

For Immediate Release

SingPost records net profit growth of 2.5% for Q4

- *Full-year revenue rose 1.8%*
- *Total annual dividend maintained at 6.25 cents per share*

Singapore, 30 April 2009 – Singapore Post Limited (“SingPost”) today announced its unaudited results for the fourth quarter and financial year ended 31 March 2009. The key financial highlights are appended at Annex 1.

Weak economy impacted Group performance in fourth quarter

The Group’s revenue declined by 2.9% to S\$115.6 million in Q4 FY2008/09, against the backdrop of a continuing weak economy.

Mail business posted a 2.1% drop in revenue to S\$88.7 million, as a result of the decline in international mail contribution. Logistics revenue held steady against the same quarter last year. In Retail, revenue dipped 7.7% to S\$16.1 million, attributed mainly to lower retail product sales.

Rental and property-related income improved by 49.7% to S\$9.7 million as a result of higher rental income from Singapore Post Centre as well as additional income from the leasing of space at re-purposed post office buildings.

With prudent cost management and the reduction in labour and related expenses due mainly to benefits from the Jobs Credit Scheme, the Group’s total expenses was reduced by 6.5% in the fourth quarter. Lower depreciation expenses, compared to the same quarter last year which included an impairment charge of S\$4.9 million for property, plant and equipment, also contributed to the reduction in total expenses. Additional provisions were made for doubtful debts in view of the poor economic environment.

Operating profit increased by 11.7% while net profit rose 2.5% to S\$35.3 million.

Said Mr Wilson Tan, Group Chief Executive Officer of Singapore Post: “In the fourth quarter, we see the impact of the downturn on our business. While we have been focusing on cost containment and reduction, we have also been proactively seeking growth opportunities both locally and in the region.”

In the last quarter, SingPost has rolled out several new initiatives. In the area of Logistics, it launched S³ or Self-Storage Solutions, a one-stop integrated suite of services spanning warehousing, fulfillment and delivery, targeted at residential and commercial customers. On the Retail front, SingPost partnered United Overseas Bank to distribute HDB Home Loans at four post offices. It plans to offer the product at 24 post offices by the end of the year. During the quarter, SingPost also opened up an additional channel for remittances to Indonesia via its network of SAMs. Remittances to the Philippines and Visa Money Transfer are already available on SAMs.

On the regional front, SingPost had recently signed an agreement to acquire the remaining 50% stake in G3 Worldwide Aspac, a joint venture offering cross border mail-logistics solutions in 10 countries/territories in Asia Pacific. With this acquisition, the Group has a ready platform to extend and expand its footprint in the region.

Strong first half performance boosts full-year results

The Group's revenue for the full year grew 1.8% to S\$481.1 million. This was largely due to the stronger operating performance in the first half.

Mail revenue grew marginally by 0.9% to S\$368.5 million in FY2008/09 while revenue from Logistics rose 5.5% to S\$72.4 million. Retail revenue increased 6% to S\$65.3 million.

Rental and property-related income increased 39.8% during the year as the Group benefited from higher rental income at Singapore Post Centre and the leasing of space at re-purposed post offices. Miscellaneous income was lower, due mainly to one-off items including the gains amounting to S\$7.3 million largely from the disposal of two properties in the previous financial year.

The Group's total expenses rose 1.5% in FY2008/09 while its net profit decreased by 0.3% to S\$148.8 million.

Said Mr Wilson Tan: "The outlook has become even grimmer, with the recession now further compounded by the unexpected outbreak of the swine flu. A continued deterioration in the economy will have an impact on the Group. We will manage by being prudent with costs and make the necessary adjustments on our business and processes to enhance efficiency and productivity."

"We have activated our business contingency plans to ensure that there is no disruption to service and our customers can continue to rely on us as they did during the SARs outbreak. Precautionary measures have also been put in place to safeguard our staff during this period."

He added: "Despite the difficult environment, we will continue to seek opportunities to build on our business and position ourselves for growth. We are looking at the regional markets and the recent acquisition of G3 Worldwide Aspac is a move in that direction. We will extend our core competencies into the region. The rapid growth in internet and m-commerce usage has also presented a new opportunity for us to extend our competencies into the e-space."

Proposed final dividend of 2.5 cents; total dividend maintained at 6.25 cents

The Group's cash flow generation ability remained healthy. Free cashflow (net cash inflow from operating activities less cash capital expenditure) amounted to S\$155.9 million for FY2008/09, compared to S\$160.9 million for the previous financial year.

