

SINGAPORE PRESS HOLDINGS LIMITED
Reg. No. 198402868E
(Incorporated in Singapore)
ANNOUNCEMENT
AUDITED RESULTS FOR THE YEAR - AUGUST 31, 2008
1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year
(i) Results for the year ended August 31

	Group		Change
	2008	2007	
	S\$'000	S\$'000	%
Operating revenue			
Newspaper and Magazine	1,014,335	959,445	5.7
Property	255,294	177,816	43.6
Others	31,382	22,944	36.8
	<hr/> 1,301,011	<hr/> 1,160,205	12.1
Other operating income	15,168	12,237	24.0
	<hr/> 1,316,179	<hr/> 1,172,442	12.3
Materials, consumables & broadcasting costs	(176,605)	(173,457)	1.8
Property development costs	(39,241)	(23,464)	67.2
Staff costs	(333,098)	(301,620)	10.4
Depreciation	(61,876)	(58,096)	6.5
Other operating expenses	(184,536)	(167,944)	9.9
Finance costs	(19,135)	(20,752)	(7.8)
	<hr/>		
Profit before investment income, impairment charge on investments in associates and share of net (losses)/ profits of associates and jointly controlled entities #	501,688	427,109	17.5
Net income from investments	47,748	146,193	(67.3)
Impairment charge on investments in associates	(26,712)	-	NM
Share of net (losses)/profits of associates and jointly controlled entities	(716)	2,993	NM
	<hr/>		
Profit before taxation	522,008	576,295	(9.4)
Taxation	(86,083)	(77,585)	11.0
Profit after taxation	<hr/> 435,925	<hr/> 498,710	(12.6)
	<hr/>		
Attributable to:			
Shareholders of the Company	437,444	499,135	(12.4)
Minority interests	(1,519)	(425)	257.4
	<hr/> 435,925	<hr/> 498,710	(12.6)

* The comparative financial statements have been restated to take into account the retrospective adjustments relating to FRS 40 – Investment Property. Please see paragraph 5 for details.

This represents the recurring earnings of the media and property businesses, including profits from the Group's Sky@eleven development.

NM: Not meaningful

(ii) **Notes:**
Profit before taxation is arrived at after accounting for:

	Group		
	2008	2007	Change
	S\$'000	S\$'000	%
Share-based compensation expenses	(6,406)	(6,659)	(3.8)
Net currency translation loss from operations	(761)	(14)	NM
Allowance for impairment of trade receivables	(1,542)	(2,391)	(35.5)
Bad debts recovery	214	114	87.7
(Allowance)/Write back of allowance for stock obsolescence	(300)	829	NM
Amortisation of intangible assets	(808)	(441)	83.2
Impairment of property, plant and equipment	(226)	-	NM
Reversal of impairment of property, plant and equipment	1,151	-	NM
Reversal of impairment of investment property	396	-	NM
Net profit on disposal of property, plant and equipment	493	550	(10.4)
Impairment of internally-managed investments	-	(1,806)	(100.0)
Interest income	9,231	13,641	(32.3)
Net profit on sale of internally-managed investments	14,580	67,329	(78.3)
Net fair value gain/(loss) of			
- Internally-managed assets at fair value through profit and loss	217	24	804.2
- Derivative instruments	(799)	(2,009)	(60.2)
(Loss)/income from funds under management	(12,408)	7,579	NM

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year
Balance Sheets As At August 31

