

For immediate release

SingPost Group's unaudited results
for the fourth quarter and full year ended 31 March 2010

SingPost achieves healthy FY2009/10 results

Singapore, 30 April 2010 – Singapore Post Limited (“SingPost”) today announced its unaudited results for the fourth quarter and full year ended 31 March 2010. Below are some highlights.

FINANCIAL HIGHLIGHTS

	Q4 FY09/10 (S\$M)	Q4 FY08/09 (S\$M)	Variance (%)		Full Year FY09/10 (S\$M)	Full Year FY08/09 (S\$M)	Variance (%)
GROUP RESULTS							
Revenue	133.8	115.6	15.8		525.5	481.1	9.2
Rental & Property- Related Income	10.2	9.7	5.0		40.4	33.4	20.9
Total Expenses	103.5	87.0	19.0		384.8	343.6	12.0
Net Profit	40.9	35.3	15.8		165.0	148.8	10.9
Underlying Net Profit	36.5	32.6	12.0		147.7	147.3	0.3
Net Cash from Operating Activities	70.6	36.5			208.5	170.3	
Earnings per Share	2.124cts	1.834cts			8.564cts	7.726cts	

Strong performance in Q4

- Q4 revenue up 15.8% to S\$133.8M; net profit grew 15.8% to S\$40.9M

In the fourth quarter, Group revenue grew 15.8% to S\$133.8 million with growth attributable to better performance in all business segments and the consolidation of revenue from wholly-owned subsidiary Quantum Solutions. On a comparable basis with the same quarter last year when Quantum Solutions was a joint venture, Group revenue rose by 3.8%.

Mail business posted a 4.0% increase in revenue to S\$92.2 million, from higher contributions in domestic mail, international mail and hybrid mail. Logistics business recorded a 161.9% jump in revenue to S\$44.7 million mainly attributable to the inclusion of Quantum Solutions. On a comparable basis with the same quarter last year, Logistics revenue improved on growth in trans-shipment activities and vPOST shipping contributions. Retail business saw a 2.9% increase in revenue to S\$16.6 million on the back of higher contributions from financial services and retail products.

Rental and property-related income grew 5.0% to S\$10.2 million, from higher rental income from Singapore Post Centre and the leasing of space at the repurposed post office buildings.

Total expenses rose 19.0% to S\$103.5 million, mainly due to the consolidation of Quantum Solutions. Excluding Quantum Solutions, total expenses would have increased at a lower rate of 6.0%.

Net profit grew 15.8% to S\$40.9 million. Excluding one-off items, such as benefits from the Jobs Credit Scheme, amortisation of deferred gain on intellectual property rights and the impact of the reduction in corporate tax rate last year, the underlying net profit rose by 12.0% to S\$36.5 million.

Healthy FY2009/10 results

- *FY2009/10 revenue up 9.2% to S\$525.5M; net profit grew 10.9% to S\$165.0M*

For the full year, Group revenue grew 9.2%, bolstered by the consolidation revenue from Quantum Solutions. On a comparable basis with the previous financial year when Quantum Solutions was a joint venture, Group revenue declined by 2.0%. This was due to the weaker operating performance in the first half of the financial year as a result of the poor economic environment. The Group's operating performance picked up in the second half, following the improvement in business conditions.

Mail revenue recorded a decline of 2.3% to S\$360.2 million due mainly to lower contributions from domestic and international mail. Logistics revenue increased to S\$173.9 million with the inclusion of Quantum Solutions. Excluding Quantum Solutions, Logistics revenue decreased as a result of lower Speedpost contributions. Retail revenue posted a 2.4% growth to S\$66.9 million, as higher contributions from financial services and retail products offset the decline in revenue from agency services.

The Group's rental and property-related income grew 20.9% to S\$40.4 million. The growth was underpinned by higher rental income from Singapore Post Centre and the leasing of space at the repurposed post office buildings.

