
Total expenses	(100,216)	(89,299)	12.2%	(281,275)	(256,682)	9.6%
Share of profit / (loss) of associated companies and joint ventures	(334)	1,120	N.M.	1,078	5,140	(79.0%)
Profit before income tax	52,943	44,830	18.1%	149,374	139,085	7.4%
Income tax expense	(8,594)	(8,095)	6.2%	(24,834)	(25,070)	(0.9%)
Total profit	44,349	36,735	20.7%	124,540	114,015	9.2%
Attributable to:						
Equity holders of the Company	44,134	36,584	20.6%	124,060	113,468	9.3%
Minority interest	215	151	42.4%	480	547	(12.2%)
Total profit	44,349	36,735	20.7%	124,540	114,015	9.2%
Operating Profit ²	55,067	45,651	20.6%	154,169	139,246	10.7%
Underlying Net Profit ³	38,935	36,611	6.3%	111,247	114,291	(2.7%)

Earnings per share for profit attributable to the equity holders of the Company during the period:

- Basic	2.291 cents	1.899 cents	6.440 cents	5.892 cents
- Diluted	2.291 cents	1.899 cents	6.440 cents	5.891 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 of associated companies and joint ventures.

³ Underlying net profit is defined as profit after tax and minority interest before one-off items and gains and losses on property, plant and equipment.

@ Denotes variance exceeding 300%

N.M. Not meaningful.

Consolidated Statement of Comprehensive Income

	FY2009/10 Q3 S\$'000	FY2008/09 Q3 S\$'000	Variance %	FY2009/10 9M S\$'000	FY2008/09 9M S\$'000	Variance %
Total profit	44,349	36,735	20.7%	124,540	114,015	9.2%
Other comprehensive income / (loss) (net of tax):						
Currency translation differences	(146)	49	N.M.	(2,676)	(354)	@
Release of other capital reserve on disposal of an associated company	-	-	-	(1,596)	-	N.M.
Cash flow hedges - fair value gains / (losses)	-	312	N.M.	(32)	76	N.M.
Other comprehensive income / (loss) for the period (net of tax)	(146)	361	N.M.	(4,304)	(278)	@
Total comprehensive income for the period	44,203	37,096	19.2%	120,236	113,737	5.7%
Total comprehensive income attributable to:						
Equity holders of the Company	43,988	36,945	19.1%	119,775	113,203	5.8%
Minority interest	215	151	42.4%	461	534	(13.7%)
	44,203	37,096	19.2%	120,236	113,737	5.7%

Underlying Net Profit Reconciliation Table

	FY2009/10 Q3 S\$'000	FY2008/09 Q3 S\$'000	Variance %	FY2009/10 9M S\$'000	FY2008/09 9M S\$'000	Variance %
Profit attributable to equity holders of the Company	44,134	36,584	20.6%	124,060	113,468	9.3%
<u>Add / (less):</u>						
Amortisation of deferred gain on intellectual property rights	(2,936)	-	N.M.	(5,870)	-	N.M.
(Gains) / losses on sale of investments, property, plant and equipment	(3)	27	N.M.	44	(58)	N.M.
Over-provision of tax in respect of prior years	-	-	-	-	(393)	N.M.
One-off expense in relation to the winding up of an associated company	-	-	-	-	1,274	N.M.
One-off impact of Singapore Budget 2009						
- Jobs Credit Scheme	(1,978)	-	N.M.	(6,141)	-	N.M.
- Property tax rebate (net)	(282)	-	N.M.	(846)	-	N.M.
Underlying Net Profit	38,935	36,611	6.3%	111,247	114,291	(2.7%)

@ Denotes variance exceeding 300%
N.M. Not meaningful.

(1)(a)(ii)

	FY2009/10	FY2008/09		FY2009/10	FY2008/09	
	Q3	Q3	Variance	9M	9M	Variance
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Other operating income and interest income*	13,854	9,059	52.9%	37,897	25,095	51.0%
Interest on borrowings	1,895	2,047	(7.4%)	5,951	5,769	3.2%
Depreciation and amortisation	7,250	6,477	11.9%	22,503	19,556	15.1%
Impairment / (write-back) of doubtful debts and bad debts written off	77	1,819	@	306	1,864	@
Foreign exchange gains / (losses)	786	453	73.5%	1,766	1,710	3.3%
Over-provision of tax in respect of prior years	-	-	-	-	393	N.M.
Gains / (losses) on sale of investments, property, plant and equipment	3	(27)	N.M.	(44)	58	N.M.