	Group		Company	
	2008	2007 Restated*	2008	2007
	S\$'000	S\$'000	S\$'000	S\$'000
CAPITAL EMPLOYED				
Share capital	490,760	467,973	490,760	467,973
Treasury shares	(27,660)	(19,153)	(27,660)	(19,153)
Reserves	260,439	314,426	54,545	54,803
Retained profit	1,365,360	1,359,878	703,382	550,824
Shareholders' interests	2,088,899	2,123,124	1,221,027	1,054,447
Minority interests	12,378	3,260	-	-
Total equity	2,101,277	2,126,384	1,221,027	1,054,447
EMPLOYMENT OF CAPITAL				
Non-current assets				
Property, plant and equipment	490,297	488,912	316,228	316,860
Investment properties	1,140,180	1,100,620	-	-
Interests in subsidiaries	-	-	386,840	387,340
Interests in associates	45,582	71,079	21,326	29,160
Interests in jointly controlled entities	15,652	10,497	-	-
Long-term investments	275,297	318,793	34,860	38,734
Intangible assets	39,707	15,006	-	-
Amount owing by subsidiaries	-	-	-	804,734
Amount owing by associates	-	579	-	-
Amount owing by a jointly controlled entity	-	1,004	-	-
Other non-current assets	5,725	5,873	4,496	4,901
	2,012,440	2,012,363	763,750	1,581,729
Current assets				
Inventories	36,281	19,341	35,076	18,867
Trade receivables	223,991	150,990	102,009	95,799
Other receivables and prepayments	16,465	11,122	5,558	4,028
Short-term investments	642,561	815,075	84,075	62,000
Derivative financial instruments	1,707	1,291	14	-
Amount owing by subsidiaries	-	-	854,837	-
Amount owing by associates	6,100	6,015	6,000	6,015
Amount owing by jointly controlled entities	136	-	17	-
Cash held as fixed bank deposits	180,534	90,272	59,245	18,580
Cash and bank balances	30,490	31,888	12,226	20,518
	1,138,265	1,125,994	1,159,057	225,807
Total assets	3,150,705	3,138,357	1,922,807	1,807,536
Current liabilities				
Trade payables	103,001	78,920	59,237	43,457
Other payables and accrued liabilities	156,622	139,205	131,865	119,359
Derivative financial instruments	2,211	955	-	-
Amount owing to subsidiaries	-	-	387,513	10,081
Amount owing to an associate	21	-	-	-
Amount owing to a jointly controlled entity	12,616	20,408	12,571	20,408
Borrowings	800	1,000	-	-
Current income tax liabilities	92,173	99,638	63,763	62,988
	367,444	340,126	654,949	256,293
Non-current liabilities				
Other payables and accrued liabilities	21,924	20,144	-	-
Derivative financial instruments	10,983	3,493	-	-
Amount owing to subsidiaries	-	-	-	449,916
Borrowings	573,616	573,745	-	-
Deferred income tax liabilities	75,461	74,465	46,831	46,880
	681,984	671,847	46,831	496,796
Total liabilities	1,049,428	1,011,973	701,780	753,089
Net assets	2,101,277	2,126,384	1,221,027	1,054,447

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Group Borrowings

Amount repayable in one year

As at August 31, 2008		As at August 31, 2007	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	800	-	1,000

Amount repayable after one year

As at August 31, 2008		As at August 31, 2007	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
570,000	3,616	570,000	3,745

Details of collateral

The secured bank loan facilities as at August 31, 2008 comprised the term loan facilities of S\$610 million (August 31, 2007: S\$610 million) undertaken by a subsidiary, Orchard 290 Ltd ("O290"), which commenced on July 11, 2006, with a tenure of five years and classified accordingly as a non-current liability.

The term loan is secured by way of a legal mortgage on the Group's investment property, a debenture over the assets of O290, an assignment of rental proceeds from the investment property and the insurances on the investment property.

O290 had repaid S\$40 million up to August 31, 2008.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

Consolidated Cash Flow Statement for the Year ended August 31

	2008	2007
	S\$'000	Restated* S\$'000
Cash Flows from Operating Activities		
Profit before taxation	522,008	576,295
Adjustments for :		
Amortisation of intangible assets	808	441
Depreciation	61,876	58,096
Net profit on disposal of property, plant and equipment	(493)	(550)
Interest expense	19,135	20,752
Net income from investments	(47,748)	(146,193)
Share of net losses/(profits) of associates and jointly controlled entities	716	(2,993)
Share-based compensation expenses	6,406	6,659
Net reversal of impairment of property, plant and equipment	(925)	-
Reversal of impairment of investment property	(396)	-
Impairment charge on investments in associates	26,712	-
Other non-cash items	(60)	12
Operating cash flow before working capital changes	<u>588,039</u>	<u>512,519</u>
Changes in operating assets and liabilities, net of effects from purchase of subsidiaries :		
Inventories	(16,940)	15,238
Trade and other receivables	(74,499)	(37,630)
Trade and other payables	42,784	34,848
	<u>539,384</u>	<u>524,975</u>
Income tax paid	(84,185)	(86,498)
Dividends paid	(432,721)	(383,154)
Dividends paid (net) by a subsidiary to a minority shareholder	(31)	-
	<u>22,447</u>	<u>55,323</u>
Decrease/(Increase) in other non-current assets	148	(256)
Increase in other non-current payables	1,780	2,126
Currency translation difference	65	6
Net cash from operating activities	<u><u>24,440</u></u>	<u><u>57,199</u></u>

Consolidated Cash Flow Statement for the Year ended August 31 (cont'd)

