

**For Immediate Release**

**SingPost Group's unaudited results  
for the fourth quarter and financial year ended 31 March 2008**

**SingPost records net profit growth of 6.8% to S\$149M**

- **Full-year revenue rose 8.4%**
- **Proposed total annual dividend of 6.25 cents per share**

**Singapore, 30 April 2008** – Singapore Post Limited (“SingPost”) today announced its unaudited results for the fourth quarter and financial year ended 31 March 2008.

Financial Highlights

A summary of the financial performance of the Group for the fourth quarter and financial year ended 31 March 2008 is as follows:

	FY2007/08	FY2006/07		FY2007/08	FY2006/07	
	Q4	Q4	Variance	Full Year	Full Year	Variance
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	<b>119,046</b>	112,645	5.7%	<b>472,595</b>	436,045	8.4%
Other gains (net)						
- Rental and property-related income	<b>6,493</b>	5,236	24.0%	<b>23,914</b>	20,238	18.2%
- Miscellaneous	<b>448</b>	717	(37.5%)	<b>9,323</b>	7,682	21.4%
Total expenses	(92,981)	(78,508)	18.4%	(338,500)	(304,102)	11.3%
Share of profit of associated companies and joint ventures	<b>2,891</b>	1,761	64.2%	<b>8,200</b>	6,554	25.1%
Profit before income tax	35,897	41,851	(14.2%)	175,532	166,417	5.5%
Income tax expense	<b>(1,314)</b>	(3,150)	(58.3%)	<b>(25,758)</b>	(26,160)	(1.5%)
<b>Total profit</b>	<b>34,583</b>	38,701	(10.6%)	<b>149,774</b>	140,257	6.8%
Attributable to:						
Equity holders of the Company	<b>34,471</b>	38,579	(10.6%)	<b>149,277</b>	139,761	6.8%
Minority interest	112	122	(8.2%)	497	496	0.2%
	<b>34,583</b>	38,701	(10.6%)	<b>149,774</b>	140,257	6.8%
<b>Operating Profit <sup>1</sup></b>	<b>35,045</b>	42,258	(17.1%)	<b>175,328</b>	169,265	3.6%
<b>Underlying Net Profit <sup>2</sup></b>	<b>33,654</b>	34,050	(1.2%)	<b>140,010</b>	130,751	7.1%

Notes

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

<sup>2</sup> Underlying net profit is defined as profit after tax and minority interest before one-off items and gains and losses on property, plant and equipment.

### **Full-year performance**

For FY2007/08, the Group's revenue increased by 8.4% from S\$436.0 million to S\$472.6 million. All business segments showed an improvement in performance for the full year.

- ◆ Mail revenue grew by 7.9% from S\$338.4 million to S\$365.3 million, underpinned by higher mail volumes and price adjustments. Revenue was boosted with the growth in direct mail which saw a 16.4% increase in traffic as well as higher traffic in domestic and international mail. *DMrocket*, a one-stop direct mail centre, was launched during the year, fuelling greater interest in direct mail as a cost-effective means for businesses to reach out to their customers. During the year, SingPost's hybrid mail business expanded into Hong Kong and Thailand.
- ◆ Logistics revenue rose by 6.7% from S\$64.3 million to S\$68.6 million, due to higher contributions from *Speedpost*, *vPOST* online shopping and shipping transactions, and warehousing, fulfillment and distribution. A new service *Speedpost Centre* was launched to cater to retail and corporate customers.
- ◆ Retail recorded a 10.8% increase in revenue from S\$55.6 million to S\$61.6 million, as increased contributions from financial services and retail products offset the decline in agency and bill presentment services. In FY2007/08, SingPost collaborated with new partners to introduce a variety of financial products and value-added services. These included two new remittance services – Visa Money Transfer and *Cashome* to Indonesia – with Visa and Bank Negara Indonesia respectively, and an investment fund with Prudential Asset Management. It also started offering more value-added services including five key Immigration and Customs Authority (ICA) e-services. SingPost was also the ticketing agent for major events such as the F1 Grand Prix, Chingay Festival and Singapore Air Show. High-value products were also offered via its shop@POST catalogue.