* Including one-off gains and losses on sale of investments, property, plant and equipment.

@ Denotes variance exceeding 300%
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	
	Dec-09 S\$'000	Mar-09 S\$'000	Dec-09 S\$'000	Mar-09 S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	148,563	139,548	120,093	131,255
Trade and other receivables	87,780	69,303	62,576	52,243
Inventories	1,121	678	1,118	674
Other current assets	6,824	5,708	3,819	4,523
Non-current asset held for sale	-	84,275	-	80,922
	244,288	299,512	187,606	269,617
Non-current assets				
Trade and other receivables	2,968	359	9,892	9,859
Investments in associated companies and joint ventures	43,526	9,021	-	2,450
Investments in subsidiaries	-	-	145,907	12,105
Investment property	200,305	204,941	206,027	209,131
Property, plant and equipment	252,047	252,408	231,819	243,584
Intangible assets	89,269	252	225	252
Deferred income tax assets	323	-	-	-
Derivative financial instruments	3,149	3,258	3,149	3,258
Other non-current asset	341	412	341	412
	591,928	470,651	597,360	481,051
Total assets	836,216	770,163	784,966	750,668
LIABILITIES				
Current liabilities				
Trade and other payables	174,960	159,358	151,810	160,091
Current income tax liabilities	30,851	35,014	28,202	34,624
Deferred gain on intellectual property rights	11,741	-	11,741	-
Deferred income	70	70	70	70
	217,622	194,442	191,823	194,785
Non-current liabilities				
Borrowings	302,914	302,969	302,914	302,969
Deferred income tax liabilities	16,941	16,200	14,992	15,811
Deferred gain on intellectual property rights	17,611	-	17,611	-
Deferred income	299	351	299	351
	337,765	319,520	335,816	319,131
Total liabilities	555,387	513,962	527,639	513,916
NET ASSETS	280,829	256,201	257,327	236,752
EQUITY				
Capital and reserves attributable to the Company's equity holders				
Share capital	114,846	114,673	114,846	114,673
Other reserves	1,959	5,700	3,141	2,597
Retained earnings	158,719	130,984	139,340	119,482
	275,524	251,357	257,327	236,752
Minority interest	5,305	4,844	-	-
Total equity	280,829	256,201	257,327	236,752

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

	Dec-09	Mar-09
	S\$'000	S\$'000
Amount repayable in one year or less, or on demand	-	-
Amount repayable after one year:		
- Bonds (unsecured)	302,914	302,969
	302,914	302,969

The Singapore Dollar unsecured bonds of principal amount S\$300 million listed on the SGX-ST have a maturity period of 10 years from 11 April 2003 and a fixed interest rate of 3.13% per annum. The carrying values above reflect the fair values of the fixed rate bonds at the respective balance sheet dates. The fair values are determined based on independent market quotations from reputable financial institutions.