	2008	2007
	S\$'000	Restated* S\$'000
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(55,921)	(59,875)
Proceeds on disposal of property, plant and equipment	937	983
Additions to investment properties	(45,987)	(12,345)
Acquisition of additional interests in a subsidiary	(392)	(70)
Acquisition of interests in a subsidiary (net of cash acquired)	-	(5,168)
Additional consideration paid on interests in a subsidiary	(2,200)	-
Acquisition of interests in jointly controlled entities	(7,261)	(10,750)
Acquisition of business by a subsidiary (net of cash acquired)	(23,344)	-
Decrease/(Increase) in amount owing by associates/ jointly controlled entities	1,362	(1,547)
(Decrease)/Increase in amount owing to associates/ jointly controlled entities	(7,751)	20,408
Proceeds on disposal of an associate	284	-
Purchase of long-term investments	(1,925)	(3,098)
Proceeds on disposal/redemption of long-term investments	17,803	78,692
Proceeds from capital reduction exercises of investee companies	8,677	39,055
Purchase of short-term investments	(247,866)	(304,924)
Proceeds on disposal of short-term investments	314,254	255,384
Net decrease/(increase) in funds under management	82,833	(29,338)
Dividends received	29,235	25,462
Interest received	7,404	11,814
Other investment income	11,109	108,917
	<u>81,251</u>	<u>113,600</u>
Add/(Less): Items not involving movement of funds		
Changes in fair value of financial instruments	623	1,985
Impairment of internally-managed investments	-	1,806
Net profit on sale of internally-managed investments	(14,580)	(67,329)
Profits from capital reduction exercises of investee companies	(2,607)	(33,672)
Currency translation loss	241	210
Effective interest on bonds	(58)	(298)
Net cash from investing activities	<u><u>64,870</u></u>	<u><u>16,302</u></u>
Cash Flows from Financing Activities		
Proceeds from bank loans	800	1,200
Repayment of bank loans	(1,000)	(41,645)
Loan from a minority shareholder	-	70
Repayment of loan to a minority shareholder	(129)	-
Interest paid	(19,135)	(20,752)
Proceeds on issue of shares by the Company	20,738	32,346
Proceeds on issue of shares by subsidiaries to minority shareholders	6,787	3,188
Share buy-back	(8,507)	(7,135)
Net cash used in financing activities	<u><u>(446)</u></u>	<u><u>(32,728)</u></u>
Net increase in cash and cash equivalents	88,864	40,773
Cash and cash equivalents at beginning of financial year	<u>122,160</u>	<u>81,387</u>
Cash and cash equivalents at end of financial year	<u><u>211,024</u></u>	<u><u>122,160</u></u>

1(d)(i) **A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year**

Statements of Changes in Total Equity for the Year ended August 31

(a)

Group

	Share Capital S\$'000	Treasury Shares S\$'000	Capital Reserve S\$'000	Share-based Compensation Reserve S\$'000	Hedging Reserve S\$'000	Fair Value Reserve S\$'000	Currency Translation Reserve S\$'000	Retained Profit S\$'000	Minority Interests S\$'000	Total Equity S\$'000
Balance as at September 1, 2007	467,973	(19,153)	2,005	18,493	(3,493)	299,613	(2,192)	1,416,365	3,260	2,182,871
Effect of adopting FRS 40, adjusted retrospectively	-	-	-	-	-	-	-	(56,487)	-	(56,487)
As restated	467,973	(19,153)	2,005	18,493	(3,493)	299,613	(2,192)	1,359,878	3,260	2,126,384
Net fair value changes on available-for-sale financial assets	-	-	-	-	-	(52,785)	-	-	-	(52,785)
Net fair value changes on cash flow hedges	-	-	-	-	(9,453)	-	-	-	-	(9,453)
Transfer to finance costs	-	-	-	-	5,063	-	-	-	-	5,063
Currency translation difference *	-	-	-	-	-	-	(429)	-	-	(429)
Losses recognised directly in equity	-	-	-	-	(4,390)	(52,785)	(429)	-	-	(57,604)
Profit for the financial year	-	-	-	-	-	-	-	437,444	(1,519)	435,925
Total recognised (losses)/gains	-	-	-	-	(4,390)	(52,785)	(429)	437,444	(1,519)	378,321
Share-based compensation	-	-	-	6,425	-	-	-	-	-	6,425
Issue of shares	22,787	-	-	(2,049)	-	-	-	-	-	20,738
Dividends	-	-	-	-	-	-	-	(432,721)	(31)	(432,752)
Lapse of share options	-	-	-	(759)	-	-	-	759	-	-
Share buy-back – held as treasury shares	-	(8,507)	-	-	-	-	-	-	-	(8,507)
Issue of shares by subsidiaries to minority interests	-	-	-	-	-	-	-	-	10,537	10,537
Purchase of additional equity interests in a subsidiary	-	-	-	-	-	-	-	-	131	131
Balance as at August 31, 2008	490,760	(27,660)	2,005	22,110	(7,883)	246,828	(2,621)	1,365,360	12,378	2,101,277

* Relates to net currency translation differences of financial statements of foreign subsidiaries, associates and jointly controlled entities.

