

For Immediate Release

SingPost Group's unaudited results
for the third quarter and nine months ended 31 December 2006

- **Q3 revenue grew 3.5%**
- **Net profit rose 4.0%**
- **Interim dividend of 1.25 cents**

Singapore, 30 January 2007 – Singapore Post Limited (“SingPost”) today announced its unaudited results for the third quarter and nine months ended 31 December 2006.

Financial Highlights

A summary of the financial performance of the Group for the third quarter and nine months ended 31 December 2006 is as follows:

	FY2006/07 3 rd Qtr S\$'000	FY2005/06 3 rd Qtr S\$'000	Variance %	FY2006/07 9 Months S\$'000	FY2005/06 9 Months S\$'000	Variance %
Revenue	111,758	107,980	3.5	323,400	307,802	5.1
Other gains (net)						
– Rental and property related income	5,108	4,471	14.2	15,002	13,316	12.7
– Miscellaneous	789	1,839	(57.1)	6,965	3,987	74.7
Total expenses	(76,730)	(74,664)	2.8	(225,594)	(215,375)	4.7
Share of profit of associated company and joint ventures	1,028	1,734	(40.7)	4,793	5,807	(17.5)
Profit before income tax	41,953	41,360	1.4	124,566	115,537	7.8
Income tax expense	(7,707)	(8,400)	(8.3)	(23,010)	(22,722)	1.3
Total profit	34,246	32,960	3.9	101,556	92,815	9.4
Attributable to:						
Equity holders of the Company	34,118	32,810	4.0	101,182	92,420	9.5
Minority interest	128	150	(14.7)	374	395	(5.3)
	34,246	32,960	3.9	101,556	92,815	9.4
Underlying Net Profit *	34,118	32,810	4.0	95,881	92,420	3.7
Operating Profit **	43,281	40,843	6.0	127,007	113,570	11.8

Notes

* Underlying net profit is defined as profit after tax and minority interest, excluding gain on sale of properties.

** Operating profit is defined as profit before interest, tax, exceptional items and share of profit of associated company and joint ventures.

Q3 revenue grew 3.5% to S\$111.8M

The Group registered a 3.5% growth in its revenue for the third quarter, from S\$108.0 million to S\$111.8 million, underpinned by improved contributions from all business segments.

Mail revenue for the quarter grew 3.5%, from S\$83.1 million to S\$86.0 million, as all business lines performed better. Logistics revenue rose 3.0% from S\$16.4 million to S\$16.9 million, due to higher contributions from *Speedpost*. Retail revenue increased 12.2% from S\$12.9 million to S\$14.5 million, attributed to increased contributions from financial services, retail products and *vPOST* mail-order transactions.

Said Mr Lau Boon Tuan, Group CEO of SingPost: "In the third quarter, we further leveraged our retail network for growth, collaborating with our business partners to offer more value-added services and products including *PostREALTY* service and unit trusts. During the quarter, we further strengthened our distribution network with the addition of a new post office in Suntec City, bringing the total to 63, and rolling out more SAM^{PLUS} to condominiums."

Added Mr Lau: "We also continued to explore opportunities for expansion in the region, focusing on our core competencies. In this connection, we signed a collaboration agreement with Pos Indonesia to explore working on four areas namely channeling services, remittances, logistics and direct mail."

Hybrid mail operations, under subsidiary DataPost, is already operating in Malaysia and the Philippines. It recently expanded its facility in Malaysia and is looking to set up similar facilities in two other regional markets.

vPOST transactions continued to increase on the back of an enlarged customer base as the online portal tapped into new regional markets such as Malaysia and Thailand.

During the third quarter, the Infocomm Development Authority (IDA) approved an increase in postage rates for domestic mail and international airmail effective 18 December 2006.

Net profit rose 4.0% to S\$34.1M

With its focus on cost management and quality growth, operating profit margins for the Group in the third quarter remained firm.

Operating profit for the Group increased by 6.0% from S\$40.8 million to S\$43.3 million. Mail operating profit rose 3.4% from S\$33.3 million to S\$34.4 million while Logistics posted a 9.0% increase in operating profit from S\$2.9 million to S\$3.2 million. Retail operating profit grew 25.3% from S\$2.2 million to S\$2.7 million.

Finance expenses increased 24.8% from S\$2.1 million to S\$2.7 million due to higher borrowings and higher interest rates.

The Group achieved a growth of 4.0% in net profit for the third quarter, from S\$32.8 million to S\$34.1 million.

Poised to compete in a liberalised basic mail services market

With the impending expiry of its monopoly in the basic mail services market, SingPost is confident that it is well-positioned to compete when the market is liberalised.

The Group started preparing for the liberalisation upon its listing in 2003, by enhancing its core business and leveraging its retail and distribution network for growth. These strategies which include growing the mail business and diversifying into financial services, have strengthened the Group and put it in good stead to compete in a deregulated market.

Said Mr Lau Boon Tuan: "We have been making good progress in our efforts to not only grow our core business and leverage our retail network, but also extend our core competencies and businesses into the region. We will continue to look for opportunities for expansion."

Cashflow and dividends

The Group's cashflow generation remained robust. Net cash inflow from operating activities amounted to S\$122.6 million in the nine months of FY2006/07 compared to S\$104.6 million in the corresponding period last year.

SingPost's Board of Directors has declared an interim dividend of 1.25 cents per ordinary share, payable on 28 February 2007.

- End -

About Singapore Post Limited

SingPost is a household name in Singapore with strong brand recognition. It is the leading provider of domestic and international postal services in Singapore and one of the most efficient and profitable postal operators globally. SingPost provides highly efficient mail delivery services, employing advanced mail processing technology and a wide distribution infrastructure. SingPost also offers one-stop logistics business solutions from warehousing to fulfillment and express delivery within Singapore and throughout the world. Leveraging on its extensive and conveniently located distribution network, SingPost also offers a comprehensive range of postal, agency and financial services.

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