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			
	FY2009/10	FY2008/09	FY2009/10	FY2008/09
	Q3 S\$'000	Q3 S\$'000	9M S\$'000	9M S\$'000
Cash flows from operating activities				
Total profit	44,349	36,735	124,540	114,015
Adjustments for:				
Income tax expense	8,594	8,095	24,834	25,070
Amortisation of deferred gain on intellectual property rights	(2,936)	-	(5,870)	-
Amortisation of deferred income	(16)	(18)	(53)	(53)
Amortisation of intangible assets	237	9	635	27
Depreciation	7,013	6,468	21,868	19,529
Losses / (gains) on sale of investments, property, plant and equipment	(3)	27	44	(58)
Share-based staff costs	162	192	559	585
Interest expense	1,895	2,047	5,951	5,769
Interest income	(98)	(134)	(245)	(476)
Share of (profit) / loss of associated companies and joint ventures	334	(1,120)	(1,078)	(5,140)
	15,182	15,566	46,645	45,253
Operating cash flow before working capital changes	59,531	52,301	171,185	159,268
Changes in working capital				
Inventories	(565)	(465)	(443)	(1,063)
Trade and other receivables	(4,424)	4,293	(2,561)	(1,105)
Trade and other payables	9,756	19,051	1,640	5,224
Cash generated from operations	64,298	75,180	169,821	162,324
Income tax paid	(15,409)	(12,154)	(32,406)	(28,512)
Net cash provided by operating activities	48,889	63,026	137,415	133,812
Cash flows from investing activities				
Dividend received from a joint venture	248	-	428	5,595
Interest received	87	141	243	480
Acquisition of subsidiary, net of cash acquired	-	-	(85,013)	-
Investment in an associated company	-	-	(9,276)	-
Loan to an associated company	-	-	(3,436)	-
Proceeds from disposal of an associated company	-	-	81,043	-
Repayments of loan by an associated company	143	-	286	-
Purchases of property, plant and equipment	(4,251)	(6,557)	(8,660)	(10,366)
Proceeds from disposal of property, plant and equipment	28	1	174	168
Net cash used in investing activities	(3,745)	(6,415)	(24,211)	(4,123)
Cash flows from financing activities				
Dividends paid to equity holders of the Company	(24,081)	(24,079)	(96,320)	(96,304)
Dividends paid to a minority shareholder by a subsidiary	-	-	(5)	-
Interest paid	(4,070)	(3,674)	(8,022)	(8,239)
Proceeds from issuance of ordinary shares	61	-	158	1,466
Proceeds from grants	-	34	-	47
Net cash used in financing activities	(28,090)	(27,719)	(104,189)	(103,030)
Net increase in cash and cash equivalents	17,054	28,892	9,015	26,659
Cash and cash equivalents at beginning of financial period	131,509	101,909	139,548	104,142
Cash and cash equivalents at end of financial period	148,563	130,801	148,563	130,801

(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 equity holders of the Company →

	Share capital	Retained earnings	Other reserves	Total	Minority interest	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 October 2009	114,779	138,666	1,949	255,394	5,090	260,484
Dividends	-	(24,081)	-	(24,081)	-	(24,081)
Total comprehensive income for the period	-	44,134	(146)	43,988	215	44,203
	114,779	158,719	1,803	275,301	5,305	280,606
Employee share option scheme:						
- Value of employee services	-	-	162	162	-	162
- Proceeds from shares issued	67	-	(6)	61	-	61
Balance at 31 December 2009	114,846	158,719	1,959	275,524	5,305	280,829
Balance at 1 October 2008	114,673	107,220	5,413	227,306	4,553	231,859
Dividends	-	(24,079)	-	(24,079)	-	(24,079)
Total comprehensive income for the period	-	36,584	361	36,945	151	37,096
	114,673	119,725	5,774	240,172	4,704	244,876
Employee share option scheme:						
- Value of employee services	-	-	192	192	-	192
Balance at 31 December 2008	114,673	119,725	5,966	240,364	4,704	245,068

The Group – 9M

← Attributable to equity holders of the Company →

	Share capital	Retained earnings	Other reserves	Total	Minority interest	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 April 2009	114,673	130,984	5,700	251,357	4,844	256,201
Dividends	-	(96,325)	-	(96,325)	-	(96,325)
Total comprehensive income for the period	-	124,060	(4,285)	119,775	461	120,236
	114,673	158,719	1,415	274,807	5,305	280,112
Employee share option scheme:						
- Value of employee services	-	-	559	559	-	559
- Proceeds from shares issued	173	-	(15)	158	-	158
Balance at 31 December 2009	114,846	158,719	1,959	275,524	5,305	280,829
Balance at 1 April 2008	113,053	102,561	5,800	221,414	4,170	225,584
Dividends	-	(96,304)	-	(96,304)	-	(96,304)
Total comprehensive income for the period	-	113,468	(265)	113,203	534	113,737
	113,053	119,725	5,535	238,313	4,704	243,017
Employee share option scheme:						
- Value of employee services	-	-	585	585	-	585
- Proceeds from shares issued	1,620	-	(154)	1,466	-	1,466
Balance at 31 December 2008	114,673	119,725	5,966	240,364	4,704	245,068

The Company – Q3

← Attributable to equity holders of the Company →

	Share capital	Retained earnings	Other reserves	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 October 2009	114,779	122,045	2,985	239,809
Dividends	-	(24,081)	-	(24,081)
Total comprehensive income for the period	-	41,376	-	41,376
	114,779	139,340	2,985	257,104
Employee share option scheme:				
- Value of employee services	-	-	162	162
- Proceeds from shares issued	67	-	(6)	61
Balance at 31 December 2009	114,846	139,340	3,141	257,327
Balance at 1 October 2008	114,673	100,052	2,221	216,946
Dividends	-	(24,079)	-	(24,079)
Total comprehensive income for the period	-	35,133	-	35,133
	114,673	111,106	2,221	228,000
Employee share option scheme:				
- Value of employee services	-	-	192	192
Balance at 31 December 2008	114,673	111,106	2,413	228,192