Statements of Changes in Total Equity for the Year ended August 31 (cont'd)

(a)

Group

	Share Capital S\$'000	Treasury Shares S\$'000	Capital Reserve S\$'000	Share-based Compensation Reserve S\$'000	Hedging Reserve S\$'000	Fair Value Reserve S\$'000	Currency Translation Reserve S\$'000	Retained Profit S\$'000	Minority Interests S\$'000	Total Equity S\$'000
Balance as at September 1, 2006	432,807	(12,018)	2,005	14,824	7,540	308,135	(80)	1,293,182	2,342	2,048,737
Effect of adopting FRS 40, adjusted retrospectively	-	-	-	-	-	-	-	(49,461)	-	(49,461)
As restated	432,807	(12,018)	2,005	14,824	7,540	308,135	(80)	1,243,721	2,342	1,999,276
Net fair value changes on available-for-sale financial assets	-	-	-	-	-	(8,522)	-	-	-	(8,522)
Net fair value changes on cash flow hedges	-	-	-	-	(11,412)	-	-	-	-	(11,412)
Transfer to finance costs	-	-	-	-	379	-	-	-	-	379
Currency translation difference *	-	-	-	-	-	-	(2,112)	-	-	(2,112)
Losses recognised directly in equity	-	-	-	-	(11,033)	(8,522)	(2,112)	-	-	(21,667)
Profit for the financial year (restated)	-	-	-	-	-	-	-	499,135	(425)	498,710
Total recognised (losses)/gains	-	-	-	-	(11,033)	(8,522)	(2,112)	499,135	(425)	477,043
Share-based compensation	-	-	-	6,665	-	-	-	-	-	6,665
Issue of shares	35,166	-	-	(2,820)	-	-	-	-	-	32,346
Dividends	-	-	-	-	-	-	-	(383,154)	-	(383,154)
Lapse of share options	-	-	-	(176)	-	-	-	176	-	-
Share buy-back – held as treasury shares	-	(7,135)	-	-	-	-	-	-	-	(7,135)
Capital contribution by minority interests	-	-	-	-	-	-	-	-	3,188	3,188
Purchase of additional equity interests in subsidiaries	-	-	-	-	-	-	-	-	(117)	(117)
Restructuring of Magazine's operations	-	-	-	-	-	-	-	-	(1,728)	(1,728)
Balance as at August 31, 2007 (restated)	467,973	(19,153)	2,005	18,493	(3,493)	299,613	(2,192)	1,359,878	3,260	2,126,384

* Relates to net currency translation differences of financial statements of foreign subsidiaries, associates and jointly controlled entities.

Statements of Changes in Total Equity for the Year ended August 31 (cont'd)

(b)

Company

	Share Capital S\$'000	Treasury Shares S\$'000	Share-based Compensation Reserve S\$'000	Fair Value Reserve S\$'000	Retained Profit S\$'000	Total Equity S\$'000
Balance as at September 1, 2007	467,973	(19,153)	18,493	36,310	550,824	1,054,447
Net fair value changes on available-for-sale financial assets	-	-	-	(3,875)	-	(3,875)
Net losses recognised directly in equity	-	-	-	(3,875)	-	(3,875)
Profit for the financial year	-	-	-	-	584,520	584,520
Total recognised (losses)/gains	-	-	-	(3,875)	584,520	580,645
Share-based compensation	-	-	6,425	-	-	6,425
Issue of shares	22,787	-	(2,049)	-	-	20,738
Dividends	-	-	-	-	(432,721)	(432,721)
Lapse of share options	-	-	(759)	-	759	-
Share buy-back - held as treasury shares	-	(8,507)	-	-	-	(8,507)
Balance as at August 31, 2008	490,760	(27,660)	22,110	32,435	703,382	1,221,027
Balance as at September 1, 2006	432,807	(12,018)	14,824	36,188	653,656	1,125,457
Net fair value changes on available-for-sale financial assets	-	-	-	122	-	122
Net gain recognised directly in equity	-	-	-	122	-	122
Profit for the financial year	-	-	-	-	280,146	280,146
Total recognised gains	-	-	-	122	280,146	280,268
Share-based compensation	-	-	6,665	-	-	6,665
Issue of shares	35,166	-	(2,820)	-	-	32,346
Dividends	-	-	-	-	(383,154)	(383,154)
Lapse of share options	-	-	(176)	-	176	-
Share buy-back - held as treasury shares	-	(7,135)	-	-	-	(7,135)
Balance as at August 31, 2007	467,973	(19,153)	18,493	36,310	550,824	1,054,447

- 1(d)(ii) **Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported and as at the end of the corresponding period of the immediately preceding financial year**

Share Options

- (a) Between June 1, 2008 and August 31, 2008, pursuant to the Singapore Press Holdings Group (1999) Share Option Scheme (the "1999 Scheme"), the Company issued 147,475 ordinary shares upon the exercise of options.
- (b) As a result of the 147,475 ordinary shares issued pursuant to the 1999 Scheme, the Company issued 1,490 management shares in accordance with the Newspaper and Printing Presses Act, Cap. 206 between June 1, 2008 and August 31, 2008.
- (c) Under the 1999 Scheme, options to subscribe for 49,951,575 ordinary shares remain outstanding as at August 31, 2008 compared to 57,981,550 ordinary shares as at August 31, 2007.

