

For Immediate Release

**SingPost Group's unaudited results
for the third quarter and nine months ended 31 December 2008**

- **Q3 revenue grew 1.6%; net profit declined 0.5%**
 - **Interim dividend of 1.25 cents per share**

Singapore, 30 January 2009 – Singapore Post Limited (“SingPost”) today announced its unaudited results for the third quarter and nine months ended 31 December 2008.

Financial Highlights

A summary of the financial performance of the Group for the third quarter and nine months ended 31 December 2008 is as follows:

	FY2008/09	FY2007/08		FY2008/09	FY2007/08	
	Q3	Q3	Variance	9M	9M	Variance
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	123,950	122,028	1.6%	365,532	353,549	3.4%
Other gains (net)						
- Rental and property-related income	8,323	6,211	34.0%	23,706	17,422	36.1%
- Miscellaneous	736	960	(23.3%)	1,389	8,874	(84.3%)
Total expenses	(89,299)	(84,924)	5.2%	(256,682)	(245,519)	4.5%
Share of profit of associated companies and joint ventures	1,120	1,135	(1.3%)	5,140	5,309	(3.2%)
Profit before income tax	44,830	45,410	(1.3%)	139,085	139,635	(0.4%)
Income tax expense	(8,095)	(8,494)	(4.7%)	(25,070)	(24,444)	2.6%
Total profit	36,735	36,916	(0.5%)	114,015	115,191	(1.0%)
Attributable to:						
Equity holders of the Company	36,584	36,786	(0.5%)	113,468	114,806	(1.2%)
Minority interest	151	130	16.2%	547	385	42.1%
	36,735	36,916	(0.5%)	114,015	115,191	(1.0%)
Operating Profit¹	45,651	46,200	(1.2%)	139,246	140,283	(0.7%)
Underlying Net Profit²	36,611	36,666	(0.2%)	114,291	106,356	7.5%

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.

Q3 revenue grew 1.6%, net profit declined 0.5%

SingPost Group registered a marginal revenue growth of 1.6% from S\$122.0 million to S\$124.0 million in Q3 FY2008/09, reflecting the initial impact of the economic downturn. Growth rate was slower across the board, with several business lines experiencing declines in volume or transactions.

Mail revenue rose 1.5% to S\$95.5 million, contributed mainly by domestic mail and hybrid mail business. During the quarter, the Group launched A.M. Mail, a time-certain delivery service that bridges the gap between courier service and regular mail service to cater to the needs of small-medium enterprises (SMEs), professional bodies and the general consumer.

In Logistics, revenue improved 2.1% to S\$18.5 million as higher contributions from warehousing, fulfilment and distribution and *vPOST* offset the decline in Speedpost revenue.

Retail revenue rose 5.5% to S\$16.2 million from increased mail handling activities at the post offices but this was partly offset by lower contributions from Financial Services which continued to be adversely impacted by the change in the Central Provident Fund (CPF) investment scheme which took effect from 1 April 2008.

Rental and property-related income continued to improve on the back of higher rental income from Singapore Post Centre as well as additional rental income from the leasing of space at re-purposed post office buildings.

During the quarter, with intensified cost management measures, the Group was able to contain the increase in operating expenses to 5.5%. Labour and related expenses, the largest cost component, rose by a slower 4.9% compared to the earlier two quarters, with prudent management of the Group's manpower capacity. The Group's selling expenses increased by 43.5% as it made higher provisions for doubtful debts in view of the economic recession. Finance cost decreased by 8.2% on lower interest rates.

Operating profit fell by 1.2% compared to the same quarter last year. Mail operating profit margin was impacted by higher operating cost from increased level in mail handling activities at the post offices for the quarter. While revenue for Logistics segment grew 2.1%, operating profit was down as a result of higher rental expenses incurred to directly support the growth from warehousing, fulfilment and distribution. For Retail, the impact of the change in CPF investment scheme was reflected in the drop in profitability during the current quarter.

The Group's net profit declined slightly by 0.5% in Q3 FY2008/09. Excluding one-off items, underlying net profit decreased marginally by 0.2% or S\$0.1 million to S\$36.6 million.

Said Mr Wilson Tan, Group CEO of SingPost: "We are seeing the impact of the global recession in the third quarter, with a general business slowdown registered across the board. Going forward, we expect the deepening global recession and grim business climate to continue to have an impact on our performance. To weather this downturn, we have given greater focus and priority to the management of costs and capacity planning. Concurrently, we are actively seeking growth opportunities to help us expand our business."

Added Mr Wilson Tan: "We are also placing greater emphasis on training and re-tooling of our people during this time, to provide better quality service to our customers."

SingPost was bestowed the Express Mail Service (EMS) Gold Award for the 7th consecutive year in 2008, for its Worldwide Courier service, by the Universal Postal Service. The award is for excellence in service quality, data tracking efficiency and customer care.

During the quarter, SingPost continued in its efforts to enhance customer experience through the re-purposed and integrated post offices at Tanglin and Alexandra. Several other post offices were also renovated, providing customers with an even more pleasant experience at the branches. In October 2008, SingPost introduced a new mobile post office concept, Post-on-Wheels or *PoWee* at Changi International Airport, offering an innovative customer experience.

Interim dividend of 1.25 cents per share

The Group's cash flow generation ability remained robust. Net cash inflow from operating activities amounted to S\$133.8 million in the first nine months of FY2008/09, compared to S\$132.9 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 27 February 2009.

Additional Note

SingPost's Q3 FY2008/09 results presentation will be webcast 'live' after 5.30pm. 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 convenience to its customers for a wide range of products and services, including agency, postal and financial services.

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