



SINGAPORE PRESS HOLDINGS LIMITED

Reg. No. 198402868E

(Incorporated in Singapore)

ANNOUNCEMENT

AUDITED RESULTS FOR THE YEAR ENDED AUGUST 31, 2012

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, 2012

	Group		
	2012	2011	Change
	S\$'000	S\$'000	%
Operating revenue			
Newspaper and Magazine	1,002,762	1,013,285	(1.0)
Property	191,421	167,884	14.0
Others	78,730	69,803	12.8
	<hr/>	<hr/>	
	1,272,913	1,250,972	1.8
Other operating income	19,823	18,852	5.2
	<hr/>	<hr/>	
	1,292,736	1,269,824	1.8
Materials, production and distribution costs	(221,104)	(218,868)	1.0
Staff costs	(360,160)	(348,461)	3.4
Premises costs	(61,792)	(54,830)	12.7
Depreciation	(78,204)	(76,785)	1.8
Other operating expenses	(136,782)	(122,031)	12.1
Finance costs	(24,452)	(39,811)	(38.6)
	<hr/>	<hr/>	
Profit before investment income and share of net loss of associates and jointly-controlled entities #	410,242	409,038	0.3
Net income from investments	32,590	50,351	(35.3)
Share of net loss of associates and jointly-controlled entities	(1,172)	(2,707)	(56.7)
	<hr/>	<hr/>	
Profit before taxation	441,660	456,682	(3.3)
Taxation	(72,302)	(72,931)	(0.9)
Profit after taxation	<hr/>	<hr/>	
	369,358	383,751	(3.8)
	<hr/>	<hr/>	
Attributable to:			
Shareholders of the Company	365,542	388,575	(5.9)
Non-controlling interests	3,816	(4,824)	NM
	<hr/>	<hr/>	
	369,358	383,751	(3.8)

This represents the recurring earnings of the media and property businesses.
NM: Not meaningful

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

	Group		
	2012	2011	Change
	S\$'000	S\$'000	%
Allowance for stock obsolescence	(655)	(237)	176.4
Share-based compensation expense	(6,261)	(7,724)	(18.9)
Allowance for impairment of trade receivables	(534)	(1,586)	(66.3)
Bad debts recovery	320	342	(6.4)
Amortisation of intangible assets	(7,678)	(5,712)	34.4
Impairment of intangible assets	(481)	-	NM
Impairment of goodwill	-	(1,134)	NM
Net reversal of impairment of property, plant and equipment	765	96	696.9
Net (loss)/profit on disposal of property, plant and equipment	(273)	199	NM
Investment property renovations and fittings written-off	(82)	-	NM
Allowance for impairment of an associate	(45)	(342)	(86.8)
Net gain on dilution/disposal of associates	-	167	NM
Interest income	7,406	10,575	(30.0)
Net fair value (loss)/gain on			
- Internally-managed assets at fair value through profit or loss	(839)	203	NM
- Derivative financial instruments	(4,606)	324	NM
Impairment of internally-managed investments	-	(4,714)	NM
Realised gain on derivative financial instruments	240	14,056	(98.3)
Net foreign exchange loss	(1,541)	(7,297)	(78.9)
Net over-provision of prior years' taxation	2,121	4,497	(52.8)

1(a)(iii) Statement of Comprehensive Income

	Group		
	2012 S\$'000	2011 S\$'000	Change %
Profit after taxation	369,358	383,751	(3.8)
Other comprehensive income/(loss), net of tax			
Cash flow hedges			
- net fair value changes	(3,002)	(6,284)	(52.2)
- transferred to income statement	2,213	12,551	(82.4)
Net fair value changes on available-for-sale financial assets			
- net fair value changes	29,598	38,395	(22.9)
- transferred to income statement on disposal	(5,665)	(2,893)	95.8
Currency translation difference			
- arising from consolidation of financial statements of foreign subsidiaries, associates and jointly-controlled entities	1,304	(3,419)	NM
	<u>24,448</u>	<u>38,350</u>	(36.3)
Total comprehensive income	<u>393,806</u>	<u>422,101</u>	(6.7)
Attributable to:			
Shareholders of the Company	389,921	427,243	(8.7)
Non-controlling interests	3,885	(5,142)	NM
	<u>393,806</u>	<u>422,101</u>	(6.7)

1(a)(iv) Comparatives Information

During the current year, the Group made some changes to the classification of certain expenses in the income statement to reflect more appropriately the nature of these expenses. Comparative amounts in the income statement were reclassified for consistency, as set out below.