Performance Shares

- (a) At the extraordinary general meeting of the Company held on December 5, 2006, the Company's shareholders approved the adoption of the SPH Performance Share Plan and the 1999 Scheme was terminated with regard to the grant of further options. However, options granted and outstanding prior to such termination will continue to be valid and be subject to the terms and conditions of the 1999 Scheme.
- (b) As at August 31, 2008, the number of shares granted and outstanding (being contingent award) under the SPH Performance Share Plan was 3,871,955 (August 31, 2007: 1,791,975).

Share Buy Back

Under the Share Buy Back Mandate (first approved by the Shareholders on July 16, 1999 and last renewed at the Annual General Meeting on December 5, 2007), the Company bought back 1,080,000 ordinary shares during the current final quarter. These shares are held as treasury shares. The amount paid, including brokerage fees, totalled S\$4.3 million and was deducted against shareholders' equity.

Share Capital and Treasury Shares

As at August 31, 2008, the Company had 1,586,318,621 ordinary shares, 16,285,513 management shares and 6,781,000 treasury shares (August 31, 2007: 1,583,449,071 ordinary shares, 16,235,520 management shares and 4,701,000 treasury shares).

2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice

Audit

The figures for the year have been audited by our auditors. The auditors' report on the financial statements of the Group was not subject to any qualification.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Independent Auditors' Report to the Members of Singapore Press Holdings Limited for the financial year ended August 31, 2008

We have audited the accompanying financial statements of Singapore Press Holdings Limited (the "Company") and its subsidiaries (the "Group") which comprise the balance sheets of the Company and of the Group as at August 31, 2008, and the consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act (Cap. 50) (the "Act") and Singapore Financial Reporting Standards. This responsibility includes:

- (a) devising and maintaining a system of internal accounting control sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets;
- (b) selecting and applying appropriate accounting policies; and
- (c) making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion,

- (a) the balance sheet of the Company and the consolidated financial statements of the Group are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company and of the Group as at August 31, 2008, and the results, changes in equity and cash flows of the Group for the financial year ended on that date; and
- (b) the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

PricewaterhouseCoopers
Public Accountants and Certified Public Accountants

Singapore,
October 10, 2008

4. **Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied**

Accounting Policies

The financial statements have been prepared in compliance with the same accounting policies and methods of computation adopted in the audited financial statements of last financial year, except where new/revised accounting standards became effective from this financial year.

Apart from FRS 40 – Investment Property, the adoption of the new/revised accounting standards does not have any significant financial impact on the Group. The financial effects of adopting FRS 40 are summarised in note 5 below.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and effect of, the change**

FRS 40 – Investment Property

The Group has adopted FRS 40 for the financial year ended August 31, 2008.

The Group had previously accounted for its properties leased out as property, plant and equipment in these financial statements. Under FRS 40, the properties that are leased out to non-group companies have been reclassified to investment properties on transition to FRS 40 on September 1, 2007.

In FY 2007, the Group accounted for its investment property under FRS 25 – Accounting for Investments. Investment property was stated at cost less accumulated impairment losses. FRS 40 permits an entity to measure its investment properties either at fair value with fair value changes taken to the income statement (fair value model) or at cost less accumulated depreciation and provision for impairment (cost model). The Group has adopted the cost model for measuring its investment property.

The application of FRS 40, using the cost model, is retrospective and accordingly, the comparative financial statements are restated. The financial impact on the Group is illustrated in the table below:

	Group		
	Aug 31, 2008 S\$'000	Aug 31, 2007 S\$'000	Sep 1, 2006 S\$'000
(Decreased)/increased by			
<i><u>Balance sheet</u></i>			
Investment properties	(49,042)	(42,615)	(35,318)
Property, plant and equipment	(10,658)	(10,500)	(10,739)
Retained earnings	(63,236)	(56,487)	(49,461)
Deferred income tax liabilities	3,536	3,372	3,404

	Group	
	2008 S\$'000	2007 S\$'000
Increased/(decreased) by		
<i>Income statement</i>		
Depreciation	6,585	7,058
Profit before taxation	(6,585)	(7,058)
Taxation	164	(32)
Profit after taxation	(6,749)	(7,026)