In view of the Group's current healthy cash flows, the Board of Directors is recommending a final dividend of 2.5 cents per share for FY2008/09. Together with the interim dividend payments of 1.25 cents per share for each of the first three quarters of

the financial year, the total dividend for FY2008/09 would amount to 6.25 cents per share. The final dividend is subject to shareholders' approval at the Annual General Meeting.

Barring unforeseen circumstances, the Group will endeavour to pay a minimum annual dividend of 5 cents per share. This will continue to be paid on a quarterly basis.

- 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. It is also the leading logistics provider in the domestic market, with global service offerings to more than 220 territories/countries. SingPost owns one of the largest retail distribution networks through its tri-channel platform of post offices, Self-service Automated Machines (SAM) 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. Among the global accolades that SingPost has received are the World Mail Awards for the Quality category and the EMS Cooperative Certification Gold Level Award by the Universal Postal Union (UPU) for its *Speedpost* Worldwide service for the eighth consecutive year since 2001. As a socially responsible corporate citizen, SingPost supports selected charities and has in place green initiatives as well as a workplace health environment safety and security programme for the benefit of clients and its employees.

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

Singapore Post Limited  
(Reg No. 199201623M)

**Annex 1**

**SingPost Group's unaudited results**  
for the fourth quarter and financial year ended 31 March 2009

Financial Highlights

A summary of the financial performance of the Group for the fourth quarter and financial year ended 31 March 2009 is as follows:

|                                                            | <b>FY2008/09</b> | <b>FY2007/08</b> | <b>Variance</b> | <b>FY2008/09</b> | <b>FY2007/08</b> | <b>Variance</b> |
|------------------------------------------------------------|------------------|------------------|-----------------|------------------|------------------|-----------------|
|                                                            | <b>Q4</b>        | <b>Q4</b>        | <b>%</b>        | <b>Full Year</b> | <b>Full Year</b> | <b>%</b>        |
|                                                            | <b>S\$'000</b>   | <b>S\$'000</b>   |                 | <b>S\$'000</b>   | <b>S\$'000</b>   |                 |
| Revenue                                                    | <b>115,565</b>   | 119,046          | (2.9%)          | <b>481,097</b>   | 472,595          | 1.8%            |
| Other income and gains / (losses) (net)                    |                  |                  |                 |                  |                  |                 |
| Rental and property-related income                         | <b>9,720</b>     | 6,493            | 49.7%           | <b>33,426</b>    | 23,914           | 39.8%           |
| - Miscellaneous                                            | <b>(1,060)</b>   | 448              | N.M.            | <b>329</b>       | 9,323            | (96.5%)         |
| Total expenses                                             | <b>(86,950)</b>  | (92,981)         | (6.5%)          | <b>(343,632)</b> | (338,500)        | 1.5%            |
| Share of profit of associated companies and joint ventures | <b>2,709</b>     | 2,891            | (6.3%)          | <b>7,849</b>     | 8,200            | (4.3%)          |
| Profit before income tax                                   | <b>39,984</b>    | 35,897           | 11.4%           | <b>179,069</b>   | 175,532          | 2.0%            |
| Income tax expense                                         | <b>(4,528)</b>   | (1,314)          | 244.6%          | <b>(29,598)</b>  | (25,758)         | 14.9%           |
| <b>Total profit</b>                                        | <b>35,456</b>    | 34,583           | 2.5%            | <b>149,471</b>   | 149,774          | (0.2%)          |
| Attributable to:                                           |                  |                  |                 |                  |                  |                 |
| Equity holders of the Company                              | <b>35,337</b>    | 34,471           | 2.5%            | <b>148,805</b>   | 149,277          | (0.3%)          |
| Minority interest                                          | <b>119</b>       | 112              | 6.3%            | <b>666</b>       | 497              | 34.0%           |
|                                                            | <b>35,456</b>    | 34,583           | 2.5%            | <b>149,471</b>   | 149,774          | (0.2%)          |
| <b>Operating Profit <sup>1</sup></b>                       | <b>39,155</b>    | 35,045           | 11.7%           | <b>178,401</b>   | 175,328          | 1.8%            |
| <b>Underlying Net Profit <sup>2</sup></b>                  | <b>32,584</b>    | 33,654           | (3.2%)          | <b>146,875</b>   | 140,010          | 4.9%            |

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,