



SINGAPORE PRESS HOLDINGS LIMITED

*Reg. No. 198402868E
(Incorporated in Singapore)*

SPH reports Full Year Net Profit of \$431.0 million

SINGAPORE, 11 October 2013 – Singapore Press Holdings Limited (SPH) today reported its results for the year ended 31 August 2013 (FY 2013). Net profit attributable to shareholders of \$431.0 million was \$143.8 million (25.0%) lower compared to FY 2012. The current year's results included a fair value gain of \$111.4 million arising from the change in recognition of investment properties from cost to fair value basis in view of the establishment of SPH REIT. This was \$87.3 million (43.9%) lower than the fair value gain recognised in the previous year based on restated financial statements. Group recurring earnings of \$369.3 million fell by \$59.5 million (13.9%), mainly attributable to lower contribution from the Newspaper and Magazine business including an impairment charge for an overseas subsidiary. In addition, there was a step-up in business activities for the Online segment.

Group operating revenue of \$1,239.5 million for FY 2013 was \$33.5 million (2.6%) lower against FY 2012. Revenue for the Newspaper and Magazine business fell \$40.0 million (3.9%) to \$991.2 million. This was attributable to declines in advertisement revenue (\$31.7 million or 4.0%) and circulation revenue (\$7.2 million or 3.6%).

Rental income for the Group edged up by \$6.7 million (3.5%) to \$198.1 million on the back of higher rental rates achieved by Paragon, while income from The Clementi Mall remained stable. During the year, SPH REIT was established via the injection of Paragon and The Clementi Mall, with the Group retaining a 70% stake.

Materials, production and distribution costs saw a reduction of \$12.9 million (5.8%), with newsprint costs being lower by \$12.2 million (12.2%). Staff costs decrease of \$10.5 million (2.9%) was attributable to a lower variable bonus provision partially offset by salary increments.

Other operating expenses rose \$40.4 million (29.6%). The increase arose mainly from certain non-recurring charges totalling \$26.0 million which included impairment of an overseas magazine subsidiary due to unfavourable market outlook (\$15.6 million). In addition, there was an increase in cost of \$8.0 million in tandem with a step-up in business promotion activities particularly for the online businesses.

Investment income fell \$18.6 million (57.1%) to \$14.0 million. This was due to impairment charges of \$17.6 million on portfolio investments arising from prolonged decline in value.

On the outlook for the business, Mr Alan Chan, Chief Executive Officer of SPH commented: "Amidst a challenging environment of evolving media consumption behaviour, the Group is reviewing new growth opportunities whilst exploring ways to reinvigorate its core media business. In this respect, we have engaged a strategy consultant and work has been ongoing for the last six months with various teams working on several initiatives.

"Good progress has been made. We have identified various initiatives which, when implemented, would generate cost savings of about \$19 million a year. Two examples of such initiatives relate to reducing newspaper returns and workflow changes to better utilise the printing presses. The project team is also working on a host of other initiatives to further improve revenue and profit.

"To grow our media business, I am pleased to add that we will be establishing a \$100 million New Media Fund to invest in media-related businesses. These investments will play a critical role to support our aspiration to be the leading multi-media company in Asia. "

The Directors of SPH have proposed a Final Dividend of 15 cents per share, comprising a Normal Dividend of 8 cents per share and a Special Dividend of 7 cents per share in respect of the financial year ended 31 August 2013. These dividends are on tax-exempt (one-tier) basis and will be paid on 20 December 2013. Together with the Interim Dividend of 7 cents and Special Dividend in relation to the listing of SPH REIT of 18 cents, total Dividend payout for FY2013 will be 40 cents.

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About Singapore Press Holdings Ltd

Incorporated in 1984, main board-listed Singapore Press Holdings Ltd (SPH) is Southeast Asia's leading media organisation, engaging minds and enriching lives across multiple languages and platforms.

Newspapers, Magazines and Book Publishing

SPH has 19 titles licensed under the Newspaper Printing and Presses Act, of which nine are daily newspapers across four languages. On an average day, 3.05 million individuals or 76 per cent of people above 15 years old, read one of SPH's news publications. SPH also publishes and produces more than 100 magazine titles in Singapore and the region, covering a broad range of interests from lifestyle to information technology. SPH's subsidiaries, Straits Times Press and Focus Publishing, produce quality books and periodicals in English and Chinese.

Internet and Mobile

Beyond print, the Internet editions of SPH newspapers enjoy over 300 million page views with 20 million unique visitors every month. Apart from AsiaOne, SPH's online and new media initiatives include ST701, the leading online marketplace for jobs (STJobs), property (STProperty), cars (STCars) and general classifieds (STClassifieds); Stomp, omy.sg and The Straits Times RazorTV. SPH also launched The Straits Times' iPad and enhanced iPhone applications, an Android smartphone application and The Business Times' iPhone application. SPH's Chinese flagship newspaper Lianhe Zaobao has also launched its digital editions which include a web application, as well as online and PDF versions.

Broadcasting

In the radio business, SPH UnionWorks Pte Ltd operates entertainment stations UFM 100.3 in Mandarin, as well as Kiss92 and HOT FM91.3 in English. SPH has a 20 per cent stake in MediaCorp TV Holdings Pte Ltd, which operates free-to-air channels 5, 8 and U, and a 40 per cent stake in MediaCorp Press Limited, which publishes the free newspaper, Today.

Events and Out-of-Home Advertising

SPH's events arm Sphere Exhibits organises innovative consumer and trade events and exhibitions as well as large scale conferences in Singapore and the region. In addition, SPH has ventured into out-of-home (OOH) advertising through its digital out-of-home platform SPHMBO.

Properties

SPH REIT is a Singapore-based REIT established principally to invest, directly or indirectly, in a portfolio of income-producing real estate which is used primarily for retail purposes in Asia-Pacific, as well as real estate-related assets. SPH REIT is managed by SPH REIT Management Pte. Ltd., which is a wholly-owned subsidiary of Singapore Press Holdings Limited.

The initial portfolio of SPH REIT comprises the following two high quality and well located commercial properties in Singapore:

- Paragon, a premier upscale retail mall and medical suite/office property, well known for its upscale mall housing many luxury brands, located in the heart of Orchard Road; and
- The Clementi Mall, a mid-market suburban mall located in the centre of Clementi town, an established residential estate in the west of Singapore.

The Seletar Mall is SPH's latest retail development and is expected to open at the end of 2014. This property is a potential asset to be injected into SPH REIT. SPH's wholly-owned subsidiary, Times Development Pte Ltd, also developed a 43-storey upmarket residential condominium, Sky@eleven, at Thomson Road.

For more information, please visit www.sph.com.sg.