

For Immediate Release

**SingPost Group's unaudited results
for the third quarter and nine months ended 31 December 2007**

- **Q3 revenue grew 9.2%; net profit rose 7.8%**
- **Dividend of 1.25 cents per share**

Singapore, 30 January 2008 – Singapore Post Limited (“SingPost”) today announced its unaudited results for the third quarter and nine months ended 31 December 2007.

Financial Highlights

A summary of the financial performance of the Group for the third quarter and nine months ended 31 December 2007 is as follows:

	FY2007/08	FY2006/07		FY2007/08	FY2006/07	
	Q3	Q3	Variance	9M	9M	Variance
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	122,028	111,758	9.2%	353,549	323,400	9.3%
Other gains (net)						
- Rental and property-related income	6,211	5,108	21.6%	17,422	15,002	16.1%
- Miscellaneous	960	789	21.7%	8,874	6,965	27.4%
Total expenses	(84,924)	(76,730)	10.7%	(245,519)	(225,594)	8.8%
Share of profit of associated companies and joint ventures	1,135	1,028	10.4%	5,309	4,793	10.8%
Profit before income tax	45,410	41,953	8.2%	139,635	124,566	12.1%
Income tax expense	<u>(8,494)</u>	<u>(7,707)</u>	10.2%	<u>(24,444)</u>	<u>(23,010)</u>	6.2%
Total profit	<u>36,916</u>	<u>34,246</u>	7.8%	<u>115,191</u>	<u>101,556</u>	13.4%
Attributable to:						
Equity holders of the Company	36,786	34,118	7.8%	114,806	101,182	13.5%
Minority interest	<u>130</u>	<u>128</u>	1.6%	<u>385</u>	<u>374</u>	2.9%
	36,916	34,246	7.8%	115,191	101,556	13.4%
Operating Profit ¹	<u>46,200</u>	<u>43,281</u>	6.7%	<u>140,283</u>	<u>127,007</u>	10.5%
Underlying Net Profit ²	<u>36,666</u>	<u>34,109</u>	7.5%	<u>106,356</u>	<u>95,852</u>	11.0%

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.

Q3 revenue grew 9.2%; net profit rose 7.8%

The Group registered a 9.2% growth in its revenue for the third quarter, from S\$111.8 million to S\$122.0 million, as the three business segments achieved improved performances.

Mail revenue increased 9.5% from S\$86.0 million to S\$94.2 million, on higher mail volumes while Logistics revenue rose 5.3% from S\$17.0 million to S\$17.9 million, on increased *Speedpost* traffic and growth in *vPOST* on-line shopping transactions. Retail revenue grew 7.9% from S\$14.5 million to S\$15.6 million, as growth in financial services and retail products continue to offset the decline in agency/bill presentment services.

Rental and property related income improved by 21.6% from S\$5.1 million to S\$6.2 million, as a result of higher rental rates and yield enhancement initiatives at SingPost Centre.

Total expenses rose 10.7% from S\$76.7 million to S\$84.9 million as a result of increased business activities. Labour and related costs increased 10.6% from S\$27.9 million to S\$30.9 million on higher wages and variable staff costs. Volume-related costs increased 16.5% from S\$27.6 million to S\$32.1 million. Finance expenses declined 15.0% from S\$2.7 million to S\$2.3 million as the Group has fully repaid the term loan obtained in March 2006.

Operating profit for the Group improved by 6.7% from S\$43.3 million to S\$46.2 million. Mail operating profit posted a 7.5% increase from S\$34.4 million to S\$37.0 million, while Logistics operating profit improved by 3.3% from S\$3.0 million to S\$3.1 million. In Retail, operating profit rose 3.2% from S\$2.9 million to S\$3.0 million.

For Q3 FY2007/08, the Group recorded a 7.8% growth in net profit from S\$34.1 million to S\$36.8 million on the back of organic growth and productivity improvements.

Said SingPost's Group Chief Executive Officer, Mr Wilson Tan: "The third quarter is traditionally a busier period for SingPost because of the year-end festive season. I'm happy to report that for the third quarter, revenue rose 9.2% to S\$122.0 million and net profit grew 7.8% to S\$36.8 million. In Mail, despite the decline in year-end festive postings, we achieved steady growth in direct mail in tandem with a robust Singapore economy. On the retail front, we leveraged our wide network of conveniently located post offices by expanding our service offerings with festive shopping through *shop@post*, featuring high-value items such as notebooks, iPods and branded watches. On our "virtual" network, our *vPOST* transactions have grown strongly, contributing to increased traffic in our logistics business."

SingPost had recently launched a new remittance service in collaboration with Bank Negara Indonesia (BNI) under its *Cashome* brand, giving its customers another remittance option.

Assuring customers that they are at the heart of all that SingPost does, Mr Tan said: "We are fully committed to continue to deliver trust and reliability to all our customers and provide them with excellent service and one-stop convenience when they use our services. Besides continuously enhancing our processes and service standards, we are constantly looking into creating new and innovative services to offer customers more choices and solutions."

Outlook

The Group is positioned to address the challenges from the liberalisation of the basic mail services market. The market's liberalisation and entry of new players, along with rising operating costs in the economy, will result in margin pressure.

SingPost will actively pursue and implement initiatives to grow its core businesses of Mail and Logistics and as part of its diversification strategy, will leverage its retail and distribution network to offer higher value products and services to its customers. In addition, the Group is pursuing initiatives to extend its reach to regional markets.

Additionally, the Group is continuing to review its non-core businesses and is also exploring opportunities in respect of SingPost Centre, including unlocking the value of SingPost Centre.

Cashflow and dividends

The Group's cashflow generation was robust, with net cash inflow from operating activities amounting to S\$132.9 million in the first nine months of FY 2007/08, compared to S\$122.6 million in the same period of the previous year.

SingPost's Board of Directors has declared an interim quarterly dividend of 1.25 cents per ordinary share, payable on 29 February 2008.

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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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