	Group	
	2008 S\$	2007 S\$
Decreased by		
<i>Earnings Per Share</i>		
Basic EPS	(0.004)	(0.004)
Diluted EPS	(0.004)	(0.004)

6. **Earnings per share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

Earnings Per Share for the Year ended August 31

		Group	
		2008	2007 Restated*
(a)	Based on the weighted average number of shares on issue (S\$)	0.27	0.31
(b)	On fully diluted basis (S\$)	0.27	0.31

7. **Net asset value (for the issuer and group) per share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year**

Net Asset Value Per Share As At

	Group		Company	
	Aug 31, 2008	Aug 31, 2007 Restated*	Aug 31, 2008	Aug 31, 2007
Net asset value per share based on issued share capital at the end of year (S\$)	1.30	1.33	0.76	0.66

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

Business Segments/ Review of Results

Business Segments

The Group is organised into three major operating segments, namely Newspaper and Magazine, Treasury and Investment and Property. The Newspaper and Magazine segment is involved in the publishing, printing and distributing of newspapers and magazines. The Treasury and Investment segment manages the investment activities of the Group. The Property segment holds, manages and develops properties of the Group. Other operations under the Group, which are currently not significant to be reported separately, are included under "Others". These comprise our businesses and investments in Internet and related activities, outdoor advertising, radio broadcasting and TV broadcasting.

Review of Results

- 8.1 Group operating revenue delivered a strong 12.1% year-on-year growth to a record high of S\$1,301.0 million. Despite a difficult year marked by challenges and uncertainties in the global and domestic economy, revenue for the Newspaper and Magazine segment grew 5.7% to S\$1,014.3 million, underpinned by a commendable 7.6% growth in print advertisement revenue to S\$780.1 million. Circulation revenue (after absorption of S\$14.1 million in GST) was down by 2.0% to S\$205.8 million. Property segment rose 43.6% to S\$255.3 million, boosted by revenue from Sky@eleven of S\$138.1 million (Last year: S\$71.3 million) and the S\$10.1 million increase in Paragon's rental income.
- 8.2 Materials, consumables and broadcasting costs at S\$176.6 million were 1.8% higher than last year. The S\$7.0 million or 13.1% hike in material and other production costs was partially cushioned by the S\$3.9 million or 3.2% fall in newsprint costs to S\$116.0 million. The lower newsprint costs were mainly the result of a weaker US dollar, partially offset by higher consumption during the year.

Property development costs of S\$39.2 million were recognised for Sky@eleven during the financial year.

Staff costs rose by S\$31.5 million (10.4%) to S\$333.1 million mainly due to increased headcount and annual salary increment. Total headcount in August 2008 was 3,918 compared to 3,735 a year ago, as the Group continued to invest resources to develop its new media and magazine businesses for future growth.

Other operating expenses were up by 9.9% to S\$184.5 million mainly driven by increased business activity and inflationary pressures.

- 8.3 As a result, the Group's recurring earnings at S\$501.7 million was S\$74.6 million (17.5%) higher than last year.
- 8.4 The Group delivered investment income of S\$47.7 million amidst the unfavourable investment climate brought about by the continued turbulence in global financial markets. This was S\$98.4 million (67.3%) lower than the last financial year mainly due to last year's higher profit on the sale of investments and gains from capital reduction exercises by MobileOne Limited and Starhub Limited. In addition, this year's income was affected by the downward fair valuation of the Group's investments.
- 8.5 The impairment charge of S\$26.7 million pertains mainly to write-down of the carrying amount of the Group's investment in an associate, TOM Outdoor Media Group, to its estimated recoverable amount.
- 8.6 The Group's share of results of associates and jointly controlled entities comprised mainly our stake in the results of MediaCorp Press, 701Search Pte Ltd and TOM Outdoor Media Group.
- 8.7 Taxation charge of S\$86.1 million was arrived at after accounting for tax on the taxable income at the corporate tax rate of 18%. During the year, adjustments were made for prior year's net overprovision in taxation of S\$1.3 million. Last year's taxation charge included S\$8.1 million adjustment for prior years' net overprovision in taxation, of which S\$6.3 million resulted from the change in corporate tax rate from 20% to 18%.
- 8.8 Consequently, net profit was 12.4% lower at S\$437.4 million compared to S\$499.1 million for the last financial year.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

No forecast was made previously.

10. A commentary at the date of announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

- 10.1 Outlook for the global economy has deteriorated given the heightened concerns over the financial turmoil and slowdown in the major economies. Against this backdrop, Singapore's GDP growth forecast for 2008 has been revised to around 3%, and the Group's advertising revenue is expected to move in tandem with the Singapore domestic economy.
- 10.2 Price pressures on newsprint could persist into the near term in view of supply curtailment and escalating production costs at newsprint mills. While favourable foreign exchange movements have provided a cushion against rising newsprint prices, this benefit may not be sustainable amidst signs of a strengthening US dollar.