	Group	
	As Restated	As Previously Disclosed
	2011 S\$'000	2011 S\$'000
Materials, production and distribution costs*	(218,868)	-
Materials, consumables and broadcasting costs**	-	(164,449)
Staff costs	(348,461)	(348,461)
Premises costs^	(54,830)	-
Depreciation	(76,785)	(76,785)
Other operating expenses	(122,031)	(231,280)
Finance costs	(39,811)	(39,811)
	<u>(860,786)</u>	<u>(860,786)</u>

Since the amounts are reclassifications within operating activities in the income statement, this reclassification did not have any effect on the balance sheets and statement of cash flows.

* Materials, production and distribution costs comprise raw materials and overheads incurred mainly in the printing and distribution of newspaper and magazine products.

** Expenses previously disclosed as materials, consumables and broadcasting costs are now shown as part of materials, production and distribution costs.

^ Premises costs comprise running costs associated with the Group's investment properties and office premises, including maintenance, utilities and property taxes.

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, 2012

	Group		Company	
	2012 S\$'000	2011 S\$'000	2012 S\$'000	2011 S\$'000
CAPITAL EMPLOYED				
Share capital	502,992	499,484	502,992	499,484
Treasury shares	(2,190)	(11,024)	(2,190)	(11,024)
Reserves	342,324	318,965	67,780	59,486
Retained profits	1,399,220	1,424,580	617,577	714,614
	<hr/>	<hr/>	<hr/>	<hr/>
Shareholders' interests	2,242,346	2,232,005	1,186,159	1,262,560
Non-controlling interests	82,716	74,584	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total equity	2,325,062	2,306,589	1,186,159	1,262,560
EMPLOYMENT OF CAPITAL				
Non-current assets				
Property, plant and equipment	362,548	394,086	224,238	252,315
Investment properties	2,089,033	1,754,259	-	-
Investments in subsidiaries	-	-	388,868	388,868
Investments in associates	84,366	68,414	36,853	33,109
Investments in jointly-controlled entities	10,318	14,325	-	-
Trade and other receivables	2,595	4,167	543,516	310,278
Long-term investments	381,614	360,249	46,351	36,797
Intangible assets	133,900	83,814	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	3,064,374	2,679,314	1,239,826	1,021,367
Current assets				
Inventories	27,079	37,317	25,681	36,093
Trade and other receivables	184,294	151,969	1,294,936	1,274,050
Short-term investments	408,443	622,555	89,960	113,712
Derivative financial instruments	596	5,105	-	373
Cash and cash equivalents	372,459	392,514	113,858	270,670
	<hr/>	<hr/>	<hr/>	<hr/>
	992,871	1,209,460	1,524,435	1,694,898
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	4,057,245	3,888,774	2,764,261	2,716,265
Non-current liabilities				
Trade and other payables	32,953	27,776	-	-
Deferred income tax liabilities	47,227	49,481	33,040	37,626
Borrowings	1,280,322	1,011,168	828,359	598,797
Derivative financial instruments	7,752	6,421	670	-
	<hr/>	<hr/>	<hr/>	<hr/>
	1,368,254	1,094,846	862,069	636,423
Current liabilities				
Trade and other payables	278,683	296,670	664,044	657,470
Current income tax liabilities	81,856	89,488	51,982	59,431
Borrowings	3,293	100,800	-	100,000
Derivative financial instruments	97	381	7	381
	<hr/>	<hr/>	<hr/>	<hr/>
	363,929	487,339	716,033	817,282
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	1,732,183	1,582,185	1,578,102	1,453,705
	<hr/>	<hr/>	<hr/>	<hr/>
Net assets	2,325,062	2,306,589	1,186,159	1,262,560

