

For Immediate Release

**SingPost Group's unaudited results
for the first quarter for the financial year ending 31 March 2009**

- **Q1 revenue grew 4.6%; net profit rose 2.9%**
- **Interim dividend of 1.25 cents per share**

Singapore, 29 July 2008 – Singapore Post Limited (“SingPost”) today announced its unaudited results for the first quarter of the financial year ending 31 March 2009.

Financial Highlights

A summary of the financial performance of the Group for the first quarter of the financial year ending 31 March 2009 is as follows:

	FY2008/09	FY2007/08	
	Q1	Q1	Variance
	S\$'000	S\$'000	%
Revenue	120,880	115,531	4.6%
Other gains (net)			
- Rental and property-related income	7,202	5,339	34.9%
- Miscellaneous	1,362	2,068	(34.1%)
Total expenses	(82,156)	(79,486)	3.4%
Share of profit of associated companies and joint ventures	1,049	3,037	(65.5%)
Profit before income tax	48,337	46,489	4.0%
Income tax expense	(8,598)	(8,016)	7.3%
Total profit	39,739	38,473	3.3%
Attributable to:			
Equity holders of the Company	39,455	38,359	2.9%
Minority interest	284	114	149.1%
	39,739	38,473	3.3%
Operating Profit ¹	48,968	45,472	7.7%
Underlying Net Profit ²	38,934	34,902	11.6%

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 before one-off items and gains and losses on property, plant and equipment.

Q1 revenue grew 4.6%; net profit rose 2.9%

SingPost Group achieved a 4.6% growth in revenue from S\$115.5 million to S\$120.9 million in the first quarter of FY2008/09 on the back of improved performances by its three business segments.

Mail business recorded a 2.4% growth in revenue to S\$93.6 million on higher mail traffic, while Logistics revenue increased 11.8% to S\$18.0 million, as a result of growth in *Speedpost* traffic, *vPOST* shopping and shipping transactions and warehousing, fulfilment and distribution services. Growth in retail products, agency and financial services revenue contributed to the 17.6% increase in Retail revenue to S\$16.5 million.

The Group's rental and property related income was up 34.9% to S\$7.2 million, mainly due to higher rental rates at Singapore Post Centre and an increase in lettable space. Miscellaneous income was lower by 34.1% at S\$1.4 million compared to S\$2.1 million in the same quarter last year, which included a one-off gain of S\$1.9 million from the disposal of a property.

The Group continued to focus on cost management in the face of inflationary pressures on operating costs. Total expenses rose by a slower 3.4% compared to the past few quarters.

For the first quarter of FY2008/09, net profit grew 2.9% from S\$38.4 million to S\$39.5 million. Excluding one-off items, the Group posted underlying net profit growth of 11.6% to S\$38.9 million.

Mr Wilson Tan, Group CEO of SingPost, said, "I am pleased to report on a healthy set of results for the first quarter, with growth registered by all business lines. The Group's operating expenses showed a slower increase in the first quarter and we remain watchful and will continue to focus efforts on productivity and processes to ensure sustainable cost management."

As with most companies, the uncertainties in the global economy following the developments in the US economy will have an impact on the business outlook in Singapore. In addition, there will be continuing inflationary pressures on operating costs.

The operating environment also remains challenging with the liberalisation of the basic mail services market. However, the Group has in place strategies to grow the business, and it will continue to press on with its pursuit for growth.

While the liberalisation of the basic services market and entry of new players is expected to result in margin pressure, the Group believes that it is positioned to address the challenges. It remains focused on growing its core business of Mail and Logistics, and leveraging its retail and distribution network to offer higher value products and services to customers. As part of its growth strategy, the Group will explore acquisition opportunities as and when they arise.

The Group will continue to explore opportunities in unlocking the value of Singapore Post Centre. In exploring its options, the Group has appointed a marketing agent to help assess the level of market interest through an Expression of Interest (EOI).

Interim dividend of 1.25 cents per share

The Group's cash flow generation remained robust. Net cash inflow from operating activities amounted to S\$51.8 million, compared to S\$49.4 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 29 August 2008.

Additional Note

SingPost's Q1 FY2008/09 results presentation will be webcast 'live' from 6pm. To register, please go to www.singpost.com

The complete set of financial statements is available on SGXNET and our website at www.singpost.com.

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About Singapore Post Limited

(Reg. No. 199201623M)

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 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 seven 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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