The Company – 9M

	← Attributable to equity holders of the Company →			
	Share capital	Retained earnings	Other reserves	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 April 2009	114,673	119,482	2,597	236,752
Dividends	-	(96,320)	-	(96,320)
Total comprehensive income for the period	-	116,178	-	116,178
	114,673	139,340	2,597	256,610
Employee share option scheme:				
- Value of employee services	-	-	559	559
- Proceeds from shares issued	173	-	(15)	158
Balance at 31 December 2009	114,846	139,340	3,141	257,327
Balance at 1 April 2008	113,053	94,698	1,982	209,733
Dividends	-	(96,304)	-	(96,304)
Total comprehensive income for the period	-	112,712	-	112,712
	113,053	111,106	1,982	226,141
Employee share option scheme:				
- Value of employee services	-	-	585	585
- Proceeds from shares issued	1,620	-	(154)	1,466
Balance at 31 December 2008	114,673	111,106	2,413	228,192

(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 2009, the Company issued 76,000 ordinary shares at prices ranging from S\$0.615 to S\$0.923 upon the exercise of options granted under the Singapore Post Share Option Scheme.

As at 31 December 2009, there were unexercised share options of 24,997,958 (31 December 2008: 19,207,079) of unissued ordinary shares under the Singapore Post Share Option Scheme. The Company did not hold any treasury shares.

(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 2009, total issued shares were 1,926,457,189 (31 March 2009: 1,926,261,068).

(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.

Not applicable.

(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 2009.

(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 2009, 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 following are the new or amended FRS and INT FRS that are relevant to the Group:

FRS 1(R)	Presentation of Financial Statements
FRS 108	Operating Segments
Revised FRS 23	Borrowing Costs
FRS 107	Amendments to FRS 107 Financial Instruments: Disclosures - Improving Disclosures about Financial Statements

The adoption of the above amended FRS or INT FRS did not result in any substantial changes to the Group's accounting policies nor any significant impact on these financial statements except as discussed below:

(a) FRS 1(R) Presentation of Financial Statements

The revised standard requires:

- All changes in equity arising from transactions with owners in their capacity as owners to be presented separately from components of comprehensive income;
- Components of comprehensive income not to be included in statement of changes in equity;
- Items of income and expenses and components of other comprehensive income to be presented either in a single statement of comprehensive income with subtotals, or in two separate statements (a separate statement of profit and loss followed by a statement of comprehensive income);
- Presentation of restated balance sheet as at the beginning of the comparative period when entities make restatements or reclassifications of comparative information.

The revisions also include changes in the titles of some of the financial statements primary statements.

The Group has elected to present items of income and expenses and components of other comprehensive income in two statements: an income statement and a statement of comprehensive income. Comparative information that conforms to the requirements of the revised standard has been provided accordingly.

(b) FRS 108 Operating Segments

FRS 108 supercedes FRS 14 Segment Reporting and requires the Group to report the financial performance of its operating segments based on the information used internally by management for evaluating segment performance and deciding on allocation of resources. Such information may be different from the information included in the financial statements, and the basis of its preparation and reconciliation to the amounts recognised in the financial statements shall be disclosed.

The Group has applied FRS 108 from 1 April 2009 and will provide comparative information that conforms to the requirements of FRS 108. The required disclosures will be made accordingly in the financial statements of the Group and the Company for the financial year ending 31 March 2010.

(c) Revised FRS 23 Borrowing Costs

The revised standard removes the option to recognise immediately as an expense borrowing costs that are attributable to qualifying assets, except for those borrowing costs on qualifying assets that are measured at fair value or inventories that are manufactured or produced in large quantities on a repetitive basis.

The Group has applied the revised FRS from 1 April 2009. As the Group has been capitalising the relevant borrowing costs, the revised standard does not have any impact on the Group.

(d) Amendments to FRS 107 Financial Instruments: Disclosures - Improving Disclosures about Financial Instruments

The amendment requires enhanced disclosures about fair value measurement and liquidity risk.

The Group will include the required disclosures in the full year financial statements.