Rental and property related income improved by 18.2% from S\$20.2 million to S\$23.9 million, benefiting from higher rental rates and yield enhancement initiatives at Singapore Post Centre.

The Group's net profit rose by 6.8% from S\$139.8 million to S\$149.3 million for FY2007/08. Excluding the one-off impact of the tax adjustments, the impairment charge, gains from disposal of properties and the share of one-off items from Spring JV, the Group's underlying net profit grew by 7.1% from S\$130.8 million to S\$140.0 million.

Said Mr Wilson Tan, SingPost's Group Chief Executive Officer: "We have a healthy set of results for FY2007/08, turning in S\$472.6 million in revenue or an increase of 8.4% over the previous year. Net profit grew 6.8% to S\$149.3 million. In FY2008/09, we expect continued pressures from the global downturn and rising costs. To mitigate these cost increases, we will focus on enhancing productivity and efficiency to better support our business growth. Barring any significant changes, we expect operating costs to stabilise."

He added: "Moving forward, we will continue to implement our strategies to drive revenue in our core business of Mail and Logistics and also continue to leverage our retail network. For Retail, we are re-purposing our post offices to reap better yield. We will be market-focused as we pursue growth locally and in the region. We believe the

Group is positioned to tackle the challenges ahead and also on track for continued growth.”

#### ***Fourth quarter performance***

The Group recorded a 5.7% growth in revenue from S\$112.6 million to S\$119.0 million in the fourth quarter of FY2007/08.

Mail revenue grew by 3.0% to S\$90.5 million. Logistics revenue showed a 11.2% improvement to S\$17.7 million and Retail revenue registered a 15.5% growth to S\$16.7 million.

Rental and property related income improved by 24.0% to S\$6.5 million, as a result of higher rental rates.

With the global rise in costs as well as the Group's business growth, total expenses also rose 18.4% to S\$93.0 million in Q4 FY2007/08. The rise was also attributed to higher labour and related costs, volume-related costs, administrative and other expenses and a one-off impairment charge of S\$4.9 million for two properties. Labour and related costs grew as a result of higher wage costs and temporary/contract staff costs, as well as higher employer's contributions to the Central Provident Fund owing to the rate increase from 13% to 14.5%.

Excluding the one-off impairment charge for properties and a loss on disposal of property, plant and equipment, operating profit would have decreased by 4.6%. Mail operating profit was lower by 9.1%, compared to a strong previous fourth quarter. Operating profit for mail was also lower due to higher costs including alignment of rental charges to market rates. Logistics operating profit increased slightly by 1.9%. Retail operating profit was lower by 6.7% on account of higher rentals as well as renovation costs incurred on some post offices.

For Q4 FY2007/08, the Group recorded a 10.6% decline in net profit from S\$38.6 million to S\$34.5 million. Excluding the one-off impact of the tax adjustments and the one-off impairment charge, the Group's underlying net profit was marginally lower by 1.2% from S\$34.1 million to S\$33.7 million.

#### ***Proposed total annual dividend of 6.25 cents per share***

The Group's cash flow remained robust. Net cash inflow from operating activities amounted to S\$173.7 million in FY2007/08, compared to S\$160.9 million in FY2006/07. Free cash flow was S\$160.9 million compared to S\$152.4 million last year.

The Board of Directors is recommending a final dividend of 2.5 cents per share for FY2007/08. Together with the interim dividend payments of 1.25 cents per share for each of the first three quarters of FY2007/08, the proposed total dividend for FY2007/08 would amount to 6.25 cents per share.

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### **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. It is also the dominant logistics provider in the domestic market, with global service offerings to more than 220 territories/countries. In Singapore, SingPost 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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**For general information on SingPost, call 1605 toll-free  
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