

*For Immediate Release*

**Singapore Post Group's unaudited results  
for the fourth quarter and financial year ended 31 March 2005**

- *Good operating performance in year of investment for growth and expertise*
  - *Higher final dividend; enhanced dividend policy*

**Singapore, 4 May 2005** – Singapore Post (SingPost) today announced its unaudited results for the fourth quarter and financial year ended 31 March 2005.

	<b>FY2004/05 4<sup>th</sup> Qtr S\$'000</b>	<b>FY2003/04 4<sup>th</sup> Qtr S\$'000</b>	<b>Variance %</b>	<b>FY2004/05 Full Year S\$'000</b>	<b>FY2003/04 Full Year S\$'000</b>	<b>Variance %</b>
Operating revenue	<b>94,342</b>	92,522	2.0	<b>375,811</b>	368,180	2.1
Other operating income	<b>4,461</b>	4,053	10.1	<b>16,944</b>	16,893	0.3
Total operating expenses	<b>(66,146)</b>	(67,150)	(1.5)	<b>(261,953)</b>	(256,313)	2.2
Exceptional items	<b>243</b>	159	52.8	<b>3,925</b>	159	N.M.
Operating profit	<b>32,900</b>	29,584	11.2	<b>134,727</b>	128,919	4.5
Associated and joint venture companies						
- Share of results	<b>3,331</b>	4,659	(28.5)	<b>11,775</b>	14,492	(18.7)
- Amortisation of goodwill	<b>-</b>	(1,001)	N.M.	<b>-</b>	(4,001)	N.M.
Profit before interest and tax	<b>36,231</b>	33,242	9.0	<b>146,502</b>	139,410	5.1
Net finance costs	<b>(1,174)</b>	(861)	36.4	<b>(4,211)</b>	(5,368)	(21.6)
Profit before tax	<b>35,057</b>	32,381	8.3	<b>142,291</b>	134,042	6.2
Income tax expense	<b>(8,172)</b>	(3,384)	141.5	<b>(31,396)</b>	(29,334)	7.0
Net profit	<b>26,813</b>	28,860	(7.1)	<b>110,535</b>	104,292	6.0

N.M. – Not meaningful

#### Q4 Operating profit up 11.2 per cent

Operating profit for the fourth quarter of FY2004/05 increased by 11.2 per cent from S\$29.6 million to S\$32.9 million. This was because all three SingPost business divisions - Mail, Logistics and Retail - recorded improved performances.

Operating revenue in the fourth quarter rose 2.0 per cent to S\$94.3 million from S\$92.5 million while operating expenses declined 1.5 per cent to S\$66.1 million from S\$67.2 million in the same quarter last year as the Group continued to keep a tight rein on costs through ongoing reviews of operational efficiencies. The decline in operating expenses was a significant improvement compared to the previous quarters of expense growth, given the revenue growth as well as investments in new initiatives.

Non-core operating income, largely property income, also continued to improve in the fourth quarter, rising 10.1 per cent to S\$4.5 million from S\$4.1 million in the same quarter last year. Occupancy at the main property, Singapore Post Centre, reached 99.6 per cent as at 31 March 2005 compared to 89.3 per cent last year. The Group continues to look at yield enhancement through creation of more lettable space.

As the change in corporate tax rate from 22 per cent to 20 per cent was only taken into account in the last quarter of FY2003/04, net profit for Q4 FY2004/05 showed a 7.1 per cent decline to S\$26.8 million. Normalising the tax expense for Q4 FY2003/04, the Group's net profit of S\$26.8 million for Q4 FY2004/05 would have risen by 12.3 per cent instead.

#### Net profit up, cash flow continues to be strong

For the full year ended 31 March 2005, the Group posted a 6.0 per cent increase in net profit from S\$104.3 million to S\$110.5 million. Excluding exceptional items, the Group's net profit rose 2.4 per cent to S\$106.6 million.

Group operating revenue rose 2.1 per cent to S\$375.8 million from S\$368.2 million while overall operating expenses increased 2.2 per cent to S\$262.0 million from S\$256.3 million in the previous financial year. Despite the investment in growth and expertise, the Group's operating profit was up 4.5 per cent to S\$134.7 million for the financial year. Excluding exceptional gains, the Group's underlying operating profit grew 1.6 per cent.

SingPost's cashflow generation remained strong in FY2004/05. Net cash inflow from operating activities amounted to S\$144.4 million, compared to S\$121.7 million in the previous year. Free cash flow amounted to S\$130.7 million compared to S\$114.4 million in the previous financial year.

SingPost's Group CEO Lau Boon Tuan said: "We are pleased to have turned in a good performance for the year. From its rebirth as a listed company in 2003, SingPost has been investing for growth and building expertise. We continue to strive to enhance shareholder value, and are now positioning ourselves to deliver controlled, quality growth over the next year. We expect to see our efforts come to fruition in the coming years, as we further accelerate growth in our core business."

SingPost's core business of Mail and Logistics is expected to continue to show improvements in operating performance. The Group is optimistic on the prospects of direct mail, international mail and Speedpost.

In addition, following the launch of the new financial services at the post offices in FY2004/05, the Group intends to replicate these services to more post offices over the next 12 months. "I am encouraged by the response to the new financial services introduced at post offices during the financial year. We intend to replicate these services to more post offices without significant additional costs as one-off development costs have mostly been incurred," Mr Lau said.

Enhanced dividend policy; higher final dividend

Mr Lau said: "The Board is committed to a robust dividend policy. It is confident in the Group's cashflow generative capability and has decided to enhance the dividend policy."

The minimum annual net dividend payout has been raised by 19.1 per cent from 4.2 cents per share to 5.0 cents per share. With this enhancement, SingPost will endeavour, barring unforeseen circumstances, to make a total annual net dividend payout of 80 to 90 per cent of net profit or a minimum net dividend of 5.0 cents per share, whichever is higher.

SingPost will also make dividend payments on a quarterly basis, amounting to 1.25 cents per share each quarter based on the minimum base of 5.0 cents per share. Should the target dividend of 80 to 90 per cent of net profit be higher than the minimum level of 5.0 cents per share, the difference will be paid out in the final quarter together with the regular dividend of 1.25 cents per share for the quarter.

In addition, the Board has proposed a payment of 2.7 cents per share for the final dividend for FY2004/05. This represents an increase of 28.6 per cent over the previous final dividend of 2.1 cents per share. Together with the interim dividend of 2.3 cents per share paid out on 30 November 2004, which was a 10 per cent increase over the previous interim dividend of 2.1 cents per share, the total net dividend for FY2004/05 would amount to 5.0 cents per share.

- End -

### **About Singapore Post Limited**

Singapore Post (SingPost) is a household name in Singapore with strong brand recognition. It provides highly efficient mail delivery services, utilising a sophisticated distribution infrastructure and advanced mail processing technology. SingPost is the dominant provider of domestic and international mail services in Singapore, and one of the most efficient and profitable postal operators globally. SingPost also has one-stop logistics business solutions. Through its extensive retail distribution network in Singapore, it offers a comprehensive range of postal, agency and financial services.

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