(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			
	FY2009/10 Q3	FY2008/09 Q3	FY2009/10 9M	FY2008/09 9M
Based on weighted average number of ordinary shares in issue	2.291 cents	1.899 cents	6.440 cents	5.892 cents
On fully diluted basis	2.291 cents	1.899 cents	6.440 cents	5.891 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-09	Mar-09	Dec-09	Mar-09
Net asset value per ordinary share based on issued share capital of the Company at the end of the financial period (cents)	14.58	13.30	13.36	12.29

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

Third Quarter Ended 31 December 2009

	FY2009/10 Q3 S\$'000	FY2008/09 Q3 S\$'000	Variance %
Revenue			
Mail	94,416	95,545	(1.2%)
Logistics	49,204	18,496	166.0%
Retail	16,881	16,213	4.1%
Inter-segment eliminations*	(20,862)	(6,304)	230.9%
Total	139,639	123,950	12.7%

* The increase in current period's inter-segment eliminations arose from the inclusion of outsourced services and postage revenue, following the consolidation of Quantum Solutions.

Group revenue grew by 12.7% from S\$124.0 million to S\$139.6 million in the third quarter. The growth was attributable to the inclusion of revenue of Quantum Solutions Group (formerly known as G3 Worldwide Aspac group of companies) ("Quantum Solutions") upon consolidation of its results. On a comparable basis with the same quarter last year when Quantum Solutions was a joint venture and therefore not consolidated, Group revenue declined marginally by 0.5%.

Mail revenue decreased as a result of lower domestic mail and philatelic contributions. In Logistics, the revenue growth was due to the contribution from Quantum Solutions. On a comparable basis with the same quarter last year, Logistics revenue declined, as a result of lower Speedpost revenue. In Retail, revenue improved on the back of higher contributions from financial services.

With higher rental income from Singapore Post Centre and the leasing of space at the repurposed post office buildings, rental and property-related income improved from S\$8.3 million to S\$10.2 million, an increase of 22.2%. Miscellaneous income increased as a result of the amortisation of deferred gain on intellectual property rights relating to the collaboration with Postea, Inc..

Total expenses increased 12.2% from S\$89.3 million to S\$100.2 million, mainly due to 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. The increase in administrative and other expenses was mainly attributable to additional costs from Quantum Solutions, higher rental expense and higher professional fees. Selling expenses were lower, as the same quarter last year had included additional provisions for bad and doubtful debts in view of the economic situation then. Finance expenses declined as a result of lower interest rates.

	FY2009/10	FY2008/09	
	Q3	Q3	Variance
Operating profit	S\$'000	S\$'000	%
Mail	34,312	36,612	(6.3%)
Logistics	5,568	2,142	159.9%
Retail	3,251	2,630	23.6%
Others	11,936	4,267	179.7%
Total	55,067	45,651	20.6%

Operating profit was lower in the Mail segment, as a result of the decline in revenues. In Logistics, the inclusion of Quantum Solutions increased the segment's operating profit. Excluding Quantum Solutions, Logistics operating profit declined as a result of lower Speedpost contributions. In Retail, operating profit grew on the back of higher contributions from financial services. The growth in the "Others" segment, which comprises the rest of the Group's operations, was mainly attributable to higher rental income and deferred gain on intellectual property rights.

The reduction in the share of profit of associated companies and joint ventures was due to the cessation of equity accounting for Quantum Solutions and G3 Worldwide Mail, N.V. ("G3WW") following the completion of the share swap transactions in May 2009.

The Group's net profit grew 20.6% from S\$36.6 million to S\$44.1 million in the third quarter. Excluding one-off items, namely benefits from the Jobs Credit Scheme and amortisation of deferred gain on intellectual property rights, the Group's underlying net profit improved by 6.3% or S\$2.3 million from S\$36.6 million to S\$38.9 million.

Nine Months Ended 31 December 2009

	FY2009/10 9M S\$'000	FY2008/09 9M S\$'000	Variance %
Revenue			
Mail	267,977	279,841	(4.2%)
Logistics	129,243	55,348	133.5%
Retail	50,317	49,234	2.2%
Inter-segment eliminations*	(55,863)	(18,891)	195.7%
Total	391,674	365,532	7.2%

* The increase in current period's inter-segment eliminations arose from the inclusion of outsourced services and postage revenue, following the consolidation of Quantum Solutions.

