

For Immediate Release

**SingPost Group's unaudited results
for the quarter ended 30 June 2003**

Singapore, 5 August 2003 – Singapore Post (“SingPost”) today announced its unaudited results for the quarter ended 30 June 2003.

A summary of the financial performance of the Group for the Q1 2003/04 is as follows:

	April – June (Q1)		
	2003 S\$'000	2002 S\$'000	Change %
Operating revenue	89,014	92,470	(3.7)
Operating expenses	(61,126)	(64,231)	(4.8)
Other income	3,901	5,234	(25.5)
Operating profit	31,789	33,473	(5.0)
Contributions from associated and joint venture companies	1,909	2,317	(17.6)
Profit before interest and tax	33,698	35,790	(5.8)
Net finance income / (cost)	(1,830)	356	N.M.
Profit before tax	31,868	36,146	(11.8)
Profit after tax	23,712	26,917	(11.9)
Profit attributable to shareholders	23,656	26,774	(11.6)
Profit margin	26.6%	29.0%	-

Notes:

Any discrepancies between the amounts and totals listed in the above table are due to rounding.
 N.M.: Not meaningful

The Group financial performance in the first quarter ended 30 June 2003 bore the brunt of the combined effects of the Severe Acute Respiratory Syndrome (“SARS”) outbreak and the downturn in the Singapore and regional economies.

Operating revenue declined S\$3.5 million to S\$89.0 million. The reduction in Mail revenue was partially offset by increases in Logistics and Philatelic revenues. Mail remains the main contributor to operating revenue.

Operating expenses declined S\$3.1 million to S\$61.1 million with ongoing cost management efforts. Consequently, our operating profit declined 5.0 per cent or S\$1.7 million to S\$31.8 million and contributions from associated and joint venture companies declined S\$0.4 million to S\$ 1.9 million.

As expected, with the capital restructuring post-IPO, SingPost incurred net finance cost of S\$1.8 million from the S\$300.0 million bond issue and S\$120.0 million term loan. As a result, net profit attributable to shareholders declined 11.6 per cent or S\$3.1 million to S\$23.7 million.

However, with the SARS outbreak under control, there was a pick-up in general business and promotional activities. In June 2003, the increase in domestic mail volumes reversed the decline experienced in April and May 2003.

Outlook

The Singapore economy shrank 4.3 per cent in the second quarter (April – June 2003) due to the economic downturn and the SARS outbreak. The economy is expected to pick up in the third quarter (July-September 2003) this year and the GDP forecast for the year is expected to range from 0.5 per cent to 2.5 per cent.

Mr William Tan Soo Hock, CEO of SingPost said: “We expect business sentiments and consumer confidence to improve and our mail volumes to grow with increased business activities. Barring unforeseen circumstances, we expect our second quarter results to be better than the first quarter. Consequently, we are confident that our expected financial performance and cash resources will support our stated intention to recommend a net dividend of S\$80.0 million for FY 2003/04. It is our Board’s intention to pay this S\$80.0 million net dividend over two equal payments, the first being an interim dividend of S\$40.0 million net to be paid in February 2004.”

Please visit the Investor Relations section on the SingPost website www.singpost.com for information.

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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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