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

Group Borrowings

Amount repayable in one year

As at August 31, 2012		As at August 31, 2011	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	3,293	-	100,800

Amount repayable after one year

As at August 31, 2012		As at August 31, 2011	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
301,582	978,740	298,834	712,334

Details of collateral

The secured bank loan facilities as at August 31, 2012 comprised the term loan facilities of S\$300.0 million (August 31, 2011: S\$300.0 million) and S\$138.0 million (August 31, 2011: Nil) undertaken by the subsidiaries, Orchard 290 Ltd ("Orchard 290") and The Seletar Mall Pte Ltd ("Seletar Mall") respectively. As at the balance sheet date, the amounts drawn down were S\$300.0 million for Orchard 290 and S\$2.5 million for Seletar Mall.

The term loan taken up by Orchard 290 is secured by way of a legal mortgage on Orchard 290's investment property, a debenture over the assets of Orchard 290 and an assignment of the insurance on the investment property.

The term loan taken up by Seletar Mall is secured by way of a first legal mortgage on Seletar Mall's investment property, an assignment of insurance in relation to the investment property and a deed of subordination in respect of the loans from the ultimate holding company and the shareholders of Seletar Mall.

The balance of S\$301.6 million as at August 31, 2012 represented the borrowings stated at amortised cost.

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 Statement of Cash Flows for the Year ended August 31, 2012

	2012	2011
	S\$'000	S\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	441,660	456,682
Adjustments for:		
Amortisation of intangible assets	7,678	5,712
Impairment of intangible assets	481	-
Impairment of goodwill	-	1,134
Depreciation	78,204	76,785
Net loss/(profit) on disposal of property, plant and equipment	273	(199)
Net reversal of impairment of property, plant and equipment	(765)	(96)
Investment property renovations and fittings written-off	82	-
Allowance for impairment of an associate	45	342
Net gain on disposal of associates	-	(167)
Finance costs	24,452	39,811
Net income from investments	(32,590)	(50,351)
Share of net loss of associates and jointly-controlled entities	1,172	2,707
Share-based compensation expense	6,261	7,724
Other non-cash items	(1,047)	323
Operating cash flow before working capital changes	<u>525,906</u>	<u>540,407</u>
Changes in operating assets and liabilities, net of effects from acquisition and disposal of subsidiaries and business:		
Inventories	11,380	(10,343)
Trade and other receivables	15,118	108,055
Trade and other payables	(19,332)	9,109
	<u>533,072</u>	<u>647,228</u>
Income tax paid	(82,468)	(107,134)
Dividends paid	(386,367)	(433,939)
Dividends paid (net) by a subsidiary to a non-controlling interest	(7)	(15)
	<u>64,230</u>	<u>106,140</u>
Decrease in other non-current receivables	1,572	690
Increase in other non-current payables	5,177	6,338
Currency translation difference	359	(1,464)
Net cash from operating activities	<u><u>71,338</u></u>	<u><u>111,704</u></u>

Consolidated Statement of Cash Flows for the Year ended August 31, 2012 (cont'd)

