

*For Immediate Release*

**SingPost Group's unaudited results  
for the first quarter ended 30 June 2004**

**Singapore, 2 August 2004** – Singapore Post Limited (“SingPost”) today announced its results for the first quarter of the financial year ending 31 March 2005.

Financial Highlights

A summary of the financial performance of the Group for the first quarter ended 30 June 2004 is as follows:

	FY2004/05 1st Qtr S\$'000	FY2003/04 1st Qtr S\$'000	Variance %
Operating revenue	89,441	89,014	0.5
Other operating income	3,881	4,340	(10.6)
Total operating expenses	<b>(61,950)</b>	(61,554)	0.6
Operating profit	<b>31,372</b>	31,800	(1.3)
Associated and joint venture companies			
- share of results	3,053	2,909	5.0
- amortisation of goodwill	0	(1,000)	N.M.
Profit before interest and tax	<b>34,425</b>	33,709	2.1
Finance cost - net	<b>(875)</b>	(1,841)	(52.5)
Profit before tax	<b>33,550</b>	31,868	5.3
Income tax expense	<b>(7,356)</b>	(8,156)	(9.8)
Net profit	<b>26,133</b>	23,656	10.5

N.M. – Not meaningful

Net profit up 10.5%

The Group's net profit was up 10.5 per cent in the first quarter to S\$26.1 million over the same quarter last year due to:

- lower finance costs mainly as a result of the swap of the bond fixed rate to floating rate;

- lower income tax at the revised corporate tax rate of 20 per cent; and
- the adoption of Financial Reporting Standards (FRS) 103 which resulted in goodwill of S\$1.0 million per quarter ceasing to be amortised.

#### Core business stable

Operating revenue was stable at S\$89.4 million compared to the same quarter last year, as the better performance in Mail offset lower revenues in Logistics and Retail. Operating expenses were also steady at S\$62.0 million.

The decrease in operating profit to S\$31.4 million was due mainly to lower other operating income, namely property rental income. Other operating income fell S\$0.4 million to S\$3.9 million in the first quarter compared to the same quarter last year, due to the office rental market remaining weak.

#### Cash flow continues to be strong

The Group's cash flow remained strong with net cash inflow from operating activities of S\$37.8 million, compared to S\$25.9 million for the first quarter of FY 2003/04.

SingPost's CEO Mr William Tan Soo Hock said: "The Group has compensated for declining volumes in the public and government mail segments by growing the publications and direct mail sectors. We expect our core business performance to remain steady for the full year FY 2004/05, as demonstrated in the first quarter.

Our ability to generate cashflow remains strong. Barring any unforeseen circumstances, the Group does not expect any problem in supporting the dividend policy of maintaining and potentially increasing dividend levels for the current financial year."

- 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.

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