Group revenue grew 7.2% in the first nine months of FY 2009/10 as first-time revenue contribution from Quantum Solutions offset revenue declines in Mail and Speedpost. On a comparable basis with the same period last year when Quantum Solutions was a joint venture and therefore not consolidated, revenue declined by 3.9%, as a result of the adverse economic conditions in the first half.

Mail revenue declined during the period, mainly due to lower domestic and international mail contributions. Excluding Quantum Solutions, Logistics revenue decreased with lower Speedpost contributions. Retail revenue was higher with improvements in financial services revenue in the third quarter.

Rental and property-related income grew by 27.4% from S\$23.7 million to S\$30.2 million, driven by higher rental income from Singapore Post Centre and the leasing of space at the repurposed post office buildings.

Total expenses rose by 9.6% from S\$256.7 million to S\$281.3 million, mainly attributable to the consolidation of Quantum Solutions. Excluding Quantum Solutions, total expenses would have declined 3.0%. The Group's enlarged staff base offset the benefits from the Jobs Credit Scheme, resulting in higher labour and related expenses. Volume-related expenses increased, as higher costs of goods sold offset the decline in traffic expenses. Administrative and other expenses increased as a result of additional costs from Quantum Solutions and higher professional and consultancy fees. Selling expenses were lower, as the same period last year had included additional provisions for bad and doubtful debts.

	FY2009/10 9M S\$'000	FY2008/09 9M S\$'000	Variance %
Operating profit			
Mail	99,771	108,795	(8.3%)
Logistics	11,583	6,851	69.1%
Retail	9,121	8,775	3.9%
Others	33,694	14,825	127.3%
Total	154,169	139,246	10.7%

The decline in Mail revenue had an adverse impact on the segment's profitability during the period. In Logistics, operating profit increased with the consolidation of Quantum Solutions. Excluding Quantum Solutions, Logistics operating profit declined as a result of lower contributions from Speedpost. In Retail, operating profit showed an increase, largely due to improved contributions from financial services products in the third quarter. The increase in "Others" was mainly due to higher rental income and deferred gain on intellectual property rights.

The share of profit of associated companies and joint ventures comprised the final equity accounted contributions from Quantum Solutions and G3WW in the first quarter of FY 2009/10 following the completion of the share swap transactions in May 2009.

For the nine months, the Group's net profit increased 9.3% from S\$113.5 million to S\$124.1 million. Excluding one-off items such as the benefits from the Jobs Credit Scheme and amortisation of deferred gain on intellectual property rights, the Group's underlying net profit declined by 2.7% or S\$3.0 million from S\$114.3 million to S\$111.2 million.

Balance Sheet

The Group's total assets increased from S\$770.2 million as at 31 March 2009 to S\$836.2 million as at 31 December 2009:

- Trade and other receivables under current assets increased from S\$69.3 million to S\$87.8 million as a result of the consolidation of Quantum Solutions.
- The carrying amount in non-current asset held for sale was reduced to nil from S\$84.3 million as at 31 March 2009, following the completion of the share swap transactions of Quantum Solutions and G3WW.
- With the completion of the above share swap transactions, intangible assets increased by S\$83.2 million, arising from the recording of the intangibles relating to the acquisition of the remaining 50% interest in Quantum Solutions. In addition, there was a recording of intellectual property rights relating to the Group's collaboration with Postea, Inc. amounting to S\$5.8 million. Consequently, intangible assets rose from S\$0.3 million as at 31 March 2009 to S\$89.3 million as at 31 December 2009.
- Under non-current assets, investments in associated companies and joint ventures of S\$43.5 million consist mainly of the Group's investment in a 30% stake in Postea, Inc.. The investment in Postea, Inc. included a cash consideration of US\$9.4 million and a non-cash consideration of US\$24.3 million comprising the Group's intellectual property rights arising from the collaboration with Postea, Inc.. The resulting gain from the recognition of the non-cash consideration for the investment in Postea, Inc. was recorded as deferred gain on intellectual property rights.

Total liabilities amounted to S\$555.4 million compared to S\$514.0 million as at 31 March 2009:

- Trade and other payables rose from S\$159.4 million to S\$175.0 million mainly due to the consolidation of Quantum Solutions.
- Deferred gain on intellectual property rights relates to the recognition of the non-cash consideration for the investment in Postea, Inc., and will be recognised as income over a three-year period from July 2009 to June 2012. It is presented as a current liability, except for the portion which will be recognised later than 12 months after the balance sheet date which is presented as a non-current liability.

