

For Immediate Release

**SingPost Group's unaudited results
for the fourth quarter and financial year ended 31 March 2004**

- *Core business stable*
- *Full year net profit at S\$104.3 million*
- *Cash flow remains strong*
- *S\$80 million net dividend*

Singapore, 4 May 2004 – Singapore Post Limited (SingPost) today announced its results for the fourth quarter and financial year ended 31 March 2004.

Financial Highlights

A summary of the financial performance of the Group for the fourth quarter and financial year ended 31 March 2004 is as follows:

Group income statement for the periods ended 31 March

	FY2003/04	FY2002/03		FY2003/04	FY2002/03	
	4th Qtr	4th Qtr	Variance	Full Year	Full Year	Variance
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Operating revenue	92,522	91,084	1.6	368,180	373,009	(1.3)
Other operating income	4,212	4,104	2.6	17,052	21,084	(19.1)
Total operating expenses	(67,150)	(63,860)	5.2	(256,313)	(259,074)	(1.1)
Operating profit	29,584	31,328	(5.6)	128,919	135,019	(4.5)
Associated and joint venture companies	3,658	4,003	(8.6)	10,491	9,951	5.4
Profit before interest and tax	33,242	35,331	(5.9)	139,410	144,970	(3.8)
Finance (cost) / income - net	(861)	(46)	N.M.	(5,368)	1,479	N.M.
Profit before tax	32,381	35,285	(8.2)	134,042	146,449	(8.5)
Net profit	28,860	26,163	10.3	104,292	108,677	(4.0)

Core business stable

The global and local economic conditions were generally weak in 2003. The negative effects of the Iraqi war and SARS had an impact on our financial performance in the first quarter of our financial year. However, core business performance remained stable throughout the year. While Mail and Retail recorded lower operating revenues, Logistics posted a 3.2 per cent increase in revenue due to growth in traffic. For the full year, group operating revenue was S\$368.2 million.

SingPost's CEO Mr William Tan Soo Hock said: "We are pleased that the performance of our core business remained stable this financial year, despite the tough economic conditions."

Other operating income decreased 19.1 per cent to S\$17.1 million in the financial year because of lower rental yields as a result of the weak property market, and the loss of rental income from Crosby House, which was sold in FY 2002/03. There was also a one-time gain recorded in FY 2002/03 from the sale of Crosby House.

Operating expenses fell 1.1 per cent to S\$256.3 million for the financial year, mainly on the back of lower depreciation, and traffic and related expenses. The drop in depreciation was attributed to the sale of Crosby House, while the decline in traffic and related expenses was in line with lower international outgoing traffic.

For FY 2003/04, Group profit before tax of S\$134.0 million was 8.5 per cent lower than in the previous financial year. This was mainly due to lower other income, the higher net finance cost due to the capital restructuring last year and additional costs associated with the Company's listing.

Full year net profit of S\$104.3 million

Net profit for the fourth quarter rose 10.3 per cent to S\$28.9 million due to the reduction in corporate tax rate from 22 to 20 per cent which resulted in lower taxation charges.

For the full year, the Group recorded a net profit of S\$104.3 million, a decrease of 4.0 per cent from the S\$108.7 million for FY 2002/03. Net profit margin for the Group was 28.3 per cent, comparable to 29.1 per cent recorded in FY 2002/03.

Cash flow remains strong

Cash flow continued to be strong with net cash inflow from operating activities of S\$121.7 million.

S\$80 million net dividend

A final net dividend of 2.1 cents per ordinary share amounting to S\$40.0 million net of tax is proposed. In addition to the interim dividend of net 2.1 cents per share paid out on 19 January 2004, the total dividend for FY 2003/04 would amount to 4.2 cents per share, or S\$80.0 million, net of tax.

The Group's aim is to have a consistent dividend policy which reflects the current desire to maintain and potentially increase dividend levels, barring any unforeseen circumstances.

Mr Tan said: "We are seeing positive growth potential in direct mail, logistics and retail, and will continue to pursue initiatives to grow these segments of our business, including financial services. These new initiatives will be prudently pursued."

Higher Mail Delivery Standards

With effect from 1 April 2004, the Info-communications Development Authority of Singapore (IDA) raised the mail delivery service standards as follows: the percentage of mail required to be delivered by the next working day is raised to 99.0 per cent from 98.0 per cent within the Central Business District (CBD) areas, and to 98.0 per cent from 95.0 per cent outside the CBD areas.

For the financial year ended 31 March 2004, SingPost delivered 99.8 per cent of mail within the CBD and 99.1 per cent outside the CBD by the next working day.

Mr Tan concluded: "We will continue to achieve these standards without a significant increase in cost or investment."

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

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