

*For Immediate Release*

**SingPost Group's results for the year  
ended 31 March 2003**

*Net profit S\$ 108.7 million, up 7.2 per cent*

**Singapore, 19 May 2003** – Singapore Post Limited (“SingPost”) today announced its audited results for the year ended 31 March 2003.

Key Financial Highlights

	Full Year ended 31 March 2003		
	2003 (S\$ million)	2002 (S\$ million)	Change (%)
Operating revenue	373.0	380.9	(2.1)
Operating expenses	(258.2)	(266.9)	(3.2)
Share of results from associated and joint venture companies	14.0	4.8	191.4
Earnings before interest and tax (EBIT)	145.6	134.1	8.5
Profit attributable to shareholders	108.7	101.3	7.2
Basic earnings per share (cents)	5.72	5.33	7.3%

*Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding.*

Operating results for the year ended 31 March 2003

Contributions from our three operating divisions remained steady with **Mail Division** (“Mail”) contributing almost 80 per cent of operating revenue. **Logistics Division** contributed 13 per cent while **Retail Business and Others** contributed the remaining 8 per cent.

Share of results of associated and joint venture companies increased by S\$9.2 million to

S\$14.0 million. The increase was primarily due to the full-year impact for inclusion of the Spring joint ventures (which commenced operations in July 2001).

Despite challenging economic and market conditions, net profit attributable to shareholders increased 7.2 per cent to S\$108.7 million over S\$101.3 million last year. EBIT was S\$145.6 million, up from S\$134.1 million, an 8.5 per cent increase. Net profit margin improved from 26.6 per cent to 29.1 per cent.

The continued focus on cost management improved the bottom line. Operating expenses declined 3.2 per cent, more than offsetting the 2.1 per cent decline in operating revenue. As a result, operating profit grew 2.1 per cent to S\$135.6 million compared with the previous financial year.

Net cash inflow from operating activities was S\$112.7 million. Capital expenditure for the year was S\$12.2 million.

Mr William Tan Soo Hock, SingPost's CEO, said: 'Despite the difficult macro environment with the sustained global economic downturn, the impact of Severe Acute Respiratory Syndrome (SARS) and less consumer- and ad-spending, we contained the decline in operating revenue to 2.1 per cent. With ongoing cost management efforts and higher contributions from our associated and joint venture companies, we grew our Group EBIT by 8.5 per cent and increased our earnings per share by 7.3 per cent over the last financial year.'

As part of a capital restructuring exercise, we entered into a S\$150.0 million unsecured credit facility in February 2003 and issued a S\$300 million ten-year bond in April 2003. These funds will be used to fund our operations, anticipated capital expenditure and working capital requirements. Standard & Poor's has given SingPost an A+ credit rating.

#### Dividend to SingTel

As a result of this capital restructuring exercise, a dividend of S\$400 million, net of tax, comprising an interim dividend of S\$100 million and a Special Dividend of S\$300 million, was declared to SingTel.

S\$200 million has been paid as at 31 March 2003 and the remaining S\$200 million is payable by 30 September 2003.

#### Dividend to Shareholders

The Board of Directors has recommended a final gross dividend of 5.4 cents (net 4.2

cents) per share amounting to S\$80.0 million, net of tax at 22.0 per cent in respect of the financial year ended 31 March 2003.

### Outlook

SingPost does not expect any significant change to the competitive conditions of the postal industry in Singapore as SingPost will continue to operate the monopoly letters and postcard business and currently has the dominant share in the domestic mail market in the competitive segments.

We believe that the macro environment is unlikely to improve significantly in the near term and the economic impact of the Severe Acute Respiratory Syndrome (“SARS”) may continue. We also note that businesses in Singapore are generally cautious about promotional activities given the current uncertainties. The SARS outbreak has impacted the Singapore businesses and economy. As this is still a very recent phenomenon, we will continue to monitor the situation. Barring any further deterioration in the economic environment, we currently expect our performance to remain generally stable.

As a result of our capital restructuring exercise, we will incur higher interest expense next year. Nevertheless we expect our cash resources to be able to support our stated intention to recommend a net dividend of S\$80.0 million for the financial year 2003/04.

### Conclusion

Mr Tan said: “Despite operating in a difficult environment, SingPost has managed to increase its net profit and earnings per share. Our cashflow remained strong; we know too well the importance of cash, the lifeblood of any business. We have taken stringent cost control measures to reduce our operating expenses and further enhance our efficiency. We will continue to seek opportunities for growth prudently and continue to deliver value to our shareholders over the long term.”

– End –

### **About Singapore Post Limited**

SingPost is a household name in Singapore with strong brand recognition. It is the dominant provider of domestic and international postal services in Singapore. It is one of the most efficient and profitable postal operators globally and offers customers a

one-stop mail, logistics and retail distribution network in Singapore.

With a highly efficient mail delivery services utilising a sophisticated distribution infrastructure and advanced mail processing technology, SingPost estimates that it has achieved domestic mail market share of greater than 95 per cent. It believes that its Spring joint venture is a market leader in private cross-border business mail solutions.

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