- 10.3 The Group will continue to take measures to grow revenue and contain costs, to partially alleviate the challenges brought about by increased newsprint and other business costs.
- 10.4 The performance of the Group's investment portfolio will be impacted by continued volatility in the financial markets. In view of the unfavourable investment climate, the Group will continue to adopt a conservative stance in its asset allocation strategy.
- 10.5 The Group's Property segment is expected to contribute significantly to the Group's performance, through the progressively recognised profit from Sky@eleven. Paragon continues to enjoy full occupancy. The \$82 million façade enhancement is expected to be substantially completed around the year-end festive period.
- 10.6 The Group has intensified its expansion efforts beyond its traditional print business in Singapore, with several of its overseas new media businesses commencing operations. The Group will continue to invest substantial resources into these new businesses for its future growth.
- 10.7 Barring unforeseen circumstances, the Directors expect the recurring earnings for the current financial year to be satisfactory.

11. Dividends

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on? Yes

Name of Dividend	Final Dividend	Special Dividend
Dividend Type	Cash	Cash
Dividend Rate	9 cents per share	10 cents per share
Tax rate	Tax exempt (One-tier)	Tax exempt (One-tier)

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of Dividend	Final Dividend	Special Dividend
Dividend Type	Cash	Cash
Dividend Rate	9 cents per share	10 cents per share
Tax rate	Tax exempt (One-tier)	Tax exempt (One-tier)

(c) Date payable

The date the dividend is payable: December 23, 2008.

(d) Books closure date

The Share Transfer Books and Register of Members of the Company will be closed on December 12, 2008 for preparation of dividend warrants. Duly stamped and completed transfers received by our Share Transfer Office, Tricor Barbinder Share Registration Services, 8 Cross Street, #11-00, PWC Building, Singapore 048424, up to 5 p.m. on December 11, 2008 will be registered to determine shareholders' entitlements to the final and special dividends. In respect of shares in securities accounts with The Central Depository (Pte) Limited ("CDP"), the said final and special dividends will be paid by the Company to CDP which will distribute the dividends to holders of the securities accounts.

12. If no dividend has been declared/recommended, a statement to that effect

Not applicable.

13. Segmental revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

**Group Segmental Information
2008**

	Newspaper and Magazine S\$'000	Treasury and Investment S\$'000	Property S\$'000	Others S\$'000	Eliminations S\$'000	Consolidated S\$'000
Operating revenue						
External sales	1,014,335	-	255,294	31,382	-	1,301,011
Inter-segmental sales	2,728	-	1,780	551	(5,059)	-
Total operating revenue	<u>1,017,063</u>	<u>-</u>	<u>257,074</u>	<u>31,933</u>	<u>(5,059)</u>	<u>1,301,011</u>
Result						
Segment result	367,760	46,714	181,043	(28,773)	-	566,744
Finance costs	-	-	(19,098)	(37)	-	(19,135)
Interest income	372	-	880	575	-	1,827
Impairment charge on investments in associates	(257)	-	-	(26,455)	-	(26,712)
Share of profits less losses of associates/jointly controlled entities	2,741	-	-	(3,457)	-	(716)
Profit/(loss) before taxation	370,616	46,714	162,825	(58,147)	-	522,008
Taxation						(86,083)
Profit after taxation						435,925
Minority interests						1,519
Profit attributable to shareholders						<u>437,444</u>
Other Information						
Segment assets	705,111	981,126	1,360,886	42,348	-	3,089,471
Interests in associates/ jointly controlled entities	31,582	-	-	29,652	-	61,234
Consolidated total assets						<u>3,150,705</u>
Segment liabilities	221,920	2,296	635,514	22,064	-	881,794
Current taxation						92,173
Deferred taxation						75,461
Consolidated total liabilities						<u>1,049,428</u>
Capital expenditure	39,841	-	46,246	15,821	-	101,908
Depreciation	50,546	-	7,048	4,282	-	61,876
Amortisation	808	-	-	-	-	808
Impairment of Property, Plant and Equipment	-	-	-	226	-	226
Reversal of impairment charge on						
- Property, Plant and Equipment	(1,151)	-	-	-	-	(1,151)
- Investment Properties	-	-	(396)	-	-	(396)

