

For Immediate Release

**SingPost Group's unaudited results
for the second quarter and half-year ended 30 September 2004**

- *Q2 FY 2004/05 net profit up 22.1% to S\$29.5 million*
- *Interim dividend raised 10% to 2.3 cents per share*
- *Dividend policy enhanced – full-year payout of 80-90% of net profit or at least 4.2 cents per share (S\$80 million)*

Singapore, 2 November 2004 – Singapore Post (SingPost) today announced its unaudited results for the second quarter and half-year ended 30 September 2004.

A summary of the financial performance of the Group for the second quarter and half-year ended 30 September 2004 is as follows:

	FY2004/05	FY2003/04		FY2004/05	FY2003/04	
	2nd Qtr	2nd Qtr	Variance	1st Half	1st Half	Variance
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Operating revenue	91,518	89,218	2.6	180,959	178,232	1.5
Other operating income	4,253	4,358	(2.4)	8,134	8,698	(6.5)
Total operating expenses	(64,849)	(61,685)	5.1	(126,799)	(123,239)	2.9
Exceptional item – gain on sale of joint venture company	3,682	-	N.M.	3,682	-	N.M.
Operating profit	34,604	31,891	8.5	65,976	63,691	3.6
Associated and joint venture companies						
- share of results	3,632	3,766	(3.6)	6,685	6,675	0.1
- amortisation of goodwill	-	(1,000)	N.M.	-	(2,000)	N.M.
Profit before interest and tax	38,236	34,657	10.3	72,661	68,366	6.3
Finance cost – net	(735)	(1,794)	(59.0)	(1,610)	(3,635)	(55.7)
Profit before tax	37,501	32,863	14.1	71,051	64,731	9.8
Income tax expense	(7,866)	(8,507)	(7.5)	(15,222)	(16,663)	(8.6)
Net profit	29,536	24,186	22.1	55,669	47,842	16.4

N.M. – Not meaningful

Q2 FY 2004/05 net profit up 22.1% to S\$29.5 million

The Group's overall performance improved in the second quarter, with operating revenue growing 2.6 per cent to S\$91.5 million from S\$89.2 million in the same quarter last year. The core business was steady, with Mail revenue rising 2.0 per cent and Logistics revenue increasing 4.4 per cent. Retail revenue was stable at S\$10.6 million.

With the core business remaining firm, net profit for the second quarter grew 22.1 per cent to S\$29.5 million, as the Group also benefited from lower net finance cost, non-amortisation of goodwill arising from a change in accounting standard, lower income tax expense, and an exceptional gain from the divestment of a joint venture.

Outlook

SingPost's core business performance is expected to remain stable in the second half of FY 2004/05.

Over the coming quarters, more financial services and retail products are expected to be launched at the post offices.

SingPost's CEO William Tan Soo Hock said: "We are pleased to be able to deliver a firm set of results, underpinned by stable performance from our core business. We continue to be prudent in our pursuit of new growth areas and remain vigilant over the start-up costs and additional expenditure for the new business initiatives."

Interim dividend raised 10% to 2.3 cents per share; dividend policy enhanced

The Board of Directors has declared an interim net dividend for FY 2004/05 of 2.3 cents per share amounting to S\$43.8 million, representing an increase of about 10 per cent over last year's interim dividend of 2.1 cents per share. Mr Tan said: "We are committed to increasing shareholder value. As we aim to pursue our diversification initiatives prudently, we are confident that our strong cash flow can support the higher dividend payout to our shareholders."

SingPost also announced an enhanced dividend policy where it aims to pay out 80-90% of net profit or a total annual net dividend payment of 4.2 cents per share (S\$80 million), whichever is higher.

The dividend level is subject to annual review and will be based on the Group's financial performance and condition, investment requirements and other conditions deemed relevant by the Board.

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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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