The Group's total expenses increased 12.0% to S\$384.8 million. Excluding Quantum Solutions, total expenses would have declined by 0.7% as a result of the Group's cost-cutting measures.

Cash flow generation for the Group remained healthy, with net cash from operating activities amounting to S\$208.0 million in FY2009/10, compared to S\$170.3 million in the previous year. Free cashflow (net cash inflow from operating activities less cash capital expenditure) amounted to S\$196.1 million for FY2009/10, compared to S\$155.9 million for the previous financial year.

Net profit for the Group rose 10.9% to S\$165.0 million. Excluding one-off items such as the benefits from the Jobs Credit Scheme, amortisation of deferred gain on intellectual property rights, one-off items relating to the winding up of an associated company and the impact from the reduction in corporate tax rate last year, the Group's underlying net profit rose 0.3%.

Major investments laying a foundation for the future

Said Mr Ng Hin Lee, Deputy Group Chief Executive Officer of SingPost: "During the year, we made two major investments – the acquisition of Quantum Solutions and a 30% equity stake in Postea, Inc. We will extend Quantum Solutions' business beyond cross-border mail and

expand our core competencies into the regional markets. Our partnership with Postea, a technology company at the forefront of innovative solutions for the postal and logistics industry, adds value to our business. While much focus is on growing the business, we are also maintaining our competitiveness by strengthening efficiencies and leveraging synergies.”

Optimising resources to enhance efficiency

A delivery base network optimisation exercise was conducted in the year, with the network rationalised from 8 to 7. The Group also set up a centralised gateway operations unit at the Air Transit Centre to handle all mail, express mail and parcel trans-shipments that transit via SingPost, increasing its competitiveness as a regional distribution hub.

Another initiative to streamline operations and optimise resources is the 5-day mail collection and delivery service which will take effect on 15 May 2010. This initiative, which came about due to the declining public mail volumes, and in particular a 40% reduction of mail on Saturdays, as well as changing lifestyles and business environment, will bring about savings which will be passed back to customers via discounts on stamp booklets/sheets and rebates on franked mail for a period of a year.

Actively seeking growth and expansion opportunities

On the outlook for the company, Mr Ng said: “While the economy is picking up and growth forecasts are positive, we maintain a cautiously optimistic outlook, given the challenges facing the postal industry as a whole. To build a more balanced revenue and earnings profile, we are looking to further increase contributions from markets outside Singapore, in particular in Asia Pacific, and to expand our non-mail businesses.”

He added: “We are actively seeking new growth opportunities and will explore acquisition opportunities as and when they arise. As part of our growth strategy, we have been actively exploring investment and business opportunities in Singapore and the region. With our strong cash position and the recent S\$200 million Fixed Rate Notes issuance, we have the financial capability to fund new investments that may arise.”

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

The Board of Directors is recommending a final dividend of 2.5 cents per share for FY2009/10. Together with the interim dividend payments of 1.25 cents per share for each of the first three quarters of the financial year, the proposed total dividend for FY2009/10 would be 6.25 cents per share. The final dividend is subject to shareholders’ approval at the Annual General Meeting.

End



About Singapore Post Limited
(Reg. No. 199201623M)

SingPost, the designated Public Postal Licensee for Singapore, offers reliable and high quality domestic and international postal services as well as end-to-end mail solutions including data printing, letter-shopping, delivery and mailroom management. It is also the leading logistics provider in the domestic market, with global service offerings to more than 220 territories/countries. SingPost has earned the honour of being the only postal company to have won the EMS Cooperative Certification Gold Level Award by the Universal Postal Union (UPU) for its *Speedpost* Worldwide service for eight consecutive years since 2001. As the owner of 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, SingPost provides convenience to its customers for a wide range of products and services, including agency, postal and financial services. SingPost's regional footprint spans 10 countries/territories in Asia Pacific where it offers cross-border mail services.

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