	2012	2011
	S\$'000	S\$'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(27,504)	(27,448)
Purchase of licence	(200)	-
Proceeds from disposal of property, plant and equipment	706	524
Additions to investment properties	(350,267)	(40,083)
Acquisition of a subsidiary (net of cash acquired)	(61,245)	-
Acquisition of additional interest in a subsidiary	(3,855)	-
Acquisition of business by a subsidiary (net of cash acquired)	-	(43,065)
Net cash outflow from disposal of a subsidiary	-	(633)
Acquisition of an associate	-	(500)
Consideration paid on interest in an associate	(800)	-
Additional consideration paid on interest in an associate	(8,750)	(6,250)
Dividends received from associates	6,519	2,804
Proceeds from disposal of associates	-	240
Additional consideration paid on interests in jointly-controlled entities	(11,270)	(14,500)
Increase in amounts owing by associates/jointly-controlled entities	(642)	(812)
(Decrease)/Increase in amounts owing to jointly-controlled entities	(3,086)	7,936
Purchase of long-term investments	(19,833)	(7,842)
Proceeds from disposal/redemption of long-term investments	22,075	233
Purchase of short-term investments	(243,970)	(512,572)
Proceeds from disposal of short-term investments	427,482	771,164
Dividends received	24,934	28,466
Interest received	7,299	10,413
Other investment income	(2,437)	8,058
Net cash (used in)/from investing activities	(244,844)	176,133
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from bank loans (net of transaction costs)	234,265	299,634
Repayment of bank loans	(100,000)	(620,800)
Repayment of loan from a non-controlling interest	(988)	(412)
Interest paid	(24,905)	(39,183)
Proceeds from issuance of shares by the Company	3,334	4,443
Proceeds from issuance of shares to non-controlling interests	4,845	-
Loan from a non-controlling interest	36,900	-
Net cash from/(used in) financing activities	153,451	(356,318)
Net decrease in cash and cash equivalents	(20,055)	(68,481)
Cash and cash equivalents at beginning of financial year	392,514	460,995
Cash and cash equivalents at end of financial year	372,459	392,514

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, 2012

(a) Group

	Attributable to Shareholders of the Company									Non-controlling Interests S\$'000	Total Equity S\$'000
	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 Profits S\$'000	Total S\$'000		
Balance as at September 1, 2011	499,484	(11,024)	2,005	25,429	(5,645)	300,778	(3,602)	1,424,580	2,232,005	74,584	2,306,589
Total comprehensive income/(loss) for the year	-	-	-	-	(789)	23,933	1,235	365,542	389,921	3,885	393,806
Share-based compensation	-	-	-	6,290	-	-	-	-	6,290	-	6,290
Issue of shares	3,508	-	-	(174)	-	-	-	-	3,334	-	3,334
Treasury shares re-issued	-	8,834	-	(6,322)	-	-	-	(2,085)	427	-	427
Lapse of share options	-	-	-	(814)	-	-	-	814	-	-	-
Dividends	-	-	-	-	-	-	-	(386,367)	(386,367)	(7)	(386,374)
Acquisition of additional interest in a subsidiary	-	-	-	-	-	-	-	(3,264)	(3,264)	(591)	(3,855)
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	-	-	4,845	4,845
Balance as at August 31, 2012	502,992	(2,190)	2,005	24,409	(6,434)	324,711	(2,367)	1,399,220	2,242,346	82,716	2,325,062

Statements of Changes in Total Equity for the Year ended August 31, 2012 (cont'd)

(a) Group (cont'd)

	Attributable to Shareholders of the Company								Non-controlling Interests S\$'000	Total Equity S\$'000	
	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 Profits S\$'000			Total S\$'000
Balance as at September 1, 2010	494,738	(19,921)	2,005	26,817	(11,912)	265,276	(501)	1,469,780	2,226,282	79,744	2,306,026
Total comprehensive income/(loss) for the year	-	-	-	-	6,267	35,502	(3,101)	388,575	427,243	(5,142)	422,101
Share-based compensation	-	-	-	7,748	-	-	-	-	7,748	-	7,748
Issue of shares	4,746	-	-	(303)	-	-	-	-	4,443	-	4,443
Treasury shares re-issued	-	8,897	-	(8,272)	-	-	-	(400)	225	-	225
Lapse of share options	-	-	-	(561)	-	-	-	561	-	-	-
Dividends	-	-	-	-	-	-	-	(433,939)	(433,939)	(15)	(433,954)
Disposal of interest in a subsidiary	-	-	-	-	-	-	-	3	3	(3)	-
Balance as at August 31, 2011	499,484	(11,024)	2,005	25,429	(5,645)	300,778	(3,602)	1,424,580	2,232,005	74,584	2,306,589

Statements of Changes in Total Equity for the Year ended August 31, 2012 (cont'd)