Shareholders' equity was S\$275.5 million as at 31 December 2009, compared to S\$251.4 million as at 31 March 2009.

Net debt amounted to S\$154.4 million while net gearing ratio was 0.56 times as at 31 December 2009. Interest coverage ratio (i.e. EBITDA to interest expense) remained high at 29.9 times.

Cash Flow

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.

Net cash used in investing activities was S\$24.2 million, compared to S\$4.1 million last year. The increase was due mainly to the Group's investment in Postea, Inc. and a loan to a wholly owned subsidiary of Postea, Inc..

Cash and cash equivalents increased from S\$139.5 million as at 31 March 2009 to S\$148.6 million as at 31 December 2009.

(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 cautiously optimistic about the business outlook and will remain vigilant on cost management. It continues to focus on efforts to diversify and grow its businesses in Singapore and the region.

As of 1 January 2010, Singapore was reclassified as a New Target Country from the category of Developing Country by the Universal Postal Union ("UPU") for the purpose of terminal dues settlements, i.e. settlements for the processing and delivery of international mail between countries. SingPost will settle terminal dues under a new settlement structure, which will result in an increase in its net terminal dues payments for international mailing as terminal dues payable by Target Countries are generally higher. 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.

The transition and integration of Quantum Solutions into the SingPost Group remains on course, and the Group is focused on expanding Quantum Solutions' business beyond cross-border mail and extending its core competencies in Asia Pacific.

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

(11) Dividends

Current financial period reported on

Interim dividend

In relation to the third quarter ended 31 December 2009, 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 26 February 2010. The transfer book and register of members of the Company will be closed on 18 February 2010 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 February 2010 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 2008 was declared on 30 January 2009 and paid on 27 February 2009.

(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 2009, 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)	
	FY2009/10 Q3 S\$'000	FY2008/09 Q3 S\$'000	FY2009/10 Q3 S\$'000	FY2008/09 Q3 S\$'000
Sales				
Singapore Airlines Limited and its associates	-	-	121*	108
Singapore Telecommunications Limited and its associates	-	-	802	3,536*
Temasek Holdings (Private) Limited and its associates	-	-	165	495*
	-	-	1,088	4,139
Purchases				
Michael James Murphy and his associates	-	-	248	-
PowerSeraya Ltd and its associates [#]	-	-	-	7,250
Singapore Telecommunications Limited and its associates	-	-	358	200
Temasek Holdings (Private) Limited and its associates	-	-	204	-
	-	-	810	7,450
Total interested person transactions	-	-	1,898	11,589

	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)	
	FY2009/10 9M S\$'000	FY2008/09 9M S\$'000	FY2009/10 9M S\$'000	FY2008/09 9M S\$'000
Sales				
Singapore Airlines Limited and its associates	-	-	339*	108
Singapore Telecommunications Limited and its associates	-	-	10,482*	6,114*
Starhub Ltd and its associates	-	-	1,589	1,668*
Temasek Holdings (Private) Limited and its associates	-	-	382	495*
	-	-	12,792	8,385
Purchases				
Michael James Murphy and his associates	-	-	248	-
PowerSeraya Ltd and its associates [#]	-	-	-	7,250
Singapore Airlines Limited and its associates	-	-	2,600	2,300
Singapore Telecommunications Limited and its associates	-	-	358	495
SMRT Corporation Ltd and its associates	-	-	-	983*
Temasek Holdings (Private) Limited and its associates	-	-	800*	540
	-	-	4,006	11,568
Total interested person transactions	-	-	16,798	19,953

Note

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

* Include contracts of duration exceeding one year.

[#] During the first quarter ended 30 June 2009, PowerSeraya Ltd ceased to be an associate of Temasek Holdings (Private) Limited as defined under the Listing Manual of SGX. As such, subsequent transactions with PowerSeraya Ltd and its associates are not defined as interested person transactions under the Listing Manual.

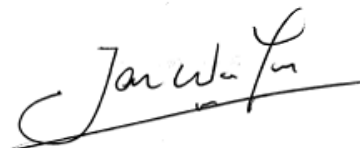
(14) Confirmation by the Board pursuant to rule 705(4) of the Listing Manual

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 2009 to be false or misleading.

On behalf of the Board of Directors



MR LIM HO KEE
Chairman



MR WILSON TAN WEE YAN
Director

Singapore
29 January 2010