

For Immediate Release

**SingPost Group's unaudited results
for the second quarter and half year ended 30 September 2008**

- **Q2 revenue growth of 4.1%**
- **Dividend policy unchanged; interim dividend of 1.25 cents per share**

Singapore, 30 October 2008 – Singapore Post Limited (“SingPost”) today announced its unaudited results for the second quarter and half year ended 30 September 2008.

Financial Highlights

A summary of the financial performance of the Group for the second quarter and half year ended 30 September 2008 is as follows:

	FY2008/09	FY2007/08		FY2008/09	FY2007/08	
	Q2	Q2	Variance	H1	H1	Variance
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	120,702	115,990	4.1%	241,582	231,521	4.3%
Other gains / (losses) (net)						
Rental and property-related						
- income	8,181	5,872	39.3%	15,383	11,211	37.2%
- Miscellaneous	(709)	5,846	N.M.	653	7,914	(91.7%)
Total expenses	(85,227)	(81,110)	5.1%	(167,383)	(160,595)	4.2%
Share of profit of associated companies and joint ventures	2,971	1,137	161.3%	4,020	4,174	(3.7%)
Profit before income tax	45,918	47,735	(3.8%)	94,255	94,225	0.0%
Income tax expense	(8,377)	(7,934)	5.6%	(16,975)	(15,951)	6.4%
Total profit	37,541	39,801	(5.7%)	77,280	78,274	(1.3%)
Attributable to:						
Equity holders of the Company	37,429	39,660	(5.6%)	76,884	78,019	(1.5%)
Minority interest	112	141	(20.6%)	396	255	55.3%
	37,541	39,801	(5.7%)	77,280	78,274	(1.3%)
Operating Profit ¹	44,627	48,611	(8.2%)	93,595	94,083	(0.5%)
Underlying Net Profit ²	38,746	34,788	11.4%	77,680	69,690	11.5%

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.

Q2 revenue growth of 4.1%

SingPost Group registered a 4.1% growth in revenue from S\$116.0 million to S\$120.7 million in the second quarter of FY2008/09, with improved performances across all its three business segments.

Mail revenue grew 2.8% to S\$91.7 million, from higher contributions from its business lines – domestic mail, international mail, hybrid mail and the philatelic business. Domestic mail revenue grew 2.6% mainly from higher bulk mail traffic. International mail remained stable during the quarter while hybrid mail was up 14.3% due to improved contributions from new customers in Singapore and Hong Kong, where its subsidiary DataPost (HK) Pte Limited started operations last year. Philatelic revenue grew 17.1% boosted by the sale of the Formula 1 SingTel Singapore Grand Prix™ stamp issue as well as other premium philatelic gift products.

Logistics revenue was up 6.4% to S\$18.8 million, on growth in its Speedpost and vPOST shipping transactions and warehousing, fulfilment and distribution. During the quarter, vPOST launched a new service, shop@Europe, enlarging its shopping and shipping footprint. As part of its strategy to enhance its regional logistics network, SingPost joined an international alliance of postal administrations called the Kahala Posts Group. This group of 10 aims to be the leading express and parcels network, focusing on Asia Pacific, by driving traffic through high service quality. Warehousing, fulfilment and distribution revenue grew 28.9%, boosted by enhanced customized logistics offerings to major customers.

Retail business posted an 8.6% increase in revenue to S\$16.6 million, driven mainly by continued growth in financial services, particularly remittances. During the quarter, SingPost added a new remittance channel to Philippines through the Philippine National Bank. Contributions also came from SingPost's expanded agency services which include e-services such as online passport application, NRIC online, electronic extension of social visit pass and electronic visa application as well as the sale of retail products.

The Group's rental and property-related income for the second quarter increased by 39.3% to S\$8.2 million, on the back of higher rental income from Singapore Post Centre. Miscellaneous income was lower this quarter, largely due to a one-off gain from the disposal of a property last year.

With the Group's focus on cost management, the increase in total expenses continued to be moderate. In the second quarter, total expenses rose by 5.1%.

The Group's net profit declined 5.6% to S\$37.4 million in the second quarter. Excluding one-off items, the Group's underlying net profit was higher by 11.4% at S\$38.7 million.

Mr Wilson Tan, Group CEO of SingPost, said, "In the past few quarters, we have been keeping a close watch on costs and driving efficiencies while growing revenue. Over the next few quarters, however, the economy is expected to be sluggish, with the Government forecast of a lower GDP growth of 3%. Like other companies, we face an increasingly challenging business environment. Cost containment therefore becomes even more critical; we are taking additional measures to manage costs across the board in the organization."

He added: "While we are focused on costs, we are not taking our eyes off our growth objective. We will continue to leverage innovation to further position ourselves to grow and to ensure that we emerge more robust from the slowdown. We are already rolling out several new and innovative products and solutions for our customers in Mail and Logistics."

One of these services is *ClickPost*, an internet-enabled hassle-free and efficient one-stop mailing solution that allows SingPost's customers to focus on their core business while SingPost prints, envelopes and delivers their mail.

Another service is **A.M. Mail**, a time-certain service that bridges the gap between express mail or courier service and regular mail. Customers post their mail using pre-paid envelopes at any of SingPost's 800-odd posting boxes and their addressees receive the mail before 11am the next business day.

Dividend policy unchanged; interim dividend of 1.25 cents per share

The Group's cash flow remained strong. Net cash inflow from operating activities amounted to S\$70.8 million in the first half of FY2008/09, compared to S\$79.7 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 (tax exempt one-tier) payable on 28 November 2008.

Additional Note

SingPost's Q2 FY2008/09 results presentation will be webcast 'live' after 5.05 pm. 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.

- End -

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.

~~~~~

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