(b) Company

	Share Capital	Treasury Shares	Share-based Compensation Reserve	Hedging Reserve	Fair Value Reserve	Retained Profits	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at September 1, 2011	499,484	(11,024)	25,429	(316)	34,373	714,614	1,262,560
Total comprehensive income/(loss) for the year	-	-	-	(240)	9,554	290,601	299,915
Share-based compensation	-	-	6,290	-	-	-	6,290
Issue of shares	3,508	-	(174)	-	-	-	3,334
Treasury shares re-issued	-	8,834	(6,322)	-	-	(2,085)	427
Lapse of share options	-	-	(814)	-	-	814	-
Dividends	-	-	-	-	-	(386,367)	(386,367)
Balance as at August 31, 2012	502,992	(2,190)	24,409	(556)	43,927	617,577	1,186,159
Balance as at September 1, 2010	494,738	(19,921)	26,817	(1,952)	29,216	722,000	1,250,898
Total comprehensive income for the year	-	-	-	1,636	5,157	426,392	433,185
Share-based compensation	-	-	7,748	-	-	-	7,748
Issue of shares	4,746	-	(303)	-	-	-	4,443
Treasury shares re-issued	-	8,897	(8,272)	-	-	(400)	225
Lapse of share options	-	-	(561)	-	-	561	-
Dividends	-	-	-	-	-	(433,939)	(433,939)
Balance as at August 31, 2011	499,484	(11,024)	25,429	(316)	34,373	714,614	1,262,560

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 well as the number of shares held as treasury shares, 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) During the financial year, the Company issued 884,225 ordinary shares under the Singapore Press Holdings Group (1999) Share Option Scheme (the "1999 Scheme").
- (b) As a result of the 884,225 ordinary shares issued pursuant to the 1999 Scheme, the Company issued 8,931 management shares in accordance with the Newspaper and Printing Presses Act, Cap. 206 between September 1, 2011 and August 31, 2012.
- (c) Under the 1999 Scheme, options to subscribe for 27,701,375 ordinary shares remain outstanding as at August 31, 2012 compared to 30,567,150 ordinary shares as at August 31, 2011. Movements in the number of the unissued shares of the Company under the 1999 Scheme during the financial are as follows:

<u>Outstanding as at 01.09.11</u> (‘000)	<u>Exercised</u> (‘000)	<u>Lapsed</u> (‘000)	<u>Outstanding as at 31.08.12</u> (‘000)
30,567	(884)	(1,982)	27,701

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, 2012, the number of shares granted and outstanding (being contingent award) under the SPH Performance Share Plan was 6,470,374 (August 31, 2011: 6,989,869). Movements in the number of performance shares during the financial year are summarised below:

<u>Outstanding as at 01.09.11</u> (‘000)	<u>Adjusted[#]</u> (‘000)	<u>Granted</u> (‘000)	<u>Vested</u> (‘000)	<u>Lapsed</u> (‘000)	<u>Outstanding and unvested as at 31.08.12</u> (‘000)
6,990	124	2,244	(2,166)	(722)	6,470

Adjusted at end of the performance period based on the level of achievement of pre-set performance conditions.

Share Buy Back

No shares were bought back by the Company during the financial year 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 1, 2011).

Share Capital and Treasury Shares

As at August 31, 2012, the Company had 1,595,682,578 ordinary shares, 16,317,041 management shares and 538,318 treasury shares (August 31, 2011: 1,592,633,075 ordinary shares, 16,308,110 management shares and 2,703,596 treasury shares).

During the financial year, the Company transferred 2,165,278 treasury shares for the fulfilment of share awards vested under the SPH Performance Share Plan. The total value of the treasury shares transferred was S\$8.8 million.

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. 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, 2012

Report on the Financial Statements

We have audited the accompanying financial statements of Singapore Press Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages # to #, which comprise the consolidated balance sheet of the Group and the balance sheet of the Company as at August 31, 2012, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in total equity and the consolidated statement of cash flows 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 of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and that 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.

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 about 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 of financial statements that give a true and fair view 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, the consolidated financial statements of the Group and the balance sheet of the Company 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 Group and of the Company as at August 31, 2012, and of the results, changes in equity and cash flows of the Group for the financial year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, 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 LLP
Public Accountants and Certified Public Accountants

Singapore,

October 12, 2012

The page numbers are as stated in the Independent Auditors' Report dated October 12, 2012 in the Singapore Press Holdings Annual Report 2012.