**Group Segmental Information
2007 (restated)**

	Newspaper and Magazine S\$'000	Treasury and Investment S\$'000	Property S\$'000	Others S\$'000	Eliminations S\$'000	Consolidated S\$'000
Operating revenue						
External sales	959,445	-	177,816	22,944	-	1,160,205
Inter-segmental sales	2,869	-	1,805	1,278	(5,952)	-
Total operating revenue	<u>962,314</u>	<u>-</u>	<u>179,621</u>	<u>24,222</u>	<u>(5,952)</u>	<u>1,160,205</u>
Result						
Segment result	335,572	145,482	121,827	(10,654)	-	592,227
Finance costs	(1)	-	(20,701)	(50)	-	(20,752)
Interest income	662	-	1,076	89	-	1,827
Share of profits less losses of associates/jointly controlled entities	5,275	-	-	(2,282)	-	2,993
Profit/(loss) before taxation	341,508	145,482	102,202	(12,897)	-	576,295
Taxation						<u>(77,585)</u>
Profit after taxation						498,710
Minority interests						<u>425</u>
Profit attributable to shareholders						<u>499,135</u>
Other Information						
Segment assets	678,257	1,159,675	1,195,817	23,032	-	3,056,781
Interests in associates/ jointly controlled entities	29,319	-	-	52,257	-	<u>81,576</u>
Consolidated total assets						<u>3,138,357</u>
Segment liabilities	190,690	3,393	617,026	26,761	-	837,870
Current taxation						99,638
Deferred taxation						<u>74,465</u>
Consolidated total liabilities						<u>1,011,973</u>
Capital expenditure	52,485	-	12,391	7,344	-	72,220
Depreciation	48,410	-	7,505	2,181	-	58,096
Amortisation	441	-	-	-	-	441

Notes:

- (a) **Geographical segments:** The principal geographical area in which the Group operates is Singapore. The Group's overseas operations comprise mainly publishing and distributing magazines, holding overseas investments and the provision of marketing, editorial, art and graphical services overseas.

	<u>Operating Revenue</u>		<u>Total Assets</u>		<u>Capital Expenditure</u>	
	2008	2007	2008	2007	2008	2007
	S\$'000	S\$'000	S\$'000	Restated* S\$'000	S\$'000	S\$'000
Singapore	1,274,192	1,142,932	3,079,514	3,067,262	101,537	71,566
Other Countries	26,819	17,273	71,191	71,095	371	654
	<u>1,301,011</u>	<u>1,160,205</u>	<u>3,150,705</u>	<u>3,138,357</u>	<u>101,908</u>	<u>72,220</u>

14. **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments**

Refer to paragraph 8.

15. **Breakdown of Sales**

		Group		
		2008 S\$'000	2007 Restated* S\$'000	Change %
(a)	Operating revenue reported for first half year	610,152	522,685	16.7
(b)	Profit after tax before deducting minority interests reported for the first half year	211,172	216,847	(2.6)
(c)	Operating revenue reported for second half year	690,859	637,520	8.4
(d)	Profit after tax before deducting minority interests reported for the second half year	224,753	281,863	(20.3)

16. **A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-**

Total Net Annual Dividend

	2008 S\$'000	2007 S\$'000
Ordinary	432,777	416,354
Preference	-	-
Total	432,777 *	416,354

The amount of S\$432,777,000 (Last year: S\$416,354,000) included S\$4,397,000 (Last year: S\$4,224,000) for management shares.

- * This may be increased depending on the number of issued shares existing as at the books closure date on December 12, 2008.

17. Reclassification

Certain comparative figures have been reclassified to conform with current year's presentation. The reclassifications are as follows:

	Group 2007 S\$'000	Company 2007 S\$'000
Trade payables		
As reported	109,805	49,852
Reclassified to other payables and accrued liabilities - current	(10,741)	(6,395)
Reclassified to other payables and accrued liabilities - non-current	(20,144)	-
Adjusted balance	<u>78,920</u>	<u>43,457</u>
Other payables and accrued liabilities - current		
As reported	128,464	112,964
Reclassified from trade payables	10,741	6,395
Adjusted balance	<u>139,205</u>	<u>119,359</u>
Other payables and accrued liabilities - non-current		
As reported	-	-
Reclassified from trade payables	20,144	-
Adjusted balance	<u>20,144</u>	<u>-</u>
Other receivables and prepayments		
As reported	11,964	4,249
Reclassified to other non-current assets	(842)	(221)
Adjusted balance	<u>11,122</u>	<u>4,028</u>
Long-term investments		
As reported	318,858	38,734
Reclassified to other non-current assets	(65)	-
Adjusted balance	<u>318,793</u>	<u>38,734</u>
Other non-current assets		
As reported	4,966	4,680
Reclassified from other receivables and prepayments	842	221
Reclassified from long-term investments	65	-
Adjusted balance	<u>5,873</u>	<u>4,901</u>

BY ORDER OF THE BOARD

Ginney Lim May Ling
Khor Siew Kim
Company Secretaries

Singapore,
October 10, 2008