

For Immediate Release

**SingPost Group's unaudited results
for the first quarter ended 30 June 2007**

- **Q1 revenue grew 10% to S\$116M; underlying net profit rose 15% to S\$35M**
 - **Dividend of 1.25 cents per share**

Singapore, 30 July 2007 – Singapore Post Limited (“SingPost”) today announced its unaudited results for the first quarter ended 30 June 2007.

Financial Highlights

A summary of the financial performance of the Group for the first quarter ended 30 June 2007 is as follows:

	FY2007/08	FY2006/07	Variance
	Q1	Q1	%
	S\$'000	S\$'000	
Revenue	115,531	105,053	10.0%
Other gains (net)			
- Rental and property-related income	5,339	4,794	11.4%
- Miscellaneous	2,068	803	157.5%
Total expenses	(79,486)	(73,602)	8.0%
Share of profit of associated companies and joint ventures	3,037	1,371	121.5%
Profit before income tax	46,489	38,419	21.0%
Income tax expense	(8,016)	(7,383)	8.6%
Total profit	38,473	31,036	24.0%
Attributable to:			
Equity holders of the Company	38,359	30,933	24.0%
Minority interest	114	103	10.7%
	38,473	31,036	24.0%
Operating Profit ¹	45,472	39,425	15.3%
Underlying Net Profit ²	34,902	30,388	14.9%
Earnings per share for profit attributable to the equity holders of the Company during the period:			
- Basic	1.998 cents	1.617 cents	
- Diluted	1.996 cents	1.614 cents	

Notes

1 Operating profit is defined as profit before interest, tax and share of profit of associated companies and joint ventures.

2 Underlying net profit is defined as profit after tax and minority interest, excluding gain or loss on sale of investments, properties, plant and equipment and share of one-off gain from Spring JV on sale of US business.

Q1 revenue grew 10% to S\$116M; underlying net profit rose 15% to S\$35M

The Group posted a 10.0% growth in revenue from S\$105.1 million to S\$115.5 million, with all three business segments achieving improved performances. Mail revenue increased 10.9% from S\$82.4 million to S\$91.4 million, on the back of higher contributions from domestic mail, international mail and hybrid mail. Logistics revenue was up 3.8% from S\$15.5 million to S\$16.1 million on increased *Speedpost* traffic and *vPOST* on-line shopping transactions. Retail revenue rose 10.6% from S\$12.7 million to S\$14.1 million, underpinned by growth in financial services.

Rental and property-related income registered an 11.4% increase from S\$4.8 million to S\$5.3 million. The Group continued to benefit from higher rental rates and yield enhancement initiatives at SingPost Centre. In the first quarter, the Group recorded a gain of S\$1.9 million from the disposal of a non-core property.

Total expenses increased by 8.0% from S\$73.6 million to S\$79.5 million, as a result of higher labour and related costs, volume-related costs as well as selling expenses, which rose in tandem with increased business activities. Finance expenses declined by 15.4% from S\$2.7 million to S\$2.3 million as the Group fully repaid the bank term loan obtained in March 2006.

The Group achieved a 15.3% growth in operating profit from S\$39.4 million to S\$45.5 million, with all business segments contributing to the improvement. Mail operating profit rose by 14.3% from S\$32.5 million to S\$37.2 million, while Logistics operating profit improved by 7.6% from S\$1.9 million to S\$2.1 million. Retail operating profit rose by 11.9% from S\$1.8 million to S\$2.0 million.

The Group's share of profit from the Spring JV included a one-off gain of S\$1.5 million from the sale of its US business. Excluding the one-off gain, contributions from the Spring JV rose by 10.7% or S\$0.1 million from S\$1.4 million to S\$1.5 million.

The Group's net profit increased 24.0% from S\$30.9 million to S\$38.4 million. Excluding gains from the disposal of non-core properties and the one-off gain on the sale of the US business by the Spring JV, the Group's underlying net profit showed a 14.9% growth from S\$30.4 million to S\$34.9 million.