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 information has been prepared in accordance with the same accounting policies and methods of computation adopted in the audited financial statements of the previous financial year, except where new or amended Financial Reporting Standards ("FRS") and Interpretations to FRS ("INT FRS") became effective from this financial year.

The adoption of the new/revised FRS and INT FRS has not resulted in any substantial changes to the Group's accounting policies nor any significant impact on these financial statements.

5. **Earnings per share of the group for the current financial 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, 2012

		Group	
		2012	2011
(a)	Based on the weighted average number of shares on issue (S\$)	0.23	0.24
(b)	On fully diluted basis (S\$)	0.23	0.24

6. **Net asset value (for the issuer and group) per share based on the total number of issued shares excluding treasury shares 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, 2012	Aug 31, 2011	Aug 31, 2012	Aug 31, 2011
Net asset value per share based on total number of issued shares at the end of year (S\$)	1.39	1.39	0.74	0.78

7. **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 the Group's businesses and investments in Internet and related activities, outdoor advertising, radio broadcasting, television broadcasting, organising events/ exhibitions/ conventions/ conferences, book publishing and distribution, online investor relations services, developing applications and operating a financial portal.

Review of Results for the Year ended August 31, 2012 ("FY 2012") compared with the Year ended August 31, 2011 ("FY 2011")

- 7.1 Group operating revenue of S\$1,272.9 million for FY 2012 was S\$21.9 million (1.8%) higher compared to FY 2011. Revenue for the Group's Newspaper and Magazine business of S\$1,002.8 million was marginally lower by S\$10.5 million (1.0%) compared to FY 2011. Print advertisement revenue was S\$769.4 million, slightly down by \$5.3 million (0.7%) compared to the previous year. Circulation revenue declined by S\$4.3 million (2.1%) to S\$202.9 million.

Rental income for the Group grew by S\$23.5 million (14.0%) to S\$191.4 million. The Clementi Mall recorded an increase in rental income of S\$18.6 million (100.6%) on the back of a full year's operations. Paragon's rental income increased by S\$4.6 million (3.1%) as a result of higher rental rates achieved.

Operating revenue from the Group's other businesses improved by S\$8.9 million (12.8%) to S\$78.7 million, with increased contribution from the exhibitions business.

- 7.2 Materials, production and distribution costs increased by S\$2.2 million (1.0%). Newsprint costs were lower by S\$1.0 million (1.0%) while distribution costs rose by S\$5.4 million (23.4%) partly due to costs from newspaper subscription drives.

Staff costs rose by S\$11.7 million (3.4%) due to salary increments and increased headcount from the acquisition of ACP Magazines Pte Ltd, partially offset by a reduced variable bonus provision.

The increase in premises costs of S\$7.0 million (12.7%) was attributable to The Clementi Mall being fully operational this year, and higher utilities cost overall.

Other operating expenses rose by S\$14.8 million (12.1%) due to step-up in overheads in tandem with increased business activities and inflationary pressures.

Finance costs fell by S\$15.4 million (38.6%) due to reduced average level of borrowings coupled with lower interest rates.

- 7.3 Consequently, the Group's recurring earnings of S\$410.2 million for FY 2012 was S\$1.2 million (0.3%) higher compared to FY 2011.
- 7.4 Investment income fell by S\$17.8 million (35.3%) to S\$32.6 million due to mark-to-market losses arising from volatility in foreign exchange rates, and lower dividend and interest income.
- 7.5 The Group's share of results of associates and jointly-controlled entities included results from its stakes in MediaCorp Press and MediaCorp TV Holdings, OpenNet, and its other media investments.
- 7.6 Taxation charge of S\$72.3 million was arrived at after accounting for tax on the taxable income at the corporate tax rate of 17%. This included an amount of S\$2.1 million for over-provision of taxation in respect of prior years.
- 7.7 Overall, net profit attributable to shareholders was S\$365.5 million, lower by S\$23.0 million (5.9%) compared to FY 2011.

8. 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.

