

For Immediate Release

**SingPost Group's unaudited results
for the second quarter and half-year ended 30 September 2003**

Singapore, 4 November 2003 – Singapore Post Limited (“SingPost”) today announced its unaudited results for the second quarter and half-year ended 30 September 2003.

Key Financial Highlights

A summary of the financial performance of the Group for the second quarter and half-year ended 30 September 2003 is as follows:

Key Items	FY 2003/04 2nd Quarter (S\$'000)	FY 2002/2003 2 nd Quarter (S\$'000)	FY 2003/04 1st Half (S\$ '000)	FY 2002/03 1 st Half (S\$'000)
Operating revenue	89,218	91,355	178,232	183,825
Operating expenses	(61,552)	(63,676)	(122,678)	(127,907)
Profit before interest and tax	34,668	35,140	68,366	70,930
Net finance income / (cost)	(1,805)	323	(3,635)	679
Profit after tax attributable to shareholders	24,186	26,725	47,842	53,499

The Group's profit before interest and tax of S\$34.7 million improved over the first quarter of S\$33.7 million. This was marginally below S\$35.1 million registered for the same quarter last year. Operating performance was stable as the marginal decrease in operating revenue in the second quarter was offset by a decrease in operating expenses of the same amount.

As expected, interest cost was incurred in relation to the bond and term loan. Net finance cost increased S\$2.1 million as compared to the same quarter last year. Hence, net profit attributable to shareholders decreased S\$2.5 million to S\$24.2 million as compared to the same quarter last year. Net cash inflow from operating activities for the quarter improved S\$8.8 million to S\$26.2 million over the same quarter last year.

With a more stable performance in the second quarter, the Group's performance in the first half-year was affected mainly by the SARS-impacted first quarter results and the expected increase in net finance cost of S\$4.3 million. Hence net profit attributable to shareholders decreased S\$5.7 million as compared to the same period last year.

Operating revenue

Operating revenue decreased marginally by 2.3 per cent (or S\$2.1 million) in the second quarter as compared to the same period last year because of a decline in international mail revenue. This was due to a deliberate attempt to weed out unprofitable mailing. Domestic mail revenue was comparable to the same quarter last year.

Operating revenue in the first half-year decreased marginally by 3.0 per cent (or S\$5.6 million) due to lower international mail revenue and a one-off government mailing last year. These were partially offset by better revenues from Logistics division and philatelic sales.

Outlook

Net finance cost is expected to be lower by S\$1.8 million in the second half-year as compared to the first half-year due to the repayment of the term loan in September 2003 and swapping of bond fixed coupon rates to floating rates which took effect in October 2003.

Savings of S\$0.8 million are also expected in the second half-year from the percentage cut in the employer's CPF contribution rate from 16 to 13 per cent effective October 2003.

Mr William Tan Soo Hock, SingPost's CEO, said: 'We are pleased to record a steady performance in the second quarter. Our Group EBIT in the second quarter improved over the first quarter and was marginally below that of the same quarter last year. Barring any unforeseen circumstances, we anticipate that the second half-year will be better than the first. We are confident that our expected financial performance as well as our cash resources will continue to support the net dividend of S\$80 million.'

Please also refer to the accompanying discussion and analysis document for more details.

– 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. Its Spring joint venture is a market leader in private cross-border business mail solutions.

~~~~~