Said SingPost's Group CEO Mr Lau Boon Tuan: "In the first quarter, the Group continued to pursue various initiatives to maintain our growth momentum, while keeping a vigilant eye on costs. These initiatives included enlarging our presence in the region, for example, in the area of hybrid mail services. In May, we signed a cooperation agreement with Hongkong Post for the hybrid mail business in Hong Kong. This was followed by the signing of a joint venture agreement with the Thai British Security Printing Public Co Ltd to provide hybrid mail services in Thailand."

During the first quarter, SingPost, leveraging its core competency in regional distribution, ventured into the print-on-demand business in a joint venture with GPN International and Océ.

On the retail front, SingPost continued to capitalise its retail and distribution network to offer higher value products and a wider range of services to customers including the latest Harry Potter book.

For vPOST, SingPost continued to work on rolling the service out into the region with a recent tie-up with PayPal in Australia to reach out to their large customer base.

SingPost continues to leverage competitive edge in quality service

In May 2007, SingPost, a first-time entrant in the annual World Mail Awards supported by the Universal Postal Union (UPU), won the Quality Award in recognition of its initiatives which have significantly advanced its mail quality. SingPost was chosen from a total of eight entries in the Quality category including participants such as USA, UK, Germany and Spain. The World Mail Awards were launched in 2000 to encourage and celebrate best practices within the mail industry worldwide.

One of the key initiatives that contributed to SingPost's high mail quality and delivery standards today was the introduction of the 6-digit postal code which facilitated mail processing and made next day delivery possible.

This next day delivery standard was strongly endorsed by Singaporeans in a recent survey conducted by leading market research agency, TNS Singapore, in which over 90% of respondents deemed next day delivery as a must and said that they rely on it to ensure their mail is delivered punctually. They perceived next day delivery standard as a reflection of the high level of quality and efficiency of Singapore's postal service. Additionally, 96% of respondents see the efficiency of the postal service as a reflection of a country's or its government's overall development and efficiency.

Said Mr Lau Boon Tuan: "Through the years, SingPost has invested considerably in improving our mail systems and processes to provide quality service to our customers. These efforts and investments have contributed to our high standards of mail delivery. We understand the requirements of our customers and end-users and will work with them to continue to meet their needs and to provide the quality of delivery service that they have come to expect and enjoy."

SingPost has been surpassing the Quality of Service (QoS) standard set by the Infocomm Development Authority of Singapore which stipulates 99.0% and 98.0% next day delivery for mail posted within and outside of the Central Business District respectively.

Added Mr Lau Boon Tuan: "The Group has positioned itself to address the challenges of liberalisation of the basic mail services market and will continue to focus on driving growth. We will grow and enhance our core business, leverage our network and extend our reach into the region to tap the growing markets."

One initiative that was recently launched to further grow direct mail business in Singapore was the DM Rocket service. This is a specialist direct mail centre (www.dmrocket.com) that offers a whole suite of services relating to direct mail requirements, from targeted lists to printing, to response handling and delivery.

Dividend of 1.25 cents per share

The Group's cash flow was robust. Net cash inflow from operating activities amounted to S\$49.4 million, compared to S\$36.5 million in the same quarter last year.

SingPost's Board of Directors has declared an interim quarterly dividend of 1.25 cents per ordinary share (tax exempt one-tier), payable on 31 August 2007.

- End -

About Singapore Post Limited

SingPost is a trusted household name in Singapore, enjoying strong brand recognition. It is the dominant provider of domestic and international postal services, offering an efficient and high quality mail delivery service, utilising a sophisticated distribution infrastructure and advanced mail processing technology. SingPost is one of the most efficient postal operators in the world. In May 2007, it has made its mark in the international postal industry with its first win in the World Mail Awards for the Quality category. SingPost is also the dominant logistics provider in the domestic market, with global service offerings to more than 220 territories/countries. It has won the EMS Cooperative Certification Gold Level Award by the Universal Postal Union (UPU) for its *Speedpost* Worldwide courier service and is the only postal administration in the world to win the award for six consecutive years since 2001.

In Singapore, SingPost also owns one of the largest retail distribution networks through its tri-channel platform of post offices, Self-service Automated Machines (SAMs) and *vPOST*, its internet portal. With its extensive network, SingPost provides a one-stop convenience to its customers for a wide range of products and services, including agency, postal and financial services.

~~~~~

**For general information on SingPost, call 1605 toll-free  
or visit [www.singpost.com](http://www.singpost.com)**