

**For Immediate Release**

**SingPost Group's unaudited results  
 for the second quarter and first half ended 30 September 2005**

- **Strong Q2 operating revenue growth of 12.6%, with double-digit growth in all business segments**
- **Underlying Q2 net profit grew 9%**
- **Special dividend of 10 cents per share on top of regular quarterly dividend**

**Singapore, 28 October 2005** – Singapore Post Limited (“SingPost”) today announced its unaudited results for the second quarter and first half ended 30 September 2005.

Financial Highlights

A summary of the financial performance of the Group for the second quarter and first half ended 30 September 2005 is as follows:

	FY2005/06 2 <sup>nd</sup> Qtr S\$'000	FY2004/05 2 <sup>nd</sup> Qtr S\$'000	Variance %	FY2005/06 1 <sup>st</sup> Half S\$'000	FY2004/05 1 <sup>st</sup> Half S\$'000	Variance %
Operating revenue	103,008	91,518	12.6	199,822	180,959	10.4
Other operating income	4,497	4,253	5.7	8,896	8,134	9.4
Total operating expenses	(71,008)	(64,952)	9.3	(135,991)	(127,005)	7.1
Exceptional item – gain on disposal of joint venture company	-	3,682	N.M.	-	3,682	N.M.
Operating profit	<u>36,497</u>	<u>34,501</u>	<u>5.8</u>	<u>72,727</u>	<u>65,770</u>	<u>10.6</u>
Share of profit of associated and joint venture companies	<u>2,243</u>	<u>2,589</u>	<u>(13.4)</u>	<u>4,073</u>	<u>4,690</u>	<u>(13.2)</u>
Profit before interest and tax	<u>38,740</u>	<u>37,090</u>	<u>4.4</u>	<u>76,800</u>	<u>70,460</u>	<u>9.0</u>
Finance income	649	239	171.5	1,409	377	273.7
Finance costs	<u>(2,030)</u>	<u>(974)</u>	<u>108.4</u>	<u>(4,032)</u>	<u>(1,987)</u>	<u>102.9</u>
Profit before tax	<u>37,359</u>	<u>36,355</u>	<u>2.8</u>	<u>74,177</u>	<u>68,850</u>	<u>7.7</u>
Net profit attributable to equity holders of the Company	<u>30,144</u>	<u>29,433</u>	<u>2.4</u>	<u>59,610</u>	<u>55,463</u>	<u>7.5</u>
<b>Underlying Net Profit (1)</b>	<u><b>28,071</b></u>	<u><b>25,751</b></u>	<u><b>9.0</b></u>	<u><b>55,465</b></u>	<u><b>51,781</b></u>	<u><b>7.1</b></u>

Note

(1) Underlying net profit is defined as net profit attributable to equity holders of the Company, excluding exceptionals and depreciation impact from the change in assets' useful lives on 1 April 2005

N.M – not meaningful

**Strong Q2 operating revenue growth of 12.6%, with double-digit growth in all business segments**

Building on the growth momentum in Q1 FY2005/06, the Group recorded a strong performance in the second quarter, with operating revenue increasing 12.6% from S\$91.5 million to S\$103 million as all business segments achieved double-digit revenue growth.

Mail revenue for the quarter grew 10.1% to S\$78.5 million on higher contributions by the domestic, international and hybrid mail business lines through various initiatives such as direct mail.

The Logistics business returned a good showing, with revenue rising 20.2% to S\$15.1 million, mainly due to higher *Speedpost* traffic and increased contributions from new customers.

Retail revenue rose strongly by 18.5% to S\$12.6 million, on the back of growing contributions from financial services, product launches/promotions such as the *Harry Potter* book launch and mail orders through its internet portal, *vPost*.

**Underlying Q2 net profit grew 9%**

In tandem with the growth in business and activities, the Group's operating expenses rose 9.3%, due mainly to higher direct costs.

As a result of the strong business performance, the Group's underlying net profit grew 9% to S\$28.1 million, excluding the exceptional gain arising from the disposal of a joint venture company as well as the depreciation impact from the change in assets' useful lives.

**Rejuvenation and reinvention to drive growth**

SingPost's Group CEO Mr Lau Boon Tuan said: "We have continued to deliver good performance for the second quarter of FY2005/06, achieving double-digit revenue growth in all core businesses. Building on our strengths, we will focus on our core competencies and, through rejuvenation and reinvention of our business, drive revenue and generate growth with minimal investments. At the same time, we will keep a tight rein on costs and focus on processes to reap greater efficiencies."

Examples of strategic recasts of existing products and services include *MyStamp*, the *Friday Mailbox Surprise!* and *SAM<sup>PLUS</sup>*.

SingPost will also continue to leverage on its retail network to offer more value-added products and services to its customers. This includes making financial services available at more post offices, enhancing its service offerings over *vPost* and collaborating with partners to introduce more products through its extensive retail and distribution network. It will actively pursue and implement initiatives to grow its core businesses and maintain its strategy for controlled, quality growth.

Added Mr Lau, "We are transforming SingPost and positioning it as more than 'just mail'. With our extensive distribution network and delivery expertise, we are well-placed to pursue strategic initiatives that will lead to long-term growth to maximise shareholder value."

**Special dividend on top of regular quarterly dividend**

SingPost will pay out a special dividend of 10 cents per ordinary share, amounting to approximately S\$191 million. This is over and above the regular quarterly dividend of 1.25 cents per ordinary share, or about S\$24 million, for the second quarter ended 30 September 2005.

The main reason for the special dividend to shareholders is to achieve a more optimal capital structure. The company has taken into consideration factors including its credit rating, financial performance and condition, capital expenditure and investment requirements, funding sources and borrowing costs. The company expects to retain a strong investment-grade credit profile after the special dividend distribution.

Said Mr Lau, "By making the special dividend payout, we are increasing shareholder returns while maintaining financial flexibility."

SingPost's dividend policy remains unchanged. Barring unforeseen circumstances, the company will endeavour to make a total annual dividend payout of 5 cents per share or 80 – 90% of net profit, whichever is higher.

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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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**For general information on SingPost, call 1605 toll-free  
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