9. 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

- 9.1 Against the backdrop of a challenging global economic environment, the near-term economic growth in Singapore is expected to remain modest. The Group's print advertisement revenue will continue to move in tandem with the performance of the Singapore domestic economy.
- 9.2 Newsprint charge-out rate is expected to remain marginally unchanged with newsprint prices holding steady taking into account demand and supply considerations.
- 9.3 The Group's retail properties, Paragon and The Clementi Mall, are fully leased and continue to turn in a steady performance. The development of Seletar Mall is in progress and is expected to be completed at the end of 2014.
- 9.4 Amidst the ensuing economic uncertainties, the Group's investment portfolio allocation remains conservative and returns are expected to be commensurate with a lower risk-return profile.

- 9.5 The Group will continue its strategy to invest in online media and other growth businesses while striving to sustain its core newspaper business.

10. 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	8 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	8 cents per share
Tax rate	Tax exempt (One-tier)	Tax exempt (One-tier)

(c) Date payable

The date the dividend is payable: December 21, 2012

(d) Books closure date

The Share Transfer Books and Register of Members of the Company will be closed on December 12, 2012 for preparation of dividend warrants. Duly stamped and completed transfers received by our Share Transfer Office, Tricor Barbinder Share Registration Services, 80 Robinson Road #02-00 Singapore 068898, up to 5 p.m. on December 11, 2012 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.

11. If no dividend has been declared (recommended), a statement to that effect

Not applicable.

12. 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
2012**

	Newspaper and <u>Magazine</u> S\$'000	Treasury and <u>Investment</u> S\$'000	<u>Property</u> S\$'000	<u>Others</u> S\$'000	<u>Eliminations</u> S\$'000	<u>Consolidated</u> S\$'000
Operating revenue						
External sales	1,002,762	-	191,421	78,730	-	1,272,913
Inter-segmental sales	5,126	-	1,984	1,983	(9,093)	-
Total operating revenue	<u>1,007,888</u>	<u>-</u>	<u>193,405</u>	<u>80,713</u>	<u>(9,093)</u>	<u>1,272,913</u>
Result						
Segment result	330,552	31,587	123,704	(18,945)	-	466,898
Finance costs	(42)	(469)	(23,931)	(10)	-	(24,452)
Interest income	107	-	197	82	-	386
Share of profits/(losses) of associates and jointly- controlled entities	<u>4,506</u>	<u>-</u>	<u>-</u>	<u>(5,678)</u>	<u>-</u>	<u>(1,172)</u>
Profit/(loss) before taxation	335,123	31,118	99,970	(24,551)	-	441,660
Taxation						<u>(72,302)</u>
Profit after taxation						369,358
Non-controlling interests						<u>(3,816)</u>
Profit attributable to shareholders						<u>365,542</u>
Other information						
Segment assets	<u>657,523</u>	<u>1,001,544</u>	<u>2,267,888</u>	<u>130,290</u>	<u>-</u>	<u>4,057,245</u>
Segment assets includes:						
Investments in associates/ jointly-controlled entities	36,611	-	-	58,073	-	94,684
Additions to:						
- property, plant and equipment	21,540	-	873	5,091	-	27,504
- investment properties	-	-	353,436	-	-	353,436
- intangible assets	56,950	-	-	200	-	57,150
Segment liabilities	<u>202,091</u>	<u>284</u>	<u>1,369,207</u>	<u>31,518</u>	<u>-</u>	<u>1,603,100</u>
Current income tax liabilities						81,856
Deferred income tax liabilities						<u>47,227</u>
Consolidated total liabilities						<u>1,732,183</u>
Depreciation	44,175	-	29,964	4,065	-	78,204
Amortisation of intangible assets	2,482	-	-	5,196	-	7,678
Impairment of property, plant and equipment	5	-	-	79	-	84
Reversal of impairment of property, plant and equipment	(849)	-	-	-	-	(849)
Allowance for impairment of intangibles assets	-	-	-	481	-	481

