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Miscellaneous	
* Asterisks denote mandatory information	
Name of Announcer *	SINGAPORE POST LIMITED
Company Registration No.	199201623M
Announcement submitted on behalf of	SINGAPORE POST LIMITED
Announcement is submitted with respect to *	SINGAPORE POST LIMITED
Announcement is submitted by *	Leong Chee Sian (Ms)
Designation *	Company Secretary
Date & Time of Broadcast	28-Oct-2005 17:37:59
Announcement No.	00076

>> Announcement Details
 The details of the announcement start here ...

Announcement Title *

Description
Attached is the press release by S&P in relation to the credit rating."/>

Attachments:

 [SP.pdf](#)
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Research:

Outlook On Singapore Post Revised To Negative On Dividend Plan; 'AA-' Rating Affirmed

Publication date: 28-Oct-2005
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SINGAPORE (Standard & Poor's) Oct. 28, 2005--Standard & Poor's Ratings Services today revised the outlook on Singapore Post Ltd. (SingPost) to negative from stable. At the same time, Standard & Poor's affirmed the corporate credit rating on SingPost at 'AA-'. The outlook revision is driven by SingPost's recent announcement that it will distribute special dividends of Singapore dollar (S\$) 191 million (US\$112 million), which could result in further debt to fund its operations.

"The negative outlook reflects the potential of a rating downgrade within the next two years because of the possibility that SingPost's increasing focus on delivering shareholder returns could materially weaken its financial profile," said Standard & Poor's credit analyst Yasmin Wirjawan. "For example, in future the company might again obtain new borrowings to fund its operations, resulting in a significant increase in its leverage position given its high dividend payout. Or, it might choose to use predominantly short-term debt, thus affecting its liquidity position," she added.

The rating on SingPost continues to be underpinned by its very strong market position in its core postal business, high operating efficiency, and strong cash flow protection measures. The rating is partly constrained by the geographical concentration of its businesses largely within Singapore, particularly because demand for most of these businesses is closely linked to the economic performance of the service area.

SingPost has solid cash flow protection. Its ratios of funds from operations to total debt and EBITDA interest cover for fiscal 2005 remain strong at 48% and 28x, respectively. These ratios are expected to weaken moderately following additional borrowings, but they should recover gradually in the medium term in the absence of any major shift in the company's business or financial policy.

"Nevertheless, the 'AA-' rating on SingPost reflects Standard & Poor's expectation that the company is likely to preserve its financial strength in the medium term," Ms. Wirjawan said. "The outlook could be revised to stable if the company is able to maintain its solid market position and improve cash flow measures amid increasing competition due to the upcoming postal liberalization."

Complete ratings information is available to subscribers of RatingsDirect, Standard & Poor's Web-based credit analysis system, at www.ratingsdirect.com. All ratings affected by this rating action can be found on Standard & Poor's public Web site at www.standardandpoors.com; under Credit Ratings in the left navigation bar, select Find a Rating, then Credit Ratings Search.

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