

For Immediate Release

**SingPost Group's unaudited results
for the second quarter and half year ended 30 September 2007**

- **Q2 revenue grew 8.8%; net profit rose 9.8%**
- **Dividend of 1.25 cents per share**

Singapore, 30 October 2007 – Singapore Post Limited (“SingPost”) today announced its unaudited results for the second quarter and half year ended 30 September 2007.

Financial Highlights

A summary of the financial performance of the Group for the second quarter and half year ended 30 September 2007 is as follows:

	FY2007/08	FY2006/07		FY2007/08	FY2006/07	
	Q2	Q2	Variance	H1	H1	Variance
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	115,990	106,589	8.8%	231,521	211,642	9.4%
Other gains (net)						
- Rental and property-related income	5,872	5,100	15.1%	11,211	9,894	13.3%
- Miscellaneous	5,846	5,373	8.8%	7,914	6,176	28.1%
Total expenses	(81,110)	(75,262)	7.8%	(160,595)	(148,864)	7.9%
Share of profit of associated companies and joint ventures	1,137	2,394	(52.5%)	4,174	3,765	10.9%
Profit before income tax	47,735	44,194	8.0%	94,225	82,613	14.1%
Income tax expense	(7,934)	(7,920)	0.2%	(15,951)	(15,303)	4.2%
Total profit	39,801	36,274	9.7%	78,274	67,310	16.3%
Attributable to:						
Equity holders of the Company	39,660	36,131	9.8%	78,019	67,064	16.3%
Minority interest	141	143	(1.4%)	255	246	3.7%
	39,801	36,274	9.7%	78,274	67,310	16.3%
Operating Profit¹	48,611	44,301	9.7%	94,083	83,726	12.4%
Underlying Net Profit²	34,788	31,355	10.9%	69,690	61,743	12.9%

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, share of one-off gain from Spring JV on sale of US business and share of one-off restructuring cost from Spring JV.

Q2 revenue grew 8.8%; net profit rose 9.8%

The Group posted an 8.8% growth in revenue from S\$106.6 million to S\$116.0 million in Q2 FY 2007/08, on the back of improved performances by the three business segments.

- Mail revenue grew 8.5% from S\$82.2 million to S\$89.2 million, boosted by higher postings and price adjustments. Total mail volume rose by 9.9%, underpinned by a 15.1% growth in the direct mail segment. During the quarter, a new service, DMrocket, was launched to further grow the direct mail business. DMrocket is a specialist direct mail centre that offers one-stop direct mail solutions to meet customers' needs.
- Logistics revenue rose 11.5% from S\$15.8 million to S\$17.6 million, as a result of increased contributions from Speedpost and warehousing, fulfillment and distribution. A new concept store within post offices, Speedpost Centre, was launched in the second quarter, to offer complete delivery solutions to both corporate and retail customers.
- Retail revenue increased 9.0% from S\$14.0 million to S\$15.3 million, as growth in financial services and vPOST on-line shopping transactions offset the decline in agency services. vPOST Asia was further rolled out into the region, with the service being offered in India and Australia, in addition to Thailand and Malaysia.

During the second quarter, the Group recorded a gain of S\$5.2 million from the disposal of a non-core property. In the corresponding quarter of the previous year, there was also a gain on the sale of a property, amounting to S\$4.8 million.

Total expenses increased by 7.8% from S\$75.3 million to S\$81.1 million in tandem with increased business activities. Labour and related costs rose 7.9% from S\$28.5 million to S\$30.8 million, while volume-related costs increased 13.1% from S\$25.8 million to S\$29.2 million. Finance expenses declined by 20.0% from S\$2.8 million to S\$2.2 million as the Group has fully repaid the term loan obtained in March 2006.

Operating profit improved by 9.7% from S\$44.3 million to S\$48.6 million. Mail operating profit rose 8.9% from S\$32.0 million to S\$34.9 million. Logistics operating profit improved by 2.4% from S\$2.45 million to S\$2.51 million, while Retail operating profit rose 9.6% from S\$2.3 million to S\$2.5 million.

Share of profit of associated company and joint ventures was lower by 52.5% from S\$2.4 million to S\$1.1 million. As a result of pricing pressure and intense competition in the cross-border business mail market, Spring JV had undertaken a review and restructuring of its operations. SingPost's share of the one-off restructuring cost amounted to S\$0.7 million.

The Group's net profit increased 9.8% from S\$36.1 million to S\$39.7 million. Excluding one-off gains from the disposal of non-core properties, the Group's underlying net profit increased 10.9% from S\$31.4 million to S\$34.8 million, due to organic growth, productivity improvements and price adjustments.

Said SingPost's newly appointed Group Chief Executive Officer, Mr Wilson Tan: "SingPost is a trusted household brand with good fundamentals. It has a growth strategy in place which is driven by a strong management team and committed staff. I am happy to report that for the second quarter, the Group achieved a healthy revenue and net profit growth of 8.8% and 9.8% respectively."

He added: "SingPost will continue to actively pursue and implement initiatives to enhance and grow our core businesses of Mail and Logistics. The Group is well-positioned to address the challenges of the liberalisation of the basic mail services market. As part of our diversification strategy, the Group will continue to leverage our retail and distribution network to offer higher value products and services to customers. In addition, we are extending our regional reach with initiatives to grow the hybrid mail and vPOST businesses in the regional markets."

Cashflow and dividends

The Group's cash flow was robust. Net cash inflow from operating activities amounted to S\$79.7 million in the first half of FY 2007/08, compared to S\$74.6 million in the same period last year.

SingPost's Board of Directors has declared an interim quarterly dividend of 1.25 cents per ordinary share, payable on 30 November 2007.

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About Singapore Post Limited

SingPost, the designated Public Postal Licensee for Singapore, provides efficient and high quality domestic and international postal services. One of the most efficient postal operators in the world, SingPost received global recognition in the World Mail Awards for the Quality category in May 2007. SingPost is also the leading 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 this for six consecutive years since 2001. 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.

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