Group Segmental Information (cont'd)
2011

	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	1,013,285	-	167,884	69,803	-	1,250,972
Inter-segmental sales	4,336	-	1,875	1,507	(7,718)	-
Total operating revenue	<u>1,017,621</u>	<u>-</u>	<u>169,759</u>	<u>71,310</u>	<u>(7,718)</u>	<u>1,250,972</u>
Result						
Segment result	361,603	49,477	107,264	(19,595)	-	498,749
Finance costs	-	(7,863)	(31,938)	(10)	-	(39,811)
Interest income	106	-	240	105	-	451
Share of profits/(losses) of associates and jointly- controlled entities	<u>3,894</u>	<u>-</u>	<u>-</u>	<u>(6,601)</u>	<u>-</u>	<u>(2,707)</u>
Profit/(loss) before taxation	365,603	41,614	75,566	(26,101)	-	456,682
Taxation						<u>(72,931)</u>
Profit after taxation						383,751
Non-controlling interests						<u>4,824</u>
Profit attributable to shareholders						<u>388,575</u>
Other information						
Segment assets	<u>642,415</u>	<u>1,275,198</u>	<u>1,841,897</u>	<u>129,264</u>	<u>-</u>	<u>3,888,774</u>
Segment assets includes:						
Investments in associates/ jointly-controlled entities	38,714	-	-	44,025	-	82,739
Additions to:						
- property, plant and equipment	25,811	-	496	1,141	-	27,448
- investment properties	-	-	40,083	-	-	40,083
- intangible assets	-	-	-	43,570	-	43,570
Segment liabilities	<u>208,786</u>	<u>100,060</u>	<u>1,098,329</u>	<u>36,041</u>	<u>-</u>	<u>1,443,216</u>
Current income tax liabilities						89,488
Deferred income tax liabilities						<u>49,481</u>
Consolidated total liabilities						<u>1,582,185</u>
Depreciation	54,260	-	16,323	6,202	-	76,785
Amortisation of intangible assets	1,019	-	-	4,693	-	5,712
Impairment of property, plant and equipment	-	-	-	1,513	-	1,513
Reversal of impairment of property, plant and equipment	(1,609)	-	-	-	-	(1,609)
Impairment of goodwill	1,134	-	-	-	-	1,134
Impairment of investments	-	4,714	-	-	-	4,714

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, providing marketing and editorial services and providing online search, directories and classified services.

	<u>Operating revenue</u>		<u>Non-current assets</u>		<u>Total assets</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Singapore	1,232,503	1,213,780	3,015,032	2,644,444	3,986,321	3,836,152
Other countries	40,410	37,192	49,342	34,870	70,924	52,622
	<u>1,272,913</u>	<u>1,250,972</u>	<u>3,064,374</u>	<u>2,679,314</u>	<u>4,057,245</u>	<u>3,888,774</u>

13. **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 7.

14. **Breakdown of Sales**

		Group		
		2012	2011	Change
		S\$'000	S\$'000	%
(a)	Operating revenue reported for first half year	630,857	606,537	4.0
(b)	Profit after tax before deducting non-controlling interests reported for the first half year	181,411	173,562	4.5
(c)	Operating revenue reported for second half year	642,056	644,435	(0.4)
(d)	Profit after tax before deducting non-controlling interests reported for the second half year	187,947	210,189	(10.6)

15. **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

	2012	2011
	S\$'000	S\$'000
Ordinary	386,787	386,174
Preference	-	-
Total	386,787	386,174

The amount of S\$386,787,000 (Last year: S\$386,174,000) included S\$3,916,000 (Last year: S\$3,914,000) for management shares.

- * This may be increased depending on the number of issued shares existing as at the books closure date on December 12, 2012.

16. **If the group has obtained a general mandate from shareholders for Interested Person Transactions, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Company has not obtained a general mandate from shareholders for Interested Person Transactions. There were no interested person transactions for the year under review.

17. **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive office or substantial shareholder of the issuer pursuant to Rule 704(13). If there are no such persons, the issuer must make an appropriate negative statement.**

The Company confirms that there is no person occupying a managerial position in the Company who is related to a director, chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Ginney Lim May Ling
Khor Siew Kim

Company Secretaries

Singapore,
October 12, 2012